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PROCEEDINGS AND DEBATES OF THE 103d CONGRESS, FIRST SESSION

HOUSE OF REPRESENTATIVES—*Thursday, May 20, 1993*

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

In our prayers, O God, we express our petitions for a better world, for lasting peace, for understanding between peoples, for a casting away of all prejudice and selfishness, for an attitude between every person that expresses respect and honor. We admit, O God, that we too often follow our own way and do not see the needs of friends or neighbors, that we take the easy road and miss the joy that comes with a commitment to others. Open our eyes, our hearts, our hands, our minds, gracious God, so we truly see the needs of others. In Your name, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Minnesota [Mr. RAMSTAD] come forward and lead the House in the Pledge of Allegiance.

Mr. RAMSTAD led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S.J. Res. 84. Joint resolution designating the week of June 1, 1993, through June 7, 1993, as a "Week for the National Observance of the Fiftieth Anniversary of World War II".

The message also announced that pursuant to Public Law 93–415, as amended by Public Law 102–586, the Chair, on behalf of the majority leader after consultation with the Republican leader, announces the appointment of John Cahill of Nevada, for a 2-year term, and Ronald Costigan of Maine, for a 3-year term, to the Coordinating Council on Juvenile Justice and Delinquency Prevention.

The message also announced that pursuant to Public Law 103–3, the Chair, on behalf of the Republican Leader, announces the appointment of Mr. CRAIG, Leland B. Cross, Jr., of Indiana, and Scottie Theresa Neese of Oklahoma, as members of the Commission on Leave.

The message also announced that pursuant to sections 1928a–1928d, of title 22, United States Code, the Chair, on behalf of the Vice President, appoints Mr. COCHRAN, Mr. PRESSLER, Mr. SPECTER, Mr. MURKOWSKI, and Mr. BENNETT, as members of the Senate Delegation to the North Atlantic Assembly spring meeting during the first session of the 103d Congress, to be held in Berlin, Germany, May 20–24, 1993.

PROUD OF PRESIDENT'S ECONOMIC PLAN

(Mr. VISCLOSKY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VISCLOSKY. Mr. Speaker, I am proud of the economic package President Clinton has proposed. For the first time in 12 years, a President's economic plan comes to grips with the real world, investing in America and reducing the deficit; but the real pride of this plan is that the President and the committee of this House have made some very tough choices and some very real cuts.

President Clinton's plan contains $100 billion in entitlement cuts. There will be over 150,000 less people in the Federal work force when the President's plan is fully implemented. Those still working for the Federal Government will have had their cost-of-living adjustments cut or postponed.

In the reconciliation package, we have cut billions of dollars from Federal programs, including military and veterans' programs that were thought to be untouchable.

Mr. Speaker, we can be proud. After 12 years of empty rhetoric, a Democrat in the White House has given the American real people spending cuts, including cuts in entitlements, real deficit reduction, and real investment in our Nation's future.

PRESIDENT BILL CAME UP THE HILL

(Mr. BALLENGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BALLENGER. Mr. Speaker, President Bill came up the Hill to fetch a pail a taxes.

But Bill fell down and broke his crown.

When he failed to use any spending axes.

Yes, Mr. Speaker, the President came to the Hill yesterday to ask for support in his own party for the largest tax increase in history.

But, responsible Democrats are shying away from this huge tax increase. Why? Because they know we don't need it.

We need to cut spending, not burden the middle class with an energy tax.

We need to cut spending, not handicap our seniors with a Social Security tax.

We need to cut spending, Mr. Speaker. We do not need more taxes.

I applaud our Democratic colleagues who are sending the President our message for us. Cut spending first.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Let the Chair say that we welcome all our guests in the Gallery, but the House rules prohibit any visitors from expressing approval or disapproval of any statements, speeches, or other actions on the floor of the House. We will be appreciative if that rule is observed.

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

A $10 BILLION TRADE DEFICIT

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute an to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, $10 billion, Members, billions, $10 billion, a one-time monthly high over the last 4 years of trade deficits, and while we are all laughing, Americans are losing their jobs hand over fist, and imports hit an all-time high.

You do not have to be a rocket scientist to figure it out. We have a billion dollar budget deficit every day and America imports 1.6 billion dollars' worth of toasters and televisions and cars every day.

They are telling us over at Commerce it is because our economy is so good.

I say we have a massive trade deficit because Congress is a bunch of wimps that have given away our jobs and our freedom.

I cannot believe that we would tolerate the most protectionist nation in the world, Japan, to rape our jobs and let them get away with it.

IN OPPOSITION TO THE BTU

(Mr. THOMAS of Wyoming asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. THOMAS of Wyoming. Mr. Speaker, one of the previous Members who came to the floor was talking about what the Democrat in the White House has given us. Let me tell you what he has given us.

Next week the House will consider the President's proposal to levy the largest tax increase in history. Included in that proposal will be a middle-class energy tax, known as the Btu tax.

I oppose the Btu tax, Mr. Speaker, and I urge the Democrat leadership to give us an opportunity to strike this provision.

I oppose the Btu tax because it will destroy jobs, hurt competitiveness, that we just talked about here now, and puts unfair burdens on the middle class. In my State of Wyoming it is projected that the cost per family will be between $960 and $1,100.

According to the National Association of Manufacturers, the Btu tax will cost up to 600,000 jobs. I thought the President wanted to create jobs, not kill them.

The Btu tax will also impede our efforts to compete in the global markets, hurting our exports and encouraging more imports that will hurt American businesses.

Finally, the Btu tax will hit the middle class the hardest, not the rich.

Mr. Speaker, we need an opportunity to kill this tax. Please give us a chance in the rule next week.

PUTTING OUR FISCAL HOUSE IN ORDER

(Mr. PRICE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PRICE. Mr. Speaker, next week the House will have an opportunity to put teeth in the budget resolution that we passed on March 31 and to enact many of the spending cuts that resolution calls for. This broad-gauged reconciliation bill is the cornerstone of the President's economic plan and we must pass it.

This plan contains 200 cuts in both discretionary spending and entitlements, and it writes enforceable spending caps and pay-as-you-go rules into the law. It is balanced and fair in its revenue provisions, with 75 percent of the tax increases coming from those who earn more than $100,000 a year. It also contains tax cuts to encourage investment in small businesses and to free up their cash flow.

The plan will reduce the deficit by $496 billion over the next 5 years, including $50 billion in spending cuts beyond those proposed by the President. Yet it also leaves room for the new investments—in education and training, research and development, communications and transportation infrastructure—critical to our economic future.

This is exactly the kind of bold and comprehensive economic plan we need, ensuring that we will both reduce and redirect spending, freeing up private investment, and enabling our economy to grow and our standard of living once again to rise.

Now, Mr. Speaker, the naysayers are out in force, trying to perpetuate gridlock and stand in the way of change. To hear them tell it, this is just one big bundle of taxes and they would like nothing better than to pick it apart.

I invite them actually to read the plan and then to take the long view, for this economic plan represents the last best chance we are going to have for a long time to reverse the borrow-and-spend policies of the 1980's, to get our fiscal house in order, to cut through the political posturing and to secure our economic future.

COMPETING WITH THE BTU

(Ms. DUNN asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. DUNN. Mr. Speaker, yesterday we finally finished consideration of the competitiveness bill. If this Chamber is really concerned about American competitiveness, we should take a hard and an honest look at the President's energy tax.

This is a middle-class energy tax and it will have a devastating impact on our Nation's competitiveness.

According to the National Association of Manufacturers:

> The Btu tax would unilaterally increase the cost of United States-produced goods relative to foreign-produced goods, thereby impairing U.S. competitiveness in both domestic and overseas markets.

In other words, inflation and unemployment.

It seems to me, Mr. Speaker, that we should all touch base with the President. If we are truly concerned about how our Nation competes, the best thing to do is to convince President Clinton to drop his middle-class energy tax.

□ 1010

INTRODUCTION OF LEGISLATION TO PROVIDE AFFORDABLE PUBLIC HOUSING

(Mr. BILBRAY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BILBRAY. Mr. Speaker, in these tumultuous economic times, there has never been a greater need for adequate, affordable public housing.

Many Americans, especially our Nation's seniors, would be unable to live independent lives without the assistance of federally funded housing programs.

We have at hand a means to eliminate needless layers of bureaucracy associated with uncoordinated policies.

The bill I introduce today presents an innovative use of resources already at hand.

It amends the Federal Land Policy and Management Act, making public lands available to local housing authorities at a reduced rate for the express purpose of creating low-cost housing.

Long waiting lists of Americans in need of affordable housing demand a better coordination of Federal efforts with local needs.

I recently assisted the Las Vegas Jaycees obtain a small piece of Federal land to build a low-cost senior mobile home park.

After the Jaycees spent a decade working with Federal agencies, an act of Congress was required to transfer a small parcel of land.

This initiative would eliminate the need for such elaborate measures. This legislation is not meant to rob or drain the Nation of our public lands. These local projects are small in scale.

It is my hope that this initiative will enable local housing authorities and local governments to further stretch their already strained Federal dollars and make life more enjoyable for those who so desperately need our assistance.

THE MIDDLE CLASS CAN'T TAKE A TAX HIT

(Ms. SNOWE asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. SNOWE. Mr. Speaker, as everyone is aware, the Endangered Species Act is likely to come up for reauthorization this year. Unfortunately, this reauthorization will be too late for some. In the past 6 months, yet another species has gone extinct. That species is the Clinton middle-class tax cut.

While I was distressed to see this species disappear, the administration did not blink, for it has another species specially engineered to take its place. It is called the Btu tax, and it eats the hard-earned income of working Americans. So now, the Clinton administration is giving the middle class a tax hike instead of a tax break, and this tax increase would cost the average American family $440 a year.

Well, where I come from, that is a lot of money. In the Second District of Maine, the average per capita income is just over $11,000 per year. This $440 is too big a tax bite from the new and improved Clinton tax species for working Americans to have to survive, and have to buy food and clothes, pay rent, and keep warm during the long cold winter months in Maine. The Clinton administration is asking the American people to ante up more of their income while exempting industries like aluminum and chlorine.

I agree with the President that we need to reduce the deficit, reduce oil imports, and reduce the environmental impact of our energy use. But the answer to these problems is not to further reduce the modest income of working Americans. We in this body can afford to explore a wide range of alternatives like reducing Federal spending, but middle- and working-class people cannot afford another tax hit.

THE PRESIDENT'S BUDGET PLAN RESTORES TAX FAIRNESS

(Mr. FAZIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FAZIO. Mr. Speaker, while the official start to summer is just a week away, it is pretty steamy under the Capitol. In the steam of the host rhetoric lie the facts.

Changing the Nation's spending priorities is a difficult task, but we must make it happen.

The President's budget plan restores tax fairness. Those who earn over $100,000 a year, the richest 5 percent in our country, will shoulder 75 percent of the new taxes.

A family that makes less than $20,000 a year will actually have their taxes cut by $2 a month.

The budget that we passed cuts the deficit by nearly $500 billion. We achieve this deficit reduction by cutting $100 billion in annual spending.

In addition, we have included another $100 billion in entitlement cuts, half of which are in the medical area.

The reality is that we have made the tough choices in our budget plan, and now we must finish what we have started and make permanent these changes in our spending priorities.

COST OF GOVERNMENT DAY

(Mr. DELAY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DELAY. Mr. Speaker, we are all familiar with Tax Freedom Day, the symbolic day in May when the overburdened American taxpayer is through paying for big government. However, in a little while, Members of Congress will hold a press conference to announce a day that represents the true cost of big government—the Cost of Government Day.

Americans for Tax Reform has calculated that the Cost of Government Day this year falls on July 13—later than ever before. In other words, Government is costing taxpayers and businesses more than ever before.

In fact, Americans for Tax Reform calculates that the true cost of Government, which includes spending regulation and litigation, takes 53 percent of our net national product. That's 53 percent of our economy that the private sector can't invest to create growth and new jobs.

Mr. Speaker, American entrepreneurs and American taxpayers need relief. We need to reduce the cost of the Government and commit to an agenda of lower spending, lower taxes, and deregulation.

BIENNIAL BUDGET LEGISLATION

(Mr. HUTTO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUTTO. Mr. Speaker, I am introducing legislation today to establish a biennial budget process. The gentleman from Alabama [Mr. CALLAHAN] has joined with me in this bipartisan effort to reform our budgetary system.

It is no secret that Government spending is out of control—we have the annual deficit and national debt to prove it. I strongly believe that we need more oversight of Government programs. In theory, each year Congress evaluates ongoing programs for efficiency. In practice, previously funded programs live on. This pattern must be broken.

Congress must exercise more spending restraint. I believe that funding Government programs for 2 years would allow more time for evaluating which programs are really working for America and determining where cuts should be made. A biennial budget cycle would provide more long-range fiscal planning and reduce Government spending. At the very least, a biennial budget cycle would discourage agencies from spending down funding in order to obtain the same annual appropriation.

Mr. Speaker, our present annual budget cycle does not encourage the frugal use of Government funds. It is time for a change.

MIDDLE AMERICANS TO PAY FOR THE LARGEST TAX INCREASE IN HISTORY

(Mr. SMITH of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Texas. Mr. Speaker, during the campaign, candidate Clinton promised that he would only raise taxes on the wealthy. He defined "wealthy" as "those who make more than $200,000."

Well, Mr. Speaker, something has happened since the election. Since then Mr. Clinton has proposed increasing income taxes on all those who make more than $100,000. He has proposed increasing the Social Security tax on all those who make more than $25,000. And he has proposed an energy tax on all those who make more than $20,000. That energy tax will also cost Americans 600,000 jobs.

Well, Mr. Speaker, as we predicted and as we expected, middle America is going to pay the price, and middle America is going to pay for this tax bill. We should say congratulations to all those Americans who make more than $20,000. Mr. Clinton now thinks they are wealthy. So middle Americans are going to pay for this largest tax increase in history.

IT'S CALLED GOVERNING

(Mrs. MEEK asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. MEEK. Mr. Speaker, I served the last 12 years in the Florida Senate, and many years we had to cut spending and on occasions raise taxes. I did not enjoy it, but I did not hide from my duty. But we did not balance the budget on the backs of the elderly and the poor.

This week is not a pleasant task for me, but I was elected to make hard sensitive choices. I compliment the committees of the House on their efforts.

There are, however, the proponents of gridlock who are unwilling to make choices. They have the vain hope that the President and this Congress will fail. Their desire for failure is based upon a misplaced assumption that the American people will not see through the fog of rhetoric so that they will win back the White House.

They cry for deficit reduction by spending cuts, but they oppose a package of spending cuts and revenue increases totaling $500 billion over 5 years.

Many people in the Congress long for the good old days of President Reagan, but his best record was in 1981 when he got everything he asked for. And, what was that record? Forty-nine billion dollars of insensitive spending cuts offset by $282 billion in lost revenues and tax cuts for the rich and powerful. The naysayers best record was to increase the deficit by $233 billion to benefit their rich and powerful friends.

And who paid the price for their rich and powerful friends? The middle class, the working people, and the powerless. They trashed the economy, and now the bill has come due from their spending on the national credit card.

This is a balanced package, not a perfect package, if one exists.

To the naysayers, I say what more will you cut? Education, transportation, Social Security?

It is one thing to cry crocodile tears, it is another to make the tough choice.

The President made tough but sensitive proposals. A majority of the members of our committees have done their job by addressing the proposals and made adjustments where appropriate but with their eye on the bottom line. This is the process the Constitution contemplates.

I do not enjoy making these votes, but I was not sent here to just say no. I was sent here to help govern. I accept that privilege. Join me, make the tough decision, vote yes on this package.

Let us govern America.

□ 1020

THE 328 NAMES ADDED TO POLICE MEMORIAL

(Mr. RAMSTAD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RAMSTAD. Mr. Speaker, the National Law Enforcement Officers Memorial added 328 names this year—names of brave cops like Minneapolis police officer Jerry Haaf who died in the line of duty.

As 13,256 candles flickered last Thursday night, representing all the police officers killed in the United States, I was haunted by thoughts of Jerry and another friend, J.W. Anderson, of the Wayzata Police Department, killed in 1982.

I was haunted by thoughts of all my cop friends who put their lives on the line every day. I hope and pray that none of their names are unveiled on the wall next spring.

I also hope every person who visits our Nation's Capital will visit the Police Officers' Memorial at Judiciary Square. Seeing the wall will help people realize what cops and their families endure every day they put on the badge.

Mr. Speaker, we honor the dead like Jerry Haaf and J.W. Anderson by respecting the living.

That is why we need to show our brave cops we care, by passing a crime bill that gives them the protection they need.

That is why we need to pass a crime bill that includes the death penalty for cop killers.

Mr. Speaker, we need a crime bill now.

MORE AMERICAN JOBS THREATENED BY NAFTA, TRADE WITH CHINA

(Mr. APPLEGATE asked and was given permission to address the House for 1 minute.)

Mr. APPLEGATE. Mr. Speaker, everybody who gets up here usually has a plan on how to resolve the country's economic problems. It gets down to trade.

Do you want the North American Free-Trade Agreement? Do you want to balance the budget? Well, I say to my friends that you cannot have both. You can raise taxes, or you can keep the good jobs that are being sent out of the country to all these other countries of the world. That is why we have the debt we have. You cannot tax minimum- and low-wage jobs. You cannot tax pensions. You cannot tax benefits and expect to balance the budget. I say to my friends, "It just ain't going to work."

If you want more debt, than pass the North American Free-Trade Agreement, then open up more of our markets to China, and then open up still more of our markets to Vietnam, because that is exactly what is going to happen.

Do you want to balance the budget? Then bring back American jobs and put Americans back to work.

BTU TAX

(Mr. GOODLATTE asked and was given permission to address the House for 1 minute.)

Mr. GOODLATTE. Mr. Speaker, the President was out in California this week trying to convince struggling American families and businesses that they are really undertaxed, and what they really need are brand new tax increases, and brand new useless, expensive, Government programs that will create new jobs alright—for the bureaucrats in Washington, DC.

In fact, a man in my district told me that one of President Clinton's many tax increase proposals, the Btu tax, really stands for big time unemployment, because that's exactly what it's going to cause.

The Btu tax, or energy tax as it is better known, will cost at least 600,000 jobs across our Nation and over 10,000 jobs in my State of Virginia. It will increase taxes on just about anything that moves in America.

I urge my fellow Members to vote against the President's $360 billion in new taxes. I have said this before, but it's important enough to say again, the problem is not that the American people are taxed too little. The problem is that the Federal Government simply spends too much.

REMOVE SOCIAL SECURITY TAX FROM BUDGET

(Mr. GENE GREEN of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GENE GREEN of Texas. Mr. Speaker, I rise today to voice my extreme concern with the proposal to increase taxes on Social Security. When Social Security was created, it was designed to be a supplement to other retirement income. Now we are about to increase taxes on people who saved their money, invested wisely, and who now have a retirement income to supplement.

We have already made the commitment to our senior citizens and we should not change the rules in the middle of the game. Social Security recipients represent the segment of our society who is least responsible for our current debt and least able to pay to bail us out.

While I wholeheartedly support the President's efforts to reduce the deficit, it is important for us not to attempt to do so on the backs of senior citizens. I strongly urge my colleagues to consider this provision in the tax bill and look for more equitable ways to raise the revenue we need.

INTRODUCTION OF BIENNIAL BUDGET LEGISLATION

(Mr. CALLAHAN asked and was given permission to address the House for 1 minute.)

Mr. CALLAHAN. Mr. Speaker, I am pleased to join today with my colleague from Florida, Mr. HUTTO, in sponsoring the Biennial Budgeting Act of 1993.

As its name implies, this bill would establish a 2-year budget and alter the overall budget process accordingly. A 2-year budget alone will not resolve our budget problems, but I am convinced that it will greatly help.

Under a 2-year budget plan, the budget itself would be finalized during the first session of every Congress. Budget-related activities in the second session would be limited to oversight and authorization of new budget authority for the next Congress.

This schedule is more efficient than the current process which seems to consume a good portion of both years of a Congress. A 2-year budget frees up Congress to focus on other important issues and act with more certainty that budget guidelines will be in place for 2 years. Departments and agencies will be able to operate programs with the assurance of stability for 2 years and they can plan better for future priorities.

Mr. Speaker, we have promoted this legislation in the past and I believe the concept has broad support. However, the deficit and debt have not diminished. Now is the time to seriously consider a biennial budget, and I urge my colleagues to join with Mr. HUTTO and me in this effort.

PRESIDENT'S BUDGET PLAN DESERVES A CHANCE

(Mr. MAZZOLI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MAZZOLI. Mr. Speaker, we are elected to Congress, not just to cast the easy votes in which we have great preponderate agreement. We are elected to Congress to cast the tough votes, the difficult ones, and the vexing ones. Next week we will be doing that because we have coming before us three separate measures that will be tough votes. Two of them deal with the appropriations supplemental, one for investment and one for emergency spending, including the peacekeeping operation in Somalia. But the big event, of course, will be the reconciliation bill.

I was here in 1981, when President Reagan took over, and I remember these statements mainly made from the well: that "we are not quite sure the plan is going to work, but it is a plan, and let's give this President a chance."

Mr. Speaker, I think the very same refrain can be used this time. We are not sure, and no one is sure, that the plan the President has advanced will work, but he advanced it from this well on February 17. It is a plan, and I believe this President also should be given a chance.

NEPOTISM AND CRONYISM IN THE WHITE HOUSE

(Mr. HEFLEY asked and was given permission to address the House for 1 minute.)

Mr. HEFLEY. Mr Speaker, the question I want answered today is this: When will Bill Clinton run out of unemployed cousins, wives, golfing buddies, drinking buddies, classmates, and fellow Vietnam war protestors?

We read in the newspaper today that he has just fired seven long-term, nonpartisan White House employees so that he can hire his 25-year-old cousin.

We already have his wife rebuilding the health care system, his golfing buddy, Webster Hubbell, moving into the Justice Department, and more Clinton classmates in high-level Government jobs than I ever thought attended Yale Law School.

I have often wondered what Washington, DC, would have been like had Huey Long not been assassinated and had actually become President, as he almost did. Now we know. Nepotism and cronyism is quickly becoming the main accomplishment of this administration.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. FIELDS of Louisiana). The Chair will remind all persons in the gallery that they are here as guests of the House and any manifestation of approval or disapproval of these proceedings is a violation of the House rules.

THE CLINTON SPENDING CUTS

(Mr. SLATTERY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SLATTERY. Mr. Speaker, some have tried to leave the impression that the President's budget proposal does not contain any spending cuts, and I just want to correct that misperception.

Think of these: $110 billion in cuts in the industrial-military complex over the next 5 years; $50 billion in Medicare cuts; $3 billion in agriculture cuts; $2.6 billion in Veterans' Administration cuts; and 100,000 Federal employees will lose their jobs through attrition and other layoffs. In addition to that, there will be a freeze for 5 years on all discretionary spending of the Federal Government, and also, all pay for Federal workers, both military and civilian, and retirees, will be frozen for 1 year. The line-item veto has already been passed through the House, and hopefully the other body will act very soon on that.

Mr. Speaker, I say to my colleagues that it is absolutely inaccurate to suggest that this budget plan does not contain some tough spending reductions, and I think it is very important for us to be honest with the American public about that fundamental fact.

□ 1030

INTRODUCTION OF HIGHWAY CONSTRUCTION PRIVATE INVESTMENT ACT

(Mr. KIM asked and was given permission to address the House for 1 minute.)

Mr. KIM. Mr. Speaker, today I will introduce the Highway Construction Private Investment Act.

The goal of this legislation is to encourage private investment in public infrastructure improvements.

The result of this innovative legislation would be more roads and bridges without costing the taxpayer one penny more.

The private sector is always looking for sound investments. The public sector is always looking for more projects.

This private-public partnership I am proposing beneficially addresses both needs. It's a win-win concept.

I strongly believe that infrastructure investment is the most cost effective form of economic stimulus and job creation.

Modern infrastructure is the key to keeping American goods and services competitive.

This measure will provide the kind of change and economic stimulus the public wants, without new taxes and spending.

I encourage nonpartisan cosponsorship of the private investment bill by my colleagues.

TRIBUTE TO JOHN WILSON

(Ms. NORTON asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. NORTON. Mr. Speaker, hometown Washington is mourning today. Our council president, John Wilson, at 49 is dead. The personal tragedy for his family is compounded by the tragic dimensions of the loss to this city.

Bluntly honest and brilliantly knowledgeable about the finances and everything else important in the District, John was a uniquely valuable public citizen. The extraordinary success of his service makes his death especially difficult for his city to accept.

To countless Washingtonians, it is difficult to know which is greater, the loss of John Wilson as friend, or the loss of John as the municipal wizard. John was a truth teller and the District's municipal repairman, when no one else had the answers.

Beyond words, I will miss the man who first became my buddy when we were kids in the civil rights movement, and has been an indispensable colleague in the search for answers to the District's many dilemmas.

MARITIME INDUSTRY BETRAYED BY CLINTON ADMINISTRATION

(Mr. MACHTLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MACHTLEY. Mr. Speaker, the Clinton administration has betrayed the American people and the American maritime worker. Last week, the Department of Transportation announced that its long-awaited legislative package to save our U.S.-flag merchant marine would not be forthcoming. We have historically been a maritime nation. We are today a maritime nation.

To turn our backs on this industry is not only unfair, but a critical mistake.

In last year's campaign, candidate Clinton talked about retaining and creating skilled jobs, claiming that the Bush administration and Republicans did not care about the American worker. Last week the administration did not say to our maritime workers "anchors aweigh." They shouted: "Scuttle your ships."

Mr. Speaker, let us set the record straight. Today an American industry is struggling to compete in the international shipping arena against foreign vessels which receive enormous assistance, tax breaks, and subsidies from their flag nations.

To try to level the playing field and keep Americans working, the Bush administration sent a comprehensive maritime policy initiative to Congress.

The Clinton administration's response: "Drop dead, we will bury you at sea." Out of sight, out of mind.

The administration must tell the men and women of our merchant marine that their jobs are also important.

This loss of a shipping industry threatens the future security of our Nation by turning the responsibility for supplying our troops overseas in the next conflict to foreign crews.

It is not too late for the Clinton administration to do the right thing. I urge the administration to work with Congress to put in place a maritime policy that increases employment opportunities for U.S. maritime workers.

PASS DEFICIT REDUCTION RECONCILIATION BILL

(Mr. LEVIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEVIN. Mr. Speaker, the package we are going to vote on next week, reconciliation, is a deficit reduction package. There are $250 billion in cuts. To the extent there are revenues, 70 percent or more would fall on the very wealthy.

It is said, "Let there be more cuts." Where we can find them, we should institute them. But I recently looked at the Republican program that was presented here some months ago. It had $119 billion in more cuts, totally unspecified. A sham. A sham.

The President's budget proposal is real. It is so much easier to throw stones, and much harder to build something.

This President has had the courage to lead. This House next week, I am confident, will rise to the occasion and pass the deficit reduction reconciliation bill.

CLINTON ECONOMIC PLAN WILL STIMULATE GROWTH

(Mr. MILLER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MILLER of California. Mr. Speaker, Bill Clinton came before this body and the Nation earlier this year and pledged himself to significant deficit reduction by specifying spending cuts and tax increases based upon tax fairness, so those among the wealthiest in this Nation who escaped taxation during the 1980's would help repay the debt they created as we spent 12 years borrowing money to live beyond our means.

Next week the House of Representatives will have a chance to put in place Mr. Clinton's economic program. When we do so, we will engage in the largest package of spending cuts, real spending cuts, that this Congress has faced.

We will have to stare in the face of every special interest who has hired every lobbyist ever heard of to tell us not to do it, to go along with regular order. We will have to look to wealthy people in this Nation and tell them that they have to pay their fair share.

But when we do that, we will have a continuation of economic growth and low interest rates so first-time home buyers and homeowners today can refinance their housing and pay less on their debt and the economy can continue to grow.

COMPREHENSIVE CRIME LEGISLATION NEEDED NOW

(Mr. GEKAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GEKAS. Mr. Speaker, while the debate of the moment is that on new taxes and new spending, the American public has not forgotten its chief worry, crime in the streets, violence in their neighborhoods, and murder and mayhem in their homes.

For 10 years we have been struggling in different ways, many of us, to put through this Congress a comprehensive crime bill which will address the habeas corpus situation by which people remain on death row after having been convicted and sentenced to death for terrible murder crimes, and who day after day, year after year, decade after decade, flaunt the system by filing appeal after appeal.

We want to address that. We want to address the exclusionary rule which allows a convicted, caught-red-handed criminal, to be able to walk out of court on a technicality because the judge has no choice but to toss the case out because of a misplaced comma on a warrant.

We need the death penalty for violent killers and other remedies which are in our comprehensive crime bill on which, after 10 years, we are still struggling, but which we are going to try again this year.

□ 1040

THE GREAT AMERICAN TAX SHOW

(Mr. BILIRAKIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks).

Mr. BILIRAKIS. Mr. Speaker, now that the President has taken his great American tax show on the road, we are finding out that maybe he is not a tax-and-spend Democrat after all.

No, it is more like tax and spin: That is s-p-i-n. In fact, the latest from the spin doctors in the White House is that if we just swallow these taxes up front, we will eventually get to the cuts down the road. In other words, we are on the pay now, buy later plan.

Part of that tax package the President wants to inflict on Americans is, of course, the Btu—or energy—tax. Now this tax undeniably falls heaviest on middle- and low-income Americans. It particularly plays havoc with the limited resources of retirees living on fixed incomes.

In the past few days, I have received hundreds of letters from my constituents opposed to this Btu tax, principally because they fear it will increase their electric utility rates.

They already pay more than 20 percent of their electric bill in taxes and by some estimates the Btu levy would increase utility bills by $500 more per year.

Mr. Speaker, we need to short circuit this terribly regressive Btu tax right here and now.

SAME OLD STUFF CROWD

(Mr. OBEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OBEY. Mr. Speaker, once again, in the remarks we have just heard on the Btu tax, we are hearing from the crowd who quadrupled budget deficits in the eighties, the same old stuff that we heard through the 1980's.

We are continuing to hear from them that somehow the President who, after 12 years, is finally taking on the deficit, the first time we have had a President do that we are again hearing from this side of the aisle, "Oh, the package isn't perfect; Oh, the mix isn't right; isn't it terrible that it provides a Btu tax."

The fact is, the Btu tax is far less harmful to the average taxpayer than the continued climb in Federal budget deficits, which is largely going to be extracted from everybody in this population in order to give the benefit of that borrowing to a few very wealthy bondholders, who can afford to buy those things on the markets.

The fact is, that if we want to save the average taxpayers thousands and thousands of dollars, what we will do is pass the President's package, bring those interest rates down so that all families can buy homes, send their kids to school and have a reasonable adjustment in their cost of living.

LIEUTENANT FLYNN, AIMING HIGH

(Mr. CUNNINGHAM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CUNNINGHAM. Mr. Speaker, these are landmark days for the U.S. Air Force. Over the deserts of Holloman Air Force Base 2d Lt. Jeannie Flynn has become the first woman every to begin Air Force combat fighter training. Women that have a special tender of steel are being given that opportunity.

As a former Navy squadron commander, and I repeat, Navy squadron commander, I have long held that if a woman can meet the test in mind and in physical strength and has the rare skills required for combat, skills that are rare in men and women alike, and if that woman is prepared to fight for and die for her country, then she should be allowed to do so. Lieutenant Flynn said it best, in fact, she said it like a fighter pilot, when she said, and I quote: "What really matters is if you fly well."

She deserves our congratulations for meeting this test. I wish Lt. Flynn the best of success in combat training in the U.S. Air Force—the second most elite air power in the world. Second, of course, to the U.S. Navy.

BUYING JUNK AND SELLING ANTIQUES

(Ms. PELOSI asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. PELOSI. Mr. Speaker, as I hear our colleagues on the Republican side of the aisle criticize the President's jobs proposal and talk about their plans, what we have been living through for the past 12 years, proposals which have gotten us where we are today, it reminds me of a sign on the way from San Francisco to Santa Rosa. Perhaps some of my colleagues have been there and seen it.

It says, "We buy junk; we sell antiques."

That reminds me of what the Republicans are trying to do. They are taking a piece of junk, which are the trickle-down economics of the last 12 years, and they are trying to say, with the passage of time, that some value has been added to this.

It never had any worth. The passage of time has not enhanced the value of their ideas. American people are suffering greatly. It is time for us to vote and to support the President's package, to put people to work, to invest in America and make the future brighter for our children.

THE NORTH AMERICAN FREE-TRADE AGREEMENT

(Mr. KOLBE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KOLBE. Mr. Speaker, today is the second day of important negotiations in Ottawa on the labor and environmental supplemental agreements to the North American Free-Trade Agreement.

I fear the new administration is about to make a major mistake on this vital trade agreement. Like the strategy on the budget resolution, the fiscal stimulus package, and the tax bill, the administration is pursuing a side agreement strategy based on appeasing interest groups while sacrificing broad support of the agreement.

If adopted, the President's side agreement position would infringe on U.S. sovereignty and created a large supranational bureaucracy with broad investigatory powers.

I say to my colleagues, if you believe in preserving U.S. sovereignty, State/local sovereignty, and the important balance in our Federal system, you will disagree with the President's position.

If you believe the United States does not need a large, unaccountable, faceless bureaucracy, additional regulation, and needless duplication of Federal, State, and local investigatory authorities, then you would disagree with the administration's position.

Mr. Speaker, if we are to have strong and bipartisan support of NAFTA, President Clinton must carefully consider the United States position on these important side agreements. As it is the direction we are going will only lose NAFTA votes and gain none from the other side.

IN SUPPORT OF PRESIDENT CLINTON'S DEFICIT REDUCTION AND ECONOMIC RECOVERY PLAN

(Mr. JEFFERSON asked and was given permission to address the House for 1 minute.)

Mr. JEFFERSON. Mr. Speaker, it is simple to critize President Clinton's deficit reduction and economic recovery plan. Even I am not happy with all of it, but it is a genuine start on the long road back toward reclaiming our economic future.

What astonishes me, however, are the long faced speeches of our Republican friends who would have us believe that they deplore deficit spending. If this is true, then they deplore the work of their own hands.

After all, Republican Presidents were the architects of borrow-and-spend policies that built our current budget woes. Therefore, the call for public nostalgia and Reaganomics should rightly go unheeded. The public is clear headed about the future and are demanding change. The truth is, it is hard to get misty eyed about the demise of Republican policies that managed to quadruple our national debt to $4 trillion.

We need a new direction, one that chips away at the mountain of public debt piled up by Republican Presidents. President Clinton's plan won't end deficit spending all at once. It will reduce it $50 billion over the next 4 years—an incredibly good start.

It is time for all of us, Republicans and Democrats to join the American people, adopt President Clinton's plan and that of our Ways and Means Committee, and turn this important page of our Nation's economic and fiscal history together.

OLD IDEAS FROM A NEW DEMOCRAT

(Mr. GRAMS asked and was given permission to address the House for 1 minute.)

Mr. GRAMS. Mr. Speaker, Bill Clinton was the candidate who called himself a new Democrat. He vowed to put people first.

Guess what? Somewhere along the way, President Clinton changed his tune. Now, he is sounding remarkably like an old-style tax and spend Democrat. Now, he wants to put Government first.

First, he turned thumbs down to a Republican proposal that would reduce the deficit by $430 billion over 5 years without raising taxes. Then he proposed to pay for his own deficit spending package by proposing the largest tax increase in American history.

Mr. Speaker, it is the same old, tired tune we have heard so often in the past. The American people ask for smaller Government, less spending, fewer taxes. The Democrats in the White House and in the Congress insist on more Government, more spending, higher taxes.

No, Bill Clinton did not turn out to be a new Democrat after all. The idea of putting people first has been scrapped. The new Clinton theme is really an old Democrat theme—putting Government first and making the people pay for it.

KEEPING OUR EYES ON THE BALL

(Mr. BURTON of Indiana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BURTON of Indiana. Mr. Speaker, I get a big kick out of my Democrat colleagues trying to defend $402 billion in new taxes and new fees on everybody in this country.

They come down here, and they start talking about history and to revise history.

The fact of the matter is, let us keep our eye on the ball, $402 billion in new taxes and fees that they are going to load on the backs of the American people, more than double the largest tax increase in history, and that does not include Hillary's health care plan that is going to cost another $150 billion.

□ 1050

They are going to take this country right down the economic tube, and what is Bill Clinton doing about it? Last week he kept Air Force One waiting for 45 minutes while he spent $200 to get a haircut from Hilary's beautician. That is Bill Clinton. He is really concerned about the middle class. He spent thousands of tax dollars waiting to get a haircut for $200 from Hilary's hairdresser. He ought to be more concerned about trimming the deficit than his own hair.

RESOLUTION AUTHORIZING THE USE OF UNITED STATES ARMED FORCES IN SOMALIA

Mr. WHEAT. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 173 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 173

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for consideration of the joint resolution (S.J. Res. 45) authorizing the use of United States Armed Forces in Somalia. The first reading of the joint resolution shall be dispensed with. General debate shall be confined to the joint resolution and the amendments made in order by this resolution and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs. After general debate the joint resolution shall be considered for amendment under the five-minute rule. It shall be in order to consider as an original text for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on Foreign Affairs now printed in the joint resolution. The committee amendment in the nature of a substitute shall be considered as read. Points of order against the committee amendment in the nature of a substitute for failure to comply with clause 7 of rule XVI are waived. No amendment to the committee amendment in the nature of a substitute shall be in order except those printed in the report of the Committee on Rules accompanying this resolution. Each amendment may be offered only in the order printed, may be offered only by the named proponent or a designee, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment (except that pro forma amendments for the purpose of debate may be offered by the chairman or ranking minority member of the Committee on Foreign Affairs), and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. At the conclusion of consideration of the joint resolution for amendment the Committee shall rise and report the joint resolution to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the joint resolution or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the joint resolution and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. FIELDS of Louisiana). The gentleman from Missouri [Mr. WHEAT] is recognized for 1 hour.

Mr. WHEAT. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from New York [Mr. SOLOMON], the ranking member of the Committee on Rules, pending which I yield myself such time as I may consume. During consideration of this resolution, Mr. Speaker, all time yielded is for the purpose of debate only.

Mr. Speaker, House Resolution 173 provides for the consideration of Senate Joint Resolution 45, authorizing the use of United States Armed Forces in Somalia.

The resolution itself provides for 1 hour of general debate, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs.

The rule makes in order as original text for the purpose of amendment the Foreign Affairs Committee amendment printed in the joint resolution and waives clause 7 of rule XVI against the amendment, prohibiting nongermane amendments.

Those amendments printed in the report accompanying this rule will be made in order, to be debated as specified in the report.

The rule also makes in order pro forma amendments for the purpose of debate when offered by the chairman or ranking member of the Foreign Affairs Committee.

House Resolution 173 structures floor consideration of Senate Joint Resolution 45 to allow a full, fair, and orderly debate of the issues.

And I want the Members to be aware of this, all the amendments of which the committee was aware, which were those amendments requested by Mr. GILMAN, ranking minority member of the Foreign. Affairs Committee, are made in order by this rule.

Finally, Mr. Speaker, the rule provides for one motion to recommit with or without instructions.

Obviously, Mr. Speaker, this is a very important subject brought to the floor today.

Who can forget the scenes in Somalia less than a year ago? Hundreds of thousands lay victim to war and starvation. Hundreds, if not thousands, more were dying on a daily basis.

One-quarter of the children under 5 years of age dead. Millions displaced. An entire nation was gripped by starvation and lost in anarchy.

From the time that the potentially devastating magnitude of this crisis became apparent, the Select Committee on Hunger—of which I was proud to be an active member—sought to focus public attention and to build a coalition for greater action on Somalia.

We held hearings. We sent letters. We had private meetings with top administration officials. We met with humanitarian workers who were fighting against all odds and risking their lives to help the people of Somalia.

By November of last year, after over a year's worth of diligent work by the select committee, it finally became apparent to the entire policymaking community that without leadership and concrete action, hundreds of thousands would die.

It also became clear that only our Nation had the global reach and the diplomatic influence to mobilize an unprecedented relief action.

In what I believe, was perhaps President Bush's finest hour and under his leadership, we stepped in and we acted, and American servicemen and women saved, quite literally, hundreds of thousands from an otherwise certain and grim fate. While the mission in Somalia has not been trouble free, and conditions on the ground today cannot be described as entirely tranquil, Operation Restore Hope did, in large measure, live up to its name.

U.S. troops, in tandem with forces from across the world, helped stabilize the areas in most dire need and ensured the safe delivery of critical relief supplies.

Now continuing these same policies under President Clinton's leadership, and having fulfilled their primary objective, 80 percent of United States troops in Somalia earlier this year have already returned home. Many more are expected to return in the coming weeks and months.

And as a result of their work, U.N. efforts have advanced to their next logical stage—from immediate famine relief to tackling the root causes of last year's catastrophe by stressing essential long-term issues such as reconstruction and national reconciliation.

As this effort continues, the United Stated can and should remain an important contributing player. But under the terms of the U.N.-authorized UNOSOM II, we will be a leaner, much less costly force in a much larger multinational operation where foreign troops vastly outnumber our own.

Today's legislation fulfills our congressional obligation under the War Powers Act. It recognizes that while the situation in Somalia has markedly improved, the threat of hostility remains.

But it will also ensure continued U.S. involvement in the global effort to extend a hand to the Somali people as they strive to pick up the pieces in their broken land.

Mr. Speaker, I reserve the balance of my time.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is a modified structured rule providing for the consideration of Senate Joint Resolution 45, which does authorize the use of American Armed Forces in Somalia.

Mr. Speaker, while we did offer and vote for an open rule in the Committee on Rules for this measure, I do not intend to ask for a recorded vote in opposition to this more restrictive rule today.

I take that position because the chairman of the Foreign Affairs Committee, the gentleman from Indiana [Mr. HAMILTON], in consultation and cooperation with his Republican counterpart, the gentleman from New York [Mr. GILMAN], and our Republican leadership, has agreed to allow the offering of all the Republican amendments that were requested in the Committee on Rules, which includes, as I understand it, all Republican amendments offered during full committee markup that were voted down.

These include a substitute to be offered by the ranking Republican member of the Foreign Affairs Committee, the gentleman from New York [Mr. GILMAN], debatable for 1 hour.

It includes three other Republican amendments offered in the Foreign Affairs Committee, subject to 30 minutes of debate each; and an amendment I offered in the Rules Committee commending American troops on their humanitarian and military service in Somalia, is debatable for 30 minutes as well.

Moreover, this rule protects the minority's traditional right to offer a motion to recommit, with or without instructions.

Mr. Speaker, I think this range of amendments covers the various controversies and issues involved in this legislation which the majority believes is necessary under the War Powers Resolution. And that is where the minority has a basic disagreement since we have consistently argued that the War Powers Resolution is unconstitutional. And there is no question in my mind but what it is. Half of it has already been found unconstitutional.

So, Mr. Speaker, one of the things the Republican substitute does is to omit the language from the Democrat resolution which grants statutory authorization under the War Powers Resolution.

And, Mr. Speaker, another basic difference between the Democrat and Republican approaches, is the duration of the United States commitment in Somalia. The Democrats would authorize the troops to remain in that country for up to 12 more months; the Republican substitute for just 6 months.

And while the Democrat majority resolution contains language which, at least as I read it, intimates a congressional willingness to extend our commitment beyond a year if found necessary, the Republican substitute has no such language.

Mr. Speaker, the debate on this Somalia resolution marks a very important turning point in American foreign policy, because it concerns the use of American forces under U.N. command. And, Mr. Speaker, the use of U.N. peacekeeping forces in this post-cold-war era is becoming more and more frequent as new international instabilities arise around the world.

Mr. Speaker, while the United States has a continuing role as a world leader in this new era, I think we owe it to ourselves in this body and the American people, to consider very carefully this new use of American forces under U.N. command and what it may portend for the future, both for those troops, and for the larger American security interests.

In Somalia we have played a very valuable role, pursuant to U.N. Security Council Resolution 794, to provide a secure environment for humanitarian relief operations. But I would point out, those 20,000 American troops operated under U.S. military command, and this is terribly important, operated under U.S. military command.

Now, however, the remaining U.S. troops will be operating under a U.N. command and under a new and broader U.N. mandate as contained in Security Council Resolution 814. And I would suggest that all Members read that resolution. As the Republican substitute notes in its findings, Mr. Speaker, this new operation, called UNOSOM II is much broader and more open ended than the mission originally outlined by President Bush.

It goes beyond the original mandate of providing a secure environment for humanitarian relief efforts which we all have supported on this floor and the American people support. In Resolution 814 the United Nations is committing itself to the more daunting tasks of establishing a democracy, an infrastructure, and of disarming warring factions. That is a big difference.

Mr. Speaker, the Republican views on this joint resolution correctly state that the Congress should be involved in any decisions regarding the deployment of any U.S. forces abroad, and a resolution is an appropriate mechanism for such involvement.

But the Republican views go on to warn that the Congress should not feel bound, and I quote, "to provide a blank check to the executive branch and even more importantly, a blank check to the United Nations for an open-ended commitment of U.S. Armed Forces to that country." That is wrong.

And yet, Mr. Speaker, that is exactly what we are being asked to do today by the Democrat resolution. Section 2, paragraph (11) of the resolution says, and I quote:

> The Congress should authorize any use of United States Armed Forces to implement United Nations Security Council Resolutions 794 and 814.

Mr. Speaker, that comes about as close to being a blank check as you can get. That authorization, combined with the language in paragraph (13) of section 2 does not bode well for an expeditious withdrawal of American forces, which is what I am concerned about.

Mr. Speaker, if the United States is going to get into the business of providing security cover for every country that may need it while it attempts to develop its political institutions and its infrastructure, we could end up bogged down in many far corners of the world for indefinite periods. And that is what we are so concerned about because it questions American lives.

Mr. Speaker, this is all being done at the same time that we are undergoing a significant down-sizing in our military establishment, for deeper than I think is prudent and far deeper than would allow us to carry out these kinds of missions in so many different places around the world.

Mr. Speaker, we must step back now and ask ourselves just what our vital security interests are and just how much we can and should be doing in situations like this. This resolution is not the way to go about such a reassessment of our military role and our military capabilities in this new era. Unless the Republican substitute is adopted, I would strongly urge the defeat of Senate Joint Resolution 45.

Mr. Speaker, at this time I will not take the time of the body, but we have a delegation leaving this afternoon at 5 to attend the North Atlantic Assembly Conference, which is the political arm of NATO, so I include for the RECORD a speech that I would make at that plenary session dealing with the Bosnian situation which speaks to this resolution and the problems we have, as follows:

REMARKS BY CONGRESSMAN GERALD B. SOLOMON AT THE PLENARY SESSION OF THE NORTH ATLANTIC ASSEMBLY MAY 24, 1993

Ladies and Gentlemen, today, we in NATO are faced with an incredibly complex challenge in the Balkans. It seems amazing, but the place where World War I began continues to be a cauldron of ethnic strife and intractable problems. Seventy-nine years ago, violence in the Balkans sucked the European empires and America into a savage war which killed millions.

Today, to our great credit, we have managed to avoid this terrible fate. Today, instead of empires lining up behind one or the other side in the former Yugoslavia, the violence, and the main perpetrators of it, the Serbs, have been met with universal condemnation. Even our old adversaries, the Russians, have joined us in our efforts to stop this bloodletting.

The reasons for this difference between now and 1914 are clear: The democratization of Western Europe after World War II and the Russian Revolution of 1991 have brought America, Europe and Russia closer together and now we are all travelling down the same, civilized path, together. Let us hope that this will always be.

And what organization has played a more pivotal role in ensuring democracy in Western Europe and in brining about the end of the Cold War than NATO? And what better reason is there than our unified voice regarding the Balkans to keep this tremendous organization together? NATO can and will continue to play a stabilizing and democratizing role in Europe.

But we clearly need to refine our mission. And each country need to rethink its role in the alliance. For while we have spoken in unison regarding the Balkans, we have been unable to come up with a coherent, effective policy. We have clearly failed to stabilize the situation in the former Yugoslavia. Our efforts have been half-hearted, untimely, and have lacked integration.

It is lamentable that it took us nearly a year to impose even partial sanctions on Serbia, and even more so that it was only last month that we put some teeth into them. It is embarrassing that the foreign minister of Bosnia has requested that UN troops leave his country, saying, in effect, that they are in the way. And it is inexcusable, in my view, that we maintain an arms embargo against an outmanned, outgunned people who have been subject to merciless attack.

Now, there is no way, in my view, that we can impose a military solution on this crisis. I have been and will continue to be against the use of direct American military involvement in the Balkans, either to impose a solution or enforce Bosnia's division into ethnic cantons. We are not going to solve centuries-old problems in this manner. We have only to remember that Hitler could not tame this region with forty-three divisions in order to realize the potential for a quagmire in the Balkans.

But it seems to me that the debate has been allowed to be dominated by those who advocate an all-or-nothing approach. Between the chorus of calls for direct military intervention on the one hand, and bland calls for more dialogue and humanitarian aid on the other, the middle view has been drowned out.

We Republicans in the U.S. House of Representatives have drafted a plan that pursues just this middle course. It is based upon a strategy that has proven its mettle in the past, in numerous different situations. In America, we call it the Reagan Doctrine. It is a relatively simple approach that rests upon the idea of letting other freedom-loving peoples have the means to fight their own battles.

This policy jettisoned the Soviets from Afghanistan, forced democratic elections in Nicaragua and prevented a communist takeover of El Salvador, without the loss of a single American life.

We should let the Bosnians, who have shown their love of country and their valiance, fight their own battle. But they need the means to do it. Let's give them the means by lifting the arms embargo. Let's keep the tightest possible sanctions on Serbia and make clear to the Croatians that they face the same if they don't clean up their act. We can also take other steps such as establishing contact with the democratic opposition in Serbia, like we did in Poland after martial law, to stir up opposition to the Milosevic dictatorship, which is clearly a large part of the problem.

This strategy is not guaranteed to be effective, and will certainly lead to an upsurge in the violence in the short run. But it is certainly a better idea than stuffing the Balkans full of Western troops, who would be subject to a Beirut or Vietnam-type situation. And it certainly is better than leaving in place an unconscionable arms embargo, which is depriving a helpless people of the ability to fight for their lives.

I would hope that NATO could agree on this strategy, for if we cannot even agree on this small step to counter the Serbs, I fear for how we will deal with potentially bigger problems in the future.

OPEN VERSUS RESTRICTIVE RULES: 95TH–103D CONG.

Congress (years)	Total rules granted[1]	Open rules		Restrictive rules	
		Number	Percent[2]	Number	Percent[3]
95th (1977–78)	211	179	85%	32	15%
96th (1979–80)	214	161	75%	53	25%
97th (1981–82)	120	90	75%	30	25%
98th (1983–84)	155	105	68%	50	32%
99th (1985–86)	115	65	57%	50	43%
100th (1987–88)	123	66	54%	57	46%
101st (1989–90)	104	47	45%	57	55%
102d (1991–92)	109	37	34%	72	66%
103d (1993–94)	14	3	21%	11	79%

[1] Total rules counted are all order of business resolutions reported from the Rules Committee which provide for the initial consideration of legislation, except rules on appropriations bills which only waive points of order. Original jurisdiction measures reported as privileged are also not counted.

[2] Open rules are those which permit any Member to offer any germane amendment to a measure so long as it is otherwise in compliance with the rules of the House. The parenthetical percentages are open rules as a percent of total rules granted.

[3] Restrictive rules are those which limit the number of amendments which can be offered, and include so-called modified open and modified closed rules, as well as completely closed rule, and rules providing for consideration in the House as opposed to the Committee of the Whole. The parenthetical percentages are restrictive rules as a percent of total rules granted.

Sources: "Rules Committee Calendars & Surveys of Activities," 95th–102d Cong.; "Notices of Action Taken," Committee on Rules, 103d Cong., through May 18, 1993.

OPEN V. RESTRICTIVE RULES: 103D CONG.

Rule number, date reported	Rule type	Bill number and subject	Amendments submitted	Amendments allowed	Disposition of rule and date
H.Res. 58 Feb. 2, 1993	MC	H.R. 1: Family and medical leave	30 (D–5; R–25)	3 (D–0; R–3)	PQ: 246–176. A: 259–164. (Feb. 3, 1993).
H.Res. 59 Feb. 3, 1993	MC	H.R. 2: National Voter Registration Act	19 (D–1; R–18)	1 (D–0, R–1)	PQ: 248–171. A: 249–170. (Feb. 4, 1993).
H.Res. 103 Feb. 23, 1993	C	H.R. 920: Unemployment compensation	7 (D–2; R–5)	0 (D–0; R–0)	PQ: 243–172. A: 237–178. (Feb. 24, 1993).
H.Res. 106 Mar. 2, 1993	MC	H.R. 20: Hatch Act amendments	9 (D–1; R–8)	3 (D–0; R–3)	PQ: 248–166. A: 249–163. (Mar. 3, 1993).
H.Res. 119 Mar. 9, 1993	MC	H.R. 4: NIH Revitalization Act of 1993	13 (D–4; R–9)	8 (D–3; R–5)	PQ: 247–170. A: 248–170. (Mar. 10, 1993).
H.Res. 132 Mar. 17, 1993	MC	H.R. 1335: Emergency supplemental appropriations	37 (D–8; R–29)	1 (not submitted) (D–1; R–0).	A: 240–185). (Mar. 18, 1993).
H.Res. 133 Mar. 17, 1993	MC	H.Con. Res. 64: Budget resolution	14 (D–2; R–12)	4 (1-D not submitted) (D–2; R–2).	PQ: 250–172. A: 251–172. (Mar. 18, 1993).
H.Res. 138 Mar. 23, 1993	MC	H.R. 670: Family planning amendments	20 (D–8; R–12)	9 (D–4; R–5)	PQ: 252–164. A: 247–169. (Mar. 24, 1993).
H.Res. 147 Mar. 31, 1993	C	H.R. 1430: Increase public debt limit	6 (D–1; R–5)	0 (D–0; R–0)	PQ: 244–168. A: 242–170. (Apr. 1, 1993).
H.Res. 149 Apr. 1, 1993	MC	H.R. 1578: Expedited Rescission Act of 1993	8 (D–1; R–7)	3 (D–1; R–2)	A: 212–208. (Apr. 28, 1993).
H.Res. 164 May 4, 1993	0	H.R. 820: National Competitiveness Act	NA	NA	A: Voice vote. (May 5, 1993).
H.Res. 171 May 18, 1993	0	H.R. 873: Gallatin Range Act of 1993	NA	NA	
H.Res. 172 May 18, 1993	0	H.R. 1159: Passenger Vessel Safety Act	NA	NA	
H.Res. 173 May 18, 1993	MC	S.J.Res. 45: United States forces in Somalia	6 (D–1; R–5)	6 (D–1; R–5)	

Note.—Code: C-Modified closed; MO-Modified open; D-Democrat; R-Republican; PQ: Previous question; A-Adopted; F-Failed.

Mr. WHEAT. Mr. Speaker, I have no additional speakers at this time.

Mr. SOLOMON. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from New York [Mr. GILMAN], the ranking Republican on the Committee on Foreign Affairs, a gentleman I had the privilege of serving with on that committee for many, many years.

Mr. GILMAN. Mr. Speaker, I am pleased to associate myself with the remarks of Mr. SOLOMON, the distinguished ranking Republican member of the Rules Committee and I thank the Rules Committee for its support in providing sufficient time for the consideration of this important issue.

As will become apparent during general debate on this measure and when I offer my substitute amendment, I have serious concerns about Senate Joint Resolution 45 as reported by the Committee on Foreign Affairs. I believe it is time to bring American troops home from Somalia now that they have, in an exemplary manner, accomplished the mission originally outlined for them of creating secure conditions for the delivery of food and humanitarian supplies. Unfortunately, Senate Joint Resolution 45 looks not to the prompt withdrawal of United States forces, but rather sets the stage for long-term United States military involvement in Somalia.

No one should be misled by recent press coverage of events in Somalia. While the United Nations has assumed formal command of the peacekeeping force in Somalia, almost 4,000 United States military personnel still remain in that country today. We have not withdrawn from Somalia. To the contrary, the State Department informed me in a letter dated March 22, 1993, that the current plan is for United States military personnel to remain in Somalia in support of UNOSOM II for another 17 months. Furthermore, State Department representatives have declined repeated requests to assure the Congress that all U.S. forces will be withdrawn at the end of their 17-month plan.

Unfortunately, Mr. Speaker, Senate Joint Resolution 45 as reported by the Committee on Foreign Affairs does not draw the line on continued United States military involvement in Somalia. It authorizes 12 more months of military involvement, and goes on to commit Congress to "give strong consideration to extending" even further the initial 12-month authorization.

What this means, Mr. Speaker, is that Senate Joint Resolution 45 writes a blank check to the executive branch to deploy United States Armed Forces to Somalia for as long as the United Nations wants to keep us there.

Mr. Speaker, I intend to offer a substitute amendment that will bring Senate Joint Resolution 45 more into line with the thinking of the American people on the question of further United States military involvement in Somalia.

In the meantime, Mr. Speaker, I join Mr. SOLOMON in stating that I would have preferred an open rule for Senate Joint Resolution 45. However, that is not what the Rules Committee has proposed, and I am satisfied that the rule will permit adequate amendment and debate on the measure.

Accordingly, Mr. Speaker, I have no objection to adoption of the rule.

□ 1110

Mr. SOLOMON. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from Florida [Mr. GOSS], a member of the Committee on Rules.

Mr. GOSS. Mr. Speaker, today we embark on a very serious subject—involving the lives of young American men and women in the military who are in harms' way in Somalia.

The fact that the House is today debating whether and with what constraints we will authorize the continued use of United States Armed Forces in Somalia may take some Americans by surprise—true, Somalia is no longer on the front pages of the newspapers. In fact the deployment of United States troops for a humanitarian mission in Somalia began 6 months ago, with the participation of the United Nations.

I know most Americans are relieved that we are now winding down our participation, bringing most of those troops home as the operation is transferred to U.N. command. But there remain the questions of how long any United States troops will stay in Somalia, what their mission will be, and what limits will be placed on the cost and risks of any ongoing operation.

Because this subject is so serious, it would have been in the best interests of all Americans for the debate to have come under an open rule—with the greatest opportunity for the broadest participation by the most Members. After all, American lives are at stake. Although the chairman of the Foreign Affairs Committee did not request an open rule, I wish to commend him, the ranking member, and the Rules Committee for ensuring that those amendments brought forward to the committee will be allowed consideration.

My own view on this subject is that our job as originally defined in Somalia is virtually complete and I oppose the 12-month, open-ended, and blank check authorization of United States forces. I certainly am deeply troubled by the expanded mission outlined in this measure.

I know many of my colleagues come to this debate with equally strong opinions and we are going to hear these, as we should. I urge my colleagues to join me in listening carefully to all the points of view presented during today's debate. After all, that is our purpose—to air differing views and arrive at the best and most-informed conclusion and that is the way open rules generally serve the process of deliberative democracy best.

Mr. Speaker, after all, that debate today is what our purpose is here as legislators and managers of oversight for the people we represent.

What could be more important than the lives of our men and women in the military?

I think that we are going to get differing views aired, and I hope and I pray that we arrive at the best, most informed conclusion as we complete our process. That is why I think that open rules generally serve the deliberative democracy process best, and while I do not object to this rule today, I do not want to suggest that an open rule would not have been better.

Mr. SOLOMON. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. WHEAT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to join my colleagues from the other side of the aisle in enthusiastically commending the chairman, the gentleman from Indiana [Mr. HAMILTON] and ranking member, the gentleman from New York [Mr. GILMAN], of the Foreign Affairs Committee for their diligent work on this issue and for their leadership in bringing the bill to the floor in a spirit that allows the House to focus freely, fairly and debate all the key issues.

Mr. Speaker, I strongly urge passage of House Resolution 173 and the underlying bill.

Mr. Speaker, I have no further requests for time, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore. Pursuant to House Resolution 173 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the Senate joint resolution, Senate Joint Resolution 45.

□ 1115

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the Senate joint resolution, Senate Joint Resolution 45 authorizing the use of United States Armed Forces in Somalia, with Mr. DARDEN in the chair.

The Clerk read the title of the Senate joint resolution.

The CHAIRMAN. Pursuant to the rule, the Senate joint resolution is considered as having been read the first time.

Under the rule, the gentleman from Indiana [Mr. HAMILTON] will be recognized for 30 minutes, and the gentleman from New York [Mr. GILMAN] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Indiana [Mr. HAMILTON].

Mr. HAMILTON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman and Members of the House, let us begin with an explanation of what Senate Joint Resolution 45 does.

This resolution authorizes the use of United States forces to provide logistic support for the new United Nations-led force in Somalia. That force is referred to commonly as UNOSOM II, and it also authorizes the quick reaction force to respond to requests for emergency assistance from the UNOSOM II commander.

It authorizes, after the fact, for the U.S.-led operation that was previously known as Operation Restore Hope, and that is the operation that President Bush initiated last December.

The authorization expires 12 months from the date of enactment of Senate Joint Resolution 45 or upon termination of the mandate for UNOSOM II, whichever occurs first.

The costs incurred by the United States and the number of Americans serving in Somalia will be reduced dramatically through the transition from a United States-led to a United Nations-led operation, and this resolution endorses the reduction in costs and the reduction in personnel.

Now, I think it is also important to point out what the resolution before us does not do. It does not provide an open-ended authorization. The authorization of this resolution says very specifically that it shall expire either 12 months from the date of its enactment or at the expiration of the UNOSOM II mandate, whichever first occurs.

There have already been suggestions in the debate with respect to the rule suggesting that this is an open-ended resolution. It is not. The Congress must take specific action to extend the authorization of any period beyond the 12-month time.

This resolution does not write a blank check, nor does it endorse long-term involvement in Somalia. It is limited to the 12-month period.

The next question to address is why this resolution is necessary. The resolution is necessary simply to complete the task to which President Bush committed the United States in December.

□ 1120

We want to ensure a smooth transition to the U.N.-led operation, and that is what this resolution is all about.

Our mission in Somalia is not accomplished until it is clear that the environment in Somalia will remain secure for the continued delivery of humanitarian assistance so that the broader United Nations mission can be built on a firm foundation.

Comments were made a moment ago about how broad the U.N. mandate is, UNOSOM II, and it is correct that that mandate is broad, but it is also important to note the U.S. role in UNOSOM II is far more limited than was the U.S. role in Operation Restore Hope.

UNOSOM II includes 28,000 foreign troops. The United States supplies 3,000 of that 28,000, and those 3,000 are there for a single purpose. That purpose is logistics.

The United States will also supply in addition 1,300 troops to act as a quick reaction force to respond to requests for emergency assistance. The point, however, is that the UNOSOM II role for the United States is far more limited and restricted than was the role of the United States under Operation Restore Hope.

We want to do the full job there. Congress must assume its responsibility as a partner with the President in making the decision to commit U.S. troops to this kind of an operation.

Now, I hope Members will appreciate the significance of this resolution. I think often in the past the Congress of the United States has not measured up to its responsibility on the very tough issue of when you commit foreign troops abroad. It is my view that in the months and years ahead the United States will repeatedly be confronted with the question of when and whether and how to intervene abroad for humanitarian and other reasons.

By approving this resolution, the Congress shows that we are willing to step up to our responsibilities, I might say our constitutional responsibilities, and assume the proper role as a partner with the President in making the decision to commit U.S. troops abroad.

Members should appreciate that UNOSOM II sets a precedent, and the Congress shares responsibility for the new arrangements under that precedent.

The U.S. logistic support contingent to which I referred a moment ago, 3,000 troops, will be under the operational control of the UNOSOM II commander, that is Turkish General Cevic Bir. This will be the first time that U.S. forces will be under foreign command in the context of a U.N. peace enforcement operation. The deputy UNOSOM II commander, however, is Lieutenant General Thomas Montgomery.

The U.S. quick reaction force, that is the 1,300 troops I referred to a moment ago, will remain under U.S. operational control, although they may receive tactical orders in the field from a U.N. sectional commander.

In both instances, the logistic troops and the quick reaction force, the U.S. command line will remain intact. Additional guidance for U.S. troops will always be available through communication of the U.S. chain of command.

Now, we do invoke in this resolution the War Powers Resolution. Senate Joint Resolution 45 provides a War Powers authorization to the extent that U.S. Forces are or become involved in hostilities or imminent hostilities. It thereby provides efficient authority should the U.S. quick reaction force, the sole purpose of which is to engage in combat in support of UNOSOM II, should that force face a hostile situation.

Congress here must play its constitutional role. Congress in my view should authorize whenever U.S. Forces are sent abroad for potential use in combat. Such authorization is required by the Constitution. It is required by the War Powers Resolution, and it is required by the basic principles of sound policymaking.

Now, I know that Members have different attitudes toward the constitutionality of the War Powers Resolution, but it is not our responsibility to make judgments about the constitutionality of the War Powers Resolution. It is in fact the law and the law should be followed, and that is why we invoke it in this instance.

It is also true that the administration has not sought a War Powers authorization, and in taking that position the administration is adopting the traditional position of the executive branch with respect to the commitment of troops abroad, even as it reviews its position on the War Powers Resolution.

So what you have here is a President of the United States defending his prerogatives under the Constitution, but the Congress must defend its prerogatives and stake out its constitutional responsibilities. Congress has concurrent authority with the President in decisions with respect to deploying U.S. forces abroad for potential use in combat.

Now, this resolution provides for a 12-month authorization. We believe that that is a time sufficiently long to show the U.S. commitment to the UNOSOM II mission, we think it is sufficiently limited to make clear that Congress is not endorsing an open-ended involvement.

As I have suggested, the authorization expires 12 months from the date of enactment or upon termination of the mandate of the United Nations-led force in Somalia, whichever occurs first.

The UNOSOM II mandate, and this will come up in the course of the debate, must be reauthorized by the Security Council by October 31, 1993, this year.

The argument will be made that because the U.N. authorized UNOSOM II is for a shorter period, we should not authorize it for 12 months; but the fact is that the United Nations and the United States Congress, the U.N. Security Council, are very, very different bodies.

The United Nations routinely reauthorizes every 6 months. This Congress does not, and if we were to try to reauthorize in October or September right at the time when the legislative agenda here is extraordinarily full, it would not be easy to do.

The United States has worked actively with the United Nations to seek troop commitments to UNOSOM II from other nations.

The success of UNOSOM II is premised on sufficient troop commitments, both with respect to number and length of stay, from a number of other countries.

If the United States is authorized to participate only through October of this year, we will not be able to convince other countries to participate in UNOSOM II beyond that time.

The UNOSOM II mission then would not get off the ground and our past accomplishments in Somalia would be severely eroded if we fail to show sufficient commitment to participate.

We believe that a 12-month authorization provides the necessary commitment and is not open-ended.

Finally, Mr. Chairman, let me just observe a word about the costs. The important thing to note here is how sharply the costs to the U.S. Government are going down. If you look at fiscal year 1993, the total cost as best we can estimate it of the Somalia operation is $1.3 billion. That includes about $750 million for Operation Restore Hope.

□1130

For fiscal year 1994, Mr. Chairman, the estimated cost is $477 million.

The United States will be reimbursed at the standard United Nation rate for our troop contribution to UNOSOM II. All costs borne by the United States to support Operation Restore Hope and UNITAF troops from countries unable to pay their own troop costs will be reimbursed to the United States through the U.N. trust fund for Somalia. Pledges to that trust fund currently stand at approximately $120 million, and it is estimated that the United States will receive about 85 percent of the trust fund total. Senate Joint Resolution 45 also urges the President to seek reimbursement from the United Nations, or other member states, for incremental costs of the U.S. participation in Operation Restore Hope and UNOSOM II.

In conclusion, Mr. Chairman, let me simply say that we are taking this action today with this resolution, or whenever we vote on it, because Congress has a responsibility to authorize the deployment of U.S. forces when those forces have the potential for combat abroad.

In addition, the UNOSOM II mission sets a precedent for multilateral involvement in humanitarian intervention efforts, and the U.S. role in UNOSOM II is precedent setting. It is a new role that the Congress should authorize in this instance, and in my view it should at least authorize in the future similar instances.

The foreign policy process of the United States works best when the President consults effectively with the Congress prior to making effective, significant decisions, when the Congress makes sure that it is well informed on the foreign policy decisions that the United States faces and when both branches of Government respect the shared powers under the Constitution on foreign policy.

So, Mr. Chairman, I would urge my colleagues to support this legislation.

Mr. Chairman, I reserve the balance of my time.

Mr. GILMAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would like to commend the distinguished chairman of the Committee on Foreign Affairs, the gentleman from Indiana [Mr. HAMILTON] for his leading role in bringing this important foreign policy initiative to the House floor. This resolution would enable the Congress to consider the authorization of our Armed Forces in the current U.N. peacekeeping operation in Somalia.

While I disagree with our distinguished committee chairman, my good friend from Indiana, Mr. HAMILTON, regarding the role of our Armed Forces in this operation, I agree with his observation that all too often in the past Congress has abdicated its responsibility on the issue of foreign military intervention.

But our long overdue consideration of this legislation today should make us look carefully at the proper limits of our military commitments around the world. I don't think that I have to remind my colleagues that the specter of United States military intervention in Bosnia is an imminent possibility. The arguments against an open-ended commitment in the Balkan crisis are no less compelling than those confronting us today in regard to Somalia.

As currently written, Senate Joint Resolution 45 would provide a blank check to the executive branch and to the United Nations for a commitment of our Armed Forces in Somalia that could extend into the next century.

In our consideration of this legislation today, we are creating a precedent for future U.S. participation in humanitarian crises overseas—and the use of American military forces under a U.N. command. That is why this measure, however we resolve it, will serve as a model for such actions in the future.

Following adoption of a resolution by the U.N. Security Council last December, President Bush sent American troops to Somalia for a specific purpose—to create a secure environment for the delivery of humanitarian supplies.

Our troops were to be withdrawn and the mission handed back to the United Nations as soon as that goal was achieved. However, the resolution under which the United Nations has taken over from the United States provides for a much different operation.

U.N. Security Council Resolution 814—which the Clinton administration moved through the Security Council without any formal input from Congress—commits the United States to a far broader, more expensive, and potentially more dangerous mission than the limited operation President Bush initiated in December.

For the first time, U.S. Armed Forces will be placed under the command of a U.N. officer from a foreign country. Is this the kind of precedent we want to set for a future United States military role in Bosnia? Is this the kind of role that bests suits the capabilities and unique characteristics of our military?

If your answer is a no on either account, then you should vote against this resolution and for a substitute amendment that I will offer that sets the same 6-month timetable for our troops in Somalia that the United Nations set for its overall mission in that country. The United Nations is not precluded from renewing this mandate. Neither is the Congress prevented from extending the authorization if it chooses to do so.

The U.N. resolution also calls for the establishment of a viable and representative national government, revival of the economy, and repatriation of refugees who have fled the famine and the civil war. In short, it is a costly, nation-building blueprint for the reconstruction of Somalia.

Operation Restore Hope has already cost the U.S. taxpayer at least $800 million, and it is estimated that the 3-year price tag for our overall commitments to Somalia will reach $1.8 billion by the end of the next fiscal year.

The administration and the United Nations have not done enough to enlist the financial and material support from other donor nations, such as Saudi Arabia and Germany, for the Somalia trust fund, and have yet to explain why the UNOSOM II peacekeeping operation should not be allowed to utilize the moneys in this fund once all reimbursement requests are in.

The United States has done more than its fair share in Somalia. It is time for our units to leave and for those of other nations to take over. Some may favor a long-term United States military commitment in Somalia, but I believe we should withdraw our troops as soon as possible to take them out of harm's way, and my resolution provides for an additional 6 months stay from the date of the adoption of this measure to do whatever cleanup we have to do so that we can have an ordinary departure.

Mr. Chairman, I understand that there are about 3,800 United States military personnel presently remaining in Somalia. It is gratifying that most of our forces have come home, but the administration has not yet indicated when and under what circumstances the remaining United States forces will depart Somalia. Without a clear, convincing withdrawal timetable, Mr. Chairman, I say we owe it to our men and women in the field and to the American people here at home to set a short, reasonable, but sufficient, authorization period, and I invite my colleagues to support my substitute amendment which will put our policy on Somalia back on a clear course, fully consistent with the original objectives laid out by President Bush in Operation Restore Hope.

□ 1140

In closing, Mr. Chairman, I would quote from an editorial of May 4 that appeared in the New York Times entitled "A Big Second Step in Somalia:"

> The Clinton administration needs to make clear when and under what circumstances U.S. forces will depart. Americans have no wish or reason to wear out their welcome in Somalia as Somalia finds a home-grown remedy for its grievous wounds.

Mr. Chairman, I reserve the balance of my time.

Mr. HAMILTON. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from California [Mr. DELLUMS], chairman of the Committee on Armed Services.

Mr. DELLUMS. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise this morning in support of Senate Joint Resolution 45 and would like to use this opportunity to make a few broader points of great importance to the Congress of the United States.

Mr. Chairman, with the end of the cold war, we have become far less preoccupied with the threat of global war. Other threats no doubt will call us to this Chamber to make decisions on prospective military deployments that would place at risk our Nation's blood and treasure. We must, therefore, Mr. Chairman, be diligent in crafting the mechanisms we need for thorough consultation with the executive branch and thorough deliberation in the legislative branch. We must bring resolve to the task of providing the means of exercising our constitutional responsibilities in matters of war and peace if we are to bring any wisdom to the task of executing these extraordinary responsibilities.

Mr. Chairman, the Constitution establishes the President as the Commander in Chief of the armed services, but I would remind my colleagues that it assigns to the Congress the responsibilities and powers to provide for the Nation's defense and to indeed exercise, when necessary, the prerogatives of declaring war.

I do not believe, Mr. Chairman, there is another issue that the executive or legislative branch takes more seriously than that of sending the young men and women of our country into harm's way. Such a serious step should never be taken without the fullest consideration by the executive branch, and I would underscore this, and the fullest deliberation possible by this, the legislative branch.

Mr. Chairman, this kind of partnership between the branches of government in matters of war and peace is founded in the Constitution, is required by law, and is reflective of fundamental political reality. The decision to commit U.S. forces abroad cannot be sustained without consensus, consensus that is built through a process of public debate and congressional deliberation and approval that gives legitimacy and strength to policies shaped by the executive in consultation with the Congress.

Mr. Chairman, further, the War Powers Resolution that has been alluded to and will continue to be alluded to during the course of this debate is, in the humble opinion of this gentleman, at best, an imperfect mechanism for implementing this partnership in its serious responsibilities. I would point out, Mr. Chairman, that it does not ensure the necessary degree of consultation between the two branches of government. It does not reliably provide for the requisite degree of deliberation by the Congress, and it does not adequately address the complex of committee jurisdictions involved in reaching decisions about committing our armed forces to battle.

Mr. Chairman, this Member feels very strongly about exercising in full the constitutional responsibilities of the Congress regarding the use of military force. We must ensure that the executive branch fully consult with the Congress in making decisions in these matters, and that we have all that is required for the fullest deliberation possible before deciding whether to approve such decision. I look forward to working closely with my colleagues in developing the mechanisms that we need in this area.

I appreciate the opportunity of using this moment to make these broader statements, and I would conclude, Mr. Chairman, by stating that in the past I supported the initial deployment of U.S. military personnel in our humanitarian efforts in Somalia, and I rise this morning in support of Senate Joint Resolution 45 and its continuation of these efforts.

I would conclude by simply saying that this is retrospectively authorizing the deployment of our troops, and I would suggest to my colleagues that, though imperfect, this is the only mechanism we have for making the statement on the part of this Nation that we approve our humanitarian efforts and we approve playing a significant role as the international community comes together to continue to help this impoverished and beleaguered nation.

Mr. GILMAN. Mr. Chairman, I am pleased to yield 3 minutes to the gentleman from Pennsylvania [Mr. GOODLING], a senior member of our Committee on Foreign Affairs.

Mr. GOODLING. Mr. Chairman, I would like to emphasize to every Member the significance of the resolution we are considering on the floor today. For the first time in the history of this Nation, we are authorizing the deployment of U.S. troops under foreign command. This in itself is a monumental event, unparalleled in our history. However, it is also for other reasons that I stand in opposition to the resolution before the House today.

I do not believe that the events which transpired in the House Committee on Foreign Affairs during the consideration of this resolution received proper attention. I think people across this land would be interested to know exactly what differences there are on this issue. Amendments were offered to shorten the period of deployment, eliminate the language authorizing the use of troops in hostilities—the so-called War Powers Resolution—and eliminate the language that "gives strong consideration to extending" the period of deployment. All were defeated.

I would like every American to know that this resolution is signing the death certificates of American troops—again, under foreign command—if hostilities break out for any reason in war-torn Somalia. I also do not understand why we are authorizing troops for 12 months, when the United Nations' authorization is only for 6.

I heard the chairman's explanation, and I love the chairman of the committee, but I did not find the explanation very convincing.

Finally, the resolution sets a bad precedent for U.S. involvement globally. Indefinite U.S involvement in civil wars around the world is increasingly codified when we take actions such as this.

Mr. Chairman, the United States is not the world's policeman. We are not the solution to all of the world's ills. We took the initiative in Somalia when no other nation or body could, and I supported that action. Now it is time for U.S. troops to come home, not succumb to foreign command for at least 1 year, particularly with strong consideration given to keeping them in Somalia longer. I urge Members to think of the precedent, the consequences, and the costs of this resolution.

Mr. Chairman, I was really troubled during the debate in the committee when I kept hearing people say over and over again, "We are the only superpower." Well, we have trillions of dollars in debt now. At the end of 5 years, if everything goes well, we will increase that debate by $1 trillion, $91 billion.

We have decreased defense spending dramatically in the last 3 years. We talk about decreasing it another $189 billion over the next 5 years, and I guess the question I ask after all that is that I am not sure how "super" the power will be.

Mr. HAMILTON. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from California [Mr. LANTOS], a subcommittee chairman of the Committee on Foreign Affairs.

Mr. LANTOS. Mr. Chairman, I want to thank my friend and colleague for yielding this time to me.

Mr. Chairman, I first want to commend the very distinguished chairman of the Committee on Foreign Affairs, the gentleman from Indiana [Mr. HAMILTON], and the staff of the Committee on Foreign Affairs for their efforts in putting together this resolution. I also want to commend my good friend and distinguished colleague, the gentleman from Florida [Mr. JOHNSTON], chairman of the Subcommittee on Africa, for his major efforts on behalf of this joint resolution.

□ 1150

Mr. Chairman, humanitarian assistance to the people of Somalia is clearly one of the finest and most unselfish actions of the Government of the United States. It is important, however, on this issue of United States participation in support of the United Nations peacekeeping efforts in Somalia that the voice of the Congress be heard.

It is a constitutional and legal responsibility of the Congress to participate in decisions that commit our military forces. This resolution reflects a balanced approach to this issue, and I strongly support its adoption.

Mr. Chairman, let me say that this action was commenced by a Republican President and it was continued by a Democratic President. It is supported by Republicans and Democrats in this body. We are always at our best when our foreign policy is bipartisan, and I think it is extremely important to do our utmost to keep partisanship out of this debate.

I firmly believe that if in fact we adopt this resolution, the goals that we seek of having other members of the

United Nations assume the greatest possible share of participation in this effort will be successful.

At the height of our commitment in Somalia we had 25,000 American troops there. That number today is 3,800. We would all like to see every single one of those 3,800 American service men and women come home today, but reality does not allow that.

If we do not want to see our historic achievement unravel, we must make a reasonable commitment to continue to be a minority partner in a major international effort.

With the collapse of the Soviet empire, the international problems we will face in the security arena will be all over the place, and it is in our best interest to have as many other countries participate, physically and financially, as possible. That will not be achieved by establishing a wholly unrealistic 6-month time limit on our commitment.

There is not a Member in this body who believes that the Somalia effort will be finished in 6 months. If we want to minimize U.S. participation, if we want to minimize the cost to the American taxpayer, it is in our best interest to allow the U.N. peacekeeping operation to make some long-term plans and pull in other countries to obtain additional physical contributions and financial contributions. Any attempt to cut this period short will be counterproductive and result in larger American troop commitments and heavier American taxpayer expenditures.

Mr. Chairman, I strongly urge my colleagues to adopt the resolution.

The CHAIRMAN. The Chair would announce that the gentleman from Indiana [Mr. HAMILTON] has 6 minutes remaining, and the gentleman from New York [Mr. GILMAN] has 21 minutes remaining.

Mr. GILMAN. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. BURTON], a senior member of the committee and the ranking Republican on the Subcommittee on Africa.

Mr. BURTON of Indiana. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, we are all concerned about the starving masses and people being persecuted around the world, and Somalia is no exception. I supported sending our troops in there to get food to the starving people, to keep those gangs, those marauding gangs, from going around the country stealing food that was going in to feed the starving masses of people over there. I thought that was the right thing to do.

Do people in this country recall, Mr. Chairman, that President Bush said we would be out of Somalia by Inauguration Day. That was last January. Here we are almost in June and we are talking about open-ended legislation that will lead to an indefinite period during which our troops will be there.

Mr. Chairman, I do not know if many Americans remember back when we put 237 marines in Beirut to help stabilize the situation there, and some madman with a truckload of dynamite came in and blew them all to kingdom come. Everybody in this country mourned because we had 237 marines and their families suffering because of that decision.

I remember when President Reagan asked for my vote to send them there, and I gave it. I said after that tragedy occurred that I would never vote to send American troops into harm's way unless we had a stated mission, a goal, and knew when we were going to get them in and when we were going to get them out.

Now here we are, we have 3,800 troops still there, and we are talking about keeping them there indefinitely.

Mr. Chairman, I know they have said on the other side we are going to have them out in a relatively short period of time, that this is not open ended. Let me read to you what this legislation says:

> The Congress will give strong consideration to extending the authorization for use of United States Armed Forces to implement Resolution 814 should such continued use be necessary to ensure the success of the United Nations-led forces in Somalia.

The administration experts have come to our offices and told us that it is going to take into the next century to achieve the goals. This legislation says, again quoting:

> We will give strong consideration to extending the authorization if necessary for the United Nations to accomplish its mission.

Mr. Chairman, that means we are probably going to have U.S. military people sitting there in harm's way for the next 7 or 8 years. I submit to you that that is a mistake. They had a mission; they achieved that mission. Let us turn it over to the United Nations.

In addition, we are talking about putting our troops under foreign command for the first time in history. I want our generals to control our troops, General Schwarzkopf and people we have great confidence in. Not some U.N. commissioner or general from some other country.

Mr. Chairman, the Gilman amendment says we will have our troops out in 6 months. I prefer to get them out quicker than that. The gentleman from Wisconsin [Mr. ROTH] has an amendment to get them out in 30 days. That is not logistically possible. But we could get them out in 60 or 90 days. But 6 months is certainly a reasonable period within which we can get our troops out and make sure they come home safely after having held their heads high and accomplished the mission of feeding the starving masses of Somalia.

If we keep them there, mark my words, a lot of them are going to be killed, and we are going to say why did we leave them there?

Remember Beirut; 237 marines sitting there, having lunch or dinner, and some crazy comes in there and blows them all to kingdom come. There are a lot of weapons around that countryside. I think that now our mission has been accomplished, we should bring them home.

Also I would like to go back in history and say to the chairman and members of the committee, do you remember the Gulf of Tonkin resolution that we gave to Lyndon Johnson, which led to the escalation in Vietnam? This is analogous to that. It is analogous to that.

Let me read it to you one more time:

> The Congress will give strong consideration to extending the authorization for the use of U.S. Armed Forces to implement this resolution should continued use be necessary to ensure the success of the United Nations-led forces.

What is the success? Our intelligence tell us that means into the next century.

I would like to end by quoting what the chairman of the committee said not long ago, the gentleman from Indiana [Mr. HAMILTON]. He said:

> Operation Restore Hope must end soon. This requires that the mission of U.S. forces remain clear, constant, and limited in scope. It also requires that a strong U.N. force be ready to replace U.S. troops within several months.

The gentleman said this last December.

Finally, the gentleman from Indiana [Mr. HAMILTON] said, "We must work to ensure that Operation Restore Hope concludes safely, successfully, and soon."

Mr. Chairman, this is open-ended, it is a step in the wrong direction, and I submit we should defeat the Hamilton resolution and substitute that of the gentleman from New York [Mr. GILMAN]. That will bring our kids home, our young men and women, in 6 months, safely, with their heads held high.

Mr. HAMILTON. Mr. Chairman, I yield 3 minutes to the gentleman from Missouri [Mr. GEPHARDT], the distinguished majority leader.

□ 1200

Mr. GEPHARDT. Mr. Chairman, I want to commend the gentleman from Indiana, Chairman HAMILTON and the members of the Committee on Foreign Affairs for the work on this very important resolution.

I want to say that I think all of us feel that President Bush did the right thing when he decided that this effort should be undertaken. I think it enjoyed the support of a large bipartisan majority in the Congress and among the American people, and we should be very proud of the service of our military people in Somalia which, as my colleagues know, at one time got to 25,000 people.

At the time President Bush called for this action, he told us and he told the American people that he hoped we could be out before the inauguration of the President, but he did not know. Well, a lot of what he said has come true.

We went from 25,000 to 4,000. And most importantly, and I think what is very important about this resolution, is that we are trying to comply with our own War Powers Act, but we are also recognizing the handoff from the U.S.-led Operation Restore Hope to the U.N.-led operation. And I think that is a genuine watershed for our country and for the world.

I strongly support the committee's resolution. It is not open-ended. It is 12 months. That is the limit that has been put on. It has been put on for good reason.

The military tells us that with the 4,000 people we have got there and with the other U.N. forces, they believe that this situation can be stabilized within 12 months. Hopefully, it will be sooner, they feel that is as good an estimate as they can give at this time of how long it will take.

So I think we ought to support this effort, and I want to, again, reemphasize the genuine historic nature of what we are doing. For the first time, the United Nations is providing the leadership and structure for an aggressive, multilateral humanitarian intervention operation, equipped for strong peace enforcement. And for the first time, American forces are serving under a new United Nations command structure.

Both events are vivid reminders that the cold war way of doing business is over. We are in a new world, and the day of genuine multilateralism has dawned. And we must be a part, a constructive partner in that effort.

Just as Desert Storm became the model of how to go to war in the right way, it is my hope that this legislation becomes the example of how to intervene in humanitarian crises the right way, with the United Nations, with an appropriate American force and with an appropriate time limit in which that force can be effective.

I congratulate the committee. I urge Members to support the committee position.

Mr. GILMAN. Mr. Chairman, I yield 3 minutes to the senior member of our Committee on Foreign Affairs, the gentleman from Illinois [Mr. HYDE].

Mr. HYDE. Mr. Chairman, this is an example, the Somalia adventure, of how easy it is to get into something and how difficult it is to get out.

When Congress provides the President with authorization to send our troops, our Armed Forces into hostilities, it is a very serious matter. But when we take such action in the absence of hostilities, in the absence of imminent threat to hostilities and in the absence of even so much as a request from the President for this authority, then, to put as euphemistic a phrase on it as I can, it loses its cogency.

The fact that the United States military forces in Somalia have fulfilled the mission that was given to them by President Bush means our troops ought to come home. They have restored order. They have permitted food to reach people in dire need. They have done so brilliantly and in the proud tradition of Americans responding to humanitarian tragedy.

But President Bush made a commitment to withdraw our troops, when the mission was completed, and to return the operation to the United Nation. Now they are not coming home.

Instead, President Clinton has committed, for an indefinite period of time, nearly 3,800 United States military personnel to this peacekeeping operation in Somalia, commanded by a foreign national.

Now, of great interest, it ought to be to us, is the fact that when the President strives to cut the Pentagon budget by $127 billion over the next 5 years, he has given our military forces a new mission that has traditionally been carried out by other nations, contributing forces to U.N. peacekeeping services.

The status of the military forces is interesting. Botswana is committed to provide 200 to this peacekeeping force; Egypt, 615; Nigeria, 562; Uganda, 300; Zamiba, 500; and Zimbabwe nearly goes over the top with 912.

That seems to me not quite the contribution Africa ought to make to an African problem. But India is negotiating to provide 4,000 troops. That is not certain yet.

In fact, it is listed as uncertain. Should India come through with 4,000, and they are a lot closer, I guess, than we are, then I do not really see the need for our 3,800 troops there.

But what this is is a continuation of the affection of the gentleman from Indiana [Mr. HAMILTON] for the War Powers Act, and I revere the gentleman from Indiana [Mr. HAMILTON]. And it is providing authority where it has not been asked for, legitimizing War Powers Act that some of us have doubts over its constitutionality. But it is saying, "Mr. President, you have not asked for it, but here it is anyway."

I suggest it divests Congress of any power, as situations change, to withdraw authority for our troops being in harm's way. We are giving a credit card for 12 months, no matter what happens. And we are saying, we are going to look very kindly on another extension beyond this one.

I do not think that was President Bush's intention. I do not think it is in our interest, and I respectfully hope that this resolution is defeated.

Mr. GILMAN. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. LEVY], a member of our committee.

Mr. LEVY. Mr. Chairman, I rise in opposition to the resolution which is before us today.

Like many of my Republican colleagues, I applaud the chairman of the Committee on Foreign Affairs, the gentleman from Indiana [Mr. HAMILTON], for his leadership in addressing the Somalia issue.

Congress should be involved in decisions concerning the deployment of our troops abroad, and a resolution authorizing such a deployment is indeed proper.

But I join the ranking member of our committee, the gentleman from New York [Mr. GILMAN], in opposing this resolution in its current form.

I am especially concerned that the resolution does not set a clear timetable for the withdrawal of United States troops from Somalia but, rather, presents the opportunity for long-term United States involvement in the region.

In short, the resolution authorizes American involvement in Somalia for another year at least and contains language enabling Congress to consider extending that commitment even longer.

Mr. Chairman, this resolution is not a detailed plan for resolving the situation in Somalia but, rather, a blueprint for a longer term commitment than most Americans are prepared to support at this time.

Mr. Chairman, I also join my colleagues, like the gentleman from Illinois [Mr. HYDE], who opposes those provisions of the resolution relating to the War Powers Act.

Senate Joint Resolution 45 effectively eliminates Congress' ability to insist that the President return for further congressional authorization, should our troops venture into harm's way at any time during the next 12 months.

I am sure that many of my colleagues would agree that we should not volunteer to omit Congress from deliberations regarding American involvement in hostilities when even the President has not asked us to do so.

I believe a long-term authorization in Somalia is a mistake. I ask all of my colleagues to support the Gilman substitute and to oppose the resolution in its current form.

Mr. GILMAN. Mr. Chairman, I thank the gentleman from New York for his remarks in support of the resolution.

Mr. Chairman, I yield 2 minutes to a member of the Committee on Armed Services, the gentleman from California [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. Mr. Chairman, I would like to speak in favor of the Gilman resolution, that I agree with the senior majority leader, the gentleman from Missouri [Mr. GEPHARDT], that during the Bush administration, many of us supported the efforts that are going forward in Somalia.

□ 1210

We saw children that were starving in a depressed country and that we could help when Africa did not help itself in that area. We also looked and thought that maybe we could be out of that by the inauguration itself. That has not come to pass.

I want to let the Members know that my position, whether President Bush would have been in power or President Clinton today, is that it is time that we get out. Let me tell the Members a few reasons why.

I would support the amendment of the gentleman from Indiana [Mr. HAMILTON] or the resolution if our economy was solvent; if we were not being asked, the American people, to be taxed at the highest rate they have ever been taxed at; if we didn't have a $4 trillion deficit, and an increasing deficit under the upcoming budget that President Clinton is recommending.

On the other side, they say that health care is of No. 1 importance, education is of No. 1 importance, but yet we are giving billions of dollars to Russia. The RTC is going to ask us for nearly $50 billion in the upcoming weeks to solve the RTC resolutions, but yet we still cut defense $127 billion.

In an All-Volunteer Force, retention is the No. 1 issue. The No. 1 issue within that retention factor is family separation. Our people are being asked to go from Desert Storm to Somalia and even the potential of Bosnia in the future. Those families need to come back home. All 4,000 of our people, men and women, have families back here. They need to attend to those things.

Recently in the State of California two Democratic Members of the other body stood up and said, "Don't close any of the bases in California. It is not economically sound." Yet those same two Members stand up and say, on the Committee on the Budget, "Cut defense an additional $127 billion," but yet we are still asking our people to do more and more and more. The future does not look good for them, Mr. Speaker.

I would ask that we support the gentleman from New York [Mr. GILMAN], and I understand and respect the gentleman from Indiana [Mr. HAMILTON] for what he is trying to do in Somalia, but I feel, Mr. Speaker, that this is a time past. We need to attend to our economy here and do the things we need for our people back here.

Mr. GILMAN. Mr. Chairman, I thank the gentleman from California for his arguments in support of the resolution.

Mr. Chairman, I am pleased to yield 2½ minutes to the gentleman from Pennsylvania [Mr. WELDON], a member of the Committee on Armed Services.

Mr. WELDON. Mr. Speaker, I want to thank my colleague for yielding time to me.

I rise in support of the Gilman substitute. I want to talk for a moment about what we have done in terms of Somalia.

As a member of the Committee on Armed Services, I try to focus as much of my time as possible on where we send our troops and under what conditions. I was over in Desert Storm and was down in Homestead, and we had them down in the Florida relief effort. I was over in Somalia in January with the gentleman from Pennsylvania [Mr. MURTHA] for several days, in Mogadishu and Baidoa. I can tell the Members I was absolutely impressed with the effort that was being put forth by our military. Their commitment and dedication always amazes me, as these young people respond to ever changing situations.

I am supportive of the role that we have played in Somalia. I wish we could have gotten our active duty troops out quicker than we did. I was very dismayed that the United Nations was in fact not in place in January to allow us to begin the process of changing the command from General Johnston to a command officer of the United Nations.

However, while I was in Somalia the one thing that I heard repeatedly from our troops that this body has got to keep in mind came from the mouths of the young marines in Mogadishu, who said, "Congressman, three of the last four Christmases I have been deployed. I have been away from my family." This included Desert Storm, it included military exercises that were a required part of training, it included Panama, and now it included Somalia.

What this body has got to understand is that we cannot keep sending our troops all over the world while at the same time we are cutting back military expenditures in such a draconian fashion.

This President and this administration has got to understand that as well. We cannot commit our troops to Bosnia and to Haiti and to Somalia and other places unless we are going to provide the funds to allow these troops to be replaced, to be properly trained, to have the resupply equipment brought in to allow them to meet their obligations.

The Marines did not even have the resupply capabilities necessary for Somalia because they have been continually deployed. That is because of a lack of funding for the Marines to keep adequate preparations for these kinds of missions. We cannot keep committing our troops in a vacuum.

While I support the effort in this case, and think it was well thought out and we did play a vital role, I would just say to my colleagues, as we debate defense authorization levels, we cannot do that in a vacuum, because the cuts we make have a direct impact not just on the Pentagon but on the men and women who serve us in the military, out there putting their lives on the line, even if it is in a peacekeeping mode.

Mr. GILMAN. Mr. Chairman, I thank the gentleman from Pennsylvania for his supporting remarks.

Mr. Chairman, I am pleased to yield 2 minutes to the gentleman from Wisconsin [Mr. ROTH], our ranking member of the Subcommittee on Economic Policy, Trade and Environment of the Committee on Foreign Affairs.

Mr. ROTH. Mr. Speaker, I thank my friend, the gentleman from New York, for yielding time to me.

Mr. Speaker, I want to compliment the chairman of our Committee on Foreign Affairs. I know he is addressing the Somalia issue in the way that he feels is appropriate.

The history of what has happened in Somalia has been well documented in debate here this morning. The American people saw the starving children in Somalia. We acted, both the old administration and the new administration, hand in hand. We were told that our troops were going to be out by January 20, Inauguration Day. Then Inauguration Day came and went and we were still in Somalia.

Then we were told that our troops would be out by the spring. Now we are well into the spring, and we are told our troops will stay there for an additional year. A year from now, I predict, as I predicted in January, our troops will be in Somalia for many more years, unless we say no.

If we do not have a date certain when our troops will come out, they will be there at the turn of the century. What concerns me is that we are being bled to death by operations like Somalia. We already have spent nearly $1 billion in Somalia. We have been told that the United Nations has taken over. If the United Nations has taken over, why are we still there? If we remain in this Somalia operation, we will spend another half billion dollars over the next year alone in Somalia.

We have deficits of $400 billion. The majority in this House want to tax our Social Security recipients. We are cutting back on our domestic programs. However, Secretary Christopher was before our Committee on Foreign Affairs and said, "We have to have more money for foreign aid." Where is it all going to stop?

I am very concerned about what is happening in our country today. We are being totally overextended.

In our Committee on Foreign Affairs the other day, one of the leading thinkers in the Democrat Party told us that we have to be involved everywhere in the world. I asked this gentleman: "To be involved everywhere in the world?" And he said, "Yes, we have to be involved everywhere in the world, and I mean everywhere in the world." I appreciate his candor, but my friends, can we be involved everywhere in the world? We are being bled to death. We cannot continue on this track. We just cannot. That is why a date certain on this Somalia operation is so important.

Mr. GILMAN. Mr. Chairman, we thank the gentleman from Wisconsin for his remarks.

Mr. Chairman I yield myself such time as I may consume.

The CHAIRMAN. The gentleman from New York [Mr. GILMAN] has 5 minutes remaining.

Mr. GILMAN. Mr. Chairman, in considering this measure, I urge the Members to consider the following. You should be aware of the following critical facts regarding Somalia:

First, contrary to the impression left by recent press accounts, approximately 4,000 United States military personnel remain in Somalia today; second, the State Department currently plans for United States military personnel to remain in Somalia for 17 more months, with no assurance that they will all be withdrawn at the end of that time; and third, the United States has already spent at least $800 million on military operations in Somalia, and the total military cost will rise to $1.4 billion by the end of next year.

I would like to emphasize that the U.N. Security Council in Resolution 814 established UNOSOM II "for an initial period through 31 October 1993, unless previously renewed by the Security Council." Because the U.N. force took over on May 4, this equates to a 6-month authorization.

I have yet to hear a persuasive explanation as to why Congress needs to authorize U.S. participation in UNOSOM II for 12 months when the Security Council has only authorized that force for 6 months, and why we need to promise to extend our authorization when the Security Council hasn't promised to extend its authorization.

It is plain to me that the Security Council wanted to make sure that it would have an opportunity to review the Somalia operation and make any necessary changes to UNOSOM II's mandate after 6 months; the U.S. Congress should insist on no less.

My substitute amendment which we expect to consider next Tuesday, will ask Congress to choose between long-term, open-ended United States military involvement in Somalia and a prompt withdrawal of United States forces from that country.

Senate Joint Resolution 45 as reported by the Committee on Foreign Affairs authorizes the President to keep United States forces in Somalia for 12 months after the date of enactment, and goes on to commit the Congress to give strong consideration to extending the initial 12-month period. My substitute will reduce the authorization period from 12 months to 6, and provides that all U.S. forces should be withdrawn at the end of that period rather than promising to extend it.

In addition, my substitute will eliminate the authorization provided by Senate Joint Resolution 45 for the President to engage in hostilities in Somalia. The administration has not asked for such authority, and indeed has stated that it considers such authority unnecessary. Granting this authority now serves only to ensure that no one in Congress can insist that the President return to Congress for additional authorization under the War Powers Resolution to keep United States forces in Somalia if hostilities break out there in the future.

If you believe, as I do, that it is time to bring United States forces home from Somalia now that they have accomplished the mission originally outlined for them, I urge you to support my substitute amendment to Senate Joint Resolution 45.

□ 1220

Mr. Chairman, I am pleased to yield 2 minutes to the gentleman from Illinois [Mr. MANZULLO], a member of our committee.

Mr. MANZULLO. Mr. Chairman, I think we should take a look at why we are in Somalia. Our troops were sent there not as part of a military incursion, but for humanitarian purposes, and the United States has declared that those humanitarian purposes have been accomplished. Mission accomplished. And the issue becomes why are we still there.

We have spent nearly $1 billion on this operation. Food is reaching the people of Somalia. Then why are we still there? Why does the President need an additional 1 year authority for our troops in Somalia? They should not be there in excess of 6 months, if that long.

The resolution before us can keep our troops there fore another 2 years. The CIA estimates that the Somalian operation will last until the end of the decade. The mission of the U.N. forces in Somalia has changed from securing humanitarian aid and delivery of that to rebuilding the ravaged country. That is not why we sent our brave personnel over to Somalia.

So unless the U.S. Congress is willing to change the nature of the purpose of our troops in Somalia, then the debate here has to center on a shift in policy from humanitarian aid to rebuilding the country, and then perhaps entering into hostilities. And that is why the 1- to 2-year period is dangerous.

Therefore, Mr. Chairman, I would suggest and strongly urge that my colleagues would consider the fact that American troops should be withdrawn in a period of time not to exceed 6 months.

Mr. GILMAN. Mr. Chairman, I yield back the balance of our time.

The CHAIRMAN. The gentleman from Indiana [Mr. HAMILTON] has 3 minutes remaining.

Mr. HAMILTON. Mr. Chairman, I yield the balance of our time to the distinguished gentleman from Florida [Mr. JOHNSTON], chairman of the Subcommittee on Africa. I want to say to him and to the gentleman from California [Mr. LANTOS], chairman of the other subcommittee, how much I appreciate their work on this resolution. That work has been superbly done.

Mr. JOHNSON of Florida. Mr. Chairman, the gentleman from Illinois [Mr. HYDE] said that the chairman of the committee [Mr. HAMILTON], had a great affection for the War Powers Act. It is my contention that the gentleman from Indiana [Mr. HAMILTON], has a great affection for this body, and a great affection for Congress, and a great affection for the separation of powers and the relevancy of the U.S. Congress when it comes to going to war or putting troops anywhere.

Did we have the opportunity to vote on the invasion of Grenada, unilaterally done by President Reagan? Did we have the opportunity to vote on the invasion of Panama, unilaterally done by President Bush? No, we did not.

I feel that some Members are not grasping the situation when the gentleman from Indiana [Mr. BURTON] gets up and says that we were to be out of there by Inauguration Day. Who was the President? It was Mr. Bush. On Inauguration Day Mr. Bush had 25,000 troops there and nothing was being done to remove them; 120 days later, 4 months to the date of the inauguration, we now have less than 4,000 troops there.

But the War Powers Act is the law of the land regardless of whether you like it or you do not like it. And I think for all of us to be involved in this, for us to have any relevancy at all in committing our troops, then I think we have to give dignity to this act and vote on it.

The gentleman from Indian [Mr. BURTON] says that he wants General Schwarzkopf to be there. Under the Gilman amendment they will still be there under the Turkish commander, and so I think he has misrepresented the fact here that the Gilman amendment will still allow troops to be under the presence of, American troops under the presence of a Turkish general. We will have Reserve forces out there in the Red Sea under command of the United States.

I would say to the gentleman from Illinois [Mr. HYDE] our mission is not completed. If our mission had been completed, then President Bush should have gotten the troops out of there on January 20. We cannot allow the clans to sit there with AK-47's and completely destroy anything we have done in the last 6 months since we have had troops there. If we do nothing, if we do nothing the administration can continue there indefinitely. The administration does not like this, because no administration likes the War Powers Act. But what we have done is limited it to 1 year at the most, and if we inject the War Powers Act, we can pull our troops out of there at any time by congressional declaration. But to say that they are for 2 years, for 17 months, for an indefinite period of time is misrepresenting what this resolution says.

I am saying that this is a compromise between the Republican resolution for 6 months and the administration resolution which says they can stay there indefinitely to come in in 1 year. Everything Members have read requires the Congress to come back and act again, and I strongly request that this body adopt this amendment to make Congress relevant to the War Powers Act and to committing troops anywhere in the world.

Mr. SPENCE. Mr. Chairman, I rise in opposition to the resolution before the House.

I commend the gentleman from Indiana [Mr. HAMILTON] for pushing legislation through the Foreign Affairs Committee that provides the House with the opportunity to debate the question of continued U.S. military involvement in Somalia.

To Mr. HAMILTON's credit, his legislation addresses many critical issues that the Senate version of Senate Joint Resolution 45 ignored in its granting to the administration a virtual blank check in Somalia.

But, having said this, this bill is still too little, too late.

Too little because it provides the administration with too much authority to conduct operations beyond the stated peacekeeping mission and for a time period that extends beyond that authorized by even the U.N. Security Council.

Too late because we are debating a legislative barn door long after the horse has escaped.

We are considering a resolution authorizing a military operation that began over 6 months ago, involved at its peak up to 28,000 troops, and entered a new critical phase over 3 weeks ago.

This House, therefore, is in the untenable position of debating the authorization for a military operation after the operation has commenced.

Mr. Chairman, as the House considers this resolution and, by extension, the policy that led to the deployment of U.S. troops in Somalia, I want to comment on three important issues from my vantage point as the ranking Republican member on the Armed Services Committee—control of U.S. forces, impact on military readiness, and the operational implications for the future.

COMMAND AND CONTROL

The first issue involves the important question of who retains control of U.S. forces participating in multilateral peacekeeping operations.

The operation authorized by this resolution will place, for the first time, a significant number of U.S. troops under the direct operational control of a foreign U.N. commander.

This is the same United Nations that was responsible for UNOSOM I, the peacekeeping operation that allowed security in Somalia to deteriorate to the point of anarchy by permitting bands of technicals and irregulars to terrorize a starving population.

The same United Nations that is apparently and unfortunately an object of derision among the Somali population for its history of intervention in Somalia.

And the same United Nations that has no experience in conducting large-scale military operations nor empowers its forces with the authority and rules of engagement necessary to execute such operations consistent with U.S. military doctrine.

Mr. Chairman, based on my concern over placing the fate of a large number of young Americans in the hands of an unaccountable foreign national, I have repeatedly attempted to extract from the Pentagon basic information on the details of the command and control arrangement for UNOSOM II in Somalia.

In February and then again on March 10, I wrote Secretary of Defense Aspin requesting legitimate information based on numerous questions associated with the proposal to subordinate the command of American forces to a foreign national.

To this day, I have received no response, no acknowledgment, no information.

While the Pentagon has briefed the Congress on the broad outlines of the UNOSOM II operation, these briefings have not answered many important questions that Congress should already have considered in order to assess the wisdom of taking this unprecedented step. They include:

Questions over the assigned role and mission of the 2,600 Americans left behind to serve as U.N. blue-helmeted troops.

Questions over who will be responsible for the day-to-day security of these largely logistics and support forces.

Questions over the competence and capability of non-U.S. forces responsible for the day-to-day security of the U.S. support contingent.

Questions over the ability of the UNOSOM II headquarters staff to conduct basic military planning and respond to operational requirements as the operation expands into northern Somalia.

Questions over who retains the authority to withdraw or deploy U.S. forces in the face of a deterioration in the security situation and how quickly such authority can be exercised.

Questions over the rules of engagement supplied to U.S. support forces and to the U.S. Quick Reaction Force.

Questions over the precise nature of the memorandum of understanding between the United States and the United Nations detailing how and under what conditions the American Quick Reaction Force would be used and commanded.

Like these, there are many more questions that remain unanswered about the operation in Somalia either because there are no answers or because the administration is refusing to provide the Congress with information we are entitled to in order to carry out our constitutional responsibilities.

READINESS

The second area of concern I want to address briefly is the impact that Operation Restore Hope and our continued participation in UNOSOM II is having on the day-to-day readiness of U.S. forces.

In terms of dollars, the Department of Defense estimated the cost to the American taxpayer for Operation Restore Hope to be approximately $750 million. However, according to the GAO, the total cost for U.S. involvement in Somalia, factoring in all other past and current operations, is estimated at $1.5 billion through the end of this fiscal year.

Neither estimate takes into account the many other fiscal and human costs to readiness.

First, the Pentagon's $750 million reflects only what the Secretary of Defense approved to be counted as costs.

When you look at what the military services claim they are actually spending out of pocket to fund operations in Somalia, you find that almost $400 million in costs are not included in the Pentagon's official figures.

This means that, even if Congress ends up providing the Pentagon with the full $750 million requested, the services will still have to find approximately $400 million in incremental and unanticipated costs for Somali operations—funds that will almost inevitably come straight out of the readiness accounts.

Second, because of the unplanned nature of the Somali operation and the delay in getting Congress to consider paying the bill, some of the services have had to absorb huge spending cuts in their operating budgets while they wait to be reimbursed.

For example, the Navy and Marine Corps have both been canceling training exercises in the Pacific during most of the year because the funds budgeted for these purposes were instead used to pay for operations in Somalia.

The situation facing the Marines is so bad that GAO estimates they will start running out of critical operations and maintenance funds sometime next month unless immediate reimbursement is received for the cost of operations in Somalia.

Third, many Marine units were sent to Somalia last year on the heels of arriving home from an extended deployment in the Persian Gulf for Desert Storm.

This pattern of back-to-back deployments imposes a high human cost on thousands of young Marines and their families that is impossible to quantify and can only lead to a higher than normal separation rate when quality soldiers decide that the costs of reenlisting to them and their families are too high.

Operation Restore Hope has also exacerbated a debilitating readiness problem relative to equipment that did not have time to go through the normal depot maintenance process necessary to keep it at the appropriate combat readiness levels following Desert Storm.

This means, for instance, that a large portion of our Marine Corps units have equipment in desperate need of maintenance overhaul that will not be back to combat ready standards for many months, perhaps years to come.

In fact, most of the funds necessary to fix this kind of maintenance backlog were specifically excluded by the Pentagon from the calculation of costs incurred by operations in Somalia, further underestimating the true readiness impact of Operation Restore Hope.

IMPLICATIONS FOR THE FUTURE

While most of the American public and political attention has shifted from Somalia to the turmoil in the Balkans, I believe that we must take the time to consider what lessons our involvement in Somalia provide for the future.

In many respects, the Somalia operation could prove to be the model for peacekeeping/peacemaking operations of the future.

While the specifics may vary, generally speaking, the situation in Somalia is not much different than what historically has occurred and will continue to occur in Third World countries around the globe—situations where internal political strife has led to a breakdown of civil order with high loss of human life and decimated local economies.

Time and time again, the United Nations and the international community has proven that the standard response of deploying modest peacekeeping forces with little or no meaningful mandate has not worked or made much of a difference.

A quick review of the United Nations inability to act effectively in Cambodia bears this out.

What is apt to work more successfully is the injection of credible and capable military forces with an international mandate to use force when and if necessary to stabilize internal conflicts.

Whether we like it or not, the United States remains the sole Nation with the necessary military resources, expertise, reputation, and political will to initiate and sustain such operations with or without allied participation.

Our European friends are great followers, but have shown great hesitation to lead in such matters, even when the conflict is in their own front yard.

This means that every time that the collective global conscience is sufficiently aroused by poignant television images coming from one internal conflict or another, it remains likely that U.S. political and military leadership will remain the solution of choice for many.

You do not have to read beyond the daily headlines to recognize that this is not a theoretical scenario, it happened yesterday in Somalia, it is happening today in Bosnia and will certainly happen again somewhere else tomorrow.

I raise these matters because, as a member of the Armed Services Committee, I have a responsibility to examine the lessons of Somalia and pay careful attention to the impacts such operations have on our ability to maintain an effective military capability to, first and foremost, protect U.S. national interests regardless of global humanitarian interests and pressures.

While the U.S. military presence in Somalia has indeed declined, the fact remains that the follow-on U.N. operation is dependent on U.S. security provided by our quick reaction force, U.S. operational support in the form of intelligence, communications, and other vital services, and U.S. logistical support which keeps the multinational military forces fed, equipped and armed in a nation with virtually no transportation infrastructure.

In fact, the tactical Quick Reaction Force from the 10th Mountain Division that is supposed to be transitioning out of Somalia was just deployed to Kismayu this past weekend to assist Belgian forces responsible for securing the town.

The point, Mr. Chairman, is that the burdens of being the sole remaining superpower will likely place increasing pressures on the United States to use its preeminent military capabilities for the good of the global order.

These increasing commitments occur against a backdrop of severe defense budget cuts and reductions in force structure mandated by the Clinton budget plan.

At some point, something must give. And I am very concerned that the give will come in the form of reduced readiness, the emergence of hollow forces and, most importantly, a steadily diminished capability to have forces available and ready to engage in those instances when vital American interests are directly at stake.

In closing, I want to again commend the Foreign Affairs Committee for bringing this measure to the floor.

I would say to the gentleman from Indiana [Mr. HAMILTON] that he has taken the legislation adopted by the other body and greatly improved it. But, in my estimation, the bill before us still falls short of what Congress ought to be doing on this issue and I will have to oppose it.

Instead, it is my intention to support my colleague BEN GILMAN's substitute amendment when it is offered as a stronger, more meaningful expression of congressional direction to the administration that our objectives in Somalia have been met, and we should take every step to expedite the complete withdrawal of all U.S. forces within the specified period of 6 months.

I commend Mr. GILMAN for offering his amendment and urge all of my colleagues to support it.

Mr. PENNY. Mr. Chairman, today the House of Representatives considers Senate Joint Resolution 45, a resolution authorizing Operation Restore Hope in Somalia for the past 6 months, and to authorize the involvement of U.S. troops in a U.N. peacekeeping mission in Somalia for up to 1 additional year. The resolution includes language providing advance authorization for United States forces to engage in combat under the 1973 War Powers Act.

Mr. Chairman, while I strongly support this resolution, I am deeply troubled by the fact that we are just now taking up this important resolution. At the height of Operation Restore Hope, the United States had deployed some 25,000 soldiers in Somalia. This military involvement should have required a congressional vote soon after the initial deployment.

It was my understanding in December of last year that Congress would take up this resolution in early January of this year—some 5 months ago. Although I did not believe—and still do not believe—that the President needed prior congressional approval to intervene in Somalia for humanitarian purposes, I do feel that such interventions should be debated by Congress as soon after the deployment of U.S. troops in such situations as is possible. Congress has the constitutional responsibility to weigh in on these matters.

Unfortunately, in recent years, there has not been a clear and consistent pattern of legislative and executive branch cooperation in security and international matters. I would urge the Congress hold hearings in the near future on the issue of war powers to look at ways in which the War Power Act of 1973 could be reformed to reflect the post-cold-war era. Specifically, we need to look at ways in which Congress is required to vote in a timely manner on all overseas deployments of U.S. troops—whether in defensive military situations, peacekeeping operations, enforcement of no-fly zones, humanitarian interventions, or any other uses of American troops in hostile or potentially hostile situations overseas.

In any event, I am very pleased that Congress will have the opportunity to vote on United States involvement in the U.N. peacekeeping mission which began on May 1, 1993, in Somalia. It is, to my knowledge, the first time that a large U.S. force has been directly involved in any U.N. peacekeeping mission under the direction of a foreign commander. The United States has an important leadership role to play in the post-cold-war era, and I applaud the decision of the Foreign Affairs Committee in recognizing this vital role.

The CHAIRMAN. All time has expired.

Mr. HAMILTON. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose and the Speaker pro tempore (Mr. SKAGGS) having assumed the chair, Mr. DARDEN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the Senate joint resolution (S.J. Res. 45) authorizing the use of U.S. Armed Forces in Somalia, had come to no resolution thereon.

CONFERENCE REPORT ON S. 1, NATIONAL INSTITUTES OF HEALTH REVITALIZATION ACT OF 1993

Mr. WYDEN submitted the following conference report and statement on the Senate bill (S. 1) to amend the Public Health Service Act to revise and extend the programs of the National Institutes of Health, and for other purposes.

CONFERENCE REPORT (H. REPT. 103–100)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1) to amend the Public Health Service Act to revise and extend the programs of the National Institutes of Health, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment, insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "National Institutes of Health Revitalization Act of 1993".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—GENERAL PROVISIONS REGARDING TITLE IV OF PUBLIC HEALTH SERVICE ACT

Subtitle A—Research Freedom

PART I—REVIEW OF PROPOSALS FOR BIOMEDICAL AND BEHAVIORAL RESEARCH

Sec. 101. Establishment of certain provisions regarding research conducted or supported by National Institutes of Health.

PART II—RESEARCH ON TRANSPLANTATION OF FETAL TISSUE

Sec. 111. Establishment of authorities.
Sec. 112. Purchase of human fetal tissue; solicitation or acceptance of tissue as directed donation for use in transplantation.
Sec. 113. Nullification of moratorium.
Sec. 114. Report by General Accounting Office on adequacy of requirements.

PART III—MISCELLANEOUS REPEALS

Sec. 121. Repeals.

Subtitle B—Clinical Research Equity Regarding Women and Minorities

PART I—WOMEN AND MINORITIES AS SUBJECTS IN CLINICAL RESEARCH

Sec. 131. Requirement of inclusion in research.
Sec. 132. Peer review.
Sec. 133. Inapplicability to current projects.

PART II—OFFICE OF RESEARCH ON WOMEN'S HEALTH

Sec. 141. Establishment.

PART III—OFFICE OF RESEARCH ON MINORITY HEALTH

Sec. 151. Establishment.

Subtitle C—Research Integrity

Sec. 161. Establishment of Office of Research Integrity.
Sec. 162. Commission on Research Integrity.
Sec. 163. Protection of whistleblowers.
Sec. 164. Requirement of regulations regarding protection against financial conflicts of interest in certain projects of research.
Sec. 165. Regulations; applicability.

TITLE II—NATIONAL INSTITUTES OF HEALTH IN GENERAL

Sec. 201. Health promotion research dissemination.
Sec. 202. Programs for increased support regarding certain States and researchers.
Sec. 203. Establishment of Office of Behavioral and Social Sciences Research.
Sec. 204. Children's vaccine initiative.
Sec. 205. Plan for use of animals in research.
Sec. 206. Increased participation of women and disadvantaged individuals in fields of biomedical and behavioral research.
Sec. 207. Requirements regarding surveys of sexual behavior.
Sec. 208. Discretionary fund of Director of National Institutes of Health.
Sec. 209. Establishment of Office of Alternative Medicine.
Sec. 210. Miscellaneous provisions.

TITLE III—GENERAL PROVISIONS RESPECTING NATIONAL RESEARCH INSTITUTES

Sec. 301. Appointment and authority of Directors of national research institutes.
Sec. 302. Program of research on osteoporosis, Paget's disease, and related disorders.
Sec. 303. Establishment of interagency program for trauma research.

TITLE IV—NATIONAL CANCER INSTITUTE

Sec. 401. Expansion and intensification of activities regarding breast cancer.
Sec. 402. Expansion and intensification of activities regarding prostate cancer.
Sec. 403. Authorization of appropriations.

TITLE V—NATIONAL HEART, LUNG, AND BLOOD INSTITUTE

Sec. 501. Education and training.
Sec. 502. Centers for the study of pediatric cardiovascular diseases.
Sec. 503. National Center on Sleep Disorders Research.
Sec. 504. Authorization of appropriations.
Sec. 505. Prevention and control programs.

TITLE VI—NATIONAL INSTITUTE ON DIABETES AND DIGESTIVE AND KIDNEY DISEASES

Sec. 601. Provisions regarding nutritional disorders.

TITLE VII—NATIONAL INSTITUTE ON ARTHRITIS AND MUSCULOSKELETAL AND SKIN DISEASES

Sec. 701. Juvenile arthritis.

TITLE VIII—NATIONAL INSTITUTE ON AGING

Sec. 801. Alzheimer's disease registry.
Sec. 802. Aging processes regarding women.
Sec. 803. Authorization of appropriations.
Sec. 804. Conforming amendment.

TITLE IX—NATIONAL INSTITUTE OF ALLERGY AND INFECTIOUS DISEASES

Sec. 901. Tropical diseases.
Sec. 902. Chronic fatigue syndrome.

TITLE X—NATIONAL INSTITUTE OF CHILD HEALTH AND HUMAN DEVELOPMENT

Subtitle A—Research Centers With Respect to Contraception and Research Centers With Respect to Infertility

Sec. 1001. Grants and contracts for research centers.
Sec. 1002. Loan repayment program for research with respect to contraception and infertility.

Subtitle B—Program Regarding Obstetrics and Gynecology

Sec. 1011. Establishment of program.

Subtitle C—Child Health Research Centers

Sec. 1021. Establishment of centers.

Subtitle D—Study Regarding Adolescent Health

Sec. 1031. Prospective longitudinal study.

TITLE XI—NATIONAL EYE INSTITUTE

Sec. 1101. Clinical and health services research on eye care and diabetes.

TITLE XII—NATIONAL INSTITUTE OF NEUROLOGICAL DISORDERS AND STROKE

Sec. 1201. Research on multiple sclerosis.

TITLE XIII—NATIONAL INSTITUTE OF ENVIRONMENTAL HEALTH SCIENCES

Sec. 1301. Applied Toxicological Research and Testing Program.

TITLE XIV—NATIONAL LIBRARY OF MEDICINE

Subtitle A—General Provisions

Sec. 1401. Additional authorities.
Sec. 1402. Authorization of appropriations.

Subtitle B—Financial Assistance

Sec. 1411. Establishment of program of grants for development of education technologies.

Subtitle C—National Information Center on Health Services Research and Health Care Technology

Sec. 1421. Establishment of Center.
Sec. 1422. Conforming provisions.

TITLE XV—OTHER AGENCIES OF NATIONAL INSTITUTES OF HEALTH

Subtitle A—Division of Research Resources

Sec. 1501. Redesignation of Division as National Center for Research Resources.
Sec. 1502. Biomedical and behavioral research facilities.
Sec. 1503. Construction program for national primate research center.

Subtitle B—National Center for Nursing Research

Sec. 1511. Redesignation of National Center for Nursing Research as National Institute of Nursing Research.
Sec. 1512. Study on adequacy of number of nurses.

Subtitle C—National Center for Human Genome Research

Sec. 1521. Purpose of Center.

TITLE XVI—AWARDS AND TRAINING

Subtitle A—National Research Service Awards

Sec. 1601. Requirement regarding women and individuals from disadvantaged backgrounds.
Sec. 1602. Service payback requirements.

Subtitle B—Acquired Immune Deficiency Syndrome

Sec. 1611. Loan repayment program.

Subtitle C—Loan Repayment for Research Generally

Sec. 1621. Establishment of program.

Subtitle D—Scholarship and Loan Repayment Programs Regarding Professional Skills Needed by National Institutes of Health

Sec. 1631. Establishment of programs.
Sec. 1632. Funding.

Subtitle E—Funding for Awards and Training Generally

Sec. 1641. Authorization of appropriations.

TITLE XVII—NATIONAL FOUNDATION FOR BIOMEDICAL RESEARCH

Sec. 1701. National Foundation for Biomedical Research.

TITLE XVIII—RESEARCH WITH RESPECT TO ACQUIRED IMMUNE DEFICIENCY SYNDROME

Subtitle A—Office of AIDS Research

Sec. 1801. Establishment of Office.
Sec. 1802. Establishment of emergency discretionary fund.
Sec. 1803. General provisions.

Subtitle B—Certain Programs

Sec. 1811. Revision and extension of certain programs.

TITLE XIX—STUDIES

Sec. 1901. Life-threatening illnesses.
Sec. 1902. Malnutrition in the elderly.
Sec. 1903. Research activities on chronic fatigue syndrome.
Sec. 1904. Report on medical uses of biological agents in development of defenses against biological warfare.
Sec. 1905. Personnel study of recruitment, retention and turnover.
Sec. 1906. Procurement.
Sec. 1907. Chronic pain conditions.
Sec. 1908. Relationship between the consumption of legal and illegal drugs.
Sec. 1909. Reducing administrative health care costs.
Sec. 1910. Sentinel disease concept study.
Sec. 1911. Study of potential environmental and other risks contributing to incidence of breast cancer.
Sec. 1912. Support for bioengineering research.
Sec. 1913. Cost of care in last 6 months of life.

TITLE XX—MISCELLANEOUS PROVISIONS

Sec. 2001. Designation of Senior Biomedical Research Service in honor of Silvio O. Conte; limitation on number of members.
Sec. 2002. Master plan for physical infrastructure for research.

Sec. 2003. Certain authorization of appropriations.
Sec. 2004. Buy-American provisions.
Sec. 2005. Prohibition against further funding of Project Aries.
Sec. 2006. Loan repayment program.
Sec. 2007. Exclusion of aliens infected with the agent for acquired immune deficiency syndrome.
Sec. 2008. Technical corrections.
Sec. 2009. Biennial report on carcinogens.
Sec. 2010. Transfer of provisions of title XXVII.
Sec. 2011. Authorization of appropriations.
Sec. 2012. Vaccine injury compensation program.
Sec. 2013. Technical corrections with respect to the Agency for Health Care Policy and Research.
Sec. 2014. Technical corrections with respect to the Health Professions Education Extension Amendments of 1992.
Sec. 2015. Restrictions regarding SHARP adult sex survey and the American teenage sex survey.
Sec. 2016. Health services research.
Sec. 2017. Childhood mental health.
Sec. 2018. Expenditures from certain account.

TITLE XXI—EFFECTIVE DATES

Sec. 2101. Effective dates.

TITLE I—GENERAL PROVISIONS REGARDING TITLE IV OF PUBLIC HEALTH SERVICE ACT

Subtitle A—Research Freedom

PART I—REVIEW OF PROPOSALS FOR BIOMEDICAL AND BEHAVIORAL RESEARCH

SEC. 101. ESTABLISHMENT OF CERTAIN PROVISIONS REGARDING RESEARCH CONDUCTED OR SUPPORTED BY NATIONAL INSTITUTES OF HEALTH.

Part G of title IV of the Public Health Service Act (42 U.S.C. 289 et seq.) is amended by inserting after section 492 the following section:

"CERTAIN PROVISIONS REGARDING REVIEW AND APPROVAL OF PROPOSALS FOR RESEARCH

"SEC. 492A. (a) REVIEW AS PRECONDITION TO RESEARCH.—

"(1) PROTECTION OF HUMAN RESEARCH SUBJECTS.—

"(A) In the case of any application submitted to the Secretary for financial assistance to conduct research, the Secretary may not approve or fund any application that is subject to review under section 491(a) by an Institutional Review Board unless the application has undergone review in accordance with such section and has been recommended for approval by a majority of the members of the Board conducting such review.

"(B) In the case of research that is subject to review under procedures established by the Secretary for the protection of human subjects in clinical research conducted by the National Institutes of Health, the Secretary may not authorize the conduct of the research unless the research has, pursuant to such procedures, been recommended for approval.

"(2) PEER REVIEW.—In the case of any proposal for the National Institutes of Health to conduct or support research, the Secretary may not approve or fund any proposal that is subject to technical and scientific peer review under section 492 unless the proposal has undergone such review in accordance with such section and has been recommended for approval by a majority of the members of the entity conducting such review.

"(b) ETHICAL REVIEW OF RESEARCH.—

"(1) PROCEDURES REGARDING WITHHOLDING OF FUNDS.—If research has been recommended for approval for purposes of subsection (a), the Secretary may not withhold funds for the research because of ethical considerations unless—

"(A) the Secretary convenes an advisory board in accordance with paragraph (5) to study such considerations; and

"(B)(i) the majority of the advisory board recommends that, because of such considerations, the Secretary withhold funds for the research; or

(ii) the majority of such board recommends that the Secretary not withhold funds for the research because of such considerations, but the Secretary finds, on the basis of the report submitted under paragraph (5)(B)(ii), that the recommendation is arbitrary and capricious.

"(2) RULES OF CONSTRUCTION.—Paragraph (1) may not be construed as prohibiting the Secretary from withholding funds for research on the basis of—

"(A) the inadequacy of the qualifications of the entities that would be involved with the conduct of the research (including the entity that would directly receive the funds from the Secretary), subject to the condition that, with respect to the process of review through which the research was recommended for approval for purposes of subsection (a), all findings regarding such qualifications made in such process are conclusive; or

"(B) the priorities established by the Secretary for the allocation of funds among projects of research that have been so recommended.

"(3) APPLICABILITY.—The limitation established in paragraph (1) regarding the authority to withhold funds because of ethical considerations shall apply without regard to whether the withholding of funds on such basis is characterized as a disapproval, a moratorium, a prohibition, or other characterization.

"(4) PRELIMINARY MATTERS REGARDING USE OF PROCEDURES.—

"(A) If the Secretary makes a determination that an advisory board should be convened for purposes of paragraph (1), the Secretary shall, through a statement published in the Federal Register, announce the intention of the Secretary to convene such a board.

"(B) A statement issued under subparagraph (A) shall include a request that interested individuals submit to the Secretary recommendations specifying the particular individuals who should be appointed to the advisory board involved. The Secretary shall consider such recommendations in making appointments to the board.

"(C) The Secretary may not make appointments to an advisory board under paragraph (1) until the expiration of the 30-day period beginning on the date on which the statement required in subparagraph (A) is made with respect to the board.

"(5) ETHICS ADVISORY BOARDS.—

"(A) Any advisory board convened for purposes of paragraph (1) shall be known as an ethics advisory board (in this paragraph referred to as an 'ethics board').

"(B)(i) An ethics board shall advise, consult with, and make recommendations to the Secretary regarding the ethics of the project of biomedical or behavioral research with respect to which the board has been convened.

"(ii) Not later than 180 days after the date on which the statement required in paragraph (4)(A) is made with respect to an ethics board, the board shall submit to the Secretary, and to the Committee on Energy and Commerce of the House of Representatives and the Committee on Labor and Human Resources of the Senate, a report describing the findings of the board regarding the project of research involved and making a recommendation under clause (i) of whether the Secretary should or should not withhold funds for the project. The report shall include the information considered in making the findings.

"(C) An ethics board shall be composed of no fewer than 14, and no more than 20, individuals who are not officers or employees of the United States. The Secretary shall make appointments to the board from among individuals with special qualifications and competence to provide advice and recommendations regarding ethical matters in biomedical and behavioral research. Of the members of the board—

"(i) no fewer than 1 shall be an attorney;

"(ii) no fewer than 1 shall be an ethicist;

"(iii) no fewer than 1 shall be a practicing physician;

"(iv) no fewer than 1 shall be a theologian; and

"(v) no fewer than one-third, and no more than one-half, shall be scientists with substantial accomplishments in biomedical or behavioral research.

"(D) The term of service as a member of an ethics board shall be for the life of the board. If such a member does not serve the full term of such service, the individual appointed to fill the resulting vacancy shall be appointed for the remainder of the term of the predecessor of the individual.

"(E) A member of an ethics board shall be subject to removal from the board by the Secretary for neglect of duty or malfeasance or for other good cause shown.

"(F) The Secretary shall designate an individual from among the members of an ethics board to serve as the chair of the board.

"(G) In carrying out subparagraph (B)(i) with respect to a project of research, an ethics board shall conduct inquiries and hold public hearings.

"(H) In carrying out subparagraph (B)(i) with respect to a project of research, an ethics board shall have access to all relevant information possessed by the Department of Health and Human Services, or available to the Secretary from other agencies.

"(I) Members of an ethics board shall receive compensation for each day engaged in carrying out the duties of the board, including time engaged in traveling for purposes of such duties. Such compensation may not be provided in an amount in excess of the maximum rate of basic pay payable for GS–18 of the General Schedule.

"(J) The Secretary, acting through the Director of the National Institutes of Health, shall provide to each ethics board reasonable staff and assistance to carry out the duties of the board.

"(K) An ethics board shall terminate 30 days after the date on which the report required in subparagraph (B)(ii) is submitted to the Secretary and the congressional committees specified in such subparagraph.

"(6) DEFINITION.—For purposes of this subsection, the term 'ethical considerations' means considerations as to whether the nature of the research involved is such that it is unethical to conduct or support the research.".

PART II—RESEARCH ON TRANSPLANTATION OF FETAL TISSUE

SEC. 111. ESTABLISHMENT OF AUTHORITIES.

Part G of title IV of the Public Health Service Act (42 U.S.C. 289 et seq.) is amended by inserting after section 498 the following section:

"RESEARCH ON TRANSPLANTATION OF FETAL TISSUE

"SEC. 498A. (a) ESTABLISHMENT OF PROGRAM.—

"(1) IN GENERAL.—The Secretary may conduct or support research on the transplantation of human fetal tissue for therapeutic purposes.

"(2) SOURCE OF TISSUE.—Human fetal tissue may be used in research carried out under paragraph (1) regardless of whether the tissue is obtained pursuant to a spontaneous or induced abortion or pursuant to a stillbirth.

"(b) INFORMED CONSENT OF DONOR.—

"(1) IN GENERAL.—In research carried out under subsection (a), human fetal tissue may be used only if the woman providing the tissue makes a statement, made in writing and signed by the woman, declaring that—

"(A) the woman donates the fetal tissue for use in research described in subsection (a);

"(B) the donation is made without any restriction regarding the identity of individuals who may be the recipients of transplantations of the tissue; and

"(C) the woman has not been informed of the identity of any such individuals.

"(2) ADDITIONAL STATEMENT.—In research carried out under subsection (a), human fetal tissue may be used only if the attending physician with respect to obtaining the tissue from the woman involved makes a statement, made in writing and signed by the physician, declaring that—

"(A) in the case of tissue obtained pursuant to an induced abortion—

"(i) the consent of the woman for the abortion was obtained prior to requesting or obtaining consent for a donation of the tissue for use in such research;

"(ii) no alteration of the timing, method, or procedures used to terminate the pregnancy was made solely for the purposes of obtaining the tissue; and

"(iii) the abortion was performed in accordance with applicable State law;

"(B) the tissue has been donated by the woman in accordance with paragraph (1); and

"(C) full disclosure has been provided to the woman with regard to—

"(i) such physician's interest, if any, in the research to be conducted with the tissue; and

"(ii) any known medical risks to the woman or risks to her privacy that might be associated with the donation of the tissue and that are in addition to risks of such type that are associated with the woman's medical care.

"(c) INFORMED CONSENT OF RESEARCHER AND DONEE.—In research carried out under subsection (a), human fetal tissue may be used only if the individual with the principal responsibility for conducting the research involved makes a statement, made in writing and signed by the individual, declaring that the individual—

"(1) is aware that—

"(A) the tissue is human fetal tissue;

"(B) the tissue may have been obtained pursuant to a spontaneous or induced abortion or pursuant to a stillbirth; and

"(C) the tissue was donated for research purposes;

"(2) has provided such information to other individuals with responsibilities regarding the research;

"(3) will require, prior to obtaining the consent of an individual to be a recipient of a transplantation of the tissue, written acknowledgment of receipt of such information by such recipient; and

"(4) has had no part in any decisions as to the timing, method, or procedures used to terminate the pregnancy made solely for the purposes of the research.

"(d) AVAILABILITY OF STATEMENTS FOR AUDIT.—

"(1) IN GENERAL.—In research carried out under subsection (a), human fetal tissue may be used only if the head of the agency or other entity conducting the research involved certifies to the Secretary that the statements required under subsections (b) (2) and (c) will be available for audit by the Secretary.

"(2) CONFIDENTIALITY OF AUDIT.—Any audit conducted by the Secretary pursuant to paragraph (1) shall be conducted in a confidential manner to protect the privacy rights of the individuals and entities involved in such research, including such individuals and entities involved in the donation, transfer, receipt, or transplantation of human fetal tissue. With respect to any material or information obtained pursuant to such audit, the Secretary shall—

"(A) use such material or information only for the purposes of verifying compliance with the requirements of this section;

"(B) not disclose or publish such material or information, except where required by Federal law, in which case such material or information shall be coded in a manner such that the identities of such individuals and entities are protected; and

"(C) not maintain such material or information after completion of such audit, except where necessary for the purposes of such audit.

"(e) APPLICABILITY OF STATE AND LOCAL LAW.—

"(1) RESEARCH CONDUCTED BY RECIPIENTS OF ASSISTANCE.—The Secretary may not provide support for research under subsection (a) unless the applicant for the financial assistance involved agrees to conduct the research in accordance with applicable State law.

"(2) RESEARCH CONDUCTED BY SECRETARY.—The Secretary may conduct research under subsection (a) only in accordance with applicable State and local law.

"(f) REPORT.—The Secretary shall annually submit to the Committee on Energy and Commerce of the House of Representatives, and to the Committee on Labor and Human Resources of the Senate, a report describing the activities carried out under this section during the preceding fiscal year, including a description of whether and to what extent research under subsection (a) has been conducted in accordance with this section.

"(g) DEFINITION.—For purposes of this section, the term 'human fetal tissue' means tissue or cells obtained from a dead human embryo or fetus after a spontaneous or induced abortion, or after a stillbirth.".

SEC. 112. PURCHASE OF HUMAN FETAL TISSUE; SOLICITATION OR ACCEPTANCE OF TISSUE AS DIRECTED DONATION FOR USE IN TRANSPLANTATION.

Part G of title IV of the Public Health Service Act, as amended by section 111 of this Act, is amended by inserting after section 498A the following section:

"PROHIBITIONS REGARDING HUMAN FETAL TISSUE

"SEC. 498B. (a) PURCHASE OF TISSUE.—It shall be unlawful for any person to knowingly acquire, receive, or otherwise transfer any human fetal tissue for valuable consideration if the transfer affects interstate commerce.

"(b) SOLICITATION OR ACCEPTANCE OF TISSUE AS DIRECTED DONATION FOR USE IN TRANSPLANTATION.—It shall be unlawful for any person to solicit or knowingly acquire, receive, or accept a donation of human fetal tissue for the purpose of transplantation of such tissue into another person if the donation affects interstate commerce, the tissue will be or is obtained pursuant to an induced abortion, and—

"(1) the donation will be or is made pursuant to a promise to the donating individual that the donated tissue will be transplanted into a recipient specified by such individual;

"(2) the donated tissue will be transplanted into a relative of the donating individual; or

"(3) the person who solicits or knowingly acquires, receives, or accepts the donation has provided valuable consideration for the costs associated with such abortion.

"(c) CRIMINAL PENALTIES FOR VIOLATIONS.—

"(1) IN GENERAL.—Any person who violates subsection (a) or (b) shall be fined in accordance with title 18, United States Code, subject to paragraph (2), or imprisoned for not more than 10 years, or both.

"(2) PENALTIES APPLICABLE TO PERSONS RECEIVING CONSIDERATION.—With respect to the imposition of a fine under paragraph (1), if the person involved violates subsection (a) or (b)(3), a fine shall be imposed in an amount not less than twice the amount of the valuable consideration received.

"(d) DEFINITIONS.—For purposes of this section:

"(1) The term 'human fetal tissue' has the meaning given such term in section 498A(f).

"(2) The term 'interstate commerce' has the meaning given such term in section 201(b) of the Federal Food, Drug, and Cosmetic Act.

"(3) The term 'valuable consideration' does not include reasonable payments associated with the transportation, implantation, processing, preservation, quality control, or storage of human fetal tissue.".

SEC. 113. NULLIFICATION OF MORATORIUM.

(a) IN GENERAL.—Except as provided in subsection (c), no official of the executive branch may impose a policy that the Department of Health and Human Services is prohibited from conducting or supporting any research on the transplantation of human fetal tissue for therapeutic purposes. Such research shall be carried out in accordance with section 498A of the Public Health Service Act (as added by section 111 of this Act), without regard to any such policy that may have been in effect prior to the date of the enactment of this Act.

(b) PROHIBITION AGAINST WITHHOLDING OF FUNDS IN CASES OF TECHNICAL AND SCIENTIFIC MERIT.—

(1) IN GENERAL.—Subject to subsection (b)(2) of section 492A of the Public Health Service Act (as added by section 101 of this Act), in the case of any proposal for research on the transplantation of human fetal tissue for therapeutic purposes, the Secretary of Health and Human Services may not withhold funds for the research if—

(A) the research has been approved for purposes of subsection (a) of such section 492A;

(B) the research will be carried out in accordance with section 498A of such Act (as added by section 111 of this Act); and

(C) there are reasonable assurances that the research will not utilize any human fetal tissue that has been obtained in violation of section 498B(a) of such Act (as added by section 112 of this Act).

(2) STANDING APPROVAL REGARDING ETHICAL STATUS.—In the case of any proposal for research on the transplantation of human fetal tissue for therapeutic purposes, the issuance in December 1988 of the Report of the Human Fetal Tissue Transplantation Research Panel shall be deemed to be a report—

(A) issued by an ethics advisory board pursuant to section 492A(b)(5)(B)(ii) of the Public Health Service Act (as added by section 101 of this Act); and

(B) finding, on a basis that is neither arbitrary nor capricious, that the nature of the research is such that it is not unethical to conduct or support the research.

(c) AUTHORITY FOR WITHHOLDING FUNDS FROM RESEARCH.—In the case of any research on the transplantation of human fetal tissue for therapeutic purposes, the Secretary of Health and Human Services may withhold funds for the research if any of the conditions specified in any of subparagraphs (A) through (C) of subsection (b)(1) are not met with respect to the research.

(d) DEFINITION.—For purposes of this section, the term "human fetal tissue" has the meaning given such term in section 498A(f) of the Public Health Service Act (as added by section 111 of this Act).

SEC. 114. REPORT BY GENERAL ACCOUNTING OFFICE ON ADEQUACY OF REQUIREMENTS.

(a) IN GENERAL.—With respect to research on the transplantation of human fetal tissue for therapeutic purposes, the Comptroller General of the United States shall conduct an audit for the purpose of determining—

(1) whether and to what extent such research conducted or supported by the Secretary of Health and Human Services has been conducted

in accordance with section 498A of the Public Health Service Act (as added by section 111 of this Act); and

(2) whether and to what extent there have been violations of section 498B of such Act (as added by section 112 of this Act).

(b) REPORT.—Not later than May 19, 1995, the Comptroller General of the United States shall complete the audit required in subsection (a) and submit to the Committee on Energy and Commerce of the House of Representatives, and to the Committee on Labor and Human Resources of the Senate, a report describing the findings made pursuant to the audit.

PART III—MISCELLANEOUS REPEALS

SEC. 121. REPEALS.

(a) CERTAIN BIOMEDICAL ETHICS BOARD.—Title III of the Public Health Service Act (42 U.S.C. 241 et seq.) is amended by striking part J.

(b) OTHER REPEALS.—Part G of title IV of the Public Health Service Act (42 U.S.C. 289 et seq.) is amended—

(1) in section 498, by striking subsection (c); and

(2) by striking section 499; and

(3) by redesignating section 499A as section 499.

(c) NULLIFICATION OF CERTAIN PROVISIONS.—The provisions of Executive Order 12806 (57 Fed. Reg. 21589 (May 21, 1992)) shall not have any legal effect. The provisions of section 204(d) of part 46 of title 45 of the Code of Federal Regulations (45 CFR 46.204(d)) shall not have any legal effect.

Subtitle B—Clinical Research Equity Regarding Women and Minorities

PART I—WOMEN AND MINORITIES AS SUBJECTS IN CLINICAL RESEARCH

SEC. 131. REQUIREMENT OF INCLUSION IN RESEARCH.

Part G of title IV of the Public Health Service Act, as amended by section 101 of this Act, is amended by inserting after section 492A the following section:

"INCLUSION OF WOMEN AND MINORITIES IN CLINICAL RESEARCH

"SEC. 492B. (a) REQUIREMENT OF INCLUSION.—

"(1) IN GENERAL.—In conducting or supporting clinical research for purposes of this title, the Director of NIH shall, subject to subsection (b), ensure that—

"(A) women are included as subjects in each project of such research; and

"(B) members of minority groups are included as subjects in such research.

"(2) OUTREACH REGARDING PARTICIPATION AS SUBJECTS.—The Director of NIH, in consultation with the Director of the Office of Research on Women's Health and the Director of the Office of Research on Minority Health, shall conduct or support outreach programs for the recruitment of women and members of minority groups as subjects in projects of clinical research.

"(b) INAPPLICABILITY OF REQUIREMENT.—The requirement established in subsection (a) regarding women and members of minority groups shall not apply to a project of clinical research if the inclusion, as subjects in the project, of women and members of minority groups, respectively—

"(1) is inappropriate with respect to the health of the subjects;

"(2) is inappropriate with respect to the purpose of the research; or

"(3) is inappropriate under such other circumstances as the Director of NIH may designate.

"(c) DESIGN OF CLINICAL TRIALS.—In the case of any clinical trial in which women or members of minority groups will under subsection (a) be included as subjects, the Director of NIH shall ensure that the trial is designed and carried out in a manner sufficient to provide for a valid analysis of whether the variables being studied in the trial affect women or members of minority groups, as the case may be, differently than other subjects in the trial.

"(d) GUIDELINES.—

"(1) IN GENERAL.—Subject to paragraph (2), the Director of NIH, in consultation with the Director of the Office of Research on Women's Health and the Director of the Office of Research on Minority Health, shall establish guidelines regarding the requirements of this section. The guidelines shall include guidelines regarding—

"(A) the circumstances under which the inclusion of women and minorities as subjects in projects of clinical research is inappropriate for purposes of subsection (b);

"(B) the manner in which clinical trials are required to be designed and carried out for purposes of subsection (c); and

"(C) the operation of outreach programs under subsection (a).

"(2) CERTAIN PROVISIONS.—With respect to the circumstances under which the inclusion of women or members of minority groups (as the case may be) as subjects in a project of clinical research is inappropriate for purposes of subsection (b), the following applies to guidelines under paragraph (1):

"(A)(i) In the case of a clinical trial, the guidelines shall provide that the costs of such inclusion in the trial is not a permissible consideration in determining whether such inclusion is inappropriate.

"(ii) In the case of other projects of clinical research, the guidelines shall provide that the costs of such inclusion in the project is not a permissible consideration in determining whether such inclusion is inappropriate unless the data regarding women or members of minority groups, respectively, that would be obtained in such project (in the event that such inclusion were required) have been or are being obtained through other means that provide data of comparable quality.

"(B) In the case of a clinical trial, the guidelines may provide that such inclusion in the trial is not required if there is substantial scientific data demonstrating that there is no significant difference between—

"(i) the effects that the variables to be studied in the trial have on women or members of minority groups, respectively; and

"(ii) the effects that the variables have on the individuals who would serve as subjects in the trial in the event that such inclusion were not required.

"(e) DATE CERTAIN FOR GUIDELINES; APPLICABILITY.—

"(1) DATE CERTAIN.—The guidelines required in subsection (d) shall be established and published in the Federal Register not later than 180 days after the date of the enactment of the National Institutes of Health Revitalization Act of 1993.

"(2) APPLICABILITY.—For fiscal year 1995 and subsequent fiscal years, the Director of NIH may not approve any proposal of clinical research to be conducted or supported by any agency of the National Institutes of Health unless the proposal specifies the manner in which the research will comply with this section.

"(f) REPORTS BY ADVISORY COUNCILS.—The advisory council of each national research institute shall prepare biennial reports describing the manner in which the institute has complied with this section. Each such report shall be submitted to the Director of the institute involved for inclusion in the biennial report under section 403.

"(g) DEFINITIONS.—For purposes of this section:

"(1) The term 'project of clinical research' includes a clinical trial.

"(2) The term 'minority group' includes subpopulations of minority groups. The Director of NIH shall, through the guidelines established under subsection (d), define the terms 'minority group' and 'subpopulation' for purposes of the preceding sentence.".

SEC. 132. PEER REVIEW.

Section 492 of the Public Health Service Act (42 U.S.C. 289a) is amended by adding at the end the following subsection:

"(c)(1) In technical and scientific peer review under this section of proposals for clinical research, the consideration of any such proposal (including the initial consideration) shall, except as provided in paragraph (2), include an evaluation of the technical and scientific merit of the proposal regarding compliance with section 492B.

"(2) Paragraph (1) shall not apply to any proposal for clinical research that, pursuant to subsection (b) of section 492B, is not subject to the requirement of subsection (a) of such section regarding the inclusion of women and members of minority groups as subjects in clinical research.".

SEC. 133. INAPPLICABILITY TO CURRENT PROJECTS.

Section 492B of the Public Health Service Act, as added by section 131 of this Act, shall not apply with respect to projects of clinical research for which initial funding was provided prior to the date of the enactment of this Act. With respect to the inclusion of women and minorities as subjects in clinical research conducted or supported by the National Institutes of Health, any policies of the Secretary of Health and Human Services regarding such inclusion that are in effect on the day before the date of the enactment of this Act shall continue to apply to the projects referred to in the preceding sentence.

PART II—OFFICE OF RESEARCH ON WOMEN'S HEALTH

SEC. 141. ESTABLISHMENT.

(a) IN GENERAL.—Title IV of the Public Health Service Act, as amended by the preceding provisions of this title, is amended—

(1) by redesignating section 486 as section 485A;

(2) by redesignating parts F through H as parts G through I, respectively; and

(3) by inserting after part E the following part:

"PART F—RESEARCH ON WOMEN'S HEALTH

"SEC. 486. OFFICE OF RESEARCH ON WOMEN'S HEALTH.

"(a) ESTABLISHMENT.—There is established within the Office of the Director of NIH an office to be known as the Office of Research on Women's Health (in this part referred to as the 'Office'). The Office shall be headed by a director, who shall be appointed by the Director of NIH.

"(b) PURPOSE.—The Director of the Office shall—

"(1) identify projects of research on women's health that should be conducted or supported by the national research institutes;

"(2) identify multidisciplinary research relating to research on women's health that should be so conducted or supported;

"(3) carry out paragraphs (1) and (2) with respect to the aging process in women, with priority given to menopause;

"(4) promote coordination and collaboration among entities conducting research identified under any of paragraphs (1) through (3);

"(5) encourage the conduct of such research by entities receiving funds from the national research institutes;

"(6) recommend an agenda for conducting and supporting such research;

"(7) promote the sufficient allocation of the resources of the national research institutes for conducting and supporting such research;

"(8) assist in the administration of section 492B with respect to the inclusion of women as subjects in clinical research; and

"(9) prepare the report required in section 486B.

"(c) COORDINATING COMMITTEE.—

"(1) In carrying out subsection (b), the Director of the Office shall establish a committee to be known as the Coordinating Committee on Research on Women's Health (in this subsection referred to as the 'Coordinating Committee').

"(2) The Coordinating Committee shall be composed of the Directors of the national research institutes (or the designees of the Directors).

"(3) The Director of the Office shall serve as the chair of the Coordinating Committee.

"(4) With respect to research on women's health, the Coordinating Committee shall assist the Director of the Office in—

"(A) identifying the need for such research, and making an estimate each fiscal year of the funds needed to adequately support the research;

"(B) identifying needs regarding the coordination of research activities, including intramural and extramural multidisciplinary activities;

"(C) supporting the development of methodologies to determine the circumstances in which obtaining data specific to women (including data relating to the age of women and the membership of women in ethnic or racial groups) is an appropriate function of clinical trials of treatments and therapies;

"(D) supporting the development and expansion of clinical trials of treatments and therapies for which obtaining such data has been determined to be an appropriate function; and

"(E) encouraging the national research institutes to conduct and support such research, including such clinical trials.

"(d) ADVISORY COMMITTEE.—

"(1) In carrying out subsection (b), the Director of the Office shall establish an advisory committee to be known as the Advisory Committee on Research on Women's Health (in this subsection referred to as the 'Advisory Committee').

"(2) The Advisory Committee shall be composed of no fewer than 12, and not more than 18 individuals, who are not officers or employees of the Federal Government. The Director of the Office shall make appointments to the Advisory Committee from among physicians, practitioners, scientists, and other health professionals, whose clinical practice, research specialization, or professional expertise includes a significant focus on research on women's health. A majority of the members of the Advisory Committee shall be women.

"(3) The Director of the Office shall serve as the chair of the Advisory Committee.

"(4) The Advisory Committee shall—

"(A) advise the Director of the Office on appropriate research activities to be undertaken by the national research institutes with respect to—

"(i) research on women's health;

"(ii) research on gender differences in clinical drug trials, including responses to pharmacological drugs;

"(iii) research on gender differences in disease etiology, course, and treatment;

"(iv) research on obstetrical and gynecological health conditions, diseases, and treatments; and

"(v) research on women's health conditions which require a multidisciplinary approach;

"(B) report to the Director of the Office on such research;

"(C) provide recommendations to such Director regarding activities of the Office (including recommendations on the development of the methodologies described in subsection (c)(4)(C) and recommendations on priorities in carrying out research described in subparagraph (A)); and

"(D) assist in monitoring compliance with section 492B regarding the inclusion of women in clinical research.

"(5)(A) The Advisory Committee shall prepare a biennial report describing the activities of the Committee, including findings made by the Committee regarding—

"(i) compliance with section 492B;

"(ii) the extent of expenditures made for research on women's health by the agencies of the National Institutes of Health; and

"(iii) the level of funding needed for such research.

"(B) The report required in subparagraph (A) shall be submitted to the Director of NIH for inclusion in the report required in section 403.

"(e) REPRESENTATION OF WOMEN AMONG RESEARCHERS.—The Secretary, acting through the Assistant Secretary for Personnel and in collaboration with the Director of the Office, shall determine the extent to which women are represented among senior physicians and scientists of the national research institutes and among physicians and scientists conducting research with funds provided by such institutes, and as appropriate, carry out activities to increase the extent of such representation.

"(f) DEFINITIONS.—For purposes of this part:

"(1) The term 'women's health conditions', with respect to women of all age, ethnic, and racial groups, means all diseases, disorders, and conditions (including with respect to mental health)—

"(A) unique to, more serious, or more prevalent in women;

"(B) for which the factors of medical risk or types of medical intervention are different for women, or for which it is unknown whether such factors or types are different for women; or

"(C) with respect to which there has been insufficient clinical research involving women as subjects or insufficient clinical data on women.

"(2) The term 'research on women's health' means research on women's health conditions, including research on preventing such conditions.

"SEC. 486A. NATIONAL DATA SYSTEM AND CLEARINGHOUSE ON RESEARCH ON WOMEN'S HEALTH.

"(a) DATA SYSTEM.—

"(1) The Director of NIH, in consultation with the Director of the Office and the Director of the National Library of Medicine, shall establish a data system for the collection, storage, analysis, retrieval, and dissemination of information regarding research on women's health that is conducted or supported by the national research institutes. Information from the data system shall be available through information systems available to health care professionals and providers, researchers, and members of the public.

"(2) The data system established under paragraph (1) shall include a registry of clinical trials of experimental treatments that have been developed for research on women's health. Such registry shall include information on subject eligibility criteria, sex, age, ethnicity or race, and the location of the trial site or sites. Principal investigators of such clinical trials shall provide this information to the registry within 30 days after it is available. Once a trial has been completed, the principal investigator shall provide the registry with information pertaining to the results, including potential toxicities or adverse effects associated with the experimental treatment or treatments evaluated.

"(b) CLEARINGHOUSE.—The Director of NIH, in consultation with the Director of the Office and with the National Library of Medicine, shall establish, maintain, and operate a program to provide information on research and prevention activities of the national research institutes that relate to research on women's health.

"SEC. 486B. BIENNIAL REPORT.

"(a) IN GENERAL.—With respect to research on women's health, the Director of the Office shall, not later than February 1, 1994, and biennially thereafter, prepare a report—

"(1) describing and evaluating the progress made during the preceding 2 fiscal years in research and treatment conducted or supported by the National Institutes of Health;

"(2) describing and analyzing the professional status of women physicians and scientists of such Institutes, including the identification of problems and barriers regarding advancements;

"(3) summarizing and analyzing expenditures made by the agencies of such Institutes (and by such Office) during the preceding 2 fiscal years; and

"(4) making such recommendations for legislative and administrative initiatives as the Director of the Office determines to be appropriate.

"(b) INCLUSION IN BIENNIAL REPORT OF DIRECTOR OF NIH.—The Director of the Office shall submit each report prepared under subsection (a) to the Director of NIH for inclusion in the report submitted to the President and the Congress under section 403.".

(b) REQUIREMENT OF SUFFICIENT ALLOCATION OF RESOURCES OF INSTITUTES.—Section 402(b) of the Public Health Service Act (42 U.S.C. 282(b)) is amended—

(1) in paragraph (10), by striking "and" after the semicolon at the end;

(2) in paragraph (11), by striking the period at the end and inserting "; and"; and

(3) by inserting after paragraph (11) the following paragraph:

"(12) after consultation with the Director of the Office of Research on Women's Health, shall ensure that resources of the National Institutes of Health are sufficiently allocated for projects of research on women's health that are identified under section 486(b).".

PART III—OFFICE OF RESEARCH ON MINORITY HEALTH

SEC. 151. ESTABLISHMENT.

Part A of title IV of the Public Health Service Act (42 U.S.C. 281 et seq.) is amended by adding at the end the following section:

"OFFICE OF RESEARCH ON MINORITY HEALTH

"SEC. 404. (a) ESTABLISHMENT.—There is established within the Office of the Director of NIH an office to be known as the Office of Research on Minority Health (in this section referred to as the 'Office'). The Office shall be headed by a director, who shall be appointed by the Director of NIH.

"(b) PURPOSE.—The Director of the Office shall—

"(1) identify projects of research on minority health that should be conducted or supported by the national research institutes;

"(2) identify multidisciplinary research relating to research on minority health that should be so conducted or supported;

"(3) promote coordination and collaboration among entities conducting research identified under paragraph (1) or (2);

"(4) encourage the conduct of such research by entities receiving funds from the national research institutes;

"(5) recommend an agenda for conducting and supporting such research;

"(6) promote the sufficient allocation of the resources of the national research institutes for conducting and supporting such research; and

"(7) assist in the administration of section 492B with respect to the inclusion of members of minority groups as subjects in clinical research.".

Subtitle C—Research Integrity

SEC. 161. ESTABLISHMENT OF OFFICE OF RESEARCH INTEGRITY.

Section 493 of the Public Health Service Act (42 U.S.C. 289b) is amended to read as follows:

"OFFICE OF RESEARCH INTEGRITY

"SEC. 493. (a) IN GENERAL.—

"(1) ESTABLISHMENT OF OFFICE.—Not later than 90 days after the date of enactment of this section, the Secretary shall establish an office to be known as the Office of Research Integrity (referred to in this section as the 'Office'), which shall be established as an independent entity in the Department of Health and Human Services.

"(2) APPOINTMENT OF DIRECTOR.—The Office shall be headed by a Director, who shall be appointed by the Secretary, be experienced and specially trained in the conduct of research, and have experience in the conduct of investigations of research misconduct. The Secretary shall carry out this section acting through the Director of the Office. The Director shall report to the Secretary.

"(3) DEFINITIONS.—

"(A) The Secretary shall by regulation establish a definition for the term 'research misconduct' for purposes of this section.

"(B) For purposes of this section, the term 'financial assistance' means a grant, contract, or cooperative agreement.

"(b) EXISTENCE OF ADMINISTRATIVE PROCESSES AS CONDITION OF FUNDING FOR RESEARCH.—The Secretary shall by regulation require that each entity that applies for financial assistance under this Act for any project or program that involves the conduct of biomedical or behavioral research submit in or with its application for such assistance —

"(1) assurances satisfactory to the Secretary that such entity has established and has in effect (in accordance with regulations which the Secretary shall prescribe) an administrative process to review reports of research misconduct in connection with biomedical and behavioral research conducted at or sponsored by such entity;

"(2) an agreement that the entity will report to the Director any investigation of alleged research misconduct in connection with projects for which funds have been made available under this Act that appears substantial; and

"(3) an agreement that the entity will comply with regulations issued under this section.

"(c) PROCESS FOR RESPONSE OF DIRECTOR.—The Secretary shall by regulation establish a process to be followed by the Director for the prompt and appropriate—

"(1) response to information provided to the Director respecting research misconduct in connection with projects for which funds have been made available under this Act;

"(2) receipt of reports by the Director of such information from recipients of funds under this Act;

"(3) conduct of investigations, when appropriate; and

"(4) taking of other actions, including appropriate remedies, with respect to such misconduct.

"(d) MONITORING BY DIRECTOR.—The Secretary shall by regulation establish procedures for the Director to monitor administrative processes and investigations that have been established or carried out under this section.".

SEC. 162. COMMISSION ON RESEARCH INTEGRITY.

(a) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Health and Human Services shall establish a commission to be known as the Commission on Research Integrity (in this section referred to as the "Commission").

(b) DUTIES.—The Commission shall develop recommendations for the Secretary of Health and Human Services on the administration of section 493 of the Public Health Service Act (as amended and added by section 161 of this Act).

(c) COMPOSITION.—The Commission shall be composed of 12 members to be appointed by the Secretary of Health and Human Services. Not more than 3 members of the Commission may be officers or employees of the United States. Of the members of the Commission—

(1) three shall be scientists with substantial accomplishments in biomedical or behavioral research;

(2) three shall be individuals with experience in investigating allegations of misconduct with respect to research;

(3) three shall be representatives of institutions of higher education at which biomedical or behavioral research is conducted; and

(4) three shall be individuals who are not described in paragraph (1), (2), or (3), at least one of whom shall be an attorney and at least one of whom shall be an ethicist.

(d) COMPENSATION.—Members of the Commission may not receive compensation for service on the Commission. Members may be reimbursed for travel, subsistence, and other necessary expenses incurred in carrying out the duties of the Commission.

(e) REPORT.—Not later than 120 days after the date on which the Commission is established under subsection (a), the Commission shall prepare and submit to the Secretary of Health and Human Services, the Committee on Energy and Commerce of the House of Representatives, and the Committee on Labor and Human Resources of the Senate, a report containing the recommendations developed under subsection (b).

SEC. 163. PROTECTION OF WHISTLEBLOWERS.

Section 493 of the Public Health Service Act, as amended by section 161 of this Act, is amended by adding at the end the following subsection:

"(e) PROTECTION OF WHISTLEBLOWERS.—

"(1) IN GENERAL.—In the case of any entity required to establish administrative processes under subsection (b), the Secretary shall by regulation establish standards for preventing, and for responding to the occurrence of retaliation by such entity, its officials or agents, against an employee in the terms and conditions of employment in response to the employee having in good faith—

"(A) made an allegation that the entity, its officials or agents, has engaged in or failed to adequately respond to an allegation of research misconduct; or

"(B) cooperated with an investigation of such an allegation.

"(2) MONITORING BY SECRETARY.—The Secretary shall by regulation establish procedures for the Director to monitor the implementation of the standards established by an entity under paragraph (1) for the purpose of determining whether the procedures have been established, and are being utilized, in accordance with the standards established under such paragraph.

"(3) NONCOMPLIANCE.—The Secretary shall by regulation establish remedies for noncompliance by an entity, its officials or agents, which has engaged in retaliation in violation of the standards established under paragraph (1). Such remedies may include termination of funding provided by the Secretary for such project or recovery of funding being provided by the Secretary for such project, or other actions as appropriate.".

SEC. 164. REQUIREMENT OF REGULATIONS REGARDING PROTECTION AGAINST FINANCIAL CONFLICTS OF INTEREST IN CERTAIN PROJECTS OF RESEARCH.

Part H of title IV of the Public Health Service Act, as redesignated by section 141(a)(2) of this Act, is amended by inserting after section 493 the following new section:

"PROTECTION AGAINST FINANCIAL CONFLICTS OF INTEREST IN CERTAIN PROJECTS OF RESEARCH

"SEC. 493A. (a) ISSUANCE OF REGULATIONS.—The Secretary shall by regulation define the specific circumstances that constitute the existence of a financial interest in a project on the part of an entity or individual that will, or may be reasonably expected to, create a bias in favor of obtaining results in such project that are consistent with such financial interest. Such definition shall apply uniformly to each entity or individual conducting a research project under this Act. In the case of any entity or individual receiving assistance from the Secretary for a project of research described in subsection (b), the Secretary shall by regulation establish standards for responding to, including managing, reducing, or eliminating, the existence of such a financial interest. The entity may adopt individualized procedures for implementing the standards.

"(b) RELEVANT PROJECTS.—A project of research referred to in subsection (a) is a project of clinical research whose purpose is to evaluate the safety or effectiveness of a drug, medical device, or treatment and for which such entity is receiving assistance from the Secretary.

"(c) IDENTIFYING AND REPORTING TO SECRETARY.—The Secretary shall by regulation require that each entity described in subsection (a) that applies for assistance under this Act for any project described in subsection (b) submit in or with its application for such assistance—

"(1) assurances satisfactory to the Secretary that such entity has established and has in effect an administrative process under subsection (a) to identify financial interests (as defined under subsection (a)) that exist regarding the project; and

"(2) an agreement that the entity will report to the Secretary such interests identified by the entity and how any such interests identified by the entity will be managed or eliminated in order that the project in question will be protected from bias that may stem from such interests; and

"(3) an agreement that the entity will comply with regulations issued under this section.

"(d) MONITORING OF PROCESS.—The Secretary shall monitor the establishment and conduct of the administrative process established by an entity pursuant to subsection (a).

"(e) RESPONSE.—In any case in which the Secretary determines that an entity has failed to comply with subsection (c) regarding a project of research described in subsection (b), the Secretary—

"(1) shall require that, as a condition of receiving assistance, the entity disclose the existence of a financial interest (as defined under subsection (a)) in each public presentation of the results of such project; and

"(2) may take such other actions as the Secretary determines to be appropriate.

"(f) DEFINITIONS.—For purposes of this section:

"(1) The term 'financial interest' includes the receipt of consulting fees or honoraria and the ownership of stock or equity.

"(2) The term 'assistance', with respect to conducting a project of research, means a grant, contract, or cooperative agreement.".

SEC. 165. REGULATIONS.

(a) ISSUANCE OF FINAL RULES.—

(1) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall, subject to paragraph (2), issue the final rule for each regulation required in section 493 or 493A of the Public Health Service Act.

(2) DEFINITION OF RESEARCH MISCONDUCT.—Not later than 90 days after the date on which the report required in section 162(e) is submitted to the Secretary, the Secretary shall issue the final rule for the regulations required in section

493 of the Public Health Service Act with respect to the definition of the term "research misconduct".

(b) APPLICABILITY TO ONGOING INVESTIGATIONS.—The final rule issued pursuant to subsection (a) for investigations under section 493 of the Public Health Service Act does not apply to investigations commenced before the date of the enactment of this Act under authority of such section as in effect before such date.

(c) DEFINITIONS.—For purposes of this section:

(1) The term "section 493 of the Public Health Service Act" means such section as amended by sections 161 and 163 of this Act, except as indicated otherwise in subsection (b)(2).

(2) The term "section 493A of the Public Health Service Act" means such section as added by section 164 of this Act.

(3) The term "Secretary" means the Secretary of Health and Human Services.

TITLE II—NATIONAL INSTITUTES OF HEALTH IN GENERAL

SEC. 201. HEALTH PROMOTION RESEARCH DISSEMINATION.

Section 402(f) of the Public Health Service Act (42 U.S.C. 282(f)) is amended by striking "other public and private entities." and all that follows through the end and inserting "other public and private entities, including elementary, secondary, and post-secondary schools. The Associate Director shall—

"(1) annually review the efficacy of existing policies and techniques used by the national research institutes to disseminate the results of disease prevention and behavioral research programs;

"(2) recommend, coordinate, and oversee the modification or reconstruction of such policies and techniques to ensure maximum dissemination, using advanced technologies to the maximum extent practicable, of research results to such entities; and

"(3) annually prepare and submit to the Director of NIH a report concerning the prevention and dissemination activities undertaken by the Associate Director, including—

"(A) a summary of the Associate Director's review of existing dissemination policies and techniques together with a detailed statement concerning any modification or restructuring, or recommendations for modification or restructuring, of such policies and techniques; and

"(B) a detailed statement of the expenditures made for the prevention and dissemination activities reported on and the personnel used in connection with such activities.".

SEC. 202. PROGRAMS FOR INCREASED SUPPORT REGARDING CERTAIN STATES AND RESEARCHERS.

Section 402 of the Public Health Service Act (42 U.S.C. 282) is amended by adding at the end the following subsection:

"(g)(1)(A) In the case of entities described in subparagraph (B), the Director of NIH, acting through the Director of the National Center for Research Resources, shall establish a program to enhance the competitiveness of such entities in obtaining funds from the national research institutes for conducting biomedical and behavioral research.

"(B) The entities referred to in subparagraph (A) are entities that conduct biomedical and behavioral research and are located in a State in which the aggregate success rate for applications to the national research institutes for assistance for such research by the entities in the State has historically constituted a low success rate of obtaining such funds, relative to such aggregate rate for such entities in other States.

"(C) With respect to enhancing competitiveness for purposes of subparagraph (A), the Director of NIH, in carrying out the program established under such subparagraph, may—

"(i) provide technical assistance to the entities involved, including technical assistance in the preparation of applications for obtaining funds from the national research institutes;

"(ii) assist the entities in developing a plan for biomedical or behavioral research proposals; and

"(iii) assist the entities in implementing such plan.

"(2) The Director of NIH shall establish a program of supporting projects of biomedical or behavioral research whose principal researchers are individuals who have not previously served as the principal researchers of such projects supported by the Director.".

SEC. 203. ESTABLISHMENT OF OFFICE OF BEHAVIORAL AND SOCIAL SCIENCES RESEARCH.

(a) IN GENERAL.—Part A of title IV of the Public Health Service Act, as amended by section 151 of this Act, is amended by adding at the end the following section:

"OFFICE OF BEHAVIORAL AND SOCIAL SCIENCES RESEARCH

"SEC. 404A. (a) There is established within the Office of the Director of NIH an office to be known as the Office of Behavioral and Social Sciences Research (in this section referred to as the 'Office'). The Office shall be headed by a director, who shall be appointed by the Director of NIH.

"(b)(1) With respect to research on the relationship between human behavior and the development, treatment, and prevention of medical conditions, the Director of the Office shall—

"(A) coordinate research conducted or supported by the agencies of the National Institutes of Health; and

"(B) identify projects of behavioral and social sciences research that should be conducted or supported by the national research institutes, and develop such projects in cooperation with such institutes.

"(2) Research authorized under paragraph (1) includes research on teen pregnancy, infant mortality, violent behavior, suicide, and homelessness. Such research does not include neurobiological research, or research in which the behavior of an organism is observed for the purpose of determining activity at the cellular or molecular level.".

(b) REPORT.—Not later than February 1, 1994, the Director of the Office of Behavioral and Social Sciences Research (established in section 404A of the Public Health Service Act, as added by subsection (a) of this section) shall submit to the Committee on Energy and Commerce of the House of Representatives, and to the Committee on Labor and Human Resources of the Senate, a report describing the extent to which the national research institutes of the National Institutes of Health conduct and support behavioral research and social sciences research. In preparing the report, such Director shall (subject to subsection (b)(2) of such section 404A) state the definitions used in the report for the terms "behavioral research" and "social sciences research", and shall apply the definitions uniformly to such institutes for purposes of the report.

(c) EFFECTIVE DATES.—The amendment described in subsection (a) is made upon the date of the enactment of this Act and takes effect July 1, 1993. Subsection (b) takes effect on such date.

SEC. 204. CHILDREN'S VACCINE INITIATIVE.

Part A of title IV of the Public Health Service Act, as amended by section 203 of this Act, is amended by adding at the end the following section:

"CHILDREN'S VACCINE INITIATIVE

"SEC. 404B. (a) DEVELOPMENT OF NEW VACCINES.—The Secretary, in consultation with the Director of the National Vaccine Program under title XXI and acting through the Directors of the National Institute for Allergy and Infectious Diseases, the National Institute for Child Health and Human Development, the National Institute for Aging, and other public and private programs, shall carry out activities, which shall be consistent with the global Children's Vaccine Initiative, to develop affordable new and improved vaccines to be used in the United States and in the developing world that will increase the efficacy and efficiency of the prevention of infectious diseases. In carrying out such activities, the Secretary shall, to the extent practicable, develop and make available vaccines that require fewer contacts to deliver, that can be given early in life, that provide long lasting protection, that obviate refrigeration, needles and syringes, and that protect against a larger number of diseases.

"(b) REPORT.—In the report required in section 2104, the Secretary, acting through the Director of the National Vaccine Program under title XXI, shall include information with respect to activities and the progress made in implementing the provisions of this section and achieving its goals.

"(c) AUTHORIZATION OF APPROPRIATIONS.—In addition to any other amounts authorized to be appropriated for activities of the type described in this section, there are authorized to be appropriated to carry out this section $20,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 and 1996.".

SEC. 205. PLAN FOR USE OF ANIMALS IN RESEARCH.

(a) IN GENERAL.—Part A of title IV of the Public Health Service Act, as amended by section 204 of this Act, is amended by adding at the end the following section:

"PLAN FOR USE OF ANIMALS IN RESEARCH

"SEC. 404C. (a) The Director of NIH, after consultation with the committee established under subsection (e), shall prepare a plan—

"(1) for the National Institutes of Health to conduct or support research into—

"(A) methods of biomedical research and experimentation that do not require the use of animals;

"(B) methods of such research and experimentation that reduce the number of animals used in such research;

"(C) methods of such research and experimentation that produce less pain and distress in such animals; and

"(D) methods of such research and experimentation that involve the use of marine life (other than marine mammals);

"(2) for establishing the validity and reliability of the methods described in paragraph (1);

"(3) for encouraging the acceptance by the scientific community of such methods that have been found to be valid and reliable; and

"(4) for training scientists in the use of such methods that have been found to be valid and reliable.

"(b) Not later than October 1, 1993, the Director of NIH shall submit to the Committee on Energy and Commerce of the House of Representatives, and to the Committee on Labor and Human Resources of the Senate, the plan required in subsection (a) and shall begin implementation of the plan.

"(c) The Director of NIH shall periodically review, and as appropriate, make revisions in the plan required under subsection (a). A description of any revision made in the plan shall be included in the first biennial report under section 403 that is submitted after the revision is made.

"(d) The Director of NIH shall take such actions as may be appropriate to convey to scientists and others who use animals in biomedical or behavioral research or experimentation information respecting the methods found to be valid and reliable under subsection (a)(2).

"(e)(1) The Director of NIH shall establish within the National Institutes of Health a committee to be known as the Interagency Coordinating Committee on the Use of Animals in Research (in this subsection referred to as the 'Committee').

"(2) The Committee shall provide advice to the Director of NIH on the preparation of the plan required in subsection (a).

"(3) The Committee shall be composed of—

"(A) the Directors of each of the national research institutes and the Director of the Center for Research Resources (or the designees of such Directors); and

"(B) representatives of the Environmental Protection Agency, the Food and Drug Administration, the Consumer Product Safety Commission, the National Science Foundation, and such additional agencies as the Director of NIH determines to be appropriate, which representatives shall include not less than one veterinarian with expertise in laboratory-animal medicine.".

(b) CONFORMING AMENDMENT.—Section 4 of the Health Research Extension Act of 1985 (Public Law 99-158; 99 Stat. 880) is repealed.

SEC. 206. INCREASED PARTICIPATION OF WOMEN AND DISADVANTAGED INDIVIDUALS IN FIELDS OF BIOMEDICAL AND BEHAVIORAL RESEARCH.

Section 402 of the Public Health Service Act, as amended by section 202 of this Act, is amended by adding at the end the following subsection:

"(h) The Secretary, acting through the Director of NIH and the Directors of the agencies of the National Institutes of Health, shall, in conducting and supporting programs for research, research training, recruitment, and other activities, provide for an increase in the number of women and individuals from disadvantaged backgrounds (including racial and ethnic minorities) in the fields of biomedical and behavioral research.".

SEC. 207. REQUIREMENTS REGARDING SURVEYS OF SEXUAL BEHAVIOR.

Part A of title IV of the Public Health Service Act, as amended by section 205 of this Act, is amended by adding at the end the following section:

"REQUIREMENTS REGARDING SURVEYS OF SEXUAL BEHAVIOR

"SEC. 404D. With respect to any survey of human sexual behavior proposed to be conducted or supported through the National Institutes of Health, the survey may not be carried out unless—

"(1) the proposal has undergone review in accordance with any applicable requirements of sections 491 and 492; and

"(2) the Secretary, in accordance with section 492A, makes a determination that the information expected to be obtained through the survey will assist—

"(A) in reducing the incidence of sexually transmitted diseases, the incidence of infection with the human immunodeficiency virus, or the incidence of any other infectious disease; or

"(B) in improving reproductive health or other conditions of health.".

SEC. 208. DISCRETIONARY FUND OF DIRECTOR OF NATIONAL INSTITUTES OF HEALTH.

Section 402 of the Public Health Service Act, as amended by section 206 of this Act, is amended by adding at the end the following subsection:

"(i)(1) There is established a fund, consisting of amounts appropriated under paragraph (3) and made available for the fund, for use by the Director of NIH to carry out the activities authorized in this Act for the National Institutes of Health. The purposes for which such fund may be expended include—

"(A) providing for research on matters that have not received significant funding relative to other matters, responding to new issues and scientific emergencies, and acting on research opportunities of high priority;

"(B) supporting research that is not exclusively within the authority of any single agency of such Institutes; and

"(C) purchasing or renting equipment and quarters for activities of such Institutes.

"(2) Not later than February 10 of each fiscal year, the Secretary shall submit to the Committee on Energy and Commerce of the House of Representatives, and to the Committee on Labor and Human Resources of the Senate, a report describing the activities undertaken and expenditures made under this section during the preceding fiscal year. The report may contain such comments of the Secretary regarding this section as the Secretary determines to be appropriate.

"(3) For the purpose of carrying out this subsection, there are authorized to be appropriated $25,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 and 1996.".

SEC. 209. ESTABLISHMENT OF OFFICE OF ALTERNATIVE MEDICINE.

Part A of title IV of the Public Health Service Act, as amended by section 207 of this Act, is amended by adding at the end the following section:

"OFFICE OF ALTERNATIVE MEDICINE

"SEC. 404E. (a) There is established within the Office of the Director of NIH an office to be known as the Office of Alternative Medicine (in this section referred to as the 'Office'), which shall be headed by a director appointed by the Director of NIH.

"(b) The purpose of the Office is to facilitate the evaluation of alternative medical treatment modalities, including acupuncture and Oriental medicine, homeopathic medicine, and physical manipulation therapies.

"(c) The Secretary shall establish an advisory council for the purpose of providing advice to the Director of the Office on carrying out this section. Section 222 applies to such council to the same extent and in the same manner as such section applies to committees or councils established under such section.

"(d) In carrying out subsection (b), the Director of the Office shall—

"(1) establish an information clearinghouse to exchange information with the public about alternative medicine;

"(2) support research training—

"(A) for which fellowship support is not provided under section 487; and

"(B) that is not residency training of physicians or other health professionals; and

"(3)(A) prepare biennial reports on the activities carried out or to be carried out by the Office; and

"(B) submit each such report to the Director of NIH for inclusion in the biennial report under section 403.".

SEC. 210. MISCELLANEOUS PROVISIONS.

(a) TERM OF OFFICE FOR MEMBERS OF ADVISORY COUNCILS.—Section 406(c) of the Public Health Service Act (42 U.S.C. 284a(c)) is amended in the second sentence by striking "until a successor has taken office" and inserting the following: "for 180 days after the date of such expiration".

(b) LITERACY REQUIREMENTS.—Section 402(e) of the Public Health Service Act (42 U.S.C. 282(e)) is amended—

(1) in paragraph (3), by striking "and" at the end;

(2) in paragraph (4), by striking the period and inserting "; and"; and±

(3) by adding at the end the following paragraph:

"(5) ensure that, after January 1, 1994, all new or revised health education and promotion materials developed or funded by the National Institutes of Health and intended for the general public are in a form that does not exceed a level of functional literacy, as defined in the National Literacy Act of 1991 (Public Law 102-73).".

(c) DAY CARE REGARDING CHILDREN OF EMPLOYEES.—Section 402 of the Public Health Service Act, as amended by section 208 of this Act, is amended by adding at the end the following subsection:

"(j)(1) The Director of NIH may establish a program to provide day care services for the employees of the National Institutes of Health similar to those services provided by other Federal agencies (including the availability of day care service on a 24-hour-a-day basis).

"(2) Any day care provider at the National Institutes of Health shall establish a sliding scale of fees that takes into consideration the income and needs of the employee.

"(3) For purposes regarding the provision of day care services, the Director of NIH may enter into rental or lease purchase agreements.".

TITLE III—GENERAL PROVISIONS RESPECTING NATIONAL RESEARCH INSTITUTES

SEC. 301. APPOINTMENT AND AUTHORITY OF DIRECTORS OF NATIONAL RESEARCH INSTITUTES.

(a) ESTABLISHMENT OF GENERAL AUTHORITY REGARDING DIRECT FUNDING.—

(1) IN GENERAL.—Section 405(b)(2) of the Public Health Service Act (42 U.S.C. 284(b)(2)) is amended—

(A) in subparagraph (A), by striking "and" after the semicolon at the end;

(B) in subparagraph (B), by striking the period at the end and inserting "; and"; and

(C) by adding at the end the following subparagraph:

"(C) shall, subject to section 2353(d)(2), receive from the President and the Office of Management and Budget directly all funds appropriated by the Congress for obligation and expenditure by the Institute.".

(2) CONFORMING AMENDMENT.—Section 413(b)(9) of the Public Health Service Act (42 U.S.C. 285a-2(b)(9)) is amended—

(A) by striking "(A)" after "(9)"; and

(B) by striking "advisory council;" and all that follows and inserting "advisory council.".

(b) APPOINTMENT AND DURATION OF TECHNICAL AND SCIENTIFIC PEER REVIEW GROUPS.—Section 405(c) of the Public Health Service Act (42 U.S.C. 284(c)) is amended—

(1) by amending paragraph (3) to read as follows:

"(3) may, in consultation with the advisory council for the Institute and with the approval of the Director of NIH—

"(A) establish technical and scientific peer review groups in addition to those appointed under section 402(b)(6); and

"(B) appoint the members of peer review groups established under subparagraph (A); and"; and

(2) by adding after and below paragraph (4) the following:

"The Federal Advisory Committee Act shall not apply to the duration of a peer review group appointed under paragraph (3).".

SEC. 302. PROGRAM OF RESEARCH ON OSTEOPOROSIS, PAGET'S DISEASE, AND RELATED BONE DISORDERS.

Part B of title IV of the Public Health Service Act (42 U.S.C. 284 et seq.), as amended by section 121(b) of Public Law 102-321 (106 Stat. 358), is amended by adding at the end the following section:

"RESEARCH ON OSTEOPOROSIS, PAGET'S DISEASE, AND RELATED BONE DISORDERS

"SEC. 409A. (a) ESTABLISHMENT.—The Directors of the National Institute of Arthritis and

Musculoskeletal and Skin Diseases, the National Institute on Aging, the National Institute of Dental Research, and the National Institute of Diabetes and Digestive and Kidney Diseases, shall expand and intensify the programs of such Institutes with respect to research and related activities concerning osteoporosis, Paget's disease, and related bone disorders.

"(b) COORDINATION.—The Directors referred to in subsection (a) shall jointly coordinate the programs referred to in such subsection and consult with the Arthritis and Musculoskeletal Diseases Interagency Coordinating Committee and the Interagency Task Force on Aging Research.

"(c) INFORMATION CLEARINGHOUSE.—

"(1) IN GENERAL.—In order to assist in carrying out the purpose described in subsection (a), the Director of NIH shall provide for the establishment of an information clearinghouse on osteoporosis and related bone disorders to facilitate and enhance knowledge and understanding on the part of health professionals, patients, and the public through the effective dissemination of information.

"(2) ESTABLISHMENT THROUGH GRANT OR CONTRACT.—For the purpose of carrying out paragraph (1), the Director of NIH shall enter into a grant, cooperative agreement, or contract with a nonprofit private entity involved in activities regarding the prevention and control of osteoporosis and related bone disorders.

"(d) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated $40,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 and 1996.".

SEC. 303. ESTABLISHMENT OF INTERAGENCY PROGRAM FOR TRAUMA RESEARCH.

(a) IN GENERAL.—Title XII of the Public Health Service Act (42 U.S.C. 300d et seq.), as amended by title VI of Public Law 102–321 (106 Stat. 433) and section 304 of Public Law 102–408 (106 Stat. 2084), is amended by adding at the end the following part:

"PART F—INTERAGENCY PROGRAM FOR TRAUMA RESEARCH

"SEC. 1261. ESTABLISHMENT OF PROGRAM.

"(a) IN GENERAL.—The Secretary, acting through the Director of the National Institutes of Health (in this section referred to as the 'Director'), shall establish a comprehensive program of conducting basic and clinical research on trauma (in this section referred to as the 'Program'). The Program shall include research regarding the diagnosis, treatment, rehabilitation, and general management of trauma.

"(b) PLAN FOR PROGRAM.—

"(1) IN GENERAL.—The Director, in consultation with the Trauma Research Interagency Coordinating Committee established under subsection (g), shall establish and implement a plan for carrying out the activities of the Program, including the activities described in subsection (d). All such activities shall be carried out in accordance with the plan. The plan shall be periodically reviewed, and revised as appropriate.

"(2) SUBMISSION TO CONGRESS.—Not later than December 1, 1993, the Director shall submit the plan required in paragraph (1) to the Committee on Energy and Commerce of the House of Representatives, and to the Committee on Labor and Human Resources of the Senate, together with an estimate of the funds needed for each of the fiscal years 1994 through 1996 to implement the plan.

"(c) PARTICIPATING AGENCIES; COORDINATION AND COLLABORATION.—The Director—

"(1) shall provide for the conduct of activities under the Program by the Directors of the agencies of the National Institutes of Health involved in research with respect to trauma;

"(2) shall ensure that the activities of the Program are coordinated among such agencies; and

"(3) shall, as appropriate, provide for collaboration among such agencies in carrying out such activities.

"(d) CERTAIN ACTIVITIES OF PROGRAM.—The Program shall include—

"(1) studies with respect to all phases of trauma care, including prehospital, resuscitation, surgical intervention, critical care, infection control, wound healing, nutritional care and support, and medical rehabilitation care;

"(2) basic and clinical research regarding the response of the body to trauma and the acute treatment and medical rehabilitation of individuals who are the victims of trauma; and

"(3) basic and clinical research regarding trauma care for pediatric and geriatric patients.

"(e) MECHANISMS OF SUPPORT.—In carrying out the Program, the Director, acting through the Directors of the agencies referred to in subsection (c)(1), may make grants to public and nonprofit entities, including designated trauma centers.

"(f) RESOURCES.—The Director shall assure the availability of appropriate resources to carry out the Program, including the plan established under subsection (b) (including the activities described in subsection (d)).

"(g) COORDINATING COMMITTEE.—

"(1) IN GENERAL.—There shall be established a Trauma Research Interagency Coordinating Committee (in this section referred to as the 'Coordinating Committee').

"(2) DUTIES.—The Coordinating Committee shall make recommendations regarding—

"(A) the activities of the Program to be carried out by each of the agencies represented on the Committee and the amount of funds needed by each of the agencies for such activities; and

"(B) effective collaboration among the agencies in carrying out the activities.

"(3) COMPOSITION.—The Coordinating Committee shall be composed of the Directors of each of the agencies that, under subsection (c), have responsibilities under the Program, and any other individuals who are practitioners in the trauma field as designated by the Director of the National Institutes of Health.

"(h) DEFINITIONS.—For purposes of this section:

"(1) The term 'designated trauma center' has the meaning given such term in section 1231(1).

"(2) The term 'Director' means the Director of the National Institutes of Health.

"(3) The term 'trauma' means any serious injury that could result in loss of life or in significant disability and that would meet pre-hospital triage criteria for transport to a designated trauma center.".

(b) CONFORMING AMENDMENT.—Section 402 of the Public Health Service Act, as amended by section 210(c) of this Act, is amended by adding at the end the following subsection:

"(k) The Director of NIH shall carry out the program established in part F of title XII (relating to interagency research on trauma).".

TITLE IV—NATIONAL CANCER INSTITUTE

SEC. 401. EXPANSION AND INTENSIFICATION OF ACTIVITIES REGARDING BREAST CANCER.

Subpart 1 of part C of title IV of the Public Health Service Act (42 U.S.C. 285 et seq.) is amended by adding at the end the following section:

"BREAST AND GYNECOLOGICAL CANCERS

"SEC. 417. (a) EXPANSION AND COORDINATION OF ACTIVITIES.—The Director of the Institute, in consultation with the National Cancer Advisory Board, shall expand, intensify, and coordinate the activities of the Institute with respect to research on breast cancer, ovarian cancer, and other cancers of the reproductive system of women.

"(b) COORDINATION WITH OTHER INSTITUTES.—The Director of the Institute shall coordinate the activities of the Director under subsection (a) with similar activities conducted by other national research institutes and agencies of the National Institutes of Health to the extent that such Institutes and agencies have responsibilities that are related to breast cancer and other cancers of the reproductive system of women.

"(c) PROGRAMS FOR BREAST CANCER.—

"(1) IN GENERAL.—In carrying out subsection (a), the Director of the Institute shall conduct or support research to expand the understanding of the cause of, and to find a cure for, breast cancer. Activities under such subsection shall provide for an expansion and intensification of the conduct and support of—

"(A) basic research concerning the etiology and causes of breast cancer;

"(B) clinical research and related activities concerning the causes, prevention, detection and treatment of breast cancer;

"(C) control programs with respect to breast cancer in accordance with section 412, including community-based programs designed to assist women who are members of medically underserved populations, low-income populations, or minority groups;

"(D) information and education programs with respect to breast cancer in accordance with section 413; and

"(E) research and demonstration centers with respect to breast cancer in accordance with section 414, including the development and operation of centers for breast cancer research to bring together basic and clinical, biomedical and behavioral scientists to conduct basic, clinical, epidemiological, psychosocial, prevention and treatment research and related activities on breast cancer.

Not less than six centers shall be operated under subparagraph (E). Activities of such centers should include supporting new and innovative research and training programs for new researchers. Such centers shall give priority to expediting the transfer of research advances to clinical applications.

"(2) IMPLEMENTATION OF PLAN FOR PROGRAMS.—

"(A) The Director of the Institute shall ensure that the research programs described in paragraph (1) are implemented in accordance with a plan for the programs. Such plan shall include comments and recommendations that the Director of the Institute considers appropriate, with due consideration provided to the professional judgment needs of the Institute as expressed in the annual budget estimate prepared in accordance with section 413(9). The Director of the Institute, in consultation with the National Cancer Advisory Board, shall periodically review and revise such plan.

"(B) Not later than October 1, 1993, the Director of the Institute shall submit a copy of the plan to the President's Cancer Panel, the Secretary and the Director of NIH.

"(C) The Director of the Institute shall submit any revisions of the plan to the President's Cancer Panel, the Secretary, and the Director of NIH.

"(D) The Secretary shall provide a copy of the plan submitted under subparagraph (A), and any revisions submitted under subparagraph (C), to the Committee on Energy and Commerce of the House of Representatives and the Committee on Labor and Human Resources of the Senate.

"(d) OTHER CANCERS.—In carrying out subsection (a), the Director of the Institute shall conduct or support research on ovarian cancer and other cancers of the reproductive system of women. Activities under such subsection shall provide for the conduct and support of—

"(1) basic research concerning the etiology and causes of ovarian cancer and other cancers of the reproductive system of women;

"(2) clinical research and related activities into the causes, prevention, detection and treatment of ovarian cancer and other cancers of the reproductive system of women;

"(3) control programs with respect to ovarian cancer and other cancers of the reproductive system of women in accordance with section 412;

"(4) information and education programs with respect to ovarian cancer and other cancers of the reproductive system of women in accordance with section 413; and

"(5) research and demonstration centers with respect to ovarian cancer and cancers of the reproductive system in accordance with section 414.

"(e) REPORT.—The Director of the Institute shall prepare, for inclusion in the biennial report submitted under section 407, a report that describes the activities of the National Cancer Institute under the research programs referred to in subsection (a), that shall include—

"(1) a description of the research plan with respect to breast cancer prepared under subsection (c);

"(2) an assessment of the development, revision, and implementation of such plan;

"(3) a description and evaluation of the progress made, during the period for which such report is prepared, in the research programs on breast cancer and cancers of the reproductive system of women;

"(4) a summary and analysis of expenditures made, during the period for which such report is made, for activities with respect to breast cancer and cancers of the reproductive system of women conducted and supported by the National Institutes of Health; and

"(5) such comments and recommendations as the Director considers appropriate.".

SEC. 402. EXPANSION AND INTENSIFICATION OF ACTIVITIES REGARDING PROSTATE CANCER.

Subpart 1 of part C of title IV of the Public Health Service Act, as amended by section 401 of this Act, is amended by adding at the end the following section:

"PROSTATE CANCER

"SEC. 417A. (a) EXPANSION AND COORDINATION OF ACTIVITIES.—The Director of the Institute, in consultation with the National Cancer Advisory Board, shall expand, intensify, and coordinate the activities of the Institute with respect to research on prostate cancer.

"(b) COORDINATION WITH OTHER INSTITUTES.—The Director of the Institute shall coordinate the activities of the Director under subsection (a) with similar activities conducted by other national research institutes and agencies of the National Institutes of Health to the extent that such Institutes and agencies have responsibilities that are related to prostate cancer.

"(c) PROGRAMS.—

"(1) IN GENERAL.—In carrying out subsection (a), the Director of the Institute shall conduct or support research to expand the understanding of the cause of, and to find a cure for, prostate cancer. Activities under such subsection shall provide for an expansion and intensification of the conduct and support of—

"(A) basic research concerning the etiology and causes of prostate cancer;

"(B) clinical research and related activities concerning the causes, prevention, detection and treatment of prostate cancer;

"(C) prevention and control and early detection programs with respect to prostate cancer in accordance with section 412, particularly as it relates to intensifying research on the role of prostate specific antigen for the screening and early detection of prostate cancer;

"(D) an Inter-Institute Task Force, under the direction of the Director of the Institute, to provide coordination between relevant National Institutes of Health components of research efforts on prostate cancer;

"(E) control programs with respect to prostate cancer in accordance with section 412;

"(F) information and education programs with respect to prostate cancer in accordance with section 413; and

"(G) research and demonstration centers with respect to prostate cancer in accordance with section 414, including the development and operation of centers for prostate cancer research to bring together basic and clinical, biomedical and behavioral scientists to conduct basic, clinical, epidemiological, psychosocial, prevention and control, treatment, research, and related activities on prostate cancer.

Not less than six centers shall be operated under subparagraph (G). Activities of such centers should include supporting new and innovative research and training programs for new researchers. Such centers shall give priority to expediting the transfer of research advances to clinical applications.

"(2) IMPLEMENTATION OF PLAN FOR PROGRAMS.—

"(A) The Director of the Institute shall ensure that the research programs described in paragraph (1) are implemented in accordance with a plan for the programs. Such plan shall include comments and recommendations that the Director of the Institute considers appropriate, with due consideration provided to the professional judgment needs of the Institute as expressed in the annual budget estimate prepared in accordance with section 413(9). The Director of the Institute, in consultation with the National Cancer Advisory Board, shall periodically review and revise such plan.

"(B) Not later than October 1, 1993, the Director of the Institute shall submit a copy of the plan to the President's Cancer Panel, the Secretary, and the Director of NIH.

"(C) The Director of the Institute shall submit any revisions of the plan to the President's Cancer Panel, the Secretary, and the Director of NIH.

"(D) The Secretary shall provide a copy of the plan submitted under subparagraph (A), and any revisions submitted under subparagraph (C), to the Committee on Energy and Commerce of the House of Representatives and the Committee on Labor and Human Resources of the Senate.".

SEC. 403. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—Subpart 1 of part C of title IV of the Public Health Service Act, as amended by section 402 of this Act, is amended by adding at the end the following section:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 417B. (a) ACTIVITIES GENERALLY.—For the purpose of carrying out this subpart, there are authorized to be appropriated $2,728,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 and 1996.

"(b) BREAST CANCER AND GYNECOLOGICAL CANCERS.—

"(1) BREAST CANCER.—

"(A) For the purpose of carrying out subparagraph (A) of section 417(c)(1), there are authorized to be appropriated $225,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 and 1996. Such authorizations of appropriations are in addition to the authorizations of appropriations established in subsection (a) with respect to such purpose.

"(B) For the purpose of carrying out subparagraphs (B) through (E) of section 417(c)(1), there are authorized to be appropriated $100,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 and 1996. Such authorizations of appropriations are in addition to the authorizations of appropriations established in subsection (a) with respect to such purpose.

"(2) OTHER CANCERS.—For the purpose of carrying out subsection (d) of section 417, there are authorized to be appropriated $75,000,000 for fiscal year 1994, and such sums as are necessary for each of the fiscal years 1995 and 1996. Such authorizations of appropriations are in addition to the authorizations of appropriations established in subsection (a) with respect to such purpose.

"(c) PROSTATE CANCER.—For the purpose of carrying out section 417A, there are authorized to be appropriated $72,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 and 1996. Such authorizations of appropriations are in addition to the authorizations of appropriations established in subsection (a) with respect to such purpose.

"(d) ALLOCATION REGARDING CANCER CONTROL.—

"(1) IN GENERAL.—Of the amounts appropriated for the National Cancer Institute for a fiscal year, the Director of the Institute shall make available not less than the applicable percentage specified in paragraph (2) for carrying out the cancer control activities authorized in section 412 and for which budget estimates are made under section 413(b)(9) for the fiscal year.

"(2) APPLICABLE PERCENTAGE.—The percentage referred to in paragraph (1) is—

"(A) 7 percent, in the case of fiscal year 1994;

"(B) 9 percent, in the case of fiscal year 1995; and

"(C) 10 percent, in the case of fiscal year 1996 and each subsequent fiscal year.".

(b) CONFORMING AMENDMENTS.—

(1) IN GENERAL.—Section 408 of the Public Health Service Act (42 U.S.C. 284c) is amended—

(A) by striking subsection (a);

(B) by redesignating subsection (b) as subsection (a);

(C) by redesignating paragraph (5) of subsection (a) (as so redesignated) as subsection (b); and

(D) by amending the heading for the section to read as follows:

"CERTAIN USES OF FUNDS".

(2) CROSS-REFERENCE.—Section 464F of the Public Health Service Act (42 U.S.C. 285m–6) is amended by striking "section 408(b)(1)" and inserting "section 408(a)(1)".

TITLE V—NATIONAL HEART, LUNG, AND BLOOD INSTITUTE

SEC. 501. EDUCATION AND TRAINING.

Section 421(b) of the Public Health Service Act (42 U.S.C. 285b–3(b)) is amended—

(1) in paragraph (3), by striking "and" after the semicolon at the end;

(2) in paragraph (4), by striking the period at the end and inserting "; and"; and

(3) by inserting after paragraph (4) the following paragraph:

"(5) shall, in consultation with the advisory council for the Institute, conduct appropriate intramural training and education programs, including continuing education and laboratory and clinical research training programs.".

SEC. 502. CENTERS FOR THE STUDY OF PEDIATRIC CARDIOVASCULAR DISEASES.

Section 422(a)(1) of the Public Health Service Act (42 U.S.C. 285b–4(a)(1)) is amended—

(1) in subparagraph (B), by striking "and" at the end;

(2) in subparagraph (C), by striking the period and inserting "; and"; and

(3) by adding at the end the following subparagraph:

"(D) three centers for basic and clinical research into, training in, and demonstration of, advanced diagnostic, prevention, and treatment (including genetic studies, intrauterine environment studies, postnatal studies, heart arrhythmias, and acquired heart disease and preventive cardiology) for cardiovascular diseases in children.".

SEC. 503. NATIONAL CENTER ON SLEEP DISORDERS RESEARCH.

Subpart 2 of part C of title IV of the Public Health Service Act (42 U.S.C. 285b et seq.) is amended by adding at the end the following section:

"NATIONAL CENTER ON SLEEP DISORDERS RESEARCH

"SEC. 424. (a) Not later than 1 year after the date of the enactment of the National Institutes of Health Revitalization Act of 1993, the Director of the Institute shall establish the National Center on Sleep Disorders Research (in this section referred to as the 'Center'). The Center shall be headed by a director, who shall be appointed by the Director of the Institute.

"(b) The general purpose of the Center is—

"(1) the conduct and support of research, training, health information dissemination, and other activities with respect to sleep disorders, including biological and circadian rhythm research, basic understanding of sleep, chronobiological and other sleep related research; and

"(2) to coordinate the activities of the Center with similar activities of other Federal agencies, including the other agencies of the National Institutes of Health, and similar activities of other public entities and nonprofit entities.

"(c)(1) The Director of the National Institutes of Health shall establish a board to be known as the Sleep Disorders Research Advisory Board (in this section referred to as the 'Advisory Board').

"(2) The Advisory Board shall advise, assist, consult with, and make recommendations to the Director of the National Institutes of Health, through the Director of the Institute, and the Director of the Center concerning matters relating to the scientific activities carried out by and through the Center and the policies respecting such activities, including recommendations with respect to the plan required in subsection (c).

"(3)(A) The Director of the National Institutes of Health shall appoint to the Advisory Board 12 appropriately qualified representatives of the public who are not officers or employees of the Federal Government. Of such members, eight shall be representatives of health and scientific disciplines with respect to sleep disorders and four shall be individuals representing the interests of individuals with or undergoing treatment for sleep disorders.

"(B) The following officials shall serve as ex officio members of the Advisory Board:

"(i) The Director of the National Institutes of Health.

"(ii) The Director of the Center.

"(iii) The Director of the National Heart, Lung and Blood Institute.

"(iv) The Director of the National Institute of Mental Health.

"(v) The Director of the National Institute on Aging.

"(vi) The Director of the National Institute of Child Health and Human Development.

"(vii) The Director of the National Institute of Neurological Disorders and Stroke.

"(viii) The Assistant Secretary for Health.

"(ix) The Assistant Secretary of Defense (Health Affairs).

"(x) The Chief Medical Director of the Veterans' Administration.

"(4) The members of the Advisory Board shall, from among the members of the Advisory Board, designate an individual to serve as the chair of the Advisory Board.

"(5) Except as inconsistent with, or inapplicable to, this section, the provisions of section 406 shall apply to the advisory board established under this section in the same manner as such provisions apply to any advisory council established under such section.

"(d)(1) After consultation with the Director of the Center and the advisory board established under subsection (c), the Director of the National Institutes of Health shall develop a comprehensive plan for the conduct and support of sleep disorders research.

"(2) The plan developed under paragraph (1) shall identify priorities with respect to such research and shall provide for the coordination of such research conducted or supported by the agencies of the National Institutes of Health.

"(3) The Director of the National Institutes of Health (after consultation with the Director of the Center and the advisory board established under subsection (c)) shall revise the plan developed under paragraph (1) as appropriate.

"(e) The Director of the Center, in cooperation with the Centers for Disease Control and Prevention, is authorized to coordinate activities with the Department of Transportation, the Department of Defense, the Department of Education, the Department of Labor, and the Department of Commerce to collect data, conduct studies, and disseminate public information concerning the impact of sleep disorders and sleep deprivation.".

SEC. 504. AUTHORIZATION OF APPROPRIATIONS.

Subpart 2 of part C of title IV of the Public Health Service Act, as amended by section 503 of this Act, is amended by adding at the end the following section:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 425. For the purpose of carrying out this subpart, there are authorized to be appropriated $1,500,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 and 1996.".

SEC. 505. PREVENTION AND CONTROL PROGRAMS.

Section 419 of the Public Health Service Act (42 U.S.C. 285b–1) is amended by striking "The Director of the Institute" and all that follows and inserting the following: "(a) The Director of the Institute shall conduct and support programs for the prevention and control of heart, blood vessel, lung, and blood diseases. Such programs shall include community-based and population-based programs carried out in cooperation with other Federal agencies, with public health agencies of State or local governments, with nonprofit private entities that are community-based health agencies, or with other appropriate public or nonprofit private entities.

"(b) In carrying out programs under subsection (a), the Director of the Institute shall give special consideration to the prevention and control of heart, blood vessel, lung, and blood diseases in children, and in populations that are at increased risk with respect to such diseases.".

TITLE VI—NATIONAL INSTITUTE ON DIABETES AND DIGESTIVE AND KIDNEY DISEASES

SEC. 601. PROVISIONS REGARDING NUTRITIONAL DISORDERS.

Subpart 3 of part C of title IV of the Public Health Service Act (42 U.S.C. 285c et seq.) is amended by adding at the end the following section:

"NUTRITIONAL DISORDERS PROGRAM

"SEC. 434. (a) The Director of the Institute, in consultation with the Director of NIH, shall establish a program of conducting and supporting research, training, health information dissemination, and other activities with respect to nutritional disorders, including obesity.

"(b) In carrying out the program established under subsection (a), the Director of the Institute shall conduct and support each of the activities described in such subsection.

"(c) In carrying out the program established under subsection (a), the Director of the Institute shall carry out activities to facilitate and enhance knowledge and understanding of nutritional disorders, including obesity, on the part of health professionals, patients, and the public through the effective dissemination of information.".

(b) DEVELOPMENT AND EXPANSION OF RESEARCH AND TRAINING CENTERS.—Section 431 of the Public Health Service Act (42 U.S.C. 285c–5) is amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the following subsection:

"(d)(1) The Director of the Institute shall, subject to the extent of amounts made available in appropriations Acts, provide for the development or substantial expansion of centers for research and training regarding nutritional disorders, including obesity.

"(2) The Director of the Institute shall carry out paragraph (1) in collaboration with the Director of the National Cancer Institute and with the Directors of such other agencies of the National Institutes of Health as the Director of NIH determines to be appropriate.

"(3) Each center developed or expanded under paragraph (1) shall—

"(A) utilize the facilities of a single institution, or be formed from a consortium of cooperating institutions, meeting such research and training qualifications as may be prescribed by the Director;

"(B) conduct basic and clinical research into the cause, diagnosis, early detection, prevention, control and treatment of nutritional disorders, including obesity and the impact of nutrition and diet on child development;

"(C) conduct training programs for physicians and allied health professionals in current methods of diagnosis and treatment of such diseases and complications, and in research in such disorders; and

"(D) conduct information programs for physicians and allied health professionals who provide primary care for patients with such disorders or complications.".

TITLE VII—NATIONAL INSTITUTE ON ARTHRITIS AND MUSCULOSKELETAL AND SKIN DISEASES

SEC. 701. JUVENILE ARTHRITIS.

(a) PURPOSE.—Section 435 of the Public Health Service Act (42 U.S.C. 285d) is amended by striking "and other programs" and all that follows and inserting the following: "and other programs with respect to arthritis and musculoskeletal and skin diseases (including sports-related disorders), with particular attention to the effect of these diseases on children.".

(b) PROGRAMS.—Section 436 (42 U.S.C. 285d–1) is amended—

(1) in subsection (a), by inserting after the second sentence, the following: "The plan shall place particular emphasis upon expanding research into better understanding the causes and the development of effective treatments for arthritis affecting children."; and

(2) in subsection (b)—

(A) by striking "and" at the end of para graph (3);

(B) by striking the period at the end of paragraph (4) and inserting "; and"; and

(C) by adding at the end the following paragraph:

"(5) research into the causes of arthritis affecting children and the development, trial, and evaluation of techniques, drugs and devices used in the diagnosis, treatment (including medical rehabilitation), and prevention of arthritis in children.".

(c) CENTERS.—Section 441 of the Public Health Service Act (42 U.S.C. 286d–6) is amended by adding at the end the following subsection:

"(f) Not later than October 1, 1993, the Director shall establish a multipurpose arthritis and musculoskeletal disease center for the purpose of expanding the level of research into the cause, diagnosis, early detection, prevention, control,

and treatment of, and rehabilitation of children with arthritis and musculoskeletal diseases.".

(d) ADVISORY BOARD.—

(1) TITLE.—Section 442(a) of the Public Health Service Act (42 U.S.C. 285d–7(a)) is amended by inserting after "Arthritis" the following: "and Musculoskeletal and Skin Diseases".

(2) COMPOSITION.—Section 442(b) of the Public Health Service Act (42 U.S.C. 285d–7(b)) is amended—

(A) in the matter preceding paragraph (1), by striking "eighteen" and inserting "twenty"; and

(B) in paragraph (1)(B)—

(i) by striking "six" and inserting "eight"; and

(ii) by striking "including" and all that follows and inserting the following: "including one member who is a person who has such a disease, one person who is the parent of an adult with such a disease, and two members who are parents of children with arthritis.".

(3) ANNUAL REPORT.—Section 442(j) of the Public Health Service Act (42 U.S.C. 285d–7(j)) is amended—

(1) by striking "and" at the end of paragraph (3);

(2) by striking the period at the end of paragraph (4) and inserting "; and"; and

(3) by adding at the end the following paragraph:

"(5) contains recommendations for expanding the Institute's funding of research directly applicable to the cause, diagnosis, early detection, prevention, control, and treatment of, and rehabilitation of children with arthritis and musculoskeletal diseases.".

TITLE VIII—NATIONAL INSTITUTE ON AGING

SEC. 801. ALZHEIMER'S DISEASE REGISTRY.

(a) IN GENERAL.—Section 12 of Public Law 99–158 (99 Stat. 885) is—

(1) transferred to subpart 5 of part C of title IV of the Public Health Service Act (42 U.S.C. 285e et seq.);

(2) redesignated as section 445G; and

(3) inserted after section 445F of such Act.

(b) TECHNICAL AND CONFORMING AMENDMENTS.—Section 445G of the Public Health Service Act, as transferred and inserted by subsection (a) of this section, is amended—

(1) by striking the section heading and all that follows through "may make a grant" in subsection (a) and inserting the following:

"ALZHEIMER'S DISEASE REGISTRY

"SEC. 445G. (a) IN GENERAL.—The Director of the Institute may make a grant"; and

(2) by striking subsection (c).

SEC. 802. AGING PROCESSES REGARDING WOMEN.

Subpart 5 of part C of title IV of the Public Health Service Act, as amended by section 801 of this Act, is amended by adding at the end the following section:

"AGING PROCESSES REGARDING WOMEN

"SEC. 445H. The Director of the Institute, in addition to other special functions specified in section 444 and in cooperation with the Directors of the other national research institutes and agencies of the National Institutes of Health, shall conduct research into the aging processes of women, with particular emphasis given to the effects of menopause and the physiological and behavioral changes occurring during the transition from pre- to post-menopause, and into the diagnosis, disorders, and complications related to aging and loss of ovarian hormones in women.".

SEC. 803. AUTHORIZATION OF APPROPRIATIONS.

Subpart 5 of part C of title IV of the Public Health Service Act, as amended by section 802 of this Act, is amended by adding at the end the following section:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 445I. For the purpose of carrying out this subpart, there are authorized to be appropriated $500,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 and 1996.".

SEC. 804. CONFORMING AMENDMENT.

Section 445C of the Public Health Service Act (42 U.S.C. 285e–5), as amended by section 9 of Public Law 102–507 (106 Stat. 3287), is amended—

(1) in subsection (b)(1), in the first sentence, by inserting after "Council" the following: "on Alzheimer's Disease (in this section referred to as the 'Council')"; and

(2) by adding at the end the following subsection:

"(e) For purposes of this section, the term 'Council on Alzheimer's Disease' means the council established in section 911(a) of Public Law 99–660.".

TITLE IX—NATIONAL INSTITUTE OF ALLERGY AND INFECTIOUS DISEASES

SEC. 901. TROPICAL DISEASES.

Section 446 of the Public Health Service Act (42 U.S.C. 285f) is amended by inserting before the period the following: ", including tropical diseases".

SEC. 902. CHRONIC FATIGUE SYNDROME.

(a) RESEARCH CENTERS.—Subpart 6 of part C of title IV of the Public Health Service Act (42 U.S.C. 285f) is amended by adding at the end the following section:

"RESEARCH CENTERS REGARDING CHRONIC FATIGUE SYNDROME

"SEC. 447. (a) The Director of the Institute, after consultation with the advisory council for the Institute, may make grants to, or enter into contracts with, public or nonprofit private entities for the development and operation of centers to conduct basic and clinical research on chronic fatigue syndrome.

"(b) Each center assisted under this section shall use the facilities of a single institution, or be formed from a consortium of cooperating institutions, meeting such requirements as may be prescribed by the Director of the Institute.".

(b) EXTRAMURAL STUDY SECTION.—Not later than 6 months after the date of enactment of this Act, the Secretary of Health and Human Services shall establish an extramural study section for chronic fatigue syndrome research.

(c) REPRESENTATIVES.—The Secretary of Health and Human Services, acting through the Director of the National Institutes of Health, shall ensure that appropriate individuals with expertise in chronic fatigue syndrome or neuromuscular diseases and representative of a variety of disciplines and fields within the research community are appointed to appropriate National Institutes of Health advisory committees and boards.

TITLE X—NATIONAL INSTITUTE OF CHILD HEALTH AND HUMAN DEVELOPMENT

Subtitle A—Research Centers With Respect to Contraception and Research Centers With Respect to Infertility

SEC. 1001. GRANTS AND CONTRACTS FOR RESEARCH CENTERS.

Subpart 7 of part C of title IV of the Public Health Service Act, as amended by section 3 of Public Law 101–613, is amended by adding at the end the following section:

"RESEARCH CENTERS WITH RESPECT TO CONTRACEPTION AND INFERTILITY

"SEC. 452A. (a) The Director of the Institute, after consultation with the advisory council for the Institute, shall make grants to, or enter into contracts with, public or nonprofit private entities for the development and operation of centers to conduct activities for the purpose of improving methods of contraception and centers to conduct activities for the purpose of improving methods of diagnosis and treatment of infertility.

"(b) In carrying out subsection (a), the Director of the Institute shall, subject to the extent of amounts made available in appropriations Acts, provide for the establishment of three centers with respect to contraception and for two centers with respect to infertility.

"(c)(1) Each center assisted under this section shall, in carrying out the purpose of the center involved—

"(A) conduct clinical and other applied research, including—

"(i) for centers with respect to contraception, clinical trials of new or improved drugs and devices for use by males and females (including barrier methods); and

"(ii) for centers with respect to infertility, clinical trials of new or improved drugs and devices for the diagnosis and treatment of infertility in males and females;

"(B) develop protocols for training physicians, scientists, nurses, and other health and allied health professionals;

"(C) conduct training programs for such individuals;

"(D) develop model continuing education programs for such professionals; and

"(E) disseminate information to such professionals and the public.

"(2) A center may use funds provided under subsection (a) to provide stipends for health and allied health professionals enrolled in programs described in subparagraph (C) of paragraph (1), and to provide fees to individuals serving as subjects in clinical trials conducted under such paragraph.

"(d) The Director of the Institute shall, as appropriate, provide for the coordination of information among the centers assisted under this section.

"(e) Each center assisted under subsection (a) shall use the facilities of a single institution, or be formed from a consortium of cooperating institutions, meeting such requirements as may be prescribed by the Director of the Institute.

"(f) Support of a center under subsection (a) may be for a period not exceeding 5 years. Such period may be extended for one or more additional periods not exceeding 5 years if the operations of such center have been reviewed by an appropriate technical and scientific peer review group established by the Director and if such group has recommended to the Director that such period should be extended.

"(g) For the purpose of carrying out this section, there are authorized to be appropriated $30,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 and 1996.".

SEC. 1002. LOAN REPAYMENT PROGRAM FOR RESEARCH WITH RESPECT TO CONTRACEPTION AND INFERTILITY.

Part G of title IV of the Public Health Service Act, as redesignated by section 141(a)(2) of this Act, is amended by inserting after section 487A the following section:

"LOAN REPAYMENT PROGRAM FOR RESEARCH WITH RESPECT TO CONTRACEPTION AND INFERTILITY

"SEC. 487B. (a) The Secretary, in consultation with the Director of the National Institute of Child Health and Human Development, shall establish a program of entering into contracts with qualified health professionals (including graduate students) under which such health professionals agree to conduct research with respect to contraception, or with respect to infertility, in consideration of the Federal Government agreeing to repay, for each year of such service, not more than $20,000 of the principal and interest of the educational loans of such health professionals.

"(b) The provisions of sections 338B, 338C, and 338E shall, except as inconsistent with subsection (a) of this section, apply to the program established in subsection (a) to the same extent and in the same manner as such provisions apply to the National Health Service Corps Loan Repayment Program established in subpart III of part D of title III.

"(c) Amounts available for carrying out this section shall remain available until the expiration of the second fiscal year beginning after the fiscal year for which the amounts were made available.".

Subtitle B—Program Regarding Obstetrics and Gynecology

SEC. 1011. ESTABLISHMENT OF PROGRAM.

Subpart 7 of part C of title IV of the Public Health Service Act, as amended by section 1001 of this Act, is amended by adding at the end the following section:

"PROGRAM REGARDING OBSTETRICS AND GYNECOLOGY

"Sec. 452B. The Director of the Institute shall establish and maintain within the Institute an intramural laboratory and clinical research program in obstetrics and gynecology.".

Subtitle C—Child Health Research Centers

SEC. 1021. ESTABLISHMENT OF CENTERS.

Subpart 7 of part C of title IV of the Public Health Service Act, as amended by section 1011 of this Act, is amended by adding at the end the following section:

"CHILD HEALTH RESEARCH CENTERS

"Sec. 452C. The Director of the Institute shall develop and support centers for conducting research with respect to child health. Such centers shall give priority to the expeditious transfer of advances from basic science to clinical applications and improving the care of infants and children.".

Subtitle D—Study Regarding Adolescent Health

SEC. 1031. PROSPECTIVE LONGITUDINAL STUDY.

Subpart 7 of part C of title IV of the Public Health Service Act, as amended by section 1021 of this Act, is amended by adding at the end the following section:

"PROSPECTIVE LONGITUDINAL STUDY ON ADOLESCENT HEALTH

"Sec. 452D. (a) In General.—Not later than October 1, 1993, the Director of the Institute shall commence a study for the purpose of providing information on the general health and well-being of adolescents in the United States, including, with respect to such adolescents, information on—

"(1) the behaviors that promote health and the behaviors that are detrimental to health; and

"(2) the influence on health of factors particular to the communities in which the adolescents reside.

"(b) Design of Study.—

"(1) In general.—The study required in subsection (a) shall be a longitudinal study in which a substantial number of adolescents participate as subjects. With respect to the purpose described in such subsection, the study shall monitor the subjects throughout the period of the study to determine the health status of the subjects and any change in such status over time.

"(2) Population-specific analyses.—The study required in subsection (a) shall be conducted with respect to the population of adolescents who are female, the population of adolescents who are male, various socioeconomic populations of adolescents, and various racial and ethnic populations of adolescents. The study shall be designed and conducted in a manner sufficient to provide for a valid analysis of whether there are significant differences among such populations in health status and whether and to what extent any such differences are due to factors particular to the populations involved.

"(c) Coordination With Women's Health Initiative.—With respect to the national study of women being conducted by the Secretary and known as the Women's Health Initiative, the Secretary shall ensure that such study is coordinated with the component of the study required in subsection (a) that concerns adolescent females, including coordination in the design of the 2 studies.".

TITLE XI—NATIONAL EYE INSTITUTE

SEC. 1101. CLINICAL AND HEALTH SERVICES RESEARCH ON EYE CARE AND DIABETES.

(a) In General.—Subpart 9 of part C of title IV of the Public Health Service Act (42 U.S.C. 285i) is amended by adding at the end the following section:

"CLINICAL RESEARCH ON EYE CARE AND DIABETES

"Sec. 456. (a) Program of Grants.—The Director of the Institute, in consultation with the advisory council for the Institute, may award research grants to one or more Diabetes Eye Research Institutions for the support of programs in clinical or health services aimed at—

"(1) providing comprehensive eye care services for people with diabetes, including a full complement of preventive, diagnostic and treatment procedures;

"(2) developing new and improved techniques of patient care through basic and clinical research;

"(3) assisting in translation of the latest research advances into clinical practice; and

"(4) expanding the knowledge of the eye and diabetes through further research.

"(b) Use of Funds.—Amounts received under a grant awarded under this section shall be used for the following:

"(1) Establishing the biochemical, cellular, and genetic mechanisms associated with diabetic eye disease and the earlier detection of pending eye abnormalities. The focus of work under this paragraph shall require that ophthalmologists have training in the most up-to-date molecular and cell biological methods.

"(2) Establishing new frontiers in technology, such as video-based diagnostic and research resources, to—

"(A) provide improved patient care;

"(B) provide for the evaluation of retinal physiology and its affect on diabetes; and

"(C) provide for the assessment of risks for the development and progression of diabetic eye disease and a more immediate evaluation of various therapies aimed at preventing diabetic eye disease.

Such technologies shall be designed to permit evaluations to be performed both in humans and in animal models.

"(3) The translation of the results of vision research into the improved care of patients with diabetic eye disease. Such translation shall require the application of institutional resources that encompass patient care, clinical research and basic laboratory research.

"(4) The conduct of research concerning the outcomes of eye care treatments and eye health education programs as they relate to patients with diabetic eye disease, including the evaluation of regional approaches to such research.

"(c) Authorized Expenditures.—The purposes for which a grant under subsection (a) may be expended include equipment for the research described in such subsection.".

(b) Conforming Amendment.—Section 455 of the Public Health Service Act (42 U.S.C. 285i) is amended in the second sentence by striking "The Director" and inserting "Subject to section 456, the Director".

TITLE XII—NATIONAL INSTITUTE OF NEUROLOGICAL DISORDERS AND STROKE

SEC. 1201. RESEARCH ON MULTIPLE SCLEROSIS.

Subpart 10 of part C of title IV of the Public Health Service Act (42 U.S.C. 285j et seq.) is amended by adding at the end the following section:

"RESEARCH ON MULTIPLE SCLEROSIS

"Sec. 460. The Director of the Institute shall conduct and support research on multiple sclerosis, especially research on effects of genetics and hormonal changes on the progress of the disease.".

TITLE XIII—NATIONAL INSTITUTE OF ENVIRONMENTAL HEALTH SCIENCES

SEC. 1301. APPLIED TOXICOLOGICAL RESEARCH AND TESTING PROGRAM.

(a) In General.—Subpart 12 of part C of title IV of the Public Health Service Act (42 U.S.C. 285l) is amended by adding at the end the following section:

"APPLIED TOXICOLOGICAL RESEARCH AND TESTING PROGRAM

"Sec. 463A. (a) There is established within the Institute a program for conducting applied research and testing regarding toxicology, which program shall be known as the Applied Toxicological Research and Testing Program.

"(b) In carrying out the program established under subsection (a), the Director of the Institute shall, with respect to toxicology, carry out activities—

"(1) to expand knowledge of the health effects of environmental agents;

"(2) to broaden the spectrum of toxicology information that is obtained on selected chemicals;

"(3) to develop and validate assays and protocols, including alternative methods that can reduce or eliminate the use of animals in acute or chronic safety testing;

"(4) to establish criteria for the validation and regulatory acceptance of alternative testing and to recommend a process through which scientifically validated alternative methods can be accepted for regulatory use;

"(5) to communicate the results of research to government agencies, to medical, scientific, and regulatory communities, and to the public; and

"(6) to integrate related activities of the Department of Health and Human Services.".

(b) Technical Amendment.—Section 463 of the Public Health Service Act (42 U.S.C. 285l) is amended by inserting after "Sciences" the following: "(in this subpart referred to as the 'Institute')".

TITLE XIV—NATIONAL LIBRARY OF MEDICINE

Subtitle A—General Provisions

SEC. 1401. ADDITIONAL AUTHORITIES.

(a) In General.—Section 465(b) of the Public Health Service Act (42 U.S.C. 286(b)) is amended—

(1) by striking "and" after the semicolon at the end of paragraph (5);

(2) by redesignating paragraph (6) as paragraph (8); and

(3) by inserting after paragraph (5) the following paragraphs:

"(6) publicize the availability from the Library of the products and services described in any of paragraphs (1) through (5);

"(7) promote the use of computers and telecommunications by health professionals (including health professionals in rural areas) for the purpose of improving access to biomedical information for health care delivery and medical research; and".

(b) Limitation Regarding Grants.—Section 474(b)(2) of the Public Health Service Act (42 U.S.C. 286b–S(b)(2)) is amended by striking "$750,000" and inserting "$1,000,000".

(c) Technical and Conforming Amendments.—

(1) Repeal of certain authority.—Section 215 of the Department of Health and Human Services Appropriations Act, 1988, as contained in section 101(h) of Public Law 100–202 (101 Stat. 1329–275), is repealed.

(2) APPLICABILITY OF CERTAIN NEW AUTHORITY.—With respect to the authority established for the National Library of Medicine in section 465(b)(6) of the Public Health Service Act, as added by subsection (a) of this section, such authority shall be effective as if the authority had been established on December 22, 1987.

SEC. 1402. AUTHORIZATION OF APPROPRIATIONS.

(a) ESTABLISHMENT OF SINGLE AUTHORIZATION.—Subpart 1 of part D of title IV of the Public Health Service Act (42 U.S.C. 286 et seq.) is amended by adding at the end the following section:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 468. (a) For the purpose of carrying out this part, there are authorized to be appropriated $150,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 and 1996.

"(b) Amounts appropriated under subsection (a) and made available for grants or contracts under any of sections 472 through 476 shall remain available until the end of the fiscal year following the fiscal year for which the amounts were appropriated.".

(b) CONFORMING AMENDMENTS.—Part D of title IV of the Public Health Service Act (42 U.S.C. 286 et seq.) is amended by striking section 469 and section 478(c).

Subtitle B—Financial Assistance

SEC. 1411. ESTABLISHMENT OF PROGRAM OF GRANTS FOR DEVELOPMENT OF EDUCATION TECHNOLOGIES.

Section 473 of the Public Health Service Act (42 U.S.C. 286b–4) is amended by adding at the end the following subsection:

"(c)(1) The Secretary shall make grants to public or nonprofit private institutions for the purpose of carrying out projects of research on, and development and demonstration of, new education technologies.

"(2) The purposes for which a grant under paragraph (1) may be made include projects concerning—

"(A) computer-assisted teaching and testing of clinical competence at health professions and research institutions;

"(B) the effective transfer of new information from research laboratories to appropriate clinical applications;

"(C) the expansion of the laboratory and clinical uses of computer-stored research databases; and

"(D) the testing of new technologies for training health care professionals.

"(3) The Secretary may not make a grant under paragraph (1) unless the applicant for the grant agrees to make the projects available with respect to—

"(A) assisting in the training of health professions students; and

"(B) enhancing and improving the capabilities of health professionals regarding research and teaching.".

Subtitle C—National Information Center on Health Services Research and Health Care Technology

SEC. 1421. ESTABLISHMENT OF CENTER.

Part D of title IV of the Public Health Service Act (42 U.S.C. 286 et seq.) is amended by adding at the end the following subpart:

"Subpart 4—National Information Center on Health Services Research and Health Care Technology

"NATIONAL INFORMATION CENTER

"SEC. 478A. (a) There is established within the Library an entity to be known as the National Information Center on Health Services Research and Health Care Technology (in this section referred to as the 'Center').

"(b) The purpose of the Center is the collection, storage, analysis, retrieval, and dissemination of information on health services research, clinical practice guidelines, and on health care technology, including the assessment of such technology. Such purpose includes developing and maintaining data bases and developing and implementing methods of carrying out such purpose.

"(c) The Director of the Center shall ensure that information under subsection (b) concerning clinical practice guidelines is collected and maintained electronically and in a convenient format. Such Director shall develop and publish criteria for the inclusion of practice guidelines and technology assessments in the information center database.

"(d) The Secretary, acting through the Center, shall coordinate the activities carried out under this section through the Center with related activities of the Administrator for Health Care Policy and Research.".

SEC. 1422. CONFORMING PROVISIONS.

(a) IN GENERAL.—Section 903 of the Public Health Service Act, as amended by section 3 of Public Law 102–410 (106 Stat. 2094), is amended by amending subsection (e) to read as follows:

"(e) REQUIRED INTERAGENCY AGREEMENT.—The Administrator and the Director of the National Library of Medicine shall enter into an agreement providing for the implementation of section 478A.".

(b) RULE OF CONSTRUCTION.—The amendments made by section 3 of Public Law 102–410 (106 Stat. 2094), by section 1421 of this Act, and by subsection (a) of this section may not be construed as terminating the information center on health care technologies and health care technology assessment established under section 904 of the Public Health Service Act, as in effect on the day before the date of the enactment of Public Law 102–410. Such center shall be considered to be the center established in section 478A of the Public Health Service Act, as added by section 1421 of this Act, and shall be subject to the provisions of such section 478A.

TITLE XV—OTHER AGENCIES OF NATIONAL INSTITUTES OF HEALTH

Subtitle A—Division of Research Resources

SEC. 1501. REDESIGNATION OF DIVISION AS NATIONAL CENTER FOR RESEARCH RESOURCES.

Title IV of the Public Health Service Act (42 U.S.C. 281 et seq.) is amended—

(1) in section 401(b)(2)(B), by amending such subparagraph to read as follows:

"(B) The National Center for Research Resources."; and

(2) in part E—

(A) in the heading for subpart 1, by striking "Division of" and inserting "National Center for";

(B) in section 479, by striking "the Division of Research Resources" and inserting the following: "the National Center for Research Resources (in this subpart referred to as the 'Center')";

(C) in sections 480 and 481, by striking "the Division of Research Resources" each place such term appears and inserting "the Center"; and

(D) in sections 480 and 481, as amended by subparagraph (C), by striking "the Division" each place such term appears and inserting "the Center".

SEC. 1502. BIOMEDICAL AND BEHAVIORAL RESEARCH FACILITIES.

Subpart 1 of part E of title IV of the Public Health Service Act (42 U.S.C. 287 et seq.) is amended by adding at the end the following section:

"BIOMEDICAL AND BEHAVIORAL RESEARCH FACILITIES

"SEC. 481A. (a) MODERNIZATION AND CONSTRUCTION OF FACILITIES.—

"(1) IN GENERAL.—The Director of NIH, acting through the Director of the Center, may make grants to public and nonprofit private entities to expand, remodel, renovate, or alter existing research facilities or construct new research facilities, subject to the provisions of this section.

"(2) CONSTRUCTION AND COST OF CONSTRUCTION.—For purposes of this section, the terms 'construction' and 'cost of construction' include the construction of new buildings and the expansion, renovation, remodeling, and alteration of existing buildings, including architects' fees, but do not include the cost of acquisition of land or off-site improvements.

"(b) SCIENTIFIC AND TECHNICAL REVIEW BOARDS FOR MERIT-BASED REVIEW OF PROPOSALS.—

"(1) IN GENERAL; APPROVAL AS PRECONDITION TO GRANTS.—

"(A) There is established within the Center a Scientific and Technical Review Board on Biomedical and Behavioral Research Facilities (referred to in this section as the 'Board').

"(B) The Director of the Center may approve an application for a grant under subsection (a) only if the Board has under paragraph (2) recommended the application for approval.

"(2) DUTIES.—

"(A) The Board shall provide advice to the Director of the Center and the advisory council established under section 480 (in this section referred to as the 'Advisory Council') on carrying out this section.

"(B) In carrying out subparagraph (A), the Board shall make a determination of the merit of each application submitted for a grant under subsection (a), after consideration of the requirements established in subsection (c), and shall report the results of the determination to the Director of the Center and the Advisory Council. Such determinations shall be conducted in a manner consistent with procedures established under section 492.

"(C) In carrying out subparagraph (A), the Board shall, in the case of applications recommended for approval, make recommendations to the Director and the Advisory Council on the amount that should be provided in the grant.

"(D) In carrying out subparagraph (A), the Board shall prepare an annual report for the Director of the Center and the Advisory Council describing the activities of the Board in the fiscal year for which the report is made. Each such report shall be available to the public, and shall—

"(i) summarize and analyze expenditures made under this section;

"(ii) provide a summary of the types, numbers, and amounts of applications that were recommended for grants under subsection (a) but that were not approved by the Director of the Center; and

"(iii) contain the recommendations of the Board for any changes in the administration of this section.

"(3) MEMBERSHIP.—

"(A) Subject to subparagraph (B), the Board shall be composed of 9 appointed members, and such ex officio members as the Director of the Center determines to be appropriate.

"(B) Not more than 3 individuals who are officers or employees of the Federal Government may serve as members of the Board.

"(4) CERTAIN REQUIREMENTS REGARDING MEMBERSHIP.—In selecting individuals for membership on the Board, the Director of the Center shall ensure that the members are individuals who, by virtue of their training or experience, are eminently qualified to perform peer review functions. In selecting such individuals for such membership, the Director of the Center shall ensure that the members of the Board collectively—

"(A) are experienced in the planning, construction, financing, and administration of enti-

ties that conduct biomedical or behavioral research sciences;

"(B) are knowledgeable in making determinations of the need of entities for biomedical or behavioral research facilities, including such facilities for the dentistry, nursing, pharmacy, and allied health professions;

"(C) are knowledgeable in evaluating the relative priorities for applications for grants under subsection (a) in view of the overall research needs of the United States; and

"(D) are experienced with emerging centers of excellence, as described in subsection (c)(3).

"(5) CERTAIN AUTHORITIES.—

"(A) In carrying out paragraph (2), the Board may convene workshops and conferences, and collect data as the Board considers appropriate.

"(B) In carrying out paragraph (2), the Board may establish subcommittees within the Board. Such subcommittees may hold meetings as determined necessary to enable the subcommittee to carry out its duties.

"(6) TERMS.—

"(A) Except as provided in subparagraph (B), each appointed member of the Board shall hold office for a term of 4 years. Any member appointed to fill a vacancy occurring prior to the expiration of the term for which such member's predecessor was appointed shall be appointed for the remainder of the term of the predecessor.

"(B) Of the initial members appointed to the Board (as specified by the Director of the Center when making the appointments)—

"(i) 3 shall hold office for a term of 3 years;

"(ii) 3 shall hold office for a term of 2 years; and

"(iii) 3 shall hold office for a term of 1 year.

"(C) No member is eligible for reappointment to the Board until 1 year has elapsed after the end of the most recent term of the member.

"(7) COMPENSATION.—Members of the Board who are not officers or employees of the United States shall receive for each day the members are engaged in the performance of the functions of the Board compensation at the same rate received by members of other national advisory councils established under this title.

"(c) REQUIREMENTS FOR GRANTS.—

"(1) IN GENERAL.—The Director of the Center may make a grant under subsection (a) only if the applicant for the grant meets the following conditions:

"(A) The applicant is determined by such Director to be competent to engage in the type of research for which the proposed facility is to be constructed.

"(B) The applicant provides assurances satisfactory to the Director that—

"(i) for not less than 20 years after completion of the construction, the facility will be used for the purposes of research for which it is to be constructed;

"(ii) sufficient funds will be available to meet the non-Federal share of the cost of constructing the facility;

"(iii) sufficient funds will be available, when construction is completed, for the effective use of the facility for the research for which it is being constructed; and

"(iv) the proposed construction will expand the applicant's capacity for research, or is necessary to improve or maintain the quality of the applicant's research.

"(C) The applicant meets reasonable qualifications established by the Director with respect to—

"(i) the relative scientific and technical merit of the applications, and the relative effectiveness of the proposed facilities, in expanding the capacity for biomedical or behavioral research and in improving the quality of such research;

"(ii) the quality of the research or training, or both, to be carried out in the facilities involved;

"(iii) the need of the applicant for such facilities in order to maintain or expand the applicant's research and training mission;

"(iv) the congruence of the research activities to be carried out within the facility with the research and investigator manpower needs of thè United States; and

"(v) the age and condition of existing research facilities and equipment.

"(D) The applicant has demonstrated a commitment to enhancing and expanding the research productivity of the applicant.

"(2) CONSIDERATION OF CERTAIN FACTORS.—In making grants under subsection (a), the Director of the Center may, in addition to the requirements established in paragraph (1), consider the following factors:

"(A) To what extent the applicant has the capacity to broaden the scope of research and research training programs of the applicant by promoting—

"(i) interdisciplinary research;

"(ii) research on emerging technologies, including those involving novel analytical techniques or computational methods; or

"(iii) other novel research mechanisms or programs.

"(B) To what extent the applicant has broadened the scope of research and research training programs of qualified institutions by promoting genomic research with an emphasis on interdisciplinary research, including research related to pediatric investigations.

"(3) INSTITUTIONS OF EMERGING EXCELLENCE.—Of the amounts appropriated under subsection (h) for a fiscal year, the Director of the Center shall make available 25 percent for grants under subsection (a) to applicants that, in addition to meeting the requirements established in paragraph (1), have demonstrated emerging excellence in biomedical or behavioral research, as follows:

"(A) The applicant has a plan for research or training advancement and possesses the ability to carry out the plan.

"(B) The applicant carries out research and research training programs that have a special relevance to a problem, concern, or unmet health need of the United States.

"(C) The applicant has been productive in research or research development and training.

"(D) The applicant—

"(i) has been designated as a center of excellence under section 739;

"(ii) is located in a geographic area whose population includes a significant number of individuals with a health-status deficit, and the applicant provides health services to such individuals; or

"(iii) is located in a geographic area in which a deficit in health care technology, services, or research resources may adversely affect health status of the population of the area in the future, and the applicant is carrying out activities with respect to protecting the health status of such population.

"(d) REQUIREMENT OF APPLICATION.—The Director of the Center may make a grant under subsection (a) only if an application for the grant is submitted to the Director and the application is in such form, is made in such manner, and contains such agreements, assurances, and information as the Director determines to be necessary to carry out this section.

"(e) AMOUNT OF GRANT; PAYMENTS.—

"(1) AMOUNT.—The amount of any grant awarded under subsection (a) shall be determined by the Director of the Center, except that such amount shall not exceed—

"(A) 50 percent of the necessary cost of the construction of a proposed facility as determined by the Director; or

"(B) in the case of a multipurpose facility, 40 percent of that part of the necessary cost of construction that the Director determines to be proportionate to the contemplated use of the facility.

"(2) RESERVATION OF AMOUNTS.—On approval of any application for a grant under subsection (a), the Director of the Center shall reserve, from any appropriation available therefore, the amount of such grant, and shall pay such amount, in advance or by way of reimbursement, and in such installments consistent with the construction progress, as the Director may determine appropriate. The reservation of the Director of any amount by the Director under this paragraph may be amended by the Director, either on the approval of an amendment of the application or on the revision of the estimated cost of construction of the facility.

"(3) EXCLUSION OF CERTAIN COSTS.—In determining the amount of any grant under this subsection (a), there shall be excluded from the cost of construction an amount equal to the sum of—

"(A) the amount of any other Federal grant that the applicant has obtained, or is assured of obtaining, with respect to construction that is to be financed in part by a grant authorized under this section; and

"(B) the amount of any non-Federal funds required to be expended as a condition of such other Federal grant.

"(4) WAIVER OF LIMITATIONS.—The limitations imposed by paragraph (1) may be waived at the discretion of the Director for applicants meeting the conditions described in paragraphs (1) and (2) of subsection (c).

"(f) RECAPTURE OF PAYMENTS.—If, not later than 20 years after the completion of construction for which a grant has been awarded under subsection (a)—

"(1) the applicant or other owner of the facility shall cease to be a public or nonprofit private entity; or

"(2) the facility shall cease to be used for the research purposes for which it was constructed (unless the Director determines, in accordance with regulations, that there is good cause for releasing the applicant or other owner from obligation to do so);

the United States shall be entitled to recover from the applicant or other owner of the facility the amount bearing the same ratio to the current value (as determined by an agreement between the parties or by action brought in the United States District Court for the district in which such facility is situated) of the facility as the amount of the Federal participation bore to the cost of the construction of such facility.

"(g) GUIDELINES.—Not later than 6 months after the date of the enactment of this section, the Director of the Center, after consultation with the Advisory Council, shall issue guidelines with respect to grants under subsection (a).

"(h) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated $150,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 and 1996.".

SEC. 1503. CONSTRUCTION PROGRAM FOR NATIONAL PRIMATE RESEARCH CENTER.

Subpart 1 of part E of title IV of the Public Health Service Act, as amended by section 1502 of this Act, is amended by adding at the end the following section:

"CONSTRUCTION OF REGIONAL CENTERS FOR RESEARCH ON PRIMATES

"SEC. 481B. (a) With respect to activities carried out by the National Center for Research Resources to support regional centers for research on primates, the Director of NIH shall, for each of the fiscal years 1994 through 1996, reserve from the amounts appropriated under section 481A(h) $5,000,000 for the purpose of making awards of grants and contracts to public or nonprofit private entities to construct, renovate, or otherwise improve such regional centers. The reservation of such amounts for any fiscal year

is subject to the availability of qualified applicants for such awards.

"(b) The Director of NIH may not make a grant or enter into a contract under subsection (a) unless the applicant for such assistance agrees, with respect to the costs to be incurred by the applicant in carrying out the purpose described in such subsection, to make available (directly or through donations from public or private entities) non-Federal contributions in cash toward such costs in an amount equal to not less than $1 for each $4 of Federal funds provided in such assistance.".

Subtitle B—National Center for Nursing Research

SEC. 1511. REDESIGNATION OF NATIONAL CENTER FOR NURSING RESEARCH AS NATIONAL INSTITUTE OF NURSING RESEARCH.

(a) IN GENERAL.—Subpart 3 of part E of title IV of the Public Health Service Act (42 U.S.C. 287c et seq.) is amended—

(1) in section 483—

(A) in the heading for the section, by striking "CENTER" and inserting "INSTITUTE"; and

(B) by striking "The general purpose" and all that follows through "is" and inserting the following: "The general purpose of the National Institute of Nursing Research (in this subpart referred to as the 'Institute') is";

(2) in section 484, by striking "Center" each place such term appears and inserting "Institute";

(3) in section 485—

(A) in subsection (a), in each of paragraphs (1) through (3), by striking "Center" each place such term appears and inserting "Institute";

(B) in subsection (b)—

(i) in paragraph (2)(A), by striking "Center" and inserting "Institute"; and

(ii) in paragraph (3)(A), in the first sentence, by striking "Center" and inserting "Institute"; and

(C) in subsections (d) through (g), by striking "Center" each place such term appears and inserting "Institute"; and

(4) in section 485A (as redesignated by section 141(a)(1) of this Act), by striking "Center" each place such term appears and inserting "Institute".

(b) CONFORMING AMENDMENTS.—

(1) ORGANIZATION OF NATIONAL INSTITUTES OF HEALTH.—Section 401(b) of the Public Health Service Act (42 U.S.C. 281(b)) is amended—

(A) in paragraph (1), by adding at the end the following subparagraph:

"(Q) The National Institute of Nursing Research."; and

(B) in paragraph (2), by striking subparagraph (D).

(2) TRANSFER OF STATUTORY PROVISIONS.—The Public Health Service Act, as amended by subsection (a) of this section and by section 124 of Public Law 102–321 (106 Stat. 364), is amended—

(A) by transferring sections 483 through 485A to part C of title IV;

(B) by redesignating such sections as sections 464V through 464Y of such part; and

(C) by adding such sections, in the appropriate sequence, at the end of such part.

(3) HEADING FOR NEW SUBPART.—Title IV of the Public Health Service Act, as amended by the preceding provisions of this section, is amended—

(A) in part C, by inserting before section 464V the following:

"Subpart 17—National Institute of Nursing Research";

and

(B) by striking the subpart designation and heading for subpart 3 of part E.

(4) CROSS-REFERENCES.—Title IV of the Public Health Service Act, as amended by the preceding provisions of this section, is amended in subpart 17 of part C—

(A) in section 464W, by striking "section 483" and inserting "section 464V";

(B) in section 464X(g), by striking "section 486" and inserting "section 464Y"; and

(C) in section 464Y, in the last sentence, by striking "section 485(g)" and inserting "section 464X(g)".

SEC. 1512. STUDY ON ADEQUACY OF NUMBER OF NURSES.

(a) IN GENERAL.—The Secretary of Health and Human Services, acting through the Director of the National Institute of Nursing Research, shall enter into a contract with a public or nonprofit private entity to conduct a study for the purpose of determining whether and to what extent there is a need for an increase in the number of nurses in hospitals and nursing homes in order to promote the quality of patient care and reduce the incidence among nurses of work-related injuries and stress.

(b) NATIONAL ACADEMY OF SCIENCES.—The Secretary shall request the Institute of Medicine of the National Academy of Sciences to enter into the contract under subsection (a) to conduct the study described in such subsection. If such Institute declines to conduct the study, the Secretary shall carry out such subsection through another public or nonprofit private entity.

(c) DEFINITIONS.—For purposes of this section:

(1) The term "nurse" means a registered nurse, a licensed practical nurse, a licensed vocational nurse, and a nurse assistant.

(2) The term "Secretary" means the Secretary of Health and Human Services.

(d) REPORT.—The Secretary shall ensure that, not later than 18 months after the date of the enactment of this Act, the study required in subsection (a) is completed and a report describing the findings made as a result of the study is submitted to the Committee on Energy and Commerce of the House of Representatives and to the Committee on Labor and Human Resources of the Senate.

Subtitle C—National Center for Human Genome Research

SEC. 1521. PURPOSE OF CENTER.

Title IV of the Public Health Service Act, as amended by section 141(a)(1) of this Act and by paragraphs (1)(B) and (3)(B) of section 1511(b) of this Act, is amended—

(1) in section 401(b)(2), by adding at the end the following subparagraph:

"(D) The National Center for Human Genome Research."; and

(2) in part E, by adding at the end the following subpart:

"Subpart 3—National Center for Human Genome Research

"PURPOSE OF THE CENTER

"SEC. 485B. (a) The general purpose of the National Center for Human Genome Research (in this subpart referred to as the 'Center') is to characterize the structure and function of the human genome, including the mapping and sequencing of individual genes. Such purpose includes—

"(1) planning and coordinating the research goal of the genome project;

"(2) reviewing and funding research proposals;

"(3) developing training programs;

"(4) coordinating international genome research;

"(5) communicating advances in genome science to the public; and

"(6) reviewing and funding proposals to address the ethical and legal issues associated with the genome project (including legal issues regarding patents).

"(b) The Director of the Center may conduct and support research training—

"(1) for which fellowship support is not provided under section 487; and

"(2) that is not residency training of physicians or other health professionals.

"(c)(1) Except as provided in paragraph (2), of the amounts appropriated to carry out subsection (a) for a fiscal year, the Director of the Center shall make available not less than 5 percent for carrying out paragraph (6) of such subsection.

"(2) With respect to providing funds under subsection (a)(6) for proposals to address the ethical issues associated with the genome project, paragraph (1) shall not apply for a fiscal year if the Director of the Center certifies to the Committee on Energy and Commerce of the House of Representatives, and to the Committee on Labor and Human Resources of the Senate, that the Director has determined that an insufficient number of such proposals meet the applicable requirements of sections 491 and 492.".

TITLE XVI—AWARDS AND TRAINING

Subtitle A—National Research Service Awards

SEC. 1601. REQUIREMENT REGARDING WOMEN AND INDIVIDUALS FROM DISADVANTAGED BACKGROUNDS.

Section 487(a) of the Public Health Service Act (42 U.S.C. 288(a)(4)) is amended by adding at the end the following paragraph:

"(4) The Secretary shall carry out paragraph (1) in a manner that will result in the recruitment of women, and individuals from disadvantaged backgrounds (including racial and ethnic minorities), into fields of biomedical or behavioral research and in the provision of research training to women and such individuals.".

SEC. 1602. SERVICE PAYBACK REQUIREMENTS.

Section 487(c) of the Public Health Service Act (42 U.S.C. 288(c)) is amended by striking paragraphs (1) and (2) and inserting the following:

"(1) Each individual who is awarded a National Research Service Award for postdoctoral research training shall, in accordance with paragraph (3), engage in research training, research, or teaching that is health-related (or any combination thereof) for the period specified in paragraph (2). Such period shall be served in accordance with the usual patterns of scientific employment.

"(2)(A) The period referred to in paragraph (1) is 12 months, or one month for each month for which the individual involved receives a National Research Service Award for postdoctoral research training, whichever is less.

"(B) With respect to postdoctoral research training, in any case in which an individual receives a National Research Service Award for more than 12 months, the 13th month and each subsequent month of performing activities under the Award shall be considered to be activities engaged in toward satisfaction of the requirement established in paragraph (1) regarding a period of service.".

Subtitle B—Acquired Immune Deficiency Syndrome

SEC. 1611. LOAN REPAYMENT PROGRAM.

(a) IN GENERAL.—Section 487A of the Public Health Service Act (42 U.S.C. 288–1) is amended to read as follows:

"LOAN REPAYMENT PROGRAM FOR RESEARCH WITH RESPECT TO ACQUIRED IMMUNE DEFICIENCY SYNDROME

"SEC. 487A. (a) IN GENERAL.—The Secretary shall carry out a program of entering into agreements with appropriately qualified health professionals under which such health professionals agree to conduct, as employees of the National Institutes of Health, research with respect to acquired immune deficiency syndrome in consideration of the Federal Government agreeing to repay, for each year of such service, not more than $20,000 of the principal and interest of the educational loans of such health professionals.

"(b) APPLICABILITY OF CERTAIN PROVISIONS.—With respect to the National Health Service Corps Loan Repayment Program established in subpart III of part D of title III, the provisions of such subpart shall, except as inconsistent with subsection (a) of this section, apply to the program established in such subsection (a) in the same manner and to the same extent as such provisions apply to the National Health Service Corps Loan Repayment Program established in such subpart.

"(c) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1994 through 1996.".

(b) APPLICABILITY.—The amendment made by subsection (a) does not apply to any agreement entered into under section 487A of the Public Health Service Act before the date of the enactment of this Act. Each such agreement continues to be subject to the terms of the agreement in effect on the day before such date.

Subtitle C—Loan Repayment for Research Generally

SEC. 1621. ESTABLISHMENT OF PROGRAM.

Part G of title IV of the Public Health Service Act, as redesignated by section 141(a)(2) of this Act and as amended by section 1002 of this Act, is amended by inserting after section 487B the following section:

"LOAN REPAYMENT PROGRAM FOR RESEARCH GENERALLY

"SEC. 487C. (a) IN GENERAL.—

"(1) AUTHORITY FOR PROGRAM.—Subject to paragraph (2), the Secretary shall carry out a program of entering into contracts with appropriately qualified health professionals under which such health professionals agree to conduct research, as employees of the National Institutes of Health, in consideration of the Federal Government agreeing to repay, for each year of such service, not more than $20,000 of the principal and interest of the educational loans of such health professionals.

"(2) LIMITATION.—The Secretary may not enter into an agreement with a health professional pursuant to paragraph (1) unless such professional—

"(A) has a substantial amount of educational loans relative to income; and

"(B) agrees to serve as an employee of the National Institutes of Health for purposes of paragraph (1) for a period of not less than 3 years.

"(b) APPLICABILITY OF CERTAIN PROVISIONS.—With respect to the National Health Service Corps Loan Repayment Program established in subpart III of part D of title III, the provisions of such subpart shall, except as inconsistent with subsection (a) of this section, apply to the program established in such subsection (a) in the same manner and to the same extent as such provisions apply to the National Health Service Corps Loan Repayment Program established in such subpart.".

Subtitle D—Scholarship and Loan Repayment Programs Regarding Professional Skills Needed by Certain Agencies

SEC. 1631. ESTABLISHMENT OF PROGRAMS FOR NATIONAL INSTITUTES OF HEALTH.

Part G of title IV of the Public Health Service Act, as redesignated by section 141(a)(2) of this Act and as amended by section 1621 of this Act, is amended by inserting after section 487C the following sections:

"UNDERGRADUATE SCHOLARSHIP PROGRAM REGARDING PROFESSIONS NEEDED BY NATIONAL RESEARCH INSTITUTES

"SEC. 487D. (a) ESTABLISHMENT OF PROGRAM.—

"(1) IN GENERAL.—Subject to section 487(a)(1)(C), the Secretary, acting through the Director of NIH, may carry out a program of entering into contracts with individuals described in paragraph (2) under which—

"(A) the Director of NIH agrees to provide to the individuals scholarships for pursuing, as undergraduates at accredited institutions of higher education, academic programs appropriate for careers in professions needed by the National Institutes of Health; and

"(B) the individuals agree to serve as employees of the National Institutes of Health, for the period described in subsection (c), in positions that are needed by the National Institutes of Health and for which the individuals are qualified.

"(2) INDIVIDUALS FROM DISADVANTAGED BACKGROUNDS.—The individuals referred to in paragraph (1) are individuals who—

"(A) are enrolled or accepted for enrollment as full-time undergraduates at accredited institutions of higher education; and

"(B) are from disadvantaged backgrounds.

"(b) FACILITATION OF INTEREST OF STUDENTS IN CAREERS AT NATIONAL INSTITUTES OF HEALTH.—In providing employment to individuals pursuant to contracts under subsection (a)(1), the Director of NIH shall carry out activities to facilitate the interest of the individuals in pursuing careers as employees of the National Institutes of Health.

"(c) PERIOD OF OBLIGATED SERVICE.—

"(1) DURATION OF SERVICE.—For purposes of subparagraph (B) of subsection (a)(1), the period of service for which an individual is obligated to serve as an employee of the National Institutes of Health is, subject to paragraph (2)(A), 12 months for each academic year for which the scholarship under such subsection is provided.

"(2) SCHEDULE FOR SERVICE.—

"(A) Subject to subparagraph (B), the Director of NIH may not provide a scholarship under subsection (a) unless the individual applying for the scholarship agrees that—

"(i) the individual will serve as an employee of the National Institutes of Health full-time for not less than 10 consecutive weeks of each year during which the individual is attending the educational institution involved and receiving such a scholarship;

"(ii) the period of service as such an employee that the individual is obligated to provide under clause (i) is in addition to the period of service as such an employee that the individual is obligated to provide under subsection (a)(1)(B); and

"(iii) not later than 60 days after obtaining the educational degree involved, the individual will begin serving full-time as such an employee in satisfaction of the period of service that the individual is obligated to provide under subsection (a)(1)(B).

"(B) The Director of NIH may defer the obligation of an individual to provide a period of service under subsection (a)(1)(B), if the Director determines that such a deferral is appropriate.

"(3) APPLICABILITY OF CERTAIN PROVISIONS RELATING TO APPOINTMENT AND COMPENSATION.—For any period in which an individual provides service as an employee of the National Institutes of Health in satisfaction of the obligation of the individual under subsection (a)(1)(B) or paragraph (2)(A)(i), the individual may be appointed as such an employee without regard to the provisions of title 5, United States Code, relating to appointment and compensation.

"(d) PROVISIONS REGARDING SCHOLARSHIP.—

"(1) APPROVAL OF ACADEMIC PROGRAM.—The Director of NIH may not provide a scholarship under subsection (a) for an academic year unless—

"(A) the individual applying for the scholarship has submitted to the Director a proposed academic program for the year and the Director has approved the program; and

"(B) the individual agrees that the program will not be altered without the approval of the Director.

"(2) ACADEMIC STANDING.—The Director of NIH may not provide a scholarship under subsection (a) for an academic year unless the individual applying for the scholarship agrees to maintain an acceptable level of academic standing, as determined by the educational institution involved in accordance with regulations issued by the Secretary.

"(3) LIMITATION ON AMOUNT.—The Director of NIH may not provide a scholarship under subsection (a) for an academic year in an amount exceeding $20,000.

"(4) AUTHORIZED USES.—A scholarship provided under subsection (a) may be expended only for tuition expenses, other reasonable educational expenses, and reasonable living expenses incurred in attending the school involved.

"(5) CONTRACT REGARDING DIRECT PAYMENTS TO INSTITUTION.—In the case of an institution of higher education with respect to which a scholarship under subsection (a) is provided, the Director of NIH may enter into a contract with the institution under which the amounts provided in the scholarship for tuition and other educational expenses are paid directly to the institution.

"(e) PENALTIES FOR BREACH OF SCHOLARSHIP CONTRACT.—The provisions of section 338E shall apply to the program established in subsection (a) to the same extent and in the same manner as such provisions apply to the National Health Service Corps Loan Repayment Program established in section 338B.

"(f) REQUIREMENT OF APPLICATION.—The Director of NIH may not provide a scholarship under subsection (a) unless an application for the scholarship is submitted to the Director and the application is in such form, is made in such manner, and contains such agreements, assurances, and information as the Director determines to be necessary to carry out this section.

"(g) AVAILABILITY OF AUTHORIZATION OF APPROPRIATIONS.—Amounts appropriated for a fiscal year for scholarships under this section shall remain available until the expiration of the second fiscal year beginning after the fiscal year for which the amounts were appropriated.

"LOAN REPAYMENT PROGRAM REGARDING CLINICAL RESEARCHERS FROM DISADVANTAGED BACKGROUNDS

"SEC. 487E. (a) IMPLEMENTATION OF PROGRAM.—

"(1) IN GENERAL.—Subject to section 487(a)(1)(C), the Secretary, acting through the Director of NIH may, subject to paragraph (2), carry out a program of entering into contracts with appropriately qualified health professionals who are from disadvantaged backgrounds under which such health professionals agree to conduct clinical research as employees of the National Institutes of Health in consideration of the Federal Government agreeing to pay, for each year of such service, not more than $20,000 of the principal and interest of the educational loans of the health professionals.

"(2) LIMITATION.—The Director of NIH may not enter into a contract with a health professional pursuant to paragraph (1) unless such professional has a substantial amount of education loans relative to income.

"(3) APPLICABILITY OF CERTAIN PROVISIONS REGARDING OBLIGATED SERVICE.—Except to the extent inconsistent with this section, the provisions of sections 338C and 338E shall apply to the program established in paragraph (1) to the same extent and in the same manner as such provisions apply to the National Health Service Corps Loan Repayment Program established in section 338B.

"(b) AVAILABILITY OF AUTHORIZATION OF APPROPRIATIONS.—Amounts appropriated for a fis-

cal year for contracts under subsection (a) shall remain available until the expiration of the second fiscal year beginning after the fiscal year for which the amounts were appropriated.".

SEC. 1632. FUNDING.

Section 487(a)(1) of the Public Health Service Act (42 U.S.C. 288(a)(1)) is amended—

(1) in subparagraph (A), by striking "and" after the semicolon at the end;

(2) in subparagraph (B), by striking the period at the end and inserting "; and"; and

(3) by inserting after subparagraph (B) the following subparagraph:

"(C) provide contracts for scholarships and loan repayments in accordance with sections 487D and 487E, subject to providing not more than an aggregate 50 such contracts during the fiscal years 1994 through 1996.".

Subtitle E—Funding

SEC. 1641. AUTHORIZATION OF APPROPRIATIONS.

Section 487(d) of the Public Health Service Act (42 U.S.C. 288(d)) is amended—

(1) in the first sentence, by amending the sentence to read as follows: "For the purpose of carrying out this section, there are authorized to be appropriated $400,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 and 1996."; and

(2) in paragraph (3)—

(A) by striking "one-half of one percent" each place such term appears and inserting "1 percent"; and

(B) by striking "780, 784, or 786," and inserting "747, 748, or 749,".

TITLE XVII—NATIONAL FOUNDATION FOR BIOMEDICAL RESEARCH

SEC. 1701. NATIONAL FOUNDATION FOR BIOMEDICAL RESEARCH.

Section 499 of the Public Health Service Act, as redesignated by section 121(b)(3) of this Act, is amended—

(1) in subsection (a)—

(A) by inserting ", acting through the Director of NIH," after "Secretary shall"; and

(B) by striking ", except for" and all that follows through "Transfer Act,";

(2) by redesignating subsections (c), (d), (e), (f), (g), (h), and (i) as subsections (d), (f), (g), (h), (i), (j), and (m), respectively;

(3) by striking subsection (b) and inserting the following subsections:

"(b) PURPOSE OF FOUNDATION.—The purpose of the Foundation shall be to support the National Institutes of Health in its mission, and to advance collaboration with biomedical researchers from universities, industry, and nonprofit organizations.

"(c) CERTAIN ACTIVITIES OF FOUNDATION.—

"(1) IN GENERAL.—In carrying out subsection (b), the Foundation may solicit and accept gifts, grants, and other donations, establish accounts, and invest and expend funds in support of the following activities with respect to the purpose described in such subsection:

"(A) A program to provide and administer endowed positions that are associated with the research program of the National Institutes of Health. Such endowments may be expended for the compensation of individuals holding the positions, for staff, equipment, quarters, travel, and other expenditures that are appropriate in supporting the endowed positions.

"(B) A program to provide and administer fellowships and grants to research personnel in order to work and study in association with the National Institutes of Health. Such fellowships and grants may include stipends, travel, health insurance benefits and other appropriate expenses. The recipients of fellowships shall be selected by the donors and the Foundation upon the recommendation of the National Institutes of Health employees in the laboratory where the fellow would serve, and shall be subject to the agreement of the Director of the National Institutes of Health and the Executive Director of the Foundation.

"(C) Supplementary programs to provide for—

"(i) scientists of other countries to serve in research capacities in the United States in association with the National Institutes of Health or elsewhere, or opportunities for employees of the National Institutes of Health or other public health officials in the United States to serve in such capacities in other countries, or both;

"(ii) the conduct and support of studies, projects, and research, which may include stipends, travel and other support for personnel in collaboration with national and international non-profit and for-profit organizations;

"(iii) the conduct and support of forums, meetings, conferences, courses, and training workshops that may include undergraduate, graduate, post-graduate, and post-doctoral accredited courses and the maintenance of accreditation of such courses by the Foundation at the State and national level for college or continuing education credits or for degrees;

"(iv) programs to support and encourage teachers and students of science at all levels of education and programs for the general public which promote the understanding of science;

"(v) programs for writing, editing, printing, publishing, and vending of books and other materials; and

"(vi) the conduct of other activities to carry out and support the purpose described in subsection (b).

"(2) FEES.—The Foundation may assess fees for the provision of professional, administrative and management services by the Foundation in amounts determined reasonable and appropriate by the Executive Director.

"(3) AUTHORITY OF FOUNDATION.—The Foundation shall be the sole entity responsible for carrying out the activities described in this subsection.";

(4) in subsection (d) (as so redesignated)—

(A) in paragraph (1)—

(i) by striking "members of the Foundation" in subparagraph (A) and inserting "appointed members of the Board";

(ii) by striking "Council" in subparagraph (B) and inserting "Board";

(iii) by striking "Council" in subparagraph (C) and inserting "Board"; and

(iv) by adding at the end the following subparagraphs:

"(D)(i) Not later than 30 days after the date of the enactment of the National Institutes of Health Revitalization Act of 1993, the Director of the National Institutes of Health shall convene a meeting of the ex officio members of the Board to—

"(I) incorporate the Foundation and establish the general policies of the Foundation for carrying out the purposes of subsection (b), including the establishment of the bylaws of the Foundation; and

"(II) appoint the members of the Board in accordance with subparagraph (C).

"(ii) Upon the appointment of the members of the Board under clause (i)(II), the terms of service of the ex officio members of the Board as members of the Board shall terminate.

"(E) The agreement of not less than three-fifths of the members of the ex officio members of the Board shall be required for the appointment of each member to the initial Board.

"(F) No employee of the National Institutes of Health shall be appointed as a member of the Board.

"(G) The Board may, through amendments to the bylaws of the Foundation, provide that the number of members of the Board shall be greater than the number specified in subparagraph (C).";

(B) in paragraph (2)—

(i) by striking "The ex officio" and inserting the following:

"(A) The ex officio";

(ii) by striking "an appointed member of the Board to serve as the Chair" and inserting "an individual to serve as the initial Chair"; and

(iii) by adding at the end the following subparagraph:

"(B) Upon the termination of the term of service of the initial Chair of the Board, the appointed members of the Board shall elect a member of the Board to serve as the Chair of the Board.";

(C) in paragraph (3)(A), by striking "(2)(C)" and inserting "(1)(C)"; and

(D) by adding at the end the following paragraphs:

"(5) MEETINGS AND QUORUM.—A majority of the members of the Board shall constitute a quorum for purposes of conducting the business of the Board.

"(6) CERTAIN BYLAWS.—

"(A) In establishing bylaws under this subsection, the Board shall ensure that the following are provided for:

"(i) Policies for the selection of the officers, employees, agents, and contractors of the Foundation.

"(ii) Policies, including ethical standards, for the acceptance, solicitation, and disposition of donations and grants to the Foundation and for the disposition of the assets of the Foundation. Policies with respect to ethical standards shall ensure that officers, employees and agents of the Foundation (including members of the Board) avoid encumbrances that would result in a conflict of interest, including a financial conflict of interest or a divided allegiance. Such policies shall include requirements for the provision of information concerning any ownership or controlling interest in entities related to the activities of the Foundation by such officers, employees and agents and their spouses and relatives.

"(iii) Policies for the conduct of the general operations of the Foundation.

"(iv) Policies for writing, editing, printing, publishing, and vending of books and other materials.

"(B) In establishing bylaws under this subsection, the Board shall ensure that such bylaws (and activities carried out under the bylaws) do not—

"(i) reflect unfavorably upon the ability of the Foundation or the National Institutes of Health to carry out its responsibilities or official duties in a fair and objective manner; or

"(ii) compromise, or appear to compromise, the integrity of any governmental agency or program, or any officer or employee involved in such program.";

(5) in subsection (i) (as so redesignated)—

(A) in paragraph (4), by inserting ", and define the duties of the officers and employees" before the semicolon at the end;

(B) by striking paragraph (5);

(C) by redesignating paragraphs (6) through (14), as paragraphs (5) through (13), respectively;

(D) in paragraph (7) (as so redesignated), by striking "this subtitle" and inserting "this part";

(E) by striking paragraph (8) (as so redesignated), and inserting the following paragraph:

"(8) establish a process for the selection of candidates for positions under subsection (c);"

(F) by inserting "solicit" after the paragraph designation in paragraph (11) (as so redesignated);

(G) by striking "and" at the end of paragraph (13) (as so redesignated);

(H) by inserting after paragraph (13) (as so redesignated), the following paragraph:

"(14) enter into such other contracts, leases, cooperative agreements, and other transactions

as the Executive Director considers appropriate to conduct the activities of the Foundation; and"; and

(I) in paragraph (15), by striking "this subtitle" and inserting "this part";

(6) by inserting after subsection (j) (as so redesignated), the following subsections:

"(k) GENERAL PROVISIONS.—

"(1) FOUNDATION INTEGRITY.—The members of the Board shall be accountable for the integrity of the operations of the Foundation and shall ensure such integrity through the development and enforcement of criteria and procedures relating to standards of conduct (including those developed under subsection (d)(2)(B)(i)(II)), financial disclosure statements, conflict of interest rules, recusal and waiver rules, audits and other matter determined appropriate by the Board.

"(2) FINANCIAL CONFLICTS OF INTEREST.—Any individual who is an officer, employee, or member of the Board of the Foundation may not (in accordance with policies and requirements developed under subsection (d)(2)(B)(i)(II)) personally or substantially participate in the consideration or determination by the Foundation of any matter that would directly or predictably affect any financial interest of the individual or a relative (as such term is defined in section 109(16) of the Ethics in Government Act of 1978) of the individual, of any business organization or other entity, or of which the individual is an officer or employee, or is negotiating for employment, or in which the individual has any other financial interest.

"(3) AUDITS; AVAILABILITY OF RECORDS.—The Foundation shall—

"(A) provide for annual audits of the financial condition of the Foundation; and

"(B) make such audits, and all other records, documents, and other papers of the Foundation, available to the Secretary and the Comptroller General of the United States for examination or audit.

"(4) REPORTS.—

"(A) Not later than 5 months following the end of each fiscal year, the Foundation shall publish a report describing the activities of the Foundation during the preceding fiscal year. Each such report shall include for the fiscal year involved a comprehensive statement of the operations, activities, financial condition, and accomplishments of the Foundation.

"(B) With respect to the financial condition of the Foundation, each report under subparagraph (A) shall include the source, and a description of, all gifts or grants to the Foundation of real or personal property, and the source and amount of all gifts or grants to the Foundation of money. Each such report shall include a specification of any restrictions on the purposes for which gifts or grants to the Foundation may be used.

"(C) The Foundation shall make copies of each report submitted under subparagraph (A) available for public inspection, and shall upon request provide a copy of the report to any individual for a charge not exceeding the cost of providing the copy.

"(D) The Board shall annually hold a public meeting to summarize the activities of the Foundation and distribute written reports concerning such activities and the scientific results derived from such activities.

"(5) SERVICE OF FEDERAL EMPLOYEES.—Federal employees may serve on committees advisory to the Foundation and otherwise cooperate with and assist the Foundation in carrying out its function, so long as the employees do not direct or control Foundation activities.

"(6) RELATIONSHIP WITH EXISTING ENTITIES.—The Foundation may, pursuant to appropriate agreements, merge with, acquire, or use the resources of existing nonprofit private corporations with missions similar to the purposes of the Foundation, such as the Foundation for Advanced Education in the Sciences.

"(7) INTELLECTUAL PROPERTY RIGHTS.—The Board shall adopt written standards with respect to the ownership of any intellectual property rights derived from the collaborative efforts of the Foundation prior to the commencement of such efforts.

"(8) NATIONAL INSTITUTES OF HEALTH AMENDMENTS OF 1990.—The activities conducted in support of the National Institutes of Health Amendments of 1990 (Public Law 101–613), and the amendments made by such Act, shall not be nullified by the enactment of this section.

"(9) LIMITATION OF ACTIVITIES.—The Foundation shall exist solely as an entity to work in collaboration with the research programs of the National Institutes of Health. The Foundation may not undertake activities (such as the operation of independent laboratories or competing for Federal research funds) that are independent of those of the National Institutes of Health research programs.

"(10) TRANSFER OF FUNDS.—The Foundation may not transfer funds to the National Institutes of Health.

"(l) DUTIES OF THE DIRECTOR.—

"(1) APPLICABILITY OF CERTAIN STANDARDS TO NON-FEDERAL EMPLOYEES.—In the case of any individual who is not an employee of the Federal Government and who serves in association with the National Institutes of Health, with respect to financial assistance received from the Foundation, the Foundation may not provide the assistance of, or otherwise permit the work at the National Institutes of Health to begin until a memorandum of understanding between the individual and the Director of the National Institutes of Health, or the designee of such Director, has been executed specifying that the individual shall be subject to such ethical and procedural standards of conduct relating to duties performed at the National Institutes of Health, as the Director of the National Institutes of Health determines is appropriate.

"(2) SUPPORT SERVICES.—The Director of the National Institutes of Health may provide facilities, utilities and support services to the Foundation if it is determined by the Director to be advantageous to the research programs of the National Institutes of Health.";

(7) in subsection (m) (as so redesignated), by amending the subsection to read as follows:

"(m) FUNDING.—

"(1) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this part, there is authorized to be appropriated an aggregate $200,000 for the fiscal years 1994 and 1995.

"(2) LIMITATION REGARDING OTHER FUNDS.—Amounts appropriated under any provision of law other than paragraph (1) may not be expended to establish or operate the Foundation."; and

(8) by adding at the end the following subsection:

"(n) REPORT ON ADEQUACY OF COMPLIANCE.—

"(1) IN GENERAL.—With respect to the mission and function of the Foundation, the Comptroller General of the United States shall conduct an audit to determine—

"(A) whether the Foundation is in compliance with the guidelines established under this section; and

"(B) whether the procedures utilized under this section are adequate to prevent conflicts of interest involving the Foundation, the employees of the Foundation or members of the Board of the Foundation.

"(2) REPORT.—Not later than 18 months after the date on which the Foundation is incorporated, the Comptroller General of the United States shall complete the audit required under paragraph (1) and prepare and submit to the Committee on Energy and Commerce of the House of Representatives and the Committee on Labor and Human Resources of the Senate, a report describing the findings made with respect to such audit.".

TITLE XVIII—RESEARCH WITH RESPECT TO ACQUIRED IMMUNE DEFICIENCY SYNDROME

Subtitle A—Office of AIDS Research

SEC. 1801. ESTABLISHMENT OF OFFICE.

(a) IN GENERAL.—Part D of title XXIII of the Public Health Service Act (42 U.S.C. 300cc–41 et seq.) is amended—

(1) by striking the part designation and the heading for the part;

(2) by redesignating section 2351 as section 2354; and

(3) by inserting before section 2354 (as so redesignated) the following:

"PART D—OFFICE OF AIDS RESEARCH

"Subpart I—Interagency Coordination of Activities

"SEC. 2351. ESTABLISHMENT OF OFFICE.

"(a) IN GENERAL.—There is established within the National Institutes of Health an office to be known as the Office of AIDS Research. The Office shall be headed by a director, who shall be appointed by the Secretary.

"(b) DUTIES.—

"(1) INTERAGENCY COORDINATION OF AIDS ACTIVITIES.—With respect to acquired immune deficiency syndrome, the Director of the Office shall plan, coordinate, and evaluate research and other activities conducted or supported by the agencies of the National Institutes of Health. In carrying out the preceding sentence, the Director of the Office shall evaluate the AIDS activities of each of such agencies and shall provide for the periodic reevaluation of such activities.

"(2) CONSULTATIONS.—The Director of the Office shall carry out this subpart (including developing and revising the plan required in section 2353) in consultation with the heads of the agencies of the National Institutes of Health, with the advisory councils of the agencies, and with the advisory council established under section 2352.

"(3) COORDINATION.—The Director of the Office shall act as the primary Federal official with responsibility for overseeing all AIDS research conducted or supported by the National Institutes of Health, and

"(A) shall serve to represent the National Institutes of Health AIDS Research Program at all relevant Executive branch task forces and committees; and

"(B) shall maintain communications with all relevant Public Health Service agencies and with various other departments of the Federal Government, to ensure the timely transmission of information concerning advances in AIDS research and the clinical treatment of acquired immune deficiency syndrome and its related conditions, between these various agencies for dissemination to affected communities and health care providers.

"SEC. 2352. ADVISORY COUNCIL; COORDINATING COMMITTEES.

"(a) ADVISORY COUNCIL.—

"(1) IN GENERAL.—The Secretary shall establish an advisory council for the purpose of providing advice to the Director of the Office on carrying out this part. (Such council is referred to in this subsection as the 'Advisory Council'.)

"(2) COMPOSITION, COMPENSATION, TERMS, CHAIR, ETC.—Subsections (b) through (g) of section 406 apply to the Advisory Council to the same extent and in the same manner as such subsections apply to advisory councils for the national research institutes, except that—

"(A) in addition to the ex officio members specified in section 406(b)(2), there shall serve as such members of the Advisory Council a rep-

resentative from the advisory council of each of the National Cancer Institute and the National Institute on Allergy and Infectious Diseases; and

"(B) with respect to the other national research institutes, there shall serve as ex officio members of such Council, in addition to such members specified in subparagraph (A), a representative from the advisory council of each of the 2 institutes that receive the greatest funding for AIDS activities.

"(b) Individual Coordinating Committees Regarding Research Disciplines.—

"(1) In General.—The Director of the Office shall establish, for each research discipline in which any activity under the plan required in section 2353 is carried out, a committee for the purpose of providing advice to the Director of the Office on carrying out this part with respect to such discipline. (Each such committee is referred to in this subsection as a 'coordinating committee'.)

"(2) Composition.—Each coordinating committee shall be composed of representatives of the agencies of the National Institutes of Health with significant responsibilities regarding the research discipline involved.

"SEC. 2353. COMPREHENSIVE PLAN FOR EXPENDITURE OF APPROPRIATIONS.

"(a) In General.—Subject to the provisions of this section and other applicable law, the Director of the Office, in carrying out section 2351, shall—

"(1) establish a comprehensive plan for the conduct and support of all AIDS activities of the agencies of the National Institutes of Health (which plan shall be first established under this paragraph not later than 12 months after the date of the enactment of the National Institutes of Health Revitalization Act of 1993);

"(2) ensure that the Plan establishes priorities among the AIDS activities that such agencies are authorized to carry out;

"(3) ensure that the Plan establishes objectives regarding such activities, describes the means for achieving the objectives, and designates the date by which the objectives are expected to be achieved;

"(4) ensure that all amounts appropriated for such activities are expended in accordance with the Plan;

"(5) review the Plan not less than annually, and revise the Plan as appropriate; and

"(6) ensure that the Plan serves as a broad, binding statement of policies regarding AIDS activities of the agencies, but does not remove the responsibility of the heads of the agencies for the approval of specific programs or projects, or for other details of the daily administration of such activities, in accordance with the Plan.

"(b) Certain Components of Plan.—With respect to AIDS activities of the agencies of the National Institutes of Health, the Director of the Office shall ensure that the Plan—

"(1) provides for basic research;

"(2) provides for applied research;

"(3) provides for research that is conducted by the agencies;

"(4) provides for research that is supported by the agencies;

"(5) provides for proposals developed pursuant to solicitations by the agencies and for proposals developed independently of such solicitations; and

"(6) provides for behavioral research and social sciences research.

"(c) Budget Estimates.—

"(1) Full-funding budget.—

"(A) With respect to a fiscal year, the Director of the Office shall prepare and submit directly to the President, for review and transmittal to the Congress, a budget estimate for carrying out the Plan for the fiscal year, after reasonable opportunity for comment (but without change) by the Secretary, the Director of the National Institutes of Health, and the advisory council established under section 2352. The budget estimate shall include an estimate of the number and type of personnel needs for the Office.

"(B) The budget estimate submitted under subparagraph (A) shall estimate the amounts necessary for the agencies of the National Institutes of Health to carry out all AIDS activities determined by the Director of the Office to be appropriate, without regard to the probability that such amounts will be appropriated.

"(2) Alternative budgets.—

"(A) With respect to a fiscal year, the Director of the Office shall prepare and submit to the Secretary and the Director of the National Institutes of Health the budget estimates described in subparagraph (B) for carrying out the Plan for the fiscal year. The Secretary and such Director shall consider each of such estimates in making recommendations to the President regarding a budget for the Plan for such year.

"(B) With respect to the fiscal year involved, the budget estimates referred to in subparagraph (A) for the Plan are as follows:

"(i) The budget estimate submitted under paragraph (1).

"(ii) A budget estimate developed on the assumption that the amounts appropriated will be sufficient only for—

"(I) continuing the conduct by the agencies of the National Institutes of Health of existing AIDS activities (if approved for continuation), and continuing the support of such activities by the agencies in the case of projects or programs for which the agencies have made a commitment of continued support; and

"(II) carrying out, of activities that are in addition to activities specified in subclause (I), only such activities for which the Director determines there is the most substantial need.

"(iii) Such other budget estimates as the Director of the Office determines to be appropriate.

"(d) Funding.—

"(1) Authorization of appropriations.—For the purpose of carrying out AIDS activities under the Plan, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1994 through 1996.

"(2) Receipt of funds.—For the first fiscal year beginning after the date on which the Plan first established under section 2353(a)(1) has been in effect for 12 months, and for each subsequent fiscal year, the Director of the Office shall receive directly from the President and the Director of the Office of Management and Budget all funds available for AIDS activities of the National Institutes of Health.

"(3) Allocations for agencies.—

"(A) Each fiscal year the Director of the Office shall, from the amounts received under paragraph (2) for the fiscal year, allocate to the agencies of the National Institutes of Health (in accordance with the Plan) all amounts available for such year for carrying out the AIDS activities specified in subsection (c)(2)(B)(ii)(I) for such year. Such allocation shall, to the extent practicable, be made not later than 15 days after the date on which the Director receives amounts under paragraph (2).

"(B) Each fiscal year the Director of the Office shall, from the amounts received under paragraph (2) for the fiscal year, allocate to the agencies of the National Institutes of Health (in accordance with the Plan) all amounts available for such year for carrying out AIDS activities that are not referred to in subparagraph (A). Such allocation shall, to the extent practicable, be made not later than 30 days after the date on which the Director receives amounts under paragraph (2).".

(b) Conforming Amendments.—Section 2354 of the Public Health Service Act, as redesignated by subsection (a)(2) of this section, is amended—

(1) in the heading for the section, by striking "**ESTABLISHMENT OF**" and inserting "**ADDITIONAL**";

(2) in subsection (a)—

(A) in the matter preceding paragraph (1), by striking "In carrying out" and all that follows and inserting the following: "In carrying out AIDS research, the Director of the Office—";

(B) by striking paragraphs (1) and (2) and redesignating paragraphs (3) through (8) as paragraphs (1) through (6);

(C) in paragraph (3) (as so redesignated), by striking "may" and all that follows in the matter preceding subparagraph (A) and inserting the following: "may support—";

(D) in paragraph (5) (as so redesignated)—

(i) in subparagraph (A)—

"(I) by striking "may" and all that follows through "acquire," and inserting "may acquire,"; and

"(II) by striking "Director" and all that follows through "determines" and inserting "Director of the Office determines";

(ii) in subparagraph (B), by striking "may" and all that follows through "make grants" and inserting "may make grants"; and

(iii) in subparagraph (C), by striking "may" and all that follows through "acquire," and inserting "may acquire,"; and

(E) in each of paragraphs (2), (3)(A), and (4) (as so redesignated), by striking "research relating to acquired immune deficiency syndrome" and inserting "AIDS research";

(3) in subsection (b), in the matter preceding paragraph (1), by striking "The Director" and all that follows through "shall" and inserting "The Director of the Office shall"; and

(4) in subsection (c), by striking "the Director" and all that follows through "shall" and inserting "the Director of the Office shall".

SEC. 1802. ESTABLISHMENT OF EMERGENCY DISCRETIONARY FUND.

Part D of title XXIII of the Public Health Service Act, as amended by section 1801 of this Act, is amended by adding at the end the following subpart:

"Subpart II—Emergency Discretionary Fund

"SEC. 2356. EMERGENCY DISCRETIONARY FUND.

"(a) In General.—

"(1) Establishment.—There is established a fund consisting of such amounts as may be appropriated under subsection (g). Subject to the provisions of this section, the Director of the Office, after consultation with the advisory council established under section 2352, may expend amounts in the Fund for the purpose of conducting and supporting such AIDS activities, including projects of AIDS research, as may be authorized in this Act for the National Institutes of Health.

"(2) Preconditions to use of fund.—Amounts in the Fund may be expended only if—

"(A) the Director identifies the particular set of AIDS activities for which such amounts are to be expended;

"(B) the set of activities so identified constitutes either a new project or additional AIDS activities for an existing project;

"(C) the Director of the Office has made a determination that there is a significant need for such set of activities; and

"(D) as of June 30 of the fiscal year preceding the fiscal year in which the determination is made, such need was not provided for in any appropriations Act passed by the House of Representatives to make appropriations for the Departments of Labor, Health and Human Services (including the National Institutes of Health), Education, and related agencies for the fiscal year in which the determination is made.

"(3) Two-year use of fund for project involved.—In the case of an identified set of AIDS activities, obligations of amounts in the Fund may not be made for such set of activities *after the expiration of the 2-year period beginning on the date on which the initial obligation of such amounts is made for such set.*

"(b) PEER REVIEW.—With respect to an identified set of AIDS activities carried out with amounts in the Fund, this section may not be construed as waiving applicable requirements for peer review.

"(c) LIMITATIONS ON USE OF FUND.—

"(1) CONSTRUCTION OF FACILITIES.—Amounts in the Fund may not be used for the construction, renovation, or relocation of facilities, or for the acquisition of land.

"(2) CONGRESSIONAL DISAPPROVAL OF PROJECTS.—

"(A) Amounts in the Fund may not be expended for the fiscal year involved for an identified set of AIDS activities, or a category of AIDS activities, for which—

"(i)(I) amounts were made available in an appropriations Act for the preceding fiscal year; and

"(II) amounts are not made available in any appropriations Act for the fiscal year involved; or

"(ii) amounts are by law prohibited from being expended.

"(B) A determination under subparagraph (A)(i) of whether amounts have been made available in appropriations Acts for a fiscal year shall be made without regard to whether such Acts make available amounts for the Fund.

"(3) INVESTMENT OF FUND AMOUNTS.—Amounts in the Fund may not be invested.

"(d) APPLICABILITY OF LIMITATION REGARDING NUMBER OF EMPLOYEES.—The purposes for which amounts in the Fund may be expended include the employment of individuals necessary to carry out identified sets of AIDS activities approved under subsection (a). Any individual employed under the preceding sentence may not be included in any determination of the number of full-time equivalent employees for the Department of Health and Human Services for the purpose of any limitation on the number of such employees established by law prior to, on, or after the date of the enactment of the National Institutes of Health Revitalization Act of 1993.

"(e) REPORT TO CONGRESS.—Not later than February 1 of each fiscal year, the Director of the Office shall submit to the Committee on Energy and Commerce of the House of Representatives, and to the Committee on Labor and Human Resources of the Senate, a report on the identified sets of AIDS activities carried out during the preceding fiscal year with amounts in the Fund. The report shall provide a description of each such set of activities and an explanation of the reasons underlying the use of the Fund for the set.

"(f) DEFINITIONS.—For purposes of this section:

"(1) The term 'Fund' means the fund established in subsection (a).

"(2) The term 'identified set of AIDS activities' means a particular set of AIDS activities identified under subsection (a)(2)(A).

"(g) FUNDING.—

"(1) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of providing amounts for the Fund, there is authorized to be appropriated $100,000,000 for each of the fiscal years 1994 through 1996.

"(2) AVAILABILITY.—Amounts appropriated for the Fund are available until expended.".

SEC. 1803. GENERAL PROVISIONS.

Part D of title XXIII of the Public Health Service Act, as amended by section 1802 of this Act, is amended by adding at the end the following subpart:

"Subpart III—General Provisions

"SEC. 2359. GENERAL PROVISIONS REGARDING THE OFFICE.

"(a) ADMINISTRATIVE SUPPORT FOR OFFICE.—The Secretary, acting through the Director of the National Institutes of Health, shall provide administrative support and support services to the Director of the Office and shall ensure that such support takes maximum advantage of existing administrative structures at the agencies of the National Institutes of Health.

"(b) EVALUATION AND REPORT.—

"(1) EVALUATION.—Not later than 5 years after the date of the enactment of National Institutes of Health Revitalization Act of 1993, the Secretary shall conduct an evaluation to—

"(A) determine the effect of this section on the planning and coordination of the AIDS research programs at the institutes, centers and divisions of the National Institutes of Health;

"(B) evaluate the extent to which this part has eliminated the duplication of administrative resources among such Institutes, centers and divisions; and

"(C) provide recommendations concerning future alterations with respect to this part.

"(2) REPORT.—Not later than 1 year after the date on which the evaluation is commenced under paragraph (1), the Secretary shall prepare and submit to the Committee on Labor and Human Resources of the Senate, and the Committee on Energy and Commerce of the House of Representatives, a report concerning the results of such evaluation.

"(c) DEFINITIONS.—For purposes of this part:

"(1) The term 'AIDS activities' means AIDS research and other activities that relate to acquired immune deficiency syndrome.

"(2) The term 'AIDS research' means research with respect to acquired immune deficiency syndrome.

"(3) The term 'Office' means the Office of AIDS Research.

"(4) The term 'Plan' means the plan required in section 2353(a)(1).".

Subtitle B—Certain Programs

SEC. 1811. REVISION AND EXTENSION OF CERTAIN PROGRAMS.

Title XXIII of the Public Health Service Act (42 U.S.C. 300cc et seq.) is amended—

(1) in section 2304(c)(1)—

(A) in the matter preceding subparagraph (A), by inserting after "Director of such Institute" the following: "(and may provide advice to the Directors of other agencies of the National Institutes of Health, as appropriate)"; and

(B) in subparagraph (A), by inserting before the semicolon the following: ", including recommendations on the projects of research with respect to diagnosing immune deficiency and with respect to predicting, diagnosing, preventing, and treating opportunistic cancers and infectious diseases";

(2) in section 2311(a)(1), by inserting before the semicolon the following: ", including evaluations of methods of diagnosing immune deficiency and evaluations of methods of predicting, diagnosing, preventing, and treating opportunistic cancers and infectious diseases";

(3) in section 2315—

(A) in subsection (a)(2), by striking "international research" and all that follows and inserting "international research and training concerning the natural history and pathogenesis of the human immunodeficiency virus and the development and evaluation of vaccines and treatments for acquired immune deficiency syndrome and opportunistic infections."; and

(B) in subsection (f), by striking "there are authorized" and all that follows and inserting "there are authorized to be appropriated such sums as may be necessary for each fiscal year.";

(4) in section 2318—

(A) in subsection (a)(1)—

(i) by inserting after "The Secretary" the following: ", acting through the Director of the National Institutes of Health and after consultation with the Administrator for Health Care Policy and Research,"; and

(ii) by striking "syndrome" and inserting "syndrome, including treatment and prevention of HIV infection and related conditions among women"; and

(B) in subsection (e), by striking "1991." and inserting the following: "1991, and such sums as may be necessary for each of the fiscal years 1994 through 1996.";

(5) in section 2320(b)(1)(A), by striking "syndrome" and inserting "syndrome and the natural history of such infection";

(6) in section 2320(e)(1), by striking "there are authorized" and all that follows and inserting "there are authorized to be appropriated such sums as may be necessary for each fiscal year.";

(7) in section 2341(d), by striking "there are authorized" and all that follows and inserting "there are authorized to be appropriated such sums as may be necessary for each fiscal year."; and

(8) in section 2361, by striking "For purposes" and all that follows and inserting the following:

"For purposes of this title:

"(1) The term 'infection', with respect to the etiologic agent for acquired immune deficiency syndrome, includes opportunistic cancers and infectious diseases and any other conditions arising from infection with such etiologic agent.

"(2) The term 'treatment', with respect to the etiologic agent for acquired immune deficiency syndrome, includes primary and secondary prophylaxis.".

TITLE XIX—STUDIES

SEC. 1901. LIFE-THREATENING ILLNESSES.

(a) THIRD-PARTY PAYMENTS REGARDING CERTAIN CLINICAL TRIALS AND CERTAIN LIFE-THREATENING ILLNESSES.—The Secretary of Health and Human Services, acting through the Director of the National Institutes of Health, shall conduct a study for the purpose of—

(1) determining the policies of third-party payors regarding the payment of the costs of appropriate health services that are provided incident to the participation of individuals as subjects in clinical trials conducted in the development of drugs with respect to acquired immune deficiency syndrome, cancer, and other life-threatening illnesses; and

(2) developing recommendations regarding such policies.

(b) VACCINES FOR HUMAN IMMUNODEFICIENCY VIRUS.—

(1) IN GENERAL.—The Secretary of Health and Human Services, acting through the National Institutes of Health, shall develop a plan for the appropriate inclusion of HIV-infected women, including pregnant women, HIV-infected infants, and HIV-infected children in studies conducted by or through the National Institutes of Health concerning the safety and efficacy of HIV vaccines for the treatment and prevention of HIV infection. Such plan shall ensure the full participation of other Federal agencies currently conducting HIV vaccine studies and require that such studies conform fully to the requirements of part 46 of title 45, Code of Federal Regulations.

(2) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Health and Human Services shall prepare and submit to the Committee on Energy and Commerce of the House of Representatives, and the Committee on Labor and Human Resources of the Senate, a report concerning the plan developed under paragraph (1).

(3) IMPLEMENTATION.—Not later than 12 months after the date of the enactment of this Act, the Secretary of Health and Human Services shall implement the plan developed under paragraph (1), including measures for the full participation of other Federal agencies currently conducting HIV vaccine studies.

(4) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this subsection,

there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1994 through 1996.

SEC. 1902. MALNUTRITION IN THE ELDERLY.

(a) Study.—

(1) In general.—The Secretary of Health and Human Services (referred to in this section as the "Secretary"), acting through the National Institute on Aging, coordinating with the Agency for Health Care Policy and Research and, to the degree possible, in consultation with the head of the National Nutrition Monitoring and Related Research Program established by section 5311(a) of Public Law 101-445 (7 U.S.C. 5301 et seq.), shall conduct a 3-year nutrition screening and intervention activities study of the elderly.

(2) Efficacy and cost-effectiveness of nutrition screening and intervention activities.—In conducting the study, the Secretary shall determine the efficacy and cost-effectiveness of nutrition screening and intervention activities conducted in the elderly health and long-term care continuum, and of a program that would institutionalize nutrition screening and intervention activities. In evaluating such a program, the Secretary shall determine—

(A) if health or quality of life is measurably improved for elderly individuals who receive routine nutritional screening and treatment;

(B) if federally subsidized home or institutional care is reduced because of increased independence of elderly individuals resulting from improved nutritional status;

(C) if a multidisciplinary approach to nutritional care is effective in addressing the nutritional needs of elderly individuals; and

(D) if reimbursement for nutrition screening and intervention activities is a cost-effective approach to improving the health status of elderly individuals.

(3) Populations.—The populations of elderly individuals in which the study will be conducted shall include populations of elderly individuals who are—

(A) living independently, including—

(i) individuals who receive home and community-based services or family support;

(ii) individuals who do not receive additional services and support;

(iii) individuals with low incomes; and

(iv) individuals who are minorities;

(B) hospitalized, including individuals admitted from home and from institutions; and

(C) institutionalized in residential facilities such as nursing homes and adult homes.

(b) Malnutrition Study.—The Secretary, acting through the National Institute on Aging, shall conduct a 3-year study to determine the extent of malnutrition in elderly individuals in hospitals and long-term care facilities and in elderly individuals who are living independently.

(c) Report.—The Secretary shall submit a report to the Committee on Labor and Human Resources of the Senate and the Committee on Energy and Commerce of the House of Representatives containing the findings resulting from the studies described in subsections (a) and (b), including a determination regarding whether a program that would institutionalize nutrition screening and intervention activities should be adopted, and the rationale for the determination.

(d) Advisory Panel.—

(1) Establishment.—The Secretary, acting through the Director of the National Institute on Aging, shall establish an advisory panel that shall oversee the design, implementation, and evaluation of the studies described in subsections (a) and (b).

(2) Composition.—The advisory panel shall include representatives appointed for the life of the panel by the Secretary from the Health Care Financing Administration, the Social Security Administration, the National Center for Health Statistics, the Administration on Aging, the National Council on the Aging, the American Dietetic Association, the American Academy of Family Physicians, and such other agencies or organizations as the Secretary determines to be appropriate.

(3) Compensation and expenses.—

(A) Compensation.—Each member of the advisory panel who is not an employee of the Federal Government shall receive compensation for each day engaged in carrying out the duties of the panel, including time engaged in traveling for purposes of such duties. Such compensation may not be provided in an amount in excess of the maximum rate of basic pay payable for GS-18 of the General Schedule.

(B) Travel expenses.—Each member of the advisory panel shall receive travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, for each day the member is engaged in the performance of duties away from the home or regular place of business of the member.

(4) Detail of federal employees.—On the request of the advisory panel, the head of any Federal agency shall detail, without reimbursement, any of the personnel of the agency to the advisory panel to assist the advisory panel in carrying out its duties. Any detail shall not interrupt or otherwise affect the civil service status or privileges of the Federal employee.

(5) Technical assistance.—On the request of the advisory panel, the head of a Federal agency shall provide such technical assistance to the advisory panel as the advisory panel determines to be necessary to carry out its duties.

(6) Termination.—Notwithstanding section 15 of the Federal Advisory Committee Act (5 U.S.C. App.), the advisory panel shall terminate 3 years after the date of enactment of this Act.

SEC. 1903. RESEARCH ACTIVITIES ON CHRONIC FATIGUE SYNDROME.

The Secretary of Health and Human Services shall, not later than October 1, 1993, and annually thereafter for the next 3 years, prepare and submit to the Committee on Energy and Commerce of the House of Representatives and the Committee on Labor and Human Resources of the Senate, a report that summarizes the research activities conducted or supported by the National Institutes of Health concerning chronic fatigue syndrome. Such report should include information concerning grants made, cooperative agreements or contracts entered into, intramural activities, research priorities and needs, and a plan to address such priorities and needs.

SEC. 1904. REPORT ON MEDICAL USES OF BIOLOGICAL AGENTS IN DEVELOPMENT OF DEFENSES AGAINST BIOLOGICAL WARFARE.

The Secretary of Health and Human Services, in consultation with the Secretary of Defense and with the heads of other appropriate executive agencies, shall report to the House Energy and Commerce Committee and the Senate Labor and Human Resources Committee on the appropriateness and impact of the National Institutes of Health assuming responsibility for the conduct of all Federal research, development, testing, and evaluation functions relating to medical countermeasures against biowarfare threat agents. In preparing the report, the Secretary of Health and Human Services shall identify the extent to which such activities are carried out by agencies other than the National Institutes of Health, and assess the impact (positive and negative) of the National Institutes of Health assuming responsibility for such activities, including the impact under the Budget Enforcement Act and the Omnibus Budget Reconciliation Act of 1990 on existing National Institutes of Health research programs as well as other programs within the category of domestic discretionary spending. Such Secretary shall submit the report not later than 12 months after the date of the enactment of this Act. The Secretary shall provide a copy of the report to the House and Senate Committees on Armed Services.

SEC. 1905. PERSONNEL STUDY OF RECRUITMENT, RETENTION AND TURNOVER.

(a) Study of Personnel System.—Not later than 1 year after the date of the enactment of this Act, the Secretary of Health and Human Services, acting through the Director of the National Institutes of Health, shall conduct a study to review the retention, recruitment, vacancy and turnover rates of support staff, including firefighters, law enforcement, procurement officers, technicians, nurses and clerical employees, to ensure that the National Institutes of Health is adequately supporting the conduct of efficient, effective and high quality research for the American public. The Director of NIH shall work in conjunction with appropriate employee organizations and representatives in developing such a study.

(b) Submission to Congress.—Not later than 1 year after the date of the enactment of this Act, the Secretary of Health and Human Services shall prepare and submit to the Committee on Energy and Commerce of the House of Representatives, and to the Committee on Labor and Human Resources of the Senate, a report containing the study conducted under subsection (a) together with the recommendations of the Secretary concerning the enactment of legislation to implement the results of such study.

SEC. 1906. PROCUREMENT.

(a) In General.—The Director of the National Institutes of Health and the Administrator of the General Services Administration shall jointly conduct a study to develop a streamlined procurement system for the National Institutes of Health that complies with the requirements of Federal law.

(b) Report.—Not later than March 1, 1994, the officials specified in subsection (a) shall complete the study required in such subsection and shall submit to the Committee on Energy and Commerce of the House of Representatives, and the Committee on Labor and Human Resources of the Senate, a report describing the findings made as a result of the study.

SEC. 1907. CHRONIC PAIN CONDITIONS.

(a) In General.—The Director of the National Institutes of Health (in this section referred to as the 'Director'), acting through the Director of the National Institute of Dental Research and as appropriate through the heads of other agencies of such Institutes, shall conduct a study for the purpose of determining the incidence in the United States of cases of chronic pain (including chronic pain resulting from back injuries) and the effect of such cases on the costs of health care in the United States.

(b) Certain Elements of Study.—The cases of chronic pain with respect to which the study required in subsection (a) is conducted shall include reflex sympathetic dystrophy syndrome, temporomandibular joint disorder, post-herpetic neuropathy, painful diabetic neuropathy, phantom pain, and post-stroke pain.

(c) Report.—Not later than 2 years after the date of the enactment of this Act, the Director shall complete the study required in subsection (a) and submit to the Committee on Energy and Commerce of the House of Representatives, and to the Committee on Labor and Human Resources of the Senate, a report describing the findings made as a result of the study.

SEC. 1908. RELATIONSHIP BETWEEN THE CONSUMPTION OF LEGAL AND ILLEGAL DRUGS.

(a) In General.—The Secretary of Health and Human Services shall review and consider all existing relevant data and research concerning

whether there is a relationship between an individual's receptivity to use or consume legal drugs and the consumption or abuse by the individual of illegal drugs. On the basis of such review, the Secretary shall determine whether additional research is necessary. If the Secretary determines additional research is required, the Secretary shall conduct a study of those subjects where the Secretary's review indicates additional research is needed, including, if necessary, a review of—

(1) the effect of advertising and marketing campaigns that promote the use of legal drugs on the public;

(2) the correlation of legal drug abuse with illegal drug abuse; and

(3) other matters that the Secretary determines appropriate.

(b) REPORT.—Not later than 12 months after the date of enactment of this Act, the Secretary shall prepare and submit, to the Committee on Energy and Commerce of the House of Representatives and Committee on Labor and Human Resources of the Senate, a report containing the results of the review conducted under subsection (b). If the Secretary determines additional research is required, no later than 2 years after the date of enactment of this Act, the Secretary shall prepare and submit, to the Committee on Energy and Commerce of the House of Representatives and Committee on Labor and Human Resources of the Senate, a report containing the results of the additional research conducted under subsection (b).

SEC. 1909. REDUCING ADMINISTRATIVE HEALTH CARE COSTS.

The Secretary of Health and Human Services, acting through the Agency for Health Care Policy and Research and, to the extent possible, in consultation with the Health Care Financing Administration, may fund research to develop a text-based standardized billing process, through the utilization of text-based information retrieval and natural language processing techniques applied to automatic coding and analysis of textual patient discharge summaries and other text-based electronic medical records, within a parallel general purpose (shared memory) high performance computing environment. The Secretary shall determine whether such a standardized approach to medical billing, through the utilization of the text-based hospital discharge summary as well as electronic patient records can reduce the administrative billing costs of health care delivery.

SEC. 1910. SENTINEL DISEASE CONCEPT STUDY.

(a) IN GENERAL.—The Secretary of Health and Human Services, in cooperation with the Agency for Toxic Substances and Disease Registry and the Centers for Disease Control and Prevention, shall design and implement a pilot sentinel disease surveillance system, and as appropriate, a follow-up system.

(b) PURPOSE.—The purpose of the study conducted under subsection (a) shall be to determine the applicability of and the difficulties associated with the implementation of the sentinel disease concept for identifying the relationship between the occupation of household members and the incidence of subsequent conditions or diseases in other members of the household.

(c) REPORT.—Not later than 4 years after the date of enactment of this Act, the Director of the National Institutes of Health shall prepare and submit to the appropriate committees of Congress, a report concerning the results of the study conducted under subsection (a).

SEC. 1911. POTENTIAL ENVIRONMENTAL AND OTHER RISKS CONTRIBUTING TO INCIDENCE OF BREAST CANCER.

(a) REQUIREMENT OF STUDY.—

(1) IN GENERAL.—The Director of the National Cancer Institute (in this section referred to as the "Director"), in collaboration with the Director of the National Institute of Environmental Health Sciences, shall conduct a case-control study to assess biological markers of environmental and other potential risk factors contributing to the incidence of breast cancer in—

(A) the Counties of Nassau and Suffolk, in the State of New York; and

(B) the 2 counties in the northeastern United States that, as identified in the report specified in paragraph (2), had the highest age-adjusted mortality rate of such cancer that reflected not less than 30 deaths during the 5-year period for which findings are made in the report.

(2) RELEVANT REPORT.—The report referred to in paragraph (1)(B) is the report of the findings made in the study entitled "Survival, Epidemiology, and End Results", relating to cases of cancer during the years 1983 through 1987.

(b) CERTAIN ELEMENTS OF STUDY.—Activities of the Director in carrying out the study under subsection (a) shall include the use of a geographic system to evaluate the current and past exposure of individuals, including direct monitoring and cumulative estimates of exposure, to—

(1) contaminated drinking water;

(2) sources of indoor and ambient air pollution, including emissions from aircraft;

(3) electromagnetic fields;

(4) pesticides and other toxic chemicals;

(5) hazardous and municipal waste; and

(6) such other factors as the Director determines to be appropriate.

(c) REPORT.—Not later than 30 months after the date of the enactment of this Act, the Director shall complete the study required in subsection (a) and submit to the Committee on Energy and Commerce of the House of Representatives, and to the Committee on Labor and Human Resources of the Senate, a report describing the findings made as a result of the study.

(d) FUNDING.—Of the amounts appropriated for fiscal years 1994 and 1995 for the National Institute of Environmental Health Sciences and the National Cancer Institute, the Director of the National Institutes of Health shall make available amounts for carrying out the study required in subsection (a).

SEC. 1912. SUPPORT FOR BIOENGINEERING RESEARCH.

(a) STUDY.—The Secretary of Health and Human Services, acting through the Director of the National Institutes of Health, shall conduct a study for the purpose of—

(1) determining the sources and amounts of public and private funding devoted to basic research in bioengineering, including biomaterials sciences, cellular bioprocessing, tissue and rehabilitation engineering;

(2) evaluating whether that commitment is sufficient to maintain the innovative edge that the United States has in these technologies;

(3) evaluating the role of the National Institutes of Health or any other Federal agency to achieve a greater commitment to innovation in bioengineering; and

(4) evaluating the need for better coordination and collaboration among Federal agencies and between the public and private sectors.

In conducting such study, the Director shall work in conjunction with appropriate organizations and representatives including academics, industry leaders, bioengineering societies, and public agencies.

(b) REPORT.—Not later than 1 year after the date of enactment of this Act, the Secretary of Health and Human Services shall prepare and submit to the Committee on Labor and Human Resources of the Senate, and the Committee on Energy and Commerce of the House of Representatives, a report containing the findings of the study conducted under subsection (a) together with recommendations concerning the enactment of legislation to implement the results of such study.

SEC. 1913. COST OF CARE IN LAST 6 MONTHS OF LIFE.

(a) STUDY.—

(1) IN GENERAL.—The Secretary of Health and Human Services (in this section referred to as the "Secretary"), acting through the Agency for Health Care Policy and Research and, to the degree possible, in consultation with the Health Care Financing Administration, shall conduct a study, using the most recent National Medical Expenditure Survey database, to estimate the average amount of health care expenditures incurred during the last 6 months of life by—

(A) the population of individuals who are 65 years of age and older; and

(B) the total population, broken down based on noninstitutionalized and institutionalized populations.

(2) ELEMENTS OF STUDY.—The study conducted under paragraph (1) shall—

(A) be designed in a manner that will produce estimates of health care costs expended for health care provided to individuals during the last 6 months of life;

(B) be designed to produce estimates of such costs for the populations identified in subparagraphs (A) and (B) of paragraph (1);

(C) include a calculation of the estimated amount of total health care expenditures during such periods of time; and

(D) include a calculation of the estimate described in subparagraph (C)—

(i) as a percentage of the total national health care expenditures; and

(ii) for those age 65 years and over, as a percentage of the total Medicare expenditures for those age 65 years and over.

(b) REPORT.—Not later than 6 months after the date of the enactment of this Act, the Secretary shall prepare and submit to the Committee on Labor and Human Resources of the Senate and the Committee on Energy and Commerce of the House of Representatives, a report containing the findings resulting from the study described in subsection (a).

(c) 1996 NATIONAL MEDICAL EXPENDITURE SURVEY.—

(1) IN GENERAL.—The Secretary, acting through the Agency for Health Care Policy and Research, shall ensure that the 1996 National Medical Expenditure Survey is designed in a manner that will produce an estimate of the amount expended for health care provided to individuals during the last 6 months of life.

(2) POPULATIONS.—In designing the Survey under paragraph (1), the Secretary shall ensure that such Survey produces the data required under such paragraph for the population of individuals who are 65 years of age or older, broken down based on noninstitutionalized and institutionalized populations.

TITLE XX—MISCELLANEOUS PROVISIONS

SEC. 2001. DESIGNATION OF SENIOR BIOMEDICAL RESEARCH SERVICE IN HONOR OF SILVIO O. CONTE; LIMITATION ON NUMBER OF MEMBERS.

(a) IN GENERAL.—Section 228(a) of the Public Health Service Act (42 U.S.C. 237(a)), as added by section 304 of Public Law 101-509, is amended to read as follows:

"(a)(1) There shall be in the Public Health Service a Silvio O. Conte Senior Biomedical Research Service, not to exceed 500 members.

"(2) The authority established in paragraph (1) regarding the number of members in the Silvio O. Conte Senior Biomedical Research Service is in addition to any authority established regarding the number of members in the commissioned Regular Corps, in the Reserve Corps, and in the Senior Executive Service. Such paragraph may not be construed to require that the number of members in the commissioned

Regular Corps, in the Reserve Corps, or in the Senior Executive Service be reduced to offset the number of members serving in the Silvio O. Conte Senior Biomedical Research Service (in this section referred to as the 'Service').".

(b) Conforming Amendment.—Section 228 of the Public Health Service Act (42 U.S.C. 237), as added by section 304 of Public Law 101–509, is amended in the heading for the section by amending the heading to read as follows:

"SILVIO O. CONTE SENIOR BIOMEDICAL RESEARCH SERVICE".

SEC. 2002. MASTER PLAN FOR PHYSICAL INFRASTRUCTURE FOR RESEARCH.

Not later than June 1, 1994, the Secretary of Health and Human Services, acting through the Director of the National Institutes of Health, shall present to the Congress a master plan to provide for the replacement or refurbishment of less than adequate buildings, utility equipment and distribution systems (including the resources that provide electrical and other utilities, chilled water, air handling, and other services that the Secretary, acting through the Director, deems necessary), roads, walkways, parking areas, and grounds that underpin the laboratory and clinical facilities of the National Institutes of Health. Such plan may make recommendations for the undertaking of new projects that are consistent with the objectives of this section, such as encircling the National Institutes of Health Federal enclave with an adequate chilled water conduit.

SEC. 2003. CERTAIN AUTHORIZATION OF APPROPRIATIONS.

Section 399L(a) of the Public Health Service Act (42 U.S.C. 280e–4(a)), as added by Public Law 102–515 (106 Stat. 3376), is amended—

(1) in the first sentence, by striking "the Secretary" and all that follows and inserting the following: "there are authorized to be appropriated $30,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 through 1996."; and

(2) in the second sentence, by striking "Out of any amounts used" and inserting "Of the amounts appropriated under the preceding sentence".

SEC. 2004. BUY-AMERICAN PROVISIONS.

(a) Compliance With Buy American Act.—No funds appropriated pursuant to this Act for any of the fiscal years 1994 through 1996 may be expended by an entity unless the entity agrees that in expending the assistance the entity will comply with sections 2 through 4 of the Act of March 3, 1933 (41 U.S.C. 10a–10c, popularly known as the "Buy American Act").

(b) Sense of Congress; Requirement Regarding Notice.—

(1) Purchase of american-made equipment and products.—In the case of any equipment or product that may be authorized to be purchased with financial assistance provided pursuant to this Act for any of the fiscal years 1994 through 1996, it is the sense of the Congress that entities receiving such assistance should, in expending the assistance, purchase only American-made equipment and products.

(2) Notice to recipients of assistance.—In providing financial assistance pursuant to this Act, the Secretary of Health and Human Services shall provide to each recipient of the assistance a notice describing the statement made in paragraph (1) by the Congress.

SEC. 2005. PROHIBITION AGAINST FURTHER FUNDING FOR PROJECT ARIES.

For fiscal year 1994 and each subsequent fiscal year, the project administered by the University of Washington at Seattle and known as Project Aries may not receive any funding from any agency of the National Institutes of Health (other than payments under awards made for fiscal year 1993 or prior fiscal years) unless—

(1) the proposal for funding for the project has undergone review in accordance with the applicable requirements of section 491 of the Public Health Service Act on restrictions regarding institutional review boards and ethics guidance;

(2) the proposal for funding for the project has undergone review in accordance with the applicable requirements of section 492 of such Act on restrictions regarding peer review;

(3) the Secretary of Health and Human Services, in accordance with section 492A of such Act (as added by section 101 of this Act), makes a determination that the project will assist—

(A) in reducing the incidence of infection with the human immunodeficiency virus;

(B) in reducing the incidence of sexually transmitted diseases; or

(C) in reducing the incidence of tuberculosis; and

(4) the data to be collected through the project cannot be obtained in any other manner.

SEC. 2006. LOAN REPAYMENT PROGRAM.

Chapter IX of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 391 et seq.), as amended by Public Law 101-635, is amended—

(1) by redesignating the second section 903 as section 904; and

(2) by adding at the end the following section:

"SEC. 905. LOAN REPAYMENT PROGRAM.

"(a) In General.—

"(1) Authority for program.—Subject to paragraph (2), the Secretary shall carry out a program of entering into contracts with appropriately qualified health professionals under which such health professionals agree to conduct research, as employees of the Food and Drug Administration, in consideration of the Federal Government agreeing to repay, for each year of such service, not more than $20,000 of the principal and interest of the educational loans of such health professionals.

"(2) Limitation.—The Secretary may not enter into an agreement with a health professional pursuant to paragraph (1) unless such professional—

"(A) has a substantial amount of educational loans relative to income; and

"(B) agrees to serve as an employee of the Food and Drug Administration for purposes of paragraph (1) for a period of not less than 3 years.

"(b) Applicability of Certain Provisions.—With respect to the National Health Service Corps Loan Repayment Program established in subpart III of part D of title III of the Public Health Service Act, the provisions of such subpart shall, except as inconsistent with subsection (a) of this section, apply to the program established in such subsection in the same manner and to the same extent as such provisions apply to the National Health Service Corps Loan Repayment Program.

"(c) Authorization of Appropriations.—For the purpose of carrying out this section, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1994 through 1996.".

SEC. 2007. EXCLUSION OF ALIENS INFECTED WITH THE AGENT FOR ACQUIRED IMMUNE DEFICIENCY SYNDROME.

(a) Exclusion of Aliens on Health-Related Grounds.—Section 212(a)(1)(A)(i) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(1)(A)(i)) is amended by adding at the end the following: "which shall include infection with the etiologic agent for acquired immune deficiency syndrome,".

(b) Effective Date.—The amendment made by subsection (a) shall take effect 30 days after the date of the enactment of this Act.

SEC. 2008. TECHNICAL CORRECTIONS.

(a) Title III.—Section 316 of the Public Health Service Act (42 U.S.C. 247a(c)) is amended by striking subsection (c).

(b) Title IV.—Title IV of the Public Health Service Act (42 U.S.C. 281 et seq.) is amended—

(1) in section 406—

(A) in subsection (b)(2)(A), by striking "Veterans' Administration" each place such term appears and inserting "Department of Veterans Affairs"; and

(B) in subsection (h)(2)(A)(v), by striking "Veterans' Administration" and inserting "Department of Veterans Affairs";

(2) in section 408, in subsection (b) (as redesignated by section 501(c)(1)(C) of this Act), by striking "Veterans' Administration" and inserting "Department of Veterans Affairs";

(3) in section 421(b)(1), by inserting a comma after "may";

(4) in section 428(b), in the matter preceding paragraph (1), by striking "the the" and inserting "the";

(5) in section 430(b)(2)(A)(i), by striking "Veterans' Administration" and inserting "Department of Veterans Affairs";

(6) in section 439(b), by striking "Veterans' Administration" and inserting "Department of Veterans Affairs";

(7) in section 442(b)(2)(A), by striking "Veterans' Administration" and inserting "Department of Veterans Affairs";

(8) in section 464D(b)(2)(A), by striking "Veterans' Administration" and inserting "Department of Veterans Affairs";

(9) in section 464E—

(A) in subsection (d), in the first sentence, by inserting "Coordinating" before "Committee"; and

(B) in subsection (e), by inserting "Coordinating" before "Committee" the first place such term appears;

(10) in section 464P(b)(6) (as added by section 123 of Public Law 102-321 (106 Stat. 362)), by striking "Administration" and inserting "Institute";

(11) in section 466(a)(1)(B), by striking "Veterans' Administration" and inserting "Department of Veterans Affairs";

(12) in section 480(b)(2)(A), by striking "Veterans' Administration" and inserting "Department of Veterans Affairs";

(13) in section 485(b)(2)(A), by striking "Veterans' Administration" and inserting "Department of Veterans Affairs";

(14) in section 487(d)(3), by striking "section 304(a)(3)" and inserting "section 304(a)"; and

(15) in section 496(a), by striking "Such appropriations," and inserting the following: "Appropriations to carry out the purposes of this title,".

(c) Title XV.—

(1) Limited authority regarding for-profit entities.—Section 1501(b) of the Public Health Service Act (42 U.S.C. 300k(b)) is amended—

(A) by striking "States.—A State" and all that follows through "may expend" and inserting the following: "States.—

"(1) In general.—A State receiving a grant under subsection (a) may, subject to paragraph (2), expend"; and

(B) by adding at the end the following paragraph:

"(2) Limited authority regarding other entities.—In addition to the authority established in paragraph (1) for a State with respect to grants and contracts, the State may provide for screenings under subsection (a)(1) through entering into contracts with private entities. The amount paid by a State to a private entity under the preceding sentence for a screening procedure may not exceed the amount that would be paid under part B of title XVIII of the Social Security Act if payment were made under such part for furnishing the procedure to a woman enrolled under such part.".

(2) Conforming amendment.—Section 1505(3) of the Public Health Service Act (42 U.S.C. 300n-1(3)) is amended by inserting before the semi-

colon the following: "(and additionally, in the case of services and activities under section 1501(a)(1), with any similar services or activities of private entities)".

(d) Title XXIII.—Part A of title XXIII of the Public Health Service Act (42 U.S.C. 300cc et seq.) is amended—

(1) in section 2304—

*(A) in the heading for the section, by striking **"CLINICAL RESEARCH REVIEW COMMITTEE"** and inserting **"RESEARCH ADVISORY COMMITTEE"**; and*

(B) in subsection (a), by striking "AIDS Clinical Research Review Committee" and inserting "AIDS Research Advisory Committee";

(2) in section 2312(a)(2)(A), by striking "AIDS Clinical Research Review Committee" and inserting "AIDS Research Advisory Committee";

(3) in section 2314(a)(1), in the matter preceding subparagraph (A), by striking "Clinical Research Review Committee" and inserting "AIDS Research Advisory Committee";

(4) in section 2317(d)(1), by striking "Clinical Research Review Committee" and inserting "AIDS Research Advisory Committee established under section 2304"; and

(5) in section 2318(b)(3), by striking "Clinical Research Review Committee" and inserting "AIDS Research Advisory Committee".

(e) Secretary.—Section 2(c) of the Public Health Service Act (42 U.S.C. 201(c)) is amended by striking "Health, Education, and Welfare" and inserting "Health and Human Services".

(f) Department.—Section 201 of the Public Health Service Act (42 U.S.C. 202) is amended—

(1) by striking "Health, Education, and Welfare" and inserting "Health and Human Services"; and

(2) by striking "Surgeon General" and inserting "Assistant Secretary for Health".

(g) Department.—Section 202 of the Public Health Service Act (42 U.S.C. 203) is amended—

(1) by striking "Surgeon General" the second and subsequent times that such term appears and inserting "Secretary"; and

(2) by inserting ", and the Agency for Health Care Policy and Research" before the first period.

(h) Volunteer Services.—Section 223 of the Public Health Service Act (42 U.S.C. 217b) is amended by striking "Health, Education, and Welfare" and inserting "Health and Human Services".

(i) Miscellaneous.—

(1) Amendatory instructions.—

(A) Section 602(a) of Public Law 102-585 (106 Stat. 4967) is amended by striking "by adding the following subpart" and inserting "by adding at the end the following subpart".

(B) Public Law 102-531 is amended—

(i) in section 303(b) (106 Stat. 3488)—

(I) by striking "Part A of title III" and inserting "Part B of title III"; and

(II) by striking "241 et seq." and inserting "243 et seq.";

(ii) in section 304 (106 Stat. 3490)—

(I) by striking "Part A of title III" and inserting "Part B of title III"; and

(II) by striking "241 et seq." and inserting "243 et seq.";

(iii) in section 306 (106 Stat. 3494), by striking "Part A of title III" and inserting "Part B of title III"; and

(iv) in section 308 (106 Stat. 3495), by striking "Part A of title III" and inserting "Part B of title III";

(2) Title III of Public Health Service Act.—Title III of the Public Health Service Act (42 U.S.C. 241 et seq.), as amended by Public Law 102-321, Public Law 102-515, Public Law 102-531, and Public Law 102-585, by section 121(a) of this Act, and by paragraph (1) of this subsection, is amended—

(A) in part D—

(i) by transferring subpart VIII from the current placement of the subpart and inserting the subpart after subpart VII; and

(ii) by redesignating section 340B of subpart VIII as section 340C; and

(B)(i) by redesignating parts K and L as parts J and K, respectively; and

(ii) by redesignating the part M added by Public Law 102-321 as part L.

(3) Title VII of Public Health Service Act.—Section 746(i)(1) of the Public Health Service Act (42 U.S.C. 293j(i)(1)), as added by section 102 of Public Law 102-408 (106 Stat. 1994) and amended by section 313(a)(2)(B) of Public Law 102-531 (106 Stat. 3507), is amended to read as if the amendment made by such section 313(a)(2)(B) had not been enacted.

SEC. 2009. BIENNIAL REPORT ON CARCINOGENS.

Section 301(b)(4) of the Public Health Service Act (42 U.S.C. 241(b)(4)) is amended by striking "an annual" and inserting "a biennial".

SEC. 2010. TRANSFER OF PROVISIONS OF TITLE XXVII.

(a) In General.—The Public Health Service Act (42 U.S.C. 201 et seq.), as amended by section 101 of Public Law 101-381 and section 304 of Public Law 101-509, is amended—

(1) by transferring sections 2701 through 2714 to title II;

(2) by redesignating such sections as sections 231 through 244, respectively;

(3) by inserting such sections, in the appropriate sequence, after section 228;

(4) by inserting before section 201 the following heading:

"Part A—Administration"; and

(5) by inserting before section 231 (as redesignated by paragraph (2) of this subsection) the following heading:

"Part B—Miscellaneous Provisions".

(b) Conforming Amendments.—The Public Health Service Act (42 U.S.C. 201 et seq.) is amended—

(1) in the heading for title II, by inserting "AND MISCELLANEOUS PROVISIONS" after "ADMINISTRATION";

(2) in section 406(a)(2), by striking "2701" and inserting "231";

(3) in section 465(f), by striking "2701" and inserting "231";

(4) in section 480(a)(2), by striking "2701" and inserting "231";

(5) in section 485(a)(2), by striking "2701" and inserting "231";

(6) in section 497, by striking "2701" and inserting "231";

(7) in section 505(a)(2), by striking "2701" and inserting "231";

(8) in section 926(b), by striking "2711" each place such term appears and inserting "241"; and

(9) in title XXVII, by striking the heading for such title.

SEC. 2011. AUTHORIZATION OF APPROPRIATIONS.

Section 2602 of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621) is amended—

(1) in the first sentence of subsection (b), by striking "1993 and 1994" and inserting "1993, 1994, and 1995"; and

(2) in subsection (d), by striking "in each of the fiscal years 1993 and 1994" and inserting "for each of the fiscal years 1993, 1994, and 1995".

SEC. 2012. VACCINE INJURY COMPENSATION PROGRAM.

Section 2111(a) of the Public Health Service Act (42 U.S.C. 300aa-11(a)) is amended by adding at the end the following paragraph:

"(10) The Clerk of the United States Claims Court is authorized to continue to receive, and forward, petitions for compensation for a vaccine-related injury or death associated with the administration of a vaccine on or after October 1, 1992.".

SEC. 2013. TECHNICAL CORRECTIONS WITH RESPECT TO THE AGENCY FOR HEALTH CARE POLICY AND RESEARCH.

Title IX of the Public Health Service Act is amended—

(1) in section 904(d) (42 U.S.C. 299a-2(d))—

(A) by striking "In general" in paragraph (1) and inserting "Additional assessments";

(B) by redesignating paragraphs (1) and (2) as paragraphs (3) and (4), respectively;

(C) by inserting after the subsection designation the following paragraphs:

"(1) Recommendations with respect to health care technology.—The Administrator shall make recommendations to the Secretary with respect to whether specific health care technologies should be reimbursable under federally financed health programs, including recommendations with respect to any conditions and requirements under which any such reimbursements should be made.

"(2) Considerations of certain factors.—In making recommendations respecting health care technologies, the Administrator shall consider the safety, efficacy, and effectiveness, and, as appropriate, the appropriate uses of such technologies. The Administrator shall also consider the cost effectiveness of such technologies where cost information is available and reliable."; and

(D) by adding at the end the following paragraph:

"(5) Consultations.—In carrying out this subsection, the Administrator shall cooperate and consult with the Director of the National Institutes of Health, the Commissioner of Food and Drugs, and the heads of any other interested Federal department or agency."; and

(2) in section 914(a)(2)(C), by striking "904(c)(2)" and inserting "904(d)(2)".

SEC. 2014. TECHNICAL CORRECTIONS WITH RESPECT TO THE HEALTH PROFESSIONS EDUCATION EXTENSION AMENDMENTS OF 1992.

(a) Insured Health Education Assistance Loans to Graduate Students.—Subpart I of part A of title VII of the Public Health Service Act (42 U.S.C. 292 et seq.), as added by section 102 of Public Law 102-408 (106 Stat. 1994), is amended—

(1) in section 705(a)(2)—

(A) in subparagraph (G), by inserting "and" after the semicolon at the end;

(B) by striking subparagraph (H); and

(C) by redesignating subparagraph (I) as subparagraph (H); and

(2) in section 707—

(A) in subsection (g), by amending paragraph (1) to read as follows:

"(1) after the expiration of the seven-year period beginning on the first date when repayment of such loan is required, exclusive of any period after such date in which the obligation to pay installments on the loan is suspended;"; and

(B) by adding at the end the following subsection:

"(j) School Collection Assistance.—An institution or postgraduate training program attended by a borrower may assist in the collection of any loan of that borrower made under this subpart which becomes delinquent, including providing information concerning the borrower to the Secretary and to past and present lenders and holders of the borrower's loans, contacting the borrower in order to encourage repayment, and withholding services in accordance with regulations issued by the Secretary under section 715(a)(7). The institution or postgraduate training program shall not be subject to section 809 of the Fair Debt Collection Practices Act for purposes of carrying out activities authorized by this section.".

(b) Loan Provisions.—Section 722 of the Public Health Service Act (42 U.S.C. 292r), as added

by section 102 of Public Law 102-408 (106 Stat. 1994), is amended—

(1) in subsection (a), by amending the subsection to read as follows:

"(a) AMOUNT OF LOAN.—

"(1) IN GENERAL.—Loans from a student loan fund (established under an agreement with a school under section 721) may not, subject to paragraph (2), exceed for any student for a school year (or its equivalent) the sum of—

"(A) the cost of tuition for such year at such school, and

"(B) $2,500.

"(2) THIRD AND FOURTH YEARS OF MEDICAL SCHOOL.—For purposes of paragraph (1), the amount $2,500 may, in the case of the third or fourth year of a student at school of medicine or osteopathic medicine, be increased to the extent necessary (including such $2,500) to pay the balances of loans that, from sources other than the student loan fund under section 721, were made to the individual for attendance at the school. The authority to make such an increase is subject to the school and the student agreeing that such amount (as increased) will be expended to pay such balances."; and

(2) in subsection (b)—

(A) in paragraph (1), by adding "and" after the semicolon at the end;

(B) by striking paragraph (2); and

(C) by redesignating paragraph (3) as paragraph (2).

(c) MEDICAL SCHOOLS AND PRIMARY HEALTH CARE.—

(1) REQUIREMENTS FOR STUDENTS.—Section 723(a) of the Public Health Service Act (42 U.S.C. 292s(a)), as added by section 102 of Public Law 102-408 (106 Stat. 1994), is amended by adding at the end the following paragraph:

"(4) WAIVERS.—

"(A) With respect to the obligation of an individual under an agreement made under paragraph (1) as a student, the Secretary shall provide for the partial or total waiver or suspension of the obligation whenever compliance by the individual is impossible, or would involve extreme hardship to the individual, and if enforcement of the obligation with respect to the individual would be unconscionable.

"(B) For purposes of subparagraph (A), the obligation of an individual shali be waived if—

"(i) the status of the individual as a student of the school involved is terminated before graduation from the school, whether voluntarily or involuntarily; and

"(ii) the individual does not, after such termination, resume attendance at the school or begin attendance at any other school of medicine or osteopathic medicine.

"(C) If an individual resumes or begins attendance for purposes of subparagraph (B), the obligation of the individual under the agreement under paragraph (1) shall be considered to have been suspended for the period in which the individual was not in attendance.

"(D) This paragraph may not be construed as authorizing the waiver or suspension of the obligation of a student to repay, in accordance with section 722, loans from student loan funds under section 721.".

(2) REQUIREMENTS FOR SCHOOLS.—Section 723(b) of the Public Health Service Act (42 U.S.C. 292s(b)), as added by section 102 of Public Law 102–408 (106 Stat. 1994), is amended—

(A) in paragraph (1)—

(i) by striking "1994," and inserting "1997;"; and

(ii) by striking "4 years before" and inserting "3 years before";

(B) in paragraph (2)(B), by striking "15 percent" and inserting "25 percent"; and

(C) in paragraph (4)(B)—

(i) in clause (i), by striking "1994," and inserting "1997,"; and

(ii) in clause (ii), by striking "1995," and inserting "1998,".

(d) AUTHORIZATION OF APPROPRIATIONS REGARDING MEDICAL SCHOOLS.—Section 735 of the Public Health Service Act (42 U.S.C. 292y), as added by section 102 of Public Law 102–408 (106 Stat. 1994), is amended by adding at the end the following subsection:

"(f) FUNDING FOR CERTAIN MEDICAL SCHOOLS.—

"(1) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of making Federal capital contributions to student loan funds established under section 721 by schools of medicine or osteopathic medicine, there is authorized to be appropriated $10,000,000 for each of the fiscal years 1994 through 1996.

"(2) MINIMUM REQUIREMENTS.—

"(A) Subject to subparagraph (B), the Secretary may make a Federal capital contribution pursuant to paragraph (1) only if the school of medicine or osteopathic medicine involved meets the conditions described in subparagraph (A) of section 723(b)(2) or the conditions described in subparagraph (C) of such section.

"(B) For purposes of subparagraph (A), the conditions referred to in such subparagraph shall be applied with respect to graduates of the school involved whose date of graduation occurred approximately 3 years before June 30 of the fiscal year preceding the fiscal year for which the Federal capital contribution involved is made.

(g) PUBLIC HEALTH TRAINEESHIPS.—Section 761(b)(3) of the Public Health Service Act (42 U.S.C. 294(b)(3)), as added by section 102 of Public Law 102–408 (106 Stat. 1994), is amended by striking "and nutrition" and inserting "nutrition, and maternal and child health".

(h) TRAINEESHIPS FOR ADVANCED NURSE EDUCATION.—Section 830(a) of the Public Health Service Act, as added by section 206 of Public Law 102–408 (106 Stat. 2073), is amended—

(1) by striking "meet the cost of traineeships for individuals" and inserting the following: "meet the costs of—

"(1) traineeships for individuals";

(2) by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following paragraph:

"(2) traineeships for participation in certificate nurse midwifery programs that conform to guidelines established by the Secretary under section 822(b).".

(i) CERTAIN GENERALLY APPLICABLE PROVISIONS.—Section 860(d) of the Public Health Service Act (42 U.S.C. 298b-7(d)), as added by section 209 of Public Law 102–408 (106 State 2075), is amended in the first sentence by striking "821, 822, 830, and 831" and inserting "821, 822, and 827".

SEC. 2015. PROHIBITION AGAINST SHARP ADULT SEX SURVEY AND THE AMERICAN TEENAGE SEX SURVEY.

The Secretary of Health and Human Services may not during fiscal year 1993 or any subsequent fiscal year conduct or support the SHARP survey of adult sexual behavior or the American Teenage Study of adolescent sexual behavior. This section becomes effective on the date of the enactment of this Act.

SEC. 2016. HEALTH SERVICES RESEARCH.

(a) DEFINITION.—Section 409 of the Public Health Service Act (42 U.S.C. 284d), as added by section 121(b) of Public Law 102–321 (106 Stat. 358), is amended by adding at the end the following sentence: "Such term does not include research on the efficacy of services to prevent, diagnose, or treat medical conditions.".

(b) REQUIRED ALLOCATIONS.—

(1) IN GENERAL.—With respect to the allocation for health services research required in each of the provisions of law specified in paragraph (2), the term "15 percent" appearing in each of such provisions is, in the case of allocations for fiscal year 1993, deemed to be 12 percent.

(2) RELEVANT PROVISIONS OF LAW.—The provisions of law referred to in paragraph (1) are—

(A) section 464H(d)(2) of the Public Health Service Act, as added by section 122 of Public Law 102–321 (106 Stat. 358);

(B) section 464L(d)(2) of the Public Health Service Act, as added by section 123 of Public Law 102–321 (106 Stat. 360); and

(C) section 464R(f)(2) of the Public Health Service Act, as added by section 124 of Public Law 102–321 (106 Stat. 364).

(c) REPORT.—Section 494A(b) of the Public Health Service Act (42 U.S.C. 289c–1(b)), as added by section 125 of Public Law 102–321 (106 Stat. 366), is amended by striking "May 3, 1993," and inserting "September 30, 1993,".

SEC. 2017. CHILDHOOD MENTAL HEALTH.

Part E of title V of the Public Health Service Act (42 U.S.C. 290ff et seq.), as added by section 119 of Public Law 102–321 (106 Stat. 349), is amended—

(1) in section 561—

(A) in subsection (a)(2), by striking "this subpart" and inserting "this part"; and

(B) in subsection (b)(1), by striking "is receiving such payments" each place such term appears and inserting "is such a grantee"; and

(2) in section 565—

(A) in subsection (c)(1), by striking "this subpart" and inserting "this part";

(B) in subsection (d), by striking "this subpart" and inserting "this part"; and

(C) in subsection (f)—

(i) in paragraph (1), by striking "this subpart" and inserting "this part"; and

(ii) by amending paragraph (2) to read as follows:

"(2) LIMITATION REGARDING TECHNICAL ASSISTANCE.—Not more than 10 percent of the amounts appropriated under paragraph (1) for a fiscal year may be expended for carrying out subsection (b).".

SEC. 2018. EXPENDITURES FROM CERTAIN ACCOUNT.

With respect to amounts appropriated in title II of Public Law 102–394 for buildings and facilities of the National Institutes of Health, the purposes for which such amounts may be expended include repairing, improving, or constructing (or any combination thereof) roads on non-Federal property in close proximity to the main campus of the National Institutes of Health in Bethesda, Maryland, subject to the agreement of the appropriate officials of Montgomery County, Maryland, or the appropriate officials of the State of Maryland, or both, as the case may be. None of such amounts may be used for the non-Federal share of the cost of any project or activity under title 23, United States Code, the Intermodal Surface Transportation Efficiency Act of 1991, or any law amended by such Act.

TITLE XXI—EFFECTIVE DATES

SEC. 2101. EFFECTIVE DATES.

Subject to section 203(c), this Act and the amendments made by this Act take effect upon the date of the enactment of this Act.

And the House agree to the same.

From the Committee on Energy and Commerce, for consideration of the Senate bill, and the House amendment, and modifications committed to conference:

JOHN D. DINGELL,
HENRY A. WAXMAN,
RON WYDEN,

As additional conferees from the Committee on Education and Labor, for consideration of section 2013 of the Senate bill, and modifications committed to conference:

William D. Ford,
Matthew G. Martinez,

As additional conferees from the Committee on the Judiciary, for consideration of section 2011 of the Senate bill, and modifications committed to conference:

Jack Brooks,
R. Mazzoli,
Bill McCollum,
Managers on the Part of the House.

Edward M. Kennedy,
Paul Simon,
Howard M. Metzenbaum,
Jim Jeffords,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1) to amend the Public Health Service Act to revise and extend the programs of the National Institutes of Health, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House amendment struck all of the Senate bill after the enacting clause and inserted a substitute text.

The Senate recedes from its disagreement to the amendment of the House with an amendment that is a substitute for the Senate bill and the House amendment. The differences between the Senate bill, the House amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clerical changes.

RESEARCH FREEDOM

The Senate recedes to the House provisions, with an amendment. The Conference substitute clarifies the limitations established on the Secretary's authority to withhold funds for research projects that have been reviewed and recommended for approval by institutional review board and peer review groups. The Conferees intend that this limitation be imposed only when the Secretary's reasons for withholding funds are based on ethical considerations regarding the project.

The Conferees do not intend that this limitation affect the general authority of the Secretary to review approved grant projects for such non-ethical matters as the qualifications of the entity approved for funding (other than those already studied by peer review and IRB review); thus, if the Secretary determines that an approved project is to be conducted by a researcher who has been suspended from his institution for research fraud or at an institution of uncertain financial solvency, the Secretary may withhold funds without constituting an ethics advisory board. Nor do the Conferees intend that this limitation affect the general authority of the Secretary to set research priorities for the NIH; thus, if the Secretary determines that the board priorities of the NIH leave insufficient funds for every approved project in a field to be funded, the Secretary may withhold funds without constituting an ethics advisory board.

The Conferees have explicitly stated limitations on the ethics review process in order to be certain that the Secretary retains his or her authority to review and govern the overall research priorities of NIH. In doing so, the Conferees are mindful of the difficulties of defining abuse of discretion in the matter of ethics: one Secretary's ethical objections may easily be mischaracterized as another Secretary's broad policy objectives. The Conferees encourage the Secretary to be extremely sparing in the interruption of approved projects for any but the most obvious reasons of accountability. If, however, the Secretary finds that an approved project presents ethical problems so serious as to merit suspension of funding, the Conferees expect the Secretary to state this problem directly and to follow the process laid out in the legislation. But in general, the Conferees remain convinced that the best process for separating research from daily politics—to the benefit of all Americans—is for peer review and scientific freedom to govern the decisions of support and conduct of research.

The Senate recedes to the House amendment which provides additional protections against abuse of fetal tissue transplantation research. These protections include a requirement that tissue from elective abortions be obtained only from abortions performed in accordance with applicable State law, as well as a requirement that the Secretary submit an annual report to the Congress on the conduct of such research.

CLINICAL RESEARCH EQUITY REGARDING WOMEN AND MINORITIES

The Senate recedes to the House amendment with minor clarifying changes. The Senate bill and the House amendment contained similar provisions regarding the inclusion of women and minorities in clinical research. The conference agreement follows the approach in the House amendment. The conferees underscore their expectation that the NIH Director and the NIH Office of Research on Women's Health will, in accordance with the discretion provided to the NIH Director under Section 492B(b), take into account the special circumstances of the Department of Veterans Affairs (VA).

The Conferees have required that the Advisory Council of each National research institute prepare biennial reports describing the manner in which the institute has complied with Section 492B. The Conferees intend that such report include information regarding each institute's compliance with the requirements of Section 492B, as well as data on the inclusion of women and minorities in NIH-supported research. The Conferees recognize that NIH now requires individual investigators to state affirmatively in their research applications how women and minorities, where appropriate, are to be included in their research projects. Similarly, such investigators are required to include such statements in their annual progress reports on the research. The Conferees intend that the report required under Section 492B include an analysis of the information obtained from both the applications of researchers and their annual progress reports.

RESEARCH INTEGRITY

The Senate bill and the House amendment contained similar provisions regarding establishment of an Office of Research Integrity, and the implementation of policies to deter research misconduct, conflicts of interest, and retaliation against whistleblowers in connection with research supported by the NIH. The conference agreement generally follows the House amendment with the exception of necessary technical amendments. Research conducted by the National Institutes of Health enjoys enormous support from Congress and the American people. The Conferees recognize that continued support is dependent upon confidence in the integrity of the scientific process, in individual researchers, and in institutions which accept Federal funds. To maintain this confidence, Federal standards governing research integrity, conflicts of interest, and retaliation against whistleblowers must be established no later than the deadlines specified in the law, and abuses or deviations from these standards must be uncovered and promptly dealt with in a serious and credible manner. Sections 161 to 165 are designed to address these concerns.

Section 161 specifies that the new Office of Research Integrity will report directly to the Secretary of Health and Human Services in order to maximize the independence of the Office and to avoid problems and pressures previously experienced in dealing with matters of research misconduct. The Conferees note, however, that a system to monitor potential financial conflicts of interest, which includes reporting concerning a grantee's or contractor's financial affiliations, is different from a system that monitors and investigates allegations or reports of research misconduct. Requesting that an individual supply financial information is not a presumption that an individual has or will have a conflict of interest. Nor does it presume that an individual will allow financial interest to affect the outcome or reporting of research findings. Thus, the Conferees intend that the Secretary have the discretion in locating the system for collecting financial information and monitoring potential financial conflicts of interest. The Conferees do not intend, however, for this function to be located in the funding institutes or in the investigations division of the Office of Research Integrity. Regardless of the organizational location of the function, the Conferees intend that the function be fully and properly staffed and managed.

The Secretary shall establish a mechanism for the review and adjudication of allegations of retaliation against whistleblowers associated with cases of alleged or suspected scientific misconduct. The burden of proof to be applied in cases of alleged retaliation shall *not* be the antiquated standards associated with the *Mount Healthy* case. Rather, the burden shall be allocated in accordance with the standards more recently enunciated in the Whistleblower Protection Act of 1989. The Conferees intend that the Department of Health and Human Services (HHS) shall be accountable for the enforcement of the law and regulations pertaining to the protection of whistleblowers. The Conferees believe that any regulations issued in fulfillment of HHS's obligations should, where the whistleblower consents, allow for the possible adjudication of disputes through an arbitration proceeding conducted under the auspices of the American Arbitration Association.

PLAN FOR THE USE OF ANIMALS IN RESEARCH

The Senate bill and the House amendment contained similar provisions requiring the NIH Director to annually prepare a plan for the development of alternatives to the use of animals in biomedical and behavioral research. The Senate recedes with an amendment requiring that at least one member of the Interagency Coordinating Committee on the Use of Animals in Research be a veterinarian with expertise in laboratory animal medicine. The Conferees note the promise held by development of research and experimentation that involve the use of marine life, other than marine mammals. Research in the basic developmental, cellular, and molecular aspects of non-mammalian marine species have provided important insights into fundamental biological and physiological processes. New discoveries using simple marine model systems can provide additional information about the molecular basis of disease mechanisms and pathogenesis in humans. The Conferees urge the Director to support the rapid development of this technology.

NASSAU AND SUFFOLK COUNTY BREAST CANCER STUDY

The House amendment but not the Senate bill contained a provision requiring a study to assess environmental and other potential factors contributing to the incidence of breast cancer in the counties of Nassau and Suffolk, in the state of New York, as well as in the two counties of the Northeast having the highest breast cancer mortality rates as identified by the Surveillance, Epidemiology, End Results program of the National Cancer Institute (NCI). The Senate recedes with an amendment extending the deadline for completion of the study. The study is to be conducted by the Director of the NCI in collaboration with the Director of the National Institute of Environmental Health Sciences (NIEHS). The study is to be funded jointly from among annual appropriations available to the two national research institutes. The Conferees have identified NIEHS to participate in the planning and funding of this study because of the agency's contributions to research on the adverse health effects of environmental pollutants. The expertise will be of invaluable assistance in identifying and evaluating environmental risk factors associated with elevated incidence and mortality of breast cancer. The Conferees expect NIEHS to work closely with NCI in the design of this study and in the division of funding and programmatic responsibility between the institutes.

NATIONAL FOUNDATION FOR BIOMEDICAL RESEARCH

The Senate bill and the House amendment contained amendments affecting the National Foundation for Biomedical Research. The House recedes with technical and clarifying amendments. The Conferees believe that the National Foundation for Biomedical Research should be incorporated promptly so that activities may begin in a timely manner. Concern for the avoidance of conflict of interest and of division of allegiance prompted explicit separation of the Foundation from the National Institutes of Health. The Conferees intend that no more than 50 percent of the operating funds for the Foundation may come from contracts or grants sponsored by the NIH. Within 18 months of enactment, the Conferees expect a report from the Comptroller General on the Foundation's compliance with the provisions of the law. It is expected that the Foundation will be a source for educational courses and related material for the NIH.

OFFICE OF BEHAVIORAL AND SOCIAL SCIENCE RESEARCH

The House amendment, but not the Senate bill, contained a provision establishing an Office of Behavioral Research within the NIH. The Senate recedes with an amendment revising the title and jurisdiction of the office to include social science research and clarifying the responsibilities of the Office. The initial responsibility of the new Office will be the preparation of a special report to the Congress identifying those specific activities within the national research institutes which represent the NIH's behavioral and social science research portfolio. The report will encompass both intramural and extramural research projects supported in fiscal year 1993. In preparing this report, the Conferees have directed that a standardized definition of "behavioral and social science research" be established and applied uniformly to the research portfolios of each national research institute. In the development of this definition, the Director of the Office is expected to consult with professional research organizations with expertise in behavioral and social science research. The conference agreement includes a provision prohibiting the inclusion of neurobiological research or research that uses behavior merely as a measure to determine activity at cellular or molecular levels. In the past, efforts to include such research within the framework of behavioral and social science research have artificially inflated the resource commitment to this research discipline within NIH.

Numerous reports have documented the enormous impact of behavior on health. The Conferees are concerned that NIH has not, relative to the biological sciences, accorded sufficient priority to the support of behavioral research. Behavioral research at NIH should span the gamut from basic to applied science. Too often behavioral science is thought about only at the stage of intervention. "How do we get people to stop smoking?", "How do we get people to take their medications?", or "How do we convince parents to bring their kids in for vaccinations?". These are important research questions that NIH should answer, but we also need information such as: "How does individual maturity interact with a more general level of emotional development?", or "What are the basic social principles behind peer pressure?" These questions can and should be addressed by NIH behavioral scientists, especially at the NICHD and NIMH.

TRAUMA RESEARCH

The Senate bill and House amendment contained similar provisions establishing a comprehensive, interagency program of basic and clinical research on trauma. The Conferees intend that the NIH Director establish a comprehensive program to study all phases of trauma care from prehospital, resuscitation, surgical intervention, critical care, infection control, wound healing, nutritional support and medical rehabilitation. Through the support of basic science and clinical research, it is the intent of the Conferees to promote the development of new and innovative models of trauma care which might prevent death or permanent disability.

NUTRITIONAL DISORDERS

The Senate bill and the House amendment contained similar provisions for establishment of a program of research, training, health information, dissemination and other activities with respect to nutritional disorders, including obesity. The conference agreement generally follows the Senate bill except for a technical amendment.

LITERACY REQUIREMENTS

The Senate Bill and the House amendment contained similar provisions requiring that all new or revised NIH health education materials be prepared in a form that does not exceed a level of functional literacy. This applies to all health education materials if those materials are intended for the general public.

NATIONAL HEART, LUNG AND BLOOD INSTITUTE (NHLBI)

The Senate bill and the House amendment contained similar provisions reauthorizing appropriations for the NHLBI research programs. The conference agreement consolidates the previously separate authorization of appropriations for NHLBI prevention and control programs with the general research authority. In addition, the conference agreement strengthens the statutory authority for prevention and control activities to enhance the Institute's overall research program. The Conferees believe that prevention and control programs, like the National Asthma Education Program, Child and Adolescent Trial for Cardiovascular Health, Smoking Cessation Strategies for Minorities, Coronary Heart Disease in Women, and Sickle Cell Disease Prevention Program are a vital part of the Institute's mission to prevent disease and promote healthy life styles. The Conferees strongly urge NHLBI to continue and expand its research program on the effectiveness of various cardiopulmonary disease prevention and control activities including clinical intervention trails, epidemiologic studies, demonstration and education projects. Moreover, the results of this research should be disseminated rapidly to health professionals, health educators, and the general public. In addition, the NHLBI should share its research results with the Centers for Disease Control and Prevention (CDC) and coordinate prevention activities with the CDC to assure the greatest possible efficiency and effectiveness of efforts in this important area, particularly against diseases in children.

NATIONAL CENTER FOR SLEEP DISORDERS RESEARCH

The Senate bill and the House amendment contained similar provisions establishing a National Center for Sleep Disorders Research within the NHLBI. The House recedes with an amendment deleting the Senate requirement that a Sleep Disorders Coordinating Committee be established. The Conferees believe that a National Center for Sleep Disorders Research will support basis, clinical, epidemiological and prevention research on sleeping disorders, develop new research programs and educational and training initiatives, and will ensure coordination, cooperation, and collaboration among federal agencies on sleep disorders.

NATIONAL INSTITUTE ON ARTHRITIS AND MUSCULOSKELETAL AND SKIN DISEASES

The Senate bill and the House amendment contained similar provisions requiring the expansion of research resources committed to juvenile arthritis. The conference agreement generally follows the House amendment with the exception that the date for establishing a multipurpose arthritis center to study juvenile arthritis is moved from October 1994 to October 1993. The Conferees are disappointed at the pace at which the Institute has expanded its research commitment to projects involving children. The Conferees expect that the Institute will take immediate steps to shift priorities within its current budget to make sufficient funding available to support establishment and operation of at least one multipurpose arthritis and musculoskeletal disease research center to conduct research into the cause, diagnosis, early detection, prevention, control, treatment of, and rehabilitation of children suffering from arthritis and musculoskeletal diseases.

NATIONAL INSTITUTE OF CHILD HEALTH AND HUMAN DEVELOPMENT

Both the Senate bill and the House amendment proposed to create new programs to strengthen the activities of the Institute. The conference agreement provides specific authorization for the establishment of five applied research centers under the National Institute of Child Health and Human Development, three for research into new and improved methods of contraception, and two devoted to new treatments of infertility. The additional authorization of $30 million for FY 1994 is intended to encourage an additional, targeted appropriation above the conventional "such funds as may be necessary" which historically applied to Institute programs. A new loan repayment program is established to train scientists desiring to specialize in the areas of contraception and infertility. The agreement includes the requirement that NICHHD establish and maintain an intramural laboratory and clinical research program in obstetrics and gynecology. The Conferees believe the absence of an intramural research program in obstetrics and gynecology has limited the NIH's ability to conduct research and limited access for women to clinical trials such as new drug treatments for ovarian cancer.

NATIONAL INSTITUTE ON AGING

The Senate bill and the House amendment contained identical provisions authorizing appropriations for the vital research activities carried on by the National Institute on Aging. By providing this specific authorization, the Conferees highlight the importance of aging research and their desire that the Institute be given special consideration in the annual appropriations process in the allocation of additional funding. In carrying out this important research agenda, the Conferees intend the Institute to increase its commitment to better understanding the effects of menopause. Under the agreement, funding for NIA research is authorized at $500 million in fiscal year 1994 and such funds as may be necessary in FY 1995–1996.

STUDENT LOAN REPAYMENT FOR SCIENTISTS AT NIH AND FDA

The Senate bill and the House amendment contained similar provisions establishing a loan repayment program for researchers at the NIH. In addition, the Senate bill contained a provision granting limited loan repayment authority to the Commissioner of the Food and Drug Administration (FDA). The conference agreement includes a general loan repayment authority for both the NIH and the FDA. Loan repayment is intended for the purpose of attracting talented researchers, particularly physicians, to public service as career employees of the NIH. In order to receive loan repayment, individuals must commit to at least three years of employment. The Conferees do not intend this new authority to be used for the routine training of fellows intending to conduct research at institutions other than the NIH. The conference agreement does authorize limited loan repayment which is suitable for general fellowship programs in the areas of AIDS and contraception/infertility research. This distinction is intended to focus what limited Federal funds are available for loan repayment on training scientists in fields deemed in special need. The Conferees are most concerned about the ability of the NIH to recruit and retain scientists. Recent postdoctoral graduates are deciding against pursuing careers in biomedical, behavioral or clinical research because of their educational loan burdens. The Conferees believe that a loan repayment program for scientists will help remove a major barrier to attracting outstanding scientists to the NIH and FDA.

NATIONAL RESEARCH SERVICE AWARDS (NRSA)

The Senate bill and the House amendment contained identical provisions increasing from 1 percent to 2 percent the required set-aside of NRSA appropriations for awards administered by the Health Resources and Service Administration and the Agency for Health Care Policy and Research. The conference agreement also extends the authorization of appropriations for NRSAs through fiscal year 1996. The Conferees urge that the Director of the National Institute of General Medical Sciences establish a program in predoctoral research training in neuroscience. The conference agreement also revises the payback requirements which apply to the NRSA program to encourage the participation and retention of physician researchers.

EXTRAMURAL CONSTRUCTION OF RESEARCH FACILITIES

The Senate bill and the House amendment contained similar provisions authorizing a new program for the construction of biomedical and behavioral research facilities. The conference agreement generally follows the Senate bill with technical amendments. The Conferees believe a new program of construction grants is necessary to replace outmoded facilities, relieve overcrowding, and accommodate changing research requirements. The conference agreement provides that in any fiscal year, the first $5 million in appropriations available under this new authority will be made available for the purpose of making construction grants for improvements at the national primate research centers. Of the remaining funds 25% will be reserved for making grants to "research centers of emerging excellence." The Conferees intend that these provisions assist in making more universities competitive in obtaining research funding from the NIH. Historically black colleges and universities and other centers of emerging excellence can make important contributions to progress in biomedical and behavioral research if infrastructure deficiencies can be corrected. In this respect, centers of emerging excellence can be looked upon by the NIH as centers of opportunity. The conference agreement requires that all proposals for assistance be subject to review by an independent board and that the fundamental principle of NIH awards—scientific and technical merit—will be strictly observed. The Conferees believe appropriations made available for this purpose should be in addition to appropriations that would otherwise be made available to support individual investigator grants, particularly grants to first-time investigators.

NATIONAL CANCER INSTITUTE (NCI)

Both the Senate and the House amendment extend the authorization of appropriations for the national cancer program. The Senate recedes with an amendment reducing the authorization of appropriations for fiscal year 1993 to $2.728 billion and such sums as may be necessary for fiscal year 1994–1996. The authorization of appropriations reflects the Conferee's endorsement of the FY 1994 recommendation contained in the Institute's Bypass Budget which is annually submitted to the Congress. In advocating a significant and overdue increase in funding for the NCI, the Conferees note serious concern about the growing epidemic of breast and prostate cancer in the United States and expect the NCI to make prevention of breast and prostate cancer its top priorities.

CANCER CONTROL

The Senate bill and the House amendment provided a statutory set-aside of annual NCI appropriations for cancer control activities carried out by the Division of Cancer Prevention and Control (DCPC). The conference agreement follows the House amendment which provided for a three-year, incremental increase in the set-aside for cancer control activities.

In carrying out this authority, the Conferees expect the Director of NCI to assure that the Division of Cancer Prevention and Control is concentrating its limited resources on preventing the development of cancer or reducing the incidence of cancer by modifying risk factors through changes in behavior.

The Conferees are particularly interested in seeing DCPC fund initiatives such as (1) large scale community intervention trials to study methods of reducing the risk and mortality of cancer; (2) community and physician education programs to determine effective methods of encouraging screening; (3) psychosocial interventions to improve quality of life and increase treatment compliance. Particular attention should be given to underserved populations, including racial/ethic minorities, inner-city and rural populations, elderly, and low-literacy.

The Conferees expect the NCI, acting through the DCPC, to assume increasing leadership in the demonstration, implementation and operation of programs to reduce or control the incidence of cancer. The rising incidence of cancer is of great concern to the Congress. NCI is also expected to work with the Centers for Disease Control and Prevention in implementing projects to reduce the behaviors that put citizens at risk. The Conferees expect that increased funding available for control activities through the Division of Cancer Prevention and Control in FY 1994 will be used to fully fund each of the existing 17 ASSIST states and support related programs in each of the 33 States without ASSIST programs. Full funding and nationwide implementation of ASSIST can be achieved under the conference agreement. Such commitment of resources will play an important role in reducing the incidence of cancer throughout the United States. In addition, the Conferees encourage the NCI to intensify and expand support for cancer control programs that target special high-risk populations which experience excessive cancer rates and are underserved in terms of cancer control programs such as NCI's Minority-based Community Clinical Oncology Program, cancer leadership initiatives and the Community Clinical Oncology Program. Findings from programs such as ASSIST, the SEER registries, and special populations studies are important for the continued improvement of the Nation's cancer control efforts. The Conferees also expect NCI to expand its commitment of resources to prevention research to accelerate the understanding of such issues as the role of dietary fat in various cancers, identifying improved methods of early detection of breast and other cancers, and increasing the knowledge of preventable risk factors for breast and other cancers.

The Conferees have also agreed to provisions to strengthen existing cancer control directives in Section 412 by authorizing NCI to give priority to breast cancer programs using community-based initiatives designed specifically to assist women who are medically underserved, low-income, or members of minority groups. Such programs include public health system models involving hospitals and community health centers to emphasize prevention, detection, and efforts to guide patients through referral and treatment processes.

RESEARCH WITH RESPECT TO AIDS

The House recedes to the Senate bill with an amendment. The House amendment clarifies that the Advisory Council to the Director of the Office of AIDS Research (OAR) is to be administered in the same manner as are the advisory councils to institute directors and that a representative of each of the advisory councils for the NCI, the NIAID, and the two other institutes that receive the greatest AIDS funding also sit on the Advisory Council. The Conferees also anticipate that the coordinating committees in this provision will provide the Director of the OAR with a mechanism to coordinate AIDS activities across NIH according to research discipline, without the sometimes artificial distinctions of the current organizational structure of the NIH. In doing so, these committees may use qualified, non-government scientists, as appropriate. The Conferees intend that the organization of the committees will be at the OAR Director's discretion. Other natural divisions could include basic research, natural history and epidemiology, vaccine research, and clinical research and drug development. The Conferees believe that the Federal government has traditionally underfunded behavioral and social science research as it relates to AIDS and that the OAR should seek to reverse this trend.

In the provisions regarding the emergency discretionary fund, the Conferees recognize the particularly dynamic nature of AIDS research and the importance of responding rapidly to new developments. Accordingly, the Conferees have provided for the establishment of this fund to meet emerging opportunities for new or enhanced funding of research (including approved but unfunded projects whose increase importance becomes clear during the year). While it is expected that the Director of the OAR will respond to pressing needs as they arise, the Conferees intend that if no such needs arise during a fiscal year that the OAR will, in accordance with the statutory limitations on the use of the fund, devote the balance of the fund for that year to priorities established by the plan that were unfunded solely because of financial constraints.

STUDY OF LIFE-THREATENING DISEASES

The House recedes to the Senate with an amendment. The Conferees have enlarged the scope of the study of third-party payment regarding clinical trials to include cancer and other life-threatening illnesses. The Conferees are concerned that much of the framework for the financing of clinical research is threatened by recent efforts to limit third-party payment for medical and hospital costs. This problem, which has progressed from the exclusion of payment for costs necessitated by the research to the exclusion of payment for any costs if research is conducted, has occurred not just with research on AIDS, but also with research on cancer and other life-threatening illnesses. The Conferees intend that this study review historic, current, and potential practices of private and public payment systems and report back to the Congress on the implications for research and health financing.

STUDY OF MALNUTRITION IN THE ELDERLY

The Senate bill and the House amendment contained similar provisions. The Conferees intend that these studies be initiated as soon as possible and do not intend that the requirement to establish the advisory panel delay this important work. While the Conferees expect that the Secretary will name the advisory panel expeditiously, the studies may begin prior to its establishment.

SENTINEL DISEASE STUDY

This provision authorizes the Secretary of HHS to study the use of the sentinel disease concept as a means of determining if illness in family members can be linked to the occupation of other family members. Health experts believe this approach may provide a cost-effective means to identify such health risks. The Director is to design and implement a sentinel disease study and report to Congress on the results of this study within 4 years. The Centers for Disease Control and Prevention, the Agency for Toxic Substances and Disease Registry, and NIH have all conducted activities in this area. This provision allows the Secretary to select the most appropriate HHS agency to conduct the study.

HEALTH PROFESSIONALS AMENDMENTS

The Senate bill, but not the House amendment, contains a series of technical amendments to various health professions programs authorized in title VII of the Public Health Service Act. The conference agreement generally follows the Senate with the exception of the Senate amendment affecting the Centers of Excellence program and inclusion of additional technical amendments. The Conferees note that authorization of appropriations for the Centers for Excellence Program expires at the end of FY 1993. Legislation extending the program will be considered by the Congress shortly. The Conferees believe that substantive amendments to the program's authority should be considered as part of the traditional reauthorization process and that changes affecting the allocation of funds in the middle of fiscal year 1993 would be disruptive.

Additionally, the conference agreement includes amendments to make necessary clarifying, technical and conforming amendments to health professions programs. These amendments would:

Tighten standards under which students defaulting on Federally insured HEAL loans may discharge those debts in bankruptcy;

Clarify the authority and obligation of schools to assist in the collection of delinquent HEAL loans;

Authorize an increase in the ceiling for primary care HPSL loans for students in their third and fourth years of study;

Require that the Secretary waive the service obligation of a student receiving a primary care HPSL in the event such student does not complete their medical education;

Defer from 1993 to 1997 the HPSL capital contribution penalty applying to schools of medicine or osteopathic medicine which fail to graduate sufficient percentages of students selecting primary care residencies; and

Provide an authorization of appropriations of $10 million in each of fiscal years 1994 and 1995 for the purpose of making HPSL capital contributions loans to schools of medicine or osteopathic medicine. The agreement provides that preference in the award of new funds shall be given to those schools which have demonstrated the greatest success in graduating students practicing primary care. In view of the fiscal limitations, the legislation provides that such funds may not be provided to schools in the lower 50% of all medical and osteopathic medicine schools in the percentage of graduates pursing a primary care career.

HEALTH SERVICES RESEARCH

The conference agreement contains three clarifying amendments necessary to assure that the National Institute of Mental Health (NIMH), the National Institute on Drug Abuse (NIDA) and the National Institute on Alcohol Abuse and Alcoholism (NIAAA) will meet the requirement of current law that they obligate 15% of their annual appropriations for health services research. The conferees have been informed by the Department that the Institutes may not be capable of meeting these requirements in FY 1993 but will be in full compliance by FY 1994. The agreement reduces the health services research obligation requirement from 15% in FY 1993 to 12%. The 15% requirement will remain in effect for FY 1994 and succeeding fiscal years. In addition, the agreement extends from May 1993 to September 1993 the deadline for submitting a report on the obligation of health services research funds by the NIMH, NIAAA and NIDA. The additional extension of time will permit a more comprehensive analysis of Institute priorities and should include a plan for the expenditure of health services research funds in Fiscal Year 1994. Finally the agreement clarifies the definition of health services research that was included in Public Law 92-321, the "ADAMHA Reorganization Act." The conference agreement makes clear that in determining the range of research projects eligible for assistance, such projects may not include research on the efficacy of services to prevent, diagnose, or treat medical conditions.

OFFICE OF ALTERNATIVE MEDICINE (OAM)

The Conferees are aware that in June, 1992, an ad hoc Advisory Panel was convened to identify the alternative medicine community and the relevant issues pertaining to alternative medicine and that the OAM is formulating a plan for future research activities at the NIH. The Conferees expect that when the plan is completed a copy will be forwarded to appropriate authorizing and appropriating committees of the Congress.

In preparing a research plan the Conferees urge the OAM to coordinate their efforts with those of other countries and to pay particular attention to activities which emphasize ethnomedicine. The Conferees expect that OAM to develop databases which would support both research and information transfer functions.

The Conferees expect that efforts will be made in fostering training in the area of alternative medicine. It is expected that fellows authorized under this legislation will have the opportunity to engage in program and policy analysis as well as perform clinical research in alternative medicine. In addition, the OAM should promote dissemination of its research findings through conferences and other forms of professional communication.

STUDY OF THE LAST 6 MONTHS OF LIFE

The Senate bill, but not the House amendment, provided for a study on health care costs during the last 6 months of life. The House recedes with an amendment. The Conferees are concerned about the inadequacy of definitive data on the costs of medical care during the last six months of life. Such information may prove useful for policymakers and health care providers in evaluating the effectiveness of treatment and services. One example where such information could be helpful is an examination of the cost of conventional care as compared to alternatives such as hospice care during a patient's last six months of life. Accordingly, the Conferees have adopted the Senate language requiring the Secretary, acting through the Agency for Health Care Policy and Research, to conduct a study to estimate the average amount of health care expenditures incurred during the last six months of life. The Committee intends that this study be developed, to the degree possible, in consultation with the Health Care Financing Administration, using the most recent National Medical Expenditure Survey database.

IMMIGRATION

The Conferees have adopted provisions regarding the Immigration and Nationality Act and persons infected with HIV. The Conferees intend these provisions to be a codification of current administrative practice.

From the Committee on Energy and Commerce, for consideration of the Senate bill, and the House amendment, and modifications committed to conference:

JOHN D. DINGELL,
HENRY A. WAXMAN,
RON WYDEN,

As additional conferees from the Committee on Education and Labor, for consideration of section 2013 of the Senate bill, and modifications committed to conference:

WILLIAM D. FORD,
MATTHEW G. MARTINEZ,

As additional conferees from the Committee on the Judiciary, for consideration of section 2011 of the Senate bill, and modifications committed to conference:

JACK BROOKS,
R. MAZZOLI,
BILL MCCOLLUM,
Managers on the Part of the House.

EDWARD M. KENNEDY,
PAUL SIMON,
HOWARD M. METZENBAUM,
JIM JEFFORDS,
Managers on the Part of the Senate.

□ 1230

GALLATIN RANGE CONSOLIDATION AND PROTECTION ACT OF 1993

Mr. GORDON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 171 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 171

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 873) entitled the "Gallatin Range Consolidation and Protection Act of 1993". The first reading of the bill shall be dispensed with. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Natural Resources. After general debate the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on Natural Resources now printed in the bill. Each section of the committee amendment in the nature of a substitute shall be considered as read. Points of order against the committee amendment in the nature of a substitute for failure to comply with clause 7 of rule XVI are waived. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. SKAGGS). The gentleman from Tennessee [Mr. GORDON] is recognized for 1 hour.

Mr. GORDON. Mr. Speaker, during consideration of this resolution, all time yielded is for the purpose of debate only. I yield the customary 30 minutes for the purpose of debate only to the gentleman from Florida, [Mr. GOSS], pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 171 is an open rule which provides for 1 hour of general debate to be equally divided and controlled by the chairman and ranking minority member of the Natural Resources Committee.

The resolution makes in order as an original bill for purposes of amendment the Natural Resources Committee substitute now printed in the bill. Clause 7 of rule 16 is waived against the committee substitute.

Finally, the rule provides for one motion to recommit with or without instructions.

H.R. 873 is the product of hard work by Chairman MILLER, Chairman VENTO, and ranking Republicans DON YOUNG and JAMES HANSEN. The bill's sponsor, PAT WILLIAMS, should also be commended for his determination to get this legislation signed into law.

I encourage my colleagues to support this rule so that the substance of this legislation can be discussed.

Mr. Speaker, I reserve the balance of my time.

Mr. GOSS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I congratulate Chairman MILLER and Mr. VENTO, the subcommittee chairman, for requesting our third open rule of the year. The gentleman from Martinez, CA, appeared before the Joint Committee on the Organization of Congress on April 22 in support of the open rules process. He has been true to his word, and we appreciate the chairman's continued support for a process that insures adequate deliberation and accountability.

Mr. VENTO and the author of the Gallatin Range bill, Mr. WILLIAMS, made a strong case of the legislation Tuesday in the Rules Committee.

They argue that this is not pork barrel spending; that the cost of land acquisition will be very small; that the nature conservancy is playing a significant roll in the negotiating and acquisition process; and that movement toward completing this land acquisition and exchange legislation is needed very soon to keep the agreement intact. A number of Republican amendments may be offered to strengthen the bill in these areas, and I hope my colleagues on the other side will be able to support them.

I urge support of the rule, Mr. Speaker.

Mr. Speaker, I yield 1 minute to the gentleman from Indiana [Mr. BURTON].

Mr. BURTON of Indiana. Mr. Speaker, I will just take a minute, and I appreciate the Committee on Rules making this an open rule.

My only concern is that this piece of legislation was defeated last week under suspension, and here we are bringing it back again this week because they could not get the necessary two-thirds vote that they wanted last week.

I think it is unfortunate that they bring a bill like this up under suspension, and when they cannot get what they want, they come back and bring it up 1 week later under an open rule.

So I think it is good that we have an open rule, but I am disappointed that we are discussing this issue again, because you feel like you can maybe get a majority but you cannot get the two-thirds under suspension.

So with that, I thank the gentleman for yielding.

Mr. GORDON. Mr. Speaker, for purposes of debate only, I yield 1 minute to the gentleman from Montana [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. Speaker, I thank my colleagues, and particularly the Committee on Rules, for the haste with which you have agreed to bring this bill back to the full House for consideration.

As will be discussed later during general debate, either this bill passes the House and Senate and is signed into law this spring or vital land north of Yellowstone National Park, America's first national park, will be harvested, subdivided, and developed against the wishes of both the public and the private sector.

This legislation, as I will explain later, is necessary to achieve that.

The gentleman who just spoke is correct, the bill did not receive the two-thirds necessary to pass under suspension, but it received a significant and considerable majority, and so in order for the majority to indeed rule here, we bring the bill back in a way in which a simple majority will pass this vital legislation.

I asked that the rule be open. I am glad the Committee on Rules did that, because this legislation can withstand any amount of scrutiny and discussion.

The arguments that were made during the suspension debate were, frankly, inaccurate, and close consideration would have discredited them.

Mr. GORDON. Mr. Speaker, I yield such time as he may consume to the gentleman from Minnesota [Mr. VENTO].

Mr. VENTO. Mr. Speaker, I want to, first of all, thank the Committee on Rules for the prompt response to this legislation.

It is necessary that we show some movement in order to deal with the specific problems of land purchase option.

But on the question of process which was raised very often, I am confident and hopeful that at the end of the day when the final vote comes on this that we will be able to receive nearly unanimous support for this bill from this body based on a deliberation of the content of the bill and the importance of it.

I think there was some misunderstanding last week. We were not aware of the concerns until the floor debate. This measure is a noncontroversial measure. I hope that it will remain that way today.

I think it has good support from all the constituencies involved, and certainly it has had bipartisan support in the past. I hope that is the case today.

□ 1240

It is necessary to move on this, and I hope that we could do so in an expedited manner under the open rule that is being offered today and which I urge my colleagues to support.

Mr. GOSS. Mr. Speaker, the purpose of this process is to discuss the rule. It seems we are in agreement on it. I have no further requests for time. I think we are going to have a good debate under this open rule.

Mr. Speaker, I yield back the balance of my time.

Mr. GORDON. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore [Mr. DARDEN]. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore. Pursuant to House Resolution 171 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 873.

The Chair appoints the gentleman from Colorado [Mr. SKAGGS] to preside over the Committee of the Whole, and requests the gentlewoman from California, Ms. SCHENK, to assume the chair temporarily.

□ 1241

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 873) entitled the "Gallatin Range Consolidation and Protection Act of 1993" with Ms. SCHENK (Chairman pro tempore) in the chair.

The clerk read the title of the bill.

The CHAIRMAN pro tempore. Pursuant to the rule, the bill is considered as read the first time.

Under the rule, the gentleman from Minnesota [Mr. VENTO] will be recognized for 30 minutes, and the gentleman from Utah [Mr. HANSEN] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. VENTO].

Mr. VENTO. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, H.R. 873, the Gallatin Range Consolidation Act, was introduced by my friend and colleague on the Natural Resources Committee, Mr. WILLIAMS. This bill would block up checkerboard land ownership in the Gallatin Range of the Gallatin National Forest in Montana. Through a series of exchanges between the Big Sky Lumber Co. and the Forest Service, approximately 80,000 acres would be added to the national forest. These lands are of great ecological importance. They, along with the rest of the Gallatin Range, are part of the greater Yellowstone ecosystem and include the endangered grizzly bear; one of the largest elk herds in the Nation; pristine watersheds, such as Eight Mile Creek, Big Creek, Porcupine Creek, and Taylor Fork; trout fisheries; and spectacular scenery.

Although these Gallatin Range lands are currently privately owned, they have remained unroaded and wild. However, if this legislation is not enacted, it is quite likely that the Big Sky Lumber Co., will road, log, and develop their Gallatin holdings. Adding to the urgency is the fact that options to purchase some of the lands for the Forest Service expire on June 1, therefore it is imperative that we move expeditiously on this legislation.

H.R. 873 is very similar to language that we passed in the House as part of the Montana Wilderness bill in the 100th Congress and again in the 102d Congress. There is also widespread support for the measure. Big Sky Lumber Co., an extensive landowner, the administration and the environmental community all testified in favor of the bill at the hearing on March 23, 1993. A significant majority of House Members voted in favor of the measure just last week. Unfortunately, by just six votes H.R. 873 failed to receive the two-thirds necessary for passage under the suspension of the rules.

The only opposition to the bill is based on misconceptions about the bill's cost. The claim that was made last week that the bill would cost $20 million in fiscal year 1994 is exaggerated. The CBO estimates that the total cost over 5 years is only potentially $12 to $20 million and that cost would occur only if some of the lands are acquired by purchase instead of exchange. In actuality, most, if not all of the lands acquired would probably be through exchange with very little cost to the Treasury.

Furthermore, this bill promotes more efficient government and ultimately could and should save the taxpayer money. It blocks up a checkerboard ownership pattern that has been hampering land managers since the turn of the century. It is in the economic interest of both the adjacent private landowner and the Federal Government to consolidate the land ownership so that the land can be managed properly. The bill also authorizes a severed minerals exchange. Currently, the Federal Government owns the subsurface rights, but not the surface rights on some lands and the surface rights, but not the subsurface on other lands. This situation greatly complicates land management. The bill corrects this inefficiency by consolidating Federal ownership so that the Federal Government owns both the surface and subsurface. If we do not pass this legislation, the difficulties involved in managing the checkerboard land ownership and the severed minerals will continue to be a drain on the Treasury.

I urge my colleagues to support this measure and help bring resolution to an issue that the Congress and the Forest Service have been trying to resolve since the 1920's.

Mr. BURTON of Indiana. Madam Chairman, will the gentleman yield?

Mr. VENTO. Madam Chairman, I yield to the gentleman from Indiana, Mr. BURTON, for a question.

Mr. BURTON of Indiana. I thank the gentleman for yielding.

Madam Chairman, I ask the question of the gentleman from Minnesota: In his statement he says that any or all of this land may be acquired or can be acquired by exchange during this 5-year period. Does he think there is a good possibility that that will occur?

Mr. VENTO. Reclaiming my time, there is a possibility, but we need the cash equalization provision. Seldom is there an acre-for-acre exchange developed. Very often landowners, of course, would prefer cash. But you need the cash equalization provisions that are authorized in this law. So that is the basis for keeping them in the law. The Forest Service has been granted this general authority, and it would be, I think, an error to take away that in this specific instance.

Madam Chairman, I reserve the balance of my time.

Mr. HANSEN. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, I support the intent of H.R. 873 which is to consolidate the onerous checkerboard land ownership in the Gallatin National Forest. This body previously considered this legislation on suspension where it was defeated for lack of a two-thirds majority. I believe the reason H.R. 873 received the opposition it did was because of the $20 million price tag and the large increase in Federal land ownership.

Coming from a State where the Federal Government owns two-thirds of our land, I believe we should make every effort to acquire lands through equal value exchanges which result in no net gains in Federal ownership and are of little cost to taxpayers.

Section 3 of H.R. 873 is largely based on an equal value land exchange between the Forest Service and the Big Sky Lumber Co. I, along with several of my colleagues, would prefer that the entire exchange be for equal value; however, I appreciate the difficulties Mr. WILLIAMS faces in orchestrating this large exchange and I do not oppose H.R. 873.

Madam Chairman, I reserve the balance of my time.

Mr. VENTO. Madam Chairman, I yield such time as he may consume to the gentleman from Montana [Mr. WILLIAMS].

Mr. WILLIAMS. I thank the gentleman for yielding this time to me.

My colleagues, I want to urge you to join me today in recommending this legislation, H.R. 873, the Gallatin Range Consolidation and Protection Act. This legislation, as has been said, consolidates lands north of Yellowstone National Park. That is to say, there are both private and public lands north of Yellowstone, which has created management problems and other problems, including access by the public to their own land, which they cannot get to because it is behind private land. So we have for many, many years, many decades, in fact, in Montana tried to develop some consolidation patterns for these lands near Yellowstone. This bill was presented under suspension of the rules last week, and although it received significant support by this body, a majority of support, it failed by only a few votes to receive the necessary two-thirds.

□ 1250

I argued that the legislation should come here today under an open rule, which it has, as I said during the limited debate on the rule. This legislation can stand any amount of scrutiny and any discussion.

Once the options, the history, and the risks are fully considered, virtually everyone who has considered this legislation and this action agrees with this approach and my goals.

This is not surprising, because the values we are dealing with are world-renowned; Yellowstone National Park, the only intact geyser basin left on Earth, this Nation's largest elk herd, endangered species, headwaters of the only and longest free flowing river in America.

And what else is at stake? There is an important Government policy and consideration that has been attempted ever since 1925.

The support for this legislation is bipartisan and is overwhelming. It includes myself as well as both our Senators, one Republican and one Democrat. It includes the Governor of Montana, a Republican. It includes the current White House, the administration, the Secretary of the Interior, unanimously the county commissioners in the county that is affected, the mayor of the closest large city, the city of Bozeman, the Montana Fish, Wildlife and Parks Agency. In this House it includes the House Natural Resources Committee and the Agriculture Committee, both of whom recommended this legislation with no opposition, and I want to stress not a single negative vote.

I could not list because time would not permit all the conservation organizations that support this legislation, but let me tell my colleagues that the list includes the Nature Conservancy, the Wilderness Society, the Greater Yellowstone Coalition, the Wildlife Federation, the Elk Foundation, and many others. The local snowmobile and motorcycle groups are in agreement, as are the local mills, timber mills, and the other local landowners are all in support of this legislation.

The private sector is in full support, and that includes both timber companies as well as real estate developers, as well as local merchants and local landowners.

Now, the reason they support this legislation is because it is the only solution to a very real public lands disaster that is looming if this legislation is not adopted and adopted by this Spring. Let me explain.

Just north of Yellowstone National Park the Gallatin Range connects to the other mountains of the Yellowstone ecosystem like the spokes in a wheel. This range was not protected when the park was set aside because every other section of that area was granted to the railroad as payment for the trans-America construction. This range's importance to the integrity of Yellowstone has never been questioned, however, and because of that this range essentially has remained wilderness ever since, even those portions privately held. This range is the home of the largest elk herd in America along with countless other species including the endangered grizzly bear. The range also is the headwaters of some of America's most pristine streams and rivers anywhere in this country.

The first attempt to consolidate these lands happened in 1925 and since then there have been many attempts to bring the Gallatin Range into public ownership. The Federal Government has invested to acquire the Elk Winter Range and the House of Representatives has many hours of hearings on the importance of these lands.

These lands north of Yellowstone are checker boarded into public and private ownership. As I say, that was due to the granting of public lands to the railroads in this Nation's earlier days.

Now, since then the railroad has sold its land to a private timber company. They did that, by the way, to avoid a hostile takeover, and that company has since again sold the lands to several new owners who are interested in timber and development. Part of the new sale arrangement requires that timber be provided off the private lands, and so now we face a very serious problem if we do not solve these intermingled land problems by the time the contractual timber harvest becomes necessary.

So it is clear now after a hundred years, the days of generous corporate neighborliness in and around Yellowstone Park are about to end, and increasingly these critical lands, wildlife and recreational lands, are going to be clearcut, harvested and developed, posted off limits or sold for private hunting rights.

If this legislation is not signed, I say again, a public lands disaster on Yellowstone National Park's northern border will occur.

As this body knows, this type of legislation is difficult to negotiate and even more difficult to pass through Congress. As custodians of our Federal land, Congress must be very careful that any trade we consider must meet the most stringent requirements of fairness, and value. The trade must clearly be in the public's interest and must fulfill public policy goals. I take this responsibility very seriously and have never considered any public land trade without clearly knowing that these goals be met. Montana has been aggressive in consolidating lands and we have never had a problem to date, not one, and that is only because we have assured that any consideration would meet good public policy goals. If my colleagues are concerned about placing a high threshold on these trades they should look to this process we used in Montana as the best model for this Nation.

These trades north of Yellowstone meet all policy requirements, and the 14 years that I have been involved in the discussion which brings us here this afternoon have shaped these trades to assure that they are absolutely in the public interest. Any changes in these trades or consideration of other trades anywhere in the country should meet the conditions we applied to these trades. The taxpayer and the public will be better off for it.

This legislation, by the way, does not represent the end of the Federal Government's interest in the Gallatin, the area north of Yellowstone. This legislation is just the continuation of an historic concern and this legislation I believe will set a clear process to identify and assure the continued protection of our national treasures in the greater Yellowstone area.

Madam Chairman, I strongly encourage the Members of this House to do what you did last week, and that is vote in significant majority for this legislation so that we can get on with consolidating the public lands where it is in the best interest of the public.

I doubt that there is anyone in this Chamber who believes that jeopardizing Yellowstone National Park is not in the best interest of the public.

Mr. VENTO. Madam Chairman, will the gentleman yield?

Mr. WILLIAMS. I yield to the gentleman from Minnesota.

Mr. VENTO. Madam Chairman, I just want to commend the gentleman for his statement. Of course, I concur in it, and for the 6 years of work he has put in. I think it is a very, very good work product, one that represents both a bipartisan and should receive the strong endorsement of this House. I hope that it will. I commend the gentleman for his good work on the committee.

Mr. WILLIAMS. Madam Chairman, I appreciate the kindness of the subcommittee chairman.

I want to thank the gentleman and members of the subcommittee on both sides of the aisle.

I want to thank my friend and colleague and helpmate on this matter, the gentleman from Utah [Mr. HANSEN] who not only has been a good friend, but on this matter has been an ally.

Mr. HANSEN. Madam Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. BURTON].

Mr. BURTON of Indiana. Madam Chairman, I thank the gentleman for yielding this time to me.

Do you have any idea how big Yellowstone National Park is? It is three times the size of Rhode Island. It is 2.2 million acres, and yet they want to buy another 70,000 acres to protect some lumber up there and keep that area from being developed.

Well, when you have development, if it is done in a proper way, you provide houses, you provide jobs, you provide economic expansion, and yet they want to spend up to $20 million to buy 70,000 more acres, when there is already 2.2 million acres in Yellowstone National Park.

Now, my question is, if this land is so valuable to the lumber industry, why does the Big Sky Lumber Co. want to sell it? Why do they want to exchange it? Could it be maybe there is some more valuable land someplace else they want to buy? And yet they want to spend $20 million at least to buy more land.

Do you know how much land is owned by the Federal Government? One-third of the United States of America.

We do not need all that land. We do not need to be spending taxpayer dollars to buy more land. We cannot afford it. The national debt is $4.35 trillion. The national debt each year increases by almost $400 billion.

□ 1300

Madam Chairman, we are not going to be able to survive if we keep blowing money, and this, I submit to my colleagues, is a quasi-pork barrel project. Now I am very concerned about this because we do not need to be buying this land. If it is so important, if it is so important, why do we not have a land trade? The gentleman from Minnesota [Mr. VENTO] said that they were going to have an attempt to make sure this is done in a trade mode, and yet they still say that it could cost $20 million.

Now the gentleman from Texas [Mr. DELAY] is going to be proposing in a short period of time a recommittal motion which will say in effect that it has to be done by a land trade, that this bill will not appropriate or authorize any money to buy this land.

Now I say to my colleagues when they come over here to vote that we must make hard choices on spending the taxpayers' money. We are talking about—Mr. Clinton is talking about—a tax and fee increase of $402 billion, the largest tax increase in U.S. history. All the spending cuts he is talking about are in the third, fourth, and fifth year, after the next election. But the tax increases are going to take place now.

So, what the American people want, I believe, is to have spending cut in Washington, to take a meat cleaver to wasteful programs, to not come up with more ways to spend their money, cut spending first, and then, if we cannot balance the budget, then start talking about taxes, but not taxes on the front end.

And yet bill after bill we have had coming before this body this year has spent more money without funding them, digging us deeper into the debt, and here we have today, instead of a land exchange, we have a bill that is going to cost $20 million that will add 70,000 acres to the Yellowstone National Park when there is already 2.2 million acres in there, three times the size of Rhode Island. We do not need it, we must make hard choices, and we must cut waste and pork out of Government spending.

And last week we defeated this turkey. We defeated it on this floor under suspension, and so, because we could not get the two-thirds vote here, they come back 1 week later and say, "Oh, my gosh, we have got to get this passed because the whole world is going to come to an end if we don't buy this 70,000 acres. We're going to have an ecological catastrophe up around Yellowstone."

That is baloney, that is baloney, and so I just say to my colleagues when you come over here to vote or when you start thinking about this, think about our constituents back home who are going to be paying for this.

Twenty million dollars, Madam Chairman; well, that is not a lot of money when we are talking about trillions, but Everett Dirksen once said, "A billion here, a billion there, and pretty soon you're talking about real money."

Madam Chairman, I just want to say to my colleagues, "Let's prioritize spending. Let's really take a close look at this. Let's support Congressman DELAY'S recommittal motion to have this be a real land trade instead of spending $20 million of the taxpayers' money that we don't have for this additional land."

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Indiana. I yield to the gentleman from Minnesota.

The CHAIRMAN. The time of the gentleman from Indiana [Mr. BURTON] has expired.

Mr. HANSEN. Mr. Chairman, I yield 2 additional minutes to the gentleman from Indiana [Mr. BURTON].

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Indiana. I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Chairman, is the gentleman from Indiana aware of the estimate that CBO provided; that is, between 12 and 20? It only talks about in the absence of land trades and equalization payments.

Is the gentleman aware of that?

Mr. BURTON of Indiana. I understand that.

Mr. VENTO. And that is the agreements that exist. Has the gentleman reviewed the agreements that exist that would, of course, greatly reduce this number so that the Forest Service in essence is really, I think, accomplishing this without the expenditure of a great deal of money, at least the minimal? But the CBO insists upon these very conservative estimates, and I think they should, but I think it does—I think there is a misunderstanding about the fact that no $20 million would be expended in this case.

Mr. BURTON of Indiana. If I might just respond, I would just like to say that according to CBO it could cost $13 to $20 million. I do not want to spend that. I do not want there to be any risk of $13 to $20 million. I want it to be done on a strictly land trade basis.

Mr. VENTO. Is the gentleman aware that very often that acre for acre it may not be worth the same, and so we run into a problem where we need to equalize using dollars that were not in the barter system——

Mr. BURTON of Indiana. Well, I think I have made my point, and I understand the gentleman's position.

Mr. VENTO. Mr. Chairman, I yield 4 minutes to the gentleman from Montana [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. Chairman, I thank the gentleman from Minnesota [Mr. VENTO] for yielding this time to me. I just want my colleagues here in the Chamber and those watching this debate from their offices on closed circuit to understand that what the gentleman from Indiana [Mr. BURTON] has just said is, in my judgment, a potential possible; that is, misrepresentation. Now, Mr. Chairman, I do not accuse him of purposefully doing that. I just want to be sure that my colleagues understand that the gentleman from Indiana spoke about the size of America's first national park, Yellowstone, as if to indicate, perhaps not by intentional misrepresentation, but as if to indicate that this legislation was somehow going to expand the size of Yellowstone Park. That is not at all what this legislation is about.

Mr. Chairman, the gentleman further indicates in what I think is a misrepresentation, although probably not intentional, that this bill is going to cause the taxpayers to spend upwards of $20 million. That is not so. Our good colleague, former colleague, Morris Udall, used to have a number of laws that he would recite, and I recall Udall Law No. 37, which was: "When in doubt, as a last resort try reading the bill." This bill authorizes $3.4 million, and only $3.4 million, to be used in case we cannot do an acre-for-acre trade. Now some further trading is envisioned in the future, and it may be that, if we have to buy that land because we are unable to trade any of it, CBO says the cost could go as high as $20 million. We have already traded approximately 60 percent acre-for-acre, so we have already ensured that the cost would be nowhere near $20 million, and we are under this bill not appropriating a penny. We are only authorizing $3.4 million for a good, excellent, worthwhile, bipartisanly supported exchange and potential buyout of land north of Yellowstone National Park.

My colleagues, let me conclude these 4 minutes by saying this: If a year from now, which may happen if this bill doesn't pass, you wake up and look at one of the investigative news programs, hour-long news programs, with helicopter footage north of Yellowstone Park of subdivisions, roading, clearcuts, siltation in the pristine Yellowstone River, denial of habitat to the endangered grizzly bear, ruination of the elk calving grounds of America's largest elk herd, then my colleagues and the public are going to undergo a storm of public protest. That's what the gentleman from Indiana would lead you to. But a clear and significant majority on both the Republican and Democrat side on the Committee on Agriculture, the Committee on Natural Resources and in this House last week would prefer to avoid that by keeping this land for the public, by keeping this land and placing it in Federal ownership, by protecting America's first national park, Yellowstone.

Mr. HANSEN. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana [Mr. BURTON].

Mr. BURTON of Indiana. Mr. Chairman, the gentleman from Montana [Mr. WILLIAMS] would have us believe that the elk, and the bears and the wildlife are all going to be dying if we do not buy this 70,000 acres. I would like to remind my colleagues that they have got 2.2 million acres in Yellowstone National Park. Now, if this is developed up there into housing and there is some commercial development, what is wrong with that? What provides jobs for America? What provides new housing for America?

For crying out loud, they got 2.2 million acres, and, if my colleagues think the bears, and elk and everybody else is going to die because of 70,000 acres, there is something wrong.

Now with regard to whether or not this is going to be a part of Yellowstone National Park, the gentleman did say it is going to be public lands, I believe. Maybe it is not a part of Yellowstone, but it is still owned by the Federal Government at taxpayers' expense, and it is not necessary.

□ 1310

The gentleman said well, this money will not be appropriated. We may just do it all by land transfer.

If that is the case, why in the bill does it say in three different places that they are going to appropriate such sums as are necessary to acquire this land? Why do you not put a fixed figure in there?

The fact of the matter is the world is not going to come to an end if the Government does not buy another 70,000 acres, when they already own one-third of the Nation, and it is not going to come to an end if they develop that and put some housing up there, if it is done in a responsible and ecologically well-thought-out way, and that can be done.

There are 2.2 million acres in Yellowstone. If this cannot be done in a land transfer way, in my opinion, then we should not be buying this land.

Finally, I did not hear the answer: why does Big Sky Lumber Co. want to divest itself of the 70,000 acres, if it is such a good deal?

Mr. Chairman, I yield 2 minutes to the gentleman from Montana [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. Chairman, in answer to the gentleman from Indiana [Mr. BURTON], the reason the private sector, including timber companies and real estate developers who have the opportunity to develop this land and choose not to, unlike the gentleman from Indiana, who would force them to go ahead and develop it anyhow, the reason they do not want to do so is because they recognize the fragile nature of this area and they want their development, they want their timber harvest, but they recognize they should do it in other places, which we will provide for them. We will take Federal land in other places and turn it into private land so they can develop it.

The gentleman from Indiana [Mr. BURTON] is absolutely wrong. The private sector does not agree with him, the developers do not agree with him, the people that want these jobs do not agree with him. The gentleman stands virtually alone in trying to force this development north of Yellowstone.

One other point: apparently the gentleman from Indiana [Mr. BURTON] does not understand that there are places in America that represent the brow of America's last hill.

There is one, one, free-flowing major river left in this country, undeveloped and undammed. One. The Yellowstone River.

Some people believe that almost nothing has been developed in America. Apparently the gentleman from Indiana is one of them, and he would develop every last inch, all in the beloved name of jobs, even though you can create that many and more jobs by developing in other areas that can sustain and absorb that development.

Montana and Yellowstone represent, in our own way, the brow of America's last hill. Montana's slogan is "The last best place." We do not say that with pride, quite often we say it with sadness.

There are a few Americans left that still do not understand it, and apparently the gentleman from Indiana [Mr. BURTON] is, tragically, one of them.

Mr. VENTO. Mr. Chairman, I yield 2 minutes to the gentleman from Arizona [Mr. COPPERSMITH].

Mr. COPPERSMITH. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, my colleague, the gentleman from Montana [Mr. WILLIAMS], quoted Mo Udall, and I would like to do so as well, of representing part of his old district. Everything I think has been said, but not everyone has said it. I would like to add my contribution.

I think two facts need repeating. The first is that Yellowstone is first and I think possibly the greatest national park in the world. The checkerboard pattern of land ownership in the West are prevalent here. We need to solidify those ownerships. This bill represents the last best opportunity to do that.

Failure to act not only hurts the future of the park and fragile ecosystem, but also prevents privately owned ownership from doing what they would with property that they have because of conflicts with the park and the pressures that they undergo.

I would suggest to the gentleman from Indiana [Mr. BURTON] that if he could persuade the elk to move, that that might be a better use of his time. But you have to deal with the ecosystem as it is there. The political pattern of land ownership does not recognize the natural realities. This bill is the last best opportunity to straighten that out.

The second point is that I think the gentleman from the other side is absolutely correct, we should only spend money when it is absolutely necessary. But I think this bill meets that test.

First, the bill anticipates trading for most of the land. Not all of it is going to be money. Money is only there to the extent you cannot find possible trades or the trades do not balance out.

It is also again the last chance because the rights involved will expire and open the area up to timbering.

Finally, this is an authorization bill. Every year we will have the opportunity to take the pencil to the appropriation under this authorization.

I was last in Yellowstone Park about 6 months ago. I have ridden a horse through clearcut areas of the Gallatin Range north of the park. I was last in Yellowstone before that with my two kids, my daughter Sara and my son Ben. My youngest son had not been born then.

I think while we want a return to our country and make sure that we have spent the money wisely, one of the reasons why I am here is to protect our country's national heritage. And I want to make sure that the Yellowstone ecosystem is protected so that I can take my son Lou, who has never had a chance to see Yellowstone, there, and that the elk will be there and the ecosystem will be protected.

I think about my constituents as well, and I think my children and my constituents deserve to have the park protected.

I would also like to thank my colleague, the gentleman from Montana [Mr. WILLIAMS], as well as the Greater Yellowstone Coalition for their work on this bill.

Mr. HANSEN. Mr. Chairman, I yield 4 minutes to the gentleman from California [Mr. POMBO], a member of the Subcommittee on Natural Resources.

Mr. POMBO. Mr. Chairman, I rise in opposition to this bill. I originally decided that I was just going to vote against it and that there was no need to debate it, until I heard some of the comments that came on this bill earlier.

Mr. Chairman, as was previously stated, the Federal Government owns about one-third of the United States right now and about half of the State I come from, California. I have no opposition to protecting this land from development, if it is worked out among the people of Montana and it is important to the people of Montana that this land be protected. But I do believe that in the tight budgetary times that we have, that we should not risk even spending as little as $3 million, as was stated, on purchasing more land.

I believe that before we add any new land to the Federal Government's large stockholdings that they already have, that what we do have should be traded away or sold, and the money from those sales used to purchase more. That a trust fund should be set up to hold the money to purchase the land, if that is what we have to do.

From my reading on this issue, I understand that they have been trying to purchase this land or trade for this land since the 1920's, and even since that time this land has been in eminent danger of being developed or logged.

I keep hearing the same argument since I got to Congress, for the last 4 months. Every time we go to purchase more land it is in eminent danger of being developed or in eminent danger of being logged or in eminent danger of a road being put across it, and we continue to buy more and more land all the time.

If we do determine that it is in the public good to put aside some land, then what we should do is try to trade for it first. If that does not work, then we should sell some other land and take that money to purchase that land.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. POMBO. I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Chairman, I appreciate my colleague's comments and concern. I would say that each year the BLM does regularly publish a book entitled "Public Land Statistics" that indicates that from 1979 to 1989 total land ownership dropped from about 32.4 percent to about 29.1 percent of the ownership. In Montana specifically it went down from 29.7 percent to 27.7 percent, so it dropped nearly 2 percentage points.

Furthermore, I would suggest to my colleague that the pattern that the gentleman has asked for is exactly what has been followed here. To proceed with trading acre for acre, and the moneys are used for capitalization. They have been working on this now more intensely for the last 6 years.

So the agreements are in place, and what we are really trying to do is there is a crisis here. That is why we are here.

Many times the proposals come before us because there is a crisis and there is a need for legislative action to deal with it. So we are not bringing these up arbitrarily or simply on the basis of using that, but it is because there are that many problems and Congress has demanded to stay involved.

I include for the RECORD the remaining statistics on land ownership decreases from 1979 to 1989:

THE MYTH OF INCREASING FEDERAL LAND OWNERSHIP

The Bureau of Land Management (BLM) regularly publishes a book entitled "Public Land Statistics" which includes a table entitled "Comparison of federally owned land with total acreage of States".

Data from this source shows that there not only has been no significant increase in the total amount of land owned by the national government, but that in fact this total has decreased in recent years.

The BLM data show that—

in fiscal 1979 the national government owned about 737.655 million acres, or about 32.48 per cent of the land in the United States;

in fiscal 1989 (the most recent year for which data are available) that had gone down—to about 662.158 million acres, or 29.15 per cent.

In other words—between fiscal 1979 and fiscal 1989, Federal land holdings decreased by more than 75 million acres.

The data for some individual States show similar decreases. For example, between fiscal 1979 and fiscal 1989:

Alaska went down from over 89% federal ownership to 67.8%;

Nevada went down from a little over 86% to just over 82%;

Idaho went down from about 63.8% to about 62.6%;

Oregon went down from about 52.46% to about 48.16%;

Colorado went down from about 35.5% to just over 34%; and

Montana went down from about 29.7% to about 27.7%.

Mr. POMBO. Mr. Chairman, reclaiming my time, just to follow up with what the gentleman from Minnesota [Mr. VENTO] said, if that is truly the intent, then the motion to recommit that the gentleman from Texas [Mr. DELAY] is going to present in a few minutes should be agreeable to the gentleman and his colleagues on that side, in that what we really want to do is trade or sell other land and use that money. So there really should be no problem with doing that. Then I believe we should come to some kind of agreement on our side on doing that.

□ 1320

Mr. BURTON of Indiana. Mr. Chairman, will the gentleman yield?

Mr. POMBO. I yield to the gentleman from Indiana.

Mr. BURTON of Indiana. Mr. Chairman, I just want to set the record straight. I do believe in the ecology and a safe environment. And I kind of resent my colleagues from the other side, because I want to stop this expenditure of money or potential expenditure of money, I kind of resent them saying that I am for destroying a large part of our national heritage. That could not be further from the truth.

I just want to make sure that we are not wasting taxpayers' money in the process.

I think in this particular case we may be doing that.

Mr. VENTO. Mr. Chairman, I yield myself 2 minutes.

I appreciate the comments of the gentleman from Indiana concerning his concern about the environment and the area. But notwithstanding that, the gentleman did suggest that this area was not essential to Yellowstone Park.

What I want to point out, and what the gentleman from Montana tried to point out, is there are four key watersheds that are covered by this area that flow into Yellowstone River.

This map, I guess, is not adequate to demonstrate that. But they occur in the southern area here in the Porcupine Area, Eight Mile Creek, Big Creek, and there is an additional one in there, which I cannot see, but what we are facing here, and what I am trying to point out, is those watersheds flow into there. And if we do not deal with them, they directly flow into Yellowstone Park.

Yes, this is a big park, three times or four times the size of Rhode Island, but that means it is also very important.

This is a key issue. They had the foresight to make this one of our first parks and protect this 2.3, 2.4-million-acre area.

I think that that was great foresight in the 19th century.

What I am asking my colleagues today, with all of our wisdom and knowledge about the environment, is to take additional steps so that we can consolidate land in the Forest Service.

The Forest Service, actually, in managing these lands, faces a lot of expenses.

If we look at this land pattern, it does not take, I do not think, a rocket scientist to realize that it costs a lot more to manage a pattern of land like that that is going to be developed.

We are going to have roads cut through areas on public lands. We have to give access to them, under the rights that we recognize for property owners. And that is really what we are after, is to eliminate this and to trade out a lot of it.

But when we trade it, we cannot force a land owner, a property owner to say, "You must take some land that is in public ownership over here in eastern Montana or in some other part of Montana." Once in a while we are going to have to come back on an equal value basis. We cannot accomplish that. We have to have the cash equalization.

They have the agreements. They are in place. But we are going to have to spend some money. We cannot do it. This thing does not fit. We cannot fit a round peg into a square hole in this instance, and that is what the gentleman, of course, is attempting to do.

So I would hope that we could defeat the motion to recommit and recognize the common sense of this proposal.

Mr. HANSEN. Mr. Chairman, I yield 1 minute to the gentleman from Indiana [Mr. BURTON].

Mr. BURTON of Indiana. Mr. Chairman, I would just like to say that with the vast holdings of the U.S. Government, as far as lands are concerned, it seems to me inconceivable that the Big Sky Lumber Co. or any privately owned corporation that owns land in or around Yellowstone National Park could not find other land that they would like to have in lieu of that land.

In essence what I am saying is, we have got plenty of land. There could be a land transfer. We can get land from any part of the country, if that is required, to replace this land, if this land should not be developed.

But for the taxpayer to spend up to $20 million for additional land at a time when we do not have the resources seems to me irresponsible.

Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. VENTO. Mr. Chairman, I yield 1 minute to the gentleman from Montana [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. Chairman, I thank the gentleman for yielding time to me.

I do not want to see vast increases in Federal holdings of land in the United States, and maybe we ought to just take a minute to look at the facts, rather than listen to the rhetoric.

During the last decade the amount of land that the Federal Government holds has been decreasing, not increasing.

In 1979, the public, the Federal public owned 737 million acres of land. Ten years later, it was not 737 million acres; it was 652 million acres.

One can argue that that is bad or good, but the point is that the other side, at least one gentleman on the other side, would have us believe that the Federal Government was just consuming additional millions of acres of land.

I am not supportive of that. Most Members, I believe, would not be supportive of that. And that, in fact, is not what is happening.

However, there are some parcels of land to which the public deserves access, and it is in the public good to protect it. And that is what we are trying to do here.

Mr. VENTO. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, I point out that in that decade that we were recording here, the statistics are available to everyone. That is 75 million acres less in land.

This is not a quantitative gain; it is a qualitative gain, in terms of what those resources are, how they affect special areas like Yellowstone and other areas.

We just want the Forest Service to have the opportunity to manage this.

Incidentally, I might point out that these natural resource land managers actually bring in revenue to the National Government in terms of the work that they do.

I think that that is important to recognize, as well, that these lands are not static. They are very much a key part of production of income and of this Nation.

Mr. HANSEN. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. DELAY].

Mr. DELAY. Mr. Chairman, I do not want to belabor a point, but it just seems to me that facts are not being thrown out here. They are being twisted.

The reason the Federal lands have been going down in numbers of acres is the Alaska Statehood Act that turned tens of millions of acres back to private ownership and to tribal lands.

It was not that people were giving up Federal lands. It is that Alaska became a State, and that is why the numbers of acres have been decreasing.

The net is an increase. The net is an increase. And besides that fact, the gentleman stated that 60 percent of this Gallatin National Forest is being dealt with through land exchange agreements.

I only know of one agreement that has even been signed. Are all the other agreements signed agreements? The gentleman acts as if it is all a done deal. Are these agreement actually signed agreements and done deals? No, they are not.

So this is not a done deal, and we are exposing the Federal Government to expenditures of millions of dollars in buying these lands.

Mr. VENTO. Mr. Chairman, I yield myself 1 minute.

I want to call the gentleman's attention to the fact that he makes a point in terms of Alaska having an impact in terms of that 75 million acres. But specifically, the public ownership in Montana went down. The public ownership of land in Colorado went down, significantly. The public ownership in Nevada went down by 4 percent. Public ownership in Idaho went down.

So those are the facts that the gentleman has to reconcile with his view, which I understand is, he needs to do his homework in terms of this issue.

The fact is that there are agreements, the Big Sky Lumber Co. There is an option on that land. That is substantially the bulk of what we are talking about in terms of surface ownership. But there are agreements outstanding with regard to Burlington Northern in terms of the severed mineral rights. So that is another signed agreement.

We can go through this. We did go through this in the subcommittee. The committee did a fine job on this. This bill deserves support.

I do not think that there has been a credible reason here offered, other than the fact that the gentleman has got sort of a stubborness in terms of responding that he is going to have it this way and that. The gentleman is entitled to his own opinions. He is not entitled to his own facts.

I would point out to the gentleman that the facts are not supportive of his assumptions.

Mr. ORTON. Mr. Chairman, in this time of a severe budget crisis, the Federal Government simply should not be engaging in the luxury of purchasing 70,000 acres of land for $20 million. This purchase is especially ludicrous in light of the fact that the Forest Service is already overburdened and is unable to care for its existing lands.

I favor true land exchanges. My own State of Utah is facing a similar problem and would benefit greatly from a true land exchange. In a true land exchange, the Federal Government would trade lands to private landowners in exchange for a transfer of private lands to the Forest Service. That is land exchange, H.R. 873 is not. The DELAY motion would instruct the committee to bring back H.R. 873 with lands acquired through equal value land exchange.

A vast majority of my State is owned by the Federal Government. There are ample Federal lands in my State, in Montana and other States, to offer in true exchange with private landowners. Only through such a true exchange can we achieve the worthy goals of H.R. 873 without spending $20 million, eroding local tax bases, and overburdening our Forest Service.

I urge my colleagues to vote in favor of the motion to recommit.

Mr. HANSEN. Mr. Chairman, I yield back the balance of my time.

Mr. VENTO. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the committee amendment in the nature of a substitute printed in the bill, shall be considered as an original bill for purpose of amendment and each section is considered as read.

The Clerk will designate section 1.

The text of section 1 is as follows:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Gallatin Range Consolidation and Protection Act of 1993".

The CHAIRMAN. Are there any amendments to section 1?

□ 1330

If not, the Clerk will designate section 2.

Mr. VENTO. Mr. Chairman, I ask unanimous consent that the remainder of the committee amendment in the nature of a substitute be printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The text of the remainder of the committee amendment in the nature of a substitute is as follows:

SEC. 2. FINDINGS.

The Congress finds that:

(1) It has been the clear policy of the Federal Government since 1925 to consolidate the checkerboard lands along the Gallatin Range north of Yellowstone National Park.

(2) These lands north of Yellowstone possess outstanding natural characteristics and wildlife habitat which give them high value as lands added to the National Forest System.

(3) Although these lands have historically remained pristine up to now, failure to consolidate at this time will in the near future lead to fragmentation and development.

(4) The Federal Government has already invested a great deal in keeping the land along the Gallatin Range protected from excess development.

SEC. 3. PLUM CREEK LAND EXCHANGE—GALLATIN AREA

(a) IN GENERAL.—The Secretary of Agriculture (hereinafter in this Act referred to as the "Secretary") shall, subject to the provisions of sections 4(a) and 5(a) and notwithstanding any other provision of law, acquire by exchange and cash equalization in the amount of $3,400,000, certain lands and interests in land of the Plum Creek Timber, L.P. (hereinafter in this section referred to as the "company"), in and adjacent to the Hyalite-Porcupine-Buffalo Horn Wilderness Study Area, the Scapegoat Wilderness Area, and other land in the Gallatin National Forest in accordance with this section.

(b) DESCRIPTION OF LANDS.—(1) If the company offers to the United States the fee title, including mineral interests, to approximately 37,752 and 15/100 acres of land owned by the company which is available for exchange to the United States as depicted on a map entitled "Plum Creek Timber and Forest Service Proposed Gallatin Land Exchange", dated May 20, 1988, the Secretary shall accept a warranty deed to such land and, in exchange therefor, and subject to valid existing rights, upon such acceptance the Secretary of the Interior shall convey, subject to valid existing rights, by patent fee title to approximately 12,414 and 6/100 acres of National Forest System lands available for exchange to the company as depicted on such map, subject to—

(A) the reservation of ditches and canals required by the Act entitled "An Act making appropriations for sundry civil expenses of the Government for the fiscal year ending June thirtieth, eighteen hundred and ninety-one, and for other purposes", approved August 30, 1890 (26 Stat. 391; 43 U.S.C. 945);

(B) the reservation of rights under Federal Oil and Lease numbers 49739, 55610, 40389, 53670, 40215, 33385, 53736, and 38684; and

(C) such other terms, conditions, reservations, and exceptions as may be agreed upon by the Secretary and the company.

(2) On termination or relinquishment of the leases referred to in paragraph (1), all the rights and interests in land granted therein shall immediately vest in the company, its successors and assigns, and the Secretary shall give notice of that event by a document suitable for recording in the county wherein the leased lands are situated.

(c) EASEMENTS.—Reciprocal easements shall be exchanged at closing on the conveyances authorized by this section—

(1) in consideration of the easements conveyed by the company as provided in paragraph (2) of this subsection, the Secretary shall, under authority of the Act of October 13, 1964 (16 U.S.C. 532 et seq.; commonly referred to as the "National Forest Roads and Trails Act"), or the Federal Land Policy and Management Act of 1976, execute and deliver to the company such easements or other rights-of-way authorizations over federally owned lands included in this exchange as may be agreed to by the Secretary and the company in an exchange agreement; and

(2) in consideration of the easements conveyed by the United States as provided in paragraph (1), the company shall execute and deliver to the United States such easements or other rights-of-way authorizations across company-owned lands included in this exchange as may be agreed to by the Secretary and the company in an exchange agreement.

(d) TIMING OF TRANSACTION.—Subject to the provisions of sections 4(a) and 5(a) of this Act, it is the intent of Congress that the conveyances authorized by this section be completed within 90 days after the date of enactment of an Act making the appropriation authorized by subsection (e).

(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section the sum of $3,400,000, which amount the Secretary shall, when appropriated, pay to the company to equalize the value of the exchange of land authorized by this section.

(f) QUALITY OF TITLE.—Title to the properties referenced in this section to be offered to the United States by Big Sky Lumber Company, its assignees or successors in interest, shall include both the entire surface and subsurface estates without reservation or exception. The owner shall be required to acquire any outstanding interest in mineral or mineral rights, timber or timber rights, water or water rights, or any other outstanding interest in the property, except reservations by the United States or the State of Montana by patent, in order to assure that title to the property is transferred as described in this section and sections 4, 5, and 6. Title to land to be conveyed to the United States shall be acceptable to the Secretary and shall otherwise be in conformity with title standards for Federal land acquisitions.

(g) REFERENCES.—The reference and authorities of this section referring to Plum Creek Timber Company, L.P., shall also refer to its successors and assigns.

SEC. 4. LAND CONSOLIDATION; PORCUPINE AREA.

(a) IN GENERAL.—The exchange described in section 2 of this Act shall not be consummated by the Secretary until the Secretary or a not-for-profit corporation (hereinafter in this section referred to as the "conservation entity") exempt from Federal taxation under section 501(c)(3) of the Internal Revenue Code of 1986 acting for later dispositions to the United States, shall have acquired, by purchase or option to acquire, or exchange, all of the Porcupine property for its fair market value, determined at the time of acquisition in accordance with appraisal standards acceptable to the Secretary by an appraiser acceptable to the Secretary and the owner. And further that, if said acquisition or option to acquire has been consummated by a conservation entity, said entity shall have notified the Secretary that the quality of title in fact secured meets applicable Forest Service standards with respect to surface and subsurface estates or is otherwise acceptable to the Secretary.

(b) AUTHORIZATION OF ACQUISITION.—The Secretary is authorized and directed to acquire by purchase or exchange the lands and interests therein as depicted on a map entitled "Porcupine Area", dated September, 1992.

(c) LAND ACQUISITION AUTHORITIES.—Acquisitions pursuant to this section shall be under existing authorities available to the Secretary.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out the purposes of this section. Funds necessary for land acquisition are authorized to be appropriated from the Land and Water Conservation Fund.

(e) REFERENCES.—The reference and authorities of this section referring to the owner shall mean the Big Sky Lumber Company, and its successors and assigns.

SEC. 5. LAND CONSOLIDATION—TAYLOR FORK AREA.

(a) IN GENERAL.—The exchange described in section 3 of this Act shall not be consummated by the Secretary until the Secretary or a not-for-profit corporation (hereinafter in this section referred to as the "conservation entity") exempt from Federal taxation under section 501(c)(3) of the Internal Revenue Code of 1986 acting for later disposition to the United States, shall have acquired, by purchase or option to acquire, or exchange, all of the Taylor Fork property for its fair market value, determined at the time of acquisition in accordance with appraisal standards acceptable to the Secretary by an appraiser acceptable to the Secretary and the owner. And further that, if said acquisition or option to acquire has been consummated by a conservation entity, said entity shall have notified the Secretary that the quality of title in fact secured meets applicable Forest Service standards with respect to surface and subsurface estates or is otherwise acceptable to the Secretary.

(b) Authorization for Acquisition.—The Secretary is authorized and directed to acquire by purchase or exchange the lands and interests therein as depicted on a map entitled "Taylor Fork Area", dated September, 1992.

(c) Land Acquisition Authorities.—Acquisition pursuant to this section shall be under existing authorities available to the Secretary, except that notwithstanding any other provision of law, exchanges authorized in this section shall not be restricted within the same State.

(d) Authorization of Appropriations.—There are authorized to be appropriated such sums as are necessary to carry out the purposes of this section. Funds necessary for land acquisition are authorized to be appropriated from the Land and Water Conservation Fund.

(e) References.—The reference and authorities of this section referring to the owner shall mean the Big Sky Lumber Company, and its successors and assigns.

(f) Reports to Congress.—For a period of 2 years from the date of enactment of this Act, the Secretary shall report annually to the Committee on Natural Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate, on the status of the negotiations with the company or its successors in interest to effect the land consolidation authorized by this section.

SEC. 6. LAND CONSOLIDATION—GALLATIN AREA.

(a) In General.—It is the policy of the Congress that the Secretary shall attempt to acquire by purchase or exchange all lands within what is generally known as the Gallatin Range owned by Big Sky Lumber Company, its assignees or successors in interest, not otherwise acquired, purchased, or exchanged pursuant to sections 3 and 4 of this Act.

(b) Authorization for Acquisition.—The Secretary is authorized and directed to acquire by purchase or exchange the lands and interests therein as depicted on a map entitled "Gallatin Area", dated September 1992.

(c) Land Acquisition Authorities.—Acquisitions pursuant to this section shall be under existing authorities available to the Secretary, except that notwithstanding any other law, exchanges authorized in this section shall not be restricted within the same State.

(d) Authorization of Appropriations.—There are authorized to be appropriated such sums as are necessary to carry out the purposes of this section. Funds necessary for land acquisition are authorized to be appropriated from the Land and Water Conservation Fund.

(e) Quality of Title.—The quality of title to the properties references in this section in fact secured shall meet applicable Forest Service standards with respect to surface and subsurface estates or shall otherwise be acceptable to the Forest Service.

(f) References.—The references and authorities of this section referring to the Big Sky Lumber Company, shall also refer to its successors and assigns.

(g) Reports to Congress.—For a period of 3 years from the date of enactment of this Act, the Secretary shall report annually to the Committee on Natural Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate on the status of the negotiations with the company or its successors in interest to effect the land consolidation authorized by this section.

SEC. 7. SEVERED MINERALS EXCHANGE.

(a) Findings.—The Congress finds that—

(1) underlying certain areas in Montana described in subsection (b) are mineral rights owned by subsidiaries of Burlington Resources, Incorporated, its successors and assigns (referred to in this section as the "company");

(2) there are federally-owned minerals underlying lands of the company lying outside those areas;

(3) the company has agreed in principle with the Department of Agriculture to an exchange of mineral rights to consolidate surface and subsurface ownerships and to avoid potential conflicts with the surface management of such areas; and

(4) it is desirable that an exchange be completed within 2 years after the date of enactment of this Act.

(b) Description of Mineral Interests.—(1) Pursuant to an exchange agreement between the Secretary and the company, the Secretary may acquire mineral interests owned by the company or an affiliate of the company thereof underlying surface lands owned by the United States located in the areas depicted on the maps entitled "Severed Minerals Exchange, Clearwater-Monture Area", dated September 1988 and "Severed Minerals Exchanges, Gallatin Area", dated September 1988, or in fractional sections adjacent to those areas.

(2) In exchange for the minerals interests conveyed to the Secretary pursuant to paragraph (1), the Secretary of the Interior shall convey, subject to valid existing rights, such federally owned mineral interests as the Secretary and the company may agree upon.

(c) Equal Value.—(1) The value of mineral interests exchanged pursuant to this section shall be approximately equal based on available information.

(2) To ensure that the wilderness or other natural values of the areas are not affected, a formal appraisal based upon drilling or other surface disturbing activities shall not be required for any mineral interest proposed for exchange, but the Secretary and the company shall fully share all available information on the quality and quantity of mineral interests proposed for exchange.

(3) In the absence of adequate information regarding values of minerals proposed for exchange, the Secretary and the company may agree to an exchange on the basis of mineral interests of similar development potential, geologic character, and similar factors.

(d) Identification of Federally Owned Mineral Interests.—(1) Subject to paragraph (2), mineral interests conveyed by the United States pursuant to this section shall underlie lands the surface of which are owned by the company.

(2) If there are not sufficient federally owned mineral interests of approximately equal value underlying lands, the Secretary and the Secretary of the Interior may identify for exchange any other federally owned mineral interest in land in the State of Montana of which the surface estate is in private ownership.

(e) Consultation With the Department of the Interior.—(1) The Secretary shall consult with the Secretary of the Interior in the negotiation of the exchange agreement authorized by subsection (b), particularly with respect to the inclusion in such an agreement of a provision calling for the exchange of federally owned mineral interests lying outside the boundaries of units of the National Forest System.

(2) Notwithstanding any other law, the Secretary of the Interior shall convey the federally owned mineral interests identified in a final exchange agreement between the Secretary of Agriculture and the company and its affiliates.

(f) Definition.—For purposes of this section, the term "mineral interests" includes all locatable and leasable minerals, including oil and gas, geothermal resources, and all other subsurface rights.

SEC. 8. GENERAL PROVISIONS.

(a) Maps.—The maps referred to in sections 3, 4, 5, 6 and 7 are subject to such minor corrections as may be agreed upon by the Secretary and the company. The Secretary shall notify the Committee on Energy and Natural Resources of the United States Senate and the Committee on Natural Resources of the United States House of Representatives of any corrections made pursuant to the subsection. The maps shall be on file and available for public inspection in the office of Chief, Forest Service, United States Department of Agriculture.

(b) Title of Lands Conveyed to the United States.—the rights, title and interests to any lands conveyed to the United States in furtherance of section 4 in the Porcupine Area, section 5 in the Taylor Fork Area, and section 6 in the Gallatin Area shall, at a minimum, consist of the surface estate and all the subsurface rights except that the Secretary may accept title subject to outstanding or reserved oil and gas and geothermal rights, except that there shall be no surface occupancy permitted on such Federal lands for any access to reserved or outstanding rights or any exploration or development thereof. Notwithstanding any provision of State law, section 1323(a) of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3210(a)), or similar law pertaining to access over federally owned land, no portion of lands acquired by the United States in furtherance of this Act shall be available for access to, or exploration or development of, any reserved or outstanding oil, gas, geothermal or other non-Federal property interest.

(c) National Forest Lands.—All lands conveyed to the United States in furtherance of this Act shall be added to and administered as part of the National Forest system lands by the Secretary in accordance with the laws and regulations pertaining to the National Forest System. Until Congress determines otherwise, lands acquired within the Hyalite-Porcupine-Buffalo Horn Wilderness Study Area shall be managed so as to maintain the present wilderness character and potential for inclusion in the National Wilderness Preservation System in accordance with Public Law 95–150. Other lands acquired shall be subject to the Gallatin National Forest planning process under the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1601 et seq.).

The CHAIRMAN. Are there any amendments?

If not, the question is on the committee amendment in the nature of a substitute.

The committee amendment in the nature of a substitute was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose, and the Speaker pro tempore (Mr. MONTGOMERY) having assumed the chair, Mr. SKAGGS, chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 873) entitled the "Gallatin Range Consolidation and Protection Act of 1993," pursuant to House Resolution 173, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the committee amendment in the nature of a substitute.

The committee amendment in the nature of a substitute was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. DELAY

Mr. DELAY. Mr. Speaker, I offer a motion to recommit with instructions.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. DELAY. I am opposed to the bill in its present form, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. DELAY moves to recommit the bill H.R. 873 to the Committee on Natural Resources with instructions to reconsider the same and to report back promptly.

The SPEAKER pro tempore. The gentleman from Texas [Mr. DELAY] is recognized for 5 minutes in support of his motion to recommit.

Mr. DELAY. Mr. Speaker, I find myself in substantial agreement with the legislative intent for H.R. 873 of the gentleman from Montana [Mr. WILLIAMS] believe it or not, which is to consolidate the present unworkable checkerboard land ownership pattern in the Gallatin National Forest. It certainly makes sense to try to make the management of land easier and more cost efficient.

However, I believe this bill can be improved even further. Currently H.R. 873 allows for the Federal acquisition of land owned by Big Sky Lumber through purchases or exchange. I am offering a motion to recommit this bill with instructions requiring that the lands in this bill be acquired only through equal value land exchanges, both saving taxpayers money and preserving scarce Federal land management resources.

H.R. 873 would add 70,000 acres of tax generating private property to Federal ownership under the Forest Service at a time when resources are already scarce for existing Federal lands. Furthermore, acquiring more land is harmful to local economies, which lose tax revenue as a result. It is also fiscally irresponsible at this time when we are trying to cut costs and reduce our debt. The Federal Government already owns and manages 30 percent of the land in the United States, and over 60 percent of the land in the 13 western States. We do not need nor can we afford, more land.

The Congressional Budget Office estimates that purchase of these lands would cost a minimum of $12 million and up to $20 million in the next 5 years. CBO states that acquisition costs could be even higher since some of the land has yet to be appraised.

The proposed fiscal year 1994 budget for land acquisition is almost $64 million. The cost of acquiring the land authorized by H.R. 873 would exhaust one-third of the U.S. Forest Service's entire land acquisition budget at once. Mr. Speaker, I don't think this is wise.

Three years ago—so you can imagine how much it's worth now—land managers for the nine Forest Service regions identified $1 billion worth of private property adjacent to national forests that was considered to be threatened by development, giving it high priority status to be acquired by the Forest Service. How are we supposed to give so-called "high priority lands" the attention they require if we continue to purchase lands that are not absolutely necessary?

I realize that H.R. 873 already allows for the acquisition of this land through exchange. However, everyone knows that unless it is required, it will not happen because it is much easier just to shell out the money and buy the land.

This is a win-win situation—for the taxpayers, the environment, and the cherished institution of private property.

I would also like to point out that I have received letters of support for this motion to recommit from several large grassroots organizations for fiscal responsibility, including the National Taxpayers' Union, Americans for a Balanced Budget, and Americans for tax reform.

In sum, by acquiring this land through equal value land exchanges: First, consolidation of the Gallatin Range lands will take place for greater efficiency and their proper protection; second, there will be virtually no cost to the taxpayer; and third, no Federal land will be added to the current backlog.

How can we lose?

I urge my colleagues to vote for this motion to recommit with instructions.

Let me just say, Mr. Speaker, I think it is unfortunate that when the facts are not on one's side and one wants to oppose a motion, avoiding the issue, that the intentions of Members are impugned. It just seems to me that this is a win-win situation where we are exchanging land instead of buying the land. I think that is the most cost-efficient way to go.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The gentleman from Minnesota [Mr. VENTO] is recognized for 5 minutes.

Mr. VENTO. Mr. Speaker, I rise in opposition to the motion to recommit, in strong opposition.

Mr. Speaker, there is no need for the Natural Resources Committee to revisit this legislation. The committee has been working on this proposal for 6 years and has reported it out of committee twice before, once in the 100th Congress and again in the 102d Congress as part of more comprehensive Montana land policy proposals. The language has been analyzed and debated thoroughly. In this instance recommitting this bill would be without rhyme or reason but would cause a needless delay which would jeopardize the agreement with Big Sky Lumber, the affected private landowner. The option to purchase some of these lands expires in June. In reality, delay could be fatal to this measure and seal the fate of this key land acquisition. Frankly we should not restrict the Forest Service's authority to purchase lands in general and specifically not in this instance. The Forest Service has such authority now without this legislation and we should not take away its flexibility to acquire environmentally sensitive lands by whatever means—exchange or purchase is most appropriate for the given circumstance. We have a $900 million Land and Water Conservation Fund [LWCF] for the purpose of purchasing such lands and property rights. Acquiring such ecologically sensitive lands as occur in the Gallatin Range is exactly why Congress established the LWCF.

Furthermore, we anticipate that most of the lands will be acquired through exchange rather than purchase. However, acre for acre land exchanges are nearly impossible to achieve and the Forest Service needs the ability to make cash equalization payments, necessary in order to balance values, as well as to acquire important lands for which an exchange is not feasible. We can not and should not dictate to property owners what they must do. Some prefer payment in cash not different tracts of land. Congress doesn't dictate to property owners rather we are responding to reality of the market place and the seller options.

Mr. Speaker, this motion is plainly an effort to delay and therefore undermine the land exchanges authorized by the bill, and in the end junking 6 years of intense effort to consolidate national forest lands, a 70-year goal affecting the Yellowstone ecosystem. I strongly urge the House to reject this effort and defeat the motion to recommit.

Mr. Speaker, I yield the balance of my time to the gentleman from Montana [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. Speaker, I cannot impress upon the Members enough about the importance of the moment. We are facing a land disaster just north of Yellowstone Park unless we can consummate a trade that has taken 14 years of intense work and 7 years of consideration to consummate. We either pass this bill through the House and Senate and have it signed into law by late spring, or the bulldozers will start, the land will be roaded, the land will be harvested, including clearcuts, the land will be developed and lost forever as a pristine area north of Yellowstone Park, lost forever as a critical migratory route for some of the Nation's great large land animals, lost forever as a headwaters and a great fishery for some of this Nation's most pristine waterways: streams, creeks, and rivers.

The House is now at a moment where we are about to culminate in this body 7 years of negotiations and work. The private sector is at the table, including timber companies and real estate developers. Local merchants want this done. The Federal Government wants it done. I urge this House to vote no on the motion to recommit and yes on this legislation.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. DELAY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 128, nays 287, not voting 17, as follows:

[Roll No. 174]

YEAS—128

Allard
Archer
Armey
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Barrett (NE)
Bartlett
Barton
Bateman
Bentley
Bereuter
Bilirakis
Bliley
Boehner
Bonilla
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Coble
Collins (GA)
Combest
Cox
Crane
Cunningham
DeLay
Diaz-Balart
Doolittle
Dornan
Dreier
Duncan
Dunn
Everett
Ewing
Fawell
Fields (TX)
Fowler
Franks (NJ)
Gallegly
Gekas
Goodlatte
Goodling
Goss
Grams
Hancock
Hefley
Herger
Hobson
Hoekstra
Hoke
Horn
Houghton
Huffington
Hutchinson
Hyde
Inglis
Inhofe
Istook
Johnson, Sam
Kasich
Kim
King
Kingston
Knollenberg
Kyl
Lazio
Levy
Lewis (CA)
Lewis (FL)
Lightfoot
Linder
Manzullo
McCandless
McCrery
McHugh
McInnis
McKeon
McMillan
Meyers
Mica
Michel
Miller (FL)
Moorhead
Nussle
Orton
Oxley
Packard
Paxon
Pombo
Pryce (OH)
Quillen
Quinn
Rogers
Rohrabacher
Ros-Lehtinen
Royce
Santorum
Saxton
Schaefer
Sensenbrenner
Shaw
Shuster
Smith (MI)
Smith (OR)
Smith (TX)
Solomon
Spence
Stearns
Stump
Sundquist
Talent
Taylor (NC)
Thomas (CA)
Thomas (WY)
Upton
Vucanovich
Walker
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NAYS—287

Abercrombie
Ackerman
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Applegate
Bacchus (FL)
Baesler
Barcia
Barlow
Barrett (WI)
Beilenson
Berman
Bevill
Bilbray
Bishop
Blackwell
Blute
Boehlert
Bonior
Borski
Boucher
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Byrne
Cantwell
Cardin
Carr
Chapman
Clay
Clayton
Clement
Clinger
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Cooper
Coppersmith
Costello
Coyne
Cramer
Danner
Darden
Deal
DeFazio
DeLauro
Dellums
Derrick
Deutsch
Dickey
Dicks
Dingell
Dooley
Durbin
Edwards (CA)
Edwards (TX)
Emerson
Engel
English (AZ)
Eshoo
Evans
Fazio
Fields (LA)
Filner
Fingerhut
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Franks (CT)
Frost
Gallo
Gejdenson
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Gordon
Grandy
Green
Greenwood
Gunderson
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Hansen
Harman
Hastert
Hastings
Hayes
Hefner
Hilliard
Hinchey
Hoagland
Hochbrueckner
Holden
Hoyer
Hughes
Hunter
Hutto
Inslee
Jacobs
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Klein
Klink
Klug
Kolbe
Kopetski
Kreidler
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lehman
Levin
Lewis (GA)
Lipinski
Lloyd
Long
Lowey
Machtley
Maloney
Mann
Manton
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCloskey
McCollum
McCurdy
McDade
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Mfume
Miller (CA)
Mineta
Minge
Mink
Moakley
Molinari
Mollohan
Montgomery
Moran
Morella
Murphy
Murtha
Myers
Nadler
Natcher
Neal (MA)
Neal (NC)
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Parker
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pickle
Pomeroy
Porter
Portman
Poshard
Price (NC)
Rahall
Ramstad
Ravenel
Reed
Regula
Reynolds
Richardson
Ridge
Roberts
Roemer
Rose
Rostenkowski
Roth
Roukema
Rowland
Roybal-Allard
Rush
Sabo
Sangmeister
Sarpalius
Sawyer
Schenk
Schiff
Schroeder
Schumer
Scott
Serrano
Sharp
Shays
Shepherd
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (IA)
Smith (NJ)
Snowe
Spratt
Stark
Stenholm
Stokes
Strickland
Studds
Stupak
Swett
Swift
Tanner
Tauzin
Taylor (MS)
Tejeda
Thornton
Thurman
Torkildsen
Torres
Towns
Traficant
Tucker
Unsoeld
Valentine
Velazquez
Vento
Visclosky
Volkmer
Walsh
Washington
Watt
Waxman
Weldon
Wheat
Whitten
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Yates

NOT VOTING—17

Becerra
Crapo
de la Garza
Dixon
English (OK)
Furse
Gutierrez
Henry
Leach
Livingston
Menendez
Rangel
Sanders
Synar
Thompson
Torricelli
Waters

☐ 1400

The Clerk announced the following pair:

On this vote:

Mr. Crapo for, with Mr. Rangel against.

Mr. WHEAT and Mr. RIDGE changed their vote from "yea" to "nay."

Ms. DUNN and Mr. DORNAN changed their vote from "nay" to "yea."

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. MONTGOMERY). The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. VENTO. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 317, nays 101, not voting 14, as follows:

[Roll No. 175]

YEAS—317

Abercrombie
Ackerman
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Applegate
Archer
Bacchus (FL)
Baesler
Barcia
Barlow
Barrett (WI)
Bateman
Becerra
Beilenson
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Blackwell
Blute
Boehlert
Bonior
Borski
Boucher
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Byrne
Canady
Cantwell
Cardin
Carr
Chapman
Clay
Clayton
Clement
Clinger
Clyburn
Coleman
Collins (IL)
Collins (MI)
Conyers
Cooper
Coppersmith
Costello
Cox
Coyne
Cramer

Cunningham
Danner
Darden
Deal
DeFazio
DeLauro
Dellums
Derrick
Deutsch
Dicks
Dingell
Dooley
Dornan
Dreier
Durbin
Edwards (CA)
Edwards (TX)
Emerson
Engel
English (AZ)
Eshoo
Evans
Fazio
Fields (LA)
Filner
Fingerhut
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Fowler
Frank (MA)
Franks (CT)
Frost
Gallo
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Gordon
Grandy
Green
Greenwood
Gunderson
Hall (OH)
Hamburg
Hamilton
Hansen
Harman
Hastert
Hastings
Hayes
Hefley
Hefner
Hilliard
Hinchey
Hoagland
Hobson
Hochbrueckner
Hoke
Holden
Horn
Hoyer
Huffington
Hughes
Hunter
Hutto
Inslee
Jacobs
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E.B.
Johnston
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kingston
Kleczka
Klein
Klink
Klug
Kolbe
Kopetski
Kreidler
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lehman
Levin
Lewis (CA)
Lewis (GA)
Lipinski
Lloyd
Long
Lowey
Machtley
Maloney
Mann
Manton
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCloskey
McCollum
McCrery
McCurdy
McDade
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Meyers
Mfume
Miller (CA)
Mineta
Minge
Mink
Moakley
Molinari
Mollohan
Montgomery
Moran
Morella
Murphy
Murtha
Myers
Nadler
Natcher
Neal (MA)
Neal (NC)
Oberstar
Obey
Olver
Ortiz
Owens
Packard
Pallone
Parker
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pickle
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Rahall
Ramstad
Ravenel
Reed
Regula
Reynolds
Richardson
Ridge
Roberts
Roemer
Ros-Lehtinen
Rose
Rostenkowski
Roth
Roukema
Rowland
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Santorum
Sarpalius
Sawyer
Saxton
Schenk
Schiff
Schroeder
Schumer
Scott
Serrano
Sharp
Shaw
Shays
Shepherd
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (IA)
Smith (NJ)
Smith (TX)
Snowe
Spence
Spratt
Stark
Stokes
Strickland
Studds
Stupak
Swett
Swift
Talent
Tanner
Tauzin
Taylor (MS)
Tejeda
Thomas (WY)
Thornton
Thurman
Torkildsen
Torres
Towns
Traficant
Tucker
Unsoeld
Upton
Valentine
Velazquez
Vento
Visclosky
Volkmer
Walsh
Washington
Waters
Watt
Waxman
Weldon
Wheat
Whitten
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Yates
Young (AK)
Zimmer

NAYS—101

Allard
Armey
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Barrett (NE)
Bartlett
Barton
Bentley
Bliley
Boehner
Bonilla
Brewster
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Castle
Coble
Collins (GA)
Combest
Condit
Crane
DeLay
Diaz-Balart
Dickey
Doolittle
Duncan
Dunn
Everett
Ewing
Fawell
Fields (TX)
Franks (NJ)
Gallegly
Goodlatte
Goodling
Goss
Grams
Hall (TX)
Hancock
Herger
Hoekstra
Houghton
Hutchinson
Hyde
Inglis
Inhofe
Istook
Johnson, Sam
Kasich
Kim
King
Knollenberg
Kyl
Lazio
Levy
Lewis (FL)
Lightfoot
Linder
Manzullo
McCandless
McHugh
McInnis
McKeon
McMillan
Mica
Michel
Miller (FL)
Moorhead
Nussle
Orton
Oxley
Paxon
Penny
Pombo
Quillen
Quinn
Rogers
Rohrabacher
Royce
Schaefer
Sensenbrenner
Slattery
Smith (MI)
Smith (OR)
Solomon
Stearns
Stenholm
Stump
Sundquist
Taylor (NC)
Thomas (CA)
Vucanovich
Walker
Wolf
Young (FL)
Zeliff

NOT VOTING—14

Crapo
de la Garza
Dixon
English (OK)
Furse
Gutierrez
Henry
Leach
Livingston
Menendez
Rangel
Synar
Thompson
Torricelli

☐ 1410

The Clerk announced the following pair:

On this vote:

Mr. Rangel for; with Mr. Crapo against.

So the bill was passed.

The result of the vote was announced as above recorded.

The title of the bill was amended so as to read: "A bill to provide for the consolidation and protection of the Gallatin Range.".

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include therein extraneous material on H.R. 873, the bill just passed.

The SPEAKER pro tempore (Mr. MONTGOMERY). Is there objection to the request of the gentleman from Minnesota?

There was no objection.

WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT AND AGAINST CONSIDERATION OF CONFERENCE REPORT ON S. 1, NATIONAL INSTITUTES OF HEALTH REVITALIZATION ACT OF 1993

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 103–101) on the resolution (H. Res. 179) waiving points of order against the conference report to accompany the bill (S. 1) to amend the Public Health Service Act to revise and extend the programs of the National Institutes of Health, and for other purposes, and against consideration of such conference report which was referred to the House Calendar and ordered to be printed.

LEGISLATIVE PROGRAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute.)

Mr. MICHEL. Mr. Speaker, I have asked for this time to inquire of the distinguished majority leader the program for next week.

Mr. Speaker, I yield to the gentleman from Missouri.

Mr. GEPHARDT. Mr. Speaker, I thank the gentleman for yielding to me.

Obviously, business is finished for today. There will not be votes tomorrow.

On Monday, May 24, the House will meet at 3 p.m. to take up four bills on suspensions. The votes I would estimate would begin about 4 o'clock in the afternoon.

The bills are as follows:

1. H.R. 996—Veterans' Education Outreach Program.

2. H.R. 1723—CIA Voluntary Separation Pay Act.

3. H.R. 1779—to Designate the Jerry L. Litton Post Office Building.

4. H.R. 588—to Designate the Abe Murdock Post Office Building.

H.R. 1159—Passenger Vessel Safety Act (rule and general debate only).

☐ 1420

On Tuesday, May 25; Wednesday, May 26; Thursday, May 27, and possibly Friday, the House will meet at noon on Tuesday, meet at 10 a.m. on Wednesday and Thursday, to take up Senate Joint Resolution 45 to authorize U.S. Forces in Somalia; S. 1, NIH Revitalization Act of 1993, conference report subject to a rule; H.R. 1159, the Passenger Vessel Safety Act, complete consideration; H.R. 2118, the fiscal year 1993 General Supplemental Appropriations, and then a House Resolution on the Second Supplemental Appropriations Bill/Preinvestment Program, subject to a rule, and the Omnibus Budget Reconciliation Act of 1993, again subject to a rule.

We do not necessarily anticipate votes on Friday, but one never knows in this kind of a week whether or not there will be votes on Friday, but we hope there will not be.

Mr. MICHEL. Might I inquire if there is going to be any attempt to marry up those two appropriation bills, or will they be definitely considered separately, the real legitimate supplemental, and then, as I understand it, there is some move afoot to do something with respect to jobs as a result of the earlier measure going down. But is there any effort to put those two together? Will they just be each standing on their own?

Mr. GEPHARDT. I am not entirely sure, first of all, as to whether or not the second bill can be put together and what will be in it in terms of ways to pay for the spending parts of the bill, and I am not certain at this point whether or not it will be one bill. At this point the plan is to have two bills.

Mr. MICHEL. And if the gentleman says the reconciliation measure will come up subject to a rule, is there any indication at all that that rule will be anything other than a closed rule on reconciliation?

Mr. GEPHARDT. I think we can assume that it may not be as open as the rule was on the competitiveness bill. But what it will be I am not sure at this point. I am certain that the minority will be afforded the ability, at the minimum, to have an alternative proposal to reconciliation, if there is a desire to do that.

Mr. MICHEL. Might I inquire that, if there were real trouble on that particular rule, would there be more inclination to reconsider that again after we came back from our Memorial Day recess as distinguished from running into Friday? Is there any sense on that?

As the gentleman knows, at one time, I think in my conversations informally with the gentleman, and the Speaker and the chairman of the Committee on Ways and Means, they definitely wanted to have reconciliation out before we broke for the recess, and I guess that is what I am asking. Is that an absolute imperative?

Mr. GEPHARDT. It is our intense desire to get this bill finished before the Memorial Day break, and we hope to be able to complete it by the end of business on Thursday. But obviously, if for some reason we cannot get it done on Thursday, but could get it done on Friday, we will want to stay Friday and do that.

Mr. MICHEL. Mr. Speaker, I thank the gentleman from Missouri [Mr. GEPHARDT].

Mr. GINGRICH. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Georgia.

Mr. GINGRICH. Mr. Speaker, I thank the gentleman from Illinois [Mr. MICHEL], the minority leader, for yielding to me. I want to ask the distinguished majority leader something.

I noticed a couple of hours ago that Senators BOREN and DANFORTH apparently introduced, or proposed, a new budget bill, which seems to have the majority on the Senate Finance Committee, which would eliminate the energy tax, eliminate the increase in inland waterways fuel tax, eliminate the retroactivity back to January 1 on the income taxes, and index capital gains, and I was curious whether there would be a rule which would specifically permit an amendment on four items: the energy tax, the senior citizens tax, retroactivity and the restaurant tax increase.

The reason I ask that is the majority leader knows it is possible to design the rule in such a way that, while we have the appearance of being allowed to offer an alternative, the effect of the rule is to block us. We would far prefer, for example, to have a simple, clean, honest amendment on the energy tax or a simple, clean, direct amendment on the senior citizens tax, and I wonder if the majority leader might have any thoughts on whether something like the Boren-Danforth elimination of the energy tax which might occur in the other body creates the opportunity for us to eliminate it here first rather than allowing them to get all the credit.

Mr. GEPHARDT. Mr. Speaker, if the gentleman would yield, we obviously will consider seriously any proposal that the minority or others want to make with regard to the rule.

I also noted that the Boren-Danforth amendment cut out Social Security COLA's, and obviously some may want to bring that up as well as a result of wanting to have a full alternative in front of the Members. But we will certainly entertain all serious suggestions and try to construct a rule that fairly presents alternatives.

Mr. MICHEL. Mr. Speaker, before yielding one more time to the distinguished gentleman from Georgia [Mr. GINGRICH], am I not correct that testimony would be take before the Committee on Rules then on Wednesday on the rule for reconciliation?

Mr. GEPHARDT. We have not definitely scheduled it, but the idea at this point is to have that on Wednesday.

Mr. MICHEL. I thank the gentleman from Missouri [Mr. GEPHARDT].

Mr. GINGRICH. Mr. Speaker, I just want to make one other observation which the majority leader made and I am yet to be aware of. Apparently about an hour ago the Committee on Government Operations rose without considering how to write the so-called trust funding legislation the President suggested. There is a rumor on the floor that the rule might become self-enacting in such a way that the Members would never actually have seen, no committee would have looked at this very complicated and new idea of a trust fund, and I would hope that we would have some freestanding opportunity, either in the Committee on Government Operations or, if necessary, on the floor, but that we would not be faced with a self-enacting rule on an idea which no Members would have yet have heard about, and I do not know if the majority leader might be able to reassure us of that or not.

Mr. GEPHARDT. I am aware that the committee rose.

As the gentleman knows, the Committee on Rules also has jurisdiction over budget procedure. I am sure that, if it is brought up, it will be considered there, and we will try to have appropriate consideration of it on the floor.

Mr. GINGRICH. Mr. Speaker, I thank the gentleman from Missouri [Mr. GEPHARDT].

Mr. MICHEL. Mr. Speaker, I thank the distinguished majority leader.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. GEPHARDT. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday Rule be dispensed with on Wednesday next.

The SPEAKER pro tempore (Mr. MONTGOMERY). Is there objection to the request of the gentleman from Missouri?

There was no objection.

HOUR OF MEETING ON MONDAY, MAY 24, 1993

Mr. GEPHARDT. Mr. speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 3 p.m. on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H. RES. 19, H. RES. 20, H. RES. 23 AND H. RES. 30

Mr. MEEHAN. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor from the following resolutions: H. Res. 19, H. Res. 20, H. Res. 23 and H. Res. 30.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

VACATION OF SPECIAL ORDER AND REINSTATEMENT OF SPECIAL ORDER

Mr. PASTOR. Mr. Speaker, I ask unanimous consent to change the 60-minute special order on May 20, 1993, for the gentleman from Florida [Mr. BACCHUS] to a 5-minute special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

CUTS IN THE MILITARY AND MISUSE OF HOUSE LEGAL COUNSEL

(Mr. DORNAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORNAN. Mr. Speaker, a little arithmetic about my good colleague from flyover middle heartland America [Mr. SLATTERY], all the cuts the gentleman talked about a few moments ago, if you add them up it comes to $165.6 billion. That is about half of next year's and the next year's deficit. I did a little arithmetic. Almost 70 percent is gutting the U.S. military, what our colleague from Rhode Island [Mr. MACHTLEY] was talking about.

Mr. Speaker, I do not mean to be like Mort Sahl here, but in this morning's paper, the Washington Times, the Inside the Beltway section, is a letter to you, Mr. Speaker, by me. It is called "Hillary Hill." That is their title.

It appears that at least one member of our House legislative counsel staff is neglecting his duties while working instead for Hillary Rodham Clinton.

It says in a letter sent by BOB DORNAN to House Speaker TOM FOLEY:

> I point out over the last few weeks that we haven't had our own legislative counsel work done in a timely manner. Who is paying for these people? Did this ever happen during the Bush-Reagan years? Are there any other people secunded to the Executive Branch at our expense?

I submit for the RECORD, Mr. Speaker, the entire Washington Times news background column.

I also submit for the RECORD another key health care column by David Gergen on Clinton's runaway pro-abortion plans for America.

HILLARY HILL

It appears at least one member of the House Legislative Counsel's staff is neglecting his duties while working instead for Hillary Rodham Clinton.

In a letter sent yesterday to House Speaker Thomas S. Foley, Rep. Bob Dornan, California Republican, points out that over the last few weeks, many members of the House, Republicans and Democrats alike, have been working with the Legislative Counsel's Office to draft health care bills in anticipation of Mrs. Clinton's Health Care Task Force Report. And many of the congressmen, he complains, are encountering "excessive delays" in drafting their bills.

"I noticed that, unlike past experience, the office was not working in a very timely manner," Mr. Dornan told Mr. Foley. "Our further inquiry, I was told that at least one of the senior staff members (who is responsible for health care and immigration legislation) was working for the Clintons' Health Care Task Force.

"While I understand the enthusiasm that many members of the House feel for the new administration, I don't think that it is appropriate for staff members * * * to be working for the administration."

Mr. Dornan told Mr. Foley he would like to know how many House staffers are currently working for the executive branch, who authorized the work, how many hours a week they are working for Mrs. Clinton, whether they are being paid with House funds while working for the administration, whether any staffers in the past conducted work for either the Reagan or Bush administrations, and what action is being taken to correct the situation and discipline those responsible.

[From the U.S. News & World Report, April 19, 1993]

CLINTON'S ABORTION PROBLEM

(By David Gergen)

As candidate, Bill Clinton repeatedly promised that if he was elected, abortions in the United States would be "safe and legal but rare." As president, he seems intent on keeping the first two thirds of that promise. He is in serious danger, however, of breaking the last third.

In the past few weeks, the administration has announced it will work with Congress to lift the ban on federal funding of abortions under Medicaid. It has said health insurance policies for federal workers will henceforth cover abortion. And Health and Human Services Secretary Donna Shalala has suggested that health system reform should include universal insurance coverage for abortion. Apparently abortion is to be treated as a routine medical procedure easily available to all—no questions, no costs, no issues of morality or personal responsibility. This will make abortions "rare"?

In its eagerness to please the absolutists of its own party and defeat those on the other side, the administration threatens to ride roughshod over the sensibilities of most Americans struggling somewhere in between. Polls in recent years have shown that a majority have slowly reached an uneasy consensus on abortion: They don't like it, but they are willing to accept it—grudgingly. Three quarters have told Gallup pollsters, for example, that they disapprove of abortion; a third consider it murder, but most also think it should be legal.

Where most Americans have drawn the line is on paying for other people's abortions, especially abortions on demand. In an ABC-Washington Post survey last year 69 percent of those polled said the federal government should not pay "for an abortion for any woman who wants it and cannot afford to pay." Strikingly, a 1992 survey for Reader's Digest by Richard Wirthlin found that poorer Americans are the most opposed to federal funding: Among those earning less than $15,000 a year, opposition ran 63 to 32 percent against funding, while those making over $60,000 favored it by 57 to 41 percent! Is Clinton listening to the people he wants to help?

The Hyde Amendment barring federal funds for most abortions first became effective in 1977 with the support of a president whose commitment to human rights is beyond question. Jimmy Carter (Like this writer) was pro-choice but had deep reservations about the government financing abortions. He thought the government should stay out of a woman's decision, not blocking her but not encouraging her, either. By paying, the government sends the wrong moral message.

There is a real possibility that if Clinton prevails, the number of abortions will soar again. The Alan Guttmacher Institute records that in 1972, a year before the Supreme Court issued the Roe v. Wade decision and Washington began to pay for abortions, only 12.9 percent of pregnancies in America ended in abortion. By 1976, that percentage had doubled to 23.1. The federal government by then was paying for a third of all abortions. Since the Hyde amendment took effect, the percentage of abortions has stabilized at roughly 25 percent of pregnancies.

Those who want to reverse course say the Hyde Amendment makes abortion unavailable to poor women. That is not really true: Guttmacher finds that poor woman are three times more likely to have an abortion than are others. Yet, the question of fairness is pertinent and indeed makes the issue so horribly difficult. There is no doubt that many poor women, especially unwed pregnant teenagers, carry burdens that are intolerably heavy. But in moving to help them, as we must, we must also act wisely.

Far better than opening the floodgates to universal abortion on demand, funded by taxpayers, we should work to ensure that every child who comes into the world is wanted and has a decent chance in life. We should start by taking more aggressive action to prevent undesired pregnancies. Sweden has embraced strong sex education and birth control programs, for example, and has seen its abortion rate decline sharply. Wrongheadedly, America under the past two administrations slashed federal funds for contraceptive services. In addition—and here Clinton deserves credit for moving in the right direction—the country should provide stronger medical and child support for women who bring children to term. What we need, then, are policies that show compassion toward women as well as a high ethical regard toward unborn children. We stand in danger of having neither.

☐ 1430

The SPEAKER pro tempore (Miss COLLINS of Michigan). Under a previous order of the House, the gentleman from Maryland [Mr. BARTLETT] is recognized for 5 minutes.

[Mr. BARTLETT of Maryland addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Illinois [Mrs. COLLINS] is recognized for 5 minutes.

[Mrs. COLLINS of Illinois addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

HIGHWAY CONSTRUCTION PRIVATE INVESTMENT ACT OF 1993

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. KIM] is recognized for 5 minutes.

Mr. KIM. Mr. Speaker, today I introduced the Highway Construction Private Investment Act of 1993. The goal of this legislation is to encourage private investment in public infrastructure improvements. The result of this innovative legislation will be more roads and bridges for America without costing the taxpayer one penny more.

I believe the time has come for this innovative approach to create more jobs without tax increases. First, public works projects have traditionally been financed only by the Government. But these projects truly are capital investment, so why not allow private investment opportunities?

The private sector is always looking for a sound investment. Public projects, such as new highways, bridges, and tunnels with a guaranteed rate of return will attract these private sector investments.

Second, the public sector is always looking for more projects. While this year alone the Federal Government has authorized more than $26 billion for roadway construction, there are simply more needs than available funds. This private-public partnership I am proposing today addresses both needs. It is a win-win situation.

Third, investment in infrastructure is the most cost-effective economic stimulus. It creates thousands of quality jobs and improves the lives of every American.

Without modern transportation systems, we will be less competitive in international markets. Through improved competitiveness and economic growth, investment in infrastructure can help create millions of jobs and restore genuine prosperity to many American families. Clearly this is a worthwhile initiative.

Essentially my bill shall encourage the State highway departments to attract private investment for up to 25 percent of their projects. That means that citizens of States actually get up to 125 percent of their roadbuilding needs satisfied.

These privately funded projects would actually be owned and maintained for a mutually agreed to amount of time by the private investors. Tolls and other revenue generators would be allowed to provide the necessary return of their investment.

I believe many in the private sector would see this as a golden investment opportunity. Unlike worthless junk bonds or stock that may lose value in a matter of minutes, transportation infrastructure is truly a solid investment with guaranteed returns. It is a safe place to invest pension funds, private savings, and the like.

The public directly benefits, too. Capital invested in junk bonds, foreign currency, gold, and even ordinary savings accounts, provides far less economic stimulus and real job creation than investment in infrastructure.

Mr. Speaker, I hope that the American public, in learning about this cost-effective job-creating legislation which I introduced today, will contact their own Congressmen, urging cosponsorship of my bill. This highway construction private investment bill proves that real jobs, real economic stimulus, and maximum infrastructure development, can happen without more taxes spent.

If we are creative and use business common sense, just as my bill does, we can accomplish much needed infrastructure without costing our taxpayer one penny more.

This is the kind of change the American public wants to see in Congress, new ideas that provide great benefit without new cost. While my bill targets only certain transportation projects, I believe it can serve as a positive model for private-public partnerships in many other traditionally Government-only programs.

Mr. Speaker, I strongly believe that the more we run Government like a business, the greater the chance we have of eliminating the deficit and balancing the budget without new tax increases. I envision this legislation as an important first step in this direction. It is a refreshing, much needed change.

CONGRESSIONAL MANUFACTURING TASK FORCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts [Mr. MEEHAN] is recognized for 5 minutes.

Mr. MEEHAN. Madam Speaker, this week I joined with the gentleman from New Jersey [Mr. FRANKS], a Republican freshman, to form a manufacturing task force for the Congress of the United States to deal with the problems of manufacturing that have plagued the Midwest and Northeast sections of this country.

In Massachusetts in the late eighties we have lost 230,000 manufacturing jobs. The time has come to develop a policy within the Congress, within the Senate and the House, and within the Government in Washington, to have a policy that makes sense with regard to manufacturing.

It does not make much sense if by the year 2000 25 percent of the dollars that we spend in the Federal Government will go to interest on the national debt. We have seen our manufacturing base erode. In 1970 26 percent of the jobs in the United States were manufacturing. Today that figure is 17 percent, while the Germans and the Japanese have been dominating. Thirty-three percent of the companies in Japan are manufacturing companies and 30 percent of the companies in Germany are manufacturing companies.

Madam Speaker, as a new Member of Congress, I think it is time to put aside partisan politics and work to solve some of the difficult problems that we face. We will look at issues such as the tax structure and the implications of a tax cut, a capital gains tax cut, targeted toward long-term investment, investment tax credits for small companies, and, finally, a policy to encourage savings.

Eighty percent of a company's capital comes from the savings that company is able to generate. We do not have to look very far but look at the inability of the United States to encourage people to save to find out why companies cannot get loans from banks in order to start new companies in the emerging technology business.

Madam Speaker, I would ask my colleagues in the House to join with the gentleman from New Jersey [Mr. FRANKS] and me to form this manufacturing caucus and finally put America back to work.

☐ 1440

THE BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wyoming [Mr. THOMAS] is recognized for 5 minutes.

Mr. THOMAS of Wyoming. Madam Speaker, I want to talk a little bit about the budget. That, of course, is what is on all of our minds these days and, indeed, should be. And we will be dealing with it starting next week on through the summer.

Talking about how do you do something about the deficit, how do you do something about the size of Government, how do you do something about the economy. Not a new problem, but one that gets increasingly worse.

Let me just give you a very simple number that shows how important it is that we finally do something about the deficit. All of us paid our taxes on the 15th of April this year. Fifty-seven cents, fifty-seven cents out of every income tax dollar you and I sent in last month as personal income tax will go to pay debt service on the national debt. That is a pretty scary figure.

Let me read you something out of the Reader's Digest. It says, "We Must Control Federal Spending." That is the title.

The first line of the story reads:

> Today we, as the United States, face exceedingly serious fiscal problems with both domestic and international implications. All of us must come to grips with the crucial question, can we put limitations on federal spending? I believe the answer must be yes, if we are to keep our economy strong. I also know, from long experience, the task will be difficult. The broad variety of demands that hit the Congress one day last winter is indicative of the problem confronting us.

Sound fairly fairly familiar? It came from the Reader's Digest of July 1968. A lady, a friend of mine in Saratoga, WY, said she retired this year and was going back through back copies of Reader's Digest. She had quite a few. And this was Wilbur Mills, the former chairman of the Committee on Ways and Means, struggling with the idea of how do you do something about spending.

Let me read you another quotation. This is from the now-Director of the OMB. He says:

> We thought somehow that we could have it all, that we could cut taxes, we could raise spending. We could increase benefits, and no one would have to pay. The bill would never come due. The bill has come due and we've got to pay it. Tonight is the night we take that step. To the credit of the President, he is willing to take the step and provide the leadership, provide the leadership to raise taxes.

That is from the CONGRESSIONAL RECORD of 1990, when Leon Panetta was talking about the 1990 deal.

We did raise taxes. We did not do anything about the deficit.

The fact is, there is only two ways to do something about the deficit. One, of course, is to raise taxes and dedicate that to it. The other is to cut spending.

Now, we have tried raising taxes. I do not know of anyone who has had any experience in any country with creating prosperity by raising taxes.

It seems to me, and particularly in this instance where the taxes that are going to be raised are going to be used for additional spending, we have to cut spending.

I talked to my son the other day about what was going on here. He lives in Wyoming also, and he said:

> I think people really want some honesty in what is going on in government. They want some honest talk. They are kind of tired of talking about investments, which means spending; tired of talking about sacrifice, which means taxes, and that leaders in this country ought to be able to just lay it out there.

We are always talking about what the American people want. Nobody knows what they want, but I know what I want, and I am an American people.

I want to balance the budget here. I want to reduce the deficit here. And the kinds of things we are doing now have no meaning, honestly, on that way.

The way you measure whether you are going anything or not is you measure the debt. The proposal that is going to be before us next week increases the debt $1 trillion in the next 4 years. That is exactly what has happened in the last 4 years.

We are not being honest. We talk about cuts. What we mean, when we talk about cuts, is cutting from the increase that is already built in. Not cuts.

Most of us, when we talk about cuts, we think we are talking about spending less next year than we spend last year. That is not Washingtonese.

We need to be honest about it. It seems to me it is fairly clear that what we need to do is encourage the business community.

We need jobs. Small business creates jobs. No one has created jobs by raising taxes.

You create jobs by encouraging the private sector, by having an environment in which the private sector can function, by reducing regulation. We have an overburden of regulation and mandates that has made it so expensive for a small businessman to seek to create a job that you can see the result.

It is more overtime. It is more part-time, because it is too expensive, too expensive because of congressional actions to create a job.

My colleagues, we need to deal with this issue, and we can do it if we do it honestly. I think all of us are willing to do what is necessary, but we somehow know that new taxes are not going to be used to reduce the deficit. They are going to be used to have more Government.

We need less Government, rather than more. We need to be honest with ourselves about the deficit, and we need to start next week.

CUBAN INDEPENDENCE DAY ADDRESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. MENENDEZ] is recognized for 60 minutes.

Mr. MENENDEZ. Madam Speaker, today I stand in solidarity with Cubans throughout the entire world, and especially with my fellow Cuban-Americans to commemorate May 20, Cuban Independence Day. I am honored to address you today as a member of the U.S. House of Representatives. I would like my first words, like those of Cuban patriot Jose Marti, to be for Cuba, a nation which suffers.

I speak to you today with a feeling of immense pride in the heritage we share: In the spirit of Cuban independence heroes Jose Marti, Antonio Maceo, Felix Varela, Ignacio Agramonte, and many more great Cubans who, like their American Revolutionary counterparts, struggled and sacrificed—and even died—so that their dream of freedom could become a reality. Thanks to them it happened on May 20, 1902, but only after much blood was spilled on Cuban soil.

A REPUBLIC IS BORN

Exactly 91 years ago today, the Cuban Republic was born. It emerged after many years of struggle in which Cuba's patriots, like thousands of Cuban-American families today, found refuge and solidarity in the United States.

On May 20, 1902, United States forces withdrew from Cuba and an American military governor turned over the Government of Cuba to the first elected President of Cuba.

The aspirations for independence of both Cuba and the United States have been intertwined for years. United States Forces played a role in the final withdrawal of Spanish forces from Cuba; the Cuban people played a not insignificant role in support of General Washington in the American Revolutionary War, providing material assistance to the Americans at a critical time in 1781. It was this kind of assistance from through the world that enabled the American Revolutionary Army to advance to victory.

Cuban independence was long in coming. Cuba was the last country in Latin America to win its independence from the Spanish Empire. Cubans of the 19th century wanted to join their independent Latin American neighbors from Mexico in the north to Argentina in the south. The first Cuban war of independence began in 1868, but it would take 34 years for Cubans to secure their independence from Spain.

Mr. Speaker, it has now been 34 years since Cuba has been held hostage by dictator Fidel Castro. Once again, Cuban Independence has been long in coming. Yet I say to you today that it will not be much longer before a new era of independence dawns in Cuba.

I speak today to unveil the truth about Fidel Castro's unspeakable Horrors, the political prisoners, the firing squads, the torture, the beatings, the human deprivation, the intentional starving of a people, and the threat of nuclear proliferation only 90 miles from our country.

By speaking out against these injustices and revealing the truth of Cuba under Castro, I hope to set the record straight, dispel the myths and strip him of the romantic mask he has assumed, exposing him for the ruthless tyrant he is.

COMMUNIST CUBA ISOLATED AND EXPOSED

For the first time in its history Castro's revolution stands not only isolated but also exposed. Due to a severe reduction in trade and subsidies from the former eastern bloc, Cuba's Communist system has been left to stand on its own two feet. And Castro has little to show for it. Left to its own resources that Communist economy may not be able to survive. It already seems that the Cuban revolution will go down in history as a typical Marxist-Leninist failure.

In the economic sphere alone, the last 3 years have been nothing but disastrous for Castro. The Cuban economy has shrunk 45 percent. Compare that to a 1-percent decrease in the United States economy during our last recession, which had all of us climbing up a wall, and one begins to understand how desperate the Cuban people really are.

Cuban imports are down by an incredible 73 percent, according to a recent study using Cuban Government statistics and figures from Cuba's trading partners. Cuban officials actually say the figure is 75 percent. Food imports, which the Cuban Government, perhaps fearing potential unrest from the Cuban people is very sensitive about, are down 41 percent. Imports of oil are down by two-thirds and imports of machinery and equipment are down by 86 percent. I for one do not think that the Cuban people will put up with this privation for long.

A SINKING BATTLESHIP

It is becoming evident that Communist Cuba, left to its own resources, is a sinking ship—a sinking battleship at that, with the largest military per capita in Latin America.

Cuba, as former United States Ambassador to Haiti Ernest Preeg states in a new publication, "Cuba and the New Caribbean Economic Order," is in a process of progressive crumbling or desmoronamiento, as one says in Spanish.

In 1986, Castro initiated an Orwellian campaign to rectify errors and negative tendencies. This was actually a counter-reform effort that put a swift and decisive end to any hope that the Cuban people had for substantive reform leading to democracy or a market-oriented economy.

To Gorbachev's declarations of perestroika and glasnost, Castro Responded with cries of socialismo o muerte! "socialism or death" Moves by Russia and Eastern Europe toward decentralization and liberalization were matched by recentralization and increased repression in Cuba.

As the emerging democracies of the former Soviet Bloc continued to embrace the language of freedom and political renaissance, Castro persisted in using the language of apocalypse. Angrily he declared that:

> If fate were to decree that one day we would be among the last defenders of socialism [on Earth], we would defend this bulwark to the last drop of our blood.

It is 1993, and Castro is no longer able to brandish the alleged accomplishments of the Cuban revolution, for they were made possible only by massive Soviet subsidies. Fearing a loosening of his absolute grip on power, Fidel Castro now rules with an even firmer hand over the Cuban people.

HUMAN RIGHTS ABUSES

The Castro dictatorship uses a security apparatus under the direction of the Cuban Ministry of the Interior to impose a draconian rule capable of monitoring—at the neighborhood level—every aspect of a person's life, in all realms of activity: Economic, political, social, and cultural. This has been the reality in Cuba since 1959.

In every village and every hamlet, in every street of every city in Cuba, a Communist party member heads the local Committee for the Defense of the Revolution. Their only job in Castro's Cuba is to spy on their neighbors. These local spies check and inquire about ordinary Cubans: Did they go to work today? Who visited them? Did they say anything against the government? Were they acting suspiciously?

These Committees for the Defense of the Revolution are Castro's eyes and ears in every Cuban neighborhood. They are a vast and fearsome security network. The mere accusation of a CDR member can land you in jail. Impossible, you might say. No one is thrown in jail for simply speaking his mind or criticizing the government—as we are able to do in the United States. Can this really be true?

Well, let me read a passage from a book by a remarkable man, Armando Valladares, entitled "Against All Hope." His true story opens with a gripping account of his own arrest one night:

> My eyes flew open. The cold muzzle of a machine gun held to my temple had shocked me awake. I was confused and frightened. Three armed men were standing around my bed, and one of them was shoving my head into the pillow with his machine gun.
>
> Where's the pistol?
>
> As the man with the machine gun kept my head immobile, another slid his hand under it to check for that purely imaginary pistol I was supposed to be armed with. The oldest of them, a thin man with graying hair, spoke to me again. He brusquely told me to get dressed, I had to go with them.
>
> These were agents of Castro's political police.

They began the search of his home as his mother and sister looked on. He began to think about what could have put him in this predicament.

When Communists took over the leadership of the Postal Savings Bank he worked at, they fired his friend because of anti-Marxist statements. Valladares personally spoke out against the dismissal. He called it an abuse of authority and a violation of freedom of expression, which he thought had been one of the basic tenets for which Castro's revolution had supposedly been fought.

When asked by Communist party members where he worked, "Do you have anything against Castro?" Valladares answered, "If he is a Communist, I do." It wasn't surprising that he had been marked an anti-Communist:

> The search finally ended, and no weapons or explosives or propaganda or lists had turned up. Nothing, absolutely nothing. They had to leave empty-handed. Or almost empty-handed—they took me with them. Although they hadn't found anything, there were some routine questions I had to answer. My mother argued with them. She said I hadn't done anything, there was no reason to take me away. They told her not to worry, I'd be right back. They'd bring me back home themselves.
>
> The return would take more than twenty years.

We are caught unsuspecting by Valladares' eloquent but shocking testimony about the outrages committed by the Communist Cuban Government against its own people. As he awaited the inevitable sentence in his prison cell, Valladares bore witness to the young revolution's incessant brutality.

With his transfer to the infamous Isla de Pinos prison, Valladares began to experience the endless violence and harassment, putrid food and squalid living conditions, illness and forced labor, solitary confinement, and the indifference of outside humanitarian agencies.

Following are passages which detail Valladares' ordeals.

This particular one was set at Castro's infamous La Cabana prison:

> At nine o'clock we were in the habit of gathering into groups and praying in all the *galeras*—faith in difficult times. The sound of a motor was heard. Total silence fell. It was the truck carrying the coffin for the corpse. Then we heard the motor of a jeep that was carrying the prisoner, and some voices. There was a long stairway leading down into the moat. A few yards from the wall stood the wooden stake to which the prisoner was tied. Before they tied him up, Julio Antonio shook hands with each one of the soldiers on the firing squad and told them that he forgave them.
>
> Firing squad, attention.
>
> Ready, aim, fire.
>
> Down with Commun—.

Julio Antonio's cry was never finished:

> Then there came the dry crack of the coup de grace behind the ear. I will never forget that mortal sound.
>
> Within the prison the silence was dense and charged with suspense, until it was broken by the sound of the hammers nailing the lid on the rough pine box. From our *galera* there was nothing to be seen, but we could hear everything. I imagined the scene: The prisoner tied to the stake, the marksmen, then the fall of the dying body, it's breast ripped by the bullets.

This terrifying passage in Valladares' book was a daily occurrence in Castro's prisons:

> In the Isla de Pinos prison—more savagery—
>
> The next morning, Lieutenant Julio Tarrau, the prison director, came in at the head of the garrison. Wielding his Russian Makarov pistol, which no one had ever seen him shoot but which he thought gave him more authority, and which certainly gave him more courage, he screamed at us, "I'll kill any SOB who moves. Stand in front of your cells, at attention!"
>
> The Garrison, which amounted to some two hundred soldiers for that search, filled the prison yard. The first wave entered without firearms, carrying only bayonets and truncheons. Behind them came the guards armed with rifles and fixed bayonets.
>
> "OKAY!" Tarrau began speaking again. "Everybody strip! Everybody take off your clothes and stand there in front of your cells!"
>
> Carrion and I stripped. In the next cell, ex-Captain Tapanes, from the city of Cardenas, and his cellmate Chavez followed suit.
>
> There was someone on the fourth floor who did not take off his underwear. Lieutenant Tarrau screamed at him to come downstairs. The atmosphere grew even more tense, more frightened and expectant. Thousands of eyes were fixed on that man slowly walking down the stairs. In everyone's mind was the same question—and it was almost like a plea there was no longer enough time for: Why didn't you take off your underwear like everybody else?
>
> When the man came to the prison yard, Tarrau himself shoved him, and a group of guards fell on him. The prisoner struggled, but only for a few seconds. The hail of blows flattened him, and staggering, almost unable to walk, he was dragged and shoved out toward the punishment cells, while they ripped his underwear from him in shreds. He had not even reached the main gate before he was naked.
>
> A murmur of protest and indignation arose throughout the circular. Tarrau shot his pistol into the air, and the guards cocked their rifles. You could hear the bolts of the machine guns click too, as the guards in the tower cocked them and took aim at the prisoners before the cells. The rifles' power of persuasion silenced us.
>
> The spectacle in the jail beggared description. All you could do at the moment was stare—there were hundreds of completely naked men formed into a surrealistic legion, standing at attention in perfect formation.
>
> There is nothing more humiliating or more degrading than forced nakedness before your oppressors—you feel especially vulnerable.

The authorities knew that, and they used our nakedness against us, another in their arsenal of psychological weapons. The interrogators from the political police never failed to keep prisoners, both men and women, naked. They took the women in naked for interrogations by groups of officers. If for a man it's embarrassing to be forced to stand there completely stripped before a phalanx of interrogators, for a woman it is much more terrible, and many of the suicides and attempted suicides among the women were triggered precisely by that humiliation. Even today the government still employs this practice with women political prisoners. When they are confined to solitary, they are completely undressed and then officers from the jail, prison headquarters, and the political police stop by to see them.

And here is another passage:

"There are certain things one never thinks about when one reads or hears about a prisoner confined in a cell under the conditions we were kept in; there are things that are simply inconceivable outside a jail. And among those things are a man's bodily functions. We had to relieve ourselves there, in that hole in the ground in a corner of the cell. But when we were done, there was absolutely nothing to clean ourselves with, no water or soap or paper or even a piece of cloth.

"They continued slopping the pails of urine and excrement over us. In the cold winter mornings, they would also throw freezing water at us. That was unpleasant, but at least it cleaned some of the excrement off the cell floor. Little by little, the latrine, without water to flush out the fecal matter, grew full. As soon as night fell, cockroaches took over the walls and floors and crawled all over my body, and their ticklish creeping often made me jump awake.

"Finally, after international outcrys and dramatic physical therapy performed by Castro's doctors so that he would be presentable to the world—it was time to be set free.

Listen to this ending:

"The hour of my departure arrived. The procession of several cars headed down Rancho Boyeros Avenue toward Jose Marti International Airport. The plane was scheduled for seven in the evening. The setting sun dyed the afternoon pomegranate-red. My heart sent up a hymn of thanks to God, and I prayed for my family, who hadn't been allowed to come to say goodbye, and for my friends remaining behind in the eternal night of the Cuban political prisons.

"As the cars sped along, a flood of memories rushed over me. Twenty-two years in jail. I recalled the two sergeants, Porfirio and Matanzas, plunging their bayonets into Ernesto Diaz Madruga's body; Robert Lopez Chavez dying in a cell, calling for water, the guards urinating over his face and in his gasping mouth; Boitel, denied water too, after more than fifty days on hunger strike, because Castro wanted him dead; Clara, Boitel's poor mother, beaten by Lieutenant Abad in a political police station just because she wanted to find out where her son was buried. I remembered Carrion, shot in the leg, telling Jaguey not to shoot, and Jaguey mercilessly, heartlessly, shooting him in the back; the officers who threatened family members if they cried at a funeral.

I remembered Estebita and Piri dying in blackout cells, the victims of biological experimentation; Diosdado Aquit, Chino Tan, Eddy Molina, and so many others murdered in the forced-labor fields, quarries, and camps. A legion of specters, naked, crippled, hobbling and crawling through my mind, and the hundreds of men wounded and mutilated in the horrifying searches. Dynamite. Drawer cells. Eduardo Capote's fingers chopped off by a machete. Concentration camps, tortures, women beaten, soldiers pushing prisoners' heads into a lake of [FECES], the beatings of Eloy and Izaguirre. Martin Perez with his testicles destroyed by bullets. Robertico weeping for his mother.

In his introduction, which I use as an epilogue, Armando Valladares writes:

This book is my personal account of the twenty-two years I spent in the political prisons of Cuba, solely for having espoused and expressed principles distinct from those of the regime of Fidel Castro.

In my country there is a fact which not even the most fervent defenders of the Cuban revolution can deny—a dictators hip has existed there for more than a quarter of a century. And no dictators hip can remain in power for so long without violating human rights, without persecutions, without political prisoners, without political prisons.

Someday, when the history of all of them is known in detail, mankind will feel the revulsion it felt when the crimes of Stalin were brought to light.

Yet, on July 28, 1983, the year after Armando Valladares was set free, Fidel Castro had the audacity to say to French and American journalists this statement:

From our point of view, we have no human-rights problem—there have been no disappeareds' here, there have been no tortures here, there have been no murders here. In twenty-five years of revolution, in spite of the difficulties and dangers we have passed through, torture has never been committed, a crime has never been committed.

But lying is not new to Castro. Just a little over a month ago, in an interview with Diane Sawyer on ABC's "Prime Time," Fidel Castro said, and I paraphrase:

Political prisoners? What political prisoners? There may be a few, but after all, what are political prisoners—people who committed crimes against the state.

Just a few Mr. Castro? Well for the first time, I will now produce a partial list, given to me by a European Government official of political prisoners in Cuba. This partial list was brought out of Cuba by this official and it lists not a few but 607 political prisoners—580 men and 27 women. Mr. Speaker, I ask permission to have this list included in the RECORD.

This partial list, compiled by Aida M. Valdes Santana, a human rights activist inside Cuba, has the following introduction:

On December 10, 1948, the U.N. General assembly approved the Universal Declaration of Human Rights, the guiding document for international agencies, organizations and governments in guaranteeing the individual rights of the citizens of the world.

The celebration of this date in 1992, in our country, became one more day of struggle, since a repressive escalation took place against human rights activists.

On this day there was harassment at residences of activists, who were held for several days, with neither relatives or friends being able to help those besieged; beatings; affronts; summons by police agencies; threats and arrests.

In this way Cuba celebrated International Human Rights Day.

We consider it necessary, as a tribute to our incarcerated brothers and the true defenders of human rights, to release an approximate list of the current political prisoners in Cuba, data obtained with difficulty, since it reached us through relatives, close friends and lists sent by the prisoners themselves.

This modest work of homage serves all the true strugglers in the world for the noble cause of human rights.

And finally this summary:

Just a short comment to point out the increases in the charges of enemy propaganda, contempt and unlawful association, which shows the growing need for the people to express themselves freely, their feelings and their deep desires for change in search of the sacred right to live in a world where individuality and freedom of opinion and expression are respected, as established in Article 19 of the Universal Declaration of Human Rights.

Mr. Speaker, more than half of Cuba's political prisoners are charged with enemy propaganda. The Universal Declaration of Human Rights, the document to which Cuba is a signatory, is the same document that the United Nations commission on human rights determined Cuba was violating. Here is what the U.S. Commission on Human Rights said:

Deeply concerned at arbitrary arrests, beatings, imprisonment, harassment and government organized mob attacks on human rights defenders and other who are engaged in the peaceful exercise of their rights, and noting with particular concern that Cuba increased its repression against leaders of several human rights groups in Cuba on United Nations Human Rights Day, 10 December 1992.

Profoundly concerned at continued violations in Cuba of fundamental human rights and individual liberties enumerated in the Universal Declaration of Human Rights, such as the freedoms of movement, thought, religion and conscience, opinion and expression, assembly and association, and rights associated with the administration of justice.

Expresses particular concern that the government of Cuba has failed to carry out its commitment, common to all member states, to cooperate with the commission on human rights, in conformity with Articles 55 and 56 of the Charter of the United Nations.

Regrets profoundly the numerous unanswered reports of violations of basic human rights and fundamental freedoms that are described in the report of the special rapporteur, and expresses particular concern at mounting intolerance for freedom of speech and assembly in Cuba.

There are still those people who say they do not believe there are political prisoners. Today in the gallery sits at least 10 or 12 of them who suffered in the same way in Castro's jails who are living testament to the fact that the question of political prisoners is unfortunately a real and abiding problem in Cuba.

The SPEAKER pro tempore (Miss COLLINS of Michigan). The gentleman should not address the people in the gallery, please.

Mr. MENENDEZ. Freedom House, an independent, nonprofit, nonpartisan, human rights group, called Cuba among the 10 worst violators of human rights in the world.

In a 1993 special report to the 49th session of the U.N. Commission on Human Rights entitled "Tyranny and Repression Unbound, the Most Repressive Regime of 1992," Freedom House wrote:

> Cubans are unable to change their Government democratically. All political and civic organization outside the PCC is illegal. Political dissent, spoken or written, is a punishable offense. With the possible exception of South Africa, Indonesia and China, Cuba under Castro has had more political prisoners per capita for a longer period than any other country. The educational system, the judicial system, labor unions, professional organizations, cultural groups and all media are tightly controlled by the State. Outside of the Catholic Church, whose scope remains limited by the Government there is no semblance of independent civil society.
>
> Since 1989, Cuba's small community of human rights activists and political dissenters has been subject to regular and severe crackdowns. Hundreds of human rights activists and dissenters have been jailed or placed under house arrest. Others have been assaulted in the streets and in their homes by plainclothes police and the 'Rapid Action Brigades,' mobs organized by State security or the Committee for the Defense of the Revolution [CDRs] or separately.
>
> There are continued allegations of torture in the prisons and in psychiatric institutions, where a number of the dissidents arrested in recent years have been incarcerated. Since 1990, the International Committee of the Red Cross has been denied access to prisoners. According to Cuban rights activists, more than one hundred prisons and prison camps hold between 60,000 and 100,000 prisoners of all categories.
>
> Freedom of movement and freedom to choose one's residence, education or job are restricted.
>
> Official discrimination against religious believers was lifted by constitutional revision in mid-1992. The measure was welcomed by the Catholic church, which has seen an increase in membership in recent years. However, by the end of the year, there was little evidence that discrimination had ended in practice. Moreover, there were at least two incidents in which suspected dissents were dragged out of church services by State security agents, one during a Mass presided over the Archbishop of Havana.
>
> As was evident during the 1989 show trials of officers charged with drug-trafficking, and during the trials of human rights activists and other dissidents, due process is alien to the Cuban judicial system. The job of defense attorneys accepted by the courts is to guide defendants in their confessions.
>
> The Government has continued restricting the ability of foreign media to operate in Cuba. Journalist visas are required and reporters whom the Government considers hostile are not allowed entry. Foreign journalists interviewing dissidents risk being detained and expelled, and in a few cases reporters have been beaten up. A Mexican television news service closed it's office in Cuba in 1992, claiming it was being denied the freedom to operate effectively.

DRUG TRAFFICKING

"Castro's Final Hour," a book written by the Miami Herald's Pulitzer Prize-winning correspondent Andres Oppenheimer, Opens with the 1989 firing-squad execution of Cuba's most decorated army general, Armando Ochoa, a hero of the Cuban revolution. It was the first sign of a rift in Castro's ranks as glasnost and perestroika burst onto the world stage. Oppenheimer reveals the drug scandals that plagued the upper reaches of Castro's regime, and proves that there were blatantly political motivations behind subsequent executions of Fidel Castro's top military aides.

In November 1982, a United States district attorney in Miami indicted four top Cuban officials on charges of smuggling cocaine through Cuba to the United States. The operation was almost identical to that proposed to Col. Tony de la Guardia by Reinaldo Ruiz years later.

Jaime Guillot-Lara, a Colombian drug lord, shipped drugs to Cuba at the time and had south Florida boaters pick up the cargo at sea. Between 1977 and 1981, Guillot-Lara shipped at least 2.5 million pounds of marijuana, 25 million methaqualone tablets, and 80 pounds of cocaine, much of it through Cuba.

Witnesses at the Miami trial testified that the Cuban Ambassador to Colombia, Fernando Ravelo Renedo, requested—and obtained—Havana's official green light for every shipment to Cuba. The Colombian smuggler's boats used the code word "viviana" to alert the Cuban Navy that the cocaine-laden boats should be allowed to cross Cuban waters.

In addition to Ambassador Ravelo, the indictment named Cuban Navy Vice Adm. Aldo Santamaria Cuadrado, who was charged with supervising the protection and resupplying of the drug ships from Colombia, and Rene Rodriguez Cruz, an official of the Cuban Directorate General of Intelligence [DGI]. None of them was ever prosecuted in Cuba. Castro maintained that the U.S. charges were nothing but imperialist lies. Within Cuba, the United States indictment produced only a temporary scare, and a warning to Cuban officials not to allow drugs onto Cuban soil.

Fidel Castro and Colombia's drug barons had a long association, largely based on political expedience. The Cuban leader first ordered his intelligence services to penetrate the Colombian drug-trafficking rings in the 1970's, to have a hand in what was rapidly becoming one of Latin America's most powerful economic and political forces. It was a card he would later decide how to play.

In the early 1980's, Castro used his Medellin Cartel contacts to fly weapons to Colombia's M-19 guerrillas. The planes would fly over Cuban airspace with no questions asked, and pick up the weapons on improvised runways in various Caribbean islands, and occasionally in Cuba itself. Carlos Lehder, one of the Medellin Cartel's top leaders, would testify years later in a United States court that he had met twice with Raul Castro in Cuba to clear these flights.

The Cuban regime used its ties with the Colombian drug traffickers to help solve a $4.6 million dispute between Panama's military chief, General Noriega and the Medellin Cartel in 1984. When the Medellin Cartel threatened to kill Noriega unless he returned the money they had paid for protection of a huge western Panama cocaine laboratory that had been destroyed in a DEA-led raid, Cuba persuaded the Panamanians to come to terms with the Colombians.

There is a virtual consensus in Cuba's interior ministry intelligence circles that the official story of the Ochoa-de le Guardia affair was ludicrous: Castro could not possibly have been shocked to find out that his top aides had been engaged in cocaine smuggling.

In reality, Castro had long-condoned occasional drug-trafficking deals when he considered them justified on national security grounds, such as in the case of the drug-for-weapons shipments to Colombia's M-19 guerrillas. What happened this time was only a matter of degree: The MC department's large-scale drug smuggling had gone beyond the limits set by Fidel.

When it became clear that the United States Government was about to uncover Cuba's role in drug smuggling, Castro moved swiftly to preempt. Castro used the opportunity to crack down on disaffected revolutionary armed forces and Ministry of the Interior officers who might become a major threat to Castro's leadership. Castro believed that Ochoa and the de la Guardia brothers were the vanguard of a reform-minded movement that was gaining strength within Cuba's military. At the same time, Ochoa and the de la Guardia brothers were accumulating enormous economic power. If they weren't stopped immediately, they would start making demands. Their grumbling would turn into defection or outright rebellion. A preemptive strike was needed.

By executing Ochoa and his friends, and by purging all disaffected officers from the Government, Castro sent a strong warning to the armed forces, the Cuban people, and the outside world. Cuba would not tolerate the new thinking that had brought about the fall of Poland, and that was threatening to shake East Germany, Hungary, and the rest of the Soviet bloc. Orthodox Marxism and military discipline would be preserved in Cuba at any cost.

The executions made it clear that there would be no independent thinking—let alone dissent—permitted on Castro's island. Nobody, not even Fidel's top aides, was above suspicion, as the Cuban leader and his brother had repeatedly reminded Cubans at the trial.

In times of crisis, one had to prove oneself stronger than ever, Castro told his aides. With the Socialist bloc crumbling, Cuba could not afford to show any sign of weakness.

His strategy to survive the collapse of worldwide communism was brutally simple. He summed it up in three words, which he shouted defiantly in every speech over the months that followed the Ochoa case: "Resistir! Resistir! Resistir! (Resist! Resist! Resist!)."

Castro's hands are far from clean. Not only in drug trafficking but also in other crimes.

In a recent Miami Herald article, a former Cuban agent confirmed long-held assertions by United States officials that Cuba's Marxist regime helped execute one of the biggest bank robberies in United States history.

Jorge Masetti, an Argentine-born, Cuban-raised former revolutionary who sought refuge in France in 1990, says the Cuban Communist Party's Department of the Americas provided a $50,000 loan to Puerto Rico's Macheteros guerrillas, to perform the 1983 robbery of $7.2 million from a Wells Fargo armored truck in Connecticut.

The Cuban Embassy in Mexico also provided logistical support to get part of the money out of the United States, and to spirit at least one of the Puerto Rican bank robbers into Cuba, according to Masetti in a telephone interview from Paris:

> I know, because I was part of the operation. I was the one who prepared the bag with the $50,000 for the Macheteros, and I was the one who prepared the fake passports to get the bank robbers from Mexico to Cuba after.
>
> Instructions came from Havana that we should support Latin American (guerrilla) groups operating in Mexico. From bank robberies to jewelry-store holdups. The official in charge in Cuba was Armando Campos, first deputy chief of the Americas Department.
>
> Thanks to these operations, Cuba could reduce its financial aid to revolutionary groups, and—in its capacity as administrator of the proceeds of these operations—could dispose of more money to support the revolutionary movement and the trips of Americas Department employees.

"On some occasions, Cuba would lend assistance to urban guerrilla groups by smuggling small weapons to Mexico through diplomatic pouches," Masetti said. "With time, the Cuban role in these operations grew, and the Cuban Embassy began to supply intelligence to Latin American guerrillas so they could carry out special operations more efficiently," he said.

"The Americas Department was helping in holdups and bank robberies throughout Latin America," Masetti said. "We, at the Mexican Embassy Office, offered financial and logistical support. The Americas Department was headed by Manuel Pineiro, one of Cuban leader Fidel Castro's closest aides."

THE CONTROVERSY OVER THE EMBARGO

During the time that Cuba was subsidized to the tune of $6 billion annually by the Soviet Union, Castro loudly insisted that the United States embargo on Cuba was irrelevant. He stated ad nauseam that Cuba's economic prosperity would enable her to sidestep the United Stated embargo. In the meantime, United States critics of the embargo denounced it as ineffectual and merely an irritant in relations with Cuba.

Yet now, we see what a little sunshine can do. The Soviet subsidies are gone. Trade with Russia and the countries of the former Eastern bloc are conducted strictly on commercial terms. Castro's Cuba stands isolated and exposed.

With the cushion of Soviet subsidies gone, Castro is now saying precisely the opposite of what he said for so many years. He now claims that the embargo is the reason for the misery in Cuba. Not surprisingly, there are people in this country who suddenly agree with Castro. They suggest that we should lift the embargo unilaterally, no questions asked.

They would have us forget about human rights, although the President has just asked the U.N. Secretary-General to appoint a high commissioner for human rights to give human rights a higher profile in U.S. foreign policy.

They would have us forget the hundreds of innocent Cuban political prisoners languishing in jail.

They would have us forget the atrocities of the Cuban KGB.

They would have us forget the dissidents who reach out to us.

Just lift the embargo. That's what they want the United States to do. They say that if we lift the embargo all will be well in Cuba. Mr. Speaker, here are the facts:

The fact is, lifting the embargo won't create hard currency to buy the goods Cuba needs.

The fact is, the food and medicine and other products Cuba might need are available from other countries throughout the world, but they won't sell to Cuba because it can't pay.

The fact is, Castro will not allow a free-market system to develop in Cuba and insists on keeping his centrally planned economy—which has failed.

The fact is, at the height of Soviet aid to Cuba, which amounted to nearly $6 billion a year, Castro still rationed the Cuban people—instead of using that money to provide for their needs.

The fact is, Castro took the money provided by the Soviets and used it to export revolution around the world instead of feeding the Cuban people.

Consider the list of military missions that former General Ochoa conducted, as described in "Castro's Final Hour" by Andres Oppenheimer:

> His resume read like a catalogue of Cuba's military interventions abroad: in the early 1960's, at the time when Ernesto "Che" Guevara was heading a Cuban-led revolutionary campaign in Bolivia, Ochoa was heading a Cuban guerrilla cell in Venezuela. From there, he was sent to Brazzaville, in the Congo, where he led about one thousand Cuban troops that helped defend the country's leftist regime, and trained Marxist guerrillas from Namibia, Mozambique, and South Africa.
>
> After a brief stint as commander of the Army in Havana in 1971, Ochoa was reassigned abroad. By 1972, he was leading a 500-man Cuban contingent training the army of Sierra Leone. During the 1973 Arab-Israeli war, he trained Syrian forces in the Golan Heights. In 1975, he led 37,000 Cuban troops in Zaire. By 1976, he was a senior commander of the Cuban forces in Angola. That year, he organized a popular militia in Addis Ababa, and led 9,000 Cuban troops in the Ethiopian fight against Somalia during the Ogaden war.
>
> By December 1977, Ochoa was a division general, and a top commander of the joint Ethiopian, Cuban, Soviet, Polish, Hungarian, and East German troops in Angola. Over the next few years, he would set up the armed forces of Grenada for Prime Minister Maurice Bishop, and would provide military training to the armies of South Yemen, Syria, Vietnam, Libya, Afghanistan, Iraq, and Laos. In 1983, he was dispatched to Nicaragua for a two-year assignment as the top military adviser to the Sandinista regime, which was seeking urgent Cuban help to repel the U.S.-financed counterrevolutionary contra guerrillas.

The fact is, repealing the embargo will not make Castro change—we know that from the simple fact that even when he was still receiving $6 billion a year from the former Soviet Union, Fidel Castro bit the hand that fed him and said no to perestroika and no to glasnost.

Those are the facts on the embargo.

Until the Cuban Democracy Act became law, there was no meaningful embargo for the 30 years that preceded it—just some discomfort for United States corporations who had to do some legal somersaults to trade with Cuba through their foreign subsidiaries.

Many of those who propose that we lift the embargo have irreconcilable positions. An embargo, after all, is an economic sanction. Many of those opposed to this embargo support economic sanctions against South Africa such as divestiture. Likewise, have we not seen efforts to restore the democratically elected government of President Aristide in Haiti through the use of economic sanctions?

Why are these sanctions acceptable to obtain legitimate goals in South Africa and Haiti—but not in Cuba?

Finally, much aid has been sent to the Cuban people by the over 1 million friends and family members here in the United States—but much of their aid does not reach their loved ones. Instead, the Castro government rifles through the packages and the goods intended for the Cuban people end up in the so-called diplo-tiendas. These diplo-tiendas are exclusive stores for foreign visitors and diplomats which raise hard cash for Castro. This provides little solace for the Cubans who count on those packages from loved ones.

NO SIGNS OF CHANGE

This is what our fellow Latin American neighbors are telling us about Cuba. The Inter-American Commission on Human Rights of the Organization of American States in its 1993 annual report on Cuba states.

> Conditions in Cuba have become worse. As a result, the state's control over the population is tightening, with the consequent erosion in the human rights situation. The response had been to tighten state security controls, make it easier for people to emigrate to the United States and find economic alternatives that compensate for the shortages that Cuba is now experiencing. Hence, social conditions are eroding and the government is resorting increasingly to repressive methods, all of which points to the fact that the existing problems will likely become worse.

Unfortunately, there are no signs of any impending change.

Castro's primary concern—his primary obsession—is perpetuating his own power. He understands power well. He calls himself the maximum leader; he is the President of the Council of State, President of the Council of Ministers, First Secretary of the Cuban Communist Party, Commander-in-Chief of the Revolutionary Armed Forces, which in turn are run by his brother Raul.

He knows that neither a Communist political system nor a command economy can be reformed; as the unraveling of the former Soviet bloc has demonstrated, they can only be replaced. Castro knows that his regime and his power base of 34 years is so dependent upon dictatorial rule and absolute central control that any meaningful reform will undermine it, just as it undermined every communist system that attempted real reform.

This has serious implications for a transition from Castro's rule in Cuba. The following statement in the Americas society publication, "Cuba at a Turning Point" sums it up well:

> "For the leader like Castro, determined to maintain his Communist revolutionary credentials, the only way out, at least in the short run, seems to be the route he has chosen: To avoid allowing reforms that would weaken his political and economic control and that would make it difficult, if not impossible to use force when he deemed it necessary to do so.

INFLEXIBLE ALTERNATIVES: THE "ZERO OPTION"

In this context, then, we understand why Castro has presented only inflexible alternatives to the Cuban people. One such alternative was presented to the Cuban people when it became clear that the cushion of Soviet subsidies would be removed by Mikhail Gorbachev. Castro called it the zero option. This was Castro's way of telling the Cuban people how their notoriously inefficient and unproductive economy would have to adapt to the loss of the Soviet free ride: Basically, not at all.

The Human Rights Group Freedom House claims that the zero option represents "in effect the devolution into a preindustrial society cut off from the rest of the world.

Ambassador Preeg aptly describes the domestic component of the zero option as follows:

> By all comparable standards, this economic program is one of undevelopment. Cuba has become an undeveloping country. Bicycles are replacing automobiles. Horsedrawn carts are replacing delivery trucks. Oxen are replacing tractors. Factories are shut down and urban industrial workers resettled in rural areas to engage in labor-intensive agriculture. Food consumption is shifting from meat and processed products to potatoes, bananas, and other staples.

Over the last 30 years, the Castro regime has been characterized by the systematic dismantling of the economic and social base of the Cuban nation. In 1959, the average Cuban enjoyed living standards among the highest in the Western Hemisphere. According to the United Nations, in 1959, the average Cuban ate as well as the average Austrian. In 1959, the average Cuban was better educated than most citizens in Latin America, and than the citizens of many industrialized countries. In 1959, Cubans lived longer than residents of the United States and Cuban infant mortality nearly equaled that of the United States.

Politically, it is true that Batista was a dictator. However, Cubans enjoyed a political space which Castro has completely shut down. Castro claims that living standards can only be improved by a repressive regime. In 1959, the average Cuban freely expressed his views, read uncensored newspapers, and listened to independent radio and television.

Castro in effect is condoning a gradual diminution of the standard of living of the average Cuban. In the modern world, living standards sometimes do decline, but it is almost unheard of for them to do so as a matter of deliberate government policy.

EXILE PLEAS IGNORED

For too long, the repeated protests of hundreds of thousands of Cubans from all walks of life who have fled Cuba—rich and poor, black, white, and mulatto—have been largely dismissed not only by the international community at large, but also by many sympathizers of the Castro regime here in the United States.

It is about time that those who have formulated opinions about the Castro regime based on unsophisticated cold war ideological considerations, enduring romantic notices about Cuba under Fidel Castro, limited or superficial knowledge about the accomplishments of Castro's Cuba, or similar considerations, really learned more about Castro's Cuba. I would hope that this includes all of those who seriously enter into the policy debate regarding Cuba.

WHY THE UNITED STATES SHOULD CARE ABOUT UNITED STATES-CUBA POLICY

The United States has many reasons to be concerned about its Cuba neighbor—90 miles from our shore.

In addition to permitting its territory to be used as a transshipment point for narcotics, Cuba now wants to become a nuclear power.

Cuba has been building a Soviet type nuclear power reactor in Juragua, Cienfuegos, Cuba since 1983—a reactor temporarily halted because of economic difficulties.

Serious concerns have been expressed by the United States Government, numerous international and United States-based organizations which monitor nuclear energy, and some of my colleagues in Congress, with respect to the operational safety of this plant. These would be important implications for both Cuba and the United States should an accident occur at this plant.

In a September 1992 report to Congress, Concerns About the Nuclear Power Reactors in Cuba, the General Accounting Office [GAO] laid out the concerns within the nuclear energy community about the deficiencies in the Cienfuegos plant. Following are some of the concerns expressed, which I share:

> First, a lack in Cuba of a nuclear regulatory structure;
>
> Second, the absence of an adequate industrial infrastructure in Cuba to ensure the plant's safe operation and maintenance;
>
> Third, inadequate training of plant operators;
>
> Fourth, reports by a former Cuban technician who examined with X-rays weld sites (believed to be part of the auxiliary plumbing system) who found that 10 to 15 percent of those were defective, as well as concerns about other welds;
>
> Fifth, exposure to the elements, including corrosive salt water vapor, of the primary reactor components; and,
>
> Sixth, a question as to the adequacy of the upper portion of the reactors' containment domes retention capability of 7 pounds of pressure per square inch.

An accident at the Cienfuegos plant could cause obvious damage not only to Cuba and its people, but also to the United States and its people. The GAO report estimates that in only 4 days, summer winds could carry radioactive pollutants over all of Florida, parts of the Gulf States, and travel as far as Texas.

Fortunately, for the moment, construction of the Cienfuegos facility has stopped due to Cuba's inability to pay for needed materials and equipment. However, I am concerned by a December 1992 report (Frank Gaffney, Jr., the

Washington Times) that the Yeltsin government—already deep in debt and seeking United States financial assistance—has decided to extend to Cuba supplier credits so that it may complete this project. I am further concerned about news stories this week that reported that high Russian officials visited the Jurugua plant to discuss the completion of construction. Mr. Speaker, the United States doesn't need a Chernobyl 90 miles from its shores.

Cuba continues to be used for Russian intelligence operations aimed at the United States.

The Russian communications intelligence facility at Lourdes is the largest such non-American installation in the Western Hemisphere. The facility is operated by about 2,000 Russian personnel and, in addition to the Russian headquarters, consists of an antenna field; satellite receiver; and about 50 buildings that contain the monitoring, processing, and analysis equipment. The facility targets the Eastern United States and intercepts civilian and military United States communications, including transatlantic telephone calls as well as communications to and from Cape Canaveral, especially as they relate to shuttle and military space missions.

For all the following reasons the United States has a major stake in democratic reform in Cuba: Human rights abuses, Cuban support for narcotrafficking, support of criminal activities in the United States, spying, and the threat of nuclear power.

Clearly, this gives the United States a major stake in democratic reform in Cuba.

REACHING OUT TO THE CUBAN PEOPLE THE FREE AND INDEPENDENT CUBA ACT OF 1993

As a sign of our solidarity with the Cuban people, all 10.5 million who are enslaved on the island, and as a sign of our solidarity with the dissidents and human rights activists within Cuba, I am today announcing a new initiative that will send a clear message to the Cuban people that we are willing to help them in their struggle.

Within the next 2 weeks I intend to introduce in the House of Representatives the Free and Independent Cuba Assistance Act of 1993. My proposed legislation would be the first to deal comprehensively with United States policy and assistance in a post-Castro Cuba. It would be United States policy to help a post-Castro transition government and ultimately a duly elected government under international supervision, as follows:

First, to develop and communicate to the Cuban people a plan that outlines clearly of what this assistance will consist;

Second, to provide humanitarian and developmental assistance;

Third, to provide, or facilitate the provision by other entities such as international financial institutions, long-term relief to Cuba, including loans, credits, debt forgiveness, guarantees, grants, and other assistance; and

Fourth, to work cooperatively with the appropriate international financial institutions to coordinate an international effort to assist Cuba using the resources of these institutions.

We will also send a message to the Cuban Army that in a democracy there is a role for a military that is answerable to an elected civilian government, as we have here in the United States and other elected civilian governments have throughout the world. The United States would assist a post-Castro Cuban Government with the military adjustment that takes place under a change to an elected civilian government.

The message to the Cuban military would be the following: "We are not your enemy and we are willing to help once you help yourselves. Remember this when your brothers and sisters in Cuba seek through civil means to change from the dictatorship to a democracy that permits self-determination. When you are called by Fidel and Raul Castro and the security forces to turn your rifles against your fellow Cubans, refuse to do so."

The Free and Independent Cuba Assistance Act of 1993 will send a beacon of hope to the Cuban people. It will say to them: The possibility of a free, independent, and sovereign Cuba is in your hands.

Castro may be in his final hours of oppression, but the Cuban people stand at the threshold of a new century that can promise to be their finest hour.

Cuba's time has come.

CUBAN HUMAN RIGHTS COMMITTEE ANNUAL REPORT ON POLITICAL PRISONERS IN CUBA 1992

(By Aida M. Valdés Santana)

On December 10, 1948, the U.N. General Assembly approved the Universal Declaration of Human Rights, the guiding document for international agencies, organizations and governments in guaranteeing the individual rights of the citizens of the world.

The celebration of this date in 1992, in our country, became one more day of struggle, since a repressive escalation took place against human rights activists.

On this day there was harrassment at residences of activists, who were held for several days, with neither relatives or friends being able to help those besieged; beatings, affronts; summons by police agencies; threats and arrests.

In this way Cuba celebrated International Human Rights Day.

We consider it necessary, as a tribute to our incarcerated brothers and the true defenders of human rights, to release an approximate list of the current political prisoners in Cuba, data obtained with difficulty, since it reached us through relatives, close friends and lists sent by the prisoners themselves.

This modest work of homage serves all true strugglers in the world for the noble cause of human rights.

Last names, first name	Arrest	Charges	Sentence
Abad Flamand, Marcos A		Enemy propaganda and disobedience	15 years.
Abreu Ascuy, Roger	5/7/83	Infiltration	30 years.
Abedano Conejo, Roberto		Disobedience	
Abren Hernandez, Manuel F		IDC (Illeg. departure fm. country)	
Acevedo Blanco, Arnaldo	1/22/92	Enemy propaganda	3 years.
Acosta Dorga, Humberto		IDC and disobedience	3 years.
Agrego Blanco, Roberto			3 years.
Aguila Chacon, Alberto		Common w. incident and unlawful association	3 years.
Aguilera Estrada, Rene		Terrorism	30 years.
Aguilera Guevara, Alberto	3/24/91	Enemy propaganda	3 years.
Aguilera ..., Raymundo		Unlawful meeting/conspiracy	
Aguilar Lopez, Eliecer A			
Alarcon Martinez, Julian		Enemy propaganda	
Alba Castellon, Aurelio		IDC	4 years.
Aleman Almeida, Angel L		Enemy propaganda	10 years.
Alfonso Gonzalez, Gustavo		Enemy propaganda	6 yrs., 6 mos.
Alfonso Molina, Manuel		Disobedience	1 yr., 6 mos.
Alfonso Rubio, Hermes	1/22/92	Enemy propaganda	
Alfonso Aguilar, Jorge H	7/16/92	Enemy propaganda	
Almaguer, Rodriguez, Alis		Enemy propaganda, terrorism and theft	10 years.
Almeida Barrera, Alba J	4/06/92	Theft	7 years.
Almendares Perez, Rey		Sabotage and enemy propaganda	
Alpizar San Martin, Regino M		Other acts agst. state sec	1 yr., 6 mos.
Alvarez Blanco, Alfredo			
Alvarez Leiva, Alfredo		Enemy propaganda	
Alvarez Lopez, Juan C		Enemy propaganda	3 years.
Alvarez Lopez, Julio C	4/19/92	Revel of secrets of Min. of Inter	17 years.
Alvarez Martinez, Pedro J	11/15/89	Enemy propaganda	3 years.
Alvarez Montes de Oca, Carlos A		IDC and disobedience	
Alvarez Pedroso, Pedro		Acts against state security	
Alvarez Salcegarra, Hector		Enemy propaganda	
Alvarez Trisna, Juan	11/04/90		
Alvarez . . ., Freddy			
Alvarez Prieda, Felix	4/15/90		4 years.

Last names, first name	Arrest	Charges	Sentence
Alvarino Perez, Jose T	12/12/90	Rebellion	
Ampido Herrera, Pedro E	4/02/89	Enemy propaganda & sabotage	5 years.
Ampidio Perez, Pedro		Sabotage	5 years.
Angulo Fleitas, Albeno		Enemy propaganda	
Angulo Fleitas, Luis		Enemy propaganda	
Anido Padilla, Miguel V		IDC	
Antunez Mora, Luminado	5/30/89	Theft	15 years.
Aparicio Rodriguez, Maria E	2/19/92	Unlawful association	8 years.
Arcos Bergnes, Sebastian	1/15/92	Enemy propaganda	4 yrs., 8 mos.
Aranda Rodriguez, Manuel	6/31/91	Acts against state security	8 years.
Arana Rosaine, Dr. Julian F		Terrorism	8 years.
Arias Iglesias, Carmen J	07/10/92	Revelation of secrets, rebellion	7 years.
Arias . . ., Roberto			
Ariszala, Arozco, Ramiro		IDC	
Ayarde Herrera, Raul	12/17/90	Espionage, terrorism	10 years.
Bacallao Gonzalez, Raul		Sabotage, enemy propaganda	8 years.
Bagur Bello, Vladmimir	06/13/91	Acts against state security	4 years.
Bacs Viamonte, Juan C		Enemy propaganda	
Balmaseda Martell, Jose R		Disobedience	
Banegas Barroso, Yunier A		Enemy propaganda	
Barra Tejeda, Alexis	12/01/90	Enemy propaganda	3 years.
Barreras Rivero, Rafael	01/19/91	IDC	
Barrosa Enrique, Roberto		IDC, disobedience	
Baster Avila, Rolando R		Enemy ppropaganda/espionage	
Basulto Pimentel, Alexander		Sabotage	
Bedra Hernandez, Manuel		Enemy propaganda	
Bellos Diaz, Francisco		Sabotage	
Benitez . . ., Jose R	01/22/92	Disobedience	
Benitez Hernandez, Manual	11/29/90	Enemy propaganda	6 years.
Benitez Jorge, Damian R	04/27/90	Terrorism	9 years.
Bergel Hernandez, Eulogio		IDC	
Betancourt . . ., Reynaldo	10/09/91	Illicit clandestine association	3 years.
Betancourt Escalona, Julian		Enemy propaganda	3 years.
Betancourt Montenegro, Orfilio	06/13/91	Acts against state security	6 years.
Betancourt Sanchez, Angel		Enemy propaganda	
Biamonte Leon, Carlos J		Sabotage	10 years.
Bientz Saab, Dr. Julio Z		Terrorism	13 years.
Bisel Sambonel, Angel		Enemy propaganda	
Blanco Gonzalez, Martha		Enemy propaganda	
Boguie Smith, Nelson		Enemy propaganda	
Both . . ., Ther		Disob. Chief Comm	
Brage Borges, Rogelio	09/11/90	Sabotage	5 years.
Bren Iznaga, Pedro A		IDC	
Brocart Calas, Hernes		Enemy propaganda	8 years.
Bruno Vazquez, Juan		Enemy propaganda	4 years.
Bonilla Fonseca, Ernesto	04/04/90	Subversive oral propaganda	3 years.
Caballero Gonzalez, Raul	04/21/90	Espionage	
Cabrera Alvarez, Elpidio		Enemy propaganda	
Cabrera Cruz, Alejandro		Enemy propaganda	8 years.
Cabrera Gonzalez, Joel		Enemy propaganda	8 years.
Cabrera Martin, Benigno		Enemy propaganda	
Calzada Valle, Lazaro		Enemy propaganda	
Campos Marquez, Lazaro		Enemy propaganda	
Camejo Moeliro, Ivelise	01/06/90	Terrorism	15 years.
Camper Lugones, Humberto		Terrorism	6 years.
Campos Muniz, Guillermo	01/03/90	Terrorism	8 years.
Cantero . . ., Silvio		Sabotage	18 years.
Cancio Vazco, Pedro R		Disobedience	
Cardo Leonardo, Osvaldo		Workers' strike	6 years.
Cardo Hernandez, Daniel	08/25/80	Rebellion	30 years.
Caldoso Companioni, Ivan		IDC	
Carmen Arias, Luis		Enemy propaganda	
Carrasco . . ., Angel		Enemy propaganda	7 years.
Carrazana Varela, Ideliso	05/31/89	Theft	10 years.
Casanova Ponce, Miledys		Theft	15 years.
Caraballo Vazquez, Norge			
Carsilles Ibarra, Rigoberto		Enemy propaganda	5 years.
Castaneda Munoz, Antonio M		Disobedience	
Castaneda Munoz, Julio C		Disob. comm. in chief	
Castillo Espino, Raul	03/24/91	Enemy propaganda, attack	9 years.
Castillo . . ., Loesvani		IDC	
Castillo Ferrer, Pedro A	08/27/92	Enemy propaganda	5 years.
Casto Hechevarria, Oscar E	08/14/89	Sabotage, propaganda, theft	6 years.
Cespedes Chavez, Oscar	05/25/87	Espionage and enemy propaganda	14 years.
Cisneros Silva, Nivardo		Sabotage	
Cisneros Silva, Orlando		Sabotage	
Collazo Peregrino, Ernesto		Sabotage	
Concepcion Granada, Rene		Enemy propaganda	
Contreras Hilan, Jesus	01/22/90	Enemy propaganda	6 years.
Cordova Garcia Lenin		Theft	15 years.
Cordovi . . ., Norma		Enemy propaganda	
Corona Lopez, Enriquez		Enemy propaganda	
Corzo . . ., Ulises		IDC	
Corzo Rodriquez, Alexis	01/11/90	Enemy propaganda	8 years.
Curra Lusson, Ielana	07/16/92	Enemy propaganda	
Curra . . ., Ivan	07/16/92	Enemy propaganda	
Cuetra Mustelier, Angel		Sabotage	
Cucalo Santana, Bienvenida		Enemy propaganda	3 years.
Crespo Diaz, Jorge A		Enemy propaganda/disobed	15 years.
Cruz Martinez, Anibal	10/09/91	Clandest, unlawful association	2 yrs., 3 mos.
Cruz Delgado, Alibal	10/09/91	Clandest, unlawful assn	3 years.
Cruz Reyes, Angel L		IDC	
Cruz Varela. Maria E		Unlawful association	2 years.
Chinea Fajo, Marcial		Sabotage	
Chamber Ramirez, Jesus		Enemy propaganda	10 years.
Chapelle Rojas, Francisco		Enemy propaganda	
Chavez Gonzalez, Gonzalo		Enemy propaganda	
Delgado Cruz, Alberto F		Act against state security	1 yr., 6 mos.
Delgado . . ., Julio C	09/92	Enemy propaganda	
Diaz Aguero, Jesus		Acts against state security	
Diaz Caberra, Manuel	11/09/80	Infiltration	30 years.
Diaz Echemendia, Francisco	08/09/90	Enemy propaganda/sabotage	20 years.
Diaz Estrada, Barbaro		Enemy propaganda	
Diaz, Gomez, Hector	0/01/89	Theft	12 years.
Diaz, Gonzalez, Miguel A		IDC	
Diaz Leiva, Azael C	06/13/90	Enemy propaganda	3 years.
Diaz Rodriguez, Ramon	02/06/82	Sabotage	30 years.
Diaz Romero, Jose L	06/02/82	Sabotage	30 years.
Diaz Rodriguez, Lazaro	08/02/90	Enemy propaganda	2 years.
Diaz Rodriguez, Ezequiel	02/10/92	Sabotage	30 years.

Last names, first name	Arrest	Charges	Sentence
Diaz Simon, Alfredo V		Disobedience	
Diaz Villalon, Guillermo		Enemy propaganda	
Diaz Villamar, Felix	01/07/89	Espionage	15 years.
Diaz Trujillo, Recardo B	12/82	Treason and espionage	20 years.
Diaz Villamor, Felix	08/22/88	Espionage	15 years.
Dobao Aragon, Orestes	01/24/90	Enemy propaganda	5 years.
Dominguez de la Coba, Orlando	04/15/83	Sedition	30 years.
Dominguez Sardinas, Julio		Enemy propaganda	
Duenas Martinez, Joel	12/31/91	Enemy propaganda	3 years
Duran . . ., Adolfo	09/21/92	Enemy propaganda	
Duarte Morio, Osmani		Disobed., Comm. in Chief	
Durga Acosta, Israel		IDC	
Echenique Gonzalez, Orlando	01/13/90	Sabotage, enemy propaganda	10 years.
Echevarria Marrero, Miguel		Enemy propaganda	4 years.
Echevarria Revafleche, Hector		Enemy propaganda	
E. . . . Figueredo, Jose		Enemy propaganda	4 years
Enriquez Hernandez, Rafael		Disobedience	
Enrique Espinosa, Luis		Enemy propaganda	5 years.
Enrique Garcia, Juan		Enemy Propaganda	8 years.
Escobar . . . Dr. Vladimir			
Espinosa Perez, Juan E		Theft	10 years.
Esporsa Procard, Fernando		Enemy propaganda	8 years.
Estrada Leiva, Ezequiel		Arson	
Estrada Rivero, Luis		Enemy propaganda	
Felipe Pino, Ewer	03/13/90	Enemy propaganda	2 yrs., 6 mos.
Felix Garcia, Angel		Sabotage	
Fernandez . . ., Juan F		Unlawful assoc/failure of duty to report	
Fernandez Adier, Jorge	04/26/90	Terrorism and propaganda	7 years.
Fernandez Crespo, Miguel A		Terrorism	15 years.
Fernandez Diaz-Silvera, Jorge	04/92	Enemy propaganda	
Fernandez Mapule, Julio	12/91		
Fernandez Perez, Santiago E		Disobed. Comm. in Chief	
Fernandez Saliey, Alfredo		IDC	
Feria Cao, Aurea	01/22/90	Enemy propaganda	5 years.
Ferrer Venegas, Pedro C		Enemy propaganda	
Angulo Fleites, Luis			
Figueroa Castro, Raul		Theft	4 years
Fones Perez, Frank		IDC	
Fonseca Garcia, Jose		Destruction fm. fire	
Fonseca Reyes, Enriquez		Enemy propaganda	
Fuentes Valdes, Jorge L		Enemy propaganda	
Fumero Carrado, Angel		IDC	
Galanea Galvez, Carlos E		IDC, enemy propaganda	
Galvey Contreras, Tomas	01/90	Enemy propaganda	3 years.
Garay Callejas, Jose		Enemy propaganda	3 years.
Garcia . . ., Jorge W	08/02/90	Sabotage	5 years.
Garcia . . ., Caridad	02/92	Enemy propaganda	3 years.
Garcia Alosca, Rigoberto		Enemy propaganda	10 years.
Garcia Aguilera, Juan		Enemy propaganda	8 years.
Garcia Bello, Maria C		Sabotage	18 years.
Garcia Bello, Maria del C	11/13/88	Sabotage	13 years.
Garcia Ramos, Lazaro E	02/92	Enemy propaganda	6 years.
Garcia Cruz, Juan E		Enemy propaganda	1 yr., 6 mos.
Garcia Diaz, Carlos	04/29/82	Sabotage	30 years.
Garcia Perez, Idalberto		IDC	
Garcia Jimenez, Eduardo		Espionage	15 years.
Garcia Figueredo, Luis E	01/19/91	IDC	
Garcia Garcia, Miguel		Enemy propaganda	5 years.
Garcia Hernandez, Gladys		Espionage	8 years.
Garcia Mejias, Guillermo		Enemy propaganda, sabotage	
Garcia Moreno, Jose A			
Garcia Navarro, Nestor		Espionage	8 yrs.
Garcia Perez, Idalberto		Espionage	
Garcia Ortiz, Ramon A		Enemy propaganda	
Garcia Perez, Luis J		Enemy propaganda	8 yrs. 7 mos.
Garcia Perez, Jorge L		Enemy propaganda	5 years.
Garcia Valdes, Maria M		Terrorism	8 years.
Garcia Saldivar, Jadae		Enemy propaganda	5 years.
Gavilan Garcia, Jorge	08/02/90	Sabotage	
Gil Olmas, Ruben		Dif. heroes and martyrs	
Gomez . . ., Rodolfo		Enemy propaganda	6 years.
Gonzalez Ogra, Luis		Enemy propaganda	
Gomez Cruz, Napoleon		Enemy propaganda	5 years.
Gomez Delgado, Aguedo	12/19/89	Sabotage	
Gomez Estevez, Alexix	07/16/92	Sabotage	
Gomez Gonzalez, Fray		Enemy propaganda	2 yrs. 7 mos.
Gomez Macias, Ibalde		Enemy propaganda	
Gomez Dias, Ibraim	10/28/90	Sabotage	7 years.
Gonzalez . . ., Juan		Theft	15 years.
Gonzalez Aleman, Genovevo		Sabotage	
Gonzalez Bello, Maria del C		Sabotage	18 years.
Gonzalez Seguei, Jennie A		Enemy propaganda	
Gonzalez Laffita, Rosalina	03/10/87	Theft	30 years.
Gonzalez Valazquez, Agustin		Enemy propaganda	4 years.
Gonzalez Legro, Luis E		Enemy propaganda	
Gonzalez Leiva, Israel		Enemy propaganda	10 years.
Gonzalez Lopez, Rolando		Sabotage	3 years.
Gonzalez Marichal, Jose	08/17/89	Sabotage/enemy propaganda	5 years.
Gonzalez Mateo, Emilio E		Enemy propaganda	
Gonzalez Perez, Yaamani		IDC	
Gonzalez Specks, Lino	09/01/82	Sabotage	30 years.
Gonzalez Vasquez, Agustin		Enemy propaganda	
Gonzalez Veguero, Nicolas		Enemy propaganda	
Gonzalez Valencia, Marcos	04/09/91		
Gomez . . ., Maria			
Gorrin Verdecia, Ricardo		Enemy propaganda	
Grave de Peralta, Roberto		Enemy propaganda	
Grave de Peralta, Murrelli L	02/13/92	Rebellion	13 years.
Graveran Piloto, Juan		Enemy propaganda	
Graveran Piloto, Thomas		Enemy propaganda	
Guerra Blanco, Jesus			
Guero Rosales, Senen		Enemy propaganda	
Guerra Jimenez, Eduardo	06/11/79	Espionage	15 years.
Guerrero Garcia, Emigdio		IDC and acts rep. sabotage	5 years.
Guerrero Martinez, Faustino		Sabotage	
Guerrero Scheweyer, Alfredo	03/08/87	Espionage	12 years.
Guillen Zalduva, Jose		Sabotage	1 year.
Golobo Quinones, Ricardo		Sabotage	
Gutierrez . . ., Angel M		Theft	3 years.
Gutierrez Martinez, Giullermo A		IDC	

Last names, first name	Arrest	Charges	Sentence
Gutierres Ramos, Rodolfo		Rebellion	
Gutierres Sosa, Jose L		Disobedience	
Granda Oveido, Alain			
Hernandez Reyes, Sanvel	12/09/80	Attempted asylum	25 years.
Hernandez Tesis, Orlando		Enemy propaganda	5 years.
Hernandez . . ., Eduardo		Enemy propaganda	5 years.
Hernandez Gonzalez, Alcides		Enemy propaganda	
Hernandez Garcia, Marcos A		Espionage, sabotage, Enemy propaganda	20 years.
Hernandez Hernandez, Juan		Enemy propaganda	
Hernandez Morales, Yosvani		Theft	3 years.
Hernandez Luaces, Omar		Enemy propaganda	
Herrera Macuran, Pastor			
Hernandez Oviedo, Alain	10/19/90	Sabotage	5 years.
Hernandez Toledo, Gelazio			
Hernandez Viera, Alberto		Theft	
Hidalgo Gato, Armando		Enemy propaganda	2 years.
Herrera Macuran, Pastor		Enemy propaganda	
Herrera Ramirez, Ibrahin		Enemy propaganda	
Hidalgo Labrada, Rigoberto		Enemy propaganda	
Hoyo Ruiz, Ruben		Enemy propaganda	6 years.
Huerre Peraza, Carlos		Enemy propaganda	3 years.
Ibanez, Sanchez, Pablo		Enemy propaganda	
Ibarra Tejeda, Elexis		Enemy propaganda	
Infante Estrada, Victor R		Revelation secrets Min. Int	8 years.
Isaac Nunez, Francisco		Enemy propaganda	
Izquierdo Carmona, Esteban		Espionage	15 years.
Jimenez Leon, Rafael		Enemy propaganda	5 years.
Jimenez Ramos, David	12/09/80	Attempted asylum	
Jimenez Ramos, Gerardo A	12/09/80	Attempted asylum	25 years.
Jimenez Rivero, Francisco	07/03/90	Espionage	10 years.
Jimenez Trujillo, Enerido		Disobedience	2 years.
Jorrin Verdecia, Ricardo	09/09/90	Enemy propaganda	3 years.
Kerr Michel, Jorge			
Licourt Medina, Barbaro			
Labrada . . ., Rafael		Sabotage	
Ledesma Quijano, Isidro	11/02/89	Rebellion	3 years.
Lamothe Teras, Emilio		Enemy propaganda	
Lazaro Dominguez, Manuel		Enemy propaganda	8 years.
Lazo Martinez, Andees		Enemy propaganda	
Leon Aleman, Rene	12/12/90	Rebellion	
Leon Leon, Luis		Theft	4 years.
Leon de la Rosa, Abrahan		Acts against state secur	
Levia . . ., Eduardo		IDC, enemy propaganda	
Leiva Trista, Osmani G		Enemy propaganda	5 years.
Leiva Balado, Lilliana		Enemy propaganda	
Leiva Leiva, Croniel		Enemy propaganda	3 years.
Leiva Miguel, Orlando		Sabotage	
Licour Medina, Barbaro		Enemy propaganda, sabotage	
Linancero Martinez, Luis E	01/10/90	Terrorism	15 yeas.
Lino Cardoso, Hector		Sedition	30 years.
Lopez Beltran, Martin	03/23/79	Ex-milit.	25 years.
Lopez Contreras, Leopoldo		IDC, enemy propaganda, worker strike	6 years.
Lopez Contreras, Ramon L		Transportation strike	6 years.
Lopez Estevez, Carlos		Enemy propaganda	
Lopez Estevez, Valeriano		IDC	
Lopez Jimenes, Leonardo		Sabotage	15 years.
Lopez Lopez, Ruben		Enemy propaganda	
Lopez Martin, Manuel		Enemy Propaganda	
Lopez Miranda, Diego	07/23/92	Enemy propaganda	
Lopez Novegil, Nelson	12/90	Rebellion	
Lopez Quinta, Jose		Enemy propaganda	8 years.
Lopez Rodriguez, Luis J		Enemy propaganda	6 years.
Lopez de la Rosa, Andres		IDC	
Lopez Torres, Luis A		Sabotage, enemy propaganda	
Lopez Torres, Luis A	12/12/90	Sabotage	
Lopez Gonzalez, Gilberto		IDC, enemy propaganda	
Lucio Rodriguez, Ernesto	11/21/90		
Llanes Marquez, Wilfredo		Enemy propaganda	
Llyh Ojeda, Raul		Rebellion	
Matos Sanchez, Huber L		Unlawful and clandestine association, printing	1 yr., 4 mos.
Maestre Saborit, Alexis	06/18/90	Enemy propaganda	12 years.
Magdalena Morales, Jorge D		Disobedience	
Manasa Elijah, Ham		Disobedience, comm. in chief	
Maragoto Martin, Justo		Enemy propaganda	
Marichal, Orillana, Waldo M		Attack, disobedience	
Marin Ramirez, Victor O		Disobedience, comm. in chief	
Marlote Triana, Felix		Theft, rebellion	3 yrs., 9 mos.
Marquez Medina, Rolando		Other acts	
Marrero Martinez, Lic. Jorge	01/14/85	Espionage	15 years.
Marti Callejas, Roman	09/18/90	Espionage	12 years.
Marti Rivas, Roman	09/18/90	Espionage	8 years.
Martin Callejas, Ruperto R		Sabotage	12 years.
Martin Roca, Pedro S		Enemy propaganda	
Martin Roca, Pedro	12/22/90	Enemy propaganda	3 years.
Martin Roca, Aurelio		Enemy propaganda	
Martin Terras, Gabriel			10 years.
Martinez Alonso, Pablo		Enemy propaganda	
Martinez Benavides, Reinaldo		Enemy propaganda	
Martinez . . ., Francisco R			
Martinez Bustamante, Bienvenido			
Martinez Garcia, Angel D	02/06/92	Sabotage	
Martinez Garcia, Angel D		Enemy propaganda	20 years.
Martinez Gomez, Luis M		Theft	
Martinez Machado, Jesus		IDC, disobedience	
Martinez Martin, Maria T		Enemy propaganda	
Martinez Martinez, Luis E	03/23/90	Enemy propaganda	3 years.
Martinez Vidal, Jose L		Terrorism	15 years.
Matiendo Borroto, Jose A		Enemy propaganda	
Matos Colombie, Rodolfo	02/07/91	Enemy propaganda	5 years.
Matos Sanchez, Hubert L			
Maure Justiz, Roberto		Enemy propaganda, assault	
Mayo Mendez, Juan	01/90	Enemy propaganda	4 years.
Mayo Gomez, Rafael		Sabotage	2 years.
Mena Perez, Adan		Sabotage	10 years.
Medina Corzo, Santiago	06/27/92		4 years.
Mendez Rafful, Juan P		Enemy propaganda	20 years.
Mendez Montesinos, Rene		Enemy propaganda	
Mendez Fernando, Juan		Enemy propaganda	6 years.
Mendez Kenol, Manuel		Disobedience, comm. in chief	
Mendoz Veloz, Anibal		IDC	

Last names, first name	Arrest	Charges	Sentence
Mendoza Marrero, Maria	02/20/92	Theft	10 years.
Merino Guerra, Luciano		Enemy propaganda	
Mesa Hernandez, Mario	01/07/90	Enemy propaganda	5 years.
Miero Diaz, Jorge R		IDC	
Mojena Anjeris, Jose M	01/19/91	IDC	
Monjer Quintana, Eduardo		Sabotage	
Montes Prendes, Reinaldo		Economic espionage	
Montes de Oca . . ., Rene		Disobedience	
Montes de Oca Cancio, Ronaldo de la C		IDC	
Monteagudo Rodriguez, Luis		Attempt Span. Embas. asylum	4 years.
Montero Hernandez, Alfredo		IDC	
Montesinos Arguelles, Sara		Theft	
Montoya Gonzalez, Jesus		Sabotage	10 years.
Morales Viort, Lazaro L	02/03/90	Enemy propaganda	4 years.
Martinez Hernandez, Mario		Disobedience	
Moral Veliz, Martin		IDC, disobedience	
Morales Beltran, Omar		Possible sabotage	
Morales Cantero, Silvio A		Sabotage	18 years.
Morales . . ., Pedro J		Enemy propaganda	
Morales Gerrero, Ariel		Sabotage	
Morales Rodriguez, Pablo		Unlawful assoc. group	
Morales Trujillo, Fredy		Sabotage	20 years.
Moreno Reyes, Juan J	11/21/92	Enemy propaganda	
Morejon, Rodriguez, Felipe A	11/21/89	Enemy propaganda	
Moreno Tapia, Juan P		Disobedience	3 years.
Murez Justiz, Roberto	03/24/91	Enemy propaganda, assault, disobedience	6 years.
Munoz Lopez, Pedro R		Disobedience, comm. in chief	
Munoz Rodriguez, Guillermo		IDC	2 years.
Napoles Fernandez, Raidel		Enemy propaganda	2 years.
Naranjo Ramirez, Eladio		Disobedience, defamation of heroes and martyrs	
Naranjo Fonseca, Jose M		Probable sabotage	
Nasco Marrero, Ares	01/13/90	Terrorism	8 years.
Nogueras Napoles, Julio	01/19/92	IDC	
Noto Barrios, Agustin			
Nunez Lopez, Pastor		Sabotage	
Nunez Nunez, Martin		IDC	
Nunez Cos, Ariel A		Enemy propaganda	
Nunez Villegas, Alcides		Disobedience	1 yr., 6 mos.
O'Farrill Victor, Felix		Sabotage	2 years.
Orme Caballero, Carlos C		Rebellion	7 years.
Ortega Hunt, Leandro A		Disobedience, comm. in chief	
Orunda Montejo, Fernando		Enemy propaganda	5 years.
Osorio Pupo, Merquiades		Sabotage	
Osorio Sierra, Ramon		Sabotage	
Oviedo Hermida, Ala	10/15/90	Sabotage	
Pairal Diaz, Omar		Sabotage	3 years
Pantoja Flores, Fidel		Enemy propaganda	
Pacheco Victoria, Luis		Enemy propaganda	
Pantoja Rodriguez, Antonio		Enemy propaganda	
Pasarin Siro, Roman		Enemy propaganda, sabotage	
Pascual Bello, Rodolfo		Sabotage	5 years.
Pages Navarro, Rolando C		Unlawful association	1 year.
Pelegrin Campbell, Osmani	12/20/89	Sabotage and propaganda	
Pelegrin Ramirez, Raymundo		Sabotage	
Pena Ruiz, Mario		Acts against state security	
Peraza . . ., Carlos		Enemy propaganda	5 years.
Peraza Cabrera, Eduardo	10/21/88	Sabotage	15 years.
Perdomo Feria, Rafael		Sabotage	
Perez . . ., Omar		Enemy propaganda	2 years.
Perez de Agreda Gomez, Ricardo L		Disobedience, comm. in chief	
Perez Parrera, Pedro		Enemy propaganda	2 years.
Perez Batista, Fidel			
Perez Cardoso, Osvaldo		Enemy propaganda	3 years.
Perez Fuentes, Nerida		Falsific. documents	8 years.
Perez Hernnandez, Jorge O		IDC	
Perez Manso, Benito S		IDC	
Perez Martin, Juan	02/09/90	Enemy propaganda	
Perez Martinez Justo		Sabotage	
Perez Martinez, Manual F		Disob., commander in chief	
Perez Miranda, Ariel O		Disobedience	
Perez Morales, Omar	03/22/90	Enemy propaganda	2 years.
Perez Pulido, Osvaldo		Enemy propaganda	2 yrs., 6 mos.
Perez Rodriguez, Victor L		IDC	
Perez Smith, Angel M		Other acts against st. sec	5 years.
Perez Trueba, Carlos		Enemy propaganda	5 years.
Perez Vidal, Lazaro			
Pino Gonzalez, Ramon I		Sabotage	2 yrs., 6 mos.
Pintado Vitier, Armando		Enemy propaganda	
Pita Santos, Luis A	05/01/90	Unlawful assn/disobedience	5 years.
Piris Piyd, Fernando	03/24/91	Assault	6 years.
Placencia . . ., Gonzalo		Disobedience	2 yrs., 6 mos.
Poinet Hernandez, Omar		Enemy propaganda	
Poll Ramos, Jorga	01/24/90	Enemy propaganda	8 years.
Pulido Valdivia, Juana M		Disobed., Comm. in chief	
Polanco Vazquez, Reynaldo	12/10/89	Sabotage/enemy propaganda	
Pomar . . ., Jorge		Unlawful association	2 years.
Portal Artiles, Armijail		Disobedience	2 yrs., 6 mos.
Portuondo Rodriguez, Rafael		Enemy propaganda	
Poso Marrero, Dr. Omar		Revelation secrets Min. of Int	15 years.
Pomar Montalvo, Jorge A			
Prendes Montes, A. Jaime		Economic espionage	
Pridas . . ., Eduardo		Sabotage	15 years.
Prio Ayala, Rafael A		Enemy propaganda	3 years.
Prieto Mendez, Angel	12/26/91	Disobedience	
Puig Valdes, Rolando		Other acts agnst. state secur	
Pujol Irizar, Jose L	02/92	Enemy propaganda	3 years.
Puentes Valdez, Jorge L		Enemy propaganda	
Pruno Isaac, Alberto		Enemy propaganda	
Quesada Fernandez, Carlos		IDC	
Quesada Fernandez, Juan P		IDC	
Quesada Garcia, Roberto		Bearing firearms	
Quiala Parra, Vismark		Sabotage	
Quiala Parra, Jorge S		Sabotage	
Quinta Lopez, Jose		Enemy propaganda	
Quintana Silva, Jorge		Alleged disobedience	
Quinones . . ., Raul			4 years.
Quinones Estrada, Luis E	01/19/91	IDC	
Quiriello Echevarria, Mirian	07/23/87	Enemy propaganda	
Ramirez Perez, Eduardo		Theft	15 years.
Ramirez Terrero, Frank	08/24/87	Asylum attempt	4 years.

Last names, first name	Arrest	Charges	Sentence
Ramirez . . ., Mario			
Ramos Andreu, Pedro R		Enemy propaganda	3 years.
Ramos Carrateala, Lazaro	07/10/92	Sabotage	
Ramos Lechuga, Aroelio	02/18/72	Ex-military	36 years.
Ramon Llorens, Juan		Enemy propaganda	1 yr., 6 mos.
Ramos Martinez, Donato	03/18/87	Theft	13 years.
Ramos Rodriguez, Tomas		Terrorism and rebellion	20 years.
Ramos Rojas, Domingo			
Restano Diaz, Rolando		Rebellion	10 years.
Reyes Martinez, Pablo		Enemy propaganda	
Reyes Lopez, Ricardo			
Reyes Sanchez, Jesus A	05/15/90	Assault	20 years.
Risco Herrera, Ramon	01/19/91	IDC	
Rivas Hernandez, Celestino			
Rivera Gutierrez, Jose		Enemy propaganda	
Rivero Betancourt, Martha L	04/06/91	Theft	3 yrs., 6 mos.
Rivero Rodriguez, Pablo		Enemy propaganda	6 yrs., 10 mos.
Ricardo . . ., Aurelio			
Rodriguez Abreu, Oar	01/05/90	Sabotage/enemy propaganda	5 years.
Rodriguez . . ., Tomas		IDC	
Rodriguez Alonso, Cecilio		Enemy porpaganda	
Rodriguez Benitez, Jose R		Enemy propaganda	
Rodriguez Carrillo, Juan		IDC	
Rodriguez Campos, Jacinto		Sabotage	10 years.
Rodriguez Castillo, Carlos M	11/22/89	Theft	8 yrs., 6 mos.
Rodriguez Castillo, Manuel C		Theft	7 yrs., 7 mos.
Rodriguez Hernandez, Arnaldo P		Enemy propaganda	
Rodriguez Herrada, Jose		Hijacking	12 years
Rodriguez Leon, Luis		Enemy propaganda	
Rodriguez Fuentes, Humberto			
Rodriguez Leiva, Robier		Rebellion	
Rodriguez Martinez, Israel C		Disob. Comm. in chief	
Rodriguez Martinez, Jose A	12/05/91		
Rodriguez Perez, Alne		Enemy propaganda/sabotage	9 years.
Rodriguez Placencia, Wlater	08/90	Theft	3 years.
Rodriguez Pupo, Ramon		Sabotage	30 years.
Rodriguez Ramirez, Jaquin F		Enemy propaganda	4 yrs., 6 mos.
Rodriguez Rangel, Ramiro	04/15/83	Sedition	30 years.
Rodriquez Rivero, Librado		Disob. comm in chief	
Rodriquez Rodriquez, Armando	03/21/91	Enemy propaganda	4 years.
Rodriquez Rodriquez, Bernardo		Espionage	14 years.
Rodriquez Rodriquez, Orelvis		Theft	15 years.
Rodriquez Rodriquez, Raudel	01/25/80	Rebellion	30 years.
Rodriquez Roque, Alexis		Enemy propaganda	2 years.
Rodriquez Simon, Jorge		Disobed. comm in chief	
Rodriquez Sosa, Gustavo	01/11/91	Rebellion	18 years.
Rodriquez Villavicencio, Julio		IDC	
Rodriquez Cala, Alberto		Theft	
Rodriquez Fonseca, Alberto L		Theft	
Romero Fernandez, Carlos		IDC	
Roman Pasarin, Gabriel	03/24/91	Enemy propaganda/assault	4 years.
Roman Pasarin, Ciro	03/24/91	Enemy propaganda/assault	11 years.
De la Rosa, Garcia, Nelson		Theft	17 years.
Rosa Mendoza, Juan A		IDC	
Rosado Torres, Francisco	01/06/90	Terrorism	10 years.
Rosario Carballo, Damian			
Royo Estrada, Carlos	02/92	Enemy propaganda	
Ruiz Columbie, Arquimides		Rebellion	10 years.
Ruiz Diaz, Rafael		Enemy propaganda	
Ruiz Matosos, Maximo O		Disobed., IDC, desertion	20 years.
Ruiz Echevarria, Jorge		Sabotage	
Ruiz Varela, Antonio		IDC	
Ruiz Varela, Daniel		IDC	
Ruiz Vincent, Maurilio		Sabotage	20 years.
Saez Alvarez, Gregorio			
Sainz Castro, Roberto		Disobedience	
Salvia Ricardo, Ismael		Grouping	
Sanchez, Alexis		Enemy propaganda	1 year.
Sanchez Echevarria, Julio		Sabotage	
Sanchez Figueredo, Pedro	01/12/90	Enemy propaganda	
Sanchez Olivares, Luis		Enemy propaganda	
Santana Luis, Jose		Enemy propaganda	
Santos Davila, Guillermo	01/04/90	Other acts agnst. state secur	3 years.
Sarmientos Hernandez, Jose	03/31/81 or 09/18/80	Ex-military Batista	30 years.
Santovenia Fernandez, Daniel		Other acts agnst. state secur	
Seibanes Padron, Luis	04/28/90	Terrorism and propaganda	13 years.
Sierra Guerra, Albetto L		IDC	
Sierra Perez, J. Carlos		Terrorism	15 years.
Simon Poll, Sergio			2 years.
Sixto Lopez, Alberto		Enemy propaganda	9 years.
Socarras Lopez, Alberto T	12/12/90	Sabotage	
Soto Morell, Marco A			
Sotolongo Rodriquez, Ramon	03/90	Enemy propaganda	3 years.
Speck Gonzalez, Lino	09/07/92	Sabotage	30 years.
Stenenso Betancourt, Arturo		Enemy propaganda	
Suarez Cao, Wilder		Enemy propaganda	
Suarez Fernandez, Julio	06/08/90		5 years.
Suarez Perez, Felipe	12/24/90	Sabotage	
Suarez Taboada, Jose			8 years.
Suarez Ramos, Arturo	05/10/87	Theft	30 years.
Tamayo Mojena, Luis L		Sabotage	
Tapanes Tapanes, Regla	03/14/92	Enemy propaganda	
Tejeda Rodriguez, Angel		Sabotage	
Tenrreiro . . ., Abelardo		Enemy propaganda	2 yrs., 6 mos.
Tobal Sanchez, Roberto		Disob., comm. in chief	
Toledo Lugo, Timoteo		Rebellion	30 years.
Toledano Rodriguez, Jaime A	11/22/90	Enemy propaganda	3 years.
Torres . . ., Juan G.		IDC	4 years.
De la Torre Calero, Reidel	03/06/92	Possible sabotage	
Torre Jimenez, Lorenzo	04/28/90	Terrorism/enemy propaganda	7 years.
Torres Llourdano, Bislan	83	Sabotage	30 years.
Torres Santana, Adhil		Sabotage	7 years.
Trujillo Cervantes, Rafael		Disobedience	3 years.
Trujillo Graberon, Jose		Enemy propaganda	3 years.
Valenzuela Tabon, Luis		Disob., comm. in chief	
Valenzuela Tabon, Pedro F		Disob., comm. in chief	
Valdez Baro, Fidel		Enemy propaganda	
Valdes Medina, Antonio		Disob., IDC	
Valdes Semanat, Ismael		Sabotage	
Varona Betancourt, Virgilio		Other acts agnst. state sec	

Last names, first name	Arrest	Charges	Sentence
Valladares Efigenio, Jose		Other acts agnst. st. sec/enemy propaganda	

SUMMARY

Total number of political prisoners (approximate), 607.

Men, 580.

Women, 27.

Broken down according to cases:

Enemy propaganda, 275.

Sabotage, 89.

Illegal departure from country (with enemy propaganda), 58.

Theft**, 32.

Disobedience, 43.

Terrorism, 19.

Espionage, 20.

Acts against state security, 16.

Rebellion, 15.

Unlawful association, 14.

Attempted asylum, 5.

Revelation of secrets, 4.

Ex-military, 4.

Sedition, 4.

Assault, 3.

Infiltration, 2.

Worker strike, 2.

Treason, 1.

Defamation of heroes and martyrs, 1.

Just a short comment to point out the increases in the charges of enemy propaganda, contempt and unlawful association, which shows the growing need for the people to express themselves freely, their feelings and their deep desires for change in search of the sacred right to live in a world where individuality and freedom of opinion and expression are respected, as established in article 19 of the universal declaration of Human Rights.

**Translator's note: The term "pirateria" can be translated as theft or piracy. When combined with "aérea" it means hijacking. The translation theft is used here, but the word could refer to one of the other crimes.

□ 1530

Mr. DIAZ-BALART. Madam Speaker, will the gentleman yield?

Mr. MENENDEZ. I yield to the gentleman from Florida.

Mr. DIAZ-BALART. Madam Speaker, I would like to commend the gentleman from New Jersey [Mr. MENENDEZ] for a superb survey of the current and recent past of the Cuban people and commend the gentleman for his fundamental initiative that he has announced today which will play a very important role in accelerating the liberation of Cuba, and, of course, the reconstruction of Cuba.

I would like to read for the RECORD at this time an editorial of just a few days ago in the Portland, ME Sunday Telegram, written by an editor, Mr. George Neavoll. He accompanies his editorial with a photograph of a poetess in Cuba. Her name is Maria Elena Cruz Varela. He entitles his editorial, "This woman is a dangerous poet."

[From the Maine Sunday Telegram, May 2, 1993]

BEWARE, THIS WOMAN IS A DANGEROUS POET

Look on the face of this young woman. She scares Fidel Castro to death. That's why he's had her beaten, robbed, assaulted, humiliated, and why she now spends her days in one of the Cuban dictator's political prisons.

The visage of Maria Elena Cruz Varela peered out at me from a recent mailing by Freedom House. This is the human rights organization formed 52 years ago to resist the evil of Nazism then sweeping Europe. In the way of human rights groups, this is no Johnny-come-lately.

You'll have to forgive the quality of the photograph. It's the only one we have, and it was smuggled out of Cuba.

Castro has good reason to be afraid of Maria Elena, actually. She is a poet, and no one knows better the power of the written word than the aging Cuban Mussolini-with-hair.

In 1989, a collection of her poems, "Hija de Eva" ("Daughter of Eve"), was given a national poetry award.

In 1991, however, she also was the author of the "Declaration of Cuban Intellectuals." The open letter advocated a broad national debate, direct elections and freedom for political prisoners.

She and fellow intellectuals formed the Alternative Criterion, a small, non-violent human rights group.

Even more than her activism, though, it was Maria Elena's words that worried Castro and his toadies. Words such as these, published by the New York Times after she was dragged off to prison, scared Castro.

"How terrible is the mirror image of a man looking himself in the face and discovering his fear. Dramatic plastic surgery is needed on the Cuban nationality to restore its looks!

"Years will go by before many realize the quality of the byproduct they've become.

"But me, I exist. I speak up. I write. I oppose. I shall not stop shouting: I oppose the system you represent; I oppose the barbarism being imposed on us; I oppose you because your irresponsible leadership may give excuses to others to intervene and to be the ones to 'resolve' our problems. I am not the CIA. I don't represent their interests; I'm not interested in them, or interested in the Insecurity of the State and the psychological terror you've patiently inflicted on us for 32 years like a brutal, deadly inoculation.

". . . Not only do I exist; we are many, so many, that our existence is imperiously denied; we are opponents and we are not exactly in the U.S. We are here, a few steps away from you, and you know it."

Maria Elena's letter to Castro was written on Sept. 27, 1991. On Nov. 19, state-controlled mobs swarmed around her apartment in East Havana, chanting slogans such as "Down with worms!" and firing shots into the air.

Finally, some of the goons burst into her apartment and dragged her by the hair down four flights of stairs and into the street. There, she and her daughter were beaten. This typical "act of repudiation," as the government likes to call it, was capped off by the goons stuffing some of her writings in her mouth.

Maria Elena's husband, daughter and son then were hauled off to the police station with her for the night. While they were away, their house was ransacked, and Maria Elena's poems and other writings were confiscated.

Two days later, she was arrested. On Nov. 27, 1991, she was tried, convicted and sentenced to two years in prison for "disrespect of state institutions" and "illegal association."

Maria Elena has almost seven months remaining on her prison term, unless it is lengthened in the meantime.

By the way, that is an all-too common occurrence in Cuba today.

The editorial continues:

One can't be too careful with dangerous poets, after all.

The Cuban people, however, are serving a life sentence under the brutish regime that has stripped them of their freedom, thrown their best thinkers, writers and poets in prison and returned the country to the economic dark ages.

Against it all, Maria Elena Cruz Varela stands unmoved, a voice of saneness and courage amid the din of Communist orthodoxy and street justice.

"Here I leave my scent," Maria Elena wrote in one of her poems. "The scent of the persecuted, of the animal chased by every pack of hounds from hell."

The chase isn't over yet, however, and the hunter can become the hunted overnight.

Madam Speaker, despite the arrogance of indifference in an all-too indifferent world and the indifference of the arrogant, there will be no retreat on our policy toward the Castro dictatorship. The heroism of the Cuban people, such as the heroism of this woman, will be supported by the United States of America and the only change in our policy will be our insistence that the international community join us in caring about the Cuban people.

As I stated last night in a special order of my dear friend and colleague, the gentlewoman from Florida [Ms. ROS-LEHTINEN], our intense efforts are dedicated to accelerate the arrival of the day that the Cuban nightmare of today will be but a dreadful remembrance of the past.

□ 1540

Madam Speaker, this last weekend a classroom full of small children in France that had been kidnaped by a crazed gunman was freed by the French police. It impressed me upon hearing that the French Security Minister addressed his countrymen on television with the following words.

Mr. MENENDEZ. Would the gentleman yield for moment?

Mr. DIAZ-BALART. Yes, I do.

Mr. MENENDEZ. Madam Speaker, I just wanted to call to the gentleman's attention that I think we have 4 minutes or so, 5 minutes, left, and I know that the gentlewoman from Florida [Ms. ROS-LEHTINEN] wants to speak.

Mr. DIAZ-BALART. Madam Speaker, I appreciate the fact of the time, and I am glad, of course, to listen to our colleague.

The French minister ended his statement on television by saying:

"The nightmare is over. The madman is dead."

We look forward to the time, very soon, when those days will be applicable to the Cuban people.

Mr. MENENDEZ. I thank the gentleman from Florida [Mr. DIAZ-

BALART] very much for his intervention here with us today and his eloquent statement on the continuing situation in Cuba, and I would be happy to yield, Madam Speaker, to the distinguished gentlewoman from Florida [Ms. ROS-LEHTINEN].

Ms. ROS-LEHTINEN. Madam Speaker, I say to the gentleman, "Thank you so much, Congressman MENENDEZ. What a welcome addition you are to this distinguished body."

Certainly this is a very important moment, Madam Speaker, because I think it shows very dramatically that the issue of Cuba is a bipartisan issue. The solutions that we seek are not partisan solutions, and the gentleman on one side of the aisle and us on this side of the aisle, we can work together very carefully and systematically to make sure that we can enlighten the other Members of this body as to the realities of the situation in Cuba and who was really responsible for the harsh conditions in our native homeland.

Last night, as my esteemed colleague, the gentleman from Florida [Mr. DIAZ-BALART] pointed out, we had a special order, and we are so thankful that we are continuing this today through the guidance of the gentleman from New Jersey [Mr. MENENDEZ], and we discussed the violation of human rights, and I talked about too many pages in report after report talking about the direct violations of human rights in Cuba. We talked about the plight of Cuban political prisoners, the plantados, those who do not subject themselves to the whims of their jailors and who stand up, and for their principled stand they suffer harsh treatment, even harsher than the normal treatment of political prisoners in Cuba, and I am so glad that the gentleman from Florida [Mr. DIAZ-BALART] brought up the plight of Maria Elena Cruz Varela along with other women Members of this body. We signed a letter to the leadership of Freedom House asking more attention be paid to the plight of this human rights activist, and I was glad to have the cooperation of women who perhaps may not agree totally with certain positions that I take regarding the embargo, but, when it comes to human rights violations, they understand the plight of women, especially in Cuba, and I had the support of the gentlewoman from California [Ms. PELOSI], and the gentlewoman from Colorado [Mrs. SCHROEDER], and so many women who signed that letter with me, and I am glad for their support.

And we discussed also last night the plight of the balseros, the human living tragedy that we experienced in south Florida all too often, and we devoted that special order last night to the memory of Raiza Santana and so many other women who are sacrificing—women and men are sacrificing their lives, and sometimes the lives of their families, to seek freedom in our generous shores of this democratic land, and we must talk about organizations such as Brothers to the Rescue, Hermanos Al Rescate, and the president, Jose Basulto, and the brothers, the Blados brothers. One of them was paralyzed, semiparalyzed, is now walking with great difficulty with a walker, and we hope he will get the full use of his limbs shortly—a pilot of Brothers to the Rescue, volunteer pilots not paid, who navigate through the skies of south Florida linking through to Cuba while looking out for rafters and trying to save them. One of the brothers, as I say, is semiparalyzed. Another brother just this week had a Cuban Mig fighter plane buzz by him in an act of aggression, and these are two brothers who are not even Cuban, and yet they are there showing great solidarity with the Cuban people, and we should talk on another occasion, and I know our time is up, about the monkey trials and about Castro's insistence that no human rights groups examine the prison conditions and the rapid response brigades, and I will just finish in 10 seconds saying that one of the favorite people that I have to quote is Dr. Jeane Kirkpatick who always says that we should not go along with the blame-America-first crowd. The problem of Cuba is related to the policies of Fidel Castro and not to the policies of the United States.

Madam Speaker, I thank the gentleman from New Jersey [Mr. MENENDEZ] for having yielding to me.

Mr. MENENDEZ. Madam Speaker, I thank the gentlewoman for participating today. Hopefully we have unveiled the true Cuba and stripped away the mask of Fidel.

GENERAL LEAVE

Mr. MENENDEZ. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on Senate Joint Resolution 45.

The SPEAKER pro tempore. (Miss COLLINS of Michigan). Is there objection to the request of the gentleman from New Jersey?

There was no objection.

THE NECESSITY FOR AN ACTIVE, VIABLE U.S. MERCHANT MARINE

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Maryland [Mrs. BENTLEY] is recognized for 60 minutes.

Mrs. BENTLEY. Madam Speaker, National Maritime Day traditionally is observed in the United States on May 22 in recognition of the crossing of the Atlantic Ocean by the Nation's first steamship, the S.S. *Savannah*, in the year 1819. This year, on its birthday, the U.S. maritime industry receives an unwelcome birthday present because the Clinton administration, strongly influenced by the Department of Defense and others, last week announced that it will not be offering maritime reform legislation.

Everyone in this Chamber painfully is aware of the divergent views within the industry as to what is the best course of action to place U.S. maritime industries on a level playing field in a global economy where virtually every other merchant fleet is subsidized.

But, Madam Speaker, what I particularly find egregious is the fact that the Department of Defense is of the opinion that we—as a Nation—have no future need for a privately-owned merchant fleet.

Why, you may ask, would our military take such a hard-line position, given the fact that it relies heavily on merchant shipping in times of war or national emergency. During every major foreign military engagement in our Nation's history, at least 95 percent of all ordnance, equipment, and supplies needed by our military and by our allies, was carried by ship. The recent Persian Gulf war was no exception.

That requirement—ocean transportation—has not changed, Madam Speaker. The most efficient and effective way of transporting the enormous volume of military equipment and supplies is by ocean transport. Quite simply, there is no equal.

What has changed is our military's philosophy or policy governing ocean transportation.

The military, particularly the Navy, has developed its own fleet of sealift ships, some Government-owned, some Government-chartered and controlled—some even carrying Government cargoes that ought to be carried by our privately owned commercial fleet. Still others are held in the reserve fleet

In short, Madam Speaker, the Navy has created a second merchant fleet by using, in my opinion, vessel utilization strategies and creative interpretations of existing laws that favors its own, captive Government fleet—all at the expense of our active commercial merchant marine.

As I mentioned, Mr. Speaker, one component of the Government's fleet is the National Defense Reserve Force [NDRF] and its subcomponent, the Ready Reserve Force [RRF].

Like many of my colleagues in the House and Senate, I supported the NDRF and the creation of the RRF, because I saw it as a critical source from which we quickly could supplement our active fleet in times of national emergency or war.

What the Congress failed to foresee was the Navy's intention—specifically the Military Sealift Command's intention—to expand its mission to become the Nation's largest ship operator and largest deepsea employer.

Madam Speaker, DOD is nationalizing our merchant fleet.

This must not be allowed to stand.

Maritime reform legislation died, critics say, because it was framed around subsidies that the Federal Government could no longer afford. My response, Mr. Speaker, is that we cannot afford not to pay vessel operating subsidies or some other form of operating fiscal support.

It is ironic that the Congress and the administration can find billions upon billion of dollars for agricultural subsidies, educational subsidies, welfare subsidies, or for study after study on a wide range of subjects and issues that often borders on the ridiculous, yet is more than willing to write off an industry that plays a crucial role in the defense and the economy of this great Nation.

The figure we are talking about is approximately $350 million a year, or less, to keep more than 100 modern U.S. flagships operating in our foreign trades. And remember, of this $250 million, nearly one-half will be returned the same year in personal and corporate taxes. It is money put to work in our economy that generates jobs and a defense capability and helps our balance trade.

Military planners were unwilling to support maritime reform because they say it is too expensive—that our merchant ships in the international trades are not necessary for a military surge deployment or to sustain that mission.

What our military planners are saying is that foreign flag ships are readily available, such as was the case in the Persian Gulf when more than 140 foreign-owned ships were chartered.

Military planners, with an eye on the bottom line, are selling one of the most important components of our national defense down the drain, but we, as a nation, will not see the results of this misguided policy until it is too late—after all of our ships have been reflagged, crewed with foreigners, and they are no longer available to assist our military.

Opponents of continued assistance to our merchant fleet will say that foreign flag shipowners will not let the United States down, that they will make their ships available. They may be right, to a degree. The ships will be available—for a price, a very high price; but, what about the crews. Will they be available? There is no clear, definitive answer to that question.

Our military quickly points to the successes of Operations Desert Shield and Desert Storm, when foreign flag vessels were used extensively.

Madam Speaker, I believe our military establishment is making a serious mistake by assuming that in all future engagements the United States will have the same cooperation from foreign governments as it enjoyed in the Persian Gulf conflict. They also do not tell you about the foreign-flag vessels that refused to carry gulf war cargoes and the foreign crews that refused to sail when we needed them.

But after all, these men and same planners who testified before the Subcommittee on Merchant Marine a few years ago and asserted, during a paper exercise conducted at the U.S. Transportation Command, that all 96 vessels in the Ready Reserve Force were broken out successfully within the allotted time frame.

Such an assumption was not based on reality. At that same hearing, I questioned another witness, Vice Adm. Paul Butcher, the then-commander of the Military Sealift Command, about the probability of repeating in the real world the successes gained during the "paper".

The admiral, to his credit, agreed with me that getting any vessel out of the reserve fleet would be extremely difficult, unless it is given great attention and strictly maintained.

My views on that subject, which were supported by Admiral Butcher, proved to be correct during the breakout of RRF vessels during Operation Desert Shield.

U.S. shipyards and other companies engaged to breakout RRF vessels found it extremely difficult to meet their target dates. I am convinced the same serious miscalculations are being made in this case, when the military assumes cooperation between the U.S. Government and foreign governments will give us unlimited access to foreign flag vessels and foreign crews.

If we are to learn from history, we must look back to other U.S. military involvements, such as Korea, Vietnam, and, yes, the Persian Gulf war.

Foreign seamen, whether they work for U.S. or foreign vessel owners, have no loyalty or allegiance to U.S. flag or to U.S. objectives—objectives to which we may commit our young men and women to combat.

We have witnessed time and time again how foreign crews have refused to man vessels destined to carry supplies and equipment into U.S. military theaters of operation. The only reliable seamen, who will answer the call, support the objectives of the United States and support the U.S. military, are U.S. seamen.

Madam Speaker, if we proceed down this foolish path on which the administration is leading us, and U.S. vessels now engaged in the international liner trade eventually are reflagged, where will we obtain the trained, skilled seamen that will be needed to man vessels broken out of the RRF?

Precipitous reductions in U.S. deepsea jobs will create a void that will be impossible to fill. We only have to look at the experiences we endured during Operation Desert Shield when there was a critical shortage of U.S. radiomen and other crafts needed to man reserve vessels. Vessels were delayed until men could be recalled from retirement and placed back on active duty.

Madam Speaker, officials of the Office of Management and Budget during their deliberations concerning maritime reform legislation with other Federal agencies said that maritime reform was too expensive, that the Federal Government could not afford to underwrite operating subsidies for U.S. liner vessels competing with cheaper foreign vessels.

Madam Speaker, given the importance of a strong merchant marine for commercial and national defense, the question must be asked: How can we afford not to keep this industry afloat?

Consider, if you will, the fact that U.S. taxpayers spent $17 billion this year to support American agricultural interests—many of them multi-national conglomerates, and some of them even foreign owned.

Part of that effort was the expenditure of U.S. taxpayer dollars to help promote U.S. agricultural products in foreign nations. The administration has included in its fiscal year 1994 budget $147 million for this program.

While the program may assist in the promotion and export of U.S. commodities—and there is no proof that it does even that—I question the wisdom of using taxpayers dollars to support companies like Sunkist Growers, which received $66.9 million between fiscal years 1986 and 1992; Blue Diamond, $35.7 million; Sunsweet Growers, $19.1 million; and Dole Foods, $14.9 million.

These companies should be using their own advertising dollars to promote their product line, not tax dollars.

According to a recent article in the Washington Post, Dole Foods, which received nearly $15 million in Federal aid for supermarket promotions in Japan and magazine ads in Europe, reported $570 million profits during the same period it was receiving Federal aid.

Supporters of this program argue that promoting U.S. exports creates U.S. jobs. How can anyone argue with that?

Yet, that is precisely the same argument—in part—for continuation of the U.S. operating differential subsidy or some other form of fiscal support for the merchant marine.

Madam Speaker, many years ago when I was taking typing classes, there was an exercise we use to employ to improve our typing skills. It consisted of typing over and over again the following sentence: Now is the time for all great men to come to the aid of their country.

This is no classroom. This is the U.S. Congress. And this is no typing class exercise. Now is the time for all great men—and women—to come to the aid of the U.S. merchant marine.

Without an active, viable U.S. merchant marine, without our fourth arm of defense, without a manpower pool of skilled, highly trained seamen, this Nation will be weakened greatly—both economically and militarily.

I want to urge all of my colleagues to join me in supporting maritime reform legislation introduced this week by the distinguished bipartisan leadership of the Merchant Marine and Fisheries Committee.

Madam Speaker, if we are to continue to have a strong, independent Nation, then this legislation must prevail—the U.S. merchant marine must prevail.

Let's have a happier birthday next year.

Madam Speaker, for the RECORD I include the following articles.

[From the Journal of Commerce, May 18, 1993]

SHIPPERS, SHIPYARDS PRESS AHEAD WITH REFORM PLANS DESPITE SETBACK

(By Tim Sansburg and Tim Shorrock)

WASHINGTON.—The wreckage of the Clinton administration's maritime reform plan won't deter shippers and shipbuilders from seeking changes that appeared headed to Congress as part of a package designed primarily to preserve the U.S. merchant fleet.

The administration last week scrapped the centerpiece of the omnibus maritime bill it worked on for nearly three months, saying budgetary constraints prevent it from making federal funds available for new subsidies for U.S.-flag ocean shipping lines.

Loss of the primary legislative vehicle, however, won't ground efforts by U.S. importers and exporters reliant on ocean transportation to reform the 1984 Shipping Act, or by shipbuilders to revitalize their industry, chief lobbyists for the groups said.

Meanwhile, more details emerged about the Clinton administration's decision not to pursue legislation to extend the maritime subsidy program beyond 1997.

The decision, industry and government sources said, was made primarily by the National Economic Council and the Office of Management and Budget. Those White House agencies rejected a recommendation from the Department of Transportation to proceed with a scaled-down subsidy program.

Several studies quoted by the OMB concluded a maritime subsidy program would cost $100,000 a job. The OMB decided it would be better to spend that money to create 10 jobs in a more competitive industry than shipping, one source said.

The Defense Department played a key role in the debate. The Pentagon's representatives to the interagency working group argued that a subsidized U.S.-flag containership fleet was not as important to long-term defense needs as the 20 roll-on, roll-off vessels the Pentagon will shortly order from U.S. shipyards, sources said.

Those large, medium-speed vessels will be used to supply U.S. forces in the initial "surge" of a conflict. In the longer, sustainment period of a future conflict, the Pentagon is likely to use the same combination of U.S. and foreign-flag ships it used during the Persian Gulf war, the sources said.

"Most people don't think we'll need a pipeline of containers," one official said.

But one industry source said part of the blame belongs to the Clinton administration for not having its senior people in place to make a difference.

The "central failure" is with the Transportation Department, the source said. He explained that relations with industry groups were handled smartly by Mr. Pena but the "interagency process" leading up to the final decision by top administration officials was ignored.

Sen. Ernest Hollings, D-S.C., used the confirmation hearing Monday of three DOT nominees to send the message that he doesn't think the issue of maritime reform is closed. He told Mortimer Downey, the deputy-secretary-designate, that the administration should find money to pay for reform.

He said he considers the administration's announcement last week as a "holding tactic" and that the Department of Defense should help fund the program. "If DOD can find a billion dollars for commercial conversion programs, it can find some money for U.S. bottoms," he said.

A committee aide said the panel would be considering maritime reform this summer and said Pentagon officials would be asked to testify.

Peter Gatti, director of policy development for the National Industrial Transportation League, said shippers will continue to press the administration for support and to have legislative reform proposals introduced in both houses of Congress. NIT League members account for 80% of the commodities the nation transports by sea, land, and air.

Shippers want to reform U.S. shipping law to limit carriers' anti-trust immunity and to allow for individual, confidential contracting for ocean transportation rates and services. Shipper-backed reforms aren't linked to subsidies, don't cost the taxpayers any money and are needed to keep U.S. exporting and importing companies competitive in the world marketplace, Mr. Gatti noted.

The benefits of antitrust immunity for carriers seem to diminish if they all switch to foreign flags, Mr. Gatti added. He was referring to U.S. carriers' pledge to reflag their vessels in the absence of government subsidies. Foreign vessels aren't crewed by U.S. labor.

The administration's consideration of shipbuilding issues will go forward under an interagency task force created by the National Defense Authorization Act, said John Stocker, president of the Shipbuilders Council of America.

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KEY CONGRESSMEN UNVEIL $1.9 BILLION SHIP SUBSIDY PLAN

(By William DiBenedetto)

WASHINGTON.—House maritime leaders Wednesday sought to revive the campaign for maritime subsidy reform that the Clinton administration abandoned last week, but they face the same funding problems that stymied both the Clinton and Bush administrations.

One of the bills in the maritime revitalization package that was unveiled by key House members calls for a new 10-year, $1.9 billion subsidy, beginning in fiscal 1996, covering 90 U.S.-flag vessels in a so-called maritime security fleet.

That is slightly more than the Bush administration unsuccessfully sought last year but much less than the 15-year, $4 billion plan urged by U.S. shipping lines earlier this year as necessary to keep their vessels under the U.S. flag.

A second bill would change maritime tax policies, including revising and expanding the Capital Construction Fund, a tax-deferred account that U.S. operators use to amass funds to build ships in U.S. shipyards.

Chairman Gerry Studds, D-Mass., and other members of the House Merchant Marine and Fisheries Committee, described the two measures at a news briefing Wednesday, National Maritime Day, and indicated there will be more to come.

Future initiatives will include a promotional program for U.S. shipyards and a funding mechanism to pay for the new subsidy program. The shipyard program, likely a package of tax breaks and funding for research and development, will be unveiled in two weeks. Hearings on the committee's reform program begin on Tuesday.

Rep. Studds noted that last week the Clinton administration—constrained by budget concerns and the lack of Pentagon support for maintaining a strong U.S.-flag fleet—announced it would let Congress take the lead on maritime reform. "It's our intention to do precisely that. It's now or never," Rep. Studds said.

The congressman said it is "unthinkable this nation could find itself without a U.S.-flag fleet and unable to build a fleet, it won't happen on our watch if we can help it." Rep. Studds was referring to repeated threats by the two largest U.S. carriers, Sea-Land Service Inc. and American President Lines Ltd., to switch to foreign registries if maritime reform is not forthcoming.

"We're going to move as far as we can and as fast as we can," said Rep. Studds. "We hope the administration can support us later this summer or in the fall."

Rep. William O. Lipinski, D-Ill., said he has spoken to Transportation Secretary Federico Pena about the new initiatives. "The administration position is one of neutrality at the present time," he said.

The top official of a shipboard engineers union Wednesday said he welcomed the proposed legislation's stress on economic security.

The nation's five key maritime unions welcomed the legislation. In a joint statement, they said that "like the congressmen who introduced the bill, we are hopeful the administration will join in the effort to put in place a maritime program that will have beneficial effects on the nation's economy and its defense capability."

An APL statement said the company appreciated the committee's attention, but added, "Unfortunately, the administration's clear statement of its position last week requires us to plan for the future without the expectation of timely or satisfactory maritime reform."

CSX Corp., the parent company of Sea-Land Service Inc., released a statement praising Rep. Studds and Rep. Lipinski for introducing the legislation.

But one industry source said, "There's not a snowball's chance in hell this will pass. Without strong administration support it's going to die."

The legislation does not address how the new subsidies will be financed. Rep. Lipinski has suggested a big increase in the tax on cruise vessel passengers, but Rep. Studds has skirted any endorsement of that proposal.

"It's an interesting question; we will have to come up with $189 million a year," said Rep. Studds. One consideration is whether to continue appropriating money for a reserve fleet of defense sealift ships, or whether some of that money could go to subsidies for commercial operators, he said.

Elements of the two bills include:

Depreciation of U.S.-flag ships over three years, rather 10 years.

Use of CCF money to build vessels for U.S. domestic trades and to acquire ships by lease.

Maintenance of a maritime security fleet by paying operators $2.3 million a vessel in fiscal 1996 and $2.1 million a vessel each year after that. (U.S. operators have insisted they need a minimum of $2.5 million a vessel throughout the life of any subsidy program; many operators currently receive $3 million to $4 million a vessel.)

Availability of subsidy to liner and bulk operators, with permission to build vessels in foreign shipyards that receive no construction subsidies.

Elimination of the three-year waiting period for eligibility of reflagged vessels to carry U.S. preference cargoes.

□ 1600

MORE ON FAMILY VALUES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. DORNAN] is recognized for 60 minutes.

Mr. DORNAN. Madam Speaker, I will not take anywhere near my full hour, because I assume those that have signed up for a special order will probably not avail themselves of that wonderful opportunity and that this will be the last remarks on the House floor. And we can let our hardworking staff catch their breath.

Let me use this opportunity, again, as I like to do, at least every other couple of months, to thank all these patriotic men and women who serve us here in the Chamber, some of them with far more seniority than most of us have, who serve us so well with such good nature and dedication to duty.

Madam Speaker, it is always my desire at the beginning of one of these special orders to point out something very important about the outreach of this House, as though it is one large townhall meeting, reaching out to America through the wonderful communication abilities we have with television and cable systems. And it is just being enhanced at a supersonic speed with fiber optics.

But there are about a million, the gentlewoman from Maryland [Mrs. BENTLEY], who is still on the floor argues with me, gently pointing out that it may be as high as 3 million American citizens, from Alaska to Hawaii to all 48 continental States, watching the proceedings of this Chamber as we speak here, even after the legislative duties are over, and we are speaking with these special orders.

They are just like the 1-minute speeches at the beginning of the day. Our fellow American citizens, particularly taxpayers, are watching the proceedings of this House, not only when we are discussing bills but also during these special orders.

If there are a million or 3 million people watching and 59 million American households are wired, and all of the cable systems across America pool their services and created C–SPAN 1 to bring the proceedings of this Chamber all across America and out to Hawaii, and then a couple of years later the Senate amended their rules. It was inevitable, and C–SPAN 2 was created to broadcast the proceedings of the Senate.

And I will register again, Madam Speaker, a complaint to our current Speaker, who did not set this into policy, and I know he does not like it, but panning this Chamber with the six cameras paid for by the taxpayers to convey the impression, as even bright reporters deliberately lie in print when they put down, "DORNAN, BENTLEY, GONZALEZ speaking to an empty Chamber."

The Chamber is not empty. There is a Member on the floor. There are dozens of people up in the gallery and millions of people across the country. Why do we pan this Chamber? To convey the impression that I am speaking to what the United Nations was once described as, a cave of winds.

It is a demeaning thing. It was put into place by a man who is now sorry, the longest run any Speaker has ever had in consecutive years, 10 years for Tip O'Neill, a great Irish-American. He did it in a fit of pique, if not anger, to get at my colleague, the gentleman from Georgia, NEWT GINGRICH, who was hammering away on this House floor against—it was probably NEWT's first 2 years—against President Jimmy Carter's economic policies that were weak. Those policies look solid now compared to the Bubba policies that are coming down at an ever-increasing rate from down at the White House up here to the Hill.

I would like to say, please, my colleagues, both sides of the aisle, I remember a former fine Member and friend from the other side, Steve Solarz, and I signed a letter. We got the majority whip, the minority whip, BOB MICHEL signed on board. I took it to TOM FOLEY, our great Speaker, last year and said, "Stop this panning of the Chamber. It demeans the whole House."

You want to know, I am telling my fellow Americans this, Madam Speaker, when there is a tribute to a dead Member who is a sitting Member, who died in service in this Chamber, or we are paying tribute to a Senator who died in office or a former Member who has died that earned great respect here, when we have one of those colleagues tributes, and there are maybe six or seven Members only on the floor and at the leadership table, the mikes and down at the two lecterns, guess what, somebody, Madam Speaker, is able to give a sensible order not to insult the memorial tribute to a former or sitting Member who has gone to his eternal reward. And the darn cameras do not pan then.

I feel like going downstairs, after I am through, and asking the Communications Room downstairs, who are only following orders, show me the written order that says you do not pan the Chamber when we are doing a tribute to a former Member. So stop. I give an order right now, as a sitting U.S. Congressman, stop panning this Chamber.

Let us see if my order, which I sincerely give right now, is more powerful than no written order, a vocal order of the commander, a vocal, let us see if some amorphous order out there from TOM FOLEY that is not in writing supersedes what I am telling the men downstairs right now.

Do you hear me, ladies and gentleman? Stop panning the empty Chamber. A million people are watching.

Now, why did I get up today: to continue speaking about the onslaught on family values by the man who is now in the White House.

Today, for people of my Christian denomination, actually for all Christians, it is Ascension Thursday. This is the day 40 days after Easter that the Son of God rose to Heaven to return again and judge the living and the dead.

□ 1610

For my faith it is a holy day of obligation, which means go to church or you are not in good standing. I went to church today over here at St. Peter's. Senators are going over to St. Joseph's on the other side. It is pretty nice that we have a church two blocks away.

In church I started thinking about where our country is headed. I think a lot about the abortion issue in church, because this administration has unleashed an abortion on demand for any reason or no reason, paid with U.S. tax dollars, that is going to send the abortion rate in this country skyrocketing again.

Candidate Clinton said that he wanted abortion to be safe. It is never safe for the baby, whose body is crushed and its life stamped out, its heartbeat snuffed out, its brain waves zeroed out, and that heartbeat starts at day 18, the brain waves start at day 40.

The youngest of my Sally and my five, our Kathleen, is about 8 months pregnant. She thinks she is going to deliver early, any day now. She is as big as two Kathleens. I am watching that baby. It has to be a young fighter pilot in there, male or female, because it is doing slow rolls in there.

When you go after that baby, and there are, let's say, 3 percent of the abortions of this country are in the last 3 months, what the Supreme Court coined this word, trimester. They are in the last 3 months.

What is 3 percent of a daily 4,500 abortions, a yearly 1,600,000? What 3 percent is of 1,600,000, it is more people than we lost in combat in the entire 10 years of Vietnam, and then some.

When a so-called doctor, and no OB doctors perform abortions in the second, third, and fourth month, the definition of an OB doctor being a doctor that occasionally delivers live children, that does not try to kill every child the minute he puts that woman on a delivery table and puts her in that birth position, an OB/GYN doctor may do abortions, and that is tragic that they do, but nobody in the military who is a military doctor does abortions, and have told the White House, "We aren't going to do them, even though you are telling us we should."

I will say there are thousands of OB/GYN doctors that do perform occasional abortions, and if he wants to hang up an OB shingle I will bet you most of them do not kill more than they try to save lives. A so-called doctor who only does abortions to this Member is the virtual scum of the Earth, a demon turned loose. Those doctors who only do abortions, when they look at a pregnant woman or a pregnant young girl and see that she is 7, 8 months, or in her ninth month of pregnancy, and go after that child to kill it, which is serious surgery, either caesarean or mutilation of that child in the womb, with this latest technique that we have all learned about, the evacuation of the brain tissue while the child is in the birth canal so they do not run what they themselves call the horrible circumstance of having the child they are trying to kill delivered live, and then they have to make a decision, which is clearly infanticide, to strangle it, suffocate it, or let it starve to death.

When that happens, out of 1,600,000, you can imagine that happens occasionally, but any doctor who is going after a woman carrying a child at the end of her term, 6, 7, 8, 9 months, that is murder.

When I sat in my home, in my daughter's home, and looked across the room, I could see the movement of the child through her dress. When you go to kill something like that, you are not just killing, which takes place when you smash a mosquito, you are killing something, we kill germs, you are killing from the embryonic stage.

When does it become murder? That should be the great debate of our time on this House floor, and it is not. When you go after a child that could live outside the womb, and we are killing tens of thousands of them, even if it is only, quote-unquote, 3 percent, when you do that you are committing first-degree murder. Every abortionist who has performed that death-dealing process beyond the first few months, they know they are a first degree murderer.

Just as the left wing of this House, Members in both parties, say to the National Rifle Association that they are unyielding, that they are always using lines about "We don't even want to talk about automatic weapons, AK 47's being banned, because it is the crack in the door, it is the camel's nose under the tent, it is the beginning of the end, it is a slippery slope," I say to my friends over here who give me this phony, let us call it, Catholics in the Senate, phony line about 'I am personally opposed to abortion, but,'" when they give me that stuff, that "I am pro-choice but I am personally opposed," why is it there is not legislation generated from those pro-choicers personally opposed to do something about waiting periods, late term abortions, parental, not just parental notification but parental consent? Where is that legislation?

I say to them, Don't give me your garbage about all these cliches applied to the gun lobby in this country, because the pro-abortionists over here say "That is a crack in the dike, that is the camel's nose under the tent, that is the slippery slope, there is no ending."

No, I have decided most people in this country who claim they are pro-choice, they won't give us the Democrat Governor Bob Casey Pennsylvania rules of some sense about late-term abortions, clean abortion mills, hospitals being involved, parents being involved, with all the provisions that if you have psycho parents, abusing parents, an incestuous father who has brought about this pregnancy, of course you want court protections.

As a matter of fact, the Pennsylvania law says only one parent has to be informed, and that parent obviously has to be stable, and there are court protections.

All that is coming out of the White House is abortion on demand for all 9 months, the ninth month included, for any reason, and I have picked up three little words just in the last week, even after debating here for 15 years, simple words, "or no reason." All 9 months for any reason, or no reason.

Overwhelmingly, 80 percent of Americans, particularly in the lower economic levels, do not want to pay for abortion on demand as back-up birth control. Overwhelmingly, we don't want that, and the Clinton team, Donna Shalala, his arrogant appointee to be Surgeon General, all the friends of Hilary and the FOBs that are touching social policy, are telling us that within a few weeks we are going to be debating the biggest health plan in the health care system overall, in the history of civilization for any country, and included is going to be abortion on demand for all 9 months for any reason or no reason at all.

They are going to make every Orthodox Jewish person who practices faith pay for it with their dollars, every ecumenical Christian, fundamentalist Christian, charismatic Christian, loyal, practicing Catholic, and I don't care about the Judas Iscariot Catholics, every loyal, practicing Catholic, every hospital that is Catholic or Lutheran or any other denomination, every other institution, every businessman or business woman who owns a company in this Nation is going to be told, "You will participate in a health care system where the abortions will be paid for."

The White House wants every Federal worker to have abortion on demand at taxpayer expense. I repeat, they are trying to force our military, Navy, Air Force, and Army doctors, the Marine Corps doctors who are all Navy, to offer abortion on demand at taxpayer expense.

We are in for a moral rough ride in this country that is beyond belief. Do you think this White House has the bully pulpit to tell kids not to smoke marijuana, when every kid I know laughs about not inhaling, because those that do put that cannibis to their lips do inhale?

Does anybody here really think that the inspiration from the White House now is going to cause SAT scores to go up? I doubt it. Just think, just answer in your own head what I mentioned here yesterday about the following words. Have you got a pencil, Madam Speaker, or any of my colleagues listening or anybody else listening?

Do you have a pencil? Just write down these letters in a column, and if you can't remember the words, go back to your Economics 101 book, you know, where you first learned about supply and demand and free markets and free economies and tariffs.

Just write down the letters, and you won't remember all of them, but you will eventually as you discuss economics with your friends. I will give you a little acronym for the first one, tsar, because usually only tsars put this kind of a revenue on their people, and it is usually a tyranny.

□ 1620

T-S-A-R, TSAR. The "A is for and," taxes, spending and regulations, TSAR. Taxes are going up, that is a given. Spending is going up big-time around here. That is a given. Do not believe all of this stuff about spending cuts. Spending will be bigger next year than this year, and I do not think it is just adjusted for inflation.

Regulations, going up. Ask my colleague and truly my friend, and I served with him 8 years, AL GORE, ask him if regulations are going up, not just in protecting the environment where I am open to any adjustments and help there and regulation to go up. But I do not want to destroy jobs wholesale, and I do not want to tell loggers that you are stupid, ugly and evil, and you do not know what you are talking about, we are not even listening to you. That is what we are doing with the health care. If you are a nurse, if you are an anesthesiologist, if you are a medical aide, if you are a helicopter pilot that flies a hospital helicopter ship, if you own a hospital, if you have invested in a hospital, if you are a hospital administrator, do not dare ask to get on Ms. Hillary's task force, and do not ask to be allowed to play a part in the Rodham-Clinton force. And I leave out doctors deliberately, because if you are a doctor, male or female of any age or ethnic background, do not show your face around here. You provide health care. You used to take a Hippocratic oath that says I will do no harm, I will do everything to maintain life. But we do not want to hear from anybody that has an M.D. or any other medical letters after their names. Get out of here. Only bureaucrats need apply.

As I said in a 1-minute this morning, I found out only in the last few days that the legislative counsel, that means the people that write our ideas into possible law with all of the whereases and the wherefores and diplomatic, yes, diplomatic and legalistic language, and they are terrific. I have worked with them since 1977. I have put in some bills today on term limits. These are good men and women. Guess what? One of their senior boss's counselors has been secunded, lent, borrowed by Hillary Clinton for months to work on health care things.

Does that mean if I put a health care bill into the hopper and introduce legislation, and it goes downstairs to the Cannon Building to the legislative counsel, one of the senior guys can pick it up and take it over to the Clinton team, either as an intelligence foray to say here is what the Republicans are up to, or to borrow an observably good idea and integrate it into their plans that they are slaving over? No. I wrote a letter to the Speaker. I want to know how much that person is paid per year, who is paying for that. Does it come out of our legislative appropriations bill for this House, and are there any other people on Federal payrolls, because I understand that of 489 of the people on the 500-person task force—11 people still a mystery—but 489 of 500 I repeat, for emphasis, no doctors or health care people at all, that the 489 are bureaucrats from Health and Human Services under Hillary's best friend, Donna Shalala, or out of the offices here on the Democrat side, always of the liberal persuasion. That is what is coming up with this health care plan, and the abortion part of it is the cancer in the middle, to use a good medical word, that is going to rot this whole thing.

TOM BLILEY of Virginia told me that he said to the President's face, and BOB MICHEL said it was one of only two notes he took that day a few weeks ago going along in a meeting, the first meeting with Republican Members, and TOM BLILEY, Congressman of Virginia, said, "Mr. President, if you put abortion-on-demand in that health care package, you start off down 140 votes."

Well, I think it starts down with 140 of just Republican votes. I know 50 good Democrats, liberal labor Democrats like my friend, DALE KILDEE, and the whip himself, Mr. BONIOR of Michigan. I know 50 people over there that in spite of the way the Democrat Convention conducted itself in the Big Apple, my home of birth, shutting down the Honorable Bob Casey, Governor of Pennsylvania; besides the fact that the party of my parents' early years, the great Democratic Party, founded by Thomas Jefferson has become the party of abortion-on-demand for any reason or no reason for all 9 months, in spite of that, 50 people over there, I am sure I can count on them, to say I do not vote for any health package with that death, killing, in spite of his executive execution orders, five of them, as I and 100,000 other pro-lifers were actually on our feet marching up Jenkins Hill on Constitution, and while we were doing that he signed five executive execution orders, abortions in the military at your taxpayers' expense being one of them.

That kind of in-your-face approach to the killing of American babies in their mothers' wombs, and then I think back to the statement, "safe, legal, and rare." That is going to make abortion rare?

David Gergen, a columnist for U.S. News & World Report, or maybe Newsweek, I think it's U.S. News, who was one of President Reagan's communications directors, Gergen who is a conservative, very bright, articulate, moderate Republican, and he says I am pro-choice here, and that is his sentence, and this is going to make abortion rare. And it goes out to point out that every poll ever taken in the last two decades since Roe versus Wade points out that Americans have come to a very peculiar understanding on abortion. Most Americans want it legal, but a third of Americans say it is murder, murder. Remember, Mosaic law says that thou shalt not kill. I always thought that that commandment should be translated to thou shalt not murder. You are allowed to kill if you are being attacked, or your wife is being raped and murdered, and if you don't use lethal force on an assailant you are what we call today a gutless wimp, unworthy of the name of father or husband. You are allowed to kill an enemy if your country is at war, and God hope it is a moral war, a defensive war, and even when you are on offense it starts from defense.

If you are allowed to kill in certain circumstances, what you are never allowed to do is in your head make an analysis that this is a grievous offense. Obviously every killing is, but then give sufficient reflection and full consent of your free willpower to murder. That you can never do. And a third of our Nation says it is clearcut m-u-r-d-e-r. And some of them flop over to create a majority that will tolerate it. I do not understand that reasoning, never will. But that is what it is.

But an overwhelming majority of Americans, 70 percent, 75 percent, 80 percent, 85 percent say parents have a role to play if they are good, loving parents. You know, what was sweet, beautiful Chelsea, trying to have a normal life in that goldfish bowl, what did she say to one of the people that wanted to give her an aspirin, I believe, that we have to have permission now to give her an aspirin, we have to have permission, and it became a national story because she said, "Well, call my dad because my mother is very busy." And she was not being funny. Her mother had just taken on the overwhelming burden of the health care task force.

But the power in that story is you cannot give the President's daughter a pill. By the way, I wonder if abortion providers at an abortuary could abort, God forbid, some President in the past who might have had a daughter of age, could abort a First Lady's child without the First Lady's knowledge? That is notification or permission. That is what we call consent. I mean, what kind of a mad, dark alley have we driven ourselves into without as much as we discussed this on the floor. Where is a debate from lectern to lectern, rooted in theology, rooted in Grecian ethics with a little Socrates, passed on to Plato, passed on to Aristotelian philosophy, and where is Thomas Aquinas discussed, and Augustine, and the great Protestant and Catholic theologians still alive? Where is the debate over this issue instead of this Bubba approach that I want it rare and here, and I will sign five executive execution orders? And let us go, and I will put it into the health bill, and the devil take the hind-most; let us see what happens?

No, this is the most peculiar period in American history for me. I know a lot of Jewish friends get upset when you use the Holocaust. The Holocaust was a horrendous 6 million murdered brutally of the world's 14 million living Jews that most demographers say existed at the beginning of World War II.

□ 1630

Hitler's ausstreichen, his final plan to rip them out by the roots and destroy all of European Jewry, and with his dying breath in his bunker he bragged that that was his greatest accomplishment. Tell me that Satan was not waiting to embrace this madman. We are not supposed to prejudge people's deaths, but there are certain things you want to put on the line in Las Vegas, that this was a sure thing where this madman was headed along with Stalin and Tojo.

Well, where is the debate on this floor that does not involve 6 million murdered, or 14 million that we are already bumping up against the 30 million death toll, just since Roe-Wade, just in the last 20 years? Where is it? Why are we not allowed to say holocaust when we kill 1.6 million?

Madam Speaker, now, listen, and my fellow Americans, listen to these statistics: America was suffering, among pregnant women, about 12.5-percent abortion when Roe versus Wade was signed by the Supreme Court. They said that might limit abortions because it would make it safe, free, and take it out of the back alleys. Wrong. It doubled to 23 percent of all pregnancies terminated brutally within 3 years, every heart-beat snuffed out, every brain wave zeroed out.

And then HENRY HYDE came along, the year I was campaigning for the first time, our bicentennial year. I win, and that same year HENRY gets the Hyde amendment through. I come, my first year of 1977, Hyde law takes effect and kicks in.

Did it diminish the abortions? No. The evil dice had been rolled. We went up 2 percent to 25, but God bless my colleague and his supporters in 1976, before I got here, because he created a ceiling. We hit 25, and we pretty much stayed at that ghastly death toll for 20 years; 25 percent of all pregnancies are terminated voluntarily and violently in our country today.

That is where you get that 1.6 million.

If the Hyde law that Wild Bill has targeted, that the White House has targeted, if the Hyde amendment goes down, I think we will see, and HENRY HYDE believes this, that 25 percent figure double as the 12.5 went up to 23 and then was ceilinged by HYDE at 25 percent; it is going to double.

What happened to candidate Clinton's line about rare, safe, legal? That is all the NOW standard blue signs, the same ones you saw in the lesbian parade, lesbian rights now, safe and legal now, same printing house, some NOW little logo down at the bottom, and I do not care what the parade is. The unholy alliance of sodomy and abortion works together in this country, and even though only 1 percent of the country is homosexual, three-quarters of that is in private, and they use the ugly term "in the closet," but in private. Privacy is what I call the way you should say in the closet.

That means that less than a tenth of a percent is activist, in your face, groaning and chanting, "We're queer, we're here, get used to it," and that group, making an unholy alliance because they think that the tissue of aborted, killed babies is going to get them a cure for AIDS, if you ever wondered about the nexus, the connection of the unholy alliance. That handful of people at NARAL and at NOW, producing both the sodomy and proabortion stickers at the same time, these people know that the 1.6 million is not going to go down. If it is free, it goes up.

I do not care whether it is a lunch or whether it is arms given to a country, if you create free anything and you get more of it and you get instant usage. That is what happened after Roe versus Wade when the 12 went up to 23. That is why we are at 25 now, because there are a lot of charity abortions around this country where Planned Parenthood inflames people without ever discussing the facts, without ever looking at the photographs.

There is one word I would like to mention at this point. I think I would have thought we would have won the debate on this one word: "sonogram."

Do you know that proabortion people do not want any woman, whether she is 13 or a miracle pregnancy at 43, they do not want them to see a sonogram? Because when you see a sonogram, and I have seen this with the last two of our grandchildren, No. 9 in the hangar and No. 8 of our nine, not available to me or Sally with our five, but when you look at that sonogram, it is phenomenal. You see the baby sucking its thumb, see it rolling, and I mean in the early stages when it cannot live outside the womb on its own, you see hands, fingers, feet, toes, you see a baby, and those sonograms that some cold-hearted abortionist use during the abortion so they do not have complications leaving any of the body parts behind as they rip apart this human being, those abortionists who use a sonogram turn the screen away to avert it from the mother's eyes, because you can see that little infant, that preborn American pulling back in pain, whether it is ingesting the saline solution which they are trying to get away from, to go to brain tissue evacuation, when you see that child recoiling in pain, the month opening, and that is where those of us who are pro-life get the term "silent scream," when you see that, believe me, I would love to take that film to the Oval Office or to the family chambers and show it to Bill. I know I could break him down. The hard-hearted one who gives the orders there, I think, is the person who owns him and made his victory responsible by singing like Tammy Wynette, "I will stand by my man in spite of any protestations otherwise."

Here we are going to fight. I will be back to the well on this subject when the health care bill comes up. This is one fight that I want on my gravestone, win or lose, "He fought the good fight for the sanctity of human life in 1993." I want that there whenever God calls me, and on Ascension Thursday, I make that vow to Stephanopoulos, to Dee Dee Myers.

I was in New Hampshire this weekend, and they know I am back in their face. I gave them 6 months before I came to this well with this kind of passion and fervor.

Hey, Dee Dee, hey, Stephie, tell them, please, Madam Speaker, I am in your face, and I am in your face to stay. If you win this one, our country is in decline, and I do not know of any Republican President who can ever reverse when the Great Democratic Party, the party that was on the wrong side during abolition of slavery, when that party sold its soul out for a few measly votes to enhance this death toll of 1.6 million American children, preborn in their mother's womb; when this fight starts, it is going to be for the very soul and the existence of our country, not as a Christian nation, because we are multiplural and multicultural, but a moral nation, a nation adhering to the Western civilized standards from Greece and Rome, and through the Son of God, Jesus Christ, right down to now, the very roots of our law from Moses up there, the great Jewish law, the refiner of the 11th century, Maimonides, Pope Innocent to Pope Gregory to St. Louis, to St. Edward the Confessor, all of these great lawgivers up here, and even Napoleon, the despot, understood that abortion was the killing of a human life, and he did not have modern science and a sonogram or brain waves or heart noises to show this.

This is the battle of our lifetime.

But guess what, folks, I really did not get up to speak about this today. Every time I just happened to think it was Ascension Thursday, May 20.

There are a lot of nice things I would like to have talked about: 1927, Charles Lindbergh took off for Paris all by himself, the Lone Eagle, made it in 33 hours and 29 minutes. What an inspiration in the Age of Innocence, 1927.

That is when Babe Ruth hit 60 home runs.

I wanted to get up today to talk about one of my colleagues I just saw who I am pulling for to be Ambassador to Rome. Do you know what he told me that drove me out here? That the White House today under Mr. Clinton chose sides in the struggle in Angola. Mr. Clinton has sided with the Communist murderers, the MPLA of Luanda in Angola.

Jonas Savimbi is no saint, the founder and leader of UNITA. When Jonas Savimbi lost that election, and it was rigged by the Communists, and he was not the best loser in the world, but he came into town, or he sent his advanced guard in. Twenty of his senior officers who had survived years of combat in the jungle against Cuban troops, Russian arms, Russian brigadier generals, Russian pilots in Migs, Russians commanding tank units, and these thug Communists in Luanda, these 20 leaders of UNITA, Jonas Savimbi's people, and I have met with them 3 times on this Hill, he sent his 20 advanced people into Luanda to talk about fraud in the election, and they were brutally murdered and machinegunned to death in their hotel.

So Jonas Savimbi said, "To hell with the election, I am avenging my murdered generals, colonels, majors, and lieutenants." They are all really gut sergeants fighting in the jungle.

The fight was on again. They lost more people in the last year than maybe the last 4 years of the war, and Jonas Savimbi has taken 70 percent of the country. And there is no Soviet Evil Empire to help the Communists, Dos Santos and his gang in Luanda, there are no Cuban troops there, because they were negotiated out and went home to economic decay, and the serial killer, Fidel Castro, in his decaying, palm-covered prison.

But what did Clinton and company do today? They sided with the Communists in Luanda without any preparation of the diplomatic battlefield, with no rationale whatsoever, telling Jonas Savimbi, who controls 70 percent of the country, "Get lost," the same Communists that ordered the murder by firing squad of Daniel Gearhart on July 10, 1976.

I do not have to reach hard for that date. I did not look it up today. I was campaigning, and at a press conference in my freshman campaign, a month after I won the primary, because the Pope himself, and that would have been Pope Paul VI, then begged for mercy to this former Portuguese Catholic country, Angola, "Do not kill Danny Gearhart."

□ 1640

He was down on his luck, a Vietnam vet, married, three kids, and he went over on a CIA contract, after answering an ad out of his Sacramento newspaper. He was sent there, in other words, by Henry Kissinger, Secretary of State, and by George Bush, our fine CIA chief at the time, and they captured Danny. Who captured him? The Communist troops, Cuban troops over there to help the Communists that Clinton recognized today, weighing in for no reason on the wrong side. And they stood Danny Gearhart up, his wife pouring out her heart, sending letters. Three children writing on the letters, "Please don't kill our daddy," the Pope saying, "Don't do it," and they killed him. And guess what? They turned around and told our diplomat—Henry was being forced to contract in those days, Mr. Kissinger—in fact, in those days we had a cave-in mentality here in the House because Saigon had fallen the year before, with a no-win politically manipulated war that was lost in the Halls of Congress, we lost our guts, and Kissinger said we are a second-rate power and his is going to negotiate the best deal for the United States. It was Reagan and Bush that built us back, the world's only nuclear power with unlimited technocracy to dominate and the technology to dominate the military scene. In fact, that's why Bosnia is such a tough call, because there are lots of things we could do but whether we should do it or not and get Americans killed when it is a European problem, that is why this thing should be debated in this Chamber the way Somalia was currently debated today.

What happened to Danny Gearhart? Kissinger, then Secretary of State, George Bush, then the director of the CIA, they asked for his body back. Do you know what these Communist thugs did that Clinton has recognized today? They demanded $5,000 for his corpse. Daniel Gearhart's corpse. And then they sent this proud Vietnam vet with a Bronze Star back in a wooden casket. I guess it arrived at Dover, like all men and women killed overseas trying to help other suffering people. They counted over 70 bullets in his body. What kind of a firing squad is that? He was buried out here in a little Catholic Church ceremony with a requiem mass, with his wife and kids crying in the front row. That was July of 1976.

One of the reasons I wanted to be a Congressman. Do you think for a minute I ever thought that 17 years later that the President of the United States, who had been a draft-, not just a draft-dodger, he was drafted. You do not know that in America. Time, Newsweek, U.S. News, New York Times, L.A. Times particularly, even the Wall Street Journal which bailed out halfway through the story that broke, NBC, ABC, CBS, even CNN, which was supposed to give us a fourth way to go. I do not know about C-SPAN. But all of the major 22 network and print outlets in this country did not tell you, deliberately. He did not just avoid the draft three times; he avoided it, evaded it, though inducted twice, and sent other men off in his place. But on the third time, in the spring, April 1969, William Jefferson Blythe Clinton III was drafted, that is "e-d" at the end, the verb, past tense; with a short notice to be inducted into the U.S. Army as a buck private, July 24, 1969.

He came home and through a Republican Governor's office, Winthrop Rockefeller, with connections there, through his wealthy dealer uncle, through the Democratic offices of the chairman of the Senate Foreign Relations Committee, he suppressed, crushed, reversed an induction short notice. I never heard of that in my life, ever, not once. If it has ever happened, it was with severe political clout and some young man from the Hot Springs, AR, quota went off to Vietnam and only God knows if the particular person died or is home here in a wheelchair or lost a young marriage because of separation. We do not know what happened because of that separation. But this young man, talk about sending air crewmen, including women now, into combat into a three-way war between Muslim, Orthodox Christians, and Catholic Christians, to send it into that 700-year-old mess and then to recognize Communists in Angola and then to hire his cousin today, 25-year-old, to run the airline ticket office, and then to let a 747 wait for an hour while he gets a $200 haircut from one of these hairdressers with one name. In this case the name is Christophe. And let's face it, I am glad it is the hair; I think Saturday Night Live, with that girl on there going, "And his hair, what is that all about?"

I am glad he got a haircut. He ought to come over and get one of our $10 jobs here at the House or over on the Senate side, since we take all of this nutty criticism that it is not a free-enterprise operation. I get a $6 job back in Garden Grove, CA.

You know, it is like hammer blows, some silly, like the haircut, some ugly, like recognizing the Communist killers in Rwanda. I am telling you we are in for one heck of a ride, as I said the other day up in New Hampshire, quoting Bette Davis from one of her classic films, "Americans, fasten your seat belts, we are in for a bumpy ride."

Madam Speaker, I close on this: Are you ready with your pencil? I give you plenty of time to get them. I only give you the first three: taxes up; spending up; regulations up; deficit up; debt, both national and personal, up;' interest rates up; inflation up; capital flight up. That means no Europeans or Asians are going to invest in this country when we are in this economic mess. Unemployment up, productivity down, crime up, SAT scores down, investment down. You raise taxes, and investment goes down, that is Econ 101, Mr. Leader in the White House.

How about job creation? Down. That is Jack Kemp's favorite subject. That is how he got elected, "It is the economy, Stupid." Down. That is his quote, by the way, you should not call the President that name. That is what James Carville called him and AL GORE any time they got off message, off focus on the bus rides.

All of this that is going up and down, the last one, and I already said, "Crime, up; cannabis use with inhaling up; crack cocaine, inner cities, up; wife abuse, up; violence, up; child abuse, up." All of that begins and ends with killing children in the womb. How do you tell a parent, "Well, you had three abortions and you let two be born and now you are beating them. Gee, is something wrong with you?" No. All the ups and downs in this society, a bumpy ride.

Madam Speaker, how much time do I have left?

The SPEAKER pro tempore (Miss COLLINS of Michigan). The gentleman from California has 12 minutes remaining.

Mr. DORNAN. Madam Speaker, it is Thursday, not Friday, but this is our getaway Thursday, I yield back because I know Dee Dee and Stephie are watching, and I do not want to torment them. They have enough problem with Rush Limbaugh using common sense like a sledgehammer. To show them that I can be generous and I can accommodate, I yield the balance of my time.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. SYNAR (at the request of Mr. GEPHARDT) for today, on account of illness in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. MCKEON) to revise and extend their remarks and include extraneous material:)

Mr. ISTOOK, for 5 minutes each day, on May 24 and 25.

Mr. FAWELL, for 60 minutes each day, on June 8, 9, 15, and 16.

(The following Members (at the request of Mr. PASTOR) and to include extraneous matter:)

Mr. MEEHAN, for 5 minutes, today.

Mr. GONZALEZ, for 60 minutes, on May 20, 24, and 27.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. MCKEON) and to include extraneous matter:)

Mr. SOLOMON.
Mr. DUNCAN.
Mr. GALLO.
Ms. SNOWE.
Mr. GEKAS.
Mr. CLINGER.
Mrs. BENTLEY in five instances.

(The following Members (at the request of Mr. PASTOR) and to include extraneous matter:)

Mr. SERRANO.
Mr. DINGELL.
Mr. LIPINSKI.
Mr. HAMILTON.
Mr. CYLBURN.
Mr. BROWN of California.
Mr. HUGHES.
Mrs. SCHROEDER.
Mr. VENTO.
Mr. LAUGHLIN.
Mr. ORTIZ.
Mr. KREIDLER.
Mr. LANTOS.
Mr. MARTINEZ.
Mr. HOLDEN.
Mr. BROWN of Ohio.

(The following Members (at the request of Mrs. BENTLEY) and to include extraneous matter:)

Miss COLLINS of Michigan.
Mr. DOOLEY.
Mr. STUDDS.
Mr. LEWIS of Georgia.
Mr. TRAFICANT.
Mrs. ROUKEMA.
Mr. HORN.
Mr. SHAYS.
Mr. JACOBS.
Mr. MILLER of California.
Mr. PETRI.
Mrs. JOHNSON of Connecticut.
Mr. GALLO.
Mr. FISH.
Mr. DREIER.

(The following Members (at the request of Mr. DORNAN) and to include extraneous matter:)

Mr. COSTELLO.
Mr. KENNEDY of Massachusetts.
Mr. STARK.
Mr. SOLOMON.
Mr. DREIER.
Mr. MICHEL.
Mr. GOODLING.

SENATE JOINT RESOLUTION REFERRED

A joint resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S.J. Res. 84. Joint resolution designating the week of June 1, 1993, through June 7, 1993, as a "Week for the National Observance of the Fiftieth Anniversary of World War II"; to the Committee on House Administration.

ENROLLED BILL SIGNED

Mr. ROSE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 1378. An act to amend title 10, United States Code, to revise the applicability of qualification requirements for certain acquisition work force positions in the Department of Defense, to make necessary technical corrections in that title and certain other defense-related laws, and to facilitate real property repairs at military installations and minor military construction during fiscal year 1993.

ADJOURNMENT

Mr. DORNAN. Madam Speaker, I move the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 49 minutes p.m.), under its previous order, the House adjourned until Monday, May 24, 1993, at 3 o'clock p.m.

EXECUTIVE COMMUNICATIONS, ETC.

1258. Under clause 2 of rule XXIV, a letter from the Acting Assistant Administrator for Legislative Affairs, Agency for International Development, transmitting a report on economic conditions prevailing in Portugal that may affect its ability to meet its international debt obligations and to stabilize its economy, pursuant to 22 U.S.C. 2346 note, was taken from the Speaker's table and referred to the Committee on Foreign Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DINGELL: Committee of Conference. Conference report on S. 1. An act to amend the Public Health Service Act to revise and extend the programs of the National Institutes of Health, and for other purpose (Rept. 103–100). Ordered to be printed.

Ms. SLAUGHTER: Committee on Rules. House Resolution 179. Resolution waiving points of order against the conference report to accompany the bill (S. 1) to amend the Public Health Service Act to revise and extend the programs of the National Institutes of Health, and for other purposes, and against consideration of such conference report (Rept. 103–101). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HUGHES:

H.R. 2198. A bill to amend the Federal Election Campaign Act of 1971 and the Internal Revenue Code of 1986 to clarify such provisions with respect to Federal elections, to reduce costs in House of Representatives elections, and for other purposes; jointly, to the Committees on House Administration and Ways and Means.

By Mr. STUDDS (for himself, Ms. FURSE, Ms. SCHENK, Mr. HAMBURG, Mr. HOCHBRUECKNER, Mr. KENNEDY, and Mr. FRANK of Massachusetts):

H.R. 2199. A bill to amend the Federal Water Pollution Control Act to reauthorize and modify the State water pollution control revolving loan program, and for other purposes; jointly, to the Committees on Public Works and Transportation, Merchant Marine and Fisheries, and Ways and Means.

By Mr. BROWN of California (for himself, Mr. HALL of Texas, Mr. VOLKMER, Mr. TRAFICANT, Mr. BACCHUS of Florida, Mr. CRAMER, Ms. ESHOO, Mr. MCCURDY, and Mr. PETE GEREN):

H.R. 2200. A bill to authorize appropriations to the National Aeronautics and Space Administration for research and development, space flight, control, and data communications, construction of facilities, research and program management, and inspector general, and for other purposes; to the Committee on Science, Space, and Technology.

By Mr. KREIDLER (for himself, Mr. WAXMAN, Mr. MOORHEAD, Mr. TOWNS, Mr. GREENWOOD, Mr. MCDERMOTT, and Mrs. MORELLA):

H.R. 2201. A bill to amend the Public Health Service Act to revise and extend programs relating to the prevention and control of injuries; to the Committee on Energy and Commerce.

By Mr. WAXMAN (for himself, Mr. BLILEY, Mr. DINGELL, Mr. MOORHEAD, Mr. HALL of Texas, Mr. ROWLAND, Mr. TOWNS, Mr. STUDDS, Mr. KREIDLER, Mr. BILIRAKIS, Mr. MCMILLAN, and Mr. GREENWOOD):

H.R. 2202. A bill to amend the Public Health Service Act to revise and extend the program of grants relating to preventive health measures with respect to breast and cervical cancer; to the Committee on Energy and Commerce.

By Mr. WAXMAN (for himself and Mr. TOWNS):

H.R. 2203. A bill to amend the Public Health Service Act to extend the program of grants regarding the prevention and control of sexually transmitted diseases; to the Committee on Energy and Commerce.

By Mr. WAXMAN (for himself, Mr. MOORHEAD, Mr. TOWNS, and Mr. STUDDS):

H.R. 2204. A bill to amend the Public Health Service Act to establish a program for the prevention of disabilities, and for other purposes; to the Committee on Energy and Commerce.

By Mr. WAXMAN (for himself, Mr. MOORHEAD, Mr. HALL of Texas, Mr. TOWNS, Mr. BROWN of Ohio, Mr. BILIRAKIS, Mr. MCMILLAN, and Mr. GREENWOOD):

H.R. 2205. A bill to amend the Public Health Service Act to revise and extend programs relating to trauma care; to the Committee on Energy and Commerce.

By Mr. BILBRAY:

H.R. 2206. A bill to authorize the Secretary of the Interior to transfer public lands for the purposes of providing affordable housing; to the Committee on Natural Resources.

By Mr. BREWSTER (for himself, Mr. YOUNG of Alaska, Mrs. VUCANOVICH, Mr. BARCIA, Mr. EMERSON, and Mr. WALSH):

H.R. 2207. A bill to amend the Endangered Species Act of 1973 with common sense amendments to strengthen the act, enhance wildlife conservation and management, augment funding, and protect fishing, hunting, and trapping; to the Committee on Merchant Marine and Fisheries.

By Mr. BROWDER:

H.R. 2208. A bill to amend the Federal Election Campaign Act of 1971 to provide for a voluntary system of spending limits and benefits for House of Representatives election campaigns, and for other purposes; jointly, to the Committees on House Administration, Ways and Means, Energy and Commerce, and Post Office and Civil Service.

By Mr. CLINGER (for himself and Mr. HOLDEN):

H.R. 2209. A bill to amend subtitle C of the Solid Waste Disposal Act to establish safety zones around Federal prisons in which certain facilities may not be permitted; to the Committee on Energy and Commerce.

By Miss COLLINS of Michigan (for herself, Mrs. CLAYTON, Ms. NORTON, Mr. PETERSON of Minnesota, Mr. MCHUGH, Mr. THOMPSON, Mr. MYERS of Indiana, Mr. ACKERMAN, Mrs. VUCANOVICH, Ms. ROYBAL-ALLARD, Ms. DANNER, Mr. LIPINSKI, Mrs. MINK, Ms. SCHENK, Mr. RANGEL, Mrs. COLLINS of Illinois, Ms. EDDIE BERNICE JOHNSON, Ms. ROS-LEHTINEN, Mr. KING, Mr. BARRETT of Wisconsin, Mrs. LLOYD, and Mr. EVANS):

H.R. 2210. A bill to amend the Internal Revenue Code of 1986 to provide an employer a credit against income tax for the cost of providing mammography screening for his employees; to the Committee on Ways and Means.

By Mr. DOOLEY (for himself and Mr. POMBO):

H.R. 2211. A bill to amend the Consolidated Farm and Rural Development Act to provide greater access to credit for family farmers who grow specialty crops or operate in high land cost areas, and for other purposes; to the Committee on Agriculture.

By Mr. DUNCAN:

H.R. 2212. A bill to amend the Federal Water Pollution Control Act to provide medium-sized cities 2 additional years for submitting applications for stormwater permits and to extend the date for issuance of stormwater permits to medium-sized cities correspondingly; to the Committee on Public Works and Transportation.

By Mr. FRANKS of Connecticut:

H.R. 2213. A bill to provide that excess amounts from official allowances of Members of the House of Representatives be returned to the Treasury for deficit reduction or for the purpose of making the amounts available for small business loans and investments; to the Committee on House Administration.

H.R. 2214. A bill to amend the Federal Election Campaign Act of 1971 to require that candidates for the House of Representatives receive at least half of their campaign contributions from individuals; to the Committee on House Administration.

H.R. 2215. A bill to amend title 18, United States Code, to provide a death penalty for the murder of Federal law enforcement officers; to the Committee on the Judiciary.

H.R. 2216. A bill to provide that a State may not take into account income from sources outside the State in determining the amount of tax imposed on the income of nonresidents; to the Committee on the Judiciary.

By Mr. GEKAS:

H.R. 2217. A bill to control and prevent crime; to the Committee on the Judiciary.

By Mr. GOODLING (for himself, Mr. FORD of Michigan, Mr. KILDEE, and Mr. GUNDERSON):

H.R. 2218. A bill to amend the Elementary and Secondary Education Act of 1965 to ensure that students are counted by using data from local educational agencies when available; to the Committee on Education and Labor.

By Mr. GORDON (for himself and Mr. GOODLING):

H.R. 2219. A bill to amend the Higher Education Act of 1965 to achieve savings in the operation of the student loan programs under part B of title IV of that act, and for other purposes; to the Committee on Education and Labor.

By Mr. HEFLEY:

H.R. 2220. A bill to amend the Education Amendments of 1972 to ensure that students attending institutions of higher education that receive Federal funds are able to exercise the right to freedom of speech, and for other purposes; to the Committee on Education and Labor.

By Mr. HUTTO:

H.R. 2221. A bill to amend the Congressional Budget Act of 1974 to provide for a 2-year (biennial) budgeting cycle, and for other purposes; jointly, to the Committees on Government Operations and Rules.

By Mrs. JOHNSON of Connecticut (for herself and Mr. MACHTLEY):

H.R. 2222. A bill to amend the Foreign Trade Zones Act to allow foreign trade zones to be established where a regional commission involving more than one State will coordinate zone activities; to the Committee on Ways and Means.

By Ms. EDDIE BERNICE JOHNSON:

H.R. 2223. A bill to designate the Federal building located at 525 Griffin Street in Dallas, TX, as the "A. Maceo Smith Federal Building"; to the Committee on Public Works and Transportation.

By Mr. KENNEDY:

H.R. 2224. A bill to establish the Office of National Environmental Technologies, and for other purposes; jointly, to the Committees on Science, Space, and Technology, Banking, Finance and Urban Affairs, and the Judiciary.

By Mr. KIM:

H.R. 2225. A bill to amend title 23, United States Code, to require States to enter into contracts with private persons to finance construction of toll facilities, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. LEWIS of Florida (for himself, Mr. DOOLITTLE, Mr. TOWNS, and Mr. WALSH):

H.R. 2226. A bill to amend the Internal Revenue Code of 1986 to restore the pre-1986 exclusion for scholarships for degree candidates; to the Committee on Ways and Means.

By Mr. MORAN:

H.R. 2227. A bill to amend the Internal Revenue Code of 1986 to provide that married couples may file a combined return under which each spouse is taxed using the rates applicable to unmarried individuals; to the Committee on Ways and Means.

By Mr. PETRI (for himself, Mr. MURPHY, Mr. BALLENGER, Mr. PENNY, Mr. GUNDERSON, Mr. GOODLING, and Mr. FAWELL):

H.R. 2228. A bill to amend the Internal Revenue Code of 1986 to increase the amount of the earned income tax credit for taxpayers with school age or preschool age children, to repeal the health insurance credit thereunder, and for other purposes; to the Committee on Ways and Means.

By Mr. RANGEL:

H.R. 2229. A bill to lift the trade embargo on Cuba, and for other purposes; jointly, to the Committees on Foreign Affairs, Ways and Means, Energy and Commerce, and Post Office and Civil Service.

By Mrs. SCHROEDER (for herself, Mr. DURBIN, Mrs. COLLINS of Illinois, Mr. LANCASTER, Ms. NORTON, and Mr. DIXON):

H.R. 2230. A bill to amend section 520 of the Cranston-Gonzalez National Affordable Housing Act to authorize the Secretary of Housing and Urban Development to make grants to establish midnight basketball league training and partnership programs incorporating employment counseling, job training and other educational activities for residents of public housing and federally assisted housing and other low-income families; to the Committee on Banking, Finance and Urban Affairs.

By Ms. SNOWE (for herself and Mr. BERMAN):

H.R. 2231. A bill concerning international women's human rights; to the Committee on Foreign Affairs.

H.R. 2232. A bill to establish standards and guidelines for providing overseas assistance to refugees and displaced persons; to the Committee on Foreign Affairs.

By Mr. STARK (for himself, Ms. PELOSI, and Mr. SABO):

H.R. 2233. A bill to deny, under certain conditions, most-favored-nation treatment to the products of countries that engage in nuclear explosive device testing; to the Committee on Ways and Means.

By Mr. STARK:

H.R. 2234. A bill to amend the Internal Revenue Code of 1986 to make S corporations eligible for the rules applicable to real property subdivided for sale by noncorporate taxpayers; to the Committee on Ways and Means.

By Mr. VENTO (for himself, Mr. NEAL of North Carolina, and Mr. MCCOLLUM):

H.R. 2235. A bill to amend the Bank Holding Company Act of 1956, the Revised Statutes of the United States, and the Federal Deposit Insurance Act to provide for interstate banking and branching; to the Committee on Banking, Finance and Urban Affairs.

By Mr. WILSON:

H.R. 2236. A bill to extend Federal restrictions on the export of unprocessed timber to timber harvested in the State of Texas; jointly, to the Committees on Agriculture and Foreign Affairs.

By Mr. KREIDLER (for himself, Mr. Cooper, Mr. Thomas of Wyoming, Mr. Murtha, Mr. Mineta, Mr. Deutsch, Mr. Peterson of Florida, Mr. Costello, Mr. LaFalce, Mr. Barcia, Mr. Frost, Mr. Doolittle, Mr. Coleman, Mr. Evans, and Mr. Gallegly):

H.J. Res. 199. Joint resolution to recognize the achievements of radio amateurs, and to establish support for such amateurs as national policy; to the Committee on Energy and Commerce.

By Mr. DORNAN:

H.J. Res. 200. Joint resolution proposing an amendment to the Constitution of the United States limiting the number of consecutive terms Members of the U.S. Senate and House of Representatives may serve; to the Committee on the Judiciary.

By Mr. THORNTON (for himself, Mr. Young of Alaska, Ms. Lambert, Mr. Dickey, and Mr. Hutchinson):

H.J. Res. 201. Joint resolution designating the beach at 53 degrees 53 minutes 51 seconds north, 166 degrees 34 minutes 15 seconds west to 53 degrees 53 minutes 48 seconds north, 166 degrees 34 minutes 21 seconds west on Hog Island, which lies in the Northeast Bay of Unalaska, AK, as "Arkansas Beach" in commemoration of the 206th regiment of the National Guard, who served during the Japanese attack on Dutch Harbor, Unalaska, on June 3 and 4, 1942; to the Committee on Natural Resources.

By Mr. SANTORUM:

H. Con. Res. 104. Concurrent resolution expressing the sense of the Congress that the President of the United States should not proceed toward the normalization of diplomatic and economic relations with Socialist Republic of Vietnam until the Vietnamese Government has furnished a complete accounting of missing American servicemen in southeast Asia and opened its archives to inspection; to the Committee on Foreign Affairs.

By Mr. DORNAN:

H. Res. 180. Resolution amending the Rules of the House of Representatives to provide certain qualifications pertaining to service as a Member, and for other purposes; to the Committee on Rules.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 6: Mrs. Unsoeld, Ms. Byrne, Mr. Gutierrez, Mr. Dickey, Mr. Gene Green, Mr. Traficant, Mr. Clay, Mr. Martinez, Mr. Jefferson, Mr. Scott, Mr. Romero-Barceló, Mr. Peterson of Minnesota, Mr. Durbin, Mr. Penny, Mr. Towns, Ms. Maloney, Mr. Klink, Mrs. Clayton, Mr. LaFalce, Mr. Mineta, Mr. Rangel, Mr. Frost, Mr. Filner, Mr. Hastings, Mr. Miller of California, Mr. Parker, Mr. Payne of New Jersey, Miss Collins of Michigan, Mr. Blackwell, Mr. Fazio, Mr. Hughes, Mr. Inslee, and Mr. Stupak.

H.R. 58: Mr. Cardin.

H.R. 173: Mr. Bateman.

H.R. 300: Mr. Parker, Mr. Bevill, and Mr. Shuster.

H.R. 324: Mr. Bunning and Mr. Paxon.

H.R. 357: Mr. Clinger.

H.R. 388: Mr. Armey.

H.R. 431: Ms. Margolies-Mezvinsky.

H.R. 462: Mr. Goodlatte, Mr. Boehlert, Mr. Lancaster, Mr. Strickland, Mr. Coble, Mr. Bateman: Mr. Bishop, Mr. Engel, Mr. Rowland, Ms. Margolies-Mezvinsky, Ms. Ros-Lehtinen, Mr. Schaefer, Mr. Collins of Georgia, Mr. Manzullo, and Ms. Eddie Bernice Johnson.

H.R. 549: Mr. Packard.

H.R. 550: Mr. Traficant and Mr. Holden.

H.R. 567: Mr. Bunning.

H.R. 736: Mr. Tauzin.

H.R. 739: Mr. Pombo and Ms. Fowler.

H.R. 826: Ms. Thurman and Ms. Eddie Bernice Johnson.

H.R. 840: Mr. DeFazio.

H.R. 899: Mr. McCrery.

H.R. 901: Mr. Shaw, Mr. Porter, and Mr. Armey.

H.R. 961: Mr. Allard, Mr. Dooley, Mr. Evans, Ms. Furse, Mrs. Schroeder, and Mr. Murphy.

H.R. 999: Mr. Andrews of New Jersey and Mr. Boehner.

H.R. 1048: Mr. Price of North Carolina and Mr. Fawell.

H.R. 1078: Mr. Hansen and Mr. Saxton.

H.R. 1079: Mr. Hansen and Mr. Saxton.

H.R. 1080: Mr. Hansen.

H.R. 1081: Mr. Hansen.

H.R. 1082: Mr. Hansen.

H.R. 1083: Mr. Hansen.

H.R. 1097: Mr. Fawell, Mr. Diaz-Balart, Mr. Hancock, Mr. Baker of Louisiana, Ms. Fowler, Mr. Inglis, Mr. Lightfoot, Mr. Zeliff, Mr. Hunter, Mr. Gillmor, Mr. Kyl, Ms. Dunn, Mr. Upton, Mr. Kolbe, Mr. Porter, Mr. Moorhead, Mr. Hobson, Mr. Sensenbrenner, Mr. Emerson, Mr. Bilirakis, and Mr. Fish.

H.R. 1120: Mr. Bunning and Mr. Armey.

H.R. 1123: Mr. Baker of California.

H.R. 1124: Mr. Baker of California.

H.R. 1126: Mr. Klug and Mr. Baker of California.

H.R. 1127: Mr. Klug and Mr. Baker of California.

H.R. 1128: Mr. Baker of California.

H.R. 1129: Mr. Klug and Mr. Baker of California.

H.R. 1130: Mr. King and Mr. Baker of California.

H.R. 1151: Mr. Durbin, Mr. Boehlert, Mr. Traficant, and Mr. Torricelli.

H.R. 1275: Mr. Baker of Louisiana, Mr. Sensenbrenner, and Mr. Bartlett.

H.R. 1276: Mr. Dornan, Mr. Crapo, and Mr. Armey.

H.R. 1277: Mr. Spence.

H.R. 1293: Mrs. Lloyd.

H.R. 1295: Mrs. Vucanovich, Mr. Gekas, Mr. Ballenger, Mr. Roth, Mr. Ramstad, Mr. Boehner, Mr. McKeon, Mr. Dreier, Mr. Gunderson, Mr. Duncan, Mr. Paxon, Mr. Quillen, Ms. Molinari, Mr. Sundquist, Mr. Gallegly, and Mr. Saxton.

H.R. 1322: Mr. Clyburn, Mr. Barcia, Mr. Valentine, Mr. Traficant, Mr. Pallone, Mr. Herger, Mr. Linder, and Mr. Brown of Ohio.

H.R. 1349: Mr. Barrett of Wisconsin.

H.R. 1360: Mr. Pete Geren.

H.R. 1399: Mr. Shays, Mr. Porter, Mr. Packard, Mr. Baker of Louisiana, Mr. McKeon, and Mr. Livingston.

H.R. 1406: Ms. Norton, Mr. Gejdenson, Mr. McCloskey, Mr. Goodlatte, Mr. Myers of Indiana, and Miss Collins of Michigan.

H.R. 1419: Mr. Stupak.

H.R. 1452: Mrs. Lloyd, Mr. Smith of Oregon, and Mr. Shays.

H.R. 1489: Ms. Eshoo.

H.R. 1492: Ms. Roybal-Allard.

H.R. 1493: Mr. Hancock.

H.R. 1494: Ms. Maloney, Ms. Eddie Bernice Johnson, Mrs. Clayton, and Ms. Furse.

H.R. 1527: Mrs. Johnson of Connecticut.

H.R. 1543: Mr. Kopetski.

H.R. 1544: Mr. Klink, Mr. Mollohan, Mr. Strickland, and Mr. Sisisky.

H.R. 1551: Ms. Shepherd, Mr. Zeliff, Mr. Fish, Mr. Jacobs, and Mr. Sensenbrenner.

H.R. 1565: Mr. Armey.

H.R. 1630: Mr. Walsh.

H.R. 1682: Mr. Roberts.

H.R. 1718: Mr. Scott, Mr. Faleomavaega, Mr. Martinez, Ms. Furse, Mr. Clyburn, and Mr. Hilliard.

H.R. 1733: Ms. Maloney, Mr. Schumer, Mr. Lipinski, Mrs. Collins of Illinois, Mr. Rush, Ms. Roybal-Allard, Mr. Frost, Mr. Foglietta, Mr. Vento, Mr. Reynolds, Ms. Furse, and Mr. Fish.

H.R. 1759: Mr. Scott, Mr. Payne of Virginia, and Mr. Castle.

H.R. 1788: Mr. Frost and Mr. Sensenbrenner.

H.R. 1804: Mr. Williams, Mr. Andrews of New Jersey, Mr. Towns, Mr. Klink, Mrs. Clayton, Mr. Mazzoli, Mr. Frost, Mr. Rangel, Mr. Blackwell, Mr. Gordon, Mr. Barlow, Ms. English of Arizona, Mr. Pastor, Ms. Furse, Mr. Hughes, Mr. Parker, Mr. McCurdy, Mr. Olver, Mr. Faleomavaega, and Mr. Evans.

H.R. 1813: Mr. Hancock.

H.R. 1814: Mr. Wynn, Mr. DeFazio, and Mr. Deutsch.

H.R. 1815: Mr. Solomon, Mr. Zeliff, and Mr. Hancock.

H.R. 1816: Mr. Pete Geren, Mr. Poshard, Mr. Hall of Texas, Mr. Houghton, Mr. Coleman, and Mr. Williams.

H.R. 1873: Ms. Lowey, Mr. Fingerhut, Mr. Skaggs, Mr. Wilson, Mr. Engel, Mr. Torricelli, and Ms. Margolies-Mezvinsky.

H.R. 1885: Mr. Hobson, Mr. McHugh, Mr. Bartlett, Mr. Kyl, Mr. Walsh, Mr. Livingston, and Mr. Sensenbrenner.

H.R. 1901: Mr. Parker.

H.R. 1902: Mr. Peterson of Minnesota, Mr. Towns, Mr. Frost, Mr. Filner, Mr. Lipinski, Mrs. Clayton, and Mr. Evans.

H.R. 1917: Mr. Strickland and Mr. Oxley.

H.R. 1930: Mr. Frank of Massachusetts.

H.R. 1966: Mr. Torres and Ms. Pelosi.

H.R. 1967: Mr. Hughes.

H.R. 1970: Mr. Hughes.

H.R. 1980: Mr. Boehlert and Mr. Barlow.

H.R. 1986: Mr. DeFazio and Mr. Hancock.

H.R. 1996: Mr. Lancaster and Mr. Gene Green.

H.R. 2048: Mr. Petri.

H.R. 2070: Mr. Frank of Massachusetts, Mrs. Collins of Illinois, and Mr. Thompson.

H.R. 2136: Mr. Zimmer.

H.J. Res. 44: Mr. Armey.

H.J. Res. 92: Mr. Ridge, Mr. Sanders, Mr. Sangmeister, Mr. Sawyer, Mr. Sisisky, Ms. Slaughter, Mr. Solomon, Mr. Stenholm, Mr. Swift, Mr. Weldon, Mr. Yates, Mr. Andrews of Texas, Mr. Blackwell, Mr. Brown of California, Mr. Bryant, Ms. Cantwell, Mr. Carr, Mr. Costello, Mr. Deutsch, Mr. Dooley, Mr. Fingerhut, Mr. Ford of Tennessee, Ms. Furse, Mr. Glickman, Mr. Hamilton, Mr. Kleczka, Mr. Klein, Ms. Lambert, Mr. LaRocco, Mr. Levin, Mr. McHale, Ms. Maloney, Mr. Menendez, Mr. Orton, Mr. Pastor, Mr. Stark, Mr. Tejeda, Mr. Underwood, Mr. Valentine, Mr. Wheat, Mr. Taylor of Mississippi, Mr. Franks of New

Jersey, Mrs. KENNELLY, Mr. ENGEL, Mr. BEILENSON, Mr. BROWDER, Mr. BUNNING, Mr. CHAPMAN, Mr. CONYERS, Mr. COOPER, Mr. DEFAZIO, Mr. DICKS, Mr. DORNAN, Mr. DREIER, Mr. EDWARDS of Texas, Mr. FAZIO, Mr. FOGLIETTA, Mr. FRANK of Massachusetts, Mr. PETE GEREN, Mr. GRANDY, Mr. HAYES of Louisiana, Mr. HUTTO, Mr. JEFFERSON, Mr. JOHNSON of South Dakota, Mr. KANJORSKI, Ms. KAPTUR, Mr. LEWIS of Georgia, Mr. MARKEY, Mr. MILLER of California, Mr. MINETA, Mrs. MINK, Mr. MOLLOHAN, Mr. NATCHER, Mr. OLVER, Mr. ORTIZ, Mr. PAYNE of New Jersey, Mr. POSHARD, Mr. RAHALL, Mr. RICHARDSON, Mr. WYDEN, Mr. BURTON of Indiana, Mr. CASTLE, Mr. GALLEGLY, Ms. MOLINARI, Mr. TORRICELLI, Mr. GEPHARDT, Mr. HEFNER, Mr. LAUGHLIN, Mr. MEEHAN, Mr. NADLER, Mr. HANSEN, Mr. INHOFE, Mrs. BENTLEY, Mr. BREWSTER, Mr. HOYER, Mr. KENNEDY, Mr. MCHUGH, Mr. PRICE of North Carolina, Mr. STUMP, and Mr. QUINN.

H.J. Res. 122: Ms. SNOWE, Mr. FILNER, Mr. CLINGER, Mr. BORSKI, Mr. LEWIS of Georgia, Mr. SKEEN, and Mr. FIELDS of Texas.

H.J. Res. 135: Mr. LEWIS of Florida, Mr. WYNN, Mr. STARK, Mr. GEKAS, Mr. MFUME, Mr. SARPALIUS, Mr. DELLUMS, Mr. LEWIS of California, Mr. PACKARD, Mr. MARTINEZ, Mr. PALLONE, Mr. HOCHBRUECKNER, Mr. SCHIFF, Mr. MILLER of California, Mr. GORDON, Mr. SAWYER, Mr. ENGEL, Mr. ABERCROMBIE, Ms. BYRNE, Mr. MORAN, Mr. KENNEDY, Mr. BILBRAY, Mrs. CLAYTON, Mr. CRAMER, Mr. NADLER, Mr. HAMBURG, Mr. VALENTINE, Mr. HORN, Mr. FIELDS of Louisiana, Mr. GILMAN, Ms. MOLINARI, Mr. POSHARD, Ms. CANTWELL, Mr. EMERSON, Mr. ROSE, Ms. FURSE, Mr. VOLKMER, Mr. COLLINS of Georgia, Mr. HANSEN, and Mr. CONYERS.

H.J. Res. 139: Mr. SAXTON and Mr. FALEOMAVAEGA.

H.J. Res. 149: Mr. FORD of Michigan, Mr. SPRATT, Mr. HUNTER, Mr. KASICH, Mr. FISH, Mr. DEFAZIO, Mr. BALLENGER, and Mr. WILSON.

H.J. Res. 179: Mr. ARCHER, Mr. BEVILL, Mr. CALLAHAN, Mr. CARDIN, Mr. EDWARDS of Texas, Mr. EMERSON, Mr. EVERETT, Mr. PETE GEREN, Mr. HALL of Texas, Mr. HUTCHINSON, Mrs. MEYERS of Kansas, Mr. MOORHEAD, Mr. PICKLE, Mr. RAMSTAD, Ms. ROYBAL-ALLARD, Mr. SMITH of New Jersey, Mr. THOMAS of Wyoming, Mr. VALENTINE, and Mr. YOUNG of Alaska.

H.J. Res. 190: Mr. BURTON of Indiana, Mrs. CLAYTON, Mr. DEUTSCH, Mr. EVANS, Mr. FALEOMAVAEGA, Mr. FILNER, Mr. FISH, Mr. HUTTO, Mr. MARTINEZ, Mr. PARKER, Mr. SPENCE, Ms. THURMAN, Ms. PELOSI, and Mr. SOLOMON.

H.J. Res. 194: Mr. PICKETT, Mr. FROST, Mr. THOMPSON, and Mr. MONTGOMERY.

H. Con. Res. 61: Mr. TORRICELLI.

H. Con. Res. 74: Mr. CLINGER and Mr. GILLMOR.

H. Con. Res. 80: Mr. MILLER of California, Mr. MCCURDY, and Mr. ENGEL.

H. Con. Res. 83: Mr. MACHTLEY and Mr. KYL.

H. Con. Res. 84: Mr. FILNER and Mr. WISE.

H. Con. Res. 91: Mr. PETERSON of Minnesota, Mr. GILMAN, Mr. GEKAS, Mr. FROST, Mr. DEFAZIO, and Ms. NORTON.

H. Res. 53: Mr. BOEHNER and Mr. CASTLE.

H. Res. 97: Ms. MARGOLIES-MEZVINSKY.

H. Res. 127: Mr. QUINN.

SENATE—*Thursday, May 20, 1993*

(Legislative day of Monday, April 19, 1993)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the Honorable BYRON L. DORGAN, a Senator from the State of North Dakota.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

If any of you lack wisdom, let him ask of God, that giveth to all men liberally, and upbraideth not; and it shall be given him.—James 1:5.

Gracious God, we pray today for wisdom and humility as the Senate exercises its great power. As pressure from interest groups builds, protect the Senators, their families, and staffs against the forces that would exploit them. Strengthen their courage and integrity when seductive influences probe for vulnerability and weaknesses.

Almighty God, arm the leadership of this Nation with resolve to follow through on commitments made in political campaigns. Encourage them when futility and frustration taunt their efforts. Let Thy manifold blessings crown their faithfulness as they seek to know and do God's will.

We ask this in the name of Him whose name is above every name and whose Kingdom is without end. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, May 20, 1993.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable BYRON L. DORGAN, a Senator from the State of North Dakota, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. DORGAN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Chair recognizes the majority leader.

SCHEDULE

Mr. MITCHELL. Mr. President, there will be a period for morning business until 11:15 a.m. today during which Senators will be permitted to speak. At 11:15, the Senate will return to consideration of the nomination of Roberta Achtenberg. Debate will continue on that matter today.

VISIT TO THE SENATE BY THE PRIME MINISTER OF SLOVAKIA, VLADIMIR MECIAR

Mr. MITCHELL. Mr. President, I am pleased, in behalf of all of the Members of the Senate, to welcome to the U.S. Capitol, and now to the Senate Chamber, the Prime Minister of Slovakia, the Honorable Vladimir Meciar.

I have had the good fortune of talking with the Prime Minister and with others of his colleagues. I think it is important that the American people take note of events in the current Republics that formerly made up Czechoslovakia.

With all of the attention focused on the difficult and violent breakup of the former Yugoslavia, we tend to overlook the fact that other nations are being formed in a peaceful manner. Whatever one feels about the decision of the peoples of the former Czechoslovakia to divide into two separate, sovereign Republics, we all join in commending them for their doing so in a peaceful manner, and in a manner which is intended to promote the well-being of the people of both of those countries.

Both are located at the center of Europe. Both have been the scene of violent conflict in the past, primarily from outside forces. And both are now seeking to establish new and sovereign nations with democratic institutions to the benefit of the peoples of both Republics.

So I welcome Prime Minister Vladimir Meciar of Slovakia to the Senate Chamber in behalf of all Senators and all Americans.

Mr. President, I yield the floor.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. The majority leader yields the floor. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 11:15 a.m., with Senators permitted to speak therein for not to exceed 5 minutes each.

Mr. PRESSLER. Mr. President, I ask unanimous consent to speak for 5 minutes.

The ACTING PRESIDENT pro tempore. Without objection, the Senator from South Dakota [Mr. PRESSLER] is recognized for 5 minutes.

A TRIBUTE TO SENATOR KERRY

Mr. PRESSLER. Mr. President, I want to pay tribute to Senator KERRY of Massachusetts for his outstanding work on this prisoner of war issue. I was in Boston this weekend, attending my daughter's graduation from BU, and I picked up a Boston paper and I read that Senator KERRY was in Vietnam again, giving up another weekend on an arduous trip to try to resolve the questions surrounding prisoners of war.

I served in the Army in Vietnam and have also worked on this subject, and I followed it for a number of years. It is a tough one because I am sure Senator KERRY picks up a lot of criticism from some of these groups that really do not want to see the matter resolved.

I am proud to say, as a Republican, I have really been impressed by his leadership and tenacity and willingness to travel over there, to get this issue behind us.

SAFETY FIRST; BUREAUCRACY LAST

Mr. PRESSLER. Mr. President yesterday I gave testimony at the House of Representatives Employment, Housing, and Aviation Subcommittee hearing. This hearing involved issues surrounding the crash of a small aircraft carrying South Dakota Gov. George Mickelson and seven other well-respected South Dakota citizens. I believe the FAA was sloppy, and did poor work in issuing warnings about the Mitsubishi MU-2 aircraft that carried these eight South Dakotans. As ranking member of the Senate Aviation Subcommittee, I requested a subcommittee hearing next week. The House hearing I attended on this issue yesterday was chaired by COLLIN PETERSON, the Representative from Minnesota. I commend him for his excellent work on the hearing.

We need to be sure the NTSB and the FAA have not gotten sloppy in their work. These agencies are middle-level

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

agencies. When they are not in the public spotlight, they send memoranda back and forth, and sometimes do not take necessary safety actions. I am not pointing the finger of blame at any one person, but I think we suffer from bureaucratic slowness at the FAA. The FAA must put safety first and bureaucracy last.

Mr. President, I ask unanimous consent that a copy of my testimony from the House Employment, Housing, and Aviation Subcommittee hearing, along with the two recent articles from the Sioux Falls, SD, Argus Leader and one article from the Rapid City Journal be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TESTIMONY OF SENATOR LARRY PRESSLER, HOUSE SUBCOMMITTEE ON HOUSING, EMPLOYMENT AND AVIATION, MAY 19, 1993

Mr. Chairman, I thank you and the members of the Subcommittee for holding this hearing. As you know, my home State of South Dakota suffered a great loss last month when our Governor and seven other well-respected business leaders were killed when their small aircraft crashed. Not long after I first voiced my concern about the Federal Aviation Administration (FAA) investigatory procedures following the April 19th plane crash, I have heard from many individuals who are worried the FAA may no longer put public safety first. I am appalled by the sloppy, lazy, bureacratic work the FAA has done on this matter!

From the moment I heard about the tragic crash in Dubuque, Iowa, one question has haunted me: Could this accident have been prevented? Initial investigations of this particular crash and its similarities to a previous incident in Utica, New York, indicate that may be the case. On at least two separate occasions, the latest being in March, the National Transportation Safety Board (NTSB) recommended that the FAA conduct a full-fleet inspection of the HC-B4 propeller assembly on all Mitsubishi MU-2 aircraft. In March, NTSB Chairman Carl Vogt warned that the failure of the propeller assembly "could result in a catastrophic accident." Still, however, the FAA concluded that a special investigation was not warranted.

Today, we hear a different story. The FAA did not take action until the Governor of my State and his fellow passengers and pilots lost their lives. There is nothing we can do to bring them back. But there is much we can do as public officials to prevent additional tragedies. My investigation so far reveals that the pattern of behavior displayed by the FAA on such serious safety matters has been going on for decades. Frankly, I am shocked at what I have learned so far.

The situation that has occurred unquestionably must be demoralizing to the many loyal and dedicated employees of the FAA and the aviation industry. I am speaking of those who are genuinely planning and striving to make aviation as safe as it should be. Nevertheless, my fellow South Dakotans and I are very disturbed about the tragedy that occurred. I am here not to point a finger of blame. I hope that the purpose of this hearing is not to vent our anger. It is my hope that through this hearing, we can get to the core of this serious safety problem. As public officials, we have a duty to all citizens in this country who are reliant on our air transportation system and believe that the federal government—in this case the FAA—is performing its duties.

The bottom line is clear: We have two agencies charged with the safety of small aircraft and its passengers. When these two agencies disagree over a safety issue a dangerous form of gridlock occurs. While this disagreement languishes unresolved, those potentially affected are still flying potentially dangerous aircraft. This gridlock may have claimed the lives of eight South Dakotans. Before additional fatalities occur, let's look at the process between these two agencies. Let's change this process for the better. Let's use this hearing to construct a process that will properly attend to the public safety interest and speak the same safety language as the rest of us.

Doing it any other way is not in the interest of our nation's aviation industry, nor the American people. Furthermore, I believe Congress shares a view that our country should be known for the highest standards of aviation safety. To be known for these standards, our nation must be ready and willing to enforce them. To enforce these standards, we must strive for a government that has the will, the desire, and the ability to enforce effectively our nation's basic safety laws. That should be our goal.

[From the Sioux Falls (SD) Argus Leader, May 19, 1993]

PRESSLER BLAMES FAA FOR CRASH

(By Carson Walker)

An airplane crash that killed Gov. George Mickelson and seven other men could have been avoided had the Federal Aviation Administration followed its own recommendations, Sen. Larry Pressler charged Tuesday.

"In my opinion, the crash was unnecessary," Pressler said. He said two FAA memos that the agency "does sloppy work."

One of the memos states that the FAA should follow a National Transportation Safety Board recommendation that all propeller hubs on Mitsubishi MU-2 aircraft be inspected. The memo was written in March before the state-owned Mitsubishi crashed April 19 near Dubuque, Iowa.

The NTSB recommended the inspections after a MU-2 landed safely in September 1991 near Utica, N.Y., after a propeller blade separated from the hub and tore into the cabin. Investigators suspect that is what happened in the Mickelson crash.

The order for mandatory inspections did not occur until after the Mickelson crash because the FAA had said one accident did not warrant a full-scale inspection.

The other internal FAA memo states that the agency should order the inspection of MU-2 propeller hubs because of the "rough political climate" following the accident. It was written three days after the April 19 crash.

"That upsets me very greatly," Pressler said.

Bob Buckhorn, an FAA spokesman in Washington, D.C., declined comment other than to say that Anthony Broderick, FAA associate administrator for regulation and certification, will testify today at a House subcommittee hearing on the relationship between the FAA and NTSB.

Pressler said he also will testify.

"I'm going to say the FAA is a sloppy, second-rate bureaucracy and has to be shaped up. I think this crash would not have happened had they done their job," he said.

Pressler said the inspection involves, using ultrasound on the propeller hubs and most likely would have caught any crack in the hub on the South Dakota plane.

Hartzell Propeller Inc. of Piqua, Ohio, manufacturers the hubs.

[From the Sioux Falls (SD) Argus Leader, May 20, 1993]

FAA TAKES COMMITTEE HEAT

WASHINGTON.—The Federal Aviation Administration came under heavy fire from lawmakers here Wednesday as a sloppy, superficial, negligent and bureaucratic agency that has become too cozy with the industry it is supposed to regulate.

The attacks came during a sometimes lively House Government Operations subcommittee hearing called by Rep. Collin Peterson, D-Minn., to look into the April 19 crash of a plane near Dubuque, Iowa, killing South Dakota Gov. George Mickelson and seven others.

Preliminary National Transportation Safety Board findings are that a propeller flew off the Mitsubishi aircraft, sending it out of control. A similar incident was reported in another Mitsubishi in 1991 near Utica, N.Y. The FAA had ignored NTSB recommendations that propellers of the type on the South Dakota plane be inspected nationwide.

After the crash of the South Dakota plane, the FAA on April 28 ordered inspections, and a suspicious crack has been found in at least one other propeller hub assembly, made by Hartzell Propeller Co., of Piqua, Ohio. FAA officials said Wednesday they may expand the inspection order to other planes after they complete further tests.

"I can only describe the FAA's response as superficial and negligent," Peterson charged. "Every 90 days, there was a letter from the FAA stating that it didn't think an inspection was necessary. But the keeping of regulatory schedules by bureaucrats does not and cannot—in and of itself—protect human life."

In a highly unusual move by Capitol Hill standards, Sen. Larry Pressler, R-S.D., testified before the House panel and then sat in the audience and listened to its deliberations throughout the morning. Senators rarely testify before House committees, and usually leave after they speak.

"I am appalled by the sloppy, lazy, bureaucratic work the FAA has done on this matter," Pressler testified. "The bottom line is clear: We have two agencies charged with the safety of small aircraft and its passengers. When these two agencies disagree over a safety issue, a dangerous form of gridlock occurs. While this disagreement languishes unresolved, those potentially affected are still flying potentially dangerous aircraft. This gridlock may have claimed the lives of eight South Dakotans."

Also testifying Wednesday were NTSB aviation safety director Timothy Forte, and Anthony Broderick, FAA associate administrator for regulation and certification.

"Although the (NTSB) must consider the real-world impact of its recommendations, lest the recommendations be ignored, safety is our primary statutory mandate," Forte said.

The FAA's Broderick said, "I wish, in retrospect that one of us had made the arbitrary decision to put out an emergency airworthiness directive exactly like we did on April 28. But it would have been just that, arbitrary."

Peterson also produced a letter from South Dakota Chief Deputy Attorney General Lawrence Long that said the state transportation department never received any information about a propeller hub problem from the NTSB, FAA or Hartzell prior to the crash.

[From the Rapid City (SD) Journal, May 20, 1993]

FAA "LAZY, SLOPPY" IN PROBE

(By Philip Brasher)

WASHINGTON.—Lawmakers on Wednesday accused the Federal Aviation Administration of "sloppy, lazy, bureaucratic work," saying a faster response to safety warnings might have prevented the death of South Dakota's governor.

"I can only describe the FAA's response as superficial and negligent," said Rep. Collin Peterson, D-Minn., chairman of a House aviation subcommittee.

The National Transportation Safety Board started pressing the FAA last August to order mass inspections of a propeller hub suspected in the April 19 crash that killed Gov. George Mickelson and seven other people.

The FAA didn't order the inspections and also ignored a suggestion from the manufacturer last fall to alert aircraft owners to a possible problem with similar propellers, according to testimony Wednesday.

After the accident, the FAA ordered more limited inspections than the safety board recommended. Even then, documents indicate that FAA officials were acting only grudgingly.

"From the moment I heard about the tragic crash . . . one question has haunted me: Could this accident have been prevented? Initial investigations . . . indicate that may be the case," said Sen. Larry Pressler, R-S.D.

Anthony Broderick, associate FAA administrator for regulation and certification, told the committee, "I wish in retrospect" that the inspections had been ordered sooner.

He said the inspections could be expanded to cover thousands of other similar propellers as the safety board recommended.

So far, it applies only to 116 Mitsubishi MU-2s like the South Dakota state plane.

Forty percent of those planes have been inspected, and one of them had a cracked propeller hub.

The NTSB began pushing for the inspections after an incident in New York state where a propeller fell off of a plane in flight. That plane landed safety.

Last September, the propeller's manufacturer, Hartzell Propeller Inc. of Piqua, Ohio, suggested FAA issue a service bulletin that would have notified aircraft owners of the problem, Peterson said. Mass inspections were unwarranted and too expensive, the manufacturer said.

Broderick said there was no basis for ordering inspections or alerting pilots last fall, as there had been only one reported failure of the hubs.

"The lackadaisical manner with which the FAA chose to respond to the NTSB continued until eight individuals lost their lives," Peterson said.

Pressler, the ranking Republican on the Senate aviation subcommittee, told the House panel he was "appalled by the sloppy, lazy, bureaucratic work the FAA has done on this matter."

Rep. Tim Johnson, D.S.D. told Broderick it appeared FAA was more interested in protecting aircraft manufacturers than the public.

ALCOHOL PROBLEMS FACING NATIVE AMERICANS

Mr. PRESSLER. Mr. President, in recent years, alcoholism has received a great deal of publicity. Books, talk shows, and radio programs have focused on this problem. TV movies have brought the problems of alcohol abuse into our living rooms. Schools, day care centers, and other youth-related organizations have added programs to deal specifically with the problems associated with excessive consumption of alcohol. There are so many statistics, studies, and theories regarding alcoholism that it is easy to forget this basic fact—alcohol abuse is destroying lives. In addition, it is costing society billions of dollars in additional medical bills, insurance premiums, legal fees, costs for incarcerating individuals who commit alcohol-related crimes, and other expenses. Alcohol abuse is a major social and economic problem.

An estimated 20 million Americans suffer from alcohol-related disorders. An estimated 100,000 individuals die in the United States each year because of an alcohol-related illness or accident. Nearly 50 percent of the prison population is chemically dependent at the time of incarceration. Alcohol is one of the most common reasons cited for divorce. Simply put, alcohol abuse increases crime, increases divorce rates, increases juvenile delinquency, and creates many health problems. Alcohol abuse affects all ages and all colors. Ten million American students drink. Of these young drinkers, half a million binge at least once a week. Junior and senior high school students drink 35 percent of all wine coolers sold in the United States and 1.1 billion cans or bottles of beer each year.

Unfortunately, the rate of alcoholism is disproportionately high among the native American population. Studies reveal a host of possible reasons for the high rate of alcohol abuse among Indians.

Compared with the population as a whole, Indians suffer from over 5 times the rate of alcohol-related accidental deaths, double the rate of alcohol-related homicidal deaths, nearly double the rate of suicides, and up to 20 times the rate of fetal alcohol syndrome. Alcohol abuse is a major factor in 5 of the 10 leading causes of death among Indians. The rate of alcoholism is 5.5 times higher among Indians than the general population. It is estimated that nearly 20 percent of all Indians have an alcohol-related problem. Alcohol is a factor in 75 to 80 percent of all Indian suicides and 90 percent of all homicides.

American Indians tend to begin abusing alcohol and other substances at a younger age than individuals of other races. White youth begin to drink less alcohol at about age 22. This is not happening with the Indian population.

A recent study conducted at Fort Collins, CO, indicates that one of the primary reasons Indians drink is boredom. The study also identified a link between an Indian's income and the amount of alcohol consumed. Specifically, the Fort Collins study revealed that alcohol consumption was reduced by some 0.297 liters for every additional $1,000 of income. This is an indication of the need to improve the economic and general living conditions of Indians.

Individuals with alcohol-related problems seek assistance from various sources. Some seek help from the clergy, others enter counseling programs, and some choose to enter a treatment center. Each of these approaches has merit.

In 1992, alcohol abuse cost Americans an estimated $100 billion in additional insurance premiums, medical costs, accident costs, lost wages, and other injuries. The Department of Veterans Affairs and the Indian Health Service spend hundreds of million of dollars on alcohol treatment programs. Ironically, individuals enrolled in the IHS and VA programs suffer a higher relapse rate than those taking part in other treatment programs. Individuals seeking help through the VA or IHS have a relapse rate of 30 percent. Those seeking help from other programs experience a relapse rate of about 21 percent.

Indians and non-Indians who seek treatment for an alcohol problem at a private treatment center may pay $10,000 to $20,000 for a 30-day treatment program. Many insurance policies do not cover these costs.

I am not suggesting that the IHS or VA alcohol treatment programs are ineffective or that they are not needed. Nor am I suggesting that every insurance plan cover all alcohol treatment programs. Rather, these treatment options should be coupled with economic development on reservations, more activities for Indian youth, better treatment for the medical consequences of alcohol abuse, community-based education programs on alcohol abuse, and more alcohol treatment programs at the community level.

Recently, I had an interesting conversation with Dr. Enoch Gordis, Director, National Institute on Alcohol Abuse and Alcoholism. Recent scientific findings seem to reveal that genetics play a significant role in chemical dependency. Certainly, environment and other social conditions are major factors. Genetic engineering in time may make it possible to prevent or treat genetic disorders, but at this time, we cannot change a genetic disorder. However, we can control environmental, educational, and social factors that contribute to alcoholism. These are the elements we must focus on to reduce alcohol abuse.

Generally, an Indian seeking alcohol treatment may find help at an IHS facility. I believe we need more community-based treatment programs, such as Alcoholics Anonymous, Rational Recovery, and Red Road to Recovery. Each of these programs is run by volunteers. This reduces cost and allows an individual to remain with family and friends during treatment.

Alcoholics Anonymous is a fellowship of men and women who have had a drinking problem. They share their experiences, strengths, and hopes. They attempt to help each other conquer drinking problems. This method of treatment relies on 12 basic principles. Belief in a higher power is central to this approach.

Rational Recovery is similar to AA. However, this approach to recovery rejects the need for a higher power to conquer a drinking problem. Rather, it relies on inner strength and the support of other people.

In my State of South Dakota, many tribes are using a new treatment called Red Road to Recovery. In this program, an individual goes into a sweat lodge to pray and turn thoughts inward. This is a spiritual experience, and it relies on belief in a higher power to conquer the drinking problem.

As I indicated earlier, I recently had an interesting conversation with Dr. Enoch Gordis, Director of the National Institute on Alcohol Abuse. He is a leading expert on the problems of alcohol abuse. Mr. President, I ask unanimous consent to have printed in the RECORD a transcript of our conversation.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SENATOR LARRY PRESSLER'S INTERVIEW WITH DR. ENOCH GORDIS, DIRECTOR, NATIONAL INSTITUTES ON ALCOHOL ABUSE AND ALCOHOLISM, OF THE NATIONAL INSTITUTES OF HEALTH, ON APRIL 21, 1993

Senator PRESSLER. Dr. Gordis, how big a problem is alcoholism in our society?

Dr. GORDIS. Alcoholism and alcohol abuse is a very large problem in American society. We estimate that about 15% of the adult population has some sort of problem with alcohol, and of course, the effect of this spills over on many others, in their families and among their co-workers and friends. The cost of alcoholism to the country, both in health care costs and in all the social costs involved in trauma and destitute families, is estimated at about $98 billion a year. Among the larger urban hospitals in the country, about a quarter to a third of all the beds are occupied by adults, are occupied by the consequence of drinking.

Senator PRESSLER. A third of all the beds?

Dr. GORDIS. A little under that in general. It's more like a quarter. But, in some of the hospitals, it's even closer to half. The extent of the impact of alcohol is tremendous, both on costs and as far as human suffering.

Senator PRESSLER. We hear a lot of anti-smoking campaigns and anti-cholesterol campaigns. I guess there are anti-drinking campaigns, but it seems as though that there's a certain level of acceptance of social drinking, which leads to alcoholism.

Dr. GORDIS. I don't think that any of us, at least at our institute, have any problem with the appropriate use of alcohol. It differs from illegal drugs. It is a substance which has long been accommodated to in society, it has its legitimate pleasures as well as some benefits probably. It's misuse, which is the problem. Of course, one of our goals is to understand what is it about that minority of people who drink who go on to having troubles with it that distinguishes them from those who never have any trouble. And that, of course, is one of our main research goals.

Senator PRESSLER. We have a great problem with alcohol on and near the Indian reservations in South Dakota. We have a lot of problems elsewhere. I guess that a large percentage of all the car accidents that happen in the country are related to alcoholism. So, even if one doesn't drink, you might be affected by a car accident or some other thing. But what about the differences in treatment? What is the most successful way to treat alcoholism?

Dr. GORDIS. There is no detailed answer which we can give you right now, and I'm going to tell you why that's true. Much of the research now is devoted to finding out what is the most efficient kind of treatment for different kinds of patients. In general, we can make some statements, however, which I think are helpful. First of all, somehow or another the person who's in trouble with drinking must be made aware of the fact that drinking is having an impact on his life, and that the troubles arise from the drinking. Sometimes, that's called confrontation. But, it doesn't have to be that severe. Somebody who cares about this person has to help that person become aware that drinking is a problem. The next thing, of course, is to assess this patient to see what is the extent of his drinking problems and what aspects of his life or her life has been affected by drinking. And finally, one has to do some sort of intervention—that is, teach the patient, inspire the patient, guide the patient through a variety of techniques, and they vary from one treatment program to another—to do something about the drinking. This is not an easy task because once one is an alcoholic—that is, one is addicted to this substance—the urge to drink becomes overwhelming. In fact this urge, sometimes we call it craving, so dominates life that all other priorities in life are set aside in order to obtain and have alcohol. So, we're fighting against a very difficult enemy. Much of our research is exactly to answer the question you, Senator, have just asked. What is the best kind of treatment? To accomplish that, our research really has two kinds of goals. The first is to apply current methods of treatment outcome analysis to distinguish what is the best of the treatments that we do for which kind of a patient. That's sometimes called treatment matching. We have a very large study now going on in nine centers which is investigating that very question. Another aspect of our research draws upon the fruits of neuroscience, that is, the study of the effects of substance like alcohol on the brain. With this kind of a science, we are better able to develop new medications which we hope will interfere with the hunger for alcohol which is the underlying root of the person's relapse to drinking and which leads him to do all the things that an alcoholic does—that is, to give up everything in life that is meaningful in order to drink.

Senator PRESSLER. As I understand it, there is treatment available at very low cost or no cost through Alcoholics Anonymous which uses a 12-step program. I understand there's the Rational Recovery Program, which doesn't use twelve steps, but uses a discussion method. On the Indian reservation, there's a Red Road to Recovery Program. What if a person has a problem with alcohol, and they want to go to Alcoholics Anonymous, how do they go about it?

Dr. GORDIS. Going to Alcoholics Anonymous usually isn't a problem at all. There are meetings of Alcoholic Anonymous in all parts of the country in rural and urban areas. Some of the groups tend to attract certain people from different walks of life, which makes it more congenial for them. But the Alcoholics Anonymous message is the same. There is no problem finding out where the programs are. One way is to look in the newspaper because they are often listed there. Another way is to call one of the nearer towns where there may be an Alcoholics Anonymous intergroup office, where it's possible to find out where the meetings are. Very often, an alcoholic who is still somewhat resistant to the idea of modifying his drinking or her drinking will be helped to their first Alcoholics Anonymous meeting by one of the AA members whose only goal really is to keep himself sober and help others accomplish the same goal.

Senator PRESSLER. What is happening at the National Institutes of Health on alcoholism? Are you doing genetic studies? Could this be hereditary? Some people are more susceptible than others. Some have contended that those living on or near Indian reservations tend to have a higher rate of alcohol abuse. Maybe this is the cause of problems that exist there or maybe it's a genetic. What's happening at the National Institutes of Health?

Dr. GORDIS. Our institute, the National Institute on Alcohol Abuse and Alcoholism, is one of the 17 research institutes at the National Institutes of Health. Our mandate is to answer the very kind of questions you just asked about—that is, to provide the scientific basis by which we can understand first the vulnerability to alcohol, why is it that some people get into trouble and not others, and second of all, how we can better prevent alcohol problems, or if we fail that, how to treat them better. So all these questions are part of our mandate, and we have research going on in every aspect. You asked whether there's any evidence that there's a genetic side to alcoholic. The evidence now is overwhelming that at least a portion of the vulnerability to becoming an alcoholic upon exposure to alcohol is inherited. But, this varies among different people, it varies among alcoholics, and in no case does anybody maintain that this is the whole story for anyone. The proportion of influence of genetics on one hand against various kinds of environmental and cultural pressures to drink on the other will vary from one family to another, from one arena to another, from one culture to another. One of the things that we are studying now is what is the mix of genes and environment that leads to problems with alcohol.

Senator PRESSLER. The National Institutes of Health out at Bethesda covers a lot of different subjects. How many people are employed at the National Institute on Alcohol and Alcoholism and what all do you do?

Dr. GORDIS. All the institutes at the National Institutes of Health are research institutes. Their main function is to support research done outside of the Washington area, in universities mostly but not only, across the country in various domains of health. They are essentially research granting organizations. The way the monies are given out is on the basis of applications received from people who would like to have grant support for their research. Then, by the process of peer review, which is the fairest way we know how to evaluate the merit of different grant applications, and this review, in almost all institutes, is done largely by people who are not in the federal workforce, although federal staff will participate in it also. So, for example, if we have grants that come from elsewhere on genetics or treatments or epidemiology or adolescent alcohol misuse, these grants will be reviewed on the so-called peer review system. The committee that does these reviews and scores these applications is made up of people who are expert in those disciplines. With some exceptions, not too many, the grants are usually paid out in the order of their scores on the review process and until the money runs out.

Senator PRESSLER. I understand that the Indian Health Service and the Veterans Administration have alcohol treatment programs. Have those been successful?

Dr. GORDIS. The Veterans Administration for many years has had a very successful research program and alcohol has been one of their topics and not surprisingly so, since the alcohol problem in the veterans population is a severe one. Unfortunately, there have been cutbacks in the research of the Veterans Administration. I think I can say that because I'm not part of it, so I'm looking at it as an outsider. But, they've done some excellent work. Some of our best scientists have been supported both by the Veterans Administration and by various NIH institutes. The Indian Health Service, I believe—I'm not an expert on it—largely is involved in supporting treatment and prevention programs. The amount of research they support is on a much smaller scale, if at all. The major responsibility for conducting research on almost all the ailments that confront mankind seems to be now in the National Institutes of Health.

Senator PRESSLER. The old debate has always been—is alcoholism a disease. This can be a real catch-22. Our first inclination is to say yes, let's treat it as a disease. If we say it's a disease, then someone perhaps who commits a crime under the influence of alcohol can say, "Well, I merely had a disease and therefore I'm not responsible for that car accident." So, we get into a legal technicality, I suppose. How do we deal with that? Should alcoholism be classified as a disease?

Dr. GORDIS. Well, opinions are different on that, but I have no doubts that it is. It has all the earmarks of a disease. It has a recognized clinical picture, it has a progression if left untreated which is fairly well recognized and not so surprising anymore. The danger of not treating it is that patient often goes on from one catastrophe to another. It has a uniform set of diagnostic standards which has very good reliability, which is a fancy word of saying that two or three people looking at this patient and using the same diagnostic scheme will generally come out with the same answer. It has a predictable clinical cost, good reliability and unfortunately, if left untreated, people often go on to bigger troubles or die. Furthermore, we now know there are neurochemical and genetic aspects of this which are being worked out. There are animal models which reproduce a portion of it. In all these respects, I see no difference in alcoholism from any other diseases which have problems in their definition.

Senator PRESSLER. What's a good rate of success in these treatments? I'm told that roughly 21% of those treated at a private clinic begin drinking at a later time in life. Many of the government-run programs have a higher rate of about 30%, I'm told.

Dr. GORDIS. We have lots to do about improving treatment in alcoholism. I think your question implies that quite correctly, Senator. I'd say only a minority of patients, whether it's a top-notch private program or a government program, do very well—that is, remain indefinitely abstinent. A large fraction of people sort of bounce around from periods of sobriety to periods of drinking again. And in many programs, more than half of the people may actually either start drinking or disappear from treatment within the first few months of their contact with the treatment program. Some of these people, of course, with repeated contact will ultimately get their act together and get well. But this is not surprising because if you look at many other illnesses in medicine which are chronic in relapsing, like rheumatoid arthritis or coronary artery disease or peptic ulcer or chronic pulmonary disease, we find the same thing. There are good and bad periods in people's lives. When people relapse we don't necessarily blame them for this. We try to improve our treatment so that periods of well-being will exceed the periods of relapse. And that's exactly what our goal is. It's important to realize that with any chronic relapsing illness such as alcoholism or rheumatoid arthritis or peptic ulcer, that partial success is not failure. After all, a person who's well for nine or ten months out of the year from either arthritis or alcoholism is suffering less himself or herself, causing less suffering to the family, and certainly causing a heck of a lot of damage in financial terms to society. This is not an absolute either/or, if you start drinking, you're a failure. In any branch of medicine which deals with chronic relapsing illness and as our population in America ages, chronic relapsing illness is going to be the usual thing, not the exception. We have to understand that partial success is not failure. Our goal, of course, is to improve the fraction of time that patients do well.

Senator PRESSLER. There has been some information floating around that a couple of drinks a day are good for you. They say it lowers your cholesterol level and relaxes you. What does alcohol do to your body?

Dr. GORDIS. Well, it does many things, because it enters into all the places in the body where you have water, because alcohol dissolves so easily in water—we know that from the mixed drink. Therefore, every cell in the body is touched by alcohol as soon as you drink. So, it's not surprising that it has widespread effects. It has some good ones. Used in excess, it has many bad ones. When people drink in moderation, which for the sake of discussion may be no more than two drinks a day for a man, or one for a woman, or in the case of the elderly, probably no more than one drink a day for the elderly either, there are usually no problems from alcohol. You raised the issue of whether it has any protective effect on heart disease. There is some evidence that, indeed, it does at that dosage. And, of course, it has the usual relaxing and social effect which is the primary reason why people, who don't get into trouble with alcohol, drink on occasion. That is not the issue. The question is what happens when more of it is consumed. When more of it is consumed, you then risk all the problems that are related to alcohol. Even a few more drinks given once on a single occasion set you up for a highway accident. In the case of an elderly person, this person might, for example, be taking a prescription or an over-the-counter drug, have alcohol along with it, and have terribly deleterious effects from this combination, in fact, may suffer a fall or a period of delirium. As the drinking gets more severe, then you have the whole litany of problems that alcohol causes—bleeding from the guts, cirrhosis of the liver, problems with memory and other aspects of cognition, problems with peripheral nerves so you begin to lose feeling and have pain in the extremities, problems with the pancreas, problems with the heart muscle. One can go on and on because as the drinking increases, both in amount and in frequency, the risk of all these other problems increase likewise.

Senator PRESSLER. Sounds to me you made the case for abstinence from alcohol.

Dr. GORDIS. No, I haven't. There are people who probably should be abstinent. Certainly, people who have had a problem with alcohol should be abstinent. Pregnant women should not be drinking any time during their pregnancy at all in my view, although people may differ on that. But, most of us feel that absolute abstinence in pregnancy is the safest recommendation one can make. If one already has a strong family history of alcoholism or has had the beginning troubles, one might consider whether abstinence might be the safer route for that person, even though they may not be a full-blown alcoholic. But otherwise, in no sense does the science or our individual scientific positions recommend prohibition of any sort because alcohol, in its proper use, gives pleasure to most people without trouble. So, therefore, we're not at all looking for any kind of prohibition, but we are looking to avoid the problems that alcohol causes.

Senator PRESSLER. We're having so many babies born on our Indian reservations in South Dakota with fetal alcohol syndrome. The inner cities of Washington, D.C. and elsewhere are experiencing similar problems. What sort of damage are these babies going to experience in their lifetime? And, this all results from the mother drinking during the pregnancy?

Dr. GORDIS. That's right.

Senator PRESSLER. Drinking to excess or drinking a substantial amount.

Dr. GORDIS. Right. The full-blown fetal alcohol syndrome is seen in people who drink a substantial amount. Sometimes the question is raised, "Is there any limit below which drinking is safe during pregnancy?" And, since we don't know the answer to that, that's one of the reasons why I mentioned before that I believe abstinence in pregnancy is the most reasonable recommendation one can make. What happens with the fetal alcohol syndrome is that the babies are born with a variety of physical malformations in their face, in their brain and body size, and often in their joints and heart as well. This leads to not only this physical malformation, bit it leads to a whole bunch of developmental problems—intellectual development, motor development, physical development over the next few years. A handful of these original children have now been studies since the condition was first described around 1970, give or take a couple of years in either direction. Some of them are in their teens now and early twenties, and although some of the excessive look has been somewhat ameliorated, they generally remain with socially significant impairments of intellect and social skills. For every one of these children who is born with the so-called fetal alcohol syndrome, there's probably a larger number of kids who have what we call loosely fetal alcohol effects. They may not have the gross physical malformations which are part of the syndrome itself, but they have subtler and long-ranging defects of intellectual and emotional development, which may persist into adolescence as well. It's a very serious problem indeed.

Senator PRESSLER. What about the area of memory and the use of alcohol? Is it damaging?

Dr. GORDIS. There are two aspects to it. There's the so-called blackout that occurs during any individual episode of drinking where the person may have a problem the next day, when sober, recalling the events during the time he or she was intoxicated. This is a blackout, and in itself, does not mean permanent damage. But, over many years of drinking, 10, 15, 20 years of chronic drinking, then alcohol begins to have serious and often permanent effects on the brain, including memory problems of a very severe nature.

Senator PRESSLER. Dr. Enoch Gordis, I thank you very much. This has been very useful.

Mr. PRESSLER. Mr. President, recently, I had the opportunity to visit with Mark Kleiman, professor of public policy, John F. Kennedy School of Government, Harvard University, regarding the alcohol abuse problem in our society. I wish to submit the transcript of this visit for the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Senator PRESSLER. Thank you, Mr. Chairman.

Mr. Kleiman, in your written testimony on page 3, you say, "Finally, alcohol and tobacco, the two drugs not covered by the laws nor dealt with in the national drug control strategies, continue to account for more drug abuse, more addiction, more deaths, more disease, more injuries, more accidents, more lost productivity" and so forth. I want to focus on alcohol—because I think there is more of an anti-smoking campaign. All Senators were just sent a book indicating that limited use of alcohol is good for you. I think this is an unproved theory. However, this is the sort of the thing that is being passed around. They say alcohol is supposed to reduce your cholesterol, which is based on a "60 Minutes" report.

Let's talk a little bit about alcohol. I know that is not the purpose of this hearing, but we do talk about illicit drug abuse and damage. I am told that among young people the rate of use of alcohol is on the increase, and according to your statement, it is more damaging than the drugs that are in use.

What are you trying to say there?

Mr. KLEIMAN. Thank you, Senator. Let me try to make a distinction between something being damaging or harmfulness as a rate of damage against a population that uses something. So if 50 percent of the people who use Drug X get into bad trouble with it and 10 percent of the people use Drug Y, you would say X was the more damaging drug. And the harm reduction advocates say let's work on those percentages. Let's try and get the harmfulness of these things down by teaching people safe-use techniques or whatever. That is half the equation.

The other half of the equation is the number who are exposed. So I don't know of any study that shows what the harmfulness in that sense of alcohol is compared to something else. But we know grossly that there are 100-and-something million Americans who use alcohol from time to time. And as far as we can tell, most of them take no particular amount of damage from it.

In fact, the studies you have cited, which, of course, are being hyped by the alcohol industry, probably have some validity to them. It is probably true that very occasional use of alcohol—

Senator PRESSLER. Very what?

Mr. Kleiman. Very occasional use of alcohol, it is almost certainly true it is not bad for you, and it is probably true that it is good for you. But very occasional.

The worry of having that number out there is that the four-drink-a-day drinker will say, "Ah, this stuff isn't bad for me, the Government proved it."

The reason alcohol and tobacco do so much damage is not so much that they are so harmful—I mean, nicotine has this special characteristic that almost everybody who uses it in the form of cigarettes uses it heavily and compulsively. But it is not that they are so harmful; it is that they are so widely used. That is the price we paid for not prohibiting them. We got a lower rate of harmfulness, but a higher rate of consumption.

Now, there are a number of things we could do to reduce the rate of consumption. And I think you are right, Senator. The tobacco message is out there in the policy community. I think we are going to see tobacco taxes proposed as part of the health care package. Alcohol much less so. The country has defined alcoholism as a problem. It has defined drunken driving as a problem. And to some extent, it has defined alcohol use by children as a problem.

But drunkenness is not defined as a problem. It is not defined as a bad thing. In fact, it is regarded more or less as normal.

The Tailhook convention report that has just come out was, of course, completely dominated by sex, as was appropriate. But what was clearer as you read the report itself was the extent to which this was an alcohol problem. Every single instance of misconduct that I know about at the Tailhook convention was undertaken drunk. About 90 percent of all the campus hate crimes are committed drunk. Date rape—or even forget rape, unplanned and unprotected sexual intercourse.

Larry Kessler of the National AIDS Commission has said—and I think he is probably correct, though it would be hard to come up with the numbers—that the drug that accounted for the most HIV transmissions last year was not heroin, it was alcohol. Alcohol as part of seduction and unplanned sex, but also sexual assault.

So the last administration did brilliant work in denormalizing drug use, illicit drug use. We need a comparable campaign to denormalize drunkenness. I am not saying nobody should ever get drunk. People should be aware that being drunk is a dangerous activity and ought to be carefully planned and that it is not something to brag about the next day.

So there is work to be done there if you look at the level of public awareness. The high school survey numbers that just came out suggest that high school students do not regard being drunk as a dangerous activity. They are much more likely to regard any use of any illicit drug as being dangerous. That is something that could be worked on.

We can also work on adults. There is a public education campaign that was done about smoking and was done about illicit drugs. It simply has not been done about alcohol. So that is one approach.

Taxation, of course, is an excellent approach to reducing particularly heavy use among kids, because kids don't in general have a lot of money. The fact that cheap beer—you know, every city has its own cheep beer. When I was growing up in Baltimore, it was American Beer, and the ad was the beer that real beer drinkers preferred, where they defined "real beer drinkers" as people who drank a case or more of beer a week.

The cheap beer in every town is cheaper at the supermarket than brand name soft drinks. That is not a sensible situation. Current tax on a drink is about a dime. I roughly compute the average social cost of a drink at about a dollar. So there is a lot of room there.

If we had a campaign of denormalization of drunkenness, if people got to be aware of alcohol as a problem, then you might think a decade from now about getting more aggressive. And I propose this not as something that is feasible now. You might ask why drinking is not a licensed activity as driving is. If somebody drinks and drives right now, we take away his driving license—normally his, occasionally her. But we leave his drinking license. You get a drinking license when you are 21, and it is irrevocable. No matter how badly you have behaved under the influence of alcohol, your right to buy a drink cannot be challenged.

Well, that is strange. There is no reason why some people, as a result of criminal activity under the influence of alcohol, shouldn't be told "You may no longer buy a drink" and require the alcohol industry, the bars and the package goods stores to enforce that.

That is way beyond anything the American people would support now because they have not had the sort of campaign. Dr. Kleber mentioned the Partnership for a Drug-Free America, which has done, you know, some very powerful work. Sometimes I have had my doubts about the factual basis for all the claims, but it has done some very powerful work in convincing people that drug use is bad. But if you watch TV, you can cut immediately from a media Partnership ad about the dangers of drug abuse to a beer commercial, to the pictures of the winning football team pouring champagne over one another in their locker room. Nobody thinks that alcohol is a drug.

So I think there are some public policies that we could do now to change consciousness and to change the economics of drinking.

Senator PRESSLER. I think we should. I think you very eloquently stated the problem. I am just amazed. Intellectually and logically, we are just not meeting our responsibilities regarding alcohol.

Mr. KLEIMAN. Right. And let me say there is one thing that this committee could do. In the 1988 Act that established the Office of National Drug Control Policy and required a national drug strategy, alcohol and tobacco were excluded. I was told privately by one staff member—I believe it was on the other side of the Capitol—that the wine interests from New York had really made that sort of part of the price of getting that bill through.

The CHAIRMAN. Well, they may have, but just so you know what it was. The reason was that I was, to be very blunt about it, fearful that what we would do is not focus at all on the drug problem, which everyone wanted to avoid. The FBI wanted to avoid it, and everybody wants to avoid it. And that was the reason.

And I might add—excuse the interruption, Senator—you know what I found fascinating? Going back and reading the stated goals and the statistics in the aftermath of the constitutional amendment that was passed, ironically it worked. It wasn't socially acceptable; it didn't work. But alcohol-related deaths did drop off. Liver conditions, did, in fact, you know—I mean, when I say "work," it did—if you just set as standards that you were going to—originally it started, the whole rationale for it started because of wife beating. That was when it all started back in—seriously. All those things, while this was going on, did, in fact, drop—I am not suggesting we return to such an amendment, but it was amazing to me.

Dr. KLEBER. It is very interesting, though. I think we need to distinguish between tobacco and alcohol. We have about 55 million people who smoke tobacco or are addicted to it. The vast majority are addicted. If you do polls, you find 80 to 90 percent of them want to stop. They can't. And we as a medical profession have to come up with better ways to help them to do it. I haven't heard anyone saying that smoking is good for you.

The difference between smoking and alcohol is that we have 110 million Americans who drink, we have about 15 to 18 million individuals who are alcohol abusers or alcoholics, which means the majority of Americans who drink don't get into trouble with it. And that is why alcohol is legal, and should be, for that group of individuals.

What we need to do is a much better job—and I think the alcohol companies deserve a lot of censure here—in keeping it away from adolescents, in keeping their ads that make it so glamorous to adolescents, and in getting off the market those kinds of beverages like Malt 40, or whatever the name is, that in one bottle contains as much alcohol as five glasses of 5-ounce wine; you know, roughly a six-pack of beer in one bottle. That is targeted to our minority communities, and I think it is disgraceful that that is on the market.

But for the majority of adults, moderate use is not an issue.

The CHAIRMAN. Thank you, Senator.

Senator PRESSLER. Let me just make one concluding remark. I want to commend you for your concluding paragraph in your testimony in which you say, "The effort to control drug abuse is not a Desert Storm; it is what President Kennedy called 'a long, twilight struggle.' It calls for patience rather than enthusiasm, endurance rather than animation, stamina rather than speed." I think that is true of a lot of public policy questions.

Do you have anything to add to that? I just think that is an excellent analysis of what we have to do on a lot of these questions, and it is really not very glamorous. We just have to work away at it. Is that what you are trying to say?

Mr. KLEIMAN. Yes, sir.

Dr. KLEBER. Unfortunately, Senator, that is something the Government and the people are worst at.

Senator PRESSLER. That is right, unless we have some crisis or a Desert Storm or we want to have a czar or we want to have this or that. We don't settle just with ordinary public administration going along doing its job, or something like that.

Dr. KLEBER. And I took issue with a recent op-ed that my colleague Peter Reuter had in the Washington Post and wrote an answer to it, where in a sense he suggested a kind of benign neglect of the drug issue. My fear is that if we do that, the resources necessary for the treatment of the individuals that are driving a lot of social pathology will just not occur.

The American people have so many other pressing issues. If you, in a sense, provide that kind of benign neglect, you are going to not get the resources you need for the treatment, for the prevention, for whatever. And that is why I was delighted that you held this hearing. I think we can't afford this kind of quiet twilight thing. That is not the psychology of the American people or the American Government.

The CHAIRMAN. My worry is that we will accept it being a twilight problem if the twilight settles in the minority community, if it settles in the inner city, if it settles in places where the majority of Americans believe they are held harmless if they avoid it. That, I must tell you, is my single biggest fear of the outcome of a policy.

REFORM THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

Mr. PRESSLER. Mr. President, I want to take a moment to share with the Senate my concerns regarding the highly questionable administrative practices of the European Bank for Reconstruction and Development [EBRD].

As my colleagues know, the EBRD was created 2 years ago to fill a real need: to foster private sector development in Central Europe and the former Soviet Union. With communism crumbling from the Danube to the Volga, it was essential that free enterprise rise from the rubble. This meant taking risks—risks that commercial banks in Europe and America would be reluctant to take.

Government leaders from 54 countries, including the United States, believed that risks had to be taken if capitalism was to truly flourish in this region. That was why these countries banded together with $12 billion in capital to create the EBRD.

The EBRD's mandate is simple: to take chances on entrepreneurs in Central Europe and the former Soviet Union. As Americans, we can appreciate that strategy. In fact, we have a number of Government programs in this country—such as the Small Business Administration 7(a) Loan Program and the Microloan Program—that give American entrepreneurs a chance when others will not. As my colleagues know, these programs work. Taking chances is the essence of capitalism. It is a strategy worth taking in the former Soviet Union.

In fact, one method I have advocated in the past is to bring together American entrepreneurs and send them to Central Europe and the former Soviet bloc. Any foreign aid to these counties should be investment not just in dollars but also in the know-how to make that money work. Starting a business, hiring employees, and marketing products are new concepts to citizens in former Communist countries. Without guidance, we literally would be throwing money away. There are entrepreneurs in Eastern Europe and Russia. They have ideas. But experienced American innovators can provide them with the know-how to turn those business ideas into business opportunities. The EBRD was created to foster that kind of activity.

After more than 1 full year in operation, the EBRD has taken risks. However, some are risks of the wrong kind. They are risking their reputation by engaging in practices that should be categorized under the heading "Lifestyles of the Rich and Shameless."

Since its creation, the EBRD has distributed $157 million in loans to its 25 client countries. However, the EBRD has spent double that amount—$312 million—on itself. Besides the usual costs for salaries and administrative overhead, what does one do with $312 million? I have found out that the EBRD has done quite a bit. For example:

The EBRD spent $1.2 million to replace the marble in its lobby. The old marble—called travertine—was seen as inappropriate by EBRD officials. So they junked it in favor of the more polished, more refined, and more expensive Italian carrara marble.

Six hundred thousand dollars were spent to purchase 1,000 custom-designed Italian desks for EBRD staff.

The bank has a custom-designed bar with chairs that represent different European design periods—a veritable history of European furniture fashion.

The bank is outfitted with nine custom-designed dining rooms, each with a different theme.

An auditorium at the bank currently is being constructed at a cost of $1.5 million.

The cumulative total of EBRD spending to create this ugly example of corporate excess in the heart of London's financial district is $87.4 million.

But wait, there is more:

The EBRD spent $900,000 to rent private planes for Mr. Attali. And not just any planes. No sir, Mr. President, Mr. Attali must travel in style—in British Aerospace 125's or Learjets, the Rolls Royce and Mercedes of private aircraft.

Seventy-eight thousand dollars were spent on a lavish Christmas party in London's largest banquet room in the prestigious Grosvenor House Hotel.

Mr. President, the EBRD was created to take chances. It was created to spur economic development. However, marble lobbies, exotic desks, thematic dining rooms, and fancy parties are not the kinds of economic development the American people had in mind.

Fortunately, the exploits of the EBRD and Mr. Attali have not gone unnoticed. The Financial Times of London has run a series of articles detailing the abuses of the EBRD. I ask unanimous consent that a number of these articles be printed in the RECORD immediately following the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. PRESSLER. Mr. President, also, leading financial officials in Central Europe have stepped forward with constructive criticisms that extend beyond office decor. Specifically, these officials have questioned the investment and loan decisions of the EBRD. Though mandated to allocate 60 percent of its funds to private enterprise, EBRD has financed projects for large, state-owned firms. Further, the EBRD has been accused of being conservative in its financing decisions, even though its actual mission is to take risks.

In response to these and other charges, Mr. Attali responded by saying: "It is not fair to judge a new airplane by its altitude just after takeoff." That may be true, but the EBRD airplane's altitude would be much higher if it wasn't loaded down with Italian marble, designer furniture, champagne and caviar.

Mr. President, as my colleagues well know, providing billions of dollars in foreign aid year after year is always difficult to justify to the American people. This is true regardless of how worthy or well-intentioned our aid may be. Our current economic and fiscal conditions alone make the case for foreign aid an even harder sell with our constituents. Given the current practices of the EBRD, I would have a hard time justifying sending that organization another taxpayer dime.

In its budget for fiscal year 1994, the administration has requested $70 million for the EBRD. If this amount is for fostering economic development in the former Soviet bloc, then it is worth considering. However, if this is to support the construction of hot-tubs for the EBRD washroom, I'm sure the Senate can think of other, more useful ways to spend or save taxpayer dollars.

Mr. President, we can no longer afford to commit millions of dollars to good intentions gone bad. The EBRD was founded with the best of intentions: to lift Central and Eastern Europe from the depths of communism. This remains a goal worth pursuing. However, we must invest in sound commitments, not good intentions.

Before Congress even considers providing another dime, we should insist that the EBRD demonstrate a real commitment to its mission. Effective oversight of its management and loan practices is needed. A full-scale purge of its free-spending leadership may be necessary. The United States should continue to work with other nations to promote capitalism and individual initiative around the globe, with or without the EBRD.

EXHIBIT 1

[From the Wall Street Journal, April 27, 1993]

SHAREHOLDERS FAULT EBRD'S SPENDING, BUT DON'T CALL FOR OUSTER OF PRESIDENT

(By Janet Guyon)

LONDON.—Shareholders of the European Bank for Reconstruction & Development rebuked the bank for appearing to spend extravagantly, but stopped short of calling for the resignation of its creator and president, Jacques Attali.

Governors who represent the 54 countries that own bank said they would closely watch an inquiry into the £55.5 million ($87.4 million) cost of fitting out the EBRD's luxurious headquarters here. But at the two-day annual meeting, which began yesterday, they said that despite its faults the bank's mission to aid Eastern Europe is a legitimate one.

Following a closed session of the governors, Theo Waigel, the German finance minister who is chairman of the EBRD board, told reporters there was no discussion about reorganizing top management of the bank nor of creating a new post of chief executive. Some bank directors have suggested that Mr. Attali cede some of his control of the bank. Others, while angry about the spending continue to support Mr. Attali because of his energy and ideas. The Frenchman has created, in just two years, an institution with promised capital of 10 billion ECUs ($12.33 billion) out of his vision of a big, happy Europe that unites East and West.

SPENDING HABITS CRITICIZED

The bank has been under fire from the British press for its spending habits and those of Mr. Attali, who has gained renown for his trips by private jet. In its two years of operation, the bank has spent twice as much on its building, staff and overhead as it has disbursed to its 25 client countries. Bank officials have said that rapid change in the region, among other things, is responsible for the relative slowness of disbursements. Building spending came in under budget, they have said.

The U.S. temporary governor, Deputy Treasury Secretary Roger Altman, declined to voice direct support for Mr. Attali. But he said the governors will await Mr. Attali's own plan for tightening spending controls and for reorganization. "We hope they will be forthcoming quickly so the necessary confidence in the bank will be restored," he said. The U.S. still backs the bank, particularly its mandate to support private business, he said.

The U.S., which owns 10% of the bank, is also discussing giving it more time to meet its mandate that at least 60% of its investments be in private projects. Roughly speaking, Mr. Altman said about 50% of the bank's projects are private.

ATTALI CONCEDES MISTAKES

Mr. Attali last week conceded that the bank made some spending mistakes.

Meanwhile, the Russian governor complained about the "paltry" amount the bank has spent in Russia. And the Estonian governor griped that the bank hasn't put enough people in that region.

Mr. Waigel and Mr. Attali said shareholders have asked the bank to create a network of joint-venture banks in its client countries that would fund small and medium-sized business. Such a network would amount to a decentralization of this role of the bank, Mr. Attali said.

The EBRD also has gotten a mandate from the seven major industrial countries to aid small and medium-sized Russian businesses by investing in their equity. The bank is setting up a $300 million fund for Russia with half the money coming from the Group of Seven countries and half of it coming from the bank.

[From the Financial Times, Apr. 23, 1993]

ATTALI BOWS TO CRITICISM OVER BANK SPENDING

(By Robert Peston)

Mr. Jacques Attali, president of the European Bank for Reconstruction and Development, said yesterday that he had "much to learn" from criticism that controls of expenditure at the bank had not been tight enough.

However, he added: "I am not planning to resign". Mr. Attali said that "more than two or three" of the bank's governors, who are finance ministers or top officials from the 56 countries and agencies which own the bank, had telephoned him to offer support, following criticisms of his stewardship of the bank.

He said that the "most important question which needs to be answered is whether this bank needs to exist or not". The importance of the bank, which provides loans and investments to encourage the growth of market economies in eastern Europe and the former Soviet Union, is that "it is part of the international response to the urgent need of central and eastern Europe".

Mr. Attali was speaking as the bank published its annual report for 1992. The report says that the board approved 54 investment projects in the year with a total EBRD contribution of Ecu1.2bn ($1.46bn). However, just Ecu126m was disbursed, consisting of Ecu75.8m of loans and Ecu50m of equity injections.

He said it was "entirely legitimate for the press to raise questions about the way in which we conduct our affairs". He justified the lavish furnishings of the bank's new headquarters, in London's Broadgate complex, by saying that work on fitting out the building was proceeding "within the approved budget". He did not comment on the issue of whether the budget itself was excessive.

"With the benefit of hindsight, it is clear that we should have done certain things differently," he said. The replacement of the building's existing marble with new marble, at a cost of at least £750,000, fell "into this category".

He said the bank's "overriding concern now is to learn from this experience". In order to tighten control over spending, Mr. Attali said he was dividing the responsibilities currently held by Mr. Pissaloux, who is both director of Mr. Attali's cabinet and director of the budget.

He said there would now be "a full-time director" with budgetary responsibilities and a separate cabinet director. He refused to say who would occupy these posts. Mr. Pissaloux would not comment on whether he would hold one or other of these posts.

Mr. Attali also said there would be a "further deepening and strengthening of the board committees on budgetary matters, both in preparing and monitoring the budget" and "further improvements will be made in the information supplied to the board about the budget".

He also confirmed that the board's audit committee was undertaking a review of the "costs incurred and the specific procedures followed in the fitting out of the bank's headquarters".

[From the Financial Times, Apr. 23, 1993]

OVERSPENDING AT BANK PUT AT 20 PERCENT

(By David Marsh and Andrew Jack)

The European Bank for Reconstruction and Development's accounts show spending on * * * last year exceeded its budget by 20 percent in terms of European Currency Units.

The bank insists that its costs— most of which are paid out in the British currency— were in fact less than budgeted when measured in sterling.

Overhead expenses net of government grants came to Ecu50.7m, compared with the budgeted Ecu42.1m, up from only Ecu12.2m in the bank's start-up year in 1991.

At the Ecu exchange rate at the beginning of 1992, the budgeted figure for last year was the equivalent of £30.1m. At the Ecu rate at the end of 1992, the actual amount spent was the equivalent of £40.4m.

Despite this, EBRD officials said yesterday that, compared with the original sterling figures forecast for 1992, spending showed a slight fall.

EBRD officials said yesterday that the difference between the sterling and Ecu calculations partly reflected the impact of procedures for depreciation of capital spending. It said the discrepancy was also due to transactions carried out at the start of each year to translate the bank's income—denominated in Ecus, and accruing in a variety of currencies—into sterling for spending during the year.

This practice of "hedging" its Ecu income is meant to avoid exposing the bank to foreign exchange risks. In fact, it meant that the EBRD failed to benefit, as it would otherwise have done, from sterling's sharp fall against European currencies towards the end of the year.

The bank's overall administrative costs, including personnel costs, totalled Ecu96.2m last year, slightly higher than the budgeted Ecu95.2m

The relatively small overshoot reflected the impact of lower-than-budgeted personnel costs, which amounted to Ecu45.5m compared with the budgeted Ecu45.5m—a fall which was presumably due to the decline of sterling during the year.

Mr. Jacques Manardo, the principal accountant responsible for EBRD's audit, yesterday said he was fully satisfied with the internal controls operated by the EBRD. "It's a small, well managed operation. I don't perceive any lack of transparency," he said.

Deloitt Touche Tohmatsu won the audit for the EBRD after a competitive tender among the leading international accountancy firms.

The audit is co-ordinated from London, although the audit report is signed from Paris because that is Mr. Manardo's base.

The lead partner on the audit is Mr. Brian Smouha, liquidator of the collapsed Bank of Credit and Commerce International and a banking partner with Toucher Ross, the DTT affiliate in the UK.

There are another four auditors in London, and about six more overseas, with auditing of loans and operations in eastern Europe coordinated by an accountant in DTT's Budapest office.

The accounts are prepared in accordance with international auditing and accounting standards, modified to meet the structure of the bank and certain EC regulations.

[From the Financial Times, Apr. 16, 1993]

WAIGEL TO QUESTION ATTALI ON EBRD SPENDING ALLEGATIONS

(By Charles Leadbeater in Tokyo)

Mr. Theo Waigel, the German finance minister, who is chairman of the European Bank for Reconstruction and Development, will question Mr. Jacques Attali, the bank's president, in the next few days over allegations of excessive spending at the bank.

Mr. Waigel will raise the concerns over the bank's expenditure during a meeting with Mr. Attali in Bonn before next week's annual meeting of the bank's governors.

The controversy over the bank follows the disclosure that it has spent more than £200m ($310m) in the past two years on fitting out its London offices, travel for executives, entertainment and other running costs. During that period the bank has disbursed loans worth about £125m.

Mr. Waigel, referring to questions about the bank's spending, said: "These may be points we will discuss at next week's meeting. I will do my duty as chairman of the bank to test the validity of these allegations."

Mr. Waigel, who is in Tokyo for the emergency meeting of the Group of Seven foreign and finance ministers, said he had asked the bank for a report on allegations of excessive spending on private jets to take Mr. Attali around Europe, the fitting out of the bank's London headquarters and its Christmas party in the ballroom of a London hotel.

Mr. Waigel said: "If we find any unjustified expenditure we will draw the appropriate consequences."

The EBRD last night gave a breakdown of the money it spent on its previous headquarters in Leadenhall Street, London, which it occupied for 20 months until last December. Of £18m, £11.4m was paid in rent and £6.6m on fitting out the offices. It said half the £6.6m was spent on furniture and equipment, which it is now using at its new headquarters in Broadgate in the City of London. It added that 1,200 people attended its Christmas party, which cost £52,000, so the cost per head was £40.

It is understood Britain, the U.S. and Canada have led criticism of Mr. Attali's management of the bank. The U.S. has criticised in particular the slow rate at which the bank has extended loans.

Mr. Norman Lamont, British chancellor of the exchequer and EBRD board member, reiterated his view that the bank should answer legitimate questions about how it had been run.

However, he stressed the British government had no regrets about the assistance it had given the bank to set up its headquarters in London.

The G7 meeting in Tokyo has given the EBRD a central role in developing small and medium sized businesses. The bank is to run a $300m small business development fund which will include paving the way for the creation of a Russian bank for small businesses.

[From the Financial Times, Apr. 15, 1993]

ATTALI DEFENDS EBRD SPENDING ON AIRCRAFT

(By Robert Peston and Daniel Green)

Mr. Jacques Attali, President of the European Bank for Reconstruction and Development, has rejected claims that the London-based bank had spent excessive sums on hiring executive jets.

Mr. Attali, who is facing mounting criticism over internal spending at the bank, said it would be impossible for him to do his job without the use of private jets.

"I am sorry, I cannot do without it", he said in a recent interview. Such aircraft were needed, he claimed, for trips which were incompatible with commercial airline schedules.

He gave an example of his schedule from 25 March to 29 March, when he flew from a meeting with the Prince of Wales, who was inaugurating the bank's head office, to Bucharest in Romania, for an environmental meeting. Then he went to Paris and from there to Hamburg. Finally he flew to Moscow where he had breakfast on the 29th with Mr. Boris Federov, the Russian Deputy Prime Minister.

Mr. Pierre Pissaloux, budget director at the EBRD, said that he is careful to keep the cost of renting jets under control. Each time Mr. Attali needs an aircraft, three charter companies are asked to submit bids.

The bank recognises that expenditure on the aircraft is a sensitive issue. So each three months, Mr. Pissaloux, tells the chairman of the bank's audit committee how much Mr. Attali has spent on jets and other items in the previous quarter.

"We desire to be entirely transparent," Mr. Pissaloux says.

Chartering a private jet is an expensive business—the EBRD spent £600,000 on renting private aircraft last year and is budgeting to spend up to £400,000 this year..

Even a small Learjet, seating three or four people comfortably, would cost around £2,000 an hour to charter.

The bank recently called for tender offers for a chartered Learjet from at least one London area air charterer.

It also wanted details on the British Aerospace 125 jet, which can carry six or seven people in luxury but costs about £3,000 an hour to charter.

One air broker yesterday described the BAe 125 as "the Rolls-Royce of private aircraft" and the Learjet as "the Mercedes".

Private jet charter is a business that thrives on secrecy as much as economics. Corporate dealmakers like to own or charter private jets to conceal their movements from potential rivals who may monitor the public areas of airports.

Mr. Brian Wigham of consultancy, International Bureau of Aviation, says that private charterers buy "convenience and security".

Air charter brokers justify the costs of chartering by calculating the hourly worth of a top executive to an employer. Against a deal worth millions, the cost of a charter is small.

British Airways uses similar arguments on the price of a ticket on Concorde. At more than £5,000 for a return flight between London and New York, it is more than twice the price of a first class ticket.

BRITAIN WILL CALL FOR CURBS ON EBRD SPENDING

(By Charles Leadbeater in Tokyo, Robert Peston in London, and Andrew Hill in Brussels)

The British government will next week press for tighter controls of spending by the European Bank for Reconstruction and Development following the disclosure that it had spent more than £200m ($302m) on overheads and equipping its building in the past two years.

Mr. Norman Lamont, UK chancellor of the exchequer (finance minister), said yesterday he had become so concerned at the level of spending by the EBRD that the government had frequently called for greater efficiency and economy in the way the bank was run.

The call for tighter budgetary controls will come at the EBRD's annual meeting next week and follows disclosures in the Financial Times that the EBRD has spent £55.5m equipping its London headquarters, £600,000 hiring private jets and £52,000 on a Christmas party.

Mr. Lamont, who represents Britain on the board of governors and is in Tokyo for the emergency meeting of G7 finance and foreign ministers on aid to Russia, said he would make sure the government's concerns about efficiency would be fully considered at next week's annual meeting of governors.

The EBRD governors are typically the finance ministers of the banks' shareholders, who are the 53 western and East European countries, the European Community and the European Investment Bank.

Mr. Lament said several of the bank's 23 governors, meeting informally, have voiced concerns about the EBRD's spending in the two years since it was set up.

He indicated the concerns were mainly about salary levels as well as issues such as the use of private jets to ferry Mr. Jacques Attali, the bank's president and founder, to meetings.

Mr. Pierre Pissaloux, the bank's executive director in charge of the budget, said the bank had become aware that spending on the jets was "sensitive". He introduced a new system for hiring jets "a few months ago" by which the bank asks for tenders from three charter companies.

All executives except Mr. Attali and the senior vice-president Mr. Ron Freemah were also told a month ago they had to fly economy class.

It also emerged that the bank's 23 directors, who are civil servant representatives of the shareholders, are pressing for greater control over the bank's budget-making process. "There is a lack of transparency and accountability," a UK official said. "A specific budget committee should perhaps be set up."

Mr. Pissaloux said: "We are very anxious to respond to requests for any additional information [from directors]".

Founder European Community shareholders of the EBRD are also expected to use next week's annual meeting of the bank to quiz Mr. Attali about its spending record.

But officials from the European Commission and European Investment Bank, which together hold 6 per cent of the EBRD's shares, said yesterday they were sympathetic to the difficulties of funding projects in the economic chaos of the old communist eastern bloc.

Mr. Lamont said: "Britain is at the forefront of those calling for economy and efficiency. Sometimes we are in a minority. But we will continue to make those calls and we will make sure those points are considered next week."

EBRD DENIES EXCESSIVE SPENDING

The European Bank for Reconstruction and Development (EBRD) said expenditure on its headquarters was "value for money" in spite of revelations that it spent £55.5m on fitting out its new offices and £18m on its previous office, of which £40m had been provided by the British government.

"The bank needed a headquarters building that was suitable to its needs as an international public institution with 23 resident directorships representing 56 members," it said in a statement yesterday. The UK Treasury said the control of expenditure at the was "a matter for the bank itself and its board of directors".

Mr. Gordon Brown, the opposition Labour party finance spokesman, is pressing Mr. Norman Lamont, chancellor of the exchequer, for an explanation of why the London-based bank had spent so much on the new offices.

[From the Financial Times, Apr. 13, 1993]

THE BANK THAT LIKES TO SAY YES TO ITSELF

The European Bank for Reconstruction and Development was set up in 1991 to help eastern Europe build on the ruins of Communism with private investment.

Two years later, as delegates attending next week's annual meeting in London will learn, the main beneficiaries of its largesse have been its staff, consultants, building contractors and aircraft leasing companies.

It has provided considerably less in loans and investments to the former Soviet Union and eastern Europe than it has consumed on fitting out its London offices, paying salaries and meeting other overheads.

Here are the facts:

From April 15, 1991 to the end of last year its total running costs, mainly salaries, travel costs and general overheads, have been £128m. Its budget for 1993, which is denominated in European Currency Units, is Ecu136m (£109m).

It spent £18m of UK government funds on equipping its previous office, which it occupied for just under two years before moving to its new office block at Number One Exchange Square in the City last December. It is in the process of spending a further £55.5m on fitting out this building.

By the end of last year it had disbursed only Ecu126m (£101m) in loans and investments to eastern Europe and the former Soviet Union. This is just half what it allocated to its buildings and its running costs in the same period.

Some disparity between the costs of running the bank and the initial provision of finance to the region was inevitable. Start-up costs for any new institution are big and it was explicitly modelled on the World Bank, whose running costs are substantial.

But the bank's intellectually dynamic founder and president Mr. Jacques Attali, who for much of the 1980s was the special adviser to the French President, Mr. Francois Mitterrand, admits that "disbursement [of loans and investments] is amazingly slow in terms of our [original] forecast."

He adds, however: "I would say it is a good thing, because it demonstrates that we are very cautious." He says he would be facing considerable criticism from his shareholders—the leading industrial countries together with those of the former Eastern bloc—if the bank were being reckless in its investment policy.

The bank also points out that it has stayed within its administrative and building budgets, which have all been approved by these shareholders, including Mr Norman Lamont, the chancellor of the exchequer, who is one of the bank's governors.

Mr Attali's talents for designing grand schemes for the regeneration of eastern Europe and the former Soviet Union are not in doubt. But he is not by nature a financial controller or a chief executive. Two questions therefore suggest themselves concerning the execution of the bank's mission:

Should the investment policy of the bank be loosened to facilitate a more rapid disbursement of funds?

Does the budget-making process put enough pressure on the bank to keep its expenditure in check?

Mr Attali appears to have inherited from Mr Mitterrand a passion for monumental architecture—the slabs of Carrara marble which frame the lifts in the lofty mirrored entrance may have been expensive, but the bank says they have great symbolic significance.

A different kind of marble, Travertine, was originally installed. According to Mr Pierre Pissaloux, a former high-flying French civil servant who is the bank's budget director, this marble was inappropriate. So it was replaced by Carrara statuary slabs in various stages of polish, at a cost of £750,000.

The point of the exercise, said Mr Pissaloux, was that the new marble represented what the EBRD was trying to do for people in Eastern Europe—"changing them from something rough into something polished".

Mr Attali said he was not embarrassed by the EBRD's opulent offices. He said he had a "duty to provide them [employees] with a very good environment", as compensation for the reduced pay they earn at the bank compared to what they could receive in the private sector.

He also set a condition that the building cost should be "below the average cost" of comparable projects in the City. Both arguments in favour of the building area questionable.

Some of Mr Attali's colleagues came from the private sector, but most say they were lured by the challenge and excitement of changing the face of eastern Europe.

They could probably earn more if they returned. However, the average EBRD salary—including secretaries and lower grade staff—is Ecu58,300, high compared with most public-sector organisation but not by World Bank standards.

EBRD employees do not pay UK taxes, thanks to the founding charter signed by the government. But the bank itself levies an "income tax" averaging about 10 per cent which it uses to help finance its operations. The average salary is equivalent therefore to a UK gross salary of more than £65,000.

Mr. Attali is the highest paid employee, with a 1992 salary of £150,000 after deduction of the internal tax.

Were he to pay UK taxes, this would be the equivalent of a gross salary of more than £240,000—£75,000 more than the governor of the Bank of England received last year, £163,000 more than the prime minister and £40,000 less than the basic salary of the chairman of National Westminster Bank.

Mr. Attali has said he wants to waive the EBRD'S general pay rise of 5.5 per cent for the current year.

The question of whether the £55.5m fitting out cost is reasonable by City standards is more complicated. The UK government was desperate to attract the EBRD to London—it is the only major international institution of its kind in the British capital—and provided £40m towards the costs of its offices. The bank spent £18m of this on its offices in Leadenhall Street—which it occupied for 20 months—and the balance of £22m is being spent on the new headquarters. The bank received an additional £250,000 grant from the Corporation of London.

The building covers 403,000 square feet in total. The cost of fitting out that space per square foot is £138. Only 320,000 square feet of that space is usable, however, which pushes the cost up to £173 per square foot. Building consultants say that both figures are at the top end of normal fitting out costs.

Mr. Pissaloux disputed that judgment. The EBRD, he pointed out, had special needs, such as translation facilities for its annual meeting and conferences. If these special factors were excluded, he said, the cost per square foot was £108. "That is at the lower end of City fit out costs." he said. "I am at ease with that."

Gleeds, the quantity surveyors, said that fitting out costs for a large merchant bank's office would typically be about £70 per square foot for gross space in a shell and core building (a building containing neither furnishings or mechanical and electrical equipment).

Mr. Pissaloux also said that part of the building's cost had been met from saving rent due on the Leadenhall offices and by striking an advantageous deal with the building developer, Rosehaugh Stanhope Developments.

By finishing work on its Exchange Square building ahead of schedule the EBRD was able to save six months rental payments for Leadenhall. That rent saving was worth £6m, Mr. Pissaloux said. In addition Rosehaugh Stanhope Developments, the building's developer gave £9.5m towards the fitting out costs, plus a rent-free period of two years and five months, which is worth £38m.

Property agents said, however, that the deal with Rosehaugh was in line with market conditions at the time. "When the EBRD was looking, the market was dead," said a surveyor. "Property companies were falling over themselves to deal with it."

The EBRD is paying £39.5 per square foot, which is well below the peak rents paid for space in adjacent buildings in the later 1980s but well above today's prices for top quality City space, which range between £25 and £35. Mr. Pissaloux insisted: "We got the best price at the time."

Mr. Pissaloux also pointed out that there was a break in the lease after 15 years, allowing the bank either to move out or seek more attractive terms then.

He was also proud of having secured a warranty which meant that the landlord had to pay for any structural defects which might emerge in the building over the next 12 years—which agents say is unusual.

Staff moved to the new building just before Christmas and the move was celebrated with a party held at London's Grosvenor House Hotel. Mr. Attali said the party's cost was "very low". In fact, it amounted to £52,000, £80 for each of the 650 employees or consultants who attended.

The EBRD also argued that Mr. Attali's regular use of rented private airplanes was value for money. Mr. Attali said he used private jets on two sorts of occasions only: when he had to fit in large number of meetings over a short period in many different countries (as happened quite frequently) or if his destination was not served by regular international flights (which was the case in many parts of the former Soviet Union).

He spent £600,000 last year on private jets. Mr. Pissaloux said that he had earmarked between £350,000 and £400,000 in this year's budget for between 15 and 18 trips by private jet—this comes to around £22,000 per flight.

Mr. Pissaloux stresses that all expenses were overseen by the EBRD's board of directors, who are government officials representing the 53 countries which are the bank's shareholders. Even the building costs had stayed within the special capital budget approved at the end of 1991.

The main responsibilities of these directors is to approve loans, investments and spending. A series of board committees scrutinize salaries (the remuneration committee), the annual budgets (the finance committee) and the annual accounts (the audit committee).

One director insisted that they were a tough independent force, whose aim was to ensure that the EBRD did not waste money. But, in the matter of their own remuneration, they were not independent from the EBRD. As Mr. Attali said: "It's a very strange system—we pay for them but they are representing their governments."

The directors, who are typically secondees from the shareholders' civil services, receive EBRD salaries and EBRD tax breaks. "It's enormous pay compared to a normal civil servant," said Mr. Atalli.

In 1992 the 23 directors, their 23 alternates and 23 secretaries, who occupy two floors of the EBRD's head office, were paid an average salary before the 10 percent tax of Ecu87,000 each—equivalent to a UK gross salary of £100,000. It is arguable that if directors were paid directly by their governments they might exert tougher financial disciplines on the bank.

The experience of private-sector companies also suggests that any board as big as the EBRD's will rarely have the cohesion to put significant pressure on executives.

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from Washington [Mr. GORTON].

NOT THE MESSENGER WE NEED TO CHANGE—IT IS THE MESSAGE

Mr. GORTON. Mr. President, it is no secret to any Member of this Chamber that the President's economic program is in deep trouble. Deep trouble not just with Republicans in the House and the Senate, but with a large number of members of his own party in both Houses of Congress and, more significantly, across the United States as a whole.

This new President is a gracious, a hardworking, likable individual. He still has a great reservoir of popularity in the country. All Americans wish him well because, if he does well, the country itself will be well. The President and many of his advisers are concerned that his message is losing its punch because of the lack of focus. They are now attempting to focus the President more sharply on his economic program and on the economy of the country.

That concern I believe, Mr. President, is entirely misplaced. It is not the messenger with whom the people of the United States are concerned, it is the message. The economic program is in trouble not because it is misunderstood by the people of the United States. It is in trouble because it is becoming to be understood far too well across this country.

Yesterday, the distinguished senior Senator from Texas utilized this chart to show how far the message of the President has varied from that which won him election in November. During the campaign, the President promised $3 in spending cuts for every $1 in tax increases. At the time of the confirmation of his Office of Management and Budget Director, it was $2 in spending cuts for $1 in tax increases. In the State of the Union Address, it was dollar for dollar. In the budget submitted to us, it turned out to be $3 in tax increases for $1 in spending cuts. And now, with the reconciliation bill before the House of Representatives, it is $5 to $1.

The day before yesterday, a courageous citizen in San Diego, Lauren Fleming, a self-employed businessman, asked the President at one of his town meetings point blank:

> Can you tell me of any time in history when higher taxes and greater Government spending led to prosperity?

The President, somewhat discomfited by the question, nevertheless answered it honestly by saying that he knew of no such example. He went on to say that this was not, however, his program.

The problem, Mr. President, is that it is his program. The program before us is very heavy on tax increases; it is very light on spending cuts. The American people have told us to cut spending first.

What is needed in this administration is not more focus on the part of the President. It is not trips out of Washington, DC, to sell a flawed program, it is a revised program which lives up to the promises which he made during the course of his campaign.

If the President will trust the people to spend their own money, if he will trust the people to build the economy, if he will not rely so greatly on huge additions in Government spending, there will be no question about his focus. There will be renewed popularity not only of the President but of the President's program. There will then be bipartisan support for the President's plan and economic success for this country.

It is not the messenger we need to change, Mr. President, it is the message.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceed to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The Chair recognizes the Senator from Nevada [Mr. REID].

TEENS FACING TOUGH TIMES

Mr. REID. Mr. President, the action of this body 5 or 6 weeks ago where the so-called stimulus package was killed is something that I think about often, perhaps, though, not often enough.

The Senate, as we know, failed to pass the so-called stimulus program. In reflecting on this, this should have been more than Democrats versus Republicans; it should have been more than rank politics, but it was not. You see, this stimulus package affected Democrats and it affected Republicans.

I, Mr. President, was forced to think more about this issue a couple of days ago when in the Reno Gazette Journal on the front page of the paper there appeared an article, "Teens Face Tough Time Seeking Work." And on the front page of that paper was a picture of a 16-year-old girl by the name of Norma Chacon. Norma was looking for a job, and the picture shows her on the sidewalk looking at want ads.

The article said, among other things, that—

> Chacon isn't looking for work because she wants extra spending money. Like more and more teenagers, she needs the cash to help support her family.* * *
>
> "With the economic times like they are, entry-level positions are not filled with youth; they are filled with more experienced workers," said Sandy Trojan, coordinator for Job Opportunities in Nevada.* * *

Reed High School counselor Arlen Fark has also noticed the trend: More parents out of work and more students who need a job to help out.

Mr. President, I ask unanimous consent that this article be printed in the RECORD. Of course, I understand the rules that the picture will not be a part of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Reno Gazette Journal, Mar. 18, 1993]

TEENS FACE TOUGH TIME SEEKING WORK

(By Veda Morgan)

Finding a job is a full-time occupation for Washoe High student Norma Chacon.

Between classes, the 16-year-old searches newspaper ads, calls area businesses and hits the streets.

Chacon isn't looking for work because she wants extra spending money. Like more and more teenagers, she needs the cash to help support her family.

The competition for jobs is tough. In Washoe County, the jobless rate is at 6.5 percent, and there are 400 more adults unemployed than last year.

"With the economic times like they are, entry-level positions are not filled with youth; they are filled with more experienced workers," said Sandy Trojan, coordinator for Job Opportunities in Nevada (JOIN).

But an area labor economist says he's expecting hiring to improve this summer.

"We have (employers) adding staff because their business is picking up," said George Anastassatos, labor economist for Nevada Employment Security.

JOIN's summer employment program, which serves more than 200 area youths ages 14 to 21, filled up in three days. About 200 young people are on the waiting list, Trojan said. "A day doesn't go by where I don't get four or five phone calls trying to get students work."

Reed High School counselor Arlen Fark has also noticed the trend: More parents out of work and more students who need a job to help out.

Fast food jobs are about all that's open to younger teens. Other employers generally won't take them because of federal child labor laws that limit the hours that minors under 16 can work, he said.

Mr. REID. Mr. President, this is more than just someone out looking for a job, as I indicated, to have money to buy a car. This young lady, as millions of other young people across this country this summer, will not have the opportunity to have a job.

As indicated in the Reno newspaper, the jobs that these young people would have gotten are being filled by adults. Reno is a small community, less than half as large as Las Vegas. And then you have Los Angeles and Pittsburgh and Baltimore and New York where we have millions of youths this summer without jobs.

Why is it important? It is important because these young people learn how to get a job; they learn how to apply for a job; they learn how to dress for a job. Working is more than the money, Mr. President, although that is extremely important. It exposes them to a culture outside their environment. If they do not get these skills, they will not be productive taxpayers. They will become, much of the time, negative and not positive.

We hear a lot and we will hear more in the future on this floor about crime bills. Well, Mr. President, as far as I am concerned, this stimulus package as it related to young people was a crime bill because it would prevent crime. The percentage among unemployed teenage children is extremely high and it should not be. Without something to do, many youth get in trouble. So I think this was more than a jobs bill. I think it was a crime bill. I think it was a crime we did not pass it.

There are hundreds of people in Reno, this article indicates, who are unemployed. It indicates there are hundreds more unemployed this year than last year. I think it is too bad that the money we would have spent creating these summer jobs will not have been spent. It would have been money well spent because it would have created taxpayers. It would have created jobs for people who would not only work this summer but would have created a work habit for them in the years to come. I ask my friends on the other side of the aisle, Mr. President, to reflect on what they did and perhaps what they did not do.

I would like them to consider writing to Norma and telling her why she is not going to have a job this summer and why millions of other youngsters throughout this country are not going to have jobs this summer.

I would like them to tell her why they voted against the jobs for summer youth. I do not know if she is a Democrat or Republican; I do not know if her parents are Democrats or Republicans, and my friends on the other side of the aisle may have scored a point against Bill Clinton, President of this country, but they did not score a point for Norma and the millions of other youth who are similarly situated.

If you watched the interviews of my friends from across the aisle after the stimulus package was killed, there was not a one of them who said they did not like the individual programs, but they just did not like the way the bill was set up. I think they had an obligation to Norma and others to come up with a better program.

But, but, but, they did not.

You cannot do nothing, and that is what has been done. It is too late now to come up with the Summer Jobs Program. As I and others during the debate spoke about, it takes time to come up with good jobs programs for these youngsters, and we now are going to be pressed to do it. We are not going to be able to do it.

I think it would be easy to say, well, we should have done it and we did not. But the fact is we did not do it. And we need to understand that these are real jobs that have been lost, not make-do jobs. I really think it is too bad.

Not passing the stimulus, though, Mr. President, goes beyond just the 16-year-old youth in Reno, NV. It goes beyond that. Yesterday, I met with the State director of transportation from the State of Nevada and he talked about what we are not going to be able to do because we did not pass the stimulus package. In the State of Nevada, it would have meant $20 million. That might not sound like much for States like New York, Texas, and Florida, but for Nevada $20 million that would be put into roads is a lot of money.

Mr. President, I suggest that that money would have created jobs, and lots of good jobs, in developing a road we have needed between Reno and Carson City for two decades. That was on the drawing board. We would have been able to extend that to the Mountain Coast Highway. The Springmountain interchange in the fastest growing city in America, Las Vegas, would have received additional funding. It would have done a lot of things we are not going to be able do. Infrastructure improvement is something this country needs. Everywhere, whether it is in a State like North Dakota or a State like Nevada or a State like New York, we need infrastructure development. It is deteriorating. By killing the stimulus package, we killed that for the foreseeable future.

Mr. President, something we also did not talk much about during consideration of the legislation that was called the stimulus package is what we proposed in that legislation for native Americans. We, in that bill, did some really good things for native Americans. It is dead, killed.

Last week, I had the opportunity to chair an appropriations hearing as it related to the Bureau of Indian Affairs. The Bureau of Indian Affairs told us how badly they were hurt as a result of the bill we did not pass. It would have provided $102 million to the Bureau of Indian Affairs. The money would have gone to needy programs. For example, $23 million would have gone for Indian reservation road maintenance projects providing jobs and improved access to schools and medical facilities.

Mr. President, the Indian reservations in the State of Nevada need this, and it would have created good jobs, jobs that we need, not make-do jobs. The roads in Indian country in Nevada need improving. These would have been real jobs. Nine million dollars for improvement of dangerous and substandard Indian law enforcement, education and youth services. Most importantly, $49 million to cover shortfalls for the upcoming school year for operation of Indian schools. Is it not important we spend money in these Indian schools?

Mr. President, I ask unanimous consent for 5 minutes.

The ACTING PRESIDENT pro tempore. Is there objection?

The Chair hears none, and the Senator is recognized for 5 additional minutes.

Mr. REID. These youngsters need education facilities, and they have not had them. They badly need them.

During the hearing, they gave a long litany of how they are going to cut back on some of these services. Closing schools early is one of the possibilities.

Why are these jobs that I have talked about important? People go to work; they pay taxes. People are no longer relying on welfare and unemployment. People regain their self-respect by being able to provide for their families.

What did my friends on the other side really do by defeating the stimulus package? I repeat, perhaps they embarrassed President Bill Clinton, but most of all, as time will tell, they have embarrassed themselves and the American public because what has happened is not good for this country.

Very soon, this body will be debating the President's budget plan, a plan that some, if not most, on the other side of the aisle will say is nothing more than tax and spend. Well, we, the Democrats, were not in the White House the last 12 years when the debt went from $1 to $4 trillion. I think it is important to recognize that we have to start working together to not become masters of gridlock but masters of moving this country along so that people like Norma can have a job not only this summer but in the summers to come.

The Washington Post yesterday brought to light something I have been telling my constituents for a long time. I quote:

> Nothing did more to end the Great Depression and the enormous amount of money the Federal Government spent in the war years. Taxes went up, spending soared, the economy boomed. A good Republican, Dwight D. Eisenhower, did a lot to prime the economy by launching the Interstate Highway System in the 1950's.

We all know, Mr. President, that we need to cut spending, but we have to cut spending where it will do some good. We have to increase spending where that will do some good. I think that we had better stop trying to embarrass Bill Clinton, as some in this body do, and try to do things that will uplift this country so that young ladies like the girl in Reno sitting on the sidewalk looking at want ads will not look at us and say, "Why did they do this to me?"

So I think we should start being positive and not negative, and in the hope of this I extend my hand of cooperation and friendship to my friends on the other side of the aisle, hoping that we can move this country down the road to improvement.

Mr. MURKOWSKI addressed the Chair.

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from Alaska [Mr. MURKOWSKI].

Mr. MURKOWSKI. Mr. President, I rise to speak during morning business, and ask to be recognized for 6 minutes.

The ACTING PRESIDENT pro tempore. The Senator is correct. We are in morning business. Without objection, the Senator is recognized for 6 minutes.

THE PRESIDENT'S STIMULUS PACKAGE

Mr. MURKOWSKI. Mr. President, we have been talking in this body at length about the defeat of the President's stimulus package. We are about to embark on the proposal for the budget for this Nation. I think that the record needs to be specifically examined from the standpoint of what that stimulus package meant. First of all, I would remind my colleagues on the other side, we can point fingers at one another with regard to the responsibility for the country's fiscal plight.

But the facts are that the other party, the Democrats, have been in the majority 50 of the last 60 years in the Senate, and 56 of the last 60 years in the House of Representatives. Or one might say that Democratic Party has been in the majority 32 of the last 38 years in the Senate, and 38 out of the last 38 years in the House.

As we address the stimulus package in retrospect, let us recognize a reality. The President asked and appealed to Americans to invest in America, to make a sacrifice. The only one who has not held to that requirement was government because the stimulus package was a $16-billion package. What did it do? It added to the deficit.

It is like having a checking account, not having enough money in your checking account. So you write an overdraft. You write a check for funds you do not have. Is that responsible on behalf of the President and the administration? Clearly not. We are looking at $300 billion deficit. We have a $4.2-trillion accumulated debt. And the President proposes to simply write a check without funds for another $16 billion. That is not fiscally responsible. That is why the President's stimulus package did not pass.

I think we have to recognize that we have a responsibility in this body to address the fiscal necessity of keeping our house in order.

Where are we today? We are looking at the President's budget which proposes an increase in taxes of $273 billion or thereabouts, $10 billion in user fees, and at the same time it addresses the necessity of creating jobs in this country. We are all aware of the effect of taxes on the economy. Taxes do not increase an environment for investment or for jobs. It takes away that incentive that is necessary to create an economic environment for investment and jobs.

We have an energy tax proposal that most economists simply concede will make us noncompetitive in our exports because we are adding, if you will, an additional tax to the production of U.S. exports. We go out and compete in the international marketplace and the only way we can be competitive is to reduce the profit margin because we are carrying a tax load that other countries are not in their production.

So it acts to limit our international competitiveness which reduces the number of jobs and creates a climate that clearly is not conducive to investment for the creation of jobs.

There was a report given to a small group that meets weekly on the economy predicting that U.S. corporate profits next year would be cut in half. And the explanation was very simple. Increasing corporate taxes, increasing the regulatory requirements, increase in health care costs, increase right now as a consequence of the additional cost of Government.

The problem, Mr. President, is simply no cuts are being made in Government spending. This President's proposal, and the American people are beginning to understand it, simply adds to the accumulated debt in this country over the next 5 years. Today, we have $4.2 trillion of accumulated debt. In 5 years, that number will go up to $5.3 trillion. We have increased our accumulated debt by over $1 trillion. Currently, one-seventh of our budget is interest on our debt. That is like having a horse that eats while you sleep. It is going on. It is compounding. And there is no effort to reduce it because what is it going to be in 5 years? It is going to be more, substantially more.

The only thing we have going for us is we are funding this debt currently at a very, very low interest rate. But inflation can change that. That interest rate can go up and the consequences, Mr. President, are obvious. We are headed down the slippery slope that can only be turned around by one of two alternatives: Increasing revenue, which means more taxes, which is the President's path; or reducing spending, which is clearly the path of the Republican party and most Americans.

Mr. President, it is time to simply move away the cloud of partisanship and understand that you address this problem by either cutting Government spending or increasing revenues and that higher revenues means taking money out of the public pocket through taxes.

THE NOMINATION OF ROBERTA ACHTENBERG

Mr. MURKOWSKI. Mr. President, I would like to take this opportunity to state my position with regard to the issue pending before this body last night, which we will turn to again at the end of morning business, and that is the nomination of Roberta Achtenberg for the position of Assistant Secretary for Fair Housing and Equal Opportunity at the Department of Housing and Urban Development.

Mr. President, when assessing any nominee, including this one, we first look at her professional qualifications. I am willing to concede that her professional qualifications are adequate for the position to which she has been nominated. Ordinarily that would be enough for me to support her nomination, and questions of personal life or lifestyle would not be at issue.

However the nominee goes beyond the point of just choosing a lifestyle, but, in fact, advocates her lifestyle forcefully, as an activist.

What disturbs me is that she promotes that lifestyle and suggests it represents family values. And I think that was forcefully, publicly displayed in the San Francisco parade.

I may be a bit old fashioned, Mr. President. But I think that we all have an obligation to some degree for conformity within bounds. Many of the people who work here wear a necktie to work every day. Wearing a tie does not make a person any smarter, any better or more qualified. It is a matter of conformity. If we are too out of conformity, if we wonder around imposing our views on others in an offensive way, somebody is going to say, hey, you are a little out of line. If it is a member of my staff, I might say, hey, maybe we ought to get rid of this person.

That's the situation in the case of this nominee. There are certain bounds within which we should be expected to conform. And I guess it is up to each of us to determine what those bounds might be for those seeking public office. Clearly, any public office, such as the office under consideration have, carries with it the responsibility of leadership. I believe the office imposes an obligation as a role model. And as a consequence, I think after examining this nominee and her particular activist commitments in promoting her lifestyle, I feel her activism is inappropriate in light of her potential responsibilities and therefore I feel it is necessary that I vote against the nominee.

Mr. President, I thank the Chair.

The ACTING PRESIDENT pro tempore. The time of the Senator from Alaska has expired.

Mr. GRAMM addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Texas [Mr. GRAMM] is recognized for 10 minutes.

CUT SPENDING FIRST

Mr. GRAMM. Mr. President, we were all treated to an interesting spectacle yesterday. The President came to Capitol Hill to plead with his own party not to cut spending first. It was an interesting spectacle because everything we hear from the American public is: Cut spending first. Gain control of spending. Reorder priorities. Deal with the deficit by cutting spending.

Now, what is happening, Mr. President, is that members of the President's own party are alarmed at the President's budget because that budget does not conform to what the public was promised. And they have every reason to be alarmed.

In running for office, then Gov. Bill Clinton said that he wanted to reinvent Government; that he wanted to terminate agencies; that he wanted to cut spending $3 for every dollar of new taxes. And then, when Congressman Panetta was before the Senate for confirmation for OMB Director, he said our goal is $2 of spending cuts for every dollar of taxes. And in the State of the Union Address, the President said $1 of spending cuts for every dollar of taxes.

And then, in the President's budget, according to the Congressional Budget Office, which the President held up as the judge and jury of what is in a budget and what is honest budgeting, the President's budget will raise taxes $3.23 for every dollar of taxes. And now that we are in the process of adopting what we call reconciliation, which is permanent law changes that derive from the budget, that bill now is $5 in taxes for every dollar of spending cuts.

So, Mr. President, what has happened is that Democrats in the House and Senate are now alarmed that the public has discovered that the President did not level with them as a candidate and has not leveled with them as President about what his economic program will do.

I think that people have come to realize that we have a very real problem in that spending-cut promises decline every day, and taxes go up every day. In the Congress, members of the President's own party have suggested two things they believe would make the President's budget more acceptable to the public and, therefore, more acceptable to them. One is making the President's spending levels for discretionary spending binding, making it illegal to spend beyond the limits the President promises over 5 years, and setting up a mechanism to enforce it by saying if we spend beyond the limits we promised in the budget, there are offsetting spending cuts just the way we did in the 1990 budget summit agreement.

The President has come out very strongly against making his own budget binding. In fact, the Senate last Thursday voted on exactly that proposal. And save two votes in the Senate, that proposal to make the President's budget binding was defeated on a straight party-line vote and was opposed by the President.

Why do members of the President's own party want to make the President's budget binding? Why are they concerned that maybe the President is not going to live up to this budget? Well, let me remind my colleagues that this final budget that was adopted, with $3.23 of taxes for every dollar in spending cuts, has one more unusual feature. Through the end of 1995, there are no spending cuts. So all these taxes which are retroactive to January 1 are going to go into effect. Taxes on Social Security are going up; taxes on energy for every working family in the country; income taxes go up for small businesses and family farms; but through fiscal years 1993, 1994, and 1995, spending grows faster than spending cuts, so there are no spending cuts.

Eighty percent of the spending cuts promised to get the dollar in spending cuts for every $3.23 in taxes are not even promised until 1997 and 1998, two years in which we might have a new President. So what the members of the President's own party are saying is basically this: Let us set out in law that we have to live up to these numbers, and let us have an enforcement mechanism.

What does the President say? No. In fact, the President has spent most of this year trying to get around exactly the same enforcement mechanism that is now the law of the land. This $16.3 billion stimulus package, funding alpine slides in Puerto Rico and ice-skating rink warming huts in Connecticut, was designated an emergency so that it got around the law, so that it did not count as spending or count as deficit, and therefore did not violate the law.

The second proposal that has been made in the House is to try to limit the growth of entitlements by, in essence, saying that no other entitlement can grow faster than Social Security; that we will set out a target of inflation multiplied times the number of people who qualify, and if the entitlement grows faster than that, which would be faster than the budget of the average working family, then we have to do something about it.

The President says no; he is adamantly opposed to that. So what the President is doing is asking members of his party, who started out with a budget that promised $3 in spending cuts for every dollar of taxes—now that we are down to the enforcement mechanism of that budget called reconciliation, we have $5 in taxes for every dollar of spending cuts. The President is saying: I will not make the spending cuts binding; I will not have an enforcement mechanism that forces my administration to live up to these cuts. Second, I am not willing to lock in a procedure to control entitlement spending.

I believe that in the Senate we have an excellent opportunity to defeat the President's Btu tax. It is a job-killing tax. The National Association of Manufacturers estimates 610,000 jobs would be lost in American manufacturing. I believe that any look at agriculture, where the farmer and rancher will not be able to pass this tax on to the consumer, would indicate maybe another 100,000 jobs lost in agriculture. I hope that on a bipartisan basis, we can kill this Btu tax and substitute real spending cuts for that tax.

I want to make it clear, however, that there are some people who are saying: Well, let us tax; but let us just not use the Btu tax. Let us use a value-added tax, or let us tax gasoline.

I want to make it clear, at least as far as this Senator is concerned, that the idea of simply transferring the tax to somebody else is a nonstarter. The way to get rid of the Btu tax is to cut spending first. That is what the American people want; that is what they demand.

If the working men and women of this country could vote on this bill, there is no doubt about the fact that, when given the alternative of freezing spending versus raising the price of gasoline by 10 cents a gallon, raising the utility bills of every working family, putting hundreds of thousands of Americans out of work in industry and agriculture, they would choose to cut spending first. I propose that we make the same choice that the American people would make.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Idaho [Mr. KEMPTHORNE] is recognized under the previous order of morning business to speak for up to 30 minutes.

The Chair recognizes the Senator from Idaho.

Mr. KEMPTHORNE. I thank the Chair.

(The remarks of Mr. KEMPTHORNE pertaining to the introduction of S. 993 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. KEMPTHORNE. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DORGAN. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mrs. BOXER). Without objection, it is so ordered.

Mr. DORGAN. Madam President, I ask unanimous consent to speak for 8 minutes in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE CONTINUING ATTACK ON PRESIDENT CLINTON

Mr. DORGAN. Madam President, I have sat and listened in recent days to the continuing attack on President Clinton in this Chamber, other parts of this town, and other parts of the country by Republicans, by some Democrats, by many interest groups.

As I listen to it I wonder: What is the fuss? Why is all this happening?

Well, it is pretty simple. This President has decided to try to change something. This President has decided to fight for fundamental economic change. And there are a whole lot of folks and a whole lot of interest groups threatened by change. They like the status quo. They like what they have carved out for themselves. And anyone that tries to interfere with that is going to bear the brunt of this criticism. They slice, they dice, they chop, they grind, they puree these proposals. They decide that what we have to do is obliterate this President's leadership capability even before it starts.

I am not the biggest fan of all of this President's proposals. Some I think I could improve upon. I have made some suggestions. The President has modified some of his proposals, altered others. But I am a believer in the notion that this President is trying to change the economic direction of this country, and that is very important for this country.

Where are we? What has this President inherited?

We are a country that is deep in debt—over a $4 trillion debt with $300 to $400 billion annual deficits—high unemployment, and slow economic growth. And virtually everyone in this country has a nagging feeling deep in their guts that this country is losing—losing jobs, losing opportunity, and losing part of its future.

We just came through the 1980's. This President inherits an economy that comes from the 1980's, in which the rich got richer, the poor got poorer, the lexicon was junk bonds, hostile takeovers, an unprecedented era of greed. Some of this country's best known investment bankers were sent to jail. That is in the private sector. The S&L collapse, the biggest financial scandal in the history of this country, in the private sector.

In the public sector, we loaded debt on top of debt on top of debt, saddling our kids and grandkids with obligations they should not have to assume.

So President Clinton assumes office, inherits this condition. He inherits a country in which 10 million people, at least, are out of work today, 25 million people are on food stamps, and 35 to 40 million people have no health insurance. We have a mess in this country. A lot of folks are out of hope.

It was not more than a couple of months ago, late one night, blocks from this building, a woman in her early sixties—homeless, hopeless, helpless—crawled into the front seat of an abandoned car to go to sleep and never woke up—died of exposure, just another nameless, faceless person. Her name was Myrna.

But Myrna was not just a nameless, faceless person. She was someone's wife years ago. She was a mother. She was an American. And she died on the streets of our Capital from exposure, because she was without hope.

Lask week, I was told of union workers whose company was about to go out of business because they could not afford the health care costs of $400 per workers.

Do you know what workers said? The workers were pleading that perhaps they should suggest the health care coverage be dropped by their employer so the employer could stay in business. They said, if the employer goes broke, we are out of work and out of health care anyway. Better we are out of health care and still have a job.

It that not an awful choice for workers to have to make in this country in this kind of an economy?

There was a young Indian boy in North Dakota who went to further his education in food service work at the United Tribes Technical College. Then he had to walk 2 miles a day, sometimes in the snow in the winter, every day, looking for work, and after 3 months never found it and returned to the reservation dejected.

That is what we face in this country and that is what we have to fix in this country. That is what this President is trying to do. He says: Let us change the economic direction so that we give everyone in this country an opportunity, everyone some hope that the future might be better for them, their families, and their children.

Is the President's plan perfect? I do not think so. I have trouble with a number of parts of the President's plan. I have made that known to him and his advisers. I would like to adjust it and fix it if we can. But most of all, I want a plan of the type proposed by this President calling for fundamental economic change to move forward, to change what is happening in this country. We cannot stand another decade like we have just had. We cannot stand the status quo. We must have some fundamental economic change.

There was a story a while ago I read of a fellow who walked past a building site. They were building a building. He asked the superintendent—he said, "Would you hire the same kinds of people if you were to tear down a building as you do to build this building?" The superintendent said, "Oh, Heavens no." He said, "To tear down a building I hire a crew without skills." You do not need skills to tear a building down. You need creative skills to build one."

I watch what is happening in this Chamber and around this town and I see people who obviously understand it does not take great skills to tear things down. And I see a President standing in the face of an enormous onslaught, incessant criticism, a President who is saying, "We need change in this country."

I just hope all of us start deciding that notwithstanding the disagreements here or there, notwithstanding a few details, that we are all on the same team, and this country has not been winning. the only way we are going to see this country has an opportunity to win in the future, to create new jobs, economic expansion, new hope and new opportunity, is if we start working together. We all wear the same jersey. We are all on the same team. But we cannot possibly win the economic fight for a better future if we spend all of our time fighting each other.

I lamented during the 1980's, especially the late eighties, when the message from President Bush seemed to be: We have nowhere to go. This President says: Here is the road map; here is where we need to be. To get there we need to do certain things. We need to raise some taxes—and nobody likes it. We need to cut some spending—nobody likes it. A couple of the speakers this morning lamented we did not have enough spending cuts. I have heard those same people on this floor criticizing the spending cuts offered by the President. You cannot have it both ways.

What we have to start to do is to work together and behave once again as a group of people who care about the direction of this country. And decide we cannot all be signal-callers in this huddle. We elected a leader. He is trying to lead. He has charted a course of change that I think will benefit this country. I hope all of us in the coming weeks and months will decide this is a plan—with some adjustments, yes—but this is a plan that will give this country hope and opportunity, and will give this President some support rather than incessant criticism.

I yield the floor.

The PRESIDING OFFICER. The Republican leader.

Mr. DOLE. Was leaders' time reserved?

The PRESIDING OFFICER. Yes.

THE NOMINATION OF LANI GUINIER

Mr. DOLE. Mr. President, if President Clinton is looking for some interesting bedtime reading, he should look no further than the Law Review articles of Lani Guinier, his nominee to head the Justice Department's Civil Rights Division.

These articles are an eye-opener, and I find it hard to believe that a new Democrat like President Clinton would have nominated Ms. Guinier if he had known about her far left views.

If nothing else, Ms. Guinier has been consistent in her writings—consistently hostile to the principle of one person-one vote, consistently hostile to majority rule, and a consistent supporter not only of quotas, but of vote-rigging schemes that make quotas look mild.

If Ms. Guinier were simply an academic, writing for academic journals, I would not be concerned. But President Clinton has nominated Ms. Guinier to be the top Federal official in charge of enforcing our Nation's civil rights laws, including the Voting Rights Act. Her views will count.

I have a longstanding interest in the Voting Rights Act, having helped broker the compromise in 1982 that led to the act's extension. I was specifically responsible for the so-called Dole proviso, which states that section 2 of the act does not "establish a right to have members of a protected class elected in number equal to their proportion in the population."

The purpose of the Voting Rights Act was then, as it is today, to guarantee nondiscriminatory access to the political process for everyone, regardless of racial or ethnic background. The key concept has always been access, not proportionality. And certainly not quotas.

Apparently, this is not good enough for Ms. Guinier, who argues that civil rights enforcement must be, "A result-oriented inquiry in which roughly equal outcomes, not merely an apparently fair process, are the goal." She insists, "That simple-minded notions of majority rule or winner-take-all procedures * * * make statutorily protected groups legislative losers," thus failing to "Fulfill the Voting Rights Act promise for a fairer distribution of political power." To get around these so-called—she calls them "simple-minded" notions, Ms. Guinier advocates mind-bending cumulative-voting schemes and even giving minorities a legislative veto over crucial minority issues.

These are prescriptions not for equal opportunity, but for equal results and guaranteed legislative outcomes—the very principles rejected by the original drafters of the Voting Rights Act and by those, like myself, who fought hard for the act's reauthorization.

Perhaps most troubling is Ms. Guinier's views on who is, and who is not, properly black. In one of her articles, she makes the point that black legislators are authentic representatives of their race only if they are politically, psychologically, and culturally black. Although I cannot say I fully understand what Ms. Guinier meant by these words, I suspect that black conservatives like Supreme Court Justice Clarence Thomas, probably Armstrong Williams, the radio commentator on Washington, and Congressman GARY FRANKS would flunk the Guinier authenticity test.

Mr. President, I have never met, nor have I ever spoken to, Ms. Guinier. We have never exchanged correspondence. I have every reason to believe she is a fine person, and perhaps even a good teacher.

But Ms. Guinier's views, if I understand them properly, redefine the meaning of the term "out-of-the-mainstream." In fact, her views are not only out of the American mainstream, but out of the mainstream of the Democrat Party.

I never thought I would see the day when a nominee for the top civil rights post at Justice would argue, not that quotas go too far, but rather that they do not go far enough.

Mr. President, I will try to keep an open mind on Ms. Guinier's nomination, but if she intended to be provocative with her academic writings, she has succeeded.

A POLITICAL ACTION COMMITTEE BAN

Mr. DOLE. Madam President, on another matter I noted this morning in the Washington Post, and I think USA Today, stories about campaign finance reform. I noted with some interest that Democrats are now willing to have a political action committee [PAC] ban, an idea that Republicans have been suggesting for a number of years. I do not think that has yet appeared in the Washington Post of USA Today. So I am pleased that my Democratic colleagues are coming around to that position, that we should ban political action committees, and PAC contributions. There may be a constitutional argument. But I am pleased the distinguished Senator from Oklahoma [Mr. BOREN] has now gone on record.

I would say another thing. I hope if we do have campaign finance reform—and many of us hope we will, and many of us hope it will be bipartisan so it does not favor one party over the other—that we have the same rules apply to the House as apply to the Senate. I can think of nothing more ludicrous than to have one Senate rule, one PAC ban limit for the Senate, and a different PAC ban contribution rule for the House. It does not make any sense to this Senator and I think it is going to be very hard to explain to the American people.

I would hope, since the Rules Committee has now had a chance to have a hearing on President Clinton's campaign finance reform measure, that there would be an opportunity for Republicans and Democrats to see if we can come together on basic issues. With respect to those we cannot come together on, maybe we could agree not to agree, but to bring those up for a vote. That is going to take some time to do.

This is important enough that, it seems to me, this is one area we should not rush. The act does not become effective until 1995, so there is no real big rush to try to do it next week or the next week or the next week. Give us some time to see if we can work out our difference. If not, then let us bring it to the floor.

Finally, in response to the distinguished Senator from North Dakota, I always find my colleagues on the other side, when they talk about the eighties, they never seem to tell the American people who was in charge of Congress in the eighties. Democrats have been in charge of the House for over 40 years, 40 years of one-party rule. And we only had six brief periods of Republican control in the Senate between 1980 and 1992.

So, if all those things were so bad, as the Senator from North Dakota pointed out, then certainly I would want to recognize the contributions made by my Democratic colleagues in the House and the Senate, where they had big majorities in the House, and did a lot of spending that neither President Bush nor President Reagan asked for. They helped to increase the deficit, and they now stand back and say, "Blame President Bush and President Reagan." Some of my colleagues on the other side are still blaming President Hoover, but now they have moved on, I guess, from Hoover to Reagan and Bush.

Keep in mind, if you are out there in America, ask who is in charge of Congress? The President of the United States cannot spend one dime that is not appropriated by the Congress of the United States, whether he or she be a Democrat or Republican. So I hope we will focus on that.

When it comes to everybody getting behind President Clinton's tax bill—and it is a tax bill, very little spending cuts, lots of taxes. If you like taxes, you are going to love the President's economic plan, because in the early years of the package, if it passes, it is $10 to $12 in taxes for every $1 in spending cuts. What little spending cuts there are, most do not take effect until after the 1996 election. So the American people understand this. They tell us to cut spending first, starting with Government before we ask them for more spending cuts. They do not want more taxes.

In the President's package, even I think the most generous numbers are $280 billion in additional taxes over 5 years, maybe $60 billion or $70 billion in spending cuts, most of that from defense, which is going to adversely impact on big States like California and others where they are going to take the sharpest blow. Maybe they are prepared for it. I think we ought to slow down the defense cuts, as suggested by the Joint Chiefs of Staff in another news story this morning.

Finally, Madam President, I want to indicate—I think as I speak, Senators BOREN and DANFORTH and maybe others are in the Press Gallery having a press conference on a new package that they hope to introduce in the Senate Finance Committee—both are members of the Senate Finance Committee, one Democrat, one Republican—where they are beginning to understand—where they do understand—we have to cut spending more and raise taxes less. I have not looked at the package in detail. I visited with Senator DANFORTH about it briefly last evening.

It may be a step in the right direction. Maybe something will catch on in this Chamber and, if so, we can still save the American economy by cutting spending more and if we have to raise taxes at all, keep them at a minimum. That I think the American people would understand.

So I have not seen the details of the Boren-Danforth package, but I think it is an indication that we do have, in this case, men of good will of both parties looking at some way to get away from all these taxes that President Clinton has proposed. Keep in mind, Senator BOREN is a member of President Clinton's party and Senator DANFORTH is Republican. So there is not gridlock here. There is an effort to try to come together on a better package. It will be better for the President, better for the American people, and certainly much better for the economy.

I reserve the remainder of my time and yield the floor.

Mr. BOND addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BOND. Madam President, may I inquire, are we back on the Executive Calendar?

The PRESIDING OFFICER. The Senate is still in morning business and is about to go to the Executive Calendar.

Mr. BOND. Madam President, I am prepared to speak on the matter on the Executive Calendar.

CUBAN INDEPENDENCE DAY

Mr. MITCHELL. Mr. President, on this date 91 years ago the appointed United States Governor, Dr. Leonard Wood, officially turned over the Government of Cuba to the first elected Cuban President, Tomas Estrada Palma, and Cuba became a free nation.

This historic event, which came 3 years after the Treaty of Paris ended the Spanish-American War, marked the culmination of the Cuban people's half-century struggle for independence.

It is appropriate today to honor the proud, freedom-loving people of Cuba, who must celebrate another anniversary of their independence while suffering under the authoritarian rule of one of the last remaining Communist dictators of this century.

It is equally important to pause for a moment on this historic occasion and reflect on the nature of our relationship with the people of Cuba and how this long-standing relationship is likely to change over the coming years.

We have recently observed that once begun, the course of change for a nation can be difficult to predict. What has occurred in Eastern Europe and what is happening in the former Soviet Union and Yugoslavia are instructive illustrations of both peaceful and violent responses to political change.

I believe the United States must consider the nature of our relationship with a Cuba without Fidel Castro—a Cuba Libre once again. For the past 33 years the Cuban people have been denied the fundamental democratic freedoms which all Americans cherish and enjoy.

As the consequence of a failed revolution, the people of Cuba have no individual rights. They are not free to dissent from an enforced one-party political order, or peacefully assemble to express their grievances. Their Communist government does not permit freedom of the press or media, and so they have no indigenous source of accurate information.

A recent article in the Miami Herald indicated that as a result of severe food shortages, malnutrition is rampant in Cuba and thousands of Cubans are suffering from an epidemic of eye disease caused by vitamin and diet deficiencies. There have also been recurring reports of officially sponsored violence against human rights and opposition groups.

Cuban citizens, such as the renowned poet Maria Elena Varela, are jailed and beaten for expressing their thoughts about what is occurring in Cuba. Many, such as the courageous Armando Valladares, languished for years in Castro's prisons under brutal conditions. The Cuban Government should begin adhering to its commitments under the provisions of the U.N. Universal Declaration of Human Rights. Systematic official violation of individual human rights is no more acceptable in Cuba than in China or South Africa.

Cuba's transition to democracy is inevitable. The United States must be prepared to assist in helping to ensure that this transition is a peaceful one, while not seeking to dominate the development of a new relationship with the Cuban people. The rebirth of representative democracy in Cuba must be in accord with the freely expressed desires of the Cuban people.

It is in the glorious spirit of Carlos Manuel de Cespedes, the father of their country, and Jose Marti, the martyr of Cuban independence, that the people of Cuba today continue to persevere in their long quest for democratic self-determination and liberty.

On this important anniversary I wish to express my profound admiration and concern for their historic struggle for independence and democratic freedom. We all pray that they will soon be free again.

IRRESPONSIBLE CONGRESS? HERE IS TODAY'S BOXSCORE

Mr. HELMS. Mr. President, for more than a year on every day that the Senate has been in session, I have made a little brief report about the irresponsibility of the Congress of the United States.

I hear constantly, among the big-spending politicians, and I read constantly, in the pages of the leftwing newspapers in America, that the Federal debt was run up by the Bush administration and the Reagan administration.

And it was part and parcel of that syndrome that the American people were misled into believing a candidate last year who promised everything. In fact, he was one of the most promising politicians I ever heard in my life. He was going to solve all the problems of the world, particularly of the United States, in those 100 days. Now we know better, but it is too late.

But anybody, Mr. President, who knows anything about the U.S. Constitution knows that no President can spend a dime that has not first been authorized and appropriated by both Houses of Congress, beginning with the House of Representatives, in terms of the appropriation procedure. So the dead cat of the debt of the Federal Government lies on the doorstep of the Congress.

The U.S. Senate, if it had had the courage and maybe the integrity, could have prevented the excessive spending, but it was not done. As a matter of fact, if you will look at the record, everybody was rushing to put more slop in the trough so that the hogs could get to it.

And so, these young people before me—the pages of the U.S. Senate—and young people like them around the country are going to have to pay the piper.

Mr. President, the Federal debt stood at $4,284,319,830,220.98 as of the close of business on Tuesday, May 18, which was a couple of days ago.

This is the official report. It takes about 2 days to add up all of the things. So if anybody gives you a quicker report than I have been giving to the Senate, it is an estimate.

Now, averaged out—and I will say this to the young pages who are listening and to the young people all around the country who may be listening, that the monkey has been placed on their backs by the U.S. Senate and the U.S. House of Representatives—averaged out, every man, woman, and child in America owes a part of the massive debt that I just reported, and that per capita share for every man, every woman, and every child is $16,679.66.

Somebody said: No wonder babies come into the world crying, because they owe that much money and they did not have a thing to do with it.

I yield the floor.

DEATH OF DR. OTIS L. FLOYD, JR.

Mr. MATHEWS. Mr. President, I rise today to mourn the loss of one of Tennessee's foremost educators, Dr. Otis L. Floyd, Jr., who died suddenly yesterday morning in Nashville.

When Dr. Floyd was named chancellor of the board of regents in 1990, he was the first black chancellor ever to head a university system in Tennessee. In the years since, he has been a tremendous asset to the higher education institutions in my State.

After receiving his bachelor's degree in social science from Lane College in Jackson, Dr. Floyd began his career in education as a teacher in a one-room school house in Purdy, TN. In the years that followed, he completed his master's degree in education from Tennessee State University and a doctorate in education from Memphis State University.

With an abiding faith in the educational process, Dr. Floyd distinguished himself serving as a principal, then deputy commissioner and acting commissioner of education for the Tennessee Department of Education. He continued to excel, sharing his knowledge and commitment along the way, by becoming a vice president at Middle Tennessee State University and then president of Tennessee State University.

Dr. Floyd would never forget his rural roots, working in many professional and civic organizations, always striving to make the world a better place for future generations. In 1991, President George Bush appointed him to the newly created President's Council on Rural America, where he had the opportunity to work for renewal and growth in depressed rural areas.

I am truly saddened by this sudden loss of a dedicated teacher, a friend with concern for all, and a shining example and inspiration for generations to come. Dr. Otis Floyd will be missed by all.

HONORING EMPLOYEES OF THE UNIVERSITY OF TENNESSEE MEDICAL CENTER AT KNOXVILLE

Mr. SASSER. Mr. President, I rise today to honor and thank the hundreds of employees at the University of Tennessee Medical Center at Knoxville for their overwhelming commitment and concern for patients and families during the storm of the century, that struck east Tennessee this past March.

On Saturday, March 13, 1993, 1 to 3 feet of snow and bitter cold weather struck during the night, virtually paralyzing the region. Interstate highways were closed and power was cut to tens of thousands. Travel was extremely dangerous, yet numerous employees bravely drove to work. Other hardy souls walked miles through knee-high drifts so they could care for the 460 patients and family members housed at the institution that weekend. Other employees, already working when the storm hit, continued to work shift after shift to ensure continuity of care over the critical 3-day period. This loyalty was exhibited throughout the medical center—from physicians and nurses to those in food services, laundry, the laboratories, and other key areas.

Mr. President, in recognition of this special effort exhibited under such adverse conditions, I would like to submit for the RECORD, the names of these selfless individuals, in hopes that their commitment and perseverance shall not be forgotten.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Pharmacists: Charles Greens, Sheila Griffin, Steve Hauk, Stephanie King, Mike Stanz, David Striping, Susie Watkins, Carmela White.

Technicians: Lisa Duncan, Mary Gross, Vicky Hodges, Kim Huff, Neil Lawley, John Mayhew, Marc Starrett, Jennifer Tatum, Shelly Ballinger, Dot Sherwood, Don Dziurzynski, Jery Maples, Virginia Chesney, Margaret Hancock, Barbee McClure, Mike Watkins.

Material Services: Harrell Coppock, Jr., Pamela Cutwright, Sandra Deiderick, Betty L. Dishman, Linda Freeman, Ashley Gaylor, Lester Goins, Richard Gorman, Lester Goins, Susan English, Helen Hodges, Larry Lucas, Patrick McMillan, Patrick Millington, Teresa Thompson, Kaye Whitehead, Mark Worsham.

Nutrition and Food Service Employees: Reanee Boozer, Allen Bradby, Ernie Brown, Kevin Brown, Maybell Byus, Pat Chudley, Minnie Cobb, Debbie Cummings, Douglas Frazier, James Gaillard, Juanita Harris, Don Mullins, Darryl Pendergrass, Peter Russo, Debbie Stair, Raymond Stephenson, Steve Whitaker, Joyce Adams, Debra Byrd, Deirdre Carter, Marcelle Cates, Carolyn Clark, Ralph Clark, Darrell Dexter, Shane Hall, Alfred Hansard, Carol Oglesby, Christine Smith, Shelby Thomas, Mary Bowman.

Garden Terrace Employees: Susan Whitaker, Alvin Chesney, Eddie Pilkey, June Harrell, Corey Hedrick, Lois Howard, Sharon Mitchell, Jane Varner, Dot Whaley, Teresa Jones, Jody Morgan, John Dawson, Nancy Lowe, Norma Mills, Don Walker, Betty Walker, Dorothy Bohanan, Janice Longmire, Peggy Crockett, Barbara Harris, Susan Householder, Evelyn Humphrey, Mary Thatcher, Birdie Waycaster, Lillie White, Sharon Taylor, Bobbie Gault, Jo Johnson, Mary Shultz, Mary Vance, Johnnie Sweet.

Laundry Services: Kevin Ammons, Michael W. Hall, Sheila A. Truhan, Anna Mae Stallings, Mitchell O. Davis, George W. Hutchins, Charles Redden, Theresa G. Spears, Dale Jones, Dorothy Crain, Hubert Murrell.

X-Ray Techs: Sarah Shiflett, Ken Short, Charles Perelman, Richard Easterday, Maggie LaConca, Marty Gregory, Jim Ivens, Les Evans, Darlyene Anstaett, Jim D'Alessandro, Linda Hartwig, Neil Davis.

File Room: Erica "Rickie" Duncan, Claudine Rikker.

Special Procedures: Joe Shokooh, Bryan Branch.

CT Techs: Karen Wysor, Susan Laws.

Radiologists: Edward Buonocore, James LePage.

Residents: Karl Ritch, Scott Vermillion.

Transporters: Chuck Hutchens, Chuck Bush, Jack Hill.

Transcriptionists: Susan Murphy, Sheree Lonas.

Others: Ron Russell, Sherry Hatcher, Bob Christensen, Geraldine Johnson, Reolla Davis, Chris Jenkins, Bobbie Young, Mike Shope, Linda Baldwin, Kayla Carruth.

Lifestar: Wayne Britt, Garry West.

Maintenance/Grounds Crew: Doug Ogle, Rick Trentham, Lee Stokes, Derek Heffron, Neil Norton, Greg Brogden, Randy Mathis, Gaines Radcliff, Artie Scott, Jim Ward, Barbara Burkhart.

Facilities Planning: Mike Williams.

Environmental Services: Martha Ward.

Security Department: Mike Adams, Gary Brewer, Tony Faulkner, Robin Greene, Brian Hitch, Dicky Hogan, Ernie Hucklebee, Charles Johnson, Eddie Jones, Ricky Mapes, Curtis Moore, Leticia Mouthrie, Kelley Gilliland, Joseph D. High.

Laboratory Services: Jackie Christie, Lisa Folk, Kim Dison, Herman Shewmake, Joan Davis, Pam Davis, James Norman, Linda Tabor, Mary Trivett, Renea Grimes, Kent Phillips.

WELCOMING THE DELANCEY STREET FOUNDATION

Mrs. FEINSTEIN. Mr. President, on behalf of Senator BOXER and myself I would like to take this opportunity to welcome the Delancey Street Foundation to the city of Los Angeles.

The Delancey Street Foundation takes its name from a street on the Lower East Side of New York, where, at the turn of the century, immigrants from every ethnic and racial groups came together to form a close community of struggle and support. Here, through unrelenting determination and cooperative help, they acclimated themselves to mainstream American culture.

Twenty-three years ago, the Delancey Street Foundation formed in San Francisco to offer the same opportunities to former felons, substance abusers, and the homeless who want to build a new life. At no cost to the taxpayer or client, and without help of outside staff, residents of all ages, races and backgrounds help and teach each other the skills and values needed to live not just drug-free, but legitimately and successfully in society.

Despite the residents' backgrounds, there has never been an arrest or incident of violence. Ten thousand graduates and the concepts of self-reliance, commitment, and hard work have earned Delancey Street its reputation as an international model for change. Doctor Karl Menninger, founder of the Menninger Clinic stated that "Delancey Street is an incredible mixture of hard practicality and idealism. It is the best and most successful rehabilitation program I have studied in the world."

Today, Delancey Street is starting its community of last resort in Los Angeles. Here Delancey Street will open its doors to hundreds of people who have hit bottom, enabling them to come together as an extended family and build new lives through struggle and support. Together they will develop their skills and self-respect, their values and responsibilities, their home and their hope.

For 20 years I have watched the Delancey program grow and succeed without a dime of taxpayer dollars. While mayor of San Francisco, my administration made available land adjacent to the port on which Delancey has built a state of the art live/work community. It is model for all to see which I hope can be replicated one day in major cities throughout America. The area is safe, and the rehabilitation program is the finest I know.

As the U.S. Senators from California, we are pleased and proud to welcome this extraordinary organization to Los Angeles. Congratulations to our close friend, Mimi Silbert, and to our extended family at Delancey Street for your arrival in Los Angeles. Senator BOXER and I hope to see the day when Delancey Street and models of its work flourish throughout our country.

CUBAN INDEPENDENCE DAY

Mr. GRAHAM. Mr. President, 91 years ago today the Cuban flag was raised for the first time over an independent Cuban nation. Today, as we celebrate Cuban Independence Day, we must redouble our efforts to help the Cuban nation regain that liberty and freedom, which they have since lost.

A century ago, the people of Cuba struggled for more than 25 years to gain their freedom. Today, they are valiantly repeating that struggle for the freedom they once had.

The Cubans have lost the right of self-expression. Yet, they continue to speak out for democracy.

Many Cubans have lost their lives and their homes in an effort to win back their country. But they have not lost their yearning for liberty.

Some have spent most of their lives imprisoned and tortured for their political beliefs. Still, their hopes for freedom remain unshackled.

Fidel Castro has tried to crush the Cuban dream of freedom. He has torn apart families, and he has invaded our democratic hemisphere with violence and totalitarian precepts.

Mr. President, I am convinced that this tragic state of affairs is about to change.

With the collapse of the Soviet bloc, Cuba has been forced by a changing world into political transition.

We in the United States face two critical questions.

Will Fidel Castro survive, perhaps with a revamped political system and economy, but still effectively in control?

If not, what are the prospects for democracy?

I am convinced that Castro will not survive politically. He is a political dinosaur. The spread of democracy over this hemisphere will make him extinct.

But a peaceful democratic outcome in Cuba is far from certain, and it will depend in no small part on the policies we adopt today.

Our policy is clear. We support democratic government in Cuba. The issue is what steps we will take to assure that outcome.

Cuban history has taught us that the battle for independence is but a first step on the difficult road toward democratic independence.

Today, true independence and democracy hang in the balance. Tipping it in the right direction is a shared responsibility. Cubans must be responsible for defining their own democratic future. We, however, must support their efforts.

It will not be easy. According to some Cuban observers, Castro has learned several lessons of survival from the collapse of the Soviet bloc.

He has learned to avoid political reforms, to get rid of deadwood in the party, to deal harshly with potential disloyalty, and to thwart any formal opposition before it organizes.

He can point to Eastern Europe and try to frighten Cubans with examples of painful and uncertain transitions to democracy.

Our challenge is to define tangibly what democracy would mean to the Cuban people.

Last year we took the first steps by approving the Cuban Democracy Act, which provides incentives in support of a democratic transition in Cuba. Those incentives include diplomatic recognition, an end to the embargo, emergency relief, cancellation of Cuban debt, and negotiation for trade agreement.

But these provisions comprise a mere outline of what must be a comprehensive policy of support. Our principal objective was to spark a top-to-bottom policy review by our Government.

We must learn from our experience with the former Communist bloc.

Three years have passed since democratic reform swept through the former Soviet Union. Three years and we still lack an effective policy of support.

We must not repeat this mistake in Cuba. Planning must begin and resources must be targeted.

Mr. President, today's celebration is a day of regret and a day of hope. As we celebrate Cuban Independence Day, we regret that the Cuban people still find themselves struggling for the basic rights of freedom and democracy.

But on this day, we are also filled with hope. Hope that the Cuban people will one day soon taste the liberty and freedom they deserve.

Jose Marti, the martyred Cuban poet and patriot put it better than I ever could. In his words, "Like bones to the human body, the axle to the wheel, the wing to the bird, and the air to the wing, so is liberty the essence of life. Whatever is done without it is imperfect."

The American people share Jose Marti's vision of independence and freedom.

On this day of independence, we must recommit ourselves toward that vision—the vision of a hemisphere steeped in mutual respect, understanding, liberty, and freedom.

IN MEMORY OF GEORGE O. BERRY

Mr. DURENBERGER. Mr. President, a month ago the city of St. Paul, MN, was saddened by the death of one of their outstanding public figures, Mr. George O. Berry. George was born in St. Paul in 1913, and spent a majority of his time making many long-term contributions to the quality of life there. He had many notable accomplishments, but perhaps, his most remembered will be as St. Paul's first elected black official.

George served with distinction from 1966 to 1973 as St. Paul's first black school board member. George paved the way for other minority members on the school board and other public offices. Since he left the board in 1973, there has always been at least one black member on the board.

"George was a great man to open the door, for blacks," said his friend and former St. Paul School Board Member, James Griffin. "He had a lot of self-control, served quietly and was not a radical. As the only minority on the board, he was under a lot of pressure. Many people in the community thought he should solve all the problems overnight. That couldn't be done. But there was no question, he was one of the pushers for the board to start hiring more black teachers."

As a leader in education, George was a strong advocate of magnet schools. In Minnesota, he helped advance the idea of centers for excellence in the arts, science, mathematics, and languages.

George excelled in his professional career as well, and he served as a veterinarian for the U.S. Agriculture Department. In fact, he resigned from the school board because of his growing duties and territory. As supervisor of the meat and poultry inspection division his expertise was demanded around Minnesota, North and South Dakota. Even in retirement, George maintained a schedule devoted to community service through his work on the St. Paul Civil Service Commission and the St. Paul Human Rights Commission for 7 years.

With his wife of 42 years, Rozelle and George shared their good will in the community. It is especially emulated through the lives of their children, Camille Simpson, Jill Bell, and Dr. Steven Berry, and through his eight grandchildren. I am sure his family is proud of the place that George holds in Minnesota history.

George had a deep sense of responsibility to his community and he became a natural leader for the citizens of St. Paul. George was an inspiration, and Minnesotans are fortunate to have had George lead the way through his professional career in civil service and through his career in civic affairs.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

EXECUTIVE SESSION

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

The PRESIDING OFFICER. Under the previous order, the Senate will now go into executive session to resume consideration of the nomination of Roberta Achtenberg, of California, to be Assistant Secretary of Housing and Urban Development. The nomination will be stated.

The bill clerk read the nomination of Roberta Achtenberg, of California, to be Assistant Secretary of Housing and Urban Development.

The Senate resumed consideration of the nomination.

Mr. BOND. Madam President, I think it is important, in my role as ranking member of the Banking Subcommittee on Housing and Urban Affairs, that I share my thoughts and concerns with my colleagues in this body regarding the nomination by President Clinton of Roberta Achtenberg for the position of Assistant Secretary for Fair Housing and Equal Opportunity.

President Clinton has continued to emphasize his confidence in Ms. Achtenberg's abilities and qualifications for this position. The Banking Committee, after hearings and questions submitted to the committee, reported out her nomination 14 to 4. I was one of those who voted for reporting her nomination to the full Senate. It is now the responsibility of this body to determine whether Ms. Achtenberg is qualified for the position of Assistant Secretary for Fair Housing and Equal Opportunity and capable of fairly carrying out the duties of this office.

I take this responsibility very seriously and will utilize this opportunity to describe briefly for my colleagues, first, the responsibilities that are inherent in the position of the Assistant Secretary for FHEO.

This Assistant Secretary position is primarily responsible for implementing and enforcing compliance under HUD programs with civil rights laws, including the Fair Housing Act and title VIII of the Civil Rights Act of 1968. The Office of FHEO administers two programs to ensure compliance with fair housing laws: The Fair Housing Initiatives Program and the Fair Housing Assistance Program. Both programs are essentially designed to fund public and private entities to carry out programs to prevent or eliminate discriminatory housing practices.

Ms. Achtenberg has indicated that she will use her position as Assistant Secretary for FHEO aggressively to combat housing discrimination. In addition, the President, in his fiscal year 1994 budget, has made fair housing a high priority by requesting $21.4 million for activities under this office. This would be a 43-percent, or $6.4 million, increase over fiscal year 1993 funding.

Moreover, on May 18, 1993, HUD and the Office of the Comptroller of the Currency announced a plan under which HUD, through the Fair Housing Initiatives Program, will pay $1 million to the National Fair Housing Alliance to use testers, or people posing as loan applicants, to attack discrimination and to identify it in the preapplication process for home loans. Ms. Achtenberg has also indicated an interest in looking at ways to address insurance redlining.

I believe that Ms. Achtenberg is qualified for the position of Assistant Secretary for Fair Housing and Equal Opportunity. I say this with some misgivings, however. Ms. Achtenberg has a strong legal background, including experience as a civil rights attorney, law professor, and law school dean. Unfortunately, Ms. Achtenberg has little depth of experience with regard to civil rights as they pertain to housing. I find this an unfortunate and significant weakness to her overall qualifications for the position of Assistant Secretary.

I also have one grave concern that may even override her professional qualifications in some of the minds of my colleagues; namely, Ms. Achtenberg has a tendency to let her passions and ideological inclinations overshadow her judgment. In particular, I am very much troubled and concerned over her use of her position as a member of the San Francisco Board of Supervisors to attempt to force the Boy Scouts of America to broaden its policy toward gays. As I understand it, Ms. Achtenberg introduced a nonbinding resolution directing the city's financial officers to explore ways to sever ties with the Bank of America because the Bank of America had reversed an earlier decision to cut off funding of the Scouts over the gay issue. I also understand that, at her urging, the San Francisco School Board recently voted to prohibit the Boy Scouts of America from using school facilities. Finally, in 1991, Ms. Achtenberg, as a member of the Bay Area United Way, engineered a cutoff of United Way funding to the Boy Scouts. Previously, in 1991, the United Way gave $848,000 to six Scouting councils in the bay area. This represents a very significant source of funding for the Boy Scouts, and its loss is likely to be very damaging to the ability of the Boy Scouts to carry out its programs.

Let me be clear. I disagree with these actions and believe they are not in keeping with the standards of good judgment that I believe we should expect from high Federal officials. The Boy Scouts of America is an organization that I very much admire and support and would strongly urge others to do so as well. As a private organization, the Boy Scouts of America should be free from outside political pressure of interference in determining its organizational policies and procedures. I find Ms. Achtenberg's behavior with regard to the Boy Scouts unwarranted, objectionable, and reprehensible.

There are some who say that President Clinton, with this nomination, is making a statement of social policy. If this, in fact, is so, I disagree with his policy. I have found from many people in my State that there is strong disagreement with that policy. Nevertheless, we must judge Ms. Achtenberg by her ability to carry out the duties of the position to which she has been nominated.

During this confirmation process, Ms. Achtenberg assured me and the other members of the Banking Committee that she would not use her position to expand or create new protections for any group not currently covered by existing law. I believe Ms. Achtenberg made it clear that she would not use this position to encourage or cultivate test cases in order to expand or create various new protections for the gay community.

I shall read into the RECORD relevant questions that I posed to her as part of the confirmation process and her answers to those questions. Because there were a number of other questions being addressed at that same time, it is somewhat confusing, and I am not submitting the entire testimony, but I have it available. I think I can provide a clear picture of what she said by reading these excerpts from it.

I asked the following question:

> I would also like to address for the record if the witness would address the question, the concern of those critics who are concerned that she might use this position to encourage or cultivate test cases that expand protections of the gay community and whether she would seek to include sexual orientation in the list of prohibited discriminations.

Ms. Achtenberg replied:

> With regard to the last question, let me say that I believe it is the job of the Assistant Secretary for Fair Housing and Equal Opportunity to exceedingly effectively administer the Title VIII law.
>
> Title VIII does not currently provide for any more protected classes than it currently provides for. You saw fit to add additional protected classes in 1988, and I'd like to commend you for having done so.
>
> The statistics that I cite I think quite clearly demonstrate that persons with disabilities and persons with large families are discriminated against in the housing market.
>
> Should you see fit to amend the statute further, it will be my job to enforce those amendments.
>
> Should the President choose to seek your concurrence in adding additional classes for protection, and should you adopt those recommendations in law, it will be my job to enforce that law.
>
> I don't view my job as advocating inclusion of additional protected classes. I'm going to have enough work to do, Senator, trying to make the current protections that are supposed to be guaranteed under Title VIII a reality for all Americans.

Now, Madam President, I also submitted a question in writing to her, and since I had the opportunity to draft the question, it was perhaps a bit more articulate than the oral question I presented at the hearing. That written question is as follows:

> While you have rightfully indicated that enforcing the current law—not advocacy—is what you believe your job to be, there are those critics who believe you will use your position to encourage or cultivate test cases in order to expand or create various new protections for the gay community. While these efforts may be short of expanding Title VIII to include sexual orientation, your critics would argue that this type of action would fall into the area of advocacy—not enforcement. Would you please provide for the Committee any assurances you can that these fears are overblown.

Ms Achtenberg replied in writing, and I quote;

> As I outlined in my opening and in my oral and written responses to the Committee questions, I believe that instituting an effective program of vigorous enforcement of the existing civil rights law is the job of the Assistant Secretary for Fair Housing and Equal Opportunity. Let me assure the Committee that I have no intentions of using my position to encourage or cultivate test cases in order to expand or create new protections for any group not currently covered by existing law.

Madam President, as I have already noted, it is President Clinton's prerogative to nominate Ms. Achtenberg to the position of Assistant Secretary for Fair Housing and Equal Opportunity. It is this body's responsibility to determine whether Ms. Achtenberg is qualified for and capable of carrying out the duties of this position. I believe that Ms. Achtenberg, while not an outstanding nominee for this position, is a qualified nominee. She brings great intelligence and commitment to this cause. And, based on her responses to the very tough questions we asked her at her confirmation hearing, I am satisfied that she will not abuse the powers of her office to promote a social agenda outside the parameters of current law.

In conclusion, I take Ms. Achtenberg at her word that she will not use the position of Assistant Secretary for Fair Housing and Equal Opportunity to expand or create new protections for any group, including gays, not currently covered by existing fair housing and nondiscrimination laws. I remind Ms. Achtenberg that I take her assurances very seriously. I plan to monitor closely her performance in the policy direction of the Office of Fair Housing and Equal Opportunity to satisfy myself that FHEO is operating under its legal mandate and is not attempting to blaze new legal directions or standards not clearly delineated by law.

Madam President, while this may not be the person I would have chosen as the ranking member of the Housing Subcommittee, as a result of my inquiries into her motivations, her background, her commitment, and her intentions, I am satisfied she can and will carry out the job of the Assistant Secretary in this very important post. I will vote for her confirmation. I urge my colleagues to do so as well.

I yield the floor.

Mr. RIEGLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. RIEGLE. Let me say a couple things, Mr. President. First of all, I wish to say to the Senator from Missouri that I very much appreciated the statement he has just made and the leadership he gives all the time, not just with respect to the position he has laid out and which has several aspects to it, but also generally on the issue of housing policy and other important matters that come before the Senate Banking, Housing, and Urban Affairs Committee. It is a pleasure to serve with the Senator from Missouri.

I am of the view that as one Member who served on both sides of the aisle in my tenure, in the House and Senate, it is important in every instance where we can, and it ought to be in most instances, that we work on a bipartisan or even nonpartisan basis on issues that come before us for disposition. I think we have tried in every way in the Senate Banking Committee, during the time I have served as chairman, which has been since the beginning of 1989, to try to operate in that manner. I feel very strongly about it. I feel very strongly about the rights of the minority, and that they be respected and fully protected in every way. I think, as the Senator knows, I try to practice that just in terms of the operational conduct of the committee.

But I appreciate his statement today, and I appreciate the points he raised in the confirmation hearing, because there were issues outstanding, and the Senator from Missouri put the questions so that the nominee might have an opportunity to respond. It was important that the questions be put, and that the answers be on the record, precisely for the availability of Members here in this Chamber today.

I wish to say, too, I appreciate the support of this nomination that the Senator expresses, given the position he has laid out in some detail this morning.

Let me also take this occasion at the outset of the discussion today to say a number of things were said in debate yesterday which were just not accurate, and those kinds of things tend to happen in the heat of debate, and also because we are all looking for information that may buttress our position that may come in to us on short notice, that may or may not be accurate; there may not always be the time to go back and check it out.

We have done that, and I have asked the staff to do that with respect to several points which were raised yesterday. I wish to read a few into the RECORD in terms of some of the things that were said, and what our research has found the facts to be in those instances. So let me just go down through some of them, just so the RECORD can have this material in it.

Yesterday, at some point in the discussions, reference was made to a San Francisco Chronicle editorial with a quotation to the effect that the supervisor, when she was supervisor, Ms. Achtenberg, the editorial had asserted, had a twisted mind and had a goal of tearing down what is good and wholesome in others.

In fact, in an editorial dated May 20, this year, the San Francisco Chronicle states that no such editorial was ever published and, in fact, they have strongly endorsed Supervisor Achtenberg's nomination to be Assistant Secretary for Fair Housing and Equal Opportunity.

In fact, I ask unanimous consent that the editorial be made a part of the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the San Francisco Chronicle, May 20, 1993]

AFFIRMATIVE VOTE FOR ACHTENBERG

The Senate debate over Roberta Achtenberg's nomination to a top housing post has been nasty, pointless and vulgar. Senator Trent Lott, R-Miss., went so far yesterday as to claim that The Chronicle ran an editorial saying that Achtenberg had "a twisted mind."

The Chronicle did no such thing. Indeed, it is The Chronicle's view that President Clinton made an excellent choice when he nominated Achtenberg as assistant secretary for housing and equal opportunity. She should prove a useful addition to the Department of Housing and Urban Development, a government agency in need of fresh talent.

Much of the Senate hearing into her nomination has not involved her qualifications to serve, but her sexual orientation.

The Senate has the obligation to base its decision on Achtenberg's professional qualifications rather than let her fall victim to the smarmy tactics of Senator Jesse Helms and his cohorts. In Lott's case, a press spokesman acknowledged that the senator had not seen a copy of the nonexistent Chronicle editorial, but had relied on research by members of his staff for the information.

If they had been more accurate, the staff researchers would have found the only reference to "a twisted mind" that appeared in The Chronicle was in a letter to the editor reflecting one reader's view of Achtenberg and other members of the Board of Supervisors. The Chronicle differs from time to time with members of the board, but it has not said that they, or even Senator Lott, have twisted minds.

Mr. RIEGLE. Apparently, what happened—and this can happen in the speed with which these things are done—that apparently was a quote from a letter to the editor. In other words, from some person in the community that may have had that view and obviously did, and expressed in a letter to the editor. But it clearly was not an editorial and in fact the paper has editorialized in her behalf and in her favor.

It was also suggested somewhere in the debate yesterday that Secretary of Housing and Urban Development Cisneros had received a letter from 40 civil rights groups last month. This is a citation that it was last month—that, of course, would be after Supervisor Achtenberg's nomination, that he had received the letter presumably after the nomination urging the Secretary to appoint someone with more extensive fair housing experience.

In fact, the letter that was referred to was sent in January, which was several weeks before this candidate was nominated. Since this candidate has been nominated, the same organizations have enthusiastically endorsed this nominee for the position.

There was another point in the discussion yesterday where it was said—implied if not said directly—that she had in effect bought her nomination by having laid $1 million in the campaign hands of the President—referring to campaign fundraising activities.

In researching that, what we find to be the case is that she did cohost a fundraiser on behalf of the President. Many, many people in the country did, and like thousands of Americans across the country, she made a $1,000 contribution to the campaign. But the facts are that she neither raised, nor did she donate, $1 million to the campaign.

It was also said along the way yesterday in the discussion, that Supervisor Achtenberg does not have the temperament for the job and has a record—and I again quote from yesterday's debate—of "intolerance, discrimination, and vendetta against those who do not share her values, or beliefs."

When you study the record, what you find instead, is that far from being intolerant of different beliefs, she has among her strongest supporters the leaders that she has worked with in the Catholic, Jewish, and Protestant communities, as well as a wide range of corporate executives, judges, doctors, and lawyers. Among the hundreds of letters that have been received in support of the Achtenberg nomination, dozens were from corporate leaders who may not agree with her on each and every issue—I doubt that any of us here would. I do not assert that I do myself. But all of whom in writing to us have testified to her effectiveness and her tolerance of difference views.

It was also stated that she would use her position at HUD to "extort and intimidate" State and local governments to carry out her agenda; to force cities to adopt affirmative action plans for homosexuals; and to force the private landlords to rent to unmarried couples.

There is just no basis for this charge. I think Senator BOND a minute ago in his remarks—and the RECORD will reflect he posed some of these very questions to her in the confirmation hearing and got back from her, under oath, very clear answers which he has read into the RECORD today. In that testimony, the RECORD will show that she stated—and I quote:

> I believe that instituting an effective program of vigorous enforcement of the existing civil rights law is the job of the Assistant Secretary for Fair Housing and Equal Opportunity. Let me assure the committee that I have no intentions of using my position to encourage or cultivate test cases in order to expand or create new protections for any group not currently covered by existing law."

That was in direct response to a question properly put to her by Senator BOND because others have raised that issue, and that was her answer to the committee. So there is a very clear record there, and that, in my view, was another false charge leveled yesterday.

It was also said that she had aided the U.S. Forest Service in preparing a report on adoption of the entire homosexual rights agenda.

The fact is, that as we go back and go through this in minute detail she has never contributed to the research for, or the preparation of, any Forest Service or, for that matter, any Department of Agriculture report.

Then there was another point in the debate where it was said—words were attributed to her, where it was indicated that she had stated—this is in quotation from the debate yesterday—that she "stated, I think, boasted is the better word, that she considers the values of the Boy Scouts of America to be a threat to America's children."

In checking with her, she has never made any such statement. So maybe that was meant as a characterization of her views. But in any event, it should be clear on the record that no such statement was ever made by her.

There are others in this category. I will not at this particular time take the occasion to mention them all, but I will in the course of the day as we go on, go through it.

Let me, as long as I have the floor, keep all of this in context.

I am going to continue to address these issues that were raised, and where assertions were made, and where the facts are to the contrary.

It was stated, also yesterday, that as the supervisor on the San Francisco board at the time she "led the effort to kick the Boy Scouts out to the public schools." That was a quotation yesterday.

The facts are that the San Francisco Board of Supervisors on which she, as a member, has no jurisdiction over the use of school property. In fact, that jurisdiction is exclusively reserved to the San Francisco Board of Education. At no time did Ms. Achtenberg take any action to deny the Scouts access to the school property. The statements that she "led the effort" or acted "behind the scenes" just have no basis in fact.

Next, according to her opponents, Ms. Achtenberg—I again quote: "led the effort"—then I am summarizing the quote to make the point of it—to have the United Way withhold funding from the Scouts. There are a few additional words in here. But that is taken from the quote.

The response, in fact, is that the board of directors of the United Way in the Bay Area voted 34 to zero, 34 members here had a vote, all 34 voted to suspend funding under that particular circumstance to the Boy Scouts at that time, until it altered what the board, at that time, in a unanimous judgment, found to be an explicitly discriminatory policy. The directors at the time had acted on the findings of a study conducted by an internal task force of which Ms. Achtenberg was not even a member.

In addition to Ms. Achtenberg, those voting were current and former chief executives of the following companies. I just want to give you an idea who some of the other 34 were that voted as she did. The other current or former chief executives were of the Chevron Corp., Pacific Gas & Electric, the Shaklee Corp., the Arthur Andersen Accounting Co., the General Motors/Toyota joint venture which is NUMMI, Kaiser Permanente Medical Center, and Jones United Methodist Church.

That is just some.

So the effort to, in effect, sort of take and paint with a brush, sort of paint that matter as something coming from her, as opposed to a unanimous vote of this very broad spectrum board, again I think was misleading and quite unfair.

It was also said yesterday that in the course of the debate, Supervisor Achtenberg had used her official position to threaten and extort private companies that funded the Boy Scouts of America.

In fact, acting without any knowledge by Ms. Achtenberg, the Bank of America and Wells Fargo Bank and Levi-Strauss all announced their intent to suspend funding to the Boy Scouts of America—in this situation under discussion here—until it altered its explicitly discriminatory policy. So that was an action coming from them without any connection, as such, to her.

It was also stated that, as a supervisor, she used her authority to force the city of San Francisco to sever its ties with the Bank of America. What, in fact, happened was this: She introduced a resolution in the board of supervisors asking the city attorney to look into the feasibility of taking approximately 1 percent of the city's deposits out of the Bank of America. In other words, they had a very vast amount of money, I think it was in the millions. She was asking that 1 percent of that be put in a special fund and then put out to competitive bid to other institutions, and that the remaining 99 percent of the deposits would remain in the Bank of America. But that is not how it was portrayed yesterday here in the heat of the debate. It was portrayed quite differently than that, but those are what the facts are in this case.

It was also stated that this nominee disagrees with the right of the Boy Scouts to do what it wants as a private organization. Based on what we have been able to find—and we have scoured this—that is a completely baseless accusation. She certainly recognizes the legal right of private organizations and individuals to direct their own affairs, without interference from Government.

It was said that she has used her public position to wage a war of religious intolerance against the Boy Scouts, because the oath expresses a belief in God. Checking that out, Ms. Achtenberg has never expressed an objection to the use of the word "God" in the Boy Scout oath, or in any oath. She is a Jewish woman, a respected member of her synagogue. She freely professes her own belief in God. While she herself has been the object of anti-Semitism and religious discrimination herself, as many in this country have felt and have had that directed against them, she absolutely, firmly believes in religious freedom as a tenet upon which this country was founded and is so firmly founded. And as a lawyer and officer of the court, and as a public officeholder as well, she has taken oaths on numerous occasions to uphold the Constitution of the United States, which includes the right to be free of Government intrusion in the practice of one's religion.

So I say again that that is just a false issue. It is a red herring being used to, in a sense, craft a portrait, a false portrait of this particular nominee.

It was argued, also, that she is unqualified, based on statements that she herself has made. I mean, that is kind of the ultimate sort of debating tactic and not one that we are unfamiliar with here. But as I think I made clear yesterday, this is an exceedingly well-qualified candidate with respect to the kinds of professional credentials you would expect over many years for someone to take this position.

But the fact that she is so well qualified has been borne out by the resounding endorsements she has received now by over 100 national fair housing and civil rights organizations, local and State government officials, and Members of Congress. There has been an outpouring of support based on her professional ability, and the fact that she is exceedingly well qualified for this position.

So you sort of ask yourself then, where did the accusation come from if the accusation is not accurate? What does it stem from? It appears to be based on a single quote taken out of context in an interview in which it was made. In that interview was the comment that apparently was a reference to—she had said in an interview then published: "I am not a fair housing expert by a long shot." But that was made in response to a question about her experience as a fair housing litigator. In other words, a very specialized question was asked with respect to her experience as a litigator. For people that do not know that much about the law, that means going into court and actually practicing in a courtroom on one side of an issue to try to, as we say in the legal term, litigate or to undertake the legal process to get to a decision in a given case.

And she said, in the context of the fair housing question, as to her background as a litigator in court, she did not consider herself to be an expert by a long shot. But that is really extraneous to the question in the representation that was made yesterday that somehow or another she was conceding a lack of preparation for the job itself. Clearly, that is not what she was asked; it is not what she said. It is a distortion, clearly, of what was asked and what was said. It does not line up with the facts with respect to what we know about her personal background. It is obviously inconsistent with the very strong support that she is getting from fair housing groups all across the country, who know her, have studied her record, and feel she will be able to perform exceedingly well in this particular assignment.

So it is clear that, given her vast legal experience—let me refer to a couple of things I cited yesterday. She served as a law school dean, as the dean of a law school. She served as a professor of law. She served as a civil rights advocate. She served as a legislator. I do not know how you get to be better qualified than having that set of background experiences, all performed to a very high level of quality and skill, so that you do each of those things—and you have to be good at those things anyway, or you will not get to be a law school dean. You get there by virtue of strong performance and a rise to the top of that ladder. And this is also true in the other areas in which she served.

So I think, in fairness, the attack on her qualifications is really not properly founded. I think that is really, in many respects, a diversion. There are other issues that people may find themselves troubled about with respect to the nominee, and that they want to challenge, whether it is on her sexual orientation, or whether it is some other position here or there that she has taken along the line. But with respect to the assault of her qualifications, that is really a diversion, because it is not accurate, as I have laid out here in terms of just yesterday's statements, and it is not properly grounded.

It is an attempt to discredit the nominee for other reasons unrelated to the basic facts of the experience, the know-how, and the professionalism that she represents.

So, having said that, I think it is important that those items be in the RECORD, and, if there are others that I think need correcting or rebuttal information, I will provide those in the course of the day.

I yield the floor.

The PRESIDING OFFICER (Mr. FEINGOLD). The Chair recognizes the Senator from Mississippi.

Mr. LOTT. Mr. President, I did speak on this matter yesterday for several minutes. But I think that points are being raised here this morning that must be responded to.

First, with regard to her qualifications, I think there is sometimes an attitude around here that, if you are a lawyer, you are qualified for anything and everything. I do not think the American people believe that. I used to be one. I say that because I have not practiced law in a long time but also because sometimes I do not want to admit it. Just because you have been a lawyer or you have been dean of a law school or you have been a civil rights advocate lawyer does not mean you are eminently qualified to do anything and everything you want to do.

By her own words, she has acknowledged that she does not have experience to a great degree or really to much degree at all other than a county supervisor who worked with housing occasionally, but she did say she did not have experience in the fair housing area. So, when it is made light of what she says about herself or when they want to say that her quotes are not really relevant now, there is a well-known saying, which applies—"By your own words and deeds you shall be known."

She is not particularly qualified. I do not think the fact that she does not have a wealth of experience in fair housing litigation is the disqualification by itself. We have been voting already this year to confirm a number of people that really are not particularly qualified or not qualified for the position for which they are nominated. But the President makes these choices, and if he really feels strongly that he wants this person to be Secretary of Commerce or that person to be Secretary of the Interior or some other person to be Assistant Secretary of Agriculture, I am going to give him a lot of leeway.

But after I have considered a number of factors about this nominee I have come to the conclusion—and this is the first instance—that the President's nominee for this position should not be confirmed. She does not have much experience in the area that she is going in. That is No. 1.

No. 2, she has not been just a passive lawyer, defending civil rights cases. She has been an aggressive activist in representing a lot of extremist positions. A lot of American people are just not satisfied and comfortable with the fact that she has been a very overt activist in the extreme in a number of areas.

Let me again quote some of her own words. Yesterday I indicated on the floor of the Senate that I was quoting from an editorial. It turned out it was a letter to the editor. We made that correction. But generally speaking these are quotes from newspapers, respected newspapers in Washington and in San Francisco newspapers and quotes from appearances on CNN, the Crier Show. These are her own words. I am not trying to take them out of context, but there is a long record.

Let me just put in the record here again some of the quotes that I referred to yesterday and some that I did not, but I think people need to be aware of this.

Here is a quote from the Washington Times, February 6, 1993:

> The 42-year-old lawyer is known primarily for her advocacy of alternative families, especially lesbian parenthood, concern for women's rights, and her opposition to the Boy Scouts of America.

It was said here earlier that she never had been critical of the Boy Scouts having an oath that included duty to God. But her own words are this, and this is from a quote from the San Francisco Chronicle in 1991, I guess it would have been August:

> Do we want children learning the values of an organization that provides character building exclusively for straight, God-fearing male children?

Maybe she did not attack the Boy Scout oath as such, but that is a pretty alarming quote here. Since when did the Boy Scouts get to be an extremist organization? Is there any doubt from the record that she spent a lot of time doing a lot of things aggressively and actively to undermine and to be critical of the Boy Scouts and get money taken away from them? I do not think the record leaves any doubt on that at all.

Again, I think maybe I better continue with some other quotes, things she actually has been doing.

I am worried about economic terrorism. This position at HUD is one that can be used to put undue pressure on landowners to comply with an agenda of one sort or another. It is a powerful position. It is a dangerous position if it is abused.

Also, I think that she has a record that shows intolerance of differing views. Let me give you some of the quotes.

When the Boy Scouts leadership protested that the policy demanded by United Way violated longstanding national Scout policy regarding homosexual Scoutmasters and members, Ms. Achtenberg said—in quotes which appeared in the San Francisco Chronicle, August 13, 1991, and Associated Press, August 14, 1991, and again, these are her words—"That is just tough," she went on to boast of the advantages of economic terrorism with this quote in the San Francisco Chronicle, August 13, 1991, and Associated Press, August 14, 1991:

> It is like holding money in the left hand and wagging the finger with the right.

Concerning Boy Scout access to public schools, Ms. Achtenberg on CNN, Crier and Company, November 1991, "They"—meaning the Boy Scouts—"are not entitled to enjoy the benefits of funding that is collected from us all and they are not entitled to special treatment when it comes to access to public money, public schools, public buildings, and the like."

My distinguished colleague, the Senator from Michigan, who just seemed to indicate—I thought I heard him say, well, she really had not been involved in trying to get the Boy Scouts out of the schools. Here is what she said:

> They are not entitled to special treatment when it comes to access to public money, public schools, public buildings, and the like. I do not think they ought to have special treatment.

I agree with that. But I think they ought to have equal treatment. If the schools are used for meetings for a variety of groups, Boy Scouts are not generally known to destroy buildings and sell drugs on school premises. We are talking about the Boy Scouts here. This lady is not attacking some extremist group, for heaven's sake. She is going after the Boy Scouts. She might as well be going after motherhood. So this is not some nice middle-of-the-road, pleasant well-educated, well-trained, well-qualified person that has never shown any indication of intolerance or extremism. The record is very clear.

Now, the action of the San Francisco Board of Supervisors' concerning the approval of the Achtenberg resolution. This is not some strange resolution that just appeared before the San Francisco Board of Supervisors. It was the Achtenberg-sponsored resolution, and it urged San Francisco to pull $6 million from the Bank of America because they contributed to the Boy Scouts. Great. Let us take money away from this bank that supports this subversive group, the Boy Scouts. And the action was said—this is the quote—"It will send the message to the youth of this city that this Board will stand up for what is right."

I do not understand what the problem is. What is right? We want to take away from the Boy Scouts?

Another quote, and you know I am going over all these just to, again, make the record clear to rebut what was being indicated earlier here today. These are her own words. This is not something we cooked up or are skewing or taking out of context. They speak very clearly. Here is one again from the San Francisco Examiner, January 5, 1993. This is what she was saying about this resolution:

> It was important for this city to say that we do not want to do all our business with entities that yield to rightwing pressure.

That is what she had to say after the actual vote.

The Boy Scouts? That is a rightwing organization? I never had that impression. But this is some subversive, rightwing organization, the Boy Scouts; let us get them.

And we want to make this person Assistant Secretary of Housing and Urban Development for Fair Housing and Equal Opportunity?

How about a little equal opportunity for Boy Scouts?

And in the San Francisco Chronicle, December 25, 1992: "Achtenberg called [Mayor] Jordan's veto [of the resolution]"—the resolution which would seek to punish the Bank of America for contributing to the Boy Scouts—"condescending and outrageous."

When the mayor has the courage to stand up and veto a ridiculous resolution, he is described by the person we would put as Assistant Secretary of HUD as "condescending and outrageous."

Here is another article from the San Francisco Examiner, January 7, 1993, which addresses this whole resolution scenario—trying to take money away from the Bank of America because they would not take money away from the Boy Scouts.

> By the time the Board of Supervisors resolved to withdraw the money [from Bank of America], B and A had already quietly withdrawn its bid for the account. City Treasurer Mary Callahan says she put the account up for bid in September after Supervisor Roberta Achtenberg came to her looking for ways to send a message to B of A and the Boy Scouts. B of A was not among the bidders. Says one City Hall insider "Roberta knew it was going to happen (the bidding) so she thought why not go ahead and do it and force the mayor to choose between the gay and lesbian community and the business community." [SF Examiner 1/7/93]

This is not some unidentified person. Roberta Achtenberg came to the city treasurer looking for ways to send a message to the Bank of America and to the Boy Scouts.

It is just a continuation of a pattern of clearly trying to go after the Boy Scouts of America.

So, Mr. President, my problem is not just with her lifestyle. I think that she can do this job or anybody can do a job regardless of a lot of things in their private lives.

No, that is not my problem. My problem is the extreme manner of this nominee, the way she has been an aggressive advocate. Representing people that were patrons of gay houses, she got into a disagreement with the then mayor and now Senator from California over whether or not they should keep these gay houses or bath houses open.

I mean, she was not just a member of the council or board of supervisors. She was very, very active in trying to promote this lifestyle.

And the thing that scares me, is of all the groups to attack—the Boy Scouts; and it is not just the Boy Scouts, there is a pattern here of trying to push an agenda. I think the fact that she apparently—and she admits this again in her own words—lobbied for this position tells me something.

She says that she does not have a lot of experience in fair housing, but this is the position she wants. This is the position she has been promised by the President.

No, there is too much at stake here; there is too much of a record of aggressive advocacy that involves punishment, retribution, intimidation and, in my opinion, intolerance of different views.

The Boy Scouts of America. That is a group she chose to attack. And now we want to make her Assistant Secretary of Housing and Urban Development for Fair Housing and Equal Opportunity?

No, I fear that she has an agenda that she wants to aggressively promote and push, as she had as a member of the board of supervisors in San Francisco.

So, Mr. President, again, I urge my colleagues to look at the record, look at the quotes, and judge very carefully how they vote on this nominee.

I yield the floor.

Mrs. BOXER addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from California.

Mrs. BOXER. I thank the Chair.

I do see a pattern here. The Senator from Mississippi says there is a pattern here. There is. The pattern here on this floor of the U.S. Senate by several of my colleagues on the other side of the aisle—and not all; and I am proud of those who have taken this floor to support this nomination—the pattern is one of mispresentation. The pattern is one that ought to be broken here today.

And I am going to start off by reading to my colleagues, and in particular to my good friend, the Senator from Mississippi, and the Senator from North Carolina, who happens not to be on the floor at this time, a letter that I received—it is actually a press release, from Mayor Frank Jordan of San Francisco.

The Senator from North Carolina and the Senator from Mississippi have made it look as if there is a divide between this nominee and the mayor of San Francisco. Yes, they disagreed respectfully. That is what our system is all about. But there is respect and there is support for Roberta Achtenberg.

He says that she is "supremely qualified" for the position for which she has been nominated. He says that "I fully endorse and support Roberta Achtenberg."

So, Mr. President, I think these comments from Mayor Frank Jordan, who knows Roberta Achtenberg, should put to rest—should put to rest—this campaign against her by people who do not know her.

The Senator from Mississippi says this woman is "not just a passive lawyer."

Now, I ask you: When you want a lawyer in your life to help you through a problem, do you want a passive lawyer; who is the most passive lawyer I know to help me?

Mr. HELMS. Mr. President, a point of order.

Mrs. BOXER. Do you look it up in the yellow pages?

Mr. HELMS. I ask the Parliamentarian if the lady is not violating rule XIX.

Mrs. BOXER. Do you look it up, Mr. President, under "passive lawyer?" I do not think so.

The PRESIDING OFFICER. The Senator from North Carolina has made a rule XIX point of order. The Senator from California will suspend.

Will the Senator from North Carolina please restate his point of order?

Mr. HELMS. Well, it is an attack. She is doing it second-hand, but it is a virtual attack on another Senator.

I know she does not agree with me on this. She made a statement through the San Francisco mayor, and that is all right. I am a big boy, and I can take it.

But just pay attention to what the Parliamentarian is saying.

The PRESIDING OFFICER. The Chair will quote from rule XIX, paragraph 2.

> No Senator in debate shall, directly or indirectly, by any form of words, impute to another Senator or to other Senators any conduct or motive unworthy or unbecoming a Senator.

Mr. HELMS. Exactly. I thank the Chair.

The PRESIDING OFFICER. The Chair will encourage all Senators to proceed in accordance with the rule.

Mrs. BOXER. Mr. President, I was quoting a letter, a press release. I attributed it to Mayor Frank Jordan.

This was not an attack on any Senator. I was reading and quoting very carefully, and making part of the RECORD a very, very relevant piece of information as this debate continues.

I do not believe, as the Senator from Mississippi suggests, that what we need in this position, Assistant Secretary of Housing for Fair Housing, is a passive lawyer. We need a fighter. We need somebody who is going to stand up for the people who do not have a voice.

And, Mr. President, Roberta Achtenberg has done that throughout her career.

One of the first things she did as a San Francisco supervisor was to pull people together, pull them all together from landlords to tenants, and say "How can we make sure that we have a law in place that will stop discrimination against families with children?"

Roberta Achtenberg is a fighter for families with children, and she put together a law which is a model, and which has been praised by Republicans and Democrats alike.

I think it is important that as we look at those who favor this nomination, those who want someone who is going to be tough in fair housing, we have some of the following organizations:

Fair Housing Center of Metropolitan Detroit; Fair Housing Congress of Southern California; Fair Housing Contact Service of Akron, OH; Fair Housing Council of Fox Valley, Appleton, WI; Fair Housing Council of Louisville, KY; Fair Housing Council of Orange County, CA; Fair Housing Council of Oregon; Fair Housing Council of Riverside, CA. And it goes on and on, Mr. President.

Mr. President, I will have this list printed in the RECORD, this list of those who need a fair housing advocate and know what it takes to have one. I ask unanimous consent those letters of support be printed in the RECORD at this time.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

ROBERTA ACHTENBERG SUPPORT LETTERS

Art Agnos, Former Mayor of San Francisco.

Asian Law Caucus, San Francisco, California.

Austin (Texas) Tenants' Council.

Bar Association of San Francisco.

Baltimore Neighborhoods, Inc.

Dr. Paul Brest, Professor of Law and Dean, Stanford Law School.

The Honorable Willie Lewis Brown, Speaker of the Assembly, California Legislature.

California A.D.A.P.T.

California State Association of Counties.

Central Labor Council of Contra Costa County, AFL–CIO, California.

Chinese Community Housing Corporation, San Francisco, California.

Chinese for Affirmative Action of San Francisco, California.

Coleman Advocates for Children and Youth, San Francisco, California.

Community Investment Corporation, Chicago, Illinois.

Council for Concerned Citizens of Great Falls, Montana.

The Honorable Gray Davis, Controller, State of California.

East Palo Alto Community Law Project, California.

Eden Council for Hope and Opportunity, California.

Equal Rights Advocates, San Francisco, California.

Equal Opportunity Department, City of Grand Rapids, Michigan.

Fair Housing Center of Metropolitan Detroit.

Fair Housing Congress of Southern California.

Fair Housing Contact Service of Akron, Ohio.

Fair Housing Council of Fox Valley, Appleton, Wisconsin.

Fair Housing Council of Louisville, Kentucky.

Fair Housing Council of Orange County, California.

Fair Housing Council of Oregon.

Fair Housing Council of Riverside, California.

Fair Housing Council of San Francisco, California.

Fair Housing Council of Toledo, Ohio.

Ms. Sarah Flanagan, Esq., San Francisco, California.

Mr. Al From, Democratic Leadership Council.

Dr. Peter Gabel, President, New College of California.

Mr. Jim Gonzalez, FHP Health Care, Emeryville, California.

Father Jim Goode, Church of St. Paul of the Shipwreck, San Francisco, California.

F. Kinsey Haffner, San Francisco, California.

Health Department of the County of Santa Clara, California.

Mr. Robert Herr, Esq., Pillsburg, Madison, and Sutro, San Francisco, California.

Mr. David Hopman, Esq., San Francisco, California.

Housing Discrimination Project, Inc.

Housing Opportunities Made Equal for Buffalo, New York.

Housing Opportunities Made Equal of Greater Cincinnati, Inc.

Housing Opportunities Made Equal for Richmond, Virginia.

Housing Opportunities of Northern Delaware, Inc.

Instituto Laboral De La Raza, San Francisco, California.

International Association of Human Rights Agencies.

Japanese American Citizens League.

Mr. Michael A. Kahn, Esq., Folger and Levin, San Francisco, California.

Mr. Leopold Korins, Chairman and CEO, The Pacific Stock Exchange, Inc., San Francisco, California.

La Raza Centro Legal, Inc., San Francisco, California.

Mr. B.N. Lastra, San Francisco, California.

Lawyers' Committee for Civil Rights Under Law of the Boston Bar Association.

Local 2 Hotel Employees and Restaurant Employees Union, San Francisco, California.

Marin Housing Center, San Rafael, California.

Ms. Shauna Marshall, San Francisco, California.

The Honorable Leo McCarthy, Lieutenant Governor, State of California.

Metro Denver Fair Housing Center.

Metropolitan Fair Housing Council of Greater Oklahoma City.

Midpeninsula Citizens for Fair Housing, Palo Alto, California.

Mission Community Legal Defense, Inc., San Francisco, California.

Mr. Bob Mulholland, Political Director, California Democratic Party.

National Association of Human Rights Workers.

National Center for Youth Law.

National Fair Housing Alliance.

Northwest Indiana Open Housing Center.

Pacific Gas and Electric Company, Oakland, California.

Religious Action Center of Reform Judaism.

Ms. Shelley Elvira Salieri, San Francisco, California.

San Francisco City and County Human Rights Commission.

San Francisco Black Fire Fighters.

San Francisco Labor Council.

San Francisco La Raza Lawyers Association.

San Francisco Medical Society.

San Francisco Physically Disabled Quorum.

The Honorable Kurt Schmoke, Mayor, City of Baltimore.

Seattle Human Rights Department.

Mr. James Seff, Esq., San Francisco, California.

Mr. Walter Shorenstein, The Shorenstein Company, San Francisco, California.

South Suburban Housing Center, Homewood, Illinois.

The Honorable Jackie Speier, Majority Whip, California Legislature.

Ms. Roselyne C. Swig, San Francisco, California.

Suburban Philadelphia Fair Housing Council.

Texas Commission on Human Rights.

United States House of Representatives, California Delegation, Democratic Members.

United Way of the Bay Area, San Francisco, California.

The Honorable Doris M. Ward, Assessor, City and County of San Francisco, California.

Westside Fair Housing Council, Los Angeles, California.

Rev. Cecil Williams, Glide Memorial United Methodist Church, San Francisco, California.

SAN FRANCISCO, CA,
May 18, 1993.

Hon. GEORGE MITCHELL,
Majority Leader, U.S. Senate Office Building, Washington, DC.

DEAR SENATOR MITCHELL: I would like to provide you with some additional information on the outstanding public service that Roberta Achtenberg has provided the people of San Francisco.

As Mayor of San Francisco, I appointed Ms. Achtenberg to chair my Family Policy Task Force in 1989 to review city laws and regulations affecting families and make appropriate recommendations. She led a Task Force that represented the full diversity of our city, including business, labor, ethnic and minority communities, the professions and city workers.

The report she issued remains the most comprehensive review of San Franciso policies toward families—the extended families of immigrant newcomers, the intergenerational families important to the African American community, caretakers for the disabled, and lesbian and gay families.

Ms. Achtenberg conducted public hearings marked by their fairness and openness, with individuals representing every point of view accorded respect and serious attention. It was this leadership that contributed greatly to the consensus that she helped forge on issues which are sometimes emotional and divisive.

The recommendations received wide endorsements from the city's religious leaders, labor unions, minority and ethnic community leaders, business leaders, and newspapers. It represented a genuine consensus in our City. I also received requests from across the nation from other cities, businesses and associations which viewed Ms. Achtenberg's landmark work as a model.

As a result of Ms. Achtenberg's work, San Francisco now has in place policies which led the nation in creating a Family Leave policy that allows parents to take leave to care for an ill parent, spouse, or child, sensitive to foster child issues of race and ethnicity, and which recognizes the special family needs of the disabled with caretakers.

In appointing Ms. Achtenberg, I recognized that public policy issues affecting families are both vital to civic life and yet elicit strongly-held views. I knew Ms. Achtenberg to have the wisdom and temperament that would engender the highest trust and confidence of our citizenry. San Francisco had seen divisive battles before over one or these issues, the city's policy toward lesbian and gay families, and it was important that her work heal those divisions. Her work succeeded in that goal.

It is ironic, in view of the criticism raised by some of her opponents for confirmation, that the sharpest opposition to her work came from a small sector of the lesbian and gay community. They accused Ms. Achtenberg of failing to subscribe to a single-issue approach that advanced only their own narrow agenda and which would have ignored the needs of other families. It is consistent with the integrity that characterized Roberta Achtenberg that she withstood such criticism and strongly maintained a commitment to all families.

I respectfully submit to you and your colleagues my highest recommendation and fullest support for the confirmation of Roberta Achtenberg as Assistant Secretary of the Department of Housing and Urban Development. She will make the U.S. Senate proud of its vote of confirmation.

Sincerely,

ART AGNOS.

ASIAN LAW CAUCUS,
San Francisco, CA, March 4, 1993.

Hon. DONALD W. RIEGLE, Jr.
Chairman, Committee on Banking, Housing, and Urban Affairs, Washington, DC.

DEAR SENATOR RIEGLE: I am pleased to add my support and that of the Asian Law Caucus for the nomination of Roberta Achtenberg, San Francisco Supervisor, as Assistant Secretary of Fair Housing and Urban Development. We will sorely miss her presence and commitment to the rights of all San Franciscans on our Board of Supervisors. But we strongly believe that her talents and commitment to justice will serve her well in this critical new assignment.

The Asian Law Caucus is a civil rights and legal advocacy organization based in San Francisco. For twenty-one years we have represented the interests of low income and immigrant Asian Pacific Americans at the local, state and national level. We have a long history of fighting for the rights of Asian public housing tenants and low income and elderly Asian renters in general. In addition, we have addressed civil rights issues of all sorts affecting our community.

Often, we have carried our issues to Washington, D.C., where our community and its needs is often ignored. Supervisor Achtenberg, coming from a city in which the Asian population comprises a third of the population, is well familiar with our needs and issues. We are confident that her presence in the Assistant Secretary position at HUD will benefit not only us, but the increasingly diverse urban communities across the United States.

As a former civil rights advocate in Washington, D.C., I can attest to how rare it is to find federal officials that can relate to or understand the complex needs faced by particularly the low income segment of the Asian and Pacific community. More often than not, Asian interests are not even addressed on civil rights matters. We need people like Supervisor Achtenberg that can sensitize a government that is only beginning to recognize our community.

Supervisor Achtenberg hired qualified and diverse staff while representing us at San Francisco City Hall. More than any other Supervisor, we could count on her to fight for our needs. She will serve the nation and HUD with distinction.

We urge the Committee and the Senate to act swiftly to confirm Supervisor Achtenberg's nomination. Please feel free to contact us for further information or input.

Thank you.

Sincerely,

PAUL M. IGASAKI,
Executive Director.

AUSTIN TENANTS' COUNCIL,
Austin, TX, April 13, 1993.

TO WHOM IT MAY CONCERN: The Austin Tenants' Council wishes to add our voice to the chorus of individuals and organizations supporting the nomination of Ms. Roberta Achtenberg for Assistant Secretary for Fair Housing and Equal Opportunity.

Her background is ideal for furthering the cause of full and fair housing for all. Ms. Achtenberg's commitment to civil rights enforcement and equal opportunity ensure her adherence to the mandate set forth under the Fair Housing Act.

With 20 years of service to our community, the Austin Tenant's Council has gained expertise as a catalyst in the struggle to uphold the rights and privileges of all persons to a safe and decent place to live. Ms. Achtenberg presents a background which is germane to the essence of this struggle and as such we feel she will do an outstanding job.

Respectfully submitted.

KATHERINE STARK,
Executive Director.

THE BAR ASSOCIATION
OF SAN FRANCISCO,
San Francisco, CA, March 9, 1993.

Hon. DONALD W. RIEGLE, Jr.,
Chairman: Committee on Banking, Housing and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR RIEGLE: We understand that President Clinton's nomination of Supervisor Roberta Achtenberg as Assistant Secretary of Fair Housing and Equal Opportunity in HUD is currently under consideration by your Committee.

On behalf of the Bar Association of San Francisco, I enclose for your information a copy of the materials submitted by BASF in support of our nomination of Supervisor Achtenberg for the ABA's prestigious Margaret Brent Award. The nomination statement aptly expresses the enormously high regard in which Supervisor Achtenberg is held in the Association and in the legal community as a whole.

Thank you for the opportunity to call this to your attention.

Very truly yours,

DRUCILLA STENDER RAMEY,
Executive Director and General Counsel.

BALTIMORE NEIGHBORHOODS, INC.,
Baltimore, MD, April 14, 1993.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs, U.S. Senate, Dirksen Senate Office Building, Washington, DC.

DEAR MR. CHAIRMAN: Baltimore Neighborhoods, Inc. (BNI), is a private fair housing organization which has been on the forefront of the battle against housing discrimination in the Baltimore metropolitan area since our founding in 1959. We strongly support the nomination of Roberta Achtenberg as Assistant Secretary for Fair Housing and Equal Opportunity. Ms. Achtenberg promises to bring to that office an awareness of the critical importance of housing for all American citizens and a commitment to ensuring that the availability of housing is not affected by discriminatory beliefs and practices. We are persuaded that Ms. Achtenberg will be an aggressive, strong, compassionate and commited leader in a department which has suffered during the last many years from leadership which has lacked those qualities.

Baltimore is among those American cities which have been characterized as hyper-segregated by recent studies. Throughout the 34 years BNI has been in the fair housing business, this characterization, unfortunately, has been an apt one, despite our determined efforts to enforce the fair housing laws. Much of the impetus for change comes from the level of commitment and enforcement set at the national level. The commitment of President Clinton and Secretary Cisneros to fair housing manifests itself in the nomination of this dedicated, capable woman to lead the nation's fair housing program. We are confident that your hearing on this nomination will confirm our high opinion of Ms. Achtenberg.

We urge your committee and the full Senate to act quickly in approving this important nomination.

Sincerely yours,

ROBERT L. PIERSON,
President.

STANFORD LAW SCHOOL,
Stanford, CA, March 15, 1993.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR RIEGLE: I write enthusiastically to support Roberta Achtenberg's nomination as Assistant Secretary of Fair Housing and Equal Opportunity in the Department of Housing and Urban Development.

I have known Ms. Achtenberg since 1975, when she was my research assistant at Stanford Law School, and have stayed in close contact with her since then. In her work as dean of New College Law School she played a major role in the growth of an internally contentious and externally controversial school into a stable institution of good repute. Her work as an attorney and director of the Lesbian Rights Project and National Center for Lesbian Rights was highly regarded. Not being a resident of San Francisco, I am not a close follower of the City's politics; it is my clear impression, however, that she has been enormously successfuly in her role as a supervisor.

More important than any particular achievement are Ms. Achtenberg's qualities as a lawyer, administrator, and person. She has an absolutely first-rate mind, and is highly articulate both orally and in writing. She is well organized. She is a strong leader, who listens well to others' opinions and inspires the loyalty of those she works with, and, I believe, the trust and respect of her opponents on particular issues. She is a person of great integrity and conviction, and at the same time pragmatic, warm, and outgoing.

I am confident that Roberta Achtenberg will be a great asset to the nation in her role as Assistant Secretary.

Sincerely,

PAUL BREST.

ASSEMBLY,
CALIFORNIA LEGISLATURE,
Sacramento, CA, March 18, 1993.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR RIEGLE: I am writing to offer my enthusiastic support of Roberta Achtenberg for the position of HUD Assistant Secretary for Fair Housing and Equal Opportunity.

Ms. Achtenberg has a wealth of experience in the area of tenants rights, job training, and affordable housing, in addition to numerous other areas of public policy that would be essential to the person who fills this position.

Currently, Ms. Achtenberg is a Supervisor to the City and County of San Francisco. In this capacity she has proven herself to be innovative, dedicated and extremely diligent. She provides the Board of Supervisors with a voice for those who are underrepresented and who often cannot speak for themselves. I have only the highest regard for Ms. Achtenberg and her courageous efforts.

I am confident that Ms. Achtenberg will be an asset to the Clinton Administration. I also believe she possesses the necessary professional experience to serve as Assistant Secretary for Fair Housing and Equal Opportunity.

Sincerely,

WILLIE L. BROWN, Jr.,
Speaker of the Assembly.

CALIFORNIA A.D.A.P.T., (AMERICAN DISABLED FOR ATTENDANT PROGRAMS TODAY),
San Rafael, CA, April 2, 1993.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

DEAR HONORABLE RIEGLE, Jr.: I am in full support of San Francisco Supervisor Roberta Achtenberg's nomination as Assistant Secretary of Fair Housing and Equal Opportunity in the Department of Housing and Urban Development. As a disability rights advocate in the San Francisco Bay region, I have had the opportunity to work with Supervisor Achtenberg to improve accessibility for persons with disabilities through legislation she authored over street ramp parking violation rules. She is exemplary in her ability to understand and address vital issues of all her constituents. She displays a keen willingness to tackle controversial issues by means of networking with various groups to bring change to fruition.

As Supervisor, she serves as the lead contact person on the Americans with Disabilities Act. She has a record of understanding the premise and application of these regulations as would be valuable as Assistant Secretary of Fair Housing and Equal Opportunity.

Roberta Achtenberg's political activism and record of inclusion and civil rights demonstrate her leadership talents. She has been active in improving access to affordable housing for low-income families, increasing minority business participation opportunities, and the creation of job transition and training programs. Additionally, she has assured accountability from the San Francisco Human Rights Commission. What I have noted here are just some of her more obvious accomplishments.

Because of Ms. Achtenberg's familial experience with a brother who was disabled, she has been sensitive to disability issues. She has authored legislation to keep pedestrian sidewalk crossing ramps free from barriers and blocked by parked cars. Having personally been struck in a crosswalk in July 1992 while crossing the street in my motorized wheelchair with my service dog, I value her efforts to improve street crossing access for all pedestrians.

Roberta Achtenberg operates from a place of respect and dignity for all human beings, and I believe your committee should expedite her acceptance and appointment to the post of Assistant Secretary of Fair Housing and Equal Opportunity in the Department of Housing and Urban Development. She is a well-respected and dynamic individual who carries a resounding voice for common sense government. As such, please accept this letter as my highest recommendation on behalf of myself and others in the disability civil rights community from the Bay Area.

Sincerely,

CONNIE J. ARNOLD,
Organizer, California A.D.A.P.T.

CALIFORNIA STATE
ASSOCIATION OF COUNTIES,
Sacramento, CA, March 9, 1993.

Hon. DONALD W. RIEGLE, Jr.
Chairman, Committee on Banking, Housing, and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR RIEGLE: The Executive Committee of the California State Association of Counties has endorsed the nomination of Supervisor Roberta Achtenberg as Assistant Secretary of Fair Housing and Equal Opportunity, with the U.S. Department of Housing and Urban Development.

Supervisor Achtenberg has considerable experience in the areas of housing and urban development, both as a member of the San Francisco Board of Supervisors, and as Chair of the Housing and Land Use Committee. She is also a member of the Economic Vitality and Social Policy Committee, and chairs the Finance Committee of the San Francisco County Transportation Authority .

Thank you for your consideration.

Sincerely,

LEON WILLIAMS,
President.

CENTRAL LABOR COUNCIL OF
CONTRA COSTA COUNTY, AFL–CIO,
Martinez, CA, March 29, 1993.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs, Dirksen Senate office Building, Washington, DC.

DEAR SENATOR RIEGLE: I would like to strongly recommend Roberta Achtenberg's appointment as Assistant Secretary for Fair Housing and Equal Opportunity.

Roberta Achtenberg has had a brilliant career, and is recognized as a leader in the San Francisco Bay Area. I have been privileged to serve with her as a member of the Board of Directors of the United Way of the Bay Area.

Your committee's concurrence of her nomination would be in the best interests of this nation's goals.

Sincerely yours,

STEVEN A. ROBERTI,
Executive Secretary.

CHINESE COMMUNITY
HOUSING CORPORATION,
San Francisco, CA, February 25, 1993.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Commitee on Banking, Housing, and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR RIEGLE: I am writing to urge your confirmation of Roberta Achtenberg for the position of HUD Assistant Secretary for Fair Housing and Equal Opportunity. As someone involved in the fields of affordable housing and civil rights for over two decades, I have met very few individuals who exemplify these two areas with the breadth of experience and abilities which Roberta possesses.

Ms. Achtenberg has chaired the Housing and Land Use Committee of the San Francisco Board of Supervisors. She has been a leading advocate for the rights of tenants and the construction of affordable housing in our City. She is very familiar with the broad range of local, state, and federal programs serving the needs of families and children.

As chair of the Mayor's Task Force on Family Policy, Ms. Achtenberg was a leading advocate for sensitive and fair family leave policies and programs. Leadership in such areas is a reflection of her unique experiences which can contribute to a heightened awareness of Fair Housing in this country.

I believe that we as Americans must begin to understand fair housing in a broader context than merely the enforcement of "equal opportunity." We must promote a public understanding of how fair housing access for all Americans is impacted by issues such as family leave policy, child care, exclusionary zoning, domestic violence, and community disinvestment.

Roberta Achtenberg is someone who can provide such a perspective, and I believe she will make an excellent Assistant Secretary for Fair Housing and Equal Opportunity.

Sincerely,

GORDON CHIN,
Executive Director.

CHINESE FOR
AFFIRMATIVE ACTION,
San Francisco, CA, April 13, 1993.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, U.S. Senate Committee on Banking, Housing, and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

Re: Assistant Secretary Nominee Roberta Achtenberg.

DEAR CHAIRMAN RIEGLE: I write to urge the U.S. Senate Committee on Banking, Housing and Urban Affairs to approve the nomination of San Francisco Supervisor Roberta Achtenberg to be the Assistant Secretary of Fair Housing and Equal Opportunity.

For the past twenty years, I have had the opportunity to work closely with numerous public officials, civil rights lawyers, and community leaders to solve a broad range of social and legal problems afflicting racially discriminated communities. Roberta stands out as a shining example of a gifted, compassionate public official and civil rights advocate who has developed strategies that have empowered the disadvantaged and coalesced persons of diverse backgrounds toward a common good. In addition to her effective opposition against all forms of discrimination, she has demonstrated strong leadership in promoting public policies that treat economically disadvantaged youths and families more humanely.

As a city supervisor, Roberta has had to mediate many numerous instances of conflicting interests and priorities. In every instance, her ability to identify practical solutions and persuade government agencies to be more responsive to the needs of common citizens has made her an exceedingly effective public official. Her public service work has always had focus and clear direction. There is no doubt in my mind that Roberta will be an outstanding leader to defend our nation's fair housing laws. Her professional training, personal commitment to equality for all, and successful track record of developing creative and innovative public policies all contribute to her being a superb nominee to be the next Assistant Secretary for Fair Housing.

Sincerely yours,

HENRY DER,
Executive Director.

COLEMAN ADVOCATES
FOR CHILDREN & YOUTH,
San Francisco, CA, May 17, 1993.

Re: the nomination of Roberta Achtenberg as Assistant Secretary of Fair Housing and Equal Opportunity.

Hon. DONALD W. RIEGLE, Jr.,
Hon. PAUL S. SARBANES,
Hon. ALFONSE D'AMATO,
Senate Banking Committee.

DEAR MEMBERS OF THE UNITED STATES SENATE: Coleman Advocates for Children and Youth in San Francisco is the leading local child advocacy organization in the nation. We are writing to strongly recommend the nomination of Roberta Achtenberg. We know her as an extremely reasonable, and cautious member of our Board of Supervisors who hears all sides of a question before taking a position. She is supported by a broad coalition in San Francisco for her efforts for children and families, innovative urban planning and air housing. We know her as a concerned parent who has made children one of her highest priorities.

She has a broad agenda. Supervisor Achtenberg is not a single-issue candidate and she is known for her ability to convene various viewpoints to seek a collaborative solution to problems.

We are very disturbed by the divisive tactics to discredit her nomination. Roberta Achtenberg is an extremely capable candidate who we support without reservation.

Sincerely,

MARGARET BRODKIN,
Executive Director.

COMMUNITY INVESTMENT CORP.,
Chicago, IL., April 12, 1993.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR RIEGLE: It is my pleasure to write in support of Roberta Achtenberg's nomination as Assistant Secretary of Fair Housing and Equal Opportunity in the Department of Housing and Urban Development.

Times are changing as private-sector bank dollars are becoming more readily available to join with public programs to promote affordable housing rehabilitation and neighborhood job creation. Ms. Achtenberg's experience and her practical approach to promoting neighborhood jobs and fair housing will serve HUD's goal well.

Community Investment Corporation (CIC) is an affordable-housing loan consortia of 43 banks and thrifts. CIC needs experienced and pro-active partners in Washington to streamline programs and make them work. Ms. Achtenberg would be such a partner to the nation's affordable housing and banking community.

I would be more than happy to help in any way to support Ms. Achtenberg's nomination. As additional background to CIC. I am enclosing a fact sheet describing our affordable housing efforts.

Sincerely,

JOHN PRITSCHER,
President.

COUNCIL FOR CONCERNED CITIZENS,
Great Falls, MT, April 14, 1993.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR RIEGLE: We at the Council for Concerned Citizens wholeheartedly support the nomination of Ms. Roberta Achtenberg as Assistant Secretary of Fair Housing and Equal Opportunity of the U.S. Department of Housing and Urban Development.

We have based our decision to support her nomination on three factors. First, we have reviewed a vast amount of material outlining her eminent qualifications for the job. Secondly, we know that President Clinton has nominated Ms. Achtenberg for this position, and we have confidence in his reasoning for selecting her for the appointment. Finally, we are affiliated with the National Fair Housing Alliance and trust their judgment in the decision to support Ms. Achtenberg's nomination.

Private group enforcement of fair housing laws is vital to fair housing choice in rural states such as Montana. The Council for Concerned Citizens is such a group, and is the only private fair housing group in the United States that focuses on housing, lending, and insurance discrimination against Native Americans.

Our work has been greatly advanced by federal funding which is necessary and critical to implementing fair housing goals in large rural western states. Funding is one of the areas where Ms. Achtenberg has distinguished herself. Her work on appropriations increased Fair Housing Initiative Program (FHIP) monies from $10.6 million to $16.9 million for this year.

An increase in dollars aids existing groups such as NFHA and CCC in their efforts to develop private fair housing groups in locations where none currently exist. This increased funding will also go a long way toward capacity development of existing groups such as CCC, enabling us to investigate mortgage, lending, and insurance discrimination in Montana.

For Ms. Achtenberg's efforts to increase FHIP funding, we are very grateful and optimistic about the future of fair housing, not only in Big Sky Country, but throughout the nation as well. Therefore, we strongly urge the Senate to quickly approve Ms. Achtenberg's appointment. If you have any questions or would like us to comment further on this nomination, please feel free to contact us.

Respectfully,

TONI AUSTAD,
Director.

CONTROLLER OF THE
STATE OF CALIFORNIA,
Sacramento, CA, March 11, 1993.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs, Washington, DC.

DEAR CHAIRMAN RIEGLE: I am writing to lend my enthusiastic support for the nomination of Roberta Achtenberg as Assistant Secretary of Fair Housing and Equal Opportunity in the Department of Housing and Urban Affairs.

Supervisor Achtenberg has long personified the politics of "putting people first." Throughout her career Ms. Achtenberg has sought a level playing field for people who were disenfranchised, disadvantaged or overmatched by powerful interests.

She is motivated by the principle that each person, whatever their standing in life, is entitled to fairness, respect and dignity. As a practical problem-solver, Ms. Achtenberg has fashioned solutions that fit people, rather than forcing people to accommodate government-imposed programs.

Her political career, while short in years, has been long on impact in the lives she has touched in public life. As a member of the San Francisco Board of Supervisors Ms. Achtenberg has developed a reputation for uncompromising integrity, innovation and compassion. Once you get to know her in Washington I am certain you will learn what we in California already know—that Roberta Achtenberg is precisely the kind of person we need in public life.

I strongly and respectfully urge her confirmation as Assistant Secretary of Fair Housing and Equal Opportunity at HUD.

Sincerely,

GRAY DAVIS.

EDEN COUNCIL FOR
HOPE & OPPORTUNITY,
Hayward, CA, April 14, 1993.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing and Urban Affairs; Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR RIEGLE: We are writing you to urge your support for the the nomination of Roberta Achtenberg as Assistant Secretary for Fair Housing and Equal Opportunity in the Department of Housing and Urban Development. She is a person who will bring substantial leadership skills and an untiring commitment to a position within the Department that greatly needs it.

Fair housing agencies such as ours depends to a great extent on H.U.D. to make the federal government's goal of equal opportunity in housing a reality. We regularly refer clients who are victims of discrimination to H.U.D. in order to get a thorough investigation of the complaint and full enforcement of the laws. Until now, though, many of these cases have encountered road blocks in Washington, D.C. It has happened to a number of our clients that their cases left the regional office with a recommendation of reasonable cause, only to be dismissed in Washington. In some cases there have been glaring errors and omissions in the final determinations. In other cases, there was simply poor judgment and a lack of commitment.

A commitment to fair housing begins at the top. The Assistant Secretary for Fair Housing and Equal Opportunity needs to be someone who will not hamstring enforcement of the laws, but rather will strive to broaden the scope of the law and ensure that justice is served in each individual case. We believe that Roberta Achtenberg is such a person. Her record of public and community service clearly demonstrates a dedication to the guarantee of civil rights. And while Ms. Achtenberg may not have a wealth of direct experience with housing discrimination litigation, she has proven herself to be a very intelligent, perceptive and sensitive person who is able to develop a full understanding of the issues in a short amount of time.

Therefore, we urge to you to support the nomination of Ms. Achtenberg and to push your colleagues do do likewise. A speedy confirmation is important to all those who believe in equal opportunity in housing.

Sincerely,

MARK STIVERS,
Fair Housing Counselor.

EQUAL RIGHTS ADVOCATES,
San Francisco, CA, April 27, 1993.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR RIEGLE: It is with great pleasure that I write on behalf of Equal Rights Advocates (ERA) in support of the nomination of Roberta Achtenberg as Assistant Secretary of Fair Housing and Equal Opportunity in the Department of Housing and Urban Development. Founded in 1974 as a nonprofit public interest law firm, Equal Rights Advocates is dedicated to the empowerment of women through the establishment of their economic, social, and political equality. We have known and worked with Roberta for well over 15 years and, based on that experience and our knowledge of others' who have worked with her, urge you to recommend to the Senate that her nomination be confirmed.

As you may know, Roberta was our colleague for several years, first as staff and then directing attorney of the Lesbian Rights Project of Equal Rights Advocates. Under her leadership and guidance, the Project became an independent nonprofit organization, the National Center for Lesbian Rights, and Roberta served as its first executive director. Thereafter Roberta ran for and won a seat on the San Francisco Board of Supervisors. Her nomination to be Assistant Secretary is enthusiastically supported by the civil rights community of the Bay Area, which is an especially significant tribute to Roberta, who has distinguished herself as an elected official capable of both leading and forging consensus among a tremendously diverse constituency. Her recent efforts as a maker of policy include supporting construction of affordable housing for low-income families; enhancing city-sponsored job training programs to speed the transition from welfare to permanent employment; and guaranteeing small business participation in bidding for city contracts.

In this time of rapidly eroding confidence in government, Roberta stands out as the quintessential public servant. She is accessible, fair-minded, and deeply committed to equality of rights under the law. She is a superb lawyer, an innovative policy maker, and a dynamic leader. In short, she will serve the people of the United States of America with distinction. We recommend her to you without qualification.

Thank you for your consideration.

Sincerely,

NANCY L. DAVIS,
Executive Director.

EQUAL OPPORTUNITY DEPARTMENT,
Grand Rapids, MI, March 23, 1993.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing and Urban Affairs U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: I am writing in support of President Clinton's nomination of Ms. Roberta Achtenberg to the position of Assistant Secretary of Fair Housing and Equal Opportunity for the U.S. Department of Housing & Urban Development.

I feel that Ms. Achtenberg has gained significant experience throughout her career in dealing with housing related issues and civil rights laws. She has pledged her support—if confirmed—to vigorously enforce federal fair housing laws.

One of the major responsibilities of the City of Grand Rapids Equal Opportunity Department is to affirmatively further fair housing locally. Our fair housing staff investigates complaints of housing discrimination, monitors sub grantees to ensure that they comply with fair housing mandates, and works cooperatively with housing related agencies and organizations throughout the City to accomplish fair housing objectives. Ms. Achtenberg's confirmation will support/benefit our local fair housing effort. I encourage you to support her confirmation.

Sincerely,

INGRID SCOTT-WEEKLEY,
Director.

FAIR HOUSING CENTER OF
METROPOLITAN DETROIT,
Detroit, MI, April 12, 1993.

RE: Appointment of Roberta Achtenberg as Assistant Secretary for Fair Housing and Equal Opportunity

Honorable DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR RIEGLE: I believe that you are in receipt of a letter, dated 4/7/93, from the National Fair Housing Alliance, extending that organization's support for the appointment of Roberta Achtenberg as the Assistant Secretary for Fair Housing and Equal Opportunity for the Department of Housing and Urban Development (HUD). The Fair Housing Center of Metropolitan Detroit is a member of NFHA and concurred in that recommendation.

Over the past three years the Fair Housing Center of Metropolitan Detroit, on behalf of itself and five other private, non-profit fair housing groups in Michigan, have received HUD Fair Housing Initiative/Private Enforcement Initiative (FHIP/PEI) contracts to assist in the investigation (through testing) of complaints of unlawful housing discrimination. We have been notified that we have been selected for a fourth round of funding under that same program. As we noted in our funding proposal, the FHIP/PEI program is working, and the Michigan PHCs have been one of the reasons it has been working.

It is our understanding that Ms. Achtenberg has indicated her support for the continuation and expansion of the FHIP/PEI program. It is also our understanding that Ms. Achtenberg is sensitive to the need for improved enforcement of our nation's fair housing laws. We trust, in your examination of Ms. Achtenberg's qualifications, you will confirm her commitment to these fair housing issues and will be able to quickly confirm her for the position of Assistant Secretary for Fair Housing and Equal Opportunity.

Sincerely,

CLIFFORD C. SCHRAPP.

FAIR HOUSING CONGRESS
OF SOUTHERN CALIFORNIA,
Los Angeles, CA, April 28, 1993.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR RIEGLE: As the Executive Director of the Fair Housing Congress of Southern California and the Legislative Chair of the National Fair Housing Alliance, I have had the great pleasure of working with Roberta Achtenberg and her staff. At all times, she has been a forthright and unwavering advocate of fair housing opportunities.

She quickly allayed initial concerns that, as a civil rights attorney who specialized in employment, she would be unable to "hit the ground running" on fair housing issues. She has devoted herself to studying every current fair housing issue. She is conversant on concerns as diverse as sexual harassment in housing, substantial equivalency requirements and public housing segregation issues. My agency could not ask for a more equitable and competent spokesperson.

Ms. Achtenberg has made it plain that her door will be open equally to fair housing advocates, the real estate industry, for profit and non profit developers, homeseekers, managers and state agencies, thereby permitting HUD to develop and pursue fair and reasonable policies. She has also indicated that she takes HUD's mandate to affirmatively further fair housing very seriously and will seek the requisite human and other resources to fulfill this goal. She is a strong, articulate and responsible advocate of fair housing, whose commitment is only exceeded by her intelligent pragmatism.

The Congress takes great pleasure in supporting Ms. Achtenberg's nomination. The Congress and the Alliance look forward to working cooperatively with her and the real estate, banking and insurance industries in ushering in the new era of fair housing/lending enforcement which her nomination and appointment signal.

Sincerely,

MICHELLE C. WHITE.

FAIR HOUSING CONTACT SERVICE,
Akron, OH, April 20, 1993.

Hon. PAUL S. SARBANES,
Chairman, Subcommittee on Housing and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR SARBANES: The Fair Housing Contact Service is supportive of the nomination of Roberta Achtenberg as the Assistant Secretary of Fair Housing and Equal Opportunity. The research that we have done on her education and experience leads us to believe that she would be very supportive of our mission. We need an Assistant Secretary that would be active and engaged in policy making and program issues. Ms. Achtenberg has the skills necessary to learn and understand the intricacies of the industry and of the discrimination that occurs therein. The effects of discrimination in housing are far-reaching. Full enforcement of the fair housing laws is crucial.

We believe that Roberta Achtenberg will bring to the position the leadership and enthusiasm that is needed to undertake the duties to combat the discrimination that affects all American citizens, whether it be directed against them or their neighborhoods.

We urge the Senate to expeditiously approve the nomination of Ms. Achtenberg as Assistant Secretary of Fair Housing and

Equal Opportunity. If you have any questions, please contact me at 216-376-6191.

Sincerely,

LYNN M. CLARK,
Executive Director.

FAIR HOUSING COUNCIL
OF THE FOX VALLEY,
Appleton, WI, April 16, 1993.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR RIEGLE: The Fair Housing Council of the Fox Valley strongly endorses Ms. Roberta Achtenberg as Assistant Secretary of Fair Housing and Equal Opportunity of the U.S. Department of Housing and Urban Development. As one of the few civil rights organizations in Northeastern Wisconsin, the Council is aware of the need to have the federal government show its concern for civil rights with strong advocates in HUD positions.

Ms. Achtenberg is the premier candidate for Assistant Secretary as she exemplifies the advocacy professionalism that is essential in this position. Her academic and professional career displays her intellectual range of knowledge. She has the political acumen necessary to promote the fair housing agenda and has the political contacts to make it all possible. Also, she has the experience in drafting and enacting policy changes.

As one of the front line organizations in the struggle for civil rights, this Council asks that you provide the leadership necessary for fair housing by confirming Ms. Achtenberg's nomination. thank you.

Sincerely,

KATHLEEN GROAT,
Executive Director.

FAIR HOUSING COUNCIL
Louisville, KY, April 23, 1993.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR RIEGLE: The Fair Housing Council of Louisville, Kentucky, completely supports the nomination of Ms. Roberta Achtenberg as Assistant Secretary of Fair Housing and Equal Opportunity of the U.S. Department of Housing and Urban Development.

We are convinced that she brings a deep commitment and great experience to the problem of segregation in federally assisted housing. We believe that she, along with Secretary Cisneros will provide strong leadership to reverse the catastrophic backward steps toward housing segregation demanded under Justice Secretary Ed Meece and Assistant Secretary Brad Reynolds.

HUD and this country needs leadership with an understanding of the problem of institutionalized systemic racism in housing, and a commitment to affirmative action to end these governmental practices. We believe Roberta Achtenberg's legal training and her experience demonstrate that she has that understanding and commitment.

Your Committee and the U.S. Senate should try to understand the plain, hard truth that the U.S. Department of Housing and Urban Development has long been the chief segregator for the whole country. HUD has a good fair housing program administered by the Assistant Secretary. But the overwhelming impact of the totality of all HUD programs is to create, reinforce and perpetuate segregation. This pattern is well documented in the new book Segregation and the Making of the Underclass, by Massey and Denton, Harvard University Press. It shows that in most cities public housing is much more segregated than private housing.

To overcome this past and present segregation pattern in this country HUD must be forced to adopt a comprehensive plan for desegregation of all public and assisted housing based on several plans which the courts have recently ordered to end government enforced segregation in segregated communities.

Foremost among these examples is the decision in NAACP v. Boston, which established an affirmative action goal and required cooperation for dispersal of assisted housing in 137 cities and towns. Another example is the $80 million settlement negotiated to end segregation in public and assisted housing in Los Angeles. Last week we learned of another order by a federal judge in Kansas City, Missouri, requiring an affirmative action marketing plan for desegregation and dispersal of public and subsidized housing.

The comprehensive plan must address the typical national situation in which HUD's Section 8 program is overwhelming white and HUD's regular public housing is overwhelming Black. HUD must tell our city officials to develop a plan for a central agency to receive applications for all assisted housing and provide affirmative leadership which could result in desegregation of both programs.

This country most needs a return to the policies in support of desegregation which were initiated during the Presidency of John F. Kennedy, but imperfectly implemented. We desperately need to reverse the civil rights regression under Ed Meese and Brad Reynolds and their followers during the past two administrations. The reversal of their atrocious undermining of affirmative action is the greatest challenge for the Department of Housing and Urban Development and the Department of Justice.

To meet all of these needs we are optimistic that Ms. Roberta Achtenberg will be confirmed and will provide, along with Secretary Cisneros, strong and determined leadership in ending HUD's support for continuing segregation. We hope that she will succeed where so many others in the last 40 years, have talked about ending federal aid to segregation but have failed to make much real difference. This is not a challenge for the timid, or the faint of heart, or the weak. Her record shows that she is none of those things. Please confirm her as a part of a plan to end government maintained segregation.

Sincerely,

GALEN MARTIN,
Executive Director.

FAIR HOUSING COUNCIL
OF ORANGE COUNTY,
Santa Ana, CA, April 16, 1993.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

DEAR HONORABLE SENATOR RIEGLE: I seek your support of the nomination of Roberta Achtenberg as Assistant Secretary of the U.S. Department of Housing and Urban Development, Fair Housing and Equal Opportunity Development Division.

Ms. Achtenberg is eminently qualified to help lead this Nation toward the elimination of verifiable housing and lending discrimination. Her track record of experience and educational credentials instill a sense of renewed hope for those that directly further fair housing within our communities. We can truly make a historical difference in furthering open housing opportunities through this Nominee. Please give your support to Ms. Achtenberg, and thereby for the potential realization of American ideals of equality, which the people have so long professed and sought.

On the other hand, the fact that she is a person who so obviously can get this job done, means that those not yet having internal controls to reduce or eliminate discrimination will inherently fear and oppose her politically. I respectfully ask that you not join potential opponents, and instead support this exceptional Nominee. Thank you for your support.

Sincerely yours,

DAVID T. QUEZADA,
Executive Director.

FAIR HOUSING COUNCIL
OF OREGON,
Portland, OR, April 15, 1993.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR RIEGLE: The Fair Housing Council of Oregon supports the nomination of Ms. Roberta Achtenberg as Assistant Secretary of Fair Housing and Equal Opportunity of the U.S. Department of Housing and Urban Development.

Her accomplishments are substantial and substantive. She is an advocate for fairness and equality for all persons. Her career in public service and policy making as well as civil rights enhances her candidacy. We believe this position needs someone who will remain a voice for those who are under-represented. We feel that a true advocate for fairness must have clarity of vision and a desire to facilitate change.

The Fair Housing Council of Oregon is a private non-profit corporation with a mission of promoting access to housing of choice for all persons. We receive and screen complaints of housing discrimination from the entire state of Oregon and whenever possible test allegations of fair housing violations. We have front line experience of the reality of housing discrimination and feel that a strong commitment to enforcement at the federal level is essential.

We feel that with Ms. Achtenberg's legal background and experience the U.S. Dept. of Housing of Urban Development and the people of the United States will have a true champion of fairness. We urge you to approve the nomination of Ms. Achtenberg for Assistant Secretary of Fair Housing and Equal Opportunity.

Sincerely,

CYNTHIA INGEBRETSON,
Program Enforcement Coordinator.

FAIR HOUSING PROGRAM
OF THE COUNTY OF RIVERSIDE,
Riverside, CA, April 26, 1993.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR RIEGLE: The Fair Housing Council of Riverside enthusiastically supports the nomination of Ms. Roberta Achtenberg as Assistant Secretary of Fair Housing and Equal Opportunity. We sincerely believe that Ms. Achtenberg's distinguished service as a policy maker, her advocacy for human rights and her demonstrated commitment to the concepts of equality qualifies her to serve in this capacity.

These are very crucial times for the causes of fair housing. The person who heads this vital enforcement (of fair housing laws) function should be energetic, committed and proactive. We believe that Ms. Achtenberg will serve effectively. We therefore urge your support of her confirmation.

Sincerely,

MARY SCOTT KNOLL,
Executive Director.

FAIR HOUSING CENTER
OF TOLEDO,
Toledo, OH, April 20, 1993.
Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR RIEGLE: The Fair Housing Center of Toledo is very pleased to support the nomination of Ms. Roberta Achtenberg as Assistant Secretary of Fair Housing and Equal Opportunity of the U.S. Department of Housing and Urban Development.

Our office has been investigating housing and lending discrimination complaints since 1975. While we are very proud of the successes the Center and our clients have experienced in redressing discrimination, we also recognize that discrimination has proven to be a persistent element in American society. It is essential for the federal government to provide strong leadership at HUD in fair housing.

We believe that Ms. Achtenberg has the commitment, intelligence and capability to effectively enforce the Fair Housing laws. We think she would make an excellent choice as Assistant Secretary of Fair Housing and we urge the Senate to approve her nomination.

Sincerely,

LISA RICE,
Executive Director.

SARAH G. FLANAGAN,
ATTORNEY AT LAW,
San Francisco, CA, April 28, 1993.
Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR RIEGLE: I am writing in support of President Clinton's nomination of Roberta Achtenberg to become Assistant Secretary of Fair Housing and Equal Opportunity in the Department of Housing and Urban Development. I do not know Ms. Achtenberg on a personal level, but I am qualified to recommend her because of my familiarity with the good work that she has been doing in the San Francisco Bay Area. I was born and raised in San Francisco and have made my career here as a partner in Pillsbury Madison & Sutro. I have a strong interest in seeing individuals who have both a progressive vision for the City and the realism of a problem-solver emerge as leaders. Ms. Achtenberg is such an individual.

Ms. Achtenberg is probably best known as a civil rights attorney who has labored effectively for gay and lesbian rights. However, her contribution has been much broader than that. She has brought a sense of fairness and creativity to numerous community problems such as unemployment, wrongful eviction and inadequate housing, occupying numerous leadership positions with respect to these issues, most recently as the San Francisco Supervisor serving as Chair of the Housing and Land Use Committee. This has given Ms. Achtenberg valuable experience with the challenges she will confront as Assistant Secretary of Fair Housing and Equal Opportunity.

As part of our firm's community service program, I work with a low-income senior citizen residence that receives funds from HUD. I am deeply concerned about the problems facing my particular residence, as well as such projects in general. We need strong, fair and creative leadership in HUD to work with us to meet these challenges. I believe that Ms. Achtenberg can provide such leadership in HUD, just as she has done in San Francisco. I wholeheartedly support her nomination and respectfully request that you act favorably upon it.

Very truly yours,

SARAH G. FLANAGAN.

Washington, DC, March 24, 1993.
Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

DEAR DON: I am writing to highly recommend Roberta Achtenberg, who is seeking the Assistant Secretary of Fair Housing and Equal Opportunity position at HUD. Roberta and I worked together on the drafting committee of the 1992 Democratic Party Platform where she distinguished herself as an innovative policy maker. Roberta was also national co-chair of the Clinton/Gore campaign and went on record as an early supporter of the President.

Currently, Roberta is a member of the City of San Francisco's Board of Supervisors and chairs the Housing and Land Use Committee. Roberta brings over 15 years of experience to the position and her expertise spans such issues as affordable housing for low income families to increasing small business participation in city contract bidding. Clearly, her track record of outstanding community and public service, as well as her creative policy programs, will be an asset to the President's team at HUD.

I hope you will give Roberta your most serious consideration. I will be happy to answer any questions you may have concerning her candidacy and can be reached at 202/546-0007. Thanks in advance for your consideration

With best regards,

AL FROM,
President.

NEW COLLEGE OF CALIFORNIA,
San Francisco, CA, March 15, 1993.
Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

DEAR CHAIRMAN RIEGLE: I am writing in support of President Clinton's nomination of Roberta Achtenberg to serve as Assistant Secretary of Fair Housing and Equal Opportunity in the Department of Housing and Urban Development.

I have known Supervisor Achtenberg well since she served as Professor of Law and, subsequently, Dean of the Law School here at New College of California in the late 1970's and early 1980's. In addition to having taught and served as an administrator at New College, Supervisor Achtenberg has overseen the work of New College students who performed their required apprenticeship hours in her office when she was a full-time civil rights attorney after she retired as Dean. I have also worked with Supervisor Achtenberg in developing resolutions and legislation to be introduced before the San Francisco Board of Supervisors and am generally familiar with her professional work both as an attorney and as a Supervisor. Approximately a year ago, I asked her to become a Trustee of the College, which I am pleased she agreed to do.

Supervisor Achtenberg was an outstanding professor of law, demonstrating both mastery of the legal material that she taught and innovation in developing a Skills Training Program for law students that became a model for others across the country. She has a brilliant legal mind and is able to convey difficult ideas with clarity and with feeling. Perhaps even more important for a prospective Assistant Secretary, Supervisor Achtenberg was an excellent Dean, certainly the best we have ever had at New College. Our law school program has always contained an extremely diverse group of faculty, staff, and students with strong and often conflicting convictions. Supervisor Achtenberg was able to build consensus while respecting diversity, to administer projects that often involved significant technical complexity, and to provide leadership that was respected throughout our institution.

With regard to her personal qualities, Supervisor Achtenberg is a woman of high moral character who is dedicated to the creation of a more just and humane society and who treats all those with whom she comes in contact with an evenness and a respect that is unusual among public figures. She is kind, caring, and genuinely thoughtful in her relations with those who work for her and in her way of dealing with issues of public importance. Supervisor Achtenberg is highly respected throughout San Francisco even among those who disagree with her on particular issues. She combines depth of insight, administrative competence, and a sustained capacity for caring in a way that we should all hope for in our public officials.

Supervisor Achtenberg merits the confidence that President Clinton has placed in her, and I hope your Committee will confirm her much-deserved appointment as Assistant Secretary.

Respectfully,

PETER GABEL,
President.

FHP HEALTH CARE,
Emeryville, CA, March 23, 1993.
Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR RIEGLE: I am writing this letter as a former San Francisco elected official who worked closely with Roberta Achtenberg. I have known Supervisor Roberta Achtenberg for almost three years. I first became acquainted with her during her campaign for the California State Assembly in 1989.

During this period, she impressed me as a person with great integrity who was very concerned about the erosion of civil rights in our society. In her campaign for State Assembly, she proved herself to be an exceptional candidate who possessed an excellent working knowledge and substantive proposals on the issue of housing discrimination.

When she was elected to the San Francisco Board of Supervisors in 1990, and she became my colleague, she quickly proved to be a hard working public servant who would make the time to meet with constituents on evenings and weekends and be accessible to City Hall department staff at every level.

Supervisor Achtenberg on many occasions, would use her legal background to defend those people coming before the Board that were virtually powerless. Her arguments were well-reasoned, grounded in the law, and exhibited a great deal of compassion and integrity.

I was most pleased to hear that President Clinton has nominated Supervisor

Achtenberg for the position of Assistant Secretary within the Housing and Urban Development Department. She is the ideal person to take the civil rights section of that department and rebuild it after many years of neglect. In her new role, Supervisor Achtenberg will lead a team of over 80 competent lawyers like herself. I think that she will be an excellent representative of the Administration, respond efficiently to Congress and be an excellent legal coach for a staff that has great responsibilities. She will rebuild the fair housing unit, she will make it a hard fighting group to defend the constitutional rights of all Americans.

Roberta Achtenberg is a unique individual who realizes the profound suffering caused by discrimination in housing. She will defend the rights of women, minorities and all of the myriad of families that depend on the federal government for justice in housing. As a legislator, Supervisor Achtenberg was truly exceptional, not only could I count on her word for crucial votes on difficult pieces of legislation but most important, I could count on her creative thinking to find the necessary compromises and the ultimate fairness on very complex issues. Roberta Achtenberg listens, she reflects, she is courageous in her actions and her word is gold. I thank the Committee for the opportunity to express my highest recommendation for Roberta Achtenberg, and my constant admiration and my respect for her. I urge you to provide her a speedy, resounding, and unanimous confirmation so that her outstanding record of national service in behalf of the people of America can begin. Thank you.

Sincerely,

Jim Gonzalez,

San Francisco County Supervisor, 1986–1992, Chairman of Finance Committee, 1990–1992.

Church of St. Paul
of the Shipwreck,
San Francisco, CA, March 25, 1993.

Hon. Donald W. Riegle, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

Dear Chairman Riegle: Greetings and best wishes. I am writing to support the nomination of Roberta Achtenberg, as Assistant Secretary of Fair Housing and Equal Opportunity.

Supervisor Achtenberg, is an outstanding member of the Board of Supervisors here in San Francisco. She serves as Chair of the Housing and Land Use Committee and is a member of the Economic Vitality and Social Policy Committee.

Before Supervisor Achtenberg was elected to the Board of Supervisors she worked for more than 15 years as a civil rights attorney, law professor and law school dean.

Her commitment to the people of this city and to the poor has been outstanding and she stands as a role model for those who wish to give of the best of their service to the poor and those who have no one to speak for them.

I am certain that she will be an important addition to the Fair Housing and Equal Opportunity office in Washington, D.C.

I am honored and proud to add my name to the list of those who are supporting the nomination of Roberta Achtenberg.

Sincerely,

Father Jim Goode, OFM, Ph.D.

San Francisco, CA,
May 3, 1993.

Hon. Donald W. Riegle, Jr.,
Chairman, Committee on Banking, Housing and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

Dear Mr. Riegle: I am writing to join those urging you to support the confirmation of San Francisco Supervisor Roberta Achtenberg as Assistant Secretary of Fair Housing and Equal Opportunity.

Supervisor Achtenberg is particularly qualified as a public servant—she is an innovative and effective policy maker who understands the needs and constraints of legislative and administrative processes and, at the same time, is open, receptive and responsive to those she serves and represents. Her exemplary record and career in San Francisco demonstrates unquestionably the high quality and the breadth and depth of perception, experience and perspective she would bring to the Department of Fair Housing and Equal Opportunity.

I would like to emphasize, in particular, Ms. Achtenberg's service as executive director of the National Center for Lesbian Rights and her leadership in the San Francisco gay and lesbian community. Her dedication, courage and leadership, and her strong stands, in the important area of civil rights for all individuals is an example and a benefit to everyone.

As a partner in the law firm of Pillsbury Madison & Sutro, I have worked directly with and observed a number of public officials. I cannot imagine a better candidate for Assistant Secretary of Fair Housing and Equal Opportunity than Supervisor Achtenberg. I encourage you to confirm her nomination.

Very truly yours,

F. Kinsey Haffner.

County of Santa Clara,
San Jose, CA, March 31, 1993.

Hon. Donald W. Riegle, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

Dear Senator Riegle: I have worked with Roberta Achtenberg for several years on community projects and I am duly impressed with her knowledge, skills, ability and compassion as a community leader. Roberta's hard work to improve the quality of life within the community has been recognized. Throughout her career, Roberta has distinguished herself as an innovative policy maker, leader, and valuable team member.

As a San Francisco resident for many years, I can attest that San Francisco County has certainly benefited from Roberta's talents and skills as a member of the Board of Supervisors, especially at a time when tough decisions needed to be made. Roberta's appointment will be a great asset to the Clinton Administration and to this nation. Without reservation, it is an honor and pleasure to recommend Roberta for the position of Assistant Secretary for Fair Housing and Equal Opportunity.

Sincerely,

Chris Sandoval,

Manager, Men's and Women's Health Section.

Pillsbury, Madison & Sutro,
San Francisco, CA, April 19, 1993.

Hon. Donald W. Riegle, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

Hon. Paul S. Sarbanes,
Chairman, Subcommittee on Housing, and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

Hon. Alfonse D'Amato,
Ranking Minority Member, Committee on Banking, Housing, and Urban Affairs Dirksen Senate Office Building, Washington, DC.

Dear Senators: I would like to express my strong support for Roberta Achtenberg as Assistant Secretary of Fair Housing and Equal Opportunity in the Department of Housing and Urban Development.

I am a partner at Pillsbury, Madison & Sutro, one of the largest law firms in the country, and have for over 25 years practiced law in the commercial, real estate and land use areas. I first became acquainted with Ms. Achtenberg when she was elected to the San Francisco Board of Supervisors in November 1990. Since many of my clients are actively involved in San Francisco business, land use or real estate development matters, I have had frequent occasion during the last three years to discuss with Supervisor Achtenberg matters coming before the Board of Supervisors relevant to my clients' interests. I found her, both publicly and privately, to be an extremely able public servant, intelligent, quick-witted and fundamentally fair in her approach to issues. Certainly, she is a champion of small business, affordable housing for poor people, protection for tenants subject to wrongful eviction and other liberal causes and civil rights issues, to which she and her constituency are deeply committed. While doing so, however, she does not lose her sense of perspective or her sense of humor and I can think of no finer candidate for the important position to which President Clinton has nominated her.

I would be happy to provide additional information to you or the Committee on Banking Housing and Urban Affairs if requested.

Very truly yours,

Robert C. Herr.

San Francisco, CA,
April 30, 1993.

Hon. Donald W. Riegle, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

Dear Chairman Riegle: This is to support the nomination of Roberta Achtenberg as Assistant Secretary of Fair Housing and Equal Opportunity in the Department of Housing and Urban Development.

I have followed Roberta's career closely during my 21 years in San Francisco, and have personally worked with her on a number of legal matters. I am a partner in the law firm of Pillsbury Madison & Sutro. I know Roberta to be a person of great intelligence, poise and integrity. I believe she is extremely well-qualified for the HUD post for which she has been nominated. I urge most strongly that you exercise your leadership to see that she is confirmed.

Very truly yours,

David E. Hopmann.

HOUSING OPPORTUNITIES
MADE EQUAL, INC.,
Buffalo, NY, April 14, 1993.

Hon. ALFONSE D'AMATO,
Ranking Minority member, Senate Committee on Banking, Housing & Urban Affairs, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR D'AMATO: As you know, Housing Opportunities Made Equal is an organization with nearly 600 members which, since 1963, has led the struggle for fair and equal access to housing in Western New York. Today HOME operates under contract with 36 municipalities to provide a comprehensive program of fair housing services.

Although this agency has won enforcement funding for four consecutive years under the Fair Housing Initiatives Program, we are sorry to report that we have not always been in agreement with the policies of our friends at HUD. You may have seen the June 1992 report on implementation of the Fair Housing Amendments Act issued by the New York State Advisory Committee to the U.S. Commission on Civil Rights which contained a number of criticisms by this agency directed at HUD practices which, at times, seemed designed to discourage victims of housing discrimination from pursuing those rights granted by Congress and President Reagan in 1988.

Thus we are pleased to write in support of the nomination of Roberta Achtenberg as HUD's assistant secretary for fair housing and equal opportunity. Although we have not yet had an opportunity meet Ms. Achtenberg, we have had occasion to communicate with her office and were frankly impressed by the timely response. Ms. Achtenberg's resume is an impressive one which tells of a long history of commitment to civil rights. Our colleagues at the National Fair housing Alliance have met with Ms. Achtenberg and come away positively impressed—and we place great faith in their judgement.

Thirty years after New York State adopted it first fair housing statute, housing discrimination remains a serious problem. In 1992 HOME recorded a 19 percent increase in reported incidents of bias and, in honesty, the first quarter of 1993 shows further growth. Even as HOME enters its fourth decade, it is apparent that the evil of discrimination is not yet beaten.

The Fair Housing Amendments Act of 1988 and the Fair Housing Initiative Program combined to create a framework with which to effectively combat housing discrimination. We are hopeful that under the leadership of Secretary Cisneros and Assistant Secretary Achtenberg the federal government will at long last demonstrate the will to keep its 25 year-old promise of fair housing.

Thanking you for your consideration of these comments, I remain.

Sincerely,

SCOTT W. GEHL,
Executive Director.

HOUSING OPPORTUNITIES MADE
EQUAL OF GREATER CINCINNATI, INC.,
Cincinnati, OH, April 22, 1993.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR RIEGLE: I urge you to support the nomination of Roberta Achtenberg to be HUD's Assistant Secretary for Fair Housing and Equal Opportunity.

As a non-profit private fair housing agency, HOME spends every day of its existence assisting victims of illegal discrimination while at the same time attempting to prevent future discriminatory activities. We work with and are often dependent on HUD to accomplish these tasks.

You can readily understand how important it is to our work to have as the Assistant Secretary for Fair Housing at HUD a person who is both committed to the ideal of fair housing for all and competent to effectively work towards that ideal.

We believe that Ms. Achtenberg is such a person. While we have not met her personally, several of our colleagues have and are convinced that she is intelligent and deeply concerned about equal housing opportunity and that she will be an effective force in this regard.

Her long and diverse background in various areas of civil rights also indicates to us that, although lacking specific fair housing experience, she will be a force for implementing the national fair housing laws.

I hope that as a backer of these same laws, you will argue for and support Ms. Achtenberg's nomination.

Sincerely,

KARLA IRVINE,
Executive Director.

HOUSING OPPORTUNITIES MADE EQUAL
Richmond, VA, April 12, 1993.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR RIEGLE: The Board of Directors of Housing Opportunities Made Equal (HOME) voted unanimously at its most recent meeting to support the nomination of Roberta Achtenberg to be Assistant Secretary for Fair Housing and Equal Opportunity. Ms. Achtenberg's background in civil rights, policy development and administration, and law, as well as her personal commitment to equal housing, make her extremely well qualified to fill this position.

I have had the opportunity to discuss a variety of topics with Ms. Achtenberg, and have been impressed with her immediate grasp of the complex issues surrounding equal housing and housing affordability, and her understanding of the role that can and should be played by the U.S. Department of Housing and Urban Development in ensuring equal access to housing throughout the United States. While firmly committed to equal rights, she also understands the importance of taking into consideration the concerns of the housing industry to ensure that the programs under her jurisdiction are administered in the most productive way possible.

HOME is a HUD-certified comprehensive housing counseling agency which served 4,627 families in 1992, and which has provided fair housing services for the city of Richmond for almost twenty years. We assist victims of housing discrimination, provide all forms of housing counseling, and also administer various programs of financial assistance such as down payment assistance for first time homebuyers. As a result, we are thoroughly familiar with the interrelationship of different housing programs, discrimination, and the barriers facing women, families, minorities, and those with limited incomes in their search for housing. We are convinced that Ms. Achtenberg will provide the leadership necessary to ensure that fair housing is a positive component of all of HUD's programs, and that she will work diligently to guarantee all residents of the United States the equal access to housing envisioned in the law.

Ms. Achtenberg has our full support. I hope you and the other members of the Committee on Banking, Housing and Urban Affairs will act quickly to confirm her nomination.

Sincerely,

CONSTANCE K. CHAMBERLIN,
Executive Director.

HOUSING OPPORTUNITIES OF
NORTHERN DELAWARE, INC.,
Wilmington, DE, April 28, 1993.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR RIEGLE: We urge you to approve the nomination of Ms. Roberta Achtenberg for Assistant Secretary for Fair Housing and Equal Opportunity. Her career in civil rights enforcement and commitment to equal opportunity qualify her for this position.

As a member agency of the National Fair Housing Alliance, we cannot emphasize enough, the importance of Ms. Achtenberg's appointment. She will be a real asset to the fight against illegal housing discrimination.

The full enforcement of fair housing and fair lending laws is of crucial importance to this country. Ms. Roberta Achtenberg has the skills and qualifications to address fair housing needs. Thank you.

Sincerely,

CURTIS H. JOHNSON, Jr.,
Executive Director.

INSTITUTO LABORAL DE LA RAZA,
San Francisco, CA, March 19, 1993.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

DEAR CHAIRMAN RIEGLE: Please accept my letter in support of Supervisor Roberta Achtenberg's nomination as Assistant Secretary of Fair Housing and Equal Opportunity in the Department of Housing and Urban Development.

Roberta has been an effective policy maker on the San Francisco Board of Supervisors. She has been particularly sensitive to the needs of our City's most vulnerable population—female single heads of household; youth and senior citizens. Roberta has consistently put forth innovative solutions to complex city problems such as her recent legislative efforts to help speed the transition from welfare to permanent employment through augmentation of city-sponsored job training programs.

Even prior to her election to the Board of Supervisors, Roberta had made a reputation for herself as an effective advocate for tenants' rights and for affordable housing. She has given generously of her time by serving on the board of directors of the United Way of the Bay Area and is a member of the Jefferson Elementary School PTA where her son is a student.

Roberta's first hand knowledge of fair housing issues coupled with her commitment to equal opportunity will enable her to make a most positive contribution in discharging her duties as Assistant Secretary of Fair Housing and Equal Opportunity.

Sincerely,

JOSE F. MEDINA,
Executive Director.

INTERNATIONAL ASSOCIATION OF
OFFICIAL HUMAN RIGHTS AGENCIES,
Washington, DC, March 11, 1993.

Hon. BARBARA BOXER,
U.S. Senate, Washington, DC.

DEAR SENATOR BOXER: The International Association of Official Human Rights Agencies (IAOHRA) is a non-profit professional association of statutory human rights and human relations agencies primarily in the United States and Canada. The United States members are responsible for enforcing state and local civil rights laws in their respective jurisdictions and have historically shared responsibility with the Department of Housing and Urban Development (HUD) for enforcing fair housing laws. These agencies are funded by their state and local governments but many have also qualified to receive additional funding from HUD to investigate complaints of housing discrimination filed under Federal as well as state and local laws.

The leadership of IAOHRA and its member agencies believe that access to decent, affordable housing is a fundamental right for all persons and that vigorous enforcement of fair housing laws is essential to both a democratic society and a strong economy. Housing patterns have a direct impact upon school systems and employment. Segregated housing leads to segregated schools and fewer and less well paying job opportunities.

We have had the opportunity to have informal discussions with Ms. Roberta Achtenberg, whom President Clinton has designated as Department of Housing and Urban Development Assistant Secretary for Fair Housing and Equal Opportunity. We are impressed with her commitment to the vigorous enforcement of Federal fair housing laws. Based upon this commitment and a review of her experience, we are convinced that she will make an outstanding Assistant Secretary.

The Board of Directors of our association endorses Ms. Achtenberg for the position of Assistant Secretary. We know that you will make every effort to ensure her confirmation.

Sincerely yours,

CLAUDE R. ROGERS,
President.

JAPANESE AMERICAN CITIZENS LEAGUE,
San Francisco, CA, April 27, 1993.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

SENATOR RIEGLE: I am writing in support of Roberta Achtenberg's nomination to be Assistant Secretary of Fair Housing and Equal Opportunity in the Department of Housing and Urban Development. Last year, I had the privilege of serving with Ms. Achtenberg as a member of the California Commission on the Prevention of Hate Violence and have been personally acquainted with her for a number of years when she worked as a public interest attorney here in San Francisco.

I can say unequivocally that Ms. Achtenberg has not only been a close professional colleague, but an inspiration to me personally. She is an individual whose judgements are grounded in integrity and honesty. Her commitment to combatting all forms of illegal discrimination cannot be questioned. In addition, I have long been impressed with Ms. Achtenberg's ability to work with others to develop practical solutions to a wide range of political problems.

In light of these facts, I cannot think of anyone more suited for the position for which she is nominated and urge her swift confirmation.

Sincerely,

DENNIS HAYASHI,
National Director.

FOLGER & LEVIN,
San Francisco, CA, March 15, 1993.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

DEAR CHAIRMAN RIEGLE: I am the senior litigation partner of a fifty lawyer downtown San Francisco law firm which typically represents large financial, commercial and industrial businesses in complex litigation. I have practiced law for twenty years since clerking for the Ninth Circuit Court of Appeals, am a member of the American Law Institute, the Northern District of California Civil Justice Reform Act Panel and of many other judicial and community public service organizations and task forces. I am writing you to urge you to confirm President Clinton's nomination of Roberta Achtenberg as Assistant Secretary of Fair Housing and Equal Opportunity in the Department of Housing and Urban Development.

In my business I have the blessing and burden of working with numerous lawyers and public officials. In my experience I have rarely encountered as conscientious, committed and dedicated an individual as Roberta Achtenberg. Roberta is hard working, serious and thoughtful. She applies her ample intelligence in a constructive, creative and productive manner. If you want to get a job done right, you call on Roberta.

Roberta is neither an ideologue nor a token. Her successes in life from her Phi Beta Kappa key at the University of California to her Order of the Coif at the University of Utah to her seat in the highest council of power in San Francisco have been hard won and deserved. Roberta is neither shrill nor uncompromising; she measures her success in terms of results, such as legislative achievements, not in terms of headlines or rhetoric.

The Housing and Urban Development Department and the United States government will be well served by Roberta Achtenberg's addition to this administration. If I can contribute anything further to your important deliberations, please do not hesitate to call upon me.

Very truly yours,

MICHAEL A. KAHN.

THE PACIFIC STOCK EXCHANGE INC.,
San Francisco, CA, March 22, 1993.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing and Urban Affairs, U.S. Senate, Dirksen Senate Office Building, Washington, DC.

DEAR MR. CHAIRMAN: I am writing this letter to endorse San Francisco Supervisor Roberta Achtenberg for the position of Undersecretary in the Department of Housing and Urban Development. She is more than qualified for this post, and I heartily recommend her for this assignment.

On paper, Roberta does not seem to be the kind of person likely to engender respect and admiration from the chairman of a major financial institution. The constituents she represents and the issues she's addressed are not those usually found at the top of a traditional, conservative businessman's agenda. To the honest, I was skeptical about meeting her when she came to the Exchange in 1990 seeking support for her campaign. My uncertainties were unfounded.

Roberta Achtenberg is among the most intelligent, capable individuals I have met. She is highly regarded for her willingness to reach out to San Francisco's business community—she has met on regular occasions with 24 local corporate CEOs—and has made many significant efforts to maintain and enhance our city's economic vitality. During the transition between her election and her induction to the Board of Supervisors, for example, Roberta helped craft a critical compromise to controversial legislation passed by the previous Board dealing with workplace safety. She is diligent, hard working, and open to new ideas, all contributing to an attitude and an approach to government the business community finds enlightened.

Roberta has become a personal friend, one whom I indeed admire and respect. I hope that you will give her the opportunity to serve in this capacity and to make the important contributions this country sorely needs.

Sincerely,

LEOPOLD KORINS.

LA RAZA CENTRO LEGAL, INC.,
San Francisco, CA, March 8, 1993.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

DEAR CHAIRMAN: I fully support Supervisor Roberta Achtenberg's nomination as Assistant Secretary of Fair Housing and Equal Opportunity. I have known Supervisor Achtenberg for five years and hold her in high regards.

As Supervisor, Ms. Achtenberg has been an advocate for San Francisco's low-income families and minorities. She has worked for protection of tenants against wrongful eviction and has supported construction of affordable housing for low-income families. Ms. Achtenberg has also worked for better monitoring efforts by the City Human Rights Commission.

She has been an advocate for issues that effect San Francisco's diverse and growing Latino Community. As Executive Director of a non-profit community law agency that serves Latinos throughout the Bay Area, I will miss her presence on the Board of Supervisors and United Way of the Bay Area. She has been instrumental in addressing the needs of the Latino community as a public official and private citizen.

I believe Ms. Achtenberg's commitment to civil rights makes her an outstanding nominee for the position of Assistant Secretary of Fair Housing and Equal Opportunity. For low-income housing advocates, it is very heartening to know she will be in Washington continuing her work as an advocate for low-income housing.

I hope that the Banking Committee will confirm Supervisor Achtenberg as the new Assistant Secretary of Fair Housing and Equal Opportunity. If I can be of any further assistance please call me at 415/575-3500

Sincerely,

MARIO SALGADO,
Executive Director.

SAN FRANCISCO, CA,
March 30, 1993.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR RIEGLE: I understand Roberta Achtenberg has been nominated as Assistant Secretary, Fair Housing and Equal Opportunity in President Clinton's Administration. I've known and worked with Roberta on a number of community endeavors over the past several years. She is intelligent, sensitive to the needs of others, and is truly professional.

Without reservation, I support her nomination and know that once approved she will do an extraordinary job.

Sincerely,

BARRY LASTRA.

LAWYERS' COMMITTEE FOR CIVIL RIGHTS UNDER LAW OF THE BOSTON BAR ASSOCIATION,
Boston, MA, April 30, 1993.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR RIEGLE: I write to enthusiastically support the nomination of Roberta Achtenberg as Assistant Secretary for Fair Housing and Equal Opportunity of the U.S. Department of Housing and Urban Development. I write in my personal capacity currently as a fair housing attorney in Boston and previously as Executive Director of Housing Opportunities Made Equal (HOME) in Richmond, Virginia.

Ms. Achtenberg has impressive credentials as a civil rights attorney, law professor, administrator, and public official in California. She has distinguished herself as an innovative policy maker and problem solver. Having had the pleasure of seeing her conduct meetings at HUD, I am impressed by the way she quickly cuts to the essence of difficult issues and creatively activates HUD personnel to get the needed job done. Many career employees, who for years grumbled about bureaucratic barriers which kept them from effectively furthering fair housing, now come to work each day energized by Ms. Achtenberg's demonstrated grasp of fair housing laws, her sensitivity to the needs of victims of discrimination as well as the concerns of the housing industry, and her creative commitment to HUD's full implementation of the fair housing laws. These employees now believe that HUD will call on their best talents to do their jobs.

Similary, for those of us in the private sector who are advocates of fair housing and who have often in our work seen HUD as a part of the problem, it will be a pleasure to work with a HUD fair housing team which, under Ms. Achtenberg's leadership, can vigorously promote the policy of the United States "to provide, within constitutional limitations, for fair housing throughout the United States."

I therefore urge your committee to approve the nomination of Roberta Achtenberg as Assistant Secretary of Fair Housing and Equal Opportunity.

Sincerely,

BARBARA WURTZEL RABIN,
Staff Counsel.

LOCAL 2, HOTEL EMPLOYEES & RESTAURANT EMPLOYEES UNION,
San Francisco, CA, March 31, 1993.

Hon. DONALD W. RIEGLE, Jr,
Chairman, Committee on Banking, Housing and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR RIEGLE: On behalf of the 10,000 members of Local 2, I write seeking your support for the confirmation of Roberta Achtenberg as Assistant Secretary of Fair Housing and Equal Opportunity in the Department of Housing and Urban Development

We in Local 2 have worked closely with Supervisor Achtenberg in San Francisco over a variety of different issues not only affecting our membership but the community at large.

Specifically, Supervisor Achtenberg was a key supporter of a piece of local legislation which our union succeeded in having adopted by the city which requires the Planning Commission to consider housing mitigation measures prior to the approval of any new hotel developments in San Francisco. Without her support we would not have been able to achieve this legislation which addresses the severe housing in our city.

In addition Supervisor Achtenberg has built her career on championing civil rights and equal opportunity for women and minorities in our community.

I strongly urge your support of her nomination as Assistant Secretary. Her dedication, commitment and hard work, which we have experienced first hand, will serve our nation well.

Sincerely,

SHERRI CHIESA,
President.

FAIR HOUSING PROGRAM,
San Rafael, CA, February 9, 1993.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking Housing and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR RIEGLE: I am writing to you in support of Roberta Achtenberg's nomination for Assistant Secretary for Fair Housing and Equal Opportunity in the Department of Housing and Urban Development. I recommend her swift confirmation by your Committee and the Senate as a whole.

Ms. Achtenberg has distinguished herself in the San Francisco area as a prominent civil rights attorney and throughout her career has exhibited a sensitivity to the needs of minorities and the discrimination they meet. This legal and moral background will be of great service in a position which requires both a firm grasp of litigation issues and an understanding for the struggle of minorities in our country. Furthermore, Ms. Achtenberg has served on the San Francisco Board of Supervisors and has been one of the Board's most active and respected members.

It is of the utmost importance that a person of these qualities act as Assistant Secretary of Fair Housing and Equal Opportunity to address the issues of segregated housing, redlining and disinvestment by lending institutions and insurance companies.

In short, I recommend Ms. Achtenberg as a highly qualified candidate for the position of Assistant Secretary of FHEO. Her experiences, integrity and sensitivity to the needs of minorities make her a superior candidate. Thank you for your consideration.

Sincerely,

NANCY KENYON,
Program Director, Board Member, National Fair Housing Alliance.

SAN FRANCISCO, CA,
April 13, 1993.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR RIEGLE: I am writing to give my enthusiastic support for the nomination of Roberta Achtenberg as HUD's Assistant Secretary of Fair Housing and Equal Opportunity. I have known Ms. Achtenberg for approximately 10 years and can say, without hesitation, that she is a person of great integrity and that she will do an outstanding job in this post.

I worked as a civil rights attorney at Equal Rights Advocates during much of the period that Roberta Achtenberg served as Executive Director of the Lesbian Rights Project and the National Center for Lesbian Rights. My work focused primarily on the problems facing low income women and women of color in the workplace. During my tenure at Equal Rights Advocates, I could always count on Ms. Achtenberg's support and understanding of the issues facing my clientele. Additionally, Ms. Achtenberg lent her insight and counsel to my work.

As a member of the San Francisco Board of Supervisors, Roberta Achtenberg distinguished herself as a person who was consistently accessible and took the time to investigate and understand issues facing the many communities which make up San Francisco.

I am presently the Executive Director of East Palo Alto Community Law Project. East Palo Alto is a community of 25,000 residents most of whom are low income, people of color. East Palo Alto is precisely the type of community that will benefit from a hard working and effective Assistant Secretary. I know Roberta Achtenberg will be that person.

If you have any questions or need additional information, please don't hesitate to give me a call. My number is (415) 853-1600.

Yours truly,

SHAUNA I. MARSHALL.

STATE OF CALIFORNIA,
Sacramento, CA, March 17, 1993.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

DEAR MR. CHAIRMAN: Supervisor Roberta Achtenberg of San Francisco has been nominated by the President for the position of Assistant Secretary of Fair Housing and Equal Opportunity in the Department of Housing and Urban Development.

I respectfully urge your favorable support in the confirmation hearing you will soon conduct.

Roberta Achtenberg is one of the brightest and most sensible people in public life I have met during my twenty eight years in local and state government.

She has an approach to working with a wide range of personalities on policy matters that draws consensus from sharp differences.

In facing the range of seemingly intractable housing and other urban problems San Francisco and other cities encounter, she is a success story.

I respect her and urge her confirmation.

Warm regards,

LEO MCCARTHY,
Lieutenant Governor.

HOUSING FOR ALL,
Denver, CO, April 21, 1993.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR RIEGLE: At the monthly directors meeting of HOUSING FOR ALL, The Metro Denver Fair Housing Center on April 14, 1993, the board voted unanimously to support the nomination of Ms. Roberta Achtenberg as Assistant Secretary of Fair Housing and Equal Opportunity of the U.S. Department of Housing and Urban Development. This support is based on Ms. Achtenberg's strong record of civil rights enforcement and commitment to equal opportunity for all.

HOUSING FOR ALL was founded in 1987 with a mission to eliminate housing discrimination, increase choices in housing and encourage the integration of housing and schools throughout the metropolitan Denver area. We are the only private non-profit fair housing center in the State of Colorado.

In our brief history we have participated in national studies of housing discrimination, filed administrative complaints of rental and sale housing and mortgage lending discrimination utilizing the system established by Congress and our state and local government. We offer extensive consumer education programs and believe that our work complements the work of government enforcement agencies. We are dedicated to making all housing accessible regardless of race, color, religion, sex, familial status, disability or national origin.

Full enforcement of fair housing and fair lending laws is crucial for the health of our country. Discrimination affects our neighborhoods in Denver as well as the individuals and families who are direct victims. Racial steering practices, concentration of subsidized housing in low income communities, and denial of access to credit currently contribute to the physical, economic, and social problems of Denver. We believe Ms. Achtenberg has an accurate perception of the complex nature of systemic discriminatory practices and will use the authority of the Office of Fair Housing and Equal Opportunity to promote the policy of the United States "to provide, within constitutional limitations, for fair housing throughout the United States." Under the direction of Ms. Achtenberg there will be vigorous, positive and focused action to combat housing, lending and insurance discrimination.

We urge the Senate to expeditiously approve the nomination of Ms. Roberta Achtenberg as Assistant Secretary of Fair Housing and Equal Opportunity. If you have any questions or would like more information about our organization, please feel free to contact us.

Sincerely,

KATHIE CHEEVER,
President.

METROPOLITAN FAIR HOUSING COUNCIL OF GREATER OKLAHOMA CITY,
April 20, 1993.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR RIEGLE: The Metropolitan Fair Housing Council of Greater Oklahoma City's Board of Directors and staff unanimously and prayerfully support the nomination of Ms. Roberta Achtenberg as Assistant Secretary of Fair Housing and Equal Opportunity of the U.S. Department of Housing and Urban Development. The Metropolitan Fair Housing Council (MFHC) of Greater Oklahoma City is a nonprofit organization originated in 1979 to ensure equal housing opportunities for all persons in the metropolitan area. Our tragic experiences with fair housing officials over the past years make it of the utmost importance that the person who fills this position represents a life of personal commitment to civil rights and equal opportunity as the nominee has demonstrated.

It is the persistent pattern of racial segregation from a host of official actions of federal, state, and local governments and for the way low income citizens are held in disdain by these government officials that offer a compelling need for such a positive change.

We urgently request the expeditious Senate approval of the nomination of the extremely qualified nominee Ms. Roberta Achtenberg as Assistant Secretary for Fair Housing and Equal Opportunity.

Sincerely,

ERVIN KEITH,
Executive Director.

MIDPENINSULA CITIZENS FOR FAIR HOUSING,
Palo Alto, CA, April 26, 1993.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR RIEGLE: Midpeninsula Citizens for Fair Housing is a private nonprofit organization with over 400 members committed to equal access to housing for all people. We would like to extend our support to Roberta Achtenberg as the nominee for Assistant Secretary for Fair Housing and Equal Opportunity. We are very impressed with Ms. Achtenberg's strong background in civil rights and her work as a San Francisco Supervisor. We feel she is an excellent candidate for this position and urge you to approve her nomination.

Sincerely,

BEVERLY LAWRENCE,
Executive Director.

MISSION COMMUNITY LEGAL DEFENSE INC.,
San Francisco, CA, April 27, 1993.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR RIEGLE: Roberta Achtenberg is an excellent choice to fill the job of Assistant Secretary of Fair Housing and Equal Opportunity. She deserves unanimous Senate confirmation because she is exceedingly qualified to do the job.

I have worked with Roberta on different issues affecting the diverse population of San Francisco since 1985. I can personally attest to her qualifications and to the conscientious way in which she does her job. She always comes prepared.

Roberta's legal background and experience will be a definite plus. Over the last fifteen (15) years she has served as a civil rights attorney, law professor and law school dean. She will understand the importance of legislative history when it comes time to interpret and enforce H.U.D. rules and regulations. There is no doubt in my mind that she will also establish high professional standards for herself and her staff as she carries out the responsibilities of assistant secretary.

Roberta Achtenberg is uniquely qualified to be Assistant Secretary of Fair Housing and Economic Opportunity. As a member of the San Francisco Board of Supervisors, she serves as Chair of the Housing and Land Use Committee. She is also a member of the Economic Vitality and Social Policy Committee. Her involvement in these crucial committees has given Roberta an acute understanding of the housing and economic issues that she will no doubt face in her new job.

In San Francisco Roberta is highly regarded as a leader and innovative policy maker. Her legislative efforts have supported job training, tenant protections against wrongful eviction, construction of affordable housing, small business participation and strict contract compliance monitored by the city's Human Rights Commission.

I have known Roberta Achtenberg for eight (8) years now and have come to appreciate and admire her collaborative style of getting things done. She is fair, honest and very talented. I strongly urge your Senate committee to confirm her appointment.

Sincerely Yours,

ALFREDO M. RODRIGUEZ,
Director.

CALIFORNIA DEMOCRATIC PARTY,
Sacramento, CA, March 15, 1993.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

DEAR CHAIRMAN RIEGLE: I am writing in support of San Francisco County Supervisor Roberta Achtenberg to be Assistant Secretary of Fair Housing and Equal Opportunity. Supervisor Achenberg is one of California's finest leaders.

Her educational background along with both her private and public sector experiences make her an excellent choice, by President Clinton, for this position.

The Department of Housing and Urban Development and the American people will both be well served by her in this position.

San Francisco and California's loss will be America's gain.

Sincerely,

BOB MULHOLLAND,
Political Director, California Democratic Party.

NATIONAL ASSOCIATION OF HUMAN RIGHTS WORKERS,
Cleveland, OH, March 23, 1993.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing and Urban Affairs, U.S. Senate, Washington, DC

DEAR MR. CHAIRMAN: On behalf of the entire membership of the National Association of Human Rights Workers (NAHRW), I would like to pledge our support for the candidacy of Ms. Roberta Achtenberg for the position of Assistant Secretary for Fair Housing and Equal Opportunity, U.S. Department of Housing and Urban Development.

Since 1947, NAHRW has served as the nation's only professional human rights association, comprised to directors and staff members engaged in human rights and community relations positions at the federal, state and local government levels. Our members serve as Affirmative Action and Equal Employment Opportunity officers for both public and private institutions. Many of our members are involved in enforcement of the federal fair housing law.

Some of our members have had informal discussions with Ms. Achtenberg regarding her commitment to the vigorous enforcement of federal fair housing laws. We were quite impressed and encouraged by her positions on the key issues.

I will close by saying that the Executive Board of the National Association of Human Rights Workers and the membership of NAHRW, solidly support President Bill Clinton's designation of Roberta Achtenberg for Assistant Secretary for Housing and Equal Opportunity, U.S. Department of Housing and Urban Development.

Sincerely yours,

SAM THOMAS III,
President, National Association of Human Rights Workers.

NATIONAL CENTER FOR YOUTH LAW,
San Francisco, CA, March 8, 1993.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR RIEGLE: I am writing in support of Supervisor Roberta Achtenberg's appointment to the position of Assistant Secretary for Fair Housing and Equal Opportunity at the Department of Housing and Urban Development (HUD). I have known Supervisor Achtenberg for over ten years. She has demonstrated her qualifications for the HUD position in her work as a public official and civil rights attorney.

Since 1982, I have specialized in fair housing law for families with children. I have litigated cases, conducted trainings for other lawyers, and testified before Congressional Committees in support of the Fair Housing Amendments Act of 1988. E.g. Hearings before the Subcomm. on the Constitution of the Comm. on the Judiciary, U.S. Senate, One Hundredth Congress, First Session on S. 558, pp. 166–210. I have closely monitored HUD's enforcement of the 1988 Act, its certification of state laws, and its coordination of fair housing activities among the various HUD programs. Supervisor Achtenberg faces a daunting task in improving HUD's performance on these issues, but she has many valuable skills to bring to this task.

Supervisor Achtenberg combines a lawyer's substantive expertise on civil rights law with an elected official's ability to work with diverse groups. For many years, she was a practicing lawyer who focused on overcoming discrimination against gay men and lesbians. This experience, although it did not directly deal with fair housing matters, prepares her well for the Assistant Secretary position. To understand the harm, arbitrariness, and remedies associated with discrimination against one group is to understand many of the problems facing other victims of discrimination. Civil rights law has evolved over time and builds on fundamental principles that are used for all protected classes. Supervisor Achtenberg understands these principles and will be able to apply her legal expertise to the enforcement of the Fair Housing Act.

San Francisco has been described by some as "hyper-pluralistic". Residents have a keen interest in the political process; community, neighborhood, and other interest groups abound in the city. In many respects, the political milieu of the city replicates the highly-charged arena of Washington politics. Supervisor Achtenberg has succeeded in this environment.

She has been a rational and pragmatic voice for social and economic justice. She has worked well with divergent groups and forged meaningful compromises that solve urban problems. As a Latino community activist, I have worked with Supervisor Achtenberg on several issues, including fair housing and civil rights matters. She has also been an advocate for families, small businesses, and the reform of city government. Her experience as a local official indicates that she will work effectively and pragmatically in implementing fair housing law.

As a resident of San Francisco, I regret the departure of Supervisor Achtenberg from city government. As a fair housing lawyer representing low income families, I look forward to Supervisor Achtenberg's leadership at HUD in improving the federal government's enforcement of the Fair Housing Act.

Sincerely,

JAMES B. MORALES,
Staff Attorney.

NATIONAL FAIR HOUSING ALLIANCE,
Washington, DC, April 7, 1993.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR RIEGLE, at the quarterly meeting of the National Fair Housing Alliance on March 27, 1993, the Board of Directors voted unanimously and enthusiastically to support the nomination of Ms. Roberta Achtenberg as Assistant Secretary of Fair Housing and Equal Opportunity of the U.S. Department of Housing and Urban Development. This unqualified support of Ms. Achtenberg is based upon our review of her career in civil rights enforcement and her commitment to equal opportunity.

Members of the Executive Committee of NFHA and staff have had several meetings with Ms. Achtenberg. We have also spoken with fair housing advocates and her former colleagues in California and reviewed her career as an attorney, teacher, and public official. Her record is distinguished and impressive, and represents a life of personal commitment and professional expertise. It is of the utmost importance that the person who fills this position bring these qualities to the job because HUD has failed to effectively enforce the Fair Housing Amendments Act of 1988. As a result, there has been no decrease in segregation; and redlining and disinvestment by lending institutions and insurance companies has continued unabated in minority and integrated neighborhoods in the United States. President Clinton has nominated a highly qualified, competent and motivated person for Assistant Secretary of Fair Housing and Equal Opportunity to address these problems.

The National Fair Housing Alliance was founded in 1988 and represents private nonprofit fair housing agencies throughout the country. It is the only national organization whose concern is solely the elimination of housing discrimination in the United States.

NFHA's constituent members, the private fair housing agencies, have compiled an impressive record of success in fair housing enforcement because they have combined vigorous representation of the victims of discrimination with equally vigorous advocacy for institutional change. Today these private fair housing organizations play an essential role in the education about and enforcement of the fair housing laws, effectively utilizing the system established by Congress and various states and localities, and complementing the work of the government enforcement agencies.

The members of the Alliance are dedicated to making all housing accessible regardless of race, color, religion, sex, familial status, disability or national origin.

In January, NFHA discussed with Secretary Henry Cisneros the qualifications we believe are essential in the Assistant Secretary for Fair Housing and Equal Opportunity. Secretary Cisneros expressed his complete confidence in Ms. Achtenberg's abilities to fill this position. Once we met with Ms. Achtenberg we agreed fully with the Secretary. In our discussions with Ms. Achtenberg, we found her to be thoughtful about the law and its implications for our neighborhoods and country; intelligent, revealed in the speed of her acquisition of knowledge and the acuity of her perception; sensitive to the needs of the victims of discrimination as well as the concerns of the housing industry; understanding of the role private fair housing organizations can and should play in the achievement of equal access to housing; creative and to the point in her approach to problem solving; and committed to the full enforcement of the fair housing laws.

The full enforcement of fair housing and fair lending laws is of crucial importance in this country. Discrimination affects not only individuals and families, but neighborhoods and communities. Lack of access to credit, racial steering practices, denial of homeowners insurance, concentration of subsidized housing in low income communities, and restrictive zoning laws have contributed significantly to the physical, economic, and social deterioration of our neighborhoods. We believe Ms. Achtenberg has an accurate perception of the complex nature of systemic discriminatory practices and will use the authority of the Office of Fair Housing and Equal Opportunity to promote the policy of the United States "to provide, within constitutional limitations, for fair housing throughout the United States." We firmly believe that under Ms. Achtenberg's direction that there will be vigorous, positive and focused action to combat housing, lending and insurance discrimination.

We urge the Senate to expeditiously approved the nomination of Ms. Roberta Achtenberg as Assistant Secretary for Fair Housing and Equal Opportunity. If you have any questions or if we can provide additional information in support of Ms. Achtenberg's nomination, please feel free to contact us.

Sincerely,

WILLIAM R. TISDALE,
President.

NORTHWEST INDIANA
OPEN HOUSING CENTER,
Gary, IN, April 16, 1993.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

DEAR CHAIRMAN RIEGLE: The Northwest Indiana Open Housing Center is the only private nonprofit fair housing agency in the state of Indiana. We are located in a region that studies for over twenty years consistently find to be among the most intensely segregated metropolitan areas in the U.S.—this despite our hard work since 1978. We are therefore in a position to understand the scope and difficulty of the job facing HUD's Assistant Secretary for Fair Housing and Equal Opportunity.

We firmly support Roberta Achtenberg's nomination to that post.

We are very favorably impressed by her credentials.

Those of us who dedicate ourselves professionally and personally to fair housing know that the work of the Assistant Secretary for Fair Housing and Equal Opportunity will have a massive, long-term, daily effect on our lives—and more important, on the lives of those we serve. We therefore need to know something of a candidate for that position beyond the resumé.

When Ms. Achtenberg's name surfaced as a contender, we contacted several trusted friends in California and their networks. All of them are now working or have been involved in advocacy for human rights. We learned the following things of Ms. Achtenberg, and they are what convinces us that she should hold the position of Assistant Secretary for FH & EO:

(1) Ms. Achtenberg's concern for human rights spans a full range. Each of the persons with whom we spoke tended to concentrate in one or two areas of civil rights, but all of them referred to her work on rights issues in addition to their own interests. There was complete agreement that Ms. Achtenberg is not identified with single-interest groups, and the term "broad agenda" was repeatedly used to describe her attitude towards promoting civil rights.

(2) Ms. Achtenberg's concern for equal opportunity is not displayed only when she is

addressing those issues specifically, but is an underlying principle guiding all her work.

(3) Ms. Achtenberg's high intelligence and educational achievements do not incline her to concentrate on abstractions, but constitute a base for effective and efficient action informed by theoretical knowledge and grounded by common sense.

Those are the qualities needed at HUD, to enable Secretary Cisneros, this administration, and our country as a whole to move closer to the promise of fairness and equal opportunity for all.

Sincerely,

MAHLON J. PLUMB,
President.
CONSTANCE KAY MACKWARD,
Executive Director.

PACIFIC GAS AND ELECTRIC CO.,
Oakland, CA, April 28, 1993.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR RIEGLE: This letter is to offer my support for Supervisor Roberta Achtenberg of San Francisco for the position of Assistant Secretary of Fair Housing and Equal Opportunity in the U.S. Department of Housing and Urban Development. I have had the opportunity to work with Supervisor Achtenberg on numerous issues and occasions.

She has exhibited fine leadership skills on many critical issues impacting San Francisco. On all occasions I have found her to be an official one can work with. Supervisor Achtenberg has given a great deal of time and energy to the City of San Francisco.

I join with other San Franciscans in looking forward to the leadership Supervisor Achtenberg will provide from Washington, DC.

Best regards,

————— —————.

RELIGIOUS ACTION CENTER OF REFORM JUDAISM,
March 25, 1993.

Hon. JIM SASSER,
Chair, Committee of Banking, Housing, and Urban Affairs, Russell Senate Office Building, Washington, DC.

DEAR SENATOR SASSER: As you may know, I represent the 1.5 million members of the Reform Jewish community throughout the United States. I am writing on behalf of a distinguished and respected member of one of our synagogues: Roberta Achtenberg.

She has been nominated by the Administration to be Assistant Secretary of Housing and Urban Development for Fair Housing and Equal Opportunity. Her background in public policy, including fair housing policy, is exemplary. I have the privilege to sit on the boards of several national civil rights organizations, and can attest to the high regard in which Roberta is held by a number of communities—including my own.

Roberta is deeply respected by the Jewish community in San Francisco and is greatly admired as an advocate for civil rights and for Jewish concerns. Her selection has attracted much interest and support from the national Jewish community. Her confirmation will be considered by the Jewish community a major contribution by the Clinton Administration.

Sincerely,

DAVID SAPERSTEIN.

SHELLEY ELVIRA SALIERI,
San Francisco, CA, March 12, 1993.

Senator DONALD W. RIEGLE,
U.S. Senate, Washington, DC.

DEAR SENATOR RIEGLE: This letter is in support of the confirmation of Roberta Achtenberg of California for the office of Assistant Secretary of Housing and Urban Development.

I have known Ms. Achtenberg for some time and I have keenly observed her in her elected position of Member of the Board of Supervisors of the City and County of San Francisco.

During her tenure as a Supervisor she has exhibited the highest degree of ability and integrity. She has executed the duties and responsibilities of office in a most exemplary manner.

Supervisor Achtenberg is an attorney of great knowledge and ability, especially in civil rights law. With this knowledge and experience she is the best qualified person to carry out the function of the position that President Clinton could have selected.

Roberta Achtenberg is a most gracious person. She accepts both criticism and praise with grace, poise and honesty. I have worked with her on several legislative matters and can personally attest to these qualities.

Roberta Achtenberg is vitally concerned with the problems of housing families. As a parent she is acutely aware of the need for quality family housing so that our children can grow in safe, secure and nurturing surroundings. Illustrative of that concern is a public hearing that she has been holding in San Francisco to assess the accessibility to housing for families. This is in her capacity of Chair of the Housing and Land Use Committee of the Board of Supervisors of the City and County of San Francisco.

She will be fair and firm in her management of the programs of her office and will be an exemplary government official.

I urge you to vote to report her nomination to the full Senate with the recommendation for confirmation.

Very truly yours,

SHELLEY ELVIRA SALIERI.

CITY AND COUNTY OF SAN FRANCISCO, HUMAN RIGHTS COMMISSION, OFFICE OF MINORITY/WOMEN BUSINESS ENTERPRISE, OFFICE OF CONTRACT COMPLIANCE, OFFICE OF DISPUTE RESOLUTION,
March 15, 1993.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR RIEGLE: I am writing to you in your capacity as the Chairman of the Senate's Committee on Banking, Housing and Urban Affairs to contribute my utmost support and personal recommendation of Roberta Achtenberg as the Assistant Secretary of Fair Housing and Equal Opportunity in the Department of Housing and Urban Development (HUD). I have known Ms. Achtenberg for over ten years in our mutual capacities as civil rights lawyers in the San Francisco Bay area and as community activists on behalf of the poor, disadvantaged and victims of discrimination.

I am now serving my third year as Executive Director of the Human Rights Commission for the City and County of San Francisco. Our City department is the official anti-discrimination agency for our local government, we enforce local civil rights ordinances covering housing, public accommodations, employment and neighborhood disputes. Prior to this, I served as the Affirmative Action Director for the Mayor of San Francisco and then eleven years as managing attorney for the Asian Law Caucus, Inc., a civil rights community law office serving the indigent Asian communities. My legal and advocacy experience has focused on private and public housing for the poor.

In my professional career, I have come to know many Bay Area persons who have dedicated their talent, commitment and personal time to improve the living standards of our poor. Roberta Achtenberg stands out as a leader whose dedication and smart, problem-solving approaches have earned her the admiration of many different communities. From her earlier years as an attorney to her present occupation as one of the must respected County Supervisors for San Francisco, Roberta has accomplished many legal, organizing and policy victories that have directly enhanced the lives of many people. Her tireless work on improving protection for tenants against wrongful evictions, her continued leadership and support in the construction of more affordable housing for economically struggling families, her leadership in legislative efforts to speed the transition from dependent welfare to permanent employment through innovative job training programs and her support for fostering minority and women business and employment opportunities are but to name a few of the vast ideas and projects credited to her leadership.

One of the most outstanding attributes of Roberta's work is her commitment and ability to bring together the diverse communities of the Bay Area to resolve common problems. It is no exaggeration to express how important this attribute is to us who live and work in one of the most socially and economically diverse populations of our country. As a representative of the Asian communities, and now as Director of the Human Rights Commission which oversees all of our different communities, I can assure you and the Senate that Ms. Achtenberg embodies the dedication, commitment and tested professional experience to make all of us proud in her appointment to this very important position of our government.

I would like to note for your attention the recent action taken by the Board of Directors for the International Association of Official Human Rights Agencies (see attached letter of March 11, 1993). Their endorsement of Ms. Achtenberg's appointment is yet another clear indication of the diverse support she has earned. The diversity in our communities and of those embodied in all of the membership of IAOHRA must signal the level of confidence we have in recommending Roberta Achtenberg to you.

Through your fine work as Senators of this great nation, I know you struggle with the challenge to increase hope and cooperation with our federal government. I recommend to you a person who will contribute distinctively and honorably in carrying out the mission of HUD. I gladly place before you one of "our best", deserving of the challenge and eager to meet the responsibilities as Assistant Secretary to the Department of Housing and Urban Development.

Most Sincerely,

EDWIN M. LEE,
Director, San Francisco Human Rights Commission.

SAN FRANCISCO BLACK FIREFIGHTERS
San Francisco, CA, April 16, 1993.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

DEAR MR. RIEGLE: I am writing to express my strong support of Ms. Roberta Achtenberg in her nomination as Assistant Secretary of Fair Housing and Equal Opportunity in the Department of Housing and Urban Development.

My experience with Ms. Achtenberg rests with her experience with Equal Rights Advocates (ERA). ERA worked with the San Francisco Black Firefighters Association (BFA) in its struggle to integrate the San Francisco Fire Department to include more minorities and women. Historically the San Francisco Fire Department had been very homogeneous, made up of mainly white males. The first African American entered the Department in 1955. In 1972, the Department had four (4) African Americans. Women were not allowed to even take the examination for the entry-level position of firefighter until 1976. The first women, to be employed as firefighters, entered the Department in 1987. A coalition was formed by the BFA, ERA, various organizations and community groups to work towards integration of the San Francisco Fire Department. The City of San Francisco attempted to break the coalition for political reasons. The reason the coalition remained steadfast and strong were due to the work of Roberta Achtenberg and others.

Though she led the group working with women's and lesbian's rights, Ms. Achtenberg did not limit her struggle to these groups, including African American, Hispanic and Asian. Today, through the effort of her and others, we are closer to having a fire department which mirrors the city it serves.

Because of her past and current efforts, as well as, a demonstrated commitment to all groups, I strongly recommend that Roberta Achtenberg be approved in her appointment as Assistant Secretary of Fair Housing and Equal Opportunity in the Department of Housing and Urban Development.

Sincerely,

ROBERT L. DEMMONS,
Past President.

SAN FRANCISCO LABOR COUNCIL
AFL–CIO,
San Francisco, CA, March 30, 1993.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR RIEGLE: The purpose of this communication is to strongly recommend Roberta Achtenberg for the position of Assistant Secretary for Fair Housing and Equal Opportunity.

The aforementioned recommendation is based on my personal experience in working with Roberta over a period of years, both in her capacity as an elected official, and her involvement in community support activities. Roberta becomes involved because of the necessity for all citizens to have a voice within the community, and her deep dedication and commitment.

Roberta is always well informed and is qualified to deal with sensitive and complicated issues. Her broad cross section of experience will be a tremendous asset as she puts her time, talents and energy to work to help solve some of the more difficult and demanding problems that have developed into one of America's most serious and festering wounds.

I am supremely confident Roberta Achtenberg will fulfill all of the responsibilities inherent in the aforementioned position, thereby serving as a model for all who follow.

Please feel free to contact me if further information is required.

Thank you.

Sincerely,

WALTER L. JOHNSON,
Secretary-Treasurer.

SAN FRANCISCO LA RAZA
LAWYERS ASSOCIATION,
San Francisco, CA, March 17, 1993.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

HONORABLE CHAIRMAN: San Francisco La Raza Lawyers Association welcomes the opportunity to express its support for Supervisor Roberta Achtenberg to the position of Assistant Secretary of the United States Housing and Urban Development Department.

San Francisco La Raza Lawyers Association is a professional association representing more than five hundred members and supporters in the San Francisco Bay Area. Our primary responsibilities are to enhance opportunities for Latino attorneys in their respective areas of practice, provide educational forums to community members, and to facilitate the appointment of Latino attorneys to vacancies in the judicial branch. Currently, we are organizing the 1993 Hispanic National Bar Association Convention which will take place in San Francisco from September 23rd to the 26th. We would be honored to have you and other members of your committee present at this historic event.

It is this associations' position that supervisor Roberta Achtenberg has been a concerned and dedicated public servant throughout her tenure as supervisor. In her official capacity, she has shown sensitivity to the plight of the Latino community in San Francisco and has worked consistently in support of programs and measures which have advanced the interests of our community. She's held this same commitment long before she was elected to the Board of Supervisors when she was working as Dean of New College of California School of Law. In her capacity as Dean, she made sure that minority law school applicants were fairly considered, admitted to, and retained in the law school. It is our belief and expectation that she, as Assistant Secretary to H.U.D., will continue to exercise good judgment and discretion with respect to her duties and in the developments of new methods for dealing with the myriad of problems facing this agency.

Thank you for allowing us the opportunity to express our support for Supervisor Achtenberg. We are available to provide any additional assistance and information regarding the candidate and/or our association. Please feel free to contact us.

Sincerely yours,

ENRIQUE RAMIREZ,
President.

SAN FRANCISCO MEDICAL SOCIETY,
March 19, 1993.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

Hon. PAUL S. SARBANES,
Chairman, Subcommittee on Housing and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

Hon. ALFONSE D'AMATO,
Ranking Minority Member, Committee on Banking, Housing, and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

DEAR SENATORS RIEGLE, SARBANES, AND D'AMATO: On behalf of the San Francisco Medical Society, it is my pleasure to support Roberta Achtenberg's nomination as Assistant Secretary of Fair Housing and Equal Opportunity in the Department of Housing and Urban Development.

While we will miss her presence in San Francisco, we believe that she will be a welcome and productive addition to the federal government. During her tenure as Supervisor, we had numerous occasions to meet and confer with Supervisor Achtenberg on matters affecting health care in San Francisco. We found her to be well informed on the issues and balanced in her approach. It was a pleasure to interact with her and always felt that we got a fair hearing, even when she disagreed with the positions we advocated. We found her to be a strong advocate and a skillful builder of consensus on difficult issues.

We urge you to confirm Ms. Achtenberg as Assistant Secretary of Fair Housing and Equal Opportunity. Please contact our Executive Director Susan Waters if we can provide additional information in support for her nomination.

Sincerely,

DAVID J. SOFFA, MD,
President.

SAN FRANCISCO
PHYSICALLY DISABLED QUORUM,
April 2, 1993.

HONORABLE MEMBERS,
Committee on Banking, Housing, and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

DEAR SENATORS: We are writing to support the appointment of Roberta Achtenberg to the position of Assistant Secretary for Fair Housing and Equal Opportunity in The Department of Housing and Urban Development.

We are a local, independent organization of people with physical disabilities whose mission is to advocate for greater accessibility. We do not receive any funding from anyone outside our membership.

People with disabilities have more problems with housing and are more in need of strong enforcement of fair housing laws than any other group. Many people who have become disabled have had to give up jobs only because they could not find a home which they could leave or enter independently. A home with a doorway too narrow for a person with a disability, a kitchen or bathroom unusable by a person with a disability, is just as much discrimination as a sign saying "No Women Allowed" or "No African-Americans Allowed".

Supervisor Achtenberg has been a leader in civil rights and fair housing in San Francisco. She led the fight to get stricter penalties for motorists blocking curb ramps, a difficult fight in this city with one of the worst parking problems in the country, and with some officials regarding this blockage as a driver's right. She is the rare official who is genuinely sensitive to disability issues, and not merely taking a proper political stance. Her brother was a quadriplegic who was killed in a street accident that would not have occurred if there had been better enforcement of disability rights.

We look forward to her developing policies for equal and fair housing.

Sincerely,

STANLEY PAUER,
Co-Chair.
ELLEN LIEBER,
Co-Chair.

CITY OF BALTIMORE,
OFFICE OF THE MAYOR,
Baltimore, MD, March 29, 1993.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR RIEGLE: This is in support of the nomination of Roberta Achtenberg for the position of Assistant Secretary of Fair Housing and Equal Opportunity in the Department of Housing and Urban Development.

As you know, Ms. Achtenberg has served with distinction as a member of the Board of Supervisors in San Francisco. I am aware of the fact that numerous letters of recommendation were sent to the Clinton transition office urging the appointment of Ms. Achtenberg to a senior policy position within the new administration. Her outstanding career in public service warrants the strong support that she has received from around the country. I had the pleasure of serving with her as a member of the platform drafting committee for the Democratic Party. I was very impressed with her knowledge and sensitivity to the concerns of urban America. She will be an extremely effective advocate for fair housing and equal opportunity policies in this very important agency of the federal government. I strongly urge you to support this nomination.

If I can provide additional information in support of Ms. Achtenberg, please do not hesitate to contact me.

Sincerely,

KURT L. SCHMOKE,
Mayor.

YOUR SEATTLE HUMAN
RIGHTS DEPARTMENT,
March 19, 1993.

Hon. DONALD W. RIEGLE, Jr.,
Chair, Committee on Banking, Housing, and Urban Affairs, U.S. Senate, Washington, DC.

DEAR SENATOR RIEGLE: The Seattle Human Rights Department is the agency charged with enforcing the fair employment and open housing ordinances for the City of Seattle. We have had a long-standing relationship with the Department of Housing and Urban Development (HUD) to jointly investigate charges of housing discrimination that fall within the jurisdiction of both agencies.

Seattle is fortunate in having a local ordinance that provides strong antidiscrimination protection for people seeking affordable housing. In many parts of the country, however, the federal fair housing laws provide the only protection. Therefore, it is vitally important that those laws be vigorously enforced.

I am writing to support the nomination of Roberta Achtenberg as HUD's Assistant Secretary for Fair Housing and Equal Opportunity. I am familiar with Ms. Achtenberg's long-standing commitment to civil rights. I believe that she is an excellent candidate and will be a strong advocate for the right to fair and affordable housing.

Sincerely,

BILL W. HILLIARD,
Director.

JAMES M. SEFF,
ATTORNEY AT LAW,
San Francisco, CA, April 7, 1993.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

Hon. PAUL S. SARBANES,
Chairman, Subcommittee on Housing and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

Hon. ALFONSE D'AMATO,
Ranking Minority Member, Committee on Banking, Housing, and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

DEAR SENATORS: I write with a strong recommendation of support for Roberta Achtenberg as Assistant Secretary of Fair Housing and Equal Opportunity in the Department of Housing and Urban Development.

As a partner in San Francisco's largest law firm, Pillsbury Madison & Sutro, and as the immediate past president of the Bar Association of San Francisco, I have had occasion to observe Supervisor Achtenberg on several occasions, and with a sometimes critical eye. Her background clearly qualifies her for the job to which President Clinton has nominated her. She has, for her whole professional life, been a distinguished champion of the downtrodden and the underclass. She earned her distinction by creative policies and vigorous action, and has been a champion of small businesses, affordable housing for poor people, protection for tenants subject to wrongful eviction by rapacious landlords (but, and this is important, she is rational in her support and does not blindly support people simply because of their status), and other civil rights issues.

Roberta Achtenberg is a lesbian, and, as such, would add an interesting and overdue element of diversity to the administration. But that is not why I support her. Rather, I believe she is immensely qualified for the job, fully professional, competent, reasonable, smart and tough. In short, she is the ideal candidate for this position at this time.

I would be pleased to supplement this letter with additional information if requested.

Sincerely,

JAMES M. SEFF.

SAN FRANCISCO, CA,
March 22, 1993.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

DEAR DON: I am writing on behalf of Roberta Achtenberg to endorse her nomination as Assistant Secretary of Fair Housing and Equal Opportunity in the Department of Housing and Urban Development.

I have personally known and worked with Roberta favorably over the years on a multitude of issues faced by the city of San Francisco. Given her academic, legal and public policy expertise as well as her ability to build bridges between diverse communities I believe Roberta will serve as an excellent Assistant Secretary for the Department of Housing and Urban Development.

I highly recommend Roberta Achtenberg for this position and appreciate your serious consideration. I look forward to seeing you soon so that I may thank you in person. I will call you next time I am in Washington.

Sincerely,

WALTER H. SHORENSTEIN.

SOUTH SUBURBAN HOUSING CENTER,
Homewood, IL.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR RIEGLE: We are a small, not-for-profit fair housing agency located in the southern suburbs of Chicago. During our seventeen years in business we have achieved many success stories in our fight against housing discrimination. However, we have much work to do and the logical, most intelligent way to continue our efforts is with the nomination of Ms. Roberta Achtenberg.

Ms. Roberta Achtenberg has a proven track record in civil rights and has the full support of the South Suburban Housing Center. We are confident she will lead the Office of Fair Housing and Equal Opportunity into the 21st century with determination and perseverance.

We urge your expeditious nomination of Ms. Roberta Achtenberg as Assistant Secretary for Fair Housing and Equal Opportunity. With her at the helm we are poised for progress.

Yours in fair housing,

GEORGE COLE,
Executive Director.

ASSEMBLY CALIFORNIA LEGISLATURE,
March 8, 1993.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR RIEGLE: It is my pleasure to endorse the nomination of San Francisco Supervisor Roberta Achtenberg as Assistant Secretary of Fair Housing and Equal Opportunity in the Department of Housing and Urban Development.

Supervisor Achtenberg is well known in the Bay Area for her achievements as a civil rights attorney, as well as her contributions as a dean at the New College of California School of Law and a teaching fellow at the Stanford Law School.

As a San Francisco Supervisor, Roberta Achtenberg's legislative efforts included enhancing protection for tenants against wrongful eviction, supporting construction of affordable housing for low income families and helping speed the transition from welfare to permanent employment through city sponsored job training programs. I am particularly impressed with her policy making that guarantees small business, women and minorities participation in bidding for city contracts and enhanced compliance monitoring efforts by the City Human Rights Commission.

Supervisor Achtenberg serves on the board of directors of the United Way of the Bay Area and numerous other volunteer organizations, including the Jefferson Elementary School PTA and California Women Lawyers. She is a Phi Beta Kappa graduate of the University of California at Berkeley and received her law degree from the University of Utah School of Law, where she was elected to the Order of the Coif.

Roberta Achtenberg is clearly an outstanding candidate for this post, and I strongly encourage you to support her nomination.

All the best,

JACKIE SPEIER,
State Assemblywoman.

MARCH 19, 1993.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

DEAR DON: I am writing to encourage you to confirm the nomination of Supervisor Roberta Achtenberg as Assistant Secretary of Fair Housing and Equal Opportunity in the Department of Housing and Urban Development.

Supervisor Achtenberg is chair of the Mayor's Task Force on Family Policy and has chaired the Housing and Land Use Committee of the San Francisco Board of Supervisors. I have worked with her very closely on many issues and know her to be an outstanding public servant who possesses unfailing integrity and determination. She builds confidence in those with whom she works and has the much sought after facility of bringing people together on difficult issues and moving through roadblocks towards solutions. Supervisor Achtenberg's personal character, skills, and specific experience more than qualify her, in my view, for this important position and I know she would be an outstanding addition to the new Administration.

I hope that you and your colleagues on the Banking Committee will confirm without hesitation Supervisor Roberta Achtenberg's nomination as HUD Assistant Secretary for Fair Housing and Equal Opportunity.

Sincerely,

ROSELYNE C. SWIG.

FAIR HOUSING COUNCIL,
Upper Darby, PA, April 15, 1993.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR RIEGLE: The Fair Housing Council of Suburban Philadelphia, founded in 1956, is one of the oldest fair housing groups in the United States. The Council has been at the forefront of working to end discrimination in housing in Southeastern Pennsylvania.

The Fair Housing Council of Suburban Philadelphia wishes to go on record as supporting the nomination of Ms. Roberta Achtenberg as Assistant Secretary of Fair Housing and Equal Opportunity of the U.S. Department of Housing and Urban Development. Ms. Atchenberg has a very impressive and distinguished background. The Council believes that Ms. Atchenberg has the commitment it will take to effectively enforce the Fair Housing Amendments Act of 1988.

Sincerely,

KATHLEEN HENDERSON,
Chairperson, Board of Directors.

TEXAS COMMISSION ON HUMAN RIGHTS,
Austin, TX, March 16, 1993.

Hon. PHIL GRAMM,
U.S. Senate, Member, Committee on Banking, Housing and Urban Affairs, Russell Office Building, Washington DC.

DEAR SENATOR GRAMM: As Chairman of the Texas Commission on Human Rights I am pleased to support the nomination of Roberta Achtenberg for the position of Assistant Secretary, Fair Housing and Equal Opportunity, U.S. Department of Housing and Urban Development. I urge that you act affirmatively on her confirmation.

Ms. Achtenberg graduated Phi Beta Kappa from the University of California at Berkeley. She received her law degree from the University of Utah School of Law, where she was elected to the Order of Coif. Ms. Achtenberg has an outstanding reputation as a civil rights attorney, law professor and dean at the New College of California School of Law. Also, Ms. Achtenberg has been a creditable reputation as an elected public official in San Francisco and Bay Area.

The Texas Commission on Human Rights enforces the Texas Fair Housing Act. This Act was the first fair housing law in the country to be certified as substantially equivalent to the Federal fair housing law, the Civil Rights Act of 1968, as amended in 1988. Therefore, the Commission has an essential interest in the person to be nominated and confirmed as the Assistant Secretary for Fair Housing and Equal Opportunity, U.S. Department of Housing and Urban Development. From my vantage point Ms. Achtenberg possess all of the necessary credentials to do an outstanding job in this capacity.

Your attention to this matter is greatly appreciated.

Sincerely,

FRANK THOMPSON,
Chairman.

HOUSE OF REPRESENTATIVES,
Washington, DC, April 28, 1993.

Senator DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs, Dirksen Building, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE: We, the undersigned Members of the California Democratic Delegation, are writing to strongly urge your favorable consideration of the nomination of Roberta Achtenberg as Assistant Secretary for Fair Housing and Equal Opportunity in the Department of Housing and Urban Development.

As a Member of the San Francisco Board of Supervisors since 1990, and as the former Chair of that body's Housing and Land Use Committee, Ms. Achtenberg has clearly established herself as a leader in the area of housing policy. She has consistently and effectively fought for expanded housing opportunities for the city's residents, and has worked aggressively in the battle against housing discrimination in San Francisco and in the state of California.

In addition, she would bring to the Assistant Secretary's office a solid fifteen years as a civil rights attorney, law professor, and law school dean. Her success in advocacy, in academia, and in the legislative arena clearly make her an outstanding candidate. We applaud the President's decision to draw upon the skills of such a dedicated and principled public servant for this important post.

We urge you to report her nomination favorably to the full Senate, and thank you for your consideration.

Sincerely yours,

Nancy Pelosi, Noman Y. Mineta, Barbara Boxer, Ronald V. Dellums, Tom Lantos, Howard L. Berman, George Miller, Gary A. Condit, Lynn C. Woolsey, Bob Filner, Dan Hamburg, Robert T. Matsui, Maxine Waters, Don Edwards, Vic Fazio, George E. Brown, Jr., Julian C. Dixon, Richard Lehman, Anna Eshoo, Lynn Schenk, Pete Stark, Matthew S. Martinez, Cal Dooley, Walter R. Tucker III

THE UNITED WAY,
San Francisco, CA, March 23, 1993.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR RIEGLE: Building a better community has always been Roberta Achtenberg's personal and professional goal. Over the years, I have come to learn that her great skill, knowledge and ability has been one of the key elements in the development of the Bay Area.

Serving others without expectation of return has been one of the hallmarks of a gifted leader. Clearly, Roberta has worked hard her entire career to improve the quality of life of our entire Bay Area community.

In an era when some of our best and brightest are not attracted to public service, it is truly an honor and pleasure to recommend a leader of national stature for the position of Assistant Secretary for Fair Housing and Equal Opportunity, without reservation.

Sincerely,

THOMAS A. RUPPANNER,
President.

CITY AND COUNTY OF SAN FRANCISCO,
March 14, 1993.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

DEAR MR. RIEGLE: I urge your support for the nomination of Roberta Achtenberg to the position of Assistant Secretary of Fair Housing and Equal Opportunity in the Department of Housing and Urban development.

Roberta was elected to the Board of Supervisors of the City and County of San Francisco in November, 1990, the same date I was elected president of that body. As a freshman supervisor she served admirably as vice chair of the Board's City Services Committee. She has since served as Chair of the Housing and Land Use Committee and is currently a member of the Economic Vitality and Social Policy Committee. She represents San Francisco as a director of the Bay Area Air Quality Management District, and is Chair of the Finance Committee of the San Francisco County Transportation Authority.

Ms. Achtenberg's collegate background is equally impressive. She was graduated Phi Beta Kappa from the University of California at Berkeley and earned her law degree from the University of Utah School of Law, where she was elected to the Order of the Coif.

Roberta was an early endorser of then Governor Bill Clinton and served as a national co-chair of the Clinton for President Campaign. Mr. Clinton appointed her to the drafting committee of the 1992 Democratic Party Platform where she delivered an address in support of the platform at the Democratic National Convention in New York.

I am certain that Roberta would do an outstanding job as Assistant Secretary of Fair Housing and Equal Opportunity in the Department of Housing and Urban Development. I would very much appreciate your support of her appointment.

Sincerely,

DORIS M. WARD,
Assessor.

WESTSIDE FAIR HOUSING COUNCIL,
Los Angeles, CA, April 20, 1993.

Hon. DONALD W. RIEGLE, Jr.,
Chair, Committee on Banking, Housing, and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR RIEGLE: On behalf of the Board of Directors of the Westside Fair Housing Council, I urge the Senate to approve the nomination of Roberta Achtenberg as Assistant Secretary of Fair Housing and Equal Opportunity of the U.S. Department of Housing and Urban Development.

Westside Fair Housing Council is a nonprofit community-based organization which celebrated its 25th anniversary this past February as a major fair housing service provider in Los Angeles County. Our community organization has come to understand the great need for fair housing enforcement to ensure the success and smooth operation of our fair housing work.

We have reviewed Roberta Achtenberg's career in civil rights enforcement and recognize her commitment to equal opportunity. Therefore, WFHC strongly supports Roberta Achtenberg's nomination.

Sincerely,

STEPHANIE KNAPIK,
Executive Director.

GLIDE MEMORIAL UNITED
METHODIST CHURCH,
San Francisco, CA, March 17, 1993.

Hon. DONALD W. RIEGLE, Jr.,
Chair, Committee on Banking, Housing, and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR RIEGLE: I am writing to express my full support of Roberta Achtenberg, nominated as Assistant Secretary of Fair Housing and Equal Opportunity in the Department of Housing and Urban Development.

As a civil rights attorney, law school professor and dean, and as a member of the San Francisco Board of Supervisors, Ms. Achtenberg has consistently demonstrated a strong commitment to effectively reach those who are homeless and poor, including the thousands who come to Glide Church for help every day. She has worked tirelessly to make sure that resources and facilities are properly funneled to where the human needs were greatest.

Ms. Achtenberg has also demonstrated a steadfast commitment toward minority groups. Her record in working with people of different races and cultures is unparalleled.

Further, Ms. Achtenberg has not only been an effective advocate in the halls of government, but has worked in the trenches as well. Her combination of empathy, understanding and knowing how to get things done is rare to find among people who may be seen as wanting to engage in acts of good will. Her good will translates into good action, including the pursuit of justice and equity or all people.

Those of us who work with the homeless and poor in San Francisco and elsewhere strongly support her confirmation as Assistant Secretary.

Sincerely,

Rev. CECIL WILLIAMS,
Minister and CEO.

San Jose, CA, April 20, 1993.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

DEAR MR. RIEGLE: I am writing to urge you to support the confirmation of San Francisco Supervisor Roberta Achtenberg as Assistant Secretary of Fair Housing and Equal Opportunity.

I am a partner in the law firm of Pillsbury Madison & Sutro. My work as an attorney has brought me in direct contact with a number of public officials. None of them were more open, more receptive or more responsive than was Supervisor Achtenberg. Her work in San Francisco on the Human Rights Commission, as Chair of the Housing and Land Use Committee and as a member of the Economic Vitality and Social Policy Committee, demonstrate the perception, experience and broad perspective she will bring with her to the Department of Fair Housing and Equal Opportunity.

Finally, Ms. Achtenberg's service as executive director of the National Center for Lesbian Rights and her status as a leader of the San Francisco gay and lesbian community demonstrates her willingness to take strong stands in favor or civil rights for all individuals. Ms. Achtenberg's courage and leadership in the area of civil rights will further broaden the perspective she brings with her to the Department of Fair Housing and Equal Opportunity. I encourage you to confirm her nomination.

Very truly yours,

RANDOLF J. RICE.

HOUSING DISCRIMINATION
PROJECT, INC.,
Holyoke, MA, April 15, 1993.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs, Dirksen Senate Office Building, Washington, DC.

DEAR MR. RIEGLE: I am writing on behalf of the Housing Discrimination Project to enthusiastically support the nomination of Roberta Achtenberg as Assistant Secretary of Fair Housing and Equal Opportunity of the U.S. Department of Housing and Urban Development.

As an Attorney and the Director of a fair housing organization for the past three years, I know how important it is for the new Assistant Secretary to be an individual who will effectively manage HUD's fair housing enforcement responsibilities and provide leadership in promoting policies and administering programs to end housing discrimination. Our non-profit organization's sole purpose is to promote fair housing through testing, enforcement, education and outreach activities. We have experienced serious problems with HUD's investigation of housing discrimination complaints we have filed over the last three years.

I personally know Ms. Achtenberg from my contact with her when I lived in San Francisco and worked at the New College of California School of Law. She has an outstanding reputation in San Francisco as a skilled lawyer who has worked on civil rights issues for fifteen years and as the director of a nonprofit organization committed to equal rights.

Ms. Achtenberg will be an excellent Assistant Secretary of Fair Housing and Equal Opportunity. I hope she will be quickly confirmed so that her work can begin.

Yours Truly,

PEGGY MAISEL,
Executive Director.

Mrs. BOXER. So we have heard a lot on this floor yesterday, and the same things have been repeated today. I will read from today's editorial in the San Francisco Chronicle.

The Senator from Mississippi yesterday—and he to his credit said today he was in error yesterday—when he said that an editorial written by the San Francisco Chronicle attacked Roberta Achtenberg. The fact is, no such editorial ever appeared.

So why do I not, at this time, read from the editorial that has appeared today? This, by the way, is a newspaper that endorsed George Bush for President. This is a newspaper that did not endorse this Senator. I want to read from this editorial today. "Affirmative Vote For Achtenberg" is the headline.

Indeed, it is The Chronicle's view that President Clinton made an excellent choice when he nominated Achtenberg as assistant secretary for housing and equal opportunity. She should prove a useful addition to the Department of Housing and Urban Development, a government agency in need of fresh talent.

Much of the Senate hearing into her nomination has not involved her qualifications to serve, but her sexual orientation.

The Senate has the obligation to base its decision on Achtenberg's professional qualifications * * * the only reference to "a twisted mind" that appeared in The Chronicle was in a letter to the editor reflecting one reader's view of Achtenberg and other members of the Board of Supervisors.

Mr. President, I know this debate is heated. I do not feel very good about that. Because I do not think it is necessary to go through hour after hour after hour of answering charges which are noncharges. And I believe that the chairman of the Banking Committee refuted those, point by point.

The Senator from Mississippi has mentioned the word Boy Scouts about 50 times in the last 2 days. He is a fan of the Boy Scouts. I am a fan of the Boy Scouts. But it does not change the facts. The facts are that the United Way, Bay Area, in California, has a rule, and the rule states that if an organization discriminates the United Way cannot give that organization funding. And it includes in the definition—unlike many other areas of the country, I admit that is true—it includes in the definition of discrimination, sexual orientation.

So the United Way set up a task force. I discussed this at length yesterday. I will summarize it today. The task force had a number of community leaders on it. Roberta Achtenberg was not on it. The task force reported to the board of directors of the United Way and said, indeed, sadly it was true, that the Boy Scouts did in fact discriminate on the basis of sexual orientation. And they, the task force, believed that the United Way had no choice but to defund the Boy Scouts.

There was a vote on the board of directors of the United Way; 34 people were there. I read some of those people to you yesterday. I am going to read them to you again today. These are the people who voted with Roberta Achtenberg because they felt that the Boy Scouts should change their rules.

The president and CEO of the Shaklee Corp.; the president and CEO of Pacific Gas & Electric; the former CEO of Chevron Corp.; the CEO of NUMMI Motors; James McCray, of Jones United Methodist Church; Arnold Perkins of the San Francisco Foundation; Walter Johnson of the San Francisco labor Council; Terrence Murphy of TRI Realtors; Stephen Gramm, of Kaiser Permanente, Katherine Shen, publisher of the Marin Independent Journal; James Cunha, of Arthur Andersen &

Co.; Lois Callahan, chancellor, superintendent of the San Mateo Community College District.

So, Roberta Achtenberg was 1 of 32 people who voted that unless the Boy Scouts changed their charter in this bay area region, they could not receive funds from the United Way.

Agree or disagree, this is not a subversive thing. These are people from corporate America who are trying to make progress, trying to wake people up to understand that, although we bar discrimination on the basis of race, on the basis of ethnicity, on the basis of gender, on the basis of age, on the basis of disability, we still do not bar discrimination, all too often, on the basis of sexual orientation. And they felt they had to stand behind their own charter.

These are Republicans; these are Democrats; these are Americans. This is not subversive. This is contentious. It is an argument. And I say that my colleagues have every right to disagree with Roberta Achtenberg when she cast that vote along with 31 others.

But I do not see the opposition attacking Chevron or NUMMI Motors or these churches or synagogues that were with Roberta Achtenberg on this vote. So let us keep our eye on the prize. What does that mean? It means what is important. Keep our eye on what is important: The hundreds of people and groups from all over this country who support this nominee because of her qualifications; the fact that she won awards in college, Phi Beta Kappa, the highest honors in law school, the fact that she was elected and given responsibility in San Francisco.

This is a woman of character. This is a woman of qualification. And this President would like to see this appointment made.

So I urge my colleagues, please, please cut through this dialog and keep your eye on the prize and then I think we will be proud when we vote for this woman.

I yield back the floor.

Mr. HARKIN addressed the Chair.

Mr. LOTT. Parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Mississippi will state his inquiry.

Mr. LOTT. Mr. President, how did the Chair rule on the invocation of rule 19.2?

The PRESIDING OFFICER. The Chair advised all Senators to proceed in accordance with rule 19.2.

Mr. LOTT. The rule says:

> No Senator in debate shall, directly or indirectly, by any form of words impute to another Senator or to other Senators any conduct or motive unworthy or unbecoming of a Senator.

Before I ask for the Chair's reaction to this particular point, I want to make the point that I am always very careful not to directly or indirectly impugn the integrity of my colleagues in the Senate. Maybe that is something I brought over with me from the House. I may disagree vigorously but I have the utmost respect for my colleagues in the Senate on both sides of the aisle.

So while I may not agree with this nominee at all, and do not want her to be confirmed, I fully understand why the Senator from California would defend her and advocate her case. She has known her; she is from the same city. No problem. I am not going to question her motives.

But it seems to me, over the last 2 days—and I have noticed it off and on over the last few years—there gets to be a process where certain Senators, particularly the Senator from North Carolina, is directly or indirectly accused of being a bigot or a racist when he may be questioning the qualifications of a nominee based on that person's record. I do not think we need it. I think it demeans the Senate if we do that directly or indirectly.

I urge my colleagues on both sides of the aisle not to use those kinds of words when describing other Senators in this body.

Mrs. BOXER. Will the Senator yield?

Mr. LOTT. I will be glad to yield.

Mrs. BOXER. Because I feel very bad about this debate, and I wish it was not necessary that I had to read into the RECORD Mayor Jordan's comments or, for that matter, the comments of the Chronicle.

But the fact is, I came here to fight for what I think is right, as the Senator has done and the Senator is doing.

The Senator from North Carolina made his point yesterday. He said, "My daddy said, 'Even if I don't win, I'm going to try.'" I respect that. But I do not believe, and I have to say this with all due respect, that reading into the RECORD an editorial or a response from Mayor Frank Jordan, whose name was mentioned on this floor, is improper. I think that the Chair has not ruled directly on that point, but I believe that I never raised the issue about Mayor Jordan. That was not something I raised. and I think if I am fighting for a point here, I greatly respect the two Senators who have taken the lead against this nomination because they are fighters for their point and I have to be a fighter for my point.

Mr. LOTT. I understand your point, and we have known each other for many years. I have the utmost respect for your assertive manner and your capabilities. I know that you would not make any sort of critical comment on my integrity or would not impugn my integrity. Even when it is done indirectly, I think it demeans the debate. I understand, I accept what you say, but I just hope as we go forward the rest of today and later on that we all be extra careful not to make these comments.

I would like for the Chair to rule on the question of indirectly imputing to another Senator or to other Senators any conduct or motive unworthy or unbecoming a Senator.

The PRESIDING OFFICER. The Chair refers back to the rule which does state, sub 2:

> No Senator in debate shall, directly or indirectly, by any form of words impute to another Senator or to other Senators any conduct or motive unworthy or unbecoming a Senator.

Mr. LOTT. I think that is pretty clear.

Mr. President, in view of that, I ask unanimous consent that both Mayor Jordan's letter and the San Francisco Chronicle article be stricken from the RECORD.

The PRESIDING OFFICER. Is there objection?

Mrs. BOXER. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. DOLE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Kansas has suggested the absence of a quorum. The clerk will call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. Mr. President, I would like to renew my request that the letter from Mayor Jordan and the San Francisco Chronicle article be stricken from the RECORD.

The PRESIDING OFFICER. Is there objection?

Mrs. BOXER. Reserving the right to object, just for a moment, I wish to say to my colleague, he and I have known each other for many years, and we do not always agree. Sometimes we do, and we surprise people. Because he feels that it is in the best interest of the Senate not to include these two items in the RECORD, I will not object, but I urge my colleagues on both sides of the aisle to please read these materials. They are quite relevant, I believe, to the debate.

Mr. LOTT. I thank the distinguished Senator from California for her attitude in this matter. I think the Members certainly are entitled to have access to all material that is relevant, including these letters. But when it is putting into the public record a letter or an article that seems to impugn our integrity, I would prefer that practice not be allowed to go forward, and so I renew my request.

The PRESIDING OFFICER. Without objection, the materials will be stricken.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Iowa.

Mr. HARKIN. I thank the Chair.

Mr. President, we sometimes wonder why the American people think that

Washington is out of touch. Well, we have seen a pretty good demonstration of why in the last couple of days. We have 9 million Americans out of work. We have a $4 trillion deficit. We have a health care crisis in this country. We have crime rampant in the streets. And the Senate has nothing better to do than to spend 2 days fighting a filibuster, talking about a nominee who has proven that she is eminently qualified for the job she is nominated to by the President of the United States.

Again, we should not be surprised that the American people think we are out of touch. And we should not be surprised if the American people feel that gridlock is alive and well in Washington.

Two days we have spent fighting a filibuster.

Mr. President, I know the Senator from North Carolina well. I have served with him in this body on the Agriculture Committee. He is an individual of very strong beliefs, strong feelings. I understand that. He has the right to raise questions about the nominee's ability, background, and things like that, but let us vote on this. Why filibuster it? Why hold up the Senate for 2 days? If we want to be talking about something, Mr. President, let us talk about the 9 million Americans who are out of work in this country. Let us talk about the health care crisis that plagues us day after day, that drives a lot of people into bankruptcy.

People do not have health care coverage for their kids. That is what we ought to be talking about, not this kind of nonsense. That is why I refer to it as just nonsense we are talking about here. We ought to have a good, healthy debate, but let us have the vote and move on and let us not have this ridiculous filibuster.

Mr. President, when I look at Roberta Achtenberg's career, I see an individual who spent her life working to help families, who has written ordinances to help prevent discrimination against families with children, who worked to protect tenants against wrongful eviction, who has supported construction of affordable housing for low-income families, a person who amended law to help parents get child care so they could work, who led the fight to provide domestic violence shelters to help troubled families, and who helped families move from welfare to work.

I thought that is what we wanted to do, move people from welfare into jobs, and that is what Roberta Achtenberg has done in her career. I see an individual dedicated to helping children, who led a drive to establish a children's budget in her city dedicated to helping children, youth, and their families. I see a person who has written laws to help improve the safety and access for people with disabilities.

Mr. President, for no other reason, that is why I would support this nominee, because I think she has shown a concern for those who lack the power to speak out, to fight for themselves many times.

Mr. President, I do not know if this story has been told on the Senate floor, but it ought to be told. Roberta Achtenberg's brother was disabled. He used a wheelchair. One day, in order to get across a street in San Francisco, he had to go around some parked cars because the cars were parked in the crosswalk, in the cuts where the wheelchairs go, and so he had to go around behind some other parked cars to get across the street. Because he had to come out from between those parked cars, there was little warning for the car coming down the street, the driver of which did not see him and hit him in his wheelchair and killed him.

Because of that, Roberta Achtenberg went to work to do two things: To get an ordinance passed to stiffen the penalties for cars that park in these cuts, that park in these crosswalks. But not content just to use the stick approach, she used the carrot approach. She began an energetic campaign in San Francisco to educate people as to why it was wrong for them to park their cars and block the access disabled people have to get across the streets in the crosswalks. She used her brother's own death as one of the purest examples of why we ought to be obeying those laws.

And so she did, I think, what is in the finest tradition of American public service, to take a situation that cries out for change, that needs to be rectified and modified, in this case people disregarding the law in San Francisco, parking their cars where they are not supposed to, which forced her brother to take his wheelchair in a different direction and led to his death.

But then, again, in the finest tradition of American public service, she embarked upon a campaign of educating the public as to what this meant and why it was so important for them to obey this law, not just because the fines were stiffer but because of the action of people parking their cars so that disabled people could not have freedom of movement, who were fearful of their lives.

Mr. President, I tell that story, again, to indicate the kind of true public servant she has been and the kind of sensitivity she has to people who, as I said, do not pull the levers of power, people with disabilities, and others.

So, Mr. President, when I look at Roberta Achtenberg, I see a person who has dedicated her life to the law, to affordable housing, who has been recognized time and time again for her outstanding community service and her work in making this country a better place for all to live.

Are these not the qualities we want in a person overseeing fair housing and equal opportunity in America? After all the trouble we have had at HUD the past 12 years, this is the kind of integrity and commitment we need at HUD.

Mr. President, this is one Senator who believes there is more to housing than just closets. I have always believed that people should be judged on the basis of their abilities, not upon the basis of fear or prejudice, unfounded accusations or centuries-held beliefs that we now find should not be held any longer.

We are supposed to be leaders in this country, we Senators who are honored to serve here. We are supposed to be setting an example for the rest of America to follow. If we, the chosen 100 of this country, the 100 people that represent the 250 million Americans out there, in this body, this Senate, if we cannot see beyond the differences and the unfounded fears and prejudice to judge people on the basis of their abilities, how can we expect the rest of America to do so?

Mr. President, we have already spent too much time talking about this. I am sorry that I had to spend time talking about this. This nominee is dedicated. She is qualified. She has proven she can do the job. And I intend to vote for her.

The committee voted for her by a vote of 14 to 4. It was a bipartisan vote. Obviously, the FBI did its background check, found nothing wrong, and gave her the green light. She came up before the committee. She responded to questions. She answered the questions, whatever questions were put to her, and the committee voted 14 to 4, as I said, in a bipartisan vote.

So again, I return to where I started. We are always amazed when we wonder why the American people think we are out of touch here. Spending 2 days in a filibuster on this nominee? Talking about wasting taxpayers' money. Talk about wasting the time of the Senate. We are wasting electricity even having the lights on in here today responding to this filibuster.

So, like I say, I respect the Senator from North Carolina, and those others who do not want to vote for this nominee. but let us vote. We ought to be voting now. We ought to vote at 1 o'clock and move on. If we want to have a debate, if we want to take the time of the Senate and the taxpayers' money, let us debate the issue of 9 million Americans out of work. Let us debate the health care crisis in America. Let us debate those issues that the American people want us to debate, and not this kind of a debate on a filibuster.

So, once again, gridlock has reared its head in the Senate. Mr. President, as I said, I just hope those who are opposed to the nomination will have their say, like we have had our say, and let us vote on this. I am sure she will be approved. The committee vote was bipartisan and strong. Let us move on and let us debate the real issues that confront the American people.

I yield the floor.

Mrs. FEINSTEIN addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from California.

Mrs. FEINSTEIN. Thank you, very much, Mr. President. Mr. President, I want to associate my comments with those of the Senator, Senator HARKIN. I could not agree more.

Mr. President, I have watched this debate beginning yesterday afternoon. I listened very carefully to it. I must say I find it very disturbing.

I have heard words like strident, extremist, terrorist, activist, twisted mind. And, Mr. President, I must say this: It is my belief that this nominee has the votes in the U.S. Senate. So enough is enough. What is the purpose of this? There is only one purpose; that is, to divide and polarize.

Another purpose is only to destroy her before she begins her work by destroying her integrity and her credibility by this kind of slurring innuendo.

Mr. President, as my colleague and friend from California, Senator BOXER, pointed out, the San Francisco Chronicle's editorial policy is conservative. Yet, the lead editorial this morning said that Roberta Achtenberg's nomination to the housing post has been "nasty, pointless, and vulgar."

Mr. President, it is time to say enough is enough. I agree with the Senator from Ohio. Why are we not debating? In California, there are 1.5 million people out of work. Let us debate that. In California, the crime rate is burgeoning. Let us debate that.

Mr. President, what purpose does the debate serve when the nominee has the votes before this body? Simply to destroy her on the basis of falsity? That is wrong. That is also something I never thought I would hear before the U.S. Senate.

The rules of the Senate prevent a nominee from coming to the floor and defending themselves against unfair and untrue accusations.

Believe me, Mr. President, I know that Roberta Achtenberg would like to be here herself to put a lie to many of the accusations that have been made today.

But the people of this country expect the U.S. Senate to consider the qualifications of the candidate nominated by our President in a meaningful way. I think we have gone beyond that in the discussion today.

President Clinton in his campaign spoke about the politics of inclusiveness, not the politics of slur, not the politics of division, not the politics of dividing us even more than we are already in what is a very stressful world.

I believe that this debate has not been a constructive one because, you see, Senator BOXER and I both know Roberta Achtenberg. We know her as a moderate. We know her as a sensitive individual, a caring individual. We also know her as a rather quite individual. She lives her lifestyle, yes. But in this country, one is entitled to live one's lifestyle. That is one of the basic principles that we stand for.

What President Clinton is trying to do in this nomination is say: Here is Roberta Achtenberg, a woman who has earned her spurs. She has done her apprenticeship. She has been a superb local elected public official. Now is the time when I want to make her an Assistant Secretary in charge of Fair Housing. She has been an articulate advocate for fair housing causes. She is endorsed by fair housing organizations across this great land. Yet, because Roberta Achtenberg is a lesbian, she is being subjected on the floor of the Senate to a barrage of unseemly, nasty, and untrue allegations.

Mr. President, enough is enough. This woman is going to be confirmed. Let us not destroy her opportunity to be an effective and credible Assistant Secretary of Housing.

Throughout this country's history, there have been periods, bleak periods of prejudice and bigotry, when African-Americans and Caucasians could not ride on the same bus, when Asian-Americans were incarcerated in internment camps during World War II because of wide fear. Let us not today create another ugly chapter in this country's history.

The debate, when it moves away from the central issues of Roberta Achtenberg's qualifications, does not do justice to the U.S. Senate, and it does not do justice to this Assistant Secretary for Housing and Urban Development.

Let me just once again stress what are the qualifications that matter. Roberta Achtenberg was elected to the San Francisco Board of Supervisors in 1990. She has served as chairperson of the housing and land use committee of this board. Their achievements include enhancing protections for tenants against wrongful eviction, being proponents for the construction of affordable housing for low-income families, authoring legislation establishing occupancy standards for residential units to prevent discrimination against families with children, strengthening small business participation in the bidding for city contracts, enhancing compliance by the city human rights commission, and enhancing a city-sponsored job training program to speed the transition from welfare to permanent employment of low-income people.

She has served as past chairman of the city services committee. She has worked for funding for community-based organizations to provide domestic violence shelters through CDBG, block grant programs; she has authored legislation to improve safety and access to persons with disabilities; she has led the establishment of a children's budget in San Francisco; and she has authored legislation requiring developers to build child-care facilities or contributing to a child-care fund for low-income families, something that I signed into law while I was mayor of San Francisco.

Yes, she served on the board of directors of the United Way of the bay area; she has represented San Francisco as a director of the Bay Air Quality Management District.

She served as chairperson of the finance committee of the San Francisco County Transportation Authority. She possesses 15 years experience as a civil rights attorney, a law professor, and a law school dean. These are the qualifications that should be considered on the floor of the Senate. No, they do not use words like strident; they do not use words like terrorist; they do not use words like twisted mind, or like extremist and activist. These are the qualifications that are relevent to the success of an Assistant Secretary of Housing and Urban Development.

Mr. President, I say to you that enough is enough. This land is astir with problems, real problems, big problems. How can we spend these hours in this kind of debate that only demeans a person falsely, only accuses her unjustly, and can only serve one purpose: to ruin her integrity as an Assistant Secretary for Housing and Urban Development.

I ask, very respectfully, that we not continue with this kind of debate, that we get on with it, that we cast our votes, and that we confirm Roberta Achtenberg as Assistant Secretary for Housing and Urban Development.

I yield the floor.

Mrs. BOXER addressed the Chair.

The PRESIDING OFFICER. The junior Senator from California is recognized.

Mrs. BOXER. I thank the Chair.

Before the senior Senator leaves the floor, I want to thank her so much. Her common sense is always so evident. As she uses the words "enough is enough," I think she makes her point brilliantly.

Where is the opposition, I ask, to this nominee? We have heard from two or three Senators. Today, the chairman of the Banking Committee and other colleagues have refuted their points. So, I agree with my colleague from California, who I respect so much, who says "enough is enough" and asks "what is the purpose?"

I will soon yield the floor, and I do not see anyone on the other side with anything more of substance to say. If they come here to speak, I will listen with great interest. But I ask my colleagues on both sides of the aisle that we not drag this on unnecessarily anymore. The words have been spoken—sometimes with great passion—on both sides of the aisle here. But it is now time to focus on the qualifications Ms. Achtenberg brings to the table and to focus on the fact that this President would like to give her opportunity to put her talents to good use. Let us get on with the vote, Mr. President.

I yield the floor.

The PRESIDING OFFICER (Mr. SIMON). Is there further discussion?

If not, the Chair suggests the absence of a quorum.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. RIEGLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIEGLE. Mr. President, could I inquire how long the quorum call has been in place?

The PRESIDING OFFICER. Six minutes.

Mr. RIEGLE. Can I inquire as to the last hour—how much time has been used in debate in the last hour?

The PRESIDING OFFICER. The Chair does not maintain that record.

Mr. RIEGLE. All right.

Let me just say I think this would be an opportune time for anyone who wants to speak on the nomination to come to the floor and do so. We have a quorum call in place, and Senators have spoken for and against the nomination. But I think in order to move things along, if there is anyone who wants to be heard, this would be a good time. So I would use this as an occasion to invite Members to come to the floor and state whatever views they wish.

I do not see anyone seeking recognition at the present time. I will shortly suggest the absence of a quorum. But I hope that we have had a good debate that started yesterday. We spent a good bit of time on it yesterday. We debated it again today. There is a very full record now in terms of the Senate floor record. There is a very extensive record in terms of the committee record, which was the basis for a 14-to-4 affirmative vote. The nominee carried a majority of the members of both parties in the Senate Banking, Housing, and Urban Affairs Committee. That is what brings the nomination to the floor.

So I hope that in due course perhaps we could complete this debate. I think everybody that wants to be heard should be heard, but if we are going to have any long lapse of time with no one seeking to be heard on the nomination, I hope that we can move it to conclusion and vote one way or the other. My hope, of course, is to vote in the affirmative, and I expect that will be the case at the time we finally do have a vote.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, a number of Senators have spoken today on behalf of the nominee for Secretary for Fair Housing and Equal Opportunity at the U.S. Department of Housing and Urban Development, Roberta Achtenberg.

I would not add to the debate of those who have spoken on her behalf, because I agree so much with them.

I would note a statement made earlier on the floor while I was here by my good friend and distinguished colleague, the Senator from Iowa [Mr. HARKIN]. He said that if people disagree with her and do not want her to be there, then let them vote against her, but let us not add to this gridlock, that the American people said they want to get rid of, by endlessly discussing a nomination. Every single Member of this body, Democrat and Republican, knows exactly how they are going to vote. I daresay there is not 1 of the 100 Senators who does not know today how he or she is going to vote and did not know yesterday how they are going to vote or, if this debate went on for 3 more days, would not know how they were going to vote. If that is the case, let us vote, vote for or vote against her—I intend to vote for her, because I think she is eminently well qualified—and get on with the business at hand.

We certainly do not impress the rest of the Nation and we do little for the good of the Senate by having needless minifilibusters on something where every Senator knows how he or she would vote. Frankly, I would like to see us debating on issues where we can really have an effect and where there are differences of opinion and where votes might well take place.

MORNING BUSINESS

Mr. METZENBAUM. Mr. President, I ask unanimous consent that we go into morning business for a period not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senate is in morning business.

Mr. METZENBAUM. I thank the Chair.

(The remarks of Mr. METZENBAUM pertaining to the introduction of S. 996 are located in today's RECORD under Statements on Introduced Bills and Joint Resolutions.)

REFORMING FOREIGN AID

Mr. LEAHY. Mr. President, today I would like to make my fourth statement this year on reforming foreign aid, focusing on how the Agency for International Development [AID] might be restructured and reoriented to be more responsive to today's foreign aid challenges.

Mr. J. Brian Atwood has been confirmed as the new Administrator of the Agency for International Development.

We have a good Administrator. I hope that the White House understands how good a leader of the Agency they have and will let him put together his management team rapidly.

As I have told Mr. Atwood, he will have no stronger supporter or steadfast friend in the Senate as he takes up the reins of AID. His success or failure in reviving AID will have a lasting impact on the future of the U.S. foreign aid program. It could also be decisive in determining whether that Agency itself has a future. I want to do all that I can to help him in his critically important task.

It is widely accepted that AID has been loaded with too many objectives, too many earmarks, too many programs.

And it is frustrating, because there are so many good men and women at the Department. But I think it has lost direction, lost morale, lost focus, and does not reflect either the needs of the United States or what we invest in it.

For the Agency to function effectively, and to be held accountable for progress toward practical objectives, clearly its mandate must be simplified and clarified. Congress and the executive branch must decide what mission they want AID to carry out, and agree upon a set of measurable objectives for the Agency to pursue. Greater unity of purpose should enable the Agency to overcome the centrifugal tendencies of the last several years which have led to conflicting agendas among different parts of the bureaucracy, turf wars, and confusion as to what AID is all about.

From the discussions within the foreign assistance community over the last year, certain things appear to be emerging as the basis of a renewed Agency for International Development:

First, the Agency should be given a few broad objectives, centering around sustainable development, global issues such as population and environment, democratic institution building, and human rights, and humanitarian aid and disaster assistance.

Second, in keeping with a broader, global focus, the functional side of the Agency should be strengthened, though the geographic bureaus should be retained.

Third, the Agency's structure should be streamlined and made directly responsive to the policy and program direction of the Administrator and his management team.

Fourth, there should be a searching review of the Agency's overseas presence, elimination of low priority missions, and a concentration of resources on countries which show a real commitment to development and to democracy.

Fifth, the management capabilities and practices of the Agency should be thoroughly upgraded and modernized, including in the area of personnel recruitment, training, and promotion.

A NEW STRUCTURE

The Foreign Assistance Act provides the Administrator of AID with unusual flexibility in determining the structure and organization of the Agency. Essentially, the Administrator can unilaterally decide what organization best suits his or her style of management without the need for legislation. However, Congress has an interest in the organization of AID as well, since the decisions Mr. Atwood makes in this area will tend to signal the priorities he assigns to objectives and programs. Therefore, while recognizing the special authority of the Administrator in organizational structure, I venture to offer some thoughts that Mr. Atwood might wish to consider.

I believe most knowledgeable observers agree that the layered management structure adopted by the former Administrator has not worked well. The creation of a new level of management between the Administrator and the Assistant Administrators, the three Associate Administrators, has not facilitated decisionmaking nor has it freed the Administrator to focus more on broad policy issues. Instead, it has tended to isolate the Administrator from the Assistant Administrators and the bureaus where core budget and policy issues are framed and decided. Denuding the Policy Directorate of the budgetary responsibility has seriously weakened the link between policy development and implementation and budget allocations.

Moreover, clumping the budget, administration and personnel functions into a single pyramid has overwhelmed the Associate Administrator for Finance and Administration, reinforced the separation of budget allocation decisions from policy development and implementation, and placed too great a distance between the Administrator and the personnel function, the life blood of any agency. Rather than containing the centrifugal tendencies of the bureaucracy and ending the fiefdoms which developed among the different bureaus, the Associate Administrator structure has inadvertently accentuated the problem of conflicting agendas by removing the bureaus too far from the control of the Administrator.

I would urge Mr. Atwood to give careful consideration to elimination of the Associate Administrator structure, and return to the system of each Assistant Administrator reporting directly to him or the Deputy Administrator.

ACHIEVING POLICY COHERENCE

In my work with AID over the years it has become clear that there is little policy coherence. That is due to a number of factors, including the plethora of goals and objectives set forth in the Foreign Assistance Act of 1961, excessive earmarking and micromanagement, the influence of constituency groups, and weak leadership at the top in the Agency. It is also a result of individual offices and bureaus flowing into the vacuum of leadership and pursuing their own separate agendas or ideological hobby horses. By far the most important measures in restoring coherence and consistency in the policy and programs of the Agency are a redefined mission, with clear objectives, and strong, decisive leadership at the top. For this reason, I applaud the President's appointment of Mr. Atwood as Administrator. I urge the White House to act quickly to fill in the next levels down at AID with people who have a strong professional profile of competence.

However, from many discussions with experts over the last several months, I also believe the re-creation of a bureau to coordinate and integrate policy and resource allocations could be an important measure. Years ago, the Bureau of Policy and Program Coordination [PPC], which had this role, was the policy powerhouse of AID. A renewed policy and resource coordination unit along the lines of the old PPC, with responsibility for defining policy issues for decision by the Administrator, for monitoring implementation of Agency policies, and for enforcing adherence to those policies through exercise of the budget allocation function, could become the strong right arm of the Administrator and Deputy Administrator. PPC once fulfilled this function effectively, before it was emasculated and finally abolished under the previous administration, and it could once again.

A STRENGTHENED FUNCTIONAL CAPABILITY

In discussions with me some have argued that AID should drop its regional or geographic bureaus altogether and reorganize itself entirely on a functional basis. I do not agree with this approach. Most of AID's development programs are country-focused, and reflect the Agency's unique on-the-ground experience in developing nations. A geographic orientation continues to be important. However, in recent years Congress has made clear that it wishes AID to play a significant role in responding to global problems, including population, environment, health, child survival and others. Now, with the Clinton administration, the executive branch openly shares that desire. It is incumbent upon AID, as an instrument of national foreign aid policy, to strengthen its capacities to address these global or transnational problems. That is what Congress wants, and manifestly, with the forthcoming creation of a new Under Secretary of State for Global Affairs, to be headed by our former colleague, Tim Wirth, that is what the White House and the State Department want.

Mr. Atwood will respond to this desire in the way he feels best accomplishes the goals. My own view, which I have already expressed to him, is that a structure should be established in AID which can marshall the capabilities of the Agency and can coordinate with the Under Secretary for Global Affairs as the administrator develops AID policies, programs and resource allocation to respond to global issues. A new functional bureau dealing with global issues, with strong population and environment offices, would make good sense. Such a bureau could have the technical skills to design and manage programs, implemented through international organizations, the private sector, private voluntary organizations, nongovernmental organizations, and AID missions, to pursue global population and environmental objectives.

The President's fiscal 1994 budget request zeros most of the programs managed by the Private Enterprise Bureau, implying its termination. Frankly, I never understood the argument for a separate bureau to promote the development of private enterprise. Few would argue any more that governments run economies or businesses as efficiently as the private sector, and worldwide the trend is to privatize as much as possible. Advancement of private enterprise and market economies should be objectives which infuse the entire development program of AID.

However, if the Private Enterprise Bureau is to be eliminated, there are certain programs which are housed in it which need to be retained and placed in a new home, chief among them the microenterprise program. This program focuses on providing credit and assistance to very poor people in the developing world to help them enter into the money economy. It has proven very successful in many areas and needs to be given strong support within the Agency.

THE GEOGRAPHIC BUREAUS

Recreation of a new policy and resources coordination bureau and creation of a bureau of global programs would raise questions about the role of the geographic bureaus. Earlier I stated that I thought AID should retain a geographic structure even as it strengthens the functional side. The geographic bureaus are needed to provide technical backup and support to the field missions and to assist in the design of programs. They can serve as repositories of area expertise and contribute significantly to assistance policy development and implementation.

However, with centralization of policy and budget coordination and with the emergence of a strong global issues focus, the geographic bureaus ought, logically, to contract in size and range of responsibilities. Many in the bureaucracy will resist such changes, since it would disturb their normal patterns of behavior. Nevertheless, AID must adjust its structure and ways of doing business as well as its concepts and programs to the new challenges. We cannot do everything everywhere. We must have more focus on an Agency-wide agenda, particularly on global issues, and not allow the Agency to be driven primarily by the specialized agendas of geographic bureaus and the field missions.

As part of the structural reform, I would urge Mr. Atwood to give serious consideration to combining the present Bureau for Europe, which deals primarily with Eastern Europe, and the task force for the New Independent States [NIS], which deals with the former Soviet Union. In the Europe Bureau and the NIS task force we have parallel bureaucracies dealing with essentially the same challenges—the transition of post-Communist societies to democracy and market economies. Many of the programs are similar, many of the needed skills are identical, many of the contractors are the same, many of the lessons of Eastern Europe apply to the NIS.

Combining these operations could bring greater policy coherence and perhaps also reduce administrative overheads and staffing needs. I realize that the State Department maintains two separate coordinators to respond to Eastern Europe and the NIS, although both are supported by the same European Affairs Bureau. Of course an argument could be made that for bureaucratic parallelism, AID should have a similar structure. Also, there is the inevitable problem of the signal that could be sent by combining the two that one or the other is being downgraded. However, I think the case for uniting the European Bureau and the NIS task force is strong, and I hope Mr. Atwood will take a hard look at it.

OVERSEAS PRESENCE

AID now operates some 82 bilateral missions or offices in countries around the world, and probably another two dozen establishments of one kind or another abroad. AID maintains about 1,200 direct hire American employees overseas. Each costs over $200,000 a year to maintain. There are thousands more local employees, consultants and contractors. There is a vast administrative and logistical support apparatus. The cost of operating AID has risen to over half a billion dollars a year, with well over $300 million going to support the overseas presence. And this does not count the use of local currencies for administrative expenses, including salaries of local employees, and some program funds.

I cannot believe that there is one person in this Congress or one person in the administration who can argue with a straight face that all 82 of those missions are needed, and that all of those 1,200 employees are absolutely essential to the foreign policy and security and the goals of the United States, especially at $200,000 a year to maintain each one of them.

Obviously some were put over there because of policy decisions, considered or otherwise, of past administrations, and some because of policy considerations, considered or otherwise, of Members of Congress. I do not believe our overseas staffing patterns reflect the best use of our people.

I realize that part of AID's unique development capability is its overseas presence, the on-the-ground development official who knows local conditions and who can develop tailored programs sensitive to circumstances not known or understood in Washington. No other international development agency or organization has anything approaching this overseas presence. Other bilateral donors and international agencies often come to AID to take advantage of the special capabilities its overseas presence afford. That must not be lost.

At the same time, in my judgment, neither Congress nor the President are going to agree to any further increases in AID's operating budget until we see major reforms in its management practices, its personnel structure, and program accomplishments. That means for at least the next 2 years, AID is probably going to have to operate at no more than the current budget level at best. Given intense budget pressures, there may even be reductions. Obviously, that means there must be economies and efficiencies in its operations to maintain programs. I believe one of the ripest areas for such economies is precisely in AID's overseas presence. It has far too many overseas establishments, with nearly 50 full-scale mini-AID missions, and dozens of field offices and other kinds of establishments abroad. The total of all AID entities overseas exceeds 100. A substantial consolidation of operations abroad is going to be necessary.

In his confirmation statement, Mr. Atwood promised to review the entire structure of AID and to seek innovative new ways of carrying out programs. I heartily endorse this promise, which I assume applies to overseas missions as well as Washington, and am anxious to work with Mr. Atwood to find these innovations. I encourage him to be tough and to be bold in seeking economies and efficiencies. He will have my support in experimenting with smaller missions, with more regional missions, with centralized administrative and logistical support, with field representatives, with circuit rider officials, and details from Washington to oversee programs carried out through private voluntary organizations and other nongovernmental organizations, and with greater use of foreign national employees to do the more routine work, and other steps.

I do believe not until Congress sees serious changes in the way AID does business will there be any willingness to consider additional operating expense appropriations. That is the price of many years of waste, mismanagement, scandals, lack of positive results, and evasion of responsibility. Trust and confidence will have to be restored through concrete actions.

THE WASHINGTON PRESENCE

AID has over 2,300 direct hire Americans in Washington to manage the annual $6.5 billion bilateral economic assistance program, and associated $10 billion pipeline. The number of U.S. contractors and consultants runs into the many thousands. Because of the high cost of maintaining direct hires overseas, as operating budget growth has slowed in recent years AID has increasingly shifted personnel from abroad to Washington. To employ one American direct hire in Washington costs a fraction of the cost of keeping one American employee abroad.

Obviously, the growth in the percentage of AID's work force in Washington is more a function of tight operating expenses budgets than of conscious decisions about how to manage the program more effectively. Therefore, we have to scrutinize the Washington staffing patterns just as closely as the overseas presence. I would like to see a toughminded, independent analysis of AID's Washington personnel structure by highly qualified management specialists.

If they find that part of the problem is the Congress giving conflicting signals, then we will take care of that. If part of the problem is right there at headquarters, the new administrator can and should take care of it.

I venture to predict that analysis would find major distortions in staffing patterns, and very likely excess staff overall if appropriate modern management techniques and practices, including linking administrative costs to program results, were introduced. If, as many advocate, AID surrenders to other agencies a number of functions not directly related to development, or for which it is clearly not suited, that should translate into fewer staff, fewer offices, less bureaucracy.

There is enormous inertia in the AID bureaucracy. I told Brian Atwood I did not know whether to offer him congratulations or condolences when he was appointed. Frankly, he has inherited a mess with AID. He has yet to be given all the tools he needs to clean up the mess, a mess not of the Clinton administration's making. It will, of course, be theirs if they simply condone it. I believe they will not. I urge them to give Mr. Atwood strong support, as I will, because there is going to be a powerful bureaucratic impulse to engage in endless reviews, studies, and analyses and then reviews, studies, and analyses of the reviews, studies, and analyses, and to avoid disruptive decisions which tend to shake up comfortable or known routines, or very comfortable little kingdoms that build up in AID.

So I think we have a chance for real reform of AID. Frankly, it is the last chance. I do not intend to bring foreign aid bills to the floor of the Senate and ask Senators to vote for them if I know part of that foreign aid program is going to be run by an agency unable to carry it out in an effective manner. I am encouraged by the fact that there are so many good men and women in the agency. I think it can be rebuilt.

Frankly, Mr. President, I had originally considered introducing legislation to do away with AID and to replace it with a new agency. And when for several months the administration could not get its act together to appoint an Administrator, I was giving that thought more and more consideration. Now that they have appointed, I think, one of the finest people possible as the Administrator, I will withhold on that idea.

But I would point out that the Clinton administration, which inherited a badly managed, poorly organized Agency for International Development, does have the responsibility, if they want us to continue to fund it, to build it back up to where it should be. The past administration did not. Unfortunately it is a problem this administration has inherited. I think, with strong leadership in Congress and the executive branch, AID can be saved. But, if they do not, then I will move to get rid of it and to replace it with a different kind of foreign aid agency.

Fortunately, I believe Mr. Atwood is committed to real change at AID, and I think he understands that this Agency will not long survive his tenure in its present form unless he does restore its credibility in Congress.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I ask unanimous consent to speak for 10 minutes as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

ON MFN STATUS FOR CHINA

Mr. BAUCUS. Mr. President, I rise today to discuss the pending decision on renewal of most-favored-nation trade status for the People's Republic of China.

PROPOSED POLICY ON CHINA

On May 5, I and six other Democratic Senators wrote to President Clinton to suggest a policy he might adopt toward China. We urged the President to set a list of firm but fair benchmarks to target each of our problems with China.

He would keep lines of trade and communication open by renewing China's MFN status this year. And we asked him to avoid statutory or other rigid new conditions on the renewal of China's MFN status for next year.

This strategy would avoid an immediate and dramatic break with China. At the same time, it would allow the President to use all the tools at his disposal—including achievable, administratively imposed conditions on China's MFN status—to promote the changes we want to see in China.

WHAT CHANGES IN CHINA?

What do we want from China? The answer is simple.

First, we want China to meet international standards of human rights. Eliminate arbitrary arrest and torture. Give the Red Cross and international human rights organizations access to prisons. Guarantee religious freedom. Release political prisoners.

Second, we want China to live up to its international political responsibilities and its signature to the Non-Proliferation Treaty and the missile technology control regime.

Third, we want China to be a fair trader. China's market remains largely closed. It ran a $12 billion trade surplus with the United States in 1991 and an $18 billion trade surplus with the United States in 1992. Only intense pressure, backed by the clear threat of retaliation, brought agreements on market access and intellectual property. Serious questions remain about the implementation of both these agreements. Equally serious questions exist about China's commitment to abide by our laws against exports of prison labor products and its evasion of our textile quota.

POLICY INSTRUMENTS AVAILABLE

That is what we want from China. It is simple. But how do we get China to respect international standards of human rights, weapons policies, and trade practices?

The answer is not legislation. The bill we passed last year imposed 17 detailed conditions on China's MFN status. China might have met any one, or any three of its conditions. But it would not have made significant progress on all of them in a single year. The bill would inevitably have led to a cutoff of China's MFN status.

That would not bring reform. History shows that unilateral economic sanctions rarely work. Furthermore, they usually hurt Americans. Countries which refuse to impose sanctions simply replace our exports. We lose markets, money, and jobs. The grain embargo on the Soviet Union in 1979 is an example.

There is no prospect that the international community, or China's Asian neighbors in particular, would support broad-based sanctions on China like a cutoff of MFN. No country other than the United States is considering such a step.

It is dangerous to use MFN as a weapon. The jobs of about 157,000 Americans depend on exports to China. They are Kansas and Montana wheat farmers; Seattle aircraft engineers; workers in Louisiana fertilizer factories; California manufacturing workers, and tens of thousands more around the country. As we consider using MFN as a weapon, we must think of it as a two-edged sword.

CAREFUL USE OF CONDITIONS ON MFN

However, this administration needs a China policy that gets results. China exported 25 billion dollars' worth of products and ran an $18 billion trade surplus with us last year. They will not throw this market away lightly. Thus, I will support a careful use of administrative conditions on MFN.

If the President chooses to impose such conditions, I would hope that he does so with great care.

I hope that he sets broad, achievable conditions rather than rigid, detailed conditions that impose humiliating tests.

I hope that conditions on MFN do not become the policy around which every issue in United States-China relations revolves. They should not replace other foreign policy tools.

Finally, I hope that he makes clear to the Chinese that he wants both progress and a continuing progress, not a solution to every problem overnight.

We have common interests with China. We must work with, not against China if we hope to make progress on global warming; if we hope to use the U.N. Security Council effectively; if we hope for peace and development in Asia.

We also have real problems with China. And we should use the means we have at hand to solve them. I will support the President as he carefully uses these tools, including achievable administrative conditions on MFN. I hope other Members of Congress will do the same.

Mr. METZENBAUM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

NOMINATION OF ROBERTA ACHTENBERG

The Senate continued with the consideration of the nomination.

Mr. HELMS. Mr. President, we are being deluged with calls in our Washington office, our Raleigh office, and our Hickory office. We have two in North Carolina and one here, of course.

I find out I have a few friends. They are quite upset with some of the things that have been said on this floor. I have told them and sent word to them and I tell them now that the attacks by the press and others have not bothered me a bit—except for the clear violations of the Senate rules. I do take exception to that, because I have been in the Senate the better part of 21 years.

And even prior to that, in the early fifties, I served here 2 or 3 years as administrative assistant to two Senators. In the interim, between my time here in the 1950's and 1972, when I was elected to the Senate—being, by the way, the first Republican ever elected by the people of North Carolina to the U.S. Senate—a lot of things happened.

I have been called a lot of things by a lot of people. I am thickskinned, and mostly I am amused by it, particularly when it falls under the category of being called ugly by a frog. That is what a lot of this that has been said on this floor amounts to.

I am very much interested, I might say, at the litany of things which have been read this morning as proof that TRENT LOTT, for example did not tell the truth in his speech, and other Senators—mainly the Senator from North Carolina—did not, and so forth.

The truth of the matter is that it is worse than TRENT LOTT said, and it is worse than JESSE HELMS said, so let me just document a few things.

Now, I am going to read a little resolution. It says:

> Whereas the City and County of San Francisco used various financial institutions to conduct the banking and investment operations of the city and county on an ongoing basis; and whereas the Bank of America has recently reinstated its corporate donations to the Boy Scouts of America, stating that the Boy Scouts no longer discriminate on the basis of sexual orientation when there exists a contrary public record of actions and statements by the Boy Scouts and their representatives that, in fact, the Boy Scouts of America discriminate against Scouts and counselors on the basis of sexual orientation; and whereas the City and County of San Francisco has a longstanding policy of nondiscrimination on the basis of race, religion, color, ancestry, age, sex, sexual orientation, disability, or place of birth; and whereas the recent action of the Bank of America in providing financial support for the Boy Scouts of America is inconsistent with the city's nondiscrimination policy; and whereas the City and County of San Francisco has a longstanding policy of not condoning policies which foster and encourage discrimination against any individual of the City of San Francisco—

Et cetera. That is the resolution I was talking about.

I may be wrong, but I just assumed that inasmuch as it says here that Supervisor Achtenberg offered this resolution, that that must be the same individual who is now nominated by the President of the United States for a job over in HUD.

But point by point, the facts are so much worse than I even imagined. Here is a copy of the Washington Blade, for example. I think this is the second time I have even seen one of these newspapers. But this one is dated November 13, 1992. Here is Roberta Achtenberg, if the camera can catch that; here is the President-elect as of that time; and here is David Mixner. It says, headline: "We Are in a Place We Have Never Been."

This is stuff that the proponents of this nomination are trying to hide. They do not want this to be discussed. It is off limits. Well, the heck it is. That is what it is all about. "We [meaning the homosexual community] are in a place we have never been," these three say. Then, the subhead: "Adviser David Mixner says Clinton Will Appoint Gays to Important Positions."

And then it says "David Mixner, the openly Democratic activist who became one of the top advisers to Arkansas Governor Bill Clinton's campaign for the White House, was in Washington, DC, last weekend." Then following is an interview with them conducted by Blade reporter Lou Chabaro, Jr., on Tuesday, November 10.

That is what they do not want to talk about. That is what the press does not want to talk about. They want to talk about whether JESSE HELMS said "damn" to a newspaper reporter. I do not remember whether I did or not. I am perfectly capable of it. But I will tell you this much, Mr. President. The Senator who made such an issue of it, I have heard him take the Lord's name in vain, and just cuss up one side and down the other; and then sanctimoniously raise a question about what I said on the run to a reporter.

This second paper is the Washington Blade of November 6, 1992, with a headline declaring "Gays Now Part of the Governing Coalition. Leaders are Confident that Clinton Will Remember His Promises to Gays."

You had better believe he will.

There are one or two things I need to admit that I did make an error about. I believe I heard the Senator from Michigan say this Senator from North Carolina said or implied in this Chamber yesterday that Ms. Achtenberg gave $1 million to Clinton's campaign. Then the Senator from Michigan this morning went on at some length to prove that the statement was false. Well, what was false about it was his statement about what my statement was. And if you people up there in the news media are interested, look on page S 6100 of the CONGRESSIONAL RECORD, and you will see that I made no such claim.

You are not going to put it in the newspapers. You are not going to broadcast it over the television. You are going to report what they say—without any rebuttal.

But, here is what I said, verbatim, I quote from the RECORD:

> But that did not prevent her from going to Bill Clinton after the election—after people who share her life-style, according to credible reports, had laid $1 million in the campaign hands of the then-candidate and the now-President of the United States. And she stipulated, Mr. President, she stipulated that she wanted this job—this specific job.

That is what I said yesterday. It is there in the RECORD. So there is a little bit of difference between that and what the distinguished Senator from Michigan said that I said. And this is just one example of how he is misrepresenting things.

But the RECORD shows that I said it was people who share her lifestyle who gave then-candidate Bill Clinton $1 million. I did not say Ms. Achtenberg did.

But I was wrong about one thing. I am contrite. I apologize for it. That $1 million? I was wrong about that. Even the Washington Post—who was the comedian television—Red Foxx? He said "Elizabeth, this is the big one." When I read this in the Washington Post in February, I felt like Red Foxx.

Because the Post said that in "the last election the gay lobby ran a political machine as well-oiled as any pressure group. More than $5 million"—so I apologize for saying $1 million—$5 million "was collected for Clinton through direct mail solicitation and fundraising events among the homosexual community." "The Human Rights Campaign Fund fielded 10,000 gay and lesbian members to canvass for Clinton nationwide." What I am saying is, the hoopla you are hearing just is not so.

I do not know the mayor of San Francisco. I am sure he is a nice man. I am sure that if he has a family, it is a nice family. I have no quarrel with him. But I want him to talk about what the bathhouse situation was. Who was it in the early 1980's that said: We better stop these bathhouse and sex club operations because they are helping to spread AIDS. And more importantly, who was one of the lawyers who objected to stopping the bathhouse operations? I will let you guess.

As for the Boy Scouts of America, I am not going to retreat one inch on that. I resent any action taken against that organization. I was a Boy Scout, and I made it only to Life Scout. I wish I had advanced more, but I did not. But my only son made Eagle, and I have never known of an Eagle Scout who was bad, and my son has not gone bad, and he feels just as strongly about the Boy Scouts as I do.

I say to you, Mr. President, that the American taxpayers are unwilling to support any organization, any individual, in blackmailing the Boy Scouts of America into accepting homosexuals and atheists within the ranks of the Boy Scouts. I said that yesterday, I said it last year. I said it 3 years ago, and I say it today. The Federal Government has no business supporting, directly or indirectly, those arrogant people who try to reshape the Boy Scouts to fit their lifestyles. And I am putting the best light on it that I can. It is a sad day that Congress even has to consider an issue like this.

Who would have thought, even 5 years ago, that the President of the United States would nominate a homosexual person for a high-ranking Federal job, a person who helped orchestrate an action against the Boy Scouts because the Scouts refused to lower their moral and spiritual standards.

Some are trying to say she did not do it. The heck she did not. I understand why they do not want to talk about it. I understand why they do not want it a matter of record. But the facts are the facts. That is precisely what happened.

Just for the RECORD, perhaps we ought to review just a little bit of the facts. On February 20, 1991, several radical homosexual groups, such as the one called Queer Nation, launched a national boycott of the United Way demanding funding be withdrawn from the Boy Scouts because the Scouts forbade homosexuals from becoming Scoutmasters.

The next day—and it was reported in all of the media—the local board of the United Way of the Bay Area in San Francisco, on which Ms. Achtenberg was serving as a member, voted unanimously to deliver an ultimatum to the Boy Scouts of America that the national office of the Boy Scouts must allow homosexuals and atheists to become Scoutmasters; otherwise, the United Way chapter in San Francisco must withdraw almost $1 million in funding which had previously been allocated each year to the San Francisco area Scout Council.

Fact? You bet. But in the face of this arrogant threat, the Scout's regional director, Buford Hill—and I quoted him yesterday, and I will quote him today, because I admire him so much. He said, "Our values are not for sale, no matter what the price is."

Fact. Ignore it if you want to. Then Blake Lewis, the Scout's national spokesman, said, "The Scout's policy has always been the same. We support traditional family values. We do not believe homosexuals provide a role model consistent with these family values. The Scout oath and the Scout law are not up for sale."

Fact. God bless Mr. Lewis. He laid it on the line against an insane assault on family values. He is a credit not only to the Boy Scouts and to Scouting, but to the entire Nation. With courageous leaders like him, it is small wonder that almost half of the American boys between 7 and 10 join the Cub Scouts, and that 20 percent of them go on to join the Boy Scouts, for ages 11 through 18. The Scouts, founded in 1910, have about 4.3 million members and 1.2 million adult volunteers nationwide.

Now, then, as for the absurd charge of discrimination—the allegations that the Boy Scouts were discriminating against somebody—the Scouts say that they will admit any boy who agrees to abide by the Scout oath and the Scout law. But that is not good enough. Oh, no. The Scout's opponents insist that the Scouts must allow homosexuals in as Scoutmasters, and they have to tear up the oath and the Scout law because that has something to say about God.

The Scout law states: "A Scout is Trustworthy, Loyal, Helpful, Friendly, Courteous, Kind, Obedient, Cheerful, Thrifty, Brave, Clean, and Reverent."

The Scout oath says "On my honor as a Scout, I will do my best to do my duty to God and my country and to obey the Scout law; to help other people at all times; to keep myself physically strong, mentally awake, and morally straight."

How many times have I said that at a Scout meeting? I had to read it today. But I knew it by heart back then.

These are the values that were—and still are—under assault out in San Francisco. And there is no question about who was one of the leaders, if not the leader. They tried to cover it up. They give you all of this stuff about, well, "TRENT LOTT did not tell the truth," or "that was misleading." Oh, no. Senator LOTT did not mislead anybody, except in one instance, and that was accidental. He was informed that a statement published in the San Francisco paper was an editorial when, in fact, it was a letter to the editor. Oh, what a terrible mistake that was.

I was present when this lady was before the Banking Committee, and I listened when she was asked about the Scouts. She essentially said, "I do not remember." Anybody who believes that, I want to sell them a little swampland down in eastern North Carolina. "I may have done that," she said. Well, of course, she did.

Of course, she did. And hardly any Senators were at the Banking Committee meeting at that time. And they did not have the stomach to question her further, except for Senator FAIRCLOTH from North Carolina who did ask her a question or two about the Scouts.

It was a love-in. I wish you could read the statement that the chairman made just like it was a time for celebration that the President of the United States has crossed a line and has nominated a lesbian for high Government office. Sure he did. He received all the money from them.

Mr. President, I think the world of Bill Murchison down in Texas. He is a great newspaper man. He writes well. He is the kind of fellow that writes so well that I say, "Gee, I wish I could write like that." He wrote "What is strange and frightening is that critics of the Scouts should try to ram their ideals down someone else's throat." And that is it, that is the meat of the coconut. The homosexual community is trying to ram their way of life down someone else's throat.

"The Scouts are not seeking to transform their critics," Mr. Murchison says, "but nevertheless their critics want to remake the Scouts through lawsuits and funding cutoffs."

Bill Murchison is right on target in pointing out the real bigots in this situation. The people who are so sanctimonious who say: "Look at that bigot over there. He is standing up for the Boy Scouts." You are cotton-picking right. As long as I live I will stand up for the Scouts and the values they stand for in turn.

I will make one observation and I will yield the floor, because I see at least two Senators who want to speak and I will be back. But I am thinking about having a closed session of the Senate, and any Senator can request it, as the distinguished occupant of the Chair knows, and I want Senators to see a little piece of film that was taken about a year ago in San Francisco when the Gay Pride Week Parade rolled through the streets of San Francisco. That is what this issue is. It is not about all this stuff—she is a law professor or has been a law dean or whatever—but how has she acted in public.

How has she conducted herself in public office? It does not matter how many letters of recommendation she has that have been read into the RECORD with great gusto this morning. Heck, I could go out and get 500 letters of recommendation myself this afternoon from people I do not even know. And that may be exactly what happened in her case.

Mr. President, thank you. I yield the floor.

Mrs. BOXER and Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. Mr. President, I would like to take this time to thank President Clinton and to say that I am pleased to be here again on behalf of his nominee.

I want to clear the record on something that was just said by my colleague from North Carolina when he said that there were violations of the Senate rules here today. I want to make it clear that there was absolutely no violation of Senate rules here today.

What happened today is that I read into the RECORD a response from Mayor Frank Jordan to some statements that were made on the floor which hinted that Mayor Jordan did not support Roberta Achtenberg. Mayor Jordan cleared the air. He sent out a very strong press release filled with indignation. He did not agree with Roberta Achtenberg on everything she has ever done. No two people agree on everything. But he wants his position clearly understood.

So I asked that we place his statement into the RECORD. Then I read into the RECORD, word-for-word, an editorial by the San Francisco Chronicle, because it was implied here yesterday that the Chronicle opposed Roberta Achtenberg for this Assistant Secretary position. That simply was not true.

Yesterday, a statement was read that made it look like the Chronicle editorialized against Roberta Achtenberg. That was not true. So that newspaper—which has a Republican editorial board and endorsed George Bush, and did not endorse this particular Senator—came out very strongly today for Roberta Achtenberg.

At that point, my friend, the Senator from Mississippi, suggested that those documents not be placed in the RECORD. I objected to that. We had a conversation. But in the interest of comity in the U.S. Senate, I agreed. I agreed, and those documents were removed from the RECORD. But I do hope everyone will read them because they are very fitting and very proper to this debate.

So let us be clear. There was no violation of the Senate rules here today.

Senators may disagree on this nominee, but let us not put into the RECORD a statement that there was a violation of the rules by any Senator, because there was not any such violation.

Mr. NICKLES. Mr. President, will the Senator yield?

Mrs. BOXER. I am happy to yield.

Mr. NICKLES. I inquire for time purposes, does the Senator know how long she will be talking?

Mrs. BOXER. I would say about 10 minutes or so.

Mr. NICKLES. I thank the Senator.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. Mr. President, the Senator from North Carolina held up a newspaper and read a couple of the headlines. But I would say, what does that have to do with the qualifications of Roberta Achtenberg for this position?

The Senator has invited people to see a film. I asked some of my colleagues who saw that film, did the film have anything to do with Roberta Achtenberg and her qualifications for this position? And they said "no."

So you can hold up a newspaper. You can invite people to see a film. But tell us why you believe this woman is not qualified.

And when you cut through it, there appears to me to be only one reason. There are Senators who do not approve of her private life, and that is the issue here.

I think it is important for us to focus on qualifications, to focus on the fact that this is a woman who graduated from college with honors, from law school with honors, was a dean of a law school, and a civil rights attorney.

My friend, the Senator from Mississippi, said this morning that she is not a passive attorney. I agree. I do not think you want a passive attorney in this kind of a job. I do not think you ever want a passive attorney if you want someone to fight for you and win your case and make your point, especially in the area of housing discrimination.

So you can hold up a newspaper and make innuendoes about a film. But the issue is what are her qualifications?

There was an innuendo made here today that somehow Roberta Achtenberg was not concerned about the spread of AIDS, and I would like to read into the RECORD at this time a letter from Dr. David Soffa, who is the president of the San Francisco Medical Society.

Mr. President, this is not innuendo. This is not gossip. This is not private life. This is about Roberta Achtenberg, a public official, and this is what Doctor Soffa says.

DEAR SENATORS RIEGLE, SARBANES AND D'AMATO: On behalf of the San Francisco Medical Society, it is my pleasure to support Roberta Achtenberg's nomination as Assistant Secretary of Fair Housing and Equal Opportunity in the Department of Housing and Urban Development.

While we will miss her presence in San Francisco, we believe that she will be a welcome and productive addition to the federal government. During her tenure as Supervisor, we had numerous occasions to meet and confer with Supervisor Achtenberg on matters affecting health care in San Francisco. We found her to be well informed on the issues and balanced in her approach. It was a pleasure to interact with her and always felt that we got a fair hearing, even when she disagreed with the positions we advocated. We found her to be a strong advocate and a skillful builder of consensus on difficult issues.

We urge you to confirm Ms. Achtenberg as Assistant Secretary of Fair Housing and Equal Opportunity. Please contact our Executive Director Susan Waters if we can provide additional information in support of her nomination.

The Senator from North Carolina can say that this kind of a letter means nothing. He can demean the support that she has earned hour after hour after hour. He can say people wrote letters just because they were asked and they did not know her.

And I will say to the Senator that that is unfair, that the most precious thing we can give to a person is our endorsement.

Now, maybe the Senator knows people who will sign letters but not care, but to the people I know it is a symbol of who they are. When they sign a letter it means something.

So to demean not only Roberta Achtenberg but also the people who wrote letters on her behalf is really not proper in my view in this Chamber.

And the reason I mention them again and again is because I am making the point that Roberta Achtenberg is supported by the mainstream. This is not someone who had dedicated her life to the fringes of our society.

This is a respected individual who happens to have a lifestyle that may be different from other peoples' lifestyle, but in her public life, Mr. President, she is mainstream.

We have letters from the California congressional delegation; from the Pacific Stock Exchange chairman; from the Democratic Leadership Council; from the Shorenstein Co.; Stanford Law School; city of Baltimore, State of California; National Fair Housing Alliance; members of the California Legislature; Texas Commission on Human Rights; New College of California, San Francisco; Church of St. Paul of the Shipwreck; East Palo Alto community law project; Fair Housing Council of Greater Oklahoma; Fair Housing Contact Service of Akron, OH; Glide Memorial United Methodist Church in San Francisco; San Francisco Human Rights Commission; Fair Housing Council of Orange County; the San Francisco lawyers; California Americans With Disabilities; Baltimore Neighborhoods Incorporated; Hotel Employees and Restaurant Workers; Housing Opportunities Made Equal; the Bar Association of San Francisco; the United Way of San Francisco; Religious Action Center of Reform Judaism, Washington, DC.

As I said before, the San Francisco Medical Society, from the president; from partners in very respected and large law firms, Pillsbury, Madison & Sutro; Folger & Levin; and from the president of the Community Investment Corp.

I do not think it is right to demean this nominee and the people who put their names on the line for her. You may disagree with a person, you may disagree with her views, you may challenge her qualifications. I think that is all fair.

But to say that the people who wrote letters for her do not really care, or to imply that they do not really care, is absolutely outrageous.

Now, I want to talk about the Boy Scouts again, because this is a red herring that keeps coming back. And I want to put the facts our here.

The United Way of the Bay Area, of which Ms. Achtenberg is a member of the board of directors, has an antidiscrimination policy whereby funding is made available only to organizations that do not discriminate on the basis of a number of factors, one of which is sexual orientation. That antidiscrimination policy was in place before Ms. Achtenberg joined the board of directors.

Roberta Achtenberg did not somehow induce the board of directors of the United Way of the Bay Area to suspend funding to the Boy Scouts of America. After a study taken over several months' time, a task force of the United Way's board of directors, which Ms. Achtenberg did not participate in, determined that the Boy Scouts were in violation of the United Way's antidiscriminatory policy. On February 20, 1992, by way of a unanimous, 34-0, vote the board of directors suspended funding for the local chapters of the Boy Scouts due to their explicit discriminatory policy. Ms. Achtenberg voted "yes," as did David M. Chamberlain, chairman, president, and CEO of Shaklee Corp.; Stanley T. Skinner, president and CEO of Pacific Gas & Electric Co.; George M. Keller, former CEO of Chevron Corp.; Lois Callahan, chancellor-superintendent of the San Mateo County Community College District; Osamu Kimura, CEO of New United Motor Manufacturing, Inc. [NUMMI]; James McCray of Jones United Methodist Church; Catherine Shen, associate publisher of the Marin Independent-Journal; James M. Cunha of Arthur Andersen & Co.; Arnold X.C. Perkins of the San Francisco Foundation; Walter L. Johnson of the San Francisco Labor Council; Terrence J. Murphy of TRI Realtors; Stephen Graham of Kaiser Permanente Medical Center; among others.

Roberta Achtenberg did not somehow induce three of the Bay Area's largest corporations to suspend funding to the Boy Scouts. Acting without Achtenberg's knowledge, let alone at her direction, the Bank of America, Wells Fargo Bank, and Levi Strauss Corp. all announced their intent to suspend funding to the Boy Scouts until it altered its explicit discriminatory policy. The action was taken because the organizations believed they were doing the right thing, not because one San Francisco supervisor twisted their arms.

And I might say, Members of this body might very well disagree with these corporate leaders, with these executives, with Supervisor Roberta Achtenberg, and that is fine. But to say that Supervisor Achtenberg forced these very intelligent, powerful corporate leaders to vote a certain way simply makes no sense at all.

They took the action because they believed it was the right thing to do. And I would read into the RECORD what Bank of America did say when it took this action.

> Bank of America adheres to the principle that all persons shall have equal opportunity and access to its facilities, activities, and employment without regard to race, color, religion, sex, age, national origin, handicap, marital status or sexual orientation.
>
> Based on this policy, we believe it is inappropriate for Bank of America to make charitable contributions to any organization that discriminates.
>
> The bank has been a long-time supporter of the Boy Scouts and admires the vital role the organization plays in our communities. However, the bank's long-standing non-discrimination policy precludes us from continuing charitable contributions to any organization that discriminates against a class of people based on sexual preference, rather than personal conduct.

Now what happened was the Bank of America reversed its stand when they were sure the Boy Scouts had changed their policy. And that is when the controversy deepened, because the Boy Scouts then said, "No, Bank of America is wrong. We did not change our policy."

So, the issue here is one that people could feel differently about. Some people think it is OK to discriminate on the basis of sexual orientation; others do not.

The United Way of the bay area does not think that is appropriate and states this in its charter. The board of directors voted 34 to 0 and Roberta Achtenberg was included. So to say that this was her idea and her impetus and she was the one behind all of this simply is either saying that she is a super woman or that you do not believe that these very powerful men and women in the community on this board of directors have a mind of their own. And, believe me, I come from that community. We are involved in our community and we have minds of our own.

So let us keep our eye on this prize, which is this: Is this woman qualified? Does this President have a right to nominate a qualified woman, whatever her personal life may be?

Mr. President, I think that this Senate understands the issue. That is why, with all this publicity and waving around newspapers and the rest, I do not see too many Senators involved in this debate.

I think this U.S. Senate is ready to vote on this nomination. We have many other things we need to do. We have other nominations we need to pay attention to. We have campaign finance reform. We have an economy, Mr. President, that needs our attention.

So I agree with the senior Senator from California who said it so beautifully today: Enough is enough. All we are doing now is tearing down a good woman, a woman who is highly qualified. This does not help our country.

So I hope we will get on with this vote, confirm Roberta Achtenberg, and get to the business at hand.

I yield the floor.

Mr. NICKLES. Mr. President, first, I would just like to make a comment concerning the rules of the Senate. Rule XIX states:

> No Senator in debate shall, directly or indirectly, by any form of words impute to another Senator or to other Senators any conduct or motive unworthy or unbecoming of a Senator.

Mr. President, I have listened to some of this debate. And I will tell you, in my opinion, this Senator's opinion, this rule has been violated.

I am not going to ask for a ruling of the Chair, but one can review the transcript, if it is not altered, I think it is clear that rule XIX has been violated this morning.

I have a couple of comments about the nominee, Roberta Achtenberg. But first, I might mention that this Senator is concerned not just about Roberta Achtenberg, but also about President Clinton's fulfilling certain campaign promises to individuals who are very active in the homosexual community. Because I think that is the genesis of what we are debating today. Whether we are talking about actions dealing with gays in the military, or change in immigration policy which would allow HIV-positive people to come into this country, I think this body should be aware that these issues were campaign promises made by President Clinton. These are important issues. They are sensitive issues. They are difficult issues that we have to grapple and wrestle with as a country.

On the subject of HIV-positive immigrants, the Senate and the House have acted and now are in the process of acting in conference on the National Institutes of Health reauthorization bill that will continue the ban. It will continue classifying HIV-positive people as we have in the past.

President Clinton made promises to these groups—an example is gays in the military. My guess is Congress will act on that and probably restrict the President from fulfilling that campaign promise. He also promised he would like to have a number of active people in the homosexual community high level positions in his administration. I guess that is where we are at today, when we see the nomination of Roberta Achtenberg for this high position in the Department of Housing and Urban Development.

I have a couple of comments on her nomination. Is she qualified? I have heard people state on the floor she is very well qualified. I have heard others say she is minimally well qualified. I would like to note, that there are those who feel she is not qualified. According to a February 6, 1993 article in the Washington Times, a letter was sent to HUD Secretary Cisneros in which 40 civil rights groups urged him to appoint someone with an extensive background in fair housing litigation experience. Ms. Achtenberg admittedly lacks that experience. I will read this quote from that same article by Ms. Achtenberg.

"I am not a fair housing expert by a long shot," said Ms. Achtenberg, a founder of the National Center for Lesbian Rights. "I have done public interest law, and in my capacity as a county supervisor I have dealt with housing issues, but I am not a fair housing lawyer."

There are other problems with Ms. Achtenberg's nomination which concern me. Let us look at some of those problems.

Mrs. BOXER. Will the Senator yield to me on that?

Mr. NICKLES. No, I will not yield. I have waited for about 20 minutes to speak and I would like to complete my remarks.

Mrs. BOXER. I yielded to the Senator when he asked.

Mr. NICKLES. I will conclude my comments, and then I will be happy to yield.

Mrs. BOXER. OK.

Mr. NICKLES. Mr. President, the problem I have is one of tolerance. I have heard people state we should show tolerance, and I do not disagree with that statement. But I am looking at several of the things that Ms. Achtenberg has done, and I see a pattern of intolerance. This intolerance has appeared in her efforts to be a very strong advocate for her lifestyle and trying to influence other groups to share her beliefs. The Boy Scouts have come up in the debate today. I have listened to my friend and colleague from California, but I am not sure the whole story was stated on the Boy Scouts issue, or Ms. Achtenberg's role to defund the Boy Scouts, both in the United Way, and then as a city council member by putting pressure on corporations that did fund the Boy Scouts.

As a supervisor, Roberta Achtenberg sponsored a resolution which was passed and then vetoed by the mayor that called upon the city of San Francisco to withdraw $6 million in municipal deposits from the Bank of America because the bank gave money to the Boy Scouts. The Bank of America had originally decided not to fund the Boy Scouts. A lot of people spoke out and indicated to the bank that they should. The bank changed their policy.

At that point, Supervisor Achtenberg sponsored a resolution that was later vetoed by the mayor which would withdraw the city's deposits from the Bank of America because they wanted to fund the Boy Scouts.

I see that as a radical position, trying to mandate her intolerant beliefs on an organization I believe has done a lot of good throughout this country of ours, the Boy Scouts. So she was not just 1 of 33. She was not just a board member, just trying to comply with United Way rules. As a supervisor, she said, "Let us use the power of the purse of the city of San Francisco, or the county, to punish a group which others have chosen to support."

I support the Boy Scouts. I imagine many people in this room do, as well. I do not think we should try to mandate that the Boy Scouts change their policies. I think the Boy Scouts have good policies. They want to have good role models. Is it really right for leaders—and as a supervisor, Roberta Achtenberg is a leader—for her to try to mandate this change of policies by major corporations, by the city or county of San Francisco? I think not.

There is the issue of being forthright. I happened to read part of the transcripts before the Housing Committee. Let me just say, her responses to questions that were asked by Senator FAIRCLOTH and others were certainly not the whole story. That bothers this Senator. Maybe it does not bother other people.

There is the issue of temperament and judgment. An example of this is Ms. Achtenberg's involvement in the homosexual bathhouses. In 1984 and 1985, Mayor FEINSTEIN, now our distinguished colleague from California and other city health official's wanted to close the homosexual bathhouses because they were incubators for AIDS. They were killing people.

Roberta Achtenberg took it as a civil rights cause and said we should not close these bathhouses. I am afraid the net result was lost lives.

There is an article in today's Washington Times entitled "Safe-sex campaign fails to slow HIV infections." It talks about San Francisco.

I ask unanimous consent to have this printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Times, May 20, 1993]

SAFE-SEX CAMPAIGN FAILS TO SLOW HIV INFECTIONS

(By Valerie Richardson)

SAN FRANCISCO—Aggressive AIDS-education campaigns have failed to reduce the number of young homosexual men who contract the disease and engage in risky sexual practices, according to a study released yesterday.

An extensive report by the San Francisco Department of Public Health found that the HIV-infection rate among homosexual men ages 17 to 22 has not budged in three years. In the survey of 474 young men in the Bay area from 1992-93, 12 percent were found to be infected with the human immunodeficiency virus, which causes AIDS.

In the department's 1990-91 study, the figure was virtually the same—12.1 percent.

The 1993 survey also found that 33 percent of those who tested HIV positive said they had engaged in unprotected anal sex in the last six months, about the same percentage as in the earlier study.

After hearing the findings, the San Francisco Health Commission voted to target more education and prevention funds to programs that focus on youth.

"They are pretty alarming results that really demand us to rethink how we are attacking this situation," said San Francisco Health Commissioner Paul Resentiel. "Whatever we're doing is obviously not stopping infection."

Critics of traditional AIDS-education efforts, which emphasize the dangers of unprotected sex and advocate the use of condoms, said the study underlines what they have been saying for years: There is no such thing as "safe sex" and the only way to avoid becoming infected is abstinence.

"The results don't surprise me, sadly," said Shepherd Smith, president of Americans for a Sound AIDS-HIV Policy in Herndon. "We're now a decade into the epidemic, and what we've learned is that AIDS education creates great awareness but very little behavioral change."

Critics said the survey also shows the dangers posed by the revival of the city's group-sex parlors, once known as "bathhouses" and now referred to as "safe-sex clubs." Since being outlawed by the city in the mid-1980s, the clubs have reappeared but with a twist—they now come with monitors who are supposed to check to make sure everyone is wearing condoms.

Even so, the clubs have been criticized as breeding grounds for sexually transmitted diseases. But Tom Reynolds, an organizer of the San Francisco chapter of AIDS Coalition to Unleash Power (ACT-UP), disputed that theory.

"The goal in bringing those back was that people realized that in any behavior there's the potential for relapse," said Mr. Reynolds. "The goal was to have sex in a controlled environment, where they could get people to use condoms."

The study released yesterday found that young black homosexual men had the highest rate of infection at 21.2 percent. Hispanics were next at 9.5 percent, American Indians at 8.3 percent, whites at 8.1 percent and Asians as 4.2 percent.

"The high rates of HIV infection especially among African-American youth, and the high rate of sex behaviors among young men having sex with men in all ethnic groups indicates that the department needs increased prevention campaign and outreach specifically focused on youth," said Dr. Mitchell Katz, director of the Public Health Department's AIDS office.

Mr. NICKLES. Basically, Mr. President, it says: The facts are, these bathhouses, now referred to as safe-sex clubs—

> Since being outlawed by the city in the mid-1980's, the clubs have reappeared but with a twist—they now come with monitors who are supposed to check to make sure everyone is wearing condoms.
>
> Even so, the clubs have been criticized as breeding grounds for sexually-transmitted diseases.

I could go on. I will not.

My point, is, health officials, leaders, people in the political community, and others said we should close those homosexual bathouses as a matter of good health policy. Yet, Roberta Achtenberg was leading the fight against the closure. Even when it was in the best interest of the homosexual community to close the bathhouses to save lives in San Francisco, Ms. Achtenberg continued to push her radical agenda. I will just read this:

> Roberta Achtenberg, an attorney for bathhouse patrons, sought to prevent the court-ordered closing of the bathhouses. She argues: "For those who are still secretly homosexual, the baths are a sex-positive environment where they felt like human beings instead of being in the bushes. They are institutions of tremendous symbolic significance to a sexual minority."

That was quoted from the Seattle Times, February 18, 1985.

Another more recent incident which is indicative of Ms. Achtenberg's judgment, was her appearance in the gay pride parade in San Francisco. I saw part of the tape my colleague from North Carolina mentioned earlier. Supervisor Achtenberg participated in the parade. On the car, she had "Celebrating Our Family Values." She was with her partner and their 7-year-old son participating in the gay pride parade. This was reported in a February 5, 1993, article in the Washington Blade.

The Washington Post says: Many scenes of the parade are not for the squeamish.

A lot of strange things were happening in that parade. There was a group called the North American Men-Boy Love Association, a group that promotes sex with underage children and youths. What kind of environment is that to be showing a 7-year-old?

I just question maybe some of the decisions that have been made by Ms. Achtenberg. Obviously, she is committed. She is a committed gay-lesbian activist who has been very, very active in trying to promote her viewpoint.

My concern is that her adamant positions are so strong in this area that they are intolerant of other positions, such as the Boy Scouts', such as corporations that wish to fund the Boy Scouts, such as cities that wish to make public policy to save lives, like closing bathhouses. She has been so adamant in her belief and her activism that her judgment and impartiality are clouded.

And so, Mr. President, it is not with pleasure that I speak against the nomination. I do this very seldom. I cannot even remember the last time I made a statement against a President's nominee. But I think in this case, regretfully, I will oppose the nomination and the confirmation of Roberta Achtenberg, and I hope that my colleagues will do the same.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Oklahoma have items he wished to have entered in the RECORD?

Mr. NICKLES. No.

The PRESIDING OFFICER. Who seeks time?

Mr. COHEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine.

Mr. COHEN. Mr. President, I would like to proceed on a somewhat different note this afternoon. Frankly, I think the debate, as long as it has been, has been necessary. There are views which are very strongly held on this side, obviously, and are equally strong on the other side.

I made a speech a few days ago on the Senate floor talking about the need for a recovery of confidence; that the people in this country were desperate, certainly for help, but also for hope, and that the level of cynicism that we continue to witness is increasing. There is a so-called credibility gap, a trust deficit, as far as the President is concerned; promises made, promises broken; allegations about no new taxes that hit President Bush when he became President and then adopted taxes; and with President Clinton promising a tax cut for the middle class and then proposing a tax increase for the middle class.

So we see that there is continued cynicism about public officials; a feeling that we have not leveled with them, we have not told them the truth; that we shade the truth; that we use language which is subject to interpretation from two or three or four different sides. That, I think, contributes a great deal to the loss of confidence and the lack of hope on the part of a great many people in this country.

I mentioned that I wanted to approach this problem in a slightly different way. I want to go back to the Anita Hill hearings for a moment, and I will explain why I wish to review this particular hearing. There is a book out, apparently—I have not read it—but it now talks about the real story. I am not really interested in reviewing that entire episode, but rather I was struck by a number of things that occurred during that proceeding, controversial as it was and remains today. I remember listening to testimony that was taken during the course of the hearing and then going back and reviewing the transcript, because I was not sure that what I witnessed or heard was exactly what had taken place.

Mr. President, I am looking at page 299 of the print of the hearings before the Judiciary Committee in 1991 on the confirmation hearings of Justice Clarence Thomas. There was a colloquy, an exchange, between our colleague, Senator SIMPSON, and Judge Hoerchner, who was one of the witnesses who came before the committee.

What struck me about the testimony was that it was not forthright; it was not candid. It was, in fact, I think, designed to, if not deceive, at least to confuse, to be less than candid.

Senator SIMPSON asked that witness:

> Have you ever brought a claim of sexual harassment?

Listen closely to the answer that was given:

> There was an incident—

There was an incident—

> of sexual harassment where I now work, and the main victim of this contained it through the internal system—

The voice in which this is presented is passive: There was, over there, an incident of sexual harassment and the main victim of this contained it through an internal system. So it is as if she is talking about somebody else over there;

> and an investigation was done.

Again, a passive type of voice.

> I spoke to the investigator and I wrote a statement which was not sent to the decisionmaker in that instance, because the perpetrator and his attorneys had worked out a settlement, the terms of which are secret.
>
> Senator SIMPSON. But you were involved in that in some way?
>
> Judge HOERCHNER. I was involved in a very minor way.
>
> Senator SIMPSON. Well, I am not trying to be sinister. I was just thinking if you were involved in it or you were helping someone else with a sexual harassment charge, either as a counsel or friend, I am wondering why you didn't help your closest friend, Anita Hill, when she was faced with the same information, and why you didn't give her that same counsel, and that is, "Do something."
>
> Judge HOERCHNER. You are making an unwarranted assumption.
>
> Senator SIMPSON. I am not trying to; I am just asking.
>
> Judge HOERCHNER. In this more recent situation——

The one Senator SIMPSON is asking about——

> I did not counsel the person and, as I said, I did try to help Anita.

And it goes on.

If you listen to that testimony or if you review that transcript, it sounds as if this person was talking about someone over there, not in any way involved herself in the discussion of this particular incident of sexual harassment.

And they you turn the page and go over to page 307, which is an afternoon session, and Senator SIMPSON was somewhat, I think, concerned about the testimony, and he came back that afternoon.

Mr. President, he said:

> Judge Hoerchner, I asked you if you had ever filed a charge of sexual harassment. I don't think you indicated to me that you had.
>
> Judge HOERCHNER. That's correct.
>
> Senator SIMPSON. I have a record from California, in Norwalk County or Norfolk County, California, that you did file a claim against a fellow judge, a man named Judge Foster. Is that correct?
>
> Judge HOERCHNER. I was not sure how far in the proceedings that went. It was my understanding that he had negotiated a settlement. I was told that my statement was never taken up to the home office of our board, so——
>
> Senator SIMPSON. But you did file a claim of sexual harassment against a fellow judge within your own system?
>
> Judge HOERCHNER. I cannot say that I didn't. I did not fill out any papers. It's possible that the result of my having spoken to the investigator was taken as filing a claim within our system, and in that case it would be correct.
>
> Senator SIMPSON. But he did eventually resign and the process of his resignation and the activities around that were rather widely publicized within that county, weren't they?
>
> Judge HOERCHNER. The term of the settlement * * * were supposed to be secret. I am not aware of the full extent of them.

I read that and I thought, she is not being honest with the committee. She is being disingenuous with the committee, at that time. Obviously, the judge was just a witness and she was not before the committee for confirmation. I might have had an entirely different opinion had she come before the committee to be confirmed for something else. I found that kind of testimony to be really quite outrageous because it was misleading, it was not forthcoming, it was not candid, it was designed to mislead, if not deceive. That was my interpretation of that colloquy.

How does this relate to the nominee before the body today? Good question.

As I watched some of the hearings and looked at the record, there was one section that troubled me. It has been referred to by others here, and I am sure the Senator from California will clarify it for me. I think she has before.

Let me say that I am not opposed to the nominee because she is an announced lesbian. That is of no consideration to me. Her sexual orientation is not a factor, in my judgment, and I would not impose that as a criterion.

What I am concerned about is on page 93 of the confirmation hearing record—let me just read it. I am sure it can be clarified, but let me just explain my concern because it struck a chord within me that sent me going back to the confirmation hearings of Clarence Thomas.

Senator FAIRCLOTH asked a question:

> You're not sure what?
>
> Ms. ACHTENBERG. I'm not sure what the question is.
>
> Senator FAIRCLOTH. The question is, did you vote, urge the San Francisco School Board to prohibit the Boy Scouts from using school facilities?
>
> Did you urge the San Francisco School Board to prohibit the Boy Scouts from using school facilities?
>
> Ms. ACHTENBERG. I may have.
>
> Senator FAIRCLOTH. You may have?
>
> Ms. ACHTENBERG. I'm not, I'm not, I am not currently recalling the precise incident that you are describing. It does not sound like something I would not have done, but I don't recall having voted specifically for that measure.
>
> But it's quite possible I did.

I think a fair observation would be that you could read that two ways. No. 1, why would she not be familiar with that particular incident? After all, if you are going to deny the Boy Scouts access to public school facilities, that is something that fairly controversial, something you would not easily forget especially since, in this case, it occurred as recently as 1991. For those of us who have served in public office at the local level, be it on a city council, on school boards, or as county supervisors or prosecutors, we are very, very familiar with controversial issues, and they are not easy to forget.

So you could say, is it being quite candid with the committee if you cannot recall an incident in which you would have voted to deny the Boy Scouts having access to the public school system? But Ms. Achtenberg said, "I don't recall." And it may very well have been she could not recall the precise incident.

Mrs. BOXER. Will the Senator yield on that point.

Mr. COHEN. She said: "It's quite possible I did."

Mrs. BOXER. Because I think I can clear up this matter.

Mr. COHEN. I think the Senator can. Let me finish. She said: "But it's quite possible that I did."

In that sense, she said I do not know. I may have. It is quite possible I did.

> Senator FAIRCLOTH. Well, Ms. Achtenberg, if you don't know, who should I ask?
>
> Ms. ACHTENBERG. Again, on the basis of the ambiguous characterization that is, that you've just read from, that I am hesitating. If there had been such a measure before the board, which I do not currently recall that there was, but had there been such a measure it's quite conceivable that I would have voted for it, Senator.

There she is saying she does not recall, it might have been, and it is quite conceivable that she might have voted for it.

Fair enough. You can come out on that point and add, "OK, that's being quite candid."

What troubles me is her statement, on the one hand, that she does not recall, does not remember that incident, but at the bottom of page 94 she says:

> I believe the question that was at issue there was whether or not they would be given access to the classroom during school time.

So, on the one hand, she indicated she was not quite familiar with the issue, does not recall it. About three or four or five paragraphs later she knows precisely what the incident was. So she did recall it. And that is what caused me to raise some questions because she goes on to describe it in some detail:

> A whole host of people have the opportunity to use school buildings after school. The issue there was whether or not they were entitled to use the school building and to teach in the classes, given that they are an organization that has avowed principles of discrimination, is what I believe what was at issue there, Senator.

It goes on. I was troubled by the fact that initially she did not seem to recall what the incident was, and she may have voted for it and it certainly would be consistent with her pattern of voting, but then moments later recalled it specifically.

Now, the clarification from the Senator from California, I believe, is this, that she did not vote for it, because she was not on the council, or the board, at that particular time. That is my understanding. So, in fact, what she was saying is that she was not familiar with the incident, although she described with some particularity what the incident was, and does not recall having voted for it because, my understanding is now, she could not have voted for it because she was not on the board at that time. is that correct?

Mrs. BOXER. Not exactly, I say to the Senator, if I may explain it.

Mr. COHEN. Will the Senator clarify it?

Mrs. BOXER. Senator, in California there is a different situation where the board of supervisors has no legislative control over the school board. The school board and the board of supervisors are completely separate bodies. In other words, the school board has its own board members. Roberta Achtenberg was not on the school board. And I think if you read the transcript carefully—and I was there, and I watched her as she struggled with her answer. And the reason she struggled was because she was being honest with the Senators and realized that maybe there was a resolution asking the school board to consider this.

As it turned out, when she searched the board of supervisors record after the hearing, there never was any such resolution. But I would say to my friend, my good friend—and I absolutely respect his being here today, and I absolutely believe him when he says he is very interested in the credibility of this person—that if Roberta Achtenberg really wanted to duck this whole thing, she would not have gone on. But her memory was jogged by the issue, and she then recalled the fact that perhaps the school board was considering it at the time.

But she, not being on the school board, had absolutely no control over the use of those facilities. And the only connection there could have been was if the board had made a resolution asking the school board to consider it, which she thought was possible. She then checked and found out that the board of supervisors never had any such resolution.

So I would say to my friend, that as she recalled the issue and she went on, she was not disingenuous on her part. The issue was recalled. She gave the best answer she possibly could. Then after the hearing—and I have to tell you, and I am very proud of this, the committee voted 14 to 4 and we had many Republicans vote for Roberta Achtenberg—she checked and found out that in fact she was not involved in that issue.

Mr. COHEN. Let me say to my friend from California I do not approach this on a partisan basis.

Mrs. BOXER. I know.

Mr. COHEN. I have indicated before that the fact that she has a sexual orientation that is not followed by a majority of people in this country would not, in my opinion, be a disqualifying characteristic. I have ordinarily deferred to any President even though I might personally object to an individual being nominated for a particular position. I almost always have deferred—and I cannot think of any exception offhand where I have not—to a President who is entitled to his or her nominee, provided they possess the qualifications and the character to serve in that position.

As I have indicated before, the fact of one's sexual orientation should not be a disqualifying factor. I do have some concerns about the vigor with which she appears to have pursued the Boy Scouts in terms of their policy of not allowing announced or avowed homosexuals to serve as Scoutmasters. That is something that is troublesome to me. But nonetheless, I have not yet reached the point where I think that will be a disqualifying factor since she will not be occupying a position that would allow her, in my judgment, to become an active advocate for her own ideological purposes. And ultimately, of course, if she were to do so, we would hold the President fully accountable. If a majority of the American people feel that she has engaged in activities that are unworthy of the office or contravene their principles as such, then I think we would simply hold the President of the United States accountable at both the next congressional election and also at the next Presidential election.

So I thank the Senator for clarifying that issue.

Mrs. BOXER. If I might just say to the Senator how much I appreciate that he remains openminded on this nomination. And on his last point, it is an issue of great importance to all of us that we do not confirm people for the position of Assistant Secretary, or as Cabinet members, if they have a special agenda and they are going to push that agenda. Their responsibility is to uphold the law, not to make new law. That is our responsibility, and the President's.

So, I must inform the Senator that Supervisor Achtenberg, when questioned by Senator BOND on this very point—and he was thorough and asked the question very well—responded that she was there to enforce fair housing laws, not to push any envelopes.

Mr. COHEN. As the Senator knows, we may pass laws but the regulators are the ones who really do, in fact, enforce them, many times in a way that is completely inconsistent with the intent and scope of the laws that are passed. So it is something that we will have to watch very closely. And I think all of us, whether the nominee is confirmed or rejected—and I assume that she will be confirmed—will hold the President fully accountable for any actions that his nominees take.

I thank the Chair.

Mrs. BOXER. I thank the Senator.

Mr. LIEBERMAN addressed the Chair.

The PRESIDING OFFICER (Mrs. MURRAY). The Chair recognizes the Senator from Connecticut.

Mr. LIEBERMAN. I thank the Chair. Madam President, I rise to speak in favor of the nomination of Roberta Achtenberg to be the Assistant Secretary of Fair Housing and Equal Opportunity.

Madam President, this nomination has obviously engendered an awful lot of emotion and strong feelings, and, I suppose, though at times it is regrettable, it is understandable in this case. Because of that I wish to step back just briefly and make a statement about the perspective which I bring to this nomination.

I think it is always important to indicate how we interpret the power of the Senate under the advice-and-consent clause. I think it is critically important to say here, as I said several times during the last administration when I voted for nominees of President Bush, that the question is not whether each Member of the Senate would themselves make this nomination, because, after all, that is not our function. That is the responsibility and in a sense the opportunity of the President. That is why the President was elected.

It seems to me that our responsibility under the advice-and-consent clause is to determine whether the nominee is acceptable, suitable for the position for which nominated. Clearly, on that test, on that standard, which I believe is the appropriate one, just as I did, as I say, at several times during the Bush administration, I believe Roberta Achtenberg is more than qualified for the position of Assistant Secretary of Fair Housing and Equal Opportunity.

Madam President, I do understand some of the emotion, although again I say it is regrettable, that has been engendered by this nomination because it does touch, as so many nominations and issues here do, values, both national values and in this case I think personal moral values, if I can put it that way, political values.

In that sense, I think it is important to say that I come at this nomination from the perspective which I believe deeply to be the first principles of our Nation, some of the values that motivated those who came here to create America. I think none is more fundamental than the notion of the Framers of the Constitution, the Founders of this country, who were God-fearing people, in fact, many of them feeling quite sincerely and deeply that they were doing God's work by coming here to what many of them referred to as a new promised land. And, based on that belief that is critical to the government they were forming, was the value of the individual as a creation of the Almighty and deriving from those principles a fundamental belief in equality, but not just equality, equality of opportunity. And implicit in that and fundamental to what it has meant to be an American over the couple 100 years plus since then, is tolerance of differences, not imposing official religions or official forms of life, if you will, so long as they are not contrary to law.

It is obvious, as you look back over the history of our country, that the values that were inherent in its founding, noble as they were, embracing the spirit of the enlightenment that was brought over from Europe, nonetheless were not fully realized at the outset of the country. In some measure the history of our country is a history of trying to realize in law and in practice the great principles of tolerance, of equality, and equality of opportunity.

Obviously, at the outset of our Government, racial minorities were excluded from participation in anything approaching citizenship. Women were excluded for most of our history, in fact, on something as fundamental as the franchise. So, over time, we have attempted to do better at realizing those first principles of our Government.

In our time, we have done that with regard to nationalities; we have done it with regard more recently to AIDS when it comes to discriminating against people because of AIDS when there is no real basis for discrimination.

In our time, the question that those of us in Government and our society generally are being confronted with is dealing with the question of discrimination based on sexual orientation and determining the extent to which these first principles of our Government, the founding principles of equality, of equality of opportunity, of nondiscrimination should apply in the case of sexual orientation.

That is not explicitly on the line in this nomination but it is, in my opinion, implicitly on the line. This question of discrimination based on sexual orientation is in some ways like the earlier questions of discrimination based on race or gender, but in some ways they are quite different because they do involve some fundamental views of one's person, some fundamental values, traditional family values. In fact, in one sense, in a personal sense, I might say, they go back to the Bible. They go back to Leviticus. It is what makes this not only a difficult and, at times, heated discussion, but a very important one to try to resolve appropriately and consistent with the values that underlie our Constitution. All of that which I have discussed is present explicitly and implicitly in this debate on the nomination of Roberta Achtenberg.

I think it is very important as we decide, each of us, how to vote that we make clear what this is, what this nomination and confirmation process is, and what it is not. It is not, in my opinion, a vote on whether we approve of homosexuality or we take the homosexual lifestyle to be the equal of the heterosexual lifestyle. It is not a vote of whether we approve of everything that Roberta Achtenberg has ever said or done in her career unless we can make a link between the things she has said and done and the qualifications necessary to fill this particular position for which she is nominated, Assistant Secretary for Fair Housing and Equal Opportunity.

No, Madam President. This vote is a vote on whether Roberta Achtenberg can do this job.

In another sense, it is a challenge to us as to whether we will let her do this job for which she has been nominated regardless of her sexual orientation. In one sense, this nomination raises the question of whether a person who is otherwise qualified to fill a job should be denied that job because of her sexual orientation.

I answer that strongly in the negative. She should not be denied that opportunity.

I also say that it would be inconsistent with the kinds of fundamental American values and principles that I have talked about to deny a person a job for which she is qualified because of her sexual orientation, which is essentially a matter of privacy and certainly does not affect her ability to perform the responsibilities of the position for which she has been nominated.

Madam President, I say again, this is not a vote on whether a Senator accepts homosexuality, approves of it, accepts it as the equal of a heterosexual lifestyle. I do not. It is not a vote on whether I agree with everything Roberta Achtenberg has ever said or done. I do not. But it is a vote on whether I find her to be qualified to fill this position, and I most assuredly do.

Madam President, Roberta Achtenberg has a distinguished history of government service. She is very well prepared for the responsibilities of this position. And as she stated at her confirmation hearing, she fully understands that her responsibility as the Assistant Secretary for Fair Housing and Equal Opportunity is to ensure that existing laws are properly executed, not to make new laws.

Madam President, I had the honor of meeting Roberta Achtenberg about a year ago when we both served as members of the drafting committee for the Democratic Party platform. In that experience I was extremely impressed with her obvious intelligence and her commitment to principle. I was particularly impressed with her ability to find common ground. That is a quality that some people would, in listening to some of this debate, be surprised to find in Ms. Achtenberg.

She is a coalition builder. She is not only bright and principled, she is practical. She wants to make the Government work. She has had an extraordinary career in public service and extensive experience in both the areas of housing and civil rights, which are the specific jurisdiction of the position for which she is nominated. She is a very able lawyer, who understands what is involved in litigating discrimination issues. She brings a wealth of experience to this job, as well as a passionate commitment to justice and equal opportunity, which I say, again, are the hallmarks of this country of ours and, in many ways, are what is on the line in this vote on her nomination. And that is why, Madam President, I will vote to confirm Roberta Achtenberg to serve as the Assistant Secretary for Fair Housing and Equal Opportunity.

I yield the floor.

Ms. MOSELEY-BRAUN addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Ms. MOSELEY-BRAUN. Madam President, I would like very much to respond, first, to some specific allegations and statements that have been made regarding this nomination, and then also, to raise what I believe is really the quintessential issue that has given rise to all of this debate.

In the first instance, one of the most recurring questions that has been talked about on this floor has to do with Ms. Achtenberg's response to the Boy Scouts. There has been conversation and misinformation and debate surrounding the Boy Scouts to the point that I think the casual observer would almost think she was running for the presidency of the Boy Scouts. The fact of the matter is, this has to do with the nomination of Roberta Achtenberg to be an Assistant Secretary of the Department of Housing and Urban Development, and the Boy Scout incident relates to a single act taken in her official capacity when she served as a member of the board of directors of the United Way in California.

So in that regard, I think probably the single most telling refutation of this whole Boy Scout business is a letter from Mr. Elbert Hill, a member of the United Way Boy Scout Task Force. I would like to read this entire letter, because I think it is significant, and I think it really puts a light on a lot of the histrionics and misinformation we have heard about this issue.

This was sent to George Mitchell, dated May 19, 1993:

DEAR SENATOR MITCHELL: As a former member of the United Way Boy Scout Task Force, I am perplexed that Roberta Achtenberg is taking the blame for the United Way's decision to de-fund the Boy Scout organizations in the Bay Area. Roberta, as one member of a fifty-nine member board of directors, acted on the recommendations of the Task Force and the United Way Executive Board.

The Task Force was established in November 1991, as the result of negotiations with the local Boy Scout Councils and members of the UW Executive Committee; the twenty-four members represented corporate/community/non-profit organizations, including the Boy Scouts and adult scouter volunteers. Professionals from the Boy Scout organization, independent gay/lesbian activist organizations, and public office holders (including Roberta) were not represented, but did present information and testimony. As the result of four months of negotiations, the Task Force recommended continuation of funding for a five year period if the Boy Scouts would agree to work at finding a common position with the United Way. The BSA rejected this recommendation, leaving the Executive Committee little choice but defunding.

The statements attributed in news reports to Senator Helms are factually incorrect.

It is important that Congress know that Ms. Achtenberg did not act unilaterally, regardless of her personal feelings on the subject. The Task Force agreed to its recommendations with a twenty-one vote affirmation. The Executive Committee voted to de-fund with a unanimous affirmation. The decision clearly followed a due process with fairness to all parties.

Sincerely,

ELBERT C. HILL,
Member, United Way Boy Scout Task Force.

Madam President, I think following Senator LIEBERMAN and his reasoned remarks, and this letter, which comes from a person who was there, who was involved—I would like to share my own experience with this nomination. As a member of the Banking, Housing and Urban Affairs Committee, that was the committee that the nomination originally came through, I had an opportunity to listen to Ms. Achtenberg, to be a part of that initial hearing that considered this nomination and recommended it to the entire body.

In response to one of my other colleagues, who I know has, in my experience, always taken a reasoned position on these kinds of issues and nominations and confirmations, I can say, without equivocation, that I found Ms. Achtenberg to be very, very credible. I found her answers direct. Questions were raised that, quite frankly, anybody would have trouble just remembering after a long period of time. But she answered the questions. The transcript will show that she answered the questions, and where she answered the questions and there was a discrepancy—I think there was one instance that I would like to refer to—it was clarified later.

There was, in fact, specifically the question on the Boy Scouts. Here we go again. You would think she was running for presidency of the Boy Scouts. In committee, she was asked: "Did you not support expelling the Boy Scouts from public buildings? Her response: "No, Senator, I did not." In fact, she never did. The San Francisco Board of Education, which is an independently elected governing body, were unified on the vote on the Boy Scouts using their facilities during school hours.

So the point is, the record was checked; if as a member, of the San Francisco Board of Supervisors, she had ever voted to throw Boy Scouts out. After a thorough search, it was found that the San Francisco Board of Supervisors never voted on any such issue.

So here is a woman who, in a difficult hearing and setting, and in spite of all of the accusations being thrown at her, has answered questions to the best of her ability. I found the answers credible. The members of the committee found her credible and, in fact, she was voted with a 14-4 vote to confirm her nomination.

I want to go one step further, and take a look at others who have found her credible. I am going to read into the RECORD not all of the letters, but some of the names of the organizations and individuals who have enthusiastically supported Roberta Achtenberg's nomination:

Members of the California congressional delegation; chairman and chief executive officer of the Pacific Stock Exchange Co.; president of the Democratic Leadership Council; the chairman of the board of the Shorenstein Co.; the dean of Stanford Law School; the mayor of the city of Baltimore; the Lieutenant Governor of the State of California; the Controller of the State of California; the president of the National Fair Housing Alliance; State Assemblywoman from the California Legislature, and Assembly majority whip; political director of the California Democratic Party; Speaker of the Assembly, California Legislature; chairman of the Texas Commission on Human Rights; president of the New College of California in San Francisco; a priest of the Church of St. Paul of the Shipwreck in San Francisco; executive director of the East Palo Alto Community Law Project; past president of the San Francisco Black Firefighters; executive director of the Metropolitan Fair Housing; Council of Greater Oklahoma City; executive director of the Fair Housing Contract Service of Akron, OH; minister and CEO of Glide Memorial United Methodist Church; Roselyn Swig Art Source in San Francisco; assessor of the city and county of San Francisco; the director of the San Francisco Human Rights Commission; the executive director of the Fair Housing Council of Orange County; a member of the Fair Housing Center of Metropolitan Detroit; executive director of the Chinese Community Housing Corporation; executive director of the Asian Law Caucus; director of the Council for Concerned Citizens; executive director of the Housing Opportunities Made Equal in Buffalo, NY; executive director of the Chinese for Affirmative Action; staff attorney, National Center for Youth Law; executive director La Raza Centro Legal, Inc. executive director, Austin Tenants' Council; program enforcement coordinator, Fair Housing Council of Portland, OR; fair housing counselor of the Eden Council for Hope and Opportunity in Hayward, CA; executive director of the Instituto Laboral De La Raza in San Francisco; president of the San Francisco La Raza Lawyers Association; executive director of the Housing Discrimination Project, Inc., Holyoke, MA; organizer, California American Disabled for Attendant Programs today; president, Baltimore Neighborhoods, Inc. in Baltimore MD; cochairs of the San Francisco Physically Disabled Quorum; president of the Hotel Employees and Restaurant Employees Union, Local 2, San Francisco; executive secretary, Central Labor Council of Contra Costa County; executive director, Housing Opportunities Made Equal in Richmond, VA; secretary-treasurer, San Francisco Labor Council—AFL-CIO; executive director and general counsel, the Bar Association of San Francisco; president of the United Way of the Bay Area, San Francisco; director and counsel, Religious Action Center of Reform Judaism, Washington, DC; president of the San Francisco Medical Society; partner, Pillsbury Madison & Sutro in San Francisco; senior litigation partner, another firm, Folger & Levin; member of the board of directors of United Way of the Bay Area, San Francisco; president, Community Investment Corp. in Chicago; partner, Pillsbury Madison & Sutro, a firm in San Francisco; and an executive director of the Fair Housing Council of the Fox Valley in Appleton, WI.

Madam President, I have taken the time to read this list because I think it is very important to focus in on the breadth, the degree, and the extent to which this nominee has support. Precisely because she has been credible in her dealings with the public in her years in public life; precisely because she has been forthcoming, straightforward, honest, and direct about her positions on issues and who she is as a person.

Indeed, Madam President, it might be argued that if anything, it is her credibility, her forthcoming, and her directness that has given rise to all that.

We can always ask the question, What if? What if her sexual orientation had never been disclosed? Would we be going through all this wrath and rancor? I daresay I doubt it. I daresay, based on this woman's credentials, qualifications, and record she would have been confirmed by unanimous, if not voice, vote of this body, and we would not have all of this folderol around this nomination.

Let me tell you why I think we are having all these problems. I think the reason for all this controversy reflects on the most important endorser of Roberta Achtenberg, and that is the President of these United States.

The bigger question that we are facing here is Bill Clinton and his judgment, his selection, and his choice to head up this department.

He has, certainly in the minds of many of us who support this nomination, I think done a yeoman's job and heroic thing even in picking Ms. Achtenberg. Giving the Members of this body, the opportunity to debate this question.

So this is a nomination that is heroic, that certainly goes to the elements of her job description. We talked about the job description yesterday. This is not a policy-making position. This is an administrative position, given authority to administer several very important fair housing programs in the Department of Housing and Urban Development.

But I submit to you, Madam President, that the reason we are going through all of this has little to do—some but not a whole lot—with Roberta Achtenberg. It has to do with Bill Clinton and the guardians of the gridlock, the people who would stand, that are with Katie-bar-the-door. The day for change has not come in America. We have not gotten to new day in America in which all Americans can participate based on their credentials and qualifications and what they have to offer to our total community.

What we have is a debate around the election that continues—the voices of fear, the politics of fear, and divisiveness, raising its ugly head in regard to this nomination on this Senate floor.

Even more to the point, Madam President, it is no mistake to any of us who are here. I have been here now all of 4 months. I guess I am number 93 in seniority, and I daresay I think the Chair is one step below me or ahead of me in seniority in this august body. But we came here full of enthusiasm; thinking that with a new President elected we were going to have an opportunity to put this country on course, to have the kind of change that would restore our country, give our country the ability to move forward in greatness, living up to the promise of what America was all about.

And when we got here what we found is that the forces of the past are not prepared to give Bill Clinton a chance to govern. That is why this nomination is so important, because it really is a challenge. And we have seen the challenge on his economic program, as we have seen the challenge every step of the way. This man has been frustrated in his attempt to act as President of the United States. He has gotten a cold shoulder reception. He has gotten obfuscation. President Clinton has faced obstruction at every turn—in the programs he has put forward and the nominees he has put forward.

One wonders why it is that 4 months after the fact, 4 months after the inauguration, we have not concluded all of this. We have not finished with the nominations. We have not staffed up the Government. We have not gotten the economic program going and heading down the road that this President will ultimately be held accountable for. There is no question. There is no question that this President will be held accountable for his decisions, for his nominations, for his judgments, and for the direction that he puts this country.

And yet what we find is all of this energy, all of this energy being expended around fighting this battle and that battle. There is a fire over here. There is a debate over there. There is an argument where there would not have been an argument beforehand.

I submit, Madam President, that the election and giving President Clinton a chance to govern, is really at the base of all of this controversy about this nomination. I submit to you that if the question is one around lifestyles generally, the forum and the place to do that—and I relate also back to Senator LIEBERMAN's comment—that picking a nomination is not the place to do that—that there are other forums for that.

The question is, Can this person do the job? Is this person qualified? Is this person competent? Is this person ready to serve in a position in this Government?

Madam President, I say to you that I do not need to read any further—and I see my colleague, Senator WELLSTONE has joined us on the floor, and I am going to defer to him for a moment.

But, Madam President, in closing, let me say this: Senator LIEBERMAN is exactly right. Our role here is not to constitute ourselves as 100 individual Presidents. Our role here is to act in the capacity the Constitution of these United States gives us, and that is to advise and consent.

This Senator, having reviewed the testimony, having sat through the testimony in the Banking Committee, having reviewed the record, having participated in this debate, unexpectedly having participated in this debate, feels strongly that this is a competent, qualified nominee who will serve the citizens of these United States very well as the Assistant Secretary of the Department of Housing and Urban Development.

Thank you.

The PRESIDING OFFICER. The Chair recognizes the Senator from Minnesota.

Mr. WELLSTONE. Madam President, I will be very brief.

Much has been said and, as a matter of fact, I do not understand why we are not voting. It seems to me, we should vote on this nomination and we should go on with our work.

Madam President, I just want to read one quote—and I want to be very brief.

I quote Gary Davis, the comptroller of the State of California.

> Supervisor Achtenberg has long personified the politics of "putting people first". Throughout her career Ms. Achtenberg has sought a level playing field for people who were disenfranchised, disadvantaged or overmatched by powerful interests. She is motivated by the principle that each person, whatever their standing in life, is entitled to fairness, respect and dignity. As a practical problem-solver, Ms. Achtenberg has fashioned solutions that fit people, rather than forcing people to accommodate government-imposed programs.

I was at a bill signing ceremony today on the motor-voter bill, the National Voter Registration Act, and President Clinton said again there are no people that we can waste in this country.

Roberta Achtenberg is among the best and the brightest. We have had Senator after Senator after Senator talk about how highly qualified she is. We have had really powerful testimony about a long and distinguished record of public service. We should just simply vote in the affirmative for this nomination.

I have taken approximately 4 minutes on the floor of the U.S. Senate because I want to say this to people in Minnesota, because we should all be accountable. There are some people around the country that are cranking up the phones and some of the calls are coming in.

But I have always believed, and I think people in Minnesota believe this—and I say to Senator MOSELEY-BRAUN, I know the people in Illinois and, I would say to the Chair, in Washington, and I hope throughout the country believe this—that leadership is not appealing to the fears of people. Leadership is not dividing people. Leadership is not presenting any kind of political discrimination or hatred. Leadership is calling on people to be their own best selves.

There is no reason in the world why the U.S. Senate should not confirm this nomination. I hope we will vote soon. I am sure we will vote in the affirmative. And I think when we do that, this body can be proud. As long as this debate goes on, I do not think this body can be all that proud.

I yield the floor.

Mr. SMITH. Madam President, my philosophy on nominations is that the person whom the American people have elected president should generally be able to appoint anyone he pleases to positions within the administration. Though I had serious policy disagreements with some of President Clinton's cabinet nominees, I supported all of them with one exception, and I expect to be able to support most of the President's upcoming nominations with few exceptions.

The nomination of Roberta Achtenberg to head the Department of Housing and Urban Development's Office of Fair Housing and Equal Opportunity is one such exception. I feel after reviewing her record that she is not fit to serve in this position.

I am sure that most of my colleagues are by now familiar with Ms. Achtenberg's efforts to destroy the Boy Scout troops in the San Francisco Bay area. As a member of the San Francisco county board of supervisors, she led a successful effort to kick the Scouts out of the public schools. As a member of the board of directors of the United Way of the Bay Area, she helped cut off $850,000 in United Way funding for the Scouts. And finally, she authorized a resolution passed by the board of supervisors urging the city to pull accounts with the Bank of America in retaliation for the bank's decision to reinstate grants to the Scouts. Clearly, Roberta Achtenberg disapproves of the Boy Scouts.

What does she approve of? Well, as a lawyer for the Bay Area Lawyers for Individual Freedom in 1984, Ms. Achtenberg fought hard to keep several sex clubs open that my distinguished colleague, Dianne Feinstein, who was then the mayor of San Francisco, tried to close down at the advice of the city health director. These clubs were found to promote multiple anonymous sexual contacts along with rampant spread of the AIDS virus. Despite their prominent role in the spread of AIDS, Achtenberg defended the clubs as coming "from a very understandable tradition of trying to create a very safe place for homoerotic love." Safe? To the contrary, these clubs promoted a deadly game of sexual Russian roulette that has tragically claimed the lives of thousands.

So, in the twisted value system of Roberta Achtenberg, the Boy Scout tradition is a menace to society that needs to be quashed, and the sex club tradition is one which is beneficial and deserving of our protection and encouragement. I couldn't disagree with this more.

I approve of the role that the Boy Scouts play in our society. I was a Boy Scout. My two sons are Boy Scouts. Thousands of my constituents are or have been Boy Scouts. Many of my colleagues were Boy Scouts, and I'm sure most would credit the Scouts with fostering traits that helped them to succeed later in life. The Scouts teach young men to value important things, such as honor, integrity, honesty, duty, God, country, and family. These are not things that should be casually dismissed.

I do not approve of the role that sex clubs play. Sex clubs encourage anonymous sex, promiscuity, unsafe sex and the spread of AIDS. These, too, are things that should not be casually dismissed.

All this might be irrelevant, were it not clear that Ms. Achtenberg intends to use this post as a platform from which to push her radical agenda. She herself admits that she has absolutely no experience or expertise with housing law. She wanted the post, she says, because of her "experience in working as a civil rights lawyer". Well, we have seen what she has done as a civil rights lawyer. The thought of this—I am going to coin a new word here, "Scoutophobe" running amok at the HUD Office of Fair Housing and Equal Opportunity hacking away at the values held by Boy Scouts while championing the cause of sex clubs has given me great pause. It should give my colleagues, and indeed all Americans, great pause.

For values are important, despite the sneers and snickers of radical liberals. Without common agreement about what is wrong and what is right, what is acceptable behavior and what is not, we become a society cast off from our moral underpinnings and set adrift. When moral relativism sets in and standards are thrown out the window, society loses the stability that allows for peace and prosperity.

Government cannot solve all of our problems alone. It cannot by itself prevent violence, child abuse, homelessness, drug abuse, poverty or any other social malaise. It takes a stable society with strong values to counteract these problems. I urge those that may doubt me to glance through Bill Bennett's "Index of Leading Cultural Indicators." With the steady erosion of values and the disintegration of families that has occurred since the early sixties has come an explosion in social pathologies. While divorces have quadrupled, violent crime has increased 560 percent. While illegitimate births have gone up 400 percent, the percentage of children dependent on AFDC has tripled. While the percentage of children living in a single-parent household has tripled, there has been an explosion in the number of unmarried pregnant teenagers, abortions, and sexually transmitted diseases. A five-fold increase in Government social spending has not been enough to counteract our society's crippling loss of values.

So I take notice when President Clinton, who campaigned as a moderate, shifts gears and appoints a radical liberal who is hostile to the values held by the Boy Scouts yet would fiercely defend promiscuous, dangerous sex. Clinton pledged to make his administration "look like America." How many Americans could state with a straight face that they believe that the Boy Scouts are an insidious group bent on undermining society while sex clubs are a valuable institution that provides important cultural stability? I will bet the President found the only one.

In closing, Madam President, let me urge my colleagues to vote against confirming Roberta Achtenberg. I ask my colleagues to ask themselves whether they think it is appropriate that judgments regarding discrimination in housing should be made by one who, if she had her way, would shut down all the Boy Scout troops in America and replace them with sex clubs festering with disease. I ask my colleagues to ask themselves whether they could look a constituent straight in the eye and explain their reasons for supporting a nominee who, by her own admission, is not only unqualified, but clings to a value structure inimical to that held by the vast majority of Americans.

Mr. AKAKA. Madam President, I rise today in support of Roberta Achtenberg to be Assistant Secretary for Fair Housing and Equal Opportunity in the Department of Housing and Urban Development.

Ms. Achtenberg, a member of the San Francisco Board of Supervisors since 1990, has had a distinguished career as a civil rights attorney, law professor, and law school dean. As a supervisor, and former chair of the Housing Committee of the San Francisco Board of Supervisors, she has led efforts to prevent housing discrimination; protect tenants from illegal evictions; support expanded construction of affordable housing and guarantee small business participation in bidding for city contracts.

A graduate of the University of Utah School of Law and a Phi Beta Kappa undergraduate of the University of California at Berkeley, Ms. Achtenberg has a long record of achievement as a civil rights attorney and has litigated cases in State and Federal courts. It is this broad-based professional experience that Supervisor Achtenberg would bring to the Department of Housing and Urban Development.

Although her nomination was recently approved by the Senate Banking, Housing, and Urban Affairs Committee by a nonpartisan vote of 14-4, a few Senators oppose Ms. Achtenberg's confirmation because of issues unrelated to her professional ability.

Last summer, President Clinton said, "We don't have a person to waste," responding to those who sought to exclude rather than foster America's diversity. It would be wrong to deny Ms. Achtenberg the opportunity to serve her country because some may oppose her sexual orientation.

Most importantly, Ms. Achtenberg is prepared to enforce Federal laws, not to serve as an advocate of radical change. Discrimination on the basis of race, national origin, religion, disability, family status, and gender continues to exist. Ending such discrimination in housing will be Ms. Achtenberg's challenge, and I believe she possesses the professional experience and personal fortitude to tackle the job.

Mr. DURENBERGER. Madam President, I rise today to offer my support for the President's nominee to be Assistant Secretary for Fair Housing and Equal Opportunity in the Department of Housing and Urban Development.

I support the nomination of Roberta Achtenberg for three principal reasons.

No. 1, she is the choice of President Clinton and Secretary Cisneros and I believe that there is a strong presumption that Presidents ought to get the people they want to help them.

No. 2, she has strong qualifications—a resume that bespeaks a deep knowledge of and commitment to policies that will ensure fair housing for Americans.

No. 3, the Senate Committee on Banking, Housing, and Urban Affairs—led by Senators RIEGLE and D'AMATO—has made a thorough study of her fitness for that position. And they have recommended that she be confirmed.

Faced with these considerations—a presumption in favor of confirmation, a qualified nominee, and a committee endorsement—I have to ask myself if there is a substantial reason to vote "no" on the nomination.

Put another way: When the Senate considers a Presidential nominee, are we undertaking the task of moral policemen—endorsing or condemning the private conduct of nominees?

Or are we—rather—here to make sure that the President staffs his administration with competent people who will help him create the policies he was elected to pursue?

Madam President, it is my hope that my colleagues will join me in the opinion that the latter course is wiser and more constitutionally founded.

The one legitimate question that is raised in this debate today is the tolerance of the nominee toward views that differ from her own. This is an important matter. But the incident that gives rise to this question, her vote on the United Way board in San Francisco, is not evidence of intolerance, in my view, as much as evidence of a wrong-headed view of the role of charity in our society. This failing on her part does not disqualify her from the post to which she is nominated.

I do not approve or disapprove of Roberta Achtenberg as a person. And it is not up to me to judge her private behavior, on the board of the United Way or anywhere else. But I can judge her qualifications for this job, based on the record. And on that basis I will vote to confirm this nomination.

Mr. McCAIN. Madam President, I rise today to voice my concern about the nomination of Roberta Achtenberg to serve in the post of Assistant Secretary for Fair Housing and Equal Opportunity for the U.S. Department of Housing and Urban Development.

There have been few times in my Senate career when I have voted against a Presidential nomination, but this is one occasion on which I cannot give the President the benefit of the doubt. Given the facts, to do so would be an abdication of my responsibilities. The Constitution entrusts the Senate with responsibility of advice and consent for a reason—to review nominations and determine whether there is anything in the individual's background that might make them unfit for public service at high levels in the Federal Government. This is one of those few instances where I believe the Senate ought to exercise its authority and ask the administration to put forth another individual for this position. I simply to not believe that this nominee is the appropriate person to hold this particular position within the Department of Housing and Urban Development.

Some might respond that I am opposing this particular nominee because of her sexual preferences. That is not the case. It would be wrong for me to use one's personal sexual preferences or lifestyle as a litmus test. No, the issue here is one of qualifications and temperament.

Based on this nominee's record, I believe there is strong reason to be concerned that, if confirmed, this individual would abuse the privilege and authority of this important office to promote her personal values. Our Constitution, which all of us in the Federal Government are sworn to uphold and defend, permits a wide range of views and lifestyles. In fact, this enlightened protection is one of the great strengths of America.

I am concerned, however, that this individual will, if confirmed, punish individuals and organizations for their political or personal values; values which differ from hers. Mr. President, as a San Francisco city supervisor and board member of the bay area United Way, she worked to successfully prevent the Boy Scouts from meeting in public schools and public facilities during school hours.

Madam President, she worked to influence the United Way to withhold funding from the Boy Scouts.

And, Madam President, this nominee compelled the city of San Francisco to reduce deposits made to the Bank of America because the Bank of America made a modest contribution to the Boy Scouts.

All of these incidents are related to the fact that Ms. Achtenberg thought that the Boy Scouts should be compelled to appoint homosexuals to their leadership ranks.

Madam President, this background is one of intolerance, discrimination, and abuse of power in attempting to carry out a vendetta against those who do not share her values or beliefs. This is the kind of track record that is inconsistent, in my view, with the type of individual that ought to be entrusted with the power and authority of the position to which she has been nominated. What's more, Ms. Achtenberg has admitted that she is not an expert in fair housing law—the very focus of the responsibilities of the office to which she has been nominated.

Madam President, in light of the facts, I cannot in good faith support the nomination of this individual to serve in the important post of Assistant Secretary for Fair Housing and Equal Opportunity for the U.S. Department of Housing and Urban Development.

Mr. BROWN. Madam President, I rise today to express my concern about the nomination of Roberta Achtenberg to serve as Assistant Secretary for Fair Housing and Equal Opportunity of the Department of Housing and Urban Development [HUD].

The Assistant Secretary for Fair Housing and Equal Opportunity is of crucial importance to HUD and the Nation, and plays a critical role in enforcing our Nation's antidiscrimination laws in public and private housing. My concern over this nominee is grounded upon my belief, and the beliefs of over 40 major national civil rights organizations, and housing organizations representing millions of Americans, that the person appointed to serve as Assistant Secretary for Fair Housing and Equal Opportunity must be someone possessing a background and substantial experience in fair housing policy and enforcement.

Roberta Achtenberg: First, has little or no experience or background in fair housing policy and enforcement; second, has little or no experience in advocating the interests and concerns of individuals and groups protected by the Nation's antidiscrimination laws; and third, by her own admission is not a fair housing expert by a long shot.

In January this year, some 40 national civil rights organizations and housing organizations, including the National Association for the Advancement of Colored People, the NAACP Legal Defense Fund, the Mexican-American Legal Defense Fund, the National Council of La Raza, the National Urban League, the National Low Income Housing Coalition, and the Asian Law Caucus, sent a letter to Secretary Cisneros strongly urging him to appoint someone to the Assistant Secretary for Fair Housing and Equal Opportunity position with an extensive background in fair-housing litigation and with an extensive background in civil rights concerns. In this letter, these groups stated:

> Immediate and dramatic changes are needed in HUD's fair housing enforcement policies and systems. The first step toward attaining those changes is the appointment of persons committed and experienced in fair housing enforcement. In particular, the positions of General Counsel and Assistant Secretary for Fair Housing and Equal Opportunity (FHEO) are of crucial importance. * * * Both the General Counsel and the Assistant Secretary for FHEO must be persons with substantial experience in fair housing policy and enforcement and a real commitment to ending the discrimination and segregation that characterize housing markets in the United States.

I ask unanimous consent that a copy of this letter from these groups to Secretary Cisneros dated January 11, 1993, be printed in the RECORD at the end of my statement.

These groups expressed these legitimate and serious concerns before the President even nominated Achtenberg. According to a Washington Times article dated January 28, 1993, and a January 22, 1993, article appearing in the Washington Blade, a gay and lesbian oriented newspaper, after several of these groups heard that Roberta Achtenberg had been selected for the position, at least six group members voiced concern about what they said was Achtenberg's lack of experience in fair housing law.

In this context, it makes no sense to fill the No. 1 position that deals with the enforcement of fair housing and equal opportunity laws with a person who lacks the expertise and background in the enforcement of these laws.

Roberta Achtenberg is not qualified for the Assistant Secretary position and I shall oppose her nomination.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JANUARY 11, 1993.

Hon. HENRY CISNEROS,
Secretary of Housing and Urban Development-Designate, c/o Clinton/Gore Transition, Washington, DC.

DEAR MR. SECRETARY—DESIGNATE: Congratulations on your nomination. We the undersigned civil rights, fair housing and housing organizations look forward to working with you. We write to urge you to make fair housing enforcement an immediate, top priority of the Department of Housing and Urban Development. The urgent need for vigorous enforcement of the Constitution, the Fair Housing Act and other federal statutes which prohibit housing discrimination and segregation cannot be overstated.

Fair housing enforcement is not just a matter of equality and justice, although those values are obviously of great importance in and of themselves. Fair housing opportunity is an essential building block in any effort to reinvigorate the domestic economy and to bring poor and disadvantaged citizens into the economic mainstream.

Housing patterns in this country remain severely segregated on the basis of race and national origin. Millions of African Americans, Latinos and other minorities are locked into segregated neighborhoods which afford few good jobs, inferior schools, and inferior public services. This residence-based denial of educational and employment opportunities drains talent out of the domestic work force and results in increased costs to the social welfare and criminal justice systems.

Segregation does not occur by chance, income or private choice alone. Persistent patterns of racial segregation have resulted from a host of official actions of federal, state, and local governments and of discriminatory and segregative policies followed by housing, lending and insuring industries. Our segregated and racially-isolated central cities are largely the result of governmental and industry policies.[1]

The Rodney King trial produced a great deal of discussion in the past year; but one issue is quite clear. It is unlikely that the Rodney King verdict and subsequent uprising in Los Angeles would have occurred if housing in that metropolitan area were not segregated. In a desegregated community, the jury probably would have included African Americans who could have explained the realities of police brutality and racial discrimination to their colleagues. In a desegregated community, there would not have been a racially isolated and oppressed south central neighborhood which suffered the effects of disinvestment of financial institutions and insurance companies.

Recognizing the tremendous scope of housing discrimination and its pernicious effects,

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[1] HUD repeatedly has been held liable for segregation and discrimination in the administration of its own programs. In addition, numerous HUD studies reveal massive discrimination in private housing markets. For example, a 1991 HUD Report of undercover audits of 3800 homes and apartments in 25 U.S. cities showed that African Americans encountered discrimination 59 percent of the time when they tried to buy a house and 56 percent of the time when they sought rental housing. Latinos suffered discrimination 56 percent of the time they tried to purchase housing and 50 percent of the time they tried to rent.

Congress in 1988 enacted broad amendments to the Fair Housing Act. The 1988 amendments established the most comprehensive governmental enforcement system ever included in a federal civil rights law. These amendments also extended the Act's coverage to discrimination against families with children and persons with disabilities.

Despite the existence of a model law on paper, HUD's enforcement of the Fair Housing Act and other anti-discrimination statutes applicable to the housing industry has been largely a sham during the past years. Some HUD fair housing officials have exhibited blatant hostility toward the victims of discrimination and have set up systems that emphasize quick closing of complaints over attainment of appropriate remedies for discriminatory conduct. The prior record of fair housing enforcement under HUD's General Counsel, Frank Keating, became a major issue during confirmation hearings on his nomination for a seat on the U.S. Court of Appeals for the Tenth Circuit. Subsequently, Mr. Keating was not confirmed.

It is extremely important that fair housing receive the highest priority and attention during the first days of your new Administration. It is crucial that HUD exercise leadership on fair housing enforcement and policy.

Immediate and dramatic changes are needed in HUD's fair housing enforcement policies and systems. The first step toward attaining those changes is the appointment of persons who are committed to and experienced in fair housing enforcement. In particular, the positions of General Counsel and Assistant Secretary for Fair Housing and Equal Opportunity (FHEO) are of crucial importance. The General Counsel and his/her office are responsible for all administrative litigation of fair housing complaints. During the Bush Administration, the General Counsel's office also has played a major role in the development of Departmental policy on fair housing enforcement. Both the General Counsel and the Assistant Secretary for FHEO must be persons with substantial experience in fair housing policy and enforcement and a real commitment to ending the discrimination and segregation that characterize housing markets in the United States. The undersigned organizations would be pleased to assist you in any manner you believe to be helpful in identifying persons who possess these qualifications.

We would very much like to meet with you at your earliest convenience to discuss these important issues in more detail. In the meantime, we have enclosed background documents that set out both the problems with fair housing enforcement and proposed solutions.

Very truly yours,

National Association for the Advancement of Colored People, Wade Henderson, Director, Washington Bureau, Beverly Cole, Director of Housing Program, 202/638–2269.

National Fair Housing Alliance, Shanna Smith, Director of Programs, 202/898–1661.

Mexican American Legal Defense and Educational Fund, G. Mario Moreno, Associate Counsel, 202/628–4074.

Puerto Rican Legal Defense and Education Fund, Kenneth Kimerling, Acting President/General Counsel, 212/219–3360.

Washington Lawyers' Committee for Civil Rights and Urban Affairs, John P. Relman, Director, Fair Housing Project, 202/682–5900.

Texas Lawyers' Committee for Civil Rights Under Law, Elizabeth K. Julian, Acting Director, 214/939–9230.

Center for Community Change, Andrew Mott, 202/342–0519.

National Urban League, Robert McAlpine, Director, Policy and Government Relations, 202/898–1604.

Lawyers' Committee for Civil Rights Under Law of the Boston Bar Association, Ozell Hudson, Jr., Executive Director, Nadine Cohen, Fair Housing Project Director, 617/482–1145.

NAACP Legal Defense and Educational Fund, Inc., Penda D. Hair, Director, Fair Housing Program, 202/682–1300.

National Housing Law Project, Florence Wagman Roisman, Attorney, 202/783–5140.

National Council of La Raza, Charles Kamasaki, Vice President for Research, Advocacy, and Legislation, 202/289–1380.

Fair Housing Congress of So. CA, Michelle C. White, Executive Director, 213/365–7184.

Fair Housing Council of San Gabriel Valley, Sandra Romero, Executive Director, 818/791–0211.

Hollywood-Mid L.A. Fair Housing Council, Debbie Rodriguez, Executive Director, 213/464–1141.

Marin Housing Center Fair Housing Programs, Nancy B. Kenyon, Fair Housing Director, 415/457-5025.

Project Sentinel, Stanford, CA, Ann Marquart, Director, 415/468–7464.

HOPE, Inc., Miami, FL, William Thompson, Jr., Executive Director, 305/375–5715.

Metro Fair Housing Services, Inc., Atlanta, GA, Robert Shifalo, Executive Director, 404/221–0874.

National Low Income Housing Coalition, Barry Zigas, President, 202/662–1530.

Metropolitan Phoenix Fair Housing Center, Henry Cabirac, Jr, Executive Director, 602/375–5106.

Kentucky Fair Housing Council, Galen Martin, Executive Director, 502/583–3247.

Fair Housing Center of Metropolitan Detroit, C. Schrupp, 313/963–1274.

Concerned Citizens Coalition, Great Falls, MT, Toni Austad, 406/727–9136.

Cuyahoga Plan of Ohio, Inc., Eleanore Dees, Executive Director, 216/621–4525.

Fair Housing Center of Toledo, OH, Lisa Rice, Interim Director, 419/243–6163.

Housing Opportunities Made Equal, Greater Cincinnati, Karla Irvine, Executive Director, 513/721–4663.

Metropolitan Fair Housing Council, Greater Oklahoma City, Ervin Keith, Executive Director, 405/232–3247.

Housing Council of York, Inc., York, PA, Cynthia Jones, 717/854–1541.

Housing Opportunities Corporation, Memphis, TN, Carol Gish, 901/526–2217.

HOPE, Inc., Lombard, IL, Bernard Kliena, 708/495–4846.

Leadership Council for Metropolitan Open Communities, Chicago, IL, Aurie Pennick, Executive Director, 312/341–5678.

Housing Opportunities Made Equal, Richmond, VA, Constance Chamberlin, Executive Director, 804/354–0641.

Metropolitan Milwaukee Fair Housing, Council, Inc, William R. Tisdale, Executive Director, 414/278–1240.

Open Housing Center, Inc., New York, NY, Sylvia Kramer, Executive Director, 212/431-7428.

Long Island Housing Services, Inc., David Berenbaum, Executive Director, 516/582–2727.

Westchester Residential Opportunities, Ann Seligshon, Fair Housing Director, 914/428–4507.

Fair Housing Council of Central New York, Sharon Sherman, 315/425–1032.

Asian Law Caucus, Gen Fujioka, 415/391-1655.

National Coalition for the Homeless, Joan Alker, 202/775–1322.

National Rural Housing Coalition, Robert Rapoza, 202/393–5225.

Ms. MOSELEY-BRAUN. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested. The clerk will call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. KOHL). Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I rise today in opposition to the nomination of Roberta Achtenberg as Assistant Secretary of Housing and Urban Development for Fair Housing and Equal Opportunity.

I would like to note that my opposition to Ms. Achtenberg's nomination lies not with her personal lifestyle but with her radical activism in pursuing her own political agenda. I believe that a public servant's duty is to serve the people to the best of his or her ability, and I am not convinced that Ms. Achtenberg has the good of the American people at heart.

Mr. President, her attack on the Boy Scouts of America was at best misguided and at worst showed a tragic lack of appreciation for an institution that has benefited thousands of young people in this Nation. In her position as San Francisco city supervisor and a board member of the United Way of the Bay Area, she was one of the leaders of the opposition that was ultimately successful in preventing the Boy Scouts of America from meeting in public schools and public facilities. And she also convinced the United Way to withhold funding from the Boy Scouts. As a San Francisco city supervisor, Ms. Achtenberg introduced a resolution to the San Francisco Board of Supervisors urging the city to pull $6 million from the Bank of America to protest the bank's decision to allow corporate donations to the Boy Scouts.

Mr. President, I also have concerns regarding the qualifications of this nominee to address the complexities of housing law. Ms. Achtenberg has been quoted in the Washington Times on February 6, 1993, as saying:

> I am not a fair housing expert by a long shot. I've done public interest law, and in my capacity as a county supervisor I've dealt with housing issues. * * * But I am not a fair housing lawyer.

Mr. President, I would argue that in these times of tremendous housing distress, this country needs a fair housing expert. We as public servants would be committing an extreme disservice to the American people by not providing them with a nominee who possesses such expert experience.

In my opinion, Ms. Achtenberg's questionable actions in public office and her lack of relevant housing experience illustrate her failure to meet the qualifications necessary for this important position.

I thank the Chair.

Mrs. BOXER. Mr. President, I believe that Senator Thurmond has just reiterated in a brief format many of the things which have been stated and refuted on this Senate floor.

I just want to state for the record, because I do not want these statements to go unanswered, that bringing up the Boy Scouts again means that I have to reiterate the truth one more time, so that Senators can hear this and know the facts: The United Way of the Bay Area had in its charter a provision that they could not fund any organization which discriminated, and in the category of discrimination, they included sexual orientation.

Therefore, the United Way of the Bay Area had a prohibition against funding any organization that engaged in discriminatory practices based on race, gender, ethnicity, religion, disability, age, and sexual orientation—which may make it different than other United Way affiliates. And the task force that was set up by the bay area United Way did not have Roberta Achtenberg on it. It was a group of citizens—from corporate America, and from across the political spectrum. And it was they, in fact, who recommended to the board of directors of the United Way that because their charter prohibits funding an organization engaged in discriminatory practices, the Boy Scouts should not receive funding unless they changed their discriminatory policy.

The board of directors, 32 of them present, voted, along with Roberta Achtenberg, that they had no other option. Even if they loved the Boy Scouts, even if their kids were Boy Scouts or Eagle Scouts or Cub Scouts—and many of these directors I know themselves were Boy Scouts at one time—they had no choice and they hoped that this pressure would mean the Boy Scouts would take another look at their policies and change them.

Now, I think it is fair to debate that issue, whether or not organizations like the United Way, or whether the Federal Government as an example, should pass a statute that says there will be no discrimination on the basis of sexual orientation. I may have one view, other Senators may have another view, and that is fair. But to say that this nominee was the only person in San Francisco who felt the United Way should withhold funding is incorrect. I respect the comments of the Senator from South Carolina, but once more I need to try to refute his comments in that regard.

He also says that this nominee is not qualified. Again and again we hear those comments. Also, we have heard Senator NICKLES mention, and now other Senators, that 40 civil rights organizations sent a letter to Secretary Cisneros in January saying they wanted someone with extensive fair housing experience and that Roberta Achtenberg does not have that experience.

Mr. President, that is false. We already had Chairman DON RIEGLE on the floor this morning explaining that, in fact, the letter which was sent to Henry Cisneros was sent before Roberta Achtenberg's name was placed in nomination. And since that time we have a tremendous number of fair housing organizations that have voted to endorse Roberta Achtenberg. At this time I would like to read the names of those organizations into the RECORD:

The National Fair Housing Alliance; the Fair Housing Council of Orange County; the Metropolitan Fair Housing Council of Greater Oklahoma City; the Fair Housing Contact Service of Akron, OH; the Fair Housing Center of Metropolitan Detroit; the Chinese Community Housing Corp. in San Francisco; the Council for Concerned Citizens of Montana, Housing Opportunities Made Equal of Buffalo, NY; Austin Tenants' Council; the Fair Housing Council of Oregon; Eden Council for Hope and Opportunity of California; the Housing Discrimination Project of Massachusetts; Baltimore Neighborhoods, Inc.; Housing Opportunities Made Equal of Virginia; African-American church leaders, including Rev. Cecil Williams of Glide Memorial United Methodist Church and Father Jim Goode of St. Paul of the Shipwreck Catholic Church; Ed Lee of the San Francisco Human Rights Commission; Gordon Chin of the Chinese Community Housing Corp; Paul Iqasaki of the Asian Law Caucus; Henry Der of Chinese for Affirmative Action; Jim Morales of the National Center for Youth Law; Mario Salgado of La Raza Centro Legal; Jose Medina of Instituto Laboral de la Raza; Enrique Ramirez of San Francisco La Raza Lawyers Association; Rabbi David Saperstein of the Religious Action Center of Reform Judaism, and many others who care, Mr. President, about fair housing and want a strong voice.

Mr. President, we have debated this nomination since yesterday. We have been on it for 24 hours. I say it is time to get on with this vote. The opposition has made its voice crystal clear. They have made some statements that many of our side have been able to refute, one of them an egregious statement that the San Francisco Chronicle had editorialized against Roberta Achtenberg.

Mr. President, this Republican newspaper, the San Francisco Chronicle, which endorsed George Bush, just this morning reiterated their support for Roberta Achtenberg.

So, Mr. President, I think it is time to get on with it, and I certainly hope that we will do that.

I yield the floor.

Mr. MITCHELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum called be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from West Virginia is recognized to speak as in morning business.

Mr. BYRD. Mr. President, I thank the Chair.

WILLIAM F. "BILL" FARMER, JR.

Mr. BYRD. Mr. President, back in December, at the close of the 102d Congress, a man of exceptional dedication, William F. "Bill" Farmer, Jr., retired from U.S. Senate service.

All told, Bill Farmer compiled 32 years in Federal service—4 years in the U.S. Marine Corps, with active duty during the Korean war and 28 years in several capacities here in the Senate.

A native of Kentucky with a B.S. degree in accounting from the University of Kentucky, Bill Farmer began working for the Senate in December 1964, and he served this institution continuously until last December in a variety of positions until he rose to become chief legislative clerk in 1980.

Mr. President, those of us who serve in elective roles in the Senate are, appropriately, the focus of celebrity and attention—as well as criticism—in this institution.

But the men and women who serve at our sides; who stand behind us in research and administrative positions; who maintain and tend this grand edifice; who faithfully and accurately record and print each day's proceedings; who provide us with copies of laws and resolutions; who transcribe our correspondence and keep our schedules in order; who answer communications from our constituents and help them find solutions to their problems—Mr. President, all of these men and women, too, are integral elements of this, the greatest deliberative body in the world—the premier and foremost upper body in the world today—and, like Bill Farmer, enjoy my unflagging admiration and gratitude for the outstanding contributions that they make daily to us, to the Senate, and to our country.

Though my recognition of him is unintentionally belated, I hope that Bill Farmer will remember our appreciation for the many duties that he performed for us so well and so long, and that he will enjoy the fruitful retirement that he so justly earned through his services in the Senate of the United States.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. KENNEDY. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mrs. FEINSTEIN). Without objection, it is so ordered.

NOMINATION OF ROBERTA ACHTENBERG, OF CALIFORNIA, TO BE AN ASSISTANT SECRETARY OF HOUSING AND URBAN DEVELOPMENT

The Senate continued with the consideration of the nomination.

Mr. KENNEDY. Madam President, I give my strong support to the nomination of Roberta Achtenberg to be the Assistant Secretary of Fair Housing and Equal Opportunity at the Department of Housing and Urban Development.

Few high Federal positions need revitalization more than the Office of Fair Housing at HUD.

A quarter century ago, in the wake of the assassination of Martin Luther King, Congress passed the Fair Housing Act of 1968. Our purpose was noble, but our means were flawed.

In our desire to respond to one of the most insidious forms of discrimination, we provided an empty promise—acknowledging an essential right without providing an effective remedy. As a result, the senseless discrimination continued.

In many important respects, housing discrimination strikes at the core of the American experience. It isolates racial and ethnic minorities. It perpetuates ignorance and bigotry. It impairs progress in school desegregation and undermines equal access to employment opportunities.

In 1988, I was proud to be the principal sponsor of bipartisan legislation to put our remedies where our rhetoric is, and guarantee fair housing opportunities for all those who continue to be locked out by prejudice.

The Fair Housing Amendments Act of 1988 put teeth into our fair housing laws. We gave HUD real enforcement authority.

We also expanded the reach of the 1968 legislation to protect people with disabilities and families with children from discrimination in housing. That legislation passed the Senate by a vote of 94-3 and is now the law of the land.

As we all know, the struggle for fair housing is far from over.

According to an Urban Institute study commissioned by HUD, blacks and Latinos continue to experience discrimination in 50 to 60 percent of housing transactions. A similar study by the Federal Reserve Bank of Boston found that blacks and Latinos are 60 percent more likely to be rejected when applying for home mortgages than are whites in similar circumstances.

In addition, unacceptable discrimination continues against children and the disabled. Two of every five claims filed at HUD challenge instances of discrimination based on family status or disability.

HUD anticipates more than 10,000 claims of discrimination this year.

These Americans deserve prompt and fair action. And with Roberta Achtenberg as the Assistant Secretary of Fair Housing—these citizens will get what they deserve—nothing more, but also nothing less.

It is for this reason that the National Fair Housing Alliance unanimously and actively supports the nomination of Roberta Achtenberg. Housing advocates across this country know that she will do an outstanding job at HUD on an issue that has seen too little action and too little justice for too long.

I commend Senator RIEGLE, the chairman of the Banking Committee, the Senators from California, and the other members of the Banking Committee for hearing the facts, speaking the truth, and voting to confirm her.

Roberta Achtenberg is intelligent, professional, articulate, and talented.

She has years of experience in demonstrating leadership, building consensus, and improving the lives of the neediest Americans.

She is an able lawyer who is deeply committed to civil rights. As a member of the San Francisco Board of Supervisors, she chaired the committee on housing.

She has championed enhanced protection for tenants against wrongful eviction. She has supported the construction of affordable housing for low-income families. She has increased opportunities for small business to participate in city contracting.

She has an extraordinary record of community and public service, and she has been recognized nationally and locally for her efforts.

But the most convincing support for her nomination comes from those on the frontlines working tirelessly to eliminate housing discrimination in the United States.

The alliance of private fair housing agencies across this country has this to say about Roberta Achtenberg:

> Her record is distinguished and impressive, and represents a life of personal commitment and professional expertise.
>
> We have found her to be thoughtful about the law and its implications for our neighborhoods and country; intelligent, revealed in the speed of her acquisition of knowledge and the acuity of her perception; sensitive to the needs of the victims of discrimination as well as the concerns of the housing industry; understanding of the role private fair housing organizations can and should play in the achievement of equal access to housing; creative and to the point in her approach to problem solving; and committed to the full enforcement of the fair housing laws.

That is what they said.

Those who have dedicated their lives to fighting discrimination in housing have put their faith in Roberta Achtenberg. They believe that she can and will bring skill and commitment to her appointment—and I urge my colleagues to support it.

We have heard considerable discussion about the fact that Roberta is a lesbian. I admire her willingness to be open about who she is. But it is her skills and not her sexual orientation that is at issue here.

She is superbly qualified for the job to which she has been appointed, and bigotry should not disqualify her.

I urge my colleagues to end this filibuster and vote to make Roberta Achtenberg our next Assistant Secretary for Fair Housing by the broadest bipartisan majority we can give her.

Madam President, I suggest the absence of a quorum. I withhold the request.

The PRESIDING OFFICER. The request is withdrawn. The Senator from California is recognized.

Mrs. BOXER. Madam President, I just wanted to say to the Senator from Massachusetts, before he leaves the floor, how much I appreciate his coming over here to keep our eye on the ball, which is Roberta Achtenberg's qualifications and her experience. This is a very able woman, and her private life has nothing to do with this nomination.

I just wanted to thank the Senator from the bottom of my heart for coming over here. I know he has a busy and hectic schedule.

Mr. KENNEDY. All Senators appreciate the Senator's leadership and Senator FEINSTEIN's leadership on this issue. As the Senator understands, this has been a long, continuing process to deal with the problems of bigotry and discrimination in our society. We made some progress in the early sixties on race, in the Voting Rights Act, in the public accommodations provisions. Later, in the late sixties, we attempted to do so in housing. We did not, as I mentioned earlier, provide for the effective remedies.

Then we addressed this issue again in 1980, just after the election, in the full session of 1980. We were three votes short of getting cloture at that particular time for developing effective remedies. The question at that time came. Should we compromise further on the issue of remedies? It was the judgment of those activists who were involved in this issue that we should not. We waited 7½ years to be able to try and develop the public support for developing strong remedies to make sure that we are going to attempt to root out discrimination in housing and, as I mentioned, add protections against the disabled, as well as children.

This has been a long, continuing process. What we have seen in the most recent times since the passage of that act is failure really to use the full range of enforcement remedies that were in the legislation.

We need someone who has the superb qualification that Roberta Achtenberg has. This is a matter of enormous importance for a whole range of reasons that we have outlined earlier in terms of the quality of life of so many of our fellow citizens being freed from the lash of discrimination in our society.

Our candidate is just superbly qualified, for all the reasons that the Senators from California have mentioned during the course of this debate. I welcome adding my voice in support in urging that all of our colleagues on both sides of the aisle support this nomination. We would never have been able to gain the Fair Housing Act if we did not have Republican as well as Democratic support. If we are really committed to carrying that measure to full fruition, we need the kind of effective, articulate spokesperson whom we have in this nominee.

I hope that all of our colleagues on both sides of the aisle who are really committed to trying to root out the discrimination in housing would give this nominee the wholehearted support that she deserves.

I thank the Senator for her kind remarks, and I look forward to, hopefully, an overwhelming vote in the body.

Mrs. BOXER. Madam President, I agree with the Senator, and I hope it will be an overwhelming vote soon, because we have been on this nomination since yesterday at 4 p.m. As you see, there are not too many Senators on the other side right now, and we are wasting precious moments to get this nominee in place, and get her to work. She is ready, willing, and able to work. We have many other issues, as you know, coming right behind this one.

So, again, my deepest thanks to the Senator. I yield the floor.

Mr. KENNEDY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRAMM. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAMM. Madam President, the Senate has before it the nomination of Roberta Achtenberg. I opposed her nomination in the Banking Committee, and I intend to vote against her when the vote is taken either today, tomorrow, Monday, or Tuesday.

What I would like to do is to simply outline why I oppose her nomination, and I would like to talk about why I believe that she should not be confirmed as Assistant Secretary for Fair Housing and Equal Opportunity in the Department of HUD.

Madam President, I have long believed that elections have consequences; that when we hold elections and people cast a vote, that that ought to mean something. In fact, I have observed now, in the 8 years that I have been in the Senate, that there are some people who try to win on the Senate floor what they cannot win at the ballot box.

So I have tried since we have had a Democratic President to try to give the President the benefit of the doubt. I have voted for the President's nominees not because I agreed with them, but because I thought they were in line with the President's thinking.

I have thought that when the American people voted, that they voted knowing—or at least, in casting their vote, they should have known—that Bill Clinton, if elected, was going to appoint liberals who believed in activist Government, who would expand Government regulation, and who would pursue an activist agenda in expanding the power of the Federal Government; and in doing so, intrude into the private sector of the economy. While not everybody may have understood that, Madam President, they should have.

So I have made it a point not to vote against people simply because I disagreed with them. We had an election, and while the President got only 43 percent of the vote, he won. So on that basis, I have cast my vote for the President's nominees to this point.

I believe, however, that when the Founding Fathers wrote the advise and consent clause of the Constitution, that while they did not intend the party out of power to try to win in the Senate what they could not win at the ballot box, that clearly they intended that certain parameters be set. One of those parameters is competence. One of those parameters is credibility. One of those parameters is temperament.

It seems to me that there is much about Roberta Achtenberg that one could admire. She is tough; she is smart; she is committed. Those are all things that I place a very high value on. After giving a lot of prayerful consideration, I decided to cast a vote against her because I doubt her temperament to serve in this very important and very sensitive office.

I could go into a lot of detail, but I want to talk about her temperament as it relates to one specific event, and that is a 4-year vendetta that she carried out against the Boy Scouts of America.

First, as a member of the board of the United Way, Roberta Achtenberg provided the leadership to deny the Boy Scouts of America $848,000 of United Way funds because she disagreed with their policy of not taking scoutmasters who were avowed gays.

Then, as a member of the board of supervisors, she was a leader in an effort to intimidate the Bank of America and stop it from giving the Boy Scouts of America $18,000. In fact, she went so far as to introduce a resolution to withdraw city funds from the Bank of America where the penalty would have been $30,000 a year, almost twice what they were giving to the Boy Scouts of America.

Finally, Roberta Achtenberg used her power and her influence to get the school board to exclude the Boy Scouts of America from using school property for their meetings.

I would like to read a quote from Roberta Achtenberg, and then I would like to discuss each one of these points in light of this quote. This is a quote from the San Francisco Chronicle:

> Do we want children learning the values of an organization that provides character building exclusively for straight, God-fearing male children?

Now, Madam President, I do not believe that every organization in America ought to be structured in such a way that it limits character-building instruction just to God-fearing male children who are nongay.

I believe in the pluralism that we all know and love in America. I have always believed in a live-and-let-live policy in our great country. But I wonder, Madam President, in a country like our country, built on pluralism, if there is not room for at least one organization, not a government organization, a volunteer organization, a private organization, the Boy Scouts of America, an organization that many who serve in this body are proud to say that they were once members of, is there not room in America for one organization that provides character building exclusively for straight, God-fearing male children?

I remind my colleagues that there is a sister organization, the Girl Scouts of America, that provides exactly the same leadership training, the same character building to female children.

It seems to me, Madam President, that I have to be concerned about somebody who believes that because this one organization does not conform to the world as she would like it to be, then she has the right and, in fact, the obligation, to conduct a vendetta against them to first get United Way to deny them $848,000.

I simply remind my colleagues this is not a case of the United Way not funding any groups that Roberta Achtenberg supported. They were clearly funding a lot of groups she was supportive of, but her objection was the fact that they were providing funding to one volunteer, private organization that provided character building exclusively for, in her words, "straight, God-fearing male children."

Then as a member of the board of supervisors, Roberta Achtenberg introduced a resolution to try to take city funds, $6 million, out of the Bank of America, not because the Bank of America did not fund organizations that Roberta Achtenberg supported, not because the Bank of America discriminated against groups based on sexual preference. In fact, the Bank of America had a long history of providing funds to organizations that Ms. Achtenberg was supportive of. But what she objected to was the fact that the Bank of America, while providing funds to all of these causes that she was supportive of, also provided $18,000 to the Boy Scouts of America.

On the basis of that donation she instituted a vendetta against the Bank of America, to try to punish them economically by removing city funds even though the removal of those funds would have cost the taxpayers almost twice as much as the Bank of America was giving to the Boy Scouts of America.

Finally, as I said earlier, she used her influence and her leadership to try to exclude the Boy Scouts of America from being able to use school property.

I would like to give one more quote that I think comes very close to defining my real concern here. Then I will conclude.

This is a quote in a report that Ms. Achtenberg was very actively involved in in an advisory role. I am not saying that she wrote this statement, but I am saying I think it gets very close to my concern. This is in a report entitled "Sexual Orientation: An Issue of Work Force Diversity." This is a segment of the epilogue. It says:

> The challenge now is to take this report and provide the kind of leadership and support it will require to make the Forest Service the 'Employer of Choice'. Throughout this report, we had been talking about something more than tolerance and acceptance. Tolerance is not enough.

"Throughout this report we have been talking about something more than tolerance and acceptance. Tolerance is not enough."

Madam President, I believe tolerance is very important. I think one of the things that we love about America is that we try to tolerate our differences. It seems to me in the epilogue of this work on trying to change the functioning of the Forest Service that we get down to the real issue about Roberta Achtenberg; that is, that what she has tried to promote in this vendetta against the Boy Scouts is the position that it is not enough that the United Way funds many different groups that serve many different people, it is not enough that the Bank of America provides charitable contributions to many different groups that serve many different people, it is not enough that the school board allows school property to be used by many charitable organizations that serve many people. The fact that the Boy Scouts of America was not willing to have avowed gays as Scoutmasters meant that Roberta Achtenberg was not tolerant enough to allow this organization, serving a targeted group, to receive assistance just as did many of the organizations she supported, also serving targeted groups.

I believe that that kind of behavior, a convenient vendetta against a group, not that every group in America should be like the Boy Scouts, not that every group in America should provide character building only to God-fearing children who are male and who are straight in her words, but I wonder if in America there is not still room for one such organization. I wonder, Madam President, about the temperament of someone who engages in a vendetta against that organization—and I am especially concerned because as Secretary for Fair Housing what we are looking for is not just an advocate, not just a zealot, but we are looking for someone who is going to fairly and impartially administer the law, someone who is going to carry out regulations.

So I have no doubt about Ms. Achtenberg's ability. I have no doubt about her commitment and her dedication. But I question her temperament for this important and sensitive job. I am very concerned about people who engage in vendettas against anybody. I can honestly say that no matter what their philosophy, no matter what their views, I would be very concerned about supporting anybody nominated by a Democratic President or a Republican President who had a long history of engaging in vendettas against people with whom they disagreed.

That, I think, is a real concern. I think it should give us pause. And for that reason, I intend to vote against this nomination.

I yield the floor.

Mrs. BOXER addressed the Chair.

The PRESIDING OFFICER. The Senator from California is recognized.

Mrs. BOXER. Thank you, Madam President.

I appreciate the opinions of my colleague, the Senator from Texas. I want to rebut some of the things that he has said.

He basically says he is opposing Roberta Achtenberg because of her temperament. And I think it important that I read into the RECORD at this time a letter from former mayor of San Francisco Agnos who knows Roberta Achtenberg and knows her temperament. Here is what he says—dated May 18, 1993. I will quote it in part and then ask unanimous consent for it to be included in the RECORD.

Roberta Achtenberg "led a Task Force that represented the full diversity of our city, including business, labor, ethnic and minority communities, the professions and city workers."

> The report she issued remains the most comprehensive review of San Francisco's policies toward families.
>
> Ms. Achtenberg conducted public hearings and they were marked by fairness and openness.
>
> The recommendations received wide endorsements from the city's religious leaders, labor unions, minority and ethnic community leaders, business leaders, and newspapers. It represented a genuine consensus in our city.

He says "I knew Ms. Achtenberg to have the wisdom and temperament that would engender the highest trust and confidence of our citizenry."

Then he says:

> It is ironic, in view of the criticism raised by some of her opponents for confirmation, that the sharpest opposition to her work came from a small sector of the lesbian and gay community.

That is interesting.

> They accused Ms. Achtenberg of failing to subscribe to a single-issue approach that advanced only their own narrow agenda and which would have ignored the needs of other families. It is consistent with the integrity that characterized Roberta Achtenberg that she withstood such criticism and strongly maintained a commitment to all families.

So here is a situation where a mayor is saying that Roberta Achtenberg—to her own political detriment, I would suggest—did not listen to the narrow agenda of one group, even a group that she belongs to, but rather acted on behalf of all families. This completely contradicts the kind of picture that many members on the other side of the aisle, or at least about six or seven, have tried to paint of Supervisor Roberta Achtenberg.

We also know that today we received a rousing endorsement of her by the current mayor, Mayor Frank Jordan. Frank Jordan and Art Agnos do not agree on much, Madam President, as you and I well know, but they agree that Roberta Achtenberg is a very good choice for this position for which she has been nominated.

So the Senator says Roberta Achtenberg does not have the temperament and that she has engaged in vendettas. I would say as someone who has been engaged in politics for a long time, as has the Senator from Texas, that there is a difference between vendettas and politics. When we have opinions that we believe in, we are going to work hard for our case.

And again, on the Boy Scouts—it keeps coming back, we must have heard the term 60 times. I say again, I like the Boy Scouts. I do not happen to agree that they should have a discriminatory policy. And the fact is that the task force is the United Way—and Roberta Achtenberg was not on that task force—recommended that the United Way could not continue to fund the Boy Scouts until they changed their discriminatory charter. It was as simple as that. Roberta Achtenberg was 1 of 32 people who eventually voted in favor of the task force. And to make it sound like she was the only person who found this particular issue disturbing is not true. It is simply not true.

Let us again look at the issue of temperament. I want to quote from Controller Gray Davis who sent us this letter.

> Supervisor Achtenberg has long personified the politics of "putting people first." Throughout her career Ms. Achtenberg has sought a level playing field for people who are disenfranchised, disadvantaged or overmatched by powerful interests.
>
> She is motivated by the principle that each person, whatever their standing in life, is entitled to fairness, respect and dignity.

She is a "problem-solver," he goes on.

The reason I continue to quote from these letters, Madam President, is that it is frustrating to hear people on this beautiful Senate floor paint a picture of someone other than Roberta Achtenberg, and then say it is Roberta Achtenberg. This is a woman of great skill and quality and her personal life should have nothing to do with this nomination.

I want to read a letter from Henry Der, executive director of Chinese for Affirmative Action. He says:

> Roberta stands out as a shining example of a gifted, compassionate public official and civil rights advocate who has developed strategies that have empowered the disadvantaged and coalesced persons of diverse backgrounds toward a common good. In addition to her effective opposition against all forms of discrimination, she has demonstrated strong leadership in promoting public policies that treat economically disadvantaged youths and families more humanely.

And Henry Der goes on:

> There is no doubt in my mind that Roberta will be an outstanding leader to defend our nation's fair housing laws. Her professional training, personal commitment to equality for all, and successful track record of developing creative and innovative public policies all contribute to her being a superb nominee to be the next Assistant Secretary for Fair Housing.

Signed Henry Der, Executive Director.

You and I know this person, Madam President. Henry Der is a wonderful family person, a leader in the Chinese-American community in San Francisco who knows Roberta Achtenberg and is proud to put his signature on this letter in her behalf.

Madam President, the Senator from Texas announced that he is going to vote against Roberta Achtenberg. This is no surprise. He was one of only four people in the Banking Committee to vote against her at that time. The vote was 14 to 4.

I take great heart in that vote. It was quite bipartisan. As a matter of fact, we had two distinguished Republican members of that committee take to the floor and state their support of this nominee. I think that this Senate can provide tremendous leadership for the country in this nomination by putting aside so many of the red herrings that were raised here today. We know what this is all about. I have to give some credit to some of the opposition who have basically stated what it is all about. It is not about qualifications. It is not about tolerance. It is not about demeanor. It is not about those things. It is about a private lifestyle that some feel disqualifies this woman.

I say America is better than that. We need to take everyone who is willing to serve, as long as they have the qualifications and skills and the record. Madam President, Roberta Achtenberg is a legal scholar, a civil rights attorney, former dean of a law school, who received highest honors in college and highest honors in law school. This is a woman that we need. One of my colleagues said, "Well, she is not a passive lawyer." This is true. We want someone who is a strong lawyer. We want someone who is a strong leader, and Roberta Achtenberg is all of that.

Madam President, about 2 hours ago, the Chair took to the floor, and in her very straightforward way said, "Enough is enough." What are we gaining by this prolonged discussion? All it does is make this nominee sit there and wonder what are people saying about her next? What is the next issue someone who does not know her is going to bring up? What good does it do our Government? As the occupant of the chair has pointed out, we in California know how much we have to do. Our President just visited our State, and he understands the challenges we all face there—unemployment, base closures, conversion from a military-based economy to a civilian-based economy. Our children are in need of a decent education.

So we wait in this Chamber for more Members to come and debate—and they are just not coming. There is no point to this. I find myself repeating the same arguments to rebut the same arguments, quoting more letters. I am happy to do it, and I will stand here as long as it takes, if it is 2 in the morning or 3 in the morning. I know, Madam President, you feel as I do. We will stay as long as necessary. But it is not necessary. We should get on with this vote.

I yield the floor.

Mr. D'AMATO. Mr. President, I intend to vote for the confirmation of Roberta Achtenberg to be Assistant Secretary of Housing and Urban Development, but I do so with the following admonition to her. As one who has been the victim of intolerance in her life, she has a special obligation not to be intolerant of others. Clearly, she has failed to meet that obligation. Her efforts to cut off funding for the Boy Scouts were absolutely inappropriate. Without funding, individual Scouts who had done nothing wrong, might have been deprived of the opportunity for a positive childhood experience. That would have been a serious injustice. Her actions were born of the same intolerance which Ms. Achtenberg has struggled against herself, and I am deeply disappointed that she failed to recognize that. Nevertheless, I do not intend to compound that act of intolerance with one of my own by voting against her. I would hope that she now understands the significance of my advice that she treat others in the future as she would like to be treated herself.

The PRESIDING OFFICER. The Chair, in her capacity as a Senator from California, suggests the absence of a quorum.

The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DOMENICI. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Madam President, I ask unanimous consent that I be permitted to speak for 8 minutes as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from New Mexico is recognized.

FISCAL AND TAX POLICY

Mr. DOMENICI. Madam President, I rise to talk a little bit about the proposal that Senators BOREN and DANFORTH have offered and have now made public with reference to fiscal policy and tax policy of the country and, in a real sense, what they have said as compared with the President's plan to reduce the deficit.

First, everyone knows I have been a staunch advocate of the proposal that you will never get the Federal budget under control if the only thing you attack are the discretionary accounts of this Government. And unless and until you get the mandatory expenditures and the growth in entitlements, led by Medicare, Medicaid, and other health programs under control, you just literally cannot tax the American people enough to get the deficit under control.

Having said that, I do not support the proposal that they have made. It varies greatly from ideas that I have put forth and I have suggested to the Senate and Presidents in the past, and last year, even before we had President Clinton in office.

But I think there is a real message in this package, and I think it is perhaps to the leadership on both sides, and without any question it is a message to the President.

The President knows full well that his so-called economic recovery deficit reduction plan is in serious trouble. It gets in serious trouble not only when Senators in large numbers question its authenticity as a deficit reduction plan and when it is doubted that there are sufficient cuts to justify the kind of taxes that he is asking for, and last but not least when the cuts in expenditures are not credible and dependable over time and not expected to be made before you ask for taxes.

It becomes very obvious that the American people in large numbers are finding out about this. At first they thought it was just another plan, and that it was a big plan, and that it was a new President's plan. But I believe they are clearly understanding that it is principally a tax increase plan, and for the most part, they are beginning to understand that there are not sufficient cuts in Federal expenditures before they are being asked to pay so many taxes.

So, having said that, obviously I must praise the original sponsors of this approach to get to the problem of the entitlements and the mandatory expenditures. As I said, I have recommended something like it, although much different. I have not recommended that you include Social Security, because it is capped on its own. It is capped by COLA's, and it is capped by demographics, and it has a trust fund.

But the real point of today's activities is when Senator JOHNSTON, a cosponsor, says unequivocally the energy tax is dead and here is another bipartisan approach, that should be a message to the President of the United States that his plan is in big trouble, that it may not pass at all. In fact, if I were predicting today, I would predict that it will not pass. I would predict today that the tax plan will not pass the Senate, and that should send the signal that there is something basically wrong with it. And it is clear what is basically wrong with it.

First, you have to be very careful, imposing such large taxes on a fragile economy, because you will cost jobs instead of letting business create jobs.

Second, you do not have reliable credible cuts. In fact, you leave in place programs that are growing faster than the taxes could ever come in. So the people are beginning to understand that this is a first installment on something. But they are not quite sure they like a first installment which is principally taxes, because they wonder what the second installment will look like, especially when there is no solution to the universal health care reform currently being advocated by the White House with support from many, many people in the country.

What I am saying is, the public is very worried that there will be another big dose of taxes for that and the result is economic drag, instead of economic growth. Businesses are frightened to death. Small businesses are making no movement in a positive direction. They are fearful of the marginal tax increases, of health care taxes that are going to be imposed. We are not moving forward. We are moving backward.

And for those who are looking anxiously for new jobs in the economy, just pass the package—the President's package. At least you will get rid of those who are wondering what is going to happen.

But I assure you, the economic news in three quarters from now is not going to be good. It is going to be worse. Small businesses are not going to hire more people with this kind of economic plan and unsolved entitlement growth, including health care, that they do not know how to pay for today.

So, on the one hand, I praise those who are putting the plan forth, who have put it forth and who are advocating it. They are sending some good signals.

The content is so serious that I say, not to Madam President in the Chair, but to Mr. President in the White House: We cannot pass this kind of entitlement plan without you, Mr. President. You, White House Mr. President, you have to get behind this kind of plan with Democrats and Republicans and you have to assure the American people that, before taxes are put on, there will be irrevocable in law cuts of the magnitude suggested in the Boren-Danforth approach.

Now, we are not going to get there because, obviously, if I am reading it right, Vice President GORE and President Clinton do not favor going after the mandatory expenditures with caps and reductions that are significant over time. Perhaps they wait for a reform package on health care.

But I am suggesting that you are putting the cart before the horse by asking for $274 billion in new taxes, including the energy tax, when the American people are onto the fact that will not fix the deficit.

You have to have a package, a piece, a component that is something in the nature of the Domenici-Nunn of last year or Nunn-Domenici of this year that was offered on the floor or some components that are in the Boren-Danforth, or you cannot get the deficit under control. And you should not be imposing taxes of significant magnitude on the public if that is the case.

So I rise in a sense to say, "Good work," to those who were courageous enough to put forth this idea; and, on the other hand, I rise to warn those who think we are going to get the deficit under control with the President's plan that there are two problems with it.

First, it may not ever become a reality; and that is growing. And anybody that has not seen that develop here in this body and the other body has to be blind and have some of those things you wear when you get in a helicopter plugged in your ears. That is one.

The other is that you cannot fix the American economy and cause jobs to be brought on board by the private sector of the United States with a plan for the kind of energy taxes and marginal rate taxes the President has in mind. It will not work. And most of any tax that should be put on under any plan should be deferred for a long period of time until the cuts are in place. And you better be very careful that small business America does not get another dose of taxes, because they are not adding jobs right now and they are going to add less if you tax them more.

I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Ms. MOSELEY-BRAUN). Without objection, it is so ordered.

The Republican leader.

Mr. DOLE. Madam President, are we in morning business?

The PRESIDING OFFICER. The Parliamentarian advises we are in executive session.

Mr. DOLE. I ask unanimous consent that I may proceed as in morning business for 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

HONORING HESSTON POLICE DEPARTMENT

Mr. DOLE. Madam President, Chief Mickey H. Dehook of the Hesston Police Department came to my office recently during National Police Week. I had the pleasure of meeting with him as he was here in Washington to accept an award on behalf of the police department of the city of Hesston in my home State of Kansas.

The Hesston Police Department received the 1992 Chief's Challenge Award presented by the International Association of Police Chiefs and the National Highway Traffic Safety Administration. The Chief's Challenge Program was developed by the Department of Transportation as part of Operation Buckle Down, a major campaign by all levels of government, law enforcement agencies, and safety groups to achieve 70-percent safety belt use nationally by the end of 1992.

Chief Dehook, and the men and women who serve with him in the Hesston Police Department, were honored by their peers—fellow officers and professionals who have answered the call of duty to protect and serve the citizens of our country. And they chose the Hesston Police Department as first prize winner in the National Chief's Challenge in promoting safety belts and child safety seats. Today, I would like to join these professionals in recognizing and honoring the entire Hesston Police Department in their efforts.

There are only five full-time police officers in the Hesston Police Department and they serve a city of 3,000. But in the past 5 years, these men and women have been honored many times for their outstanding efforts, both at the State level and at the national level. They have received two national awards and five State awards including the 70-percent-plus safety belt award sponsored by the National Highway Traffic Safety Administration. They have also gained recognition from the American Coalition of Traffic Safety for their traffic safety video. Though few in number, this department has been instrumental in promoting and educating safety belt use not only in Hesston, but throughout Kansas and the United States.

Chief Dehook pointed out to me that the success of his department's achievements in promoting the safety belt program go to not only the members of his force, but the entire Hesston community, the Kansas Safety Belt Education Office, the National Highway and Traffic Safety Administration, and the Kansas Department of Transportation. I commend these organizations, Chief Dehook, his department, and the citizens of Hesston, and I would like the RECORD to reflect my heartfelt thanks to them in providing us with an invaluable and yet too often downplayed service. The Hesston Police Department serves as an excellent role model for our Nation's law enforcement community.

Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MEASURE PLACED ON CALENDAR

Mr. DOLE. Madam President, I ask unanimous consent that S. 1002, the Breast and Cervical Cancer Information Act of 1993, introduced earlier today by Senators HATCH, KENNEDY, and others, be placed on the calendar. I would advise this has been cleared by the majority leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MITCHELL. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE CALENDAR

Mr. MITCHELL. Madam President, I ask unanimous consent that the Senate proceed to the following nominations: calender items numbered 124 through 132, Nos. 136 through 138, Nos, 140 through 156, Nos. 161 through 169, and all nominations placed on the Secretary's desk in the Air Force, Army, Marine Corps, and Navy.

I further ask unanimous consent that the nominees be confirmed en bloc; that any statements appear in the RECORD as if read; that the motions to reconsider be laid upon the table en bloc; that the President be immediately notified of the Senate's actions; and that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations considered and confirmed en bloc are as follows:

DEPARTMENT OF ENERGY

James John Hoecker, of Virginia, to be a Member of the Federal Energy Regulatory Commission for the remainder of the term expiring June 30, 1995.

William Lloyd Massey, of Arkansas, to be a Member of the Federal Energy Regulatory Commission for the remainder of the term expiring October 20, 1993.

William Lloyd Massey, of Arkansas, to be a Member of the Federal Energy Regulatory Commission for the term expiring June 30, 1998.

Donald Farley Santa, of Connecticut, to be a Member of the Federal Energy Regulatory Commission for the term expiring June 30, 1997.

Vicky A. Bailey, of Indiana, to be a Member of the Federal Energy Regulatory Commission for the term expiring June 30, 1997.

DEPARTMENT OF VETERANS AFFAIRS

Jerry W. Bowen, of Arkansas, to be Director of the National Cemetery System, Department of Veterans Affairs.

Mary Lou Keener, of Georgia, to be General Counsel, Department of Veterans Affairs.

Edward P. Scott, of New Jersey, to be an Assistant Secretary of Veterans Affairs (Congressional Affairs).

D. Mark Catlett, of Virginia, to be an Assistant Secretary of Veterans Affairs (Finance and Information Resources Management).

DEPARTMENT OF EDUCATION

Kay Casstevens, of Texas, to be Assistant Secretary for Legislation and Congressional Affairs, Department of Education.

Norma V. Cantu, of Texas, to be Assistant Secretary of Civil Rights, Department of Education.

DEPARTMENT OF ENERGY

Thomas P. Grumbly, of Virginia, to be an Assistant Secretary of Energy (Environmental Restoration and Management).

IN THE NAVY

The following-named officer for appointment to the grade of Vice Admiral while assigned to a position of importance and responsibility under title 10, United States Code, Section 601:

To be vice admiral

Rear Adm. David E. Frost, U.S. Navy [redacted]

IN THE ARMY

The following-named [redacted]fficer for appointment to the grade of general while assigned to a position of important and responsibility under title 10, United States Code, Section 601(a):

To be general

Lt. Gen. Gary E. Luc [redacted], U.S. Army.

IN THE AIR FORCE

The following-named officers for appointment in the United States Air Force to the grade of brigadier general under the provisions of title 10, United States Code, Section 624:

To be brigadier general

Col. Maxwell C. Bailey [redacted] Regular Air Force.

Col. Robert P. Belihar [redacted] Regular Air Force.

Col. Frank B. Campbel [redacted], Regular Air Force.

Col. Thomas R. Case [redacted] Regular Air Force.

Col. Donald G. Cook [redacted] Regular Air Force.

Col. Charles H. Coolidge, Jr [redacted], Regular Air Force.

Col. Richard L. Engel [redacted] Regular Air Force.

Col. Robert E. Gatlif [redacted] Regular Air Force.

Col. Michael V. Hayden [redacted] Regular Air Force.

Col. Charles R. Hendersor [redacted], Regular Air Force.

Col. William R. Hodges [redacted] Regular Air Force.

Col. Robert A. Hoffmanr [redacted] Regular Air Force.

Col. Raymond P. Huot [redacted] Regular Air Force.

Col. Howard J. Ingersol [redacted] Regular Air Force.

Col. James A. Jaeger [redacted] Regular Air Force.

Col. Ronald T. Kadish [redacted] Regular Air Force.

Col. Thomas J. Keck [redacted] Regular Air Force.

Col. Orest L. Kohut [redacted] Regular Air Force.

Col. George P. Lampe [redacted] Regular Air Force.

Col. James D. Latham [redacted] Regular Air Force.

Col. Ronald C. Marcotte [redacted] Regular Air Force.

Col. Richard C. Marr [redacted] Regular Air Force.

Col. Gregory S. Martir [redacted] Regular Air Force.

Col. David J. McCloud [redacted] Regular Air Force.

Col. John F. Miller, Jr [redacted] Regular Air Force.

Col. Michael A. Moffitt [redacted] Regular Air Force.

Col. William F. Moore [redacted] Regular Air Force.

Col. Thomas H. Neary [redacted] Regular Air Force.

Col. Charles H. Perez [redacted] Regular Air Force.

Col. Jeffrey S. Pilkingtor [redacted], Regular Air Force.

Col. Stephen B. Plumme [redacted], Regular Air Force.

Col. Karen S. Rankir [redacted] Regular Air Force.

Col. Thomas J. Scanlan, J [redacted] Regular Air Force.

Col. George T. Stringer [redacted] Regular Air Force.

Col. Arthur S. Thomas [redacted] Regular Air Force.

Col. Lansford E. Trapp, J [redacted], Regular Air Force.

Col. Gary A. Voellger [redacted] Regular Air Force.

Col. Buford R. Witt [redacted] Regular Air Force.

The following-named officers for appointment to the grade of major general under the provisions of title 10, United States Code, section 624:

To be major general

Brig. Gen. George T. Babbitt, Jr. [redacted] Regular Air Force.

Brig. Gen. Richard C. Bethurem [redacted] Regular Air Force.

Brig. Gen. William B. Davitt [redacted], Regular Air Force.

Brig. Gen. Lee A. Downer [redacted], Regular Air Force.

Brig. Gen. Ralph E. Eberhar [redacted], Regular Air Force.

Brig. Gen. Richard N. Goddard [redacted], Regular Air Force.

Brig. Gen. Eldon W. Joers [redacted], Regular Air Force.

Brig. Gen. Lester L. Lyles [redacted], Regular Air Force.

Brig. Gen. David W. McIlvoy [redacted], Regular Air Force.

Brig. Gen. Kenneth A. Minihar [redacted], Regular Air Force.

Brig. Gen. Lloyd W. Newton [redacted], Regular Air Force.

Brig. Gen. Tad J. Oelstron [redacted], Regular Air Force.

Brig. Gen. Charles T. Robertson, Jr. [redacted] Regular Air Force.

Brig. Gen. Eugene D. Santarelli [redacted] Regular Air Force.

Brig. Gen. Richard T. Swope [redacted], Regular Air Force.

Brig. Gen. Arnold R. Thomas, Jr. [redacted] Regular Air Force.

Brig. Gen. W. Thomas Wes [redacted], Regular Air Force.

The following-named officer for appointment to the grade of lieutenant general while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. John S. Fairfiel [redacted], U.S. Air Force.

The following-named officer for appointment to the grade of lieutenant general while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

Maj. Gen. Dale W. Thompson, Jr. [redacted] U.S. Air Force.

The following-named officer for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 1370:

Lt. Gen. Trevor A. Hammond [redacted], U.S. Air Force.

The following-named officer for appointment to the grade of lieutenant general while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

Maj. Gen. John M. Nowak [redacted] U.S. Air Force.

The following-named officer for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 1370:

Lt. Gen. Thomas R. Ferguson, Jr. [redacted] U.S. Air Force.

The following-named officer for appointment to the grade of lieutenant general while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

Maj. Gen. James A. Fain, J [redacted]. U.S. Air Force.

IN THE ARMY

The U.S. Army Reserve officers named herein for appointment in the Reserve of the Army of the United States in the grades indicated below, under the provisions of title 10, United States Code, sections 593(a), 3371 and 3384:

To be major general

Brig. Gen. Stephen C. Bisse [redacted].

Brig. Gen. Edward M. Crowley [redacted].

Brig. Gen. Ralph O. Doughty [redacted].

Brig. Gen. Robert A. Lame [redacted].

Brig. Gen. Ronald L. Lowe [redacted].

Brig. Gen. James A. Pocock [redacted].

Brig. Gen. Larry L. Scheuchze [redacted].

Brig. Gen. Michael D. Strong, III [redacted].

To be brigadier general

Col. Robert A. Lucas [redacted].

Col. William F. O'Brier [redacted].

Col. Wesley A. Beal [redacted].

Col. Clark C. Watts [redacted].

Col. David J. Kaucheck [redacted].

Col. Vincent E. Stahl [redacted].

Col. Jerald N. Albrech [redacted].

Col. Kenneth D. Strong [redacted].

Col. Craig Bambrough [redacted].

Col. Thomas J. Matthews [redacted].

Col. Thomas A. Deas [redacted].

Col. James P. Culler [redacted].

Col. William F. Aller [redacted].

Col. Eddi Z. Zyko [redacted].

Col. Mark R. Bailey [redacted].

Col. Anthony F. Caruana [redacted].

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, Section 1370:

To be lieutenant general

Lt. Gen. Joseph S. Laposat [redacted], U.S. Army.

The following-named officer for appointment to the grade of lieutenant general while assigned to a position of importance and responsibility under title 10, United States Code, Section 601(a):

Maj. Gen. Marvin L. Covaul [redacted], U.S. Army.

The following-named officer for appointment to the grade of lieutenant general while assigned to a position of importance and responsibility under title 10, United States Code, Section 601(a):

Maj. Gen. Richard F. Kelle [redacted], U.S. Army.

The U.S. Army Reserve officers named herein for appointment in the Reserve of the Army of the United States in the grades indicated below, under the provisions of title 10, United States Code, sections 593(a), 3371 and 3384:

To be major general

Brig. Gen. Walter E. Katuzny, Jr. [redacted].

Brig. Gen. Thomas W. Sabo [redacted].

To be brigadier general

Col. James M. Aubuchor [redacted].

Col. James W. Darder [redacted].

Col. Robert H. McInvale, Jr [redacted].

Col. Joel G. Blanchette [redacted].

Col. Jack H. Kotte [redacted].

Col. Michael T. Gaw [redacted].

The following-named officer for appointment to the grade of lieutenant general while assigned to a position of importance and responsibility under title 10, United States Code, Section 601(a):

To be lieutenant general

Maj. Gen. John E. Mille [redacted], United States Army.

The United States Army National Guard officer named herein for appointment in the Reserve of the Army of the United States in the grade indicated below, under the provisions of title 10, United States Code, sections 593(a), 3385, and 3392:

To be brigadier general

Col. Paul G. Gebhardt [redacted].

The following-named officer for appointment to the grade of lieutenant general while assigned to a position of importance and responsibility under title 10, United States Code, Section 601(a):

To be lieutenant general

Maj. Gen. Henry H. Shelto [redacted], U.S. Army.

IN THE NAVY

The following-named captains in the staff corps of the U.S. Navy for promotion to the permanent grade of rear admiral (lower half), pursuant to title 10, United States Code, section 624, subject to qualifications therefor as provided by law:

MEDICAL CORPS

To be rear admiral (lower half)

Capt. James Howard Blac [redacted], U.S. Navy.

Capt. Noel Kennedy Dysart, Jr. [redacted] U.S. Navy.

SUPPLY CORPS

To be rear admiral (lower half)

Capt. Edward Robert Chamberlin [redacted] U.S. Navy.

Capt. John Turner Scud [redacted] U.S. Navy.

CIVIL ENGINEER CORPS

To be rear admiral (lower half)

Capt. David Julian Nash [redacted] U.S. Navy.

The following-named rear admirals (lower half) in the line of the Navy for promotion to the permanent grade of rear admiral, pursuant to title 10, United States Code, section 624, subject to qualifications therefor as provided by law:

UNRESTRICTED LINE OFFICER

To be rear admiral

Rear Adm. (lh) Philip James Coady, Jr., [redacted] U.S. Navy.

Rear Adm. (lh) Philip Alphonse Dur [redacted] U.S. Navy.

Rear Adm. (lh) Robert Johnson Spane [redacted] U.S. Navy.

Rear Adm. (lh) Richard Alexand Wilson, [redacted] U.S. Navy.

The following-named rear admiral (lower half) in the competitive category of engineering duty officer of the Navy for promotion to the permanent grade of rear admiral, pursuant to title 10, United States Code, section 624, subject to qualifications therefor as provided by law:

ENGINEERING DUTY OFFICER

To be rear admiral

Rear Adm. (lh) Edward Stillman McGinley II, [redacted] U.S. Navy.

The following-named officer, currently holding the permanent grade of rear admiral (lower half), in the competitive category of Special Duty Officer (Intelligence) of the Navy for promotion to the permanent grade of rear admiral, pursuant to title 10, United States Code, section 624, subject to qualifications therefor to as provided by law:

SPECIAL DUTY OFFICER (INTELLIGENCE)

To be rear admiral

Rear Adm. (lh) John Michael McConnell, [redacted] U.S. Navy.

The following-named rear admiral (lower half) of the Reserve of the U.S. Navy for permanent promotion to the grade of rear admiral in the staff corps, as indicated, pursuant to the provision of title 10, United States Code, section 5912:

DENTAL CORPS OFFICER

To be rear admiral

Rear Adm. (1h) Roger Wayne Triftshauser, [redacted] U.S. Naval Reserve.

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370:

To be vice admiral

Vice Adm. William A. Dougherty, Jr., U.S. Navy [redacted]

IN THE MARINE CORPS

The following-named colonels of the U.S. Marine Corps for promotion to the permanent grade of brigadier general, under the provisions of title 10, United States Code, section 624:

To be brigadier general

Col. Thomas A. Braaten [redacted].
Col. Martin R. Steel [redacted]
Col. Frederick McCorkl [redacted]
Col. Michael D. Rya [redacted]
Col. Patrick G. Howar [redacted]
Col. Wayne E. Rollings [redacted]
Col. George M. Karamarkovic [redacted].
Col. Michael P. DeLong [redacted]
Col. Edwin C. Kelley, Jr [redacted]
Col. Richard F. Vercautere [redacted]
Col. Edward Hanlon, Jr [redacted]
Col. Geoffrey B. Higginbotha [redacted].
Col. Jack W. Klimp [redacted]
Col. Ronald G. Richar [redacted].

The following-named officer to be placed on the retired list under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. Matthew T. Coope [redacted] USMC.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE AIR FORCE, ARMY, MARINE CORPS, NAVY

Air Force nominations beginning John T. Abbott, Jr, and ending Scott R. Williamson, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of February 16, 1993.

Air Force nominations beginning *Carl P. Dennis, and ending Sally J. Petty, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 25, 1993.

Air Force nominations beginning Michael S. Houser, and ending John A Arrigo, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 25, 1993.

Air Force nominations beginning Roosevelt Green, and ending Gardner G Basset, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 29, 1993.

Air Force nominations beginning Lori L. Brown, and ending Amit Y. Yoran, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 29, 1993.

Air Force nominations beginning Alan M Akers, and ending Mary L. Zozulin, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 29, 1993.

Air Force nominations beginning Ronald W. Hanrote, and ending Alan R. Westrom, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of April 5, 1993.

Air Force nominations beginning Major Dana L. Alexander [redacted] and ending Major Kevin G. Hoffer [redacted] which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of April 19, 1993.

Air Force nominations beginning James S. Adamski, and ending Michael F. Zupan, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of April 19, 1993.

Air Force nominations beginning Mila D. Abalateo, and ending Daniel R. Zayac, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of April 19, 1993.

Army nominations beginning Henry C. Chapman, and ending Richard W. Krempasky, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of January 5, 1993.

Army nominations beginning Ronald W. Adams, and ending Jack R. Younger, Jr., which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of January 5, 1993.

Army nominations beginning Frank S. Pettyjohn, and ending Christopher F. Sirridge, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 25, 1993.

Army nominations beginning Richard W. Averitt, and ending Sandra J. Bary, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 25, 1993.

Army nominations beginning James J. Dougherty, and ending Charlotte G. Dufford, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 25, 1993.

Army nominations beginning Lonnie B. Byrd, and ending David Zalis, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 25, 1993.

Army nominations beginning James M. Brown, and ending Wayne R. Whitelock, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 25, 1993.

Army nominations beginning John M Babcock, and ending James W. Winn, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 25, 1993.

Army nominations beginning Michael L Abels, and ending Bruce E Zukauskas, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 25, 1993.

Army nominations beginning *Gary D. Davis, and ending *Donald W. Gilmore, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 29, 1993.

Army nominations beginning Steven G. Brooks and ending *Michael J. Kalil, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of April 5, 1993.

Army nominations beginning Patrick M. Holder, and ending *Victoria J. Ransom, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of April 5, 1993.

Army nominations beginning Raymond L. Capps, and ending Clem D. Mcduffie, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of April 5, 1993.

Army nominations beginning Buris C. Dale, and ending Terry E. Thomason, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of April 19, 1993.

Army nominations beginning Ronald E. McConnell, which was received by the Senate and appeared in the CONGRESSIONAL RECORD of April 19, 1993.

Army nominations beginning Elzey J. Arledge, Jr., and ending Mary M. Lackey, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of April 19, 1993.

Army nominations beginning John P. Scovill, and ending Lang K. Coleman, which nominations were received by the Senate on April 28, 1993, and appeared in the CONGRESSIONAL RECORD of April 29, 1993.

Army nominations beginning Erik J Aasterud, and ending Strider Sulley, which nominations were received by the Senate on April 28, 1993, and appeared in the CONGRESSIONAL RECORD of April, 29, 1993.

Marine Corps nominations beginning Erik M Wolf, and ending Mark A Mcquire, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of April 21, 1993.

Navy nominations beginning Gordon Asch, and ending Kenneth W Parnell, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 25, 1993.

Navy nominations beginning Murray Calhoun, and ending Patrick James Tilley, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of April 19, 1993.

Navy nominations beginning Robert Andrew Olshaker, and ending James A Mcginnis, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of April 19, 1993.

Navy nominations beginning Martin Robert Allard, and ending Victor C See, Jr., which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of April 19, 1993.

Navy nominations beginning Charles Lee Aley, III, and ending Alden Gray Moore, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of April 19, 1993.

Navy nominations beginning Richard D Baertlein, and ending Doreen Esther Tate, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of April 19, 1993.

Navy nominations beginning Matthew A. Allison, and ending Cameron P. Ratkovic, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of April 21, 1993.

Navy nominations beginning Karl E. Eimers, and ending Mark W. Biolo, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of April 21, 1993.

Navy nominations beginning Roger D. Allenbaugh, and ending Roy E. Weymouth, Jr., which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of April 21, 1993.

Navy nominations beginning Charles J. Baker, and ending Paul E. Matthews, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of April 21, 1993.

STATEMENT ON NOMINATIONS TO POSITIONS IN THE DEPARTMENT OF VETERANS AFFAIRS

Mr. ROCKEFELLER. Madam President, as chairman of the Committee on Veterans' Affairs, I am delighted to recommend to the Senate the confirmation of four individuals to key positions in the Department of Veterans Affairs. The four individuals, and the positions to which they have been nominated, are:

Jerry W. Bowen to be Director of the National Cemetery System;

D. Mark Catlett to be Assistant Secretary for Finance and Information Resources Management;

Mary Lou Keener to be general counsel; and

Edward P. Scott to be Assistant Secretary for Congressional Affairs.

These are four first-rate individuals and I am satisfied that each will play a key role, along with Secretary of Veterans Affairs, Jesse Brown, and Deputy Secretary, Hershel Gober, in providing leadership to the Department of Veterans Affairs so that it can better serve the needs of the veterans of West Virginia and the entire Nation.

The committee held a hearing on May 12, 1993, at which each of the nominees responded openly and forthrightly to questions from committee members. Each also responded to pre- and post-hearing questions and completed the committee's questionnaire. After reviewing all these materials as well as the FBI reports on each, I am satisfied that each is well suited for the position for which he or she has been nominated. On Wednesday, May 19, our committee met to consider these nominations and voted unanimously to recommend their confirmation to the full Senate.

Madam President, I will speak briefly regarding each of the nominees.

Jerry Bowen, like his friend and colleague, Deputy Secretary Gobel, is from Arkansas and is retired from a career in the military. In Jerry's case, he retired as an Army colonel in 1989 after serving two tours in Vietnam and later holding several senior positions in the Pentagon. Following his retirement, he returned to his native State where he owns a rice and soybean farm near Newport, AR. He also serves as the chairman of a family business, JESTCO Fitness, Inc., in Jonesboro, AR. Jerry impressed me during my meeting with him and then during the confirmation hearing as a very capable, steady performer who is just the right sort of person to run the National Cemetery System.

Madam President, Mark Catlett is a West Virginia native—I keep being pleased by how many West Virginians are involved with veterans matters. Mark was born in Martinsburg and grew up in Hedgesville. He attended West Virginia University where he played basketball.

Mark is a career VA employee and his nomination to the position of Assistant Secretary for Finance and Information Resources Management—one of the most important positions at VA—is a very positive message for career employees throughout VA. He does not have an easy job, but I am convinced that he is ready to tackle it and that he will succeed.

Mary Lou Keener is a Vietnam veteran who has been very active in veterans matters, such as agent orange, while maintaining an active law practice in Atlanta, GA.

Born in Flint, MI, Mary Lou served on the hospital ship U.S.S. *Repose* in Vietnam after receiving her nursing degree. She later joined the Air Force Reserves where she is now a colonel. She was called to active duty during Operation Desert Storm.

I note for my colleagues that Mary Lou has some experience with the Congress, having once worked for then-Representative, now-Senator DON RIEGLE.

Mary Lou's background as both a health professional and a lawyer should serve her and the VA well as she assumes the role of general counsel. I am confident that she will be highly effective in that position.

Madam President, it is hard to know where to begin with Ed Scott. I guess I should note that Ed served in the Air Force in the mid-1960's and also had impressive service with the Peace Corps, including a stint as the Peace Corps director in Korea. I also note that he was with the Mental Health Law Project in the mid-1970's.

Ed, of course, is best known to many in the Senate for his 16 years of service on the staff of the Veterans' Affairs Committee—as general counsel, minority general counsel, then general counsel again, and finally as chief counsel and staff director. He has a splendid grasp of veterans affairs matters, knows the Congress as only a long time staff member can, has a keen wit and probing mind, and will undoubtedly be an excellent Assistant Secretary for Congressional Affairs.

Madam President, in closing, I again note my satisfaction that these four nominees are well suited to the positions for which they have been nominated and I urge my colleagues to give them their unanimous support.

STATEMENT ON NOMINATION OF EDWARD SCOTT

Mr. AKAKA. Madam President, I rise to express my strong support for Edward Scott, who has been nominated by President Clinton to be the Assistant Secretary for Congressional Affairs in the Department of Veterans Affairs. I know that I express the sentiment of all in this Chamber who know this wonderful and talented man when I say that he richly deserves this important post.

Ed has had a long and varied career. After graduating cum laude from the University of Pennsylvania Law School in 1963, where he was Law Review editor, he clerked for New Jersey Supreme Court Associate Justice Nathan Jacobs. He then joined the Air Force for 3 years, where he worked as an assistant staff judge advocate at Keesler Air Force Base, before retiring in the rank of captain. Soon after, he joined the Peace Corps, serving as deputy director and, later, as country director in Korea. Returning to the United States, he signed on as a staff attorney to the Mental Health Law Project, here, in Washington. In 1977, he joined the staff of the Senate Veterans' Affairs Committee, thus embarking on a long and distinguished career in the veterans arena. In the 16 years he served on the committee, he alternately served as majority and minority general counsel and, ultimately, staff director/chief counsel.

On a substantial level, few have contributed more to improving benefits and services for the Nation's 27 million veterans and their families. Ed helped guide the former chairman of the Veteran's Affairs Committee, Senator Cranston, and all those who have served on the committee over the years, through countless hearings, floor debates, and policy battles.

He played a key role in creating the Vet Center Program, establishing the Montgomery GI bill, elevating VA to Cabinet rank, and forming the U.S. Court of Veterans Appeals. In the last 2 years alone, perhaps the most productive legislative period in the committee's history, he was the staffer most responsible for revamping VA physician pay, for improving homeless veterans programs, for creating a fairer system of compensation for survivors of disabled veterans, for bringing educational benefits in line with inflation, for heightening concern for minority veterans, and for establishing a program to help treat women who were sexually abused in the military. And, following the leadership of my distinguished colleagues, Senator DASCHLE and Senator ROCKEFELLER, respectively, he helped resolve such controversial matters as agent orange and VA drug pricing.

Mr. President, the full list of Ed's accomplishments is too lengthy for me to recite here, on the Senate floor. But what is most remarkable to me is not so much the extent of his achievements, but the grace and sense of balance he brought to his work on the committee. In dealing with many organizations and personalities, each with a different agenda, often on extremely contentious issues, he managed to calm every storm, to soothe every ruffled feather. His willingness to consider every side to an issue, his ability to rise above partisan and personal concerns, truly elevated the level of debate on veterans issues. By his example, he constantly reminded us of our primary obligation, which is to promote the welfare of veterans.

In this respect, Ed Scott is perfectly suited for the Congressional Affairs position. He is universally appreciated and respected by Members of Congress, the veterans community, and his new co-workers at VA. We will miss his luminous presence here, but the legislature's loss is certainly the executive branch's gain.

Thank you, Mr. President. In the expectation that the Senate will vote unanimously to approve Ed's nomination, let me be among the first to congratulate him and his fine family, including Jane, his wife, and his children, Young Joon, Edward, Jr., Lauren, and Tracey. They should be justly proud of their husband and father.

STATEMENT ON NOMINATION OF KAY CASSTEVENS

Mr. SIMON. Madam President, I want to commend President Clinton on his marvelous choice for Assistant Secretary of Education for Legislation and Congressional Affairs.

Kay Casstevens has worked with several friends and colleagues of mine, including George McGovern, and more recently, TOM HARKIN. In her two decades on Capitol Hill, she has demonstrated true commitment to improving education. I know she will make a real contribution in this area as Assistant Secretary.

Working with Kay has been a real pleasure for me and my staff. I look forward to continuing to work with her, and the many other dedicated and talented people the President has selected to lead our Nation's effort at improving educational opportunity for all Americans.

STATEMENT ON NOMINATION OF KAY CASSTEVENS MAY 20, 1993

Mr. HARKIN. Madam President, I am proud to be here today to speak on behalf of one of the best things to come out of Texas since chili, cowboy boots, and Lone Star Beer.

Kay Casstevens is President Clinton's nominee to be the Assistant Secretary for Legislation and Congressional Affairs at the Department of Education. And I want to commend the President on his decision, because I do not think he could have picked a more dedicated, hard-working, and loyal person if he tried.

I have been friends with Kay for over 7 years. As most members of this committee know, Kay was a member of my staff, serving for 5 years as my legislative director before being promoted to chief of staff in 1991. I think the fact that she was with me for 7 years speaks volumes about her patience, although I hope it dose not lead you to question her judgment.

But I have come to know Kay as a person of character and integrity who will always go the extra mile to get the job done. And I think she is ideally suited for this job for four main reasons:

First, Kay knows education like the back of her hand. As chairman of the Appropriations Subcommittee on Labor, Health and Human Services, Education and Related Agencies, I worked closely with Kay on education issues and came to rely on her expertise and judgment. She is an innovative thinker and skilled tactician who understands these issues at a gut level. She is also familiar with nearly every piece of education legislation that has come before the Labor Committee the past 7 years, and I think that experience will serve the administration and the country well over the next 4 years.

Second, Kay knows her way around Washington. She is one of that select group of people in this city who have held leadership roles on both sides of the Hill. Before joining my staff, Kay spent 4 years as a legislative aide to Senator George McGovern and 9 years as the legislative director for Representative John Siberling. She knows how to make the system work, and that is a quality that is going to come in handy as head of Congressional Affairs at the Department of Education.

Third, Kay understands the value of education and hard work as well as anybody. She is quite an inspiration. If you take a look at Kay's ŕeuḿe, you will notice she began her career 20 years ago as a secretary. She has had to clear a lot of hurdles— including 4 years of night law school while holding a full-time job—but thanks to a lot of hard work and perseverance, she is a different kind of secretary now. As Assistant Secretary of Education, I think Kay will bring a first-hand, down-to-earth appreciation of the value of education to ensure that all Americans are given the same opportunities that she had.

Lastly, I believe Kay has distinguished herself as a model public servant over the past 20 years. She has dedicated her life to helping others and making Government work, and I believe that commitment will continue at the Department of Education.

Madam President, I highly recommend Kay Casstevens as Assistant Secretary for Legislation and Congressional Affairs at the Department of Education. I intend to vote for her, and I urge my colleagues to do the same.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will return to legislative session.

MORNING BUSINESS

Mr. MITCHELL. Madam President, I ask unanimous consent that there now be a period for morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

RUSSIAN FOREIGN MINISTER URGES UNITED ACTION ON BOSNIA

Mr. PELL. Mr. President, today, the Foreign Relations Committee hosted a working luncheon with Russian Foreign Minister Kozyrev. Just a couple of weeks ago, I met with Foreign Minister Kozyrev when I traveled to Moscow as part of an arms control delegation. At our Moscow meeting, we discussed the status of the START II Treaty, and gained some valuable insight into how the treaty is likely to fare in the Russian Parliament.

Then, as today, however, much of our discussion with the Foreign Minister focused on Bosnia. In fact, the Foreign Minister is in Washington following a European tour to shore up international support for a Russian initiative on Bosnia.

We had an excellent discussion with the Foreign Minister. We were able to learn more about Russian views on Bosnia, to hear about the minister's recent trip to the region, and to discuss our two countries' approach to this very difficult issue. Mr. Kozyrev sees the Vance-Owen plan as the framework to a solution in Bosnia, and he called for "progressive implementation" of the plan. He made the case that an ad hoc approach would be dangerous, and that the Vance-Owen plan provides some orientation for a solution.

I, for one, have argued that the United States needs to ask some tough questions before committing ourselves to military involvement: Why should we intervene in Bosnia? Why is Bosnia different from the other places of conflict in the world? What are American interests in Bosnia? I am pleased that the Clinton administration is taking a long, hard look at them before taking further action.

The Russians are posing similar questions from their own perspective. I do believe we had at least a limited meeting of minds today. It is clear that we share an objective: peace in Bosnia. We also agreed that all the options remain on the table, and that the challenge is to find the most workable solution; as the Foreign Minister said, there is no magic wand that will bring a solution to the terrible situation in Bosnia.

I found the meeting extremely interesting, and believe that it was useful for the Foreign Minister to hear some of the voices in the U.S. Congress on this issue. If the United States and Russia hope to forge a partnership on global issues, this type of candid exchange will be absolutely crucial.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations and a treaty which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT ON THE CORPORATION FOR PUBLIC BROADCASTING FOR FISCAL YEAR 1992 AND THE INVENTORY OF THE FEDERAL FUNDS DISTRIBUTED TO PUBLIC TELECOMMUNICATIONS ENTITIES BY FEDERAL DEPARTMENTS AND AGENCIES: FISCAL YEAR 1992—MESSAGE FROM THE PRESIDENT—PM 22

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Commerce, Science and Transportation.

To the Congress of the United States:

In accordance with the Communications Act of 1934, as amended (47 U.S.C. 396(i)), I transmit herewith the Annual Report of the Corporation for Public Broadcasting for Fiscal Year 1992 and the Inventory of the Federal Funds Distributed to Public Telecommunications Entities by Federal Departments and Agencies: Fiscal Year 1992.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *May 20, 1993*.

MESSAGE FROM THE HOUSE

At 12:07 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of it's reading clerks, announced that the Speaker signed the following enrolled bill:

H.R. 1378. An Act to amend title 10, United States Code, to revise the applicability of qualification requirements for certain acquisition work force positions in the Department of Defense, to make necessary technical corrections in that title and certain other defense-related laws, and to facilitate real property repairs at military installations and minor military construction during fiscal year 1993.

The enrolled bill was subsequently signed by the President pro tempore (Mr. BYRD).

At 3:53 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of it's reading clerks, announced that the House has passed the following joint resolution, in which it requests the concurrence of the Senate:

H.J. Res. 80. A joint resolution designating June 1, 1993, through June 7, 1993, as a "Week for the National Observance of the Fiftieth Anniversary of World War II."

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-842. A communication from the Director of Central Intelligence, transmitting, a draft of proposed legislation entitled "Intelligence Authorization Act of Fiscal Year 1994"; to the Select Committee on Intelligence.

EC-843. A communication from the Chairman of the Federal Election Commission, transmitting, a report entitled "Polling Place Accessibility in the 1992 General Election"; to the Committee on Rules and Administration.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-74. A resolution adopted by the Town Council of Newmarket, New Hampshire relative to the Portsmouth Naval Shipyard; to the Committee on Armed Services.

POM-75. A resolution adopted by the Senate of the Legislature of the State of New York; to the Committee on Armed Services.

"SENATE NO. 876

"Whereas, Naval Station New York is the first United States Navy surface ship home port built since World War II; and

"Whereas, The Homeport at Stapleton, Staten Island, opened four years ago and now provides facilities for six ships—the cruiser USS Normandy and five reserve training frigates—and has about 2,200 regular Navy personnel and 400 civilians on its $30 million a year payroll; and

"Whereas, Naval Station New York was on the initial list of 30 Military installation closures unveiled by the Defense Department on March 12th, with the Base Realignment and Closure Commission to make its final recommendations to President Clinton by July 1; and

"Whereas, While the closing of the Homeport at Stapleton would deal serious economic harm to the entire New York City metropolitan area, there are even more compelling, military, reasons for keeping the facility in operation; and

"Whereas, As the newest of the homeports, Naval Station New York is a state-of-the-art naval base and therefore less likely to require substantive outlays for maintenance of pier, docks and related facilities; and

"Whereas, More importantly, the base at Stapleton is a vitally important strategic asset, with its deep water channels, necessary for the dimensions of Navy warships, and its modern pier, completed in 1989, which is 1,410 feet long and 90 feet wide, supported by concrete piles; and

"Whereas, This state-of-the-art pier is equipped for the environmentally safe removal of a ship's oily waste and waste water, and it provides all the steam and electric power to enable ships to conserve their own energy while in port; and

"Whereas, The pier is capable of berthing up to 12 ships, and it is supplemented by a $33.5 million maintenance facility which provides upkeep for the Navy ships between overhauls in shipyards; and

"Whereas, The Homeport, located in the premier port in the Western world, is of immeasurable strategic value and it affords the Navy greater access to the North Atlantic, Europe and the mid-East than any other naval location; it is this very access to trouble spots that gives the United States the military flexibility it needs in times of military tension or outright hostilities; and

"Whereas, At a time when the former Soviet Union and Balkan states are experiencing unrest and political and physical conflict, it is crucial that the U.S. Sixth Fleet be on the scene; while the world hopes for a lessening of tensions and an end to civil war in the former Yugoslavia, perhaps within a span of 5 to 10 years, it would be folly to relax military guard amid current conditions; and

"Whereas, As the former Soviet Union experiences domestic turmoil, it is important to remember that the Russian state still has 10,000 nuclear missiles and most of its huge submarine fleet ready for use; and

"Whereas, When General Dwight Eisenhower headed the North Atlantic Treaty Organization, the alliance had as its motto: "Eternal Vigilance is the Price of Freedom"; that was 40 years ago and nothing has happened to warrant abandoning that watch word; and

"Whereas, The Homeport is an integral part of the American defense establishment, which helps provide the "eternal vigilance" our nation requires; and

"Whereas, This Legislative Body recognizes the economic and financial motives affecting the reduction of the American military, and desires that the President and Congress carry out that mission of downsizing the American government's budget in a manner consistent with protection of the national interest; now, therefore, be it

"*Resolved*, That this Legislative Body appeal to the President and the Congress of the United States to preserve Naval Station New York, at Stapleton, for military reasons and in the national interest; and be it further

"*Resolved*, That copies of this Resolution, suitably engrossed, be conveyed to the President of the United States and to the Majority Leader of the United States Senate and to the Speaker of the United States House of Representatives."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. FORD, from the Committee on Rules and Administration, without amendment:

S. 27. A bill to authorize the Alpha Phi Alpha Fraternity to establish a memorial to Martin Luther King, Jr., in the District of Columbia (Rept. No. 103–46).

S. 685. A bill to authorize appropriations for the American Folklife Center for fiscal years 1994, 1995, 1996, and 1997 (Rept. No. 103–47).

By Mr. FORD, from the Committee on Rules and Administration, without amendment:

S. Res. 110. An original resolution relating to the purchase of calendars.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. MOYNIHAN, from the Committee on Finance:

Rufus Hawkins Yerxa, of the District of Columbia, to be a Deputy United States Trade Representative, with the rank of Ambassador.

Charlene Barshefsky, of the District of Columbia, to be a Deputy United States Trade Representative, with the rank of Ambassador.

Jean E. Hanson, of New York, to be General Counsel for the Department of the Treasury.

Bruce C. Vladeck, of New York, to be Administrator of the Health Care Financing Administration.

Kenneth S. Apfel, of Maryland, to be an Assistant Secretary of Health and Human Services.

Harriet S. Rabb, of New York, to be General Counsel of the Department of Health and Human Services.

Jerry D. Klepner, of Virginia, to be an Assistant Secretary of Health and Human Services.

David T. Ellwood, of Massachusetts, to be an Assistant Secretary of Health and Human Services.

Walter D. Broadnax, of New York, to be Deputy Secretary of Health and Human Services; and

Avis LaVelle, of Illinois, to be an Assistant Secretary of Health and Human Services.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. PELL, from the Committee on Foreign Relations:

Joseph D. Duffey, of West Virginia, to be Director of the United States Information Agency.

Karl Frederick Inderfurth, of North Carolina, to be the Alternate Representative of the United States of America for Special Political Affairs in the United Nations, with the rank of Ambassador.

Douglas Joseph Bennet, Jr., of Connecticut, to be an Assistant Secretary of State.

Elinor G. Constable, of the District of Columbia, a Career Member of the Senior Foreign Service, Class of Career Minister, to be Assistant Secretary of State for Oceans and International Environmental and Scientific Affairs.

Ruth R. Harkin, of Iowa, to be President of the Overseas Private Investment Corporation; and

Marshall Fletcher McCallie, of Tennessee, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Namibia.

Nominee: Marshall Fletcher McCallie.

Post: United States Ambassador to Namibia.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, amount, date, and donee:

1. Self: None.
2. Spouse: None.
3. Children and spouses names: Grady S. McCallie, None; Sumner D. McCallie, none.
4. Parents names: M/M SJ. McCallie, Jr., none; Mrs. JE. Grady (deceased), Mr. JE. Grady (Father in law), $15.00, March 1988, $15.00, February 1989, $22.00, April 1990, $22.00, March 1991, $22.00, October 1991, $22.00, March 1992, $22.00, May 1992, $25.00, January 1993, $25.00, February 1993, to the Republican National Committee.
5. Grandparents names; Dr./M. Franklin Scanlon (deceased); Pr/M SJ. McCallie, Sr. (deceased); M/M Fr. Weaver (deceased; M/M CE. Grady (deceased).
6. Brothers and spouses names: M/M SJ. McCallie III, none; M/M FS. McCallie, none.
7. Sisters and spouses names: Ms. Helen McCallie, none.

Mark Johnson, of Montana, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Senegal.

Nominee: Mark Johnson.

Post: Ambassador, Senegal.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, amount, date, and donee:

1. Self: Mark Johnson, $500.00, December 1991, Fred Thomas, Republican Candidate—State Auditor Montana.
2. Spouse: Sally J. Cummins, none.
3. Children and spouses names: Christopher, Mark, Jessica, none.
4. Parents names: Bette C. Ian (deceased), none.
5. Grandparents names: Clarence Schroder (deceased); Katherine Schroder (deceased).
6. Brothers and spouses names: None.
7. Sisters and spouses names: None.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. KEMPTHORNE (for himself, Mr. COVERDELL, Mr. GREGG, and Mr. CRAIG):

S. 993. A bill to end the practice of imposing unfunded Federal mandates on States and local governments and to ensure that the Federal Government pays the costs incurred by those governments in complying with certain requirements under Federal statutes and regulations; to the Committee on Governmental Affairs.

By Mr. PRYOR (for himself, Mr. HEFLIN, Mr. COCHRAN, and Mr. MCCONNELL):

S. 994. A bill to authorize the establishment of a fresh cut flowers and fresh cut greens promotion and consumer information program for the benefit of the floricultural industry and other persons, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Ms. MIKULSKI (for herself, Mr. AKAKA, Mrs. BOXER, Mrs. FEINSTEIN, Mr. GLENN, Mr. GRAHAM, Mr. HATFIELD, Mr. INOUYE, Mr. KERREY, and Mr. LEAHY):

S. 995. A bill to improve the ability of the Federal Government to prepare for and respond to major disasters, and for other purposes; to the Committee on Governmental Affairs.

By Mr. METZENBAUM (for himself, Mr. DOLE, Mr. DODD, and Mr. REID):

S. 996. A bill to require that educational organizations that offer educational programs to minors for a fee disclose certain information; to the Committee on Labor and Human Resources.

By Mr. LAUTENBERG (for himself, Mr. BRADLEY, Mrs. BOXER, and Mrs. FEINSTEIN):

S. 997. A bill to amend the Federal Water Pollution Act of 1972 to improve the quality of coastal recreation waters, and for other purposes; to the Committee on Environment and Public Works.

By Mr. BINGAMAN (for himself and Mr. MOYNIHAN):

S. 998. A bill to promote social, cultural, and historic awareness of communities that are homes to Federal buildings, and for other purposes; to the Committee on Environment and Public Works.

By Mr. CHAFEE:

S. 999. A bill to amend the Foreign Trade Zones Act to allow foreign trade zones to be established where a regional commission involving more than 1 State will coordinate zone activities; to the Committee on Finance.

By Mr. ROCKEFELLER:

S. 1000. A bill to extend the temporary suspension of duty on anthraquinone; to the Committee on Finance.

By Mr. LIEBERMAN:

S. 1001. A bill to strengthen United States laws to enforce economic embargoes against foreign countries pursuant to a declaration of national emergency or United Nations Security Council measures, and for other purposes; to the Committee on Foreign Relations.

By Mr. HATCH (for himself, Mr. KENNEDY, Mr. CHAFEE, Mr. BINGAMAN, Mr. JEFFORDS, Mr. THURMOND, Mrs. KASSEBAUM, Ms. MIKULSKI, Mr. SIMON, Mr. DODD, Mr. WALLOP, Mr. DOMENICI, Mr. DANFORTH, Mr. DURENBERGER, and Mr. HARKIN):

S. 1002. A bill to require each recipient of a grant or contract under section 1001 of the Public Health Service Act to provide information concerning breast and cervical cancer; placed on the calendar.

By Mr. MOYNIHAN (for himself, Mr. PACKWOOD, Mr. ROCKEFELLER, and Mr. CHAFEE):

S. 1003. A bill to provide authority for the President to enter into trade agreements to conclude the Uraguay Round of multilateral trade negotiations under the auspices of the General Agreement on Tariffs and Trade, to extend tariff proclamation authority to carry out such agreements, and to apply Congressional "fast track" procedures to a bill implementing such agreements; to the Committee on Finance.

By Mr. BROWN (for himself, Mr. CRAIG, Mr. D'AMATO, Mr. GRASSLEY, Mr. GREGG, Mr. NICKLES, Mr. LUGAR, and Mr. LOTT):

S. 1004. A bill to limit amounts expended by certain government entities for overhead expenses; to the Committee on Governmental Affairs.

By Ms. MOSELEY-BRAUN (for herself, Mr. BRADLEY, and Mr. SIMON):

S. 1005. A bill to amend section 520 of the Cranston-Gonzalez National Affordable Housing Act to authorize the Secretary of Housing and Urban Development to make grants to establish midnight basketball league training and partnership programs incorporating employment counseling, job-training, and other educational activities for residents of public housing and federally assisted housing and other low-income families; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. HOLLINGS:

S. 1006. A bill to authorize a certificate of documentation for the vessel Arbitrage II; to the Committee on Commerce, Science, and Transportation.

By Mr. ROTH:

S.J. Res. 96. A joint resolution proposing an amendment to the Constitution of the

United States relative to campaign expenditures; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. FORD:

S. Res. 110. An original resolution relating to the purchase of calendars; from the Committee on Rules and Administration; placed on the calendar.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. KEMPTHORNE (for himself, Mr. COVERDELL, Mr. GREGG, and Mr. CRAIG):

S. 993. A bill to end the practice of imposing unfunded Federal mandates on States and local governments and to ensure that the Federal Government pays the costs incurred by those governments in complying with certain requirements under Federal statutes and regulations; to the Committee on Governmental Affairs.

COMMUNITY REGULATORY RELIEF ACT

Mr. KEMPTHORNE. Mr. President, among the tall pines in the mountains of northern Idaho, at the confluence of the St. Joe and St. Maries Rivers, lies a small community called St. Maries, ID. Those two rivers drain the wild and primitive Bitterroot Range as they roll toward beautiful lake Coeur D'Alene. The town of St. Maries is a quiet, peaceful community of 2,500 people.

But the tranquillity of this tiny town is being threatened; threatened—without reason—by the U.S. Government.

This Government—our Government—says that St. Maries violates the Federal surface water treatment rule, even though the city's water supply has come from the same crystal clear source since the 1930's without any adverse impact to the health of residents for generations. St. Maries violation is solely the result of changing governmental water quality standards and not because of any health threat to any of the citizens.

This city has already spent more than $870,000 on past compliance on Federal guidelines. They are still servicing that debt. Remember, this is a town of 2,500 people.

The city estimates that it will cost $3 to $5 million to fully comply with the new standards of the surface water treatment rule. But, because of their experience dealing with past Federal mandates, the city leaders of St. Maries are understandably hesitant to spend $3 million or more until the target of Federal mandates stops moving. Imagine placing a debt of between $2,500 and $4,000 on the backs of water users in this city of crystal clear waters, all this for a multimillion-dollar treatment plant that in a few years may become obsolete or insufficient for its planned purpose due to constantly changing Federal standards.

The city of St. Maries wants to take whatever steps are necessary to ensure the continued good health of their citizens. However, in the words of their city engineer, "It is difficult to speak to the risk of waterborne diseases to a community that has consumed water from a specific source their entire lives with no measurable adverse impact to their health or livelihood."

That is from the city engineer.

But, I say to my colleagues, St. Maries is not alone.

Thousands of cities, large and small, are struggling with how to comply with mandates imposed by Congress and the Federal Government. The problem has become so serious that Arizona Governor, Fife Symington, says that "mandates from the Federal Government have stripped us of our fiscal sovereignty and have stripped the people of their right to representative government at the state level."

Listen to what others are saying about this problem of unfunded Federal mandates.

Chicago's Mayor Rich Daley is so angry with unfunded Federal mandates that he is challenging Washington bureaucrats to "put your money where your mouth is." In 1992 Chicago was socked with a $160 million bill for programs the Federal Government mandated but refused to fund. That was reported as more than three times greater than the proposed property tax increase for the current year in the city of Chicago. Mayor Daley called unfunded mandates "hidden Federal taxes, bleeding our limited resources and cutting into direct services."

Richard "Moose" Conner, mayor of Streator, IL, population 15,000, says that roughly 40 percent of the Streator budget goes toward funding Federal mandates.

The National Conference of State Legislatures has estimated that mandates passed in the 101st Congress would cost State governments $15 billion over the next 5 years. Most States and localities are required to have balanced budgets, and the cost of compliance with new mandates means they must find more revenue. In too many cases, the source of this new revenue is in the form of new taxes.

The Arizona Republic reports that recent studies indicate that as much as 60 percent of some State budgets is spent on joint Federal-State programs.

In any given day all across this country of ours, you can pick up your daily paper and read headlines of what other officials are saying, what the newspapers are printing. These are just a few excerpts from some of the newspapers that are talking about this fiscally vert important issue:

"Mayor Daley urges U.S. to cut costly mandates"—Chicago Sun-Times 11/20/92.

"Let Congress Be A Partner, Not A Dictator"—The Washington Post 8/12/92.

"Stop Sending the Feds To Do the States' Jobs"—The Washington Post 6/14/92.

"Washington's Whims Become States' Burden"—The Detroit News 2/21/93.

And from the Evening News in Harrisburg, PA, "Report Hits Federal-level Mandates, Finds Them Drain on Cash, Priorities."

This intrusion into the rights of local governments must stop. The citizens of communities all across America elect local officials to direct the future of their cities and towns based on the priorities established by those closest to the problems and challenges. To have Federal bureaucrats thousands of miles away in Washington, DC, mandate expensive programs that deprive cities of additional police officers or firemen is simply not right.

I know firsthand the frustration city leaders face. Before coming to the Senate, I served 7 years as mayor of Boise, ID. Every day I was mayor I struggled with complying with Federal mandates.

That is why the first bill I have chosen to introduce as a U.S. Senator will be the Community Regulatory Relief Act of 1993.

The bill is very simple. The bill requires that any Federal law that creates a Federal mandate shall only apply to a State or local government if the Federal Government pays all of the compliance costs with that mandate.

It is a simple solution. But it is a solution that will work.

This bill will reduce the continuing drain that the Federal Government has placed on the States and local governments.

This Congress must end the practice of imposing unfunded mandates on our State and local governments and our businesses.

I say this Congress must end the practice because previous Congresses have known the problem but failed to act. Thirteen years ago then New York City Mayor Ed Koch complained that the cost of implementing the requirements of section 504 of the Rehabilitation Act of 1973 would cost his city $1.3 billion and still not address the problem of handicapped access to New York's transit system. Mayor Koch estimated that this averaged out to a cost of $38 per trip for each physically challenged New Yorker who used the system. He stated it would be less expensive to pay cab fare for these people than to comply with this Federal mandate.

If Congress in 1973 had been required to pay State and local costs of rules it imposed, I am sure it would have found a less expensive and more efficient solution to this problem.

That is precisely the intent of my legislation. My bill requires government at all levels to find the most cost effective solutions to the problems they face.

My bill will force Congress to change the way it thinks and acts. Mayor Koch said it best when he described the golden rules that mandate mandarins live by.

First, mandates will solve problems, particularly those in which you are not involved.

Second, mandates need not be tempered by the lessons of local experience.

Third, mandates will spontaneously generate the technology required to achieve them.

Fourth, the price tag of the lofty aspiration to be served by a mandate should never deter its imposition on others.

My bill forces Congress to change the way it thinks. It forces Congress to live in the real world. And the real world in St. Maries, ID, and in Columbus, OH, is balancing budgets, providing services as efficiently as possible, and being fiscally responsible, and making tough decisions among competing priorities.

I began this talk with the experiences of St. Maries, ID in complying with the Safe Drinking Water Act. Let me give you the real world experiences of Columbus, OH and its metropolitan population of 1 million people. Columbus thoroughly analyzed the potential costs of meeting the new Federal water standards. That city found that the combined costs of complying with the Clean Water and Safe Drinking Water Acts will approach $1 billion—approximately $770 million for clean water and $105 million for safe drinking water. The Columbus Health Commission estimates that compliance will cost each metropolitan household an additional $685 per year throughout the 1990's.

What impact will these costs have on cities? In careful, almost diplomatic language, an extensive analysis by the respected Standard & Poor concluded that "* * * communities may have limited financial resources and many demands on these resources to provide services." And, "Should a city fail to meet Clean Water Act requirements, regulators could ban additional sewer connections, stymieing a community's economic development, or impose stiff fines, potentially depleting cash reserves."

That is what we are doing to local communities.

Mr. President, this is the real world that this Congress must adjust to. Right now, it appears that the problem will get worse before it gets better. Consider these facts;

In 1990, 1,200 new Federal rules were added that have not yet been fully implemented.

The October 1991 Unified Agenda of Federal Regulation listed nearly 500 new regulations likely to affect local governments.

Mr. President, Congress must stop imposing unfunded mandates. With the help of State and local officials across America, I intend to press this issue until Congress gets in touch with the real world. We must address this compelling need of the people of America.

Mr. President, I ask unanimous consent to have printed in the RECORD following my remarks two important studies on this issue: "Paying for Federal Mandates: A Looming Crisis for Cities and Counties" and "How Washington Boosts State and Local Budget Deficits."

Mr. President, my concluding remark is this: If Congress deems it necessary to impose a Federal mandate, it must simply pay for it. It is that plain and simple.

And so, Mr. President, I am proud to send to the desk this bill which is entitled the Community Regulatory Relief Act of 1993, and ask for appropriate action.

Mr. President, I ask unanimous consent that the text of the bill and additional material be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 993

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Community Regulatory Relief Act".

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds and declares that—

(1) unfunded Federal mandates imposed on State and local governments have become increasingly extensive in recent years;

(2) such mandates have, in many instances, added to the growing deficits in State and local government budgets and have resulted in the need for State and local governments to increase revenue or curtail sometimes essential services; and

(3) such excessive fiscal burdens on State and local governments have undermined, in many instances, the ability of State and local governments to achieve their responsibilities under State and local law.

(b) PURPOSE.—The purpose of this Act is to require that the Federal Government pays the total amount of direct costs incurred by State and local governments in complying with certain Federal mandates which take effect on or after the date of the enactment of this Act under a Federal statute or regulation.

SEC. 3. DEFINITIONS.

For the purposes of this Act—

(1) the term "direct costs" means the amount of costs incurred by a State or local government dedicated to compliance with a Federal statute or regulation or that is in excess of the amount that the State or local government would incur in carrying out that activity in the absence of the regulation, but does not include any amount that a State or local government is required or permitted by law to contribute as a non-Federal share under a Federal assistance program.

(2) the term "Director" shall mean the Director of the Congressional Budget office or his or her designee;

(3) the term "Federal mandates" means a statute or regulation that requires a State or local government to—

(A) take certain actions (including a requirement that a government meet national standards in providing a service); or

(B) comply with certain specified conditions in order to receive or continue to receive Federal assistance and which requires the termination or reduction of such assistance if such government fails to comply with such conditions;

(4) the term "local government" has the same meaning as in section 6501(6) of title 31, United States Code; and

(5) the term "State" has the same meaning as in section 6501(8) of title 31, United States Code.

SEC. 4. FEDERAL FUNDING REQUIREMENT.

(a) IN GENERAL.—Nowithstanding any other provision of law, any requirement under a Federal statute or regulation that creates a Federal mandate shall apply to the State or local government only if all funds necessary to pay the direct costs incurred by the State or local government in conducting the activity are provided by the Federal Government for the fiscal year in which the direct cost is incurred.

(b) APPLICATION.—This section shall apply only to requirements which take effect on or after the date of the enactment of this Act.

SEC. 5. DUTIES OF THE DIRECTOR.

(a) FISCAL NOTE.—The Director shall prepare, to accompany each bill, resolution or conference report reported by any committee of the House of Representatives or the Senate or considered on the floor of either House, and economic analysis of the effects of such bill or resolution by each State government and by each local government within each State in complying with the federal mandate. The analysis prepared by the Director shall be included in the report accompanying such bill or resolution if timely submitted to such committee before such report is filed.

(b) REPORT OF THE DIRECTOR.—For each fiscal year in which a Federal mandate will be in effect, the Director, in consultation with representatives of State and local governments, shall prepare and submit to the President and the Congress, with the President's budget in January preceding the beginning of a fiscal year, a report that contains an estimate, for that fiscal year and the following fiscal year, of the total amount of direct costs that have been incurred or will be incurred by each State government and by each local government within each State in complying with the Federal mandate.

SEC. 6. EFFECT OF SUBSEQUENT ENACTMENTS.

No statute enacted after the date of enactment of this Act shall supersede this Act unless the statute does so in specific terms, referring to this Act, and declares that that statute supersedes this Act.

[From the Heritage Foundation Backgrounder, July 31, 1992]

HOW WASHINGTON BOOSTS STATE AND LOCAL BUDGET DEFICITS

INTRODUCTION

While Americans for many years have been accustomed to reading stories in the press about huge federal budget deficits, more recently they have seen news stories lamenting record state budget deficits as well. In 1991, the combined deficits of 31 states totaled over $30 billion.[1] New York and California alone accounted for $19 billion of that

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Footnotes at end of article.

amount. Local governments are suffering similar budget problems. Nearly 40 percent of all counties with populations over 100,000 faced budget shortfalls in 1991.[2] Cities also were affected. Bridgeport, Connecticut almost filed for bankruptcy, and Philadelphia, Pennsylvania, found its credit rating lowered to junk bond levels. While some state budgets show improvements this year, the underlying problems remain.

Some analysts claim that these record deficits occur because state taxes are too low. Yet three of the five states with monster deficits, New York, California, and Connecticut, are also among the top ten states in per capita taxes.[3] Other analysts point to a high rate of spending as the cause of deficits, and this indeed seems to be significant. Eight of the ten biggest spending states in the 1980s faced deficits in 1991.[4]

Harming States. This year, many states used accounting gimmicks, higher taxes, and some spending restraint to trim their deficits. But budget cut debates often have focused on police, teachers, and essential services. And in the long run, higher taxes will reduce the productivity of businesses in these states, and the purchasing power of consumers, which will make local economies worse and reduce tax revenues.

States therefore must find ways to restrain or cut spending in non-essential areas. But one important obstacle to spending restraint largely has been overlooked: Federal government grants-in-aid and mandates essentially force state and local governments to spend much more than necessary on everything from medical care to welfare to road building. A complex web of federal programs binds together the treasuries of federal, state, and local governments. As much as 25 percent of state budgets now comes from the federal government, and up to 60 percent of some state budgets is spent on joint federal-state programs. Among the most important joint programs are Medicaid, which will cost the states $44 billion in 1992, and various federal welfare mandates, which will add $15 billion to state budgets.

Most state and local officials welcome this financial assistance from Washington—even though the money comes from the very same people who pay state and local taxes. But the problem is that the money comes with strings attached. To obtain it, the states and local governments must also spend funds, and abide by costly federal rules, that also push up spending.

Federal government assistance leads to higher budget costs on the states and local governments through two principal mechanisms: grants-in-aid and direct mandates.

Grants-in-aid provide funds to the states to achieve certain federal ends. The states themselves must contribute a certain amount of their own funds for the project in question and abide by federal guidelines and regulations. So-called block grants, which combine money for several specific programs within one large, more flexible grant, impose looser constraints on the states. For example, the Social Services Block Grant requires states to use funds to help prevent child abuse and to support emergency food and shelter programs, but does not prescribe exactly how the state must do this. Other grants, such as federal Medicaid funds or drug treatment grants, place very strict requirements on how the states must spend the funds.

There are currently over 500 grants-in-aid programs to states and localities. The total cost of these programs to the federal government has grown from $10.9 billion in 1963 to $171 billion this year. Estimates for total state costs run as high as $75 billion.[5] The cost of the state and federal governments combined of Medicaid mandates alone has grown from $5 billion in 1970 to a probable $104 billion this year, with spending for 1995 projected at $200 billion.

Grants-in-aid boost state spending in a number of ways:

States accepting money for a construction project, for example, a subway, usually will be left to cover the project's huge operating costs;

States are induced to spend more money than they otherwise would, often driving up local as well as state taxes;

When the federal government pays for a program administered by the states, the states have little incentive to run the program efficiently;

States are induced to spend money on projects or programs that do not best serve the local interest.

Federal mandates simply require the state to provide certain services or programs. Unlike grants-in-aid, they do not help the states meet the expenses. These mandates include:

"Crosscutting" requirements that are used to promote various federal policies through requirements on federal grants. For example, any construction project receiving federal funds must pay union-scale wages because the Davis-Bacon Act requires "prevailing" wages to be paid even if less expensive labor is available, thereby driving up the cost;

"Crossover" requirements that force states to implement federal policy in one area or risk losing funds, usually in a related area. For example, states that fail to meet federal standards in licensing and testing school bus drivers could lose 5 percent to 10 percent of major federal highway grants;

Direct orders that simply require states to conform with federal policy whether federal funds are involved or not. The Americans with Disabilities Act of 1990, for example, requires local governments to make all public transit accessible to the handicapped even when less costly alternatives are available that better serve the needs of the handicapped. In another example, the costs to the state and localities of complying with the federal Clean Water Act in the 1990s could reach $200 billion;

Partial preemptions that allow the federal government to override existing state regulations. Some federal health and safety standards fall into this category.

The best way to cut the waste and the misallocation of resources caused by federal grants-in-aid and mandates is to return to the states the responsibilities that are best served by local governments. What is needed is a clear delineation of responsibilities, with the federal government handling national matters, such as defense and foreign relations, while state and local governments provide police protection, local infrastructure, and welfare. As important, state and local governments should not rely on the federal government for their funds for exclusively local functions. Rather, the federal government, in turning over responsibility for certain functions to the states, also must cut taxes by a corresponding amount. This will allow the states to raise taxes only enough to meet local needs, while cutting out the wasteful spending and inefficiency that come with federal government mandates.

To lift the current costly burden of federal mandates from the shoulders of the states, as well as to reduce federal spending and deficits:

1) Congress should limit itself to legislating on national issues. Programs aimed at state and local problems should be returned to those levels of government.

2) Congress should cut federal taxes by an amount equal to the cost of programs it returns to the state and local governments, thereby enlarging the tax base of those governments so they can pay for the programs.

3) Federal mandates should be fully funded and administered by the federal government.

4) U.S. Senators should be invited by their state's legislatures to explain the costs of newly proposed or enacted federal mandates to a special state joint legislative committee at the beginning and end of each session of the U.S. Congress.

The United States began as a federal system with state and federal governments sharing powers and responsibilities. The division of responsibilities was clear and rational. The shift in the past three decades toward federal involvement in nearly all areas of public policy has not been good federalism nor has it led in most instances to better results. Greater federal involvement has not raised education standards, held down health care costs, reduced traffic jams, or cut crime. States and cities are experimenting with new ways to provide education, welfare, infrastructure and other public services. Federal policy makers can help states and local governments to undertake innovative approaches by reducing federal red tape that raises their budget costs.

HOW GRANTS-IN-AID HAVE MUSHROOMED

The federal government's practice of giving money to the states to coax them into spending resources on federal policies began with the 1862 Morrill Act. This act authorized the transfer of federal land to the states which would then sell the tracts if they used the proceeds to fund colleges and universities.[6]

Federal grants grew significantly when Congress in 1916 authorized large-scale federal aid for state highway construction. This was followed by the Vocational Rehabilitation Act of 1920, designed to help disabled veterans, and the Sheppard-Towner (Maternity) Act of 1921, aimed at reducing maternal and infant mortality rates.

Franklin Roosevelt's administration greatly expanded the use of grants during the Great Depression. For example, the federal government spent billions of dollars on "emergency relief" programs, helping states to build highways, roads, and bridges. The Social Security Act of 1935 established numerous grant programs the continue today. These include old age assistance and aid to the blind and disabled, which are now completely funded by the federal Supplemental Security Income. In addition, the 1935 Act instituted aid to dependent children, as well as maternal health, child health, crippled children, and child welfare programs. These are now funded through the federal-state Aid to Families with Dependent Children partnership and related programs.[7]

After World War II, the primary focus of federal grants turned to urban issues. The federal government helped fund airport construction, urban renewal, urban planning, and the interstate highway system.[8] With the passage of the Great Society programs in the 1960s, the federal grant system exploded. The most important and far reaching of these programs was the 1965 addition of Medicaid to the Social Security Act. Medicaid is a program funded jointly by the states and the federal government. It provides medical aid to welfare families, the poor elderly, blind, and disabled. This one grant-in-aid program, which in 1970 cost a total of $5 billion, this year will cost the states $44 billion and the federal government $60 billion, for $104 billion in total spending.[9]

Reversing the Trend. From 1965 through 1980, the number of grant-in-aid programs quickly expanded to 538. During that period, the cost to the federal government grew from $10.9 billion to $91.5 billion. Hundreds of programs helped fund everything from nutrition for rural school children to housing for the urban elderly. Then, beginning in 1981, Ronald Reagan reversed this trend. As a start, under his Administration 57 individual grant programs were folded into seven block grants. The concept behind the block grant is to give more responsibility and flexibility to the states. Example: Instead of thirteen programs, each dealing with an aspect of education and each mandating precise uses for the money, under a block grant all of these programs would be rolled into one, and the states would be told, generally, to assess their local requirements and educate children in the way they thought best.

Block grants cut red tape and give states more flexibility. However, they also have a disadvantage. The most popular programs in Congress are those that allow a Congressman to take credit for solving a specific problem. With block grants, Congress raises taxes so that state and local officials can claim credit for programs.

How this undermines the block grant concept is illustrated by two sets of legislation which were meant to help the homeless. In 1981 the Community Services Block Grant provided money to assist low-income individuals with housing and emergency aid. Additionally, the Social Services Block Grant provided money for emergency food and shelter programs. When, in 1987, homelessness emerged as a significant issue, Congress could have increased the block grants and let states deal with homelessness in their own way. Instead, Congress passed the multi-billion dollar Stewart B. McKinney Homelessness Assistance Act and created redundant and more expensive programs.

Symbolic Programs. Today, there are some 500 grant-in-aid programs. Most cost less than $10 million per year. These smaller programs were created more to symbolize the desire of Washington lawmakers to "do something" about certain problems, than to have any significant impact. Example: In-home Services for Frail Older Individuals, created in 1988, is meant "To provide grants to States for in-home services for . . . victims of Alzheimer disease and related disorders. . . ."[10] But the budget obligation for fiscal 1992 is only $6.8 million, or an average of $136,000 for each state—hardly enough to be of any real help.

HOW GRANTS-IN-AID WASTE MONEY

Grant-in-aid programs created incentives that lead to wasteful spending at all levels of government. The federal government wastes money because the states' contribution to each program reduces the explicit cost of a program to Congress. This is in spite of the fact that taxpayers must pay for the entire cost at one level of government or another. Because Congress does not pay the full cost of the program, a grant-in-aid program appears a better value for the money than if the program were paid for entirely out of federal funds. This in turn means that Congress creates many programs requiring a state contribution that federal lawmakers would consider uneconomic or wasteful if Washington were responsible for all of the funds.

The lure of federal funds also encourages states and localities to support and participate in capital projects they never would undertake if they had to rely on their own money.

This causes four problems:

1) States or localities accept money to build a project, such as a subway, but are left on their own to pay operating expenses after the project is completed.

2) Federal matching formulae give the impression of a "buy one, get one free" sale. States are encouraged to spend more money than they otherwise would, driving up the cost for their citizens and the federal taxpayer.

3) States have little incentive to administer effectively a program paid for by the federal government when little of its won money is at risk.

4) The promise of federal dollars induces states to spend money on projects that do not serve local needs as well as alternatives might.

Various grant-in-aid programs illustrate the perverse nature of these spending and management incentives.

Example: Mass Transit Systems. Consider the Miami light rail system, known as Metromover. It opened in 1984, and was funded mainly through a grant under the Urban Mass Transportation Act. Planners bragged that 100,000 people would ride Metromover each day; they claimed the daily ridership would top 200,000 by 1985. When ridership proved to be only around 10,000 people a day, President Reagan remarked that "it would have been a lot cheaper to buy everyone a limousine."[11] History is repeating itself today as Los Angeles builds a subway system, largely funded by the federal government. The estimated cost is $1 billion a mile. The system eventually will open in downtown Los Angeles, but does not extend to the suburbs, where the bulk of Los Angelinos live. Thus it will have a minimal effect on the traffic problems.[12]

Cities like Miami and Los Angeles press for such systems in large part because they do not pay the full cost. Thus, from a narrow, local point of view, wasting billions of dollars on a huge project can make good economic and political sense if someone else is picking up a large share of the bill. Writes George Peterson, Director of the Urban Institute's Public Finance Center, ". . . if forced to become reliant on their own resources, states would select very different budget priorities than those coaxed from them by federal aid."[13] In fact, one survey of municipal projects receiving partial federal and state assistance found that 51 percent of the projects would not have been undertaken without federal aid.[14]

Example: Welfare. Aid to Families with Dependent Children (AFDC) and Medicaid for the non-elderly poor are two of the most expensive components of America's welfare smorgasbord, costing about $130 billion in 1992. States share these costs with the federal government according to congressionally determined formulae. States pay as much as half of AFDC and almost 45 percent of Medicaid.

These programs suffer from the "buy one, get one free" temptation that induces some states to provide broader coverage than they would if they were spending only their own taxpayers' money. States are largely free to set different levels for AFDC payments. Example: In Mississippi the maximum annual grant for a family of three is $1,440 a year, while in California the maximum payment is almost $8,000.[15] The federal aid to Mississippi is much less than that given to California. Nevertheless, in their federal tax payment frugal Mississippians must help fund California's "generosity."

Similarly, with Medicaid states have the option of providing non-essential services and sharing the costs with the federal government. Forty-seven states pay for dental coverage, 28 for occupational therapy, and 29 for chiropractor's services. More services cost more money, which comes from both state and federal taxpayers. In addition, for a variety of reasons including efficiency, cost of living, and types of patients served, the average recipient cost varies widely. New York costs are $5,099 per recipient while the costs in West Virginia are only $1,443. If all states delivered Medicaid as cheaply as West Virginia, the nation's Medicaid bill would be cut by 53 percent or some $38 billion per year.[16]

Example: Job Training Partnership Act. When one level of government pays and the other spends, there is little incentive for the spending party to spend wisely. This is documented in a General Accounting Office report on the Job Training Partnership Act (JTPA). JTPA is a $4 billion a year block grant program where a "block" of money is sent to each state with general guidelines on how to spend it, rather than precise regulations.

The goal of JTPA is to train and find jobs for poor people and dislocated workers. Yet the GAO report found a number of problems with the program's effectiveness. Among them: contrary to law, too much money goes to retrain the most employable workers instead of those most in need; in some instances only 60 percent of the placed workers kept their job for more than four months; as much as 30 percent of the cost of the program goes to overhead; some of the money was used improperly to lure corporations into locating in particular states; and, some of the money was used to purchase expensive equipment rather than to train people for jobs.[17]

THE MOST COSTLY EXAMPLE OF GRANTS-IN-AID: MEDICAID

Medicaid is by far the most expensive of the grant-in-aid programs. Created in 1965 to assure health care to the poor, Medicaid cost $5 billion in 1970. This year Medicaid will cost $104 billion, with $44 billion paid by the states and $60 billion by the federal government. It is estimated by the National Association of State Budget Officers (NASBO) that Medicaid will cost almost $200 billion by 1996.[18] Medicaid consumes 14 percent of state spending.[19]

This huge and unanticipated rise in Medicaid's cost is due to the structure of the program itself, and particularly the feature that allows Congress to set many requirements that the states must fund.

When Lyndon Johnson signed Medicaid into law in 1965 as part of the Social Security Act, states received federal funds if they provided Medicaid services to poor children and their mothers, specifically, to recipients of federal Aid to Families with Dependent Children and to poor aged, blind, and disabled individuals, now generally recipients of Supplemental Security Income. States were allowed to expand the categories of eligibility beyond federal dictates, and they received matching funds for these additional recipients. Predictably, many states did so because they paid only part of the additional cost. This, of course, meant higher bills for federal taxpayers.

Outlays also went up because Congress could enact new mandates on states without the federal government being responsible for the full cost. In the 1980s, for example, Congress concluded that there were unacceptable disparities in eligibility criteria among the states, and decided to narrow them. Rather than side with the frugal states and restrict coverage, Congress repeatedly ordered broader coverage.

The most recent federally mandated expansion of Medicaid occurred in 1990. Among other things, Congress forced states to cover all children under the age of nineteen in families below the poverty level.[20] The previous year, Congress forced the states to provide Medicaid to pregnant women and children up to the age of six in all families below 133 percent of the official level of poverty.[21] These changes have proved very costly to the states.

Example: In Missouri, 80 cents of every new state dollar invested in the Missouri Department of Social Services over the last eight years has gone into Medicaid.[22] The latest federal mandates made the situation even worse, forcing Missouri to cut all state agencies 5 percent across the board, and put the savings into Medicaid.[23]

Example: California officials calculate that in order to comply with federal paperwork requirements mandated by the federal Nursing Home Reform Law of 1987, the state will have to increase Medicaid spending by between $400 million and $800 million.[24] John Rodriguez, deputy director of medical services at California's Department of Health Services, complains that "the new federal paperwork [will] . . . add nothing to the quality of patient care."[25] The state claims that its Medi-Cal payment system for nursing homes already substantially complies with the Nursing Home Reform Law. The major difference is that the federal paperwork is overwhelming. According to California health officials, one new federal form is 200 pages long compared to 40 pages for the equivalent state form.

HOW FEDERAL MANDATES INCREASE STATE SPENDING

In addition to the strings attached through grants-in-aid, the federal government uses regulation to exercise direct control over the states, usually by threatening to withhold money unless the states acquiesce to federal wishes. Often the money to be withheld has no direct connection with the federal mandate to be imposed. This type of coercion comes in four forms:

(1) Crosscutting Requirements aim to achieve a social or economic goal and apply to all federally funded programs or projects. Example: The 1931 Davis-Bacon Act requires that locally "prevailing wages," in practice the union scale, be paid to construction workers on federally assisted construction projects—hospitals, highways, and housing. This increases the costs of federal projects by some $1.5 billion per year.

(2) Crossover Requirements compel states to comply with requirements in one program or lose funding in a different program, but usually in a related area. Example: The Highway Beautification Act of 1965 required states to remove billboards from the nation's major highways or risk losing 10 percent of their highway funds.

When states and localities complain about the costs of crosscutting and crossover regulations, some critics respond that they can avoid the costs by simply refusing the federal money. But this is does not tell the full story. If a state or locality were to reject federal regulation such as Davis-Bacon, and lose federal money for construction contracts, the loss to the state or locality would extend beyond the amount withheld by the government. The citizens would still have to pay their share of the federal taxes that fund Davis-Bacon projects in other jurisdictions. Federal spending and federal taxes have shrunk the tax base of states and localities to such an extent that they must go along with the federal regulation, because they lack the resources to raise enough funds on their own.

(3) Direct Orders must be complied with under threat of criminal or civil penalties. Example: the Fair Labor and Standards Act that forces states to pay their workers the federally established minimum wage.

(4) Partial Preemptions are where the federal government partially overrides a state's authority in the areas of health and safety. A program such as the Occupational Safety and Health Act is considered a "partial preemption" because the federal government sets minimum health and safety standards, but allows states or localities to administer and enforce the federal criteria.

THE MOST COSTLY EXAMPLE OF REGULATION: CLEAN AND SAFE WATER

The 1987 amendments to the Clean Water Act are among the most expensive examples of federal regulations. The Clean Water Act mandates that wastewater be cleaned at treatment plants before discharge into lakes and streams. The Environmental Protection Agency estimates it will cost $83.5 billion to bring all municipal wastewater treatment facilities into compliance with new national standards, and billions of dollars more to operate, manage, and maintain the plants. During the 1990s, state and local governments will spend over $200 billion to comply with current federal wastewater mandates.[26] The cost is so high that some cities, especially the poorer ones, may have to cut services like police, fire, and education to fund the federal mandates.

Local citizens and authorities might decide that their lakes and rivers, while not as clean as they would like, pose no serious health hazard. They might believe that the additional huge expense at a particular time is not worth the small improvement in water quality if this also means reduced police protection or lower teaching standards. Federal mandates, however, preclude local authorities from making those decisions.

Another expensive federal mandate emanates from the Safe Drinking Water Act Amendments of 1986, which promulgated new procedures and timetables for setting national drinking water standards. Standard & Poor's, the credit rating agency, predicts enormous costs stemming from the Clean and Safe Water Acts. It says the EPA has hinted that residential water bills could double to as much as two percent of median family income, that is, to $550 a year. History shows that Clean Water Act regulations, when added to Safe Drinking Water laws, are very expensive, Example: The federally mandated cleanup of Boston Harbor, largely to meet clean and safe water regulations, will result in an increase in the average Boston area residential water bill from the current $337 a year to $1,300 by the end of the 1990s.[26] Example: It might cost New York City between $4 billion and $5 billion to comply with only the Safe Drinking Water Act, over $500 per resident.[27]

Approaching $1 billion. Few jurisdictions have thoroughly analyzed the potential costs of clean, safe water. One that has is Columbus, Ohio, a city of 633,000 with a metropolitan area population of over 1 million. That city found that the combined costs of complying with the Clean Water and Safe Drinking Water Acts will approach $1 billion—approximately $770 million for Clean Water and $105 million for Safe Drinking Water. The Columbus Health Commission estimates that compliance will cost each metropolitan area household an additional $685 per year throughout the 1990s.[28]

What impact will these costs have on cities? In its careful, almost diplomatic language, Standard & Poor's says, ". . . communities may have limited financial resources and many demands on these resources to provide services."[29] And, "The credit quality of [cities] . . . could be threatened, particularly where wealth indicators are weaker than average."[30] Should a city fail to meet Clean Water Act requirements, "regulators could ban additional sewer connections, stymieing a community's economic development, or impose stiff fines, potentially depleting cash reserves."[31] In other words, the poor will suffer because only the wealthy will be able to pay their water bills and also afford other services like garbage collection.

Although everyone favors clean and safe water, too few have asked whether the congressionally imposed standards are needlessly strict, driving up the cost on state and local taxpayers. Congress seems to care little about such an outcome because Congress does not have to raise the money to accomplish its goal. The question arises whether Congress would have found a cheaper or more efficient way to clean the nation's water if it had to spend federal tax dollars.

ANOTHER EXPENSIVE REGULATION: ACCESS TO PUBLIC TRANSIT FOR THE DISABLED

While Mayor of New York City, Ed Koch wrote a widely read article for *The Public Interest* magazine explaining the effect of federal regulation on state and local government. Reacting to mandates from Washington, Koch listed four maxims that appeared to guide the "mandate mandarins":

(1) Mandates solve problems, particularly those in which you are not involved.

(2) Mandates need not be tempered by the lessons of local experience.

(3) Mandates will spontaneously generate the technology required to achieve them.

(4) The price tag of the lofty aspiration to be served by a mandate should never deter its imposition on others.[32]

As an example of these maxims in practice, Koch discussed the crosscutting requirements of Section 504 of the Rehabilitation Act of 1973. He complained that the law mandates "total accessibility for the handicapped to transit *systems*, instead of dealing with the *function* of transportation: mobility."[33] That is, rather than work with New York to devise means for moving the handicapped around the city, federal regulations ordered the city to make public buses, subways, and subway stations accessible to the handicapped.

The regulations make little sense for two reasons: 1) they impose widely disparate burdens on different communities, and 2) handicapped people have different needs depending on their location and disability.

Enormous Transit System. New York City is unlike any other city in America. Its public transit system serves 5 million riders on a weekday. Most of them take the subway, which was designed and built around the turn of the century, but approximately 1.5 million people ride the buses. This is compared to a modern suburban jurisdiction with 100,000 public transit passengers a day served mainly by a small fleet of buses. The difference in size, age of the system, and type of system would argue for flexibility rather than the rigidity of Section 504.

The handicapped are not particularly well served either. Four million people work in the southern half of Manhattan, crowding the streets and making it difficult for wheelchairs to maneuver towards a bus or subway stop. In other parts of New York, long distances separate subway stops or bus stops, making them inconvenient for the handicapped, particularly in bad weather. The handicapped might have been better served if the city, rather than retrofitting the subways and buying new buses, instead used vans to provide door-to-door service.

Able-bodied commuters also suffer because of federal mandates meant to help the handicapped. If a handicapped person takes a bus, the driver has to get out to operate an expensive wheelchair lift in a process that takes about five minutes. If a handicapped person were waiting at each bus stop, this would turn a twenty minute ride into an hour-and-a-half ordeal for the other passengers.

Equally impractical rules apply to subway access. New York City's system was built in the early 1900s and riders enter almost exclusively by stairway. Federal mandates force costly retrofitting with elevators to accommodate the handicapped, forcing the city to spend money that could be better used elsewhere. In 1980, Koch estimated the cost of converting the system to conform to federal mandates at $1.3 billion over 30 years, plus at least $50 million in operating expenses.

Everyone Loses. To provide access for 22,800 people in wheelchairs and 110,000 semi-ambulatory people, section 504 left New York City with the choice of either spending $1.3 billion to fix its transportation system, in a way unlikely to address the problem meant to be solved, or lose all its federal mass transit funding. In fact, everybody lost: The city unnecessarily will pay $1.3 billion. The handicapped will have access only to the regular mass transit system, which may not properly serve their needs. The people who commute by bus face long and unpredictable delays depending on the number of handicapped needing service. And, the federal mass transit funds buy less than they might have because they are paying for impractical transportation.

Mayor Koch estimated a cost of $38 per trip for each wheelchair user or severely handicapped person. Although it would have been cheaper to put them in taxicabs, the real point is that for substantially less money an alternative system, such as a van service, could have been instituted but for the mandates from Washington.

WHAT IS TO BE DONE?

Starting in earnest during the Great Depression, and continuing for about 35 years through the Great Society, Congress created a huge conglomeration of federal grant-in-aid programs administered by the states. In the last two decades, Congress increasingly has used its leverage to order states to fulfill national goals. Congress was helped in this effort by favorable Supreme Court decisions allowing Washington greater control over almost every aspect of state government. The result: The federal budget drives priorities and determines policies for all levels of government, while all levels of government face periodic budget crisis.

The decline of federalism not only has been financially expensive, but also costly in ways difficult to measure. Government programs aimed at helping people too often have reflected a "one size fits all" mentality, ignoring both the differences among states and the benefits of experimentation.

To restore a balanced federal system, to preserve budgeting security, and to ensure that government programs are tailored to the needs of the people they serve. Congress must be removed from the state and local decision-making process.

FOOTNOTES

[1] "The Sad State of the States," *Business Week*, April 22, 1992, p. 24. Also see "State-Local Finance: Rethinking Service Delivery at Taxing Authority," *The Fiscal Newsletter*, March/April 1992, p. 1.

[2] National Association of Counties, *Country Government Budget Shortfall Report*, August 1991, p. 3.

[3] Advisory Commission on Intergovernmental Relations, *Significant Features of Federalism Vol.* 2. 1991, pp. 164–165; *Business Week, op. cit.*

[4] Stephen Moore, "State Spending Splurge: *The Real Story* Behind the Fiscal Crisis in State Government," Cato Institute *Policy Report*, May 23, 1992, p. 9.

[5] This includes the states' contribution to Medicaid and Aid to Families with Dependent Children, as well as other health, income security, and other social services programs. It also includes transportation, agriculture, land management, conservation, environment, education, criminal justice, and occupational safety and health programs.

[6] Victor J. Miller, *A History of Federal Grants-In Aid to State and Local Governments* (Washington, D.C.: Federal Funds Information for States, June 24, 1988), p. 2.

[7] * * *

[8] Miller, *op. cit.*, p. 3.

[9] House of Representatives, Committee on Ways and Means, *Overview of Entitlement Programs, 1991 Green Book*, p. 1416.

[10] CFDA 93.641, Special Programs for the Aging—Title III, Part D—In-home services for Frail Older Individuals.

[11] Doug Bandow, "How Federal Aid Raises State and Local Spending," Cato Institute *Policy Report*, November/December 1989. p. 10.

[12] *Ibid.*

[13] George Peterson, "Federalism and the States," in John Palmer and Isabel V. Sawhill, eds. *The Reagan Record* (Washington, D.C.: Urban Institute, 1984), p. 244.

[14] Catherine H. Lovell, et al, *Federal and State Mandating on Local Governments: An Exploration of Issues and Impacts* (Riverside, California: University of California, Riverside, 1979).

[15] House of Representatives, Committee on Ways and Means, *Overview of Entitlement Programs*, 1992. p. 636.

[16] House of Representatives, Committee on Ways and Means, *Overview of Entitlement Programs*, 1990. p. 1302.

[17] "Job Training and Partnership Act: Inadequate Oversight Leaves Program Vulnerable to Waste, Abuse and Mismanagement," General Accounting Office, July 1991.

[18] National Association of State Budget Officers, "Total Medicaid Spending," February 1992.

[19] Statement by the National Governors Association, "Short Term Medicaid Policy," March 1991.

[20] Omnibus Budget Reconciliation Act of 1990, P.L. 101–508.

[21] Omnibus Budget Reconciliation Act of 1989, P.L. 101–239.

[22] *States Health Notes*, February 1991.

[23] *Ibid.*

[24] Part of the Omnibus Budget Reconciliation Act of 1987.

[25] "The Medicaid Budget Bust," *State Legislatives*, June 1991, p. 13.

[26] "The Price of Clean, Safe Water," Standard & Poor's *Credit Comment*, July 1990.

[27] *Ibid.*

[28] Environmental Legislation: The Increasing Costs of Regulatory Compliance to the City of Columbus," Report of the Environmental Law Review Committee, City of Columbus (Ohio), May 13, 1991.

[29] Standard & Poor's, *op. cit.*

[30] "New Clean Water Costs Uncertain," Standard & Poor's *Credit Comment*, March 1991.

[31] *Ibid.*

[32] Edward I. Koch, "The Mandate Millstone," *The Public Interest*, Fall 1980, p. 44.

[33] *Ibid.*

MUNICIPALITY OF ANCHORAGE,
OFFICE OF THE MAYOR,
Anchorage, AK, January 15, 1993.

DEAR MEMBER OF CONGRESS: The enclosed study is about the costs of unfunded environmental mandates to cities and counties. In the past seven years, both the number and costs of these mandates have mushroomed. Tomorrow their costs may be intolerable.

Mayors from forty-nine states have signed this letter because we need your help. Something must be done early in the 103rd Congress to assure that environmental protection investments are made where they accomplish the greatest good. Although many members of Congress are aware of our concerns, the prevailing view still seems to be that "we just can't spend too much on the environment." This approach is short-sighted.

There is an urgent need for intelligent discourse about what will work and what won't. Not only do we sometimes pay too much to solve environmental problems, we've been known to confront the wrong problems for the wrong reasons with the wrong technology.

We urge you to rely on the experience and expertise we have gained from implementing the vast majority of federal environmental mandates in our communities. We want to be part of the solution and offer our assistance.

Enclosure: "Paying for Federal Environmental Mandates: A Looming Crisis for Cities and Counties".

Tom Fink, Anchorage, AK; S. Chris Jones, Suffolk, VA; Julio J. Martinez, Miami, FL; Carolyn Robinson, Pine Bluff, AR; W. R. "Bob" Holcomb, Mayor, San Bernardino, CA; —— ——, Frank D. Wise, Honolulu, HI; Stephen M. Rice, Sterling Heights, MI; Gregory S. Lashutka, Columbus, OH; —— ——, Gary L. Drewes, Mayor, Pierre, SD; R.G. Anderson-Wyckoff, Salem, OR; Sebastian J. Garafalo, Middletown, CT; Tom Autry, Mayor, Watonga, OK; Paul Holasko, —— ——, Fort Wayne, IN; Hazel Beard, Shreveport, LA.

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[Enclosure]

PAYING FOR FEDERAL ENVIRONMENTAL MANDATES: A LOOMING CRISIS FOR CITIES AND COUNTIES

(Compiled for the United States Congress by the Municipality of Anchorage, Alaska, Tom Fink, Mayor, September, 1992)

FOREWORD

Congress imposes a variety of unfunded mandates on states and localities. However, this paper limits discussion to environmental mandates passed to cities and counties. This limitation was elected because, of all the Congressional mandates, environmental mandates are most likely implemented at the local, rather than state, level. they are also the most costly to the entity providing the service.

It is difficult to address the subject of environmental mandates without being depicted by certain groups as "anti-environment." Mayors may disagree with intolerable costs of a rule, with the necessity for regulating when risks are negligible, with the regulatory process itself, or because the science is lacking, or a particular mandate lacks flexibility. None of these positions means they are anti-environment.

To the contrary, many mayors contend the laws and regulations should be more stringent than they are today. Regardless of where they stand on the issue of environmental protection, very few are optimistic that they, and the populations they serve, will be able to finance an ever-growing list of unfunded national environmental imperatives.

The information contained in Parts I through VI of this paper was compiled from countless conversations with city and county officials over a two-year period. Research on the subject was facilitated by industry and government associations and prominent public policy organizations, and through consultations with congressional and administration officials.

Part VII reviews the costs of federally-mandated programs within the Municipality of Anchorage. Each general government department and municipal utility participated in the data collection. Ms. Anne Williams, legislative officer for the Municipality of Anchorage, supervised the cost study and collated the date.

The position paper and cost study were done under the mayor's direction, assisted by Municipal Manager Larry D. Crawford and Enterprise Activities Manager Will Gay.

INTRODUCTION

If recent private-sector and government forecasts are reliable indicators, today's environmental programs will not be affordable tomorrow.

Add to today's costs the potential billions of dollars needed for pending and proposed laws and regulations, and the nation's communities could well face irreversible ruin.

The elected leaders of America's cities and counties wonder where it will all end. Some members of Congress agree the problem is serious and say they, too, are concerned. Yet the unfunded environmental mandates keep coming.

The United States Congress has created the problem. It is up to the Congress to fix it.

Over the past two decades environmental problems have been addressed in a vacuum, without carefully examining their impacts on personal incomes, private property rights, the economy, productivity or national competitiveness.

Costly solutions are proposed and enacted into law before they are scientifically justified. Sometimes they respond to perceived—rather than real—risks to humans or the environment. There are no standards for evaluating costs and benefits, nor are there acceptable guidelines for setting national priorities.

At the same time communities search for ways to generate new wealth to pay for environmental mandates, Congress forecloses more options. Hundreds of millions of acres of valuable land are taken out of production and placed off limits, off local tax rolls. There is unreasonable bias against exploring for natural resources and producing the materials needed by society.

Communities find it increasingly difficult to obtain federal approvals to provide essential public services. Both nationally and locally, no mechanism exists for sensibly balancing the needs of people with important environmental concerns.

"Paying for Federal Environmental Mandates" calls urgent attention to the fiscal crisis communities face. It gives examples and helps frame the issues mayors want debated. It does not presume to give answers, but it does express the desire and willingness of the nation's mayors to be part of the solution.

The guiding principle that "we just can't spend too much on the environment" must be reexamined. "Paying for Federal Environmental Mandates" tells why.

I. FEDERAL ENVIRONMENTAL MANDATES: A LOOMING CRISIS FOR CITIES AND COUNTIES

For the past two years, news headlines have reported the plight of America's cities and counties: Services Gutted, Tax Hikes Set Record; Cities Beset by Budget Shortfalls; More Cities Enter Death Spiral; Seven of Every 10 Cities Can't Handle Financial Needs; City's Bond Rating Drops; Bridgeport Bankruptcy Sets Unwanted Precedent; Economic Woes Hammer Counties.

This paper addresses a major contributor to community financial woes: the growing number of unfunded environmental mandates passed by Congress to political entities that provide direct services to their residents. It is written to focus attention on the problem and to urge Congress to solve it.

While mandates are no laughing matter to local elected officials, City and State columnist Joe Winski provides a tongue-in-cheek definition of the term. In the context of government, he says, mandate is French for "Let's stick it to the suckers." Mandate is itself an outgrowth of the new federalism of the Reagan administration, which Winski defines as "Washington passes the buck."

The columnist reminds us that during the 1980s, Congress began passing the buck to the states by greatly reducing revenue sharing, at the same time keeping the programs it formerly funded, and adding ever more costly new programs. "The states, no dummies, quickly learned to pass the buck to jurisdictions even lower on the government food chain, cities and towns."[1] Last on the food chain are the taxpayers and consuming population who ultimately pay the bills, while also paying interest on all levels of government borrowings. Yet one seldom hears a Congress member announce that the legislation the member just supported would be financed by local tax increases on his or her constituents.

A. Why Mayors are Concerned

Whether it be budgets for hazardous waste handling, asbestos abatement, clean water and air programs, land acquisitions for endangered species habitat, removal of underground storage tanks, or mitigation for wetlands development, municipalities are charged with financing and implementing scores of additional mandates yearly. To meet these needs mayors say they have to "rob Peter to pay Paul" to avoid going in the red. At the same time, Congress lacks this bottom-line restraint.

One of the more frustrating aspects of the environmental mandate crisis for mayors and other local officials—aside from the fiscal impact—is the loss of control over their budgets and decisionmaking powers as ever more mandates are arbitrarily imposed under a one-size-fits-all mentality. It's "Do it, whether or not the environment will benefit." Or, "Do it if you want your highway funds."

Mayors complain that higher levels of government now set the priorities, making decisions, without consulting local officials, that have monumental impacts on municipal budgets and private-sector economic opportunities.

Of equal concern is the growing tendency for the Environmental Protection Agency to make or override local land-use planning decisions. While communities are convinced

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Footnotes at end of article.

Congress never intended federal agencies to make zoning decisions, it is happening today by way of environmental regulation.

B. Mayors are Too Busy Minding the Store

Few mayors are able to monitor, consistently and effectively, the onrush of congressional and administration proposals that affect them. For example, a recent solid waste rule released for public comment, with significant budget implications to municipalities, brought responses from just ten of them. Other reasons they hesitate to respond:

1. Mayors are too busy with municipal responsibilities to devote precious time to long-range federal policies that might affect their communities.

2. Mayors might not be aware that other communities are having the same problems they are experiencing, e.g., delays in obtaining Section 404 wetlands permits. Since they feel their problems are isolated or unique, they assume members of Congress won't be moved to address them.

3. Because environmental mandates are "unknowns" buried in municipal budgets or regulatory processes, it has been difficult to get a handle on their magnitude. Administrators have found there is no easy way to isolate their costs.

4. Mayors seldom have adequate budgets for congressional liaison activities. Many lack staff with the broad range of expertise needed to monitor legislative issues or respond to action alerts by municipal organizations, trade groups or other mayors.

5. They lack public support for such liaison and activism.

C. Mandate Mania

Unquestionably, the federal mandate situation has become a much higher priority to cities and counties as the costs of new programs become more clearly identified. These costs can be enormous and incalculable, making budgeting and long-range planning impossible.

Tom Arrandale, environment columnist for *Governing* magazine acknowledges, ". . . state and local pollution-control officials suspect that they're wasting precious time and resources—while jeopardizing precarious public support—because federal mandates based on inconclusive or inaccurate studies force them to focus on the wrong environmental problems."[2]

And, there is the problem of uncoordinated restrictions, redundant regulations and contradictory requirements of different agencies. The EPA says build a landfill. The Army Corps won't let it be put anywhere. A solution to one environmental problem creates a worse one. Mayors find it virtually impossible to obtain approvals to site facilities such as incinerators, sewerage treatment plants, reservoirs, dams, and power plants.

Equally disheartening to local officials is the federal administration's and Congress's proclivity for underestimating, by the billions, the costs of "clean" to America's cities. Local officials see a compelling need to draw the line, for Congress to differentiate between environmental necessities and environmental luxuries, and to address the more serious priorities first.

The especially dislike federal agencies' (namely the Environmental Protection Agency's) arbitrarily vetoing projects deemed necessary by a community's residents and their duly-elected political leaders—Colorado's Two Forks and Virginia's Ware Creek dams and reservoirs are just two examples.

These arbitrary actions by unelected, unaccountable federal officials disregard the millions of dollars communities have invested in projects that must then be recovered from tax and ratepayers. Equally distressing, the vetoing agency is not required to propose a feasible alternative it *would* approve.

Finally, majors complain their concerns are not perceived as high priorities on the congressional issue agenda. Baltimore Mayor Kurt Schmoke eloquently expressed these views during the Mayors' March on Washington last fall:

"In ordinary times . . . we wouldn't have to remind our national leaders that cities are still the financial, cultural and intellectual centers of our country, and without cities, we are a land without a soul, and a nation without a purpose.

"These are times that cities are having to make Draconian budget cuts . . . that mayors are having to choose between school textbooks and hiring additional police; between freezing teacher salaries and laying off sanitation workers; between sheltering the homeless and abating lead paint; between treating crack babies and treating rape victims.[3]

When an area's chief elected official is on the hot seat over budgets for escalating crime rates, crumbling infrastructure, rampant drug abuse or sheltering the homeless, the likelihood of spending money to create wetlands or undertake asbestos abatement becomes very slim.

While this paper addresses only federal environmental requirements, local governments are also concerned about overlapping mandates by *state* governments. However, until local government's costs are quantifiable and constituents relate the costs of mandated programs to their own pocketbooks, state legislators will continue to respond to demands for open-ended environmental requirements.

Public awareness may be the most underestimated mandate of all. Mayors are beginning to recognize the need for their constituents to better understand the costs and purposes of existing environmental mandates before new ones are proposed. Without this understanding, mayors fear there will be a major backlash against any new environmental program, regardless of its importance.

D. Champagne Tastes and Beer Pocketbooks

As the list of cities with budget deficits grows, it becomes apparent that a major roadblock to solvency is the "champagne tastes and beer pocketbooks" of all levels of government and the taxpayers themselves. There is not enough money for existing programs, let alone new ones, mayors say, a situation exacerbated by the widespread recession.

Drastic cuts in state and federal aid and lost revenues from business failures, property devaluations and a shrinking employment base have caused urban governments to sharply curtail or eliminate entire programs.

On the matter of financing for environmental infrastructure, Max Whitman, President of the American Public Works Association, reminded members of the U.S. Advisory Commission on Intergovernmental Relations on December 6, 1991, that:

". . . state and local governments do not have inexhaustible funds and must be prepared to budget for environment protection on the front end of the project. Generally we must by law balance our budgets and raise funds through taxes and bond issues. We cannot afford local environmental protection that does not make economic sense."

The Nationwide Public Projects Coalition, which was formed by state and local elected and career officials principally to seek affordable balances in the nation's environmental protection processes, pointed out in a recent newsletter that:

"U.S. senators and representatives increasingly regard local governments as just another special interest group when they protest the fiscal impacts of unfunded federal mandates. There seems to be a growing attitude that mayors and city council members should just shut up and raise taxes. It is almost as though they believe constituents of cities and counties are different people from those who make up congressional constituencies."

Every city has its horror stories, and elected leaders face increasing frustration dealing with angry taxpayers as revenues decline and government costs escalate.

Although northeastern and southern cities may have suffered the most budget shocks in recent years, geography has spared few the impacts of job losses, spiraling crime rates, declining populations, growing social and welfare needs and, of course, more federal mandates.

At the same time the EPA projects environmental protection costs will climb to nearly three percent of Gross National Product by the year 2000, there has been a stunning decline in general community infrastructure investment. No new airports have been built since the early 1970s. Spending to rebuild dangerous bridges, crumbling roads and highways has plummeted from 2.4% of GNP in 1963 to one percent in 1991.

It would add credence to the debate over costs if mayors had an inkling of their costs to comply with, say, the Safe Drinking Water Act regulations. However, according to Thomas D. Hopkins, only sketchy information on the numbers and costs of mandates to the delivering level of government is available. The FY 1992 Budget of the United States reported that 1200 new rules were added in 1990 alone. The October 1991 Unified Agenda of Federal Regulation listed nearly 500 new regulations likely to affect local governments. Not even a cursory study has been done to project the commulative costs of these new regulations and when they will take effect.[4]

In the past, water pollution control programs mandated primarily by the Clean Water and Safe Drinking Water Acts have been responsible for about half of municipalities' compliance costs, according to the Environmental Protection Agency.

The agency estimates another third of compliance costs results from mandates of the Clean Air Act. The remainder is attributed to a variety of land pollution programs mandated by the Resource Conservation and Recovery Act (RCRA), the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) and the Toxic Substance Control Act, (TSCA). Also included in the final category are the Emergency Planning and Community Right to Know Act (EPCRA) enacted with the Superfund Amendments and Reauthorization Act of 1986 (SARA), and the Occupational Safety and Health Act of 1970 (OSHA).[5]

EPA's breakdown does not reflect the compliance costs cities incur preparing environmental impact statements required by the National Environmental Policy Act (NEPA), the increasing restrictions on land and natural resource uses, which affect local and state revenues, or the enormous costs of litigation made possible by the Act.

There are other indirect costs not reflected in summaries of environmental costs. Nowhere is there an analysis of the reduction in private-sector investments directly related to environmental constraints. Undoubtedly, plant closings, delayed expansions, dampened innovation and workforce reductions adversely affect a community's ability to pay for environmental or other desirable improvements.

As noted earlier, until the mid-1980s, mandates to build big-ticket anti-pollution facilities carried congressional appropriations to offset most of the costs, but times have changed. Now community governments, their businesses and their residents pay nearly all of the costs.

Anchorage's Mayor Tom Fink says "residents don't understand that virtually everything we do, every service we provide, every bond we sell, and every employee's salary and benefits are paid for by the people who live here, through taxes and user fees." Or, as Dr. Ralph d'Arge points out,

"There's no disembodied entity called industry that you can either tax or save money for without that trickling down to some individual somewhere."[6]

It is only fair that Americans writing the checks know what they're getting for their governmental protection dollars today and what they can expect in the future.

II. REPORT CARD ON THE ENVIRONMENT

A. Success Stories—The Nation's Best-kept Secret

By several accounts, Americans have invested some $1.4 *trillion* (in 1990 dollars) in environmental protection programs since the early '70s. After decades of neglect, there was much to clean up.

More than a hundred major environmental laws were implemented during this time. Kenneth Chilton, Deputy Director, Center for the Study of American Business at Washington University in St. Louis, notes the significant progress that has been made. Hazardous and toxic-waste dumps are being cleaned up in every state. Air quality programs targeting specific pollutants show well-documented improvements. Thousands of water bodies once badly polluted are now fishable, swimmable and support abundant aquatic life.[7]

In addition to the benefits Chilton cites, numerous other improvements are well-known. Recycling programs have mushroomed throughout the country. Vast improvements have been achieved in drinking water quality. Health risks from living near landfills and incinerators have been virtually eliminated. Coastal and wetlands areas receive greater protection, and wilderness designations have been applied to millions of acres of high-value federal lands.

EPA Administrator Reilly, commenting that the country has been enormously successful in addressing environmental problems, noted it was remarkable that this progress had been made in the last 20 years, but "nevertheless it remains politically incorrect to acknowledge that we really have made progress."

To further emphasize the measure of progress in environmental protection during this period, it occurred while the United States' population grew 22 percent and the economy an astonishing 75 percent, according to the White House Council on Environmental Quality. Americans have much to be proud of in this regard, as do members of Congress.

B. The Scramble For More Protection

Despite this notable progress in improving the nation's environment, Congress and federal agencies continue to impose more restrictive burdens on Americans. Instead of giving the laws on the books a chance to prove their effectiveness, lawmakers remain convinced more are needed.

Why is this? Few media watchers can escape the relentless warnings of the latest cancer-causing substance, the "chemical of the week," or doomsday scenario. These scary scenarios about this or that impending threat seldom include the comforting information that laws and regulations are already in place to address it. Instead, they prey on peoples' anxieties.

When other studies conclude a reported threat was exaggerated or misrepresented, that information—if published at all—is likely to appear on page 30 in the newspaper or following the weather forecast on the airwaves. Routinely, the "threat" is first reported without challenge of opposing scientific viewpoints; but, when it is later challenged, the "threat" is often emphasized again and the challenge disputed or disregarded.

"Politics is the management of expectations," said former Colorado Governor Richard Lamm. Fear of the unknown is a major force behind any number of environmental laws and regulations. Few of us would dispute that most environmental concerns move higher on the priority list not from scientific justification but from the public's fear of the unknown.

The Environmental Protection Agency admits that its priorities are seldom based on actual need, but rather on public perceptions of potential risk. Regardless how they become environmental priorities, the perceptions do reflect peoples' fears, and fearful people seem quite willing to trade personal freedom for protection from all manner of risks.

The adage that we should be careful what we wish for because it might come true applies to environmental mandates. People want clean air, clean water and a pristine environment. They *say* they will pay whatever it costs to get them. They don't know they might go broke trying.

People also want a strong economy, protection from crime, a good lifestyle and well-functioning community infrastructure, and these have deteriorated remarkably as competing demands for dollars deplete local resources.

Environmental groups pressing Congress and federal regulators for more punitive and intrusive controls on industry, more enforcement, more fines, more environmental monitoring, and relentless land-use restrictions have paid little attention to their higher costs or who pays them.

As Jessica Landman, senior attorney with the National Resources Defense Council (NRDC) stated in *Governing* Magazine, financing issues have historically "not been on our agenda." Landman cited a local survey indicating the costs of municipal stormwater runoff controls were lower than cable television rates. "I happen to think," she said, "that preventing water pollution is at least as important as getting cable television."[8]

For many Americans, the choice is not between paying for cleaner wastewater or getting cable television. It may be a choice between paying for cleaner wastewater or filling school lunch boxes. Commenting on the disastrous financial crisis of Clarksburg, Massachusetts, homeowner Butch Prenguber said, in an *Associated Press* story on August 11, 1992, "When the money is not available, I don't care what issue you put out there. The most important thing is to put food on the table, clothes on the kids."

C. The Challenges Facing Regulators

It is important to acknowledge that Congress and the Federal administration are working to implement sound environmental policy, but the task is not simple. Legislation has been introduced to correct a number of problem areas. As shown earlier, mayors fully recognize and appreciate that significant progress has occurred as a direct result of environmental expenditures. Mayors also comprehend the magnitude of the federal administration's responsibilities and the inherent conflicts associated with them.

A case in point is the Environmental Protection Agency which manages well over 9,000 regulations and is answerable to some 90 congressional committees and subcommittees. Twenty years ago it reported to just 15.[9]

Critics complain that, in spite of enormous resources given the agency, EPA staff still is not qualified to handle the scientific and technical aspects of regulations. As a local official put it, "EPA has college graduates on staff who are smart as a whip, but they have no comprehension whatsoever about the practical application of regulations to utility operations."

Murray Weidenbaum, former chairman of the Council of Economic Advisors, has observed: "even if EPA were staffed entirely with Newtons and Einsteins, it could not meet its present statutory obligations, much less the additional workload that Congress is anxious to impose on it."[10]

EPA Administrator William Reilly agrees his agency can't do it all and must better address the need for setting priorities. In speaking engagements throughout the country, he affirms this need and commends the work of his Science Advisory Board that has helped focus on the areas needing the most attention.

The Science Advisory Board's well-received report noted:

". . . an increased capacity for comparing kinds of risks more systematically would help determine which problems are most serious and deserving of the most urgent attention.

"An improved ability to compare risks in common terms would have another value as well: it would help society choose more wisely among the range of policy options available for reducing risks.

"There are heavy costs involved if society fails to set environmental priorities based on risk. If finite resources are expended on lower-priority problems at the expense of higher-priority risks, then society will face needlessly high risks. If priorities are established based on the greatest opportunities to reduce risk, total risk will be reduced in a more efficient way, lessening threats to both public health and local and global ecosystems.[11]

Weidenbaum's observation that heavy costs are incurred if society fails to set priorities based on risk is well worth emphasizing here, although the subject of comparing risks is addressed in more detail in Part V. The nation must come to grips with the question of how to get a better return for its environmental investments, and that can't be answered unless risks are examined objectively.

D. Federal Environmental Policy: Cleaning Up the Last Five Percent

Mayors are responsible environmental stewards. They recognize the necessity for developing, maintaining and upgrading environmental systems that contribute to residents' quality of life and economic well-being. They care about where they live.

But they can be placed in awkward positions when 95% of an environmental problem is solved and there is pressure to address the remaining 5%. In far too many instances resources would be more efficiently applied to other environmental improvements.

However, if mayors (or other elected officials) say it is not cost effective to clean up "the remaining 5%" off stream pollution, for example, they are perceived as favoring dirty water.

Unfortunately, in such debates the public rarely understands, or is even aware of, the benefits already achieved by cleaning up the first 95%, or that addressing the last 5% will bring no noticeable benefits. More than one mayor admits to doing a poor job of educating the public in this regard.

Local officials respect the need for an umbrella of environmental regulations that responds to careless acts of the past and prevents them in the future. What they don't respect or need are edicts by distant bureaucracies to clean up the final "nth" degree of a pollutant, regardless of its cost. Without a doubt they are more qualified to prioritize community environmental needs than is Congress, the federal administration, or organized environmental groups.

Today local officials want more say in determining their own environmental priorities. Some are recommending that they no longer accept the generic solutions imposed on them.

Dr. Edward Krug, Director of Environmental Projects for the Committee for a Constructive Tomorrow in Washington, D.C., warns that amendments to RCRA legislation (S. 976), Resource Conservation and Recovery Act) now before Congress will strip even more powers from local government. Krug says RCRA's new amendments would give Washington far-reaching controls never before seen.

EPA Administrator Reilly himself testified that many of the provisions in the bill (S. 976) do not provide for targeting significant risks. They also establish "command and control" approaches that are "in some cases technically infeasible, inefficient, or administratively unworkable." He warned that the nation's resources for environmental protection were too scarce to waste on attempting the unnecessary and impossible.[12]

Other mayors take exception to paying for nonexistent problems. A Florida mayor (where the water table in his city is within a few feet of the surface) says costly controls for protecting groundwater in his community are worth every cent. But he argues other cities shouldn't necessarily have to abide by the same rules. As he says, if "the water table is a thousand feet down, it's dumb to waste money on groundwater." Another official asked: "Why should we pay to test for pesticides that aren't even used here?"

When mayors talk this way they want it understood that they aren't seeking to overthrow environmental laws. They just don't like to waste money. When they are forced to implement unfunded environmental mandates that will, at best, have a negligible effect on health, they get angry. They expect common sense in the policy arena, and they expect a balance between needs of people and needs of the physical environment. Without balance, a regulatory backlash will be inevitable.

More and more, local officials say, if environmental policies don't reflect community needs, they have no alternative but to oppose them.

III. AMERICA'S CITIES ARE GOING BROKE

A. Cities Face New Challenges in the 1990s

The economic challenges facing America's cities in the 1990s are as varied as the communities themselves. Whether it be foreign competition, poor quality education or health services, deteriorating infrastructure, racial tension, the exodus of manufacturing and energy industries, increased unemployment, reduced revenues, crime and drug abuse, homeless people, general wage deterioration or skyrocketing demands for social services . . . cities are in trouble. Finding money in local budgets for new environmental priorities is incredibly difficult. Finding money to fund competing *non*-environmental programs is just as tough. There is no mechanism in the public policy arena for balancing education—or other needs—with environmental programs. Some examples point out the problem:

In 1990, California's Richmond School District, after three years of budget deficits and $60 million in the red, filed bankruptcy and closed its schools six weeks early. Appeals to the state for emergency funds were rejected because of California's then $13-billion deficit. Responding to a class action lawsuit by parents in this low-income area, a judge ordered schools to remain open, regardless of the fiscal problem.

This example raises the question of where the buck stops, and what happens when entities are forced into deficit spending.

Members of Congress are becoming more aware of the predicament as local officials speak out. Before U.S. House and Senate subcommittees last summer, two spokesmen summarized the political realities. Minneapolis councilman Steve Cramer said:

"No local official can tell citizens of his or her community that there will no longer be a police force or fire department because those resources will now be spent [to comply with federal mandates to measure for] contaminants in the drinking water supply. Those are not acceptable tradeoffs at the local level."[13]

John Bullard, Mayor of New Bedford, Massachusetts in 1991, complained about the nearly total transfer of cleanup responsibilities to local government. He cited his city's severe economic and fiscal distress and questioned the legitimacy of requiring 80,000 people to pay $500,000,000 for a new wastewater treatment plant. He said numerous other cities were cutting back on vital services, "including trauma centers and police protection, just to make ends meet."[14]

Recent events in Los Angeles and Chicago highlight the far-reaching effects of excessive attention to general environmental concerns in lieu of more directly people-related socioeconomic concerns.

According to Philip K. Verleger, Jr.,[15] closed factories and lost jobs have been cited as a primary cause of the despair and disorder in Los Angeles. Verleger warns the situation will not improve until there is a reversal of California's pervasive and oppressive regulation, and particularly its environmental regulation. He reports:

"Two recent surveys of manufacturers' decisions to move out of Southern California have found that the region's onerous air quality regulations were important motives. In the first study, commissioned by Southern California Edison, 63% of the companies that moved to Las Vegas from Los Angeles said their moves were motivated in part by "government and/or environmental regulations."

"In the second, done for a consortium of California's largest utilities, 56% of the respondents stated that environmental laws and regulations were a significant factor in their decisions to relocate or site new factories elsewhere. (One such firm is McDonnell Douglas which employs 33,000 workers to manufacture civilian aircraft.)"

Chicago's tunnel disaster, in which the basements of the city's central business district were flooded, underscores another point that frustrated mayors are making in Washington—maintenance can no longer take a back seat to limitless expansion of federal environmental programs.

These examples are not intended to refute the need for a particular environmental program, but rather to emphasize that there are critical, competing needs for municipal resources.

B. Congress Passes the Buck

Mayors speaking at the June 1992 U.S. Conference of Mayors in Houston, Texas, were far more vocal this year than last over the ever-growing costs of unfunded federally-mandated programs. They contended Washington could no longer ignore the fact that the nation's cities were in dire financial straits, and unfunded mandates—particularly the high-cost environmental variety—have become intolerable.

But Congress, with its own budget—deficit quandary, says it has no choice as to who funds its priority programs. The mayors countered that, if the environment is such a high national priority, Congress ought to back up its commitment with the necessary funding or, at the very least, help pay for it. To reinforce that position, a strongly-worded position statement opposing unfunded federal mandates was adopted at the Houston conference.

Knoxville, Tennessee Mayor Victor Ashe, who chaired a workshop on unfunded mandates in Houston, made these comments during the well-attended session:

"The financial burdens imposed by federal regulations have been increasing faster than the growth of federal aid since 1986. The reason is clear. The government is broke. Whether you want to blame 40 years of Democratic control or 12 years of Republican presidents, the federal government is broke.

"Congress does not have the money to fund . . . the types of programs that get members re-elected. As a result, more and more mandates have been passed with less funding or no funding at all.

"It is wrong for Congress to create programs it is unwilling to fund . . . and to force local tax increases on Americans and expect someone else—mayors, for instance—to take the blame. It is a back-door tax increase that will sap from our cities the ability to make our own decisions and solve them with our own resources. If members of Congress want to be city councilmen, then they should run for city council."

C. Proposals Carry Fallacious Cost Projections

Not only are the numbers of mandates growing, but some members of Congress say the costs of implementing them should not be a consideration where the environment is concerned. Local officials disagree and say limits are needed. They also believe Congress has a responsibility to evaluate legislation based on accurate cost projections, and that few proposals carry realistic price tags.

Often cited in discussions over inaccurate forecasts of regulatory impacts on communities is the escalating furor over the costs of municipal stormwater permits under the Clean Water Act's National Pollution Discharge Elimination System (NPDES) section.

Anchorage Municipal Engineer Ross B. Dunfee contends "EPA deserves a public flogging for its extraordinarily bad estimating in determining the cost to file the municipal stormwater application." Anchorage is spending an unexpected $1.5 million to file its Part I application, not the less-than-$50,000 projected by EPA; "only" a thirtyfold miscalculation.

Other stormwater permit coordinators report similar high costs. They speculate EPA deliberately underestimated the permit costs so it would not be subject to the national threshold limits established by Executive order 12291, which requires a more thorough cost analysis. Had that analysis been performed, the legislative outcome might have been more responsible.

Water officials also point out that the application process is just the tip of the iceberg—it does not grant a permit. They are unable to project annual review costs or the additional operations, maintenance and capital costs they will have to fund from uncertain future revenues.

One projection of local government costs to implement the EPA stormwater program has been completed by the Southern California Chapter, American Public Works Association. More than 100 local governments with populations over 100,000 were surveyed.[16]

The study estimated that additional capital costs would range from $2 to $8,800 per capita, and operating costs would range from $24 a year to $11,500 a year per capita.

In addition, cities attempting to comply with EPA's complex stormwater management regulations fear they won't be able to achieve numeric effluent limits, no matter how much they spend.

According to the American Public Works Association's Stormwater Quality Task Force, recent research and program experience indicate that:

". . . currently available stormwater management practices or technologies cannot achieve numeric water quality objectives. Without appropriate legislative clarification in the Clean Water Act, stormwater agencies will be held to a standard of performance that is not achievable."

Task Force Chairman Doug Harrison, General Manager of the Fresno Metropolitan Flood Control District, warned Association members that "Unless the unique limitations associated with the management of stormwater quality are recognized through amendments to the . . . Clean Water Act, local municipalities will be overwhelmed by the cost of pursuing an impossible standard."

In addition, municipal officials are deeply concerned over the statute's penalties for noncompliance—fines of up to $50,000 a day and prison terms for responsible officials. Communities have legitimate concerns with the cavalier attitudes of federal regulators in the stormwater management debate. They hoped for a balanced regime that recognized the range of climate, geology and biologic diversity, along with the needs of people who are integral parts of their communities' environment. What they'll get is something they can't live with, unless Congress changes the law.

Another study, done by the Association of Metropolitan Sewerage Agencies (AMS), mirrors the American Public Works Association's concerns over costs.

In its 1990 member survey of capital needs, AMSA reported that annual household user fees for capital investments in wastewater treatment facilities now double every six years. As local governments pay a greater percentage of capital costs, the survey concluded, they will rise at even higher rates in the future. Operation and maintenance costs, 100% of which are paid for locally, will double every eight years, with increases of 9% and 11% per year.[17]

D. Unknown Local Costs Hinder Decisionmaking

In the last five years government and policy institutions have undertaken ambitious studies to pin down the costs of specific national environmental protection programs. Virtually all conclude it is an impossible task.

Not only is there a dearth of reliable data on public and private sector costs, the studies acknowledge that accurate estimates of future obligations are nonexistent as well. Part of the problem results from a lack of agreement as to which regulations should be termed "environmental."

Some researchers tabulate their data under the term "social regulation," to include health and safety costs along with typical environmental expenditures. For example, asbestos abatement could fall in either category—health/safety or environmental regulation—or both.

There are, of course, wide variations in the way records are maintained. Researchers find it difficult to determine if expenditures are being double counted or missed altogether.

Also, research covers different time periods and numbers of laws and regulations. One study might include the Clean Air Act regulations up to the 1987 amendments, others beyond. Some include mandates imposed by state governments. Most are state-level comparisons that omit local government costs altogether.

Federal estimates of national environmental costs purport to include expenditures by local governments; yet no study—public or private—appears to have gone directly to local government for the information. Publishers of two 50-state surveys confirmed they excluded municipal costs. Because of this, national estimates are unrealistic. One estimate says American consumers pay about $4,000 per household for all regulatory costs, excluding government's cost to administer them. Another puts the costs considerably higher. The President's 1992 budget message to Congress said Americans now pay about $1,700 per household for environmental regulations, excluding the latest mandates associated with recent Clean Air and Clean Water Act amendments, and other lesser-known laws.

Without knowing what the nation's current obligations are, congress can't very well know how much is too much for the nation's cities and consumers to bear.

E. Cities Fight Back: Proving Their Case

While numerous local officials acknowledge the cost issue, they have difficulty convincing members of Congress and federal agencies of the magnitude of environmental program costs. In addition, mayors tend to avoid controversies of this nature, often because they choose not to perceived as "anti-environment." Without substantive data to back their positions, they could be, and usually are, battered by the media.

However, one city decided to fight back, not for the purpose of opposing environmentally programs, but for the ability to apply scarce municipal resources to its most serious environmental problems.

First to address the cost issue was the City of Columbus, Ohio. The city conducted an interdepartmental study of federal and state environmental mandates[18] for which it was responsible. The effort was borne in response to estimates that cleanup of a hazardous waste site, mandated by the Resource Conservation and Recovery Act (RCRA), would cost the city some $63 million more than its original estimate. City administrators were alarmed and concerned over their ability to fund the clean up plus other mandated programs and community priorities. The fourth-month study concluded that for existing requirements between 1991 and 2000, environmental projects and programs would cost $1.6 billion, a more staggering figure than city officials could have imagined. They described the $1.6 billion figure, inflation-adjusted at 7% (the accepted rate for environmental projects), as conservative. Some 600 regulatory rules being developed and other mandates under consideration by Congress were not included in the forecasts.

A Columbus Dispatch editorial about the study on May 25, 1992 concluded: "For the federal government to dictate environmental regulations of questionable merit that tax the American people beyond their capability to pay is irresponsible. Columbus officials are to be commended for trying to show the feds the error of their ways."

Little did city officials know their study would be called a "national milestone" and become instrumental in framing the current debate over regulatory costs and benefits. For the first time, a community collected the date is needed to identify how much of its municipal budget was being spent for state and federal environmental compliance. From nearly 11% of its budget in 1991, the figure jumped to 18% by 1995 and 23% in the years beyond.

The Columbus report also criticized Congress's tendency to overcompensate for suspected dangers of pollutants by forcing agencies to go too far with regulations. It charged that the legislative process was oriented more to public pressure and special interest groups than to a risk or science-based system.

In a speech to the National League of Cities in December 1991, Michael J. Pompili, the Columbus official who coordinated the study, cited Columbus's concern over the standard for atrazine levels in drinking water supplies. He said $16 million in capital costs initially, and $2.4 million in annual operating costs would be required to bring atrazine levels down to the required 3 parts per billion, an amount equal to dissolving half an aspirin tablet in a 16,000-gallon railroad tank car, yet there is no substantiation that low levels of atrazine cause health problems.

Encouraged that Columbus had been able to isolate its environmental costs, the Municipality of Anchorage subsequently undertook its own mandate study. Other communities are following suit. It is hoped this documentation will enable Congress and the administration to consider more carefully the costs of protection programs as they relate to potential benefits and communities' abilities to pay for them.

IV. THE HIDDEN COSTS OF ENVIRONMENTAL MANDATES

A. Litigation, Litigation, Litigation

Communities have learned the hard way that inadequate revenues to fund federal mandates are no excuse for letting legally-mandated deadlines slip. Costly lawsuits by their own residents and federally-imposed fines are the predictable outcome from nonaction.

Some mayors call it litigation mania, or government-by-lawsuit. The federal government is a big player in the litigation game. "We're using taxpayer dollars to sue each other; does this make sense?" asks a frustrated mayor who was sued by the EPA. This effective hammer—enforcement deadlines and the threat of lawsuits—gives communities no alternatives; they must cut back or eliminate their own higher-priority programs to meet the letter of the law.

Lawsuits over interpretations of environmental laws and regulations have skyrocketed during the last decade, as have legal costs to government agencies attempting to administer them. The issue of government restricting the use of private property, which can constitute a "taking," has prompted significant litigation. The Constitution's Fifth Amendment prohibits the taking of property without compensation, and recent court decisions are upholding the rights of property owners. One judgment alone will cost the U.S. Department of the Interior more than $120 million.

B. When Regulations Hurt Local Economies

Money the business community spends for environmental regulation is diverted from other investment needs. Budgets for research, wages, product testing, facility expansion, new equipment, health care and pension plans, marketing, etc., are all affected when corporate dollars are reallocated to national environmental priorities, regardless of their merits.

Non-regulatory actions have their effects on corporate profits and on local government revenues as well. Well-publicized warnings of cancer threats from coffee, dioxin, microwave ovens, showering, apples, hair dye, or the "chemical of the week" can force a company to undertake emergency recalls, pull advertising, make costly equipment and production modifications, resort to less-effective substitutes or, worse, go out of business altogether.

While most agree to the necessity for environmental protection, they may not agree that expenditures for mandatory compliance address the right problems. Justified or not, a large percentage of investment dollars diverted to environmental mandates causes productivity reductions, job reallocations, job losses and reduced profits; or, in the case of government, increased taxes and service fees. Certainly, technological requirements, materials recycling and plant modifications can favorably influence the balance sheet over the long run, but more often than not, the opposite occurs. While entire industries have sprung up in the environmental protection field, e.g., waste management or the multi-billion-dollar asbestos abatement industry, the new jobs created are not likely to equal the jobs and wages lost from other sectors. In thousands of cases, regulatory requirements have meant the business is no longer cost-effective and must retrench, close or relocate.

An Alaska battery manufacturer was recently forced into that situation. After a long-running battle with the Environmental Protection Agency over cleanup of illegally-stored batteries, the firm faced bankruptcy. The company failed to convince the bureaucracy that lead-contaminated soil could be recycled by a then-innovative process, rather than "carted away at enormous cost."[19] EPA hopes to recoup the $3.2 million it spent in the cleanup operation, by billing outlets selling the firm's batteries who had no part in the improper disposal. Disillusioned with a government that "punishes retroactively," the company's owner now manufactures batteries in Russia where, he says, the government wants his business. Still, he wonders why the people who created the demand for his product and who will continue to do so should not bear some responsibility and cost for disposal. That question has never been answered. The economy lost an employer and local tax revenues.

C. International Competitiveness at Stake

The United States spends more on the environment than any other nation, and its communities and industries have made extraordinary improvements in environmental protection, albeit at significant cost. The fact remains that companies can become competitively disadvantaged in the international marketplace by these expenditures. As Wayne Gray has observed,[20] "30 percent of the U.S. decline in manufacturing productivity that began in the 1970s was due to EPA and OSHA regulation."

Gray also stresses the significance of the productivity slowdown to the economy. It translates directly into lower output growth rates and a lower standard of living, plus, it makes U.S. products and wages less competitive in the international marketplace. As U.S. firms must compete with offshore firms not bound by stringent environmental regulations, they become significantly disadvantaged. The response of many companies and even entire industries has been to shut down or move offshore.

Just as serious a concern are the constraints to getting new projects off the ground—the mining venture delayed by lawsuits, or endless demands by government agencies in the environmental impact statement process. A notable case is the world-class molybdenum deposit in Southeastern Alaska.

U.S. Borax spent 18 years on environmental and feasibility studies before obtaining all major permits for the project. The final dispute was over the resting place for mine tailings. The difference in impacts indicated between two proposed deepwater sites was the potential annual damage to $2,500 worth of fish. EPA concluded the company should spend $60 million on a tunnel to carry tailings to site EPA preferred.

Years of debate and lawsuits later, EPA was on record supporting the environmental impact statement which agreed that $60 million was too much to pay for extending the lives of $2,500 worth of fish. Later, with nothing changed (except the position of EPA administrator), the agency suddenly decided that, even though it supported the sponsor's preferred tailings site, it would not grant the permit for putting the tailings there. The federal agency's action thus necessitated that molybdenum prices be significantly higher before the project can proceed. It may never do so. In the Borax case a single federal official decided that the costs to the environment overshadowed the benefits. This arbitrary process, by which one individual can decide the fate of multi-billion-dollar projects, is incomprehensible public policy. The company's stockholders, out more than one hundred million dollars, would surely agree.

Little imagination is needed to see how this example, repeated thousands of times throughout the country, has contributed to the devastation of American jobs and economic opportunities. Imagination is exactly what is needed, however, to ascertain the enormity of the costs to communities when responsible development is smothered by regulatory caprice. There are no known studies of the "hidden environmental costs" associated with these lost opportunities. The subject deserves investigation.

D. Housing Costs Hit the Roof

The impacts of specific environmental regulations on housing costs are more easily identified than are the costs of unrealized economic growth to communities. For example, the increased costs of wood products for housing associated with the northern spotted owl habitat set-asides have been estimated—in some areas up to $5,000 per home. So too have the costs of protecting endangered species such as the Stevens kangaroo rat in California's Riverside County. There, a system of preserves (which will become tax-exempt) on 30 square miles of private land, is being funded by "rat taxes" of $1,950 per acre on other county homesites.

The costs of testing for indoor radon could run from $5,000 to $12,000 per dwelling, as could fees for removing underground storage tanks, removing lead, etc. These costs are not insignificant and, added to a sizable list of regulatory requirements. That can comprise 25 to 50% of a new home's costs, make home ownership out of reach for many Americans.

According to an Associated Press story on August 16, 1991, 64% of the overall population could not afford the Great American Dream, that of home ownership.[21] As Secretary of Housing and Urban Development Jack Kemp has written, government rules and red tapes are regulating the dream out of existence.

Few would dispute that the unrealized tax benefits to local and state governments from expanded home ownership would be enormous, not to mention direct benefits to the construction and real estate industries, and the community's quality of life. People want to own homes; they want the respectability, security and dignity that home ownership affords.

A presidential commission, which addressed barriers to affordable housing, recommended that prior to promulgating major rules or regulations, a "housing impact analysis" be performed.[22] It would be more helpful if such an analysis were performed during debate on any congressional bill affecting housing costs.

E. Problems with Tax-Exempt Land

In the western United States, including Alaska, relatively small amounts of land contribute to local tax bases. In the Municipality of Anchorage, for instance, just 6% of the land base is taxable. More than 86% of municipal land is exempt from property taxes as open space, BLM lands, municipal and state parks, wetlands, national forests and military bases. Statewide the percentage is less than one-half of one percent.

As communities struggle to expand their tax bases, pending and proposed environmental laws would remove yet more land from human uses. Consider again the Endangered Species Act. With more than 3,000 species awaiting listing, it is likely that millions of acres of public and private land will become tax-exempt enclaves for designated species unless Congress changes the law.

Congressional wetlands protection proposals, with overly-broad definitions of "wetlands," would remove additional lands from the tax base; yet no nationwide calculations have been undertaken to determine the economic costs of such proposals. Several eastern counties have done such estimates, however, and concluded negative impacts to their economies alone would total more than $100 billion.[23]

This disregard for considering the economic costs of land withdrawals, both to the directly-affected communities and the nation as a whole, is best exemplified by a bill introduced by Rep. Peter Kostmayer of

Pennsylvania. Named the Northern Rockies Ecosystem Protection Act, it would designate some 14 million acres of western Forest Service land as new wilderness areas, national parks, and wild and scenic rivers. Timber harvesting, mining and other traditional uses would be prohibited on the designated lands in five western states: Montana, Idaho, Oregon, Washington and Wyoming. (Rep. Kostmayer understands the political backlash that would erupt were he to propose such land withdraws in the back yards of his own constituents.)

V. THE BASIS FOR ENVIRONMENTAL REGULATIONS: THE USE AND ABUSE OF RISK ANALYSIS

A. Ruling by Risk Analysis

We take risks of all kinds every day, whether it be climbing Mt. McKinley, entering the latest million-dollar sweepstakes, riding a bicycle, eating particular foods, fixing the roof or undergoing surgery. Most of the time we don't worry much about the risk—we just do it. However, we make the choice; we can decide if the benefit (whatever it is) is worth the risk. Other times the decision is made for us. Without going into the more technical debate over how risks and benefits are measured, it is useful to consider where risk/benefit analysis fits in the pollution prevention arena and why it is important to local governments and local economies. When a risk assessment reveals a possibility that one person in a million could get cancer from a lifetime of involuntary exposure to a particular chemical, sooner or later the Environmental Protection Agency (or OSHA or the FDA or some other agency) will regulate it.

The argument lies with how seriously a particular risk might affect health or the environment, whether the risk is "real," and how much money should be spent to remediate it. There has long been a need, well-recognized by federal policymakers, to make environmental protection decisions according to the most serious threats to human health and the environment. EPA Administrator Reilly and his Science Advisory Board routinely attest to the need for doing a better job of ranking environmental problems. Once the priorities were set, they said, resources could be allocated where they would do the most good. Such a process relies on scientific evaluation of risks, and therein lies the rub.

B. One In a Million: The Mysterious Risk Criterion

One criterion for measuring risk that defines allowable exposure to environmental contaminants is a "one-in-a-million" chance of developing cancer in a lifetime. It is also known as the 10(−6) criterion. This criterion is more than 30 years old. Just where did it originate? Dr. Kathryn Kelly of Environmental Toxicology, Inc., Seattle, Washington, decided that this was a reasonable question, so she set out to answer it. Her research brought interesting results.

Dr. Kelly's conclusion was that there is no sound scientific, social, economic or other basis for selecting the one-in-a-million criterion as a cleanup goal for hazardous waste sites, an acceptable level of stack emissions or the amount of Alar to allow on apples.[24]

10(−6) means different things to different regulators. Dr. Kelly says "What the FDA intended to be a lower regulatory level of 'zero risk' below which no consideration would be given as to risk to human health, many federal and state agency decisions somehow came to consider a maximum or target level of 'acceptable risk.'"[24]

While the concept of "one in a million" was originally an arbitrary number, used as a screening level, its purpose was to be a guideline for assaying carcinogenic animal drugs "which may be administered to food-producing animals, but for which no residue is permitted in human food" under the Delaney Clause of 1958.

To her surprise, an exhaustive literature search and contacts with government agencies indicated no official knowledge or readily available documentation that described the origin of 10(−6). Despite widespread use of the criterion, she said, none of the agencies could cite its source. Responses to inquiries ranged from: "My mind is a complete blank" to "You really shouldn't be asking these questions."

Dr. Kelly's research is carefully documented. She traced the original concept to Nathan Mantel, a biostatistician at the National Cancer Institute, who had proposed defining the parameters of safety testing. To do that, a one in 100,000,000 assumption of developing cancer was chosen. Asked how he came up with that number, Mantel replied, "We just pulled it out of a hat."

While these attributions give short shrift to a complex subject, scientists who have addressed it in depth conclude that the "one-in-a-million" concept is a remarkably inaccurate portrayal of risk. Yet, based on that criterion, government and industry have spent—wasted—billions of dollars on excessive regulation to eliminate perceived risks from the environment. This "shoot-first, aim-later, safety-at-any-price" mentality has caused a massive misallocation of tax dollars with little reward.

Tom Arrandale acknowledges this is an editorial on "junk science":

"State and local officials play no role in setting EPA's research agenda, but they're the ones who wind up administering standards that they know are based on flawed or out-of-date studies. Federal directives based on questionable cancer-risk tests on laboratory animals are forcing municipal sewage treatment plant operators to spend millions of dollars to control relatively insignificant contaminants that officials say pose only small threats to humans.[25]"

C. Better Safe Than Sorry?

It is a given that considerable uncertainty exists in the "science" of risk analysis, so "assumptions" or "uncertainty factors" are thrown in for additional protection. Today the federal government's approach for dealing with the uncertainty factor can be described as "better safe than sorry."

Two recent examples of high-ticket regulations that explicitly employ such assumptions and uncertainty factors are EPA's standards for 23 potential drinking water contaminants and its proposed numeric toxics criteria for water quality standards in 22 states. Some would solve the "assumption" problem by demanding better science. Others say that's not the answer because, after all the test data have been examined, the simple truth is that no one knows whether a particular level of pollution or contamination is really harmful. this is especially true regarding exposure at very low levels to substances shown to cause adverse effects in humans or animals at much higher levels. The controversy arises over what to do in the face of this uncertainty.

Bill Kelly[26] of the Institute for Regulatory Policy has observed that such well-meant bias might not really be in the public interest:

"In many cases, the net result of this approach to uncertainty is that the less is actually known about the effects of an exposure, the more strictly it is regulated. Of course this is not communicated to the public, or even to the decision makers, and therefore the media will often describe something as a "carcinogen" or "causing cancer" when, at the levels likely to be experienced, it is really only *assumed* to cause cancer or "assumed" to increase the risk of cancer.

"This gives rise to the question of whether such assumptions are really prudent if the expenditures involved could better be devoted to health programs that could give a more certain return for the money. To put it another way, should not the scientists be admitting they don't known when they don't know, rather than compelling billions of dollars in expenditures on the basis of assumptions or uncertainty factors that *they* believe are "prudent" for protecting the public?"

Under the policy of "better safe than sorry," we may end up "sorry" for being too "safe."

D. The Credibility of Animal Test Data

More and more, the reliance on animal test data in analyzing risks is being questioned by the scientific community, and this should bode well for future environmental policy.

Philip H. Abelson, Deputy Editor, Engineering and Applied Sciences, *Science* Magazine, wrote in December 1990 that:

"The questionable cornerstone of EPA policy is its dependence on studies involving administration of huge levels of chemicals to rodents and highly conservative modes of extrapolations to low doses in humans with the further assumption that at trivial doses a carcinogenic effect exists. The current guidelines select the most cancer-sensitive species as the yardstick despite the fact that it is known that biochemical and other processes often differ greatly between animal species and humans."[27]

Support for Abelson's position is impressive. Results of a national survey of 1300 health scientists, the most extensive study of its kind commissioned by The Institute for Regulatory Policy,[28] were recently made public. Response to one question revealed that 87 percent of the scientists surveyed said *it was impossible to calculate human cancer deaths accurately based solely on extrapolations from animal data.* [Emphasis added.]

Philip Abelson again called upon Congress and the EPA to rethink the issue of relying on animal test data:

"Results of the animal studies raise questions about the validity of federal regulations that are based on ad lib-fed, [meaning food was always available] inbred strains of rodents. Are humans to be regarded as behaving biochemically like huge, obese, inbred cancer-prone rodents? Sooner or later Congress must recognize a new flood of scientific information that renders suspect the Delaney clause and procedures for determining carcinogenicity of substances."[29]

Former U.S. Surgeon General Dr. C. Everett Koop, speaking to the Northwest Food Processors Association in 1991, criticized restricting chemicals; usage based on excessive doses to laboratory animals. He cited the Food and Drug Administration's ban on cyclamate in 1969 after eight rats developed bladder cancer. "To get the same dosage as the rats did, I would have had to drink four bathtubs of Fresca [his favorite soda pop] daily for over eight years."

Joining the ranks of other scientists in recent years, Dr. Koop reiterated there is no evidence that one person has died of pesticide poisoning. Yet the dire warnings persist.

Michael Woods, Science Editor of the Block News Alliance, explained the dilemma over risk assessments in Chemecology, (May/June 1991).

"On one side are scientists and advocacy groups who believe that the public must be protected against additional health risks, even small risks that can be eliminated only at high cost. On the other are scientists who insist that society's preoccupation with theoretical risks in diverting public attention and money from real risks that kill hundreds of thousands of people.

"Trapped in the cross fire are millions of people who don't know what to believe. But they know what they are afraid of: chemicals.

"Americans refuse to believe they are healthier and live longer, so they demand more and more regulatory protection from low-probability risks. It would be comforting to know that rules and regulations promulgated by federal agencies (that cost state and local governments, industry and consumers hundreds of billions of dollars) were based on good science and that they actually offered protection from environmental risks. Unfortunately, they seldom do."

Congressional committees and EPA are coming to agreement on the need for better science in the regulatory arena, as well as for defining an acceptable process to get there. Tom Arrandale's point that "state and local regulators need to speak up now to make sure . . . . researchers are studying the critical real-world problems they deal with" is well taken.

E. Trading Lives for Lives

Another element in risk analysis debate is the thorny question of whether "my risk is more important than your risk."

Ranking environmental priorities is no simple matter. It routinely places lawmakers in the position of "trading lives for lives," although no one likes to admit it. A case in point was a controversial provision of the national energy bill, that proposed saving energy by requiring auto manufacturers to significantly improve fuel efficiency.

Known as the CAFE standards, for corporate average fuel economy, they would result in the manufacture of significantly smaller cars. Certainly, energy would be saved with the standards in place, but the unfortunate outcome of such a policy is that thousands more deaths and injuries would result from small-car accidents.

On the one hand laws are passed that require enormous expenditures to protect people from a hypothetical one-in-a-million chance of cancer exposure, and on the other, a law is passed that is guaranteed to kill them. An observer of the CAFE standard debate noted, perhaps cynically, that it was politically correct to die from automobile accidents but not from cancer.

F. Asking the Right Questions

Too few policymakers considering the advisability of a particular regulation ask how their costs will affect the individuals who pay for them. What are the increased rates of accidents, illness, premature death and social upheaval—to name likely outcomes—from diet deficiencies, inadequate child care, substandard housing and lack of health insurance when scare family resources go instead to pay for this regulation?

A case in point: Boston's water and sewer bills rose 39 percent over the past two years to pay for cleaning up Boston Harbor. According to David Stipp,[30] water shutoffs tripled during that period and, in 1991, 1,200 shutoffs occurred. Officials say that was only the beginning, that more than 100,000 households are having trouble paying their utility bills, forcing them to cut back on food, clothing and medical care.

The National Consumer Law Center, a Boston consumer advocacy group, said the city's annual household water and sewer bills will rise to about $1,600 from the 1991 average of $500. The Center's director warned "people are going to start questioning the value of environmental projects" related to water "if the poor are pushed into the abyss" by water bills.

One reason given as to why impacts on consumers are given little consideration is that it has been virtually impossible to predict costs on a per capita or per household basis. Congress needs this information when debating the costs versus benefits of environmental proposals.

G. Regulations Discriminate Against the Poor

A sizeable body of research in the past fifteen years supports the contention that higher-income people live longer than poor people. The reasons are obvious: They have access to better nutrition, better health care, safer occupations, better sanitation, better education, etc. A poor person is more likely to forego preventive medical care, healthful activities, prenatal health care, attending a clinic to stop smoking or purchasing a home fire alarm.

Aaron Wildavsky of the University of California, Berkeley, is the foremost proponent of the "richer is safer" concept.[31] At a Cato Institute forum in May of this year Wildavsky said his great concern was that we would spend money making people sicker and poorer while claiming to help under the guise of reducing risks. He contends EPA regulates "400,000 times above any danger known to man or beast." [32]

Increasing numbers of regulatory experts have the same worries and agree the time is ripe for change.

In Ralph Keeney's paper on the subject,[33] he says the richer-is-safer concept relies on a fact and a premise:

"The fact is that expenditures are always borne by individuals. Intermediaries such as the government and companies have no options that do not pass on expenditures to individuals. Thus, at least temporarily, individuals are poorer in the sense that they have less disposable income for other purposes. The premise is that individuals use, on average, additional disposable income in manners that reduce their health and safety risks and therefore reduce fatalities.

"If expenditures are initially borne by government, increased taxes must be used to pay the bill. Perhaps taxes aren't increased immediately, so expenditures are financed through increased borrowing. This simply increases the interest that must be paid on the . . . debt by taxpayers in the future."

Or, Keeney says, a company may raise its product prices. Just as likely, it absorbs the costs, which means less money to shareholders, less money for employees, or being forced out of business. This has obvious direct impacts on the shareholders and employees.

Wildavsky contends further that improved living standards favorably influence the structure of society. He says a wealthier society leads to such amenities as a better, more diverse medical research establishment, large markets to stimulate creation of safer products, and an infrastructure of health clubs.[34] Some advantages are not readily apparent, i.e., improving living standards and longevity by becoming better educated, getting a car's brakes repaired, detecting disease with a physical checkup or adding years to a life from attending a stop-smoking clinic.

Responding to an outcry of opposition to costly new Clean Air and Clean Water rules, such as the national toxics, lead and radon rules, the White House Office of Management and Budget (OMB) proposed transforming the "richer-is-safer" concept into national policy and refers to it as "risk-risk" analysis.

According to Inside EPA, John Morrall of OMB discussed the proposal at the May 1992 Cato Institute forum mentioned earlier. The OMB official said data indicated each $7.25 million in regulatory costs aimed at reducing risk could cause one death because those dollars would be diverted from other risk-reducing expenditures. Therefore, if $150 billion a year were spent on health, safety and environmental regulations, 20,000 deaths a year could be forecast. Whether or not these considerations are adopted as policy remains to be seen.

As millions of Americans find themselves suffering the dire effects of recession, it is crucial that policymakers fully consider the economic and life-threatening consequences of their decisions. The public health risks of economic devastation may be difficult to quantify, but they are no less significant than the public health risks of pollution.

H. Environmental Risks: Are They Real or Perceived?

Much could be written about regulating on the basis of real-versus-perceived risks. A utility official summed up the frustration he felt over current regulations being imposed on water utilities. He concluded it was senseless public policy to embark on a very costly capital expenditure program to comply with regulations based on perceptions of risk and "suspect data produced by an overly conservative, theoretical, most-exposed-individual model."

Like it or not, it is true that regulations are often based on the public's perception of a crisis.

Dwight Lee, Ramsey Professor of Economics at the University of Georgia,[35] explains that sometimes other agendas become involved: "Crisis can be exploited by organized groups to justify government action which serves to promote hidden agendas. If a real crisis is not available, an artificial crisis created by distortions and misinformation will serve just as well."

He pulls no punches in identifying people who hold themselves up as "environmental experts" with this tactic and lets them explain how they do it:

"According to Richard Benedick of the U.S. State Department, while on assignment with the Conservation Foundation, A global climate treaty must be implemented even if there is no scientific evidence to back the greenhouse effect.

"Stephen Schneider, a highly publicized environmental activist, states, We have to offer up scary scenarios, make simplified, dramatic statements, and make little mention of any doubts we may have. Each of us has to decide what the right balance is between being effective and being honest.

"Senator Tim Wirth of Colorado has said, We've got to ride the global warming issue. Even if the theory of global warming is wrong, we will be doing the right thing anyway, in terms of economic policy and environmental policy.

"From Paul Erlich, a Stanford University biologist and highly publicized prophet of doom, We've already had too much economic growth in the United States. Economic growth in rich countries like ours is the disease, not the cure.

"From Ecotage, an offshoot of Earth First, people are told: We must first make this an insecure and uninhabitable place for capitalists and their projects. This is the best contribution we can make towards protecting the earth and struggling for a liberating society."

Admittedly these are radical statements that the moderate environmental community would vigorously oppose. Radical or not, there are exemplary cases in which public policy was urged on perceived rather than real risks. The following examples have been widely debated recently and help focus on the problem.

Asbestos

Among the most contentious environmental disputes has been that of the safety of asbestos. The late Warren Brookes reviewed Michael Bennett's investigative book, "The Asbestos Racket," in his syndicated column last year.[36]

Bennett, writing for the Detroit News in 1985, first exposed the lack of scientific documentation to justify the ban on asbestos manufacture, use and importation. The series was subsequently nominated for a Pulitzer Prize. He also publicized Morton Thiokol engineer Roger Boisjoly's repeated warnings of problems with asbestos substitutes used in the Challenger Space Shuttle. Boisjoly charged the non-asbestos substitute putty lacked the insulating powers of the original, making the seals vulnerable to cracking in abnormally cold weather.

Bennett's book asserts the Challenger disaster was the direct result of withdrawing asbestos from the market, an assertion that has not been disputed.

Subsequent to the asbestos ban in 1989, papers presented at a Harvard University symposium and in scientific publications debunked the myth of dangers from asbestos exposure. Brookes quoted Michael Bennett's strongly-worded indictment:

"The EPA cleanup was being driven by an organized asbestos-removal industry with a collective self-interest in removal of $150 billion to $200 billion by the turn of the century. A devil's bargain had been struck among environmentalists, advocacy lawyers, scientists, news reporters and members of Congress . . . (who created) a fictitious epidemic of 'asbestos poisoning'. . . The real epidemic was fear by scientific ignorance, bureaucratic bungling, political posturing, and the greedy buck."

The Bennett book said the result was the expenditure of nearly $200 billion to protect people from "dangers as remote as being struck by lightning while arguing whether 33 million Americans subject to all human illnesses . . . should be provided basic medical coverage. Our sense of proportion has been lost."

Radon

California Congressmen Richard Lehman and Ron Packard, responding to pleas for regulatory relief by the Association of California Water Agencies (ACWA), have led an effort to block EPA's rule on removing radon from drinking water. Later a bipartisan group of 27 members of Congress asked President Bush to intervene in the matter. Cause for the alarm was a widely-publicized study commissioned by 400 California water agencies. The study concluded their costs, ultimately to be borne by water users, would exceed $3.7 billion in capital expenditures and more than $540 million in annual operating expenses. Equally shocking was EPA's original estimate that its radon rule bore capital costs nationally of $41.6 billion and annual operating cost of $180 million.[37]

ACWA's comments on the radon rule asked EPA to reconsider the cost-per-cancer-case averted if the rule were effected. "The annual cost [of the proposed radon rule] to avert each California cancer case not associate with smoking ranges from $433 million to $592 million. ACWA's analysis suggests it may not be cost-effective to spend billions of dollars removing radon at this low level when the primary cause of lung cancer, smoking, remains." In addition, the water system modifications needed would address no more than 1% of radon exposure, as most radon enters buildings from soil gas, not drinking water.

Dixy Lee Ray, addressing radon exposure in "Trashing the Planet,"[38] asks,

"Where are the government-issued warnings about radon in energy-efficient homes? Our government has actively promoted energy-efficient homes with everything from do-it-yourself literature to tax breaks for insulating your home. Where has the press been? Aiding and abetting the government.

"Perhaps the time has come to let in some fresh air, to improve home ventilation by opening up the window, even at the cost of higher energy consumption. Perhaps it's not too much to expect that the cause of common sense and public health could be served by a truly free press—freed from the silly notion that energy conservation is a good that transcends all and freed from the mindless assumption that radon trapped in a sealed house won't hurt you while radon seeping from uranium mine tailings (where nobody lives) will. It's all the same radiation. We should open the windows and let the fresh air in—and the radon out.

"Or, better yet, let's stop building airtight homes and buildings that not only develop radon accumulation problems but also suffer from another very modern phenomenon, indoor air pollution."

Acid Rain

Scientists with the National Acid Precipitation Assessment Program (NAPAP), charged by Congress a decade ago with researching the credibility of claims that acid rain was destroying thousands of lakes in the northeastern U.S., were given a monumental task. It was completed ten years later.

After spending hundreds of millions of dollars to perform an analysis of the region's lakes, the results were startling. The public perception that the lakes were dead or dying was false. Dr. Edward Krug, a soils scientist, specializes in research on manmade influences on watersheds. As a NAPAP scientist, Dr. Krug cited the project's major findings:[39]

1. There are only 240 critically acidic lakes out of over 7,000 northeastern lakes; not the thousands claimed.

2. The average lake is as acidic as it was prior to the Industrial Era (some more, some less acidic over time); not a hundred times more acidic as claimed.

3. In terms of acreage, only 35,000 of 200,000 acres of eastern lakes are critically acidic.

4. Most of this acidic water is in Florida. Yet the rain in Florida is among the least acidic rain in the eastern U.S.—three times less acidic than in the Adirondacks.

5. The amount of acidic water is not changing with time; thousands of additional lakes are not becoming acidic as claimed.

6. The old Clean Air Act is working: SO_2 (the principal pollutant that creates acid rain) has been halved—20 million tons rather than 40 million tons per year. The new revisions (1990 Clean Air Act Amendments) will make no difference in the amount of acid rain 30–40 years from now.

7. All of the acidic lakes in the northeastern U.S. can be limed for $500,000 a year compared to billions of dollars for an elaborate government acid rain program.

The NAPAP study found the following effects on forests:

1. Forest decline is extensive in many unpolluted areas of the world, whereas trees in highly polluted areas (i.e., metropolitan areas) are largely unaffected.

2. The nitrogen in acid rain is fertilizing 300,000,000 acres of eastern forest. Such fertilization may have negative effect for about 0.1 percent of the forest [causing enhanced growth and thereby increasing winter damage to trees at certain altitudes].

Robert Crandall[40] notes that, even though Congress had copies of NAPAP's preliminary report which showed: the lakes were not going to die, acidity could not necessarily be traced to power-plant emissions, and damage to plants, trees and other materials simply couldn't be documented or quantified, it still passed the costly clean air amendments.

In short, Crandall said, a $540 million study found little justification for a program that could cost $4 billion or more a year and perhaps $7 billion or more if implemented through mandatory stack-gas scrubbing.

Speaking on the NAPAP results at a Wise Use Conference in Reno, Nevada,[41] media monitor Reed Irvine of Accuracy in Media expressed outrage that more than half a billion dollars were spent on a national study and only one news outlet in the nation reported on it, although press releases were widely circulated. Irvine said CBS Television's coverage was brief and concluded with the comment that "other" scientists disputed the study.

In mid-1992, long after the fact, the NAPAP study results were being publicly acknowledged. One can only wonder if they will have the slightest effect on national acid rain policy.

The Alar Scare

Dr. Dixy Le Ray, in Trashing the Planet,[42] addressed the infamous apple crisis and credited the Natural Resources Defense Council (NRDC) for leading the movement to ban agricultural chemicals in general and Alar specifically. Was the Alar attack justified? Dr. Ray reported:

"Extensive studies carried out with scrupulous attention to scientific protocol have failed to find any credible evidence that Alar causes cancer. Extrapolating to humans from the NRDC mouse tests, a person would have to eat 28,000 pounds of apples every day for 70 years to produce tumors similar to those suffered by mice exposed to megadoses of Alar. What the NRDC did not include in its well publicized attack on Alar was that mice fed half the maximum amount—which would equal a man's eating 14,000 pound of apples a day for 70 years—produced no tumors at all."

The California Department of Food and Agriculture illuminated the threat differently. It said Alar might cause three and one-half cancer cases per one trillion apple eaters.

The Alar "crisis mongering" occurred in 1989 via a television news broadcast. "A is for Apple" was the title of the segment on 60 Minutes, which displayed an apple covered over with a skull and crossbones. The segment publicized the NRDC claim that Alar, a widely used chemical for maintaining the freshness of apples, was "the most potent cancer-causing agent in our food supply" and that "as many as 5,300 children may contract cancer from their preschool exposure" to Alar.

Naturally panic resulted. According to Dr. Ray, EPA reluctantly succumbed to pressure and decertified Alar, but "not because of any scientific data;" its manufacturer was forced to remove the product from the market.

Ray said Dr. John A. Moore, the acting EPA Administrator at the time, later called the NRDC report "gravely misleading." "In the Alar case," he said, "the public was very prone to give credence to the selective and inappropriate use of data regarding consumer risks and to believe 'the worst,' despite a counter-statement by the EPA."

Unjustified as it was, Dr. Ray concluded, the attack on Alar was sophisticated, carried out with maximum publicity, and successful. The apple-growing industry lost more than $200 million because of it.

Since then, a grassroots effort has emerged to help the apple growers, many of whom were mom-and-pop operations that suffered grave financial losses. A legal defense fund has been established and a lawsuit filed against NRDC, Fenton Communications, CBS News and others seeking $300 million in damages. The case is pending.

VI. CONCLUSION

Finding Solutions

The United States Congress has, over time and with good intentions, contributed to the problems referenced in this paper. It is up to Congress to find solutions to them. If they are to be workable solutions, however, the elected leaders of America's communities must be involved in the problem solving process.

Fortunately, Congress and the administration, encouraged by EPA Administrator Reilly, now recognize the role that better risk assessment methodologies can play in setting environmental priorities. Both appear to be devoting more resources toward establishing a more rational, risk-based regulatory framework. From local government's perspective, the outcome can occur none too soon.

Private organizations devoted to policy analysis, such as the Center for the Study of American Business, the Institute for Regulatory Policy, the National Chamber Foundation, Harvard's Center for Risk Analysis, the National Research Council's Committee on Risk Assessment Methodology and others have made significant contributions to the debate. So have a sizable group of scientists, medical professionals, attorneys and industry leaders who have studied and published their findings.

Of particular note are the research and policy recommendations of the Institute for Regulatory Policy which has crafted a presidential executive order, being widely endorsed, as a workable approach for making risk assessments and risk management decisions more objective, more understandable, and more consistent among all federal agencies.

However, before a more responsible, cost-effective environmental policy can be crafted, national leaders must find answers to these questions:

(1) How much environmental protection are communities already obligated to fund? What measures can be used to determine if they can afford additional requirements?

(2) What recourse should communities have when congressional or administrative projections of local implementation costs are drastically understated? Should Congress set dollar limits at which it must reconsider inaccurately-costed measures?

(3) Do all communities face the same environmental problems? If the answer is clearly "no," how can fairness and flexibility be built into the regulatory process?

(4) Is Congress encouraging communities the flexibility to address their most important environmental priorities? If not, why not?

(5) Should Congress force communities to "throw good money after bad" when new science disproves or renders obsolete a legally-mandated rule or procedure? How can bad rules be undone?

(6) If the cost-per-predicted-premature-death of a measure is excessive, what criteria can Congress use to decide whether compliance should be required? Who should decide the threshold limits of "excessive"?

(7) Substantial progress has occurred in developing techniques for measuring the costs of environmental regulations. What efforts should be undertaken to more effectively measure the benefits of regulations?

(8) How can risk analysis be applied to formulate new direction for environmental policy in the 1990s? What actions are needed to accelerate current efforts to set environmental priorities based on sound risk analysis policy?

(9) If 95% of a problem has been solved, should large amounts be spent on the remaining 5%? Or, should those dollars be redirected to where they will be more cost effective?

(10) How will Congress resolve the growing conflict between humans and species, e.g., habitat protection vs. jobs, or protection of the ethereal ideal of biodiversity vs. clearing land for housing?

(11) Assuming the "takings" provision of the U.S. Constitution is to be upheld, what mechanisms can Congress establish to both protect private and local government property rights and acquire property for environmental purposes?

(12) And, finally, should Congress impose a moratorium on new mandates until a national environmental policy is crafted, with input and review by the governing entities responsible for implementing it?

VII. COSTS OF FEDERAL ENVIRONMENTAL MANDATES

A. Scope of Study, Municipality of Anchorage: 1991–2000

In 1992, the Municipality of Anchorage reviewed the major federal environmental programs it administers to determine their long-range impacts on the municipal budget. The study was prompted by two events: (1) the municipality's dismay over projected costs of municipal stormwater permits, wherein the city experienced a thirty-fold increase over EPA's projected costs, and (2) a 1991 study by the City of Columbus, Ohio on its environmental mandate costs.

In the same timeframe, the city faced a depleted snow removal budget from the winter's unusually heavy snowfall. Officials agreed, from a common-sense, human safety standpoint, snow removal was a significantly higher priority than testing stormwater runoff. That view was reinforced when the permit consultant's testing revealed the only "significant" pollutant in the stormwater system was soapsuds from residential car washing. Regardless, officials lacked authority to appropriate funds in accordance with their best judgment; the stormwater permit was an enforceable mandate.

The Municipality still does not know the requirements it may face for groundwater runoff remediation. In response to concern for the future costs of this program, plus numerous others not yet at the costing stage, the study was launched.

Conclusions from the data are not intended to reflect a position for or against environmental protection mandates, or to suggest the municipality is paying too much or too little for these programs. To date, a cost/benefit analysis has not been undertaken to address such questions, primarily because of the lack of expertise to do so, and cost considerations.

The Anchorage study, while intended to be far less detailed, was patterned after that done by the City of Columbus, Ohio, which provided assistance and a suggested format. Communities wishing to isolate their own environmental program costs may contact the City of Columbus for guidance. They will find the format, text and tables Columbus provided very useful, as have numerous other communities.

The Columbus study addressed both state and federal environmental mandates, while the Anchorage study covers only federal mandates. Following are the major environmental laws and abbreviations used in the Anchorage study.

Budget Categories: Budget categories included were personnel, supplies, other services, equipment and capital expense for each utility and municipal department. State or federally-funded projects and personnel were not included, although municipal matching funds for those projects were.

Under its present accounting system, the municipality's environmental programs are not differentiated from other programs. Budget officials are considering ways to classify them in the future, however.

Study Observations: While Anchorage's costs are significant, they should not be viewed as representative of other cities or counties for several reasons.

(1) Anchorage is a non-industrial community (approximately 2% of its economy consists of manufacturing), with a medium-sized (240,000 residents), affluent population. Stresses to its environmental system were negligible compared to those in commercial/industrial localities.

(2) Anchorage is a relatively young municipality. Less than 80 years old, its major growth occurred in the last two decades, when national and state environmental laws were well established. It was not burdened with a maze of antiquated systems requiring reconstruction, retrofitting or replacement as older cities have been. In some instances, it was possible to build new state-of-the-art systems when regulations required them. Whenever possible the systems were also designed to accommodate additional population growth.

(3) The municipality also maintained an advantage with regard to its sources of funding for environmental mandates. Tax and royalty revenues from Alaska's oil production made it possible for state government to finance local facilities and programs normally funded by communities themselves.

However, the general economic climate and declines in petroleum exploration and production have significantly reduced the availabilty of these funds for future public uses. Petroleum industry interest in Alaska continues to wane, largely due to excessive cost and regulatory burdens, and lack of congressional approvals to explore the most promising prospects. New federal oil spill liability legislation will likely cost the owner companies of the Trans-Alaska Oil Pipeline more than $50 million annually. These costs will reduce petroleum revenues paid to the State of Alaska each year, funds that could have been dedicated to statewide environmental programs.

Study Results: Estimated costs of federal environmental regulations to the Municipality total $429,936,737 for the 1991–2000 period, inflation-adjusted at the prevailing 7% rate for environmental projects. In general, the figures represent costs of complying with existing regulations. If reliable cost estimates were available for regulations not yet in place, those figures were included. However, virtually all department heads were reluctant to include estimates they could not reasonably substantiate.

Clean Water Act compliance is the most expensive program, accounting for 36% of real and projected costs. In second and third place are Clean Air at 34% and Resource Conservation and Recovery Act costs at 21%.

The Environmental Protection Agency reports that land-related compliance costs to local governments are projected to increase in future years at higher rates than for clean air and water programs. However, it is difficult to make such comparison for Alaska. For example, the hundreds of air quality rules yet to be promulgated may require sophisticated laboratory, fabrication and consultant services that may not be available within the state.

While the EPA anticipates local government costs will increase by 60% to 120% in the 1990s, it is not clear whether these percentages relate to the costs of doing business in Alaska. Nor is it clear which laws and regulations are included in the projected increases.

APPENDIXES

A1. Major Environmental Laws

(1) CLEAN AIR ACT (CAA) 1963, Amended 1965, 1967, 1970, 1977, 1990; State Implementation Plan (SIP); Ambient Air Monitoring; Fuel Additives, Gasoline Reformulations; Motor Vehicle I/M Controls.

(2) RESOURCE CONSERVATION AND RECOVERY ACT (RCRA), 1976; (Amended to cover Hazardous and Solid Wastes, HSWA), 1984; Used Oil; Underground Storage Tanks; Solid Waste/Medical Waste.

(3) NATIONAL ENVIRONMENTAL POLICY ACT (NEPA), 1969; Environmental Impact Statements.

(4) NOISE CONTROL ACT, 1970, 1972, (Amended by Quiet Communities Act, 1978).

(5) COASTAL ZONE MANAGEMENT ACT, 1972, 1990.

(6) WATER POLLUTION CONTROL ACT, 1972, 1977 (renamed Clean Water Act and regulated filling of wetlands), 1981, 1987 (renamed the Water Quality Act); NPDES Permit Program; Sec. 404 Wetlands; Water Quality Planning, Management; Pretreatment Regulations.

(7) ENDANGERED SPECIES ACT, 1973, (preceded by Fish and Wildlife Coordination Act of 1934).

(8) SAFE DRINKING WATER ACT, 1974; Drinking Water Standards.

(9) TOXIC SUBSTANCES CONTROL ACT (TSCA), 1976, (Amended by Asbestos Hazard Emergency Response Act, AHERA, 1986); PCBs; Asbestos.

(10) COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION AND LIABILITY ACT (CERCLA, or SUPERFUND ACT), 1980, (Superfund Amendments and Reauthorization Act (SARA), 1986 (amended to evoke Title III Community Right-to-Know Act); National Priorities List Sites; Non-NPL Sites; Remediation Costs, Studies; Spill Reporting; Hazardous & Toxic Chemical Reporting.

Abbreviations

Federal Environmental Laws

CAA: Clean Air Act.

CERCLA: Comprehensive Environmental Response, Compensation and Liability Act.

CWA: Clean Water Act/Water Quality Act.

CZMA: Coastal Zone Management Act.

ESA: Endangered Species Act.

NEPA: National Environmental Policy Act.

RCRA: Resource Conservation and Recovery Act.

SDWA: Safe Drinking Water Act.

TSCA: Toxic Substances Control Act.

Municipal Departments

ATU: Anchorage Telephone Utility.*

AWW: Anchorage Water and Wastewater Utility.

C&RA: Cultural and Recreation Services.

ED&P: Economic Development and Planning Department.

ER: Employee Relations.

ERC: Equal Rights Commission.

FIN: Finance Department.

H&HS: Health & Human Services.

MISD: Management Information Systems Department.

MYR: Mayor's Office.

MNR: Municipal Manager's Office.

MF: Merrill Field Airport.

MA: Municipal Attorney.

ML&P: Municipal Light & Power.

OMB: Office of Management and Budget (OMB costs included in Manager line item).

PA: Port of Anchorage.

P&FM: Department of Property & Facility Management.

PW: Public Works Department.

PD: Purchasing Department.

SWS: Solid Waste Services.

TD: Transit Department.

*Since October 1, 1991 the Anchorage Telephone Utility is operated by an independent board of directors.

FOOTNOTES

[1] "Mayor on Non-funded Mandates: 'Stuff it:'" *City and State*, (May 6, 1991).

[2] Tom Arrandale, 'Junk Science' and Environmental Regulation, *Governing* Magazine, (June 1992), p. 82.

[3] *Nation's Cities Weekly*, (October 21, 1991).

[4] Thomas B. Hopkins, *The Costs of Federal Legislation:* (The National Chamber Foundation: 1992). Hopkins is Gosnell Professor of Economics at Rochester Institute of Technology, Rochester, New York, and served as deputy administrator of the Office of Management and Budget's Office of Information and Regulatory Affairs.

[5] *Environmental Investments: The Cost of a Clean Environment*, (U.S. Environmental Protection Agency, December 1990).

[6] Dr. Ralph d'Arge, John S. Bugas Distinguished Professor, Dept. of Economics, University of Wyoming, in a speech entitled "Evaluating Aesthetic Effects of Air Pollution," August 25, 1982.

[7] Kenneth Chilton, "Environmental Dialogue: Setting Priorities for Environmental Protection," Center for the Study of American Business, (Policy Study Number 108, October 1991).

[8] The Cost of Clean: Why Washington Won't Pay, *Governing*, (January 1992), p. 45.

[9] Kenneth Chilton, "Environmental Dialogue: Setting Priorities for Environmental Protection," Center for the Study of American Business, (Policy Study Number 108, October 1991).

[10] Id.

[11] *Reducing Risk: Setting Priorities and Strategies for Environmental Protection, recommendations of EPA's Science Advisory Board (SAB-EC-90-021, September 1990).*

[12] Clyde Wayne Crews, Jr., "The Economic and Safety Hazards of Toxics Use Reduction," *Journal of Regulation and Social Costs*, (Summer 1992).

[13] "The Cost of Clean: Why Washington Won't Pay," *Governing*, January 1992.

[14] Id., p. 45.

[15] Philip K. Verleger, Jr., "Clean Air Regulation and the L.A. Riots," *Wall Street Journal*, May 19, 1992. Verleger is a visiting fellow at the Institute for International Economics in Washington, D.C.

[16] Carol Kocheisen, "Study Puts Stormwater Management Costs at $1 Trillion," *Nation's Cities Weekly*, (June 22, 1992), p. 9. The study may be ordered from National League of Cities, Center for Policy and Federal Regulations, Washington, D.C., for $5.00.

[17] "The Cost of Clean: A National Survey of Municipal Wastewater Management Needs," The Association of Metropolitan Sewerage Agencies, (June 1992).

[18] *Environmental Legislation: The Increasing Costs of Regulatory Compliance to the City of Columbus (Ohio), complied by the Environmental Law Review Committee, (May 13, 1991).*

[19] "Russia Energizes Battery Venture: EPA Drives Company to Less Restrictive Society," *Alaska Journal of Commerce*, May 11, 1992, p. 3.

[20] Wayne B. Gray, "The Cost of Regulation: OSHA, EPA and the Productivity Slowdown," *American Economic Review*, (December 1987).

[21] "Who Can Afford to Buy a House?" By Howard Savage, a Census Bureau statistician, with Peter Fronczek. Using 1988 data, they found 77% of black families and 74% of hispanic families could not afford a medium-priced home (with a 30-year fixed mortgage). Nor could 75% of single and 87% of single women with children.

[22] "*Not in My Back Yard*," Report to President Bush and Secretary Kemp, Advisory Commission on Regulatory Barriers to Affordable Housing, Washington: 1991.

[23] Paula Easley, "*Wetlands of the United States: Considerations for Public Policy Development*," Municipality of Anchorage, (September 1991).

[24a] Dr. Kathryn E. Kelly, "The Myth of 10(-6) as Definition of Acceptable Risk," Paper presented at the 84th Annual Meeting of the Air and Waste Management Association, Vancouver, B.C., June 1991.

[24b] Id.

[25] Arrandale, Op cit.

[26] From an August 24, 1992 memorandum to the author.

[27] Abelson, Phillip H., "Incorporation of New Science into Risk Assessment," *Science*, (14 December 1990, Volume 250, Number 4987).

[28] The Health Scientist Survey: Identifying Consensus on Assessing Human Health Risk, Health & Environmental Services Group, Ltd., Washington, D.C. (March 1992), published in *Environmental International* (Vol. 18).

[29] Philip H. Abelson, "Diet and Cancer in Humans and Rodents," *Science*, (10 January 1992, Volume 255, Number 5041).

[30] David Stipp, column on environment, Wall Street Journal, (January 15, 1992, p. B1).

[31] Aaron Wildavsky, "Richer is Safer," The Public Interest 60, 23–39 (1979), and "No Risk is the Highest Risk of All," American Scientist 67, 32–37 (1979), "Searching for Safety," (Transaction Books, New Brunswick, New Jersey, 1988).

[32] Inside EPA, (May 15, 1992).

[33] Ralph L. Keeney, "Mortality Risks Induced by Economic Expenditures," *Risk Analysis, (Vol. 10, No. 1, 1990).*

[34] Wildavsky, supra.

[35] Dwight Lee, "The Perpetual Assault on Progress," published by the Center for the Study of American Business, where he is an adjunct fellow. (Contemporary Issues Series 42, May 1991.)

[36] Bennett's interest in the asbestos issue stemmed from his position as deputy public information director in the U.S. Department of Labor, Occupational Safety and Health Administration.

[37] California last November became the first state to tell EPA it could not implement the upcoming lead-in-drinking water rule, saying it was the "most resource intensive rule ever adopted by EPA for drinking water," with costs ranging from $1.8 million the first year to $5.6 million in year four of compliance.

[38] Dr. Dixy Lee Ray, *Trashing the Planet*, (Harper Perennial: 1990), pp. 78–83.

[39] Dr. Edward C. Krug, "Save the Planet, Sacrifice the People: The Environmental Party's Bid for Power," *Imprimis*, Hillsdale College, (Volume 20, No. 7, July 1991).

[40] Robert Crandall, "Why is the Cost of Environmental Regulation So High?" Center for the Study of American Business, (Policy Study No. 110, February 1992).

[41] June 6, 1992, Conference hosted by the Center for the Defense of Free Enterprise, Bellevue, Washington.

[42] Dr. Dixy Lee Ray, Op. Cit.

LAND AREAS OF THE MUNICIPALITY OF ANCHORAGE 1990

	Acres	Square miles	Percent total area	July 1, 1990 population
Ancorage Bowl [2]	80,757	126.2	6.4	190,090
Eagle River-Chugiak [2]	41,446	64.8	3.3	24,852
Turnagain Arm communities [3]	7,780	12.2	.6	1,410
Chugach State Park [1]	495,000	773.4	39.5	0

LAND AREAS OF THE MUNICIPALITY OF ANCHORAGE 1990—Continued

	Acres	Square miles	Percent total area	July 1, 1990 population
Chugach National Forest[1]	275,00	429.7	21.9	0
Other U.S. Government lands (Lake George area)[1]	241,940	378.0	19.3	0
Elmendorf Air Force Base	13,440	23.0	1.2	6,830
Ft. Richardson Military Reservation	61,880	96.7	4.9	7,003
Fire Island	4,480	7.0	.4	0
Tide Lands[4]	29,917	46.7	2.4	0
Total municipality	1,251,640	1,957.7	100.0	230,185

[1] Including tidelands.

[2] Excluding state and federal land.

[3] Includes Indian, Bird Creek, Rainbow, Gridwood and Portage.

[4] Remaining tidelands not included in Chugach State Park and Chugach National Forest.

Note.—Total tidelands = 139,520 acres or 218 square miles.

ESTIMATION OF COSTS OF FEDERAL ENVIRONMENTAL MANDATES TO THE MUNICIPALITY OF ANCHORAGE, 1991–2000

[Amounts in dollars]

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	Total
CLEAN WATER ACT/WATER QUALITY ACT (CWA)											
P&FM	0	108,000	116,523	0	0	0	0	0	0	0	224,523
PW	1,115,000	1,340,000	1,853,240	8,054,100	8,552,280	9,971,200	11,493,900	19,194,140	20,144,800	21,097,440	102,816,100
C&RS	150,000	225,000	321,000	342,000	363,000	384,000	405,000	426,000	447,000	468,000	3,531,000
ATU	0	10,000	3,210	102,600	7,260	1,280	1,350	1,420	1,490	1,560	130,170
AWW	785,000	795,000	1,706,650	1,704,300	1,808,950	1,913,600	10,118,250	2,122,900	2,376,550	2,332,200	25,663,400
ML&P	22,210	46,000	57,159	144,522	95,794	109,684	124,953	141,969	161,255	181,890	1,085,438
SWS	13,000	41,300	14,231	15,162	16,093	17,024	17,955	18,886	19,817	20,748	194,216
PA	59,000	29,760	221,641	255,032	292,347	334,001	564,677	432,188	489,773	553,805	3,232,223
H&HS	0	61,050	70,620	81,282	279,510	319,360	363,690	413,078	468,158	529,464	2,586,212
MF	13,900	76,500	5,072	5,836	6,690	7,643	8,706	9,890	11,208	12,673	158,118
Total	2,158,110	2,732,610	4,369,346	10,704,834	11,421,924	13,057,792	23,098,481	22,760,471	24,120,051	25,197,780	139,621,400
CLEAN AIR ACT (CAA)											
ML&P	113,534	515,000	603,234	703,845	809,889	925,716	1,054,497	1,301,755	1,355,489	1,532,861	8,915,821
C&RS	250,000	1,000,000	1,070,000	1,140,000	1,210,000	1,280,000	1,350,000	1,420,000	1,490,000	1,560,000	11,770,000
H&HS	1,534,616	1,647,300	1,913,019	2,184,263	2,623,725	2,975,771	3,364,994	6,516,827	7,325,475	8,216,386	38,302,375
ATU	0	36,000	166,920	177,840	188,760	403,200	357,750	248,500	260,750	273,000	2,112,720
TD[1]	125,000	0	0	0	0	0	0	0	0	0	125,000
AWW	0	0	0	0	41,200,500	5,184,000	5,467,500	5,751,000	6,034,500	6,318,000	69,955,500
SW	0	0	53,500	57,000	60,500	64,000	67,500	71,000	74,500	78,000	526,000
PA	63,500	71,240	94,095	108,272	124,112	141,796	161,515	183,481	207,928	235,111	1,391,049
MF	2,050	2,214	2,558	2,943	3,375	3,855	4,392	4,988	5,653	6,393	38,422
Total	2,088,700	3,271,754	3,903,326	4,374,163	46,220,861	10,978,339	11,828,148	15,497,552	16,754,295	18,219,750	133,136,887
RESOURCE CONSERVATION & RECOVERY ACT (RCRA)											
P&FM	150,000	354,000	1,555,780	1,265,400	1,355,200	1,100,800	1,161,000	0	0	0	6,942,180
ML&P	542,089	329,000	379,080	436,818	377,032	430,656	490,833	557,577	631,730	714,519	4,889,335
PW	330,000	330,000	353,100	376,200	399,300	422,400	445,500	468,600	491,700	514,800	4,131,600
ATU	0	163,000	11,770	12,540	13,310	14,080	16,200	17,040	32,780	18,720	299,440
AWW	0	570,000	839,950	535,800	1,040,600	1,081,600	654,750	667,400	722,650	733,200	7,845,950
SW	2,390,900	9,111,900	4,567,295	2,504,694	7,851,569	2,828,416	2,994,975	16,825,580	3,324,637	5,475,912	57,875,878
PA	33,500	62,640	72,387	83,292	95,479	109,083	124,253	141,151	159,957	180,870	1,062,610
MF	49,100	64,428	12,457	14,333	16,431	18,774	21,381	24,291	27,528	31,127	279,849
Total	3,495,589	10,984,968	7,791,818	5,229,077	11,148,921	6,005,809	5,908,892	18,701,639	5,390,982	7,669,147	82,326,842
COASTAL ZONE MANAGEMENT ACT (CZMA)											
PW	40,000	40,000	42,800	45,600	48,400	51,200	54,000	56,800	59,600	62,400	500,800
PA	33,000	35,640	41,185	47,390	54,324	62,065	70,695	80,310	91,011	102,909	618,528
Total	73,000	75,640	83,985	92,990	102,724	113,265	124,695	137,110	150,611	165,309	1,119,328
ENDANGERED SPECIES ACT (ESA)											
PA	31,000	33,480	38,689	44,518	51,032	58,303	66,411	75,443	85,495	96,672	581,042
Total	31,000	33,480	38,689	44,518	51,032	58,303	66,411	75,443	85,495	96,672	581,042
SAFE DRINKING WATER ACT (SDWA)											
C&RS	1,200	1,200	1,926	2,052	2,178	2,304	2,430	2,556	2,682	2,808	21,336
AWW	510,000	500,000	631,300	672,600	713,900	755,200	796,500	837,800	879,100	920,400	7,216,800
Total	511,200	501,200	633,226	674,652	716,078	757,504	798,930	840,356	881,782	923,208	7,238,136
TOXIC SUBSTANCES CONTROL ACT (TSCA)											
ML&P	443,616	564,090	651,919	750,170	859,916	982,394	1,119,088	1,271,181	1,440,986	1,629,397	9,712,756
P&FM	0	0	459,030	489,060	519,090	0	0	0	0	0	1,467,180
SWS	45,700	47,600	52,323	55,746	60,379	62,592	66,015	70,858	72,861	76,284	610,358
PW	70,849	69,779	75,145	80,597	86,142	91,784	97,529	103,387	109,363	115,459	900,034
Total	560,165	681,469	1,238,417	1,375,573	1,525,527	1,136,769	1,282,632	1,445,427	1,623,210	1,821,139	12,690,329
COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION & LIABILITY ACT (CERCLA)											
ML&P	81,833	225,000	262,193	301,662	345,846	395,005	449,971	511,325	579,679	655,537	3,808,051
C&RS	16,500	17,500	18,725	19,950	21,175	22,400	23,625	24,850	26,075	27,300	218,100
OEM	92,125	33,985	36,364	91,183	96,782	102,381	107,980	113,579	119,178	124,777	918,332
SWS	7,200	7,200	7,704	8,208	8,712	9,216	9,720	10,224	10,728	11,232	90,144
PA	103,000	111,240	128,549	147,915	169,557	193,716	220,655	250,664	284,063	321,199	1,930,558
PW	410,000	445,000	476,150	507,300	538,450	569,600	600,750	631,900	663,050	694,200	5,536,400
NATIONAL ENVIRONMENTAL POLICY ACT (NEPA)											
PA	55,000	59,400	68,643	78,984	90,541	103,441	117,825	133,849	151,683	171,514	1,030,880
PW	112,000	112,000	119,840	127,680	135,520	143,360	151,200	159,040	166,880	174,720	1,402,240
Total	167,000	171,400	188,483	206,664	226,061	246,801	269,025	292,889	318,563	346,234	2,433,120

ESTIMATION OF COSTS OF FEDERAL ENVIRONMENTAL MANDATES TO THE MUNICIPALITY OF ANCHORAGE, 1991–2000—Continued

[Amounts in dollars]

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	Total
SUMMARY OF ADMINISTRATIVE DEPARTMENTS											
MA	237,402	282,146	301,896	321,646	341,397	361,147	380,897	400,647	420,398	440,148	3,487,724
FIN	662,320	753,155	805,876	858,597	911,318	964,038	1,016,759	1,069,480	1,122,201	1,174,922	9,338,666
MISD	1,127,903	1,128,888	1,207,910	1,286,932	1,365,954	1,444,977	1,523,999	1,603,021	1,682,043	1,761,065	14,132,693
ED&P	192,171	192,116	205,564	219,012	232,460	245,908	259,357	272,805	286,253	299,701	2,405,347
PD	79,188	98,796	105,712	112,627	119,543	126,459	133,375	140,290	147,206	154,122	1,217,318
MYR	74,668	74,965	80,213	85,460	90,708	95,955	101,203	106,450	111,698	116,945	938,265
MNR	224,029	199,395	213,353	227,310	241,268	255,226	269,183	283,141	297,099	311,056	2,521,059
ER	320,376	288,862	309,082	329,303	349,523	369,743	389,964	410,184	430,404	450,625	3,648,066
ERC	41,304	48,405	51,793	55,182	58,570	61,958	65,347	68,735	72,123	75,512	598,930
Total	2,959,361	3,066,728	3,281,399	3,496,070	3,710,741	3,925,412	4,140,083	4,354,754	4,569,425	4,784,096	38,288,068
Grand total	12,754,783	22,359,174	22,458,373	27,274,759	76,304,391	37,572,311	48,929,998	65,648,182	55,577,186	61,057,579	429,936,737

[1] The Transit Department is currently in litigation with the Trustees for Alaska over the Municipality's 1982 SIP (State Implementation Plan). If the Court awards the judgment in favor of Trustees for Alaska, the increased costs to Transit could be between $9.5 to $32.5 million in 1993.

Note.—All amounts have been rounded off to the nearest dollar.

CUMULATIVE COST OF FEDERAL ENVIRONMENTAL MANDATES PER HOUSEHOLD 1991–2000

Year	Estimated households	Costs
1991	84,000	$153
1992	85,000	264
1993	88,000	256
1994	89,000	307
1995	91,000	840
1996	92,000	409
1997	93,000	527
1998	95,000	692
1999	96,000	580
2000	97,000	631
Total		4,659

Cost of selected regulations

[In millions, 1990]

Regulation	*Cost per premature death averted*
Unvented Space Heater Ban	$0.1
Aircraft Cabin Fire Protection Standard	.1
Auto Passive Restraint/Seat Belt Standards	.1
Steering Column Protection Standard	.1
Underground Construction Standards	.1
Trihalomethane Drinking Water Standards	.2
Aircraft Seat Cushion Flammability Standard	.4
Alcohol and Drug Control Standards	.4
Auto Fuel-System Integrity Standard	.4
Standards for Servicing Auto Wheel Rims	.4
Aircraft Floor Emergency Lighting Standard	.6
Concrete and Masonry Construction Standards	.6
Crane Suspended Personnel Platform Standard	.7
Passive Restraints for Trucks and Buses (proposed)	.7
Side-Impact Standards for Autos (dynamic)	.8
Children's Sleepwear Flammability Ban	.8
Auto Side Door Support Standards	.8
Low-Altitude Windshear Equipment and Training Standards	1.3
Electrical Equipment Standards (Metal Mines)	1.4
Trenching and Excavation Standards	1.5
Traffic Alert and Collision Avoidance (TCAS) Systems	1.5
Hazard Communication Standard	1.6
Side-Impact Standards for Trucks, Buses, and MPVs (proposed)	2.2
Grain Dust Explosion Prevention Standards	2.8
Rear Lap/Shoulder Belts for Autos	3.2
Standards for Radionuclides in Uranium Mines	3.4
Benzene NESHAP (Original: Fugitive Emissions)	3.4
Ethylene Debromide Drinking Water Standard	5.7
Benzene NESHAP (Revised: Coke By-Products)	6.1
Asbestos Occupational Exposure Limit	8.3
Benzene Occupational Exposure Limit	8.9
Electrical Equipment Standards (Coal Mines)	9.2
Arsenic Emission Standards for Glass Plants	13.5
Ethylene Oxide Occupational Exposure Limit	20.5
Arsenic/Copper NESHAP	23.0
Hazardous Waste Listing for Petroleum Refining Sludge	27.6
Cover/Move Uranium Mill Tailings (Inactive Sites)	31.7
Benzene NESHAP (Revised: Transfer Operations)	32.9
Cover/Move Uranium Mill Tailings (Active Sites)	45.0
Acrylonitrile Occupational Exposure Limit	51.5
Coke Ovens Occupational Exposure Limit	63.5
Lockout/Tagout	70.9
Asbestos Occupational Exposure Limit	74.9
Arsenic Occupational Exposure Limit	106.9
Asbestos Ban	110.7
Diethylstilbestrol (DES) Cattlefeed Ban	124.8
Benzene NESHAP (Revised: Waste Operations)	168.2
1,2-Dichloropropane Drinking Water Standard	653.0
Hazardous Waste Land Disposal Ban (1st 3rd)	4,190.4
Municipal Solid Waste Landfill Standards (Proposed)	19,107.0
Formaldehyde Occupational Exposure Limit	82,201.8
Atrazine/Alachlor Drinking Water Standard	92,069.7
Hazardous Waste Listing for Wood Preserving Chemicals	5,700,000.0

Source: The Budget of the United States Government, FY 1992, Office of Management and Budget, Washington, D.C., 1991.

By Mr. PRYOR (for himself, Mr. HEFLIN, Mr. COCHRAN, and Mr. MCCONNELL):

S. 994. A bill to authorize the establishment of a fresh cut flowers and fresh cut greens promotion and consumer information program for the benefit of the floricultural industry and other persons, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

FRESH CUT FLOWERS AND FRESH CUT GREENS PROMOTION AND INFORMATION ACT OF 1993

• Mr. PRYOR. Mr. President, I wish to introduce the Fresh Cut Flowers and Fresh Cut Greens Promotion and Information Act of 1993, on behalf of myself and Senators HEFLIN, COCHRAN, and MCCONNELL. This statute will provide the floral industry with the structure necessary to broaden market opportunities and expand product sales. Importantly, this is an industry-funded program which makes no financial demands on the Federal Government.

By pulling together and combining their resources, the floral industry can make an investment in its future that will greatly enhance the likelihood for success. The plan helps the industry compete on a national scale where it might have difficulty otherwise because of so many small, independent businesses.

By having handlers of cut flowers and greens pay an assessment of one-half of 1 percent of gross sales of these products, an estimated $10 million will be raised by the industry. These funds will be used to conduct a national promotion program designed to increase consumer awareness and consumption of fresh cut flowers and fresh cut greens.

U.S. consumers appreciate and enjoy flowers in the current marketplace. However, we have historically purchased flowers for special occasions or other observances, rather than as an ordinary day-to-day practice. In other nations, flowers play a stronger role in consumers' choices, with everyday use not an uncommon occurrence. With the proper promotion, flowers in the United States can also enjoy a more regular pattern of consumption.

The key element of this and other commodity promotion programs is the fact that they do not cost the Government a single penny. They are, in fact, one of the best examples of how, with a little government cooperation, private industry can enhance itself. These programs have proven themselves time and time again.

The floral industry has demonstrated its support for such a program, with an industrywide survey indicating a support rate of nearly 80 percent. Furthermore, every sector of the industry—from wholesalers and retailers to florists and importers—are in support of the program. I ask my colleagues to join me in moving this measure through the Senate this year.

Mr. President, I ask unanimous consent to print in the Record a copy of the press release on the industry survey results, a list of floral industry organizations supporting the program, a short explanation of the legislation and a section-by-section analysis.

There being no objection, the material was ordered to be printed in the Record, as follows:

S. 994

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) Short Title.—This Act may be cited as the "Fresh Cut Flowers and Fresh Cut Greens Promotion and Information Act of 1993".

(b) Table of Contents.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Findings and declaration of policy.
Sec. 3. Definitions.
Sec. 4. Issuance of orders.
Sec. 5. Required terms in orders.
Sec. 6. Exclusion; determinations.
Sec. 7. Referenda.
Sec. 8. Petition and review.
Sec. 9. Enforcement.
Sec. 10. Investigations and power to subpoena.
Sec. 11. Confidentiality.
Sec. 12. Authority for Secretary to suspend or terminate order.
Sec. 13. Construction.
Sec. 14. Regulations.
Sec. 15. Authorization of appropriations.

SEC. 2. FINDINGS AND DECLARATION OF POLICY.

(a) Findings.—Congress finds that—

(1) fresh cut flowers and fresh cut greens are an integral part of life in the United States, are consumed by millions of persons every year for a multitude of special purposes (especially important personal events), and contribute a natural and beautiful element to what is increasingly a man-made, artificial environment;

(2) cut flowers and cut greens are produced by many producers throughout the United States as well as in other countries, and are handled and marketed by thousands of small-sized and medium-sized businesses;

(3) the production, handling, and marketing of cut flowers and cut greens constitute a key segment of the United States horticultural industry and thus a significant part of the overall agricultural economy of the United States;

(4) handlers play a vital role in the marketing of cut flowers and cut greens in that handlers purchase most of the cut flowers and cut greens marketed by producers, prepare the cut flowers and cut greens for retail consumption, serve as an intermediary between the source of the product and the retailer, otherwise facilitate the entry of cut flowers and cut greens into the current of domestic commerce, and add efficiencies to the market process that ensure the availability of a much greater variety of the product and substantial price savings to retailers and consumers;

(5) it is widely recognized that it is in the public interest and important to the agricultural economy of the United States to provide an adequate, steady supply of cut flowers and cut greens at reasonable prices to the consumers of the United States;

(6) cut flowers and cut greens move in interstate and foreign commerce, and cut flowers and cut greens that do not move in interstate or foreign channels of commerce but only in intrastate commerce directly affect interstate commerce in these products;

(7) the maintenance and expansion of markets and the development of new or improved markets or uses for cut flowers and cut greens are needed to preserve and strengthen the economic viability of the domestic cut flowers and cut greens industry for the benefit of producers, handlers, retailers, and the entire floral industry;

(8) generic programs of promotion and consumer information can be effective in maintaining and developing markets for cut flowers and cut greens, and have the advantage of equally enhancing the market position for all cut flowers and cut greens;

(9) because cut flowers and cut greens producers are primarily agriculture-oriented rather than promotion-oriented, and because the floral marketing industry within the United States is comprised mainly of small-sized and medium-sized businesses, the development and implementation of an adequate and coordinated national program of generic promotion and consumer information necessary for the maintenance of existing markets and the development of new markets for cut flowers and cut greens have been prevented;

(10) there exist established State and commodity-specific producer-funded programs of promotion and research that are valuable efforts to expand markets for domestic producers of cut flowers and cut greens and that will benefit from the promotion and consumer information program authorized by this Act by enhancing their market development efforts for domestic producers;

(11) an effective and coordinated method for ensuring cooperative and collective action in providing for and financing a nationwide program of generic promotion and consumer information is needed to ensure that the cut flowers and cut greens industry will be able to provide, obtain, and implement programs of promotion and consumer information necessary to maintain, expand, and develop markets for these products; and

(12) the most efficient method of financing such a nationwide program is to assess cut flowers and cut greens at the point cut flowers and cut greens are sold by handlers into the retail market.

(b) Policy and Purpose.—It is the purpose of this Act to authorize the establishment, through the exercise of the powers provided in this Act, of an orderly procedure for the development and financing (through an adequate assessment on cut flowers and cut greens sold by handlers to retailers and related entities in the United States) of an effective and coordinated program of generic promotion, consumer information, and related research designed to strengthen the position of cut flowers and cut greens in the marketplace and to maintain, develop, and expand markets for cut flowers and cut greens.

SEC. 3. DEFINITIONS.

As used in this Act:

(1) Consumer information.—The term "consumer information" means any action or program that provides information to consumers and other persons on appropriate uses under varied circumstances, and on the care and handling, of cut flowers or cut greens.

(2) Cut flowers and cut greens.—

(A) In general.—

(i) Cut flowers.—The term "cut flowers" includes all flowers cut from growing plants that are used as fresh-cut flowers, produced either under cover or in field operations.

(ii) Cut greens.—The term "cut greens" includes all cultivated or noncultivated decorative foliage cut from growing plants that are used as fresh-cut decorative foliage (except Christmas trees) produced either under cover or in field operations.

(iii) Exclusions.—The terms "cut flowers" and "cut greens" do not include a foliage plant, floral supply, or flowering plant.

(B) Substantial portion.—In any case in which a handler packages cut flowers or cut greens with hard goods in an article (such as a gift basket or similar presentation) for sale to a retailer, the PromoFlor Council may determine, under procedures specified in the order, that the cut flowers or cut greens in the article do not constitute a substantial portion of the value of the article and that, based on the determination, the article shall not be treated as an article of cut flowers or cut greens subject to assessment under the order.

(3) Gross sales price.—The term "gross sales price" means the total amount of the transaction derived from the sale of cut flowers or cut greens from a handler to a retailer.

(4) Handlers.—

(A) Qualified handler.—

(i) In general.—The term "qualified handler" means a person (including a cooperative) operating in the cut flowers or cut greens marketing system that sells domestic or imported cut flowers or cut greens to retailers and exempt handlers and whose annual sales of cut flowers and cut greens to retailers and exempt handlers are $750,000 or more.

(ii) Inclusions and exclusions.—The term "qualified handler" includes—

(I) a bouquet manufacturer (subject to paragraph (2)(B));

(II) an auction house that clears the sale of cut flowers and cut greens to retailers and exempt handlers through a central clearinghouse; and

(III) a distribution center that is owned or controlled by a retailer—

(aa) if the predominant retail business activity of the retailer is floral sales; or

(bb) when a majority of the cut flowers and cut greens sales or transfers from the center are to entities other than entities owned or controlled by the retailer.

(iii) Transfers.—For purposes of determining sales of cut flowers and cut greens to a retailer from a distribution center under clause (ii)(III), each non-sale transfer to a retailer shall be treated as a sale in an amount calculated as provided in subparagraph (C).

(iv) TRANSPORTATION OR DELIVERY.—The term "qualified handler" does not include a person who merely physically transports or delivers cut flowers or cut greens without more.

(v) CONSTRUCTION.—

(I) IN GENERAL.—The term "qualified handler" includes an importer or producer that sells cut flowers or cut greens the importer or producer has imported into the United States or produced, respectively, and sells the articles directly to consumers and whose sales of the articles (as calculated under subparagraph (C)), together with sales of cut flowers and cut greens to retailers or exempt handlers, annually are $750,000 or more.

(II) SALES.—Each direct sale to a consumer by a qualified handler described in subclause (I) shall be treated as a sale to a retailer or exempt handler in an amount calculated as provided in subparagraph (C).

(III) DEFINITIONS.—For purposes of this clause:

(aa) IMPORTER.—The term "importer" has the same meaning as that provided for the term in section 5(b)(2)(B)(iii)(I).

(bb) PRODUCER.—The term "producer" has the same meaning as that provided for the term in section 5(b)(2)(B)(ii)(I).

(B) EXEMPT HANDLER.—The term "exempt handler" means a person that would otherwise be considered to be a qualified handler, except that the annual sales by the person of cut flowers and cut greens to retailers and other exempt handlers are less than $750,000.

(C) ANNUAL SALES DETERMINED.—

(i) IN GENERAL.—Except as provided in clause (ii), for purposes of determining the amount of annual sales of cut flowers and cut greens under subparagraphs (A) and (B), the amount of a sale shall be determined on the basis of the gross sales price of a product sold.

(ii) TRANSFERS.—In the case of the non-sale transfer of cut flowers or cut greens from a distribution center (as described in subparagraph (A)(ii)(III)) and a direct sale to a consumer (as described in subparagraph (A)(v)), the amount of the sale shall be the price paid by the distribution center, or importer, respectively, to acquire the cut flowers or cut greens plus—

(I) an amount determined by multiplying the acquisition price by a uniform percentage established by the PromoFlor Council to represent the mark-up of a wholesale handler on a sale to a retailer; or

(II) in the case of a direct sale to a consumer by a producer, an amount determined by applying to the price paid by the consumer a uniform percentage established by the PromoFlor Council to represent the cost of producing the article and the mark-up of a wholesale handler on a sale to a retailer.

(5) PERSON.—The term "person" means an individual, group of individuals, firm, partnership, corporation, joint stock company, association, society, cooperative, or other legal entity.

(6) PROMOFLOR COUNCIL.—The term "PromoFlor Council" means the Fresh Cut Flowers and Fresh Cut Greens Promotion Council established under section 5(b).

(7) PROMOTION.—The term "promotion" means any action determined by the Secretary to advance the image, desirability, or marketability of cut flowers or cut greens, including paid advertising.

(8) RESEARCH.—The term "research" means market research and studies limited to the support of advertising, market development, and other promotion efforts and consumer information efforts relating to cut flowers or cut greens, including educational activities.

(9) RETAILER.—

(A) IN GENERAL.—The term "retailer" means a person (such as a retail florist, supermarket, mass market retail outlet, or other end-use seller, as described in an order issued under this Act) that sells cut flowers or cut greens to consumers.

(B) DISTRIBUTION CENTERS.—The term "retailer" includes a distribution center owned or controlled by a person described in subparagraph (A) only if—

(i) the predominant retail business activity of the retailer is not floral sales; and

(ii) the majority of the cut flowers and cut greens sales or transfers from the center are to entities owned or controlled by the person.

(10) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(11) STATE.—The term "State" means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the United States Virgin Islands, Guam, American Samoa, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau (until such time as the Compact of Free Association is ratified).

(12) UNITED STATES.—The term "United States" means the States collectively.

SEC. 4. ISSUANCE OF ORDERS.

(a) IN GENERAL.—

(1) ISSUANCE.—To effectuate the purpose of this Act, the Secretary, subject to the procedures provided in subsection (b), shall issue orders under this Act applicable to qualified handlers of cut flowers and cut greens.

(2) SCOPE.—Any order issued under this Act shall be national in scope.

(3) ONE ORDER.—Not more than one order shall be in effect under this Act at any time.

(b) PROCEDURES.—

(1) PROPOSAL FOR AN ORDER.—

(A) SECRETARY.—The Secretary may propose the issuance of an order under this Act.

(B) INDUSTRY GROUP.—An industry group of long standing that represents a substantial number of the industry members who are to be assessed under the order (as determined by the Secretary) may request the issuance of, and submit a proposal for, an order under this Act.

(2) PUBLICATION OF PROPOSAL.—The Secretary shall publish a proposed order and give notice and opportunity for public comment on the proposed order not later than 60 days after the earlier of—

(A) the date on which the Secretary proposes an order, as provided in paragraph (1)(A); or

(A) the date of the receipt by the Secretary of a proposal for an order from an industry group, as provided in paragraph (1)(B).

(3) ISSUANCE OF ORDER.—

(A) IN GENERAL.—After notice and opportunity for public comment are provided in accordance with paragraph (2), the Secretary shall issue the order, taking into consideration the comments received and including in the order provisions necessary to ensure that the order is in conformity with the requirements of this Act.

(B) EFFECTIVE DATE.—The order shall be issued and become effective not later than 150 days following publication of the proposed order.

(c) AMENDMENTS.—The Secretary, from time to time, may amend an order issued under this Act. The provisions of this Act applicable to an order shall be applicable to amendments to the order.

SEC. 5. REQUIRED TERMS IN ORDERS.

(a) IN GENERAL.—An order issued under this Act shall contain the terms and provisions prescribed in this section.

(b) PROMOFLOR COUNCIL.—

(1) ESTABLISHMENT AND MEMBERSHIP.—

(A) ESTABLISHMENT.—The order shall provide for the establishment of a Fresh Cut Flowers and Fresh Cut Greens Promotion Council, consisting of 21 members, to administer the order.

(B) MEMBERSHIP.—The order shall provide that members of the PromoFlor Council shall be appointed by the Secretary from nominations submitted by qualified wholesale handlers, producers and importers that are qualified handlers, and retailers, as provided in paragraphs (2) and (3).

(2) DISTRIBUTION OF APPOINTMENTS.—

(A) IN GENERAL.—The order shall provide that the membership of the PromoFlor Council shall be made up of—

(i) 14 members representing qualified wholesale handlers of domestic or imported cut flowers and cut greens;

(ii) 3 members representing producers that are qualified handlers of cut flowers and cut greens;

(iii) 3 members representing importers that are qualified handlers of cut flowers and cut greens; and

(iv) 1 member representing cut flowers and cut greens retailers.

(B) DEFINITIONS.—As used in this subsection:

(i) QUALIFIED WHOLESALE HANDLERS.—

(I) IN GENERAL.—The term "qualified wholesale handler" means a person in business as a floral wholesale jobber or floral supplier that is subject to assessments as a qualified handler under the order.

(II) DEFINITIONS.—As used in this clause:

(aa) FLORAL WHOLESALE JOBBER.—The term "floral wholesale jobber" means a person that conducts a commission or other wholesale business in buying and selling cut flowers or cut greens.

(bb) FLORAL SUPPLIER.—The term "floral supplier" means a person engaged in acquiring cut flowers or cut greens to be manufactured into floral articles or otherwise processed for resale.

(ii) PRODUCER THAT IS A QUALIFIED HANDLER.—The term "producer that is a qualified handler" means an entity that—

(I) is engaged—

(aa) in the domestic production, for sale in commerce, of cut flowers or cut greens and that owns or shares in the ownership and risk of loss of the cut flowers or cut greens; or

(bb) as a first processor of noncultivated cut greens, in receiving the cut greens from the persons that gather the cut greens for handling; and

(II) that is subject to assessments as a qualified handler under the order.

(iii) IMPORTER THAT IS A QUALIFIED HANDLER.—The term "importer that is a qualified handler" means an entity—

(I) whose principal activity is the importation of cut flowers or cut greens into the United States (either directly or as an agent, broker, or consignee of any person or nation that produces or handles cut flowers or cut greens outside the United States for sale in the United States); and

(II) that is subject to assessments as a qualified handler under the order.

(C) DISTRIBUTION OF QUALIFIED WHOLESALE HANDLER APPOINTMENTS.—The order shall provide that the qualified wholesale handler appointments made by the Secretary to the PromoFlor Council shall take into account the geographical distribution of cut flowers and cut greens markets in the United States.

(3) NOMINATION PROCESS.—The order shall provide that—

(A) 2 nominees be submitted for each appointment to the PromoFlor Council;

(B) nominations for each appointment of a qualified wholesale handler, producer that is a qualified handler, or importer that is a qualified handler to the PromoFlor Council shall be made by qualified wholesale handlers, producers that are qualified handlers, or importers that are qualified handlers, respectively, through an election process under regulations prescribed by the Secretary;

(C) nominations for the retailer appointment shall be made by the American Floral Marketing Council or a successor entity; and

(D) in any case in which qualified wholesale handlers, producers that are qualified handlers, importers that are qualified handlers, or retailers fail to nominate individuals for an appointment to the PromoFlor Council, the Secretary may appoint a person to fill the vacancy on a basis provided in the order or other regulations of the Secretary.

(4) ALTERNATES.—The order shall provide for the selection of alternate members of the PromoFlor Council by the Secretary under procedures specified in the order.

(5) TERMS; COMPENSATION.—The order shall provide that—

(A) each term of appointment to the PromoFlor Council shall be for 3 years, except that, of the initial appointments, ⅓ of the terms shall be for 2-year terms, ⅓ of the terms shall be for 3-year terms, and ⅓ of the terms shall be for 4-year terms;

(B) no member of the PromoFlor Council may serve more than 2 consecutive terms of 3 years, except that any member serving an initial term of 4 years may serve an additional term of 3 years; and

(C) PromoFlor Council members shall serve without compensation, but shall be reimbursed for the expenses of the members incurred in performing duties as members of the PromoFlor Council.

(6) EXECUTIVE COMMITTEE.—

(A) ESTABLISHMENT.—

(i) IN GENERAL.—The order shall authorize the PromoFlor Council to appoint from among the members of the Council an executive committee composed of not more than 9 members.

(ii) INITIAL MEMBERSHIP.—The membership of the executive committee initially shall be composed of—

(I) 4 members representing qualified wholesale handlers;

(II) 2 members representing producers that are qualified handlers;

(III) 2 members representing importers that are qualified handlers; and

(IV) 1 member representing retailers.

(iii) SUBSEQUENT MEMBERSHIP.—After the initial appointments, appointments to the executive committee shall be made so as to ensure that the committee reflects, to the maximum extent practicable, the membership composition of the PromoFlor Council as a whole.

(iv) TERMS.—An initial appointment to the executive committee shall be for a term of 2 years. After the initial appointments, an appointment to the executive committee shall be for a term of 1 year.

(B) AUTHORITY.—The PromoFlor Council may delegate to the executive committee the authority of the Council under the order to hire and manage staff and conduct the routine business of the PromoFlor Council consistent with the policies determined by the PromoFlor Council.

(c) GENERAL RESPONSIBILITIES OF THE PROMOFLOR COUNCIL.—The order shall define the general responsibilities of the PromoFlor Council, which shall include the responsibility to—

(1) administer the order in accordance with the terms and provisions of the order;

(2) make rules and regulations to effectuate the terms and provisions of the order;

(3) appoint members of the PromoFlor Council to serve on an executive committee;

(4) employ such persons as the PromoFlor Council determines are necessary, and set the compensation and define the duties of the persons;

(5)(A) develop budgets for the implementation of the order and submit the budgets to the Secretary for approval under subsection (d); and

(B) propose and develop (or receive and evaluate), approve, and submit to the Secretary for approval under subsection (d) plans and projects for cut flowers or cut greens promotion, consumer information, or related research;

(6)(A) implement plans and projects for cut flowers or cut greens promotion, consumer information, or related research, as provided in subsection (d); or

(B) contract or enter into agreements with appropriate persons to implement the plans and projects, as provided in subsection (e), and pay the costs of the implementation, or contracts and agreements, with funds received under the order;

(7) evaluate on-going and completed plans and projects for cut flowers or cut greens promotion, consumer information, or related research;

(8) receive, investigate, and report to the Secretary complaints of violations of the order;

(9) recommend to the Secretary amendments to the order;

(10) invest, pending disbursement under a plan or project, funds collected through assessments authorized under this Act only in—

(A) obligations of the United States or any agency of the United States;

(B) general obligations of any State or any political subdivision of a State;

(C) any interest-bearing account or certificate of deposit of a bank that is a member of the Federal Reserve System; or

(D) obligations fully guaranteed as to principal and interest by the United States,

except that income from any such invested funds may only be used for a purpose for which the invested funds may be used; and

(11) furnish the Secretary with such information as the Secretary may require.

(d) BUDGETS; PLANS AND PROJECTS.—

(1) SUBMISSION OF BUDGETS.—The order shall require the PromoFlor Council to submit to the Secretary for approval budgets on a fiscal year basis of the anticipated expenses and disbursements of the PromoFlor Council in the implementation of the order, including projected costs of cut flowers and cut greens promotion, consumer information, and related research plans and projects.

(2) PLANS OR PROJECTS.—

(A) PROMOTION AND CONSUMER INFORMATION.—The order shall provide—

(i) for the establishment, implementation, administration, and evaluation of appropriate plans and projects for advertising, sales promotion, other promotion, and consumer information with respect to cut flowers and cut greens, and for the disbursement of necessary funds for the purposes described in this clause;

(ii) that any plan or project shall be directed toward increasing the general demand for cut flowers or cut greens and may not make reference to a private brand or trade name, point of origin, or source of supply, except that this clause shall not preclude the PromoFlor Council from offering the plans and projects of the PromoFlor Council for use by commercial parties, under terms and conditions prescribed by the PromoFlor Council and approved by the Secretary; and

(iii) that no plan or project may make use of unfair or deceptive acts or practices with respect to quality or value.

(B) RESEARCH.—The order shall provide for—

(i) the establishment, implementation, administration, and evaluation of plans and projects for market development research, research with respect to the sale, distribution, marketing, or use of cut flowers or cut greens, and other research with respect to cut flowers or cut greens marketing, promotion, or consumer information;

(ii) the dissemination of the information gained by the activities; and

(iii) the disbursement of necessary funds to carry out this subparagraph.

(C) SUBMISSION TO SECRETARY.—The order shall provide that the PromoFlor Council shall submit to the Secretary for approval a proposed plan or project for cut flowers or cut greens promotion, consumer information, or related research, as described in subparagraphs (A) and (B).

(3) APPROVAL BY SECRETARY.—No budget, or plan or project for cut flowers or cut greens promotion, consumer information, or related research, shall be implemented prior to the approval of the budget, plan, or project by the Secretary.

(e) CONTRACTS AND AGREEMENTS.—

(1) PROMOTION, CONSUMER INFORMATION, AND RELATED RESEARCH PLANS AND PROJECTS.—

(A) IN GENERAL.—To ensure efficient use of funds, the order shall provide that the PromoFlor Council, with the approval of the Secretary, may enter into a contract or agreement for the implementation of a plan or project for promotion, consumer information, or related research with respect to cut flowers or cut greens, and for the payment of the cost of the implementation of the plan or project with funds received by the PromoFlor Council under the order.

(B) REQUIREMENTS.—The order shall provide that any contract or agreement entered into under this paragraph shall provide that—

(i) the contracting or agreeing party shall develop and submit to the PromoFlor Council a plan or project, together with a budget that shall show estimated costs to be incurred for the plan or project;

(ii) the plan or project shall become effective on the approval of the Secretary; and

(iii) the contracting or agreeing party shall keep accurate records of all of the transactions of the party, account for funds received and expended, make periodic reports to the PromoFlor Council of activities conducted, and make such other reports as the PromoFlor Council or the Secretary may require.

(2) OTHER CONTRACTS AND AGREEMENTS.—The order shall provide that the PromoFlor Council may enter into a contract or agreement for administrative services. Any contract or agreement entered into under this paragraph shall include provisions comparable to those described in paragraph (1)(B).

(f) BOOKS AND RECORDS OF THE PROMOFLOR COUNCIL.—

(1) IN GENERAL.—The order shall require the PromoFlor Council to—

(A) maintain such books and records (which shall be available to the Secretary for inspection and audit) as the Secretary may prescribe;

(B) prepare and submit to the Secretary, from time to time, such reports as the Secretary may prescribe; and

(C) account for the receipt and disbursement of all funds entrusted to the PromoFlor Council.

(2) AUDITS.—The PromoFlor Council shall cause the books and records of the PromoFlor Council to be audited by an independent auditor at the end of each fiscal year. A report of each audit shall be submitted to the Secretary.

(g) CONTROL OF ADMINISTRATIVE COSTS.—The order shall provide that the PromoFlor Council shall, as soon as practicable after the order becomes effective and after consultation with the Secretary and other appropriate persons, implement a system of cost controls based on normally accepted business practices that will ensure that the annual budgets of the PromoFlor Council only include amounts for administrative expenses that cover the minimum administrative activities and personnel needed to properly administer and enforce the order and conduct, supervise, and evaluate plans and projects under the order.

(h) ASSESSMENTS.—

(1) AUTHORITY.—

(A) IN GENERAL.—The order shall provide that each qualified handler shall pay to the PromoFlor Council, in the manner prescribed by the order, an assessment on each sale of cut flowers or cut greens to a retailer or an exempt handler (including each transaction described in subparagraph (C)(ii)), except to the extent the sale is excluded from assessments under section 6(a).

(B) PUBLISHED LISTS.—To facilitate the payment of assessments under this paragraph, the PromoFlor Council shall publish lists of qualified handlers required to pay assessments under the order and exempt handlers.

(C) MAKING DETERMINATIONS.—

(i) QUALIFIED HANDLER STATUS.—The order shall contain provisions regarding the determination of the status of a person as a qualified handler or exempt handler that include the rules and requirements specified in sections 3(4) and 6(b).

(ii) COVERED TRANSACTIONS.—

(I) IN GENERAL.—The order shall provide that each non-sale transfer of cut flowers or cut greens to a retailer from a qualified handler that is a distribution center (as described in section 3(4)(A)(ii)(III)), and each direct sale of cut flowers or cut greens to a consumer by a qualified handler that is an importer or producer (as described in section 3(4)(A)(v)), shall be treated as a sale of cut flowers or cut greens to a retailer subject to assessments under this subsection.

(II) AMOUNT.—The amount of the assessment under this clause shall equal—

(aa) the price paid by the distribution center or importer, respectively, to acquire the cut flowers or cut greens; and

(bb) an amount determined by multiplying the acquisition price by a uniform percentage established by the PromoFlor Council to represent the mark-up of a wholesale handler on a sale to a retailer (or in the case of a direct sale to a consumer by a producer, an amount determined by applying to the price paid by the consumer a uniform percentage established by the PromoFlor Council to represent the cost of producing the article and the mark-up of a wholesale handler on a sale to a retailer).

(2) ASSESSMENT RATES.—The order shall contain the following terms:

(A) INITIAL RATE.—During the first 3 years the order is in effect, the rate of assessment on each sale or transfer of cut flowers or cut greens shall be ½ of 1 percent of the gross sales price of a product sold or (in the case of transactions described in paragraph (1)(C)(ii)) of the amount of each transaction calculated as provided in paragraph (1)(C)(ii).

(B) CHANGES IN THE RATE.—

(i) IN GENERAL.—After the first 3 years the order is in effect, the uniform assessment rate may be increased or decreased annually by not more than .25 percent of the gross sales price of a product sold or (in the case of transactions described in paragraph (1)(C)(ii)) of the amount of each transaction calculated as provided in paragraph (1)(C)(ii), except that the assessment rate may in no case exceed 1 percent of the gross sales price or transaction amount.

(ii) REQUIREMENTS.—Any change in the rate of assessment under this subparagraph—

(I) may be made only if adopted by the PromoFlor Council by a ⅔ majority vote and approved by the Secretary as necessary to achieve the objectives of this Act;

(II) shall be announced by the PromoFlor Council at least 30 days prior to going into effect; and

(III) shall not be subject to a vote in a referendum under section 7.

(3) TIMING OF SUBMITTING ASSESSMENTS.—The order shall provide that each person required to pay assessments under this subsection shall remit, to the PromoFlor Council, the assessment due from each sale by the person of cut flowers or cut greens that is subject to an assessment within such time period after the sale (not to exceed 60 days from the end of the month in which the sale took place) as is specified in the order.

(4) REFUNDS FROM ESCROW ACCOUNT.—

(A) ESTABLISHMENT OF ESCROW ACCOUNT.—The order shall provide that the PromoFlor Council shall—

(i) establish an escrow account to be used for assessment refunds, as needed; and

(ii) place into the account an amount equal to 10 percent of the total amount of assessments collected during the period beginning on the date the order goes into effect, as provided in section 4(b)(3), and ending on the date the initial referendum on the order provided for in section 7(a) is completed.

(B) RIGHT TO RECEIVE REFUND.—

(i) IN GENERAL.—The order shall provide that, subject to subparagraph (C) and the conditions specified in clause (ii), any qualified handler shall have the right to demand and receive from the PromoFlor Council out of the escrow account a one-time refund of any assessments paid by or on behalf of the qualified handler during the time period specified in subparagraph (A)(ii), if—

(I) the qualified handler is required to pay the assessments;

(II) the qualified handler does not support the program established under this Act;

(III) the qualified handler demands the refund prior to the conduct of the referendum on the order under section 7(a); and

(IV) the order is not approved by qualified handlers in the referendum.

(ii) CONDITIONS.—The right of a qualified handler to receive a refund under clause (i) shall be subject to the following conditions:

(I) The demand shall be made in accordance with regulations, on a form, and within a time period prescribed by the PromoFlor Council.

(II) The refund shall be made only on submission of proof satisfactory to the Board that the qualified handler paid the assessment for which refund is demanded.

(III) If the amount in the escrow account required under subparagraph (A) is not sufficient to refund the total amount of assessments demanded by all qualified handlers determined eligible for refunds and the order is not approved in the referendum on the order under section 7(a), the PromoFlor Council shall prorate the amount of all such refunds among all eligible qualified handlers that demand the refund.

(C) PROGRAM APPROVED.—The order shall provide that, if the order is approved in the referendum under section 7(a), there shall be no refunds made and all funds in the escrow account shall be returned to the PromoFlor Council for use by the PromoFlor Council in accordance with the other provisions of the order.

(5) USE OF ASSESSMENT FUNDS.—The order shall provide that assessment funds (less any refunds paid out under the terms of the order required under paragraph (4)) shall be used for payment of costs incurred in implementing and administering the order, with provision for a reasonable reserve, and to cover those administrative costs incurred by the Secretary in implementing and administering this Act, except for the salaries of Federal Government employees incurred in conducting referenda.

(i) PROHIBITION.—The order shall prohibit the use of any funds received by the PromoFlor Council in any manner for the purpose of influencing legislation or government action or policy, except that the funds may be used by the PromoFlor Council for the development and recommendation to the Secretary of amendments to the order.

(j) BOOKS AND RECORDS; REPORTS.—

(1) IN GENERAL.—The order shall provide that each qualified handler shall maintain, and make available for inspection, such books and records as may be required by the order and file reports at the time, in the manner, and having the content prescribed by the order, to the end that information is made available to the Secretary and the PromoFlor Council as is appropriate for the administration or enforcement of this Act, the order, or any regulation issued under this Act.

(2) CONFIDENTIALITY REQUIRED.—

(A) IN GENERAL.—Information obtained from books, records, or reports under the authority provided in paragraph (1), or from reports required under section 6(b)(3), shall be kept confidential by all officers and employees of the Department of Agriculture and by the staff and agents of the PromoFlor Council.

(B) SUITS AND HEARINGS.—Information described in subparagraph (A) may be disclosed to the public only—

(i) in a suit or administrative hearing brought at the request of the Secretary, or to which the Secretary or any officer of the United States is a party, involving the order; and

(ii) to the extent the Secretary considers the information relevant to the suit or hearing.

(C) GENERAL STATEMENTS AND PUBLICATION.—Nothing in this paragraph may be construed to prohibit—

(i) the issuance of general statements, based on the reports, of the number of persons subject to the order or statistical data collected from the reports, which statements do not identify the information furnished by any person; or

(ii) the publication, by direction of the Secretary, of the name of any person violating the order, together with a statement of the particular provisions of the order violated by the person.

(3) LISTS OF IMPORTERS.—

(A) REVIEW.—The order shall provide that the staff of the PromoFlor Council periodically shall review lists of importers of cut flowers and cut greens to determine whether persons on the lists are subject to the order.

(B) CUSTOMS SERVICE.—On the request of the PromoFlor Council, the United States Customs Service shall provide to the PromoFlor Council lists of importers of cut flowers and cut greens.

(k) CONSULTATIONS WITH INDUSTRY EXPERTS.—

(1) IN GENERAL.—The order shall provide that the PromoFlor Council, from time to time, may seek advice from and consult with experts from the production, import, wholesale, and retail segments of the cut flowers and cut greens industry to assist in the development of promotion, consumer information, and related research plans and projects.

(2) SPECIAL COMMITTEES.—

(A) IN GENERAL.—For the purposes described in paragraph (1), the order shall authorize the appointment of special committees composed of persons other than PromoFlor Council members.

(B) CONSULTATION.—A committee appointed under subparagraph (A)—

(i) may not provide advice or recommendations to an agency or officer of the Federal Government; and

(ii) shall consult directly with the PromoFlor Council.

(l) OTHER TERMS OF THE ORDER.—The order shall contain such other terms and provisions, consistent with this Act, as are necessary to carry out this Act (including provision for the assessment of a charge for each late payment of assessments under subsection (h) and for carrying out section 6).

SEC. 6. EXCLUSION; DETERMINATIONS.

(a) EXCLUSION.—An order issued under this Act shall exclude from assessments under the order any sale of cut flowers or cut greens for export from the United States.

(b) MAKING DETERMINATIONS.—

(1) IN GENERAL.—For purposes of applying the $750,000 annual sales limitation to a person to determine the status of the person as a qualified handler or an exempt handler under section 3(4), or to a specific facility in order to determine the status of the facility as an eligible separate facility under section 7(b)(2), an order issued under this Act shall provide that—

(A) a determination of the annual sales volume of a person or facility shall be based on the sales of cut flowers and cut greens by the person or facility during the most recently-completed calendar year, except as provided in subparagraph (B); and

(B) in the case of a new business or other operation for which complete data on sales during all or part of the most recently-completed calendar year are not available to the PromoFlor Council, the determination may be made using an alternative time period or other alternative procedures specified in the order.

(2) RULE OF ATTRIBUTION.—

(A) IN GENERAL.—For purposes of determining the annual sales volume of a person or a separate facility of a person, sales attributable to a person shall include—

(i) in the case of an individual, sales attributable to the spouse, children, grandchildren, parents, and grandparents of the individual;

(ii) in the case of a partnership or member of a partnership, sales attributable to the partnership and other partners of the partnership;

(iii) in the case of an individual and partnership, sales attributable to any corporation or other entity in which the individual or partnership owns more than 50 percent of the stock or (if the entity is not a corporation) that the individual or partnership controls; and

(iv) in the case of a corporation, sales attributable to any corporate subsidiary or other corporation or entity in which the corporation owns more than 50 percent of the stock or (if the entity is not a corporation) that the corporation controls.

(B) STOCK AND OWNERSHIP INTEREST.—For purposes of this paragraph, stock or an ownership interest in an entity that is owned by the spouse, children, grandchildren, parents, grandparents, or partners of an individual, or by a partnership in which a person is a partner, or by a corporation more than 50 percent of the stock of which is owned by a person, shall be treated as owned by the individual or person.

(3) REPORTS.—For purposes of this subsection, the order may require a person that sells cut flowers or cut greens to retailers to submit reports to the PromoFlor Council on annual sales by the person. The reports shall be subject to the confidentiality requirements of section 5(j)(2).

SEC. 7. REFERENDA.

(a) REQUIREMENT FOR INITIAL REFERENDUM.—

(1) CONDUCT.—Not later than 3 years after the issuance of an order under section 4(b)(3), the Secretary shall conduct a referendum among qualified handlers required to pay assessments under the order, as provided in section 5(h)(1), subject to the voting requirements of subsection (b), to ascertain whether or not the order then in effect shall be continued.

(2) APPROVAL OF ORDER NEEDED.—The order shall be continued only if the Secretary determines that the order has been approved by a simple majority of all votes cast in the referendum. If the order is not approved, the Secretary shall terminate the order as provided in subsection (d).

(b) VOTES PERMITTED.—

(1) IN GENERAL.—Each qualified handler eligible to vote in a referendum under this section shall be entitled to cast 1 vote for each separate facility of the person that is an eligible separate facility, as defined in paragraph (2).

(2) ELIGIBLE SEPARATE FACILITY.—For purposes of paragraph (1):

(A) SEPARATE FACILITY.—A handling or marketing facility of a qualified handler shall be considered a separate facility if the facility is physically located away from other facilities of the qualified handler or the business function of the facility is substantially different than the functions of other facilities owned or operated by the qualified handler.

(B) ELIGIBILITY.—A separate facility of a qualified handler shall be considered an eligible separate facility if the annual sales of cut flowers and cut greens to retailers and exempt handlers from the facility are $750,000 or more.

(C) ANNUAL SALES DETERMINED.—For purposes of determining the amount of annual sales of cut flowers and cut greens under subparagraph (B), the requirements of subparagraphs (A) and (C) of section 3(4) shall apply.

(c) SUSPENSION OR TERMINATION REFERENDA.—Effective beginning on the date that is 3 years after an order issued under this Act is approved in a referendum conducted under subsection (a), the Secretary—

(1) at the discretion of the Secretary, may conduct at any time a referendum of qualified handlers required to pay assessments under the order, as provided in section 5(h)(1), subject to the voting requirements of subsection (b), to ascertain whether or not qualified handlers favor suspension or termination of the order; and

(2) whenever requested by the PromoFlor Council or by a representative group comprising 30 percent or more of all qualified handlers required to pay assessments under the order, as provided in section 5(h)(1), shall conduct a referendum of all qualified handlers required to pay assessments under the order, as provided in section 5(h)(1), subject to the voting requirements of subsection (b), to ascertain whether or not qualified handlers favor suspension or termination of the order.

(d) SUSPENSION OR TERMINATION.—If, as a result of the referendum conducted under subsection (a)(2), the Secretary determines that the order has not been approved by a simple majority of all votes cast in the referendum, or as a result of a referendum conducted under subsection (c), the Secretary determines that suspension or termination of the order is favored by a simple majority of all votes cast in the referendum, the Secretary shall—

(1) within 180 days after the referendum, suspend or terminate, as appropriate, collection of assessments under the order; and

(2) suspend or terminate, as appropriate, activities under the order in an orderly manner as soon as practicable.

(e) MANNER OF CONDUCTING REFERENDA.—Referenda under this section shall be conducted in such manner as is determined appropriate by the Secretary.

SEC. 8. PETITION AND REVIEW.

(a) PETITION AND HEARING.—

(1) PETITION.—A person subject to an order issued under this Act may file with the Secretary a petition—

(A) stating that the order, any provision of the order, or any obligation imposed in connection with the order is not in accordance with law; and

(B) requesting a modification of the order or an exemption from the order.

(2) HEARING.—The petitioner shall be given the opportunity for a hearing on a petition filed under paragraph (1), in accordance with regulations issued by the Secretary. Any such hearing shall be conducted in accordance with section 10(b)(2) and shall be held within the United States judicial district in which the residence or principal place of business of the person is located.

(3) RULING.—After a hearing under paragraph (2), the Secretary shall make a ruling on the petition, which shall be final if made in accordance with law.

(b) REVIEW.—

(1) COMMENCEMENT OF ACTION.—The district courts of the United States in any district in which a person that is a petitioner under subsection (a) resides or carries on business shall have jurisdiction to review the ruling of the Secretary on the petition of the person, if a complaint requesting the review is filed within 20 days after the date of the entry of the ruling by the Secretary.

(2) PROCESS.—Service of process in proceedings under this subsection shall be conducted in accordance with the Federal Rules of Civil Procedure.

(3) REMAND.—If the court in a proceeding under this subsection determines that the

ruling of the Secretary on the petition of the person is not in accordance with law, the court shall remand the matter to the Secretary with directions—

(A) to make such ruling as the court shall determine to be in accordance with law; or

(B) to take such further action as, in the opinion of the court, the law requires.

(c) Enforcement Under Section 9.—The pendency of proceedings instituted under this section shall not impede, hinder, or delay the Attorney General or the Secretary from obtaining relief under section 9.

SEC. 9. ENFORCEMENT.

(a) Jurisdiction.—A district court of the United States shall have jurisdiction to enforce, and to prevent and restrain any person from violating, this Act or an order or regulation made or issued by the Secretary under this Act.

(b) Referral to Attorney General.—A civil action brought under subsection (a) shall be referred to the Attorney General for appropriate action, except that the Secretary is not required to refer to the Attorney General a violation of this Act, or a violation of an order or regulation issued under this Act, if the Secretary believes that the administration and enforcement of this Act would be adequately served by administrative action under subsection (c) or suitable written notice or warning to the person who committed or is committing the violation.

(c) Civil Penalties and Orders.—

(1) Civil penalties.—

(A) In general.—A person that violates a provision of this Act, or an order or regulation issued by the Secretary under this Act, or who fails or refuses to pay, collect, or remit any assessment or fee required of the person under an order or regulation issued under this Act, may be assessed by the Secretary—

(i) a civil penalty of not less than $500 nor more than $5,000 for each violation; and

(ii) in the case of a willful failure to remit an assessment as required by an order or regulation, an additional penalty equal to the amount of the assessment.

(B) Separate offenses.—Each violation shall be a separate offense.

(2) Cease and desist orders.—In addition to or in lieu of a civil penalty under paragraph (1), the Secretary may issue an order requiring a person to cease and desist from continuing a violation of this Act, order, or regulation described in paragraph (1)(A).

(3) Notice and hearing.—No penalty shall be assessed or cease and desist order issued by the Secretary under this subsection unless the Secretary gives the person against whom the penalty is assessed or the order is issued notice and opportunity for a hearing before the Secretary with respect to the violation. Any such hearing shall be conducted in accordance with section 10(b)(2) and shall be held within the United States judicial district in which the residence or principal place of business of the person against whom the penalty is assessed or the order is issued is located.

(4) Finality.—The penalty assessed or cease and desist order issued under this subsection shall be final and conclusive unless the person against whom the penalty is assessed or the order is issued files an appeal with the appropriate district court of the United States in accordance with subsection (d).

(d) Review by District Court.—

(1) Commencement of action.—

(A) In general.—Any person against whom a violation is found and a civil penalty is assessed or cease and desist order is issued under subsection (c) may obtain review of the penalty or order by—

(i) filing, within the 30-day period beginning on the date the penalty is assessed or order is issued, a notice of appeal in the district court of the United States for the district in which the person resides or has a principal place of business, or in the United States district court for the District of Columbia; and

(ii) simultaneously sending a copy of the notice by certified mail to the Secretary.

(B) Copy of record.—The Secretary shall promptly file in the court a certified copy of the record on which the Secretary found that the person had committed a violation.

(2) Standard of review.—A finding of the Secretary shall be set aside under this subsection only if the finding is found to be unsupported by substantial evidence.

(e) Failure To Obey an Order.—

(1) In general.—A person that fails to obey a cease and desist order issued under subsection (c) after the order has become final and unappealable, or after the appropriate United States district court has entered a final judgment in favor of the Secretary, shall be subject to a civil penalty assessed by the Secretary of not more than $5,000 for each offense, after opportunity for a hearing and for judicial review under the procedures specified in subsections (c) and (d).

(2) Separate violations.—Each day during which the person fails to obey an order shall be considered as a separate violation of the order.

(f) Failure To Pay a Penalty.—

(1) In general.—If a person fails to pay a civil penalty assessed under subsection (c) or (e) after the penalty has become final and unappealable, or after the appropriate United States district court has entered final judgment in favor of the Secretary, the Secretary shall refer the matter to the Attorney General for recovery of the amount assessed in any United States district court in which the person resides or has a principal place of business.

(2) Scope of review.—In the action, the validity and appropriateness of the civil penalty shall not be subject to review.

(g) Additional Remedies.—The remedies provided in this Act shall be in addition to, and not exclusive of, other remedies that may be available.

SEC. 10. INVESTIGATIONS AND POWER TO SUBPOENA.

(a) Investigations.—The Secretary may make such investigations as the Secretary considers necessary for the effective administration of this Act, or to determine whether any person has engaged or is engaging in any act that constitutes a violation of this Act or an order or regulation issued under this Act.

(b) Subpoenas, Oaths, and Affirmations.—

(1) In general.—For the purpose of conducting an investigation under subsection (a), the Secretary may administer oaths and affirmations, and issue subpoenas to require the production of any records that are relevant to the inquiry. The production of any records may be required from any place in the United States.

(2) Administrative hearings.—For the purpose of an administrative hearing held under section 8(a)(2) or 9(c)(3), the presiding officer may administer oaths and affirmations, subpoena witnesses, compel the attendance of witnesses, take evidence, and require the production of any records that are relevant to the inquiry. The attendance of witnesses and the production of any records may be required from any place in the United States.

(c) Aid of Courts.—

(1) In general.—In the case of contumacy by, or refusal to obey a subpoena issued to, any person, the Secretary may invoke the aid of any court of the United States within the jurisdiction of which the investigation or proceeding is carried on, or where the person resides or carries on business, in order to enforce a subpoena issued under subsection (b).

(2) Order.—The court may issue an order requiring the person to comply with such a subpoena.

(3) Failure to obey.—Any failure to obey the order of the court may be punished by the court as a contempt of the order.

(4) Process.—Process in any proceeding under this subsection may be served in the United States judicial district in which the person being proceeded against resides or carries on business or wherever the person may be found.

SEC. 11. CONFIDENTIALITY.

(a) Prohibition.—No information on how a person voted in a referendum conducted under this Act shall be made public.

(b) Penalty.—Any person who knowingly violates subsection (a) or the confidentiality terms of an order, as described in section 5(j)(2), shall be subject to a fine of not less than $1,000 nor more than $10,000 or to imprisonment for not more than 1 year, or both, and, if an officer or employee of the Department of Agriculture or the PromoFlor Council, shall be removed from office.

(c) Additional Prohibition.—No information obtained under this Act may be made available to any agency or officer of the Federal Government for any purpose other than the implementation of this Act or an investigatory or enforcement action necessary for the implementation of this Act.

(d) Withholding Information From Congress Prohibited.—Nothing in this Act shall be construed to authorize the withholding of information from Congress.

SEC. 12. AUTHORITY FOR SECRETARY TO SUSPEND OR TERMINATE ORDER.

Whenever the Secretary finds that an order issued under this Act, or any provision of the order, obstructs or does not tend to effectuate the declared policy of this Act, the Secretary shall terminate or suspend the operation of the order or provision under such terms as the Secretary determines appropriate.

SEC. 13. CONSTRUCTION.

(a) Termination or Suspension Not an Order.—The termination or suspension of an order, or any provision of an order, shall not be considered an order within the meaning of this Act.

(b) Producer Rights.—This Act—

(1) may not be construed to provide for control of production or otherwise limit the right of individual cut flowers and cut greens producers to produce cut flowers and cut greens; and

(2) shall be construed to treat all persons producing cut flowers and cut greens fairly and to implement any order established under this Act in an equitable manner.

(c) Other Programs.—Nothing in this Act may be construed to preempt or supersede any other program relating to cut flowers or cut greens promotion and consumer information organized and operated under the laws of the United States or a State.

SEC. 14. REGULATIONS.

The Secretary may issue such regulations as are necessary to carry out this Act and the powers vested in the Secretary by this

Act, including regulations relating to the assessment of late payment charges.

SEC. 15. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated for each fiscal year such sums as are necessary to carry out this Act.

(b) ADMINISTRATIVE EXPENSES.—Funds appropriated under subsection (a) may not be used for payment of the expenses or expenditures of the PromoFlor Council in administering any provision of an order issued under this Act.

SECTION-BY-SECTION ANALYSIS

SECTION 1—SHORT TITLE

Section 1 provides that the bill may be cited as the "Fresh Cut Flowers and Fresh Cut Greens Promotion and Information Act of 1993".

SECTION 2—FINDINGS AND DECLARATION OF POLICY

Subsection (a) of section 2 contains findings of Congress regarding the need for the fresh cut flowers and fresh cut greens promotion and information order authorized under the bill (hereinafter referred to as the "cut flowers and cut greens order").

Specifically, the findings are that—

(1) fresh cut flowers and fresh cut greens are an integral part of life in the United States, are consumed by millions of persons every year for a multitude of special purposes (especially important personal events), and contribute a natural and beautiful element to what is increasingly a man-made, artificial environment;

(2) cut flowers and cut greens are produced by many individual producers throughout the United States, as well as in other countries, and are handled and marketed by thousands of small-sized and medium-sized businesses, and such production, handling, and marketing constitute a key segment of the United States horticultural industry and thus a significant part of the Nation's overall agricultural economy;

(3) handlers play a vital role in the marketing of cut flowers and cut greens in that they purchase most of the cut flowers and cut greens marketed by producers, prepare the cut flowers and cut greens for retail consumption, serve as intermediary between source of product and retailer, otherwise facilitate the entry of cut flowers and cut greens into the current of domestic commerce, and add efficiencies to the market process that ensure the availability of a much greater variety of product to retailers and consumers and that result in substantial price savings to retailers and consumers;

(4) it is widely recognized that it is in the public interest and important to the Nation's agricultural economy to provide an adequate, steady supply of cut flowers and cut greens at reasonable prices to the consumers of the Nation;

(5) cut flowers and cut greens move in interstate and foreign commerce, and cut flowers and cut greens that do not move in such channels of commerce but only in intrastate commerce directly affect interstate commerce in these articles;

(6) the maintenance and expansion of existing markets and the development of new or improved markets or uses for cut flowers and cut greens are needed to preserve and strengthen the economic viability of the domestic cut flowers and cut greens industry for the benefit of producers, handlers, retailers, and the entire floral industry;

(7) generic programs of promotion and consumer information can be effective in maintaining and developing markets for cut flowers and cut greens, and have the advantage of equally enhancing the market position for all cut flowers and cut greens marketed;

(8) because cut flowers and cut greens producers are primarily agriculture-oriented rather than promotion-oriented, and because the floral marketing industry within the United States is comprised mainly of small-sized and medium-sized businesses, the development and implementation of an adequate and coordinated national program of generic promotion and consumer information necessary for the maintenance of existing markets and the development of new markets for cut flowers and cut greens have been prevented;

(9) there exist established State and commodity-specific producer-funded programs of promotion and research that are valuable efforts to expand markets for domestic producers of cut flowers and cut greens and that will be able to take advantage of the promotion and consumer information program authorized by this Act to enhance their market development efforts for domestic producers;

(10) an effective and coordinated method for ensuring cooperative and collective action in providing for and financing a nationwide program of generic promotion and consumer information is needed to ensure that the cut flowers and cut greens industry will be able to provide, obtain, and implement programs of promotion and consumer information necessary to maintain, expand, and develop markets for these articles; and

(11) the most efficient method of financing such a nationwide program is to assess cut flowers and cut greens at the point they are sold by handlers into the retail market.

Subsection (b) of section 2 expresses the policy of Congress and the purpose of the legislation, as follows: That it is in the public interest and the purpose of the bill to authorize the establishment, through the exercise of the powers provided in the bill, of an orderly procedure for the development and financing (through an adequate assessment on cut flowers and cut greens sold by handlers to retailers and related entities in the United States) of an effective and coordinated program of generic promotion, consumer information, and related research designed to strengthen the cut flowers and cut greens industry's position in the marketplace and to maintain, develop, and expand markets for cut flowers and cut greens.

SEC. 3—DEFINITIONS

Section 3 contains definitions of 13 terms used in the bill.

I. PROGRAM ACTIVITIES

The definitions in paragraphs (1), (7), and (8) describe the types of program activities to be covered by the cut flowers and cut greens order, that is, consumer information, promotion, and research.

Paragraph (1) defines the term "consumer information" to mean any action or program to provide information to consumers and other persons on appropriate uses under varied circumstances, and on the care and handling, of cut flowers or cut greens.

Paragraph (7) defines the term "promotion" to mean any action determined by the Secretary of Agriculture to advance the image, desirability, or marketability of cut flowers or cut greens, and specifically includes paid advertising in the definition.

Paragraph (8) defines the term "research" to mean market research and studies limited to the support of advertising, market development, and other promotion efforts and consumer information efforts relating to cut flowers or cut greens, including educational activities.

II. CUT FLOWERS AND CUT GREENS

This section defines the terms "cut flowers" and "cut greens" as used in the bill, and in doing so sets out a special *substantial portion* rule. The definitions and special rule are in paragraph (2) of the section.

The definitions are as follows: The term "cut flowers" will include all flowers cut from growing plants and used as fresh-cut flowers, produced either under cover or in field operations; and the term "cut greens" will include all cultivated or noncultivated decorative foliage cut from growing plants and used as fresh-cut decorative foliage (except Christmas trees) produced either under cover or in field operations. Neither term will include foliage plants, floral supplies, or flowering plants.

The substantial portion rule is that, in any case in which a handler packages cut flowers or cut greens with hard goods in an article such as a gift basket or similar presentation for sale to retailers, the PromoFlor Council may determine, under procedures set out in the cut flowers and cut greens order, that the cut flowers or cut greens in the article do not constitute a substantial portion of the value of the article and that, based on such determination, such article shall not be treated as an article of cut flowers or cut greens subject to assessment under such order.

III. TYPES OF ENTITIES

Section 3 also provides definitions for the various types of entities that will be affected by the establishment of the cut flowers and cut greens order: Qualified handlers, exempt handlers, and retailers. In brief, under the bill, qualified handlers, who as a general rule are those that sell cut flowers or cut greens to retailers, will be assessed on such sales, except that certain smaller handlers will be exempt handlers and not required to pay assessments. Exempt handlers could be required to submit reports to the PromoFlor Council under the order, and certain distribution operations of retailers could be considered qualified handler operations subject to assessment.

Paragraph (4), in subparagraph (A), defines the term "qualified handler" to mean a person (including a cooperative) operating in the cut flowers or cut greens marketing system that sells domestic or imported cut flowers or cut greens to retailers and exempt handlers and whose annual sales of such articles to retailers and exempt handlers are $750,000 or more. Subparagraph (A) also provides that the term will include—

(1) bouquet manufacturers (subject to the "substantial portion" rule under paragraph (2) of this section and described above);

(2) auction houses that clear sales of cut flowers and cut greens to retailers and exempt handlers through a central clearinghouse; and

(3) any distribution center operated at the wholesale level that is owned or controlled by a retailer (A) if the predominant retail business activity of the retailer is floral sales, or (B) when a majority of the cut flowers and cut greens sales or transfers from such center are to entities other than entities owned or controlled by the retailer. Note that the obverse definitional terms are contained in the definition of "retailer" in paragraph (9) of section 3, which is described below. Also, since at least some of the distribution center transactions with retailers

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Footnotes at end of article.

are not sales but only transfers, as described below, this provision also states that, for purposes of determining sales to retailers from any such distribution center, each non-sale transfer to a retailer is to be treated as a sale in an amount calculated as provided later in subparagraph (C) of paragraph (4). The later provision provides for calculating the value of transfers as the price paid by the distribution center for the flowers plus a uniform percentage of that price to represent the wholesale mark-up.

Further, the term will not include a person who merely physically transports or delivers cut flowers or cut greens without more.

Subparagraph (A) also contains a rule of construction as follows: The term "qualified handler" will be deemed to include a person that is an importer of cut flowers or cut greens into the United States or that is a producer of cut flowers or cut greens within the United States and sells the articles that he imports or produces directly to consumers and whose sales of such articles (as calculated under subparagraph (c) of paragraph (4)), along with other sales of cut flowers and cut greens to retailers and exempt handlers, annually are $750,000 or more.

For purposes of this rule, subparagraph (A) also states that the terms "producer" and "importer" have the same meaning as that given in the provisions of subsection (b) of section 5 of the bill defining the terms "importer that is a qualified handler" and "producer that is a qualified handler".

In the situation covered by this rule of construction, the importer or producer is also performing the functions of the handler and the retailer, so that without the rule, there would be no sale from the importer/handler or producer/handler to the retailer to be assessed under the order. Similar rules of construction commonly are used in other programs of the Department of Agriculture, such as the dairy programs (in which producers that sell their milk directly into the retail market, without using a milk handler as an intermediary, have been considered "producer-handlers" and made subject to some rules otherwise applicable to handlers). However, in order to equalize calculations of annual sales as between handlers that sell to retailers and direct-seller importers or producers, subparagraph (C), as described below, provides for calculating the value of direct sales to consumers as the price paid by the importer to acquire the flowers, or the cost to the producer of producing the article, plus a uniform percentage of that price to represent the wholesale mark-up.

This rule of construction also provides that each direct sale to consumers by this type of "handler" will be treated as a sale to a retailer or exempt handler in an amount calculated as provided in subparagraph (C). This part of the rule of construction will be applied in determining annual sales for purposes of the "exempt handler" definition in subparagraph (B) and the "eligible separate facility" determination under section 7(b) of the bill.[1]

Paragraph (4), in subparagraph (B), defines the term "exempt handler" to mean a person that would otherwise be considered to be a qualified handler, except that the person's annual sales of cut flowers and cut greens to retailers and other exempt handlers are less than $750,000.

Subparagraph (C) of paragraph (4), in connection with the definitions in subparagraphs (A) and (B) of the paragraph, provides that, for purposes of determining the amount of annual sales of cut flowers and cut greens, the amount of a sale shall be determined on the basis of the gross sales price (as that term is defined in paragraph (3) of section 3, which definition is described below) of product sold, with certain exceptions.

With respect to non-sale transfers of cut flowers or cut greens from a distribution center or direct sales to consumers by importers or producers, as described in subparagraph (A), the amount of the sale will be the price paid by the distribution center or importer, respectively, to acquire the cut flowers or cut greens plus an amount determined by multiplying such acquisition price by a uniform percentage established by the PromoFlor Council to represent a wholesale handler's mark-up on a sale to a retailer (or in the case of direct sales to consumers by producers, an amount determined by applying to the price paid by the consumer a uniform percentage established by the PromoFlor Council to represent the cost of producing the article and a wholesale handler's mark-up on a sale to a retailer). These rules for pricing sales are repeated in subsection (h) of section 5 relating to assessments of such types of sales of cut flowers and cut greens by qualified handlers.

Paragraph (9) of section 3 defines the term "retailer" to mean a person, such as a retail florist, supermarket, mass market retail outlet, or other end-use seller, as described in a cut flowers and cut greens order, that sells cut flowers or cut greens to consumers, and will include any distribution center operated at the wholesale level that's owned or controlled by such person only if—(1) the predominant retail business activity of the retailer is not floral sales; *and*

(2) the majority of the cut flowers and cut greens sales or transfers from such center are to entities owned or controlled by such person.

Note the obverse of these definitional terms contained in the definition of "qualified handler" in paragraph (4)(A) of section 3, which is described above.

IV. MISCELLANEOUS

Paragraph (3) of section 3 defines the term "gross sales price" to mean the total amount of the transaction in a sale of cut flowers or cut greens. This term is used in determining the amount of each cut flowers or cut greens sales transaction to be assessed under the cut flowers and cut greens order under section 5(h) of the bill and in determining annual sales for the purpose of the $750,000 limitations under the definition of "qualified handler" and "exempt handler" in paragraph (4) of section 3 and in the rules regarding additional votes for eligible separate facilities under section 7(b)(2) of the bill.

Paragraph (5) defines the term "person" to mean any individual, group of individuals, firm, partnership, corporation, joint stock company, association, society, cooperative, or other legal entity.

Paragraph (6) defines the term "PromoFlor Council" to mean the Fresh Cut Flowers and Fresh Cut Greens Promotion Council established under section 5(b) of the bill.

Paragraph (10) defines the term "Secretary" to mean the Secretary of Agriculture.

Paragraph (11) defines the terms "United States" and "State" to include the 50 States of the United States, the District of Columbia, and all the territories and possessions of the United States. Thus, the terms (and the scope of coverage of the bill) would extend to Puerto Rico along with other territories and possessions of the United States.

The terms "person", "Promoflor Council", "Secretary", "United States", and "State" are used throughout the bill.

SEC. 4. ISSUANCE OF ORDERS

Subsection (a) of section 4 generally requires the issuance of a cut flowers and cut greens order under the bill. It states that, to effectuate the declared policy of section 2(b), the Secretary of Agriculture, subject to the procedures provided in subsection (b) of section 4, must issue orders under the bill applicable to qualified handlers of cut flowers and cut greens. Any such order will be national in scope, and not more than one such order can be in effect under the bill at any one time.

Subsection (b) of section 4 spells out the procedures for the issuance of a cut flowers and cut greens order, in three stages: the proposal, Department of Agriculture consideration of the proposal, and issuance of a final order.

The Proposal: Subsection (b) provides that the Secretary can propose the issuance of a cut flowers and cut greens order, or an industry group of long standing that represents a substantial number of the industry members who are to be assessed under the order may request the issuance of, and submit a proposal for, such an order.

Consideration of the Proposal: Subsection (b) provides that not later than 60 days after the earlier of—

(1) the receipt by the Secretary of a proposal for an order from an industry group, or

(2) the determination of the Secretary to propose an order,

the Secretary must publish the proposed order and give due notice and opportunity for public comment on it. Then, as described in the next paragraph, it is envisioned that the Department of Agriculture staff will review and evaluate the public comments and take due care to ensure that the order is revised as necessary to ensure that the order conforms with the requirements of the bill.

Issuance of the Order: Subsection (b) also provides that, after notice and opportunity for public comment are given, the Secretary must issue the order, taking into consideration the comments received and including in the order provisions necessary to ensure that the order is in conformity with the requirements of the bill. The order is to be issued and become effective not later than 150 days following publication of the proposed order. (Parenthetically, it should be noted that, not later than 3 years after issuance of the order by the Secretary, qualified handlers must decide whether the order should remain in effect. In the interim, they will be eligible for refunds of assessment paid.)

Subsection (c) of section 4 will authorize the Secretary, at any time, to amend a cut flowers and cut greens order then in effect. The provisions of the bill applicable to an order will be applicable to amendments to the order.

SEC. 5. REQUIRED TERMS IN ORDERS

Section 5 of the longest of the 16 sections in the bill, making up over one-third of the text. It is lengthy because it sets out most of the terms and provisions that must be included in a cut flowers and cut greens order.[2]

For that reason, this analysis will discuss each subsection of section 5 separately.

Also, while section 5 technically just itemizes certain terms and provisions that must appear in an order, in doing so it effectively sketches out the parameters of the cut flowers and cut greens promotion and consumer information *program* to be established under the order. So, this analysis will consider the substantive program elements embodied in the required terms and provisions, as well as just list them.

SUBSECTION (a)—IN GENERAL

Subsection (a) of section 5 merely will establish, as a general rule, that a cut flowers and cut greens order must contain the terms and provisions prescribed in the section.

SUBSECTION (b)—ESTABLISHMENT OF THE PROMOFLOR COUNCIL AND APPOINTMENT OF MEMBERS

Subsection (b) of section 5 states that the cut flowers and cut greens order must provide for the establishment of a Fresh Cut Flowers and Fresh Cut Greens Promotion Council (referred to in the bill as the "PromoFlor Council"[3]), consisting of 21 members, to administer the order. It then goes on to state the specific rules regarding the PromoFlor Council that must be made part of the order, as follows:

Members of the PromoFlor Council are to be qualified handlers (that is, those persons, as defined in section 3(4)) required to pay assessments under the order, along with a member that represents retailers, appointed by the Secretary of Agriculture from nominations submitted by qualified wholesale handlers, producers and importers that are qualified handlers, and retailers.

The 21 seats on the PromoFlor Council will be allocated as follows:

(1) 14 members will represent qualified wholesale handlers of domestic or imported cut flowers and cut greens;

(2) 3 members will represent producers that are qualified handlers of cut flowers and cut greens;

(3) 3 members will represent importers that are qualified handlers of cut flowers and cut greens; and

(4) 1 member will represent cut flowers and cut greens retailers.

It will be very important to the success of the program under the order that producers and importers be represented on the PromoFlor Council and provide input to the PromoFlor Council from their perspectives. However, neither producers or importers of cut flowers and cut greens will be directly assessed under the order; rather all assessments will come from handlers. Thus, producers and importers will serve on the PromoFlor Council only to the extent they also are qualified handlers paying assessments under the order.

For purposes of subsection (b):

The term "qualified wholesale handler" means a person in business as a floral wholesale jobber or floral supplier and that is subject to assessments as a qualified handler under the order. Further, as used in this subsection, the term "floral wholesale jobber" means a person that conducts a commission or other wholesale business in buying and selling cut flowers or cut greens, and the term "floral supplier" means a person engaged in acquiring cut flowers or cut greens to be manufactured into floral articles or otherwise processed for resale.

The term "producer that is a qualified handler" means an entity that—

(1) is engaged—

(A) in the domestic production, for sale in commerce, of cut flowers or cut greens and that owns or shares in the ownership and risk of loss of such cut flowers or cut greens; or

(B) as a first processor of noncultivated cut greens, in receiving such cut greens from the persons that gather them for handling; and

(2) is subject to assessment as a qualified handler under the order.

The term "importer that is a qualified handler" means an entity—

(1) whose principal activity is the importation of cut flowers or cut greens into the United States (either directly or as an agent, broker, or consignee of any person or nation that produces or handles cut flowers or cut greens outside the United States for sale in the United States); and

(2) that is subject to assessments as a qualified handler under the order.

The qualified wholesale handler appointments made by the Secretary to the PromoFlor Council must take into account the geographical distribution of cut flowers and cut greens markets in the United States.

Two nominees are to be submitted for each appointment to the PromoFlor Council. Nominations for each appointment of a qualified wholesale handler, producer that is a qualified handler, or importer that is a qualified handler to the PromoFlor Council will be made by qualified wholesale handlers, producers that are qualified handlers, or imports that are qualified handlers, respectively, through an election process under regulations prescribed by the Secretary. Nominations for the retailer appointment will be made by the American Floral Marketing Council (or any successor entity to the Council).

However, in any case in which qualified wholesale handlers, producers that are qualified handlers, importers that are qualified handlers, or retailers fail to nominate individuals for an appointment to the PromoFlor Council, the Secretary could appoint a person to fill the vacancy on a basis provided in the order or other regulations of the Secretary.

The order is to provide for the selection of alternate members of the PromoFlor Council by the Secretary under procedures specified in the order.

Each term of appointment to the PromoFlor Council will be for 3 years, except that of the initial appointments one-third shall be for 2-year terms, one-third for 3-year terms, and one-third for 4-year terms.

No member of the PromoFlor Council could serve more than two consecutive terms of 3 years, except that any member serving an initial term of 4 years may serve an additional term of 3 years.

PromoFlor Council members will serve without compensation, but will be reimbursed for their expenses incurred in performing their duties as members of the PromoFlor Council.

The PromoFlor Council will have the authority to appoint from among its members an executive committee of not more than 9 members. The membership of the executive committee initially will be composed of 4 members representing qualified wholesale handlers, 2 members representing producers that are qualified handlers, 2 members representing importers that are qualified handlers, and 1 member representing retailers. Thereafter, appointments to the executive committee will be made so as to ensure that the committee reflects, to the maximum extent practicable, the membership composition of the PromoFlor Council as a whole.

The initial appointments to the executive committee each will be for a term of 2 years. Thereafter, appointments to the executive committee each will be for a term of 1 year.

The PromoFlor Council will be authorized to delegate to the executive committee its authority under the order to hire and manage staff and conduct routine business within the policies the PromoFlor Council sets.

SUBSECTION (C)—GENERAL RESPONSIBILITIES OF THE PROMOFLOR COUNCIL

Subsection (c) of section 5 would require the cut flowers and cut greens order to define the general responsibilities of the PromoFlor Council. It also lists a number of such responsibilities to be included in the order. As follows:

(1) to administer the order in accordance with its terms and provisions;

(2) to make rules and regulations to effectuate the terms and provisions of the order;

(3) to appoint members of the PromoFlor Council to serve on the executive committee[4];

(4) to employ such staff personnel as determined necessary, and set their compensation and define their duties;

(5) to develop budgets for the implementation of the order and submit them to the Secretary of Agriculture for approval under subsection (d) of section 5;

(6) to propose and develop (or receive and evaluate), approve, and submit to the Secretary for approval under subsection (d) of section 5 plans and projects for cut flowers or cut greens promotion, consumer information, or related research;

(7) to implement such plans and projects, as provided in subsection (d) of section 5, or contract or enter into agreements with appropriate persons to implement such plans and projects, as provided in subsection (e) of section 5, and pay the costs of such implementation, or contracts and agreements, with funds received under the order;

(8) to evaluate on-going and completed plans and projects;

(9) to receive, investigate, and report to the Secretary complaints of violations of the order;

(10) to recommend to the Secretary amendments to the order;

(11) to invest funds collected through assessments under the order, pending their disbursement for a plan or project. However, funds could only be invested in—

(a) obligations of the United States or any agency of the United States;

(b) general obligations of any State or any political subdivision of a State;

(c) any interest-bearing account or certificate of deposit of a bank that is a member of the Federal Reserve System; or

(d) obligations fully guaranteed as to principal and interest by the United States,

and income from any such invested funds could only be used for a purpose for which the invested funds may be used. The language of the bill in regards to investing funds is the same as that used in other commodity promotion and research statutes. The language of this provision listing the types of investments that could be made under the order is not intended to conflict with informal Agricultural Marketing Service investment policies. This broad listing of investments here could be narrowed in the order or other regulations as determined necessary to facilitate implementation of appropriate AMS investment policies; and

(12) to furnish the Secretary with such information as the Secretary may require.

SUBSECTION (D)—PROMOFLOR COUNCIL BUDGETS, AND PLANS AND PROJECTS

Subsection (d) of section 5 will require the cut flowers and cut greens order to contain provisions providing for the PromoFlor Council to submit its budgets to the Secretary of Agriculture for approval.

The budgets, which will be submitted on a fiscal year basis, will cover the PromoFlor Council's anticipated expenses and disbursements in the implementation of the order, including projected costs of cut flowers and cut greens promotion, consumer information, and related research plans and projects.

The cut flowers and cut greens order also must provide—

(1) for the establishment, implementation, administration, and evaluation of appropriate plans and projects for advertising, sales promotion, other promotion, and consumer information with respect to cut flowers and cut greens, and for the disbursement of necessary funds for such purposes;

(2) that any such plan or project shall be directed toward increasing the general demand for cut flowers or cut greens and can make no reference to a private brand or trade name, point of origin, or source of supply (except that these limitations shall not preclude the PromoFlor Council from offering its plans and projects for use by commercial parties, under terms and conditions prescribed by the PromoFlor Council and approved by the Secretary); and

(3) that no such plan or project may make use of unfair or deceptive acts or practices with respect to quality or value.

Similarly, the order is to provide for the establishment, implementation, administration, and evaluation of plans and projects for market development research, research with respect to the sale, distribution, marketing, or use of cut flowers or cut greens, and other research with respect to cut flowers or cut greens marketing, promotion, or consumer information; for the dissemination of the information gained by such activities; and for the disbursement of necessary funds for such purposes.

Under the order, the PromoFlor Council will be required to submit to the Secretary for approval any such proposed plan or project for cut flowers or cut greens promotion, consumer information, or related research. And, no budget, or plan or project for cut flowers or cut greens promotion, consumer information, or related research, could be implemented prior to its approval by the Secretary.

SUBSECTION (E)—CONTRACTS AND AGREEMENTS TO IMPLEMENT THE ORDER

Subsection (e) of section 5 provides that, to ensure efficient use of funds, the cut flowers and cut greens order must contain provisions relating to contracting and agreements as follows:

(1) The PromoFlor Council, with the approval of the Secretary of Agriculture, is to be provided authority to enter into contracts or agreements for the implementation of any plan or project for promotion, consumer information, or related research with respect to cut flowers or cut greens.

(2) The PromoFlor Council is to be authorized to pay the cost of implementing plans and projects covered by contracts or agreements with funds received by the PromoFlor Council under the order.

Each contract or agreement must provide that—

(1) the contracting or agreeing party is to develop and submit to the PromoFlor Council a plan or project together with a budget or budgets that shall show estimated costs to be incurred for the plan or project;

(2) the plan or project will become effective on the approval of the Secretary; and

(3) the contracting or agreeing party is to keep accurate records of all of its transactions, account for funds received and expended, make periodic reports to the PromoFlor Council of activities conducted, and make such other reports as the PromoFlor Council or the Secretary might require.

The PromoFlor Council also will be authorized to enter into contracts or agreements for administrative services. Each such contract or agreement must include provisions for budgeting, secretarial approval, and recordkeeping and reporting duties comparable to those required in contracts or agreements for implementation of plans or projects, as described in the preceding paragraph.

SUBSECTION (F)—BOOKS AND RECORDS OF THE PROMOFLOR COUNCIL

Subsection (f) of section 5 spells out certain bookkeeping and auditing requirements applicable to the PromoFlor Council[5] that have to be included in the cut flowers and cut greens order. Specifically, the order must require the PromoFlor Council to—

(1) maintain such books and record as the Secretary of Agriculture prescribes;

(2) prepare and submit to the Secretary, from time to time, such reports as the Secretary prescribes; and

(3) account for the receipt and disbursement of all funds entrusted to the PromoFlor Council.

Further, the PromoFlor Council's books and records are to be available to the Secretary for inspection and audit by Department of Agriculture employees.

Also, under the order, the PromoFlor Council must have its books and records audited by an independent auditor at the end of each fiscal year. A report of each such audit will be submitted to the Secretary.

SUBSECTION (G)—CONTROL OF ADMINISTRATIVE COSTS UNDER THE ORDER

Subsection (g) of section 5 contains a provision to ensure that administrative costs under the cut flowers and cut greens order are held to the bare minimum needed.

It should be noted that, while a number of provisions of the bill are similar to the language in other commodity and promotion and research statutes, this provision was drafted specially for this bill. It reflects the industry's determination to maximize the effective use of assessment funds collected under the order for product promotion and consumer information to achieve the purpose of the bill.[6]

Subsection (g) states that the order is to contain a provision requiring the PromoFlor Council, as soon as practicable after the order becomes effective and after consultation with the Department of Agriculture and other appropriate persons, to implement a system of cost controls focused on administrative expenses. The system would be based on normally accepted business practices and designed to ensure that the PromoFlor Council's annual budgets only include amounts for administrative expenses that cover the minimum administrative activities and personnel needed to properly administer and enforce the order and conduct, supervise, and evaluate plans and projects under the order.

SUBSECTION (H)—ASSESSMENTS UNDER THE ORDER

Subsection (h) of section 5 sets out the required terms of the cut flowers and cut greens order relating to assessments: who and what is assessed, the assessment rate, when assessments must be paid, possible refunds if the order is not approved, and what uses can be made of assessment funds.

Who and What Is Assessed: Subsection (h) states that the order must provide as follows: Each qualified handler[7] is to pay to the PromoFlor Council, in the manner prescribed by the order, an assessment on each sale of cut flowers or cut greens to a retailer or an exempt handler[8] (including certain transactions treated as sales to a retailer described in the next paragraph), except to the extent such sale is excluded from assessments under section 6(a) (which exempts export transactions from assessments).

To facilitate the payment of assessments, the PromoFlor Council is to publish lists of qualified handlers required to pay assessments under the order and exempt handlers. This will enable companies in the wholesale industry to know in advance which sales to other wholesale companies are subject to assessment (i.e., those sales to companies that are exempt handlers).

As a technical aid in implementing the assessment program under the order, under subsection (h), the order will have to contain provisions regarding the making of determinations to determine status as a qualified handler or exempt handler that include the rules and requirements set out in section 3(4) (definitions of "qualified handler" and "exempt handler") and section 6(b) (specifying rules for calculating annual sales volume for purposes of applying the $750,000 cut-off point separating "qualified handlers" from "exempt handlers" under the definitions).

Also, the order will provide that each nonsale transfer of cut flowers or cut greens to a retailer from a handler that is a distribution center, and each direct sale of cut flowers or cut greens to a consumer by a qualified handler that is an importer or producer, is to be treated as a sale of cut flowers or cut greens to a retailer subject to assessments, in an amount equal to the price paid by the distribution center or importer, respectively, to acquire the cut flowers or cut greens plus an amount determined by multiplying such acquisition price by a uniform percentage established by the PromoFlor Council to represent a wholesale handler's mark-up on a sale to a retailer (or in the case of direct sales to consumers by producers, an amount determined by applying to the price paid by the consumer a uniform percentage established by the PromoFlor Council to represent the cost of producing the article and a wholesale handler's mark-up on a sale to a retailer). It should be noted that the language of this rule tracks the language of the rule for calculating the amount of sales in similar situations under paragraph (4) of section 3, which defines the terms "qualified handler" and "exempt handler".

Assessment Rates: The order must include provisions on assessment rates as follows:

(1) *Initial Rate.* The rate of assessment on sales of cut flowers or cut greens, for the first three years the order is in effect, will be one-half of 1 percent of the gross sales price of product sold, uniformly applied to each sale assessed, or (in the case of transactions of distribution centers and direct sales to consumers by importers and producers) of the amount of each such transaction calculated as described above in the preceding paragraph.

(2) *Changes in the Rate.* After the first three years the order is in effect, the uniform assessment rate could be increased or decreased annually by not more than .25 percent of gross sales price of product sold or of transaction amount, except that the assessment rate in no case could exceed 1 percent of gross sales price of product sold or transaction amount. Any such change in the rate of assessment—

(a) could be made only if (i) adopted by the PromoFlor Council by a two-thirds majority vote and (ii) approved by the Secretary of Agriculture as necessary to achieve the objectives of the bill;

(b) would have to be announced by the PromoFlor Council at least 30 days prior to going into effect; and

(c) would not be subject to a vote in a referendum under section 7 of the bill.

When Assessments Must Be Paid: Subsection (h) states that the order must provide for each person that is required to pay assessments to remit, to the PromoFlor Council, the assessment due from each sale by that person of cut flowers or cut greens that is subject to an assessment within such time period after the sale (not to exceed 60 days from the end of the month in which the sale took place) as specified in the order.

Refunds: Subsection (h) states that the order must provide for the deposit into an escrow account of 10 percent of assessments collected prior to the initial referendum on the order, and the use of such escrowed moneys for refunds if the order is defeated in the referendum.

The specific terms to be included in the order are as follows: The PromoFlor Council must establish an escrow account to be used for assessment refunds as needed, and place into it an amount equal to 10 percent of the total amount of assessments collected during the period beginning on the date the order goes into effect, as provided in section 4(b) of the bill, and ending on the date the conduct of the initial referendum on the order provided for in section 7(a) of the bill is completed.

Then, subject to certain conditions, any qualified handler will have the right to demand and receive (retroactively) from the PromoFlor Board out of the escrow account a one-time refund of any assessments paid by or on behalf of such qualified handler during the time period prior to the referendum, if—

(1) the qualified handler is required to pay such assessments;

(2) the qualified handler does not support the program established under the bill;

(3) the qualified handler demands the refund prior to the conduct of the referendum on the order under section 7(a); and

(4) the order is not approved by qualified handlers in the referendum.

The right of any qualified handler to receive funds would be subject to the following conditions:

(1) Demand for a refund must be made by the qualified handler in accordance with regulations, on a form, and within the time period prescribed by the PromoFlor Council.

(2) The refund would be made only if the qualified handler submits proof satisfactory to the PromoFlor Council that such handler paid the assessment for which refund is demanded.

(3) If the amount in the escrow account is not sufficient to refund the total amount of assessments demanded by all qualified handlers determined eligible for refunds and the order is not approved in the referendum on the order under section 7(a), the PromoFlor Council is to prorate the amount of all such refunds among all eligible qualified handlers that demand a refund.

If the order is approved in the referendum under section 7(a), there will be no refunds made and all funds in the escrow account shall be returned to the PromoFlor Council for use by the PromoFlor Council in accordance with the other provisions of the order.

Permissible Uses of Assessment Funds: Subsection (h) states that the order must contain a provision that assessment funds (net of any refunds paid out under the terms of the order) will be used—

(1) for payment of costs incurred in implementing and administering the order, with provision for a reasonable reserve; and

(2) to cover those administrative costs incurred by the Secretary in implementing and administering the bill, except for the salaries of Government employees incurred in conducting referenda.[9]

SUBSECTION (I) PROHIBITION AGAINST LOBBYING

Subsection (i) of section 5 describes a required provision of the cut flowers and cut greens order that, conversely to subsection (h) (which states what assessment funds can be used for), prohibits the use of assessment funds, along with any other funds received by the PromoFlor Council, in any manner for the purpose of influencing legislation or government action or policy.

There would, however, be an exemption from this prohibition—use of the funds for the development and recommendation to the Secretary of Agriculture of amendments to the order. The legislation envisions the PromoFlor Council, which will oversee the promotion and consumer information program under the order on behalf of the Secretary, as being in the best position to provide sound advice to the Secretary on any needed changes in the order.

SUBSECTION (J)—RECORDKEEPING AND REPORTING REQUIREMENTS FOR QUALIFIED HANDLERS UNDER THE ORDER

Subsection (j) of section 5 specifies several required provisions of the cut flowers and cut greens order relating to recordkeeping and reporting requirements for qualified handlers under the order.[10] Under subsection (j), the order must require each qualified handler to—

(1) maintain, and make available for inspection, those books and records required by the order; and

(2) file reports at the time, in the manner, and having the content prescribed by the order,

to the end that information is made available to the Secretary of Agriculture and the PromoFlor Council appropriate for the administration or enforcement of the bill, the order, or any regulation issued under the bill.

Also, regarding the confidential treatment of information acquired from qualified handlers and other persons filing reports under the order, subsection (j) provides that information obtained from—

(1) the books, records, or reports of qualified handlers; and

(2) reports filed under section 6(b) of the bill by persons selling cut flowers or cut greens to retailers,

must be kept confidential by all officers and employees of the Department of Agriculture and by the staff and agents of the PromoFlor Council. Such information could be disclosed to the public only if it is relevant evidence in a suit or administrative hearing brought at the request of the Secretary, or to which the Secretary or any officer of the United States is a party, and involving the order; and it could only be discussed in such suit or hearing.

However, subsection (j) also provides that these confidentiality rules are not to be construed to prohibit—

(1) the issuance of general statements, based on the reports made under subsection (j), of the number of persons subject to the order or statistical data collected from the reports, which statements do not identify the information furnished by the person; or

(2) the publication, by direction of the Secretary, of the name of any person violating the order, together with a statement of the particular provisions of the order violated by such person.

Subsection (j) also will require the order to provide for the staff of the PromoFlor Council periodically to review lists of importers of cut flowers and cut greens to determine whether persons listed therein are subject to the order. In that regard, the United States Customs Service will be required to provide such lists at the request of the PromoFlor Council.

SUBSECTION (K)—CONSULTATIONS WITH INDUSTRY EXPERTS

Subsection (k) of section 5 states a required provision of the cut flowers and cut greens order relating to consultations with industry experts. Under this term of the order, the PromoFlor Council would be authorized from time to time to seek advice from and consult with experts from the production, import, wholesale, and retail segments of the cut flowers and cut greens industry to assist in the development of promotion, consumer information, and related research plans and projects. For such purpose, the order also will authorize the appointment of special committees composed of persons other than PromoFlor Council members.

Subsection (k) further provides that no such committee could provide advice or recommendations to an agency or officer of the Federal Government, but shall consult directly with the PromoFlor Council. As a result, these committees would not be Federal advisory committees.

SUBSECTION (L)—OTHER TERMS OF THE ORDER

Subsection (l) of section 5 provides that the cut flowers and cut greens order is to contain such other terms and provisions, not inconsistent with the bill, as are necessary to effectuate the bill and as provided in section 6 (which also requires that the order include provisions on exports, determining annual sales volume, and reports on sales to retailers).

Further, such other terms and provisions could include a provision for the assessment of a charge for each late payment of assessments under subsection (h) of section 5.

SECTION 6—EXCLUSION; DETERMINATIONS

Subsection (a) of section 6 states that any cut flowers and cut greens order issued under the bill must exclude from assessments under the order any sale of cut flowers or cut greens for export from the United States.

Subsection (b) of section 6, which is entitled "Making Determinations", provides (1) time period rules for measuring annual sales, (2) rules of attribution to be included in the cut flowers and cut greens order, and (3) authority for certain reporting requirements to facilitate use of the rules in making determinations. These provisions are designed to facilitate determinations of who will be subject to the cut flowers and cut greens order.

The time period rules are to be used in applying the $750,000 annual sales limitation to—

(1) specific persons in order to determine status as a qualified handler or an exempt handler under section 3(4), or

(2) specific facilities in order to determine status as an eligible separate facility under section 7(b).

The rules are as follows: A determination of a person's or facility's annual sales volume is to be based on the sales of cut flowers and cut greens by such person or facility during the most recently-completed calendar year, with the following exception: with respect to new businesses and other operations for which complete data on sales during all or part of the most recently-completed calendar year are not available to the PromoFlor Council, the determination could be made using an alternative time period or other alternative procedures specified in the order.

The rules of attribution set out in subsection (b) are as follows: For purposes of determining the annual sales volume of a person or a separate facility of a person, sales attributable to a person are to include—

(1) in those cases in which the person is an individual, sales attributable to such person's spouse, children, grandchildren, parents, and grandparents;

(2) in those cases in which the person is a partnership or member of a partnership, sales attributable to the partnership and other partners of the partnership;

(3) for both individuals and partnerships, sales attributable to any corporation or other entity in which the person owns more than 50 percent of the stock or (if the entity is not a corporation) that the person controls; and

(4) in those cases in which the person is a corporation, sales attributable to any corporate subsidiary or other corporation or entity in which the corporation owns more than 50 percent of the stock or (if the entity is not a corporation) that the corporation controls.

Further, stock or an ownership interest in an entity that is owned by the spouse, children, grandchildren, parents, grandparents, or partners of an individual, or by a partnership in which a person is a partner, or by a corporation more than 50 percent of the stock of which is owned by a person, shall be treated as owned by the individual or person.

The reporting requirement that could be included in the order under subsection (b) to provide information needed to facilitate the making of determinations under the order and the use of the rules contained in the subsection is as follows: The order could require each person that sells cut flowers or cut greens to retailers to submit reports to the PromoFlor Council on annual sales by such person.

Reports submitted under this requirement would be subject to the confidentiality requirements provided in section 5(j) (and this subsection is cross-referenced specifically in section 5(j)—see the analysis of it above).

SECTION 7—REFERENDA

Subsection (a) of section 7 establishes the requirements for the initial referendum of qualified handlers on a cut flowers and cut greens order issued under section 4. This initial referendum would be a delayed referendum.

Subsection (a) provides that the referendum would have to occur not later than 36 months after the issuance of the order under section 4(b), and would be conducted by the Secretary of Agriculture. The persons voting in the referendum would be qualified handlers required to pay assessments under the order, and they would vote on whether they support continuation of the order then in effect.

The order could be continued only if the Secretary determines that the order is approved by a simple majority of all votes cast in the referendum. (See also the analysis of subsection (b) in the following paragraph regarding the number of votes a person can cast.) If the order is not approved, the Secretary must terminate the order as provided in subsection (d) of section 7.

Subsection (b) of section 7 will authorize qualified handlers voting in the initial referendum on the order under subsection (a) or in any other referendum on the order, as provided for in subsection (c) of section 7, to cast separate votes for each eligible separate facility it has.

Under subsection (b), a handling or marketing facility of a qualified handler would be considered a separate facility if it is physically located away from other facilities of the qualified handler or its business function is substantially different than the functions of other facilities owned or operated by the qualified handler. Further, a separate facility of a qualified handler would be considered an eligible separate facility if the annual sales of cut flowers and cut greens to retailers and exempt handlers from such facility are $750,000 or more.

Subsection (b) also provides that, for purpose of determining the amount of such annual sales, the rules set out in subparagraph (A) (who is a "qualified handler") and subparagraph (C) (how are "annual sales" determined) or paragraph (4) of section 3 would be applied here.

Subsection (c) of section 7 provides for the conduct of reconfirmation referenda to determine whether qualified handlers required to pay assessments favor suspension or termination of the order. The authority for these referenda will go into effect beginning three years after the order is approved in a referendum conducted under subsection (a) of section 7.

Subsection (c) provides for the conduct of reconfirmation referenda in one of two circumstances:

(1) At the Secretary's discretion.

(2) Whenever requested by the PromoFlor Council or by a representative group comprising 30 percent or more of all qualified handlers required to pay assessments under the order.

Subsection (d) of section 7 provides that, if—

(1) as a result of the referendum conducted under subsection (a), the Secretary determines that the order has not been approved by a simple majority of all votes cast in the referendum, or

(2) as a result of a referendum conducted under subsection (c), the Secretary determines that suspension or termination of the order is favored by a simple majority of all votes cast in the referendum[11],

the Secretary must, within 6 months after the referendum suspend or terminate (whichever the qualified handlers were voting on in the referendum) collection of assessments under the order and then suspend or terminate (whichever the qualified handlers were voting on in the referendum) activities under the order in an orderly manner as soon as practicable.

Subsection (e) of section 7 provides that referenda are to be conducted in such manner as is determined appropriate by the Secretary.

SECTION 8—PETITION AND REVIEW

Section 8, along with sections 9 and 10, contain administrative provisions that commonly are found in standard form in commodity promotion and research bills.

Subsection (a) of section 8 will authorize any person subject to a cut flowers and cut greens order issued under the bill to file with the Secretary of Agriculture a petition stating that the order, any provision of the order, or any obligation imposed in connection with the order is not in accordance with law, and requesting a modification of, or an exemption from, the order.

Under subsection (a), the petitioner will be given the opportunity for a hearing on the petition in accordance with regulations issued by the Secretary. Any such hearing is to be—

(1) conducted in accordance with section 10(b), which gives the presiding officer at a hearing certain powers to facilitate the receipt of evidence at the hearing; and

(2) held within the United States judicial district in which the person's residence or principal place of business is located.

After a hearing, the Secretary must make a ruling on the petition, which shall be final if in accordance with law.

Subsection (b) of section 8 provides for judicial review of the Secretary's decision on a petition under subsection (a). It states that the district courts of the United States in any district in which a person that is a petitioner under subsection (a) resides or carries on business will be vested with jurisdiction to review the Secretary's ruling on the petition, if a complaint for that purpose is filed within 20 days after the date of the entry of such ruling by the Secretary. Service of process in such proceedings is to be conducted in accordance with the Federal Rules of Civil Procedure.

Under subsection (b), if the reviewing court determines that the Secretary's ruling on the person's petition is not in accordance with law, the court must remand the matter to the Secretary with directions either to—

(1) make such ruling as the court determines to be in accordance with law; or

(2) take such further action as, in the opinion of the court, the law requires.

Subsection (c) of section 8 provides that the pendency of proceedings instituted under section 8 will not impede, hinder, or delay the Attorney General or the Secretary from obtaining relief under the enforcement authorities provided by section 9 of the bill.

SECTION 9—ENFORCEMENT

Subsection (a) and (b) of section 9 will authorize court action by the Government to enforce the provisions of the bill.

Subsection (a) states that the several district courts of the United States will be vested with jurisdiction specifically to enforce, and to prevent and restrain any person from violating, the bill or an order or regulation made or issued by the Secretary of Agriculture under the bill.

Subsection (b) provides that a civil action brought under subsection (a) must be referred to the Attorney General for appropriate action. It also provides that the Secretary will not be required to refer every violation of the bill, or an order or regulation issued under the bill, to the Attorney General for the filing of such a civil action, if the Secretary believes that the administration and enforcement of the bill would be adequately served by—

(1) administrative action under subsection (c) of section 9; or

(2) suitable written notice or warning to the person who committed or is committing the violation.

Subsections (c), (d), (e), and (f) of section 9 will provide authority for the Secretary to seek civil penalties and cease and desist orders for violations under the bill, and rules governing such actions by the Secretary.

Subsection (c) will make violators subject to civil penalties as follows: A person that violates a provision of the bill, or an order or regulation issued by the Secretary under the bill, or who fails or refuses to pay, collect, or remit any assessment or fee duly required of the person under an order or regulation issued under the bill, could be assessed by the Secretary—

(1) a civil penalty of not less than $500 nor more than $5,000 for each such violation; and

(2) in the case of a willful failure to remit an assessment as required by an order or regulation, an additional penalty equal to the amount of such assessment.

And, each violation would be a separate offense. Further, in addition to or in lieu of the civil penalty, the Secretary could issue an order requiring a person to cease and desist from continuing the violation.

Subsection (c) also provides that no penalty could be assessed or cease and desist order issued by the Secretary unless the Secretary gives the person against whom the penalty is assessed or the order is issued notice and opportunity for a hearing before the Secretary with respect to such violation. Any such hearing would have to be—

(1) conducted in accordance with section 10(b), which gives the presiding officer at a hearing certain powers to facilitate the receipt of evidence at the hearing; and

(2) held within the United States judicial district in which the person's residence or principal place of business is located.

The penalty assessed or cease and desist order issued under subsection (c) would be final and conclusive unless the person against whom the penalty is assessed or the order is issued files an appeal with the appropriate district court of the United States in accordance with subsection (d) of section 9.

Subsection (d) of section 9 provides for U.S. district court review of actions taken by the Secretary under subsection (c). It states that any person against whom a violation is found and a civil penalty assessed or cease and desist order issued under subsection (c) could obtain review of the penalty or order by—

(1) filing, within the 30-day period beginning on the date such penalty is assessed or order issued, a notice of appeal in the district court of the United States for the district in which such person resides or carries on business, or in the United States district court for the District of Columbia; and

(2) simultaneously sending a copy of the notice by certified mail to the Secretary.

Further, the Secretary promptly is to file in the reviewing court a certified copy of the record on which the Secretary found that the person had committed a violation.

Subsection (d) also states that a finding of the Secretary could be set aside under it only if the finding is found to be unsupported by substantial evidence.

Subsection (e) of section 9 states that a person that fails to obey a cease and desist order issued under subsection (c) after the order has become final and unappealable, or after the appropriate United States district court has entered a final judgment in favor of the Secretary, will be subject to a civil penalty assessed by the Secretary of not more than $5,000 for each offense, after opportunity for a hearing and for judicial review under the procedures specified in subsections (c) and (d). Each day during which such failure continues will be considered as a separate violation of such order.

Subsection (f) provides that, if a person fails to pay a civil penalty assessed under subsection (c) or (c) after the penalty has become final and unappealable, or after the appropriate United States district court has entered final judgment in favor of the Secretary, the Secretary is to refer the matter to the Attorney General for recovery of the amount assessed in any United States district court in which the person resides or carries on business. In such action, the validity and appropriateness of the civil penalty will not be subject to review.

Subsection (g) of section 9 states that the remedies provided in the bill are to be in addition to, and not exclusive of, other remedies that might be available. In other words, these enforcement provisions of the bill are not meant to replace any other authority the Secretary, the Attorney General, or the courts already have to ensure compliance with the laws.

SECTION 10—INVESTIGATIONS AND POWER TO SUBPOENA

Subsection (a) of section 10 addresses the investigatory powers of the Secretary of Agriculture under the bill. It states that the Secretary could make such investigations as the Secretary considers necessary for the effective administration of the bill, or to determine whether any person has engaged or is engaging in any act that constitutes a violation of the bill, or any order or regulation issued under it.

Subsection (b) of section 10 provides both the Secretary and certain hearing officers necessary powers to facilitate the gathering of evidence.

Subsection (b) provides that, for the purpose of an investigation under subsection (a), the Secretary could administer oaths and affirmations, and issue subpoenas to require the production of any records that are relevant to the inquiry. The production of any such records could be required from any place in the United States.

Subsection (b) also provides that, for the purpose of administrative hearings held under section 8(a) (on petitions for relief from the provisions of the bill) or section 9(c) (on enforcement actions brought by the Secretary), the presiding officer at the hearing could administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any records that are relevant to the inquiry. Such attendance of witnesses and the production of any such records could be required from any place in the United States.

Subsection (c) of section 9 provides for the aid of the courts in enforcing subpoenas under subsection (b). It states that, in the case of contumacy by, or refusal to obey a subpoena issued to, any person, the Secretary could invoke the aid of any court of the United States within the jurisdiction of where such investigation or proceeding is carried on, or where such person resides or carries on business, in order to enforce a subpoena issued under subsection (b). In turn, the court could issue an order requiring such person to comply with such a subpoena, and any failure to obey such order of the court could be punished by such court as contempt.

Subsection (c) also provides that process in any proceedings under it could be served in the United States judicial district in which the person being proceeded against resides or carries on business or wherever such person might be found.

SECTION 11—CONFIDENTIALITY

Subsection (a) of section 11 states that no information on how a person voted in a referendum conducted under the bill[12] could be made public.

Subsection (b) of section 11 provides penalties for violations of the confidentiality provisions of subsection (a) or of section 5(j) of the bill (protecting information provided by qualified handlers and others required to submit information under a cut flowers and cut greens order, as provided in section 5(j) or 6(b) of the bill). It states that any person knowingly violating these confidentiality provisions, on conviction, will be subject to a fine of not less than $1,000 nor more than $10,000 or to imprisonment for not more than one year, or both. Further, if the violator is an officer or employee of the Department of Agriculture or the PromoFlor Council, the person would be removed from office.

Subsection (c) of section 11 contains a further prohibition on the release of information under the bill. It states that no information obtained under the bill could be made available to any agency or officer of the Federal Government for any purpose other than the implementation of the bill and any investigatory or enforcement actions necessary for the implementation of the bill.

Subsection (d) of section 11 states that nothing in the bill is to be construed to authorize the withholding of information from Congress.

SECTION 12—AUTHORITY FOR SECRETARY TO SUSPEND OR TERMINATE ORDER

Section 12 provides that, whenever the Secretary of Agriculture finds that a cut flowers or cut greens order issued under the bill, or any provision of the order, obstructs or does not tend to effectuate the declared policy of the bill, the Secretary must terminate or suspend the operation of such order or provision under such terms as the Secretary determines appropriate.

SECTION 13—CONSTRUCTION

Section 13 provides several rules of construction to aid in the implementation of the bill.

Subsection (a) of section 13 states that the termination or suspension of a cut flowers and cut greens order, or any provision of the order, is not to be considered an order under the meaning of the bill. Among other things, this rule means that the act of suspending or terminating the order (whether based on a referendum vote or under section 12) will not be subject to the rulemaking requirements of section 4 or to an additional referendum.

Subsection (b) of section 13 states that nothing in the bill is to be construed to provide for control of production or otherwise limit the right of individual producers to produce cut flowers and cut greens. It also states that the bill seeks to treat all persons producing cut flowers and cut greens fairly and to implement any cut flowers and cut greens order equitably in every respect.

Subsection (c) of section 13 states that nothing in the bill is to be construed to preempt or supersede any other program relating to cut flowers or cut greens promotion and consumer information organized and operated under the laws of the United States or any State.

SECTION 14—REGULATIONS

Section 14 will authorize the Secretary of Agriculture to issue such regulations as are necessary to carry out the bill and the powers vested in the Secretary by the bill, including regulations relating to the assessment of late payment charges.

SECTION 15—AUTHORIZATION OF APPROPRIATIONS

Subsection (a) of section 15 will authorize to be appropriated for each fiscal year such sums as are necessary to carry out the bill.

Subsection (b) of section 15 provides, however, that no funds appropriated under subsection (a) could be used for payment of the expenses or expenditures of the PromoFlor Council in administering any provision of a cut flowers and cut greens order.

SECTION 16—SEPARABILITY

Section 16 states that, if any provision of the bill or the application of the bill to any person or circumstances is held invalid, the validity of the remainder of the bill and of the application of such provision to other persons and circumstances will not be affected.

APRIL 1, 1993.

FOOTNOTES

[1] Subsection (h) of section 5 contains a similar rule. There, direct sales to consumers by qualified handlers required to pay assessment under the cut flowers and cut greens order will be treated as a sale to a retailer for purposes of assessments; and the sale will be valued for purposes of assessing it using the same rules as those provided in subparagraph (C) here.

[2] However, it does not contain all the terms and provisions to be included in an order. Section 6 contains—(1) several rules for determining annual sales volume; (2) a rule regarding exports; and (3) an optional rule regarding reports, that also would have to appear in the order. See also the analysis of section 6 that follows.

[3] See also the description of paragraph (6) of section 3 on page 8 above.

[4] Also see the description of subsection (b) of section 5 regarding the establishment of the executive committee.

[5] The recordkeeping and reporting requirements applicable to industry members covered by the order (i.e., the qualified handlers) are set out in subsection (j) of pectin 5, which is analyzed below.

[6] The purpose for the legislation is spelled out section 2(b) described above.

[7] The term "qualified handler" is defined, for purposes of the bill (including these assessment provisions), in section 3(4)(A). See the analysis of that section above.

[8] Similarly, the terms "retailer" and "exempt handler" are defined in sections 3(9) and 3(4)(B), and are analyzed above.

[9] Referenda on the cut flowers and cut greens order under the bill are provided for in section 7 of the bill, analyzed below.

[10] The bookkeeping and reporting requirements applicable to the PromoFlor Council itself are set out in subsection (f) of section 5, which is analyzed above.

[11] See above the analysis of subsection (b) regarding the number of votes each person may cast in a referendum.

[12] See the analysis of section 7 above.

INDEPENDENT SURVEY SHOWS INDUSTRY OVERWHELMINGLY SUPPORTS PROMOFLOR

Over 78% of those responding to a survey of handlers support PromoFlor. This group reported sales of nearly $1.2 Billion in fresh cut flowers and cut greens.

An independent study was conducted by the accounting firm of Ernst & Young, at the request of the PromoFlor Organizing Group.

The PromoFlor Organizing Group painstakingly compiled a list of more than 1,400 potential handlers. Questionnaires were sent to all 1,400 potential handlers in effort to see if they qualified for PromoFlor. Of the handlers responding, 642 said they qualify.

Only those eligible to pay the assessment were included in the survey. Each of the 500 plus handlers who responded to the survey have sales of cut flowers and cut greens greater than $750,000. Ernst & Young received a 79% response rate to their survey.

PromoFlor is a grassroots, industry-supported initiative to develop a national promotion program for fresh cut flowers and cut greens.

"Based on support demonstrated by this survey, the support from all major floral organizations, and hundreds of firms who have signed up as "Friends of PromoFlor," we have a clear directive from the industry to take PromoFlor to the U.S. Congress," said Bob Wilkins and Chip Wright, Co-chairmen of the PromoFlor Organizing Group, Inc.

The following organizations are "Friends of PromoFlor."

They are in support of the passage and implementation of PromoFlor as a national promotion order for fresh cut flowers and greens.

American Floral Marketing Council.
American Floral Service, Inc.
American Institute of Floral Designers.
Association of Floral Importers of Florida.
California Cut Flower Commission.
California State Floral Association.
Colombia Flower Council.
Colorado Greenhouse Growers Association.
Florafax International.
Floral Marketing Association.
Florida Fern Growers Association.
Florists' Transworld Delivery Association.
Flower Council of Holland.
Hawaii Tropical Flower Council.
Michigan Floral Association.
Missouri State Florists' Association.
Nebraska Florists Society.
Northern California Flower Growers & Shippers Association.
Pennsylvania Florist Association.
Pennsylvania Flower Growers.
Redbook Florist Services.
Roses Inc.
Santa Barbara County Flower & Nursery Growers Association.
Society of American Florists.
Teleflora.
Texas Floral Endowment.
Texas State Florists' Association.
West Texas New Mexico Florist Association, Inc.
Wholesale Florists & Florist Supplies of America.
Wholesale Florists of Colorado.

SHORT SUMMARY

The Fresh Cut Flowers and Fresh Cut Greens Promotion and Information Act (the PromoFlor Act) will provide for a nationwide program of consumer-oriented commodity promotion, funded by handlers, to maintain and expand markets for fresh cut flowers and fresh cut greens. The legislation will be patterned after other statutes establishing successful commodity promotion and research programs, and the program itself will be implemented through a U.S. Department of Agriculture promotion "order", as under other statutes.

Scope of program: The promotion order under the PromoFlor Act will cover both domestically-grown and imported cut flowers and cut greens. Included under the program will be all flowers and foliage used as fresh cut flowers or fresh cut decorative foliage (except Christmas trees), produced either under cover or in field operations. Industry-funded activities under the program will consist of promotion, consumer information, and research.

PromoFlor Council: The promotion activities and the administration of PromoFlor order will be handled by the PromoFlor Council, a 21-member supervisory body appointed by the Secretary of Agriculture from nominations submitted by the industry. The Council would be made up of 14 wholesale handlers of cut flowers or cut greens, 3 producers who are handlers, 3 importers who are handlers, and 1 member representing retail.

Assessments: Activities under the order will be paid for by assessments uniformly applied throughout the industry on sales of cut flowers and cut greens by non-exempt handlers to retailers. Small handlers will be exempted from paying assessments, as would products that are exported. The small company exemption would cover any handler whose total sales of cut flowers and cut greens to retailers or other exempt handlers are less than $750,000 annually. No refunds of assessments would be allowed.

Assessment Rate: The initial assessment rate would be ½ of 1 percent of the gross sales price. The PromoFlor Council would be authorized to increase or decrease the assessment by as much as ¼ of 1 percent annually, with the maximum assessment level being 1 percent of gross sales price. Any such increase or decrease could be made only with the approval of the Secretary and as necessary to achieve the objectives of the PromoFlor Act.

Referenda: The PromoFlor order will not be continued unless it is approved by assessment-paying handlers in a referendum conducted within 3 years after the order is issued. Referendum approval must be by a simple majority of all votes cast. And, in all referendum votes, each handler will be entitled to cast one vote for each separate facility with gross sales of cut flowers and cut greens to retailers or exempt wholesalers annually of $750,000 or more.•

By Ms. MIKULSKI (for herself, Mr. AKAKA, Mrs. BOXER, Mrs. FEINSTEIN, Mr. GLENN, Mr. GRAHAM, Mr. HATFIELD, Mr. INOUYE, Mr. KERREY, and Mr. LEAHY):

S. 995. A bill to improve the ability of the Federal Government to prepare for and respond to major disasters, and for other purposes; to the Committee on Governmental Affairs.

FEDERAL DISASTER PREPAREDNESS AND RESPONSE ACT OF 1993

• Ms. MIKULSKI. Mr. President, I rise today to introduce legislation called the Federal Disaster Preparedness and Response Act.

No story hurts the American people more than when this country struggles with a disaster. Whether it is a terrible storm, like Hurricane Andrew, or an earthquake in California or a nuclear accident, like Three Mile Island, people want their Federal Government to have a rapid deployment capability.

They want their government to be able to respond to a 911 not only around the world, but within this country as well. They want our Federal Emergency Management Agency to be as fit for duty as the U.S. military. And I think the time has come to make this happen.

I know that for the people of Maryland, we are more likely to be hit by a hurricane in Ocean City than we are to see fleets of Russians coming up the Chesapeake Bay. When we talk about disasters in Maryland, we think of the nuclear power plant have in the State or of a devastating oil spill that could cripple the delicate ecosystem of the bay, or even of the tremendous amount of hazardous and toxic waste that travels our highways.

That is why today I am introducing legislation to reform the Federal Emergency Management Agency [FEMA], the Federal Disaster Preparedness and Response Act of 1993. My framework will reorganize FEMA so that it is fit for duty and ready to save lives, save jobs, and save communities.

My framework will create a risk-based strategy for response to Federal disasters based on an all hazards approach. It will bring down those fire walls between civil defense and natural disaster activities. It will professionalize the agency by drastically reducing the number of political appointees. And it will give this country an agency that is ready to deal with a disaster. That responds when a disaster occurs. And which will be ready to go to work when we really need to rebuild.

Here is how the bill would do this. First, we build in incentives to get FEMA and State governments to approach disasters with a risk-based flexible response.

Second, my bill tears down the fire wall in FEMA between civil defense and natural disaster activities.

Third, my plan moves emergency management into the White House so that when we anticipate a disaster like a hurricane hitting, that knowledge will trigger a White House watch. The domestic disaster unit in the White House would be headed by the Vice President and would include the Director of FEMA and other cabinet level officials depending on the level of disaster involved.

When Andrew hit, the State was in shock. Governor Chiles was trying to sort out what happened. But there was no immediate response from the Federal Government.

Under the Mikulski plan, with the White House watch, the President would be on the phone to a governor and say, "Would you want us to stand ready to give you a damage assessment that may be beyond your capability?"

Fourth, we would reduce political appointees from 34, as there were under the Bush administration, to five.

Fifth, I am calling for a complete overhaul of the Federal Response Plan within the next 6 months. That overhaul will clarify the chain of command while it respects the principle of federalism.

Sixth, the bill requires States to adopt the same all-hazards approach that we are demanding of FEMA. Federal disaster training funds will be given to States in single block grants. States could use their funds based on regional risk. But they would also be held accountable. This way, we would pool our money and administer at the local level so the Federal Government could get in quickly and just move it.

Finally, the bill moves the National Disaster Medical System from HHS to FEMA. So that all our pieces are in one place for a quicker response.

This bill is a navigational chart. I know the ideas are controversial, especially in Washington. But these ideas are also practical, useful solutions to what are often life threatening problems.

I believe the American people deserve the kind of peace of mind that a good disaster management system can give them. And I believe that they are ready to make the kind of changes they need to get an agency that is truly fit for duty.

I ask unanimous consent that the full text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 995

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Federal Disaster Preparedness and Response Act of 1993".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Declaration of purpose.
Sec. 3. Definitions.
Sec. 4. Sense of Congress.
Sec. 5. Presidential response plan.
Sec. 6. Predeclaration authority.
Sec. 7. Domestic crisis monitoring unit.
Sec. 8. Damage and needs assessment.
Sec. 9. Catastrophic disasters.
Sec. 10. Targeted emergency grants.
Sec. 11. Reorganization of FEMA.
Sec. 12. National Academy for Fire and All Hazards Training.
Sec. 13. Research center.
Sec. 14. Repeal of Civil Defense Act.

SEC. 2. DECLARATION OF PURPOSE.

The purpose of this Act is to—

(1) improve Government preparedness for and response to catastrophic disasters;

(2) shift the emphasis of the Federal Emergency Management Agency (referred to in this Act as "FEMA") from nuclear attack-related activities to an all hazards approach;

(3) redirect the mission of FEMA to mitigation, preparedness, response, and recovery for all hazards; and

(4) ensure that FEMA adopts a risk-based strategy to improve preparedness for all hazards.

SEC. 3. DEFINITIONS.

Section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122) is amended—

(1) by striking paragraph (2) and inserting the following new paragraph (2):

"(2) MAJOR DISASTER.—'Major disaster' means any occasion or instance that, as determined by the President, causes damage of sufficient severity and magnitude to warrant major disaster assistance under this Act to supplement the efforts and available resources of State and local governments, and disaster relief organizations in alleviating the damage, loss, and hardship caused by the disaster. Major disasters include disasters resulting from all hazards."; and

(2) by adding at the end the following new paragraphs:

"(10) CATASTROPHIC DISASTER.—The term 'catastrophic disaster' means a major disaster that immediately overwhelms the ability of State, local, and volunteer agencies to adequately provide victims of the disaster with services necessary to sustain life.

"(11) ALL HAZARDS.—The term 'all hazards' means emergencies and disasters resulting from natural accidental or man-caused events, including, without limitation, civil disturbances and attack-related disasters.

"(12) DIRECTOR.—The term 'Director' means the Director of the Federal Emergency Management Agency.".

SEC. 4. SENSE OF CONGRESS.

It is the sense of Congress that—

(1) the Federal government should give immediate attention to developing a broad risk-based strategy for improving Federal readiness and response to major disasters;

(2) the all hazards approach is the best way to prepare the United States for all threats, including terrorism and foreign attacks;

(3) all reasonable actions should be taken to mitigate the effects of disasters;

(4) the American Red Cross and other volunteer organizations have made, and will continue to make, valuable contributions in responding to disasters nationwide by providing channels for the generous sharing of time and resources with those in need;

(5) initial response to emergencies and disasters is made by State and local agencies, whose capabilities must therefore be strengthened and maintained;

(6) private nonprofit organizations play an important role in disaster relief operations, and are an essential element of disaster preparedness, response, and recovery efforts; and

(7) hazard mitigation is an important preventive measure and is a vital element in disaster preparedness and recovery.

SEC. 5. PRESIDENTIAL RESPONSE PLAN.

Section 201 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5131) is amended—

(1) by striking subsections (c), and (d);

(2) by redesignating subsection (b) as subsection (d); and

(3) by inserting after subsection (a) the following new subsections:

"(b) PRESIDENTIAL RESPONSE PLAN.—

"(1) ESTABLISHMENT.—Not later than 180 days after the date of enactment of the Federal Disaster Preparedness and Response Act of 1993, the President, acting through the Director, shall develop a Presidential Response Plan to provide Federal assistance, when requested, to States impacted by a major disaster, catastrophic disaster, or emergency, in coordination with appropriate Federal and non-Federal agencies, as determined by the President.

"(2) TRAINING EXERCISES.—The plan shall include provisions for annual training exercises to be performed by designated participants in the plan and State and local entities and private relief agencies.

"(3) OPERATIONAL PLANS.—The Director shall prepare operational plans to accompany the Presidential Response Plan, not later than 1 year after the date of enactment of the Federal Disaster Preparedness and Response Act of 1993, that shall—

"(A) describe the chains of command;

"(B) describe the specific duties of all Federal agencies involved; and

"(C) describe the relationship between, and the respective duties of, Federal, State, and local governments, and private relief agencies; and

"(D) the operational plans described in this paragraph shall be prepared for specific geographic regions designated by the Director and shall—

"(i) be based on a comprehensive risk assessment of the United States, undertaken by the Director, which assesses the probability, frequency, and severity of natural or man-made disasters occurring and having a severe impact on public health, safety, and property within various regions;

"(ii) take into account the emergency operations plans of the State and local governments in the region; and

"(iii) support the development of mutual aid agreements between and among the States and local governments.

"(c) NATIONAL DISASTER MEDICAL SYSTEM.—

"(1) TRANSFER OF FUNCTIONS.—The functions, personnel, facilities, and equipment of the National Disaster Medical System (referred to in this section as the 'System') are transferred from the Department of Health and Human Services to a new directorate established within FEMA.

"(2) MISSION OF SYSTEM.—It shall be the mission of the System to prepare for and respond to major disasters, catastrophic disasters, and emergencies that require medical assistance in excess of the medical service capabilities of the affected States. The system shall provide for—

"(A) medical assistance to a disaster area through disaster medical assistance teams;

"(B) evacuation of patients that cannot be cared for locally; and

"(C) hospitalization through a national network of medical care facilities that agree to provide medical care to disaster victims.

"(3) LOCAL RESOURCES.—The services of the System shall supplement and not supplant State and local medical resources.

"(4) COORDINATION OF SERVICES.—The Director and the Secretary of Defense shall establish procedures, roles, and responsibilities for the provision of medical care in the event of a catastrophic disaster to ensure coordination between the System and the Department of Defense.

"(5) MILITARY CASUALTIES.—The System shall be made available to care for military casualties evacuated to the United States in the event that the medical care capabilities of the Department of Defense and the Department of Veterans Affairs are exceeded.

"(6) EVALUATION.—Not later than 180 days after the date of enactment of this subsection, the Director shall evaluate the performance of the System and the degree to which the System fulfills the intended mission of the System, and make recommendations to the President and Congress regarding potential improvements in the operations of the System.

"(7) DISASTER MEDICAL ASSISTANCE TEAMS.—

"(A) ESTABLISHMENT.—Not later than 1 year after the date of enactment of the Federal Disaster Preparedness and Response Act of 1993, the Director shall take steps necessary to ensure that not fewer than 20 disaster medical assistance teams are established and are made operational. The Director shall develop standards and guidelines for equipment, staffing, operations, and regular training of the disaster medical assistance teams not later than 1 year after the date of enactment of the Federal Disaster Preparedness and Response Act of 1993.

"(B) EMPLOYMENT SECURITY.—A volunteer who leaves a position (other than a temporary position) in the service of an employer to perform services in conjunction with a disaster medical assistance team, and makes application for reemployment within 90 days after the completion of service or release from hospitalization continuing after completion of service for a period of not more than 1 year shall—

"(i) if still qualified to perform the duties of the position or able to become requalified with reasonable efforts by the employer, be restored to the position or to a position of like seniority, status, and pay; or

"(ii) if not qualified to perform the duties of the position or able to become requalified with reasonable efforts by the employer, by reason of disability sustained during service, but qualified to perform the duties of any other position in the employ of the employer, be offered employment and, if the person so requests, be employed in such other position the duties of which the person is qualified to perform as will provide the person like seniority, status, and pay, or the nearest approximation of seniority, status, and pay, consistent with the circumstances of the case, unless the circumstances of the employer have so changed as to make it impossible or unreasonable to do so.

"(C) CONSTRUCTION WITH OTHER LAWS.—Nothing in this subsection shall excuse noncompliance with any law of a State or political subdivision establishing greater or additional rights or protections than the rights and protections established under this subsection.

"(8) AUTHORIZATION OF APPROPRIATIONS.—Beginning with fiscal year 1994, there are authorized to be appropriated to the National Disaster Medical System $20,000,000 for each fiscal year, including $5,000,000 for the Disaster Medical Assistance Teams.

"(d) ROLE OF NATIONAL GUARD.—

"(1) REVIEW.—The Secretary of Defense, in cooperation with the Director, shall direct the Chief, National Guard Bureau, to review the role of the National Guard in responding to major disasters and emergencies and make recommendations to the President. The recommendations shall address—

"(A) how the National Guard could better prepare for and respond to major disasters and emergencies;

"(B) how the force structure of the National Guard could be adjusted to provide Governors with improved immediate access to critical assets during an emergency;

"(C) how the National Guard should be integrated with the Presidential Response Plan;

"(D) how the National Guard should coordinate with the Disaster Medical Assistance Teams in preparing for and responding to disasters and emergencies;

"(E) the development by the Chief, National Guard Bureau, of a format for an interstate compact that, when subscribed to by the States, facilitates the mutual use of National Guard assets across State borders during national disasters and domestic emergencies; and

"(F) a study by the National Academy of Public Administration, to determine the feasibility of recommending to the Governors that the Adjutant General of the State be identified as the State Coordinating Official in all dealings with Federal agencies during natural disasters and domestic emergencies.

"(2) REPORT.—Not later than 1 year after the date of enactment of this section, the Secretary of Defense shall report to the President and Congress on the results of the review.

"(3) ALL HAZARDS RESPONSE TRAINING.—The Chief, National Guard Bureau, shall require National Guard units or members to participate in specialized training and exercises designed to enhance the readiness of the National Guard to respond to all hazards. Up to 5 percent of the funds appropriated for the military pay and operations and maintenance of the Army and Air National Guard may be used to fund the training and exercises.

"(4) INTERSTATE MUTUAL ASSISTANCE COMPACT.—The States are encouraged to enter into a nationwide compact for the mutual use of National Guard assets across State borders during domestic disasters and emergencies.

"(5) RESPONSE TO DISASTERS AND REIMBURSEMENT FOR AUTHORIZED ACTIVITIES.—To assure more effective and rapid responses by National Guard units to natural disasters and domestic emergencies, the Chief, National Guard Bureau, is authorized to approve reimbursement to a State or States for all or any part of expenses incurred as a result of the use of the National Guard in any natural disaster or domestic emergency at the onset of the disaster or domestic emergency in any instance in which, in the judgment of the Governor of the affected State, it is probable that the occurrence will result in a declaration of a national emergency.

"(A) ELIGIBILITY.—For a State to be eligible for reimbursement under this subsection for deployment of its National Guard units in support of a natural disaster and domestic emergency, the National Guard units must be deployed in a State active duty status.

"(B) SOURCE OF FUNDS.—Funds available for disbursement to the States under this subsection shall come from the funds appropriated to the disaster relief fund.

"(C) APPROVAL.—A request by a Governor for reimbursement for use of the National Guard of the State shall be submitted to the Director, and the Director, upon validation of eligible activities, shall issue the necessary funding documents to effect reimbursement to the State.

"(D) CONSISTENCE WITH ACT.—In instances of natural disasters and domestic emergencies that result in a Federal declaration of a disaster or emergency by the President, the Director shall ensure that all funding reimbursement is in accordance with this Act, at a Federal share rate determined for that occurrence.

"(6) TRAINING AND COORDINATION WITH STATE ENTITIES.—

"(A) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $5,000,000 to the National Guard through FEMA to conduct disaster and emergency training exercises in conjunction with appropriate State and local entities.

"(B) ALLOCATION.—The Director shall allocate the funds made available under subparagraph (A) to the States.

"(C) USE OF FUNDS.—

"(i) IN GENERAL.—Funds made available under this paragraph shall be used to enhance the preparedness of States for disasters and emergencies.

"(ii) MINIMUM TRAINING.—The National Guard shall be required to conduct at least 2 disaster preparedness training exercises annually in every State, in conjunction with appropriate State and local entities.

"(e) DISASTER RESOURCE INVENTORY.—

"(1) IN GENERAL.—Not later than 1 year after the date of enactment of the Federal Disaster Preparedness and Response Act of 1993, the Director shall complete an inventory of resources that are available to the Federal Government, including medical assets and foreign language communication, through public or private entities, for use or deployment, or both, in disaster relief or search and rescue operations following a major disaster, catastrophic disaster, or emergency. Each item in the inventory shall include the information necessary for prompt access to the resource.

"(2) ORGANIZATION.—The inventory shall be organized to facilitate the dispatch of resources on a regional basis. This paragraph shall not be construed to preclude the dispatch of specialized equipment or scarce resources from outside the geographic proximity of the disaster or emergency.

"(3) AVAILABILITY.—The Director shall ensure that the inventory is made available to the Governor of each State for the purposes of formulating a request for the declaration of a major disaster, catastrophic disaster, or emergency.

"(4) MAINTENANCE.—The Director shall ensure that information contained in the inventory is current and accurate.

"(5) STATE PARTICIPATION.—

"(A) IN GENERAL.—Not later than 90 days after the establishment of the inventory, the Director shall request each Governor of a State to identify the State Coordinating Officer and other public safety officials who are responsible for coordinating or overseeing State and local response to disasters and emergencies in the State.

"(B) ACCESS.—A public safety official designated under subparagraph (A) shall have direct and immediate access to the information contained in the inventory to expedite State and local responses to disasters and emergencies not declared by the President.

"(f) VOLUNTEERS.—Not later than 180 days after the date of enactment of the Federal Disaster Preparedness and Response Act of 1993, the Director shall—

"(1) establish a system that is coordinated with systems of private relief agencies to manage and utilize spontaneous disaster volunteers to carry out priority disaster response services; and

"(2) report to Congress on the system.

"(g) DONATED GOODS.—Not later than 180 days after the date of enactment of the Federal Disaster Preparedness and Response Act of 1993, the Director shall—

"(1) establish a system for the management of goods donated to the Federal Government to support disaster victims; and

"(2) report to Congress on the system.".

SEC. 6. PREDECLARATION AUTHORITY.

Title II of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5131 et seq.) is amended by adding at the end the following new section:

"SEC. 203. PREDECLARATION AUTHORITY.

"(a) AUTHORITY.—When, in the determination of the Director, events indicate that an emergency, major disaster or catastrophic disaster is likely to be declared, a Federal agency, in consultation with the Director, may take such actions as the agency considers necessary to prepare to provide Federal assistance to State and local governments and to disaster victims.

"(b) REIMBURSEMENT.—The Federal agency shall be reimbursed by the disaster relief fund for the cost of actions taken in accordance with this section.".

SEC. 7. DOMESTIC CRISIS MONITORING UNIT.

(a) ESTABLISHMENT.—Not later than 30 days of the date after the enactment of this section, the President shall establish a unit within the White House to be known as the "Domestic Crisis Monitoring Unit".

(b) HEAD.—The Domestic Crisis Preparedness and Monitoring Unit shall be headed by the Vice President.

(c) OTHER PARTICIPANTS.—The Cabinet Secretary, or a designee of the Secretary, and the Director, or a designee of the Director, shall be detailed to the unit upon activation.

(d) RESPONSIBILITIES.—The head of the Domestic Crisis Monitoring Unit shall—

(1) monitor potential and pending disasters and emergencies;

(2) notify the President and Federal agencies of impending disasters and emergencies as soon as practicable; and

(3) ensure effective, coordinated, and rapid Federal agency response in the immediate aftermath of a catastrophic disaster or emergency.

(e) COORDINATION OF ACTIVITIES.—The head of the Domestic Crisis Monitoring Unit shall coordinate with the Director and the Governors of States affected by a catastrophic disaster or emergency or in which a catastrophic disaster or emergency is likely to be declared.

(f) ACTIVATION.—The President shall activate the Domestic Crisis Monitoring Unit during the warning stages of a major or catastrophic disaster, or immediately following a catastrophic disaster when there is no warning, and shall remain activated until the President determines that continued activation is unwarranted.

(g) ROLE OF FEDERAL COORDINATING OFFICER.—

(1) CHIEF OF PRESIDENTIAL RESPONSE PLAN.—After activation of the Domestic Crisis Monitoring Unit, the Federal Coordinating Officer shall retain authority as the chief administrator of the Presidential Response Plan.

(2) COORDINATION OF PLAN PARTICIPANTS.—The Federal Coordinating Officer shall coordinate the activities of the participants of the Plan, including consulting with participating agencies to determine disaster response priorities and directing participating agencies to carry out assignments as needed.

SEC. 8. DAMAGE AND NEEDS ASSESSMENT.

Title III of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5141 et seq.) is amended by adding at the end the following new section:

"SEC. 322. DISASTER STRIKE TEAMS.

"(a) IN GENERAL.—Not later than 6 months after the date of enactment of this section, the Director shall establish disaster strike teams to be deployed at the discretion of the Director to an area where a major disaster, catastrophic disaster, or emergency is likely to be declared. The Director or other FEMA official designated by the Director shall lead each such strike team, which shall have the purpose of assessing damage and resulting needs.

"(b) COMPOSITION.—The Director shall designate experts and officials from appropriate Federal agencies, including FEMA and the Department of Defense, supported by representatives of State and local agencies, and private relief agencies, to serve on the disaster strike teams.

"(c) DETAIL OF GOVERNMENT EMPLOYEES.—Upon the request of the Director, the head of any Federal agency shall detail to temporary duty with a strike team on a nonreimbursable basis, such personnel within the administrative jurisdiction of the head of the Federal agency as the Director may need or believe to be useful for carrying out the functions of the strike team. Each such detail shall be without loss of seniority, pay, or other employee status.

"(d) EXERCISES.—The strike teams shall conduct practice exercises at least annually, including officials from appropriate Federal, State, and local agencies.

"(e) DAMAGE AND NEEDS ASSESSMENT.—

"(1) IN GENERAL.—Not later than 3 hours after the onset of a potential or actual catastrophic disaster, the Director shall deploy a strike team established under subsection (a) to evaluate the extent of the damage and the resulting needs for authorized Federal disaster relief assistance.

"(2) RECOMMENDATIONS.—As soon as possible after deployment, a strike team shall make recommendations to the Director, the President, and the Governors of the affected States regarding the damage and the resources needed to provide life support to the affected areas. The recommendation shall classify the disaster and the anticipated level of response according to a graduated scale developed by the Director as part of the Presidential Response Plan.

"(3) COORDINATION WITH STATE AND LOCAL OFFICIALS.—The damage and needs assessments shall be conducted in coordination with the State and local officials of the affected area.".

SEC. 9. CATASTROPHIC DISASTERS.

Title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170 et seq.) is amended by adding at the end the following new section:

"SEC. 425. CATASTROPHIC DISASTERS.

"(a) DECLARATION.—

"(1) RECOMMENDATION BY DISASTER STRIKE TEAMS.—At the onset of a disaster in which the disaster strike teams established under section 322(a) have been deployed, or immediately thereafter, the disaster strike teams shall make concurrent recommendations to the Director, the President, and the Governors of the affected States, the Director, and the President as to whether the disaster should be declared a catastrophic disaster.

"(2) REQUEST FOR DECLARATION.—Requests for a declaration by the President that a catastrophic disaster exists shall be made by the Governors of the affected States. A request for a major disaster declaration complying with the requirements of section 401 may accompany the request for a declaration of a catastrophic disaster.

"(3) FINAL DETERMINATION.—Based on a request or requests under paragraph (2), the President may declare that a catastrophic disaster, a major disaster, or an emergency exists. A determination by the President that a catastrophic disaster or an emergency exists shall be final.

"(b) EFFECT OF DETERMINATION.—

"(1) FEDERAL SHARE.—Notwithstanding section 403 (b) and (c)(4), the Federal share of the eligible cost of essential direct Federal assistance necessary to sustain life or to protect property following a catastrophic disaster declaration shall be—

"(A) for the first 72 hours (and for up to an additional 96 hours, at the discretion of the President) 100 percent; and

"(B) after the assistance provided under subparagraph (A), not less than 75 percent.

"(2) DISASTER RESPONSE AND MASS CARE.—Upon the declaration of a catastrophic disaster, the Federal Coordinating Officer shall assume an active role in determining whether ancillary resources, such as the resources of the Department of Defense, are required to support any disaster response function. Upon the determination that ancillary resources are required for mass care, the Federal Coordinating Officer will actively assist the American Red Cross in obtaining the resources of the Federal agencies.

"(3) RESPONSIBILITY OF THE DEPARTMENT OF DEFENSE.—

"(A) IN GENERAL.—Following the declaration of a catastrophic disaster, the Secretary of Defense shall, when requested by the President and with the concurrence of the Governor of the affected State, provide to persons adversely affected by the disaster, disaster response services not otherwise available from State, local, or volunteer agencies, including—

"(i) food, water, and shelter;

"(ii) communications;

"(iii) debris removal;

"(iv) medical assistance; and

"(v) any other services necessary to sustain human life or to promote recovery.

"(B) REIMBURSEMENT.—The Secretary of Defense shall be reimbursed by the disaster relief fund for the provision of disaster response services described in subpara-graph (A).

"(C) DIRECTION OF ACTIVITIES.—The provision of disaster response services under subparagraph (A) and the administration of relief by consenting State, local, and volunteer agencies shall be directed by the Federal Coordinating Officer in consultation with the Vice President in coordination with the Governors of the affected States or a designee of the Governors. After a declaration of a catastrophic disaster, specific requests by the Governors for the individual disaster response services described in subparagraph (A) shall not be necessary.

"(D) TRAINING.—The Secretary of Defense shall undertake necessary training and exercises to ensure preparedness for this humanitarian mission.

"(E) CONTINGENCY PLAN.—The Director shall develop a contingency plan for the provision of disaster response services described in subparagraph (A) in the event that sufficient disaster response services are unavailable under subparagraph (A).

"(4) ADDITIONAL ASSISTANCE.—

"(A) IN GENERAL.—Subject to subparagraph (B), the assistance provided in this subsection shall supplement and not supplant the major disaster assistance programs provided in titles IV and V.

"(B) EXCEPTION.—Sections 302 and 303 shall not apply to catastrophic disasters for the period described in paragraph (1)(A).".

SEC. 10. TARGETED EMERGENCY GRANTS.

(a) IN GENERAL.—Title II of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (as amended by section 6 of this Act) is further amended by adding at the end the following new section:

"SEC. 204. TARGETED EMERGENCY GRANTS.

"(a) IN GENERAL.—The Director shall establish a grant program for the purposes of enabling States to prepare for, respond to, and recover from major disasters or emergencies, including evaluations of hazards in the State. Applications for a grant shall be reviewed by the Director, and grant awards shall be based on the degree of risk of major disasters or emergencies involved. Grants shall be provided only upon compliance by the applicant State with the performance standards established under subsection (b).

"(b) PERFORMANCE STANDARDS.—

"(1) ESTABLISHMENT.—Not later than 1 year after the date of enactment of this section, the Director shall establish performance standards to determine eligibility and application procedures for a grant award under this section.

"(2) CRITERIA.—The performance standards shall be based on the relative severity of risk to public health, safety, and property at risk in the State, and shall include provisions for—

"(A) updating emergency operations plans annually;

"(B) ensuring interoperability between Federal, State, and local emergency operations plans;

"(C) conducting training and annual exercises with all appropriate entities including the National Guard; and

"(D) requiring appropriate hazard mitigation activities.

"(3) PERFORMANCE REVIEW.—The Director shall conduct annual performance reviews of State emergency operations plans based on the criteria described in paragraph (2).

"(4) NOTIFICATION.—The Director shall notify a State that does not meet the performance standards within 60 days of review. In the notice, the Director shall direct the State as to the steps that must be taken to meet the performance standards.

"(5) OPPORTUNITY TO COMPLY.—A State that does not meet the performance standards shall be given an additional 60 days to comply.

"(c) FEDERAL SHARE OF GRANT.—The Federal share of a grant under this section shall be 50 percent of the cost of updating the emergency preparedness activities of a State.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $200,000,000 for each of fiscal years 1994 through 1998.".

(b) FEDERAL SHARE OF ASSISTANCE.—Title VI of such Act (42 U.S.C. 5201 et seq.) is amended by adding at the end the following new section:

"SEC. 604. COMPLIANCE WITH PERFORMANCE STANDARDS.

"(a) IN GENERAL.—Notwithstanding any other provision of this Act, the Director shall establish a sliding scale, in accordance with subsection (c), setting forth the Federal share of the cost of eligible assistance to be provided under this section during the long-term recovery period following a disaster or emergency for a State that is not in compliance with the performance standards established under section 204.

"(b) LONG-TERM RECOVERY DEFINED.—For the purposes of this section, the term 'long-term recovery' means the results of activities undertaken to restore an affected area to the original condition of the area and that are not necessary to protect human health and public safety in the immediate aftermath of a disaster.

"(c) SLIDING SCALE.—On the sliding scale established under subsection (a), the Federal share shall not exceed 70 percent of the cost of long-term recovery for each year the State remains out of compliance with the performance standards. States that are not in compliance with performance standards shall pay a greater share of Federal assistance.".

(c) CONFORMING AMENDMENTS.—

(1) Section 201 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5131) is amended by striking subsection (d).

(2) Section 404 of such Act (42 U.S.C. 5170c) is repealed.

(3) Section 106(c) of the Housing and Community Development Act of 1974 (42 U.S.C. 5306(c)) is amended by striking paragraph (4).

(4) Section 5(b)(2)(A) of the Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7704(b)(2)(A)) is amended—

(A) by striking clause (iv); and

(B) by redesignating clauses (v) and (vi) as clauses (iv) and (v), respectively.

SEC. 11. REORGANIZATION OF FEMA.

(a) IN GENERAL.—The Director shall restructure FEMA to—

(1) implement an all hazards approach to disaster management that includes activities and measures designed or undertaken to—

(A) minimize the effects of natural disasters, civil disturbances, or attack-related emergencies and disasters;

(B) respond to the immediate emergency conditions that are created by the disasters; and

(C) effectuate emergency repairs to, or the emergency restoration of, vital utilities and facilities destroyed or damaged by a disaster, subject to reimbursement by private utilities;

(2) utilize resources dedicated to defense-related programs on the date of enactment of this Act to respond to major disasters, catastrophic disasters, and emergencies;

(3) redefine the relationship between the Director and FEMA headquarters and regional offices to ensure effective disaster planning and response; and

(4) reduce the number of regional offices and locate the offices in areas the Director identifies as high risk.

(b) REDESIGNATION OF EMPLOYEE POSITIONS.—Not later than December 31, 1995, the following employee positions within FEMA shall be classified as career reserved positions within the meaning of section 3132(a)(8) of title 5, United States Code:

(1) The position of Executive Director of FEMA/Chief of Staff of FEMA.

(2) The position of Federal Insurance Administrator.

(3) The position of Administrator of the United States Fire Administration.

(4) The position of Superintendent of the National Academy for Fire Prevention and Control.

(5) The positions of Regional Director of FEMA, which shall be reduced in number.

(6) The position of General Counsel of FEMA.

(7) The position of Senior Advisor to the State and Local Programs and Support Directorate.

(8) Positions of a confidential or policy-determining character described in schedule C of subpart C of part 213 of title 5, Code of Federal Regulations.

(c) CONFORMING AMENDMENTS.—

(1) Section 5(b) of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2204(b)) is amended by striking "appointed by the President, by and with the advice and consent of the Senate, and shall be".

(2) Section 7(b) of such Act (15 U.S.C. 2206(b)) is amended by striking ", who shall be appointed by the Secretary".

SEC. 12. NATIONAL ACADEMY FOR FIRE AND ALL HAZARDS TRAINING.

(a) ESTABLISHMENT.—The National Academy for Fire Prevention and Control and the Emergency Management Institute operated by FEMA are abolished and merged into the National Academy for Fire and All Hazards Training. The National Academy for Fire and All Hazards Training shall provide appropriate education for fire prevention and control of all hazards emergency management.

(b) REDESIGNATION OF TRAINING ACADEMY.—Section 7 of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2206) is amended—

(1) in subsection (a), by striking "National Academy for Fire Prevention and Control" and inserting "National Academy for Fire and All Hazards Training"; and

(2) in subsection (d)—

(A) by striking "and" at the end of paragraph (4);

(B) by striking the period at the end of paragraph (5) and inserting "; and"; and

(C) by adding at the end the following new paragraph:

"(6) train employees of the Federal Emergency Management Agency and State and local officials in all hazards, as defined in section 102(11) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122(11)).".

(c) CONFORMING AMENDMENT.—Section 4 of such Act (15 U.S.C. 2203) is amended by striking "National Academy for Fire Prevention and Control" and inserting "National Academy for Fire and All Hazards Training".

(d) TRANSFER OF FUNCTIONS AND RESOURCES.—The Director of the Federal Emergency Management Agency shall transfer the functions, personnel, facilities, and equipment of the Emergency Management Institute existing on the date of enactment of this Act to the National Academy for Fire and All Hazards Training.

(e) AUTHORIZATION OF APPROPRIATIONS.—Section 17 of such Act (15 U.S.C. 2216) is amended by adding at the end the following new subsection:

"(h) There are authorized to be appropriated for the National Academy for Fire and All Hazards Training $80,000,000 for each of fiscal years 1994 through 1998.".

SEC. 13. RESEARCH CENTER.

Title II of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (as amended by sections 6 and 10(a) of this Act) is further amended by adding at the end the following new section:

"SEC. 205. RESEARCH CENTER.

"(a) ESTABLISHMENT.—Not later than 1 year after the date of enactment of this section, the Director shall establish a university-based research center to—

"(1) conduct research on disaster management methods, technologies, mitigation and response systems;

"(2) develop a curriculum for disaster management and related fields curriculum; and

"(3) provide education and training to the emergency response community.

"(b) COMPOSITION.—The university or universities shall be selected by the Director following a competitive selection process.

"(c) REPORT.—The center shall report annually to the President and Congress on the activities of the consortium.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $5,000,000 for each of fiscal years 1994 and 1995.".

SEC. 14. REPEAL OF CIVIL DEFENSE ACT.-

(a) REPEAL.—The Federal Civil Defense Act of 1950 (50 U.S.C. App. 2251 et seq.) is repealed.

(b) CONFORMING AMENDMENTS.—

(1) Section 813(d)(2) of the Agricultural Act of 1970 (7 U.S.C. 1427a(d)(2)) is amended by striking "as proclaimed" and all that follows through the period and inserting a period.

(2) Section 310 of title 23, United States Code, is amended by striking "Federal Civil Defense Administrator" and inserting "Director of the Federal Emergency Management Agency".

(3) Section 202 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5132) is amended—

(A) by striking subsection (c); and

(B) by redesignating subsection (d) as subsection (c).●

By Mr. METZENBAUM (for himself, Mr. DOLE, Mr. DODD, and Mr. REID):

S. 996, a bill to require that educational organizations that offer educational programs to minors for a fee disclose certain information; to the Committee on Labor and Human Resources.

EDUCATIONAL ORGANIZATIONS DISCLOSURE ACT OF 1993

Mr. METZENBAUM. Mr. President, my esteemed colleague, minority leader DOLE, wrote the Members of this body in November 1992 about the questionable recruiting practices of the Congressional Youth Leadership Council [CYLC], a nonprofit, tax-exempt educational organization. Senator DOLE urged those Senators who were listed as members of CYLC's honorary board of advisers to formally disassociate themselves from the group.

Although I am not an honorary board adviser to CYLC, I was somewhat familiar with the group, as many youngsters from Ohio travel to Washington to participate in the CYLC's seminars. Each week, some 20–30 unchaperoned teens visit my Senate office as part of the CYLC program that accommodates about 350 students from around the Nation some 24 times a year.

Prompted by Senator DOLE's letter, I examined the organization's structure and am equally troubled by what I have learned.

Since 1985 CYLC has been organizing Week-in-Washington youth seminars, directed at high school juniors and seniors.

Senator DOLE raised concerns about misleading language in the CYLC's solicitation to students which suggests that recruitment is extremely selective and that all participants are part of an exclusive educational event. Indeed, students receive an invitation printed on heavy stock with their names written in calligraphy which arrives in their homes by certified mail. They are congratulated on their "nomination" to represent their State. The parents of these 15- and 16-year-olds are led to believe that their child is one of "fewer than 2 percent of all secondary school students nationwide who are eligible to participate. And understandably, these parents read the nomination, and there is a great sense of pride that comes to them.

However, nowhere in the CYLC's informational brochure, recruitment letters, or correspondence to teachers and parents does it advise that students names are rented from a mailing list vendor with whom CYLC has an exclusive contract. Indeed, the CYLC paid $91,000 for mailing list rentals last year alone, suggesting an overwhelming reliance on direct mail for recruitment.

Furthermore, the CYLC does not absorb the cost to provide facilities for physically challenged youngsters. The students and their families pay full tuition plus any extra cost resulting from such services as deaf interpreters or wheelchair lifts. Yet the program expenses are relatively low to CYLC. Students stay four-to-a-room at low-cost dorms and participate in many free events, such as visiting the floor of the House of Representatives. There are no scholarships and efforts to insure racial and economic diversity are limited to providing the youths a self-published booklet, entitled "You Can Do It," which gives tips on community-based fund raising to gain their tuition.

CYLC was founded by a former Senate staff member and a former teacher. They have both been members of the board of directors and are president and vice president of the nonprofit corporation. One or both have been members of CYLC's board at all times since its incorporation.

These same two individuals are also the sole officers and directors of a for-profit company, National Capital Resources [Capital Resources]. This company provides CYLC services such as management and marketing, and for these services Capital Resources is compensated handsomely. They recently founded a second nonprofit, tax-exempt (501(c)(3)) educational organization, the National Youth Leadership Forum [The Forum]. The Forum also solicits high school students to participate in week-long programs concentrating on career options.

Capital Resources, in turn, has contracts with the Forum for operations and program management that appear to assign virtually all of the Forum's revenue to Capital Resources.

Each of the 9,000 youngsters registered in the CYLC's program last year paid the so-called educational organization $730, not including air fare. Total revenues from the seminars were over $6 million. I understand that CYLC is now offering a 10-day summer program for $1,200, not including air fare.

Capital Resources, which was incorporated in February 1990, had been paid 20 percent of the tax exempt CYLC's revenue, over $3 million, during a period of less than 3 years. It appears Capital Resources also receives over 90 percent of each student's full enrollment fee from the career-oriented Forum's programs on top of a $7,000 a month management fee from that tax-exempt nonprofit organization.

The National Charities Information Bureau [NCIB] has reviewed certain tax returns, financial statements, and management contracts of the two nonprofit organizations and concluded that "because of the financial relationship between Capital Resources and CYLC and the relationships of its officers to both entities, we see a clear conflict of interest". The NCIB also raises the question of whether CYLC is really a charity or merely a promotional device for Capital Resources.

Two March 7, 1993, articles appearing in the Californian, a Bakersfield paper, quoted the principal of Bakersfield High School who said "at best average students at his school were being selected as congressional scholars with a whirlwind tour, but they had to pay a significant fee and arrange their own transportation." He went on to say in the articles "my first feeling is this is a rip-off." The stories also pointed out that "at least two D-average students and one expelled gang member" in his district have received letters nominating them to "Represent California as a congressional scholar." The article calls these types of enterprises "honors scams" that "prey on the good intentions of parents who are naturally proud of their children."

Mr. President, I am sending to the desk a bill cosponsored by Senator DOLE, who first brought the practice to our attention, and by Senator DODD, distinguished chairman of the Subcommittee on Children and Families, who has devoted so much of his attention to protecting those most affected by honors scams, the children.

The bill will require organizations that offer such programs to minors for a fee to honestly disclose how the young people were selected and what their money will go for. It protects participants from discrimination due to disabilities or race or financial hardship. I urge my colleagues to support this measure.

I ask unanimous consent that the bill be written into the RECORD at this time. I also ask unanimous consent that the news articles referred to in my statement be included in the RECORD.

I also ask unanimous consent that Senator REID be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 996

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DEFINITIONS.

As used in this Act:

(1) DISABILITY.—The term "disability" has the same meaning given to such term by section 3(2) of the Americans with Disabilities Act of 1990.

(2) EDUCATIONAL ORGANIZATION.—The term "educational organization" means any organization or entity that is engaged in the business of providing educational programs to minors for a fee. Such term does not include a local educational agency, an elementary school, a secondary school, an organization sponsored by an elementary or secondary school, a recreational organization, or a social club.

(3) ELEMENTARY SCHOOL.—The term "elementary school" has the same meaning given to such term by section 1471(8) of the Elementary and Secondary Education Act of 1965.

(4) EDUCATIONAL PROGRAM.—The term "educational program" means a program, service, activity or seminar which has as its primary function the presentation of formal instruction, is offered away from a student's regular place of school attendance, includes at least one supervised night away from home, and is intended to enhance a student's regular course of study. Such term does not include a recreational program, or a social or religious activity.

(5) LOCAL EDUCATIONAL AGENCY.—The term "local educational agency" has the same meaning given to such term by section 1471(12) of the Elementary and Secondary Education Act of 1965.

(6) MINOR.—The term "minor" means an individual who has not attained the age of 18.

(7) PARENT.—The term "parent" includes a legal guardian or other person standing in loco parentis.

(8) SECONDARY SCHOOL.—The term "secondary school" has the same meaning given to such term by section 1471(21) of the Elementary and Secondary Education Act of 1965.

(9) MEMBERSHIP ORGANIZATION.—The term "membership organization" includes any organization that maintains a membership list or collects dues or membership fees from its members.

(10) RECREATIONAL ORGANIZATION.—The term "recreational organization" includes any organization or entity that has as its primary function pleasure, amusement, or sports activities.

(11) RECREATIONAL PROGRAMS.—The term "recreational programs" includes any activity or service that is intended as an entertainment pastime.

SEC. 2. DISCLOSURE REQUIREMENTS.

Each educational organization, prior to accepting funds for the cost of a minor's participation in an educational program operated by such organization, shall disclose the following information in written form to the minor or the minor's parent:

(1) METHOD OF SOLICITATION AND SELECTION.—The method of solicitation and selection of participants in the educational program, including—

(A) the origin of any mailing list used for such solicitation and selection;

(B) any recruitment through teacher or school personnel, including any enticements offered to such teacher or personnel for the recommendation of a minor for participation in the educational program;

(C) any open enrollment activity, including the method of outreach; and

(D) any cooperation with, or sponsorship by, a membership organization, including a description of the cooperation or sponsorship and the name of each such organization.

(2) COSTS AND FEES.—Information regarding the cost of the educational program and information regarding the distribution of any enrollment fee, including—

(A) the amount paid for, and the percentage of the total educational program cost of, each feature of the educational program, including—

(i) food;

(ii) lodging;

(iii) transportation;

(iv) program staffing;

(v) textbooks, syllabi, or other scholastic educational program materials;

(vi) speaker fees; and

(vii) administrative expenses, including expenses related to—

(I) the preparation of non-scholastic educational program materials;

(II) the provision of financial assistance;

(III) mailing list rental or other recruitment activity; and

(IV) administrative salaries and consulting fees;

(B) the identity of the organization or business providing each of the features described in clauses (i) through (vii) of subparagraph (A); and

(C) the nature of any relationship of any board member, officer, or employee of the educational organization to any organization or business described in subparagraph (B), including the salary or other compensation paid by such organization or business to such Board member, officer, or employee.

SEC. 3. NONDISCRIMINATORY ENROLLMENT AND SERVICE POLICY.

(a) IN GENERAL.—Each educational organization shall include a verifiable statement on all enrollment or recruitment material that the educational organization does not—

(1) fail or refuse to hire, or discharge, any individual, or otherwise discriminate against any individual with respect to compensation, terms, conditions, or privileges of employment; or

(2) exclude any student from participation in an educational program, discriminate against any student in providing the benefits associated with such program (including any scholarship or financial assistance, and use of any facility), or subject the student to discrimination under such program,

on the basis of race, disability, or residence in a low-income area.

(b) CONSTRUCTION.—Nothing in this section shall be construed to entitle a student to—

(1) participation in an educational program or any benefit associated with such program; or

(2) a waiver of any fee charged for such participation or benefit.

SEC. 4. ENFORCEMENT.

(a) IN GENERAL.—The Secretary of Education shall monitor compliance with the provisions of this Act.

(b) CIVIL PENALTY.—If an educational organization knowingly violates any provision of this Act, the Secretary of Education, after notice and opportunity for hearing, may impose on such organization a civil fine of not more than $1,000 for each such violation.

[From The Bakersfield Californian, Mar. 7, 1993]

MARKETERS PEDDLE "HONORS"

(By Roberta Westerfield)

The state calls it "Honors Scam," congratulatory letters that are thinly veiled marketing schemes targeted at high school students.

The letters, sent by impressive-sounding associations or companies, typically confer their congratulations and honors by asking parents to cough up some cash for trips, albums, books and certificates.

"It is clear that parents are being scammed," said Bill Rukeyser, a state Department of Education spokesman. "That's not to imply illegality, but the taking advantage of people who may not be real sophisticated about what's worth an investment and what's not."

State and local educators urge parents to read between the lines when official-looking mail is dropped at the students' doorstep.

If it costs money, it's usually not an honor, they say.

Parents should question the value of offers that ask for payment to attend conferences, obtain "honors" or to get their student's biography published in a directory of outstanding high school students.

Beware, too, they say, of any promise to improve student's chances of being admitted to a particular college or university.

"What we emphasize over and over again is the most valuable thing your child is going to get is a diploma," Rukeyser said. "Our advice is take the kid out to dinner or put the money toward a portable typewriter."

Kern County educators said spring is prime season for mailers—local high schools and students' homes can be inundated with offers asking parents to spend anywhere from about $40 for a book containing their child's biography to $1,500 for tuition, transportation and other expenses for "academic" conferences.

Bill Bruce, principal of Bakersfield High School, said he sees it all the time.

For example, the Congressional Youth Leadership Council in Washington, D.C., has direct-mailed nomination letters to "at-best average" students at BHS, the principal said.

"They were being selected as a congressional scholar with a whirlwind tour, but they had to pay a significant fee and arrange their own transportation," Bruce said. "My first feeling is this is a rip-off—they're sending out tens of thousands of these and if they get a few hundred responses . . . they arrange a tour and make a lot of money."

The Leadership Council is among several Washington-based non-profit organizations that bring high school students to the nation's capital for lessons in civics.

It purports to "identify and honor a select group of exceptional high school students and allow them the opportunity to witness history in the making," according to the "nominating" letter it sends to students.

At least two D-average students and one expelled gang-member in the Kern High

School District have received letters nominating them to "represent California as a Congressional Scholar."

"Parents need to be cautious and even suspicious at these particular 'honors,' especially if their kid's grades don't warrant it," Bruce said. "They have to question what generated the nomination—we don't nominate to something they have to pay for.

"Who is it and what does it represent and what is the honor?" he said. "I'm suggesting the parents check with the school."

Highland High School principal Anne Scott minces no words about "special offers" to students. Congratulatory letters are a common marketing ploy, she said.

"There's tons of them," she said. "I tell my staff to deep six them."

The offer is likely legitimate, Scott said, if the school is aware of the honor, if it's competitive and if there is no or little cost to the student.

"A lot of students will bite and a lot of parents will bite on who's who in American schools," the principal said. "Letters go out to students from these organizations—from you don't know where—I say unless they pay all of your expenses, then it's not an honor.

"If your school knows nothing about it, then it's probably a scam."

Warner Brooks, assistant superintendent of instruction for the Kern High School District, agrees with Scott.

"The bottom line is, some of them, as much as people like to say they're a nonprofit agency * * * they are probably trying to make money off the kids," he said. "(The honor is) really nice for the ego of some parents, but the parents must read the fine print."

Brooks said from the district's point of view, if the activity makes any reference to cost and no mention of the school, throw it away. Parents should be suspicious about any letter that mentions scholarship.

"I would never commit directly to anybody without conferring with the scholarship person or with the guidance director," Brooks said. "It's buyer beware, and especially when it gets close to graduation time, don't let someone flim-flam you."

Most unfortunate, he said, is many of the companies prey on the good intentions of parents who are naturally proud of their children.

The California education department's Rukeyser said a 1988 state investigation uncovered several of the marketing schemes targeted at high school students and their families.

One Louisville, Ky., company, for instance, was found to have about a dozen subsidiaries under "prestigious, official" names like the United States Achievement Academy.

"Honors Scam is this pattern of private companies that make themselves appear to be other than what they are—the overt promises that somehow enhance the kids' academic future," he said. "The cast seems to change from year to year but the script doesn't."

The state's investigation included inquiries to about 80 public and private California universities' and colleges' admissions directors. They overwhelmingly responded that students' admissions applications did not improve if they attended conferences or had their names in a who's who among American high school students, the spokesman said.

Parents must investigate if the first time they have heard of the organization is through the mail. It is easy, Rukeyser said, for scam artists to print impressive stationery.

"Parents ought to be aware that there are any number of companies out there and for most people they simply aren't worth the bucks," Rukeyser said. "If they're wealthy and have money to burn, it's harmless, but for most of us who live in the real world, we have to spend our money carefully."

[From the Californian, Mar. 7, 1993]

SLICK MARKETING LETTER PROMISES "SCHOLAR" STATUS

(By Roberta Westerfield)

Arvin High School students Robert Stout and Bobby Decker each raised $1,500 last year to pay for a civics program in Washington, DC.

They washed cars, sent letters to family and friends, asked service clubs for donations, and held fund-raisers in a furious 2½-month effort to scrape up the cash.

Each of them received in the mail, like other Kern County high school students, an impressive-sounding nomination to attend a four-day civics lesson operated by the Congressional Youth Leadership Council.

"I wasn't really hot on the idea of going, but my parents said, 'Go, or else'," Decker said in an interview at his high school. "I was thinking, it's $750 (for tuition) and I don't want to be a congressman or anything and we didn't have that much money."

Decker and Stout are good students, so when the certified-mail nomination papers arrived, their parents were honored, they said. But they knew a gang-member buddy they grew up with, who had been expelled, also received a nomination.

"If this conference is supposed to be so prestigious and for the highest caliber—he's not one," Decker said. "I was (wondering) how he even got a letter—our counselor certainly wouldn't have recommended him."

What parent wouldn't swell with pride after learning their child had been nominated to represent California as a "Congressional Scholar?"

That important-sounding designation is part of the opening paragraph of a five-page certified letter sent to prospective high school participants.

What parents don't know is the "council" usually doesn't go through school authorities to find students; it direct mails from lists purchased through marketing research companies, according to the council's executive director John M. Hines.

He refuses to name the marketing research companies.

"The National Association of Secondary Principals is not keen on the fact that I contact students directly," he said.

Hines said even though the council offers an excellent government leadership program to the nation's "most exceptional" students, the schools have not been too cooperative about promoting the program, so direct mail is the most effective way to reach students.

The council is among several private, nonprofit organizations based in the greater Washington, D.C., area that offer civics programs to junior and senior high school students. However, it is the only one among the four most well-known—Close Up Foundation, Presidential Classroom and Washington Workshop—that solicits directly to homes.

It is also the most recently founded. Close Up, for example, began in 1971. The other two are older.

"The goal of the National Young Leaders Conference is to educate this select group of young people who show all the signs of being future young leaders," Hines said. "We're not expecting all these young people to be members of Congress, but they are going to be leaders in their community, their business, their church."

Asked to define a "Congressional Scholar," he said it was any student who attended his program.

Hines said the leadership council operates 24 sessions a year, each with 320 students. The students pay a $750 registration fee that includes housing at a University of Maryland dormitory and two daily meals. Lodging also is provided at the National 4–H headquarters. Transportation to and from Washington is not included.

University of Maryland, at College Park, spokesman Thomas Flynn said the university charges $24 per person for dorm facilities. The suites accommodate four to seven occupants, he said.

For a Bakersfield student, the cost of attending the Congressional Youth Leadership Council session can easily climb to $1,500.

Arvin High's Stout said he needed $750 for tuition, $350 for the airline ticket, $200 for clothes—he was required to wear a jacket, slacks, shirt and tie every day—and $200 for spending money.

"My parents both work, but it's the economic point we're in," the boy said. "They don't have a lot of extra spending money. They didn't pay for anything. I fund-raised; I sent out letters and organizations gave me money."

The council's 1991 tax forms show it grossed more than $6.3 million, the lion's share of the funds coming from tuition. Students contributed 98.7 percent of the council's revenue. Interest on savings was 1.3 percent of the revenues and public donations accounted for 0.4 percent.

Because the council is a non-profit organization, its tax forms are public documents. The Californian obtained the organization's 1987 to 1991 IRS form 990s, required of nonprofit organizations.

"It's a decent program, but what it boils down to is: who can afford it, can send their kids," said Jay Ericsson, a Bakersfield stock broker and Panama-Buena Vista School District board president.

His son Stein, who earned an appointment to West Point and is in his first year, took part in a council conference in the fall of 1991.

When Stein received the company's pitch, Ericsson said he was skeptical of the nomination, thinking it was somewhat fabricated.

"I'm sure this is a very profitable venture for these people—they write a heck of a letter," he said. "But * * * it imparts something that doesn't exist.

"Granted, it wasn't an amazing honor," Ericsson added. "It's not a scam; it's a marketing ploy, but my wife and I are very glad my son got to go."

Anne Scott, Highland High School principal, said he has seen students with D grade averages receive nominations to such conferences.

"It would be sad, very sad, for parents to be cutting out money that should be saved for college or future vocational training," Scott said. "The program may be worthwhile, but it's not essential."

Hines said the idea behind his organization began 12 years ago when Connecticut educator Barbara Harris took high school students to Washington to see the presidential inaugural.

She and the council's past vice president, Richard Rossi, have since formed the private National Capital Resources Corp., which provides employees and marketing services to the Congressional Youth Leadership Council. The 1991 tax return indicates the council paid nearly $1.2 million to National Capital Resources.

The council is not required to provide the IRS details on how that $1.2 million is spent, claiming it has no employees, but "leases" employees through Harris and Rossi.

The IRS requires non-profit organizations to list their five highest-paid employees whose compensation exceeds $30,000. The council provided this information to the IRS for the first time in 1991, but made it clear that the five highest-paid employees are employed by National Capital Resources.

North High School principal Bill Bimat said his students have attended the council's conference. "It's a money-making proposition for that company and we want to make sure our parents know that," he said. "How much are they making? The more students involved, the more money you make.

"That's maybe where the dishonesty comes in—when they purport it's an honor when it's kind of a slick marketing scheme."

North High parent William Ivers said he was glad his daughter Tammy attended the conference, even though the family had a hard time coming up with $1,400 she needed to go to Washington in 1991. The parent said he had been laid off from work and had a broken down car that he decided not to repair so his daughter could attend.

"Personally, I still think it was a good deal," he said. "I think she learned a lot—it's just I had a bad feeling about what an honor it was, because we're footing the bill for it and that to me seems backwards."

By Mr. LAUTENBERG (for himself, Mr. BRADLEY, Mrs. BOXER, and Mrs. FEINSTEIN):

S. 997. A bill to amend the Federal Water Pollution Act of 1972 to improve the quality of coastal recreation waters, and for other purposes; to the Committee on Environment and Public Works.

BEACHES ENVIRONMENTAL ASSESSMENT, CLOSURE, AND HEALTH ACT OF 1993

• Mr. LAUTENBERG. Mr. President, I introduce the Beaches Environmental Assessment, Closure, and Health [BEACH] Act of 1993. I am pleased to be joined in introducing this measure by my colleagues, Senator BRADLEY and Senator BOXER.

Coastal tourism generates billions of dollars every year for local communities nationwide. Moreover, our coastal areas provide immeasurable benefits for millions of Americans who want to build sand castles, cool off in the water, take a walk with that special someone, or just relax.

New Jersey boasts an $18 billion tourism sector, which is the second largest revenue-producing industry in the State. Without a doubt, the lure of our beaches generates most of this revenue. In 1991, 8.8 million people stayed overnight at the shore and an additional 59 million made day trips to New Jersey's beaches. Furthermore, 353,000 people serviced these visitors in some capacity, making the tourism industry the No. 1 employer in the State.

Mr. President, alarmingly, this heavily used natural resource can actually pose a threat to human health if it is not properly managed. Studies conducted during the past two decades show a definite relationship between the amount of indicator bacteria in coastal waters and the incidence of swimming-associated illnesses.

Viruses are believed to be the major cause of swimming-associated diseases—gastroenteritis and hepatitis being the most common ones worldwide. And because an individual afflicted with these diseases is contagious to others in his or her household, the risk of sewage-borne illness does not end with the bather.

Additional diseases that can be contracted by swimmers include an infection caused by the toxigenic bacteria E. Coli—the bacteria found in Jack-in-the-Box hamburgers which caused an outbreak of illnesses some months ago.

Yet, many current EPA-approved techniques to measure marine water quality appear to underestimate the true number of viable pathogens that are entering the marine environment. When States use the existing EPA guidelines, they decide whether their beach waters are safe for swimming based on monthly averages. Waters may appear safe in the long term, but short-term violations of the public health standard go unrecognized.

The existing EPA guidelines are not useful for decisionmakers who need to decide whether they should allow people to swim at the beach tomorrow or during the coming weekend. Using monthly water quality averages to determine if the beach is safe for swimming is like taking a patient's temperature average over a week to see if she is sick. Her average temperature could be just about normal. But in the meantime, she could be dead. EPA must develop new standards because existing EPA guidelines simply fall short.

While some States use these inadequate EPA guidelines, others have no water quality monitoring or notification program at all. Survey results published in the July 1992 report by the Natural Resources Defense Council [NRDC] indicate that of 22 Coastal States, only 4 have statewide water quality monitoring programs, and a mere 3 States consistently close beaches or post advisories every time bacteria water quality standards are violated. Additionally, NRDC found that a high bacteria level can cause a beach closure in one State while in another State people may be allowed to swim in the water despite equal health risks. This discrepancy among Coastal States threatens public health.

The NRDC report contains other important findings:

High levels of bacteria in coastal waters—primarily from raw human sewage—are responsible for the overwhelming majority of beach closures and advisories in the United States.

In 1991, there were over 2,000 beach closures and advisories issued against swimming, and this data includes only those Coastal States that monitor beach water quality.

The EPA-recommended guidelines for waters considered safe would result in 19 out of every 1,000 swimmers becoming sick with gastroenteritis.

New Jersey has been aggressive when it comes to protecting public health at the beach. New Jersey is the only State to mandate, by law, a bacteria standard, a monitoring program, and beach closures when the standard is exceeded. The program is designed to address water quality from both a health and an environmental perspective. Beaches are closed when bacteria levels exceed the standard regardless of the pollution source. Other States have not acted as swiftly or as honestly.

Ironically, New Jersey suffers because it does more to protect public health. In some years, annual losses from beach closures in New Jersey have ranged from $800 million to $1 billion.

The bill that I am introducing today will ensure the safety and beauty of coastal beaches across the country by establishing uniform testing and monitoring procedures for pathogens and floatables in marine recreation waters. This bill also requires EPA to establish a nationwide public health standard for determining when States should notify the public of health risks due to pathogen contaminated waters.

Is it clear that we need nationwide beach water quality standards to protect public health from pathogen-contaminated waters at beaches. This bill will make sure that need is met.

This bill requires the EPA to establish procedures to monitor coastal waters to detect short-term increases in pathogenicity and to set minimum standards to protect the public from pathogen-contaminated beach waters. And it will assure that the public is notified when beach waters exceed the standards. Under my bill, when a standard is violated, States are required to notify local officials and post signs at beaches to inform the public of the violation and any associated health risks.

Whether they're in the Carolinas or in California, in New Jersey or New York, people across the country have a right to know when the water is and is not safe to swim in. Beachgoers should be able to wade or swim in the surf without the fear of getting sick. Going to the beach should be a healthy and rejuvenating experience. A day at the beach shouldn't be followed by a day at the doctors.

Mr. President, I urge my colleagues to join me in recognizing the importance of protecting public health at our Nation's beaches by cosponsoring this legislation.

I ask unanimous consent that a copy of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 997

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Beaches Environmental Assessment, Closure, and Health Act of 1993".

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) the Nation's beaches are a valuable public resource used for recreation by millions of people annually;

(2) the beaches of coastal States are hosts to many out-of-State and international visitors;

(3) tourism in the coastal zone generates billions of dollars annually;

(4) increased population has contributed to the decline in the environmental quality of coastal waters;

(5) pollution in coastal waters is not restricted by State and other political boundaries;

(6) each coastal State has its own method of testing the quality of its coastal recreation waters, providing varying degrees of protection to the public; and

(7) the adoption of standards by coastal States for monitoring the quality of coastal recreation waters, and the posting of signs at beaches notifying the public during periods when the standards are exceeded, would enhance public health and safety.

(b) PURPOSE.—The purpose of this Act is to require uniform procedures for beach testing and monitoring to protect public safety and improve the environmental quality of coastal recreation waters.

SEC. 3. WATER QUALITY CRITERIA AND STANDARDS.

(a) ISSUANCE OF CRITERIA.—Section 304(a) of the Federal Water Pollution Control Act (33 U.S.C. 1314(a)) is amended by adding at the end the following:

"(9) COASTAL RECREATION WATERS.—(A) The Administrator, after consultation with appropriate Federal and State agencies and other interested persons, shall issue within 18 months after the effective date of this paragraph (and review and revise from time to time thereafter) water quality criteria for pathogens in coastal recreation waters. Such criteria shall—

"(i) be based on the best available scientific information;

"(ii) be sufficient to protect public health and safety in case of any reasonably anticipated exposure to pollutants as a result of swimming, bathing, or other body contact activities; and

"(iii) include specific numeric criteria calculated to reflect public health risks from short-term increases in pathogens in coastal recreation waters resulting from rainfall, malfunctions of wastewater treatment works, and other causes.

"(B) For purposes of this paragraph, the term 'coastal recreation waters' means Great Lakes and marine coastal waters commonly used by the public for swimming, bathing, or other similar primary contact purposes.".

(b) STANDARDS.—

(1) ADOPTION BY STATES.—A State shall adopt water quality standards for coastal recreation waters which, at a minimum, are consistent with the criteria published by the Administrator under section 304(a)(9) of the Federal Water Pollution Control Act (33 U.S.C. 1314(a)(9)), as amended by this Act, not later than 3 years following the date of such publication. Such water quality standards shall be developed in accordance with the requirements of section 303(c) of the Federal Water Pollution Control Act (33 U.S.C. 1313(c)). A State shall incorporate such standards into all appropriate programs into which such State would incorporate water quality standards adopted under section 303(c) of the Federal Water Pollution Control Act (33 U.S.C. 1313(c)).

(2) FAILURE OF STATES TO ADOPT.—If a State has not complied with paragraph (1) by the last day of the 3-year period beginning on the date of publication of criteria under section 304(a)(9) of the Federal Water Pollution Control Act (33 U.S.C. 1314(a)(9)), as amended by this Act, the Administrator shall promulgate water quality standards for coastal recreation waters for the State under applicable provisions of section 303 of the Federal Water Pollution Control Act (33 U.S.C. 1313). The water quality standards for coastal recreation waters shall be consistent with the criteria published by the Administrator under section 304(a)(9) of the Federal Water Pollution Control Act (33 U.S.C. 1314(a)(9)), as amended by this Act. The State shall use the standards issued by the Administrator in implementing all programs for which water quality standards for coastal recreation waters are used.

SEC. 4. COASTAL BEACH WATER QUALITY MONITORING.

Title IV of the Federal Water Pollution Control Act (33 U.S.C. 1341–1345) is amended by adding at the end thereof the following new section:

"SEC. 406. COASTAL BEACH WATER QUALITY MONITORING.

"(a) MONITORING.—Not later than 9 months after the date on which the Administrator publishes revised water quality criteria for coastal recreation waters under section 304(a)(9), the Administrator shall publish regulations specifying methods to be used by States to monitor coastal recreation waters, during periods of use by the public, for compliance with applicable water quality standards for those waters and protection of the public safety. Monitoring requirements established pursuant to this subsection shall, at a minimum—

"(1) specify the frequency of monitoring based on the periods of recreational use of such waters;

"(2) specify the frequency of monitoring based on the extent and degree of use during such periods;

"(3) specify the frequency of monitoring based on the proximity of coastal recreation waters to pollution sources;

"(4) specify methods for detecting short-term increases in pathogens in coastal recreation waters; and

"(5) specify the conditions and procedures under which discrete areas of coastal recreation waters may be exempted by the Administrator from the monitoring requirements of this subsection, if the Administrator determines that an exemption will not impair—

"(A) compliance with the applicable water quality standards for those waters; and

"(B) protection of the public safety.

"(b) NOTIFICATION REQUIREMENTS.—Regulations published pursuant to subsection (a) shall require States to notify local governments and the public of violations of applicable water quality standards for State coastal recreation waters. Notification pursuant to this subsection shall include, at a minimum—

"(1) prompt communication of the occurrence, nature, and extent of such a violation, to a designated official of a local government having jurisdiction over land adjoining the coastal recreation waters for which a violation is identified; and

"(2) posting of signs, for the period during which the violation continues, sufficient to give notice to the public of a violation of an applicable water quality standard for such waters and the potential risks associated with body contact recreation in such waters.

"(c) FLOATABLE MATERIALS MONITORING PROCEDURES.—The Administrator shall—

"(1) issue guidance on uniform assessment and monitoring procedures for floatable materials in coastal recreation waters; and

"(2) specify the conditions under which the presence of floatable material shall constitute a threat to public health and safety.

"(d) DELEGATION OF RESPONSIBILITY.—A State may delegate responsibility for monitoring and posting of coastal recreation waters pursuant to this section to local government authorities.

"(e) REVIEW AND REVISION OF REGULATIONS.—The Administrator shall review and revise regulations published pursuant to this section periodically.

"(f) DEFINITIONS.—For the purposes of this section—

"(1) the term 'coastal recreation waters' means Great Lakes and marine coastal waters commonly used by the public for swimming, bathing, or other similar body contact purposes; and

"(2) the term 'floatable materials' means any matter that may float or remain suspended in the water column and includes plastic, aluminum cans, wood, bottles, and paper products.".

SEC. 5. STUDY TO IDENTIFY INDICATORS OF HUMAN-SPECIFIC PATHOGENS IN COASTAL RECREATION WATERS.

(a) STUDY.—The Administrator, in cooperation with the Under Secretary of Commerce for Oceans and Atmosphere, shall conduct an ongoing study to provide additional information to the current base of knowledge for use for developing better indicators for directly detecting in coastal recreation waters the presence of bacteria and viruses which are harmful to human health.

(b) REPORT.—Not later than 4 years after the date of the enactment of this Act, and periodically thereafter, the Administrator shall submit to the Congress a report describing the findings of the study under this section, including—

(1) recommendations concerning the need for additional numerical limits or conditions and other actions needed to improve the quality of coastal recreation waters;

(2) a description of the amounts and types of floatable materials in coastal waters and on coastal beaches and of recent trends in the amounts and types of such floatable materials; and

(3) an evaluation of State efforts to implement this Act, including the amendments made by this Act.

SEC. 6. GRANTS TO STATES.

(a) GRANTS.—The Administrator may make grants to States for use in fulfilling requirements established pursuant to section 3 and 4.

(b) COST SHARING.—The total amount of grants to a State under this section for a fiscal year shall not exceed 50 percent of the cost to the State of implementing requirements established pursuant to section 3 and 4.

SEC. 7. DEFINITIONS.

In this Act—

(1) the term "Administrator" means the Administrator of the Environmental Protection Agency;

(2) the term "coastal recreation waters" means Great Lakes and marine coastal wa-

ters commonly used by the public for swimming, bathing, or other similar body contact purposes; and

(3) the term "floatable materials" means any matter that may float or remain suspended in the water column and includes plastic, aluminum cans, wood, bottles, and paper products.

SEC. 8. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated to the Administrator—

(1) for use in making grants to States under section 6 not more than $3,000,000 for each of the fiscal years 1994 and 1995; and

(2) for carrying out the other provisions of this Act not more than $1,000,000 for each of the fiscal years 1994 and 1995.•

By Mr. BINGAMAN (for himself and Mr. MOYNIHAN):

S. 998. A bill to promote social, cultural, and historic awareness of communities that are homes to Federal buildings, and for other purposes; to the Committee on Environment and Public Works.

ART-IN-ARCHITECTURE ACT OF 1993

• Mr. BINGAMAN. Mr. President, I rise today to introduce legislation that will enhance the use of public artwork in Federal buildings.

Mr. President, for 30 years the General Services Administration has set aside ½ of 1 percent of the cost of Federal building development for the acquisition of art. Since this program, called Art-in-Architecture, began in 1963, it has been operating at the discretion of the GSA Administrator, without formal congressional authority. On the program's 30th anniversary it is fitting that Congress formally authorize this program. In addition to providing permanent authorization, my legislation also incorporates some of the lessons learned in the operation of the program.

Community involvement, for example, is imperative for the success of the program. Over the years, a system has developed that gives a voice to local communities through the use of art selection panels. Composed of lay people and art professionals, these panels meet early in the development of Federal buildings, review the work of living American artists, and recommended an artist for the project to the GSA. The legislation I am offering today will strengthen this process by giving formal authority for community participation in the selection of artists, and by lessening the likelihood that their recommendations will be overruled for capricious reasons.

This legislation also significantly reduces the barriers faced by the GSA in commissioning art. Currently, the Art-in-Architecture Program is technically bound by standard Federal procurement law. The standard procurement process is designed to ensure that the Government gets the best goods at the best price, and incorporates a competitive bidding process. Unfortunately, procedures that use cost as a primary determining factor are not very practical in the procurement of art. While cost is not an irrelevant factor, artistic merit must be the primary factor in art procurement. My legislation provides for a selection process that allows this to occur.

Mr. President, the Federal buildings in communities throughout the Nation should reflect and be a true part of those communities. The Art-in-Architecture Program provides a means to achieving those goals through the common bond of art chosen with the input of the community. I feel it is only right that Congress recognize the importance of creating this bond and enhance the process through which it takes place.•

By Mr. CHAFEE:

S. 999. A bill to amend the Foreign Trade Zones Act to allow foreign trade zones to be established where a regional commission involving more than one State will coordinate zone activities; to the Committee on Finance.

FOREIGN TRADE ZONE ACT AMENDMENTS OF 1993

• Mr. CHAFEE. Mr. President, today I am offering legislation to amend the Foreign Trade Zone Act of 1934 for a modest but important purpose: to endow regional entities with special powers to apply for multiple foreign trade zones and subzones within their jurisdiction. I am making this proposal on behalf of small States, such as Rhode Island and Connecticut, whose economic fortunes are inextricably linked. In my view, allowing regional groups to coordinate the special development efforts involved with foreign trade zones would improve the program's performance and contribute to well-planned, sustainable regional economic growth.

Let me state at the outset, Mr. President, that the foreign trade zones program has been a success. For those who are not familiar with the program, here are a few details. Since 1934, the Federal Government has allowed private and public corporations to establish well-defined areas within or near ports of entry that are, for U.S. Customs purposes, outside the territory of the United States. Inventories maintained in these zones are granted special treatment, including deferment of duties, which is enjoyed until the goods are actually moved into U.S. Customs territory. Special permission may be granted to zone operators to conduct certain kinds of manufacturing within zones as well. Manufacturers are able to use zone benefits to defer duties on components from abroad, thus reducing their costs of production, especially on items intended for export.

Economic activity within foreign trade zones has increased from about $15 billion in fiscal year 1984 to nearly $85 billion in fiscal year 1991. In the latter year, 2,220 businesses took advantage of zone status, employing nearly 238,900 people in the process. Clearly, Mr. President, this program has been a boon to some of our most competitive businesses, and a strong support for the full utilization of our port facilities. I would like to compliment the Foreign Trade Zone Board and its executive director for their fine management of their responsibilities.

Why, then, might we want to amend this arrangement? In smaller States, such as Rhode Island, Connecticut, and Massachusetts, the paperwork, staffing, and marketing efforts needed to apply successfully for and utilize zones are unnecessarily redundant. Furthermore, economic events in Connecticut, for example, inevitably affect the Rhode Island economy. Farsighted leaders in the export sector frequently conduct meetings on a regional level, and view our region, not our separate States, as the best planning unit for export enhancement. The same factors may well be present all along the eastern seaboard, where business and transportation linkages cross the borders of one or more States.

Currently, however, applications for zones are limited to public and private corporations within individual States. Two States sharing one port of entry must each apply for a zone on their own. The same is true when two highly complementary ports of entry, well connected by overland transportation linkages, are more distant from one another. What my proposal does, Mr. President, is to enable regional bodies, authorized by the State legislatures of all the States involved, to present the Foreign Trade Zone Board with a regional foreign trade zone plan. If the Board approves this plan, according to some of the same criteria already present in zone regulations, the regional body would then be able to apply for multiple zones and subzones in accordance with the plan. As far as zone operation is concerned, all existing regulations would apply. That is to say, each zone would have to have its own administrator, and would collect fees from participating businesses as under the existing regulatory framework.

The benefits of making the minor change I propose would be significant for the areas that are able to take advantage of them. All of the zones within the region could be marketed jointly by the States involved. Potential applicants in one State that wish to be linked to activities in another State would not have to try to convince their own local economic development authorities of the wisdom of such an arrangement; regional entities would look for opportunities that extend across State lines. Finally, regional entities would be able to incorporate both business and government interests into one applying authority, increasing business-government cooperation for the good of those who work and reside in areas near zones.

In conclusion, Mr. President, I believe my suggestion involves no more than a modest improvement upon a system that is working well. I have an open mind toward other suggestions by my colleagues for improvement of program performance, and where possible am interested in cooperating in joint, bipartisan legislation to make those improvements. I look forward to the adoption of this legislation.●

By Mr. LIEBERMAN:

S. 1001. A bill to strengthen United States laws to enforce economic embargoes against foreign countries pursuant to a declaration of national emergency or U.N. Security Council measures, and for other purposes; to the Committee on Foreign relations.

INTERNATIONAL SANCTIONS ENFORCEMENT ACT OF 1993

Mr. LIEBERMAN. Mr. President, today I would like to introduce legislation that would toughen penalties against persons and companies who violate the U.N. Security Council sanctions imposed against Libya for its involvement in the destruction of Pan Am flight 103. I am glad to say that this legislation is fully supported by the State Department and the Treasury Department.

This legislation is needed because foreign companies continue to do business with Libya in violation of the U.N. embargo. According to executive branch sources, perhaps a dozen foreign companies in Europe and elsewhere continue to supply parts or otherwise do business with Libya in violation of the U.N. sanctions. Congress should, therefore, enact legislation that would impose economic penalties. My legislation would prohibit these firms from obtaining exports or services from the United States and prevent them from selling goods or services to us.

A related provision, section 7, would increase by tenfold, to $100,000, the civil penalties for Americans who violate the existing U.S. trade sanctions under IEAPA, the International Emergency Economic Powers Act. Stiff criminal penalties already exist, but the increase in civil penalties would be a useful additional step.

Another provision is aimed at Americans who continue to work in Libya despite government warnings and prohibitions. The State Department estimates there are about 500 Americans still working in Libya, mainly in the oil industry. Many of them apparently slip into Libya through neighboring countries. It is time to increase the penalties against them and promote more vigorous law enforcement efforts. Section 4 would increase civil penalties for misuse of U.S. passports from $2,000 to $50,000.

Two other provisions are designed to add to the existing sanctions against Libya.

One would authorize banning air service to the United States of airlines controlled by any country violating sanctions, section 5. It is similar to legislation first used in the 1986 Comprehensive Anti-Apartheid Act of 1986 and also in the CBW sanctions of the State Department Authorization Act for 1992–93.

Another provision would ban the shipment of technical publications to Libya, section 6. This is intended to curtail "how to do it" manuals and other technical data that might help Libya's economy. It has nothing to do with the free exchange of political ideas.

And finally the bill includes a provision that would help protect foreign individuals who provided information that either prevented terrorist attacks or assisted in apprehending and prosecuting terrorists. Section 3 would facilitate relocating to the U.S. participants in the State Department's counterterrorism rewards program. In the course of preparations for a hearing I conducted last year for the Governmental Affairs Committee, we learned that, during the Iraqi war, there were difficulties using existing immigration or other legislation to quickly relocate to the United States, persons who needed protection as a result of their helping to prevent terrorist attacks against U.S. targets.

Mr. President, I believe it is extremely important that the U.S. Congress do what it can to help back up and support the U.N. sanctions. I consulted with administration officials in drafting this legislation and believe it will help strengthen our mutual efforts to enforce the sanctions and deter future terrorist acts.

By way of reference, this legislation seeks to support U.N. Security Council Resolution 748, which was adopted in March 1992. These mandated sanctions have:

Interrupted air service to or from Libya. This means that all but specially approved humanitarian flights have been banned into or out of Libya.

Prohibited the sale of aircraft, spare parts, and related services, and prevent the operation of all Libyan Arab Airlines offices.

Imposed an arms embargo and prohibit any foreign military advisers from working in Libya.

Reduced the number and level of staff at Libyan diplomatic missions.

The sanctions will remain in effect until the Security Council determines that Libya has complied fully with the requests made by the U.N. Security Council in Resolution 731, which was adopted in January 1992. These require Libya to:

Surrender the two Libyans indicted for bombing Pan Am flight 103 for trial in the United States or United Kingdom, and accept responsibility for their actions.

Disclose all relevant information about the crime.

Pay appropriate compensation.

Cease all terrorist actions and support of terrorist groups, which it must prove by concrete actions.

Mr. President, this bill will serve to further isolate Libya. If terrorist states, such as Libya, are completely isolated by the international community, they will be relegated to being parish states—a status that they deserve. Such a status will discourage other states, who are tempted to follow Libya's example, from doing so. The families who lost loved ones in the destruction of Pan Am 103 have suffered an irreparable tragedy. We must learn from this calamity and ensure that it never happens again. I believe that the passage of this bill advances that goal.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1001

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "International Sanctions Enforcement Act of 1993".

SEC. 2. IMPOSITION OF SANCTIONS.

(a) DETERMINATION BY THE PRESIDENT.—

(1) IN GENERAL.—If the President determines that a foreign person, on or after the date of the enactment of this section, has knowingly violated United Nations Security Council Resolution 748 imposing sanctions against Libya, he is authorized to impose the sanctions described in subsection (c).

(2) PERSONS AGAINST WHICH SANCTIONS ARE TO BE IMPOSED.—Sanctions may be imposed pursuant to paragraph (1) on—

(A) the foreign person with respect to which the President makes the determination described in that paragraph;

(B) any successor entity to that foreign person;

(C) any foreign person that is a parent, subsidiary, or co-venture of that person if that parent, subsidiary, or co-venture knowingly and materially assisted in the activities which were the basis of that determination; and

(D) any foreign person that is an affiliate of that person if that affiliate knowingly and materially assisted in the activities which were the basis of that determination and if that affiliate is controlled in fact by that foreign person.

(3) OTHER SANCTIONS AVAILABLE.—The sanctions which may be imposed for activities described in this subsection are in addition to any other sanction which may be imposed for the same activities under any other provision of law.

(b) CONSULTATION WITH AND ACTIONS BY FOREIGN GOVERNMENT OF JURISDICTION.—

(1) CONSULTATIONS.—If the President makes a determination described in subsection (a)(1) with respect to a foreign person, the Congress urges the President to initiate consultations immediately with the government with primary jurisdiction over that foreign person with respect to the imposition of sanctions pursuant to this section.

(2) ACTIONS BY GOVERNMENT OF JURISDICTION.—In order to pursue such consultations

with that government, the President may delay imposition of a sanction pursuant to this section for up to 90 days. Following these consultations, the President shall impose a sanction unless the President determines and certifies to the Congress that that government has taken specific and effective actions, including appropriate penalties, to terminate the involvement of the foreign person in the activities described in subsection (a)(1). The President may delay the imposition of a sanction for up to an additional 90 days if the President determines and certifies to the Congress that that government is in the process of taking the actions described in the previous sentence.

(3) REPORT TO CONGRESS.—Not later than 90 days after making a determination under subsection (a)(1), the President shall submit to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives a report on the status of consultations with the appropriate government under this subsection, and the basis for any determination under paragraph (2) of this subsection that such government has taken specific corrective actions.

(c) SANCTIONS.—The sanctions to be imposed pursuant to subsection (a)(1) are, except as provided in subsection (d), that no United States person shall, either directly or indirectly, procure, import, sell, export, or otherwise provide or enter into any contract to procure, import, sell, export, or otherwise provide any goods, technology, or services to or from any person described in subsection (a)(2).

(d) EXCEPTIONS.—(1) The sanctions of subsection (c) shall not apply—

(A) in the case of procurement by the United States Government of vital defense articles or defense services which cannot readily and reasonably be acquired in sufficient quantities from other nonsanctioned foreign persons and which are essential to satisfy current United States operational military needs; or

(B) with respect to medical or other humanitarian items.

(2) Whenever the President makes a determination under this subsection to exempt certain goods, technology, or services from the sanctions of subsection (c), the President shall submit a report to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate stating the reasons for such exemption.

(e) TERMINATION OF SANCTIONS.—Sanctions imposed pursuant to this section shall apply for a period of at least 12 months following the imposition of the sanctions and shall cease to apply thereafter only if the President determines and certifies to the Congress that—

(1) reliable information indicates that the foreign person with respect to which the determination was made under subsection (a)(1) has ceased to violate United Nations Security Council Resolution 748 with respect to Libya; and

(2) the President has received reliable assurances from the foreign person that such person will not, in the future, violate United Nations Security Council Resolution 748 with respect to Libya.

(f) WAIVER.—

(1) CRITERION FOR WAIVER.—The President may waive the application of any sanction imposed on any person pursuant to this section, after the end of the 12-month period beginning on the date on which that sanction was imposed on that person, if the President determines and certifies to the Congress that the continued imposition of the sanction would have a serious adverse effect on vital United States interests.

(2) NOTIFICATION OF AND REPORT TO CONGRESS.—If the President decides to exercise the waiver authority provided in paragraph (1), the President shall so notify the Congress not less than 20 days before the waiver takes effect. Such notification shall include a report fully articulating the rationale and circumstances which led the President to exercise the waiver authority.

(g) ADMINISTRATION AND ENFORCEMENT.—(1) The President may delegate his authority under this section to the Secretary of the Treasury.

(2) Consistent with the provisions of this section, the authorities of the International Emergency Economic Powers Act which relate to the administration and enforcement of that Act shall apply to the administration and enforcement of sanctions imposed under this section.

(3) Section 206 of the International Emergency Economic Powers Act (50 U.S.C. 1705), relating to civil and criminal penalties, shall apply to violations of sanctions imposed under this section to the same extent and in the same manner as such penalties apply to violations of licenses, orders, or regulations under that Act.

(h) DEFINITIONS.—For the purposes of this section—

(1) the term "foreign person" includes—

(A) any individual who is neither a citizen of the United States nor an alien lawfully admitted for permanent residence to the United States;

(B) any corporation, partnership, association, organization or other entity which is created or organized under the laws of a foreign country or which has its principal place of business outside the United States; or

(C) any agency or instrumentality of a foreign government; and

(2) the term "United States person" means—

(A) any United States citizen or permanent resident alien;

(B) juridical person organized under the laws of the United States or any jurisdiction within the United States, including any foreign branch;

(C) any person in the United States; or

(D) the United States Government or any agency or instrumentality thereof.

SEC. 3. PROTECTION OF PARTICIPANTS IN THE REWARDS PROGRAM.

Subsection 36(e) of the State Department Basic Authorities Act (22 U.S.C. 2708) is amended by inserting "(1)" immediately following "(e)" and adding the following new paragraph:

"(2)(A) Whenever the information which would justify a reward under subsection (a) is furnished by an alien and the Secretary of State and the Attorney General jointly determine that the protection of such alien or the alien's immediate family requires the admission of such alien or aliens to the United States, then such alien, and the alien's immediate relatives, if necessary, may be issued visas and admitted to the United States for permanent residence, without regard to the requirements of the Immigration and Nationality Act (8 U.S.C. 1101 et seq.).

"(B) The total number of aliens admitted to the United States under subparagraph (A) shall not exceed 25 in any one fiscal year.

"(C) For purposes of this paragraph, the term 'immediate relative' has the same meaning given to such term in section 201(b)(2) of the Immigration and Nationality Act (8 U.S.C. 1151(b)(2)).".

SEC. 4. INCREASE IN CRIMINAL PENALTIES FOR THE MISUSE OF PASSPORTS.

Section 1544 of title 18, United States Code, is amended—

(1) by striking "$2,000" and inserting in lieu thereof "$50,000"; and

(2) by striking "five years" and inserting in lieu thereof "ten years".

SEC. 5. SANCTION ON FOREIGN AIR TRANSPORTATION.

(a) DETERMINATION.—Whenever the President determines that a country is not complying with United Nations Security Council Resolution 748 with respect to Libya, he shall so certify to the Congress.

(b) NOTIFICATION OF FOREIGN GOVERNMENT.—(1) The President is authorized to notify the government of a country with respect to which the President has made a determination pursuant to subsection (a) of his intention to suspend the authority of foreign air carriers owned or controlled by the government of that country to engage in foreign air transportation to or from the United States.

(2) Within 10 days after the date of notification of a government under paragraph (1), the Secretary of Transportation shall take all steps necessary to suspend at the earliest possible date the authority of any foreign air carrier owned or controlled, directly or indirectly, by that government to engage in foreign air transportation to or from the United States, notwithstanding any agreement relating to air services.

(c) TERMINATION OF AIR SERVICE AGREEMENTS.—(1) The President may direct the Secretary of State to terminate any air service agreement between the United States and a country with respect to which the President has made a determination pursuant to subsection (a), in accordance with the provisions of that agreement.

(2) Upon termination of an agreement under this subsection, the Secretary of Transportation shall take such steps as may be necessary to revoke at the earliest possible date the right of any foreign air carrier owned, or controlled, directly or indirectly, by the government of that country to engage in foreign air transportation to or from the United States.

(d) EXCEPTIONS.—The Secretary of Transportation may provide for such exceptions from subsections (b) and (c) as the Secretary considers necessary to provide for emergencies in which the safety of an aircraft or its crew or passengers is threatened.

(e) DEFINITIONS.—For purposes of this section, the terms "air transportation", "air carrier", "foreign air carrier", and "foreign air transportation" have the meanings such terms have under section 101 of the Federal Aviation Act of 1958 (49 U.S.C. App. 1301).

SEC. 6. LIMITATION ON TRANSFERS OF INFORMATIONAL MATERIALS.

(a) AMENDMENT TO THE INTERNATIONAL EMERGENCY ECONOMIC POWERS ACT.—Section 203(b)(3) of the International Emergency Economic Powers Act (50 U.S.C. 1702(b)(3)) is amended by inserting before the period at the end thereof the following: ", except that informational materials do not include materials containing technical or commercial data of value to the economy of a foreign country whose transactions are otherwise regulated or prohibited under this section".

(b) AMENDMENT TO THE TRADING WITH THE ENEMY ACT.—Section 5(b)(4) of the Trading With the Enemy Act (50 U.S.C. App. 5(b)(4)) is amended by inserting before the period at the end thereof the following: ", except that informational materials do not include materials containing technical or commercial data of value to the economy of a foreign country whose transactions are otherwise regulated or prohibited under this section''.

SEC. 7. INCREASE IN CIVIL PENALTIES.

Section 206(a) of the International Emergency Economic Powers Act (50 U.S.C. 1705(a)) is amended by striking out "$10,000" and inserting in lieu thereof "$100,000".

SEC. 8. STATEMENT OF CONSTRUCTION.

Nothing in this Act restricts or limits any authority contained in or actions taken pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701–1706) the Trading with the Enemy Act (50 U.S.C. App. 5(b)), or any other authority under which economic sanctions have been or may be imposed and enforced.

By Mr. HATCH (for himself, Mr. KENNEDY, Mr. CHAFEE, Mr. BINGAMAN, Mr. JEFFORDS, Mr. THURMOND, Mrs. KASSEBAUM, Ms. MIKULSKI, Mr. SIMON, Mr. DODD, Mr. WALLOP, Mr. DOMENICI, Mr. DANFORTH, Mr. DURENBERGER, and Mr. HARKIN):

S. 1002. A bill to require each recipient of a grant or contract under section 1001 of the Public Health Service Act to provide information concerning breast and cervical cancer; placed on the calendar.

THE BREAST AND CERVICAL CANCER INFORMATION ACT

Mr. HATCH. Mr. President, 2 weeks ago we had a poignant reminder about the importance of breast cancer prevention and treatment. The National Breast Cancer Coalition exhibited a compelling photographic essay, "The Faces of Breast Cancer," in the Russell Building Rotunda.

Photographs of women with breast cancer were displayed from all 50 States. They included a photo of a very brave Utahn, Judy Carlson, whose unsuccessful struggle against breast cancer motivates us all to continue to fight to eradicate this disease.

The Breast Cancer Coalition recognized in its outstanding photo essay that this year 46,000 American women are expected to die from breast cancer. When I joined the Labor and Human Resources Committee in 1977, 1 out of each 13 women in the United States was diagnosed with breast cancer each year. Last year, we were all shocked to learn that the rate had risen to 1 in 9.

We've simply got to devote more attention to this at the national level. I agree with the Breast Cancer Coalition's conclusion that the eradication of breast cancer needs to become a national priority. That is the motivation for the Breast and Cervical Cancer Information Act, which I am introducing today with the support of my good friend and colleague, the chairman of the committee, Senator KENNEDY, and with the cosponsorship of Senators CHAFEE, BINGAMAN, and JEFFORDS.

Mr. President, in February, we worked diligently to ensure speedy passage of S. 1, the National Institutes of Health reauthorization. One of the highlights of that landmark legislation is its commitment to furthering women's health, which for all too long has taken a back seat in our Government's health research and services delivery programs.

It is in the spirit of that Federal recognition for and commitment to women's health needs that Senator KENNEDY and I have drafted the Breast and Cervical Cancer Information Act. The philosophy that motivated the Congress to provide increased funds for breast and cervical cancer research and other women's health research at NIH should be extended where appropriate to all of our Public Health Service programs, including title X.

Our legislation is simple. Title X grantees will be mandated to provide information to clients about breast and cervical cancer. They will provide women with information on the need for breast self-exams, help teach them the skills for self-examination, and, when appropriate, refer for screening and treatment.

Let me clarify that it is not my intent that title X provide mammograms or treatment, or that other costly burdens be imposed upon clinics. But clinics certainly can play a role in information and referral. Title X clinics offer an excellent opportunity to provide women who may not otherwise have ready access information with knowledge on how breast and cervical cancer can be detected.

I think this bill is consistent with the goal of title X, which is to encourage development of strong families.

It behooves us to send a signal at the Federal level that we will do all we can to help prevent, detect, and treat breast and cervical cancer. I intend to work with the committee to ensure that similar provisions are made effective for all of the Public Health Service delivery programs.

I am gratified by the support and advice of my colleague from Massachusetts, Senator KENNEDY, in drafting this bill and moving it forward. This is not a controversial bill. It is supported on the House side. I hope that my colleagues will join with me in giving the Breast and Cervical Cancer Information Act swift approval, S. 1002.

Mr. KENNEDY. Mr. President, I am pleased to be an original cosponsor of Senator HATCH's bill to ensure that women receiving publicly funded family planning services receive needed information about breast and cervical cancer.

Originally this proposal was to have been offered as an amendment to the title X reauthorization that the Labor Committee favorably reported at our last markup, but my friend from Utah agreed with me that we should report that House-passed bill without amendment, and that we should move this proposal as a free-standing bill.

Each year, a network of 4,000 family planning clinics around the country provides medical and educational services to over 5 million low-income women and teenagers.

In addition to the family planning services which are at the heart of the title X program, these clinics are often the only place where many women, particularly those under the age of 35, receive needed medical care and information about breast and cervical cancer. This is an important component of the work of these clinics, and it is part of the comprehensive reproductive health care for which these clinics are noted.

This bill ensures that at a minimum, each grant recipient will offer to its clients appropriate information about these diseases, and appropriate referrals for treatment and other services.

It is not our intent that this bill limit the services that clinics already provide. For example, many clinics already provide screening for breast and cervical cancer, and we want to encourage such preventive health care. The fact that this bill requires one particular service—namely the provision of information about certain diseases—should not be construed to limit the legal or medical obligation of the clinics to provide other services such as appropriate screenings.

This blll highlights one important service, and I commend the Senator from Utah for bringing this important matter before the committee.

Mr. THURMOND. Mr. President, I rise as an original cosponsor of the Breast Cancer Information Act. This legislation will require recipients of a grant or contract under title X of the Public Health Service Act to provide information concerning breast and cervical cancer.

Mr. President, breast cancer is the second leading cause of cancer mortality behind lung cancer, among women. One in nine women will contract breast cancer at some point in her lifetime. Since the early 1970's, the incidence of breast cancer has increased between 1 and 2 percent per year.

The American Cancer Society estimates that in 1993, 46,000 women will die of breast cancer and 182,000 new cases will be diagnosed. In my home State of South Carolina, last year, there were 7,000 deaths related to cancer; 550 of those 7,000 deaths were due to breast cancer.

Mr. President, studies have shown that screening with mammography and early detection dramatically reduces the mortality rate. I believe this legislation will help increase the awareness of breast cancer and cervical cancer among women, and hopefully reduce the amount of preventable deaths caused by breast cancer.

By Mr. MOYNIHAN (for himself, Mr. PACKWOOD, Mr. ROCKEFELLER, and Mr. CHAFEE):

S. 1003. A bill to provide authority for the President to enter into trade agreements to conclude the Uruguay round of multilateral trade negotiations under the auspices of the General Agreement on Tariffs and Trade, to extend tariff proclamation authority to carry out such agreements, and to apply congressional fast-track procedures to a bill implementing such agreements; to the Committee on Finance.

FAST TRACK AUTHORIZATION RENEWAL FOR THE URUGUAY ROUND

• Mr. MOYNIHAN. Mr. President, I am pleased to join with the distinguished ranking member of the Finance Committee, Senator PACKWOOD, and with Senators ROCKEFELLER and CHAFEE in introducing legislation requested by the President, to renew fast track procedures for a trade agreement under the Uruguay round of GATT negotiations.

Fast-track procedures, for which current authority expires on May 31, assure consideration of trade agreements without amendment, providing our trading partners assurance that the Congress will implement in full, or not at all, trade agreements negotiated by our Government. At the same time, these procedures also assure that the administration consult with Congress before entering into such agreements, as they have done quite effectively thus far through the Uruguay round negotiations.

Ambassador Mickey Kantor, the U.S. Trade Representative, requested of the Finance Committee this morning that we in Congress consider and approve legislation renewing fast-track procedures, without amendment, prior to the next G-7 economic summit early July.

The bill we are introducing today would renew fast-track procedures for any Uruguay round agreements entered into by April 15, 1994. The bill also requires that the President notify the Congress by December 15 of this year of his intent to enter into any such agreements. This extends the period of advance congressional notification to 120 days, instead of the 90 days' notification required by the current fast-track authority.

As I said to Ambassador Kantor this morning, it is high time that we conclude the Uruguay round, and begin to enjoy the benefits of our negotiators' prolonged labors, now ongoing for 7 years. I hope that my colleagues will join me in granting this fast-track renewal, without amendment, in order to allow for the conclusion of the Uruguay round. I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1003

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION. 1. EXTENSION OF URUGUAY ROUND TRADE AGREEMENT NEGOTIATING AND PROCLAMATION AUTHORITY AND OF "FAST TRACK" PROCEDURES TO IMPLEMENTING LEGISLATION.

Section 1102 of the Omnibus Trade and Competitiveness Act of 1988 (19 U.S.C. 2902) is amended by inserting at the end the following new subsection:

"(e) SPECIAL PROVISIONS REGARDING URUGUAY ROUND TRADE NEGOTIATIONS.—

"(1) IN GENERAL.—Notwithstanding the time limitations in subsections (a) and (b), if the Uruguay Round of multilateral trade negotiations under the auspices of the General Agreement on Tariffs and Trade has not resulted in trade agreements by May 31, 1993, the President may, during the period after May 31, 1993, and before April 16, 1994, enter into, under subsections (a) and (b), trade agreements resulting from such negotiations.

"(2) APPLICATION OF TARIFF PROCLAMATION AUTHORITY.—No proclamation under subsection (a) to carry out the provisions regarding tariff barriers of a trade agreement that is entered into pursuant to paragraph (1) may take effect before the effective date of a bill that implements the provisions regarding nontariff barriers of a trade agreement that is entered into under such paragraph.

"(3) APPLICATION OF IMPLEMENTING AND 'FAST TRACK' PROCEDURES.—Section 1103 applies to any trade agreement negotiated under subsection (b) pursuant to paragraph (1), except that—

"(A) in applying subsection (a)(1)(A) of section 1103 to any such agreement, the phrase 'at least 120 calendar days before the day on which he enters into the trade agreement (but not later than December 15, 1993),' shall be substituted for the phrase 'at least 90 calendar days before the day on which he enters into the trade agreement'; and

"(B) no provision of subsection (b) of section 1103 other than paragraph (1)(A) applies to any such agreement and in applying such paragraph, 'April 16, 1994;' shall be substituted for 'June 1, 1991;'.

"(4) ADVISORY COMMITTEE REPORTS.—The report required under section 135(e)(1) of the Trade Act of 1974 regarding any trade agreement provided for under paragraph (1) shall be provided to the President, the Congress, and the United States Trade Representative not later than 30 days after the date on which the President notifies the Congress under section 1103(a)(1)(A) of his intention to enter into the agreement (but before January 15, 1994).".•

• Mr. PACKWOOD. Mr. President, as the ranking member of the Finance Committee, I join Senator MOYNIHAN in introducing renewal of the President's fast-track negotiating authority to give him the opportunity to conclude the Uruguay round GATT negotiations. Quite frankly, I cannot think of a more important trade tool a U.S. President has than his fast-track negotiating authority. This authority allows the President to sit down with our trading partners and negotiate trade deals. All the time confident that the deal cut, will be the deal voted on by Congress—up or down, no amendments, within a fixed time period. In my view, any President, Republican or Democrat should have this authority. President Clinton is no exception. This is an essential tool to his trade policy agenda.

President Clinton has asked for a 10½-month extension of his fast-track authority to conclude Uruguay round GATT negotiations. Congress needs to approve the President's request. If approved, the GATT negotiations will have to be completed by December 15, 1993—which is 4 months before the new authority expires, April 16, 1994. The negotiating authority will only be used for the GATT discussions. If the President wants to pursue other bilateral trade negotiations—and I hope and strongly encourage him to soon initiate free trade agreement negotiations with Chile—he will need new, separate authority from the Congress.

Fast-track negotiating authority reflects a successful partnership between Congress and the President which began almost two decades ago. In exchange for a commitment by the administration for full congressional consultation, Congress grants the President the authority to negotiate multilateral and bilateral trade agreements and submit the final agreements to Congress on a time-limited, no amendment basis. Despite the name, the fast-track procedure is anything but fast and does not confine Congress' role in the negotiations or in implementing the final agreement.

By providing fast-track authority, the Congress is simply giving the President the same bargaining power possessed by our trading partners who operate under parliamentary systems—the ability to ensure that the agreement reached internationally would be the agreement voted on at home. Without fast-track the President cannot assure our negotiating partners that the deal they strike is the deal that will be voted on by Congress. After all, what trading partner would give its bottom line knowing that the bargain could be reopened by Congress?

Each of us has pressed USTR to work to eliminate foreign barriers worldwide. What we must understand is that a successful conclusion to the Uruguay round gives the United States its best opportunity to eliminate a wide variety of foreign trade barriers to a whole array of U.S. goods and services.

For example, the Uruguay round negotiations give us our greatest chance to: Press the Europeans and Japanese to dismantle the web of agriculture protection and subsidies they have provided their inefficient farmers for years—often to the detriment of United States farmers and other efficient agriculture exporting nations; break down tariff and nontariff barriers to U.S. manufactured products and other goods, which could increase U.S. output by over $1 trillion over the next 10 years; mandate the creation and enforcement of international rules to protect the intellectual property of U.S. entrepreneurs, who have been ripped off by up to $60 billion annually through the theft and counterfeiting of their ideas; and open new markets for U.S. service firms, which export $115 billion annually and generate 90 percent of new U.S. jobs.

Of course no one can guarantee that the Uruguay round will end successfully. What is certain is that failure to extend fast-track authority will immediately end the negotiations, completely destroy any and all prospects for world economic growth and cooperation, and increase worldwide pressure to raise new trade and investment barriers to some of our best exports.

In conclusion, Mr. President, I strongly urge that we give the President a clean extension of his fast-track authority so he can work to conclude the Uruguay round. I think we should pass it soon, and we should pass it without amendment.•

By Mr. BROWN (for himself, Mr. CRAIG, Mr. D'AMATO, Mr. GRASSLEY, Mr. GREGG, Mr. NICKLES, Mr. LUGAR, and Mr. LOTT):

S. 1004. A bill to limit amounts expended by certain governments entities for overhead expenses; to the Committee on Governmental Affairs.

DEFICIT REDUCTION LEGISLATION

• Mr. BROWN. Mr. President, the taxpayers of this country are demanding that we reduce the deficit. Some support higher taxes, others are willing to accept fewer benefits and services. But whatever their preference, all taxpayers agree wasteful Government spending should be cut before any additional burden is placed on the working men and women of the country.

The challenge literally is to find the fat, to cut out areas where we can trim and reduce the deficit without endangering the solid, good programs that help the people of our country.

The legislation I am introducing today trims $26.6 billion from the growth of administrative and overhead costs of the Federal Government. Our legislation will freeze administrative costs in fiscal years 1994-95, and limit future increases to the rate of inflation through 1998. This proposal was supported by 48 Senators during consideration of the budget resolution this year.

The President has pledged to cut 100,000 employees from the Federal work force. This bill would similarly control the overhead that supports those people. Do we need to spend more than $2.4 billion on travel for fewer Government officials? Our bill will hold this spending steady for 2 years.

In these tight budget times, OMB estimates the Government will spend over $15.4 billion on new building construction and improvements this year. There is no justification for increasing this spending next year.

Administrative costs are identified as OMB object classes 20 and 30 listed in Circular No. A-11. These areas include travel and transportation, rental payments, printing, materials and supplies, equipment, and real estate acquisitions. Our legislation does not include Department of Defense because Congress will consider comprehensive changes to its entire budget, nor does it include the Postal Service because it is accounted for off-budget.

This proposal is not draconian, it does not cut vital programs, but simply places needed controls on spending. The Government spending areas identified in this proposal increased more than 11.2 percent in fiscal year 1992. CBO estimates this legislation will save $26.6 billion through fiscal year 1998.

Every business in America, when they come upon difficult times, look to overhead expenses as an area to save money and improve the financial standing of the company. If we cannot save on overhead, we cannot save anywhere.•

By Ms. MOSELEY-BRAUN (for herself, Mr. BRADLEY and Mr. SIMON):

S. 1005. A bill to amend section 520 of the Cranston-Gonzalez National Affordable Housing Act to authorize the Secretary of Housing and Urban Development to make grants to establish midnight basketball league training and partnership programs incorporating employment counseling, job training, and other educational activities for residents of public housing and federally assisted housing and other low-income families; to the Committee on Banking, Housing, and Urban Affairs.

THE MIDNIGHT BASKETBALL LEAGUE TRAINING AND PARTNERSHIP ACT OF 1993

• Ms. MOSELEY-BRAUN. Mr. President, on spring and summer days around our Nation, you can go to literally thousands of parks and see young Americans playing little league basketball. In 41 communities, however, something a bit less traditional is going on. At 10 p.m. and later in these 41 communities, you can see what is known as midnight basketball.

Midnight basketball is something like a basketball version of little league for somewhat older American youths living in disadvantaged neighborhoods, but it is much more than that. Midnight basketball leagues promote youth development by forming public/private partnerships with local companies. In Chicago, private sponsors have not only contributed funds to help finance the leagues and the teams, they have also helped midnight basketball leagues design educational and job-related workshops which league players are required to attend after each game. Consequently, these partnerships have provided adolescents with important adult mentors and role models.

Midnight basketball leagues also help prevent crime by providing unemployed adolescents opportunities to play basketball during the hours when most crimes are committed—10 p.m. to 2 a.m. In Chicago, midnight basketball leagues have successfully assigned rival gang members to the same teams—effecting truces both on and off the court.

Mr. President, midnight basketball has been a real success in Chicago and in the other communities where leagues have been formed. I am proud to be able to say that many midnight basketball league players in Chicago have recently completed their GED requirements and that none of them were in trouble with the law during the 3 years that their program was evaluated.

In fact, this program has been so successful in serving the needs of male adolescents over the years that I have already begun working with the National Association of Midnight Basketball Leagues in order to ensure the participation of more women.

In order to build on the already significant success of the midnight basketball league now operating, and to give more communities and more of our young people an opportunity to participate in midnight basketball, I am today introducing the Midnight Basketball League Training and Partnership Act of 1993.

Mr. President, this legislation authorizes the Secretary of Housing and Urban Development, in consultation with a seven-member advisory committee, to make grants to assist both new and existing midnight basketball leagues which serve economically and socially disadvantaged communities. In fact, this legislation specifically targets youth and young adults who live in communities which are being torn apart by illegal drugs, crime, AIDS, teenage pregnancy, and unemployment.

Under this legislation, midnight basketball leagues would be eligible for grants ranging from $55,000 to $130,000—spread out over 5-year periods. Leagues would have to provide 35 percent in matching non-Federal funds for the first 2 years, and 50 percent in matching funds thereafter. Leagues that serve more than 80 players would be eligible for somewhat larger grants.

In Chicago, midnight basketball leagues have been able to serve 80 youngsters a year at a cost of about $85,000. It costs about that much to incarcerate one juvenile for 2 years. If midnight basketball helps keep even one of the participating young people out of our criminal justice system, this program will have served the taxpayers very well.

Mr. President, I urge my colleagues to look at this bill carefully, and to join me in working to bring the benefits of midnight basketball to young residents of disadvantaged communities. Having the opportunity to play basketball at 10:00 p.m. may seem like a small thing, but it can make a real difference in the lives of the young people who get that opportunity.

Midnight basketball will make a real difference to young men and women who have the potential to make significant contributions to our society. Through midnight basketball, we can provide hundreds of young people with the educational and job-related skills that they need in order to change their lives for the better.

The cost of this legislation is less than $6 million, however, the benefits are much, much larger. I urge prompt enactment of this bill. It will help our children; it will help our communities, and it will help create opportunity for those who really need some opportunity.

Mr. President, I ask unanimous consent that the text and a summary of the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1005

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Midnight Basketball League Training and Partnership Act".

SEC. 2. GRANTS FOR MIDNIGHT BASKETBALL LEAGUE TRAINING AND PARTNERSHIP PROGRAMS.

Section 520 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 11903a) is amended—

(1) in the section heading by inserting "AND ASSISTED" after "PUBLIC";

(2) in the subsection heading for subsection (a), by inserting "PUBLIC HOUSING" before "YOUTH"; and

(3) by adding at the end the following new subsection:

"(l) MIDNIGHT BASKETBALL LEAGUE TRAINING AND PARTNERSHIP PROGRAMS.—

"(1) AUTHORITY.—The Secretary of Housing and Urban Development shall make grants, to the extent that amounts are approved in appropriations Acts under paragraph (13), to—

"(A) eligible entities to assist such entities in carrying out midnight basketball league programs meeting the requirements of paragraph (4); and

"(B) eligible advisory entities to provide technical assistance to eligible entities in establishing and operating such midnight basketball league programs.

"(2) ELIGIBLE ENTITIES.—

"(A) IN GENERAL.—Subject to subparagraph (B), grants under paragraph (1)(A) may be made only to the following eligible entities:

"(i) Entities eligible under subsection (b) for a grant under subsection (a).

"(ii) Nonprofit organizations providing employment counseling, job training, or other educational services.

"(iii) Nonprofit organizations providing federally assisted low-income housing.

"(B) PROHIBITION ON SECOND GRANTS.—A grant under paragraph (1)(A) may not be made to an eligible entity if the entity has previously received a grant under such paragraph, except that the Secretary may exempt an eligible advisory entity from the prohibition under this subparagraph in extraordinary circumstances.

"(3) USE OF GRANT AMOUNTS.—Any eligible entity that receives a grant under paragraph (1)(A) may use such amounts only—

"(A) to establish or carry out a midnight basketball league program under para-graph (4);

"(B) for salaries for administrators and staff of the program;

"(C) for other administrative costs of the program, except that not more than 5 percent of the grant amount may be used for such administrative costs; and

"(D) for costs of training and assistance provided under paragraph (4)(I).

"(4) PROGRAM REQUIREMENTS.—Each eligible entity receiving a grant under paragraph (1)(A) shall establish a midnight basketball league program as follows:

"(A) The program shall establish a basketball league of not less than 8 teams having 10 players each.

"(B) Not less than 50 percent of the players in the basketball league shall be residents of federally assisted low-income housing or members of low-income families (as such term is defined in section 3(b) of the United States Housing Act of 1937).

"(C) The program shall be designed to serve primarily youths and young adults from a neighborhood or community whose population has not less than 2 of the following characteristics (in comparison with national averages):

"(i) A substantial problem regarding use or sale of illegal drugs.

"(ii) A high incidence of crimes committed by youths or young adults.

"(iii) A high incidence of persons infected with the human immunodeficiency virus or sexually transmitted diseases.

"(iv) A high incidence of pregnancy or a high birth rate, among adolescents.

"(v) A high unemployment rate for youths and young adults.

"(vi) A high rate of high school drop-outs.

"(D) The program shall require each player in the league to attend employment counseling, job training, and other educational classes provided under the program, which shall be held immediately following the conclusion of league basketball games at or near the site of the games and at other specified times.

"(E) The program shall serve only youths and young adults who demonstrate a need for such counseling, training, and education provided by the program, in accordance with criteria for demonstrating need, which shall be established by the Secretary, in consultation with the Advisory Committee.

"(F) The majority of the basketball games of the league shall be held between the hours of 10:00 p.m. and 2:00 a.m. at a location in the neighborhood or community served by the program.

"(G) The program shall obtain sponsors for each team in the basketball league. Sponsors shall be private individuals or businesses in the neighborhood or community served by the program who make financial contributions to the program and participate in or supplement the employment, job training, and educational services provided to the players under the program with additional training or educational opportunities.

"(H) The program shall comply with any criteria established by the Secretary, in consultation with the Advisory Committee established under paragraph (9).

"(I) Administrators or organizers of the program shall receive training and technical assistance provided by eligible advisory entities receiving grants under paragraph (8).

"(5) GRANT AMOUNT LIMITATIONS.—

"(A) PRIVATE CONTRIBUTIONS.—The Secretary may not make a grant under paragraph (1)(A) to an eligible entity that applies for a grant under paragraph (6) unless the applicant entity certifies to the Secretary that the entity will supplement the grant amounts with amounts of funds from non-Federal sources, as follows:

"(i) In each of the first 2 years that amounts from the grant are disbursed (under subparagraph (E)), an amount sufficient to provide not less than 35 percent of the cost of carrying out the midnight basketball league program.

"(ii) In each of the last 3 years that amounts from the grant are disbursed, an amount sufficient to provide not less than 50 percent of the cost of carrying out the midnight basketball league program.

"(B) NON-FEDERAL FUNDS.—For purposes of this paragraph, the term 'funds from non-Federal sources' includes amounts from nonprofit organizations, public housing agencies, States, units of general local government, and Indian housing authorities, private contributions, any salary paid to staff (other than from grant amounts under paragraph (1)(A)) to carry out the program of the eligible entity, in-kind contributions to carry out the program (as determined by the Secretary after consultation with the Advisory Committee), the value of any donated material, equipment, or building, the value of any lease on a building, the value of any utilities provided, and the value of any time and services contributed by volunteers to carry out the program of the eligible entity.

"(C) PROHIBITION ON SUBSTITUTION OF FUNDS.—Grant amounts under paragraph (1)(A) and amounts provided by States and units of general local government to supplement grant amounts may not be used to replace other public funds previously used, or designated for use, under this section.

"(D) MAXIMUM AND MINIMUM GRANT AMOUNTS.—

"(i) IN GENERAL.—The Secretary may not make a grant under paragraph (1)(A) to any single eligible entity in an amount less than $55,000 or exceeding $130,000, except as provided in clause (ii).

"(ii) EXCEPTION FOR LARGE LEAGUES.—In the case of a league having more than 80 players, a grant under paragraph (1)(A) may exceed $130,000, but may not exceed the amount equal to 35 percent of the cost of carrying out the midnight basketball league program.

"(E) DISBURSEMENT.—Amounts provided under a grant under paragraph (1)(A) shall be disbursed to the eligible entity receiving the grant over the 5-year period beginning on the date that the entity is selected to receive the grant, as follows:

"(i) In each of the first 2 years of such 5-year period, 23 percent of the total grant amount shall be disbursed to the entity.

"(ii) In each of the last 3 years of such 5-year period, 18 percent of the total grant amount shall be disbursed to the entity.

"(6) APPLICATIONS.—To be eligible to receive a grant under paragraph (1)(A), an eligible entity shall submit to the Secretary an application in the form and manner required by the Secretary (after consultation with the Advisory Committee), which shall include—

"(A) a description of the midnight basketball league program to be carried out by the entity, including a description of the employment counseling, job training, and other educational services to be provided;

"(B) letters of agreement from service providers to provide training and counseling services required under paragraph (4) and a description of such service providers;

"(C) letters of agreement providing for facilities for basketball games and counseling, training, and educational services required under paragraph (4) and a description of the facilities;

"(D) a list of persons and businesses from the community served by the program who have expressed interest in sponsoring, or have made commitments to sponsor, a team in the midnight basketball league; and

"(E) evidence that the neighborhood or community served by the program meets the requirements of paragraph (4)(C).

"(7) Selection.—The Secretary, in consultation with the Advisory Committee, shall select eligible entities that have submitted applications under paragraph (6) to receive grants under paragraph (1)(A). The Secretary, in consultation with the Advisory Committee, shall establish criteria for selection of applicants to receive such grants. The criteria shall include a preference for selection of eligible entities carrying out midnight basketball league programs in suburban and rural areas.

"(8) Technical assistance grants.—Technical assistance grants under paragraph (1)(B) shall be made as follows:

"(A) Eligible advisory entities.—Technical assistance grants may be made only to entities that—

"(i) are experienced and have expertise in establishing, operating, or administering successful and effective programs for midnight basketball and employment, job training, and educational services similar to the programs under paragraph (4); and

"(ii) have provided technical assistance to other entities regarding establishment and operation of such programs.

"(B) Use.—Amounts received under technical assistance grants shall be used to establish centers for providing technical assistance to entities receiving grants under paragraph (1)(A) of this subsection and subsection (a) regarding establishment, operation, and administration of effective and successful midnight basketball league programs under this subsection and subsection (c)(3).

"(C) Number and amount.—To the extent that amounts are provided in appropriations Acts under paragraph (13)(B) in each fiscal year, the Secretary shall make technical assistance grants under paragraph (1)(B). In each fiscal year that such amounts are available the Secretary shall make 4 such grants, as follows:

"(i) 2 grants shall be made to eligible advisory entities for development of midnight basketball league programs in public housing projects.

"(ii) 2 grants shall be made to eligible advisory entities for development of midnight basketball league programs in suburban or rural areas.

Each grant shall be in an amount not exceeding $25,000.

"(9) Advisory committee.—The Secretary of Housing and Urban Development shall appoint an Advisory Committee to assist the Secretary in providing grants under this subsection. The Advisory Committee shall be composed of not more than 7 members, as follows:

"(A) Not less than 2 individuals who are involved in managing or administering midnight basketball programs that the Secretary determines have been successful and effective. Such individuals may not be involved in a program assisted under this subsection or a member or employee of an eligible advisory entity that receives a technical assistance grant under paragraph (1)(B).

"(B) A representative of the Center for Substance Abuse Prevention of the Public Health Service, Department of Health and Human Services, who is involved in administering the grant program for prevention, treatment, and rehabilitation model projects for high risk youth under section 509A of the Public Health Service Act (42 U.S.C. 290aa-8), who shall be selected by the Secretary of Health and Human Services.

"(C) A representative of the Department of Education, who shall be selected by the Secretary of Education.

"(D) A representative of the Department of Health and Human Services, who shall be selected by the Secretary of Health and Human Services from among officers and employees of the Department involved in issues relating to high-risk youth.

"(10) Reports.—The Secretary shall require each eligible entity receiving a grant under paragraph (1)(A) and each eligible advisory entity receiving a grant under paragraph (1)(B) to submit to the Secretary, for each year in which grant amounts are received by the entity, a report describing the activities carried out with such amounts.

"(11) Study.—To the extent amounts are provided under appropriation Acts pursuant to paragraph (13)(C), the Secretary shall make a grant to one entity qualified to carry out a study under this paragraph. The entity shall use such grant amounts to carry out a scientific study of the effectiveness of midnight basketball league programs under paragraph (4) of eligible entities receiving grants under paragraph (1)(A). The Secretary shall require such entity to submit a report describing the study and any conclusions and recommendations resulting from the study to the Congress and the Secretary not later than the expiration of the 2-year period beginning on the date that the grant under this paragraph is made.

"(12) Definitions.—For purposes of this subsection:

"(A) The term 'Advisory Committee' means the Advisory Committee established under paragraph (9).

"(B) The term 'eligible advisory entity' means an entity meeting the requirements under paragraph (8)(A).

"(C) The term 'eligible entity' means an entity described under paragraph (2)(A).

"(D) The term 'federally assisted low-income housing' has the meaning given the term in section 5126 of the Public and Assisted Housing Drug Elimination Act of 1990.

"(13) Authorization of appropriations.—There are authorized to be appropriated—

"(A) for grants under paragraph (1)(A), $2,650,000 in each of fiscal years 1994 and 1995;

"(B) for technical assistance grants under paragraph (1)(B), $100,000 in each of fiscal years 1994 and 1995; and

"(C) for a study grant under paragraph (11), $250,000 in fiscal year 1994.".

SEC. 3. PUBLIC HOUSING MIDNIGHT BASKETBALL LEAGUE PROGRAMS.

Section 520(c) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C 11903a(c)) is amended by adding at the end the following new paragraph:

"(3) Midnight basketball league programs.—Notwithstanding any other provision of this subsection and subsection (d), a grant under this section may be used to carry out any youth sports program that meets the requirements of a midnight basketball league program under subsection (l)(4) (not including subparagraph (B) of such subsection) if the program serves primarily youths and young adults from the public housing project in which the program assisted by the grant is operated.".

SUMMARY OF THE PROVISIONS IN THE MIDNIGHT BASKETBALL LEAGUE TRAINING AND PARTNERSHIP ACT OF 1993

MIDNIGHT BASKETBALL LEAGUES

Midnight Basketball Leagues specifically target unemployed adolescents who live in economically and socially disadvantaged communities. They are required to hold a majority of their games between 10 p.m. and 2 a.m. After these games, players are required to attend educational and job related workshops.

THE MIDNIGHT BASKETBALL LEAGUE TRAINING AND PARTNERSHIP ACT

This bill authorizes the Secretary of HUD, in consultation with a 7 member advisory committee, to grant $5.75 million in FY's 94 and 95 for the development of new and existing Midnight Basketball Leagues.

1. League grants: $2.65 million in FY 94 and 95.

These grants which range from $55,000 to $130,000 are awarded to Leagues over five year periods. Leagues must provide 35% in matching non-federal funds for the first two years and 50% in matching funds thereafter.

These grants can fund 25 Leagues at the maximum amount.

2. Technical assistance grants: $100,000 in FY 94 and 95.

This legislation authorizes four $25,000 grants for the development of existing Leagues.

3. Study grant: $250,000 in FY 94.

This grant is for a study of all Leagues receiving funding.•

By Mr. HOLLINGS:

S. 1006. A bill to authorize a certificate of documentation for the vessel *Arbitrage II*; to the Committee on Commerce, Science, and Transportation.

DOCUMENTATION OF VESSEL "ARBITRAGE II"

• Mr. HOLLINGS. Mr. President, I am introducing a bill today to direct that the vessel *Arbitrage II*, official number 962861, be accorded coastwise trading privileges and be issued a coastwise endorsement under title 46, United States Code, section 12106.

The *Arbitrage II* was constructed in Canada in 1988 as a recreational vessel. It is 56 feet in length, 13.8 feet in breadth, has a depth of 3.9 feet, and is self-propelled.

The vessel was purchased on October 31, 1990, by Lousie Price Parsons [LPP], Inc. of Pawleys Island, SC. LPP, Inc. is the developer of Litchfield Plantation in Georgetown County, SC. The vessel's owners purchased it with the intention of taking sales prospects on short tours of Litchfield Plantation and for occasional special events associated with the development. When the owners purchased the boat, they were unaware of the coastwise trade and fisheries restrictions of the Jones Act. They assumed that there were no restrictions on engaging the vessel in such a limited operation. However, due to the fact that the vessel was foreign built and had previously been foreign owned, it did not meet the requirements for a coastwise license endorsement in the

United States. Such documentation is mandatory to enable the owners to use the vessel for its intended purposes.

The owners of the *Arbitrage II* are thus seeking a waiver of the existing law because they wish to use the vessel for the promotion and sale of their development. Their desired intentions for the vessel's use will not adversely affect the coastwise trade in U.S. waters. If they are granted this waiver, it is their intention to comply fully with U.S. documentation and safety requirements. The purpose of the legislation I am introducing is to allow the *Arbitrage II* to engage in the coastwise trade and fisheries of the United States.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1006

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding sections 12106, 12107, and 12108 of title 46, United States Code, and section 27 of the Merchant Marine Act, 1920 (46 App. U.S.C. 883), as applicable on the date of enactment of this Act, the Secretary of Transportation may issue a certificate of documentation for the vessel ARBITRAGE II, United States official number 962861.•

By Mr. ROTH:

S.J. Res. 96. A joint resolution proposing an amendment to the Constitution of the United States relative to campaign expenditures; to the Committee on the Judiciary.

CAMPAIGN FINANCE REFORM CONSTITUTIONAL AMENDMENT

• Mr. ROTH. Mr. President, I am today introducing a constitutional amendment to limit campaign expenditures. This is now the fourth consecutive Congress in which I have introduced my proposal.

Unfortunately, we continue to be confronted with the basic dilemma of campaign finance reform: the clash between competing constitutional values of free speech and electoral integrity. According to the U.S. Supreme Court in *Buckley* v. *Valeo*, 425 U.S. 1 (1976), campaign contributions and expenditures must be viewed in the context of the first amendment. But excessive spending undermines the very process of democracy that free speech is designed to preserve. Thus, we face the paradox that free speech, which is necessary to promote a competition of ideas, may actually impede such competition by those who cannot afford the high cost of free speech.

Like many of my colleagues in Congress, I have given the subject of campaign finance reform considerable thought over the years. I am sure we can all agree that it is most important to restore a sense of fairness and the appearance of honesty to campaigns for public office. The present way of doing things is not satisfactory. Campaign costs continue to explode, and the demands those costs place on individual candidates contribute to the mounting criticism we are hearing from our constituents. In my view, it does not have to be this way. Lowering the overall costs of campaigns, reducing the need for astronomical war chests, and shortening campaigns can and should be done.

Again, we can all agree on the problem. We differ, however, on the best way to fix that problem. Numerous statutory proposals for reform have been forwarded in the 103d Congress. The substantial majority of these would impose restraints on some aspects of political money. This year, I have cosponsored comprehensive legislation that attacks campaign finance reform on many fronts, including PAC's, bundling of contributions, and soft money. I have also reintroduced legislation that would require broadcasters to provide free television time to Senate candidates, thereby sharply reducing campaign costs.

While not categorical, Republican proposals may be characterized as generally favoring limits on campaign contributions. We want to reduce the influence of special interest PAC's and ban the use of soft money in a very direct fashion—what I might term "supply side" campaign reform.

Democratic proposals, on the other hand, may be characterized as generally aiming to limit campaign expenditures. By setting certain limits on the amount of money a candidate can spend in an election year, Democratic proposals purport to reduce the demand for special interest money. The problem with this approach is that the Supreme Court in its 1976 Buckley decision made quite clear that Congress could not constitutionally limit the amount of money a candidate spends on his or her election. To do so, according to the Court, would violate that candidate's freedom of speech.

Mr. President, as you know, Congress made a good faith effort to address the campaign finance problem nearly 20 years ago, by passing the Federal Election Campaign Act of 1974. In FECA, we attempted to establish limits on campaign contributions and expenditures and to require certain disclosures. These limitations, along with other regulations provided in that law, we believed, would protect against corruption and restore equity to the political process. Some of these limitations, however, were held to be unconstitutional by the Supreme Court in Buckley v. Valeo.

While the Court upheld the contribution and disclosure provisions as permissible incursions on first amendment rights on the grounds that such provisions protected against corruption and the appearance of corruption in the political process, it struck down the expenditure limitations. Congress' stated intention to protect against corruption or the appearance of corruption was found to be insufficient to justify such direct limitations on political expression. Likewise, the Court's analysis specifically rejected as insufficient any congressional purpose to equalize political opportunity or to curb escalating campaign costs.

It is because of the Court's ruling in Buckley that legislative solutions will not fully suffice. While Congress remains free to limit campaign contributions, we cannot, under Buckley, limit the amount of personal money that a candidate, wealth or otherwise, spends on his or her campaign. The Court determined that to do so would be unconstitutional, striking at the first amendment's guarantee of freedom of speech. The same logic dictated that individuals independent of a candidate also have a constitutional right to spend any amount of money to support or criticize the candidate or party of their choice. The effect of the decision was to exacerbate the difference between the wealthy and not so wealthy that Congress wished to eliminate.

Consequently, the present system makes it relatively difficult for a candidate of average means, who has to run a campaign on statutorily limited contributions, to compete with a wealthy candidate, who need not rely on contributions at all. But perhaps the most nettlesome component of the Buckley Court's ruling, at least to this Senator, is the connection many have made between spending limits and taxpayer financing.

It is difficult to understand how Congress can seriously consider spending taxpayer money on a reform measure, which even if it were to work as promised, would not fix the problem. Indeed, it is clear that a voluntary spending-limit approach could not affect constitutional rights of wealthy candidates and independent parties to spend without limitation. Why would a wealthy candidate agree to abide by prearranged spending limits when he or she can otherwise outspend the less fortunate candidate? A constitutional amendment will allow Congress to skip the carrot of public funding, which would save money and avoid antagonizing the taxpayer, and it would work.

Proponents of public financing often argue that the cost to the taxpayer is well worth it. In making this claim proponents tend to overlook certain points: First, they tend to exaggerate the corruption in our system. They hypothesize corruption by identifying Government programs that benefit someone else. They believe that they themselves have no special interests and that whatever benefit is given to someone else in society must be the result of some unfairness.

Second, the public financing proposal, as stated before, cannot solve the problem of the wealthy candidate spending his own resources and the problem of independent expenditures.

Third, the general public dislikes have taxpayer funds flowing to candidates to whom they would otherwise never contribute. I suspect many find it hard enough to give to candidates they favor, let alone to those they dislike.

Fourth, the general public does not believe that incumbents deserve another perk, the equivalent of food stamps for politicians. They believe the costs of running for Congress are too high and should not be further increased.

Fifth, whatever the current cost estimates there are today, they are too low. I have never seen a government program whose initial costs estimates weren't too low. Here, the object of proponents is to establish a public financing beachhead and then, having established that, advance over time to full public financing. Many of the proponents do not espouse public financing to achieve an end, such as expenditure limits, but as an end in itself, to eliminate all private contributions from the system. Once established, public financing is sure to grow.

In contrast, my constitutional amendment would accomplish everything that the public financing proposal could, and more, but without, of course, cost to the taxpayer.

Mr. President, the purpose of my amendment is to overturn certain parts of the Supreme Court's decision in Buckley versus Valeo wherein the Court struck down several Federal election campaign regulations of the Congress. While some of my colleagues may view a constitutional amendment as too drastic, I must respectfully disagree. Since the ratification of the Constitution and the bill of rights, we have regularly had to adopt constitutional amendments to overturn Supreme Court decisions thought to be bad public policy. The 11th amendment preserving State immunity was adopted to overturn Chisolm versus Georgia. The 13th, 14th, and 15th amendments—the Civil War amendments—overturned the infamous Dred Scott decision. The 16th amendment, providing for the Federal income tax, overturned Pollock versus Farmers Loan and Trust Company. The 19th amendment, providing womens' suffrage, overturned Minor versus Happersett. The 24th amendment, prohibiting the poll tax, overturned Breedlove versus Suttels. Finally, the 26th amendment, reducing voting age qualifications, overturned Oregon versus Mitchell.

I recount this history to underscore that 8 of the 17 amendments ratified since the Bill of Rights were in response to Supreme Court decisions thought to be bad policy. Of course, not every issue is of such importance to merit a constitutional amendment. But campaign financing, I submit, easily meets that threshold. It is not ephemeral. It is a matter of electoral integrity. And while Congress has a continuing responsibility to protect free speech, it must also remain faithful to its obligation to protect the integrity of the electoral system.

Mr. President, I would like to elaborate in a more technical manner on the constitutional amendment I am introducing today. As you may know, for the past four Congresses, Senator HOLLINGS and I have introduced proposals to amend the Constitution to achieve the goal of complete reform. However, our proposals, while similar in purpose, have differed in form. While the language differences were once significant, they are now relatively minor.

Senate Joint Resolution 37, the Hollings proposal, refers to elections for Federal office while my proposal refers to the "Office of President, Vice President, Senator, Representative, or any other office within its jurisdiction." I prefer my language because it more clearly embraces the Office of Mayor of the District of Columbia, which most people view as a local office. But the Hollings proposal gives local office jurisdiction to the States. What State would set the rules for the District of Columbia? My view is that whether the office is Federal or local, it is, by virtue of article 1, section 8, clause 17, within the jurisdiction of the Federal Government. My language is the more appropriate form of reference to the District of Columbia.

Moreover, the reference to local office in the Hollings proposal would mark the first time, if it were ratified, that the Constitution made reference to local office or local government. The Constitution divides powers between the Federal Government and the State governments but leaves to the States how to treat local governments within their jurisdiction. I see no reason to deviate from that tradition here.

Finally, the Hollings proposal focuses on expenditures by, in support of, or in opposition to candidates. My proposal treats with expenditures with respect to candidates. In view of my earlier discussion of truly independent expenditures, I find the Hollings language a little too narrow. I do not believe that it is intended to exclude independent expenditures from congressional limitations, but it could have that effect.

Independent expenditures cannot be by a candidate. That is by definition. Beyond that, I can easily imagine independent expenditures that are not "in support of or in opposition to" a candidate. Does the proposal look to the purpose of the independent expenditure or to its effect? I am not sure what the Hollings proposal means on this score but I believe that the fine-tuning intended is best left for Congress to decide when, after ratification, it must legislate reasonable limitations. My proposal would allow for such flexibility.

In stating these differences with Senate Joint Resolution 37, I do not intend to obscure our fundamental agreement that the impediments of Buckley versus Valeo must be set aside. I have cosponsored Senator HOLLINGS' proposal in the past Congress as he has mine. Indeed, I look forward to working with all of the Senators who support constitutional reform.

In conclusion, it is my hope that those interested in campaign finance reform will overcome the ill-founded notion that one must choose between constitutional and statutory reform proposals. I find some irony in the fact that we in Congress debate campaign reform without end, yet proponents of reform oppose constitutional amendments because they take too long to put in place. It has been 6 years since I first introduced this proposal. That first proposal could easily have been ratified by now. If proponents of reform would also become proponents of a constitutional amendment, this change would allow Congress to act expeditiously.

In the final analysis, if we do not adopt a constitutional amendment, we will be left to suffer the problem with statutory solutions that are not fully satisfactory. We will be left to try to get candidates to waive their rights to unlimited spending in return for public funding. Any attempt to place a restraint here or there will inevitably create pressure for political money to flow elsewhere. As we look to the need for campaign finance reform in the 103d Congress, I believe that the only true reform can be found in a constitutional amendment. I urge my colleagues to reflect on my proposal.

Mr. President, I ask unanimous consent that the joint resolution I introduce today be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 96

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, that the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes and part of the Constitution if ratified by the legislatures of three-fourths of the several States within the seven-year period following the date of submission to the States for ratification:

"ARTICLE —

"Congress may by law establish reasonable limitations on campaign expenditures made by any person with respect to the candidacy of any person for the Office of President, Vice President, Senator, Representative, or any other office within its jurisdiction. The several States may by law establish reasonable limitations on campaign expenditures made by any person with respect to the candidacy of any person for any other office within their respective jurisdictions."•

ADDITIONAL COSPONSORS

S. 1

At the request of Mr. KENNEDY, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of S. 1, a bill to amend the Public Health Service Act to revise and extend the programs of the National Institutes of Health, and for other purposes.

S. 265

At the request of Mr. SHELBY, the names of the Senator from Idaho [Mr. CRAIG] and the Senator from Indiana [Mr. LUGAR] were added as cosponsors of S. 265, a bill to increase the amount of credit available to fuel local, regional, and national economic growth by reducing the regulatory burden imposed upon financial institutions, and for other purposes.

S. 465

At the request of Mr. DASCHLE, the name of the Senator from Nebraska [Mr. EXON] was added as a cosponsor of S. 465, a bill to amend the Internal Revenue Code of 1986 to encourage the production of biodiesel and certain ethanol fuels, and for other purposes.

S. 469

At the request of Mr. WARNER, the names of the Senator from Arizona [Mr. DECONCINI] and the Senator from New Hampshire [Mr. SMITH] were added as cosponsors of S. 469, a bill to require the Secretary of the Treasury to mint coins in commemoration of the Vietnam Women's Memorial.

S. 483

At the request of Mr. SHELBY, the names of the Senator from North Dakota [Mr. DORGAN], the Senator from Nebraska [Mr. EXON], the Senator from South Carolina [Mr. THURMOND], the Senator from Texas [Mr. KRUEGER], the Senator from Nebraska [Mr. KERREY], the Senator from Arkansas [Mr. BUMPERS], and the Senator from Georgia [Mr. NUNN] were added as cosponsors of S. 483, a bill to provide for the minting of coins in commemoration of Americans who have been prisoners of war, and for other purposes.

S. 545

At the request of Mr. DOLE, the name of the Senator from Minnesota [Mr. DURENBERGER] was added as a cosponsor of S. 545, a bill to amend the Internal Revenue Code of 1986 to allow farmers' cooperatives to elect to include gains or losses from certain dispositions in the determination of net earnings, and for other purposes.

At the request of Mr. BOREN, the name of the Senator from Nebraska [Mr. KERREY] was added as a cosponsor of S. 545, supra.

S. 549

At the request of Mr. DOMENICI, the names of the Senator from Colorado [Mr. BROWN], the Senator from Colorado [Mr. CAMPBELL], and the Senator from Wisconsin [Mr. FEINGOLD] were added as cosponsors of S. 549, a bill to provide for the minting and circulation of one-dollar coins.

S. 578

At the request of Mr. KENNEDY, the name of the Senator from Hawaii [Mr. AKAKA] was added as a cosponsor of S. 578, a bill to protect the free exercise of religion.

S. 600

At the request of Mr. BOREN, the name of the Senator from Nebraska [Mr. EXON] was added as a cosponsor of S. 600, a bill to amend the Internal Revenue Code of 1986 to extend and modify the targeted jobs credit.

S. 613

At the request of Mr. HARKIN, the name of the Senator from Pennsylvania [Mr. WOFFORD] was added as a cosponsor of S. 613, a bill to prohibit the importation of goods produced abroad with child labor, and for other purposes.

S. 633

At the request of Mr. AKAKA, the name of the Senator from Louisiana [Mr. BREAUX] was added as a cosponsor of S. 633, a bill to amend the Foreign Trade Zones Act to clarify that crude oil consumed in refining operations is not subject to duty under the Harmonized Tariff Schedule of the United States.

S. 833

At the request of Mr. GRASSLEY, the name of the Senator from Arizona [Mr. DECONCINI] was added as a cosponsor of S. 833, a bill to amend title XVIII of the Social Security Act to provide for increased medicare reimbursement for nurse practitioners, clinical nurse specialists, and certified nurse midwives, to increase the delivery of health services in health professional shortage areas, and for other purposes.

S. 834

At the request of Mr. GRASSLEY, the name of the Senator from Arizona [Mr. DECONCINI] was added as a cosponsor of S. 834, a bill to amend title XVIII of the Social Security Act to provide for increased medicare reimbursement for physician assistants, to increase the delivery of health services in health professional shortage areas, and for other purposes.

S. 874

At the request of Mr. PRESSLER, the name of the Senator from Arizona [Mr. DECONCINI] was added as a cosponsor of S. 874, a bill to reauthorize Public Law 81-874 (Impact Aid), and for other purposes.

S. 881

At the request of Mr. DODD, the names of the Senator from Mississippi [Mr. LOTT], the Senator from Tennessee [Mr. SASSER], and the Senator from Nevada [Mr. REID] were added as cosponsors of S. 881, a bill to amend the Elementary and Secondary Education Act of 1965 to reauthorize and make certain technical corrections in the Civic Education Program, and for other purposes.

S. 979

At the request of Mr. LAUTENBERG, the name of the Senator from Pennsylvania [Mr. WOFFORD] was added as a cosponsor of S. 979, a bill to require the Administrator of the Environmental Protection Agency to establish an environmental export program, and for other purposes.

SENATE JOINT RESOLUTION 14

At the request of Mr. THURMOND, the names of the Senator from Colorado [Mr. BROWN], the Senator from New York [Mr. D'AMATO], the Senator from Montana [Mr. BURNS], and the Senator from Mississippi [Mr. COCHRAN] were added as cosponsors of Senate Joint Resolution 14, a joint resolution to designate the month of May 1993, as "National Foster Care Month."

SENATE JOINT RESOLUTION 40

At the request of Mr. KENNEDY, the name of the Senator from Texas [Mr. KRUEGER] was added as a cosponsor of Senate Joint Resolution 40, a joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for women and men.

SENATE JOINT RESOLUTION 55

At the request of Mr. HATCH, the name of the Senator from Montana [Mr. BURNS] was added as a cosponsor of Senate Joint Resolution 55, a joint resolution to designate the periods commencing on November 28, 1993, and ending on December 4, 1993, and commencing on November 27, 1994, and ending on December 3, 1994, as "National Home Care Week."

SENATE JOINT RESOLUTION 77

At the request of Mr. HATCH, the names of the Senator from Colorado [Mr. BROWN], the Senator from Mississippi [Mr. COCHRAN], and the Senator from Maine [Mr. COHEN] were added as cosponsors of Senate Joint Resolution 77, a joint resolution to designate the week of April 18, 1993, through April 24, 1993, as "International Student Awareness Week."

SENATE JOINT RESOLUTION 79

At the request of Mr. LAUTENBERG, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of Senate Joint Resolution 79, a joint resolution to designate June 19, 1993, as "National Baseball Day."

SENATE JOINT RESOLUTION 81

At the request of Mr. LAUTENBERG, the name of the Senator from Connecticut [Mr. DODD] was added as a cosponsor of Senate Joint Resolution 81, a joint resolution designating the oak as the national arboreal emblem.

SENATE JOINT RESOLUTION 83

At the request of Mr. DECONCINI, the name of the Senator from Michigan [Mr. LEVIN] was added as a cosponsor of Senate Joint Resolution 83, a joint resolution designating the week beginning February 6, 1994, as "Lincoln Legacy Week."

SENATE CONCURRENT RESOLUTION 16

At the request of Mr. SHELBY, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of Senate Concurrent Resolution 16, a concurrent resolution expressing the sense of Congress that equitable mental health care benefits must be included in any health care reform legislation passed by Congress.

SENATE RESOLUTION 107

At the request of Mr. WELLSTONE, the names of the Senator from Ohio [Mr. METZENBAUM] and the Senator from Alabama [Mr. SHELBY] were added as cosponsors of Senate Resolution 107, a resolution to express the sense of the Senate that comprehensive and equitable mental health and substance abuse benefits should be included in any comprehensive health care bill passed by Congress.

SENATE RESOLUTION 110—ORIGINAL RESOLUTION REPORTED RELATING TO THE PURCHASE OF CALENDARS

Mr. FORD, from the Committee on Rules and Administration, reported the following original resolution; which was placed on the calendar:

S. RES. 110

Resolved, That the Committee on Rules and Administration is authorized to expend from the contingent fund of the Senate, upon vouchers approved by the chairman of that committee, not to exceed $76,960 for the purchase of one hundred and four thousand 1994 "We The People" calendars. The calendars shall be distributed as prescribed by the committee.

NOTICES OF HEARINGS

SUBCOMMITTEE ON PUBLIC LANDS, NATIONAL PARKS AND FORESTS

Mr. BUMPERS. Mr. President, I would like to announce for the public that the hearing scheduled before the Subcommittee on Public Lands, National Parks and Forests of the Committee on Energy and Natural Resources for May 25, 1993, at 2:30 p.m., has been canceled. I hope to reschedule the hearing in the near future. I regret any inconvenience this may have caused.

For further information, please contact David Brooks of the Subcommittee staff at (202) 224-7145.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON FINANCE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Finance be permitted to meet on May 20, 1993, at 9:30 a.m. to hear testimony from Ambassador Kantor and other witnesses on the subject of the administration's proposals to extend fast-track authority and the Generalized System of Preferences Program.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Foreign Relations, be authorized to meet during the session of the Senate on Thursday, May 20, 1993, at 10:30 a.m. to hold a business meeting.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON INDIAN AFFAIRS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Indian Affairs be authorized to meet on Thursday, May 20, 1993, beginning at 2 p.m., in 485 Russell Senate Office Building, on the National Indian Policy Center.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Thursday, May 20, 1993, to hold a hearing on the nomination of Philip B. Heyman, to be Deputy Attorney General for the United States, Webster L. Hubbell, to be Associate Attorney General for the United States and Drew S. Days III, to be Solicitor General for the United States.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet for a hearing on "Comprehensive Health Care: The Need for Action," during the session of the Senate on Thursday, May 20, 1993, at 10 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON MILITARY READINESS AND DEFENSE INFRASTRUCTURE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Military Readiness and Defense Infrastructure of the Committee on Armed Services be authorized to meet on Thursday, May 20, 1993, at 2 p.m., in open session, to receive testimony on policy matters concerning the Department of Defense facility infrastructure; the fiscal year 1994 military construction budget request; the implementation of military base closures and the Defense authorization request for fiscal year 1994 and the future years defense program.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Thursday, May 20, 1993, at 4:30 p.m., to hold a closed hearing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON SECURITIES

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Securities of the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate Thursday, May 20, 1993, at 10 a.m., to conduct a hearing on major legislative and oversight issues in the securities market and the related banking and futures markets.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON SURFACE TRANSPORTATION

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Surface Transportation of the Committee on Commerce, Science, and Transportation be authorized to meet on Thursday, May 20, 1993, at 1 p.m., on S. 839 and current initiatives in high-speed ground transportation.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

CONCERNING CHIEF U.S. PROBATION OFFICER FOR THE DISTRICT OF ARIZONA, DR. ROBERT THOMAS

• Mr. DECONCINI. Mr. President, tonight in San Francisco the U.S. Probation Office will honor Dr. Robert Thomas for outstanding service upon his retirement as chief U.S. probation officer for the district of Arizona. Dr. Thomas has served the court and the community on the national and local level for all of his professional life. It is with great pleasure that I take a moment of my colleagues' time to share some of his work.

Dr. Thomas' service to the U.S. district court has spanned 28 years of dedication, and his contributions have been numerous. Among his many career accomplishments was the preparation and implementation of an agency budget under U.S. courts budget decentralization project, only one of four probation automated programs in the Federal judiciary. He also planned, designed, and initiated departmental operations necessary in implementing provisions of the 1984 Comprehensive Crime Control Act and the U.S. Sentencing Commission Guidelines.

He was instrumental in expanding Federal probation community services through the establishment of seven branch offices in select communities in Arizona. He constructed and implemented a firearms safety training program for all officers requesting the use of weapons. Also, he established a student intern program between Arizona State University Center for Criminal Justice and the U.S. Probation Office at Phoenix so that others may learn, first-hand, the importance and skills necessary in guiding people back into society.

These are just a few examples of the extraordinary leadership that Dr. Thomas has given to the U.S. Probation Office. In addition, he published many articles on the criminal justice system and the role of Federal probation and actively participated in groups and committees to help better assimilate the community into this system.

Mr. President, I ask that my colleagues join me in a word of thanks to Dr. Thomas for his commitment and courage and in wishing him the best in all his future endeavors.•

ANNUAL NATIONAL CONVENTION—AMERICAN SEPHARDI FEDERATION

• Mr. D'AMATO. Mr. President, I rise in recognition of the Annual National Convention of the American Sephardi Federation, to be held in New York City from May 30 through June 1, 1993.

Last year marked the 500th anniversary of the beginnings of Sephardic Jewry. In 1492, King Ferdinand and Queen Isabella signed a decree which effectively expelled the Jews from Spain, unless they denounced their faith. There was much suffering for those who refused, but others secretly kept their faith or left for new lands to establish new communities. Wherever they went, the host societies benefited greatly from their contributions.

As the American Sephardi Federation notes, Sephardim were the first Jews to arrive on America's shores. The oldest Jewish congregation in the United States is the Spanish and Portuguese Synagogue in New York City and the oldest synagogue building in the United States is the Touro Synagogue in Newport, Rhode Island. Indeed, America was one of the Nations that welcomed the dispersed Jews of Spain and to this day, as Sephardic Jewry begins its sixth century, we celebrate the innumerable contributions of Sephardic culture to both Jewish history and the world at-large.

The New York City area is home to over 200,000 Sephardic—Mediterranean and Middle Eastern—Jews. The Jewish people originating from Syria, Egypt, Lebanon, Turkey, Iraq, and a host of other countries are among America's most successful immigrants. More importantly, their tradition of self-help and public-spiritedness serves as an example for our Nation's citizens. The American Sephardi Federation has done much to encourage the tradition of Sephardic unity.

Sephardic Jews and indeed, all Jews and all people of good will, remember that 1400 Syrian Jews remain hostages in the Syria of Hafez Assad, several Lebanese Jews remain kidnapped by Hezbollah terrorists and several Israeli MIA's remain held or unaccounted for. Furthermore, the State of Israel, beloved to all Jews, remains under great pressure during peace talks, even by her friends, in deference to untrustworthy dictators like Syria's Assad. The unity of Sephardic Jewry on issues of concern is an example for all Jewry.

But let us take this opportunity to recognize this tremendous convention, recalling the commitment of President George Washington to religious liberty made to the Jews of Newport in 1790. Let us stand in praise of the preservation of the varied cultures and heritage of Sephardic Jews, who have been among the greatest contributors to betterment of these United States. Let us honor the world's Sephardic Jewish communities who have given so much to their fellow man.•

KEVIN McHALE

• Mr. KERRY. Mr. President, when Boston Celtics fans speak of the Big Three, the names Larry Bird, Kevin McHale, and Robert Parish immediately come to mind.

As the 1992–93 basketball season drew to an end it became apparent that basketball great Kevin McHale would, after 13 seasons as a member of the Boston Celtics, join his friend Larry Bird in retiring from professional basketball.

Although, the Celtics' season-ending playoff loss to the Charlotte Hornets surely was not what Kevin McHale envisioned as his last NBA moment, his heroic final games as a member of the Celtics will long be appreciated by Boston fans. Despite a bad back and nagging injuries, he averaged 19 points during the series with an unforgettable 30-point performance in game 2 double overtime loss.

Like Kevin McHale, we Celtics fans surely would have preferred to see his career end on a wining note. Yet Kevin McHale and his teammates always will be remembered for what they have accomplished on the parquet.

Indeed, the Big Three helped lead a legendary franchise to three world championships in the 1980's, a decade in which NBA basketball reached new heights in popularity.

And although he eschewed personal accomplishment, the 1980's certainly were a special time for Kevin McHale as well. Seven all-star games, six all-defensive teams, the NBA's top sixth man in 1984 and 1985—Kevin McHale was simply the most dominant power forward of his time. His focus was on contributing all of his talent to his team's effort to win. As he said on May 6 of this year, "I'm a dinosaur. Today guys would rather average 25 points a game and play for teams that don't win. How moronic is that? The thing I thought about was winning the game."

Basketball analysts speak of the sport's transition, and it most certainly can be said that the Celtics are in transition. Robert Parish is the last of the Big Three to remain active in professional basketball; hopefully he will remain a member of the Celtics next season.

Whatever the future holds for the Boston Celtics, their fans undoubtably will recall the great moments and great players who brought such exciting basketball and team spirit to Boston over the past decade and a half.

Doubtlessly it is true that no finer gentleman contributed to that greatness than Kevin McHale.•

TRIBUTE TO OXFORD, NEW YORK

• Mr. D'AMATO. Mr. President. I rise today to honor the town of Oxford, NY, which is celebrating its bicentennial.

Oxford, NY is rich in history. Gen. Benjamin Hovey, a native of Oxford, MA, who gave Oxford its name, moved his family into a log house near the present Behe Funeral Home in November 1791. General Hovey had the contract to build a road from the Unadilla River to Cayuga Lake. With the road completed, many Revolutionary soldiers and others took advantage of the opportunity to acquire land and move west.

The town of Oxford was formed from Jericho and Union, Broome County, January 19, 1793. The first town meeting was held on June 17, 1793, with Benjamin Hovey elected supervisor. The village of Oxford was incorporated in 1808.

Oxford became a center of learning. When Oxford Academy was chartered in 1794, it was one of four academies west of the Hudson River. Its students came from all sections of the country and its graduates held many important positions in government and the professions. Plans are being made for the celebration of the academy's bicentennial in 1994.

Oxford was also a center of commerce located at the intersection of the east-west Ithaca-Catskill Turnpike and the north-south Utica-Binghamton Road. The opening of the Chenango Canal brought in grain, coal, and other commodities and took away products of the valley: butter, cheese, and hops. The Midland, later the Ontario & Western, and the Delaware Lackawanna and Western railroads came through Oxford in 1870, making it possible to transport goods more quickly and contributing to the closing of the Chenango Canal in 1878.

One of the most frequent users of the railroads was the F.G. Clarke Blue Stone Co., operators of the two largest blue stone quarries in the United States which shipped stone for curbing and sidewalks throughout the Northeast and beyond, as well as stone for buildings, cut and dressed, ready to set in place.

A residential and agricultural community, Oxford has many residents who have found employment in neighboring towns. A wide variety of civic, religious, and social organizations are available for those who wish to become involved.

Recent improvements in the village are a waste water treatment system completed in 1990, and the restoration of the downtown area with the addition of new sidewalks, lighting, and trees.

Oxford remains a village of beautiful century-old homes and churches, and well-kept parks. Many builders have left a rich legacy in the many homes, which are outstanding examples of 19th-century architecture and which contribute greatly to Oxford's historic district.

Oxford will be marking its bicentennial year by holding many special celebrations. This is a town rich in history, and it has played a crucial role in the development of the great State of New York. I salute the members of the town board, the founding fathers, and the citizens of Oxford.•

MIDDLE EAST PEACE

• Mr. COCHRAN. Mr. President, Israeli Ambassador Itamar Rabinovich has written an interesting article for the May 18 edition of the New York Times in which he discusses recent developments in the Syrian-Israeli peace talks. The overall Arab-Israeli peace process hinges on genuine progress in peace negotiations.

In recent weeks, Syrian President Hafez Assad has made statements to the effect that Arab delegations should negotiate with Israel over particular issues and local problems in the region. Syria has also offered the idea of full peace for full withdrawal, based on the withdrawal by Israel from the Golan Heights.

These overtures may represent a new attitude toward Israel, but they leave some important questions unanswered: Would Syria extend full diplomatic recognition to Israel? Would the Assad government engage in public diplomacy with Israel to convey this new message of peace to Israeli and Syrian populations?

Positive responses to these questions would signal a real breakthrough in the peace process.

I ask that a copy of the Ambassador's article be printed in the RECORD.

The article follows:

SMILE WHEN YOU SAY PEACE

(By Itamar Rabinovich)

WASHINGTON.—It is a curious and telling fact that the publication of an interview with Syria's President Hafez, al-Assad on this page last week became one of the most important developments of the round of the Arab-Israeli peace talks that ended last Thursday. Mr. Assad's positive but partial response to some of Israel's fundamental concerns may point to the prospect of a breakthrough in these negotiations in the coming months, but offers the lingering threat of a stalemate.

Last summer the Israeli-Syrian negotiations were transformed by the dramatic introduction of new positions by the newly elected Israeli Government. Unlike its predecessors, the Rabin Government is willing to accept the principle of withdrawal as part and parcel of a genuine peace with Syria. This new policy was communicated to the Syrian delegation to the Washington talks. The Syrians were also told that in order to get Israel to elaborate on the extent of withdrawal, they would have to address three principal Israeli concerns by:

Spelling out the nature of the peace they were willing to make with Israel. They were specifically asked to state that such a peace would include normalization—the establishment of full diplomatic relations, open borders and the like. They were likewise asked to indicate that the prospective Syrian-Israeli peace treaty would "stand on its own two feet"—namely, that while forming part of a larger quest for a comprehensive Arab-Israeli settlement, it would not be encumbered by linkage to the other negotiating tracks.

Agreeing to extensive security arrangements predicated upon mutuality and reciprocity, and redressing any decline in Israel's security caused by territorial concessions.

Engaging in public diplomacy and communicating that a change has occurred in Syria's attitude toward Israel, in order to convey the message of peace to both the Syrian and Israeli publics. This is the only way to create the constituency that is indispensable for peace in this region. In this context, it is significant that to date Mr. Assad's interview has not been published in Syria.

Syria began to respond to this Israeli initiative, but it did so in a slow and incremental fashion. While the two delegations began work on a joint "statement of principles," the prelude to an actual agreement, they were soon bogged down by Syrian insistence that Israel commit itself to full withdrawal from the Golan Heights as a precondition to any further progress. And while Syrian leaders and spokesmen—headed by Mr. Assad himself—began to speak positively about peace, their endorsement of peace tended to be brief and unenthusiastic.

Upon the resumption of peace talks last month, the Syrian delegation came equipped with a five-word formula—"full peace for full withdrawal." We explained to our interlocutors that although this was positive, it was hardly useful.

It is, of course, significant and encouraging to hear that Syria wants "full peace" with Israel, but this is not enough for Israel; it is crucial to understand what this term actually stands for. It is absolutely clear what a "full withdrawal" from the Golan Heights would be, but does "full peace" signify normalization, or is it merely a glorified nonbelligerency?

It is against this background that the significance of President Assad's interview should be assessed. It was, in the first place, the single most impressive act yet of public diplomacy performed by Syria's President in the context of the peace talks with Israel. He spoke at length, in great detail and positively about peace with Israel and about the urgency of the negotiations. Though this is still a far cry from Anwar Sadat's spectacular public diplomacy, it is considerably more impressive than earlier Syrian acts and statements.

It also does much to meet Israel's concern regarding the relationship between the Syrian-Israeli negotiations and the three other bilateral tracks. Mr. Assad stated that "when the Arab delegations negotiate over particular issues and local problems, each will eventually reach a bilateral agreement with Israel . . . In the end there will be a number of bilateral agreements, but this will not affect the traditional heritage of the parties concerned." This comes quite close to some of the formulations tabled by Israel during the negotiations. However, it still retains some of the ambiguity that has been so characteristic of Syria's peace rhetoric.

Here and elsewhere Syria's President does not say forcefully that the conflict with Israel is or should be over, and that Syria has made an unequivocal choice of peace. His public message is conveyed almost grudgingly and indirectly: "Accepting U.N. resolutions means that the Arabs have agreed de facto that both the Israelis and the Arabs have their place in Palestine."

On the nature of the peace, not a word has been heard. Syria's President sets forth the formula "full peace for full withdrawal" and argues that these two "put the ball in the Israeli court."

Clearly, the ball is not in our court. More importantly, we do not feel that we are performing in front of an audience or an umpire that has to be impressed. Rather we, Israelis and Arabs, must impress and convince each other that we want to move these negotiations forward as quickly as possible. Small but significant progress was finally made in the Israeli-Palestinian negotiations during these past rounds. But greater potential for swift progress that would galvanize the whole Arab-Israeli peace process is in the Israeli-Syrian talks. When the negotiations resume in early June, we will be attentive to any change in Syria's position in order to respond to it—and finally effect a breakthrough.

TRIBUTE TO ERIC FORTNER

• Mr. BOND. Mr. President, I rise today to urge my colleagues in the U.S. Senate to join me in recognizing the heroism of a young man from my home State and the community that united to honor him.

On August 26, 1992, 15-year-old Eric Fortner and his friends went to the banks of the River Des Peres in University City, MO, to watch the water rise. Due to heavy rains, this normally placid creek became swelled with water. After saving two friends from the rushing water, Eric jumped in the creek to try to pull out a third. What followed was a 3-mile journey through the underground maze of sewer pipelines.

Minutes into this wild ride, Eric grabbed something in the underground sewer system that turned out to be ladder to a manhole. He was underground for hours, literally hanging on for dear life, until a man walking his dog in Forest Park heard the calls and summoned emergency help.

On April 27, 1993, in St. Louis, Eric Fortner was awarded the Boy Scouts of

America's highest award for heroism, the Order of Crossed Palms. This rarely awarded medal is reserved for Scouts who demonstrate both unusual heroism and extraordinary skill or resourcefulness in saving or attempting to save life at extreme risk to self. Eric is a member of troop 268 which is chartered to the Union Memorial United Methodist Church.

Winston Churchill said, "Courage is rightly esteemed the first of human qualities * * * because it is the quality which guarantees all others." For the rest of Eric's life, he will know that he courageously faced death and danger, choosing love for his friend over his own safety.

Recently, Gov. Mel Carnahan and I nominated Eric for the Young American Medal for Bravery. This award recognizes young men and women 18 years of age or younger who exhibit exceptional courage, extraordinary decisionmaking, presence of mind, and unusual swiftness of action, regardless of their own personal safety, in an effort to save a person whose life was in actual imminent danger. Eric's actions on August 26 reflected all of these qualities and make him a viable candidate for this honor.

Mr. President, Eric Fortner is a true hero, and I am honored to have the opportunity to recognize his heroism. Our nation has been blessed because of people like Eric. I would like to extend my best wishes to him and hopes for continued success in the future.●

NOTICE OF DETERMINATION BY THE SELECT COMMITTEE ON ETHICS UNDER RULE 35, PARAGRAPH 4, REGARDING EDUCATIONAL TRAVEL

● Mr. BRYAN. Mr. President, it is required by paragraph 4 of rule 35 that I place in the CONGRESSIONAL RECORD notices of Senate employees who participate in programs, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The select committee received notification under rule 35 for Senator PELL and staff members Janice Demers and Richard Kessler; Senator LEVIN and staff member Rick Fieldhouse; and Senator BOREN and staff members Zachariah Messittee, Christopher Straub and Dan Webber, to participate in a program in China sponsored by the Chinese Government during December 1992.

The committee determined that no Federal statute or Senate rule would prohibit participation by Senators PELL, LEVIN, BOREN, and staff members Janice Demers, Richard Kessler, Zachariah Messittee, Christopher Straub, and Dan Webber in this program.

The select committee received notification under rule 35 for Laurie Schultz Heim, a member of the staff of Senator JEFFORDS, to participate in a program in Russia sponsored by the American Foreign Policy Council and the Russian Parliament, from May 21–June 13, 1993.

The committee determined that no Federal statute or Senate rule would prohibit participation by Ms. Heim in this program.

The select committee received notification under rule 35 for Dr. Robert McArthur, a member of the staff of Senator COCHRAN, to participate in a program in Chile, sponsored by the Chilean-American Chamber of Commerce, from May 31–June 3, 1993.

The committee determined that no Federal statute or Senate rule would prohibit participation by Dr. McArthur in this program.

The select committee received notification under rule 35 for Senator PELL and staff members Janice Demers and Richard Kessler; Senator LEVIN and staff member Rick Fieldhouse; Senator BOREN and staff members Zachariah Messittee, Christopher Straub, and Dan Webber; to accept travel in China in December 1992.

The committee determined that acceptance of travel at the expense of the Chinese Government, was in the interest of the Senate and the United States.

The select committee received notification under rule 35 for Amy Dunathan, a member of the staff of Senator CHAFEE, to participate in a program in Mexico, sponsored by the Mexican Business Coordinating Council, Consejo Coordinador Empresarial [CCE], from January 12–15, 1993.

The committee determined that no Federal statute or Senate rule would prohibit participation by Ms. Dunathan in this program.●

POLLUTION PREVENTION AND RECYCLING

● Mr. LIEBERMAN. Mr. President, earlier this week, I introduced the Hazardous Pollution Prevention Planning Act of 1993, S. 980, a bill that encourages businesses to develop their own individual ways to improve the environment while improving their bottom line through pollution prevention. Individual corporate responsibility is stressed as the bill calls on companies to develop plans for pollution prevention based on the way they do business. A targeted Federal role is also stressed. EPA will help businesses evaluate their options for preventing pollution by providing technical assistance, conducting research through grants, contracts, and cooperative agreements, and reporting on the program's progress. Each does what it does best—business running its own operations, responsibility, and Government working with centers of higher learning and the States to generate and disseminate the information needed to help business work better and cleaner.

I'd like to highlight the research, development, and demonstration portion of the bill, section 7, which was proposed by my very able colleague, the distinguished senior Senator from New York [Mr. MOYNIHAN]. The language was originally offered and accepted as an amendment to the Environment and Public Works Committee markup of the Resource Conservation and Recovery Act last June. I was impressed by the amendments and asked Senator MOYNIHAN if he would agree to have the language included as part of my pollution prevention bill. I am glad he agreed to do so, because I think it is an important addition to my bill. An efficient infrastructure for pollution prevention, recycling, and reuse simply does not exist. These provisions help us build this infrastructure now and maintain it in the future.

Section 7 encourages EPA to conduct a pollution prevention research program. It requires EPA to work with other Federal agencies involved in pollution prevention and with the States. EPA is required to provide such grants, contracts, and cooperative agreements to colleges and universities to ensure they play a principal role in carrying out the program. This is an important national capacity building effort, and much needed if we are to create the flexibility needed to address regional and local problems and to make best use of our Nation's expertise in preventing pollution.

Research on the identification and evaluation of environmentally safe product substitutes is called for to promote and facilitate the design, development, and production of environmentally preferable product alternatives for use by the private sector.

Research to assess the effects of manufacturing processes on pollution is authorized to develop, evaluate, demonstrate, and promote the use of pollution prevention and waste minimization process technologies by the private sector.

Research to develop methods is called for to allow assessment of the degree of reduction in pollution resulting from changes in key manufacturing processes. These research efforts will provide information needed over time to show us the best ways to prevent pollution and to evaluate the success of pollution prevention efforts.

Because recycling and reuse programs are in their early stages of development, section 7 authorizes a recycling and reuse research program to identify, evaluate, and demonstrate economic and environmentally safe product recovery, reuse, and recycling methods. Section 7 encourages identification of innovative uses of and markets for recycled products.

A number of financial, political, and technological issues have hindered pollution prevention efforts. It is likely this will continue into the future. Perhaps the most important part of section 7 is Senator MOYNIHAN's forward looking language authorizing socioeconomic and institutional research efforts to identify barriers and incentives to recycling and reuse in order to stimulate the development and implementation of acceptable waste minimization and pollution prevention technologies.

As technology evolves, new processes and products will enter commerce. Section 7 authorizes EPA to conduct an anticipatory program to identify emerging environmental problems and to develop ways to avoid them. It also authorizes EPA to develop ways to monitor the effectiveness of pollution prevention technology.•

HONORING KATHRYN DUDEK

•Mr. D'AMATO. Mr. President, I rise today to honor the memory of a fine woman, Kathryn Dudek. Kathryn Dudek was a gifted photographer who was fatally struck by a car on May 21, 1992. She was 38 years old.

Kathryn was a sports photographer who specialized in horseracing and tennis, but did not limit herself to those subjects. Kathryn also photographed human-interest subjects, countless celebrities, and events of local and national significance. She photographed my grandchildren and took pictures at my daughter's wedding.

Kathryn's enormous talent was accompanied by a go-get-it attitude. She approached assignments with enthusiasm and always could be counted on to get the job done on time, even on tight deadlines. Kathryn was a familiar sight at the New York Racing Association tracks and was usually seen with no fewer than three cameras strapped around her neck. She threw herself into her work and it was apparent that she loved her job.

In an effort to keep her memory alive, many organizations have honored her. The New York Road Runners Club honored her by dedicating their 1992 NYC Marathon Program cover to her work, displaying 11 of her photos. There has also been a Belmont Park memorial race named after her which will be run each year. The race is aptly named "The Memories of Kathryn."

Kathryn Dudek was a bright star whose memory will live on. She will be missed by her family, friends, and the many to whom she brought joy. I salute her wonderful life, and am saddened by her passing.•

REMOVAL OF INJUNCTION OF SECRECY

Mr. MITCHELL. Madam President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the Tax Convention with Mexico (Treaty Doc. No. 103-7), transmitted to the Senate by the President today, and ask that the treaty be considered as having been read the first time; that it be referred with accompanying papers to the Committee on Foreign Relations and ordered to be printed; and that the President's message be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The President's message is as follows:

To the Senate of the United States:

I transmit herewith for Senate advice and consent to ratification the Convention Between the Government of the United States of America and the Government of the United Mexican States for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, together with a related Protocol, signed at Washington on September 18, 1992. Also transmitted for the information of the Senate is the report of the Department of State with respect to the Convention.

The income tax Convention, the first between the two countries, is intended to reduce the distortions (double taxation or excessive taxation) that can arise when two countries tax the same income, thereby enabling United States firms to compete on a more equitable basis in Mexico and enhancing the attractiveness of the United States to Mexican investors. The Convention is generally based on the Model Treaty of the Organization for Economic Cooperation and Development and recent income tax conventions of both parties.

I recommend that the Senate give early and favorably consideration to the Convention and related Protocol and give its advice and consent to ratification.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *May 20, 1993.*

ORDER TO CHANGE MORNING BUSINESS

Mr. MITCHELL. Madam President, I ask unanimous consent that the previous order for morning business be changed to reflect the time allotted to Senator GRAMM of Texas be instead allotted to Senator CONRAD.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR FRIDAY, MAY 21, AND MONDAY, MAY 24

Mr. MITCHELL. Madam President, I ask unanimous consent that on Monday, May 24, at 3:30 p.m., the Senate go into executive session to consider the nomination of Roberta Achtenberg to be Assistant Secretary of Housing and Urban Development, that there be 1 hour for debate equally divided in the usual form on the nomination, and that at 4:30 p.m. on Monday, the Senate, without any intervening action or debate, vote on confirmation of the nomination; that upon the disposition of the nomination, the President be immediately notified of the Senate's action, and the Senate return to legislative session; that when the Senate completes its business today, it stand in recess until 10 a.m. on Friday, May 21; that following the prayer, the Journal of proceedings be deemed approved to date; the time for the two leaders be reserved for their use later in the day; there be a period for morning business not to extend beyond 10:20 a.m., with Senators GRAMM of Texas and GRASSLEY permitted to speak therein for up to 10 minutes each; and that at 10:20 a.m., the Senate turn to consideration of Calendar No. 60, S. 3, the campaign finance reform bill, and that the bill be considered for debate only on Friday, May 21.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. MITCHELL. Madam President, agreement having been reached, there will be no rollcall votes this evening, nor will there be any rollcall votes on tomorrow, Friday.

On Monday, there will be a rollcall vote at 4:30 p.m, on the nomination of Roberta Achtenberg to be Assistant Secretary of Housing and Urban Development. Since it is my intention to continue consideration of the campaign finance reform bill on Monday prior to the debate and vote on the Achtenberg nomination, votes are possible on the campaign finance reform bill on Monday as well. However, that will not be decided until such time as we get into the bill. Under the agreement, the bill will be considered for debate only tomorrow, and then we will be on the bill itself on Monday.

RECESS UNTIL 10 A.M. TOMORROW

Mr. MITCHELL. Madam President, if there is no further business to come before the Senate, I ask unanimous consent that the Senate stand in recess until 10 a.m. tomorrow, as under the previous order.

There being no objection, the Senate, at 6:40 p.m., recessed until Friday, May 21, 1993, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate May 20, 1993:

DEPARTMENT OF STATE

WILLIAM CHRISTIE RAMSAY, OF MICHIGAN, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF THE CONGO.

DEPARTMENT OF EDUCATION

SHARON PORTER ROBINSON, OF KENTUCKY, TO BE ASSISTANT SECRETARY FOR EDUCATIONAL RESEARCH AND IMPROVEMENT, DEPARTMENT OF EDUCATION, VICE DIANE S. RAVITCH, RESIGNED.

JUDITH A. WINSTON, OF THE DISTRICT OF COLUMBIA, TO BE GENERAL COUNSEL, DEPARTMENT OF EDUCATION, VICE JEFFREY C. MARTIN, RESIGNED.

EXECUTIVE OFFICE OF THE PRESIDENT

LIONEL SKIPWITH JOHNS, OF VIRGINIA, TO BE AN ASSOCIATE DIRECTOR OF THE OFFICE OF SCIENCE AND TECHNOLOGY POLICY.

DEPARTMENT OF DEFENSE

CHAS. W. FREEMAN, OF RHODE ISLAND, TO BE AN ASSISTANT SECRETARY OF DEFENSE, VICE JAMES RODERICK LILLEY, RESIGNED.

DEPARTMENT OF LABOR

OLENA BERG, OF CALIFORNIA, TO BE AN ASSISTANT SECRETARY OF LABOR, VICE DAVID GEORGE BALL, RESIGNED.

JOHN D. DONAHUE, OF INDIANA, TO BE AN ASSISTANT SECRETARY OF LABOR, VICE NANCY RISQUE ROHRBACH, RESIGNED.

EXECUTIVE OFFICE OF THE PRESIDENT

LEE PATRICK BROWN, OF TEXAS, TO BE DIRECTOR OF NATIONAL DRUG CONTROL POLICY, VICE BOB MARTINEZ.

DEPARTMENT OF TRANSPORTATION

ALBERT J. HERBERGER, OF NEW YORK, TO BE ADMINISTRATOR OF THE MARITIME ADMINISTRATION, VICE WARREN G. LEBACK, RESIGNED.

CONFIRMATIONS

Executive Nominations Confirmed by the Senate May 20, 1993:

DEPARTMENT OF EDUCATION

KAY CASSTEVENS, OF TEXAS, TO BE ASSISTANT SECRETARY FOR LEGISLATION AND CONGRESSIONAL AFFAIRS, DEPARTMENT OF EDUCATION.

NORMA V. CANTU, OF TEXAS, TO BE ASSISTANT SECRETARY FOR CIVIL RIGHTS, DEPARTMENT OF EDUCATION.

DEPARTMENT OF VETERANS AFFAIRS

JERRY W. BOWEN, OF ARKANSAS, TO BE DIRECTOR OF THE NATIONAL CEMETERY SYSTEM, DEPARTMENT OF VETERANS AFFAIRS.

MARY LOU KEENER, OF GEORGIA, TO BE GENERAL COUNSEL, DEPARTMENT OF VETERANS AFFAIRS.

EDWARD P. SCOTT, OF NEW JERSEY, TO BE AN ASSISTANT SECRETARY OF VETERANS AFFAIRS (CONGRESSIONAL AFFAIRS).

D. MARK CATLETT, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF VETERANS AFFAIRS (FINANCE AND INFORMATION RESOURCES MANAGEMENT).

DEPARTMENT OF ENERGY

THOMAS P. GRUMBLY, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF ENERGY (ENVIRONMENTAL RESTORATION AND MANAGEMENT).

JAMES JOHN HOECKER, OF VIRGINIA, TO BE A MEMBER OF THE FEDERAL ENERGY REGULATORY COMMISSION FOR THE REMAINDER OF THE TERM EXPIRING JUNE 30, 1995.

WILLIAM LLOYD MASSEY, OF ARKANSAS, TO BE MEMBER OF THE FEDERAL ENERGY REGULATORY COMMISSION FOR THE REMAINDER OF THE TERM EXPIRING OCTOBER 20, 1993.

WILLIAM LLOYD MASSEY, OF ARKANSAS, TO BE A MEMBER OF THE FEDERAL ENERGY REGULATORY COMMISSION FOR THE TERM EXPIRING JUNE 30, 1998.

WILLIAM FARLEY SANTA, OF CONNECTICUT, TO BE A MEMBER OF THE FEDERAL ENERGY REGULATORY COMMISSION FOR THE TERM EXPIRING JUNE 30, 1997.

VICKY A. BAILEY, OF INDIANA, TO BE A MEMBER OF THE FEDERAL ENERGY REGULATORY COMMISSION FOR THE TERM EXPIRING JUNE 30, 1996.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMIT TEE OF THE SENATE.

IN THE NAVY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF VICE ADMIRAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be vice admiral

REAR ADM. DAVID E. FROST, U.S. NAVY [redacted].

IN THE ARMY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be general

LT. GEN. GARY E. LUCK [redacted] U.S. ARMY.

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT IN THE U.S. AIR FORCE TO THE GRADE OF BRIGADIER GENERAL UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 624:

To be brigadier general

COL. MAXWELL C. BAILEY, [redacted] REGULAR AIR FORCE.
COL. ROBERT P. BELIHAR [redacted] REGULAR AIR FORCE.
COL. FRANK B. CAMPBELL, [redacted] REGULAR AIR FORCE.
COL. THOMAS R. CASE, [redacted] REGULAR AIR FORCE.
COL. DONALD G. COOK, [redacted] REGULAR AIR FORCE.
COL. CHARLES H. COOLIDGE, JR. [redacted] REGULAR AIR FORCE.
COL. RICHARD L. ENGEL, [redacted] REGULAR AIR FORCE.
COL. ROBERT E. GATLIFF [redacted] REGULAR AIR FORCE.
COL. MICHAEL V. HAYDEN, [redacted] REGULAR AIR FORCE.
COL. CHARLES R. HENDERSON [redacted] REGULAR AIR FORCE.
COL. WILLIAM R. HODGES, [redacted] REGULAR AIR FORCE.
COL. ROBERT A. HOFFMANN, [redacted] REGULAR AIR FORCE.
COL. RAYMOND P. HUOT [redacted], REGULAR AIR FORCE.
COL. HOWARD J. INGERSOLL, [redacted] REGULAR AIR FORCE.
COL. JAMES A. JAEGER [redacted] REGULAR AIR FORCE.
COL. RONALD T. KADISH, [redacted] REGULAR AIR FORCE.
COL. THOMAS J. KECK, [redacted] REGULAR AIR FORCE.
COL. OREST L. KOHUT, [redacted] REGULAR AIR FORCE.
COL. GEORGE P. LAMPE [redacted] REGULAR AIR FORCE.
COL. JAMES D. LATHAM [redacted] REGULAR AIR FORCE.
COL. RONALD C. MARCOTTE, [redacted] REGULAR AIR FORCE.
COL. RICHARD C. MARR, [redacted] REGULAR AIR FORCE.
COL. GREGORY S. MARTIN, [redacted] REGULAR AIR FORCE.
COL. DAVID J. MCCLOUD, [redacted] REGULAR AIR FORCE.
COL. JOHN F. MILLER, JR [redacted] REGULAR AIR FORCE.
COL. MICHAEL A. MOFFITT, [redacted] REGULAR AIR FORCE.
COL. WILLIAM F. MOORE, [redacted] REGULAR AIR FORCE.
COL. THOMAS H. NEARY, [redacted] REGULAR AIR FORCE.
COL. CHARLES H. PEREZ [redacted] REGULAR AIR FORCE.
COL. JEFFREY S. PILKINGTON [redacted] REGULAR AIR FORCE.
COL. STEPHEN B. PLUMMER, [redacted] REGULAR AIR FORCE.
COL. KAREN S. RANKIN, [redacted] REGULAR AIR FORCE.
COL. THOMAS J. SCANLAN, JR. [redacted] REGULAR AIR FORCE.
COL. GEORGE T. STRINGER, [redacted] REGULAR AIR FORCE.
COL. ARTHUR S. THOMAS, [redacted] REGULAR AIR FORCE.
COL. LANSFORD E. TRAPP, JR [redacted] REGULAR AIR FORCE.
COL. GARY A. VOELLGER, [redacted] REGULAR AIR FORCE.
COL. BUFORD R. WIT [redacted], REGULAR AIR FORCE.

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE OF MAJOR GENERAL UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 624:

To be major general

BRIG. GEN. GEORGE T. BABBITT, JR. [redacted] REGULAR AIR FORCE.
BRIG. GEN. RICHARD C. BETHUREM [redacted] REGULAR AIR FORCE.
BRIG. GEN. WILLIAM B. DAVITT [redacted] REGULAR AIR FORCE.
BRIG. GEN. LEE A. DOWNER [redacted] REGULAR AIR FORCE.
BRIG. GEN. RALPH E. EBERHART [redacted] REGULAR AIR FORCE.
BRIG. GEN. RICHARD N. GODDARD, [redacted] REGULAR AIR FORCE.
BRIG. GEN. ELDON W. JOERSZ [redacted] REGULAR AIR FORCE.
BRIG. GEN. LESTER L. LYLES [redacted] REGULAR AIR FORCE.
BRIG. GEN. DAVID W. MCILVOY, [redacted] REGULAR AIR FORCE.
BRIG. GEN. KENNETH A. MINIHAN [redacted] REGULAR AIR FORCE.
BRIG. GEN. LLOYD W. NEWTON, [redacted] REGULAR AIR FORCE.
BRIG. GEN. TAD J. OELSTROM [redacted] REGULAR AIR FORCE.
BRIG. GEN. CHARLES T. ROBERTSON, JR [redacted], REGULAR AIR FORCE.
BRIG. GEN. EUGENE D. SANTARELLI [redacted] REGULAR AIR FORCE.
BRIG. GEN. RICHARD T. SWOPE, [redacted] REGULAR AIR FORCE.
BRIG. GEN. ARNOLD R. THOMAS, JR. [redacted] REGULAR AIR FORCE.
BRIG. GEN. W. THOMAS WEST [redacted] REGULAR AIR FORCE.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

MAJ. GEN. JOHN S. FAIRFIELD [redacted] U.S. AIR FORCE.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

MAJ. GEN. DALE W. THOMPSON, JR. [redacted] U.S. AIR FORCE.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL ON THE RETIRED LIST PURSUANT TO THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. TREVOR A. HAMMOND, [redacted] U.S. AIR FORCE.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

MAJ. GEN. JOHN M. NOWAK, [redacted] U.S. AIR FORCE.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL ON THE RETIRED LIST PURSUANT TO THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. THOMAS R. FERGUSON, JR. [redacted] U.S. AIR FORCE.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

MAJ. GEN. JAMES A. FAIN, JR. [redacted] U.S. AIR FORCE.

IN THE ARMY

THE UNITED STATES ARMY RESERVE OFFICERS NAMED HEREIN FOR APPOINTMENT IN THE RESERVE OF THE ARMY OF THE UNITED STATES IN THE GRADES INDICATED BELOW, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTIONS 593(A), 3371 AND 3384:

To be major general

BRIG. GEN. STEPHEN C. BISSET [redacted].
BRIG. GEN. EDWARD M. CROWLEY [redacted].
BRIG. GEN. RALPH O. DOUGHTY [redacted].
BRIG. GEN. ROBERT A. LAME [redacted].
BRIG. GEN. RONALD L. LOWE [redacted].
BRIG. GEN. JAMES A. POCOCK [redacted].
BRIG. GEN. LARRY L. SCHEUCHZER [redacted].
BRIG. GEN. MICHAEL D. STRONG, II [redacted].

To be brigadier general

COL. ROBERT A. LUCAS [redacted].
COL. WILLIAM F. O'BRIEN [redacted].
COL. WESLEY A. BEAL [redacted].
COL. CLARK C. WATTS [redacted].
COL. DAVID J. KAUCHECK [redacted].
COL. VINCENT E. STAHL [redacted].
COL. JERALD N. ALBRECHT [redacted].
COL. KENNETH D. STRONG [redacted].
COL. CRAIG BAMBROUGH, [redacted].
COL. THOMAS J. MATTHEWS [redacted].
COL. THOMAS A. DEAS [redacted].
COL. JAMES P. CULLEN [redacted].
COL. WILLIAM F. ALLEN [redacted].
COL. EDDI Z. ZYKO [redacted].
COL. MARK R. BAILEY [redacted].
COL. ANTHONY F. CARUANA [redacted].

THE FOLLOWING NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. JOSEPH S. LAPOSATA [redacted], U.S. ARMY.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. MARVIN L. COVAULT [redacted] U.S. ARMY.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. RICHARD F. KELLER[redacted] U.S. ARMY.

THE U.S. ARMY RESERVE OFFICERS NAMED HEREIN FOR APPOINTMENT IN THE RESERVE OF THE ARMY OF THE UNITED STATES IN THE GRADES INDICATED BELOW, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTIONS 593(A), 3371 AND 3384:

To be major general

BRIG. GEN. WALTER E. KATUZNY, JR[redacted].
BRIG. GEN. THOMAS W. SABO[redacted].

To be brigadier general

COL. JAMES M. AUBUCHON[redacted].
COL. JAMES W. DARDEN[redacted].
COL. ROBERT H. MCINVALE, JR.[redacted]
COL. JOEL G. BLANCHETTE[redacted].
COL. JACK H. KOTTER[redacted].
COL. MICHAEL T. GAW[redacted].

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. JOHN E. MILLER[redacted] U.S. ARMY.

THE U.S. ARMY NATIONAL GUARD OFFICER NAMED HEREIN FOR APPOINTMENT IN THE RESERVE OF THE ARMY OF THE UNITED STATES IN THE GRADE INDICATED BELOW, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTIONS 593(A), 3385, AND 3392:

To be brigadier general

COL. PAUL G. GEBHARDT[redacted].

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. HENRY H. SHELTON[redacted] U.S. ARMY.

IN THE NAVY

THE FOLLOWING-NAMED CAPTAINS IN THE STAFF CORPS OF THE U.S. NAVY FOR PROMOTION TO THE PERMANENT GRADE OF REAR ADMIRAL (LOWER HALF), PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 624, SUBJECT TO QUALIFICATIONS THEREFOR AS PROVIDED BY LAW:

MEDICAL CORPS

To be rear admiral (lower half)

CAPT. JAMES HOWARD BLACK[redacted] U.S. NAVY.
CAPT. NOEL KENNEDY DYSART, JR.[redacted] U.S. NAVY.

SUPPLY CORPS

To be rear admiral (lower half)

CAPT. EDWARD ROBERT CHAMBERLIN,[redacted] U.S. NAVY.
CAPT. JOHN TURNER SCUD[redacted] U.S. NAVY.

CIVIL ENGINEER CORPS

To be rear admiral (lower half)

CAPT. DAVID JULIAN NASH[redacted] U.S. NAVY.

THE FOLLOWING-NAMED REAR ADMIRALS (LOWER HALF) IN THE LINE OF THE NAVY FOR PROMOTION TO THE PERMANENT GRADE OF REAR ADMIRAL, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 624, SUBJECT TO QUALIFICATIONS THEREFOR AS PROVIDED BY LAW:

UNRESTRICTED LINE OFFICER

To be rear admiral

REAR ADM. (LH) PHILIP JAMES COADY, JR[redacted], U.S. NAVY.
REAR ADM. (LH) PHILIP ALPHONSE DUR[redacted] U.S. NAVY.
REAR ADM. (LH) ROBERT JOHNSON SPANE[redacted] U.S. NAVY.
REAR ADM. (LH) RICHARD ALEXAND WILSON[redacted], U.S. NAVY.

THE FOLLOWING-NAMED REAR ADMIRAL (LOWER HALF) IN THE COMPETITIVE CATEGORY OF ENGINEERING DUTY OFFICER OF THE NAVY FOR PROMOTION TO THE PERMANENT GRADE OF REAR ADMIRAL, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 624, SUBJECT TO QUALIFICATIONS THEREFOR AS PROVIDED BY LAW:

ENGINEERING DUTY OFFICER

To be rear admiral

REAR ADM. (LH) EDWARD STILLMAN MCGINLEY, II, 192–30–9494, U.S. NAVY.

THE FOLLOWING-NAMED OFFICER, CURRENTLY HOLDING THE PERMANENT GRADE OF REAR ADMIRAL (LOWER HALF), IN THE COMPETITIVE CATEGORY OF SPECIAL DUTY OFFICER (INTELLIGENCE) OF THE NAVY FOR PROMOTION TO THE PERMANENT GRADE OF REAR ADMIRAL, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 624, SUBJECT TO QUALIFICATIONS THEREFOR TO AS PROVIDED BY LAW:

SPECIAL DUTY OFFICER (INTELLIGENCE)

To be rear admiral

REAR ADM. (LH) JOHN MICHAEL MCCONNELL[redacted] U.S. NAVY.

THE FOLLOWING-NAMED REAR ADMIRAL (LOWER HALF) OF THE RESERVE OF THE U.S. NAVY FOR PERMANENT PROMOTION TO THE GRADE OF REAR ADMIRAL IN THE STAFF CORPS, AS INDICATED, PURSUANT TO THE PROVISION OF TITLE 10, UNITED STATES CODE, SECTION 5912:

DENTAL CORPS OFFICER

To be rear admiral

REAR ADM. (LH) ROGER WAYNE TRIFTSHAUSER, 101–30–5084/2205, U.S. NAVAL RESERVE.

THE FOLLOWING NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be vice admiral

VICE ADM. WILLIAM A. DOUGHERTY, JR., U.S. NAVY, 191–28–6102.

MARINE CORPS

THE FOLLOWING-NAMED COLONELS OF THE U.S. MARINE CORPS FOR PROMOTION TO THE PERMANENT GRADE OF BRIGADIER GENERAL, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 624:

To be brigadier general

COL. THOMAS A. BRAATEN[redacted].
COL. MARTIN R. STEELE[redacted].
COL. FREDERICK MCCORKLE[redacted].
COL. MICHAEL D. RYAN[redacted].
COL. PATRICK G. HOWARD[redacted].
COL. WAYNE E. ROLLINGS[redacted].
COL. GEORGE M. KARAMARKOVICH[redacted].
COL. MICHAEL P. DELONG[redacted].
COL. EDWIN C. KELLEY, JR.[redacted].
COL. RICHARD F. VERCAUTEREN[redacted].
COL. EDWARD HANLON, JR.[redacted].
COL. GEOFFREY B. HIGGINBOTHAM[redacted].
COL. JACK W. KLIMP[redacted].
COL. RONALD G. RICHARD[redacted].

THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. MATTHEW T. COOPER[redacted] USMC.

IN THE AIR FORCE

AIR FORCE NOMINATIONS BEGINNING JOHN T. ABBOTT, JR., AND ENDING SCOTT R. WILLIAMSON, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF FEBRUARY 16, 1993.

AIR FORCE NOMINATIONS BEGINNING *CARL P. DENNIS, AND ENDING SALLY J. PETTY, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF MARCH 25, 1993.

AIR FORCE NOMINATIONS BEGINNING MICHAEL S. HOUSER, AND ENDING JOHN A. ARRIGO, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF MARCH 25, 1993.

AIR FORCE NOMINATIONS BEGINNING ROOSEVELT GREEN, AND ENDING GARDNER G. BASSETT, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF MARCH 29, 1993.

AIR FORCE NOMINATIONS BEGINNING LORI L. BROWN, AND ENDING AMIT Y. YORAN, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF MARCH 29, 1993.

AIR FORCE NOMINATIONS BEGINNING ALAN M. AKERS, AND ENDING MARY L. ZOZULIN, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF MARCH 29, 1993.

AIR FORCE NOMINATIONS BEGINNING RONALD W. HANROTE, AND ENDING ALAN R. WESTROM, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF APRIL 5, 1993.

AIR FORCE NOMINATIONS BEGINNING MAJ. DANA L. ALEXANDER, [redacted] AND ENDING MAJ. KEVIN G. HOFFERT, [redacted] WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF APRIL 19, 1993.

AIR FORCE NOMINATIONS BEGINNING JAMES S. ADAMSKI, AND ENDING MICHAEL F. ZUPAN, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF APRIL 19, 1993.

AIR FORCE NOMINATIONS BEGINNING MILA D. ABALATEO, AND ENDING DANIEL R. ZAYAC, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF APRIL 19, 1993.

IN THE ARMY

ARMY NOMINATIONS BEGINNING HENRY C. CHAPMAN, AND ENDING RICHARD W. KREMPASKY, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF JANUARY 5, 1993.

ARMY NOMINATIONS BEGINNING RONALD W. ADAMS, AND ENDING JACK R. YOUNGER, JR., WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF JANUARY 5, 1993.

ARMY NOMINATIONS BEGINNING FRANK S. PETTYJOHN, AND ENDING CHRISTOPHER F. SIRRIDGE, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF MARCH 25, 1993.

ARMY NOMINATIONS BEGINNING RICHARD W. AVERITT, AND ENDING SANDRA J. BARY, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF MARCH 25, 1993.

ARMY NOMINATIONS BEGINNING JAMES J. DOUGHERTY, AND ENDING CHARLOTTE G. DUFFORD, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF MARCH 25, 1993.

ARMY NOMINATIONS BEGINNING LONNIE B. BYRD, AND ENDING DAVID ZALIS, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF MARCH 25, 1993.

ARMY NOMINATIONS BEGINNING JAMES M. BROWN, AND ENDING WAYNE R. WHITELOCK, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF MARCH 25, 1993.

ARMY NOMINATIONS BEGINNING JOHN M. BABCOCK, AND ENDING JAMES W. WINN, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MARCH 25, 1993.

ARMY NOMINATIONS BEGINNING MICHAEL L. ABELS, AND ENDING BRUCE E. ZUKAUSKAS, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF MARCH 25, 1993.

ARMY NOMINATIONS BEGINNING *GARY D. DAVIS, AND ENDING *DONALD W. GILMORE, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN CONGRESSIONAL RECORD OF MARCH 29, 1993.

ARMY NOMINATIONS BEGINNING STEVEN G. BROOKS, AND ENDING *MICHAEL J. KALIL, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF APRIL 5, 1993.

ARMY NOMINATIONS BEGINNING PATRICK M. HOLDER, AND ENDING *VICTORIA J. RANSOM, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF APRIL 5, 1993.

ARMY NOMINATIONS BEGINNING RAYMOND L. CAPPS, AND ENDING CLEM D. MCDUFFIE, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF APRIL 5, 1993.

ARMY NOMINATIONS BEGINNING BURIS C. DALE, AND ENDING TERRY E. THOMASON, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF APRIL 19, 1993.

ARMY NOMINATIONS BEGINNING RONALD E. MCCONNELL, WHICH WAS RECEIVED BY THE SENATE AND APPEARED IN CONGRESSIONAL RECORD OF APRIL 19, 1993.

ARMY NOMINATIONS BEGINNING ELZEY J. ARLEDGE, JR., AND ENDING MARY M. LACKEY, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF APRIL 19, 1993.

ARMY NOMINATIONS BEGINNING JOHN P. SCOVILL, AND ENDING LANG K. COLEMAN, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE ON APRIL 28, 1993, AND APPEARED IN THE CONGRESSIONAL RECORD OF APRIL 29, 1993.

ARMY NOMINATIONS BEGINNING ERIK J. AASTERUD, AND ENDING STRIDER SULLEY, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE ON APRIL 28, 1993, AND APPEARED IN THE CONGRESSIONAL RECORD OF APRIL 29, 1993.

IN THE MARINE CORPS

MARINE CORPS NOMINATIONS BEGINNING ERIK M. WOLF, AND ENDING MARK A. MCGUIRE, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF APRIL 21, 1993.

IN THE NAVY

NAVY NOMINATIONS BEGINNING JOHN GORDON ASCH, AND ENDING KENNETH W. PARNELL, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF MARCH 25, 1993.

NAVY NOMINATIONS BEGINNING BRIAN MURRAY CALHOUN, AND ENDING PATRICK JAMES TILLEY, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF APRIL 19, 1993.

NAVY NOMINATIONS BEGINNING ROBERT ANDREW OLSHAKER, AND ENDING JAMES A. MCGINNIS, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF APRIL 19, 1993.

NAVY NOMINATIONS BEGINNING MARTIN ROBERT ALLARD, AND ENDING VICTOR C. SEE, JR., WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF APRIL 19, 1993.

NAVY NOMINATIONS BEGINNING CHARLES LEE ALEY, III, AND ENDING ALDEN GRAY MOORE, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF APRIL 19, 1993.

NAVY NOMINATIONS BEGINNING RICHARD D. BAERTLEIN, AND ENDING DOREEN ESTHER TATE, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF APRIL 19, 1993.

NAVY NOMINATIONS BEGINNING MATTHEW A. ALLISON, AND ENDING CAMERON P. RATKOVIC, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF APRIL 21, 1993.

NAVY NOMINATIONS BEGINNING KARL E. EIMERS, AND ENDING MARK W. BIOLO, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF APRIL 21, 1993.

NAVY NOMINATIONS BEGINNING ROGER D. ALLENBAUGH, AND ENDING ROY E. WEYMOUTH, JR., WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF APRIL 21, 1993.

NAVY NOMINATIONS BEGINNING CHARLES J. BAKER, AND ENDING PAUL E. MATTHEWS, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF APRIL 21, 1993.

EXTENSIONS OF REMARKS

THE FAMILY LIVING WAGE ACT

HON. THOMAS E. PETRI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1993

Mr. PETRI. Mr. Speaker, today I am introducing the Family Living Wage Act. This bill would increase the current earned income tax credit [EITC] and vary it more by family size. Its objectives are to provide tax relief for middle-income families with children; to supplement wages according to need, as determined by family size; to help people support families by working rather than on welfare; and to help with the costs of child care, which are heaviest for preschool children.

The most recent reform of the EITC, contained in the Omnibus Budget Reconciliation Act of 1990 [OBRA], did increase the basic credit and adjust in slightly for families with a second child. In 1993, the EITC will allow a maximum credit of $1,434 for a one child family and $1,511 for a family with two children. In addition, OBRA added a separate credit for children under the age of one and another credit for health insurance expenses.

Starting in 1994, the Family Living Wage Act would provide workers at or near the minimum wage a base credit of $1,600 and add an additional $800 for each preschool child and $400 for each school-age child, for up to four children. The maximum credit for a family with four preschool children would be $4,800 per year which is equivalent to an extra hourly wage, before any deductions, of $2.60. A low-wage worker with two preschoolers would receive $3,200, equivalent to an extra wage of $1.73. Moreover, these supplements are indexed to inflation and workers can receive them in their paychecks.

As family income rises above $10,000 per year, the credit phases down gradually until a minimum credit of $400 per preschooler and $200 per school-age child is reached at incomes in the mid-twenties, depending on family configuration. This minimum benefit would apply to all middle-class families with incomes up to $50,000, after which it phases out by $61,000.

The Family Living Wage Act repeals the separate credit for children under one, the health insurance credit, and the dependent care credit [DCC]—collapsing four credits into one and radically simplifying credits for low-income people.

Although the bill repeals the current dependent care credit, its minimum EITC benefits provide more total help than the DCC does for middle-class families in the relevant income range. Moreover, the EITC spreads the money fairly across all these families, rather than giving all of it to the minority of families that pay others for child care. Since the dependent care credit unfairly discriminates against people who forgo work to take care of their children and is highly regressive—most of its benefits go to the highest income families—it is far better policy to eliminate it and fold its cost into the EITC as is doing by the Family Living Wage Act.

This legislation is designed both to provide tax relief for middle-class families with children, and to help low-skilled people support families by working rather than through welfare. Although most people want to work, many find that their skills do not enable them to earn as much as they could receive on welfare. Many of these people work anyway, hoping to improve their earnings over time, but they face great hardship in the meantime. Others remain caught in a welfare trap, facing financial penalties for trying to escape. Still others can earn slightly more than welfare would give them but not enough to pull them close to the poverty line. The basic problem is that economic need and, consequently, welfare payments vary by family size, but wages do not.

By directly supplementing the wages of low-income workers with children, the Family Living Wage Act achieves the broader objective of providing general help to these families based on economic need as determined by family size. It thereby achieves the same objective as an increase in the minimum wage but does it in a far better and more targeted way, while avoiding the job losses and inflation associated with minimum wage increases.

I urge my colleagues to join me in extending greater, more permanent benefits to family heads through the Family Living Wage Act.

A copy of the bill and a summary follows:

SUMMARY OF FAMILY LIVING WAGE ACT (FLWA)

Restructure existing earned income tax credit (EITC) as follows:

In taxable year 1994, provide refundable credit for families with children against up to $8,000 of annual earned income at percentage rates differentiated by family size as follows: base credit, 20 percent ($1,600 maximum base); each preschool child (age 0–5), extra 10 percent (extra $800 maximum); and each school-age child (6–15) extra 5 percent (extra $400 maximum).

Four child limit; maximum benefit for family with 4 preschool children is $4,800 ($1,600 base plus $800 for each child).

Reduce credit by 12 percent (for lowest credit level) to 20 percent (for highest credit level) of the amount of total income that exceeds $10,000.

Minimum credit of $400 per preschool child and $200 per school-age child extends from mid-twenties up to $50,000 income, then phases out at 15 percent, ending (in highest case) at $60,667 income.

Repeal current dependent care credit (DCC), which is highly regressive and unfair to people who forgo outside income in order to work in the home, "wee tot" credit and health insurance credit—collapsing four credits into one and radically simplifying credits for low income people.

Index phase-in percentages and phase-out starting point for inflation.

People whose only children are over 15 receive only base credit.

COST

$6 billion starting in fiscal year 1995.

Under the current DCC, the maximum benefit for middle-income families is $480 per child for 2 children if the parents spend $2,400 per child on child care. The FLWA provides $400 per preschool child and $200 per school age child, for up to four children, to all middle-income families, with no requirement for paid child care.

PURPOSES

Provide tax relief for middle-income families with children.

Increase work incentives for welfare families according to the need for incentives, as determined by family size and welfare payment size.

Achieve the same objective as minimum wage increases (to help low-skilled workers support families) directly and efficiently, targeting help to those who need it in proportion to their need, including millions already earning more than the $4.25 minimum wage, without the inflation and job losses associated with minimum wage hikes.

In particular, help families with the costs of child care (heaviest for preschool children), independently of whether others are paid to provide care or one family member forgoes income in order to provide care, and concentrating that help at the lowest income levels.

H.R.—

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Family Living Wage Act".

SEC. 2. INCREASE IN EARNED INCOME TAX CREDIT.

(a) GENERAL RULE.—Subsections (a) and (b) of section 32 of the Internal Revenue Code of 1986 (relating to earned income tax credit) are amended to read as follows:

"(a) ALLOWANCE OF CREDIT.—

"(1) IN GENERAL.—In the case of an eligible individual, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to the credit percentage of so much of the earned income for the taxable year as does not exceed $8,000.

"(2) LIMITATION.—The amount of the credit allowable to a taxpayer under this subsection for any taxable year shall not exceed the excess (if any) of—

"(A) the credit percentage of $8,000, over

"(B) the phaseout percentage of so much of the adjusted gross income (or, if greater, the earned income) of the taxpayer for the taxable year as exceeds $10,000.

"(b) PERCENTAGES.—For purposes of subsection (a)—

"(1) CREDIT PERCENTAGE.—

"(A) IN GENERAL.—The credit percentage is the percentage equal to the sum of—

"(i) 20 percent,

"(ii) 5 percent for each school age qualifying child, plus

"(iii) 10 percent for each preschool age qualifying child.

"(B) NOT MORE THAN 4 CHILDREN TAKEN INTO ACCOUNT.—Not more than 4 children shall be taken into account under subparagraph (A), and preschool age qualifying children shall be taken into account before any other children are taken into account.

"(2) PHASEOUT PERCENTAGE.—

"(A) PHASEDOWN TO MINIMUM BENEFIT.—

"(i) IN GENERAL.—The phaseout percentage is the percentage determined in accordance with the following table:

"If the combination of qualifying children taken into account under paragraph (1) is—	The phaseout percentage is—
1 S	13
2 S, or 1 P	14
3 S, or 1 S and 1 P	15
4 S, or 2 S and 1 P, or 2 P	16
3 S and 1 P, or 1 S and 2 P	17
2 S and 2 P, or 3 P	18
1 S and 3 P	19
4 P	20.

"(ii) SYMBOLS USED IN TABLE.—For purposes of clause (i)—

"(I) S means school age qualifying child, and

"(II) P means preschool age qualifying child.

"(B) MINIMUM BENEFIT FOR TAXPAYERS WITH INCOMES BELOW $50,000.—Except as provided in subparagraph (C), subparagraph (A) shall not apply so as to reduce the credit allowed by this section to a taxpayer to less than the minimum benefit determined in accordance with the following table:

"If the phaseout percentage applicable to the taxpayer is—	The minimum benefit is—
13	$200
14	400
15	600
16	800
17	1,000
18	1,200
19	1,400
20	1,600.

"(C) PHASEOUT OF MINIMUM BENEFIT.—If the adjusted gross income (or, if greater, the earned income) of the taxpayer for the taxable year exceeds $50,000, the minimum benefit determined under subparagraph (B) shall be reduced by 15 percent of such excess.

"(3) SPECIAL RULES FOR INDIVIDUAL WHOSE ONLY CHILDREN HAVE ATTAINED AGE 16.—For purposes of this section, in the case of an individual who is an eligible individual solely by reason of children each of whom has attained age 16 as of the close of the taxable year—

"(A) the credit percentage shall be 20 percent,

"(B) the phaseout percentage shall be 12 percent, and

"(C) subparagraphs (B) and (C) of paragraph (2) shall not apply."

(b) PRESCHOOL AGE AND SCHOOL AGE QUALIFYING CHILDREN DEFINED.—Subsection (c) of section 32 of such Code is amended by adding at the end the following new paragraph:

"(4) PRESCHOOL AGE AND SCHOOL AGE QUALIFYING CHILDREN.—

"(A) PRESCHOOL AGE QUALIFYING CHILD.—The term 'preschool age qualifying child' means any qualifying child who has not attained age 6 as of the close of the taxable year.

"(B) SCHOOL AGE QUALIFYING CHILD.—The term 'school age qualifying child' means any qualifying child who has attained age 6 but not age 16 as of the close of the taxable year."

(c) ADVANCE PAYMENT PROVISIONS.—

(1) Subsection (b) of section 3507 of such Code is amended by striking "and" at the end of paragraph (2), by striking the period at the end of paragraph (3) and inserting ", and", and by inserting after paragraph (3) the following new paragraph:

"(4) states the number and ages of qualifying children (as defined in section 32(c)) of the employee for the taxable year."

(2) Paragraph (2) of section 3507(c) of such Code is amended—

(A) in subparagraph (B)(i), by striking "(without regard to subparagraph (D)" and by striking "section 32(a)(1)" and inserting "section 32(a)",

(B) in subparagraph (B)(ii), by striking "section 32(b)(1)(B)(ii)" and inserting "section 32(a)(2)" and by striking "section 32(a)(1)" and inserting "section 32(a)", and

(C) by adding at the end the following new sentence:

"For purposes of this paragraph, the credit percentage shall be determined under section 32(b) on the basis of the number and ages of qualifying children specified in the earned income eligibility certificate and the determination of the amounts referred to in subparagraph (B)(ii) shall be made on the basis of the number and ages of qualifying children so specified."

(3) Clause (i) of section 3507(e)(3)(A) of such Code is amended by inserting before ", or" the following: "(or changing the percentages applicable to the employee under section 32(b) for the taxable year)".

(d) CONFORMING AMENDMENTS.—

(1) Paragraph (2) of section 32(f) of such Code is amended—

(A) by striking "subsection (b)" each place it appears in subparagraphs (A) and (B) and inserting "subsection (a)(2)", and

(B) by adding at the end the following new sentence:

"Separate tables shall be prescribed for each of the phaseout percentages specified in the table contained in subsection (b)(2)(A)(i)."

(2) Paragraphs (1) and (2) of section 32(i) of such Code are amended to read as follows:

"(1) IN GENERAL.—In the case of any taxable year beginning after 1995, each amount referred to in paragraph (2) shall be increased by an amount equal to—

"(A) such amount, multiplied by

"(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins by substituting '1994' for '1989' in subparagraph (B) thereof.

"(2) AMOUNTS.—The amounts referred to in this paragraph are—

"(A) the credit percentages used for purposes of subsection (a),

"(B) the $10,000 amount contained in subsection (a)(2)(B), and

"(C) the $50,000 amount contained in subsection (b)(2)(C)."

(3) Section 213 of such Code (relating to medical, dental, etc., expenses) is amended by striking subsection (f).

(4) Paragraph (3) of section 162(l) of such Code is amended to read as follows:

"(3) COORDINATION WITH MEDICAL DEDUCTION.—Any amount paid by a taxpayer for insurance to which paragraph (1) applies shall not be taken into account in computing the amount allowable to the taxpayer as a deduction under section 213(a)."

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1993; except that the amendments made by subsection (c) shall take effect on January 1, 1994.

SEC. 3. DEPENDENT CARE CREDIT LIMITED TO HANDICAPPED DEPENDENTS AND SPOUSES.

(a) IN GENERAL.—Paragraph (1) of section 21(b) of the Internal Revenue Code of 1986 (defining qualifying individual and employment-related expenses) is amended by striking subparagraph (A), by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively, and by adding at the end the following new sentence:

"In the case of an individual described in subparagraph (A) who has not attained age 16 as of the close of the taxable year, such individual may be treated as a qualifying individual for purposes of this section only if the taxpayer elects not to treat such individual as a qualifying child under section 32 for such year."

(b) CONFORMING AMENDMENTS.—

(1) Subparagraph (B) of section 21(b)(2) of such Code is amended by striking "care of—" and all that follows and inserting "care of a qualifying individual who regularly spends at least 8 hours each day in the taxpayer's household."

(2) Paragraph (2) of section 21(d) of such Code is amended by striking "subsection (b)(1)(C)" and inserting "subsection (b)(1)(B)".

(3) Paragraph (5) of section 21(e) of such Code is amended—

(A) by striking "is under the age of 13 or" in subparagraph (B), and

(B) by striking "subparagraph (A) or (B) of subsection (b)(1) (whichever is appropriate)" and inserting "subsection (b)(1)(A)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1993.

SEC. 4. ELIMINATION OF PROPOSED CHANGES IN TREATMENT OF EARNED INCOME CREDIT IN DETERMINING CERTAIN WELFARE BENEFITS.

Paragraphs (1) and (2)(A) of section 402(c) of the Family Support Act of 1988 are repealed.

LOGAN ELEMENTARY SCHOOL CELEBRATES 25TH ANNIVERSARY

HON. HELEN DELICH BENTLEY

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1993

Mrs. BENTLEY. Mr. Speaker, I feel confident in stating that there is another institution besides the U.S. Congress in which we have all labored and learned, an institution without which none of us would be here. I speak of the American elementary school.

On April 25, 1993, Logan Elementary School in Dundalk, MD, celebrated its 25th anniversary. In 1968, it was opened as a primary school on the cutting edge of education; nongraded, and architecturally designed with open space to facilitate a teaming approach to instruction. But it also was designed with a traditional brick and mortar exterior. Over the years, the school has come to resemble the architecture of its building, combining its progressive qualities with a solid, traditional relationship to the community it serves.

This close relationship was most evident at the April 25 gala. Many members of the community participated actively in the festivities, contributing to the warm, nurturing atmosphere that showed through in the celebration. Students responded by sharing with the visitors both the traditional Logan School song and the modern "Conflict Resolution Rap."

That same sharing in an atmosphere of warmth and diversity prevails in the school every day, and helps the staff to fulfill what it calls "The Logan Commitment," which I take the liberty of citing here:

> We, the staff of Logan Elementary, are committed to providing a safe, orderly learning environment for all students. In order to maintain such an educational environment, we strive to instill in our students a respect for self, for others, and for property, a sense of responsibility for every action, and a desire to solve problems using conflict resolution strategies. It is the goal of every staff member to teach and model behaviors which result in students learning self-discipline, cooperation, respect, responsibility, and problem solving skills.

In closing, I congratulate the Logan School on its 25th anniversary, and on the many successes it has had in that era. I am sure it will have many more in the future, and hope that it may serve as a model for elementary schools across this land.

HAZARDOUS WASTE SAFETY ZONE LEGISLATION INTRODUCED

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1993

Mr. CLINGER. Mr. Speaker, 2 days ago EPA announced some major changes in its operations to address public concerns about hazardous waste incineration. The EPA is taking steps to ensure that Federally permitted hazardous waste facilities are more heavily regulated to protect the public. This is a positive step, but unfortunately, this policy appears to impact only those facilities that are permitted directly by EPA.

Consistent with EPA's announcement, today I am introducing related legislation, along with my colleague Congressman TIM HOLDEN, to address a very serious public safety concern. Under the current RCRA Hazardous Waste Program, in which EPA has delegated permitting authority to the States, hazardous waste facilities, such as commercial incinerators, can be built and operated literally next door to Federal prisons. This raises very troubling and frightening public health and safety issues for surrounding communities, Federal prison staff, and prisoners given the potential for an accidental release or spill of hazardous waste.

This legislation provides a buffer or safety zone of a 2-mile radius around Federal prisons within which no hazardous waste facility can be built which could require the evacuation of prisoners or other nearby residents. The intent of this safety zone is to provide a reasonable distance so that in case of an emergency, should one arise, it can be handled in a safe and orderly manner. In drafting this legislation, several State and local officials, the EPA, public interest groups, and other members were consulted and their suggestions incorporated.

This legislation is prompted by a situation in my own district near Allenwood Prison in Union County, PA. Based upon a model prepared by Union County planning officials, 2 miles is the minimum distance that should be provided for a safety zone between a Federal prison and the facility. The proposed Union County incinerator site, now under review for a permit, is located less than one-half mile from the Allenwood Prison. This prison is currently undergoing expansion and once the expansion is completed the prison will house approximately 3,000 prisoners, including maximum security prisoners, and employ 700 prison officials. However, I understand that this same situation may be occurring in other parts of the country.

The crux of the problem is simple. In the case of an accidental emergency situation, such as a hazardous waste spill or incinerator malfunction, there is no possibility of evacuating the prison in a timely or safe fashion. In a letter sent to me on October 8, 1992, by the Assistant Attorney General, W. Lee Rawls, concerning the Allenwood Prison situation he stated "Given the number of prisoners who will be housed near the proposed facility, a wider buffer zone would be more desirable in the event of a large scale emergency."

In a separate letter sent to Senator SPECTER last September the Federal Bureau of Prisons indicated:

> If a complete evacuation of the prison complex were required as a result of a large scale emergency, it could not be accomplished in a short period of time. In our recent experience at the Metropolitan Correctional Center in Miami, Florida, after Hurricane Andrew, evacuation took over 2 days. One similarity between the Miami situation and that of the complex is the composition of the inmate population. Although Miami housed only 1,300 inmates, as compared to the 3,000 inmates projected to be at Allenwood, Miami inmates were also of various security levels, including higher security levels. It seems likely, that more than 2 days would be required if evacuation of the Allenwood complex were necessary.

Clearly, this is neither a realistic nor acceptable situation.

The safety concern raised is not without merit. There are several reported accidents with hazardous waste incinerators and I suspect that likely a lot more go unreported. Examples include a midnight incinerator explosion in Chicago that occurred in February 1991 which was attributable to the mixing of toxic waste chemicals. In December 1990, at another hazardous waste incinerator in El Dorado, AR, a fire necessitated evacuation of about 40 people from nearby homes.

In addition, there are serious questions about hazardous waste incinerators' compliance with current Federal health and safety regulations. A joint EPA–OSHA report released in May 1991, based on unannounced inspections at 29 commercial hazardous waste incinerators, found substantial problems ranging from inadequate worker safety training to compliance with contingency plans and emergency response requirements. OSHA found a total of 320 violations of its standards with two-thirds of the violations cited as serious, meaning those likely to cause death or physical harm. EPA identified a total of 75 violations of its standards, 52 of which were classified as serious, including violations of testing emergency equipment systems. EPA also noted significant use of incinerator emergency backup systems at some facilities and indicated that such frequent use may be a result of operational problems.

Due to these safety concerns, some States have adopted their own hazardous waste regulations providing safety zones around certain types of facilities. Under the RCRA subtitle C program, States have considerable latitude in establishing their own facility siting guidelines. Approximately 22 States have adopted siting standards which provide for a safety zone around certain populations and residences, such as schools, churches, hospitals, and prisons. These safety zones range from 500 feet to 8 miles and the application varies from State to State. However, given that Federal prisons are now involved with the siting of hazardous waste facilities, this issue becomes a Federal concern and serves as the basis for the legislation. A uniform and consistent standard should be enacted so that all citizens are protected in the same manner in every State from a potentially dangerous situation.

This also raises a larger, more generic issue which needs to be addressed. EPA's mission is to protect human health and the environment. However, there is nothing included in current Federal regulations about safety zones and setback distances. In fact, EPA only provides very minimum guidance to States regarding siting criteria. I urge EPA during its review of its hazardous waste policies to look closely at establishing some uniform guidelines for siting hazardous waste facilities so that we can be assured that public safety is protected, including proximity to certain types of populations and environmentally sensitive areas.

I ask my colleagues to consider this legislation as an appropriate starting place. Without the proper precautions in place we could be endangering the lives of Federal prison employees, prisoners, and the community. I urge adoption of this legislation as a way to prevent a catastrophe from occurring before rather than after the fact.

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PERMITS FOR TSD FACILITIES NEAR FEDERAL PRISONS.

Section 3005 of the Solid Waste Disposal Act is amended by adding the following new subsection at the end thereof:

"(k) FACILITIES WITHIN NEAR FEDERAL PRISONS.—(1) After the date of the enactment of this subsection, no permit may be issued under this section for the operation of any new off site hazardous waste incinerator, or any other new off site hazardous waste treatment, storage, or disposal facility if—

"(A) such incinerator or other facility is located within a 2-mile radius of the facility boundary of any Federal prison, and

"(B) an accident, such as a spill, explosion, or accidental release of hazardous substances, at such incinerator or other facility could require evacuation of prisoners or other nearby residents.

"(2) As used in this subsection, the terms 'new off site hazardous waste incinerator' and 'new off site hazardous waste treatment, storage, or disposal facility' mean an incinerator or hazardous waste treatment, storage, or disposal facility—

"(A) which accepts hazardous waste that is not generated at the site at which such incinerator or other facility is located, and

"(B) for which a permit under this section is issued after the date of enactment of this subsection.

Such terms shall not include any facility existing on such date of enactment.".

HAZARDOUS WASTE SAFETY ZONE LEGISLATION INTRODUCED

HON. TIM HOLDEN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1993

Mr. HOLDEN. Mr. Speaker, today, Congressman BILL CLINGER and I are introducing legislation to set standards for the siting of hazardous waste incinerators near Federal prisons. This bill will create a 2-mile buffer zone around Federal prisons, and prohibit the siting of hazardous waste incinerators and other hazardous waste facilities within this radius.

In Union County, PA, 1 miles from my district's border in Northumberland County, a company is proposing to build a large hazardous waste incinerator across the street from the Allenwood Federal Prison. It is clear to me that the location of this incinerator poses a disastrous threat to the people who live in this area.

I am deeply concerned with the health and safety of citizens, the prison guards, and the prisoners, who would be at risk if a hazardous waste spill or other catastrophe occurred. The proximity of this incinerator to the prison, and the sheer size of the prison makes a timely evacuation impossible. Bureau of Prison officials have testified that they could not evacuate everyone in a safe and swift manner. Their inability to accomplish a timely evacuation is understandable under the circumstances, since Allenwood prison has a capacity of 3,000 inmates, and it will be the largest prison in the country once it is fully occupied, housing high, medium and low-security inmates.

The people of Northumberland County, State and local officials and I have expressed my opposition to this proposed incinerator to the Pennsylvania Department of Environmental Resources [DER]. This environmental agency has the responsibility for permitting the incinerator. Now that this incinerator application has passed phase I of the permitting process, the safety issues and the need for a realistic evacuation plan have to be addressed by DER in phase II.

My work on this incinerator problem and my dealings with the Department of Environmental Resources have indicated to me that more investigation needs to be done in the area of siting requirements for hazardous waste incinerators. In my State, there is no specific prohibition on building an incinerator near a prison, and clearly, a hazardous waste incinerator does not make a good neighbor to any prison. Information from other States indicate the same lack of solid standards and rational as to why as incinerator can be built near a prison. It would be my suggestion that we start to look at a Federal role in dealing with the siting of hazardous waste incinerators.

Congressman CLINGER and I have been working on this legislation for the past several months. With this bill, we hope to send a signal that a thorough analysis of siting requirements needs to be done by the Environmental Protection Agency and the Congress. We hope to work with EPA and other interested Members who see similar problems with the siting of hazardous waste incinerators. We welcome cosponsors to this legislation.

ST. PATRICK'S PARISH CELEBRATES 175TH ANNIVERSARY

HON. JERRY F. COSTELLO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1993

Mr. COSTELLO. Mr. Speaker, I rise today to commemorate the 175th anniversary of St. Patrick's Parish of Ruma, IL. St. Patrick's is the oldest English-speaking parish in the State of Illinois.

St. Patrick's Parish was established in 1818 in an area of southwestern Illinois known then as the O'Hara Settlement. The area's pioneer settlers built a log cabin church there, and when the O'Hara patriarch died in 1826, he bequeathed 100 acres of land for a church and parish grounds; the new church was built in 1827. Five years after the establishment of the village of Ruma in 1849, the present brick church was erected about a mile from town.

The parish has a legacy of involvement in education. A one-room school was built in the church's sacristy in 1875, and a room was added in 1912. A new brick school was built in 1965. Additionally, a two-story brick building was built in 1865 which was intended originally as an academy for young ladies, but which opened as a college for men.

I ask my colleagues to join me in recognition of the rich heritage of St. Patrick's Parish of Ruma, IL.

INTERSTATE BANKING EFFICIENCY ACT OF 1993

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1993

Mr. VENTO. Mr. Speaker, today, I, along with Congressman STEVE NEAL and Congressman BILL MCCOLLUM, am introducing the Interstate Banking Efficiency Act of 1993. This bill establishes a rational framework to modernize our banking system while maintaining strong consumer and community protections and providing a positive role for the States.

The bill, which we have introduced, is the outgrowth of a bipartisan consensus amendment considered during the 102d Congress. That amendment was adopted by the full House by a vote of 366–4. Unfortunately, the entire legislation package was not enacted into law.

The Interstate Banking Efficiency Act of 1993 provides an "opt-out" approach to interstate branching. Under that approach, States have 3 years to opt-out of an interstate branching network. As an additional protection for States' rights, the legislation protects State deposit caps and requires State approval for acquisitions that result in an excessive concentration of deposits. Our bipartisan bill also provides for nationwide banking on July 1, 1994 and establishes a procedure for expedited consolidation.

In addition to the opt-out provisions, the proposed measure includes important provisions to insure that interstate banking and branching does not jeopardize the insurance fund or weaken investment in local markets. Under this policy, only adequately capitalized institutions will be able to branch and specific provisions on the applicability of the Community Reinvestment Act are included.

An important focus of the administration has been the President's initiatives to increase lending in local communities. Clearly there is a need to stimulate local markets and to encourage banks to make sound loans. I applaud the administration's initiative for community development banks and urge the Department of Treasury to consider the potential community benefits and opportunity that interstate banking and branching will create. In particular, I would like to point out that the Interstate Banking Efficiency Act specifically ties consolidation to meeting local credit needs.

Mr. Speaker, some have urged delay in consideration of interstate banking and branching. Critics of this legislation have pointed to the health of the banking industry as a rationale for inaction, others voiced concern that this measure not be enacted in the past when banks faced potential problems. I would respond that if we listened to the critics Congress would never act. The profitability and marketplace is stable today and congressional action on the issue of interstate banking and branching is appropriate today. Enactment of this legislation will be a clear signal to banks, other financial institutions, communities and consumers that, in fact, the banking community is healthy and that Congress intends that banks continue to play a major role in our financial marketplace.

The financial world is changing. Congress and the administration must recognize that, in order to compete, banks must be able to grow to survive. Passage of interstate banking and branching give banks that opportunity without undermining the insurance fund.

Mr. Speaker, the time has come for Congress to give the banks the go ahead to branch nationwide. Action on this bipartisan initiative will benefit local communities, consumers, and banks without undue risk. Congress has enacted significant safeguards to protect the insurance fund and to insure that banks do not engage in risky activities. Local communities and consumers need the increased lending capacity competition that nationwide banking and branching could encourage. Finally, banks could utilize existing technology and expertise to realize savings and to compete into the next century.

I urge my colleagues support for this legislation.

OFFICE OF NATIONAL ENVIRONMENTAL TECHNOLOGIES ACT INTRODUCED

HON. JOSEPH P. KENNEDY II

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1993

Mr. KENNEDY. Mr. Speaker, today I am introducing the Office of National Environmental Technologies Act, legislation which I first sponsored in the 102d Congress to promote the development and commercialization of environmental technologies. This bill will help coordinate our Nation's efforts in one of most rapidly expanding industries—environmental technologies.

The new Office of National Environmental Technologies called for in my bill will be located in the U.S. Environmental Protection Agency. The office will coordinate efforts among all Federal agencies for environmental technologies R&D. The office will be charged with identifying gaps in product-oriented research for environmental problems. It will then administer grants and loans to private industry, universities, and nonprofit research centers to develop environmentally benign and energy efficient technologies to address needy environmental concerns. The bill provides the necessary follow-through to encourage our ultimate goal of commercializing these technologies—converting them to off-the-shelf products and equipment in the marketplace.

However, we do not need new buildings nor new bureaucracies. This approach will build upon current Federal programs and strengths to provide a timely, cost-effective means of energizing our innovative forces in this area.

The Office of National Environmental Technologies will fund a half billion dollars' worth of investments over 3 years. It is my hope that these funds will be shifted from defense research, where fewer resources are needed.

The prospects for this bill and green technologies are enormous. It will enable ambitious advances in such environmentally critical areas as solar energy, and waste recycling and reduction. It will help us to clean our Nation's air and harbors and promote environmentally sustainable development in developing countries. In addition to new technologies to protect and clean our environment, new advancements will unveil the technologies needed to prevent pollution and conserve energy at the outset, rather than the traditional end-of-the-pipe approach to environmental management.

Ultimately, these are technologies that will be good for the environment and the pocketbook. The global market for environmental technologies is now $200 billion per year and is expected to reach $300 billion in the next decade. Our ability to compete in this marketplace will translate into thousands of jobs for Americans.

Increasingly, our Nation will rely on its innovations in this area to spur our international competitiveness. The United States remains a world leader in the development of environmental technologies. This bill will catalyze continuing and significant strides in developments in this promising area.

We will have to compete vigorously for a leading share of the green market. For example, Japan is pursuing environmental technology development at the rate of $4 billion per year. Germany currently spends 23 percent of its national R&D budget on environmentally critical technologies. Our challenge is great, and our international competition is fierce.

I know we are up to this challenge. The new administration presents a refreshing change in the political climate for giving environmental technologies the priority they warrant. The Clinton administration has incorporated environmental components into its technology strategy which can be implemented as early as 1994.

Mr. Speaker, it is time that we recognize that environmental technology policy is part and parcel to our Nation's industrial policy and economic well-being. This legislation will help create the framework to promote the development of environmental technologies—the technologies of the future—to create jobs and to create a higher quality of life.

POT SPRING ELEMENTARY SCHOOL CREATES AWARD WINNING FILM

HON. HELEN DELICH BENTLEY

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1993

Mrs. BENTLEY. Mr. Speaker, fellow Members of Congress, I come before you today to celebrate the achievements of some of my youngest constituents, the third graders of Pot Spring Elementary School.

This extraordinary class, under the guidance of teachers Kitty Huebler and Fred Balmages, created a super 8 animated film entitled "Touring Baltimore with a Dinosaur." The project entailed many months of work, beginning with a field trip to downtown Baltimore to view some of the most famous sites of Charm City. The students then made detailed drawings of landmarks including the Maryland Science Center, the National Aquarium and world famous Oriole Park at Camden Yards, and created their own clay characters to visit these sites through the magic of animation.

Once this phase of the project was completed, they began to photograph their animated film. Each second of film required 18 pictures differing minutely from one another. This painstaking task required great forethought and discipline from the 8- and 9-year olds, but their work paid rich rewards. After being on display at the Maryland Science Center for 3 months, "Touring Baltimore with a Dinosaur" was chosen to represent Maryland at the International Media Festival in New Orleans, where it was awarded first place in the mixed media category.

My warmest congratulations are extended to the creative and diligent students involved in this project: Andrew Borowiecki, Chris Chen, William Cromwell, Lindsay Cuprzynski, Brian Fanshaw, Nicholas Graham, Jessica Hand, Jennifer Karp, Daniel Kim, Ross Marchant, Michele Martin, Bradley McGinty, Jennifer Musika, Emily Naughten, Hunter Peddicord, Elizabeth Reid, Andrew Rinehart, Sharah Rose, James Ryan, Sarolta Serto-Radics, Jesse Tidmore, Brian Voris, Molly Winston, and Joseph Zumbo.

In closing, I would like to congratulate the principal of Pot Spring Elementary, Sandra Fitzell. Many exciting and worthwhile projects have been completed at the school under her inspirational leadership. In addition to "Touring Baltimore with a Dinosaur," these projects have included a recent fundraiser at the school which resulted in a $27,000 donation to the American Heart Association—the largest ever from a Maryland school.

Mr. Speaker, fellow Members of Congress, I feel fortunate indeed to have such an excellent active educational institution in my community.

INTRODUCTION OF LEGISLATION REGARDING MAMMOGRAPHY SCREENING

HON. BARBARA-ROSE COLLINS

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1993

Miss COLLINS of Michigan. Mr. Speaker, breast cancer is the second leading cause of cancer death among women, affecting one in every eight.

Ironically, this deadly disease is treatable. Studies show that early detection through mammography screening offers a reasonable chance for treatment and recovery.

Through mammograms, it is estimated that death rates could be reduced by nearly 30 percent. Yet tragically, few utilize this procedure because they simply cannot afford it.

Today, I am introducing legislation that will amend the 1986 Internal Revenue Code to provide an employer a tax credit for the cost of providing mammography screening for employees.

This incentive will encourage more employers to promote quality health care for their female employees.

I urge my colleagues to cosponsor this legislation which better arms the working women of America in their fight against breast cancer.

TRIBUTE TO THE NINTH TROOP OF THE GREENWICH COUNCIL OF THE BOY SCOUTS OF AMERICA

HON. CHRISTOPHER SHAYS

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1993

Mr. SHAYS. Mr. Speaker, today I am pleased to congratulate the ninth troop of the Greenwich Council of the Boy Scouts of America, who celebrated their 75th anniversary with a court of honor and reception on Friday, April 23, 1993. The troop has been sponsored by the Second Congregational Church in Greenwich, CT, since 1918.

On this momentous occasion, three fine young men were presented with Scouting's highest rank, the Eagle. Each of them completed a project of community service in order to receive this rank, which stands as an outward sign of the dedication they have demonstrated to their community.

John Tracy, for his project, organized a group to restore and maintain historic and veterans' markers in St. Mary's cemetery. Luke Henry developed a reading program and library facilities for underprivileged children. David Martineau composed and published an "Emergency Services Handbook" under the authority of the town of Greenwich for distribution to residents.

These individuals have demonstrated dedication and strength of purpose in Scouting. Let us wish them continued leadership and service.

ST. ANDREW'S CATHOLIC CHURCH CELEBRATES 125TH ANNIVERSARY

HON. JERRY F. COSTELLO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1993

Mr. COSTELLO. Mr. Speaker, I rise today to commemorate the 125th anniversary of St. Andrew's Catholic Church of Murphysboro, IL. For generations, this parish has played an important role in the lives of the families and the community of Murphysboro.

The parish of St. Andrew's first mass was celebrated on Ascension Thursday, May 20, 1868, in the home of Meder Lucier by the Right Reverend Bishop Damaien Junker. The first St. Andrew's Church was constructed on the site of the current church in 1869. This building was destroyed by fire in 1888, and the current church was built on the same site 1 year later. From 1887 to 1965, the parish was served by two pastors: Reverend Kasper Schauerte and Reverend Joseph Taggart.

Bishop James Keleher celebrated the 125th Anniversary Mass, which was held on the evening of May 15, 1993. Historic memorabilia from the church was displayed, and after the mass all parishioners in attendance over the age of 85—at least 23 confirmed they would attend—were honored.

I ask my colleagues to join me in recognition of the rich heritage of St. Andrew's Catholic Church of Murphysboro, IL.

GEORGIAN NATIONAL VOLUNTEER OF THE YEAR

HON. JOHN LEWIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1993

Mr. LEWIS of Georgia. Mr. Speaker, I am pleased today to pay tribute to one of my constituents, Mrs. Geraldine Bell. Mrs. Bell has been selected as the recipient of the Joint Action in Community Service 1993 National Volunteer of the Year Award.

Volunteers provide an important asset to our communities in giving of their time and energy to provide support to their fellow man. Over the past 16 years, Mrs. Bell has directly or indirectly provided exemplary support services to approximately 9,600 former Job Corps students. These services include counseling, job planning, educational referrals, housing assistance as well as legal and/or medical referrals.

Additionally, as a regional volunteer coordinator covering the Southeastern States of Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee, Mrs. Bell has recruited 400 other volunteers in the rural and sparsely populated areas of the region. These volunteers also provide support services and assistance to former Job Corps students returning home after training in Job Corps.

President Bill Clinton, recently acknowledging Mrs. Bell's contributions, wrote in a special greeting:

> In honoring Geraldine, we celebrate the spirit of generosity and volunteerism that makes our country great. Geraldine has devoted her time and energy to helping young people face the difficult transition from Job Corps training to working in the community. Her work has helped young people strive for a better life, and her care has touched the lives of many American families. She has also encouraged other volunteers to join her efforts in many States.
>
> With the help of volunteers like Geraldine, our country can make great progress toward improving our communities and expanding opportunity for all people. We must all take more responsibility for ourselves, our families, our communities and our country. Working together, we can make our neighborhoods safer, our schools better and our people more hopeful for the future.

Mr. Speaker, I had the pleasure to meet Mrs. Bell recently in Atlanta during a special program to honor her. Last month during National Volunteer week, I again had the opportunity to visit with her in the Capitol Building. As President Clinton said, Mrs. Bell has indeed taken responsibility for herself, her family and her community.

I ask my colleagues to join me in congratulating Mrs. Bell on this most deserved award. To gain back the compassion this great Nation once had, we need more citizens like Geraldine Bell. I commend Mrs. Bell for her shining example and her outstanding efforts.

FOREIGN TRADE ZONE ACT AMENDMENT OF 1993

HON. NANCY L. JOHNSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1993

Mrs. JOHNSON of Connecticut. Mr. Speaker, today I am introducing a bill which amends the Foreign Trade Zone [FTZ] Act of 1934 to allow States to cooperate in the planning of trade zone applications and trade zone operations. A similar bill has been introduced in the Senate by our colleague, Senator JOHN CHAFEE, of Rhode Island.

Foreign trade zones are federally recognized geographic areas which allow businesses to defer the payment of duties on goods and inventory within the trade zones because they are considered to be outside the United States for the purposes of U.S. Customs. These trade zones provide businesses located within zone boundaries competitive advantages and are considered, by most observers, to be engines for economic growth. Together, these zones employ about 250,000 people nationally.

I am introducing this bill to assist small States, whose economies are regional, pool their public and private resources to maximize the benefits which accrue to the export sectors of those States. Connecticut and Rhode Island, in particular, are facing severe defense cutbacks and joint efforts to develop our seaports for expanding trade could create the jobs we so desperately need as defense related layoffs accelerate.

The changes I propose are noncontroversial and I believe they will provide measurable advantages to Connecticut, Rhode Island, Massachusetts, and other States that have regional economic interests which cross-state boundaries. By forming regional government and business partnerships, States can effectively plan long-term, regional trade strategies which are mutually beneficial.

Specifically this bill allows regional commissions to apply for, and obtain, the privilege of establishing and maintaining a foreign-trade zone located in two or more States, provided: that the State legislatures of each State within the proposed zones approve; that the overall commercial interests of the United States are served; and the economic conditions of the region justify establishing such a zone. The bill also maintains the safeguards currently in the FTZ law. It does not change the current application procedures or the regulatory procedures under which the zone operators must comply. Moreover, this bill has no budgetary impact.

This bill provides a simple and straightforward change to allow States to pursue regional solutions to regional problems and I urge all of my colleagues to support it.

NORRISVILLE ELEMENTARY SCHOOL CELEBRATES 25TH ANNIVERSARY

HON. HELEN DELICH BENTLEY

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1993

Mrs. BENTLEY. Mr. Speaker, fellow Members of Congress, I rise today to salute Norrisville Elementary School on its 25th Anniversary.

The students are fortunate indeed, for in the history of their small community of Norrisville, they can find a living history of the settlement and development of our Nation. As elsewhere, native Americans were present for many centuries before European settlement, using the land as part of a large hunting ground along the Susquehanna River. As settlement developed along the river in the 18th and 19th centuries, Germans, Quakers, Scotch-Irish and others came to dwell in this rich and fertile area. Later, with the tensions between slavery and freedom rising in our country, Norrisville, whose northern border is the Mason-Dixon line, became important as a last stop in the Underground Railroad.

At approximately the same time, formal education in the community began its start in a wooden, one-room school house across from the Methodist Church. During the Reconstruction era, it was expanded to two rooms. It continued to serve until 1948.

For 20 years, young Norrisville residents had to be bussed to distant parts of the county. But 25 years ago, the present-day Norrisville Elementary School opened. This modern building was a far cry from its early predecessor, with full cafeteria and auditorium facilities, educational advances such as "formula phonics," and a large brick building with animals in bas-relief on the side.

Today, Norrisville's students are active in the community, having participated in many projects including the recent adoption of a jaguar at the Baltimore Zoo. They show an intelligence and dedication beyond their years. In fact, much of the information about the community and school of Norrisville contained in this speech was gathered by the 8- and 9-year-olds of Norrisville Elementary's third grade.

Mr. Speaker, fellow Members of Congress, it is communities like Norrisville, with the formal and informal education they provide, that have established this Nation as the strong, diverse, and free society we enjoy today.

NEED FOR MARITIME REVITALIZATION LEGISLATION

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1993

Mr. SOLOMON. Mr. Speaker, I rise not only to remind my colleagues that yesterday we observed National Maritime Day but to warn my colleagues that unless we enact maritime revitalization legislation, this will likely be the last National Martime Day in the United States.

I am extremely shocked that the Clinton Administration has chosen to ignore the lessons learned in every major conflict, including Operation Desert Storm, that our nation needs a strong, active commercial United States-flag merchant fleet to provide surge and sustainment capability to our armed forces. Theodore Roosevelt told Congress that "A great and prosperous merchant marine is indispensible to the spread of our trade in peace and the defense of our Flag." Dwight Eisenhower said after World War II about the merchant marine and American merchant mariners that "they have never failed us yet and in all the struggles yet to come we know they will never be deterred by danger, hardships or privation."

And yet, Mr. Speaker, the Clinton Administration has chosen to thank the men and women of our merchant marine for their service to our country by placing them on the road to unemployment. The Commander of the Military Sealift Command told Congress in 1991 that "U.S. merchant mariners have always responded to their country's call. Their response to Operation Desert Storm has been no exception. We have seen mariners come out of retirement, others forego shore leave, and make other personal sacrifices to operate our ships."

On Saturday, May 15, 1993, former President Ronald Reagan told the graduating class at The Citadel that "if the administration in Washington thinks we are no longer at risk, they need to open their eyes and take a long, hard look at the world." Mr. Speaker, I agree with President Reagan. I believe it is enormously dangerous for the future security of our nation to declare today, as the Clinton Administration has done, that our United States-flag merchant fleet and our United States citizen crews have somehow outlived their usefulness. It is folly to believe, as the Clinton Administration obviously believes, that the next time we have to prepare to defend ourselves or any ally—and we will—that foreign ships with foreign crews will rally to our cause as if they were American.

I urge the Administration to reconsider its decision and to live up to its commitment to send a maritime revitalization initiative to Congress for enactment this year.

TRIBUTE TO "CANTINFLAS"

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1993

Mr. SERRANO. Mr. Speaker, I rise today as chairman of the congressional Hispanic caucus to pay tribute to Mr. Mario Moreno Reyes, a man known and loved by the Spanish-speaking world as "Cantinflas," who died of lung cancer this past April 20, at the age of 81.

For over 50 years Cantinflas overcame the barriers of age, social status, and language to bring comedy to homes across this hemisphere. His talent was such that the great Charlie Chaplin bowed to it and called Mario Moreno, "the greatest comedian alive."

Mr. Speaker, the truly great achievement of Cantinflas was not simply that he entertained so effectively, but that with the hard luck characters he created, Cantinflas became a hero for the downtrodden who raised the consciousness and sensitivity of more comfortable audiences to their plight. Cantinflas was a hilarious figure with a grace and charm that all could appreciate and embrace.

Born in Mexico City on August 12, 1911, Mario Moreno was among the youngest of 15 children in a working-class family. He was still a teenager when he joined the world of traveling tent shows and first gave life to Cantinflas, a character that he described as, "A blabbermouth trying to stay afloat in a flood of words." Cantinflas made his greatest mark on American cinema playing opposite David Niven as the loyal servant Passepartout in the 1956 film "Around the World in Eighty Days."

Mr. Speaker, Mario Moreno brought the energy and brilliance of his portrayals of Cantinflas to his work as a philanthropist and activist for social equality and world peace. As chairman of the Congressional Hispanic caucus, I salute and thank this master of comedy for all of his talents and gifts.

Thank you, Cantinflas. We will always remember and appreciate all of the laughter and love you have given us.

TRIBUTE TO DEAN LESHER

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1993

Mr. MILLER of California. Mr. Speaker, I rise today to pay tribute to Dean S. Lesher, a man who built one of the most important suburban newspaper chains in the United States and, more than almost any other individual, shaped the county in which I have lived my entire life, Contra Costa.

When Dean Lesher died at the age of 90 last week, he was the publisher and founder of the Contra Costa Times and Lesher Communications Inc., which includes 27 newspapers—6 dailies, 11 weeklies, and 10 shoppers. He was one of the last of the publishing barons, a man whose sharp eye and strong beliefs shaped his business and the community in which he lived.

I knew Dean Lesher for nearly my whole life. Throughout the years, we consulted, talked, and fought about almost every significant issue of our time, from local development policies to relations with the Soviet Union. Occasionally we agreed; often, we did not. But in every case, I have no doubt that Dean enjoyed our conversations and our confrontations every bit as much as I did.

Dean Lesher was a man of strong beliefs who respected those who held their own beliefs strongly, and weren't afraid to engage in spirited and substantive debate. When he disagreed with a politician, he rarely minced words, or column inches, to tell you so. So I take it as a mark of great pride that long ago, after one particularly acrimonious exchange, he told me I had a great career ahead as a public official.

Dean always maintained that professional separation between good reporting and polemics, and he used his newspapers not merely to advance his views, but to enrich the communities that were growing around him. He and his papers were stalwart supporters of our efforts to protect the Sacramento-San Joaquin Delta and San Francisco Bay, and he educated two generations of bay area residents about the intricacies and importance of the water battle. As often as Dean lectured me about defense and foreign policy, he more often sought to work together on behalf of better schools, of expanding the availability of higher education, of supporting programs to improve children's health and to assist the victims of family violence.

His philanthropy underwrote the construction of the Concord satellite campus of the California State University, Hayward, and the Regional Center for the Arts in Walnut Creek. He supported battered women's organizations and contributed mightily to educational scholarships. And not incidentally, his businesses and contributions provided employment to thousands of my constituents and other bay area residents.

But perhaps his greatest talent was his ability to look out on a few small towns, walnut trees and open land, and envision a community in which hundreds of thousands of people lived, worked, raised their families and enjoyed life. Dean Lesher did not make Contra

Costa County or the East Bay flourish, but he, perhaps more than any other individual, influenced the manner in which it grew and helped, through his newspapers and his civic contributions, to bind the community together and give it a common identity.

We will all miss Dean Lesher. We will always appreciate his tremendous contributions to our community and to the entire East Bay. To his wife Margaret, the rest of his family, and all the members of the extended Lesher Communications family, I express my deepest condolences, and once again note the great enjoyment I had in knowing Dean Lesher.

BEST WISHES TO THE REPUBLIC OF CHINA

HON. JAMES E. CLYBURN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1993

Mr. CLYBURN. Mr. Speaker, I would like to extend my best wishes to President Lee Teng-hui on the occasion of his third anniversary in office on May 20, 1993.

Taiwan has a world-class leadership team. President Lee and Premier Lien Chan have made Taiwan a major economic power in the world and an active partner in world affairs. With a per capita income in excess of $10,000 and a foreign reserve of $83 billion, Taiwan has a prosperous citizenry. To meet its responsibilities as a member of the global community, Taiwan has extended financial assistance to a number of foreign countries in the Far East and the Americas.

Taiwan is a strong ally of the United States. It is our sixth largest trading partner. In recent years it has significantly reduced its trade surplus with us and cooperated with our Government on many trade matters.

My best wishes also go to Ambassador Mou-shih Ding, Taiwan's Representative in Washington. He has worked hard for his country, and I appreciate his leadership.

CONCENTRATION GRANT TARGETING AND IMPROVEMENTS ACT INTRODUCED

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1993

Mr. GOODLING. Mr. Speaker, today I along with Mr. FORD, chairman of the Committee on Education and Labor, Mr. KILDEE, chairman of the Elementary, Secondary, and Vocational Education Subcommittee, and Mr. GUNDERSON are introducing the Concentration Grant Targeting and Improvements Act that will change the method in which Concentration Grant funds are distributed under the Chapter 1 program of the Elementary and Secondary Education Act so as to ensure that our most disadvantaged children have access to quality education under the Chapter I program. Currently, the law requires that 10 percent of appropriations under the Chapter I program be allocated using a concentration grant formula under which only local education agencies in counties where Chapter 1 eligible children equal either 6,500 or 15 percent of the total population aged 5–17 are eligible to receive grants. Many school districts in this country which are located in relatively wealthy counties are ineligible to receive concentration grant money even though the school district itself meets the threshold requirements and would receive assistance if funds were allocated directly to school districts based on district level poverty data.

For example, the school district of the city of York in Pennsylvania has a school-aged child poverty rate of 29.6 percent and would qualify for concentration grant money if the formula were calculated based on numbers or percentages of children in poverty in the district rather than the county level. However, since the county of York does not meet the threshold qualifications under the concentration grant formula, York city school district receives no money under the current formula. This problem is, however, not unique to the city of York. Other cities also find themselves ineligible to directly receive concentration grant funds even though their city poverty rates exceed the requirements under the concentration grant formula. These include cities such as: Kalamazoo, MI, with a city poverty rate of 31 percent for children ages 5–17; North Chicago, IL, with a 19.1 percent rate; Racine, WI, with a 23.0 percent city poverty rate; Kenosha, WI, with a 20.5 percent city poverty rate; Ypsilanti; MI, with a 29.3 percent city poverty rate; Port Huron, MI, with a 25.7 percent poverty rate; Springfield, MI, with a 18 percent city poverty rate; and South Bend, IN, with a 21 percent city poverty rate.

Our legislation would correct this problem by changing the concentration grant formula so that the Chapter 1 funding for concentration grants will be awarded on the population density of low-income students within each district instead of the county. The effective date of our bill will be July 1, 1994, of next year, the beginning of the period when 1994–95 school and program year grants are made. School districts such as the York city school district and many other districts similar to this one across the country will no longer be penalized under the law. This legislation would better target Federal Chapter 1 money on those areas that truly need the money the most and will enable them to receive their fair share of the Chapter 1 money.

Mr. Speaker, I encourage my colleagues to join me, Mr. FORD, Mr. KILDEE, and Mr. GUNDERSON as cosponsors of this important legislation.

EARLEIGH HEIGHTS VOLUNTEER FIRE COMPANY CELEBRATES 75TH ANNIVERSARY

HON. HELEN DELICH BENTLEY

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1993

Mrs. BENTLEY. Mr. Speaker, I rise today to recognize the accomplishments of my constituents who comprise the Earleigh Heights Volunteer Five Company.

On April 18, 1918, civic-minded residents of Earleigh Heights gathered in the home of Joseph Urban to establish a volunteer fire company. When the company was founded, it had 14 members, no equipment, no station, and funds totaling $2.50 in its treasury.

Today, Joseph Urban and his companions could look with pride at the dedicated company that is celebrating its 75th anniversary. The company has grown to a size of 140 members, plus a 40-member ladies auxiliary. In addition to losing sleep and time from work to put their lives on the line for their neighbors, these amazing people have raised sufficient funds to equip their station without one dime of taxpayer money.

From its humble beginnings, the Earleigh Heights Volunteer Fire Company has evolved into a modern company with 12 pieces of equipment, a centralized alarm system, and up-to-date training, not only in fire suppression, but in rescue and emergency medical services. The pride of their outfit is a $600,000 heavy squad truck, which is called upon throughout the region to assist with auto wrecks, plane crashes, building collapses, and situations involving hazardous materials.

In 1992, the company responded to over 3,400 calls for help from its neighbors. For saving lives, property, and taxpayer money, they are most deserving of our special recognition as they celebrate their 75th year of service.

DREIER TESTIMONY BEFORE JCOC

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1993

Mr. SOLOMON. Mr. Speaker, today our Rules Committee colleague, the gentleman from California [Mr. DREIER], who is also the vice-chairman of the Joint Committee on the Organization of Congress, testified before the joint committee on his perspectives on House floor proceedings and scheduling. His statement contains a number of very perceptive observations and constructive suggestions for improving this institution, particularly in the area of making this once again the deliberative body it was intended to be.

I include the full text of his statement and commend it to the reading of my colleagues.

STATEMENT OF THE HON. DAVID DREIER

Mr. Chairman, my colleagues on the committee, thank you for allowing me to address the Joint Committee in this rather unorthodox manner. It only underscores the seriousness with which I consider the matter of floor procedures and deliberation.

I am now serving in my second term on the House Rules Committee but, given the atmosphere of frustration this past year with restrictive rules, it seems more like my second decade. Let me say, however, that I thoroughly enjoy working on the committee and commend the leadership of my friend from New York, Mr. Solomon, the ranking Republican, and Chairman Joe Moakley, who I consider to be the best Chairman in the Congress.

The Chairman's testimony this morning was extremely helpful. He commands a great deal of respect both on and off the Rules

Committee because of his fairness, decency and genuine desire to be as accommodating as possible. But Chairman Moakley's best efforts notwithstanding, words like fairness, decency, and accommodating don't describe how the Republicans—and even many Democrats who are also disenfranchised by the Rules Committee—are treated in the legislative process.

Since Chairman Moakley used a baseball analogy in his statement, I would like to use another. Imagine yourself as the manager of a baseball team that must play all of its games on the road, and the home team can change the rules with each game. Suppose your line-up is loaded with home-run hitters and the home team could simply move the fences back; or it's your ace pitcher's turn in the rotation and the home team can just declare him ineligible to play. Then your complaints are dismissed by the home team as "obstructionist" in an effort to embarrass you.

These are the rules that Republicans in the House of Representatives must play by every day. Mr. Solomon, who testified earlier on the subject of committee reform, described this treatment as "the decline of deliberative democracy." And I would like to repeat a quote that Mr. Solomon used from Former Speaker Sam Rayburn who, during a radio address on the Texas Forum of the Air on November 1, 1942, said:

"Not all the measures which emerge from Congress are perfect, not by any means, but there are few which are not improved as a result of discussion, debate and amendment. There are very few that do not gain widespread support as a result of being subject to the scrutiny of the democratic process."

Mr. Chairman, improving legislation through democratic scrutiny is, in my view, the principle that should guide this Joint Committee in its efforts to reform the operations of Congress. In fact, we would be hard pressed to find any one of our colleagues, Democrat or Republican, who would dispute Sam Rayburn's statement. That being the case, there should be no controversy. But there is! If you were to ask me in one word to describe what has gone wrong with the process and what is needed to restore public confidence in this institution, the word I would use is "accountability."

Many features of the present structure, organization and procedures of Congress allow House Members to avoid public accountability on many controversial and important issues. These include a large and seemingly "permanent" staff bureaucracy, 266 committees and subcommittees with overlapping and contradictory jurisdictions, proxy voting, and a bewildering budget process. However, the most overt tools used to obscure and avoid political accountability is the use of restrictive floor procedures and rules abuses.

Ironically, this very same issue was at the heart of the 1974 freshman revolt that opened up the process by weakening the seniority system and expanding access to floor voting and participation. But slowly, as those reformers gained seniority and leadership positions, progress toward openness has degenerated.

Consequently, deliberation, accountability, and representation are no longer the distinguishing characteristics of the House of Representatives. Instead, the situation is reminiscent of the big city political machines that flourished earlier in this century. We have constructed a patronage system on a massive scale. It doles out favors to influential interest groups, promises utopia to the masses without acknowledging tradeoffs, and punishes those who have a difference of opinion with the machine's agenda.

What this machine doesn't do is produce thoughtful legislation that commands widespread public support. In fact, I don't think it's a mere coincidence that the growing prevalence of restrictive floor procedures has coincided with the decline in public support for Congress as an institution. We have all heard the numbers, but they bear repeating. In the 95th Congress, 85 percent of the legislation that passed through the Rules Committee were open to germane amendments on the floor. In other words, any Member could stand up at any time and offer a germane amendment that he or she thought could improve the bill. In the 102nd Congress, the Rules Committee permitted open debate just 34 percent of the time.

What does the ability to offer an amendment have to do with accountability? If a member has the power to offer an amendment, he can no longer claim to support one thing, but then say that he was blocked in his effort to make a change in the law. In addition, with more floor votes on more clear issues, members will be forced to take clear positions with their votes. That is exactly what the American people want—fewer excuses, and more elected officials who actually stand for something.

We are all familiar with what has happened this year with restrictive rules, and I want to take a moment to commend Speaker Foley for his April 22 statement in which he said there will be open rules on major legislation. But let me also preface that by saying that placing non-controversial bills, like the Passenger Vessel Safety Act, on the regular calendar to pad the "open rules" numbers is not a good faith effort to address this problem. I hope that the Speaker will continue to work with the Republican leadership on a reasonable accommodation.

There are two excuses for restrictive rules that I find particularly frustrating, and I want to dispel them. First, some have made the contention that restrictive rules are necessary to prevent Republicans from offering amendments intended simply to embarrass Democrats. I will acknowledge that Republicans have, on occasion, offered amendments to embarrass Democrats.

But a simple analysis of the amendments that have been denied by the Rules Committee show this argument is very weak. Many are substantive, such as: an amendment by Mr. Grandy to the family leave bill to provide tax incentives to small firms that offer leave benefits; an amendment by Mr. Livingston to the Motor Voter bill to allow states to remove the name of a person from the registered voters list if the person has not voted during the previous 10 years; an amendment by Mr. Shaw to the unemployment extension bill to provide additional weeks of benefits to people in federally declared natural disaster areas; and amendments by Mr. Wolf to the Hatch Act reform bill to protect federal workers from excessive political coercion.

Second, some defend closed rules by claiming that they prevent obstructionist tactics, and are needed to speed legislation through the process. It only takes a moment to look at the House schedule over the first five months of this year, with weeks going by with little or no floor activity, and see continued use of completely closed rules to see that scheduling needs do not drive the restrictive rules. If anything, creative scheduling and the imposition of phony deadlines become a weak excuse for limiting the rights of the vast majority of House members.

Along with restricting the ability to amend legislation on the floor, there are other procedural abuses that allow Congress to evade accountability. Examples include:

Motions to instruct conferees—These are used more frequently because Members are often prohibited from offering amendments to relevant legislation. Unfortunately, because these motions are not binding, Members can vote for the "popular" position on a bill without the threat of that position becoming law. Recent examples include the elimination of franked mass mailings in 1989 and a prohibition on HIV infected immigrants coming into this country.

Self-executing rules—These are increasingly used to avoid direct floor votes on substantive issues, and cloak them in the shroud of "procedural" votes. Once again, the goal is simple, avoid accountability by making a vote as difficult to follow as possible. The most recent example that comes to mind involves is the Family Medical Leave Act. The rule on the conference report contained self-executing language that made the vote on the rule the vote on the Senate amendments. Those amendments included a resolution affirming the President's interim policy on gays in the military. The Senate debated the resolution for three hours, but not a peep was uttered in the House. Worse, since legislative language was not available for Members to read, many were not aware of the provision until they were asked to come to the House floor to vote.

King-of-the-Hill rules—These rules, in which the last amendment to pass is the one that is adopted, are typically used to frame the debate over broad policy issues. The biggest criticism is that the last amendment has the advantage. This is the least of my concerns. More disturbing is how this procedure can be used as a "bait-and-switch" maneuver. It was used on President Bush's rescission package last year. Intentionally or not, it allowed Members to be on record voting to cut spending on such items as animal manure studies and prickly pear research even though the funds would be restored on the next vote.

Waiving the 3-day layover rule—Under the rules of the House, Members must be given three days to read and review a bill before it can be considered on the House floor. This is especially important today because, over the past 20 years, the average bill has quadrupled in size. Tax and budget bills tend to be hundreds, if not thousands, of pages long. This year, the 3-day layover rule was revoked on 77 percent of the legislation that passed through the Rules Committee, up from 8 percent in 1976–77. Increasingly, Members are forced to vote on complicated legislation they have never seen. The details are known only to a handful of non-elected committee staff people who are not held accountable to the voters. This is a fear I have with the upcoming reconciliation bill. Members may not have a chance to read the biggest tax bill in American history because Congress will be under pressure to meet a recess deadline.

These are just a few commonly used procedures that, intentionally or not, weaken the legislative process and undermine accountability. Others include the prohibition on revenue-neutral en bloc amendments to appropriations bills and the practice of legislating in appropriations bills. I am also constantly amazed by the degree of sophistication and ingenuity that goes in to new ways of avoiding deliberation and accountability. Most recently on the debt limit extension bill, the House, by declaring the measure as "reconciliation" legislation, essentially imposed a gag rule on the Senate, prohibiting debate on balanced budget and line-item veto amendments.

I can certainly understand the views of the majority. They were elected to control the agenda and the schedule, and they have an obligation to put forth clear and concise legislation that represents their vision of government. I also acknowledge that restrictive rules—not closed rules—are useful and necessary on occasion when the leadership of both parties agree, such as when we consider major tax bills and the DOD authorization bill. Nobody in the minority disputes those contentions, and we are not out to change the principle of "majority rule." What I and my Republican colleagues are trying to change is a process that does not give the American public clear and concise legislation.

Voters are getting vague, confusing, contradictory information. Procedural abuses create a breeding ground for special interest groups to take control over the legislative process. In the end, we end up with what Milton Friedman calls "the phenomenon of concentrated benefits and dispersed costs." It explains why government programs continue to grow and proliferate after they have been clearly identified as failures.

Complete information is an essential ingredient to a functioning market. It works in the markets for goods and services, and it will work in the market for ideas. What I am asking for is the equivalent of a consumer protection act for legislation. If groups like Common Cause, Public Citizen and Congress Watch are serious about competitive politics and reducing the influence of special interest groups in the legislative process, they would be as vocal against restrictive and abusive procedures as I am today.

The question, then, is how do we find the proper balance between openness and efficiency? A number of recommendations relating to floor procedures and scheduling are contained in H.Res. 36, which was introduced by our Minority Leader Bob Michel. A summary of those recommendations is attached to my prepared statement.

A recommendation I strongly support is the concept of a super-majority vote, whether it be two-thirds or three-fifths, to waive points of order against legislation. At the beginning of each session, the majority puts forth a package of changes to the House rules that outline the procedures they deem necessary to control the agenda and the floor schedule. Once the rules are made, we should have to play by them unless extraordinary circumstances warrant otherwise.

This, in my view, is the single best reform. Congress has come under substantial public criticism for the perception that it does not have to comply with many of the laws it imposes on society. Imagine how much greater that criticism would be if the public knew that Congress—at least, in this instance, the House of Representatives—does not comply with the laws it imposes on itself.

To address minority concerns about restrictive rules that block important amendments, I recommend that the minority be permitted to offer one amendment to a restrictive rule before the previous question is ordered. The amendment could come in the form of an open rule substitute, or it could identify one or two specific amendments to the bill to be made in order. In this case, the majority could still preclude amendments it deems trivial or disruptive, but a majority would have to vote in support of that position. Members would no longer be sheltered from controversial votes by the Rules Committee.

Mr. Chairman, this committee should rightfully be cautious about altering House rules governing floor procedures, which the majority needs to control the public policy agenda. In fact, my complaints are not necessarily directed at these rules per se. They are directed at the chronic failure of the majority leadership to abide by them, and at the way these rules are distorted and manipulated to evade accountability. That is a situation that the Joint Committee can, and I hope will, address when we begin developing a comprehensive package of reforms.

I hope we can have a constructive dialogue on this issue because we all want this institution to work, and to have the broad support of the American people.

Provisions Relating to Floor Procedures and Scheduling Contained in H. Res. 36, "A Mandate for Change in the People's House"

(Introduced by Representative Robert H. Michel, January 21, 1993)

A section-by-section summary of the relevant provisions. The Rules of the House of the 103d Congress would be amended as follows:

Section number and provision:

101. Presentment of Bills to the President: The Speaker would be required to submit to the President any bill originating in the House not later than ten calendar days after it has been finally agreed to by both Houses.

102. Veto Messages: Immediately after the reading of a veto message from the President, the Speaker would be required to put the question on reconsideration of the vetoed bill, without intervening motion (except to postpone consideration for not more than 10-legislative days), in order to prevent avoidance of a vote by indefinite referral to a committee.

103. Broadcast Coverage: The Speaker would be required to provide for uniform visual broadcast coverage of House proceedings throughout the day, which could include periodic views of the entire Chamber providing they do not detract from the person speaking.

104. House Scheduling: At the beginning of each session of the House, the Speaker shall announce a legislative program for the session which shall include target dates for the consideration of major legislation, weeks in which the House would be in session (with five-day work weeks assumed unless otherwise indicated), dates for district work periods, and the target adjournment date.

119. Same Day Consideration of Rules Committee Reports: An order of business resolution ("special rule") reported from the Committee on Rules shall not be considered on the same calendar day as reported or on a subsequent calendar day of the same legislative day, except by a two-thirds vote of the House.

120. Affirming Minority's Right on Motions to Recommit: The Rules Committee could not report a special rule denying the minority the right to offer amendatory instructions in a motion to recommit.

121. Restrictive Rule Limitation: The Rules Committee could not report a special rule limiting the right of Members to offer floor amendments unless the chairman has announced to the House at least four days in advance of a meeting on the measure that such a rule may be reported.

122. Limitation on Self-Executing Rules: The Rules Committee could not report a special rule providing for the automatic adoption of an amendment, bill, joint resolution, conference report, or other motion or matter, unless the House, by a two-thirds vote agrees to the consideration of such a rule.

123. Budget Waiver Limitation: The report on any special rule waiving any provision of the Budget Act would be required to carry an explanation and justification of the waiver as well as a summary or text of any comments on the waiver received from the Budget Committee. A separate vote could be demanded in the House on any such waiver contained in a rule.

125. Commemorative Calendar: A House Commemorative Calendar would be established on which unreported commemorative legislation could be placed upon the written request of the chairman and ranking minority member of the Post Office Committee. The Calendar would be called twice a month and any two objections would cause a commemorative to be removed from the Calendar.

126. Accuracy of Congressional Record: The Congressional Record would be a verbatim account of proceedings, subject only to technical, grammatical and typographical corrections by the Member speaking. Unparliamentary remarks may be deleted only by unanimous consent or order of the House.

127. Automatic Roll Call Votes: Automatic roll call votes would be required on final passage of appropriations, tax and pay raise bills and conference reports, and on final adoption of budget resolutions and conference reports containing debt limit increases.

131. Pledge of Allegiance: The Pledge of Allegiance would be required in the House as the third order of business each day.

132. Suspension of the Rules: Measures could not be considered under a suspension of the rules except by direction of the committees of jurisdiction or on the request of the chairman and ranking minority member of the committees. No measure could be considered under suspension which authorizes or appropriates more than $50-million for any fiscal year. Notice of any suspension must be placed in the Congressional Record at least one day in advance of its consideration together with the text of any amendment to be offered to it. No constitutional amendment could be considered under suspension.

133. Discharge Motions: The Clerk of the House would be required to publish in the Congressional Record the names of those Members signing a discharge petition once a threshold of 100 signatures has been reached, and to publish an updated list of names at the end of each succeeding week.

134. Inclusion of Views in Conference Reports: Members of conference committees would be permitted three calendar days after a majority of signatures had been secured in support of the conference report, in which to file supplemental, minority, or additional views to be published with the report.

148. Repeal of Certain Amendments to Rules: The following amendments to House Rules adopted on January 5, 1993 (H. Res. 5, 103d Congress) would be repealed: (a) permitting two-day delays of consideration of questions of House privileges; (b) permitting committees to sit while the House is amending legislation; and (c) allowing non-Member delegates to vote in and preside over the Committee of the Whole.

TRIBUTE TO LUIS A. CARTAGENA

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1993

Mr. SERRANO. Mr. Speaker, I rise today to pay tribute to Mr. Luis A. Cartagena, a pioneering Hispanic educator who will be retiring this spring after 21 years as principal of Public School 25 in the Bronx.

Mr. Cartagena's career is marked by numerous firsts. He was the founder and first president of the Hispanic Educators Association; he organized and chaired the first New York City Curriculum and Adaptation Conference for the Effective Education of the Puerto Rican Child; and he was a member of the first New York City Bilingual Commission.

A native of Caguas, PR, Luis Cartagena has always been sensitive to the difficulties faced by non-English-speaking Hispanics and the importance of accommodating their special needs. Mr. Cartagena joined P.S. 25 soon after arriving in the Bronx from Puerto Rico in 1968 and became the school's first assistant director of title VII Federal programs. He also served as director of the Northeast Regional Curriculum Center of the Curriculum Adaptation Network for Bilingual Bicultural Education [CANBBE].

Mr. Cartagena has spoken frequently at the annual conferences of the National Association of Bilingual Education [NABE] and Teachers of English to Speakers of Other Languages [TESOL] on such topics as the education of the Puerto Rican child, the open classroom teacher training, and teaching English as a second language [ESL] to adults.

Mr. Speaker, Luis Cartagena's expertise on bilingual education issues has been sought by numerous colleges in the New York metropolitan area, and his many contributions to this field and to society have been recognized by educational associations, the borough of the Bronx, and the city of New York.

On the occasion of his retirement from P.S. 25, I hope my colleagues will join me in paying tribute to this outstanding educator, Mr. Luis A. Cartagena.

BAY AREA OBSERVES NATIONAL MISSING CHILDREN'S DAY

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1993

Mr. STARK. Mr. Speaker, I want to remind my colleagues that each year in the United States, more than 369,000 children are reported missing. Tragically, between 20,000 and 50,000 of those children remain missing for more than 1 year. I need not share with my colleagues the unspeakable pain and sorrow experienced by the families of these children, but as a parent, I can understand the horror that must overcome those who must somehow cope with a missing child.

In 1990, Child Quest International, Inc., a nonprofit group, was formed to protect and recover missing, abused, and exploited children and reunite them with their families. Its headquarters in San Jose, CA, serves the Greater Bay Area, which includes the district I represent. This group collaborates with other such organizations nationwide and helps to recover some of the 77,000 children who are reported missing each year just in my home State.

Child Quest International is observing Missing Children's Day on May 25, and asking Americans to keep their porch lights on all day and all night. We should all be aware of the potential threat of child abduction and emphasize to our children and grandchildren the importance of knowing their own full names, addresses, and telephone numbers. Finally we should educate them to avoid situations that can lead to abduction.

Mr. Speaker, I am asking my colleagues to join my constituents and thousands of parents nationwide in this solemn, but hopeful, observance. We must never forget those thousands of children who are far from their own homes each night; Child Quest International needs our help to bring them all home.

U.S. POLICY TOWARD ASIA

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1993

Mr. HAMILTON. Mr. Speaker, on May 16, 1993, the Washington Post published an article by Don Oberdorfer entitled "Adrift in Asia: Clinton's Other Crises." Mr. Oberdorfer is one of this country's premier foreign-policy journalists. He has a clear appreciation of America's interests in Asia. I commend Mr. Oberdorfer's insights to our colleagues.

[From the Washington Post, May 16, 1993]

ADRIFT IN ASIA: CLINTON'S OTHER CRISES

(By Don Oberdorfer)

SINGAPORE.—The Clinton administration, responding to a series of accidental deadlines, is facing rapid-fire decisions in the coming weeks that will shape U.S. relations with key Asian nations for years to come. In contrast to its preoccupation with Bosnia, where there is much less U.S. national interest, the administration is dealing almost casually with its massive stakes in this part of the world.

Here across the Pacific, where America's most important trading partners live and much of the future will be shaped, there is growing worry that the new administration may blunder into historic mistakes through miscalculation or, equally inexcusably, lack of calculation.

"We are waiting to hear a clear Asia policy from President Clinton. The first 100 days have passed, and we still haven't heard it," said Chan Heng Chee, director of Singapore's Institute of Southeast Asian Studies and former ambassador to the United Nations, voicing a sentiment that is widely shared. "What is clear to us is his concern for trade and human rights, but we are concerned that Clinton be able to see America's long-term interests as a global power in an Asia that is changing very fast."

Clinton's immediate schedule for making and implementing major Asia-related decisions, all of which depend heavily on persuading others to go along, is daunting:

Under a 1974 law, Clinton must notify Congress by June 3, less than three weeks from now, how he proposes to handle the extension of most-favored-nation (MFN) trade status for China, now the fastest growing economic power in the highest growth area of the world. Whatever his decision, it will be controversial on Capitol Hill and probably difficult for Beijing to accept as stated.

Before June 12, the United States, China and other members of the U.N. Security Council are trying to convince North Korea to reverse its startling decision, announced March 12, to withdraw from the Nuclear Non-Proliferation Treaty (NPT) rather than permit additional inspections of its nuclear program. The June deadline was set because Pyongyang is required to give three months' notice of withdrawal from the treaty. U.S. and Asian diplomats are hopeful that North Korea can be persuaded through diplomatic means to reverse its stand, thus averting an international crisis. But the looming deadline is a serious impediment to diplomacy.

By mid-July, a date set by Clinton and Prime Minister Kiichi Miyazawa in their meeting last month, the United States and Japan are committed to creating a new framework for negotiating the troubling trade issues between them. However, there is fundamental disagreement between Washington and Tokyo on the terms for the future negotiations. The chances are strong for a serious clash unless extensive and time-consuming discussions can head it off.

The administration urgently needs to find ways to ease some of these deadlines. After two weeks of talks with official and unofficial experts in China, Hong Kong and Singapore—and recent discussions in the United States with North and South Korean diplomats, Japanese leaders and U.S. officials—it seemed clear to me that preparations are inadequate to deal effectively with these important issues, even one by one. It is likewise clear that Washington and its partners are nowhere near ready to deal with them all at once, despite the visit to the region last week by Assistant Secretary of State Winston Lord to explore solutions.

The threat to remove most-favored-nation treatment from Chinese goods entering the United States is a wasting asset. It was born in 1990, in congressional frustration with the stand-pat position of President Bush following the 1989 Tiananmen crackdown. But in the past three years, China has been changing very rapidly, and in ways that make withdrawal of MFN less useful even as a bargaining chip—and impractical as a potential U.S. action.

The most dramatic impression arising from a recent trip to China, my eighth since 1974, was extensive, rapid change. China is returning to its historic role as a regional superpower, but this time with economics as the foundation of its strength.

China's sizzling GNP growth—nearly 13 percent last year—has changed the face of Beijing in only a few years into a city of mushrooming skyscrapers, glossy new restaurants and streets choked with yellow-painted taxis and private cars. Even more startling was a visit to Shenzhen, the special economic zone near Hong Kong, which has grown in a dozen years from a sleepy crossroads to a booming metropolis with 3.2 million people drawn from all parts of China. There, 30,000 enterprises produce 3,500 different products. With encouragement from senior leader Deng Xiaoping, China has joined East Asia's postwar economic boom.

Chinese attitudes have changed as well. Since my previous two trips in 1991, Chinese academics I've known for years have become much bolder about expressing views on touchy subjects, such as China's future after the death of Deng. Independent sources of information have increased sharply, with literally thousands of new publications of every type. Television satellite transmissions from outside the country are available to millions of people with little or no government supervision.

China certainly has not become a bastion of individual human rights, but "there is more personal freedom today than at any time since the founding of the [communist] regime in 1949," says Burt Levin, director of the Asia Society's Hong Kong Center and a veteran of nearly four decades as a Foreign Service China watcher. "There is much greater geographical and economic mobility. The only area now out-of-bounds for Chinese citizens is open criticism of the leadership or of the ideology, or organization of opposition, which is not tolerated."

Along with their greater self-confidence, Chinese officials seem far less worried about withdrawal of MFN than they were in 1991. The U.S. market and U.S. technology continue to be important to China, but with Hong Kong, Taiwan, Japan, Europe and Southeast Asia all deeply engaged with China economically—and unwilling to sacrifice their fast-growing stakes at U.S. request—Beijing is less inclined than before to accommodate Washington.

The most troublesome sign of China's new attitude is its apparent decision late last year to supply M-11 ballistic missile technology or hardware to Pakistan. This seems to be a major breach of its commitment to abide by the "parameters and guidelines" of the U.S.-designed Missile Technology Control Regime, which seeks to stem the flow of sophisticated missiles to the Third World. If the sale is confirmed, the United States will be required by law to apply sanctions on China.

Chinese officials would not talk frankly about the Pakistan missile issue, but there were hints that the decision was taken in part to retaliate for the U.S. sale last fall of sophisticated F-16 jet fighters to Taiwan, in what seemed to be a clear violation of the 1982 U.S. pledge to restrain and reduce its arms sales to Taiwan. Another complication, though, is the U.S. failure to keep China briefed in detail on changes in the international ballistic missile sales rules, as it agreed to do when Beijing signed up for the missile control regime.

Since the 1949 revolution, U.S. attitudes about the world's most populous country have shifted from fear in the 1950s and '60s to admiring fascination in the '70s to shock and disillusionment following the Tiananmen crackdown. Now, as University of Michigan China scholar Kenneth Lieberthal has suggested, the election of Bill Clinton should bring an end to the stalemate between a Democratic Congress that would not permit U.S. relations with China to improve and a Republican president who refused to let them become much worse. If the administration and Congress work together to advance MFN arrangements the Chinese can accept, relations can improve again. They can also deteriorate sharply if the United States overplays its hand. The weeks ahead may be the most important period for Sino-American relations since the Nixon opening to Beijing in the early '70s.

In regard to the North Korean nuclear issue, the attitudes and actions of China, Pyongyang's only remaining ally, are crucial. Like the rest of Asia, China is appalled by the prospect of nuclear arms in North Korea, which could lead to a nuclear buildup in South Korea and Japan. After some initial hesitation, Beijing has begun working actively behind the scenes to head this off.

Talks with a North Korean diplomat at the United Nations suggest that Pyongyang is willing to reverse its decision to withdraw from the NPT if it can obtain face-saving concessions, especially greater assurances of security against what it insists is a U.S. nuclear threat. While in Washington recently, the new South Korean foreign minister, Han Sung Joo, reflected the much greater willingness of the Seoul government to accommodate the North in face-saving solutions, if the threat of a North Korean bomb program can be averted.

What to do has been a controversial matter within the Clinton administration, but I found no disposition in the White House, State Department or Pentagon to favor military solutions. Key officials understand that Washington will have to take its cues from Seoul, and with South Korea's encouragement, the stage is being set for a high level U.S.-North Korea meeting. All this suggests the makings of a diplomatic solution, if Pyongyang is indeed amenable to returning to international inspections.

However, it seems unlikely that such sensitive accords can be reached from a standing start in less than four weeks. Some action by the United States, Seoul and their allies to ease the June 12 deadline or, better yet, a North Korean decision to stop the clock by revoking or suspending its March 12 withdrawal from the NPT would be a major contribution to solving a problem of great international importance.

The third Asia issue on a short timetable—new economic arrangements and understandings with Japan—is also complicated by a lack of consensus within the administration. Faced with conflicting advice and the pressure of other decisions, Clinton chose his direction only the day before the Japanese prime minister arrived at the White House. The resulting U.S. posture was a blunt challenge to Japan, but it did not reflect a well-developed plan.

Clinton spoke publicly during the Miyazawa visit of the extraordinary importance of the relationship between the United States and Japan, which together account for 40 percent of global economic output. The alliance, which is now under strain, has been crucial to security arrangements in Asia since World War II.

It is clear to nearly everybody, including the Japanese, that a large and growing Japanese trade imbalance with the United States and the world at large is unacceptable and unsustainable. It is much less clear how to deal with it, especially when the U.S.-proposed shift—to negotiated deals with quantifiable results—implies major reversals of economic policy.

The Japanese have a word for the task of preparing the ground for important initiatives so that they can be made acceptable to those whose agreement must be won. The word is nema-washi. Up to this point, nema-washi has been conspicuously absent as the Clinton administration takes up the job of dealing with Asia.

JOINT RESOLUTION INTRODUCED RECOGNIZING AMATEUR RADIO OPERATORS

HON. MIKE KREIDLER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1993

Mr. KREIDLER. Mr. Speaker, I am introducing, along with my colleague, Representative JIM COOPER of Tennessee, a joint resolution to recognize the achievements of amateur radio operators and to declare that regulatory support for these radio operators should be national policy. This resolution is fully supported by the American Radio Relay League, the principal representative of amateur radio operators who provided invaluable assistance in the development of this joint resolution.

I am introducing this resolution because I feel that the amateur radio service must be recognized for the important role it plays when disasters strike. Their role was brought to my attention in January of this year, when a severe windstorm struck western Washington causing damage to trees, buildings, and telephone lines, making public safety and other necessary communications nearly impossible. Fortunately, a group of radio amateurs stepped in to handle important messages for the authorities and public until communications were back to normal. This was not an isolated incident. In disasters like Hurricanes Hugo and Andrew, Typhoon Iniki, the Loma Prieta earthquake, and the Mt. St. Helens eruption, ham operators have been there to help.

Amateur radio operators have also provided an important service internationally, in the face of other types of disasters. I was pleased, although not surprised, to see that many recent reports from war-torn Bosnia have been transmitted by amateur radio operators. They have played a crucial role in keeping the lines of communications open—literally—for citizens of the former Yugoslavia.

I have recently discovered that the help offered by amateur radio operators in these emergencies is not the walkie-talkie communications you may think of when you hear the term "ham" radio operators. In fact, the technologies they use are highly sophisticated. For example, they've been very active in the development and use of low earth orbit satellite technology.

It is about time for the Congress to recognize these achievements. With about 600,000 licensed amateur radio operators licensed in the United States alone, I'm sure that every Member of the House has had similarly favorable experiences with the amateur community and will support this joint resolution.

H.J. RES.—

Whereas Congress has expressed its determination in section 1 of the Communications Act of 1934 (47 U.S.C. 151) to promote safety of life and property through the use of radio communication;

Whereas Congress, in section 7 of the Communications Act of 1934 (47 U.S.C. 157), established a policy to encourage the provision of new technologies and services;

Whereas Congress, in section 3 of the Communications Act of 1934, defined radio stations to include amateur stations operated by persons interested in radio technique without pecuniary interest;

Whereas the Federal Communications Commission has created an effective regulatory framework through which the amateur radio service has been able to achieve the goals of the service;

Whereas these regulations, set forth in part 97 of title 47 of the Code of Federal Regulations clarify and extend the purposes of the amateur radio service as a—

(1) voluntary noncommercial communication service, particularly with respect to providing emergency communications;

(2) contributing service to the advancement of the telecommunications infrastructure;

(3) service which encourages improvement of an individual's technical and operating skills;

(4) service providing a national reservoir of trained operators, technicians and electronics experts; and

(5) service enhancing international good will;

Whereas Congress finds that members of the amateur radio service community has provided invaluable emergency communications services following such disasters as Hurricanes Hugo, Andrew, and Iniki, the Mt. St. Helens eruption, the Loma Prieta earthquake, tornadoes, floods, wild fires, and industrial accidents in great number and variety across the Nation; and

Whereas Congress finds that the amateur radio service has made a contribution to our Nation's communications by its crafting, in 1961, of the first Earth satellite licensed by the Federal Communications Commission, by its proof-of-concept for search and rescue satellites, by its continued exploration of the low Earth orbit in particular pointing the way to commercial use thereof in the 1990s, by its pioneering of communications using reflections from meteor trails, a technique now used for certain government and commercial communications, and by its leading role in development of low-cost, practical data transmission by radio which increasingly is being put to extensive use in, for instance, the land mobile service: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FINDINGS AND DECLARATIONS OF CONGRESS.

Congress finds and declares that—

(1) radio amateurs are hereby commended for their contributions to technical progress in electronics, and for their emergency radio communications in times of disaster;

(2) the Federal Communications Commission is urged to continue and enhance the development of the amateur radio service as a public benefit by adopting rules and regulations which encourage the use of new technologiés within the amateur radio service; and

(3) reasonable accommodation should be made for the effective operation of amateur radio from residences, private vehicles and public areas, and that regulation at all levels of government should facilitate and encourage amateur radio operation as a public benefit.

TRIBUTE TO ELSIE BURRELL

HON. JOHN J. DUNCAN, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1993

Mr. DUNCAN. Mr. Speaker, Miss Elsie Burrell, a constituent of mine from Maryville, TN, will be recognized in July by the National Education Association [NEA] for being one of the Nation's top volunteers, and will receive the 1993 award of Great Leadership in Human Rights.

Her years of service as a teacher for the Volunteer in the Park [VIP] Program in the Great Smoky Mountains National Park, and also her volunteer work with churches and hospitals should serve as an inspiration to all, and I want to call this article from The Daily Times to the attention of my colleagues and readers of the RECORD.

MISS BURRELL HONORED FOR DOING WHAT COMES NATURALLY FOR HER

No one goes out of the way less to receive an honor and few win more than "Miss Elsie" Burrell, 89, who will receive a national award from the National Education Association (NEA) July 3 in San Francisco, Calif.

One of the nation's top volunteers, Miss Elsie is scheduled to receive the 1993 Award of Great Leadership in Human Rights.

Nominated by the Blount County Education Association, she won the state award from the Tennessee Education Association last year and the entry was sent to the national competition this year.

The award recognizes an individual or group who has built respect and appreciation among diverse populations. Miss Elsie is also being recognized for her "inspiring courage."

During the past year she was selected by Blount County for the Volunteer of the Year Award as part of the Pride of Tennessee celebration to mark the state's 200th birthday in 1996.

A Volunteer in the Park (VIP), Miss Elsie received the outstanding service award from the park last year. Since she retired in 1969 after spending 27 years as a school supervisor in Blount County, she spends many hours each year as a VIP, teaching spelling the old-fashioned way to park visitors at Little Greenbrier School in Great Smoky Mountains National Park.

A native of Middle Tennessee, she began teaching on 1925, coming to the Blount County system in 1942.

Of all things she accomplished in her career as an educator, Burrell said she is most proud of two things: "Improving schools and helping provide libraries and instructional material that was sorely needed and encouraging teachers to improve themselves."

As a volunteer since her retirement she has amassed more than 10,000 hours of work at Blount Memorial Hospital and 4,000 hours working for Contact Teleministry, not to mention many hours at her church and in other organizations.

It is always a tribute to this community when a resident wins a national honor and it is especially so when it is Miss Elsie. She is so unselfish and does so much for so many others.

THE PROTECTION OF WOMEN WORLDWIDE

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1993

Ms. SNOWE. Mr. Speaker, as cochair of the congressional caucus for women's issues and ranking Republican on the Foreign Affairs Subcommittee on International Operations, I am introducing two very important bills pertaining to the protection of women worldwide. My first bill addresses women's human rights, while the second focuses on the special needs of refugee women and children.

Until recently, both within the foreign policy establishment and the private nonprofit sector, the human rights community has failed to recognize the extent to which human rights abuses are targeted at women worldwide. Too often, such abuses are excused as social or cultural problems not directly attributable to States and therefore, not relevant to the conduct of State-to-State relations.

However, recent research and documentation indicate otherwise. Violence against women and sex discrimination that is sponsored or condoned by States have reached epidemic proportions around the world. Abuses may take gender-specific forms such as rape, may be motivated by the gender of the victim such as the murder of women's rights activists, or may happen to women when they are rendered vulnerable by surrounding circumstances such as refugee women. Whether considered from the point of view of numbers of victims or the severity of abuses, violations of women's human rights should be a major concern of U.S. foreign policy. Yet women's human rights continue to be marginalized in the development and implementation of U.S. foreign policy, even within the specific context of U.S. human rights policy.

In order to ensure that abuses against women receive the necessary visibility and women are adequately protected, I am introducing legislation today calling on the State Department to designate a senior level official who would promote the issue of international women's human rights within the United States' overall human rights policy.

My bill, the Women's Human Rights Protection Act of 1993, identifies the responsibilities of such a women's human rights advocate. These duties would include pressuring governments that engage in violence against women or systematic discrimination, raising visibility of gender-based persecution and violence in multilateral forums, and seeking to assure that U.S. trade representatives conduct inquiries and take steps to prevent countries from receiving trade benefits where governments fail to address human rights abuses against women. The advocate would also work to secure funding for programs to meet the needs of women victims of human rights abuses, and work to assure ratification of the Convention on the Elimination of All Forms of Discrimination Against Women.

My second bill establishes explicit U.S. policy on integrating the resources and needs of refugee women and children into all aspects of refugee programming to ensure equitable protection and assistance activities.

Women and children constitute at least 80 percent of refugees and the internally displaced world population; however, their safety and particular needs are rarely met. They are the first victims of the conflicts they are trying to escape and the most vulnerable once displaced. As noncombatants, they must stop being used as human shields, spoils of war, and preyed upon by guards and others at border posts and refugee camps.

According to a report soon to be released by the General Accounting Office [GAO], the State Department must continue pressuring the U.N. High Commissioner for Refugees [UNHCR] to improve the extremely poor conditions for women in refugee camps which include severe domestic violence and abuse of women, and in some cases the denial of food to unaccompanied women. Additionally, the GAO found that the UNHCR and nongovernmental voluntary organizations providing services in the camps showed a severe lack of understanding of and appreciation for gender-related issues.

In 1991, UNHCR developed comprehensive guidelines on the protection of refugee women. The guidelines cover traditional protection concerns, such as the determination of refugee status and the provision of physical security, and outline various measures that can be taken to improve the protection of refugee women. They also present approaches for helping women who have had their rights violated, and outline steps to ameliorate the protection of women and report upon protection problems that do arise.

My legislation, the Refugee Women and Children Protection Act of 1993, would require the U.S. Government's refugee assistance programs to address the protection and provision of basic needs of refugee women and children. The bill directs the Secretary of State to: Ensure full involvement of women refugees in the planning and implementation of the delivery of refugee services and assistance; incorporation of maternal and child health needs into health services; education of refugee women and children; data collection that enumerates age and gender; gender-specific training for program staff of the U.N. High Commissioner for Refugees and nongovernmental voluntary organizations; and the recruitment and hiring of women professionals in the international humanitarian field.

Finally, my bill calls on the President to enter into bilateral and multilateral negotiations to encourage other governments that provide refugee assistance to adopt policies designed to implement the UNHCR's 1991 "Guidelines on the Protection of Refugee Women."

CAMPAIGN FINANCE REFORM

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1993

Mr. HUGHES. Mr. Speaker, today I have introduced legislation, H.R. 2198, which seeks to limit the amount of money which candidates can raise and spend in congressional campaigns.

There is no question but that campaign finance reform is long overdue.

In recent years, the costs of congressional campaigns have gotten completely out of control. Indeed, we are reaching the point where campaigns are being driven more by money than by the qualifications or views of the candidates. That is just not right.

Moreover, the high cost of campaigns is discouraging many qualified candidates from running for office. At the same time, it has enabled PAC's and other special interest groups to exert far too much influence over the campaign process. This has driven average donors out of the process, and added significantly to the public cynicism about government.

My bill is intended to reverse this trend by setting reasonable limits on fundraising and expenditures, and shifting the focus of fundraising away from Washington and back to the candidates' congressional districts, where it belongs. In so doing, it will help level the playing field for challengers, and go a long way toward helping rebuild public confidence in our elected officials and system of government.

Under my legislation, candidates would be asked to sign a statement at the time they register with the Federal Election Commission, agreeing to abide by a voluntary spending limit of $600,000 throughout the 2-year election cycle.

Once a candidate signs that statement, the authorization cannot be revoked. The candidate would then be required to abide by certain contribution limits as well. These include: a limit of $300,000 in contributions from nonindividual donors, such as PAC's, political parties, or special interest groups; $100,000 from individuals who reside outside the candidate's home district; and $75,000 in personal funds.

Within the $300,000 ceiling on non-individual contributions, my bill sets specific limits of $200,000 in PAC contributions and $75,000 in total political party contributions. It also limits PAC contributions to $5,000 and individual contributions to $2,000 over the 2-year election cycle.

To help encourage average citizens to participate in campaigns, my bill restores the tax credit of up to $100 (or $200 for joint returns) for people who contribute to congressional campaigns in their own district. The bill also sets strict penalties for candidates who exceed the spending or contribution caps.

Under this approach, a candidate who spends the maximum $600,000 could raise no more than a third of his receipts from PAC's. At least half of the $600,000 would have to come from individual donations, primarily raised within the candidate's own congressional district.

I believe that my legislation takes a straightforward approach to the issue of campaign finance reform, without relying on taxpayer-subsidized public financing or other gimmicks, such as discounted mailing costs or advertising rates.

I would urge my colleagues to take a close look at this legislation, and to join me in supporting a major overhaul of our campaign finance system, which is badly needed and long overdue.

IN RECOGNITION OF THE 25TH ANNIVERSARY OF MAPLE ROAD ELEMENTARY SCHOOL

HON. MARGE ROUKEMA

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1993

Mrs. ROUKEMA. Mr. Speaker, I would like to take this opportunity to pay special tribute to one of northern New Jersey's most distinguished elementary schools, the Maple Road School of West Milford, NJ. This year, Maple Road celebrates its 25th anniversary of education in West Milford, and I urge my colleagues to join me in saluting this quarter century of excellence in education.

From its humble roots as a small elementary school nestled among the pines of West Milford, Maple Road has grown and prospered over the years. Today, more than 450 students learn there—from kindergarten through grade 6, and more benefit from the preschool and elementary classes for special needs children that Maple Road provides.

Mr. Speaker, our schools and our educators hold the key to the future of our Nation. They unlock the potential in each and every child. They nurture the curiosity of future scientists; they encourage the compassion of future doctors; and they launch future astronauts on their way toward excellence. I am proud to recognize today that over its 25 year history, Maple Road has proven to thousands of students that its motto rings true: Maple Road really does mean magic.

Under the guidance and direction of Principal Robert Florian, Maple Road continues to prosper. Working with him over these years have been countless teachers, parents, and students who have each been integral to Maple Road's 25 years of success. I would also call special attention to the president of Maple Road's Parent-Teacher Organization, Mrs. Patricia Maglio, who has led the PTO in Maple Road's year of celebration. Through the efforts of the school and PTO, Maple Road has celebrated its anniversary through a commemorative tree planting, the placement of a 25 year time capsule, and a family picnic for past and present students, teachers, and their families. They are presently completing work on the Maple Road School Float for the West Milford Pride Day parade.

As a former educator myself, I know from firsthand experience that it takes a great deal of dedication and diligence to achieve the type of excellence Maple Road has typified throughout its proud history. I urge my colleagues to join me in recognizing and saluting Maple Road's 25th anniversary, and the excellence in education which should serve as a model for all.

THE DOPE OPEN: 25 YEARS OF CARING

HON. DEAN A. GALLO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1993

Mr. GALLO. Mr. Speaker, the most effective tools that we have in our ongoing struggle against drug abuse are caring and community involvement.

Long before the problems of drug abuse became a major issue nationwide, northern New Jersey was blessed by the presence of an organization, founded by a group of dedicated and caring individuals, and supported by the people within our communities, which has focused on the needs of the victims of drug abuse—men and women of all ages who started using drugs, but could not stop without the help and and support of people who care.

Today, we are proud to honor these dedicated volunteers on the occasion of the 25th anniversary of the founding of the Dope Open organization—one of the oldest organized drug education and rehabilitation support groups in the Nation.

On June 24, this innovative organization kicks off its 25th year of service with the annual Dope Open event.

In the mid-1960's—when most of the Nation was just waking up to the dangers of illegal drugs—these dedicated individuals, under the able leadership of Mary Mulholland, decided to do something about drug and alcohol addiction—they sponsored an aftercare clinic for individuals suffering from the most serious forms of drug addiction.

The first Dope Open golf tournament was held in 1968 as a means of providing support for drug education, rehabilitation, and treatment efforts, and the rest, as they say, is history.

I played in that first tournament and have had the honor to participate each year in this worthwhile event.

Since its inception, the Dope Open has raised $926,000 and has attracted $4.5 million in Federal, State, and local matching funds.

Among the worthwhile projects that have been helped because of these efforts are Hope House, providing rehabilitation services and outpatient drug and alcohol treatment for 20 years, which received a $20,000 annual grant in 1992; New Jersey Battered Women Shelter, $25,000 in 1991 and 1992; Morris County DARE Program, more than $20,000 in 1991–92, and Market Street Mission, $5,000 in 1992.

This innovative nonprofit all-volunteer organization also provides underwriting for other worthy projects, including in-house treatment facilities such as Integrity House, Sunrise House, Daytop, the Center for Addictive Illness, the Project PRIDE after-school self-help program, Morris County Crimestoppers, Morris County Teachers Awards, New Jersey Law Enforcement Memorial Fund, and Mrs. Wilson's, a half-way house for recovered women alcoholics.

The list of good deeds sponsored by the Dope Open grows longer each year, with support for new and innovative programs to meet the real needs of our communities.

In 1993, the Dope Open will help to launch a new an innovative program to keep our young people off of drugs and out of the criminal justice system by providing $5,000 in initial support.

The program, known as PASS, is the brainchild of two Morris County residents, Judge Daniel R. Coburn and Chief of Probation Jude DelPreore, and is designed to encourage alternative service rather than jail for juvenile drug offenders as long as they stay off of drugs.

As with many programs launched with the help of the Dope Open over the last 25 years, the PASS Program holds great promise to become a model for the Nation in the area of juvenile justice and drug rehabilitation.

I commend Judge Coburn and Chief DelPreore who have been working hard during the development stage of this innovative program. I am convinced we will be able to apply this local experience to our efforts in Congress to develop meaningful juvenile justice programs throughout the country, and I look forward to working with them toward that end.

Mr. Speaker, we know that the best programs aimed at helping people in need are those which are first developed locally.

The dedicated individuals, past and present, who have made the Dope Open a success have proven once again that our strength as a Nation derives directly from our communities.

And, our communities depend for their existence upon the people who care enough to help their neighbors.

Northern New Jersey is a large neighborhood, but the hearts of the many Dope Open volunteers are big enough to serve the broader community and to do so with an energy and a sense of pride that is unique among organizations.

Mr. Speaker, I ask my colleagues to join with me in recognition of the dedicated volunteers of the Dope Open on the occasion of the organization's 25th anniversary event.

MIDNIGHT BASKETBALL TRAINING AND PARTNERSHIP ACT INTRODUCED

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1993

Mrs. SCHROEDER. Mr. Speaker, today I join five of my colleagues in the House and Senator CAROL MOSELEY-BRAUN in a full-court press to bring midnight basketball to all of our Nation's youth.

Last year, as chair of the Select Committee on Children, Youth, and Families, I amended the Omnibus Crime bill to authorize $3 million through the Department of Housing and Urban Development's Youth Sports Program for matching grants to low-income communities with high rates of juvenile crime, pregnancy, or drug abuse. These grants would create a public/private partnership for unemployed youth who have left school to support midnight basketball leagues in 25 communities.

The program offers more than just free throws. The program operates from 10 p.m. to 2 a.m., the period when most youth crimes are committed, and requires players to attend high school equivalency classes and job training. The coaches, owners, and workshop leaders serve as role models. Unfortunately, the 24-second clock ran out on midnight basketball when the Senate held the omnibus crime bill hostage last year. That has not stopped 26 cities from creating midnight basketball leagues through the devotion of Gil Walker, executive director of the National Association of Midnight Basketball Leagues.

A 3-year independent evaluation of midnight basketball players found that none of the enrolled youths had gotten into trouble with the law. Gang activity in public housing decreased, and many players found permanent jobs and completed GED requirements.

This year we have a new forward on our team. Senator MOSELEY-BRAUN has agreed to introduce the Senate companion bill. The best way to reduce juvenile crime and save lives—and without employing any new bureaucrats—is through swift passage of the Midnight Basketball Training and Partnership Act.

THE POLLUTER PAYS CLEAN WATER FUNDING ACT

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1993

Mr. STUDDS. Mr. Speaker, today I am introducing the Polluter Pays Clean Water Funding Act. This legislation proposes a series of environmental taxes on products and activities which generate water pollution and establishes a supercharged State Revolving Fund [SRF] Program to deliver these revenues to the cities and towns with the most pressing clean water needs.

We are in the midst of a full-blown clean water crisis. Across the Nation, water and sewer bills are skyrocketing as the costs of municipal sewage treatment plants and other clean water programs soar. According to a conservative Environmental Protection Agency estimate, there are over $155 billion in projects necessary for compliance with the Clean Water Act. In 1993, the Federal Government provided about $2.5 billion to help our communities meet those needs.

A $2.5 billion appropriation for a $155 billion problem. It doesn't take a supercomputer to figure out we just are not spending what it takes to keep our water clean.

People are good at talking about cleaner water. About controlling combined sewer overflows, polluted runoff, stormwater, and toxics. But words will be just that—more talk—unless we find the money to do the job. Our cities, towns, and ratepayers cannot shoulder this burden alone.

If the level of Federal assistance is not bolstered, I fear that our Nation's commitment to clean water will unravel. Ratepayers and municipal officials called upon to pay ever higher bills will revolt, compliance efforts will grind to a halt, and pressure will mount for Federal officials to retreat from current requirements. The recent disaster in Milwaukee, a result of polluted farm runoff, may serve to remind us that diligence in protecting water quality should be among the highest Federal priorities.

Our towns and cities are buckling under the pressure of financing clean water infrastructure. In 15 of our largest cities, water and sewer rates have increased by at least 50 percent over the last several years. In some, like Boston, the increases are several hundredfold.

Our rural areas are overwhelmed. Small towns of less than 2,500 people need $28 billion just for proper sewage treatment. In 1992, the General Accounting Office reported that Utah officials were contemplating condemning entire towns because they could not afford to comply with the Clean Water Act.

The stakes are obvious—in clean water terms, in financial terms, and in political terms. If we have nothing to say, nothing to offer, we are risking a level of civil disobedience that could reverse the national commitment to environmental quality. This is not the environmental legacy we should bequeath to the next generation.

Our alternatives are simple. We can do nothing and risk disaster; we can appropriate a significant increase from the general treasury; or we can find new sources of funding. The first option is irresponsible and unacceptable. The second is unrealistic. President Clinton is struggling to reduce our enormous national deficit, and his 1994 budget sends a clear, albeit painful, message. The Federal cupboard is bare. There is no more money available from general revenues. Therefore, with this bill, I have outlined the steps necessary to create alternative revenue sources and fund clean water projects through a polluter pays proposal.

The polluter pays approach has many advantages. It begins to price pollution, allowing for market incentives to help foster pollution prevention; it generates badly needed money for the State revolving funds, thereby relieving household and municipal budgets from rising rates; it reduces the deficit; and it has broad public acceptance as a revenue-raising mechanism.

My legislation will provide $6 billion annually to fund clean water compliance; $2 billion will continue to come from the general treasury; and thus, the taxpayer will continue to shoulder a fair share of the burden. However, the greatest burden should be shifted to the polluter, and my bill will generate $4 billion from water pollution taxes: Polluter pays.

I have attempted to spread the tax burden thinly over many polluting activities and products. There are three major components of the package: an industrial toxic discharge tax; commercial and industrial water use taxes; and a tax on pesticides, fertilizers, and animal feed. This does not capture every water polluting product or activity because virtually everything and everyone pollutes water. What we have identified are the products and activities which are major and well documented pollution sources.

The second component of my legislation is a package of reforms to the existing State Revolving Fund Program. We need to supercharge the SRF's and build them into "one-stop" shopping centers for clean water funding needs. They need to be user friendly for all our communities—big and small; rich and poor; urban and rural.

The new SRF Program will be streamlined to eliminate many bureaucratic requirements. It will include limited grantmaking authority so that small and hardship communities can better participate in the program. Eligible users of the funds will be expanded to open the SRF's to all of the mandates of the Clean Water Act. Greater emphasis will be placed on preventing nonpoint sources of pollution and protecting estuaries. The outdated allocation formula is reformed to make sure that the money gets to States that need it most.

The recipe is simple. More money plus better delivery equals cleaner water at affordable rates.

The economic stakes are huge. Clean water projects are among the most productive of public infrastructure investments. For every $1 billion we spend on clean water infrastructure, between 35,000 and 57,000 jobs are created. Again, it doesn't take calculus to figure it out. If my bill is enacted, the $6 billion in annual investment will generate and sustain over 300,000 new jobs.

Beyond job creation, affordable water and sewer service, along with the availability of reliable clean water supplies, are at the heart of economic growth and productivity. Affordable water services cut to the heart of our prosperity. It is not a luxury. Rising costs of services stunt economic development at local levels and create enormous competitive disadvantages for communities. By way of contrast, affordable services attract private investment in local and regional development. A clean environment and growing economy are inextricably linked. Without clean water we cannot sustain our economy.

Let's face it. Nobody wants to be taxed and everyone wants to avoid the issue. There is, however, no alternative other than learning to live with polluted water—and that, in my view, is no alternative.

The special interests who represent polluters will line up, lobbying contracts in hand, to oppose this legislation. I am under no delusion that this battle will be won swiftly or easily. I am only certain that it must be fought and it must be won.

It is high time to face the facts and get to work in solving an enormously complex problem. I hope my bill will launch a renewed effort to come to grips with the funding problem. We have no other choice.

I invite you all to join me in this effort by cosponsoring this bill.

SECTION-BY-SECTION ANALYSIS THE POLLUTER PAYS CLEAN WATER FUNDING ACT

Section 1. Short Title. The short title of the bill is the "Polluter Pays Clean Water Funding Act".

Section 2. Findings.

TITLE I—STATE WATER POLLUTION CONTROL REVOLING FUNDS

Section 101. Requirements for Treatment Works. Subsection (a) repeals several of the "equivalency requirements". These are requirements under the old construction grants program of the Clean Water Act that were also made applicable to the SRF loan program when it was created in 1987. Repealing some of these requirements should reduce the administrative burden associated with SRF loans.

Subsection (b) modifies one of the equivalency requirements, raising the threshold for doing value engineering and least cost alternative analysis from the current level of $10 million to $25 million.

Section 102. Projects Eligible for Assistance. This section amends the existing SRF loan program (Title VI of the Clean Water Act) to expand the types of projects eligible for funding through a state SRF. In general, all activities and projects undertaken to comply with the Clean Water Act are made eligible without limitation, including sewage treatment plant construction, nonpoint pollution controls, stormwater and combined sewer controls, wetlands restoration and protection, water conservation, low income assistance, and all land acquisition costs associated with otherwise eligible projects.

Section 103. Maximum Term of Loans. Currently section 603(d)(1) of the Clean Water Act limits the term of SRF loans to no more than 20 years. Section 103 allows a state to make loans for longer terms, up to the expected life of the facility of project. By extending the loan terms, communities can stretch out their repayments and reduce their annual debt service. This section applies only to loans issued after enactment.

Section 104. Administrative Costs. Presently, state costs of administering its SRF may not exceed 4% of its annual federal capitalization grant. Subsection (a) expands the allowable administrative costs to 5% of total deposits to the SRF in any fiscal year. Therefore, states which deposit other funds into their SRFs may also use those funds in calculating their administrative spending limits.

Subsection (b) requires every state to use at least 20% of its administrative expenses for technical assistance to communities.

Section 105. Authority to Make Grants. Under the existing SRF program, states may provide loans to communities below the market rate and down to zero interest. They are not allowed to make grants or "negative interest" loans (i.e., principal subsidies). Section 105(a) establishes a new section 603(j) in the Clean Water Act which authorizes states to use a portion of their SRF funds for grants to small or hardship communities. A small community is one with fewer than 5001 people. A hardship community is one where the combined annual water and sewer bill is greater than 2% of average household income in that community. In addition, SRF funds may be used for grants to fund nonpoint pollution control projects and low income assistance in any community.

The amount of SRF funds that can be used for grant assistance is limited to the greater of—

(1) 25% of the federal grant in a fiscal year; or

(2) 100% of the federal grant which is in excess of the amount which a state SRF received in fiscal year 1992.

Section 106. Control of Nonpoint Source Pollution. Not less than 15 percent of the amount of each state grant must be used for the control of polluted runoff. This requirement will ensure that taxes collected from fertilizers, pesticides, and animal feed will be reserved for the control of pollution generated from the use of those products. Eligible projects would include projects under section 319 of the Clean Water Act, section 6217 of the Coastal Zone Act Reauthorization Amendments of 1990, and the nonpoint pollution control elements of plans developed under the National Estuaries Program (section 320 of the Clean Water Act).

Section 107. Allotment of Funds. At present, federal funding for the State Revolving Funds is allocated on the basis of a formula which reflects 1976 needs. As a result, some states are getting more federal funds than they deserve and some states are getting less.

Section 107(a) amends the Clean Water Act to ensure that the allocation formula is periodically revised to accurately reflect clean water priorities. Not later than one year after enactment, EPA is required to publish a formula which shall be based on the most recent estimates of state populations and the EPA's most recent biennial needs survey. Thereafter, the EPA shall revise the formula at least every five years.

Subsection (b) requires that in 1994, 1995, and 1996, 0.5% of the State Revolving Loan Fund, or $10,000,000, whichever is less, be set-aside before allotting money to states. This set-aside is for grants to states under section 6217(f) of the Coastal Zone Management Act Reauthorization Amendments to develop coastal nonpoint programs.

Section 108. Low Income Water and Sewer Assurance Program. Rising water and sewer bills have a disproportionate effect on families with modest incomes. As a requirement of receiving assistance for building wastewater construction projects, communities that meet certain criteria must certify that they will create a low income water and sewer assurance program within two years.

Subsection (b) establishes a new section 608 of the Clean Water Act: Low Income Water and Sewer Assurance Program. Within one year of enactment of this law, EPA shall issue regulations establishing minimum standards for community-based, low income water and sewer assurance programs. Minimum standards must include a requirement that communities ensure that water and sewer be available on an affordable basis to all households including renters, at or below 150% of the Federal poverty level served by the recipient. The presumptive measure of affordable combined sewer and water rates on a monthly basis is that such rates do not exceed 4% of gross monthly income for a household. This is a presumptive measure not a standard and may not be achieved by all communities. There is no requirement that monetary subsidies be paid to low income water and sewer recipients.

Section 109. Authorization of Appropriations. This section amends section 607 of the Federal Water Pollution Control Act. Subsection (a): this section authorizes annual appropriations of $2 billion for each of fiscal years 1994 through 2000. Subsection (b) requires an annual transfer of $4 billion for each fiscal year after 1995 from the Clean Water Trust Fund to the carry out this title. The transfer under subsection (b) requires no further appropriation. The net effect of this section will be to provide total annual funding of $6 billion to support implementation of the Clean Water Act through the expanded SRF program.

TITLE II—EXCISE TAXES ON SUBSTANCES CONTRIBUTING TO WATER POLLUTION, ETC.

Section 201. Excise Taxes on Substances Contributing to Water Pollution. This section amends Chapter 38 of the Internal Revenue Code of 1986 by adding Subchapter E—Discharges of Chemical Pollutants, and Subchapter F—Fertilizer, Pesticides, and Animal Feed.

Subchapter E—Discharges of Chemical Pollutants.

Section 4691. Imposition of Tax. The discharge into water or publicly owned treatment works (i.e., a sewage treatment plant) of any chemical listed in this subchapter is subject to a tax. The tax rate depends on which "group" number the chemical is assigned. Chemicals are assigned to groups 1 through 5 in order of increasing toxicity. Tax rates increase as toxicity increases. Anyone discharging the listed chemicals is liable for the tax except residential users, farm users, or government users. To ensure continued and increasing incentives for reduction and prevention of toxic pollution, the tax rate will be automatically adjusted each year for inflation plus 3%.

Section 4692. Definitions and Special Rules. This section lists 307 chemicals that are subject to taxation and assigns them to group 1 through group 5. The list is built principally around the Clean Water Act "priority pollutants" and chemicals on the EPA's Toxic Release Inventory which are known to be discharged to water.

Subchapter F—Fertilizer, Pesticides, and Animal Feed

Section 4694. Imposition of Tax. Manufactured or produced fertilizer, pesticide, and animal feed sold or used in the United States is subject to taxation. The nitrogen and phosphorous content of fertilizer is subject to a tax of 0.845 cents per pound. The active ingredients in pesticides are subject to a tax of 24.27 cents per pound. Processed animal feed is subject to a tax of $2.68 per ton.

Section 4695. Definitions and Special Rules. Exports of these products are not subject to the tax. Imported products would be taxed at the same rate.

Section 202. Excise Tax on Commercial And Industrial Water Use. This section amends Chapter 36 of the Internal Revenue Code of 1986 by adding Subchapter C—Certain Nonresidential Uses of Water.

Subchapter C—Certain Nonresidential Uses of Water

Section 4476. Imposition of Tax. A tax of 1.95 cents is imposed per 1,000 gallons of water used. If the water is supplied by a utility company, the company shall collect the tax.

Section 4477. Definitions and Special Rules. Anyone using water is liable for the tax except for residential uses, farm uses, hydroelectric power uses, and government uses.

Section 203. Clean Water Trust Fund. Subchapter A of Chapter 98 of the Internal Revenue Code is amended by adding the Clear Water Trust Fund.

Section 9512. Clean Water Trust Fund. A Clean Water Trust Fund is established within the United States Treasury. All proceeds collected under these new taxes are appropriated to this fund. Amounts in the fund shall be available for carrying out the purpose of title VI of the Federal Water Pollution Control Act.

RULES COMMITTEE CHAIRMAN, REPUBLICAN FRESHMEN TESTIFY BEFORE JOINT REFORM COMMITTEE

HON. DAVID DREIER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1993

Mr. DREIER. Mr. Speaker, today the Joint Committee on the Organization of Congress, on which I serve as a vice chairman, was privileged to hear testimony both from our distinguished Rules Committee Chairman JOE MOAKLEY on House scheduling and floor procedures, and particularly on the controversy over open versus restrictive rules. He had some very interesting and creative proposals for resolving some of our current differences.

At the same hearing, we were presented with the fresh and insightful perspectives of two outstanding freshmen Republican Members of the House, the gentlelady from Ohio [Mrs. PRYCE] and the gentleman from Florida [Mr. DIAZ-BALART], both of whom serve with distinction on the House Republican Leadership Task Force on Deliberative Democracy in the House. Their comments are especially useful and refreshing given the mandate for change that marked their first election to the House and the procedural realities they have run up against when it comes to making a real difference around here.

Hopefully, Mr. Speaker, we can meld the best suggestions of both our senior Members like Chairman MOAKLEY, and our freshmen class members who now number 110, in putting together a conservative and bold reform package for this Congress.

At this point in the RECORD I insert all three statements:

STATEMENT OF HON. JOHN JOSEPH MOAKLEY, CHAIRMAN, COMMITTEE ON RULES

Mr. Chairman, I would like to thank the Joint Committee for the opportunity to appear before you today to talk about committee and floor procedures in the U.S. House of Representatives. As Chairman of the House Rules Committee, I realize I am an obvious spokesperson for the procedures by which bills are considered in the House. I do not come before you today to blindly defend our current practices. Rather, I view this as a valuable and essential opportunity to take an objective, critical look at our rules and procedures and to comment on what areas might possibly be improved.

Before getting into specifics, I would like to briefly express my gratitude to the Joint Committee for the work it has done to date. I commend the Committee for both its diligence and the seriousness with which it has undertaken its work. Yours is not an easy task, I know. Change is always difficult, particularly when it is uncertain whether the proposed changes will actually improve the status quo. I can appreciate the enormity of your assignment and hope that my comments today assist you with your comprehensive evaluation of the Institution.

Reflecting upon the atmosphere in Congress of late, I must confess that I am almost relieved that we have reached this juncture—it is time for us to confront our problems, either real or perceived, and resolve them one way or another. In my twenty-one years in Congress, I have never experienced partisan tensions as aggravated and sustained as they have been over the past couple of years. While a certain amount of sparring between the parties is unavoidable, healthy even, I believe we have far surpassed the level of disagreement that characterizes a healthy democracy.

I am most concerned with the element of distrust that seems to pervade our daily interactions. We cannot do our jobs well when we distrust those with whom we work. We were sent here to make sound, well-reasoned policy decisions on behalf of our constituents, our country and the world. I am deeply concerned that the public good is being compromised in the conflicts of our rival parties.

It is out of these concerns that I admit certain changes are needed. On the procedural front, I think I can recommend several improvements which will not only enhance the quality of deliberation in the House of Representatives, but will also lessen some of the partisan jealousies which arguably consume too much of our time and energy. As I have not yet talked with the Speaker about these ideas, I in no way wish to imply that my remarks today reflect the sentiments of the Leadership.

First, I would like to note the Democratic Leadership's recent efforts to allow for more open, inclusive debate. By inclusive I mean providing for greater participation by both the majority and minority. The views of the minority are a vital component of the legislative process, and within reason, should be accommodated. I say within reason because underlying the legislative procedures of the House is the general principal that a determined majority of members should be able to work its will on the floor without undue delay by the minority. While House rules and procedures generally recognize the importance of permitting any minority, partisan or bi-partisan, to present its views and prepare alternatives, the rules do not enable that minority to filibuster or use other devices to prevent the majority from accomplishing its objectives in a timely manner.

I think everyone would agree that it is the prerogative of the majority party leadership to both set the legislative agenda and to provide for the orderly consideration of legislation in the House. And while the role of the Rules Committee is to try to facilitate the Leadership's legislative agenda, its power is not without limitation. The Rules Committee can only recommend special rules to the House—it cannot impose its recommendations on the membership. It is for the House to decide, by majority vote, whether it is prepared to accept the ground rules, including any restrictions on amendments that the Committee proposes.

The Rules Committee structures its rules based not only on the views of its members, but also on its perception of what a majority—218 members—of the House is prepared to support. Ultimately, the House agenda is subject to control by a voting majority. This majority is not static, nor is it strictly partisan. Rather it is continually shifting and must be constructed and reconstructed from one issue to the next.

Unfortunately, bare statistics do not always reflect the considerations behind the types of rules reported by my Committee. The first ten rules reported by Rules Committee in the 103rd Congress were indeed by definition "restrictive", that is, providing certain limitations on the number or types of amendments that could be offered. But while my friends on the other side of the aisle suggest that their amendments were arbitrarily rejected by the Rules Committee, this simply isn't true.

Before condemning the Democratic Leadership as callous or insensitive to the ideas of the minority, one must examine the nature of the bills and the types of amendments offered. Interestingly, of the ten examples cited by the Republican Leadership Task Force on Deliberative Democracy as egregious examples of the Rules Committee unreasonably denying amendments for floor consideration, the first five amendments were not even germane to the measures being considered. It is common knowledge that House rules and precedents require all amendments to be germane to the text they would amend. Therefore, I see nothing unreasonable about the Rules Committee's decision not to make these amendments in order. Moreover, another two amendments cited by the Task Force would have been subject to other points of order. In sum, seven of the ten amendments cited by the Task Force would not even have been made in order under an open rule.

As for the restrictive rules that the Rules Committee has reported to date, let me say this: the baseball season is only one month old—just because the Tigers are now in the lead doesn't mean they're going to win the pennant. In order words, be patient. There is no rigid program governing the types of rules to be reported by the Rules Committee. Rather, each rule will be determined on a case by case basis.

As you know, the Rules Committee recently reported open rules on three bills—nobody should be surprised when such contentious issues such as reconciliation and campaign finance are considered under structured rules—but as the House moves further into its legislative season I anticipate more open rules being reported by my committee.

Another change I would recommend relates to the motion to recommit. The change would arguably strengthen the minority's ability to act as a constructive partner in the development legislation. I endorse a modification of the plan proposed by Tom Mann and Norm Ornstein in one of their earlier reports to the Joint Committee.

I propose amending House Rule XVI, clause 4, so as to guarantee the minority a motion to recommit with instructions whenever a special order reported by the Rules Committee precludes the minority from offering amendments in the Committee of the Whole. This right would be subject to a couple of conditions. First, the motion would be guaranteed only if offered at the specific direction of the Minority Leader or his designee. Second, upon receipt of the motion, the Speaker would have the power to postpone debate and votes on the motion and final passage for up to two hours.

I consider these conditions to be reasonable as they would allow the minority a vote on its position on major issues and at the same time allow the majority a reasonable amount of time within which to prepare its response to the minority's alternative. Theoretically, limiting control of the motion to recommit to the Minority Leader or his designee would ensure that the motion would be used in a serious, constructive manner. Members with fringe views would be unable to make frivolous motions.

A third change I would recommend involves clause 2(1)(5) and (6) of House Rule XI which respectively provide for a three day period within which members may file supplemental, additional or minority views to be included in a committee's report, and an additional three day period for members to review the committee report before the measure is considered by the House. In his recent statement before the Joint Committee, Mr. Solomon expressed concern that the opportunity for members to review committee reports was too often being waived due to scheduling considerations. Let me say I empathize with Mr. Solomon and hope that my plan alleviates some of his concerns.

My proposal tries to balance the legitimate need for flexibility in scheduling legislation for floor action with the important right of members to express their alternative views and to review committee reports prior to debating a measure on the House floor. I don't believe the rule as it is presently written allows us to use our time efficiently. Presently, the three day period for filing views begins to toll the day immediately following the day on which a committee orders a measure reported and expires at midnight of the third day. Since presently there is no automatic authority for a committee to file immediately upon the expiration of this third day, it may be another day before the committee files its report, and yet another day before the report becomes available in the document room. Only then will the three day layover period for members' review of the report begin. Thus, more than two weeks may go by before a bill becomes available for floor consideration.

In the interest of both preserving this important right and using our time well I would recommend the following: tighten the way in which the three day period for filing views is calculated by starting the clock tolling immediately upon a committee's ordering of a bill reported. Often many valuable hours remain in a day on which a bill is ordered reported. Additionally, I would recommend giving committees automatic authority to file until midnight of the third day.

These changes arguably would achieve the dual goal of allowing for more efficient scheduling of legislation and insuring an adequate period for members to file and review views. While the Committee on Rules would still reserve its right to waive the three day layover requirement, I believe that if these changes were to be made the need for such waivers would be significantly reduced. In fact, I think it is safe to assert that had this proposal been in place earlier this Congress, none of the waivers of the three day layover period granted by my Committee would have been necessary.

My final recommendation is that the House, in some manner, implement the Oxford-Union style debate program proposed by Norm Ornstein and Tom Mann. Such a program strikes me as a useful vehicle for conducting thoughtful, substantive, and balanced debate on important national issues. Unlike one-minutes or special orders which tend to be one-sided monologues free of contest or rebuttal, such a program would allow for a meaningful exchange of ideas between members and would serve as a valuable supplement to our regular debate time on major legislation.

In closing, I would like to add that I agree with the prevailing sentiment that procedural or mechanical changes alone will not cure the ailments of this Institution. Attitudinal change is as important an ingredient. I am encouraged by the progress that is already being made in this area and hope that we can sustain this spirit of cooperation throughout the 103d Congress.

I again thank the members of the Joint Committee for this opportunity to testify before you today. I would be happy to answer any questions.

STATEMENT OF HON. DEBORAH PRYCE

Let me begin by thanking the members of the joint committee for the opportunity to share some perspectives as a member of the freshman class on the need for congressional reform. Examining changes to this venerable institution is a significant challenge and responsibility, and I commend you all for the work you are doing.

I would also like to recognize the contributions of my colleague Jennifer Dunn, a member of the Joint Committee, whose active participation helps give voice to the concerns of newly elected Republicans in the 103rd Congress.

As you may know, unlike my colleague, Congressman Lincoln Diaz-Balart, I did not come to the House of Representatives with any previous legislative experience. My experience comes from a legal background—having served as a county prosecutor and municipal court judge in Franklin County, Ohio.

Because I was a relative "outsider" to the legislative process here in Congress, I felt I was in a unique position to better understand the growing dissatisfaction among voters across America over the way Congress conducts its business. Achieving meaningful congressional reform was a theme I emphasized throughout my campaign. I saw my victory as an opportunity to work for the kinds of changes necessary to improve the American public's confidence in their national legislature.

If we learned anything from last year's elections it is that the American people expect us to have our own house in order. In an effort to respond to that call, the Republican and Democratic freshman classes each introduced a comprehensive set of reform proposals early in the session. I'm hopeful that the efforts of the freshmen classes, as well as those of the Minority Leader's Task Force on Congressional Reform, and your deliberations on this committee can combine to bring about genuine congressional reform during the 103rd Congress.

While Lincoln and I are pleased to come before you as representatives of the Republican Freshman Class, we are also here on behalf of the Republican Leader's Task Force on Deliberative Democracy in the House, of which we are both members. The Task Force's purpose is simple: to educate Members and the public about abuses of the democratic process in the House. Our message is equally simple: the American people can be better served by a Congress which respects the right to free and open debate on the merits of the issues.

The Task Force has, up to now, focused on the need to increase the number of opportunities in which Members can offer amendments to major legislation being considered on the House floor. By refusing to allow bills to come to the floor open for amendment, millions of citizens are literally disenfranchised when their respective Representatives are prevented from offering various amendments. When Members of Congress are elected with the expectation that they will be exercising their rights as lawmakers on behalf of their constituents, only to be told that they may not fully participate in the democratic process, there is something seriously wrong with the democratic scheme of things in this body.

On April 22nd, the Deliberative Democracy Task Force released a brief report assessing the state of deliberative democracy in the House today. We feel very strongly that true deliberative democracy—the very process on which responsible representative government depends—is in a dangerous decline. In the report is a chart which shows that for every Congress since the 95th Congress, the number of open rules as a percentage of total rules granted has steadily declined, and, some would say, at an alarming rate. For example, in the 95th Congress, 85 percent of all rules granted were open. In the 99th Congress, 57 percent were open. In the 102nd Congress, that number dropped to 34 percent. So far this year, we have had only one open rule.

I would like to take a moment, though, to commend the Rules Committee for granting an open rule to the National Competitiveness Act, H.R. 820. It may have taken the House nearly three weeks to get through this one bill, but as former Speaker Sam Rayburn once put it:

"Not all the measures which emerge from the Congress are perfect, not by any means, but there are very few which are not improved as a result of discussion, debate and amendment. There are very few that do not gain widespread support as a result of being subject to the scrutiny of the democratic process."

By focusing on educating the voting public, the Task Force on Deliberative Democracy hopes to raise the level of awareness and understanding of where the democratic process is headed in the House. In an increasingly competitive world community, we need to foster the kind of deliberative process in which we are all involved in developing the best possible laws under which we and our constituents will be proud to live. And so I would encourage this Committee to take a serious look at how granting more open rules can bring about substantive improvements to major national legislation.

It is true that the American people voted for change and an end to gridlock. But they don't want us to end gridlock at the expense of democracy or by diminishing the "scrutiny of the democratic process" which Speaker Rayburn described back in 1942.

When Ross Perot spoke to the Republican freshman class yesterday, he reminded us that the American people are watching this institution very closely. They want, and they expect, a Congress which crafts its policies in a thoughtful, deliberate manner and they expect their elected Representatives to be able to improve legislation at all points along the process—in subcommittee, in full committee, and ultimately on the floor of the House.

At a recent gathering in my district, several leaders of the local business community asked me why no Member had offered an alternative to the Family and Medical Leave Bill based on tax incentives rather than more federal mandates. I did my best to explain that just such an amendment had been offered but that the Rules Committee did not allow it to be debated on the House floor when it came time to vote. When constituents expect us to debate the issues thoroughly, it's difficult for Members to explain to them why they are not given those opportunities to vote on alternative amendments when major bills come before the full House.

In closing, let me say that I recognize that reaching agreement on promoting freer and more open debate will not come easily. Although it is one element of a much broader effort to make representative government in the House truly representative, moving toward a policy of more free and open debate will very likely raise the level of esteem in which the American people hold this institution.

As I said at the outset, this Committee has a heavy responsibility to recommend reforms to Congress and I commend you for the work you are doing. I appreciate having the opportunity to share my thoughts with you and look forward to working with you in the time ahead. I think I can speak for my colleagues in the Republican freshman class in saying that we are more than willing to work with our friends across the aisle to bring about meaningful congressional reform.

STATEMENT OF LINCOLN DIAZ-BALART

Thank you, Mr. Chairman and Members of the Committee for this opportunity for us to address the Joint Committee on open rules. I am here to speak on behalf of the Task Force on Deliberative Democracy, representing the New Member perspective along with my colleague, Deborah Pryce. As new Members of Congress, we come from somewhat different backgrounds. Ms. Pryce brings with her valuable knowledge from being a very respected judge in Ohio, and I am honored to share this panel with her. I would like to focus my remarks on my experiences dealing with rules as a state legislator in Florida.

I am encouraged by the meaningful discussion that is taking place in this committee. I believe some refreshing points of view have been offered and would hope that many of the suggestions will be implemented.

In the Florida House of Representatives, we were dealing with over a quarter as many people as the U.S. House, but we only had two months each year to meet and complete our legislative business. Amendments were often defeated by the majority, but every member had the right to offer a germane amendment to every piece of legislation. Often, amendments were offered when committees were marking up bills, but they could also be offered directly on the floor. The only limits were on the time involved for debate. Each amendment had the opportunity to be decided on its merits, and by the full House. Accordingly, each constituent in Florida was equally represented because each member of the State House had the same opportunity to offer amendments to legislation. It was not chaotic because the minority had no incentive to resort to dilatory tactics. We were able to compromise and work with camaraderie to get major legislation enacted.

I have made my first visit to the esteemed Rules Committee of the U.S. House of Representatives.

I went to testify about an amendment to the Unemployment Benefits Extension bill that would have helped victims of Hurricane Andrew. Congresswoman Carrie Meek offered a similar amendment. The Rules Committee patiently listened, and no one even argued that our amendment was a bad idea or too costly. In fact, Members seemed to agree that the people we were trying to help were indeed worthy of our assistance.

However, no amendments that members offered that day were allowed to the bill. Not one of our amendments was given the chance to be decided by the full House on its merits. Not one of us got the chance to have our amendment fully debated. We were told that the Administration wanted a "clean bill," and therefore no amendments would be made in order.

It is my hope that the House of Representatives can enact legislation based upon its own beliefs and the wishes of all of our constituents. As Members of the House of Representatives, we have to answer to our voters every two years and are the elected federal officials responsible for representing the interests of our own particular part of the country. Opening up the rules process in a reasonable manner will let members offer amendments that their peers in the full House may approve or disapprove, based on substance and the merits of each proposal. A more open rules process will enable the government to operate efficiently, and yet fairly and with the proper balance of power among all branches.

EAGLE SCOUT HONORED

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1993

Mr. LIPINSKI. Mr. Speaker, it gives me great pleasure to bring to the attention of my colleagues an outstanding young individual from the Third Congressional District of Illinois who has completed a major goal in his scouting career. Jay Verdugo of Riverside, IL will be honored at an Eagle Scout Court of Honor.

It is important to note that less than 2 percent of all young men in America attain the rank of Eagle Scout. This high honor can only be earned by those scouts demonstrating extraordinary leadership abilities.

Jay has been very active throughout his academic career at Saint Mary's School. He has been on the honor roll, received perfect attendance awards, elected to the student council, and participated in the safety patrol. Jay is particularly gifted in Math and Science and has participated in various competitions with area schools as well as attended a summer camp for gifted students at Illinois Math and Science Academy in Aurora, IL. Additionally, Jay is a talented musician playing the tenor saxophone.

Jay has shown commitment to his community not only in his scouting, but also by helping at the Fairfax Senior Retirement Home and by donating his time to area orphanages and hospitals. By belonging to the Polish National Alliance, Jay has helped to plan and volunteer at children's Christmas parties.

For his Eagle Scout project, Jay did an excellent job cleaning up the area surrounding Mooseheart Lake. In light of the commendable leadership and courageous activities performed by this fine young man, I ask my colleagues to join me in honoring Jay Verdugo for attaining the highest honor in Scouting—the Rank of Eagle. Let us wish him the very best in all of his future endeavors.

NASA BILL INTRODUCED

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1993

Mr. BROWN of California. Mr. Speaker, today, I am introducing the NASA authorization bill for fiscal years 1994 and 1995. This as you know, is a very important year for NASA and for the space program and the legislation we are recommending is intended to address some very significant changes that are taking place. The end of the cold war, the stagnation in the discretionary budget, and the new views and philosophy of this administration will shape a very different space and aeronautics program than we have had over the past decade. This bill is intended to guide NASA through this period of change.

These factors also have affected the work of Congress. One of the internal problems we are dealing with today is the very compressed schedule for the budget process. The delay in receiving the details of the budget—together with the need to pass authorizing and appropriations bills in a timely manner—has forced us to adjust our customary schedule in order to keep our place in the budget process. We are mindful that the Appropriations Committee also must act soon, so we are introducing our bill today to clearly set forth our priorities and our position on a variety of important issues.

As you know, one of the most important decisions we have had to make this year is how to deal with the space station. Over the past 5 months, we have all lived from rumor to rumor and this has been quite unsettling. However, the general outlines of the process are beginning to take shape and we believe our decision is a prudent one. We are recommending that NASA proceed with a scaled-down version of the space station *Freedom*. The Freedom Program has matured a great deal and, in our view, offers the most credible approach to satisfying scientific needs. It also offers the best path to evolution to a permanent manned capability and incorporation of cost saving technologies in the future. Finally it continues our commitments to our international partners.

We believe that the Freedom-derived station can be built for an annual funding level of $1.9 billion through the year 1999 and can be operated and incorporate some important enhancements for $1.3 billion thereafter. Over the next 5 years, this constitutes a savings of $3 billion or 24 percent from the existing Freedom baseline.

We are mindful that the administration has set a limit of $1.8 billion per year and $9 billion over the next 5 years. Our recommendation exceeds this and provides $1.9 billion per year and $9.5 billion over the next 5 years. It also extends the development period a year beyond what the administration has stated as desirable. However, simply said, our proposal is what is required to credibly carry out the program and meet international commitments.

We have followed very closely the ongoing redesign process that NASA is carrying out, and I want to commend the administration and NASA for the close consultation they have established with Congress. This has been difficult for us all. Although a great many innovative ideas have surfaced—and this has been a valuable exercise—none of the alternative concepts to emerge in discussion so far have the potential to mature to the state that now characterizes the Freedom design.

Any new concept, however attractive it may sound, will require detailed study and development before I would feel comfortable with any large-scale commitment. Thus, the Freedom-derived station is the only design I intend to support. If the Nation decides not to pursue the *Freedom* space station, I would recommend that we give much more serious consideration to our next step than a 90-day study can provide.

I want to commend the team of engineers that has labored around-the-clock at NASA to develop alternative station designs. But the problem we are here to address today is not an engineering problem—it is a political problem. I do not believe that any design other than the Freedom-derived option will carry the support of the House, and we risk losing the project altogether.

If we find we are unable to keep our commitment to *Freedom*, we need to fundamentally reexamine our ability to carry out any large-scale technical effort with Federal funding. We will need, in my view, a more tangible contract between Congress, the administration, the industry, and the science community in order to sustain our next large scale commitment. This may entail relatively simple things like multiyear budgeting, but it probably will need more than that—it will need a genuine consensus.

Finally, I want to conclude by saying that this is not an effort to upstage, embarrass, or criticize the administration or NASA in any way. The introduction of this bill is necessary to keep our place in the budget process and our position on the space station represents many weeks of soul searching. We will not mark up this bill until we have had a chance to fully review the redesign options how being developed by NASA. At that point I hope we can move expeditiously to the floor.

THE BRAILLE WRITER'S 100TH ANNIVERSARY

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1993

Mr. MICHEL. Mr. Speaker, the 1992–93 school year has been the celebration of the 100th anniversary of the invention of the very first braille stereotype machine.

Actually two machines revolutionized communication by and for the blind. Named the Hall braille writer and Hall stereotype machine after the inventor, Frank Haven Hall, superintendent of the Illinois Institution for the Education of the Blind in Jacksonville, IL, both machines operated much like a typewriter.

They had a single oval spacing key between two groups of three keys, much like those of a piano. Each key controlled a punch that embossed one of the dots in a braille cell on the paper or bases sheet inserted in the back of the machine.

The Hall braille writer enabled persons who were blind to write on paper so it could be read by other blind persons. The Hall stereotype machine was the first printing press for mass producing braille so that a greater variety of materials was made available.

Superintendent Hall was proud of the fact that neither he nor any of the persons connected with the development of the first braille writer and braille stereotype machine profited from the invention.

When he met Helen Keller, then 13, at the Chicago World's Fair in 1893, she was told that he was responsible for the writer that she used so often. She put her arms around his neck and gave him a big kiss on the cheek. Hall could never tell of this incident without tears in his eyes.

Because the Hall writer and stereotyper operated so efficiently, they provided a strong argument for adopting braille as the written language of the blind, both in the United States and throughout the world. The fundamental principles used in these machines remain today even as computer braille and other technologies enhance reading and writing for the blind.

My best wishes go to the students/staff of the Illinois School for the Visually Impaired and those concerned with literacy for the blind throughout the world as we all celebrate the 100th anniversary of the invention of the first braille writer and stereotype machine.

MEMORIAL DAY TRIBUTE TO AMERICAN VETERANS

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1993

Mr. DINGELL. Mr. Speaker, as our Nation prepares to observe Memorial Day this year, we are reminded once again of the importance of America's position as the sole remaining superpower.

Just since the beginning of this year, the United States has begun and ended a peacekeeping operation in Somalia and now prepares for the possibility of a similar mission in the warring Republics of the former Yugoslavia. In addition, the threat of new conflicts across the globe, in places like Cambodia, the Middle East, and even the former Soviet Union, demonstrate that our Nation must maintain its military superiority. Such superiority is relied upon by our Nation, as well as by other nations who look to the United States to defend the principles of freedom and democracy worldwide.

At the same time, there are many other issues on the minds of veterans: improvements in veterans health care, the impact of national health care on the VA health care system, the budget deficit and its impact on veterans' programs' and normalization of relations between the United States and the Socialist Republic of Vietnam. While many issues divide this Nation, Mr. Speaker, I think it is significant that during this time of difficult Federal spending cuts, I have heard from veterans who have said they are willing to share in sacrifice once more for the future of our country. Today, I think such expressions are true demonstrations of patriotism.

Mr. Speaker, I would finally like to note that this Memorial Day holds special significance because it prepares us for a week of national observance of World War II, June 1–7, 1993. For those of us who served in this conflict, it is a time to reflect upon the sacrifices of those who gave their lives in America's largest war, together with all the men and women who have defended our freedom over the past 217 years.

VIOLENT CRIME CONTROL ACT OF 1993

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1993

Mr. GEKAS. Mr. Speaker, I appeal today to my colleagues on this historic day to take command of matters related to one of the most fundamental purposes of democratic government; that being the protection of its citizens. The horrendous statistics of unmitigated violence that besiege this Nation have become mere benchmarks of the seeming indifference of an administration adrift on the issue of violent crime in America. The chilling reality of 24,700 murders, 106,590 forcible rapes, and nearly 2 million violent crimes in 1991—the latest year for which statistics are available—has failed to motivate any sense of urgency within the executive branch.

Standing in stark contrast to this ongoing domestic tragedy is a Department of Justice largely void of the policy-level personnel necessary for the development of a comprehensive national anticrime strategy. Compounding this situation further is the unprecedented decision by the new Attorney General to seek the resignations of all 93 U.S. attorneys before replacements have been named. The void created by that decision is incalculable and portends certain havoc for the Law Enforcement Coordinating Councils which are the primary forum for State, local and Federal coordination on law enforcement efforts nationwide.

We in Congress have witnessed this transition with hopes of joining with the administration in a plan to end the victimization of society by wanton criminals. We have waited for the new administration to set priorities in the fight against violent crime. Their most notable signal has been a sharp reduction in funding for prison construction contained in the President's budget submission. This is the response to a prison system that is currently 144 percent overcrowded. I can only conclude from the evidence that my hopes for progress against violent crime are pending another reinvention of Government.

The leadership in Congress seems no more willing than the administration to attack the source of violent crime; the criminal. The most prominent anticrime effort moving in Congress today is the Brady Bill, legislation that would affect more law-abiding citizens than criminals. Also, hearings are being held today in the House Subcommittee on Civil and Constitutional Rights will examine habeas corpus issues. With all respect for the views of chairman of that subcommittee, he believes that the system of habeas corpus in America is too restrictive on Federal review of State capital sentencing decisions. These views are in direct conflict with the recommendations of the Powell Commission which looked at the issue of abuse and delay in capital cases. The above-stated examples are indicative of the fundamental difference between approaches to attacking the issue of violent crime in America. The recognition that there are three distinct parties to every crime: the criminal, the victim, and society itself highlights this distinction further. Recognition of the rights and privileges of each has a demonstrable effect on the others.

Mr. Speaker, I believe that it is long past time to consider the loss of life and liberty by law-abiding citizens in American society. It is time to act to make the criminal pay for the crime. Violent crime has reached such levels as to hold all society hostage and we in this body must fulfill our responsibilities to address the issue. For this reason, I am introducing the Violent Crime Control Act of 1993. This legislative proposal includes the death penalty procedures that I have proposed over the period of several years in the House. In 1990, and again in 1991, this body has adopted by death penalty procedures and provisions only to have them sacrificed in conference by those who oppose them on the floor. These procedures and conforming amendments will enable law enforcement authorities to seek the death penalty for the most heinous Federal crimes, including those which occurred recently at the World Trade Center and the deaths of Federal agents in Waco.

In addition, this legislation borrows from the hard work and well-documented individual proposals of some of my colleagues in the areas of habeas corpus reform, exclusionary rule reform, use of guns in crime, terrorism, child and sexual abuse. the common approach to all of the elements of this legislation is that they put the focus on removing the criminal element from society. Research has concluded that sentencing 1,000 additional violent offenders to jail would avert 187,000 felonies and save society roughly $430 million in costs associated with crime. The provisions in this legislation dealing with recidivist violent offenders would have a dramatic affect on society. Consider that those arrested for a violent felony average 9.4 prior arrests, 4.5 of which are felony charges. How often have we read recently news accounts of violent crimes, including murder, being committed by individuals recently released from jail.

This legislation would insure that the most violent criminals are not afforded the opportunity to continue to victimize. Finally, this legislation would provide $500 million for additional prison construction to back up our commitment to remove violent criminals from society.

Mr. Speaker, I again appeal to every Member of this body to join me in the fight to liberate America from the oppression that is violent crime. The failure to act is the most inexcusable crime of all.

NATIONAL SERVICE TRUST ACT OF 1993

HON. MATTHEW G. MARTINEZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1993

Mr. MARTINEZ. Mr. Speaker, the National Service Trust Act, which I was happy to cosponsor with over 180 Members from both sides of the aisle is working its way through the legislative process.

This legislation has two very noble purposes—to maximize the use of one of the Nation's most important resources—our spirit of volunteerism, and to invest in the education of our people who desire to gain a college or other postsecondary education.

Volunteerism is a way of life in the United States and has been since our earliest days. The willingness of Americans to lend a helping hand to a neighbor in need is what made this country great—from the colonial days through the present day.

Federal investment to enable programs such as VISTA and the Older American Volunteer Programs have proven time and time again to be worth much more than the few dollars we authorize each year.

Part of H.R. 2010 is designed to reauthorize those programs and to reorganize the way they are managed.

Another major aspect of the bill is to expand the volunteer programs to include a far greater number of people in the federally supported volunteer and community service effort.

States, local governments and local non-profit organizations will all benefit from those provisions because of the additional resources being made available.

Participants in VISTA and the Senior Volunteer Programs will also continue to benefit from the opportunity to serve in a meaningful way.

By 1997, as many as 150,000 young, and not so young, people who are pursuing higher education will also benefit from the rich personal rewards of engaging in needed community service activities that will help their communities. They will also earn stipends that will enable them to devote a year or two to community service.

And finally, they will earn education benefits that can be applied directly to their tuition, fees, and other costs of higher education, or used to reduce their student loans.

I am proud to have been asked to introduce this legislation. I look forward to working with you, Mr. Speaker, and the other Members of the House to ensure that the final legislation reported out of this body is as strong as it can be. Hearings held this week and next will be of great assistance to us in that effort.

Mr. OWENS and I will jointly convene a hearing next week to look specifically at how this legislation deals with the programs under the Domestic Volunteer Service Act, which we have for reauthorization, and which we expect to include in the final bill.

I recommend that my colleagues on both sides of the aisle look at this legislation, consider cosponsoring it, and provide me with your ideas, suggestions, and proposals to improve it.

SMALL BUSINESS JOINT VENTURE LEGISLATION WITH THE FORMER SOVIET UNION

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1993

Mr. TRAFICANT. Mr. Speaker, yesterday I introduced legislation proposing my own program for assisting the newly independent states [NIS] overcome their present economic difficulties. As you know, I do not support foreign aid to any nation when our Federal budget deficit is out of control and when we cannot afford to fund important domestic programs. However, I recognize that unless there is stability in the former Soviet Union, the United States Federal budget deficit will continue to skyrocket and defense will continue to command a disproportionate amount of this Nation's overall budget. The program I am proposing assists the economies of the NIS as well as the economy of the United States. It protects U.S. workers and costs the Federal Government practically nothing.

My proposal authorizes the Secretary of State to carry out a loan program that will support the establishment of joint ventures between U.S. small businesses and NIS small businesses and entrepreneurs. U.S. small businesses selected for participation in joint venture must be more than 50 percent owned by U.S. citizens. It authorizes $100 million for the overall program with $100,000 the maximum amount that can be loaned out for each joint venture.

Under the legislation, the Secretary of State is required to award a contract, through a competitive process, to a private entity to set up a database of U.S. small businesses. That private entity will play a large support role and perform a lot of the groundwork for the Secretary in the overall program. As a result, my legislation requires that the entity have experience in business activity in at least one state of the former Soviet Union.

Under my bill, the Secretary is responsible for informing U.S. small businesses that the program exists and that, if interested in participating in the program, they should register with the database contractor. Proposals by NIS small businesses and entrepreneurs are submitted to the Secretary who then forwards them to the database contractor. The database contractor is then responsible for forwarding the proposal to all U.S. small businesses in the database that are engaged in whatever trade the proposal centers on. Examples of trades manufacturing, telecommunications, energy production, environmental protection, agriculture, housing, aviation and defense conversion. The NIS and U.S. entities then work out joint venture proposals among themselves.

Actual joint venture loan applications are then submitted to the database contractor who then investigates the NIS entity's resources to ensure that the entity has the resources it claims that are relevant to the application. The contractor then makes recommendations about the joint venture, relevant to criteria outlined in the legislation that the Secretary of State must use to determine whether or not it will approve the contract. Finally, the contractor submits all applications with recommendations to the Secretary of State and the Secretary makes the final decision on loan approval.

Among the criteria for loan approval are the following: First, preference shall be given to joint ventures involving U.S. small businesses located in economically depressed communities—defined as rural or urban communities which, relative to other communities in the United States, are depressed in terms of age of housing, the extent of poverty, the growth rate of per capita income, the extent of unemployment, job lag, or the extent of surplus labor; second, preference shall be given to loans that will be most cost-effective; third, preference shall be given to joint ventures that have the greatest likelihood of success—a loan may not be made to a joint venture if the Secretary determines that the joint venture is unlikely to be successful; and fourth, preference shall be given to joint ventures that are most likely to benefit the participating U.S. small businesses and U.S. economy.

Under the legislation, loan repayment is not required during the first 3 years of the loan. After, the first 3 years the Secretary is required to set regulations to determine the terms of repayment with the proviso that interest shall not accrue during the first 5 years of the loan. Thereafter, the rate of interest will be based on the average of the Consumer Price Index.

My legislation has numerous safeguards that protect U.S. workers. It specifically prohibits the transfer of jobs from the United States. Therefore, no loans setting up joint ventures will be given out to a U.S. small business that would transfer any business operations or activity that it has been carrying out in the United States to any location outside the United States.

In addition, all products, parts and components that are manufactured as a result of these joint ventures overseas cannot be reimported into the United States. This protects U.S. workers because products made in the United States will not have to compete with these products made overseas. My legislation includes enforcement provisions to ensure goods not be reimported into the United States, even if the goods or parts have been exported to another nation. Joint venture partners that produce goods for export must submit notification to the Secretary of their intention. They must specify the foreign recipient of such exports, identifying characteristics of such goods and the amount of goods to be exported. The Secretary must then provide such lists to the Commissioner of Customs.

The type of joint ventures I envision are ones in which the participating U.S. small business provides the management, accounting, marketing, training and other business expertise and the participating NIS entity provides the understanding of local needs and conditions and the local resources needed by the joint venture. Any goods produced by the joint venture should be sold within the NIS—however, products can be exported, but not to the United States.

In this way, the NIS entity is given an opportunity to learn American management and business expertise and the U.S. small business is given the opportunity to aggressively expand into a foreign market, developing the market to the United States' advantage. Through this program, the U.S. entity is provided with the capital necessary to establish a joint venture that would otherwise be out of its reach. In short, my legislation places U.S. businesses in a good position to develop foreign markets for American products and skills. This increases the chance that, as the NIS nations democratize, they will choose U.S. trading partners.

If it is necessary for the United States to help the former Soviet Republics democratize and develop open markets, this is what the United States should be doing—loaning money out instead of giving money out and, at the same time, helping the United States economy grow by giving United States small businesses the opportunity to expand into areas where they otherwise could not expand due to lack of resources. I urge my colleagues to cosponsor this important legislation. It is a responsible way to aid the former Soviet Republics.

AGRICULTURAL CREDIT EQUITY ACT OF 1993

HON. CALVIN M. DOOLEY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1993

Mr. DOOLEY. Mr. Speaker, I rise today to introduce legislation with my colleague RICH-

ARD POMBO to address the very real need for increased credit availability in rural America. The Federal Government has long recognized the need to provide farmers with the ability to finance the purchase and operation of a farm. Unfortunately, the Farmers' Home Administration [FmHA] programs that have been so helpful to many rural communities are constructed too narrowly to provide assistance to all communities. In California, the shortfalls of the FmHA programs are all too evident. In 1992, only 36 percent of the available operating loan funds and 29 percent of the farm operating loan funds allocated for California were used.

My bill, the Agricultural Credit Equity Act of 1993, addresses the differences in land and crop values in different parts of the country; the differences in farm operations for different crops; and other variables that the current programs do not address.

INDEXING OF LOAN LIMITS

The current FmHA loan program limits guaranteed loans to $300,000 for the farm-ownership program and $400,000 for the operating program. The Agricultural Credit Equity Act of 1993 would direct the Secretary of Agriculture to develop an indexing system, based on the Census of Agriculture, to allow for higher loan limits in areas where land values, operating costs, or both, exceed current program levels. In no case would the Secretary be able to drop the loan limits below current levels. This program is patterned after the Federal Housing Administration [FHA] program that provides for housing loan guarantees with limits based on the average value of housing in a particular area.

Indexing of credit limits will allow farmers in areas with high land costs to use the FmHA loan guarantee programs. While farm land can be purchased in some States for $700 an acre, land values in the San Joaquin Valley of California, the number one agricultural producing area in the country, range from $2,500 to $7,500 per acre. The FmHA loan limits make it virtually impossible for a family farm in that region which I represent to take advantage of the programs. While the FmHA programs are designed to allow people to farm full time, the lack of credit availability in my district is making it difficult for family farms to begin, continue, or expand operation. Many States, including Florida, Hawaii, and much of the Northeast, are facing the same situation. This change will benefit many communities across the Nation, and will not change or adversely impact the eligibility chances of farmers from areas with lower land values, and operating costs, or both.

FAMILY FARM DEFINITION

The FmHA programs were designed to help family farmers get into the stay in farming. However, the definition of what is and what is not a family farm is difficult to determine. FmHA typically uses a national policy that defines any farm with more than two full-time employees to be disqualified from participation in any FmHA program. This limitation is entirely unfair to farmers who produce specialty crops, crops that do not use mechanized harvesting equipment, or farms that must rely completely on irrigated land. It is a simple fact that regardless of how many hours a farmer works, there are some jobs that must be trusted to employees. These include supervising weeding crews, irrigation crews, harvest crews, and other activities involved in the growing of perishable commodities. Most of the farms in my district are truly family farms, but they are discriminated against in the FmHA program because of the number of full-time employees needed to run these operations. The current definition is so inflexible that a farmer in the San Joaquin Valley who was confined to a wheelchair was denied a FmHA guaranteed loan because he had more than two full-time employees. Clearly, this is not fair, and was not the intent of Congress when the guaranteed programs were developed.

CREDIT AVAILABILITY

The legislation would also allow the FmHA to consider the availability of commercial credit in the area when making a determination about the ability of a farmer to qualify for an FmHA loan guarantee. Under current policy, the FmHA can only look at the financial need of the farmer, not at the ability of the area credit market to provide funds. The fact is that in many parts of the Nation, community banks do not have sufficient deposits to make long-term loans with fixed interest rates, unless they have access to the secondary market. While a farmer with a stable financial situation could in theory get credit without the FmHA guarantee, the practical fact is that in many communities that is not possible.

MARKETING AGREEMENTS

The bill also addresses the use of a common marketing arrangement in which the producer of a perishable commodity enters into a contract prior to harvesting a crop with a large shipper. Without these arrangements, small family farmers would not have access to the markets they do now, and would severely limit their ability to sell their crop. Current FmHA policy prohibits a farmer who enters into such a grower-shipper agreement to qualify for a guaranteed loan. This prohibition is in place because of the concern that an undue benefit is being provided to a larger than family-sized entity. In reality, these agreements are for the primary benefit of small farmers who could not market these crops on their own. It is unlikely that a grower-shipper would negotiate a separate contract with a small farmer simply to obtain an FmHA loan guarantee.

EMERGENCY LOAN PROGRAM—FAMILY FARM DEFINITION

Finally, the bill would make a change in the Emergency Loan [EM] Program to bring it into line with the other FmHA loan guarantee programs. Shortly after I was elected to Congress in 1990, my district was hit with a devastating freeze. The freeze wiped out most of the lemon and orange crops. Farmers turned to FmHA for assistance through the EM loan program. However, it became clear that the program had a number of problems. My bill would address one of the major obstacles.

Specifically, under the operating loan and farm ownership loan programs, FmHA has the option of considering a family farm, where all owners are related by blood or marriage, as if each owner were an individual owner of his or her share of the family operation. In effect, this provision of law allows families who have pooled their land and farm resources into a single entity to be able to qualify for an FmHA loan. However, this treatment of family farms has not been extended to the Emergency Loan Program. Anyone who represents an agricultural district that has sustained a disaster must be aware of this discrepancy in law. I believe that this provision of my legislation goes a long way in addressing this problem.

I believe that my legislation makes some sensible changes in the FmHA guaranteed loan program. The record clearly shows that the loss rate to the Government under the guaranteed program has been many times smaller than that under the direct loan program. The fact is that when private lenders have a 10 percent risk in a loan, it creates a situation where loans are made only to those with the ability to repay and increases the stability of the program. In California, for example, the actual loss rate in the guaranteed loan program over the last 5 years has been less than one-half of one percent.

I want to emphasize to my colleagues that this legislation is in no way intended to reduce the availability of credit in States with high FmHA participation. In fact, according to FmHA figures, more than 50 percent of the guaranteed program funds have gone unused in the past 2 years. This is unbelievable in light of the serious credit crunch facing all of our communities. The guaranteed program should be fully utilized. My legislation will allow this to happen.

In conclusion, I believe that the common sense provisions encompassed in the Agricultural Credit Equity Act of 1993 will extend family farm opportunities in areas where they have not previously been available, at little or no cost to the taxpayer. The bill will assist many rural communities in job creation and economic development by extending the availability of a proven program. I urge my colleagues to support the Agricultural Credit Equity Act of 1993.

TRIBUTE TO THE ASIAN/PACIFIC AMERICAN FEDERATION

HON. SHERROD BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1993

Mr. BROWN of Ohio. Mr. Speaker, on May 29, 1993, the Asian/Pacific American Federation will celebrate its presidentially proclaimed Heritage Month at Cleveland State University. The history of Asian and Pacific Americans in the United States is a long and honorable one which deserves much recognition and tribute.

Determined to uphold America's promise of freedom and opportunity for all, generations of Asian and Pacific men and women have helped this Nation to grow and prosper. A century and a half ago, many of these Americans contributed to the economic development of the United States through their labors on the plantations of Hawaii and in the mines of California. The important role played by many Asian and Pacific Americans in the building of the first transcontinental railroad is well documented: their determination and hard work are well known. With diligent effort and abiding faith in the American dream, Asian and Pacific Americans have steadily advanced, earning ever greater respect and admiration from their follow citizens.

Today, men and women of Asian and Pacific ancestry continue to make many important contributions in our Nation. In public service, science, commerce, education, and the arts, Asian and Pacific Americans are setting high standards of achievement.

Time and again throughout our Nation's history, Asian and Pacific Americans have demonstrated their dedication to ideals upon which the United States is founded. In times of war and in times of peace, they have faithfully defended the principles of freedom and representative government. They have worked for the advancement of human rights and democratic ideals around the world, and they have promoted greater appreciation for our system of self-government here at home.

This month, all Americans join with our neighbors of Asian and Pacific descent as they celebrate the unique customs and traditions of their ancestral homelands. These customs and traditions have deeply enriched the wonderful heritage we share as a nation.

Today, I ask my colleagues to stand and recognize a truly outstanding organization. Please join me in wishing the Asian/Pacific American Federation a memorable, rewarding, and highly successful observance of their important month of recognition.

TRIBUTE TO PRESIDENT LEE TENG-HUI AND PREMIER LIEN CHAN

HON. SOLOMON P. ORTIZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1993

Mr. ORTIZ. Mr. Speaker, I rise today to extend my best wishes and congratulations to President Lee Teng-hui and Premier Lien Chan of the Republic of China on the occasion of President Lee's third anniversary in office, which is May 20, 1993.

President Lee was sworn in as the eighth President of the Republic of China on Taiwan on May 20, 1990. In the last 3 years he has led his country with wisdom and inspiration.

I congratulate President Lee on his fine leadership and efforts to enhance understanding and good relations between the United States and the Republic of China on Taiwan. I also appreciate the efforts made by Representative Mou-shih Ding. Representative Ding has kept those of us in Congress aware of developments occurring in the Republic of China on Taiwan.

I look forward to continuing good relations and growing mutual understanding between our peoples.

TRIBUTE TO PRESIDENT LEE TENG-HUI OF THE REPUBLIC OF CHINA

HON. GREG LAUGHLIN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1993

Mr. LAUGHLIN. Mr. Speaker, I would like to salute President Lee Teng-hui of the Republic of China on the occasion of his third anniversary in office, which is today, May 20, 1993.

President Lee Teng-hui is a truly outstanding leader. He has turned the island-nation of Taiwan into a major economic power and a showcase of democracy. The people on Taiwan enjoy one of the highest standards of living in Asia. In fact, their per capita income of $10,000 rivals that of New Zealand.

Like many friends and admirers of the Republic of China, I am proud to see Taiwan doing so very well and I hope that it will continue to flourish and prosper in the future.

CLARIFICATION OF THE BUDGETARY TREATMENT OF SOCIAL SECURITY ADMINISTRATIVE EXPENSES

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1993

Mr. JACOBS. Mr. Speaker, today I am introducing H.R. 2206, which amends the Omnibus Budget Reconciliation Act of 1990—Public Law 101-508—to clarify that the expenses of administering Social Security are to be placed off-budget, just like Social Security benefits. I am pleased that Chairman ROSTENKOWSKI has joined me as an original cosponsor of this legislation.

In the 101st Congress, we responded to public concern over the alleged use of Social Security trust funds to mask actual Federal deficits. In essence, we make Social Security independent of the regular Federal budget. In other words, the financial accounting of Social Security Old-age, Survivors and Disability Insurance [OASDI] Program would not in any way be intermingled with the financial accounting of the rest of the Government.

The trouble is that, despite this law, the Office of Management and Budget says that the administrative costs of the Social Security Program should be subject to the general caps on Federal spending that we passed in the Budget Enforcement Act of 1990—Public Law 101-508.

The Social Security trust funds are not in trouble. They are in surplus. They can well afford to pay for their own administrative expenses. OMB is posing a hardship on Social Security beneficiaries by suggesting that the Social Security trust funds have anything at all to do with the Federal deficit. According to recent testimony before the Social Security Subcommittee:

First, the backlog of pending disability claims now stands at approximately 700,000 and, without additional funding, is projected to rise to 1.3 million by the end of next year; and second, qualified applicants must now wait an average of 3 months for initial decisions on their claims and, without additional funding, will have to wait 5 months or more by the end of this year.

Appropriations from the trust funds for administration should be based on the needs of the Social Security Program, which the trust funds can well afford to finance, rather than on the size of the Federal deficit.

Accordingly, I have introduced legislation to make clear that Social Security, including the funds for its administration, is in fact financially independent of the rest of the Government. Under this bill, administrative expenses would continue to be subject to annual appropriations. In addition, appropriations would be further limited by a budgetary point of order against any bill that provides Social Security administrative funding of more than 1.5 percent of estimated benefit payments for the year.

Not only is this legislation logical but it is fair. The people who pay the Social Security tax are entitled to get what they pay for—and that includes adequate administration of the Social Security Program. Inadequate administration means long delays in benefit checks, inaccurate payments, high telephone busy rates, and poor service to both workers and beneficiaries. Furthermore, in the Social Security Disability Program, inadequate administration can mean that justice delayed is justice denied.

H.R. 1313, JOINT PRODUCTION VENTURES

SPEECH OF

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 18, 1993

Mrs. SCHROEDER. Mr. Speaker, I rise in strong support of H.R. 1313, the National Cooperative Production Amendments of 1993. I want to commend Chairman BROOKS for his leadership in moving this bill forward expeditiously.

The House Armed Services Subcommittee on Research and Technology, which I chair, has jurisdiction over one of the most difficult issues facing the Congress today, the question of defense conversion and reinvestment. One major barrier that the subcommittee heard as we conducted hearings on the issue is the problems raised by the antitrust laws. One specific problem is liability concerns of production joint ventures.

The National Cooperative Research Act of 1984 went a long way toward reducing the potential antitrust liability for certain research and development joint ventures. H.R. 1313 would expand this protection to certain joint production ventures entered into for the purposes of producing a product, process or service.

Providing this limited antitrust protection for production joint ventures will help encourage defense conversion and reinvestment. This protection will help stimulate technological innovation in production. Defense companies, employing skilled workers, need tools to ensure that new and innovative approaches, such as production joint ventures, can be attempted without undue fear of antitrust liability. H.R. 1313 provides a workable framework to provide this flexibility while preserving the basic antitrust framework I agree with.

Again, Mr. Speaker, I want to commend Chairman BROOKS for his leadership on this issue and urge our colleagues to approve this important bill.

TRIBUTE TO JACKSON E. SPEARS

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1993

Mr. FISH. Mr. Speaker, I rise today to recognize and pay special tribute to Jackson E. Spears, who is being honored for his 50-year commitment to New York Medical College. Jackson has served longer than any other trustee in the history of New York Medical College.

Jackson Spears is a former textile executive who retired from Burlington Industries in 1961, and has since served twice as acting president of New York Medical College. He has also received the William Cullent Bryant medal a symbol of the college's highest award, and an honorary doctor of humane letters degree.

Since his retirement, Jackson has remained active in many civic functions in the New York and Connecticut area. He is the president of the St. Joseph's Medical Center Foundation in Stamford, has served on the Choate School Development Committee, and was chairman of the Darien Chapter of the American Red Cross.

I ask my colleagues to join me today in honoring this remarkable man, Jackson Spears. I applaud his many years of service to our community and wish him all the happiness and continued success that he so richly deserves.

SENATE—*Friday, May 21, 1993*

(Legislative day of Monday, April 19, 1993)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the Honorable CHARLES S. ROBB, a Senator from the State of Virginia.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

In a moment of silence, let us remember Noel Coffey, one of our floor men, who is undergoing a third bypass today.

* * * *they that wait upon the Lord shall renew their strength; they shall mount up with wings as eagles; they shall run, and not be weary; and they shall walk, and not faint.*—Isaiah 40:31.

Gracious God our Heavenly Father, we join in prayer for Senator HEFLIN, that he may be restored rapidly to health and strength. We thank Thee for the speedy recovery of Mrs. Rockefeller and pray that You will give her patience until her recovery is complete.

Father in Heaven, in a large Senate family like ours, many can be hurting, and most of us know nothing about it. We join in prayer for those among us who suffer. Where there is sickness, grant recovery. Where there is loneliness, remind them of Your nearness. Where there is tragedy, fill hearts with Your peace. Where there is alienation in the family, bring healing and reconciliation. Where there is financial difficulty, remind them You have promised to supply all their needs.

Loving Lord, touch every life in our family where there is need, and help us all remember that You are a God of infinite, unconditional love, and that You really care.

We pray in the name of the Great Physician. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, May 21, 1993.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable CHARLES S. ROBB, a Senator from the State of Virginia, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. ROBB thereupon assumed the chair as Acting President pro tempore.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business for not to extend beyond the hour of 10:20 a.m.

The Senator from Iowa [Mr. GRASSLEY] is recognized for up to 10 minutes.

THE PRESIDENT'S TAX PLAN

Mr. GRASSLEY. Mr. President, how many times have we asked what time it is, and the response came back in Greenwich mean time? Probably not very often. Because it is an inappropriate response. If I ask what time it is, what good would it do me if someone responds: "It's 3 o'clock Greenwich mean time?"

Earlier this year, Mr. President, members of the Finance Committee on which I serve, asked the Treasury Department, in effect, what time it is. This week, we received their response. It was equally inappropriate.

They responded with the equivalent or Greenwich mean time. They provided a dissertation on why Greenwich mean time is a preferred standard for telling time than is eastern daylight time. What good does that do, Mr. President?

Now, why would I be standing here in Washington, DC, wanting to know Greenwich mean time?

Let me put the issue more in context. In February, several of us on the Finance Committee, led by Senator ROTH and Senator PACKWOOD, asked Secretary Lloyd Bentsen for clarification of the President's tax plan. Clarification was essential. The tax tables supplied by the Treasury were based on what is known as family economic income.

FEI is a system well-known to economists and policymakers. In fact, they are the only ones who understand it. The average taxpayer does not.

Let me take a stab at explaining what FEI is. It is an attempt to measure a family's economic well-being. It includes noncash income which is not included in adjusted gross income, or AGI.

FEI includes such things as the imputed rental value of the family home; life insurance; the Social Security checks of a live-in parent; tax-exempt interest; most Government transfer payments; IRA's; deductible retirement contributions; and health insurance, to name a few.

What FEI really is, however, is a distortion of what a taxpayer's actual income is. The taxpayers cannot understand it.

That is, they cannot understand family economic income. They do understand adjusted gross income.

I challenge the Treasury to try and convince average, overtaxed Americans—you know, the ones who can't afford a $200 haircut by a glitzy, Hollywood hairdresser—that his or her health benefits and deferred retirement are actually income.

Taxpayers understand another distribution system, based on adjusted gross income. That is because they have to determine what their AGI is on their yearly tax forms.

So the clarification is needed in a language familiar to the taxpayers. They need a simple, bottom-line explanation of who owes what under the President's tax plan.

After all, the President said no one making less than $30,000 a year will be taxed under his plan.

I think we all know that that is baloney. A skeptical public—already gravely afflicted with promise shock in this young administration—wants to see for itself. Seeing is believing, when it comes to taxes, and when it comes to this administration.

So the committee's request was for a response in terms of adjusted gross income. Instead, the response was a discourse on why family economic income is a more appropriate system for the taxpayers. But what good does this answer do for the taxpayers?

They still do not know where they stand.

And so today, I have made a new request—to the President. I made a request for this data on how his program and tax increases square when on a level playing field with adjusted gross income.

Mr. President, no one disputes the worth of distribution tables based on family economic income. Family economic income has been around for a long time. But so has adjusted gross income. And both sets of tables have been provided to the public by previous administrations.

Until now.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Why do you suppose that is, Mr. President?

And on what basis is the information denied? The only rational explanation given was in a letter of response to Senator PACKWOOD from Secretary Bentsen, dated May 18.

Let me quote from that letter. Secretary Bentsen writes:

> The Treasury Department continues to believe that a distribution table using AGI as the income measure would confuse, rather than clarify, assessment of the administration's revenue proposals.

Mr. President, let me repeat that quote.

This is from Secretary Bentsen's letter back to us in the Congress.

> The Treasury Department continues to believe that a distribution table using adjusted gross income as the income measure would confuse, rather than clarify, assessment of the administration's revenue proposals.

Now, Mr. President, I do believe that statement borders on the cynical. The President stated that no one under $30,000 would be taxed under his proposal. Taxpayers have a right to verify that statement. Taxpayers understand adjusted gross income. They do not understand family economic income. Tables based on AGI have always been made available to the public. For some reason, this administration is covering it up. Without that data, taxpayers cannot verify the President's word.

Did the President misspeak? Is this another breach of the public trust? Give us the data, President Clinton.

This was supposed to be an administration that would outlaw smoke and mirrors. What is this, if not smoke and mirrors?.

Mr. President, this is not a partisan issue. The chairman of the Finance Committee has also supported the release of this information.

Senator PAT MOYNIHAN of New York, the chairman of the Senate Finance Committee has requested the very same information from the administration that Senator PACKWOOD and Senator ROTH has asked for.

Rather, this is clearly a bipartisan issue. It is the case of the people versus the Clinton administration. The adjusted gross income data is exhibit A, and it is missing. We need to lay exhibit A out on the table. The administration's failure to provide this data is a failure to level with the American people. It is a further violation of the public trust, and it further erodes the credibility of this administration.

Judging from their reluctance to provide this data, it must be incriminating.

It apparently would show that the President's tax bill is really much broader and more extensive than what the taxpayers have been led to believe and what the President has admitted. It apparently hits those making substantially less than $30,000 a year.

No President can hold the trust of the Nation by deceiving them. Now that the administration has been challenged, they should come clean. Stonewalling only draws more attention to what they are hiding.

President Clinton, give us the data.

I yield the floor.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Republican leader is recognized.

Mr. DOLE. We are in morning business; is that correct?

The ACTING PRESIDENT pro tempore. The Senator is correct. The period for morning business has not yet formally terminated. Under the previous order, the period for morning business is to be concluded by 10:20 a.m.

Mr. DOLE. Mr. President, is the leader time reserved?

The ACTING PRESIDENT pro tempore. The Senator is correct.

THE BTU TAX AND JOBS

Mr. DOLE. Mr. President, yesterday morning's papers carried accounts of our Nation's trade deficit being the worst in 4 years. However, the spotlight of blame is being directed at the wrong villain. For those of you who missed it, Wednesday's papers told us that, during the past 4 months, domestic oil production was at a 32-year low, and imported oil had to take its place. Unfortunately, the immediate future doesn't hold much hope for turning this bad news around—the number of drilling rigs operating in the first 3 months of this year was an all time low. Now, to guarantee there will be no long-term solution, President Clinton continues to insist that we impose an additional tax on this already crippled industry and on our crippled trade deficit.

The news stories on the trade figures point to the fact that we have the largest deficit with Japan. What most fail to explain is the real story: Last year, imported oil represented over one-half of the entire U.S. merchandise trade deficit. Oil imports for the first 3 months were 6.2 percent higher than the year before and the highest since August of 1991. As I have said before, our biggest trade problem really is not Toyotas or Sonys—it is oil.

So, 53.2 percent of our trade deficit in 1992 was crude oil and petroleum product. In response, rather than opening new areas for exploration, we closed them. Rather than streamlining regulations, we have increased them. As a result, for the first 4 months of this year, domestic production fell below 7 million barrels per day—the lowest level since 1960. It does not take any knowledge of the oil industry to figure out if domestic production is dropping and imports are rising, we've got a problem.

The key measure of the health of the domestic oil industry is the active drilling rig count—the amount of actual exploration being conducted. The first 3 months of 1993 saw the average number of drilling rigs looking for oil and natural gas in the United States dwindle to 74—an all-time low. For comparison, this is down from 78 in 1992 and 114 in 1991. Throughout the 1970's and early 1980's, the number averaged 408. Domestic production cannot increase without an increase in the rig count. Yet, it too is on a decline with no indication of reversal.

According to the Bureau of Labor Statistics, the oil and gas industry has lost 477,000 jobs over the past 10 years—52 percent of this industry's entire work force. What needs to be done to make America competitive, to reduce our foreign trade deficit, to increase employment, and to stimulate this economy is to find some way to help the oil industry.

But, the proposal we have from the administration is to impose a crushing tax on this very industry. I am not aware of any example of the Government stimulating an industry by taxing it. Yet that is what we are being asked to do under the Btu tax.

In the oil and gas business, the cost of fuel and chemicals used to produce the crude and gas is usually between 10 and 20 percent of the total costs of production. Yet, those are not fully exempt. We will make our oil even more expensive, driving oil imports and the trade deficit higher and the number of domestic jobs lower.

Realistic estimates of total job losses due to a Btu tax range between 400,000 and 600,000. We simply cannot allow such a wrong-headed policy to be enacted at a time we are promising to increase employment.

I urge President Clinton to review the facts and reconsider his request for the Btu tax. We cannot afford it at a time that the oil industry and the trade deficit are in such perilous shape.

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from Kentucky [Mr. FORD].

Mr. FORD. Mr. President, I want to compliment the Republican leader for admitting that 52 percent of the oil industry was lost in the last decade. It just is not something that occurred in the last 4 months. So I welcome his remarks. It appears that, again, they are trying to make everyone think it just occurred in the last few months.

OLDER AMERICANS MONTH

Mr. COHEN. Mr. President, I am pleased once again to take this time to commemorate Older Americans Month.

We set aside this time to recognize the contributions made by millions of senior citizens to our great Nation. Without their willingness to sacrifice, their embrace of hard work, their endurance of poverty and hard times, and their moral strength, America would be a very different place indeed.

The celebration of Older Americans Month is one small but meaningful way of acknowledging the fundamental role seniors have played in the perpetuation and preservation of our democracy. It is a time to express a debt of gratitude to them as well as a time to assess our progress on enriching their lives.

At present, senior citizens over the age of 65 comprise about 12 percent of the population. While their annual income is slightly less than that of their younger counterparts, age 18 to 65, the rate of poverty for seniors has been reduced more than half since 1966. Life expectancy rates for seniors have increased significantly in this century. Retirement is a greater option for many more seniors than in the past, and it lasts longer as well.

These statistics paint a relatively sunny portrait of our senior population, and reflect the success of programs like Social Security, Medicare, the Older Americans Act and others that have helped to improve the lives of our older population.

As we move into the 21st century, however, we must take heed of the coming changes in the statistical portrait of the elderly population if we are to avoid serious challenges to their health and well-being. In addition, we must continue to pay close attention to the needs of today's senior population so that we can tackle the problems that face in living their golden years.

What do these statistics show? In 1989, almost a third of those over the age of 65 lived alone. Among people over the age of 85, however, far more, in fact almost half, lived alone. The number of women in these age categories is daunting indeed; a full 82 percent are widowed. They face special problems. Because they worked in low-paying jobs or did not work at all, their Social Security checks are not generous. As a result, the rate of poverty for those over 85 living alone is far higher then for other segments of the population. They are more vulnerable to criminal and fraudulent activities, they are more isolated, and they often escape the reach of even the most active aging network. We must do more to make the quality of life better for this segment of our elder populations.

Let's also look more closely at statistics on the health of today's older Americans. While these seniors are living longer, they remain disproportionately dependent on health services in comparison to other segments of the population. They visit a physician eight times a year, compared with five visits by the general population. They are hospitalized over three times as often as the younger population, stay 50 percent longer, and use twice as many prescription drugs.

These figures demonstrate that as our overall health care costs continue to rise, the elderly will continue to shoulder a greater financial burden. At the same time, they are far more likely to be on a fixed income.

Finally, the projected growth of the aging population, while still several years away, raise important questions about our ability to serve them adequately. By the year 2030, the size of the population over 65 is expected to double to where it constitutes one-quarter of our Nation's population. During this time, the size of the population over the age of 85 is expected to triple.

If current trends in the lifestyle of our elders continue, we will be facing formidable challenges in caring for the frail elderly who don't require institutionalization, in making health care affordable for those on fixed incomes, and in ensuring that seniors continue to be involved in community life.

Both today's senior citizens and the aging baby-boomers face serious problems that directly affect their well-being and that of our Nation as a whole. These include the potential insolvency of the Federal fund that guarantees private pensions, the health of the Social Security trust fund, ever-increasing costs of prescription drugs, the availability of affordable long-term care, and the potential elimination of retiree health benefits.

As I have traveled my State of Maine and listened to its senior citizens, it is evident that these concerns are very real. Maine's statistical portrait is generally similar to the national one. The proportion of elderly residents in Maine is slightly greater than the national average, and in the next 30 years, the number of individuals over the age of 65 is expected to more than double in size.

As in the Nation as a whole, today's problems are pressing indeed in my State. The number of seniors living poverty in Maine exceeds the national average by 3 percentage points. In some counties in Maine, over half of those residents living alone are over the age of 65. The rural nature of the State poses special challenges to those working to reach poor, isolated seniors and improve their quality of life. The task is an enormous one, but we must remain committed to it.

Unfortunately, senior citizens, who have contributed so much to this country over the years, are beginning to hear the cries and whispers of others who believe that they have received more than their fair share; that they are living well at the expense of the younger generation, and that they ought not to ask for any more from the rest of us.

Mr. President, in this Nation today we are on the verge of intergenerational warfare, as various groups compete for scarce Government funds brought on by our massive Federal deficit. It is widely believed that the new administration will place a special emphasis on issues affecting children, in part due to First Lady Hillary Rodham Clinton's involvement in the Children's Defense Fund. While children's welfare is an important priority, we must resist the temptation to pit generation against generation in dividing up the Government pie. Instead, we must work together to find the best solutions for our society as a whole, placing special emphasis on the needs of the most disadvantaged, regardless of age.

In my work on senior volunteer programs, I have been inspired by the enormous contributions made by seniors to their communities because of their commitment to serving others. Let us not turn our back on them. Let us work together to resolve common problems, and let us recognize how important it is to bind generations together rather than split them apart.

The problems that confront us will have enormous consequences for the future, especially for those citizens who will be reaching age 65 in the next 30 years. They are problems that must be handled now so that both today's senior citizens and those who will become seniors 40 years from now can live in security.

The recent elevation of the position of administrator of the Administration on Aging to the Assistant Secretary level and the recognition of long-term care as a crucial component of comprehensive health care reform are encouraging early signals of this administration's attitude toward issues affecting senior citizens and I urge its continued attention to these and other issues affecting the elderly.

As we take stock of how far we have come during this Older Americans Month celebration, let us also take stock of the vast amount of work that remains to be done to see that those reaching their older years can remain vibrant, independent, and involved citizens of this Nation.

I would like to state that the Senate Special Committee on Aging remains dedicated to focusing on the special problems of this segment of our population.

Over the years, the committee has done an enormous amount of work not only on behalf on the elderly, but also of benefit to the Federal Treasury. It has uncovered fraud and inefficiencies in our Federal programs and proposed solutions that will save the taxpayers over $6.5 billion in wasteful spending by 1997. The bulk of these savings, some $6.3 billion, is the result of legislation developed by the committee that ensures that the Medicaid Program obtains the lowest price on prescription drugs.

Another $200 million will be saved by a measure developed by the committee that stops fraudulent billing practices by medical equipment suppliers.

Additional work by the committee over the years has resulted in significant savings to the American consumer. For example, over 60,000 citizens have requested an Aging Committee report outlining how to receive free or low-cost prescription drugs from pharmaceutical manufacturers.

The committee has developed legislation and consumer information prints protecting the elderly against marketing abuses in the complicated private MediGap and long-term care insurance markets.

Legislation was developed by the committee that strengthened the law against misleading mailings designed to dupe seniors into believing they are officially sanctioned Social Security mailings.

The committee has also begun a series of hearings on several new types of consumer frauds perpetrated against the elderly.

In the first 5 months of this year, the Aging Committee's agenda has focused on the desperate need for more options and flexibility in long-term care services for senior citizens and their families who care for them; consumer ripoffs that have targeted or disproportionately hurt the elderly; health care fraud, which accounts for up to $90 billion a year in our health care budget; skyrocketing prescription drug cost, and their effect on senior citizens; grandparents who are raising their children due to drug abuse or violence affecting their own children; and health prevention strategies for seniors and how these measures can save billions of dollars in health care expenditures.

Since the start of the 103d Congress, the committee has also sponsored Senate-wide briefings and forums on a variety of issues, such as long-term care, prescription drugs, guardianship, health care fraud, violence against elderly women, transportation for the elderly, the appropriateness of cataract surgery, and health care reform from rural areas.

Suffice it to say that the committee continues to work on a wide variety of problems facing the aging population and to propose meaningful solutions to them. In the long run, the work of the committee benefits not just a particular segment of our population but society as a whole.

It is my privilege as ranking minority member of the Special Committee on Aging to work with Senator DAVID PRYOR on these issues. Under his able and talented chairmanship, the committee has been in the forefront in addressing issues of concern to today's senior citizens, as well as the seniors of tomorrow.

The problems of the elderly are universal—we are all growing old. Many of us are lucky enough to still have our parents or grandparents in our lives. Their concerns are our concerns.

President John F. Kennedy once said, "It is not enough for a great nation merely to add new years to life—our objective must also be to add new life to those years." All the breakthroughs in medicine and health care that result in longer life are meaningless if those additional years are spent in poverty, isolation, or despair.

And so, the Senate Special Committee on Aging remains dedicated to breathing new life into our years, not just for today's senior population but also for their children and grandchildren. I look forward to its continued contribution to improving the quality of life for millions of seniors nationwide.

Thank you, Mr. President.

RULES COMMITTEE ACTION ON THE OREGON PETITIONS

Mr. FORD. Mr. President, the Committee on Rules and Administration, in fulfilling its responsibility on the petitions related to the 1992 senatorial election in Oregon that were referred to the committee on January 5 and 20, 1993, took the following action.

The committee appointed counsel to advise and assist in the consideration of the petitions. Briefs were requested from counsels. Copies of these briefs were provided to members. After review of the briefs the committee voted to hold a hearing to receive oral arguments on the legal issues by the counsel for the petitioners and counsel for Senator PACKWOOD. Copies of the transcripts of this hearing were then provided to members. The committee then reached the stage in its consideration when it had to decide the next step—essentially whether the review should be terminated or whether to proceed with further review under the Senate's constitutional power to exclude.

Mr. President, the committee made its decision, by a unanimous vote, at its meeting of May 20, 1993, to wit that the committee take no further action on the petitions related to the 1992 senatorial election in Oregon.

All materials in this matter will become a part of the finished business records of the Committee on Rules and Administration.

I have requested the committee staff to prepare a report setting forth the committee's proceedings in this matter and stating the basis for its decision. That report will be filed in the committee records for future reference.

IRRESPONSIBLE CONGRESS? HERE IS TODAY'S BOXSCORE

Mr. HELMS. Mr. President, the Federal debt stood at $4,285,942,530,790.21 as of the close of business on Wednesday, May 19. Averaged out, every man, woman, and child in America owes a part of this massive debt, and that per capita share is $16,685.97.

SOUTH TUCSON POLICE OFFICER JOHN A. VALENZUELA

Mr. DECONCINI. Mr. President, it is with great sadness that I rise today to pay tribute to South Tucson police officer John A. Valenzuela who was shot and killed in the line of duty on Monday, May 17, 1993—the first South Tucson officer killed in the line of duty since the 1-square-mile city was incorporated in 1939.

Mr. President, we are quickly losing control of our streets and our neighborhoods to gangs, drugs, and violent crime. More than ever, America needs additional law enforcement officers and resources on our streets and in our neighborhoods.

Night after night our televisions are filled with horrifying scenes of senseless murders—none more senseless than the death of a police officer who has dedicated his or her life to protecting the very freedoms that all of us expect and enjoy.

Mr. President, we are living in a time in our Nation's history where the brave men and women of law enforcement are facing a criminal element that is well organized, well funded, and well armed—a time where law enforcement is on the front line every day reclaiming our streets and neighborhoods. Were it not for their bravery and dedication, there would be no front line to protect—no front line to defend our friends, families, and loved ones from a world in constant jeopardy.

Recently, I attended the annual National Law Enforcement Officers' Memorial Fund event in Washington, DC, to honor those men and women of law enforcement who have fallen in the line of duty—individuals who have given their lives so that we can live ours free from fear and violence.

Etched on its walls are the names of 13,296 brave men and women who gave their last full measure of devotion in order to fulfill the No. 1 priority of our Government: To protect every American citizen from violence at home and on the streets.

Mr. President, I would hope that all Americans could visit this memorial and read the inscription etched on its wall. It reads, "It is not how these officers died that made them heroes, it is how they lived." We celebrate John Valenzuela's life while mourning his tragic death.

Officer Valenzuela was a South Tucson native and a graduate of Pueblo High School. He was a former YMCA and Pima County animal control worker who spent roughly 9 months with the Tucson Police Department before joining the South Tucson force about 14 months ago.

Officer Valenzuela was a highly respected, religious man who loved working with youngsters. He had just received a promotion he considered to be an ideal job—heading the department's crime prevention unit while working as a community resource officer with youngsters at Mission View and Ochoa Elementary Schools.

Mr. President, officer Valenzuela was one of the good guys. He was a man who was devoted to his family, his fiancee Irma Madrigal, his department, and his community. This is a difficult time for all those who knew him, but his legacy of dedication to duty will live on.

Mr. President, I would like to express my deep condolences to officer Valenzuela's family, to his fiancee Irma Madrigal, and to the South Tucson force. I urge my colleagues to remember officer Valenzuela in their thoughts and prayers today.

A PLACE AMONG NATIONS

Mr. MACK. Mr. President, a year ago this February I had the opportunity to visit with one of Israel's most dynamic leaders, Benjamin Netanyahu. Many Americans will remember Mr. Netanyahu, known to Israelis as "Bibi," from his television appearances during the gulf war. In our meeting in Jersualem, I was very impressed with Netanyahu's presentation of Israel's case. Since our meeting, Netanyahu has been elected leader of the Likud party, now the major opposition party in Israel.

This month, Netanyahu's quest to educate the world about Israel continued with the American release of his new book, "A Place Among Nations." I have reviewed the book, and I strongly recommend it, not only to every Member of Congress, but to anyone who studies or cares about Israel's struggle for existence in the Middle East.

It is hard to think of a historic conflict that has become so distorted as the Arab-Israeli conflict. Even the term "Arab-Israeli conflict" to some extent distorts the record, because it implies a symmetry that does not exist. Israel has never had a conflict with the Arab States; it is the Arab States that have objected to Israel's right to exist. "A Place Among Nations" explodes many myths surrounding the history of Israel's founding, and the repeated Arab attempts to eliminate Israel since 1948.

Mr. President, whatever your view on Israel's internal politics, this book will make a tremendous contribution to your understanding of the extraordinary story of Israel's birth and continued survival. It is one of the most eye-opening books I have seen on this issue, and I recommend it strongly to my colleagues and to all Americans.

TRIBUTE TO BETTIS RAINSFORD

Mr. THURMOND. Mr. President, my hometown newspaper, the Aiken Standard, recently published an editorial about my good friend Bettis Rainsford, executive vice president of Delta Woodside Industries, Inc. Bettis is one of the finest businessmen our State has produced, and the people of his home county of Edgefield, SC, are very proud of his business acumen. He has also done a tremendous amount to improve the quality of life in Edgefield and the adjoining areas.

Bettis is one of my best friends and one of the finest people I know, and I commend the Aiken Standard for paying him such a fine tribute. Mrs. Thurmond and I are thoroughly in accord with this editorial. I ask unanimous consent that a copy of the editorial be printed in the RECORD following my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

"DOCTOR OF BUSINESS" FITTING HONOR FOR BETTIS RAINSFORD

At age 41, Bettis Rainsford of Edgefield is already a legend in his time. A distinguished educator has called him "one of the brightest young financial executives in the country, who is already well-known among all the major financial institutions."

That was four years ago, and since that time Mr. Rainsford's fame has grown further to match his 6-foot-7 frame.

It was highly appropriate that the University of South Carolina, in exercises at the USC-Aiken campus Thursday night, awarded Mr. Rainsford its honorary degree of doctor of business administration. For few businessmen can demonstrate a keener understanding of the business world than Mr. Rainsford.

A graduate of Harvard University and the University of South Carolina Law School, Mr. Rainsford came home to Edgefield and organized the Edgefield Health Care Center, an 81-bed nursing home. He also bought and merged several newspapers and today owns the Citizen-News of Edgefield and the Post in North Augusta.

Mr. Rainsford's venture into the textile business occurred in 1981 at a time when the South's textile industry appeared to be dying. The old Edgefield Cotton Mill was closing, leaving 200 persons without jobs. Mr. Rainsford—who, it is said, had never even been in a texile mill—had an idea. He enlisted the interest of E. Erwin Maddrey, former Riegel Textile president, in buying the mill and converting it into a yarn mill. Out of those beginnings grew Delta Woodside Industries, Inc. The company acquired other idle plants and invested in upgrading old equipment and buying new machines. Today Delta Woodside has 31 locations in four states and Costa Rica. It employs 8,300 people and reported sales of $705 million and earnings in excess of $40 million last year.

The company last year also dedicated a modern new yarn mill in Edgefield and named it in honor of Mr. Rainsford.

His company, which he serves as executive vice president, chief financial officer and treasurer, has indeed "restored life to a sector of the U.S. textile industry that most textile men had given up for dead," as Forbes magazine reported in a 1989 article.

Mr. Rainsford is a lover of local and South Carolina history and is active in numerous organizations. He is historian and treasurer of the Edgefield County Historical Society and serves on the executive council of the South Caroliniana Society. The Rainsford family in 1989 established the June Rainsford Henderson Chair of Local and Southern History at USCA, honoring his beloved aunt, since deceased.

A long-time friend, U.S. Rep. Butler Derrick of Edgefield has a fitting personal appraisal of Mr. Derrick: "Bettis is like a brother to me and is one of the finest people I've known in my life," the Congressman says. "He has drive and ambition like no one else I've known and is one of the kindest and most generous people you'll ever find."

We salute Mr. Rainsford on this distinction and USCA on its choice of a recipient for its honorary degree program.

SIS INABINET NAMED WOMAN OF THE YEAR

Mr. THURMOND. Mr. President, the Charleston, SC, Federation of Women's Clubs recently named D. Elizabeth Inabinet—or "Sis", as she is universally known—as their woman of the year. Ms. Inabinet is an outstanding lady, and I would like to commend the federation for making such an excellent choice.

As President of the Nation's oldest chamber of commerce, the Charleston Trident Chamber of Commerce, Ms. Inabinet has been a tireless worker on behalf of the city of Charleston. She has recently been devoting the lion's share of her considerable energy to organizing the local effort to save our Navy facilities, and she has been a formidable advocate.

Mr. President, Sis Inabinet is a woman of character and courage, a talented, energetic and articulate representative for Charleston and our State, and we are proud of her. I ask unanimous consent that an article from the Charleston Post and Courier be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SIS INABINET NAMED WOMAN OF THE YEAR

D. Elizabeth "Sis" Inabinet was named Woman of the Year by the Charleston Federation of Women's Clubs. The ceremony took place Tuesday night at the group's annual meeting at the Marriott hotel.

She was honored for her work to benefit the community and for her involvement with an assortment of civic clubs and organizations.

As the first woman president of the nation's oldest Chamber of Commerce, Inabinet has played a key role in the "In Defense of Charleston" campaign to keep the local Naval facilities from closing.

Inabinet made a presentation to the Base Closure and Realignment Commission when it visited Charleston. Her topic was community infrastructure, i.e. how the area is well-suited and cost-effective for the Navy.

Most people may know her from that highly visible effort to keep the Navy here, but for years she has been serving the community in other ways.

Inabinet was chairman for the Trident United Way's 1991–92 campaign and continues to volunteer with that organization. She has served on the executive and fundraising committees of the Charleston Symphony.

In addition to her work with the chamber, she has been active in other economic development initiatives for the Trident area. She serves as the city of Charleston's appointed representative to the Trident Economic Development Authority, is active in the Berkeley County Economic Development Council and works with Charleston's headquarters committee to attract corporations to the area.

In the field of higher education, she has helped to shape nearly every local institution, serving on the College of Charleston's Foundation Board, Charleston Southern University's Board of Visitors, the Trident Technical College Foundation Board of Trustees and the Medical University's scholarship committee.

Inabinet's other activities include the Charleston Rotary Club, the Charleston Manufacturers Club, the South Carolina Historical Society, the Gibbes Museum of Art, the Charleston Museum and the Ansonborough Neighborhood Association.

In addition, she has participated in an assortment of leadership training seminars and workshops, including Women's Vision 2000 at Columbia College and Leadership Trident.

Inabinet is Southern Bell's director of corporate and external affairs for the Coastal Region. She was the first woman to become district manager in Charleston and the first female Charleston district engineer during her career of more than 20 years with the company.

A native of Orangeburg County, she graduated from James Island High School and attended the College of Charleston.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. The period for morning business is now closed.

CONGRESSIONAL SPENDING LIMIT AND ELECTION REFORM ACT OF 1993

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of S. 3, the Congressional Spending Limit and Election Reform Act of 1993, which the clerk will report.

The assistant legislative clerk read as follows:

> A bill (S. 3) the Congressional Spending Limit and Election Reform Act of 1993.

The Senate proceeded to consider the bill.

Mr. FORD. Mr. President, today we start a new chapter in the debate on campaign finance reform. We hope it will be the beginning of the last chapter, and I believe this is an issue where most Senators want to pass reform legislation and move forward.

We read a lot about term limits. We have heard a lot about chairmanship limits. But Mr. President, these are not the real concerns of the American people. The real concern is that undue influence is being bought every day in this town. Americans want a government that emphasizes the public interest, not the special interest. They believe that campaign financing is out of control, excessive, and unduly influencing Senators and Representatives. And that is what this bill is all about. It is about reforming our political system.

President Clinton has been wise to make political reform a priority. I think it is clear that political reform must occur if we are to reconnect the American people with their Government, and our constituents have clearly demanded political reform.

The business that we do in the Senate is a product of the way we do business. If we expect to produce meaningful legislation to reduce the deficit, or reform health care, or address the many other issues which face our country, we must begin by looking at the system which produces this legislation. As President Clinton said in his State of the Union Address,

> We must begin again to make Government work for ordinary taxpayers, not simply for organized interest groups. And that beginning will start with real political reform.

These same sentiments were expressed by Ross Perot during the campaign, who said "before we can hope to eliminate our deficit, we have to overhaul the political system that created it." So I think there is very clear and widespread agreement that we must make political reform a reality.

Mr. President, I believe we have taken significant steps in the right direction already this year. We have passed meaningful reform of the way lobbyists conduct business by passing the Lobbying and Disclosure Act earlier this month. And just yesterday, we made significant advances in simplifying and improving our voting registration procedures when President Clinton signed the motor-voter bill into law.

But we must do much more. Reform of our election laws must be an essential component of the political reform agenda. Mr. President, when most Americans think about participating in the political process, they think about voting. Voting participation was up significantly in the last election. Some Americans even think about volunteering for campaigns, by stuffing envelopes or distributing bumper stickers or putting up yard signs. And more recently, when some Americans think of participating in the political process, they think of calling in to a television or radio talk show.

But there is only a very small fraction of Americans, Mr. President, who equate participating in the political process with pulling out their checkbooks. Only a select few even have this option. But when most Americans think about what is wrong with the political process, they can think of only three things: money, money, and more money.

Mr. President, 1992 congressional election spending jumped an incredible 52 percent, to $678 million. Let me repeat that. House and Senate candidates in 1992 spent an incredible $678 million.

Americans know money talks. And Americans believe Congress is awash in special interest money. They think they have a pretty good idea of how this place operates and what is wrong. Americans know political reform must take place before we can solve our most complex problems.

Mr. President, this debate is about reforming ourselves. Americans are losing patience on this issue. I find that Americans understand how serious the budget deficit issue is. They are demanding immediate signs of progress on this issue, and we must begin to bring the deficit numbers down. But they understand it will not be solved overnight. The same is true of health care, and crime, and welfare reform, and so many other issues which face us. Americans demand progress, but they know these complex problems will not be solved overnight.

But when it comes to the way we act, Mr. President, Americans have no patience for excuses. Americans are tired of excuses. Americans are tired of entrenched incumbents. And Americans are tired of our inability to regulate our own conduct when it comes to controlling the flow of money into our campaigns.

In many ways, Mr. President, this debate is as much about term limits as it is about money. I have not favored term limits, Mr. President, because I believe they are a diversion from our real problems. I believe they are a quick fix solution which will have little relation to the ability of Congress to solve problems. In many ways, they will make problem solving more difficult. But in a certain way, Mr. President, they are a rational reaction from Americans. It is a reaction where Americans are essentially telling us, "if you can't even solve your own problems, we will solve them for you. If you can't figure out how to control yourselves, we will figure it out for you." Fourteen States had term limit initiatives on the ballot in 1992, and all 14 succeeded.

In my view, every time we filibuster, we are boosting the term-limit movement. Every time we see gridlock, we are boosting the term-limit movement. Every time Americans hear about special interest loopholes, we are boosting the term-limit movement. And every election when we see more special interest money flowing into our campaigns, we are boosting the term-limit movement.

So Mr. President, we have some obvious choices. If we fail to limit spending, the American people will limit us. Limit special interests, or the American people will limit us.

Now Mr. President, the opponents of this legislation will make some interesting arguments. In my view, these arguments are out of step with the perception of the average Americans.

First, Mr. President, opponents of spending limits will say there is no money chase. We have all heard that a winning Senate race requires a sitting Senator to raise $13,000 per week for every week of a 6-year term. But opponents of this legislation will point out that, on average, 80 percent of the money is raised in the last 2 years of a Senator's term. From this figure, they conclude that there is no money chase.

Mr. President, that is not the conclusion that I draw. In fact, this means the money chase is even worse than we thought. If 80 percent is raised during the last 2 years, Mr. President, this means a sitting Senator must raise almost $35,000 per week. That is $5,000 every single day for 2 straight years. So at any given time, Mr. President, up to one-third of the Members of this body are running around trying to raise $5,000 per day every day. The money chase is even worse than we thought. When do Senators have time to raise all this money?

Second, Mr. President, opponents of this legislation actually made the claim last year that we have a downward spiral of campaign spending. I think anyone making this argument today runs the risk of losing all credibility. In the 1990, overall total spending for winning Senate races actually did go down slightly. But this was for obvious reasons—because there were no races in big States like California, Florida, New York, Ohio, and Pennsylvania, and there were fewer candidates. Spending per voter continued to surge.

But 2 years ago, Mr. President, opponents of this legislation said we should focus only on total spending. Ignore the big State races and the number of candidates. This year, opponents of this legislation will say the opposite. They will say ignore the total spending figures, even though they surged. Look at the big State races and the number of candidates, they will say. Mr. President, I do not care how they exploit the numbers, the clear trend on spending is up, up, up. In 1980, election spending was $239 million. Last year it was $678 million. In 1980, winning Senate candidates spent $40 million. Last year, it was $124 million. I don't care how you slice it. The only downward spiral has been in the quality of campaigns, not in the quantity of money.

Third, opponents will also say Americans oppose public financing. This is quite true. But they also support spending limits in much higher numbers. We have the choice between the lesser of two evils. If someone can show me workable spending limits which will satisfy the Supreme Court without public funding, please show me. The American people will love the plan. I just have not seen it yet.

Fourth, opponents also say this bill trashes the first amendment. Mr. President, all we have heard is a rehashing of the arguments used more than 15 years ago to oppose the Presidential system of spending limits. The Supreme Court has upheld voluntary spending limits in the past, and that is what we must design today.

Fifth, Mr. President, we will hear the outrageous claim that this bill helps incumbents. Compared to what? Compared to the current system? Mr. President, just look at the 1992 Senate elections to find out how weak this argument is: 23 of 27 incumbents won reelection; 22 of 27 Senate incumbents raised more than the spending limits of this bill. Only four challengers were able to raise more than the spending limits of this bill, and ironically, all four lost.

Yet nearly all challengers would have had additional resources under this bill. I agree that challengers need a minimal amount of resources in order to compete. This bill provides great assistance in that regard. But to suggest that challengers simply need to spend more than these spending limits in order to win ignores the facts, including four races in 1992. Challengers need resources to compete, but if all we give them is more resources, incumbents will simply raise even more money. There is probably not a single Member in this body who cannot outraise a challenger. The success of challengers depends more on how competitive their spending level is with the incumbent than on simply how much they spend.

It may be ironic that the majority party in this body supports this legislation. With the additional resources we give to challengers in this bill, I cannot understand how a majority party will benefit. The present playing field is so tilted to incumbents that, by definition, the majority party benefits. But this legislation is the right thing to do. It is in the public interest.

Finally, opponents of this bill will suggest that academics oppose spending limits. We are not elected to represent academics. But I must tell you, when my constituents overwhelmingly support one view and academics support another, the ivory tower is almost always wrong. I trust the wisdom of my constituents, and they want spending limits.

So Mr. President, I believe the arguments against spending limits are shallow. They are incumbents' arguments. They are attempts to hide the real motives of the opposition to this bill—that some in this Chamber believe tne current system will get them reelected. That is what this debate is about.

Our choice is simple: cap money or chase money. I know what my constituents want. And I know what they consider to be real political reform. It is time we listen to our constituents. Either we give them spending limits, or they will give us limits of their own. I yield the floor.

The ACTING PRESIDENT pro tempore. Who seeks recognition?

Mr. McCONNELL addressed the Chair.

The ACTING PRESIDENT pro tempore. The Chair recognizes the junior Senator from Kentucky [Mr. McCONNELL].

Mr. McCONNELL. Mr. President, it is May, and it seems to me that every May for the last few years we have been dealing with campaign finance reform. At a time when the American people would like us to deal with the really significant issues confronting this country, the Senate, once again, is going to spend a week or two on an issue that is clearly not on the radar screen of the American people, and with good reason.

Having spent a lot of time on this issue, I get invited periodically to be on various TV shows and radio shows about the subject. Yesterday morning on C-SPAN, I was invited to be on their morning call-in show on the subject of campaign finance reform. It was interesting, Mr. President, that a substantial number of the callers did not want to talk about that. They wanted to talk about the President's economic plan. They wanted to talk about the future of the country. They wanted to talk about whether their taxes were going up, and they wanted to know whether we were going to do anything to cut spending. I said to each of those callers that they had their priorities in the right place.

Even on a call-in show dedicated to the subject of campaign finance reform, the callers knew that what we ought to be talking about was doing something about this massive debt with which we are confronted. What we ought to be talking about is doing something about stopping the biggest tax increase in history, which the President has proposed. And what we certainly ought not to be talking about is a proposal that is the most unpopular thing we can possibly do in this environment.

My good friend from Kentucky referred to what he was hearing from our constituents in Kentucky. We get a poll every April 15 across America. It is the most complete, the most accurate poll ever taken in this country on any subject. Every April 15, the American public decides on its income tax return whether or not it wants to check off $1 of taxes already owed, not a new dollar, not a dollar on top of taxes already owed, but a dollar of taxes already owed to pay for the Presidential taxpayer-funded campaign.

We have watched the trend from 29 percent when it began in the mid-seventies down to 17 percent checking off today. They do not want to send a dollar they already owe to political campaigns. And in the Commonwealth of Kentucky, the constituents whom my friend and I represent together, only 10 percent check off. The national average is 17, and in Kentucky, only 10 percent of the people are willing to send a dollar of taxes they already owe to have taxpayer funding of elections.

So we know where the American people are on this issue, Mr. President. It is absolutely and abundantly clear. We know we have a $4 trillion debt. We know the President is asking us to raise every American's taxes, the biggest tax increase in history. And yet what are we going to spend a week or two on? Why, congratulations American public, we are getting your message. In response to what you are telling us, we are going to start a new taxpayer-funded entitlement program for us, the ultimate perk. Oh, they are going to love it, Mr. President. They are excited about it. They cannot wait for this one. This is exactly what they expect us to do. This is right out of the playbook—right out of the playbook.

And those people who expressed their dissatisfaction last year by voting for Ross Perot, who were extremely unhappy with us about a variety of different things, they have noted that Ross Perot has not endorsed this turkey. They have noted that Ross Perot is not suggesting that it is reform of Congress to start a new taxpayer-funded program for our campaigns.

Now, Mr. President, I am totally confident, based on the fact that we have the biggest poll ever taken in America every single year, that nothing enrages the American public, nothing outrages the American public more than the possibility that we would even contemplate starting a new taxpayer-funded entitlement program for our campaigns. And so it is with that backdrop in mind, Mr. President, that we begin this year's debate. One more time we are going to spend days of the Senate's time on the least popular idea that I have heard proposed around here in my 8 years in the Senate.

Bill Clinton went coast to coast last year promising to "change welfare as we know it." Well, President Clinton certainly is changing welfare but not in the ways voters envisioned. Yesterday, he signed into law a measure to turn the welfare state into the department of voter registration via the unfunded mandates within the agency-based provision of the so-called motor-voter bill.

Second, he devised a campaign finance bill to enlarge the welfare state to include a massive new entitlement program for us, for politicians. I can hardly wait to see what comes next—probably the so-called Hatch Act reform. Another misnomer, it would actually overturn a reform that has served this country very well for over 50 years. Of course, Hatch Act deform just would not have quite the same do-gooder ring to it. In any event, it will help ensure that welfare is not changed in a way truly helpful to recipients and taxpayers, meaning a streamlined cheaper bureaucracy.

Now, Mr. President, let us talk about food stamps for politicians. That is the hallmark of the bill before us. This bill is not reform. This bill is not reform. This bill must be some kind of joke. We cannot be serious. At a time when the American public is saying to do something about the deficit, cut spending first; at a time when only yesterday a key member of the President's party bolted on the tax bill because it did not cut spending enough; at a time when the President has people in the House, in the Democratic Party, saying, "Mr. President, let us go back and take another look at this and cut spending first," we want to start a new program for us. This cannot be serious.

This country faces a $4 trillion national debt. Talk about a credit card. We have already mortgaged our children's future. Now we are working on the grandkids. Maybe inherited debt builds character. Maybe that is the notion. Some of us had to walk a mile in the snow to get to school. Our grandkids will have to wade through a few trillion dollars of 20th century national debt to get to college.

So what if we are $4 trillion in the hole? It is only money. Better yet, it is somebody else's money, another generation's money. Having dismissed the debt, we can now create a new entitlement program to pay for political campaigns because, darn it, we are busy people. Campaign fund raising is tiresome.

The administration says middle-class taxpayers will not be hit with this bill because we are going to repeal the lobbyist expense tax deduction, a veritable windfall, a twofer at that. We get to bash lobbyists and collect $900 million over 5 years to pay for our political campaigns.

Now, Mr. President, most people with a hefty credit card debt who came into a windfall through inheritance, a lottery jackpot, a raise, they would first pay that personal debt down. But what do we do? Having discovered a tax deduction, hereafter known as a loophole, that we can safely repeal, why, we will create a new entitlement program for us. What a great idea.

This administration's rationale in using the savings from a tax-deduction repeal to create a new entitlement program for politicians certainly does not bode well for ever getting the debt down.

Now, the President says this will not cost middle-class taxpayers. We heard him say that. May I remind him that any funds derived from any savings anywhere, they do not belong to us but to the U.S. Treasury, the trust fund set up by and for the American people.

Of course, I do not doubt that the administration has thoroughly focus-grouped this rationale and think they can get away with it. We will probably hear some poll cited suggesting that Americans support the President's plan. My colleagues should keep in mind that poll responses depend on how you ask the questions. And if enacted, this program will last a whole lot longer than those focus groups did. Since congressional elections are held every 2 years, the failures of this bill will become evident much faster than in the Presidential system with its quadrennial elections.

We can call it reform. Who will know? The evening news and all the papers will just talk in broad terms about a reform debate. Hardly anyone will actually read the bill. We could call it a democracy stimulus package, even though it is quite the opposite, and most people would not know the difference. The truth did not get in the way of calling the President's pork package a jobs bill.

We can bash the fat cats. We can tell the people it is good for them. "Yes, the taxpayer funding is a bitter pill, but it will save money in the long run. No more scandals, no more money chase. We will then work for the people," we can say.

Of course, people will still gripe about the taxpayer funding part. They may not be able to swallow it if the Btu tax increase is still stuck in their craw, as I suspect it will be for some time. A few hundred million per election, three-tenths of $1 billion or four-tenths of $1 billion to us insiders, but people who have not been in the Federal Government might think that is a lot of money. They do not realize that for professional Government people it is like seeing a dirty penny in the street; it hardly seems worth bothering about.

But we can deal with such nit-picking by saying that it is really not costing anything because we have an offset. We repeal the tax deduction for lobbying expenses, a loophole we will call it. We closed a tax loophole. And with the proceeds we are going to pass this great campaign finance reform bill that will take Government away from the special interests and give it to the people. Power to the people. It sounds pretty good.

It is a little risky. Some people, before the Senate can pass this thing, might wonder, why, if the Government is held hostage by the special interests, we would not just take it back by just sheer force of will. Do we have to repeal a tax deduction in order to buy Congress the political backbone to deal with the real problems facing the country?

This bill is being sold as some sort of special interest defense initiative [SIDI], save us from ourselves, save us from these special interests crawling all over Capitol Hill.

Even worse, some small-minded types might conclude that the proceeds saved from repealing the tax deduction for lobbying expenses could be put to some other purpose. Why, the savings could be applied to the deficit. Or maybe they will read about this bill over breakfast, look at their omelet and think about the White House Easter egg roll and all the children in this country who have not been vaccinated against killer diseases. Maybe we should use this repeal money for that.

Mr. President, the savings from the repeal could pay for a lot of vaccinations, or school breakfasts, or AIDS research, or real food stamps for people with real problems, not us.

Not to worry. We will just have to remind them about the long-term dividend. It is a bitter pill but wash it down with these floor statements and a couple of New York Times editorials and there will be no aftertaste.

Besides, Americans are not taxed as much as people in Europe. Heck, they only work until May to cover their tax bills. What do they do with the rest of the year anyway?

Now, Mr. President, having observed the debacle known as the President's stimulus package, one might at least expect that a basic lesson would have been learned on the part of the majority party: Bipartisan consultation. Alas, once again that basic ingredient is missing from the majority party's campaign finance proposal. While there may have been some attempt to pick off a few Republicans, there was no serious effort to work with the Republican Party to craft a bipartisan bill.

The cynic might conclude there was no bipartisan effort because this is a partisan effort to pass a partisan bill, and barring that to at least come away from the debate having seized the high ground on the issue.

In 1990, 1991, and 1992, the Senate passed politically correct veto bait campaign finance bills secure in the knowledge that a Republican President would veto it. Now we have before us politically correct filibuster bait.

If there is anything we have learned around here the last few years in regard to campaign finance reform, it is this: Taxpayer financing and spending limits are poison pills. Spending limits are anathema to Republicans and virtually every nonpartisan scholar who has seriously studied the issue. They do not work. Furthermore, taxpayer financing of political campaigns is totally repugnant to the taxpayers and their guardians in Congress.

Put those poison pills—taxpayer financing and spending limits—aside and we could compromise on other provisions to craft a meaningful, real campaign finance reform bill.

Mr. President, rather than a serious effort to pass a bipartisan bill, what we have before us again is the old campaign finance reform scam—a bill larded with poison pills in the hope, particularly on the House side, that Republicans will block it.

Hundreds of Democrats in the House of Representatives are praying that Senate Republicans block this bill. They do not want to vote on this taxpayer funded entitlement program for politicians. They do not want to go first in passing a campaign finance bill.

The guardians of gridlock on this issue are those who insist on spending limits and taxpayer financing. Sounding reformist, they reap the benefits of the status quo. It is a darned good scam.

But just in case Republicans take the Washington Post's advice and "call their bluff" by letting the bill go through, it was tuned up to make sure that it is a pro-Democrat bill—not prodemocracy, pro-Democrat. It almost looks like a win-win for Democrats. Almost.

Unfortunately, for the bill's proponents, taxpayer financing of congressional campaigns is as unpopular as congressional pay raises. The more people hear about it, the madder they get. The administration knows that and it is going to great lengths to conceal the extent to which American taxpayers get hit with this bill.

In fact, incumbents do not get hit by this bill. Special interests do not get hit. Taxpayers get hit.

Mr. President, we hear a lot about how the spending limits in this bill are voluntary. In fact, the spending limits in the President's bill are about as voluntary in the eyes of a candidate as an armed robber's demands are in the eyes of their victims. The candidate forks over his first amendment rights, and the robber's victim forks over their wallet. Either way, they have been mugged.

Evidently, the U.S. Constitution did not fare too well in the administration's focus groups.

The committee report on S. 3, the blueprint for the President's bill, states "Public financing, as we have come to think of it, would be used only on an occasional basis, as a form of protection to candidates who agree to the limits but whose opponents exceed them."

A "form of protection," Mr. President? Protection from what? The first amendment?

Semantics. Sometimes this is really a war of words. My colleagues on the other side call it public funding. Republicans call it taxpayer funding. That is what it is. The bill's proponents talk about inducements. Republicans and constitutional scholars call the same provisions penalties. Evidently, it is in the eye of the beholder.

Mr. President, I am confident the Supreme Court would behold it as I do—as voluntary in name only. In fact, there is an all-out assault on the first amendment. In fact, this whole issue is about the first amendment.

The President's bill, like its predecessors, does not pass the Buckley test. It is not truly voluntary. There is an up-front inducement in the form of communication vouchers. Its similarities with the Presidential system pretty much end there. Because, under this bill, if a candidate chooses to exercise his first amendment right not to quantify his speech, then all kinds of bad things begin to happen.

Bad thing No. 1: you lose the 50-percent broadcast discount. You lose the communication vouchers. Listen to this. If you decide you want to speak as much as you want to, which the Constitution permits, you have to run a disclaimer in all your ads indicating if you are a schmuck or somehow ethically challenged in not agreeing to your spending limit. If they spend one penny over the spending limit, their eligible opponent receives a taxpayer-funded grant equal to one-third of the general election limit. Spend one penny over 33⅓ percent of the limit, and your opponent receives another grant equal to one-third of the general election limit. You spend one penny over 66⅔ percent of the limit and their opponent receives another grant equal to one-third of the general election limit. And they will watch as their opponent receives communications vouchers to counteract independent expenditures.

Mr. President, that is not voluntary. It is coercive. Candidates who chose to exercise their first amendment rights get mugged by this bill.

The proponents try to fuss the constitutional issue up by calling these penalty provisions inducements or contingent public financing. Even some of their own literature on the bill admits the coercive nature of these provisions. The committee report on S. 3 speaks of "contingent public financing" and even admits on page 17 that "this amount of assistance may appear coercive * * *."

Yes, it certainly would appear coercive to any candidate considering not taking the taxpayer's money to run his campaign.

The report goes on to state that "This provision of public funds to an eligible candidate is intended to provide an additional incentive to a candidate to accept the limits of the bill and to provide a disincentive to a candidate to exceed those limits."

A disincentive, Mr. President? This is a penalty. In fact, penalties are the most effective disincentives.

The authors of this bill find themselves in something of a box. Full taxpayer funding—and I might say the Clinton version as compared to the earlier version of S. 3 does have more taxpayer funding. Full taxpayer funding is unpopular with the taxpayers yet essential in order to establish a constitutional, truly voluntary, spending limit scheme.

So what we have here is the system in which the up-front costs, inducements—communication vouchers and matching funds—have been minimized to some extent although we still think it will cost $1 billion over 6 years. But the penalties for not authorizing the spending limits have been maximized.

If we are ever to pass a real reform bill, it would be advisable to step back from the rhetoric and figure out just what it is reform should accomplish. Just what is it reformers hope to achieve?

The committee report on S. 3 as marked up in the Rules Committee states that the purpose of the bill is "to reduce the deleterious influence of large contributions on our political process, to facilitate communication by candidates with the electorate, and to free candidates from the rigors of fundraising."

Mr. President, the President's bill is way wide of those markers. It enhances the influence of large contributors by limiting what hard money candidate's campaigns can spend while leaving open the nonparty soft money spigot that pours tens of millions of dollars into the electoral process. It is a veritable gag rule on candidates through spending limits based on voting-age population.

It may free some incumbents from the rigors of fundraising, but that is hardly a compelling reason to use taxpayers' dollars to create an entitlement program for politicians. And, in fact, candidates who have relied on expensive forms of fundraising such as direct mail likely will be forced to move toward low overhead but time-intensive forms of fundraising such as personal telephone solicitations of high dollar donors.

Mr. President, the concern over the rigors of fundraising stems from the myth that there is a money chase where incumbents raise thousands of dollars day-in and day-out each and every week of their 6-year term. It is just not true. Senators serving full terms in the classes of 1986, 1988, 1990, and 1992 collectively raised over 80 percent of their reelection funds in the last 2 years of their terms.

Take my friend and colleague from Kentucky. In his reelection in 1992, he raised $37,966 in the first 2 years of his 6-year term, $50,937 in the second 2 years of his 6-year term, and $2,317,149 in the last 2 years of the 6-year term.

My colleague's experience was virtually identical with that of all others. And he, like all the rest of us, made a voluntary decision about who to accept money from. Some Senators and some candidates do not take PAC money, for example. Some do. It is a voluntary decision each of us make. My colleague had $809,483 from individual donors, and $1,312,902 from PAC donations.

The point I am making here, Mr. President, is we each have the option as to whether or not we want to spend every minute of all of our time throughout a 6-year term raising money. We each have the option of whether or not we want to accept contributions from individuals or from PAC's and in whatever percentage we want to. But nobody makes Senators—and there is no evidence that Senators are out raising money each year of a 6-year term. There just is not any such evidence.

The most bizarre claim in the committee report on S. 3 is that one of the purposes of the bill is to facilitate communication by candidates with the electorate.

The basic premise behind S. 3 is that spending is corrupting, spending is bad, and therefore must be severely limited. The primary purpose of S. 3 is to limit candidate spending particularly Republican campaign spending. Since the Supreme Court ruled in Buckley versus Valeo, and most observers agree, that campaign spending is speech. It is speech. A limit on campaign spending is a de facto limit on candidate speech.

The President's bill most certainly does not facilitate candidate speech.

That misrepresentation of this taxpayer-funded spending limit scheme exemplifies the spend control that characterizes this debate. For proponents of spending limits, reality became irrelevant long ago and only perception now matters.

Mr. President, reality does not argue for this bill.

The reality is that we really do not spend all of that much on political campaigns in this country relative to other Western democracies. Samuel L. Popkin, professor of political science at the University of California in San Diego, argued this point in an article entitled "We Need Loud Campaigns: Because That's the Only Way Americans Will Pay Attention" which appeared in the Washington Post on December 1, 1991.

He said:

> As for the argument that America already spends too much on elections, the fact is that American elections are not costly by comparison with those in other countries. Comparisons are difficult, especially since most countries have parliamentary systems, but it is worth noting that reelection campaigns to the Japanese Diet, their equivalent of our House of Representatives, cost at least eight times as much per vote as our congressional elections. Indeed scholars estimate that Diet elections cost between $50 and $100 per constituent. * * *

Mr. President, an equally valid comparison is between campaign spending and spending on consumer products, and the advertising of those products. While congressional election spending was $678 million in 1992, total expenditures for all advertising in the United States last year was $44 billion—$44 billion. Campaign spending was a drop in the bucket compared to that.

Soda pop advertising expenditures, diet and regular, totaled $470. Automobile advertising totaled $3 billion. It is tough for campaigns to compete for attention with all those flashy product ads. Campaign spending pales in comparison with annual consumer spending. Bottled water: In 1991, Americans spent $2.6 billion on bottled water. Yogurt: In 1992, Americans spent $1.7 billion on yogurt; $1.7 billion on potato chips; $600 million on bubble gum; and $4.8 billion on pet food.

Mr. President, congressional campaign spending in 1992 was up 52 percent over 1990, a phenomenal increase. There was also a 68-percent increase in the number of congressional candidates, which most of us would applaud. We had 1,759 candidates in 1990; we had 2,956 candidates in 1992. That is a truly astonishing figure—a 68-percent increase in the number of candidates from 1990 to 1992.

Competition flourished; democracy flourished; and campaign spending flourished. Voter turnout, electoral competition, and campaign spending all dramatically increased in 1992. Why? Because there were competitive Senate races in several large States—two Senate elections in California alone. More incumbents than usual faced serious competition from well-funded challengers. I do not know anybody who thinks that would be bad. Retirement stemming from the House Bank scandal, among other factors, increased the number of free-for-all open seat contests. Democracy, when thriving, is expensive, because people participate.

Clearly, spending is not the problem with the electoral process in this country. Clearly, the President's taxpayer-funded spending limits bill is a gross waste of taxpayer dollars. He was just up on the Hill the other day, fighting to pass the largest tax increase in U.S. history. Now we have before us a bill to create a taxpayer-funded entitlement program for politicians.

The timing is ironic, to say the least.

This bill is clearly unconstitutional. But put all that aside. Even if you dismiss the cost to the taxpayers, even if you dismiss the assault on the Constitution, what have you got? You have a bill that only selectively limits spending.

This bill, Mr. President, is a fraud.

It will limit neither total campaign spending nor special interest influence. While I oppose spending limits outright as being unconstitutional and undemocratic, the limits in the President's bill primarily limit the campaign spending that benefits Republicans, while exempting out the kinds of campaign spending that benefit Democrats.

For example, political party soft money, which has historically been used to great effect by Republicans, takes a beating in the Clinton bill. The bill takes an ax to such mom-and-apple-pie activities as getting out the vote and promoting volunteer participation.

Let us look at nonparty soft money, the real sewer money polluting elections. Nonparty soft money is spent by those awful special interests President Clinton frequently rails against.

Of course, most nonparty soft money benefits Democrats, so you will not even find one mention of nonparty soft money in the President's plan. Not a word, not one solitary word.

Moreover, since the President's bill restricts money that is spent in small, limited, and disclosed amounts—hard money—you can be sure that it will trigger an explosion of large, unlimited, and undisclosed spending in the form of more nonparty soft money and independent expenditures, all by those same evil special interests.

So, in other words, the end result of the President's bill will be even more spending and more control by the special interests than there is today.

Mr. President, this bill is a cruel hoax on the American people. They deserve better than this.

Anyone who believes passing this bill will take the heat off Congress is mistaken. Even if it were a good bill, nothing we do in this area will detract from our failure to solve the real problems looming over this country. But this is not even a good bill; it is a lousy bill. And it will look even worse if the real problems facing Americans fester for a few more years.

Mr. President, having used up a couple hours of debate on a typically uneventful Friday, we should now put this bill aside. Let us get on with dealing with the serious problems before our Nation. And while we are working on real solutions to real problems, we could also craft a bipartisan reform measure that will truly address the problems with the campaign finance system.

Mr. President, I can say from firsthand experience—having dealt with this issue now for 5 years in the Senate, and for many years before that having taught about it, written about it, thought about it, debated it, and participated in the system—that the American people are not concerned about this issue if it is dealt with in a way that discourages competition and creates a new taxpayer-funded program for us. Not only are they not concerned about it, they are outraged about it.

As I said at the beginning of my remarks, I was on a C-SPAN call-in show yesterday on this subject. A reasonable number of the callers did not want to talk about this. They wanted to talk about the real problems confronting the country. They wanted to talk about deficit reduction; they wanted to talk about high taxes; they wanted to know whether we were going to cut spending first. They wanted to talk about the real issues confronting this country.

So, once again, we are going to spend a substantial amount of time on an issue that should be dealt with on a bipartisan basis. We all know what needs to be done. We all know what will not tilt the playing field one way or another. But we will not do it.

Once again, in May, we are slugging it out on partisan lines, going nowhere, when we could do the things that we know will create more competition, although competition is pretty healthy in the Senate already. We could lower the cost of the broadcasting advertising for candidates, which would principally benefit challengers. Instead of weakening parties, as the Clinton package would do, we could strengthen parties.

Parties are that one entity in the American political system that will support challengers. We know PAC's do not care much for challengers, unless it is labor PAC's. We know that even individual donors tilt toward incumbents. But the one entity out there in America that will stand up for every viable challenger who runs are the parties. And yet, what do we do? We want to make them weaker. We want to make them weaker.

If we are concerned about special interests, then we ought to do something about PAC's. I noted with interest that once again this year, right at the end of the debate, I mean right at the end of the period before bringing up the bill, the majority has decided to ax the PAC's in this proposal. I commend that. That was originally my proposal 3 or 4 years ago. I am glad it has now been adopted by the majority. I think that is the first step toward the kind of reform that would create a competitive system and diminish the influence of special interests.

Mr. President, I hope that at some point in the coming weeks, after we have had a chance to vote on a variety of different amendments that give people a chance to go on record on all of the myriad issues that are contained in this proposal, we will finally and at long last, after 5 years, sit down and craft and pass a bipartisan campaign finance reform bill that will be good for the two-party system, good for America, and we will not send a bill to the taxpayers.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the chairman of the committee, the Senator from Kentucky [Mr. FORD].

Mr. FORD. Mr. President, you know it is, I guess, unusual that for the last many weeks, two Senators from the same State are on opposite sides. Fortunately—I believe fortunately—on the voter registration bill, on which we were successful, it was the right thing to do. And I am sure my colleague thought his opposition to that piece of legislation was the right thing for him to do.

Now we find ourselves on a different side. I want to say to my friend, I have never seen him giggle so much. He reads his speech, and smiles and laughs and carries on like this is something funny. He gets his kicks by talking about food stamps, and then he talks about cat food, bubble gum, and yogurt. You know, I do not understand the relevance between trying to limit campaigns and cat food. That is his version of it. That is all right. If the Senator wants to compare this to cat food, that is perfectly all right. So I am going to give him that break.

The Senator keeps fussing about this President. That is fine. That is his prerogative. He is on the other side. He is not going to like anything that comes out of the White House, in my opinion, regardless of what it is.

The Senator talks about reducing the deficit. Well, we thought we made a pretty good start. We got a budget through that made significant cuts. Over 200 items were cut. And they will get all kinds of figures out here saying what the cuts were.

All you have to do is say I would like to get this kind of figure, and, boy, you can come up with it in a minute. I thought we did pretty well.

What we forget is that for the last 12 years—the last 12 years—we have been living under his Presidents. And we have gone from $900 billion in debt to over $4 trillion. He talks about a credit card. His leader made a statement a few weeks ago, they were now going to cut up that credit card. They have been living on it for 12 years. They did not have to cut it up. It was so worn, it was so thin that you would throw it away anyhow. So this credit card business we hear, it is worn out. We have to do something different, and the people want a change.

He says this bill is not on the radar screen. That is probably true. He says the economic plan for this country is on the radar screen; the future of what we are going to do and how we are going to live is on the radar screen; that education is on the radar screen; that eliminating the debt is on the radar screen. That is true—absolutely true. And I agree with him. This bill is not on the radar screen.

Think just a minute, though. One-third of our colleagues are out on the road right now. They do not want a vote on Friday, they do not want a vote on Monday, because they have to go out and chase money; 80 percent of it in these 2 years. I am sure my colleague did not hear me say that in my previous remarks. It is $13,000 a week for 6 years, but in the 2 years it is $35,000 a week; that is $5,000 a day out there they are raising to run the average senatorial campaign in 1994.

So, if you squeeze it up, they are out there getting $5,000 a day in the 2 years. Instead of $13,000 per week it is $35,000. So we have a third of our colleagues out there chasing money. I do not know what to do, Mr. President, to try to limit the money chase. We try—it is either unconstitutional, or we talk about food stamps, cat food, whatever it might be, and you pile it up.

I do not know where we go from here. But I want to tell you, if we get time to stay here and work, we might find a way to eliminate the deficit. We might find a way to improve education. We might find a way to make the future better for our children and our grandchildren. But the constituents, in my opinion, want us to stop the money chase, if we can do that, and spend our time here. One-third of this Chamber is gone chasing money. We have either to cap money or continue chasing money. If we stay here and work, maybe we can begin to solve some of the problems.

Ross Perot was mentioned by my colleague. One of the issues that I stated earlier, that I quoted from his campaign, is that we have to change the political system. The way to change the political system is change the way we finance campaigns. Many of Ross Perot's leaders have endorsed this piece of legislation we are debating here today. So, I hope we can get on with this, that we can vote it up or down, try to work it out. I tried for 5 years to help work something out. It has been through my committee several times. I am not the sponsor of the bill. I am one of the cosponsors. The distinguished Senator from Oklahoma [Mr. BOREN] is the real sponsor of this legislation, along, now, with the President of the United States. We have not had that before.

We heard reference made to the stimulus package, or the jobs bill. "We should have learned a lesson from that." You can bet your sweet bippy we learned a lesson. We learned a lesson that the other side stopped everything we tried to do to create jobs. One community in my State would have gotten 3,000 new jobs, of carpenters, electricians, plumbers, bricklayers—whatever, who are looking for jobs now. But what did they do? They increased the debt by $4 billion without a peep. Nobody on that side of the aisle voted or raised his or her voice—increased the deficit $4 billion.

Talk about reducing the deficit. Do you know what they voted for to increase the deficit by $4 billion? They extended unemployment compensation. There are those who are out of work out there, still sitting in their chairs on their porches, drawing from taxpayers without doing a thing. They would rather work, though. They would rather work than draw taxpayers' dollars. So we increased the deficit here by $4 billion instead of giving people an opportunity to go to work.

It is 12 years of a credit card that is worn out. We talk about it like everything just happened in the last 3 or 4 months. I have never seen anything like it. They are trying to create President Clinton in the image of President Bush. They will help us with the Mexican Free-Trade Agreement. They will help us with foreign affairs. They will help us with foreign aid. They will do all these things. But they will not help domestically. That is the well that gives us the strength to be the leader in the world. If we are not strong domestically, we are not going to continue to be the leader in the world we have been. So let us wise up. Let us try to do some things that strengthen this country.

They say this bill will not help any, it is unconstitutional, first amendment rights. I got all that. I am not a lawyer. If I was on a jury, I would just try to make a decision from what I have heard. And what I heard from constituents is they want to stop the money chase. It may not be on the radar screen, but I guarantee if they thought this would help us stay here and work a little longer, work a little harder, get better ideas in order to reduce the deficit, increase the economic condition of this country, they would be overwhelmingly for it.

Every time you heard somebody say that is unconstitutional, somebody else files a paper and says it is constitutional. You know, I get a little bit confused. It just reminds me, when I turned around to a lawyer one day and asked him, "Which way should we go on this question?" The lawyer said, "Go either way. We will make a good case out of it." That is kind of what I hear here. "It is unconstitutional." "Oh no, it is not unconstitutional." Let us lay it on the board. Let us get it started.

We talk about strengthening parties. I hear that: strengthening parties, giving money. The only change in party activity is to require it to be funded by hard money, not soft money—hard money, reported money raised pursuant to Federal requirements and limits and higher limits for State fundraising. And we increase the amount of money going to the grass roots effort in this bill. I do not understand how we are not helping parties. I do not understand how we are not helping local grassroots efforts by this, when you increase the amount. The only thing we have changed is that it is hard money; you have to report it. Is there something sinister about soft money that you do not want to report it? Your are against this because it is hard money and you have to report it? Shucks, I do not mind reporting it.

"The Court will not uphold this. The Court will find this unconstitutional."

The Supreme Court has upheld as voluntary the full public funding in general elections. The bill provides only partial funding. The Presidential election is supposed to be fully funded from public funds, taxpayers' dollars. The past President received over 200 million taxpayers' dollars to run for office, and I did not hear any squeals about that. But, boy, if you want to do this, you are against it—that is when you begin to hear them all.

So this bill does not limit how much a nonparticipating candidate can raise. Go ahead and raise $5 or $6 million for a race for the Senate in Kentucky; raise $20 million for a race in California. Go on, go out there and get it. You are not here doing your job. You are out chasing money. If you want the money chase to continue, do not help this bill. If you want to put a cap on expenditures and say you need to be here and need to work, then I think this bill deserves special consideration.

Mr. President, I see the distinguished Senator from Oklahoma here, who is the main sponsor of this legislation. I yield the floor.

The PRESIDING OFFICER. The Senator from Kentucky yields the floor. Who seeks recognition?

The Chair recognizes the Senator from Oklahoma [Mr. BOREN].

Mr. BOREN. Mr. President, first of all, I want to commend my colleague from Kentucky, the distinguished chairman of the Rules Committee, for the remarks he has just made. Our colleague, Senator FORD, is known as a person who tells it like it is. He has done exactly that to our colleagues and to the American people who might be watching us in the remarks which he has just made.

The 1992 elections were about change. They were about returning Government to the people, so that Government will work for all the people, not just the narrow interests that largely fund the campaigns of those Members running for election or reelection to the Congress of the United States.

Let me not forget that just 6 months ago, the American people spoke loudly and clearly about the need to end business as usual, about the need to end politics as usual. Let us not fool ourselves into thinking that they have forgotten our pledges to end the gridlock and to clean up the money chase in politics. The people do not just want change, they demand it.

We must know that the patience of the people is not unlimited. We saw their impatience rise to a boil in those States where the term-limit question was on the ballot. In every single one of those States, the people voted to limit the terms of Members of Congress. Why? Because the people saw what was going on. The people saw that the system was not working as it should. They looked at the fact that we were piling up billions and billions of dollars of debt on the next generation, up from a $1 trillion to a $4 trillion national debt in just 12 years. The people were worried and the people were frightened and the people were wondering if their children and their grandchildren would have the same economic opportunities that we have had. The people were worrying about whether or not the United States was still going to be a leading nation in this world.

When we think about the fact that this year, for example, just the interest on the national debt will eat up 58 percent of all the private savings in this country, savings that could go to help our economy grow and to create jobs for the next generation, I have to say, Mr. President, the people were right to be worried and afraid and fearful about what might have happened. The people were right to draw up short and to say, "Get on with your job, get the job done, write a sound economic policy for this country."

When the people looked at what has been going on in the election campaigns in this country and they realized that incumbents were able to outspend challengers making it virtually impossible for new people to break into politics because those already here could raise three, four, and five times as much money mainly from the special interest groups to keep themselves here, as new people trying to break into politics could raise, the people said, "No wonder we're in trouble."

In poll after poll, the American people have been asked: Do you think Congress represents people like you, or do you think Congress represents the special interests? An overwhelming majority have said, sadly: We do not think Congress represents people like us. We think Congress represents the special interests.

When they see PAC dollars going 9 to 1 for incumbents versus challengers, and when they see we have not solved the Nation's problems, when they see the deficit is increasing, when they see our share of world trade diminishing, when they see jobs being exported out of this country, when they see Members of Congress having to become full-time fundraisers and part-time policymakers, they get so frustrated that they do not know what to do about it, and so finally they just say: Throw them all out; limit their terms.

That is an extreme solution because I think most of us understand that if you limit the time in office and the terms of office of elected people, you are mainly going to turn the power of the Government over to the hands of the nonelected bureaucrats who will be here for 20, 30, 40 years, and the people will have even less say in their Government because new people coming in take time to learn their way around this city and the ways of the bureaucracy. By the time they are trained, they will have to leave and the bureaucrats will run it all. I do not think that is the solution.

But, Mr. President, the people are dead right to be angry. They are absolutely right to express their profound uncertainty about the future direction of this country and their frustration. That is what we have seen. We ought to tell it like it is, and we ought to admit it to ourselves in this institution that this Government is in trouble. It is not working as it should and the people have lost their patience.

If we think the people are going to forget about the way they feel or if they are going to somehow get over their worries about the future of this country, we are wrong. This was not just an election day phenomenon that caused Mr. Perot to get a high percentage of votes or which caused term limits to pass that was one of those things that surfaced on one day and is going to be forgotten tomorrow. No. The people are watching us and I am glad, because when the people get angry and when the people watch their elected representatives and when the people demand change in the right direction and when the people tell us to shape up, that gives us the best chance in the world of finally getting something done.

We are the trustees of this institution. We are the ones who have an opportunity to vote here. The people who have sent us here have a chance to vote for or against us. But all those people at the grassroots who are demanding change and reform of the political system cannot come through these doors and sit on the floor of the U.S. Senate and cast votes. We are their representatives. There are 100 of us here and the 100 of us here have the vote that they gave to us. It does not belong to us, it really belongs to them. We are just here because they sent us here. If we cannot clean up our own institution, one way or another the voters are going to clean it up for us, and they should.

Voter dissatisfaction is at an all-time high. The people made campaign finance reform an issue in the November elections. I went down and representatives of both parties went down, for example, and spoke to Mr. Perot's volunteers. It was a very interesting day. Many of them had never been in politics before.

We opened up for questions, and there were a lot of questions about budget deficits. Maybe about one-third of the questions were about budget deficits, but two-thirds of the questions and concerns expressed were about cleaning up the political system: Why is all this money being poured into campaigns? Why are people quitting their jobs in the executive branch, for example, as our trade representatives and going right out the door when they were supposed to have been working for us and go to work for foreign governments at four, five, six times the amount of money they were paid working for us? Why do you people in Congress have such a huge bureaucracy? You used to get along with 38 committees and used to get along with 2,000 or 3,000 employees. Why do you have 299 committees and thousands more employees? Why can you not get your work done on time? Why you have created empires for yourselves? Why do you not do something to clean up the system where Members of Congress who get reelected get more than half of their campaign contributions not from the people back home, but from the special interests, political action committees, many of whom have never set foot in the home State or district of the Members they are pouring all this money to.

Those are what the questions were. That is what they asked me about. Two-thirds of the questions were about it.

If we think they are going to forget about it because the election is over, we are wrong. God help us, I hope they do not forget about it, and I hope they keep the heat on us. I hope we are conscientious enough, not just because the people are demanding it but because we ourselves know in our own hearts and minds that we are not proud of what is going on in our political system.

There have been times when I have sat in rooms where we have thought about how in the world do you raise the amount of money it takes to run for the next election. How do you come up with the $4 million it takes on the average to get reelected? Frankly, I wanted to go home and take a bath after listening to those strategies of how you milk the money out of all those sectors you are going to have to milk in order to get the amount of money that it takes to run for reelection.

Everybody is victimized. The Members of the Congress who came here, idealistic, wanting to render a public service, wanting to bring about the right kind of change and progress for our country turned into panhandlers on the street, for sale to the highest bidder on the auction block because they have to figure out, whether they like it or not, how to raise the $4 million to get reelected.

Then the people who get shaken down—we talk about the lobbyists. It is not their fault that because of the system we come and beat over their heads and ask them to make contributions, hold fundraisers, and raise hundreds of thousands of dollars. They are victimized, too. What about the people who pay them, or the people at the grassroots? They are the most victimized of all because they do not get full-time Members of Congress to vote to solve the problems of the country and because they do not get campaigns anymore that are decided on the basis of who has the best qualifications and the best ideas to turn this country around.

They get campaigns where competition is based mainly on who has the most money, because 99 times out of 100, the candidates with the most money win the election because they are on TV the most, they are on radio the most, and are in newspapers the most. Who knows whether they have the best ideas, or the best character, or the best qualifications, but if they have the most money, Mr. President, whether they are a Democrat, a Republican, liberal, conservative, or whatever their ideas might happen to be, if they have the most money, 99 times out of 100 they win.

We are obligated to answer the call for reform in our Government and it is time to replace the power of the pocketbook with the power of the American voter.

Today as we begin debate on S. 3, the Congressional Spending and Election Reform Act of 1993, I am reminded of our many previous reform efforts. A decade ago, I began working on campaign finance reform with then Senator Barry Goldwater of Arizona. It was a privilege to work with him. What a great gentleman he is, and what a great Senator he was, whether you agreed with him on every issue or not, because you talk about a person of integrity who left you no doubt where he stood, that was Barry Goldwater as a Senator. He and I agreed across party lines that we had enough of what was going on and we wanted to change it.

From that time, it has been my mission to change the broken campaign finance process. There have been many efforts by others—Senator John Stennis of Mississippi, a senior Member of this Congress for many, many years, now also retired. I remember he said to me so many times,

> Senator Boren, it breaks my heart that the power of the political process is being taken away from those people who cast their votes down in those precincts at home and being put in the hands of interest groups and their representatives in Washington and other power centers of this country and to see how the people become cynical about their own Government, do not believe in their own Government anymore, does not think it cares about them anymore because they know they do not have the power to make those large financial contributions.

He understood the history of this place, and he wanted to change, he wanted to purify the system, he wanted to put integrity back into it, he wanted to bring it back the way it was when he first entered the Congress. He can remember that relationship between Members of Congress and the people who sent him here.

There have been efforts by many, many others. Senator FORD, from whom we have just heard, chairman of the Rules Committee, has tried in so many ways to bring about reform, not only campaign finance reform but reform of other ways we do business in the Senate. He has taken the lead in ending some of the unfair perks and advantages that are given to Members of Congress. He has tried to restrain the use of mass mailing of newsletters and other abuses of the franking privilege year in and year out to campaign instead of Members using their offices to make policy decisions.

Senator ROBERT BYRD, majority leader for much of the time when we began this effort to reform the campaign finance system, President pro tempore of the Senate, great historian of the Senate, perhaps the most knowledgeable historian of the Senate in the United States today, who because he is a historian, because he is a historian and because he knows so much about our institutions and understands how they work, sees how the pouring in of all of this money, mainly from special interests, is like a cancer eating away at the heart of this institution.

Senator MITCHELL, our current majority leader, is a great champion of reform. I have heard him talk not only on the Senate floor, but I have heard him talk in private, standing up even to those who were reluctant to change the system because the current system got them here and they know under the current system as incumbents they can raise more money than challengers. They do not want it changed. I have heard Senator MITCHELL courageously stand up for reform not only in public but in private. We all know it is one thing to make a speech on the Senate floor and portray oneself as being for reform. It is another thing when you go into the privacy of your own office or into one of the cloakrooms behind us or some places where nobody knows what you have said except you and your conscience and still stand up for reform. I have seen Senator GEORGE MITCHELL do that time and time again.

Now, of course, we are being joined by a new President in the White House, President Bill Clinton. He said during the campaign he wanted to clean up the way campaigns were financed. He did not take PAC money. He wanted to change the political culture of this country, change the whole atmosphere so that we could work together more effectively to get things done.

To his credit, Mr. President, he has not forgotten what he said during the campaign, and he has said it again publicly by endorsing and improving and toughening up this bill. And he has also said it in private, as I have worked with him in crafting this legislation. His instructions to me again and again have been, "I want real reform. Do not water it down. Do not put loopholes in it. I want real reform." Now we have a President in the White House who has pledged to sign meaningful campaign finance reform.

And so many, many people, Democrats and Republicans, have come together and have worked on this. "Mac" Mathias, from Maryland, former Republican Senator from Maryland, again one of the early supporters of campaign finance reform who left the Senate—sadly, when he left, said one of the reasons he left was he just could not bring himself to think about the time and effort and energy it would take to raise the $5 or $6 million he thought he would have to have in his campaign war chest to run for reelection. He did not want to spend his valuable time doing that. He wanted to spend whatever time he could trying to influence public policy.

Sadly, it is the "Mac" Mathiases of this world, good Senators, Republican and Democrat, who are the ones most conscientiously affected by this system, who often leave public service because they do not want to continue that kind of money chase.

In each Congress we have come a step closer to enacting meaningful reform. Last year, this Chamber passed a good campaign finance reform bill, which ultimately fell victim to a veto. Today, as I said, we have a President who not only embraces last year's bill but has offered improvements to it. The struggle to enact meaningful campaign finance reform has been a long one, but the end is in sight, and the people understand that the time for excuses is over. They expect dramatic and fundamental change, not more nibbling at the edges.

In the course of refining this bill, many of us have become immersed in the details. Now is the time to reflect on the larger mission, a mission that is greater than this legislation, a mission to regain the trust of the people. The bill before us is a strong reform bill. However, it does have opponents, as we have just heard from some of our colleagues. They will assert, an have asserted, that this bill is an incumbent protection plan. They use very clever sound bite words like "food stamps for politicians."

But I ask my colleagues to listen, not to sound bites, not to clever phrases, but to the substance of their arguments. Let us go beyond the rhetoric and let us focus on the facts. Statistics clearly show how the current system favors incumbents and discourages new candidates who could bring fresh ideas to Congress.

Last year, even though challengers received extraordinary financial support in race after race, incumbents outspent challengers. In Senate races, as this chart indicates, incumbents raised three times as much as challengers, $3 raised by incumbents for every $1 raised by challengers. In the House, the ratio was 5 to 1. Incumbents, sitting House Members—it does not matter if they are Democrats or Republicans—raised five times as much money, $5 for every $1 their challengers could raise. In fact, in the 1992 senatorial races, incumbents outspend challengers 92 percent of the time and incumbents prevailed 86 percent of the time.

We should not be shocked at the fact, as I said a minute ago, Mr. President, that those who have the most money usually win the elections, and those who inevitably get the most money, Democrats or Republicans, are incumbents because people want to get in to see them, talk to them, have access to them, especially the special interest groups, and so they give them the political contributions.

The vicious race to raise money has made us part-time Senators and full-time fundraisers, and in the 1992 congressional elections spending jumped 52 percent, just in this election, to $678 million—$678 million poured into congressional campaign funds. Today, the average Senate winner needs to spend nearly $4 million to win. That means a successful candidate has to raise an average of $12,000 per week for 6 years.

Think about that. You have to sit there. You are a sitting Senator. You know you have to raise an average of $4 million to get reelected. You have to sit down and think, not how can I get the budget deficit down, how can I provide better education for our children, how can I strengthen our Nation's security, how can we improve our transportation system, how can we get crime down in this country, no. You have also got to think about how can I raise $12,000 this week and next week and the week after that in order to raise the amount of money it takes, on the average, to successfully get reelected.

I speak often—I know my colleagues do—to graduation ceremonies of college and high school students. I was speaking to a group of high school students from my State who were here just last week. Some of them want to go into politics. Thank God, some of them still think it is an honorable calling and they want to get to a place like this because they want to help serve the people. I did not have the heart to tell them not only to get the best education you can, learn as much as you can, learn about economic policy, learn about history, so that when you come here you can render a great service; you will be a good Senator; you will be a good Member of Congress; make yourself the best qualified man or woman you can in order to come here, come with good ideas, be of good character, stay true to yourself; maintain your integrity—I did not have the heart to also tell them, and figure out how you are going to raise $12,000 a week, because that is what it is going to take. Figure out how you are going to raise $4 million. Of course, at the rate of increased spending we have seen in recent campaigns, I would probably have to say, by the time you are old enough to run, figure out how you are going to raise $10 million, because it keeps going up and up.

When I first came to the Senate—it has not been long ago—it only took $200,000 or $300,000 on the average to win a Senate seat. The campaign figure now is $4 million. What it will be 20 years from now, I do not know, when these young people will be ready to come here and make their contribution to the political system.

The only lasting and effective way to reform the campaign finance system is to place reasonable limits on how much money those running for the Senate may spend. The leadership substitute, which will be introduced shortly, caps runaway costs by setting voluntary spending limits based upon the number of voters in each State. However, under the Supreme Court's decision in Buckley versus Valeo, spending limits must be voluntary. Therefore, this legislation provides significant incentives in order to comply.

Mr. President, we hear a smokescreen every time be bring up campaign finance reform. We hear the Members on the other side say, "Oh, food stamps for politicians. Oh, you are going to provide some incentives, either lower mailing or communications vouchers or something like that." Is that not terrible? That is awful. That is an awful price to pay for cleaning up the system.

Do you know why they talk about that, Mr. President? They talk about it because they have read the Supreme Court decision. They are knowledgeable. They did not just wander in here without knowing what the law is. They know what the law is, and they know that if you want to have spending limits under the Supreme Court decisions—I think unfortunately, but it is the law—you have to come up with a series of incentives to get candidates to voluntarily accept spending limits. And if you do not have incentives, you do not have spending limits.

But they do not want to talk about the real issue. They do not want to talk about the reason they are really against the bill. They throw up all these phony arguments and smokescreens: "Food stamps for politicians."

What they really do not want is spending limits. No wonder. They are incumbents. It is not a matter of whether you are Republican or Democrat. Incumbents do not want spending limits for the most part.

Why? You see why on this chart. Incumbents can raise three times as much money as challengers in the Senate, five times as much as challengers in the House. They do not want spending limits. They want the sky as the limit. "So in case we get in a tough race I can call in all my special interest friends who had access to me over the last 6 years and I know they can pour money into my State and make sure I get reelected because the poor challenger running against me does not have access to that money." They do not want spending limits. That is the reason they throw up these smokescreens. They want competition based upon who can raise the most money because they are already here and they know the challenger can raise more money than their opponents.

Why do they want to change? That is what this debate is all about. Let us just strip it away. Do you think the American people are fooled by smokescreens like that? Not on your life. The American people know what we are talking about. They know we are talking about whether or not to give new people in politics a chance, whether or not to stop the money chase, whether or not to limit the obscene amount of money that is now pouring into political campaigns. Over 90 percent of the American people said we want spending limits. We want to take Congress off the auction block. We want a different kind of politics in this country. Our spending limits will help fix the system.

(Ms. MOSELEY-BRAUN assumed the chair.)

Mr. BOREN. If the spending limits in the substitute had been in place in the 1992 election the average incumbent would have had to cut by a large amount the amount of money that that incumbent spent. In fact, if our bill had been in effect in the last election, sitting Members of Congress, as you can see by this chart, would have had to cut their spending by 33 percent, an average of $1.4 million in every campaign, less spending by incumbents. The average challenger would have had to cut spending by less than 2 percent, an average of about $36,890 per challenger.

We talk about leveling the playing field, leveling the playing field so we can give the challengers a chance to take on incumbents. People doubt that our bill would do that. Look at the facts. Our bill would have cut incumbent spending 33 percent and would have barely cut challenger spending at all. It levels the playing field. It gives new people a chance in politics.

Madam President, spending limits are not just important to campaign finance reform. They are the heart and soul of campaign finance reform. There used to be an old saying when I was growing up, kind of a joke: a daughter came to the mother said, "May I go swimming in the ocean?" The mother was a little alarmed at the idea of her daughter swimming in the ocean, it might be dangerous undertow, currents. She said, "Yes, my darling daughter, you may go swimming, but do not go near the water."

That is just about the same as saying we ought to have campaign finance reform but we are not going to have any spending limits. It is illogical and impossible. You cannot have real campaign finance reform without having spending limits. Having campaign reform is like telling the doctor you can examine the patient but you cannot provide the cure, if you have campaign finance reform without having spending limits.

People realize how essential spending limits are to fair elections. They have identified them as the most important step in cleaning up the system. As I have mentioned polling data, the lowest I have seen is 77 percent of Americans favor spending limits. Another poll says 85 percent. I have seen polls that show over 90 percent. An overwhelmingly majority want spending limits.

Voters have targeted special interest influence as the second most essential element in campaign finance reform. We must prevent special interests from driving the political process.

PAC's contributed almost $175 million to campaigns in the 1992 election. These PAC's know how to play the Washington power game.

Madam President, let us just think a minute. You are a director of a PAC. You have collected a lot of money here together in Washington to pour into the political process. Who are you going to give it to? Senator X, Y, or Z who is sitting here on a very important committee that affects your pocketbook, whose votes you need to protect your pocketbook, or are you going to give to that outstanding young woman or man back home, whether it is in Illinois, Oklahoma, or someplace else, brimming with new ideas and idealism who wants to come here and make a difference for the country? Unfortunately, that young woman or man sitting back home in Illinois or Oklahoma or Kansas or California or New York or wherever it is, they are not on that important committee right now. Their vote is not going to affect your pocketbook right now. You know, and if they pull a big political upset, end up winning and surprising everybody, you can just always hold a fundraiser after they are already here in Washington and make amends, help them pay off their campaign deficit.

That happens all the time, Madam President. In fact, there are many Members of Congress who have a fundraiser in Washington to pay off their deficit, new Members, before they ever get here and cast even their first vote, because money is important in politics.

So, let us look at the fact. The PAC money? Of course; it goes to the people that are here, that are already here, that can affect the pocketbooks of those people on those powerful committees.

Let us look at the fact. That is not the theory. As we can see from this chart in the 1992 elections where did the PAC money go? Six dollars to incumbents in the Senate, for every $1 that PAC's gave to challengers, 6 to 1. It did not matter if they were Democrats, Republicans, liberals, conservatives. If they are an incumbent on a powerful committee that can affect the pocketbook interests of the people served by those PAC's, they give the money to the people to help them, that can help their interests; $6 per $1. What about the House: $10 to $1. The House PAC's gave $10 to incumbents for every $1 that they gave to challengers.

If challengers are to have a chance, the disproportionate influence of PAC's must be eliminated. Our bill does just that. Under our plan we would completely ban PAC contributions to those running for Congress; no more will they be allowed to drown out the strength of the individual vote or the person back home at the grassroots. The substitute goes even further beyond the role of special interests. We adopt the President's proposal to ban lobbyists from making or soliciting contributions for any Member of Congress whom they have lobbied within the proceeding 12 months and we also decrease the individual limits for annual contributions to PAC's from $5,000 to $1,000.

The leadership substitute addresses a number of other greatly needed reforms. The substitute would slam shut the soft money loophold, the provisions of S. 3. Soft money called sewer money by many is the huge amount of contributions from corporations, unions, and wealthy individuals that are funneled through political parties to influence Federal elections.

This money is not reported. This money is not limited in the amounts. So you can have those fundraisers. The theory is that people can only give $1,000 to a candidate. A PAC can only give $5,000 under current law to a candidate. But you still read in the papers about these fundraisers where people are giving $100,000 each or $200,000 each. How do they do that? It is through the soft money sewer money loophole. They give it to all the State parties around the United States under the theory that they are giving it to parties to help local elections. Do you think when they pour in the amount of money that they are really trying to influence the election of the local county sheriff that they do not even know? Of course not. They are giving it to the State party so that they can funnel back other activities to influence Federal elections, all of that under the spending limits. It is a loophole so big you can drive a truck through it. It is a loophole in the Presidential election process as well as the congressional election process.

If this proposal had been enacted in the last election it would have drained $85 million in soft money that we have been able to identify out of the system. We replace this corrupt practice with a grassroots system that encourages individual participation replacing the power of money with the power of the people. We set up a grassroots fund which local parties can have out in the open; wholesome, healthy. People can give to it.

People who want to support their political parties can do that. We do not weaken parties. But we say do not raise that money in the back room $100,000 at a time. Raise it out in the open where everybody can see it, and raise it from individual contributions and groups but raise it with limits on how much each one can give.

We also end the practice of special interest bundling. Bundling is the practice by which PAC's and lobbyists bring collection from others. The amount may greatly exceed one's contributions from an individual contribution limit. They take credit for raising the money.

So somebody can come in and say, here is $1,000 or $5,000, but here is $300,000 that I gathered up for you. Here it is. That gives you a lot of influence.

This practice has forced many Members to choose on a busy day between giving access to cash cows, those who can come in and do something like that, or to hear the views of ordinary people, the teacher, the student, the construction worker, the farmer who does not have the ability to say here is $300,000, remember me and my problem.

It is only 5 minutes to spare on a busy day. As long as you have to figure out how you are going to raise $4 million to get reelected, or if you are from a large State, maybe $10 million to get reelected or $12 or $15 million—we have had some elections where the two candidates together spent close to $40 million in some highly contested races in big States in our country. If you have 5 minutes to spare on a busy day and you have to worry—you do not want to have to worry, but because the way the system is you have to worry about raising $10 million for your reelection. It is a busy day. Your secretary comes in to you, says, "Senator, there is a young woman going to college, or high school in your State. She is out there and would love to come in and talk to you about Government." She is maybe wanting to go into Government herself one day. Or there is a construction worker out there. Or there is a farmer who finished wheat harvesting and came up to Washington. He got an idea while he was sitting on the tractor. He got a good idea how to help the country. He wants to share it with you.

Or there is a PAC manager out here. He can give you $10,000 right now: One for the primary election, and one for the general election. Not only that, he can hold a fundraiser for you in Washington. We might raise $100,000 in one night.

You have 5 minutes to spare. Who are you going to see? The young student brimming with idealism? The farmer with all the ideas while riding on his tractor? They are not going to help you raise the $10,000 or $20,000 or $30,000 you have to raise this week.

No; you are probably going to see the person who can help you raise that money you desperately have to raise to finance the campaign.

Then we are shocked when we read editorials where the American people say Congress does not represent people like us; they represent the special interests.

What a tragedy. It is a tragedy for everybody. It is a tragedy for that young woman, that student who came up and wanted to see you. It is a tragedy for that farmer. It is a tragedy for that construction worker. And it is a tragedy for you because you did not come here to conduct yourself that way. You came here because you cared about people like that young woman; you cared about people like that farmer; and you cared about people like that construction worker. You came up here to serve them, not some PAC manager.

And yet, who do you give your time to? Who do you give your 5 minutes to because you have to raise $10 million or $4 million?

That is wrong, Madam President. It is wrong. We know it. We know it. How long are we going to wait to cleanse this institution of that taint? How long are we going to wait to change a system that keeps us from being the men and women we came here to be, from being the public servants we came here to be? How long are we going to wait to restore the peoples' confidence in their own Government again?

We are in a critical point in our country. We all realize that, and struggle with decisions to make. We know we have to make some big decisions soon on the budget and a lot of other things. Some of the people in Congress have different ways of going about it.

We are going to get our country back on the right track, but for goodness' sake, let us have a system. Let us devote our time to thinking about that instead of thinking about raising money.

How long are we going to wait? How many more years am I going to be called upon to come out here as a sponsor of this legislation? This is the 10th anniversary; it has been 10 straight years. I started when I came out with Senator Goldwater doing this, and then with Senator BYRD, Senator MITCHELL, and Senator FORD. How many more years are we going to do it? How long are we going to wait before we do what we know we ought to do?

Are we just going to wait until the American people finally say "Enough; we are going to clean you all out"?

Even that will not solve the problem, because we still have the same corrupt system. The next bunch will start in trying to figure out how to raise the special-interest money so they can stay in office, just like the last bunch.

So we have to change it. We have to change it.

Under our bill, those kinds of choices we would not have to make anymore. We could afford to spend more time representing the people we were sent here to serve.

This bill would also discourage mudslinging campaigns. We would improve the quality of political campaigns by requiring accountability when negative attack ads are used. Candidates would be forced to claim responsibility for all of their ads, so they cannot hide behind plausible deniability by remaining ignorant of the contents of the ads their campaigns are producing.

We would have to come on at the end of every ad and claim credit for it with a picture on the screen, "This ad was approved by," and the name of the candidate.

That might stop ads with an anonymous announcer coming on to say: "Do you know"—the voters know—"what a scoundrel and lout this person is who is running for office?" And then that anonymous announcer goes on to say all sorts of things which are probably not true about the candidate.

No, you might not be too proud about doing that if you had to come on at the end of the ad and say, "I claim credit for this sleazy, mud-slinging campaign." Maybe you would think about thinking about it in the first place.

For the first time, real teeth would be put into the enforcement of our campaign finance laws. It does not do any good to have good, stiff rules if you do not enforce them. Currently, the Federal Election Commission, FEC, is unable to enforce the law due to its equally divided 3-to-3 political composition. We have gridlock in the Congress between Democrats and Republicans. They have it on the Federal Election Commission. They have Democrats and they have Republicans, and they have a hard time agreeing on anything when there is a hot case up. It is really shocking.

When there is a complaint against a Republican before the FEC, the Republicans usually think it is unfair and vote against doing anything, or slapping any wrist, and the Democrats vote in favor of it three times. Democrats sometimes have thought on that figure, finding fault with the FEC. This breaks the gridlock, permitting parties to take the case to Federal court if three Commissioners plus the general counsel—who is an impartial person, picked by both Democrats and Republicans on the Commission—think there should be a right to compete.

Finally, the President's plan would pay for the necessary cost of meaningful campaign finance reform by taxing lobbyists. Under the Supreme Court's interpretation in Buckley versus Valeo, we cannot mandate spending limits; they have to be voluntary. This means benefits must be given to induce candidates to accept spending caps. It only seems fitting that a plan designed to decrease special-interest influence would be paid for in this way.

The American people recognize that. A recent poll indicated that 70 percent of Americans favor a measure to pay for this kind of reform by ending the tax deduction for lobbying expenses in our bill.

So we are not asking the American people—that young woman, those students going to school, the farmer, that construction worker I talked about awhile ago—to pay more taxes in order to change the system. We are saying let us end the special deduction there is for lobbying; let us have lobbyists pay into this clean Government fund that is designed to bring more influence back to the people back home instead of those who are here seeking favors.

Madam President, this is a good reform bill. It is my hope that over the days of debate that follow, the Members of this body will listen to the facts and ignore the transparent rhetoric of those who are opposed to real change. Their broad claims will be seen for what they are, a weakly disguised attempt to defeat substantive change that would stop runaway spending and halt the destructive effects of special interests.

You have heard the facts. This bill would have taken $85 million in soft money and tens of millions of dollars in PAC money out of the system in the 1992 election, nearly all of it away from incumbents, so that challengers would have had a more even chance to compete. This is solid reform. The numbers show it; the people understand it; and the challengers want it. But many in this body still do not get it.

If those who oppose this bill are not convinced by my arguments, I hope they will listen to the Republicans who are not currently in office. During consideration of last year's bill, 32 Republican challengers urged then President Bush to sign this bill into law. They understand it. It does not matter whether you are Democrat or Republican; if someone new is trying to break into politics, you know what it is like to be up against incumbents with huge financial warchests.

Seventeen Republican alumni, former Members of the House and Senate, also supported the bill. Further, the majority of House Republican challengers, the majority of those Republicans running for the House in 1992, 102 of 189 Republicans who were running last time, publicly supported a bill that contains spending limits and public campaign resources.

So to say that this is a partisan bill because many of the incumbents on the other side of the aisle oppose it is not true. Those people who do not have a voice here right now because they did not get here—we did not get many of them, whether Democrats or Republicans, because they could not raise as much money as those of us already here—they spoke. And the Republicans, 102 of the Republican challengers in the House, said, "Pass a bill like this."

This is not a partisan bill. It does not seek to be a partisan bill. The aim here is not to create a partisan atmosphere, but to demonstrate it should be bipartisan. This is not a Democratic problem or a Republican problem; it is an American problem. I have worked hard to incorporate suggestions from both sides of the aisle. Several Senators, including Senator DANFORTH, proposed the broadcast voucher system we included. We have longer spots, not 30-second attack spots, and we have to have people assume responsibility for the ads I just described.

Many Republican Senators have targeted the cost of campaigns as a goal of true reform, and through our reduced mailing and broadcast rates, we have incorporated their concerns. In fact, it was former Senator Rudman, a Republican, who convinced me we should not allow candidates to receive the lowest unit broadcast rate; but they should be able to buy a certain amount at half that rate.

I continue to welcome suggestions of both Democrats and Republican Senators to help improve this bill.

I think that my colleagues on both sides of the aisle know that while I have been a Member of the Senate, I have not been one that would be classified as overly partisan. In fact, Madam President, I suppose, although I am handling the President's bill on the floor today on this subject, that if you went down and asked some people around the White House this morning, in light of my budget proposals yesterday, which were bipartisan, which were joined in by some Republicans, there might be some Democrats who do not think I am partisan enough sometimes.

There is not a bill designed to seek some partisan advantage. This is a fair bill. We have been meeting with several Members from across the aisle who have some legitimate concerns with this bill and want to make sure it is fair. We want to make sure that we reduce special-interest influence as much as we can. We want to make sure that we do not give an advantage, whether it is to corporations or labor unions or others, to influence the system. We are willing to work on that.

We are making great progress and I am very encouraged that, in the letter which they wrote to me, they indicated that they were not opposed to the concept of spending limits. That is very important because as long as there are those who say they want reform but no spending limits, there is really not much to talk about, as I have already said, because that is the heart of the reform. There are several Republicans who do not take that position, and I am very, very optimistic that we are going to be able to reach an agreement and that we will be able to have sufficient votes and we will have some from both sides of the aisle to pass this legislation into law.

So I extend my hand, again, to those on the other side of the aisle who want true reform, and I say to them we are willing to listen to your suggestions to improve this bill and make it a better bill. It is our best effort. It is the President's best effort. We have worked hard on it. He has worked hard on it. But we would never claim it is perfect. That is one of the great things about the legislative process, people come in and they think about things you have not thought about yourself and other situations you may not have envisioned and they say, "We have a better idea. Let us make it a better bill."

We are open to that, Madam President. There are concerns even in our own caucus to how we can improve this bill and make it fairer. The distinguished Presiding Officer has given me some ideas how we can make this a fairer bill, and we are going to listen. We are open to suggestions. We want to make it a better bill. We want to make it fair. Above all, we want to make it a bill to open access to the political process for more people to be able to run, become a part of the political process, help us solve the problems of the country.

Madam President, sometimes within the cozy confines of this Chamber it is easy to lose sight of who we work for, and to forget what their expectations are. Let there be no mistake: the people of this country—Republicans, Democrats, Independents, people who have never voted, people who have always voted—are watching. They will, and should, hold us responsible. We can, and must, meet the challenge they have given us. We must merit their confidence once again.

I thank the Chair, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PRYOR. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PRYOR. Madam President, I ask unanimous consent I may speak as in morning business. I do not think I will be much over 5 or 6 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Arkansas is recognized.

Mr. PRYOR. I thank the Chair.

(The remarks of Mr. PRYOR pertaining to the introduction of S. 1007 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

MORNING BUSINESS

Mr. PELL. Madam President, I ask unanimous consent that there now be a period for morning business, with Senators permitted to speak herein.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUPPORT FOR ROBERTA ACHTENBERG

Mr. PELL. Madam President, the President has nominated Roberta Achtenberg to be Assistant Secretary for Fair Housing and Equal Opportunity. I plan to support her nomination for several reasons.

In my view, Ms. Achtenberg is qualified to hold this position. She has been a civil rights attorney, a law school dean, and an elected member of the San Francisco Board of Supervisors. She also has the endorsement of those who know her best, including Senator BOXER and Senator FEINSTEIN.

In addition, it has been a long held practice of mine to accede to the wishes of a President in selecting candidates to fill positions within the Government. I have followed this custom no matter what the political party of the President and have only departed from this practice under exceptional circumstances.

Finally, I have a personal reason for supporting this nomination. My daughter Julia is the president of the Rhode Island Alliance for Gay and Lesbian Civil Rights. I would not want to see her barred from a Government job because of her orientation. I believe we should strive to let simple standards of fairness and equal treatment be our guide in examining all nominees that come before us. I know I would want to see my daughter treated fairly if she were the nominee before us today.

Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. RIEGLE. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ACCEPT AND TOLERATE DIVERSITY

Mr. RIEGLE. Madam President, I want to take note of the remarks of the Senator from Rhode Island [Mr. PELL] who is still on the floor, in terms of a moment ago indicating his support for Roberta Achtenberg to be an Assistant Secretary over at the Department of Housing and Urban Development.

I appreciate his support for the nomination, which was reported out of our committee favorably on a bipartisan basis, a majority of members of both parties, 14 to 4, based on her exceptional qualifications for this job. But I also appreciated the Senator's comments with respect to judging people on their professional qualifications and avoiding and setting aside some of what we have seen in terms of targeting individuals or targeting groups for some kind of screening out from Government service or creating a barrier to their participating fully in our society.

I want to thank him for his comments, and I want to say that this whole country is founded with the idea in mind that we want to put an end to discrimination and intolerance against individuals and against groups in our society, whatever the basis. We have seen it practiced today in terms of racial discrimination, gender discrimination, sexual orientation, ethics discrimination many times, and there is no room for any of it in our society.

What we hold out as a vision for our country is that we can look at people on an equal footing across our society and see in people the ability to serve. The burden of citizenship, which falls on all of us in our society, is not only to participate as citizens and to vote occasionally, but also to step forward in capacities of public service. So we want all citizens to feel both the responsibility and the great privilege of being able to come forward and participate in our system of government. So all people need be welcomed and nonbranded or in some way, by means of some discriminatory assignment, be told that somehow or another they are less than everyone else or unwelcome in the service of our Government.

I want to just finally say, I think the country has really had it with the intolerance. We had a big burst of that in the last Presidential campaign. In fact, the convention, I would say, of the other party featured a lot of that. There has been great commentary about it, not just from those of us in my party, but from people in the Republican Party who were deeply troubled by aspects of that national convention which seemed to be lashing out at certain people in the country and ridiculing them, branding them, and displaying a kind of intolerance toward people in terms of their attitudes or views or how they might live their personal lives in a way that I think most people in the country found highly offensive because, if you are going to start targeting individuals or groups, that practice, as the Senator now in the chair, the Senator from Illinois [Ms. MOSELEY-BRAUN] said the other day, when that kind of conduct gets loose and starts moving around, many people end up getting targeted. In fact, the whole concept of our country, in effect, gets targeted if we allow that to happen.

So we cannot, I think, entertain the notion that people ought to be denied service in our Government in important capacities where they are fully equipped by professional background and training and motivation and skill to serve by virtue of some test that one or another person might apply based on their personal orientation or values. Our country was set up to accept and to tolerate diversity and to not allow anybody, in or out of the Senate, to lay down some iron test based on their own personal views that therefore have to apply to everybody else in society. Just the reverse. We set the country up to get away from that. We do not believe in that kind of dictatorial approach from the top down where one group or one individual can somehow dictate to everybody else how they ought to live their own personal lives.

We have seen it in a lot of areas. We do not just see it with respect to this nomination in this context. It arises in this context, but we have seen it in other instances where there has been an attempt, I think, with other legislative matters to try to cut in, to have Government cut into peoples' personal lives and tell them what they can and cannot do in areas that should be reserved for personal decision. We see that with respect to, I think, a woman's right to choose and to control her own body. We have seen over a period of time efforts by some to interfere in that area as well and to sort of inject Government in and somehow impose a Government standard based on the private views of one or another individual or some other group that may have power in Government at a particular time.

I think that kind of an approach the American people, as I say, reject. I think when they saw that coming out of that national convention just a few months ago, it was very troubling and people were turned off because they do not accept that and they do not want to see that done, where we polarize, divide, and target people and by means of some arbitrary test discriminate against somebody and to somehow suggest that they are less worthy than anybody else and perhaps in this case even suggest that that is a barrier to service in Government.

It cannot be. It should not be. It is very important we understand what is at stake here on a broader plane, not just this nomination that Senator PELL from Rhode Island has addressed but to the broader issue of tolerance and equity within our society, generally.

U.S. TRADE DEFICIT

Mr. RIEGLE. Mr. President, I wish to speak to an issue very much in the news. I have here a copy of yesterday's Wall Street Journal. I want to make reference to two articles that address the trade crisis that we are suffering in this country. We have a terrible trade deficit. It has been going on for many years, getting much worse this year from just last year, though last year was very bad, and we are losing millions of needed jobs in this country because of persistent patterns of difficulty including unfair trade patterns that we see in our relationships with other countries.

The other article that I wish to refer to on page A2 of the Wall Street Journal has the headline "Trade Gap Grew to $10.21 Billion During March. Deficit Hit 4-Year High; Total Is Likely To Lower Figure for U.S. Growth."

I will ask unanimous consent that this and another article I will refer to in a minute be made a part of the RECORD at the end of my remarks and simply say that if you imagine what this article points out—that in the month of March just completed, now that the figures are in, the United States had a trade deficit in that 31-day period of over $10 billion. That means $10 billion net was drained out of this country and sent to foreign countries, and, of course, the jobs that are attached to that activity also were lost overseas.

It is being said now, because the trade deficit is so large, people are feeling they are going to have to revise down the first quarter growth numbers because of the damage that is being done to the American economy and the higher level of unemployment that this creates.

Half of this deficit, over half, is with Japan. Japan has a well-established pattern of what I call trade cheating, where they prevent access to our products in their market, particularly cars and auto parts, which are about half of the problem we have with Japan, but in a number of other areas as well. And as a result, great damage has been done to our economy.

Since 1980, Japan has taken over $500 billion, over half a trillion dollars, out of the United States in terms of a trade surplus in their favor, leaving a deficit, of course, of great damage to us.

Of course, now they are saying they really cannot do anything about it. In fact, it is getting worse, not better. The March numbers are an illustration of that; over $5 billion was drained out of this economy in 31 days and sent to Japan. It is an unconscionable pattern.

I appreciate the fact that the Clinton administration is confronting it, directly, bluntly. There was nothing done over the last 12 years of Reagan and Bush except to be very supine and make the United States into a doormat for the unfair trade practices of Japan, and it cost us, as I say, over half a trillion dollars just in net deficit to Japan since 1980.

It was not surprising to me to see that the Japanese were very quick to invite former President Reagan, after he left the White House, to come right on over to Japan and make a speech over there, for which he was very handsomely paid. The reported numbers in the newspapers were that he was paid $2 million to go over there and give a couple of speeches—not surprising given how weak our Government was in confronting Japanese trade abuse during the years of 1980 to 1988, during the two 4-year terms of that Presidency.

I wish to cite now the second article which also relates to the trade problem. In some respects this is even more disturbing because this looks to the future where now we do not have a strategy in place such as we do with the new harder line that the administration has taken toward Japan on the trade issue.

This one deals with the proposed free-trade agreement with Mexico. There is a stunning story here on the back of the front section of the Wall Street Journal. It ought to be required reading for every person in this country who cares about the economic future and about the job base of America.

The headline is: "Mexico Mounts a Massive Lobbying Campaign To Sell North America Trade Accord in the United States."

As you read this article, there is a listing here of all of the hired guns in this town, all the lobbyists for hire, many of them former top trade officials in our Government who have been hired by the Mexican Government to do an inside job, to grease the skids, to try to put this free-trade agreement with Mexico through the House and through the Senate. It lays out in great detail what their strategy is.

They are spending countless millions of dollars doing this. They hired a former trade ambassador of our Government, if you could imagine that, a top trade official during the Reagan-Bush period has been hired by the Mexican Government as an agent for them to ram this thing through here. And it lists all of the other people—not all of them but a large number of them here in Washington—who have been hired to go and do this job for the Mexican Government.

That is why you are seeing such a propaganda barrage on this issue, because it is very carefully engineered. A lot of money is being made to pump out all the propaganda to make this thing look like it is a good deal for the United States when it is not.

I might just cite in that regard, the New York Times, which is editorializing in favor of the NAFTA, just the other day ran a 9-page advertising supplement, a paid advertising supplement by those supporting the free-trade agreement with NAFTA. It was reported—I do not know if these numbers are right, so I add that condition—it was reported that that advertising supplement cost $475,000. That is a pretty good revenue item for the New York Times, which is a private business, a profitmaking business.

So you can see that there is a lot of money out there behind this operation. In fact, if you are selling advertisements in national newspapers, you apparently can earn a lot of money. You can sell a lot of advertising space if you are willing to go ahead and do so, as was done in that case. But it is part and parcel of this kind of a campaign that we see.

I urge people to read this because I think, when you read it, your blood pressure is going to go up, up, up.

The other day we had Ross Rerot before the Senate Banking Committee to testify on the NAFTA agreement. Here he is, as a Texan businessman. You do not have to agree with each and every view he expresses, but on this issue he is exactly right. This issue is going to be a major job loser for the United States and already has been.

Just in the industry I am most familiar with, the automobile industry, Ford, Chrysler, and GM already have over 70 plants in Mexico and this free-trade agreement with Mexico is designed to make investments down there more attractive, more attractive. In fact, most of the safeguards built into this treaty are to safeguard investment in Mexico. So it is going to make it easier for companies to go down there.

As a matter of fact, the Mexican Government actually formed a fund through some Wall Street connections to create a pool of money to come in and target businesses in the United States that could be purchased, closed down, the operations moved to Mexico, where dollar-an-hour labor is available to run those operations in order to increase the profit margins, and in a period of 2 or 3 years after the move be able to sell those companies off at a much higher dollar value. It is sort of the leveraged buyout strategy of the 1990's, but it is coming in under the umbrella of this proposed free-trade agreement with Mexico.

Ross Perot came in with a well-documented study as to the terms that are being targeted in each of the 50 States that fall into this particular category. I have sent a letter to every Senator indicating the number of those kinds of companies in his or her State that are in that bull's eye, to be purchased and taken over and moved to Mexico, and the jobs that are likely to be lost in each of the 50 States as a result of it. That is just part of the problem.

So I appreciate the fact that on this issue, Mr. Perot, who is a Texas businessman, who is down there adjacent to Mexico, and I think understands this issue, has blown the whistle on it. It is a very important act of leadership, and it is one that I strongly support.

So people are going to have wake up on this issue. Despite all of this propaganda barrage that is being paid for, as this story in the Wall Street Journal points out, in the big advertising supplement, 9-page advertising supplement in the New York Times, designed to create a drumbeat that says: Oh, let us go ahead and do this. The bottom line is if you want jobs in this country, if you want jobs at a decent wage level, high value-added work that can support a family and that can carry with it the health care coverage, to enable a worker to accumulate a pension over worklife, then these jobs have to be kept in the United States of America.

If we are not going to keep them here, then our young people and others losing their jobs, whatever age, who are out in the job market are not going to find replacement jobs. People coming out of the defense industry, where we are seeing all the cutbacks, are not going to find jobs in America. They are not finding them now.

More and more, if you read the newspapers, there are stories this week about college graduates coming out this year—there was another story in the national newspapers within the last week saying that this is the worst period of job prospect for graduates coming out of college that anybody has seen in years and years.

So what are the college graduates doing, those who have worked hard, sacrificed, their families have sacrificed so they could go ahead and get their education, many coming out with large student loans that they have to pay off, very anxious to go to work to apply the training that they have received, many of them, a very large number, cannot find any work? In fact, they are going home to be with their parents again at the very time they should be going out on their own and want to go out on their own, because there are not enough jobs.

So the question is how many more jobs do we want to send to Mexico? Should we send another million jobs to Mexico so people on Wall Street can make a fortune and so a handful of companies can fatten their profit margins and report higher earnings for the shareholders?

Somebody is going to have to be able to work in this country to provide the national standard of living. If we are ever going to close this Federal budget deficit, we are going to do it by getting people to work.

The unemployment rate in this country today is 7 percent. In Japan, it is only 2½ percent. Imagine that. And the Japanese are concerned that their unemployment rate is as high as it is at 2½ percent. They just announced that they are going to have a stimulus program, a job-building program in Japan this year of $114 billion because they want to get more of their people to work. Bill Clinton, to his credit, asked for a jobs program for the United States of $16.3 billion. Imagine that—$16.3 billion versus $114 billion that the Japanese have announced they are going to spend.

As a matter of fact, that was turned down. We had a filibuster on this side of the aisle saying no, we are not going to have any problem to stimulate jobs for summer youth and for others in the private sector. And so that bill was killed.

But here the Japanese now are going to spend $114 billion, and over the course of a year half the money to pay for their stimulus program is going to come out of their trade surplus with us.

So we are shipping jobs to Japan, increasing their income. They are using the money to make their economy even stronger, and we are seeing jobs disappear. And we do not even have a response in place to try to do something to try to put some job lift into our own economy.

(Mr. KERREY assumed the chair.)

Mr. RIEGLE. It is no wonder people in the country are frustrated and wonder what is going on here. But the kind of gridlock that we have seen in the past, the kind of unwillingness to face up to the problems of the erosion of the jobs base are at the heart of this problem.

So I again say this trade data for March is very alarming. It shows that the country is in real danger in this area of our national performance. The story of this back page here about all the money that the Mexican Government is spending for all the hired guns, the lobbyists here in Washington, including former trade officials out of our own Government, to ram this free trade agreement with Mexico down our throat is going to do that much more damage.

I urge my colleagues to read this. I urge the American people to take a hard look at it because it is your future that is on the line. There is a sellout going on at the job base of America. Until we face it, and stop it, things are not going to get better in this country.

Mr. President, I have concluded my remarks. I ask unanimous consent that the articles I referred to earlier be included in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, May 20, 1993]

TRADE GAP GREW TO $10.21 BILLION DURING MARCH

(By Lucinda Harper)

WASHINGTON.—The U.S. trade deficit deteriorated to $10.21 billion in March, the Commerce Department said, the widest gap in nearly four years.

February's deficit was $7.91 billion.

Although analysts said such a large trade imbalance isn't likely to repeat itself, the March numbers are likely to lower the department's estimate for total economic growth in the first quarter. The initial estimate was already a paltry 1.8 percent annual rate, but analysts said that when the government releases its first revision of the numbers next week the growth rate will probably be much closer to 1 percent.

The poor trade showing was the result of a surge in imports, which analysts say can't be sustained. Imports grew by $4.37 billion to $49.20 billion after falling in February. "There is no evidence that there is such a strong level of consumer demand out there," said Bruce Steinberg, senior economist for Merrill Lynch & Co. in New York. "A lot of those imports are probably sitting on retail and wholesale shelves now."

REGIONAL TRADE BALANCES

U.S. merchandise trade balances by region, in billions of U.S. dollars, not seasonally adjusted.

	Mar. 1993	Feb. 1993	Mar. 1992
Japan	−$5.26	−$4.13	−$4.07
Canada	−0.64	−0.91	−0.37
Western Europe	+0.44	+1.42	+2.32
Mexico	+0.30	+0.32	+0.58
NICs[1]	−0.97	−0.41	−0.75

[1] Newly industrialized countries: Singapore, Hong Kong, Taiwan, South Korea.

Source: Commerce Department.

Analysts supposed that last fall, when orders were being placed for spring, business leaders were more optimistic about the pending health of the economy. The big jump in imports during March was concentrated in consumer goods, excluding automobiles, and industrial materials.

Exports also grew in March at a pace, analysts said was a "blip" and wouldn't be continued because of the fundamental economic weakness of many U.S. trading partners. The U.S. sold $39 billion of goods abroad in March, $2.04 billion more than it did the month before, concentrated mainly in capital goods, industrial supplies and consumer goods.

"From these numbers we shouldn't think that all of a sudden there's been a great deterioration in U.S. competitiveness. In the coming months, the trade gap will move back to $7.5 billion," Mr. Steinberg said.

The deficit with Japan and the U.S. surplus with Western Europe both worsened significantly in March. The deficit in Japan widened to $5.26 billion from $4.13 billion and the surplus with Western Europe narrowed to $437 million from $1.42 billion the month before. After Japan, the second largest trade deficit the U.S. held was with China. The Clinton administration must soon decide whether to continue providing that country with low tariffs or revoke them because of human rights violations.

When the trade figures were first released yesterday, Commerce Secretary Ronald Brown issued a statement saying that one of the ways the big trade imbalance with Japan should be corrected is by "market-driven exchange rate corrections." News of that in the markets caused the dollar to plunge against the yen in foreign exchange markets. Later, a Commerce Department spokesman said that Mr. Brown's statement wasn't a suggestion that the U.S. is developing a policy of foreign exchange manipulation. After that statement, the dollar went back up.

[From the Wall Street Journal, May 20, 1993]

MEXICO MOUNTS A MASSIVE LOBBYING CAMPAIGN TO SELL NORTH AMERICAN TRADE ACCORD IN UNITED STATES

(By Bob Davis)

WASHINGTON.—Critics of the North American Free Trade Agreement charge that under the trade accord, Mexico will snatch U.S. jobs. But Mexico has already set off a boom in at least one U.S. industry: lobbying.

Mexico is bankrolling a nationwide campaign to sell the trade accord, and Mexico, to Americans. Crafting and carrying out the campaign is an impressive lineup of political heavyweights including former U.S. Trade Representative William Brock; Toney Anaya and Jerry Apodaca, past governors of New Mexico; former Commerce Department trade chief Robert Herzstein; and retired Navy Secretary Edward Hidalgo.

According to Justice Department records, Mexico's government and business interests have hired no fewer than 24 lobbying, public relations and law firms to negotiate and promote the trade pact, at an annual cost of about $15 million. The campaign has been in high gear since 1991, and may run up a total tab of $45 million by the end of this year.

IMAGE PROBLEM

Charles Lewis, executive director of the Center for Public Integrity, which tracks lobbying, says the effort may be the single biggest foreign lobbying campaign ever. "With Mexico hiring a large number of former officials," he says, "it can look like they're trying to buy the treaty."

And that's the problem. Trade pact supporters are beginning to worry that the blitz could backfire by creating the impression that the trade accord is more in Mexico's interest than in the U.S.'s. For his part, Ross Perot, a tireless adversary of the accord, recently lectured a Senate committee, "Never forget the huge lobbying effort that Mexico is making."

If the foreign lobbying, rather than the merits of the trade accord, capture the limelight, "it could be a disaster," warns Henry Freeman, who lobbies on trade issues for big U.S. companies. Meanwhile, U.S. supporters of the accord, including the Clinton administration, have been less well-organized. And U.S. opponents, led by labor unions and environmental groups, are making an impact by arguing that the pact would cost U.S. jobs and undermine environmental standards.

The accord would phase out tariffs among the U.S., Canada and Mexico over 15 years. Many economists project all three countries would gain from the accord, but Mexico should gain the most because the pact guarantees continued access to the huge U.S. market and encourages investment south of the border.

THE POWER CORRIDOR

Herman von Bertrab, an urbane Mexican businessman who runs the Mexican Embassy's operations in support of the accord, arranges to work the power corridors in Washington while at the same time building a pro-accord Hispanic bloc around the country. U.S. public relations firms help to line up speaking engagements for Mexican officials throughout the U.S., the law firms analyze specifics in the trade deal and its various side agreements, and the former government officials map the larger strategy. Congressional lobbyists work Capitol Hill.

Is Mexico overdoing it? Mr. von Bertrab doesn't think so. "We gained an understanding of how this system worked," he says. "Lobbyists are a necessary evil in the U.S."

Every Monday, Mexico's five main congressional lobbying firms meet at Mr. von Bertrab's office to divvy up work. Joseph O'Neill, a former Senate aide to Treasury Secretary Lloyd Bentsen, and Gabriel Guerra-Mondragon, who was a Clinton transition official, focus on the Democrats. The firms led by former Nixon Treasury Department aide Charis Walker and former GOP Senate aid Howard Liebengood concentrate on Republicans. To bolster links to Democrats after the election, the Mexicans just hired Christopher "Kip" O'Neill, the son of former House Speaker Thomas P. "Tip" O'Neill. Another current goal is to build contacts with the 110 new House members, many of whom campaigned against the trade accord.

The lobbyists are nothing if not persistent. In the first half of last year, for example, one Mexican lobbyist, former Rep. William Ratchford, conferred 15 times with John Scheibel, an aide to Rep. Sam Gejdenson, a

Connecticut Democrat who heads a trade subcommittee, Justice Department records show. But Mr. Ratchford is no longer lobbying on the issue. Instead, he's taken a job in the Clinton administration as lobbyist for the General Services Administration.

Indeed, Mexico has become so taken with U.S.-style lobbying that a Mexican business alliance, called Coece, paid a former U.S. trade official, Tim Bennett, to lobby Mexico's negotiators during negotiations with the U.S. on the accord. Three years before signing up with Coece, Mr. Bennett was the U.S. trade representative's chief Mexico negotiator.

Mexico has appointed four former U.S. officials as senior advisers to work out strategy: Mr. Brock, the former U.S. trade representative who also has been a U.S. senator and chairman of the Republican National Committee; Mr. Herzstein, the Commerce trade official who is now a partner in the Mexican's main law firm, Shearman & Sterling; Mr. Walker, the former Treasury aide; and Thomas Bell, a Senate aide to Mr. Brock who now is a senior official at Mexico's main public relations firm, Burson-Marsteller.

Mexican officials expect these wise men to tell them what to do about Mr. Perot's attacks on the accord and lobbyists. "Should we counterattack or just let it go?" frets one Mexican trade official. Keep cool, Mr. Brock counsels, "you can't respond to single individuals or single groups." Instead, he says, Mexico must show skeptical Americans it has "put its house in order" and is run by a "market-oriented, open-minded team of people."

To that end, Coece estimates it has treated 76 congressional aides to Mexican junkets to meet with government and business leaders. Other Mexican lobbyists have arranged tours for lawmakers and U.S. business officials. That's helped to erase Mexico's image as a "somnolent, slow-moving burrito-ville," says Mr. Bennett, the Coece lobbyist.

LACKLUSTER U.S. EFFORT

Compared with Mexico's lobbying drive, U.S. business efforts seem lackluster. Members of the Business Roundtable have raised about $2 million and set up a group called USA-Nafta, which claims 1,300 members, many of them small and medium-size businesses, but that number overstates the group's strength. To join USA-Nafta, companies simply fill out a form; no money or effort is required. "You can't expect a gun-blazing, 50-state effort at this point," says Sandra Masur, a trade official at Eastman Kodak Co. who heads USA-Nafta.

Democratic Sen. Bill Bradley of New Jersey, a staunch supporter of the accord, recently sent out a letter on USA-Nafta stationery asking companies to "let me know that you are willing to make the accord a high priority." If a vote on the pact were held today, he warned, "We would lose."

Anatomy of a Nafta Campaign

Mexico's annual spending to negotiate and sell Nafta

Congressional lobbying	$1,410,000
Walker/Free Assoc.	510,000
Guerra and Assoc.	360,000
Gold and Liebengood	240,000
Joseph O'Neill	300,000
O'Neill & Athey[1]	—
Trade strategy	480,000
Brock Group	360,000
Manchester Trade	120,000
Public relations, lobbying	4,160,000
Burson-Marsteller	3,260,000
Daniel J. Edelman[2]	900,000
Business lobbying	720,000
COECE	350,000
SJS Advanced Strategies	240,000
Brownstein, Zeidman & Lore	70,000
Thomas J. Scanlon	60,000
Legal trade strategy	7,400,000
Shearman & Sterling	4,200,000
Cleary, Golibeb, Steen & Hamilton[3]	3,200,000
Raising public support	1,450,000
Prominent Hispanics:	
Toney Anaya	260,000
Abelardo Valdez	200,000
Edward Hidalgo	160,000
Grass roots:	
Moya, Villanueva & Assoc.	270,000
Campos Communications	260,000
Apodaca, Sosa & Assoc.	170,000
Pantin Partnership	130,000
Other efforts	270,000
Solar & Ellis	220,000
Kathleen Ann Griffith	50,000
Total	15,890,000

[1] No filing at Justice.

[2] Amount includes non-Nafta promotional work for Mexican Investment Board.

[3] Amount includes non-Nafta work for Mexican Finance Ministry.

Source: Justice Department records (Either contracts or payments to firms)

Meanwhile, the Mexican lobby seems pervasive. Mr. Anaya, a former New Mexico governor, who's a friend of Jesse Jackson, tries to woo unionists and environmentalists. Mr. Apodaca another former New Mexico governor, sets up seminars with Hispanic groups. Former Navy Secretary Hidalgo meets with mainstream Hispanic groups. Hispanic public relations firms in Florida, Texas and California are hired to burnish Mexico's image there. Leslie Pantin, who runs the Miami operations, says he is organizing a trip to Mexico next month for 60 Florida government and business leaders, including Gov. Lawton Chiles. Rodney Ellis, a black Texas lawmaker and former House aide, is hired to make overtures to blacks, including trips to Mexico for black leaders such as Agriculture Secretary Mike Espy.

Indeed, no opportunity for influence seems too remote for Mexico's legion of lobbyists. Kathleen Ann Griffith, a trade accord lobbyist paid to woo environmentalists, even published a pro-accord piece in the University of California's Journal of Environment and Development, with a circulation of 1,500.

Mr. RIEGLE. I think if there are no other speakers that are coming, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CAMPAIGN FINANCE REFORM

Mr. DOLE. Mr. President, I know we have been discussing campaign finance reform earlier this morning. I will make a few comments today.

I have known there has been discussion of campaign finance reform which is very, very important earlier this morning. I would like to make a few comments today and make other comments later in the next week or so.

We have been around this track so often it seems that the dust never settles. We have debated, negotiated, cajoled, and debated some more.

We have had hundreds of votes, a Presidential veto, a failed attempt at a veto override, and hours and hours of hearings.

The majority leader, Senator MITCHELL, and I even sought help from outside the Senate, appointing a six-member bipartisan panel of experts to take a fresh look at the issue. I subsequently introduced the reform bill based on the panel's recommendations.

And, now, after years of partisan haggling, we find ourselves at the starting line once again, giving new meaning to the term "running in place."

Mr. President, despite the partisan deadlock, I still have not given up hope on finding the common ground that will guarantee a Rose Garden signing ceremony.

No doubt about it; Democrats and Republicans could come together to pass a reform bill in a few days if we could only muster the political will and check our egos at the door.

Yes, I suspect some of my Democrat colleagues in the House may be silently hoping for a Republican filibuster. That may be true here in the Senate also, because some like the system the way it is, and some hope to keep it that way. They are counting on Republicans because the bill is obviously tilted against us to try to keep it that way.

Certainly it is not our intention to filibuster this bill, and may be our last only option, and the option of last resort.

My colleagues on the other side of the aisle should know by now that it takes two to tango. And the Republicans will not back down from our core principles, and nor will we be bashful about our own Republican proposals for reform.

Here is what the Republican plan would do. It would ban political action committees outright; ban the practice of bundling contributions, where you can have somebody pick up a lot of collection for you, put them in a little bundle and say "Here is a campaign contribution."

We prohibit franked mass mailing during an election year. I can say that my colleague and I, Senator KASSEBAUM and I, stopped mailing out newsletters 4 or 5 years ago to our State of Kansas. Nobody objected. We saved the taxpayers hundreds of thousands of dollars by not sending out these self-serving newsletters and other franked mass mailings. We do not send them out, election or not. There would be no mailings during an election year.

We restrict all soft money, not just party soft money. We put a premium on in-State financing by lowering the out-of-State contribution limit to $500. We put a premium on raising money in your own States. After all, we come from different States and most people think we probably raise most of the money in those States. That is not the case. It would encourage Members to go back to their own States to raise the bulk of their money. We would put a limit on how much you could raise outside the State. In other words, we try to limit the source, by banning PAC's and limiting how much you can raise, say, if I am from Kansas, how much I can raise in New York, Illinois, or any other State.

We would also improve political competition by allowing the parties to give early seed money to viable challengers. We can do all of this without asking the taxpayers to contribute a single dime.

I am pleased to see that my Democratic colleagues have decided to follow the Republican lead with the complete ban on PAC's.

Mr. President, the administration plan is not a bargain by any measure. It will not take effect until January 1, 1995, giving incumbents a free pass in 1994.

I wonder why we are the floor. We had a hearing on Wednesday. Here it is Friday. Here is a bill that does not even take effect—it says 1995, it is really applying to the 1996 races.

Why are we here? Why are not we trying to work out some compromise? This bill should not be on the floor at all in my view. Of course the majority leader has the right to bring it up. We did not object to bringing it up. There are a lot of reasons it should not be on the floor today. It applies a different rule for the House and the Senate. For all in Congress, why do not we all have the same rules?

We are all in Congress. Why do we not all have the same rules? We should have the same rules.

It establishes inflexible spending limits that will make politics even less competitive, giving incumbents another leg up over pesky challengers.

It does not touch the millions in labor union soft money that gets pulled into the campaign finance each year, almost exclusively, about 98 percent, to Democrats.

And it raids the taxpayers' pockets again with the phony taxpayer financing scheme.

Mr. President, the American people are tired of the tax-and-spend smoke signals coming out of Washington. They want us to cut spending, cut the deficit, cut the waste in Washington, not establish a new entitlement program for politicians. That is precisely what the Democrat bill will do.

So, Madam President, I look forward to the debate. We look forward to protecting the American taxpayers from another Washington ripoff. And if my colleagues on the other side of the aisle are up to the challenge, I look forward to trying to find the opportunity to find the magic formula that will untie the Gordian knot of campaign finance reform.

It is not just Republicans who believes this bill flunks the truth-in-advertising test. An editorial that appeared in Roll Call magazine had it right when it said:

> President Clinton's campaign finance reform bill * * * is bad legislation that should be defeated. * * * The bill fails in what we believe should be its most important goal: making races more competitive. Instead, it contains significant incumbent-protection devices.

Incumbent protection disguised under the banner of reform—that is what this debate is all about.

Mr. President, I ask unanimous consent that the full text of the editorial be printed in the RECORD immediately after my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. DOLE. There are probably some in America who want a one-party system. And there are some editors who want a one-party system. I think of the editor of the New York Times, Mr. Raines. He likes a one-party system—all liberal Democrats, no conservative Democrats or no Republicans, period. That would be his ideal world. So he is beating us over the head because we will not support a plan to make it easier for Democrats to get elected. He did not get elected to anything the last time I checked. He got a lot of ink. I know you never win an argument with an editor, but we keep trying. Someone may be listening.

Then we have our good friend Al Hunt, a liberal writer for the Wall Street Journal. He likes the one-party system. As long as it is liberal, he does not care which party. It has to be liberal to satisfy Al Hunt. They adopt whatever the Democrats are for. Whatever the Democrats are for they are for. That is what they want. We do not have any ideas on this side, according to Mr. Hunt and Mr. Raines. We have not any reason to even debate this issue. Let the Democrats have it. We want more Democrats. We want more liberals. We want more people to raise your taxes and spend your money. That is what this so-called campaign finance reform bill is all about.

It should not be on the floor. It does not take effect for 2 years. There have to be other things we could be doing.

If we want to work out campaign finance reform, we ought to give some outside group, neither Democrat or Republican, the authority to come up with a package and then require that we accept it, and we accept it. There have to be enough people out there in a big country like ours that are not so party oriented they have to be so partisan.

Let us face it. The Democrats have the majority in Congress, and they are going to write this bill to improve their chances, and I say honestly, if we had the majority, we would do the same thing. That is the way it works.

So how are we going to get real campaign finance reform? We are going to have to find some people outside the system. Maybe they are Democrats, maybe they are Republicans, but they are experts in the system and they are fair and they are objective, and they will sit down and tell us what they think ought to happen.

As I said, I think we understand this. We tried it 3 or 4 years ago. Senator MITCHELL appointed three members from the outside and I appointed three. They came up with some very good ideas. The trouble is we did not like their ideas, or some of us did not like the ideas. Some Members did not like the ideas.

So I just suggest that this is sort of a con game now. We have Democrats cheering in the cloakroom that we will kill this bill. And I know on the House side, House Democrats say "All the Republicans will kill the bill; do not worry about it. We get all the labor money, most of the business money, and all the soft money." So everybody is counting on Republicans to kill this bill and say they were for campaign finance reform which perpetuates them in power. They do not say that. But the Republicans killed it.

Well, I hope that is not the case. If this campaign finance bill should fail, then I can say on this side of the aisle we are going to be prepared again and again and again and again to try to get real campaign finance reform completed.

For those who just cannot tolerate anything but a one-party system, then they ought to be for this bill. But if they want competition, if they do not want incumbents here forever, whether Democrats or Republican, they want to give those who can challenge us the better chance, then this is not the bill to do that. This is the Incumbent Protection Act of 1993—the Incumbent Protection Act of 1993—and for the first time we are going to dip into taxpayers' pockets to pick up part of our campaign expenses.

I confess to having been part of that system. You play by the rules around here, and when I ran for President—and I think maybe someone else in this room had the same experience—I received what they call Federal matching funds. That was back in 1987. This Senator is still waiting for the FEC to complete its audit, 5½ years later, to complete its audit. And had we been required to keep staff on board all that time, I do not know where we would have gotten the money. We did not have the money. I do not know what would have happened.

You have the Federal Election Commission, which is a big bureaucracy. They are still doing audits on the Presidential races that happened in 1987, 1988, 1991, and 1992, and there were not many Presidential candidates. If we are going to add 535 Members of Congress who get Federal funds, I am not certain how the FEC can get it done. They are going to have to have an office bigger than the Pentagon if we start public funding of all congressional races, because they cannot even complete the audits on seven, eight, or nine Presidential candidates, Republicans and Democrats.

I just hope that when we start looking at campaign reform, we will sit down together and maybe bring in someone from the outside, someone who everybody has confidence in, and try to figure out how we can do this so it does not advantage either party and, even more importantly, just incumbents at the expense of challengers.

So whatever happens in this debate—and probably what is going to happen is already a foregone conclusion—unless the Democrats, the majority party, is willing to make concessions, we cannot vote for this package, which means they cannot get cloture, which means the bill will be defeated, at least temporarily.

Let us not wait for that to happen, if in the view of this Senator there are still enough of us on both sides who will be objective enough to sit down and try to hammer out some meaningful campaign reform that is not an incumbent protection act and does not require Federal funding.

EXHIBIT 1

[From Roll Call, May 20, 1993]

EDITORIAL: A BAD BILL

While it contains a few good elements, on the whole, President Clinton's campaign finance reform bill, as it stands, is bad legislation that should be defeated.

The bill fails in what we believe should be its most important goal: making races more competitive. Instead, it contains significant incumbent-protection devices. First, it prevents challengers from outspending Members—even though Members get a big head start through franking money and other benefits of office. Second, it neutralizes the threat Members fear the most—a well-mounted independent-expenditure campaign or a rich challenger spending his or her own money. For example, if the NRA or NARAL throws $400,000 in independent expenditures against an incumbent, the Member gets $400,000 in free air time so he or she can counter it.

The bill also fails miserably in tackling the thorny question of where to find these public matching funds. The money will come both from a gimmicky tax checkoff and from ending the tax deductibility of lobbying expenses. This "lobby tax" is an outrageous abridgement of the right of the public to redress grievances. It will have almost no effect on large corporations and unions, but, by effectively raising the cost of such items as association dues and even rent, it will severely limit the ability of smaller groups to get their voices heard. A well-heeled individual (Ross Perot springs to mind) will still have no trouble spending his own money to come to Washington to speak with lawmakers.

The lobby tax proceeds from the notion that lobbyists are evil, that trying to influence legislation is abhorrent. In fact, we must remain the President that our country was founded on an entirely different principle. But if lobbying is evil, then it's only logical that the executive branch should disband its own enormous lobbying apparatus: Kiss Howard Paster and his White House operation goodbye and refuse to fund legislative liaisons in every federal department and agency and the armed services. The real aim of the lobby tax is to give politicians and bureaucrats free rein to work their will without pesky steelworkers or insurance agents bothering them. The tax—not to mention the ban on lobbyists making campaign donations—is a slap in the face to anyone who believes in the First Amendment.

Congress must fund this legislation honestly: with a direct tax on all individuals. If Americans really want a system based on matching funds, they should be willing to pay for it.

What's good about the campaign bill:

Provisions to strengthen the Federal Election Commission (see page 10)—especially long-advocated in these pages—prohibiting candidates from spending any money they receive from donors who do not fully identify themselves.

Anti-bundling rules. Bundling—the practice of a group collecting checks from individuals and then presenting them to a candidate to receive, in effect, "group credit"—is a clear violation of the spirit of PAC rules. Bundling organizations should simply register as PACs and abide by PAC limits.

As bad as this campaign bill is, there's a way to pass a good one. We'll explain in Monday's editorial.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

WHITE HOUSE TRAVEL OFFICE

Mr. DOLE. Mr. President, while the White House is trying to explain away President Clinton's runway haircut in Los Angeles, it looks like the truth is being trimmed in another hair-raising controversy, this one about the White House's abrupt firing of its travel office staff.

During the past two administrations—Republican administrations—we heard a lot of pious statements on the floor of the Senate, and in the media, about conflicts of interest, perception problems, appearances of impropriety, and sleaze. Well, as we find out more details about this breaking newsstory at the White House, the American people are asking questions, and they want answers to what they see as real conflicts of interest, real perception problems, real appearances of impropriety and, possibly, some real sleaze.

Yesterday, the ranking Republican on the Appropriations Subcommittee on Treasury, Postal Service and General Government, Senator KIT BOND of Missouri, sent a letter to President Clinton raising some tough questions about the firings, and asking for a copy of the travel office audit performed by Peat Marwick.

I ask unanimous consent that the text of that letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, May 20, 1993.

The PRESIDENT,
The White House, Washington, DC.

DEAR MR. PRESIDENT: As the ranking Republican on the Treasury, Postal Service and General Government Subcommittee on Appropriations which has jurisdiction over the White House budget, I would appreciate it very much if information concerning the recent firing of the entire White House travel office staff and selection of a Little Rock travel agency to replace it be provided to me.

Press reports indicate that on May 19, 1993 the White House summarily fired all seven employees from the travel office for "gross mismanagement". These alleged irregularities were discovered during an outside review done by the accounting firm of Peat Marwick. According to statements made by Press Secretary Dee Dee Myers while no allegations of personal misconduct are being made, "the White House held all seven responsible for the financial mismanagement".

While I certainly support your efforts to take action where mismanagement and fraud occur, I am concerned that these dismissals—occuring without any opportunity to allow the accused to defend themselves—does not seem fair. In addition, I am concerned that the audit which set these firings in motion is not available for us to review. The Washington Post reports that the reason the audit report is not available is that it is not complete, but if this is the case, I believe it is a fair question as to why were the individuals fired before the report is complete?

I would ask that the Peat Marwick review be made available to the Subcommittee as soon as possible, and would also request that salary levels, number of staff who will be taking over the responsibilities of the travel office, and the overall costs to the taxpayer of the new system also be provided. I must say I am concerned about a developing pattern of experienced public servants being fired to make room for young political appointees.

Finally, please give a detailed explanation of the decision to select a Little Rock, Arkansas travel agency to take over the White House travel duties. Thank you for your assistance.

Sincerely,

CHRISTOPHER S. BOND.

Mr. DOLE. As it turns out, the letter from Senator BOND was ahead of the curve, and fully anticipated the kind of disturbing information we are hearing today.

There are media reports that now suggest the firings were planned as long as 3 months ago, as part of a political coup at the nonpartisan White House travel office. It had never been done before. In a memorandum written by Catherine Cornelius, White House Assistant for Administration, David Watkins—a close friend of the President's from Arkansas—was urged to appoint Cornelius to run the travel office, replace the nonpolitical staff in the travel office with campaign staff, and establish a joint travel agency with the Democratic National Committee. All three partisan objectives were implemented earlier this week under the guise of what the White House called gross mismanagement in its travel office.

Then we were told about a Peat Marwick audit, and how it would expose all the mismanagement. Now it turns out there are questions about the audit itself. The Peat Marwick employee who supposedly conducted the audit was at the same time serving as an unpaid staff member to the Vice President's Government Review Task Force.

Mr. President, I do not know all the facts, and neither do the American people. But I do know that the White House has an obligation to get all the facts out, and get them out very quickly. At the very least, the reputations of the seven fired employees demand a fair, independent, and honest review. Next, we need to know if this audit was truly independent, was it actually ongoing before all this became public?

Unfortunately, Republicans are the minority party in both the Senate and House of Representatives—we cannot call hearings and put witnesses under oath. That has been going on in the past 12 years. If this was a Republican administration, and a so-called Republican perception problem, you can bet cameras would be setting up in the hearing room right now.

They probably would have already been there this morning and there would be hearings all week long about this terrible thing that has happened.

Well, when the Democrats have everything—the White House and the Congress—our options are fairly limited.

But I have faith in the American media. Let us get the facts. Maybe the travel staff should have been fired; maybe they should not have been fired. Maybe there was an audit; maybe there was not an audit. Maybe it was independent; maybe it was not independent.

But I urge the media to keep digging. So far, they have unearthed some interesting travel connections.

In that regard, I ask unanimous consent that a news report that just came over Reuters' wire be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CLINTON COUSIN PROPOSED CHANGES IN WHITE HOUSE TRAVEL OFFICE

(By Gene Gibbons)

WASHINGTON.—President Clinton's cousin proposed that the White House get rid of career employees of its travel office and put her in charge long before the workers were fired for alleged mismanagement, a memo she co-wrote shows.

The White House said Friday that the memo had no connection with the firings announced Wednesday and strongly denied that the dismissals were part of an effort to fill the executive branch with Clinton relatives and campaign cronies.

It said seven longtime travel office employees were dismissed after an independent audit found "gross mismanagement" of the office, which coordinates staff travel and books planes and hotels for the White House press.

That audit, the White House said, was part of a Clinton initiative to review the performance of the federal government to try to reduce costs and improve efficiency.

Catherine Cornelius, 25, a distant cousin of Clinton, and Clarissa Cerda, who works in the White House counsel's office, made the recommendations in a Feb. 15 memo that included a chart outlining where they should be placed in the new White House structure.

Copies of their memo were obtained by Reuters and CNN.

The memo also recommended that Worldwide Travel Inc., a Little Rock, Ark., travel agency, open branches in the White House and the Democratic National Committee. The agency handled much of Clinton's campaign travel last year with Cornelius as the liaison for the campaign.

This move, already taken by the White House, marks the first time that a private travel agency has been brought in to handle White House transportation. Officials said it was an interim move pending permanent competitive bidding.

The White House refused to make Cornelius available for comment.

Her boss, David Watkins, a Clinton friend from Arkansas and the White House administrator, played down the significance of her proposal.

"I did see a memo. I put it in a file and I never read it," Watkins said when asked about the document.

Watkins said he believed Cerda had given him the memo and that he told her: "This has a very low priority to me right now."

He said the memo "played absolutely no role" in the ouster of the seven career workers, who served at the pleasure of the president and have no civil service protection.

White House spokesman George Stephanopoulos said: "This memo had nothing to do with the decision. It had nothing to do—zero."

But some of the proposals made in the nine-page memo are part of—or at least similar to—the restructuring unveiled by the White House earlier this week. Cornelius and Cerda proposed:

—That they should be placed in charge as co-directors of the travel office. Cornelius has been named to coordinate White House travel operations, and Watkins said that she would probably be one of the office's three full-time employees;

—That six of the seven career employees who had worked in the White House for 10 to 30 years be replaced with Clinton campaign aides. All seven were dismissed;

—And that Worldwide Travel handle all official and political travel for the White House and the Democratic National Committee to "reduce in-house costs."

"The current operation costs more money to run than it should and could cost . . . It is decentralized and inefficient," the memo said.

"The current Travel and Telegraph Office seems to be complacent in its inefficiency and overly pro-press. Reorganization and centralization of the travel system in the White House would eliminate much of this inefficiency," it said.

In saying they should be put in charge, Cornelius and Cerda wrote that "recommended staff are more knowledgeable and familiar with the personalities involved as well as the system, thus allowing for better service."

White House officials have stopped short of accusing the seven fired employees of criminal wrongdoing, saying only that it appears some money is missing from the thousands of dollars that went through the office in arranging travel.

Spokesmen said the FBI was investigating.

Of the fired employees reached by the news media, all say they are victims of a smear campaign and deny wrongdoing.

"I have not stolen anybody's money. The guys in my office have not stolen anybody's money, and I feel bad for them, because their lives have been tarnished," said Billy Dale, fired as chief of the travel office.

Clinton has distanced himself from the flap, saying all he knew was that he was told there was "no alternative" to the firings.

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska is recognized.

Mr. STEVENS. Are we in morning business, Mr. President?

THe PRESIDING OFFICER. The Senate is conducting morning business.

IN SUPPORT OF THE COMPREHENSIVE FETAL ALCOHOL SYNDROME PREVENTION ACT

Mr. STEVENS. Mr. President, I indicated my support for the Comprehensive Fetal Alcohol Syndrome Prevention Act when the bill was introduced last week by the junior Senator from South Dakota.

Many of us here have been touched by the testimony of Michael Dorris in his book "The Broken Cord," and in particular his poignant tale of learning his adopted son was affected by the alcohol his natural mother drank during her pregnancy. Like the Senator from South Dakota, I also represent a State which has a disproportionate share of children born with fetal alcohol syndrome.

These children are often born into remote communities without the resources to deal with their medical demands, let alone educational and family resource needs.

Because of the network of data which exists in my State from the Indian Health Service in Alaska, there was some evidence of the depth of these symptoms which are classified as fetal alcohol syndrome (FAS); however, there was little information on fetal alcohol effect (FAE), or on its prevalence in the non-Native community. That made it difficult to plan a statewide initiative to address this problem in Alaska.

Southcentral Foundation, an Alaska Native nonprofit organization in Anchorage, came to me nearly 5 years ago with a proposal designed to address a perceived need at a time when few really knew what FAS was.

As a partnership with the Indian Health Service, it was designed to intervene with a few young Native women each year, to help them remain alcohol-free for the duration of their pregnancies, and to return them to their homes with a renewed commitment to remaining alcohol-free. This included a partnership with the Alaska Native Alcohol Recovery Center, so that the baby's father could obtain treatment and education at the same time.

Ours was the first of its kind, and I thank my friend, the senior Senator from West Virginia, for seeing its merits when it was still a raw concept. He provided his support for a feasibility study, and when it proved to be feasible, for support to establish such a center.

At the same time, our State legislature appropriated matching funds so both Native and non-Native women could be served by such a center. That allowed their younger children to be with them so there were no needless barriers to treatment. This program began serving clients last year as the Dena A Coy Center, an Athabascan name meaning "future generations," or "the people's grandchildren."

This process, although arduous, taught me that projects like these can have an impact. Part of what the program brought to my States was increased visibility of the program. Alaskans began to demand more information and education about this condition and its ramifications, which has meant more than $1 million in medical cost for each baby born with the syndrome. That is catastrophic to high FAS-rate States like Alaska, where the Indian Health Service absorbs these expenses with little visible outward sign. Most people do not even know it exists.

Recently I received an interim report prepared by a partnership between the Centers for Disease Control and Prevention, the Indian Health Service, and the State of Alaska. This report provided striking information that had not previously been available. Supplemental Security Income benefits for a person diagnosed with fetal alcohol syndrome or fetal alcohol effect, for instance, are projected at $1,750,000 over a period of 20 years. This neither addresses lifetime medical costs nor the costs to the school systems in providing specialized services for each of these babies born with FAS or FAE.

What has been more troubling to me is that these women who have given birth to an infant identified as FAS or FAE often have more than one infant with the condition. Since FAS and FAE are the most common causes of mental retardation, we have every incentive to try to save these children from conditions which are totally preventable.

Fetal alcohol syndrome has been portrayed as a Native problem, when it is much more widespread, solely because information has not been available in our State and Federal databases to show the true prevalence of the problem. In Alaska, there was literally no data on non-Native children, except anecdotal in pediatricians' medical records, until they were so identified through school-age assessment. Most of these children were identified as possibly mentally retarded, and were placed in classrooms with other developmentally delayed children.

I have met with education groups in Alaska; school board members and special education teachers began to talk about this set of behaviors for which they felt unprepared. The sheer numbers of these children in extremely small school districts were too difficult to handle, and they asked for additional resources. As I learned more about the problem, I discovered that these children had needs different from other developmentally delayed children, and that new resources were needed.

It is not enough, however, to simply devote our resources to treating or educating these children. I have long believed that prevention is the best approach. Education and public awareness serve an important role in ensuring that fewer children are born with this syndrome or effect.

The Comprehensive Fetal Alcohol Syndrome Prevention Act, which I have cosponsored, serves an important function through its four-part program, located at the Centers for Disease Control and Prevention, NIH, and Substance Abuse and Mental Health Administration. This four-part program seeks to apply epidemiologic research and prevention, FAS/FAE surveillance and prevention program assessment, education and public awareness, and diagnostic criteria for fetal alcohol effect.

I think we should all thank the Senator from South Dakota for his work in this area, which I know originated from his concern for the native people of his State, as mine did with the Alaska Native people. I want to state, however, that this research cannot be the only mechanism for attacking the problem, because it will take some time to implement, and we may not have time. We face the awful possibility that we may lose an entire generation while we wait to find the best way to prevent FAS and FAE.

My message to the Senate is a simple one. We need to stimulate what I call the Mukluk telegraph. Few people know what the Mukluk telegraph is. I see the occupant of the chair smiling. It really is the concept of word-of-mouth communication in our State. Alaskan people know what the Mukluk telegraph is.

More people should be talking about what FAS is, and how important it is not drink at all while pregnant. We should talk as much as possible about how FAS babies are taking dollars that could be going into preventive medicine and public health. I urge every Alaskan, and every concerned American, to warn every young woman they know, whether pregnant or merely considering a family, that they cannot drink during pregnancy.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BOREN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–76. A resolution adopted by the City Council of the City of Los Angeles, CA, relative to federal funding for an accelerated natural gas research, development and demonstration investment program; to the Committee on Energy and Natural Resources.

POM–77. A resolution adopted by the City Council of the City of Los Angeles, CA, relative to federal funding of electric vehicle programs; to the Committee on Energy and Natural Resources.

POM–78. A resolution adopted by the City Council of the City of Philadelphia, PA, relative to Ancient Forests; to the Committee on Energy and Natural Resources.

POM–79. A concurrent resolution adopted by the Legislature of the State of Utah; to the Committee on Energy and Natural Resources.

"H.C.R. No. 2

"Whereas upon its achieving statehood in 1896, Utah received four sections of land in every township from the federal government as trust lands for the support of the state's common schools;

"Whereas the state's obligations concerning the administration of these trust lands are governed by its Enabling Act and Constitution;

"Whereas the Enabling Act and Constitution have created a solemn compact between the United States and the State of Utah, with the state assuming trust administration responsibilities over these lands;

"Whereas in its capacity as trustee, the state has a dud loyalty to the trust beneficiaries and an obligation to prudently manage the trust assets while seeking to maximize revenues, consistent with the balancing of short-term and long-term interests;

"Whereas while a portion of Utah's trust lands has been sold or exchanged since statehood, approximately 3.7 million acres of surface and 4.6 million acres of subsurface trust lands remain as trust assets, geographically represented by several thousand parcels of land scattered throughout the state, many of which are located within federal reserves such as national parks, military installations, wilderness study areas, and Indian reservations;

"Whereas state trust lands located within federal reserves generate little if any revenue for the trust beneficiaries and the potential for future development of those lands to generate any significant revenues is, at best, remote;

"Whereas Utah continues to have critical funding needs for its ever-expanding student population in public and higher education;

"Whereas the scattering of trust lands throughout the state has, in many instances, hindered the state in fulfilling its fiduciary responsibilities to the beneficiaries;

"Whereas the inholdings issue has been a problem the state has struggled with for many years and efforts to overcome this problem in the past have, in large part, met with little or no success;

"Whereas during the 2nd Session of the 102nd Congress the Utah Congressional delegation introduced bills in both the United States Senate and House of Representatives, collectively titled the "Utah Schools and Lands Improvement Act of 1992", designed to exchange approximately 200,000 acres of school trust lands that lie within National Parks, Indian Reservations, and National Forest Lands for equitable federal lands or interests in lands;

"Whereas the Act was written in close cooperation with the appropriate federal agencies and had the full support of the U.S. Forest Service, the Bureau of Land Management, the National Park Service, and the Office of Management and Budget as well as those affected in Utah at the state and local level, and represented a major effort on the part of all concerned interests to move forward with positive action;

"Whereas during the 2nd Session, the House of Representatives passed, HR 5118, and the Senate subsequently passed an amended version; and

"Whereas just prior to final approval of the amended changes in the legislation the Congress adjourned sine die, thereby precluding final action on the Act: Now, therefore, be it

"*Resolved*, That the Legislature of the State of Utah, the Governor concurring therein, memorialize Congress to give its final approval through legislative action to the provisions embodied in the "Utah Federal Lands Exchange Act of 1992" during the 1st Session of the 103rd Congress to provide for the exchanges anticipated in the Act: Be it further

"*Resolved*, That copies of this resolution be sent to the U.S. Department of the Interior, to the U.S. Department of Agriculture, to Utah's Congressional delegation, to the leadership of the United States Senate and the United States House of Representatives, and to the President of the United States."

POM–80. A resolution adopted by the Municipal Assembly of the City of Mayaguez, Puerto Rico relative to Section 936 of the Federal Internal Revenue Code; to the Committee on Finance.

POM–81. A resolution adopted by the Legislature of the State of Iowa; to the Committee on Finance.

HOUSE RESOLUTION NO. 5

"Whereas, the production of agricultural commodities is the foundation of this state's economy, providing food and fiber vital to the nation's welfare; and

"Whereas, the state of Iowa, one of the major agricultural states in the United States, is a leading producer of feed grains and livestock; and

"Whereas, there exists a serious problem in this state regarding the ability of nonestablished farmers to acquire agricultural land, agricultural improvements, and depreciable agricultural property required to enter farming; and

"Whereas, these conditions result in a loss in population, unemployment, and a movement of persons from rural communities to urban areas, and are accompanied by added costs to communities for creation of new public facilities and services; and

"Whereas, one major cause of this condition has been recurrent shortages of funds in private channels and the cost of borrowing money by beginning farmers assuming a large debt in order to capitalize agricultural operations, which have made the sale and purchase of agricultural land to beginning farmers a virtual impossibility in many parts of this state; and

"Whereas, studies conducted by Iowa State University indicate that only 5 percent of Iowa farmers are under age 30, that the average age of farmers is 53 years, and that nearly 40 percent of farmers are 55 years old or older; and

"Whereas, the state of Iowa has established a Beginning Farmer Loan Program which has been vital to the effort to attract more young people into farming by providing that the Iowa Agricultural Development Authority, an agency of the Iowa Department of Agriculture and Land Stewardship, may assist in cooperating with lending institutions to provide financing to beginning farmers for the acquisition of agricultural land, improvements, and agricultural property; and

"Whereas, since the establishment of the program, the number of loans by the Iowa Agricultural Development Authority has steadily increased from seven loans in 1981 to a record 287 loans in 1991; and

"Whereas, since 1981, the Authority has made 1,385 loans on approximately 120,000 acres of land, and other agricultural projects amounting to $120,073,028 in loans with no obligation by the state or federal government to guarantee payment of the loans in case of default; and

"Whereas, the Beginning Farmer Loan Program is supported by small issue private activity bonds ("Aggie Bonds") which are exempt from federal income tax; and

"Whereas, the United States Congress has expressed support for the Iowa Beginning Farmer Loan Program by continually extending the expiration of the federal tax exemption vital to the future of the program; and

"Whereas, legislation enacted in 1992 by the Congress of the United States which included provisions extending the effectiveness of the exemption was vetoed because of unrelated provisions contained in the legislation; and

"Whereas, since July 1, 1992, the Iowa Agricultural Development Authority has been prohibited from closing 138 new loan applications for beginning farmers totaling $16,645,346, desperately needed in order to continue this successful program vital to ensure the transition to a new generation of farmers; and

"Whereas, in order to support the program as a dependable source of low-income financing for beginning farmers it is essential to provide for the efficient administration of the program through stability and continuity in federal law; and

"Whereas, the immediate passage and enactment of legislation by the United States Congress and the President of the United States to support the Iowa Beginning Farmer Program is unanimously supported by the Agriculture Committee of the Iowa House of Representatives, including the Honorable Representative Russell J. Eddie, Chairperson; the Honorable Representative James A. Meyer, Vice Chairperson; the Honorable Representative Daniel P. Fogarty, Ranking Member; the Honorable Representative Bill Bernau; the Honorable Representative Clifford Branstad; the Honorable Representative Barry Brauns; the Honorable Representative Dwight Dinkla; the Honorable Representative John Greig; the Honorable Representative Sandra H. Greiner; the Honorable Representative James Hahn; the Honorable Representative Mark Henderson; the Honorable Representative Hubert Houser; the Honorable Representative Ralph Klemme; the Honorable Representative Deo Koenigs; the Honorable Representative Dennis May; the Honorable Representative Dolores M.e Mertz; the Honorable Representative Norman Mundie; the Honorable Representative David Osterberg; the Honorable Representative Richard Vande Hoef; the Honorable Representative Keith Weigel; and the Honorable Representative Jerry Welter: Now, therefore, be it

"*Resolved by the House of Representatives*, That the Congress of the United States enact with all possible urgency legislation permanently extending the effectiveness of the exemption from federal taxation of the small issue private activity bonds used to support loans made to beginning farmers under Iowa's Beginning Farmer Loan Program; and be it further

"*Resolved*, That copies of this resolution be submitted by the Chief Clerk of the House to the Honorable Terry E. Branstad, Governor; the Honorable Dale M. Cochran, Secretary of Agriculture; and Mr. William Greiner, Executive Director of the Iowa Agricultural Development Authority; and be it further

Resolved, That copies of this resolution be submitted by the Chief Clerk of the House to the Honorable William J. Clinton, President of the United States; the Honorable Albert Gore, Jr., President of the United States Senate; the Honorable Thomas S. Foley, Speaker of the United States House of Representatives; the Honorable Senator George J. Mitchell, Senate Majority Leader; the Honorable Senator Robert Dole, Senate Minority Leader; the Honorable Congressman Richard A. Gephardt, House Majority Leader; the Honorable Congressman Robert H. Michel, House Republican Leader; the Honorable Senator Daniel Patrick Moynihan, Chairman, Senate Finance Committee; the Honorable Congressman Dan Rostenkowski, Chairman, House of Representatives Committee on Ways and Means; and Iowa's congressional delegation."

POM–82. A concurrent resolution adopted by the Legislature of the State of Utah; to the Committee on Finance.

H.J.R. NO. 5

"Whereas section 1014(b)(6) of the Internal Revenue Code provides a tax benefit for citizens of community property states that common law states do not receive;

"Whereas in community property states, the tax basis on property received from a decedent is determined by applying a stepped-up basis to the entire community interest;

"Whereas in common law states, the tax basis is determined by applying the stepped-basis only to the portion of the property actually received;

"Whereas this inequity between community property and common law states can be removed by amending Section 1014(b)(6) to extend the tax benefit currently enjoyed by community property states to common law states; and

"Whereas any tax benefit as significant and basic as that derived from the treatment of the property of decedents should be equally applied to all Americans regardless of where they live: Now, therefore,

Be it "Resolved, That the Legislature of the state of Utah urge the United States Congress to amend Section 1014(b)(6) of the Internal Revenue Code to provide that the current determination of tax basis on the property of decedents that is applied in community property states be extended to common law states to ensure tax equity for all Americans: Be it further

"Resolved, That copies of this resolution be sent to the majority and minority leadership of both houses of the United States Congress and Utah's congressional delegation."

POM-83. A resolution adopted by the Legislature of Rockland County, NY, relative to Northeast Ireland; to the Committee on Foreign Relations.

POM-84. A resolution adopted by the Municipal Council of the City of Plainfield, NJ, relative to Bosnia-Herzegovina; to the Committee on Foreign Relations.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. PRYOR (for himself, Mr. LEVIN, Mr. DOLE, Mr. WOFFORD, Mr. COHEN, Mr. ROCKEFELLER, Mr. DANFORTH, Mr. WELLSTONE, Mr. SARBANES, Mrs. MURRAY, Mr. DORGAN, Mr. CONRAD, Mr. RIEGLE, Mr. INOUYE, Mr. REID, Mr. LEAHY, Mr. FEINGOLD, Mr. GLENN, Mr. DURENBERGER, Mr. KRUEGER, Ms. MOSELEY-BRAUN, Mr. PELL, and Mrs. FEINSTEIN):

S. 1007. A bill to recreate the common good by supporting programs that enable adults to share their experience and skills with elementary and secondary school age children; to the Committee on Labor and Human Resources.

By Mr. BAUCUS (for himself and Mr. CHAFEE):

S. 1008. A bill to conduct a comprehensive assessment of the Nation's biological resources; to the Committee on Environment and Public Works.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. MITCHELL (for himself and Mr. DOLE):

S. Res. 111. A resolution to authorize the Senate Ethics Study Commission; considered and agreed to

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STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. PRYOR (for himself, Mr. LEVIN, Mr. DOLE, Mr. WOFFORD, Mr. COHEN, Mr. ROCKEFELLER, Mr. DANFORTH, Mr. WELLSTONE, Mr. SARBANES, Mrs. MURRAY, Mr. DORGAN, Mr. CONRAD, Mr. RIEGLE, Mr. INOUYE, Mr. REID, Mr. LEAHY, Mr. FEINGOLD, Mr. GLENN, Mr. DURENBERGER, Mr. KRUEGER, Ms. MOSELEY-BRAUN, Mr. PELL, and Mrs. FEINSTEIN):

S. 1007. A bill to recreate the common good by supporting programs that enable adults to share their experience and skills with elementary and secondary school age children; to the Committee on Labor and Human Resources.

NATIONAL MENTOR CORPS ACT OF 1993

Mr. PRYOR. Mr. President, today is an important day for me. I am introducing legislation to establish the National Mentor Corps. It's the day we ask Congress to make age-to-age mentoring a national priority. It's the day we remember, as a country, that no one makes it all alone.

Growing up has always been hard. Growing up in America today is especially hard. Today's children are less likely to finish high school, and more likely to get pregnant, die violently, or be arrested for violent crimes.

A recent report says 45 percent of children born into new families are at risk: That means the mother has not finished high school, is not married, or is a teenager. Simply put, Mr. President, America's children need our help.

That's why I'm here to talk about a new way to help. Intergenerational mentoring is the helping hand the older generation extends to the younger generation to guide children into maturity. Our young people simply aren't getting enough day-to-day guidance and caring from us.

Today's working parents are overwhelmed by too little time and too many responsibilities. Grandparents don't live down the block, they live in different States. At schools, staffs are being cut back and teachers are too busy to provide one-on-one attention. Standing over a fryer at McDonald's has replaced job apprenticeships.

The answer is quite simple and natural. Our aging population is the fastest-growing group in America today. Older people want to stay active and involved. Statistics say that 13 million Americans over age 60 are already volunteers and that 14 million more are willing and able to volunteer. So often we talk only about the special needs of older Americans. We sometimes forget the many good things that older Americans have to offer.

For all these reasons, Mr. President, I am introducing the National Mentor Corps Act of 1993—a public-private partnership that will provide a mentor-rich environment in our public school system from kindergarten through high school. The National Mentor Corps would place trained mature adults into the public schools, matching the needs of the young with the talents of seniors.

The National Mentor Corps needs no new funds. This year the Elementary and Secondary Education Act [ESEA] is scheduled for reauthorization. The legislation I am proposing allows for intergenerational mentoring programs to be funded under chapter 2 of the act, "Federal, State, and Local Partnership for Educational Improvement." This legislation is designed to complement all other senior service programs. It is my hope that this legislation will be incorporated into the ESEA reauthorization package which will be considered by the Labor and Human Resources Committee during the 103d Congress.

In addition, the National Mentor Corps Act of 1993 directs the Secretary of Education to develop a National Resource Center for Intergenerational Mentoring to serve as a central source of information and assistance on intergenerational mentoring. This provision, however, will be handled separately from the changes proposed for the ESEA and is not a request for a separate authorization.

There are some excellent mentoring programs already scattered throughout the country. Mr. President, I ask unanimous consent that this information about several mentoring groups be printed in the RECORD following my remarks. We cannot improve on these programs and others out there. We can, however, provide the Federal infrastructure that will allow this blossoming mentoring movement to flourish. The National Mentor Corps Act of 1993 will allow established programs to expand and become a permanent part of the American educational landscape.

I am pleased to say that the National Mentor Corps Act of 1993 has the support of AARP, Families USA, Generations United, the National Caucus and Center on Black Aged, the National Association of Foster Grandparents program directors, the National Association of Retired Senior Volunteer Program directors, family friends, the National Council on the Aging, the National Association of Elementary School Principals, the American Association of School Administrators, and the Children's Defense Fund.

I am especially pleased to be joined today in introducing the National Mentor Corps Act by several of our distinguished colleagues: Senator LEVIN, who was an early advocate of intergenerational mentoring, as well as Senator DOLE, Senator DANFORTH, Senator WOFFORD, Senator ROCKEFELLER, Senator SARBANES, Senator MURRAY, Senator DORGAN, Senator CONRAD, Senator INOUYE, Senator REID, Senator LEAHY, Senator FEINGOLD, Senator GLENN, Senator KRUEGER, Senator WELLSTONE, Senator DURENBERGER, Senator PELL, Senator MOSELEY-BRAUN, and Senator FEINSTEIN.

Mr. President, I urge my colleagues to support the National Mentor Corps Act of 1993. I strongly believe that this legislation will provide the foundation for America's entry into the 21st century.

There being no objection, the material mentioned earlier was ordered to be printed in the RECORD, as follows:

BOSTON PARTNERS IN EDUCATION, INC.,
Boston, MA.

Boston Partners in Education (BPE) is a nonprofit multicultural agency dedicated to supporting the academic growth and social development of public school children. Linking a wide variety of community resources to schools, BPE provides programs and services to teachers, students, administrators, and parents.

BPE plays an active role on the board of the National Association of Partners in Education, was a founder of the Massachusetts Association of Partners in Education, and provides leadership in national and international educational initiatives.

Enabled by a grant from the Edna McConnell Clark Foundation, BPE pioneered in intergenerational programming over 15 years ago.

Today, older adults are involved in BPE's services to Boston Public schoolchildren as:

Special math/science mentors in initiatives funded by the National Science Foundation and the U.S. Department of Education;

"Listener mentors"—specially trained to work with academically and socially at-risk children in the primary grades;

Guest "readers aloud" in preschools, kindergartens and grade schools;

Tutors in all academic subjects, math, science, language arts, social studies, history, and foreign languages; and

"Oral historians" in specially designed workshop series in which youngsters and elderly persons examine their own and others' proud cultural traditions.

Each year, dozens of such Intergenerational Exchanges" are coordinated by Boston Partners in Education's Intergenerational Director, Eleanor Swartz.

[Los Angeles Unified School District, May 18, 1993]

DOVES—DEDICATED OLDER VOLUNTEERS IN EDUCATIONAL SERVICES

What: D.O.V.E.S. is a special project of the Los Angeles Unified School District School Volunteer Programs Section. Its purpose is to recruit, train and place senior citizen volunteers in district schools.

The project is funded by the District and the Friends of the School Volunteers Program of Los Angeles. It is an outgrowth of the Grandparents Program pioneered in 1971.

Who: The program provides the schools with carefully selected and trained senior citizens to supplement the work of classroom teachers.

Why: D.O.V.E.S. is designed to meet the need of our older citizens to be valued as the asset they are. Additionally, the program meets the needs of our students for individual attention and gives them the opportunity to interact with the older generation.

How: The program develops cooperative relationships with:

The Schools: By establishing the needs of individual schools and students and planning with the principal or volunteer coordinator for the training and orientation of adult volunteers.

The Community: By seeking recruits among retirees and pre-retirees from business, industry, labor and the professions. A special effort is made to contact religious institutions, senior citizen centers and recreation centers.

The Media: By working with newspapers, radio, television and special interest publications in publicizing the human interest stories to be found in the successful matching of volunteer skills with student and school needs.

DOVES assist with: Carpentry, Typing, Field Trips, Library, Music, Swimming, Gardening, Enrichment, Playground, Public Speaking, Dancing, Cooking, Science, Homework, Displays, Special Events, Math, Sewing, Arts, Crafts, Sports, Tutoring, Reading Stories, Nursing Assistance, Career Guidance, Vocational and Technical Skills.

INTERGENERATIONAL MENTOR PROGRAMS CONDUCTED BY GENERATIONS TOGETHER, AN INTERGENERATIONAL STUDIES PROGRAM, UNIVERSITY OF PITTSBURGH

Generations Together, an Intergenerational Studies Program of the University of Pittsburgh's Center of Social and Urban Research, has a 14 year history of intergenerational program development and study. Generations Together fosters a variety of program models that bring the young and old together in experiences that promote understanding and support the growth and learning of both generations.

Since 1985, Generations Together has conducted a range of intergenerational mentor programs in pre-school, elementary school, secondary school and university settings in Pittsburgh and western Allegheny County. These models and their main goals are as follows:

Pre-school mentor programs are designed to provide support for families recruited from local Head Start programs. Older volunteers visit the families in their homes once a week to perform literacy-related activities with the children. The mentors also help the parents understand the importance of family literacy to their children's education.

Elementary school mentor programs aim to reduce the probability of drug use by improving basic academic skills and promoting the development of social skills and enhanced self-esteem. Each student is paired with an older volunteer for one-on-one tutoring, and participates in group activities which provide cultural enrichment and foster positive peer interaction.

High school mentor programs are designed to improve student academic performance, provide career exposure, and promote social skill development. Mentors work with students across the spectrum, including at-risk and high achieving students, minority students involved in programs emphasizing science and math, and students with a special interest in the arts.

University mentor programs provide academic support, career guidance, and social support to university students. The roles of mentors at the University of Pittsburgh are diverse: they tutor, read student theses and dissertations, coach oral presentations, serve as guest lecturers, coordinate professional seminars, assist in laboratories, conduct practice interviews, help to develop job placements, and enhance language proficiency of international students. In a special University program with the School of Engineering, retired engineers enrich the curriculum by preparing case-studies drawn from engineering practice and coach students in problem-solving curricular activities.

An estimated 200 older adult mentors have worked with approximately 1000 children and youth in the Generations Together mentoring programs since 1985.

Children, youth, and young adults who work with these mentors evidence measurable change in their academic performance, motivation to learn, realization of academic goals, and their self esteem. Older adults who mentor in these programs represent a diverse population from within and outside the community in which they are mentoring. They bring a variety of skills that reflect backgrounds as varied as homemakers with no for-pay work experience to retired blue collar workers, university professors, and business executives.

The volunteers report a high degree of satisfaction as they recognize student progress, develop meaningful friendships with students, and utilize their professional and life skills. These volunteers feel as though they are making a valuable contribution to the education of children and youth, the future workers and decision makers of our society.

[Gulf Coast Jewish Family & Mental Health Services, Inc., Clearwater, FL]

INTERGENERATIONAL PROGRAMMING

(Michael Bornstein, President and CEO)

Gulf Coast Jewish Family and Mental Health Services, Inc. (GCJFMHS) is a nonprofit, non-sectarian human services agency serving the West Central region of Florida, including the Tampa, Clearwater and St. Petersburg communities. Established in 1960, the agency offers a wide array of innovative and cost-effective programs designed to help children, adults, seniors and families with serious emotional, physical, personal and financial needs.

GCJFMHS provides three intergenerational mentoring programs, offering at-risk children the support of an older volunteer through one-to-one matching. Ongoing outcome evaluation measures program effectiveness through pre and post-testing using a variety of standardized self-esteem and behavioral measures as well as informal measures such as school attendance and grades.

1. Adopt-a-Grandchild program was initiated in 1980 through local funding provided by the Juvenile Welfare Board of Pinellas County, a local taxing district for children's services. Children matched are typically from low income, single parent families and range in age from infancy to 16. The children very often have behavioral problems, poor school performance and low self-esteem.

When a match is made, the senior volunteer participates in an orientation program. the volunteer as well as the child are made aware of program goals and expectations. The senior volunteer and child typically spend a few hours each week engaged in a range of assorted activities, usually social in nature. The program's supervisor makes regular contact with the volunteer and child to assure that the match is going well.

2. Project Growing Together matches senior volunteers with children ages three through 11 who are under the supervision of state protective services, in shelter care or in foster care. Funded by the State of Florida beginning in 1989, the program focuses on establishing a non-threatening relationship between the generations which will help alleviate some of the stress of separation and placement felt by the children. Senior volunteers typically spend two to four hours a week of quality time with their children providing a positive, stable influence in their lives.

3. Linking Lifetimes matches senior mentors with middle school referred children who have been identified as being at-risk of delinquency, truancy or dropping out of school. Like Gulf Coast's other intergenerational programs, senior volunteers are encouraged to develop personal relationships with their children and participate in a variety of informal activities. This program was initiated in 1989 as one of 10 na-

tionwide projects funded by the Mott Foundation and coordinated by Temple University.

INTERAGES

[Montgomery County Intergenerational Resources Center, Kensington, MD]

INTERGENERATIONAL BRIDGES PROJECT

SUMMARY

The Intergenerational Bridges Project, sponsored by Interages, a non-profit organization in Montgomery County, Maryland, has recruited, trained and placed 51 senior adult volunteer mentors with 60 proteges at two schools in East Silver Spring, MD. during the past three years. These youths, ranging in age from 10 to 14 years, come from a growing community of disadvantaged immigrant populations. With the lowest median income in the county, the community suffers from a heavy concentration of drug and other criminal activity. This environment places young, recently arrived immigrant children, often illiterate in their native language, unable to speak English, and from families under extreme stress, at high risk of failing in school, dropping out and becoming vulnerable to the drug culture.

The mentors, a highly skilled and energetic group of seniors (over age 55), have devoted over 2100 hours of their time during the past year alone to serving their proteges for one hour each week offering guidance, moral support and assistance in building academic and social skills, while at the same time helping them to improve their English and communication skills. In addition, mentors accompany their youths on several field trips each year to destinations such as the Smithsonian Museums and the Kennedy Center. The opportunity for young proteges to benefit from a field trip when each has a personal adult companion can not be overstated.

In addition to the project's planned activities, which also include an international dinner for families of proteges, giving them an opportunity to learn about the program and meet their child's new friend, many mentors spend individual time with their proteges during vacations and on week-ends. Mentors have treated their proteges to birthday lunches at a special restaurant at the mall, to a walk through Brookside Gardens—even to a visit of a joint session of Congress, followed by pizza at Union Station!

While a quantitative analysis of changes in student achievement and/or behavior remains elusive, the continued overwhelmingly positive response to Bridges from teachers and administrative staff, from school officials, from county agencies, from other groups attempting similar projects, and from participants themselves, leads us to conclude that this project is making a difference in the lives of children who have few opportunities to interact on a one to one basis with American born (or fully acculturated foreign born) adults in a non-threatening environment. An unanticipated positive outcome of the project has been the education of the mentors and accompanying increased sensitivity to the issues of growing education gaps and poverty experienced by the newest members of our community.

The Intergenerational Bridges Project has been featured in Modern Maturity, USA Today, and was awarded the "Highest Achievement Award" by the Montgomery Count Community Partnership and the Volunteer Center in 1992. In addition, Interages has been invited to present Bridges at three national conferences.

MENTORS INC. FACTSHEET

INTRODUCTION

A role model, advisor and friend is a crucial motivator in the life of a young person. Our goal is to provide a mentor to each District of Columbia public high school student who has the potential and the will to graduate from high school and form concrete plans for either college, vocational school or the military.

Mentors are matched with students on a one-to-one basis, and they provide practical advice, guidance and encouragement from the sophomore year through graduation. The mentors are volunteers 21 or older who are stable in their professional and personal lives.

In 1987, the first year of Mentors Inc., one hundred students participated in the program. That number has grown steadily each year, and in 1992–93 there are 500 mentor-student pairs. The program operates in every comprehensive high school in D.C.

Mentors Inc. is supported by the D.C. Public Schools and by grants and gifts from corporations, foundations, universities, and individuals. Through funding, individual mentor participation and special projects, this program merges the assets of the academic community, business community, and the D.C. Public Schools.

WHAT MENTORS DO

Help students identify specific short and long-term goals;

Work with students to set and keep a schedule for school and work activities;

Help students develop study and test-taking skills;

Strengthen students' business communication and job skills;

Assist students while they make post-high school plans;

Visit students at school; have students visit work sites;

Open academic and career opportunities for students; and

Participate in culture, recreation and entertainment.

WHO THE STUDENTS ARE

Any student attending one of the 12 comprehensive D.C. public high schools may sign up with Mentors Inc.

Students in the Mentor Program run the academic spectrum, from high academic achievers to those who need extra help to finish school.

Students must be in regular attendance at school. We prefer that students have at least a C− grade point average.

Mentors Inc. also provides: College scholarships, individual college counseling, campus visits and college fairs, SAT preparation classes, free dental care, summer job placement, academic tutoring, student emergency fund, career counseling, and free psychotherapy.

NEW YORK STATE DECADE OF THE CHILD MENTORING PROGRAM

Introduction: "If every 'at-risk' student had an in-school mentor who really cared, that one act could cut the dropout rate in half."—Dr. Ernest Boyer, President, Carnegie Foundation for the Advancement of Teaching.

Studies show that the presence of a strong adult role model has an extremely positive influence on a child's development. In the 1950's, 11% of all children went home to an empty house. Today, 65% of our children find empty homes when they return from school. The average daily time spent in one-to-one interaction between parent and child is 15 minutes. In a recent national study, one million children—29% of those entering the first year of high school dropout of school before graduation. One out of five Americans age 16 or older is functionally illiterate.

The Program: The New York State Mentoring Program, founded and chaired by Matilda R. Cuomo in 1987, is a school-based, state-wide, effective early-intervention program to help children in grades K–8 improve their self-esteem, broaden their vision of opportunities and apply themselves in school. The NYSMP matches caring adult volunteers on a one-to-one basis with a mentee.

Mentoring is a one-to-one relationship between a volunteer adult role model and a child. This unique relationship provides support and encouragement and can help a child develop the academic and social skills necessary to succeed in the workplace of the 21st century. Leon Martel, Sr. V.P. of the Conference Board, recently observed that many U.S. companies have made education a top priority of their volunteer efforts because of its obvious relationship to improving the nation's workforce. (Education Week, April 28, 1993.)

Working cooperatively with teachers, corporations, parents, and children the NYSMP links the school, the home and the community together to strengthen programs for children. "Millions of America's children are in trouble. To succeed in school and in life, they need one-on-one adult support and guidance. Providing that support is a job not only for schools, but for the entire community. The New York State Mentoring Program is making it happen." Keith Geiger, President, National Education Association.

In the spring of 1993, there were over 2,000 children in 152 school-based programs in 33 of New York's counties who had mentors recruited and trained by the New York State Mentoring Program. In New York City there were nearly 600 children matched with individual mentors.

The New York State Mentoring Program is based on public/private partnerships and part of Governor Cuomo's innovative Decade of the Child initiative. Groups of mentors from 119 organizations become partners with NYSMP. Partners include 48 corporations, 71 state, city and federal government entities, professional and community organizations, colleges and secondary schools. Richard A. Jalkut, CEO, NY Telephone states that, "New York Telephone is proud of the its association with the New York State Mentoring Program. By providing young people with role models, encouraging them to stay in school, and by stressing the importance of education, New York State Mentoring is making an invaluable investment in New York's children—the future of our state."

The NYSMP has received widespread support from business, schools and the community. The Ford Foundation has given NYSMP a grant for the design and implementation of an effective method of program evaluation. Other states, including Colorado and New Jersey, have expressed interest in establishing mentoring programs modeled after the NYSMP as well as Milan, Italy.

THE NEW YORK CITY SCHOOL VOLUNTEER PROGRAM, INC. (SVP)

Mission: To help New York City public school students gain the educational skills and self-esteem they need to become successful learners and productive community members, by providing them with individualized instructional support from a corps of well trained volunteers.

History: Founded in 1956 as the first School Volunteer Program in the country. Catalyst for the National School Volunteer Program/National Association of Partners in Education. Incorporated in 1970 as a not-for-profit corporation under Section 501(c)(3).

Scope: 1991–92. 83,713 students/586 schools/6,945 volunteers/508,548 hours/$25 cost per student.

Programs: Core Programs—Trained volunteers tutor students in elementary or junior high school for a minimum of two hours a week at a school near their home or work. Subject include math, reading, writing and English as a second language.

Project Home Stretch: Empowering Teens at Risk to Finish High School—Trained volunteers work with at-risk students in daytime and evening high school programs. Volunteers help students master the high school curriculum, provide role models from the professional world of work and assist with college decision-making and financial aid applications.

Authors Read Aloud—Children's authors introduce elementary school students to the creative writing process and increase their enjoyment of reading through repeated classroom visits.

Cultural Resources—Trained volunteers introduce elementary school students to our city's major museums and provide preparatory and follow-up experiences in the classroom for each museum visit.

Literary Leaders—Trained volunteers discuss works of literature with small groups of students ready for additional challenges. Children learn to read critically, think independently and express themselves clearly.

Training: For tutoring elementary-age students; 10 hours spread over four classes held during the day. For tutoring high school students: 8 hours spread over three classes held during the day or evening. Held at the SVP, 443 Park Avenue South (30–31 St.), NYC.

Place and Time of Tutoring: At a school site located near home or work; during the day (all ages) or in the evening or on weekends (high school-age). A minimum of two hours per week is required.

THE OASIS INSTITUTE

Established in St. Louis in 1982, OASIS received initial support from the United States Department of Health and Human Services' Administration on Aging. Since then, the organization has grown rapidly—both in numbers of centers and in its national membership. Today, serving more than 175,000 members in 22 cities, OASIS is widely recognized as a successful model for productive aging and is supported by a consortium of public and private sponsors. OASIS receives major national support from The May Department Stores Company and local support from corporations, hospitals, service agencies, universities and cultural organizations.

One of OASIS' most far-reaching volunteer opportunities is the Intergenerational Tutoring Program. The program addresses the problem of illiteracy with an approach designed to build children's self-esteem and positive attitudes toward learning while strengthening reading skills. Working with elementary schools, OASIS matches trained older adult volunteers with young children who are having difficulty learning to read. The volunteers work one-on-one with the children each week throughout the school year as their tutors, mentors and friends. The program has proven to be beneficial to both the students and the tutors, strengthening ties between generations in our country. OASIS Intergenerational Tutoring is unique in its specific focus on building reading skills of 5–9 year old children, its specially designed curriculum and training program for tutors, and its ongoing support plan for the tutors and school staff. The program is evaluated annually by principals, teachers and tutors, and the responses are overwhelmingly positive.

The OASIS Intergenerational Tutoring Program began as a pilot in St. Louis and Denver in 1989 and as of May 1993 operates in 12 cities: Akron, Denver, Escondido, Hyattsville, MD, Indianapolis, Los Angeles, Phoenix, Portland, Rochester, NY, St. Louis, San Diego and Tucson. The program will begin in Cleveland and San Antonio in the 1993–94 school year. Over 1400 tutors currently work with more than 2,200 children in 26 school districts across the United States.

TEMPLE UNIVERSITY'S CENTER FOR INTERGENERATIONAL LEARNING

Temple University's Center for Intergenerational Learning sponsors three intergenerational mentoring programs: (1) Linking Lifetimes, a national multi-site research and demonstration initiative which targets at-risk middle school students and young offenders; (2) Across Ages, a 5 year school-based intergenerational drug prevention program; and (3) SCANTAP, a collaborative effort between the Center and SCAN (Supportive Child Adult Network) which focuses on supporting drug-involved families. All of these programs recruit and train older adults focuses on supporting drug-involved families. All of these programs recruit and train older adults (55+) to serve as mentors. The mentors are integrated into comprehensive school and/or agency-based interventions in order to maximize the impact on youth.

Linking Lifetime—Created in 1980, Linking Lifetimes is currently operating in schools, juvenile justice programs, and youth service agencies in the following cities: Memphis, TN; St. Petersburg, FL; Miami, FL; Los Angeles, CA; Detroit, MI; Portland, OR; Washington, DC; Springfield, MA; and Syracuse, NY. It has been funded by the Florence V. Burden, Edna McConnell Clark, H.W. Durham, Ittleson, and Charles Stewart Mott Foundations, the Exxon Corporation, and a variety of local foundations. Over the past 3 years, 479 relationships were formed through this program. Mentors are culturally diverse and have varied educational and socio-economic backgrounds. At each site, mentors are required to meet with youth at least 2 hours/week for a minimum of a year. An 8–10 hour mentor pre-service training and monthly in-service meeting are key elements of the program. Mentors help youth set specific goals that guide them through school, work, and life decisions.

A study by Public Private Ventures and an evaluation by Lodestar Management/Research and the Academy for Educational Development/National Institute for Work and Learning have yielded valuable information about effective program practices, the nature of the mentoring relationship, and the impact of mentoring on youth and older adults. An intensive follow-up study indicates that 80% of the youth improved their personal and behavioral skills as a result of having had a mentor. Over 75% of the youth interviewed said they could "stick with school better" because they had a mentor; 94% expressed a gain in self-confidence. A comprehensive program development manual, a recruitment video, and a mentor training video and Facilitator's Guide are available from the Center for Intergenerational Learning.

Across Ages—Across Ages, a five-year intergenerational drug prevention project funded by the Center for Substance Abuse Prevention, is now in its third year. Approximately 180 at-risk 6th grade students have been matched with older adults. In addition, students are involved in community service activities and participate in a life skills program to enhance their problem solving skills and promote social competence. Parent workshops are also part of the overall program design. Across Ages is based in three Philadelphia middle schools in Philadelphia.

Across Ages mentors are involved in school-based programs as well as activities after school and during the summer. Through ongoing training, mentors learn strategies for promoting social competence and enhancing youth's ability to resist alcohol and drugs. Early evaluation results indicate that students who have mentors show significant positive changes in their self-esteem, feelings of well-being, and attitudes toward school and older people. Improvement in school attendance and a reduction in negative behavior are also indicated.

SCANTAP (Substance and Child Abuse Networking, Treatment and Prevention) is a comprehensive prevention and intervention program for substance abusers and their families. As one component of the program, elder mentors offer a wide range of assistance to substance abusing families in many areas including social and emotional support, information sharing and advocacy, education encouragement, career development, cultural and recreational activity, and parenting skills. Mentors work with these families on short and long term goals that augment identified case management plans. Mentor assistance includes making home visits with with the case management team, modeling appropriate parenting skills, serving on the multi-disciplinary team of their family, and providing respite for families on a limited scale.

In addition to these model intergenerational mentoring initiatives, the Center received funding from the Retirement Research Foundation and the Administration on Aging to provide technical assistance to the National Urban League and Boys and Girls Clubs of America to help their local affiliates integrate intergenerational mentoring and community service into their overall programs.

T–LC MENTORS (TEACHING-LEARNING COMMUNITIES)

In Ann Arbor, Michigan, older adults have served as volunteer mentors to children and youths at risk of school dropout since 1971. The intergenerational mentoring activity occurs during the school day in classrooms as enrichment to the educational curriculum. After school initiatives include tutoring, gardening and the arts that serve as motivating forces with children and youths to make healthy life choices now and for the future.

Mentors work cooperatively with school staff and parents to increase self esteem, school attendance and achievement. Efforts are made to link middle school and high school youths who have economic need to appropriate employment. The mentoring process assists the youth in work skill mastery and in connecting the job effort with further learning.

This low-cost but powerful prevention initiative benefits the children and youths, their families, the older mentors, and the whole community. Twenty schools continue to be served in Ann Arbor. Adaptations of the T-LC Mentors model have been made in all fifty states.

Mr. COHEN. Mr. President, I am pleased today to join several of my colleagues in introducing legislation that will address both the underutilization of one of this country's most valuable resources—senior citizens—and the need of students for adult role models in the schools.

The National Mentor Corps Act will authorize the use of intergenerational mentoring programs under chapter 2 of the Elementary and Secondary Education Act. It will not force schools to establish such programs but rather provides the opportunity to use intergenerational mentoring as a means of improving the self-esteem and scholastic achievements of our students.

Few people would disagree that our children could benefit from increased interaction with adults in their lives. Unfortunately, many of this country's children do not have an adequate number of adult role models in their lives. Through no fault of teachers, all of whom have dedicated their lives to helping children, many students cannot possibly get the attention they need in crowded classrooms.

The proposal before us today will address this situation by encouraging adults, particularly senior citizens, to go into the public schools and provide a steadying hand to those youngsters who are drifting in a sea of apathy, fear, and self-doubt.

Further, this legislation seeks to capitalize on the vast, untapped resource of older Americans who are seeking to maintain ties to their community.

The spirit of community service is one of the strongest threads woven through the fabric of America. Whether it was fighting a fire, raising a barn, teaching the young, or caring for the sick, our communities had to pull together and work for the common good to survive and prosper.

Now, perhaps more than ever before, we need to return to this spirit of community and unselfish sharing.

Today, we are at a crossroads. As a nation, we are unsettled, unsure of the future, and in need of a new dedication of purpose. We all know these are not ordinary times. Indeed, we seem to be living in that age envisioned by the poet, Yeats, who wrote that:

Turning and turning in the widening gyre
The falcon cannot hear the falconer;
Things fall apart; the centre cannot hold;
Mere anarchy is loosed upon the world,
The blood-dimmed tide is loosed, and everywhere
The ceremony of innocence is drowned;
The best lack all conviction, while the worst
Are full of passionate intensity.

Today we face an enemy that has persuaded us that as a nation we have lost our way, and most importantly our will to do what is necessary to prevail.

The enemy is a clever, constantly changing chameleon. It wears the face of poverty, of greed and avarice, of indifference, of closed businesses, of moral bankruptcy. It releases the poisonous vapors of racial hatred, of hopelessness and despair, of drug-fueled violence, and of environmental degradation. It is an enemy that makes everyone blameworthy and no one responsible.

It is the enemy within us—the voice that seeks private gain over public good, that promotes special interest at the expense of the Nation's well-being.

Today, the involvement of all citizens in restoring this Nation—in allowing the center to hold, as Yeats put it—is absolutely necessary. We are losing our sense of community, and we must work to restore the fabric of our Nation.

One can quickly list the problems we now face, and no doubt forget a few important ones. Poverty, drugs, teenage pregnancy, health care, unemployment, education, homelessness—these are problems as daunting today as were disease, harsh winters, lawlessness, and mere survival to the earliest settlers.

I am very pleased that the legislation being introduced today makes a special effort to seek the involvement of senior citizens in the mentoring program. In my work on senior volunteer programs, I have been inspired by the enormous contributions made by seniors to their communities because of their commitment to serving others.

This legislation will provide the means to work together to resolve our problems, and recognizes how important it is to bind generations together.

I am very pleased to be an original cosponsor of this bill. I hope my colleagues will join me in supporting this simple but meaningful proposal.

By Mr. BAUCUS (for himself and Mr. CHAFEE):

S. 1008. A bill to conduct a comprehensive assessment of the Nation's biological resources; to the Committee on Environment and Public Works.

SURVEY OF NATION'S BIOLOGICAL RESOURCES ACT OF 1993

• Mr. BAUCUS. Mr. President, last month President Clinton announced that he was asking the Interior Department "to create a national biological survey to help us protect endangered species and, just as importantly, to help the agricultural and biotechnical industries of our country identify new sources of food, fiber, and medication."

To establish this survey, Secretary Babbitt has proposed an internal reorganization within the Department of the Interior which would combine portions of the scientific research activities of eight departmental bureaus into one new bureau—a National Biological Survey. I commend Secretary Babbitt for his efforts "to provide the scientific knowledge America needs to balance the compatible goals of ecosystem protection and economic progress."

I believe that better, more complete information is needed concerning the status and distribution of the Nation's biological resources. I share Secretary Babbitt's view that this type of information will help prevent economic and environmental train wrecks, such as the Pacific Northwest forest crisis. And I am convinced President Clinton is correct. Better information about our biological resources is essential to sustain production of timber, livestock and agricultural commodities, as well as other important economic development.

Many important questions need to be answered about the best means of establishing a biological survey within the Interior Department. Secretary Babbitt has put forth a serious, detailed proposal in an amendment to the Interior Department's budget request for fiscal year 1994. It deserves thorough consideration by Congress through its authorization and appropriation processes.

Consequently, I am today, along with the distinguished ranking minority member of the Environment and Public Works Committee, Senator CHAFEE, introducing legislation that would authorize implementation of Secretary Babbitt's proposal. My purpose in introducing this bill is to facilitate the establishment of a national biological survey, and to provide an opportunity for broad, public discussion of Secretary Babbitt's proposal.

Consistent with Secretary Babbitt's proposal, therefore, the bill would require the Secretary of the Interior to establish an office to survey the Nation's biological resources. The office would be headed by a Director appointed by the President, by and with the advice and consent of the Senate. The Director would be supervised by the Assistant Secretary for Fish and Wildlife and Parks and must, by reason of scientific education and experience, have demonstrated expertise in the biological sciences.

The purposes of the biological survey required by this legislation would be: First, to conduct a comprehensive assessment of the Nation's biological resources; second, to provide information to be used in protecting and managing ecosystems; third, to provide information to be used in the sustainable development of the Nation's natural resources; and fourth, to help avoid and resolve conflicts arising in implementation of the Endangered Species Act.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1008

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Biological Survey Act of 1993".

SEC. 2. ESTABLISHMENT OF BIOLOGICAL SURVEY.

Section 3 of the Fish and Wildlife Act of 1956 (16 U.S.C. 742b) is amended by adding the following new subsection:

"(e) BIOLOGICAL SURVEY.—

"(1) ESTABLISHMENT.—The Secretary of the Interior shall undertake a survey of the Nation's biological resources.

"(2) PURPOSES.—The purposes of the survey established under paragraph (1) shall be to—

"(A) conduct a comprehensive baseline assessment and document the status and trends of the biological resources of the United States;

"(B) provide information to be used in protecting and managing ecosystems, including their plant, fish, and wildlife components;

"(C) provide information to be used in the sustainable development of the Nation's natural resources; and

"(D) assist the Secretary in anticipating, avoiding, or resolving conflicts arising in the implementation of the Endangered Species Act of 1973 and other fisheries and wildlife conservation laws.

"(3) FUNCTIONS.—In carrying out the survey established under paragraph (1), the Secretary shall—

"(A) assess and study biological resources, including plants, fish, wildlife, and ecosystems and their components;

"(B) develop, test, and monitor methods of ecosystem management in order to improve the capability of the Secretary to conserve biological resources and diversity;

"(C) collect and analyze data and information to determine, inventory, and monitor the distribution, abundance, health, status, and trends of biological resources and ecosystems;

"(D) in consultation with State agencies responsible for the management and conservation of fish, wildlife, or plant resources within a State, including state natural heritage programs, and other appropriate parties, devise and implement methodologies to access existing sources of information on biological resources;

"(E) develop methods for the consistent and systematic collection and analysis of data on ecosystems and their components;

"(F) disseminate information to resource managers, State agencies, scientists, and the public;

"(G) provide technical assistance in support of legislative, regulatory, and resource management decisions; and

"(H) perform international activities related to the management of biological resources.

"(4) OFFICE AND DIRECTOR.—

"(A) The Secretary of the Interior shall establish within the Department of the Interior an office to assist in conducting the biological survey established under paragraph (1). Such office shall be headed by a Director who shall—

"(i) be appointed by the President, by and with the advice and consent of the Senate, from among individuals who, by reason of scientific education and experience, have demonstrated expertise in the biological sciences; and

"(ii) be compensated at the rate provided for level V of the Executive Schedule.

"(B) The Director shall be subject to the supervision of the Assistant Secretary for Fish and Wildlife.".

SEC. 3. CONFORMING AMENDMENT.

Section 5316 of title 5, United States Code, is amended by inserting after the item relating to the Director, United States Fish and Wildlife Service, Department of the Interior, the following:

"Director of the Biological Survey, Department of the Interior." •

• Mr. CHAFEE. Mr. President, one problem in pursuing the goal of conserving our natural heritage, including endangered species, is that we lack an adequate inventory of our own biological resources. Without an adequate biological information base, it is difficult to stem the decline of species before they become endangered and, in turn, avoid environmental and economic train wrecks such as that associated with the spotted owl in the Pacific Northwest.

Secretary of the Interior Babbitt has proposed that we establish a National Biological Survey [NBS], to provide better and more complete information regarding the status and distribution of the Nation's species and the ecosystems upon which they depend. NBS would also make this data available to the scientific community and the public. This information will aid decisionmakers in planning for both conservation and economic needs.

The legislation that I am introducing today, along with the distinguished Chairman of the Environment and Public Works Committee, Senator BAUCUS, would authorize the establishment of NBS as has been outlined by the Secretary. Consistent with Secretary Babbitt's proposal, it would establish an office within the Department of Interior which would be headed by a Director appointed by the President, confirmed by the Senate, and under the supervision of the Assistant Secretary for Fish and Wildlife and Parks.

Although I strongly support establishing a program to improve natural resource inventory and monitoring, I am not yet convinced that creating a separate office or bureau is the best means to accomplish this objective. Nevertheless, Secretary Babbitt has put forward a detailed proposal which merits the full consideration of Congress. The introduction of this bill is intended to serve as a starting point and to provide an opportunity for a full discussion of how best to improve our information about species and ecosystems.

Knowledge regarding biological resources is of great economic value. For instance, more than 40 percent of all prescription drugs are derived from plants and other organisms. Yet, fewer than 3 percent of the world's known species have been examined for possible use as medicines. This data could also be used to develop and improve agricultural crops and in biotechnology research. Such knowledge will benefit all of us.

If we are going to get ahead of the curve and conserve species before they become endangered, we need better and more comprehensive information about species and ecosystems. The establishment of the National Biological Survey could assist government and private interests alike in managing natural resources more effectively and avoiding conflicts with economic interests.•

ADDITIONAL COSPONSORS

S. 70

At the request of Mr. COCHRAN, the name of the Senator from South Dakota [Mr. PRESSLER] was added as a cosponsor of S. 70, a bill to reauthorize the National Writing Project, and for other purposes.

S. 226

At the request of Mr. DASCHLE, the name of the Senator from Nebraska [Mr. KERREY] was added as a cosponsor of S. 226, a bill to amend the Internal Revenue Code of 1986 to provide that certain cash rentals of farmland will not cause recapture of special estate tax valuation.

S. 289

At the request of Mr. REID, the names of the Senator from South Dakota [Mr. DASCHLE] and the Senator from Pennsylvania [Mr. WOFFORD] were added as cosponsors of S. 289, a bill to amend section 118 of the Internal Revenue Code of 1986 to provide for certain exceptions from rules for determining contributions in aid of construction, and for other purposes.

S. 462

At the request of Mr. BUMPERS, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 462, a bill to prohibit the expenditure of appropriated funds on the United States International Space Station Freedom Program.

S. 466

At the request of Mr. DASCHLE, the name of the Senator from South Carolina [Mr. HOLLINGS] was added as a cosponsor of S. 466, a bill to amend title XIX of the Social Security Act to provide for Medicaid coverage of all certified nurse practitioners and clinical nurse specialists services.

S. 484

At the request of Mr. DASCHLE, the name of the Senator from West Virginia [Mr. ROCKEFELLER] was added as a cosponsor of S. 484, a bill to amend title XIX of the Social Security Act to provide for coverage of alcoholism and drug dependency residential treatment services for pregnant women and certain family members under the Medicaid Program, and for other purposes.

S. 518

At the request of Mr. BUMPERS, the name of the Senator from South Dakota [Mr. DASCHLE] was added as a cosponsor of S. 518, a bill to reduce the deficit by limiting the amount of appropriations which may be available to the intelligence community for fiscal year 1994.

S. 519

At the request of Mr. BUMPERS, the name of the Senator from Vermont

[Mr. JEFFORDS] was added as a cosponsor of S. 519, a bill to reduce Federal budget deficits by prohibiting further funding of the Trident II ballistic missile program.

S. 649

At the request of Mr. RIEGLE, the name of the Senator from Rhode Island [Mr. CHAFEE] was added as a cosponsor of S. 649, a bill to ensure proper and full implementation by the Department of Health and Human Services of Medicaid coverage for certain low-income Medicare beneficiaries.

S. 764

At the request of Mr. WOFFORD, the name of the Senator from Michigan [Mr. LEVIN] was added as a cosponsor of S. 764, a bill to exclude service of election officials and election workers from the Social Security payroll tax.

S. 923

At the request of Mr. DASCHLE, the name of the Senator from West Virginia [Mr. ROCKEFELLER] was added as a cosponsor of S. 923, a bill to amend the Public Health Service Act to provide a comprehensive program for the prevention of fetal alcohol syndrome, and for other purposes.

S. 993

At the request of Mr. KEMPTHORNE, the name of the Senator from Alaska [Mr. STEVENS] was added as a cosponsor of S. 993, a bill to end the practice of imposing unfunded Federal mandates on States and local governments and to ensure that the Federal Government pays the costs incurred by those governments in complying with certain requirements under Federal statutes and regulations.

SENATE JOINT RESOLUTION 72

At the request of Mr. RIEGLE, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of Senate Joint Resolution 72, a joint resolution to designate the last week of September 1993, and the last week of September of 1994, as "National Senior Softball Week."

SENATE RESOLUTION 111—TO AUTHORIZE THE SENATE ETHICS STUDY COMMISSION, AND FOR OTHER PURPOSES

Mr. MITCHELL (for himself and Mr. DOLE) submitted the following resolution; which was considered and agreed to:

S. RES. 111

Resolved, That—

SECTION 1. SENATE ETHICS STUDY COMMISSION.—(a) ESTABLISHMENT AND PURPOSES.—There is established in the Senate the Ethics Study Commission (hereinafter referred to as "Commission") for the purposes of—

(1) conducting a study of rules and procedures relating to the Senate Select Committee on Ethics; and

(2) taking such actions as may be required to support the purpose specified in paragraph (1).

(b) MEMBERSHIP.—The Commission shall be composed of the following members:

(1) the Chairman of the Select Committee on Ethics, who shall serve as Chairman of the Commission;

(2) the Vice Chairman of the Select Committee on Ethics;

(3) the members of the Select Committee on Ethics; and

(4) such former members of the Select Committee on Ethics (including current and former Members of the Senate) as the Majority Leader, in consultation with the Minority Leader, shall recommend to be appointed by the President pro tempore of the Senate.

(c) VACANCIES.—Vacancies in the membership of the Commission shall not affect the authority of the remaining members to conduct the business of the Commission.

(d) CONSTRUCTION.—Nothing in this resolution shall be construed as restricting the authority of the Select Committee on Ethics or otherwise changing the authority of any committee of the Senate.

SECTION 2. SERVICES OF STAFF.—The Chairman of the Commission may designate Senate staff to assist the Commission; however, no additional staff shall be employed by the Commission under the authority of this resolution.

SECTION 3. GENERAL AUTHORITY.—For the purposes of this resolution, the Commission—

(a) is authorized in its discretion,

(1) to hold hearings;

(2) to sit and act at any time or place during the sessions, recesses, and adjourned periods of the Senate; and

(b) shall be deemed a committee of the Senate for the conduct of hearings, including for the purpose of having printed and bound the testimony and other data presented at such hearings.

SECTION 4. EXPENSES.—(a) In carrying out its duties under the authority and purposes of this resolution, from March 4, 1993 through December 31, 1993, the Commission is authorized to make such expenditures as may be necessary from the Contingent Fund of the Senate.

(b) Expenditures from the Contingent Fund shall be paid out of the appropriations account "Miscellaneous Items" upon vouchers approved by the Chairman of the Commission, except that vouchers shall not be required for—

(1) the payment of expenses for stationery supplies purchased through the Keeper of the Stationery, United States Senate;

(2) the payment of expenses for postage to the Postmaster, United States Senate;

(3) the payment of metered charges on copying equipment provided by the Sergeant at Arms, United States Senate; or

(4) the payment of expenses for telecommunications services provided by the Telecommunications Department, Sergeant at Arms, United States Senate.

SECTION 5. REPORT.—The Commission shall report its findings and recommendations to the Majority Leader and the Minority Leader upon the conclusion of its study.

SECTION 6. TERMINATION.—The provisions of this resolution shall be deemed effective March 4, 1993, and shall terminate on December 31, 1993.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. BOREN. Mr. President, I ask unanimous consent that the full Committee on Environment and Public Works be authorized to meet during the session of the Senate on Friday, May 21, beginning at 9:30 a.m., to conduct a hearing on proposals to establish a Federal program to encourage the development and use of environmental technologies.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. BOREN. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Friday, May 21, 1993, at 10 a.m., to hold an oversight hearing on the Television Oversight Program Improvement Act of 1990.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

UNSENTIMENTAL JOURNEY

• Mr. LIEBERMAN. Mr. President, a number of our colleagues and I recently had the pleasure of attending a reception at the home of our mutual friends Sue and Sandy Greenberg, in honor of Ernestine Schlant Bradley, Albert Drach and the American publication of an "Unsentimental Journey" by Mr. Drach, afterword by Ms. Schlant. It was a very special evening and gave us all a renewed appreciation of Ernestine's brilliance and strength. I request to place in the RECORD the remarks made that evening.

The remarks follow:

STATEMENT OF SENATOR BILL BRADLEY

The only person that I know that works harder than I do is my wife. For fourteen years she has taught four courses at Montclair State College every semester. Then she has written virtually hundreds of articles and book reviews, several books, had a hand in two books that just came out and are here tonight, raised a daughter, been a great political wife, met the demands of her husband, occasionally, and needless to say, is a very special human being. And that is why I'm really quite pleased and honored and grateful to two wonderful friends, Sandy Greenberg and Sue Greenberg for hosting tonight's affair for Ernestine. Sandy and Sue Greenberg are friends of many years, our daughters are classmates—Kathryn and Theresa Anne. Theresa Anne is on her way, needless to say, she's a basketball player. And the time I met Sandy and took his measure was once when he purchased my services. Now for those who are interested in professional ethics, don't get itchy. Every year I auction at the Sidwell auction my services to anyone who wants to buy them to play with four of that person's friends a three on three basketball game. As the years pass it becomes more and more difficult. But several years ago, Sandy bought this three on three basketball game. Now for those of you that don't know, Sandy is blind, and I went out on the court, his two fine sons and he were playing me and two other people. And I said, who do I guard? You have Sandy Greenberg—but he's uh uh, he said please, up please . . ., just stay with him. So I stayed with him and the rule was if you got the ball at the foul line, you had to give him room to shoot. And I am here tonight to testify that blind men can shoot. But beyond that, Sandy is an enormously successful businessman, he is an adviser to presidents, he is a man of tremendous philanthropic endeavor, but relevant to tonight, he and Sue both are tremendous friends to both Ernestine and me. I would like to thank Sandy and introduce Sandy who will introduce Ernestine.

SANFORD D. GREENBERG

Thank you Bill Bradley for those very kind words. Sue, Kathryn, Paul, Jimmy and I are grateful to you for your generous thoughts, as well as your friendship. We are delighted to welcome you all to our home.

We are gathered here tonight to celebrate the American publication of an "Unsentimental Journey" by the great but still under-celebrated Austrian novelist Albert Drach, and to honor the courage of the woman—our dear friend Ernestine Schlant Bradley—whose dedication and persistence made it happen.

"Unsentimental Journey" is an autobiographical novel about an Austrian lawyer, half-Jewish, who flees from Vienna to Vichy France to escape the Nazis and spends the War surviving. It is a book about people and life on the edge—indeed beyond the edge; where to survive is to live only in the sense that one continues to breathe. In a word, it is a book about the Holocaust.

I know there are some who may wonder whether the world needs another book about the Holocaust. To them, I have five responses. First, Bosnia. Second, Somalia. Third, Cambodia. Fourth, unbelievably, Germany. And fifth, this is a novel, not a work of journalism.

Fiction grabs us and, even in difficult books like this one, compels us to engage in a way that non-fiction cannot. Headlines of four hundred thousand Bosnians dying in the cold fade to reports of the Strategic Petroleum Reserve; both go in one year and out the other. Novels, when they enable us to witness the pain and suffering, the joy and relief of individual human beings, capture our souls because we can imagine ourselves or our loved ones as those individuals. "Unsentimental Journey," like Solzhenitsyn's description of the gulag, allows us to ponder how we might respond, whether as victims, government officials or mere observers, to ultimate challenges to our courage and our morality.

That we have the opportunity to read it tonight is a tribute to Ernestine Schlant's passion and courage. German-born, she knows well that there are many who do not wish to be reminded of the Holocaust even as its echoes begin to be heard again in central Europe. Nonetheless, she has for a decade labored tirelessly to bring Mr. Drach's painful message to both the German and English-speaking worlds.

Ernestine, I cannot say I enjoyed reading "Unsentimental Journey." I know all too well whose role I would have played. Still, I commend it to all of you and to all who—in a world full of mind-numbing horrors—still wish to be able to respond emotionally to the suffering of our fellow human beings. In closing, let me make one final observation: at the end of the novel the protagonist, having survived the Nazis while so many of his friends and relatives have died, turns on the gas in his apartment and lies down. In real life, Albert Drach picked himself up, returned to Austria, reclaimed his family's home, married, had children and resumed, even to this hour, his writing. How appropriate that as her own difficult journey comes to an end, Ernestine Schlant has brought Albert Drach's genius to Washington a scant week after the Inauguration of another man from Hope.

It is my great honor and pleasure to introduce our dear friend, Ernestine Schlant Bradley.

ERNESTINE SCHLANT BRADLEY

First of all, I really do want to thank Sandy and Sue not just for opening their house, but for opening their hearts and hosting this event and bringing us all together. And I want to say this is one of the highlights, not just of the last week, or the last weeks or the last months but really of many years and all the work that has gone into them, too. What I want to say about the two books is very brief. The book on West German and Japanese literature is really an outcome of curiosity. I wanted to find out to what extent the two countries now, show or do not show any similarities or any parallels since their political history in the last hundred years have been very similar. And as Sandy has already said so eloquently, we trust the novelists who write about the souls. We trust the politicians as practitioners, we trust the journalists for, you know, the fluff, but when we really want to know what's going on, we have to read literature. So I thought we should read the contemporary German and Japanese literature and see who the contemporary Germans and Japanese are, not by what the reporters tell us, but by what the literature says. The Wilson Center was very hospitable to the idea and hosted a conference where we had contributors from Japan, Germany and United States, and the outcome is this book. There are several people here, Sam Wells, Mike Haltzel, Joe Brinley—all of whom really worked very hard to bring this book out and I'm very happy that it came out, it's a first in comparative studies and we'll have to see whether any other center or institute may follow up and host a second conference so that we can come up with an even more detailed study. This project can stand on its own. However, my heart really is with Albert Drach. I think Sandy already spoke so eloquently about him, I don't need to say much more. Drach is 90 years old. He's still alive. He lives outside of Vienna. He is the only writer that I know in Austrian literature whose creative work spares from the last days of the Austrian empire into the present. He is very vitriolic. I think in fact, it's his anger that keeps him going. I hope that you will read his book which is about his exile in France.

Michael Berenbaum is also here: he is under heavy pressure to do a book review on Unsentimental Journey and I hope there will be other opportunities yet to spread Drach's reputation. The book was written originally after World War II, the notes were taken as he was in exile, but the English translation just came out. We try to get as many reviews on the book as possible, and sell as many copies and get as many people to know about it as possible. Sandy and Sue were so generous: they ordered the copies for this party, whereupon the publishing company in California said, Oh my gosh, another order like this, and this is a best seller. I'm very, very happy that Sue and Sandy made this possible. When you read the book, don't think you can read it with the ease of a best seller. It's not a book that you can just sit down and relax with. The subject matter is very painful and Drach challenges you. He dares you to put the book down. I hope you pick up the challenge and you will read the book and I think we'll all be better for it if we do that.

Thank you very, very much for being here.•

INDONESIA'S FORGOTTEN WAR

• Mr. DURENBERGER. Mr. President, my interest in the human rights situation in East Timor is well known. The record of the Indonesian Government regarding internationally accepted human rights in this region is unacceptable. It is my belief that the international community must continue to hold the government of Indonesia accountable for their treatment of East Timorese.

I wish to take this opportunity to share with my colleagues an article from the most recent issue of the Indonesian quarterly, written by a former staff member of the Senate Select Committee on Intelligence, Anne Greene.

The article, a review of John Taylor's book "Indonesia's Forgotten War: The Hidden History of East Timor," not only provides a substantial history of the volatile situation in East Timor, but also suggests possible scenarios for the future of East Timor.

The situation in East Timor does not garner a great deal of attention. This article, as well as the book it discusses, makes a significant contribution to the education of the international community regarding this matter. I wish to especially express my appreciation to Anne Greene for her continuing interest and involvement in this issue.

Mr. President, I ask that the text of the article be included in the RECORD, and I urge my colleagues' attention to it.

The article follows:

[From the Indonesian Quarterly, XXI/1]

INDONESIA'S FORGOTTEN WAR

("Indonesia's Forgotten War: The Hidden History of East Timor," by John G. Taylor. London & New Jersey: Zed Books, Ltd., 1991, 230 pp. + xiii. It includes an introduction, chronology of events in East Timor since 1974, bibliography and index. This review article is written by Anne Green.)

Little is generally known about this subject, and aside from newspaper and occasional journal articles, less has been written about it. For the truly uninitiated, an explanation of the title of the book is in order. Indonesia's "war," is a reference to military and other methods employed by Indonesia to integrate East Timor. East and West Timor share a small island in the east part of the Indonesian archipelago. West Timor has historically been part of Indonesia, but East Timor was a Portuguese colony until the 1970s when, according to different observers, it either opted for integration with Indonesia or it was forced to integrate, a difference of opinion that is the heart of this work.

The situation in East Timor since 1991 has become increasingly volatile. On 12 November of that year in Dili, the capital of East Timor, Indonesian troops shot into a group of mourners after one of the soldiers had been stabbed, killing at least fifty. The group had been attending a memorial mass for a person killed earlier that week by the army. That young man had favoured an independent East Timor.

Domestic and international repercussions of that violence are still occurring. In December 1992, Xanana Gusmao, a founder of Fretilin, East Timor's principal pro-independence organization, was captured by the armed forces in the basement of a house near Dili, after having been turned in by neighbours. His arrest has received considerable publicity in Jakarta, where he is being detained, and his trial, which began 1 February in Dili, will undoubtedly revive questions concerning Indonesia's relationship with East Timor and the legality of its incorporation.

In 1989, Eastern Europe broke away from the Soviet Union and in 1991, the USSR itself came apart. On the first day of 1993, Czechoslovakia, divided into two parts. In the aftermath of the Cold War, a trend has developed toward the establishment of small and homogeneous states. The breakdown of the former Yugoslav Republic provides another example of this tendency, demonstrating that federation had failed to erase bitter memories and nationalist dreams. Dealing with the desire for self determination and making smaller states viable are two emerging challenges for the 1990s.

States have a tendency to view the world in their own image, as a collection of other nation states equally bent on modernization. However, many people residing in states belong to traditional societies, whose focus is much more local. States characteristically overlook them, undervalue them, or press them to assimilate. It is not fashionable to find intrinsic value in these societies. This publication looks at the effects of national and international relations on a traditional society and the continuing resistance to unification from some inhabitants of a remote part of an enormous nation.

Indonesia is young, dating only from 17 August 1945. However, it has become the fourth largest nation in the world with the dissolution of the Soviet Union. It includes more than thirteen thousand islands and peoples of many ethnic backgrounds and religions. A state philosophy called Pancasila and a national language, Bahasa Indonesia, are principal factors in its unity. East Timor is one of only a very few parts of the archipelago where pockets of resistance to incorporation continue to exist.

John G. Taylor, the author of Indonesia's Forgotten War, is a British sociologist, who has written two volumes on the sociology of development. He is also the editor of Timor Link for the Catholic Institute for International Relations. This book is written from the perspective of a sociologist, alarmed at the destabilization of traditional Timorese society. It also reflects the perspective of one who has followed the fate of the Church and Catholics in East Timor.

Taylor's goals in writing this volume are straightforward. In the Introduction, he writes that they are to inform readers about the history of East Timor, to help its populace become independent, and to inspire other movements for national autonomy. He himself was active in the British Campaign for an Independent East Timor in late 1970s.

Taylor views Timorese history is a sorry saga of European and Asian colonialism. The first and most enduring colonizers were the Portuguese, who established a settlement on the island of Solor in 1599, beat off a challenge by the Dutch, but were forced out by the Japanese during World War Two, returning afterwards, only to be replaced by Indonesia.

The Portuguese were satisfied to reap the labour of the Timorese until 1898, when the Portuguese Royal Commission demanded more aggressive control and development of the colony. Thereafter, the colonialists forced the Timorese into work gangs, redistributed their land, and focussed on raising crops for export. In the process, they destabilized traditional structures of the society and its economy and coopted its leaders, the *liurai* and *suco* chiefs.

A major theme in this publication is that from the time Portugal decided to decolonize, Indonesia intended to take over and began to plan for it, despite claims to the contrary. According to Taylor, the Indonesian military intelligence service, Bakin, was in the vanguard.

A principal topic in this book, to which approximately half of the volume is dedicated, is a description of the Indonesian takeover and incorporation of East Timor. The author names and describes various operations and depicts tactics used as frustration mounted at the inability to eliminate the opposition.

An important role was played by the Church in East Timor. Although the Church had been the dominant provider of education in East Timor since the eighteenth century, its role was evidently limited since ninety-three per cent of the population in 1973 was illiterate. On 12 October 1989, the Pope went to East Timor. After consecrating the cathedral, he said mass to an overflowing crowd of 100,000. His message was restrained. The Pope simply called on "those responsible for life in East Timor (to) act with wisdom and goodwill for all." He did not say, as he had six years earlier in Haiti, that "things must change here, if faut que les choses changement ici." Even so, following the mass, some of the audience began to shout independence slogans, soldiers intervened and there was a violent melee. Thereafter, the local Church became an important focus of opposition to the Indonesian presence, calling for a referendum on integration and documentation of human rights abuses.

The author concludes that the combat had reached a military stalemate by the mid 1980s, leading the army to return to an earlier strategy of holding strategic locations and attempting to keep the Fretilin forces at bay. The Government sought to show that the political situation was under control by holding trials of Fretilin forces beginning in 1984. By the end of that year, one hundred and ninety-five prisoners had been tried under Articles 106, 198, and 110 of the Indonesian Criminal Code, then given sentences ranging from two to seventeen years although many had already been in jail for years.

A final theme in this volume is the international reaction to events in East Timor and the writer speculates on actions that could be taken, but concludes that the probability of action on East Timor's behalf is increasingly unlikely. Initially, the United Nations reaffirmed East Timor's right to self-determination and called for negotiations by representatives from Fretilin, Indonesia, and Portugal. But by 1982, that margin of support had narrowed and the wording was changed to "interested parties" so that just Portugal and Indonesia would participate in the talks. The Human Rights Committee, one of the institutions in the United Nations intended to access of human rights violations, even removed it from the agenda in 1985, which Taylor blames on a powerful Indonesian lobbying effort. In his view, credit for keeping the issue alive at the United Nations lies with the non-governmental organizations (NGOs).

What is the future for East Timor? The author visualizes five scenarios: an Indonesian victory over the Fretilin, a Fretilin victory over the Indonesian forces, an Indonesian referendum manipulating a vote for merger, a plan to give East Timor limited political autonomy, and change caused by outside pressure on Indonesia.

Taylor presents his arguments for why none of these scenarios will succeed. Indonesia will not gain a victory over Fretilin because Fretilin will always be able to evade the combatants. Fretilin forces are unlikely to be victorious either with only about 2,000 members—in the absence of an upsurge in separatist movements. A referendum is unlikely since Indonesia will not want the problem brought to international attention. Limited political autonomy for East Timor is doubtful because Indonesia does not want to stop fighting or increase East Timor participation in the system. International pressure is unlikely to increase due to Indonesian lobbying efforts. Portugal, which continues to make the case with the European Community, could get tired and give up. Taylor concludes that change in relations between East Timor and Indonesia will only occur if there is a new government in Jakarta. Even then, change could be slow and limited in scope.

There are a number of problems with this book, ranging from minor to substantive. Many of the more minor are related to editing.

Taylor is frank about his position on East Timor, but inflammatory language, overstatements, and under-reporting raise questions about the accuracy of the account. Throughout the text the Indonesian presence in East Timor is referred to as its "invasion of East Timor." In Chapter Twelve on page 180, the writer claims the United States, Australia, and Japan could have influenced things in the mid-1970's, "but the need to appease the Indonesian military became paramount."

The most serious shortcoming of the volume is its one dimensionality. The Indonesian Government, particularly BAKIN and the armed forces, are presented as evil. He claims that entire nations have turned a blind eye to conditions in East Timor for self centered economic, strategic, and political reasons. By contrast, the indigenous society of East Timor and Fretilin are virtuous and blameless. In Chapter Five, while the combatants devastate the urban areas, Fretilin forces live peacefully in the mountains, growing crops, sending their children to school, and holding meetings with the community "for political clarification on the evolution of the struggle." From this laudatory description, the reader may wonder how other parties managed to attract any members, what frictions caused Fretilin to splinter, and why it has had so much trouble presenting its case in the international arena.

Some of the author's assertions are exaggerated, such as his equation of armed combat, transmigration, and birth control as horrors imposed by Indonesia to quell the Timorese. Taylor is particularly incensed about the introduction of World Bank funded family planning centers that want Timorese to limit their families to three children each. However, public policy encourages all Indonesians to limit their families to two children; the rationale for this policy is apparent to anyone who has been to Indonesia.

Some of the writer's arguments are cynical and counterintuitive, as in Chapter Thirteen, where Taylor asserts that the military is unlikely to pull out of East Timor because it is quite happy to be there, providing troops with combat practice in low intensity conflict and giving officers an opportunity for promotions and wealth from local investments. East Timor has been a long, expensive, and unpopular engagement, something from which one might assume the combatants and Indonesia, which is an increasingly important player in world events, would like to end.

Since Taylor is involved with the Catholic Church and has followed its activities in East Timor, it is unfortunate that he did not write more about this topic. Who invited the Pope to East Timor? What was his purpose in making this trip. Since the Vatican has not recognized the unification of East Timor and Indonesia, why was the Pope's address so mild? What caused the priests to take courage from the papal visit? In many countries with a Catholic presence, nuns and lay workers, who work most closely with the poor have become the most radicalized. It would have been interesting to know something about this subject.

This work was published in 1991, but it mainly covers events through 1989. An update is already in order as a result of the November 1991 violence in Dili and myriad repercussions; and changes in the international arena.

Despite its shortcomings, this is a valuable and provocative publication that provides English language readers an opportunity to think about the situation in East Timor. In addition, it raises questions of a larger scope concerning the rights of states and traditional societies, the proper role of religion, and the reluctance of states to negotiate differences of opinion.•

CONGRESS IS ONE OF THE PLACES WHERE PEACE IS LACKING

• Mr. KOHL. Mr. President, a few days ago, I received a group of letters and drawings from the sixth grade class at St. Josaphat School in Milwaukee. I have rarely received anything as touching, and as disturbing, as those letters.

These sixth graders, Mr. President, were spending some time studying how to get along peacefully with each other. Their teacher, Mrs. Bergstrom, explained that, while the class was talking about how to get along with each other, "we have noted that * * * peace is sorely lacking in certain areas of our globe. We have also noted that peace is sorely lacking within certain areas of our Nation."

So far so good; just a normal student exercise about getting along with people. But then came the kicker, Mr. President. The teacher's letter continued: "Congress is one of the places where peace is lacking."

"Congress is one of the places where peace is lacking."

A letter that all the students signed asked, "Won't you please stop arguing and begin working with one another peacefully? Maybe, through your good example, you will spread some of your peaceful cooperation to the rest of the country. Maybe you will even spread some of that peace to the rest of the world. Maybe. What is wrong with trying?"

Mr. President, I think they are right: There isn't anything wrong with trying.

Sometimes, no matter how hard we try, we may not be able to agree on some issues, but we can develop compromises on most issues. Here is what one of the students in that sixth grade class wrote in his letter to me: "I solve my problems in my life by discussing my problems. I compromise with the person I am mad at. I think that the Democrats and the Republicans should work together to make a better country."

Mr. President, I honestly think these kids have the right idea. And we ought to listen to them. Again, I don't believe we can find compromises on every issue, but we can find them on most issues. We have to. As another student wrote, if he has a problem with his brother, "we would talk about a way we can both have our problem solved. If we still do not agree, we would help each other." They would help each other because they have to live with each other. So do we, Mr. President, so do we. And we ought to begin doing just that.

Mr. President, I thank the sixth grade class at St. Josaphat School for writing to me. And I will do my best to learn from them.•

CONGRATULATING ISRAEL ON ITS 45TH ANNIVERSARY

• Mr. JEFFORDS. Mr. President, I would like my colleagues to note that last Friday, May 14, was the 45th anniversary of Israel's declaration of independence. I would like to mark this occasion by congratulating Israel on its 45 years of democracy and freedom. It may be no coincidence that the Holocaust Memorial here in Washington has just opened, vividly reminding us of a key reason why the State of Israel had to be created. Forty-five years ago, still reeling from the turmoil of war, the Allies were uncertain whether this effort to create a homeland for the Jews would succeed. Thanks to the unflagging determination of the Israeli people, there is now no doubt anywhere in the world that the State of Israel is here to stay.

As Israel has evolved over the half century of its existence, so has America's relationship with Israel. People are sometimes surprised to find that my affinity for the State of Israel comes in part from historical similarities shared with the State of Vermont. While at first glance they may seem very different, both are small lands, and their people are very aware of their uniqueness and are deeply committed to democracy. Israelis and Vermonters are independent and industrious people, working a rugged land, and respecting its environment.

In 1776, Vermont was forced to declare itself an independent republic when competing claims of ownership over Vermont's territory by New Hampshire and New York prevented Vermont from joining the Union. Rather than submit to domination by either State, Vermont decided to go it alone. Eventually, after some hard bargaining, her neighbors realized the error of their ways and Vermont was allowed to join the Union. It has taken much longer in the Middle East, but I believe Israel's neighbors are slowly coming around.

Like Israel, Vermont has always had an unusual interest in events beyond its borders, engaging in outreach around the globe. Moved by the human suffering in Europe, Vermont declared war on Nazi Germany 3 months before Pearl Harbor. Touched by the plight of Bosnian Moslems, Israel has been airlifting Moslem refugee families to Israel.

As a member of the Senate Foreign Relations Committee, I had the privilege of traveling to the Middle East in February to assess the situation and to measure the commitment of the various parties to the peace process. I was heartened by what I learned, and more convinced than ever that a negotiated solution is possible and is the best hope for lasting peace in the region. At the center of my optimism is the reinvigoration of the Israeli-American relationship.

At each stop on my trip, I saw hopeful signs that the participant nations wanted to get back to the talks. In Damascus, Syrian Foreign Minister al-Shara eagerly conveyed his country's willingness to separate the difficult problem of the Palestinian deportees from the peace talks. Syria is very aware of the political and economic benefits that could come from peace with Israel. While the Foreign Minister did not make light of the many obstacles, it was clear to me that the Syrians are gradually realizing that good relations with their prosperous neighbor offers the best hope for the development of Syria.

The Jordanians were even more anxious to resume peace discussions. Both Israeli and Jordanian officials agree that the outlines of a peace agreement are clear, and a concerted effort in the bilateral talks could complete the document in relatively little time. Jordan clearly wants the benefits peace could bring, but realizes that any agreement with Israel must go hand-in-hand with progress in the negotiations over Palestinian autonomy.

The Israeli-Palestinian negotiating track still seems the most difficult, in part because the issues are considerably more complex, and in part because of the political constraints on each side. The Palestinian delegation is operating under very difficult circumstances, constantly threatened by the increasing power of fundamentalist groups in the occupied territories. The delegates impressed upon me the need for tangible signs of progress that will reassure the Palestinians that negotiations, not extremism or terrorism, are the best hope for a real improvement in their situation.

I was most surprised to learn from Egyptian President Hosni Mubarak of the quiet but active role he plays in the peace process. As the leader of the one Arab government that has made peace with Israel, Mubarak constantly acts as a conduit for information between parties, encouraging his Arab allies to continue the struggle to find common ground. Frequent lengthy conversations between President Mubarak and Prime Minister Rabin provide a unique communications channel that can facilitate progress and diffuse tensions.

While my stop in Israel was too brief, it renewed my enthusiasm for the people, their energy and the spirit of Israel. In spite of torrential rains, we ascended the Mount of Olives to gaze across the valley onto the heights of the Old City.

My eye was drawn to the Dome of the Rock, glistening even in the rain, one of the most holy sites for Moslems, built on the spot where Mohammed is said to have ascended into heaven. This very rock is also claimed by Judeo-Christian scholars as the place where Abraham offered to sacrifice his son Isaac to demonstrate his faith in God. Later that day, on the temple mount we wove our way through underground tunnels to the spots where Israeli archeologists have located stones from the foundation of King Solomon's temple, laid almost 3,000 years ago. Upon these stones, in the first century B.C., King Herod built the immense walls that surrounded the Second Temple. The western section of the wall, the Wailing Wall, is the one of the most holy places to Jews.

Here, in just a square mile, is encapsulated the riddle of the Middle East—Judaism, Islam, and Christianity all claiming the same sites of land as being central to their history and beliefs. Prior to 1967, the old city of Jerusalem was under Jordanian control and closed to Jews, thus barring them from access to their holy sites. Since 1967, Israel has insisted that the city be open to all, and thousands of people of all faiths come every day to worship in peace. Looking out over this historic and dynamic city, it is clear to me that Israel's City of David must never again be divided so that it remain forever open to all people.

My meetings with Prime Minister Yitzhak Rabin and Foreign Minister Shimon Peres provided the opportunity to candidly exchange views on many issues. I expressed concern that Israel continue to work hard on reforming its economy, encouraging greater privatization and efficiency. As America struggles to return its economy to health, we must ensure that every dollar invested overseas is spent wisely. I was assured that the Israeli leadership shares this conviction and places the highest priority on economic reform.

We discussed the peace process at length, agreeing that every effort must be made to seize the opportunity to move toward a sustainable peace. I shared my concern about the unrest in the territories, my opposition to heavy-handed responses, and my support for longstanding U.S. policy of opposing the building of settlements outside the green line. Having pushed hard for years for the right of Soviet Jews to emigrate, I backed the loan guarantees, but believe that they must be spent in accordance with United States policy if they are to be supported by the American public. The Prime Minister assured me that American conditions on loan guarantees are being scrupulously followed.

We discussed the difficulty of combating terrorism in a democracy and the necessity of preventing extremists from holding a veto over the peace process. I was encouraged by the Prime Minister's commitment to ending the standoff with the Palestinian deportees while remaining firm against terrorism. Foreign Minister Peres stressed that the food on which fundamentalism feeds is poverty, and that a political settlement must provide for economic development and political autonomy for the Palestinians.

I was pleased to learn of the Labor government's support for my position that the gulf war brought home the necessity of curtailing arms sales to the region. I supported taking military action against Saddam Hussein and I greatly admired the restraint shown by Israel when Scud missiles were launched against Tel Aviv. Clearly, there is no shortage of military equipment in the region. While the war created an international consensus that more must be done to limit the flow of weapons, it has proved hard for any country to follow through when jobs at home are at stake. The recent sale of F-15's to Saudi Arabia provides an example. Believing that this sale was not in America's long-term interest, I was one of the few Senators to speak out publicly last fall in opposition to the sale in spite of the potential economic benefit for Vermont.

The question of next year's levels of U.S. foreign aid came up as well. I indicated my commitment to aid to Israel and Egypt, especially at this delicate time in the peace process. Any cut in aid at this critical point in the peace process could be construed as a lack of American resolve to see the peace process through. After all we have invested, Israel must be confident that our commitment is not wavering.

I realize foreign aid is very difficult to sell to the American people, I am convinced that the wisest investment we can make is in efforts to bring peace to the region. Not only will stability in the region allow us to cut back on our defense expenditures, but it will also expand the markets for American goods, the key to maintaining our standard of living.

There continues to be some progress in the peace talks, but I am concerned that all of the parties have not pledged to commit themselves to the negotiations until an agreement is reached. Only Israel has made a long-term commitment to the talks, recognizing the urgency of seizing this moment of opportunity. I hope the other parties will commit to an immediate resumption of the discussions and commit to seeing the process through.

While the coming months will no doubt bring some bumps in the road, I am most encouraged by the vigor I see in the relationship between and the commitment of the new American and Israeli Governments to work together. There is excitement throughout the Middle East that peace is not only possible, but could bring tangible benefits to all the people of the region. It is my belief that the strength of the American-Israeli friendship is the key to making this long-sought dream a reality.•

FACES OF THE HEALTH CARE CRISIS IN MICHIGAN—THE IMPACT OF HIGH HEALTH CARE COSTS ON FAMILY BUSINESSES

• Mr. RIEGLE. Mr. President, as part of my continuing effort to focus on the critical need for health care reform, I would like to highlight today the impact of skyrocketing health insurance premiums on small business owners.

Gerald and Sue Gibson, from Sturgis, MI, have owned a trucking business since 1978. They are the sole employees of the company. Like many small businesses across America, the Gibson family business is struggling to stay afloat during difficult economic times. The Gibsons wrote to me in August 1992, to tell me how escalating health insurance premiums have made their struggle even harder.

I will ask that this letter be printed in the RECORD at the conclusion of my remarks.

Sue and Gerald had been purchasing health insurance coverage for themselves for the past 20 years. But, they are unable to keep up with the high cost of health insurance. Some ten months ago, the Gibsons gave up their health insurance coverage to maintain the economic viability of their business.

The escalating cost of premiums has put health insurance beyond their financial means. In 1988, the premium cost for the Gibsons' health insurance was about $67 a month with a yearly deductible of $1,200. By 1992, the premium cost had risen to $439 a month for basically the same policy. This was for a no-frills policy that only covered hospitalizations. It did not cover doctor visits, prescriptions, or outpatient services.

Luckily the Gibson's out-of-pocket expenses have been relatively low. Their major expense is a prescription to control Gerald's blood pressure which costs $40 a month. But, because they have had to give up their insurance, they now live in fear of an unforeseen illness or accident that would require hospitalization. While they have never filed a health insurance claim and neither of them has ever been hospitalized, they are concerned that their good health will not continue forever. They fear they could be turned away by hospitals if they get sick, because they have no health insurance. They worry that they may lose their home should one of them need to be hospitalized.

The Gibsons are willing to pay for health insurance, they are not looking for a free ride. They just cannot afford the skyrocketing premiums. Since they gave up their health insurance last August, Sue has continued to look for affordable insurance for herself and her husband. In researching various policies, she has found that high costs are not the only problem. She has also encountered discrimination against her husband because high blood pressure is considered a preexisting condition.

Just recently, Sue considered a policy for her husband that would cost $500 per month, but had a 2-year preexisting condition clause that would exempt coverage for any conditions related to the circulatory system. He has never been hospitalized for his high blood pressure as it has been successfully controlled with medication.

The Gibsons are not alone in their dilemma. Sue personally knows of several other small business owners who are uninsured because they cannot afford the cost of health insurance. The high cost of health care coverage has forced small business owners across the State to sacrifice the peace of mind that health insurance brings in order to sustain the economic viability of their business. This is a choice that small business owners should not have to make.

The strength of our economy depends on the viability of our small businesses. Small business owners often make great sacrifices to establish and maintain their businesses. The Gibsons told me in their letter, "We have stuck it out in the good times and the bad times. We are willing to do this because having a small business, working hard, and seeing something grow from it is what we enjoy doing. Isn't small business what America is all about?"

Mr. President, many small businesses in America want to provide health care benefits for themselves and their employees but, like the Gibsons, find the costs to be prohibitive. It is clear that comprehensive health care reform is needed to control the escalating cost of health care to help small businesses and everyone else whose peace of mind is jeopardized by this serious problem.

The letter follows:

STURGIS, MI,
August 18, 1992.

Hon. DONALD W. RIEGLE, Jr.:

We are writing to ask your help with a very serious problem. Enclosed you will find a copy of our latest rate increase on our health insurance. As you can see it will now be $439 a month. This is a no frills policy, it is a $1200 deductible, in hospital only plan. No office calls, no vision or dental, no emergency room, just major hospital care.

We can no longer afford to pay the premium, we will now be forced to join the millions of Americans with no coverage. Four years ago our premium was $199 every quarter and now $439 a month.

We are in our early 50's, and have never even filed a claim on this policy. They say it's due to rising costs. We have tried to keep up with the rising rates, but we can no longer afford it.

We have had a small business for 20 years. We have paid our own way. We have never asked for welfare, we don't have paid vacations, we don't have paid holidays or any unemployment benefits. We have paid our own Social Security in full. We have stuck it out in the good times and the bad times. We are willing to do this because having a small business, working hard and seeing something grow from it is what we enjoy doing. Isn't small business what America is all about?

What are our options now? What happens if we need hospitalization? We have worked hard, our home is paid for and we have a little savings. Will we lose a lifetime of hard work to a hospital bill?

We need to know these answers: If we need surgery will hospitals turn us away with no insurance? Will they even admit us? Can our home be taken away for non-payment of a large hospital bill? What are our options, we feel like we have none.

We are willing to pay for health insurance, we aren't looking for a free ride. I will be waiting for a reply from you and I hope you have some answers. We need help and we need it now. There are millions of other self-employed people who also need the same questions answered, I hope some help will soon be available for all of us. Thank you.

Mr. & Mrs. GERALD GIBSON, Sr.●

SENATE QUARTERLY MAIL COSTS

● Mr. FORD. Mr. President, in accordance with section 318 of Public Law 101–520, I am submitting the summary tabulations of Senate mass mail costs for the second quarter of fiscal year 1993, that is the period of January 1, 1993, through March 31, 1993, to be printed in the RECORD, along with the quarterly statement from the U.S. Postal Service setting forth the Senate's total postage costs for the quarter.

The tabulations follow:

SENATE QUARTERLY MASS MAIL VOLUMES AND COSTS FOR THE QUARTER ENDING 03/31/93

Senators	Original total pieces	Pieces per capita	Original total cost	Cost per capita
Akaka				
Baucus	64,235	0.07796	$9,644.90	$0.01170
Bennett				
Bentsen	81,005	.00459	15,434.91	.00087
Biden				
Bingaman	14,700	.00930	2,912.15	.00184
Bond	2,600	.00050	611.13	.00012
Boren				
Boxer	305,000	.00988	41,368.14	.00134
Bradley	42,700	.00548	6,075.24	.00078
Breaux				
Brown	6,539	.00188	5,832.78	.00168
Bryan	72,550	.05467	10,322.85	.00778
Bumpers				
Burns	21,460	.02604	3,200.40	.00388
Byrd	848	.00047	756.42	.00042
Campbell				
Chafee	17,700	.01761	2,920.19	.00291
Coats				
Cochran				
Cohen	29,220	.02366	5,477.83	.00444
Conrad	41,975	.06600	5,975.76	.00940
Coverdell				
Craig	217,180	.20354	36,412.53	.03413
D'Amato				
Danforth	80,080	.01542	11,002.66	.00212
Daschle	17,790	.02502	2,525.27	.00355
DeConcini	72,581	.01894	16,710.27	.00436
Dodd	1,576	.00048	1,247.01	.00038
Dole				
Domenici	1,230	.00078	225.71	.00014
Dorgan	56,150	.08829	7,987.70	.01256
Durenberger	85,640	.01912	16,133.67	.00360
Exon				
Faircloth				
Feingold				
Feinstein				
Ford				
Glenn				
Gorton	220,165	.04287	38,717.85	.00754
Graham				
Gramm	107,990	.00612	23,731.43	.00134
Grassley				
Gregg				
Harkin				
Hatch	31,930	.01761	4,542.59	.00251
Hatfield	950	.00032	224.69	.00008
Heflin	15,500	.00375	2,456.22	.00059
Helms				
Hollings				
Inouye				
Jeffords	2,130	.00374	417.27	.00073
Johnston	2,000	.00047	272.81	.00006
Kassebaum				
Kempthorne				
Kennedy	1,875	.00031	1,699.27	.00028
Kerrey				
Kerry	76,500	.01275	11,619.99	.00194
Kohl				
Krueger				
Lautenberg	3,598	.00046	2,048.21	.00026
Leahy	5,250	.00921	1,047.54	.00184
Levin	2,050	.00022	462.85	.00005
Lieberman	28,275	.00862	4,329.43	.00132
Lott				
Lugar	42,325	.00748	5,975.41	.00106
Mack	49,325	.00366	9,084.90	.00067
Mathews				
McCain				
McConnell				
Metzenbaum				
Mikulski				
Mitchell	61,000	.04939	8,676.22	.00703
Moseley-Braun				
Moynihan	41,720	.00230	5,731.85	.00032
Murkowski				
Murray				
Nickles	55,005	.01712	13,819.91	.00430
Nunn				
Packwood				
Pell				
Pressler	9,300	.01308	1,751.87	.00246
Pryor				
Reid				
Riegle	37,056	.00393	7,547.70	.00080
Robb				
Rockefeller				
Roth				
Sarbanes	3,250	.00066	980.06	.00020
Sasser				
Shelby				
Simon	655,685	.05637	93,336.98	.00802
Simpson	23,560	.05056	3,232.68	.00694
Smith				
Specter	614,500	.05117	88,277.61	.00735
Stevens				
Thurmond				
Wallop	10,190	.02187	1,925.03	.00413
Warner				
Wellstone	103,500	.02310	15,051.44	.00336
Wofford				

Other offices	Total pieces	Total cost
The Vice President		

Other offices	Total pieces	Total cost
The President pro-tempore		
The majority leader		
The minority leader		
The assistant majority leader		
The assistant minority leader		
Secretary of the majority conference		
Secretary of the minority conference		
Agriculture Committee		
Appropriations Committee		
Armed Services Committee		
Banking Committee		
Budget Committee		
Commerce Committee		
Energy Committee		
Environment Committee		
Finance Committee		
Foreign Relations Committee		
Governmental Affairs Committee		
Judiciary Committee		
Labor Committee		
Rules Committee		
Small Business Committee		
Veterans Affairs Committee		
Ethics Committee		
Indian Affairs Committee	525	$270.13
Intelligence Committee		
Aging Committee		
Joint Economic Committee		
Joint Committee on Printing		
JCMTE Congress inaug		
Democratic policy committee		
Democratic conference		
Republican policy committee		
Republican conference		
Legislative counsel		
Legal counsel		
Secretary of the Senate		
Sergeant at Arms		
Narcotics caucus		
SCMTE POW/MIA		

U.S. POSTAL SERVICE,
Washington, DC, May 17, 1993.

Hon. WENDELL H. FORD,
Chairman, Committee on Rules and Administration, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Detailed data on franked mail usage by the U.S. Senate for the second quarter, Fiscal Year 1993, is enclosed. Total postage and fees for the quarter is $2,269,952.

A summary of Senate franked mail usage, based upon the first two quarters of actual data for Fiscal Year 1993, is as follows:

Volume	21,080,806
Revenue per piece	$0.2480
Revenue	$5,227,977.00
Provisional Payments to date	$10,000,000.00
Excess in Provisional Payments	$4,772,023.00

The first two Postal Quarter results, when projected to an annual figure based upon an adaptation of historical trends for Senate franked mail activity, provide the following estimates for FY 1993:

Volume	69,080,248
Revenue Per Piece	$0.2101
Total Revenue	$14,513,760
Current Appropriation	$20,000,000
Estimated Surplus	$5,486,240

However, due to substantial deviations in Senate quarterly mailing patterns, these estimates are considered debatable.

If you or your staff have any questions, please call Tom Galgano of my staff on (202) 268-3255.

Sincerely,

ALFRED CARREON, Jr.,
Manager, Post Office Accounting Finance and Planning.

FRANKED MAIL POSTAL QUARTER II, FISCAL YEAR 1993

Subcategories	Pieces	Rate	Amount
1. Letters: 1st class (Total)	2,571,156	$0.2919	$750,520
2. Flats: 1st class (Total)	105,480	.9893	104,351
3. Parcels:			
Priority-up to 11 oz			
Priority-over 11 oz	9,567	4.5541	43,569
4th class—regular	12,755	3.9125	49,904
Total	22,322	4.1875	93,473
4. Orange bag pouches:			
1st class	4,794	.3709	1,778
Priority-up to 11 oz	77	2.8961	223
Priority-over 11 oz	318	5.2233	1,661
Total	5,189	.7057	3,662
5. Agriculture bulletins:			
1st class			
Priority-up to 11 oz			
Priority-over 11 oz			
3d class			
4th class special (bulk)			
4th class regular	23	9.5652	220
Total	23	9.5652	220
6. Yearbooks: 4th class special (Bk) (Total)	1,792	1.4676	2,630
7. Other (odd size parcels):			
Priority-up to 11 oz			
Priority-over 11 oz	717	35.4979	25,452
4th class special (bulk)			
4th class regular	3,102	11.1863	34,700
Total	3,819	15.7507	60,152
Total outside DC	229,996	.5277	121,369
Permit imprint mailings:			
1st class single piece rate			
3d class bulk rate	7,401,403	.1179	872,779
Parcel post—PI	162	8.8889	1,440
1st class single piece—PI			
Address corrections (3547's)	53	.3585	19
Address corrections (3d class)			
Mailing list corrections (10 names or less)			
Mailing list corrections (more than 10 names)			
Mailgrams:			
IPA—international priority airmail			
Mailing fees (registry, certified, etc.)			
Postage due/short paid mail			23
Permit fees			
Miscellaneous charges/adj			
Express mail service			259,314
Subtotal	10,341,395	.2195	2,269,952
Adjustments			
Grand total	10,341,395	.2195	2,269,952•

RESOLUTION RELATING TO THE PURCHASE OF CALENDARS

Mr. BOREN. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar Order No. 69 (S. Res. 110), a resolution relating to the purchase of "We The People" calendars, that the resolution be agreed to, that the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 110) was agreed to, as follows:

S. RES. 110

Resolved, That the Committee on Rules and Administration is authorized to expend from the contingent fund of the Senate, upon vouchers approved by the chairman of that committee, not to exceed $76,960 for the purchase of one hundred and four thousand 1994 "We The People" calendars. The calendars shall be distributed as prescribed by the committee.

AUTHORIZING THE SENATE ETHICS STUDY COMMISSION

Mr. BOREN. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Resolution 111, introduced earlier today by the majority and minority leaders, that the resolution be agreed to, and the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 111) was agreed to, as follows:

S. RES. 111

Resolved, That—

SECTION 1. SENATE ETHICS STUDY COMMISSION.—(a) ESTABLISHMENT AND PURPOSES.—There is established in the Senate the Ethics Study Commission (hereinafter referred to as "Commission") for the purposes of—

(1) conducting a study of rules and procedures relating to the Senate Select Committee on Ethics; and

(2) taking such actions as may be required to support the purposes specified in paragraph (1).

(b) MEMBERSHIP.—The Commission shall be composed of the following members:

(1) the Chairman of the Select Committee on Ethics, who shall serve as Chairman of the Commission;

(2) the Vice Chairman of the Select Committee on Ethics;

(3) the members of the Select Committee on Ethics; and

(4) such former members of the Select Committee on Ethics (including current and former Members of the Senate) as the majority leader, in consultation with the minority leader, shall recommend to be appointed by the President pro tempore of the Senate.

(c) VACANCIES.—Vacancies in the membership of the Commission shall not affect the authority of the remaining members to conduct the business of the Commission.

(d) CONSTRUCTION.—Nothing in this resolution shall be construed as restricting the authority of the Select Committee on Ethics or otherwise changing the authority of any committee of the Senate.

SEC. 2. SERVICES OF STAFF.—The Chairman of the Commission may designate Senate staff to assist the Commission; however, no additional staff shall be employed by the Commission under the authority of this resolution.

SEC. 3. GENERAL AUTHORITY.—For the purposes of this resolution, the Commission—

(a) is authorized in its discretion,

(1) to hold hearings;

(2) to sit and act at any time or place during the sessions, recesses, and adjourned periods of the Senate; and

(b) shall be deemed a committee of the Senate for the conduct of hearings, including for the purpose of having printed and bound the testimony and other data presented at such hearings.

SEC. 4. EXPENSES.—(a) In carrying out its duties under the authority and purposes of this resolution, from March 4, 1993 through December 31, 1993, the Commission is authorized to make such expenditures as may be necessary from the Contingent Fund of the Senate.

(b) Expenditures from the Contingent Fund shall be paid out of the appropriations account "Miscellaneous Items" upon vouchers approved by the Chairman of the Commission, except that vouchers shall not be required for—

(1) the payment of expenses for stationery supplies purchased through the Keeper of the Stationery, United States Senate;

(2) the payment of expenses for postage of the Postmaster, United States Senate;

(3) the payment of metered charges on copying equipment provided by the Sergeant at Arms, United States Senate; or

(4) the payment of expenses for telecommunication services provided by the Telecommunications Department, Sergeant at Arms, United States Senate.

SEC. 5. REPORT.—The Commission shall report its findings and recommendations to the Majority Leader and the Minority Leader upon the conclusion of its study.

SEC. 6. TERMINATION.—The provisions of this resolution shall be deemed effective March 4, 1993, and shall terminate on December 31, 1993.

RECORD TO REMAIN OPEN UNTIL 3 P.M.

Mr. BOREN. Mr. President, I ask unanimous consent that the RECORD remain open today until 3 p.m. for the introduction of legislation and statements.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR MONDAY, MAY 24, 1993

Mr. BOREN. Mr. President, on behalf of the majority leader, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 1:30 p.m. on Monday, May 24; that following the prayer, the Journal of proceedings be approved to date and that the time for the two leaders be reserved for their use later in the day; that there then be a period of morning business not to extend beyond 2 p.m., with Senators permitted to speak therein for up to 5 minutes each; that at 2 p.m., the Senate resume consideration of S. 3, the Congressional Spending Limit and Election Reform Act of 1993.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL MONDAY, MAY 24, 1993, AT 1:30 P.M.

Mr. BOREN. Mr. President, if there be no further business to come before the Senate today, I now ask unanimous consent that the Senate stand in recess as previously ordered.

There being no objection, the Senate, at 1:40 p.m., recessed until Monday, May 24, 1993, at 1:30 p.m.

HOUSE OF REPRESENTATIVES—*Monday, May 24, 1993*

The House met at 3 p.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Teach us, O God, to see other people as created in Your image and entitled to respect and ultimate value. We see our family and friends as recipients of our concern and care and yet Your Word calls us to an understanding that reaches every person of every background and of every place. May Your good Spirit that opens our eyes to truth, lead us in the way of truth, so we respect and honor all Your creation, now and evermore. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. The Chair recognizes the gentleman from Mississippi [Mr. MONTGOMERY] to lead us in the Pledge of Allegiance.

Mr. MONTGOMERY led the Pledge of Allegiance as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

NO WONDER AMERICA IS LOSING JOBS

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, no wonder America is losing jobs.

A Kansas City Federal courthouse is being built with granite mined in China. That is right, Chinese granite, even though there is an American quarry that produces granite within a stone's throw of this new courthouse.

A spokesman for our Government said that China got the contract because they are much cheaper. No kidding, Sherlock: Slave labor, child labor, no workers' rights, a dictatorship, and the average wage, America, is $9 a month, not an hour, $9 a month, and to kick it off, we give this dictatorship most-favored-nation trade status and the right to take our Government contracts.

We then wonder why we are broke and losing our keisters. Beam me up. It is time to deal with China and everybody else, put them on a level playing field so we develop some jobs in America before we do not even have hamburger flipper jobs available.

TAX INCREASE WILL PRODUCE MORE SPENDING

(Mr. GILLMOR asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GILLMOR. Mr. Speaker, today I would like to talk about two myths that continue to pop up in the current tax debate.

Myth No. 1: Deficits were caused by the Reagan tax cuts. That is simply false, and the Government tax collections since that time prove it to be a myth. Figures from the Congressional Budget Office show Federal revenues, that is, tax collections, from 1980 to 1992 increased 122 percent.

The deficits were caused because Federal spending went up even faster, 234 percent, more than triple.

Myth No. 2: The tax increase is needed now to reduce the deficit. Tax increases under a Democratic Congress do not reduce deficits. There have been three major tax increases since the Reagan tax cut. People were told they were going to reduce the deficit, but the deficits were not.

The last tax increase passed by a Democrat Congress to reduce the deficit was in 1990. Since that time, the deficit has doubled, and spending has gone up.

Now, we have more of the same hokum from President Clinton. He has proposed the biggest tax increase in history on the average American family and it is not a tax increase to reduce the deficit. It is a tax increase for more spending, and it ought to be defeated.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair would like to welcome all of our guests, but would like also to admonish them that House rules prohibit the expression of approval or disapproval of any statements made by Members on the floor of the House, and your cooperation will be greatly appreciated.

INVITATION TO THE DRIVE AMERICAN QUALITY EVENT

(Mr. KILDEE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KILDEE. Mr. Speaker, as cochair of the congressional automotive caucus, I would like to invite my colleagues to participate in the drive American quality event taking place on The Mall this week.

The event is sponsored by Chrysler, Ford, General Motors, and the United Auto Workers.

Starting tomorrow, Members will have the opportunity to test drive the latest American-made automobiles from the big-three automakers. As you may know, the American auto industry is making a comeback, recapturing a bigger share of the American market, and aggressively exporting American-made autos to other countries.

Auto industry analysts agree that a major reason for the big three's success has been the introduction of high quality, stylish new models. The drive American quality event gives Members of Congress the opportunity to experience the new models firsthand.

I hope you and your families can join us for this exciting event on The Mall.

APPOINTMENT AS A MEMBER OF COMMISSION ON THE BICENTENNIAL OF THE U.S. CAPITOL

The SPEAKER. Pursuant to the provisions of section 324(b)(6) of Public Law 102-392, the Chair appoints to the Commission on the Bicentennial of the U.S. Capitol the following Member of the House:

Mr. FAZIO of California.

PRESIDENT CLINTON'S NEW TAX STRATEGY

(Mr. LINDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LINDER. Mr. Speaker, the President has tried everything to hide the fact that he is just another tax-and-spend, spend-and-tax Democrat.

Strategy No. 1 was to say he would only tax the rich. When he proposed a Social Security tax on those making as little as $25,000, and an energy tax on everyone, he had to come up with another strategy. Strategy No. 2 was to not use the word "taxes," instead calling taxes contributions, patriotism, and responsibilities and even called Social Security taxes spending cuts.

Since America saw through both strategies, President Clinton fell back to old faithful—strategy No. 3: The

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

never-ending campaign. The only problem with strategy No. 3 was that he took it to Hollywood, the only place in the country that can either afford his taxes or agree with them.

So after three failures, President Clinton has evidently come up with a fourth strategy: Controversial White House firings and $200 haircuts in hopes of getting America's mind off his taxes. It is a unique idea, but it will not work either. Instead, President Clinton should fire the administration's tax advocates and get his $200 barber, Cristophe, into the White House for some spending cuts.

THE RECONCILIATION BILL: TAX FAIRNESS AND REAL DEFICIT REDUCTION

(Mr. RICHARDSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RICHARDSON. Mr. Speaker, this week we cast a vote on whether we allow the President to govern as the American people elected him to do.

His economic plan is the only game in town. The so-called bipartisan alternative coming out of the other body is not realistic. It protects the energy industry. It hurts the middle class, and it slams the elderly.

It may have the attention of the press and the drama of a challenge, but realistically it does not have the votes, so far only five in the other body.

Mr. Speaker, we cannot allow this President's plan to go down.

We are once again showing how gridlock governs Washington. There are some in my own party who do not realize that we have a Democrat in the White House. The other side is united against the President no matter what.

Let us put politics aside and pass the President's plan and unite behind the President.

Mr. Speaker, If you have watched TV lately, you have heard an awful lot about the reconciliation bill. Unfortunately, most of what I am hearing is not true. What is true is that this is one of the fairest, most honest pieces of legislation we have seen around here in a long time.

After 12 years of smoke and mirrors, President Clinton has proposed a reconciliation bill that will cut the deficit by $500 billion over 5 years. The plan calls for real reduction—over 200 specific and concrete cuts. At the same time, it funds some very important and positive programs.

It includes a $75 billion tax incentive for investment and jobs. It includes an increase in the earned income tax credit, a program that encourages the poor to work.

The bill does raise taxes but the burden falls on those who can afford to pay—about 75 percent of the net tax increase will be on upper-income Americans—about 5 percent of the population.

Mr. Speaker, President Clinton is doing what he was elected to do. Now we must do our job and vote for the President's package. It restores fairness to the tax code, cuts the deficit and moves the economy in a positive direction.

CLINTON'S BTU TAX: BLEED THE UNDERCLASS

(Mr. HUTCHINSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUTCHINSON. Mr. Speaker, this week the House is supposed to take up the largest tax increase in American history. This $327 billion more-of-the-same monstrosity from the administration is another backward step on the road to prosperity.

The most onerous of the new taxes is the tax on energy, or Btu tax, which should stand for bleed the underclass. It will hit every American directly or indirectly, and it will hit the poorest the hardest. It could cost up to 600,000 jobs and $475 per family by 1998 according to the National Association of Manufacturers. These 600,000 jobs lost will be the poor's jobs and the $475 will be dollars the poor can least afford.

Last year when Mr. Clinton sought the Presidency, he spoke of fairness in tax policy. Now in full control of the political apparatus, we find out what the administration really wants from tax policy is more money to pay for more spending. This administration is not about fairness, it is about bigger Government, more spending, and more taxes.

□ 1510

DRIVE AMERICAN QUALITY

(Mr. DINGELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DINGELL. Mr. Speaker, the U.S. automobile industry has had a great impact on our lives and the American economy by supporting 1.4 million U.S. jobs and over $50 billion in wages. This vital industry creates 15,000 jobs for every 100,000 vehicles produced. It also performs over 12 percent of all corporate research and development, is the biggest U.S. customer of small business and has a supplier, manufacturing, and assembly network involving 4,400 facilities in 48 States.

With all of this, the quality of American automobiles continues to improve, more people are buying and driving American vehicles, and American workers are responsible for and proud of these accomplishments.

To demonstrate this quality, from 11 a.m. to 7 p.m. tomorrow, and from 11 a.m. until 7 p.m. on Wednesday, the big three American companies and the United Auto Workers are hosting a very special event on Maryland Avenue directly in front of the U.S. Capitol. This "Drive American Quality" event will feature an opportunity to test drive one of the quality 120 American cars and trucks, a luncheon on both days and a buffet dinner on Wednesday evening from 7 p.m. to 9 p.m.

Mr. Speaker, I encourage my colleagues and their families to attend these important events and to drive American quality.

DEEP IN THE HEART OF TAXES

(Mr. SMITH of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Texas. Mr. Speaker, I think I have found the reason why President Clinton is so proud of his plan to pass the largest tax increase in history.

Apparently, he overheard Lloyd Bentsen singing a song that described an idyllic paradise.

What President Clinton heard was:

> The stars at night are big and bright deep in the heart of taxes.
> The time is right to make things right deep in the heart of taxes.
> The time has come to spend a large sum deep in the heart of taxes.

But, Mr. Speaker, Secretary Bentsen was not humming about tax policy. He was thinking of his home State of Texas.

And given the latest polls in the Texas special election, the people of Texas are none too happy with President Clinton's tax plans. The stars may be bright, but the people of Texas are afright when it comes to the heart of President Clinton's taxes.

CUTS VERSUS TAXES

(Mr. GOSS asked and was given permission to address the House for 1 minute and extend his remarks.)

Mr. GOSS. Mr. Speaker, this week we have a simple choice: Are we going to burden the American people with the single largest tax hike in our history? Or are we going to cut wasteful Federal spending? Despite the technical and intentionally confusing mumbo-jumbo swirling around the Halls—despite the admonishment of the well-known big-spenders in this town, despite risk of being labeled "obstructionist by the media—we can cut unnecessary spending and we can cut it enough to wipe out the need for the proposed energy tax and social security tax hikes. Together those new taxes would produce $104 billion. Well, I have a list of cuts that could save $104 billion so we do not need these new taxes. I and others will make this case on Wednesday in the Rules Committee, and if you do not like our cuts, pick some of your own. There is plenty of pork out there to chase down. It can be done—and it is something the American people demand that we do. The energy tax will hit families, workers, seniors—just about everybody will pay more. The Social Security tax hike will hit seniors who are just trying to make ends meet.

Why do something so stupid to the economy as energy and our Social Security tax hikes when cuts of wasteful spending are such a smart choice?

CLINTON AND THE GOLDEN STATE

(Mr. BAKER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BAKER of California. Mr. Speaker, President Clinton just got back from California. He told the people of San Diego that with his programs, and I quote: "I think you're going to see an enormous amount of new jobs in this State in the next 4 to 5 years."

But it turns out, Mr. Speaker, that they do not call it the Golden State for nothing. Because California is where Bill Clinton is getting the gold for his program of tax and spend. According to the California State Department of Finance, Californians will pay over $11.6 billion more in taxes than they will receive from the Federal Government over the next five years. That is right, California will be a donor State, sending more to Washington than the State receives from the Government.

The President says he will create jobs in California. But with the massive Clinton defense cuts and now the tailspin in the aerospace industry, and the Clinton taxes on Social Security and energy President Bill Clinton converts the Golden State into a bankrupt State.

MAMMOGRAPHY BILL

(Miss COLLINS of Michigan asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Miss COLLINS of Michigan. Mr. Speaker, breast cancer is the second leading cause of cancer death among women, affecting one in every eight.

Ironically, this deadly disease is treatable. Studies show that early detection through mammography screening offers a reasonable chance for treatment and recovery.

Through mammograms, it is estimated that death rates could be reduced by nearly 30 percent. Yet tragically, few utilize this procedure because they simply cannot afford it.

Thursday, May 20, I introduced legislation that will amend the 1986 Internal Revenue Code to provide an employer a tax credit for the cost of providing mammography screening for employees.

This incentive will encourage more employers to promote quality health care for their female employees.

I urge my colleagues to cosponsor this legislation which better arms the working women of America in their fight against breast cancer.

FOOD STAMP PROGRAM: ANOTHER CASE OF PUTTING SPENDING FIRST

(Mr. STEARNS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STEARNS. Mr. Speaker, the budget reconciliation we will be voting on this week includes a proposal for $7 billion of additional spending on the Food Stamp Program over the next 5 years.

We have all heard reports over the years of the many ways the Food Stamp Program is abused. The wide majority of Americans support providing nutritional assistance to needy Americans, but are also wary of the readily apparent problems in this program.

During the Presidential campaign, President Clinton promised the American people to reform the welfare system as we know it, and this should have included food stamps.

Before requesting additional funds for food stamps, the administration should initiate a study of waste, fraud, and abuse of this program. This would ensure Americans who are paying higher taxes to increase spending on this program that their money is going to aid deserving recipients.

To many Americans, reports of abuse of the Food Stamp Program are the clearest example of a welfare system that needs to be reformed. Let us take a closer look about how this money is being spent before taxing and borrowing more from our children.

BALANCE BUDGET BY CUTTING FIRST

(Mr. HOEKSTRA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HOEKSTRA. Mr. Speaker, for the last 4 weeks, I have been spending my time wondering how the President and the Democrats in this House can go to the American people and say that raising taxes $250 billion is not really that much money. I have also watched and listened to the President saying that an $80 billion Btu tax, directly affecting the middle class, is not that much money, which $450 per year in the Btu tax to the average American family is not that big of a deal. Well, last week I found out: $450 is only the price of two haircuts.

The fact is that the President has misunderstood the American people. He has misunderstood where the American middle class is today.

The American people want Government to spend less. The American people want smaller Government. We can and should start this process of balancing the budget by cutting first.

NORTH AMERICAN FREE-TRADE AGREEMENT

(Mr. MAZZOLI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MAZZOLI. Mr. Speaker, there are many good reasons to support the North American Free-Trade Agreement [NAFTA]. It is something which could open vast markets in North America for goods made by U.S. men and women. It could solve a lot of foreign policy problems that we might have among the three nations on North America.

But there are three elements, Mr. Speaker, that must be taken into careful consideration. One is to be sure that the ancillary agreements to the trade agreement which are being hammered out, dealing with worker rights and with safety in the plant and with environmental considerations, are tight and enforceable.

□ 1520

The second thing is a field in which I have studied some, on immigration, to be sure that the more open borders and the more free passage under NAFTA does not lead to wholesale entry of people into this country without legal papers.

And the third element is, today's New York Times carries a front page story about reports from United States intelligence people who say that open borders could very well lead to more drug trafficking of Colombian cocaine through Mexico into the United States.

Certainly, Mr. Speaker, the North American Free-Trade Agreement should not unwittingly lead to any elements of harm to the United States, and we must, therefore, look very carefully at that agreement and all of the ancillary agreements to it.

THIS ADMINISTRATION DOES NOT NEED HELP BEING EMBARRASSED

(Mr. WALKER asked and was given permission to address the House for 1 minute.)

Mr. WALKER. Mr. Speaker, there are some Democrats who are saying that there is a partisan conspiracy, trying to embarrass the President on his economic plan.

Let me explain a fact to everyone that is painfully evident to the rest of America: This administration does not need any help in embarrassing itself.

The Clinton administration has become known for high-priced haircuts and no spending cuts. It breaks a promise a day. When, on April 15, the White House celebrated tax day by going back on its word yet, again, and cozying up to the idea of a VAT tax on top of the biggest tax increase in American history, how did they explain it? Well, the President's press spokesman came out and said, "The President has a right to change his mind."

He does have a right to change his mind. This administration changes its mind like the rest of Americans changes socks.

In fact, it seems that the only thing one can count on from this administration is that it will not do what it says, and that it will do whatever taxes more Americans' income and spending, more of the American people's money seems to be the only thing that this administration is good at.

Do not blame partisan conspiracies for opposing taxes and opposing the spending increases on the American people. Please do not try to accuse any of us trying to embarrass the administration. They are proving they can do that very well on their own.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Edwin Thomas, one of his secretaries.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. KILDEE). Pursuant to the provisions of clause 5 of rule I, the chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken after consideration of House Resolution 172.

VETERANS EDUCATION OUTREACH PROGRAM

Mr. MONTGOMERY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 996) to amend title 38, United States Code, to establish a veterans education certification and outreach program, as amended.

The Clerk read as follows:

H.R. 996

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. VETERANS EDUCATION OUTREACH PROGRAM.

(a) ESTABLISHMENT.—Chapter 36 of title 38, United States Code, is amended by adding at the end of subchapter II the following new section:

"§3697B. Veterans education outreach program

"(a) The Secretary shall provide funding for offices of veterans affairs at institutions of higher learning, as defined in section 3452(f), in accordance with this section.

"(b)(1)(A) The Secretary shall, subject to the availability of appropriations, make payments to any institution of higher learning, under and in accordance with this section, during any fiscal year if the number of persons eligible for services from offices assisted under this section at the institution is at least 50, determined in the same manner as the number of eligible veterans or eligible persons is determined under section 3684(c).

"(B) The persons who are eligible for services from the offices assisted under this section are persons receiving educational assistance administered by the Department of Veterans Affairs, including assistance provided under chapter 106 of title 10.

"(2) To be eligible for a payment under this section, an institution of higher learning or a consortium of institutions of higher learning, as described in paragraph (3), shall make an application to the Secretary. The application shall—

"(A) set forth such policies, assurances, and procedures that will ensure that—

"(i) the funds received by the institution, or each institution in a consortium of institutions described in paragraph (3), under this section will be used solely to carry out this section;

"(ii) for enhancing the functions of its veterans education outreach program, the applicant will expand, during the academic year for which a payment is sought, an amount equal to at least the amount of the award under this section from sources other than this or any other Federal program; and

"(iii) the applicant will submit to the Secretary such reports as the Secretary may require or as are required by this section;

"(B) contain such other statement of policies, assurances, and procedures as the Secretary may require in order to protect the financial interests of the United States;

"(C) set forth such plans, policies, assurances, and procedures as will ensure that the applicant will maintain an office of veterans' affairs which has responsibility for—

"(i) veterans' certification, outreach, recruitment, and special education programs, including the provision of or referral to educational, vocational, and personal counseling for veterans; and

"(ii) providing information regarding other services provided veterans by the Department, including the readjustment counseling program authorized under section 1712A, the programs of veterans employment and training authorized under the Job Training Partnership Act and the Service Members Occupational Conversion and Training Act of 1992, and the programs carried out under chapters 41 and 42; and

"(D) be submitted at such time or times, in such manner, in such form, and contain such information as the Secretary determines necessary to carry out the functions of the Secretary under this section.

"(3) An institution of higher learning which is eligible for funding under this section and which the Secretary determines cannot feasibly carry out, by itself, any or all of the activities set forth in paragraph (2)(C), may carry out such program or programs through a consortium agreement with one or more other institutions of higher learning in the same community.

"(4) The Secretary shall not approve an application under this subsection unless the Secretary determines that the applicant will implement the requirements of paragraph (2)(C) within the first academic year during which it receives a payment under this section.

"(5) Any institution which received funding under section 420A of the Higher Education Act of 1965 during fiscal year 1993 shall be eligible under this section for fiscal year 1994.

"(c)(1)(A) Subject to subparagraph (B), the amount of the payment which any institution shall receive under this section for any fiscal year shall be $100 for each person who is described in subsection (b)(1)(B).

"(B) The maximum amount of payments to any institution of higher learning, or any branch thereof which is located in a community which is different from that in which the parent institution thereof is located, in any fiscal year is $75,000.

"(2)(A) The Secretary shall pay to each institution of higher learning which has had an application approved under subsection (b) the amount which it is to receive under this section. If the amount appropriated for any fiscal year is not sufficient to pay the amounts which all such institutions are to receive, the Secretary shall ratably reduce such payments. If any amount becomes available to carry out this section for a fiscal year after such reductions have been imposed, such reduced payments shall be increased on the same basis as they were reduced.

"(B) In making payments under this section for any fiscal year, the Secretary shall apportion the appropriation for making such payments, from funds which become available as a result of the limitation on payments set forth in paragraph (1)(B), in an equitable manner.

"(d) The Secretary, in carrying out the provisions of this section, shall seek to assure the coordination of programs assisted under this section with other programs carried out by the Department pursuant to this title, and the Secretary shall provide all assistance, technical consultation, and information otherwise authorized by law as necessary to promote the maximum effectiveness of the activities and programs assisted under this section.

"(e)(1) From the amounts made available for any fiscal year under subsection (f), the Secretary shall retain one percent or $10,000, whichever is less, for the purpose of collecting information about exemplary veterans educational outreach programs and disseminating that information to other institutions of higher learning having such programs on their campuses. Such collection and dissemination shall be done on an annual basis.

"(2) From the amounts made available under subsection (f), the Secretary may retain not more than two percent for the purpose of administering this section.

"(f) There is authorized to be appropriated $3,000,000 for each fiscal year to carry out this section.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 36 of title 38, United States Code, is amended by inserting after the item relating to section 3697A the following new item:

"3697B. Veterans education outreach program.".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Mississippi [Mr. MONTGOMERY] will be recognized for 20 minutes, and the gentleman from Arizona [Mr. STUMP] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Mississippi [Mr. MONTGOMERY].

GENERAL LEAVE

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks, and to include therein extraneous matter, on the bill now being considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. MONTGOMERY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 996, as amended.

This bill would transfer the Veterans Education Certification and Outreach Program from the Department of Education, and continue it in the Department of Veterans Affairs.

H.R. 996 would authorize the Secretary of Veterans Affairs to provide seed money to help counselors assist veterans at colleges;

It would require that veterans' affairs offices at participating schools provide services in veterans' certification, outreach, counseling, and special education programs to eligible veterans.

To qualify, Mr. Speaker, for this assistance, a participating school must have at least 50 veterans receiving VA education assistance and the school must match the VEOP funds, which means Veterans Education Outreach Program. Of the 500 colleges receiving VEOP grants last year, most were small schools and community colleges, 2-year colleges.

This program has provided valuable assistance to veteran students. Counselors conduct outreach activities to maximize usage of GI bill benefits; they counsel veterans regarding vocational choices; they assure prompt certification for VA education benefits; and they assist veterans in interpreting VA education-related regulations.

As the downsizing of the military continues, Mr. Speaker, there will be a significant increase in the number of veteran students on college campuses. As a result, there will be an increasing need for the services provided under this program.

The bill, as amended, is authorized so it would have no "pay go" effect.

Mr. Speaker, I want to commend the gentleman from Arizona [Mr. STUMP], who is the ranking member of the committee, for his support and help and also commend the ranking minority member of the subcommittee, the gentleman from Arkansas [Mr. HUTCHINSON].

This is a very important piece of legislation to help veterans pursue their education.

I urge the adoption of H.R. 996.

Mr. Speaker, I reserve the balance of my time.

Mr. STUMP. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 996, which would transfer the Veterans Education Outreach Program from the Department of Education to the Department of Veterans Affairs.

Having this program at the VA makes sense, because the counseling and outreach for veterans education programs, such as the Montgomery GI bill, can be done better by the Department which runs them.

What I do not want to see is higher priority VA programs losing funding to support a new program. The bill addresses this concern by making the funding authorization subject to appropriations. As our active duty military forces are reduced, the Veterans Education Outreach Program would be a good adjunct to the Transition Assistance Program for the increasing numbers of separating service members, if new funding can be found.

Mr. Speaker, I hope my colleagues will give H.R. 996 their favorable consideration.

Mr. Speaker, I yield such time as he may consume to the gentleman from Arkansas [Mr. HUTCHINSON].

Mr. HUTCHINSON. Mr. Speaker, I also rise in support of H.R. 996. Educational assistance today is one of the most important benefits for those who choose to serve their country in the Armed Forces. It is unfortunate that some recent veterans are not taking advantage of programs such as the Montgomery GI bill. They have earned this benefit, they deserve this benefit, and it is an extremely valuable one. This is particularly frustrating in cases where nonuse is due to lack of assistance regarding a veteran's rights and benefits. H.R. 996 would address this with the VEOP program of counseling assistance and outreach which has helped so many veterans in the past.

In light of the constrained VA budget, it is important that we move cautiously in enacting any program which could spread the limited resources of the VA even further. By making the VEOP funding subject to appropriations, I am assured that its cost will not adversely affect more vital responsibilities.

As our active duty military forces are downsized, VEOP will provide important assistance for the increasing numbers of separating service men and women. I thank Chairman MONTGOMERY and ranking member STUMP for their efforts to bring this legislation before us. I recommend that my colleagues support H.R. 996.

□ 1530

Mr. STUMP. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Speaker, I am honored to rise in support of H.R. 996, the Veterans Education Outreach Program. I commend the distinguished chairman of the Veterans' Affairs Committee, the gentleman from Mississippi [Mr. MONTGOMERY], and the distinguished ranking minority member, the gentleman from Arizona [Mr. STUMP] for introducing this beneficial veterans legislation.

Mr. Speaker, H.R. 996 is legislation that will assist in providing education for our Nation's veterans. By amending title 38 of the United States Code, this measure will reestablish the Veterans Education Outreach Program [VEOP] as part of the Department of Veterans Affairs. Currently, the Veterans Education Outreach Program is managed by the Department of Education. However, the VEOP program was repealed by Public Law 102-35, and, accordingly, the appropriations are scheduled to expire on June 30, 1993. As amended by the Committee on Veterans' Affairs, H.R. 996 will reestablish this beneficial program, and will provide an indefinite authorization of $3 million. This measure would be effective upon the date of enactment.

In previous years, the Veterans Education Outreach Program has provided assistance to many eligible honorably discharged veterans. By staffing college campuses with VEOP coordinators, eligible veterans are provided with valuable information regarding the various educational programs and entitlement that are offered by the VA. In fact, recent reports demonstrate that in 1992: 169,081 veterans received assistance under this program.

And, over 500 VEOP grants, averaging approximately $5,000 were provided to institutions of higher learning.

As outlined in H.R. 996, the VEOP will continue to provide an important educational assistance to eligible service men and women who have so valiantly supported the United States. Specifically:

H.R. 996 will require that, in order to qualify for a VEOP grant, an institute of higher learning must have a minimum of 50 enrolled and eligible veterans. This is a reduction from the current law which states that at least 100 eligible veterans must be enrolled;

H.R. 996 will designate that every veteran that receives VA educational assistance is eligible for VEOP assistance. As opposed to current provisions, H.R. 996 will provide educational benefits to eligible active duty service members and members of the Selected Reserve;

And H.R. 996 will simplify educational payments by establishing a set payment schedule of $100 per eligible veteran;

While this measure will result in outlays, the Congressional Budget Office has stated that this measure will not affect direct spending, I believe this is a small price to pay as we continue to assist our veterans as they face the challenges and changing needs of America today.

Mr. Speaker, I am proud to support H.R. 996. I believe the Veterans Education Outreach Program will continue to assist our Nation's veterans to reach their highest potential. Our Nation places great value in a solid education. By providing educational grants and entitlement, our veterans will be prepared to address the demands of today and the challenges of tomorrow.

I commend the significant work of the Committee on Veterans' Affairs. Under the leadership of its distinguished leader, the gentleman from Mississippi [Mr. MONTGOMERY], and its ranking Republican leader, the gentleman from Arizona [Mr. STUMP], this Congress has demonstrated that our Nation supports our veterans. H.R. 996 as well as the other legislative measures that have already been approved by the 103d Congress, confirm this commitment. While we must continue to realize the financial constraints that face our Nation, I hope that my colleagues will join with me, as we continue to focus on providing beneficial programs and valuable services to our Nation's veterans. They deserve no less.

Mr. STUMP. Mr. Speaker, I would like to commend the chairman of the committee, the gentleman from Mississippi [Mr. MONTGOMERY], and also the gentleman from Arkansas [Mr. HUTCHINSON]. Mr. Speaker, I urge the adoption of the bill.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. MONTGOMERY. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, I would like to thank the gentlemen on the other side of the aisle for the kind words they have said about this legislation. We have a good bill here. We have the blue sheets that we have at the desk that further explain the bill. I hope Members will pick up these sheets.

Mr. Speaker, I encourage a full vote on this program, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. KILDEE). The question is on the motion offered by the gentleman from Mississippi [Mr. MONTGOMERY] that the House suspend the rules and pass the bill, H.R. 996, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

CENTRAL INTELLIGENCE AGENCY VOLUNTARY SEPARATION PAY ACT

Mr. GLICKMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1723) to authorize the establishment of a program under which employees of the Central Intelligence Agency may be offered separation pay to separate from service voluntarily to avoid or minimize the need for involuntary separations due to downsizing, reorganization, transfer of function, or other similar action, as amended.

The Clerk read as follows:

H.R. 1723

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Central Intelligence Agency Voluntary Separation Pay Act".

SEC. 2. SEPARATION PAY.

(a) DEFINITIONS.—For purposes of this section—

(1) the term "Director" means the Director of Central Intelligence; and

(2) the term "employee" means an employee of the Central Intelligence Agency, serving under an appointment without time limitation, who has been currently employed for a continuous period of at least 12 months, except that such term does not include—

(A) a reemployed annuitant under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, or another retirement system for employees of the Government; or

(B) an employee having a disability on the basis of which such employee is or would be eligible for disability retirement under any of the retirement systems referred to in subparagraph (A).

(b) ESTABLISHMENT OF PROGRAM.—In order to avoid or minimize the need for involuntary separations due to downsizing, reorganization, transfer of function, or other similar action, the Director may establish a program under which employees may be offered separation pay to separate from service voluntarily (whether by retirement or resignation). An employee who receives separation pay under such program may not be reemployed by the Central Intelligence Agency for the 12-month period beginning on the effective date of the employee's separation.

(c) BAR ON CERTAIN EMPLOYMENT.—

(1) BAR.—An employee may not be separated from service under this section unless the employee agrees that the employee will not—

(A) act as agent or attorney for, or otherwise represent, any other person (except the United States) in any formal or informal appearance before, or, with the intent to influence, make any oral or written communication on behalf of any other person (except the United States) to the Central Intelligence Agency; or

(B) participate in any manner in the award, modification, extension, or performance of any contract for property or services with the Central Intelligence Agency,

during the 12-month period beginning on the effective date of the employee's separation from service.

(2) PENALTY.—Any employee who violates an agreement under this subsection shall be liable to the United States in the amount of the separation pay paid to the employee pursuant to this section times the proportion of the 12-month period during which the employee was in violation of the agreement.

(d) LIMITATIONS.—Under this program, separation pay may be offered only—

(1) with the prior approval of the Director; and

(2) to employees within such occupational groups or geographic locations, or subject to such other similar limitations or conditions, as the Director may require.

(e) AMOUNT AND TREATMENT FOR OTHER PURPOSES.—Such separation pay—

(1) shall be paid in a lump sum;

(2) shall be equal to the lesser of—

(A) an amount equal to the amount the employee would be entitled to receive under section 5595(c) of title 5, United States Code, if the employee were entitled to payment under such section; or

(B) $25,000;

(3) shall not be a basis for payment, and shall not be included in the computation, of any other type of Government benefit; and

(4) shall not be taken into account for the purpose of determining the amount of any severance pay to which an individual may be entitled under section 5595 of title 5, United States Code, based on any other separation.

(f) TERMINATION.—No amount shall be payable under this section based on any separation occurring after September 30, 1997.

(g) REGULATIONS.—The Director shall prescribe such regulations as may be necessary to carry out this section.

(h) REPORTING REQUIREMENTS.—

(1) OFFERING NOTIFICATION.—The Director may not make an offering of voluntary separation pay pursuant to this section until 30 days after submitting to the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate a report describing the occupational groups or geographic locations, or other similar limitations or conditions, required by the Director under subsection (d).

(2) ANNUAL REPORT.—At the end of each of the fiscal years 1993 through 1997, the Director shall submit to the President and the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate a report on the effectiveness and costs of carrying out this section.

SEC. 3. EARLY RETIREMENT FOR CIARDS AND FERS SPECIAL PARTICIPANTS.

Section 233 of the Central Intelligence Agency Retirement Act (50 U.S.C. 2053) is amended—

(1) by inserting "(a)" before "A participant"; and

(2) by adding at the end the following new subsection:

"(b) A participant who has at least 25 years of service, ten years of which are with the Agency, may retire, with the consent of the Director, at any age and receive benefits in accordance with the provisions of section 221 if the Office of Personnel Management has authorized separation from service voluntarily for Agency employees under section 8336(d)(2) of title 5, United States Code, with respect to the Civil Service Retirement System or section 8414(b)(1)(B) of such title with respect to the Federal Employees' Retirement System.".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Kansas [Mr. GLICKMAN] will be recognized for 20 minutes, and the gentleman from Texas [Mr. COMBEST] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Kansas [Mr. GLICKMAN].

Mr. GLICKMAN. Mr. Speaker, I yield myself such time as I may consume.

I introduced H.R. 1723 on April 20 at the administration's request. That we are able to consider the bill on the House floor slightly more than a month after its introduction is a tribute to the dedicated efforts of the chairman of our Subcommittee on Legislation, the gentleman from Texas [Mr. COLEMAN] and the ranking Republican member, the gentleman from

Pennsylvania [Mr. GEKAS]. They are to be commended for the cooperative spirit with which they have worked with the Director of Central Intelligence to produce a measure which could be brought expeditiously to the House floor.

In the Intelligence Authorization Act for fiscal year 1993, Congress signaled its judgment that personnel levels in the intelligence community were too high by mandating a 17.5-percent reduction in the work force. This reduction is to be accomplished, in stages, by 1997. When the personnel cuts were proposed, the Intelligence Committee indicated its strong preference for accomplishing them without resorting to involuntary separations, or reductions-in-force.

In seeking to comply with this congressional directive, the intelligence community, a did the Defense Department before it, discovered that attrition is a reliable tool to effect reductions in personnel only if the economy to which the retirees are headed is healthy. If economic trends are unsettled, employees do not generally opt to leave their jobs, unless some type of incentive is provided. The Secretary of Defense has statutory authority to provide voluntary separation incentives to civilian employees of the Department, including those employed by defense intelligence agencies. H.R. 1723 provides similar authority to the Director of Central Intelligence for civilian employees at the Central Intelligence Agency.

The bill will produce two important results. First, it will assist the Agency in meeting its mandated personnel reduction ceilings. In addition, it will hopefully reduce personnel levels further than required so that new employees, with the skills necessary to meet the intelligence challenges of the future, can be hired without exceeding the ceilings.

I want to emphasize that the incentives to be provided by H.R. 1723 will be available only to CIA employees in certain occupational groups or geographic locations to be designated as "surplus." This designation is a reflection that the end of the cold war has brought to the intelligence community, as it has to other parts of the national security establishment, a need to re-examine the mix of skills in its work force. Employees whose expertise is no longer in demand must either be retrained, if possible, or be encouraged to retire or resign so that those with the skills necessary for the future can be recruited. H.R. 1723 will be a tool in not only shrinking the size of the CIA, but in reorienting it from its cold war focus and methods.

To ensure that the incentives are directed only at surplus employees, the bill prohibits the re-employment of any individual receiving a separation pay incentive for 12 months from the date of separation. Similarly, employees receiving a separation pay incentive will be prohibited from representing a party, other than the United States, before the CIA, or participating in the award or performance of any contract with the CIA. In addition, it is the committee's intention that separation pay incentives be awarded to an employee on a one-time-only basis regardless of whether the employee subsequently qualifies for re-employment with the CIA.

Mr. Speaker, H.R. 1723 will enhance the ability of the Director of Central Intelligence to reshape the CIA's work force in a sensible fashion. While there are some initial costs, in the long run the bill will save money through reductions in salaries, benefits, and the size of annuities. I urge my colleagues to support this legislation which will contribute to the paring down of the personnel rolls at the CIA in a manner which is effective and fair.

Mr. Speaker, I reserve the balance of my time.

Mr. COMBEST. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank my colleagues, the chairman of the Intelligence Committee, for his description of this bill and for moving this bill. I strongly urge my colleagues to support it. The Director of Central Intelligence, James Woolsey, appeared before our committee on the 23d of April and outlined clearly why the CIA requires this legislation. It is designed to enable the CIA to hire new employees to meet the intelligence challenges of the 1990's, while simultaneously achieving a significant overall personnel reduction by the end of fiscal year 1997. It will facilitate the identification of categories of employees where there is a surplus and permit the CIA to pay each of these employees up to $25,000 on a one-time basis to retire or resign.

It is important to note that the CIA is in a special situation because its employees all hold top-secret clearances and have access to very sensitive information. Given that this is a voluntary program, this bill would minimize any potential counterintelligence risk arising from their being targeted by hostile foreign intelligence services. One area about which I am very sensitive is the fact that the CIA has made considerable progress in hiring minorities and women. This bill is sensitive to those gains while ensuring no one group is shown favoritism as the CIA begins the painful process of personnel reductions.

In conclusion, I again emphasize my strong support for this bill. It is carefully crafted to meet the needs of the CIA, minimize the cost of the American taxpayer, and ensure that the CIA is capable of meeting the new and very difficult intelligence challenges that it will face throughout the 1990's. This is good management. This is good sense.

Mr. Speaker, I yield 2 minutes to the gentleman from Utah [Mr. HANSEN].

Mr. HANSEN. Mr. Speaker, I strongly support H.R. 1723. It is a carefully crafted piece of legislation that meets the needs of the CIA to reduce the overall size of its work force in a carefully planned 5-year, phased downsizing. This plan is designed to avoid, where possible, involuntary terminations of CIA personnel and give them a cash incentive to retire or resign early. It will remove from the CIA work force employees who fall into surplus categories. Many of these personnel have become surplus as a result of the end of the cold war and the changed threat that the U.S. faces.

The Soviet Union is no longer the monolithic problem that we faced from the end of the World War II to 1989. Responding to the changed threat, former Director of Central Intelligence, Bob Gates, and the current DCI, James Woolsey, found that the CIA had to change its skills mix in order to focus more on problems such as proliferation, terrorism, and narcotics and hire new personnel with specialized skills. In order to do that in a reduced budgetary environment, the CIA has designed a plan to encourage employees to retire early to make room for new employees with other skills and to reduce the overall size of its work force. This bill will achieve both goals, and I strongly support it and I urge all of my colleagues to vote for it.

Mr. GLICKMAN. Mr. Speaker, I yield 3 minutes to my distinguished colleague, the gentleman from New Mexico [Mr. RICHARDSON].

□ 1540

Mr. RICHARDSON. Mr. Speaker, first I commend the new chairman of the Intelligence Committee and the ranking member for producing a good bill, one that will enable us to move ahead into the intelligence challenges of the 1990's.

This legislation authorizes the Director of CIA to implement a program whereby certain CIA employees will be offered cash incentives to voluntarily resign or retire from the agency.

Why is this legislation important? It basically is important because it means that we now will be able to hire those new recruits, new people with new skills to develop the new mission of the Central Intelligence Agency. In the past, many of the employees at the CIA have been geared toward the cold war, toward the Soviet Union's specialities, and we need new recruits for the new challenges facing this country, nuclear nonproliferation, economic competition, counternarcotics, Arabists, experts on the Middle East and Africa. We need this good management tool to move ahead and be able to recruit some new people with new skills into the agency.

Mr. Speaker, the fiscal year 1993 Intelligence Authorization Act mandated that the intelligence community reduce its personnel by 17.5 percent by the end of fiscal year 1997. At the time the fiscal year 1993 Intelligence Authorization Act was being debated, the Central Intelligence Agency was experiencing their traditional levels of attrition. Agency managers informed the intelligence committees that the CIA would be able to meet its reduction targets through the normal rate of attrition. However, Mr. Speaker, a sluggish economy accompanied by reduced employment opportunities in both the private and public sectors has resulted in falling attrition rates at CIA.

Despite low attrition rates, CIA maintains their ability to meet fiscal year 1993 personnel levels, although it will be at the expense of hiring new persons possessing skills critical to the future mission of the CIA. The collapse of the former Soviet Union and the resulting end of the Cold War has created new demands on our Nation's intelligence agencies and entities. In order to meet these challenges, the CIA must employ those persons trained in the academic disciplines which figure prominently in future intelligence requirements. If the CIA is unable to recruit such individuals. Then our entire future will be placed in jeopardy.

Mr. Speaker, H.R. 1723 provides the Director of Central Intelligence a management tool to assist in reducing the Agency's personnel levels while at the same time addressing the skills mix of the future Central Intelligence Agency. Mr. Speaker, I might add that the Secretary of Defense enjoys similar authority which H.R. 1723 seeks to authorize for the DCI. At present, civilian employees at the National Security Agency and the Defense Intelligence Agency are entitled to separation bonuses if the Secretary of Defense designates their occupational skill category as excess to the needs of the Defense Department. H.R. 1723 would establish a degree of uniformity within the U.S. intelligence community with regard to personnel reductions and future work force composition.

In addition, the Director of CIA is urged very strongly to ensure that minorities and women get the proper opportunities in this new, future intelligence structure.

I urge passage of this legislation.

Mr. COMBEST. Mr. Speaker, I have no further requests for time, and I yield the balance of my time.

Mr. GLICKMAN. Mr. Speaker, I again would like to commend the gentleman from Texas [Mr. COMBEST], particularly for his efforts in holding hearings and doing the necessary work to develop the record. He and the gentleman from Pennsylvania [Mr. GEKAS] were responsible for getting the material so quickly to the House floor which the Director of Central Intelligence says was so important for their agency.

Mr. COLEMAN. Mr. Speaker, I rise in support of H.R. 1723 which authorizes the Director of Central Intelligence to offer separation incentives to designated Central Intelligence Agency employees who resign or retire voluntarily.

Mr. Speaker, as a result of the end of the cold war, fewer U.S. resources are being dedicated to national security agencies.

To correspond to this fiscal reality, the Intelligence Authorization Act of 1993 directed the Central Intelligence Agency to reduce its personnel levels by 17.5 percent by the end of fiscal year 1997. Initially, Central Intelligence Agency managers believed they could achieve the mandated reductions through attrition alone. However, attrition rates have fallen significantly from the levels experienced just 1 year ago, and while the Central Intelligence Agency still expects to meet their fiscal year 1993 reduction targets through attrition, it will be at the expense of new hires. Mr. Speaker, in an ever-changing and unpredictable world, our intelligence agencies must have the flexibility to hire, although at a substantially reduced rate, new individuals, who with current Central Intelligence Agency employees, will provide the Central Intelligence Agency the necessary skills mix to perform its mission well into the future. H.R. 1723 will give the Central Intelligence Agency an important management tool to meet this challenge.

Mr. Speaker, H.R. 1723 will also save the American taxpayers' dollars. The amount of separation bonuses to be paid out will be more than offset by the savings realized by not having to pay future salaries and benefits. Moreover, additional savings will be realized in later years through reduced annuity payments brought about by voluntary early retirements.

Finally, H.R. 1723 is closely modeled on legislation enacted last year which authorized the Secretary of Defense to offer separation pay incentives to Department of Defense civilian employees. Thus, H.R. 1723 would put CIA employees on par with their counterparts at the National Security Agency, Defense Intelligence Agency, and other elements of the Nation's intelligence community within DOD who are eligible to receive this benefit.

Mr. Speaker, H.R. 1723 provides the Director of Central Intelligence a humane and cost-saving measure to facilitate the congressionally mandated 17.5-percent personnel reduction. CIA employees often live undercover and place their personal safety second to the mission of the Agency. H.R. 1723 is an excellent expression of gratitude to those CIA employees who now find their skills and services no longer needed by the Agency but who tirelessly dedicated their lives to ensuring the security of our great country.

Mr. Speaker, I commend the chairman of the Intelligence Committee for bring this important legislation to the floor of the House and urge my colleagues to support it.

Mr. GLICKMAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. KILDEE). The question is on the motion offered by the gentleman from Kansas [Mr. GLICKMAN] that the House suspend the rules and pass the bill, H.R. 1723, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read: "A bill to authorize the establishment of a program under which employees of the Central Intelligence Agency may be offered separation pay to separate from service voluntarily to avoid or minimize the need for involuntary separations due to downsizing, reorganization, transfer of function, or other similar action, and for other purposes.".

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GLICKMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 1723, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

JERRY L. LITTON UNITED STATES POST OFFICE BUILDING

Miss COLLINS of Michigan. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1779) to designate the facility of the U.S. Postal Service located at 401 South Washington Street in Chillicothe, MO, as the "Jerry L. Litton United States Post Office Building."

The Clerk read as follows:

H.R. 1779

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The facility of the United States Postal Service located at 401 South Washington Street in Chillicothe, Missouri, is designated as the "Jerry L. Litton United States Post Office Building".

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from Michigan [Miss COLLINS] will be recognized for 20 minutes, and the gentleman from Wisconsin [Mr. PETRI] will be recognized for 20 minutes.

The Chair recognizes the gentlewoman from Michigan [Miss COLLINS].

Miss COLLINS of Michigan. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to support H.R. 1779, which will designate the U.S. Post Office in Chillicothe, MO, the "Jerry L. Litton United States Post Office."

Mr. Litton was elected to Congress on November 7, 1972 and was considered one of the most active Members elected that year and served as a distinguished member of the House Agriculture Committee.

Mr. Litton won reelection to the House in 1974 and became chairman of the Subcommittee on Forests and the Full Committee on Agriculture.

Mr. Litton was well respected by many of his colleagues as was indicated by numerous favorable remarks made by Members of this House upon his untimely death in 1976.

I am pleased to join Congresswoman DANNER, and the citizens of Chillicothe, MO, in their desire to name the postal facility in Chillicothe, MO the "Jerry L. Litton United States Post Office," and I urge my colleagues to support the passage of H.R. 1779.

Mr. Speaker, I reserve the balance of my time.

Mr. PETRI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, over the years as the use of the airplane has grown and become such an integral part of our daily lives the number of our colleagues who have lost their lives in airplane crashes have grown as well. One of those crashes, on August 3, 1976, took the life of our former colleague, Congressman Jerry Litton of Missouri.

Elected to this body in 1972, he was an active member of the House Agriculture Committee. As a youth he had served as the Missouri State Future Farmers of America president and had a lifelong interest in the raising of Charolais cattle. His death was made more tragic because he had just won the Missouri Democratic Primary for a seat in the U.S. Senate and was beginning a flight to a victory party in another part of the State when his airplane, with family and supporters on board crashed upon take-off from the Chillicothe Airport.

I would be remiss if I did not express the appreciation of the minority to one of Congressman Litton's successor's in the House, the gentlewoman from Missouri, for her introduction of H.R. 1779 and giving us the opportunity of honoring his memory in this fashion.

Miss COLLINS of Michigan. Mr. Speaker, I yield such time as she may consume to the distinguished gentlewoman from Missouri [Ms. DANNER].

Ms. DANNER. Mr. Speaker, it is with pride that I rise today in support of H.R. 1779, a bill which will recognize the enduring legacy of a former Member of this body, the late Congressman from the 6th District of Missouri, Jerry Litton.

There is a phrase: "Gone but not forgotten." The late Congressman Jerry Litton is gone from this body but he has not been forgotten by the colleagues here today with whom he served.

Jerry Litton was born in Lock Springs, MO. He received his early education there and in Chillicothe, MO. Even in those early days, the trademark Litton work ethic was evident.

As a high school student, he farmed land that he leased, and, in addition, he worked as an announcer at a local radio station. By the time he graduated from high school, he had saved nearly $15,000.

Jerry attended the University of Missouri where he majored in agriculture journalism and economics. Upon graduating from the university, he devoted full time to the Litton ranch and quickly became a nationally recognized expert on the subject of bovine genetics. The Litton name became synonymous with that of pure bred Charolais. In addition, he served the ranchers of north Missouri, the United States, and the world by publishing a magazine devoted to perfecting the art and science of bovine breeding.

Jerry traced his political interest to a 1957 meeting with President Harry Truman. The scheduled 15-minute meeting lasted 2 hours while they discussed the greatness of our country and the obstacles facing those in public service.

President Truman told Jerry that he could either become part of the political establishment or go into business and establish a nonpolitical relationship with the voters. Jerry took the President's advice and did just that—instituted a direct, relationship with the people of the sixth district as a businessman who understood the concerns and needs of the people of the district—because he was one of them.

His calling to public service came in 1972 when he and six other Democrats competed for Missouri's Sixth Congressional District seat.

He always said "I may not be smarter, I may not be as well known, but I know I can outwork any of them." In typical Litton fashion, he overwhelmed his opponents and, once in Congress, wasted no time making a name for himself.

He built a consensus between rural and urban residents when a nationwide beef boycott threatened to divide and injure both groups. With hard work and skillful negotiating, the boycott was averted. That was how Jerry Litton operated.

Perhaps Jerry Litton's most enduring legacy is the principle which states "that government governs best which governs closest to the people". Just 3 months into his first term, he began a series of public forums called "Dialogue With Litton" in which constituents were invited to come together and ask questions of their Congressman and outstanding guests such as the Secretary of Agriculture, every Democratic Primary Presidential candidate, as well as others who Jerry felt were too often only names on the evening news to his constituents. The forums were pure Litton: a close but tough discussion in which public officials responded to the concerns of the audience.

President Carter said that Jerry had, "with a great sensitivity, figured out a unique way . . . to stay close to folks back home." The forums were televised and became an overwhelming success. Again, Jerry Litton took government to the people and the people responded. Commenting on Jerry's extraordinary efforts as a freshman, former Speaker Tip O'Neill said that he'd "been in Congress 22 years and never yet met a freshman Member that could equal Jerry Litton."

In 1974, Jerry won reelection by a record 79 percent of the vote. Following that election, he was made chairman of the Agriculture Subcommittee on Forests.

Jerry Litton entered the 1976 Democrat primary for U.S. Senate against three better known and more experienced opponents. In typical fashion, he compaigned tirelessly, often outrunning and outlasting his staff, knowing that if nothing else, he could outwork the competition.

On primary night, August 3, 1976, the returns showed Jerry had won the primary with 53 percent of the vote. From his home in Chillicothe, Jerry, his wife and their two children boarded a plane for a flight to Kansas City for the victory celebration. The small plane crashed just outside of his hometown, ending the lives of all aboard.

Mr. Speaker, that might Missouri and our Nation lost one of our truly bright stars. He was a man who, President Carter said "had a good chance to be President of the United States."

As his district assistant, I saw first hand the relationship between Jerry and the people of the sixth district. I saw the way he listened to them and the way they responded to him. He told them the truth and never forgot who his real employers were. He often spoke of the need for people to have real faith; ". . . our country" he said, "cannot function when its people have lost faith; be it faith in God, faith in their country, faith in their leaders, or faith in its system."

He believed in his heart and said often to those he touched "I have faith in God, in myself, in my country, in our democracy and in our systems. And if enough of us do, we'll make America not what it is but what it ought to be and what we know it can be."

On the granite memorial that stands in Jerry Litton's honor are the words "Happy are those who dream dreams and are ready to pay the price to make them come true." Jerry Litton was a dreamer of dreams. Those of us who knew and worked with him could fill volumes with what he was like and what his dreams meant to each of us. But, his true legacy is with the people of the sixth district. There are so many people who say "Yes, I knew Jerry Litton. I'll never forget him. He was a good friend of mine."

It is in this spirit that I urge passage of H.R. 1779, a bill to honor the late Congressman from Missouri's Sixth District, Jerry L. Litton.

□ 1550

Miss COLLINS of Michigan. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. KILDEE). The question is on the motion offered by the gentlewoman from Michigan [Miss COLLINS] that the House suspend the rules and pass the bill, H.R. 1779.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

ABE MURDOCK UNITED STATES POST OFFICE BUILDING

Miss COLLINS of Michigan. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 588) to designate the facility of the U.S. Postal Service located at 20 South Main in Beaver, UT, as the "Abe Murdock United States Post Office Building".

The Clerk read as follows:

H.R. 588

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The facility of the United States Postal Service located at 20 South Main in Beaver, Utah, is designated as the "Abe Murdock United States Post Office Building".

SEC. 2. LEGAL REFERENCES.

Any reference in any law, regulation, document, record, map, or other paper of the United States to the facility referred to in section 1 is deemed to be a reference to the "Abe Murdock United States Post Office Building".

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from Michigan [Miss COLLINS] will be recognized for 20 minutes, and the gentleman from Wisconsin [Mr. PETRI] will be recognized for 20 minutes.

The Chair recognizes the gentlewoman from Michigan [Miss COLLINS].

Miss COLLINS of Michigan. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, Abe Murdock was elected to serve as the attorney for Beaver County, UT in 1923. He also served four terms in the U.S. House of Representatives. In 1941, he won a seat in the U.S. Senate, where he was active in assisting the State of Utah in becoming one of the leading States in the West.

The passage of H.R. 588, would allow for the Beaver County, UT, community to come together on July 18, 1993, and honor the memory of their distinguished citizen, by officially designating and prominently marking the Beaver County Federal building—on the 100th anniversary of the Senator's birth, "The Abe Murdock Federal Building."

I am pleased to join Congressman HANSEN, primary sponsor of H.R. 588, along with the Murdock family and friends, in their desire to name the postal facility at 20 South Main Street, Beaver, UT, in honor of Abe Murdock and I urge my colleagues to support the passage of H.R. 588.

Mr. PETRI. Mr. Speaker, I yield such time as he may consume to our colleague, the gentleman from Utah [Mr. HANSEN].

Mr. HANSEN. Mr. Speaker, today I rise on behalf of the citizens of Beaver, UT, and their loyal efforts to rename the Beaver post office after a former Representative and Senator, the late Abe Murdock. H.R. 588 will designate the facility of the U.S. Postal Service in Beaver, UT, as the "Abe Murdock United States Post Office Building." I also thank my colleagues on the Post Office and Civil Service Committee for their efforts to quickly bring this legislation to the floor.

This is the second time the House has acted on this legislation. Last session, we unanimously passed H.R. 4786 and sent the bill to the Senate. Unfortunately, the text of an unrelated bill was attached to the Murdock measure and the House would not agree to the language. Consequently, the 102d session came to an end without officially renaming the post office after Abe Murdock.

The Beaver citizens are anxiously waiting to plan a July celebration to commemorate Abe Murdock's 100th birthday. Since the Beaver post office was erected during Mr. Murdock's term in Congress, this event seems very appropriate. With this in mind, it is my hope that we can place our final stamp of approval on H.R. 588.

Abe Murdock was born on July 18, 1893 to parents whose roots were deeply embedded in the settlement of southern Utah. In the early 1800's his grandfather, Mr. John R. Murdock, was selected by state leaders to establish the town of Beaver, UT. His own parents, Orrice Abram Murdock and Lucinda Robinson were both advocates and leaders within the Beaver community as well. It is obvious that this strong family heritage taught Abe Murdock to believe in the West and stand by his principles.

Mr. Murdock built his life on public service. After studying law at the University of Utah, he lived in Beaver, UT, and served as the Beaver County attorney. In 1932, he was elected to the U.S. House of Representatives and fought to establish and maintain Utah's water rights. He served four terms in the House and in 1940, he was elected to the U.S. Senate. Throughout his political career, he supported Utah by protecting grazing rights and ensuring the conservation of both water and soil. To the best of my knowledge, he is the only person in the history of Utah politics to successfully win a seat in both the House and the Senate.

He was an active supporter of labor law and believed in the working man. His work was recognized in 1948 when President Harry S. Truman appointed him to the National Labor Relations Board. He served two consecutive 5-year terms. Later, he was appointed to a Presidential panel which addressed labor-management relations in the atomic energy industry. His advocacy and leadership planted many of the seeds which spurred Utah's success as a leading State in the West.

It is obvious that this fine man, a good Democrat, I might add, deserves this special recognition. I urge my colleagues to support final passage of H.R. 588 and permit the citizens of Beaver to pay homage to their friend and community leader. I am honored to offer this bill and thank the House for placing Abe Murdock's name on the Beaver, UT, post office.

□ 1600

Mr. PETRI. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Miss COLLINS of Michigan. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. KILDEE). The question is on the motion offered by the gentlewoman from Michigan [Miss COLLINS] that the House suspend the rules and pass the bill, H.R. 588.

The question was taken.

Miss COLLINS of Michigan. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Miss COLLINS of Michigan. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the bills, H.R. 588 and H.R. 1779.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Michigan?

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 1159, PASSENGER VESSEL SAFETY ACT OF 1993

Mr. MOAKLEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 172 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 172

Resolved, That at any time after the adoption of this resolution, the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 1159) to revise, clarify, and improve certain marine safety laws of the United States, and for other purposes. The first reading of the bill shall be dispensed with. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Merchant Marine and Fisheries. After general debate the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on Merchant Marine and Fisheries now printed in the bill. Each section of the committee amendment in the nature of a substitute shall be considered as read. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from Massachusetts [Mr. MOAKLEY] is recognized for 1 hour.

Mr. MOAKLEY. Mr. Speaker, I yield the customary 30 minutes to the gentleman from Florida, Mr. GOSS, pending which, I yield myself such time as I may consume. During consideration of this resolution all time yielded is for the purposes of debate only.

Mr. Speaker, House Resolution 172 is an open rule which provides for the consideration of H.R. 1159, the Passenger Vessel Safety Act of 1993.

This open rule provides 1 hour of general debate and will allow for any Member who has a germane amendment to offer his or her amendment to the bill.

Mr. Speaker, H.R. 1159 is a bill which will close a loophole in the maritime safety laws that currently allows bareboat charterers to escape Coast Guard safety inspections of their vessels.

This legislation reclassifies the terms, small passenger and passenger vessel, and requires that these vessels meet the minimum Coast Guard requirements for safety.

I would like to commend the chairman of the subcommittee, the gentleman from Louisiana, Mr. TAUZIN, and the full committee chairman, the gentleman from Massachusetts, Mr. STUDDS, for bringing this bill to the floor in such a timely fashion.

While this is noncontroversial legislation, the closing of this loophole in the maritime laws will allow the Coast Guard to better insure the safety of bare boat charterers and their passengers.

Again, I would like to state that this is an open rule which allows for the offering of any germane amendment to the bill and I urge its adoption.

Mr. Speaker, I reserve the balance of my time.

Mr. GOSS. Mr. Speaker, I yield myself such time as I may consume.

Mr. GOSS. Mr. Speaker, I thank the chairman of the Committee on Rules for yielding and wish to tell him how pleased we are on this side to have this open rule, as I am sure he understands.

Mr. Speaker, in the last few days there have been some who have asked me if there might be a new dawn breaking in the House. Today we have another open rule and one that really is truly 100 percent pure, no restrictions, no waivers, no strings, no magic, no tricks.

Clean and simple, I guess is the way to say it, and that is that way it used to be most of the time, and I think most of us hope that that is the way it should be most of the time.

The legislation, the Passenger Vessel Safety Act, is a bill that is very important, obviously, to anybody who has charter boats, whether it be from the private owners perspective, the public user, public safety agencies or others involved.

There is no doubt that that is important, and we should be very clear that this bill could nevertheless, as important as it is, it is equally noncontroversial, I understand, and probably could come forward under suspension of the rules. And I suspect that in this very extraordinary year when we have so much incredibly challenging legislation in front of us, it would not really qualify as the type of major legislation that was promised to us under open rule by the Speaker of the House.

Of course, I do not wish in any way to diminish the very hard work of my colleagues on the Committee on Merchant Marine and Fisheries, a committee which I hold in the very highest regard and personal interest. I am a former graduate of that particular committee, and I appreciate the work that they have done on this.

Still, I am very delighted to support the open rule because, despite the merits most of us see in this bill, in fact that there are some questions about it and there are some who feel that it will have some effect on the small charter business. In fact, I have been advised there are some parties who are involved who believe they will be negatively impacted by this legislation.

Those are precisely the people for whom an open rule is designated, to allow Members to fully air any and all concerns that have been raised and any Member who wishes to become an advocate of those concerns, to clarify or to challenge a point in this legislation, may do under an open rule.

That is the way democracy was envisaged to work.

So let us hope that this open rule is not a false dawn. We are certainly going to need plenty of daylight for the others tasks that lie ahead.

Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I have no requests for time.

Mr. GOSS. Mr. Speaker, I have no further requests for time, and in the spirit of bipartisan support, this side will not call for a vote on this open rule for which we are so thankful.

Mr. Speaker, I yield back the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. MOAKLEY. Mr. Speaker, I object to the vote on the ground a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently, a quorum is not present

The Sergeant at Arms will notify absent Members.

The Chair will announce that this will be a 15-minute vote to be followed by a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 308, nays 0, not voting 124, as follows:

[Roll No. 176]

YEAS—308

Ackerman
Allard
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Archer
Bacchus (FL)
Bachus (AL)
Baesler
Baker (CA)
Barcia
Barlow
Barrett (NE)
Barrett (WI)
Bateman
Becerra
Beilenson
Bentley
Bereuter
Bevill
Bilirakis
Blackwell
Bliley
Blute
Boehlert
Bonilla
Bonior
Brooks
Brown (CA)
Brown (OH)
Bryant
Bunning
Burton
Buyer
Byrne
Callahan
Camp
Canady
Cantwell
Castle
Clay
Clayton
Clinger
Clyburn
Coble
Coleman
Collins (GA)
Collins (IL)
Collins (MI)
Combest
Condit
Costello
Cramer
Cunningham
Danner
Darden
de la Garza
Deal
DeLauro
Dellums
Derrick
Deutsch
Diaz-Balart
Dickey
Dingell
Dixon
Dornan
Dreier
Duncan
Dunn
Durbin
Edwards (CA)
Emerson
English (AZ)
English (OK)
Eshoo
Evans
Everett
Fawell
Fazio
Fields (LA)
Fields (TX)
Filner
Fingerhut
Fish
Ford (MI)
Frank (MA)
Franks (CT)
Franks (NJ)
Furse
Gallo
Gekas
Gephardt
Gibbons
Gillmor
Gilman
Glickman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Grams
Green
Greenwood
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Hancock
Hansen
Harman
Hastert
Herger
Hinchey
Hoagland
Hobson
Hoekstra
Horn
Houghton
Hoyer
Huffington
Hughes
Hunter
Hutchinson
Hyde
Inslee
Istook
Jacobs
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E.B.
Kanjorski

Kaptur
Kasich
Kennelly
Kildee
Kim
King
Kleczka
Klein
Klug
Kolbe
Kopetski
Kreidler
Kyl
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lazio
Levin
Levy
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lloyd
Long
Lowey
Machtley
Mann
Manton
Manzullo
Markey
Martinez
Mazzoli
McCandless
McCloskey
McCrery
McCurdy
McDade
McDermott
McHale
McHugh
McInnis
McMillan
Meek
Menendez
Meyers
Mfume
Mica
Michel
Miller (CA)
Miller (FL)
Mink
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Nadler
Natcher
Nussle
Oberstar
Obey
Olver
Orton
Packard
Pallone
Pastor
Paxon
Payne (NJ)
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pickle
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quinn
Ramstad
Rangel
Ravenel
Reed
Regula
Reynolds
Richardson
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Roukema
Roybal-Allard
Royce
Rush
Sabo
Sawyer
Saxton
Schenk
Schiff
Schumer
Scott
Sensenbrenner
Serrano
Sharp
Shays
Shepherd
Shuster
Sisisky
Skaggs
Skeen
Slattery
Slaughter
Smith (IA)
Smith (NJ)
Smith (TX)
Snowe
Solomon
Spence
Spratt
Stark
Stearns
Stenholm
Strickland
Studds
Stump
Swett
Synar
Tauzin
Taylor (MS)
Tejeda
Thomas (WY)
Thornton
Thurman
Torkildsen
Torres
Towns
Traficant
Tucker
Unsoeld
Upton
Valentine
Velazquez
Vento
Visclosky
Volkmer
Walker
Walsh
Watt
Waxman
Weldon
Wheat
Whitten
Wilson
Wolf
Wyden
Wynn
Yates
Young (FL)

NAYS—0

NOT VOTING—124

Abercrombie
Applegate
Armey
Baker (LA)
Ballenger
Bartlett
Barton
Berman
Bilbray
Bishop
Boehner
Borski
Boucher
Brewster
Browder
Brown (FL)
Calvert
Cardin
Carr
Chapman
Clement
Conyers
Cooper
Coppersmith
Cox
Coyne
Crane
Crapo
DeFazio
DeLay
Dicks
Dooley
Doolittle
Edwards (TX)
Engel
Ewing
Flake
Foglietta
Ford (TN)
Fowler
Frost
Gallegly
Gejdenson
Geren
Gilchrest
Gingrich
Grandy
Gunderson
Gutierrez
Hastings
Hayes
Hefley
Hefner
Henry
Hilliard
Hochbrueckner
Hoke
Holden
Hutto
Inglis
Inhofe
Johnson, Sam
Johnston
Kennedy
Kingston
Klink
Knollenberg
Leach
Lehman
Linder
Lipinski
Livingston
Maloney
Margolies-Mezvinsky
Matsui
McCollum
McKeon
McKinney
McNulty
Meehan
Mineta
Minge
Murphy
Neal (MA)
Neal (NC)
Ortiz
Owens
Oxley
Parker
Payne (VA)
Quillen
Rahall
Ridge
Rostenkowski
Rowland
Sanders
Sangmeister
Santorum
Sarpalius
Schaefer
Schroeder
Shaw
Skelton
Smith (MI)
Smith (OR)
Stokes
Stupak
Sundquist
Swift
Talent
Tanner
Taylor (NC)
Thomas (CA)
Thompson
Torricelli
Vucanovich
Washington
Waters
Williams
Wise
Woolsey
Young (AK)
Zeliff
Zimmer

□ 1638

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ABE MURDOCK UNITED STATES POST OFFICE BUILDING

The SPEAKER pro tempore (Mr. KILDEE). The pending business is the question of suspending the rules and passing the bill, H.R. 588.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Michigan [Miss COLLINS] that the House suspend the rules and pass the bill, H.R. 588, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 306, nays 3, not voting 123, as follows:

[Roll No. 177]

YEAS—306

Ackerman
Allard
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Archer
Bacchus (FL)
Bachus (AL)
Baesler
Baker (CA)
Barcia
Barlow
Barrett (NE)
Barrett (WI)
Bateman
Becerra
Beilenson
Bentley
Bereuter
Bevill
Bilirakis
Blackwell
Bliley
Blute
Boehlert
Bonilla
Bonior
Brooks
Brown (CA)
Brown (OH)
Bryant
Bunning
Burton
Buyer
Byrne
Callahan
Camp
Canady
Cantwell
Castle
Clay
Clayton
Clinger
Clyburn
Coble
Coleman
Collins (GA)
Collins (IL)
Collins (MI)
Combest
Condit
Costello
Cramer
Cunningham
Danner
Darden
de la Garza
Deal
DeLauro
Dellums
Derrick
Deutsch
Diaz-Balart
Dickey
Dingell
Dixon
Dornan
Dreier
Duncan
Dunn
Durbin
Edwards (CA)
Emerson
English (AZ)
English (OK)
Eshoo
Evans
Everett
Fawell
Fazio
Fields (LA)
Fields (TX)
Filner
Fingerhut
Fish
Ford (MI)
Frank (MA)
Franks (CT)
Franks (NJ)
Furse
Gallo
Gekas
Gephardt
Gibbons
Gillmor
Gilman
Glickman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Grams
Green
Greenwood
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Hancock
Hansen
Harman
Hastert
Herger
Hinchey
Hoagland
Hobson
Hoekstra
Horn
Houghton
Hughes
Hunter
Hutchinson
Hyde
Inslee
Istook
Jacobs
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Kanjorski
Kaptur
Kasich
Kennelly
Kildee
Kim
King
Kleczka
Klein
Klug
Kolbe
Kopetski
Kreidler
Kyl
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lazio
Levin
Levy
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Livingston
Lloyd
Long
Lowey
Machtley
Mann
Manton
Manzullo
Markey
Martinez
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McDade
McDermott
McHale
McHugh
McInnis
McMillan
Meek
Menendez
Meyers
Mfume
Mica
Michel
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Nadler
Natcher
Nussle
Oberstar
Obey
Olver
Orton
Packard
Pallone
Pastor
Paxon
Payne (NJ)
Pelosi
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pickle
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quinn
Ramstad
Rangel
Ravenel
Reed
Regula
Reynolds
Richardson
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Roukema
Roybal-Allard
Royce
Rush
Sabo
Sawyer
Saxton
Schenk
Schiff
Schumer
Scott
Sensenbrenner
Serrano
Sharp
Shays
Shepherd
Shuster
Sisisky
Skaggs
Skeen
Slattery
Slaughter
Smith (IA)
Smith (NJ)
Smith (TX)
Snowe
Solomon
Spence
Spratt
Stark
Stearns
Stenholm
Strickland
Studds
Stump
Swett
Synar
Tauzin
Taylor (MS)
Tejeda
Thomas (WY)
Thornton
Thurman
Torkildsen
Torres
Towns
Traficant
Tucker
Unsoeld
Upton
Valentine
Velazquez
Vento
Visclosky
Volkmer
Walker
Walsh
Watt
Waxman
Weldon
Wheat
Whitten
Wilson
Wolf
Wyden
Wynn
Yates
Young (FL)

NAYS—3

Huffington
Penny
Pombo

NOT VOTING—123

Abercrombie
Applegate
Armey
Baker (LA)
Ballenger
Bartlett
Barton
Berman
Bilbray
Bishop
Boehner
Borski
Boucher
Brewster
Browder
Brown (FL)
Calvert
Cardin
Carr
Chapman
Clement
Conyers
Cooper
Coppersmith
Cox
Coyne
Crane
Crapo
DeFazio
DeLay
Dicks
Dooley
Doolittle
Edwards (TX)
Engel
Ewing
Flake
Foglietta
Ford (TN)
Fowler
Frost
Gallegly
Gejdenson
Geren
Gilchrest
Gingrich
Grandy
Gunderson
Gutierrez
Hastings
Hayes
Hefley
Hefner
Henry
Hilliard
Hochbrueckner
Hoke
Holden
Hoyer
Hutto
Inglis
Inhofe
Johnson, Sam
Johnston
Kennedy
Kingston
Klink
Knollenberg
Leach
Lehman
Linder
Lipinski
Maloney
Margolies-Mezvinsky
Matsui
McCurdy
McKeon
McKinney
McNulty
Meehan
Mineta
Murphy
Neal (MA)
Neal (NC)
Ortiz
Owens
Oxley
Parker
Payne (VA)
Quillen
Rahall
Ridge
Rostenkowski
Rowland
Sanders
Sangmeister
Santorum
Sarpalius
Schaefer
Schroeder
Shaw
Skelton
Smith (MI)
Smith (OR)
Stokes
Stupak
Sundquist
Swift
Talent
Tanner
Taylor (NC)
Thomas (CA)
Thompson
Torricelli
Vucanovich
Washington
Waters

Williams
Wise
Woolsey
Young (AK)
Zeliff
Zimmer

□ 1647

PERSONAL EXPLANATION

Mr. SMITH of Michigan. Madam Speaker, I wish to have the RECORD show that I was unable to be present for votes on rollcall Nos. 176 and 177. Had I been present, I would have voted in the affirmative on both votes.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. BALLENGER. Mr. Speaker, unfortunately, I was detained and missed rollcall votes 176 and 177 on May 24, 1993. Had I been present, I would have voted "aye" on each noncontroversial bill.

PERSONAL EXPLANATION

Mr. OXLEY. Mr. Speaker, on Monday, May 24, 1993, I was unavoidably absent from the House Chamber during rollcall vote No. 176 and rollcall vote No. 177. Had I been present, I would have voted "yea" in both cases.

PERSONAL EXPLANATION

Mr. BISHOP. Mr. Speaker, during rollcall votes 176 and 177 I was unavoidably detained. Had I been present I would have voted "aye" on both.

PERSONAL EXPLANATION

Mr. COPPERSMITH. Mr. Speaker, I was unavoidably absent during rollcall votes No. 176 and 177.

Had I been present on the House floor during those votes, on rollcall vote No. 176, I would have voted "yea" to revise, clarify, and improve marine safety laws.

Finally, I would have voted "yea" on rollcall vote no. 177, to designate the facility of the U.S. Postal Service at 20 South Maine in Beaver, UT, as the "Abe Murdock United States Post Office Building."

PASSENGER VESSEL SAFETY ACT OF 1993

The SPEAKER pro tempore (Mr. KILDEE). Pursuant to House Resolution 172 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bills, H.R. 1159.

□ 1648

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1159) to revise, clarify, and improve certain marine safety laws of the United States, and for other purposes, with Mrs. CLAYTON in the chair.

The Clerk read the title of the bill.

□ 1650

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Massachusetts [Mr. STUDDS] will be recognized for 30 minutes, and the gentleman from Texas [Mr. FIELDS] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Massachusetts [Mr. STUDDS].

Mr. STUDDS. Madam Chairman, I yield myself such time as I may consume.

H.R. 1159, the Passenger Vessel Safety Act of 1993, will help protect the lives of thousands of Americans who charter boats. The bill closes a loophole in our safety laws which allows some boatowners to charter their vessels to large groups of people without complying with Coast Guard safety regulations.

Under current law, a boatowner can escape Coast Guard passenger vessel safety regulations by bareboat chartering the vessel. A bareboat charter is similar to renting a car, because the charterer rents only the vessel—the bare boat—and is responsible for its operation. Charterers often assume that the vessel is Coast Guard inspected and operated by a licensed individual. Unfortunately, this assumption is usually wrong.

H.R. 1159 closes this loophole by restricting recreational bareboat charters to 12 or fewer passengers. This will allow families and groups of friends to bareboat charter recreational vessels for vacations, but treats larger, commercial charters as passenger vessels and thus subject to Coast Guard inspection.

Some bareboat charter operators have argued that this legislation will put them out of business. We have given this group every opportunity to meet and develop an alternative that is acceptable to the Coast Guard and meets minimal safety standards. However, no proposal has surfaced because the bareboat charterers insist they are recreational vessel owners.

Let me assure Members that the Passenger Vessel Safety Act will not put any legitimate passenger vessel owner out of business. It does not make bareboat charters illegal. It does force those who so charter their vessels to meet Coast Guard safety standards. The bareboat industry is given until May 1, 1994, to upgrade its vessels.

This is a good bill. It is supported by the Passenger Vessel Association, the National Association of Charterboat Operators, the Boat Owners Association of the United States, the National Marine Manufacturers Association, and the U.S. Coast Guard. I urge all Members to support it.

Madam Chairman, I reserve the balance of my time.

Mr. FIELDS of Texas. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, as the ranking Republican member of the Committee on Merchant Marine and Fisheries, I rise in support of H.R. 1159, the Passenger Vessel Safety Act of 1993.

While this may not be a perfect bill, it is an important step forward for safety on the water and I would like to compliment our colleagues, BILLY TAUZIN and HOWARD COBLE, for their leadership in crafting this proposal. This bill is the product of nearly 2 years of careful consideration and it will close a dangerous loophole in our Coast Guard inspection laws.

Madam Chairman, the Coast Guard estimates that there are between 500 and 700 vessel operators using something called a bareboat charter arrangement to carry passengers without having to meet Coast Guard safety standards. Under this arrangement, the owner of a vessel enters into a contract with a person or group of individuals whereby they take possession of his ship for a specific period of time.

By so doing, this bareboat charter is able to avoid all Coast Guard safety laws because these vessels are now considered recreational in nature.

Regrettably, this type of business practice allows individuals to operate vessels that are potentially unsafe and it subjects unsuspecting members of the public to serious injury or death. This bill closes the loopholes in existing law and it brings all vessels that are engaged in the business of carrying passengers under the present safety scheme.

I know that some Members are concerned that requiring the owners of these vessels to comply with Coast Guard safety standards may put some safe operators out of business. The intent of this legislation is not to put safe vessel owners out of business. The Coast Guard safety standards for passenger vessels are flexible enough to allow truly safe vessel operations to continue, while stopping unsafe or marginally safe vessel operators from carrying large groups of people aboard their vessels. There is a phase-in period of nearly 1 year for the requirements under this bill, with an additional year available at the discretion of the Coast Guard.

Finally, this bill will still allow recreational bareboat charters to continue in the future. H.R. 1159 allows friends and families in groups of 12 or fewer to charter a vessel for a holiday without having to undergo a Coast Guard inspection.

Madam Chairman, this bill has been proposed by both the Bush and Clinton administrations. I would urge my colleagues to vote aye on this important legislation. We must not wait for tragedies to occur before mandating these most basic safety requirements.

Madam Chairman, I reserve the balance of my time.

Mr. STUDDS. Madam Chairman, I yield 5 minutes to the distinguished gentleman from Louisiana [Mr. TAUZIN], the chairman of the Subcommittee on Coast Guard and Navigation of the Committee on Merchant Marine and Fisheries.

Mr. TAUZIN. Madam Chairman, I rise today to urge support of H.R. 1159, the Passenger Vessel Safety Act of 1993. I would first like to thank the chairman of the Merchant Marine and Fisheries Committee, the Honorable GERRY STUDDS of Massachusetts, for his support, and also our ranking minority member, Congressman JACK FIELDS of Texas, and the gentleman from North Carolina, Mr. HOWARD COBLE, our subcommittee ranking minority member, for their cooperation. This has been a truly bipartisan effort, which, Madam Chairman, is typical of the work of the Committee on Merchant Marine and Fisheries.

This bill is the product of the Subcommittee on Coast Guard and Navigation, which I chair. It has not been without controversy in our committee. It is the result of a great deal of effort on the part of our members, their staffs, and the Coast Guard. We have spent many hours negotiating with groups and organizations affected by this legislation and I am proud that these efforts have produced what I believe is a bill that may save lives in the future.

Madam Chairman, the purpose of this legislation is to bring recreational vessels which may carry large numbers of paying passengers into the Coast Guard's vessel safety inspection program. There are a growing number of vessels that are being chartered out under what is called a bareboat charter agreement. A bareboat charter is a legal arrangement whereby the boatowner charters his vessel to a person who assumes all legal liability and responsibility for the vessel during the term of the charter. Under these types of arrangements, each passenger is required to sign the bareboat charter agreement upon boarding the vessel. Many of these passengers are not even aware that they are signing such a transfer of liability. These vessels can carry large numbers of people but are not required by current law to be inspected by the Coast Guard. The current trend in these operations is to charter for less than 1 day to up to 200 people for parties, weddings, receptions, and the like. These vessels are documented as recreational vessels and are only subject to recreational vessel safety standards.

H.R. 1159 will impose additional safety requirements on bareboat charters carrying more than 12 passengers or over 100 gross tons. Those carrying over 12 passengers will be required to upgrade their vessels and provide additional firefighting and lifesaving equipment. They may also be subject to standards for hull construction, stability, manning, electrical wiring, and machinery installation. The bill gives these vessels until May 1, 1994, to come into compliance, but gives the Coast Guard the discretion to allow vessels up to 1 additional year to comply where the vessel owner has made a good faith effort.

Many of those who are entering into these charter arrangements are unaware that these vessels are not required to meet safety standards required of other types of passenger vessels. Coast Guard safety standards vary according to the type of vessel, with recreational vessels having the least stringent, and inspected passenger vessels having the most stringent. These bareboat charters have made the argument that they are recreational vessels and should be subject only to recreational vessel standards which are very minimal. In opposing this bill, they have argued that the bill will put them out of business.

The Coast Guard has brought to our attention some of the cases which illustrate the need for this legislation. In one case in California, a vessel was chartered to 120 high school students and their chaperones for a post-graduation party. The hours of the party were to be from 10:30 p.m. to 3 a.m. As each student and the chaperones boarded the vessel, they were required to sign a document. There was one short sentence on the document which indicated that it was a bareboat charter agreement. The terms of the agreement were not attached. One of the parents who acted as a chaperone later told the Coast Guard that he had no idea what he was signing and would not have signed had he known the liability he was assuming. The Coast Guard boarded the vessel and cited the owner for operating the vessel without a certificate of inspection, employing an unlicensed individual to operate the vessel, and using the vessel in a trade other than that for which it was documented. The Coast Guard fined the owner $3,000 and found that it was not a valid bareboat charter. The difficulty in these cases is that the Coast Guard must challenge the validity of each of these bareboat charters in order to impose any of these safety standards. These teenagers and their parents had no idea that those kids became the owner of that vessel for that limited time, became liable for the vessel, and that the vessel was not Coast Guard inspected. They had no idea that their children were on a vessel operated by an unlicensed individual on a voyage in the Pacific Ocean in the middle of the night. Hopefully, this bill will stop this type of practice and the dangers it poses.

The bill will provide a means by which the passengers, who pay hard-earned money for a safe and pleasant day on our waters, can be assured that they will not be placing themselves, their families, and friends on board an unsafe, uninspected vessel in the hands of an unlicensed master. Many of our vessel safety laws are the result of catastrophic accidents with the loss of many lives. I urge my colleagues not to wait for a serious accident before we take further action. I urge that Members join me in supporting this important safety measure.

□ 1700

Mr. DIAZ-BALART. Madam Chairman, will the gentleman yield?

Mr. TAUZIN. I am happy to yield to the gentleman from Florida.

Mr. DIAZ-BALART. Madam Chairman, in my district there are private vessel owners who on occasion allow their vessels to be used for charitable events. According to the Coast Guard, persons who purchase tickets for a charitable event on a vessel would be considered passengers for hire, and thus subject the vessel to the passenger vessel safety rules. It is my understanding that H.R. 1159 authorizes the Coast Guard to grant excursion permits for specific outings such as this, where the Coast Guard may waive inspection requirements for a specific vessel to take a specific voyage.

Mr. TAUZIN. Madam Chairman, under this bill, the committee intends that the Coast Guard would grant voyage-by-voyage excursion permits under the authority of 46 U.S.C. 2113 for vessels donated to charities for fund-raising events. However, to avoid abuse and exploitation of the process, the Coast Guard should require the following:

First, the charity would have to be a bona fide charity along the lines of a nonprofit organization qualified under 28 U.S.C. 501(c)(3);

Second, all funds received must go to the named charity;

Third, the vessel could only be used as a charitable excursion vessel by individual charities on an occasional basis;

Fourth, the charity would be required to apply to the local marine inspection office for an excursion permit for each voyage; and

Fifth, that a permit shall be issued if the Coast Guard is satisfied that the vessel will be safe for its use and route.

Mr. DIAZ-BALART. Madam Chairman, I thank the gentleman.

Mr. FIELDS of Texas. Madam Chairman, I yield such time as he may consume to the great gentleman from North Carolina [Mr. COBLE] and I yield him this time because he is filled with such knowledge that I cannot really put a specific time limit on the time he might consume.

Mr. COBLE. Madam Chairman, the gentleman from Texas is embellishing this matter a bit, and I thank him for yielding me the time.

Madam Chairman, as an original cosponsor of H.R. 1159, I am pleased to rise in strong support of the Passenger Vessel Safety Act of 1993.

As the ranking minority member of the Merchant Marine and Fisheries Subcommittee on Coast Guard and Navigation, I have had the opportunity to help in the development of this legislation from the beginning. Our subcommittee and full committee amended the original Coast Guard proposal several times in order to balance our interest in increased maritime safety with the concerns of the vessel owners and operators whose livelihoods depend on the carriage of passengers.

I agree with the Coast Guard's assessment that the surge of recreational vessels carrying hundreds of passengers in our Nation's waterways, with little or no Coast Guard safety oversight, is an accident or a disaster waiting to happen. Every American who boards a commercial vessel, whether it be for an extended vacation or a dinner cruise, should be assured that his or her safety will be protected.

Some critics of this legislation contend that this bill is merely another attempt by Government to overregulate our lives and a way to destroy a growing industry. Anyone who examines my 8 years in Congress will quickly observe that I have opposed efforts to overregulate our Nation. I would be the first to vote against a bill which required recreational boaters to become subject to unnecessary and expensive inspections. However, I strongly believe that Congress has the responsibility to provide the public with an acceptable level of safety when they board commercial vessels.

I urge my colleagues to vote in favor of this legislation which will allow the Coast Guard to bring all commercial vessels into compliance with our Nation's commercial vessel standards.

Mr. FIELDS of Texas. Madam Chairman I yield myself such time as I may consume.

I just want to point out to the committee that this is one more example of the Merchant Marine and Fisheries Committee working together in a bipartisan fashion addressing concerns that some Members had early on, and coming forward with a piece of legislation that should be acceptable to everyone, particularly when we think about the delicate nature of the subject matter. I, too, want to compliment Chairman STUDDS and Chairman TAUZIN and my good friend, the gentleman from North Carolina, Mr. COBLE.

Madam Chairman, I yield back the balance of my time.

Mr. STUDDS. Madam Chairman, I just hear the sound of bipartisan harmony and lifesaving at the same time. I commend all of the Members.

Mr. Speaker, I rise in support of H.R. 1159, the Passenger Vessel Safety Regulations Act. I believe this is a balanced bill which attempts to protect public safety, and preserve opportunity for the men and women who engage in charter operations.

This legislation will help instill confidence in the boating public that the vessels they charter are seaworthy and meet the standards promoted by the U.S. Coast Guard. This bill will provide clearer definitions of what constitutes a passenger for hire, and a better understanding of what kind of safety features are needed on vessels carrying multiple passengers. Currently, there is no guarantee that the passengers for hire who charter two different vessels at different times will receive crafts of comparable safety standards.

I believe it is in the interest of the boating public and the charter industry to provide consistent regulation of this industry, and to clarify what the rules are and to whom they apply.

I would like to commend Chairman TAUZIN and his staff for their hard work and determined effort to let all interested parties in this legislation have their day in court. This bill is also a testament to the U.S. Coast Guard which has spent considerable time reaching out to businesses and people potentially affected by this legislation. Finally, H.R. 1159 represents the best alternative for all parties and will once and for all end the confusion which has frustrated owners and passengers alike. I urge my colleagues to support this bill.

Mr. STUDDS. Madam Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. All time has expired.

Mr. STUDDS. Madam Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. CANTWELL] having assumed the chair, Mrs. CLAYTON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1159) to revise, clarify, and improve certain marine safety laws of the United States, and for other purposes, had come to no resolution thereon.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

OFFICE OF THE CLERK,
HOUSE OF REPRESENTATIVES,
Washington, DC, May 21, 1993.

Hon. THOMAS S. FOLEY,
The Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5 of Rule III of the Rules of the U.S. House of Representatives, I have the honor to transmit a sealed envelope received from the White House on Thursday, May 20, 1993 at 5:40 p.m. and said to contain a message from the President whereby he submits the annual report of the Corporation for Public Broadcasting for Fiscal Year 1992 and the Inventory of Federal Funds Distributed to Public Telecommunications Entities by Federal Departments and Agencies: Fiscal Year 1992.

With great respect, I am
Sincerely yours,
DONALD K. ANDERSON,
Clerk.

ANNUAL REPORT OF CORPORATION FOR PUBLIC BROADCASTING AND INVENTORY OF FEDERAL FUNDS DISTRIBUTED TO PUBLIC TELECOMMUNICATIONS ENTITIES—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Energy and Commerce:

To the Congress of the United States:

In accordance with the Communications Act of 1934, as amended (47 U.S.C. 396(i)), I transmit herewith the Annual Report of the Corporation for Public Broadcasting for Fiscal Year 1992 and the Inventory of the Federal Funds Distributed to Public Telecommunications Entities by Federal Departments and Agencies: Fiscal Year 1992.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *May 20, 1993.*

□ 1710

DISTRICT OF COLUMBIA GOVERNMENT'S 1994 BUDGET REQUEST AND 1993 BUDGET SUPPLEMENTAL REQUEST—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO.)

The SPEAKER pro tempore [Mrs. CLAYTON] laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

In accordance with the District of Columbia Self-Government and Governmental Reorganization Act, I am transmitting the District of Columbia government's 1994 budget request and 1993 budget supplemental request.

The District of Columbia government has submitted a 1994 budget request for $3,389 million in 1994 that includes a Federal payment of $671.5 million, the amount authorized and requested by the Mayor and City Council. The President's recommended 1994 Federal payment level of $653 million is also included in the District's 1994 budget as an alternative level. My transmittal of the District's budget, as required by law, does not represent an endorsement of its contents.

I look forward to working with the Congress throughout the 1994 appropriation process.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *May 24, 1993*.

ORDER OF BUSINESS

Mr. GEKAS. Madam Speaker, I ask unanimous consent that the 60-minute special orders heretofore granted for today to the gentleman from Texas [Mr. ARCHER] and the gentleman from Indiana [Mr. BURTON] be interchanged in their order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

OPEN RULES IN THE HOUSE OF REPRESENTATIVES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. GOSS] is recognized for 5 minutes.

Mr. GOSS. Madam Speaker, somebody recently said that, "What are they afraid of? Why are they afraid of the people participating in the democratic process? Why do they not let us vote? Do not be afraid of democracy."

Some of my colleagues on the Democrat side of the aisle might very well assume that this passionate statement came from a member of the minority, someone like me or any of my colleagues on this side who have become frustrated by being repeatedly and shamelessly shut out of the democratic process by restrictive rules in this House. After all, this Congress has seen the greatest percent of restrictive rules on major pieces of legislation in recent memory, so much so that well-respected publications in this country have seen the need to comment on it either by columnists or on their editorial pages.

The Wall Street Journal, on May 21 on its editorial page, referred to this Congress as "the kangaroo Congress," and made particular note that moderate House Democrats certainly as well as the minority party are not given a chance for an up-or-down vote for replacing the energy tax with entitlement caps. They say, "These folks are steaming." I think they may have it right.

In the Washington Post, George Will on May 23 made a very, I think, profound observation when he said:

> This year in the House, more than ever before, members of the minority and Democrats dissenting from liberal orthodoxy are being prevented from offering amendments to major bills. They are prevented by the Democrat-controlled Rules Committee, which adopts restrictive or even closed rules rather than the open rules of particular bills heading for the floor.

Mr. Will then goes on to characterize this as a gagging procedure.

I think it might be a good assumption that those words about letting the people participate in democracy that I started with would have come from a member of the minority, but, in fact, that assumption would be wrong. That statement was actually made by a gentleman of tremendous power in this town, in this Congress, a member of the Democrat leadership with nearly absolute control over just how open and democratic this Congress really is; as if to refute his party's tendency to shut down debate and restrict votes, that member of the Democratic leadership made a fervent plea for openness to all America. The speaker to whom I am referring is the majority leader of the other body, the gentleman from Maine, Mr. MITCHELL. He made his comments elsewhere, but they hold equally true in this House.

Madam Speaker, as we approach this massive tax increase bill proposed by the President fashioned behind closed doors by Democrat leaders of the Committee on Ways and Means and scheduled to be brought to this floor later in the week, I hope Mr. MITCHELL's Democrat colleagues in the House leadership will heed his words.

Madam Speaker, I implore them, as he has, do not be afraid of democracy. Why not open up the process and let all 435 Members of this House participate fully in crafting this very critical money bill? This legislation will affect every American family, every worker, every senior citizen, and it will determine the course of our Nation's economy in the coming years.

This bill deals with issues of taxation and spending, of economic security and productivity, issues that require the careful consideration and attention of every Member of this House.

To allow this bill, which has largely been pieced together by a handful of all-powerful members of the Democrat leadership in secret, without public scrutiny, to proceed to the floor without adequate opportunity for all Members to make improvements is to shortchange millions of Americans from their right to have equal representation in this body, the people's House. Quite simply, it would be wrong, and I predict that it would yield less than the best legislation if we do not open debate.

Madam Speaker, I intend to offer an amendment to the reconciliation bill that incorporates the very strong message I have received from my constituents, and that message is simply: "Do not raise taxes. Cut spending first."

My amendment offers the exact amount of spending cuts, $104 billion over 5 years, that are needed to offset the projected revenues from the proposed energy and Social Security taxes. if my amendment were adopted, we could do away with these two unfair taxes. They are inflationary, they are punitive, and instead we could take a small step toward fiscal sanity and restoring credibility of this institution by cutting unnecessary Federal spending.

There is no magic in my list of cuts. It includes programs that affect my State as well as the rest of the Nation. It is a portion of a list that I have made available to the President and to the Committee on the Budget several months ago. It has been largely ignored despite the very real savings it would realize, about $200 billion over 5 years.

I know that others have similar amendments, and they will seek to offer them. I urge the Democrat leadership to acknowledge the importance of an open process and allow these amendments to come to the floor.

If Members do not like my list of cuts, I hope that they will offer a list of their own. There are certainly plenty of wasteful, redundant, low-priority, or no-priority programs to choose from.

The Democrat-controlled Committee on Rules which has authority to determine whether the full House will get a chance to vote on my amendment or any others that will be proposed will likely be meeting this Wednesday. Because of the significance of these issues, I hope all Americans will be paying attention and will make themselves heard as appropriate.

Madam Speaker, what is there to be afraid of? In my view, nothing, as long as we stick to open rules and fair play.

Madam Speaker, I am including at this point in the RECORD the proposed list of cuts, as follows:

SPENDING CUTS TO OFFSET BTU AND SOCIAL SECURITY TAXES—SAVINGS ARE IN MILLIONS OVER 5 YEARS

Cancel the National Aerospace Plane (NASP)—$650.

Continue partial civilian hiring freeze for D.O.D. thru 1997—$8,850.

Cancel NASA's advanced solid rocket motor—$1,650.

Cancel the superconducting supercollider—$2,300.

Cut space station funding by 15%—$1,560.

Eliminate below-cost timber sales from national forests—$230.

Lower target prices for subsidized crops by 3% annually—$11,200.

Eliminate price support for wool and mohair—$760.

Eliminate the Honey Program—$60.

Eliminate the Market Promotion Program—$900.

End the Federal Crop Insurance Program and replace with standing authority for disaster assistance—$2,400.

Reduce subsidies to the Rural Electrification Administration—$660.

Phase out the Foreign Agricultural Service Cooperation funding—$70.

Eliminate the Appalachian Regional Commission—$530.

50% of the arts and humanities—$2,600.

Facilitate contracting out and privatization of military commissaries—$4,200.

Close the Interstate Commerce Commission—$145.

End funding for all non-energy related Tennessee Valley Authority activities—$580.

Lower by 3% per year the projected growth rate of all non-Postal Service civilian agency overhead costs—excluding travel.—$18,350 (The Heritage Foundation).

Eliminate all funding for highway demonstration projects—$5,200 (The Heritage Foundation).

Sell the National Helium Reserves—$700 (The Heritage Foundation).

Phase out subsidies for AMTRAK, and sell the northeast corridor to the private sector—$2,660 (The Heritage Foundation).

Cut the foreign aid budget (150 account) by 15%—$11,000 (in-house calculation).

Fully implement H.R. 1080 to prohibit direct Federal benefits and unemployment benefits to illegal aliens—$27,000 (National taxpayers Union).

Total five year savings: $104.91 billion.

☐ 1720

SUPPORT FOR SPACE PROGRAM REMAINS STRONG, NATIONAL SURVEY SHOWS

The SPEAKER pro tempore (Mrs. CLAYTON). Under a previous order of the House, the gentleman from Florida [Mr. BACCHUS] is recognized for 5 minutes.

Mr. BACCHUS of Florida. Madam Speaker, I rise tonight to share with the House the results of a new survey that was released today nationwide.

The survey was by Yankelovich Partners, one of the most reputable and prestigious of all polling firms in this country. The survey was a survey of American attitudes toward the space program, which, as we, all know, is in some jeopardy in this body.

I would like to share, Madam Speaker, with my colleagues the consequences of our ignoring the true will of the American people.

The true will of the American people is that we support the space program, and the survey bears that out.

Let me quote:

> Despite changes in presidential Administrations, a new political agenda and increased attention to deficit reduction, a large majority of Americans continue to strongly support the U.S. civilian space program, with a majority saying it should be expanded.

Support was particularly strong for maintaining a human presence in space through such programs as the space shuttle and space station, on which we will be voting in a few weeks, and 9 out of 10 voters said they view the shuttle as a "remarkable technological achievement" and a source of pride for the United States. In addition, 70 percent favored a program to build a permanently-manned space station to orbit Earth.

Seventy-six percent of those surveyed, and these were registered voters, said they "approve of America's current civilian space program," with 57 percent agreeing that America's civilian space program should be expanded.

Moreover, 87 percent believe the civilian space program has a vital role in allowing the United States to remain economically competitive and continue its status as a world leader in technology.

Now, why do they feel this way? Americans viewed the possibility of making new and important scientific and medical discoveries as the program's most important benefit. Other benefits include keeping the Nation's young people interested and involved in studying science, math and engineering, and increasing the understanding of the Earth's weather, climate, and environment. In fact, 88 percent of registered voters surveyed noted the value of using space satellites as a means of monitoring the Earth's environment, something we are planning to do with the mission Plant Earth.

American support for U.S. space efforts increased in relation to the amount of information provided about the program. When informed that the U.S. space budget makes up only 1 percent of the Federal budget, more than half, 64 percent, of the voters said NASA's share would be increased to 1.5 percent. In addition, the number of voters who want the Government to spend whatever is necessary to maintain U.S. leadership in space held steady at last year's all-time high of 63 percent.

Madam Speaker, voters also voiced support for the space program based on an international perspective. They said the space program was an effective means of building relationships with other nations. Seventy-eight percent suggested that the United States conduct joint space missions with other countries.

Over the next few weeks we will be considering the future of the space program in this House. We will undoubtedly have one more battle over the fate of the space station. I hope that as we do, we will keep these survey results in mind. I hope we will remember, as obviously the American people remember, that for every dollar we invested in the space program, we generated $7 in additional gross national product for the American people. I hope we will remember that although the past half century two-thirds of our productivity increases can be attributed to advances in technology, such as the space program. I hope we will remember that most of the new jobs that have been created in the past decade have been occasioned by investments in technologies such as the space program.

Certainly we must cut our budget. We are doing that. We need to cut more. We will be cutting. It is all in the President's economic plan. And we will be doing more.

But as we cut, we must not be shortsighted. We must not cut those things that increase the possibilities of economic growth in this country. We must create conditions that would be conducive to economic growth by reducing not only our budget deficit but also our investment deficit. That means the new direction that the President has been talking about, means shifting our resources toward those investments that will create a better future for America: children, education, transportation, other infrastructure and, above all, advanced technologies such as the space program.

TRAVELGATE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. GEKAS] is recognized for 5 minutes.

Mr. GEKAS. Madam Speaker, and now we have Travelgate. The news of the last few days indicates that seven career employees of the White House were summarily discharged and then some kind of report issued and then the FBI involved in an investigation; personal politics, Hollywood politics, possible nepotism, if you can stretch the rules of blood and consanguinity far enough. All kinds of shenanigans happening at the White House. And perhaps they are important, perhaps they are just trial. But the one item that stands out from all of the hullabaloo of the last weekend is that the Congress of the United States has no mechanism in place to look more closely at this situation.

What am I referring to, Madam Speaker? As we speak here on the floor at this very precise moment, there is no independent counsel apparatus operating here in Washington. If this had happened during the Bush administration, I tell you, Madam Speaker, there would have been 50 Members of the House, primarily from the opposition, of course, from the then-opponents of the President, the Democrats, who would have been lining up to sign a petition to have an independent counsel look at what was happening in the White House in this type of situation.

But here today those of us in the American public sector who are interested in determining what happened in this Travelgate situation, we cannot, at this moment, file a petition; Members of the Committee on the Judiciary, in order to bring about the Office of Independent Counsel to look at this situation with close scrutiny.

And so we have to wonder, what are these investigations that have been launched? What is the FBI doing in this situation at this moment? Should we not learn more about it?

When the independent counsel statute first was considered by the subcommittee of the Committee on the Judiciary and then by the full committee, many of us were strenuously inclined to support that bill if we also included Members of Congress as possible targets of an independent counsel inquiry. And many of us would be willing to support independent counsel whether or not Members of Congress were listed as possible targets of an independent inquiry such as the type that independent counsel's office could conduct.

But in either case, this new situation, this Travelgate is a signal, a clarion call to the Congress to proceed with the consideration of the independent counsel bill at the closest possible moment and to allow the American people and Congress which represents it, too, itself, independently inquire as to the happenings at the White House.

Madam Speaker, I am convinced that with the new constrictions that will be placed on independent counsel, we would not have that kind of melodrama that is occurring in the Walsh special prosecutor's office; we would have, under our new bill, tight reins on what the independent counsel can or cannot do.

□ 1730

We would have an annual reporting system where independent counsel would have to report to the Congress as to the expenditures made, to the scope of inquiry, to the parameters of the entire maneuvers of the Office of Independent Counsel. If we were able to put those audits in and those restraints which this new bill contains and add to it the provision that Members of Congress shall not be exempt from investigations of themselves, then we would have a bill in front of the Congress which we can support, and perhaps the day will come when many of us will be signing a petition to have an independent counsel look into the affairs of Travelgate.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE PRIVILEGED REPORT ON A BILL MAKING SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 1993

Mr. NATCHER. Madam Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a privileged report on a bill making supplemental appropriations for the fiscal year ending September 30, 1993, and for other purposes.

Mr. McDADE reserved all points of order on the bill.

The SPEAKER pro tempore (Mrs. CLAYTON). Is there objection to the request of the gentleman from Kentucky?

There was no objection.

THE LARGEST TAX INCREASE IN HISTORY

The SPEAKER pro tempore (Mrs. CLAYTON). Under a previous order of the House, the gentleman from Texas [Mr. ARCHER] is recognized for 60 minutes.

Mr. ARCHER. Madam Speaker, unless common sense prevails, we will take up later this week the largest tax increase in the history of the human race. The tax bill will come with deficit reduction written on its cover, but spending at its heart.

The bill reflects quite well its sponsor, the President who ran as a new Democrat, promising to cut spending and lower taxes on the middle class, but the campaign is over now.

The President is proposing to increase taxes on the middle class while allowing spending for everything but our country's defense to proceed as if spending were not an issue.

Madam Speaker, it is the issue. It seems that a new Democrat is really just an old tax-and-spend Democrat. The President is asking us to vote on $332 billion in tax increases, and that is just in the next 5 years. The tax drain on the economy under the President's plan will be even greater in future years because of the built-in increases due to inflation.

The tax increases are effective immediately, except for the rate increases which are retroactive to the 1st of January this year; but under the President's budget, there are zero net spending cuts in the first 2 years. That is correct, zero net spending cuts in the first 2 years of his budget.

Yes, there are promised spending cuts over the 5 years, in the third, fourth, and fifth years, but we have heard that so often before. That was the thesis of Gramm-Rudman, but the big spending cuts were never permitted by the Congress to take effect in the fourth and fifth years.

We heard it again under the 1990 Budget Agreement, but the big spending cuts were not permitted to take effect in the fourth and fifth years; but as if $332 billion were not enough, press reports are that the President will ask for even more taxes, perhaps an even larger aggregate of taxes on the American people under his health care reform package.

Madam Speaker, in addition, in the wings are taxes to cover the President's proposal for taxpayer financed campaigns, political campaigns financed by the taxpayers of this country, and the taxes to pay for the rest of the President's campaign proposals his staff just has not had the time to draft yet, such as guaranteed college education and the tax increases to pay for the middle-class tax cuts the President now says he will try to do in the next 4 years.

The economy is clearly showing signs of nervousness over the President's proposals. Interest rates are climbing. Companies are now postponing hiring new workers. Consumers are reconsidering new purchases and the housing market is in limbo.

Economists are quite clear where to lay the blame for this renewed weakness in the economy. They lay it squarely on the shoulders of President Clinton and his proposals.

As an American, I would much rather be here today supporting the President and I would do so if his proposals could expect to increase jobs and the standard of living for Americans, but I believe his massive tax increases will do just the opposite.

The American people need to know why Republicans will vote against his misguided economic initiatives. Our alternative, the Kasich budget which was voted down earlier this year by the House, has specific spending cuts that would cut the deficit by almost $500 billion without any tax increases.

I would say to my Democrat colleagues, tell the President that you have already voted en bloc against these specific spending cuts because he still does not seem to realize that Republicans are not just naysayers, that we have a specific program to cut spending and cut the deficit.

He still says, "Show me specific spending cuts."

Tell him they are there and you voted against them.

The procedure by which this tax bill was deliberated in the Ways and Means Committee should also concern Americans who believe that this Congress with all of its new Members, the largest in memory, would be a reform Congress, a Congress that would open up to the people, yet over the unanimous objections of the Republicans on the Ways and Means Committee, committee Democrats voted to exclude the public and the news media from the deliberations on the tax bill.

Not only did they do that, but they wrote the specifics in secret over 3 days where only Democrats were in the room. Then they came back to the committee and in only 45 minutes they permitted Republicans in closed session, not open to the public, to offer their amendments.

We had many, many improving amendments, but after offering six the gavel went down and we were prohibited from offering any more amendments, so that the bill was reported out of committee in only 45 minutes.

Mr. GEKAS. Madam Speaker, will the gentleman yield?

Mr. ARCHER. I am happy to yield to the gentleman from Pennsylvania.

Mr. GEKAS. Madam Speaker, I was very much interested in what the gentleman from Texas was referring to with respect to the state of the economy and how the projection of the new tax package is actually dampening an economy that showed signs of life on its own at the beginning of the year, at the end of last year and the beginning of this year, and now is in danger again.

The President, I believe, is saying, and I would ask the gentleman to correct me if I am wrong, that this is precisely, because of the state of the economy, is precisely why he wants these tax increases. He thinks that, along with his jobs program and everything else, will stimulate the economy.

Is he now still pointing the finger at those who are delaying the tax increase as people who are hurting the economy?

The gentleman said, and I was glad to hear it, that the economists themselves are saying that the fear of the tax increases, the trepidation that is being caused at the new spending proposals is causing business cycles to hold back, is holding the consumer from spending, those kinds of things.

The economists then are countering that.

What is the President saying in that regard that I am missing, I would ask the gentleman from Texas?

Mr. ARCHER. Well, Madam Speaker, I think the gentleman from Pennsylvania is precisely correct. The President seems to be trying to convince the American people that massive tax increases will improve the economy, and yet we know from historical, empirical experience, that that is never the case.

□ 1740

We cannot increase taxes, take more money out of the people's pockets and expect the economy to improve.

Mr. GEKAS. In that regard, Madam Speaker, if the gentleman would further yield, as the new Democrat that the President is supposed to be, he seems to be indulging a great deal in some of the old Democrat rhetoric of tax the rich or get the rich, and this particular tax package is veered toward what they consider rich, the people over 200,000. Now we learn it is over 100,000, and there are other theories that bring it down to 60,000 and 30,000.

So, Madam Speaker, rich depends on whose ox is being gored, I guess, or is in the eyes of the beholder.

Mr. ARCHER. If the President is permitted to redefine rich one more time, there will be no poverty in this country.

Mr. GEKAS. That is correct, but, if the gentleman would further yield, let us assume that was correct for a moment, that he was taxing the rich. Is it not true that the people over $200,000—I think it is true, so I am answering my own question—have more disposable income than a person earning $30,000 or should have? Is it not one of the basic tenets of the economy that we ought to be giving incentive and reason for the disposable income to be sent around in the economy through investment, and job creation and even in buying yachts and other kinds of so-called luxury items just to keep the economy spurred, and to move the money around, and the investments and the business activity? Is that not one of the basic tenets of what those of us who wish to see an economy grow like to see happen?

Mr. ARCHER. The gentleman from Pennsylvania [Mr. GEKAS] again is precisely correct, and, if he would reflect back on the 1990 budget agreement for which President George Bush was so severely criticized, the Democrats insisted in that bill that there be major new tax increases on the, quote, rich, and they also insisted that in that proposal there be a luxury tax on boats. Now the result of that, that entire agreement, was to harm the economy and to cancel jobs for people who were in the boat-building business.

So, Madam Speaker, it is deja vu, or, as Yogi Berra would say, "It is deja vu all over again," that this projected proposal of this President is so very similar to the budget proposal of 1990 with the taxes up front, quote, on the rich, unquote, and the spending reductions to come in the third, fourth, and fifth years.

Mr. GEKAS. And one other piece of news reporting that has occurred: I am convinced that his fellow Democrats, particularly in the Senate, are stressing the fact that spending cuts must be put into place ahead of any consideration, let alone imposition, of new taxes. Am I correct on that?

Mr. ARCHER. Of course the gentleman is correct, and there are a few thoughtful Democrats, and I am sure there are some in this Chamber, who understand that massive tax increases up front, and some retroactive, with spending reductions only to occur as a promise down the line, is not what the country needs.

Mr. GEKAS. One other question, Madam Speaker, if the gentleman would further yield:

Is it true that the Committee on Ways and Means' final product on the tax negotiations would contain or do contain a retroactive feature on any of the new income taxes to be proposed? If that is so, I would like the specifics of that.

Mr. ARCHER. Yes; the rate increases are retroactive to the 1st of January, which means that many taxpayers are going to find that they misestimated their tax or they did not have enough withheld in the withholding part of their paycheck and, therefore, will face on April 15 an additional tax burden that they have not been able to prepare for.

Mr. GEKAS. Madam Speaker, I thank the gentleman from Texas [Mr. ARCHER] for having yielded to me.

Mr. ARCHER. I thank the gentleman for his questions.

If the public had been permitted to watch the deliberations of the Committee on Ways and Means, Madam Speaker, they would have seen Democrats, as a group on a straight party-line basis, vote to approve the Clinton energy tax which falls most heavily on middle income and elderly Americans. They would have seen, on a straight party-line vote, the Democrats vote to increase the taxes almost double on Social Security benefits. And they would have seen, on a straight party-line vote, the Democrats vote to transfer the new taxes on Social Security benefits, not back into the trust fund where they have gone in the past, but into the general Treasury where they could pay for new spending programs. And they would have seen the Democrats, on a straight party-line vote, defeat Republican attempts to provide a tax incentive to help self-employed persons acquire health insurance.

Let me lay out some of the things contained in the tax bill that will show up as a negative on the economy:

First, the bill reverses the fundamental principles of tax reform by increasing rates and restoring the culture of tax shelters. The President's tax bill will add two new regular rate brackets for individuals, the 36-percent rate for single persons making more than $150,000 and $140,000 for couples, and the 39.6-percent rate for those with income exceeding $250,000. In case my colleagues forgot the campaign promises made by President Clinton, the people with $115,000 are getting stuck with the tax the President promised would not hit people below $100,000 dollars, and the people with incomes of $250,000 are getting hit with the tax the President said would apply only to those with incomes of $1 million.

It is interesting to note that President Bush in the campaign debates said that Clinton could not raise the money that he projected unless he lowered those thresholds significantly. He said that the President was dealing in political falsehoods, and now, by his own admission, he has lowered it to where it impacts on people with $30,000 a year of family income.

There are also hidden rate increases in the President's package. The temporary rules phasing out permanent exemptions which add almost 1 percent of a marginal rate increase per family member to your tax rate and the rules limiting itemized deductions which add 1 percent to your tax rate would be made permanent. It is interesting to note that the tax law says you have certain legitimate tax deductions, not nearly as many as before the 1986 act, but they are still there for contributions to charities, for interest paid on your home mortgage, for your property taxes levied against your home, legitimate, authorized, legal tax deductions. But as your income rises under President Clinton's proposal, those deductions are phased out.

The last provision is of particular concern to charities, to home owners with mortgages and to people living in States having income and property taxes. Removing the upper limit on income subject to the Federal health insurance tax adds about another 3 percent marginal rate for self-employed persons and 1½ percent for employees. Small business people, wives who might want to start their own business while their husbands are also working gainfully, can find that for a very small business their marginal tax increase can be over 50 percent when you include the self-employment tax of 15.3 percent.

As if the income tax rate situation were not bad enough, individuals have a second alternative minimum tax to deal with. Corporations will have another rate bracket and higher estimated tax hurdles. Family-owned businesses and farms will get socked with higher estate taxes, rates up to 55 percent. In a democracy such as ours the Government should never have its hand on the savings that one would like to pass on to their children and heirs of over 50 percent.

□ 1750

Of course, the businesses will have to be sold in many cases to pay the confiscatory taxes. The comprehensive energy tax on middle income taxpayers, which the President would rather call a Btu tax, will lower economic growth by $35 to $50 billion a year. It is not a tax on Btu's, it is a tax on middle income Americans, and it will cost the country and the economy at least one-half million jobs by 1998, and more after that.

President Clinton's energy tax will raise the cost of practically every good and service produced in America, forcing consumers to pay more and making American workers and companies less competitive in the world marketplace.

Factories using large amounts of energy will in the future not be built in America. They will be built overseas where Btu's are not taxed. I say to my colleagues, there is no other country in the world that taxes its raw energy, for a very good reason—because they know jobs will suffer.

The Committee on Ways and Means carved out additional exemptions and special deals to silence particular industries and to help make their program more politically popular in certain regions. But in doing so, they were required to increase the taxes on everyone else. These exemptions will lead and continue to lead to massive tax evasion.

For example, the fact that home heating oil has an exemption from the punitive higher level of Btu tax and the fact that home heating oil has exactly the same chemical properties as diesel fuel will mean, you guessed it, lots of trucks are going to be running on home heating oil to evade the tax.

It now seems likely that the other body will kill the energy tax when it considers the President's tax bill. In light of this, it is hard to understand why the President is demanding that House Democrats support the energy tax. This seems to be a misguided sacrifice of Democrat Members to prove their partisan loyalty instead of their independent wisdom.

In the President's tax proposal, the elderly are specifically targeted for higher new taxes in addition to paying the extra taxes of the energy tax, and that will be on all the fuel to heat and cool their homes and drive their automobiles. They will see a near doubling of the energy taxes they pay on Social Security benefits.

These increased taxes on 10 million Social Security recipients, growing to 14 million in 1998 and increasing every year thereafter, would even be siphoned off from the Social Security Trust Fund in order to permit new spending in the Clinton plan.

With the added concern of the elderly that Medicare may be the next program cut or revised significantly under the President's health plan, it is no wonder the elderly are nervous.

Some of the justification of the Clinton administration for increasing taxes on Social Security beneficiaries is that they get more money back than they paid in. But just the reverse is true. It may have been true 5 or 10 years ago, but no more.

In a recent Congressional Research Service analysis, an official body of the Federal Government, it shows that under the current situation the average life expectancy of a 65-year-old man in this country is 15 years. But if he is an average Social Security recipient, it will take him 17.8 years to recover the money that has been paid in taxes for his benefit during his work life. Again, 17.8 years. That even includes the projection that he will get a cost-of-living increase in each of the 15 years that he lives, and it includes the repayment of compounded interest at the low Treasury rate during the time of his worklife.

Under the Clinton proposal, if you also include the increased taxes on income, it will take 28.8 years for that individual to recover what has been paid in to justify that Social Security benefit. There is no way that he can live long enough, and Clinton wants to reduce the net benefit to that individual.

In addition, look out if you are an elderly American who has to continue to work, either part time or full time, to pay your bills. Let me give an example where the marginal tax rate, coupled with the loss of benefits under the earnings limitation, how that will affect people to where they can end up getting less back from what they earn than what it costs them.

Here is an example. Following her husband's death, Mrs. Pensioner, aged 63, took a job at $8,000 a year. She also had income of $17,000 a year from a taxable pension and other savings, and she had $10,000 in Social Security benefits.

In order to make ends meet, she is thinking about an additional part-time job that would pay her $1,000 a year. Should she take the job?

Not if President Clinton's tax proposal goes into effect, because as a result of the interrelationship of Federal income taxes, payroll taxes, Social Security earnings limitation, and the Clinton Social Security tax proposal, Mrs. Pensioner would actually be $35 worse off financially. Her marginal tax rate on that extra $1,000 would be 103.5 percent, and that is exclusive of State and local taxes.

What could be more misguided to hit the elderly?

We are just getting started talking about what is in this bill. If you happen to work in a restaurant you are going to be impacted negatively, with the chance that you are going to lose your job, because it will have a major setback under the Clinton proposal. Cutting the deductibility of business meals from 80 to 50 percent will mean a direct drop in restaurant spending and a direct increase in restaurant worker unemployment.

Limitations on pension contributions contained in the bill would discourage pension savings, with the result that the current generation will have even less of an expectation of a secure retirement.

A 250-percent increase in taxes paid by waterway users will jeopardize the American barge industry as well as the industries which are dependent upon water-borne transportation.

The tax bill will add immeasurable complexity to the tax law, especially in the taxation of international operations which are so essential to gain exports for this country and create new jobs for American workers. For example, one provision moves the U.S. tax system further away from the world norm by imposing U.S. taxes on all but a part of the profits of foreign subsidiaries of U.S. companies. These changes will only add to the lack of competitiveness of American companies and increase the incentive to build factories abroad.

Although a number of Republicans support the concept of wage subsidies through the tax system for low income families with children, we really must question the huge increase for the earned income tax credit in the administration's proposal, whether or not it is designed as some sort of offset for the Clinton energy tax. The EITC, as it is called, was substantially increased in both 1986 and 1990. Yet we have no empirical research on whether these multibillion increases have actually increased either work effort or family income.

The Human Resources Subcommittee received testimony in a hearing last month that the credit may actually have a work reduction effect in the phaseout range, and that the administration proposal may boost this effect by expanding the phaseout range. According to the witness, a labor economist of the American Enterprise Institute, there could be as many as 15 workers in the phaseout range of roughly $17,000 to $30,000 for every worker in the phasein range of zero to 6,000.

□ 1800

The importance of considering worker response in the phaseout range is demonstrated by a recent study by the Congressional Research Service showing that marginal tax rates in the phaseout range reach more than 70 percent.

Confiscatory tax rates of this sort could cripple work incentive.

Thus, the administration's proposal could have the ironic effect of reducing work by subsidizing wages.

It is folly to spend $28 billion over 5 years on a policy that may not have its intended effect, especially in a budget supposedly focused on deficit reduction.

The human resources provisions of the committee bill raise taxes, spend too much money, continue the committee's long-term agenda of infiltrating the Federal budget with more and more entitlement programs, and pass up several opportunities to improve Government services.

We applaud and strongly support the half-dozen human resources provisions that produce budget savings.

Taken together, they account for $1.2 billion over 5 years.

But the majority bill also increases spending in more than 20 programs and creates one entirely new entitlement program. These spending provisions will cost almost $1.9 billion over 5 years. When the cuts and new spending are combined, they increase the deficit by about $.7 billion over 5 years.

That is one reason why the committee found it necessary to increase taxes so much.

Most Americans think we are raising taxes in order to reduce the deficit. But in fact, a significant percentage of the tax money in the human resources provisions of the bill, just like a significant percentage of money in the entire bill, is used to increase spending.

One tax raised by the majority is particularly objectionable.

Created originally as a temporary surtax on the Federal Unemployment Tax Act, called FUTA, to shore up unemployment funding shortfalls in the 1970's, the surtax has achieved permanent status as a temporary tax.

Now the majority wants to extend the tax yet again because, they claim, the revenues are needed to meet future shortfalls in the unemployment trust funds.

Yet the administration's own estimates show that the unemployment trust funds, without any tax increases, will have a surplus of $13.5 billion in 1997 and $14.6 billion in 1998—the 2 years for which the surtax is supposedly extended.

There is no justification related to unemployment insurance for extending the FUTA tax at this time.

The only clear employment effect is that it will kill jobs because of its disincentive to employers to hire people with a higher tax on payroll.

Why then is this tax being extended? The answer is simple: To pay for new human resources spending called for in the committee bill.

Most budget experts agree that the major cause of rising deficits is the wild growth of entitlement programs. Nonetheless, the committee bill creates yet another entitlement program, this one for child welfare—despite the fact that there are already six open-ended entitlement programs devoted to child welfare.

These programs have been among the most rapidly growing in the entire Federal budget. Between 1981 and 1992, spending on these entitlements grew from $474 million to $2.5 billion, an increase of over 400 percent. Republicans offered an amendment to allow States more flexibility in how these growing resources are used, thereby reducing or eliminating the need for yet another entitlement, but the amendment was rejected on a straight party line vote.

Perhaps most surprising of all, both the administration and committee Democrats opposed putting additional work incentives in the Aid to Families With Dependent Children [AFDC] Program.

Republicans proposed allowing AFDC recipients who start a small business to accumulate a higher level of assets in these businesses before they lose AFDC eligibility.

These small businesses have proven to be an effective method for helping AFDC recipients, many of them women, get off welfare by starting small businesses. Expanding the asset limit would allow these enterprising mothers to create their own safety net by building equity in the fledgling business while they are still receiving AFDC benefits.

The majority supported this program in subcommittee but, when it came to the full committee, they changed their position and said, "Oh, now we don't want to do that now. Let's wait." Then they came forward in the Medicare section with a 2-year freeze on provider payments that will particularly hurt rural Medicare-dependent hospitals, as well as many inner-city hospitals.

Many rural hospitals will likely have to close their doors, if this bill is signed into law, depleting the resources of already medically vulnerable rural areas even further.

Ironically, this is occurring at a time when everyone is worried over how rural America, with its special problems and limited resources, will cope with the restructuring of the Nation's health care system.

In a misguided attempt to find a solution for overutilization, this bill, through the ill-conceived expansion of the physician ownership and referral ban, will cripple the growth of efficient health care provider networks. Once again, the irony here is that the health care provider networks that this bill stymies are the same provider networks that Democrats and Republicans alike have said are critical to health care reform.

Because of recent announcements by certain Members of the other body, I am optimistic that common sense will prevail and that we will not be forced to vote on the President's legislation in its current form this week.

I await the outcome of negotiations and the decision of the Committee on Rules, which I understand is even now taking place.

Madam Speaker, I yield to our respected minority leader, the gentleman from Illinois [Mr. MICHEL].

Mr. MICHEL. Madam Speaker, I hate to interrupt the gentleman while he is making his exposition here. I think for those within the sound of our voices, we ought to make it very clear that the gentleman from Texas [Mr. ARCHER], is our ranking Republican member on the Committee on Ways and Means, which, incidentally, is dominated by the majority party, 24 Members of the Democratic side, 14 on our side; is that not correct?

Mr. ARCHER. Madam Speaker, the gentleman is correct.

Mr. MICHEL. So when the gentleman earlier talked about straight party line votes on these individual amendments, he was talking about 24 Democrats following a party line against our 14 Members that the gentleman hopes to command, but independently minded individuals who are willing to listen to a good argument from time to time and vote their conscience. But it was strictly party-line votes that we saw the gentleman was confronted with.

First, I want to, before going any further, commend and compliment the gentleman for taking time in these special orders for several days, because we are headed for a big vote on Thursday, when the Omnibus Budget Reconciliation Act of 1993 is considered.

As I understand it, this is going to be about a 1,500 page bill, containing 14 titles and thousands of provisions. And since we have been told that the debate on this huge bill will be limited to 1 day, it is imperative that Members and the American public be informed of the many details buried in the bill through these special orders that the gentleman from Texas has taken and will be joined in, I am sure, by other members of his committee, several who I see on the floor at this moment.

Now, this reconciliation bill can be described first and foremost, I guess, as the largest tax bill this Congress has ever considered, as the gentleman has pointed out.

I guess one of the things that distresses me is while we were being told during the course of the campaign and subsequent to that, "Oh, we will have at least two times in volume expenditure reductions versus a dollar in taxes," and what is that ratio now today, as the gentleman sees it?

Mr. ARCHER. In the first year, I would say to the gentleman from Illinois, that the ratio is 38 to 1 in tax increases over spending cuts. And in the second year, 24 to 1. But in reality, the net spending cuts, if you consider the new increased-spending programs, and I think we should point out to the American people, the President keeps saying he has made these specific spending cuts, and there are some specific spending cuts in his proposal, but they are offset by all of his spending increases in the first 2 years. So it is a zero-net-spending cut in the first 2 years.

Mr. MICHEL. Madam Speaker, I thank the gentleman.

I was distressed, when he mentioned during his earlier part of his remarks, that very few of the people would realize, I guess, that in the marginal tax increases that he alluded to will be, the effective date for them will be retroactive to, is it January 3, 1993?

☐ 1810

Mr. ARCHER. I think January 1.

Mr. MICHEL. January 1, excuse me. Normally we would enact tax bills or any kind of legislative proposal here effective 30 days or some arbitrary figure after the date of enactment, which means passing the House, passing the Senate, going to conference, and being signed into law by the President.

In this case, as the gentleman has pointed out, we are going to get caught unaware of the fact that we ought to be adding up more in our withholding to make up for these increases that take effect after the bill is eventually passed, if it is, and assume some part of it may very well be enacted into law January 1, 1993. That is a significant amount for any number of people.

While some people like to boost their withholding taxes a little bit so that they will not have to ante up at the end of the year, but rather maybe have a little in return, that certainly is not going to be the case next year.

As the gentleman knows, the gentleman from Illinois is going before the Committee on Rules, as the gentleman from Texas [Mr. ARCHER] will also be doing, I am sure, on Wednesday to make our respective cases on amendments that we would like to have made in order to this omnibus reconciliation bill.

I have been concentrating my efforts, and of course, the gentleman from Texas has, too, across the board, but with emphasis on the energy tax, that Btu tax the gentleman referred to earlier in the course of his remarks, which cuts right across the board and affects probably every individual American.

As I understand it, that is about a $72 billion tax out of the pockets of all Americans over the next 5 years, but, of course, that too represents a broken promise made during the course of the campaign where "oh, these taxes are going to be applied only to the rich and the wealthy, and they will not stretch down to the average individual."

I looked at some of the gentleman's tables, and I will tell the Members, it is so dramatic, it is unfortunate that we do not have some graphics here today, but maybe in the next special order or two, enough graphics to show that middle-income Americans are the ones who are really taking the brunt of this. Is that not correct, I would ask the gentleman?

Mr. ARCHER. The gentleman is correct, because the lower-income people will receive this major increase in EITC refundable tax credit, and it is interesting to note that the energy tax, which hits middle-income Americans to the most extent, and of course destroys the competitiveness of companies, is one which will generate, according to estimates, a projected $100 billion of new revenue over 5 years.

There is, of course, included the purchase by governments of this, in which case there is a rebate, so they come back to the $71.5 billion that they say will actually impact on the deficit.

However, by the time they give it back under the ETIC, the net impact on the operating deficit is only $31 billion, so it raises en gross almost $100 billion to only net out roughly $31 billion against the deficit.

Mr. MICHEL. If the gentleman will continue to yield, in other words, I guess it is an admission on the part of the administration that it is a bad tax per se, and in order to take care of lower-income people who will eventually have to pay this tax, let us come around on the back side and increase their food stamp allotment or their earned income tax credit, and that wipes out the overall gain that was supposed to be made by increased revenues, is that right?

Mr. ARCHER. Exactly. It provides for bigger welfare benefits in order to offset the cost of the energy tax on lower-income people, and those bigger welfare benefits are almost $30 billion.

Mr. MICHEL. It seems to me, Madam Speaker, when we have a tax that requires a second step to mitigate the impact of the tax, it really should raise a red flag in everyone's mind out there. This two-step process is, frankly, too complicated, and I guess that is why the gentlewoman from Maine [Ms. SNOWE] and I will be asking the Committee on Rules to allow consideration of an amendment to strike the energy tax increase, and we will substitute specific cuts for the energy tax.

That is a difficult thing to do, but in our budget resolution that we had earlier prepared by the gentleman from Ohio [Mr. KASICH] and budget members. We had a sufficient amount of specific expenditure reductions to make up for what we might have gained otherwise by way of tax increases.

We want to be credible when we go to the Committee on Rules and say, "We want to eliminate this Btu tax, and in lieu of that, these are the specific expenditure reductions we would make," because, as I am sure the gentleman from Texas [Mr. ARCHER] and the gentleman from Missouri [Mr. HANCOCK] and the gentlewoman from Connecticut [Mrs. JOHNSON] have found back home with our folks, cut spending first before raising the taxes.

We are prepared to do that, and I would hope, and we might as well make the pitch now for the majority, and particularly the Speaker, to take note that we would hope that we get the kind of rule that would give the gentleman from Texas an opportunity to offer his amendment and the gentleman from Illinois and whomever, for that matter, not wholesale, but if we could at least get two or three, then we could concentrate the debate on those significant issues and make the case. Then we will accept the will of the House, whether it is accepted or rejected.

As the gentleman pointed out in his Committee on Ways and Means, he was overridden by overwhelming numbers. I should point out for the record that in the Committee on Rules, the traffic cop that determines how we are going to consider this legislation, the Democrats have nine members, we have four members, two to one plus one. If the iron-fisted hand of the Speaker says that "it has got to be this way," it is going to be that way, strictly on the strength of the votes that are cast in that committee. We would like it to be otherwise.

In my earlier days in this body I could remember those days when the votes were split in the Committee on Rules and there were bona fide conservatives serving on that committee on the majority side that would vote with us on occasion to open up the process and let the American public really get a full flavor of what we are talking about.

Here, as the gentleman has pointed out, the largest tax increase in the history of the country, and we will probably be limited to 1 day of debate, when I can recall matters of far less importance being debated for a week or more in this body, giving Members an opportunity to offer amendments and then making their case or not making their case, and it is decided by the full Members of the House.

Mr. ARCHER. The gentleman is absolutely correct, and the American people expect this Congress to be different, for this Congress to be a reform Congress where the people were involved and able to participate.

A lot of people, I know, in my district, and I am sure all over the country, do not understand how they can do this. I am asked over and over again, "How can they close a meeting? How can they deny you the right to offer an amendment?"

The people of this country should know that under the House rules that were handed down as one of the first votes in this Congress by the majority that controls the Congress, that it is simply a numbers game. Once they have a majority on any committee, they can deny you the full democratic process. That is particularly true in the Committee on Rules.

I hope the American people will watch what happens this week, not just as to how much time we are given to get up here and talk in debate, how how many amendments are we permitted to vote on the floor that might offer alternatives that would improve this bill.

Mr. MICHEL. If the gentleman will yield, I would like to ask the gentleman, if I might, going back to the Btu tax, am I correct that it would, under present conditions, that every American would probably pay at least 8 cents per gallon more at the gas pump if this energy tax were to be adopted?

Mr. ARCHER. If they do not create more exemptions. For every exemption the increase, the basic tax would go up and the tax at that gasoline pump will go up accordingly. It is now roughly 8 cents to 9 cents a gallon, as best we can estimate, that is already built into the bill.

In addition, the utility bills that people pay for their electricity or for their gas or for any fuel that heats or cools their home is going to be increased significantly. And it is all going to be built in.

□ 1820

Whether we will succeed in having that put and disclosed on the bill each month, which is where it should be, or rather hidden in the total bill is something else.

Mr. MICHEL. That is one of those things that does concern me. A Btu energy tax is kind of a hidden tax, is it not?

Mr. ARCHER. Yes.

Mr. MICHEL. And it ought to be publicly exposed for all to see. But is that going to be required then? Or will that be an automatic consequence?

Mr. ARCHER. That was one of the amendments that I wanted to offer in committee, that I was not permitted to offer. But it also is true that this tax, according to the administration's own admissions, will be roughly $471 per year per family in this country, if you consider the impact across the board.

Mr. MICHEL. Well I know that every time you go to the grocery store, every time you go to buy a new appliance, every time you are going to buy anything that uses energy, or is manufactured or produced or transported, you are going to be paying higher prices for those goods, and I think the American public ought to be aware of that.

Mr. ARCHER. If it is made in this country, because no other country taxes its raw energy. So the clothes on your back, if they are made in this country, are going to cost you more. That is going to push consumers more to buying foreign goods and less domestic goods, and therefore be very, very negative on job creation in this country.

Mr. MICHEL. It is a great distinction that the gentleman pointed out, and just so the American public is aware, even paper products that we all use in our homes, if you are talking about paper towels, Kleenex will be more expensive because the paper industry uses a great deal of energy to manufacture its products. There is no one that really escapes this thing, and the gentleman having taken the time to alert the American public to what is going on I think is to be applauded.

Mr. ARCHER. Madam Speaker, I yield to the gentleman from Missouri, [Mr. HANCOCK].

Mr. HANCOCK. Madam Speaker, I appreciate everything the gentleman from Texas has said during this special order, and also our leader who is here speaking with us and standing behind what the Republican Party has stood for for quite some time.

But I want to talk about jobs for a minute. I think that one of the No. 1 issues that was campaigned on on both sides was jobs and more jobs. We also campaigned on the issue, or we have agreed pretty well that small business is where those jobs are going to be created, and that it is going to be the private sector, small business, the entrepreneurs, the people who are willing to invest their money for their economic future and the economic future of their employees. So I want to talk about the tax consequences that are associated with income generated by small businesses such as subchapter S corporations, partnerships, sole proprietorships, income that flows through to individuals irrespective of whether these profits are withdrawn from the business. The gentleman from Texas covered some of this, but I think it is worth repeating about these increased tax rates applicable to individuals, which would require additional taxes to be paid by them in these pass-through companies which otherwise could be retained in the companies as working capital for expansion purposes.

The administration has proposed, and the gentleman gave these figures earlier but I want to give them again because it's possible that some of the Members did not quite understand what was happening, they have proposed to increase the individual tax rates from the present 31 percent to 36 percent for joint taxable incomes of $140,000 and over and for $115,000 and over for single filers. In addition, a 10-percent surtax would be established for incomes of $250,000 and over, creating a new 39.6 percent tax bracket. And when you take into account the President's proposal to lift the health insurance tax cap, and the proposed further limitation on itemized deductions, a new maximum marginal rate of nearly 44 percent will be in place.

This large tax increase would limit the working capital and expansion funds available to small businesses which are taxed as individuals. And since there is general agreement that small business growth and expansion is necessary to grow the economy and create new, permanent jobs, increasing tax rates on small businesses is counterproductive.

During the hearings on the President's proposal, the administration denied the negative effect higher individual rates would have on these businesses and future growth and job creation. The administration claims that these tax increases would bring rates back to the levels of the mid-1980's when times were good, so this large increase would not have adverse effects on small business.

What the President fails to realize is that with the deductions available before the 1986 Tax Reform Act was enacted, effective tax rates were much lower during that time, but the deductions were eliminated in 1986 so this tax hike will hurt small businesses more than ever.

But do not believe me. Listen to what the small businessmen and women have to say throughout the country from the following excerpts from letters received from small business owners concerning the effects of this proposal, and you can decide whether to believe the business people in your district or the administration. Here are the letters.

> The proposal to increase the top rate from 31 percent to 36 percent, with an additional 10 percent surtax on our taxable income exceeding $250,000, has caused us to defer most of our previously planned expansions for 1993 and 1994.
>
> As a direct result of the increase of taxes on Subchapter S corporations from 31 to 36 percent we are freezing all future expansion plans for 1993.

Letter after letter of businessmen, small businesses that must retain capital for expansion purposes because of the tax increase, so the small companies will not be able to do so.

Here is another one:

> We've retained almost all of the profits of our S corporations after taxes to cover growth and increased costs of buildings,

> trucks, fork lifts, inventory and accounts receivable. We do not need increased taxes.
>
> We're a small, 21-employee Subchapter S corporation. We had planned on adding two employees in the first quarter of the calendar year. As the tax plan unfolded, we started putting off hiring. Now, after talking with our customers and other business associates, we have decided to cancel these plans for 1993.

Hundreds of companies out there, people that want to expand, the entrepreneurs, the people that are the key to the job creation in this country are being taxed out of existence if we allow it.

Incidentally, while I was back home in southwest Missouri, a good friend of mine down there told me that he thought the Btu tax ought to be called the "buy thermal underwear tax," and I think there may be more truth to that than fiction. And the Btu tax, as the gentleman from Texas said, we will be the only country in the world taxing energy at its source. We cannot allow this plan to go through as it was passed out of the Ways and Means Committee.

Mr. ARCHER. I thank the gentleman for his contribution. I would observe that the gentleman from Missouri [Mr. HANCOCK], as a small businessman himself, understands empirically what this bill will do in a negative way on small business people and the reduction of jobs at that level.

The gentleman is also completely accurate when he talks about the massiveness of this tax increase. Most Americans do not really understand that in America today, Americans today pay the highest taxes in all of the history of this country if you include State, local, and Federal taxes, in the aggregate, and it is the highest in history.

The problem in the United States is not that Americans are taxed too little. The problem is Government spends too much.

Madam Speaker, I yield to the gentlewoman from Connecticut [Mrs. JOHNSON].

Mrs. JOHNSON of Connecticut. Madam Speaker, I thank my colleague very much for yielding. I wanted to pursue with the gentleman a couple of points that have been talked about, not to repeat, but to enlarge, and then I have a couple of other points that I think need to be made about this bill at this time.

We have talked a great deal tonight about the impacts of the energy tax, but one thing we have not really discussed is the triple whammy effect of that tax. You just made a point that Americans are paying more taxes now than at any other time in our history if we look at combined burdens of Federal, State, and local taxes. This increase in the energy tax is just one aspect of the problem that it creates. It does create a new Federal tax liability for the people of America.

But it is going to increase the property taxes of every community and every State throughout our Nation, because every small town is going to pay more to heat every school, every townhall, fuel every truck, and the cost of asphalt, which is a big item in small budgets in small towns is going to go up dramatically, because it is petroleum-based.

☐ 1830

So this is only the first round of tax increases that this bill is going to cause; it is going to raise local property taxes, and it is going to raise people's State taxes.

One of my colleagues on the other side who is on our committee made the point that his State has a cap on local taxes, and so it will not raise property taxes in his town. Well, it certainly will then cut services, because if you have to pay more for energy costs in a town budget, you have less money to spend on education or the public library or other public services that are critical to the quality of life in the communities of our Nation.

I think that that triple-whammy aspect of this energy tax has been talked about too little.

The second point I wanted to make is that the crisis America faces is an economic crisis, and fundamentally a jobs crisis, and yet every product that we export abroad is going to cost more because of this energy tax, and it is going to cost more at a time when Europe is having a hard time, so all the multinationals have cut their prices to the bone, and our guys have to cut their prices to the bone. The competition out there is extraordinary, and to keep market share, which is the only way we can keep exporting, we have got to stay price-competitive. So we pass this tax.

TAXES AND THE ECONOMY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Connecticut [Mrs. JOHNSON] is recognized for 30 minutes.

Mrs. JOHNSON of Connecticut. Madam Speaker, at a time when Europe is in hard times and price competition in the international market is extraordinarily intense, we are going to impose on our international competitors the energy tax and several other increased costs in this bill.

Half of America's economic growth in the last 2 years came from increased exports. We cannot continue to grow our part of that export market, gain market share in the international market if we keep forcing the price of American goods up in that market at a time when our competitors are forcing their prices down.

In my State, which is per capita the No. 1 exporter in the Nation, this is going to cost jobs, and yet defense cuts are already costing jobs. The decline in the commercial aircraft industry is costing jobs. Connecticut is in desperate shape, and this bill, because of what it does to the multinationals, what it does to small businesses is going to cost additional jobs in my State.

When I think about this tax bill, I see in my mind all of those small companies I have visited in my State literally holding on by their fingernails, surviving month by month, year by year, hoping to make it until the economy turns around. Now we are going to hit them in this bill with three new tax increases for every small business.

Mr. ARCHER. If the gentlewoman will yield on that, I compliment her for presenting the impact of this tax in a way that I do not think most Americans understand.

The President would like to label anyone who is opposed to this energy tax as just someone who is trying to protect big oil. Not so. The impact is across the board in this country and will cost job after job after job as well as raise the cost not just to the operating of the cities but also increased medical-care costs that use considerable energy.

Mr. JOHNSON of Connecticut. Absolutely, and you know, our committee is also responsible for trade policy, and over the years the cry, "Let us have a level playing field," has been stronger and stronger, because our companies know that if they are going to export it has to be by the same rules. So now here we are in a sense changing the rules of the game on our own companies to their disadvantage at a time when job growth in America is the No. 1 issue.

You know, we had testimony before our committee that the energy tax is going to cost between 600,000 and 1 million jobs, and by 1998, I believe, our gross domestic product will be $39 billion less just because of this provision in this tax bill.

So the energy-tax issue is not a small issue. It is not about energy conservation. It is about a competitive America. It is about jobs for our kids. It is about career opportunities. It really is tragic that we have allowed it to become such a narrowly focused discussion, and somehow this is only whether you are for or against this new President; this is whether you are for or against America.

I also want to talk about one other aspect of this bill that I know the gentleman mentioned earlier, and that is that it is a massive shift of resources from investing to consuming. If there is one message we have heard every hearing we have had for the 5 years I have been on the Committee on Ways and Means, from everyone who has testified, is that we need to change our tax code so that it rewards investing and does not reward consuming, because investing creates jobs, and consuming does not.

But this bill takes money out of the investing sector, that is, corporate profits, and yes, you have got to have corporate profits, dirty word though in America that it is made out to be, to buy new machinery, open new plants and to create new jobs. Likewise, with the high earners, they are the guys who buy stocks on Wall Street. It is not my kids who are starting out earning not very big salaries and making car payments. They are not funding the investments that create jobs.

So to raise the taxes out of that investing sector and literally suck out the dollars that create jobs and then give it back to low-income folks who need protection from the energy tax, Government spending which tends to provide programs for low-income people, and now, I have been a big advocate of those programs, but those folks need jobs. They need jobs, not Government support.

So this bill moves us as a Nation in exactly the wrong direction, and the public needs to know that, needs to contact their Congressman and needs to help us move this around so that America's economy will be strong in the future.

You know, the gentleman mentioned the health-care provisions in this bill and the way the energy tax pushes health-care costs up. But this bill does something else that is truly bizarre, if you are out there in the streets with the folks that you represent. It "saves money"; I mean, the biggest saving that the President's budget, entire budget, makes is the savings that my subcommittee was supposed to make in Medicare, in the growth of Medicare spending.

Instead of going item by item like the Republicans have proposed in cutting reimbursements to people who sell durable medical equipment and things like that where there is some logic to it, my subcommittee and the Democrat-controlled committee chose to freeze reimbursements to hospitals and doctors. Now, maybe you think that does not affect you, but in my State, in my State those savings that we count as savings in Washington are going to be increased bills to you at home. That is not going to save you money. That is going to increase your costs.

In Connecticut, it is even set out on a bill as "uncompensated care," and people now can see that one-third of the cost of their hospital stay was not even a cost related to their care. It was related to somebody else's care that the Government did not choose to pay for.

So that freeze on hospital reimbursements just gets shifted to you and I and the next person, and it raises your insurance premiums. It increases your portion of hospital bills that you have to pay, and that is the cruelest kind of cut in spending I know, because it is just like the energy tax. It does not just hit you once, it hits you twice.

Mr. ARCHER. Madam Speaker, if the gentlewoman will yield further on that, because that relates to what our colleague, the gentleman from Missouri [Mr. HANCOCK], was just talking about, the small business person is struggling to be able to find the resources to pay for the health-care costs for his or her employees, and as the Government pays less, there will be most costs shifted over to their insurance policies, and it will become even more difficult for them to be able to make available health insurance for their employees.

Mr. HANCOCK. Madam Speaker, will the gentleman yield?

Mrs. JOHNSON of Connecticut. I am happy to yield to the gentleman from Missouri.

Mr. HANCOCK. Madam Speaker, in the comments by the gentlewoman having to do with the increase in medical expenses and the hospitals, I have seen some figures here recently on what the Btu tax is going to cost the hospitals. They use an enormous amount of energy. It seems to me like it was someplace in the neighborhood of 6 to—I do not want to give a figure, but it was up in the millions of dollars that the Btu tax that the hospitals were going to have to pick up, so there again, the compounding effect, as the gentlewoman said, the three or four steps of that Btu tax, and by the time it all washes through the economy, we still do not end up where the President wanted to go though regardless of how he is talking about it, because it is the bottom line.

The President says he is doing all of this for deficit reduction, deficit reduction. The deficit, based on his own figures, the national debt is $4.370 trillion right now, and after his plan, 5 years after his plan goes into effect, the deficit goes, I think, to $6.141 trillion.

In other words, we talk about we are doing this and people are going to have to sacrifice, and yet we are talking about even if everything goes exactly the way he wants it to go, the most rosy scenario is that we are going to increase the national debt by almost 50 percent in the next 5 years. Now anybody who is just logical at all knows that you cannot continue to do that, because we are borrowing money now to pay the interest on the debt. You cannot keep doing that. Nobody can, a country, a family, or a business. We cannot continue to go that route.

Mrs. JOHNSON of Connecticut. You know, that is a very good point that the gentleman makes.

In terms of deficit reduction, his plan will increase the national debt over a trillion dollars.

□ 1840

In terms of jobs, it is clearly going to cost jobs because that same little guy who is going to pay more for health care for his employees of what we did to freeze Medicare reimbursement also has to pay higher Medicare tax and a higher energy tax just to keep his business going. So it is going to cost jobs in the small-business sector, which is the only sector growing at all.

Mr. HANCOCK. Actually the figure is almost $2 trillion, $1.9 trillion.

Mrs. JOHNSON of Connecticut. On the debt.

Mr. HANCOCK. On the national debt. And that national debt, you know we have to borrow money to refinance it every time we turn around. Now, one of these days—I hope it never happens—but one of these days somebody might say, "Hey, I don't know whether I want to buy those bonds or not."

Then we have got serious problems.

It has happened in other countries.

Mr. ARCHER. The gentlelady made a great, great point on the deterrent and the disadvantage to our exported products, in that over the last 4 years the majority of new jobs that have been created in the United States are related to exports. there is a good reason for that, because we are currently as Americans spending 100 percent of our net earnings.

Now, if the American consumer is going to be expected to buy, to create the demand and jobs, that American consumer is going to have to do it on the credit card.

Mrs. JOHNSON of Connecticut. That is a very important point, that we are spending 100 percent of our net income, so we cannot increase our buying.

Mr. ARCHER. We can if we want to buy more on credit. But our real opportunity to create jobs for Americans is to tap the export market. And this bill is totally negative on our ability to export products around the world.

Mrs. JOHNSON of Connecticut. So when you look at the President's promise of deficit reduction, it is certainly not accomplished by this bill, when you look at the need to create jobs, this will cost jobs, not create jobs. And when you look at his concern with health care costs, this will push those costs up, not help us get control of them.

I think that is a very serious fundamental criticism of this bill.

There is just one last thing that I want to talk about before we close off tonight because it has to do with how Government serves people. Government has to be predictable or people cannot invest and know what the terms are going to be of where they put their money. We have tried to keep that tax law as constant as we could to encourage a strong economy.

It is stunning that, in this bill, 75 years of precedent are going to be overturned and not even overturned by clear law, overturned by fuzzy-headed law. And then the Secretary of the Treasury, given the power on his own right, without any approval from Congress, to simply redefine certain transto move them into a different tax bracket and leave a person paying more taxes after he had planned on a certain level of tax liability.

We have never given the Secretary of Treasury that right. But he will have the right to redefine what is a capital gain and what is ordinary income, and he is going to be able to redefine this—we gave him a list in the bill of transactions he could define as constituting ordinary income and therefore subject to the higher rates instead of capital gains and therefore subject to lower rates. But then we give him this extraordinary power where he can redefine lots of transactions, and transaction he wants to redefine, if he thinks it has been done, in his opinion, as a way of avoiding the higher rate.

Now, the gentleman from Texas [Mr. ARCHER] has been on the committee, on this committee, longer than I have. I would ask him the question: In your experience, have you ever seen that kind of power delegated to a Secretary of the Treasury over the lives of the people of America?

Mr. ARCHER. I cannot recall such a broad delegation of legislative power that belongs to this body, not to the executive branch, in the 22 years that I have been on the committee. It is always a source of complaint to me, in my town meetings people can say, "How can the IRS do this? How can they issue these regs? How can they do these various things?" In some instances, the Congress orders them to do it, but in other instances the Congress gives them a blank check to do whatever they wish to do to the taxpayers of this country.

I believe that is such a serious offense that it should be resisted in this bill as it should be resisted in other bills that come before the Congress.

Mrs. JOHNSON of Connecticut. It is just one of the most egregious examples of some of the underlying problems this bill creates, if that provision is in there, because this bill for the first time in a while now creates a big difference between capital gains rate and ordinary income rate.

So the President is afraid that he will do exactly what we heard in our hearings will happen, that he will create the old gaming of the system that created the tax shelters, that created all of this real estate we do not need and created a lot of problems for us in past years. Of course, we did have testimony that this bill was going to create those kinds of games all over again. And those games have been destructive of creating good jobs in America that make us competitive abroad and provide well-paying career opportunities for our kids.

Mr. ARCHER. Well, the gentlelady is correct. In addition, there will be much gaming, as I mentioned earlier in my remarks, in the energy tax, as people attempt to get out from this punitive tax and find exemptions and loopholes in it.

In addition, it is interesting to note that this bill gives a new Federal tariff czar complete authority to make a determination without any particular formula as to how much energy content is in a product entering the United States of America, manufactured abroad, and then apply a tariff to it.

This is likely going to be in violation of the world trade rules and will likely precipitate retaliation against the United States of America and our products around the world, which could be highly negative to the economies of all the world.

This is an unseen factor that is in there. The administrative cost of this energy tax is going to be enormously complex and going to create an entire new bureaucracy. People are going to wonder why there are more and more Federal employees.

It makes no sense.

Mrs. JOHNSON of Connecticut. Well, I appreciate the gentleman's comments very much, and his leadership on the committee and on this tax bill and in developing this special order. I hope that from it our colleagues will understand how many problems there are with this bill and what a profound and negative impact it is going to have on the economic strength of our Nation.

I thank the gentleman for his comments.

Mr. ARCHER. I thank the gentlewoman for her contributions.

□ 1850

THE PRESIDENT'S ECONOMIC PACKAGE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon [Mr. KOPETSKI] is recognized for 30 minutes.

Mr. KOPETSKI. Madam Speaker, I think it is important that we talk a little bit about the President's tax plan and some of his campaign promises and what the Ways and Means Committee offered. As a member of the Ways and Means Committee and as a new Member, it was an enlightening process for me, because it was a very important tax bill to come before the American people.

First, I would like to talk about the question of fairness and the openness of the process by which we bring this matter before the full House, hopefully this Thursday.

To begin with, people have been debating taxes and the Federal deficit throughout the campaigns of 1992 and obviously into this legislative session, so it is not a new issue that comes before the House.

In addition, specifically on this bill, Members have debated among themselves in committee on the various positions of deficit reduction and funding the budget package.

In addition, it is a bit ironic to hear Members talk about the fact that we may have only 1 day of debate on this piece of legislation as they debate the legislation here before the House in the procedure we know as special orders. Any Member can come before the House, of course, and ask for time, and generally receive the time that they wish in order to make public their views on this very important issue of deficit reduction and economic stimulus for this Nation.

So Americans should keep in mind this process, that it is with a bit of tongue-in-cheek that Members come before the House and criticize the majority for not giving them time to debate this tax program while they are debating and criticizing and critiquing the tax program. There seems to be a great inconsistency in that logic as they present their case.

The fact is they are using the House time to debate the package and it is not limited to 1 day, but I am sure we are going to hear many speeches, not just in special orders but in the time we call 1 minutes at the start of our legislative business as well.

Next, I would also like to address the issue of fairness in the Ways and Means Committee process. The committees did take many hours of public testimony from a whole host and variety of groups. A lot of the debate, of course, has been focused on the energy tax, the Btu tax. At first people jokingly said, "Oh, we finally figured out, we are going to tax the British to resolve the deficit."

And of course, as we got down to seriously studying the impact of the energy tax on this country, different proposals and refinements were suggested to make the President's proposal much better.

So the committee did deliberate in public, received tremendous testimony from every region of the country from a variety of interest groups, paid lobbyists and not, consumer groups as well who came in and gave their opinions on the deficit reduction package, on the earned income tax credit for the working poor in our Nation, to the energy tax, to the effect of the corporate taxes as well. So the process was open.

Then it was time for the committee to get down to work in what we call a markup, a work session on the bill, where we considered the various amendments. We considered privately dozens of amendments and in public many amendments were offered before the committee. Most were rejected.

It came to the point where the chairman tells us that it was necessary to expedite the process so that we would not be stuck here all summer long trying to craft a tax bill, and the two caucuses went into private session.

Yes, we did emerge with a Democratic proposal. There was a lot of debate inside the room, if you will, with no lobbyists, no TV cameras there. Great progress was made, and we did reach a consensus on the Democratic side, and I believe as well on the Republican side in terms of their position as well.

Refinements were made. Changes were made. Arguments were made with the White House. Some of us won some of our arguments and lost others.

I can tell you that the President was heavily involved directly, as was his Executive level staff in trying to bring this issue to a close.

So yes, sometimes you do close the doors and you do shut out the TV cameras and the newspaper reporters and all the lobbyists on this Capitol Hill, and you roll up your sleeves and craft a compromise that truly reflects the needs and concerns of a variety of regions of the country.

So many times it seemed to me that it was not a specific Member talking. It was a Member from the Northeast talking to a Member from the Northwest and arguing with the oil production States about the effect of one kind of energy tax over another. It did occur.

We went back into public session, of course. Amendments were offered again in public, were voted on in public. The bill was sent to the Budget Committee, which is our process, and to the Rules Committee and to the House floor in a public vote.

There is a bit of smoke out there in terms of how open the process was. I think clearly public testimony was listened to, adhered to in many instances. Good ideas were suggested to make this fair and to make this a good piece of legislation.

That does not mean it is going to be an easy piece of legislation. That leads me to the President and what he has talked about for the past year as a candidate, as an individual citizen, as a Governor, and now as our President.

He said that we should have tax fairness in this country, that those who made a lot of money in the 1980's ought to be called upon to help reduce the deficit and to meet some of the social needs that remain in this Nation during the 1990's to take us into a very competitive situation in the year 2000.

When you increase the deficit by $3 trillion, as we have done over the past 12 years, and both Congress and the administration can find fault and take blame for that, you do not erase that $3 trillion deficit in just 120 days of a new administration. It is going to take time. It is going to take patience, but most of all, as the President has said, it takes fairness. It takes fairness and sacrifice.

The premier part of this piece of legislation, which many colleagues on the other side of the aisle fail to address, is that we are asking the millionaires in this country to pay a surtax on their incomes. We are asking the millionaires to help pay for this reduction in deficits.

We are also asking some corporations, some corporations, not all corporations in this country, but some to pay a little bit more of their corporate earnings, of their profits, to help rebuild America by reducing the deficit and providing some other tax incentives, which I will go into.

We are asking those corporations who earn more than $10 million a year to—instead of paying a top rate of 34 percent—to pay a top rate of 35 percent.

How many corporations are in that category? Twenty-seven hundred. We are asking the 2,700 most wealthy corporations in America to pay a little bit more, 1 percent, just 1 percent for America. That is all we are asking.

The President proposed a 2-percent increase, to increase it from 34 to 36. Because of the public testimony we received, we argued successfully with the President to drop the income tax credit that he proposed as part of his package.

We did not take the savings that would be left over from that credit and spend it on a social program. No, we said you therefore do not need to raise the corporate tax rate that extra 1 percent, and that is what the Democratic proposal argued successfully and that is what we are arguing in this package come, we hope, Thursday or later this week.

So we have to focus on the good of this bill, that it is fair and that what the American people and the people back home in my district in Oregon have passed and demanded of us is deficit reduction.

There is no magic to deficit reduction. They have asked for spending cuts. We have passed the budget bill earlier this spring in March or early April and there are real spending cuts there. They are there. There are $3 in spending cuts for every new dollar in new investments.

In other words, for every dollar of new investment that goes to things like new police officers in our communities, which is part of this budget reconciliation bill, to national service, to child immunization programs which saves us health care dollars in the long run, and is only fair and humane to the little child in America, to defense conversion, to take all those defense workers, whether in southern California or the State of Missouri and other places in this country, and help them from the transition of a very good defense-related job, which is as we know dead-end economics, into a much more productive job that they are trained to do, whether it is building mass transit buses, whether it is rebuilding the infrastructure in America.

□ 1900

These are good Americans with a great American work ethic, and the only thing they know how to do is not, not, build a bomb, is to not build an MX missile, that, showing a limitation of their educational ability, they are able to put those work ethics and that knowledge into skill, into something that is productive for the world and our society that has potential for this country and for our society.

There are over 200 cuts in spending programs, $250 billion in deficit reduction through spending cuts. The cuts are there. There is no magic, Madam Speaker, to this.

It also takes tax increases. It is hard to say, it is hard to say, and we on the committee targetted those tax increases to where it could be fairly applied. We ask the top 2,700 corporations in this country who make over $10 billion a year in profits to pay a little bit more for America. We ask the millionaires in this country, the millionaires who do not have to worry about paying their rent, buying their food, to pay a little bit more to reduce the deficit in America.

And why is that so important? President Clinton talked about that for this past year. He has talked about it for the last 120 days. It does not get enough attention.

All one has to do is watch the stock market reports and look at the interest rates. Interest rates continue to remain low. The reports are they will continue to be low and may even drop further if, if, Congress does its job.

The President has done his. It is our responsibility to keep those, to keep those, interest rates low, and why? Why are they being lowered? Because the market is responding to the leadership of Bill Clinton who says, "Yes, I'm going to cut the deficit in half."

Now, if we do not follow through, I am afraid those interest rates are going to skyrocket, and what does that mean in terms of dollars and cents to the American taxpayer's pocket?

Let us take housing. A number of individuals in my State and throughout the country have refinanced their homes, or they have gotten the long term, the long term, mortgage that they were afraid they would never be able to pay because that balloon payment was right around the corner, and, instead of paying 10 or 12 percent home mortgage interest, they are now paying 7 or 7¼ percent interest, and the bank said, "Put on new employees to keep up with the demand of this refinancing program." That means more money for every homeowner in America.

And look at a State like mine that is so dependent on the wood products and forest products industry and at that first-time home buyer. They can now buy that great American dream, their own home, because they have not in their lifetimes—I am certain they have never seen interest rates this low, and this is the time for them to buy.

But those days will be limited if Congress does not respond to the President's challenge and keep the interest rates low by halving the deficit. That is our mission this week.

How else does this help the American taxpayer directly? I say to my colleagues, "You go to your local public school or your local government, and they're going to go out into the bond market to build that new school building because the one is outdated, or it got hit by an earthquake as truly happened in my district, or the numbers of students have grown and they need a new elementary school, and they're going to finance by going to the bond market to finance that."

These interest rates have a direct influence on that bond market as well because, if those bond interest rates are lower, that means that the local property tax payer, as it is in my home State, is going to pay less for those bonds to build that new school, and it is the same with local government financing whether it is some sort of very expensive infrastructure, a sewage treatment plant that is needed to bring in that new industry. It is cheaper, it is cheaper for those taxpayers, if we keep those interest rates low.

My colleagues on the other side of the aisle failed to explain the positives about this piece of legislation. They have centered only on, it seems, the Btu tax. They are not talking about this. But imagine if your local government is finally able to go build that water treatment facility or build that school. That is what we are talking about specifically for Americans to truly understand.

The unity tax is a difficult piece of legislation. I am from the Northwest. Water runs downhill, and that is how we make electricity in the Northwest. It is cheap. It is energy efficient to the tune of 85 percent. It is cost effective. Yes, it hurts the fish runs in my region. My region has spent a billion dollars over the last 10 years to fix those fish runs, and we will do it, and we will spend millions and hundreds of millions of dollars more.

But we have the luxury of lower, compared to other regions of the country, lower cost energy. No doubt about it. We get a benefit from that. We get energy intensive industry coming out to the Northwest. We have forests that are there, and it is no accident, therefore, that we have the paper-manufacturing businesses in the Northwest because we have the resources, that is, the trees, and we also have the lower cost energy which makes us competitive on a world market.

So, when they come to me and say—the President comes to say, "We all should pay a little bit more energy tax," I wince. I go back home to my district, and I talk to people.

The aluminum industry said, "Yes, we'll pay more of an energy tax to run our plants, but in terms of the chemical process we want a break."

I say, "Justify that."

They give me the science.

The President's tax bill—it is called the feedstock. I learned more about feedstock than I ever thought I would when I was in a sixth grade class, but the President allowed oil as a feedstock exemption. They allowed coal as a feedstock exemption. I argued that electricity as a feedstock ought to be exempted as well. He gave me 50 percent. He met me halfway. That was good enough for me.

For now we will see what our friends on the Senate might do to refine this, but it is a good bill, and my aluminum industries in the Northwest are supported because they understand the moral of reducing the deficit, that they will save their money, too, when they go to the financing institutions and ask for a business expansion loan. They know they are going to get a better interest rate for that.

Reference was made to the border adjustment bureau that will have to be set up. Yes, and that was compromised. That came from the committee—not from the President, but from the committee. Said, "Look, if we're going to impose this energy tax, yes, aluminum, for example, is a worldwide competitive market. We have some energy intensive industries as the paper industry, as other manufacturing concerns who use a lot of energy, but it's not part of a chemical process. What are we going to do to make sure that the playing field is as level as possible because we are in an international economy?"

And what the Congressman from Maryland [Mr. CARDIN], came up with was a border adjustment tax so that, when there are energy intensive imports into this country, that they pay a like tax as that similar industry in America so that we are leveling the playing field, and we are taxing energy in this country and on those competitive products that are international in scope.

Is that good policy? You bet. It is going to force industries into reexamining the energy wastes in their products? You bet. Is that good for energy policy in this country and throughout the world? You bet. You bet it is, and we can take this home and proudly say we are finally taxing energy in this country at a rate that will encourage energy conservation and make these industries much more efficient in the production and use of energy because the fact is businesses will do this because they know it is a direct way they can cut costs. At the same time, at the same time, they know that, if they are energy efficient, they will be helping to reduce further our Federal deficit.

It is phased in, does not go into effect until the summer of 1994, so businesses can adjust. The American consumer can adjust. Perhaps they can insulate their home a little bit more, save money over the long term. Anyway, they ought to do it.

Is this good energy policy for the American consumer? You bet it is.

The Btu tax, the energy tax, is going to be phased in, as I say, beginning in the summer of 1994, and phased in in three equal stages over a 3-year period.

☐ 1910

A family making $40,000 household income a year will pay $1 a month more. Twelve bucks a year, folks. That is what we are asking for your contribution to reduce the deficit and to think energy conservation at home.

In 1995, it will be $7, and then only $17 a month when it is fully phased in, according to both the Treasury Department and the Congressional Budget Office. So 4 years from now you will be paying $17 more a month if you have a household income of $40,000.

We have established a deficit-reduction trust fund. We have a credibility problem in the Congress and the administration about deficit reduction. There is no problem about it. So the gentleman from New York has come up with this idea, agreed to by the President, that we will take the deficit money and put it in this trust fund to show that we truly are halving the deficit by about $246 billion.

Let me talk about this deficit reduction. Our colleagues on the other side in the minority party point out the number, what happens when this plan comes into effect and how much the debt will be.

The true question is, If we do nothing, how great will the deficit be? It will grow by another $246 billion if we do nothing.

The President is asking to cut the proposed deficit in half. That is what we are talking about, spending cuts. That is why we are talking about revenue increases, fairly applied to millionaires in this country and the richest corporations.

Madam Speaker, let me also talk about one other provision in this bill called the earned income tax credit, the EITC. This is probably one of the best social policy programs that this Congress has adopted in the past 6 or 8 years. It has great partisan support, because it gives a tax credit to those that work.

The President has long talked about the concept of making work pay in this country. What he has done is has asked this country to ensure that anybody in this Nation who is working full time, that they should not be living in poverty. That is what the earned income tax credit is all about. He has proposed an expansion which we on the Committee on Ways and Means fully endorsed so that we finally get to that level of coverage for the tax credit so that anybody who is working full time in America, whether they have children or not, will not be living below the poverty level.

It is very simple. It costs a little bit of money, yes, and I explained where we are getting the revenue to pay that. We are going to ask the millionaires to help fund this earned income tax credit, and they will.

So if you are making up to $26,000 a year, and depending upon the number of children you have, the numbers will work out that you apply for this credit, you will receive it, and the credit will be such that you will not be living below the poverty line in America.

We are making work pay. Through the President's leadership he is saying we should take away the incentive to stay on welfare. You should not be able to have more household income if you are on welfare than if you are working, even if it is a minimum wage job.

There are so many benefits to work, to having a job in this country, such as the role model that you provide for your children and your own self-esteem. The President is saying you should not be penalized for taking that minimum wage job, and that is why we are offering this great expansion of this earned tax credit.

I think that this is very significant to the American people. It is the first major step in welfare reform that the President is going to be presenting to the Congress later this year. It is almost as important as the deficit-reduction issue. Yet people on the other side of the aisle are not talking about this earned income tax credit and suggesting that maybe it is a very difficult vote. They are making it sound like it is very easy.

We are proposing an energy tax, and therefore it is a bad bill, and we should vote no. If this was all there was to this bill I would vote no myself. But we are spending the money on deficit reduction from the energy tax. We are spending the money on making work pay in this country. That is what we are doing in this piece of legislation.

As I mentioned before, we talked about the investment tax credit. It got so complicated that the only full employment program would be for the accountants and the tax lawyers in this country, and we shelved it.

We said what can we do that is very simple for the small business people in this country that would help stimulate the economy right now? What we did was say OK, right now they get in their business expenses, they get automatic business expense under current law $10,000.

The President said if you are going to take away the ITC, I want you to raise the expensing level to $25,000.

We said Mr. President, why don't you just double it, $20,000? That ought to be enough.

He said no, $25,000 or nothing, keep current law.

He was tough, and he is right. And I ran into Lois Kenagy, a farmer, a wonderful woman out in my district, very much involved in the peace movement. She came in to talk to me about the nuclear disarmament issue.

She said, "Explain to me this expensing thing again." I explained it to her.

She said, "OK, great. I can finally buy that diesel tractor that I have been needing for my farm."

She is going to go out, if we do our job, and buy that diesel tractor. That is jobs for America right away.

It is simple. Lois Kenagy, who does not have an accounting degree or tax degree, but is a smart business person, knows what it means to her and is going to take advantage of it. I would say to our colleagues on the other side of the aisle, we are talking about this great issue for our small businesses in this country, which we know create most of the jobs in this country.

So, Madam Speaker, we are talking about tax fairness. It is tough. We are talking about real spending cuts. They will be tough as well, because we will hear from our local governments, who all of a sudden will say why are you cutting back? We will say because we do not have a balanced budget, and you do.

Or a constituent will come and say why aren't you helping us in that spending program any longer? I am saying because we have got to get our economic house in order. We have got to cut the deficit, and we have got to get to the day when we have a balanced budget.

We are making work pay. We have the earned income tax credit that will be fully expanded so work will pay in this country, that somebody going to work will not be living under the poverty level in the richest, most powerful nation on Earth. And, yes, we will have an energy policy and energy tax in this country that will encourage every individual in this country to conserve energy, to wrap that material around their hot water tank and make sure their hot water pipes are wrapped and that they put good insulation in those buildings.

That is what we are talking about. We are talking about efficiency in business.

So this is a good economic program for America. it is tough, but it is fair. I hope on Thursday we are able to move this bill over to the other side of the Capitol.

LEAVE OF ABSENCE

(By unanimous consent, leave of absence was granted to:)

Mr. LEACH (at the request of Mr. MICHEL), for today, on account of medical reasons.

Mr. WILLIAMS (at the request of Mr. GEPHARDT), for today and tomorrow, on account of a death in the family.

Mr. COPPERSMITH (at the request of Mr. GEPHARDT), for today, on account of official business.

Mr. KNOLLENBERG (at the request of Mr. MICHEL), for today, on account of official business.

Mr. HILLIARD (at the request of Mr. GEPHARDT) for today, on account of personal business.

Mrs. FOWLER (at the request of Mr. MICHEL) for today, on account of official business in the district.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. GEKAS) to revise and extend their remarks and include extraneous material:)

Mr. MCINNIS, for 60 minutes, on May 26.

Mr. GEKAS, for 5 minutes, today.

Mr. HORN, for 20 minutes, on May 26.

(The following Members (at the request of Ms. LAMBERT) to revise and extend their remarks and include extraneous material:)

Mr. BACCHUS of Florida, for 5 minutes, today.

Mrs. MINK, for 5 minutes, today.

Mr. RUSH, for 5 minutes, on May 25,

Mr. BECERRA, for 60 minutes, on May 26.

Mr. FALEOMAVAEGA, for 60 minutes, on May 25, 26, and 27.

Mr. SLATTERY, for 60 minutes, on May 26.

(The following Member (at the request of Mr. KOPETSKI) to revise and extend her remarks and include extraneous material:)

Miss COLLINS of Michigan, for 1 hour, on May 25.

(The following Member (at the request of Mr. KOPETSKI) to revise and extend her remarks and include extraneous material):

Miss COLLINS of Michigan, for 60 minutes, on May 26.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. KOPETSKI, for 30 minutes, today.

(The following Member (at her own request) to revise and extend her remarks and include extraneous material:)

Mrs. JOHNSON of Connecticut, for 30 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. GEKAS) and to include extraneous matter:)

Mr. BILIRAKIS.

Mr. CLINGER.

(The following Members (at the request of Ms. LAMBERT) and to include extraneous matter:)

Mr. SCHUMER.

Mr. TRAFICANT in two instances.

Mr. ACKERMAN.

Mr. MATSUI in two instances.

Mr. KANJORSKI.

Mr. HALL of Ohio.

Mr. RICHARDSON in two instances.

Mr. CLEMENT.

Mr. TORRES.

Mr. LANTOS.

Mr. JACOBS.

Mr. RUSH.

Mr. STARK.

Mr. KENNEDY.

Mr. CONYERS.

Mr. KLEIN.

(The following Members (at the request of Mr. KOPETSKI) and to include extraneous matter:)

Mrs. MINK.

Mr. SWIFT.

ADJOURNMENT

Mr. KOPETSKI. Madam Speaker, I move that the House do now adjourn.

The Motion was agreed to; accordingly (at 7 o'clock and 20 minutes p.m.) the House adjourned until tomorrow, Tuesday, May 25, 1993, at 12 noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1259. A letter from the Chairman, Defense Base Closure and Realignment Commission, transmitting certified materials supplied to the Commission, pursuant to Public Law 101–510, section 2903(d)(3) (104 Stat. 1812); to the Committee on Armed Services.

1260. A letter from the Acting Chairman, Federal Deposit Insurance Corporation, transmitting the Corporation's semiannual report of activities and efforts relating to utilization of the private sector, pursuant to 12 U.S.C. 1827; to the Committee on Banking, Finance and Urban Affairs.

1261. A letter from the Secretary of Education, transmitting a copy of Final Regulations—Department of Education Acquisition Regulation, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Education and Labor.

1262. A letter from the Deputy Director, Office of Information and Public Affairs, Department of Labor, transmitting fiscal year 1992 annual report; to the Committee on Education and Labor.

1263. A letter from the Secretary of Education, transmitting a copy of each of the reports, Summary of Chapter 2 Annual Reports and Summary of Chapter 2 State Self-Evaluations of Effectiveness; to the Committee on Education and Labor.

1264. A letter from the Acting Administrator, Energy Information Administration, transmitting, a copy of the Energy Information Administration's "Profiles of Foreign Direct Investment in U.S. Energy 1991"; to the Committee on Energy and Commerce.

1265. A communication from the President of the United States, transmitting a report on the status of efforts to obtain compliance by Iraq with the resolutions adopted by the U.N. Security Council, pursuant to Public Law 102–1, section 3 (105 Stat. 4) (H. Doc. No. 103–88); to the Committee on Foreign Affairs and ordered to be printed.

1266. A letter from the Assistant Secretary of State for Legislative Affairs, transmitting the original report of political contributions for James Richard Creek, of Arkansas, to be Ambassador to Argentina, and members of his family, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

1267. A letter from the Assistant Secretary of State for Legislative Affairs, transmitting copies of the original report of political contributions for Christie Ramsay, of Michigan, to be Ambassador to the Republic of the Congo, and members of his family, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

1268. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

1269. A letter from the Director, Administrative Office of the U.S. Courts, transmitting the actuarial reports on the Judicial Retirement System, the Judicial Officers' Retirement Fund, the Judicial Survivors' Annuities System, and the Court of Federal Claims Judges' Retirement System for the plan year ending September 30, 1992, pursuant to 31 U.S.C. 9503(a)(1)(B); to the Committee on Government Operations.

1270. A letter from the Secretary of Housing and Urban Development, transmitting a report of activities under the Freedom of Information Act for calendar year 1992, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

1271. A letter from the Attorney General, transmitting the annual report on the operations of the private counsel debt collection project for fiscal year 1992, pursuant to 31 U.S.C. 3718(c); to the Committee on the Judiciary.

1272. A letter from the Acting Director, National Science Foundation, transmitting a draft of proposed legislation to amend the Program Fraud Civil Remedies Act of 1986 to include the National Science Foundation; to the Committee on the Judiciary.

1273. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to revise, clarify, and improve certain marine safety laws of the United States, and for other purposes; to the Committee on Merchant Marine and Fisheries.

1274. A letter from the Walla Walla District, Corps of Engineers, Department of the Army, transmitting copies of the report of the Secretary of the Army on Civil Work Activities for fiscal year 1992, Department of the Army Corps of Engineers extract report of the Walla Walla District; to the Committee on Public Works and Transportation.

1275. A letter from the Secretary of Health and Human Services, transmitting research findings on Medicare Home Health Agency Prospective Payment; to the Committee on Ways and Means.

1276. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting on behalf of the Secretary of State certification required under section 609(b) of Public Law 101–162, regarding the incidental capture of sea turtles in commercial shrimping operations, pursuant to Public Law 101–162, section 609(a)(5)(C) (103 Stat. 1038); jointly, to the Committees on Appropriations and Foreign Affairs.

1277. A letter from the Principal Deputy Comptroller, Comptroller of the Department of Defense, transmitting the quarterly report on program activities for facilitation of weapons destruction and nonproliferation in the former Soviet Union for the period January 1, 1993, through March 31, 1993, and cumulatively; jointly, to the Committees on Appropriations and Foreign Affairs.

1278. A letter from the Administrator, U.S. Small Business Administration, transmitting the annual report on the Natural Resource Development Program (tree planting) for fiscal year 1992, pursuant to Public Law 101–515, section 4; jointly, to the Committees on Appropriations and Small Business.

1279. A letter from the Secretary of Health and Human Services, transmitting the annual report on Medicare for fiscal year 1991, pursuant to 42 U.S.C. 139511(b); jointly, to the Committees on Energy and Commerce and Ways and Means.

1280. A letter from the General Counsel, Department of the Treasury, transmitting a draft of proposed legislation to provide for the implementation of special debt relief for the poorest, most heavily indebted countries, in the multilateral context of the Paris Club, and for other purposes; jointly, to the Committees on Foreign Affairs and Banking, Finance and Urban Affairs.

1281. A letter from the Acting Director, U.S. Information Agency, transmitting a draft of proposed legislation to authorize appropriations for fiscal year 1994 and 1995 for the U.S. Information Agency and for other purposes; jointly, to the Committees on Foreign Affairs and the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. GLICKMAN: Permanent Select Committee on Intelligence. H.R. 1723. A bill to authorize the establishment of a program under which employees of the Central Intelligence Agency may be offered separation pay to separate from service voluntarily to avoid or minimize the need for involuntary separations due to downsizing, reorganization, transfer of function, or other similar action; with an amendment (Rept. 103–102). Referred to the Committee of the Whole House on the State of the Union.

Mr. CONYERS: Committee on Government Operations. A report on a citizen's guide on using the Freedom of Information Act and the Privacy Act of 1974 to request Government records (Rept. 103–104). Referred to the Committee of the Whole House on the State of the Union.

Mr. NATCHER: Committee on Appropriations. H.R. 2244. A bill making supplemental appropriations, transfers, and rescissions for the fiscal year ending September 30, 1993, and for other purposes (Rept. 103–105). Referred to the Committee of the Whole House on the State of the Union.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. GONZALEZ: Committee on Banking, Finance and Urban Affairs. H.R. 1340. A bill to provide funding for the resolution of failed savings associations, and for other purposes; with an amendment; referred to the Committee on the Judiciary for a period ending not later than June 11, 1993, for consideration of such provisions of the bill and amendments as fall within the jurisdiction of that committee pursuant to clause 1(l), rule X (Rept. 103–103, Pt. 1). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resoluwere introduced and severally referred as follows:

By Mr. BOEHLERT:

H.R. 2237. A bill to amend the Defense Base Closure and Realignment Act of 1990 to require that testimony before the Defense Base Closure and Realignment Commission be given under oath; to the Committee on Armed Services.

By Mr. CONYERS (for himself and Mr. DELLUMS):

H.R. 2238. A bill to amend laws relating to Federal procurement, to authorize functions and activities under the Federal Property and Administrative Services Act of 1949, and for other purposes; jointly, to the Committees on Government Operations and Armed Services.

By Mr. DINGELL (for himself, Mr. MOORHEAD, Mr. MARKEY, and Mr. FIELDS of Texas):

H.R. 2239. A bill to authorize appropriations for the Securities and Exchange Commission, and for other purposes; to the Committee on Energy and Commerce.

By Mr. JACOBS (for himself and Mr. MCCRERY):

H.R. 2240. A bill to amend the Internal Revenue Code of 1986 to promote savings for qualified higher education expenses; to the Committee on Ways and Means.

By Mr. MCDERMOTT:

H.R. 2241. A bill to provide for the establishment of a committee to assist the Secretary of Health and Human Services in developing new criteria and standards for audits of State child support programs, and to require the Secretary to promulgate regulations to modify such audits to emphasize program outcomes; to the Committee on Ways and Means.

By Mr. SWIFT:

H.R. 2242. A bill to require the Administrator of the Environmental Protection Agency to establish a program to encourage voluntary environmental cleanup of facilities, and for other purposes; to the Committee on Energy and Commerce.

By Mr. SWIFT (for himself and Mr. DINGELL):

H.R. 2243. A bill to amend the Federal Trade Commission Act to extend the authorization of appropriations in such act, and for other purposes; to the Committee on Energy and Commerce.

By Mr. ROBERTS:

H. Res. 181. Resolution providing for the termination of official funding of certain legislative service organizations; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

148. By the SPEAKER: Memorial of the Legislature of the State of Hawaii, relative to Federal dollar assistance; to the Committee on Energy and Commerce.

149. Also, memorial of the General Assembly of the State of Iowa, relative to the atrocities in Bosnia; to the Committee on Foreign Affairs.

150. Also, memorial of the General Assembly of the State of Iowa, relative to commonwealth status to the Territory of Guam; to the Committee on Natural Resources.

151. Also, memorial of the Legislature of the State of Hawaii, relative to Federal "riders"; to the Committee on Public Works and Transportation.

152. Also, memorial of the General Assembly of the State of Indiana, relative to Interstate 69; to the Committee on Public Works and Transportation.

153. Also, memorial of the Legislature of the State of Hawaii, relative to Social Security benefits; to the Committee on Ways and Means.

154. Also, memorial of the Legislature of the State of Hawaii, relative to an Economic Conversion Task Force; jointly, to the Committees on Armed Services, Ways and Means, Education and Labor, and Banking, Finance and Urban Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 81: Mr. STUPAK.

H.R. 173: Mr. WALSH.

H.R. 212: Mr. STUMP.

H.R. 245: Mr. LEHMAN, Mrs. ROUKEMA, Mr. ROWLAND, Mr. HORN, Mr. SOLOMON, and Mr. DOOLITTLE.

H.R. 250: Mr. HOLDEN.

H.R. 266: Mr. COSTELLO.

H.R. 349: Mr. KINGSTON, Mr. REYNOLDS, and Mr. GRAMS.

H.R. 407: Mr. PAXON.

H.R. 441: Mr. WYDEN, Mr. KANJORSKI, and Mr. FRANK of Massachusetts.

H.R. 507: Mrs. VUCANOVICH and Mr. RAVENEL.

H.R. 649: Mrs. SCHROEDER and Mrs. MINK.

H.R. 697: Ms. VELÁZQUEZ.

H.R. 700: Mr. TORRES.

H.R. 703: Mr. CRANE, Mr. ROYCE, Mr. GREENWOOD, and Mr. FROST.

H.R. 725: Mr. WYNN.

H.R. 746: Mr. BEILENSON.

H.R. 749: Mr. VISCLOSKY, Mr. BROOKS, and Mr. MCMILLAN.

H.R. 762: Mr. GOODLING.

H.R. 767: Mr. COMBEST, Mr. GEJDENSON, Mr. COBLE, and Mr. HILLIARD.

H.R. 799: Mr. SCHAEFER and Mrs. MINK.

H.R. 826: Mr. GUTIERREZ and Mr. DOOLEY.

H.R. 833: Mr. EVANS, Mr. EDWARDS of California, Mr. GILCHREST, and Mr. JOHNSTON of Florida.

H.R. 864: Mr. SENSENBRENNER and Mr. SMITH of New Jersey.

H.R. 882: Mr. BURTON of Indiana, Mr. GALLO, Mr. GILCHREST, and Mr. HYDE.

H.R. 930: Mr. ARMEY and Mr. ENGEL.

H.R. 1098: Mr. KLECZKA.

H.R. 1141: Mr. WOLF, Mr. FIELDS of Texas, Mrs. SCHROEDER, and Mr. SAWYER.

H.R. 1146: Mr. SAWYER, Mr. ENGEL, Mr. WAXMAN, Mr. FRANK of Massachusetts, and Mr. EDWARDS of California.

H.R. 1200: Mr. CLYBURN and Mr. RUSH.

H.R. 1238: Mr. MACHTLEY.

H.R. 1240: Mr. HOKE.

H.R. 1302: Mr. DE LUGO.

H.R. 1402: Mr. MCDADE.

H.R. 1403: Ms. MCKINNEY.

H.R. 1407: Mr. ENGEL and Ms. MARGOLIES-MEZVINSKY.

H.R. 1455: Mr. DEFAZIO.

H.R. 1490: Mr. WILSON, Mr. TAYLOR of Mississippi, Mr. MCHUGH, Mr. MCCRERY, Mr. LIVINGSTON, Ms. LONG, and Mr. SUNDQUIST.

H.R. 1520: Mr. GILCHREST.

H.R. 1545: Mr. PAXON.

H.R. 1546: Mr. PAXON.

H.R. 1548: Mr. PAXON.

H.R. 1555: Mr. PETERSON of Minnesota.

H.R. 1608: Mr. ENGEL, Ms. FOWLER, Mr. LAFALCE, Mr. OXLEY, Mr. RAVENEL, Mr. SHUSTER, Mr. SKELTON, Mr. SYNAR, Ms. THURMAN, and Mr. TOWNS.

H.R. 1636: Mr. ARMEY.

H.R. 1670: Mr. BAKER of Louisiana.

H.R. 1684: Mr. HASTINGS, Mr. RANGEL, Ms. NORTON, Mr. WATT, Mr. ENGEL, and Mr. EVANS.

H.R. 1697: Mr. RAHALL, Mr. INGLIS, Mr. HILLIARD, Mr. MCNULTY, Mr. THOMPSON, Mr. SKEEN, Mr. LAZIO, Mr. LIVINGSTON, and Mr. GEKAS.

H.R. 1727: Mr. WISE.

H.R. 1819: Mr. STOKES, Mr. TOWNS, Mr. FILNER, Mr. HOCHBRUECKNER, Mr. WAXMAN, Mr. KREIDLER, Mr. FROST, Ms. NORTON, and Mr. EVANS.

H.R. 1843: Mr. LEWIS of Florida.

H.R. 1874: Mr. HYDE and Mr. BROWN of California.

H.R. 1925: Mrs. SCHROEDER, Mr. ABERCROMBIE, Mr. STOKES, Mr. GONZALEZ, Mr. CLAY, Mr. WAXMAN, Mr. SCOTT, Mr. BLACKWELL, Mr. DELLUMS, Mr. LEWIS of Georgia, Ms. WATERS, Mr. THOMPSON, Ms. MCKINNEY, and Ms. EDDIE BERNICE JOHNSON.

H.R. 1928: Mr. THOMAS of Wyoming, Mr. HERGER, Mr. LIGHTFOOT, Mr. BAKER of California, Mr. ROHRABACHER, and Mr. HYDE.

H.R. 1944: Mr. SERRANO and Ms. NORTON.

H.R. 1948: Mrs. UNSOELD and Mr. EDWARDS of California.

H.R. 1989: Mr. MILLER of Florida, Mr. HOKE, Mr. MCKEON, and Mr. FRANKS of Connecticut.

H.R. 1999: Mr. COBLE, Mr. SPENCE, and Mr. DUNCAN.

H.R. 2019: Mrs. UNSOELD, Mr. CONYERS, and Mr. OWENS.

H.R. 2025: Mr. BROWN of California.

H.R. 2059: Mr. ROHRABACHER, Mr. MCHUGH, Mr. SHAYS, Mr. LIVINGSTON, Mr. CANADY, Mr. KLUG, and Mr. BALLENGER.

H.R. 2076: Mr. FRANK of Massachusetts, Mr. WAXMAN, Ms. NORTON, and Mr. EDWARDS of California.

H.R. 2094: Mr. GEJDENSON and Mr. TOWNS.

H.R. 2157: Mr. FROST, Mr. OBERSTAR, Mr. OXLEY, Mr. ROHRABACHER, Mr. HYDE, Mr. PARKER, and Mr. RAHALL.

H.R. 2219: Mr. STENHOLM, Mr. POMEROY, Mr. FINGERHUT, Mr. GUNDERSON, Mr. MANN, and Mr. BARRETT of Nebraska.

H.J. Res. 20: Mr. UPTON.

H.J. Res. 88: Mr. NADLER.

H.J. Res. 91: Mr. PETE GEREN.

H.J. Res. 92: Mr. KIM, Ms. SCHENK, Mr. APPLEGATE, Mr. KILDEE, Ms. WATERS, Mr. OBEY, Mr. BORSKI, Mr. TOWNS, Mr. TAUZIN, Mr. GIBBONS, Mr. BOEHLERT, Mr. REYNOLDS, and Mr. GINGRICH.

H.J. Res. 106: Mr. LEACH, Mr. MANTON, Mr. SAWYER, and Ms. THURMAN.

H.J. Res. 119: Mrs. CLAYTON, Mr. KOPETSKI, Mr. PAYNE of Virginia, Mr. SANGMEISTER, Mr. VENTO, Mr. GILMAN, and Mr. FISH.

H.J. Res. 133: Mr. COOPER and Ms. MCKINNEY.

H.J. Res. 158: Mr. ARMEY.

H.J. Res. 165: Mr. KILDEE, Mr. BILBRAY, Mr. PETERSON of Florida, and Mr. MARTINEZ.

H. Con. Res. 37: Ms. CANTWELL, Mr. LANTOS, Mr. YATES, Mrs. MINK, and Mr. KLEIN.

H. Con. Res. 51: Mr. CASTLE.

H. Con. Res. 80: Ms. SLAUGHTER and Mr. DE LUGO.

H. Con. Res. 91: Mr. DELLUMS, Mrs. MALONEY, and Mr. BAKER of California.

H. Con. Res. 96: Mr. JACOBS, Mr. WELDON, Mr. SHAYS, Mr. WAXMAN, Mr. WOLF, Mrs. MORELLA, Mr. DELLUMS, Mr. COLEMAN, Mr. OLVER, Mr. FROST, Mr. ENGEL, Mr. CANADY, Mr. FAWELL and Mr. GUNDERSON.

H. Con. Res. 102: Mr. SUNDQUIST.

H. Res. 148: Mr. MEEHAN and Mr. POSHARD.

H. Res. 156: Mr. ARMEY, Mr. BAKER of Louisiana, and Mr. BOEHNER.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

39. The SPEAKER presented a petition of County of Henry, Paris, TN, relative to Interstate Highway 69; which was referred to the Committee on Public Works and Transportation.

SENATE—*Monday, May 24, 1993*

(Legislative day of Monday, May 24, 1993)

The Senate met at 1:30 p.m., on the expiration of the recess, and was called to order by the Honorable HARLAN MATHEWS, a Senator from the State of Tennessee.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

In a moment of silence, let us remember Senator HEFLIN and one of our former employees, Noel Coffey, who is critical.

Thy word is a lamp unto my feet, and a light unto my path.— Psalm 119:105.

Sovereign Lord of history, God of all nations and peoples, as good and faithful men and women search and struggle for the path of justice and peace, grant to Thy servants light for the way and strength for the day. Defend them against any deterrent to responsible statesmanship, any compromise that sacrifices principle or violates conscience, any action that would endanger the Nation.

Grant to each grace and wisdom to measure personal conviction in the light of truth and courage, to act consistent with enlightened conscience, however costly to personal ambition. In disagreement, grant attention to and respect for opposing views and willingness to be flexible when the good of the people and the rightness of the issues become clear.

We pray in the name of Him who is Truth incarnate and the Light of the world. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The bill clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, May 24, 1993.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable HARLAN MATHEWS, a Senator from the State of Tennessee, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. MATHEWS thereupon assumed the Chair as Acting President pro tempore.

RESERVATION OF LEADERSHIP TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 2 p.m., with Senators permitted to speak therein for not to exceed 5 minutes.

Mr. PRYOR addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Arkansas.

Mr. PRYOR. Mr. President, I ask unanimous consent I may be allocated a total of 15 minutes. I do not think I will use all that time. I will yield back the time I do not use.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

Mr. PRYOR. I thank the Chair.

(The remarks of Mr. PRYOR pertaining to the introduction of legislation are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania is recognized.

Mr. SPECTER. I thank the Chair.

EVALUATION OF PRESIDENT CLINTON'S BUDGET PROPOSALS

Mr. SPECTER. Mr. President, Americans should encourage Senator BOREN and other Members of Congress to exercise our best independent judgment in evaluating President Clinton's sweeping budget proposals. This year's budget has the potential for an enormous impact for the next decade and beyond.

In criticizing objections to President Clinton's plans, we seem to have lost sight of certain fundamentals on the way our system of government is designed to work. Two basic principles underlie our constitutional system: Separation of powers and checks and balances.

Voters rely on the independence of Members of the House and Senate. Voters know they cannot be knowledgeable on all the issues and rely on their elected officials to be honest, hardworking, and independent in our representative Government.

Applying those principles to our Nation's budget problems, I suggest that each Member has a duty to exercise his or her best judgment in accepting, modifying, or rejecting the President's plan.

I cannot accept the President's budget for what I consider to be strong reasons. The President has proposed the biggest tax increase in our Nation's history. With the energy tax, it is excessively regressive and burdening our Nation's poor. Until resolute, successful efforts are made to cut Federal spending, Americans should not be asked to pay more taxes. It is simply unacceptable for the President to ask for $2.72 in new taxes for every $1.72 in budget cuts.

Americans must read the fine print if not the footnotes to find out what is really happening with President Clinton's budget.

The President repeatedly stated that his plan will reduce the deficit by some $500 billion over 5 years, but the fact of the matter is that the Nation's debt will grow by $1.1 trillion at the end of the next 5 years. That is not real deficit reduction because we will continue to borrow to cover our spending.

In my independent judgment, each Member of the House and Senate should use his or her best thinking to cut Federal expenditures, and we must similarly use our best judgment on ways to increase revenues short of taxes.

While I am not prepared to accept the alternative proposals advanced by Senator BOREN, Senator DANFORTH, and others, I commend them for their courage in stepping forward. I believe we must all look for all possible alternatives in order to cut Federal spending. The Boren-Danforth proposals in response to the President's budget are the way the legislative system is supposed to work. From such ideas, debate in the committee and then on the floors of the House and Senate and through that process a consensus will emerge with Republicans and Democrats on the best way to deal with the deficit and our severe budget problems.

It is not obstructionism for Members of Congress to demonstrate such independence in carrying out the separation of powers and providing the constitutional checks and balances on Presidential action. Such action should be encouraged. It is provided for in the

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● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Constitution. It is in the public interest.

Mr. President, I ask unanimous consent that table 3–1, "Highlights of the Plan" of "A Vision of Change for America" be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TABLE 3–1. HIGHLIGHTS OF THE PLAN

[In billions of dollars]

	1993	1994	1995	1996	1997	1998	1994–97 Total	1994–98 Total
Baseline deficit	319	301	296	297	346	390	1,241	1,630
Spending changes:								
Defense discretionary		−7	−12	−20	−37	−36	−76	−112
Nondefense discretionary	1	−4	−10	−15	−20	−23	−50	−73
Entitlements	−(1)	−6	−12	−24	−34	−39	−76	−115
Social Security		−3	−6	−6	−7	−8	−21	−29
Subtotal	(1)	−20	−40	−65	−98	−106	−223	−329
Debt service	(1)	−(1)	−3	−7	−14	−22	−24	−46
Total spending cuts (−)	1	−20	−43	−73	−112	−128	−247	−375
Revenue increases (−)	−3	−46	−51	−66	−83	−82	−246	−326
Gross deficit reduction	−2	−66	−93	−139	−195	−210	−493	−704
Stimulus and investment:								
Stimulus outlays	8	6	2	1	(1)	(1)	9	9
Investment outlays	—	9	20	32	39	45	100	144
Tax incentives	6	13	17	15	15	17	60	77
Total stimulus investment	15	27	39	47	55	62	169	231
Total deficit reduction	13	−39	−54	−92	−140	−148	−325	−473
Result deficit	332	262	242	205	206	241	916	1,157
Deficit as a percent of GDP	5.4	4.0	3.5	2.9	2.7	3.1	3.3	3.2

[1] $500 million or less.

Mr. SPECTER. Mr. President, I notice that there is no other Senator on the floor. So I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THAT FAMOUS PARADE IN SAN FRANCISCO

Mr. HELMS. Mr. President, two articles about the Achtenberg nomination in the Washington Times this morning discuss the pornographic and blasphemous activities during last year's San Francisco Gay Pride parade led by Roberta Achtenberg and her partner—and their son.

The second article tells of Achtenberg's efforts to obtain funding for a new "recreation and counseling center for homosexual youth," disclosing that she was instrumental in securing $500,000 in State funds for a group called LYRIC—or Lavender Youth Recreation and Information Center. The article quoted Rabbi Abraham Gross of the Union of Orthodox Rabbis of the United States and Canada as saying:

> This is a terrible contamination of our youth, who should be directed to traditional family values.

I ask unanimous consent that both articles be printed in the RECORD at the conclusion of my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Times, May 24, 1993]

ACHTENBERG BACKED GAY TEENS

(By Joyce Price)

A new counseling and recreation center for homosexual youth, slated to open in a neighborhood in central San Francisco, was approved and funded thanks largely to City Supervisor Roberta Achtenberg.

"Lesbian, gay and bisexual youth have a great need for services, and we're supportive of their efforts to meet those needs," Joe Van Es, an aide to Miss Achtenberg, told the San Francisco Independent newspaper.

Miss Achtenberg, President Clinton's openly-lesbian nominee to be assistant secretary for fair housing at the Department of Housing and Urban Development, urged that $500,000 be provided for the Lavender Youth Recreation and Information Center.

The money was to come from a $25.9 million refund the city of San Francisco received from the California state government.

"Her being an activist for the gay community is nothing new. That's her constituency," Joe Strupp, a reporter for the Independent, said in a recent telephone interview. Mr. Strupp has written articles about the LYRIC facility, which last week won unanimous approval from the San Francisco Planning Commission.

But not everyone is happy with projects like LYRIC. "This is a terrible contamination of our youth, who should be directed to traditional family values," said Rabbi Abraham Gross, a member of the Union of Orthodox Rabbis of the United States and Canada.

As for Miss Achtenberg, he said: "Her views are a danger to traditional moral and family values" and her confirmation as a top-level HUD executive "may be the beginning of the breakdown of those values."

Robert Stutzman, a spokesman for the Capitol Resource Institute, a conservative policy center in Sacramento, agreed that there's good reason to be worried about Miss Achtenberg in a top HUD post.

"She's primarily been an activist and advocate for the homosexual lifestyle, and I have no reason to believe she'll disembark from that course," he said.

Miss Achtenberg took a lot of heat on the Senate floor last week for efforts she initiated to punish the Boy Scouts for their policy of barring homosexuals as scoutmasters.

"I find Ms. Achtenberg's behavior with regard to the Boy Scouts unwarranted, objectionable and reprehensible," said Sen. Christopher Bond, Missouri Republican.

Several other senators, including Oklahoma Republican Don Nickles, raised eyebrows at Miss Achtenberg's activism on behalf of patrons of homosexual bathhouses in San Francisco in the mid-1980s.

On the Senate floor Thursday, Mr. Nickles described how Miss Achtenberg had opposed efforts by then-Mayor Dianne Feinstein and city health officials to close the bathhouses—a move they believed was necessary to slow the spread of the AIDS epidemic. Mrs. Feinstein, a Democrat who now serves as a U.S. senator from California, supports the Achtenberg nomination.

Asked about Mr. Nickles' comments Friday, Mr. Van Es said, "I don't know what he was talking about. He'd have to be a lot more specific."

However, a February 1985 Seattle Times article described Miss Achtenberg as an attorney for bathhouse patrons.

[From the Washington Times, May 24, 1993]

STRIDENT ACTIVISM STEPS ON TOES: VIDEO RAISES QUESTIONS OF HUD NOMINEE'S VALUES

(By Joyce Price)

Family values groups are flooding the Senate with phone calls and copies of a videotape they hope will dissuade senators from confirming avowed lesbian Roberta Achtenberg for a top federal housing position later today.

The Christian Action Network has sent each senator a copy of the videotape that shows Miss Achtenberg as a participant in the 1992 San Francisco Gay Pride Parade.

In the June 28 parade, Miss Achtenberg, a member of the San Francisco Board of Supervisors, embraces and kisses her "partner," San Francisco Municipal Judge Mary Morgan, seated on the back of a white convertible bearing the sign, "Celebrating family values." Judge Morgan's 7-year-old son rides in the car with the women, who claim to be his "parents."

Achtenberg opponents hope the "blasphemy," "bigotry" and "pornography" featured in the parade as captured on the videotape will derail Miss Achtenberg's nomination as an assistant secretary of the Department of Housing and Urban Development.

"We're not opposed to gays and lesbians holding federal office, but her performance in that parade is evidence she's a lesbian activist, not just a lesbian," said CAN president Martin Mawyer.

Late last week, the Senate switchboard was busy handling phone calls about the Achtenberg nomination, most of them negative.

Pat Robertson urged viewers to call the Senate about the nomination during live broadcasts of "The 700 Club" Tuesday and Wednesday.

Gene Kapp, a spokesman for the Christian Broadcasting Network, stressed, however, that Mr. Robertson was not trying to tip public opinion against Miss Achtenberg. "He very plainly and clearly urged viewers . . . both pro and con . . . to make the call," Mr. Kapp said.

Other family issue groups such as the Traditional Values Coalition have come out against the Achtenberg nomination. North Carolina Sen. Jesse Helms and other Republicans, including Sen. Trent Lott of Mississippi, raised objections as well, triggering sharp debate Wednesday and Thursday on the Senate floor and delaying the confirmation vote.

A bipartisan agreement reached late Thursday cut off further debate and scheduled the vote for 4:30 p.m. today. Bruce Lott, spokesman for Mr. Lott, said Thursday that Achtenberg opponents recognized it would be an "uphill battle" to stop the nomination and that it appeared likely she would be confirmed.

Miss Achtenberg founded the National Center for Lesbian Rights, and her record of advocacy on behalf of homosexuals is what scares some conservative and moderate senators. As assistant HUD secretary for fair housing and equal opportunity, she would run an office with 700 employees that prosecutes mortgage and housing discrimination cases that violate federal law.

Senate critics describe Miss Achtenberg as an "aggressive" and "radical" activist, who would attempt to expand or create new protections for homosexuals and other groups not currently covered under existing fair housing and antidiscrimination laws.

Miss Achtenberg has said she has "no intention" of doing this but would "vigorously enforce existing law."

Sen. Barbara Boxer, the California Democrat who led the floor fight on Miss Achtenberg's behalf, has charged that Republican opposition to her nomination is based on her homosexual lifestyle. "She may have a lifestyle that's different from other people, but in her public life, she's mainstream. . . . I think it's important to deal with qualifications," Mrs. Boxer said.

Pro-family organizations challenge Miss Achtenberg's advocacy for homosexual parenting, including the right to adoption and artificial insemination, as "mainstream."

There also have been serious questions raised about her qualifications for the high-level HUD post, fueled by statements she herself has made.

"I'm not a fair housing expert by a long shot," Miss Achtenberg told The Washington Times earlier this year. "I've done public interest law, and in my capacity as a county supervisor I've dealt with housing issues. . . . But I'm not a fair-housing lawyer."

Sen. Donald Riegle, Michigan Democrat and chairman of the Senate Banking Committee, which endorsed Miss Achtenberg's nomination by a 14-4 vote, said her comments in The Times "referred to her experience as a fair-housing litigator," a highly specialized field.

"She served as a law professor, a law school dean, a civil rights activist, and as a legislator," Mr. Riegle said. "This nominee is exceptionally well-qualified for this job."

In addition to the footage of Miss Achtenberg, the videotape of the San Francisco parade being distributed by CAN includes a man pushing a cart on which a white-haired figure depicting God is in the act of anal intercourse with a figure of Uncle Sam. A sign reads "One nation under God."

Mr. Helms alluded to the videotape on the Senate floor and suggested a "closed" session to show it. Mrs. Boxer countered: "I asked, 'Did the film have anything to do with whether Roberta Achtenberg is qualified for office?' And they said, 'No.'"

"There are senators who don't approve of her private life, and that's the issue here," Mrs. Boxer said. "I think it's important to deal with her qualifications."

Mr. Mawyer of CAN said he talked about Miss Achtenberg and the videotape on a family radio broadcast Friday. "We gave out the Senate switchboard number and urged listeners to call," he said.

Most senators whose offices responded to questions about phone calls regarding the Achtenberg nomination acknowledged calls were predominantly negative.

Between Wednesday and Friday, for example, the Washington office of Sen. Bob Graham, Florida Democrat, received 400 phone calls against the nomination and only nine in favor, according to spokeswoman Mary Byrne. She said she did not know how Mr. Graham will vote.

Laura Parham, spokeswoman for Sen. Thad Cochran, Mississippi Republican, said Friday he had received "over 1,000" calls about Miss Achtenberg since May 13.

"The majority have been adamantly opposed to Roberta Achtenberg—not because she's a lesbian, but because callers feel her decisions may not be the fairest," Ms. Parham said.

She said callers came to that conclusion as a result of Miss Achtenberg's "attack on the Boy Scouts" when the group refused to let homosexuals serve as scout leaders.

THE HOMOSEXUAL LOBBY: THE $5 MILLION CLOUT

Mr. HELMS. Mr. President, in an article headed "The Gay and Lesbian Lobby Is Put to the Test," the February 1-7, 1993, Washington Post reported:

> By the last [presidential] election, the gay lobby ran a political machine as well-oiled as any pressure group. More than $5 million was collected for Clinton through direct mail solicitation and fundraising events. The Human Rights Campaign Fund [a homosexual lobbying group] fielded 10,000 gay and lesbian members to canvass for Clinton nationwide.

Mr. President, this article makes clear why the Achtenberg nomination is before the Senate. I ask unanimous consent that it be printed in the RECORD at the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post National Weekly Edition, Feb. 1-7, 1993]

THE GAY AND LESBIAN LOBBY IS PUT TO THE TEST

(By Michael Weisskopf)

Mastering the rituals of American politics, the gay lobby has gained a measure of influence unthinkable a decade ago. With campaign contributions, volunteers and votes, its members participated fully in the recent election, securing a place for gay issues in President Clinton's platform and a prominent role for its spokesmen at last summer's Democratic National Convention.

Now, as the military ban on homosexuals is debated at the highest levels, the lobby faces its biggest test. Can homosexuals move beyond the symbolic rewards of politics and deliver the kind of core demands sought by any pressure group?

The test of strength, pitting lobbyists for gay groups and supporters of the ban in a war of phone banks and mailgrams, overshadows the larger questions of civil rights and military tradition raised by the ban.

"If we win, it means we're finally part of the governing coalition, that we have a seat at the table, that people just don't make promises to get our money and votes, but they really care to move our agenda forward," says Peri Jude Radecic, of the National Gay and Lesbian Task Force.

According to the Christian Action Network's Martin Mawyer, "We're at a crossroads. If they win, it will feed their strength. Eventually this will tear down the fiber of American society."

The very fact that repeal of the ban on homosexuals in the military is at issue affirms the growing power of the gay lobby. Clinton is the first president who actively courted the gay vote and pledged support to issues such as the repeal. Until recently, the rights of homosexuals were a "no-way issue" in Congress says Democratic Rep. Barney Frank of Massachusetts, one of two openly gay members of Congress.

About the time that Frank entered the House in 1981, homosexuals shifted tactics from street protests to mainstream politics. Barring the tactics of special-interest groups, they began to hit policymakers where it counts the most—in the ballot and campaign war chests.

By the last election, the gay lobby ran a political machine as well-oiled as any pressure group. More than $5 million was collected for Clinton through direct mail solicitation and fundraising events. The Human Rights Campaign Fund fielded 10,000 gay and lesbian members to canvass for Clinton nationwide.

The reach of gay and lesbian groups went beyond the top of the ticket. As a political action committee, the fund contributed $780,000 to candidates in 159 House and 20 Senate races and sent volunteers to 17 states. It is impossible to verify gay turnout in the past election, but activists point to Georgia, where Clinton won gay support and Democratic Sen. Wyche Fowler Jr., running on the same ticket but opposed by homosexuals, was forced into a runoff and eventually lost his seat.

"They vote, they raise money and they organize for you," says Democratic Rep. John Lewis of Georgia. "In major cities, you need their support. They're growing in power."

Although its influence in Congress is still concentrated in districts with heavy gay populations, the lobby has broadened its impact by engaging in coalition politics. Backing the causes of women's, labor and health groups has paid off in a long list of allies in the fight against the military ban, ranging from the National Council of Jewish Women to People for the Ethical Treatment of Animals.

AIDS also tore down political barriers. Frank says that lawmakers unwilling to "take a political hit for lesser causes recognized the threat of the disease and voted for higher funding for research without political repercussions.

The national segment of our politics has opened up to gays in a way that did not exist until recently," says A. James Reichley, a Georgetown University political scientist. "Liberals used to be more inclined to defend the civil liberties of gays but, partly for pragmatic political reasons, thought it was a bad idea to be identified with them. Now they are increasingly prepared to be champions of the gay community."

Recent legislative victories show evidence of that support. The Americans With Disabilities Act of 1990, for example, included safeguards for AIDS patients, and the Hate Crimes Statistics Act of 1990 extended protections for the first time to people regardless of sexual orientation.

But no issue has cut as deeply as the gay ban in the military, a matter that the lobby says tests the applicability of the Constitution to all citizens.

"What's at stake," explains William Schneider, a political analyst at the American Enterprise Institute, "is mainstream respectability for gays."

Last week, the lobby called on supporters to send 25,000 mailgrams to members of Congress, asking them to oppose legislation seeking to maintain the ban.

But the opposition is mounting an equally strenuous lobbying campaign.

"This is the most important gay rights issue that has ever come up," says Mawyer. "We're going to find out the type of strength they have and the type we have."

TO NORTH CAROLINA'S LIBERAL NEWS MEDIA: THANKS FOR THE MEMORIES

Mr. HELMS. Mr. President, one of the main reasons I have been elected to four successive terms in the U.S. Senate is the unprincipled bias of the major newspapers in my State. Everyone of them has opposed me in all four of my Senate campaigns. They have been so consistently heavy-handed that they are now ridiculed and despised by a vast percentage of the people of North Carolina.

I have enjoyed every syllable of their unyielding rebukes and their shameless lack of fairness and objectivity. I have many of their nasty cartoons framed and hung on my office walls so that I can chuckle when I recall how they went to such trouble to defeat me—always for naught. They have served as self-appointed and unpaid, I suppose, managers of my opponents' campaigns; they have prostituted themselves constantly—and they have had to retreat in every election with their tails between their legs.

The Charlotte Observer is probably the most virulently biased. The paper has two columnists who never saw a conservative they didn't hate. I have in the past welcomed their rather sophomoric criticism of me, and I do now in the matter of the Achtenberg nomination.

I ask unanimous consent that columns by Jerry Shinn and Doug Robarcheck, published in the Charlotte Observer during the weekend, be printed in the RECORD at the conclusion of my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Charlotte Observer, May 23, 1993]

ONCE AGAIN, HELMS PLAYS ANTI-HERO

(By Jerry Shinn)

You could do a lot worse for a role model than Hollywood's 1930's, '40s and '50s version of the American Hero, in movies where there were good guys and bad guys and it was obvious which were which.

Whether portrayed by Tom Mix or Gene Autry, John Wayne or Gary Cooper, Jimmy Stewart or Henry Fonda or whomever, his essential qualities were the same.

He was a champion of justice, a defender of the weak, always coming to the rescue of victims of exploitation and oppression.

The model was reinforced for me by Sunday school lessons about mercy, justice and compassion, about Jesus reaching out to the poor and sick, saying that only those without sin should throw stones, loving "all the children of the world, red and yellow, black and white. . . ."

I don't know whether Jesse Helms heard those same lessons in Sunday school or saw many of those movies as a boy in Monroe or as a young newsman in Raleigh. If he did, he obviously missed the point, because it would be hard to imagine anyone whose career has more systematically contradicted all those characteristics our religious traditions and our national mythology uphold as noble, virtuous or heroic.

KICK 'EM WHEN THEY'RE DOWN

I know he can be a compassionate man in his personal life and a loyal friend to his friends. But as a politician, he has made himself the enemy of the very people the traditional hero befriends and defends. Instead of reaching out to lift them up, he rhetorically and politically kicks them while they're down.

That has been his approach to underpaid working people seeking some negotiating leverage, to black Americans struggling against discrimination, to poor mothers and their hungry children. He seems to regard people whose sexual orientation makes them objects of irrational fear and hatred as less than fully human and less than fully vested with the rights of citizenship.

He carefully polishes his superficial piety while aggressively mocking the core teachings of the religion he claims to follow.

For example, he has expressed a lot more outrage about photographs of bizarre sexual fantasies than he has ever expressed about the reality of hunger and hopelessness among thousands of American children.

And when he was asked if he had been quoted correctly as saying he would vote against a Clinton administration nominee because she was "a damn lesbian," he declined to admit he had said "damn" but didn't hesitate to affirm the rest of it.

NOBODY ELSE'S BUSINESS

Apparently, he was concerned about being caught using a relatively inoffensive expletive but not about the morality or propriety of discriminating against someone because of sexual inclinations that seem abnormal to him and me but, for reasons we don't understand and she doesn't control, come naturally to her.

I don't know whether Roberta Achtenberg, ought to be an assistant secretary in the Department of Housing and Urban Development, or whether she has behaved publicly in some manner that ought to raise serious questions about her judgment. But her private sexual behavior is nobody else's business and shouldn't block her from any job for which she is otherwise qualified.

That hasn't given Sen. Helms any pause, of course. In fact, when he learned the president was going to nominate her, he must have said, "Make my day."

No doubt his direct-mail machine is already cranking out letters begging for money to help ol' Jesse protect America from the dreaded lesbians, which no doubt will bring in millions for the senator's political war chest and future assaults on anyone he considers unacceptably "different."

That's a painful irony Bill Clinton and Roberta Achtenberg will have to live with.

[From The Charlotte Observer, May 21, 1993]

A LESBIAN FEDERAL OFFICIAL? THE REPUBLIC CAN NEVER SURVIVE IT

(By Doug Robarchek)

Oh, my God. Clinton has nominated Roberta Achtenberg for a federal job even though she is a—we can't bring ourselves to say it out loud.

Well, that's it. It's the end of life as we know it. Our heterosexual lifestyle is so weak that if we give homosexuals federal jobs, our kids will all turn gay.

Thank heaven Senator Jesse is on the job, chasing this awful person down. Git the pointy-headed sheets, boys! this is a job for all o'Jesse's friends!

Hey, we joke, but Jesse is serious. Is there something sick about his obsession with what goes on in other people's bedrooms?

MORON, ER, MORE ON JESSE:

We can't get over Jesse. He calls Achtenberg "a mean person, mean-spirited." Woo. Jesse calling you mean is like Hitler calling you anti-Semitic.

He's not only a pot calling a kettle black, he spent 20 years trying to keep black kettles segregated.

He says Achtenberg would use her position to further a lesbian agenda. Gee, that's much worse than using it to further a racist agenda. Jesse, Strom, George Wallace and the rest never did figure out that segregation was wrong—until lots of blacks started voting.

Now Jesse says he's fighting for "America's traditional family values." Hey, let's hope not—we'd like to think America's families are a lot more tolerant than that.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

IRRESPONSIBLE CONGRESS? HERE'S TODAY'S BOXSCORE

Mr. HELMS. Mr. President, perhaps I ought to enter this brief comment in the RECORD, as I will do each day, updated, as to the amount of Federal debt.

Here we go.

Mr. President, as of the close of business on Thursday, May 20, the Federal debt stood at $4,287,296,327,978, meaning that on a per capita basis, every man, woman, and child in America automatically owes $16,691.24 as his or her share of that debt.

Mr. President, this is not debt run up by any President of the United States, even though that is what the liberal politicians like to say. They like to talk about the Reagan debt or the Carter debt or the Bush debt. But they are just covering their own tracks because, as anybody who knows anything about the U.S. Constitution realizes, no President can spend a dime that has not been first authorized and appropriated by the Congress of the United States, and that includes the Senate and the House. And spending bills, of course, must originate in the House of Representatives, as under the Constitution.

But all of the money that has been spent by the Government and all the debt that has been run up is a dead cat lying on the door steps of the Congress of the United States.

I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. ROBB). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMENDING DAVID SEIVERS

Mr. MATHEWS. Mr. President, today I would like to commend Mr. David Seivers, a native of Anderson County, TN, for his appointment to the position of State director of the Farmers Home Administration.

When U.S. Agriculture Secretary Mike Espy announced Mr. Seivers' appointment, I was both proud and pleased to learn that such an experienced public servant would lead the FmHA programs and field offices in Tennessee. He will, no doubt, excel as he assumes responsibility for family farm, rural housing, and community development programs that have such an enormous impact on the lives of so many Tennesseans.

Prior to this appointment, Mr. Seivers served as the chairman of the State Democratic executive committee. Under his leadership, the State party experienced continued growth and ultimately achieved the important success of winning the 1992 election for the Democratic ticket, an accomplishment that helped bring President Clinton and Vice President AL GORE to the White House.

Mr. Seivers is a 1983 graduate of the University of Tennessee in Knoxville with a degree in finance. He has served with the Tennessee Department of Health and Environment, and the Tennessee Department of Finance. During his career, he has also served as a staff assistant to Vice President AL GORE when Mr. GORE was a U.S. Senator.

Mr. President, I have known Mr. Seivers and his family for many years, and I appreciate this opportunity to commend his appointment to the important post of State director for the Tennessee Farmers Home Administration.

TRAVELGATE

Mr. DOLE. Mr. President, last week, the damage-control experts were working overtime at the White House trying to ground the Travelgate scandal before it takes off.

But, with each passing day, new facts are emerging about the Travelgate, affair, fueling the perception of cronyism, and fueling the skepticism of the American people.

Exhibit A: A 25-year-old cousin of the President writes a memo last February to Mr. David Watkins, White House Director of Management, urging that the employees of the White House travel office be replaced. The cousin suggests that she should be put in charge of the travel operation. She subsequently gets the job.

Exhibit B: A major campaign contributor to the President, Worldwide Travel of Little Rock, is a former advertising client of Mr. Watkins. Worldwide is given the job of handling White House travel arrangements on a temporary basis, until public outcry forces the White House to nix this business relationship.

Exhibit C: Mr. Harry Thomason, owner of a plane charter company and good friend of the President, complains to White House officials that he and his pals in the charter business were not getting a big enough piece of the travel office action. He urges that travel office employees be given their walking papers.

Exhibit D: The White House claims that an independent audit of the travel office by the Peat Marwick accounting firm exposed gross mismanagement. It turns out that the Peat Marwick employee who conducted the audit was at the same time serving as an unpaid staff member of the Vice President's Government Review Task Force. To my knowledge, the audit has not been publicly released.

And now, Mr. President, we have exhibit E: News reports suggesting that when the media spotlight started focussing too brightly on this apparent patronage scam, the White House looked to the FBI for political cover.

Although the facts are murky at best, it appears that someone within the White House approached the FBI seeking a statement that would verify White House claims of criminal wrongdoing in the travel office.

And within a few short hours of receiving the White House call, the FBI replied dutifully, issuing a press release, on Justice Department stationery, claiming there was "sufficient information for the FBI to determine that additional criminal investigation is warranted."

Now, Mr. President, I have enormous respect for the FBI, but this latest "guilt by press release" caper would make members of the old Soviet KGB swell with pride.

There was no opportunity for a hearing. No opportunity to review the charges and respond to them. No due process. Just haul the White House travel office suspects before 250 million Americans and smear their good reputations with an attitude of guilty until proven innocent.

If the so-called independent audit had, in fact, uncovered criminal wrongdoing, it should have been referred to the FBI for review and the travel office employees should have been informed of the charges against them and, yes, given an opportunity to respond.

But apparently, when the White House calls these days, the FBI does not ask questions, does not check the facts, does not investigate. It simply jumps, and asks "How high?"

Mr. President, there are more questions than answers raised by this whole tawdry affair. Who originally contacted the FBI? Was it Webster Hubbell, the roving White House ambassador at Justice? Was it the Director of the FBI himself?

Any why did the FBI respond so promptly? To what extent was politics at work? Is it the policy of the FBI to issue press releases announcing guilt, or probable guilt?

Mr. President, we have not gotten to the bottom of this story by a long shot. When the prosecutorial power is abused, as it appears to have been in this case, all Americans, should be concerned. And that is why I am writing to Attorney General Reno and to FBI Director Sessions demanding a full explanation of last week's events.

I believed the Attorney General when she said that politics would take a back seat in her Justice Department. But, with this latest episode in the unfolding Travelgate scandal, all I see is politics, the clumsy politics of a few frightened individuals whose hands were very inconveniently caught in the White House cookie jar.

Mr. President, I ask unanimous consent that a column by William Safire that appeared in yesterday's New York Times be printed in the RECORD.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

SCALPGATE'S POETIC JUSTICE

(By William Safire)

WASHINGTON.—As the white flag of surrender flutters over the White House, the main concern inside is not with the weakness of Christopher of Foggy Bottom but with the ridicule generated by $200 Presidential haircuts from Cristophe of Beverly Hills.

It's the little things that get to people. Thomas E. Dewey's crack about an "idiot engineer" rubbed Americans the wrong way; Richard Nixon's desire to outfit the White House police in Graustarkian helmets drew hoots, as did Jimmy Carter's fear of "killer rabbits."

And so we see the Clinton pollster, Stan Greenberg, drawn from directing decisions on Balkan and health policy and forced instead to measure voter dismay over "Hair Force One."

Mr. Clinton was so carried away by the need to enhance his appearance that he was oblivious to appearances. People read a certain arrogance into a President's willingness to tie up an international airport for 45 minutes while Cristophe does his pricey rinse-clip-and-set.

Clinton's image of manly informality has been blown away by a hair dryer. After he reads the working stiff's reaction to the return of Hollywood royalism, down-home "Bill" (to avoid being called "Prince William") will fire Cristophe. We can hope he will not seek to cover his embarrassment by ordering an F.B.I. probe of the hairdresser's billing practices.

But reporters stuck on tarmacs waiting for late charter flights will scratch away at Scalpgate: where is the contract for Cristophe's "family services"? Has he been paid yet, and how much? Does Cristophe include his expense of traveling to meet the Clintons, or does he absorb that and reduce his usual fee in return for the publicity? If so, is he making a valuable gift to the Clintons, as dress designers did to Nancy Reagan, which must catch the interest of the Internal Revenue Service?

That reference to press flights brings us to the amalgam of Hollywood cronyism, "distant" nepotism, the old spoils system operating under a new self-righteousness, and an unremarked abuse of the Justice Department—all quickly dubbed "Travelgate."

Harry Thomason, a Hollywood pal of the Clintons who produced the inaugural extravaganza, wanted part of his payoff in the form of a shot at the White House travel business. Bill's Cousin Cathy made a pitch to replace the seven longtime employees with Clintonites who would recognize the magic Thomason name. To provide a cover for this divvying of the election spoils, an accounting firm was hired to nail the old-timers for past sloppiness.

That's politics; there's no job security in the White House. But when the press turned up Crony Thomason's pitch and Cousin Cathy's replacement plan, both written before the accountant was assigned to dig up dirt—the Clinton White House panicked.

That's when the spoils were spoiled. To justify the firing of the staff to make way for Distant-Cousin Cathy and her friends, somebody in the White House made a improper call to somebody at the Justice Department. We should find out who: maybe the *de facto* Attorney General, Webster Hubbell, Hillary's law partner; perhaps F.B.I. Director William Sessions, who seems ready to do anything for the White House to save his job.

Within hours of the White House demand, an extraordinary F.B.I. statement was issued—on Justice Department stationery—that there was "sufficient information for the F.B.I. to determine that additional criminal investigation is warranted."

Don't just kick 'em out—kill 'em. That was an abuse of power. White House pressure to prosecute is now heavy, but the presumption of innocence has not been repealed.

If the accountant's report suggested any crime, it should have been promptly given to the F.B.I.; employees should have been given their rights, informed of the charges and given a chance to respond.

Instead, seven people with families were not only canned, but their reputations were blackened and chances to get another job removed by a politically motivated F.B.I. press release. Why? To provide a law-enforcement publicity cover for an embarrassing display of raw patronage.

Bill Clinton may get away with this riding-roughshod over civil liberty; he may even get away with the vastly greater error of abandoning the suffering Bosnians; but there is some poetic justice in the way he will pay for trying to swagger through his Presidency with $200 haircuts from Cristophe of Beverly Hills.

AWOL ON COMMUNIST CHINA

Mr. HELMS. Mr. President, at the 1992 Democratic National Convention, candidate Clinton accused then-President Bush of coddling dictators "from Baghdad to Beijing." His having made that statement, the American people had a right to assume that Mr. Clinton's administration, when elected, if elected, would address Communist Chinese violations of human rights standards, and violations of American law in their flagrant illicit arms sales.

However, almost 4 months after Mr. Clinton's inauguration, his administration is demonstrably absent without leave when it comes to Communist China's arrogant and cruel behavior.

We've learned this week that slave labor imports from Communist China continue to pour into the United States and, needless to say, there has not been one prosecution.

Mr. President, the media regularly report instances of Communist Chinese arms sales to Middle East dictators. To put it mildly, the U.S. ballistic missile sanctions legislation is not being enforced.

According to Christian Solidarity International, as recently as March Chinese Christians were attacked for their beliefs and no protest from the administration has been heard.

Tibet remains under military occupation and the Communists clearly intend to make the Tibetans a minority in their own country. Again, no protest from the administration.

Human rights organizations continue to report torture, arbitrary arrest and other violations of basic human rights in Communist China and not a word from the administration.

American businessmen continue to complain about unfair trading practices, including currency manipulation, but nary a protest from the administration.

The New York Times publishes lengthy reports about forced abortion and involuntary sterilizations that are so widespread in Communist China that even the United Nations population fund—a program the Clinton administration continues to support—is considering withdrawing from China.

Mr. President, the distinguished majority leader and I don't always agree, but on April 22 we introduced S. 806, legislation designed to place conditions on MFN extension for Communist China. This is, in fact, modest legislation. The bill doesn't even call for free and fair elections, something to which the Chinese people should have a right as a matter of course.

In recent congressional testimony the administration indicated that it is considering extending MFN for Communist China with some sort of conditions. If the State Department acts consistent with its past, those conditions will be significantly less stringent than those of S. 806, and, even then, the Communist Chinese are unlikely to pay any mind to anybody's conditions. If it comes to pass that the administration does in fact propose to extend MFN for Communist China with minimal conditions, it will prompt Congress to pass S. 806 to establish stricter conditions on MFN.

Mr. President, two points. First, legislation similar to S. 806 has passed both the House and Senate by large margins over the past several years. Second, the only discernible difference in United States-China relations over the past year is that there is now a Democrat in the White House. The Communists are still intransigent and our laws are still not being enforced.

In short, Mr. President, the Clinton administration is AWOL on China policy. I do hope it will come home to reality and responsibility.

WEST POINT: CONTINUING A TRADITION OF EXCELLENCE

Mr. PRESSLER. Mr. President, on May 7 and 8, 1993, I attended a meeting of the Board of Visitors at the U.S. Military Academy at West Point. I would like to take this opportunity to recognize several of the outstanding individuals who attended this meeting. These remarkable people are leaders in every sense of the word. Lt. Gen. Howard D. Graves, the Superintendent of West Point, is supervising a well-engineered institution. The tradition of excellence we have come to expect from West Point is flourishing under the stewardship of General Graves.

Brig. Gen. Gerald E. Galloway, Jr., the dean of the academic board, is maintaining a quality curriculum which is flexible enough to keep up with changing demands.

Brigadier General Foley, the commandant of cadets, can be very proud of the current corps of cadets. Cadets

Scott Rhind, Howard Hoege, John Lane, Darryl Rodgers, Steven Henderson, Kristina Connors, Kevin Rhoads, Robert Kovach, Todd Morgenfeld, and Dawn Conniff are some of the emerging leaders of the class of 1994. They displayed a genuine grasp of and interest in the issues facing their futures and the future of the Academy, and were willing to discuss these issues candidly with the Board of Visitors. These young individuals represent a future of enormous promise.

The Academy is home to a high caliber of cadets, largely because of the high quality of faculty the Board of Visitors met with 10 junior faculty members, including Maj. Stanley R. March, Maj. Richard B. Jenkins, Capt. Margaret W. Tubesing, Maj. Katherine Goodland, Maj. John P. Baker II, Maj. William E. Bassett, Maj. James A. Stone, Maj. Michael E. Donovan, Capt. Ricky L. Waddell, and Maj. Joseph A. Waldron. They came from various backgrounds and fields of study. Complementing this diversity are common goals of excellence, ethics, and commitment to their assignments.

The Board of Visitors also met with Colonel Peters, the chief of staff of West Point, and the director of admission, Colonel Rushton. Both of these individuals should be proud of the quality of individuals they helped bring to West Point.

Col. Richard Kanda, the director of engineering and housing, gave a very interesting tour of the Academy, including planned changes, renovations, and additions. The Board was left with an excellent understanding of the status of West Point's infrastructure. The much needed repairs are scheduled for completion by the bicentennial celebration scheduled for 2002.

Last, but certainly not least, the support personnel who arranged the entire meeting deserve to be commended for making our visit such a worthwhile event. Lt. Col. Steve Furr, the executive secretary of the Board of Visitors, Lt. Col. Frank Prindle, Army legislative liaison, and countless others coordinated an extremely successful meeting.

The U.S. Military Academy at West Point is preparing to enter its third century. The administration, cadets, faculty, and support personnel are at the heart of its preparation. They are responsible for maintaining an institution known throughout the world as the training ground for the best and brightest minds in the world. Today's leaders of West Point are upholding past traditions and paving an exciting future with honor and distinction.

TRIBUTE TO DR. OTIS L. FLOYD, A DISTINGUISHED TENNESSEAN

Mr. SASSER. Mr. President, I rise today to honor the late Dr. Otis L. Floyd, Jr., of my home State of Tennessee.

Dr. Floyd was a longtime personal friend of my family and we mourn his passing.

Born in rural McNairy County in 1928, Otis Floyd was raised to believe in the value of hard work, the opportunities opened by education and the strength provided by family in overcoming hardship and obstacle.

To go to school, Dr. Floyd had to travel 50 miles to Lexington, the closest black facility. Dr. Floyd persevered, and when he obtained his degree from Lane College in Jackson in 1950, he began a career in education that lasted until his untimely demise.

From teacher, to principal, to administrator, to college president, to chancellor of the Tennessee State Board of Regents, Otis Floyd never wavered in his belief that the fruit of knowledge was opportunity.

And the State of Tennessee recognized his ability and his dedication when Otis Floyd, who as a boy could not attend the local whites-only elementary school, became the first black person to lead the State university system into the 21st century.

Mr. President, the entire State of Tennessee will miss Dr. Otis Floyd. But his life, his achievements, his dedication, and the principles that guided his life serve as a model to all of us.

I will miss his counsel and the friendship that our families enjoyed over so many years. My deepest sympathies go to his wife, Mildred, his sons, Otis, Jr., and Reggie, and his daughters, Pauline and Sylvia.

In 1965, at the signing of the Higher Education Act, President Lyndon Johnson said the following:

> Education is the path to achievement and fulfillment; for the nation, it is the path to a society that is not only free but civilized; and for the world, it is the path to peace—for it is education that places reason over force.

Mr. President, an educator must see the world for what it is and what it can be. It has always been the calling of Otis Floyd and others like him to provide the tools to bridge the past to the future. There can be no higher calling. There can be no greater accomplishment.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. The period for morning business is now closed.

CONGRESSIONAL SPENDING LIMIT AND ELECTION REFORM ACT OF 1993

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of S. 3, which the clerk will report.

The assistant legislative clerk read as follows:

> A bill (S. 3) entitled the "Congressional Spending Limit and Election Reform Act of 1993."

AMENDMENT NO. 366

Mr. MITCHELL. On behalf of myself, Senators FORD and BOREN, I send to the desk a substitute amendment.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

> The Senator from Maine [Mr. MITCHELL], for himself, Mr. FORD and Mr. BOREN, proposes an amendment numbered 366.

Mr. FORD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. FORD. Mr. President, my colleague from Kentucky made some interesting points on the floor last Friday in support of his claim that there is no money chase. He said that most candidates raise most of their money in the last 2 years of their terms, and then he went on to quote statistics from my own campaign last year, and concluded that there is no money chase.

Well, Mr. President, over the weekend I had the opportunity to review some statistics from my colleague's last campaign, and I must say that I draw very different conclusions. Although my colleague from Kentucky, Senator MCCONNELL, also raised most of his money in the last 2 years, after looking at these numbers, I have to ask "how much is enough"? If this is not a money chase, what is?

I think these numbers show what many incumbents are doing around this place. For instance, Mr. President, during the first 2 years of his 6-year cycle, in 1985 and 1986, my colleague from Kentucky raised $869,801, or more than $8,000 per week. So even when the next election was 5 and 6 years away, Mr. President, we have some colleagues raising over $8,000 per week. If this is not a money chase, I ask, "How much is enough"?

And by the last 2 years of his cycle, Mr. President, my colleague from Kentucky was raising $4,073,583, or over $42,000 per week. That is over $6,000 per day, every single day for 2 straight years. This allowed my colleague to amass and spend $5.4 million for his reelection, more than twice the level of spending limits in this bill.

When you add the resources this bill would have provided to a challenger like the one my colleague faced in 1990, and also consider the hundreds of thousands of dollars in public financing of mass meetings which would be lost under this bill, I begin to see why some are so strongly opposed. I begin to see why any incumbent would conclude that the current system favors his or her best interests. But, Mr. President, this bill is about the public interest, not our interests or special interests.

I would like to provide a little more detail to my colleagues about the specific provisions of this bill and how we reached this point.

This legislation, S.3, was introduced by the leadership on January 21. On March 3, the Committee on Rules and Administration held a hearing on campaign finance reform and heard from a number of Senators who are sponsors of other campaign finance bills. On March 18, the committee reported S.3, without amendment.

The bill which is before us today is the conference report on campaign finance reform which passed both Houses of the 102d Congress, only to be vetoed by then-President Bush. At the time of introduction, we believed that this was the appropriate starting point to begin the debate in this Congress. And in the Rules Committee, we reported the bill without amendment, because we knew that the real debate would occur here, on the Senate floor.

One of the other reasons that this legislation was reported without amendment was because at the time the Rules Committee was considering this bill, President Clinton had not yet introduced his campaign finance proposal.

As we are all well aware, President Clinton has made campaign finance reform a priority for his administration. And campaign finance reform has been a priority of the Congress for the last several years. But now, more than ever, President Clinton has challenged the Congress to enact meaningful campaign finance reform. In his words, in order to reform America, we must reform our politics.

You do not need an opinion poll or a visit with your constituents to know that campaign finance reform is long overdue. You only need to look at the statistics and the facts about the costs for running for office.

The aggregate costs of House and Senate campaigns have risen nearly six times since 1976, from $111.5 million to $678 million in 1992.

In the 1992 elections, winning Senate candidates spent a total of $124.3 million, a $9 million increase over 1990. Winning Senate candidates spent, on average, $3.8 million; an increase from the $3.3 million spent in 1990. The average spent by a winning incumbent Senator was over $4 million.

Those are substantial sums of money. As a result, candidates have increasingly relied on contributions from PAC's to provide the resources necessary to wage a successful run for the Senate. The amount contributed from PAC's to House and Senate candidates during the period from 1974 to 1990 increase from $12.5 million to over $180 million—a fourteenfold increase.

These statistics point to one conclusion. The money chase continues.

I know that opponents claim that there is only the perception of a money chase, but that is not the reality. I say that this is one case where the perception is the reality.

As I said, the average cost of a winning Senate candidate in the 1992 elections was $3.8 million. That amounts to raising an average of $13,000 a week for the 6 years that you are a Member. But opponents say that the reality is that most Members raise approximately 80 percent of their funds in the 2 years before the election. If that is true, Mr. President, then that amounts to raising almost $35,000 a week in the last 2 years of your term, and my colleague raised $42,000 a week in the last 2 years of his term.

No money chase, Mr. President? I am sorry, but that dog just will not hunt.

These are sobering statistics, and you can see why the American people have grown increasingly cynical about this institution. As a Member with over 18 years experience, I am deeply concerned about the American people's attitude. And I want to do something about it.

S. 3 is a reasonable attempt to put an end to the money chase. By creating a system of voluntary spending limits, and providing participating candidates incentives to participate, such as reduced broadcast rates, we hope to put an end to the fast-paced money chase. S. 3 also attempts to restrict the influence of special interests by placing an aggregate cap on the amount of PAC money that candidates may receive, and it will put an end to soft money influence in Federal elections.

Since the Rules Committee reported S. 3, President Clinton has presented his proposal for campaign finance reform. And this past Wednesday, the Rules Committee has a hearing on the President's proposal. His proposal seeks to build on the campaign finance bill of last Congress, and goes further. It is a bold and comprehensive package. In due time, we will present the President's proposal in a leadership substitute amendment. And I want to take this time to explain some of the concepts that will be included in that amendment.

First, the President intends to follow the voluntary spending limit proposal of S. 3. Like S. 3, the amendment bases the spending limit on a State's voting age population. The limits range from $1.2 million to $5.5 million for general election campaigns and 67 percent of that limit for primaries.

As part of this system, participating candidates would be eligible to receive reduced-rate broadcast time, discounted mailing rates, and communication vouchers to buy broadcast time, newspaper advertisements and postage. Under the leadership substitute, the vouchers' use has been expanded from that in S. 3. Under S. 3, these vouchers could only be used for the purchase of broadcast time.

As we have read in news accounts in the last few days, the leadership substitute will ban all political action committees. As reported, S. 3 places an aggregate cap on the amount a Senate candidate could receive from PAC's at 20 percent of the election cycle limit, but no more than $825,000.

In the event that the ban on PAC's is found to be unconstitutional, the fallback provision would be similar to the provisions of S. 3.

Another difference between the President's proposal and S. 3 as reported relates to bundling. Critics have noted that as reported, S. 3 would still permit nonconnected PAC's to continue the practice of bundling. Under the President's proposal, lobbyists, all PAC's, partnerships, and individuals acting on behalf of corporations or unions would be specifically prohibited from bundling. Only an authorized representative of a candidate's committee, a professional fundraiser, or a volunteer hosting a house party, would be permitted to collect contributions and forward them to a candidate.

The President's proposal would also strengthen the enforcement provisions of current law. The proposal increase penalties for violations, improve reporting requirements, provide authority for the FEC to conduct random audits, provide the FEC with injunctive authority, and expedited procedures to dispose of enforcement cases. The FEC general counsel would be permitted to begin an investigation with the affirmative vote of three Commissioners; and, complainants would be able to take their case to Federal court to enforce the law when the Commission deadlock on a general counsel's recommendation to find probable cause that a violation has occurred.

These are some of the changes that the President's proposal would have on the current bill. But there are two significant changes that also deserve our attention. The first relates to soft money.

Under S. 3, the raising and spending of soft money is prohibited during a Federal election period. The Federal election period would begin on April 1 in a Presidential election year, or June 1 in a non-Presidential election year.

The President's proposal goes further by completing banning the raising and spending of soft money in the calendar year of a Federal election. It provides that only contributions which are permitted and disclosed under Federal law, so-called hard money, may be used for such activities as get-out-the-vote drives, voter registration, maintenance of voter files, and general public campaign advertising that is either generic or for the benefit of any Federal candidate.

In order for the States to conduct these activities, the President's proposal permits State party committees to establish grassroots funds, which will be financed by hard money. These grassroots funds will be used to finance the volunteer-type of activities for State and local candidates. These grassroots funds will have the same individual and PAC contribution limits as the national party committees. The individual contribution limit for an election cycle would be raised to $60,000, from the current level of $25,000.

As a result, State party activities which help Federal candidates will be funded by the contributions which are subject to the same contribution limits and prohibitions as the national party committees. The President's proposal goes further to ensure that no soft money will be used to influence the elections of Federal candidates.

Another significant change is the president's proposal to ban lobbyists from making contributions to, or soliciting contributions for, any Member of Congress or Presidential candidate whom they have lobbied in the preceding 12 months. Lobbyists would also be prohibited from lobbying any Member of Congress whom they have made a contribution to or solicited a contribution for, within the preceding 12 months.

Mr. President, President Clinton's proposal is the most far reaching and comprehensive campaign finance proposal to be considered by the Congress. And this President is sincere in his efforts to enact this legislation. He has repeated often, that if the Congress passes this legislation, he will sign it.

That is the fundamental question, Mr. President. Will the Congress pass comprehensive campaign finance reform? Opponents of this legislation are already planning their filibuster, not as guardians of gridlock, Mr. President, but as guardians of the status quo.

And why not? The system that they seek to protect is the system that get them here and keeps them here.

Mr. President, I think that the American people deserve a better system. With the inclusion of the President's proposal in S. 3, we can create a system of campaign finance that ends the money chase, and that affords all candidates an opportunity to engage in meaningful debate on the issues. And it will afford those of us who are chosen to serve here more time to devote to issues like health care and deficit reduction.

Mr. President, true and meaningful campaign finance reform must not only curb the excessive influence of special interests and control the money chase. it must also create a system that is fair to all—incumbents and challengers, Democrats and Republicans.

I believe that this bill, with the President's proposal, will do just that. And hopefully it will restore the confidence of the American people in this institution.

I yield the floor.

Mr. McCONNELL addressed the Chair.

The PRESIDING OFFICER. The junior Senator from Kentucky [Mr. McCONNELL] is recognized.

Mr. McCONNELL. Mr. President, much has been said both Friday and today and I suppose will be said later in the week, as well, about the money chase. We hear this time and time and time again, even though we know, having looked at the statistics, that for Senators, 80 percent of the money they raise comes in in the last 2 years of a 6-year term. Senators who raise a lot of money are typically those who think they are going to have a tough race and they are getting ready for it because they think they are going to have an aggressive opponent.

We keep hearing these unsubstantiated comments about the money chase. I wonder who these Senators are. Maybe they could come to the floor and explain to us how they have been chasing money day in and day out over a 6-year term. We need some edification, some enlightenment as to whether or not Senators are, indeed, raising money everyday of a 6-year term. I have not heard a Senator come over here yet, having worked on this debate now for 4 or 5 years, stand up, address the Chair and say:

> Stop me, stop me, I'm not raising money everyday; I'm out of control. I cannot attend to my constituents' business. I can't show up for votes on the floor. I'm inattentive in committee hearings. Stop me before I raise money again.

Mr. President, the truth of the matter is nobody makes Senators raise money. Almost all of them do virtually nothing until the last 2 years. Senate attendance, I am told, is at an all-time high, indicating Senators are not missing votes to raise money. I do not know any Senators in this Chamber who would be so cavalier as to miss important Senate business to engage in that kind of campaign activity. In fact, this is not happening. In spite of all the suggestions about the money chase, the statistics indicate and the total absence of any Senators coming to the floor at any time during this debate and over the years standing up and saying, "Stop me, I'm ignoring Senate business; I'm out raising money," is not happening. It is not happening.

So I wish we could restrain ourselves from making these kinds of unsubstantiated claims about activites that are not occurring in the U.S. Senate.

My good friend from Kentucky made reference to my race, and I will say, quite frankly, that I represent a very tough Democratic State. The demographics, the voting behavior, virtually everything about my State, including the editorial views of the two major newspapers, are overwhelmingly on the left. About the only way this Senator or any Republican, for that matter, could compete in Kentucky would be as a result of being able to communicate directly with the voters through the use of radio and television. So I plead guilty to having a well-financed campaign in 1990. I had an adequately financed campaign in 1984, and if that were not the case, Kentucky's one-party record would be intact. In fact, in Kentucky, we have had two winning statewide Republican races featuring Kentucky candidates in the last quarter of a century: my first one and my second one.

With the spending limits suggested for a State the size of Kentucky, I guarantee, no Republican would ever win a race ever again in the history of the State because everything else about the playing field is tilted in the direction of whomever has the good fortune to have a "D" by his name running in Kentucky.

So I make no apologies about being adequately funded in my races. I certainly need to in order to counter all the other institutional, demographics, voting behavior, and any other advantage flowing to any Democrat in our State.

Mr. President, there have been a number of developments since Friday's debate that I would just like to call to the attention of my colleagues. We all received a letter dated May 21, 1993, from the American Civil Liberties Union coming out in total opposition to this bill.

"The American Civil Liberties Union strongly urges you," the letter states, "to oppose the administration's campaign finance reform package now scheduled to reach the Senate for debate beginning today." This is a letter dated Friday.

> The legislation contains multiple constitutional flaws that violate numerous rights guaranteed by the first amendment.
>
> Contrary to its supporters' claims, it does not establish voluntary spending limits. The bill instead imposes a series of penalties and burdens on those candidates who do not voluntarily limit expenditures, even though the Supreme Court has said in Buckley v. Valeo that candidates must be allowed to choose freely between public funding with limits and private spending without limits.

The ACLU goes on:

> The legislation violates this principle by requiring the following from candidates who do not choose to abide by the limits:
>
> A pejorative disclaimer about not agreeing to voluntary spending limits in the candidates' broadcast advertisement;
>
> Burdensome and expensive recordkeeping and reporting requirements not imposed on other candidates;
>
> More spending in order to reach the same numbers of people because his or her opponent is afforded lower broadcast and postal rates and because public funds will be used to assure that their opponents will actually outspend them in some instances.

The ACLU goes on, Mr. President:

> Similarly, the bill imposes unconstitutional unjustifiable burdens on independent expenditures.
>
> Moreover, the bill discriminates against nonmajor party candidates by allocating only half the communications vouchers that major party candidates get. In the Presidential arena, the Supreme Court upheld different allocations between major and minor parties on the basis of past electoral

strength. S. 3 violates the Supreme Court's guidelines and gives lesser vouchers even if the minor party candidate outpolled one of the major party candidates in the previous election.

Other flaws permeate the bill.

And the ACLU goes on.

Mr. President, I ask unanimous consent that the letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AMERICAN CIVIL LIBERTIES UNION,
Washington, DC, May 21, 1993.

DEAR SENATOR: The American Civil Liberties Union strongly urges you to oppose the Administration's campaign finance reform package now scheduled to reach the Senate floor for debate beginning today. The legislation contains multiple constitutional flaws that violate numerous rights guaranteed by the First Amendment.

Contrary to its supporters' claims, it does not establish voluntary spending limits. The bill instead imposes a series of penalties and burdens on those candidates who do not voluntarily limit expenditures, even though the Supreme Court has said in Buckley v. Valeo that candidates must be allowed to choose freely between public funding with limits and private spending without limits. The legislation violates this principle by requiring the following from candidates who do not choose to abide by the limits:

A pejorative disclaimer about not agreeing to voluntary spending limits in the candidates' broadcast advertisements;

Burdensome and expensive recordkeeping and reporting requirements not imposed on other candidates; and

More spending in order to reach the same numbers of people because his or her opponent is afforded lower broadcast and postal rates and because public funds will be used to assure that their opponents will actually outspend them in some instances.

Similarly, the bill imposes unconstitutional and unjustifiable burdens on independent expenditures.

Moreover, the bill discriminates against non-major party candidates by allocating only half the communications vouchers that major party candidates get. In the presidential arena, the Supreme Court upheld different allocations between major and minor parties on the basis of the past electoral strength. S. 3 violate's the Supreme Court's guidelines and gives lesser vouchers even if the minor party candidate has outpolled one of the major party candidates in the previous election.

Other flaws permeate the bill. Both the ban on political action committee (PAC) contributions to Senate candidates (but not to House candidates) and the bill's anti-bundling provisions impinge upon another basic First Amendment right, freedom of association. The bill also unconstitutionally restricts the political participation rights of lobbyists (even though it does not affect their principals) simply because they exercise their right to petition Congress on matters of public concern. Finally, the bill's mandatory debate provisions violate the rights of presidential and vice-presidential candidates to choose not to speak, which the First Amendment also guarantees, and to control the conduct of their campaigns.

These are very substantial and important constitutional problems that require more thorough review than has been afforded thus far. During the 103rd Congress, the Senate Rules Committee first heard limited testimony about the bill's shortcomings only on Wednesday, May 19, 1993. If a meaningful campaign reform measure is to be enacted, it must be consistent with constitutional requirements. Changes in this complex area deserve full and open debate and adequate time for Senate deliberation. S. 3 fails that test and should be rejected.

Sincerely,

ROBERT S. PECK,
Legislative Counsel.

Mr. McCONNELL. Mr. President, further, there was an interesting article in the L.A. Times Sunday—just yesterday—written by Barry Casper, a visiting scholar in the political science department at the University of California, San Diego, on leave from Carleton College. Mr. Casper has worked on campaign finance legislation since 1991.

In his article, he points out that:

> * * * with great fanfare, President Clinton and Democratic congressional leaders unveiled their long-awaited campaign finance reform proposal earlier this month, the President described it as a historic occasion: "This plan will change the way Washington works, the way campaigns are financed, the way politics is played."

Behind this rhetoric, however, is the reality of a political compromise, the product of protracted, intense negotiations between the White House and Democratic congressional leadership that delayed its introduction for months.

Mr. Casper points out:

> By all accounts, it was the House leaders who held things up as they insisted on terms to their liking.
>
> What most Americans outside Washington do not know is just how perverse a product emerged from this process.

Mr. Casper says:

> It is shocking how precisely the House leaders shaped the bill to fit present incumbent fund-raising practices and to perpetuate incumbent financial advantages.

Later in the letter, Mr. Casper points out:

> To call this spending limit real reform is like saying that a bartender who announces a 10-drink limit is effectively curbing drunkenness.

Well, Mr. President, it is a fascinating article in that it points out that the bill was essentially carefully crafted, particularly with regard to the House of Representatives, to establish parameters that are the current practice anyway. And Mr. Casper argues that there is no real limitations on spending for House Members because they set it high enough to encompass most races, no real alteration at all of the influence of PAC's because it is structured in such a way to basically encompass current campaign averages in PAC contributions. It is a fascinating article, Mr. President, which I call to my colleagues' attention and ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Los Angeles Times, May 23, 1993]

PERSPECTIVE ON CAMPAIGN REFORM; RULES CHANGE BUT GAME'S THE SAME; BEHIND THE BACK-ROOM SMOKE AND DOUBLE TALK, THE DEMOCRATS WILL BE DOING BUSINESS AS USUAL WITH PACS.

(By Barry M. Casper)

When, with great fanfare, President Clinton and Democratic congressional leaders unveiled their long-awaited campaign finance reform proposal earlier this month, the President described it as a historic occasion: "This plan will change the way Washington works, the way campaigns are financed, the way politics is played."

Standing beside the President, Senate Majority Leader George Mitchell underscored its importance: "The American people no longer have confidence in the political process. They believe powerful special interests and wealthy individuals control the political system and prevent government from serving the people. We must and we can change that." House Speaker Tom Foley expressed confidence their bill would do just that: "This is a bright day in American politics."

Behind this rhetoric, however, is the reality of a political compromise, the product of protracted, intense negotiations between the White House and the Democratic congressional leadership that delayed its introduction for months. By all accounts, it was the House leaders who held things up as they insisted on terms to their liking.

What most Americans outside of Washington do not know is just how perverse a product emerged from this process. It is shocking how precisely the House leaders shaped the bill to fit present incumbent fund-raising practices and to perpetuate incumbent financial advantages.

This becomes clear if we compare the financial limits proposed with current congressional practice.

Campaign spending limits: The limit for House candidates would be $600,000, with up to $60,000 in fund-raising expenses exempted.

In a study of 1990 election spending, Times reporters Sara Fritz and Dwight Morris found that on average House incumbents spent $390,000. Those in close races averaged $557,000. To raise the funds, incumbents invested an average of $69,000. So, the cap remarkably fits incumbent practice.

To call this spending limit real reform is like saying that a bartender who announces a 10-drink limit is effectively curbing drunkenness.

PAC contribution caps: The maximum amount a PAC could contribute to a House candidate would be $5,000 per election, and each candidate could solicit no more than a total of $200,000 from PACs. The President called the $200,000 limit "a dramatic change in the present system."

Although Clinton pledged in his campaign to reduce the maximum PAC contribution to $1,000 per election, his negotiations with House leaders stalled until he agreed to keep the current figure, $5,000. As for the "dramatic change," the $200,000 limit turns out to be a bit less than dramatic if you realize that in 1990, House incumbents averaged about that amount in PAC contributions, $209,000. Once again, the proposal was shaped to conform to current incumbent practice.

Matching public funds: The first $200 of any individual's or PAC's donation to a qualifying House candidate would be matched in communications vouchers for broadcast, print and mail expenses, up to a maximum of $200,000.

The problem here is that incumbents will have no trouble taking advantage of the full

$200,000 bonanza, whereas challengers will rarely be able to do so. In 1990, major party challengers who made it to the general election raised an average of only $111,000. So, challengers would tend to fall far short of the full matching amount. It will be incumbents who benefit the most.

In one way, the Senate provisions are better, with spending limits below present practice in many states. But there is also a major deception in the anticipated Senate bill. In the proposal negotiated with the White House, PACs could give a Senate candidate up to $2,500 per election. But when Senate Republicans threatened an amendment banning PAC contributions, which many Democrats would be afraid to vote against, the Democrats decided to preempt and include a PAC contribution ban in their bill. Their little secret, well known in Washington, but not to the American people, is that they intend to restore the $2,500 in PAC contributions to Senate candidates as a "compromise" at the very end in the House-Senate conference.

However, in its present form, the proposal would not much change either the way Washington works or the way American politics is played. The big-money links between incumbents and special-interest lobbying coalitions would remain. And nothing approaching a level financial playing field for incumbents and challengers would result.

From their rhetoric, it is clear that Democratic leaders understand what is troubling the electorate about money and politics. But, as the President noted in a moment of candor, "Campaign finance reform is a tough issue . . . It requires those of us who set the rules to change the rules that got us all here. That's not easy to do." They need a reminder from all of us that we sent them there to give us real change, not just more rhetoric.

Mr. MCCONNELL. Further, Mr. President, there was an interesting op-ed piece in the Washington Post yesterday by George Will, talking about the Clinton administration in general and its effort to alter the landscape in the direction of Government per se. The article mentions the motor-voter law, the possibility of Hatch Act reform, and, yes, campaign finance, the measure that is before us at the moment.

Mr. President, George Will points out in pertinent part in the article:

> Big Government itself has become the nation's biggest special interest; public employees unions provide nearly all the growth of organized labor; government workers are one of the Democrat party's two mainstay constituencies.

And he points out the interesting possibility if Hatch Act reform were to pass that the person who audits your tax return will be able after work to solicit a political contribution from you.

> Clinton's campaign "reform" plan would enhance the already substantial activities of incumbents, most of whom are Democrats.

Will points out:

> It would use coercive "incentives" to compel candidates to accept public financing coupled with "voluntary" limits on campaign spending.

Will points out:

> Spending limits generally hurt challengers because only by spending on media exposure can they compensate for such incumbents' advantages as name recognition, access to media, franked mail and the political use of the Government's $1.5 trillion-a-year budget.

Will goes on to point out:

> It does not limit, or even require reporting of, soft money given, for example, to labor unions, faithful servants of the Democratic Party.

Further, in pertinent part, Mr. Will points out:

> This year in the House, more than ever before, members of the minority party, and Democrats dissenting from liberal orthodoxy, are being prevented from offering amendments to major bills.

And he talks about how in the House of Representatives the arrogance of the majority, with more and more closed rules, is preventing the minority from having an opportunity to even offer amendments.

The point of Mr. Will's very excellent op-ed piece is essentially the party of Government is in control of the Government seeking to further alter its grip in a way to make it permanent through the passage of motor-voter, Hatch Act, and now, of course, most important at the moment, campaign finance reform.

Mr. President, I ask unanimous consent that the George Will column be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, May 23, 1993]

THE CORE OF CLINTONISM

(By George F. Will)

An administration, defining itself by thousands of actions, is like a pointillist painting: One must stand back to see the pattern. The Clinton administration's emerging self-portrait is not a pretty picture, but it is becoming a clear one. It is a picture of an aggressive and comprehensive power grab.

Under the "motor voter" law, states are required to allow people to register to vote while applying for a driver's license or at welfare agencies. People who will get registered only at such places are apt to be disposed to vote for a giving government—for Democrats. An election official in California, where one-ninth of the nation's electorate lives and which has one-fifth of the electoral votes needed to win the White House, expects "motor voter" to increase the state's registration by 15 percent—3 million people.

Big government itself has become the nation's biggest special interest; public employees unions provide nearly all the growth of organized labor; government workers are one of the Democratic Party's two (the other being African Americans) mainstay constituencies. So Congress is liberalizing the Hatch Act, which since 1939 has restricted political activities by federal employees.

Congress passed that act to end the Roosevelt administration's coercion of federal workers into partisan activities. Making political activity permissible may make it semi-obligatory. And the person who audits your tax return will be able, after work, to solicit a political contribution from you.

Clinton has rescinded the executive order that required federal contractors to post notices telling nonunion workers that they are not obligated to join unions and that they have a right to stop unions from using money collected in lieu of dues for political activities the workers oppose. Clinton also rescinded the order forbidding federal agencies and contractor hired by the federal government from requiring workers on construction projects to be unionized.

Clinton's campaign "reform" plan would enhance the already substantial activities of incumbents, most of whom are Democrats. It would use coercive "incentives" to compel candidates to accept public financing coupled with "voluntary" limits on campaign spending. Spending limits generally hurt challengers because only by spending on media exposure can they compensate for such incumbents' advantages as name recognition, access to media, franked mail and the political use of the government's $1.5 trillion-a-year budget.

"Soft-money" is the term for donations currently given to parties and other groups to get around limits on giving to candidates. Clinton's plan only limits soft money given to parties, a traditional Republican advantage. It does not limit, or even require reporting of, soft money given, for example, to labor unions, faithful servants of the Democratic Party.

Last November Republicans gained five seats in the House. House Democrats promptly gave the five delegates (all Democrats) from Guam, American Samoa, the U.S. Virgin Islands, Puerto Rico and the District of Columbia, the right to vote on the floor when the House is functioning as a "committee of the whole," the mode it is in when most significant decisions are taken.

This year in the House, more than ever before, members of the minority party, and Democrats dissenting from liberal orthodoxy, are being prevented from offering amendments to major bills. They are prevented by the Democratic-controlled Rules Committee, which adopts "restrictive" or even "closed" rules rather than "open" rules for particular bills heading for the floor.

The percentage of "open" rules has been declining as Democratic arrogance has been rising, down from 85 percent in 1977–78 to 54 percent in 1987–88 to 34 percent in 1991–92. Under this year's gagging procedures (until open rules were adopted this week on two trivial bills), 11 of the 12 rules have been "closed."

By making lobbyists Ron Brown and Mickey Kantor commerce secretary and trade representative respectively, Clinton put policy in the hands of two people with—to put it politely—no principled objection to government parceling out presents to special interests. Protectionism and "industrial policy" can transform entire sectors of the economy, and even particular firms, into wards of the state. The automobile, airline and aerospace industries already are pleading for the status of dependents, and others will follow them.

The administration's perversion of the idea of enterprise zones is a form of industrial policy. Enterprise zones were proposed in the 1970s as an alternative to such Washington-driven debacles as "model cities" and "urban renewal." Such zones were to invigorate inner-city areas where tax breaks for job-creating investments would unleash entrepreneurial energies. But under Clinton's plan, Washington would micromanage local zones, requiring local officials to satisfy a federal "Enterprise Board" about a "coordinated economic, human, community and physical development plan." This would enable Washington to dictate even more political favors.

Reagan assembled his majority from people who believed government was, on balance, becoming an impediment. Clinton is in a four-year dash to cobble together a majority composed of groups eager to be, or reconciled to being, wards of government. This is the core of Clintonism. It is an ideology demanding a vast expansion of government power so that those doing the expanding may never have to relinquish that power.

Mr. McCONNELL. Finally, today's Roll Call, Mr. President, comes out against the bill currently before us. It calls it:

A public financing method that thwarts free speech, incumbent-protection devices to offset independent expenditures and rich challengers and a general philosophy that less campaigning is a good thing.

Roll Call lays out what it thinks ought to be passed in terms of campaign finance reform. Some of their recommendations I agree with, some of them I do not, but clearly they are right on the mark, Mr. President, when they indicate the bill before us certainly should not become law.

I ask unanimous consent that that editorial be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Roll Call, May 24, 1993]

EDITORIAL: THE RIGHT STUFF

We've already said what's wrong with President Clinton's campaign finance bill—severe limits on PACs, a move that opens the door to heavier influence from individual fat cats; a public-financing method that thwarts free speech; incumbent-protection devices to offset independent expenditures and rich challengers; and a general philosophy that less campaigning is a good thing.

But enough criticism. What sort of campaign finance reform would actually improve the system? Here's our prescription:

1. Require TV and radio stations to give general election candidates free air time. This one simple step will make an enormous difference in the ability of challengers to compete with incumbents, who begin with a big head start. With $200,000 to $300,000 of free air time, a House candidate can get his or her message out—without taxpayer money.

2. Give the FEC more enforcement power and require individual donors to disclose their affiliations completely, the way PACs do now. The Clinton bill, admirably, does these things, but we worry that the FEC won't have the money to hire the staff to do what's needed—including random audits. So: fully fund the Federal Election Commission.

3. Also in the name of full disclosure, forbid any campaign contributions within two weeks of an election. That will give the FEC time to process and issue final reports at least a week before the vote is held. Voters need to know how candidates are funded, so they can punish the ones they believe are in the thrall of special interests.

4. Leave all contribution limits just where they are, understanding that, in the 20 years since these ceilings ($5,000 per candidate per race for PACs and $1,000 for individuals) were set, they have been whittled down by two-thirds, thanks to inflation. The current limits are low enough that candidates aren't likely to become beholden to a single PAC or person—or even to groups.

5. End bundling—the practice of a group collecting checks from individuals and then presenting them to a candidate to receive, in effect, "group credit." Bundling is just a sneaky way to get around PAC limits.

That's it. The beauty of this plan is that it is eminently passable. Democrats will have to give up on their push for spending limits and public financing, while Republicans will have to jettison their demands for abolishing PACs. Our proposed system improves the current system in two ways: Through free broadcast time, it makes races more competitive, and through broader disclosure, it gives voters the information they need to enact punishment—through their votes—on candidates who exceed the bounds of propriety.

Does this plan end the money chase? No. The Supreme Court has said that donating to candidates is tantamount to an exercise of free speech, and we agree. The only way to limit spending is through convoluted "voluntary" limits that are costly to taxpayers, restrict overall debate, and end up benefiting incumbents. In the end, the law can't end the excesses of the money chase. Only voters and candidates—especially incumbents—can do that. Like Rep. Romano Mazzoli (D-Ky) last year, who refused to take donations higher than $100 each, the true heroes are Members willing to discipline themselves.

Mr. McCONNELL. Mr. President, that brings us up to date on some of the items that have appeared in newspapers over the last few days with regard to today's continuing debate of campaign finance reform. The issues have remained largely the same over the years. The players have remained largely the same. And I think, Mr. President, hopefully the Senate will either alter this bill in a major way or not allow its passage.

Mr. President, I see the Senator from Washington on the floor.

The Senator from Minnesota has been here for sometime and would like to make an opening statement on the bill. I will be happy to yield the floor.

Mr. WELLSTONE. I thank the Senator.

The PRESIDING OFFICER (Mr. LIEBERMAN). The Chair recognizes the Senator from Minnesota [Mr. WELLSTONE].

Mr. WELLSTONE. I thank the junior Senator from Kentucky. Before I go into my opening statement, there are two points of the junior Senator from Kentucky that I wish to just pick up.

One point was that he has not really heard Senators stand up on the floor of the Senate or say publicly "stop me from raising money." I think that is what I heard him say. "It is taking away from by ability to be a good legislator."

I guess it sort of makes common sense to me that Senators probably would not do that. I guess we talk to different Senators. I have talked to a good many Senators who have stated they are really tired of the money chase; they really wish they did not have to go around the country raising big dollars; and they find it draining.

I think it would not be the kind of thing that Senators would probably proclaim on the floor of the Senate.

The other point—I see the Senator wants to respond—is that it just so happens—and this is interesting timing; we have had discussions like this before about other bills—the op-ed piece in the Los Angeles Times was written by one of my best friends, Barry Casper, and the part of this analysis that may have been left out of that piece is that Barry Casper's criticism of the leadership bill is only because he thinks more should be done by way of taking large individual contributions out, and he thinks there ought to be more of a system of public financing applied to the general election and the primary election.

Now, that is not the position of Senator FORD, but as long as the Senator is going to mention Professor Casper's piece, I think we want to spell out his whole analysis.

Mr. McCONNELL. Will the Senator yield.

Mr. WELLSTONE. I will be pleased to yield.

Mr. McCONNELL. I specifically did not state Professor Casper's position on the bill. Frankly, I did not know what it was. And he did not state his position on the bill but on the concepts. He clearly did not like the sort of cobbled-together version that we have before us. And I did not state how he felt about some of the major issues because I simply did not know.

What he was saying—and the Senator obviously has read the article. I did not realize he was the Senator's friend. He obviously knows his position—he clearly did not like this cobbled-together version before us.

With regard to the other observation about Senators complaining about raising money, my feeling is that unless people are willing to illustrate ways in which it is keeping them from doing the people's business, that kind of sort of rumor or cloakroom chatter ought to be discounted.

The point I made to my friend was we have looked at the election data and know that 80 percent of the money comes in in the last 2 years. We know only Senators most threatened are the ones likely to raise money. And rather than cloakroom suggestions or rumors, Senators ought to be coming to the floor with facts. I would like to see facts. Are Senators missing votes or hearings because they are fund raising? That is all I am suggesting. I know it is cloakroom rumor. I would like to see some tangible evidence of it so the American people can make certain that these arguments are factually based.

I thank my friend.

Mr. WELLSTONE. I do not want to belabor the point. I do want to go ahead with my statement. I wish to point out that I do not necessarily agree with Barry Casper on everything, but I know his position—what the Senator mentioned was part of his position. The other part of it was that he thinks ought to be done. That is the point I wanted to make for the RECORD.

Let me present a somewhat different perspective from the junior Senator from Kentucky. I would like to talk a little bit about why I feel so strongly about this issue.

I want to first of all thank the senior Senator from Kentucky for his leadership. I really believe that this whole issue of how we finance campaigns is in many, many ways the ethical issue of our time in politics because I think we are talking about a corruption. It is not the corruption of individuals. Let me be clear. It is not the corruption of individuals at all. It is a systemic corruption. By systemic corruption I mean simply that we have a situation in our country where this money chase has undercut representative democracy, where Americans view themselves as being cut out of the loop. It is simply not the case that each person counts as one and no more than one any longer when, in fact, with this current system, we have huge amounts of large private contributions coming into the political process whereby ordinary people—I say ordinary people not in a pejorative sense but in a positive sense—feel as if some people have way too much by way of bucks and clout and power and too many people are cut out.

I think that is what this legislation is all about, is speaking to that disillusionment that people have about this mix of money and politics and the strong feeling on the part of people in our country that something has to change, that it has to get better.

Mr. President, what I would like to do is to again present a different perspective drawn on my own personal experience.

When I started to run for the U.S. Senate seat in Minnesota, I was absolutely convinced that I would try to do it differently, that we were going to have an old bus, we would not raise much money, and I guess by standards of Senate races we did not. Altogether we raised $1.3 million or thereabouts. We were outspent by a huge margin. But I felt that what I could do would be to go to spaghetti dinners, meet with people, and rather than raising big bucks raise big issues.

But all of us know you cannot do it that way very easily, not with this system as it is now constituted, which is what I believe we are trying to reform.

I have to tell you, Mr. President, that all too often the media buys into this as well. By the way, I am only telling my own story not because I think I am a big deal but I think in the small story is the large story of money and politics today, which I believe we are trying to change with this reform bill.

What I found was that when I talked to people, they would tell me, "You don't have a chance." Nobody ever asked me about my views on issues, whether I would be a good leader. Nobody asked me about the content of my character or anything else. It all had to do with how much money do you have and how much money can you raise.

Well, then I was fortunate enough to win the endorsement of my party. I thought that was put to rest. Now I came to Washington, DC—I am now making a scrupulously nonpartisan argument—I came to see people, to find out whether I could receive some help. I was new to politics. I think the goal in American politics is to have people step forward and run for office. That is the test case of a democracy, that people who want to play a role, who believe they can make a difference should have that opportunity.

I came to Washington, and right away it was the same conventional wisdom. Are you connected to the heavy hitters? Are you connected to the players? How much money do you have? How much money can you raise? I would talk about the bus. I would talk about going into cafes, and eyes would glaze over, and nobody was interested. It should not be that way. If somebody wants to run for office, you should not have to think about how you are going to raise six or seven—I think my opponent raised over $7 million. It is obscene. Many people will not run for office if we do not do something about this money chase.

Mr. President, when I talk at high schools or middle schools to students—and I think this should be of great concern to Senators on the floor—I say to students, since I was a teacher, "I am going to mention the word 'politics' to you all. I want to write down the first three or four words that come to mind." They dutifully would take out a piece of paper. They would have a pen. I say "politics"—I collected these—and they write down "fake," "phony," "corrupt," "big money," all of the rest.

I have to tell you, Mr. President, it is sometimes very difficult for me to say to the students that they are wrong, although I argue with them that public service can be a good thing. I argue with them that reputable people should go into politics. I argue with them that there are many colleagues here in the U.S. Senate that I really believe in.

But the fact of the matter is it is not just simply a perception. What people know in cafes, I think, in Kentucky as well as in Minnesota is that as a matter of fact most regular people just do not count that much when we have this money chase. Some people would call it auction block democracy. Some people would call it Government to the highest bidder. And all too often it is a fact that money determines, number one, who gets to run for office. It is like either you are wealthy or you have access to the heavy hitters and the big players. That leaves out most people. Money all too often determines, during the election, the kind of issues that are brought up and the kind of issues that are not brought up. Quite often people are afraid to bring up issues or speak to issues that offend the very people that they are dependent upon for their financial lifeline.

And money all too often determines the outcome.

I do not really think this debate is between Democrats and Republicans. I think this debate is between ins and outs. I will tell you something right now. If we do not bring down these limits and we do not have some way of beginning to have a level playing field, we are going to have a continuation of the same situation where the vast majority of the money goes to the incumbents. Tomorrow when we get more specific on amendments, I will have very specific graphs and charts and figures. But the evidence is irrefutable and irreducible. That is the current system.

Mr. President, let me just add one final and I think very sad point about all of this, which is I think money all too often, this mix of money and politics, determines legislative outcomes. Some colleagues will be angry with me. But if I were to do a careful content analysis of who hangs out in the anteroom all of the time and who are the people that march on Washington, DC, every day, I would bet that they are lobbyists and representatives of the very groups and organizations and people in the United States of America who have the financial wherewithal and the economic clout to directly translate into the political clout to the point that, once again, a whole lot of people are cut out of the loop.

That is the problem. I do not know how anybody can defend the current status quo. I mean, most people are convinced that right now we have a system where you have to pay if you are going to play. That is why there is so much anger in this country. That is why there are calls for term limits. That is why term limits have passed in 14 different States. That is in part the indignation that Ross Perot taps into. That is why people feel so strongly about this.

I really believe, Mr. President, that my colleagues are making a very serious mistake if they misjudge the kind of indignation that people have right now about this mix of money and politics. People know that if we do not do something to reform the way we raise money in this country, if we do not do something to stop this obscene money chase, then we are not going to do that much on health care, we are not going to rebuild our cities or rural communities, we are not going to be able to have fair taxation, we are not going to be able to represent the middle class well. I think the huge majority of people in this country are calling for major change and major reform. And those that attempt to block it and those that attempt to filibuster against it, I think are making a big mistake.

When all is said and done, Mr. President—and this is my own position, and that is the way it is in the Senate—we all come to the floor and we fight for what we believe in.

I think that we need to go further. I really believe that we have to eliminate PAC contributions. I think we have to drastically reduce the amount of money individuals can contribute.

I am going to have an amendment that deals with that. I think that it is important to go after the soft money as the leadership bill does, and I think we need to have a system of public financing applied to general and primary elections. I think that is the direction we need to go in, because without that you do not have a level playing field.

By the way, I know later on we will have an argument about whether it be full, partial, or whatever, public financing. But I will tell you, if you say to people in the United States of America that this is a tradeoff for a very small amount of resources, you can have a system whereby you own and control the elections, it is your capital, you put an end to a lot of the wheeling and dealing; plus we finally get people believing in their political system again, and I think people would be more than pleased to accept that tradeoff.

Mr. President, I introduced a bill 2 weeks ago, S. 951. I do not intend to introduce that bill as a substitute. I just have a few amendments like other Senators do. But in the best of all worlds, I would like to see an individual limit set at $100, because I think that is the standard, the cafe standard in Minnesota.

What can a regular person contribute? Most people do not contribute more than $100. Most can't even contribute that much. I think there ought to be a 90-percent reduction in the amount wealthy candidates can contribute to their own campaign. I will have an amendment on individual contribution to reduce what a man or woman can contribute to their own campaign from $250,000 to $25,000. I think there should be a prohibition on soft money. And, I think we should have free broadcast time and reduced mail rates, and prohibition of contributions from lobbyists.

Mr. President, there are a number of amendments I want to introduce as we go through this debate over the next several weeks. One of those amendments I just mentioned was reducing the amount that wealthy candidates can contribute to their own campaign.

A second amendment would reduce the amount that an individual could contribute to a campaign from $1,000-per-election to a $100-an-election cycle. I call it the $100 solution. That is, provided that there is sufficient public funding in place.

Again, Mr. President, my own view is that I think in this bill we have taken a huge step forward by banning the PAC contributions. My concern is that I know full well what you can continue to have in Washington or anywhere else is bringing power, where law firm X can put together a gathering, bring 100 people together at $1,000 a crack, and in 1 hour a Senator can go there and raise $100,000 at a time. I believe that is a loophole. I want to bring that amendment to the floor, and I hope to do that tomorrow.

The final amendment, Mr. President, is designed to further tighten the lobby prohibitions. I think in the leadership bill there is a very important amendment—and I hope we can work it out—which now has a 1-year period of time and says that if a lobbyist has been involved in an election as a contributor, for 1 year after that time that lobbyist cannot lobby a Senator; or, if a lobbyist has been in to see a Senator, that lobbyist cannot make a contribution over a 1-year period of time. We have also now applied that to staff; that is my understanding. I would be interested in Senator FORD's reaction. I believe we have applied that to staff as well.

We have also said in the case of a challenger who was elected, if a lobbyist has contributed money to that race, then for a 1-year period of time, there is a prohibition against lobbying that member.

I would like, Mr. President, to add one feature to that bill. This amendment would, I think, strengthen the provision in the bill. What it would do is prohibit a lobbyist from consulting with a client to suggest that the client make a contribution to a Senator, or a lobbyist from soliciting money from a PAC to make a contribution to that Senator, within that 1-year period of time. In other words, if you say to the lobbyist, "you cannot directly make the contribution," you still have not dealt with the very real and distinct possibility that he can turn to his or her client and solicit the money from the client, or solicit the money from a political action committee.

Mr. President, in that vein, I will soon send an amendment to the desk. I will eventually ask that it be laid aside, because I know other people want to speak with opening statements.

AMENDMENT NO. 367

(Purpose: To strengthen the restriction on contributions by lobbyists)

Mr. WELLSTONE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Minnesota [Mr. WELLSTONE] proposes an amendment numbered 367.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike section 401(b) of the substitute and insert the following:

(b) PROHIBITION OF CERTAIN CONTRIBUTIONS BY LOBBYISTS.—Section 315 of FECA (2 U.S.C. 441a), as amended by section 313(b), is amended by adding at the end the following new subsections:

"(m)(1)(A)(i) A lobbyist shall not make a contribution to or solicit a contribution on behalf of a member of Congress with whom the lobbyist has made a lobbying contact, representing an interest of a client, during the preceding 11-month period.

"(ii) A lobbyist who makes a contribution to or solicits a contribution on behalf of a member of Congress or candidate for Congress shall not make a lobbying contact with that member (or candidate who becomes a member), representing an interest of a client, during the 11-month period after the date on which the contribution is made or solicited.

"(B)(i) A client of a lobbyist shall not make a contribution to or solicit a contribution on behalf of a member of Congress if, to the knowledge of the client, the lobbyist, representing an interest of the client, has made a lobbying contact with the member during the preceding 11-month period.

"(ii) A lobbyist shall not, representing an interest of a client, make a lobbying contact with a member of Congress if, to the knowledge of the lobbyist, the client has made a or solicited a contribution on behalf of the member during the preceding 11-month period.

"(C)(i) A political committee or other entity that is directly or indirectly established and maintained, owned, funded, or controlled solely by a client of a lobbyist shall not make a contribution to or solicit a contribution on behalf of a member of Congress if, to the knowledge of the political committee or other entity, the lobbyist, representing an interest of the client, has made a lobbying contact with the member during the preceding 11-month period.

"(ii) A lobbyist shall not, representing an interest of a client, make a lobbying contact with a member of Congress if, to the knowledge of the lobbyist, a political committee or other entity that is directly or indirectly established and maintained, owned, funded, or controlled solely by the client has made a or solicited a contribution on behalf of the member during the preceding 11-month period.

"(D)(i) A political committee or other entity of which a client of a lobbyist is a member or to which the client is a contributor (other than a political committee described in subparagraph (C)) shall not make a contribution to or solicit a contribution on behalf of a member of Congress if, to the knowledge of the political committee or other entity, the lobbyist, representing an interest of the client that is shared by the political committee or other entity, has made a lobbying contact with the member during the preceding 11-month period.

"(ii) A lobbyist shall not, representing an interest of a client that is shared by a political committee or other entity of which the client is a member or to which the client is a contributor (other than a political committee described in subparagraph (C)), make a lobbying contact with a member of Congress if, to the knowledge of the lobbyist, the political committee or other entity has made a or solicited a contribution on behalf of the member during the preceding 11-month period.

"(2)(A)(i) A lobbyist shall not make a contribution to or solicit a contribution on behalf of an authorized committee of the President if the lobbyist, representing an interest of a client, has made a lobbying contact with a covered executive branch official during the preceding 11-month period.

"(ii) A lobbyist who makes a contribution to or solicits a contribution on behalf of an authorized committee of the President or candidate for President shall not, representing an interest of a client, make a lobbying contact with a covered executive branch official during the 11-month period after the date on which the contribution is made or solicited if the candidate to whom the contribution is made is elected.

"(B)(ii) A client of a lobbyist shall not make a contribution to or solicit a contribution on behalf of an authorized committee of the President if, to the knowledge of the client, the lobbyist, representing an interest of the client, has made a lobbying contact with a covered executive branch official during the preceding 11-month period.

"(ii) A lobbyist shall not, representing an interest of a client, make a lobbying contact with a covered executive branch official if, to the knowledge of the lobbyist, the client has made a or solicited a contribution on behalf of an authorized committee of the President during the preceding 11-month period.

"(C)(i) A political committee or other entity that is directly or indirectly established and maintained, owned, funded, or controlled solely by a client of a lobbyist shall not make a contribution to or solicit a contribution on behalf of an authorized committee of the President if, to the knowledge of the political committee or other entity, the lobbyist, representing an interest of the client, has made a lobbying contact with a covered executive branch official during the preceding 11-month period.

"(ii) A lobbyist shall not, representing an interest of a client, make a lobbying contact with a covered executive branch official if, to the knowledge of the lobbyist, a political committee or other entity that is directly or indirectly established and maintained, owned, funded, or controlled solely by the client has made a or solicited a contribution on behalf of an authorized committee of the President during the preceding 11-month period.

"(D)(i) A political committee or other entity of which a client of a lobbyist is a member or to which the client is a contributor (other than a political committee described in subparagraph (C)) shall not make a contribution to or solicit a contribution on behalf of an authorized committee of the President if, to the knowledge of the political committee or other entity, the lobbyist, representing an interest of the client that is shared by the political committee or other entity, has made a lobbying contact with a covered executive branch official during the preceding 11-month period.

"(ii) A lobbyist shall not, representing an interest of a client that is shared by a political committee or other entity of which the client is a member or to which the client is a contributor (other than a political committee described in subparagraph (C)), make a lobbying contact with a covered executive branch official if, to the knowledge of the lobbyist, the political committee or other entity has made a or solicited a contribution on behalf of an authorized committee of the President during the preceding 11-month period.

"(3) The following rules apply for the purposes of this subsection:

"(A) A lobbyist shall be considered to make a lobbying contact or communication with a Member of Congress if the lobbyist makes a lobbying contact or communication with—

"(i) the Member of Congress;

"(ii) any person employed in the office of the Member of Congress; or

"(iii) any person employed by a committee, joint committee, or leadership office who, to the knowledge of the lobbyist, was employed at the request of or is employed at the pleasure of, reports primarily to, represents, or acts as the agent of the Member of Congress.

"(B) A person shall be considered to be a client of a lobbyist if the person pays compensation to the lobbyist for making a lobbying contact with a Member of Congress or covered executive branch official.

"(C) A client or a political committee or other entity with which a client is associated under paragraph (2) (C) or (D) or (3) (C) or (D) shall be considered to have knowledge of a fact if the fact is within the knowledge of a member or officer of the client, political committee, or other entity or of an employee of the client, political committee, or other entity, other than a clerical employee, who participates in decisionmaking with respect to making contributions to candidates or lobbying Members of Congress or covered executive branch officials.

"(4) For the purposes of this subsection—

"(A) the term 'covered executive branch official' means—

"(i) the President;

"(ii) the Vice-President;

"(iii) any officer or employee of the executive office of the President other than a clerical or secretarial employee;

"(iv) any officer or employee serving in an Executive Level I, II, III, IV, or V position as designated in statute or Executive order;

"(v) any officer or employee serving in a senior executive service position (as defined in section 3232(a)(2) of title 5, United States Code);

"(vi) any member of the Armed Forces of the United States whose pay grade is at or in excess of 0-7 under section 201 of title 37, United States Code; and

"(vii) any officer or employee serving in a position of confidential or policy-determining character under schedule C of the excepted service pursuant to regulations implementing section 2103 of title 5, United States Code;

"(B) the term 'lobbyist'

"(i) means—

"(I) a person required to register under section 308 of the Federal Regulation of Lobbying Act (2 U.S.C. 267) or the Foreign Agents Registration Act of 1938 (22 U.S.C. 611 et seq.);

"(II) a person required under any other law to register as a lobbyist (as the term 'lobbyist' may be defined in any such law); and

"(III) any other person that receives compensation in return for making a lobbying contact with a Member of Congress or a covered executive branch official, including a member, officer, or employee of any organization that receives such compensation; and

"(ii) includes—

"(I) all of the members, officers, and employees of a firm or other organization, of which a person described in clause (i) is a member, officer, or employee, that is organized for the purpose (solely or among other purposes) of engaging in the business of making lobbying contacts; and

"(II) a political committee or other entity that is directly or indirectly established and maintained, owned, funded, or controlled solely by a person or organization described in clause (i) or subclause (I).

"(C) the term 'lobbying contact'—

"(i) means an oral or written communication with a Member of Congress or covered executive branch official made by a lobbyist on behalf of another person with regard to—

"(I) the formulation, modification, or adoption of Federal legislation (including a legislative proposal);

"(II) the formulation, modification, or adoption of a Federal rule, regulation, Executive order, or any other program, policy or position of the United States Government; or

"(III) the administration or execution of a Federal program or policy (including the negotiation, award, or administration of a Federal contract, grant, loan, permit, or license); but

"(ii) does not include a communication that is—

"(I) made by a public official acting in an official capacity;

"(II) made by a representative of a media organization who is primarily engaged in gathering and disseminating news and information to the public;

"(III) made in a speech, article, publication, or other material that is widely distributed to the public or through the media;

"(IV) a request for an appointment, a request for the status of a Federal action, or another similar ministerial contact, if there is no attempt to influence a member of Congress or covered executive branch official at the time of the contact;

"(V) made in the course of participation in an advisory committee subject to the Federal Advisory Committee Act (5 U.S.C. App.);

"(VI) testimony given before a committee, subcommittee, or office of Congress a Federal agency, or submitted for inclusion in the public record of a hearing conducted by the committee, subcommittee, or office;

"(VII) information provided in writing in response to a specific written request from a Member of Congress or covered executive branch official;

"(VIII) required by subpoena, civil investigative demand, or otherwise compelled by statute, regulation, or other action of Congress or a Federal agency;

"(IX) made to an agency official with regard to a judicial proceeding, criminal or civil law enforcement inquiry, investigation, or proceeding, or filing required by law;

"(X) made in compliance with written agency procedures regarding an adjudication conducted by the agency under section 554 of title 5, United States Code, or substantially similar provisions;

"(XI) a written comment filed in a public docket and other communication that is made on the record in a public proceeding;

"(XII) a formal petition for agency action, made in writing pursuant to established agency procedures; or

"(XIII) made on behalf of a person with regard to the person's benefits, employment, other personal matters involving only that person, or disclosures pursuant to a whistleblower statute.".

Mr. WELLSTONE. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is not a sufficient second.

Mr. WELLSTONE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WELLSTONE. Mr. President, I ask for the yeas and nays on the amendment that I have sent to the desk.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 368 TO AMENDMENT NO. 367

(Purpose: To strengthen the restriction on contributions by lobbyists)

Mr. WELLSTONE. Mr. President, I send a second-degree amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the second-degree amendment offered by the Senator from Minnesota.

The bill clerk read as follows:

The Senator from Minnesota [Mr. WELLSTONE] proposes an amendment numbered 368 to Amendment No. 367.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike all after "(b) PROHIBITION" and in lieu thereof, insert the following:

OF CERTAIN CONTRIBUTIONS BY LOBBYISTS.—Section 315 of FECA (2 U.S.C. 441a), as amended by section 313(b), is amended by adding at the end the following new subsections:

"(m)(1)(A)(i) A lobbyist shall not make a contribution to or solicit a contribution on behalf of a Member of Congress with whom the lobbyist has made a lobbying contact, representing an interest of a client, during the preceding 12-month period.

"(ii) A lobbyist who makes a contribution to or solicits a contribution on behalf of a member of Congress or candidate for Congress shall not make a lobbying contact with that Member (or candidate who becomes a member), representing an interest of a client, during the 12-month period after the date on which the contribution is made or solicited.

"(B)(i) A client of a lobbyist shall not make a contribution to or solicit a contribution on behalf of a member of Congress if, to the knowledge of the client, the lobbyist, representing an interest of the client, has made a lobbying contact with the member during the preceding 12-month period.

"(ii) A lobbyist shall not, representing an interest of a client, make a lobbying contact with a member of Congress if, to the knowledge of the lobbyist, the client has made a or solicited a contribution on behalf of the member during the preceding 12-month period.

"(C)(i) A political committee or other entity that is directly or indirectly established and maintained, owned, funded, or controlled solely by a client of a lobbyist shall not make a contribution to or solicit a contribution on behalf of a member of Congress if, to the knowledge of the political committee or other entity, the lobbyist, representing an interest of the client, has made a lobbying contact with the member during the preceding 12-month period.

"(ii) A lobbyist shall not, representing an interest of a client, make a lobbying contact with a member of Congress if, to the knowledge of the lobbyist, a political committee or other entity that is directly or indirectly established and maintained, owned, funded, or controlled solely by the client has made a or solicited a contribution on behalf of the member during the preceding 12-month period.

"(D)(i) A political committee or other entity of which a client of a lobbyist is a member or to which the client is a contributor (other than a political committee described in subparagraph (C)) shall not make a contribution to or solicit a contribution on behalf of a member of Congress if, to the knowledge of the political committee or other entity, the lobbyist, representing an interest of the client that is shared by the political committee or other entity, has made a lobbying contact with the member during the preceding 12-month period.

"(ii) A lobbyist shall not, representing an interest of a client that is shared by a political committee or other entity of which the client is a member or to which the client is a contributor (other than a political committee described in subparagraph (C)), make a lobbying contact with a member of Congress if, to the knowledge of the lobbyist, the political committee or other entity has made a or solicited a contribution on behalf of the member during the preceding 12-month period.

"(2)(A)(i) A lobbyist shall not make a contribution to or solicit a contribution on behalf of an authorized committee of the President if the lobbyist, representing an interest of a client, has made a lobbying contact with a covered executive branch official during the preceding 12-month period.

"(ii) A lobbyist who makes a contribution to or solicits a contribution on behalf of an authorized committee of the President or candidate for President shall not, representing an interest of a client, make a lobbying contact with a covered executive branch official during the 12-month period after the date on which the contribution is made or solicited if the candidate to whom the contribution is made is elected.

"(B)(ii) A client of a lobbyist shall not make a contribution to or solicit a contribution on behalf of an authorized committee of the President if, to the knowledge of the client, the lobbyist, representing an interest of the client, has made a lobbying contact with a covered executive branch official during the preceding 12-month period.

"(ii) A lobbyist shall not, representing an interest of a client, make a lobbying contact with a covered executive branch official if, to the knowledge of the lobbyist, the client has made a or solicited a contribution on behalf of an authorized committee of the President during the preceding 12-month period.

"(C)(i) A political committee or other entity that is directly or indirectly established and maintained, owned, funded, or controlled solely by a client of a lobbyist shall not make a contribution to or solicit a contribution on behalf of an authorized committee of the President if, to the knowledge of the political committee or other entity, the lobbyist, representing an interest of the client, has made a lobbying contact with a covered executive branch official during the preceding 12-month period.

"(ii) A lobbyist shall not, representing an interest of a client, make a lobbying contact with a covered executive branch official if, to the knowledge of the lobbyist, a political committee or other entity that is directly or indirectly established and maintained, owned, funded, or controlled solely by the client has made a or solicited a contribution on behalf of an authorized committee of the President during the preceding 12-month period.

"(D)(i) A political committee or other entity of which a client of a lobbyist is a member or to which the client is a contributor (other than a political committee described in subparagraph (C)) shall not make a contribution to or solicit a contribution on behalf of an authorized committee of the President if, to the knowledge of the political committee or other entity, the lobbyist, representing an interest of the client that is shared by the political committee or other entity, has made a lobbying contact with a covered executive branch official during the preceding 12-month period.

"(ii) A lobbyist shall not, representing an interest of a client that is shared by a political committee or other entity of which the client is a member or to which the client is a contributor (other than a political committee described in subparagraph (C)), make a lobbying contact with a covered executive branch official if, to the knowledge of the lobbyist, the political committee or other entity has made a or solicited a contribution on behalf of an authorized committee of the President during the preceding 12-month period.

"(3) The following rules apply for the purposes of this subsection:

"(A) A lobbyist shall be considered to make a lobbying contact or communication with a member of Congress if the lobbyist makes a lobbying contact or communication with—

"(i) the member of Congress;

"(ii) any person employed in the office of the member of Congress; or

"(iii) any person employed by a committee, joint committee, or leadership office who, to the knowledge of the lobbyist, was employed at the request of or is employed at the pleasure of, reports primarily to, represents, or acts as the agent of the member of Congress.

"(B) A person shall be considered to be a client of a lobbyist if the person pays compensation to the lobbyist for making a lobbying contact with a member of Congress or covered executive branch official.

"(C) A client or a political committee or other entity with which a client is associated under paragraph (2) (C) or (D) or (3) (C) or (D) shall be considered to have knowledge of a fact if the fact is within the knowledge of a member or officer of the client, political committee, or other entity or of an employee of the client, political committee, or other entity, other than a clerical employee, who participates in decisionmaking with respect to making contributions to candidates or lobbying members of Congress or covered executive branch officials.

"(4) For the purposes of this subsection—

"(A) the term 'covered executive branch official' means—

"(i) the President;

"(ii) the Vice-President;

"(iii) any officer or employee of the executive office of the President other than a clerical or secretarial employee;

"(iv) any officer or employee serving in an Executive Level I, II, III, IV, or V position as designated in statute or Executive order;

"(v) any officer or employee serving in a senior executive service position (as defined in section 3232(a)(2) of title 5, United States Code);

"(vi) any member of the Armed Forces of the United States whose pay grade is at or in excess of O-7 under section 201 of title 37, United States Code; and

"(vii) any officer or employee serving in a position of confidential or policy-determining character under schedule C of the excepted service pursuant to regulations implementing section 2103 of title 5, United States Code;

"(B) the term 'lobbyist'

"(i) means—

"(I) a person required to register under section 308 of the Federal Regulation of Lobbying Act (2 U.S.C. 267) or the Foreign Agents Registration Act of 1938 (22 U.S.C. 611 et seq.);

"(II) a person required under any other law to register as a lobbyist (as the term 'lobbyist' may be defined in any such law); and

"(III) any other person that receives compensation in return for making a lobbying contact with a member of Congress or a covered executive branch official, including a member, officer, or employee of any organization that receives such compensation; and

"(ii) includes—

"(I) all of the members, officers, and employees of a firm or other organization, of which a person described in clause (i) is a member, officer, or employee, that is organized for the purpose (solely or among other purposes) of engaging in the business of making lobbying contacts; and

"(II) a political committee or other entity that is directly or indirectly established and maintained, owned, funded, or controlled solely by a person or organization described in clause (i) or subclause (I).

"(C) the term 'lobbying contact'—

"(i) means an oral or written communication with a member of Congress or covered executive branch official made by a lobbyist on behalf of another person with regard to—

"(I) the formulation, modification, or adoption of Federal legislation (including a legislative proposal);

"(II) the formulation, modification, or adoption of a Federal rule, regulation, Executive order, or any other program, policy or position of the United States Government; or

"(III) the administration or execution of a Federal program or policy (including the negotiation, award, or administration of a Federal contract, grant, loan, permit, or license); but

"(ii) does not include a communication that is—

"(I) made by a public official acting in an official capacity;

"(II) made by a representative of a media organization who is primarily engaged in gathering and disseminating news and information to the public;

"(III) made in a speech, article, publication, or other material that is widely distributed to the public or through the media;

"(IV) a request for an appointment, a request for the status of a Federal action, or another similar ministerial contact, if there is no attempt to influence a member of Congress or covered executive branch official at the time of the contact;

"(V) made in the course of participation in an advisory committee subject to the Federal Advisory Committee Act (5 U.S.C. App.);

"(VI) testimony given before a committee, subcommittee, or office of Congress, a Federal agency, or submitted for inclusion in the public record of a hearing conducted by the committee, subcommittee, or office;

"(VII) information provided in writing in response to a specific written request from a member of Congress or covered executive branch official;

"(VIII) required by subpoena, civil investigative demand, or otherwise compelled by statute, regulation, or other action of Congress or a Federal agency;

"(IX) made to an agency official with regard to a judicial proceeding, criminal or civil law enforcement inquiry, investigation, or proceeding, or filing required by law;

"(X) made in compliance with written agency procedures regarding an adjudication conducted by the agency under section 554 of title 5, United States Code, or substantially similar provisions;

"(XI) a written comment filed in a public docket and other communication that is made on the record in a public proceeding;

"(XII) a formal petition for agency action, made in writing pursuant to established agency procedures; or

"(XIII) made on behalf of a person with regard to the person's benefits, employment, other personal matters involving only that person, or disclosures pursuant to a whistleblower statute.".

Mr. WELLSTONE. Mr. President, I know there are others who want to speak on the floor. Let me just summarize this amendment again.

This amendment is designed to significantly strengthen the provisions in the bill, and I think there are some very good provisions in the bill, which prohibit lobbyists from making contributions to or soliciting contributions for Members of Congress, or, for that matter, covered executive branch officials, whom they have lobbied within the preceding year, and from lobbying Members of Congress to whom they have contributed or on whose behalf they have solicited funds within the previous year.

The difference is this amendment adds to what is already there. It will prohibit a lobbyist from directing a contribution be made by a political action committee to a Member of Congress whom that lobbyist has lobbied or to a client to make that contribution to a Senator or Representative whom he has lobbied.

I have crafted the amendment narrowly so that it meets the sense of constitutionality. I am hoping to work with the leadership on this amendment, and I am hoping to reach some kind of agreement.

I yield to the Senator from Kentucky.

The PRESIDING OFFICER. The Chair recognizes the Senator from Washington [Mr. GORTON].

Mr. GORTON. Mr. President, this Senator has followed the opening statements in this bill with some interest, including the passionate statement that was just concluded by the Senator from Minnesota.

It is his reflection that he knows of few if any Members of the U.S. Senate on the floor or elsewhere who are satisfied with the present system.

The distinguished junior Senator from Kentucky will have not only amendments but an entire pattern of election reform which this Senator finds to be highly appealing.

But this Senator suspects it will not ultimately be that substitute or the amendments proposed by the Senator from Minnesota which will finally be before us either for a final vote or for extended discussion. It will be the proposal which the leadership of the majority side, working with the President, has reached and has before us in their substitute at the present time.

That campaign proposal is not campaign election reform. It is a purely partisan attempt to gain advantage within the framework of much which exists in the present system which is undesirable. And it is, beyond that, an attempt to use taxpayer dollars to subsidize politicians, incumbents, and otherwise, a concept which is widely rejected by the people of the United States from one coast to another.

It is that proposal, criticized not only in inside publications like Roll Call but by the significant majority of academics who have attempted to thoughtfully analyze our present political election system outside of the realm of partisan politics and outside the realm of the sound bites which have accompanied the debate over this bill not only this year but with respect to its predecessor as well.

This proposal relies intensely on an increase in the public subsidy for political candidates, above and beyond that for Presidential candidates at the present time which never had a high degree of popularity even when people could declare themselves a part of it without costing themselves a single dollar of their taxes, but which has fallen almost by 50 percent in popularity since then.

No single indicator of what people think about food stamps for politicians could be more telling than I believe roughly 17 percent of the taxpayers who are now willing to contribute $1 to a Presidential election campaign even when that dollar does not add a single penny to the taxes which they actually have to pay.

The fundamental error in this bill is taxpayer financing of something taxpayers do not want to finance now with the $300 billion deficit now when we need money for child immunization, now when we need money to rebuild our infrastructure or, I suspect, ever.

Mr. McCONNELL. Mr. President, will the Senator yield for an observation?

Mr. GORTON. I yield.

Mr. McCONNELL. Precisely on the point that the Senator from Washington raises, we have every year the most extensive survey ever taken in this country on this one issue. Every April 15 taxpayers get to decide, as the Senator from Washington points out, whether they want to provide $1 of taxes they already owe to the existing publicly funded election. We have a huge survey every year, and the people are voting with their pens as they sign their tax returns sometime prior to April 15, and it dropped, as the Senator points out, all the way down to 17 percent.

The one thing we can be totally certain of is the American people hate taxpayer funding of elections.

I thank my friend from Washington.

Mr. GORTON. I thank my friend from Kentucky, and point out that in the teeth of the annual poll this proposal, as I understand it, proposes to multiply by five the amount of money which taxpayers can devote to the political election system, again costing them nothing but coming out of all of the other programs of the Federal Government and out of the attempt to deal with our deficit.

Perhaps even more cynical, however, in connection with this bill is its treatment of soft money. If there is one issue on which political scientists have come more and more to agree it is on the importance of the political parties in our governmental and political structure.

The last election reform allowed a greater degree of support for political parties and their efforts to see to it that more people had an opportunity to vote and that more people knew about their candidates.

It has worked. The parties have been strengthened. Now in this bill soft money is to a large extent eliminated from the support for our two major political parties. Soft money which at least has its source identified is greatly limited, and the one association that every Member of this body has, the association with one of the two major political parties, the fundamental dividing line in American politics, the dividing line that most people understand better than they do any other single dividing line is to be discouraged.

But, Mr. President, is soft money from other sources, the sources of which are unknown and unreported to be discouraged? It is not.

Labor unions, special interest groups, the Charles Keatings of this world, will be unaffected by this bill. In fact, they will be joined by many others, many others who would prefer to work through individual candidates or through political parties, will find those doors shut to them so that the only way in which they can participate is through the use of their own soft money or their own sewer money in a way in which those sources cannot be identified, cannot be identified at all.

And third, for all of the eloquence of the proponents of this bill, it treats candidates for the U.S. Senate profoundly differently from the way they will be treated when they run for the House of Representatives, a change, a differentiation without any philosophical justification whatsoever, and only the political justification that maybe this way we can get a partisan bill through to be signed by a partisan President.

Mr. President, there are a significant number of other reasons to vote against this bill, the bill which will ultimately come in front of us. These three, it seems to me, are so preemptive that it is time to put this particular bill to sleep, time at long last to deal with this question of election campaign reform outside of a partisan connection, time to listen to the academics who think and write thoughtfully about the campaign election process, time to do the job right so that it advantages the people of the United States of America and not simply one political party.

EXECUTIVE SESSION

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

The PRESIDING OFFICER. Under the previous order, the hour of 3:30 p.m. having arrived, the Senate will now go into executive session to resume consideration of the nomination of Roberta Achtenberg, of California, to be an Assistant Secretary of Housing and Urban Development. The nomination will be stated.

The assistant legislative clerk read the nomination of Roberta Achtenberg, of California, to be an Assistant Secretary of Housing and Urban Development.

The Senate resumed consideration of the nomination.

The PRESIDING OFFICER. There will now be 1 hour of debate on the nomination, to be equally divided and controlled in the usual form.

Who yields time?

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senate Republican leader.

Mr. DOLE. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator has the floor.

Mr. DOLE. Mr. President, there may be a number of good reasons to oppose Ms. Achtenberg's nomination, but one reason is good enough for me: In her public actions and in her public rhetoric, Ms. Achtenberg has been an outspoken critic of the Boy Scouts of America.

In fact, Ms. Achtenberg has been more than a critic.

She has been the ringleader of an ideological crusade to remake the Boy Scouts in her own image.

The public record is the public record: As an elected San Francisco supervisor and a board member of the bay area United Way, Ms. Achtenberg was a key player in the effort to kick the Scouts out of the public schools, and then led the charge to force the United Way and other corporate sponsors to withhold funding from Scout programs.

As a supervisor, she introduced a resolution calling upon the city's congressional delegation and State legislators to amend the Scout's congressional charter so that the charter would conform with her own ideological agenda.

And then, also in her capacity as a city supervisor, Ms. Achtenberg introduced a resolution urging the city of San Francisco to cut some of its ties with the Bank of America because the bank had resumed its practice of giving charitable donations to the bay area Scouts.

Some might call these tactics heavy-handed, perhaps even bordering on extortion. They certainly suggest that Ms. Achtenberg can exhibit some intolerance herself, intolerance directed at those who make the mistake of disagreeing with her own very pointed point of view.

But, Mr. President, the bottom line is: We are not talking about some criminal youth gang, or the Crips and the Bloods, or even the Young Republicans.

We are talking about the Boy Scouts of America—the Boy Scouts—an organization that has given millions of young Americans the opportunity to learn the values of discipline, hard work, and fellowship that are essential to good citizenship.

In my view, we need to do more to support the Boy Scouts, not try to sabotage them—no matter what our ideological motivations might be.

Mr. President, I have nothing against Ms. Achtenberg personally. If she is confirmed by the Senate, I wish her the very best as she assumes her responsibilities at HUD.

But, in light of her past efforts to undermine one of the finest private, charitable organizations in America today—the Boy Scouts—I cannot in good conscience support her nomination.

No doubt about it, we must show respect and tolerance for those among us who happen to be gay. But showing tolerance and respect should not force us to embrace an ideological agenda that most Americans do not accept.

The PRESIDING OFFICER. Who yields time?

Mr. GORTON. Will the Republican leader yield me some time?

Mr. DOLE. I yield 8 minutes to the Senator from Washington and 3 minutes to the Senator from North Carolina.

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington is recognized for up to 8 minutes.

Mr. GORTON. "The only freedom which deserves the name, is that of pursuing our own good in our own way, so long as we do not attempt to deprive others of theirs, or impede their efforts to obtain it."

President Clinton has sent this Senate several nominees whose actions and stated ideologies are in direct conflict with this classic principle of tolerance articulated by John Stuart Mill. The Constitution empowers a President to choose whomever he wants to serve in his administration, but the Senate has the responsibility to give its advice and consent to the President's choices. With respect to nominees who serve at the President's pleasure, I have always been inclined to grant the President a wide latitude in his choices. Consequently, I have consented to nearly all of the President's nominees, including many with whom I disagree philosophically. The Secretary of the Department of Labor, Robert Reich, and the Secretary of the Department of Health and Human Services, Donna Shalala are two individuals to whose nominations I consented despite profoundly different political views.

What is unacceptable to me and to many thoughtful Americans are nominees who are intolerant of conflicting views, who have used or are likely to use political power to punish their opponents or to pursue policies destructive of the social fabric which bind us together as Americans, or who are indifferent to fundamental constitutional principles. President Clinton, regrettably, has sent the Senate at least three such nominees.

Sheldon Hackney, the President's selection to chair the National Endowment for the Humanities, has shown a total disregard for the first amendment rights of those who disagree with his politically correct views. C. Lani Guinier, the President's choice for Assistant Attorney General for Civil Rights, would divide Americans by rigid quotas and cause race to become a principal determinant of political power, in total contrast to the Constitution's dedication to the individual. I do not believe that either should be confirmed to important offices requiring qualities of sensitivity and tolerance.

For different reasons I have already voted against the confirmation of Strobe Talbott as Assistant Secretary of State. In my opinion for more than a decade he was consistently wrong on every major policy guiding our relationship with the Soviet Union—policies that won the cold war and destroyed the Soviet Union. Such a person should not be in charge of policies respecting its successor states.

The central question for members of the U.S. Senate debating the nomination of Roberta Achtenberg to be Assistant Secretary of Fair Housing and Equal Opportunity at the Department of Housing and Urban Development is her acceptance or rejection of the classic principle of tolerance articulated by John Stuart Mill. I believe that it is important to note here my absolute conviction that the nominee's sexual orientation is not relevant to the question whether she is suitable for high public office. What is relevant, however, is the blatant intolerance and hostility the nominee has shown in public office and the misuse of her political power to inhibit the programs and the exercise of the rights of those with whom she disagrees.

There is a crucial distinction between legitimate advocacy of an agenda and a hostile and irresponsible intolerance of those who do not share that agenda, between spirited advocacy and punitive harassment.

Ms. Achtenberg crossed this line during her well-documented campaign against the Boy Scouts of America while she served on the San Francisco Board of Supervisors.

In August 1991, the Bay Area United Way reinstated the Boy Scouts' eligibility for funding. Ms. Achtenberg, a member of the United Way Board, was opposed to the Boy Scouts policy of prohibiting openly gay Scoutmasters and openly gay Scouts, and disagreed with United Way's action. As a member of the San Francisco Board of Supervisors she introduced a resolution "urging the Boy Scouts to abolish its policy of barring lesbians, gays, and bisexuals from working with the group." The resolution also called "on the congressional delegation and State legislators to amend the Scouts' congressional charter and change existing State laws that give the organization special benefits." In February 1992, she joined in a United Way decision to suspend funding of the Boy Scouts. During the same time period, she expressed her support for an attempt to restrict the Boy Scouts' access to bay area public schools.

Not content with her direct intimidation of the Boy Scouts, Ms. Achtenberg attempted to coerce Boy Scout supporters and contributors as well. In August 1992, the Bank of America expressed its intention to contribute to the Boy Scouts. As a member of the San Francisco Board of Supervisors, Ms. Achtenberg decided to take action to penalize the Bank of America for its decision. After inquiring of the city treasurer as to what measures the board could take to pressure the bank to reverse its decision, she stated "I have asked the treasurer to look into the extent and nature of the city's dealing with Bank of America, to see how cumbersome or complex or costly it would be to consider using the services of another bank." That inquiry and additional comments led the Bank of America to withdraw its bid for a lock box contract worth $6 million. Later, Ms. Achtenberg authored a successful non-binding resolution urging city officials to withdraw from any such contract with the Bank of America. The bank, in short, lost a business opportunity because it defied Ms. Achtenberg's demand that it refuse to support the Boy Scouts.

The Boy Scouts of America have been an integral part of the American experience for more than 80 years, developing character, resourcefulness, and patriotism in more than 90 million young men. It is a voluntary, private association that has made membership and participation choices well within the American tradition while not relying on public funds. Just last week, a Federal court of appeals held that the Boy Scouts can retain their duty to God pledge and deny membership to those who refuse to take the oath. The court said civil rights laws do not apply because Boy Scouts is a private organization, not a place of public accommodation. The scouting movement deserves respect and support and is entitled at least to tolerance from those who disagree with it.

Ms. Achtenberg can legitimately disagree with, and express her disapproval of, the membership decisions of the Boy Scouts of America. She can legitimately try to influence the organization to accept her social agenda. Ms. Achtenberg, however, crossed the line from advocacy to misuse of governmental power when she used her power to bully the Boy Scouts and their financial contributors, albeit unsuccessfully, into submitting to her agenda.

That misuse of power, that narrow intolerance, disqualifies her from a position of far greater power to enforce civil rights laws designed to create a more open and tolerant society. I am convinced, I must add, that that intolerance and misuse of power are the only valid grounds on which to oppose this nomination. When the President nominates a candidate practicing and advocating an alternative lifestyle like that of Ms. Achtenberg who grants the same tolerance to others that he or she demands of himself or herself, I will vote to confirm.

Regrettably, Ms. Achtenberg, Dr. Hackney, and Ms. Guinier have failed what I call the Barnette test of tolerance. In 1943 the Supreme Court held, in West Virginia Board of Education versus Barnette, that it was unconstitutional to compel public school students to salute the flag. In that famous opinion rejecting the use of political power to impose a regime of religious intolerance, Justice Robert H. Jackson wrote:

> If there is any fixed star in our constitutional constellation, it is that no official, high or petty, can prescribe what shall be orthodox in politics, nationalism, religion, or other matters of opinion or force citizens to confess by word or act their faith therein.

I cannot vote to confirm Ms. Achtenberg, or nominees to other offices, who do not meet that standard of fairness and tolerance of diversity, a standard at the heart of our American tradition.

The PRESIDING OFFICER. Who yields time?

The Senator from Michigan.

Mr. RIEGLE. May I inquire first as to how much time remains on both sides?

The PRESIDING OFFICER. The Senator from Michigan has the full amount of time, 30 minutes.

The Senate Republican leader has 16 minutes and 18 seconds remaining.

Mr. RIEGLE. Very good. I yield myself such time as I may consume.

Mr. President, shortly the Senate will vote on the nomination of Roberta Achtenberg to be Assistant Secretary for Fair Housing and Equal Opportunity at the Department of Housing and Urban Development. an overwhelming bipartisan majority on the Committee of Banking, Housing and Urban Affairs on May 5, just a few weeks ago, by a vote of 14 to 4, found Ms. Achtenberg to be competent, credible, and highly worthy of the position for which she is now being considered.

The Senators who know Ms. Achtenberg best have spoken the most highly of her. At this point I would like to make special mention of the remarks earlier of Senator BOXER and Senator FEINSTEIN, which were strong and convincing supportive comments for this nominee.

I not only commend their statements but as well the eloquent statement made earlier by Senator CAROL MOSELEY-BRAUN.

In considering the nomination of Roberta Achtenberg I have asked myself two basic questions. First, is she fully qualified to be an outstanding Assistant Secretary for Fair Housing and Equal Opportunity? And, second, should her sexual orientation disqualify her from this position?

Clearly, by any objective standard Roberta Achtenberg is extraordinarily well qualified by her training and substantive professional experience. I believe her sexual orientation has no place in the debate over her nomination.

She brings a wealth of professional experience as a civil rights attorney and a local elected official. I think this experience significantly enhances her ability to perform well at HUD, to combat housing discrimination, and to promote equal opportunity for all citizens.

Her qualifications have been remarked on again and again during the debate over the past 3 days. She is strongly and enthusiastically supported by fair housing, civil rights, and other concerned organizations from across the country.

Among the highly respected groups that strongly endorse her nomination are the National Fair Housing Alliance, the National Center for Youth Law, the National Association of Human Rights Workers, the San Francisco Bar Association, the Asian Law Caucus, the leaders of the California State Assembly in State Government, and numerous community and business leaders from the bay area, to name just a few.

As chairman of the committee with jurisdiction over this nomination I consider Ms. Achtenberg to be one of the most competent, credible, articulate, and well qualified nominees that we have presented to the Senate. As I have just mentioned, she enjoys the support of a wide variety of fair housing groups and other organizations nationwide. I say in response to comments earlier made by another Senator today, she enjoyed the overwhelming support of the Senate Banking Committee and she was reported out of the committee by a vote of 14 to 4.

All of the issues that have been raised just recently by the Senator from Washington and in the past by others were discussed fully in the context of that hearing. It was only after those issues were discussed fully, openly on the public record, that later the vote was taken and that she received a majority of votes of both the Republican and Democratic members of the Senate Banking Committee.

She enjoys the support of the President of the United States and the Secretary of HUD, who just last week wrote that she is:

> Highly capable of serving the Nation in this important position.

I think the only real challenge against this nominee boils down to her sexual orientation. Frankly, that matter has no bearing on her professional qualification or fitness to serve. I believe all the other arguments that have been raised here against her are a smokescreen. These arguments should be rejected for what they are and this nominee should be confirmed by the Senate.

So, I hope we will confirm Ms. Achtenberg so she can begin her important work and the Senate can then get on with the remainder of our work.

At this point, if no one is seeking recognition on that side, I yield 7 minutes to the Senator from California [Mrs. BOXER].

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. Mr. President, we come down to the last hour of debate on the confirmation of Roberta Achtenberg as an Assistant Secretary of HUD. We should note that this debate has lasted far longer than it should have, taking up a good part of 3 legislative days with only about five or six Senators speaking against the nomination in all those days.

In response to the kind of personal attacks we have heard on the Senate floor and in response to many misstatements we have had to rebut, about 10 or 11 Senators have spoken in favor of Roberta Achtenberg. Now we are finally at the end of a debate that frankly, Mr. President, could have been completed in 3 hours instead of 3 days.

Mr. President, I think it is very important that we keep focused on what's meaningful here—and what is meaningful as my chairman has stated so clearly, is that Roberta Achtenberg is superbly qualified. HUD Secretary Cisneros wants her for this job. So do fair housing organizations from all over the country.

So do community leaders from all over the country. So do business leaders and elected officials.

This is a woman who has graduated from college with honors, who graduated from law school with highest honors, who has been a civil rights attorney, who has had the honor of being the dean of a law school. And the highest honor for her, I know, was to be elected to public service with the support of a very good and broad coalition.

This is a woman whose first legislative achievement was to pass a local ordinance to stop housing discrimination against families with children. To do that, she had to bring together former foes: landlords, tenants, community groups, elected officials. And she did it. Roberta Achtenberg is a facilitator.

I believe Roberta Achtenberg has been maligned on this Senate floor, called names by Senators who do not even know her, called intolerant, called mean, called vindictive by Senators who do not even know her.

But those who do know her know that this kind of name-calling is a smokescreen for disapproval of her private life. It may not be spoken very often here, but that is what is at work.

This is wrong. Let us judge this woman on her qualifications, on her accomplishments, and on her performance before the Banking Committee where she received a bipartisan, 14 to 4, vote in her favor, and, Mr. President, Republicans as well as Democrats voted for Roberta Achtenberg.

We have heard over and over again a statement that Roberta Achtenberg acted in a vicious way to harm the Boy Scouts. As Senator MOSELEY-BRAUN said at one point in the debate, you would think Roberta Achtenberg was up for confirmation as head of the Boy Scouts.

Let us be sure the record is clear. Roberta Achtenberg was one of many, 34, directors of the United Way, who agreed that under the charter of the United Way, funding would have to be suspended until the Boy Scouts addressed the issue of discrimination in their membership policy.

I well understand that this issue of discrimination based on sexual orientation is a divisive issue in the U.S. Senate. But whatever side you are on—and I understand that you may not agree with Roberta Achtenberg—it is essential to recognize that the charter of the United Way was clear on the point: No group could get funded unless it had a nondiscriminatory policy, period.

This is also the law in San Francisco.

Mr. President, we do not have to agree with Roberta Achtenberg on the Boy Scouts issue. As Assistant Secretary for Fair Housing, she will not be making new laws about the Boy Scouts. She will be enforcing existing law. She was asked about her intentions by a Republican Senator on the committee and asked if she would push for new laws. She said, no, she would fight to enforce existing laws, and that is what she intends to do.

Roberta Achtenberg's opposition on this Senate floor implied that San Francisco Mayor Frank Jordan was against Roberta's nomination. Outraged that his name should be used in this way, the mayor issued a press release saying he strongly supports Roberta Achtenberg. He did not completely agree with her on the Boy Scouts, but he is strongly for her.

It was stated on this floor, Mr. President, that the San Francisco Chronicle, a newspaper with a Republican editorial policy, was against Roberta Achtenberg. The Chronicle published a very strong editorial in Roberta's favor, and after that, the misstatement was corrected on this Senate floor.

Mr. President, every time the opposition runs out of things to say about Roberta Achtenberg, because they cannot say anything bad about her intelligence, they cannot say anything bad about her qualifications or her record, but when they run out of things to say, they talk about the Boy Scouts.

I have said before that I like the Boy Scouts. My son was a Cub Scout. My daughter was a Blue Bird. I think I sewed on more patches for their uniforms than any Senator in this Chamber. I even baked cookies, and they were not very good.

(Disturbance in visitors' galleries.)

But I like the Boy Scouts.

The PRESIDING OFFICER. The galleries will please come to order.

Mrs. BOXER. Mr. President, I like the Boy Scouts, and I loved the Cub Scouts for my son and the Blue Birds for my daughter. But just because I am a fan of the Scouts does not mean that I could be a good Under Secretary for Housing. Roberta Achtenberg has a problem with one of the clauses in their charter, but she will make an excellent Assistant Secretary for Fair Housing.

I say to my colleagues who disagree with Roberta Achtenberg, you ought to call up Chevron and Shaklee and Levi Strauss and the other corporate leaders and the church leaders and the political leaders and ask them why they voted with Roberta Achtenberg on the Boy Scouts issue. Do not lay the Boy Scouts issue at Roberta's door. No single woman is that powerful. Let me repeat: No single woman is that powerful.

So do not vote against Roberta Achtenberg on this pretext because that would not be fair. I am sure we can be tolerant in this greatest of institutions of different opinions, on whether discrimination based on sexual orientation should be allowed. People will come down on different sides, and that is what America is about. We come down on different sides of issues. But let us not punish each other for it. Let us keep our eye on the real issue today. Let us vote to allow President Clinton his designee for this position. Let us vote to allow Henry Cisneros to have his choice for this position, and let us confirm the bipartisan vote of the Banking Committee.

I ask for an additional 30 seconds.

Mr. RIEGLE. Thirty seconds.

The PRESIDING OFFICER. The Senator has the floor.

Mrs. BOXER. Mr. President, let us vote for qualifications, for performance before the committee of jurisdiction and not vote against a private life. Do not vote against a person's private life. Please vote in favor of the Achtenberg nomination.

I yield the remainder of my time back to my chairman.

The PRESIDING OFFICER. Who yields time?

Mr. HELMS. She was not in private life when she was hugging and kissing in that homosexual parade a year ago in San Francisco.

I yield 5 minutes to the distinguished Senator from Utah [Mr. HATCH].

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I have to oppose the nomination of Roberta Achtenberg to be Assistant Secretary for Fair Housing and Equal Opportunity in the Department of Housing and Urban Development. I do so because Ms. Achtenberg's actions against the Boy Scouts of America reveal her to have a vision of the relationship between government and the individual that is fundamentally at odds with traditional American liberties. As a result, she is, in my view, unsuited to serve in the position of responsibility for which she has been nominated.

Over the centuries, perhaps one of the greatest guarantors of freedom in America has been the existence and vitality of voluntary private associations, such as families, churches, and service clubs. The organizations, separate from Government, enable individuals to live out their values and pursue their personal goals and interests. We owe the wonderful diversity of America in large part to these voluntary private associations.

The Boy Scouts of America is one of the greatest of such associations. For generations, it has worked to help turn boys into men, to teach them the skills and develop the character that will make them valuable and productive members of society. Like many other voluntary private associations, the Boy Scouts have membership requirements that reflect an ethical code. They require, for example, that members profess a belief in God an that they take an oath to keep themselves "physically strong, mentally awake, and morally straight."

Now, self-proclaimed sophisticates may deride the Boy Scouts' requirements. They may even claim that the Boy Scouts are intolerant. The truth of the matter. however, is that the intolerance lies with the critics. The Boy Scouts do not attempt to impose their requirements on nonmembers. They simply seek to regulate their own voluntary private association in a manner consistent with the purposes for which it was formed.

By using her position as San Francisco city supervisor to attack the Boy Scouts, Ms. Achtenberg brought the power of government to bear against a private association because that private association does not mirror her beliefs about what is good and true and just. Ms. Achtenberg has thereby shown that she will use government to promote a private agenda. In the name of diversity, she would impose an oppressive uniformity on the vast range of voluntary private associations.

There has been some debate in the press about her lifestyle. Let me make this very clear. If that were the only issue, and if she were otherwise qualified, I would be voting for her. However, the reason I am voting against her is that her record and actions show basic intolerance of the beliefs of others. Therefore, I will vote against Ms. Achtenberg's nomination.

I reserve the remainder of my time in favor of the distinguished Senator from North Carolina.

The PRESIDING OFFICER. Who yields time?

Mrs. FEINSTEIN addressed the Chair.

The PRESIDING OFFICER (Mr. DORGAN). Who yields time to the Senator?

Mr. RIEGLE. I yield 5 minutes to the Senator from California.

The PRESIDING OFFICER. The Senator has the floor.

Mrs. FEINSTEIN. Mr. President, in a few short minutes, we are going to have an opportunity to vote to confirm Roberta Achtenberg as Assistant Secretary for Fair Housing of the Department of Housing and Urban Development.

Today, I believe we have a chance to turn our backs on prejudice and to confirm a nominee whose qualifications are strong.

Today, we can vote down the politics of hate, and today we can take one small step to see that this great democracy is representative of all the people it seeks to serve.

The Roberta Achtenberg I know is very different from the Roberta Achtenberg I have heard discussed on this Senate floor during the last week. Much of the debate surrounding this nominee has been nasty and negative. The focus has not been on her qualifications and, indeed, she is qualified.

Instead, critics have tried to use Roberta's sexual orientation to deny confirmation. I know Roberta Achtenberg. She has served with distinction on the same board of supervisors for the past 2 years that I have served on for some 9 years. Roberta Achtenberg on that board has a strong legislative record. She is a moderate public official; not an extremist public official but a moderate public official, who seeks to advocate on behalf of all people, not just a single group or an interest. Consider for a moment her legislative record:

First, occupancy standards for residential housing units in San Francisco to prevent discrimination against families with children as well as to protect tenants against wrongful eviction.

Second, the construction of affordable housing for low-income families.

Third, guarantees to small businesses in bidding for city contracts.

Fourth, using community development block grant funding to support domestic violence shelters.

Fifth, two ordinances to improve safety and access for persons with disabilities, and

Sixth, a children's budget for San Francisco, the first of its kind anywhere, a fund that today spends $10 million annually to benefit children, youth, and their families.

Roberta Achtenberg's nomination has been endorsed by a wide spectrum of organizations and people who work in the field of fair housing: Fair housing councils in California, Wisconsin, Kentucky, Oregon, Ohio; housing organizations in Buffalo, in Cincinnati, Richmond, VA, Denver, Oklahoma City, Indiana, Homewood, IL, Baltimore, and Delaware; the Japanese-American Citizens League; the Chinese Community Housing Corporation; the International Association of Human Rights Agencies; the Texas Commission on Human Rights. The list goes on and on.

Despite this wide support, the discussion last week was not focused on her qualifications. Instead, the focus turned to her sexual orientation and attempted to create a picture of a Roberta Achtenberg who is an extremist advocate. That is not the Roberta Achtenberg I know.

Yes, Roberta Achtenberg chose to be honest about her lifestyle. She did not seek to be a heroine, and she did not seek to become a national symbol. Rather, she has simply been honest and forthright about herself and her family. Neither the Banking Committee of this Senate nor the FBI has revealed any fact that would show Roberta as anyone other than a good public official, an honest and law-abiding citizen.

The question before this body today is, should the Senate vote down a nomination without regard for a candidate's overwhelming qualifications simply because she is gay, because that is clearly the question before this body today.

The situation with respect to the Boy Scouts was raised. I wish to make it very clear that the board of trustees of the Bay Area Boy Scouts voted down their funding by a vote of 34 to 0. This included, among those voting, the CEO of Chevron Corp. Pacific Gas & Electric, Shaklee, Arthur Andersen, the General Motors-Toyota joint venture known as New United Motors, Kaiser Permanente Medical Center, and Jones United Methodist Church. This was not a rump body. This was a very diverse and reflective group of 34 citizens, all of whom voted this down.

The PRESIDING OFFICER. The time yielded to the Senator from California has expired.

Mrs. FEINSTEIN. May I have 1 additional minute?

Mr. RIEGLE. I yield the Senator 1 minute.

Mrs. FEINSTEIN. So many charges have been made on the floor of this body, her record and her person I believe have been twisted.

I do not believe that Roberta Achtenberg should be held accountable for the actions or words of any particular group or writing of which she had no part. She should not be held accountable for the actions of particular activist organizations of which she had no part. She should not be blamed for a 34 to 0 decision by the United Way of the Bay Area board of trustees to suspend funding for the Boy Scouts when they were found in violation of their own rules of funding criteria.

I hope this Senate will not yield to the politics of division and hate. Rather, I hope that the Senate by this vote would confirm and open the process to all Americans, regardless of race, creed, color, sex, or sexual orientation. Roberta Achtenberg, by findings of the Senate Banking Committee, by findings of the Federal Bureau of Investigation, is qualified to serve in the position for which she is nominated.

The PRESIDING OFFICER. The time of the Senator from California has expired. The Chair would advise that the committee chairman, Senator RIEGLE, has 10 minutes, 30 seconds, the Senator from North Carolina, Mr. HELMS, has 13 minutes and 13 seconds remaining.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from North Carolina.

Mr. HELMS. Mr. President, please alert me when I have used 5 minutes.

The PRESIDING OFFICER. The Chair will do that.

Mr. HELMS. Mr. President, let me make a little confession. I see very little point in the Senate's having set aside even 1 hour this afternoon for a final exchange of barbs regarding Bill Clinton's nomination of Roberta Achtenberg to the position of Assistant Secretary for Fair Housing and Equal Opportunity down at HUD—H-U-D, the Department of Housing and Urban Development. Nobody is going to persuade anybody else in this Senate.

And as for the issue, judging from telephone calls I have received, it is pretty well decided out there in America.

But, the homosexual lobby has been busy over the weekend, and they are boasting that they have enough Democrat votes alone, without even one Republican vote, to confirm the Achtenberg nomination and for the first time in history install into the Federal bureaucracy a militantly activist lesbian.

Now, this militantly activist lesbian is the showpiece of the homosexual movement in the United States, a woman who threw her weight around as a member of the San Francisco Board of Supervisors when she tried to bully the Boy Scouts of America into allowing homosexuals to serve as Scout masters. Otherwise, as a member of the board of the local United Way chapter, she threatened that the Scouts were to receive no further funding from the United Way. She meant business.

But, the Boy Scouts of America told Roberta Achtenberg to take a flying leap—figuratively speaking, of course—that the principles of the Boy Scouts of America were not for sale. And hooray for them.

This is the same militantly activist lesbian who clashed with DIANNE FEINSTEIN—and Senator FEINSTEIN did not choose to mention it—when Mrs. FEINSTEIN was mayor of San Francisco and when the public health officials there sought to shut down the so-called public bathhouses in San Francisco, where hoards of homosexuals were engaging in their perverted activities.

The health officials were concerned about the spread of AIDS, but not Roberta Achtenberg, who proclaimed that closing these sex clubs—I quote her—"closing these sex clubs restricts the constitutional rights to privacy of the gay men who patronize the establishments. For those who are secretly homosexual, they are a 'sex-positive' environment where they feel like human beings instead of being in the bushes. They are institutions of tremendous symbolic significance to a sexual minority."

Those are the nominee's own words. But nobody on the other side mentioned anything like that. All they want to talk about is her résumé. Oh, she is a dean of law, she has done this, and she has done that. Well, I submit, Mr. President, that some of the other stuff that she has done—like riding in last year's San Francisco so-called Gay Pride parade with her partner and "their" little boy, kissing and hugging as they went along, and I wish every American could have seen it, is relevant as to her fitness for this position of public trust.

The truth is that the homosexual/lesbian movement bought the Achtenberg nomination. Homosexuals and lesbians laid over $5 million, they say, into the hands of the Clinton Presidential campaign in 1992. And when Clinton was elected, he agreed to appoint Roberta Achtenberg to this sensitive and important job at the Department of Housing and Urban Development.

All of which reminds me of a little something, Mr. President. Back in 1965, when Congress was about to approve the creation of this new Federal department, the first suggested name for this new department was the Department of Urban Growth and Housing. Then somebody happened to consider what the new department's initials would spell—UGH. So the suggested name was hastily changed to Housing and Urban Development, making the formulation of the initials the now familiar HUD.

After looking at all of the posturing, and hearing all of this claptrap on the floor of the U.S. Senate, perhaps they ought to have left it like it was so we could say "ugh."

Mr. President, I am not going to consume any more of the Senate's time except to reiterate what was said last week.

I will take one more minute: If Senators assume that their vote on this nomination will go unnoticed by their constituents back home, they may find out to the contrary if they go home for the Memorial Day recess.

Roberta Achtenberg should not be confirmed by the Senate. But I read in the paper that she will be confirmed overwhelmingly by the U.S. Senate.

If that proves true, Mr. President, it may tell at least as much about the U.S. Senate as it does about the nominee.

I reserve the remainder of my time.

Mrs. MURRAY addressed the Chair.

Mr. RIEGLE. I yield 4 minutes to the Senator, Mr. President.

The ACTING PRESIDENT pro tempore. The Senator from Washington is recognized for 4 minutes.

Mrs. MURRAY. Thank you Mr. President.

Mr. President, I speak today not only as a U.S. Senator but I join my colleague from California, Senator BOXER, as a mother of a Boy Scout, and even more I am a former Girl Scout leader, in supporting the nomination of Roberta Achtenberg.

But this is not a debate about the Boy Scouts. This is about the confirmation of a highly qualified Presidential nominee, Roberta Achtenberg.

I must say, too, Mr. President, that if riding in a parade is reason for not serving in a Government position, this floor would be awfully empty.

Mr. President, I was not going to speak today and I cannot believe that we have spent more than 2 days debating this nominee. Our economy is in ruins, people need health care and jobs, and fair and affordable housing. The President's plan is waiting to be implemented and we are sitting here talking about the private life of the nominee of the Assistant Secretary of HUD for fair housing.

I was just home in my State of Washington this weekend, and people were not concerned about this nomination. They were concerned about the economy.

I am returning home again next weekend, and next weekend, and I want to tell my friends and neighbors that I worked on the issues that matter to them. I want to tell our displaced timber workers and their families that I am helping them find employment. I want to tell machinists and their families who are about be laid off by Boeing that I helped them to return to the work force.

I do not want to bog this debate down by repeating Ms. Achtenberg's long list of exemplary accomplishments and qualifications. Chairman RIEGLE has been tireless in listing them for the Senate. He is providing leadership that the members of our Banking Committee have come to know and expect from him. His defense of the distortions you have heard that have been set forth by the opponents makes me proud to associate with him.

I have heard my good friend and colleague, Senator BOXER, echo her praise of this nominee's experience and professionalism. I commend her for her patience and her perseverance in repeating Roberta Achtenberg's qualifications.

This country is tired of those who would view America in terms of us versus them. Americans know that the last thing we need is more internal strife in this country. As Americans, we all enjoy the rights and obligations that citizenship brings with it. But once again, we are hearing that all of us excluding Roberta Achtenberg have to pay our taxes and obey the law but only some of us can serve in the Government.

I will cast my vote on this nomination as I have on all the others, based on the candidates qualifications. Her private life is about as important to me as her hair color or her style of shoes.

My parents taught me what I have taught my own children, that people should be judged on their abilities, and their accomplishments. And I believe they are right. I am proud to support Roberta Achtenberg.

Thank you.

Mr. RIEGLE. Mr. President, I reserve the remainder of my time.

The ACTING PRESIDENT pro tempore. Who yields time? If no Senator yields time, time will be charged equally against both sides.

The Senator from Michigan controls 6 minutes 27 seconds. The Senator from North Carolina controls 7 minutes 47 seconds.

Mr. RIEGLE. Mr. President, I suggest the absence of a quorum with the time to be charged equally between both sides.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. RIEGLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIEGLE. Mr. President, I yield myself 1 minute.

The PRESIDING OFFICER. The Senator is recognized for 1 minute.

Mr. RIEGLE. Mr. President, I thank my colleagues who have spoken in favor of this nomination and for their comments, particularly for their kind personal comments. I particularly thank the Senator from the State of Washington for her observations and comments. I think the phrase she used that "we cannot descend into the 'us versus them' kinds of divisions in our society" is exactly right. I think we need tolerance and not intolerance. We need to really accept everybody in our society and not get into a pattern of discrimination.

I think public service is both a duty and a privilege; it is a duty and a privilege that is readily available and there for all of our citizens. I do not think we can arbitrarily, on the basis of some other person's views, screen off parts of our society and say you are not fit to serve, and that you can otherwise be superbly qualified, but because of some issue with respect to sexual orientation or something else, you are disqualified from service. There is nothing in our founding documents that support that; in fact, they are exactly to the contrary.

This is an exceptionally well-qualified nominee by any standard. She is a former law school dean widely endorsed by experts across the country. She is prepared and willing to serve, and I think she ought to have the opportunity to serve.

Mr. President, I reserve the remainder of my time.

Mrs. KASSEBAUM. Mr. President, the Senate will vote shortly on the nomination of Roberta Achtenberg to be Assistant Secretary of Fair Housing and Equal Opportunity at the Department of Housing and Urban Development.

As with any controversial nomination, it is not easy in this case to separate fact from fiction and to determine valid concerns amid the many allegations. This nomination is complicated by the emotional issues raised by a nominee who is candidly and unapologetically lesbian.

The sexual orientation of a nominee is a relatively new and difficult issue for the Senate to consider. It may be a valid concern, and it may be a red herring. That depends on the nominee's own behavior and actions, just as the behavior and actions of heterosexual individuals may or may not be legitimate cause for concern.

I do not believe that the simple fact that someone is gay or lesbian is an automatic disqualification for public office. Neither do I believe it is an automatic qualification that exempts the individual's actions from review.

Mr. President, I do not know Roberta Achtenberg personally. What I do know of her is largely from the public record accumulated during the Senate's review of her nomination. I must say, based on that record, that I strongly disagree with many of the nominee's personal and political views.

As others have said before me, this is not a nomination I would have sent to the Senate, if I were President. But my role as a Senator is one of advice and consent, not nominating. In that role, if I voted against every nominee I disagreed with, I would have voted against many nominations not only of this President but of President Reagan and President Bush.

Others have raised the question of Ms. Achtenberg's specific qualifications for the post of Assistant Secretary of Fair Housing and Equal Opportunity. It is clear that she is not an expert on fair housing issues, as she herself acknowledges, but her legal background and expertise in civil rights matters will allow her to be a defender and enforcer of fair housing laws.

Finally, questions have been raised about the judgment and temperament of the nominee. This is one of the vast gray areas of the nomination process. There are no clear guideposts for gauging whether a nominee meets a standard of good judgment and temperament. It is, frankly, a question that finally rests on the personal opinion of each Senator.

The question of judgment and temperament in Ms. Achtenberg's case is tied to and complicated by the first consideration I raised. That is the nominee's sexual orientation. In this case, the question I come down to is whether the nominee's strong advocacy of gay and lesbian rights raises legitimate concerns about her ability to be a fair and impartial public official.

This question stems from a specific case involving Ms. Achtenberg's actions toward the Boy Scouts of America. This is a complicated matter but the key event in my mind was her action as a member of the San Francisco Board of Supervisors in authoring a resolution to punish the Bank of America for using its own private funds to contribute to the Boy Scouts.

There is no question that Ms. Achtenberg authored the resolution and there is no question in my mind that she intended to punish the Bank of America for its private support of the Boy Scouts.

Mr. President, for most of the past 12 years, I have opposed Government policies aimed at punishing Planned Parenthood for using its own funds in ways that differ from official Government policy. I strongly believe that Government can and must set policies for the use of public funds but that it should not interfere with legal, legitimate private activities using private funds.

I am troubled when public officials attempt to use political power to discipline those who disagree with them. I am, therefore, troubled by Ms. Achtenberg's actions toward the Boy Scouts.

Because of this question and others, I have been truly uncertain about this nomination. On one hand, I worry about an activist background that can create an atmosphere that does not lend itself to reasoned actions. On the other hand, many of the charges leveled against this nominee seem to me unfair in light of the actual responsibilities of the position she would assume.

Ms. Achtenberg repeatedly assured the members of the Banking Committee that she understands the duties and responsibilities of an assistant secretary in enforcing our existing laws. As Assistant Secretary, she would have no authority to unilaterally rewrite those laws. Only Congress can change the law.

Mr. President, I will vote for this nomination. I do so with reservations about her views, but with the hope that she understands the proper role of the office she will assume, if confirmed, and the need to build consensus, not controversy, for fair housing and equal opportunity.

I suggest the absence of a quorum, with the time to be equally divided.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I ask for the yeas and nays on the nomination.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. GRASSLEY. Mr. President, I am voting against Roberta Achtenberg's nomination for Assistant Secretary of HUD.

I would vote against any nominee, regardless of his or her sexual orientation, who has abused positions of power as this nominee has to coerce and to dictate the policies of the Boy Scouts of America, its 397 local Boy Scout Councils, and its 4.3 million members across America.

Even President Clinton stated during his campaign that the Boy Scouts should be allowed to set their own policies. It seems at best inconsistent that he would now nominate for Assistant Secretary the very person who was leading the persecution against the Boy Scouts.

Mr. President, this is not the first time the Senate has been called upon to take a stand on the question of Government and Government officials forcing homosexuality upon those who oppose this lifestyle and all it entails.

On July 11, 1988, the Senate voted 58 to 33 against allowing the District of Columbia to force a religious education institution to fund or endorse homosexual organizations. Democrats and Republicans alike took a stand against the heavy hand of Government to push homosexuality upon our religious institutions. Most of those 58 are still serving in the Senate today.

On September 12, 1990, the Senate voted 54 to 45 to keep the District of Columbia from forcing volunteer organizations to hire homosexuals for positions as educators, coaches, or trainers of juveniles. Again, most of these 54 are still serving today.

What we have today is a nominee who has gone to great lengths to impose these very same types of mandates that we of the Senate have voted against, time and time again.

This nominee used positions of power to coerce supporters of the Boy Scouts of America to cut off financial support. In turn, these tactics pressured the Boy Scouts in an attempt to accommodate the concerns of this nominee and her allies, to establish a new program called Learning for Life which is open to all: homosexuals, atheists, everyone.

But that was not enough for this nominee. She denigrated this new program by calling it nothing, that it was a second class program, and that it did not capture the essence of scouting, as if only she knows or decides what the essence of scouting is. She would not be satisfied until the Boy Scouts of America allowed lesbians and gays into its ranks and scouting leadership.

Again, even President Clinton said during the campaign that he thought the Boy Scouts should be able to decide for themselves what their policies are.

Mr. President, just this past Monday, in a ruling by the seventh U.S. Circuit Court of Appeals, the Boy Scouts of America were found not to be a "place of public accommodation" which would require them to admit atheists or agnostics.

Boy Scout leaders had testified that admitting atheists or agnostics would be divisive and would undermine efforts to teach boys religious duty and other values. Likewise, Boy Scouts exclude homosexuals, a policy based upon the Scouts' oath and laws that require members to be "morally straight."

These laws and oath were written 83 years ago, but this nominee wants to dictate changes in these laws and policies because she claims to know the true essence of scouting.

Mr. President, as I stated earlier, the Senate has voted many times against these very same types of heavy handed, big-brother government tactics to undermine religious and private groups. Regrettably, this nominee has proven an inability to resist such tactics and practices.

We have voted against the practices. It is time to vote against the practitioner.

Mr. DOMENICI. Mr. President, given the controversy over the confirmation of Ms. Roberta Achtenberg to be Assistant Secretary for Fair Housing and Equal Opportunity, I want to offer a few comments about this issue.

The President of the United States is entitled to nominate those individuals whom he believes best represent his policies and who exhibit leadership skills compatible with his philosophies. I believe as much latitude as possible should be given to allow the President to build his management team with individuals of his choosing.

I voted for the nominee in the committee because I believe she is qualified to perform the tasks of the job, and because I take her word that she will enforce the current civil rights and fair housing statutes without advocating or interjecting her personal standards or values to the job. She said:

> I don't view my job as advocating inclusion of additional protected classes. I'm going to have enough work to do, Senator [Bond], trying to make the current protections that are supposed to be guaranteed under Title VIII a reality for all Americans.

My committee vote in support of Ms. Achtenberg evidenced my belief that she would perform her duties as prescribed by law and that she would represent the President of the United States as he would want to be represented. My vote was not a vote in support of her personal values or lifestyle. My views about family life and what is right for our American children and youth are in no way compatible with those espoused by this nominee.

As detailed in a recent and comprehensive article in the Atlantic Monthly magazine by Barbara Dafoe Whitehead:

> After decades of public dispute about so-called family diversity, the evidence from social-science research is coming in: The dissolution of two-parent families, though it may benefit the adults involved, is harmful to many children, and dramatically undermines society.

She further states:

> What contributes to a parent's happiness may detract from a child's happiness. All too often the adult quest for freedom, independence and choice in family relationships conflicts with a child's developmental needs for stability, constancy, harmony, and permanence in family life. In short, family disruption creates a deep division between parents' interests and the interests of children.

These statements coincide exactly with my own views. The American family is an entity to protect and nurture. I recognize we do not live in a perfect world, and that two-parent dysfunctional families are also contributors to children's agony and distress. At the same time, I cannot accept, as I believe the majority of the American public cannot accept, the promotion of alternative lifestyles as appropriate surrogates for what we refer to as "the traditional" American family.

And, I want to add that this has nothing to do with the issue of gender or sexual preferences. It is about how our children thrive and grow to responsible adulthood. I believe, very firmly, that the evidence clearly shows that children respond best to the so-called traditional family structure.

Therefore, on a very personal level, I hold deep convictions about what I understand this candidate represents and what I believe is good and right for American families, and these beliefs are diametrically opposed to one another.

At the same time, Mr. President, and regardless of the thousands of words that have been delivered in the debate on this nomination, I believe there is one message that should be shared with President Clinton.

While many of us will support the President's right to nominate the candidates he believes best represent his policies, we caution him that nominees' do not come neatly sliced—they come as a whole loaf. Their personal value systems and their professional capabilities cannot be compartmentalized.

To the American public, a candidate for high public office, representing the President of the United States, is also representing the values and standards of that President. Regardless of the blur between personal and professional values, the composite is what Americans see and upon which Americans make their judgments. Americans look to the President for guidance and leadership, and they see those most close to him as representative of his views.

The President bears the ultimate responsibility for selecting candidates with whom he has confidence, pride, and philosophical compatibility; and, as important, the same standards and values he wishes to convey to the American public.

Thus, in my estimation, the President comes perilously close to being associated, in a direct sense, with alternative lifestyles that I believe he neither promotes nor wants the American public to believe he supports.

The debate on this candidate portrays clearly that professional expertise and private values are not easily separated or seen in isolation of one another. They are, instead, intricately intertwined. As such, this amalgamation of characteristics must be recognized for what they are.

It is the tradition of this institution that only the most grave and serious reasons should compel a Senator to oppose the nomination of a Presidential appointment. And, as I have explained, I do have serious reservations about this nominee.

However, as I have reviewed this issue very closely, I must conclude that while my doubts are great—and this nominee comes very close to the point but does not cross the line at which I would vote to deny the President a nominee of his choice—I will vote to confirm the candidate. I have to believe the nominee will represent the President in a manner he believes is best and right for him, and what is best and right for the American public. Time will be the judge of her performance and the public will be watching, as will I.

(At the request of Mr. MITCHELL, the following statement was ordered to be printed at this point in the RECORD:)

• Mr. KRUEGER. Mr. President, I support the nomination of Roberta Achtenberg to be Assistant Secretary for Fair Housing and Equal Opportunity. I will not be present today to cast my vote in person, however, because I will be in Texas.

Roberta Achtenberg has served as a law school dean, civil rights attorney, and is an elected member of the San Francisco Board of Supervisors. She has the strong endorsement of my two colleagues from California, both of whom know her qualifications well through work with her in the Bay area.

Roberta Achtenberg also has significant backing from the State of Texas. The Austin Tenants' Council and Texas Commission on Human Rights support her nomination. My friend and distinguished Texan Henry Cisneros, the Secretary of Housing and Urban Development, has this to say about the nominee:

> Miss Roberta Achtenberg is highly capable of serving the Nation in this important position. She has my unqualified support for this job. I'm hopeful that her nomination can move forward expeditiously.

Nothing else need be said about this nomination, Mr. President. Certainly many of the things that have been said about it should not have been. We must focus upon whether or not the President's nominees are honest, capable, and experienced, not whether we agree with every action taken or opinion held by him or her. That is a standard which no nominee can meet.

I look forward to the day in the hopefully not far distant future when all nominees are treated equally and fairly. The Senate must focus upon how well a nominee will carry out his or her duties rather than on personal considerations which have no bearing on a nominee's ability or performance. By this fair standard Roberta Achtenberg clearly deserves confirmation, and I support the nomination.●

Mr. SIMPSON. Mr. President, I rise to speak on the nomination of Roberta Achtenberg to be Assistant Secretary at HUD for Fair Housing and Equal Opportunity.

Ms. Achtenberg has been very honest and open on the subject of her own sexual preference, and this has increased the attention which has been given to this nomination. It is my view that President Clinton should have the opportunity to select competent, fair-minded public servants to serve in his administration. I firmly believe that the sexual preference of a nominee should not be a disqualifying factor when that individual has been selected by the President of the United States to serve in his administration. My past record is very clear on that.

To me, the concerns I have with this nomination are not about sexual preference. They are concerns about fairness, about temperament, and about judgment. If she is confirmed for this position, she is going to have to deal with a variety of thorny issues. When the paramount objective of such a high level position is to achieve basic fairness, or to provide equal opportunity or to protect civil rights, it is my view that the individual responsible for those decisions should bring to the position a history of devotion to public service and, at minimum, the ability to make good faith efforts at arriving at fair decisions, and at least, always listening to the views of others.

With that standard in mind, I am seriously concerned about Ms. Achtenberg's abilities to perform this job fairly and objectively. Specifically, in the past, she has manifested a certain clear vindictiveness against the San Francisco Bay Area Boy Scouts of America, activity which I feel is contrary to what Americans are entitled to expect of a nominee to this position.

Her feud with the Scouts began because of the Boy Scouts' longstanding national policy which bars homosexuals from Scout leadership. In response to that policy, I understand she was instrumental as a member of the board of supervisors in having the Boy Scouts banned from the San Francisco public schools. Furthermore, the Bay Area United Way organization, where Ms. Achtenberg served as a member of the board of directors, eliminated funding for the Bay Area Boy Scouts. Then, as if this wasn't punishment enough, Ms. Achtenberg introduced a resolution in December 1992 which directed the city of San Francisco to cut its financial ties with the Bank of America. It passed. Recall that the bank had already reversed its earlier decision to cut off funding to the Boy Scouts over the homosexual issue. The purpose of the resolution? She wanted to punish the bank. When the Boy Scouts' leadership protested, Achtenberg, according to a newspaper account in the Houston Chronicle, responded by saying, "That's just tough." Later she was quoted in the San Francisco Chronicle by saying, "Do we want children learning the values of an organization that * * * provides character building exclusively for straight, God-fearing male children."

I am proud to have been a Boy Scout. The teaching and training were helpful in my growth as a person. I always try to provide financial support for the Boy Scout and the Girl Scout programs. I believe that those two organizations have done an immense amount of good in character building for our Nation's youth. I do know what political correctness is all about. But I also do not believe that political correctness and good judgment are mutually exclusive.

It is troubling to observe how she dealt with the Boy Scouts. There are going to be many other groups who are just as sincere in their own beliefs that she is going to have to contend with, should she be confirmed for this position. Will she sit down with their leaders and members, try to reason with them, and to listen to them? Will she seek less harsh and less vindictive ways to deal with groups that differ with her particular political philosophy? She surely did not demonstrate that kind of conduct or sensitivity or those kinds of abilities when it came to the Boy Scouts of the bay area.

The election is over, and the President is entitled to have members of his Cabinet and members of his sub-Cabinet who share his own political philosophy. That political philosophy may differ from mine. However, individuals such as Ms. Achtenberg will not be simply presiding over and making judgments that effect people who are solely citizens of her country. It is our country, and our Government, and we are all entitled to public servants who at least listen and try to be objective. Based on what I have read, and heard during this debate, I am not personally convinced that Ms. Achtenberg has demonstrated that level of maturity, objectivity, and fairness as to warrant my support of her confirmation to this important position.

Mr. COATS. Mr. President, during the course of the debate over the nomination of Roberta Achtenberg to be the Assistant Secretary for Fair Housing and Equal Opportunity at the Department of Housing and Urban Development, there have been many comments regarding the need to expedite this process. Some Members of this body have stated that a lengthy discussion of Ms. Achtenberg's background is unnecessary. I would argue we are just now learning some disturbing things about her background, character, and temperament—all of which will influence her activities as Assistant Secretary for Fair Housing.

The debate over this nomination has focused on Ms. Achtenberg's involvement in efforts to cut off United Way funding for the Boy Scouts in the bay area. We have taken a closer look at actions she took as a member of the San Francisco Board of Supervisors to punish the Bank of America for reversing its earlier decision to eliminate funding for the Scouts. We have had an opportunity to consider statements she has made regarding the Scouts' mission—"Do we want children learning the values of an organization that * * * provides character building exclusively for straight, God-fearing male children?" As a result of this discussion, the Senate had gained a clear understanding of Roberta Achtenberg's attitudes and the actions she is willing to take against those who do not share her agenda.

The Assistant Secretary for Fair Housing and Equal Opportunity is responsible for Federal monitoring of State and local fair housing law enforcement agencies. In addition, the responsibilities of this post include directing affirmative action compliance within the Department of Housing and Urban Development [HUD], evaluating HUD's Equal Employment Opportunity Program, implementing and developing HUD's Fair Housing and Equal Opportunity programs, and conducting investigations of compliance with Department rules. This is not a minor post that merely implements the law. It helps shape the law.

Given Roberta Achtenberg's apparent intolerance for individuals and organizations, such as the Boy Scouts, who do not comply with her political agenda, I am concerned that she will be unable to exercise impartiality in a post that demands it. Her personal crusade against the Boy Scouts is an example of a radical agenda that is outside the mainstream of civil rights, and there is no set of outstanding qualifications that outweigh these concerns.

It is for these reasons that I will oppose the nomination of Roberta Achtenberg.

THE BOY SCOUTS 1992 VOTE LAST YEAR

Mr. HELMS. Mr. President, on September 22, 1992, the Senate defeated 49–49, an amendment to strike from the Combined Federal Campaign—the Federal Government's charity drive among Federal employees—any charity that used its funds to intimidate the Boy Scouts to accept homosexual Scout leaders and to drop their oath of allegiance to God.

Inasmuch as the Senate will vote today on the nomination of the leader of this campaign against the Boy Scouts, I ask unanimous consent that last year's vote be printed in the RECORD.

There being no objection, the vote was ordered to be printed in the RECORD, as follows:

SENATE RECORD VOTE ANALYSIS—VOTE NO. 227, 102D CONGRESS, SEPTEMBER 22, 1992

DOD APPROPRIATIONS/BOY SCOUTS, HOMOSEXUALS, ATHEISTS

Subject: Department of Defense Appropriations Bill for fiscal year 1993 . . . H.R. 5504. Helms amendment No. 3118 to the committee amendment beginning on page 142, line 1.

Action: Amendment rejected, 49–49.

YEAS (49)

Republicans (31 or 72%)

Bond, Brown, Burns, Coats, Cochran, Craig, Danforth, Dole, Domenici, Garn, Gorton, Gramm, Grassley, Hatch, Helms, Kasten, Lott, Lugar, Mack, McCain, McConnell, Murkowski, Nickles, Pressler, Roth, Simpson, Smith, Stevens, Symms, Thurmond, Wallop.

Democrats (18 or 33%)

Bentsen, Breaux, Bryan, Bumpers, Byrd, Conrad, Daschle, Dixon, Ford, Fowler, Heflin, Hollings, Johnston, Nunn, Pryor, Reid, Sanford, Shelby.

NAYS (49)

Republicans (12 of 28%)

Chafee, Cohen, D'Amato, Durenberger, Hatfield, Jeffords, Kassebaum, Packwood, Rudman, Seymour, Specter, Warner,

Democrats (37 or 67%)

Adams, Akaka, Baucus, Biden, Bingaman, Boren, Bradley, Burdick, Jocelyn, Cranston, DeConcini, Dodd, Exon, Glenn, Graham, Harkin, Inouye, Kennedy, Kerrey, Kerry, Kohl, Lautenberg, Leahy, Levin, Lieberman, Metzenbaum, Mikulski, Mitchell, Moynihan, Pell, Riegle, Robb, Rockefeller, Sarbanes, Sasser, Simon, Wellstone, Wofford.

NOT VOTING (2)

Republicans (0)

Democrats (2)

Gore—2, Wirth—2.
Explanation of Absence:
1—Official Business.
2—Necessarily Absent.
3—Illness.
4—Other.
Symbols:
AY—Announced Yea.
AN—Announced Nay.
PY—Paired Yea.
PN—Paired Nay.

The PRESIDING OFFICER. The Chair advises the Senator that 51 seconds remain.

Mr. HELMS. Mr. President, I think we ought to have the rollcall.

The PRESIDING OFFICER. Is there objection?

The question is on the confirmation of Roberta Achtenberg of California to be an Assistant Secretary of Housing and Urban Development.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. EXON. Mr. President, it is my intention to vote "no" on this nomination. However, Senator KRUEGER, who is absent, if he were present, would vote "aye." Therefore, I withhold my vote.

Mr. FORD. I announce that the Senator from Oklahoma [Mr. BOREN], the Senator from New Jersey [Mr. BRADLEY], the Senator from Arizona [Mr. DECONCINI], the Senator from Alabama [Mr. HEFLIN], and the Senator from Massachusetts [Mr. KENNEDY] are necessarily absent.

I further announce that, if present and voting, the Senator from Arizona [Mr. DECONCINI] and the Senator from Massachusetts [Mr. KENNEDY] would each vote "aye."

On this vote, the Senator from Texas [Mr. KRUEGER] is paired with the Senator from Nebraska [Mr. EXON]. If present and voting, the Senator from Texas would vote "aye" and the Senator from Nebraska would vote "nay."

Mr. DOLE. I announce that the Senator from Missouri [Mr. DANFORTH], the Senator from Vermont [Mr. JEFFORDS], the Senator from Arizona [Mr. MCCAIN], and the Senator from Wyoming [Mr. SIMPSON] are necessarily absent.

I further announce that, if present and voting, the Senator from Wyoming [Mr. SIMPSON] would vote "nay."

The PRESIDING OFFICER (Mr. ROCKEFELLER). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 58, nays 31, as follows:

[Rollcall Vote No. 122 Ex.]

YEAS—58

Akaka
Baucus
Bennett
Biden
Bingaman
Bond
Boxer
Breaux
Bryan
Bumpers
Campbell
Chafee
Cohen
Conrad
D'Amato
Daschle
Dodd
Domenici
Dorgan
Durenberger
Feingold
Feinstein
Ford
Glenn
Graham
Gregg
Harkin
Hatfield
Inouye
Johnston
Kassebaum
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Metzenbaum
Mikulski
Mitchell
Moseley-Braun
Moynihan
Murray
Nunn
Packwood
Pell
Pryor
Reid
Riegle
Robb
Rockefeller
Roth
Sarbanes
Simon
Specter
Wellstone
Wofford

NAYS—31

Brown
Burns
Byrd
Coats
Cochran
Coverdell
Craig
Dole
Faircloth
Gorton
Gramm
Grassley
Hatch
Helms
Hollings
Kempthorne
Lott
Lugar
Mack
Mathews
McConnell
Murkowski
Nickles
Pressler
Sasser
Shelby
Smith
Stevens
Thurmond
Wallop
Warner

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Exon, against

NOT VOTING—10

Boren
Bradley
Danforth
DeConcini
Heflin
Jeffords
Kennedy
Krueger
McCain
Simpson

So the nomination was confirmed.

Mr. RIEGLE. Mr. President, I move to reconsider the vote.

Mr. MITCHELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the President of the United States will be notified immediately.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session.

The Senate will be in order.

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The majority leader.

CONGRESSIONAL SPENDING LIMIT AND ELECTION REFORM ACT OF 1993

The Senate continued with the consideration of the bill.

Mr. MITCHELL. Mr. President, the Senate has resumed consideration by the campaign finance reform bill. There is pending an amendment by the distinguished Senator from Minnesota [Mr. WELLSTONE].

There will be no further rollcall votes today, but I anticipate a vote on, or in relation to, the amendment early tomorrow.

So, Mr. President, Senators should be aware that we are now considering the campaign finance reform bill. There are amendments pending. There will be votes tomorrow. I encourage all those Senators who have amendments, who intend to offer amendments, to be prepared to do so tomorrow as Senators should anticipate the possibility of votes throughout the day tomorrow.

I thank my colleagues.

Mr. President, I now suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The majority leader may proceed.

MORNING BUSINESS

Mr. MITCHELL. Mr. President, I ask unanimous consent that there now be a period for morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

JOINT ACTION PROGRAM FOR BOSNIA MERITS SUPPORT

Mr. PELL. Mr. President, I want to express my support for the Joint Action Program announced May 22 by Secretary of State Christopher and the Foreign Ministers of France, Russia, Spain, and the United Kingdom. This Joint Action Program has the purpose of bringing coordinated international action to bear on the conflict in Bosnia and Herzegovina.

All of us who are concerned about this situation should welcome this announcement of united action by the European allies including the European Community and Russia, and the United States. There has been a lot of talk about doing something to relieve the crisis in Bosnia. This program holds a good chance, I believe, of doing that in a positive and constructive way.

The core of the program is the proposal for implementation of safe areas in Bosnia and Herzegovina, with each of the participating nations making appropriate contributions to securing these areas. Secretary Christopher stated that the United States is prepared to meet its commitment to help protect United Nations forces in the event they are attacked and request such action.

While the safe areas concept will not finally resolve the conflict in Bosnia, it does have the merit of offering an effective short-term remedy for the kinds of fighting and military attacks that are causing the greatest hardship. They hold the promise of protecting the civilian population and making it possible to deliver humanitarian relief in a more effective and secure way.

The Joint Action Program pledges support for humanitarian assistance programs and insists that all the parties allow such aid to get through to the people of Bosnia and Herzegovina. The Senate Foreign Relations Committee will be meeting Wednesday, May 26, with Mrs. Sadako Ogata, the U.N. High Commissioner for Refugees, and I am sure our discussion will focus on what is needed to strengthen and safeguard the humanitarian work of her organization and other groups such as the International Committee of the Red Cross.

The program also pledges rigorous enforcement of sanctions on Serbia and Montenegro, with the participating countries contributing to the joint effort to ensure that the Belgrade government's promise to close its border with Bosnia is kept.

It is worth noting that Secretary Christopher in his comments on behalf of the Foreign Ministers said:

> We put Croatia on notice that assistance to Bosnian Croatian forces engaged in fighting and ethnic cleansing could result in international sanctions against Croatia.

Many of us have been dismayed, if not surprised, at reports that Croatian forces have been guilty of some of the most severe attacks on Moslem enclaves in recent weeks. It is all too easy simply to criticize Serbs when other groups continue to be guilty of actions that prolong the conflict.

The program pledges support for establishment of a war crimes tribunal, and for continued enforcement of the no-fly zone over Bosnia.

Mr. President, this program is the product of a major effort of inter-Allied cooperation, with the United States playing a pivotal role. The final meeting took place in Washington, and Secretary Christopher was the one who spoke for the group in the public announcement.

I would note that Foreign Minister Andrei Kozyrev of Russia was a key participant. The Foreign Relations Committee met with Mr. Kozyrev last week, and from our discussion it was clear that his government is prepared to cooperate with and support the plan that was announced on Saturday. Russian participation may well be crucial in helping convince the parties that it is in their interest, and everyone's interest, to support the Joint Action Program as a way out of the conflict.

From my personal discussions with Secretary Christopher, I know how hard he has worked with his Foreign Minister colleagues to achieve this result. This has not been easy. Bosnia is truly the "problem from hell" as the Secretary described it in recent congressional testimony, and it is no easier when seen from the perspective of the capitals of the other countries participating in this plan. The public at large has little sense of the extensive communications by telephone and telegram and in personal meetings needed to create the sense of trust and mutual responsibility that has made it possible to construct and agree on this Joint Action Program.

Secretary Christopher and the four Foreign Ministers of the other countries are to be commended on what they have achieved. The Joint Action Program deserves our support, which will be essential if it is to have a chance of working.

Mr. President, for the convenience of other Senators, I ask unanimous consent that the text of Secretary Christopher's May 22 announcement and the text of the Joint Action Program be printed in the RECORD.

There being no objection, the announcement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SECRETARY WARREN CHRISTOPHER—ANNOUNCEMENT OF JOINT ACTION PROGRAM, MAY 22, 1993

I am pleased to be here today with my colleagues, Foreign Secretary Douglas Hurd of the United Kingdom, Foreign Minister Andrei Kozyrev of Russia, Foreign Minister Javier Solana of Spain, Foreign Minister Alain Juppe of France. I have been asked by my colleagues to make a short summary statement with respect to our deliberations.

We are determined that the international community will act together—based on shared responsibilities and common purpose—to bring increased direct pressure to bear on those engaged in the conflict in Bosnia.

Each of us—along with our colleagues in other capitals and at the United Nations—have worked hard to find a common approach that will work to stop the killing in Bosnia, prevent the conflict from spreading, and bring concerted pressure on the parties to reach a peaceful settlement of the conflict. This increased international pressure must especially be brought to bear on the Bosnian Serbs—who stand wholly isolated from the community of civilized nations.

During the last three days, we agreed on a Joint Action Program of further stops which we are announcing today.

This Joint Program described those steps that we will pursue to help extinguish this terrible war and achieve a lasting and equitable settlement. We all understand, collectively, that there is a need for urgent action.

Taken together, the course of action that we outline today is designed to directly affect the environment in Bosnia and escalate the pressure on those still fighting so that a political settlement to this crisis—which must be achieved—will be more likely.

Let me, on behalf of my colleagues, summarize the specific, concrete steps that we have agreed to take and are presented in our joint document:

We will continue our programs of humanitarian assistance to the people of Bosnia-Herzegovina to save lives and will insist that all the parties allow this aid to pass without hindrance.

We will rigorously enforce the tight and tough regime of sanctions that isolate and pressure Serbia and Montenegro. This pressure will be unrelenting until the necessary conditions of relevant UN Security Council resolutions are met, including the withdrawal of Bosnian Serb troops from territories occupied by force.

Each of us will contribute in our own way—for instance, through monitors, technical assistance, or surveillance—to a joint effort that ensures that Belgrade's promise to close their border with Bosnia-Herzegovina is not a shallow one.

We will work in the UN for early adoption of measures that will implement certain "safe areas" in Bosnia-Herzegovina. Each of our nations will make appropriate contributions to securing these "safe areas." In this context, the United States is prepared to meet its commitment to help protect United Nations forces in the event they are attacked and request such action.

We will continue to enforce vigorously the No-Fly Zone established over Bosnia.

We support the rapid establishment of a War Crimes Tribunal so that those guilty of atrocities may be brought to justice.

We will remain intensely involved in efforts to achieve a durable, negotiated settlement to this crisis. To the extent that the parties decide to implement mutually-agreed provisions of the Vance-Owen Plan, that is something we encourage.

We put Croatia on notice that assistance to Bosnian Croatian forces engaged in fighting and "ethnic cleansing" could result in international sanctions against Croatia.

Grave consequences would arise from violence spreading elsewhere in the Balkans. We support an increased international presence in the Former Yugoslav Republic of Macedonia in consultation with the authorities in Skopje and an increase in the international monitoring presence in Kosovo.

We will keep open options for new and tougher measures, none of which is prejudged or excluded from consideration.

Each of us will work—individually and colletively—to define operational plans to carry out these measures promptly.

It is testimony to the strength of our alliance and our new partnership with the Russian Federation that we have arrived at the mutual course of action that we announce today.

The actions we announce today help will save lives, keep the conflict from spreading, and increase pressure in favor of a negotiated solution.

As our statement says, we are firmly united and committed to prosecuting this course of action.

JOINT ACTION PROGRAM

France, the Russian Federation, Spain, the United Kingdom, and the United States of America are profoundly concerned that the conflict in Bosnia-Herzegovina is continuing despite the strenuous efforts of the international community and the Co-Chairmen of the International Conference on the Former Yugoslavia, which they strongly support, to bring an end to it.

We shall continue to work urgently to help extinguish this terrible war and to achieve a lasting and equitable settlement.

We also have common views on the most productive immediate steps to take. These should lead to implementation of relevant Security Council resolutions as well as the elaboration of further steps.

1. *Humanitarian Assistance*. We will continue providing humanitarian assistance for the people of Bosnia-Herzegovina, and will insist that all parties allow humanitarian aid to pass without hindrance.

2. *Sanctions*. The economic sanctions imposed by the United Nations Security Council against Serbia and Montenegro must be rigorously enforced by all members of the UN until the necessary conditions set out in Security Council Resolution 820, including the withdrawal of Bosnian Serb troops from territories occupied by force, are not for lifting lifetime the sanctions.

3. *Sealing Borders*. We note the pledge of the Belgrade authorities to close the border with Bosnia-Herzegovina, in order to put pressure on the Bosnian Serbs to accept the peace plan. We are watching to see if the border closure is effective. Although the primary responsibility for enforcing this step belongs to Belgrade, we can assist, for instance by placing monitors on the borders or providing technical expertise or conducting aerial surveillance. We also note the willingness expressed by the Zabreb authorities for monitoring to take place along the border between Croatia and Bosnia-Herzegovina.

4. *"Safe Areas"*. The concept of "safe areas" in Bosnia-Herzegovina, as France and others have proposed, could make a valuable contribution. We will work to secure early adoption of the new UN Security Council Resolution now under discussion. The United Kingdom and France along with other nations already have forces serving with UNPROFOR in "safe areas." Troops from other countries, including Spain and Canada, are playing an important role on the ground. The Russian Federation is considering making forces available in Bosnia in addition to its forces presently in Croatia. The United States is prepared to meet its commitment to help protect UNPROFOR forces in the event they are attacked and request such action. Further contributions from other countries would be most welcome.

5. *No-Fly Zone*. The No-Fly Zone should continue to be enforced in Bosnia.

6. *War Crimes Tribunal*. We support the rapid establishment of the War Crimes Tribunal, so that those guilty of atrocities may be brought to justice.

7. *Durable Peace*. Negotiated settlement in Bosnia-Herzegovina, building on the Vance-Owen process and intensified international cooperation and effort, is the way a durable peace can be established. France, Russia, Spain, the United Kingdom, and the United States will assist and actively participate in a continued political process to this end. To the extent that the parties decide to implement promptly mutually-agreed provisions of the Vance-Owen Plan, this is to be encouraged.

B. *Central Bosnia-Herzegovina*. We are deeply concerned about the fighting between Bosnian Croatian and Bosnian Government forces and the related "ethnic cleansing," and we agree that Croatia should be put on notice that assistance to Bosnian Croatian forces engaged in these activities could result in the international community imposing sanctions on Croatia.

9. *Containment*. We will cooperate closely to enhance efforts to contain the conflict and prevent the possibility that it will spill over into neighboring countries. We would regard such a development with the utmost seriousness.

10. *Former Yugoslav Republic of Macedonia*. It is essential that everyone in the region understands that aggression against the Former Yugoslav Republic of Macedonia would have grave consequences. We will support an increase in the international presence there in consultation with the authorities in Skopje. The United States is considering a contribution to this effort.

11. *Kosovo*. We favor an increase in the international monitoring presence in Kosovo. International standards of human rights should be strictly respected in the formerly-autonomous region of Kosovo, although we do not support declarations of independence there.

12. *Croatia*. The same considerations apply to the Serb-populated areas of Croatia. We will work for the renewal and strengthening of UNPROFOR's mandate. The Croatian Government and the local Serb authorities should maintain the cease-five and constructively pursue their dialogue leading to settling practical, economic, and, eventually, political problems between them.

13. *Further Measures*. We will keep open options for new and tougher measures, none of which is prejudged or excluded from consideration.

We five members of the United Nations Security Council are firmly united and firmly committed to taking these immediate steps. We will work closely with the United Nations and the involved regional organizations as we carry out these efforts.

INDONESIAN ABUSE OF HUMAN RIGHTS CONTINUES IN EAST TIMOR

Mr. PELL. Mr. President, last Friday a miscarriage of justice occurred in East Timor. On that distant Southeast Asian island, an Indonesian court sentenced Jose Alexandre Gusmao to life in prison. Mr. Gusmao had long led the Revolutionary Front for an independent East Timor, popularly known as Fretilin. His activities on behalf of East Timorese independence predate the Indonesian invasion in late 1975.

I know it is hard for us so far away to understand the atmosphere of intimidation and fear prevading a land so few have been able to visit. A few of us may recall the Indonesian invasion on December 7, 1975, which resulted in the deaths from war or mistreatment of as much as one-third of the East Timor population. Some may remember the massacre on November 12, 1991, when a procession of East Timorese, marching from a memorial mass for a Timorese youth killed by Indonesian security forces, were fired on by the Indonesian military. Approximately, 100 were killed then. At least 60 people remain missing.

Following the massacre near the Santa Cruz cemetery, eight East Timorese were arrested and tried. They were imprisoned from 5 years and 8 months to life in prison for participating in the march. Of the military, however, who fired on the East Timorese, only eight were tried. They received sentences ranging from 8 to 18 months. The disproportionate prison terms given to those who did the shooting compared to those who were shot at suggests why Indonesian justice in East Timor has to be viewed with great skepticism.

Thus, Mr. Gusmao's arrest last November by the Indonesian armed forces provoked outcries of international concern. For the first 17 days of his arrest he was kept incommunicado. Only after considerable international pressure were representatives of the International Committee of the Red Cross [ICRC] permitted to visit him—once. No family members were granted access until April when his parents briefly visited him.

His family asked that lawyers from the Indonesian Legal Aid Institute serve as Mr. Gusmao's defense attorneys. They, however, were denied access to him. After corresponding by letter, they received a response purportedly from him, thanking them for their offer but rejecting it. Instead, he received a court-appointed attorney, a Mr. Sudjono, who was a close friend of the Indonesian police intelligence officer handling the case.

A week ago Monday Mr. Gusmao attempted to read a 27-page defense statement. The court stopped him after he had read only 2½ pages, declaring his arguments were irrelevant to the case. If the court had listened, one of the things it would have heard him say was that:

> On 22 December, I read a letter that was addressed to me by the LBH [the Indonesian Legal Aid Institute]. On 23 December I replied to that organisation, accepting a lawyer. But I was compelled to renounce it. On the 30 of the same month, I had to write a letter to the LBH refusing their offer. My initial letter which had been intercepted was returned to me.

Mr. President, I would like to include here, part of Mr. Gusmao's defense statement which has been smuggled out of East Timor. In addition, I would like to call my colleagues attention to a report released by Asia Watch in April, entitled "Remembering History in East Timor: The Trial of Xanana Gusmao and a Followup to the Dili

Massacre." It provides a reasoned and balanced assessment of the issue.

In his defense statement, Mr. Gusmao proposes negotiations on the East Timor issue take place between Indonesia and the East Timorese under the auspices of the United Nations. Talks are already occurring intermittently between Indonesia and Portugal, East Timor's former colonial rulers. However, despite Portuguese requests, the Indonesians have never permitted East Timorese, representing independent political groups, from participating in them. It is my view that a resolution of this conflict can only take place if all sides participate under the guidance of the U.N. Secretary General.

I raised my concerns with the Indonesian Foreign Minister, Ali Alatas, when he was here last month. I told him of my deep distress at the situation and of the views in Rhode Island. Last year, I received a letter from one such Rhode Islander, Michael Bianchetta, who captured well the feelings of many when he wrote:

> After hearing firsthand accounts of the unprovoked massacre of Timorese mourners by the Indonesian army that took place last November and also some of the history of the Indonesian occupation in East Timor, I was appalled at the blatant brutality and genocidal acts of the Indonesian military.

I also spoke to the Foreign Minister about the case of an East Timorese woman, Gabriella Pinto, the wife of a young man, Constancio Pinto, recently admitted to Brown University. Ms. Pinto has requested permission to leave Indonesia and join her husband. I asked the Foreign Minister to facilitate her departure and observed that I had received complaints she was being harassed by Indonesian security forces. Mr. Alatas assured me that she could leave and that reports of intimidation were incorrect. Today, I have been told by her husband who spoke to her on the telephone yesterday that she is receiving daily visits from security forces who threaten to prevent her departure. I hope such harassment will end and she will be permitted to leave as the Foreign Minister assured me.

Mr. President, by its actions the Indonesian Government ensures that the issue of East Timor will not disappear. I have been to Indonesia. I have been impressed by the diligent efforts of the Indonesian people to develop. They have prospered and it is true that they have provided some of their prosperity to the East Timorese people to assist their development. Indonesia has done much to add to Southeast Asia's prosperity, aiding most recently U.N. efforts to bring peace to Cambodia. But all of Indonesia's good works is easily undone in the eyes of the international community when killings, intimidation, and the ruthless suppression of peaceful dissenters takes place in East Timor. Indonesia does itself a disservice by its actions in East Timor. It would do itself an immeasurable service by recognizing that the East Timorese also have the right to determine peacefully their own future.

I ask unanimous consent to print in the RECORD excerpts of the defense plea.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

DEFENCE PLEA OF XANANA GUSMAO

(EXCERPTS)

(These are excerpts from the 28-page defence plea, hand-written in Portuguese, that was presented in the Dili district court on 17 May 1993 by the defendant, Xanana Gusmao. After reading the first two pages, the court ordered him to stop.)

(These translated excerpts are made available to the press-and others on 21 May 1993 by TAPOL.)

First of all, I would like to thank you for the opportunity you have afforded me to express myself freely, without coercion of any kind.

I have always insisted in all my conversations with everyone, including my conversation with the Indonesian ambassador to the United Nations, Mr. Nugroho, that considering the circumstances under which my earlier statements in Jakarta were made, they cannot be construed as being credible.

This is the appropriate moment for me to explain everything. I hope that Indonesian intellectuals will understand my frame of mind at this moment when I am making use of my freedom of expression as a result of the rights which I have.

I hope that the new Indonesian generation, or to be more precise, the Indonesian youth will appreciate the importance of the law on freedom both as a fundamental aspect of human life today and in the modern society in which we live.

I hope finally that the international community will appreciate the worth of all my declarations, considering the time and place in which they were made.

I thank you once again, honorable judge, for allowing me to speak in my own defence.

I am resistance commander Xanana Gusmao, leader of the Maubere resistance against the cowardly and shameful invasion of the 7 December 1975 and the criminal and illegal occupation of ET for the last 17 years.

On 22 November last year in Denpasar, I signed a document in which I affirmed that according to international law, I continue to be, like all Timorese, a Portuguese citizen and before my own conscience I am a citizen of East Timor.

It is in these terms that I reject the competence of any Indonesian court to try me, and particularly the jurisdiction of this court which has been imposed by force of arms and crimes against my homeland, East Timor.

I believe that the international press has not failed to notice the massive political stage-managing has occurred. In case this has gone unnoticed, I now want to draw the attention of everyone to the fact that I feel like a foreigner in my own land. In prison at Polwil [the regional police command] I am completely surrounded by Indonesians; officers from BAIS [the Strategic Intelligence Agency] and men from Kopassus [the red-beret elite troops] are my wardens. I asked for a visit from the Bishop and they sent me an Indian priest who is a defender of integration.

Here in this so-called court, I see only Indonesians and above all, Indonesian military from Kopassus and BAIS. According to Indonesian law, trials of this nature are, or should take place in, public. Every time that I enter this courtroom, the public that I see are these same military authorities, some of whom have been the main actors in my case, throughout my imprisonment. The Timorese, my compatriots, are out in the street under strict surveillance. This is the blatant rule of the occupier. This is the display of foreign oppression, foreign domination which flaunts the arrogant contempt of the colonisers.

The question of East Timor is the responsibility of the international community, a question of international law. It is a case in which universal principles are at stake, a case where the decolonisation norms of the UN have been manipulated, a case where Indonesia has disregarded the resolutions of the UN, a case therefore of the flagrant violation of the principles of the Non-Aligned Movement, and of the universal pattern of law, peace and justice.

Every Indonesian is bound to the policy of their own nation, and their understanding of East Timor is the product of how their government sees it, unless they listen to their own consciences and commit themselves to the universal principles of justice, freedom and the rule of law.

For 17 years, East Timor, the other side of the coin, has been the story of the great Indonesian farce. For almost four months I have been used as part of this shameful force. Whether cleverly or unfortunately is not for me to judge.

This court claims that it is trying me for crimes committed against the Indonesian state and for the illegal possession of firearms. I know that everything has been arranged for me to be acquitted. . . .

The ones who should be standing before an international court are, in the first place,

The Indonesian government for crimes committed in the past 17 years in East Timor;

The US administration which gave the green light to the invasion on 7 December 1975 and have since given military aid and political support for Indonesia's genocide in East Timor;

The governments of Australia and western Europe for their policy of complicity towards Indonesia;

And finally, the Portuguese government for its grave irresponsibility in the decolonisation of East Timor.

The UN recognises as legitimate all means of opposition to the colonial presence in any part of the world where people are fighting for liberation. My struggle and the resistance of my people and of Falintil [the armed forces of the East Timorese resistance movement, the CNRM, the National Council of Maubere Resistance] should be placed in this context, standing above Indonesian law.

Mr. Sudjono, in his demurrer [eksepsi] tried to adopt a more liberal position when he questioned the Ballbo Declaration, but he did not deal with the fundamental problem the illegality of the annexation of East Timor by means of force. The key question in this court is the so-called "process of the integration of East Timor."

I remind you here that in Denpasar I was compelled to make statements apologising to the Indonesian army of the massacre of Santa Cruz, a massacre which was perpetrated by the Indonesian army and not by me. I remind you as well that in Jakara, I declared, on the specific Instructions of the puppet governor, Abilio Osorio, that I was prepared to surrender.

This court must surely agree with me that it went too far in saying that Frerillin "dared to impose its will on the people" and that the afore-mentioned Bali Beach proclamation (the "Balibo Declaration,' purportedly signed in Balibo, East Timor, by several East Timorse on 30 November 1975, was in fact signed in Bali, Indonesia at the Bali Beach Hotel expressed the genuine will of the people of East Timor. The court omitted the political element which would have given it the juridical validly on which everyone insists; representation of the wall of the majority of the people. This is the condition sine qua non.

Until this very moment, the UN does not recognize Indonesian sovereignty over East Timor, a sovereignty which was imposed by the means of force, by the practice of violence and the systematic violation of the most fundamental human rights.

This court mentioned the date 17 December 1975 as the day of the formation of a provisional government and a local assembly. And since all the Indonesians have forgotten, it is my duty to recall here the tragic day, 7 December of that same year. The 7 December 1975 which witnessed the cowardly and shameful Indonesian invasion, the day on which Indonesian troops indiscriminately massacred the defenceless population of Dili, causing thousands of deaths among the elderly, women and children, including an Australian journalist.

While the Balibo statement was signed with the blood of four Australian journalists who were murdered by Indonesian troops during the attack on the village of Balibo, the so-called Indonesian provisional government was formed over the corpses of the Timorese massacred between the 7 and the 17 of December of that year.

A government which was established to the accompaniment of the sound the sea and land shelling of the defenceless population, to the sound of advancing tanks and canons, can such a government claim any juridical standing? In my opinion, it has the same standing as the advance of the Iraqi troops in Kuwait, the same dimension as the advance of Russian tanks into Kabul, the same character as the Vietnamese invasion of Cambodia.

The court said that Fretilin was opposed to the referendum, should the people choose integration. However, quoting the so-called petition, the court mentioned that Arnaldo de Araujo, Gulherme Goncalves, and the president, General Suharto, convinced Parliament to approve in haste integration without any referendum. After all, who was it who did not want a referendum, Fretilin or Indonesia?

On behalf of which people was that so-called petition signed? Today, the Indonesian government can show the world its de facto control of the territory, and claims to be developing the territory which is occupying, while at the same time condemning the ones who were not able to do this, namely Portugal. Is it that because Portugal failed to develop East Timor for four hundred years, we Timorese have had to pay for the errors of one coloniser while also paying for the crimes of the other coloniser?

The lies of the Indonesians.

I have been lectured a lot about the backwardness of Portuguese colonialism as if I did not live under that colonialism. They want to show me the development in East Timor as if this were just a matter of statistics, to be compared with the Portuguese colonial period. I should ask whether colonialism can be quantified as good or bad.

I have been in contact with Irian Jayan officers who spoke to me about the great Indonesian family and I was disgusted with these men. I met a Sumatran, a translator from BAIS who speaks Portuguese and had nothing but praise for his Javanese brothers, and I felt repulsion. I have met officers from Sulawesi who told me about Indonesian "standards" and I felt an emptiness inside me.

The concept of realpolitik has acquired a new dimension for me. Political realism is political subservience, the denial of the individual conscience, the death of the conscience of a people.

I understand very well what scares Indonesia today, like yesterday. The ideological anachronism/orthodoxy of ethnic groups which has motivated the war in Yugoslavia and in the republics of the former Soviet Union. The theories are not proving history to be right, it is history which is validating genuine and false theories.

The facts described by Mr. Sudjono originate from the misconceptions which he has an Indonesian citizen who is bound to the policies of his government. By the way, he was appointed by BAIS and therefore by the Indonesian government. On 22 December, I read a letter that was addressed to me by the LBH [the Legal Aid Institute]. On 23 December I replied to that organisation, accepting a lawyer. But I was compelled to renounce it. On the 30 of the same month, I had to write a letter to the LBH refusing their offer. My initial letter which had been intercepted was returned to me.

BAIS is a powerful machine of the Indonesian secret police, and Kopassus are their sinister tentacles. The Indonesian military don't accept any other policy other than the one dating from 7 December 1973. In my case, both BAIS and the Indonesian government decided to play it by taking the least possible risks, manipulating the entire proceedings. To be able to be here today and to be able to talk as I am now doing, I also chose to take risks inherent to my struggle. I have always told everyone: "You are talking with Xanana and not with one of his 'anggoras'" ['members' or subordinates].

My own situation in which all my movements were rigorously controlled reminded me of the total control that followed in the wake of the cowardly massacre of Santa Cruz against the population of Dili and in particular against the heroic youth of East Timor.

In Polwil where they try to flatter me with exaggerated attention, the inscriptions written by the prisoners, my companions, on the prison walls, remind me constantly of the sufferings of many of my compatriots, victims of all kinds of torture and also remind me constantly of the unforgettable 12 November 1991. What did the peaceful demonstration of 12 November want? To remind Jakarta and to remind the world of the need for dialogue, to remind Jakarta and remind the world that there is something profoundly wrong in East Timor.

On the day of my capture, in the meeting I had with General Try Sutrisno, I mentioned the question of dialogue with representatives of the people of East Timor. One of the twenty generals who were present and were congratulating each other for the imminence of their easy victory, asked me, furiously: "Rakyat mana?" [What people?] and when I answered: "Let's have a referendum," the Indonesian generals had to swallow their own arrogance. On the next day, 21 November—I was already in Denpasar—when the wife of the local panglima [military commander], surprised by the extent of the support I had, said, "after all, many people support him," a high-ranking officer said, "possibly all the people of East Timor."

During the period of interrogation by BAIS in Jakarta, I realised the following:

The war in East Timor is in essence a matter for BAIS, it is not a political issue for the government in Jakarta as one might have thought.

Mr. Pieter Kooijmans was the rapporteur of the UN sent to east Timor with the agreement of Jakarta to investigate in loco violations of human rights in the territory, violations which had always been denied by Indonesia at the UN. During his visit, a massacre was perpetrated in cold blood. . . .

The corpses have disappeared to this day or rather, were thrown into mass graves. Where? Only the forces of occupation know. Many of the murderers are present in this room, men from Kopassus, intel [intelligence] men, the men in whose hands the entire political life in East Timor and also of Indonesian rests.

What or who are the Indonesian forces of occupation afraid of? Of the defenceless population, of a population that you, gentleman, say are satisfied with integration? Whom do you want to terrorise?

In the UN, Jakarta cannot suppress the fact that Portugal is an interested party in the solution of the problem. And so, Jakarta should also never forget that the Maubere people [the people of East Timor] have already demonstrated that the idea, the objective for which they have fought and resisted to this day can never die. People die but ideas stay alive.

If the Indonesian government does not know this, BAIS knows it very well. The witness, Saturnino da Costa Belo, is a clear example of the heroism of these people. The farce of the hastily drafted medical certificate stating that Saturnino was ill should make you blush with shame, all of you gentlemen here present, because you know very well that the question rests here with you.

On the first day and on the following days, they asked me whether I considered myself to be an Indonesian and I always replied in this way: If I say yes, the bapaks [the mock deferential word meaning 'fathers' by which the East Timorese address Indonesian troops] will not believe me. First they laughed but then they gritted their teeth.

The Indonesian generals do not care about the spirit, the conscience of the people. They are quickly satisfied when we just do what they want. I don't know if this is because of naivete or because of the culture of their military training.

I know that BAIS made the necessary arrangements for me to be spared the death penalty and if I were to praise integration, I would be acquitted.

I remember once while in Jakarta, in order to make a change from recording all my movements in jail, they took me handcuffed for a tour of the city and they showed me the gold of Monas, the national monument of Indonesia. I felt like shouting to my warders that I would never sell my soul for the crest of gold Monas, and still less would I ever sell my people. I cannot betray the hope of my people to one day live free and independent.

I can never recognize the criminal occupation of East Timor only in order to be able to live for a few more years. My struggle is superior to my own life. The people of East Timor have sacrificed their lives and continue to suffer.

I continue to recall the need for dialogue, with the participation of the East Timorese. I have always said to all those who wanted to listen to me that the Maubere people don't like the word, 'pembangunan' [development]. The problem is that it is not free. Freedom is what my people value, the aim of their struggle. Dom Ximenes Belo put it very clearly when he wrote to the UN Secretary-General: "We are dying as a people and as a nation."

The Indonesian ambassador to the UN came to ask for my cooperation. He asked me to be consistent in what I said. I noticed that the Indonesians have completely forgotten that I fought for 17 years and, in order to be consistent, I must be consistent towards my people and never towards the assassins of my people, towards the invaders of my homeland.

Minister Ali Alatas in a speech last January said the following: "If we don't accept, if Jakarta, won't accept a referendum, it is not because we are afraid of losing the vote but because many people have already suffered so much."

The ambassador to the UN told me: "The problem is that dialogue as it is conceived by us (and therefore by Jakarta) has its parameters. We do not accept a referendum."

In 1983, during the ceasefire, the then Majors [name illegible] and Gatot told us clearly: "We don't accept a referendum because we know that all the people belong to Fretilin!"

Many witnesses who were brought here were inhibited from saying what they wanted to say. All the defendants had to declare that they surrendered of their own free will.

This court condemned the victims who were held in Polwil, the prisoners were inhumanely maltreated. It is enough to take a look at the witnesses who were brought here and who are still in jail. They are so thin.

Were those responsible for these murders ever brought before this court to answer for their crimes? What is the worth of a law which closes its eyes to the ghastly crime of 12 November? Which moral value, which pattern of justice, do the Indonesian uphold, to declare criminals to be heroes and condemn the victims.

All the proceedings connected with my trial are a matter for BAIS and Kopassus, and their officers fill this room, watching everything and everybody. Jakarta should be ashamed of its criminal behaviour in East Timor and should, since long, have recognized that it has lost in East Timor.

The Indonesian generals should be made to realise that they have been defeated in East Timor. Here, today, as the commander of Falintil, the glorious armed forces of national liberation of East Timor, I acknowledge military defeat on the ground. I am not ashamed to say so. On the contrary, I am proud of the fact that a small guerrilla army was able to resist a large nation like Indonesia, a regional power which in a cowardly fashion invaded us and want to dominate us by the law of terror and crime, by the law of violence, persecution, prison, torture and murder.

The moment has come for Jakarta to recognise its political defeat on the ground. I don't know if it was to impress me that they placed armed tentaras [soldiers] on the route from Polwil to the court.

I have been flattered in all kinds of ways in order to convince me to behave here like a docile Indonesian. I have had to behave like one, and the witnesses brought here have also had to behave in the same way. I know that behind me, the men from BAIS and Kopassus are gritting their teeth with rage. They should be doing it for being the real murderers of the Maubere people.

Who is afraid of a referendum? Why are they afraid of the referendum? I am not afraid of a referendum. And if today, under international supervision, the Maubere were to choose integration. I would make a genuine appeal to my companions in the bush to lay down their arms and I would offer my head to be decapitated in public.

Whoever is afraid of the referendum is afraid of the truth.

Why is there all that military apparatus in front of this disgusting court? Why are their armed soldiers posted along the route with their arms held at the ready?

I appeal to the new generation of Indonesians to understand that the people of East Timor attach much more value to freedom, to justice and to peace than to the development which is carried out here with the assistance of Australia, the United States and other European countries who maintain close economic relations with Jakarta.

I appeal to the people of Indonesia to understand that according to universal principles and international law, East Timor is considered to be a non-autonomous territory in accordance with the norms that govern decolonisation. I appeal to the Indonesian people to understand that East Timor is not a threat to Indonesia or a factor threatening Indonesia's security. The story they tell you, that East Timor is communist, is old [stale]. We don't want to dismember Indonesia. The fact is that East Timor was never part of Indonesia.

I appeal to the international community to understand that it is time to show that the New World Order is about to begin. This requires acts that will bring to an end the situation inherited from the past.

I appeal to the European Community to be consistent with its own resolutions and also to be consistent with all the resolutions adopted regarding East Timor.

I appeal to all the friends of East Timor, parliamentarians from Europe, America, Japan and Australia, to go on pressing their own governments to change the double standards applied to similar cases where systematic violations of UN resolutions occur, as in the case of Indonesia's behaviour regarding East Timor.

I appeal to President Bill Clinton to reconsider the problem of East Timor and to press Jakarta to accept dialogue with the Portuguese and the Timorese in the search for an internationally-acceptable solution.

I appeal to the Portuguese Government never to abandon its responsibility towards East Timor.

I appeal to the Secretary-General of the UN to ensure that the solution he seeks for East Timor is based on universal principles and international law.

Finally, I appeal to the government of Indonesia to change its attitude and to realise that the moment has come to understand the essence of the struggle in East Timor.

From today, I will start a hunger strike, as a practical way to appeal to the EC, the US government and the government of Australia.

No agreement can be reached between a prisoner and his warders.

To the Secretary-General of the UN, I would like to say that I am ready to participate in the negotiating process at any moment or in any place. I will however, never accept to be a part of the Indonesian side in the negotiations because I am not willing to participate in the farce of integration and in the criminal repression of my people.

As a political prisoner in the hands of the occupiers of my country, it is of no consequence at all to me if they pass a death sentence here today. They have killed more than one third of the defenceless population of East Timor. They are killing my people and I am not worth more than the heroic struggle of my people who, because they are a small and weak people, have always been subjected to foreign rule.

DILI, *27 March 1993*.

(signed) X Gusmao,
Member of CNRM,
Commander of Falintil.

Mr. PELL. I yield the floor.

Mr. CHAFEE addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Rhode Island.

(The remarks of Mr. CHAFEE pertaining to the introduction of S. 1013 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. CHAFEE. I thank the Chair. I see no one present, so I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. FORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed to executive session to consider the following nominations: Calendar 124, 133, 134, 135, Calendar 170–177, Calendar 180–186; I ask unanimous consent further that the nominees be confirmed en bloc; and that any statements appear in the RECORD as if read; that the motion to reconsider be laid upon the table en bloc; that the President be immediately notified of the Senate's action; and that the Senate return to legislative session.

Mr. President, I ask that consideration of Calendars 176 and 183 be vitiated.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. CHAFEE. Mr. President, was I correct that what we did then was to take 180, 181, 182, 184——

Mr. FORD. 180–186, with the exception of 183; then 170–177, with the exception of 176.

The ACTING PRESIDENT pro tempore. Without objection, the unanimous-consent request is agreed to.

The nominations considered and confirmed are as follows:

DEPARTMENT OF THE INTERIOR

Daniel P. Beard, of Washington, to be Commissioner of Reclamation.

DEPARTMENT OF LABOR

Geri D. Palast, of California, to be an Assistant Secretary of Labor.

Thomas P. Glynn, of Massachusetts, to be Deputy Secretary of Labor.

Thomas S. Williamson, Jr., of California, to be Solicitor for the Department of Labor.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Avis LaVelle, of Illinois, to be an Assistant Secretary of Health and Human Services.

Jerry D. Klepner, of Virginia, to be an Assistant Secretary of Health and Human Services.

Harriet S. Rabb, of New York, to be General Counsel of the Department of Health and Human Services.

Kenneth S. Apfel, of Maryland, to be an Assistant Secretary of Health and Human Services.

Walter D. Broadnax, of New York, to be Deputy Secretary of Health and Human Services.

Bruce C. Vladeck, of New York, to be Administrator of the Health Care Financing Administration.

DEPARTMENT OF THE TREASURY

Jean E. Hanson, of New York, to be General Counsel for the Department of the Treasury, vice Jeanne S. Archibald, resigned.

DEPARTMENT OF STATE

Marshall Fletcher McCallie, of Tennessee, a career member of the Senior Foreign Service, class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Namibia.

Mark Johnson, of Montana, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Senegal.

Douglas Joseph Bennet, Jr., of Connecticut, to be an Assistant Secretary of State.

Karl Frederick Inderfurth, of North Carolina, to be the Alternate Representative of the United States of America for Special Political Affairs in the United Nations, with the rank of Ambassador.

U.S. INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

Ruth R. Harkin, of Iowa, to be President of the Overseas Private Investment Corporation.

U.S. INFORMATION AGENCY

Joseph D. Duffey, of West Virginia, to be Director of the U.S. Information Agency.

LEGISLATIVE SESSION

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will return to legislative session.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT ON THE DISTRICT OF COLUMBIA GOVERNMENT'S 1994 BUDGET REQUEST AND 1993 BUDGET SUPPLEMENTAL REQUEST—MESSAGE FROM THE PRESIDENT—PM 23

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Appropriations:

To the Congress of the United States:

In accordance with the District of Columbia Self-Government and Governmental Reorganization Act, I am transmitting the District of Columbia Government's 1994 budget request and 1993 budget supplemental request.

The District of Columbia Government has submitted a 1994 budget request for $3,389 million in 1994 that includes a Federal payment of $671.5 million, the amount authorized and requested by the Mayor and City Council. The President's recommended 1994 Federal payment level of $653 million is also included in the District's 1994 budget as an alternative level. My transmittal of the District's budget, as required by law, does not represent an endorsement of its contents.

I look forward to working with the Congress throughout the 1994 appropriation process.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *May 24, 1993.*

MESSAGE FROM THE HOUSE

At 4:22 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 820. An act to amend the Stevenson-Wydler Technology Innovation Act of 1980 to enhance manufacturing technology development and transfer, to authorize appropriations for the Technology Administration of the Department of Commerce, including the National Institute of Standards and Technology, and for other purposes.

H.R. 873. An act to provide for the consolidation and protection of the Gallatin Range.

MEASURES REFERRED

The following measures, were read the first and second times by unanimous consent, and referred as indicated:

H.R. 820. An Act to amend the Stevenson-Wydler Technology Innovation Act of 1980 to enhance manufacturing technology development and transfer, to authorize appropriations for the Technology Administration of the Department of Commerce, including the National Institute of Standards and Technology, and for other purposes; to the Committee on Commerce, Science, and Transportation.

H.R. 873. An Act to provide for the consolidation and protection of the Gallatin Range; to the Committee on Energy and Natural Resources.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-844. A communication from the Principal Deputy Comptroller, Comptroller of the Department of Defense, transmitting, pursuant to law, the report on program activities to facilitate weapons destruction and nonproliferation in the Former Soviet Union for the period January 1, 1993, through March 31, 1993; to the Committee on Armed Services.

EC-845. A communication from the Secretary of Transportation, transmitting, a draft of proposed legislation entitled "Marine Safety Act of 1993"; to the Committee on Commerce, Science, and Transportation.

EC-846. A communication from the Deputy Associate Director for Compliance (Minerals Management Service), United States Department of the Interior, transmitting, pursuant to law, notice of the intention to make refunds of offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-847. A communication from the Acting Director of the United States Information Agency, transmitting, a draft of proposed legislation entitled "United States Information Agency Authorization Act, Fiscal Years 1994 and 1995"; to the Committee on Foreign Relations.

EC-848. A communication from the President of the United States, transmitting, pursuant to law, a report on the status of efforts to obtain Iraq's compliance with the resolutions adopted by the U.N. Security Council; to the Committee on Foreign Relations.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. FORD, from the Committee on Rules and Administration, without amendment:

S. 779. A bill to continue the authorization of appropriations for the East Court of the National Museum of Natural History, and for other purposes (Rept. No. 103-48).

By Mr. FORD, from the Committee on Rules and Administration, without amendment:

S. 1010. An original bill authorizing appropriations for the Federal Election Commission for fiscal year 1994 (Rept. No. 103-49).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. BIDEN, from the Committee on the Judiciary:

Webster L. Hubbell, of Arkansas, to be Associate Attorney General;

Drew S. Days III, of Connecticut, to be Solicitor General of the United States; and

Philip Benjamin Heymann, of Massachusetts, to be Deputy Attorney General.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees[1] commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. HELMS:

S. 1009. A bill to provide for the liquidation or reliquidation of a certain entry of warp knitting machines as free of certain duties; to the Committee on Finance.

By Mr. FORD:

S. 1010. An original bill authorizing appropriations for the Federal Election Commission for fiscal year 1994; from the Committee on Rules and Administration; placed on the calendar.

By Mr. PRYOR (for himself and Mr. COHEN):

S. 1011. A bill to amend title XI of the Social Security Act to improve and clarify provisions prohibiting misuse of symbols, emblems, or names in reference to social security programs and agencies; to the Committee on Finance.

By Mr. EXON:

S. 1012. A bill to suspend temporarily the duty on 3,4,4'- trichlorocarbanilide; to the Committee on Finance.

By Mr. CHAFEE (for himself and Mr. THURMOND):

S. 1013. A bill to amend the Internal Revenue Code of 1986 to provide an election to exclude from the gross estate the value of land subject to a qualified conservation easement if certain conditions are satisfied, to permit a qualified conservation contribution where the probability of surface mining is remote, and to make technical changes to the alternative valuation rules; to the Committee on Finance.

By Mr. DECONCINI (for himself, Mr. BREAUX, Mr. DURENBERGER, and Mr. D'AMATO):

S. 1014. A bill to amend the Communications Act of 1934 to ensure competition in the provision of electronic security services; to the Committee on Commerce, Science, and Transportation.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. MOYNIHAN (for himself, Mr. SIMON, Mr. PELL, Mr. HELMS, Mr. BIDEN, Mr. JEFFORDS, Mr. MCCONNELL, Mr. D'AMATO, and Mr. KERREY):

S. Res. 112. A resolution urging sanctions to be imposed against the Burmese government, and for other purposes; to the Committee on Foreign Relations.

By Mr. SIMON (for himself, Mr. JEFFORDS, Mr. KERRY, Mr. WOFFORD, Mr. KENNEDY, Mr. DECONCINI, Mr. FEINGOLD, Ms. MOSELEY-BRAUN, Mr. DURENBERGER, and Mr. AKAKA):

S. Con. Res. 26. A concurrent resolution urging the President to redirect United States foreign assistance policies and spending priorities toward promoting sustainable development, which reduces global hunger and poverty, protects the environment, and promotes democracy; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HELMS:

S. 1009. A bill to provide for the liquidation or reliquidation of a certain entry of warp knitting machines as free of certain duties; to the Committee on Finance.

DUTY LEGISLATION

Mr. HELMS. Mr. President, I am today introducing legislation on behalf of D&S International of Burlington, NC.

D&S imported four warp knitting machines from Germany at a duty-free rate. D&S then sold the machines to a Venezuelan company, which decided not to keep the machines and returned them to D&S. Upon reentry, the Customs Service mistakenly classified the machines first as a reentry of a United States good, instead of a Germany good, and then misclassified them at a duty rate of 4.4 percent.

D&S contacted Customs by memorandum to protest the duty assessment. However, Customs ruled that the memorandum did not qualify as a formal protest because D&S did not file form 19. Amazingly, there is no right of appeal within Customs on these rulings if a company misses the deadline for protesting. D&S would have to spend a lot of money going to court to try to rectify the mistake.

As a result of these mistakes, D&S now owes approximately $25,000 in duties on machines that were supposed to be duty free. This error by the Customs Service will be remedied by my bill, which instructs Customs to reclassify the machines as duty free and refund to D&S the duties improperly assessed.

By Mr. PRYOR (for himself and Mr. COHEN):

S. 1011. A bill to amend title XI of the Social Security Act to improve and clarify provisions prohibiting misuse of symbols, emblems, or names in reference to Social Security programs and agencies; to the Committee on Finance.

SENIOR CITIZEN PROTECTION ACT OF 1993

Mr. PRYOR. Mr. President, the other night I was sitting at home here in Washington and I saw a commercial that alarmed me, on television, 30 seconds. It was warning senior citizens that disastrous legislation would strike them unless they called a 1–800 number to register their concern. It was what I call, simply put, a scare ad.

I decided to call this 1–800 number and I dialed it and I dialed it and I dialed it and finally I got an answer. I discovered very quickly that it belonged to a profit-making group named United Seniors. What they wanted basically was about $10 to send a message to my Senators and my elected Representatives. They said the charge would be added by next telephone bill. I asked them why could I not simply put 29 cents on my own letter and write my own Senators and Congressmen. They replied, because that will not be heard in Washington.

The funny thing is that as a Senator and as the chairman of the Special Committee on Aging, I do not ever recall having once heard from United Seniors. But, Mr. President, United Seniors has, in fact, convinced hundreds of thousands of senior citizens across America to contribute millions of dollars over the past year. Yet, it has no lobbyists, its directors are experts in fundraising and scare tactics and not the problems of the elderly.

The television ad that I saw that evening was just the tip of the iceberg when it comes to scaring senior Americans. A growing number of profiteers are targeting the elderly because they might be unsuspecting, vulnerable, or afraid. To put it quite simply, these people make their profit from fear. These groups claim that Social Security and Medicare are about to fall apart and can be saved only if seniors send in a contribution. For a price, they claim, they will get you a better Social Security check or stop new taxes from being placed on your benefits.

Rarely, if ever, do any of us on Capitol Hill actually ever hear from these particular groups. When we do, they are just forwarding a batch of petitions or maybe sending an occasional letter. I tell my constituents from Arkansas, Mr. President, that if you want to contact me, send a letter or a postcard to me directly. Spend 29 cents and save that $10 or $20 or $50 in membership donations.

Seniors should think twice before sending their retirement funds to these modern-day snake-oil salesmen. Seniors need to stop and ask: Who is this group and what are they all about? I think if more people knew the answers to these questions, they would keep their checkbooks in the drawer.

The fact is that a number of these organizations that have led efforts to prey upon the elderly were set up, in fact, by a right-wing fundraiser named Richard Viguerie. He is best known as the pioneer of the direct mail fundraising technique that led to the rise of the New Right in the 1970's. He was invited, in fact, to testify before the Senate Finance Committee to discuss the concerns about some of his fundraising tactics in 1989.

I might say to no one's surprise, he refused. He still refuses to explain his actions to the Congress or to the press. As chairman of both the Senate's Postal Subcommittee and the Aging Committee, I have been recently assessing unethical mailing practices. Mr. Viguerie's name comes up repeatedly during these assessments. He is an opportunist who is operating at the very fringes of the law, and I might say at the expense of the very people for whom they claim concern.

His goal, Mr. President, is not to help older people. His goal is to generate money for his own pocket and for his own organizations. He and other profiteers use these donations to fuel their direct mail operations across America. They get rich, while the only thing the seniors get is the thrill of having their names and addresses sold to other organizations who will ask them for more money. It is a vicious cycle and the elderly people of our country have become the victim in a national con game.

Mr. Viguerie's career of preying upon the elderly began when he joined forces in the late 1980's with something called the Taxpayer Education Lobby. According to that group's internal documents, it had been interested only in public-school-related issues up until that time. Then Mr. Viguerie set up a for-profit corporation that he called the Retired Americans Legislative Lobby, Inc. In fact, it was called RALLI, R-A-L-L-I, for short. My staff had a hard time tracking RALLI down. When they did not answer their phone, did not respond to messages on the answering machine, an investigator went to the address listed on their forms. All our investigator found when he got there was a townhouse in Maryland with a sign posted outside, Association Growth Enterprises.

Mr. President, here is a picture of that Maryland townhouse, Association Growth Enterprises, our investigator took. When he went inside to seek information about RALLI, he was given a slip of paper simply with the phone number of Richard Viguerie Associates.

When RALLI ultimately ran into debt, Mr. Viguerie was smart enough and cunning enough to fold it into a new nonprofit organization that takes advantage of large postal subsidies to send fright mail. That group, yes, became ultimately United Seniors, the group I called on the telephone recently on a night after seeing their commercial. Even more recently, Mr. President, Mr. Viguerie has now started yet another nonprofit organization named the "60/Plus Association," to solicit seniors on the same issues, using the same mailing lists.

Mr. President, I hope that seniors across America will take note of these organizations and beware of the names of these firms when they are sending their hard-earned money in, usually their retirement dollars.

There are also some other groups exploiting the profitable world of senior issues. I recently came across a mailing, this one from the National Center for Privatization. I think this one deserves a little special notice, Mr. President. In fact, a message on the envelope screams loudly in bold print: "Former Social Security Commissioner Reveals the Crisis Facing Social Security," with "Social Security" written in capital letters. This mailing is clearly designed to look like an official Government mailing. It even proclaims a $1,000 reward for information leading to the arrest and the conviction of any persons illegally interfering with or destroying the enclosed documents.

Mr. President, here is a copy of that particular document.

Now, Mr. President, let us talk just a moment about who this particular organization actually is. It is called the National Center for Privatization. They have a post office box in Washington, DC. In fact, they have a telephone number over in Virginia. And I tried as recently as about 30 minutes ago, Mr. President, to dial that number, and all I got was an answering machine.

This organization is run by Dorcas Hardy. She was the U.S. Commissioner of Social Security from 1986 to 1989. When she was the Commissioner of Social Security, I asked Mrs. Hardy before the Aging Committee for violating the privacy of Social Security records by using them to assist with credit checks. She lost her job in that particular capacity a few weeks later, but now she is shamelessly, and I say shamelessly, using her former position to scare senior citizens across America into sending their money to her organization.

We are still looking into it, Mr. President. But you can bet that most of these contributions will go directly to Mrs. Hardy and her organization, not to lobby Congress but for sheer profit and to pay for more fright mailings.

Such scare tactics are shameful because they undermine the truth. For example, yet another mailing I recently came across proclaimed that "all the Social Security money is gone." This is a mailing from a similar organization. In fact, nothing is further from the truth. The Social Security funds are in good shape. They are increasing by more than $1 billion a week, and we are considered to be solvent well into the next century. But telling the whole truth would not scare seniors enough into making a contribution, so the parade of lies continues.

A special word of thanks, Mr. President, to the chairman of the Finance Committee, Senator MOYNIHAN, who has for a long time taken issue with the tactics that these organizations have used. Senator MOYNIHAN and I have discussed these tactics and solutions and ways that we may be able to stop them in the future from mailing out these very frightening pieces of mail.

In the early 1980's, Mr. President, Congress enacted legislation which gave the Postal Service greater authority to crackdown on bogus weight loss and cancer cures sold through the mail. In 1989, the late Senator John Heinz and I sponsored and won approval of the Deceptive Mailings Prevention Act. This law was designed to stop nonprofit groups and businesses from sending mailings that looked like they were coming from a government agency.

However, Mr. President, these groups are smart and they operate on the fringe of the law. We cannot stand idly by while the airwaves and U.S. mail are used to take advantage of anyone, especially senior Americans. The elderly can least afford to pay for the wares of these modern-day snake oil salesmen.

Mr. President, how much time do I have remaining.

The ACTING PRESIDENT pro tempore. The Senator has 2 minutes 30 seconds remaining.

Mr. PRYOR. Mr. President, I will conclude and introduce the Senior Citizen Protection Act of 1993, to battle communications that are cloaked to resemble official notices from the Department of Health and Human Services. This bill, which I also introduced last year, was approved by Congress. It became integrated into H.R. 11, which was the revenue act of 1992. It was, of course, ultimately vetoed by former President Bush. Once again, I hope my colleagues will join me in promoting this much needed legislation.

I also plan to reintroduce very soon a stronger version of the Consumer Mail Fraud Protection Act, which I introduced at the end of the last Congress. This legislation, Mr. President, will give postal inspectors additional tools to fight fraud and will require mailers to disclose who they are and where the money they raise will go.

Finally, Mr. President, 30 years ago we would not have needed this type of legislation. There were few computers. There were no electronic mailing lists. But today these companies trade mailing lists like baseball cards. They have become one of the most valuable commodities in our economy.

Those lists are made up of people, people with real names and real lives. Many of those people are vulnerable to scare tactics, especially from someone who poses as the U.S. Government. These vulnerable people can be brought to believe that something is going to happen when in fact it is not.

Public awareness is a key to solving this problem. Seniors need to be alerted. They need to be on guard. My legislation also, I believe, will help to combat this problem by not only increasing the penalties but tightening the rules against misleading mailings.

Mr. President, it is a terribly hard thing to deal with fear. It is equally hard to deal with lies, but it is time that we try to deal with them when it comes to the schemes that prey especially upon the elderly of America.

Mr. President, I ask unanimous consent that a short summary of the Senior Citizen Protection Act of 1993 be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SUMMARY OF THE SENIOR CITIZEN PROTECTION ACT 1993

Problem: During the past decade, soliciting senior citizens by deceptive means has become big business. In their solicitations, various organizations have attempted to imply connections with Federal government agencies to lend credence to their scams. Existing provisions in the Social Security Act to prevent such fraud have proven inadequate to deter all deceptive mailings.

Present law: In 1988, Congress enacted a provision prohibiting the misuse of words, letters, symbols and emblems of the Social Security Administration (SSA) and the Health Care Financing Administration (HCFA) in a manner that the user knows or should know would convey the false impression that their mailings or solicitations were approved, endorsed or authorized by SSA or HCFA. The law permits the Department of Health and Human Services (HHS) to impose civil monetary penalties not to exceed $5,000 per violation or, in the case of a broadcast or telecast, $25,000 per violation. The total amount of penalties which may be imposed is limited to $100,000 per year.

Bill summary: the bill would eliminate the $100,000 annual cap on penalties in order to create an adequate deterrent for groups that take in millions of dollars per year by engaging in deceptive practices.

The bill adds protection for the names, letters, symbols or emblems of the Department of Health and Human Services, the Supplemental Security Income program, and the Medicaid program.

The bill would define a "violation" as each individual piece of mail in a mass mailing, overriding current regulations that define an entire mass mailing as only one violation. This further strengthens the deterrent against deceptive mailings.

The bill would add a new definition of a deceptive mailing. In addition to the current law standard which prevents an organization or a person from using names and symbols in a manner that such a person "knows or should know would convey a false impression" of a relationship with SSA, HCFA, or HHS, the bill would add a prohibition against the use of the names or symbols in a manner that "reasonably could be interpreted or construed as conveying," a relationship to those agencies. Further, the bill provides that determining violations is to be done without regard to disclaimers.

The bill would eliminate the existing requirement that the Department of Justice review and formally decline to handle cases on deceptive mailings under the Social Security Act. The current requirement needlessly delays action by HHS, and the DOJ has shown no interest in pursuing this area.

Finally, the bill would require HHS to report annually to Congress on enforcement actions taken in deceptive mailings.

By Mr. EXON:

S. 1012. A bill to suspend temporarily the duty on 3,4,4′-trichlorocarbanilide; to the Committee on Finance.

TRICHLOROCARBANILIDE DUTY SUSPENSION ACT OF 1993

• Mr. EXON. Mr. President, I am pleased to introduce legislation to suspend the duty for an important ingredient used in the production of Dial soap manufactured in Omaha, NE.

This ingredient known as Trichlo rocarbanilide is an antibacterial agent which is uniquely effective in bar soap. Suspension of this duty would allow American soapmakers to compete internationally. Soap made in Omaha is sold in the international market and suspending the duty will make this product more competitive. Suspension of this duty will help keep jobs and expand opportunities for the workers at Omaha's Dial soap factory.

When similar legislation was introduced in the last Congress by former Senator Alan Dixon, no opposition emerged. This legislation should be noncontroversial and included in the routine package of duty suspensions which the Congress considers on a regular basis.•

By Mr. CHAFEE (for himself and Mr. THURMOND):

S. 1013. A bill to amend the Internal Revenue Code of 1986 to provide an election to exclude from the gross estate the value of land subject to a qualified conservation easement if certain conditions are satisfied, to permit a qualified conservation contribution where the probability of surface mining is remote, and to make technical changes to the alternative valuation rules; to the Committee on Finance.

THE RURAL LAND CONSERVATION ACT OF 1993

Mr. CHAFEE. Mr. President, one of the most serious environmental problems facing this country is the loss to development of open spaces, including farms, forests, ranches, and wetlands. All across the country, public access to recreational opportunities are being threatened by the rapid disappearance of open space due to urbanization and improper planning.

America is losing over 4 square miles of farmland, forest land, and ranch land to development every day. These areas improve the quality of life for Americans throughout this great Nation and provide important habitat for fish and wildlife. The question is how do we conserve our most valuable resource during this time of significant budget constraints.

The President's budget for 1994 recommends a significant reduction in the amount of money that will be provided to the Federal Government's land acquisition program. Given the fiscal constraints of the Federal Government's ability to expand the National Park System, now more than ever, we need to find ways to encourage the private sector to preserve our open spaces.

The Rural Land Conservation Act of 1993, that I am introducing today, along with Senator THURMOND, will help to achieve this goal by providing incentives for private efforts to conserve environmentally and esthetically important areas.

This bill is similar to S. 2957, which I introduced along with Senator BAUCUS last year. Since the introduction of that bill, we have worked with the Piedmont Environmental Council to modify this proposal to ensure that the tax benefits will go only to those private landowners who conserve open spaces through the creation of conservation easements. The principles involved in this bill have been endorsed by the Piedmont Environmental Council, the Nature Conservancy, the Brandwine Conservancy, the American Farm Bureau, Ducks Unlimited, the American Forestry Association, the League of Conservation Voters, and the National Wildlife Federation.

Conservation easements, which are entirely voluntary, are agreements negotiated by landowners in which a restriction upon the future use of land is imposed in order to conserve those aspects of the land that are publicly significant. One of the major deterrents to the establishment of these easements is our Federal estate tax policy that subjects the value of the land subject to the conservation easement to an estate tax of as much as 50 percent.

In addition, our current estate tax policy results in complicated valuation disputes between the donor's estate and the Internal Revenue Service. In many cases, the additional costs incurred as a result of these disagreements may cause a potential donor of a conservation easement to decide not to make the contribution. This bill resolves these problems by providing an exemption from the estate tax for the value of land that is subject to a qualified, permanent conservation easement.

I urge my colleagues to join me in this effort to save environmentally sensitive open spaces.

Mr. President, I ask unanimous consent that a copy of the bill and a detailed explanation of the legislation be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1013

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE.

(a) SHORT TITLE.—This Act may be cited as the "Rural Land Conservation Act of 1993".

(b) AMENDMENT OF 1986 CODE.—Except as otherwise provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

SEC. 2. ESTATE TAX TREATMENT OF LAND SUBJECT TO A QUALIFIED CONSERVATION EASEMENT.

(a) ESTATE TAX WITH RESPECT TO LAND SUBJECT TO A QUALIFIED CONSERVATION EASEMENT.—Section 2031 of the Internal Revenue Code of 1986 (relating to the definition of gross estate) is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

"(c) ESTATE TAX WITH RESPECT TO LAND SUBJECT TO A QUALIFIED CONSERVATION EASEMENT.—

"(1) IN GENERAL.—If the executor makes the election described in paragraph (4) of this subsection, then, except as otherwise provided in this subsection, there shall be excluded from the gross estate the value of land subject to a qualified conservation easement (reduced by the amount of any indebtedness to which such land is subject).

"(2) Land subject to a qualified conservation easement.—For purposes of this subsection—

"(A) In general.—The term 'land subject to a qualified conservation easement' means land which—

"(i) is located in or within 50 miles of an area which, on the date of the decedent's death, is—

"(I) a metropolitan area (as defined by the Office of Management and Budget), or

"(II) a national park, unless it is determined by the Secretary that land in or within 50 miles of the park is not under significant development pressure,

"(ii) which was owned by the decedent or a member of the decedent's family at all times during the 3-year period ending on the date of the decedent's death, and

"(iii) with respect to which a qualified conservation contribution (as defined in section 170(h)(1)) of a qualified real property interest described in section 170(h)(2)(C) is (or has been made) by the decedent or a member of the decedent's family.

"(B) Certain contributions not included.—For purposes of subparagraph (A), section 170(h)(4)(A) shall be applied without regard to clause (iv) thereof in determining whether there is a qualified conservation contribution.

"(C) Family member.—For purposes of subparagraph (A), the term 'member of the decedent's family' has the same meaning given such term by section 2032A(e)(2).

"(3) Tax on disposition if land subject to retained development right.—

"(A) In general.—If the donor retained any development right when the qualified conservation contribution described in paragraph (2)(A)(iii) was made, there is hereby imposed an additional estate tax on the first person disposing (other than by gift or devise) of the property after the death of the decedent.

"(B) Amount of additional tax.—

"(i) In general.—The amount of the additional tax imposed by subparagraph (A) shall be the amount equal to the increase in estate tax liability which would have occurred if the value of the development right had been included in the gross estate of the decedent (as determined under paragraph (4)).

"(ii) Partial disposition.—If only a portion of the property is disposed of, the person disposing of the property shall pay a pro rata portion of the tax imposed by subparagraph (A) (and such tax shall be reduced with respect to subsequent dispositions by the taxes imposed with respect to prior dispositions).

"(iii) Time for payment of tax.—Any tax imposed under subparagraph (A) shall be due and payable by the person disposing of the property no later than April 15 of the calendar year following the calendar year in which the disposition occurs.

"(C) Development right.—For purposes of this paragraph, the term 'development right' means the right—

"(i) to establish or use any structure (and the land immediately surrounding it) for sale, rent, or other commercial purpose which is not subordinate to and directly supportive of the conservation purpose of the qualified conservation contribution described in paragraph (2)(A)(iii), or

"(ii) to conduct the activity of farming, forestry, ranching, horticulture, viticulture, or recreation, whether or not for profit, on the land.

"(4) Election with respect to land subject to qualified conservation easement.—The election under this subsection shall be made on the return of the tax imposed by section 2001 and shall be made in such manner as the Secretary shall by regulations prescribe. Such an election, once made, shall be irrevocable.

"(5) Calculation and notice of potential estate tax due.—

"(A) In general.—An executor making the election described in paragraph (4) of this subsection shall compute the amount of the additional estate tax described in paragraph (3)(B).

"(B) Notice.—The executor shall file a 'Notice of Potential Estate Tax Due' in the place or places where deeds are put to public record for the locality in which the land subject to the qualified conservation easement is located.

"(C) Form and manner.—The computation and filing required by this paragraph shall be done in such manner and on such forms as the Secretary may prescribe."

(b) Carryover Basis.—Section 1014(a) of the Internal Revenue Code of 1986 (relating to basis of property acquired from a decedent) is amended by striking the period at the end of paragraph (3) and inserting ", or" at the end thereof, and by inserting at the end the following new paragraph:

"(4) in the case of property excluded from the gross estate of the decedent under section 2031(c), the basis of the property in the hands of the decedent."

(c) Effective Date.—The amendments made by this section shall apply to estates of decedents dying after December 31, 1992, which includes land subject to qualified conservation easements granted after December 31, 1992.

SEC. 3. GIFT TAX ON LAND SUBJECT TO A QUALIFIED CONSERVATION EASEMENT.

(a) Gift Tax With Respect to Land Subject to a Qualified Conservation Easement.—Section 2503 of the Internal Revenue Code of 1986 (relating to taxable gifts) is amended by adding at the end the following new subsection:

"(h) Gift Tax With Respect to Land Subject to a Qualified Conservation Easement.—

"(1) In general.—At the election of the donor, the transfer by gift of land subject to a qualified conservation easement shall not be treated as a transfer of property by gift for purposes of this chapter. For purposes of this subsection, the term 'land subject to a qualified conservation easement' shall have the same meaning as in section 2031(c), except that any reference to 'decedent' or 'the date of the decedent's death' shall refer to the donor and the date of the transfer by the donor, respectively."

"(2) Land subject to retained development rights.—

"(A) In general.—If the donor retains any development right when the gift is made, then there is hereby imposed an additional gift tax on the first person disposing (other than by gift or device) of the property after the date of the gift to which this subsection applies.

"(B) Amount of tax.—The amount of the tax under subparagraph (A) shall be equal to the increase in gift tax liability which would have occurred if the value of the development right had been treated as a gift.

"(C) Definition and rules.—For purposes of this paragraph—

"(i) Development right.—The term 'development right' has the meaning given such term by section 2031(c)(3)(C).

"(ii) Other rules.—The rules of clauses (ii) and (iii) of paragraph (3)(B) and paragraph (5) of section 2031(c) shall apply, except that 'donor' shall be substituted for 'executor' each place it appears."

(b) Effective Date.—The amendments made by this section shall apply to gifts of land subject to qualified conservation easements granted after December 31, 1992.

SEC. 4. QUALIFIED CONSERVATION CONTRIBUTION WHERE SURFACE AND MINERAL RIGHTS ARE SEPARATED.

(a) In General.—Section 170(h)(5)(B)(ii) of the Internal Revenue Code of 1986 (relating to special rule) is amended to read as follows:

"(ii) Special rule.—With respect to any contribution of property in which the ownership of the surface estate and mineral interests has been and remains separated, subparagraph (A) shall be treated as met if the probability of surface mining occurring on such property is so remote as to be negligible."

(b) Effective Date.—The amendment made by this section shall apply with respect to contributions made after December 31, 1992, in taxable years ending after such date.

SEC. 5. QUALIFIED CONSERVATION CONTRIBUTION IS NOT A DISPOSITION.

(a) Qualified Conservation Contribution Is Not a Disposition.—Subsection (c) of section 2032A of the Internal Revenue Code of 1986 (relating to alternative valuation method) is amended by adding at the end thereof the following new paragraph:

"(8) Qualified conservation contribution is not a disposition.—A qualified conservation contribution (as defined in section 170(h)) by gift or otherwise shall not be treated as a disposition for purposes of this subsection. If qualified real property is land subject to a qualified conservation easement (as defined in section 2031(c)), this subsection shall not apply to such property."

(b) Land Subject to a Qualified Conservation Easement Is Not Disqualified.—Subsection (b) of section 2032A of the Internal Revenue Code of 1986 (relating to alternative valuation method) is amended by adding at the end the following paragraph:

"(6) Qualified conservation easement.—Property shall not fail to be treated as qualified real property solely because it is land subject to a qualified conservation easement (as defined in section 2031(c))."

(c) Effective Date.—The amendments made by this section shall apply to estates of decedents dying after December 31, 1992, which include land subject to qualified conservation easements granted after December 31, 1992.

The Rural Land Conservation Act of 1993

America is losing over four square miles of farmland, forest land and ranch land to development every day. When the amount of other rural land having significance for its environmental sensitivity, or as wildlife habitat, open space, or a civil war battlefield site is added the loss is even greater. It is not legally or politically feasible to regulate the effective conservation of this land, nor is it financially practical to buy it all.

The Rural Land Conservation Act of 1993 would conserve farmland, forest land, and ranch land, as well as environmentally sensitive land, wildlife habitat, open space and historically significant land under significant development pressure in the vicinity of metropolitan areas and national parks. The Act will do this without regulation or purchase by exempting rural land subject to a permanent conservation easement from the federal estate tax.

The Rural Land Conservation Act of 1993 would:

Apply to rural land within 50 miles or a metropolitan statistical area or national park where land values have skyrocketed, often forcing the sale of rural land to pay estate taxes.

Conserve rural land without taking it off from local property tax roles or incurring government expense for maintenance or management.

Apply to bequests or gifts of land, but only as long as the land stays within the family of the easement donor.

Insure the permanent conservation of land receiving the benefit because the restrictions of conservation easements can generally only be extinguished by court order.

Collect estate tax for any development rights retained in the easement, but not until those rights are sold.

Strengthen benefits to family farmers under section 2032A (the "farm use value" provisions of the estate tax code)

Make current provisions of the Internal Revenue Code more equitable by providing benefits to "land poor" property owners whose income is insufficient to take advantage of existing income tax deductions for easement donations.

The benefits of The Rural Land Conservation Act of 1993 have been endorsed by major farmer's organizations, and numerous national, regional, and local conservation and environmental organizations.

THE RURAL LAND CONSERVATION ACT OF 1993—SUMMARY OF PROVISIONS

I. The Act would allow an Executor to elect an exclusion from the federal estate tax for land subject to a conservation easement meeting the following requirements:

The land covered by the easement is within a 50-mile radius of a metropolitan area as defined by the Office of Management and Budget (typically an area with a population of 50,000 or more), or a national park.[1]

The easement is a perpetual easement and has been donated.

The easement meets the requirements of section 170(h) of the *Internal Revenue Code of 1986*.

The easement was donated by the decedent or a member of the decedent's family.

The land was owned by the decedent or a member of the decedent's family for at least three years immediately prior to the decedent's death.

The exclusion does not apply to development rights (as defined in the Act) retained by the donor in the easement, but it does not tax those rights until they are disposed of. The Act requires calculation of potential estate tax due on any retained development rights and the filing of a "notice of potential estate tax due", if any.

Land excluded would receive a carryover basis rather than a stepped-up basis for purposes of calculating any gain on a subsequent sale.

II. The Act excludes a gift of land subject to a conservation easement from the federal gift tax provided that the easement meets the above-listed standards.

III. The Act deletes the date from section 170(h)(B)(ii) of the *Code* containing a special rule pertaining to donations of easements on property where the ownership of the surface estate and mineral interests has been separated to make the donation of such easements deductible where the possibility of surface mining is negligible.

IV. The Act provides that the existence of a conservation easement will not prevent property from qualifying for treatment under section 2032A of the *Code* (providing for the special valuation of farmland, etc. for estate tax purposes); that the conveyance of such an easement will not be deemed a "disposition" under subsection (c) of section 2032A; and that the existence of a conservation easement meeting the standards listed in section I above waives the requirements of subsection (c).

By Mr. DECONCINI (for himself, Mr. BREAUX, Mr. DURENBERGER, and Mr. D'AMATO):

S. 1014. A bill to amend the Communications Act of 1934 to ensure competition in the provision of electronic security services; to the Committee on Commerce, Science, and Transportation.

THE ALARM INDUSTRY COMPETITION ACT OF 1993

• Mr. DECONCINI. Mr. President, for over a decade, the Congress has labored to develop a national policy for one of our Nation's most vital industries, telecommunications. This is an industry that has tremendous potential to increase our country's economic growth and our global competitiveness. Yet, for many years, the Federal Government has adopted telecommunications policy on an ad hoc basis without clear legislative direction from the Congress. Because no one is in charge and because the many interested parties have failed to reach an agreement, our industry and our consumers suffer. What's more, this dismal situation has been exacerbated by a recent Supreme Court ruling that fundamentally changes the rules, yet still leaves tremendous uncertainty.

Especially with the new administration, the time has come to go beyond talk and take legislative action, settling this important matter once and for all.

That is why I am introducing today the Alarm Industry Competition Act of 1993. I want to send a signal that we must act now. I am honored that Senators BREAUX, DURENBERGER and D'AMATO have joined this effort as original cosponsors.

I recognize that this legislation is just one piece of the larger telecommunications puzzle, but it is an important one nevertheless.

Competition in the alarm industry has been the norm for many decades. It is an industry comprised almost entirely of small businesses who compete vigorously. As a result, prices have decreased significantly over the past decade, service is superb, and innovations are constantly coming to the marketplace. Moreover, it employs over 125,000 people. It would not be an overstatement to say that our alarm industry leads the world.

This free market competition, however, is now threatened because of a 1991 Federal court ruling that permits the regional Bell operating companies to enter the alarm monitoring business. Normally, I would have no problem with any company entering any business. That's the American way. But, the Bells are not ordinary companies. They are regulated monopolies that have the incentive and ability to unfairly crush their competition—especially where their competition, as with the alarm industry, are small businesses who have no choice but to use the local telephone line.

The Bells' control is so pervasive and overwhelming that they can identify every alarm customer, which allows them to target market to the alarm industry's existing customer base. In addition, they control the ability of an alarm dealer: to be hooked into the public telephone network; to get scheduled for repairs; and to receive dedicated lines which are required by insurance companies when they insure banks and jewelry stores. No regulator in the world has any hope of stopping them before a small business, such as an alarm dealer, would go bankrupt.

The record is clear. When these monopolists enter unregulated, competitive markets, they are able to do just about everything they want including discriminating against competitors and cross-subsidizing their competitive services. And it is no comfort whatsoever for a businessman to know that he can later bring an antitrust suit. That is the reason why the Bells had been excluded from this business for so long and why they continue to be excluded from other businesses.

The legislation I am introducing would reinstate the bar to Bell participation in the alarm business that existed since 1956 and prior to the 1991 court ruling. Yet, it is important to note that even with this bar, the Bells could still transport alarm signals on a common carrier basis.

As I stated at the outset, it is time for Congress to gain control of telecommunications policy, and we should begin work promptly. I urge all my colleagues to support the efforts to pass telecommunications legislation in the 103d Congress and to support my efforts to maintain a fully competitive alarm industry.

Mr. President, I ask that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1014

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Alarm Industry Competition Act of 1993".

SEC. 2. FINDINGS.

The Congress finds that—

(1) the public interest will be best served by continued vigorous competition in the

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[1] The Act would allow the Secretary of the Treasury to deny the exclusion for land within 50 miles of a national park if he can establish that the land is not under significant development pressure.

provision of alarm security monitoring services;

(2) because alarm security monitoring services are dependent upon access to the local telephone network, there is a substantial possibility that competition in the provision of alarm security monitoring services will cease to exist if these services are provided by the Bell Telephone Companies, which possess monopoly power;

(3) current providers of alarm security monitoring services are overwhelmingly small businesses, with substantial investment in plant and equipment, and they employ over 125,000 individuals;

(4) the alarm security monitoring industry provides services that protect the life, property, and safety of millions of Americans; and

(5) it is essential to preserve the existing competitive state in the alarm security monitoring service industry so long as there exists a substantial possibility that the Bell Telephone Companies can use their monopoly power to act anticompetitively when providing alarm security monitoring services.

SEC. 3. ALARM SECURITY MONITORING SERVICE COMPETITION.

Title II of the Communications Act of 1934 is amended by adding at the end thereof the following new section:

"SEC. 227. ALARM SECURITY MONITORING SERVICE COMPETITION.

"(a) No Bell Telephone Company, or any affiliate of the company, shall provide alarm security monitoring services for the protection of life, safety or property. A Bell Telephone Company may transport alarm security monitoring signals but on a common carrier basis only.

"(b) For the purposes of this section, 'alarm security monitoring' is defined as an information service designed to protect life, safety, or property via the remote supervision of conditions at commercial and residential premises, including—

"(1) the supervision at a remote central office of signals from sensors that detect intrusion, heat, fire, medical emergencies, and similar threats to life, safety, and property emanating from the monitored premises; and

"(2) the notification by the remote central office of appropriate entities in the event that the signals indicate the likelihood of burglary, fire, vandalism, bodily injury, or similar emergencies at the monitored premises.

"(c)(1) For the purposes of this section the term 'Bell Telephone Company' means any of the following companies:

"(A) Bell Telephone Company of Nevada.

"(B) Illinois Bell Telephone Company.

"(C) Indiana Bell Telephone Company, Incorporated.

"(D) Michigan Bell Telephone Company.

"(E) New England Telephone and Telegraph Company.

"(F) New Jersey Bell Telephone Company.

"(G) New York Telephone Company.

"(H) US West Communications Company.

"(I) South Central Bell Telephone Company.

"(J) Southern Bell Telephone and Telegraph Company.

"(K) Southwestern Bell Telephone Company.

"(L) The Bell Telephone Company of Pennsylvania.

"(M) The Chesapeake and Potomac Telephone Company.

"(N) The Chesapeake and Potomac Telephone Company of Maryland.

"(O) The Chesapeake and Potomac Telephone Company of Virginia.

"(P) The Chesapeake and Potomac Telephone Company of West Virginia.

"(Q) The Diamond State Telephone Company.

"(R) The Ohio Bell Telephone Company.

"(S) The Pacific Telephone and Telegraph Company.

"(T) The Wisconsin Telephone Company.

"(2) The term 'Bell Telephone Company' includes any successor or assign of any such company that owns facilities over which are provided telephone exchange services or that is so affiliated with an entity that owns facilities that provide telephone exchange services.".●

ADDITIONAL COSPONSORS

S. 3

At the request of Mr. BOREN, the name of the Senator from Massachusetts [Mr. KENNEDY] was added as a cosponsor of S. 3, a bill entitled the "Congressional Spending Limit and Election Reform Act of 1993".

S. 70

At the request of Mr. COCHRAN, the names of the Senator from California [Mrs. FEINSTEIN] and the Senator from Mississippi [Mr. LOTT] were added as cosponsors of S. 70, a bill to reauthorize the National Writing Project, and for other purposes.

S. 216

At the request of Mr. D'AMATO, the name of the Senator from Colorado [Mr. BROWN] was added as a cosponsor of S. 216, a bill to provide for the minting of coins to commemorate the World University Games.

S. 455

At the request of Mr. HATFIELD, the name of the Senator from North Dakota [Mr. CONRAD] was added as a cosponsor of S. 455, a bill to amend title 31, United States Code, to increase Federal payments to units of general local government for entitlement lands, and for other purposes.

S. 474

At the request of Mr. COATS, the name of the Senator from North Carolina [Mr. HELMS] was added as a cosponsor of S. 474, a bill to amend the Internal Revenue Code of 1986 to increase the amount of the exemption for dependent children under age 18 to $3,500, and for other purposes.

S. 636

At the request of Mr. KENNEDY, the name of the Senator from Pennsylvania [Mr. SPECTER] was added as a cosponsor of S. 636, a bill to amend the Public Health Service Act to permit individuals to have freedom of access to certain medical clinics and facilities, and for other purposes.

SENATE JOINT RESOLUTION 50

At the request of Mr. SPECTER, the names of the Senator from Georgia [Mr. NUNN], the Senator from Colorado [Mr. BROWN], the Senator from Nebraska [Mr. KERREY], and the Senator from Arizona [Mr. MCCAIN] were added as cosponsors of Senate Joint Resolution 50, a joint resolution to designate the weeks of September 19, through 25, 1993, and of September 18, through 24, 1994, as "National Rehabilitation Week."

SENATE JOINT RESOLUTION 55

At the request of Mr. HATCH, the name of the Senator from Georgia [Mr. NUNN] was added as a cosponsor of Senate Joint Resolution 55, a joint resolution to designate the periods commencing on November 28, 1993, and ending on December 4, 1993, and commencing on November 27, 1994, and ending on December 3, 1994, as "National Home Care Week."

SENATE JOINT RESOLUTION 74

At the request of Mr. KENNEDY, the name of the Senator from Connecticut [Mr. DODD] was added as a cosponsor of Senate Joint Resolution 74, a joint resolution expressing the sense of the Senate regarding the Government of Malawi's arrest of opponents and suppression of freedoms, and conditioning assistance for Malawi.

SENATE JOINT RESOLUTION 79

At the request of Mr. LAUTENBERG, the name of the Senator from New York [Mr. D'AMATO] was added as a cosponsor of Senate Joint Resolution 79, a joint resolution to designate June 19, 1993, as "National Baseball Day."

SENATE JOINT RESOLUTION 90

At the request of Mr. ROBB, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of Senate Joint Resolution 90, a joint resolution to recognize the achievements of radio amateurs, and to establish support for such amateurs as national policy.

SENATE JOINT RESOLUTION 91

At the request of Mr. SPECTER, the names of the Senator from New York [Mr. D'AMATO], the Senator from Arizona [Mr. DECONCINI], and the Senator from West Virginia [Mr. ROCKEFELLER] were added as cosponsors of Senate Joint Resolution 91, a joint resolution designating October 1993 and October 1994 as "National Domestic Violence Awareness Month."

SENATE CONCURRENT RESOLUTION 24

At the request of Mr. DECONCINI, the names of the Senator from Hawaii [Mr. INOUYE] and the Senator from South Dakota [Mr. DASCHLE] were added as cosponsors of Senate Concurrent Resolution 24, a concurrent resolution concerning the removal of Russian troops from the independent Baltic States of Estonia, Latvia, and Lithuania.

SENATE CONCURRENT RESOLUTION 26—RELATIVE TO GLOBAL HUNGER

Mr. SIMON (for himself, Mr. JEFFORDS, Mr. KERRY, Mr. WOFFORD, Mr. KENNEDY, Mr. DECONCINI, Mr. FEINGOLD, Ms. MOSELEY-BRAUN, Mr. DURENBERGER, and Mr. AKAKA) submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 26

Whereas the easing of Cold War tensions requires a reassessment of United States foreign assistance objectives, programs, and spending priorities, and presents a unique opportunity to shift the emphasis from military and security-related priorities to addressing the urgent and interrelated problems of poverty and environmental destruction;

Whereas the post-Cold War world is one of tremendous human deprivation in which more than one-fifth of humanity exists in poverty, living a life of hunger, illness, and illiteracy;

Whereas tens of thousands of children in the developing world die each day, many of them from preventable diseases, and millions of other children are disabled or blind as a result of malnutrition;

Whereas in recent decades, the income gap between richest and poorest countries has widened, due in part to the large accumulated debt of many developing countries, with many countries now paying more in debt service than they receive in assistance and investment;

Whereas this debt and the resulting economic adjustments have taken their heaviest toll on the poor, especially women, in the form of higher food prices, reduced health care, education, housing, and other social services, and higher unemployment;

Whereas poverty-related conditions foster rapid population growth, which in turn exacerbates pressures on land and other natural resources, worsens unemployment, and strains government services;

Whereas poverty-related conditions of hunger, illiteracy, disease, and environmental degradation pose a serious threat to the economic and physical security of the United States and the world;

Whereas such conditions impede economic growth, undermine new democracies, fuel political instability within countries and across regions, foster displacement and massive migration, allow the spread of acquired immune deficiency syndrome (AIDS) and other epidemics, and damage the environment;

Whereas the United States therefore has a direct self-interest in promoting development that will avert such threats and has historically been a leader in providing assistance in response to humanitarian emergencies;

Whereas United States development cooperation has made valuable contributions to sustainable development through selected bilateral economic assistance programs, and through selected contributions to multilateral organizations and programs;

Whereas nongovernmental organizations, both in the United States and in developing countries, are often highly qualified actors in promoting grassroots development, strengthening civil society, and providing humanitarian assistance;

Whereas only 1 percent of the United States Government budget is spent on foreign assistance, and only approximately 28 percent of that amount goes toward programs focused on sustainable development and humanitarian needs; and

Whereas since the mid-1980s, resources have begun to shift within the foreign assistance budget toward increased expenditures for humanitarian and sustainable development programs: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring),

SECTION 1. SHORT TITLE.

This resolution may be cited as the "Many Neighbors, One Earth Resolution".

SEC. 2. SUSTAINABLE DEVELOPMENT POLICY AND PROGRAM OF ACTION.

(a) IN GENERAL.—The President is urged to develop and implement a coordinated economic and development policy and program of action designed to promote broad-based, sustainable development.

(b) PRINCIPAL OBJECTIVES.—This policy and program of action should have as principal objectives the following elements of sustainable development, which are interrelated and mutually reinforcing:

(1) ECONOMIC OPPORTUNITIES.—Expanding economic opportunities for women and men, especially the poor, to increase their productivity, earning capacity, and income in ways that do not harm the environment.

(2) BASIC HUMAN NEEDS.—Helping people meet their basic human needs for food, clean water, shelter, health care, and education necessary for all people to be productive and to improve their quality of life.

(3) ENVIRONMENTAL PROTECTION AND SUSTAINABLE USE OF NATURAL RESOURCES.—Promoting environmental protection and sustainable use of land, water, forests, and other natural resources, taking into account the needs of present and future generations.

(4) PLURALISM, DEMOCRATIC PARTICIPATION, AND HUMAN RIGHTS.—Promoting pluralism, democratic participation in economic and political decisions that affect the lives of all people (including participation of the poor), and respect for human and civil rights, including the rights of females and indigenous peoples.

(c) ALL RELEVANT ACTIVITIES OF THE GOVERNMENT TO BE INCLUDED.—This policy and program of action should involve all relevant international activities of the United States Government, including—

(1) bilateral economic assistance programs;

(2) contributions to international and multilateral development agencies and institutions;

(3) policies concerning international agricultural, environmental, health, energy, trade, debt, and monetary issues; and

(4) foreign military assistance programs.

(d) SPECIFIC ACTIONS TO BE TAKEN.—In furtherance of this policy and program of action, the President is urged to do the following:

(1) Work with Congress to enact legislation providing for a post-Cold War foreign assistance program that would have as its primary purposes the promotion of sustainable development and that would incorporate the objectives set forth in subsection (b).

(2) Ensure that development cooperation programs conform to the objectives in subsection (b) in ways that invigorate local community-based development through taking into account the relevant local-level perspectives of its beneficiaries (including women, minorities, and indigenous people) during the design, planning, implementation, and evaluation process for project and program assistance. Toward this objective, the agency primarily responsible for administering such assistance should consult closely with indigenous and United States-based nongovernmental organizations that have demonstrated effectiveness in community-based development of behalf of sustainable development in developing countries.

(3) Provide government-to-government assistance only to countries that exhibit a commitment to development that promotes the objectives set forth in subsection (b) through relevant sectoral and national policies, with priority given to countries that have the highest incidence of hunger and poverty.

(4) Encourage and support the efforts of countries to reduce their level of military spending when such spending is disproportionate to security needs and disproportionate to spending on health, education, and environmental protection.

(5) Exercise leadership in building the global commitment and cooperation necessary for countries to make significant progress toward the goals adopted at the 1992 International Conference on Nutrition, the 1992 United Nations Conference on Environment and Development, the 1990 World Summit for Children, and the 1985 World Conference on Women.

(6) Enter into negotiations with highly indebted poor countries that are committed to sustainable development on reducing the debt owed by such countries to the United States Government, when debt reduction will support their sustainable development strategies.

(7) Develop and propose an effective system of evaluation and accountability for programs and projects of development cooperation, particularly regarding their effectiveness in furthering the objectives set forth in subsection (b).

(8) Examine the necessity of restructuring or replacing the Agency for International Development in order to have an effective bilateral development cooperation program that can achieve the objectives set forth in subsection (b).

(9) Give greater attention to linking emergency relief efforts to conflict resolution, rehabilitation, and longer-term development activities.

(10) Increase from approximately 30 percent in fiscal year 1993 to at least 35 percent in each of fiscal years 1994 through 1997 the share of foreign assistance funds directed to programs that best serve sustainable development and humanitarian needs, including programs for basic human needs, microenterprise and credit, appropriate technology, sustainable agriculture, fisheries, forestry and water management, environmental restoration and conservation, strengthening civil society and human rights, voluntary cooperation, disaster assistance, refugee assistance, and emergency and developmental food assistance.

(11) Make every effort to increase, consistently, the absolute amount of funding for such programs in developing countries through reallocating funds within the bilateral economic assistance budget and by transferring funds out of security assistance programs.

Mr. SIMON. Mr. President, I, joined by Senators JEFFORDS, JOHN KERRY, WOFFORD, KENNEDY, DECONCINI, FEINGOLD, MOSELEY-BRAUN, DURENBERGER, and AKAKA, would like to introduce a concurrent resolution urging the President to redirect U.S. foreign assistance priorities toward promoting sustainable development, especially the reduction of global hunger and poverty in environmentally sound ways. A similar resolution has been introduced in the House of Representatives by Congressmen HALL, BEREUTER, and others.

Mr. President, in keeping with the general view that foreign aid must be reexamined and restructured to meet the changing challenges of the world, the Clinton administration has created a task force headed by Deputy Secretary of State Clifford Wharton. It is my understanding that the task force will soon make recommendations to reorganize foreign aid. The purpose of this resolution is to not interfere in this necessary and encouraging process, but rather to offer a congressional perspective on some general guidelines to be included in the discussion about how to reorient foreign aid.

Mr. President, toward this goal, the resolution urges the President to develop a coordinated policy which will translate to a program of action that includes four interrelated objectives:

First, expanding economic opportunities, especially the poor, to increase their productivity and earning capacity;

Second, meeting basic human needs for food, shelter, clean water, health care, and education;

Third, promoting environmental protection and sustainable use of natural resources; and

Fourth, promoting pluralism, democratic participation, and respect for human rights.

The resolution further urges the President to consider a series of actions, including to propose legislation incorporating the four objectives, and to develop a strategy that increases funding for assistance programs that serve humanitarian needs and sustainable development from approximately 30 percent of foreign assistance resources in 1993, to 35 percent in 1994. We believe that these increases should be achieved through reallocations within the economic assistance budget and through shifts from security assistance.

Mr. President, reordering foreign aid priorities toward reducing poverty and hunger is an idea whose time may have finally come. I am encouraged by the new administration's actions and look forward to working together to ensure that U.S. tax dollars contribute to sustainable development and the alleviation of poverty.

Mr. JEFFORDS. Mr. President, I am pleased to join Senator SIMON as an original sponsor of the "Many Neighbors, One Earth" resolution. I appreciate the hard work of the private grassroots organization "Bread for the World" as we prepared this resolution. Bread for the World has worked tirelessly all over the globe on behalf of the poorest of the poor. Their volunteers are the best examples of American activism abroad.

We seek in this resolution to give the administration a bipartisan frame of reference for a new approach to foreign assistance. We all recognize the need to reorganize our foreign assistance policy and programs. We have limited resources to apply to foreign development and we must ensure those resources are spent wisely and efficiently.

The guiding principle for our foreign assistance programs must be sustainable development. That means that we will help other countries to support themselves. What we spend money on today should be an investment in self-sustaining productivity tomorrow.

The key goals of our assistance to women and men in underdeveloped countries should be: Expanding economic opportunity; helping meet basic human needs; promoting environmental protection; and promoting pluralism, democracy, and respect for human rights.

We need to stop wasting money on governments that do not respect these key goals, and we should make sure our programs are geared to achieve these goals. Working with nongovernmental organizations and individuals with hands-on experience, we can shape effective and efficient aid programs.

Foreign assistance is not a zero-sum plan for the United States. When we promote democracy and long-term economic well-being abroad, we build a more peaceful and prosperous world for U.S. citizens.

SENATE RESOLUTION 112—RELATIVE TO URGING SANCTIONS AGAINST THE BURMESE GOVERNMENT

Mr MOYNIHAN (for himself, Mr. SIMON, Mr. PELL, Mr. HELMS, Mr. BIDEN, Mr. JEFFORDS, Mr. MCCONNELL, Mr. D'AMATO, and Mr. KERREY) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 112

Whereas the military junta in Burma known as the State Law and Order Restoration Council (in this preamble referred to as the "SLORC") brutally suppressed peaceful democratic demonstrations in September 1988;

Whereas the Senate of the United States has repeatedly condemned and continues its condemnation of the SLORC;

Whereas the SLORC does not represent the people of Burma, since the people of Burma gave the National League for Democracy a clear victory in the election of May 27, 1990;

Whereas the SLORC has held Daw Aung San Suu Kyi, a leader of the National League for Democracy and the winner of the Nobel Peace Prize for 1991, under house arrest since July 1989;

Whereas the United Nations Human Rights Commission unanimously adopted on March 5, 1993, a resolution deploring the human rights situation in Burma and the continued arrest of Daw Aung San Suu Kyi; and

Whereas on March 12, 1992, the Committee on Foreign Relations of the Senate unanimously stated that (1) the SLORC does not represent the Burmese people and should transfer power to the winners of the 1990 elections, (2) United States military attaches should be withdrawn from Burma, and (3) the United States should oppose United Nations Development Program funding for Burma: Now, therefore, be it

Resolved, That it is the sense of the Senate that the President, the Secretary of State, and other United States Government representatives should—

(1) seek the immediate release of Daw Aung San Suu Kyi from arrest and the transfer of power to the winners of the 1990 elections in Burma; and

(2) encourage the adoption by the United Nations Security Council of an arms embargo and other sanctions against the regime of the State Law and Order Restoration Council in Burma.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President and the Secretary of State.

Mr. MOYNIHAN. Mr. President, on Wednesday some of us met with Nobel Peace Prize winner Archbishop Desmond Tutu and others to call for the immediate release of 1991 Nobel Peace Prize winner Daw Aung San Suu Kyi.

She is a leader of uncommon courage and valor. And although she has been under arrest by a military junta for near 4 years, she speaks ever more loudly to the world on behalf of the enslaved 40 million people in Burma. She must be freed. We demand she be freed.

Further, it is long since past the time that the United Nations ought turn the condemnation by the U.N. Human Rights Commission of the SLORC junta into international sanctions. Arming these criminals is not acceptable. China must stop. Funding a military regime that commits war crimes is not the place of the U.N. Development Program or any other U.N. body.

May 27 will mark the third anniversary of the first free election result in Burma in some three decades. The 1990 ballot has been disregarded and unlawfully rejected by the SLORC. The National League for Democracy led by Aung San Suu Kyi won that election with 80 percent of the seats.

Today I am introducing a bipartisan resolution, cosponsored by Senators SIMON, PELL, HELMS, BIDEN, JEFFORDS, MCCONNELL, D'AMATO, and KERREY, which we will ask the Senate to pass on May 27, to mark that electoral anniversary and to restate the Senate's demand Aung San Suu Kyi be released and the SLORC be held accountable for its crimes.

AMENDMENTS SUBMITTED

CONGRESSIONAL CAMPAIGN SPENDING LIMIT AND ELECTION REFORM ACT OF 1993

MITCHELL (AND OTHERS) AMENDMENT NO. 366

Mr. MITCHELL (for himself, Mr. FORD, and Mr. BOREN) proposed an amendment to the bill (S. 3) entitled "Congressional Spending Limit and Election Reform Act of 1993," as follows:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE; AMENDMENT OF CAMPAIGN ACT; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Congressional Campaign Spending Limit and Election Reform Act of 1993".

(b) AMENDMENT OF FECA.—When used in this Act, the term "FECA" means the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.).

(c) TABLE OF CONTENTS.—

Sec. 1. Short title; amendment of Campaign Act; table of contents.

TITLE I—CONTROL OF CONGRESSIONAL CAMPAIGN SPENDING

Subtitle A—Senate Election Campaign Spending Limits and Benefits

Sec. 101. Senate spending limits and benefits.
Sec. 102. Ban on activities of political action committees in Federal elections.
Sec. 103. Reporting requirements.
Sec. 104. Disclosure by noneligible candidates.
Sec. 105. Excess campaign funds of Senate candidates.

Subtitle B—General Provisions

Sec. 131. Broadcast rates and preemption.
Sec. 132. Extension of reduced third-class mailing rates to eligible Senate candidates.
Sec. 133. Reporting requirements for certain independent expenditures.
Sec. 134. Campaign advertising amendments.
Sec. 135. Definitions.
Sec. 136. Provisions relating to franked mass mailings.

TITLE II—INDEPENDENT EXPENDITURES

Sec. 201. Clarification of definitions relating to independent expenditures.
Sec. 202. Equal broadcast time.

TITLE III—EXPENDITURES

Subtitle A—Personal Loans; Credit

Sec. 301. Personal contributions and loans.
Sec. 302. Extensions of credit.

Subtitle B—Provisions Relating to Soft Money of Political Parties

Sec. 311. Definitions.
Sec. 312. Contributions to political party committees.
Sec. 313. Provisions relating to national, State, and local party committees.
Sec. 314. Restrictions on fundraising by candidates and officeholders.
Sec. 315. Reporting requirements.

TITLE IV—CONTRIBUTIONS

Sec. 401. Contributions through intermediaries and conduits; prohibition on certain contributions by lobbyists.
Sec. 402. Contributions by dependents not of voting age.
Sec. 403. Contributions to candidates from State and local committees of political parties to be aggregated.
Sec. 404. Contributions and expenditures using money secured by physical force or other intimidation.
Sec. 405. Prohibition of acceptance by a candidate of cash contributions from any one person aggregating more than $100.

TITLE V—REPORTING REQUIREMENTS

Sec. 501. Change in certain reporting from a calendar year basis to an election cycle basis.
Sec. 502. Personal and consulting services.
Sec. 503. Computerized indices of contributions.
Sec. 504. Filing of reports using computers and facsimile machines.
Sec. 505. Political committees.

TITLE VI—FEDERAL ELECTION COMMISSION

Sec. 601. Use of candidates' names.
Sec. 602. Reporting requirements.
Sec. 603. Provisions relating to the general counsel of the Commission.
Sec. 604. Enforcement.
Sec. 605. Penalties.
Sec. 606. Audits.
Sec. 607. Prohibition of false representation to solicit contributions.
Sec. 608. Regulations relating to use of non-Federal money.
Sec. 609. Simultaneous registration of candidate and candidate's principal campaign committee.
Sec. 610. Reimbursement fund.
Sec. 611. Insolvent political committees.

TITLE VII—MISCELLANEOUS

Sec. 701. Prohibition of leadership committees.
Sec. 702. Polling data contributed to candidates.
Sec. 703. Debates by general election candidates who receive amounts from the Presidential Election Campaign Fund.
Sec. 704. Telephone voting by persons with disabilities.
Sec. 705. Provisions relating to Presidential primary elections.
Sec. 706. Certain tax-exempt organizations not subject to corporate limits.
Sec. 707. Aiding and abetting violations of FECA.
Sec. 708. Deposit of repayments of excess payments from the Presidential Election Campaign Fund.
Sec. 709. Disqualification from receiving public funding for Presidential election campaigns.
Sec. 710. Prohibition of contributions to Presidential candidates who receive public funding in the general election campaign.

TITLE VIII—EFFECTIVE DATES; AUTHORIZATIONS

Sec. 801. Effective date.
Sec. 802. Budget neutrality.
Sec. 803. Severability.
Sec. 804. Expedited review of constitutional issues.
Sec. 805. Regulations.

TITLE I—CONTROL OF CONGRESSIONAL CAMPAIGN SPENDING

Subtitle A—Senate Election Campaign Spending Limits and Benefits

SEC. 101. SENATE SPENDING LIMITS AND BENEFITS.

(a) IN GENERAL.—FECA is amended by adding at the end thereof the following new title:

"TITLE V—SPENDING LIMITS AND BENEFITS FOR SENATE ELECTION CAMPAIGNS

"SEC. 501. CANDIDATES ELIGIBLE TO RECEIVE BENEFITS.

"(a) IN GENERAL.—For purposes of this title, a candidate is an eligible Senate candidate if the candidate—

"(1) meets the primary and general election filing requirements of subsections (b) and (c);

"(2) meets the primary and runoff election expenditure limits of subsection (d); and

"(3) meets the threshold contribution requirements of subsection (e).

"(b) PRIMARY FILING REQUIREMENTS.—(1) The requirements of this subsection are met if the candidate files with the Secretary of the Senate a declaration that—

"(A) the candidate and the candidate's authorized committees—

"(i) will meet the primary and runoff election expenditure limits of subsection (d); and

"(ii) will only accept contributions for the primary and runoff elections which do not exceed such limits;

"(B) the candidate and the candidate's authorized committees will meet the general election expenditure limit under section 502(b);

"(C) the candidate and the candidate's authorized committees will meet the limitation on expenditures from personal funds under section 502(a); and

"(D) the candidate and the candidate's authorized committees will meet the closed captioning requirements of section 509.

"(2) The declaration under paragraph (1) shall be filed not later than the date the candidate files as a candidate for the primary election.

"(c) GENERAL ELECTION FILING REQUIREMENTS.—(1) The requirements of this subsection are met if the candidate certifies to the Secretary of the Senate, under penalty of perjury, that—

"(A) the candidate and the candidate's authorized committees—

"(i) met the primary and runoff election expenditure limits under subsection (d); and

"(ii) did not accept contributions for the primary or runoff election in excess of the primary or runoff expenditure limit under subsection (d), whichever is applicable, reduced by any amounts transferred to this election cycle from a preceding election cycle;

"(B) the candidate met the threshold contribution requirement under subsection (e), and that only allowable contributions were taken into account in meeting such requirement;

"(C) at least one other candidate has qualified for the same general election ballot under the law of the State involved;

"(D) such candidate and the authorized committees of such candidate—

"(i) except as otherwise provided by this title, will not make expenditures which exceed the general election expenditure limit under section 502(b);

"(ii) will not accept any contributions in violation of section 315;

"(iii) except as otherwise provided by this title, will not accept any contribution for the general election involved to the extent that such contribution would cause the aggregate amount of such contributions to exceed the sum of the amount of the general election expenditure limit under section 502(b) and the amounts described in subsections (c), (d), and (e) of section 502, reduced by—

"(I) the amount of voter communication vouchers issued to the candidate; and

"(II) any amounts transferred to this election cycle from a previous election cycle and not taken into account under subparagraph (A)(ii);

"(iv) will deposit all payments received under this title in an account insured by the Federal Deposit Insurance Corporation from which funds may be withdrawn by check or similar means of payment to third parties;

"(v) will furnish campaign records, evidence of contributions, and other appropriate information to the Commission;

"(vi) will cooperate in the case of any audit and examination by the Commission under section 505 and will pay any amounts required to be paid under that section; and

"(vii) will meet the closed captioning requirements of section 509; and

"(E) the candidate intends to make use of the benefits provided under section 503.

"(2) The certification under paragraph (1) shall be filed not later than 7 days after the earlier of—

"(A) the date the candidate qualifies for the general election ballot under State law; or

"(B) if, under State law, a primary or runoff election to qualify for the general election ballot occurs after September 1, the date the candidate wins the primary or runoff election.

"(d) PRIMARY AND RUNOFF EXPENDITURE LIMITS.—(1) The requirements of this subsection are met if:

"(A) The candidate or the candidate's authorized committees did not make expenditures for the primary election in excess of the lesser of—

"(i) 67 percent of the general election expenditure limit under section 502(b); or

"(ii) $2,750,000.

"(B) The candidate and the candidate's authorized committees did not make expenditures for any runoff election in excess of 20 percent of the general election expenditure limit under section 502(b).

"(2) The limitations under subparagraphs (A) and (B) of paragraph (1) with respect to any candidate shall be increased by the aggregate amount of independent expenditures in opposition to, or on behalf of any opponent of, such candidate during the primary or runoff election period, whichever is applicable, which are required to be reported to the Secretary of the Senate or to the Commission with respect to such period under section 304.

"(3)(A) If the contributions received by the candidate or the candidate's authorized committees for the primary election or runoff election exceed the expenditures for either such election, such excess contributions shall be treated as contributions for the general election and expenditures for the general election may be made from such excess contributions.

"(B) Subparagraph (A) shall not apply to the extent that such treatment of excess contributions—

"(i) would result in the violation of any limitation under section 315; or

"(ii) would cause the aggregate contributions received for the general election to exceed the limits under subsection (c)(1)(D)(iii).

"(e) THRESHOLD CONTRIBUTION REQUIREMENTS.—(1) The requirements of this subsection are met if the candidate and the candidate's authorized committees have received allowable contributions during the applicable period in an amount at least equal to the lesser of—

"(A) 10 percent of the general election expenditure limit under section 502(b); or

"(B) $250,000.

"(2) For purposes of this section and subsections (b) and (c) of section 503—

"(A) The term 'allowable contributions' means contributions which are made as gifts of money by an individual pursuant to a written instrument identifying such individual as the contributor.

"(B) The term 'allowable contributions' shall not include—

"(i) contributions made directly or indirectly through an intermediary or conduit which are treated as made by such intermediary or conduit under section 315(a)(8)(B);

"(ii) contributions from any individual during the applicable period to the extent such contributions exceed $250; or

"(iii) contributions from individuals residing outside the candidate's State to the extent such contributions exceed 50 percent of the aggregate allowable contributions (without regard to this clause) received by the candidate during the applicable period.

Clauses (ii) and (iii) shall not apply for purposes of section 503(b).

"(3) For purposes of this subsection and subsections (b) and (c) of section 503, the term 'applicable period' means—

"(A) the period beginning on January 1 of the calendar year preceding the calendar year of the general election involved and ending on—

"(i) the date on which the certification under subsection (c) is filed by the candidate; or

"(ii) for purposes of subsections (b) and (c) of section 503, the date of such general election; or

"(B) in the case of a special election for the office of United States Senator, the period beginning on the date the vacancy in such office occurs and ending on the date of the general election involved.

"(f) INDEXING.—The $2,750,000 amount under subsection (d)(1) shall be increased as of the beginning of each calendar year based on the increase in the price index determined under section 315(c), except that, for purposes of subsection (d)(1) and section 502(b)(3), the base period shall be calendar year 1996.

"SEC. 502. LIMITATIONS ON EXPENDITURES.

"(a) LIMITATION ON USE OF PERSONAL FUNDS.—(1) The aggregate amount of expenditures which may be made during an election cycle by an eligible Senate candidate or such candidate's authorized committees from the sources described in paragraph (2) shall not exceed the lesser of—

"(A) 10 percent of the general election expenditure limit under subsection (b); or

"(B) $250,000.

"(2) A source is described in this paragraph if it is—

"(A) personal funds of the candidate and members of the candidate's immediate family; or

"(B) personal debt incurred by the candidate and members of the candidate's immediate family.

"(b) GENERAL ELECTION EXPENDITURE LIMIT.—(1) Except as otherwise provided in this title, the aggregate amount of expenditures for a general election by an eligible Senate candidate and the candidate's authorized committees shall not exceed the lesser of—

"(A) $5,500,000; or

"(B) the greater of—

"(i) $1,200,000; or

"(ii) $400,000; plus

"(I) 30 cents multiplied by the voting age population not in excess of 4,000,000; and

"(II) 25 cents multiplied by the voting age population in excess of 4,000,000.

"(2) In the case of an eligible Senate candidate in a State which has no more than 1 transmitter for a commercial Very High Frequency (VHF) television station licensed to operate in that State, paragraph (1)(B)(ii) shall be applied by substituting—

"(A) '80 cents' for '30 cents' in subclause (I); and

"(B) '70 cents' for '25 cents' in subclause (II).

"(3) The amount otherwise determined under paragraph (1) for any calendar year shall be increased by the same percentage as the percentage increase for such calendar year under section 501(f) (relating to indexing).

"(c) LEGAL AND ACCOUNTING COMPLIANCE FUND.—(1) The limitation under subsection (b) shall not apply to qualified legal and accounting expenditures made by a candidate or the candidate's authorized committees or a Federal officeholder from a legal and accounting compliance fund meeting the requirements of paragraph (2).

"(2) A legal and accounting compliance fund meets the requirements of this paragraph if—

"(A) the fund is established with respect to qualified legal and accounting expenditures incurred with respect to a particular general election;

"(B) the only amounts transferred to the fund are amounts received in accordance with the limitations, prohibitions, and reporting requirements of this Act;

"(C) the aggregate amounts transferred to, and expenditures made from, the fund with respect to the election cycle do not exceed the sum of—

"(i) the lesser of—

"(I) 15 percent of the general election expenditure limit under subsection (b) for the general election for which the fund was established; or

"(II) $300,000; plus

"(ii) the amount determined under paragraph (4); and

"(D) no funds received by the candidate pursuant to section 503(a)(3) may be transferred to the fund.

"(3) For purposes of this subsection, the term 'qualified legal and accounting expenditures' means the following:

"(A) Any expenditures for costs of legal and accounting services provided in connection with—

"(i) any administrative or court proceeding initiated pursuant to this Act for the general election for which the legal and accounting fund was established; or

"(ii) the preparation of any documents or reports required by this Act or the Commission.

"(B) Any expenditures for legal and accounting services provided in connection with the general election for which the legal and accounting compliance fund was established to ensure compliance with this Act with respect to the election cycle for such general election.

"(4)(A) If, after a general election, a candidate determines that the qualified legal and accounting expenditures will exceed the limitation under paragraph (2)(C)(i), the candidate may petition the Commission by filing with the Secretary of the Senate a request for an increase in such limitation. The Commission shall authorize an increase in such limitation in the amount (if any) by which the Commission determines the qualified legal and accounting expenditures exceed such limitation. Such determination shall be subject to judicial review under section 506.

"(B) Except as provided in section 315, any contribution received or expenditure made pursuant to this paragraph shall not be taken into account for any contribution or expenditure limit applicable to the candidate under this title.

"(5) Any funds in a legal and accounting compliance fund shall be treated for purposes of this Act as a separate segregated fund, except that any portion of the fund not used to pay qualified legal and accounting expenditures, and not transferred to a legal and accounting compliance fund for the election cycle for the next general election, shall be treated in the same manner as other campaign funds for purposes of section 313(b).

"(d) PAYMENT OF TAXES ON EARNINGS.—The limitation under subsection (b) shall not apply to any expenditure for Federal, State, or local income taxes on the earnings of a candidate's authorized committees.

"(e) CERTAIN EXPENSES.—In the case of an eligible Senate candidate who holds a Federal office, the limitation under subsection (b) shall not apply to ordinary and necessary expenses of travel of such individual and the individual's spouse and children between Washington, D.C. and the individual's State in connection with the individual's activities as a holder of Federal office.

"(f) EXPENDITURES.—For purposes of this title, the term 'expenditure' has the meaning given such term by section 301(9), except that in determining any expenditures made by, or on behalf of, a candidate or a candidate's authorized committees, section 301(9)(B) shall be applied without regard to clause (ii) thereof.

"SEC. 503. BENEFITS ELIGIBLE CANDIDATE ENTITLED TO RECEIVE.

"(a) IN GENERAL.—An eligible Senate candidate shall be entitled to—

"(1) the broadcast media rates provided under section 315(b) of the Communications Act of 1934;

"(2) the mailing rates provided in section 3626(e) of title 39, United States Code;

"(3) payments from the Senate Election Campaign Fund in the amount determined under subsection (b); and

"(4) voter communication vouchers in the amount determined under subsection (c).

"(b) EXCESS EXPENDITURE AMOUNT.—(1) For purposes of subsection (a)(3), except as provided in section 510(d), the amount determined under this subsection is, in the case of an eligible Senate candidate who has an opponent in the general election who receives contributions, or makes (or obligates to make) expenditures, for such election in excess of the general election expenditure limit under section 502(b), the excess expenditure amount.

"(2) For purposes of paragraph (1), the excess expenditure amount is the amount determined as follows:

"(A) In the case of a major party candidate, an amount equal to the sum of—

"(i) if the excess described in paragraph (1) is less than 133⅓ percent of the general election expenditure limit under section 502(b), an amount equal to one-third of such limit applicable to the eligible Senate candidate for the election; plus

"(ii) if such excess equals or exceeds 133⅓ percent but is less than 166⅔ percent of such limit, an amount equal to one-third of such limit; plus

"(iii) if such excess equals or exceeds 166⅔ percent of such limit, an amount equal to one-third of such limit.

"(B) In the case of an eligible Senate candidate who is not a major party candidate, an amount equal to the least of the following:

"(i) The allowable contributions of the eligible Senate candidate during the applicable period in excess of the threshold contribution requirement under section 501(e).

"(ii) 50 percent of the general election expenditure limit applicable to the eligible Senate candidate under section 502(b).

"(iii) The excess described in paragraph (1).

"(c) VOTER COMMUNICATION VOUCHERS.—(1) Subject to the provisions of section 510(d), the aggregate amount of voter communication vouchers issued to an eligible Senate candidate shall be equal to the sum of—

"(A) 12.5 percent (6.25 percent if the candidate is not a major party candidate) of the sum of—

"(i) the primary election expenditure limit under section 501(d)(1)(A); and

"(ii) the general election expenditure limit under section 502(b), plus

"(B) the independent expenditure amount.

"(2) If an eligible Senate candidate and the candidate's authorized committees have received allowable contributions during the applicable period in an amount not less than twice the threshold contribution requirement under section 501(e), paragraph (1) shall be applied by substituting '25 percent' for '12.5 percent' and '12.5 percent' for '6.25 percent'.

"(3) For purposes of paragraph (1)(B), the independent expenditure amount is the total amount of independent expenditures made, or obligated to be made, during the general election period by 1 or more persons in opposition to, or on behalf of an opponent of, an eligible Senate candidate which are required to be reported by such persons under section 304 with respect to the general election period and are certified by the Commission under section 304(d)(7).

"(4) Voter communication vouchers shall be used by an eligible Senate candidate—

"(A) to purchase broadcast time during the general election period in the same manner as other broadcast time may be purchased by the candidate, except that any broadcast so purchased must be at least 60 seconds in length;

"(B) to purchase print advertisements during the general election period; or

"(C) to pay for postage expenses incurred during the general election period.

"(5) In the case of an eligible Senate candidate in a State in which the primary election is treated as a general election under section 301(20), the aggregate communications vouchers issued to such candidate for both the primary election and the regular general election shall not exceed the amount which would have been received for the regular general election if the primary election were not also treated as a general election.

"(d) WAIVER OF EXPENDITURE AND CONTRIBUTION LIMITS.—(1)(A) An eligible Senate candidate who receives payments under subsection (a)(3) may make expenditures from such payments to defray expenditures for the general election without regard to the general election expenditure limit under section 502(b).

"(B) In the case of an eligible Senate candidate who is not a major party candidate, the general election expenditure limit under section 502(b) with respect to such candidate shall be increased by the amount (if any) by which the excess described in subsection (b)(1) exceeds the amount determined under subsection (b)(2)(B) with respect to such candidate.

"(2)(A) An eligible Senate candidate who receives benefits under this section may make expenditures for the general election without regard to clause (i) of section 501(c)(1)(D) or subsection (a) or (b) of section 502 if any one of the eligible Senate candidate's opponents who is not an eligible Senate candidate either raises aggregate contributions, or makes or becomes obligated to make aggregate expenditures, for the general election that exceed 200 percent of the general election expenditure limit applicable to the eligible Senate candidate under section 502(b).

"(B) The amount of the expenditures which may be made by reason of subparagraph (A) shall not exceed 100 percent of the general election expenditure limit under section 502(b).

"(3)(A) A candidate who receives benefits under this section may receive contributions for the general election without regard to clause (iii) of section 501(c)(1)(D) if—

"(i) a major party candidate in the same general election is not an eligible Senate candidate; or

"(ii) any other candidate in the same general election who is not an eligible Senate candidate raises aggregate contributions, or makes or becomes obligated to make aggregate expenditures, for the general election that exceed 75 percent of the general election expenditure limit applicable to such other candidate under section 502(b).

"(B) The amount of contributions which may be received by reason of subparagraph (A) shall not exceed 100 percent of the general election expenditure limit under section 502(b).

"(e) USE OF PAYMENTS.—Payments received by a candidate under subsection (a)(3) shall be used to defray expenditures incurred with respect to the general election period for the candidate. Such payments shall not be used—

"(1) except as provided in paragraph (4), to make any payments, directly or indirectly, to such candidate or to any member of the immediate family of such candidate;

"(2) to make any expenditure other than expenditures to further the general election of such candidate;

"(3) to make any expenditures which constitute a violation of any law of the United States or of the State in which the expenditure is made; or

"(4) subject to the provisions of section 315(j), to repay any loan to any person except to the extent the proceeds of such loan were used to further the general election of such candidate.

"SEC. 504. CERTIFICATION BY COMMISSION.

"(a) IN GENERAL.—(1) The Commission shall certify to any candidate meeting the requirements of section 501 that such candidate is an eligible Senate candidate entitled to benefits under this title. The Commission shall revoke such certification if it determines a candidate fails to continue to meet such requirements.

"(2) No later than 48 hours after an eligible Senate candidate files a request with the Secretary of the Senate to receive benefits under section 503, the Commission shall issue a certification stating whether such candidate is eligible for payments under this title from the Senate Election Campaign Fund or to receive voter communication vouchers and the amount of such payments or vouchers to which such candidate is entitled. The request referred to in the preceding sentence shall contain—

"(A) such information and be made in accordance with such procedures as the Commission may provide by regulation; and

"(B) a verification signed by the candidate and the treasurer of the principal campaign committee of such candidate stating that the information furnished in support of the request, to the best of their knowledge, is correct and fully satisfies the requirements of this title.

"(b) DETERMINATIONS BY COMMISSION.—All determinations (including certifications under subsection (a)) made by the Commission under this title shall be final and conclusive, except to the extent that they are subject to examination and audit by the Commission under section 505 and judicial review under section 506.

"SEC. 505. EXAMINATION AND AUDITS; REPAYMENTS; CIVIL PENALTIES.

"(a) EXAMINATION AND AUDITS.—(1) The Commission shall conduct an examination and audit of the candidates' campaign accounts in 10 percent of the elections to seats in the Senate in each general election, and of the candidates' campaign accounts in each special election to a seat in the Senate, to determine, among other things, whether such candidates have complied with the expenditure limits and conditions of eligibility of this title, and other requirements of this Act. Such candidates shall be designated by the Commission through the use of an appropriate statistical method of random selection. If the Commission selects a general election to a Senate seat for examination and audit, the Commission shall examine and audit the campaign activities of all candidates in that general election whose expenditures were equal to or greater than 30 percent of the general election expenditure limit under section 502(b) for that election.

"(2) The Commission may conduct an examination and audit of the campaign accounts of any candidate in a general election for the office of United States Senator if the Commission determines that there exists reason to believe that such candidate may have violated any provision of this title.

"(b) EXCESS PAYMENTS; REVOCATION OF STATUS.—(1) If the Commission determines that payments or vouchers were made to an eligible Senate candidate under this title in excess of the aggregate amounts to which such candidate was entitled, the Commission shall so notify such candidate, and such candidate shall pay an amount equal to the excess.

"(2) If the Commission revokes the certification of a candidate as an eligible Senate candidate under section 504(a)(1), the Commission shall notify the candidate, and the candidate shall pay an amount equal to the payments and vouchers received under this title.

"(c) MISUSE OF BENEFITS.—If the Commission determines that any amount of any benefit made available to an eligible Senate candidate under this title was not used as provided for in this title, the Commission shall so notify such candidate and such candidate shall pay the amount of such benefit.

"(d) EXCESS EXPENDITURES.—If the Commission determines that any eligible Senate candidate who has received benefits under this title has made expenditures which in the aggregate exceed—

"(1) the primary or runoff expenditure limit under section 501(d); or

"(2) the general election expenditure limit under section 502(b),

the Commission shall so notify such candidate and such candidate shall pay an amount equal to the amount of the excess expenditures.

"(e) CIVIL PENALTIES.—(1) If the Commission determines that a candidate has committed a violation described in subsection (c), the Commission may assess a civil penalty against such candidate in an amount not greater than 200 percent of the amount involved.

"(2)(A) LOW AMOUNT OF EXCESS EXPENDITURES.—Any eligible Senate candidate who makes expenditures that exceed any limitation described in paragraph (1) or (2) of subsection (d) by 2.5 percent or less shall pay an amount equal to the amount of the excess expenditures.

"(B) MEDIUM AMOUNT OF EXCESS EXPENDITURES.—Any eligible Senate candidate who makes expenditures that exceed any limitation described in paragraph (1) or (2) of subsection (d) by more than 2.5 percent and less than 5 percent shall pay an amount equal to three times the amount of the excess expenditures.

"(C) LARGE AMOUNT OF EXCESS EXPENDITURES.—Any eligible Senate candidate who makes expenditures that exceed any limitation described in paragraph (1) or (2) of subsection (d) by 5 percent or more shall pay an amount equal to the sum of—

"(i) three times the amount of the excess expenditures plus an additional amount determined by the Commission, plus

"(ii) if the Commission determines such excess expenditures were willful, an amount equal to the benefits the candidate received under this title.

"(f) UNEXPENDED FUNDS.—Any amount received by an eligible Senate candidate under this title and not expended on or before the date of the general election shall be repaid within 30 days of the election, except that a reasonable amount may be retained for a period not exceeding 120 days after the date of the general election for the liquidation of all obligations to pay expenditures for the general election incurred during the general election period. At the end of such 120-day period, any unexpended funds received under this title shall be promptly repaid.

"(g) PAYMENTS RETURNED TO SOURCE.—Any payment, repayment, or civil penalty required by this section shall be paid to the entity from which benefits under this title were paid to the eligible Senate candidate.

"(h) LIMIT ON PERIOD FOR NOTIFICATION.—No notification shall be made by the Commission under this section with respect to an election more than three years after the date of such election.

"SEC. 506. JUDICIAL REVIEW.

"(a) JUDICIAL REVIEW.—Any agency action by the Commission made under the provisions of this title shall be subject to review by the United States Court of Appeals for the District of Columbia Circuit upon petition filed in such court within thirty days after the agency action by the Commission for which review is sought. It shall be the duty of the Court of Appeals, ahead of all matters not filed under this title, to advance on the docket and expeditiously take action on all petitions filed pursuant to this title.

"(b) APPLICATION OF TITLE 5.—The provisions of chapter 7 of title 5, United States Code, shall apply to judicial review of any agency action by the Commission.

"(c) AGENCY ACTION.—For purposes of this section, the term 'agency action' has the meaning given such term by section 551(13) of title 5, United States Code.

"SEC. 507. PARTICIPATION BY COMMISSION IN JUDICIAL PROCEEDINGS.

"(a) APPEARANCES.—The Commission is authorized to appear in and defend against any action instituted under this section and under section 506 either by attorneys employed in its office or by counsel whom it may appoint without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and whose compensation it may fix without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title.

"(b) INSTITUTION OF ACTIONS.—The Commission is authorized, through attorneys and counsel described in subsection (a), to institute actions in the district courts of the United States to seek recovery of any amounts determined under this title to be payable to any entity from which benefits under this title were paid.

"(c) INJUNCTIVE RELIEF.—The Commission is authorized, through attorneys and counsel described in subsection (a), to petition the courts of the United States for such injunctive relief as is appropriate in order to implement any provision of this title.

"(d) APPEALS.—The Commission is authorized on behalf of the United States to appeal from, and to petition the Supreme Court for certiorari to review, judgments or decrees entered with respect to actions in which it appears pursuant to the authority provided in this section.

"SEC. 508. REPORTS TO CONGRESS; REGULATIONS.

"(a) REPORTS.—The Commission shall, as soon as practicable after each election, submit a full report to the Senate setting forth—

"(1) the expenditures (shown in such detail as the Commission determines appropriate) made by each eligible Senate candidate and the authorized committees of such candidate;

"(2) the amounts certified by the Commission under section 504 as benefits available to each eligible Senate candidate;

"(3) the amount of repayments, if any, required under section 505 and the reasons for each repayment required; and

"(4) the balance in the Senate Election Campaign Fund (and any account thereof).

Each report submitted pursuant to this section shall be printed as a Senate document.

"(b) RULES AND REGULATIONS.—The Commission is authorized to prescribe (in accordance with the provisions of subsection (c)) such rules and regulations, to conduct such examinations and investigations, and to require the keeping and submission of such books, records, and information, as it deems necessary to carry out the functions and duties imposed on it by this title.

"(c) STATEMENT TO SENATE.—Thirty days before prescribing any rule or regulation under subsection (b), the Commission shall transmit to the Senate a statement setting forth the proposed rule or regulation and containing a detailed explanation and justification of such rule or regulation.

"SEC. 509. CLOSED CAPTIONING REQUIREMENT FOR TELEVISION COMMERCIALS OF ELIGIBLE SENATE CANDIDATES.

"No eligible Senate candidate may receive amounts under section 503(a)(3) or vouchers under section 503(a)(4) unless such candidate has certified that any television commercial prepared or distributed by the candidate will be prepared in a manner that contains, is accompanied by, or otherwise readily permits closed captioning of the oral content of the commercial to be broadcast by way of line 21 of the vertical blanking interval, or by way of comparable successor technologies.

"SEC. 510. SENATE ELECTION CAMPAIGN FUND.

"(a) ESTABLISHMENT OF CAMPAIGN FUND.—(1) There is hereby established on the books of the Treasury of the United States a special fund to be known as the Senate Election Campaign Fund (hereafter in this section referred to as 'the Fund').

"(2) There are hereby appropriated to the Fund the following amounts:

"(A) Amounts received in the Treasury which are equivalent to the increase in Federal revenues by reason of the disallowance of deductions for lobbying expenditures, but only to the extent such amounts do not exceed the amount certified by the Commission as necessary to carry out the purposes of this title.

"(B) Amounts transferred to the Fund under any provision of this Act.

"(C) Amounts credited to the Fund under paragraph (3).

"(3) The Secretary of the Treasury shall transfer amounts to, and manage, the Fund in the manner provided under subchapter B of chapter 98 of the Internal Revenue Code of 1986.

"(4) Amounts in the Fund shall, subject to the availability of appropriations, be available only for the purposes of—

"(A) providing benefits under this title; and

"(B) making expenditures in connection with the administration of the Fund.

"(5) The Secretary shall maintain such accounts in the Fund as may be required by this title or which the Secretary determines to be necessary to carry out the provisions of this title.

"(b) PAYMENTS UPON CERTIFICATION.—Upon receipt of a certification from the Commission under section 504, except as provided in subsection (d), the Secretary shall, subject to the availability of appropriations, promptly pay the amount certified by the Commission to the candidate out of the Fund.

"(c) VOUCHERS.—Upon receipt of a certification from the Commission under section 504, except as provided in subsection (d), the Secretary of the Treasury shall, subject to the availability of appropriations, issue to an eligible candidate the amount of voter communication vouchers specified in such certification.

"(d) REDUCTIONS IN PAYMENTS IF FUNDS INSUFFICIENT.—(1) If, at the time of a certification by the Commission under section 504 for payment, or issuance of a voucher, to an eligible candidate, the Secretary determines that the monies in the Fund are not, or may not be, sufficient to satisfy the full entitlement of all eligible candidates, the Secretary shall withhold from the amount of such payment or voucher such amount as the Secretary determines to be necessary to assure that each eligible candidate will receive the same pro rata share of such candidate's full entitlement.

"(2) Amounts and vouchers withheld under paragraph (1) shall be paid when the Secretary determines that there are sufficient monies in the Fund to pay all, or a portion thereof, to all eligible candidates from whom amounts have been withheld, except that if only a portion is to be paid, it shall be paid in such manner that each eligible candidate receives an equal pro rata share of such portion.

"(3)(A) Not later than December 31 of any calendar year preceding a calendar year in which there is a regularly scheduled general election, the Secretary, after consultation with the Commission, shall make an estimate of—

"(i) the amount of monies in the Fund which will be available to make payments required by this title in the succeeding calendar year; and

"(ii) the amount of expenditures which will be required under this title in such calendar year.

"(B) If the Secretary determines that there will be insufficient monies in the Fund to make the expenditures required by this title for any calendar year, the Secretary shall notify each candidate on January 1 of such calendar year (or, if later, the date on which an individual becomes a candidate) of the amount which the Secretary estimates will be the pro rata reduction in each eligible candidate's payments (including vouchers) under this subsection. Such notice shall be by registered mail.

"(C) The amount of the eligible candidate's contribution limit under section 501(c)(1)(D)(iii) shall be increased by the amount of the estimated pro rata reduction.

"(4) The Secretary shall notify the Commission and each eligible candidate by registered mail of any actual reduction in the amount of any payment by reason of this subsection. If the amount of the reduction exceeds the amount estimated under paragraph (3), the candidate's contribution limit under section 501(c)(1)(D)(iii) shall be increased by the amount of such excess.".

(b) EFFECTIVE DATES.—(1) Except as provided in this subsection, the amendment made by subsection (a) shall apply to elections occurring after December 31, 1994.

(2) For purposes of any expenditure or contribution limit imposed by the amendment made by subsection (a)—

(A) no expenditure made before January 1, 1994, shall be taken into account, except that there shall be taken into account any such expenditure for goods or services to be provided after such date; and

(B) all cash, cash items, and Government securities on hand as of January 1, 1994, shall be taken into account in determining whether the contribution limit is met, except that there shall not be taken into account amounts used during the 60-day period beginning on January 1, 1994, to pay for expenditures which were incurred (but unpaid) before such date.

(c) EFFECT OF INVALIDITY ON OTHER PROVISIONS OF ACT.—If section 501, 502, or 503 of title V of FECA (as added by this section), or any part thereof, is held to be invalid, all provisions of, and amendments made by, this Act shall be treated as invalid.

SEC. 102. BAN ON ACTIVITIES OF POLITICAL ACTION COMMITTEES IN FEDERAL ELECTIONS.

(a) IN GENERAL.—Title III of FECA (2 U.S.C. 301 et seq.), as amended by section 404, is amended by adding at the end thereof the following new section:

"BAN ON FEDERAL ELECTION ACTIVITIES BY POLITICAL ACTION COMMITTEES

"SEC. 327. (a) Notwithstanding any other provision of this Act, no person other than an individual or a political committee may make contributions, solicit or receive contributions, or make expenditures for the purpose of influencing an election for Federal office.

"(b) In the case of individuals who are executive or administrative personnel of an employer—

"(1) no contributions may be made by such individuals—

"(A) to any political committees established and maintained by any political party; or

"(B) to any candidate for election to the office of United States Senator or the candidate's authorized committees,

unless such contributions are not being made at the direction of, or otherwise controlled or influenced by, the employer; and

"(2) the aggregate amount of such contributions by all such individuals in any calendar year shall not exceed—

"(A) $20,000 in the case of such political committees; and

"(B) $5,000 in the case of any such candidate and the candidate's authorized committees.".

(b) DEFINITION OF POLITICAL COMMITTEE.—(1) Paragraph (4) of section 301 of FECA (2 U.S.C. 431(4)) is amended to read as follows:

"(4) The term 'political committee' means—

"(A) the principal campaign committee of a candidate;

"(B) any national, State, or district committee of a political party, including any subordinate committee thereof; and

"(C) any local committee of a political party which—

"(i) receives contributions aggregating in excess of $5,000 during a calendar year;

"(ii) makes payments exempted from the definition of contribution or expenditure under paragraph (8) or (9) aggregating in excess of $5,000 during a calendar year; or

"(iii) makes contributions or expenditures aggregating in excess of $1,000 during a calendar year.".

(2) Section 316(b)(2) of FECA (2 U.S.C. 441b(b)(2)) is amended by striking subparagraph (C).

(c) CANDIDATE'S COMMITTEES.—(1) Section 315(a) of FECA (2 U.S.C. 441a(a)) is amended by adding at the end thereof the following new paragraph:

"(9) For the purposes of the limitations provided by paragraphs (1) and (2), any political committee which is established or financed or maintained or controlled by any candidate or Federal officeholder shall be deemed to be an authorized committee of such candidate or officeholder.".

(2) Section 302(e)(3) of FECA (2 U.S.C. 432) is amended to read as follows:

"(3) No political committee that supports or has supported more than one candidate may be designated as an authorized committee, except that—

"(A) a candidate for the office of President nominated by a political party may designate the national committee of such political party as the candidate's principal campaign committee, but only if that national committee maintains separate books of account with respect to its functions as a principal campaign committee; and

"(B) a candidate may designate a political committee established solely for the purpose of joint fundraising by such candidates as an authorized committee.".

(d) RULES APPLICABLE WHEN BAN NOT IN EFFECT.—For purposes of the Federal Election Campaign Act of 1971, during any period beginning after the effective date in which the limitation under section 327 of such Act (as added by subsection (a)) is not in effect—

(1) the amendments made by subsections (a), (b), and (c) shall not be in effect;

(2) in the case of a candidate for election, or nomination for election, to the office of President or Vice President or to the United States Senate (and such candidate's authorized committees), section 315(a)(2)(A) of FECA (2 U.S.C. 441a(a)(2)(A)) shall be applied by substituting "$1,000" for "$5,000";

(3) it shall be unlawful for a multi-candidate political committee to make a contribution to a candidate for election, or nomination for election, to the United States Senate (or an authorized committee) to the extent that the making or accepting of the contribution will cause the amount of contributions received by the candidate and the candidate's authorized committees from multicandidate political committees to exceed the lesser of—

(A) $825,000; or

(B) 20 percent of the sum of the general election spending limit under section 502(b) of FECA plus the primary election spending limit under section 501(d)(1)(A) of FECA (without regard to whether the candidate is an eligible Senate candidate, as defined in section 301(19) of FECA).

In the case of an election cycle in which there is a runoff election, the limit determined under paragraph (3) shall be increased by an amount equal to 20 percent of the runoff election expenditure limit under section 501(d)(1)(A) of FECA (without regard to whether the candidate is such an eligible candidate). The $825,000 amount in paragraph (3) shall be increased as of the beginning of each calendar year based on the increase in the price index determined under section 315(c) of FECA, except that for purposes of paragraph (3), the base period shall be the calendar year 1996. A candidate or authorized committee that receives a contribution from a multicandidate political committee in excess of the amount allowed under paragraph (3) shall return the amount of such excess contribution to the contributor.

(e) RULE ENSURING PROHIBITION ON DIRECT CORPORATE AND LABOR SPENDING.—If section 316(a) of the Federal Election Campaign Act of 1971 is held to be invalid by reason of the amendments made by this section, then the amendments made by this section shall not apply to contributions by any political committee that is directly or indirectly established, administered, or supported by a connected organization which is a bank, corporation, or other organization described in such section 316(a).

(f) RESTRICTIONS ON CONTRIBUTIONS TO POLITICAL COMMITTEES.—Paragraphs (1)(D) and (2)(D) of section 315(a) of FECA (2 U.S.C. 441a(a) (1)(D) and (2)(D)), as redesignated by section 312, are each amended by striking "$5,000" and inserting "$1,000".

(g) EFFECTIVE DATES.—(1) Except as provided in paragraph (2), the amendments made by this section shall apply to elections (and the election cycles relating thereto) occurring after December 31, 1994.

(2) In applying the amendments made by this section, there shall not be taken into account—

(A) contributions made or received before January 1, 1994; or

(B) contributions made to, or received by, a candidate on or after January 1, 1994, to the extent such contributions are not greater than the excess (if any) of—

(i) such contributions received by any opponent of the candidate before January 1, 1994, over

(ii) such contributions received by the candidate before January 1, 1994.

SEC. 103. REPORTING REQUIREMENTS.

Title III of FECA is amended by adding after section 304 the following new section:

"REPORTING REQUIREMENTS FOR SENATE CANDIDATES

"SEC. 304A. (a) CANDIDATE OTHER THAN ELIGIBLE SENATE CANDIDATE.—(1) Each candidate for the office of United States Senator who does not file a certification with the Secretary of the Senate under section 501(c) shall file with the Secretary of the Senate a declaration as to whether such candidate intends to make expenditures for the general election in excess of the general election expenditure limit applicable to an eligible Senate candidate under section 502(b). Such declaration shall be filed at the time provided in section 501(c)(2).

"(2) Any candidate for the United States Senate who qualifies for the ballot for a general election—

"(A) who is not an eligible Senate candidate under section 501; and

"(B) who either raises aggregate contributions, or makes or obligates to make aggregate expenditures, for the general election which exceed 75 percent of the general election expenditure limit applicable to an eligible Senate candidate under section 502(b),

shall file a report with the Secretary of the Senate within 2 business days after such contributions have been raised or such expenditures have been made or obligated to be made (or, if later, within 2 business days after the date of qualification for the general election ballot), setting forth the candidate's total contributions and total expenditures for such election as of such date. Thereafter, such candidate shall file additional reports (until such contributions or expenditures exceed 200 percent of such limit) with the Secretary of the Senate within 2 business days after each time additional contributions are raised, or expenditures are made or are obligated to be made, which in the aggregate exceed an amount equal to 10 percent of such limit and after the total contributions or expenditures exceed 100, 133⅓, 166⅔, and 200 percent of such limit.

"(3) The Commission—

"(A) shall, within 2 business days of receipt of a declaration or report under paragraph (1) or (2), notify each eligible Senate candidate in the election involved about such declaration or report; and

"(B) if an opposing candidate has raised aggregate contributions, or made or has obligated to make aggregate expenditures, in excess of the applicable general election expenditure limit under section 502(b), shall certify, pursuant to the provisions of subsection (d), such eligibility for payment of any amount to which such eligible Senate candidate is entitled under section 503(a).

"(4) Notwithstanding the reporting requirements under this subsection, the Commission may make its own determination that a candidate in a general election who is not an eligible Senate candidate has raised aggregate contributions, or made or has obligated to make aggregate expenditures, in the amounts which would require a report under paragraph (2). The Commission shall, within 2 business days after making each such determination, notify each eligible Senate candidate in the general election involved about such determination, and shall, when such contributions or expenditures exceed the general election expenditure limit under section 502(b), certify (pursuant to the provisions of subsection (d)) such candidate's eligibility for payment of any amount under section 503(a).

"(b) REPORTS ON PERSONAL FUNDS.—(1) Any candidate for the United States Senate who during the election cycle expends more than the limitation under section 502(a) during the election cycle from his personal funds, the funds of his immediate family, and personal loans incurred by the candidate and the candidate's immediate family shall file a report with the Secretary of the Senate within 2 business days after such expenditures have been made or loans incurred.

"(2) The Commission within 2 business days after a report has been filed under paragraph (1) shall notify each eligible Senate candidate in the election involved about each such report.

"(3) Notwithstanding the reporting requirements under this subsection, the Commission may make its own determination that a candidate for the United States Senate has made expenditures in excess of the amount under paragraph (1). The Commission within 2 business days after making such determination shall notify each eligible Senate candidate in the general election involved about each such determination.

"(c) CANDIDATES FOR OTHER OFFICES.—(1) Each individual—

"(A) who becomes a candidate for the office of United States Senator;

"(B) who, during the election cycle for such office, held any other Federal, State, or local office or was a candidate for such other office; and

"(C) who expended any amount during such election cycle before becoming a candidate for the office of United States Senator which would have been treated as an expenditure if such individual had been such a candidate, including amounts for activities to promote the image or name recognition of such individual,

shall, within 7 days of becoming a candidate for the office of United States Senator, report to the Secretary of the Senate the amount and nature of such expenditures.

"(2) Paragraph (1) shall not apply to any expenditures in connection with a Federal, State, or local election which has been held before the individual becomes a candidate for the office of United States Senator.

"(3) The Commission shall, as soon as practicable, make a determination as to whether the amounts included in the report under paragraph (1) were made for purposes of influencing the election of the individual to the office of United States Senator.

"(4) The Commission shall certify to the individual and such individual's opponents the amounts the Commission determines to be described in paragraph (3) and such amounts shall be treated as expenditures for purposes of this Act.

"(d) CERTIFICATIONS.—Notwithstanding section 504(a), the certification required by this section shall be made by the Commission on the basis of reports filed in accordance with the provisions of this Act, or on the basis of the Commission's own investigation or determination.

"(e) SHORTER PERIODS FOR REPORTS AND NOTICES DURING ELECTION WEEK.—Any report, determination, or notice required by reason of an event occurring during the 7-day period ending with the general election shall be made within 24 hours (rather than 2 business days) of the event.

"(f) COPIES OF REPORTS AND PUBLIC INSPECTION.—The Secretary of the Senate shall transmit a copy of any report or filing received under this section or under title V as soon as possible (but no later than 4 working hours of the Commission) after receipt of such report or filing, and shall make such report or filing available for public inspection and copying in the same manner as the Commission under section 311(a)(4), and shall preserve such reports and filings in the same manner as the Commission under section 311(a)(5).

"(g) DEFINITIONS.—For purposes of this section, any term used in this section which is used in title V shall have the same meaning as when used in title V.".

SEC. 104. DISCLOSURE BY NONELIGIBLE CANDIDATES.

Section 318 of FECA (2 U.S.C. 441d), as amended by section 134, is amended by adding at the end thereof the following:

"(f) If a broadcast, cablecast, or other communication is paid for or authorized by a candidate in the general election for the office of United States Senator who is not an eligible Senate candidate, or the authorized committee of such candidate, such communication shall contain the following sentence: 'This candidate has not agreed to voluntary campaign spending limits.'.".

SEC. 105. EXCESS CAMPAIGN FUNDS OF SENATE CANDIDATES.

Section 313 of FECA (2 U.S.C. 439a) is amended—

(1) by inserting "(a) IN GENERAL.—" before "Amounts"; and

(2) by adding at the end the following new subsection:

"(b) RETURN OF EXCESS CAMPAIGN FUNDS.—(1) Except as provided in paragraph (2), and notwithstanding subsection (a), if a candidate for the Senate has amounts in excess of amounts necessary to defray campaign expenditures for any election cycle, including any fines or penalties relating thereto, such candidate shall, not later than 1 year after the date of the general election for such cycle, expend such excess in the manner described in subsection (a) or transfer it to the Senate Election Campaign Fund established under section 510.

"(2) Paragraph (1) shall not apply to any amounts—

"(A) transferred to a legal and accounting compliance fund established under section 502(c); or

"(B) transferred for use in the next election cycle to the extent such amounts do not exceed 20 percent of the sum of the primary election expenditure limit under section 501(d)(1)(A) and the general election expenditure limit under section 502(b) for the election cycle from which the amounts are being transferred.".

Subtitle B—General Provisions

SEC. 131. BROADCAST RATES AND PREEMPTION.

(a) BROADCAST RATES.—Section 315(b) of the Communications Act of 1934 (47 U.S.C. 315(b)) is amended—

(1) in paragraph (1)—

(A) by striking "forty-five" and inserting "30"; and

(B) by striking "lowest unit charge of the station for the same class and amount of time for the same period" and inserting "lowest charge of the station for the same amount of time for the same period on the same date"; and

(2) by adding at the end the following new sentence:

"In the case of an eligible Senate candidate (as defined in section 301(19) of the Federal Election Campaign Act of 1971), the charges for the use of a television broadcasting station during the 60-day period referred to in paragraph (1) shall not exceed 50 percent of the lowest charge described in paragraph (1), except that this sentence shall not apply to broadcasts which are to be paid by vouchers which are received under section 503(c)(4) by reason of the independent expenditure amount.".

(b) PREEMPTION; ACCESS.—Section 315 of such Act (47 U.S.C. 315) is amended by redesignating subsections (c) and (d) as subsections (d) and (e), respectively, and by inserting immediately after subsection (b) the following new subsection:

"(c)(1) Except as provided in paragraph (2), a licensee shall not preempt the use, during any period specified in subsection (b)(1), of a broadcasting station by a legally qualified candidate for public office who has purchased and paid for such use pursuant to the provisions of subsection (b)(1).

"(2) If a program to be broadcast by a broadcasting station is preempted because of circumstances beyond the control of the broadcasting station, any candidate advertising spot scheduled to be broadcast during that program may also be preempted.".

(c) REVOCATION OF LICENSE FOR FAILURE TO PERMIT ACCESS.—Section 312(a)(7) of such Act (47 U.S.C. 312(a)(7)) is amended—

(1) by striking "or repeated";

(2) by inserting "or cable system" after "broadcasting station"; and

(3) by striking "his candidacy" and inserting "his or her candidacy, under the same terms, conditions, and business practices as apply to its most favored advertiser".

SEC. 132. EXTENSION OF REDUCED THIRD-CLASS MAILING RATES TO ELIGIBLE SENATE CANDIDATES.

Section 3626(e) of title 39, United States Code, is amended—

(1) in paragraph (2)(A)—

(A) by striking "and the National" and inserting "the National"; and

(B) by striking "Committee;" and inserting "Committee, and, subject to paragraph (3), the principal campaign committee of an eligible Senate candidate;";

(2) in paragraph (2)(B), by striking "and" after the semicolon;

(3) in paragraph (2)(C), by striking the period and inserting "; and";

(4) by adding after paragraph (2)(C) the following new subparagraph:

"(D) the terms 'eligible Senate candidate' and 'principal campaign committee' have the meanings given those terms in section 301 of the Federal Election Campaign Act of 1971."; and

(5) by adding after paragraph (2) the following new paragraph:

"(3) The rate made available under this subsection with respect to an eligible Senate candidate shall apply only to—

"(A) the general election period (as defined in section 301 of the Federal Election Campaign Act of 1971); and

"(B) that number of pieces of mail equal to the number of individuals in the voting age population (as certified under section 315(e) of such Act) of the State.".

SEC. 133. REPORTING REQUIREMENTS FOR CERTAIN INDEPENDENT EXPENDITURES.

(a) IN GENERAL.—Section 304 of FECA (2 U.S.C. 434) is amended by adding at the end the following new subsection:

"(d) TIME FOR REPORTING CERTAIN EXPENDITURES.—(1) Any person making independent expenditures aggregating $1,000 or more after the 20th day, but more than 24 hours, before any election shall file a report of such expenditures within 24 hours after such expenditures are made.

"(2) Any person making independent expenditures aggregating $10,000 or more at any time up to and including the 20th day before any election shall file a report within 48 hours after such expenditures are made. An additional statement shall be filed each time independent expenditures aggregating $10,000 are made with respect to the same election as the initial statement filed under this section.

"(3) Any statement under this subsection shall be filed with the Secretary of the Senate or the Commission, and the Secretary of State of the State involved, as appropriate, and shall contain the information required by subsection (b)(6)(B)(iii) of this section, including whether the independent expenditure is in support of, or in opposition to, the candidate involved. The Secretary of the Senate shall as soon as possible (but not later than 4 working hours of the Commission) after receipt of a statement transmit it to the Commission. Not later than 48 hours after the Commission receives a report, the Commission shall transmit a copy of the report to each candidate seeking nomination or election to that office.

"(4) For purposes of this subsection, an expenditure shall be treated as made when it is made or obligated to be made.

"(5)(A) If any person intends to make independent expenditures totaling $5,000 or more during the 20 days before an election, such person shall file a statement no later than the 20th day before the election.

"(B) Any statement under subparagraph (A) shall be filed with the Secretary of the Senate or the Commission, and the Secretary of State of the State involved, as appropriate, and shall identify each candidate whom the expenditure will support or oppose. The Secretary of the Senate shall as soon as possible (but not later than 4 working hours of the Commission) after receipt of a statement transmit it to the Commission. Not later than 48 hours after the Commission receives a statement under this paragraph, the Commission shall transmit a copy of the statement to each candidate identified.

"(6) The Commission may make its own determination that a person has made, or has incurred obligations to make, independent expenditures with respect to any Federal election which in the aggregate exceed the applicable amounts under paragraph (1) or (2). The Commission shall notify each candidate in such election of such determination within 24 hours of making it.

"(7) At the same time as a candidate is notified under paragraph (3), (5), or (6) with respect to expenditures during a general election period, the Commission shall certify eligibility to receive benefits under section 503(a).

"(8) The Secretary of the Senate shall make any statement received under this subsection available for public inspection and copying in the same manner as the Commission under section 311(a)(4), and shall preserve such statements in the same manner as the Commission under section 311(a)(5).".

(b) CONFORMING AMENDMENT.—Section 304(c)(2) of FECA (2 U.S.C. 434(c)(2)) is amended by striking the undesignated matter after subparagraph (C).

SEC. 134. CAMPAIGN ADVERTISING AMENDMENTS.

Section 318 of FECA (2 U.S.C. 441d) is amended—

(1) in the matter before paragraph (1) of subsection (a), by striking "Whenever" and inserting "Whenever a political committee makes a disbursement for the purpose of financing any communication through any broadcasting station, newspaper, magazine, outdoor advertising facility, mailing, or any other type of general public political advertising, or whenever";

(2) in the matter before paragraph (1) of subsection (a), by striking "an expenditure" and inserting "a disbursement";

(3) in the matter before paragraph (1) of subsection (a), by striking "direct";

(4) in paragraph (3) of subsection (a), by inserting after "name" the following "and permanent street address"; and

(5) by adding at the end the following new subsections:

"(c) Any printed communication described in subsection (a) shall be—

"(1) of sufficient type size to be clearly readable by the recipient of the communication;

"(2) contained in a printed box set apart from the other contents of the communication; and

"(3) consist of a reasonable degree of color contrast between the background and the printed statement.

"(d)(1) Any broadcast or cablecast communication described in subsection (a)(1) or subsection (a)(2) shall include, in addition to the requirements of those subsections, an audio statement by the candidate that identifies the candidate and states that the candidate has approved the communication.

"(2) If a broadcast or cablecast communication described in paragraph (1) is broadcast or cablecast by means of television, the communication shall include, in addition to the audio statement under paragraph (1), a written statement which—

"(A) states: 'I, (name of the candidate), am a candidate for (the office the candidate is seeking) and I have approved this message';

"(B) appears at the end of the communication in a clearly readable manner with a reasonable degree of color contrast between the background and the printed statement, for a period of at least 4 seconds; and

"(C) is accompanied by a clearly identifiable photographic or similar image of the candidate.

"(e) Any broadcast or cablecast communication described in subsection (a)(3) shall include, in addition to the requirements of those subsections, in a clearly spoken manner, the following statement—

' is responsible for the content of this advertisement.'

with the blank to be filled in with the name of the political committee or other person paying for the communication and the name of any connected organization of the payor; and, if broadcast or cablecast by means of television, shall also appear in a clearly readable manner with a reasonable degree of color contrast between the background and the printed statement, for a period of at least 4 seconds.".

SEC. 135. DEFINITIONS.

(a) IN GENERAL.—Section 301 of FECA (2 U.S.C. 431) is amended by striking paragraph (19) and inserting the following new paragraphs:

"(19) The term 'eligible Senate candidate' means a candidate who is certified under section 504 as eligible to receive benefits under title V.

"(20) The term 'general election' means any election which will directly result in the election of a person to a Federal office. Such term includes a primary election which may result in the election of a person to a Federal office.

"(21) The term 'general election period' means, with respect to any candidate, the period beginning on the day after the date of the primary or runoff election for the specific office the candidate is seeking, whichever is later, and ending on the earlier of—

"(A) the date of such general election; or

"(B) the date on which the candidate withdraws from the campaign or otherwise ceases actively to seek election.

"(22) The term 'immediate family' means—

"(A) a candidate's spouse;

"(B) a child, stepchild, parent, grandparent, brother, half-brother, sister or half-sister of the candidate or the candidate's spouse; and

"(C) the spouse of any person described in subparagraph (B).

"(23) The term 'major party' has the meaning given such term in section 9002(6) of the Internal Revenue Code of 1986, except that if a candidate qualified for the ballot in a general election in an open primary in which all the candidates for the office participated and which resulted in the candidate and at least one other candidate qualifying for the ballot in the general election, such candidate shall be treated as a candidate of a major party for purposes of title V.

"(24) The term 'primary election' means an election which may result in the selection of a candidate for the ballot in a general election for a Federal office.

"(25) The term 'primary election period' means, with respect to any candidate, the period beginning on the day following the date of the last election for the specific office the candidate is seeking and ending on the earlier of—

"(A) the date of the first primary election for that office following the last general election for that office; or

"(B) the date on which the candidate withdraws from the election or otherwise ceases actively to seek election.

"(26) The term 'runoff election' means an election held after a primary election which is prescribed by applicable State law as the means for deciding which candidate will be on the ballot in the general election for a Federal office.

"(27) The term 'runoff election period' means, with respect to any candidate, the period beginning on the day following the date of the last primary election for the specific office such candidate is seeking and ending on the date of the runoff election for such office.

"(28) The term 'voting age population' means the resident population, 18 years of age or older, as certified pursuant to section 315(e).

"(29) The term 'election cycle' means—

"(A) in the case of a candidate or the authorized committees of a candidate, the term beginning on the day after the date of the most recent general election for the specific office or seat which such candidate seeks and ending on the date of the next general election for such office or seat; or

"(B) for all other persons, the term beginning on the first day following the date of the last general election and ending on the date of the next general election.".

(b) IDENTIFICATION.—Section 301(13) of FECA (2 U.S.C. 431(13)) is amended by striking "mailing address" and inserting "permanent residence address".

SEC. 136. PROVISIONS RELATING TO FRANKED MASS MAILINGS.

Section 3210(a)(6)(C) of title 39, United States Code, is amended—

(1) by striking "if such mass mailing is postmarked fewer than 60 days immediately before the date" and inserting "if such mass mailing is postmarked during the calendar year"; and

(2) by inserting "or reelection" immediately before the period.

TITLE II—INDEPENDENT EXPENDITURES

SEC. 201. CLARIFICATION OF DEFINITIONS RELATING TO INDEPENDENT EXPENDITURES.

(a) INDEPENDENT EXPENDITURE DEFINITION AMENDMENT.—Section 301 of FECA (2 U.S.C. 431) is amended by striking paragraphs (17) and (18) and inserting the following:

"(17)(A) The term 'independent expenditure' means an expenditure for an advertisement or other communication that—

"(i) contains express advocacy; and

"(ii) is made without the participation or cooperation of a candidate or a candidate's representative.

"(B) The following shall not be considered an independent expenditure:

"(i) An expenditure made by a political committee of a political party.

"(ii) An expenditure made by a person who, during the election cycle, has communicated with or received information from a candidate or a representative of that candidate regarding activities that have the purpose of influencing that candidate's election to Federal office, where the expenditure is in support of that candidate or in opposition to another candidate for that office.

"(iii) An expenditure if there is any arrangement, coordination, or direction with respect to the expenditure between the candidate or the candidate's agent and the person making the expenditure.

"(iv) An expenditure if, in the same election cycle, the person making the expenditure is or has been—

"(I) authorized to raise or expend funds on behalf of the candidate or the candidate's authorized committees; or

"(II) serving as a member, employee, or agent of the candidate's authorized committees in an executive or policymaking position.

"(v) An expenditure if the person making the expenditure has advised or counseled the candidate or the candidate's agents at any time on the candidate's plans, projects, or needs relating to the candidate's pursuit of nomination for election, or election, to Federal office, in the same election cycle, including any advice relating to the candidate's decision to seek Federal office.

"(vi) An expenditure if the person making the expenditure retains the professional services of any individual or other person also providing services in the same election cycle to the candidate in connection with the candidate's pursuit of nomination for election, or election, to Federal office, including any services relating to the candidate's decision to seek Federal office.

"(vii) An expenditure if the person making the expenditure has consulted at any time during the calendar year in which the election is to be held about the candidate's plans, projects, or needs relating to the candidate's pursuit of nomination for election, or election, to Federal office, with—

"(I) any officer, director, employee or agent of a party committee that has made or intends to make expenditures or contributions, pursuant to subsections (a), (d), or (h) of section 315 in connection with the candidate's campaign; or

"(II) any person whose professional services have been retained by a political party committee that has made or intends to make expenditures or contributions pursuant to subsections (a), (d), or (h) of section 315 in connection with the candidate's campaign.

For purposes of this subparagraph, the person making the expenditure shall include any officer, director, employee, or agent of such person, and the term 'professional services shall include any services (other than legal and accounting services for purposes of ensuring compliance with this Act) in support of any candidate's or candidates' pursuit of nomination for election, or election, to Federal office.

"(18) The term 'express advocacy' means, when a communication is taken as a whole and with limited reference to external events, an expression of support for or opposition to a specific candidate, to a specific group of candidates, or to candidates of a particular political party, or a suggestion to take action with respect to an election, such as to vote for or against, make contributions to, or participate in campaign activity.".

(b) CONTRIBUTION DEFINITION AMENDMENT.—Section 301(8)(A) of FECA (2 U.S.C. 431(8)(A)) is amended—

(1) in clause (i), by striking "or" after the semicolon at the end;

(2) in clause (ii), by striking the period at the end and inserting "; or"; and

(3) by adding at the end the following new clause:

"(iii) any payment or other transaction referred to in paragraph (17)(A)(i) that does not qualify as an independent expenditure under paragraph (17)(A)(ii).".

SEC. 202. EQUAL BROADCAST TIME.

Section 315(a) of the Communications Act of 1934 (47 U.S.C. 315(a)) is amended to read as follows:

"(a)(1) If a licensee permits any person who is a legally qualified candidate for public office to use a broadcasting station other than any use required to be provided under paragraph (2), the licensee shall afford equal opportunities to all other such candidates for that office in the use of the broadcasting station.

"(2)(A) A person who reserves broadcast time the payment for which would constitute an independent expenditure within the meaning of section 301(17) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(17)) shall—

"(i) inform the licensee that payment for the broadcast time will constitute an independent expenditure;

"(ii) inform the licensee of the names of all candidates for the office to which the proposed broadcast relates and state whether the message to be broadcast is intended to be made in support of or in opposition to each such candidate; and

"(iii) provide the licensee a copy of the statement described in section 304(d) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(d)).

"(B) A licensee who is informed as described in subparagraph (A) shall—

"(i) if any of the candidates described in subparagraph (A)(ii) has provided the licensee the name and address of a person to whom notification under this subparagraph is to be given—

"(I) notify such person of the proposed making of the independent expenditure; and

"(II) allow any such candidate (other than a candidate for whose benefit the independent expenditure is made) to purchase the same amount of broadcast time immediately after the broadcast time paid for by the independent expenditure; and

"(ii) in the case of an opponent of a candidate for whose benefit the independent expenditure is made who certifies to the licensee that the opponent is eligible to have the cost of response broadcast time paid out of communication vouchers issued under section 503(a)(4) of the Federal Election Campaign Act of 1971, afford the opponent such broadcast time without requiring payment in advance and at the cost specified in subsection (b).

"(3) A licensee shall have no power of censorship over the material broadcast under this section.

"(4) Except as provided in paragraph (2), no obligation is imposed under this subsection upon any licensee to allow the use of its station by any candidate.

"(5)(A) Appearance by a legally qualified candidate on a—

"(i) bona fide newscast;

"(ii) bona fide news interview;

"(iii) bona fide news documentary (if the appearance of the candidate is incidental to the presentation of the subject or subjects covered by the news documentary); or

"(iv) on-the-spot coverage of bona fide news events (including political conventions and activities incidental thereto),

shall not be deemed to be use of a broadcasting station within the meaning of this subsection.

"(B) Nothing in subparagraph (A) shall be construed as relieving broadcasters, in connection with the presentation of newscasts, news interviews, news documentaries, and on-the-spot coverage of news events, from their obligation under this Act to operate in the public interest and to afford reasonable opportunity for the discussion of conflicting views on issues of public importance.

"(6)(A) A licensee that endorses a candidate for Federal office in an editorial shall, within the time stated in subparagraph (B), provide to all other candidates for election to the same office—

"(i) notice of the date and time of broadcast of the editorial;

"(ii) a taped or printed copy of the editorial; and

"(iii) a reasonable opportunity to broadcast a response using the licensee's facilities.

"(B) In the case of an editorial described in subparagraph (A) that—

"(i) is first broadcast 72 hours or more prior to the date of a primary, runoff, or general election, the notice and copy described in subparagraph (A) (i) and (ii) shall be provided not later than 24 hours after the time of the first broadcast of the editorial, and

"(ii) is first broadcast less than 72 hours before the date of an election, the notice and copy shall be provided at a time prior to the first broadcast that will be sufficient to enable candidates a reasonable opportunity to prepare and broadcast a response.".

TITLE III—EXPENDITURES

Subtitle A—Personal Loans; Credit

SEC. 301. PERSONAL CONTRIBUTIONS AND LOANS.

Section 315 of FECA (2 U.S.C. 441a) is amended by adding at the end the following new subsection:

"(j) Limitations on Payments to Candidates.—(1) If a candidate or a member of the candidate's immediate family made any loans to the candidate or to the candidate's authorized committees during any election cycle, no contributions received after the date of the general election for such election cycle may be used to repay such loans.

"(2) No contribution by a candidate or member of the candidate's immediate family may be returned to the candidate or member other than as part of a pro rata distribution of excess contributions to all contributors.".

SEC. 302. EXTENSIONS OF CREDIT.

Section 301(8)(A) of FECA (2 U.S.C. 431(8)(A)), as amended by section 201(b), is amended—

(1) by striking "or" at the end of clause (ii);

(2) by striking the period at the end of clause (iii) and inserting "; or"; and

(3) by inserting at the end the following new clause:

"(iv) with respect to a candidate and the candidate's authorized committees, any extension of credit for goods or services relating to advertising on broadcasting stations, in newspapers or magazines, or by mailings, or relating to other similar types of general public political advertising, if such extension of credit is—

"(I) in an amount of more than $1,000; and

"(II) for a period greater than the period, not in excess of 60 days, for which credit is generally extended in the normal course of business after the date on which such goods or services are furnished or the date of a mailing.".

Subtitle B—Provisions Relating To Soft Money of Political Parties

SEC. 311. DEFINITIONS.

(a) Contribution and Expenditure Exceptions.—(1) Clause (xii) of section 301(8)(B) of FECA (2 U.S.C. 431(8)(B)(xii)) is amended—

(A) by inserting "in connection with volunteer activities" after "such committee"; and

(B) by striking "and" at the end of subclause (2), by inserting "and" at the end of subclause (3), and by adding at the end the following new subclause:

"(4) such activities are conducted solely by, or any materials are distributed solely by, volunteers;".

(2) Clause (ix) of section 301(9)(B) of FECA (2 U.S.C. 431(9)(B)(ix)) is amended—

(A) by inserting "in connection with volunteer activities" after "such committee", and

(B) by striking "and" at the end of subclause (2), by inserting "and" at the end of subclause (3), and by adding at the end the following new subclause:

"(4) any materials in connection with such activities are prepared for distribution (and are distributed) solely by volunteers;".

(b) Generic Activities; State Party Grassroots Fund.—Section 301 of FECA (2 U.S.C. 431), as amended by section 135, is amended by adding at the end thereof the following new paragraphs:

"(30) The term 'generic campaign activity' means a campaign activity that promotes a political party rather than any particular Federal or non-Federal candidate.

"(31) The term 'State Party Grassroots Fund' means a separate segregated fund established and maintained by a State committee of a political party solely for purposes of making expenditures and other disbursements described in section 324(d).".

SEC. 312. CONTRIBUTIONS TO POLITICAL PARTY COMMITTEES.

(a) Individual Contributions to State Party.—Paragraph (1) of section 315(a) of FECA (2 U.S.C. 441a(a)(1)) is amended by striking "or" at the end of subparagraph (B), by redesignating subparagraph (C) as subparagraph (D), and by inserting after subparagraph (B) the following new subparagraph:

"(C) to—

"(i) a State Party Grassroots Fund established and maintained by a State committee of a political party in any calendar year which, in the aggregate, exceed $20,000;

"(ii) any other political committee established and maintained by a State committee of a political party in any calendar year which, in the aggregate, exceed $5,000,

except that the aggregate contributions described in this subparagraph which may be made by a person to the State Party Grassroots Fund and all committees of a State Committee of a political party in any State in any calendar year shall not exceed $20,000; or".

(b) Multicandidate Committee Contributions to State Party.—Paragraph (2) of section 315(a) of FECA (2 U.S.C. 441a(a)(2)) is amended by striking "or" at the end of subparagraph (B), by redesignating subparagraph (C) as subparagraph (D), and by inserting after subparagraph (B) the following new subparagraph:

"(C) to—

"(i) a State Party Grassroots Fund established and maintained by a State committee of a political party in any calendar year which, in the aggregate, exceed $15,000;

"(ii) to any other political committee established and maintained by a State committee of a political party which, in the aggregate, exceed $5,000,

except that the aggregate contributions described in this subparagraph which may be made by a multicandidate political committee to the State Party Grassroots Fund and all committees of a State Committee of a political party in any State in any calendar year shall not exceed $15,000; or".

(c) Overall Limit.—Paragraph (3) of section 315(a) of FECA (2 U.S.C. 441a(a)(3)) is amended to read as follows:

"(3)(A) No individual shall make contributions during any election cycle (as defined in section 301(29)(B)) which, in the aggregate, exceed $60,000.

"(B) No individual shall make contributions during any calendar year—

"(i) to all candidates and their authorized political committees which, in the aggregate, exceed $25,000; or

"(ii) to all political committees established and maintained by State committees of a political party which, in the aggregate, exceed $20,000.

"(C) For purposes of subparagraph (B)(i), any contribution made to a candidate or the candidate's authorized political committees in a year other than the calendar year in which the election is held with respect to which such contribution is made shall be treated as made during the calendar year in which the election is held.".

(d) Presidential Candidate Committee Transfers.—(1) Subparagraph (B) of section 315(b)(1) of FECA (2 U.S.C. 441a(b)(1)) is amended to read as follows:

"(B) in the case of a campaign for election to such office, an amount equal to the sum of—

"(i) $20,000,000, plus

"(ii) the lesser of—

"(I) 2 cents multiplied by the voting age population of the United States (as certified under subsection (e) of this section), or

"(II) the amounts transferred by the candidate and the authorized committees of the candidate to the national committee of the candidate's political party for distribution to State Party Grassroots Funds.".

(2) Subparagraph (A) of section 9002(11) of the Internal Revenue Code of 1986 (defining qualified campaign expense) is amended by striking "or" at the end of clause (ii), by inserting "or" at the end of clause (iii), and by inserting at the end the following new clause "(iv) any transfers to the national committee of the candidate's political party for distribution to State Party Grassroots Funds (as defined in section 301(31) of the Federal Election Campaign Act of 1971) to the extent such transfers do not exceed the amount determined under section 315(b)(1)(B)(ii) of such Act,".

SEC. 313. PROVISIONS RELATING TO NATIONAL, STATE, AND LOCAL PARTY COMMITTEES.

(a) Soft Money of Committees of Political Parties.—Title III of FECA is amended by inserting after section 323 the following new section:

"POLITICAL PARTY COMMITTEES

"Sec. 324. (a) Limitations on National Committee.—(1) A national committee of a political party and the congressional campaign committees of a political party may not solicit or accept contributions or transfers not subject to the limitations, prohibitions, and reporting requirements of this Act.

"(2) Paragraph (1) shall not apply to contributions—

"(A) that—

"(i) are to be transferred to a State committee of a political party and are used solely for activities described in clauses (xi) through (xvii) of paragraph (9)(B) of section 301; or

"(ii) are described in section 301(8)(B)(viii); and

"(B) with respect to which contributors have been notified that the funds will be used solely for the purposes described in subparagraph (A).

"(b) Activities Subject to This Act.—Any amount solicited, received, expended, or disbursed directly or indirectly by a national, State, district, or local committee of a political party (including any subordinate committee) with respect to any of the following activities shall be subject to the limitations, prohibitions, and reporting requirements of this Act:

"(1)(A) Any get-out-the-vote activity conducted during a calendar year in which an election for the office of President is held.

"(B) Any other get-out-the-vote activity unless subsection (c)(2) applies to the activity.

"(2) Any generic campaign activity.

"(3) Any activity that identifies or promotes a Federal candidate, regardless of whether—

"(A) a State or local candidate is also identified or promoted; or

"(B) any portion of the funds disbursed constitutes a contribution or expenditure under this Act.

"(4) Voter registration.

"(5) Development and maintenance of voter files during an even-numbered calendar year.

"(6) Any other activity that—

"(A) significantly affects a Federal election, or

"(B) is not otherwise described in section 301(8)(B)(xvii).

Any amount spent to raise funds that are used, in whole or in part, in connection with activities described in the preceding paragraphs shall be subject to the limitations, prohibitions, and reporting requirements of this Act.

"(c) Get-Out-The-Vote Activities By State, District, and Local Committees of Political Parties.—(1) Except as provided in paragraph (2), any get-out-the-vote activity for a State or local candidate, or for a ballot measure, which is conducted by a State, district, or local committee of a political party (including any subordinate committee) shall be subject to the limitations, prohibitions, and reporting requirements of this Act.

"(2) Paragraph (1) shall not apply to any activity which the State committee of a political party certifies to the Commission is an activity which—

"(A) is conducted during a calendar year other than a calendar year in which an election for the office of President is held,

"(B) is exclusively on behalf of (and specifically identifies only) one or more State or local candidates or ballot measures, and

"(C) does not include any effort or means used to identify or turn out those identified to be supporters of any Federal candidate (including any activity that is undertaken in coordination with, or on behalf of, a candidate for Federal office).

"(d) State Party Grassroots Funds.—(1) A State committee of a political party may make disbursements and expenditures from its State Party Grassroots Fund only for—

"(A) any generic campaign activity;

"(B) payments described in clauses (v), (x), and (xii) of paragraph (8)(B) and clauses (iv), (viii), and (ix) of paragraph (9)(B) of section 301;

"(C) subject to the limitations of section 315(d), payments described in clause (xii) of paragraph (8)(B), and clause (ix) of paragraph (9)(B), of section 301 on behalf of candidates other than for President and Vice President;

"(D) voter registration; and

"(E) development and maintenance of voter files during an even-numbered calendar year.

"(2) Notwithstanding section 315(a)(4), no funds may be transferred by a State committee of a political party from its State Party Grassroots Fund to any other State Party Grassroots Fund or to any other political committee, except a transfer may be made to a district or local committee of the same political party in the same State if such district or local committee—

"(A) has established a separate segregated fund for the purposes described in paragraph (1); and

"(B) uses the transferred funds solely for those purposes.

"(e) Amounts Received by Grassroots Fund From State and Local Candidate Committees.—(1) Any amount received by a State Party Grassroots Fund from a State or local candidate committee for expenditures described in subsection (b) that are for the benefit of that candidate shall be treated as meeting the requirements of subsection (b) and section 304(e) if—

"(A) such amount is derived from funds which meet the requirements of this Act with respect to any limitation or prohibition as to source or dollar amount specified in section 315(a) (1)(A) and (2)(A); and

"(B) the State or local candidate committee—

"(i) maintains, in the account from which payment is made, records of the sources and amounts of funds for purposes of determining whether such requirements are met; and

"(ii) certifies that such requirements were met.

"(2) For purposes of paragraph (1)(A), in determining whether the funds transferred meet the requirements of this Act described in such paragraph—

"(A) a State or local candidate committee's cash on hand shall be treated as consisting of the funds most recently received by the committee, and

"(B) the committee must be able to demonstrate that its cash on hand contains sufficient funds meeting such requirements as are necessary to cover the transferred funds.

"(3) Notwithstanding paragraph (1), any State Party Grassroots Fund receiving any transfer described in paragraph (1) from a State or local candidate committee shall be required to meet the reporting requirements of this Act, and shall submit to the Commission all certifications received, with respect to receipt of the transfer from such candidate committee.

"(4) For purposes of this subsection, a State or local candidate committee is a committee established, financed, maintained, or controlled by a candidate for other than Federal office.".

(b) Contributions and Expenditures.—(1) Section 301(8)(B) of FECA (2 U.S.C. 431(8)(B)) is amended by striking "and" at the end of clause (xiii), by striking the period at the end of clause (xiv) and inserting a semicolon, and by adding at the end the following new clauses:

"(xv) any amount contributed to a candidate for other than Federal office;

"(xvi) any amount received or expended to pay the costs of a State or local political convention;

"(xvii) any payment for campaign activities that are exclusively on behalf of (and specifically identify only) State or local candidates and do not identify any Federal candidate, and that are not activities described in section 324(b) (without regard to paragraph (6)(B)) or section 324(c)(1);

"(xviii) any payment for administrative expenses of a State or local committee of a political party, including expenses for—

"(I) overhead, including party meetings;

"(II) staff (other than individuals devoting a significant amount of their time to elections for Federal office and individuals engaged in conducting get-out-the-vote activities for a Federal election); and

"(III) conducting party elections or caucuses;

"(xix) any payment for research pertaining solely to State and local candidates and issues;

"(xx) any payment for development and maintenance of voter files other than during the 1-year period ending on the date during an even-numbered calendar year on which regularly scheduled general elections for Federal office occur; and "(xxi) any payment for any other activity which is solely for the purpose of influencing, and which solely affects, an election for non-Federal office and which is not an activity described in section 324(b) (without regard to paragraph (6)(B)) or section 324(c)(1).".

(2) Section 301(9)(B) of FECA (2 U.S.C. 431(9)(B)) is amended by striking "and" at the end of clause (ix), by striking the period at the end of clause (x) and inserting a semicolon, and by adding at the end the following new clauses:

"(xi) any amount contributed to a candidate for other than Federal office;

"(xii) any amount received or expended to pay the costs of a State or local political convention;

"(xiii) any payment for campaign activities that are exclusively on behalf of (and specifically identify only) State or local candidates and do not identify any Federal candidate, and that are not activities described in section 324(b) (without regard to paragraph (6)(B)) or section 324(c)(1);

"(xiv) any payment for administrative expenses of a State or local committee of a political party, including expenses for—

"(I) overhead, including party meetings;

"(II) staff (other than individuals devoting a significant amount of their time to elections for Federal office and individuals engaged in conducting get-out-the-vote activities for a Federal election); and

"(III) conducting party elections or caucuses;

"(xv) any payment for research pertaining solely to State and local candidates and issues;

"(xvi) any payment for development and maintenance of voter files other than during the 1-year period ending on the date during an even-numbered calendar year on which regularly scheduled general elections for Federal office occur; and

"(xvii) any payment for any other activity which is solely for the purpose of influencing, and which solely affects, an election for non-Federal office and which is not an activity described in section 324(b) (without regard to paragraph (6)(B)) or section 324(c)(1).".

(c) LIMITATION APPLIED AT NATIONAL LEVEL.—Paragraph (3) of section 315(d) of FECA (2 U.S.C. 441a(d)(3)) is amended by adding at the end the following new sentence: "Notwithstanding the preceding sentence, the applicable congressional campaign committee of a political party shall make the expenditures described in this paragraph which are authorized to be made by a national or State committee with respect to a candidate in any State unless it allocates all or a portion of such expenditures to either or both of such committees.".

(d) LIMITATIONS APPLY FOR ENTIRE ELECTION CYCLE.—Section 315(d)(1) of FECA (2 U.S.C. 441a(d)(1)) is amended by adding at the end the following new sentence: "Each limitation under the following paragraphs shall apply to the entire election cycle for an office.".

SEC. 314. RESTRICTIONS ON FUNDRAISING BY CANDIDATES AND OFFICEHOLDERS.

(a) STATE FUNDRAISING ACTIVITIES.—Section 315 of FECA (2 U.S.C. 441a), as amended by section 301, is amended by adding at the end thereof the following new subsection:

"(k) LIMITATIONS ON FUNDRAISING ACTIVITIES OF FEDERAL CANDIDATES AND OFFICEHOLDERS AND CERTAIN POLITICAL COMMITTEES.—(1) For purposes of this Act, a candidate for Federal office, an individual holding Federal office, or any agent of the candidate or individual may not solicit funds to, or receive funds on behalf of, any Federal or non-Federal candidate or political committee—

"(A) which are to be expended in connection with any election for Federal office unless such funds are subject to the limitations, prohibitions, and requirements of this Act; or

"(B) which are to be expended in connection with any election for other than Federal office unless such funds are not in excess of amounts permitted with respect to Federal candidates and political committees under subsections (a) (1) and (2), and are not from sources prohibited by such subsections with respect to elections to Federal office.

"(2)(A) The aggregate amount which a person described in subparagraph (B) may solicit from a multicandidate political committee for State committees described in subsection (a)(1)(C) (including subordinate committees) for any calendar year shall not exceed the dollar amount in effect under subsection (a)(2)(B) for the calendar year.

"(B) A person is described in this subparagraph if such person is a candidate for Federal office, an individual holding Federal office, an agent of such a candidate or individual, or any national, State, district, or local committee of a political party (including a subordinate committee) and any agent of such a committee.

"(3) The appearance or participation by a candidate for Federal office or individual holding Federal office in any fundraising event conducted by a committee of a political party or a candidate for other than Federal office shall not be treated as a solicitation for purposes of paragraph (1) if such candidate or individual does not solicit or receive, or make disbursements from, any funds resulting from such activity.

"(4) Paragraph (1) shall not apply to the solicitation or receipt of funds, or disbursements, by an individual who is a candidate for other than Federal office if such activity is permitted under State law.

"(5) For purposes of this subsection, an individual shall be treated as holding Federal office if such individual—

"(A) holds a Federal office; or

"(B) holds a position described in level I of the Executive Schedule under section 5312 of title 5, United States Code.".

(b) TAX-EXEMPT ORGANIZATIONS.—Section 315 of FECA (2 U.S.C. 441a), as amended by subsection (a), is amended by adding at the end thereof the following new subsection:

"(l) TAX-EXEMPT ORGANIZATIONS.—(1) If an individual is a candidate for, or holds, Federal office during any period, such individual may not during such period solicit contributions to, or on behalf of, any organization which is described in section 501(c) of the Internal Revenue Code of 1986 if a significant portion of the activities of such organization include voter registration or get-out-the-vote campaigns.

"(2) For purposes of this subsection, an individual shall be treated as holding Federal office if such individual—

"(A) holds a Federal office; or

"(B) holds a position described in level I of the Executive Schedule under section 5312 of title 5, United States Code.".

SEC. 315. REPORTING REQUIREMENTS.

(a) REPORTING REQUIREMENTS.—Section 304 of FECA (2 U.S.C. 434), as amended by section 133(a), is amended by adding at the end thereof the following new subsection:

"(e) POLITICAL COMMITTEES.—(1) The national committee of a political party and any congressional campaign committee of a political party, and any subordinate committee of either, shall report all receipts and disbursements during the reporting period, whether or not in connection with an election for Federal office.

"(2) A political committee (not described in paragraph (1)) to which section 324 applies shall report all receipts and disbursements including separate schedules for receipts and disbursements for State Grassroots Funds described in section 301(31).

"(3) Any political committee to which section 324 applies shall include in its report under paragraph (1) or (2) the amount of any transfer described in section 324(d)(2) and shall itemize such amounts to the extent required by section 304(b)(3)(A).

"(4) Any political committee to which paragraph (1) or (2) does not apply shall report any receipts or disbursements which are used in connection with a Federal election.

"(5) If a political committee has receipts or disbursements to which this subsection applies from any person aggregating in excess of $200 for any calendar year, the political committee shall separately itemize its reporting for such person in the same manner as subsection (b) (3)(A), (5), or (6).

"(6) Reports required to be filed by this subsection shall be filed for the same time periods required for political committees under subsection (a).".

(b) REPORT OF EXEMPT CONTRIBUTIONS.—Section 301(8) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(8)) is amended by inserting at the end thereof the following:

"(C) The exclusion provided in clause (viii) of subparagraph (B) shall not apply for purposes of any requirement to report contributions under this Act, and all such contributions aggregating in excess of $200 shall be reported.".

(c) REPORTS BY STATE COMMITTEES.—Section 304 of FECA (2 U.S.C. 434), as amended by subsection (a), is amended by adding at the end thereof the following new subsection:

"(f) FILING OF STATE REPORTS.—In lieu of any report required to be filed by this Act, the Commission may allow a State committee of a political party to file with the Commission a report required to be filed under State law if the Commission determines such reports contain substantially the same information.".

(d) OTHER REPORTING REQUIREMENTS.—

(1) AUTHORIZED COMMITTEES.—Paragraph (4) of section 304(b) of FECA (2 U.S.C. 434(b)(4)) is amended by striking "and" at the end of subparagraph (H), by inserting "and" at the end of subparagraph (I), and by adding at the end the following new subparagraph:

"(J) in the case of an authorized committee, disbursements for the primary election, the general election, and any other election in which the candidate participates;".

(2) NAMES AND ADDRESSES.—Subparagraph (A) of section 304(b)(5) of FECA (2 U.S.C. 434(b)(5)(A)) is amended—

(A) by striking "within the calendar year", and

(B) by inserting ", and the election to which the operating expenditure relates" after "operating expenditure".

TITLE IV—CONTRIBUTIONS

SEC. 401. CONTRIBUTIONS THROUGH INTERMEDIARIES AND CONDUITS; PROHIBITION ON CERTAIN CONTRIBUTIONS BY LOBBYISTS.

(a) CONTRIBUTIONS THROUGH INTERMEDIARIES AND CONDUITS.—Section 315(a)(8) of FECA (2 U.S.C. 441a(a)(8)) is amended to read as follows:

"(8) For the purposes of this subsection:

"(A) Contributions made by a person, either directly or indirectly, to or on behalf of a particular candidate, including contributions that are in any way earmarked or otherwise directed through an intermediary or conduit to a candidate, shall be treated as contributions from the person to the candidate.

"(B) Contributions made directly or indirectly by a person to or on behalf of a particular candidate through an intermediary or conduit, including contributions made or arranged to be made by an intermediary or conduit, shall be treated as contributions from the intermediary or conduit to the candidate if—

"(i) the contributions made through the intermediary or conduit are in the form of a check or other negotiable instrument made payable to the intermediary or conduit rather than the intended recipient; or

"(ii) the intermediary or conduit is—

"(I) a political committee;

"(II) an officer, employee, or agent of such a political committee;

"(III) a political party;

"(IV) a partnership or sole proprietorship;

"(V) a person who is required to register or to report its lobbying activities, or a lobbyist whose activities are required to be reported, under section 308 of the Federal Regulation of Lobbying Act (2 U.S.C. 267), the Foreign Agents Registration Act of 1938 (22 U.S.C. 611 et seq.), or any successor Federal law requiring a person who is a lobbyist or foreign agent to register or a person to report its lobbying activities; or

"(VI) an organization prohibited from making contributions under section 316, or an officer, employee, or agent of such an organization acting on the organization's behalf.

"(C)(i) The term 'intermediary or conduit' does not include—

"(I) a candidate or representative of a candidate receiving contributions to the candidate's principal campaign committee or authorized committee;

"(II) a professional fundraiser compensated for fundraising services at the usual and customary rate, but only if the individual is not described in subparagraph (B)(ii);

"(III) a volunteer hosting a fundraising event at the volunteer's home, in accordance with section 301(8)(B), but only if the individual is not described in subparagraph (B)(ii); or

"(IV) an individual who transmits a contribution from the individual's spouse.

"(ii) The term 'representative' means an individual who is expressly authorized by the candidate to engage in fundraising, and who occupies a significant position within the candidate's campaign organization, provided that the individual is not described in subparagraph (B)(ii).

"(iii) The term 'contributions made or arranged to be made' includes—

"(I) contributions delivered to a particular candidate or the candidate's authorized committee or agent; and

"(II) contributions directly or indirectly arranged to be made to a particular candidate or the candidate's authorized committee or agent, in a manner that identifies directly or indirectly to the candidate or authorized committee or agent the person who arranged the making of the contributions or the person on whose behalf such person was acting.

Such term does not include contributions made, or arranged to be made, by reason of an oral or written communication by a Federal candidate or officeholder expressly advocating the nomination for election, or election, of any other Federal candidate and encouraging the making of a contribution to such other candidate.

"(iv) The term 'acting on the organization's behalf' includes the following activities by an officer, employee or agent of a person described in subparagraph (B)(ii)(VI):

"(I) Soliciting or directly or indirectly arranging the making of a contribution to a particular candidate in the name of, or by using the name of, such a person.

"(II) Soliciting or directly or indirectly arranging the making of a contribution to a particular candidate using other than incidental resources of such a person.

"(III) Soliciting contributions for a particular candidate by substantially directing the solicitations to other officers, employees, or agents of such a person.

"(D) Nothing in this paragraph shall prohibit—

"(i) bona fide joint fundraising efforts conducted solely for the purpose of sponsorship of a fundraising reception, dinner, or other similar event, in accordance with rules prescribed by the Commission, by—

"(I) 2 or more candidates;

"(II) 2 or more national, State, or local committees of a political party within the meaning of section 301(4) acting on their own behalf; or

"(III) a special committee formed by 2 or more candidates, or a candidate and a national, State, or local committee of a political party acting on their own behalf; or

"(ii) fundraising efforts for the benefit of a candidate that are conducted by another candidate.

When a contribution is made to a candidate through an intermediary or conduit, the intermediary or conduit shall report the original source and the intended recipient of the contribution to the Commission and to the intended recipient.".

(b) PROHIBITION ON CERTAIN CONTRIBUTIONS BY LOBBYISTS.—Section 315 of FECA (2 U.S.C. 441a), as amended by section 314(b), is amended by adding at the end the following new subsection:

"(m)(1) An individual who is described in section 315(a)(8)(B)(ii)(V) shall not make contributions to, or solicit contributions on behalf of—

"(A) any Member of Congress with respect to whom such individual has, during the preceding 12 months, either appeared before, or made a lobbying contact with, in such individual's representational capacity, or

"(B) any authorized committee of the President of the United States if, during the preceding 12 months, such individual has either appeared before, or made a lobbying contact with, a covered executive branch official.

"(2) An individual who is described in section 315(a)(8)(B)(ii)(V) who has made any contribution to, or solicited contributions on behalf of, any Member of Congress (or any authorized committee of the President of the United States) shall not, during the 12 months following such contribution or solicitation, either appear before, or make a lobbying contact with, such Member (or a covered executive branch official) in such individual's representational capacity.

"(3) For purposes of this subsection, the term 'covered executive branch official' means the President, Vice-President, any officer or employee of the executive office of the President other than a clerical or secretarial employee, any officer or employee serving in an Executive Level I, II, III, IV, or V position as designated in statute or Executive order, any officer or employee serving in a senior executive service position (as defined in section 3232(a)(2) of title 5, United States Code), any member of the uniformed services whose pay grade is at or in excess of 0-7 under section 201 of title 37, United States Code, and any officer or employee serving in a position of confidential or policy-determining character under schedule C of the excepted service pursuant to regulations implementing section 2103 of title 5, United States Code.".

SEC. 402. CONTRIBUTIONS BY DEPENDENTS NOT OF VOTING AGE.

Section 315 of FECA (2 U.S.C. 441a), as amended by section 401(b), is amended by adding at the end the following new subsection:

"(n) For purposes of this section, any contribution by an individual who—

"(1) is a dependent of another individual; and

"(2) has not, as of the time of such contribution, attained the legal age for voting for elections to Federal office in the State in which such individual resides,

shall be treated as having been made by such other individual. If such individual is the dependent of another individual and such other individual's spouse, the contribution shall be allocated among such individuals in the manner determined by them.".

SEC. 403. CONTRIBUTIONS TO CANDIDATES FROM STATE AND LOCAL COMMITTEES OF POLITICAL PARTIES TO BE AGGREGATED.

Section 315(a) of FECA (2 U.S.C. 441a(a)) is amended by adding at the end the following new paragraph:

"(9) Notwithstanding paragraph (5)(B), a candidate for Federal office may not accept, with respect to an election, any contribution from a State or local committee of a political party (including any subordinate committee of such committee), if such contribution, when added to the total of contributions previously accepted from all such committees of that political party, exceeds a limitation on contributions to a candidate under this section.".

SEC. 404. CONTRIBUTIONS AND EXPENDITURES USING MONEY SECURED BY PHYSICAL FORCE OR OTHER INTIMIDATION.

Title III of FECA, as amended by section 707, is amended by adding at the end the following new section:

"CONTRIBUTIONS AND EXPENDITURES USING MONEY SECURED BY PHYSICAL FORCE OR OTHER INTIMIDATION

"SEC. 326. It shall be unlawful for any person to—

"(1) cause another person to make a contribution or expenditure by using physical force, job discrimination, financial reprisals, or the threat of physical force, job discrimination, or financial reprisal; or

"(2) make a contribution or expenditure utilizing money or anything of value secured in the manner described in paragraph (1).".

SEC. 405. PROHIBITION OF ACCEPTANCE BY A CANDIDATE OF CASH CONTRIBUTIONS FROM ANY ONE PERSON AGGREGATING MORE THAN $100.

Section 321 of FECA (2 U.S.C. 441g) is amended by inserting ", and no candidate or authorized committee of a candidate shall accept from any one person," after "make".

TITLE V—REPORTING REQUIREMENTS

SEC. 501. CHANGE IN CERTAIN REPORTING FROM A CALENDAR YEAR BASIS TO AN ELECTION CYCLE BASIS.

Paragraphs (2) through (7) of section 304(b) of FECA (2 U.S.C. 434(b)(2)-(7)), as amended by section 315(d), are amended by inserting after "calendar year" each place it appears the following: "(election cycle, in the case of an authorized committee of a candidate for Federal office)".

SEC. 502. PERSONAL AND CONSULTING SERVICES.

(a) REPORTING BY POLITICAL COMMITTEES.—Section 304(b)(5)(A) of FECA (2 U.S.C. 434(b)(5)(A)) is amended by adding before the semicolon at the end the following: ", except that if a person to whom an expenditure is made is merely providing personal or consulting services and is in turn making expenditures to other persons (not including employees) who provide goods or services to the candidate or his or her authorized committees, the name and address of such other person, together with the date, amount and purpose of such expenditure shall also be disclosed".

(b) RECORDKEEPING AND REPORTING BY PERSONS TO WHOM EXPENDITURES ARE PASSED THROUGH.—Section 302 of FECA (2 U.S.C. 432) is amended by adding at the end the following new subsection:

"(j) The person described in section 304(b)(5)(A) who is providing personal or consulting services and who is in turn making expenditures to other persons (not including employees) for goods or services provided to a candidate shall maintain records of and shall provide to a political committee the information necessary to enable the political committee to report the information described in section 304(b)(5)(A).".

SEC. 503. COMPUTERIZED INDICES OF CONTRIBUTIONS.

Section 311(a) of FECA (2 U.S.C. 438(a)) is amended—

(1) by striking "and" at the end of paragraph (9);

(2) by striking the period at the end of paragraph (10) and inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(11) maintain computerized indices of contributions of $200 or more.".

SEC. 504. FILING OF REPORTS USING COMPUTERS AND FACSIMILE MACHINES.

Section 302(g) of FECA (2 U.S.C. 432(g)) is amended by adding at the end the following new paragraph:

"(6)(A) The Commission, in consultation with the Secretary of the Senate and the Clerk of the House of Representatives, shall prescribe regulations under which persons required to file designations, statements, and reports under this Act—

"(i) are required to maintain and file them for any calendar year in electronic form accessible by computers if the person has, or has reason to expect to have, aggregate contributions or expenditures in excess of $100,000 during the current calendar year, and

"(ii) may maintain and file them in that manner if not required to do so under clause (i).

"(B) The Commission, in consultation with the Secretary of the Senate and the Clerk of the House of Representatives, shall prescribe regulations which allow persons to file designations, statements, and reports required by this Act through the use of facsimile machines.

"(C) In prescribing regulations under this paragraph, the Commission shall provide methods (other than signing) for verifying designations, statements, and reports covered by the regulations. Any document verified under any of the methods shall be treated for all purposes (including penalties for perjury) in the same manner as a document verified by signature.

"(D) The Commission shall ensure that any computer (or other) system developed and maintained by the Commission to receive designations, statements, and reports in the forms required or permitted under this paragraph are compatible with the systems of the Secretary of the Senate and the Clerk of the House of Representatives.".

SEC. 505. POLITICAL COMMITTEES.

Section 303(b) of FECA (2 U.S.C. 433(b)) is amended—

(1) in paragraph (2), by inserting ", and if the organization or committee is incorporated, the State of incorporation" after "committee",

(2) by striking the "name and address of the treasurer" in paragraph (4) and inserting "the names and addresses of the officers", and

(3) by striking "and" at the end of paragraph (5), by striking the period at the end of paragraph (6) and inserting "; and", and by adding at the end the following new paragraph:

"(7) a statement of the purpose for which the political committee was formed.".

TITLE VI—FEDERAL ELECTION COMMISSION

SEC. 601. USE OF CANDIDATES' NAMES.

Section 302(e)(4) of FECA (2 U.S.C. 432(e)(4)) is amended to read as follows:

"(4)(A) The name of each authorized committee shall include the name of the candidate who authorized the committee under paragraph (1).

"(B) A political committee that is not an authorized committee shall not—

"(i) include the name of any candidate in its name, or

"(ii) except in the case of a national, State, or local party committee, use the name of any candidate in any activity on behalf of such committee in such a context as to suggest that the committee is an authorized committee of the candidate or that the use of the candidate's name has been authorized by the candidate.".

SEC. 602. REPORTING REQUIREMENTS.

(a) OPTION TO FILE MONTHLY REPORTS—Section 304(a)(2) of FECA (2 U.S.C. 434(a)(2)) is amended—

(1) in subparagraph (A) by striking "and" at the end;

(2) in subparagraph (B) by striking the period at the end and inserting "; and"; and

(3) by inserting the following new subparagraph at the end:

"(C) in lieu of the reports required by subparagraphs (A) and (B), the treasurer may file monthly reports in all calendar years, which shall be filed no later than the 15th day after the last day of the month and shall be complete as of the last day of the month, except that, in lieu of filing the reports otherwise due in November and December of any year in which a regularly scheduled general election is held, a pre-primary election report and a pre-general election report shall be filed in accordance with subparagraph (A)(i), a post-general election report shall be filed in accordance with subparagraph (A)(ii), and a year end report shall be filed no later than January 31 of the following calendar year.".

(b) FILING DATE.—(1) Section 304(a)(3) (A)(i) and (B)(i) of FECA (2 U.S.C. 434(a)(3) (A)(i) and (B)(i)) are amended by striking "20th" and inserting "15th".

(2) Section 304(a)(4) of FECA (2 U.S.C. 434(a)(4)) is amended—

(A) in subparagraph (A)(i) by inserting ", and except that if at any time during the election year a committee receives contributions in excess of $100,000 ($10,000 in the case of a multicandidate political committee), or makes disbursements in excess of $100,000 ($10,000 in the case of a multicandidate political committee), monthly reports on the 15th day of each month after the month in which that amount of contributions is first received or that amount of disbursements is first anticipated to be made during that year" before the semicolon; and

(B) in subparagraph (B) by striking "20th" and inserting "15th".

(c) INCOMPLETE OR FALSE CONTRIBUTOR INFORMATION.—Section 302(i) of FECA (2 U.S.C. 432(i)) is amended—

(1) by striking "submit" and inserting "report"; and

(2) by adding the following at the end: "In the case of a contribution required to be reported under section 304(b)(3)(A), the contribution shall not be used by the political committee to make an expenditure until the political committee has obtained all of the information that is required to be reported.".

(d) WAIVER.—Section 304 of FECA (2 U.S.C. 434), as amended by section 315(c), is amended by adding at the end the following new subsection:

"(g) WAIVER.—The Commission may relieve any category of political committees of the obligation to file 1 or more reports required by this section, or may change the due dates of such reports, if it determines that such action is consistent with the purposes of this Act. The Commission may waive requirements to file reports in accordance with this subsection through a rule of general applicability or, in a specific case, may waive or change the due date of a report by notifying all political committees affected.".

SEC. 603. PROVISIONS RELATING TO THE GENERAL COUNSEL OF THE COMMISSION.

(a) VACANCY IN THE OFFICE OF GENERAL COUNSEL.—Section 306(f) of FECA (2 U.S.C. 437c(f)) is amended by adding at the end the following new paragraph:

"(5) In the event of a vacancy in the office of general counsel, the next highest ranking enforcement official in the general counsel's office shall serve as acting general counsel with full powers of the general counsel until a successor is appointed.".

(b) PAY OF THE GENERAL COUNSEL.—Section 306(f)(1) of FECA (2 U.S.C. 437c(f)(1)) is amended—

(1) by inserting "and the general counsel" after "staff director" in the second sentence; and

(2) by striking the third sentence.

SEC. 604. ENFORCEMENT.

(a) IN GENERAL.—Section 309 of FECA (2 U.S.C. 437g) is amended—

(1) in subsection (a)—

(A) by amending paragraph (2) to read as follows:

"(2)(A)(i) If the Commission, upon receiving a complaint under paragraph (1) or on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, agrees, by an affirmative vote of 3 of its members, with the General Counsel's recommendation that facts have been alleged or ascertained that, if true, give reason to investigate whether a violation of this Act or chapter 95 or chapter 96 of the Internal Revenue Code of 1986 has occurred or is about to occur, the Commission shall, through its Chairman or Vice Chairman, notify the person of the alleged violation. The General Counsel may make an investigation of the alleged violation, which may include a field investigation or audit, in accordance with this section.

"(ii) If the General Counsel recommends that the Commission find no reason to believe an alleged violation has occurred and the Commission rejects that recommendation by an affirmative vote of 4 of its members, the Commission shall notify the person of the alleged violation and shall direct the General Counsel to make an investigation in accordance with clause (i).

"(B)(i) Notwithstanding section 307, in an investigation conducted under this section, the General Counsel shall have the powers provided in section 307(a) (2), (3), (4), and (5), including the power to issue subpoenas signed by the General Counsel.

"(ii) A person to whom a subpoena is directed by the General Counsel may file a motion to quash or modify the subpoena with the Commission prior to the time specified therein for compliance, but in no case more than 5 days after receipt of such subpoena. The Commission may determine, on an affirmative vote of 4 of its members, to quash or modify the subpoena at issue.";

(B) by adding at the end of paragraph (4)(A) the following new clauses:

"(iii) In a case initiated by a complaint under paragraph (1), if the General Counsel recommends that the Commission find probable cause to believe that a person has committed, or is about to commit, a violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1986, and the Commission fails to sustain or reject the General Counsel's recommendation, or any portion thereof, by an affirmative vote of 4 of its members, the complainant may bring a civil action in any district court of the United States described in paragraph (6)(A) in the name of the complainant to remedy the violation alleged in the complaint on which the Commission failed to achieve 4 votes.

"(iv) In a civil action brought by a complainant under subparagraph (iii), the court may grant a permanent or temporary injunction, restraining order, or other order, including a civil penalty that does not exceed the maximum amount permitted under paragraph (6)(B). A prevailing complainant shall be awarded an amount deemed appropriate by the court, but in no case more than 10 percent of the proceeds, which shall be paid out of the proceeds. The complainant shall also be awarded an amount for reasonable expenses that the court finds to have been necessarily incurred, plus reasonable attorneys' fees, and costs. All such expenses, fees and costs shall be awarded against the defendant."; and

(C) by adding at the end the following new paragraph:

"(14) Nothing in this subsection shall be construed to limit the ability of the Commission to determine at any time to take no further action in a proceeding under this subsection."; and

(2) by adding at the end the following new subsection:

"(e)(1) A complaint filed under subsection (a)(1) shall be, to the best of the signer's knowledge, information, and belief (formed after reasonable inquiry), well grounded in fact and warranted by a Commission regulation or decisional precedent or a good faith argument for the extension, modification, or reversal of existing law, and shall not be interposed for any improper purpose, such as to harass or to cause any unnecessary delay or needless increase in the cost of litigation.

"(2) If the Commission determines, on its own motion or on the basis of a complaint, that a complaint fails to meet the requirements of paragraph (1), it may proceed against the complainant in accordance with this section. In such a case, a conciliation agreement entered into by the Commission under paragraph (4)(A) may include a requirement that a party to the conciliation agreement pay a civil penalty not to exceed $20,000.".

(b) Authority To Seek Injunction.—(1) Section 309(a) of FECA (2 U.S.C. 437g(a)) is amended by adding at the end the following new paragraph:

"(13)(A) If, at any time in a proceeding described in paragraph (1), (2), (3), or (4), the Commission believes that—

"(i) there is a substantial likelihood that a violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1986 is occurring or is about to occur;

"(ii) the failure to act expeditiously will result in irreparable harm to a party affected by the potential violation;

"(iii) expeditious action will not cause undue harm or prejudice to the interests of others; and

"(iv) the public interest would be best served by the issuance of an injunction,

the Commission may initiate a civil action for a temporary restraining order or a temporary injunction pending the outcome of the proceedings described in paragraphs (1), (2), (3), and (4).

"(B)(i) If the complaint in a proceeding was filed within 60 days immediately preceding a general election, the Commission may take action described in this subparagraph.

"(ii) If the Commission determines, on the basis of facts alleged in the complaint and other facts available to it, that there is clear and convincing evidence that a violation of this Act or of chapter 95 or 96 of the Internal Revenue Code of 1986 has occurred, is occurring, or is about to occur and it appears that the requirements for relief stated in subparagraph (A) (ii), (iii), and (iv) are met, the Commission may—

"(I) order expedited proceedings, shortening the time periods for proceedings under paragraphs (1), (2), (3), and (4) as necessary to allow the matter to be resolved in sufficient time before the election to avoid harm or prejudice to the interests of the parties; or

"(II) if the Commission determines that there is insufficient time to conduct proceedings before the election, immediately seek relief under subparagraph (A).

"(iii) If the Commission determines, on the basis of facts alleged in the complaint and other facts available to it, that the complaint is clearly without merit, the Commission may—

"(I) order expedited proceedings, shortening the time periods for proceedings under paragraphs (1), (2), (3), and (4) as necessary to allow the matter to be resolved in sufficient time before the election to avoid harm or prejudice to the interests of the parties; or

"(II) if the Commission determines that there is insufficient time to conduct proceedings before the election, summarily dismiss the complaint.

"(C) An action under subparagraph (A) shall be brought in the United States district court for the district in which the defendant resides, transacts business, or may be found or in which the violation is occurring, has occurred, or is about to occur.".

(2) Section 309(a) of FECA (2 U.S.C. 437g(a)) is amended—

(A) in paragraph (7) by striking "(5) or (6)" and inserting "(5), (6), or (13)"; and

(B) in paragraph (11) by striking "(6)" and inserting "(6) or (13)".

(c) Referral of Apparent Violations to the Attorney General.—Section 309(a)(5)(C) of FECA (2 U.S.C. 437g(a)(5)(C)) is amended by adding the following at the end: "The preceding sentence shall not be construed to detract from the general authority of the Commission under section 307(a)(9) to refer an apparent violation of law, including a violation of this Act, to the Attorney General at any time without making a finding of probable cause.".

(d) Failure To Present Matter Before the Commission.—Section 309(a) of FECA (2 U.S.C. 437g(a)) is amended by inserting after paragraph (9) the following new paragraph:

"(10) In a proceeding before a district court or court of appeals in which there is under review a decision of the Commission made in a proceeding under this section, the court shall not consider an argument, objection, issue, or other matter that was not presented to the Commission, but if the court finds that there was good cause for the failure to present the matter to the Commission, the court may remand the proceeding to the Commission for consideration of the matter.".

(e) Representation of the Commission in Court.—Section 306(f)(4) of FECA (2 U.S.C. 437c(f)(4)) is amended by adding at the end thereof the following: "The Commission may appear and submit briefs as amicus curiae in a proceeding a decision in which may affect the administration of this Act even though the proceeding may not arise under this Act or require interpretation or application of this Act. In any proceeding in which the Commission appears under authority of this paragraph or section 309, the Commission and its attorneys may be required to comply with local court rules, except that the Commission shall not be required to appear by local counsel.".

SEC. 605. PENALTIES.

(a) Penalties Prescribed in Conciliation Agreements.—(1) Section 309(a)(5)(A) of FECA (2 U.S.C. 437g(a)(5)(A)) is amended by striking "which does not exceed the greater of $5,000 or an amount equal to any contribution or expenditure involved in such violation." and inserting "which—

"(i) is not less than 50 percent of all contributions and expenditures involved in the violation (or such lesser amount as the Commission provides if necessary to ensure that the penalty is not unjustly disproportionate to the violation); and

"(ii) does not exceed the greater of $5,000 or all contributions and expenditures involved in the violation.".

(2) Section 309(a)(5)(B) of FECA (2 U.S.C. 437g(a)(5)(B)) is amended by striking "which does not exceed the greater of $10,000 or an amount equal to 200 percent of any contribution or expenditure involved in such violation." and inserting "which—

"(i) is not less than all contributions and expenditures involved in the violation; and

"(ii) does not exceed the greater of $10,000 or 150 percent of all contributions and expenditures involved in the violation.".

(b) Penalties When Violations Are Adjudicated in Court.—(1) Section 309(a)(6)(A) of FECA (2 U.S.C. 437g(a)(6)(A)) is amended by striking all that follows "appropriate order" and inserting ", including an order for a civil penalty in the amount determined under subparagraph (B) or (C) in the district court of the United States for the district in which the defendant resides, transacts business, or may be found or in which the violation occurred.".

(2) Section 309(a)(6)(B) of FECA (2 U.S.C. 437g(a)(6)(B)) is amended by striking all that follows "other order" and inserting ", including an order for a civil penalty which—

"(i) is not less than all contributions and expenditures involved in the violation; and "(ii) does not exceed the greater of $10,000 or 200 percent of all contributions and expenditures involved in the violation,

upon a proper showing that the person involved has committed, or is about to commit (if the relief sought is a permanent or temporary injunction or a restraining order), a violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1986.".

(3) Section 309(a)(6)(C) of FECA (29 U.S.C. 437g(6)(C)) is amended by striking "a civil penalty" and all that follows and inserting "a civil penalty which—

"(i) is not less than 200 percent of all contributions and expenditures involved in the violation; and

"(ii) does not exceed the greater of $20,000 or 250 percent of all contributions and expenditures involved in the violation.".

SEC. 606. AUDITS.

(a) RANDOM AUDITS.—Section 311(b) of FECA (2 U.S.C. 438(b)) is amended—

(1) by inserting "(1)" before "The Commission"; and

(2) by adding at the end the following new paragraph:

"(2) Notwithstanding paragraph (1), the Commission may from time to time conduct random audits and investigations to ensure voluntary compliance with this Act. The subjects of such audits and investigations shall be selected on the basis of criteria established by vote of at least 4 members of the Commission to ensure impartiality in the selection process. This paragraph does not apply to an authorized committee of a candidate for President or Vice President subject to audit under section 9007 or 9038 of the Internal Revenue Code of 1986 or to an authorized committee of an eligible Senate candidate subject to audit under section 505(a).".

(b) EXTENSION OF PERIOD DURING WHICH CAMPAIGN AUDITS MAY BE BEGUN.—Section 311(b) of FECA (2 U.S.C. 438(b)) is amended by striking "6 months" and inserting "12 months".

SEC. 607. PROHIBITION OF FALSE REPRESENTATION TO SOLICIT CONTRIBUTIONS.

Section 322 of FECA (2 U.S.C. 441h) is amended—

(1) by inserting after "SEC. 322." the following: "(a)"; and

(2) by adding at the end the following:

"(b) No person shall solicit contributions by falsely representing himself as a candidate or as a representative of a candidate, a political committee, or a political party.".

SEC. 608. REGULATIONS RELATING TO USE OF NON-FEDERAL MONEY.

Section 306 of FECA (2 U.S.C. 437c) is amended by adding at the end the following new subsection:

"(g) The Commission shall promulgate regulations to prohibit devices or arrangements which have the purpose or effect of undermining or evading the provisions of this Act restricting the use of non-Federal money to affect Federal elections.".

SEC. 609. SIMULTANEOUS REGISTRATION OF CANDIDATE AND CANDIDATE'S PRINCIPAL CAMPAIGN COMMITTEE.

Section 303(a) of FECA (2 U.S.C. 433(a)) is amended in the first sentence by striking "no later than 10 days after designation" and inserting "on the date of its designation".

SEC. 610. REIMBURSEMENT FUND.

Section 311 of FECA (2 U.S.C. 438) is amended by adding at the end thereof the following new subsection:

"(g)(1) There is established in the Treasury of the United States a Federal Election Commission Reimbursement fund (referred to in this subsection as the "fund").

"(2) There shall be credited to the fund an amount equal to—

"(A) the expenses of the Commission incurred in preparing copies of documents, publications, computer tapes, and other forms of records sold to the public;

"(B) the expenses of the Commission incurred in responding to requests for records under section 552 of title 5, United States Code; and

"(C) costs awarded to the Commission in litigation.

"(3) Amounts credited to the fund shall be available without fiscal year limitation to the Commission, in addition to amounts otherwise appropriated to the Commission, for the purpose of paying the expenses of the Commission in providing records to the public as described in subparagraphs (A) and (B) and in providing at no charge to the public informational publications designed to assist candidates, political committees, and other persons in complying with this Act.".

SEC. 611. INSOLVENT POLITICAL COMMITTEES.

Section 303(d) of FECA (2 U.S.C. 433(d)) is amended by adding at the end the following new paragraph:

"(3) Proceedings by the Commission under paragraph (2) constitute the sole means, to the exclusion of proceedings under title 11, United States Code, by which a political committee that is determined by the Commission to be insolvent may compromise its debts, liquidate its assets, and terminate its existence.".

TITLE VII—MISCELLANEOUS

SEC. 701. PROHIBITION OF LEADERSHIP COMMITTEES.

Section 302(e) of FECA (2 U.S.C. 432(e)) is amended—

(1) by amending paragraph (3) to read as follows:

"(3) No political committee that supports or has supported more than one candidate may be designated as an authorized committee, except that—

"(A) a candidate for the office of President nominated by a political party may designate the national committee of such political party as the candidate's principal campaign committee, but only if that national committee maintains separate books of account with respect to its functions as a principal campaign committee; and

"(B) a candidate may designate a political committee established solely for the purpose of joint fundraising by such candidates as an authorized committee."; and

(2) by adding at the end the following new paragraph:

"(6)(A) A candidate for Federal office or any individual holding Federal office may not establish, finance, maintain, or control any Federal or non-Federal political committee other than a principal campaign committee of the candidate, authorized committee, party committee, or other political committee designated in accordance with paragraph (3). A candidate for more than one Federal office may designate a separate principal campaign committee for each Federal office. This paragraph shall not preclude a Federal officeholder who is a candidate for State or local office from establishing, financing, maintaining, or controlling a political committee for election of the individual to such State or local office.

"(B) For one year after the effective date of this paragraph, any political committee established before such date but which is prohibited under subparagraph (A) may continue to make contributions. At the end of that period such political committee shall disburse all funds by one or more of the following means: making contributions to an entity qualified under section 501(c)(3) of the Internal Revenue Code of 1986; making a contribution to the treasury of the United States; contributing to the national, State or local committees of a political party; or making contributions not to exceed $1,000 to candidates for elective office.".

SEC. 702. POLLING DATA CONTRIBUTED TO CANDIDATES.

Section 301(8) of FECA (2 U.S.C. 431(8)), as amended by section 315(b), is amended by inserting at the end the following new subparagraph:

"(D) A contribution of polling data to a candidate shall be valued at the usual and normal charge for the data on the date the poll was completed, depreciated at a rate not more than 1 percent per day from such date to the date on which the contribution was made.".

SEC. 703. DEBATES BY GENERAL ELECTION CANDIDATES WHO RECEIVE AMOUNTS FROM THE PRESIDENTIAL ELECTION CAMPAIGN FUND.

Section 315(b) of FECA (2 U.S.C. 441a(b)) is amended by adding at the end the following new paragraph:

"(3)(A) The candidates of a political party for the offices of President and Vice President who are receiving payments under section 9003 of the Internal Revenue Code of 1986 from the Secretary of the Treasury shall refund such payments unless both of such candidates agree in writing—

"(i) that the candidate for the office of President will participate in at least 3 debates, sponsored by a nonpartisan or bipartisan organization, with all other candidates for that office who are receiving payments under that section; and

"(ii) that the candidate of the party for the office of Vice President will participate in at least 1 debate, sponsored by a nonpartisan or bipartisan organization, with all other candidates for that office who are receiving payments under that section.

"(B) If the Commission determines that either of the candidates of a political party failed to participate in a debate under subparagraph (A) and was responsible at least in part for such failure, the candidate of the party involved shall—

"(i) not receive payments under section 9006 of the Internal Revenue Code of 1986; and

"(ii) pay to the Secretary of the Treasury an amount equal to the amount of the payments made to the candidate under that section.".

SEC. 704. TELEPHONE VOTING BY PERSONS WITH DISABILITIES.

(a) STUDY OF SYSTEMS TO PERMIT PERSONS WITH DISABILITIES TO VOTE BY TELEPHONE.—

(1) IN GENERAL.—The Federal Election Commission shall conduct a study to determine the feasibility of developing a system or systems by which persons with disabilities may be permitted to vote by telephone.

(2) CONSULTATION.—The Federal Election Commission shall conduct the study described in paragraph (1) in consultation with State and local election officials, representatives of the telecommunications industry, representatives of persons with disabilities, and other concerned members of the public.

(3) CRITERIA.—The system or systems developed pursuant to paragraph (1) shall—

(A) propose a description of the kinds of disabilities that impose such difficulty in travel to polling places that a person with a disability who may desire to vote is discouraged from undertaking such travel;

(B) propose procedures to identify persons who are so disabled; and

(C) describe procedures and equipment that may be used to ensure that—

(i) only those persons who are entitled to use the system are permitted to use it;

(ii) the votes of persons who use the system are recorded accurately and remain secret;

(iii) the system minimizes the possibility of vote fraud; and

(iv) the system minimizes the financial costs that State and local governments would incur in establishing and operating the system.

(4) REQUESTS FOR PROPOSALS.—In developing a system described in paragraph (1), the Federal Election Commission may request proposals from private contractors for the design of procedures and equipment to be used in the system.

(5) PHYSICAL ACCESS.—Nothing in this section is intended to supersede or supplant efforts by State and local governments to make polling places physically accessible to persons with disabilities.

(6) DEADLINE.—The Federal Election Commission shall submit to Congress the study required by this section not later than 1 year after the effective date of this Act.

SEC. 705. PROVISIONS RELATING TO PRESIDENTIAL PRIMARY ELECTIONS.

(a) LIMITATION ON PRESIDENTIAL PRIMARY EXPENDITURES.—Section 315(b)(1)(A) of FECA (2 U.S.C. 441a(b)(1)(A)) is amended to read as follows:

"(A) $12,000,000, in the case of a campaign for nomination for election to such office; or".

(b) MINIMUM CONTRIBUTIONS.—Section 9033(b)(3) of the Internal Revenue Code of 1986 is amended—

(1) by striking "$5,000" and inserting "$15,000"; and

(2) by striking "20 States" and inserting "26 States".

(c) CONFORMING AMENDMENT.—Clause (vi) of section 301(9)(B) of FECA (2 U.S.C. 431(9)(B)(vi)) is hereby repealed.

SEC. 706. CERTAIN TAX-EXEMPT ORGANIZATIONS NOT SUBJECT TO CORPORATE LIMITS.

Section 316 of FECA (2 U.S.C. 441b) is amended by adding at the end the following new subsection:

"(c) PROHIBITIONS NOT TO APPLY TO INDEPENDENT EXPENDITURES OF CERTAIN TAX-EXEMPT ORGANIZATIONS.—(1) Nothing in this section shall preclude a qualified nonprofit corporation from making independent expenditures (as defined in section 301(17)).

"(2) For purposes of this subsection, the term 'qualified nonprofit corporation' means a corporation exempt from taxation under section 501(a) of the Internal Revenue Code of 1986 which is described in section 501(c)(4) of such Code and which meets the following requirements:

"(A) Its only express purpose is the promotion of political ideas.

"(B) It cannot and does not engage in any activities that constitute a trade or business.

"(C) Its gross receipts for the calendar year have not (and will not) exceed $100,000, and the net value of its total assets at any time during the calendar year do not exceed $250,000.

"(D) It was not established by a person described in section 501(c)(6) of the Internal Revenue Code of 1986 that is exempt from taxation under section 501(a) of such Code, a corporation engaged in carrying out a trade or business, or a labor organization, and it cannot and does not directly or indirectly accept donations of anything of value from any such person, corporation, or labor organization.

"(E) It—

"(i) has no shareholder or other person affiliated with it that could make a claim on its assets or earnings, and

"(ii) offers no incentives or disincentives for associating or not associating with it other than on the basis of its position on any political issue.

"(3) If a major purpose of a qualified nonprofit corporation is the making of independent expenditures, and the requirements of section 301(4) are met with respect to the corporation, the corporation shall be treated as a political committee.

"(4) All solicitations by a qualified nonprofit corporation shall include a notice informing contributors that donations may be used by the corporation to make independent expenditures.

"(5) A qualified nonprofit corporation shall file reports as required by section 304 (c) and (d).

SEC. 707. AIDING AND ABETTING VIOLATIONS OF FECA.

Title III of FECA, as amended by section 313, is amended by adding at the end the following new section:

"AIDING AND ABETTING VIOLATIONS

"SEC. 325. With reference to any provision of this Act that places a requirement or prohibition on any person acting in a particular capacity, any person who knowingly aids or abets the person in that capacity in violating that provision may be proceeded against as a principal in the violation.".

SEC. 708. DEPOSIT OF REPAYMENTS OF EXCESS PAYMENTS FROM THE PRESIDENTIAL ELECTION CAMPAIGN FUND.

Subsection (d) of section 9007 of the Internal Revenue Code of 1986 (relating to examinations, audits, and repayments) is amended to read as follows:

"(d) DEPOSIT OF REPAYMENTS.—All payments received by the Secretary under this section shall be deposited in the fund.".

SEC. 709. DISQUALIFICATION FROM RECEIVING PUBLIC FUNDING FOR PRESIDENTIAL ELECTION CAMPAIGNS.

(a) GENERAL ELECTION.—Section 9003 of the Internal Revenue Code of 1986 (relating to condition for eligibility to receive payments) is amended by adding at the end the following new subsection:

"(e) DISQUALIFICATION.—A person who has been convicted of a violation of this chapter or chapter 96 shall be ineligible to receive benefits under this chapter on and after the date of the conviction.".

(b) PRIMARY ELECTION.—Section 9033 of the Internal Revenue Code of 1986 (relating to condition for eligibility to receive payments) is amended by adding at the end the following new subsection:

"(d) DISQUALIFICATION.—A person who has been convicted of a violation of this chapter or chapter 95 shall be ineligible to receive benefits under this chapter on and after the date of the conviction.".

SEC. 710. PROHIBITION OF CONTRIBUTIONS TO PRESIDENTIAL CANDIDATES WHO RECEIVE PUBLIC FUNDING IN THE GENERAL ELECTION CAMPAIGN.

Section 315 of FECA (2 U.S.C. 441a), as amended by section 402, is amended by adding at the end the following new subsection:

"(o) Except to the extent permitted under sections 9003 (b)(2) and (c)(2) of the Internal Revenue Code of 1986, no person shall make a contribution to a candidate who has become eligible to receive benefits under chapter 95 of such Code by making a certification described in section 9003 (b) and (c) of such Code.".

TITLE VIII—EFFECTIVE DATES; AUTHORIZATIONS

SEC. 801. EFFECTIVE DATE.

Except as otherwise provided in this Act, the amendments made by, and the provisions of, this Act shall take effect on the date of the enactment of this Act but shall not apply with respect to activities in connection with any election occurring before January 1, 1995.

SEC. 802. BUDGET NEUTRALITY.

(a) DELAYED EFFECTIVENESS.—The provisions of this Act (other than this section) shall not be effective until the Director of the Office of Management and Budget certifies that the estimated costs under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 have been offset by the enactment of legislation effectuating this Act.

(b) FUNDING.—Legislation effectuating this Act shall not provide for general revenue increases, reduce expenditures for any existing Federal program, or increase the Federal budget deficit, but should be funded by disallowing the Federal income tax deduction for expenses paid or incurred for lobbying the Federal Government.

SEC. 803. SEVERABILITY.

Except as provided in section 101(c), if any provision of this Act (including any amendment made by this Act), or the application of any such provision to any person or circumstance, is held invalid, the validity of any other provision of this Act, or the application of such provision to other persons and circumstances, shall not be affected thereby.

SEC. 804. EXPEDITED REVIEW OF CONSTITUTIONAL ISSUES.

(a) DIRECT APPEAL TO SUPREME COURT.—An appeal may be taken directly to the Supreme Court of the United States from any final judgment, decree, or order issued by any court finding any provision of this Act, or amendment made by this Act, to be unconstitutional.

(b) ACCEPTANCE AND EXPEDITION.—The Supreme Court shall, if it has not previously ruled on the question addressed in the ruling below, accept jurisdiction over, advance on the docket, and expedite the appeal to the greatest extent possible.

SEC. 805. REGULATIONS.

The Federal Election Commission shall prescribe any regulations required to carry out the provisions of this Act within 9 months after the effective date of this Act.

WELLSTONE AMENDMENT NO. 367

Mr. WELLSTONE proposed an amendment to amendment No. 366 (in the nature of a substitute) proposed by Mr. MITCHELL to the bill (S. 3), supra, as follows:

Strike section 401(b) of the substitute and insert the following:

(b) PROHIBITION OF CERTAIN CONTRIBUTIONS BY LOBBYISTS.—Section 315 of FECA (2 U.S.C. 441a), as amended by section 313(b), is amended by adding at the end the following new subsections:

"(m)(1)(A)(i) A lobbyist shall not make a contribution to or solicit a contribution on behalf of a member of Congress with whom the lobbyist has made a lobbying contact, representing an interest of a client, during the preceding 11-month period.

"(ii) A lobbyist who makes a contribution to or solicits a contribution on behalf of a member of Congress or candidate for Congress shall not make a lobbying contact with that member (or candidate who becomes a member), representing an interest of a client, during the 11-month period after the date on which the contribution is made or solicited.

"(B)(i) A client of a lobbyist shall not make a contribution to or solicit a contribution on behalf of a member of Congress if, to the knowledge of the client, the lobbyist, representing an interest of the client, has made a lobbying contact with the member during the preceding 11-month period.

"(ii) A lobbyist shall not, representing an interest of a client, make a lobbying contact with a member of Congress if, to the knowledge of the lobbyist, the client has made a or solicited a contribution on behalf of the member during the preceding 11-month period.

"(C)(i) A political committee or other entity that is directly or indirectly established and maintained, owned, funded, or controlled solely by a client of a lobbyist shall not make a contribution to or solicit a contribution on behalf of a member of Congress if, to the knowledge of the political committee or other entity, the lobbyist, representing an interest of the client, has made a lobbying contact with the member during the preceding 11-month period.

"(ii) A lobbyist shall not, representing an interest of a client, make a lobbying contact with a member of Congress if, to the knowledge of the lobbyist, a political committee or other entity that is directly or indirectly established and maintained, owned, funded, or controlled solely by the client has made a or solicited a contribution on behalf of the member during the preceding 11-month period.

"(D)(i) A political committee or other entity of which a client of a lobbyist is a member or to which the client is a contributor (other than a political committee described in subparagraph (C)) shall not make a contribution to or solicit a contribution on behalf of a member of Congress if, to the knowledge of the political committee or other entity, the lobbyist, representing an interest of the client that is shared by the political committee or other entity, has made a lobbying contact with the member during the preceding 11-month period.

"(ii) A lobbyist shall not, representing an interest of a client that is shared by a political committee or other entity of which the client is a member or to which the client is a contributor (other than a political committee described in subparagraph (C)), make a lobbying contact with a member of Congress if, to the knowledge of the lobbyist, the political committee or other entity has made a or solicited a contribution on behalf of the member during the preceding 11-month period.

"(2)(A)(i) A lobbyist shall not make a contribution to or solicit a contribution on behalf of an authorized committee of the President if the lobbyist, representing an interest of a client, has made a lobbying contact with a covered executive branch official during the preceding 11-month period.

"(ii) A lobbyist who makes a contribution to or solicits a contribution on behalf of an authorized committee of the President or candidate for President shall not, representing an interest of a client, make a lobbying contact with a covered executive branch official during the 11-month period after the date on which the contribution is made or solicited if the candidate to whom the contribution is made is elected.

"(B)(i) A client of a lobbyist shall not make a contribution to or solicit a contribution on behalf of an authorized committee of the President if, to the knowledge of the client, the lobbyist, representing an interest of the client, has made a lobbying contact with a covered executive branch official during the preceding 11-month period.

"(ii) A lobbyist shall not, representing an interest of a client, make a lobbying contact with a covered executive branch official if, to the knowledge of the lobbyist, the client has made a or solicited a contribution on behalf of an authorized committee of the President during the preceding 11-month period.

"(C)(i) A political committee or other entity that is directly or indirectly established and maintained, owned, funded, or controlled solely by a client of a lobbyist shall not make a contribution to or solicit a contribution on behalf of an authorized committee of the President if, to the knowledge of the political committee or other entity, the lobbyist, representing an interest of the client, has made a lobbying contact with a covered executive branch official during the preceding 11-month period.

"(ii) A lobbyist shall not, representing an interest of a client, make a lobbying contact with a covered executive branch official if, to the knowledge of the lobbyist, a political committee or other entity that is directly or indirectly established and maintained, owned, funded, or controlled solely by the client has made a or solicited a contribution on behalf of an authorized committee of the President during the preceding 11-month period.

"(D)(i) A political committee or other entity of which a client of a lobbyist is a member or to which the client is a contributor (other than a political committee described in subparagraph (C)) shall not make a contribution to or solicit a contribution on behalf of an authorized committee of the President if, to the knowledge of the political committee or other entity, the lobbyist, representing an interest of the client that is shared by the political committee or other entity, has made a lobbying contact with a covered executive branch official during the preceding 11-month period.

"(ii) A lobbyist shall not, representing an interest of a client that is shared by a political committee or other entity of which the client is a member or to which the client is a contributor (other than a political committee described in subparagraph (C)), make a lobbying contact with a covered executive branch official if, to the knowledge of the lobbyist, the political committee or other entity has made a or solicited a contribution on behalf of an authorized committee of the President during the preceding 11-month period.

"(3) The following rules apply for the purposes of this subsection:

"(A) A lobbyist shall be considered to make a lobbying contact or communication with a member of Congress if the lobbyist makes a lobbying contact or communication with—

"(i) the member of Congress;

"(ii) any person employed in the office of the member of Congress; or

"(iii) any person employed by a committee, joint committee, or leadership office who, to the knowledge of the lobbyist, was employed at the request of or is employed at the pleasure of, reports primarily to, represents, or acts as the agent of the member of Congress.

"(B) A person shall be considered to be a client of a lobbyist if the person pays compensation to the lobbyist for making a lobbying contact with a member of Congress or covered executive branch official.

"(C) A client or a political committee or other entity with which a client is associated under paragraph (2) (C) or (D) or (3) (C) or (D) shall be considered to have knowledge of a fact if the fact is within the knowledge of a member or officer of the client, political committee, or other entity or of an employee of the client, political committee, or other entity, other than a clerical employee, who participates in decisionmaking with respect to making contributions to candidates or lobbying members of Congress or covered executive branch officials.

"(4) For the purposes of this subsection—

"(A) the term 'covered executive branch official' means—

"(i) the President;

"(ii) the Vice-President;

"(iii) any officer or employee of the executive office of the President other than a clerical or secretarial employee;

"(iv) any officer or employee serving in an Executive Level I, II, III, IV, or V position as designated in statute or Executive order;

"(v) any officer or employee serving in a senior executive service position (as defined in section 3232(a)(2) of title 5, United States Code);

"(vi) any member of the Armed Forces of the United States whose pay grade is at or in excess of O-7 under section 201 of title 37, United States Code; and

"(vii) any officer or employee serving in a position of confidential or policy-determining character under schedule C of the excepted service pursuant to regulations implementing section 2103 of title 5, United States Code;

"(B) the term 'lobbyist'

"(i) means—

"(I) a person required to register under section 308 of the Federal Regulation of Lobbying Act (2 U.S.C. 267) or the Foreign Agents Registration Act of 1938 (22 U.S.C. 611 et seq.);

"(II) a person required under any other law to register as a lobbyist (as the term 'lobbyist' may be defined in any such law); and

"(III) any other person that receives compensation in return for making a lobbying contact with a member of Congress or a covered executive branch official, including a member, officer, or employee of any organization that receives such compensation; and

"(ii) includes—

"(I) all of the members, officers, and employees of a firm or other organization, of which a person described in clause (i) is a member, officer, or employee, that is organized for the purpose (solely or among other purposes) of engaging in the business of making lobbying contacts; and

"(II) a political committee or other entity that is directly or indirectly established and maintained, owned, funded, or controlled solely by a person or organization described in clause (i) or subclause (I).

"(C) the term 'lobbying contact'—

"(i) means an oral or written communication with a member of Congress or covered executive branch official made by a lobbyist on behalf of another person with regard to—

"(I) the formulation, modification, or adoption of Federal legislation (including a legislative proposal);

"(II) the formulation, modification, or adoption of a Federal rule, regulation, Executive order, or any other program, policy or position of the United States Government; or

"(III) the administration or execution of a Federal program or policy (including the negotiation, award, or administration of a Federal contract, grant, loan, permit, or license); but

"(ii) does not include a communication that is—

"(I) made by a public official acting in an official capacity;

"(II) made by a representative of a media organization who is primarily engaged in gathering and disseminating news and information to the public;

"(III) made in a speech, article, publication, or other material that is widely distributed to the public or through the media;

"(IV) a request for an appointment, a request for the status of a Federal action, or another similar ministerial contact, if there is no attempt to influence a member of Congress or covered executive branch official at the time of the contact;

"(V) made in the course of participation in an advisory committee subject to the Federal Advisory Committee Act (5 U.S.C. App.);

"(VI) testimony given before a committee, subcommittee, or office of Congress a Federal agency, or submitted for inclusion in the public record of a hearing conducted by the committee, subcommittee, or office;

"(VII) information provided in writing in response to a specific written request from a member of Congress or covered executive branch official;

"(VIII) required by subpoena, civil investigative demand, or otherwise compelled by statute, regulation, or other action of Congress or a Federal agency;

"(IX) made to an agency official with regard to a judicial proceeding, criminal or civil law enforcement inquiry, investigation, or proceeding, or filing required by law;

"(X) made in compliance with written agency procedures regarding an adjudication conducted by the agency under section 554 of title 5, United States Code, or substantially similar provisions;

"(XI) a written comment filed in a public docket and other communication that is made on the record in a public proceeding;

"(XII) a formal petition for agency action, made in writing pursuant to established agency procedures; or

"(XIII) made on behalf of a person with regard to the person's benefits, employment, other personal matters involving only that person, or disclosures pursuant to a whistleblower statute.".

WELLSTONE AMENDMENT NO. 368

Mr. WELLSTONE proposed an amendment to amendment No. 367 proposed by him to amendment No. 366 (in the nature of a substitute) to the bill S. 3, supra; as follows:

Strike all after "(b) Prohibition" and in lieu thereof, insert the following:

OF CERTAIN CONTRIBUTIONS BY LOBBYISTS.—Section 315 of FECA (2 U.S.C. 441a), as amended by section 313(b), is amended by adding at the end the following new subsections:

"(m)(1)(A)(i) A lobbyist shall not make a contribution to or solicit a contribution on behalf of a member of Congress with whom the lobbyist has made a lobbying contact, representing an interest of a client, during the preceding 12-month period.

"(ii) A lobbyist who makes a contribution to or solicits a contribution on behalf of a member of Congress or candidate for Congress shall not make a lobbying contact with that member (or candidate who becomes a member), representing an interest of a client, during the 12-month period after the date on which the contribution is made or solicited.

"(B)(i) A client of a lobbyist shall not make a contribution to or solicit a contribution on behalf of a member of Congress if, to the knowledge of the client, the lobbyist, representing an interest of the client, has made a lobbying contact with the member during the preceding 12-month period.

"(ii) A lobbyist shall not, representing an interest of a client, make a lobbying contact with a member of Congress if, to the knowledge of the lobbyist, the client has made a or solicited a contribution on behalf of the member during the preceding 12-month period.

"(C)(i) A political committee or other entity that is directly or indirectly established and maintained, owned, funded, or controlled solely by a client of a lobbyist shall not make a contribution to or solicit a contribution on behalf of a member of Congress if, to the knowledge of the political committee or other entity, the lobbyist, representing an interest of the client, has made a lobbying contact with the member during the preceding 12-month period.

"(ii) A lobbyist shall not, representing an interest of a client, make a lobbying contact with a member of Congress if, to the knowledge of the lobbyist, a political committee or other entity that is directly or indirectly established and maintained, owned, funded, or controlled solely by the client has made a or solicited a contribution on behalf of the member during the preceding 12-month period.

"(D)(i) A political committee or other entity of which a client of a lobbyist is a member or to which the client is a contributor (other than a political committee described in subparagraph (C)) shall not make a contribution to or solicit a contribution on behalf of a member of Congress if, to the knowledge of the political committee or other entity, the lobbyist, representing an interest of the client that is shared by the political committee or other entity, has made a lobbying contact with the member during the preceding 12-month period.

"(ii) A lobbyist shall not, representing an interest of a client that is shared by a political committee or other entity of which the client is a member or to which the client is a contributor (other than a political committee described in subparagraph (C)), make a lobbying contact with a member of Congress if, to the knowledge of the lobbyist, the political committee or other entity has made a or solicited a contribution on behalf of the member during the preceding 12-month period.

"(2)(A)(i) A lobbyist shall not make a contribution to or solicit a contribution on behalf of an authorized committee of the President if the lobbyist, representing an interest of a client, has made a lobbying contact with a covered executive branch official during the preceding 12-month period.

"(ii) A lobbyist who makes a contribution to or solicits a contribution on behalf of an authorized committee of the President or candidate for President shall not, representing an interest of a client, make a lobbying contact with a covered executive branch official during the 12-month period after the date on which the contribution is made or solicited if the candidate to whom the contribution is made is elected.

"(B)(ii) A client of a lobbyist shall not make a contribution to or solicit a contribution on behalf of an authorized committee of the President if, to the knowledge of the client, the lobbyist, representing an interest of the client, has made a lobbying contact with a covered executive branch official during the preceding 12-month period.

"(ii) A lobbyist shall not, representing an interest of a client, make a lobbying contact with a covered executive branch official if, to the knowledge of the lobbyist, the client has made a or solicited a contribution on behalf of an authorized committee of the President during the preceding 12-month period.

"(C)(i) A political committee or other entity that is directly or indirectly established and maintained, owned, funded, or controlled solely by a client of a lobbyist shall not make a contribution to or solicit a contribution on behalf of an authorized committee of the President if, to the knowledge of the political committee or other entity, the lobbyist, representing an interest of the client, has made a lobbying contact with a covered executive branch official during the preceding 12-month period.

"(ii) A lobbyist shall not, representing an interest of a client, make a lobbying contact with a covered executive branch official if, to the knowledge of the lobbyist, a political committee or other entity that is directly or indirectly established and maintained, owned, funded, or controlled solely by the client has made a or solicited a contribution on behalf of an authorized committee of the President during the preceding 12-month period.

"(D)(i) A political committee or other entity of which a client of a lobbyist is a member or to which the client is a contributor (other than a political committee described in subparagraph (C)) shall not make a contribution to or solicit a contribution on behalf of an authorized committee of the President if, to the knowledge of the political committee or other entity, the lobbyist, representing an interest of the client that is shared by the political committee or other entity, has made a lobbying contact with a covered executive branch official during the preceding 12-month period.

"(ii) A lobbyist shall not, representing an interest of a client that is shared by a political committee or other entity of which the client is a member or to which the client is a contributor (other than a political committee described in subparagraph (C)), make a lobbying contact with a covered executive branch official if, to the knowledge of the lobbyist, the political committee or other entity has made a or solicited a contribution on behalf of an authorized committee of the President during the preceding 12-month period.

"(3) The following rules apply for the purposes of this subsection:

"(A) A lobbyist shall be considered to make a lobbying contact or communication with a member of Congress if the lobbyist makes a lobbying contact or communication with—

"(i) the member of Congress;

"(ii) any person employed in the office of the member of Congress; or

"(iii) any person employed by a committee, joint committee, or leadership office who, to the knowledge of the lobbyist, was employed at the request of or is employed at the pleasure of, reports primarily to, represents, or acts as the agent of the member of Congress.

"(B) A person shall be considered to be a client of a lobbyist if the person pays compensation to the lobbyist for making a lobbying contact with a member of Congress or covered executive branch official.

"(C) A client or a political committee or other entity with which a client is associated under paragraph (2) (C) or (D) or (3) (C) or (D) shall be considered to have knowledge of a fact if the fact is within the knowledge of a member or officer of the client, political committee, or other entity or of an employee of the client, political committee, or other entity, other than a clerical employee, who participates in decisionmaking with respect to making contributions to candidates or lobbying members of Congress or covered executive branch officials.

"(4) For the purposes of this subsection—

"(A) the term 'covered executive branch official' means—

"(i) the President;

"(ii) the Vice-President;

"(iii) any officer or employee of the executive office of the President other than a clerical or secretarial employee;

"(iv) any officer or employee serving in an Executive Level I, II, III, IV, or V position as designated in statute or Executive order;

"(v) any officer or employee serving in a senior executive service position (as defined in section 3232(a)(2) of title 5, United States Code);

"(vi) any member of the Armed Forces of the United States whose pay grade is at or in excess of 0-7 under section 201 of title 37, United States Code; and

"(vii) any officer or employee serving in a position of confidential or policy-determining character under schedule C of the excepted service pursuant to regulations implementing section 2103 of title 5, United States Code;

"(B) the term 'lobbyist'

"(i) means—

"(I) a person required to register under section 308 of the Federal Regulation of Lobbying Act (2 U.S.C. 267) or the Foreign Agents Registration Act of 1938 (22 U.S.C. 611 et seq.);

"(II) a person required under any other law to register as a lobbyist (as the term 'lobbyist' may be defined in any such law); and

"(III) any other person that receives compensation in return for making a lobbying contact with a member of Congress or a covered executive branch official, including a member, officer, or employee of any organization that receives such compensation; and

"(ii) includes—

"(I) all of the members, officers, and employees of a firm or other organization, of which a person described in clause (i) is a member, officer, or employee, that is organized for the purpose (solely or among other purposes) of engaging in the business of making lobbying contacts; and

"(II) a political committee or other entity that is directly or indirectly established and maintained, owned, funded, or controlled solely by a person or organization described in clause (i) or subclause (I).

"(C) the term 'lobbying contact'—

"(i) means an oral or written communication with a member of Congress or covered executive branch official made by a lobbyist on behalf of another person with regard to—

"(I) the formulation, modification, or adoption of Federal legislation (including a legislative proposal);

"(II) the formulation, modification, or adoption of a Federal rule, regulation, Executive order, or any other program, policy or position of the United States Government; or

"(III) the administration or execution of a Federal program or policy (including the negotiation, award, or administration of a Federal contract, grant, loan, permit, or license); but

"(ii) does not include a communication that is—

"(I) made by a public official acting in an official capacity;

"(II) made by a representative of a media organization who is primarily engaged in gathering and disseminating news and information to the public;

"(III) made in a speech, article, publication, or other material that is widely distributed to the public or through the media;

"(IV) a request for an appointment, a request for the status of a Federal action, or another similar ministerial contact, if there is no attempt to influence a member of Congress or covered executive branch official at the time of the contact;

"(V) made in the course of participation in an advisory committee subject to the Federal Advisory Committee Act (5 U.S.C. App.);

"(VI) testimony given before a committee, subcommittee, or office of Congress a Federal agency, or submitted for inclusion in the public record of a hearing conducted by the committee, subcommittee, or office;

"(VII) information provided in writing in response to a specific written request from a member of Congress or covered executive branch official;

"(VIII) required by subpoena, civil investigative demand, or otherwise compelled by statute, regulation, or other action of Congress or a Federal agency;

"(IX) made to an agency official with regard to a judicial proceeding, criminal or civil law enforcement inquiry, investigation, or proceeding, or filing required by law;

"(X) made in compliance with written agency procedures regarding an adjudication conducted by the agency under section 554 of title 5, United States Code, or substantially similar provisions;

"(XI) a written comment filed in a public docket and other communication that is made on the record in a public proceeding;

"(XII) a formal petition for agency action, made in writing pursuant to established agency procedures; or

"(XIII) made on behalf of a person with regard to the person's benefits, employment, other personal matters involving only that person, or disclosures pursuant to a whistleblower statute.".

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet on Monday, May 23, 1993, at 2:30 p.m. on Department of Commerce nominees: D. James Baker, Douglas K. Hall, Kathryn D. Sullivan, Arati Prabhakar, and Clarence L. Irving.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to hold a business meeting during the session of the Senate on Monday, May 24, 1993, in the afternoon, in order to vote on the nominations of Philip Heymann to be Deputy Attorney General, Webb Hubbell to be Associate Attorney General, and Drew Days to be Solicitor General.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON MILITARY READINESS AND DEFENSE INFRASTRUCTURE

Mr. FORD. Mr. President, I ask unanimous consent that the Subcommittee on Military Readiness and Defense Infrastructure of the Committee on Armed Services be authorized to meet on Monday, May 24, 1993, at 2 p.m., in open session, to receive testimony on logistics programs in review of the Defense authorization request for fiscal year 1994 and the Future Years Defense Program.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

COMMEMORATING THE 78TH ANNIVERSARY OF THE ARMENIAN GENOCIDE

• Mr. JEFFORDS. Mr. President, I join my colleagues in remembering the tragedy of mass murders of Armenians begun in 1915. Armenian grief is a sea and the Armenian people have an often tortured history. Yet, as the American-Armenian poet William Saroyan defiantly said, the Armenian people could not be destroyed. Today, a new Armenia stands as an independent nation.

We must remember the past and apply its lessons today. The United States is not turning its back on Armenia today, and indeed has taken the lead in providing humanitarian assistance to the people of Armenia. We are working with the international community for a lasting an just peace between Armenia and its neighbors. We firmly support the human rights of all citizens, including protection for minorities. People of Armenian origin should have the same freedoms as their fellow citizens, wherever they reside.

Armenia has a rich culture, from which America has benefited. As we remember Armenian victims of the massacres, let us also thank their survivors for their contributions to our country.•

IN HONOR OF THE ACHIEVEMENTS OF MINNESOTA HIGH SCHOOL SCHOLARS

• Mr. DURENBERGER. Mr. President, I rise today to pay tribute to three Minnesota high school scholars who are among the top 40 students in the 52d Westinghouse Science Talent Search. In recognition of this national accomplishment these students are being honored today in special ceremonies by the Young Scientist Roundtable of Wayzata Public School.

Ryan David Egeland, Wayzata Senior High School, Plymouth, conducted research related to the impact of salt runoff from the roads on the life cycles of daphnia, commonly called water fleas. The daphnia, which are sensitive to salt level, constitute as much as 90 percent of the diet of some fish and therefore are an important component of the lake food chain.

His research placed him fifth in the Nation. In addition, Ryan also won the Salute to Excellence—American Academy of Achievement—received the Heart Research Scholarship from the American Heart Association, and was placed in the 1993 All-USA Academic First Team by USA Today. Ryan was an all-conference honorable mention of football and has performed in piano recitals for the past 7 years.

Mayukh Vasant Sukhatme, Spring Lake Park Senior High School, Minneapolis, research focused on the genetics involved in the nitrogen-fixing process in the different types of alfalfa nodules. Mayukh has been selected for the Honeywell/Alliant Tech Student Academy, University of Minnesota Talented Youth Mathematics Program, U.S.-Russia Math Exchange Program and Panasonic Academic Challenge.

He is a part of the school's top jazz band and wind ensemble; a member of the Patriots marching band; a band leader in the school's pep band. He is also the editor-in-chief for the school's literary magazine, Mirage.

Mark Allan Johnson, Aitkin High School, Aitkin, designed a computerized procedure for managing water levels in small lakes. He has developed a system of electronic sensors at various points of the lake to gather data and use them further for the water management. Mark has received twice the Pepsi Science Award for Outstanding Science Achievement as well as the Presidential Academic Fitness Award. For each of the last 4 years, he was selected as a member of the National Honor Society.

Mr. President it is my privilege to offer each of these students, and their mentors, heartiest congratulations from the U.S. Senate.●

COMMENDING THOMAS WIGHTMAN CHANDLER

● Mr. MURKOWSKI. Mr. President, I rise today to pay tribute to a longtime Ketchikan resident and personal friend of mine, Thomas Wightman Chandler. Tom came to Alaska in the early 1940's where he served as a corporal in the U.S. Army on the Aleutian Islands. He was awarded an Asiatic Pacific Medal for his excellent service.

Upon completing his military duty in the Aleutians, Tom decided to remain in Alaska. He was in awe of the tremendous beauty of the country and he quickly adapted to the unique Alaskan lifestyle. He was an avid outdoorsman. His happiest times were spent hunting and fishing with close friends. Tom was a member of the Sports and Wildlife Club for 14 years, and served for a time as the club's vice president. Tom was also one of the founders of the Mirror Lake Fishing Club, and a lifetime member of the Eagles, Elks, Veterans of Foreign Wars, and the American Legion.

Tom fell in love and married Moag McDonald in 1946. They had one son, John Thomas Chandler. Tom could be characterized as the archetypal rugged Alaskan outdoorsman. He contributed much to Alaska, particularly to the Ketchikan community, and he will be sorely missed by all who knew and loved him.●

TIME FOR THE NATIONAL OBSERVANCE OF THE 50TH ANNIVERSARY OF WORLD WAR II

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of House Joint Resolution 80, a joint resolution designating "Time for the National Observance of the 50th Anniversary of World War II," just received from the House; that the joint resolution be deemed read three times, passed, the motion to reconsider laid upon the table, and the preamble agreed to.

The ACTING PRESIDENT pro tempore. Is there objection to the immediate consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

The joint resolution was deemed read a third time and passed.

The preamble was agreed to.

ORDERS FOR TOMORROW

Mr. FORD. Mr. President, on behalf of the majority leader, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9 a.m. Tuesday, May 25; that following the prayer, the Journal of proceedings be approved to date; the time for the two leaders reserved for their use later in the day; that there then be a period for morning business not to extend beyond 10:30 a.m. with Senators permitted to speak therein for up to 5 minutes each, with the following Senators recognized for the time limits specified: Senator MATHEWS for up to 5 minutes, Senators DORGAN and COHEN for up to 10 minutes each, with the time from 9:30 a.m. to 10:30 a.m. under the control of Senator BYRD; that at 10:30 a.m. the Senate resume consideration of S. 3; further, that on Tuesday, the Senate stand in recess from 12:30 p.m. until 2:15 p.m., in order to accommodate the respective party conferences.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECESS UNTIL TOMORROW AT 9 A.M.

Mr. FORD. Mr. President, if there is no further business to come before the Senate today, I now ask unanimous consent that the Senate stand in recess as previously ordered.

There being no objection, the Senate, at 5:20 p.m. recessed until tomorrow, May 25, 1993, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate May 24, 1993:

DEPARTMENT OF COMMERCE

EVERETT M. EHRLICH, OF PENNSYLVANIA, TO BE UNDER SECRETARY OF COMMERCE FOR ECONOMIC AFFAIRS, VICE JOSE ANTONIO VILLAMIL, RESIGNED.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

MARY JO BANE, OF MASSACHUSETTS, TO BE ASSISTANT SECRETARY FOR FAMILY SUPPORT, DEPARTMENT OF HEALTH AND HUMAN SERVICES, VICE JO ANNE B. BARNHART.

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL ON THE RETIRED LIST PURSUANT TO THE PROVISIONS TO TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. JOHN E. JAQUISH [redacted] U.S. AIR FORCE.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL ON THE RETIRED LIST PURSUANT TO THE PROVISIONS TO TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. MARTIN J. RYAN, JR. [redacted] U.S. AIR FORCE.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL ON THE RETIRED LIST PURSUANT TO THE PROVISIONS TO TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. RICHARD J. TRZASKOMA, [redacted] U.S. AIR FORCE.

THE FOLLOWING NAMED OFFICER FOR REAPPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

LT. GEN. STEPHEN B. CROKER [redacted] U.S. AIR FORCE.

THE FOLLOWING NAMED OFFICER FOR REAPPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

LT. GEN. JOHN E. JACKSON, JR. [redacted] U.S. AIR FORCE.

THE FOLLOWING NAMED OFFICER FOR REAPPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

LT. GEN. WALTER KROSS, [redacted] U.S. AIR FORCE.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

MAJ. GEN. THAD A. WOLFE, [redacted] U.S. AIR FORCE.

THE FOLLOWING MIDSHIPMEN, U.S. NAVAL ACADEMY, FOR APPOINTMENT AS SECOND LIEUTENANT IN THE REGULAR AIR FORCE, UNDER THE PROVISIONS OF SECTIONS 531 AND 541, TITLE 10, UNITED STATES CODE, WITH DATES OF RANK TO BE DETERMINED BY THE SECRETARY OF THE AIR FORCE.

MAX J ALLEN [redacted]
DAVID S BROOKS [redacted]
TODD W CHAVANNE [redacted]
JOHN A DELIA [redacted]
MICHAEL L GILCHRIST, JR [redacted]
ERICK A JORDAN [redacted]

COLLINS L MORRISON [redacted]
MARY J NEENAN [redacted]
MICHAEL A PIERCE [redacted]
CHARLES E ROBINSON [redacted]
JAMES B ROOTS [redacted]
TIMOTHY T TENNE [redacted]
VOLODJA A TYMOSCHENKO [redacted]

IN THE MARINE CORPS

THE FOLLOWING NAMED U.S. NAVAL ACADEMY GRADUATES FOR PERMANENT APPOINTMENT TO THE GRADE OF SECOND LIEUTENANT IN THE U.S. MARINE CORPS., PURSUANT TO TITLE 10, U.S. CODE, SECTION 531:

ABRAHAM, ARNOUX [redacted]
ALQUEZA, LODGERIO B. [redacted]
BALET, EDWARD W. [redacted]
BARRANCO, JOHN B., JR. [redacted]
BARTON, ARA E. [redacted]
BASIL, SHAWN A. [redacted]
BAULIG, DANIEL T. [redacted]
BERARDI, CLAY A. [redacted]
BERNSTEIN, PAUL G. [redacted]
BERRY, CHARLES T. [redacted]
BLAYLOCK, BRIAN R. [redacted]
BOLDEN, ANTHONY C. [redacted]
BOWER, MATTHEW H. [redacted]
BROWN, BENJAMIN J. [redacted]
BROWN, HENRY D. [redacted]
BROWN, JULIE L. [redacted]
BROWN, TERRANCE M. [redacted]
BROWN, WILLIAM I. [redacted]
BRUNNSCHWEILER, STEFAN T. [redacted]
BUTTERS, JUSTIN [redacted]
CALERO, CARLOS A. [redacted]
CAMPBELL, JOHN R. [redacted]
CARNEVALE, ROBERT S. [redacted]
CARPENTER, CLIFTON B. [redacted]
CATLIN, CHRISTOPHER G. [redacted]
CESTA, MICHAEL A. [redacted]
CHATLOS, GEORGE C. [redacted]
CHECKLEY, WINFIELD E. [redacted]
CHO, MICHAEL M. [redacted]
CLARK, CHRISTOPHER L. [redacted]
CLEMENT, GARY A. [redacted]
COLEMAN, LAWRENCE C. [redacted]
CONSTANT, DOUGLAS L. [redacted]
CONWAY, SCOTT E. [redacted]
COOPER, SCOTT A. [redacted]
COTTRELL, SHOGO J. [redacted]
CRAWFORD, LONNIE L. [redacted]
CRESPIN, AARON L. [redacted]
CREVIER, JUSTIN C. [redacted]
DEEN, JAMES D. [redacted]
DELAZARO, STEVEN J. [redacted]
DEPUE, WILLIAM L. [redacted]
DOBBINS, THOMAS M. [redacted]
DOUGHTY, PETER M. [redacted]
DURDIN, JEFFREY J. [redacted]
DWYER, BRIAN M. [redacted]
ELDRIDGE, ERIK B. [redacted]
ELLIS, JAMES B. [redacted]
ERWIN, JAMES E. [redacted]
ESCAMILLA, CHRISTOPHER R. [redacted]
EWING, JOHN R. [redacted]
FAGAN, KELLY A. [redacted]
FAILS, ROBERT J. [redacted]
FALKENBACH, ROBERT W. [redacted]
FARRINGTON, KEVIN M. [redacted]
FITZPATRICK, ANDREW T. [redacted]
GEE, GRACE S. [redacted]
GORDON, PHILLIP M. [redacted]
GORE, THOMAS D. [redacted]
GRAVES, CHRISTOPHER T. [redacted]
GRAY, JEREMY L. [redacted]
GREENE, MICHAEL E. [redacted]
GROTH, MICHAEL E. [redacted]
HAGEN, TERRY D. [redacted]
HALVERSON, JON L. [redacted]
HAND, TERRANCE E. [redacted]
HANNIGAN, CASEY E. [redacted]
HARRIS, KEVIN C. [redacted]
HERNANDEZ, ERIC L. [redacted]
HERON, WINSTON A. [redacted]
HETLAND, JON S. [redacted]
HILL, KARL E. [redacted]
HIMELSPACH, STEVEN J. [redacted]
HITTLE, PATRICK R. [redacted]
HOLLAND, AARON B. [redacted]
HOLTON, ADAM Y. [redacted]
HOUTING, DANIEL J. [redacted]
HUBER, MIKEL R. [redacted]
JIMENEZ, WINSTON G. [redacted]
JONES, CALEB L. [redacted]
KARCZEWSKI, NORBERT J. [redacted]
KARN, THOMAS M. [redacted]
KELLY, MATHEW G. [redacted]
KOHMUENCH, WILLIAM S. [redacted]
KOLICH, MATTHEW J. [redacted]
KAROL, GEORGE L. [redacted]
LARSON, BRENT L. [redacted]
LEE, WALTER S. [redacted]
LEGGETT, MARGERY A. [redacted]
LEHMANN, ANDREW T. [redacted]
LEWIS, BRANDON K. [redacted]
LEWIS, TYSON C. [redacted]
LIANEZ, RAUL [redacted]
LINLEY, JASON G. [redacted]
MADDOCKS, JASON R. [redacted]
MANSFIELD, SHAWN E. [redacted]
MARTIN, JON G. [redacted]
MARUCCI, ANTHONY J. [redacted]
MAYBACH, JOSEPH E. [redacted]
MCCAULEY, TODD L. [redacted]
MCCULLEY, WILLIAM E. [redacted]
MCDONIEL, PATRICK S. [redacted]
MCGINNIS, MARK N. [redacted]
MCMILLEN, MARIA S. [redacted]
MCMILLON, CHESTER [redacted]
MCNULTY, EDWARD D. [redacted]
MEGOWN, CHARLES F. [redacted]
MIKKOLA, DAVID M. [redacted]
MILANETTE, RO T. [redacted]
MILES, ARRON J. [redacted]
MILLER, PAUL W. [redacted]
MINIFIE, CHARLES D. [redacted]
MITCHELL, JACOB N. [redacted]
MOLLOHAN, MICHAEL S. [redacted]
MORENO, JOSEPH L. [redacted]
MOSKAL, ROBERT L. [redacted]
MURPHY, JAMES D. [redacted]
NEIDIGH, JOHN C. [redacted]
NELMS, CHANDLER S. [redacted]
OLEARY, BRYAN P. [redacted]
OSBORNE, JOHN C. [redacted]
OWENDY, THOMAS R. [redacted]
PANGELINAN, VAUGHN M. [redacted]
PATTERSON, BRYAN E. [redacted]
PECK, ERIC A. [redacted]
PELTON, JULIE A. [redacted]
PETERS, MARK W. [redacted]
PETERSEN, RICHARD E. [redacted]
PETERSEN, ROBERT S. [redacted]
PLATZ, DARRELL W. [redacted]
POLIDORO, JOHN R [redacted]
PRITCHARD, JAMES A. [redacted]
PRITCHETT, THOMAS L. [redacted]
PROCTOR, BRIAN C. [redacted]
PURCELL, MICHAEL A. [redacted]
QUANN, JAMES T. [redacted]
QUIGLEY, SEAN P. [redacted]
QUIMBY, SARAH R. [redacted]
RAMPEY, TODD P. [redacted]
RAYFIELD, WILLIAM P. [redacted]
REITTER, NORMAN L. [redacted]
REUTER, MATTHEW B. [redacted]
RICHMOND, BENJAMIN P. [redacted]
ROPELLA, ERIC J. [redacted]
SABER, DOUGLAS J. [redacted]
SABET, SASAN K. [redacted]
SCHERER, KURT J. [redacted]
SCHIEFELBEIN, PETER K. [redacted]
SCHIKLE, RICHARD A. [redacted]
SCHIMPF, PAUL M. [redacted]
SCHNELLE, JAMES A. [redacted]
SCHRODER, ROBERT W. [redacted]
SCHUYLER, JOSEPH R. [redacted]
SCIALABBA, SAMUEL S. [redacted]
SEDWICK, MARK W. [redacted]
SEIPT, MATTHEW K. [redacted]
SMITH, CHARLES P. [redacted]
SMITH, COLIN D. [redacted]
SMITH, SAMUEL H. [redacted]
SMULLEN, DAVID R. [redacted]
SOBKOWSKI, MICHAEL J. [redacted]
STEVENSON, JEFFREY T. [redacted]
SULLIVAN, FARRELL J. [redacted]
TANDY, DAVID E. [redacted]
TAYLOR, JONATHAN P. [redacted]
TAYLOR, MICHAEL C. [redacted]
TEHAN, KEVIN G. [redacted]
TEN KLEY, MONTE D. [redacted]
TOWNSEND, PERRY F. [redacted]
TURNER, JOHN [redacted]
TURNER, TROY J. [redacted]
VAVASSEUR, DAVID A. [redacted]
VILLALOBOS, LUIS E. [redacted]
WAGLE, MATTHEW L. [redacted]
WALDRON, JASON E. [redacted]
WALLACE, JOHN R. [redacted]
WALTERS, MATTHEW S. [redacted]
WANG, AUSTIN [redacted]
WEATHERS, WALTER T. [redacted]
WELBORN, THOMAS A. [redacted]
WELCH, MARK [redacted]
WENTZ, MICHAEL P. [redacted]
WIEBE, JACOB J. [redacted]
WILLIAMS, DAVID H. [redacted]
WILSON, GREGORY J. [redacted]
WINKLOSKY, DEVIN A. [redacted]
WIRTH, CRAIG C. [redacted]
WYLIE, JAY D. [redacted]
YARGER, JOHN W. [redacted]
YOUNG, CHARLES W. [redacted]
ZOLLMANN, JAY K. [redacted]

IN THE NAVY

THE FOLLOWING NAMED NAVAL ACADEMY MIDSHIPMEN TO BE APPOINTED PERMANENT ENSIGN IN THE LINE OR STAFF CORPS OF THE U. S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

NAVAL ACADEMY MIDSHIPMEN

To be ensign; permanent

ROBERT BRADLEY AARNES
PHILLIP MICHAEL ADRIANO
LEOPOLDO SARDALLA ALBEA, JR
BRENT ADDISON ALFONZO
JASON YANAR ALLEE
JASON CHRISTOPHER ALLEYNE
ANDREW ALAN ALOISIO
HERNAN ORLANDO ALTAMAR ESTRADA
HEIDI MARIE ALTHOFF
CHRISTOPHER CHAD ALVAREZ
MICHAEL TIMOTHY AMOS
KEVIN WARREN ANDERSEN
JAMES ARTHUR ANDERSON
JENNIFER LYNN ANDERSON
JUSTIN PATRICK ANDREWS
ERIC JOSE ANDUZE
DARREN RAYMOND ANZELONE
EDGAR FABILA ARNALDO
TODD ROBERT ARNESON
MATTHEW DAVID ARNOLD
JAIMESON JOSEPH ARNONE
MATTHEW LINDH ARNY
RICHARD CHARLES ARTHUR
GARRETT CHRISTOPHER ARTZ
BENJAMIN JESSE ASH
DAVID HERRINGTON ASHBY
ARLEN EDWARD ASPENSON
ROBERTO JOSE ATHA, JR
KEVIN LOUIS AUSTIN
ERIC JOSEF BACH
KATHERINE LOUISE BADGLEY
EUGENE RAYMOND BAILEY
LAURA ANN BAJOR
ANTHONY POWER BAKER
DOUGLAS CONAN BAKER
JOHN ANTHONY BALTES
JONATHAN BAUTISTA BARON
JEFFREY ISAAC BARR
ROBERT VINCENT BARTHEL
JOSEPH WILLIAM BARTISH, IV
WILLIAM ANDREW BARTLE
DANIEL VERNON BAXTER
JOHN ALLEN BAYLESS
CHRISTOPHER STUART BEAUFAIT
CHRISTOPHER THOMAS BECK
DAVID GEORGE BEITER
STEPHEN JOSH BELL
BRIAN CHARLES BENDER
JASON HORST BENNETT
AARON DEWAYNE BENWAY
JEFFREY ALAN BERNHARD
PAUL GREGORY BERNSTEIN
ROBERT MOGABGAB BERRYMAN
STEPHEN ANTHONY BISHOP
BRIAN ROBERT BLALOCK
JAMES BRETT BLANTON
JAMEY JOHN BLOCK
JOY MARGUERITE BLOOM
DAMIAN SENNEN BLOSSEY
MATTHEW ROY BLUNT
SCOTT ALLEN BOEDEKER
JAMES BRITTON BOHN
ANTHONY CHE BOLDEN
JOHN DANIEL BOONE
MICHAEL JAMES BOONE
JAMES PATRICK MARSH BORGHARDT
JEFFREY SCOTT BOROS
DAVID WILLIAM BORUSHKO
JAMES RICHARD BOSS
TIMOTHY ERIC BOURDON
COLIN ANDREW BOWSER
KEVIN PAGE BOYKIN
JOSEPH PHILIP BOZZELLI
BRADY ADAMS BRADY
HEATHER DAVIS BRAND
MICHAEL TIMOTHY BRASWELL, JR
JONATHAN WILLIAM BRAUN
ROBERT JAMES BRAUN
ERIC JASON BRENDEN
MICHELE MARIE BRETT
DAVID ALLEN BRETZ
DAMIAN HOLLAND BRIDGES
WALTER ELMER BRIDGMAN, III
STEPHANIE MICHELLE BRILL
ROBERT DONALD BRODIE
CHRISTOPHER TERENCE BROWN
JAMES EDWARD BROWN
KARY NIKOLAI BROWNLEE
BRET RYAN BRUCHOK
ERIC THOMAS BRUNS
JERRY MICHAEL BRYL
BRYAN JOSEPH BULJAT
KRISTIN MICHELLE BURBAGE
MICHAEL LOUIS BURD
COLVERT PEGOLLO BURGOS
THEODORE MICHAEL BURK
BRIAN JOHN BURKE
RICHARD ALAN BUTLER
TODD ANDREW BUTLER
JAMES HARRISON BYRD, JR
KEVIN PATRICK BYRNE
MARCELLO DOMINIC CACERES
SCOTT NELSON CALLAHAM
GREGORY CAMERON
JOHN ROBERT CAMPBELL
KYLE RICHARD CAMPBELL
RANSEN JULES CAOLA, JR
KEVIN NOEL CARADONA
MARC GEORGE CARLSON
ARON SHEA CARMAN
ALBERTA CAMACHO CARPENTER
JEFFREY LEONARD CARPENTER
MARK GLENN CARTER
ROBERT ALFRED CASPER, JR
CHRISTOPHER JOHN CASSIDY
ANGELO NICHOLAS CATALANO
CHRISTOPHER GEORGE CATLIN
DAVID MATTHEW CATTLER
CHRISTOPHER JAMES CAVANAUGH
JACOB ANDREW CHACKO
JONATHAN LYONS CHADWICK
DANIEL KIWHAN CHANG
GREGORY FREDERICK CHAPMAN
COLEY CLINTON CHAPPELL
FELIPE ROBERTO CHARON GUZMAN
DENISE LEIGH CHATFIELD
ROBERT LAWRENCE CHESSER
CHRISTOPHER JOSEPH CHILBERT
MICHAEL CASEY CHOATE
RYAN GUST CHRISTOPHERSON
CHRISTOPHER JAMES CIZEK
JOSEPH MICHAEL CLARK, JR
MICHAEL JAMES CLOYD
RELMOND BENNETT COBB
BRYAN MICHAEL COCHRAN
JAMES DOUGLAS COLLIER
JEFFREY SCOTT CONKLIN
NORA CATHLEEN CONNELLY
SALVADOR CONTRERAS, III
CHARLES LEANDER CONVERSE
ERIC LAURENCE CONZEN
GEORGE HUBERT COOPER
PETER ANTHONY CORRAO, JR
BERNARD ANTHONY CORREIA, III
SHOGO JOHN COTTRELL
JOSEPH LLOYD COX, IV
MARK ALBERT CRAWFORD
TIMOTHY MARTIN CRAWFORD
FREDERICK EARL CRECELIUS
DENNIS QUIGLEY CRONYN
DEVAN JOHN NAPOLEON CROSS
ANNA CIELITO CRUZ
KRISTEN WILLIAMS CULLER
CORY LYNN CULVER
JAMES COLIN CUMMINGS
WILLIAM GENE CUSHMAN
SARAH ANN DACHOS
CHRISTOPHER MATTHEW DAGUE
RUTH ANNETTE DALTON
WILLIAM ROCKWELL DALY
ERIC ROBIN DANIELS
ANDREW DANIEL DANKO
BRAD BEHRING DAVIDSON
HEATHER LYNN DAVIES
JEFFREY SCOTT DAVIS
RICHARD STUART DAVIS
SCOTT ALBERT DAVITT
DANIEL MICHAEL DEGNER
KENNETH DONALD DEHAN
STEPHEN JOHN DELANTY
JAMES ALDRICH DELARODERIE
ALEXANDER JOHN DELCASTILLO
STEVEN HARLOW DEMOSS
LARRY GENE DENTON, JR
ROBERT DENTON, III
RALPH FREDERICK DEWALT, II
BRENDON THOMAS DIBELLA
BRIEN WAYNE DICKSON
TED ERIC DINKLOCKER
PHILLIP STEPHAN DOBBS
STEPHEN FRANCIS DOLING
TRAVIS BARRY DONE
BRAD PATRICK DONNELLY
ELLIOTT TODD DORHAM

HUGH JOSEPH DORRIAN, II
PETER MICHAEL DOUGHTY
JEFFREY JAMES DRAEGER
DEBRA ANN DRAHEIM
KIMBERLYN MICHELE DRAYTON
MARC EDWARD DROBNY
JAY EDWARD DRYER
TERRENCE LLOYD DUDLEY
TODD CHRISTOPHER DUDLEY
PETER RAYMOND DUFOUR
MATTHEW CHARLES DUNAWAY
DAVID FIELD DUNCAN
MICHAEL GEORGE EARL
DANIEL GEOFFREY ECKERT
ROBERT VINCENT EGAN
JEFFREY WILLIAM EGGERS
JAMES JOSEPH ELIAS
CARLTON THOMAS ELLIOTT
THOMAS SCOTCHMER ELLISON II
HAROLD ALAN ELLSWORTH
PHILIP LEE ENGLE, JR
JOSHUA GARY ENGLISH
GEOFFREY ALAN ENNS
ERIK JAMES ESLICH
DANILO ALFORQUE ESPIRITU, JR
KELLY ANN EUBANKS
DOUGLAS AARON FACTOR
GREGORY MICHAEL FALLON
MARIA DENISE FALZONE
JUAN ANDRES FANJUL
ERIC CLAYTON FARRAR
MICHAEL GERARD FARREN
MICHAEL DAVID FAVETTI
JOHN ANDREW FAXIO
ROBERT KEEGAN FEDERAL, III
MATTHEW ROBERT FEENEY
MICHAEL EDWIN FENTON
JOHN HARLAN FERGUSON
KENNETH LEE FERGUSON
MARK JOSEPH FERNANDEZ
BRYAN JAMES FETTER
LESLEY JOHN FIERST
NACIM ROBERT FIGGE
MATTHEW DAVID FINNEY
NICHOLAS JAMES FIORE
BENJAMIN THOMAS FITCHETT
MICHAEL WILLIAM FIVAS
MICHAEL SEAN FLATLEY
JORGE RICARDO FLORES
KEVIN ANDREW FLYNN
JEFFREY JOSEPH FOGARTY
ERIC NEIL FONTAINE
JOSEPH CARL FORAKER, III
MICHAEL AARON FOX
SUSANNE MARIE FRANKLIN
RICK JOHN FRATUS
KURT ENGELBERT FRICKER
JAMES EDWARD FRITSCH, JR
WARDELL CONRAD FULLER
BRETT THOMAS FULLERTON
GEORGE GREGORY FUTCH
TODD ALAN GAGNON
MICHAEL PATRICK GALLAGHER
TIMOTHY JAMES GALLAGHER
GREGORY FRANCIS GALLMANN
DAVID PAUL GALLUS
FERNANDO GARCIA
JOANNA LEE GARCIA
KARL GARCIA
LINDA MARIE GARNER
CASEY CHARLES GARWOOD
GRACE SUNGYUN GEE
MARC ANTHONY GENUALDI
MELISSA JOAN GERACE
ANDREW SHAWN GIBBONS
ANTHONY FRANCIS GILLESS
LYNN ANDREW GISH
J. SEARGEANT GLENN
ANTHONY SCOTT GLOVER
DAVID BURTON GLOVER
DAL HO GO
FREDERIC CARL GOLDHAMMER
ISSAC NMN GONZALEZ
SCOTT BRIAN GOOCH
ROBERT FRANKLIN GOODSON, II
JOHN JOSEPH GORDON
KYLE PACE GORDY
WAYNE GERALD GRASDOCK
MARIA LOUISE GRAUERHOLZ
MICHAEL JAMES GRAVITT
CHAD ROBERTS GRAY
JEREMY LEE GRAY
AARON TIMBERLAKE GREENE
DANIEL EUGENE GREENE
MARCUS CHRISTOPHER GREENSPAN
JOHN DAVID GREMILLION
BRADLEY MAURICE GRESHAM
KENNETH JOSEPH GRIESER
NOEL MICHAEL GRIFFITH, JR
CHRISTOPHER KIM CHON GRILLONE
JOHN REYNOLDS GROH, III
EDWIN JOHN GROHE, JR
ADAM BRETT GROSSMAN
TIMOTHY SHAWN GUDUKAS
RICHARD CORRY GUERIN
WAYNE DOUGLAS GUNTHER
JOHN DIETRICH HAASE
STEPHEN CHARLES HABERMAS
LARS RAYMOND HAGENDORF ORLOFF
STEPHANIE ANNE HAHN
DENNIS RAY HALL, JR
DANIEL JOSEPH HALLER
JASON GRAY HAMMOND
TERRANCE EUGENE HAND
WILLIAM JESSE HANGER
TIMOTHY JOHN HANLEY
PHILLIP EDWARD HANSEN
HEATH LAMAR HANSHAW
CHRISTOPHER JOHN HANSON
KEVIN KARL HANSON
CHRISTOPHER GAVIN HARDING
BRIAN JAMES HARRIS
GLENN RUSSELL HARSHMAN
MONTY LANE HASENBANK
ANTHONY JOHN HATOK, JR
ERIC JAMES HAWN
JOHN WILLIAM HAWVER
ERNEST EDWARD HAYNES, III
ALBON ONEAL HEAD, III
JOHN ANDREW HELLMANN
JAMES ALAN HENDERSON
RAY MARVIN HENDRIX, JR
ALAN MICHAEL HERN
WINSTON ANTHONY HERON, JR
PATRICK LEE HERRERA
GERALD TODD HEYNE
TURHAN ISMAEL HIDALGO
JEFFREY BRIAN HILL
KARL EDWARD HILL
PATRICK RUSSELL HITTLE
ALLEN LEE HOBBS
KELLY JEANNE HOEFT
TODD ALDEN HOFSTEDT
JOHN JOSEPH HOGAN, JR
STEPHEN BRUCE HOLLAND
MARK FREDRICK HOLZRICHTER
BRANDON ALAN HONEYCUTT
WADE HAMILTON HOOPER
JOHN WAYNE HOPKINS, JR
JULIE ANN HOUSE
ROBERT THOMAS HOWARD
MONROE MARTIN HOWELL, II
CORY RICHARD HOWES
MICHAEL MING HUA HSU
GREGORY WRIGHT HUBBARD
DOUGLAS CHARLES HUNTINGTON
BRYAN ERIC HURD
JOHN FREEMAN HUSSEY, III
MATTHEW PALMER HYDE
MARK AARON IMBLUM
DARRELL BRIAN INGRAM
JOSEPH PATRICK IRETON, JR
DAVID KERINGER ISMAY
MICHAEL KAZUO ITAKURA
JASON HILLARY JACK
STEPHEN JOSHUA JACKSON
JASON ERIC JAKUBOWSKI
OMAR ELIAS JANA
WILLIAM WORTHINGTON JEFFRIES
BYRON WADE JENKINS
GENTRY WADE JENSEN
JON LIAN JENSEN
WILLIAM HENRY JEWETT, III
CHARLES ADLER JOHNSON, JR
DAVID ROBERT JOHNSON
NOEL PATRICK JOHNSON
TIMOTHY ALVIN JOHNSON
VINCENT RICHARD JOHNSON
WILLIAM SPENCER JOHNSON, V.
CORINNE RILEY JONES
DAVID STEWART JONES
JOHN FRANCIS JONES
MICHAEL PROCTOR JOYNER
JEFFREY ALLEN JURGEMEYER
BRIAN RICHARD JURUTKA
THOMAS CHARLES KAIT, JR
WILLIAM RICHARD KANE
RONALD JAMES KARUN, JR
PATRICK MICHAEL KEANE
DANIEL JOHN KECK
MICHAEL PATRICK KEITH
GREGORY BRIAN KELLER
SEAN GLEN KELLIHER
RICHARD MCCULLOUGH KELLY
KENNETH MATTHEW KEMBALL COOK
WILLIAM ANDREW KENDRICK
JOHN DAVID KENNARD
W. PAUL KENNEY, III
KARI ANN KENNY
LUCAS WAYNE KERLEY
CALEB ALAN KERR
KENDRA LEE KEWAK
DAVID MICHAEL KIICK
JOHN PATRICK KILLACKY
ROY SUNG JOON KIM
ANDREW JAMES KIMSEY
RICHARD WILLIAM KINCAID
TYPHANIE ANNE KINDER
JEFFERY THOMAS KING
STEVEN MORRIS KING
BRADLEY LEE KINKEAD
KELLY SUZANNE KINSELLA
DEAN RICHARD KINSMAN
KEITH RUSSELL KINTZLEY
CHRISTOPHER JON KIPP
ANDREW ALEXANDER KISS
KEVIN JOHN KLEIN
DAVID WILLIAM KLIEMANN
JAMES ANDREW KNOLL
WILLIAM KARL KNOX
GEORGE MARTIN KOLLAR
STEVEN THOMAS KONKOLY
TAKU KOPP
GEORGE LEO KOROL, JR
SETH KOVENSKY
MICHAEL DAVID KOZUB
SCOTT HUDSON KRAFT
JEFFREY KEITH KRAUSE, JR
KIRSTEN MICHELE KRAWCZYK
JEFFREY EISEN KRISTICK
KAREN SUE KROEGER
MICHAEL SALVATORE KROT
KENNETH ALFRED KRUEGER
ROBERT KENNETH KUBERSKI, JR
RYAN JAMES KUCHLER
MICHAEL ALAN KUHN
MATTHEW ALYN LABONTE
ANDREW DENIS LAMORIE
JOHN WATSON LAND
JAMES ELLSWORTH LANDIS
BRIAN CHRISTOPHER LANTIER
SCOTT EDWARD LANTZY
CHAD MICHEAL LARGES
DAVID ARNOLD LARSEN
ANDREA SHEFFIELD LARSON
CRAIG ROBERT LARSON
DEVIN TODD LASALLE
MATTHEW RICHARD LEAR
SCOTT HAROLD LEDIG
RICHARD SHANNON LEE
STEVEN SOOUP LEE
PATRICK ROBERT LEHMAN
JAMES ALAN LENART
JOHN ROBERT LESKOVICH
ANDREA LAURIE LEWIS
CHRIS WALTER LEWIS
ANDREA LOUISE LINDENBERG
ERIC CARTER LINDFORS
HOWARD BRIAN LINK, JR
SHAWN GARRETT LINTON
MATTHEW KNEELAND LOBNER
KIRK JAMES LOFTUS
ROBERT MAX LOHMAN, JR
JULIA MARGARET LOPEZ
TIFFANY LYNN LORD
DANIEL WILLIAM LOUGHMAN
JAMES PAUL LOWELL
JOHN LEE LOWERY
LANCE JOEL LUKSIK
FRANK JOSEPH LUONGO
BRADLEY FRAZER MAAS
JONATHAN DAVID MACDONALD
GERALD JOHN MACENAS, II
JON TILESTON MACHARG
VICTOR RUBEN MACIAS
JASON ROBERT MADDOCKS
JOSEPH THOMAS MADRID
STEVEN ROBERT MAIER
CHRISTOPHER NOEL MANG
MARK MATTHEW MANNO
RAYMOND MARCIANO, II
STACY ANN MARCOTT
CHRISTOPHER DAVID MARSH
JAMES JOHN MARSH, V.
RUSSELL EUGENE MARSH
MEI LING AMOY MARSHALL
CHRISTY ANNE MARTIN
MICHAEL ANTHONY MARTINEZ
JEFFREY WARREN MASCUNANA
JAMES WOODROW MASON
RICHARD NEIL MASSIE
STEVEN JOHN MATHEWS
JAY ALAN MATZKO
JOSEPH EDWARD MAYBACH
TANYA GOODEN MAYER
ARTHUR GITAU MBUTHIA
SHAUN COLLEEN MCANDREW
ERIN ANDREA MCAVOY
JAMES ARTHUR MCCALL, III
SCOTT DAVID MCCLELLAN
KEVIN JOSEPH MCCLOSKEY
WAYNE WILLIAM MCCOOL
MICHAEL AARON MCCORD
ROBERT ALLEN MCCORMICK, JR
MELANIE CLAIRE MCGEE
WILLIAM MCGILL, JR
PATRICK JOSEPH MCGOVERN, II
ERIC JAMES MCGOWAN
JAMES ARTHUR MCGRADY
JOHN MAURICE MCKEON, JR
CHERYL DEANN MCKINNEY
BRADLEY KENNETH MCMILLIN
ROBERT LORIMER MCWILLIAM
NICHOLAS JOSEPH MELFI, III
CHARLES SUMNER MERRILL, IV
ROBERT ELWOOD METZ
WAYNE WILLIAM MIHAILOV
RO THOMAS MILANETTE
AARON JON MILES
JOHN ROBERT MILES
DAVID ARTHUR MILLER
JOHN FRANCOIS MILLER
MATTHEW PATRICK MILLER
RAYMOND TROY MILLER
JOHN PAUL MILLMAN
JAMES MURAL MILLS, III
THOMAS JOSEPH MILLS
PETER ALAN MILNES
KENNETH MILVID, JR
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GEORGE ARTHUR MINICK
EFREN C. MOJICA, JR
LUIS EMILIO MOLINA
ROBERTO LEONARDO MOLINA
GREGG JOSEPH MONTALTO
MARIO MANUEL MONTALVO
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DAVID JAMES MONTGOMERY, II
RICHARD STIVERS MONTGOMERY
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JAMES EDWARD MOONIER, III
KENT WAYNE MOORE
SHIMON MOR
CHARLES DAVID MORGAN, JR
WILLIAM MAURICE MORIARTY, JR
RICHARD GRIFFEN MORRISON
MATTHEW ALEXANDER MORSE
JOEL EVAN MOSS
KWAME NKOSI MOULTRIE
CURTIS ALLEN MUELLER
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KURT WILLIAM MULLER
MICHAEL DENNIS MULLOY
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JAY ALBERT MURPHY
WILLIAM THOMAS MURRAY
VAL DONALD NAFTALI
GEORGE TERUHISA NAGATSUKA
WILLIAM ONEAL NASH, JR
ANTHONY JOHN NAVE
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CHANDLER STEPHEN NELMS
DOUGLAS CODET NELSON
MARK BALDWIN NELSON
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DEREK JUDE NISCO
ADAM HOWARD NOBLE
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JEFFREY ROBERT OETTLE
JOHN WILLIAM OLIVER, JR
PETER MICHAEL OLSEN
KRISTI RENEE OLSON
KERRYN LYNN ONEILL
ALAN EDWARD ORR, JR
ERIK WILLIAM OSTROM
PAUL CHRISTOPHER OSTROWSKI
ROGER JAMES OUIMET
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ALFRED JOHN OWINGS, II
CARTER WILLIAM PAGE
JUNG YUL PAK
ANDREW FREDRICK PALM
JAMES BLAINE PARKERSON
TIMOTHY PAUL PARKS
STEPHEN ARON PARRA
PHILLIP ROMMEL PASCHEL
ERIK RUSSELL PATTON
JASON ROBERT PAWLEY
MATTHEW JOHN PAWLIKOWSKI
DONALD EUGENE PEACOCK, II
LEE DAVID PEARCE
GREGORY PAUL PEDERSON
LORI LYN PERKINS
JOHN EDWARD PERRONE
BRIAN ROLAND PERRY
JON CROSBY PERRYMAN
JAMES HAROLD PERSHING
CHRISTIAN JURGEN PETERSON
ROBERT ALLEN PETRICK
JOHN BRIAN PETROFF
JAMES BOHLING PFEIFFER
BO MINH QUANG KH PHAM
DOUGLAS MICHAEL PHELAN
KRISTIN MARIE PHELPS
DOUGLAS CHARLES PHILLIPS
WENDY KAY PHILLIPS
SEAN TIMOTHY PHINNEY
COLIN CRAIG PHIPPS
DANIELLE ANDREA PICCO
MICHAEL ANDREW PIERCE
MICHAEL DAVID PIERCE
JASON LANDON PIKE
BRIAN LEE PILGER
TIMOTHY STEEL PIONE
FREDERICK WILLIAM PIQUETTE
RONALD JASON PIRET
DARRELL WILLIAM ALFRE PLATZ
DAVID ALAN PLISKE
THOMAS EDWARD PLOTT, II
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PATRICK RONALD POLESHINSKI
JAMES THOMAS POLICKOSKI
JOHN VERNON POOLE
STEVEN NIKOLAI POTOCHNIAK
REZA POURAGHABAGHER
MICHAEL EDWARD PRALL
TONY ALEXANDER PRETE
JOSHUA DAVID PRICE
THOMAS JAMES PRIEUR
KARL FREDERICK PRIGGE
BRIAN CHARLES PROCTOR
MATTHEW THOMAS PROVENCHER
MICHAEL ANDREW PURCELL
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RICK MARSHALL RADONICH
GERALD JAYSON RAINES
JAMES ROY RAMIREZ
KARIN Y. RAO
WERNER JOHANN RAUCHENSTEIN, JR
JAMES FRANKLIN RAUSCHER
ELIZABETH BELDEN RAVNDAL
MICHAEL JON REAGAN
TOBY ERIC REAM
CHAD BYRON REED
JEFFREY RAYMOND REGISTER
JOHN KENNETH REILLEY
MARK CHRISTOPHER REYES
THOMAS STEVEN REYNOLDS
JOHN MARK RHODES
ALBERT EVERETT RICE
JASON ALEXANDER RICH
JEREMY CHRISTOPHER RICH
JUSTIN BLAIR RICHARDS
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BRIAN EDWARD RIES
GREGORY SCOTT RIVERA
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BRADLEY MICHEAL RODI
ERICH PAUL ROETZ
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GEOFFREY STERLING ROYAL
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ANDREW MICHAEL RUIZ
SAMUEL CONRAD RUMPH, III
JOHN JOSEPH RUSNAK
JONATHAN CARL RUSSELL
GLEN EDWARD SABIN
JOHN PATRICK SAHLIN
GREGORY ALAN SAKRYD
MICHAEL SCOTT SALING
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JOSEPH MICHAEL SANTOMAURO, JR
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SAMANTHA JULIA SAXTON
ANNE LORRAINE SAY
KIMBERLEY ELLEN SCANGO
TIMOTHY ANDREW SCHARCK
RICHARD ALAN SCHILKE
DAVID JOSEPH SCHLESINGER
ANDREW DAVID SCHMIDT
KEVIN JAMES SCHMIDT
THOMAS DAVID SCHMIDT
MICHAEL ERIC SCHNEIDER
CYNTHIA ANN SCHOWE
JOHN PAUL SCHULTZ
KARL ULRICH SCHULTZ
SUSAN SCHWARTZ
JEFFREY MICHAEL SCOTT
RICHARD IRVIN SCRITCHFIELD, JR
MICHAEL SHEEHAN SEEBERGER
DANIEL FRANKLIN SEIDENSTICKER
MATTHEW KARL WILLIAMS SEIPT
DOUGLAS LEO SELF
GREGORY EUGENE SELFRIDGE
STEVEN MICHAEL SEOANE
SCOTT ROBERT SEYFARTH
DAVID KIMBER SHAFFER
JOHN FORREST SHARPE
JONATHAN JAMES SHIELDS
DANIEL MINSOK SHIN
KENNETH WAYNE SHROPSHIRE, JR
MAXWELL JENKINS SHUMAN
ERIC WILLIAM SIEBERT
KEITH RICHARD SILINSKY
JUAN ALEJANDRO SILVA
TYREL TROY SIMPSON
MARY BETH SINES
THOMAS WADE SINGLETON
CHARLES WILLIAM SITES
BRIAN LYNN SITTLOW
VINCENT PATRICK SIVILLO
SATISH SKARIAH
JOHN JAMES SKELLY
QUINN DAVID SKINNER
JAMES CARROLL SLAIGHT
RICHARD JAY SLAKES

KEVIN MICHAEL SMART
SCOTT DAVID SMART
DAVID MICHAEL SMITH
JACK GERARD SMITH
JOSEPH PATRICK SMITH
NATASHA LEIGH SMITH
OTIS BENTON SMITH, III
QUWAN ANTHONY SMITH
WALTER VINCENT SMITH
DAVID RENE SMULLEN
TIMOTHY BERNARD SNEERINGER
CHESLEY DAVID SNIDER
CHAD CHRISTOPHER SNYDER
CRAIG MATTHEW SNYDER
ROBERT MICHAEL SOHOVICH
TROY ALLEN SOLBERG
DAVID MICHAEL SOUZA
MICHAEL TIPTON SPENCER
TIMOTHY CURTISS SPICER
BROCK ANDREW SPRADLING
STEPHEN OWEN SPRAGUE
JAMES ROBERT SPRUNGLE, III
KAREN LYNNE SRAY
BRUCE RICHARD STANLEY, JR
JOSEPH MICHAEL STAUD
DAVID JOSEPH STAVISH
CHRISTOPHER JAMES STERBIS
JOHN DAVENPORT STEVENS
JONATHAN LYLE STILL
CHRISTOPHER TOBIAS STILLEY
JULIE ANN STOPHA
THOMAS DANIEL STOREY
KEVIN JAY STROUD
JOHN MITCHELL STUBBLEFIELD
MICHAEL DAVID STULL
WILLIAM ERIC SUBER
FARRELL JOSEPH SULLIVAN
MICHAEL THUOC SULLIVAN
RICHARD JAMES SULLIVAN
MICHAEL PHILLIP SUMMERS
CHRISTOPHER ANTHONY SUMNER
SHAWN PATRICK SWEENEY
BRETT CAMERON SWEET
DOUGLAS LEE SWISHER
KEVIN CHRISTOPHER TALBOT
BRIAN SALAMAT TALICURAN
SHANE PATRICK TALLANT
JOHN TORIBIO TAN
PATRICK JOHN TANGNEY
MARK WARNER TANKERSLEY
ANDREA ELIZABETH TAPLIN
SCOTT THOMAS TAYLOR
KEVIN GERHARD TEHAN
AARON THOMAS TELLIER
CRAIG RONALD TESSIN
MATTHEW ALLEN TESTERMAN
MATTHEW KIM THAYER
MICHAEL JOSEPH THIEL
ROBERT SCOTT THOMAS
ROBERT SAMUEL THOMPSON
JONATHAN MACGREGOR THORP
JOHN ANTHONY TIERNEY
SHANNON JAMES TILLMAN
LUAN KIM TO
JEFFREY SCOTT TODD
JOHN DAVID TOLG
JAMES HUGH TOOLE
JOEL CLAY TRANTHAM
ERNEST JOSEPH TRICHE, IV
SCOTT STEPHEN TROYER
JEFFREY JAMES TRUITT
GEORGE NICHOLAS TSANGARIS
CHRISTIAN MATTHEW TULODIESKI
KYLE TRAVIS TURCO
CHRISTOPHER ANDREW TURKOVICH
MEGHAN ISINGARD TUTTLE
VOLODJA AKIRA TYMOSCHENKO
KENNETH ARDONA UBIAL
ANDREW FRANK ULAK
STACIA AGNES ULISSEY
TIMOTHY MARK ULMER
LOURDES PATRICIA VALLAZZA
CHRISTOPHER LAWRENCE VALLHONRAT
EDWARD MORRIS VAN BUREN, IV
JACK RONALD VAN NATTA
COURTNEY LEE VAN SCHOONEVELD
TODD DOUGLAS VANDEGRIFT
MARK ALEXANDER VANNOY
FRANK MICHAEL VERDUCCI, JR
JOHN REVI RAMOS VIDENA
CYNTHIA DOMINGO VIERNES
OLIVER RANDOLPH VIETOR
LILLIAN LYNN VILLEMEZ
FREDRICK SALVATORE VINCENZO
MEGAN JEAN WAGGONER
WILLIAM ROBERT WAGGONER
MATTHEW LYNN WAGLE
DENNIS JAMES WAGNER
CHAD GORDON WAHLIN
JAMES ROY WAIS, JR
JASON ERIC WALDRON
GARY ALAN WALKER
ARTHER WILLIAM WALLACE, JR
TANYA LYNN WALLACE
BRYAN EDWARD WALTHALL
CHARLES FREDERICK WALZ, IV
KJELL ANDREW WANDER
JASON DAVID WARTELL
TODD ANDREW WASHBURN
JASON THOMAS WATHEN
MATTHEW IAN WEBER
ROBERT WILLIAM WEDERTZ
TODD SINCLAIR WEEKS
GLENN ALAN WEIDNER, II
ROBERT AARON WEIS
MARK CHRISTOPHER WELCH, SR
MATTHEW HUNTER WELSH
CURTIS LEONUS WESLEY, JR
THOMAS WAYNE WESLEY
DEREK SCOTT WESSMAN
SCOTT RICHARD WHALEN
BEAUREGARD MOSELEY WHITE
BENJAMIN WOODRIFFE WHITE
DAVID GLENN WHITEHEAD
RICHARD STEFAN WHITELEY
JEFFREY JENNINGS WHITEWAY
JOSEPH ARTHUR WIENDL, IV
CLIFFORD TODD WIESE
ANDREW GREGORY WILLIAMS
CLAY GARRETT WILLIAMS
ERNIE S. WILLIAMS
JEROMY BOONE WILLIAMS
EDWARD JOSEPH WILLS
CHEYENNE DANIEL WILSON
GREGORY JAMES WILSON
ERIC STEVEN WINTER
CRAIG CAMERON WIRTH
JONATHAN REDDING WISE
MICHAEL TRENT WOLFERSBERGER
DENISE ELLEN WOLFF
EUGENE MATTHEW WOODRUFF
GEOFFREY AUSTIN WRIGHT
WALTER CLARK WRYE, IV
THOMAS PETER WYPYSKI
JEFFREY BOYD YATES
LUIS ENRIQUE YEPEZ, JR
CHRISTOPHER PAUL YORK
LAURENCE MARTIN YOUNG
PATRICK EARL YOUNG
JOSEPH JOOHO YUN
KURT JACOB ZAHNEN
TIFFANY MARIE ZALLNICK
MATTHEW DAVID ZERPHY
MICHAEL FREDERICK ZINK

CONFIRMATIONS

Executive nominations confirmed by the Senate May 24, 1993:

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

ROBERTA ACHTENBERG, OF CALIFORNIA, TO BE AN ASSISTANT SECRETARY OF HOUSING AND URBAN DEVELOPMENT.

DEPARTMENT OF LABOR

GERI D. PALAST, OF CALIFORNIA, TO BE AN ASSISTANT SECRETARY OF LABOR.

THOMAS P. GLYNN, OF MASSACHUSETTS, TO BE DEPUTY SECRETARY OF LABOR.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

AVIS LAVELLE, OF ILLINOIS, TO BE AN ASSISTANT SECRETARY OF HEALTH AND HUMAN SERVICES.

JERRY D. KLEPNER, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF HEALTH AND HUMAN SERVICES.

HARRIET S. RABB, OF NEW YORK, TO BE GENERAL COUNSEL OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES.

KENNETH S. APFEL, OF MARYLAND, TO BE AN ASSISTANT SECRETARY OF HEALTH AND HUMAN SERVICES.

WALTER D. BROADNAX, OF NEW YORK, TO BE DEPUTY SECRETARY OF HEALTH AND HUMAN SERVICES.

BRUCE C. VLADECK, OF NEW YORK, TO BE ADMINISTRATOR OF THE HEALTH CARE FINANCING ADMINISTRATION.

DEPARTMENT OF STATE

MARSHALL FLETCHER MCCALLIE, OF TENNESSEE, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF NAMIBIA.

MARK JOHNSON, OF MONTANA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF SENEGAL.

DOUGLAS JOSEPH BENNET, JR., OF CONNECTICUT, TO BE AN ASSISTANT SECRETARY OF STATE.

KARL FREDERICK INDERFURTH, OF NORTH CAROLINA, TO BE THE ALTERNATE REPRESENTATIVE OF THE UNITED STATES OF AMERICA FOR SPECIAL POLITICAL AFFAIRS IN THE UNITED NATIONS, WITH THE RANK OF AMBASSADOR.

DEPARTMENT OF THE TREASURY

JEAN E. HANSON, OF NEW YORK, TO BE GENERAL COUNSEL FOR THE DEPARTMENT OF THE TREASURY.

DEPARTMENT OF LABOR

THOMAS S. WILLIAMSON, JR., OF CALIFORNIA, TO BE SOLICITOR FOR THE DEPARTMENT OF LABOR.

DEPARTMENT OF THE INTERIOR

DANIEL P. BEARD, OF WASHINGTON, TO BE COMMISSIONER OF RECLAMATION.

U.S. INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

RUTH R. HARKIN, OF IOWA, TO BE PRESIDENT OF THE OVERSEAS PRIVATE INVESTMENT CORPORATION.

U.S. INFORMATION AGENCY

JOSEPH D. DUFFEY, OF WEST VIRGINIA, TO BE DIRECTOR OF THE U.S. INFORMATION AGENCY.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

EXTENSIONS OF REMARKS

LEGISLATION TO STRENGTHEN AND REVITALIZE THE ARMS CONTROL AND DISARMAMENT AGENCY

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 24, 1993

Mr. LANTOS. Mr. Speaker, yesterday, with my distinguished colleague from California, Mr. BERMAN, the chairman of the Foreign Affairs Subcommittee on International Operations, I introduced H.R. 2155 to strengthen and revitalize the Arms Control and Disarmament Agency [ACDA]. It is my intention, Mr. Speaker, that this legislation will be fully considered and marked up by the Subcommittee on International Security, International Organizations and Human Rights, which I chair, and then it is my intention to include this bill as a separate title to the State Department authorization bill, which will be considered by the full Foreign Affairs Committee within the next few weeks.

Mr. Speaker, a debate is now taking place within the executive branch of regarding our Government's best organizational structure for arms control. This is a serious issue and the timing for the consideration of this issue could not be more appropriate as we face grave uncertainties and critical problems in the post-cold war era. Clearly the arms control agenda has changed. During the cold war era we had massive nuclear arsenals locked in a relatively stable equilibrium. We are now facing anarchy, chaos, and disintegration, but at a far lower level of destructive power. Instead of mutually assured destruction between the two superpowers, we are now faced with multiple and unforeseen threats from third powers. No danger to our national security is greater than the continuing spread of nuclear weapons to undeclared nuclear states, coupled with the widespread proliferation of medium range delivery systems and the growing availability of biological and chemical weapons agents and production equipment.

Pakistan, India, and other nations are all believed to possess clandestine nuclear arsenals. Former Secretary of State Lawrence Eagleburger told my subcommittee only last month that he was convinced that North Korea had the bomb. Most experts agree that Iran is actively working to develop nuclear weapons capability and is trying to purchase warheads from republics of the former Soviet Union. Iraq could well have gone nuclear by now if it had not been for the Israeli destruction of the Osirak reactor in 1981, and more recently, Operation Desert Storm, both of which actions I strongly supported. South Africa just recently revealed that it was abandoning its bomb, developed in secret during the 1970's and 1980's, and the list goes on.

Despite the end of the cold war, we continue to face threats to our national security, although these threats are more diffused, less predictable, and much less controllable than in the past. As undemocratic regimes—such as Iraq, Iran, Libya, and North Korea—strive to go nuclear, arms control and nonproliferation regimes are more critical than ever.

Mr. Speaker, I find it surprising that at this time when there is an even greater need for an independent advocate within the executive branch for arms control and nonproliferation, there is serious discussion of abolishing ACDA altogether. In fact, Mr. Speaker, I find the arguments in favor of revitalizing ACDA and maintaining a separate, independent arms control agency to be much stronger.

RECOMMENDATIONS OF SHERMAN FUNK, INSPECTOR GENERAL OF THE DEPARTMENT OF STATE AND OF ACDA, AT A HEARING ON THE FUTURE OF ACDA

Just a few weeks ago, Mr. Speaker, the International Security, International Organizations and Human Rights Subcommittee held a hearing to consider the future of ACDA in light of these striking changes in the international scene. Mr. Sherman Funk, the Inspector General of the Department of State and of ACDA, appeared before our Subcommittee to discuss with us at some length a thorough study of ACDA which he prepared at the direction of the Congress—"New Purposes and Priorities for Arms Control." The Congress directed the Inspector General to review ACDA's performance in carrying out its major functions and to recommend any changes in executive branch organization and direction that were considered appropriate.

Under Mr. Funk's direction a panel of distinguished former diplomats, arms control experts from the Departments of State, Defense, and Energy and from the CIA and ACDA considered the challenges currently facing U.S. foreign policy and the best organizational way of achieving our international objectives. The panel interviewed past Secretaries of State, Defense, and Energy as well as several hundred senior present and former experts and key officials throughout the Government.

On the basis of this thorough and extensive evaluation, the panel considered 11 organizational concepts for arms control which were evaluated in the published report. In his testimony before our subcommittee, Mr. Funk said,

> The panel rejected each of these concepts as either inherently impractical or as being inadequate to address the challenges facing us today. Only two alternatives survived the panel review: Fold ACDA into State, or retain ACDA as a separate agency but only if it is reshaped and rejuvenated.

Mr. Funk explained to our subcommittee the panel's preferred option: "Upon completing its work, the panel concluded—and I agreed—that U.S. interests relating to arms control, including nonproliferation, would be served best by the continuation of an independent arms control advocate."

He continued:

> It remains important to have a specialized, technically competent arms control institution. We felt that a separate agency is the better solution to retaining continuity, enhancing technical expertise, fostering innovation and providing a needed independent perspective on arms control issues.

Mr. Speaker, Inspector General Funk expressed in clear and concise terms the fundamental and powerful argument in favor of maintaining an independent Arms Control and Disarmament Agency:

> Against this background of increased regional tensions, the conflict between arms control goals and bilateral relationships is intensified. Our fundamental concern for the future of arms control is grounded in the lessons of our past: When there is a policy conflict between U.S. nonproliferation goals and bilateral relations, the tendency of diplomacy, of the State Department, is to protect bilateral relations with U.S. friends and allies, or potential allies.
>
> Recognizing this, the long-term interest of the United States would therefore be better served by an independent advocate—an independent watchdog, if you will—for nonproliferation. ACDA's independent status, in fact, has enabled it to force discussion of issues on which other agencies held opposing views. Significant examples include, perhaps most importantly, the tracking of Pakistan's nuclear program, interpretation of the ABM Treaty, and the Chemical Weapons Convention.

Furthermore, Mr. Speaker, Inspector General Funk made the argument—very convincingly in my view—against simply merging ACDA into the Department of State. He told our subcommittee:

> My very real fear is that if ACDA is folded into State, the kind of high caliber scientific and technical talent which is an essential component in any agency devoted to nonproliferation concerns will either not accept that fold or leave soon after. This fear would be alleviated, or perhaps even obviated, if there were any indication that State's personnel system and long-entrenched attitudes showed any sign of becoming flexible enough to accept significant change. In my six years at State, I have yet to see such a sign.

THE NEED FOR A STRENGTHENED, REVITALIZED AGENCY TO DEAL WITH ARMS CONTROL AND NONPROLIFERATION

Mr. Speaker, on the basis of Inspector General Funk's informative and thoughtful presentation, as well as serious reflection and discussion on this matter, I have concluded that we must maintain a separate, independent agency focusing on arms control and nonproliferation issues. A separate and independent agency would provide a continuing resource for technical analysis and support in the arms control arena. A separate and independent agency would be a better advocate for arms control solutions, foster innovation and technological advancement, and would better serve as a watchdog on issues of arms control implementation and nonproliferation. These critical national objectives can be achieved more efficiently and more effectively by having a separate, independent ACDA.

At the same time, Mr. Speaker, it is obvious that in order to play this critically important role in the post-cold-war world, the Arms Control and Disarmament Agency needs to be revitalized and strengthened if it is to achieve its promise and accomplish its important tasks. During our hearing with Inspector General Funk, he identified this as a critical issue:

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Since its formation in the early 1960s, ACDA has had its ups and downs. The last 12 years have not been one of their great ups. But in point of fact there has been a loss by ACDA of some of its best people, some of its most qualified scientists have pulled out. I suspect this had to do with the reflection of what they regarded as the lack of clout of the agency. If ACDA is to continue serving those functions that I mentioned, it presupposes that ACDA is going to have some of the best qualified people in town to represent it in negotiations, in discussions and in backstopping on negotiations.

Mr. Funk told our Subcommittee that the effectiveness of any agency in participating in policy determination is dependent upon the clout of the head of that agency and the quality and technical qualifications of the people who represent that agency. In order to achieve this goal, action must be taken to strengthen and revitalize ACDA.

SUMMARY OF THE PROVISIONS OF H.R. 2155

Mr. Speaker, the legislation that Mr. Berman and I have introduced will deal directly with the problems and organizational shortcomings that were identified by Inspector General Funk and by various other studies of U.S. arms control and nonproliferation organization and policy. I would like to review with my colleagues the specific changes that our legislation would make in the structure of ACDA. I also would like to emphasize areas where our legislation affirms and restates our support for the guiding role of the Secretary of State in the formulation and execution of our Nation's foreign policy. Furthermore, I want to emphasize that our legislation is in no way intended to weaken or undermine the current National Security Council process for defining our Nation's international priorities and policies.

Our legislation is intended to provide impetus to improving the ability of our government to manage the complex process of negotiating and implementing arms control treaties and to assure that there is central leadership and control of U.S. nonproliferation policy.

The new legislation—H.R. 2155—strengthens the position of the Director of ACDA. Section 2 of the bill specifies that he or she shall serve as principal advisor to the President and other executive branch officials on arms control, disarmament, and nonproliferation issues. Previous legislation stated only that the director serves as advisor to the Secretary of State and the National Security Council. At the same time, the new legislation clearly provides that the Director of ACDA acts under the guidance of the Secretary of State to assure coordination and coherence to our Nation's foreign policy.

The most important provision of our bill relating to the position of the Director of ACDA makes him or her a full member of the National Security Council. Current legislation provides only that the Director shall attend National Security Council meetings involving weapons procurement, arms sales, consideration of the defense budget, and arms control and disarmament matters. Making the director a full member of the National Security Council assures that arms control, disarmament and nonproliferation issues will be fully considered at the highest level of our foreign policy-making.

Section 3 of our bill provides for the appointment of Special Representatives for Arms Control and Nonproliferation by the President with the rank of ambassador to participate in international forums dealing with arms control, disarmament and proliferation, with one such Special Representative serving as the U.S. Governor on the Board of the International Atomic Energy Agency. Current legislation permits the appointment of only two such Special Representatives, but with the increased number of international arms control forums, it is important that the President have the authority to designate additional representatives, and it is important that the United States be represented at such conferences by officials of this rank. These officials shall be supported by ACDA.

Section 4 of the bill provides that ACDA shall have the primary responsibility for the preparation, formulation of policy, support, and transmission of instructions and guidance for all such arms control and nonproliferation negotiations and forums. Clearly that process will involve interagency coordination with the Department of State, with overall policy guidance coming from the Secretary of State. Other agencies—the Departments of Defense and Energy as well as the CIA—clearly will be key participants in that process, but it is important that ACDA play the role of coordinating arms control and nonproliferation participation.

Section 5 of the bill provides statutory authority for ACDA to participate in deliberations regarding the issuing of export licenses under the Arms Export Control Act, the Atomic Energy Act, and the Nuclear Non-Proliferation Act. While, in practice, ACDA presently does participate in the review of decisions for issuing of licenses for exports of military equipment and nuclear materials, at present, participation is informal and not necessarily required by law. It is essential that ACDA's involvement be established unequivocally in legislation.

Mr. Speaker, this legislation is an important step in strengthening and revitalizing the Arms Control and Disarmament Agency. It continues the philosophy of President John F. Kennedy, under whose administration it was established in 1961. Over the past three decades, the international environment has changed substantially, but the dangers of failing to control the spread of conventional military equipment and weapons of mass destruction has increased. In this climate it is essential that we have the benefit of a strong independent voice at the policy table speaking for arms control and nonproliferation. This is the purpose of the legislation that I have introduced. I urge my colleagues to join me in supporting its adoption by the Congress.

Mr. Speaker, I include the full text of H.R. 2155 in the RECORD at this point.

H.R. 2155

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. 1. PURPOSES.

The purposes of this Act are—

(1) to provide renewed impetus in improving the United States Government's ability to manage the complex process of negotiating and implementing arms control treaties;

(2) to provide central leadership and coordination to United States nonproliferation policy; and

(3) to improve congressional oversight of the operating budget of the United States Arms Control and Disarmament Agency.

SEC. 2. ACDA DIRECTOR.

(a) DIRECTOR.—Section 22 of the Arms Control and Disarmament Act (22 U.S.C. 2562) is amended to read as follows:

"SEC. 22. DIRECTOR.

"(a) APPOINTMENT.—The Agency shall be headed by a Director, who shall be appointed by the President, by and with the advice and consent of the Senate. No person serving on active duty as a commissioned officer of the Armed Forces of the United States may be appointed Director.

"(b) DUTIES.—The Director shall serve as the principal adviser to the President and other executive branch officials on matters relating to arms control, disarmament, and nonproliferation. In carrying out his or her duties under this Act, the Director, under the guidance of the Secretary of State, shall have primary responsibility for matters relating to arms control, disarmament, and nonproliferation, as defined by this Act.".

(b) PERMANENT MEMBERSHIP ON NATIONAL SECURITY COUNCIL.—Section 101(a) of the National Security Act of 1947 (50 U.S.C. 402(a)) is amended—

(1) by redesignating paragraphs (5) through (7) as paragraphs (6) through (8), respectively; and

(2) by inserting after paragraph (4) the following new paragraph (5):

"(5) the Director of the United States Arms Control and Disarmament Agency;".

SEC. 3. SPECIAL REPRESENTATIVES.

(a) IN GENERAL.—Section 27 of the Arms Control and Disarmament Act (22 U.S.C. 2567) is amended to read as follows:

"SEC. 27. SPECIAL REPRESENTATIVES.

"(a) APPOINTMENT.—The President may appoint, by and with the advice and consent of the Senate, Special Representatives of the President for Arms Control and Nonproliferation. Each Presidential Special Representative shall hold the personal rank of ambassador.

"(b) DUTIES.—Presidential Special Representatives shall perform their duties and exercise their powers under direction of the President, acting through the Director. One such Special Representative shall serve as the United States Governor to the Board of Governors of the International Atomic Energy Agency.

"(c) ADMINISTRATIVE SUPPORT.—The Agency shall be the Government agency responsible for providing administrative support, including funding, staff, and office space, to all Presidential Special Representatives appointed under this section.".

(b) CONFORMING AMENDMENT.—Section 5315 of title 5, United States Code, is amended by striking "Special Representatives for Arms Control and Disarmament Negotiations, United States Arms Control and Disarmament Agency (2)." and inserting "Special Representatives of the President for Arms Control and Nonproliferation.".

SEC. 4. NEGOTIATION MANAGEMENT.

Section 34 of the Arms Control and Disarmament Act (22 U.S.C. 2574) is amended to read as follows:

"SEC. 34. NEGOTIATIONS AND RELATED FUNCTIONS.

"The Director shall have primary responsibility for the preparation and management of United States participation in all international negotiations and implementation forums in the fields of arms control, disarmament, and nonproliferation. To this end—

"(1) the Director shall have primary responsibility for the preparation, formulation, support, and transmission of instructions and guidance for all such negotiations and forums, and shall manage interagency groups established within the executive branch to support such negotiations and forums; and

"(2) all United States Government representatives conducting negotiations or acting pursuant to agreements in the fields of arms control, disarmament, or nonproliferation shall perform their duties and exercise their powers, under the direction of the President, acting through the Director.".

SEC. 5. PARTICIPATION OF ACDA DIRECTOR IN CERTAIN DELIBERATIONS.

(a) ARMS EXPORT CONTROL ACT.—Section 38(a)(2) of the Arms Export Control Act (22 U.S.C. 2778(a)(2)) is amended to read as follows:

"(2) Decisions on issuing export licenses under this section shall be made in coordination with the Director of the United States Arms Control and Disarmament Agency, taking into account the Director's assessment as to whether the export of an article will contribute to an arms race, aid in the development of weapons of mass destruction, support international terrorism, increase the possibility of outbreak or escalation of conflict, or prejudice the development of bilateral or multilateral arms control or nonproliferation agreements or other bilateral arrangements.".

(2) Section 42(a) of such Act (22 U.S.C. 2791(a)) is amended by striking out all that follows "(3)" in the last sentence and inserting the following: "the assessment of the Director of the United States Arms Control and Disarmament Agency as to the extent to which such sale might contribute to an arms race, aid in the development of weapons of mass destruction, support international terrorism, increase the possibility of outbreak or escalation of conflict, or prejudice the development of bilateral or multilateral arms control or nonproliferation agreements or other arrangements. No decision shall be made over the objection of the Director unless the Director has been informed in writing of the reasons why the Director's opinion was not deemed sufficient to deny the proposed sale, and afforded a reasonable opportunity to appeal the proposed decision.".

(3) Section 71 of such Act (22 U.S.C. 2797) is amended—

(A) in subsection (a) by inserting ", the Director of the United States Arms Control and Disarmament Agency," after "Secretary of Defense";

(B) in subsection 7(b)(1) inserting "and the Director of the United States Arms Control and Disarmament Agency" after "Secretary of Defense"; and

(C) in subsection (b)(2)—

(i) by striking out "and the Secretary of Commerce" and inserting in lieu thereof, "the Secretary of Commerce, and the Director of the United States Arms Control and Disarmament Agency"; and

(ii) by striking the comma after "applicant" and all that follows through "documents".

(b) ATOMIC ENERGY ACT.—Section 131 b. of the Atomic Energy Act of 1954 (42 U.S.C. 2160(b)) is amended—

(A) in paragraph (2) by inserting "and the Director of the United States Arms Control and Disarmament Agency" after "Secretary of State"; and

(B) in paragraph (3) by inserting "and the Director of the United States Arms Control and Disarmament Agency" after "Secretary of State".

(2) Section 142 of such Act (42 U.S.C. 2162) is amended by adding at the end thereof the following new subsection:

"f. All determinations under this section to remove data from the Restricted Data category shall be made only after consultation with the Director of the United States Arms Control and Disarmament Agency. If the Commission, the Department of Defense, and the Director do not agree, the determination shall be made by the President.".

(c) NUCLEAR NON-PROLIFERATION ACT.—Section 309(c) of the Nuclear Non-Proliferation Act of 1978 (42 U.S.C. 2139a) is amended to read as follows:

"(c)(1) The Department of Commerce shall maintain controls over all export items, other than those licensed by the Commission, which could be, if used for purposes other than those for which the export is intended, of significance for nuclear explosive purposes.

"(2) The Commission shall not grant any individual, distribution, or project license for the export of items controlled pursuant to paragraph (1) without prior consultation with the Department of State, the United States Arms Control and Disarmament Agency, the Commission, the Department of Energy, and the Department of Defense.

"(3)(A) The Secretary of Commerce shall, within 90 days after the date of enactment of this paragraph, establish orderly and expeditious procedures which are mutually agreeable to the Secretary of State, the Secretary of Defense, the Secretary of Energy, the Director of the United States Arms Control and Disarmament Agency, and the Nuclear Regulatory Commission. These procedures shall include provision for establishing the list of export items required by paragraph (1), for permitting automated access to all license applications for such items to all agencies listed in paragraph (2), and for formal interagency referral of license applications for the export of items on the list.

"(B) The procedures in effect under this subsection on the date of enactment of this paragraph shall cease to apply 90 days after the date of enactment of this paragraph or upon the effective date of the new procedures required by this paragraph, whichever occurs first.".

TRIBUTE TO AMERICAN HELLENIC EDUCATIONAL PROGRESSIVE ASSOCIATION

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 24, 1993

Mr. TRAFICANT. Mr. Speaker, I rise here today to pay tribute to an organization and its members in my 17th Congressional District. The American Hellenic Educational Progressive Association promotes the preservation of cultural heritage and champions the cause of higher education. Founded in 1922, AHEPA chapters base their meetings upon the principles of American Government and encourage their members to actively participate in the civic life of their American community. Although AHEPA is composed primarily of individuals of Hellenic descent, membership is open to anyone who believes in the objectives of the organization.

AHEPA will soon honor its own members at its governors's ball. They will be praised for their personal contributions and leadership abilities.

Mr. Speaker, Paul G. Pappas will be honored for his membership, since 1983, serving in the Lincoln Chapter 89, Youngstown, OH, as vice president and as president, until his rise to governor of the district 11 Order of AHEPA. Together with his wife, the former Maria Cougras, an active member and past district governor of the Daughters of Penelope, the family is totally dedicated to the fulfillment of the objectives of the Order of AHEPA. A true steward, Mr. Pappas has continuously devoted efforts to support the family, the community of Campbell, OH, and society in general. He serves, or has served, in areas such as church choir, church cantor, acolyte, Greek Orthodox Youth Association counselor, member of the Kalymian Prodromos Society Men's Society, member of the Cooley's Anemia Society, and member of St. Alban's Lodge 677 F. & A.M. A product of Youngstown State University, Paul Pappas currently is owner and operator of a jewelry business and maintains an affiliation with North Star Painting Co.

Mr. Speaker, Mrs. Maria Pappas Theofilos will be honored for her governorship of the Daughters of Penelope Senior Women's Auxiliary of the fraternal Order of AHEPA, Buckeye District No. 11. Mrs. Theofilos is a graduate of Youngstown State University and is employed as a physical education instructor, for the Howland school system. She is also an instructor of aerobics in the Step Up to Fitness program. She was initiated into Daughters of Penelope in May of 1976, and has been a member of the Methone chapter in Youngstown and the Hera chapter in Warren ever since. She has received the Outstanding District President in 1986, followed by the Chapter Penelope of the Year in 1987. She is a member of the Archangel Michael Greek Orthodox Church, Campbell, OH in its Philoptochos. Maria is married to Dino Theofilos and the mother of two sons.

Mr. Speaker, Theodoros A. Konstantinopoulos will be honored for his governorship of the Sons of Pericles, the young men's auxiliary of the fraternal order of AHEPA, Buckeye District 11. He is a graduate of the University of Akron. Theodoros is a member of the Delian chapter, Sons of Pericles, and has been since 1984. He is a recent president of the Delian chapter. Currently, he serves in an advisory capacity, assisting young men at the district and also national levels. He is a student of law at the University of Akron, OH.

Mr. Speaker, each of these individuals has shown their desire to help other people and to give of their time and effort selflessly. I want to commend them for this provision of themselves because each of them, in their own way, is making our community better.

A MEMORIAL FROM THE NEW MEXICO STATE SENATE CONCERNING VETERAN PAY

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 24, 1993

Mr. RICHARDSON. Mr. Speaker, I would like to bring to the attention of my colleagues a memorial which was passed during the last session of the New Mexico State Legislature. This memorial expresses the sense of the

Senate of the State of New Mexico on veterans compensation. They ask the Congress of the United States to amend chapter 71, title 10 of the United States Code to permit full concurrent receipt of military longevity retirement pay and service-connected disability compensation benefits.

New Mexico Senate Memorial 48 reads as follows:

SENATE MEMORIAL 48

Whereas, the recent conflict in the Persian gulf has highlighted once again the contribution of this nation's soldiers and returned veterans; and

Whereas, integral to the success of our military forces are those servicemen and servicewomen who have made a career of defending their country; in peacetime, they may be called away to places remote from their families and loved ones; in war, they face the prospect of death or of serious disabling wounds; and

Whereas, legislation has been introduced in the United States Congress to remedy an inequity to military careerists; and

Whereas, military retirees who have served at least 20 years accrue retirement pay based on longevity and disabled veterans receive compensation proportionate to the severity of their injuries; and

Whereas, the inequity concerns those veterans who are both retired and disabled; under an antiquated law that dates to the nineteenth century, they are denied concurrent receipt of full retirement pay and disability compensation benefits; rather they may receive one or the other or must waive an amount of retirement pay equal to the amount of disability compensation benefits; and

Whereas, this deduction unfairly denies disabled military retirees the longevity pay they have earned by their years of devoted patriotism; it effectively requires them to pay for their own disability compensation benefits; and

Whereas, no such deduction applies to the federal civil service; a disabled veteran who has held a non-military federal job for the requisite duration receives full longevity retirement pay undiminished by the subtraction of disability compensation benefits; and

Whereas, a statutory change is necessary to correct the injustice; America's occasional pursuit of national and international goals must be matched by an allegiance to those who sacrifice in behalf of those goals;

Now, Therefore, be it resolved by the Senate of the State of New Mexico that the United States Congress be asked to amend Chapter 71, Title 10 of the United States Code to permit full concurrent receipt of military longevity retirement pay and service-connected disability compensation benefits; and

Be it further resolved, that official copies of this resolution be forwarded to the president of the United States, to the speaker of the House of Representatives and President of the Senate of the United States Congress, and to all members of the New Mexico delegation to the Congress with the request that it be officially entered in the Congressional Record as a memorial to the Congress of the United States of America.

TRIBUTE TO AL OWYOUNG

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 24, 1993

Mr. MATSUI. Mr. Speaker, I rise today to salute Al Owyoung, who is retiring from 36 years of successful public service to the State of California.

Mr. Owyoung was the first American of Asian descent to be appointed to a number of positions, including personnel officer, division chief, and deputy director in the Department of Youth Authority; deputy director and interim director in the Department of Forestry; and executive officer on the Youthful Offender Parole Board.

Mr. Owyoung has also been an active community leader, serving on the board of directors for the Kennedy High School marching band; a charter member of the Asian/Pacific State Employees Association; a charter member of the Chinese American Citizens Alliance, a civil rights organization; and a number of charitable organizations.

Furthermore, Mr. Owyoung participated in a movement to increase the involvement of Asians in the political process, which resulted in the establishment of a first-ever Asian/Pacific political club in Sacramento, in which Mr. Owyoung was a charter member.

Mr. Speaker, it is with great pleasure that I rise to recognize Al Owyoung for his commitment to Sacramento. I ask my colleagues to join me in congratulating him and wishing him success and happiness in the future.

A TRIBUTE TO CYRIL AND DOROTHY STORER

HON. HERB KLEIN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 24, 1993

Mr. KLEIN. Mr. Speaker, I rise today to pay tribute to Cyril and Dorothy Storer as they celebrate their 50th wedding anniversary. The bond they share is truly a source of pride and inspiration for all who know them.

Cyril Storer, of Ramsey, NJ, and Dorothy Warner of Glen Ridge, NJ, were married at the Little Church Around the Corner in New York City on June 12, 1943. Having recently graduated in the top of his class from Kings Point, Cyril went on to serve as a naval officer during World War II. He ended his active service at the rank of captain, but he continued to serve his country as a member of the Naval Reserve for many years following the war.

In 1948 the Storers moved to Clifton, NJ. Moving twice in the next 32 years, but always remaining in Clifton, they have led a happy life. Cyril was employed by the Port Authority of New York and New Jersey. His latter years with the Port Authority were spent as the general manager of the Marine Operations Division. Dorothy was a loyal employee of the Clifton public school system. She worked as a secretary for 18 years, serving in Public Schools No. 5 and No. 3. In their free time the Storers were active members of the Advent Church in Bloomfield, NJ.

In 1980, the Storers retired to a shorefront community in New Jersey. During the winters, they are off to Florida. Cyril remains active by singing in a church choir and with the Pine Barsons. Dorothy is also active in the church and she is an avid golfer. Together, they participate in a shuffleboard group.

After 50 full years of marriage, the Storers have three grown children: Jeanne, Cheryl, and Frederick; and seven wonderful grandchildren: Steven, Douglas, Adam, Stacey, James, John, and Leigh.

It is a tremendous privilege to honor such a couple. Marriage is a sacred institution; having upheld that institution for 50 years is a most remarkable achievement. It is my pleasure to pay tribute to Cyril and Dorothy Storer and wish them sincere congratulations and good fortune on their 50th wedding anniversary.

DAYTON AREA CHAPTER OF AMERICAN EX-PRISONERS OF WAR

HON. TONY P. HALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 24, 1993

Mr. HALL of Ohio. Mr. Speaker, I rise to pay tribute to the Dayton area chapter of American Ex-Prisoners of War, Inc., who will celebrate their 10th anniversary on May 25, 1993. This is a dedicated group of men and women who have served their country with great honor and dignity both in times of war and peace.

The group held their first meeting at one of the local Veterans of Foreign Wars posts in Dayton, OH. These ex-prisoners of war, who all share a unifying common bond, were brought together through newspaper notices and community messages on local radio stations. During the years, the membership has expanded and they have dedicated considerable time and resources to the needs of veterans in our area, as well as to the Dayton community.

While the Dayton area chapter of American Ex-Prisoners of War provide important programs and services for their fellow servicemen, they are also very active within the Dayton community. The group has their own color guard and marching unit, which are involved in many local parades and civic projects. Many members also volunteer at the Department of Veterans Affairs Medical Center in Dayton, as well as organize group activities. More importantly, this group functions as a close family.

I offer my congratulations to the Dayton area chapter of American Ex-Prisoners of War and my thanks for their 10 years of service to our veterans and to the Dayton community.

IN RECOGNITION OF THE JAPANESE AMERICAN NATIONAL MUSEUM

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Monday, May 24, 1993

Mrs. MINK. Mr. Speaker, the immigrant experience is richly woven in the tapestry of

America, reflecting our multicultural and multifaceted society. As the Statue of Liberty beckoned European immigrants to our shores bordering the Atlantic, tales of gold mountains beckoned Asian immigrants to our shores bordering the Pacific.

My grandparents left their homeland to work on the sugar plantation in Hawaii. As is common for all immigrants, my grandparents were lured by the faith and promise of a better life in a new land. As a third-generation Japanese-American or sansei, I recognize the power and the intensity of their immigrant experience.

The immigrant experience has defined our cultural identity and linked us to our collective past. This unique experience, filled with hope, renewal, expectation, and a willingness to venture into the unknown, must be preserved for future generations, to appreciate the struggle, the burden and the joy that is the experience of the Japanese-Americans.

As we celebrate Asian-Pacific American Heritage Month, I am honored to take this moment to recognize and applaud the efforts of the Japanese-American National Museum. The museum endeavors to preserve for future generations, the experience of our immigrant forefathers, to teach us the lessons of their labors, and to make us feel what it truly means to be Japanese-Americans.

In 1985, the Japanese-American National Museum, a private, nonprofit institution, was founded in the city of Los Angeles. A permanent museum site in the heart of Little Tokyo was obtained through the city of Los Angeles. In May 1992, the museum opened its doors to the public.

The Japanese-American National museum is the first museum in the United States expressly dedicated to sharing the experience of the Americans of Japanese ancestry by preserving the experiences of the "Issei" or first-generation Japanese Americans and the "Nisei" or second-generation Japanese Americans. The museum captures a vital part of our cultural heritage and preserves the link to our collective, immigrant past.

The mission of the museum is to: "Make known the Japanese-American experience as an integral part of our Nation's heritage, to improve understanding and appreciation for America's ethnic and cultural diversity."

The historic building that serves as the founding site of the Japanese-American National Museum received the 1993 Cultural Affairs Award from the city of Los Angeles and the 1993 Preservation Design Award for Adaptive Re-Use from the California Preservation Foundation.

The museum will be devoting much of its energy in 1993 to the development of phase II of the facility. Mr. Gyo Obata, chairman of Hellmuth, Obata & Kassenbaum, is the architect responsible for the design of the phase II pavilion. Mr. Obata's designs include the Smithsonian Air and Space Museum, the Moscone Convention Center of San Francisco, and the Dallas/Ft. Worth International Airport.

The National Endowment for the Humanities has awarded the museum a prestigious $500,000 challenge grant which will provide matching funds for phase II contributions. The museum was the only institution in California to receive this award. In addition, a $40,000 planning grant was awarded to the museum for its future exhibition on the "Nisei Years", covering the internment years, which is scheduled to be the opening exhibit for the phase II facility.

By building a comprehensive collection of material on the Japanese-American experience, by providing exhibitions, educational programs, and films and publications for public viewing, the museum conveys not only the life of Japanese-Americans but also expresses the emotions, in all their complexity, that color the Japanese-American experience today.

The Japanese-American National Museum is our offering to future generations of Japanese-Americans, and to all Americans of other races, creed and color, of a quiet moment of remembrance, a glimpse of personal history, and a warm, reflective embrace secure in the knowledge of our shared past.

TRIBUTE TO DENNIS HOWELLS

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 24, 1993

Mr. TRAFICANT. Mr. Speaker, I rise here today to pay tribute to a young man in my 17th Congressional District of Ohio who recently won first place in the Catholic War Veterans 1993 National Easter Poster Contest. By taking first place, Dennis Howells, received a check for $100 and a Gold Medal.

Mr. Speaker, Dennis is a very active 10-year-old son of Anna and the late Dennis Howells. He lives in Boardman and is a fourth grader at the St. Charles School where he excells in art and science. Dennis is also active in the band where he plays the trumpet. Dennis is a starter on the school soccer team, one of the best in the region. He also enjoys basketball, football card collecting, and video games. Someday, Dennis would like to become a veterinarian.

Mr. Speaker, I would just like to congratulate Dennis for his prize-winning poster. I know that I join his mother, and his sister, Danielle, and all of his friends and teachers in congratulating him in a job well done.

LT. GEN. JAMES M. GAVIN HONORED

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 24, 1993

Mr. KANJORSKI. Mr. Speaker, I rise today to pay tribute to a World War II hero from my district in Pennsylvania, who will be honored posthumously during "All Airborne Days" in Harrisburg in July. The commrades of Lt. Gen. James M. Gavin will reunite to pay tribute to this legendary man and his long and distinguished military career.

The son of Irish immigrants, James Gavin was orphaned at a young age and raised by poor, devout foster parents Martin and Mary Gavin. They came, as so many others did, to work in the coal mines in Mount Carmel, PA. General Gavin remembered his childhood as a hard, but good life. Educated only through the eighth grade, as was often the custom in those days, James left for New York as soon as he turned 17. Swearing that he was old enough to enlist, James was sworn in as Private Gavin on April 1, 1924.

Successful in his early assignments in the infantry, he was promoted to captain and assigned as an instructor in the Department of Tactics at West Point in 1939. In August 1941, General Gavin volunteered for paratrooper school. He became a company commander in the 603d Parachute Infantry. By July 1942, Gavin was a colonel and assigned as the first CO of the 505th PIR which was assigned to the newly reorganized 82d Airborne Division.

During World War II, Gavin participated in drops on Sicily, Naples and the Volturnor River Campaign until the division found itself in the fight for Normandy. That August, Gavin was promoted to CO of the 82d Airborne division and the war raged on in Europe. Again and again the 82d led the fight and cleared the way, and it was General Gavin who led the 82d into its legendary place in history.

General Gavin saw the end of the war in Berlin, when the 82d occupied that city. It was there that "Slim Jim's" Division was entitled "America's Guard of Honor." In 1946 General Gavin proudly led the victory parade down Fifth Avenue in New York. The All Americans were home.

Mr. Speaker, this proud American served his country with distinguished valor during WWII and in the years to follow until his retirement in 1958. His retirement years were anything but restful as he served on several boards of corporations, and was Ambassador to France in 1961. He authored several books, notably, "On To Berlin," which is the official story of his command of the 82d Airborne. I am pleased to join with the proud veterans of the 82d Airborne Division who served under this great American in honoring his memory and distinguished service to this country. As the airborne units convene in Harrisburg, we remember and thank Lt. Gen. "Slim Jim" Gavin.

CICERO ON ECONOMICS

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 24, 1993

Mr. JACOBS. Mr. Speaker, Sid Taylor has come through again:

About 2,056 years ago, the greatest Roman orator of that era, Cicero said:

> The budget should be balanced, the Treasury should be refilled, public debt should be reduced, the arrogance of officialdom should be tempered and controlled, and the assistance to foreign lands should be curtailed lest Rome become bankrupt. Cicero, c. 63 B.C.

Cicero would make a superb economic adviser for today's White House and Congress. I wonder what he would say about our $4.2 trillion national debt plus $290 billion annual budget deficits?

Deficit spending is bankruptcy pending?

RECOGNIZING THE DEDICATION OF THE GOODLETTSVILLE WAR MEMORIAL

HON. BOB CLEMENT

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, May 24, 1993

Mr. CLEMENT. Mr. Speaker, the citizens of Goodlettsville, TN, will soon gather to dedicate a memorial honoring those brave individuals who answered the call to arms and unselfishly served this great Nation.

As Americans, we are indebted to them all. I join the citizens of Goodlettsville in paying tribute to these American heroes, especially recognizing those who paid the ultimate price for our freedom and whose names appear on the memorial as follows:

World War I: William H. Booth, PVT, USA; George R. Dismukes, PVT, USA; Adron L. Thoughber PVT USA.

World War II: Julius R. Bagsby, PFC, USA; Marshall W. Carr, PVT, USA; Cecil Evans, Jr., TSGT, USA; Morris G. Grayson, AVC, USA; Curtis L. Huffines, PVT, USA; Paul J. Jones, SN1c, USN; Horace H. Leeman, HA2c, USN; Charles A. Peay, SSGT, USA; Eldon C. Ray, SK3c, USN; Marshall W. Ray, SSGT, USA; James L. Schleicher, CAPT, USA; Samuel A. Templeton, GM1c, USN; Newton A. Willis, PVT, USA.

Korea: Robert O. Allen, CPL, USMC; James E. Ellis, CPL, USA; Robert D. Hunter, MSGT, USMC; Elvis M. Kemper, CPL, USA; William F. Lyell, CPL, USA; Frank M. Redding, Jr., CPL, USA.

Vietnam: John E. Fuqua, 2LT, USA; Michael A. Jones, SGT, USA; Carl Ratcliffe, Jr., SP4, USA; John J. Sesler, PFC, USMC.

Persian Gulf: Billy P. Wilkerson II, MAJ, USA.

As the inscription on the memorial states, it is a monument, "Dedicated to the memory of those who died in our nation's wars and in honor of all who served in the armed forces of the United States of America." Mr. Speaker, may we never forget them.

TRIBUTE TO REVEREND DR. JOSEPH B. FELKER, JR.

HON. BOBBY L. RUSH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 24, 1993

Mr. RUSH. Mr. Speaker, I rise today to honor the achievements of the Reverend Dr. Joseph B. Felker, Jr. who is retiring as the moderator of the Greater New Era District Association of Chicago.

Dr. Felker has served as moderator of the Greater New Era District for the past 24 years. Under his leadership, the association became a vital and productive organization, with a current membership of over 50 churches. He is the distinguished pastor of the Mt. Carmel Baptist Church, where he has proudly served since February, 1957.

A native of Chicago, Dr. Felker received his religious training at the Chicago Baptist Institute and the Northern Baptist Theological Seminary. Dr. Felker is the recipient of two honorary doctorate degrees. In 1975, he was conferred the doctor of divinity from Jackson Theological Seminary and in 1984, he was conferred the doctor of humane letters from Monrovia College and the Industrial Institute of the African Methodist Episcopal Church of Monrovia, Liberia, West Africa.

Dr. Felker served his country with distinction as a petty officer in the U.S. Navy and was president and CEO of the Illinois Barber College for 29 years, during which time it was the oldest Afro-American Barber College in Illinois.

Additionally, he has served as vice president of the Baptist State General Convention of Illinois, trustee of the Chicago Baptist Institute, member of the Operation PUSH Ministerial Department and many other civic and social organizations.

Dr. Felker is married to the former Mrs. Shirley Williams, is the father of two daughters, Jacquilyn Louise and Evelyn Cordilia, five grandchildren and seven great-grandchildren.

Mr. Speaker, the Reverend Dr. Joseph B. Felker, Jr. is truly an outstanding citizen and servant of God. I am privileged to be his friend and proud to enter these words of congratulations into the RECORD.

DEMOCRACY AND HUMAN RIGHTS IN CHILE

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 24, 1993

Mr. RICHARDSON. Mr. Speaker, I would like to draw your attention to some remarks on human rights and democracy in Chile made by a senior State Department official. George Lister, Senior Policy Advisor for the Bureau of Human Rights and Humanitarian Affairs for the U.S. State Department, was invited to Chile in recognition of his efforts on behalf of human rights and democracy in Chile. Mr. Lister's November 1992 visit included numerous opportunities for him to comment on Chile's great progress in building democratic institutions and a vastly improved human rights record. Mr. Lister's comments during these events were recorded and I think my colleagues will find them most interesting. The progress Chile has made economically is reflected in the great social progress of this vibrant nation. Chile has come far over the years, bridging the gap between dictatorship and a nation based on the principles of democracy and free markets. I fully support the Chilean Government, and its experience should be a standard against which all other struggling nations are judged. I urge my colleagues to read George Lister's comments, his contributions to the current political order in Chile are great and deserve recognition.

NOTES FROM NOVEMBER 17 CONGRESSIONAL LUNCHEON COMMENTS IN VALPARAISO

I appreciate more than you realize your words of support and friendship. So often in human rights work there is tragedy, pain, disappointment, and frustration. But here today we can celebrate a very happy occasion—the victory of democracy in Chile. And, even more, a victory which was achieved peacefully, without violence, through the political will and maturity of the Chilean people. Of course there was much tragedy before, during the dark days of dictatorship. But the transition to the Chile of today was peaceful and, by world standards, absolutely remarkable. The Chilean path to democracy can serve as an excellent model for the rest of the world. The people of Chile and their elected representatives are to be congratulated.

What I would like to emphasize to you very briefly this afternoon, in some personal, informal comments, is the key role which is played by our human rights policy in our overall foreign policy. Back in 1973 I cooperated with Congressman Don Fraser of Minnesota, and his staff, in getting our human rights policy started. I was with the State Department's Latin American Bureau at that time. Looking back at where we began, 19 years ago, I cannot believe how far we have come, how much progress we have made since then. In the early days we were handicapped by bureaucratic resistance, indifference, and inexperience. But over the years our human rights policy has become institutionalized and accepted as a basic part of our overall foreign policy. And I am sure you know that human rights played a key role in our relations with Chile.

Let me say a few words about our human rights policy, what it is and what it is not. First, my Government does not pretend to be the original defender of human rights. There were articulate supporters of human rights long before Columbus came to this hemisphere. The United States claims no monopoly in the defense of human rights. Second, our human rights policy does not reflect any assumption of U.S. moral superiority. We all have human rights problems. In my country, for example, we still have not been able to eliminate race discrimination and sex discrimination, although we have made much progress. Third, our human rights policy does not seek to impose our moral standards on other countries. The rights we are discussing here were included in the Universal Declaration of Human Rights, which was adopted by the General Assembly of the United Nations on December 10, 1948. Personally, I feel the two key human rights are freedom of expression and women's rights. I think freedom of expression is more revolutionary than Marxism-Leninism. And as for women's rights, we cannot say we are for human rights if we do not defend the rights of 51% of the human race.

Now I am not suggesting for a moment that the implementation of our human rights policy is perfect. That would be absurd. There are close to 190 countries in the world, there are only 24 hours in a day, and this is not work which can be done with computers. Human error and shortcomings are inevitable. But I do emphasize that our policy is basically honest, applied to governments of both the right and the left. So when you see how and where we can do better, please do not hesitate to let us know. We need all the help we can get. There is nothing wrong with criticizing the United States. I do it frequently. I only urge that you try to make your criticism reasonably accurate.

On that subject I think I should point out that there are two main aspects of our human rights activity. The first is our world wide coverage of the status of human rights—our annual Human Rights Reports. Our reports have become better year by year. Compare our latest Report with that of ten years ago and the improvement is amazing. But, once again, the Reports are not perfect. And they are relatively easy to critique and evaluate. So when our Reports are inaccurate, or otherwise inadequate, please tell us. However, it is considerably more difficult to evaluate our specific actions in response to human rights violations. That can involve very complicated questions. For just one example, should the U.S. stop economic assistance to a government with a bad human rights record if the only immediate result of such a decision will be to reduce the living standard of the poorest sector of the population? Monitoring human rights violations is much easier than taking effective action to reduce them.

Finally, I feel I should not conclude my remarks without a special word of appreciation for the Catholic Church of Chile. As a life time agnostic who has been actively involved with some of the problems of your country, I must say that I have been greatly impressed by our Church, and I have developed close and valuable friendships with many of its representatives. The Catholic Church supported the Chilean people every step of the way in their long and painful march to democracy.

Now, in conclusion, I suggest to you that human rights has become the authentic world revolution—peaceful, democratic, world revolution. And personally I believe it will succeed so long as we keep it honest. Not perfect—that is impossible, but honest. Human rights for everyone, regardless of race, religion, nationality, etc. Let's all work together, and we will win. Thank you again for this wonderful opportunity to meet with you once more. And Long Live Democratic Chile.

NOTES FROM NOVEMBER 18 MINISTRY OF FOREIGN RELATIONS LUNCHEON COMMENTS

It is wonderful to be back in Chile once again, and especially to be reunited here with so many good friends. This is one of the most pleasant things that have happened to me in this long and unusual year.

Yesterday I spoke to a Congressional luncheon group in Valparaiso. I expressed my entirely personal views as to the importance of the human rights cause, and how I believe human rights has become the authentic world revolution—peaceful, democratic and effective, so long as we keep it honest. Here with you this afternoon I would like to emphasize, very briefly, two factors which I personally feel are very important in relations between our two governments. The first is dialogue. The second is the democratic left.

First, dialogue. Back in the years following the overthrow of Allende I was impressed and depressed by the inadequate dialogue between Chile's democratic opposition and the State Department. I had many democratic Chilean friends, of course, most of them refugees. And we were talking day and night. But few of them came to the Department, and that was a bad mistake. So I began to urge my Chilean friends to come to the Human Rights Bureau, to discuss the situation in Chile, to seek U.S. help for Chilean democracy and human rights, to make specific recommendations for U.S. action, etc. One of the first Chileans I pushed in this direction was Sergio Bitar, who was at the Woodrow Wilson Center in Washington for a year. Sergio was skeptical, but he agreed to come to our Bureau. The conversation went well and I kept urging others to come. Elliott Abrams was the Assistant Secretary for Human Rights at that time, and after several months he became quite receptive to these visits and conversations. Indeed, the dialogue developed very quickly, to our mutual benefit. As a matter of fact the dialogue began to dominate our Bureau's schedule. I recall one occasion when I went into Abrams' office to remind him that four more Chileans were coming to see him the following morning. Elliott groaned and responded, that he just wouldn't have time. I remarked that I appreciated the fact that he was spending more time on Chile than on any other country in the world. Whereupon Elliott put both hands to his head and cried: "For God's sake, George, I'm sending more time on Chile than on all the rest of the world combined". And when Dick Schifter replaced Abrams in our Bureau, in 1985, he was equally supportive of these meetings, and very effective in behalf of human rights in Chile. So much for dialogue.

Now for the democratic left. For many people "leftist" is a pejorative term. There is often a failure to distinguish between, on the one hand, the democratic left, those who call for profound political, social and economic change, but with full protection of human rights and, on the other hand, the anti-democratic left, those who see Leninist dictatorship as the solution to all the problems of the human race. In the case of Chile I was convinced that there would be no transition to democracy without the cooperation of the democratic wing of the Socialist Party. And I pushed my Socialist friends hard, urging them to reject Leninism and to take an honest and consistent position in favor of democracy and human rights in their visits to the State Department. When they did that it had a very favorable impact, not only in Chile but also in the U.S. It was around that time I arranged for our friend here, Carlos Portales, to speak at the State Department's Open Forum, and, of course, Carlos made good use of that opportunity.

Now before we leave the democratic left let me tell you another true story. As some of you know, I am an old Eastern European hand, having served in both Moscow and Warsaw. And so I was present when Dick Schifter chaired our first Washington meeting with the Soviet human rights delegation, led by Yuri Reshetov. As we sat down with the Russians Schifter leaned forward to Reshetov and said: "Yuri, before we begin, I think I should introduce George Lister. He is the State Department Menshevik". Reshetov stared at me incredulously for a moment and then extended his hand, remarking: "Well, well, we have Mensheviks with us too, now".

Now we are coming to a new stage in Chilean-U.S. relations, and we will soon have a new Administration in Washington. Both of our countries are democratic, but with many shortcomings. To cite just one example in each case, we are confronted with serious and urgent economic problems, and you have a large number of people who are living in abject poverty with deep feelings of class alienation. Both of our countries have come a long way, but we both have a long way to go. Dialogue will continue to be a key in our relations. Please let me know whenever you feel I can be of help in developing your contacts with the State Department and Congress. And as for the democratic left, I would say to our Socialist friends that just as they may want my government to oppose dictatorships of the right as well as the left, it is equally important that they oppose dictatorships of the left as well as the right. The same human rights standard should be applied to all of us. If we do that I am convinced that we will win. Thank you for listening. And Long Live Democratic Chile.

NOTES FROM NOVEMBER 18 U.S. EMBASSY SUPPER COMMENTS

This visit to Chile has been one of the best experiences of my life. So much human rights work involves pain, tragedy, frustration, disappointment, etc. When you are needed urgently on the phone it is almost always bad news, and frequently it is too late to do anything about it. Sometimes I am shaken when I think how many friends of mine have been murdered, by the right and the left.

But tonight it is very different. Chilean and U.S. friends of democracy are here together to celebrate the advance of human rights. We have come a long way. Sometimes I cannot believe how far we have come since Congressman Don Fraser started his human rights hearings in Washington, in 1973. And now there are opportunities for human rights work which would have been unbelievable a few years ago. The world has opened up very rapidly. Now I receive fax messages from Moscow, telephone calls from Warsaw, and human rights visitors from China. Incredible.

In that connection let me mention that I have been invited to speak on human rights in Moscow and St. Petersburg, and I hope that I will be able to go there next year. I am an old Soviet hand but my Russian has deteriorated over the years. Nevertheless I have prepared a draft speech in Russian which I hope will be of value and interest to Russian audiences. At least my Russian friends in Washington assure me it will be. And when I was working on that draft I recalled another speech I had delivered back in 1981, to a meeting of human rights advocates in New York. At that time no Assistant Secretary had been appointed to our Human Rights Bureau, and there was much gloom and pessimism about the future of the human rights cause. So I urged that we not despair, that we carry on with the struggle, and I quoted a 19th century Russian slogan which has long been a favorite of mine: To our Hopeless Cause! by that Russians meant that they would never give up no matter how tough things got. Back there, in New York in 1981 I recommended that we adopt that slogan as the battle cry for human rights activists around the world. And as I have said, we certainly have come a long way since then. Now this year, working on my speech for Moscow and St. Petersburg, where the Russian people are faced with so many painful trials and tribulations, I thought it would be appropriate to close my remarks with the same slogan.

Well, some weeks ago, I met with Vladimir Lukin, the Russian Ambassador in Washington, and I tried out that ending on him. He thought it over a minute or two and then said: "Lister, I recommend you change that to 'To the success of our hopeless cause' ". I thanked the Ambassador for his suggestion and have changed my speech draft accordingly. And I believe that would be an appropriate toast for all of us here this evening, and for human rights activists around the world: To the success of our hopeless cause. Thank you for listening.

TRIBUTE TO PATRICK HAYS

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 24, 1993

Mr. MATSUI. Mr. Speaker, I rise today to salute Patrick Hays, president and chief executive officer of Sutter Health in northern California. On June 7, 1993, many of Mr. Hays' associates and friends will gather at the Salvation Army's annual community luncheon to honor Mr. Hays and pay tribute to the many outstanding contributions he has made to his community.

Mr. Hays is only the third Sacramentan to be honored with the Salvation Army's The Others Award, which is granted by a regional board and is considered the highest award given to a member of the community by the army. His implementation of a partnership between Sutter Health and the Salvation Army has yielded health education programs, food service supervision, summer camp health examinations, clinic services for a planned day care center, and a first aid station at the army's annual Christmas distribution. Besides enriching the lives of numerous Sacramentans, this partnership has enriched the Salvation Army's mission to serve the disadvantaged.

In 1980, Patrick Hays began to reshape health care in northern California with the then current Sutter Health system. Under Mr. Hayes' leadership, Sutter Health has grown from 2 community hospitals in 1980 to its present 13 hospitals and has developed into an integrated health care organization recognized throughout the United States as one of the country's preeminent health systems.

Lauded by his peers and the White House as a cutting-edge thinker in the health care arena, Mr. Hays was recently asked to testify before the President's Health Care Task Force to provide insight into integrated health care systems. The vision Mr. Hays holds for health care in the United States is of an integrated system that promotes health and wellness, expands access, improves quality and helps control costs through total care management across a broad spectrum of services throughut a wide region.

A component of this vision is Sutter community hospitals' community partnership initiative which is working to improve the health status of Sacramento. Examples of this effort include the Oak Park Clinic, project TEACH which provides health screening for schoolchildren as well as immunizations for homeless children, project LEED which works to link students with business to promote internships and training in the health care arena, and the human services projects which have stemmed from Sutter Health's partnership with the Salvation Army.

Mr. Speaker, it is with great pleasure that I rise to recognize Patrick Hays for his commitment to Sacramento. He is an example that all community leaders, both business and civic, would do well to emulate. I ask my colleagues to join me in congratulating him and wishing him continued success.

A TRIBUTE TO JOSEPHINE "JOSIE" ALAGNA

HON. HERB KLEIN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 24, 1993

Mr. KLEIN. Mr. Speaker, I rise today to pay tribute to an outstanding citizen of northern New Jersey, Josephine "Josie" Alagna. It is an honor to have such a hard-working, dedicated woman serving the community of Essex County. On Saturday May 22, 1993, Josephine was recognized by the League of Family and Children's Services of North Essex as the 1993 "Mother of the Year."

We live in a day where a strong commitment to family is becoming more of a rarity than common place. Josie has dedicated her life to making sure that her daughters and grandchildren realize the American dream. Josie is the proud mother of four daughters: Marion Fortunato, wife of former assemblyman Buddy Fortunato; Camille Daunno, wife of attorney Theodore Alagna; Joan Alagna, managing editor of the Italian Tribune News; and Barbara Alagna, a basic skills teacher with the Newark school system. As Josie would tell you, this day would not have been possible without the love and support of her husband Ace. They will celebrate 48 years of marriage on June 3.

Josie has not only been an inspiration for her family but a true leader in northern New Jersey and in particular in the Italian-American community. She is a graduate of Central High School, where she received honors in the Italian language and was awarded a scholarship to study in Italy. When she came back to the States, she began a life devoted toward the betterment of society throughout the world. Josie has been honored numerous times for her many charitable works. Her lists of awards and acknowledgements include: Woman of the Year Award from the North Ward First Aid Squad Citizens Committee; the Pope John Paul II citation for sending medical supplies to Poland; the Humanitarian Award from the Sisters of St. John the Baptist for providing funds for a bus for their mission in Africa and the Silver Medallion Humanitarian Award from Msgr. John Patrick Carroll-Abbing for contributions to the Boys' and Girls' Towns of Italy. This list of accomplishments are just a few highlights of the recognition that Josie has so duly received. To list all of her accomplishments would fill pages of this CONGRESSIONAL RECORD.

Mr. Speaker, I am honored to have such a wonderful woman dedicating so much of her life to the betterment of our community. I ask my fellow colleagues to join me in honoring Ms. Josephine Alagna as the 1993 Mother of the Year as well as for her selfless contributions to those in need in our community.

TRIBUTE TO KENNETH B. GREENBERG

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 24, 1993

Mr. ACKERMAN. Mr. Speaker, I rise today to pay tribute to Kenneth Bruce Greenberg, a conscientious, creative, and sensitive educator who is retiring from the New York City Board of Education.

Mr. Greenberg has dedicated his life to enhancing the lives of young Americans and improving the New York City school system. He spent a tremendous amount of time and energy serving as a foreign language teacher, an administrator, a computer expert, an educational trainer, and a curriculum developer.

For 6 years, from 1979 to 1985, Mr. Greenberg worked at Louis Armstrong Intermediate School 227, in Queens. While laboring tirelessly in the vineyards of educating our young citizens, Bruce Greenberg held such positions as the school programmer, an administrative assistant, and the interim assistant principal. Most notably, Mr. Greenberg's desire to improve the status of the school system led to his development of an innovative student data base and a programming matrix for the school. As a result, he implemented computer literacy programs for faculty and students.

Since 1985, Kenneth has held the highly respected position of director for the New York City Comprehensive Instructional Management System. Serving in this prestigious position, Mr. Greenberg was responsible for executing a computerized management system in more than 100 New York City schools. He also planned and coordinated staff development workshops for hundreds of teachers and staff. Mr. Greenberg thrived on this kind of responsibility and civic duty.

Mr. Greenberg is truly a community asset whose desire for improvement enabled him to make a positive difference, both in the school system with which he was associated, and in the various sports teams he proudly coached. The New York City schools will miss Mr. Greenberg's creative leadership, his superb organizational and communication skills, and his uncanny willingness to experiment with new ideas.

Mr. Speaker, I wish Mr. Kenneth Bruce Greenberg nothing but continued success in his retirement, and I sincerely thank him for his many years of heartfelt service.

INTRODUCTION OF FTC REAUTHORIZATION

HON. AL SWIFT

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, May 24, 1993

Mr. SWIFT. Mr. Speaker, as Chairman of the Transportation and Hazardous Materials Subcommittee of the Energy and Commerce Committee, I am pleased to join today with Mr. DINGELL, chairman of the Energy and Commerce Committee, in introducing legislation to reauthorize the Federal Trade Commission.

As many Members know, especially those who have been here any length of time, efforts in the past to reauthorize the FTC have proved unavailing. As with other Federal agencies, the FTC has had its share of controversies over the past decade or so. But unlike other controversies at other agencies, the issues holding up the reauthorization of the FTC remain unresolved.

Those Members who have been elected to the House more recently may wonder why this impasse has lasted so long. The FTC, under the current able leadership of Chairman Janet Steiger, has worked closely with the Congress, with the State attorneys general, with consumer groups and with industry in meeting its mandate to protect the consumer and further competition in the marketplace.

And in particular, this Subcommittee has worked closely with the FTC in the last year in crafting legislation that will protect consumers from deceptive and fraudulent 900-number calls.

This year, on a vote of 411-3, the House passed legislation that will strengthen the ability of the FTC and the attorneys general to effectively fight interstate telemarketing fraud and abuse.

The Subcommittee has also held hearings concerned FTC regulation of environmental marketing, food and nutritional advertising and alcohol advertising. To this oversight and direction given the FTC by this Subcommittee must also be added other directives to the FTC that have been initiated by other committees of Congress. This is clearly an agency of which much is expected of it by Congress. And under the leadership of Chairman Steiger, those expectations have certainly been met.

The last unresolved issue holding up the reauthorization of the FTC is the question of what should be the proper authority of the FTC in regulating advertising. I believe that this issue can be resolved in a manner that does not harm the consumer protection mandate of the FTC. I look forward at the proper time to working constructively with all interested parties to achieve that end, to listen to their ideas, and to work with them to resolve outstanding concerns. I take very seriously this obligation to resolve outstanding issues that have held up the FTC reauthorization. Congressional direction to this Federal agency has not come—as is proper—through the authorization process, but rather as directives attached to appropriations bills. I share the concerns of others in the House that this is improper, and must end. And it is a procedure that does disservice to the FTC. In the words of the American Bar Association report of June 1991 on FTC authorization:

> Policymaking through the appropriations process diverts agency evaluation and review away from the committee with subject matter expertise and places it in the hands of a committee which is concerned primarily with funding considerations. This committee is unlikely to have the same time or resources to study relevant policy issues. Moreover, because limitation riders are, by definition, stop-gap measures, they tend to delay substantive consideration of potentially necessary reforms.

I believe the opportunity is at hand to constructively end this uneasy and inappropriate status quo of the past 12 years. The public deserves to have its premier consumer-protection agency unhampered by outstanding, unresolved issues that are now—since their inception—almost two decades old. I look forward to working with Members from this body and the other body in achieving that resolution.

SRI LANKA'S UNNOTICED WAR

HON. JOSEPH P. KENNEDY II

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 24, 1993

Mr. KENNEDY. Mr. Speaker, on behalf of one of my constituents, Mr. Sri Thillaiampalam, who is from Sri Lanka, I wish to include the following Boston Globe article in the CONGRESSIONAL RECORD. The editorial details Sri Lankan suffering.

SRI LANKA'S UNNOTICED WAR

While the world watches the Persian Gulf for premonitions of a war to be waged with ballistic missiles and chemical weapons, a vicious cycle of violence has recurred on the island paradise of Sri Lanka, where government troops use Iraqi helicopters and howitzers and Israeli speedboats to attack the guerrillas of a secessionist movement called the Liberation Tigers of Tamil Eelam.

For civilian suffering, intercommunal hatreds and sheer savagery, the conflict in Sri Lanka matches those in Lebanon, Azerbaijan or Northern Ireland. At present, the government of President Ranasinghe Prernadasa seeks to extirpate the separatist Tigers by an aerial bombardment and strafing of civilian areas in Sri Lanka's northeastern province.

The toll on the civilians has been heartrending. Thousands have been killed or injured. Nearly a million Tamils of the north have been driven from their homes, and the state minister of the Indian state of Tamil Nadu says that 90,000 Tamil refugees from Sri Lanka have fled to India. Since Premadasa cannot realistically hope to liquidate the fanatical Tigers by military means, his campaign of state terror against the Tamil population of the northeastern province amounts to little more than gratuitous cruelty.

The Tigers themselves are masters of such cruelty. They have massacred not only government forces but also innocent civilians—Sinhalese Buddhists, Tamil Moslems and Tamil Hindus who do not accept their terrorist tactics.

The solution to Sri Lanka's ethnic vendetta civil war must be political. The central government should offer a true devolution of power in a new federal constitution that would maintain the unity of Sri Lanka while permitting the persecuted Tamils a large measure of autonomy.

Only then can Tamil moderates offer their people an alternative to terrorism. As a first step, Premadasa must cease the bombing of civilians. This is the message he should hear from Washington.

THE 100TH ANNIVERSARY OF MOUNT JEWETT BOROUGH, PA

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 24, 1993

Mr. CLINGER. Mr. Speaker, I rise today to congratulate the good people of Mount Jewett Borough, PA in my district as they prepare to celebrate their 100th Anniversary on June 6.

Mount Jewett Borough is the gateway to Kinzua Bridge State Park, which is situated in the heart of the magnificent Allegheny Mountains. Towering 301 feet into the sky and spanning 2,053 feet across the Kinzua Valley, the Kinzua Bridge is an amazing spectacle which attracts thousands of tourists annually. One of the few steam tourist railroads remaining in the United States operates across the viaduct, offering its passengers a breathtaking view of this beautiful area. The Kinzua Bridge is included on the National Register of Historic Places, and has been designated a National Historic Civil Engineering Landmark.

I have enjoyed working closely with the people of Mount Jewett lately in the construction of an industrial park outside of the Borough limits. This industrial park, which is home to the Allegheny Particle Board and the Borden Resin Site, provided over 200 jobs to the area. The success of this project is a direct result of the dedication and hard work of the people of this very special area.

Mr. Speaker, I am honored to have this opportunity to recognize the residents of Mount Jewett Borough on this special occasion, and wish them all the best as they venture into the Borough's second century.

NATIONAL POLICE WEEK

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 24, 1993

Mr. SCHUMER. Mr. Speaker, the week of May 9 through 15 is once again designated "National Police Week". During this annual occasion we honor all of our brave law enforcement professionals who protect our society daily, often at great risk to their own lives.

Sadly, this week is also a time we pay tribute to those officers killed in the line of duty, a number that continues to be disturbingly high. In 1992 alone, 146 law enforcement professionals made the ultimate sacrifice, giving their lives in the line of duty. So far in 1993, 33 officers have been killed, including the 4 Federal agents from the Bureau of Alcohol, Tobacco and Firearms who died in Waco, TX.

As a befitting tribute, they now join the 13,256 other law enforcement officers killed in the line of duty whose names are inscribed in the National Law Enforcement Officer's Memorial here in the Nation's Capital.

On May 15 of each year we honor these fallen heroes on Peace Officers Memorial Day. It is a time when the Nation can give thanks to those who died protecting our freedoms, the soldiers in the continuing war on crime who represent a thin blue line between those who live as law-abiding citizens and those who threaten to make us all victims of crime.

Not only do we pay our respects to law enforcement's finest, but we extend our sympathies and our heartfelt thanks to the spouses, children, parents, relatives, and coworkers of those killed in the line of duty. It is, after all, our law enforcement family that continues to strive to make America a safer place for all of our families. It is to them that we extend our deepest admiration and appreciation.

THE FEDERAL ACQUISITION IMPROVEMENT ACT OF 1993

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 24, 1993

Mr. CONYERS. Mr. Speaker, it is with great pleasure that today I am introducing, along with Chairman DELLUMS of the Committee on Armed Services, the Federal Acquisition Improvement Act of 1993.

This bill is based on H.R. 3161, the Federal Property and Administrative Services Authorization Act of 1992, which was passed by the House late in the 102d Congress. Its provisions reflect long months of debate and compromise by the Government Operations and Armed Services Committees together with industry, the executive branch, and other participants in the procurement community. Timely enactment of this legislation would provide real and immediate improvements in the procurement process by: First, encouraging commercial product acquisition; second, enhancing competition and reducing paperwork; third, strengthening the bid protest process; fourth, streamlining and simplifying thousands of small purchases; and fifth, reserving almost $3 billion of additional Government business for small firms.

Consideration of this bill is an important first step in a comprehensive procurement reform program that Chairman DELLUMS and I plan to undertake this Congress. Clearly, we will need to address issues raised by the Defense Department's section 800 panel, the administration's national performance review, and the wealth of oversight work performed by committees in both Chambers of Congress. I am confident that a thorough and balanced approach to reform will allow us to make improvements without neglecting principles which have served the taxpayers well. The challenge, in my view, is to simplify the process without abandoning provisions that ensure fairness, competition, and integrity.

The Office of Federal Procurement Policy Act is amended to alleviate barriers to commercial product acquisition by encouraging Federal Government acquisition of commercial items. The purchase of commercial items, defined as products that can be purchased off-the-shelf with little or no development, should abolish the current practice in the Federal Government of buying expensive, specially designed products when off-the-shelf, less expensive commercial products would do the job just as well. In this era of fiscal restraint, the Federal Government must stop reinventing the wheel and learn to depend on the wide array of products and services sold to the general public on a routine basis.

The Federal Property and Administrative Services Act of 1949 is amended to raise the threshold for obtaining cost or pricing data from vendors under the Truth in Negotiations Act in title 41 of the United States Code. The cost or pricing data threshold will increase from $100,000 to $500,000 through December 31, 1995, when it will revert to $100,000. In the interim, the Committee on Government Operations will study the effects of this increase and consider making the increase permanent.

The bill also includes amendments aimed at ensuring that offerers have a clear understanding of the factors used by the Government in selecting an awardee, and that price is always a factor as the Government determines which company offers the best value in meeting agency needs.

The bill amends title 31 of the United States Code by requiring agency procurement heads to report to the Comptroller General if the agency fails to implement GAO recommendations regarding protests within 60 days after the recommendation is received. This provision is designed to strengthen the GAO bid protest process by involving the Congress when GAO recommendations are ignored. The amendment also will eliminate an alleged constitutional conflict between the executive and legislative branches of the Government by making clear that GAO cost awards are only recommendations.

The legislation increases the current small purchase threshold of $25,000 to $50,000. This is a controversial change, but I believe, if implemented effectively, it will greatly simplify and streamline the procurement process for thousands of small purchases, and will substantially increase the number and dollar value of Federal procurements that are reserved for small businesses. I intend to work closely with the small business community to ensure that the final bill, in fact, accomplishes this important goal.

A further increase in the small purchase threshold to $100,000 is allowed once an agency establishes and implements a system by which solicitations can be made through the use of an electronic data interchange system [EDI]. EDI is intended to provide prospective offerors, especially small businesses and small businesses owned and controlled by socially and economically disadvantaged persons, with improved access to information regarding small purchase procurement opportunities.

The bill authorizes the Administrator of the Office of Federal Procurement Policy to conduct up to six test programs to identify alternative and innovative procurement procedures. The tests, which will be closely monitored by GAO for the Congress, must be conducted in accordance with detailed test plans which will be reviewed by Congress and published in the Federal Register for public comment. Each test must also comply with certain limitations related to, among other things, duration and contract dollar value.

Lastly, the bill authorizes functions and activities under the Federal Property and Administrative Services Act of 1949, including certain operations of the General Services Administration, through fiscal year 1996. The authorization replaces the current permanent authorization, and will put GSA on a normal, cyclical authorization cycle. A recurring authorization will provide the cognizant congressional oversight committees with the opportunity to more closely monitor the agency's efforts to address its many problems.

I believe that the time has come to simplify the Federal procurement process for the benefit of Federal agencies and businesses alike. This bill represents the first step in that process. I look forward to working with Chairman DELLUMS and others in the months ahead on more comprehensive reforms, focusing particularly on enhancing the Government's use of commercial products.

HONORING NORTH PARK MIDDLE SCHOOL BAND

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 24, 1993

Mr. TORRES. Mr. Speaker, I rise today to give special recognition to a group of young individuals from my congressional district, the members of Pico Rivera's North Park Middle School Marching Band.

Established in 1990, the North Park Middle School Band has quickly developed into one of the area's most acclaimed and decorated bands. Under the guidance and direction of band president, Sherry Panganiban, the students of North Park Middle School have learned how to succeed in competitive situations and prevail in times of adversity.

In the fall of 1992, the North Park Middle School Band represented the city of Pico Rivera and the El Rancho Unified School District in parades throughout southern California. During this period the band received 24 awards, including 17 first place trophies and 1 Sweepstakes award.

Additionally, the North Park Middle School Band's drum major, Francisco Rebolledo, has received 6 first place awards and the Tall Flags team under the leadership of Flor Mendez received 3 first place trophies. While the Identification Banner Team consisting of Lupe Gallegos and Enadina Lozano won 1st place at the Garden Grove Parade, defeating all high school teams involved in the competition.

The North Park Middle School Band, through pride and unyielding commitment, have also succeeded and prospered in times of despair. When faced with the reality of budget cuts, it was the North Park band and parents who bravely faced the board of education, demanding that its music program not be abolished, but that funding continue.

Mr. Speaker, I ask my colleagues to pay special tribute to Ron Wakefield, the band director. Ron has provided countless hours of support and guidance enhancing the musical aspirations of the students and parents of the North Park Middle School Marching Band.

Mr. Speaker, it is with great pride that I recognize the students, parents, and teachers involved with the North Park Middle School Band. I ask my colleagues to join me in saluting the North Park Middle School Band and in wishing them well in their future musical endeavors.

A TRIBUTE TO ARTHUR BOWNE

HON. HERB KLEIN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 24, 1993

Mr. KLEIN. Mr. Speaker, I rise today to pay tribute to an outstanding citizen of northern New Jersey, Arthur Bowne. Mr. Bowne will be honored on June 10, 1993, for his contribution to the youth of Wayne, NJ. This dedicated individual has unselfishly devoted 27 years to delivering quality education to Wayne Hills High School students.

The scope of Mr. Bowne's involvement is impressive. At Wayne Hills High School, he has served as chairman of the mathematics department for the last 16 years. Most recently, he has held the position of Mathematics supervisor for all of Wayne township's public schools.

Everything Mr. Bowne does, and has done, is carried out with his students first and foremost in his mind. During his many distinguished years of service, he has assisted numerous students in securing admittance and scholarships to some of the country's most prestigious colleges and universities by personally writing hundreds of letters of recommendation on their behalf.

Despite his work with his students and all of his personal achievements, Mr. Bowne is most proud of the 4 years he served in the U.S. Navy from 1951 to 1955. He was a radio operator aboard the U.S.S. *Robinson* DD552 during the Korean war.

Mr. Speaker, I am honored to have such a wonderful man dedicating so much time to the betterment of our community. I would like to thank Arthur Bowne for his commitment to the township of Wayne, as well as for his selfless contributions to the students of Wayne Hills High School. I hope my colleagues will join me in congratulating Arthur for his accomplishments and wishing him the best for the future.

TRIBUTE TO D.C. COUNCIL CHAIRMAN JOHN A. WILSON

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 24, 1993

Mr. STARK. Mr. Speaker, the death of D.C. Council Chairman John Wilson leaves a tremendous vacuum. He has the longest unbroken term of elected public service to the District of Columbia. Chairman Wilson was one of the District's most dynamic, effective, and committed leaders. He was a passionate and persuasive advocate for this city that he loved so dearly.

I have been a member of the Committee on the District of Columbia for 20 years. I had the honor of working closely with Chairman Wilson. I can personally attest to his care and concern for Washington, DC, and its people.

John Wilson was one of the chief architects of the District's Home Rule Charter. He initiated and implemented the successful grassroots campaign that led to passage of the 1973 Home Rule Act. He was elected to the District's first council under home rule, representing ward 2. John Wilson dedicated his life to the high calling of public service.

John Wilson worked tirelessly to make the District better for its residents, workers, and businesses. He sponsored some of the District's most significant and progressive legislation, including laws governing gun control, medical coverage for women and children, human rights, and antihate crimes. He also was recognized as the leading authority on the fiscal and legislative affairs of local government.

Mr. Speaker, John Wilson's contribution to the District did not end with his work on the council. He also served on the boards of many community organizations, including the Capital Children's Museum, the Metropolitan Police Boys and Girls Club, Studio Theater, and the Anchor Mental Health Association.

He was the recipient of numerous awards and commendations. John Wilson was a rare public servant. He approached the task with honesty, enthusiasm, compassion, and dedication. He leaves a great legacy and his example is one for generations of District leaders to emulate.

We tend to forget how young the District's home rule government is. The District has made some major accomplishments in its first 18 years. Much of its success can be attributed to the valiant and committed efforts of John Wilson. I am truly saddened by the death of John Wilson. He had a profoundly positive impact on the District. I hope that his brand of committee leadership and love for the District will serve as an inspiration to others who want to improve the quality of life for the people who live here. John Wilson's life was far too short, but the list of his accomplishments is long. His death is a loss, but his contributions to this city will endure.

Mr. Speaker, I extend my sympathy and sincere condolences to Mr. Wilson's wife and family.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Tuesday, May 25, 1993, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MAY 26

9:00 a.m.

Labor and Human Resources

Business meeting, to mark up title IV (relating to the National Skills Standards Board) of S. 846, to improve learning and teaching by providing a national framework for educational reform.

SD-430

9:30 a.m.

Appropriations

Foreign Operations Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1994 for foreign assistance programs, focusing on sustainable development goals and strategies.

SD-192

Appropriations

Labor, Health and Human Services, and Education Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1994 for the National Institutes of Health, Department of Health and Human Services.

SD-116

Armed Services

Nuclear Deterrence, Arms Control and Defense Intelligence Subcommittee

To continue hearings on proposed legislation authorizing funds for fiscal year 1994 for the Department of Defense, and to review the 1994–1996 future years defense program, focusing on chemical demilitarization and chemical defense programs.

SR-222

Energy and Natural Resources

Business meeting, to consider pending calendar business.

SD-366

Governmental Affairs

To hold hearings on S. 404, to revise title VII of the Civil Rights Act of 1964 and the Age Discrimination in Employment Act of 1967 to improve the effectiveness of administrative review of employment discrimination claims made by Federal employees.

SD-342

10:00 a.m.

Appropriations

Defense Subcommittee

To hold closed hearings on proposed budget estimates for fiscal year 1994 for the Department of Defense, focusing on space, command and control issues.

S-407, Capitol

Appropriations

Interior Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1994 for the Forest Service, Department of Agriculture.

SD-138

Commerce, Science, and Transportation

To hold hearings on proposed legislation authorizing funds for fiscal year 1994 for the U.S. Coast Guard.

SR-253

Foreign Relations

East Asian and Pacific Affairs Subcommittee

To hold hearings to examine United States policy with regard to North Korea's withdrawal from the Treaty on the Nonproliferation of Nuclear Weapons.

SD-419

Labor and Human Resources

To hold hearings on improving the student loan system for students and schools.

SD-430

2:00 p.m.

Appropriations

Energy and Water Development Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1994 for the United States Army Corps of Engineers.

SD-192

Armed Services

To hold hearings on the nomination of John Dalton, of Texas, to be Secretary of the Navy.

SR-222

Commerce, Science, and Transportation

To hold hearings on S. 738, to promote the implementation of programs to improve the traffic safety performance of high risk drivers.

SR-253

2:30 p.m.

Select on Intelligence

To resume closed hearings on proposed legislation authorizing funds for fiscal year 1994 for activities of the intelligence community.

SH-219

MAY 27

9:00 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings to review the Federal Aviation Administration's and the National Transportation Safety Board's regulatory policy.
SR–253

9:30 a.m.
Energy and Natural Resources
To hold hearings on the proposed Lower Mississippi Delta Initiative of 1993.
SD–366

Indian Affairs
To hold hearings on the proposed "Native American Grave Protection and Repatriation Act."
SR–485

9:45 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on S. 783, to revise the Fair Credit Reporting Act.
SD–538

10:00 a.m.
Appropriations
Defense Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1994 for the Department of Defense, focusing on defense conversion/industrial base.
SD–192

Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1994 for the Department of Veterans Affairs.
SD–106

Appropriations
Commerce, Justice, State, and Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1994 for the United States Information Agency, and the Board for International Broadcasting.
S–146, Capitol

Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1994 for the National Highway Traffic Safety Administration, focusing on drunk driving.
SD–138

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings to examine the possible uses of advanced/high-technology materials in civil infrastructure modernization and reliability.
SD–628

Environment and Public Works
To hold hearings to examine environmental issues associated with closing military bases.
SD–406

Foreign Relations
To hold hearings on the nominations of Marilyn McAfee, of Florida, to be Ambassador to the Republic of Guatemala, William Thornton Pryce, of Pennsylvania, to be Ambassador to the Republic of Honduras, and James R. Cheek, of Arkansas, to be Ambassador to Argentina.
SD–419

Judiciary
Business meeting, to consider pending calendar business.
SD–226

Joint Organization of Congress
To resume hearings to examine congressional reform proposals, focusing on floor deliberation and scheduling.
S–5, Capitol

2:00 p.m.
Foreign Relations
International Economic Policy, Trade, Oceans and Environment Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1994 for foreign assistance programs, focusing on policies and programs for economic development.
SD–419

Indian Affairs
To hold hearings on the President's proposed budget request for fiscal year 1994 for Indian programs within the Indian Health Service and Environmental Protection Agency.
SR–485

2:30 p.m.
Armed Services
Defense Technology, Acquisition, and Industrial Base Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal year 1994 for the Department of Defense, and to review the 1994-1996 future years defense program, focusing on the Advanced Research Projects Agency (ARPA) program and science and technology programs.
SD–562

Select on Intelligence
To continue closed hearings on proposed legislation authorizing funds for fiscal year 1994 for activities of the intelligence community.
SH–219

MAY 28

10:00 a.m.
Judiciary
Immigration and Refugee Affairs Subcommittee
To hold hearings on S. 667, to revise the Immigration and Nationality Act to improve the procedures for the exclusion of aliens seeking to enter the United States by fraud, and on other proposed legislation on asylum issues, and to examine the implementation of immigration laws on preventing terrorism.
SD–226

JUNE 8

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1994 for the Department of the Interior.
S–128, Capitol

Judiciary
Constitution Subcommittee
To resume oversight hearings to examine violence in television programming.
SD–226

JUNE 9

9:30 a.m.
Armed Services
To resume hearings on proposed legislation authorizing funds for fiscal year 1994 for the Department of Defense and the future years defense program, focusing on the defense conversion and reinvestment program.
SH–216

Environment and Public Works
Clean Water, Fisheries and Wildlife Subcommittee
To hold hearings on S. 823, to improve the management of the National Wildlife Refuge System.
SD–406

2:00 p.m.
Armed Services
Nuclear Deterrence, Arms Control and Defense Intelligence Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1994 for the Department of Defense and the future years defense program, focusing on the Strategic Defense Initiative program.
SR–222

JUNE 10

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1994 for the National Aeronautics and Space Administration.
SH–216

JUNE 11

2:00 p.m.
Indian Affairs
To hold hearings on the President's proposed budget request for fiscal year 1994 for the Bureau of Indian Affairs.
SR–485

JUNE 15

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1994 for the Department of Energy.
S–128, Capitol

JUNE 16

9:30 a.m.
Indian Affairs
To hold hearings on the proposed "Indian Fish and Wildlife Enhancement Act."
SR–485

JUNE 18

9:30 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings to examine waste, fraud, and abuse in the Government, and ways of streamlining Government.
SD–192

JUNE 21

9:30 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1994 for the Departments of Labor, Health and Human Services, and Education, and related agencies.
SD–192

1:30 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1994 for the Departments of Labor, Health and

Human Services, and Education, and related agencies.

SD–192

JUNE 22

9:30 a.m.

Indian Affairs

To hold hearings on S. 925, to reform the accounting and management processes of the Native American Trust Fund.

SR–485

JUNE 24

9:30 a.m.

Indian Affairs

To hold hearings on the proposed "American Indian Religious Freedom Act."

SR–485

CANCELLATIONS

MAY 25

2:30 p.m.

Energy and Natural Resources

Public Lands, National Parks and Forests Subcommittee

To hold hearings on S. 273, to remove certain restrictions from a parcel of land owned by the city of North Charleston, S.C., to permit a land exchange, S. 472, to improve the administration and management of public lands, national forests, units of the National Park System, and related areas, S. 548, to provide for the appointment of the Director of the National Park Service, S. 742, to establish the Friends of Kaloko-Honokohau, S. 752, to modify the boundary of Hot Springs National Park, S.J. Res. 78, to designate a segment of beach on Hog Island in Alabama as Arkasas Beach in commemoration of the 206th Regiment of the National Guard, who served during the Japanese attack on Dutch Harbor, Unalaska on June 3 and 4, 1942, S. 851, to establish the Carl Garner Federal Lands Cleanup Day, and S. 971, to increase the authorizations for the War in the Pacific National Historical Park, Guam, and the American Memorial Park, Saipan.

SD–366

POSTPONEMENTS

MAY 25

10:00 a.m.

Indian Affairs

To hold hearings on the President's proposed budget request for fiscal year 1994 for Indian programs within the Department of Education, and the Administration for Native Americans.

SR–485

SENATE—*Tuesday, May 25, 1993*

(Legislative day of Monday, April 19, 1993)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the Honorable PATTY MURRAY, a Senator from the State of Washington.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

*By faith Moses * * * Choosing rather to suffer affliction with the people of God, than to enjoy the pleasures of sin for a season * * * forsook Egypt * * *.*—Hebrews 11:24, 25, 27.

God of Abraham, Isaac and Israel, Moses and the prophets, Jesus and the apostles, God of our fathers—personal sacrifice is inherent in great leadership. At the heart of the Torah is sacrifice—Passover and Atonement. At the heart of the Gospels is the cross. Moses forsook the power, privilege, and pleasure of Egypt's royal family and spent 40 years in the wilderness preparing to save his people from bondage. Jesus "humbled himself and became obedient unto death," that He might save His people from their sin.

God of perfect love, at this time of unprecedented economical, political, and moral crisis, great leadership is demanded. Save us from those whose self-interest dominates their lives. Give us leaders who are prepared to sacrifice personal ambition for the sake of the Nation; who refuse to seek great things for themselves for the sake of the people. Expose to themselves those whose rhetoric has no connection with intention or commitment.

We pray in the name of Jesus who refused to save Himself that He might save His people. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, May 25, 1993.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable PATTY MURRAY, a Senator from the State of Washington, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mrs. MURRAY thereupon assumed the chair as Acting President pro tempore.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 10:30 a.m., with Senators permitted to speak therein for not to exceed 5 minutes.

Mr. DORGAN addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from North Dakota is recognized.

Mr. DORGAN. I thank the Chair.

(The remarks of Mr. DORGAN pertaining to the introduction of S. 1015 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Madam President, I yield the floor.

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from Maine.

Mr. COHEN. I thank the Chair.

(The remarks of Mr. COHEN pertaining to the introduction of S. 1016 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. COHEN. Madam President, I will not take the time, given the limited time we have this morning for morning business, but I will simply call the attention of my colleagues to the introduction of legislation and seek their cosponsorship.

I now yield the floor.

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from Nevada.

KURDS

Mr. REID. Madam President, one of the things I remember well during my time here in the Senate is the debate that took place on this floor regarding President Bush's authority to allow American troops to go and thwart the efforts of Saddam Hussein. It was truly a proud moment of this body and our country.

We halted the aggression of a modern-day Stalin or Adolf Hitler. The problem is we cannot rest on our laurels with regard to Saddam Hussein.

I read in the New York Times yesterday—and I have heard numerous accounts—that Saddam Hussein is planning to attack the Kurds again in northern Iraq. Such an assault can begin as early as next week. We cannot let this happen.

A year ago, the Kurds held a democratic election. One of the people there to count the votes to make sure the vote was conducted fairly and properly was a former Governor of Nevada, Michael O'Callaghan.

I looked at the photographs he took while he was there. I have listened to him recount the stories of his days in the Kurdish areas of Iraq, where people on election day lined up for blocks and blocks, in spite of the threats from Saddam Hussein. They were willing to take a chance and vote, and they did; they now have a democratically elected government.

The United Nations, though, is planning to remove its minuscule peacekeeping force from northern Iraq, and they are planning to do it very soon. What kind of a message does this send to the madman, Saddam Hussein?

I believe, Madam President, that President Clinton and Secretary Christopher should instruct our Ambassador to the United Nations to encourage an increase in the forces, not tell them to leave. We must let Saddam Hussein know we are serious. We must let him know that he cannot get away with murder, as he has most of his adult life.

The United States has already made, as I have indicated, a large investment in this area. We have sacrificed American lives, equipment, and significant amounts of money.

If Saddam Hussein is allowed to invade, or encouraged to invade by our inaction, the entire region will be destabilized.

The New York Times, for example, reports:

"The Iraqi forces have moved long-range artillery, trucks, and tanks up to the front in the last few days," said Jabar Farman, Defense Minister for the Kurdish Government.

Kurds along the front line, which are subject to daily shelling and gunfire, wait nervously.

In nearby Awena, witnesses said Iraqi troops, in a March raid, mutilated and shot 17 people to death.

This, Madam President, is serious.

"The United Nations and America told us to come back, that it was safe," said Nadir Ali, a 22-year-old vegetable vendor. "But now it looks like we are being left alone, us against Saddam. There is nothing we can do in front of an Iraqi attack but run."

Madam President, the Turks and Iranians do not want, cannot support, and

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● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

should not have to support 3.2 million Kurds who will leave in the face of violence from Saddam Hussein.

The Kurds are now low on supplies. The World Food Program and the United Nations have said their supplies are running low. Relief agencies are shutting down.

They are also dealing with a deteriorating infrastructure. Some of the pictures I talked about earlier are certainly graphic, illustrating how this old part of the world is falling apart in the light of the fact that they have had no ability to have a stable government due to the fact that Saddam Hussein continually harasses them. Roads, sewers, bridges, and power lines are all in trouble. There are shortages of basic materials for life.

According to reports, a teacher in northern Iraq makes $10 a month, yet a bag of rice costs $20. They are simply starving to death in front of us.

It is no wonder Saddam Hussein is moving his troops closer. Saddam Hussein is an expert at preying on the weak. He has done it, as I have indicated, his whole life. He did it when he was head of the secret police, where he killed and had killed thousands and thousands of people.

During Saddam Hussein's reign of terror in this region, hundreds and hundreds of villages were wiped out. We all can recount in our mind's eye the gas attacks, where little babies in their mothers' arms were found dead because this man of brutality, this sinister man, allowed gas attacks on these villages.

Are we going to stand by and let women and children flee into the bitter cold mountains? Are we going to allow this to happen again? We cannot allow this to happen. We must increase the U.N. presence, and we must send a message to Saddam Hussein that he cannot do this.

Last year, this body and the other body appropriated $70 million to aid the Kurds. Unfortunately, the Defense Department has refused to implement the plan we directed them to implement. This is a plan that included medical clinics, mobile grain silos, and automatic building machines which would allow these metal buildings to be put up very, very quickly.

We have focused attention, as we should, on 400 terrorists the Israelis expelled. We can see the pictures of them out in the desert air—400 terrorists. Should we not focus a little bit of attention on 3.2 million people who are trying to maintain a way of life they have maintained for over a thousand years? Are we going to turn our head?

I call upon Secretary Aspin to review this situation and take appropriate action.

In addition, we need to consider a winterization program and a long-term basic human needs program. This is the kind of message we should send to Saddam Hussein—that we support the Kurds and that we support democracy.

Unless we want to see the destruction, gas attacks, torture, and execution of people striving for democracy and a chance to live in peace, we had better do something about it. Humanity cannot let the modern-day Stalin flourish. Humanity must not let the modern-day Hilter exercise his sadistic brutality.

Mr. MATHEWS addressed the Chair.

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from Tennessee.

APPALACHIA SERVICE PROJECT

Mr. MATHEWS. Madam President, I rise today to talk about a southern tradition and how one organization is working to pass that tradition on to new generations. When people talk about the South, they often talk about the hospitality of a place where friends and neighbors know one another by name, look after one another and help each other out from time to time.

I am pleased to say this particular southern characteristic is alive and well in Tennessee, and it was on display here in Washington earlier this month.

Early in May, a group of folks from Johnson City in northeastern Tennessee were here on Capitol Hill to receive a National Maxwell Award of Excellence presented by Fannie Mae. The award, which included a $25,000 grant, was recognition of excellence in creating affordable home ownership opportunities for working poor families.

Although this nonprofit group, known as the Appalachia Service Project [ASP] is located in Johnson City, it serves the four States of Tennessee, Kentucky, Virginia, and West Virginia.

The project for which they were being honored happens to be located just across the Tennessee line in Lee County, VA, and it involved building new homes on scattered sites for very low-income families. ASP's roles included acting as contractor, lender, loan packager, home ownership counselor, and social worker if needed.

Originally founded by a church group to help make emergency home repairs for low-income households, Appalachia services added its new homebuilding program in 1985 and has completed 17 new homes as well as 30 major reconstructions in the past 8 years.

Last summer, the group used more than 60,000 church volunteers to repair 250 homes in the area. Costs are kept low—average $34 per square foot—by using their own construction crew combined with extensive volunteer labor from members of churches across the Nation, donated material and land, and upon occasion, sweat equity.

Amazingly, since the beginning of this program, none of these homeowners have defaulted on their mortgages in spite of their very modest incomes. A major reason for this lending success is that ASP provides one-to-one home ownership and maintenance counseling to the families as well as receiving their monthly payments. ASP then pays the mortgage.

The program reaches families whose incomes are so low they cannot qualify for conventional financing yet are a good credit risk. ASP packages financing individually to meet the needs of each borrower. They also arrange for zero to 5 percent interest rate mortgages with various State agencies and lenders.

The Fannie Mae Maxwell Awards of Excellence were created to recognize nonprofit organizations and encourage their work to develop and maintain housing for low-income Americans. For the 5th year, the Fannie Mae Foundation has made grants of $25,000 to each of six nonprofit organizations, judged by an independent panel as having produced the best examples of low-income housing projects during the past year.

As a Tennessean, I am proud to see a Tennessee group reaching out to make the dream of home ownership a reality for working poor families in the Appalachian region. I congratulate them.

Thank you, Madam President, for allowing me to take this time to honor an organization which is working to make the lives of so many, so much better.

Madam President, not noting anyone on the floor seeking recognition, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The absence of a quorum having been suggested, the clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BYRD. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LINE-ITEM VETO IV

Mr. BYRD. Madam President, today I continue in my series of speeches concerning the line-item veto, with particular emphasis on the history of the Romans.

Now, why am I doing this? These speeches do not make any headlines. My staff does not rush out with press releases. The speeches are not expected to make news.

I hope, Madam President, by these speeches to enhance the understanding and the appreciation of all those who will listen—Members of the Senate, Members of the House, representatives of the press, and the public in general. I hope to enhance their understanding of the importance of maintaining a legislative branch that is free of domination from an all-powerful executive, and of the critical role that the power over the purse plays in the constitutional mechanism of separation of powers and checks and balances that was handed down to us by the constitutional Framers in Philadelphia in the year 1787.

Why history? Because many, if not most, of the Framers were conversant with Roman history and with the history of England. They were also very familiar with the political philosophy Montesquieu, whose political theory of checks and balances and separation of powers influenced them in their writing of the Constitution. Montesquieu was also influenced in his political philosophy by the history of the Romans by contemporary English institutions, and by English history. Montesquieu never wrote a history of the Romans, as I have heretofore observed.

And so, Madam President, I proceed, then, with another in my series of speeches on the overall subject of the line-item veto.

In 509 B.C., the Romans switched from a king as the executive to the election of two consuls as dual executives, with equal powers; both to be elected at the same time, each to be elected for a one-year term, and each having a veto over the other consul's actions.

To avoid an overuse of the veto, to avoid its being too frequently applied, the two consuls alternated from month to month in taking charge of the administration when both were in the city. And when both were in the field with the Roman legions, they held the chief command on a day-to-day basis, alternating from day to day.

Thus, we see that the duality and collegiality represented by two consuls, constituted the Roman answer to any possible threat of a return to monarchical rule.

In addition to the two consuls, we noted last week the development of various other magistracies. Today, I would like to add three: The interrex, the Master of the Horse, and the proconsul.

The interrex was an individual appointed by the Senate upon the death of a king, with provisional authority to rule until another king was chosen. Later, in the Republic, an interrex was appointed when both consuls died or resigned—their seats being vacant. And he was to rule with the Imperium, the authority of a consul. He was to have twelve lictors, who would escort him.

The interrex had to be a patrician and he had to be a Senator. His appointment was only for a few days at a time, five days, ten days, so on.

The Master of the Horse was nominated by a dictator who, under the Roman Constitution, could only serve a maximum of six months or until his task was done, whichever was the lesser. The Master of the Horse was nominated by the dictator to serve as his, the dictator's, subordinate. He could take the place of the dictator in the field or in Rome.

The Imperium of the Master of the Horse was a derivative of the dictator's Imperium, and the Master of the Horse ended his commission when the dictator laid down his office.

Now, as to the office of proconsul, in 327 B.C., Quintus Publilius Philo, a consul, was besieging the city of Naples and was about to take it, when his 1-year term of office came to an end. What was to be done? He no longer had the authority to command the armies.

The Roman people voted his continuing Imperium for no more than a year or for such time as was needed to complete his task, whichever was the lesser. Therefore, his command of the army, his Imperium, his office of consul, was continued temporarily into the next year, 326 B.C. It meant that he was to continue as consul for a limited time after his regular term of office as consul had expired.

We have also observed the development, the origins, and the functions of the various assemblies of the people. We have observed that a Roman Senate had existed since the earliest days of the kings. But what about the people's assemblies?

In our own federal system, we have two assemblies. We have two bodies here in the Congress: We have the Senate; we have the House of Representatives.

From the beginning of the era of the kings, there was an assembly of the people. The first assembly was the comitia, meaning "assembly"—the comitia curiae, made up of the curiae. There was the comitia centuriata, which was an assembly of centuries; then, the concilium plebis, or council of the plebeians; then, the comitia tributa, the tribal assembly. And, in the case of each of these assemblies, the convening of the assembly had to be by a magistrate.

The assembly could only vote up or down on the subject matter presented by the presiding magistrate. The assembly could not amend the proposal. The Senate could veto the actions of the people's assembly of the assembly. In order for the actions to become law they, therefore, had to have the ratification or approval of the Senate.

The Senate, therefore, was supreme. We saw that in the fourth century, the plebiscite of Ovinius, a Roman Tribune, was enacted. It presented a formulation of regulations by which individuals were to be enrolled into the Senate as members thereof. The plebisite gives preference to ex-magistrates. So, by law, the censors, who enrolled members into the Senate, were required to give preference to worthy ex-magistrates.

What did this mean? This meant that the exercise of excessive personal or factional influence over the composition of the Senate was curbed. It also meant that the guarantee of a future seat for life in the Senate was an incentive to every magistrate to do his best during his tenure of office, to act honorably and to serve effectively so that he would be considered an individual worthy, when his term of office ended, of enrollment as a member of the Senate.

It also meant that the Senate, albeit indirectly, was popularly elected, because it was made up of ex-magistrates who had had to stand for election before entering upon their various offices—the consuls, the censors, the praetors, the quaestors, and so forth.

It also meant that this Senate, for the most part, being a body of ex-magistrates, would be a gathering of the wisest men in Rome—men who had held high administrative positions in the government, or had commanded armies in the field, or both, before entering the Senate.

The Senate held the power over the purse. It was supreme in financial matters. It regulated the coinage, it determined the rate of tribute, it supervised the revenues and the expenditures, it controlled the aerarium.

The aerarium was the state treasury, located in the Temple of Saturn below the capitol, and was in the care of two quaestors. In the aerarium were the silver and gold ingots, the bronze lumps and bars, and, after 269, the Roman coins that were made of silver and bronze. Some of the other tribes had proceeded with the manufacture of coins before the Romans did. Also, in the aerarium were the papers, the documents of state. It was the receptacle of the senatus consulta. What was a senatus consultum? A senatus consultum was the advice of the Senate to a magistrate. In Republican times, it did not have legislative force, but de facto it was binding.

I said last week that the Roman Senate met from dawn until sunset. The senatus consultum was drafted after the day's session of the Senate, in the presence of the presiding magistrate and in the presence of witnesses, included among whom was the proposer, or author of the senatus consultum.

The senatus consultum contained the name of the presiding magistrate, the date, the place of assembly, and the terms or substance of the senatus consultum. It indicated the number of Senators who were present when the senatus consultum was approved. It also gave the names of witnesses to the drafting of the senatus consultum, and it included the capital letter "C," indicating that the Senate had given its approval. The texts of the Senators consulta were deposited in the aerarium.

Plutarch writes that before the consulate of Marcus Tullius Cicero, there were no shorthand writers. Cicero lived between 106 B.C. and 43 B.C. Cicero had recruited a number of the swiftest writers, and he taught them the art of abbreviating words by characters. He placed them in various parts of the Senate house. The records were filed in the aerarium.

Madam President, from the very earliest times, the Romans seemed to be incessantly involved in fighting battles with neighboring tribes. From time to time, the Romans would lose a battle, but they always won the war.

One such battle was the Battle of Caudine Forks in 321 B.C. It took place during the Samnite wars. Gaius Pontius was the general leading the Samnites on this occasion. The two Roman consuls were Titus Venturius Calvinus and Spurius Postumius. These two Roman consuls and their armies were on their way to Luceria. There were two routes by which they could go, but the Samnite general lured them into choosing the shorter, and the more dangerous, of the two routes.

The route that they chose led through two gorges—steep, wooded, and narrow. Between the two gorges, there was a wide, grassy plain. The road ran through the center of this valley.

The Romans passed through the first gorge and emerged into the valley. As they proceeded to the second pass, they found it blocked by a barrier of large rocks and fallen trees. At the head of the pass, they noticed some armed men, and it was apparent that they had fallen into a trap. They quickly retreated to the other gorge from which they had entered into the valley, and they found it, by then, likewise, barricaded with rocks and controlled by armed services.

Every effort to extricate themselves was in vain. Finally, their supplies ran out, and they were driven to attempt to make a reasonable, honorable peace. The two consuls consulted with Gaius Pontius, the enemy general, who stated that he was prepared to make a treaty if the Romans would vacate Samnite territory.

The two consuls insisted that they were not authorized to make a treaty without the approval of the Roman people. The Romans were ordered to leave immediately and to lay down their arms.

The two consuls were ordered to dismiss their lictors and to remove their cloaks, their General's cloaks. Then the two generals were forced to walk under the yoke. The yoke was two spears erected vertically a few feet apart, with a third spear across the two upright spears.

This was the yoke. And the legions, made up of 20,000 Romans, were forced to march under the yoke. They had to bend to go beneath the yoke. And they were stripped of every bit of clothing, except for a single garment. They were forced, therefore, to walk half-naked beneath the yoke, while on each side, the enemy soldiers were armed and stood there cursing and taunting the Roman legions as they marched beneath the yoke.

The expressions on the faces of Romans, imaginably, were expressions of humiliation and embarrassment, the expressions of captives. They entered the city of Rome far into the night and stole away, each to his own house. The next day, not one of them ventured forth into the forum or into the public streets. It was a terrible defeat for the Romans. But, as Montesquieu said, the Romans "never sought peace except as victors. They always increased their demands in proportion to their defeats."

The more disastrous a defeat, the more the stakes went up, the more the Romans increased the ante, the more they increased their demands on the enemy. They were an indomitable people.

The Samnite wars, which continued sporadically from 343 B.C. to 290 B.C., ended with the Romans victorious. It was apparent then that the Romans, having conquered the Samnites, who were an ancient people in southern Italy, living in the Apennines, intended to extend their sway throughout the whole peninsula.

The rich Greek city of Tarentum resented the penetration of the Romans into southern Italy. The Romans had established a garrison at Thurium, not far from Tarentum, and the Romans enhanced that garrison by providing a squadron of ten galleys to cruise in the Gulf of Tarentum.

One day, the Tarentines saw these galleys at the entrance of the port in the Gulf of Tarentum. The Tarentines immediately manned their own vessels, went out and attacked the Roman squadron, destroyed four of the galleys, took one, and butchered the crew. Emboldened by this seemingly easy success, they then drove out the garrison from Thurium and plundered the city.

Shortly thereafter, a Roman ambassador, Lucius Postumius Megellus, appeared and demanded reparations. He had been sent by the Senate. The Tarentines gave him an audience in the theater, and he used such Greek as he could command. He did not do very well with the language. Each time he placed the wrong accent on a word, the Tarentines would burst out in a laugh. And when he remonstrated, they laughed all the more. They called him a barbarian and, at last, hissed him off the stage.

As the grave Roman senator retired, a Tarentine, who, by his constant drunkenness, had been nicknamed the "Pint-Pot," came up to Megellus with gestures of the grossest indecency and bespattered the senatorial gown with filth. Megellus turned to the multitude and held up the bespattered gown, as though appealing to a universal law of nations. At this sight, the Tarentines burst out in even greater laughter. They set up such a loud laugh as shook the theater. Megellus paused. "Men of Tarentum," he said, "laugh. Laugh now. It will take not a little blood to wash this gown."

By the way, this incident is mentioned in one of "Macaulay's Lays of Ancient Rome."

The Romans then advanced on Tarentum. The Tarentines invited Pyrrhus, a Greek general, to descend upon Italy. Pyrrhus was king of Epirus and was the most able of all of those who claimed to be the heirs of Alexander.

His words, when he saw the encampment of Romans, were full of meaning: "These barbarians have nothing barbarous in their military arrangements."

He sought to negotiate with the Romans. He proposed that if they would leave Tarentum and the other Greek cities, free, and if they would restore to the Samnites, the Apulians, the Lucanians, and the Bruttiums, the cities and the land which the Romans had taken from them, he then would offer to enter into an alliance with the Romans.

But the Romans repelled every offer. Pyrrhus had brought with him 25,000 men, well trained in the Macedonian battle formation. He had also brought 20 elephants. The Romans were not prepared for the onset of the elephants. This is the first occasion on which elephants had been seen on the Roman Peninsula. Alexander had encountered elephants in his battles with Darius the Third, at Issus in 333 B.C., and at Arbela, sometimes referred to as the battle of Gaugamela, in 331 B.C.

The Romans, as I say, were not prepared for the elephants. The battle of Heraclea was lost by the Romans. Pyrrhus won, but at great cost. At the conclusion of the battle, he exclaimed, "Such another victory, and we are undone."

Pyrrhus, in crossing the Adriatic, had counted on an easy war. Instead, he had met with the most redoubtable of adversaries. He renewed his peace proposal to the Romans. He offered again the same proposal, but this time he added a provision that he would free all Roman prisoners without ransom.

Cineas, the philosopher, was charged by Pyrrhus to submit the proposals to Rome. Cineas spoke before the Roman Senate. He had brought with him bribes for Roman Senators, and rich robes for Senators' wives. But he found no takers. He found no one venal, but he made an eloquent speech to the Roman Senate.

Pyrrhus had said that the eloquence of Cineas had gained for him, Pyrrhus, more cities than had been gained by arms. Cineas almost persuaded the Roman Senate to accept the peace proposals by Pyrrhus.

Appius Claudius Caecus was a renowned Roman who has been compared to the aristocratic founders of Athenian democracy. When he was censor in 312 B.C., he enrolled in the Senate several persons of low birth, plebeians, and the sons of freedmen. He did this in order to get their votes, their support for his plan to build a highway, the Via Appia, into southern Italy, and his plan to construct the first aqueduct, the Aquae Appia. The cardinal feature in the policy of Appius Claudius Caecus was to enlarge Roman control over the entire Italian Peninsula.

When Caecus heard that the Romans in the Senate were about to be convinced by the silver-tongued Cineas, he had his servants carry him to the Senate house, whereupon his sons and sons-in-law led him into the Senate. He was old. He was blind. When Ceacus—who had been censor, consul, proctor, interrex, and dictation—entered the Senate, he was met with a silence of respect.

He said, as related by Plutarch:

"Hitherto, I have regarded my blindness as a misfortune. But today, Romans, I wish I were as deaf as I am blind. For then, I would not have heard the reports of your shameful counsels and decrees, so ruinous to the glory of Rome. You tremble at the name of Pyrrhus. Do not expect that, to enter into an alliance with him, you will rid yourselves of him. That step will only open a door to many invaders. For who is there who will not despise you and think you an easy conquest if Pyrrhus not only escapes unpunished for his insolence, but also gains the Tarentines and Samnites as a reward for insulting the Romans? Tell Pyrrhus to leave Italy. Then we will talk with him."

When Caecus concluded his speech, the Senators voted unanimously to continue the war. They told Cineas that if Pyrrhus continued to stay in Italy, he would be pursued with force, even though he should have defeated a thousand Laevinuses—Laevinus having been the Roman consul who was defeated at Heraclea. They ordered Cineas to leave town that day, after they had levied two additional Roman legions right before his eyes.

Cineas was impressed. The sight of this great city, its austere manners, and its patriotic zeal struck Cineas with admiration. And when he had heard the deliberations of the Senate and observed its men, he reported to Pyrrhus that here was no mere gathering of venal politicians, no haphazard council of mediocre minds, but in dignity and statesmanship, veritably "an assemblage of kings." Cineas told Pyrrhus that it would be a mistake for Pyrrhus to continue in this war with the Romans, because they were in such great numbers, they could create new legions so fast that Pyrrhus would find himself engaged in a war with the Lernaean hydra, which was a serpent or a monster with nine heads that lived in the marshes near Lerna. According to legend, each time Hercules had cut off one head, two more appeared, unless the wounds were cauterized.

Pyrrhus fought a second battle at Asculum with the Romans in 279. The Romans were defeated again, with great losses on both sides. But in 275, the Romans defeated Pyrrhus at Beneventum, and he returned to Epirus with only a third of his expeditionary force. In 272, Tarentum fell, conquered by the Romans. With its fall, the Romans, who had founded the little fledgling city on the banks of the Tiber 500 years before, now controlled the entire peninsula from the Po Valley in the north to the Ionian Sea in the south, from the Tyrrhenian Sea on the west to the Adriatic on the east.

What was the secret of their success? Well, of course, the major secret—and there were several secrets of their success—the one which I will mention today was their superior military system. The consuls commanded the armies in the field. The consuls may not have been always great, or even good, generals, but they were always soldiers of experience, because it was a requirement of a candidate for office in Rome during the republic that he had to have a record of at least 10 military campaigns. And the subordinates of the consuls, the military tribunes, were also veterans, because they, too, had to experience 5 or 10 campaigns.

But the main factor in the military success of the Romans was the iron discipline—the iron discipline and respect for authority that the Romans had learned first at the hearth in the home. The Consular Imperium gave to its holder absolute power over the soldier in the field, and the penalty of neglect of duty, cowardice, or disobedience was death.

There is one example I shall mention here that will suffice. In 340 B.C., the Roman armies were fighting the Volscians, Campanians, and the Latins. The Roman armies were encamped near the city of Capua in southern Italy. The two Roman consuls were Decius and Titus Manlius Imperiosus Torquatus. The Roman consuls felt that, if there ever were a time when military discipline was vitally important, it was on this occasion, because they were fighting against people who had the same language, customs, weapons, and the same battle tactics. Many times, the common soldiers, the centurions, the tribunes, had mingled and fraternized together in the same companies with the enemy. Therefore, the two consuls felt that, in order to avoid confusion that might end in a terribly disastrous error, they should pronounce an edict that no Roman should leave his rank to attack the enemy until commanded or ordered to do so by the Roman consuls.

The edict was issued. The soldiers then went out upon patrols, reconnoitering the territory, and the leader of one of these Roman patrols was Titus Manlius, the son of Titus Manlius Imperiosus Torquatus, the consul. Young Manlius and his squadron came near to the enemy. The commander of the cavalry of the enemy was named Geminus Maecius. As he saw the Roman patrol approaching, he recognized the leader of the patrol as the son of the Roman consul. He challenged Titus Manlius to fight. The other soldiers stood back, and Titus Manlius, in the anger of the moment, forgot the edict of the consuls and rushed forth to do battle. The two horses and their riders rushed toward one another. Titus Manlius charged with such force that he drove his spear into the mouth of Geminus Maecius, and it emerged between his ribs. Titus Manlius then removed the spoils of the enemy and carried them back to the tent of his father, the Roman consul. When he told his father what had happened his father turned his back on his son and ordered that the trumpet be sounded for an assembly.

When the assembly had gathered, the father then turned to his son and said: "You, Titus Manlius, have respected neither the edict of the consuls nor the authority of your father. You have undermined the military discipline upon which Roman power has always depended. Because of this, it is better that we be punished for our sins than that the republic suffer to atone for our transgressions. I am affected both by the inborn love of a father and by these tokens of your courage. But the orders of the consuls must either be confirmed by your death or be forever nullified by your immunity. Go, lictor, bind him to the stake!"

This was the "Manlian discipline" that was so often referred to by posterity. It was a harsh discipline, but it taught Roman soldiers to be obedient to the orders of their commanders. And it was said that Roman soldiers feared their commanders more than they feared the enemy, because they knew what the penalty would be for disobedience, for cowardice, or for neglect of duty.

Now, Mr. President, with the unification of all Italy we have brought the Romans to the point where they were becoming increasingly involved in international affairs. But for now, let us just reminisce in these last few minutes.

We have seen a Roman system develop through chance, experience, trial and error; a Roman system of checks and balances—the veto of each consul as against the acts of the other, the veto of each plebeian tribune as against the acts of the other, or the acts of the consuls. We have seen the origin and development of the assemblies of the people. We have also seen that their legislative actions could not become law without the approval of the Senate—another check and balance.

We have seen the Senate as an institution that existed from the beginning, from the very first king, the legendary king Romulus, who appointed 100 of the wisest men to the Senate. We saw its membership increase by 100 under Tarquinius Priscus, and we saw the membership increase by an additional 100 under the first Roman consul, Lucius Junius Brutus in 509 B.C.

We saw the Senate supreme. We have noted that it had absolute control over the purse. We have noted that it was free from the domination of any consul, free from domination by the executive.

We have seen the separation of powers in the Roman system—the consuls, the tribunes, the quaestors, the praetors, the aediles, the interrex, the proconsuls, the Master of the Horse, and so on—some to act as judges, some to act as administrators, some to act as legislators in assemblies, some in the Roman Senate.

The Senate had control over the treasury, while the assemblies declared war or peace. It was the Senate that waged war. We have seen the Senate wage wars—with the Tarentines, the Samnites, the Apulians, the Lucanians, and with Pyrrhus.

We have seen a Senate that was made up of wise men, the wisest in the state, wisest because they were selected through the process of experience that guaranteed that there would be a body of men who had held command of the armies in the field, and others, who had held high positions in government. A pillar of strength—that was the Roman Senate.

We have marvelled at the respect for authority and the imposition of discipline that began with the child in the Roman family, in the home—not only a respect for authority, but also a reverence for the gods. They were pagan gods, to be sure, but there was reverence for the gods.

It was that respect for authority, that discipline, that reverence for the gods, that made the Roman character what it was and made the Romans so victorious in battle.

Each Roman believed that Rome had a good-decreed destiny to be fulfilled, and each Roman believed that it was his personal duty to assist in achieving further that destiny, the destiny of his country.

We can see so many parallels in the long Roman history with our own beginnings in our own country. And as we proceed, we shall see the continuing ascendancy of the Roman state and the Roman people, and then the beginning of the decline, a slow but fatal decline.

We will find that as long as the Roman Senate was independent of the dominance of any body of persons or the dominance of any executive, Rome grew in strength and influence. We will also see that when the Roman Senate declined and was dominated by an all-powerful emperor and by the praetorian guard—Rome also declined.

Mr. President, I yield the floor.

MAX WARBURG COURAGE CURRICULUM

Mr. KENNEDY. Mr. President, I rise today to recognize an excellent program in the Boston public schools.

The Max Warburg Courage Curriculum defines, discovers, and celebrates courage as an enabling virtue for 4,200 sixth graders in the Boston public schools.

The Max Warburg Courage Curriculum honors the life of Max Warburg, a Boston sixth grader, who showed extraordinary courage through his life and battle with leukemia. His courage was most evident when he led bone marrow donor recruitment drives under the banner Max+6000 for the National Marrow Donor Program. Along with representing his own needs, Max gave hope to the 6,000 others facing such life threatening blood diseases. "Even if you are not helping me you are helping someone else" he said in a television interview, "It is so simple." As the result of Max's leadership, inspiration and the forces he marshaled, the National Marrow Donor Program increased its donor pool by 2 percent.

The curriculum was developed during the summer of 1991, 2 months following Max's death, by the Boston public schools. The curriculum schedule begins with teacher orientation and workshops and ends with a mid-May award ceremony for the participating teachers and students. The students begin the program with a videotape about the story of Max Warburg, followed by reading the year's novel selected for its presentation of courage. The "Bridge to Terabithia" by Katherine Paterson and "Roll of Thunder, Hear My Cry" by Mildred Taylor are the novels selected to date for 1992, and 1993, respectively. From this and classroom discussion the students set out to write about their own perception and experiences with courage. From the essays submitted, 23 of the best at describing "Courage in My Life" are selected by a panel of 25 Boston writers. The selected essays are published in the volume "The Courage of Boston's Children" and their authors become Max Warburg fellows.

The curriculum was created through the efforts of Charlotte Harris, Martha Gillis, and Peter Golden of the Boston public schools, and the financial support of Max's parents, relatives, and friends. Through their desire for a commemorative program which would reflect Max's spirit and their collaborated efforts, they initiated a values, literature, and writing curriculum. The Max Warburg Curriculum is the first privately sponsored program for the Boston public schools.

Underwriting this curriculum cost between $50,000 and $75,000 per year. Expenditures are guided by the advisory committee which include Jonathan and Stephanie Warburg, Mrs. Nicholas Bright, Dr. Robert Coles, Nancy Condit, Susan Coppedge, Ann T. Hall, Jane Harman, Kasey Kaufman, Alexandra Marshall, Beth Pfeiffer McNay, David Rockefeller, Jr., Suzanne Rothschild, Deanne Stone of the Foundation for Children's books, Nina Thompson, and at its leadership.

The greatest courage may be that which is needed to follow your own vision. For the students to recognize courage within themselves and to recognize their own capacity to learn through literature by the goals of this curriculum. The vision of the founders is that the curriculum will become a permanent part of the literature curriculum of the Boston public schools and in time other schools, public and private, will be able to adopt the Max Warburg Courage Curriculum.

PROTECTING THE AMERICAN MILITARY FROM BECOMING THE NEW AMERICAN POOR

Mr. MCCAIN. Mr. President, now that we have had the opportunity to fully examine some of the budget proposals made by President Clinton, I believe that it is essential that we take a more detailed look at the impact of his effort to cut military pay as a method of funding his domestic spending program. Both the administration and the Congress need to fully understand the implication of such pay cuts, and the obligation we owe to the men and women who volunteer to risk their lives for their country.

We need to understand that the men and women in our Armed Forces are not some procurement program that we can fund or cut without human consequences. We need to recognize that their jobs are real and serve a vital national need, and that they are not some form of laboratory rats that can be used for interesting social experiments.

We are talking about real people with lives and families. If they differ from the rest of the American people, it is only in their exceptional dedication to public service and their willingness to risk their lives. If their jobs differ from ordinary jobs, it is only in that they involve exceptional risk and hardship for what—in the past—has been an exceptional degree of job security and the promise of an early pension.

The military do, however, work under conditions that offer them less legal and political protection than most American workers. They do not have an enforceable contract with the President or with the U.S. Government. They not only live with the constant risk of combat deployments, they have no legal protection against actions by the administration or the Congress that suddenly alter their job security, hope of pension, pay and benefits, or any other terms of services.

This point has already been driven home by the manpower cuts that have occurred as a result of the end of the cold war. Military personnel and their families face a time of great turmoil. A job that seemed to be a lifetime career with a guaranteed pension now is one filled with firings and the loss of pension rights. Military moves have tripled in many units—costing wives their jobs and families a second income. Tours of duty are growing longer.

The issue of gays in the military, and the widening role of women in combat, threaten further major changes. Many elite specialties are now being phased out as a result of the end of the cold war. Many military benefits have been cut by 66 percent in the last 3 years.

Major cutbacks in recruitment and retention have a disproportionate effect on minorities, who have far fewer civilian opportunities. During the last 5 years, for example, the number of voluntary minority separations from the military has doubled, and the number of involuntary separations has tripled.

This is why we need to be extraordinarily sensitive to the pay cut issue. A slash and burn approach to cutting the defense budget hurts people and local economies, as well as undermines morale and our national security.

It is bad enough to treat civilian employees as if they somehow caused the deficit or the current recession, or as if their jobs and lives could be sacrificed for a vaguely defined jobs program. Federal employees are generally paid less than their civilian counterparts, and many barely earn enough to maintain a normal or middle-class lifestyle.

This is even more true of the men and women in the U.S. military. They also have already suffered a major drop in living standards as a result of past failures to provide them with increases in pay for inflation or to keep pay comparable with increases in civilian pay. The services estimate, for example, that annual military pay increases have already lagged 7.8 percent behind inflation in the last 10 years, and 11.7 percent behind the increases in pay in the private sector.

To put the impact of such trends in perspective, the lowest enlisted rank, an E-1, earns as little as $9,533 per year, plus $1,019 in allowances. Even many sergeants earn less than $20,000, while few earn more than $25,000. These personnel are exceptionally dependent on the base facilities and services provided to the military, but they have also seen a steady cutback in the quality of recreational and medical facilities provided to the military, as well as in the other support facilities provided to service men and women. As a result, the military services estimate that some 20,000 enlisted men and their families are now eligible for foodstamps.

This cut in real pay relative to inflation and increases in civilian pay has occurred at a time when such personnel have lost other critical aspects of their economic security. As I have touched upon earlier, our military used to have two compensations for the sacrifices they made in serving their country and risking their lives. The first was career security, and the second was a pension at the end of their careers.

During the last few years, we have deprived many enlisted personnel of this job security and the promise of a pension. For example, 178,000 military personnel left military service last year. Enlisted voluntary separations in the Army—most of which involved no real choice by the individual involved—rose from 66,800 in 1991 to 128,100 in 1992. Air Force separations of all kinds rose from 43,500 to 63,000.

The cuts in the other services were far less severe, but all enlisted personnel and junior officers know that the cuts will be much sharper over the next 4 years. Hundreds of thousands of men and women will have to leave military service years before their careers end, and often without a pension.

Other aspects of President Clinton's proposed deficit reduction program are making this situation far worse.

Up to 400,000 additional men and women, and their families, will now have to leave military service by the end of 1998.

Many will have to be denied even the dignity of voluntary separation or will be forced to volunteer with little or no warning.

Many will be forced to leave the service so that domestic programs can be funded that will create fewer jobs than they destroy, or fund programs with little or no benefit to either our economy or our security.

No matter how dedicated and patriotic our men and women in uniform are, this already is having an impact on military readiness. Military capability is a function of morale even more that it is a function of material and technology. A military force is only as effective as its personnel, as their motivation, and as their career structure.

If President Clinton's proposed pay cuts are ever implemented, they will make this situation much worse:

President Clinton's new budget deficit reduction plan calls for a 1-year freeze on military pay and benefits in fiscal year 1994, and a for a 1-percent reduction in the annual pay raise calculated on the basis of the employment cost index for fiscal years 1995–97.

Since the annual pay increase is already one-half percent below the employment cost index, this means that the growth in military pay will fall 10 percent behind inflation, and 19.9 percent behind the growth in private sector pay, during fiscal years 1993–97—the same years that will see devastating cuts in total personnel.

It is important to understand that what President Clinton proposed was a cumulative process of annual cuts. This is why the CBO estimated that the military would lose $1 billion in outlays for pay in fiscal year 1994, $1.8 billion in fiscal year 1995, $2.4 billion in fiscal year 1996, $3.1 billion in fiscal year 1997, and $3.3 billion in fiscal year 1998.

It is also why the CBO estimated the total loss of military and civilian pay as $2 billion in 1994, $3 billion in 1995, $4 billion in 1996, $5 billion in 1997, and $5 billion in 1998.

Another way of putting military salaries in perspective is to consider the number of personnel who earn less than $20,000—a relatively low salary for a decent life in much of the United States. If we only count pay, and not basic allowances for quarters and subsistence, there are 399,000 in Army, 332,558 in Navy, 137,900 in Marine Corps, and 259,400 in Air Force who earn less than $20,000. Even if we do count all allowances, many enlisted men and women still earn less than $20,000 per year.

The number of military personnel earning less than $20,000 per year, and include the value of free housing and all allowances, get over 302,600 for Army, 136,900 for Navy, 83,600 for the Marine Corps, and 78,600 for the Air Force. This is a total of 601,900.

The number of men and women earning less than $20,000 per year with all allowances compromise approximately 45 percent of Army, 45 percent of Marine Corps, 26 percent of Navy, and 18 percent of Air Force. Of this total, 118,000 are minorities, 111,600 have families, and 6,515 are single parents.

These are not the people who should bear a special burden in deficit reduction. They are not the kind of people of whom it is fair to ask new sacrifices after years of failing to give them the pay raises they have earned. Putting on a uniform does not mean wealth or security, or that any man's or woman's true income should be forgotten for the convenience of those who have never really understood or cared about the military.

The new military poor, however, are only part of the human factor we should consider in evaluating military pay cuts. Men and women who volunteer to serve their country not only have a right not to be poor, they have a right to decent pay.

There is no clear standard for middle-class income in the United States, but $30,000 is a reasonable annual income for a decent middle-class life. If we use such a figure, it is clear that the hardships imposed by President Clinton's pay cuts would affect even more Americans.

Seventy to eighty percent of all enlisted men and women earn less than $30,000 per year. Roughly three-quarters of all military personnel in the United States barely qualify for middle-class living standards or fall below them.

Seventy-seven percent of all Air Force enlisted personnel, and 64 percent of all Air Force personnel, earn less than $30,000 a year. We are talking about 283,000 men and women in Air Force uniform earning less than $30,000 a year. We are talking about 46,000 black Air Force servicemen, 10,000 Hispanics, 9,000 other minorities. 65,000 in all. Further, 130,000 of these personnel have families, and 5,500 are single parents.

Each service has a different mix of personnel and specializations, and the Marine Corps is less well paid than the Air Force. Over 85 percent of all enlisted Marines earn under $30,000—some 154,000 men and women. This total includes 31,200 black marines, 13,000 Hispanics, 6,000 other minorities: 50,000 in all. It includes 73,000 marine families, and 4,300 single parents.

The Army has 438,000 enlisted personnel earning less than $30,000. Approximately 175,000 of these men and women, or 40 percent, are minorities. Some 224,000 are married and 26,000 are single parents.

The Navy has 396,000 men and women earning less than $30,000 a year, of which 387,000 are enlisted personnel. These totals include 80,800 black Americans, 31,500 Hispanics, and 1,500 other minorities for a total of 115,000. Roughly 191,000 of these Navy personnel have families, and 12,300 are single personnel.

If we add all of these figures together, we are talking about significant—almost uncaring—damage to the lives of over 1.1 million enlisted men and women and their families. This is simply too large a total to ignore.

We must never again violate the trust of an all volunteer military. We must not single them out for further sacrifice, any more than we should single out career civil servants. We must not treat them as if the only thing that mattered about them was the total cost of their pay, and they were not real human beings with some of the most vital jobs in our country.

The cost of preserving that trust is also affordable—particularly when we remember that we are preserving well-earned jobs as well as national security. We are talking about additional expenditures of $1 to $3 billion a year.

If the rate of cuts in the budget of the Department of Defense can be reduced by $2 to $5 billion to compensate for undercosting of the defense program—as Secretary Aspin recently recommended—it should be possible to protect military pay as well.

If defense spending cuts are vitally necessary, then we could act immediately to kill useless expenditures like paying $2.14 billion for a third Seawolf, or locking ourselves into an effort that would protect one small part of the industrial base at the cost of over $3 billion for each new submarine. This one change in the defense budget would largely eliminate the need for military paycuts.

I would hope that each of my colleagues will consider these facts. I also hope that each of my colleagues would examine the detailed tables that I have asked the services to prepare on the number of low paid military personnel in their service, and the impact of previous cuts in defense spending on accessions and separations. Mr. President, I request that these tables be included in the RECORD in full following the end of my remarks.

Gen. George Marshall said of our treatment of the American military after World War II that, "It was no demobilization. It was a rout." It would be as great an error to end the cold war with a disregard for the needs and morale of our volunteer forces. No amount of technology, no amount of infrastructure, no amount of weapons and munitions can ever substitute for human excellence, for human courage, or for human decency in the way we treat our men and women in uniform.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ARMY DATA ON THE IMPACT OF THE FEDERAL PAY RESTRAINT ACT OF 1993

Grade	Personnel	Black	Hispanic	Other	Married	Single parent
Active duty earning less than $30,000 per year [BP&A]:						
O–1	8,127	894	244	406	2,032	163
WO–1	2,017	182	40	141	1,009	81
E–6	74,872	28,451	4,492	4,492	61,395	5,990
E–5	99,104	36,668	3,964	4,955	75,319	7,928
E–4	141,989	44,017	5,680	7,099	72,414	8,519
E–3	58,038	13,349	2,902	2,902	16,251	1,875
E–2	38,452	7,690	2,307	1,538	7,690	345
E–1	25,843	5,944	1,809	1,034	4,135	1,034
Total	448,442	137,195	21,438	22,568	240,245	26,435
Percent		31	5	3	54	6
Adtive duty earning less than $20,000 per year [BP]:						
E–6	35,488	13,486	2,129	2,129	29,100	2,839
E–5	99,104	36,668	3,964	4,955	75,319	7,928
E–4	141,989	44,017	5,680	7,099	72,414	8,519
E–3	58,038	13,349	2,902	2,902	16,251	1,875
E–2	38,452	7,690	2,307	1,538	7,690	848
E–1	25,843	5,944	1,809	1,034	4,135	1,034
Total	398,914	121,154	18,791	19,658	204,910	23,041
Percent		30	5	5	51	6

	Total separations by fiscal year						
	1986	1987	1988	1989	1990	1991	1992
Enlisted Involuntary Separations							
Black:							
Male	7,796	6,853	7,206	7,327	7,273	5,941	6,491
Female	699	768	904	965	1,066	935	871
Hispanic:							
Male	639	643	619	625	520	477	606
Female	42	39	42	40	47	41	56
Other:							
Male	22,409	19,749	18,596	19,210	19,013	15,991	17,698
Female	1,904	1,861	1,858	2,011	2,083	1,940	1,934
Total:							
Male	30,844	27,245	26,421	27,162	26,806	22,409	24,795
Female	2,645	2,668	2,804	3,016	3,196	2,916	2,861
Enlisted Voluntary Separations							
Black:							
Male	21,132	22,037	20,664	16,525	18,866	14,382	36,712
Female	3,824	4,373	4,236	3,970	4,658	4,398	6,942
Hispanic:							
Male	2,902	2,912	2,688	2,360	2,525	1,943	4,456
Female	270	257	228	236	271	258	344
Other:							
Male	71,205	68,723	63,123	65,609	64,130	50,461	86,958
Female	8,632	8,500	7,623	7,945	8,168	7,345	8,527

	Total separations by fiscal year						
	1986	1987	1988	1989	1990	1991	1992
Total:							
Male	95,239	93,672	86,475	84,494	85,521	66,786	128,126
Female	12,726	13,130	12,087	12,151	13,097	12,001	15,813

Note.—"Afro-Americans" is not a specifically tracked Racial Ethnic Designator Category (REDCAT) grouping. The "Black" REDCAT grouping includes non-Hispanic soldiers. Voluntary separation figures include retirements, but exclude discharges for the purpose of immediate reenlistment.

IMPACT ON MINORITY RETENTION (OFFICERS)

	Fiscal year							
	1985	1986	1987	1988	1989	1990	1991	1992
INVOLUNTARY SEPARATIONS								
Afro-Americans	224	257	316	294	290	313	184	220
Male	166	196	262	234	223	235	134	168
Female	58	61	54	60	67	78	50	52
Hispanic	32	20	41	32	37	35	26	38
Male	31	16	36	26	32	30	18	33
Female	1	4	5	6	5	5	8	5
Other	59	53	87	83	88	54	74	60
Male	47	42	70	73	59	52	63	42
Female	12	11	17	10	9	2	11	18
Total (priorities and whites)	1,301	1,292	2,058	1,962	1,937	1,901	1,241	1,410
Male	1,139	1,111	1,810	1,700	1,677	1,674	1,015	1,179
Female	162	181	248	262	260	227	226	231
VOLUNTARY SEPARATIONS								
Afro-Americans	496	596	581	528	543	579	464	960
Male	388	459	456	413	437	459	351	767
Female	110	137	125	115	106	120	113	193
Hispanic	96	108	68	97	96	125	83	206
Male	87	90	54	80	83	107	69	178
Female	9	18	14	17	13	18	14	28
Other	157	166	183	178	199	210	213	367
Male	124	131	151	152	171	174	185	325
Female	33	35	32	26	28	36	28	42
Total	6,669	7,346	7,536	7,407	7,436	8,326	6,359	11,505
Male	5,889	6,498	6,691	6,527	6,835	7,312	5,461	10,163
Female	780	848	845	880	801	1,014	898	1,342
OTHER								
Afro-Americans	41	44	55	22	20	24	109	56
Male	35	34	49	19	17	22	89	47
Female	6	10	6	3	3	2	20	9
Hispanic	1	4	3	4	3	2	21	20
Male	1	3	2	4	3	2	18	19
Female	0	1	1	0	0	0	3	1
Other	6	7	9	5	5	5	32	27
Male	6	5	7	2	5	4	25	24
Female	0	2	2	3	0	1	7	3
Total	234	286	304	203	171	205	664	679
Male	213	257	278	187	149	187	570	600
Female	21	29	26	16	22	18	94	79

IMPACT ON MINORITY RECRUITING

	1985	1986	Actual		Total Annual Recruiting			1992	1993
			1987	1988	1989	1990	1991		
Afro-Americans:									
Male	21,453	24,840	25,318	23,137	24,794	17,634	11,949	11,687	12,247
Female	5,191	5,290	6,120	5,785	6,905	5,033	3,757	4,270	3,247
Hispanic:									
Male	3,703	4,758	5,258	5,005	5,874	4,806	4,172	4,376	4,405
Female	400	516	622	607	827	683	599	773	839
Other:									
Male	3,528	4,123	3,495	2,980	3,132	2,312	2,047	2,034	2,490
Female	595	589	552	555	546	399	419	432	474
Total:									
Male	28,684	33,721	34,071	31,122	33,800	24,752	18,168	18,097	19,142
Female	8,186	6,395	7,294	6,947	8,278	6,115	4,775	5,475	4,560

NAVY DATA ON THE IMPACT OF THE FEDERAL PAY RESTRAINT ACT OF 1993

	Earn less than $30,000	Minorities				Number with families	Number of single parents	Food stamps	Annual dollars loss with freeze
		Black	Hispanic	Other/unknown	Total				
O–1 (less than 3 years of service)	7,857	476	304	62	842	2,554	61	[1]	577
H–6 (less than 14 years of service)	54,400	12,204	3,211	676	16,091	46,692	4,053		623
H–5	96,570	19,030	6,195	481	25,706	65,711	3,991		532
H–4	99,067	20,962	8,324	148	29,434	44,596	2,661		451
H–3	55,891	15,526	6,090	86	22,502	10,629	1,178		399
H–2	41,769	6,839	3,820	33	10,692	7,445	251		377
H–1	39,241	5,730	3,555	4	9,289	5,556	119		340
Total	395,625	80,767	31,499	1,490	114,556	191,103	12,314		NA

[1] From a DOD paper on the Food Stamp Program . . . "For a family of four, the current gross annual income limit to be eligible for the Food Stamp Program under Department of Agriculture guidelines income limit to be eligible for the Food Stamp Program under Department of Agriculture guidelines $16,510. In 1992, an E–2 with less than 2 years of service and a family size of four will receive $16,530.85 in basic pay and allowances, and would therefore not qualify for food stamps. According to our recently completed estimates, approximately. .94 percent of the active duty force, or about 19,740 members/households [qualify for food stamps]. If all military members, living on- or off- base were treated equally by the USDA in counting the value of housing received (currently on-base housing is not included in the income calculation), the number of eligibles would decrease to 0.55 percent, or 11,532 hosueholds out of an active duty force of approximately 2.1 million."

Note.—Total earning less than $30,000 (395,625) is 75 percent of total force, 85 percent of enlisted.

NAVY DATA ON THE IMPACT OF THE FEDERAL PAY RESTRAINT ACT OF 1993

	Earn less than $20,000	Minorities making below $20,000				With families	Number of single parents	Food stamps	Annual dollar loss with freeze
		Black	Hispanic	Other/Unknown	Total				
H–4 less than 3 years if service	24,978	4,995	665	3	5,668	10,990	499	(1)	451
H–3	55,891	15,526	6,890	86	22,502	18,629	1,178	....	399
H–2	41,789	6,839	3,820	23	1,230	7,445	251	....	377
H–1	39,241	5,730	3,555	4	9,289	5,556	119	....	340
Total	161,899	33,090	14,930	116	38,689	42,620	2,047	....	....

[1] From a DOD paper on the Food Stamp . . . "For a family of four, the current gross annual income limit to be eligible for the Food Stamp Program under Department of Agriculture guidelines is $16,510. In 1992, an E–2 with less than 2 years of service and a family size of four will receive $16,530.85 in basic pay and allowances, and would therefore not qualify for food stamps. According to our recently completed estimates, approximately 0.94 percent of the active duty force, or about 19,740 members/households (quality for food stamps). If all military members, living on- or off-base were treated equally by the USDA in counting the value of housing received (currently on-base housing is not included in the income calculations), the number of eligibles would decrease to 0.55 percent, or 11,532 households out of an active duty force of approximately 2.1 million." Approximately 2,901 U.S. Navy Households.

Note.—Total earning less than $20,000 (161,899)—31 percent of total force and 35.6 percent of enlisted force.

IMPACT ON MINORITY RECRUITING

	Total annual recruiting													
	Actual								Estimated					
	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
Afro-Americans: Total (male and female)	12,430	14,953	16,658	18,110	19,220	14,837	11,183	10,282	7,277	6,640	7,399	7,917	7,919	7,812
Hispanic: Total (male and female)	6,042	7,251	7,904	7,630	8,297	7,466	7,400	7,060	5,458	4,980	5,549	5,938	5,939	5,859
Other—No statistics kept[1]														
Total minorities: Total (male and female)	18,471	22,204	24,562	25,720	27,517	22,303	18,583	17,342	12,735	11,620	12,948	13,855	13,848	13,671
Total accessions:														
Male	73,083	79,612	80,057	80,358	78,515	62,518	60,812	49,747	52,890	49,373	55,446	57,006	57,265	56,428
Female	9,757	8,871	7,736	9,873	10,864	7,974	6,427	8,226	7,752	5,963	6,212	7,007	6,765	6,710
Total all accessions	82,840	88,483	87,793	90,231	89,379	70,492	67,239	57,973	60,641	55,336	61,658	64,013	64,030	63,138

[1] Afro-Americans and Hispanics are the only minorities that are tracked separately in total accession numbers.

Note.—Numbers reflect Non-Prior Service male and female accessions. Minority female numbers are not tracked separately. Accession estimated are based on OSD accession data.

IMPACT ON MINORITY RETENTION

	Actual fiscal year								Estimated fiscal year					
	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
INVOLUNTARY SEPARATIONS														
Afro-Americans:														
Male	6,087	7,752	7,322	9,830	7,705	9,459	9,434	9,137	(1)	....	....	....	....	....
Female	689	998	817	1,268	1,034	1,313	1,583	1,374	....	....	....	....	....	....
Hispanic:														
Male	2,013	2,550	2,496	3,276	2,774	3,710	4,158	3,933	....	....	....	....	....	....
Female	147	249	240	296	321	446	612	518	....	....	....	....	....	....
Other:														
Male	1,190	1,280	1,076	1,474	1,314	1,671	2,113	1,509	....	....	....	....	....	....
Female	103	148	98	157	149	183	304	183	....	....	....	....	....	....
Total:														
Male	9,162	11,396	10,680	14,362	11,587	14,563	15,372	14,271	....	....	....	....	....	....
Female	912	1,376	1,124	1,688	1,477	1,196	2,466	2,048	....	....	....	....	....	....
VOLUNTARY SEPARATIONS														
Afro-Americans:														
Male	1,637	1,837	1,673	1,883	1,623	1,712	1,931	3,005	(1)	....	....	....	....	....
Female	262	408	319	369	360	439	463	567	....	....	....	....	....	....
Hispanic:														
Male	613	757	714	770	719	768	894	1,412	....	....	....	....	....	....
Female	89	137	128	163	145	130	203	266	....	....	....	....	....	....
Other:														
Male	391	490	462	522	553	533	756	697	....	....	....	....	....	....
Female	56	76	82	73	81	75	153	117	....	....	....	....	....	....
Total:														
Male	2,641	3,084	2,849	3,175	2,895	3,013	3,581	5,114	....	....	....	....	....	....
Female	407	621	529	605	581	644	819	950	....	....	....	....	....	....

[1] The Navy does not have an established voluntary/involuntary separation goal. An estimated number could be derived based upon historical data as a percentage of annual separation vs. annual active population. However, in view of the downsizing initiatives programmed for the foreseeable future, even historical percentages would be skewed.

MARINE CORPS DATA ON THE IMPACT OF THE FEDERAL PAY RESTRAINT ACT OF 1993

	Earn less than $20,000	Minorities making below $20,000				With families	Single parents	Food stamps	Annual dollar loss with freeze[1]
		Black	Hispanic	Other	Total				
E–4 (Years of service less than 3)	310	55	24	10	89	169	20	(2)	451
E–3	53,485	8,718	4,695	1,918	15,331	16,028	104		399
E–2	19,029	2,798	1,589	734	5,121	2,462	3		377
E–1	10,754	1,760	942	479	3,181	982	8		340
Total	83,578	13,331	7,250	3,141	23,722	19,641	135	....	....

[1] The annual dollar loss with a pay freeze in place should be uniform across the services.

[2] See Note 2 of Naval input. Marine Corps data on this variable is not tracked nor is it available.

Note.—The total earning less than $20,000 is 83,578 or 44 percent of the total force, 50 percent of the enlisted force. The above data, with the exception of the last three columns, was taken from the Manpower Statistics for Manpower Managers (October 1992).

MARINE CORPS DATA ON THE IMPACT OF THE FEDERAL PAY RESTRAINT ACT OF 1993

Grade	Earn less than $30,000	Minorities				Number with families	Number of single parents	Food stamp eligibility
		Black	Hispanic	Other	Total			
0–1	1,514	133	107	99	339	903	10	(1)
E–7	162	2,137	714	285	3,136	8,930	626	....
E–6	15,524	3,865	1,031	401	5,297	13,672	1,042	....
E–5	23,696	6,303	1,667	727	8,697	18,052	1,066	....
E–4	30,605	5,500	2,424	1,054	8,978	14,886	757	....

MARINE CORPS DATA ON THE IMPACT OF THE FEDERAL PAY RESTRAINT ACT OF 1993—Continued

Grade	Earn less than $30,000	Minorities				Number with families	Number of single parents	Food stamp eligibility
		Black	Hispanic	Other	Total			
E–3	51,276	8,718	4,695	1,918	15,331	13,627	707	
E–2	20,780	2,798	1,589	734	5,121	2,144	66	
E–1	11,571	1,760	942	479	3,181	957	59	
Total	155,128	31,214	13,169	5,697	50,080	73,171	4,333	

[1] From a DoD paper on the Food Stamp Program . . . "For a family of four, the current gross annual income limit to be eligible for the Food Stamp Program under Department of Agriculture guidelines $16,510. In 1992, an E–2 with less than 2 years of service and a family size of four will receive $16,530.85 in basic pay and allowances, and would therefore not qualify for food stamps. According to our recently completed estimates, approximately .94 percent of the active duty force, or about 19,740 members/households [qualify for food stamps]. If all military members, living on- or off-base were treated equally by the USDA in counting the value of housing received (currently on-base housing is not included in the income calculation), the number of eligibles would decrease to .55 percent, or 11,532 households out of an active duty force of approximately 2.1 million."

Note.—In formulating these numbers we determined the number with families include any dependent (parent, non-custodial child, etc.) The same applies to number of single parents—there is a financial impact regardless of whether the dependent (child) resides with the servicemember or not.

IMPACT ON MINORITY RECRUITING (OFFICER)

	Total annual recruiting													
	Actual fiscal year								Estimated fiscal year					
	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
Afro-Americans									88	106	100	100	103	122
Male	112	97	88	106	111	85	74	92						
Female	3	1	5	9	9	5	6	2						
Hispanic									52	64	61	63	65	78
Male	41	67	43	73	72	50	64	65						
Female	1	0	2	1	1	3	5							
Other									32	39	37	38	39	46
Male	31	43	43	47	56	71	53	52						
Female	0	1	3	5	3	1	1	5						
Caucasian									1,018	1,191	1,082	1,049	1,043	1,204
Male	1,431	1,519	1,324	1,473	1,354	1,363	1,238	1,248						
Female	58	50	61	53	92	40	59	32						
Total:.														
Male	1,615	1,726	1,498	1,699	1,593	1,569	1,429	1,452	1,125	1,335	1,215	1,185	1,185	1,385
Female	62	52	71	68	105	49	71	43	65	65	65	65	65	65

IMPACT ON MINORITY RECRUITING (ENLISTED) (ACTIVE DUTY PLUS RESERVES)

	Total annual recruiting—fiscal year							
	1985	1986	1987	1988	1989	1990	1991	1992
Afro-American	8,328	7,690	7,665	7,780	7,008	7,070	5,064	4,598
Male	7,785	7,135	7,238	7,209	6,393	6,580	4,700	4,300
Female	543	555	427	571	615	490	364	298
Hispanic	2,024	2,286	2,492	3,141	3,126	3,429	3,027	3,095
Male	1,957	2,181	2,381	2,995	2,948	3,272	2,883	2,946
Female	67	105	111	146	178	157	144	149
Other	1,371	1,896	1,670	1,437	1,366	1,562	1,426	1,523
Male	1,282	1,789	1,581	1,355	1,285	1,468	1,330	1,435
Female	89	107	89	82	81	94	96	88
Caucasian	31,493	31,636	30,430	31,418	29,161	28,923	26,875	27,821
Male	29,724	29,981	29,065	29,911	27,740	27,747	25,706	26,636
Female	1,769	1,655	1,365	1,507	1,421	1,176	1,169	1,185
Total:	43,216	43,508	42,257	43,776	40,661	40,984	36,392	37,037
Male	40,748	41,086	40,265	41,470	38,366	39,067	34,067	35,317
Female	2,468	2,422	1,992	2,306	2,295	1,917	1,773	1,720

ENLISTED ACTIVE DUTY PROJECTIONS[1]

		Fiscal year—				
		1993	1994	1995	1996	1997
NPS cessions	34,800	30,815	31,279	29,496	29,856	31,739

[1] Enlisted recruiting is not projected by race.

	Fiscal year—							
	1985	1986	1987	1988	1989	1990	1991	1992
OFFICERS								
Involuntary:								
White:								
Female	14	16	12	9	13	10	20	25
Male	471	409	277	323	309	283	445	446
Black:								
Female	0	1	1	1	0	2	1	4
Male	47	27	24	31	21	37	33	43
Hispanic:								
Female	0	2	0	0	0	0	0	0
Male	5	9	8	11	6	9	12	21
Other:								
Female	0	2	0	0	1	1	1	1
Male	11	9	6	8	5	6	12	14
All:								
Female	14	21	13	10	14	13	22	30
Male	534	454	315	373	341	335	502	524
Voluntary:								
White:								
Female	29	35	32	44	28	41	156	69
Male	1,019	1,035	916	1,105	1,042	1,244	3,349	1,476
Black:								
Female	0	1	3	2	4	4	14	3
Male	39	40	50	51	34	62	143	66
Hispanic:								
Female	1	1	0	0	1	2	5	1
Male	13	14	16	19	19	25	61	43

	Fiscal year— 1985	1986	1987	1988	1989	1990	1991	1992
Other:								
Female	1	1	1	3	2	1	5	1
Male	11	12	13	18	12	35	69	25
All:								
Female	31	38	36	49	35	48	180	74
Male	1,082	1,101	995	1,193	1,107	1,366	3,622	1,610
ENLISTED								
Involuntary:								
White:								
Female	525	746	517	721	698	610	637	597
Male	8,361	12,949	8,857	10,941	8,907	8,896	8,048	9,679
Black:								
Female	130	179	152	167	210	180	189	194
Male	2,421	3,059	2,323	2,979	2,482	2,499	2,216	2,633
Hispanic:								
Female	11	31	24	38	38	37	45	45
Male	398	616	446	718	596	602	591	811
Other:								
Female	13	27	29	21	36	36	40	22
Male	244	419	334	389	298	339	333	412
All:								
Female	679	983	722	947	982	863	911	858
Male	11,424	17,043	11,960	15,027	12,283	12,336	11,188	13,535
Voluntary:								
White:								
Female	891	766	824	827	796	711	1,493	896
Male	16,713	12,375	15,438	15,050	13,435	11,742	35,605	18,356
Black:								
Female	200	155	237	267	249	226	505	358
Male	3,442	2,389	3,012	3,125	2,895	2,683	8,036	4,426
Hispanic:								
Female	42	32	35	35	53	73	137	106
Male	1,099	729	850	1,037	954	1,113	3,660	2,016
Other:								
Female	24	26	34	36	45	52	87	62
Male	501	466	457	543	532	595	1,981	820
All:								
Female	1,157	979	1,130	1,165	1,143	1,062	2,222	1,422
Male	21,755	15,959	19,757	19,755	17,816	16,133	49,282	25,618

AIR FORCE DATA ON THE IMPACT OF THE FEDERAL PAY RESTRAINT ACT OF 1993 (EARNINGS LESS THAN $20,000)

	Earn less than $20,000	Minorities				Number with families	Number of single parents	Food stamp eligibility	Annual dollar loss with freeze
		Black	Hispanic	Other	Total				
E–4 (less than 2 years of service)	172	31	6	6	43	56	3	0	436
E–3 (less than 4 years of service)	45,553	5,466	1,548	1,205	8,219	9,763	329	14	430
E–2	20,974	2,097	440	402	2,939	2,328	61	98	377
E–1	11,849	1,540	355	402	2,297	291	15	49	340
Total	78,548	9,134	2,349	2,015	13,498	12,438	408	161	NA

Note.—Total earning less than $20,000 (78,548) is 18 percent of total force, 22 percent of enlisted force. Total minorities (13,498) is 3 percent of total force, 4 percent of enlisted force. Total with families (12,438) is 3 percent of total force, 4 percent of enlisted force. Food Stamp eligibles based on several assumptions due to unavailability of data on individual circumstances (for example, savings, other family income, and so forth), eligibles were assumed to have no spousal/part-time income and assume to receive all cash allowances verses government quarters and meals. The assumptions offset each other as those not receiving cash allowances (that is, government quarters/meals provided) increase eligibles as these in-kind benefits are not included in USDA food stamp eligibility calculations. However, the increase is offset by the large numbers not qualifying because of savings/other income. Annual dollar loss with the pay freeze shows typical pay raise that will be foregone if the current statutory 2.2 percent raise (for fiscal year 1994) in basic pay, BAQ, and BAS is eliminated.

AIR FORCE DATA ON THE IMPACT OF THE FEDERAL PAY RESTRAINT ACT OF 1993 (EARNINGS LESS THAN $30,000)

	Earn less than $30,000	Minorities				Number with families	Number of single parents	Food stamp eligibility	Annual dollar loss with freeze
		Black	Hispanic	Other	Total				
O–1 (less than 3 years of service)	5,767	230	57	249	536	1,130	35	1	577
E–6 (less than 14 years of service)	18,173	3,271	726	697	4,694	13,315	486	147	623
E–5	80,655	15,324	3,226	2,830	21,380	54,578	2,462	482	532
E–4	100,012	18,002	3,500	3,150	24,652	48,081	2,067	575	451
E–3	45,971	5,516	1,563	1,218	8,297	9,976	346	110	399
E–2	20,974	2,097	440	402	2,939	2,328	61	98	377
E–1	11,849	1,540	355	402	2,297	291	15	49	340
Total	283,401	45,980	9,867	8,948	64,795	129,699	5,472	1,462	NA

Note.—Total earning less than $30,000 (283,401) is 64 percent of total force, 77 percent of enlisted force. Total minorities (64,795) is 15 percent of total force, 18 percent of enlisted force. Total with families (129,699) is 29 percent of total force, 36 percent of enlisted force. Food stamp eligibles based on several assumptions due to unavailability of data on individual circumstances (for example, savings, other family income, et cetera), eligibles were assumed to have no spousal/part-time income and assumed to receive all cash allowances versus Government quarters and meals. The assumptions offset each other as those not receiving cash allowances (that is, Government quarters/meals provided) increase eligibles as these in-kind benefits are not included in USDA food stamp eligibility calculations. However, the increase is offset by the large numbers not qualifying because of savings/other income. Annual dollar loss with the pay freeze shows typical pay raise that will be foregone if the current statutory 2.2-percent raise (for fiscal year 1994) in basic pay, BAQ, and BAS is eliminated.

	Fiscal year— 1991	1992
OFFICERS		
Voluntary:		
White:		
Female		1
Male		7
All:		
Female		1
Male		7
Involuntary:		
White:		
Female	1	7
Male	154	159
Black:		
Female	0	3
Male	9	12
Hispanic: Male	3	6
Other:		
Female	1	0

	Fiscal year— 1991	1992
Male	6	4
All:		
Female	2	10
Male	172	181
ENLISTED		
Involuntary:		
White:		
Female	0	25
Male	14	584
Black:		
Female	0	24
Male	10	360
Hispanic: Male	1	87
Other:		
Female	0	1
Male	0	28
All:		
Female	0	50

	Fiscal year— 1991	1992
Male	25	1,059
Voluntary:		
White:		
Female		30
Male		509
Black:		
Female		11
Male		133
Hispanic:.		
Female		2
Male		48
Other:		
Female		1
Male		19
All:		
Female		44
Male		709

ENLISTED PLANNED SEPARATIONS

Planned involuntary separations

(Due to downsizing or otherwise qualified to reenlist but were denied)

Fiscal year:	
1993	1,470
1994	1,610
1995	1,610
1996	1,860
1997	1,860
1998	1,860

Planned voluntary separations

(Voluntary Separation Incentive/Special Separation Benefit Programs)

Fiscal year:	
1993	1,300
1994	600
1995	700
1996	(1)
1997	(1)
1998	(1)

Total planned losses

Fiscal year:	
1993	39,349
1994	35,694
1995	34,768
1996	34,992
1997	34,943
1998	32,271

[1] Program canceled after fiscal year 1995.

Note: Losses are not projected by race.

OFFICER PLANNED SEPARATIONS

Planned involuntary separations

(Due to failure of selection to promotion (twice passed) and failure to augment)

Fiscal year:	
1993	335
1994	315
1995	315
1996	315
1997	315
1998	315

Planned voluntary separations

(Voluntary Separation Incentive/Special Separation Benefit Programs)

Fiscal year:	
1993	11
1994	265
1995	100
1996	(1)
1997	(1)
1998	(1)

Total planned losses

Fiscal year:	
1993	2,090
1994	1,997
1995	1,969
1996	1,812
1997	1,868
1998	1,549

[1] Program canceled after fiscal year 1995.

Note: Losses are not projected by race.

TOTAL OFFICER AND ENLISTED ACCESSIONS: FISCAL YEAR 1985–92

	Male	Female	Total
Fiscal year 1985:			
Blacks	8,107	2,371	10,478
Caucasian	50,298	9,785	60,083
Hispanic	1,718	281	1,999
Other	1,398	268	1,666
Total	61,521	12,705	74,226
Fiscal year 1986:			
Blacks	8,084	2,484	10,568
Caucasian	46,580	10,126	56,706
Hispanic	1,592	259	1,851
Other	2,565	560	3,125
Total	58,821	13,429	72,250
Fiscal year 1987:			
Blacks	6,101	2,139	8,240
Caucasian	42,654	9,038	51,692
Hispanic	1,529	274	1,803
Other	1,554	384	1,938
Total	51,838	11,835	63,673
Fiscal year 1988:			
Blacks	4,239	1,601	5,840
Caucasian	32,305	7,580	39,885
Hispanic	1,042	217	1,259
Other	1,054	279	1,333
Total	38,650	9,677	48,317
Fiscal year 1989:			
Blacks	4,067	1,684	5,751
Caucasian	34,034	8,687	42,721
Hispanic	1,001	272	1,273
Other	1,224	387	1,611
Total	40,326	11,030	51,356
Fiscal year 1990:			
Blacks	3,346	1,414	4,760
Caucasian	28,071	6,767	34,838
Hispanic	773	233	1,006
Other	884	212	1,096
Total	33,074	8,626	41,700
Fiscal year 1991:			
Blacks	2,316	1,084	3,400
Caucasian	23,887	6,192	30,079
Hispanic	769	238	1,007
Other	713	228	941
Total	27,685	7,742	35,427
Fiscal year 1992:			
Blacks	2,954	1,204	4,158
Caucasian	26,666	6,968	33,634
Hispanic	894	244	1,138
Other	822	251	1,073
Total	31,336	8,667	40,003

MINORITY SEPARATIONS: FISCAL YEAR 1985–92

	Voluntary	Involuntary	Total
Fiscal year 1985:			
Black	3,443	3,974	7,417
Hispanic	1,640	703	2,343
Other	1,269	618	1,887
Total	39,738	20,997	60,735
Fiscal year 1986:			
Black	3,162	4,979	8,141
Hispanic	1,348	780	2,128
Other	1,056	805	1,861
Total	33,122	22,096	55,218
Fiscal year 1987:			
Black	2,981	3,293	6,274
Hispanic	1,110	686	1,796
Other	1,029	704	1,733
Total	30,438	19,381	49,819
Fiscal year 1988:			
Black	3,697	3,749	7,446
Hispanic	1,425	881	2,306
Other	1,645	879	2,524
Total	39,662	22,291	61,953
Fiscal year 1989:			
Black	2,707	2,286	4,993
Hispanic	1,012	406	1,418
Other	1,146	436	1,582
Total	27,356	12,706	40,062
Fiscal year 1990:			
Black	5,206	2,422	7,628
Hispanic	1,809	475	2,284
Other	2,108	495	2,603
Total	46,469	12,686	59,155
Fiscal year 1991:			
Black	3,864	1,633	5,497
Hispanic	1,287	326	1,613
Other	3,211	333	3,544
Total	33,838	9,615	43,453
Fiscal year 1992:			
Black	6,171	2,072	8,243
Hispanic	1,963	420	2,383
Other	3,724	462	4,186
Total	50,932	12,018	62,950

REPORTING REQUIREMENTS FOR EDUCATIONAL ORGANIZATIONS WHICH PROVIDE PROGRAMS TO MINORS FOR A FEE

Mr. DOLE. Mr. President, hardly a week goes by that I do not meet with students who are in town on one education program or another. I am sure that you are familiar with such organizations as Presidential Classroom, the Close-up Foundation, or the Congressional Youth Leadership Council [CYLC]. In my view, these programs do a fantastic job of providing insight into the Washington process.

However, as many Members know from a letter that I distributed last November, I am concerned about questionable recruiting practices that some organizations have used, I was particularly troubled by the CYLC.

Since that letter was distributed, my staff, along with Senator METZENBAUM's staff, have participated in an extensive series of meetings with the CYLC. I should note that these meetings were initiated at the request of CYLC. And they were productive meetings. If we raised a question or concern, CYLC promised to fix it.

In short, CYLC resolved my concerns, and this was not without cost to the CYLC. They destroyed any stock which I found to be questionable, and have replaced them with new materials and new policies. For instance, they now specifically inform students how they were selected by sending a letter of explanation to the parents. Additionally, CYLC's board has authorized the development of a scholarship program to help low-income children and students with disabilities pay for the week. CYLC will also be setting up meetings with Senate offices to inform them of these reforms.

Some have raised concerns that the CYLC has conflicts of interest and has improper financial dealings. After reviewing the facts, I am satisfied that this is not true.

Mr. President, the measure which Senator METZENBAUM and I introduced yesterday is a consumer protection measure. It only seems right to me that we provide safeguards which provide student recruits with enough information to make an informed decision.

In short, this measure would require affected organizations to disclose how students were selected, provide a breakdown of program costs, and institute nondiscriminatory enrollment policies. The Secretary of Education would review any complaints, and would have authority to levy a fine of $1,000 for each violation.

Additionally, the measure would require that these organizations which establish for-profit organizations and subcontract work out to them disclose the salaries of any employee which is officially connected with the primary nonprofit organization. For those who are familiar with nonprofits, you know that they will develop secondary for-profit groups to drive down the cost of services. This strategy is commonly referred to as hub architecture, and these secondary organizations must provide services at the market rate or lower. This reporting provision ensures that these organizations are above the board and are not skimming profits.

No doubt about it, CYLC has used questionable recruiting practices. But that is in the past. As I stated earlier, they have participated in lengthy meetings to resolve their problems, and did so in good faith. They now understand that they have an outstanding program that can survive on merit alone.

I should note that CYLC supports this legislation. And they should, as it basically codifies the high standards that they have already agreed to.

Mr. President, it is not very often that my distinguished colleague, Senator METZENBAUM, and I will vote the same way, and even less often will we introduce legislation together.

However, this legislation, I think, is something we can all agree upon, primarily because we are trying to protect young people from being recruited and the parents being charged a big fee for some course in Washington that never exists or that rarely exists. We think it is an opportunity to protect young people who want to visit Washington and also protect their parents who generally pay for the trips.

JUDGE HARRY FISHER: 1887–1993, 106 YEARS OF EXCELLENCE, A SOUTHEAST KANSAS LEGEND

Mr. DOLE. Mr. President, this Thursday, a Kansas giant will be laid to rest after a truly remarkable 106 years of life. My good friend, Judge Harry Fisher, passed away on Monday in his beloved Fort Scott, where for more than a century he inspired everyone who was fortunate enough to know him, to learn from him, and to watch him set the standard for conduct in public service.

Judge Fisher was tough, but he was always fair, and when he talked, you listened. Why not? After all, the State of Kansas was only 26 years old when the Judge was born on January 29, 1887. No doubt about it, he saw it all during his distinguished career as a county attorney, a State legislator, a teacher, a bankruptcy arbitrator, and later the judge for the Sixth Judicial District of Kansas.

Harry Fisher retired at the age of 73, but true to his career of excellence and dedication, he spent the next 33 years dispensing his special common sense and wisdom.

I was proud to call him friend, and whenever I was in southeast Kansas I was always glad to see him. Like most Kansans, he was fiercely independent, which is why he was so proud to tell his friends on his 100th birthday that he had just renewed his driver's license. That was Harry Fisher alright.

He was a one-of-a-kind Kansan, a legend—and you cannot replace a legend.

I send my prayers and sympathies to his family as I remember my friend, Judge Harry Fisher.

WICHITA: AN ALL-AMERICAN CITY

Mr. DOLE. Mr. President, we were all pleased, but not surprised, that the National Civic League picked Wichita as an All-American City Saturday in ceremonies in Tampa, FL. Mayor Elma Broadfoot and the many others in Wichita who prepared the city's presentation deserve an enormous amount of credit for their efforts.

Last year, Wyandotte County was one of 10 national All-America winners. Lindsborg, a finalist for this prestigious award last year, was again honored as a finalist this year.

I am pleased to have been supportive of at least one of the several programs Wichita used to demonstrate their excellence—Project Freedom. Two years ago, I became acquainted with and supported Project Freedom and its most admired substance abuse prevention programs that counsel and educate at-risk youth and mothers, as well as other volunteer programs that contribute to community improvement.

Of significance are the other programs that were singled out in Wichita—the Isley Summer Youth Academy and the Northeast Area Community Restoration Project. Two fine programs that should be singled out for recognition regardless of whether Wichita won this prestigious award or not.

Mr. President, all of Kansas is proud of Wichita as an All-America City winner. National recognition is quite an achievement, one which I salute the citizens of Wichita for this honor today. I know my colleague, Senator KASSEBAUM, joins in that statement.

TRAVELGATE

Mr. DOLE. Mr. President, every American should be deeply concerned when powerful figures in the executive branch try to strong-arm the FBI to further their own political agenda.

But that seems to be the case, as the news media continue to dig up more disturbing evidence that the White House has added abuse of power to the laundry list of alarming revelations in the unfolding Travelgate affair.

News reports suggest that the FBI's chief spokesman was summoned to the White House last Friday to meet with the White House communications staff, the White House legal counsel, and with David Watkins, head of the White House Office of Management and one of the key figures in the eye of the Travelgate storm.

After the meeting, the FBI spokesman reportedly returned to his office to draft a highly unusual statement indicating there was "sufficient information for the FBI to determine that additional criminal investigation is warranted" into the practices of the White House travel office.

The White House communications staff subsequently released the statement, without the FBI's approval and without even the FBI's knowledge. The statement appeared on Justice Department stationery.

If this is true, Travelgate is no longer a perception problem, it is an outright scandal.

Mr. President, I have enormous respect for the FBI and its employees. In fact, several years ago, I authored legislation increasing the rate of overtime pay for FBI agents out in the field.

So, it concerns me when a few loose cannons in the White House try to exploit the FBI to further their own unseemly political agenda.

I agree with Attorney General Reno when she reportedly raised concerns yesterday that the White House had ignored existing policies designed to prevent politics from interfering with the FBI's work.

And I agree with a high-ranking FBI official who is quoted in the Washington Times today as saying, and I quote:

> The FBI cannot be identified as a friend or a foe of any administration. It has to be perceived as neutral in all cases. On its surface, this unusual announcement served no purpose other than to legitimize a political decision.

Mr. President, later today, I intend to send a letter to the chairman of the Senate Judiciary Committee, my distinguished colleague Senator BIDEN, and to the committee's ranking member, Senator HATCH, asking them to conduct a full committee hearing to get to the bottom of this latest flap in the Travelgate affair.

The American people want some answers to the charges of political cronyism. And they deserve some explanation for this highly unusual, and very disturbing, abuse of power.

Mr. President, I do not know the guilt or innocence of anybody who was fired, but they do have families and I think they are entitled to some notice before the FBI is called in and they are, in front of all the American people, at least perceived to be guilty of some criminal activity. We do not know if anybody was, or if one was, or two out of the seven, whatever.

I know that this is all done in the effort to save the taxpayers money and to make it cheaper for the press to travel, even though an earlier memo indicated the ones who were fired were "too pro press."

Since they were concerned about competitive bidding, I think they say there was an audit, which really was not an audit, by Peat Marwick. I wonder if that was subject to competitive bidding.

Did they ask other accounting firms to bid on this hurried-up audit. Was it an audit? Was it performed by someone who was working on Vice President GORE's staff on efficiency in Government?

I think all these questions need to be answered. Was their competitive bidding from a number of accounting firms? That seems to be the bottom line at the White House. They wanted everything to be competitive. So I think that is a question that ought to be raised.

But beyond that, I think it is truly disturbing that the FBI should be used in this manner by anybody—by anybody. It takes you back to Watergate, and as a Republican I can tell you of some of the repercussions of that and of that practice.

I know that the Democrats control the White House, and they control the Congress. But I am hoping in this case we can have a fair and a complete investigation so that we can exonerate the FBI. After all, they have a highly responsible agenda in this country, and we want to make certain that they were not involved in this in any way. Sooner or later, I think, Mr. President, someone at the White House is going to have to explain precisely what happened and why it happened and not just keep saying, well, this is not going to happen again; we are not going to do this next week.

What will they do next week? That is another question the American people would like to have answered.

Mr. President, I reserve the remainder of my leader's time.

HEALING FOR VICTIMS OF TORTURE

Mr. DURENBERGER. Mr. President, I rise to address a growing human rights concern—the treatment of victims of torture.

Torture is one of the most effective, long-term weapons against democracy. Repressive governments frequently target those groups and individuals who are struggling on behalf of human rights and democratic principles. Torture is intended to destroy the personality of civic leaders and instill fear in the whole of society.

Providing rehabilitative services to those who have been tortured invests in recovering the leadership of an emerging democracy. It provides healing to the victims and allows them to reclaim their lives and resume their roles in promoting a pluralist society that respects human rights.

The rehabilitation movement has grown from a single center in 1979 to more than 60 programs around the world. These exist not only in countries of exile, but also in many countries whose governments are or were until recently engaged in torture. Many are tolerated by their governments. The United Nations Voluntary Fund for Victims of Torture provides assistance to centers, but it operates with a minimal budget. Some governments—such as those of Denmark and Sweden—provide bilateral assistance to treatment programs in other countries.

During the confirmation hearings for John Shattuck as Assistant Secretary of State for Human Rights and Humanitarian Affairs, I submitted several questions to Mr. Shattuck concerning the treatment of torture victims and the U.N. Voluntary Fund for Victims of Torture. I ask unanimous consent to insert these questions and Mr. Shattuck's responses in the RECORD immediately following my remarks.

I also ask unanimous consent that the text of an article by Washington Post columnist Coleman McCarthy printed in the Minneapolis Star Tribune be included in the RECORD. This article addresses the work done by centers that treat torture victims, specifically the program at the Center for Victims of Torture in Minneapolis.

The Center for Victims of Torture is the country's first center designed specifically to treat victims of torture. I am very grateful to Doug Johnson, executive director of the Center, and the entire staff for the leadership they continue to provide on this issue.

Mr. President, in this post-cold war world, the United States has the opportunity to jointly promote democracy and protect human rights by supporting the movement to heal the victims of torture. I urge my colleagues to seriously consider how we as a nation can contribute to this important human rights issue.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

QUESTION FOR THE RECORD SUBMITTED TO JOHN SHATTUCK, SENATE FOREIGN RELATIONS COMMITTEE, MAY 7, 1993

Q1. What is your assessment of the work of the United Nation's Voluntary Fund for Victims of Torture?

A. I consider torture to be one of the most egregious abuses of human rights and support fully any efforts to care for torture victims.

I am impressed with the work of the UN Voluntary Fund for Victims of Torture and look forward, if confirmed, to giving maximum US support for its activities. I especially would welcome the opportunity to become more familiar with the work of the Center for Victims of Torture in Minneapolis.

Q2. In your view, how does the Fund relate to the administration's objectives of promoting human rights and democratic institutions?

A. As you know, promoting human rights and democracy is a major objective of US foreign policy in the Clinton administration.

If confirmed as Assistant Secretary of the Bureau of Human Rights and Humanitarian Affairs, my overriding goal will be to alleviate the suffering of people around the world who are abused by their governments.

I believe we can do this by monitoring violations of human rights, reporting on them, working with governments to eliminate these violations, and assisting victims who have been abused.

I view the UN Voluntary Fund for Victims of Torture as an excellent example of how the US administration can work through multilateral institutions as well as on a bilateral basis to address human rights concerns.

Q3. What will the administration do to encourage other governments to increase their contributions to the Voluntary Fund?

A. I have been impressed by the need for greater resources in all of the UN's human rights programs. One of the administration's major objectives at the World Conference on Human Rights in Vienna in June will be to strengthen the Human Rights Center and to urge that it have adequate resources to carry out its responsibilities.

With regard specifically to the Voluntary Fund for Victims of Torture, I would recommend that the administration continue to contribute to the Fund as it has for FY-93 ($500,000). I would hope that the US example might encourage other governments to make their own contributions to the Fund.

Q4. The United Nations Commission on Human Rights at its recent meetings recommended a pledging session for the Fund at the World Conference on Human Rights. What steps will the Department take to make such a session successful?

A. I would recommend, if confirmed, that the Department set an example at the Conference by reaffirming its own strong financial support for the Fund and encouraging other governments to make similar contributions.

Q5. There are estimates of tens of thousands of Moslem women and girls in Bosnia having been raped, and who now suffer from post traumatic stress disorders. Does AID plan to provide assistance to these rape victims? If so, what kind of assistance, when, and in what manner will it be provided?

A. As announced last month, the U.S. government will provide $6.75 million to assist victims of violence, rape, and torture in the former Yugoslavia. Of this amount, AID will provide over $5 million for projects that include providing counseling, support, and services to the victims of rape and violence; training and upgrading the skills of rape and violence; training and upgrading the skills of medical professionals and community workers who are treating these victims; establishing three hospital partnerships to link U.S. hospitals and providers with treatment centers in the area; and providing emergency medical supplies through Project Hope.

Q6. There have been numerous suggestions that AID support bilateral programs providing treatment to torture victims because it would enable the United States to direct efforts at particular countries where we are especially interested in promoting human rights and democratic institutions. What is your perspective on such suggestions? Do you believe the United States should pursue bilateral programs of this kind?

A. You may be aware that grants have already been made under Section 116(e) of the Foreign Assistance Act to programs in Ghana and Chad which provide services to victims of torture.

If confirmed, I would continue to support such programs in addition to the multilateral efforts undertaken by the UN Voluntary Fund for Victims of Torture.

[From the Minneapolis Star Tribune, May 15, 1993]

HEALING THE WOUNDS OF TORTURE FOR ONLY A FEW OF MANY VICTIMS

(By Colman McCarthy)

In the spacious living room of a bulky three-story house on a bluff above the Mississippi River, an Ethiopian man and woman sat across from each other on sofas.

They spoke but not much. I would have interviewed them except here at the Center for Victims of Torture in Minneapolis a house rule holds that the patients are to be left alone by the media.

This right to anonymity is sensible and necessary.

The reasons include confidentiality, personal security and protection from newspeople who might aggress with our customary in-your-face pryings. How did you feel when the secret police applied electric shocks to your genitals, or what kind of nightmares did you have during your two years in a dungeon and are you still having them?

Answers to those questions aren't needed to learn that the center is a sanctuary of peace and mending for survivors of politically motivated torture.

Since May 1987, more than 400 torture victims from 32 countries have been served as outpatients by a staff that includes physicians, nurses, psychiatrists and social workers.

A third of the patients are Ethiopians. Minnesota is home to 2,000 Ethiopian refugees, with an estimated 80 percent having been tortured by one of Africa's most brutal regimes.

Amnesty International reports that in the 1980s, the torture methods used against Ethiopians "included beating on the soles of the feet, with the victims tied to an inverted chair or hung upside down by the knees and wrists from a horizontal pole; electric shocks; sexual torture, including rape of women prisoners or tying a heavy weight to the testicles; burning parts of the body with hot water or oil; and crushing the hands or feet."

Helping survivors come back physically and emotionally from that trauma is the work of Douglas Johnson, director of the center and a past winner of the Letelier-Moffitt human rights award.

"Torture is widespread," Johnson said while standing before a Hmong tapestry in the foyer of the center. "We think there are at least 200,000 survivors in the United States. People who are torture victims were usually leaders of their community. The government had decided to disable them as part of a political strategy."

The full-treatment center, which is nonprofit and given $1-a-year rent by the University of Minnesota on its East Bank campus, is the only one of its kind in the United States. Other sites include Copenhagen, London and Toronto.

The idea for the program originated in 1985 with former Gov. Rudy Perpich, a liberal Democrat who conjectured—rightly, it turned out—that in politically progressive Minnesota volunteers would rally behind the center.

Many have. More than 100 volunteers, in addition to the professional staff of 25, are part of the program.

Until lately, ministering to torture victims has been a side interest, if that, among human rights groups.

Their missions have ranged from exposing governments that torture to rounding up the oppressors for prosecution.

While that's been going on, professionals dealing with tortured refugees and asylum-seekers suffering post-traumatic stress disorders have been largely on their own.

The comparative neglect of the treatment side of the human rights movement shows up in the international lack of financial support.

In 1981, the United Nations created the Voluntary Fund for Victims of Torture.

A decade later, few governments were showing interest.

In 1992, the fund dispensed only $1.6 million, which was half the amount requested from centers around the world.

The United States, which sells arms to large numbers of torturing governments—Saudi Arabia. Israel. Turkey, Guatemala, Indonesia, among others—kicked in $100,000 a year, and some years nothing.

The assessment of Douglas Johnson is accurate: "Relative to the size of our economy and our population, the U.S. contribution appears callous."

A dozen centers like this one in Minneapolis could be operating and still not be meeting the need.

Officials from the center testified before the Senate Subcommittee on Foreign Operations last year and proposed that Congress should appropriate money for rehabilitation programs for people tortured by governments receiving U.S. foreign aid.

A sum of $20 million was suggested, a small figure considering the huge amount of torturing going on every day nearly everywhere.

IRRESPONSIBLE CONGRESS? HERE'S TODAY'S BOXSCORE

Mr. HELMS. Mr. President, as anyone even remotely familiar with the U.S. Constitution knows, no President can spend a dime of Federal tax money that has not first been approved by Congress, both the House of Representatives and the U.S. Senate.

So when you hear a politician or an editor or a commentator declare that "Reagan ran up the Federal debt" or that "Bush ran it up," bear in mind that it was, and is, the constitutional duty of Congress to control Federal spending. Congress has failed miserably for about 50 years.

The fiscal irresponsibility of Congress has created a Federal debt which stood at $4,287,849,937,583.96 as of the close of business on Friday, May 21. Averaged out, every man, woman, and child in America owes a share of this massive debt, and that per capita share is $16,693.40.

COMMENDING THE RULES COMMITTEE

Mr. STEVENS. Mr. President, I want to thank Chairman FORD for his leadership and fairness during the deliberations of the Committee on Rules and Administration on the petitions regarding the 1992 Senate election in Oregon.

The unanimous vote in favor of the motion at the meeting of May 20, 1993, demonstrates our committee members approval of the manner in which the chairman conducted these proceedings.

I also commend my colleagues on the committee for their professional and bipartisan participation. Our committee members spent a great deal of time reviewing the petitions, listening to oral arguments, and deliberating on messages received by the committee and the Senate and our responsibilities under article 1 section 5 of the Constitution.

As the allegations were directed at a member of my party, I believed it was my duty to offer the motion to resolve this matter in the committee. Senator FORD has articulated the process our committee has followed. I agree with his statement and shall not repeat it.

Mr. BYRD. Is there further morning business, Mr. President?

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

CONGRESSIONAL SPENDING LIMIT AND ELECTION REFORM ACT OF 1993

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of S. 3, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 3) entitled "Congressional Spending Limit and Election Reform Act of 1993."

The Senate proceeded to consider the bill.

Pending:

(1) Mitchell/Ford/Boren amendment No. 366, in the nature of a substitute.

(2) Wellstone amendment No. 367 (to amendment No. 366), to strengthen the restrictions on contributions by lobbyists.

(3) Wellstone amendment No. 368 (to amendment No. 367), in the nature of a substitute.

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BOREN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOREN. Mr. President, we are, of course, resuming debate today and discussion and hopefully moving toward final passage of the Campaign Finance Reform Act.

This act, as we discussed last week, is of great importance to the future of this institution. With a large majority of the American people expressing a lack of confidence in this institution and, when asked, answering that they do not believe that this institution represents people like them but instead that it represents the special interests, we obviously have a strong responsibility to take actions that will restore the faith and the confidence of the American people in this institution.

As we grapple with the difficult decisions that we must face in the days ahead—decisions on the budget, decisions on health care, decisions on education, decisions on the welfare system of this country—we will be making choices that will affect the future of this country for years to come. If we make the wrong decisions, we could well allow the economic and social and cultural slide of this country to continue at such a pace that it would be difficult, it not impossible, for us to ever regain the ground that has been lost. We could pass, for the first time in the history of our country, a diminished heritage on to the next generation.

And as we grapple with these very difficult problems, it is extremely important that the people of this country have confidence that this institution does represent people like them; that it is the product of an open and honest election process.

Unfortunately, right now, there is the image and impression that Congress is really on the auction block. In well over 90 percent of the cases, the candidate who raises the most money in an election campaign wins that election.

As we saw last week, incumbents have an enormous advantage in fundraising. In the Senate, those in office were able to outraise their challengers by a ratio of 3 to 1, and in the House they were able to outraise challengers by a ratio of 5 to 1.

The political action committees were giving more than $6 to those that are already in Congress for every $1 that they give to challengers, with the average winning race in the U.S. Senate costing over $4 million to run.

So, Mr. President, when people see more and more money poured into the political process and they see more and more of that money coming not from people back home like them but from the special interest groups, they begin to feel that this institution does not represent people like them. And it is understandable why they feel that way.

As we were discussing when we were last debating this issue, think of the position that a Member of Congress is in when he or she is thinking about how to raise that $10,000 or $15,000 or $20,000 or $30,000 that week—$4 million translates to well over $15,000 a week for 6 years—and in order to raise that amount of money to run for reelection, in that 5 minutes to spare, there are 10 people that want to see that Member of Congress for that 5 minutes—there is a young student in the front office, full of idealism about the future of the country; there is a factory worker; there is a farmer; there is a teacher, and there is a PAC manager who could deliver a check for $5,000 in each cycle, $10,000 now and hold a fund-raiser for maybe $300,000 in one night—human nature being what it is, and the candidate desperate to raise the money, which person will that candidate or that Member of Congress see?

And so it should be no surprise to us to say that the people then get the feeling that we represent not them but the special interests who can pour more and more money into campaigns and really distort the political process. And that is not why we came here.

And what is happening does not make anyone feel good about it; not the Member who came here to make a difference for the country, who wants to represent the rank and file citizens, young and old, men and women, from their home States. They do not feel good about it when they have to see the PAC manager instead of the student or the teacher or the factory worker or the farmer.

The person making the contribution does not feel very good about it, because lobbyists realize that one group is being played off against the other and they have to rush, on any given evening, to one fundraiser or another in order to pour out the money to buy the access to open the door to get to see people who have a vote to affect their interests.

And people back home do not feel good about it either.

And new people who want to break into politics, when they realize they can be outspent 3 or 4 or 5 of 6 to 1 because of the special interest money pouring in from out of State into the campaigns of their potential incumbent opponents, decide not to get into politics at all.

The courts talk about a chilling effect of free speech, participation in the political process. If there is anything that causes a chilling effect on the political process in this country, it is pouring more and more money into the system.

The Senator from Minnesota has proposed an amendment that would strengthen one of those provisions that the President has advocated adding to this bill. I commend the President for wanting to have an even stronger bill than we had last year. I have had numerous discussions with him about this legislation. He understands its importance.

He has listed it as one of those items high on his own list of priorities. And one of the things that he said as we were discussing it is that it is not enough to try to limit special-interest money; we must change the political climate. And in order to do that, we should not have those who are registered lobbyists, who are here being paid to come and try to convince us to vote one way or another on a particular bill or an amendment, in a position where they can have campaign contributions exacted from them as they are coming in to speak to Members. It does not help the lobbyist. It does not help the Member. And the perception of the public is that contribution is being given by a lobbyist in return for a favor by the Member.

So the President asked we put that strengthening provision in the bill. It is in there. It is my understanding that the Senator from Minnesota wants to make sure it is strengthened, that it is not only a matter of those who have lobbied a Member within the past year or intend to lobby a Member within the following 12 months after making a contribution should be barred, but we want to make sure, also, we do not have a loophole in this provision so that we can go around the provision and say, well, they did not lobby the Member, they lobbied a member of the staff of the Member instead.

We all realize very often it is the staff who gets briefed instead of the Member. And, again, the staff of the Member would be, in the eyes of the public, in the position of the holder of the office, the Member of the House or Senate. It is also my understanding that the way the language was drafted we did not cover new Members who were coming in, and so they would be in a position of having contributions given to them even though they may have, again, had contacts with the lobbyists.

So, as I understand the amendment of the Senator from Minnesota, it is an attempt to take the very same spirit of the provision we put in the bill at the urging of the President, I think the correct urging of the President, and to make that provision stronger and to make sure it will really work.

Mr. President, I simply say to my colleague from Minnesota I am very much in sympathy with this amendment. I am in sympathy with the spirit of it. I have just now had a chance to begin to study it, as I was away because of a family obligation yesterday. And there may be a few elements of it I think we need to tighten the drafting of very carefully to make sure it hits the targets that are intended. I would like an opportunity to do that.

I am going to yield the floor in just a moment so my colleague from Minnesota may respond, but I express my hope to him he would be willing for us to sit down—I do not think it would take us long at all—to see if we can just take a careful second look at the actual language of the amendment and see if it might be possible to accept the amendment.

I do not know the view of my colleague on the other side of the aisle about this amendment. He has now come on the floor. Certainly, we also want him to be engaged in this discussion to see if it is possible we can work out this amendment in a way it would be acceptable to the managers on both sides.

Mr. President, I see the distinguished minority manager on the floor and also the Senator from Minnesota, so I yield the floor so both of them might comment on what I have just said.

The PRESIDING OFFICER. The Chair recognizes the Senator from Kentucky.

Mr. McCONNELL. I did not hear the beginning of the observations of my friend from Oklahoma, but we have asked Senator LEVIN and Senator COHEN to take a look at this amendment to get their reaction, since they were in charge of the lobbying bill that recently passed the Senate. I think it is extremely important for our colleagues to get their reaction to this amendment before we move to a vote.

I have a statement to make this morning. There is at least one other Senator on this side who would like to make an opening statement. We are still taking a look at the Wellstone amendment. I would like to have the reaction of the two Senators I mentioned. I think it would be very helpful to all of our colleagues before we voted on the amendment.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Minnesota.

Mr. WELLSTONE. The Senator from Oklahoma does correctly characterize the amendment. We are trying to plug a few loopholes here. If we are going to have a prohibition on, let us say, a lobbyist going in to see a Senator, then we want to say that for a year that lobbyist ought not to be making a contribution; or the other way around, if the lobbyist made a contribution, there ought to be a year's time the lobbyist ought not to be back in the office. We did want to apply that to staff as well. That is one change we wanted to make that is in this amendment.

The second change, I say to both Senators, is we also want to make sure, in the case of new Members—the Senator talked about that—say a lobbyist has made a contribution to someone, a challenger, someone who has run an open race, now in the Senate, that, again, you would cover that and for a year that lobbyist would not be in there.

The other part of this, which I understand would probably be the language that we would need to work out together if, in fact, there can be agreement—if not, we can take it to a vote—has to do with a lobbyist's clients, or PAC's. In other words, it seems to me the other part of it is the lobbyist would not necessarily make a contribution within a year's period of time but a lobbyist could instruct a client to make that contribution, or a PAC to make that contribution. We would really like to see that included.

I understand what the Senator from Kentucky has said. It makes good sense for other people to look at it.

I wonder whether or not I could temporarily, then, lay this amendment aside, if that is what my colleagues want me to do. I am ready to go with an amendment, and I would like to propose another amendment if we want to move along.

Mr. McCONNELL. I might say to my friend, I have a statement to make this morning that I could make even though his amendment is the pending business. We have been in discussion with Senator COHEN and Senator LEVIN and hope to get some reaction from them shortly. I do not think the process is being slowed by not voting on the amendment at this particular time.

Mr. WELLSTONE. What the Senator from Kentucky is suggesting is he thinks in the time that other opening statements are going to be made we could be involved in some negotiation over this amendment?

Mr. McCONNELL. This is my hope. I am concerned about the issues my colleague raised. I raised those precise issues in the hearing last week on the Clinton finance proposal, as was pointed out, in the Finance Committee. I think the Senator raised some important points.

Mr. BOREN. Listening to my colleagues—and I do recall the Senator from Kentucky mentioning these points, and I think the Senator from Minnesota has raised them in a very valuable way in this amendment. As I indicated in the Rules Committee, I was also very willing—and I am certain the President would be willing, because, as I say, this is a matter of great concern to him and this is completely in keeping with his objectives and goals—to make sure that the language reflects the goals that we have in mind.

I see the Senator from Iowa is on the floor, who, I believe, wishes to speak on another matter for a period of time. The Senator from Kentucky wishes to make additional opening remarks. We might ask unanimous consent to temporarily set this matter, the amendment, aside, to allow the Senator from Iowa and the Senator from Kentucky to make their remarks—the Senator from Iowa on another subject—and then return to this subject. It would require, I am told, since the Senator from Minnesota has an amendment in both the first and second degree, setting them both aside.

Mr. WELLSTONE. That is correct.

Mr. BOREN. It is obviously the same subject matter. Then we would return to it at the conclusion of the remarks of the Senator from Iowa and the Senator from Kentucky. The Senator from Kentucky mentioned there might be another colleague on that side of the aisle who might have some opening remarks?

Mr. McCONNELL. Yes. I say to my friend from Oklahoma I believe there is at least one Senator on this side who would like to make some opening remarks on the bill.

Mr. BOREN. Mr. President, I ask unanimous consent to have this amendment temporarily set aside, both amendments, the amendments in the first and second degree by the Senator from Minnesota, to allow the Senator from Iowa to make a statement on another subject, and then that the Senator from Kentucky complete his remarks and, if there is an additional colleague on his side of the aisle to which the Senator from Kentucky would yield, that that be allowed, and then that the Senate return to these two amendments in the first and second degree as the pending business.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Iowa.

Mr. HARKIN. Mr. President, first of all, I want to thank the distinguished Senator from Oklahoma for his actions just taken in permitting me a few minutes to speak here.

Mr. President, I ask unanimous consent I be allowed to speak as in morning business for about 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

NUCLEAR TESTING MORATORIUM

Mr. HARKIN. Mr. President, I would like to call your attention to a report in today's New York Times entitled "Play Taps for Nuclear Tests." The editorial is right on the mark.

It refers to a letter I circulated, signed by 23 Senators. Although I must correct one error made by the Times. They claim the letter was signed by 23 Democratic Senators. This is not the case. One of our colleagues from the other side of the aisle, the Senator from Vermont [Mr. JEFFORDS] also signed the letter. So there are 22 Democrats and 1 Republican who signed the letter. I hate to correct the New York Times, but once in a while we have to do that.

Let me sum up the situation that prompted this letter: Last year, Congress instructed the President not to resume testing until July 1, 1993, and then only after he submitted plans for negotiating a comprehensive test ban by 1996. But the bomb builders want to conduct 15 more tests between now and 1996. They also want to negotiate a treaty that permits 1-kiloton or less underground testing forever.

Mr. President, that is not what Congress means by "comprehensive test ban."

Our letter urges the President to take two actions:

First, we ask him to renounce the proposal by members of the nuclear weapons establishment to continue testing after 1996 at levels below 1 kiloton.

Second, our letter challenges the President to take the high moral high ground to stop international nuclear proliferation, by declaring that the United States will not be the first to resume nuclear testing.

With regard to continued testing after 1996, this clearly violates the law.

Public Law 102–377, the Energy and Water appropriations bill passed last year bans all nuclear tests after 1996, provided that no other nation explodes nuclear weapons after that date.

Period. There is no exception in the law for low level nuclear tests at any level. Let me read the law:

> No underground test of nuclear weapons may be conducted by the United States after September 30, 1996, unless Russia or another country has conducted a nuclear explosive test after this date and such test is inimical to the security interests of the United States as certified by the President in written explanation to the Congress. * * *

It doesn't say no nuclear tests except for those below 1 kiloton. There are no exceptions.

The proposal by the Department of Energy weapons labs to continue testing below 1 kiloton is clearly in violation of the law passed by the Congress last year.

I am encouraged by signs that the White House is currently planning to block this insidious proposal to continue the nuclear arms race.

The second part of our recommendation to the President goes beyond the letter of the law. We have asked him to take the moral high ground, to go the extra mile, to become a leader on the international scene for nuclear nonproliferation.

We have asked him to declare that the United States will not be the first to resume nuclear testing.

This would send a powerful message to the other nations of the world: The United States has changed. It is not business-as-usual. The United States will stop all nuclear testing, even though the law permits 15 more tests for safety and reliability.

If the United States tests, then pressure will surely mount on Boris Yeltsin to resume testing. Can you imagine the ammunition we would provide to the Russian military hardliners if we start testing and they do not?

The same for France. Could France continue its current testing moratorium if we tested?

And what of the rest of the world? Would the nuclear have-nots be encouraged to continue the Nonproliferation Treaty if we resume testing?

It makes no sense to proceed with the 15 allowed tests. The weapons labs claim that they can improve the safety of our nuclear weapons, if only we let them explode more nuclear weapons.

But the Air Force and the Navy have already stated that they do not need and will not use added safety features. Indeed, the Air Force has already taken the biggest step to improved safety by removing nuclear weapons from their bombers. Almost all accidents during the early years of the nuclear age involved bombs falling from bombers or nuclear bombs involved in bomber crashes. Removing nuclear bombs From airplanes was the best advance in safety, and it did not take any explosions to achieve.

Here is what Robert B. Barker, the former Assistant Secretary of Defense for Atomic Energy testified on March 27, 1992, regarding the use of newly developed safety features:

> The Air Force and Navy, in cooperation with the Office of Secretary of Defense and the Energy Department, evaluated the safety of all ballistic missiles that carry nuclear warheads. It was determined that there is not now sufficient evidence to warrant our changing either warheads or propellants.

Let me repeat that, Mr. President: "It was determined that there is not now sufficient evidence to warrant our changing either warheads or propellants."

In other words, the military will not use the results of the 15 planned safety tests.

So why should we risk resumption of the nuclear testing, knowing that it would surely encourage other nuclear powers to resume testing, when we do not need to test?

Again, Mr. President, I applaud the lead editorial in today's New York Times. I ask unanimous consent that it be printed in the RECORD, following my remarks, along with the letter we sent to the President, encouraging him to continue the nuclear testing moratorium.

Mr. President, I further ask unanimous consent to also print in the RECORD an editorial from the Washington Post dated May 19, and in it a quote from Secretary of Defense Les Aspin. I read this quote from the Washington Post editorial:

> Les Aspin, speaking a few months before he became Defense Secretary, said: "International cooperation is at the core of nonproliferation efforts, and that cooperation is going to be difficult if the United States continues insisting on nuclear testing."

He got it just right.

I ask unanimous consent to print those in the RECORD after my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibits 1 and 2.)

Mr. HARKIN. Mr. President, I can think of no better way to celebrate the 30th anniversary of President John Kennedy's Limited Test Ban Treaty of 1963 than by completing his work once and for all by ending all nuclear testing. Sometimes we do not remember how things evolved in the past.

On June 10, 1963, in a speech at American University, President John Kennedy took the courageous step of announcing that the United States would unilaterally halt all atmospheric testing of nuclear weapons. Again, put yourself in that time span: 1963, the height of the cold war, the belligerence of the Soviet Union. President Kennedy had the guts to step forward and say, "We are going to unilaterally halt all atmospheric tests, and we ask the Soviet Union to join with us in an agreement to halt all atmospheric tests." June 10, 1963, 30 years ago.

That led, of course, to the Limited Test Ban Treaty signed on August 6 of 1963, just a couple of months after his speech.

So, again, Mr. President, I can think of no better way to celebrate this 30th anniversary than for the President of the United States, on June 10 of this year, 30 years after President Kennedy announced that the United States would unilaterally halt all of our atmospheric testing in order to bring the other players to the table, to halt all atmospheric testing around the globe. I can think of no better way to mark that anniversary than for this President to announce that the United States will halt all underground nuclear testing, and we will not resume those nuclear tests and that we ask all the other nations of the world to join with us in finally signing a comprehensive test ban treaty to end all nuclear testing once and for all, forever.

Mr. President, I yield the floor, and I suggest the absence of a quorum.

EXHIBIT 1

[From the New York Times, May 25, 1993]

PLAY TAPS FOR NUCLEAR TESTS

The nuclear arms race has run its course, but the nuclear laboratories and the Pentagon don't seem to know it. They want to resume testing this year. Test blasts may have made sense when it was important to deter a Soviet attack. But in today's changed climate they would set a terrible example for would be proliferators.

A group of 23 Democratic senators recognize this dangerous anachronism. They've urged President Clinton to announce that the U.S. will not be the first to break the current moratorium on tests that is now being observed as well by Russia and France. Resumption would discourage negotiation of a truly comprehensive ban on nuclear tests to replace the moratorium.

Last year Congress instructed the President not to resume testing until July 1, and then only after he submitted plans for negotiating a comprehensive test ban by 1966. The bomb-builders want to conduct 15 more tests between now and 1996. They would also trifle with the law by negotiating a treaty that would permit one-kiloton underground testing forever. That's not what Congress meant by a comprehensive test ban.

Those who want to resume testing say they'll oppose ratification of a comprehensive test ban. But what exactly would 15 more tests accomplish? The labs say the tests are needed to make nuclear warheads reliable and safe. But the U.S. has other ways to assure that its warheads work, including computer simulations. And why test now, supposedly safer warheads that the Navy and Air Force say they have no intention of acquiring?

Rattling windows in Nevada to warn the world that Washington still has the Bomb seems particularly perverse when the U.S. is trying to persuade nuclear have-nots to stay out of the bomb-making business. True, banning tests won't guarantee that proliferation can be prevented. States like Pakistan have developed nuclear arms without testing them. But a test ban will help stigmatize the Bomb.

It will also help muster international support for strengthening the Nuclear Nonproliferation Treaty when it comes up for extension in 1995. Nuclear have-nots like Mexico say they'll oppose a long-term extension of the treaty and won't tighten trade in components and materials unless nuclear nations stops testing.

The 23 senators have the right idea; a no-first-test declaration by President Clinton, will prolong the moratorium on testing by others and clear the air for speedy negotiation of a comprehensive test ban. And that will help mobilize political support for stopping the spread of nuclear arms.

U.S. SENATE,
Washington, DC, May 12, 1993.

The PRESIDENT,
The White House, Washington, DC.

DEAR MR. PRESIDENT: As you know, Public Law 102-377 suspended nuclear weapon testing for nine months, and required the end to all tests by September 30, 1996, provided that no other nation tested. This commitment to negotiate a comprehensive test ban treaty (CTBT) should be the backbone of your nuclear non-proliferation regime.

Now we understand that some members of your administration are recommending that the U.S. continue nuclear testing at levels below one kiloton after 1996. Mr. President, this proposal would not only be inconsistent with the law, but would significantly undermine your ability to stem the proliferation of nuclear weapons to other nations. The nuclear "have-nots" would conclude that the U.S. is conducting business-as-usual. Despite your call for change, they would understand that the United States wants to continue developing new nuclear weapons, and is not serious about stemming proliferation. Without a CTBT, the extension of the Non-Proliferation Treaty in 1995 would be jeopardized.

We therefore strongly urge you to reject any proposal for continued nuclear testing, no matter how low the threshold. It is time for the world to stop all nuclear weapon tests.

We also urge you to announce that the United States will not be the first to break the current testing moratorium. There is no need for the 15 safety tests allowed by law, since the military has announced that it will not incorporate the safety features verified by testing into our nuclear arsenal.

we can think of no better way to celebrate the 30th anniversary of President Kennedy's Limited Test Ban Treaty than to complete JFK's work, converting his limited ban into a global, comprehensive nuclear test ban. We look forward to your leadership on this critically important issue on the world stage.

Sincerely,

Tom Harkin, Daniel K. Akaka, Paul Simon, Paul Wellstone, Paul S. Sarbanes, Russell D. Feingold, Ben Nighthorse Campbell, Harris Wofford, Dianne Feinstein, Patty Murray, Herb Kohl.

Jim Sasser, Frank R. Lautenberg, Dale Bumpers, Carol Moseley-Braun, Barbara A. Mikulski, Thomas A. Daschle, Edward M. Kennedy, John E. Kerry, Christopher J. Dodd, Bill Bradley, Barbara Boxer, James M. Jeffords.

EXHIBIT 2

[From the Washington Post, May 19, 1993]

AN END TO NUCLEAR TESTING

It is the accepted wisdom that with the ending of the Cold War, nuclear nonproliferation has replaced strategic deterrence as the urgent center of American nuclear concern. The fear of weapons coming into more hands, and less responsible hands, has displaced the old apprehensions of Kremlin threat. But while nonproliferation as an idea is unchallenged, as a reality it is not yet fully knit into American policy. Nowhere is this truer, and potentially more mischievous, than in the matter of nuclear testing.

Congress imposed a nine-month testing moratorium on President Bush last year; it ends on July 1. The measure was part of a package that permitted the conduct of up to 15 more underground tests over the following three years while the American government sought to negotiate a worldwide ban. The immediate question before President Clinton is whether the United States should use some or all of those 15 permitted tests by 1996. The deeper question is whether it should then accept a total test cutoff. Within the executive branch powerful voices have argued for continued testing—to make sure old weapons are safe and reliable and to develop small new weapons. These are the rationales for a proposal to permit small (up to one kiloton) tests on an indefinite basis after 1996. President Clinton, who spoke of a comprehensive ban (but in several tones) during his campaign, has yet to announce how he will come down.

In fact, no other decision serves the national interest as well as an immediate and permanent halt to all testing. Considerations of safety, reliability and development are not foolish and irrelevant. But they can be dealt with without testing subverting the overwhelming purpose of discouraging the spread of nuclear arms. A test is more than a test: It is a spectacular announcement that nuclear weapons are important, useful and appropriate instruments of national power. If the nuclear great power says so, who are would-be nuclear countries to say no?

Les Aspin, speaking a few months before he became defense secretary, said: "International cooperation is at the core of nonproliferation efforts, and that cooperation is going to be difficult if the United States continues insisting on nuclear testing." He got it just right.

(Disturbance in the Visitors' Galleries.)

The PRESIDING OFFICER. The Chair will caution the gallery not to show any displays of approval or disapproval.

The absence of a quorum having been suggested, the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MATHEWS). Without objection, it is so ordered.

Mr. McCONNELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONGRESSIONAL SPENDING LIMIT AND ELECTION REFORM ACT OF 1993

The Senate continued with the consideration of the bill.

INTRODUCTION TO CONSTITUTIONAL CONCERNS

Mr. McCONNELL. Mr. President, last Friday, in my first speech on the other side's campaign financing bill, I pointed out some of its absurdities. In fact, my colleague from Kentucky noted that I was "giggling" during my speech.

I probably was not giggling, but I do confess to finding it somewhat a ludicrous proposal.

I confess to giggling on the Senate floor. I do not know whether that violates any rules of decorum; but in my defense, this bill is such a Rube Goldberg contraption of bureaucratic formulas, incumbent-designed loopholes, and bizarre inequalities that it amazes me how the other side can rhapsodize about this bill while keeping a straight face. It must take incredible self-control.

Today, however, I come to the floor not to poke fun but to provoke concern. This is a silly bill, but it is also a dangerous bill. It is silly in the way that many so-called loyalty oaths of the 1950's were silly; and it is dangerous in the same way. Both are full of high purpose and noble ideals; yet both seek to sharply restrict the acceptable scope of political debate, and to force political speech into Government-approved categories and forms of expression.

Let me put it plainly: This bill is unconstitutional. It violates, by its terms and provisions, the first amendment of the Constitution, which reads as follows: "Congress shall make no law * * * abridging freedom of speech, or of the press."

Whenever I bring up this bill's unconstitutionality, the other side invariably protests. They wave around a brief opinion piece, prepared by the Congressional Research Service, as if it were a talisman to ward off all unpleasant facts.

Now, I can appreciate a responsible counterargument to these constitutional concerns. It might be enough if the other side simply said, well, our constitutional experts believe this bill passes first amendment muster; so if you disagree, our constitutional experts and your constitutional experts will battle it out before the Supreme Court—and may the best argument win. That is at least a halfway responsible way to deal with the constitutional problem.

What is unforgivably irresponsible, however, is to say that we ought to just forget about the Constitution, ignore it altogether, and pass a bill that has a number of obvious constitutional defects in it. Let the Supreme Court handle it—we're too busy issuing press releases about reform, and constitutional law always gave us a headache anyway.

I call this the know-nothing response to the serious constitutional issues raised by this legislation. Rather than uphold the Constitution to the best of our abilities, which we all pledged to do when we came here, we can turn up the populist rhetoric, rail against special interests, moan about multimillion-dollar campaigns, and promise to take the Government back from whom ever it was stole it.

Slogans are easy to coin. Solutions are much harder to achieve. As Members of this body, bound by the same oath to uphold the Constitution, we have a duty to step up to the serious constitutional questions raised by this bill.

Over the next several days and weeks, I intend to highlight some of these questions and demonstrate just how harmful and dangerous this legislation would be to core free speech values. By way of introduction, let me outline some of the broad constitutional parameters that have guided court after court in interpreting the first amendment—especially as it applies to political speech. In doing so, I will be quoting in part from the excellent testimony of Bob Peck, attorney for the ACLU.

As the Supreme Court indicated in New York Times versus Sullivan, political speech should be free to be "uninhibited, robust, and wide-open." The Court has made it clear on numerous occasions that political speech in general—and campaigns in particular—are the purest expression of the values implicit in the first amendment, and are therefore deserving of the greatest degree of freedom possible.

In Monitor Patriot Co. versus Roy, the court said the "first amendment has its fullest and most urgent application precisely to the conduct of campaigns for public office." This makes sense because, quoting the court in Buckley versus Valeo, the "discussion of public issues and debate on the qualifications of candidates are integral to the operation of the system of government established by our Constitution."

In Mills versus Alabama, the Court further underscored the special freedom that political campaigns and speech enjoy, saying that, "There is practically universal agreement that a major purpose of that amendment was to protect the free discussion of governmental affairs * * * includ[ing] discussions of candidates."

But the first amendment's guarantee of freedom of speech protects much more than the right of candidates to advocate whatever they want. Among other protections, it also secures the "right not only to advocate their cause but also to select what they believe to be the most effective means for so doing," quoting the Supreme Court in Meyer versus Grant.

In the context of a campaign where public financing is offered, some candidates will choose public financing, and some will forgo taxpayer funding in favor of private, limited, disclosed donations from supporters. The first amendment protects every candidate's right to choose between these alternative methods of financing their campaigns—from Government interference or coercion.

The first amendment protects people from this kind of Government interference. The Supreme Court also has spoken forcefully on the issue of effectiveness of the mode of communication chosen. In Richmond Newspapers, Inc. versus Virginia, the Court noted that the first amendment "entails solicitude not only for communication itself but also for the indispensable conditions of meaningful communication."

As anyone who is involved in electoral politics knows, one condition for effective communication is to have a substantial broadcast media campaign, an that usually requires a considerable amount of money.

Therefore, in the Buckley case, the Supreme Court recognized that spending limits inherently violate the first amendment by reducing the quantity of political speech, including the number of issues, the depth of discussion, and the size of the audience that might be reached. Spending limits, the Court said, amount to "substantial and direct restrictions on the ability of candidates, citizens, and associations to engage in protected political expression, restrictions that the first amendment cannot tolerate."

Mr. President, none of the rationales that were offered for spending limits were accepted by the Court in the Buckley case—none of them. The Court rejected both the concern about the potential for corruption as well as the proffered alternative rationale of equalizing the financial resources of candidates. Neither one was considered a sufficiently compelling justification for overruling the clear dictates of the first amendment.

Any constitutional assessment of purported campaign finance reform legislation should be guided by the following point made by the Justice Department in testimony before the Rules Committee in 1991:

It should never be forgotten that by protecting robust debate and broad criticism of competing candidates, the first amendment was the most important electoral reform ever enacted.

The other side knows that public support for taxpayer financing of elections is at an all-time low. Support for the Presidential election campaign fund through the tax checkoff has declined dramatically to only 17.7 percent checking "yes" in 1991. At one point, it was 29 percent. Public support has been dropping off from 29 percent down to 17 percent last year, the lowest yet, indicating that the taxpayers of this country are not willing to designate a dollar of taxes they already owe. It does not even add to their tax bill to pay for political campaigns.

We know the taxpayers hate taxpayer funding of elections. They detest, despise, and deplore taxpayer funding of elections. We have the most complete survey ever taken any time in the country every year on this issue; it is the tax return. The most comprehensive poll ever taken in America on any issue is on this one, and people are voting every April 15, and they say we hate taxpayer funding of elections.

Aware of this fact, the other side has endeavored to minimize the up-front costs of their campaign finance bill at the expense of constitutional freedoms which Americans have enjoyed for over two centuries. By offering communications vouchers, reduced mail rates, and a super broadcast discount as rewards for compliance, as well as various severe penalties for spending over the prescribed limits, the bill before us desecrates the first amendment right of free speech. In this regard, the bill before us is very different from the Presidential system of spending limits and taxpayer financing, which was upheld in the Supreme Court in the Buckley case.

Under the Presidential system, candidates can qualify for matching funds in primary elections, and the two major party nominees are eligible for direct grants to spend in the general election. President Clinton and former President Bush each were given $55 million from the Treasury to wage their campaigns in 1992. Had George Bush declined the grant and chosen to spend over the limit, Bill Clinton would not have received any additional funds or benefits from the Government, nor would President Bush have been penalized.

The direct grant is a straight bribe, if you will, for giving up the right to speak too much. While such a proposal raises its own constitutional questions, which a future Supreme Court may be willing to reexamine at some point, the Court in Buckley at least acquiesced to the voluntary speech restraints in the Presidential system.

Under this bill, on the other hand, the bill before us, a candidate who chooses not to participate in this taxpayer financing scheme, even on some purely ideological grounds, would not only be deprived of the communications vouchers, reduced mail rates, and super broadcast discount, he or she also would be subjected to a series of punitive provisions.

Among the punishments is a political provisions.

Among the punishments is a political scarlet letter. Nonparticipating candidates would be forced to run a disclaimer at the end of their ads saying this—listen to this, Mr. President—if you were so audacious as to want to speak all you wanted to, and you were philosophically opposed to taking taxpayer funds to fund your campaign, here is what you would have to put in your ads: "This candidate has not agreed to voluntary campaign spending limits." It makes you look like you are some kind of criminal. This would amount to a scarlet letter acquiescing for exercising one's first amendment rights. That smacks of compelled speech, which the Supreme Court has ruled to be utterly unconstitutional.

The financial largess of the Federal Government also rains down on any free-speaking culprit. As soon as any nonparticipating candidate spends $1 over the limit, his or her eligible opponent would receive a grant equal to one-third of the general election limit. If the nonparticipating candidate spent 133⅓ percent of the limit, his or her opponent would receive another grant equal to one-third of the general election limit.

The taxpayer-funded infusions to the eligible candidate would not cease until the nonparticipating candidate had spent twice the supposedly voluntary limit.

Mr. President, these direct grants, combined with the disclaimer to reduced mailing rate and the super broadcast discount are powerful incentives in the sense that the alternative—exercising first amendment rights—would cause one to be financially pummeled by the Federal Government. These provisions actually punish those candidates who exercise their constitutional right not to participate in this taxpayer-funded spending limits system.

S. 3 also directs the Federal Government to counteract those who exercise their first amendment rights through independent expenditures. for example, if the NAACP or B'nai B'rith spent money to oppose David Duke, the former Klansman could qualify under the Democratic plan for unlimited tax dollars to respond.

Let me repeat, Mr. President, under this bill that is before us, if some civil rights group decided to make independent expenditures against the candidacy of a former Klansman, like David Duke, who, say, is running for the U.S. Senate in Louisiana, once they are made by the civil rights group against David Duke, David Duke would get Federal taxpayer dollars.

David Duke would get our tax dollars to respond to a civil rights group. That is in this bill.

In its headlong rush to eliminate the perceived evils of party soft money, the bill tramples on political speech rights protected by the first amendment, as well as State electoral treatment protected from the 10th amendment. This bill imposes Federal regulations on virtually every aspect of State party activity undertaken during the Federal election year.

Federal interference with State electoral processes is allowable only pursuant to specific grants of constitutional power in the 14th, 15th, 19th, 24th, and 26th amendments. If Congress had the raw power to regulate State electoral processes, none of these other amendments would have been necessary. Clearly, that proves a point.

None of these other amendments justifies this massive Federal intrusion into political activities of State parties. Whatever the actual or perceived evils of party soft money, this legislation goes much too far in squelching legitimate political speech and imposing Federal regulations on State electoral processes.

That is a just a thumbnail sketch of the constitutional problems contained in this bill. It is my hope that this body will deal seriously with these issues and not simply leave our constitutional messes behind for the Supreme Court to clean up.

We look forward to further debate on this issue as well as action on amendments which I will be proposing which will help disinfect this legislation of its blatantly unconstitutional provisions.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota.

AMENDMENT NO. 367 AND AMENDMENT NO. 368

Mr. WELLSTONE. Mr. President, are the Wellstone amendments now pending again?

The PRESIDING OFFICER. The Senator is correct.

Mr. WELLSTONE. Mr. President, my understanding from talking with the Senator from Oklahoma, and I believe we also had a colloquy with the junior Senator from Kentucky, is that we are trying to work something out with the language of the Wellstone amendments.

So, Mr. President, I ask unanimous consent that the Wellstone amendments be temporarily laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 370

(Purpose: To reduce the individual contribution limit to $105 per Senate election cycle)

Mr. WELLSTONE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Minnesota [Mr. WELLSTONE] proposes an amendment numbered 370.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place insert the following:

SEC. . REDUCTION OF CONTRIBUTION LIMITS.

(a) AMENDMENT.—Section 315(a)(1)(A) of FECA (2 U.S.C. 441a(a)(1(A)) is amended by striking the semicolon an inserting ", but no more than $105 in the aggregate with respect to an election cycle in the case of a candidate for the Senate;".

(b) EFFECTIVENESS.—The amendment made by subsection (a) shall be in effect only when there is in effect a law that provides for significant public financing of Senate election campaigns (including payments of money, vouchers for use in connection with the purchase of the use of media for communication to the public discounted or free use of communications media, and reduced mailing rates) for primary elections, runoff elections, and general elections.)

Mr. WELLSTONE. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is not a sufficient second?

Mr. WELLSTONE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 370, AS MODIFIED, TO AMENDMENT NO. 366

Mr. WELLSTONE. Mr. President, I send a modification to the desk.

The PRESIDING OFFICER. The Senator has that right. The amendment is so modified.

The amendment, as modified, is as follows:

At the appropriate place insert the following:

SEC. . REDUCTION OF CONTRIBUTION LIMITS.

(a) AMENDMENT.—Section 315(a)(1)(A) of FECA (2 U.S.C. 441a(a)(1(A)) is amended by striking the semicolon and inserting ", but no more than $100 in the aggregate with respect to an election cycle in the case of a candidate for the Senate;".

(b) EFFECTIVENESS.—The amendment made by subsection (a) shall be in effect only when there is in effect a law that provides for significant public financing of Senate election campaigns (including payments of money. vouchers for use in connection with the purchase of the use of media for communication to the public, discounted or free use of communications media, and reduced mailing rates) for primary elections, runoff elections, and general elections.

Mr. WELLSTONE. Mr. President, let me give some context to this amendment that I offered to the Senate. The context is going to be about this mix of money and politics in the United States.

Let me just say at the beginning that in many ways I feel as though—and I am not at all sure how many votes there will be for this amendment—but I really believe that this amendment goes to the heart and soul of the green bus campaign in Minnesota in 1990 and the mandate from Minnesotans about getting money out of politics.

Yesterday I spoke on the floor of the Senate about this mix of money and politics, and I talked about the ways in which I believe people feel really ripped off, and the fact that we have such big money right now in politics that I think it undercuts the very essence of representative democracy. Once again, my standard for representative democracy is when each person counts as one and no more than one. Given the kind of system we have right now of campaign finance in this country, that is simply not the case. I think that is why there is so much disillusionment why there is so much anger. I think that is why the term-limitation drives in a good many States in this country, have been successful, and that is why I think we have to make major changes.

Before I start out talking about this issue of big money in politics and giving some context to this amendment, I do want to apologize to the junior Senator from Kentucky. There are going to be, I am sure, points we are going to be debating over the next several weeks. That is an honest disagreement.

Yesterday, the junior Senator from Kentucky read from an op-ed piece in the L.A. Times which was actually written by my very good friend, maybe the best friend I have in the world, Barry Casper, in which Barry Casper was very critical of the bill we now have before the Senate. The junior Senator from Kentucky correctly quoted Professor Casper.

I then said I thought the junior Senator from Kentucky decontextualized the piece; meaning, surely he did not include the part where Professor Casper talked about his strong support for really comprehensive public financing, for dramatically reducing big money in politics. That was not in the piece. Therefore, the Senator from Kentucky correctly characterized Professor Casper's piece. I do apologize to the Senator because I think my criticism was unfair.

I think my criticism of his overall position is not unfair, but I think my criticism—

Mr. McCONNELL. Mr. President, I would just like to thank my friend from Minnesota. We will enjoy these debates and we will move ahead without misrepresenting each other's views.

I thank the Senator for his observation.

Mr. WELLSTONE. I apologize again to the Senator.

Let me start out by comparing past and current congressional spending.

In 1980, expenditure on Senate campaigns was $73 million. In 1990, we were talking about expenditures on Senate campaigns of $173 million. Or consider the average cost, Mr. President, of a Senate campaign, another good barometer: $1.2 million in 1980; $3.3 million in 1990; almost $3.7 million the average cost in 1992 and likely to rise again if people continue to raise money at the pace that they are now raising in the first 6 months of this year.

The average cost for Senate campaigns for incumbents in 1990, Mr. President, was $4.5 million and, therefore, people in the country raised the question, how long can this money chase continue?

In a broader context, look at the way in which costs have skyrocketed in the House and Senate elections in the past 10 years. This graph illustrates a dramatic increase, an explosion of costs over the last decade to $678 million spent in the 1992 elections; $678 million, a tremendous explosion over the last decade plus, starting with $200 million, and all the way up.

Let me repeat: $678 million spent on congressional races in the last 2 years. Can we blame people in this country for not having confidence in this political system? Can we blame people in this country for being frustrated and angry about this obscene amount of money that goes into politics? Can we blame people in this country for being cut out of the loop? Regular people just know that they are not considered the big players, or the big contributors.

This, Mr. President, is auction-block democracy. It is checkbook democracy. That is what we have to reform. That is what we have to reform. That is what we have to change.

Now, while some of this increase, Mr. President, was due to redistricting, or an unusually large number of House incumbents who retired, or a couple of special Senate elections, the trend is, nevertheless, clear and unmistakable and, I might add, from the point of view of anybody who cherishes representative democracy, very disturbing. The spiraling campaign costs mean that fundraising for lawmakers in the Senate—the amount that we are supposed to raise in order to be credible, in order to get ready for the next election, is $12,000 per week. Let me repeat that. In order to be viable candidates, we must raise $12,000 per week.

Mr. President, by the way, if that is the standard, I am way, way behind.

I will now focus on the PAC contribution part, and then I will get to the individual contributions.

Senate incumbents seeking reelection in 1992 received on average $1 million from PAC's, while challengers received about $250,000. That is a 4 to 1 edge for incumbents in PAC contributions. During that same period, the overall edge for Senate incumbents just in terms of overall spending, PAC and individual contributions, which I will get to in a moment, was 2 to 1.

According to the Center for Responsive Politics, the increase in PAC spending held true all across the spectrum in 1992, ranging from a 14 to 17 percent increase. In 1990, business PAC's gave $122.1 million, labor PAC's gave $16.4 million, and ideological or single-issue PAC's gave $42.5 million. As we well know, these contributions have gone and go overwhelmingly to incumbents.

Now, what I would also like to point out is the distribution of PAC contributions to incumbents versus challengers.

If you look at this graph right here and you look at the distinction between what challengers get and what incumbents get, you can see across the board that it is a most stacked deck—challengers in black, incumbents in this checkered block, and then candidates in open seats. It is a stacked deck, and the vast majority of the PAC moneys have clearly gone to incumbents.

Let me use health care as an example—I would argue a prime example—of some of the abuses. Not surprisingly, health care spending by PAC's led the way in 1992. And if you look closely, what you will see is that there has really been a dramatic increase in PAC contributions by the health care industry as the tempo toward reform has picked up.

Americans want to see a major change in how we finance and deliver health care. When people come up to us at a cafe in Minnesota or a cafe in California, they say: Senator, will there be decent coverage for myself and my children? Senator, will it be a decent package of benefits? Senator, will I have some choice of doctors? Senator, will I be able to afford it?

I am sure you will find wherever you go that health care is a most compelling issue and people are calling for major change. But comprehensive health care reform threatens some of the very powerful interests in the medical industry, and right here is just an example of the amount of money that we see spent by the health care industry: $41.4 million in the 1990-92 period of time. This year alone the Health Insurance Association of America is spending about $4 million to discredit, for example, the single-payer plan. They have a massive campaign in this country—I would call it really a propaganda campaign—about all of the problems in the Canadian system, not, of course, mentioning what the polls show: overwhelming support by people in Canada because there is a system of cost containment and they have universal coverage.

(Mrs. FEINSTEIN assumed the chair.)

Mr. WELLSTONE. Now, Madam President, no system is perfect. That is not my point today. Clearly, we would take from the Canadian system what works and then we would improve on what does not work as well. I am just talking about this mix of money and politics now.

The Health Insurance Association of America is only one of several organizations paying big bucks to frustrate any kind of real reform, reform that as a matter of fact goes after some of the bloat in the administration, that goes after some of the profiteering.

Medical industry PAC contributions increased by almost 2½ times during the 1980's. People saw the reform trend starting to move and they moved to ensure access to their allies in the Congress.

It is that simple. They could see the writing on the wall. They could see that health care reform was a major issue in this country, and the big PAC money started pouring into their allies. The industry has focused, as a matter of fact, this attention on those committees which have the jurisdiction. The top 10 recipients of medical industry PAC contributions all sit on 1 of 4 committees in the Senate with jurisdiction over health care. In the other body, 17 of the top 20 recipients served on a key health care committee with 2 of the remaining top 3 in the House leadership. The tentacles of the health care industry, Madam President, are very long and very powerful. And in the Senate, 84 percent of health care PAC contributions went to incumbents during the 1992 race—84 percent of the PAC money went to incumbents.

According to Public Citizen, medical industry PAC's alone have given over $60 million to fund congressional campaigns since 1981. According to Public Citizen, over $60 million by health industry PAC's alone have gone to candidates—72 percent going to incumbents.

But, Madam President, PAC money is just the tip of the iceberg on health care. I would like now to return to the graph that comes from data in the May 24 issue of U.S. News & World Report. This is based on their study of FEC data in the last 2-year cycle.

According to U.S. News & World Report, the total contributions to Federal candidates from health care sources rose to $41.4 million.

This is total money that was spent in this period of time. Again, this includes PAC money, soft contributions, individual contributions. But do you know what? People are not confused. Call it PAC money, call it soft money, call it individual contribution money, call it bundled money, it all amounts to the same thing: Big money in politics used to try to thwart major health care reform.

This was, Madam President, a 31-percent increase in contributions over 1990. This money comes from all sources: From doctors, the insurance industry, mental health providers, medical services and supply companies, HMO's, chiropractors, nurses, therapists, pharmaceutical companies and others—again, $41.4 million in the 1990-92 cycle; an enormous amount of money getting poured into House and Senate races.

Madam President, let me give some examples from the article so people can understand the scope of the problem here: American Medical Association, in 1989-90, gave $2.37 million; in 1991-92, they gave $2.93 million; a 24-percent increase. The American Dental Association gave $817,000 in 1989-90, $1.42 million in 1991-92; a 74-percent increase. The list goes on.

I ask unanimous consent to have printed in the RECORD following my remarks, an article in the Washington Post which illustrates this impact of health care spending, and the article in U.S. News & World Report which I referred to.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. WELLSTONE. Madam President, I would like to quote from the article a key passage that bears directly on this question. It sys:

> Most of these funds went to incumbents, Republicans, or conservative Democrats who favor moderate market-based reform and hold other positions friendly to physicians and insurance companies.

Madam President, in light of this reality there were a number of us—I certainly had an amendment that I was going to offer which was going to prohibit contributions from political action committees if in fact we went to a system of comprehensive public financing. I am grateful to Senator FORD and Senator BOREN and others, for the leadership bill now includes this provision, and we now have a prohibition on contributions from political action committees.

But I want to make it very clear that I hope this time we will do better than what we did when we dealt with S. 3 last time, when we abolished PAC's on the Senate side, but it was put back in during the House-Senate conference. So eventually what we came out with was a $2,500 PAC limit for Senators. I think if we are serious about this, and we are talking about the pernicious influence of PAC money, then I believe that this time we should make sure that no such game is played, and again in the context of a system of public financing with a level playing field we should get this big money out of politics.

But in addition to the PAC ban—now I go to this amendment—another key element of reform I think is really missing in this bill, is to reduce individual contributions of Senators to $100. That is the amendment I am offering today.

This amendment is simple and it is straightforward. It comes in two parts. The first would reduce the current $1,000 per election individual contribution for Senate elections to $100 per individual per cycle. In other words, Madam President, as opposed to individuals being able to contribute $1,000 primary, $1,000 general election, that is $2,000, I want to cut that down to $100 per individual per election cycle.

The second part of this amendment would require that this contribution limit would only be effective under an expanded public campaign regime that provides for significant public financing in the primary, in the runoff, and in the general election for U.S. Senate.

This amendment is designed to tie these two concepts of lowering the individual contribution limits and having significant public financing in some combination of communication vouchers, matching and direct grants, free media or lower broadcast rates, or low mail rates.

The specific debate about public financing will be enjoined when Senator KERRY and Senator BRADLEY and Senator BIDEN bring their public financing bill out to the floor. I will be very proud to join them in support of that amendment and will be involved in that debate.

I just simply want to for a moment respond one more time to those who say that we are talking about food stamps for politicians. If you cut the issue that way then of course people will say we are not interested in food stamps for politicians. But if as we are, you talk about a relatively small amount of money on the Senate side—one estimate is around $150 million per cycle—and you are saying that in exchange for a small amount of public money you could restore competitive elections, you could end the mortgaging of governance to big money contributors, you could restore representative democracy, you could end a lot of the wheeling and dealing around money in politics, not to mention the kind of money that you could save for the taxpayers through the kind of subsidies that go to all too many interests who are too well represented here. Then public opinion turns around. I recite a recent Greenberg-Lake poll that found almost three-quarters of the voters in our country, 72 percent to be precise, support extending the Presidential public financing system to the congressional races if the reform package includes eliminating or drastically reducing PAC money and individual contributions as well.

Madam President, we can do much better. This is the time for fundamental reform. We had a President in the State of the Union Address, and a President during his inaugural speech who talked about making sure that this Capitol belonged to the people. We have said to people in this country that we want to be reformers and we want to make a real difference and have a major change in how we finance campaigns, so the vast majority of people will not feel out of the loop. One of the things we have done is said we will eliminate PAC contributions.

But I think there is a large loophole here. It is one that this amendment speaks to. The loophole is as follows: What will happen is what happens all the time, which is to say it may be true that a S&L here or a corporation cannot contribute PAC money, but there is nothing to prevent that particular S&L, or that particular corporation, to bring together executives at one time, and just simply contribute money that way.

So that, for example, what could happen is lobbying coalitions could continue to come together here in Washington as they do now. We all know the way this works. A Senator can go to a fundraiser, 100 people are brought together, a lobbyist calls any number of different people, organizations, puts together a fundraiser for a Senator, 100 people come, $1,000 per person, $100,000 at a crack. Not a bad night's work.

If we in fact want to get interested private money out of politics, if we want to provide some reassurance to people in this country that we have clearly dealt with that problem, then my position is we ought to have some kind of standard.

I think that a good many of my colleagues are going to say, Senator Wellstone, this is going too far. If you are going to talk about $100 contributions, I mean that is a very little amount of money. But I will tell you something right now. If you ask ordinary people in Minnesota, or ordinary people in California, or elsewhere around the country, how much money do they contribute, they will tell you that $100 is quite a bit of money. And most people do not even contribute that.

If we are going to argue that each person should count as one and no more than one, then I think we have to meet the Main Street test. And $1,000 per election which is really $2,000 per cycle is way out of the reach of regular people in this country.

So I think that we have to provide people some assurance, that as a matter of fact what we are doing in addition to eliminating the special PAC moneys is we are plugging loopholes, and we are making sure that we do not have a continuation of what I think goes on all too often here in the Nation's Capital, which is you have these fundraisers all the time where people are brought together, who can make the big buck contributions. That is precisely what happens.

Once again, let us be frank. Is a group of 50, $1,000 contributions from savings and loan executives any different from a huge S&L soft money contribution? Or, for that matter, independent expenditure contributions when the funds come from a group of executives or lawyers at a law firm? Is not the result the same? Huge amounts of private money enter into this political process. Madam President, we still have a sieve here.

We still have a sieve, and I predict that if in exchange for public financing in the leadership bill—I do not think it is enough public financing—we eliminate the PAC money within a section wherein candidates agree to spending limits. But if we have $1,000 per election, you are just going to see it all shift toward these big lobby coalitions bringing folks together, and Senators, in 1 hour, raising $100,000 a crack, and we will have not spoken to the concern that people have in this country about the ways in which big money taints the political process.

So, Madam President, addressing that problem is really the purpose of this particular amendment. While I do not want to belabor the point—and I do not intend this analysis to be personal in relation to any of my colleagues—I think it is a systemic problem, because the vast majority of people in this country do not make $1,000 and $2,000 contributions. This is the same big money that will continue to dominate the political process.

I also believe that if we do not eliminate this big money from the political process—as naive as this might sound on the floor of the Senate—then people will continue to believe that the reason they do not get a fair shake when it comes to tax policy, the reason they do not get a fair shake when it comes to health care, the reason they do not get a fair shake when it comes to having their interests well represented here, is because they do not have big bucks. They are not the ones that made the big individual contributions.

Finally, Madam President, let me point out that of the contributions to Senators, over $200, about 20 percent, just looking at recent FEC reports, were between the $200 and $500 range; about 78 percent are in amounts from $500 to $1,000. So the trend, Madam President, has been toward large, individual contributions. And my fear is if this amendment is not passed and we go with this $1,000 per election, which is entirely too high, then big dinners, big money receptions, and other similar events, will become prominent features of the postreform Washington landscape, and we will not have done the job that we should have.

Let me just also make it very clear that when we are talking about big fundraisers, that Senators—I want to simply go to another chart. By and large, Senators rely on individual contributions. When I was looking at the FEC data, what I noticed in the last few elections is that Senators have relied on individual contributions for about 60 to 65 percent of their overall funds. In 1986, for example, Senators raised $140 million in individual contributions. In 1992, after dipping slightly, the figure has climbed to $162 million. So, 62 percent of the fundraising is in individual contributions.

Just look at the amount of money from PAC's that have gone into Senate races and look at the party contributions, what candidates have contributed, and then look at the amount of individual money that has gone into these races.

So, Madam President, I believe that it would be a little bit disingenuous for the U.S. Senate to wipe out a benefit like a PAC contribution, upon which not that many of us rely that heavily, but leave the major source of big money contributions to Senate races more or less untouched. And that is why I propose this amendment.

I think the political earth has moved under our feet, and I believe that we ought to respond. I take seriously what the President said when he said we ought to give the capital "back to the people to whom it belongs." I take seriously a principle that was articulated by five of my Republican colleagues who wrote Chairman FORD on May 19 and said, "we don't believe campaign finance reform will be true reform until it hurts incumbents."

Madam President, if you only eliminate the PAC contributions and you do not do anything about this huge amount of individual contributions that come into our campaigns—most of it $500 to $1,000—then you have not dealt with the fundamental issue about the way in which money, big money, has come to dominate politics in the United States of America, and you will have not addressed the most significant way that U.S. Senators raise their money in campaigns. We can do better for people in our country.

I will conclude with these words, Madam President, because I know that both caucuses are soon going to be meeting.

Some of the amendments I am going to be introducing to the leadership bill, I believe, are amendments that will pass. I believe I will have the support of my colleagues. Once in a while, you introduce an amendment—I see Senator CRAIG from Idaho, and we do not agree on a lot of issues, but I think we agree that if you believe in something, you go forward with it. Along with health care and children and education, to me, the whole issue of reform in Government, the whole issue of reform by way of campaign finance is central to our work here. If I did not bring this amendment out to the floor and fight for it, I just would not be living up to my mandate from Minnesotans.

We campaigned in this rattle trap, beaten-down bus, and I talked about eliminating big money from politics. I made the promise that I would fight for it. I believe that if we were to eliminate PAC money or drastically reduce PAC money, if that is all you can do constitutionally and get large contributions out in exchange for it—and I argue that has to happen—and extend public financing to general elections, to primaries as well—then you have a level playing field, and then you truly would have an opportunity for incumbents to have an opportunity to win races. And I think you would have eliminated a lot of the interested private money, and you move toward clean money and people in the United States of America would really control their elections and their Government.

My amendment, once more, reduces the individual contribution limits. He says that $2,000 per cycle is too much. That $2,000 does not meet the cafe standard. Ordinary Americans cannot make those kinds of contributions.

Knock it down to what people can contribute, and $100 makes good, common sense to me. That, I think, should only take place and only be in effect within the context of an expanded system of public financing.

I urge my colleagues to support this amendment.

I yield the floor.

EXHIBIT 1

[From U.S. News & World Report, May 24, 1993]

MONEY, CONGRESS AND HEALTH CARE

On a clear night in Washington not too long ago, about 20 doctors from around the country partook in what has become an annual rite of spring in the nation's capital, wining and dining a member of Congress while they got a few parochial concerns off their chests. The guest of honor was a Tennessee Democrat named Jim Cooper, a highly regarded lawmaker who authored a bill calling for managed competition in the health care industry, a bill that would affect the assembled physicians. "It isn't in smoke-filled rooms where you get someone to vote one way or the other," says Donald Fisher, executive vice president of the American Group Practice Association. "What it really is is an open, honest dialogue about what is needed." That spring night Cooper received checks totaling $13,000 after his dinner with the doctors.

The health care industry today represents one seventh of the American economy. Reforming the system will be the most significant legislation since the passage of Social Security. For the special interests involved, reform of the system may be the biggest fight of their lives.

And they intend to make sure their voices are heard. A U.S. News computer analysis of Federal Election Commission records found that health care and insurance industry interests plowed a phenomenal $41.4 million into House and Senate campaigns in 1992—a jump of 31 percent over 1990. The increase is significant: Over the same period, campaign contributions of all kinds rose only 10 percent. "The increase," says Michael Podhorzer of the consumer lobby Citizen Action, "is nothing short of an explosion."

The U.S. News study examined nearly 2 million campaign contributions made between 1990 and 1992 by individuals and political action committees. Principal findings:

Doctors, individually or through PACs, gave $16.4 million in 1992, an increase of 45 percent over 1990.

The biggest jump in contributions came from nonphysicians—mainly chiropractors, nurses and physical therapists. These groups seek inclusion in any basic benefits plan that emerges from the Clinton reforms and stand to gain from an increased emphasis on preventive care. Contributions from them increased by 48 percent over 1990.

Contributions known as independent expenditures jumped to $1.1 million last year from physicians alone. That's nearly one tenth of all independent expenditures, making the health industry among the biggest such contributors.

"Soft money," unrestricted contributions to state and national political parties, represents a growing part of campaign war chests. Last year, health care interests paid $5 million to political parties. Much of that money was used in congressional races.

Federal Election Commission records show strong evidence of "bundling" by employees of health care industries. Bundling constitutes no violation of law, but it is a good indication of an interest group's influence. The U.S. News examination found dozens of examples of checks being received by the same member of Congress on the same day from employees of the same corporation. The contributions amounted to well over $100,000.

The top recipients of health care and insurance dollars almost all faced strong opposition in the November elections. Nearly all were incumbents, Republicans or conservative Democrats who favor moderate, market-based reform and hold other positions friendly to physicians and insurance companies. Many of these same congressional leaders, aware of the stakes in the fight over health care reform, began soliciting money months and months ago. "We get many, many requests every week from candidates," says Mark Seklecki of the American Hospital Association. More candidates asked for money last fall, Seklecki says, than ever before.

While records of political contributions this year are not yet available, evidence suggests that the spending will increase over 1992. The American Chiropractic Association, for example, has already raised more than $1 million in membership fees and political action funds. A spokesman says the money will go to finance the organization's "very aggressive grass-roots campaign." The chiropractic association has declared the fight over health care reform a "national legislative emergency." All over Washington, lobbyists are getting called. One well-connected Washington firm, Gold & Liebengood, has picked up six new health-related clients. "They are coming to us," says Martin Gold, "because of our contacts in Congress." Another big player is Cassidy & Associates. The firm gave $238,928 to members of Congress in individual donations. Its clients include pharmaceutical firms and a large hospital chain.

Always influential, the medical and insurance lobbies have successfully fended off health care reform before. The American Medical Association, for example, pushed Franklin D. Roosevelt to keep health care out of the New Deal. Now that change is likely, however, the special interests are trying to minimize the damage. Although President Clinton will not announce his plan until June, reform proposals have already created strange bedfellows. Large insurance companies that already have health maintenance organizations stand to benefit from a system of managed care while their smaller counterparts may be forced to insure higher risk patients. Labor unions worry that mandated benefits will be less generous than the ones they already have. Small businesses fret over how to pay for insurance they don't now provide. Pharmaceutical companies accused of price increases that far exceed inflation face the prospect of price controls. And doctors, having resigned themselves to government interference, can only make sure their practices suffer as little as possible.

Everyone, in other words, is looking for help from Capitol Hill. As with much important legislation, three battlegrounds are key: the House Ways and Means Committee, the Senate Finance Committee and the House Energy and Commerce Committee. Members of these panels and of labor committees, as well as congressional leaders, showed up repeatedly in the *U.S. News* analysis of campaign contributions from the health care industry.

The No. 1 recipient: Pennsylvania Sen. Arlen Specter. A minority whip and the ranking Republican on the subcommittee with jurisdiction over health care spending, he received $421,737. His opponent in a close November race, Democrat Lynn Yeakel, spooked doctors with her support for a national health care system based on the Canadian model. Specter came out strongly against such a system and in favor of managed care and reduced paperwork. He is also a key swing vote in any close fight over reform. "Priority 1," explains one industry lobbyist, "is fence sitters. No. 2 is folks on your side."

Paper flow. Similar dynamics help explain campaign contributions to other congressional favorites from the health care industry. In the tight Senate race between Oregon Republican Bob Packwood and Democrat Les AuCoin, Packwood took the more conservative approach to health care reform, calling for changes in the existing employer-based system and tax credits for the uninsured. Throw in paperwork reduction measures—against AuCoin's advocacy of a single-payer national health program—and Packwood was the natural choice of the health care industry, which ponied up $308,658, most of it from doctors.

In Arizona, Republican Sen. John McCain, a minority whip and member of the minority task force on health care, preached against "pay or play," which would require employers either to provide health benefits or pay into a system provided by the government. And in Iowa, Sen. Charles Grassley, a Republican member of the Senate Finance Committee, deplored the costs of medical malpractice awards. Doctors and insurance companies responded in kind, with gifts of $208,129 and $150,357, respectively. Health interests were also happy to contribute $327,637 to Democratic Sen. Christopher Dodd, whose home state of Connecticut employs 52,000 people in that business. "We make no apologies," says a spokesman for the senator, "for representing the workers of Connecticut."

Another winner in the campaign finance sweepstakes is Indiana Republican Dan Coats, who is neither a Senate leader nor a member of the most powerful committees. He is, however, a friend of pharmaceutical giant Eli Lilly & Co., a sympathetic ear for doctors and a former lawyer for an insurance company. With the Democratic contender calling for curbs on drug prices, Lilly rewarded Coats with more than $38,900 in contributions, $28,900 of that from individual employees.

For all the money they're spending, few in the health industry want to talk about it. The AMA, for example, declines to discuss its PAC giving or its lobbying strategy. For pharmaceutical companies, the threat of price controls is reason enough to ante up contributions. "It's just the way you play the game," says Julianna Newland of Eli Lilly. "It's part of doing business."

Not all the health industry money is flowing to political candidates and traditional lobbyists. Aetna Life & Casualty, Golden Rule and the Mayo Clinic are among the corporate supporters of the nonprofit Jackson Hole Group, which is credited with the managed competition approach endorsed by Clinton. The Jackson Hole Group has a healthy budget of $600,000, and Paul Ellwood, the group's founder, says he solicited as much as $100,000 apiece from big insurance companies.

This picture of money and politics is incomplete without a look at donations by individuals, who can boost spending well beyond the limits set for PACs. Howard Palefsky, president of Collagen Corp., a Palo Alto, Calif., medical device company, gave $500 to Sen. Orrin Hatch last year after a dinner thrown by the chairman of Allergan, a pharmaceutical firm. A total of 22 people from medical device firms—13 from Allergan alone—gave Hatch $12,400 on the same day. "Mine was in support of the man," says Palefsky. "He represents the kind of thinking that needs to be represented on the health and labor committee."

To Win Friends and Influence Pols

The Federal election Commission calls them "24E" transactions. They also go by the name "independent expenditures," but whatever you call them, they're a lot of bang for the buck. Thanks to an obscure Supreme Court ruling that defends the contributions as a First Amendment right, lobbyists, political action committees, anyone, really, can spend as much money as they want on a favorite candidate—as long as the money does not go to the campaign directly. Unlike direct PAC contributions, which are limited to $5,000 per candidate in the primary and $5,000 in the general election, the sky's the limit on independent expenditures.

They may be unfamiliar to most Americans, but just about everyone has seen the results of these campaign contributions. The controversial TV ad about prison inmate Willie Horton that did so much damage to the presidential hopes of Michael Dukakis, for instance, was paid for by an independent expenditure for the campaign of George Bush. Realtors, foreign-car dealers and abortion-rights activists are among the biggest players in the independent expenditure game.

So is the American Media Association—the fourth-biggest source nationally of independent expenditures on political campaigns. In the final two weeks before the November 1992 election, the AMA and its affiliate California Medical Association doled out over $1 million to the campaigns of just 23 politicians—including both Bill Clinton and Bush. Holding its fire until the final days of the campaign, the AMA got the maximum punch by targeting friendly pols in close races.

California Democrat Vic Fazio was the biggest beneficiary. In just one week, between October 20 and October 27, records show, the AMA and the California Medical Association spent $257,585 to assist Fazio's campaign against challenger H. L. Richardson. "Feeding the alligator," Richardson calls such spending. He says the negative TV ad the AMA paid for hurt his chances in what was a close, hard-fought race. Fazio opposed some AMA positions, but he supported others, like malpractice reform. At the same time, Fazio is enormously influential in Washington, and the AMA agreed to back him for that reason.

Some of the AMA's other independent expenditures were more strategically placed. In the last two weeks before the election, the AMA spent $103,385 on radio ads and an additional $15,000 on a poll to help Texas Democrat Mike Andrews defeat Republican Dolly Madison McKenna and keep his seat on the powerful House Ways and Means Committee. Andrews, an advocate of managed health care whose district includes the enormous Texas Medical Center, has always been able to raise big money from medical interests. This time, though, the AMA got more than it might have hoped for. Soon after his reelection, Andrews won a seat on the critical Ways and Means subcommittee on health care. From that perch, the Texas congressman will exert enormous influence as the battle is joined over how to fix the nation's health care system.

MONEY MACHINE

Campaign contributions from health care and insurance interests boosted dozens of congressional candidates in 1992. The biggest winners:

Senate

1. Arlen Specter (R-Pa.)
2. Bob Packwood (R-Ore.)
3. Daniel Coats (R-Ind.)

House

1. Richard Gephardt (D-Mo.)
2. Henry Waxman (D-Calif.)
3. Dan Rostenkowski (D-Ill.)

THE CAPITOL GANG

The U.S. News analysis of campaign contributions to members of Congress identified millions of dollars from medical and health care interests. Most of the top 100 recipients sit on key committees or hold leadership positions. Amounts of 1992 contributions and identifications of principal interest groups are also shown.

Arlen Specter, (Sen., R-Pa.) $421,737, doctors.

Bob Packwood, (Sen., R-Ore.) $395,686, insurance.

Richard Gephardt, (Rep., D-Mo.), $369,462, insurance.

Daniel Coats, (Sen., R-Ind.) $357,463, pharmaceuticals.

Tom Daschle, (Sen., D-S.D.) $343,633, doctors.

Christopher Dodd, (Sen., D-Conn.) $327,632, insurance.

Christopher Bond, (Sen., R-Mo.) $307,204, doctors.

John McCain, (Sen., R-Ariz.) $297,148, doctors.

Charles Grassley, (Sen., R-Iowa) $280,129, insurance.

Bob Graham, (Sen., D-Fla.) $273,870, doctors.

Bob Dole, (Sen., R-Kan.) $262,552, insurance.

John Breaux, (Sen., D-La.) $255,922, insurance.

Henry Waxman, (Rep., D-Calif.) $244,799, doctors.

Dan Rostenkowski, (Rep., D-Ill.) $243,198, insurance.

Barbara Boxer, (Sen., D-Calif.) $235,243, doctors.

Pete Stark, (Rep., D-Calif.) $229,601, doctors.

Newt Gingrich, (Rep., R-Ga.) $169,559), insurance.

Wendell Ford, (Sen., D-Ky.) $169,349), insurance.

Barbara Mikulski, (Sen., D-Md.) $165,388, doctors.

Vic Fazio, (Rep , D-Calif.) $160,757, doctors.

Nancy Johnson, (Rep., R-Conn.) $150,605, insurance.

E. Clay Shaw, (Rep., R-Fla.) $148,895, doctors.

John Dingell, (Rep., D-Mich.) $144,097, insurance.

Kent Conrad, (Sen., D-N.D.) $140,714, insurance.

Sander Levin, (Rep., D-Mich.) $139,996, doctors.

Michael Andrews, (Rep., D-Texas) $138,110, insurance.

Benjamin Cardin, (Rep., D-Md.) $130,100, doctors.

David Bonior, (Rep., D-Mich.) $128,625, doctors.

Charles Rangel, (Rep., D-N.Y.) $127,009, insurance.

J. Roy Rowland, (Rep., D-Ga.) $122,675, doctors.

Barbara Kennelly, (Rep., D-Conn.) $118,650, insurance.

Michael Bilirakis, (Rep., R-Fla.) $117,029, doctors.

Sam Gibbons, (Rep., D-Fla.) $115,899, insurance.

Phil Gramm, (Sen., R-Texas) $106,550, doctors.

Bill Richardson, (Rep., D-N.M.) $104,760, doctors.

Butler Derrick, (Rep., D-S.C.) $103,805, insurance.

Frank Murkowski, (Sen., D-Alaska) $101,709, doctors.

Don Sundquist, (Rep., R-Tenn.) $100,342, doctors.

Orrin Hatch, (Sen., R-Utah) $98,648, pharmaceuticals.

Jim Slattery, (Rep., D-Kan.) $93,599, insurance.

Robert Matsui, (Rep., D-Calif.) $87,660, doctors.

Robert Michel, (Rep., R-Ill.) $87,323, insurance.

Jim Bunning, (Rep., R-Ky.) $87,109, insurance.

Mike Synar, (Rep., D-Okla.) $84,031, lobbyists.

Jim McCrery, (Rep., R-La.) $82,450, doctors.

Dave Durenberger, (Sen., R-Minn.) $81,200, pharmaceuticals.

J.J. Pickle, (Rep., D-Texas) $80,547, insurance.

Tom Harkin, (Sen., D-Iowa) $79,575, doctors.

John Bryant, (Rep., D-Texas) $78,339, doctors.

Bill Brewster, (Rep., D-Okla.) $77,999, doctors.

Edward Kennedy (Sen., D-Mass.) $75,041, other providers.

Alex McMillan (Rep., R-N.C.) $72,120, doctors/pharmaceuticals.

Fred Grandy (Rep., R-Iowa) $71,096, insurance.

Dave Camp (Rep., R-Mich.) $65,630, pharmaceuticals.

Frank Pallone (Rep., D-N.J.) $65,305, doctors.

Ralph Hall (Rep., D-Texas) $64,200, doctors.

Thomas Manton (Rep., D-N.Y.) $63,499, insurance.

Peter Hoagland (Rep., D-Nek.) $63,400, insurance.

Dennis Hastert (Rep., R-Ill.) $63,156, doctors.

Jack Fields (Rep., R-Texas) $62,600, doctors.

Rick Santorum (Rep., R-Pa.) $62,035, doctors.

Richard Neal (Rep., D-Mass.) $60,899, insurance.

Rick Boucher (Rep., D-Va.) $60,500, pharmaceuticals.

Richard Lehman (Rep., D-Calif.) $59,300, doctors.

Al Swift (Rep., D-Wash.) $58,800, insurance.

Edolphus Towns (Rep., D-N.Y.) $57.101, doctors.

Gerald Solomon (Rep., R-N.Y.) $55,110, insurance.

W.J. "Billy" Tauzin (Rep., D-La.) $54,391, insurance.

Carlos Moorhead (Rep., R-Calif.) $53,750, doctors.

Joe Barton (Rep., R-Texas) $52,900, doctors.

Ron Wyden (Rep., D-Ore.) $52,575, doctors.

Michael Oxley (Rep., R-Ohio) $52,050, doctors.

Cardiss Collins (Rep., D-Ill.) $51,475, insurance.

Daniel Schaefer (Rep., R-Colo.) $48,325, insurance.

Thomas Foley (Rep., D-Wash.) $48,300, doctors.

Philip Sharp (Rep., D-Ind.) $47,915, doctors.

Amo Houghton (Rep., R-N.Y.) $47,700, medical equipment

William Coyne (Rep., D-Pa.) $47,482, doctors.

Jim McDermott (Rep., D-Wash.) $46,200, doctors.

John Kyl (Rep., R-Ariz.) $44,175, doctors.

John Lewis (Rep., D-Ga.) $44,129, doctors.

Fred Upton (Rep., R-Mich.) $38,750, doctors.

Gerald Kleczka (Rep., D-Wis.) $38,360, doctors.

Patrick Leahy (Sen., D-Vt.) $35,550, lobbyists.

John Rockfeller IV (Sen., D-W.Va.) $34,900, doctors.

Tom Delay (Rep., R-Texas) $34,350, doctors.

Mike Kopetski (Rep., D-Ore.) $33,850, doctors.

Lewis Payne (Rep., D-Va.) $33,850, doctors.

Wally Herger (Rep., R-Calif.) $31,975, doctors.

Mel Reynolds (Rep., D-Ill.) $30,525, doctors.

Edward Markey (Rep., D-Mass.) $27,750, lobbyists.

Donald Riegle (Sen., D-Mich.) $26,887, insurance.

Daniel Moynihan (Sen., D-N.Y.) $26,265, lobbyists.

Mel Hancock (Rep., R-Mo.) $23,850, doctors.

John Chafee (Sen., R-R.I.) $18,150, pharmaceuticals.

Harold Ford (Rep., D-Tenn.) $16,450, doctors.

Jeff Bingaman (Sen., R-N.M.) $15,669, doctors.

William Jefferson (Rep., D-La.) $14,950, doctors.

Craig Washington (Rep., D-Texas) $14,800, doctors.

Jim Cooper (Rep., D-Tenn.) $14,743, doctors.

The dollar amounts are based on a computer analysis of nearly 2 million Federal Election Commission records of contributions from individuals and political action committees for the 1989/90 and 1991/92 election cycles. The National Library on Money and Politics provided a list of 280 PACs that have a prime interest in health care issues. U.S. News identified individual contributors in health-related occupations.

Key members were identified as those in leadership positions or with seats on the following committees: Senate Finance, Senate Labor and Human Resources, House Ways and Means, House Energy and Commerce. These are the key panels that will debate the elements of the Clinton administration's health care reform package when it is presented next month.

Putting their money where the votes are—Health care interest groups pumped $41.4 million into campaign coffers in 1992. Those with the deepest pockets:

DOCTORS

1992 campaign contributions $16.4 million.

Change 1990-92 +45%

Largest PAC contributions

American Medical Association, American Dental Association, and American Academy of Ophthalmology.

INSURANCE

1992 campaign contributions $7.3 million.

Change 1990-92 +10%

Largest PAC contributors

National Assn. of Life Underwriters, American Council of Life Insurance and AFLAC Inc.

PHARMACEUTICALS

1992 campaign contributions $4.0 million.

Change 1990-92 +27%

Largest PAC contributors

Eli Lily & Co. Pfizer Inc. and Schering-Plough Corp.

OTHER PROVIDERS

1992 campaign contributions $2.9 million.

Change 1990-92 +48%.

Largest PAC contributors

American Chiropractic Assn. American Nurses' Assn. and American Physical Therapy Assn.

Class and amount	Candidate
D—$569,605	George Bush
D—210,553	William Jefferson Clinton
H—16,250	George Bush
H—10,450	William Jefferson Clinton
I—31,450	George Bush
I—8,950	William Jefferson Clinton
L—43,434	George Bush
L—81,837	William Jefferson Clinton
M—2,000	George Bush
M—27,956	William Jefferson Clinton
N—2,000	George Bush
N—5,250	William Jefferson Clinton
OM—18,500	George Bush
OM—1,750	William Jefferson Clinton
OP—11,450	George Bush
OP—21,700	William Jefferson Clinton
P—38,375	George Bush
P—5,700	William Jefferson Clinton
X—6,250	George Bush
X—1,250	William Jefferson Clinton

Source of individual contributions:
D=doctors
H=hospitals
I=health insurance cos.
L=lobbying firms with major health care clients
M=Mental health professionals
OM="other medical"—medical supplies, services, etc.
P=other providers (nurses, therapists, etc)
P=pharmaceutical cos.
X=HMOs

Amount and Committee name	Candidate
$8,937—California Medical Political Action Committee.	George Bush
5,000—Smithkline Beecham Political Action Committee.	George Bush
1,000—Smithkline Beecham Political Action Committee.	George Bush
500—Smithkline Beecham Political Action Committee.	George Bush
100—Smithkline Beecham Political Action Committee.	George Bush
1,000—Hospital Corporation of America Political.	George Bush
100—Hospital Corporation of America Political.	George Bush
1,000—Florida Health Political Action Committee.	George Bush
100—Florida Health Political Action Committee.	George Bush
8,937—California Medical Political Action Committee.	William Jefferson Clinton
500—Washington Psychiatric Society Political.	William Jefferson Clinton
500—Washington Psychiatric Society Political.	William Jefferson Clinton

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[From the Washington Post, Mar. 19, 1993]

MEDICAL PACS GROW IN SCOPE

CONTRIBUTIONS, LOBBYING RISE

(By Charles R. Babcock)

For years, Loyd R. Wagner, a pathologist from Sioux Falls, S.D., occasionally lobbied his home-state members of Congress. But he never got involved in raising money for political campaigns until last August, when he and his colleagues decided that, with health care overhaul on the horizon, pathology "might get lost" on the agenda of lobbying giants like the American Medical Association.

The new political action committee (PAC) of the College of American Pathologists, which Wagner now heads, quickly raised and doled out $52,500 to congressional candidates.

The pathologists are not alone. As a group, 199 health care PACs gave nearly $15 million to congressional candidates in 1991–92—up 26 percent from two years earlier—according to an analysis by the Center for Responsive Politics. Overall, PAC donations went up about 19 percent.

The number of new PACs in the field grew by 28 percent. In addition to the pathologists, anesthesiologists and plastic surgeons also formed their own PACs. "We can't always count on our very limited points of view being represented by the AMA," said Dennis Lynch, a plastic surgeon from Temple, Tex.

The plastic surgeons PAC gave $85,700 in the last election cycle; the new anesthesiologists PAC gave $112,450.

The AMA PAC, representing 270,000 physicians nationwide, led the industry with $2.9 million in direct donations to candidates and another $1 million in "independent expenditures." This independent spending was on behalf of six House incumbents and Sen. Bob Packwood (R-Ore.), all of whom faced close races. One of the House members lost.

The new PAC giving illustrates the many voices vying to be heard in Washington as the medical groups and companies, beginning during the presidential campaign, have prepared for health care overhaul. Clinton's overhaul package is scheduled for release this summer.

"That's the way the system is supposed to work," Thomas Mann, an expert on Congress at the Brookings Institution, said in an interview yesterday. "Health care reform has been in the air ever since the Wofford race in 1991 [when Sen. Harris Wofford (D-Pa.) used the health care issue to win a comeback victory]. Groups knew that if Clinton were elected there would be a serious effort to radically restructure the industry. A whole lot of livelihoods are caught up in this."

In addition to the new physician PACs, two home care companies also entered the fray and started sizable new PACs. Invacare Corp. of Elyria, Ohio, a maker of wheelchairs and other medical equipment, gave $50,150. T2 Medical Inc., of Alpharetta, Ga., a leading player in the controversial "home infusion" industry—which provides intravenous drug and feeding services to patients after their release from hospitals—gave $32,500.

In all, about 44 health care PACs that previously had given nothing or did not exist, gave donations in 1991–92. At least 10 additional new health care-related PACs have been registered with the Federal Election Commission since the election last November.

The new PAC activity also comes at a time when the Senate is starting consideration of a Clinton proposal to squeeze PAC and other special-interest money out of the federal election system.

"The larger point is something basic in democracy," Mann said. "When you have a large, powerful government threatening to do something, people will organize to petition it to see that the proposed restructuring does them more good than harm."

Larry Sabato, a University of Virginia professor who has written extensively about PACs, said the growth and increased activity of health care PACs was significant, but not surprising. "The whole history of the PAC movement is that whenever an issue is on the front burner, additional PACs are formed, sometimes dozens of them," he said.

Some larger health care PACs increased their giving dramatically. These included PACs run by chiropractors, up 270 percent to $641,746, emergency physicians, up 154 percent to $330,725, and Syntex Inc., a drug company, up 439 percent to $121,644.

Health care PACs are not the only source of money in the reform debate. Some of the $9.7 million that 150 insurance company PACs gave—up 8 percent—was connected to this debate. It is difficult to break out how much because many companies sell health, life and other products. Others, such as American Family Corp., the leading seller of cancer insurance, concentrate on health. Its PAC gave $503,000 in 1991–92.

Individuals and companies identified as part of the health care industry gave another $3.4 million in corporate and personal checks to "soft money" accounts of the national parties, according to Josh Goldstein, who tracks those donations for the Center for Responsive Politics. The largest giver was U.S. Surgical Corp., a maker of surgical instruments, which gave $240,200 in corporate funds, most of it to the Republican Party.

Soft money cannot be given directly to candidates, but it can be used for activities, such as "get out the vote" drives, that help both state and federal candidates.

Pathologist Wagner and his group of 13,500 specialists concentrated their Washington lobbying effort for years on a grass-roots program of bringing doctors to town when needed, he said. "We basically had a reluctance to just send money after the political process," he said.

Another pathologists official noted that with health care overall on the front burner—and some members of Congress no longer willing to speak to the group since the ban on honoraria— "the members felt they needed one more tool in their bag of tricks."

The American Society of Plastic & Reconstructive Surgeons, which has about 5,000 members, started its PAC—called PLASTYPAC—in late 1990 because of concerns over the quality control of clinical laboratories, according to Lynch. "It was a way to get access to congressional folks and to stimulate our membership to get involved in federal and state politics," he said.

PLASTYPAC's donations are rarely more than $1,000, Lynch noted. "I know that doesn't buy you much in Washington," he said, "But it does get the attention of the congressional folks, who are willing to let us in and hear our point of view."

Adrienne Lang, director of government affairs for the American Society of Anesthesiologists, said her 30,000-member group's decision to form a PAC in October 1991 was triggered by fear.

"Physicians are now concerned about the unknown," she said. "This specialty always has been targeted for cuts in the federal budget [for Medicare reimbursement rates]. And with the great fear—'What the hell is going to happen in health care reform?'—now is the time to be active if you're ever going to be."

Roger Litwiller, a Roanoke anesthesiologist who is chairman of the PAC, added: "There had been a sense among our members for a number of years that we needed to become more politically active in Washington." The PAC is "complementary" to the AMA's, and was formed because of the "constant battle we fought with Congress over what we considered a fair reimbursement for our services."

Letwiller said he was pleased but not satisfied that more than 8 percent of his group's members made contributions to the PAC in its first year. "That says that more than 90 percent of my colleagues don't understand the political process affects the way we practice medicine," he said.

CONTRIBUTIONS BY HEALTH-CARE POLITICAL ACTION COMMITTEES

[Top contributors]

Organization	1989–90 Total	1991–92 Total	Percent change
1. American Medical Association	$2,375,537	$2,936,086	24
2. American Dental Assocation	817,428	1,420,958	74
3. American Acad. of Ophthalmology	960,411	801,527	−17
4. American Chiropractic Association	173,350	641,746	270
5. American Hospital Association	502,689	505,888	1
6. American Podiatry Association	256,750	401,000	56
7. American Optometric Association	329,600	398,366	21
8. American Health Care Association	262,880	382,019	45
9. American College of Emergency Physicians	130,340	330,725	154
10. American Nurses Association	289,860	306,519	6
11. Association for the Advancement of Psychology	167,783	273,743	63
12. American Physical Therapy Assoc.	149,750	198,941	33
13. Eli Lily & Co.	175,740	195,530	11
14. Pfizer Inc.	137,300	188,100	37
15. Schering-Plough Corp.	126,434	186,050	47
16. Federation of American Health Systems	174,350	180,350	3
17. Glaxo Inc.	105,850	175,522	66
18. Corporation for the Advancement of Psychiatry	116,426	165,980	43
19. American Association of Oral & Maxillofacial Surgery	105,000	163,000	55
20. Abbott Laboratories	168,950	157,075	−7

Source: Center for Responsive Politics.

Top recipients of health-care PAC money

Name (party-state)	*Amount*
Senate:	
1. Bob Packwood (R-Ore.)	$192,400
2. Thomas A. Daschle (D-S.D.)	173,749
3. John McCain (R.-Ariz.)	160,883
4. Charles E. Grassley (R-Iowa)	144,412
5. Rod Chandler* (R-Wash.)	143,400
6. Christopher J. Dodd (D-Conn.)	128,742
7. Dan Coats (R-Ind.)	124,550
8. Dianne Feinstein (D-Calif.)	114,819
9. Arlen Specter (R-Pa.)	113,868
10. Christopher S. Bond (R-Mo.)	110,238
House	
1. Henry A. Waxman (D-Calif.)	$152,600
2. Fortney "Pete" Stark (D-Calif.)	151,751
3. Richard A. Gephardt (D-Mo.)	134,300
4. Gerry Sikorski* (D-Minn.)	104,460
5. Dan Rostenkowski (D-Ill.)	91,850
6. Sander M. Levin (D-Mich.)	90,347
7. Vic Fazio (D-Calif.)	85,055
8. Steny H. Hoyer (D-Md.)	83,874
9. Bill Richardson (D-N.M.)	82,682
10. Thomas J. Bliley Jr. (R-Va.)	81,450

*No longer in Congress.

Mr. FORD. Madam President, I ask unanimous consent that a vote on or in relation to the Wellstone amendment 370, as modified, occur at 3 p.m. today, with no intervening action or debate; that no second-degree amendment be in order thereto.

The PRESIDING OFFICER. Without objection, that will be the order.

Mr. FORD. I thank the Chair.

Mr. CRAIG addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. CRAIG. Mr. President, I did not come to the floor to speak to the amendment of my colleague from Minnesota, although he was kind enough to recognize me on the floor. He is right. We do agree on some things, but we probably disagree on many other things. I know in Minnesota it is simply different. I will have to be very blunt about this.

When it comes to campaign reform, I do not support his position, and the reason I do not—although I am from a mining State—is that I do not believe campaigning and politics ought to be about mining taxpayers. And the bottom line of the reform that we have on the floor of the U.S. Senate today has one premise: public financing.

The last time I checked, we were trying to cut the burden on American taxpayers, while making an honest, fair, and balanced approach to campaigning, which the American people can say was forthright, fair, and allowed entry of those citizens who wished to seek public service. I suggest that the best way not to do that, or to ultimately stagnate or, shall I say, create an entirely different system that the American people are not aware of, is to create a major thrust in public financing.

I will suggest that I am from a mining State, but this is not what I believe is the right form of mining, and that is mining the American taxpayer. And, bottom line, that is what this kind of campaign reform is all about.

Mr. WELLSTONE. Madam President, I yield the floor to the Senator from Kentucky, if he wishes. We will have a full debate on public financing. That was not really the major import of this amendment.

We will have a debate later on the import of this amendment. I remind my friend from Idaho, again, that the import of this amendment is that if we are serious about eliminating the big money out of politics, if we are serious about reform, if we want to justify the assurance that there are not some people that count more than other people, I believe we ought to drastically reduce the limit on voluntary contributions.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. BOREN. Madam President, I ask unanimous consent that the time for the recess might be extended for 2 minutes so I might make remarks about the pending amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOREN. Madam President, I certainly again want to compliment our colleague for his commitment to campaign finance reform and his efforts to try to squeeze special-interest influence out of the process.

I, regrettably, must oppose the pending amendment. Crafting legislation of this kind requires a careful balance. It requires a consideration of the points of view of all of our colleagues, and I think here we have struck the proper balance in our bill. We have greatly reduced—in fact, virtually done away with—the influence of political action committees and special interests.

We do provide a partial provision for public resources as incentive to accept spending limits that reduce the burden on individual candidates to go out and raise large sums of money, taking them away from their duties here, having their time spent on raising money instead of performing their duties in dealing with the problems facing the country.

The Wellstone amendment would reduce the individual contribution limit that an individual would contribute from $1,000 per election, to $100 in an election cycle.

I point out, it is provided that the public funding regime be in place to provide significant public funding to candidates in primary and runoff elections, as well as general elections.

I do not think it is reasonable to believe that we are going to be able to move that far. There is such a thing as loving a bill to death, as we used to say when I was a member of the Oklahoma Legislature. That means loading it down with provisions that might seem good in and of themselves, but each time a provision is added on, you lose a few more votes for the bill.

It is important that we pass a bill that is as strong as we can possibly get it. I am worried that this will overload the boat, because I do not think we are having a very strong debate now about even modest resources for the general election.

I think pushing those resources back into the primary and runoff, as well, will just not be doable in the current political atmosphere, and that we could jeopardize a major step toward meaningful campaign finance reform if this amendment were passed.

I also point out that under current law, contributions of $50 or less are not itemized and fully disclosed, at least as a requirement of law. We could ironically end up with more nondisclosed contributions than under the current law with the time involved. All of us want to encourage the raising of small in-State contributions. I think to rule this out, especially for new candidates who need seed money—they do not have computer banks with thousands of names and addresses that they can use; those computer banks cost money and take time to build up. But particularly for new people breaking into the process, to say they cannot begin to start out with a few contributions of at least a few thousand dollars or less to help them get started, to help them get computerized mailing lists, and other things that it takes in order to try to reach small contributions, I think would be difficult.

With all due respect, while I am sympathetic with the basic purpose of this, and it is to reduce the influence of those who happen to have large resources in campaigns, I do think there are disadvantages we have here we should seriously consider.

My fear is, if the amendment is adopted, it would be used as an excuse by some to vote against the entire bill.

I urge my colleagues to oppose the Wellstone amendment, vote against it, as well meaning as it might be. It pains me to have to differ with my colleague because, as I said, on most of the issues involved with campaign finance reform, he is on the side of the angels. He wants to do the right thing, and the proposals he made have certainly been proposals aimed at improving this system.

So it is with reluctance that I must oppose the pending Wellstone amendment.

Mr. WELLSTONE. Madam President, I ask unanimous consent for 2 minutes to respond to our colleague, and I know we will have another hour after lunch.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Minnesota is recognized for 2 minutes.

Mr. WELLSTONE. Madam President, I thank the Senator from Oklahoma. I think he made a very constructive suggestion. I think we can have disclosure for smaller contributions, and that is what we should do if this amendment is adopted.

The second point that I want to make is, as far as the primary is concerned, I really believe—and I say this very seriously to my colleague from Oklahoma—that we are vulnerable on this question. Because it looks as if incumbents who want to make sure that, when it comes to the primary, if you want to give challengers a chance, unless they are wealthy, or unless they are connected to big bucks, the only way you are going to do it is if you have some system of public financing apply to those primaries.

It seems to me, efforts on the part of an incumbent to say: No, we do not apply this to primaries, primaries narrow the choice down to two candidates; I feel very strongly there is, if you will, a principle of democracy and we ought to apply this to primaries, as well.

I know we are running out of time. I say again to my colleague from Oklahoma, this amendment is within the context of public financing applied to both general and primary. Right now, for someone going through this who is new to politics, it is impossible for someone to run for office, much less win. Most people do not even want to do it, unless we can move away from this horrible money chasing, going after all this big money, which is so distasteful, and move toward the major changes.

That is what this amendment tends to do.

RECESS UNTIL 2:15 P.M. TODAY

The PRESIDING OFFICER. Under the previous order, the hour of 12:30 having arrived and passed, the Senate will stand in recess until the hour of 2:15 p.m.

Thereupon, the Senate, at 12:36 p.m., recessed until 2:14 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. CONRAD].

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I ask unanimous consent to address the Senate as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE NORTH AMERICAN FREE-TRADE AGREEMENT

Mr. BAUCUS. Mr. President, I rise today to underscore the need for strong environment and labor side agreements to the proposed North American Free-Trade Agreement.

As you may know, United States, Canadian, and Mexican negotiators met last week in Ottawa to begin discussing the most crucial part of the proposed environment and labor side agreements—the dispute settlement process.

The U.S. negotiators proposed a mechanism that would allow trade sanctions to be used at the end of the day if one of the NAFTA countries failed to enforce its environment or worker rights laws. I applaud the Clinton administration for adopting this approach.

However, it appears this important round of negotiations did not go very well. Canada and Mexico are balking at the prospect of using trade sanctions to enforce these laws. They think that this type of enforcement is too adversarial.

Like the Clinton administration, I do not see it that way. And I am confident that most of the U.S. Congress does not see it that way. Instead, most of the Congress views the Clinton approach as tough, but fair.

Let me explain why. Right now, Mexico, the United States, and Canada all have good, solid environmental and worker rights statutes. But Mexico does not enforce its laws. And apparently, there is no incentive for them to do so at the moment. A recent General Accounting Office study found that of eight United States-owned maquiladora operations reviewed, six of them failed to meet Mexican environmental standards.

This lack of enforcement is not only detrimental to the health and well-being of Mexicans and Americans who live along the border region, but it constitutes a trade advantage for Mexico.

So, if we want to ensure that NAFTA benefits the economies and workers of all three countries, as well as the environment we all share, we need to give Mexico—and the United States and Canada—the incentive to enforce their laws. And since these are side agreements to a trade agreement, that means using trade sanctions.

Just for the record, Mr. President, I hope we never need to use trade sanctions. Never. To use trade sanctions would be to fail in our effort to ensure adequate enforcement. Make no mistake—sanctions are not the goal. The goal is to uphold environment and worker rights laws.

I will be the first one to cheer if the dispute settlement process we are proposing gathers dust. I hope that every dispute can be resolved amicably and without formality.

Over the weekend, Canada's top negotiator, John Weekes, said that he would like the dispute settlement to be more cooperative. So would I. But we need a formal process—with recourse—in case countries are not cooperative. Because if any one country is not cooperative, it hurts all three countries.

And last, let me remind Canada and Mexico of something. Without trade sanctions as a last resort, NAFTA is not in this country's best interest. And polls show that most Members of Congress will not vote for a NAFTA that does not include side agreements with teeth. Simply put: No teeth, no NAFTA. The threat of sanctions is a necessary deterrent.

I certainly hope Canada and Mexico come around on this issue. Because I would like to be able to vote for NAFTA. By cutting Mexico's 10 percent average tariffs and opening its services and investment markets to United States companies, NAFTA has the potential to create thousands of new export-related American jobs. It has the potential to create a market with a $6.4 trillion output, a domestic product rivaling that of Western and Eastern Europe combined.

But I cannot vote for NAFTA unless it not only betters our economic future, but ensures good working standards and clean air and water across the continent. And these benefits can only be assured through tough but fair side agreements.

I yield the floor.

Mr. DECONCINI addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

PROFOUND DISAPPOINTMENT

Mr. DECONCINI. Mr. President, I am taking the floor today to express my profound disappointment over the decisions made this weekend by the United States, along with Russia, Great Britain, France, and Spain, in regard to the future of Bosnia and Herzegovina.

In 1975, the leaders of the United States, Canada, and all of Europe signed the Helsinki Final Act of the CSCE, which enunciated important principles which were to govern European affairs. Among them were principles regarding respect for human rights, the territorial integrity of states, obligations under international law and, above all, the notion of nonuse of force to settle differences. Fifteen years later, triumphantly celebrating the end of the cold war, the leaders of these Helsinki/CSCE-signatories affirmed that "Europe is liberating itself from the legacy of the past * * * Ours is a time for fulfilling the hopes and expectations our peoples have cherished for decades: steadfast commitment to democracy based on human rights and fundamental freedoms; prosperity through economic liberty and social justice; and equal security for all our countries. * * * The ten principles of the Final Act will guide us towards this ambitious future." Last year, the leaders again assembled, again in Helsinki, and reaffirmed these principles as "the collective conscience of our community." They even went as far as to state that "security is indivisible. No state in our CSCE community will strengthen its security at the expense of the security of other states. This is a resolute message to states which resort to the threat or use of force to achieve their objectives in flagrant violation of CSCE commitments."

During the year since the Bosnian war began, the international community's failure to respond effectively and decisively to the conflict has called into question the integrity of the commitment of the CSCE states to ensure respect for these CSCE principles. The decision taken this past weekend was, in my view, tantamount to a repudiation of the principle that force is an unacceptable means for addressing political ends. It seems as if Europe is giving in to the principle that might makes right in the interest of political expediency.

The Vance-Owen plan, for Bosnia and Herzegovina, in my view, was bad enough in rewarding the Bosnian Serb militants for their aggression, but this weekend's agreement does not even attempt to honor this limited plan that was proposed and accepted by everyone except the Serb militants in Bosnia. Instead, the unwanted Bosnians—mostly Muslims of Slavic background—are to be herded into so-called safe havens, although the United States will make no commitment even to ensure their safety, only to the safety of the international peacekeepers surrounding them. That is not much of a commitment or an encouragement for safety.

Serbian President Milosevic at one point—the same time, by the way, that multilateral intervention and the use of limited force was being most seriously considered by the United States—stated that he was going to stop supplying and supporting the Bosnian Serb militants, and that the international community should help police the borders to that end. Does this weekend's deal do anything to make this a reality, now that Mr. Milosevic is moving away from the idea of stopping the flow from Serbia into Bosnia and supporting the Serbs? The answer is clearly "No." Serb forces will remain well stocked as they continue their bombardment of Sarajevo and other villages and towns. Even more tragically, Bosnia and Herzegovina will remain crippled by an arms embargo imposed by the same United Nations that makes self defense a legitimate right for its member states.

I, for one, am deeply ashamed that the international community has backed down. In so doing, it has essentially delivered territory of a sovereign nation to the forces of aggression and genocide. It has sold out the victims of this genocidal conflict, and, let them be assured that they will not be the last ones to be murdered in this manner. This, I believe, can only have the most dire consequences for peace, security, and justice in our world.

President Clinton noted that at least we're together again, referring to the United States and Europe. The need for a multilateral approach is certainly something I do not question. But what about being together, as we were in Helsinki, Paris, and again early last year in Helsinki, in agreeing to uphold the noble CSCE principles governing European affairs? Where is that commitment today? And what about the Bosnian Government? Are we together with what we consider the only legitimate authority in Bosnia and Herzegovina? Bosnian President Izetbegovic has bitterly rejected this latest plan as totally unacceptable in that it rewards genocide, and indeed it does reward genocide, while Bosnian Serb militant leader Karadzic calls it realistic, and argues that President Clinton's decision to accept will make him a great president. The lack of resolve to stop aggression and genocide when it is occurring, as blatantly as it is just goes beyond my imagination as to how anybody can stand up and think we have done something positive as the Europeans, particularly the Russians, have said.

Yesterday, Mr. President, Paul Warnke had an excellent article in the Washington Post concerning the present job for NATO in today's Europe. He noted a recognition by NATO that following the collapse of the Soviet threat, the real risk to allied security is the serious economic, social and political difficulties, including ethnic rivalries and territorial disputes, which are faced by many countries in Central and Eastern Europe. He noted that this was sound and prescient, but, judging from the response to the Bosnian crisis, apparently not a basis for NATO action. I highly commend this article to my colleagues because he has pinpointed something of great importance. Where is NATO to provide security to these nations? Where is the conference on Security and Cooperation? Where are the Principles of the Helsinki Final Act that all these nations, 53 of them now, have subscribed to CSCE and, yet, genocide in the worst way since the

1930's and 1940's is taking place right in front of our eyes.

What is comes to is that we have failed. We have truly failed here as a Nation and as a community of nations. The Europeans have failed to remember just 50 years ago what happened in Europe. The Russians have failed to remember what happened in their country by one, the Germans; second, by their own leader, Mr. Stalin. And we are just going to pass this along and permit the Serbian militants, with the support of Slobodan Milosevic, the President of Serbia, to continue to arm them, to continue to provide them with weapons so that they can kill and murder and commit genocide in Bosnia and Herzegovina uninterrupted.

Mr. President, we cannot do this as a Nation and as a people and as a community in cooperation with Europe. I cannot believe that today is where we are in this very vital subject matter. And I pray—literally pray—that somebody will become more dedicated to bring about the collective wisdom to take some actions at least to lift the embargo against Bosnia and Herzegovina. So as one Senator said sometime ago—I believe it was the Senator from Delaware [Mr. BIDEN]—that if they are going to die at least let it be in defense of their villages and farms and land and with some dignity.

Quite frankly, I think if they had a level playing ground, they could even that fight that is going on there and perhaps bring this to a close.

The United States, under President Clinton, has offered some proposals that have been turned down such as using limited force and taking off the embargo so that they can be equipped militarily to fight back, and that has fallen on deaf ears.

Something has to happen more than just speeches, I know. Having been there four times, as I have maybe you get a little too close to it, but these are people who are being murdered every day as we stand by talking about it and doing very little.

I thank the Chair and yield the floor.

Mr. President, I ask unanimous consent to print in the RECORD the article by Paul Warnke which I referred to.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHO NEEDS NATO? BOSNIA DOES—BUT IS THE ALLIANCE STILL RELEVANT?

(By Paul C. Warnke)

Where is NATO when we need it? A strong NATO initiative in Bosnia should not be discouraged by defeatist cries that it won't work and that the NATO allies will be dragged into a quagmire—another Vietnam. The time has come to stop running foreign policy by purported historical analogies. The choice is not between " no more Vietnams" and "no more Munichs." This is a different situation and it calls for a new approach. It calls for the North American Treaty Organization to get tough.

The slaughter and territorial annexation in the remnants of Yugoslavia have been fueled by the obvious conviction of the leaders of the Bosnian Serbs that no outside force will be used to end their depredations. Up to this point, nothing appeared to block their aspirations for another Serbian republic in eastern and northern Bosnia thoroughly "cleansed" of Bosnia Muslims. Indeed, at least until yesterday's announced joint action by foreign ministers of the United States, Russia, Great Britain, France and Spain, there were growing signs of tacit acceptance by Western leaders of the Serb's preferred final solution.

Yet, when NATO ministers met in Rome in November 1991, they announced that, with the end of the Soviet threat, the real risks to allied security would arise from "the serious economic, social and political difficulties, including ethnic rivalries and territorial disputes,which are faced by many countries in Central and Eastern Europe." The analysis was sound and prescient; unfortunately it appears not to have been intended as a basis for NATO action.

The meeting yesterday of U.S., European and Russian foreign ministers provides some basis for hope—though no guarantee—that collective action can be taken to end this tragedy. A failure to do so would, I believe, be extraordinarily short-sighted, inconsistent with European security and with a healthy world economy. Acceptance of the principle of ethnic homogeneity as a criterion for new statehood would set a dubious and dangerous precedent. Not only would it signal that the world community will look the other way when mini-Holocausts occur, but it could lead to the encouragement of a multitude of mini-states whose whole reason for existence would be a common religion or ethnicity. For example, the unrest and diversity in the Russian Federation could lead to additional attempted secessions and possibly to an upsurge of greater Russian nationalism.

A case can often be made for self-determination. But certain criteria should be established for recognition of a sovereign entity. These should include, at a minimum, good chances for survival, protection for the rights of minorities and an ability to provide order and the necessities for a decent standard of living. Certainly in today's mobile world, an area's ethnic or religious homogeneity cannot be scored as a plus in the quest for statehood.

There are, of course, no easy or risk-free measures that can be undertaken to end the barbarity and bloodshed in Bosnia. But the powerful industrialized democracies, and the international institutions they control, can be legitimately discredited if they stand aside and fail to make a serious effort.

Despite the suggestions that the Bosnian tragedy is the fault of everyone there and the logical culmination of ancient hatreds, there is no reason to believe that most of the Serbian, Croatian and Muslim populations are consumed by a desire to rape, torture and kill one another. As is unfortunately often the case, most of the troops and guns in what used to be Yugoslavia are under the control of thugs, who acquired positions of power during the years of Communist dictatorship.

Nor is there any real reason to believe that the thugs' zeal for ethnic cleansing will stop at the Bosnia-Herzegovina borders. If the Serbian leaders, in particular, come to believe that those who could stop them won't commit the resources needed to do so, the next military excesses may occur in the Albanian-populated enclave of Kosovo in southern Serbia, or the republic of Macedonia where a polyglot population now appears willing to live in peace.

As French Foreign Minister Alain Juppe observed at yesterday's meeting, it is clear that everything still depends on the international community's ability to gather the means necessary to meet the responsibilities outlined in the communique. NATO is the one international institution with an integrated military command that can bring to bear force or the threat of force to end military conflict. As recently as last December, the NATO foreign ministers met—with France in attendance—and declared their willingness to support peacekeeping operations under the auspices of the United Nations or the Conference on Security and Cooperation in Europe (CSCE). They also agreed that NATO military authorities should be instructed to plan and prepare forces for such missions. Again, the rhetoric has not been matched by the response.

The traditional NATO reluctance to intervene "out-of-area," if it remains relevant anywhere, certainly should exercise no inhibiting effect in Bosnia. The former Yugoslavia is bounded by NATO countries to the west, the south and to the east. An expansion of the conflict into other remnants of that shattered land could even find two NATO countries, Greece and Turkey, taking opposing positions.

The disappointing reaction of our European allies to the recent attempts of Secretary of State Warren Christopher to forge a NATO consensus should not be taken as final, nor should a continued effort to bring NATO into serious engagement be feared as causing an alliance rift. It is, I believe, understandable that some of our European friends questioned whether the prescription then advanced by the United States—arming the Bosnian Muslims and attacking Serbian targets—is the best way to bring about peace. But NATO, as the primary European security instrument, can justly be called upon by the United States to come up with a military plan that its members deem more appropriate to meet the crying need for a peaceful solution.

At the foreign ministers meeting yesterday, additional steps were outlined to improve and enlarge the safe havens in Bosnia, to patrol the borders and to prevent the conflict from extending outside the borders of Bosnia-Herzegovina. The United States offered to assist in this effort, but not with ground troops. But none of this in itself is apt to scare the war lords or spare the Bosnian people. There will be no safe havens and no end to the slaughter unless and until significant military forces are introduced into the area. Only NATO can do it. A unilateral American venture is, and should be, out of the question. But the United States should press NATO to design and implement such a plan without delay. The forces would be deployed in a peace-enforcing mission, but with authority to take aggressive military action against any activity that seeks to interfere with that mission. The United States, of course, must do its part as a member of NATO. Russian participation should be encouraged.

The NATO deployment would remain while the contending factions work out whatever compromise arrangements they can all live with. Whatever the starting point, the eventual result would in all likelihood have to be a Bosnian government and military arm that reflect a Muslim majority. Bosnia-Herzegovina has, it must be remembered, received international recognition as a sovereign state, however premature that recognition may have been. If some of its Serbian and Croatian inhabitants don't like living under such a Bosnian government, there are obvious places they can go.

There can, of course, be no certainty that strong NATO intervention will do the job. But there is good reason to think that it very well might. Most bullies are cowards and the present aggressors have thus far been in a "no lose" situation. If they are faced with the fact that their continued violations of human rights and international law will cost them heavily, they could well reconsider their present policy.

Bosnia is not Vietnam; NATO intervention there would not involve misguided ideologically-driven war. Nor would it replicate the courageous Serbian guerrilla resistance to the Nazi invaders. Serbian and Croatian soldiers are not now fighting for national survival. The security and independence of their own countries is not challenged. The fighting now is about carving up another country.

If NATO fails to act on its 1991 perception of the real threats to European security, this in all probability will not lend to its death and dissolution. Western European leaders will still see it as a useful institution for keeping the United States formally engaged and making it easier for the other Europeans to live with a bigger Germany and a troubled successor to the Soviet Union that is appreciably smaller but still the biggest kid on the block.

But a strong NATO response to the present crisis would more than justify its post-Cold War existence. Lacking such a response, it will limp along, but will no longer be taken seriously as the leading instrument of international or even European security.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. I thank the Chair. I thank Senator DECONCINI from Arizona for his remarks. I know those are not just words but what he feels very deeply.

CONGRESSIONAL SPENDING LIMIT AND ELECTION REFORM ACT OF 1993

The Senate continued consideration of the bill.

Mr. WELLSTONE. Mr. President, I would like to go back to the amendment I introduced and that we have been discussing. We will be voting on this at 3 o'clock so I will not take a lot of time.

I am going to start again with a few figures, Mr. President.

The average cost of a Senate campaign in 1992 was $3.7 million, and in 1990 incumbent Senators spent on the average $4.5 million. We are supposed to, Mr. President, as you well know, raise on the average of $12,000 a week in order to be viable candidates. That varies with size of State. That is the average size. I would hope that is way too much for North Dakota.

But, Mr. President, I think we just have to put a stop to this money chase. One more time. I talk with colleagues—and I consider colleagues on the floor of the Senate to be friends, agree or disagree—and every once in a while when we talk about reform, we talk about campaign finance reform or talk about good government, people kind of look at me and they say, "Paul, you know, the bread and butter issues are the economy and health care. Those are the issues that really dramatically affect lives. People are not that interested in this."

Mr. President, the political earth has just moved beneath our feet, and I think we are missing an essential truth in American politics today, which is that there is a tremendous amount of indignation and disillusionment and, unfortunately, cynicism about the political process. I think part of the reason is people really believe—I would like to make the case, which is the why of this amendment, that it is not just a perception. Unfortunately, I think it is in part a reality—people believe that big dollars, huge amounts of money given by those who have the financial wherewithal to make the big contributions, has undercut representative democracy. They feel as if they are not in the loop, that they have been cut out of the loop. And most people, again, if you talk to people in North Dakota or Minnesota in cafes and you ask people what is democracy to you, they will say political equality; each one of us should count as one and no more than one.

If that is the case, and we are talking about this money chase and we are talking about huge amounts of dollars being raised, not just PAC money—I now want to get to the other part, individual contributions—$1,000 at a crack, $1,000 during the primary, another $1,000 during the general election, which is now what is in the leadership bill, it is a step forward, but I wish to say one more time that this is a loophole. This is a sieve.

What is going to happen, Mr. President, is we are going to say no more PAC money. And then that money is just going to shift. It will not be an S&L PAC; it will be some executives. They will get together and give in the primary, and another $1,000 in the general. And what will happen? Any given lobbyist—people in Washington know how it works and people around the country know how it works. You have this lobbying coalition. They bring people together.

I have seen quotes from Senators, whose names I will not use, to the effect it is not that difficult to raise money. All you have to do is go somewhere for an hour; somebody has put together a fundraiser. Lobbyist X calls different folks. They give $1,000. You have 100 people; $1,000 each; $100,000 you raise. We have not eliminated what I think is a sieve. And all of this money that once was the PAC money just gets transferred in this other direction.

By the way, at least with PAC's, with labor unions, that is the way in which working people aggregate their money so that unions can give $5,000 in a primary and $5,000 in a general. They are not going to be the ones who are going to have $1,000 to contribute. But I will tell you one thing, a whole lot of people in the United States of America, namely at the very top of the economic structure, will have that money to contribute.

You ask a person in Minnesota or a person in North Dakota—I am sorry, Mr. President; I know you are not in a position to respond to me while you are presiding, but I think it is true—most people probably say, look $100 from me to contribute in a given primary and general election, that is about all I can contribute.

So what I am saying is if the standard is each person should count as one and no more than one, then what we ought to do in exchange for a moderate amount of public financing applied to general and primary—I think these limits on contributions should only take effect if we have that public financing, and that is going to be debated later on in a whole series of amendments—we should drastically reduce the individual contributions.

U.S. News & World Report came out with a study May 24, and I just want to point, Mr. President, to some figures here that I think are important. We are now talking about the health care industry contributions in the cycle 1990 to 1992: $41.4 million. This is soft money. This is PAC money. This is individual contributions. In other words, let us not be abstract about this debate.

Let me take what has become a compelling issue in American politics, namely whether or not we are going to have health care reform. And as much as I do not like to make this argument, as much as it breaks my heart to make this argument, I think there is a very strong correlation between the way we finance our campaigns and the way money mixes with politics and what we will end up doing or not doing for people vis-a-vis health care. Because what this figure tells us, what this U.S. News & World Report study tells us, call it PAC money, call it soft money, call it party money, call it individual money—in this particular case we are calling it health care industry money all combined—$41.4 million between 1990 and 1992, a good part of that money is going to candidates, going to Senators and Representatives in opposition to major health care reform.

So that when we talk about health care and whether or not we are going to have some system of universal health care coverage, and then we talk about the opposition of the insurance industry and the pharmaceutical industry, for example, we are talking about whether we have a democracy for the few or a democracy for the many.

Mr. President, I will tell you right now, that is what this debate is going to be about over the next several weeks, whether or not we are going to have real campaign reform and whether or not we are going to get the large, big money out of politics.

Now, this amendment does not say eliminate all private money. What this amendment says is eliminate all the big money. What it says is go to a $100 contribution per individual per cycle. I will tell you something. I think that meets the Minnesota cafe test. I think that is exactly what we ought to do. I think that is the direction we ought to go in.

Now, Mr. President, one more time I wish to make it very clear that I offer this amendment to the leadership bill in the spirit that we can do better. I am not arguing that the leadership bill is not a step forward. I understand full well what is being attempted, and I appreciate much of what is being done. But I think we have a big loophole. I would say to my colleagues that it is important for us to understand—and I may be a little bit off on this, but I believe about 65 percent of the money we raise on the average we raise from individual contributions.

Now, looking at 1990, and looking at FEC reports, contributions over $100, 20 percent were in amounts of $200 to $500; 78 percent were in amounts from $500 to $1,000. And I will tell you something else. If, as people in Minnesota say, money talks in politics, I will bet you that early money screams in politics.

I have not done the analysis, but I will bet if you were to do an analysis, and if you could do the analysis, you would find that especially in the early stages of a campaign where Senators or Representatives—I am talking about Senators today—put together their war chest which they can then put into direct mailing, then get smaller contributions so that your average contribution does not look that large, you will find that early money especially comes in in the form of these large individual contributions. They become, Mr. President, the gatekeepers.

And I really want to make an appeal to my colleagues, Democrats and Republicans alike, if in fact we want to talk about, as the President said, putting this Capitol back in the hands of people and we want to talk about a system, as some Republican colleagues said, where in fact incumbents have no advantage, then we are going to have to not only look at and go after an attempt to eliminate PAC money, but we are going to have to deal with the individual contributions at the high income end.

And if you are going to still tell people that they can contribute, each person, up to $2,000, you have an enormous loophole. I would predict, as much as I do not want to predict this, that everything will shift. It is like Jell-O. If you put your finger in it, it will go somewhere else. Everything is going to shift into PAC money, into aggregations of $1,000 contributions at these big gatherings. That will become Washington, DC, in postreform time. It will be a shift, but it will be the same issue. It will be the same big money; it will be the same big money dominating politics. It will be the same big money that too many of us are going to dig a hole into, and it will be the same big money that is going to disillusion people.

I know my colleagues, including my friend, Senator BOREN from Oklahoma, will say it is possible to "love a bill to death." And this is not just practical, but, Mr. President—I hope my good friends will permit me just the joy of saying this; I say this in the spirit of fun, and with a twinkle in my eye—beware of crackpot realism. Beware of this argument that—based upon some definition of realistic here in Washington, DC, here on the floor of the Senate—we cannot really take the steps to really eliminate this big money out of politics.

I think that is Washington realism. I do not think that is the realism in the cafes of North Dakota, or in Minnesota, or the State of Oklahoma.

I hope I will receive some good, strong support from my colleagues.

I yield the floor to the crackpot realist from the State of Oklahoma.

Mr. BOREN addressed the Chair.

THe PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. BOREN. Mr. President, I think I have been complimented by my good friend and colleague from Minnesota. I understand what my friend is saying.

As I have said earlier, I know his heart is absolutely in the right place. We both agree: We have far too much money pouring into politics. Far too much of it is coming out of special-interest groups; far too little is coming from grassroots, from the average American. And therefore the average American has come to believe that he or she really does not have much input into the political process anymore. That is a real tragedy.

That is why for 10 years I have been working on this effort. That is why I am very pleased that as soon as the Senator from Minnesota came to the Senate, he became a very strong advocate of campaign finance reform and has been there all along.

I regret that I cannot enthusiastically feel that I can depart from realism at this point and support his amendment. I do believe there is a problem in that smaller contributions are not itemized and reported now, whereas all contributions above $50 are itemized and reported. That is something we probably should change, regardless of what happens.

But I think also the fact that his proposal is really predicated upon the assumption that we will provide additional public funding of primary and runoff elections, as well as some incentives to allow people to accept voluntary spending limits in a general election, just makes it really not something that should pass. I think it is so urgent that we get on with the business of campaign finance reform when the average Member is spending $4 million to run—even in a small State—a successful race; when incumbents are able to raise three times as much in the Senate and five times as much in the House when running for reelection; when the PAC's are giving $6 to incumbents for every dollar to the challengers; and when the American people have lost faith in this institution. I think it is so urgent that we pass meaningful campaign finance reform that I am hesitant—and I hope my colleague will understand—to endanger the possibility of this bill passing, a strong bill passing, which I think we do have before us. It is not a perfect bill; no bill which is the product of a coalition is a perfect bill. But I simply feel compelled to oppose the Senator's amendment and to try to be the realist here.

But again, I commend my colleague for bringing this proposal to us, and I commend him for the very genuine and strong support that he has given this cause overall. I express my appreciation to him.

So while we do not happen to agree on this particular amendment, we are certainly together on the overall goal.

So, Mr. President, regrettably, I will vote against this amendment when the roll is called. I urge my colleagues to do the same.

Mr. MCCONNELL. Mr. President, I would like to ask my friend from Minnesota a question. It could very well be that he covered this in his statement and I did not hear him.

Is the Senator from Kentucky correct that this contribution will become effective only when there is an effective law that provides significant public financing of Senate campaigns?

Mr. WELLSTONE. That is correct.

Mr. MCCONNELL. Did the Senator from Minnesota define what is significant? At what level would this kick in under the Senator's amendment?

Mr. WELLSTONE. I listed some—since we have several weeks on this bill—ways to define what significant public financing is going to mean. Instead of other amendments, I feel that we would go through that.

Mr. MCCONNELL. So it is the thought of the Senator from Minnesota that at some point subsequent in this debate, what significant is would be defined?

Mr. WELLSTONE. That is correct.

Mr. MCCONNELL. I thank the Senator.

Mr. BOREN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, since nobody is seeking recognition, I ask unanimous consent to proceed as in morning business for 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

RETIREMENT OF ROSE MARY MONG

Mr. DOLE. Mr. President, I rise today to recognize Rose Mary Mong, a fellow Kansan, a dedicated member of my staff, and friend of many years. Rose Mary is retiring after over 14 years of faithful service to me, the Congress, and to Kansas.

Rose Mary began her service with then Congressman Bill Avery and later worked for him in his capacity as Governor of Kansas. She came to my Washington office in 1980 assisting in many important capacities.

In 1984, Rose Mary returned to Kansas to be closer to her family and to work in my Topeka office. For the past 9 years she has provided invaluable service to the citizens of Kansas especially the seniors to whom she dedicated much of her time and energy. One can travel the State of Kansas from border to border and find few of our senior citizens who do not know Rose Mary personally. Young and old, the people of Kansas hold Rose Mary Mong in high regard.

Rose Mary can be proud of her years of dedicated public service and of her success as a wife and a mother. I thank her for all her efforts on my behalf and wish her much happiness in her retirement and success in all her endeavors. She will be missed.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONGRESSIONAL SPENDING LIMIT AND ELECTION REFORM ACT OF 1993

The Senate continued with the consideration of the bill.

Mr. MCCONNELL. Mr. President, I asked the Senator from Minnesota a few minutes ago about his amendment, and he, I think, has clearly indicated that a vote for the Wellstone amendment appears to be—and he can respond to this—a vote in favor of yet more taxpayer funding than is in the bill at the moment.

I believe the Senator from Minnesota indicated that, later in the debate, we would find out what significant public financing means, which is what is in this amendment. My assumption is—and I say this by way of explanation to those in the Senate who may find taxpayer funding for elections offensive—that it appears to this Senator that the adoption of the Wellstone amendment does envision additional taxpayer funding of elections over and above what is in the underlying bill.

Consequently, it will be my intention to vote no on the Wellstone amendment.

I yield the floor.

Mr. DURENBERGER. Mr. President, I rise to oppose the amendment offered by my colleague from Minnesota, Senator WELLSTONE.

At the outset, I want to compliment Senator WELLSTONE for the intent behind his amendment, which is to bring an end to the perception that politics is becoming a money chase pure and simple.

I am afraid, however, that rather than ending the money chase, this amendment would have the undesirable effect of requiring candidates to spend a majority of their time on the money chase and less of their time debating the issues and educating voters. It is pretty simple math that if it takes a certain amount of time to raise money in $1,000 increments, it will take at least 10 times as long to raise the same money in $100 increments. That means more time and expense spent on fundraising and less spent on more enlightening parts of the campaign.

I recognize that that is not the end of the debate, however. The next question is whether there is anything inherently wrong with the current limits. The current individual contribution limit is $1,000. Even under the most restrictive proposed spending limits for the smallest States, each contribution will amount to less than one-tenth of 1 percent of the total spending by a candidate. In the largest States, each of the contributions will be a minuscule part of the total. Given that, it is inconceivable that there is any undue influence in an individual citizen giving $1,000 to a campaign.

It is not the case in this debate that smaller is always better. As we look at this amendment and others like it, we need to keep in mind that for all the flaws that exist in the campaigns we and our opponents currently run, there is a great potential for education and an exchange of views in campaigns. We need to encourage more. But it all requires funding.

So we must strike a balance between eliminating undue influence from campaigns while preserving the ability of candidates to disseminate information and freely communicate their ideas.

I believe the current limit of $1,000 strikes the appropriate balance between these two considerations. The current amendment, it seems to me, does not significantly improve the credibility of Congress but creates the risk of turning us into full-time fundraising machines.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. REID. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WELLSTONE. Mr. President, I ask for the yeas and nays on the $100 contribution amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question now occurs on amendment No. 370, as modified, as offered by the Senator from Minnesota [Mr. WELLSTONE]. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Alabama [Mr. HEFLIN], the Senator from Texas [Mr. KRUEGER], and the Senator from Vermont [Mr. LEAHY] are necessarily absent.

The PRESIDING OFFICER (Mr. FORD). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 13, nays 84, as follows:

[Rollcall Vote No. 123 Leg.]

YEAS—13

Bradley
Cohen
Conrad
DeConcini
Feingold
Grassley
Harkin
Lautenberg
McCain
Metzenbaum
Simon
Wellstone
Wofford

NAYS—84

Akaka
Baucus
Bennett
Biden
Bingaman
Bond
Boren
Boxer
Breaux
Brown
Bryan
Bumpers
Burns
Byrd
Campbell
Chafee
Coats
Cochran
Coverdell
Craig
D'Amato
Danforth
Daschle
Dodd
Dole
Domenici
Dorgan
Durenberger
Exon
Faircloth
Feinstein
Ford
Glenn
Gorton
Graham
Gramm
Gregg
Hatch
Hatfield
Helms
Hollings
Inouye
Jeffords
Johnston
Kassebaum
Kempthorne
Kennedy
Kerrey
Kerry
Kohl
Levin
Lieberman
Lott
Lugar
Mack
Mathews
McConnell
Mikulski
Mitchell
Moseley-Braun
Moynihan
Murkowski
Murray
Nickles
Nunn
Packwood
Pell
Pressler
Pryor
Reid
Riegle
Robb
Rockefeller
Roth
Sarbanes
Sasser
Shelby
Simpson

Smith
Specter
Stevens
Thurmond
Wallop
Warner

NOT VOTING—3

Heflin
Krueger
Leahy

So the amendment (No. 370), as modified, was rejected.

Mr. PRESSLER addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

AMENDMENT NO. 372 TO AMENDMENT NO. 366

(Purpose: To amend the Federal Election Campaign Act of 1971 to ban activities of political action committees in Federal elections)

Mr. PRESSLER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

Mr. BOREN. Mr. President, will the Senator withhold his request for just a moment? Mr. President, will the Senator just allow me to make a motion to reconsider the vote on the previous amendment?

Mr. PRESSLER. Yes.

Mr. BOREN. Mr. President, I move to reconsider the vote by which the previous amendment was rejected.

Mr. MCCONNELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. I remind the Senator from South Dakota that we have a pending amendment in the second degree.

Mr. MCCONNELL. Mr. President, it is my understanding the junior Senator from Minnesota does not object to having that laid aside to consider other amendments. Consequently, I ask unanimous consent that the Wellstone amendment and the second-degree amendment be temporarily laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PRESSLER. Mr. President, I have sent the amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from South Dakota [Mr. PRESSLER], for himself, Mr. MCCONNELL, Mr. MCCAIN, and Mr. DURENBERGER, proposes an amendment numbered 372.

Mr. PRESSLER. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER (Mr. WELLSTONE). Without objection, it is so ordered.

The amendment is as follows:

Strike section 102, beginning on page 37, line 6, and ending on page 43, line 15, of amendment No. 366, and insert the following:

SEC. . BAN ON ACTIVITIES OF POLITICAL ACTION COMMITTEES IN FEDERAL ELECTIONS.

(a) IN GENERAL.—Title III of Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) is amended by adding at the end the following new section:

"BAN ON FEDERAL ELECTION ACTIVITIES BY POLITICAL ACTION COMMITTEES

"SEC. 324. Notwithstanding any other provision of this Act, no person other than an individual or a political committee may make contributions, solicit or receive contributions, or make expenditures for the purpose of influencing an election for Federal office.".

(b) DEFINITION OF POLITICAL COMMITTEE.—(1) Section 301(4) of Federal Election Campaign Act (2 U.S.C. 431(4)) is amended to read as follows:

"(4) The term 'political committee' means—

"(A) the principal campaign committee of a candidate;

"(B) any national, State, or district committee of a political party, including any subordinate committee thereof;

"(C) any local committee of a political party which—

"(i) receives contributions aggregating in excess of $5,000 during a calendar year;

"(ii) makes payments exempted from the definition of contribution or expenditure under paragraph (8) or (9) aggregating in excess of $5,000 during a calendar year; or

"(iii) makes contributions or expenditures aggregating in excess of $1,000 during a calendar year; and

"(D) any committee jointly established by a principal campaign committee and any committee described in subparagraph (B) or (C) for the purpose of conducting joint fundraising activities.".

(2) Section 316(b)(2) of Federal Election Campaign Act (2 U.S.C. 441b(b)(2)) is amended by striking subparagraphs (B) and (C).

(c) CANDIDATE'S COMMITTEES.—(1) Section 315(a) of Federal Election Campaign Act (2 U.S.C. 441a(a)) is amended by adding at the end the following new paragraph:

"(9) For the purposes of the limitations provided by paragraphs (1) and (2), any political committee which is established or financed or maintained or controlled by any candidate or Federal officeholder shall be deemed to be an authorized committee of such candidate or officeholder.".

(2) Section 302(e)(3) of Federal Election Campaign Act (2 U.S.C. 432(e)) is amended to read as follows:

"(3) No political committee that supports or has supported more than one candidate may be designated as an authorized committee, except that—

"(A) a candidate for the office of President nominated by a political party may designate the national committee of such political party as the candidate's principal campaign committee, but only if that national committee maintains separate books of account with respect to its functions as a principal campaign committee; and

"(B) a candidate may designate a political committee established solely for the purpose of joint fundraising by such candidates as an authorized committee.".

(d) RULES APPLICABLE WHEN BAN NOT IN EFFECT.—For purposes of the Federal Election Campaign Act of 1971, during any period in which the limitation under section 324 of that Act (as added by subsection (a)) is not in effect—

(1) the amendments made by subsections (a) and (b) shall not be in effect; and

(2) it shall be unlawful for any person that—

(A) is treated as a political committee by reason of paragraph (1); and

(B) is not directly or indirectly established, administered, or supported by a connected organization which is a corporation, labor organization, or trade association,

to make contributions to any candidate or the candidate's authorized committee for any election aggregating in excess of $1,000.

Mr. PRESSLER. Mr. President, this amendment, which I offer today on behalf of myself and several others, is a very basic one that addresses an area of the present campaign financing system that greatly concerns me and my constituents. Plain and simple: It bans political action committees, PAC's, from participating in campaigns for Federal office.

Unlike the underlying bill, it bans PAC's from both House and Senate election campaigns. The underlying bill is seriously flawed, in my estimation, because it bans PAC's only from Senate campaigns. I seriously question the merit of a bill that condemns a practice for Senators but encourages it for House Members.

In the last several years, we have seen many bills in the Congress purporting to be campaign reform legislation. Simply because the media or some public interest group labels a bill "campaign reform" does not necessarily make it so. Often, the use of this term involves considerable poetic license.

My amendment prohibits PAC's from participating in campaigns for Federal office. The amendment provides that only an individual, or a candidate's committee, or a political party committee may make contributions, solicit or receive contributions, or make expenditures for the purpose of influencing an election for Federal office.

PAC's would be outlawed from the business of political fundraising and contributionmaking for Federal office. I am convinced that when people say they want campaign reform, what they are saying is to get rid of PAC's. PAC's are publicly perceived to be organizations with large amounts of money ready to be lavished on candidates for Federal office in return for access and influence with those receiving the contributions. PAC's are playing an increasingly larger role in the financing of campaigns for Federal office.

Since passage of the Federal Election Campaign Act, FECA, in 1974, the number of PAC's has increased from 680 to 4,195 in 1992. PAC contributions to House and Senate candidates increased from $12.5 million in 1974 to $180.1 million in 1992, an increase of more than 400 percent, even accounting for inflation.

In 1974, 9 percent of winners in the House of Representatives received over half their funds from PAC's. In 1990, 55 percent of House winners received over half their funds from PAC's.

PAC contributions, as a percentage of congressional candidates' overall receipts in general elections, has steadily increased every year since 1974, starting at 15.7 percent in that year to 38.8 percent in 1990.

In 1992, PAC's contributed 24 percent of Senate campaign receipts. In 1992, PAC's contributed 38 percent of House campaign receipts. In 1992, incumbents received 79 percent of all PAC contributions, $119,789,287 versus $17,302,125 for challengers.

Corporate and trade association PAC's gave over 90 percent of their money to incumbents. With my amendment, all PAC's with segregated separate funds in parlance of the Federal Code maintained by unions, corporations, trade and health associations, membership organizations, cooperatives and corporations without capital stocks, savings and loans, shareholder insurance companies would no longer be able to participate in Federal elections.

Also prohibited from participating in Federal elections would be nonconnected PAC's, those not affiliated with the sponsoring organizations which are comprised of ideological and single-issue groups.

The amendment redefines political committees, and says only the campaign committee of candidates' and national, State and local political parties could make contributions, solicit or receive contributions, or spend money to influence Federal elections.

The amendment contains a provision that should a ban on PAC's be determined to be unconstitutional, then PAC contributions of $1,000 would be allowed. This was the PAC contribution limit suggested by President Clinton during the campaign.

So, Mr. President, if the complete ban on PAC's should be deemed unconstitutional, there would then kick in a $1,000 limit on PAC's for both House and Senate races. I might emphasize that the House and the Senate would be treated equally under this plan. If we are to conclude that PAC contributions are bad for Senators, then why are they not bad for House Members?

In the last Congress, this body passed a so-called campaign finance reform bill, S. 3, the Senate Election Ethics Act of 1991. It passed on a 56-to-42 vote. I voted for it. One of the reasons I did so was because it eliminated PAC's. Unfortunately, when it returned to the Senate after the House and Senate conferees were done with it, the PAC elimination provision was dropped. Consequently, I voted against the conference report on that bill and the subsequent unsuccessful attempt to override the President's veto of the bill.

But with the adoption of this amendment, campaigns would be put back under the total influence of the people we represent. Only individuals and the candidates' own campaign committees would be involved in the campaign fundraising system. The electorate want their elected officials to serve them, not the PAC's. The public is wary of the perceived influence generated by the large fundraising power of PAC's. Big financial contributors are suspect.

My amendment calls for us to do only that which this body did in the last Congress: Get the PAC's out of elections and back to the people, their elected representatives.

My amendment would improve the underlying bill dramatically. Simply banning PAC's in Senate campaigns falls way short of being even good enough. It is outright hypocrisy. Acknowledging the undue influence of PAC's by banning them in Senate campaigns but letting them operate in House campaigns creates a blatant double standard. If PAC's are deserving of banishment in the Senate, then surely they are in the House whose Members rely on their contributions far more than do Senators. Let us give the American people the action they want, a complete and total PAC ban.

We have been on this issue for a long time now. My colleague, Senator MCCONNELL, has been one of the great leaders on this issue over the years on this side of the aisle. I thank him for his assistance in developing this amendment.

I hope my Senate colleagues will support elimination of political action committees, vote for this amendment and put a major campaign reform abuse behind us.

So in conclusion, Mr. President, let me say that I am very eager to join in campaign reform. I am not eager to join in simple a partisan go around, merry-go-round.

Now, if we have a bill that suggests banning PAC's in the Senate, why would they not also be banned in the House where they are used even more. The logic does not make sense.

What is happening is that the majority in the House of Representatives is writing a bill that will protect their incumbents because that is how they raise most of their money. That is not campaign reform. The press should not report it as such. No one should. If we are going to ban PAC's in the Senate, as my friend from Oklahoma has provided the amendment or the provision in this bill, why would they not also be banned in the House? Why is the logic different from the Senate and the House?

Mr. President, I am available to answer any questions from my colleagues on the details of this amendment. I thank my cosponsors, and I yield the floor.

Mr. MCCONNELL addressed the Chair.

The PRESIDING OFFICER. The junior Senator from Kentucky is recognized.

Mr. MCCONNELL. Mr. President, I commend the senior Senator from South Dakota for his amendment and rise in support of the amendment.

Senator PRESSLER should be commended for putting people first by putting PAC's completely out of business in congressional elections. When President Clinton unveiled his campaign finance plan, it was immediately evident that he had broken yet another campaign pledge, his promise to limit PAC's to $1,000, and had caved in to the House by leaving the PAC contribution limit in the House at $5,000. And for no good reason, other than political expediency, he proposed a different PAC contribution limit for Senate candidates, $2,500, and a $1,000 PAC limit for Presidential campaigns. It makes no sense at all, none. If we are going to have a multitiered PAC contribution limit, President Clinton had it backwards; the Presidential limit should be higher than the Senate, which should be higher than the House. That way the limit as a proportion of campaign spending is more comparable.

If the aim of reducing PAC limits is to reduce the influence of special interests, it makes no sense to have House limits twice as large as Senate limits when Senate campaign expenditures are typically six or more times a large as House campaign expenditures.

Senator PRESSLER's amendment is common sense. The substitute amendment balkanizes the House and Senate. If the PAC contributions to Senate campaigns are to be banned, then they ought to be banned from the House as well. Senator PRESSLER's amendment does precisely that.

Mr. President, as we all know so well, incumbents are PAC magnets. Challengers do not attract PAC money on a significant scale. However, political action committees are touted by their defenders as a means to allow individuals to get together and advance their collective interests in politics. Presumably, that would include supporting challengers. In 1992, in races where Members were up for reelection, incumbents received 86 percent of the PAC contributions—86 percent—$126 million for incumbents versus $21 million for challengers.

Mr. President, if PAC's are so democratic, with a small D, it is not reflected in their contribution patterns because incumbents certainly were not so overwhelmingly popular in 1992. Clearly, a democracy is skewed in the PAC process as inside-the-Beltway professional lobbyists advance their personal interests in getting face time with incumbents rather than advancing their PAC contributors' interests through PAC collections.

Clearly, putting people first has transformed into putting incumbents first in the House. Moreover, President Clinton put House Democrats first when he proposed his campaign finance plan. As the Wall Street Journal stated in an editorial entitled "Real Change" on April 28—and this is what the Wall Street Journal had to say:

> Bowing to pressure from House Democrats he—

Meaning Clinton—

> has abandoned plans to sharply rein in PAC money, 90 percent of which flows to congressional incumbents and virtually insures their reelection. From what we've seen it is a reform that is by the incumbents, for the incumbents, and benefits only incumbents.

So I wish to commend the Senator from South Dakota for his excellent amendment, and I hope that at some point later in the day it will be adopted.

Mr. President, I yield the floor.

Mr. COHEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine is recognized.

Mr. COHEN. Mr. President, I intend to support the amendment of the Senator from South Dakota, but first I would like to offer a few comments about campaign reform itself. I maintain that every reform contains its own seeds of abuse. Every time we reform the system, within a matter of 5 or 10 or perhaps even 15 years, that system in turn will be required to be reformed either by modifying those provisions or by abolishing them altogether.

I would like to call the attention of my colleagues to the fact that the formation of political action committees came out of the Watergate scandal. At that time there was only one political action committee allowed and that was the Committee on Political Education. It happened to be a labor political action committee.

Republicans said, "How come it is OK for labor to have a political action committee but not for business? Why do we allow only one side of the equation to participate in this political process?"

So many of us felt way back in 1974, that we ought to have greater political participation. We felt we ought to encourage more contributory participation by way of money coming into the system, but also to get away from the large contributions.

There were great abuses where wealthy individuals could contribute unlimited amounts of money to political campaigns. We saw that system abused. We said let us stop this; let us clean it up; it is corrupt. And so let us invite small associations, people of like mind, who want to support a given philosophy or given candidate, to band together to contribute their resources into a fund, and let that political action committee then support the candidate of its choice. That was supported by Democrats and Republicans in the name of fairness.

We wanted a proliferation of political action committees, and we knew in the very beginning that we were going to attract more political action committees. That was our design. And so here we are now, almost 20 years later saying what a terrible system this is. Those inherently evil political action committees have destroyed or corrupted our system.

I must tell you, Mr. President, I do not find political action committees to be inherently evil. I find very little distinction between a company, for example, calling upon its executive officers to contribute to a fund that would contribute $5,000 to a campaign, and the head of the company and his wife each contributing $2,000.

I have great difficulty drawing a moral distinction between a $4,000 contribution of a husband and wife who control the company and a $5,000 contribution from the executives or employees of that company contributing to a candidate.

That is the reality of the situation. And yet somehow the PAC's are now evil, and individual contributions are quite moral.

I have difficulty drawing the distinction. I think it is metaphysical at best. But apparently there are some theologians in this body and elsewhere who believe there is such a moral distinction to be drawn.

The issue is the public has come to see political action committees as being either too powerful, too many, or simply too corrupt. And if the public perception is there, then we have an obligation to try to remove that perception because appearances, in fact, do count, and the appearance of undue influence or the appearance of possible corruption is very important and we have to remove that appearance if at all possible.

But I must say this charge to remove the PAC money and the contributions is not without political motivation. After all, since we have had this proliferation of political action committees, we have found, to our dismay, that those political action committees that we thought would be supportive of a Republican philosophy no longer have that kind of allegiance.

It becomes much more pragmatic, more pernicious as such, because those PAC's that ordinarily would support conservative or moderately conservative candidates now support incumbent Democrats of an entirely different philosophy. They do so because they are afraid of political retribution. So we now have a situation where we find conservative-oriented PAC's contributing to liberal-oriented Democrats, and Republicans are upset about that.

So for some years now, we have said: Let us do away with PAC's. They are benefiting the Democratic majority, so why should we allow a system to continue that benefits the majority party? That is really the motivation that started some time ago.

So we have been pounding away and pounding away at the Democrats for this. Republicans said: Let us just minimize the amount of contributions of PAC's. Keep them involved in the process, but just reduce the amount somewhat. That will make us less corrupt, less tainted, less influenced by PAC contributions.

Then the political reality began to grow, perhaps the Democrats really were not interested in true campaign finance reform. They were being stuck to a label that we have attached to their foreheads like the mark of Cain that they have been involved in a corrupt system.

So now they finally come forward and say: We are going to do one better than the Republicans. There are some Republicans who said let us just minimize the contributions. We are now going to finally, in a great spirit of bipartisanship, join the Republicans and offer an amendment to abolish PAC contributions. So here we are. We now have the Republican Party and the Democratic Party on track. PAC's should no longer be allowed to contribute to political campaigns.

Even though we will have a tough time drawing the distinction between heads of companies and families contributing, or calling upon all of the employees to contribute individually, perhaps there is nevertheless a clear-cut distinction.

I think the Senator from South Dakota is quite right. We cannot have one rule for the Senate and another rule for the House of Representatives. I cannot accept the argument that somehow these two institutions—which are only a few hundred feet away from each other down this corridor—are that different. I cannot accept that somehow that House is different from this House in terms of its image, and that somehow they should be treated differently because, after all, they are not as well known. Nor can I accept that they should be treated differently because they cannot go into other States to raise money and, therefore, we should allow PAC contributions to flow through their coffers.

That is an argument that cannot be sustained on any intellectual or honest basis.

So, Mr. President, if we are going to abolish PAC's, and apparently we have now the bipartisan spirit to do so, then we have to go the next step, the final step, insist that any campaign reform that passes this body that removes the taint of impropriety, must apply equally to the House of Representatives.

This is not a matter of trying to meddle in the internal workings of the House. They do have different rules of procedure. They do have different rules, perhaps, that they have to abide by internally. But what we are talking about—the connection between collecting funds and the voting—that is precisely the same for the House as it is for the Senate. And any rule that we adopt here has to be adopted by the House.

So I am going to join my colleague from South Dakota. I think it is not only an appropriate amendment; I think it is a mandatory amendment. We have to apply the same rules to both Houses because we function as the Congress of the United States, and in the eyes of the public, we are one institution. Notwithstanding our internal rules of procedure, in terms of campaign spending, campaign funding, and voting, we are one and the same.

So I am going to support my colleague from South Dakota.

I yield the floor.

Mr. BOREN. Mr. President, I thank my colleagues for their comments. Let me say this is a good example of bipartisanship. I do not think we have any disagreement about this matter at all.

As my colleagues on the other side of the aisle know, for some years, going back to the first effort that I made with Senator Goldwater, I have felt that political action committees had far too much influence in the political process of this country.

Some of the statistics that have been cited by my friend from South Dakota, my colleague from Kentucky, and my colleague from Maine, I have previously cited on the floor. When PAC's are giving at a ratio of 6 to 1 to incumbents, without regard to whether they are Democrats or Republicans, because they are incumbents, because they want access, because they occupy positions of power that might be able to affect the economic interests of those political action committees, I think we can all see how this has distorted the process.

Quite frankly, I have never felt it was a matter of which political party you belonged to, how you felt about PAC's, because it really depends upon whether you are an incumbent or not. PAC's tend to favor incumbents regardless of party. Since there are now more Democratic incumbents, there tend to be more dollars going from PAC's to Democrats. If there were more Republican incumbents, my prediction is there would be more PAC dollars going to Republicans.

It is the same argument, I say to my good friends on the other side of the aisle, about spending limits. Since incumbents can outspend challengers, it does not matter whether they are Democrats or Republicans.

There have been interesting statistics in the pages of the Washington Post the last few days. We have had studies available that in fact run down all of the Senate races and House races over the last two or three election cycles, and we find absolutely no difference. There is not one percentage point of difference between whether Democrats or Republicans can raise the most money; it is a matter of whether you are an incumbent or a challenger. That is what determines who can raise the most money.

Mr. COHEN. Mr. President, If the Senator will yield, there are some notable exceptions to that general rule. I believe I was the only Senate incumbent in 1990 who was outspent by a challenger.

Mr. BOREN. The Senator is correct, Mr. President; he is the only one. I certainly accept what he just said. But, as a general rule, it is very unusual for a challenger to be able to raise as much as incumbents. In fact, had the spending limits been in place, incumbents would have an average of $1.4 million; challengers virtually—not all—about $30,000.

Mr. COHEN. If I could clarify a bit further, so I do not mislead the Senator from Oklahoma, my challenger was a multimillionaire who funded his own campaign.

Mr. BOREN. I understand, Mr. President. That does make a difference. It was not a matter of being able to raise as much from PAC's or other individual contributors.

I appreciate my colleague from Maine, who always tells the facts as they are. I would say, from our experience of working together, that he has never mislead me on any subject. I appreciate him stating that for the record.

So let me say that I am hopeful. By the way, I say this to all of my colleagues, not just those on the other side of the aisle. I remember having some fun with Senator DOLE on this matter. At one point, I said: When did you become so opposed to PAC's?

He said: When we found out 62 percent of PAC money was going to Democrats. It did somehow affect our view.

I hope the same thing will happen on spending limits one of these days, when the Republicans again, as the morning newspaper pointed out, discover that spending limits, since they have more challengers than they have incumbents, will actually help the Republican Party probably more in the balance than it helps the Democratic Party.

This Senator hesitates to make that point, particularly at this point in time, when some of my colleagues might be suggesting I am not partisan enough on some other matters. But let me say, I do think that there is a very good point here, that we have—let me say, I do not know if my colleagues understand this, but if we will look at page 37 of the bill—I direct the attention of my colleague from South Dakota in particular to this—that under section 327 on page 37 of the leadership substitute, lines 16 and 17, we do ban political action committees from making contributions, soliciting, receiving contributions, or making expenditures for the purpose of influencing an election for Federal office.

So that means House or Senate. So the substitute that we now have before us does indeed ban PAC contributions. Or at least that is our intent, to ban PAC contributions for Members of the House of Representatives, as well as for the Senate.

I think, as to the fallback provision, that if the courts were to determine that our total ban on PAC contributions—I know the strong interest of my friend from South Dakota on the subject; it is, of course, one, as I say, on which we have had agreement—that if, indeed, that action were to be found unconstitutional, and some have argued that we could not totally ban PAC's, the Senator provides a fallback provisions, as I understand his amendment. The fallback would apply to both the House and the Senate setting limits on PAC contributions of $1,000.

This Senator has no problem with that. As I say, I do think we have already covered the House and the Senate both, in terms of the ban. I am not sure from the drafting that we include both under the fallback position. But I certainly see no problem with that.

Has the Senator from South Dakota sent the exact language of the amendment to the desk yet?

Mr. PRESSLER. Yes.

Mr. BOREN. Mr. President, I would like to have an opportunity at some point, before we go to final vote, just to look at the language to make sure that it is consistent with the bill.

Mr. PRESSLER. I am glad to hear my colleague is prepared to support the amendment.

For the purposes of the conference committee, I would like to have a rollcall vote, if possible.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. BOREN. Mr. President, I yield the floor so I will have a chance to read the language of the amendment to make sure, from a technical point of view, that we track correctly with the bill. As a matter of principle, I have no problems with the amendment.

Mr. MCCONNELL. Mr. President, the Pressler amendment is essential, and the reason the Pressler amendment is essential is because the fallback position in the underlying bill conspicuously omits the House of Representatives. In the fallback position in the underlying bill—when I say fallback position, that is assuming the Supreme Court determined that a PAC ban is unconstitutional. In the underlying bill, it says, "In the case of a candidate for election or a nomination for election to the office of President or Vice President or to the United States Senate, the section applies by substituting $1,000 for $5,000."

Conspicuously absent from the underlying bill is an equal PAC treatment for the House and the Senate. So what the Senator from South Dakota has done here is guarantee that, if the Court were to rule the PAC ban unconstitutional, there would be the same treatment for the House and Senate.

So the Pressler amendment is essential if we are to treat the House and the Senate the same on the question of the acceptability of PAC contributions. The Senator from Maine has thoroughly discussed the importance of having the same rules for the House and the Senate.

So I want to commend, again, the Senator from South Dakota for his very necessary amendment.

Mr. PRESSLER. Mr. President, I think that this amendment will set the tone that we shall insist that the House and Senate be treated the same. When I came to the House in 1974, John Gardiner welcomed me to Washington. At that time, there was a spirit of reform underway, and one of those was that PAC's had just been created.

I have always been interested in reform, and I am very interested in seeing that we pass a campaign reform bill. But I think it is extremely important that the House and Senate be treated the same, that we ban PAC's in the House and Senate, and, if that is unconstitutional, that there be a $1,000 limit in the House and Senate, as President Clinton has suggested, and that we not waver from that principle.

If that sort of spirit pervades the House and Senate, we will have campaign reform this year. But what I expect will happen is that each side will want a bill that fits its needs like a glove. The House of Representatives wants to keep labor union PAC's and teacher union PAC's and so forth, because that is how they raise most of their money. Also, they get a lot of corporate PAC money, too, I must say.

So I think this amendment is the first amendment that will really show a bipartisan spirit. If this is adopted in good spirit and adopted by the House, we will have a campaign reform bill this year that really amounts to something.

Mr. BOREN. Mr. President, I have had a chance to look over the actual wording of the amendment. Let me ask my colleague a question. I see in one instance that it is, I believe, weaker than the current bill, and it may be that this is an omission that is not intended. It may be something we can work out by seeing if our staffs can work together on the drafting of this.

Under our proposal, we ban political action committee contributions totally, as I quoted earlier, to Federal offices. So I do not think there is any question that the portion of the Senator's amendment that bans it for House and Senate—there is really no difference; it is the same as the current bill.

Where we have a difference is on the fallback position. What happens regarding the PAC ban—which we here apply to all Federal offices and the House and Senate—if the courts strike that down? What is the fallback position? Under the Senator's proposal, the fallback position is $1,000 per PAC for both the House and Senate. This Senator has no problem with that. But we also, in our bill, provide an additional fallback. We say that the candidate may not receive more than 20 percent in the aggregate of their contributions from political action committees.

I wonder if the Senator intended to omit that, because that is an essential part of reducing PAC influence. Otherwise, we could still be getting 50, 60, 70 percent of all of our contributions from PAC's, and you simply would be getting it $1,000 at a time instead of $1,000, $2,000, $3,000, $4,000, or $5,000 at a time. It seems to me that, if we want to reduce the influence of PAC's—and this is something Senator Goldwater and I found in the beginning of our deliberations—you must put a limit on the aggregate amount of PAC money that a person can take. Otherwise, you are simply allowing money to pop up in another form, and you would simply be encouraging PAC's to proliferate with a number of, say, five little ones giving $1,000 each instead of one big one giving $5,000. Still candidates for the House or Senate, more than half of the House and Senate Members—I am particularly sure of the House—more than half of those running for reelection last time received more than half of all of their contributions from PAC's. I do not think we would want that to happen if we had to go to a fallback position.

Mr. COHEN. Mr. President, I think the Senator makes a valid point in terms of talking about aggregates. Some of us will offer an amendment later during this rather extensive debate that would, in fact, insist that a greater percentage of funds be raised from within that candidate's own State. So we will ask for perhaps a 60-40 split; raising 60 percent of your funds from within your own State, as opposed to 40 percent out of State. It may be 70-30; we have not yet arrived at that percentage.

I assume the same philosophy will be supported by the Senator from Oklahoma when it comes time to insist on the majority of funds being raised from within the State to make sure you do not have a disproportionate percentage coming from out of State and from PAC's.

Mr. BOREN. The Senator raises a good point. We want to encourage in-State contributions from people at the grassroots. That is one of the evils of PAC's. When you have people getting their money to fund campaigns not from the people back home, but from people who have little or no contact with the State, I do not think that is a particularly wholesome thing.

What the best way to do that is, I am not sure. As the Senator knows—since he is one of those who signed the letter which was directed to me and to the majority leader and to the President and others—this is one of those items the Senator from Vermont and I have been talking about, and he relayed to me the thoughts of those Senators. We have been trying to find a way that will not have an undue partisan impact one way or another, that we can encourage in-State contributions.

So I certainly agree with the Senator as to his goal. But I wonder if he is agreeing, and I wonder if the Senator from South Dakota would consider allowing a brief period of time where our staffs could work together to see if we could draft appropriate language to make sure that we not only have a fallback as to the $1,000 maximum that PAC's could give, but that we also have an aggregate limit here on the amount candidates can receive from PAC's, so that we will not weaken the bill.

Having read the amendment, I could not accept the amendment if it does not also have an aggregate fallback provision, and I think there are one or two other items in here that are technical that are amendable as well, which had been mentioned by the Senator from South Dakota. I wonder if he would be willing to include an aggregate limit.

Mr. PRESSLER. Let me thank my friend and say that, first of all, I would have to consult with my cosponors. I have no objection, personally speaking, just as a Senator, to that limitation. It could be another amendment, or, indeed, we could have a quorum call and work together with the various Senators who have cosponsored this. Our intention was to get started to lay down the ground rules on PAC's so that it would be the same for the House and the Senate. Indeed, if it is 10, 20 or 30 percent, that could be another amendment. I would have to consult my cosponsors.

Mr. BOREN. Mr. President, I would say to my colleague that perhaps that would be the best thing, or if you wished we could take a simple amendment to add a sentence or two to the current bill, because it has aggregate limits in it as a fallback it would similarly add the House of Representatives into the $1,000 provision in the current bill. That may be the simplest way, and clean way to do it.

But I would say on the in-State out-of-State contributions this is one of those areas that I hope we might have a chance to have a little more discussion off the floor since we have been trying to reach a bipartisan consensus on that before we bring that amendment to the floor today simply, because it is a matter of one I have great sympathy.

I remember the Senator from Mississippi, the distinguished Senator, now retired, Senator Stennis, who once said that we ought to just propose that no one could make a contribution to the campaign that could not vote on the election effecting the candidate. I think in terms of support for the political parties that come in to help particular new people get started and sometimes some of the early seed contributions that might come that might be going too far.

But I certainly have very basic sympathy, we want to return the election process back to the people of grassroots. That has to be fundraising as well as voting, obviously. I hope we have further discussion on that. That might not be one we try to go vote on soon in this process since we are discussing it. I have been going back and forth between Senator JEFFORDS and the majority leader and others to see what might be acceptable to bipartisan spirit on that.

Mr. COHEN. Mr. President, will the Senator yield?

Mr. BOREN. I yield.

Mr. COHEN. I did not intend to bring that amendment up today or tomorrow. The implications of this bill are really serious and important and deserve not 1 or 2 days but several, I would suggest, weeks of debate.

Mr. BOREN. Yes, maybe not weeks but certainly days.

Mr. COHEN. We should proceed without the notion of somehow this is filibuster on or just a ploy on the part of Republicans on the try to stall it. This is an issue that goes to the heart of the political process.

Mr. BOREN. Yes.

Mr. COHEN. There are serious substantive questions that have been addressed and we want to do so in a constructive fashion.

Frankly, when I heard some suggestion there might be a cloture motion in the next several days, I said that it would not really be appropriate in my judgment. We have a lot to discuss, and, as the Senator from Oklahoma just indicated, I have a proposal about requiring a greater proportion of campaign funds to come from in-State which is going to take a great deal of debate. I suspect this proposal will be offered along with the other four or five ingredients of reform that are important to me.

Mr. BOREN. Let me assure our colleague, and I say this to him in the utmost sincerity. What he said about this being a very serious matter, a matter of fundamental importance to function of this institution and restoration of trust in the American people in this institution is absolutely true. This Senator subscribes to that statement wholeheartedly.

Let me assure my colleague from Maine that this Senator also is not going to try to use some artificial device to push us at a speed with which we cannot thoughtfully, carefully, and hopefully in a bipartisan fashion come to conclusions about this bill.

So this Senator is not about today to drop down a cloture motion on the desk and try to shut off debate as long as we are really proceeding with sincerity.

I think my colleague from Maine and I both know it may be very hard to describe at what point debate and constructive suggestions lapse over to filibuster. But, on the other hand, I think we all know it when we see it.

What I see here is not that at all. As long as I do not see that, and I again in the spirit of honesty think my colleague from Maine and my colleague from South Dakota who at various times have expressed support for and willingness to consider spending limits and campaign finance reform, that this Senator certainly wants to have that kind of dialog and allow that kind of input. As long as that is going on, I think we can distinguish between that and what becomes really foot-dragging. At what point in time, we will sit down and have an honest talk about whether we have reached that point yet or whether there really are legitimate, constructive proposals to be offered.

I assure my colleague we are in earnest. We tried to send that signal last year, for example, when the leadership substitute was presented. It was done and I think we were on the floor within an hour. The Senator from Kentucky said to me we really did not have a chance to look at the changes made after that bill came out of the Rules Committee.

For example, this year when the President made additional suggestions, we instead of going immediately to the floor and sort of laying down the substitute on the floor, it was the feeling of all of us we were struggling to find a way to demonstrate we were serious and sincere about wanting this to be a bipartisan process, and it was worked out in the Rules Committee to have an additional hearing, and the time for that hearing was worked out with the ranking minority member and the rest, and I am certain about that.

Mr. COHEN. Would the Senator yield a moment further? By way of example, the Senator from Minnesota offered an amendment which has been temporarily set aside which I think is going to prompt considerable debate in terms of its implications and possibly its constitutionality. A number of us have to sit down this afternoon, this evening, or perhaps even tomorrow to try to work through the various hypotheticals and to decide whether or not to try to make some kind of informed judgment as to whether it is constitutional or not. And if it is constitutional, we will have to consider whether or not it is advisable or desirable.

Mr. BOREN. Yes.

Mr. COHEN. This is the kind of amendment I know is keenly felt on the part of the Senator from Minnesota, and he may have others that he has in mind to try to improve this particular bill.

That is why I suggested it is going to take longer than perhaps anyone originally anticipated, and not because this is an attempt to delay or in any way introduce an amendment that simply is there for mischievous reasons. Rather these amendments are sincerely felt and may or may not be wise or desirable or indeed constitutional.

Mr. BOREN. I say to my colleague again, I appreciate his comment. I agree with his comment. And, by the way, we do appreciate the input of the Senator from Maine and the Senator from Michigan, in particular, and Chair and ranking member of the subcommittee on the Governmental Operations Committee who really have become expert in the feel of lobby regulation and activity. We would value their input into this Wellstone amendment.

I know the Senator from Minnesota, the distinguished Presiding Officer, has also indicated that he wished us to take the time to have those who have expertise in this field and made a special role to have them to do that.

I say to my colleague, while I am expressing the hope that we will not rush with haste in a way that will not give full input and very careful consideration to this, let me also express the hope there will be no rush on the other side of the aisle for Senators to sign letters to pledge to filibuster this bill, for example, or in no ways will they vote for cloture on this bill because again I think it is a two-way street that is very important for us to establish.

I appreciated the letter as I know did the majority leader and the President from several Members from the other side of the aisle on this particular pending legislation. We take that in good faith at face value.

We look forward working through those issues. In fact, the Senator from Vermont and I have had several lengthy conversations—our staffs have—on seeing how we might work together a solution in each one of those areas.

I would just hope in turn for our not rushing that my colleague from Maine, my colleague from South Dakota, and others, would continue to keep an open mind about if we can indeed reach a fair proposal allowing it to come to a vote and as the majority Members of the Senate, all Members of the Senate, all 100 will have an opportunity to work their will and to send forward constructive legislation.

Mr. COHEN. Mr. President, will the Senator yield further?

Mr. BOREN. I am happy to yield further.

Mr. COHEN. One further comment. I cannot speak for the others. However, one reason I signed this particular letter is that I have been identified as one of those potential swing votes, or as a New York Times editorial called us, "swingers." You may draw your own conclusions from the editorial.

But nonetheless one of the reasons I signed the letter was to preempt the notion that somehow I was going to be part of an obstructionist policy to prevent legislation from going forward to the House of Representatives. I felt the principles I outlined and signed in that particular letter would put everybody, including the Senator from Oklahoma, the majority leader, the minority leader, and the President on notice that these were key ingredients for me. It would also indicate that I was not going to be intimidated by any editorial writers as was attempted back in 1988. That is how far back this goes, I might remind my colleague from Oklahoma.

There was a tactic undertaken by supporters of S. 2, the Senator's bill. They issued a press release that had a headline over it and a picture of Archibald Cox, a very distinguished gentleman in our country's history, to be sure, a Harvard professor, former Special Prosecutor investigating Watergate, and former head of Common Cause.

This release had a picture of Archibald Cox and a big headline that said "Senator Cohen: Stop Supporting Corruption in Washington."

I must tell you that I took great offense at that. I spent considerable time on the floor of the Senate saying, "Wait a minute. No one group can come before this country and claim that it has a corner on morality. No one group can claim that its legislative proposal is the only one that can be offered and lay claim to moral superiority."

And I felt that the way in which that argument and debate was characterized by the supporters of the Senator's legislation was not only wrong, but offensive. I thought it did a great disservice to people who were truly interested in campaign reform.

So before the allegations started to come forward that here are five people who are interested only in delaying and obstructing and filibustering, I wanted to make it very clear that I could not, and would not, and will not support campaign reform legislation that does not contain these key ingredients.

We have made some progress on our points. One, we talked about PAC contributions. The Senator has made clear that he wants to abolish them.

Two, the House and Senate must play by the same rules. He indicated he is willing to support that, as well.

Three, disclosure of all soft money, and not just party soft money. Well, we have not reached that point yet.

Four, in-State contributions should certainly be given priority over out-of-State contributions. And we are going to work on a formula. Whether we achieve that one depends on the constitutionality.

Five, severability. Certainly we can supply no argument against that.

Six, campaign fundraising should be limited to the actual election cycle.

(Mr. WOFFORD assumed the chair.)

Mr. BOREN. We are working on that.

Mr. COHEN. Some of our colleagues start to raise funds the day after they are elected; others wait until their electoral cycles begin.

Seven, campaign committees should not pay back loan that candidates make to their own campaigns. That is the situation with millionaires who loan money to the campaigns and then, if successful, suddenly start getting paid back from the same people and PAC's that they so railed against during the course of their campaigns to show that they were more honest and honorable, perhaps, then those who were sullied by the political process.

Eight, also, avoiding taxpayer financing of campaigns.

Most of us, if not all of us, on this side feel very strongly that we ought not to be asking the public to support the financing of political campaigns.

My position—and the position in this letter goes further than that—is once again I think we want to get away from this notion of incumbent protection. If we are going to have public financing, which I do not support, but if we are to have it, it must apply to both primary and general elections, just as it does to the campaigns for the Presidency. We want it to apply to primary campaigns, as well, so we do not have a situation where the incumbents avoid all effective challenges in the primary, only to be reelected overwhelmingly in the general, and yet hold out their hands and say, "You see, we have absolutely clean hands. We favor campaign reform."

Any bill that provides incumbent protection by omitting financing for primary campaigns would not achieve the goal of placing challenges on an equal footing with incumbents.

So, Mr. President, I thank my friend from Oklahoma. I just want to point out that we suggested to the chairman and the majority leader that these are the principles that we feel very strongly about. We also felt that if we are going to have public financing, the House of Representatives has to tell us, since they are the body in which tax writing must originate, exactly how they propose to pay for it.

So with these principles, if you can indicate at some appropriate time through private negotiations whether you can support them, you will find willingness on this side to go forward. Absent that, I think you will find pretty strong resistance.

Mr. BOREN. Mr. President, I thank my colleague.

Indeed, I do remember the problems that arose from 1988 when the Senator was the subject of some advertising campaign. And I think my colleague from Maine will also recall that in that situation this Senator came to the floor and, in fact, engaged in debate about those advertisements, and to make clear this Senator's confidence in the personal integrity of the Senator from Maine and his sincerity on this issue. I know he will recall in that discussion on the floor that this Senator engaged in it.

We are making, I think, good progress on the issues that have been raised by the Senator from Maine.

As I say, I have had several discussions with the Senator from Vermont, which I assume are being passed on and shared with colleagues, and I will continue to do that.

I am a perennial optimist, I suppose, now being the 11th year of offering this legislation to try to limit runaway campaign spending. But I believe we are closer than we have ever been to be able to craft a bipartisan compromise that will meet the goals that were set forth in the letter.

In all honesty, the most difficult one is probably to come up with a series of incentives strong enough to meet the court requirement in Buckley versus Valeo that does not impose what is viewed as an undue burden on the public financing mechanism as viewed from those who signed the letter. That is difficult. I do not think that is an impossible task and I think that is one we should really strive to accomplish.

Let me say to my colleague from South Dakota, going back to the pending amendment, I am told that there are two or three other changes in addition to the aggregate amendment that would also not allow communications for get-out-the-votes between either corporations and their shareholders or unions or their members or other like organizations that apply to both business and labor groups.

We have not banned that communication and I am not at all sure we can ban that communication constitutionally.

The other thing is, I am told that the fallback position applies only to nonconnected PAC's, as opposed to all PAC's. And those of us who worked on this legislation feel that to be fair it should apply to all PAC's and not only just the nonconnected PAC's, because you start drawing distinctions then between which PAC's favor which parties.

Mr. PRESSLER. Would my friend yield?

Mr. BOREN. Yes.

Mr. PRESSLER. As far as I am concerned, we could make those changes.

Mr. BOREN. I would suggest perhaps we might want to look at it.

Mr. McCONNELL. Will the Senator yield?

Mr. BOREN. I am happy to yield.

Mr. McCONNELL. I might say to my friend, while we are looking at changes there are a couple of others that might be entertained.

No. 1, the underlying bill has no aggregated limits for the House.

Mr. BOREN. I understand.

Mr. McCONNELL. No 2, I believe I am correct, the underlying bill does not eliminate leadership PAC's.

Mr. BOREN. It is our intention to ban leadership PAC's. I thought we did ban leadership PAC's in the bill. Obviously, if we have a fallback that includes aggregates for both the House and the Senate, that would be appropriate, since we are talking about the

$1,000 fallback for both the House and Senate. I think it ought to be on all PAC's and it was our intent to ban leadership PAC's. If we do not have that, then we would be happy to look into that. I feel very certain that is in there.

Mr. PRESSLER. Let us put in the 20 percent; that is fine with me.

Mr. BOREN. I would suggest, quite frankly, on the matter of communications with the unions to members, and corporations to shareholders and employees, and that sort of thing, we have been working on ways to have disclosure of that. That is a bit of an apples and oranges issue, a separate issue here. And if we have a difference of opinion on that, I suggest we handle that on a separate amendment and vote up or down and see how we feel about it.

It is one of those items that I personally have been involved in negotiations with several other Senators on the other side of the aisle about how we could have a stronger provision on looking at this kind of expenditure by unions and corporations.

Mr. PRESSLER. I thank my colleague.

What I am trying to do is get the House and Senate on the same basis.

Mr. BOREN. I understand. I might say I am told that section 701 does ban leadership PAC's. If my colleague from Kentucky feels it is insufficient, that is certainly the goal of it. If we need to strengthen it, we would be glad to look at it.

Mr. McCONNELL. The bill may be inconsistent. On page 39, paragraph 9, the bill read:

> For the purpose of limitations provided by paragraphs (1) and (2), any political committee which is established financial or financed or maintained or controlled by any candidate or Federal officeholder shall be deemed to be an authorized committee of such candidate or officeholder.

It could be that the bill is inconsistent. Our view of this particular paragraph was it did not ban leadership PAC's.

Mr. BOREN. That was certainly not our intent. And I am trying to find the section on leadership PAC's.

Mr. McCONNELL. I am told by staff that elsewhere it seems to ban them.

Mr. BOREN. It could be we need to make a technical correction here, which we would be happy to do.

I am glad to see my colleague from Kentucky and I are in agreement on this point. I do not think any of us want to see leadership PAC's continued. We want to make sure that is phrased appropriately.

Mr. McCONNELL. It is also correct, I assume, the Senator from Oklahoma would want to have the aggregate limit and fallback position apply to the House as well as to the Senate?

Mr. BOREN. I am happy to do that. I might suggest perhaps we might, if my colleague is willing, either go into a quorum call at this point to work on this or it may take a little more time to draft this. If so, we could set the amendment aside.

Mr. WELLSTONE. Will the Senator yield?

Mr. BOREN. I will be happy to yield.

Mr. WELLSTONE. In the spirit of moving this forward, as on the amendment I proposed on the prohibition of lobbyist contributions which was laid aside and we went to another amendment, I have a very brief amendment which just deals how much a candidate can contribute to his or her own campaign. It is very brief. I am ready to introduce it while you are working on that.

Mr. BOREN. Will that be aggreeable to the Senator from South Dakota, that we temporarily set aside his amendment as well?

Mr. PRESSLER. Let me say I will be very happy, with the 20-percent limit, I will be happy, if necessary, to take out the communications between workers and unions and employees of the corporations—we will work with that in a separate amendment. But I do want to stick with—we will clean up the language. But I do want to work very hard getting equal time on PAC's.

Mr. BOREN. The House up to $1,000, and 20 percent.

Mr. PRESSLER. If our staffs can do that and we go forward and have a vote on it, that will be agreeable with me. I have to check with my cosponsors.

Mr. BOREN. I would be happy to do that. Let me ask if the Senator will be willing to set this aside? We have now set aside the Wellstone amendments in the first and second degree.

I think the Senator from South Dakota yielded to me for a question.

Mr. PRESSLER. Could we get a vote on this yet today? Could we get this thing taken care of today?

Mr. McCONNELL. If the Senator will yield for a question, I want to make the point the amendment of the Senator from South Dakota is the most comprehensive amendment that has been offered on this subject. It seems to ban leadership PAC's. It seeks to clearly apply the same rules to the House and Senate. Even though we may make some slight modification in discussion, I want to commend the Senator from South Dakota for his amendment which clearly comes closer to getting the job done and applying the same rules to the House and Senate than any we have seen so far.

Mr. BOREN. Mr. President, let me make a request of the Senator from South Dakota, if he will yield to me, to make this request of him. Would he, perhaps, entertain—if we can get this done in time, this Senator will be happy to. I do not think we plan to stay in session late tonight.

Mr. PRESSLER. How about voting at 6 on this? Work out the language and vote at 6 tonight?

Mr. BOREN. I will be happy to try to shoot toward that, even earlier if we can, assuming we can succeed.

I think it will be difficult to lock in a vote until we know if we can succeed on it but I will be glad to do that.

Mr. PRESSLER. I would like to get a vote on this today and get it out of the way, if we could. I think we can.

Mr. COHEN. If the Senator will yield, if we are going to vote I would like to vote either early or later. There are some of us who are going to the White House for the ceremony on the Older Americans Month.

Mr. BOREN. Mr. President, I would say also I am informed I have to attend a meeting at 5:30. It might be possible. I do not know if we can set a time. It will have to be contingent on us reaching an agreement. We can have a gentleman's agreement.

Mr. PRESSLER. Could we vote on it tomorrow morning at 10 o'clock? How would 10 o'clock tomorrow morning suit you?

Mr. BOREN. I would have to consult with the majority leader on the scheduling since I do not feel I have the flexibility as manager of the bill. But some time early in business tomorrow would be fine with me. It might work out better, in the sense it will give staffs time to work overnight if we were not quite finished. I hate to impose on my colleagues to set a vote 7 or 8 o'clock tonight if there is not another reason why we have to be here that late.

Mr. PRESSLER If we could shoot, generally speaking, at 10 o'clock tomorrow morning and maybe a half-hour debate before that for anybody who wants to speak on it, if we could have a vote about 10, if the leadership agreed.

Mr. BOREN. I will be happy to convey that to the majority leader, the sense of that, and to see if that will be agreeable to him. I am informed by the floor staff that, apparently, the two leaders have worked out 2½ hours of morning business time in the morning, equally divided between the two leaders. Apparently that is due to a number of requests on the Republican side of the aisle and the Democratic side of the aisle. So it might be difficult to set it that early because of this morning business time.

I do not know exactly what time the two leaders have decided—they have been working on this jointly—to come in in the morning.

Suffice it to say, obviously, we are all operating in good will here, and that it would be certainly fine with the managers of the bill, and certainly on this side, that we try to do it as quickly as we can tomorrow. There is absolutely no intent of not having a vote on this amendment.

Mr. PRESSLER. How about 12:30 tomorrow?

Mr. BOREN. If I could just ask my colleague to allow me to try to work this out, just to say verbally to him that I think we are going to have to consult both Senator DOLE and Senator MITCHELL about a time, which we will be happy to do. If he will be willing for me just to give him my word, we will as soon as we can at a time that is as early as possible once we finish the drafting of the amendment and the two leaders agree upon it, we will bring it to the floor to vote. I certainly anticipate it will not go until tomorrow night, that long, by any means.

Mr. COHEN. It seems to me there is going to be virtually unanimous support for this measure, so it is only a question of trying to accommodate a schedule tomorrow, some time during the course of the day, whether it is 12 o'clock or 2 or 3 or 4, whatever time we work out. I think we are going to have pretty strong support for whatever is arrived at. I am not sure it is critical we have a specific time set.

Mr. BOREN. If my colleague from South Dakota would yield further, I will be happy also to consult with him further as to the convenience of his own schedule as to when will be the best time tomorrow for him to come and present the agreed-upon amendment.

Mr. PRESSLER. Any time will be fine.

Mr. BOREN. If he will agree to set this aside, we can then go to the Wellstone amendment. Depending on how much debate it takes, that might be the last amendment we could take up this afternoon for a vote. While we work on the other Wellstone amendment and the Pressler et al. amendment, and then be able to come back and vote on those tomorrow, as early as possible.

Certainly the Senator is right, to have a period of time for debate, and as far as this Senator is concerned, to have the yeas and nays and have a recorded vote on this matter is all very agreeable on this side of the aisle.

Mr. COHEN. Will the Senator yield for another question? When you mention the Wellstone amendment, I take it you are referring to a separate amendment that does not involve the lobbyist disclosure contribution?

Mr. BOREN. The Senator is correct. It does involve the lobbyist matter, that is the reason it has been set aside. We have not agreed when we will bring that back.

Mr. COHEN. The next amendment my colleague said we would take up this evening does not involve that Wellstone amendment?

Mr. BOREN. That is correct. I believe the next amendment has to do with how much a candidate can contribute of his own funds to a campaign.

If I can yield, I think the Senator from South Dakota still has the floor. I just urge him to make a request that his amendment be temporarily set aside without prejudice for us to work on it.

Mr. PRESSLER. Mr. President, I ask unanimous consent that my amendment be temporarily set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 373

(Purpose: To reduce the amount of personal funds that an eligible Senate candidate may spend to $25,000)

Mr. WELLSTONE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Minnesota [Mr. WELLSTONE] proposes an amendment numbered 373.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In section 502(a)(1) of the Federal Election Campaign Act of 1971, as proposed to be enacted by section 102(a) of the amendment, strike "the lesser of" and all that follows through "$250,000" and insert $25,000".

Mr. WELLSTONE. Mr. President, this amendment is very straightforward and I am still focused on this same principle of reform which I will get back to, I think, as we go along in the next couple of weeks on the individual contributions. I will come in with some other limits.

This has to do, however, with what a candidate can contribute of his or her own money to a campaign. In the bill we have before us on the floor of the Senate, the limit is set at $250,000. I am just drawing on my own experience. There was simply no way that, even if Sheila and I had wanted to contribute our own money or take out a second mortgage or all the rest, we could have done it up to $250,000. This is within the framework, again, of agreed-upon spending limits, which is what this piece of legislation, the bill that is now on the floor of the Senate, is all about.

What I am doing is reducing the $250,000 to $25,000.

I remind my colleagues that in the original S. 3, my amendment last time around was accepted by voice vote. So the U.S. Senate, I believe, has already gone on record in support of this amendment and the principle that underlies this amendment.

One more time, what I am suggesting is that, if we want to talk about some kind of standard which means that everybody is in the loop, we want to make sure that when it comes to what an individual can contribute to his or her own campaign, we set that at a reasonable limit.

Mr. President, I think I am right about this—I have to qualify it a little bit that way—I think in the Presidential campaign, which is all 50 States, the limit on what an individual can contribute to his—or, hopefully, her sometime in the future—campaign is $50,000, and that is for the whole Nation. So it strikes me that to have a $250,000 limit applied to one State is just simply too large. I think we should cut it down to $25,000. I think that really, once again, passes the cafe test in Minnesota in terms of what an individual would have by way of his or her own resources to put into a campaign.

That is my amendment. It has been, I believe, accepted by the Senate before. I certainly would be interested in a discussion with other colleagues. I do Mr. President, ask for the yeas and nays on this, and the reason I do that is because last time we did voice vote it, and it was knocked out in the conference committee. This time I want to have a good, strong vote in support of it.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. WELLSTONE. Mr. President, I suggest the absence of a quorum.

Mr. McCONNELL. If the Senator will withhold, I want to ask him a question about the amendment, if I could.

Mr. WELLSTONE. Certainly.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. McCONNELL. As I understand the Senator's amendment, it lowers the threshold from $250,000 down to $25,000. If an individual chooses not to honor the $25,000 limit and opts not to accept public funding and pursues the constitutional right which that individual has under Buckley to spend everything they own on a campaign, if they want to, does it trigger public money for the opponent under the Wellstone amendment to counter that expenditure of personal wealth by that candidate on behalf of his own candidacy?

Mr. WELLSTONE. If the Senator will just for a moment give me a chance to check on that, the first part of the question, where I thought he was heading with that, was the constitutional question of whether or not if somebody said, "I don't want to abide by the limits," can that person essentially raise all the money he or she wants to raise?

Mr. McCONNELL. They can do that.

Mr. WELLSTONE. The answer is definitely "Yes."

Mr. McCONNELL. He does not have to answer it at this moment. We can put in a quorum call. I would like to get an answer to it. If that noncomplying candidate decides to shoot the works, does it trigger public subsidies for his opponent to counter that personal expenditure?

Mr. WELLSTONE. Mr. President, let me just suggest the absence of a quorum for a moment, and then I will respond to the Senator.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 373, AS MODIFIED

Mr. WELLSTONE. Mr. President, I send a modification to the desk.

The PRESIDING OFFICER. The Senate has that right. The amendment is so modified.

The amendment, as modified, is as follows:

On page 12, beginning on line 8, strike "the lesser of" and all that follows through "$250,000" on line 12, and insert "$25,000".

Mr. WELLSTONE. Mr. President, I ask for the yeas and the nays.

The PRESIDING OFFICER. Is there sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. WELLSTONE. I thank the Chair.

Mr. President, in response to the question from the Senator from Kentucky on the limit on what an individual can contribute to his or her own campaign—the question was if an individual wants to opt out of all of this and just simply contribute whatever of his or her own resources, would this ultimately dollar for dollar, trigger public financing for that one the individual level—the answer for that is "No."

Mr. MCCONNELL. And so I would ask my friend from Minnesota, once the wealthy candidate spoke excessively, beyond the spending ceiling, then the provisions of the bill would come into effect?

Mr. WELLSTONE. That is correct. Then you have the framework of the bill itself which says that once someone exceeds the overall spending limits that are set, then you have a matching.

Mr. MCCONNELL. As I understand it under the bill, there are two separate sort of slugs of public money when somebody—for an opponent, when he exceeds the limit. But if the millionaire just decides to keep on going, at some point even, using the provisions of the bill, he will not have his speech countered by tax dollars, is that correct? That is my understanding.

Mr. WELLSTONE. I am sorry; I did not hear the Senator from Kentucky.

Mr. MCCONNELL. There are sort of thresholds before the spending limit. As I understand the bill, when a complying candidate hits a certain point, *x* number of tax dollars are triggered for his complying opponent. When he hits another threshold, *x* number of dollars are triggered for his complying opponent.

Mr. WELLSTONE. That is correct.

Mr. MCCONNELL. If he is excessively wealthy and just wants to keep on going, at some point his speech will be able to drown out the tax-subsidized opponent. That is correct, is it not?

Mr. WELLSTONE. That is correct. If the Senator will yield, that can become—the Senator and I might put a different judgment on it as to whether that is a good or bad thing, but the Senator is correct in the analysis.

My own view is at some point in time the people in States where the races are taking place can decide whether or not they feel as if somebody has used their wealth to buy a seat or not. But what I am trying to do in this amendment—and this is an amendment that I brought to the floor of the Senate, the Senator may remember, last time—I am simply saying by this standard within the framework of the bill before us, within the standard of trying to make sure that when people run for office you do not penalize somebody who does not have a lot of wealth or income; $25,000 makes much more sense.

Mr. MCCONNELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. MCCONNELL. I would say to my friend from Minnesota, I think his amendment is a good one. We have dealt with this before. I was illustrating the point consistent with the Constitution—I do not like this personally. I would not vote for somebody who was trying to buy a race out of their own personal funds myself. But it is impossible ultimately under the Constitution to keep someone of great wealth from spending everything they have, speaking in behalf of their own campaign if they choose to do so.

I do not like that practice. I would not amend the first amendment to cure it. I doubt if my friend from Minnesota would amend the first amendment either. I was only pointing out that ultimately it is impossible to keep a person of great wealth from spending literally everything they have in behalf of their own political campaign if they choose to. Not a desirable practice, not one I support, but it is something the Constitution certainly permits.

I comment my friend from Minnesota for his amendment. In all likelihood it will pass.

Mr. WELLSTONE. I thank the Senator. I think the Senator is quite correct, that ultimately it is support of public opinion, if you will, that deals with this issue, given the Buckley versus Valeo decision. And this amendment essentially says, within the framework of the bill before us, it is what is more equitable. I appreciate the Senator's support.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. MCCONNELL. Mr. President, if the Senator would withhold.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Will the Senator from Minnesota withhold his suggestion?

Mr. WELLSTONE. Absolutely. I know the Senator from Nevada had been here for a while, and I know the Senator from Arizona came before, so I certainly will do that.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, this past Saturday, for the first time in some 10 years, I took the opportunity to go to the Jefferson Memorial. I drive by it every day and I remember those times that I had gone there. Of course, it was a magnificent day to see the beautiful water, but the best part of the Jefferson Memorial, of course, is to walk in that memorial and see what Jefferson wrote, a smattering of things that he wrote.

The thing, though, that caught my eye on Saturday, spread on the wall as you walk, in, is where Thomas Jefferson said:

> I am not an advocate for frequent changes in laws, but laws and institutions must go hand in hand with the progress of the human mind. As that becomes more developed, more enlightened, as new discoveries are made, new truths discovered, and manners and opinions, change, with the change of circumstances, institutions must advance also to keep pace with the times. We might as well require a man to wear still the coat which fitted him when a boy, as civilized society to remain ever under the regimen of their barbarous ancestors.

Mr. President, I mentioned it because it seems a long time ago. It was when I appeared on this Senate floor to talk about my election to the U.S. Senate in 1986. It is now 1993. In 1986, I talked about what I had gone through to be elected. I talked about complaints I filed with the Federal Election Commission that had not been resolved. All during the year of 1987 I spoke that I knew there would never be another election cycle where people would have to go through what I went through in 1986.

What did I go through? I can remember one day I got up during the campaign and saw signs of my opponent all over southern Nevada. I heard from campaign workers around the State that hundreds and hundreds of signs, large 4-by-8 signs were all over the State. I said to myself, what a waste of money; signs. He could better spend that campaign money on television, radio or newspaper, or direct mail. But little did I realize it did not matter because it was not his money. This was soft money that had come to my opponent and he had spent thousands and thousands of dollars for these signs. Soft money.

Bundling. When you file the election requirements with the Federal Election Commission, there would be page after page of relatively small contributions from people all over the United States, What I did not know—I now know—is that the Republican Senatorial Campaign Committee had sent out a mailing, and they had bundled all of this money and given it to my opponent. People all over the country had sent money, not to him, but to the campaign committee, and they had bundled it up and given it to my opponent.

Independent expenditures. I never thought, in 1986, they would still be in effect in 1992. But in my election in 1992, there were numerous independent expenditures against me. A person was made at me. I have learned since that the reason he was mad is this wealthy man had sent a request to one of my offices for a flag that had flown over the Capitol for his grandson. I did not get the request. He felt slighted because he did not get a flag for his grandson. So he spent thousands and thousands of dollars in campaign expenditures, independent expenditures, against me. His name was nowhere identified that I recall, just some committee.

Here it is 1993 and the law has not changed. We are still spending huge amounts of money. Campaigns go on forever. I think it is time that we change that. That, Mr. President, is what the bill that is before us is all about, to make elections shorter, to speed up the election process, and to take away the tremendous demand for money in campaigns.

As to bundling, that is handled in this proposed law. Bundling refers to the collection of independent checks for a specific candidate by an intermediary such as an individual or political committee. Under existing law such contributions can be made without counting against the contribution limits of the intermediary. The leadership substitute prohibits bundling except by a representative of a campaign committee, professional fundraiser, or individual hosting a house party. In short, this is a great advance to eliminate bundling.

Independent expenditures, Mr. President, are moneys spent on direct communications with voters to express advocacy of a Federal candidate when there is no participation or cooperation of the candidate, supposedly. Under current law, independent expenditures have been narrowly defined to permit an unacceptable degree of consultation but would leave candidates and groups, in effect, unfettered. This law that is now being debated in the Senate would put a stop to most campaign expenditures. At least you would know where they came from and how much they paid for them.

The same applies to soft money. There would be significant restrictions—some feel not enough—but significant restrictions placed on soft money. Also, this bill takes a great bound forward to give the Federal Election Commission some strength. When the Federal Election Commission was formed, there were many who felt it was formed to be a toothless tiger. Basically, that is what it has been, not because of the Commissioners themselves—I think both the Democratic and Republican Commissioners want to do a good job—but it has been set up so that it is a partisan body. Most important things are deadlocked on a 3-to-3 basis.

This bill now before this body would stop that. The Federal Election Commission would be given teeth. I think that is important.

In 1986, I filed a number of complaints with the Federal Election Commission. I reported here on a yearly basis about nothing having happened on my complaints. One year, 2 years, 3 years, 4 years, 5 years, 6 years—nothing happened on my complaints. On the seventh year, finally one of them was resolved and my complaint was found to be meritorious and I, in effect, won that.

There are a number of complaints still pending before the Federal Election Commission. You would think that 7 years would be enough time to arrive at a result on the complaints filed. But in fact, the Federal Election Commission is so understaffed, and the procedures are such that it is very difficult for them to do anything of a positive nature, that nothing has happened on those complaints I filed.

Under this law now before this body, that will change in the future. A candidate will not have to wait 7, 8, or 9 years for there to be some activity on a complaint filed.

If, as Cicero wrote, money forms the sinews of war, it also, Mr. President, pulses through the muscle of political campaigns. Money is too important in political campaigns. We have to lessen the importance of a dollar in a political campaign.

In the 1992 campaign for President, for example, the Republicans and Democrats each spent about $100 million. This does not count some of the soft money. One independent candidate spent $61 million of his own money.

In our bill, that situation is not addressed. In the House bill, it is addressed; that is, when people spend these huge amounts of money, there will be some way to make them more accountable. I think that is right. I am sorry that it is not in our bill.

Hopefully, if we get something out of the House and the Senate, the conference will address this.

The average amount spent by a winning House candidate in 1992 was about $500,000. Having served in the House myself, when I came to the House in 1982, that amount was significantly less than the average of $500,000. It has gone up—not down, but up—because the dollar has become more important, both in the House and in the Senate.

(Ms. MIKULSKI assumed the chair.)

Mr. REID. The average amount spent by a winning Senate candidate, $3.6 million. In a relatively sparsely populated State like the State of Nevada, I spent, in 1986, $2 million. In 1992, I spent $3 million. It keeps going up. I read in the Washington Post today that the amount of money spent by various candidates per vote was significant. I think I ranked sixth or seventh on the list. Too much money is spent in political campaigns. We have to lessen the importance of the dollar.

I have talked about the average. The Senator who is presiding over the Senate comes from a very heavily populated State. The amount of money spent there was far more than $3.6 million. In the State of California, with 30 million people, huge amounts of money are spent there. But it comes out to an average of $3.6 million.

Something must be done to stop this outrageous amount of spending to achieve public office. People ask, who are watching these proceedings in the offices or on C-SPAN: Well, why do you spend it?

Madam President, to be competitive, you have to spend it. If you want to be a Member of the House or of the Senate, then to be competitive you have to play by the rules and spend those moneys. I think it would be better, as this legislation indicates, if there were ceilings on how much you could spend.

The Supreme Court has made our job very difficult. The Supreme Court, in my opinion, unwisely has ruled that we cannot place mandatory limits on the amount a candidate can spend for public office. The Supreme Court has said such limits would infringe upon the candidate's right of free speech.

As I have heard Senator HOLLINGS, the junior Senator from South Carolina, say on a number of occasions, what the Supreme Court said is that, "Everyone has free speech, but those that have more money have more speech."

That is why I support the constitutional amendment of the Senator from South Carolina to allow us to set limits on how much can be spent.

At the same time, though, the High Court has upheld limits on campaign contributions. To me, this seems a contradiction in terms. The Supreme Court evidently believes that a wealthy man should be able to spend all of the money he or she wants to, in effect, buy public office; but the person without resources, without money, who wants to contribute to a campaign and have his voice heard, is limited. And so, if a person wants to run for office who does not have these vast resources, he will be denied access to the airwaves because he does not possess enough money of his own.

The Supreme Court's decision in Buckley versus Valeo amounts to an elitist proclamation to the American people that if you are rich, you can say anything you want; you can distort facts and create hateful contempt for this body and the House of Representatives; you can lie outright. But if you are poor or middle class, basically you are told to go home and be quiet.

The wealthy candidate can buy half-hour TV spots, or minute spots, or whatever the money will buy, to get that message out—as distorted as the message might be. I had an example in this last election that proved, without question, that bad TV is better than no television. A person can literally own the airwaves. At the same time, a person with little resources has to be out scrambling for money to buy even a 10-second spot.

Pope Leo XIII wrote:

> It is one thing to have a right to the possession of money, but another to have the right to use money as one pleases.

If the Supreme Court is telling us it is OK for a person to use his money to buy a seat in the Senate or the House, or to buy the Presidency, then I think we have to do something to change that. So I think one thing we need to do, as this legislation does, is to set spending limits that are attractive to all candidates—voluntary spending limits. That is what this bill does. It sets up a procedure by which individuals can agree to voluntary limits. If somebody does not adhere to the voluntary limits, then there would be procedures in the law to allow that person who did not have unlimited wealth to obtain moneys to match that which the wealthy person is spending.

We have talked in this body since I have been here—which is going on 7 years, plus the 4 years I was in the House—about campaign reform. We have enacted some reforms, but very, very few. We need to do more.

Madam President, we need to make campaigns shorter if we can. We need to make campaigns so that we do not spend unnecessary amounts of money. The American public is asking for this, and rightfully so.

I am not blaming the Federal Election Commission for the problems I had in 1986 or 1992. As I have indicated, they have been set up to be a toothless tiger. And we have to pass this legislation to make the Federal Election Commission an agency that everyone can be proud of, an agency that, if you file a complaint, they have the resources and the power to do something about it.

It is time for us to make the system fair, to make sure candidates are accountable to their constituents, and to make sure that those people that have access to money, or have money, do not control the political process.

It is important to note, as we are talking about this legislation, that most other democracies in the world have many more restrictions than we do. Britain and Canada, two great democracies, both limit campaign expenditures. In other areas of the world, the length of campaigns, where we have democracies, are restricted. France limits its campaigns to 3 weeks prior to the first round. Great Britain limits its campaigns to 17 working days. Canada's campaigns are limited to 8 weeks. Germany's are limited to 6 weeks.

In addition, all other democracies, except the United States, Mexico, and Taiwan, provide free broadcast time to candidates. If you consider that Mexico and Taiwan are not, at this stage of their development, really multiparty democracies, that leaves the United States as the only country that does not provide free broadcast time.

The United States is looked upon in the world as a leader when we talk about ethical standards. Of course, we have had lapses. But the reason that we are the great democracy that we are is that these lapses of morality have been made public, and we have been able to discuss and debate what has been done wrong. We should not, therefore, be the last great democracy to make our political system fair.

We need to pass S. 3, the Congressional Campaign Spending Limit and Election Reform Act of 1993. The major provision of the bill is voluntary, flexible spending limits. We need to have this as part of our law.

A ban on PAC contributions, limits on lobbyists, the end of money and bundling, and encouragement of cleaner campaigns are some of the other major provisions of the Congressional Campaign Spending Limit and Election Reform Act. We must not delay this any more. I hope that in the next round of elections, this body and the other body will have some guidance to make sure that elections are shorter and the money spent is not unlimited.

Delays have dangerous ends, we are told. I recently read a diary of President James Garfield when he served in the House of Representatives. He made the following insertion in his diary:

> There is something peculiar in the temper of the House of Representatives.

And he could have added there, of course, "and the Senate."

> A clear, strong statement of a case, if made too soon or too late, fails. If well made at the right time, it is effective.

President Garfield went on to say:

> It is a nice point to study the right time.

Madam President, this is the right time. This is the right time for campaign reform. It is not too early. It is not too late. This is the time for campaign reform. We must rally around the authors of Senate bill 3.

I am proud to be a cosponsor of that legislation. I commend and applaud Senator BOREN for his efforts in behalf of this entire body and the country is moving forward with this legislation.

I look back on the years we have worked on this legislation. I will never forget Senator BYRD when he was majority leader how he kept calling for cloture. Seven times, as I recall, we tried to enact cloture to effect a cloture motion. We were unable to do that.

But Senator BYRD and others have been in the forefront of trying to change elections so that they are quicker and less expensive. This is the right time for campaign finance reform.

I yield the floor.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. McCAIN. Madam President, I have an amendment at the desk and ask for its immediate consideration.

The PRESIDING OFFICER. If the Senator will withhold, there is a pending first-degree amendment. Is this amendment to the amendment pending before the Senate?

Mr. McCAIN. Madam President, I ask unanimous consent that the pending amendment be set aside for the purposes of offering an amendment.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator may now offer his amendment.

AMENDMENT NO. 375

(Purpose: To restrict the use of campaign funds for inherently personal purposes)

Mr. McCAIN. Madam President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Arizona [Mr. McCAIN] proposes an amendment numbered 375.

The PRESIDING OFFICER. The clerk will report.

Mr. McCAIN. Madam President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 17, line 3, change (f) to (g) and insert the following:

"(f)(1) RESTRICTIONS ON USE OF CAMPAIGN FUNDS.—Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) is amended by adding at the end of the following new section:

"SEC. 324. (a) An individual who receives contributions as a candidate for Federal office—

"(1) may use such contributions only for legitimate and verifiable campaign expenses; and

"(2) may not use such contributions for any inherently personal purpose.

"(b) As used in this subsection—

"(1) the term 'campaign expenses' means expenses attributable solely to bona fide campaign purposes; and

"(2) the term 'inherently personal purpose' means a purpose that, by its nature, confers a personal benefit, and such term includes, but is not limited to, a home mortgage payment, clothing purchase, noncampaign automobile expense, country club membership, vacations or trips of a non-campaign nature, and any other inherently personal living expense as determined under the regulations mandated by paragraph (f)(2) of this subsection.".

(2) REGULATIONS.—For the purposes of subsection (f)(1), the Federal Election Commission shall, not later than 90 days after the date of enactment of subsection (f)(1), prescribe regulations to implement the subsection. Such regulations shall apply to all contributions possessed by an individual at the time of implementation of this section."

Mr. McCAIN. Madam President, the amendment before the Senate is a very simple one. It restricts the use of campaign funds for inherently personal purposes. The amendment would restrict individuals from using campaign funds for such things as home mortgage payments, clothing purchases, noncampaign automobile expenses, country club memberships, and vacations or other trips that are noncampaign in nature.

Madam President, I want to emphasize I will be citing some examples of how campaign funds have been used which are extremely egregious, but I want to point out they are not illegal, and the purpose of this amendment is to restrict the use of those campaign funds because, if we are truly going to have campaign finance reform, I do not believe that campaign funds should be used for such things as country club dues, tuxedos, vacations, and other purposes for which they are now almost routinely used by certain Members of both bodies.

I point out that Senators and Members of Congress currently earn $139,000 a year, which means that Members of Congress are in the top 1 percent of wage earners in the country. So let there be no mistake, Members of Congress do earn a good wage, a wage that does not leave them poor.

I think it is worth contrasting a Member's salary and perks with that of a typical American family. According to the U.S. census, in 1990 the median family income in America was $30,056. With that $30,056, the average American family was expected to put a roof over their head, feed their children, and send them to school. It seems to me that we should be able to survive as well at a salary level of $139,000 per year.

The use of campaign funds for items which most Americans would consider to be strictly personal reasons, in my view, erodes public confidence and erodes it significantly.

Sara Fritz, a reporter for the Los Angeles Times, in her book "Handbook of Campaign Spending" calls campaign funds that are used for personal reasons nothing more than a slush fund.

She writes:

> In the spring of 1990 [a Member of Congress] and his wife enjoyed a leisurely, eight day stay at South Seas Plantation in Captiva, Florida. Their accommodations during the first three days of the visit were courtesy of the Electronics Industry Association; the next five days were paid for by [the Member's] campaign.
>
> Under House and Senate ethics rules, Members of Congress must use campaign funds for political—not personal—purposes. Yet the commonly accepted definition of a political expenditure has grown so broad and enforcement of the rules has been so lax that congressional campaigns now routinely make purchases that on their face appear to be personal, such as resort vacations, luxury automobiles, expensive meals, apartments, country club memberships, tuxedos, home improvements, baby sitting, and car phones.

I want to point out again, Madam President, that the examples I am going to cite are legal and they will seem egregious, but the fact is, in my view, they should be severely restricted.

Further, Ms. Fritz later concisely points out:

> In many cases, in fact, [the use of campaign funds for personal purposes] has transformed middle-class politicians into members of the country club set, isolating them from their constituency.

One major reason the public does not approve of Congress is that they believe we are isolated and nonresponsive, and we, of course, do not want to maintain a policy that encourages the Congress to be even more separated and disconnected from the people.

If we in Congress learned one thing from President Clinton's $200 haircut last week, it should be that the public does not approve of its elected officials being treated as royalty. We should be no different.

The solution to this problem is simple; restrict the use of campaign funds solely to campaign purposes.

Madam President, my amendment outlines certain types of spending of campaign funds that would be forbidden. It also mandates that the Federal Election Commission, the experts on this subject, look into the matter and issue regulations if needed.

Further, in light of the bill before the Senate, should this amendment not be adopted, taxpayer money could be used directly by Members of Congress to support lifestyles of luxury.

According to Ms. Fritz, campaign funds have been used to buy items such as globes and trips to exotic locales such as Thailand, Taiwan, and Italy, tuxedos and an unexplainable $299 for bow ties.

I cannot imagine being able to justify to the public what will soon be the use of tax dollars in this fashion.

According to Ms. Fritz, as I mentioned, these expenditures are very unusual. One time last year a Member of Congress used campaign funds for trips to South Africa and New York, dinner at a swank Washington restaurant, $5,000 in donations to his daughter's school board campaign. Another paid out more than $10,000 for a telephone car phone and automobile expenses. Another contributed $35,000 to a national political effort aimed at helping his party prevail in recent reapportionment battles.

The list goes on and on.

Madam President, I am not attempting to embarrass anyone and I emphasize for the third time that these expenditures have been ruled legal by the Federal Election Commission. But I point out these abuses, in my view what are abuses, because they are certainly not what the average contributor intends for their funds to go to.

Now, if we are going to have taxpayers' funds being used for these elections, clearly they should not be used in this fashion.

Madam President, I hope that this amendment will be accepted by both sides. If not, I would be more than glad to call for a rollcall vote on the amendment.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. BOREN. Madam President, I thank the Chair. I thank my colleague from Arizona for offering this proposal. As always, his proposals are thoughtful and they are constructive. I certainly agree with the comments that he just made in terms of trying to prevent what is really purely personal use of campaign funds.

The Senator from Arizona has been a valuable supporter of campaign finance reform and reform of the political process in general. We have had an opportunity to work together on many of these issues, including an issue still pending in the Government Operations Committee, which I hope we will soon be able to bring to the floor together, and that is to stop the practice of people going in and out of the revolving door, out of public offices and into the private sector, to serve special interests and especially to serve foreign interests and those which are not necessarily at all in keeping with the best interests of the American people. He has been a great source of support and a great leader in these causes for reform in the governmental process.

I am certainly in basic sympathy with this amendment and hope it will be possible for us to accept it.

There are just one or two questions I would like to ask. I think there is no doubt that the kinds of things that the Senator has listed—which are not meant to be an exclusive list but be an illustrative list like home mortgage payments, floating purchases, noncampaign automobile expenses, country club expenses, vacations, and those sorts of things—are certainly the kinds of things that I would strongly agree with the Senator from Arizona should not be covered.

There are—and I know this from having now worked for so long on this legislation and having heard from many of our colleagues—there are a number of our colleagues, particularly from the Western part of the United States, and especially in those areas where they are farther from Washington—many who do not have financial means to be able to afford to take their spouses with them when they return to their home States—who often use campaign funds, excess campaign funds, to have their spouses go with them to public events.

I know that when I go back and forth to my home State, I go back and forth—if I charge it to the Government, for example, or if I take my spouse with me and have it paid for out of campaign funds—it is not for the purpose of just going home for a vacation but for the purpose of going home to attend some public event.

When one serves in the Senate, you are expected to go, whether it is to commencement exercises at an educational institution or whether it is to go to an annual Chamber of Commerce banquet or testimonial dinner of whatever it happens to be for some public function. And I think very often that it is expected that the spouse of the Member accompany them and be there.

I think also we do want to encourage families to be together as much as possible, even while conducting official duties.

Some of these events are not necessarily in the campaign cycle. They would not be going to the State Democratic or Republican convention, for example, but on the other hand, would be going to some public event like, let us say, some event in an educational institution or something like that.

Would the Senator's term "campaign expense" be broad enough, especially as counterposed in his mind against the term "inherently personal purpose," to encompass or allow the use of excess campaign funds to allow a spouse to accompany a Member of the Senate, let us say, to some public and official event where he or she is going as a Senator and as I suppose a potential candidate for reelection, although it might not be in the 2-year election cycle?

Mr. McCAIN. I would like to respond to my friend from Oklahoma. And I thank him for his kind remarks. I very much appreciated the opportunity of working with him on this issue and several other issues.

I think, clearly, the use of campaign funds for the spouse would be, in my view—and I would certainly bow to the views of my colleagues in the Senate and the FEC—but is clearly appropriate. There are some of us who feel that we might not be here if it were not for the presence of our spouses, and I happen to be one of those.

So I believe that, when people do elect a Member of this body or the Congress, they many times view them as a team. Many times they do not, but many times they do.

I happen to know, for example, that the spouse of the Senator from Oklahoma is very active in every aspect of his public and private life. I know that is the case of my friend from Kentucky, as well.

So I would certainly view traveling back and forth to serve one's constituencies to events such as the Senator from Oklahoma described would be a legitimate expense.

Mr. BOREN. I thank my colleague.

Let me ask one additional question. Again it is illustrative and I think it would be important for us to have it on the record.

I think the other, perhaps, most frequent, in addition to paying for accompanying spouses to these kinds of public events, the other, perhaps, purpose for which excess funds are most frequently used is probably to pay for either receptions or lunches—sometimes in places like the Senate dining room—for a group of visiting constituents.

Let us say you have a large school group come in and you want to give them donuts and juice in the morning, or you have several families come in from your home State, or representatives of some group that have come to meet with you about the problems back in the home State, and want to conduct that conversation over lunch in the Senate dining room or something like that. I suppose that is one example.

The other example often for which funds are sometimes used are condolences to people in the hospital, where flowers are sent, or condolence flowers are sent to funerals of outstanding citizens.

How would the Senator feel that those sorts of things would be described in terms of the line that he is attempting to draw here between what is legitimately a public purpose and what is an illegitimate, purely, personal purpose?

Mr. McCAIN. I say to my friend from Oklahoma, I believe both examples that he cited are legitimate expenses. I believe that our constituents, when they come to visit our Nation's Capital, many times to visit their own money, that we should be able to provide them at least some form of refreshment. And, of course, in the case of flowers, I think that that is very appropriate.

I would remind my friend from Oklahoma that he and I would probably not be having to have this discussion—because there are certain gray areas that are clearly open for interpretation—if it were not for the egregious examples that are so often used—such as a paid vacation to a resort, such as the purchase of certain items, clearly for personal purposes; renting of an apartment, et cetera—that have made this issue very visible in the media and, therefore, an item of concern with the American people

The examples that my friend from Oklahoma states I think are clearly legitimate, at least in my view, and are not intended to be covered by this amendment.

I would like to see just the most egregious examples addressed and then allow the FEC to issue regulations on those that might be questionable.

I also think that once this amendment and campaign finance reform is passed, our Ethics Committee staff could probably ascertain where the law lies, under the outstanding stewardship of our ranking minority member, Senator McCONNELL, and that way we could resolve some of these very gray areas.

But I really believe that we need to, for the sake of regaining confidence of the American people and our contributors, pass this amendment.

Mr. BOREN. Madam President, let me ask my colleague if he would yield for just one final question. I do not want to prolong our discussion.

I am told that the Ethics Committee interpretive rule 442 permits Members to use excess campaign funds for expenses in connection with official duties. I wondered if these activities might not be inherently campaign activities, but yet they would not be personal activities.

How does the Senator feel about that? Or would the Senator feel that that should also be included either inherently campaign or in connection with official activities.

Mr. McCAIN. I say to my friend from Oklahoma, it happens to be my view that we do have generous office expenses and we do have generous mailing expenses and others. I would like to see the definition to some degree as to exactly what are official duties, because you know that can entail a wide variety of activities. But at the same time I believe most legitimate official duties that we have to carry out, if there is a need for it, the campaign funds could be used.

Mr. BOREN. For example, under the rule we operate under, if you are answering a letter—often handwritten letters that I answer will be in response to some official position, somebody might be writing me about the farm bill. But if I know that person well and my spouse knows their spouse, I often add "My wife sends her best wishes," or something like that.

Under our rules, we have to put personal postage on that, and that can run into many letters in a day in which I do that. And we very often use, again, excess campaign funds to pay for postage stamps to make sure we abide by that rule.

But I gather my colleague would not be trying to cover that sort of thing, either?

Mr. McCAIN. I would not.

Mr. BOREN. Let me say, Madam President, it may be necessary—and I would be happy to accept the amendment for this side of the aisle—it may be necessary, as we go further with the legislation as it leaves the Senate to the House and hopefully ultimately in conference, we might want to sit down—I do not have the technical expertise to engage in a redrafting at this point at all—with the Senator from Arizona. It may be none is necessary.

But I would like, at least, to have leave and say in good faith to my colleague from Arizona if, indeed, we are successful in passing this bill with this amendment in it, that is we get to the final stage of the conference committee, we may want to at least sit down with the legal staff of the Ethics Committee and the FEC to make sure that from a technical point of view the language is exactly right.

But certainly, because I agree very thoroughly with the thrust of what the Senator from Arizona is trying to do, and I commend him for this proposal, I would be happy to accept the amendment at this point in time with the understanding that later, as the measure hopefully nears the President's desk, we might want to take one last look together, and with the lawyers from the Ethics Committee and others, and make sure we have it exactly as it should be. That would give them the flexibility to write rules along the lines the Senator from Arizona has just described.

Otherwise, having said that, I would be happy to accept the amendment for this side. I do not know if the Senator wants a rollcall vote on it if we are willing to accept it, but I would be happy to accept it.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. McCONNELL. I just want to commend the Senator from Arizona for his amendment. I think it is right on the mark. As I understand it, having listened to the debate, the Senator from Arizona is clearly trying to differentiate those items that anybody having a committee qualified by the FEC might purchase for their own enrichment, if you will—presents for themselves, trips for themselves that are unrelated to going home, items that clearly could, it could be argued, sort of enhance the salary that we are paid here.

I think the Senator from Arizona has raised a very important issue and I think the colloquy between the Senator from Arizona and the Senator from Oklahoma does lay out certain areas of expense that I think all of us would agree are legitimate and should continue to be allowed in the post-McCain amendment environment. But I want to commend the Senator. I think this is a much-needed amendment and a very useful part of this debate.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. McCAIN. I thank my friend from Kentucky and I thank my friend from Oklahoma.

Let me repeat, very briefly, I think the Senator from Oklahoma raises some very legitimate questions and ones we would have to work out, and the Ethics Committee would have to work out. But I want to emphasize again, when we are talking about campaign money to commission an artist to paint a $3,000 portrait of his father, tuxedos, bow-ties, country club memberships, expensive new cars—the list goes on and on—vacations, one spent $7,000 on image consultation and a new wardrobe, $25 at Thai Gyms, in Bangkok—there are many of these—$327 at a restaurant in Paris. I just want to emphasize there are many examples which are not at all in any gray area, as far as I am concerned.

I do understand the questions that the Senator from Oklahoma raised and I think those questions have to be asked because there are certain areas where there could be legitimate, not only disagreement, but areas that might be included in an all-encompassing kind of amendment without intending to do so.

I thank my friend from Kentucky. I thank my friend from Oklahoma.

If they both agree to accept the amendment, I urge the adoption of the amendment, Madam President.

THE PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 375) was agreed to.

Mr. BOREN. Madam President, I move to reconsider the vote.

Mr. McCAIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. McCAIN. Madam President, I am very pleased that the Senate is once again considering the issue of campaign finance reform. The public's faith and trust in the Congress continues to languish at lows usually reserved for ambulance chasing lawyers and used car salesmen. There are a multitude of reasons why this is true, but chief among them is that the Federal campaign finance system is badly in need of reform. The American people believe, quite correctly, that the current system protect incumbents and makes them more beholden to special interests than the public interest.

I strongly agree with the American people that we must pass meaningful campaign finance reform. Since coming to the Senate, I have been working to improve the public's perception of this institution. From advocating the end to the Congress' ignominious reputation as the last plantation—passing laws that we do not apply to ourselves—to fighting against midnight pay raises from Members of Congress, I have and will continue to fight to clean up the Congress.

However, as important as these institutional changes are, the reform which would send the strongest signal to the American people that the government is working for them is campaign finance and election reform. Moreover, we have an obligation to pass substantial legislation that will actually bring about genuine change. We can ill afford to fuel the people's cynicism by passing transparent legislation that does not bring about meaningful reform. Unfortunately, when the Senate has considered this issue in the past, we were more concerned with window dressing—passing something so we could show it to the public—than passing legislation that would substantially change the status quo.

Because of my strong belief in election reform, in the past I have voted in the Senate for campaign finance measures. None of the measures I have supported fully addressed this subject to my satisfaction. When many of my concerns were raised, they were either ignored or overlooked. Unfortunately, some who serve in the majority orchestrated passage of campaign finance that did not offer significant reform. It was also public knowledge, or perhaps just conventional wisdom, that these bills were destined to be vetoed. That is very unfortunate and the public has paid the price for our inaction.

Part of the price the public has paid is the continued influence of big money lobbyists and the ever-growing money chase. Campaign finance authority Herbert Alexander estimated that $540 million was spent on all elections in the United States in 1976. For 1992, he estimated that those seeking office would spend $3 billion. In congressional races, aggregate costs of House and Senate campaign have nearly sextupled since 1976, from $115.5 million to $678 million in 1992, while at the same time, the cost of living doubled.

Due to this overwhelming need to raise money, candidates are sometimes perceived by the public as nothing more than fundraising machines—putting the needs of the people secondary to the need to raise money. We need to work to change this image.

Mr. President, how did we arrive at this state?

The current system evolved out of a series of legislative actions in the early 1970's and from one paramount Supreme Court Case, Buckley versus Valeo.

In 1971, the Congress passed legislation which mandated uniform disclosure of campaign receipts and expenditures, limitations on contributions, and imposed certain spending limits on candidates. In the subsequent Buckley ruling, the Supreme Court decided that limitations on contributions were appropriate legislative weapons to ensure against the appearance of improper influence, however, the Court stated that no limitations could be placed on independent expenditures, candidate expenditures from personal funds, and on overall campaign expenditures. The end result is a campaign financing system that has fostered what is now known as the money chase.

It is this money chase that the public—rightly I believe—wants to see ended. At the same time, as we address this issue, we must be cognizant of the Buckley decision and seek to balance it with the desire of the public to see money chase ended.

Further, any reform measure passed by the Congress must create a level playing field for challengers to run against incumbents. Incumbents, by the very nature of being in public office, have many advantages over those who seek to unseat them. The use of the frank and official mails, the ability to raise money, and the natural media attention paid to incumbents give them a distinct advantage over challengers.

Reelection rates—especially those in the House of Representatives—show that incumbents have a huge advantage over challengers. Reelection rates for House Members continue to hover near or above 90 percent. This stands as proof alone that no level playing field in elections exists.

Although no legislation can truly address all of these advantages, any reform that truly levels the playing field for challengers and incumbents must contain certain essential principles.

These principles are: First, the influence of political action committees must be lessened; second, the same rules must apply to both the House and the Senate; third, all soft money must be disclosed; fourth, in-State contributions should be favored over out-of-State contributions; Fifth, the bill should contain a severability clause; sixth, campaign fundraising should be limited to the actual election cycle; seventh, campaign committees should not pay back loans in excess of $50,000 that candidates make to their own campaigns; eighth, taxpayer financing of campaigns should be avoided; ninth, if any legislation contains a financing formula for campaigns, it must be spelled out in detail; and tenth, incumbents should not be able to roll over large war chests from one campaign to the next.

As I examine legislation on this subject, the core concepts I just noted will guide my decisions. The current bill before the Congress is a good step in the right direction. Unfortunately, it does not go far enough in addressing the principles I mentioned.

Further, this bill contains many loopholes. Among those are the bill does not apply to races until 1995, and, according to many constitutional experts, the current bill would be found unconstitutional by the courts. Thus, I believe that if the current bill is signed into law without changes that address the core principles I have outlined, meaningful reform will not have been enacted.

Madam President, some critics and columnists have stated that we should just pass the bill before us, accepting its many flaws—some being substantial—merely because the bill would alter the status quo. We can ill afford to pass legislation that merely masks, but does not solve the many problems of the current campaign finance system.

I was not sent to Washington, DC, by the people of Arizona to rubber stamp legislation. It would be wrong for me to be content with this legislation soley because it mandated change. Change for change's sake alone is not necessarily beneficial. On the other hand, change that results in meaningful reform, such as if the principles I have outlined are adopted, is good.

I will accept nothing less than substantive reform. The public is justifiably upset with smoke and mirrors or being told it must accept a job half done.

I have an obligation to Arizona to do what is best. I will fight for exactly that.

We now have the opportunity to pass meaningful reform. I urge my colleagues to not allow this opportunity to pass.

Madam President, first, I believe that we must do all we can to eliminate the so-called money chase by eliminating PAC's. If a complete PAC ban does not survive a constitutional challenge, then we should have a backup provision which would severely limit the amount of money they are able to give to candidates for office.

One solution is to eliminate, or extremely curtail, the ability of political action committees [PAC's] to give money to candidates. In the 1992 elections, approximately 32 percent of all funds raised for House and Senate races came from PAC's.

Statistics reveal the growing power of PAC's. The number of federally registered PAC's has grown from 608 in 1974 to 4,195 in 1992. During that same period, the amount of money contributed to Federal candidates grew from $12.5 million to a staggering $180.1 million—a more than 400 percent increase.

In conjunction with the elimination of PAC's, we must ensure activities such as bundling are not allowed. Bundling, where one organization groups together many small donations to be given to a candidate, has proven to be just as onerous as PAC giving. Further, bundling should not be allowed even if it is done by a nonpartisan group or an organization that does not lobby.

Second, the rules that govern elections for Federal office must be substantially the same for the House and Senate. Specifically, rules regarding contribution limits to candidates for Federal office must be exactly the same. As the distinguished majority leader has stated there is no logical reason for difference between the House and Senate to exist in this bill.

If political action committees are bad, then they are bad for both sides of the Hill. If $5,000 contributions are excessive, then they are excessive for both the House and the Senate. If soft or sewer money needs to be regulated and disclosed, then this must be done equally for House and Senate races.

Madam President, although the rules of operation of the House and Senate differ widely, there is no rationale for differing election rules. Clearly, any election reform measure must take into account the differences constitutionally mandated between the House and Senate. This does not, however, mandate or give credence to the argument for different rules regarding PAC contributions or soft money influence.

Third, any campaign reform bill must mandate as much disclosure as possible of money used in the campaign. All soft money used in elections must be disclosed to the public. Disclosure is one of the best, if not the best, method to clean up any real or perceived corruption and install faith in the electoral system.

Disclosure must include political party activities, but it must not be limited solely to party money. Get-out-the-vote drives and labor union political activities must also be fully disclosed. The activities of labor unions and other such organizations in the political arena can be just as damaging or helpful to the political system as is party involvement. There is no reason to exclude their activities from disclosure and public view.

Fourth, contributions from constituents should be given priority over out-of-State contributions. The people within each State or district should be able, should they choose, to donate more than out-of-State individuals. Far too many officeholders receive large sums to their campaign coffers from out of State, and thus, I believe, sometimes become disconnected from those who elected them.

Again and again we see Members of Congress who literally move their homes to Washington, DC. They become foot soldiers to the wants and wishes of lobbyists who control the Washington, DC, money pool. How can Members of Congress truly represent a district or State when the funding for their election comes from Washington, DC and not from their home State?

I will emphatically state—and I do not mean anything negative by this—the people of Arizona have different values and principles than those who live inside the Beltway. I am proud for my family and me to call Arizona, not Washington, DC, our home. I believe that others would call the State that elected them their home and not Washington, DC, if they were encouraged to spend time with their constituents.

Further, if any individual who is seeking public office does not receive contributions from inside his or her home State, then I believe that says a considerable amount about the people's opinion about that individual. Thus, in-State contributions should be given priority over out-of-State contributions.

Fifth, severability should be part of this bill. If one part of the bill is struck down as being unconstitutional, such as a complete ban on PAC's, the remainder of the bill should stand. There is no reason to jeopardize the entire bill over any one part of it which may be found to be unconstitutional.

Sixth, campaign fundraising should be limited to the actual election cycle. The public has the perception, especially in the Senate, that Senators spend 6 years doing little else but fundraising. Although I want to state for the record that this is simply not true, this perception is harmful to this institution as a whole. This is remedied easily enough by not allowing out-of-State fundraising except during a Member's election cycle.

Seventh, campaign committees should not be allowed to pay back personal loans made by candidates to their own campaigns. This is often referred to as the millionaire's loophole. If a wealthy individual seeks public office, they are constitutionally entitled to expend their own resources on their campaign. Anyone who wishes to seek public office must be allowed to do so. That is the basis for this entire legislation.

However, it is inappropriate for someone to spend his or her own money, and then solicit contributions from other individuals so that the money can be paid back. Without this provision, a wealthy person can bankroll a campaign, win an election, and then through additional fundraising, pay back personal money spent on the campaign.

When contributors give money to a campaign it should be because they believe in the person running. Such donations are by their very nature made on the premise that they will not be paid back. Wealthy candidates should not be allowed to live by a separate, more advantageous, standard.

Eighth, if no other viable constitutional means of controlling campaign spending exist, any public financing of campaigns must be kept at a minimum. Although I believe that campaign finance reform without public financing would be optimal, and I do not believe that taxpayer financing of campaigns is the best use of tax dollars, if no other option is available, I would hope that my colleagues would control their zeal in which we allocate funds to this new entitlement program.

In conjunction with this point, it is wrong to pass a bill that mandates taxpayer funding but which does not clearly and explicitly state how such a program will be funded. Earlier this year, this Senate refused to pass the President's so-called stimulus package because it declared an emergency and was not funded from existing funds. There should not be a different standard for this measure.

If we must fund this bill, then we should do so now.

Mr. BOREN. Madam President, we are just awaiting word. The yeas and nays have been ordered on the Wellstone amendment. Some of our colleagues are at a meeting in the White House, I believe Members of both parties.

We are just checking. We should have word in just a moment as to the time. In just a moment the managers on both sides will consult on this and we will propound a unanimous-consent request as to time of the vote on the Wellstone amendment, No. 373, as modified.

I will just announce to my colleagues it appears that vote will be at either 6 or 6:15, if unanimous consent is granted.

Madam President, in fact, I now ask unanimous consent the vote on Senator WELLSTONE's amendment, No. 373, as modified, occur at 6:15, and that no amendments to the amendment or to the language proposed be in order.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BOREN. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

VOTE ON AMENDMENT NO. 373, AS MODIFIED

The PRESIDING OFFICER. The question is on amendment No. 373, as modified, offered by the Senator from Minnesota [Mr. WELLSTONE].

The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Alabama [Mr. HEFLIN] and the Senator from Texas [Mr. KRUEGER], are necessarily absent.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. HELMS], is necessarily absent.

The PRESIDING OFFICER (Mr. AKAKA). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 88, nays 9, as follows:

[Rollcall Vote No. 124 Leg.]

YEAS—88

Akaka
Baucus
Biden
Bingaman
Bond
Boren
Boxer
Bradley
Breaux
Brown
Bryan
Bumpers
Burns
Byrd
Campbell
Chafee
Coats
Cochran
Cohen
Conrad
Coverdell
Craig
D'Amato
Daschle
DeConcini
Dodd
Dole
Domenici
Dorgan
Durenberger
Exon
Faircloth
Feingold
Feinstein
Ford
Glenn
Gorton
Graham
Grassley
Gregg
Harkin
Hatfield
Hollings
Inouye
Johnston
Kassebaum
Kempthorne
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Lott
Lugar
Mathews
McCain
McConnell
Metzenbaum
Mikulski
Mitchell
Moseley-Braun
Moynihan
Murkowski
Murray
Nickles
Nunn
Packwood
Pell
Pressler
Pryor
Reid
Riegle
Robb
Rockefeller
Roth
Sarbanes
Sasser
Simon
Simpson
Specter
Stevens
Thurmond
Warner
Wellstone
Wofford

NAYS—9

Bennett
Danforth
Gramm
Hatch
Jeffords
Mack
Shelby
Smith
Wallop

NOT VOTING—3

Heflin
Helms
Krueger

So the amendment (No. 373) was agreed to.

Mr. WELLSTONE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GLENN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MITCHELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, there will be no further rollcall votes this evening.

I now suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DURENBERGER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CAMPAIGN FINANCE REFORM

Mr. DURENBERGER. Mr. President, a senior statesman from one of our neighboring nations to the south once told me, "When you focus on your problems, all you get are more problems. But when you focus on your opportunities, that's where you will find solutions."

As we begin this debate, I hope our focus will not be on our narrow interests as past, present, or future candidates, or as partisans, trying to deal with the problems reform could create for us. I hope the motive of this deliberation on the Senate floor will be to find ways to create opportunities for voters, for challengers, and for reinvigorating democratic institutions.

VOTER OPPORTUNITY

Our first objective should be to give voters the opportunity to participate in meaningful election campaigns.

The saddest commentary on contemporary politics is that people do not participate because they have concluded that elections do not matter. How ironic that all across the globe, people walk dozens of miles, stand for hours in rain storms and snow storms, and face danger and persecution to vote, because they want to have what we have here in America. But here in America, less than a quarter of the adult population elects a President every 4 years.

We have to change that behavior. The neat way to do it is to clean up the things that turn voters off to politics, and rev up the things that turn them on to politics.

It is clear from the polls and the coffee shops that the voters have concluded that the three most important things in politics are money, special interests, and the perceived relationship between the two. In this bill, we need to restrict those sources of money that are tainted by special interest: PAC's soft money, and out-of-State fat cats. We need to replace a portion of that with clean sources like in-State contributions and a greater financial role for broadly based political parties. That gives individual voters a bigger impact.

Second, people hate the endless campaign. We can not write into law that you can not campaign until July 4th or Labor Day of election year, because that would be unconstitutional. But we can be fairly sure that campaigns with less access to cash would focus their resources on a narrower time frame, and that would help.

Third, we ought to create incentives to improve the substantive quality of campaigns. I know the sense of helplessness that Minnesotans feel over 30-second attack ads and bumper stickers. Voters clearly want more meaningful debate, more public events like citizen juries—a Minnesota invention—above all, and town meetings, and, more value for their contribution to this effort.

We need to give the voter a greater opportunity to participate in something meaningful. Contribution limits, shortening campaigns, and making them more substantive would do that.

CHALLENGER OPPORTUNITY

Our second objective in this bill should be to make the election more competitive by giving greater opportunities to challengers.

People are not going to show up to watch the Phoenix Suns play a high school basketball team. Legitimate competition is what makes politics meaningful, and there is no way that can happen without incumbents surrendering current advantages.

Well, unfortunately, Mr. President, the 100 of us here and our 435 colleagues in the House may be the least qualified people in America to help challengers. Some of us were challengers once, but many of us never were. And those that were may not remember what it was like. That means we have to be tougher on ourselves than we want to be.

We need to deal decisively with PAC's. The perception that special interests control the system through PAC's is bad enough. But it is nothing compared to the reality that PAC's slant the playing field in favor of incumbents. Soft money does the same thing.

We need to resist the temptation to take half-way measures. Do not forget that PAC's were the reform of the mid-1970's, and they have grown into the central problem. Mr. President, abstinence is easier than moderation. Unless we do take bold steps, we run the risk, especially among House Democrats, of being described as the ultimate special interest in this debate. So I congratulate the majority for including a PAC ban in this legislation.

Having made that courageous choice, we need to move to allow campaigns to replace those funds with cleaner sources, like political parties, small in-State contributions, and some price breaks on advertising and mail costs. I commend the President for the provisions in this bill which strengthen the role of the parties.

These efforts, limitations on PAC's and out-of-State money, limitations on soft money, and reasonable spending limits, create opportunities for challengers by flattening out the financial playing field elections are played on.

REINVIGORATING DEMOCRATIC INSTITUTIONS

Third, we need to embrace the opportunity we have for true bipartisan reinvigoration of our democratic institutions.

Mr. President, the first mark of a good campaign reform bill must be that it has support from both Republicans and Democrats. No one should mistake this debate from the normal sound and fury of the legislative process. This is not about how we spend money or raise taxes. This is about how the American people decide who it is that will make all those decisions. So we should proceed with utmost care. Because we are working very close to the core of this democracy: 51 to 49 is not the threshold by which we should approve a bill of this importance. Nor is 57–43.

Having said that, let me make the point that campaign reform is really like picking a health plan: you can only make changes during the open season. The first year after a Presidential election, when the political juices are at their lowest ebb, is the best time to change. Open season is now: this chance may not come again until 1997. Does anyone here believe we can wait that long?

As we start this debate, however, I see so many hurdles and obstacles, that it is easy to despair. The administration's proposal was not, to my mind, a step forward. It bowed to the dependence of Democrats in the House on large PAC donations. It preserved incumbent advantages by allowing large PAC contributions on top of generous taxpayer handouts to incumbents and leaving challengers to raise the rest of their money the hard and expensive way. It created a confusing and ethically ambivalent two-tiered system with some money being alright in the House but banned in the Senate, and vice versa.

We need to take on the issues of money, substance, and time, hold the key to a resurgence in political involvement in this country, or a hastening decline which leads who knows where.

Mr. President, it is my conviction that bold, bipartisan campaign reform is within our grasp this year. But it is going to take a lot of vision and a lot of good faith by everybody involved to get the job done. If we can keep our eyes on the goal of opportunity for voters, for challengers, and for genuine reinvigoration of our institutions—and not look only at our problems—we can lead America into a new era of democracy.

Mr. President, I yield the floor.

MORNING BUSINESS

Mr. FORD. Mr. President, I ask unanimous consent that there now be a period for morning business, with Senators permitted to speak therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

NEW PROPOSALS TO REFORM UNITED NATIONS PEACEKEEPING

Mr. PELL. Mr. President, I ask consent that a fascinating new essay by Brian Urquhart, former Under Secretary General of the United Nations, entitled "For a U.N. Volunteer Military Force," be inserted in the RECORD at the conclusion of my remarks. Mr. Urquhart's analysis will appear in the June 10, 1993, issue of the New York Review of Books. His views will add an important voice to the emerging debate on the role of the United Nations in international peacekeeping.

As one of the participants in the 1945 San Francisco Conference on the Founding of the United Nations, I remember well the debate pertaining to article 43 under chapter VII of the Charter of the United Nations, concerning "Action With Respect to Threats to the Peace, Breaches of the Peace, and Acts of Aggression," which called on member states to make available armed forces for the purpose of maintaining international peace and security.

Brian Urquhart suggests that, "the inability of the Security Council to enforce its decisions in less conventional military situations is the most serious setback for the world organization since the end of the cold war." To compensate for this problem, he further suggests that a small volunteer force of light infantry be recruited as a permanent and highly trained unit capable of intervening at the Security Council's direction in the early stage of an international crisis. As he persuasively argues, intervention early on may reduce the risk of small crises turning into larger ones.

His recommendations deserve serious consideration. Having been present at the United Nations creation, I believe the international community is at a turning point in that organization's role in the 21st century. The failure of the international community to deal effectively with international crises, such as in the former Yugoslavia and in Cambodia, affects, as Mr. Urquhart observes, "the credibility and relevance of international organizations."

There being no objection, the essay was ordered to be printed in the RECORD, as follows:

FOR A U.N. VOLUNTEER MILITARY FORCE

(By Brian Urquhart)

The recent vast expansion of the United Nations' peace-keeping commitments has sorely tested the UN's ability to intervene in violent local conflicts before they get out of hand, as well as its willingness to place soldiers at risk when they do. Though UN forces have achieved major successes in such places as Namibia, El Salvador, and the Golan Heights, they have faced increasing difficulty elsewhere. In Cambodia, lightly armed peace-keepers are shot at, harassed, and even killed with impunity. In Angola, a tiny contingent of UN monitors has been overwhelmed by a rebel army determined to get its way by force of arms. In Mozambique, it has taken months for the UN to convince governments to contribute troops to an urgent mission in a situation that has not yet caught the attention of the Western press and television.

Above all, the tragedy of Bosnia has shown that international organizations are not able to deal effectively, and when necessary forcefully, with violent and single-minded factions in a civil war. The reluctance of governments to commit their troops to combat in a quagmire is understandable. Yet the Bosnian Muslims, among others, have paid a terrible price, and the credibility and relevance of international organizations are dangerously diminished. How can such impotence be prevented in the future? A stillborn idea from the past may suggest an answer.

The first Arab-Israeli war in 1948 was also the first major test of the UN's ability to make its decisions stick. In a speech at Harvard during that tumultuous summer, the first secretary-general of the UN, Trygve Lie, proposed the establishment of a "comparatively small UN guard force * * * recruited by the Secretary-General and placed at the disposal of the Security Council." Lie argued that "even a small United Nations force would command respect, for it would have all the authority of the United Nations behind it."[1] The kind of task he had in mind for such a force was to put an end to factional fighting in Jerusalem and to shore up the truce decreed by the Security Council.

In fact, the UN Charter had originally envisaged something much more ambitious. One of the great innovations of the Charter was the provision, in Article 43, for member nations to make military forces available to the Security Council. It is worth recalling the scale on which action by the Security Council was originally envisaged. The United States estimate of the forces it would supply under Article 43, which was by far the largest, included twenty divisions—over 300,000 troops—a very large naval force, 1,250 bombers, and 2,250 fighters. However, by 1948, action along the lines of Article 43 had already been frozen by the cold war and by Soviet insistence that the great powers must make exactly equal contributions.

In Palestine the Arab states had rejected the UN partition decision and had gone to war to suppress the new state of Israel. Trygve Lie regarded this challenge to the UN's authority as a vital test of the organization's effectiveness in dealing with breaches of international peace and security and, faced with the paralysis of the Charter provisions for military forces, he proposed a UN legion. Lie's proposal attracted considerable public attention but no governmental support at all.

Forty-five years later, in the milder post-cold war political climate, it may be time to revive Trygve Lie's idea. The Security Council is today able to reach unanimous decisions on most of the important questions that come before it. The Council's problem now is how to make these decisions stick. The technique of peace-keeping without using force has often proved effective in conflicts between states, whether in the Middle East, Cyprus, or Africa. Predictably enough, in chaotic and violent situations within states or former states, peace-keeping forces have been unable to impose the Security Council's decisions on partisan militias and other nongovernmental groups, particularly when they are being manipulated indirectly by governments.

Although international enforcement action was successfully used against Iraq in Operation Desert Storm, the inability of the Security Council to enforce its decisions in less conventional military situations is the most serious setback for the world organization since the end of the cold war. Bosnia provides a particularly poignant example of this failure, but there are, or may well be, others—Angola and Cambodia, for example, and, before the US intervention there, Somalia. There will certainly be future conflicts in which an early display of strength by the Security Council will be needed if later disasters are to be prevented.

At the moment, the Security Council is often reduced to delivering admonitions or demands which have little or no impact on the actual situation. Like the legendary King Canute, it orders the waves to go back with small hope of practical results.

Whether or not it is too late to relieve the tragedy of Bosnia, it is essential to give the necessary authority and strength to the Security Council to deal with such situations more effectively in the future. The capacity to deploy credible and effective peace enforcement units, at short notice and at an early stage in a crisis, and with the strength and moral support of the world community behind them, would be a major step in this direction. Clearly, a timely intervention by a relatively small but highly trained force, willing and authorized to take combat risks and representing the will of the international community, could make a decisive difference in the early stages of a crisis.

Retrospective speculation about what might have been done at an early stage in Bosnia may have little value; the problem itself was, and is, uniquely complex. It is possible, however, that a much tougher early reaction to interference with humanitarian aid and to breaches of the cease-fire might have deterred the Serbian forces from their later excesses, particularly if it had been made clear that the small UN force would, if necessary, have had air and other strategic support from member states. In other words, a determined UN peace enforcement force, deployed before the situation had become desperate, and authorized to retaliate, might have provided the basis for a more effective international effort.

At the present time, financial, military, and political obstacles all combine to make such early intervention difficult or impossible. It is by now very clear that few, if any, governments are willing to commit their own troops to a forceful ground role in a situation which does not threaten their own security and which may well prove to be both violent and open-ended. National leaders are naturally reluctant to commit troops to distant operations in which they may sustain more than a few casualties.

The new unanimity of the Security Council on important problems, the confused intra-state conflicts now confronting the UN, and the natural reluctance of governments to involve their own forces in violent situations where their own interest and security are not involved—all these point strongly to the need for a highly trained international volunteer force, willing, if necessary, to fight hard to break the cycle of violence at an early stage in low-level but dangerous conflicts, especially ones involving irregular militias and groups. This is not a new idea. In *An Agenda for Peace* Secretary-General Boutros Boutros-Ghali recommended "peace enforcement" units from member states, which would be "available on call and would consist of troops that have volunteered for such service."[2]

An international volunteer force would be under the exclusive authority of the Security Council and under the day-to-day direction of the secretary-general. To function effectively, it would need the full support of members of the United Nations. Such support should include, if necessary, air, naval, and other kinds of military action. The volunteer force would be trained in the techniques of peace-keeping and negotiation as well as in the more bloody business of fighting.

A UN volunteer force would not, of course, take the place of preventive diplomacy, traditional peace-keeping forces, or of large-scale enforcement action under Chapter VII of the Charter, such as Desert Storm. It would not normally be employed against the military forces of states. It would be designed simply to fill a very important gap in the armory of the Security Council, giving it the ability to back up preventive diplomacy with a measure of immediate peace enforcement. As Secretary-General Boutros Boutros-Ghali has recommended in *An Agenda for Peace*, the Security Council should "consider the utilization of peace enforcement units in clearly defined circumstances and with their terms of reference specified in advance."[3]

There can be little doubt that there would be more than enough volunteers from around the world for an elite peace force of this kind. Thousands of men and women would apply, many of them with extensive military experience. The problem would be to select, organize, and train the best of them, develop a command and support structure, and form them into suitable operational units. All of this would take time, strong leadership and expertise, and, of course, money.

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[1] Trygve Lie, *In the Cause of Peace* (Macmillan, 1954), p. 98.

[2] *An Agenda for Peace* (United Nations, 1992), p. 26.

[3] *An Agenda for Peace*, p. 26.

Situations in which such a force is urgently needed are likely to develop long before an international, volunteer UN peace force could be ready to take the field. An interim solution would be to recruit such a force from volunteers from national armies, as is suggested in *An Agenda for Peace*. Such volunteers would already be trained and might even make up national subunits in a UN volunteer force. To have volunteers from national armies serving together in such subunits would simplify administration and problems of command. The volunteer status of such troops should go far to relieve governments of inhibiting concerns about casualties and open-ended commitments that now make them unwilling to commit their national forces to such tasks. Volunteers from national armed forces could serve for limited periods with the permission of their national establishments, and could then return to their national armed forces. Meanwhile, the development of a permanent, standing UN volunteer force could go forward.

Any number of possible objections can be posed to the idea of a UN volunteer force. Until quite recently I myself, after a long association with UN peace-keeping, would have argued against it. The idea will certainly raise, in some minds at least, the specter of supranationality that has always haunted the idea of a standing UN army. If, however, the force can only be deployed with the authority of the Security Council, the necessary degree of control by member governments is guaranteed. The main difference from peace-keeping will be the role, the volunteer nature, and the immediate availability of the force.

The question of expense inevitably arises. As a rough guide, it has been estimated elsewhere that a five-thousand-strong light infantry force would cost about $380 million a year to maintain and equip, if surplus equipment could be obtained below cost from governments.[4] The total cost of peace-keeping operations in 1992 was $1.4 billion, and it will be much more in 1993. The average ratio of expenditure between UN peace-keeping costs and national military outlays is of the order of $1 to $1,000. Units from a highly trained volunteer force might also replace traditional peace-keeping forces in some situations, thus reducing costs for traditional peace-keeping. Most important, the possibility of the UN intervening convincingly at an *early* stage in a crisis would almost certainly provide, in the long term, for a large reduction in the complication and expense that belated intervention almost invariably entails. The delay in intervening in Somalia, for example, certainly created a much larger disaster, which in turn necessitated a much larger international response.

Finally, it may be feared that a UN volunteer force will run the risk of acquiring a "mercenary" image. Outstanding leadership, high standards of recruitment, training, and performance, and dedication to the principles and objectives of the UN should help to address such concerns.

There is one overwhelmingly good reason for creating a UN volunteer force: the conditions of the post-cold war world and the new challenges faced by the United Nations urgently demand it. The UN was founded nearly fifty years ago primarily as a mechanism for dealing with disputes and conflicts between states. It is now increasingly perceived, and called upon, as an international policeman and world emergency service. The Security Council lacks the capacity for the kind of swift and effective action that could give it the initiative in the early stages of a low-level conflict. Obviously, intensive thought would have to be given to the many problems involved in such an enterprise—selection, training, command, size, location, organization, discipline and loyalty, rules of engagement, legal status, logistical and other support, and, of course, financing. The cooperation of national military establishments would be essential, especially in such matters as air and logistical support.

It will take much imaginative effort for a UN volunteer force of this kind to become a working reality. As its experience and reputation grew, however, its need to use force would certainly decrease. Its existence, known effectiveness, and immediate availability would in themselves be a deterrent to low-level violence and would give important support for negotiation and peaceful settlement. It could become a decisively useful part of the machinery of the Security Council.

In 1948 Trigve Lie sadly concluded that a UN legion:

> would have required a degree of attention and imagination on the part of men in charge of the foreign policies of the principal Member nations that they seemed to be unable to give * * * to projects for strengthening directly the authority and prestige of the United Nations as an institution.[5]

Forty-five years and millions of casualties later, the time has come to summon up that attention and imagination.

NEW YORK CITY BAR ASSOCIATION LETTER ADVOCATES CREATION OF A STANDBY U.N. MILITARY FORCE

Mr. PELL. Mr. President, the Association of the Bar of the City of New York on February 2, 1993, sent a letter to President Clinton urging that our Government give serious consideration to supporting the creation of a permanent standby U.N. military force available for peacemaking and peace enforcement pursuant to articles 40 and 43 of the U.N. Charter.

The letter is a carefully researched analysis signed by association president John D. Feerick and drafted by H. Francis Shattuck, Jr., of the association's Council on International Affairs which is chaired by Ruth Wedgewood.

The letter notes that establishing a U.N. force could eliminate delays when the Security Council decides on military measures, and would, "help assure that the U.N. itself—and not the United States—will be and will be looked to as the U.N. police force wherever * * * police action becomes necessary."

The letter's fundamental rationale is that standby U.N. military forces would better enable the United Nations to, "deter and stop major aggression, protect humanitarian relief missions, deter or stop genocidal killings, and * * * enforce truce and peace agreements."

The letter makes clear that the United States' veto right in the Security Council as well as the U.S. Constitution and existing legislation adequately address the concerns that our Government needs to retain the right to approve making troops available to the United Nations, and that we will retain the final decision as to their use.

Mr. President, I have long advocated a similar position. My interest in this subject goes back to the founding of the United Nations in San Francisco in 1945 when I assisted the working group drafting the articles of the U.N. Charter providing for such military arrangements.

The recent experience in Somalia in which United States forces for the first time are deployed under a non-United States, United Nations command, has demonstrated anew the role that such forces can play. There have been many other peacekeeping missions which would have benefited from the existence of a standby U.N. military force.

In more challenging situations, such as Bosnia, a standby force would clearly have to be augmented by national forces, either directly or through a military alliance such as NATO. If there had been a standby force 1 or 2 years ago, it might have been possible to deploy it then with greater effectiveness than is possible now.

But there is a middle range of situations in which a standby U.N. force, able to move and act quickly at the direction of the Security Council, could make the difference in keeping a specific problem contained, limited in scope and ferocity, and preventing it from spreading or escalating.

Mr. President, I ask unanimous consent that excerpts from the text of the letter from the New York Bar Association calling for creation of a standby U.N. military force, be printed in the RECORD at this point.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

FEBRUARY 2, 1993.

Hon. WILLIAM J. CLINTON,
The White House, Washington, DC.

DEAR MR. PRESIDENT: The purpose of this letter is to urge that in the interest of promoting and enforcing the rule of law in international affairs and strengthening the United Nations, our government continue to give the most serious consideration to the recommendation in the recent report of the United Nations' Secretary-General that:

(1) a permanent standby U.N. military force available for peacemaking be created pursuant to Article 43 of the U.N. Charter, and

(2) a volunteer standby U.N. military force on call for peace enforcement missions be created now as a provisional measure under Article 40 of the U.N. Charter.

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[4] John M. Lee, Robert Von Pagenhardt, and Timothy W. Stanley, with a foreword by Robert S. MacNamara, *To Unite Our Strength* (Economic Studies Institute, 1992).

[5] Lie, *In the Cause of Peace*, p. 99.

Although the Secretary-General appears to have suspended for the time being his efforts to establish a U.N. force under Article 43, he continues to press for the creation of peace enforcement units. We believe these objectives are equally important and should be pursued simultaneously.

Since 1947 lightly armed so-called "peacekeeping" forces have been utilized increasingly. Such forces, under U.N. command, not even mentioned in the U.N. Charter, are used only with the consent of all parties. Primarily they observe or monitor geographic borders and demilitarized zones in truce and settlement agreements. Their missions, however, have grown in complexity, e.g. protection of relief efforts (Somalia and Bosnia), organizing or even supervising elections (Namibia, Angola, Cambodia), administering the surrender of arms (Cambodia, El Salvador), verifying performance of human rights undertakings (El Salvador), virtually acting temporarily as a governmental authority (Cambodia).

Some missions, depending on the circumstances, require heavily armed units capable of enforcing as distinguished from simply monitoring peace or truce terms already agreed. Such troops have been called "peace enforcement" or "cease fire enforcement" units. It is this peace enforcing role at which the Secretary General's second recommendation is directed.

* * * *

In order to obtain even so-called "peacekeeping" troops to monitor a cease fire or other settlement agreement, the U.N. must also await an offer of troops and equipment from one or more of its members or a response to a request for troops from the Secretary General. Several Nordic countries already maintain standby peacekeeping forces for U.N. use. However, the Secretary-General recently reported that three or four months can elapse between authorization of a peacekeeping mission by the Security Council and the startup of operations—an unconscionable delay. Thus, the Security Council has in effect been denied quick access to several essential tools—these three types of forces: peacemaking forces to stop aggression, peace enforcement units and peacekeeping forces. It is reduced to the role of suppliant for forces to carry out its decisions.

Had U.N. forces been promptly deployed on the Iran/Iraq border in 1980 or at the Kuwait/Iraq border in 1990, perhaps coupled with a show of force by the U.N., the ensuing wars might not have occurred. Had standby U.N. forces, including air and naval units, been available for rapid deployment at the beginning of events in Somalia and Bosnia, the situations in both these countries would almost certainly be different today. Had standby heavily armed peace enforcement units been available for rapid deployment against the Khmer Rouge in Cambodia and against the Savimbi rebels in Angola, the U.N. would have been in a stronger position to enforce the agreed settlement terms in these countries.

In short, with standby peacemaking Article 43 forces and standby Article 40 peace enforcement forces in place, it would be far more possible for the U.N. to deter and stop major aggression, protect humanitarian relief missions, deter or stop genocidal killings, and to enforce truce and peace agreements. The mere existence of such forces in some cases would act as a deterrent to aggression, to the non observance of truce or peace agreements and other unlawful actions and give the U.N. sorely needed leverage in its role as a peacemaker. Further, the U.N. could concern itself less with the question of how and where its forces would come from and more with whether and how to use such force.

Even if such forces were incapable of stopping a conflict between major powers, there can be no doubt of their usefulness stopping smaller conflicts—which unless stopped early, can widen to embroil additional states, e.g., that in Bosnia-Herzegovina.

Finally, the existence of such forces would help to assure that the U.N. itself—and not the United States—will be and will be looked to as the U.N. police force wherever substantial police action becomes necessary. This in turn means that the burden of military operations in terms of money, troops, equipment and supplies would be shared more equitably.

We are pleased to note that the Security Council has recently requested members to notify the Secretary General of what types of forces, equipment and facilities they could make available on short notice. However, at most we see this as a first step in developing standby arrangements for performing peace enforcement missions.

We see no insuperable problems in establishing either type of U.N. standby force urged by the Secretary General.

"FINAL DECISION" AS TO USE

President Bush, in his remarks of September 21, 1992 to the U.N. after welcoming the call of the Secretary General for trained military units available on short notice, said states must retain the "final decision" on the use of such troops. Speaking for the U.S. he was conceivably referring to the President's constitutional powers as commander in chief of U.S. forces. As Robert Turner concluded in a prepared statement for the Senate Committee on Foreign Relations, it would seem clear that while the President may delegate some of his military responsibilities, he is not constitutionally empowered to transfer irrevocably the command of U.S. forces. Consequently, he retains the power to recall U.S. forces.

In any event, any state could both in making peace enforcement units available now and in entering into any agreement under Article 43 expressly reserve the right to recall such troops. For the United States, this approach has a belt and suspenders aspect because of the unqualified right of veto which the U.S. already has in the Security Council itself—the only body empowered to request troops and to deploy them.

Against this approach it can be argued that the right to recall troops could tend to undermine the success of any operation. Until nations are prepared to waive that right this possibility is inevitable. However, the likelihood of its being exercised often would seem relatively small.

APPROVALS PRIOR TO USE OR DEPLOYMENT

In his September 21 remarks to the United Nations, President Bush also said that such troops should be available "with the approval of the governments providing them."

To require such prior approval each time forces are requested and deployed, whether for peace enforcement, peacekeeping or as Article 43 forces, is, it would appear one of the major causes of the situation today of protected delays built into the system before troops can even be made available.

We believe in the U.S. it is possible to reconcile the need for speed deploying or stationing such forces when required with the stated need for approval by governments

(a) *Article 43 troops*

As to Presidential approval, each time Article 43 troops are requested the President of the United States would have to approve the request for their deployment and any decision as to their use. Both require a decision by the Security Council in which the U.S. through its president has a veto.

* * * * *

In short, a well-trained, combat-ready standby U.N. military force is an idea whose time is overdue. We urge its implementation, in a manner which eliminates counterproductive delays once the Security Council has decided to take military measures.

Sincerely,

JOHN D. FEERICK,
President of the Association of the Bar of the City of New York.

REPORT ON SERBIA AND MONTENEGRO—MESSAGE FROM THE PRESIDENT—PM 24

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Banking, Housing, and Urban Affairs.

To the Congress of the United States:

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the *Federal Register* and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent the enclosed notice, stating that the emergency declared with respect to the Federal Republic of Yugoslavia (Serbia and Montenegro) is to continue in effect beyond May 30, 1993, to the *Federal Register* for publication.

The circumstances that led to the declaration on May 30, 1992, of a national emergency have not been resolved. The Government of the Federal Republic of Yugoslavia (Serbia and Montenegro) continues to support groups seizing and attempting to seize territory in the Republics of Croatia and Bosnia-Hercegovina by force and violence. The actions and policies of the Government of the Federal Republic of Yugoslavia (Serbia and Montenegro) pose a continuing unusual and extraordinary threat to the national security, vital foreign policy interests, and the economy of the United States. For these reasons, I have determined that it is necessary to maintain in force the broad authorities necessary to apply economic pressure to the Government of the Federal Republic of Yugoslavia (Serbia and Montenegro) to reduce its ability to support the continuing civil strife and bloodshed in the former Yugoslavia.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *May 25, 1993.*

REPORT ON THE NATIONAL EMERGENCY WITH RESPECT TO SERBIA AND MONTENEGRO—MESSAGE FROM THE PRESIDENT—PM 25

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Banking, Housing, and Urban Affairs.

To the Congress of the United States:

On May 30, 1992, in Executive Order No. 12808, President Bush declared a national emergency to deal with the threat to the national security, foreign policy, and economy of the United States arising from actions and policies of the Governments of Serbia and Montenegro, acting under the name of the Socialist Federal Republic of Yugoslavia or the Federal Republic of Yugoslavia, in their involvement in the support for groups attempting to seize territory in Croatia and Bosnia-Hercegovina by force and violence utilizing, in part, the forces of the so-called Yugoslav National Army (57 *FR* 23299, June 2, 1992). The present report is submitted pursuant to 50 U.S.C. 1641(c) and 1703(c). It discusses Administration actions and expenses directly related to the exercise of powers and authorities conferred by the declaration of a national emergency in Executive Order No. 12808 and to expanded sanctions against the Federal Republic of Yugoslavia (Serbia and Montenegro) (the "FRY (S/M)") contained in Executive Order No. 12810 of June 5, 1992 (57 *FR* 24347, June 9, 1992), Executive Order No. 12831 of January 15, 1993 (58 *FR* 5253, January 21, 1993), and Executive Order No. 12846 of April 26, 1993 (58 *FR* 25771, April 27, 1993).

1. Executive Order No. 12808 blocked all property and interests in property of the Governments of Serbia and Montenegro, or held in the name of the former Government of the Socialist Federal Republic of Yugoslavia or the Government of the Federal Republic of Yugoslavia, then or thereafter located in the United States or within the possession or control of U.S. persons, including their overseas branches.

Subsequently, Executive Order No. 12810 expanded U.S. actions to implement in the United States the U.N. sanctions against the FRY (S/M) adopted in United Nations Security Council Resolution No. 757 of May 30, 1992. In addition to reaffirming the blocking of FRY (S/M) Government property, this order prohibits transactions with respect to the FRY (S/M) involving imports, exports, dealing in FRY-origin property, air and sea transportation, contract performance, funds transfers, activity promoting importation or exportation or dealings in property, and official sports, scientific, technical, or cultural representation of the FRY (S/M) in the United States.

Executive Order No. 12810 exempted from trade restrictions (1) transshipments through the FRY (S/M), and (2) activities related to the United Nations Protection Force ("UNPROFOR"), the Conference on Yugoslavia, or the European Community Monitor Mission.

On January 15, 1993, President Bush issued Executive Order No. 12831 to implement new sanctions contained in United Nations Security Council Resolution No. 787 of November 16, 1992. The order revokes the exemption for transshipments through the FRY (S/M) contained in Executive Order No. 12810; prohibits transactions within the United States or by a U.S. person relating to FRY (S/M) vessels and vessels in which a majority or controlling interest is held by a person or entity in, or operating from, the FRY (S/M), and states that all such vessels shall be considered as vessels of the FRY (S/M), regardless of the flag under which they sail. Executive Order No. 12831 also delegates discretionary authority to the Secretary of the Treasury, in consultation with the Secretary of State, to prohibit trade and financial transactions involving any areas of the former Socialist Federal Republic of Yugoslavia as to which there is inadequate assurance that such transactions will not be diverted to the benefit of the FRY (S/M).

On April 26, 1993, I issued Executive Order No. 12846 to implement in the United States the sanctions adopted in United Nations Security Council Resolution No. 820 of April 17, 1993. That resolution called on the Bosnian Serbs to accept the Vance-Owen peace plan for Bosnia-Hercegovina and, if they failed to do so by April 26, called on member states to take additional measures to tighten the embargo against the FRY (S/M) and Serbian-controlled areas of Croatia and Bosnia-Hercegovina.

Effective 12:01 a.m. e.d.t., April 26, 1993, Executive Order No. 12846: (1) blocks all property and interests in property of businesses organized or located in the FRY (S/M), including the property of their U.S. and other foreign subsidiaries, that are in or later come within the United States or the possession or control of U.S. persons, including their overseas branches; (2) confirms the charging to the owners or operators of property blocked under this order or Executive Orders No. 12808, No. 12810, or No. 12831 all expenses incident to the blocking and maintenance of such property, requires that such expenses be satisfied from sources other than blocked funds, and permits such property to be sold and the proceeds (after payment of expenses) placed in a blocked account; (3) orders (a) the detention pending investigation of all nonblocked vessels, aircraft, freight vehicles, rolling stock, and cargo within the United States suspected of violating United Nations Security Council Resolutions No. 713, No. 757, No. 787, or No. 820, and (b) the blocking of such conveyances or cargo if a violation is determined to have been committed, and permits the liquidation of such blocked conveyances or cargo and the placing of the proceeds into a blocked account; (4) prohibits any vessel registered in the United States, or owned or controlled by U.S. persons, other than U.S. naval vessels, from entering the territorial waters of the FRY (S/M); and (5) prohibits U.S. persons from engaging in any transactions relating to the shipment of goods to, from, or through United Nations Protected Areas in the Republic of Croatia and areas in the Republic of Bosnia-Hercegovina under the control of Bosnian Serb forces.

Executive Order No. 12846 authorizes the Secretary of the Treasury in consultation with the Secretary of State to take such actions, and to employ all powers granted to me by the authorities cited above, as may be necessary to carry out the purposes of that order. The sanctions imposed in the order do not invalidate existing licenses or authorizations issued pursuant to Executive Orders No. 12808, No. 12810, or No. 12831 except as those licenses and authorizations may thereafter be terminated, suspended, or modified by the issuing Federal agencies, but otherwise the sanctions apply notwithstanding any preexisting contracts, international agreements, licenses, or authorizations.

2. The declaration of the national emergency on May 30, 1992, was made pursuant to the authority vested in the President by the Constitution and laws of the United States, including the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.)*, the National Emergencies Act (50 U.S.C. 1601 *et seq.*), and section 301 of title 3 of the United States Code. The emergency declaration was reported to the Congress on May 30, 1992, pursuant to section 204(b) of the International Emergency Economic Powers Act (50 U.S.C. 1703(b)). The additional sanctions set forth in Executive Orders No. 12810, No. 12831, and No. 12846 were imposed pursuant to the authority vested in the President by the Constitution and laws of the United States, including the statutes cited above, section 1114 of the Federal Aviation Act of 1958, as amended (49 U.S.C. App. 1514), and section 5 of the United Nations Participation Act of 1945, as amended (22 U.S.C. 287c).

3. Since the last report, the Office of Foreign Assets Control of the Department of the Treasury ("FAC"), in consultation with the Department of State and other Federal agencies, issued the Federal Republic of Yugoslavia (Serbia and Montenegro) Sanctions Regulations, 31 C.F.R. Part 585 (58 *FR* 13199, March 10, 1993—the "Regulations"), to implement the prohibitions contained

in Executive Orders No. 12808, No. 12810, and No. 12831. A copy of the Regulations is enclosed with this report. The seven general licenses discussed in the last report were incorporated into the Regulations. The Regulations contain general licenses for certain transactions incident to: the receipt or transmission of mail and informational materials and for telecommunications transmissions between the United States and the FRY (S/M); the importation and exportation of diplomatic pouches; certain transfers of funds or other financial or economic resources for the benefit of individuals located in the FRY (S/M); the importation and exportation of household and personal effects of persons arriving from or departing to the FRY (S/M); transactions related to nonbusiness travel by U.S. persons to, from, and within the FRY (S/M); and transactions involving secondary-market trading in debt obligations originally incurred by banks organized in Slovenia, Croatia, Bosnia-Hercegovina, and Macedonia.

On January 15, 1993, FAC issued General Notice No. 2, entitled "Notification of Status of Yugoslav Entities." A copy of the notice is attached. The list is composed of government, financial, and commercial entities organized in Serbia or Montenegro and a number of foreign subsidiaries of such entities. The list is illustrative of entities covered by FAC's presumption, stated in the nctice, that all entities organized or located in Serbia or Montenegro, as well as their foreign branches and subsidiaries, are controlled by the Government of the FRY (S/M) and thus subject to the blocking provisions of the Executive orders. General Notice No. 2, which includes more than 400 entities, expands and incorporates the list of 284 entities identified in General Notice No. 1 (57 *FR* 32051, July 20, 1992), noted in the previous report.

As part of a U.S.-led allied effort to tighten economic sanctions against Yugoslavia, on March 11, 1993, FAC named 25 maritime firms and 55 ships controlled by these firms as "Specially Designated Nationals" ("SDNs") of Yugoslavia. A copy of General Notice No. 3 is attached. These shipping firms and the vessels they own, manage, or operate by using foreign front companies, changing vessel names, and reflagging ships, are presumed to be owned or controlled by or to be acting on behalf of the Government of the FRY (S/M). In addition, pursuant to Executive Order No. 12846, the property within U.S. jurisdiction of these firms is blocked as direct or indirect property interests of firms organized or located in the FRY (S/M).

The FRY (S/M) has continued to operate its maritime fleet and trade in violation of the international economic sanctions mandated by United Nations Security Council Resolutions No. 757 and No. 787. Operations and activities by Yugoslav front companies, or SDNs, enable the Government of the FRY (S/M) to circumvent the international trade embargo. The effect of FAC's SDN designation is to identify agents and property of the Government of the FRY (S/M), and property of entities organized or located in the FRY (S/M), and thus to extend the applicability of the regulatory prohibitions governing transactions with the Government of the FRY (S/M) and its nationals by U.S. persons to these designated individuals and entities wherever located, irrespective of nationality or registration. U.S. persons are prohibited from engaging in any transaction involving property in which an SDN has an interest, which includes all financial and trade transactions. All SDN property within the jurisdiction of the United States (including financial assets in U.S. bank branches overseas) is blocked.

The two court cases in which the blocking authority was challenged as applied to FRY (S/M) subsidiaries and vessels in the United States remain pending at this time. In one case, the plaintiffs have challenged the application of Executive Order No. 12846, and the challenge remains to be resolved. The other case is presently pending before a U.S. Court of Appeals.

4. Over the past 6 months, the Departments of State and the Treasury have worked closely with European Community (the "EC") member states and other U.N. member nations to coordinate implementation of the sanctions against the FRY (S/M). This has included visits by assessment teams formed under the auspices of the United States, the EC, and the Conference for Security and Cooperation in Europe (the "CSCE") to states bordering on Serbia and Montenegro; deployment of CSCE sanctions assistance missions ("SAMS") to Albania, Bulgaria, Croatia, the Former Yugoslav Republic of Macedonia, Hungary, Romania, and Ukraine to assist in monitoring land and Danube River traffic; bilateral contacts between the United States and other countries with the purpose of tightening financial and trade restrictions on the FRY (S/M); and establishment of a mechanism to coordinate enforcement efforts and to exchange technical information.

5. In accordance with licensing policy and the Regulations, FAC has exercised its authority to license certain specific transactions with respect to the FRY (S/M) that are consistent with the Security Council sanctions. During the reporting period, FAC has issued 163 specific licenses regarding transactions pertaining to the FRY (S/M) or assets it owns or controls, bringing the total as of April 30, 1993, to 426. Specific licenses have been issued for (1) payment to U.S. or third-country secured creditors, under certain narrowly defined circumstances, for pre-embargo import and export transactions; (2) for legal representation or advice to the Government of the FRY (S/M) or FRY (S/M)-controlled clients; (3) for restricted and closely monitored operations by subsidiaries of FRY (S/M)-controlled firms located in the United States; (4) for limited FRY (S/M) diplomatic representation in Washington and New York; (5) for patent, trademark and copyright protection, and maintenance transactions in the FRY (S/M) not involving payment to the FRY (S/M) Government; (6) for certain communications, news media, and travel-related transactions; (7) for the payment of crews' wages and vessel maintenance of FRY (S/M)-controlled ships blocked in the United States; (8) for the removal from the FRY (S/M) of manufactured property owned and controlled by U.S. entities; and (9) to assist the United Nations in its relief operations and the activities of the U.N. Protection Force. Pursuant to United Nations Security Council Resolutions No. 757 and No. 760, specific licenses have also been issued to authorize exportation of food, medicine, and supplies intended for humanitarian purposes in the FRY (S/M).

During the past 6 months, FAC has continued to closely monitor 15 U.S. subsidiaries of entities organized in the FRY (S/M) that were blocked as entities owned or controlled by the Government of the FRY (S/M). Treasury agents performed on-site audits and reviewed numerous reports submitted by the blocked subsidiaries. Subsequent to the issuance of Executive Order No. 12846, operating licenses issued for U.S.-located Serbian or Montenegrin subsidiaries or joint ventures were revoked and the U.S. entities closed for business.

The Board of Governors of the Federal Reserve Board and the New York State Banking Department again worked closely with FAC with regard to two Serbian banking institutions in New York that were closed on June 1, 1992. Full-time bank examiners continue to be posted in their offices to ensure that banking records are appropriately safeguarded.

During the past 6 months, U.S. financial institutions have continued to block funds transfers in which there is an interest of the Government of the FRY (S/M). Such transfers have accounted for an additional $24.5 million in blocked Yugoslav assets since the issuance of Executive Order No. 12808.

To ensure compliance with the terms of the licenses that have been issued under the program, stringent reporting requirements are imposed. Some 350 submissions were reviewed since the last report, and more than 150 compliance cases are currently open. In addition, licensed bank accounts are regularly audited by FAC compliance personnel and by cooperating auditors from other regulatory agencies.

6. Since the issuance of Executive Order No. 12810, FAC has worked close-

ly with the U.S. Customs Service to ensure both that prohibited imports and exports (including those in which the Government of the FRY (S/M) has an interest) are identified and interdicted, and that permitted imports and exports move to their intended destination without undue delay. Violations and suspected violations of the embargo are being investigated, and appropriate enforcement actions are being taken. There are currently 39 cases under active investigation.

7. The expenses incurred by the Federal Government in the 6-month period from December 1, 1992, through May 30, 1993, that are directly attributable to the authorities conferred by the declaration of a national emergency with respect to the FRY (S/M) are estimated at $2.9 million, most of which represent wage and salary costs for Federal personnel. Personnel costs were largely centered in the Department of the Treasury (particularly in FAC and its Chief Counsel's Office and the U.S. Customs Service), the Department of State, the National Security Council, the U.S. Coast Guard, and the Department of Commerce.

8. The actions and policies of the Government of the FRY (S/M), in its involvement in and support for groups attempting to seize and hold territory in Croatia and Bosnia-Hercegovina by force and violence, continue to pose an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States. The United States remains committed to a multilateral resolution of this crisis through its actions implementing the binding resolutions of the United Nations Security Council with respect to the FRY (S/M). I shall continue to exercise the powers at my disposal to apply economic sanctions against the FRY (S/M) as long as these measures are appropriate, and will continue to report periodically to the Congress on significant developments pursuant to 50 U.S.C. 1703(c).

WILLIAM J. CLINTON.

THE WHITE HOUSE, *May 25, 1993*.

MESSAGE FROM THE HOUSE

At 11:22 a.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that pursuant to the provisions of section 324(b)(6) of Public Law 102–392, the Speaker appoints Mr. FAZIO to the Commission on the Bicentennial of the United States Capitol on the part of the House.

At 2:55 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 588. An Act to designate the facility of the U.S. Postal Service located at 20 South Main in Beaver, UT, as the "Abe Murdock United States Post Office Building."

H.R. 996. An Act to amend title 38, United States Code, to establish a veterans education certification and outreach program.

H.R. 1723. An Act to authorize the establishment of a program under which employees of the Central Intelligence Agency may be offered separation pay to separate from service voluntarily to avoid or minimize the need for involuntary separations due to downsizing, reorganization, transfer of function, or other similar action, and for other purposes.

H.R. 1779. An Act to designate the facility of the U.S. Postal Service located at 401 South Washington Street in Chillicothe, MO, as the "Jerry L. Litton United States Post Office Building."

The message also announced that the House has agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1) to amend the Public Health Service Act to revise and extend the programs of the National Institutes of Health, and for other purposes.

MEASURES REFERRED

The following measures were read the first and second times by unanimous consent, and referred as indicated:

H.R. 588. An act to designate the facility of the U.S. Postal Service located at 20 South Maine in Beaver, UT, as the "Abe Murdock United States Post Office Building"; to the Committee on Governmental Affairs.

H.R. 996. An act to amend title 38, United States Code, to establish a veterans education certification and outreach program; to the Committee on Veterans' Affairs.

H.R. 1779. An act to designate the facility of the U.S. Postal Service located at 401 South Washington Street in Chillicothe, MO, as the "Jerry L. Litton United States Post Office Building"; to the Committee on Governmental Affairs.

MEASURE PLACED ON THE CALENDAR

The following bill was read the first and second times by unanimous consent, and placed on the calendar:

H.R. 1723. An act to authorize the establishment of a program under which employees of the Central Intelligence Agency may be offered separation pay to separate from service voluntarily to avoid or minimize the need for involuntary separations due to downsizing, reorganization, transfer of function, or other similar action, and for other purposes.

The Committee on the Judiciary was discharged from further consideration of the following bill; which was placed on the calendar:

H.R. 1313. An act to amend the National Cooperative Research Act of 1984 with respect to joint ventures entered into for the purpose of producing a product, process, or service.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–849. A communication from the Secretary of Agriculture, transmitting, pursuant to law, a report on foreign ownership of U.S. agricultural land for calendar year 1992; to the Committee on Agriculture, Nutrition and Forestry.

EC–850. A communication from the Assistant Legal Adviser (Treaty Affairs), United States Department of State, transmitting, pursuant to law, the texts of international agreements and background statements; to the Committee on Foreign Relations.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. HOLLINGS, from the Committee on Commerce, Science, and Technology:

Kathryn D. Sullivan, of Texas, to be Chief Scientist of the National Oceanic and Atmospheric Administration;

Mortimer L. Downey, of New York, to be Deputy Secretary of Transportation;

Douglas Kent Hall, of Kentucky, to be Assistant Secretary of Commerce for Oceans and Atmosphere;

Stephen H. Kaplan, of Colorado, to be general counsel of the Department of Transportation;

Arati Prabhakar, of Texas, to be Director of the National Institute of Standards and Technology;

D. James Baker, of the District of Columbia, to be Under Secretary of Commerce for Oceans and Atmosphere;

Clarence L. Irving, Jr., of New York, to be Assistant Secretary of Commerce for Communications and Information; and

Michael P. Huerta, of California, to be Associate Deputy Secretary of Transportation.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

The following officers of the U.S. Coast Guard for appointment to the grade of rear admiral:

Kent H. Williams.
James M. Loy.
John L. Linnon, Jr.

The following officers of the U.S. Coast Guard for appointment to the grade of rear admiral (lower half):

Howard B. Gehring.
Gordon G. Piche.
Paul M. Blayney.
John E. Shkor.
Paul E. Busick.

Mr. HOLLINGS. Mr. President, for the Committee on Commerce, Science, and Transportation, I also report favorably four nomination lists in the Coast Guard, which were printed in full in the CONGRESSIONAL RECORDS of February 16 and 25, 1993, and April 2 and 21, 1993, and ask unanimous consent, to save the expense of reprinting on the Executive Calendar, that these nominations lie at the Secretary's desk for the information of Senators.

The PRESIDING OFFICER. There being no objection, it is so ordered.

By Mr. BAUCUS, from the Committee on Environment and Public Works:

George T. Frampton, Jr., of the District of Columbia, to be Assistant Secretary for Fish and Wildlife;

Rodney E. Slater, of Arkansas, to be Administrator of the Federal Highway Administration;

Steven Alan Herman, of New York, to be an Assistant Administrator of the Environmental Protection Agency; and

David Gardiner, of Virginia, to be an Assistant Administrator of the Environmental Protection Agency.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. DORGAN:

S. 1015. A bill to establish a 2-year moratorium on construction and leasing of space by the Federal Government, and for other purposes; to the Committee on Environment and Public Works.

By Mr. COHEN:

S. 1016. A bill to recognize grandparents who serve as the primary caregivers to their grandchildren and to provide assistance to such grandparents under certain programs; to the Committee on Finance.

By Mr. PRESSLER:

S. 1017. A bill to withhold all United States funds from the United Nations unless the United Nations carries out certain administrative and budgetary reforms; to the Committee on Foreign Relations.

By Mr. PRESSLER:

S. 1018. A bill to amend the War Powers Resolution to require a cost assessment with respect to certain commitments of United States Armed Forces abroad; to the Committee on Foreign Relations.

By Mr. PRESSLER:

S. 1019. A bill to require prior notification of the Congress of anticipated commitments of United States funds to United Nations peacekeeping activities in excess of available appropriations; to the Committee on Foreign Relations.

By Mr. WOFFORD (for himself, Mr. KENNEDY, and Mr. KERRY):

S. 1020. A bill to promote economic growth and job creation in the United States by facilitating worker involvement in the development and implementation of advanced workplace technologies and advanced workplace practices and by identifying and disseminating information on best workplace practices; to the Committee on Labor and Human Resources.

By Mr. INOUYE (for himself, Mr. BAUCUS, Mr. CAMPBELL, Mr. FEINGOLD, Mr. HATFIELD, Mr. PELL, and Mr. WELLSTONE):

S. 1021. A bill to assure religious freedom to Native Americans; to the Committee on Indian Affairs.

By Mr. BRADLEY (for himself and Mr. LAUTENBERG):

S. 1022. A bill to prohibit the Secretary of the Interior from issuing oil and gas leases for waters off the coast of the State of New Jersey until the year 2000, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. LAUTENBERG (for himself and Mr. BRADLEY):

S. 1023. A bill to provide that no funds may be expended in fiscal year 1994 by the Department of the Interior for the conduct of preleasing and leasing activities in the Atlantic for Outer Continental Shelf Lease Sale 164 in the April 1992 proposal for the Outer Continental Shelf Natural Gas and Oil Resource Management Comprehensive Program, 1992–1997; to the Committee on Energy and Natural Resources.

By Mr. BRADLEY:

S. 1024. A bill to establish a demonstration program to develop new techniques to prevent coastal erosion and preserve shorelines; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. CONRAD (for himself, Mr. BAUCUS, Mr. HARKIN, and Mr. FORD):

S. 1025. A bill to promote technology transfer to small manufacturers by providing for engineering students to work as interns with small manufacturers, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. PACKWOOD (for himself and Mr. HATFIELD):

S.J. Res. 97. A joint resolution to commemorate the sesquicentennial of the Oregon Trail; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DORGAN:

S. 1015. A bill to establish a 2-year moratorium on construction and leasing of space by the Federal Government, and for other purposes; to the Committee on Environment and Public Works.

FEDERAL BUILDING MORATORIUM ACT OF 1993

Mr. DORGAN. Mr. President, the General Services Administration has recently released its prospectus for 1994. For the coming year, the Public Buildings Service estimates that the GSA will spend $900 million on new construction and $2.1 billion on leases. Overall, the GSA will spend a total of $5.1 billion on Government buildings in 1994. This is an increase of $600 million over last year, with most of the increases occurring in leasing and construction. Even worse, the GSA estimates that Federal construction projects worth over $11 billion are currently underway.

As the Senate considers this huge expenditure being financed by the American taxpayer, I ask my colleagues to keep in mind three very important points: First and fundamentally, this country has a budget deficit of over $380 billion. Second, the Federal Government already owns 400,000 buildings and there is an immense amount of unused space in the Federal inventory which will continue to grow as military bases close. Third, the Clinton administration has pledged to cut the Federal work force by 10 percent. Therefore the Government will need less space rather than more. Mr. President, let us consider these three factors the way any American family or small business planning for its future would consider them. It does not take an accountant to realize that we must put a stop to this prolific and expensive building spree, and instead begin to utilize the buildings we already have.

The legislation I am offering today will put the brakes on these ambitious building plans. I propose we set a 2-year moratorium on all new Federal construction and leasing. The moratorium will force the Federal Government to take stock of its priorities, fully utilize space currently owned and most importantly, help reduce the national deficit.

This building moratorium will force the GSA—indeed the entire Federal Government—to take stock of its current holdings and treat them in a more efficient manner. This chart shows the rise in Federal office space compared to the number of Federal workers over the past 15 years. As you can see, the Government employment rate has stayed fairly stable, while the amount of office space has continued to grow. This makes no sense. If the GSA were a private distribution, supply, and construction company, it would rank in the top 50 of the Fortune 500—and would have gone bankrupt long ago. Because of its relationship with other Government agencies, the GSA has little motivation to treat its transactions in an efficient and businesslike manner. For example, there is no financial incentive for Federal agencies to report excess property to the GSA. Therefore, the Government tends to hold onto and mothball old buildings, while continuing to build and rent new ones. Many Government properties could be recycled to more economic uses, exchanged for needed property, or sold to the private sector. This building moratorium will force Federal agencies to strategically manage and dispose of real assets in a businesslike manner, and maximize their return to the investor: the U.S. taxpayer.

The overwhelming share of Federal buildings being constructed by the GSA today is Federal courthouses. The GSA estimates court projects worth over $1 billion are currently authorized or underway. If the GSA and the Administrative Office of the U.S. Courts have their way, this trend will continue for many years. Out of the 16 buildings submitted by the GSA for prospectus consideration for next year, 11 are U.S. courts. And the Administrative Office of the U.S. Courts claims that at least $750 million a year—for the next 10 years—will be needed for Federal courthouse construction.

Considering that we are dramatically cutting Federal expenses in all areas, I think we must look into why the courts are advocating such large expansion plans. This chart illustrates the growth in Federal courthouse construction as compared to the number of civil and criminal filings in Federal district courts. As you can see, there has been a dramatic expansion of courthouse space, even though civil and criminal filings have remained fairly constant. And according to the GSA's prospectus for this year, the disparity between courthouse construction and the Federal caseload will continue to grow. Those 11 courthouses the GSA plans to construct will cost over $580 million in 1994, which is 78 percent of GSA's $746 million construction program for this year. And of course the total construction costs for these 11 courthouses will be much higher. In fact the total construction costs will be around $1.5 billion.

Federal courthouses are about the most expensive buildings that can be constructed. In 1990 the average cost to build accommodations for a single district court judge, in an already existing building which required no major structural changes, was approximately $800,000. Courthouses are designed to suggest the importance of law and the court system, and that importance is expensive to convey. However, it is interesting to note that the Administrative Office of the U.S. Courts estimates that Federal courthouses cost $45 to $50 a square foot more than State courthouses. This is the type of excessive costs—which we cannot afford—that contributes to the need for a Federal building moratorium.

Let us examine some of the reasons given by the Federal courts for why they are growing so expansively, as well as expensively, while our Nation is trying to climb out of its most serious economic difficulties since the Great Depression.

One reason the Federal courts give for this expansion is that the federalization of crimes has put a huge new burden on the Federal courts. Well, let us look at the facts, as provided by the Administrative Office of the U.S. Courts. In 1972, the total number of criminal defendants was around 53,000. In 1982 the number of criminal defendants had actually decreased to 40,466. By 1992, the number had risen to 58,373. Thus the number was clearly fluctuated. However, it is important to note that in all years, most Federal defendants have their cases terminated prior to trial. In 1982, 26,355 of the 40,466 cases were terminated by guilty pleas, 1,037 were resolved by nolo pleas, and 7,051 were dismissed. In 1992, 42,339 of the 58,373 cases were terminated through guilty pleas, 530 were terminated by nolo pleas, and 8,328 were dismissed by the court. Thus, in 1982 there were only 6,023 defendants who were actually tried and found to be either innocent or guilty by a Federal court. In 1992, the number of defendants actually convicted or found innocent in Federal court had grown to 7,176. Thus, while the number of criminal trials has grown, I do not believe the addition of 1,153 criminal trials to the Federal court system justifies this huge growth in new Federal courthouses.

Of course, the Federal courts have traditionally handled many more civil cases than criminal cases. However, as with criminal cases, the number of Federal civil cases has not dramatically increased. In fact, the civil caseload for Federal courts had actually been declining for 4 years before rising slightly this past year. And much of this year's increase was the result of the Government's renewed efforts to recover on defaulted student loans and veterans benefits. Clearly then, trends in civil litigation are not the reason why this ambitious Federal court building program is warranted.

Finally, bankruptcy filings have supposedly caused the Federal courts to need much more space. It is true that these filings have grown at an enormous rate over the past 12 years. Last year, the number of bankruptcies rose 11 percent, reaching almost 1 million. However, most of these increases were in personal bankruptcies. In fact, more than 900,000 of these cases were personal bankruptcies. These cases are hardly similar to the huge litigation morass which occurs when a major company files for Federal protection. Personal bankruptcies do not allow court approved workouts. Rather they simply entail distribution of the debtor's nonexempt assets by a bankruptcy trustee or administrator. It is also important to note that the growth in bankruptcy filings has eased. During the last three quarters of 1992 the national increase was less than 3 percent, the smallest increase in more than 8 years. According to the Administrative Office of the U.S. Courts, the decline is likely to continue.

Finally, to put the Federal court caseload into perspective, I think it is important to consider what their State counterparts are faced with. In U.S. district courts, the average number of criminal filings per judge is 70. In State courts, the number is 405. The number of civil filings per U.S. district judge is 320. In State courts, the number per judge is 986.

Mr. President, for anyone who wants to see what these figures mean in reality, I suggest they walk five blocks down Pennsylvania Avenue, west of the Capitol. Located on either side of John Marshall Plaza, are the U.S. Courthouse, and the District of Columbia Superior Courthouse. If you walk into superior court on any given day, you will see it virtually packed with litigants and defendants involved in every conceivable legal issue from murder to civil real estate suits. On the other hand, if you walk to the other side of John Marshall Plaza and enter the Federal courthouse, you will see only vast empty hallways, silent as a tomb.

I am not saying that the Federal courts should be treated the same as State courts. I realize their constitutional role is different and their jurisdiction far more limited. I simply believe it is only fair for the judiciary to share the burden of reducing the budget deficit with the legislative and executive branches. It is also important to note that for the crime bill, habeas corpus reform, and the violence against women bill, the judiciary opposed increased involvement by article III courts. Yet the Federal courts claim 78 percent of new Federal office construction.

Actually, the Federal courts have already begun to feel the effects of the national budget deficit in many areas. From funding shortfalls for juror payments, to delaying modernization of computer systems, the courts have been forced to cut back. The time has come for the courts to realize that the budget deficit also affects their ambitious building plans.

As well as prohibiting the construction of buildings, the building moratorium will preclude the Government from entering into new leases for Federal space. Many argue that with the current glut of space available on the market today, the Government could lease its space requirements at very competitive rates. It is important to note that the proportion of federally leased space to federally owned space has exploded over the past two decades. Costs associated with leasing soared from $389 million in 1975 to $1.5 billion in 1991. This year, the GSA will spend $1.9 billion on leases, and next year the projected rent payment will rise to $2.1 billion. Therefore, it is also argued that leasing space is an enormous expense, for which the Government gains no equity. However, I believe the build/lease debate obscures the fundamental issue which we must face: The Federal Government is spending too much money on its building and leasing programs, in the face of a huge deficit and shrinking work force.

The building moratorium will force the Government to operate in a more businesslike manner. Nevertheless, there are fundamental priorities which cannot be shirked by the National Government. The most basic of these is education. While we must curtail the building of space for our shrinking Federal work force, the same is not true for educating our Nation's young people. The purpose of the moratorium is to help restore this county's economic health for future generations. It would be oxymoronic to this goal to restore our fiscal health while neglecting the educational needs of our children. Therefore, the moratorium will not apply to new buildings that will be used to educate our Nation's students. Also, if a situation develops which is more important than reducing the Federal deficit, this legislation allows the

President to waive the moratorium's requirements. Such reasons include national security issues, essential national priorities, and national emergencies.

Recently, Senator COHEN from Maine introduced an amendment to the RTC funding bill, which would require the GSA to become more efficient in constructing and leasing buildings. I believe this is a good idea, and I support the amendment. But it is only the tip of the iceberg. Because the Government continues to build and lease regardless of the huge Federal deficit, the large amounts of unused space, and the reductions in the Federal work force, I believe a complete building moratorium must be imposed.

There are those who consider a 2-year building moratorium to be draconian, to be simplistic, and to be out of touch with the realities of a changing Federal work force. To an extent these complaints may be true. I have no doubt that there are many meritorious projects being planned. However, I believe we need this moratorium because of one overriding fact: This country has a huge Federal deficit which is threatening our future and our children's future, and the Federal building program—currently estimated at over $11 billion—has ignored the reality of that deficit for far too long. The Federal Government must understand what any household would have realized long ago: Our very high debt burden requires that we abandon—at least temporarily—our ambitious new building programs, and concentrate on what we already have.

By Mr. COHEN:

S. 1016. A bill to recognize grandparents who serve as the primary caregivers to their grandchildren and to provide assistance to such grandparents under certain programs; to the Committee on Finance.

GRANDPARENTS RAISING GRANDCHILDREN ACT OF 1993

Mr. COHEN. Mr. President, today I am pleased to offer the Grandparents Raising Grandchildren Act of 1993. This legislation recognizes the valuable contributions that millions of grandparents are making to keep the fabric of the American family together.

The legislation I am introducing today grew out of hearings held by the Senate Special Committee on Aging. Those hearings vividly illustrated that grandparents are being thrust into parenthood a second time around due to a variety of social ills this country is facing.

Drug and alcohol addiction, sexual and physical abuse, murder, crime, divorce, teenage pregnancy, and AIDS—these epidemics in our communities are crippling the American family and are forcing grandparents to pick up the pieces and raise a second generation. They are stepping forward to raise their grandchildren in order to keep their families together and to prevent the children from being thrust into the foster care system.

The grandparents we are focusing on today are not only faced with the financial demands of raising a second generation, but also are challenged by parenthood in ways inconceivable to many of us.

These grandparents must cope with the needs of drug-exposed infants, or children who bear the scars of physical or emotional abuse. At the hearing, for example, we heard the tragic account of a couple desperately seeking custody of their grandchildren who had witnessed the murder of their mother and aunt by their father.

The department of social services are unwilling to recognize these children's grandparents as appropriate caregivers and took this family on a 4-year journey of separation, accusations, and court battles. Because of the persistence and dedication of their grandparents, these children now reside in a loving, safe home and are receiving therapy to overcome the horror of their early childhood. The fact that it took 4 years of resources to finally place these children with their own family who wanted to care for them in the first place highlights how our Nation's child services system is either paralyzed of prejudice when it comes to recognizing the role of relatives as caregivers.

At times, these grandparents who step forth must juggle their own jobs with the responsibilities of parenting and child care. Older grandparents may have to cash in retirement savings and ignore their own health needs in order to provide for the children. In addition, some of these grandparents are caregivers for as many as four generations, as they balance responsibilities for their spouses, their children, their grandchildren, and even their own aging parents.

In testimony last year before the Special Committee on Aging, it was clear that many of the problems arise simply because Federal programs, State programs, and the private sector do not adequately recognize these grandparents as primary caregivers.

For example, many grandparents who cannot afford to take the expensive, permanent step of adoption, cannot obtain health insurance coverage for their grandchildren, and must struggle to obtain information on services available to them. Further, many grandchildren do not qualify for the same Social Security benefits to which stepchildren and other dependent children are entitled.

Mary Shaheen from Yarmouth, ME, provided another example when she testified that providing care for her grandson Nate has been a battle every step of the way. Even though she and her husband had raised Nate virtually his whole life, his enrollment in elementary school was denied since they were not his natural parents. Mrs. Shaheen had to spend thousands of dollars in legal fees to achieve guardianship of Nate so that he would be able to attend school. In addition, Mrs. Shaheen had to fight nonstop to finally get her company to provide health coverage for Nate. Most grandparents are not so successful in getting this coverage.

In addition to raising Nate, Mrs. Shaheen has sole caregiving responsibility for her 86-year-old aunt. In order to make ends meet, Mary Shaheen works two jobs and juggles her responsibilities. While this is not the way she envisioned her retirement years, Mrs. Shaheen insists that she would have never considered giving Nate up.

The legislation I am introducing today, seeks to ease the bureaucratic barriers faced by these grandparents. This legislation would allow eligible grandchildren to qualify for certain Social Security benefits, establish a model definition of dependency for health insurance coverage of grandchildren, and establish a National Grandparent Resource Center to act as an information clearinghouse to give information to grandparents on how to get help on legal matters as well as identify local support groups that can assist them.

This bill would also require the development of a model kin-notification provision for States to adopt when a child has been abandoned. Many grandparents are often unaware that their grandchildren have been turned over to the State, only to later find that it is too late to intervene on behalf of the grandchild. The model law I am proposing would establish a procedure that States could adopt that would require the State to make a reasonable attempt to notify the child's next to kin that the child has been abandoned by the natural parent.

Finally, this legislation would require the Census Bureau to collect statistically significant data on these skipped generation families, so that we will have a clearer sense of how many children are being raised by their grandparents.

We cannot afford to overlook this trend in the family structure. Many States have already begun to establish elaborate kinship care programs that recognize the important contributions of these grandparents in salvaging the family unit. Not only do these programs help the grandparents and children involved, but they are helping the system as well: The role that grandparents are playing in their grandchildren's lives is saving an already overburdened foster care program from collapse.

Mr. President, the pressure to reduce our massive Federal deficit pits group against group for scarce social services. A grave consequence of this tension is to create intergenerational warfare, where many view senior citizens claiming portions of the budget at the expense of children, and vice versa.

This divisive attitude will ultimately work to the determent of both generations. Rather, we must seek ways to fashion policies that will mutually benefit, not divide, the old and the young of our Nation.

By correcting flaws in current laws and regulations in order to recognize grandparents as primary caregivers, we are helping both generations and strengthening the ties of the American family. I urge my colleagues to support this legislation.

By Mr. PRESSLER:

S. 1017. A bill to withhold all U.S. funds from the United Nations unless the United Nations carries out certain administrative and budgetary reforms; to the Committee on Foreign Relations.

S. 1018. A bill to amend the War Powers Resolution to require a cost assessment with respect to certain commitments of U.S. Armed Forces abroad; to the Committee on Foreign Relations.

S. 1019. A bill to require prior notification of the Congress of anticipated commitments of U.S. funds to U.N. peacekeeping activities in excess of available appropriations; to the Committee on Foreign Relations.

UNITED NATIONS REFORM LEGISLATION

Mr. PRESSLER. Mr. President, as a member of the U.S. Commission on Improving the Effectiveness of the United Nations, I met last week with several top U.N. officials including U.S. Ambassador Madeleine Albright, U.N. Secretary-General Boutros Boutros-Ghali, former U.N. Under Secretary-General for Management Dick Thornburgh, and others. In a series of meetings with these officials, the members of the Commission discussed the effectiveness of the international organization with respect to peacekeeping and peacemaking; global development; human rights protection; and budgetary management and reform. In September of this year, the Commission will report to Congress and the president with recommendations for U.N. reform.

U.N. reform is at the top of my agenda. Having served twice as a congressional delegate to the United Nations, I am all too familiar with the rampant waste, fraud, and abuse that have been characteristic of U.N. management. I am tired to hearing U.N. officials give lip service to reform while continuing to let fraudulent activities go unpunished. Secretary-General Boutros-Ghali has been unable or unwilling to take necessary corrective measures to end the fraudulent activities.

There are difficult tasks ahead for the United Nations and its member nations. From Somalia to Cambodia, U.N. personnel face difficult challenges. The human and material resources of the U.N. are being stretched to the limit. The efficacy of the U.N. system in maintaining world peace will depend largely on the commitment of the United Nations Under Secretary-General for Management. Former U.S. Attorney General Richard Thornburgh most recently served in this position. During his tenure, Mr. Thornburgh made U.N. reform a high priority. If reform is to continue within the U.N., it is imperative that a U.S. citizen who shares Mr. Thornburgh's commitment to reform be made an independent and permanent inspector general.

Mr. Thornburgh was among the officials who met with the Commissioners last week. He explained that rampant mismanagement and abuse continue to pervade the bureaucratic ranks of the United Nations. Mr. Thornburgh spoke of Mr. Boutros-Ghali's and others' unwillingness to examine fully his recent report on wasteful U.N. budget practices. Mr. Thornburgh claims that many top U.N. officials refused to even read his reform report. That is outrageous.

The United States has been the most consistent advocate for major U.N. reforms. Opposition to reform within the United Nations is very strong. During the Senate Foreign Relations Committee confirmation hearing for Madeleine Albright, I raised the issue of U.N. reform. According to her:

> Ultimately, the real drive for reform in any organization has to come from the top leadership. Of course, as the largest contributor, the United States has a significant interest in ensuring that the necessary U.N. reforms are achieved. We should, and do, use our influence toward this end.

While I agree wholeheartedly with Ambassador Albright's statement, the reform process has yet to begin.

I have witnessed abusive practices firsthand. It seems to me that fraud at the United Nations has become the rule—not the exception. When will the United Nations finally take corrective actions? If mismanagement continues, the efficiency and effectiveness of the United Nations will be further undermined.

Mr. President, I ask unanimous consent that the conclusion of Dick Thornburgh's report to U.N. Secretary-General Boutros-Ghali, the conclusion of the Paul Volcker and Shijuro Ogata report on U.N. financing, and a list of the participants at the meeting of members of the U.S. Commission on Improving the Effectiveness of the United Nations be printed in the RECORD immediately following my remarks.

It is no secret the United States pays the lion's share of the U.N. budget. With all of the resources the United States provides, our Nation deserves to play a leading role in the management of those resources. Why should the United States foot such a high percentage of U.N. bills without assurances that our money is not being spent fraudulently? This is a question we in Congress can answer.

Mr. President, today I am introducing three pieces of legislation that, directly and indirectly, can answer many of our concerns and lead to permanent changes in U.N. management—changes that would ensure reform becomes a top priority at the United Nations.

The first two bills are designed to achieve greater accountability for American taxpayer dollars for U.N. activities. The first would require the American Ambassador to the United Nations to notify Congress of U.N. Security Council actions that would commit an amount of U.S. funds above what has been appropriated for the current fiscal year. Each year, Congress appropriates funds to the United Nations. In some cases, increased U.N. involvement requires the United States to pay more than what we appropriated. Our U.N. representative, through her vote on the U.N. Security Council, can commit the United States to contribute funds in excess of what Congress has appropriated. Under my legislation, she would have to notify Congress before making that commitment.

The second bill would require the President to provide a cost assessment for any U.N. peacekeeping activity involving U.S. troops within 60 days of the troop authorization. However, this bill is not restricted to U.N. peacekeeping activities. It applies across the board to any U.S. troop involvement. As my colleagues know, I have expressed concern regarding our military involvement in Somalia. I supported the humanitarian effort, but I was opposed to the United States assuming the lion's share of the cost. With U.N. resources overextended around the globe, increased pressure may be brought on the United States to commit troops to U.N.-sponsored activities. My legislation would require the President to submit a cost assessment for any force commitment 60 days after our forces are committed to any hostile or nonhostile situation as defined in the War Powers Act.

The third and final bill I am introducing today goes to the heart of U.N. reform. I have called on the United Nations to appoint an independent and permanent inspector general. Many others in Congress have made similar demands. In fact, as I stated earlier, the United States has been the most vocal advocate of tough U.N. reforms, starting with the appointment of an inspector general. It is time the United States matched words with deeds. My legislation would do just that. My bill would withhold virtually all U.S. voluntary contributions to the United Nations unless the President can certify annually to Congress that—

A permanent U.N. inspector general is in place;

U.N. budgetary audits are being performed and examined; and

Corrective measures are taken to ensure compliance with the audits.

Mr. President, the United Nations must continue to reform as the new world order dynamically evolves. To succeed in the face of limited resources, budgetary, and bureaucratic reforms within the United Nations are necessary. Continued U.S. influence and pressure will be necessary to make the United Nations productive, efficient, and successful. I urge my colleagues to join me in applying that influence and pressure.

Mr. President, I send these bills to the desk and I ask unanimous consent that they be printed in an appropriate place in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1017

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any provision of law or treaty, no United States funds shall be made available to the United Nations or any of its specialized agencies unless the President certifies to the Congress that—

(1)(A) the United Nations has established a permanent position of inspector general within its administrative staff;

(B) the United Nations inspector general has begun to carry out his duties; and

(2) the United Nations is conducting budgetary audits, reviewing those audits, and implementing corrective measures, if necessary.

S. 1018

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 4(b) of the War Powers Resolution (50 U.S.C. 1543(b)) is amended—

(1) by inserting "(1)" immediately after "(b)"; and

(2) by adding at the end the following new clause:

"(2) Within sixty calendar days after a report is submitted or is required to be submitted pursuant to section 4(a), the President shall submit to the Speaker of the House of Representatives and the President pro tempore of the Senate a report setting forth a cost assessment of the continued involvement of the United States Armed Forces in the circumstances necessitating their introduction.".

(b) The amendment made by subsection (a) shall apply with respect to introductions of United States Armed Forces occurring on or after the date of enactment of this Act.

S. 1019

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the United States Permanent Representative to the United Nations shall, wherever practicable, notify the Congress in advance of any meeting of the United Nations Security Council held to decide whether to call upon the member countries of the United Nations to participate in international peacekeeping activities, if participation by the United States in such activities would require an obligation of funds in excess of amounts made available to the United Nations for the fiscal year.

REPORT TO THE SECRETARY GENERAL OF THE UNITED NATIONS BY DICK THORNBURGH, MARCH 1, 1993.

CONCLUSION

Of course, the effort to improve the administration and management of the United Nations is not an end in itself. But it is critical to ensuring that the United Nations maximize the use of the resources entrusted to it by the Member States to promote the goals enumerated in the Charter. At a time when the United Nations is called upon to play an ever more active role throughout the world, many of the administrative and management practices of the past 45 years are wholly inadequate to meet the demands of the current era. If initiatives to change and modernize these practices are not forthcoming, this Organization simply will not have the ability to meet its new responsibilities.

The course of restructuring and reform upon which you have called the United Nations to embark is a difficult one. It is, by definition, a dynamic and never-ending process and must be amenable to re-thinking and amendment as conditions change. It is inherently untidy and incapable of being "packaged" as a complete and final product at any one stage of its development. It is also bound to be opposed by powerful interests which have a special stake in the status quo. The success of such a comprehensive undertaking will depend equally upon the exercise of the necessary political will by Member States and the ingenuity and persistence of you and your team in the Secretariat.

If all those truly interested in a better organized and better operating United Nations are supportive of the types of efforts outlined herein, I believe significant positive change will be possible. The opportunity to achieve such change has never been greater and I wish you, my successor and my former colleagues every success in the continued pursuit of excellence within the Organization.

FINANCING AN EFFECTIVE UNITED NATIONS: A REPORT OF THE INDEPENDENT ADVISORY GROUP ON U.N. FINANCING, SHIJURO OGATA AND PAUL VOLCKER, CO-CHAIRMEN

CONCLUSION AND SUMMARY OF RECOMMENDATIONS

The advisory group has tried to address the problem of the U.N.'s financing in a practical and realistic way. Our recommendations are intended to provide more consistent and reliable funding of U.N. activities in the interest of the U.N.'s effectiveness, and to facilitate the work of the Secretary-General. They are also intended to make it easier for governments to meet their financial obligations to the U.N.

We have been impressed in particular by the contrast between the demands placed on the United Nations and the smallness and precariousness of its financial base. Any great political institution has to develop with the times, and that development often causes growing pains. In the post-cold war era, the United Nations is being asked to develop very fast and to take on vital responsibilities of a kind, and on a scale, undreamed of in its earlier years.

Many of the tasks the U.N. is now undertaking are pioneering efforts in new fields. They will set precedents for vital activities in the future. It is essential that the world organization have the financial backing, as well as the administrative and operational capacity, to make these efforts successful and workable models for the difficult years to come.

The U.N. remains the only existing framework for building the institutions of a global society. While practicing all the requisite managerial rigor and financial economy, it must have the resources—a pittance by comparison with our society's expenditures on arms—to serve the great objectives that are set forth in its Charter. Surely the world is ready for, and urgently in need of, a more effective United Nations.

Recommendations

Regular U.N. Budget

The division of U.N. expenditures into three categories—with the regular budget financed by assessed contributions, peacekeeping financed by a separate assessment, and humanitarian and development activities financed largely by voluntary contributions, is appropriate.

The consensus procedure for approving the regular budget should be continued in future years.

All countries must pay their assessed U.N. dues on time and in full. Countries with past arrears should pay them as quickly as possible. This responsibility is particularly great for the large contributors.

The U.N. should require its member states to pay their dues in four quarterly installments, instead of in a single lump sum at the beginning of the year.

The U.N. should be given authority to charge interest on late payments under the new quarterly schedule. Interest payments should be deposited in the Working Capital Fund.

In order to meet their treaty obligations, countries that appropriate their U.N. contribution late in the year should appropriate their regular U.N. dues earlier than they do at present, if necessary phasing this change in over several years.

When a reliable means to pay its bills is established, the U.N. should stop borrowing funds from its peacekeeping accounts to cover regular budget expenditures.

The level of the Working Capital Fund should be raised from $100 million to $200 million. The difference should be financed by a one-time assessment of $100 million.

The U.N. should speed replenishment of its depleted reserves by crediting budgetary surpluses owed to those member states with arrears to the Working Capital Fund.

The U.N. should not be given authority to borrow.

The regular budget assessment scale should be based on a three- rather than ten-year average of member states' GDP.

Peacekeeping

The international community should be prepared to accept significantly increased peacekeeping costs in the next few years.

Because peacekeeping is an investment in security, governments should consider financing its future cost from their national defense budgets.

The U.N. should create a revolving reserve fund for peacekeeping set at $400 million, financed by three annual assessments.

The Advisory Group would support a regular appropriation for peacekeeping training, at a level the U.N. considers appropriate to enable its staff and military contingents provided by member states to deal with the increasingly complex duties they are assigned.

The U.N. might consider the merits of a unified peacekeeping budget, financed by a single annual assessment.

The Secretary-General should be permitted to obligate up to 20 percent of the estimated cost of a peacekeeping operation once it is approved by the Security Council.

All member states with above average per capita GNP, except for the permanent members of the Security Council, should be included in Group B for the purposes of the peacekeeping assessment, under which they would pay the same rate of assessment for peacekeeping that they pay for the regular budget. This change should be phased in over several years.

Other Issues

In the interest of greater coordination and administrative responsibility, all U.N. programs that are currently funded by voluntary contributions alone should have their administrative expenditures financed by assessed contributions.

Voluntarily funded agencies should seek a larger portion of their funding from multiyear, negotiated pledges.

Current proposals for additional, nongovernmental sources of financing the U.N. are neither practical nor desirable. For now, the system of assessed and voluntary contributions provides the most logical and appropriate means of financing the U.N., as it permits governments to maintain proper control over the U.N.'s budget and its agenda.

U.S. COMMISSION ON IMPROVING THE EFFECTIVENESS OF THE UNITED NATIONS

COMMISSIONERS ATTENDING, MAY 14, 1993

Amb. Charles M. Lichenstein—Co-Chair, Distinguished Fellow, The Heritage Foundation.

Gary E. MacDougal—Co-Treasurer, Honorary Chairman, Mark Controls Corporation.

Father Richard John Neuhaus, Institute on Religion and Public Life.

Harris O. Schoenberg—Secretary, Director, United Nations Affairs, B'nai B'rith International.

Ambassador Jose Sorzano, The Austin Group.

Senator Claiborne Pell.

Peter Leslie.

Jerome Shestack, Esq.

Walter Hoffmann—Co-Treasurer, Executive Director, World Federalist Association.

WITNESSES ATTENDING, MAY 14, 1993

Mr. Jan Eliasson, Under-Secretary-General for Humanitarian Affairs, United Nations.

Mr. Marrack Goulding, Under-Secretary-General for Political Affairs, United Nations.

Governor Richard Thornburgh.

The Honorable Madeleine Albright, U.S. Permanent Representative to the United Nations.

Ambassador Peter Osvald, Permanent Representative of Sweden to the United Nations.

Sir Brian Urquhart, Scholar-in-Residence, International Affairs Program, Ford Foundation.

By Mr. WOFFORD (for himself, Mr. KENNEDY, and Mr. KERRY):

S. 1020. A bill to promote economic growth and job creation in the United States by facilitating worker involvement in the development and implementation of advanced workplace technologies and advanced workplace practices and by identifying and disseminating information on best workplace practices; to the Committee on Labor and Human Resources.

WORKPLACE INNOVATION AMENDMENTS ACT OF 1993

• Mr. WOFFORD. Mr. President, earlier this year the President announced a new Federal role to advance our Nation's technological superiority and international economic competitiveness. He presented to the Nation an important change in course.

While we have been focused on winning the cold war and exploring space since World War II, our international economic competitors placed a priority on investing their public resources in commercially oriented activities. In the United States, we never made the economic competitiveness of American firms and workers a public priority. Commercial research and development efforts were supported through the Defense Department, NASA, and other agencies. These investments also contributed to the international competitive advantage held by U.S. firms and workers. But the commercial benefits of Federal policy were always indirect, beneficial byproducts rather than explicit objectives.

This lack of direct commercial involvement since World War II reflects the American people's ambivalence about the relationship between our Government and private commercial enterprise. They have reason to be skeptical. But the world economy has changed dramatically. And we can no longer afford to have our Government sit on the side lines while our international economic competitors are playing for keeps.

President Clinton recognized that the times demand a change and a new clarity in Federal policy. He is urging us to adopt policies to stimulate innovation that will increase our competitiveness and create jobs.

Let me be clear. The Federal Government should not displace the decisions of the marketplace. Private enterprise cannot be supplanted as the creator of economic growth and jobs. Federal policy must be supportive of the market by facilitating the development and dissemination of generic information and making sure that America pursues a high-growth, high-wage strategy.

President Clinton's vision is to create supportive Federal efforts. It is about improving the competitiveness of America's manufacturing industries and its workers. And the President's proposal recognizes that technology alone will not accomplish that goal. Throughout his vision is an understanding that concern for the human dimension of work—particularly work organization, management and human resource practices, and jobs—is essential for success.

Workplace organization is essential to economic performance. One need go no further than the example of Henry Ford and the success of Ford Motor Co. to understand the importance of workplace organization to economic growth. Henry Ford did not invent the car—he brought the mass production process to car manufacturing.

But the mass production system is being replaced by high performance work practices. These methods of work have been pioneered by Japanese and German firms and are a key to their economic competitiveness. Many American firms have implemented these high-performance systems with great success.

And those firms that ignored work organization and the human dimension of work when they have deployed high-technology machinery, have suffered. In fact, a recent Wall Street Journal reported one reason that certain companies were lagging behind was an overreliance on automation. The article reported on the experience of a Federal-Moqul plant in Lancaster, PA, that was revamped in 1987 with state-of-the-art automation. But costs did not go down and the automation reduced the plant's flexibility. To improve performance, the plant was revamped again and most robots and production-line computers were removed.

Of course not every firm has experienced such problems. But the point is that high-technology does not alone hold the answer for our Nation's future commercial competitiveness. I saw firsthand, as Pennsylvania's secretary of labor and industry, the problems that were created by failing to take workers and the work organization into account in efforts toward improvement.

As we consider legislation to implement the President's vision, we cannot forget the human element of the manufacturing process. Firms need to be encouraged to improve their work place practices—not just add machines.

We must make sure that any legislation: First, enables the Federal Government to help gather and promote the best practices in the use of technologies and associated work organizations; second, causes Government technology and training assistance to be diffused to firms in a coordinated manner; and, third, measures the success of Federal technology policies in human terms, including job creation and worker productivity.

The legislation I am introducing today, along with my colleagues, Senators KERRY and KENNEDY, would do just that. We are introducing two pieces of legislation to make sure that workers and work organization are taken into account in Federal efforts to improve the international competitiveness of American manufacturers.

The workplace innovation amendments, would amend the National Competitiveness Act of 1993, to help firms and workers, in a coordinated fashion, to take full advantage of advanced manufacturing technology, to improve productivity and quality, and to adopt high-performance work organizations. In addition, the amendments would help create quality job opportunities by promoting research in, and dissemination of, innovative workplace practices and promote labor-management cooperation.

The Workers Technology Skill Development Act would assist workers to become full partners in the planning and implementation of advanced workplace technologies and advanced workplace practices. It would authorize the Department of Labor to make grants to improve the ability to workers, their representatives and employers in these areas, and authorize the Department to identify, collect, and disseminate information on best workplace practices and workplace assessment tools.

I am pleased to join my colleagues from Massachusetts, Senators KERRY and KENNEDY in introducing this legislation. We have already been working with the chairman of the Senate Commerce Committee and the Departments of Commerce and Labor to have this legislation included in S. 4. For much as it will take cooperation between workers and management to improve a firm's competitiveness—it will take the cooperation of the various branches of Government to make sure that Federal efforts directed to improve our Nation's international competitiveness are effective.●

By Mr. INOUYE (for himself, Mr. BAUCUS, Mr. CAMPBELL, Mr. FEINGOLD, Mr. HATFIELD, Mr. PELL, and Mr. WELLSTONE):

S. 1021. A bill to assure religious freedom to native Americans; to the Committee on Indian Affairs.

NATIVE AMERICAN FREE EXERCISE OF RELIGION ACT OF 1993

Mr. INOUYE. Mr. President, I rise today to introduce legislation that is fundamental to the sovereignty of the Indians nations and which is in furtherance of the policy established in the Joint Resolution American Indian Religious Freedom enacted by Congress in 1978. For, Mr. President, what can be more fundamental to sovereignty than the free exercise of one's religion, one's culture, and one's traditions?

This measure is intended to address in a comprehensive way, the rights of native Americans to practice their traditional religions—a right that most Americans take for granted—a right that has been denied to this Nation's first Americans.

Religious freedom is fundamental to our way of life. It served as the genesis for the founding of our Nation. Religious freedom is critical and integral to our concept of individual liberty.

Sadly however, there has been a long history in this country, of Government suppression of traditional religions practices by native Americans that is unlike the manner in which any other religion in our Nation has been treated.

Mr. President, in 1978, Congress enacted the American Indian Religious Freedom Act (P.L. 95-341), in an effort to establish a policy that would reverse this deplorable treatment. With the passage of the act in 1978, it became the policy of the United States to protect and preserve the right of American Indian, Eskimo, Aleut, and native Hawaiian people to believe, express, and exercise their traditional religions. While it was the intention of the Congress to have these traditional religious practices protected, this desired result has not been accomplished.

Pursuant to the provisions of the act passed in 1978, in their actions, Federal agencies are required, by law, to respect the customs, ceremonies, and traditions of native American religions. The act provided that within 1 year of the law's enactment, Federal agencies would examine their policies and procedures, and work with Native traditional and tribal leaders to assure minimal interference with the religious practices of native people. In August 1979, the Federal Agencies Task Force charged with this responsibility submitted its report to Congress.

The report concluded that due to ignorance and attitudes, Federal policies and practices were directly or indirectly hostile toward native traditional religions or simply indifferent to their religious values. The report cited 522 specific examples of Government infringement upon the free exercise of traditional native American religious practices.

The report documented the widespread practice of denying native American people access to sacred sites on Federal land for the purpose of worship, and in cases where they did gain access, they were often disturbed during their worship by Federal officials and the public. In addition, some sacred sites were needlessly put to other uses which have desecrated them.

Native Americans have been denied the opportunity to gather natural substances which have a sacred or religious significance, and have been disturbed in their use of these natural substances. Finally, native American beliefs involving care and treatment for the dead have not been respected by public officials and restrictions have been imposed by public institutions, such as schools and prisons, on the rights of native Americans to practice their religious beliefs.

The report made 5 legislative proposals and 11 recommendations to the Congress for proposed uniform administrative procedures to correct and remove the identified barriers to Indian religious freedom. With the exception of one recommendation, which was partially addressed in the Native American Graves Protection and Repatriation Act regarding the theft and interstate transport of sacred objects, none of the proposals or recommendations have been acted upon.

Since the passage of the American Indian Religious Freedom Act in 1978, there have been a number of court rulings involving the rights of native Americans to engage in traditional religious practices. Two recent Supreme Court decisions have severely undermined the intent of the act and have denied protection under the first amendment for the unique and important religious beliefs of native Americans.

In 1988, in a case known as Lyng versus Northwest Indian Cemetery Association, the Supreme Court denied protection of a religious site on public land. In so doing, the Court also rejected the traditional first amendment test that the Government had to have a compelling interest to infringe upon the free exercise of religion.

In 1990, the Supreme Court in Employment Division versus Smith denied protection of a native American church practitioner fired from his job for using peyote during a native American religious ceremony. The Supreme Court's rulings in Lyng and Smith have significantly diminished constitutional and statutory protection of native American religious practices. Both of these decisions demonstrate that while the 1978 act is a sound statement of policy, it requires enforcement authority. That authority is addressed in the measure that I am introducing today.

Mr. President, the legislation reflects input from native Americans and affirmatively addresses specific religious concerns and beliefs central to their lives. The bill addresses native American religious freedom in four areas: First, the legislation provides protection of native American sacred sites and puts into place a mechanism for resolving disputes. Second, the legislation extends first amendment protection to native Americans for the sacramental use of peyote. Third, the legislation protects the rights of native prisoners to the same extent as prisoners of other religious faiths. Finally, the legislation facilitates native American access to and use of eagle feathers and plants for religious purposes.

Native Americans believe that certain locations are most sacred and believe that these sites should be protected. There are currently 44 sacred sites that are threatened by tourism, development, and resource exploitation. The sacramental use of peyote, which is central to the ceremonies of the Native American Church, is a crime punishable by law despite Drug Enforcement Agency exemptions for Native American Church members. Many native American prisoners are denied access to spiritual leaders, and denied the opportunity to practice their religion, despite the fact that other prisoners are consistently provided access to priests, ministers, rabbis, and other religious leaders. There are also prison requirements that conflict with native American religious customs. While eagle feathers and parts of other sacred plants and animals are sometimes used in religious ceremonies, native Americans face criminal prosecution if they are in possession of eagle parts or feathers due to the Bald Eagle and Golden Eagle Protection Act. The legislation would permit use of lawfully obtained eagle feathers.

The bill will also provide clear, legally enforceable authority for the protection of the free exercise of native American religions.

I am pleased to note that the response of native peoples to this legislation has been very favorable. The committee has held six field hearings and the bill reflects many of the recommendations received at the hearings as well as other communications received by the committee from Indian tribes and native American organizations.

In addressing the many problems that face native American communities today, it is imperative that we should first address the issue of spirituality and tradition—the very soul of most native American communities. It is essential for native American people across this country to be free to practice their religious ceremonies and to preserve their values and traditions for future generations.

Mr. President, it is clear that there must be a rebalancing of governmental interests to assure the protection of the free exercise of native American religions. The legislation I am introducing today would create this new balance. The religious rights of native Americans have not been adequately protected or respected, and as the trustee of the native peoples of this land, I believe that it is incumbent upon the United States to correct this deficiency. I look forward to congressional attention to this important issues in the 103d Congress. I ask unanimous consent that the full text of the bill be printed in the RECORD following my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1021

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Native American Free Exercise of Religion Act of 1993".

(b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.
Sec. 2. Policy.
Sec. 3. Definitions.

TITLE I—PROTECTION OF SACRED SITES

Sec. 101. Findings.
Sec. 102. Federal land management; use and preservation.
Sec. 103. Notice.
Sec. 104. Consultation.
Sec. 105. Burden of proof.
Sec. 106. Tribal authority over Native American religious sites on Indian lands.
Sec. 107. Application of other laws.
Sec. 108. Confidentiality.
Sec. 109. Criminal sanctions.

TITLE II—TRADITIONAL USE OF PEYOTE

Sec. 201. Findings.
Sec. 202. Traditional use of peyote.

TITLE III—PRISONERS' RIGHTS

Sec. 301. Rights.

TITLE IV—RELIGIOUS USE OF EAGLES AND OTHER ANIMALS AND PLANTS

Sec. 401. Religious use of eagles.
Sec. 402. Other animals and plants.

TITLE V—JURISDICTION AND REMEDIES

Sec. 501. Jurisdiction and remedies.

TITLE VI—MISCELLANEOUS

Sec. 601. Savings clause.
Sec. 602. Severability.
Sec. 603. Authorization of appropriations.
Sec. 604. Effective date.

SEC. 2. POLICY.

It is the policy of the United States, in furtherance of the policy established in the joint resolution entitled "Joint Resolution American Indian Religious Freedom", approved August 11, 1978 (42 U.S.C. 1996), to protect and preserve the inherent right of any Native American to believe, express, and exercise his or her traditional religion, including, but not limited to, access to any Native American religious site, use and possession of sacred objects, and the freedom to worship through ceremonials and traditional rites.

SEC. 3. DEFINITIONS.

For the purposes of this Act, the following definitions shall apply:

(1) AGGRIEVED PARTY.—The term "aggrieved party" means any Native American practitioner, Native American traditional leader, Indian tribe, or Native Hawaiian organization as defined by this Act.

(2) FEDERAL AGENCY.—The term "Federal agency" means any department, agency, or instrumentality of the Federal Government.

(3) FEDERAL OR FEDERALLY ASSISTED UNDERTAKING.—The term "Federal or federally assisted undertaking" means any regulation relating to or any project, activity, or program pertaining to the management, use, or preservation of land (including continuing and new projects, activities, or programs) which is funded in whole or in part by, or under the direct or indirect jurisdiction of, a Federal agency, including—

(A) those carried out by or on behalf of the agency;

(B) those carried out with Federal financial assistance;

(C) those requiring a Federal permit, license or approval; and

(D) those subject to State regulation administered pursuant to a delegation or approval by a Federal agency.

The term "Federal or federally assisted undertakings" does not include regulations, projects, activities, or programs operated, approved, or sponsored by Indian tribes, including, but not limited to, those projects, activities, or programs which are funded in whole or in part by Federal funds pursuant to contract, grant or agreement, or which require Federal permits, licenses or approvals.

(4) GOVERNMENTAL AGENCY.—The term "governmental agency" means any agency, department, or instrumentality of—

(A) the United States; or

(B) a State, in the case of a Federal or federally assisted undertaking described in paragraph (3)(D).

The term "governmental agency" does not include an agency, department, or instrumentality of an Indian tribe.

(5) INDIAN.—The term "Indian" means—

(A) an individual of aboriginal ancestry who is a member of an Indian tribe,

(B) an individual who is an Alaska Native, or

(C) in the case of California Indians, an individual who meets the definition in section 809(b) of the Indian Health Care Improvement Act (25 U.S.C. 1679(b)), except that an Indian community need not be served by a local program of the Indian Health Service in order to qualify as an Indian community for purposes of this definition.

(6) INDIAN LANDS.—The term "Indian lands" means all lands within the limits of any Indian reservation; public domain Indian allotments; all other lands title to which is either held in trust by the United States for the benefit of any Indian tribe or individual or held by any Indian tribe or individual subject to restriction by the United States against alienation; all dependent Indian communities; and all fee lands owned by an Indian tribe.

(7) INDIAN TRIBE.—The term "Indian tribe" means—

(A) any tribe, band, nation, pueblo, or other organized group or community of Indians, including any Alaska Native village (as defined in, or established pursuant to, the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.)), which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians,

(B) any Indian group that has been formally recognized as an Indian tribe by a State legislature or by a State commission or similar organization legislatively vested with State tribal recognition authority,

(C) any Indian tribe whose federally recognized status has been terminated, and

(D) any non-federally recognized tribe that has—

(i) filed a petition for acknowledgement with the Branch of Federal Acknowledgement of the Bureau of Indian Affairs of the Department of the Interior or is the subject of pending legislation in the Congress seeking federally recognized status, and

(ii) is recognized as an Indian tribe by other Indian tribes, communities or groups.

The definition contained in subparagraph (D) shall not apply if the Department of the Interior has acted to deny such tribe's petition for acknowledgement and all appeals of the Department's determination have been exhausted and have been decided in support of the Department's determination.

(8) LAND.—The terms "land", "lands", or "public lands" mean surface and subsurface land within the jurisdiction of the United States or the respective States, including submerged land of any kind or interest therein and all water and waterways occupying, adjacent to, or running through the land.

(9) NATIVE AMERICAN.—The term "Native American" means any Indian or Native Hawaiian.

(10) NATIVE AMERICAN PRACTITIONER.—The term "Native American practitioner" means—

(A) any Native American who practices a Native American religion, or

(B) any Native Hawaiian with an obligation to protect a Native Hawaiian religious site, or any Native Hawaiian who practices a Native Hawaiian religion or engages in a Native Hawaiian ceremonial or ritual undertaking.

(11) NATIVE AMERICAN RELIGION.—The term "Native American religion" means any religion—

(A) which is practiced by Native Americans, and

(B) the origin and interpretation of which is from within a traditional Native American culture or community.

(12) NATIVE AMERICAN RELIGIOUS SITE.—The term "Native American religious site"

means any place or area, including, but not limited to, any geophysical or geographical area or feature—

(A) which is sacred to a Native American religion;

(B) where Native American practitioners are required by their religion to gather, harvest, or maintain natural substances or natural products for use in Native American religious ceremonies or rituals or for spiritual purposes, including all places or areas where such natural substances or products are located; or

(C) which is utilized by Native American religious practitioners for ceremonies, rituals, or other spiritual practices.

(13) NATIVE AMERICAN TRADITIONAL LEADER.—The term "Native American traditional leader" means any Native American who—

(A) is recognized by an Indian tribe, Native Hawaiian organization, or Native American traditional organization as being responsible for performing cultural duties relating to the ceremonial or religious traditions of the tribe or traditional organization, or

(B) exercises a leadership role in an Indian tribe, Native Hawaiian organization or Native American traditional organization based upon its cultural, ceremonial, or religious practices.

(14) NATIVE HAWAIIAN.—The term "Native Hawaiian" means any individual who is a descendant of the aboriginal Polynesian people who, prior to 1778, occupied and exercised sovereignty and self-determination in the area that now comprises the State of Hawaii.

(15) NATIVE HAWAIIAN ORGANIZATION.—The term "Native Hawaiian organization" means any organization which is composed primarily of Native Hawaiians, serves and represents the interests of Native Hawaiians and whose members—

(A) practice a Native American religion or conduct traditional ceremonial rituals, or

(B) utilize, preserve and protect Native American religious sites.

(16) STATE.—The term "State" means any State of the United States and any and all political subdivisions thereof.

TITLE I—PROTECTION OF SACRED SITES

SEC. 101. FINDINGS.

The Congress finds that—

(1) throughout American history, the free exercise of traditional Native American religions has been intruded upon, interfered with, and, in some instances, banned by the Federal Government and the devastating impact of these governmental actions continues to the present day;

(2) the religious practices of Native Americans are integral parts of their cultures, traditions and heritages and greatly enhance the vitality of Native American communities and tribes and the well-being of Native Americans in general;

(3) as part of its historic trust responsibility, the Federal Government has the obligation to enact enforceable Federal policies which will protect Native American community and tribal vitality and cultural integrity, and which will not inhibit or interfere with the free exercise of Native American religions;

(4) just as other religions consider certain sites in other parts of the world to be sacred, many Native American religions hold certain lands or natural formations in the United States to be sacred, and, in order for those sites to be in a condition appropriate for religious use, the physical environment, water, plants and animals associated with those sites must be protected;

(5) such Native American religious sites are an integral and vital part of, and inextricably intertwined with, many Native American religions and the religious practices associated with such religions, including the ceremonial use and gathering, harvesting, or maintaining of natural substances or natural products for those purposes;

(6) many of these Native American religious sites are found on lands which were part of the aboriginal territory of the Indians but which now are held by the Federal Government, or are the subject of Federal or federally assisted undertakings;

(7) lack of sensitivity to, or understanding of, Native American religions on the part of Federal agencies has resulted in the absence of a coherent policy for the protection of Native American religious sites and the failure by Federal agencies to consider the impacts of Federal and federally assisted undertakings upon Native American religious sites;

(8) the Supreme Court of the United States, in the case of Lyng v. Northwest Indian Cemetery Association, 485 U.S. 439 (1988) ruled that the free exercise clause of the First Amendment does not restrict the Government's management of its lands, even if certain governmental actions would infringe upon or destroy the ability to practice religion, so long as the Government's action does not compel individuals to act in a manner which is contrary to their religious beliefs;

(9) the holding in the case of Lyng v. Northwest Indian Cemetery Association creates a chilling and discriminatory effect on the free exercise of Native American religions;

(10) the Supreme Court of the United States, in the case of Employment Division v. Smith, 494 U.S. 872 (1990) extended the Lyng doctrine to all "valid and neutral laws of general applicability" not intended to specifically infringe upon religious practice and held that the First Amendment does not exempt practitioners who use peyote in Native American religious ceremonies from complying with "neutral" State laws prohibiting peyote use, notwithstanding the chilling effect of such laws upon their right to freely practice their religion;

(11) Native Hawaiians have distinct rights under Federal law as beneficiaries of the Hawaiian Homes Commission Act, 1920 (42 Stat. 108) and the Act entitled "An Act to provide for the admission of the State of Hawaii into the Union", approved March 18, 1959 (73 Stat. 4);

(12) the United States trust responsibility for lands set aside for the benefit of Native Hawaiians has never been extinguished;

(13) the Federal policy of self-determination and self-governance is recognized to extend to all Native Americans;

(14) Congress has enacted numerous laws which regulate and restrict the discretion of Federal agencies for the sake of environmental, historical, economic, and cultural concerns, but has never enacted a judicially enforceable law comparably restricting agency discretion for the sake of the site-specific requirements associated with the free exercise of Native American religions;

(15) the lack of a judicially enforceable Federal law and of a coherent Federal policy to accommodate the uniqueness of Native American religions imposes unique and unequal disadvantages on Native American religions, gravely restricting the free exercise of Native American religions and impairing the vitality of Native American communities and Indian tribes; and

(16) Congress has the authority to enact such a law pursuant to section 8, Article I, of the Constitution and the First and Fourteenth Amendments.

SEC. 102. FEDERAL LAND MANAGEMENT; USE AND PRESERVATION.

(a) IN GENERAL.—Notwithstanding any other provision of law each Federal agency shall manage any lands under its jurisdiction in a manner that complies with the provisions of this Act.

(b) PLANNING PROCESS.—Each Federal agency involved in Federal or federally assisted undertakings, including, but not limited to, activities pursuant to the National Forest Management Act (16 U.S.C. 1600 et seq.), and the Federal Land Policy and Management Act (43 U.S.C. 1701 et seq.), shall as part of its planning process—

(1) consult with Indian tribes and Native Hawaiian organizations identified pursuant to section 103, as well as Native American traditional leaders who can be identified by the agency to have an interest in the land in question;

(2) provide for notice of all Federal or federally assisted undertakings with the potential to have an impact on certain specified lands to an Indian tribe, Native Hawaiian organization, or Native American traditional leader if such tribe, organization, or leader places the agency on notice, in writing, that it is interested in receiving notice of all such undertakings;

(3) ensure that its land management plans are consistent with the provisions and policies of this Act; and

(4) maintain the confidentiality of specific details of a Native American religion or the significance of a Native American religious site to that religion in accordance with the procedures specified in sections 107 and 108 of this Act.

(c) ACCESS.—

(1) IN GENERAL.—Unless the President determines that national security concerns are directly affected, in which case the provisions of section 105 shall apply, Native American practitioners shall be permitted access to Native American religious sites located on Federal lands at all times, including the right to gather, harvest, or maintain natural substances or natural products for Native American religious purposes.

(2) PROHIBITION AGAINST VEHICLES.—Paragraph (1) does not authorize the use of motorized vehicles or other forms of mechanized transport in roadless areas where such use is prohibited by law, nor affect the application of the Endangered Species Act, except as provided for by section 501(b) of this Act.

(3) TEMPORARY CLOSING.—Upon the request of an Indian tribe, Native Hawaiian organization, or Native American traditional leader, the Secretary of the department whose land is involved may from time to time temporarily close to general public use one or more specific portions of Federal land in order to protect the privacy of religious cultural activities in such areas by Native Americans. Any such closure shall be made so as to affect the smallest practicable area for the minimum period necessary for such purposes.

(d) REGULATIONS.—The Secretary of the Interior, in consultation with Indian tribes and Native Hawaiian organizations, shall promulgate uniform regulations relating to—

(1) Federal planning processes pertaining to the management, use or preservation of land; and

(2) notice to and consultation with Indian tribes, Native Hawaiian organizations, Native American traditional leaders and Native American practitioners as required by sections 103 and 104 of this Act.

The regulations shall be sufficiently flexible to enable consultation to meet the unique needs of Indian tribes, Native Hawaiian organizations, Native American traditional leaders and Native American practitioners.

SEC. 103. NOTICE.

(a) Identification of Lands by Secretary.—

(1) In general.—For the purpose of assuring that a governmental agency properly determines whether a proposed undertaking will have an impact on the exercise of a Native American religion and which affected parties should be provided notice of a proposed undertaking, the Secretary of the Interior, in conjunction with tribal governments, shall identify land areas with which an Indian tribe has aboriginal, historic, or religious ties.

(2) Ongoing identification.—Paragraph (1) does not preclude a tribal government from continuing to conduct an ongoing identification process, which may supplement the process required by this subsection.

(b) Duty of Agencies.—

(1) Tribal lands.—Before a governmental agency proceeds on lands identified pursuant to subsection (a) with any Federal or federally assisted undertaking that may have an impact on the exercise of a Native American religion, the agency shall provide a geographical description of the lands affected by the undertaking (including information on metes and bounds of the lands in question, where available) and a description of the undertaking to—

(A) the Secretary of the Interior;

(B) each Indian tribe which has aboriginal, historic, or religious ties to the land affected by a proposed Federal or federally assisted undertaking; and

(C) each Native American traditional leader known by the agency who may have an interest in the land affected by the proposed undertaking.

(2) Lands in Hawaii.—Before a governmental agency proceeds on lands in the State of Hawaii with any Federal or federally assisted undertaking that may have an impact on the exercise of a Native American religion, the agency shall publish a geographical description of the lands affected by the undertaking (including information on metes and bounds of lands in question, where available) and a description of the undertaking in a newspaper of general circulation for a period of 2 weeks.

(3) Documentation.—The governmental agency shall fully document the efforts made to provide the information to Indian tribes, Native Hawaiian organizations and Native American traditional leaders as required by this section or any applicable regulations, guidelines, or policies.

(c) Notice by Tribe.—

(1) In general.—Within 90 days of receiving the notice provided under subsection (b), or within the time limit of any comment period permitted or required by any Federal law applicable to the Federal or federally assisted undertaking, whichever is later, an Indian tribe, Native Hawaiian organization, or Native American traditional leader invoking the protection of this title may provide notice to the governmental agency whether the proposed Federal or federally assisted undertaking may result in changes in the character or use of one or more Native American religious sites which are located on lands with which the Indian tribe or Native Hawaiian organization has aboriginal, historic, or religious ties.

(2) No duty to respond.—Paragraph (1) does not impose a duty upon any Indian tribe, Native Hawaiian organization, or Native American traditional leader to respond to any notice under this section.

(3) Additional information.—The Indian tribe, Native Hawaiian organization, or Native American traditional leader acting pursuant to paragraph (1) may also provide the agency with information as to any Native American traditional leaders or practitioners who should be included in the notice and consultation requirements of this section and section 104.

(d) 90-Day Prohibition Against Activity Following Notice to Tribes.—No action to approve, commence, or complete a Federal or federally assisted undertaking that is subject to this section shall be taken by a governmental agency for a period of 90 days following the date on which notice is provided under subsection (b) to Indian tribes and Native Hawaiian organizations unless or until—

(1) the matter is resolved pursuant to the procedures of this Act;

(2) the period of consultation required under section 104 has been completed; or

(3) all parties entitled to such notice consent to a shorter time period.

SEC. 104. CONSULTATION.

(a) In General.—

(1) Effect of notice by tribe.—If an Indian tribe, Native Hawaiian organization, or Native American traditional leader indicates in writing within 90 days of receiving notice under section 102, or within the time limit of any comment period permitted or required by any Federal law applicable to the Federal or federally assisted undertaking, whichever is later, that a Federal or federally assisted undertaking will or may alter or disturb the integrity of Native American religious sites or the sanctity thereof, or interfere with the access thereto, or adversely impact upon the exercise of a Native American religion or the conduct of a Native American religious practice, except as provided in paragraph (2), the governmental agency engaged in the Federal or federally assisted undertaking shall immediately discontinue such undertaking until the agency performs the duties described in paragraphs (3) and (4).

(2) Inadvertent discovery.—If in the process of a Federal or federally assisted undertaking, a Native American religious site is inadvertently discovered, the governmental agency engaged in the undertaking shall immediately discontinue such undertaking until the agency performs the duties set forth in paragraphs (3) and (4).

(3) Consultation.—The governmental agency shall consult with any interested party, including Native American practitioners with a direct interest in the Native American religious site in question, concerning the nature of the adverse impact and alternatives that would minimize or prevent an adverse impact, including any alternatives identified by an Indian tribe, Native Hawaiian organization, or Native American traditional leader that has filed a written objection under this subsection.

(4) Evaluation of comments.—The governmental agency shall prepare and make available to the tribe, organization or traditional leader, as well as Native American practitioners who have been involved in the consultation process, a document evaluating and responding to the comments received. The document shall include an analysis of adverse impacts upon the site and the use thereof and an analysis of alternatives to the proposed action, including any alternative offered by an Indian tribe, Native Hawaiian organization, or Native American traditional leader submitting a written objection under paragraph (1) and a no action alternative.

(5) Additional information.—In any case where the governmental agency is also required to prepare a document analyzing the impact of its undertaking or decision pursuant to the National Environmental Policy Act (43 U.S.C 4321 et seq.), the National Historic Preservation Act (16 U.S.C. 470 et seq.) or any other applicable law, such agency shall incorporate the analysis required by this section into the contents of the document.

(b) Cases Where Secrecy Is Required.—

(1) In general.—In the case of those Indian tribes whose traditional religious tenets prohibit disclosure of information concerning their Native American religious sites or religious beliefs or practices, and mandate secrecy and internal sanctions to enforce those prohibitions, and where the tribal government of the affected Indian tribe so certifies and invokes this subsection—

(A) the tribal government shall not be required to reveal the location of the Native American religious site or in what manner the undertaking would have an impact on the site or any information concerning their religious beliefs or practices;

(B) the tribal government shall not be required to explain in what manner any proposed alternative is or is not less intrusive upon the adversely affected Native American religious practice or religious sites which may be adversely affected than the original proposed Federal or federally assisted undertaking; and

(C) in engaging in consultation and preparing any document required by this Act, the governmental agency shall not include an analysis of adverse impacts upon the site or the use thereof or the Indian tribe's religious beliefs and practices.

(2) After consultation.—If after consultation—

(A) the governmental agency agrees to pursue a less intrusive alternative proposed by the Indian tribe or some other alternative which the Indian tribe agrees would be less intrusive; or

(B) if no alternative is identified which the Indian tribe agrees is less intrusive;

the governmental agency shall be deemed to have met its obligation to consider and pursue the least intrusive alternative under this Act in regard to the objection raised to the Federal or federally assisted undertaking by the Indian tribe invoking this subsection.

(c) Rule of Construction.—Where the provisions of subsection (b) have been invoked, those requirements shall control in all circumstances and shall supersede any conflicting provisions in this Act or any other provision of law.

(d) Disclosure Required.—Within 30 days of receipt of any written objection under subsection (a), the governmental agency proposing the Federal or federally assisted undertaking which gave rise to that notice shall disclose to and shall make available to the objecting party, all plats, maps, plans, specifications, socioeconomic, environmental, scientific, archaeological or historical studies, and comments and information in that agency's possession bearing on said undertaking.

(e) Special Rule for Pueblos Regarding Standing.—In the case of a proposed Federal or federally assisted undertaking affecting the management, use, or preservation of public land involving potential adverse religious impacts on any of the Indian pueblos of New Mexico or any of their religious sites, the only party with standing to file an objection or participate in consultation under this section, or to file an action under section 105 or

501, shall be the governor of the affected pueblo or the governor's designee.

SEC. 105. BURDEN OF PROOF.

(a) In General.—

(1) Burden on aggrieved party.—Except as provided in subsection (b), in any action brought under section 501(a), the aggrieved party shall have the burden of proving that the Federal or federally assisted undertaking or the State action having an impact upon the management, use, or preservation of public land, is posing or will pose a substantial threat of undermining or frustrating a Native American religion or a Native American religious practice.

(2) Burden on agency.—If the aggrieved party meets its burden of proof under paragraph (1), the Federal agency or State shall have the burden of proving that the governmental interest in the Federal or federally assisted undertaking or the State action is compelling.

(3) Least intrusive course of action.—If the aggrieved party fails to meet its burden of proof under paragraph (1), but establishes that the Federal or federally assisted undertaking or the State action will alter or disturb the integrity of a Native American religious site or the sanctity thereof, or will have an adverse impact upon the exercise of a Native American religion or the conduct of a Native American religious practice, or if the Federal agency or State meets its burden of proof in paragraph (2), the Federal agency or State shall have the burden of proving that it has selected the course of action least intrusive on the Native American religious site or the Native American religion or religious practice.

(b) Cases Where Secrecy Is Required.—In the case of any proceeding involving a Native American religious site or associated religious practices of an Indian tribe described in section 104(b), if the Indian tribe objects to the Federal or federally assisted undertaking or State action based upon any of the grounds specified in section 104(a), the provisions of section 104(b) shall apply and the Federal agency or State shall have the burden of proving that—

(1) it has a compelling interest in pursuing the Federal or federally assisted undertaking or the State action as originally proposed;

(2) it is essential that the Federal agency's or State's compelling interest be furthered as originally proposed; and

(3) none of the less intrusive alternatives (if any) identified in the consultation process, or by the Indian tribe, will adequately advance that compelling governmental interest.

The Federal agency or State shall retain this burden of proof at all stages of any proceeding or decisionmaking process involving an Indian tribe described in section 104(b) as to objections raised by that Indian tribe.

(c) Failure of Agency To Meet Burden.—If a Federal agency or State does not meet its burden of proof under this section, it shall not proceed with the proposed undertaking. For purposes of this section and section 501, the phrase "burden of proof" means the burden of production and the burden of persuasion.

(d) Establishment of Administrative Procedure.—

(1) In general.—A Federal agency may, by regulation, establish an administrative procedure to implement the requirements of this section.

(2) Exhaustion requirement.—An aggrieved party must use a procedure established under paragraph (1) before filing an action in a Federal court pursuant to section 501(a).

(3) New factual findings.—If an action is filed in Federal court after exhaustion of administrative remedies, the court shall not defer to the factual findings of the Federal agency, but shall make its own factual findings based upon the record compiled by the Federal agency as well as other evidence that may be permitted by the court under Federal law.

SEC. 106. TRIBAL AUTHORITY OVER NATIVE AMERICAN RELIGIOUS SITES ON INDIAN LANDS.

(a) Right of Tribe.—All Federal or federally assisted undertakings on Indian lands which may result in changes in the character or use of a Native American religious site or which may have an impact on access to a Native American religious site shall, unless requested otherwise by the Indian tribe on whose lands the undertakings will take place, be conducted in conformance with the laws or customs of the tribe.

(b) Agreements.—Any governmental agency proposing a Federal or federally assisted undertaking on Indian lands which may result in changes in the character or use of a Native American religious site or which may have an impact upon access to a Native American religious site, may enter into an agreement with the Indian tribe on whose lands the undertaking will take place for purposes of assuring conformance with the laws or customs of the tribe.

(c) Protection by Tribes.—Indian tribes may regulate and protect Native American religious sites located on Indian lands.

(d) Other Authorities.—

(1) Sovereign authority of tribes.—The provisions of this section are in addition to and not in lieu of the inherent sovereign authority of Indian tribes to regulate and protect Native American religious sites located on Indian lands.

(2) National security.—The provisions of this section shall not apply if the President determines that national security concerns are directly affected by a Federal or federally assisted undertaking.

(3) Duty to notify.—This section does not relieve a governmental agency of any duty pursuant to section 103 to notify an Indian tribe of a Federal or federally assisted undertaking on Indian lands which may result in changes in the character or use of a Native American religious site.

SEC. 107. APPLICATION OF OTHER LAWS.

(a) In General.—Nothing in this title shall be construed to deprive any person or entity of any other rights which might be provided under the laws, regulations, guidelines, or policies of the Federal, State, and tribal governments, including but not limited to the National Historic Preservation Act (16 U.S.C. 470 et seq.), to receive notice of, comment upon, or otherwise participate in the decisionmaking process regarding a Federal or federally assisted undertaking.

(b) Existing Procedures.—To the maximum extent possible, the procedures required by this Act shall be incorporated into existing procedures applicable to the management of Federal lands and decisionmaking processes of Federal agencies engaged in Federal or federally assisted undertakings.

SEC. 108. CONFIDENTIALITY.

(a) In General.—Notwithstanding any other provision of law, whenever information has been obtained as a result of or in connection with a proceeding pursuant to section 105 or 501 or consultation pursuant to sections 102 and 104, all references pertaining to—

(1) specific details of a Native American religion or the significance of a Native American religious site to that religion; or

(2) the location of that religious site;

shall be deleted from the record of a Federal agency or court before the record is released to any party or the general public pursuant to the Freedom of Information Act (5 U.S.C. 552) or any other applicable law.

(b) Supplementation of Record.—The agency or court shall supplement the record described in subsection (a) to include the general results and conclusions of the administrative or judicial review to the extent necessary to provide other interested parties with sufficient information to understand the nature of, and basis for, a decision by the Federal agency or court.

(c) Exceptions.—This section shall not apply—

(1) where all parties to a proceeding (excluding the Federal Government) waive its application, and

(2) in case of a Native Hawaiian religious site, where the information is sought by a Native Hawaiian organization for the purpose of protecting such site.

(d) Other Law.—Indian tribes, Native Hawaiian organizations, Native American traditional leaders, and Native American practitioners seeking to maintain the confidentiality of information relating to Native American religious sites may also seek redress through existing laws requiring that certain information be withheld from the public, including, but not limited to the National Historic Preservation Act (16 U.S.C. 47Ow-3) and the Archaeological Resources Protection Act (16 U.S.C. huh).

SEC. 109. CRIMINAL SANCTIONS.

(a) Damaging Religious Sites.—

(1) Initial violation.—Any person who knowingly damages or defaces a known Native American religious site located on Federal land, except as part of an approved Federal or federally assisted undertaking or an action authorized by a governmental agency with the authority to approve such activity, shall, upon conviction, be fined not more than $10,000, or imprisoned not more than 1 year, or both.

(2) Subsequent violations.—In the case of a second or subsequent violation, a person shall be fined not more than $100,000, or imprisoned not more than 5 years, or both.

(b) Release of Information.—

(1) Initial violation.—Any person who knowingly releases any information required to be held confidential pursuant to this title shall, upon conviction, be fined not more than $10,000, or imprisoned not more than 1 year, or both.

(2) Subsequent violations.—In the case of a second or subsequent violation, be fined not more than $100,000, or imprisoned not more than 5 years, or both.

TITLE II—TRADITIONAL USE OF PEYOTE

SEC. 201. FINDINGS.

The Congress finds that—

(1) some Indian people have used the peyote cactus in religious ceremonies for sacramental and healing purposes for many generations, and such uses have been significant in perpetuating Indian tribes and cultures by promoting and strengthening the unique cultural cohesiveness of Indian tribes;

(2) since 1965, this religious ceremonial use of peyote by Indians has been protected by Federal regulation, which exempts such use from Federal laws governing controlled substances, and the Drug Enforcement Administration has manifested its continuing support of this Federal regulatory system;

(3) the State of Texas encompasses virtually the sole area in the United States in which peyote grows, and for many years has administered an effective regulatory system

which limits the distribution of peyote to Indians for ceremonial purposes;

(4) while numerous States have enacted a variety of laws which protect the ceremonial use of peyote by Indians, many others have not, and this lack of uniformity has created hardships for Indian people who participate in such ceremonies;

(5) the traditional ceremonial use by Indians of the peyote cactus is integral to a way of life that plays a significant role in combating the scourge of alcohol and drug abuse among some Indian people;

(6) the United States has a unique and special historic trust responsibility for the protection and preservation of Indian tribes and cultures, and the duty to protect the continuing cultural cohesiveness and integrity of Indian tribes and cultures;

(7) it is the duty of the United States to protect and preserve tribal values and standards through its special historic trust responsibility to Indian tribes and cultures;

(8) existing Federal and State laws, regulations and judicial decisions are inadequate to fully protect the ongoing traditional uses of the peyote cactus in Indian ceremonies;

(9) general prohibitions against the abusive use of peyote, without an exception for the bona fide religious use of peyote by Indians, lead to discrimination against Indians by reason of their religious beliefs and practices; and

(10) as applied to the traditional use of peyote for religious purposes by Indians, otherwise neutral laws and regulations may serve to stigmatize and marginalize Indian tribes and cultures and increase the risk that they will be exposed to discriminatory treatment.

SEC. 202. TRADITIONAL USE OF PEYOTE.

(a) In General.—Notwithstanding any other provision of law, the use, possession, or transportation by an Indian of peyote for bona fide ceremonial purposes in connection with the practice of a Native American religion by an Indian is lawful and shall not be prohibited by the Federal Government or any State. No Indian shall be penalized or discriminated against on the basis of such use, possession or transportation, including, but not limited to, denial of otherwise applicable benefits under public assistance programs.

(b) Regulation Authorized.—This section does not prohibit such reasonable regulation and registration of those persons who import, cultivate, harvest or distribute peyote as may be consistent with the purpose of this title.

(c) Texas Law.—This section does not prohibit application of the provisions of section 481.111(a) of Vernon's Texas Code Annotated, in effect on the date of enactment of this Act, insofar as those provisions pertain to the cultivation, harvest or distribution of peyote.

TITLE III—PRISONERS' RIGHTS

SEC. 301. RIGHTS.

(a) In General.—

(1) Access.—Notwithstanding any other provision of law, Native American prisoners who practice a Native American religion shall have, on a regular basis comparable to that access afforded prisoners who practice Judeo-Christian religions, access to—

(A) Native American traditional leaders who shall be afforded the same status, rights and privileges as religious leaders of Judeo-Christian faiths;

(B) subject to paragraph (6), items and materials utilized in religious ceremonies; and

(C) Native American religious facilities.

(2) Materials.—Items and materials utilized in religious ceremonies are those items and materials, including foods for religious diets, identified by a Native American traditional leader. Prison authorities shall treat these items in the same manner as the religious items and materials utilized in ceremonies of the Judeo-Christian faith.

(3) Hair.—

(A) Right of prisoner.—Except in those circumstances where subparagraph (B) applies, Native American prisoners who desire to wear their hair according to the religious customs of their Indian tribes may do so provided that the prisoner demonstrates that—

(i) the practice is rooted in Native American religious beliefs; and

(ii) these beliefs are sincerely held by the Native American prisoner.

(B) Denial of request.—If a Native American prisoner satisfies the criteria in paragraph (3)(A), the prison authorities may deny such request only where they can demonstrate that the legitimate institutional needs of the prison cannot be met by viable less restrictive means which would not create an undue administrative burden.

(4) Definition of "religious facilities".—The term "religious facilities" includes sweat lodges, teepees, and access to other secure, out-of-doors locations within prison grounds if such facilities are identified by a Native American traditional leader to facilitate a religious ceremony.

(5) Discrimination prohibited.—No Native American prisoner shall be penalized or discriminated against on the basis of Native American religious practices, and all prison and parole benefits or privileges extended to prisoners for engaging in religious activity shall be afforded to Native American prisoners who participate in Native American religious practices.

(6) Scope of subsection.—Paragraph (1) shall not be construed as requiring prison authorities to permit (nor prohibit them from permitting) access to peyote or Native American religious sites.

(b) Commission To Investigate Religious Freedom.—

(1) In general.—The Attorney General shall establish the Commission on the Religious Freedom of Native American Prisoners (hereafter in this section referred to as the "Commission") to investigate the conditions of Native American prisoners in the Federal and State prison systems with respect to the free exercise of Native American religions.

(2) Report.—Not later than 36 months after the date of enactment of this Act, the Commission shall submit to the Attorney General and the Congress a report containing—

(A) an institution-by-institution assessment of the recognition, protection, and enforcement of the rights of Native American prisoners to practice their religions under this Act; and

(B) specific recommendations for the promulgation of regulations to implement this Act.

(3) Composition of commission.—The Commission shall consist of 5 members, at least 3 of whom shall be Native Americans and—

(A) at least 1 of whom shall be a Native American traditional leader;

(B) at least 1 of whom shall be a Native American ex-offender; and

(C) at least 1 of whom shall be a Native American woman.

(4) Nominations.—The Native American members selected under paragraph (2) shall be appointed from nominations submitted by Indian tribes, Native Hawaiian organizations and Native American traditional leaders.

(5) Chairperson.—The Commission shall select 1 of its members to serve as Chairperson.

(6) Compensation.—Each member of the Commission who is not a Federal employee shall be compensated at a rate equal to the daily equivalent of that prescribed for level V of the Executive Schedule under section 5316 of title 5, United States Code. All members of the Commission while away from home or their place of business, in the performance of the duties of the Commission, shall be allowed travel and other related expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in Government services are allowed expenses under section 5703 of title 5, United States Code.

(7) Staff.—The Commission may hire, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may pay without regard to the provisions of chapter 51, and subchapter III of chapter 52 of such title relating to classification and General Schedule pay rates, such staff as necessary to fulfill its duties under this section. In addition, the Commission may request any Federal department or agency to make available to the Commission personnel on a nonreimbursable basis, to assist the Commission in fulfilling such duties.

(8) Termination.—The Commission shall cease to exist upon the expiration of the 60-day period following the date of submission of its report to the Congress.

TITLE IV—RELIGIOUS USE OF EAGLES AND OTHER ANIMALS AND PLANTS

SEC. 401. RELIGIOUS USE OF EAGLES.

(a) In General.—Within 1 year after the date of enactment of this Act, the Director of the United States Fish and Wildlife Service (hereafter in this section referred to as the "Director") shall, in consultation with Indian tribes and Native American traditional leaders, develop a plan to—

(1) ensure the prompt disbursement from Federal repositories of available bald or golden eagles, or their parts, nests, or eggs for the religious use of Indians upon receipt of an application from a Native American practitioner;

(2) provide that sufficient numbers of bald or golden eagles are allocated to Native American practitioners to meet the demonstrated need where they are available by reason of accidental deaths, natural deaths, or takings permitted by Federal law; and

(3) simplify and shorten the process by which permits are authorized for the taking, possession, and transportation of bald or golden eagles, or their parts, nests, or eggs for the religious use of Indians.

(b) Consultation With Regional Advisory Councils.—In developing the plan required by subsection (a), the Director shall consult with the Regional Advisory Councils established pursuant to subsection (c) to determine whether these goals might best be met by decentralizing the system for the disbursement of bald or golden eagles or their parts, nests, or eggs for Native American religious purposes.

(c) Regional Advisory Councils.—

(1) Establishment.—Within 120 days after the date of enactment of this Act, the Regional Directors of the United States Fish and Wildlife Service shall establish Regional Advisory Councils.

(2) Composition.—Each Regional Advisory Council shall consist of 3 Native American traditional leaders appointed by each Regional Director of the United States Fish and Wildlife Service from nominations sub-

mitted by Indian tribes and Native American traditional leaders located within the region.

(3) DUTIES.—The Regional Directors and the Regional Advisory Councils, in consultation with Indian tribes and Native American traditional leaders, shall—

(A) develop a plan to—

(i) ensure that all bald and golden eagles and their parts, nests, or eggs which are recovered within the region are promptly transmitted to and collected by the United States Fish and Wildlife Service and made available for distribution as provided by law and consistent with the plan developed by the Director pursuant to subsection (a); and

(ii) expedite the review and approval of permit applications at each regional level;

(B) consult with the Director regarding the advisability of decentralizing the distribution system; and

(C) monitor the operation of the collection, permit, and, if applicable, the distribution system at the regional level.

(4) COMPENSATION.—Members of the Regional Advisory Councils established under paragraph (1) of this section shall serve without pay, but shall be reimbursed at a rate equal to the daily rate for GS–18 of the General Schedule for each day (including travel time) for which the member is actually engaged in council business. Each member shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

(d) TRIBAL LAW.—If bald or golden eagles or their parts, nests, or eggs are discovered on Indian lands and the Indian tribe on whose land the eagles or their parts, nests, or eggs were discovered has established or establishes, by tribal law or custom, a procedure for—

(1) issuance of tribal permits to Native American practitioners, and

(2) distribution of bald or golden eagles or their parts, nests, or eggs in accordance with tribal religious custom,

the Indian tribe may distribute said bald or golden eagles or their parts, nests, or eggs to Native American practitioners in accordance with such tribal law or custom.

(e) SCOPE OF SUBSECTION (d).—Subsection (d) applies only to eagles which have died by reason of accidental deaths or natural deaths and does not authorize the taking of live eagles which, subject to standards established in section 501(b), shall continue to be governed by regulations promulgated by the United States Fish and Wildlife Service. An Indian tribe under subsection (d) shall provide an annual report by March 31 of each year to the United States Fish and Wildlife Service summarizing the number and type of bald and golden eagles and their parts, nests, and eggs that have been discovered and distributed during the previous calendar year.

SEC. 402. OTHER ANIMALS AND PLANTS.

(a) PLAN.—Within 1 year after the date of enactment of this Act, the Director of the United States Fish and Wildlife Service shall, in consultation with Indian tribes and Native American traditional leaders, develop a plan to implement the recommendations of the President's 1979 American Indian Religious Freedom Task Force Report regarding the disposition of surplus plant and animal products by Federal agencies.

(b) ASSESSMENT.—In developing this plan, the Director shall—

(1) assess the availability of surplus animals, plants or parts from Federal agencies;

(2) determine whether there is a need for such parts for religious purposes by Native American practitioners; and

(3) evaluate the feasibility of developing a joint uniform set of regulations to govern the disposition of surplus animals, plants or parts which have been confiscated or gathered under the jurisdiction and control of Federal agencies.

TITLE V—JURISDICTION AND REMEDIES

SEC. 501. JURISDICTION AND REMEDIES.

(a) IN GENERAL.—Any appropriate United States district court shall have original jurisdiction over a civil action for equitable or other relief, including damages, brought by an aggrieved party against the United States or a State to enforce the provisions of this Act.

(b) BURDEN OF PROOF.—

(1) IN GENERAL.—Except as provided in titles I through III, if an aggrieved party meets the burden of proving that a governmental action restricts or would restrict the practitioner's free exercise of religion, the governmental authority shall refrain from such action unless it can demonstrate that application of the restriction to the practitioner is essential to further a compelling governmental interest and the application is the least restrictive means of furthering that compelling governmental interest.

(2) SPECIAL RULE FOR NATIVE AMERICAN PRACTITIONERS.—The burden of proof for a Native American practitioner is a showing of any evidence that a restriction upon the practitioner's free exercise of religion exists as a result of Federal or State action. Native American practitioners may elect to provide testimony about their beliefs in camera or in some other protective procedure.

(c) ATTORNEY'S FEES.—An aggrieved party who is a prevailing party in any administrative or judicial proceeding brought pursuant to this Act shall be entitled to attorney's fees, expert witness fees, and costs under the provisions of section 504 of title 5, United States Code, and section 2412 of title 28, United States Code.

TITLE VI—MISCELLANEOUS

SEC. 601. SAVINGS CLAUSE.

Nothing in this Act shall be construed as abrogating, diminishing, or otherwise affecting—

(1) the inherent rights of any Indian tribe;

(2) the rights, express or implicit, of any Indian tribe which exist under treaties, Executive Orders and laws of the United States; and

(3) the inherent right of Native Americans to practice their religions.

SEC. 602. SEVERABILITY.

If any title or section of this Act, or any provision or portion thereof, is declared to be unconstitutional, invalid, or inoperative in whole or in part, by a court of competent jurisdiction, such title, section, provision or portion thereof shall, to the extent it is not unconstitutional, invalid, or inoperative, be enforced and effectuated, and no such determination shall be deemed to invalidate or make ineffectual the remaining provisions of the title, section, or provision.

SEC. 603. AUTHORIZATION OF APPROPRIATIONS.

There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

SEC. 604. EFFECTIVE DATE.

This Act takes effect on the date of its enactment. Application and enforcement of this Act does not depend upon the promulgation of regulations by any governmental agency.•

Mr. HATFIELD. Mr. President, I am pleased today to cosponsor the Native American Free Exercise of Religion Act of 1993. Earlier this year, I rejoined the Committee on Indian Affairs after having served on the committee in the 95th and 96th Congresses. I am very much looking forward to working again on such important issues as religious freedom with Chairman INOUYE, Vice Chairman McCAIN, and the many other distinguished members of the committee.

The issue addressed by the Native American Free Exercise of Religion Act drives to the very heart of what this country should, and indeed does, represent to other nations all around the globe. The protection that we afford the free exercise of religion stands as a sterling example to the rest of the world of what a free thinking society must demand of its government.

As Americans, most of us take these religious freedoms for granted. We grow up worshipping every week or every day without thinking about the daily persecution that our ancestors suffered before coming to this great land. Continuing from the colonial period through today, there has been a constant flow of people into this country who have found refuge in the great ideals of those who founded this new concept of freedom.

But, just as the first amendment was created by the Founding Fathers to protect themselves and their posterity from persecution as suffered in Europe, so must it continue to protect the free exercise of religion for those Americans whose ancestors were already on this land when our new Nation was formed. The rich diversity that we enjoy in this country demands that practices which are an integral part of a culture, tradition, and heritage be protected.

As of late, some question has arisen regarding this country's commitment to protecting the free exercise of religion for all Americans. This is especially evident in some recent decisions of the Supreme Court. In my home State of Oregon, we are very familiar with one of the cases, *Employment Division* v. *Smith*, 494 U.S. 872 (1990). In this instance the court held that an Oregon State law of general affect could abridge the free practice of religious rituals such as use of peyote by bona fide members of the Native American Church.

I have also cosponsored the Religious Freedom Restoration Act which would return the law to pre-Smith status. And while I believe that the impact of this debate reaches far beyond any particular religion, I believe that the specific provisions in the Native American Free Exercise of Religion Act addressing the Smith decision are needed to ensure protection for native American practices.

In addition, it is important that another decision, *Lyng* v. *Northwest Indian Cemetery Association*, 485 U.S. 439 (1988), not be allowed to continue to deny native American input into Government actions that might affect historically sacred sites. These lands and natural formations are integral to the exercise of many native American religious ceremonies involving the physical environment, water, plants, and animals associated with those sites.

Similarly, it is only fitting that native American prisoners who practice a native American religion should have access to traditional leaders and facilities comparable to the access afforded prisoners who practice Judeo-Christian religions. However, it is reasonable to place certain limits on these freedoms such as allowing prison authorities to deny prisoners access to peyote and religious sites.

These examples of issues addressed by the Native American Free Exercise of Religion Act illuminate the very essence of the words of the first amendment. More than just a long set of clauses in an aged document, these words constitute an assurance of freedom granted by the Government to all people. No one religion is above any other; no philosophy reigns supreme. As Americans, each of us is assured protection, within reasonable boundaries, to practice our sincerely held religious faiths as we believe. Almost everyday news of barbaric actions in other countries reminds us all too well of why this constitutional protection is just as critical now as it was when ratified over 200 years ago. I commend Chairman INOUYE for his work in addressing this difficult issue and urge swift passage of this bill.

Mr. WELLSTONE. Mr. President, I am pleased to join today with Senator INOUYE in sponsoring the Native American Free Exercise of Religion Act of 1993 [NAFERA]. Senator INOUYE is to be congratulated not only for introducing this legislation today, but for the leadership he has shown in putting together the bill. Senator INOUYE and his staff have spent a great deal of time on the road, traveling around the country, listening to native Americans, religious leaders, constitutional scholars, and others before writing this final version of the bill. He worked closely with native groups in many States in order to see that their concerns were met in the proposed legislation. I am proud to note that one of the many field hearings on this legislation took place in my State, Minnesota, and I think that some of the views expressed there have had some impact on the form this legislation has finally taken. This is, Mr. President, a good example for all of us to follow—a legislative process in which the people affected by the legislation are included, not just as examples of the wrong we intend to right, in a brief hearing here in Washington, but as consultants on the very elements of the bill itself.

Throughout the series of hearings held around the country on NAFERA, one theme repeated itself over and over again: our traditional understanding of how to protect religious freedom, based on a European understanding of religion, is insufficient to protect the rights of the first Americans. I believe that the bill we are introducing today will move this country toward a broader definition of religion and, in doing so, make it possible for all Americans to enjoy the freedom to worship in their own manner.

About a year ago, the distinguished anthropologist Jack Weatherford, who teaches at Macalester College in St. Paul, published a stirring opinion piece in the Minneapolis Star-Tribune, calling on Congress to guarantee the rights of native Americans to worship in their traditional ways, on their traditional sacred sites. Professor Weatherford wrote, and I am quoting directly here, that:

> Of all the spiritual suffering a people can undergo, the separation from traditional religious sites seems to be one of the most painful and often one of the most difficult to justify by any government. for religions such as Judaism, Islam, Taoism, Hinduism and Christianity, the sacred site usually is a temple, church, monastery or shrine. For the native peoples who follow traditional ways of worship, the site more often is a sacred brook, a quiet forest, a rocky promontory, a special lake or some other natural spot that has not been transformed into a man-made edifice.

This sort of suffering, as Professor Weatherford and many others have noted, occurs all over this country, every day. Indian sacred sites are destroyed by builders, sometimes even on Federal lands. Indians are prevented from practicing forms of worship that require isolation, peace, and quiet because their sites are invaded by tourists. In other cases, conflicts erupt around traditional practices simply because non-Indians do not understand them and feel threatened by them. This has often been the case with the ritual use of peyote. This lack of understanding has also played a role in the difficulties Indian inmates have faced in having access to traditional practitioners when in prison. Mr. President, it is time for us to find a way to put an end to these difficulties and to provide native Americans with the same chances for freedom of worship that we already provide to most other Americans.

I think that I can, as a Jewish American, make a claim to a special understanding of some of the issues at stake here. Every year, for the past 2,000 years, Jews have celebrated the holiday of Passover, commemorating the exodus of our ancestors from slavery in Egypt and their eventual return to the land of Israel. And every year, every Jewish family has finished its ritual dinner, the seder, with the phrase, "next year in Jerusalem." To many, this is not meant to refer to some spiritual Jerusalem, some paradise in the afterlife. It is a reference to the real city and the real place. Of course, today there is serious controversy around what part of Israel should be considered sacred to Jews and what parts can be returned to the Palestinian people. But my main point here is that as a Jew, I do not find it at all strange that a people should mark their history and the history of their spirituality in real, concrete places. Jews have often done this. So, I might add, have many other peoples.

What we are talking about here is not religion in the sense it is often understood in the United States. Religion, for traditional native Americans, is not some set of practices easily distinguished from everyday life, accomplished in specific buildings, with particular religious authorities presiding. Instead, religion is deeply intertwined with the very fabric of native American cultural identities. At our hearing in Minnesota we heard witnesses speak in moving terms about these ties and about the importance of traditional spirituality in their everyday lives. But, again, I want to stress some parallels here. How often have we heard the debate about whether Judaism is a culture or a religion? In the end, for most Jews, you cannot separate the two. The same is true for native Americans.

I think that it is clear that when we talk about religious freedom for native Americans, our first problem is to clear up the obvious misunderstandings about what is under consideration. For native Americans, religion means something different than it does for the dominant religions in this country. But once we understand what that meaning is, it should be a simple matter for us to understand that their freedom to worship ought to be guaranteed. I am sure that I do not need to remind my colleagues that freedom of religion is one of the fundamental rights provided for every citizen of this country.

But I think we need to go just a little further in our understanding of this question. The Congress of the United States, and with it, the entire Federal Government, has an obligation to protect the rights of Indian tribes. This is called the trust relationship. I want to stress that while there are general reasons of religious freedom behind the legislation we are introducing today, the Native American Free Exercise of Religion Act of 1993, is needed because we have an obligation to protect Indian rights to free worship. The question is not, should we protect Indian religious freedom? Instead, we must ask, how can we best live up to our obligation to protect that freedom?

This is an important question, because one might legitimately want to ask why we need a bill to address specifically the religious freedom of native Americans, instead of a bill that addresses all religious at one time. There is, of course, such a bill, the Religious Freedom Restoration Act [RFRA], which has been recently introduced by my colleague from Massachusetts, Senator KENNEDY, and of which I am an original co-sponsor. I believe that there is a strong argument to be made that both of these bills ought to be made into law. RFRA is designed to respond in a very general way to judicial decisions that have been made in recent years restricting the right to free practice of religion. It will restore the compelling interest test as the constitutional standard for the free exercise of religion. It sets a standard of a "least restrictive means" for furthering any compelling government interest in restricting free exercise. I want to stress that these standards worked well for many years, for most religions in this country. And that is a very good reason to support RFRA.

But leaving the definition of such standards up to the judiciary has not proven very effective for native American religions. In NAFERA, on the other hand, we provide language that makes clear the particularities of native religious practices we intend to address. Historically, Indian law and policy have been defined by the judiciary because we have often not made our intentions very clear here in Congress. With this bill, we are making our intentions very clear. Native Americans deserve the same religious freedoms as all other Americans and, if their religious priorities are very different from those of other Americans, we can use this bill to make sure that those differences are understood by the courts. For this reason alone, NAFERA is needed in addition to RFRA.

Yet there is another area where RFRA does not address in any clear way the specific needs of native American religious practice. As Prof. Philip Frickey, of the University of Minnesota Law School, said in his testimony before the Indian Affairs Committee, RFRA fails to clearly address the fundamental issue of native access to sacred sites. While, as Professor Frickey points out, RFRA is designed to restore the compelling interest/least restrictive means tests, in the important Lyng case, where a road was built across a sacred site, the court decided that the Government's action did not burden native religious practice because, and I am citing Professor Frickey's testimony here, it did not "'coerce' native Americans 'into violating their religious beliefs' or 'penalize religious activity by denying any person an equal share of the rights, benefits, or privileges enjoyed by other persons'." Professor Frickey goes on to say that "Lyng thus arguably redefined a 'burden' on the free exercise of religion to include only coercion or penalties surrounding the practice of religion, and to exclude the destruction of religious beliefs. Because the RFRA provides no independent, congressional definition of 'burden', it seems reasonable to fear that Lyng would be decided the same way under RFRA as it was under the first amendment." In other words, in Lyng, Indian religions were understood as if they were just like other religions, a set of beliefs with no particular attachment to the land. RFRA provides no way to address the specificity of native religious practices. In NAFERA, we do. Mr. President, we cannot rely on RFRA to protect native American religion. We need to pass NAFERA as well. I am sure that upcoming hearings on NAFERA will further build the case I have outlined here.

Mr. President, if we are to guarantee the religious freedom of native Americans we need to make sure that all Americans understand that traditional native religions are different from those we usually have in mind when we speak of religious freedom. NAFERA is designed with native specificity in mind and, if passed, it will provide the means to protect native practices and to educate the public about those practices. The support of a broad spectrum of religious groups shows that that educational process is already underway. If we pass this bill, we can go even further in that process. What we are seeking is to find a way to preserve the rights of native Americans to worship freely, in their own manner, the spirits of their choosing. We are looking for the means to end the spiritual suffering of many native Americans described by Professor Weatherford. This bill is good public policy, Mr. President. I would like, once more, to thank Senator INOUYE for introducing it and call upon my colleagues to join me in support of it.

Mr. McCAIN. Mr. President, today Senator INOUYE, the distinguished chairman of the Committee on Indian Affairs, has introduced the Native American Free Exercise of Religion Act of 1993. This bill involves a very complicated area of law which provokes strong and deeply held views. I want to commend Chairman INOUYE for his leadership on this important issue. As is his usual custom, Senator INOUYE has already invested a considerable amount of personal time chairing field hearings and conducting meetings to ascertain the concerns and views of tribal and traditional religious leaders. These consultations have led to the introduction of this bill which seeks to advance the policy established in 1978 under the American Indian Religious Freedom Act [AIRFA].

Mr. President, for the past several weeks a number of Indian tribes and members of the American Indian Religious Freedom Coalition have written to me urging my cosponsorship of this bill. I want to thank everyone who has taken the time to share with me their concerns regarding Indian religious freedom issues. I want to convey to the Indian tribes, religious leaders, and coalition members my hope that this bill will spark a genuine consensus on the changes that are necessary to make AIRFA into an effective law. After careful review and notwithstanding a deep commitment to the goal of religious freedom, I have reluctantly decided not to cosponsor this bill.

Owing to the high level of interest in this issue, and because I do not want anyone to misinterpret my decision not to cosponsor this measure as being insensitive to the religious beliefs held by native Americans, I have decided to make this statement for the RECORD. This statement provides my general view on this issue and highlights a few of the specific concerns I have about the bill.

First, as some individuals will recall, I introduced S. 1124, the American Indian Religious Freedom Act Amendments of 1989, in the 101st Congress. Representative Udall introduced similar legislation in the House and both bills were the subject of hearings in the 101st Congress. While S. 1124 only addressed the issue of access to sacred sites, the bill set forth my general view that as a result of the enormous controversy among native Americans, Federal officials, and other parties, regarding the interpretation and implementation of AIRFA, the Congress had to provide further guidance for the resolution of the conflicts between the concepts inherent in Indian and native cultures and Federal land management practices. This balance of competing interests must be fully informed by the Constitution, our moral and legal obligations to native Americans, and the legitimate interest of the Federal Government in the sound management of Federal lands for the benefit of all Americans.

Under S. 1124, Federal lands which are considered sacred and indispensable to a native American religion and are necessary to the conduct of that religion were entitled to protection. These lands could not have been managed in a way that would have posed a substantial and realistic threat of undermining and frustrating the native American religion or religious practice. Under that bill, Federal officials were granted latitude to carry out legal responsibilities of the Federal Government; to protect a compelling governmental interest, or to protect a vested property right. These land management officials were required, to the greatest extent feasible, to select the course of action that would have been the least intrusive on traditional native American religions or religious practices. Nothing in S. 1124 compelled a Federal official to totally deny public access to Federal lands. The bill established explicit burdens of proof for all parties in any judicial challenge to a Federal land management decision. Petitioners in such cases would have been required to prove that the Federal decision posed a substantial and realistic threat of undermining and frustrating a traditional native American religion or religious practice. If this burden of proof was met, the Federal agency was required to show that its decision was necessitated by law, to protect a compelling governmental interest, or to protect a vested property right. In all cases the agency was required to prove that their decision reflected the course of action which was the least intrusive on the traditional native American religion or religious practice. The Federal courts were given the authority to enter any order necessary to carry out the purposes of the bill.

I have purposely described S. 1124 because I want to remind interested parties that even though that bill was narrowly drafted it was opposed by the Justice Department on the ground that it violated the establishment clause of the Constitution. Other witnesses said that S. 1124 would create an unconstitutional Federal entanglement by requiring Federal agencies to make certain administrative determinations regarding religious practices. The proponents of the bill introduced today should be prepared to state why the two constitutional concerns noted above do not apply to this bill which contains far more restrictive provisions on Federal land managers than those included in S. 1124.

Second, I note that the Judiciary Committee has already acted on S. 578, the Religious Freedom Restoration Act. H.R. 1308, the companion legislation, passed the House on May 11. Both bills would overturn the 1990 Supreme Court ruling in Employment Division versus Smith by restoring the compelling interest standard on a State government which seeks to pass a law limiting religious freedom. In light of this recent congressional action, I am interested in knowing why the religious freedom bills referenced above do not address the fundamental concerns raised under titles I and III of this new bill. If the concerns have been addressed, then it seems to me that considerable time and expense can be saved by narrowing the focus of the bill to the remaining titles.

Third, I am concerned that the bill attempts to micromanage various Federal activities on issues involving eagle feathers, animal parts, and prisoners' rights. In addition, I am concerned that the commission called for in title III and the regional councils called for in title IV are unnecessary. It appears to me from the testimony I've reviewed on prisoners' rights and on the use of eagle feathers and plants, that the proponents of this bill are prepared to recommend administrative steps that can be taken by the cognizant Federal or State agencies. Again, time and expense can be saved without sacrificing the purposes of both titles. I am interested in knowing specific actions the proponents have taken since 1989 to work with the various Federal agencies to explore possible administrative remedies to the issues raised in both titles.

Finally, I am concerned that the omnibus character of this bill will make it much more difficult if not impossible to complete the legislative process. This point will perhaps become more apparent in the House of Representatives where a bill of this complexity will be referred to more than one committee. Such a result will only serve to delay the goal of making AIRFA into an effective law. While I recognize that each of the titles in the bill address important Indian religious freedom concerns, I believe it is incumbent on the tribal proponents to advise the Congress whether they are willing to amend AIRFA by breaking the bill into its various parts or to proceed with the bill in its entirety. I realize the thought of compromise is perhaps the most distant concept in the minds of tribal proponents today, however, all of us must deal with the art of the possible. In this instance, it may only be possible to consider one or more titles of the bill at this point in time while other titles are temporarily set aside. As I mentioned at the beginning of my statement, the issues surrounding AIRFA are complex and provoke strong and deeply held views. Examining Indian affairs issues in the legislative arena usually requires a significant amount of time owing to the enormous amount of education that most Members of Congress require to make informed judgments on pending issues. The size and complexity of this bill and the potential constitutional issues involved will require an unusual amount of time and patience by all parties.

In closing, let me repeat that it continues to be my hope that we will be able to achieve a consensus on advancing the policy goals of AIRFA. I am concerned, however, that the current approach, however well intended, will not yield the desired results and will only prolong the day when religious freedom can be ensured for all native Americans. I believe it is incumbent upon me as a U.S. Senator and as the vice chairman of the Committee on Indian Affairs to provide the Indian people with a legislative analysis that is straightforward and candid. I believe it is incumbent upon the Indian people to recognize the legislative constraints under which all Members of Congress must operate. Finally, I believe it is incumbent upon my colleagues and the Federal agencies to reexamine current policies and to seriously consider measures that can be taken to assure that those who occupied the lands of our Nation before us are ensured of their religious freedom.

By Mr. BRADLEY (for himself and Mr. LAUTENBERG):

S. 1022. A bill to prohibit the Secretary of the Interior from issuing oil and gas leases for waters off the coast of the State of New Jersey until the year 2000, and for other purposes; to the Committee on Energy and Natural Resources.

THE NEW JERSEY OFFSHORE OIL AND GAS MORATORIUM ACT

• Mr. BRADLEY. Mr. President, I am very pleased to introduce today, with my colleague, Senator LAUTENBERG, the Offshore Oil and Gas Moratorium Act. This legislation will add New Jersey to the other coastal areas for which moratoriums on oil and gas offshore development exist.

In July 1991, the U.S. Department of the Interior issued a 5-year comprehensive program for oil and gas development on the Outer Continental Shelf. This document is the blueprint for the Interior Department's efforts and goals for near-term development off the Jersey shore.

This document identified the mid-Atlantic region, which would include a number of tracts off the Jersey shore, for continued planning and lease sales in 1994 and 1997.

These proposals are much more likely to result in anxiety, bad press, and, ultimately, another blow to our coastal economy than to any significant discoveries of oil or gas. In the late 1970's, roughly 28 exploratory wells were drilled off our coast. Are any of these wells still producing oil or gas? No. All 28 are plugged and abandoned. Were there any commercial discoveries of oil and gas? No. Who expects there to be found significant quantities of oil or gas off our shore? I don't know of anyone.

This past summer was a happy one on the shore. On the beachwalk, many, many people expressed their joy in the clean water and beaches. There was a refreshing sense of optimism there. We don't need a new dark cloud to dampen this enthusiasm. We don't need to reconsider the issue of oil and gas leasing.

In last year's natural energy strategy bill, I included a ban on leasing off our coast until 2000. Unfortunately, even though both Houses agreed to my language, the whole title dealing with offshore issues was dropped because of other controversies. We didn't win; we didn't lose; we were rained out. It's time for a replay.

Every now and then, it's appropriate to draw a bright line: Some things you just don't do. They're not worth it. You don't violate the pristine Arctic plain in Alaska. And you don't burden a coastal ecology that's struggling to survive. You just don't drill off of our Jersey shore.

I ask unanimous consent that the text of my bill be printed following my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1022

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "New Jersey Offshore Oil and Gas Moratorium Act".

SEC. 2. DEFINITIONS.

As used in this Act.

(1) LEASE.—The term "lease" has the same meaning as is provided in section 2(c) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(c)).

(2) PRELEASING ACTIVITY.—The term "preleasing activity" means any activity conducted before a lease sale is held including—

(i) the scheduling of a lease;
(ii) a request for industry interest;
(iii) a call for information or a nomination;
(iv) the identification of an area;
(v) the publication of a draft or final environmental impact statement;
(vi) a notice of sale; and
(vii) any form of rotary drilling.

(2) SECRETARY.—The term "Secretary" means the Secretary of the Interior.

SEC. 3. NEW JERSEY OFFSHORE OIL AND GAS MORATORIUM.

Beginning on the date of enactment of this Act and ending on January 1, 2000, the Secretary of the Interior may not conduct any preleasing activity, or hold any lease sale, under the Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.) with respect to the area seaward from the State of New Jersey.●

By Mr. LAUTENBERG (for himself and Mr. BRADLEY):

S. 1023. A bill to provide that no funds may be expended in fiscal year 1994 by the Department of the Interior for the conduct of preleasing and leasing activities in the Atlantic for Outer Continental Shelf Lease Sale 164 in the April 1992 proposal for the Outer Continental Shelf Natural Gas and Oil Resource Management Comprehensive Program, 1992–97; to the Committee on Energy and Natural Resources.

LEASING LEGISLATION

● Mr. LAUTENBERG. Mr. President, today Senator BRADLEY and I are introducing two bills to provide the coastal waters off New Jersey with the same protection from offshore oil and gas drilling which most other coastal areas of the country are afforded. Senator BRADLEY is joining me in introducing legislation to extend the existing moratorium on oil and gas drilling off the mid-Atlantic coast contained in the Interior appropriations bill through fiscal year 1994. I am joining Senator BRADLEY in introducing a bill to impose a moratorium on oil and gas drilling off New Jersey through the year 2000.

In 1988, then-candidate George Bush visited the New Jersey shore. He called the pollution of our coastal waters and beaches a "national tragedy," and promised to protect the Nation's shores. Yet in his June 1990 OCS moratoria decision, President Bush protected only a portion of the Nation's coastline. Although he established moratoria for most of the west coast, much of New England and certain areas off western Florida for 10 years of study to determine the environmental impacts on these States from offshore oil and gas drilling, the President flatly ignored New Jersey. The decision effectively discriminates against New Jersey by saying that other offshore areas are somehow more sensitive and more deserving of protection.

Obviously President Bush did not believe that States like New Jersey deserve protection. But the economies of New Jersey and other unprotected States rely heavily on their coastal resources. The New Jersey shore is the driving force behind New Jersey's $18 billion tourism sector, which is the second largest revenue-producing industry in the State. In 1991, 8.8 million people stayed overnight at the shore and an additional 59 million made day trips to New Jersey beaches. Furthermore, 353,000 people serviced these visitors in some capacity, making the tourism industry the No. 1 employer in the State.

Mr. President, even if we developed all the unleased portions of our OCS, it would provide us with less than 1 percent of world oil supplies. And the Marine Management Service has estimated that there is less than a month's worth of oil from the last proposed sale off the mid-Atlantic. These are meager benefits in the face of the potential economic and environmental risks posed to our vulnerable coastal States, and OCS development would do little to affect our reliance on the volatile world oil markets.

The waters off New Jersey are just as precious as those covered by President Bush's ban: Our beaches deserve equal treatment. Since the June 1990 decision, I have sent several letters to the President, and have met with the Director of the Mineral Management Service. In each instance, I have urged that New Jersey receive the same type of environmental reviews as those States which obtained moratoria. Unfortunately, the Bush administration proposed to lease acreage off New Jersey and other east coast States for oil and gas leasing.

The Congress has acted to remove the prejudice and instill some justice into the OCS planning and leasing processes. I have used my position on the Appropriations Committee to have the Congress include in the Interior appropriations bill moratoria to stop offshore oil and gas drilling leasing and preleasing activities off New Jersey by the Secretary of the Interior. And Senator BRADLEY worked to include in the Senate Energy Committee version of S. 2116, the National Energy Act, a prohibition on oil and gas drilling leasing and preleasing activities off the New Jersey coast until January 1, 2000. This and other provisions relating to offshore drilling were dropped in the conference on the energy bill.

One bill Senator BRADLEY and I are introducing today adopts the provision Senator BRADLEY offered in the Energy Committee to S. 2116. It provides the same protection to the waters off New Jersey from oil and gas operations that President Bush established for most of the rest of the U.S. coast. The second bill which we are introducing would extend the existing moratorium contained in the Interior appropriations bill in the fiscal year 1994 Interior appropriations bill.

Senator BRADLEY and I, together with our colleagues Congressman BILL HUGHES and FRANK PALLONE, also are writing to President Clinton urging him to extend the existing offshore oil and gas moratoria to the waters off New Jersey. I am pleased that President Clinton's fiscal year 1994 budget would continue the existing moratoria for oil and gas operations off New Jersey for fiscal year 1994.

Mr. President, I urge my colleagues to support this legislation. And I ask unanimous consent that a copy of the appropriations moratorium bill which I am introducing, together with a copy of the letter Senator BRADLEY and I sent to President Clinton be included in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1023

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That no funds may be expended in fiscal year 1994 by the Department of the Interior for the conduct of preleasing and leasing activities in the Atlantic for Outer Continental Shelf Lease Sale 164 in the April 1992 proposal for the Outer Continental Shelf Natural Gas and Oil Resource Management Comprehensive Program, 1992–1997.

U.S. SENATE,
Washington, DC, May 20, 1993.

Hon. WILLIAM J. CLINTON,
1600 Pennsylvania Avenue, NW.,
Washington, DC.

DEAR MR. PRESIDENT: We are writing to ask that you reverse the policy of the last Administration and impose a moratorium on oil and gas leasing on the outer continental shelf off the Mid-Atlantic coast until the year 2000.

In 1990, President Bush imposed moratoria through the year 2000 on offshore lease sales off large portions of the nation's coasts. These moratoria addressed almost all controversial oil and gas lease sales except for the proposed sales off the Mid-Atlantic. Despite our requests, President Bush refused to include the Mid-Atlantic in his moratoria decisions.

The New Jersey coastline is one of our most precious resources. In 1991, 8.8 million people stayed overnight at the New Jersey shore and an additional 59 million made day trips to New Jersey's beaches. Coastal tourism at the shore—fishing, swimming, or just walking along the beach—generated $8.9 billion in New Jersey in 1991.

New Jerseyans have been working hard to protect our coast and have made significant strides against various forms of pollution. But the threat posed by offshore oil and gas development to our efforts is obvious.

We fail to understand why our coastline is being treated differently from coastlines around the country. New Jersey beaches and coastal waters are every bit as precious and threatened as those waters in which President Bush banned oil and gas activities.

Oil and gas drilling off the New Jersey coast is expected to produce no more than 13 days of the nation's energy needs. We believe that the risks posed to our coast by oil and gas development off our coasts are not worth 13 days of the nation's energy needs.

We urge you to reverse President Bush's policy and establish the same moratoria on outer continental shelf drilling off the New Jersey coast that President Bush established for most of the rest of our coastline.

Sincerely,

BILL BRADLEY.
FRANK R. LAUTENBERG.
FRANK PALLONE, Jr.
WILLIAM J. HUGHES.●

By Mr. BRADLEY:

S. 1024. A bill to establish a demonstration program to develop new techniques to prevent coastal erosion and preserve shorelines; to the Committee on Banking, Housing, and Urban Affairs.

LOCAL INNOVATION AND COASTAL PROTECTION ACT

● Mr. BRADLEY. Mr. President, I rise today to introduce legislation to bring new ideas and local energy to the enormous task of protecting our Nation's beaches. I am very pleased to be joined in this effort by Senator LAUTENBERG.

For a long time, I've made very clear to all my interest and love of the shore. This is where I come with my family in the summer, as many other New Jerseyites. This is where I have focused a lot of my own attention, whether it's to celebrate the shore's history and diversity by a New Jersey Coastal Heritage Trail, or to address less pleasant issues such as oilspills and medical waste.

Last winter, the shore was battered by a series of storms. A lot of property was damaged. A lot of beach simply vanished. Partly as a result of these storms, we have an ongoing debate both in the State and nationally as to what to do and how to prevent damage.

My own research tells me we have yet a lot to learn about living on the shore. My communities have watched their beaches steadily erode. On our coast, we've spent millions to counter erosion, often with little to show for our efforts.

In 1982 and 1983, for instance, I had to get $12 million in emergency appropriations to save the access road to the Sandy Hook National Recreation Area. We pumped sand on the disappearing beach. By 1989, we needed another $6 million to do the same thing. Today, the Park Service is requesting yet $8 million more.

Frankly, we've been very simpleminded in our approaches—relying too often on pumped concrete or pumped sand. We've got to get new tools, new approaches. We need innovation and we need it now.

Last year, my office was contacted by citizens from Spring Lake. They had been working with a local inventor and some researchers at the Stevens Institute. Their small experiment used two chains of concrete disks, laid across the beach, as a simple way to reverse erosion. Lo and behold, the experiment appeared to work: The beach grew.

Last spring, these constituents reached out to me to help enlarge and better monitor the experiment. I wanted to help. But, other than requesting a specific line item in an appropriations bill, there seemed to be little way to encourage the town's interest and innovative spirit.

The legislation I am introducing today in the Senate will change that. My bill will target and encourage innovation. It will reach out to communities, to counties, to States, and urge them to be creative, to find a better way to protect and enhance our shores.

Here's how the bill works:

The bill sets up a program, managed by FEMA, which allows coastal municipalities, counties, and States to apply for Federal grants. The Federal Government is authorized to fund projects for up to $500,000. A local cost share of at least 25 percent is required.

The grants are intended for projects that target coastal erosion and are considered innovative or experimental. This is a program to develop new ideas first and last.

A special preference is given to those projects that use natural features, planning, temporary or portable structures to control or counter erosion. If we can, we want to minimize the footprint of these projects and encourage flexibility. While an approach, for instance, that relied on poured concrete and embedded steel wouldn't be ruled out, it is not the first choice.

All grants would include a provision that required a complete analysis, at full Government expense, of the long-term impacts and impacts to neighboring communities. We're not trying to find new Band-Aids. We're not trying to steal sand from one beach for another. We're looking for real solutions.

The grant money will be provided by the likely beneficiaries, with direct safeguards. The legislation calls for a separate fund financed by a $5 per year fee on coastal community flood insurance policies. However, this is not your normal trust fund: First, if the money is not spent appropriately and is allowed to accumulate, the authority to collect the fee is withdrawn; second, every contributing policyholder will get an annual accounting of the program—this will help spread the word about the program, and its successes and failures; and third, after 4 years, the program stops and all unobligated funds are returned to the policyholders.

Additionally, the bill calls on the FEMA flood insurance managers to develop a list of approved erosion reduction techniques. FEMA is authorized to allow appropriate flood insurance discounts to those communities that aggressively employ these techniques and reduce the risks of erosion.

What I've tried to do is create a small, responsible, and forward-looking program. I've tried to make sure that the funds will actually be there to implement the program. I've tried to safeguard those funds so they don't get hijacked to other purposes.

I ask unanimous consent that the text of the bill be printed following my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1024

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Local Innovation and Coastal Protection Act of 1993".

SEC. 2. PROGRAM AUTHORITY.

(a) IN GENERAL.—Chapter III of the National Flood Insurance Act of 1968 (42 U.S.C. 4101 et seq.) is amended by adding at the end the following new section:

"SEC. 1366. EROSION MITIGATION DEMONSTRATION PROGRAM.

"(a) IN GENERAL.—The Director shall make grants, with amounts made available from the Coastal Erosion Control Fund established under section 1367, to demonstrate the feasibility of innovative mitigation activities designed to minimize coastal erosion, preserve shorelines, and avoid environmental degradation.

"(b) ELIGIBLE RECIPIENTS.—The Director may make grants under this section to—

"(1) any State; and

"(2) any community participating in the national flood insurance program under this title that—

"(A) has suffered recurring flood damages and claims, as determined by the Director; and

"(B) is in full compliance with the requirements under the national flood insurance program.

"(c) ELIGIBLE ACTIVITIES.—

"(1) IN GENERAL.—A grant under this section may be used to develop and test innovative techniques to minimize coastal erosion and preserve shorelines.

"(2) PRIORITY.—In making grants under this section, the Director shall give a priority to eligible recipients that conduct projects to demonstrate the feasibility of techniques that—

"(A) have application to more than 1 location;

"(B) substantially broaden the applicability of proven erosion control techniques; or

"(C) avoid permanent structural alterations and rely instead on natural designs, including the use of vegetation, or temporary structures, to accomplish their goal.

"(d) APPLICATIONS.—The Director shall make grants under this section on the basis of a nationwide competition, in accordance with such application forms and procedures as the Director may establish.

"(e) MAXIMUM AMOUNT.—The total amount of any grant under this section may not exceed $500,000 for any project assisted under this section.

"(f) PROGRAM REQUIREMENTS.—

"(1) MATCHING REQUIREMENTS.—

"(A) IN GENERAL.—Except as provided in subparagraph (C), a grant under this section may not exceed 3 times the amount that the recipient certifies, as the Director shall require, that the recipient will contribute from non-Federal funds to carry out activities assisted with amounts provided under this section.

"(B) NON-FEDERAL FUNDS.—For purposes of this subsection, the term 'non-Federal funds' includes—

"(i) State or local agency funds,

"(ii) any salary paid to staff to carry out the activities of the recipient,

"(iii) the value of the time and services contributed by volunteers to carry out such activities (at a rate determined by the Director), and

"(iv) the value of any donated material or building and the value of any lease on a building.

"(C) NO MATCH REQUIRED FOR EVALUATION.—No non-Federal contribution is required for the conduct of evaluations under paragraph (2).

"(2) REPORT.—Not later than 5 years after the receipt of a grant under this section, the recipient of the grant shall transmit to the Director a report that—

"(A) evaluates the long-term effectiveness of the techniques that were developed under this section; and

"(B) assesses any impact that such techniques have had on adjacent coastal areas.

"(g) REPORT TO CONGRESS.—The Director shall transmit to the Congress an annual report that—

"(1) summarizes the erosion mitigation techniques developed pursuant to this section;

"(2) describes the status of the Coastal Erosion Control Fund established under section 1367; and

"(3) recommends any legislative or administrative action necessary to further the purposes of this section.

"(h) AUTHORIZATION.—There are authorized to be appropriated to carry out this section, from the Coastal Erosion Control Fund under section 1367, $12,500,000 for each of the fiscal years 1994 through 1997.".

SEC. 3. ESTABLISHMENT OF COASTAL EROSION CONTROL FUND.

Chapter III of the National Flood Insurance Act of 1968 (42 U.S.C. 4101 et seq.), as amended by section 2, is further amended by adding at the end the following new section:

"SEC. 1367. ESTABLISHMENT OF COASTAL EROSION CONTROL FUND.

"(a) IN GENERAL.—The Director shall establish in the Treasury of the United States a fund to be known as the Coastal Erosion Control Fund (hereafter in this section referred to as the 'Fund'), which shall be available, to the extent provided in appropriation Acts, for grants under section 1366.

"(b) CREDITS.—The Fund shall be credited with any premium surcharges assessed under section 1308(e).".

SEC. 4. INSURANCE PREMIUM MITIGATION SURCHARGE.

(a) IN GENERAL.—Section 1308 of the National Flood Insurance Act of 1968 (42 U.S.C. 4015) is amended by adding at the end the following new subsections:

"(e) Notwithstanding any other provision of this title, the Director shall assess, with respect to each contract for flood insurance coverage under this title, an annual mitigation surcharge of $5. The surcharges shall be paid into the Coastal Erosion Control Fund under section 1367, and shall not be subject to any agents' commissions, company expenses allowances, or State or local premium taxes.

"(f) The Director shall not assess any surcharge under subsection (e) if the balance of the Fund exceeds $15,000,000.

"(g) The Director shall transmit to those who paid a surcharge under subsection (e)—

"(1) an annual report describing the expenditures of the Fund during the preceding fiscal year; and

"(2) any unobligated funds that remain in the Fund at the end of fiscal year 1997.".

(b) APPLICABILITY.—The amendment made by subsection (a) shall apply to any contract for flood insurance under the National Flood Insurance Act of 1968 issued or renewed after the date of enactment of this Act.

SEC. 5. INSURANCE RATE INCENTIVES FOR EROSION MITIGATION EFFORTS.

Chapter III of the National Flood Insurance Act of 1968 (42 U.S.C. 4101 et seq.), as amended by sections 2 and 3, is further amended by adding at the end the following new section:

"SEC. 1368. INSURANCE RATE INCENTIVES FOR EROSION MITIGATION EFFORTS.

"(a) PREFERRED EROSION MITIGATION MEASURES.—The Director shall evaluate the effectiveness of the erosion mitigation measures funded under section 1366 and shall publish a list of the most effective of such measures in the Federal Register.

"(b) RATE INCENTIVES FOR COMMUNITIES.—The Director shall provide incentives in the form of adjustments in the premium rates for flood insurance coverage in areas that the Director determines have implemented erosion mitigation measures contained in the list published pursuant to subsection (a).".•

By Mr. CONRAD (for himself, Mr. BAUCUS, Mr. HARKIN, and Mr. FORD):

S. 1025. A bill to promote technology transfer to small manufacturers by providing for engineering students to work as interns with small manufacturers, and for other purposes; to the Committee on Commerce, Science, and Transportation.

SMALL MANUFACTURERS' RENEWAL TRAINING ACT

• Mr. CONRAD. Mr. President, I offer the Small Manufacturers' Renewal and Training—or SMART—Act. This bill will promote the modernization of America's small manufacturers by providing internships for senior engineering students in small companies.

BACKGROUND

Senator HOLLINGS has long been a leader in the area of technology transfer. Moreover, we now have a President who advocates the development of a coherent technology policy to enhance America's economic competitiveness. I am proud to be a cosponsor of Senator HOLLINGS' National Competitiveness Act—it will strengthen American manufacturing.

A key element of the competitiveness strategy is the Manufacturing Outreach Program—designed to bring information on the best manufacturing processes and technologies directly to small manufacturers.

SMART PROGRAM

The legislation I am introducing today, the SMART Act, will make an important contribution to the Manufacturing Outreach Program. By placing senior science and engineering students in small manufacturing companies, the SMART internship program will serve three purposes:

First, it will expose small manufacturers to modern manufacturing technologies through personal contact with young scientists and engineers.

Undergraduate students cannot be experts in all aspects of modern manufacturing technology, but they will have access to the technical resources of their colleges and universities and the manufacturing outreach center.

Second, it will give young engineers and scientists experience in working in small companies where they will develop many of the skills necessary to become successful entrepreneurs.

Many of these young people will then seek careers with small entrepreneurial companies. Over the long term, this legislation will produce a larger community of entrepreneurs with technological expertise.

Third, it will build stronger ties between the scientists and engineers in our colleges and universities and the small manufacturing sector.

Companies will benefit by increased exposure to new technological ideas.

TECHNOLOGY AND COMPETITIVENESS

Our international competitors have had technology policies in place for years, and it shows. In technology after technology, commanding U.S. leads have evaporated and, in too many cases, we are now playing catchup.

With a basic research engine that is the envy of the world, there is no excuse for the United States to fall behind in critical commercial technologies. We have been very effective at expanding frontiers of human knowledge and understanding, but have often failed to move technologies to the market.

We need to take steps to build on our strong foundation of basic research by developing low-cost mechanisms to transfer modern and advanced technologies to the private sector. This is the key to President Clinton's technology program and the key to increasing economic growth in America.

AMERICAN INDUSTRY

Large companies like IBM and General Motors have been shrinking and splitting apart. Once the mainstay of the American economy, they are losing jobs and investing less in research and development. Small companies must take up the slack.

However, small companies face particularly difficult obstacles in adopting modern technologies. Many small firms simply cannot afford to have full time engineers and scientists on staff. As a consequence of this and other problems, many small firms have a difficult time selecting and adopting modern technologies to stay competitive. Even high technology companies often lack the expertise in efficient manufacturing processes that is essential to commercial success.

That need not be the case. In Fargo, ND, Gary Zespy runs a small manufacturing company. Last year, he wanted to improve his quality control systems. Fortunately, Gary could turn to the Institute for Business and Industrial Development at North Dakota State University which helped him develop a quality control system.

Gary Zespy is lucky because his factory is near a center at North Dakota State University. Manufacturing outreach programs including the SMART internship program can bring that luck to other firms—breaking the barriers of time and information.

By placing interns directly with small companies, the SMART program helps to overcome this knowledge barrier and multiplies the ability of manufacturing outreach centers to do their job.

RURAL AREAS

The SMART Program provides a way to help keep young scientists and engineers in rural areas, by creating opportunities for them to demonstrate their value to local, small manufacturers. It will contribute to the long-term economic revitalization of these areas.

The SMART Program is based on successful experiences in cooperative education and a pilot program at Iowa State University. Cooperative education requires a major commitment from an employer to hire a student—or, more often, two students who alternate in and out of a single position—for 2 or 3 years. This requirement poses a significant cost obstacle for many small companies.

A pilot program at the Iowa State University Extension Service's Center for Industrial Research and Service is helping to eliminate that obstacle. This program has placed a handful of engineering students each summer with small manufacturing companies across the State of Iowa. One student helped a small manufacturer design a new, more efficient popcorn machine. The president of another company described working with another student as "a win-win situation for both of us." Demand for interns has far outstripped the budget of this small program.

THE PROGRAM

The SMART Program offers a low-cost, low-risk way for small manufacturers to take advantage of the pool of talent in engineering schools. The SMART Program pays for a portion—up to the Federal minimum wage—of the intern's wages. The host company must supplement those wages and provide benefits.

Through grants from NIST, manufacturing outreach centers will recruit and select students for internships—matching their skills with the needs of small manufacturers—provide initial training and information and serve as a constant source of technical and other support to the students.

I believe that the SMART Program meets the highest standards of efficiency and cost-effectiveness. The $10 million initial funding authorization would sponsor over 3,000 interns, helping 3,000 small manufacturing companies across the country.

The SMART internship program is carefully targeted to complement, not to replace similar programs in the Small Business Administration or cooperative education programs.

CONCLUSION

Mr. President, the Small Manufacturers' Renewal and Training Act will provide a cost effective means to promote technological progress in America's small businesses. It will strengthen linkages between the manufacturing and technology communities and provide the basis for long-term economic growth and renewal. I urge my colleagues to join me in this effort.•

By Mr. PACKWOOD (for himself and Mr. HATFIELD):

S.J. Res. 97. A joint resolution to commemorate the sesquicentennial of the Oregon Trail; to the Committee on the Judiciary.

SESQUICENTENNIAL OF THE OREGON TRAIL

• Mr. PACKWOOD. Mr. President, I rise to introduce a joint resolution to commemorate the sesquicentennial of the Oregon Trail. The journeys of thousands of settlers along this trail is one of the defining moments in American history. Through the courage, perseverance, and hopes of these pioneers, the United States was able to fulfill its Manifest Destiny. In 1840, only three States existed west of the Mississippi River, and the Nations boundary was roughly the Continental Divide. Within 10 years, the country stretched from ocean to ocean.

The Oregon Trail had been used for many years by trappers, explorers, and mountain men. In 1843, the first wagon trains of pioneer families set off from Independence, MO, and traveled 2,170 miles across sage brush, plains, mountains, and rivers to the Willamette Valley in the Oregon Territory. This epic journey took them through land that is now the States of Kansas, Nebraska, Wyoming, Idaho, and Oregon. For a brief period in the early 1840's the trail curved up into Washington. Along the trail, the tracks of their wagons can still be seen where ironclad wheels cut into the sandstone roadbed.

The people who embarked on this journey had many reasons for seeking a new life. Some were fleeing the depressed economy of the Eastern States; others were attracted by free land in the West. Some settlers even needed to escape from the law. All sought a better life for themselves in the new territories of the West.

The journey was very hazardous. To preserve the strength of their animals, most of the settlers walked and allowed the oxen to pull the wagons. The pioneers suffered from fatigue, disease, and accidents. Many of the travelers fell ill, and for a long stretch along the trail there was a grave every 80 yards.

The stories of the families who embarked on the Oregon Trail define the United States as a nation. They were willing to cast off their old lives, surmount huge obstacles, and achieve better lives in a promising new land. They were pivotal in extending our country from ocean to ocean.

The sesquicentennial of the Oregon Trail will be celebrated in many ways this year and observed in all the States through which the trail ran. A train of wagons will recreate the journey, new interpretive signs and interpretive centers are being installed along parts of the trail, and many other celebrations and events will take place. I think it is only fitting that the Senate honor this great event in American history by declaring September 4, 1993, the 150th anniversary of the day the first families reached the end of their journey, as "National Oregon Trail Day."

Mr. President, I ask unanimous consent that the text of the legislation be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 97

Whereas, of all the western trails used by fur traders, gold seekers, missionaries, and emigrants, the Oregon Trail was the most important to the western settlement of this great Nation;

Whereas, in the year 1843, the first major wave of humanity left Independence, Missouri and travelled 2,170 miles in covered wagons across sagebrush, plains, mountains, and rivers to the Willamette Valley in Oregon Territory;

Whereas over 400,000 men, women, and children risked their lives in this greatest migration in American history;

Whereas this Nation was expanded from ocean to ocean, as settlement of the Old Oregon Territory forced Great Britain to relinquish this land to the United States;

Whereas the pioneering spirit of the Oregon Trail emigrants embodies the spirit of the American people;

Whereas Americans have an ever-increasing desire to understand our national heritage;

Whereas, in 1978, Congress enacted the National Trails System Act, designating the Oregon Trail as a national historic trail, in recognition of the vital role it played in our Nation's history; and

Whereas in 1993, the American people will seek to rekindle the pioneering spirit of the "Great Migration" and an official Oregon Trail sesquicentennial wagon train will journey across the Nation, arriving in Oregon City, Oregon on September 4, 1993: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That September 4, 1993, is hereby designated as "National Oregon Trail Day". The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe this day with the appropriate ceremonies and activities.•

• Mr. HATFIELD. Mr. President, 150 years ago the first of nearly a half million pioneers set off from Independence, MO, for the unknown frontier of the Oregon Territory. These settlers travelled 2,170 miles with their entire families in small covered wagons in search of the American dream. Today, I am very pleased to join my colleague from Oregon, Senator PACKWOOD, in introducing legislation establishing National Oregon Trail Day on September 4 of this year.

Honoring the Oregon Trail gives Americans, be they young or old, a chance to evaluate an extremely important period in the history of the United States. While the significance of the Great Migration to the Western States is obvious, the impact of this expansion on the lives of all Americans became equally obvious as our fledgling country fulfilled what it saw as its Manifest Destiny. Henry David Thoreau so aptly characterized this historic migration when he stated:

> I must walk toward Oregon, and not toward Europe. And that way the nation is moving, and I may say that mankind progresses from east to west * * * We go eastward to realize history and study the works of art and literature. We go westward into the future, with a spirit of enterprise and adventure.

The 4½ month journey along the Oregon Trail was filled with hardships for these enterprising settlers. Storms, rivers, undrinkable water, disease, and starvation took their toll. In some years, one of every ten pioneers who set out on the trail died. Once they reached their destinations in California, Washington, Utah, New Mexico, Oregon, or any of the several other States the trail traversed, they were forced to carve out an existence in a wholly new environment. Yet these settlers persevered and created their homesteads from all that was strange. Because of these brave men and women our struggling Nation became not only one of the largest countries in the world, but also one of the richest from the wealth of natural resources that were discovered. The backbone of this Nation has always been our pioneering spirit as displayed by these intrepid travelers.

But, as we commemorate the migration that the Oregon Trail brought forth, let us also commemorate those Americans who were using the western trails long before the migration of the 19th century began. The story of the impact of westward expansion on native American lands and cultures is well known. Perhaps not as well known is the role that native Americans played in the history of the Oregon Trail as guides and as traders of salmon, vegetables, and fruit to pioneers who had run out of food and money.

Reflection upon the great events that shaped our Nation's past is crucial to better understanding the great ideals that will shape our Nation's future. Migration on the Oregon Trail proved costly to many travelers as well as to native cultures. But, the trail also embodied the hopes and dreams of a generation that built this country into the great Nation it is today. The realization of these dreams will be celebrated with events this summer in the many towns that grew up along the trail in several States.

I urge citizens from all areas of the country to come travel part of the trail, to ride in an authentic wagon train, or meander on horseback in the ruts first created by iron-wheeled prairie schooners. On mountainous portions of the trail, such as in the Cascade Range in Oregon, one can still find notches high in the great fir trees, carved at ground level 150 years ago by the ropes used to pull wagons up the steep inclines. Come join in the spirit of the Old West and commemorate the sesquicentennial of the trail that shaped a nation.•

ADDITIONAL COSPONSORS

S. 11

At the request of Mr. BIDEN, the name of the Senator from South Dakota [Mr. PRESSLER] was added as a cosponsor of S. 11, a bill to combat violence and crimes against women on the streets and in homes.

S. 52

At the request of Mr. FEINGOLD, the name of the Senator from South Dakota [Mr. DASCHLE] was added as a cosponsor of S. 52, a bill to amend the Public Health Service Act to establish a program to provide information and technical assistance and incentive grants to encourage the development of services that facilitate the return to home and community of individuals awaiting discharge from hospitals or acute care facilities who require managed long-term care, and for other purposes.

S. 98

At the request of Mr. BRADLEY, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 98, a bill to establish a Link-up for Learning grant program to provide coordinated services to at-risk youth.

S. 265

At the request of Mr. SHELBY, the names of the Senator from Washington [Mr. GORTON], the Senator from Montana [Mr. BAUCUS], the Senator from Alaska [Mr. STEVENS], and the Senator from Kansas [Mrs. KASSEBAUM] were added as cosponsors of S. 265, a bill to increase the amount of credit available to fuel local, regional, and national economic growth by reducing the regulatory burden imposed upon financial institutions, and for other purposes.

S. 373

At the request of Mr. DECONCINI, the name of the Senator from Alaska [Mr. STEVENS] was added as a cosponsor of S. 373, a bill to amend title 17, United States Code, to modify certain recordation and registration requirements, to establish copyright arbitration royalty panels to replace the Copyright Royalty Tribunal, and for other purposes.

S. 381

At the request of Mr. DASCHLE, the name of the Senator from Colorado [Mr. CAMPBELL] was added as a cosponsor of S. 381, a bill to amend the Internal Revenue Code of 1986 to make permanent, and to increase to 100 percent, the deduction of self-employed individuals for health insurance costs.

S. 411

At the request of Mr. HELMS, his name was added as a cosponsor of S. 411, a bill to freeze domestic discretionary spending for fiscal years 1994 and 1995 at fiscal year 1993 levels.

S. 430

At the request of Mr. HELMS, his name was added as a cosponsor of S. 430, a bill to require a 60-vote supermajority in the Senate to pass any bill increasing taxes.

S. 434

At the request of Mr. BUMPERS, the name of the Senator from New York [Mr. D'AMATO] was added as a cosponsor of S. 434, a bill to amend the Internal Revenue Code of 1986 to allow taxpayers a bad debt deduction for certain partially unpaid child support payments and to require the inclusion in income of child support payments which a taxpayer does not pay, and for other purposes.

S. 449

At the request of Mr. HELMS, his name was added as a cosponsor of S. 449, a bill to amend the Internal Revenue Code of 1986 to allow individuals to designate that up to 10 percent of their income tax liability be used to reduce the national debt, and to require spending reductions equal to the amounts so designated.

S. 482

At the request of Mr. BOREN, the names of the Senator from Michigan [Mr. LEVIN] and the Senator from New Mexico [Mr. BINGAMAN] were added as cosponsors of S. 482, a bill to amend title 38, United States Code, to require the Secretary of Veterans Affairs to furnish outpatient medical services for any disability of a former prisoner of war.

S. 483

At the request of Mr. SHELBY, the name of the Senator from New Mexico [Mr. BINGAMAN] was added as a cosponsor of S. 483, a bill to provide for the minting of coins in commemoration of Americans who have been prisoners of war, and for other purposes.

S. 575

At the request of Mr. KENNEDY, the name of the Senator from Washington [Mrs. MURRAY] was added as a cosponsor of S. 575, a bill to amend the Occupational Safety and Health Act of 1970 to improve the provisions of such Act with respect to the health and safety of employees, and for other purposes.

S. 732

At the request of Mr. KENNEDY, the names of the Senator from Iowa [Mr. HARKIN], the Senator from Pennsylvania [Mr. WOFFORD], and the Senator from Connecticut [Mr. DODD] were added as cosponsors of S. 732, a bill to provide for the immunization of all children in the United States against vaccine-preventable diseases, and for other purposes.

S. 739

At the request of Mr. BUMPERS, the names of the Senator from Rhode Island [Mr. CHAFEE], the Senator from South Dakota [Mr. PRESSLER], and the Senator from Pennsylvania [Mr. WOFFORD] were added as cosponsors of S. 739, a bill to amend the Internal Revenue Code of 1986 to simplify the limitation on using last year's taxes to calculate an individual's estimated tax payments.

S. 806

At the request of Mr. MITCHELL, the name of the Senator from Wisconsin [Mr. FEINGOLD] was added as a cosponsor of S. 806, a bill to extend to the People's Republic of China renewal of nondiscriminatory (most-favored-nation) treatment provided certain conditions are met.

S. 861

At the request of Mr. BRADLEY, the name of the Senator from Ohio [Mr. METZENBAUM] was added as a cosponsor of S. 861, a bill to provide assistance to community development financial institutions, and for other purposes.

S. 862

At the request of Mr. BRADLEY, the name of the Senator from Ohio [Mr. METZENBAUM] was added as a cosponsor of S. 862, a bill to promote the development of small business in economically distressed central cities by providing for entrepreneurship training courses and Federal guarantees of loans to potential entrepreneurs, and for other purposes.

S. 863

At the request of Mr. BRADLEY, the name of the Senator from Ohio [Mr. METZENBAUM] was added as a cosponsor of S. 863, a bill to provide for the establishment of demonstration projects designed to determine the social, psychological, and economic effects of providing to individuals with limited means an opportunity to accumulate assets, and to determine the extent to which an asset-based welfare policy may be used to enable individuals with low income to achieve economic self-sufficiency.

S. 864

At the request of Mr. BRADLEY, the name of the Senator from Ohio [Mr. METZENBAUM] was added as a cosponsor of S. 864, a bill to amend title I of the Omnibus Crime Control and Safe Streets Act of 1968 to authorize a community policing grant program.

S. 865

At the request of Mr. BRADLEY, the name of the Senator from Ohio [Mr. METZENBAUM] was added as a cosponsor of S. 865, a bill to establish a Mobility for Work Demonstration Program, and for other purposes.

S. 866

At the request of Mr. BRADLEY, the name of the Senator from Ohio [Mr. METZENBAUM] was added as a cosponsor of S. 866, a bill to provide for the establishment of a neighborhood reconstruction corps program to award grants for the employment of disadvantaged workers for infrastructure repair activities, and for other purposes.

S. 895

At the request of Mr. PRYOR, the names of the Senator from Nevada [Mr. REID], the Senator from Hawaii [Mr. INOUYE], and the Senator from Rhode Island [Mr. PELL] were added as cosponsors of S. 895, a bill to amend the Internal Revenue Code of 1986 with respect to the treatment of the rehabilitation credit under the passive activity limitation and the alternative minimum tax.

S. 914

At the request of Mr. BUMPERS, the name of the Senator from Oklahoma [Mr. BOREN] was added as a cosponsor of S. 914, a bill to amend the Internal Revenue Code of 1986 with respect to the discharge, or repayment, of student loans of students who agree to perform services in certain professions.

S. 947

At the request of Mr. PRESSLER, the name of the Senator from North Carolina [Mr. HELMS] was added as a cosponsor of S. 947, a bill to amend the Internal Revenue Code of 1986 to limit the tax rate for certain small businesses, and for other purposes.

S. 991

At the request of Mr. JOHNSTON, the names of the Senator from Colorado [Mr. CAMPBELL] and the Senator from Tennessee [Mr. MATHEWS] were added as cosponsors of S. 991, a bill to direct the Secretary of the Interior and the Secretary of Energy to undertake initiatives to address certain needs in the Lower Mississippi Delta Region, and for other purposes.

S. 1007

At the request of Mr. PRYOR, the names of the Senator from Oregon [Mr. HATFIELD], the Senator from Arkansas [Mr. BUMPERS], and the Senator from Connecticut [Mr. LIEBERMAN] were added as cosponsors of S. 1007, a bill to recreate the common good by supporting programs that enable adults to share their experience and skills with elementary and secondary school age children.

SENATE JOINT RESOLUTION 14

At the request of Mr. THURMOND, the names of the Senator from Illinois [Ms. MOSELEY-BRAUN] and the Senator from Pennsylvania [Mr. WOFFORD] were added as cosponsors of Senate Joint Resolution 14, a joint resolution to designate the month of May 1993, as "National Foster Care Month."

SENATE JOINT RESOLUTION 60

At the request of Mr. BYRD, the names of the Senator from Connecticut [Mr. DODD], the Senator from North Carolina [Mr. HELMS], the Senator from Iowa [Mr. GRASSLEY], and the Senator from Virginia [Mr. WARNER] were added as cosponsors of Senate Joint Resolution 60, a joint resolution to designate the months of May 1993 and May 1994 as "National Trauma Awareness Month."

SENATE JOINT RESOLUTION 64

At the request of Mr. LEVIN, his name was added as a cosponsor of Senate Joint Resolution 64, a joint resolution to designate June 5, 1993, as "National Trails Day."

SENATE CONCURRENT RESOLUTION 16

At the request of Mr. SHELBY, the name of the Senator from Ohio [Mr. METZENBAUM] was added as a cosponsor of Senate Concurrent Resolution 16, a concurrent resolution expressing the sense of Congress that equitable mental health care benefits must be included in any health care reform legislation passed by Congress.

SENATE CONCURRENT RESOLUTION 24

At the request of Mr. LEVIN, his name was added as a cosponsor of Senate Concurrent Resolution 24, a concurrent resolution concerning the removal of Russian troops from the independent Baltic States of Estonia, Latvia, and Lithuania.

At the request of Mr. DECONCINI, the names of the Senator from Colorado [Mr. BROWN] and the Senator from North Dakota [Mr. CONRAD] were added as cosponsors of Senate Concurrent Resolution 24, supra.

AMENDMENTS SUBMITTED

MANUFACTURING TECHNOLOGY AND EXTENSION ACT OF 1993, INFORMATION INFRASTRUCTURE AND TECHNOLOGY ACT OF 1992, NATIONAL COMPETITIVENESS ACT OF 1993

PRESSLER AMENDMENT NO. 369

(Ordered referred to the Committee on Commerce, Science and Technology.)

Mr. PRESSLER submitted an amendment intended to be proposed by him to the bill (S. 4) promote the industrial competitiveness and economic growth of the United States by strengthening and expanding the civilian technology programs of the Department of Commerce, amending the Stevenson-Wydler Technology Innovation Act of 1980 to enhance the development and nationwide deployment of manufacturing technologies, and authorizing appropriations for the Technology Administration of the Department of Commerce, including the National Institute of Standards and Technology, and for other purposes, as follows:

Beginning with page 56, line 5, strike all through page 60, line 13.

On page 60, line 14, strike "324" and insert "322".

On page 78, strike lines 18 through 25.

On page 79, line 1, strike "(3)" and insert "(1)".

On page 79, line 5, strike "(4)" and insert "(2)".

On page 79, strike line 9 and all that follows through "expenses." on line 17.

At the end of the bill, add the following new title:

TITLE VII—ASSISTANCE TO SMALL CRITICAL TECHNOLOGY FIRMS

SEC. 701. ASSISTANCE TO SMALL CRITICAL TECHNOLOGY INVESTMENT COMPANIES.

(a) CREATION OF CRITICAL TECHNOLOGY INVESTMENT COMPANIES.—Section 301 of the Small Business Investment Act of 1958 (15 U.S.C. 681) is amended by adding at the end the following new subsection:

"(e) CRITICAL TECHNOLOGY INVESTMENT COMPANIES.—

"(1) LICENSING.—A small business investment company, the investment policy of which is that its investments will be made for the purpose of stimulating and expanding the flow of private capital to small business concerns engaged in the research, development, demonstration, and commercialization of critical civilian technologies—

"(A) may be—

"(i) organized and chartered under applicable State business or nonprofit corporation statutes; or

"(ii) formed as a limited partnership; and

"(B) may be licensed by the Administration to operate in accordance with this title.

"(2) COMMITMENT.—In order to be licensed under this subsection, a critical technology investment company shall—

"(A) demonstrate to the Administration a relationship with and the ability to work in conjunction with universities, research bodies, technology transfer centers, or other organizations to assist the critical technology investment company in identifying and evaluating projects to be financed under this subsection; or

"(B) if such ability cannot be satisfactorily demonstrated, as determined by the Administrator, establish a technology advisory committee to assist in project identification, evaluation, and oversight for the company.

"(3) VENTURE CAPITAL PARTICIPATION.—A critical technology investment company licensed under this subsection may provide venture capital to small business concerns in such manner and under such terms as the licensee may establish in accordance with the regulations of the Administrator. Venture capital provided to small business concerns may be provided directly or in cooperation with other investors, incorporated or unincorporated, through agreements to participate on an immediate basis.

"(4) APPLICABILITY OF ACT.—Except as otherwise specifically provided this title shall apply to a critical technology investment company licensed under this subsection in the same manner and to the same extent as a small business investment company licensed under subsection (c).

"(5) DEFINITIONS.—For purposes of this subsection—

"(A) a small business is engaged in the research, development, demonstration, and commercialization of critical civilian technologies if such small business—

"(i) is eligible for assistance under section 28 of the National Institute of Standards and Technology Act; and

"(ii) engages in such activities in relation to advanced technologies and products in the fields of automation and electronics, advanced materials, biotechnology, optical technologies, or other technologies identified by the Secretary of Commerce as critical civilian technologies; and

"(B) the term 'small business' shall have the meaning given to such term by the Administrator in regulations promulgated in connection with subsection (c).".

"(b) PARTICIPATING SECURITIES.—Section 303(g) of the Small Business Investment Act of 1958 (15 U.S.C. 683(g)) is amended in the first sentence by striking "section 301(c) of this Act" and inserting "subsection (c) or (e) of section 301".

"(c) ALLOCATION OF PROFITS.—Section 303(g)(11) of the Small Business Investment Act of 1958 (15 U.S.C. 683(g)(11)) is amended by adding at the end the following new subparagraph:

"(C) Notwithstanding any other provision of this paragraph, a critical technology investment company licensed under section 301(e) which issues participating securities shall agree to allocate to the Administration a share of its profits in an amount equal to 50 percent of the profit share payable by a small business investment company licensed under section 301(c) in accordance with subparagraphs (A) and (B).".

"(d) LEVERAGE ON DEBENTURES.—Section 303(b) of the Small Business Investment Act of 1958 (15 U.S.C. 638(b)) is amended by striking "301(c) of this Act" each place such term appears and inserting "subsection (c) or (e) of section 301".

"(e) REGULATORY AUTHORITY.—The Small Business Administration (hereafter in this section referred to as the "Administration") shall promulgate such rules and regulations as may be necessary to carry out section 301(e) of the Small Business Investment Act of 1958 (as added by subsection (a)).

"(f) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—In addition to any sums authorized to be appropriated under section 20 of the Small Business Act, there are authorized to be appropriated to the Administration for the period encompassing fiscal years 1994 and 1995, $105,000,000 to carry out the financing functions of the Administration in connection with the critical technology investment companies licensed under section 301(e) of the Small Business Investment Act of 1958 (as added by this subsection (a)).

(2) AVAILABILITY.—Amounts appropriated to the Administration in accordance with paragraph (1) shall remain available until expended.

(3) ADMINISTRATIVE EXPENSES.—Of the amounts appropriated under paragraph (1), not more than the greater of $5,000,000 or 10 percent may be used by the Administration for administrative expenses in any fiscal year.

(g) FUND.—Amounts received by the Administration from the redemption of participating securities issued by a critical technology investment company licensed under section 301(e) of the Small Business Investment Act of 1958 (pursuant to section 303(g) of that Act) and fees paid to the United States by such a critical technology investment company shall be deposited into an account established by the Administration shall be available only to carry out such section 301(e), to the extent provided in advance in an appropriations Act.

One page 3, in the table of contents, strike the items relating to sections 322 and 323 and redesignate the item relating to section 324 as section 322.

On page 3, at the end of the table of contents, add the following:

"TITLE VII—ASSISTANCE TO SMALL CRITICAL TECHNOLOGY FIRMS

"SEC. 701. Assistance to critical technology investment companies.".

CONGRESSIONAL CAMPAIGN SPENDING LIMIT AND ELECTION REFORM ACT OF 1993

WELLSTONE AMENDMENT NO. 370

Mr. WELLSTONE proposed an amendment to amendment No. 366 (in the nature of a substitute) to the bill (S. 3) entitled the "Congressional Spending Limit and Election Reform Act of 1993," as follows:

At the appropriate place insert the following:

SEC. . REDUCTION OF CONTRIBUTION LIMITS.

(a) AMENDMENT.—Section 315(a)(1)(A) of FECA (2 U.S.C. 441a(a)(1)(A)) is amended by striking the semicolon and inserting ", but no more than $105 in the aggregate with respect to an election cycle in the case of a candidate for the Senate;".

(b) EFFECTIVENESS.—The amendment made by subsection (a) shall be in effect only when there is in effect a law that provides for significant public financing of Senate election campaigns (including payments of money, vouchers for use in connection with the purchase of the use of media for communication to the public, discounted or free use of communications media, and reduced mailing rates) for primary elections, runoff elections, and general elections.

DECONCINI AMENDMENT NO. 371

(Ordered to lie on the table.)

Mr. DECONCINI submitted an amendment intended to be proposed by him to amendment No. 366 (in the nature of a substitute) to the bill (S. 3), supra, as follows:

Amend section 801 to read as follows:

SEC. 801. EFFECTIVE DATE.

(a) IN GENERAL.—Except as otherwise provided in subsection (b) and in any other provision of this Act, this Act and the amendments made by this Act shall take effect on the date of the enactment of this Act.

(b) CONTRIBUTION RECEIVED PRIOR TO DATE OF ENACTMENT.—No provision of this Act or amendment made by this Act that limits the amount of a contribution or contributions that may be made to or accepted by a candidate or political committee by or from a single person or entity or a particular type of person or entity during an election cycle shall be applied to make unlawful or require the return of a contribution that was made prior to the date of enactment of this Act.

PRESSLER (AND OTHERS) AMENDMENT NO. 372

Mr. PRESSLER (for himself, Mr. MCCONNELL, Mr. MCCAIN, and Mr. DURENBERGER) proposed an amendment to amendment No. 366 (in the nature of a substitute) to the bill (S. 3), supra, as follows:

Strike section 102, beginning on page 37, line 6, and ending on page 43, line 15, of amendment No. 366, and insert the following:

SEC. . BAN ON ACTIVITIES OF POLITICAL ACTION COMMITTEES IN FEDERAL ELECTIONS.

(a) IN GENERAL.—Title III of Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) is amended by adding at the end the following new section:

"BAN ON FEDERAL ELECTION ACTIVITIES BY POLITICAL ACTION COMMITTEES

"SEC. 324. Notwithstanding any other provision of this Act, no person other than an individual or a political committee may make contributions, solicit or receive contributions, or make expenditures for the purpose of influencing an election for Federal office.".

(b) DEFINITION OF POLITICAL COMMITTEE.—(1) Section 301(4) of Federal Election Campaign Act (2 U.S.C. 431(4)) is amended to read as follows:

"(4) The term 'political committee' means—

"(A) the principal campaign committee of a candidate;

"(B) any national, State, or district committee of a political party, including any subordinate committee thereof;

"(C) any local committee of a political party which—

"(i) receives contributions aggregating in excess of $5,000 during a calendar year;

"(ii) makes payments exempted from the definition of contribution or expenditure under paragraph (8) or (9) aggregating in excess of $5,000 during a calendar year; or

"(iii) makes contributions or expenditures aggregating in excess of $1,000 during a calendar year; and

"(D) any committee jointly established by a principal campaign committee and any committee described in subparagraph (B) or (C) for the purpose of conducting joint fundraising activities.".

(2) Section 316(b)(2) of Federal Election Campaign Act (2 U.S.C. 441b(b)(2)) is amended by striking subparagraphs (B) and (C).

(c) CANDIDATE'S COMMITTEES.—(1) Section 315(a) of Federal Election Campaign Act (2 U.S.C. 441a(a)) is amended by adding at the end the following new paragraph:

"(9) For the purposes of the limitations provided by paragraphs (1) and (2), any political committee which is established or financed or maintained or controlled by any candidate or Federal officeholder shall be deemed to be an authorized committee of such candidate or officeholder.".

(2) Section 302(e)(3) of Federal Election Campaign Act (2 U.S.C. 432(e)) is amended to read as follows:

"(3) No political committee that supports or has supported more than one candidate may be designated as an authorized committee, except that—

"(A) a candidate for the office of President nominated by a political party may designate the national committee of such political party as the candidate's principal campaign committee, but only if that national committee maintains separate books of account with respect to its functions as a principal campaign committee; and

"(B) a candidate may designate a political committee established solely for the purpose of joint fundraising by such candidates as an authorized committee.".

(d) RULES APPLICABLE WHEN BAN NOT IN EFFECT.—For purposes of the Federal Election Campaign Act of 1971, during any period in which the limitation under section 324 of that Act (as added by subsection (a)) is not in effect—

(1) the amendments made by subsections (a) and (b) shall not be in effect; and

(2) it shall be unlawful for any person that—

(A) is treated as a political committee by reason of paragraph (1); and

(B) is not directly or indirectly established, administered, or supported by a connected organization which is a corporation, labor organization, or trade association,

to make contributions to any candidate or the candidate's authorized committee for any election aggregating in excess of $1,000.

WELLSTONE AMENDMENT NO. 373

Mr. WELLSTONE proposed an amendment to amendment No. 366 (in the nature of a substitute) to the bill (S. 3), supra, as follows:

In section 502(a)(1) of the Federal Election Campaign Act of 1971, as proposed to be enacted by section 102(a) of the amendment, strike "the less of" and all that follows through "$250,000" and insert "$25,000".

MANUFACTURING TECHNOLOGY AND EXTENSION ACT OF 1993 INFORMATION INFRASTRUCTURE AND TECHNOLOGY ACT OF 1993 NATIONAL COMPETITIVENESS ACT OF 1993

WOFFORD (AND OTHERS) AMENDMENT NO. 374

(Ordered referred to the Committee on Commerce, Science and Technology.)

Mr. WOFFORD (for himself, Mr. KERRY, and Mr. KENNEDY) submitted an amendment intended to be proposed by them to the bill, S. 4, supra, as follows:

SECTION 101. Short Title. These amendments may be cited as the "Workplace Innovation Amendments."

SEC. 102. Amendments to S. 4, the National Competitiveness Act of 1993. The bill S. 4, the National Competitiveness Act of 1993, is amended as follows:

On page 4, line 5, after "standards" insert "and employment opportunities".

On page 4, line 21, after "skills" insert "establish high-performance work organizations,".

On page 5, line 7, after "business' insert "and labor".

On page 5, line 8, after "technological" insert "and skill".

On page 5, line 9, after "trends" insert "and production process trends".

On page 5, line 19, after "manufacturing" insert "adopt new methods of production,".

On page 6, line 13, after "employment" insert "quality jobs".

On page 6, line 20, after "processes" insert "and advanced workplace practices".

On page 6, insert the following new subsection: "encourage cooperation among Federal departments and agencies to help firms and workers, in a coordinated fashion, to take full advantage of manufacturing technology, to improve productivity and quality, adopt high-performance work organizations, and to create quality job opportunities".

On page 7, line 18, after "art" insert "and promote high-performance high-skills systems".

On page 8, insert the following new subsection: "(2) the term 'advanced' workplace practices means innovations in work organization and performance, including high-performance workplace systems, flexible production techniques, quality programs, continuous improvement, concurrent engineering, close relations between suppliers and customers, widely diffused decision-making and work teams, and effective integration of production technology, worker skills and training, and workplace organization".

On page 9, line 20, after "Administration" insert "in cooperation with other Federal departments and agencies,".

On page 10, line 4, after "companies" insert "and their workforces".

On page 10, line 11, after "technologies" insert "and advanced workplace practices".

On page 10, line 20, after "labor" insert "and, as appropriate, other Federal departments and agencies".

On page 11, line 9, insert new subsection as follows: "Since the development of new skills in the existing and entry workforce, and development of new organizational and managerial approaches, are integral parts of successfully deploying advanced manufacturing and related technologies, advanced workplace practices should be developed and deployed simultaneously and in a coordinated fashion with the development and deployment of advanced manufacturing technology."

On page 12, line 5, insert "workplace".

On page 14, line 8, after "Director" insert "and, as appropriate, in consultation with other Federal officials".

On page 15, line 10, insert new subsection as follows: "conduct research in advanced workplace practices related to and necessary for deploying advanced manufacturing technologies, increasing firms' competitiveness and creating job opportunities;".

On page 15, line 23, after "industry" insert "worker organizations, the Department of Labor".

On page 16, line 2, after "technologies" insert "that help production workers to effectively learn, adopt, utilize and participate in the deployment of advanced manufacturing technologies and workforce practices;".

On page 17, line 7, after "industry" insert "and worker organizations".

On page 17, line 8, after "Defense" insert "and Labor".

On page 18, line 20, after "technology" insert "and advanced workplace practices".

On page 18, line 23, delete "the private sector" and insert "business and labor".

On page 23, line 7, insert new subsection as follows: "advanced workplace practices".

On page 24, line 12, after "manufacturers" insert and "and between management and labor".

On page 24 line 20, after "them" insert ", including both technology and workplace practices;".

On page 25, line 19, after "sector" insert "help firms assess needs regarding technology, workplace practices and training;".

On page 25, insert new subsection (8) as follows: "(8) Manufacturing Outreach Centers shall help arrange for appropriate training resources, in conjunction with the implementation of advanced manufacturing technologies.".

On Page 25, insert new subsection (9) as follows: "(9) Manufacturing Outreach Centers shall, when there exists at a firm a recognized collective bargaining representative for the employees, notify such recognized collective bargaining representative when it is engaged by such firm for services.".±

On page 25, insert new subsection (10) as follows: "(10) Manufacturing Outreach Centers, shall, where there exists a recognized collective bargaining representative for the employees, work with such recognized employee representative in implementing advanced manufacturing technologies and advanced workplace practices, and where no recognized collective bargaining representative for the employees exists, work with employees in planning the use of and implementing advanced manufacturing technologies and advanced workplace practices.".

On page 26, line 1, renumber (8) to (11).

On page 26, delete lines 7 and 8, and insert new Subsections (B), (C) and (D) as follows: "(B) evaluating the effectiveness of the Manufacturing Outreach Centers and Regional Centers for the Transfer of Manufacturing Technology, including the use of objective measures such as growth in employment, productivity, market share and sales; (C) assisting, in conjunction with other federal departments where appropriate, in the training of technology extension agents and in helping them disseminate information on best available manufacturing technologies and workplace practices; and (D) collecting and disseminating information to Manufacturing Outreach Centers and Regional Centers for the Transfer of Manufacturing Technology produced by other federal departments and agencies relating to advanced manufacturing technology and advanced workplace practices.".

On page 27, line 19, delete "13" and insert "14".

On page 27, line 22, after "Defense" insert "the Secretary of Labor".

On page 30, line 4, after "and" insert "work organization".

On page 33, insert new subsection (2) as follows: "in section 25(a), by deleting "The objectives of the Centers is to enhance productivity and technological performance in United States manufacturing through—" and by inserting "The objectives of the Centers is to enhance productivity, improve customer service and product quality, increase international competitiveness and create quality job opportunities in United States manufacturing through—".

On page 33, insert new subsection (3) as follows: "in section 25(a), by deleting 'and' at the end of paragraph (4) replacing the period at the end of paragraph (5) with '; and ' and by inserting immediately after paragraph (5) the following new paragraph: '(6) the active dissemination of information on advanced workplace practices and available education and training programs and the encouragement of companies to train workers in the effective use of modern and advanced manufacturing technologies.".

On page 33, insert new subsection (4) as follows: "in subsection 25(b), by deleting 'and' at the end of paragraph (2), renumbering paragraph (3) as paragraph (4), and by adding immediately after paragraph (2) the following new paragraph: '(3) assessments of client firms' modernization needs, assistance in implementing quality processes, and where needed cooperation with training institutions to ensure that employees, particularly production workers, receive training in the most effective use of manufacturing technology and advanced workplace practices.".

On page 33, insert new subsection (5) as follows: "in subsection 25(b), by inserting immediately after paragraph (4) the following new paragraph: '(5) when there exists at a firm a recognized collective bargaining representative for employees, notification of such recognized collective bargaining representative when it is engaged by such firm for services.".

On page 33, insert new subsection (6) as follows: "in subsection 25(b), by inserting immediately after paragraph (5) the following new paragraph: '(6) where there exists a recognized collective bargaining representative for employees, working with such recognized employee representative in implementing advanced manufacturing technologies and advanced workplace practices, and where no recognized collective bargaining representative for employees exists, working to involve employees in implementing advanced manufacturing technologies and advanced workplace practices.".

On page 33, insert new subsection (7) as follows: "in subsection 25(c)(4), by inserting after "review" the following: ", including the use of objective measures as growth in employment, productivity, market share and sales".

On page 33, renumber subsection (2) to (8).

On page 34, renumber subsections (3) to (9), (4) to (10).

On page 38, line 4, insert the following new subsection (d): "(d) The performance of any recipient of assistance pursuant to this section shall be reviewed by the State Technology Extension Program, which review shall include the use of objective measures such as growth in employment, productivity, market share and sales.".

On page 43, line 10, after "technologies" insert "and advanced workplace practices".

On page 44, line 3, after "manufacturing" insert "or industrial".

On page 48, line 1, after "technologies" insert "and workplace practices".

On page 49, line 21, after "industry" insert "and American workers".

On page 50, line 11, after "countries" insert and "and create domestic employment opportunities".

On page 51, insert new subsection (I) as follows: "evaluate with the cooperation of Federal Departments to determine the extent to which these efforts have resulted in increasing production capabilities in the United States and to create employment opportunities for American workers."

On page 65, insert new subsection (a) as follows: "(a) Section 2(a) of the Malcolm Baldridge National Quality Improvement Act of 1987 (15 U.S.C. 3711a note) is amended—

(1) in paragraph (7), by striking out 'and' at the end thereof;

(2) in paragraph (8)(D), by striking out the period and inserting in lieu thereof '; and' and

(3) by adding at the end thereof the following new paragraph:

'(9) improvements in quality and the enhanced competitiveness of United States business and industry are directly related to a skilled and flexible workforce and to the organization of work around high performance models.'.".

On page 65, line 21 reletter "(a)" to "(b)".

On page 66, line 4 reletter "(b)" to "(c)".

On page 67, line 4 insert new subsection (d) as follows: "Section 16(d) of the Stevenson-Wylder Technology Innovation Act of 1980 (15 U.S.C. 3711a(d)) is amended by adding at the end thereof the following new paragraph:

'(3) For purposes of this subsection, the term 'effective quality management' includes the upgrading of the skills of the workforce and the implementation of high performance forms of work organization that emphasize increased education, skills, and direct authority and autonomy of front-line workers in order to enhance productivity and quality.'".

• Mr. KERRY. Mr. President, we face a true economic crisis in this country which is being almost completely ignored. Over the last decade, real wages have fallen in this country. And, at a time when we are all talking about how we want our country to be a country of high-skill, high-wage jobs, the proportion of high-wage jobs in the United States is actually declining. Real median family incomes are on the decline. There is too much truth to the fact that we are becoming a Nation of hamburger flippers rather than a Nation of manufacturers.

If this continues, our children's generation will be the first to find their standard of living lower than that of their parents. To take no action and permit this to happen would be unconscionable.

The crisis we face demands that we make creating jobs our No. 1 priority. Senator WOFFORD, Senator KENNEDY, and I believe that one of the best ways we can do this is to assist American companies and American workers to adopt the new manufacturing methods that their competitors abroad are using successfully to produce products in industries which pay high wages.

Companies in Europe, Japan, parts of Southeast Asia, and the United States have adopted high-performance work organizations which give authority to skilled workers to perform a wide variety of tasks and which are more flexible and produce higher quality products than under the mass production model of work organization still widely used in the United States. We are offering a bill today which will help to bring American firms and American workers into the vanguard of this workplace revolution that has taken place around the world.

A recent article in the Wall Street Journal illustrated the importance of adopting these advanced practices. A number of respected American companies, such as GE, Corning, and Federal-Mogul, attempted to improve their competitiveness in the 1980's, but they did so without confronting the fundamental way in which they organized work. As a result, in many cases their expensive despite expensive investments in machinery and in Japanese inventory management systems failed to produce any significant savings or increases in quality. The companies cited in the Journal article learned after these misguided first attempts that to achieve real improvements, they needed to involve their workers in decisionmaking and to build the manufacturing process around them.

In Massachusetts, the Foxboro Company's Pocasset plant has adopted these methods. It has been cited as one of the 10 best plants in America by Industry Week. Its success is partially attributable to its having empowered its employees to form teams which continually push the plant to meet higher and higher standards of quality. At a time when many major corporations have given up trying to achieve profitability and quality in the production of electronic components, this plant has remained competitive because it has won the participation and commitment of every employee.

Despite the crucial importance of this issue of work reorganization, government policy fails to address it. There is still no linkage between worker training and technology programs although, as these examples illustrate, neither worker training nor technology dissemination can be effective in isolation of the other.

Senator WOFFORD, Senator KENNEDY, and I hope to begin to bridge that gap in a bill we are introducing today. This bill will create a matching grants program for universities, worker organizations and non-profit organizations to disseminate information about high-performance work organizations. Through these grants, we will encourage workers and managers to adopt advanced work organizations as they attempt to modernize. We will improve the competitiveness of our companies—which cannot compete if they do not adopt these methods—as well as the earning ability of our workers.

The bill does not offer training, but it will help to identify the benefits of training and therefore, it will encourage companies to see training as an essential capital investment. At the same time, it will educate workers about technology so that, rather than being frightened by the prospect of modernization, they will be in a position to promote true workplace modernization.

Secretary Reich and Secretary Brown have convened a labor-management commission in part to examine the changes resulting from the advent of high-performance work organizations. The grants program Senator WOFFORD, Senator KENNEDY, and I wish to create will give people on the front lines the means to experiment with these new forms of worker organizations immediately and to encourage their adoption. Given the increasingly bleak picture facing working people in America today, it is imperative that some action be taken now.

Senator WOFFORD, Senator KENNEDY, and I are today introducing an amendment to Senator HOLLINGS' bill, The National Competitiveness Act of 1993, as well. The National Competitiveness Act will disseminate information about modernization methods to small- and medium-sized companies. Our amendment will ensure that when companies are instructed about modernization practices they are also provided assistance in adopting high-performance work organizations. Public-private extension centers will work with companies to help them understand how to invest in their workers as well as in machinery so that they can increase their productivity and the number of high-wage, high-skill jobs.

The primary goal of our economic policies must be the creation of high-wage jobs. President Clinton has put forward a plan which will address the economic crisis in America. As a member of the Commerce Committee, I am very pleased to join with Senator WOFFORD of the Labor Committee to illustrate that we in Congress are willing to work together as we are willing to work with the executive branch to get the job done. I commend him for his devotion to this issue.•

CONGRESSIONAL CAMPAIGN SPENDING LIMIT AND ELECTION REFORM ACT OF 1993

McCAIN AMENDMENT NO. 375

Mr. McCAIN proposed an amendment to amendment No. 366 (in the nature of a substitute) to the bill (S. 3), supra, as follows:

On page 17, line 3, change (f) to (g) and insert the following:

"(f)(1) RESTRICTIONS ON USE OF CAMPAIGN FUNDS.—Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) is amended at the end of the following new section:

"SEC. 324. (a) An individual who receives contributions as a candidate for Federal office—

"(1) may use such contributions only for legitimate and verifiable campaign expenses; and

"(2) may not use such contributions for any inherently personal purpose.

"(b) As used in this subsection—

"(1) the term 'campaign expenses' means expenses attributable solely to bona fide campaign purposes; and

"(2) the term 'inherently personal purpose' means a purpose that, by its nature, confers a personal benefit, and such term includes, but is not limited to, a home mortgage payment, clothing purchase, noncampaign automobile expense, country club membership, vacations or trips of a non-campaign nature, and any other inherently personal living expense as determined under the regulations mandated by paragraph (f)(2) of this subsection.".

(2) REGULATIONS.—For the purpose of subsection (f)(1), the Federal Election Commission shall, not later than 90 days after the date of enactment of subsection (f)(1), prescribed regulations to implement the subsection. Such regulations shall apply to all contributions possessed by an individual at the time of implementation of this section."

NOTICES OF HEARINGS

COMMITTEE ON INDIAN AFFAIRS

Mr. INOUYE. Mr. President, I would like to announce that the Committee on Indian Affairs will be holding an oversight hearing on Thursday, May 27, 1993, beginning at 9:30 a.m., in 485 Russell Senate Office Building, on the Native American Grave Protection and Repatriation Act.

Those wishing additional information should contact the Committee on Indian Affairs at 224-2251.

Mr. President, I would like to announce that the Committee on Indian Affairs will be holding an oversight hearing on Thursday, May 27, 1993, beginning at 2 p.m., in 485 Russell Senate Office Building, on the President's budget request for Indian programs for fiscal year 1994 for the Indian Health Service and Indian programs within the Environmental Protection Agency.

Those wishing additional information should contact the Committee on Indian Affairs at 224-2251.

Mr. President, I would like to announce that the Committee on Indian Affairs will be holding a joint hearing on Tuesday, May 25, 1993, beginning at 3:30 p.m., in 328-A Russell Senate Office Building, on barriers to participation in food stamp and other nutrition programs of the Department of Agriculture by persons residing on Indian lands.

Those wishing additional information should contact the Committee on Indian Affairs at 224-2251.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. JOHNSTON. Mr. President, I would like to announce for the public that a hearing has been scheduled before the full Committee on Energy and Natural Resources.

The hearing will take place Tuesday, June 8, 1993, at 2:30 p.m. in room 366 of the Senate Dirksen Office Building in Washington, DC.

The purpose of the hearing is to receive testimony from William H. White, nominee to be Deputy Secretary of Energy; Maj. Gen. Archer L. Durham (Ret.), nominee to be Assistant Secretary of Energy for Human Resources and Administration; and William J. Taylor III, nominee to be Assistant Secretary of Energy for Congressional, Intergovernmental and International Affairs.

For further information, please contact Rebecca Murphy at (202) 224-7562.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY AND THE COMMITTEE ON INDIAN AFFAIRS

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry and the Committee on Indian Affairs be allowed to meet during the session of the Senate on Tuesday, May 25, 1993, at 3:30 p.m., to hold a joint hearing on barriers to participation in food stamp and other nutrition programs of the Department of Agriculture by persons residing on Indian lands.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on

Commerce, Science, and Transportation be authorized to meet on Tuesday, May 25, 1993, at 10 a.m., pending committee business.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate, 9:30 a.m., May 25, 1993, to receive testimony on S. 544, a bill to amend the Federal Power Act to protect consumers of multistate utility systems, and for other purposes; and to receive testimony on an amendment to S. 544 which would transfer responsibility for administering the Public Utility Holding Company Act of 1935 from the Securities and Exchange Commission to the Federal Energy Regulatory Commission.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. FORD. Mr. President, I ask unanimous consent that the full Committee on Environment and Public Works be authorized to meet during the session of the Senate on Tuesday, May 25, beginning at 9:30 a.m., to consider the nominations of:

Mr. David McLane Gardiner, nominated by the President to be the Administrator for Policy, Planning and Evaluation, U.S. Environmental Protection Agency;

Mr. Steven A. Herman, nominated by the President to be the Assistant Administrator for Enforcement, U.S. Environmental Protection Agency;

Mr. George Thomas Frampton, Jr., nominated by the President to be the Assistant Secretary for Fish and Wildlife and Parks, U.S. Department of the Interior; and

Mr. Rodney E. Slater, nominated by the President to be the Federal Highway Administrator, U.S. Department of Transportation

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, May 25 at 5 p.m., to receive a closed briefing from the State Department on the administration's policy toward Bosnia.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. FORD. Mr. President, I ask unanimous consent on behalf of the Governmental Affairs Committee for authority to meet for a hearing on May 25, at 9:30 a.m., on the nomination of Philip Lader, to be Director for Management, OMB.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON INDIAN AFFAIRS

Mr. FORD. Mr. President I ask unanimous consent that the Committee on Indian Affairs be authorized to meet on Tuesday, May 25, 1993, beginning at 3:30 p.m., in 328–A Russell Senate Office Building, on barriers to participation in Food Stamp and other nutrition programs of the Department of Agriculture by persons residing on Indian lands.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to hold a hearing on the Nomination of Lee Brown to be the Director of the Office of Drug Strategy, During the session of the Senate on Tuesday, May 25, 1993, at 10:30 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

SPECIAL COMMITTEE ON AGING

Mr. FORD. Mr. President, I ask unanimous consent that the Special Committee on Aging, be authorized to meet during the session of the Senate on Tuesday, May 5, 1993, at 9:30 a.m. to hold a hearing entitled "How Secure Is Your Retirement: Investments, Planning and Fraud."

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ANTITRUST, MONOPOLIES, AND BUSINESS RIGHTS

Mr. FORD. Mr. President, I ask unanimous consent that the Subcommittee on Antitrust, Monopolies and Business Rights, of the Committee on the Judiciary, be authorized to meet during the session of the Senate on Tuesday, May 25, 1993, at 9:30 a.m., to hold a hearing on the insurance industry.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ARMED SERVICES

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet on Tuesday, May 25, 1993, at 2:30 p.m., in open session, to consider the following pending nominations: Mr. Ashton B. Carter, to be Assistant Secretary of Defense for Nuclear Security and Counter Proliferation; Mr. Walter Slocombe, to be Deputy Under Secretary of Defense for Policy; Mr. Edward L. Warner III, to be Assistant Secretary of Defense for Strategy and Resources; Ms. Anita K. Jones, to be Director, Defense Research and Engineering; Mr. Emmett Paige, Jr., to be Assistant Secretary of Defense for Command, Control, Communications and Intelligence; Mr. Harold Smith, to be Assistant to the Secretary of Defense for Atomic Energy; Mr. Steven S. Honigman, to be General Counsel of the Navy; and Ms. Deborah Lee, to be Assistant Secretary of Defense for Reserve Affairs. The nominees will be present. The hearing on each nomination is contingent upon timely submission of all required paperwork.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON CLEAN AIR AND NUCLEAR REGULATIONS

Mr. FORD. Mr. President, I ask unanimous consent that the Subcommittee on Clean Air and Nuclear Regulation, Committee on Environment and Public Works, be authorized to meet during the session of the Senate on Tuesday, May 25, beginning at 10 a.m., to conduct a hearing, on S. 656, the Indoor Air Quality Act of 1993 and S. 657, the Indoor Radon Abatement Reauthorization Act of 1993.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON FORCE REQUIREMENTS AND PERSONNEL

Mr. FORD. Mr. President, I ask unanimous consent that the Subcommittee on Force Requirements and Personnel of the Committee on Armed Services be authorized to meet on Tuesday, May 25, 1993, at 9 a.m., in open session, to receive testimony on the personnel compensation and benefits programs of the military services associated with the Defense authorization request for fiscal year 1994 and the future years defense program.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON INTERNATIONAL FINANCE AND MONETARY POLICY

Mr. FORD. Mr. President, I ask unanimous consent that the Subcommittee on International Finance and Monetary Policy of the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate, Tuesday, May 25, 1993, at 10 a.m., to conduct a hearing to review the Treasury Department's latest report on international economic and exchange rate policy.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON NUCLEAR DETERRENCE, ARMS CONTROL AND DEFENSE INTELLIGENCE

Mr. FORD. Mr. President, I ask unanimous consent that the Subcommittee on Nuclear Deterrence, Arms Control and Defense Intelligence of the Committee on Armed Services be authorized to meet at 9:30 a.m. on Tuesday, May 25, 1993, in open session, to receive testimony on the civil defense budget and programs of the Federal Emergency Management Agency in review of the Defense authorization request for fiscal year 1994 and the future years defense program.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

ROOT ELEMENTARY, A BLUE RIBBON SCHOOL

• Mr. BUMPERS. Mr. President, last week Root Elementary School in Fayetteville, AR, was honored as one of the Department of Education's Blue Ribbon Schools.

Established in 1982, the Blue Ribbon Schools Program honors elementary and secondary schools in alternate years. State education agencies, the Bureau of Indian Affairs, the Department of Defense Dependent Schools, and the Council for American Private Education nominated nearly 500 elementary schools for the 1991-92 competition.

Two hundred twenty-eight schools were selected as Blue Ribbon Schools, which was based on an evaluation of written materials from the nominated schools and reports from experienced principals and teachers who visited the schools.

The student body at Root Elementary has been engaged this year in learning more about our American system of economics by forming their own corporation and subsidiary businesses to provide a service to the community. That effort has also won a teacher work team at the school a National Award for Economic Education.

Mr. President, I want to congratulate the administrators, the teachers, the parents and students at Root Elementary on this national recognition. They are proof that our schools can and should provide the proper environment for motivating students to learn.•

RTC FUNDING—THRIFT DEPOSITOR PROTECTION ACT OF 1993

• Mr. JEFFORDS. Mr. President, once again, we found ourselves considering legislation to provide additional funds to the Resolution Trust Corporation [RTC]. This issue was the legislative equivalent of root canal work, it had to be done, but it was no fun.

The savings and loan disaster is a tale of bad judgment, bad actors, and bad luck. All of us wanted to put it behind us, yet none of us want to pay the tab. Certainly I didn't. My State does not have one failed thrift, and yet Vermonters are being asked to contribute just as much as everybody else for a problem that was not theirs. This is bitter medicine to swallow.

The legislation recently passed by the Senate provides the RTC with $18.3 billion in funding—the amount previously appropriated but not spent by the RTC—and the Savings Association Insurance Fund [SAIF] with $16 billion in new funding. This was the fifth time that the Senate considered funding and I hope the last one before the RTC completes its job of closing failed thrifts.

This is not small change, for my State or any other. But I think the Clinton administration was right to support this request and we would have been derelict if we did not support it. The problem will not disappear if we ignore it, it will only fester. Nor does it lend itself to a magical, perfect solution that will make me and every other Member of Congress perfectly satisfied.

The price of procrastination for the American people is staggering. For over a year, we had sat on our hands and denied the Resolution Trust Corporation the money it needs to shut down insolvent S&L's. Inaction has meant mounting losses. The net result to the American taxpayer has been approximately $1 billion in unrecovered costs, or a daily cost of almost $3 million.

Since the full Congress has yet to appropriate funds for the RTC, today, tomorrow, and until the day Congress does a reality check, the American taxpayers will continue to lose $3 million every day needlessly. This is money that can't be used to close insolvent thrifts and protect insured deposits, it is pure waste.

Most Vermonters who contacted me wanted the people responsible for this mess to pay the bill. I agree wholeheartedly. This bill, like others before it, contains measures to track down and prosecute the crooks who ripped off their depositors and the Federal insurance fund that protects them.

But if we are going honest, we have to recognize that the costs of the bailout will be far beyond what we can hope to recover from pursuing individuals who broke our laws. Billions and billions in losses came not from illegal activity, but risky and legal investments, much of it in real estate deals that went sour. For many of these losses, no amount of investigation will turn up criminal activity.

We can second guess this situation forever. But one decision cannot be second-guessed, that is, the commitment we made to the thousands of depositors in the savings and loan system who were told that the full faith and credit of the United States stood behind their deposit. These people are not S&L kingpins, they are not the high fliers who made the bad deals.

But they are what the bailout is all about. Virtually every dollar that Congress has appropriated has gone to pay them the insurance money they were promised. The average account paid off by the RTC has been $9,000. That speaks volumes about just who is being helped by the bailout.

The U.S. Government and Congress have an obligation to provide adequate funding to protect all Americans under the Federal deposit insurance system that we enacted 60 years ago. We cannot now desert these insured depositors that the American Government has given a commitment to, simply because of the concern over how the RTC operates. Congress has a duty to fulfill the obligations that we have promised to the American public.

Like everyone else, I have been horrified by the stories of waste in the RTC. The administration is not unmindful of these problems. Secretary Bentsen and RTC's Interim Chief Executive Officer [CEO] Roger Altman recently announced new measures to provide that "every penny saved through more efficient operations and more effective asset sales will reduce the ultimate cost to the taxpayer." The administration has instituted new changes that "place greater emphasis on internal controls and efficiency as opposed to speed." These new changes also provide greater access to small business, women, and minorities.

For instance, the RTC is establishing a Small Investors Program [SIP] to increase small investor opportunities. It will also elevate the Office of Minority and Women's Programs to divisional status and have its Vice President report directly to the CEO. It will prepare a comprehensive business plan and asset sales strategy, having submitted its outline for review to the General Accounting Office and Inspector General's Office. Finally, the RTC will strengthen its internal controls, appoint a Chief Financial Officer and Oversight Board Audit Committee and establish an RTC/FDIC transition task force.

Today, the RTC has 83 thrifts in its conservatorship program. There are currently 3.9 million depositors with $74 billion under RTC control. It has been estimated by Secretary Bentsen that, over the next 5½ years, about 192 institutions will likely fail, requiring the RTC and SAIF to protect these failed thrifts depositors. These thrifts have combined assets of about $120 billion. The funding that was requested for the RTC and SAIF will go to offset these thrifts to insured depositors, today and in the future. Over 97 percent of previously appropriated funds to the RTC were used to cover the insured deposits of Americans. Not as critics try to proclaim, to only bail out saving and loan executives and stockholders for their fraudulent practices with taxpayers' money.

Instead, much to the chagrin of these critics, the RTC has tried to assist the Justice Department in pursuing savings and loans crooks that ripped off billions of dollars from the American people. Through May 1992, the Justice Department had convicted 862 individuals, with 77 percent or 545 people receiving jail sentences. Federal courts have imposed almost $11 million in fines due to these convictions. Some 161 directors of failed thrifts were successfully convicted of fraudulent banking practices.

Still, this was not an easy vote. The question each and every one of us should ask ourselves is what did the American taxpayer get from this thrift bailout? They have financial security and most importantly, economic stability. The money Congress has allocated to close failed thrifts will help to protect millions of American depositors' savings. Without this protection many more bankruptcies and failures would have occurred—adding to the monstrous cost of this cleanup.

For these reasons, it was a vote that was made with America's citizens' economic future in mind. Bailing out failed S&L's should only remind us that continued delays only add to the already staggering costs of this debacle. Despite continued reservations, I supported the President's funding request, and more importantly, our obligation to depositors and the American taxpayers' interests. It was time for Congress to do the same. For we must finish the job undertaken in 1989, and fulfill the Government's commitment to protect all Americans' insured deposits.•

WILL TURNER TO REPRESENT ARKANSAS IN GEOGRAPHY BEE

• **Mr. BUMPERS.** Mr. President, this week some of the Nation's finest students gather to compete in the National Geographic Society's fifth annual Geography Bee.

Representing my State is 13-year-old Will Turner, a student at Ramsey Junior High in Fort Smith.

Will's love of geography came at an early age. When he was 10, he asked his parents for a world globe, although most of his playmates sought something electronic or the latest in sneakers.

Will, the son of Dr. and Mrs. Bill Turner of Fort Smith, finished first among 101 contestants in the Arkansas Geography Bee in April. He has always been interested in maps, atlases, and political science generally. After graduation, he says he would like to become a student of international studies and, ultimately, a politician.

Mr. President, I want to congratulate the champion of the Arkansas Geography Bee and wish him well this week as he competes for a $25,000 scholarship with other State winners from all across the country.•

REGARDING PHILADELPHIA NAVAL SHIPYARD

• **Mr. D'AMATO.** Mr. President, a constituent of mine just provided me with a very disturbing article that appeared in the Philadelphia Naval Shipyard Beacon on April 24, 1992 entitled "*Seattle* Is Ours."

The story trumpets the efforts of 100 people, listed by name, that worked on the bid for the *Seattle*—100 people. Only an organization feeding off the Federal trough could afford such profligacy. By comparison, New York Shipyard's bid involved no more than six people.

This appears to me to be a gross misuse of taxpayer dollars.

I have asked the Navy to provide me with the citations from statute and the Federal Acquisition Regulations [FAR] pertaining to bid proposals; the job descriptions of each of the individuals named in the Beacon article; an assessment of whether the participation of any of these individuals violates either statutory law or the FAR; and an explanation of the means by which Navy contracting officers level the playing field for private shipyards that lack the benefit of Uncle Sam's deep pockets when competing against public yards.

Mr. President, I ask that the Beacon article "*Seattle* is ours" be included in the RECORD.

The article follows:

"SEATTLE" IS OURS!

It was almost four months ago that Management Analyst Chris McGovern trekked north to Bath, Maine carrying the shipyard's bid package for work on the combat support ship USS SEATTLE.

As is always the case, a backup person and bid package were ready in case of unforeseen problems. Good fortune, however, shined on both McGovern and the shipyard as the foot-thick document not only reached its destination on time, but later turned into a three and one-half month phased maintenance availability for PNSY.

For a short time, the appearance of the SEATTLE in Philadelphia was in doubt. New York Shipbuilding, one of the three private shipyards who had bid against PNSY for the work, filed a protest which delayed the originally scheduled March 26 arrival. That protest was dismissed by the General Accounting Office paving the way for a May arrival of the SEATTLE.

In an April 13 message to all shipyard employees, Capt. J. C. Bergner said, "This decision (by GAO) officially seals our success in the bidding arena and rewards your efforts in keeping the shipyard competitive."

While it was a shipyard-wide effort that earned PNSY the low manday rate it needs to be competitive, it was the job of Shipyard Business Manager Robert Gorgone and more than 100 employees to put together the winning bid package.

As in all bid processes, the first step of the SEATTLE journey began with permission from Naval Sea Systems Command (NAVSEA) to bid on the ship, according to Gorgone.

With the NAVSEA go ahead, Gorgone set up a team from an array of departments including planning, supply, comptroller and NAVSHIPSO, to attack the complex bid package. Comprised of both technical and cost sections, the package called for detailed answers to numerous questions on work specifications and cost.

The technical section was addressed simultaneously, and the planners and estimators wheeled into action to attack the cost aspects of the bid package.

As the journey continued, weekly meetings were held to review the technical and cost evaluations. Continually revised reports tested clerical support to the fullest.

As the bid deadline approached, the pressure mounted and 10 to 12 hour workdays became the norm. Meanwhile, a RED team, made up of the shipyard commander, department heads, group superintendents and the comptroller, joined the process to review and revise the information and approve the package. At this point, the journey was almost complete.

With the SEATTLE package assembled and all the specifications prepared, another team was formed for the all important proofreading. Because so many people contributed to the document, it was the team's primary role to make sure the information was consistent and that the final product was a first-class proposal.

It was a first-class bid package, a true "partners in excellence" effort, that Chris McGovern carried with him on his journey north to Bath.

SHIPYARD'S SEATTLE TEAM BIDS A WINNING HAND

Salvatore Accardo, Joseph Arcidicono, Frank Augostini, James Barrett, Alan Batchelder, Louis Baxter, Genevieve Beecroft, Charles Berwick, Drew Bonner, Joseph Bucci, Charles Buck, Thomas Cahill, Steven Cardillo, Joseph Chase, Darryl Chestnut, Anthony Ciaranca, John Ciurlino, Edward Collins, Bruce Conte, Daniel Crosby, Jane D'Amico, James Davis, Joseph DelGrande, Robert Delisi, Joseph DiIenno, Edward DiProspero, Thomas Donnell, Charles Dougherty, Phil Downey, Richard Drazek, Kevin Edwards, Edwin Eriksen, Gerald Fazi.

Michael Ferguson, Glen Foster, Joseph Friel, Dennis Gallagher, Nathaniel Garland, Theodore Gee, Robert Gorgone, Dominic Gwiazda, Robert Hall, Robert Helfer, Ronald Herbert, Robert Hicks, Thomas Higgins, Donald Holland, John Januszewski, Darryl Johnson, John Kasper, Peter Kerr, Robert Kitzinger, George Koefler, Robert Krzyk, Joseph Law, Antoinette Leone, MaryAnn Lochetto, Michael Loguidice, Peter Lombardo, James Lott, Francis Manzoni, Joseph Marlow, John Martino, Francis Matusik, Thomas Mcardle, Christopher McGovern.

Joseph McHugh, Gustav Mihlebach, Timothy Mitchell, William Murphy, Frank Nolan, Edward Parian, William Paul, Casmir Paulinski, Clyde Pelzer, Michael Phelan, Thomas Pierson, Kenneth Plasket, Bridget Price, Joseph Priest, Lawrence Render, John Ritchie, Mary Rzucidlo, Lawrence Sabo, Albert Salvia Dominic Sambucci, Joseph Santine, James Savage, Alan Schultz, Robert Shacklock, Malcolm Simmons, Joseph Sperrazzo, James Stritch, Edmund Szymkowski, Robert Thompson, Eugene Tillbert, James Tomczak, Alan Uhniat, Arthur Vanauken, Basil Vinci, Thomas Walsh, John Ward, Michael Williams, Charles Wright, John Zelinski.•

COMMEMORATION OF THE LAUREL SPRINGS, NJ, FIRE DEPARTMENT

• **Mr. BRADLEY.** Mr. President, I rise to commemorate the centennial anniversary of the Laurel Springs Fire Department.

The community celebrated this impressive milestone on May 22, and I believe that 100 years of vital support and dependable protection merits wide recognition. The many events, technological advancements, and personnel changes that have occurred over the past century certainly have contributed to the rich history of the fire department, which is an integral part of the Laurel Springs community. It is a pleasure to join the residents in admiration and appreciation as we applaud the dedication, expertise, and bravery of the Laurel Springs firefighters over the years.

I am very proud of the Laurel Springs Fire Department. It is an outstanding model of professionalism and support. I am pleased to have this opportunity to pay tribute to its longevity and to record this centennial event in the pages of the CONGRESSIONAL RECORD.●

NATIVE AMERICAN FREE EXERCISE OF RELIGION ACT OF 1993

● Mr. BAUCUS. Mr. President, today I am proud to be an original cosponsor of the Native American Free Exercise of Religion Act of 1993. This important legislation amends the Native American Religious Freedom Act of 1978 and attempts to restore fundamental religious rights to America's first citizens and provides a necessary means of enforcement.

Agents of the Federal Government must recognize that the religious rights of those who choose to practice in the sanctuary of American lands cannot be diminished any more than those who choose to practice their religion in churches or temples can. This legislation addresses an apparent pattern of troubling behavior by Federal land management agencies who too often ignore sites which are sacred to Native Americans or sanction actions which desecrate them. Although this bill has several important provisions, the protection of sacred religious sites is of particular importance to Native Americans and to me.

It is my experience that many religious sacred sites are of significant ecological and environmental importance as well. In my home State of Montana, nestled between Glacier National Park and the Bob Marshall Wilderness is a place called Badger Two Medicine Area. This magnificent area is one of a kind in the world. It is a significant sacred site for the Blackfeet and other tribes; it is a critical habitat for the grizzly bear. This area is just one of 44 threatened sacred sites around the country. It cannot be replaced. This exceptional area is an example of what this legislation seeks to protect.

The Native American Free Exercise of Religion Act of 1993 is the result of hard work by many concerned groups and individuals, but its introduction also marks the beginning of a process. As the Senate works its will on this important legislation, concerns will no doubt be raised by those who seek to develop the land and those who are charged with its management. I know these concerns will be handled in a balanced and thoughtful way as have other sensitive issues involved in this bill.●

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed to executive session to consider the following nominations: Calendar No. 157, Calendar No. 159, and Calendar No. 183.

I further ask unanimous consent that the nominees be confirmed, en bloc; that any statements appear in the RECORD, as if read; that the motions to reconsider be laid upon the table, en bloc; that the President be immediately notified of the Senate's actions; and that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations were considered an confirmed, en bloc, as follows:

IN THE ARMY

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370:

To be general

Gen. Robert W. RisCassi [redacted] U.S. Army.

The following-named office to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. James H. Johnson, Jr [redacted], U.S. Army.

DEPARTMENT OF STATE

Elinor G. Constable, of the District of Columbia, a career member of the Senior Foreign Service, class of Career Minister, to be Assistant Secretary of State for Oceans and International Environmental and Scientific Affairs, vice E.U. Curtis Bohlen, resigned.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session

HARDROCK MINING REFORM ACT OF 1993

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 65, S. 775, relating to minerals on public lands; that the bill be deemed read a third time and passed; and that the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the bill (S. 775) was deemed read the third time and passed, as follows:

S. 775

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLES.

(a) IN GENERAL.—This Act may be cited as the "Hardrock Mining Reform Act of 1993".

(b) SURFACE RESOURCES ACT OF 1955.—The Act of July 23, 1955 (69 Stat. 367, chapter 375; 30 U.S.C. 611 et seq.) is amended by adding at the end the following new section:

"SEC. 8. SHORT TITLE.

"This Act may be cited as the 'Surface Resources Act of 1955'.".

(c) MATERIALS ACT OF 1947.—The Act of July 31, 1947 (61 Stat. 681, chapter 406; 30 U.S.C. 601 et seq.) is amended by adding at the end the following new section:

"SEC. 5. SHORT TITLE.

"This Act may be cited as the 'Materials Act of 1947'.".

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress finds and declares that—

(1) a secure and reliable supply of nonfuel minerals is essential to the industrial base of the United States, national security, and balance of trade;

(2) many of the deposits of nonfuel hard minerals that may be commercially developed are on Federal public lands, and are difficult and expensive to discover and process;

(3) the national need for nonfuel hard minerals will continue to expand and the demand for the minerals will exceed domestic sources of supply without a strong mining industry;

(4) mining of nonfuel hard minerals is an extremely high-risk, capital-intensive endeavor, which, to attract necessary investment, requires certainty and predictability in access to public lands, establishment of mining titles, and the rights of claimants to develop minerals;

(5) it is in the national interest to foster and encourage private enterprise in the development of a domestic minerals industry to maintain and create high paying jobs in the United States;

(6) mining activities on public lands should be consistent with applicable Federal land use plans and should be conducted in compliance with all applicable Federal and State environmental regulations and standards, including standards governing mined land reclamation;

(7) the diversity in terrain, climate, biological, chemical, and other physical conditions, and variation among the minerals mined and the methods of mining and processing, require that reclamation standards should be tailored to local and regional conditions; and

(8) changes in the general mining laws of the United States to provide more direct economic return to the United States and greater protection for public resources are desirable, so long as the changes do not adversely affect employment in the mining industry or in industries that provide goods and services required for mining activities, interfere with a secure and reliable supply of minerals, or adversely affect the balance of trade of the United States.

(b) PURPOSE.—It is the purpose of this Act to—

(1) provide for increased Federal revenue from the location and production of ores and nonfuel hard minerals through increased fees and royalties;

(2) provide for the payment of fair market value for the surface of any land patented under the general mining laws of the United States;

(3) ensure that all public lands affected by nonfuel minerals mining activities under the general mining laws are reclaimed, in concert with State and local reclamation authorities; and

(4) establish a program to help reclaim nonfuel, hardrock mineral abandoned mines.

SEC. 3. DEFINITIONS.

(1) LOCATABLE MINERAL.—The term "locatable mineral" means any mineral not subject to disposition under—

(A) the Mineral Leasing Act (30 U.S.C. 181 et seq.);

(B) the Geothermal Steam Act of 1970 (30 U.S.C. 1001 et seq.);

(C) the Materials Act of 1947 (30 U.S.C. 601 et seq.); or

(D) the Mineral Leasing Act for Acquired Lands (30 U.S.C. 351 et seq.).

(2) MOUTH OF THE MINE.—The term "mouth of the mine" means the portal of an underground mine, the point of exit of ore from an open pit mine, or the wellhead of a solution mine.

(3) VALUE.—

(A) IN GENERAL.—The term "value" means the fair market value of the ore or solutions as they emerge from the mine or well, less the direct and indirect costs of mining, including related mine exploration and development expenses, determined in accordance with generally accepted accounting principles.

(B) NO MARKET AT MOUTH OF MINE.—

(i) If there is no market for ore in its raw or crude state, the term "value" means the gross income (computed in accordance with subparagraph (C)) from the mining of the ore or the production of the solutions, less the direct and indirect costs associated with the mining or production, determined in accordance with generally accepted accounting principles.

(C) GROSS INCOME FROM THE MINING OF THE ORE OR THE PRODUCTION OF THE SOLUTIONS.—Gross income from the mining of the ore or the production of the solutions shall be computed by multiplying—

(i) gross sales (actual or, where there are no sales, constructive) of the minerals or metals contained in the ore or solutions by a fraction whose numerator is the sum of all direct and indirect mining costs incurred to bring the ore or solutions to the mouth of the mine (excluding in-pit crushing), and whose denominator is the total of all mining and nonmining costs incurred to produce, sell, and transport the product.

(4) SECRETARY.—Unless the context otherwise requires, the term "Secretary" means the Secretary of the Interior.

SEC. 4. LOCATION AND MAINTENANCE REQUIREMENTS.

(a) LOCATION FEE.—For each claim located after date of enactment of this Act, a claimant shall pay the Secretary a location fee of $25.00 not later than 90 days after the date of location.

(b) ANNUAL MAINTENANCE FEE.—Commencing the first calendar year after the date of enactment of this Act, a claimant shall pay the Secretary on or before December 31 of each year, a maintenance fee of $100 per claim to maintain the claim for the following calendar year.

(c) INDEXING.—

(1) IN GENERAL.—The Secretary shall adjust the fees required by this section to reflect changes in the Consumer Price Index published by the Bureau of Labor Statistics of the Department of Labor every 5 years after the date of enactment of this Act, or more frequently if the Secretary determines an adjustment to be reasonable.

(2) NOTICE.—The Secretary shall provide claimants notice of any adjustment made under this subsection not later than July 1 of any year in which the adjustment is made.

(3) EFFECTIVE DATE OF ADJUSTMENT.—A fee adjustment under this subsection shall begin to apply the calendar year following the calendar year in which it is made.

(d) FAILURE TO PAY FEE.—Failure to timely pay the location fee or maintenance fee required by this section for a claim shall be deemed an abandonment of the claim. The claim shall be deemed null and void by operation of law effective at noon on the date that is 30 days after the date upon which the payment was due.

(e) EXCEPTION FOR HOLDERS OF FEWER THAN 50 CLAIMS.—

(1) ELIGIBILITY.—The claim maintenance fees required under this section shall be waived or reduced in accordance with paragraph (3) for a claimant who certifies in writing to the Secretary that on the date the payment was due the claimant—

(A) was the holder (as defined in paragraph (2)) of not more than 50 mining claims on public lands; and

(B) has performed assessment work sufficient to maintain the mining claims held by the claimant for the assessment year ending on noon of September 1 of the calendar year in which the maintenance fee payment was due.

(2) HOLDER.—As used in paragraph (1), the term "holder" includes—

(A) the claimant;

(B) the spouse and dependent children (as defined in section 152 of the Internal Revenue Code of 1986), of the claimant; and

(C) a person affiliated with the claimant, including—

(i) a person controlled by, controlling, or under common control with the claimant; and

(ii) a subsidiary or parent company or corporation of the claimant.

(3) WAIVED OR REDUCED MAINTENANCE FEES.—

(A) 10 OR FEWER CLAIMS.—The maintenance fee shall be waived in its entirety for 10 or fewer claims held by a claimant eligible under paragraph (1).

(B) 11 OR MORE CLAIMS.—

(i) IN GENERAL.—Subject to clause (ii), the maintenance fee shall be reduced to $25 per claim for each claim in excess of 10.

(ii) LIMITATION.—The reduction in this subparagraph shall be available for no more than 50 claims held by a claimant who is eligible under paragraph (1).

(g) EXISTING REQUIREMENTS.—

(1) PAYMENT IN LIEU OF ANNUAL LABOR REQUIREMENTS.—The third sentence of 2324 of the Revised Statutes (30 U.S.C. 28) is amended by inserting after "On each claim located after the 10th day of May, 1872," the following: "that is eligible for a waiver or reduced fee under section 4(e) of the Hardrock Mining Reform Act of 1993,".

(2) FEDERAL FILING REQUIREMENTS.—Section 314 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1744) is amended—

(A) by striking subsection (a);

(B) by redesignating subsections (b), (c), and (d) as subsections (a), (b), and (c), respectively; and

(C) in subsection (b) (as so redesignated) by striking "subsections (a) and (b)" and inserting "subsection (a)".

(3) CONFORMING AMENDMENT.—Section 2511(e) of the Energy Policy Act of 1992 (30 U.S.C. 242(e)) is amended by striking the second sentence.

SEC. 5. ROYALTY.

(a) IN GENERAL.—The production and sale of locatable minerals (including associated minerals) from any mining claim located after the date of enactment of this Act shall be subject to a royalty of 2 percent of the value of the minerals measured at the mouth of the mine.

(b) PAYMENT OF ROYALTY.—Royalty payments shall be made not later than 45 days after the end of each calendar quarter during which the minerals are sold. The payments shall be subject to adjustment, if required, at the end of each calendar year.

(c) AUDIT.—The Secretary may audit the payments under this section at any time upon notice to the claimant.

(d) ROYALTY DEDUCTION.—The Secretary may reduce the royalties under this section whenever the Secretary determines it is necessary to promote development or whenever the claims cannot be successfully operated under the terms of this section.

(e) HARDROCK MINING ROYALTY REVIEW COMMISSION.—

(1) ESTABLISHMENT.—There is established the Hardrock Mining Royalty Review Commission (referred to in this section as the "Commission").

(2) MEMBERSHIP.—The Commission shall be comprised of 9 members appointed by the Secretary who have experience in the economics of the hardrock mining industry.

(3) CHAIRPERSON.—The Secretary shall designate 1 member to serve as a Chairperson of the Commission.

(4) COMPENSATION.—Members of the Commission shall serve without compensation but shall be reimbursed for travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Commission.

(5) DUTIES OF COMMISSION.—Not later than 18 months after the date of enactment of this section, the Commission shall review the effect of the royalty provisions under this section on the domestic hardrock mining industry and present its findings and recommendations to the Secretary and to the Committee on Energy and Natural Resources of the Senate and the Committee on Natural Resources of the House of Representatives. In conducting its review, the Commission shall—

(A) consider the economic effect of different royalty rates on the domestic hardrock mining industry, employment, local and regional economics, the balance of trade, national security, and strategic supplies;

(B) determine whether there are sufficient differences between various minerals or means of production to support different royalty rates for specific minerals or means of production;

(C) estimate the long-term effect of different royalty rates on competition within the industry and between domestic and foreign production; and

(D) consider the multiplier effect of different royalty rates.

(6) POWERS OF THE COMMISSION.—The Commission may—

(A) hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Commission considers advisable;

(B) use the United States mails in the same manner and under the same conditions as other departments and agencies of the Federal Government;

(C) enter into contracts or agreements for studies and surveys with public and private organizations and transfer funds to Federal agencies to carry out such functions of the Commission as the Commission determines to be necessary; and

(D) incur such necessary expenses and exercise such other powers as are consistent with, and reasonably required to perform, the functions of the Commission under this section.

(7) SUPPORT.—The Secretary shall provide such office space, furnishings, and equipment as may be required to enable the Commission to carry out this section. The Secretary shall also furnish the Commission with such staff, including clerical support, as the Commission may require.

(8) OTHER FEDERAL AGENCIES.—

(A) IN GENERAL.—Upon request of the Commission, the Secretary may request the head of any Federal department or agency—

(i) to assist the Commission in carrying out this section; and

(ii) to provide such information as the Commission requires.

(B) DETAIL OF GOVERNMENT EMPLOYEES.—Any Federal Government employee may be detailed to the Commission. The detail shall be without interruption or loss of privilege, seniority, pay, or other employee status. The Commission shall reimburse the cooperating Federal agency for the detail of an employee.

(9) FINANCIAL AND ADMINISTRATIVE SERVICES.—The Secretary of the Interior shall provide financial and administrative services (including those related to budgeting, accounting, financial reporting, personnel, and procurement) to the Commission.

(10) APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section.

SEC. 6. LIMITATIONS ON PATENTS.

(a) IN GENERAL.—After the date of enactment of this Act, a patent issued by the United States for any claim shall be subject to the requirements of subsection (b) unless the Secretary determines that—

(1) a mineral survey application has been filed with the Secretary or patent application was filed with the Secretary within six months of date of enactment of this Act; and

(2) the claimant has made a discovery of valuable minerals and has met or can meet all requirements applicable to vein, lode, or placer claims and all requirements applicable to mill site claims, as appropriate.

(b) LIMITATIONS ON PATENTED ESTATE.—A patent issued by the United States after the date of enactment of this Act shall be issued only—

(1) upon payment by the claimant of the fair market value for the interest in the land owned by the United States exclusive of and without regard to the mineral deposits in the land; and

(2) upon reservation by the United States of a royalty as provided in section 5.

SEC. 7. PLANS OF OPERATION AND RECLAMATION REQUIREMENTS.

(a) IN GENERAL.—Except as otherwise provided in this subsection, no person may engage in mineral activities on Federal land that cause more than a minimal disturbance of surface resources (as defined in subsection (b)) unless the person has filed a plan of operations with, and received approval of the plan from, the Secretary.

(b) MINIMAL DISTURBANCE OF SURFACE RESOURCES.—As used in this section, "minimal disturbance of surface resources" means minor, short-term alteration of surface resources. The Secretary may establish categories of activities that do not constitute minimal disturbance of surface resources.

(c) ENVIRONMENTAL, LAND USE, AND RECLAMATION REQUIREMENTS.—All operations conducted under a plan of operations referred to in subsection (a) shall be conducted in accordance with all applicable Federal and State environmental laws, including—

(1) the Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.);

(2) the Clean Air Act (42 U.S.C. 7401 et seq.);

(3) the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.);

(4) the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.);

(5) the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.);

(6) the Federal Mine Safety and Health Act of 1977 (30 U.S.C. 801 et seq.);

(7) the Federal Water Pollution Control Act (commonly referred to as the "Clean Water Act") (33 U.S.C. 1251 et seq.);

(8) the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1600 et seq.);

(9) the Migratory Bird Treaty Act (16 U.S.C. 703 et seq.);

(10) the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.);

(11) the National Historic Preservation Act (16 U.S.C. 470 et seq.);

(12) title XIV of the Public Health Service Act (commonly referred to as the "Safe Drinking Water Act") (42 U.S.C. 300f et seq.);

(13) the Solid Waste Disposal Act (42 U.S.C. 6901 et seq.);

(14) the Toxic Substances Control Act (15 U.S.C. 2601 et seq.); and

(15) the Uranium Mill Tailings Radiation Control Act of 1978 (42 U.S.C. 7901 et seq.).

(c) INSPECTION AND ENFORCEMENT.—

(1) INSPECTIONS.—The Secretary shall inspect an operation conducted under a plan of operations once each calendar quarter to ensure compliance with the terms of an approved plan of operations. The Secretary may, at the discretion of the Secretary, conduct inspections more frequently than once each calendar quarter.

(2) ENFORCEMENT.—

(A) IN GENERAL.—Subject to subparagraphs (B) and (C), a claimant who fails to obtain a plan of operations required by this section, engages in unauthorized occupancy under section 9, or who fails to comply with the terms of an approved plan of operations, shall be subject to a fine of not more than $2,000 per day per violation.

(B) CORRECTIVE ACTION.—A claimant shall not be assessed a fine under subparagraph (A) if the violation is corrected, or a means to correct the violation is in place, within 30 days after the date on which the claimant is notified in writing of a violation.

(C) HEARING.—No fine shall be assessed under this paragraph unless the claimant has been given an opportunity for a hearing on the record before the Secretary.

(d) RECLAMATION OF LAND PATENTED AFTER ENACTMENT.—

(1) APPLICABLE LAW.—Land patented after the date of enactment of this Act shall be subject to the mining reclamation laws of the State in which the land is located.

(2) ABSENCE OF APPLICABLE STATE LAW.—In the absence of applicable State mining reclamation laws, land patented after the date of enactment of this Act shall be subject to the Federal mining reclamation laws that would have applied had the land remained in Federal ownership.

(3) RECITATION.—Each patent issued after the date of enactment of this Act shall recite that as a condition of the patent, the land patented shall be subject to the requirements of this subsection.

(4) RECLAMATION.—Public lands disturbed by operations approved by the Secretary shall be reclaimed as required by applicable Federal and State laws concerning mined land reclamation.

SEC. 8. FINANCIAL ASSURANCES.

(a) FINANCIAL ASSURANCES REQUIRED.—Prior to the commencement of any operations on a claim that requires a plan of operation, a claimant shall—

(1) furnish evidence of a bond, surety, or other financial guarantee in an amount determined by the Secretary that is not less than the estimated cost to complete reclamation of the land disturbed by operations as required by this Act and other applicable mining laws; or

(2) provide evidence satisfactory to the Secretary that the area to be affected is covered by a bonding pool that will provide for reclamation of the land disturbed by operations as required by this Act and other applicable mining laws.

(b) REVIEW.—Not later than 5 years after an assurance is provided under subsection (a), and at least each 5 years thereafter, the Secretary shall, after consultation with representatives of the affected States, review the financial assurances.

(c) PHASED GUARANTEES.—The Secretary may adjust the amount of the financial guarantee provided under subsection (a) upon a determination by the Secretary that a portion of reclamation is completed as required by this Act and other applicable mining laws.

(d) RELEASE.—Prior to any reduction in, or final release of, a bond or other financial guarantee, the Secretary shall provide for public notice and comment.

SEC. 9. OCCUPANCY AND RESIDENCY OF CLAIMS.

(a) PROHIBITION.—Subject to the other provisions of this section and valid existing rights, full- or part-time residential occupancy of a mining claim, including the construction, presence, or maintenance of a temporary or permanent structure that may be used for residential occupancy purposes, shall be prohibited.

(b) TRANSITORY OCCUPANCY.—Residential occupancy of a claim for purposes reasonably incident to prospecting, mining, or processing that does not involve surface disturbance extending beyond the period of occupancy shall be permitted for a duration of no more than 14 days upon notice to the Secretary.

(c) TEMPORARY OCCUPANCY.—The Secretary may approve residential occupancy of a claim for a period in excess of 14 days as part of a plan of operations required under applicable law, if the Secretary determines that the occupancy is reasonably required to accomplish such plan. Occupancy under this subsection shall be of no greater duration or extent than is necessary to accomplish the prospecting, mining, or processing incident to the plan.

SEC. 10. MINERAL MATERIALS.

(a) DETERMINATIONS.—Section 3 of the Surface Resources Act of 1955 (30 U.S.C. 611) is amended—

(1) by striking "SEC. 3. No deposit" and inserting the following:

"SEC. 3 MINERAL MATERIALS.

"(a) VARIETIES OF MINERALS NOT DEEMED VALUABLE MINERAL DEPOSITS.—No deposit";

(2) in the first sentence, by striking "or cinders" and inserting "cinders, or clay"; and

(3) by adding at the end the following new subsection:

"(b) DISPOSAL.—

"(1) IN GENERAL.—Subject to valid existing rights (as defined in paragraph (2)), after the date of enactment of this section, deposits of minerals referred to in subsection (a) (except deposits of bentonite and gypsum) shall be subject to disposal under the terms and conditions of the Materials Act of 1947 (30 U.S.C. 601 et seq.).

"(2) VALID EXISTING RIGHTS DEFINED.—As used in paragraph (1), the term 'valid existing rights' means a mining claim located for a mineral material that—

"(A) has some property that gives the claim distinct and special value as described in subsection (a), including so-called 'block pumice' as described in subsection (a);

"(B) was properly located and maintained under the general mining laws on the date of enactment of this subsection;

"(C) was supported by a discovery of a valuable mineral deposit within the meaning of the general mining law on the date of enactment of this subsection; and

"(D) continues to be valid.".

(b) MINERAL MATERIALS SUBJECT TO RIGHT OF THE UNITED STATES FOR DISPOSAL AND SEVERANCE.—Subsections (b) and (c) of section 4 of the Surface Resources Act of 1955 (30 U.S.C. 612) is amended by inserting "and mineral material" after "vegetative" both places it appears .

(c) CONFORMING AMENDMENT.—The first sentence of section 1 of the Materials Act of 1947 (30 U.S.C. 601) is amended by striking "common varieties of".

SEC. 11. RECEIPTS.

Two-thirds of the receipts from location and maintenance fees required by section 4, royalties required by section 5, and payments required by section 6 shall be paid into the Treasury of the United States and deposited as miscellaneous receipts. One-third of the receipts from any claim, patent, or millsite shall be paid by the Secretary of the Treasury to the treasury of the State in which such claim, patent, or millsite is located.

SEC. 12. ABANDONED HARDROCK MINE RECLAMATION PROGRAM.

(a) ESTABLISHMENT.—There is established a program to be known as the Abandoned Hardrock Mine Reclamation Program (referred to in this section as the "Program"). The Program shall be administered by the Secretary of the Interior acting through the Director of the Bureau of Land Management.

(b) DESCRIPTION OF PROGRAM.—

(1) IN GENERAL.—The Secretary is authorized to make grants to eligible States (as defined in subsection (e)) for the reclamation and restoration of land and water resources adversely affected by past hardrock mining (other than coal and fluid known minerals). The grants may be used for—

(A) the reclamation and restoration of abandoned surface mined areas;

(B) the reclamation and restoration of abandoned milling and processing areas;

(C) the sealing, filling, and grading of abandoned deep mine entries;

(D) the planting of land adversely affected by past mining to prevent erosion and sedimentation;

(E) the prevention, abatement, treatment, and control of water pollution created by abandoned mine drainage;

(F) the control of surface subsidence due to abandoned deep mines; and

(G) such other projects as may be necessary to accomplish this Act.

(2) PRIORITIES.—Expenditure of grant funds by the Secretary shall reflect the following priorities in the order stated:

(A) The protection of public health, safety, and general welfare from the adverse effects of past hardrock mining practices.

(B) The restoration of land and water resources previously degraded by the adverse effects of past minerals and mineral materials mining practices.

(c) ELIGIBLE AREAS.—

(1) ELIGIBILITY IN GENERAL.—Subject to paragraph (2), land and water eligible for reclamation expenditures under this section shall be those—

(A) that were mined or processed for minerals and mineral materials or abandoned or left in an inadequate reclamation status prior to the date of enactment of this section;

(B) for which the Secretary (or State) makes a determination that there is no continuing reclamation responsibility under Federal or State laws; and

(C) for which it can be established that the land does not contain minerals that could economically be extracted through the reprocessing or remining, unless the consideration is in conflict with the priorities set forth under subparagraphs (A) and (B) of subsection (b)(2).

(2) SPECIFIC SITES AND AREAS NOT ELIGIBLE.—Areas designated for remedial action pursuant to the Uranium Mill Tailing Radiation Control Act of 1978 (42 U.S.C. 7901 et seq.) or that have been listed for remedial action pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.) shall not be eligible for expenditure under this section.

(d) ALLOCATION AND EXPENDITURES.—

(1) ALLOCATIONS.—

(A) IN GENERAL.—Funds available for expenditure by the Secretary shall be allocated on an annual basis in the form of grants to eligible States, or in the form of expenditures under subsection (d)(2), to carry out this Act.

(B) DISTRIBUTION.—The Secretary shall distribute the funds equitably to eligible States, giving due consideration to the priorities stated in subsection (b)(2).

(2) DIRECT FEDERAL EXPENDITURES.—The Secretary makes grants to States not eligible under subsection (e) based on the greatest need for the funds pursuant to the priorities stated in subsection (b)(2).

(e) STATE RECLAMATION PROGRAMS.—

(1) ELIGIBLE STATES.—For the purpose of subsection (d), the term "eligible States" are States that the Secretary determines meets each of the following requirements:

(A) Within the State there are mined lands, waters, and facilities eligible for reclamation under subsection (c).

(B) The State has developed an inventory of affected areas following the priorities established under subsection (b)(2).

(C) The State has established, and the Secretary has approved, a State abandoned minerals and mineral materials mine reclamation program for the purpose of receiving and administering grants under this section.

(2) MONITORING.—The Secretary shall monitor the expenditure of State grants to ensure that the grants are being utilized to carry out this Act.

(3) STATE PROGRAMS.—The Secretary shall approve any State abandoned minerals mine reclamation program submitted to the Secretary by a State under this section if the Secretary finds that the State has the means and necessary State legislation to implement the program and that the program complies with this section.

(f) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—Subject to paragraph (2), there are authorized to be appropriated such sums as are necessary to carry out this section.

(2) LIMITATION.—The amount annually authorized to be appropriated under this subsection shall not exceed the sums paid into the Treasury of the United States, and deposited as miscellaneous receipts, pursuant to section 11 for the fiscal year preceding the authorization.

Mr. JOHNSTON. Mr. President, reform of the mining law of 1872 has been debated now for decades. During this most recent round of debate, the Committee on Energy and Natural Resources has conducted 7 hearings and received oral testimony from over 80 witnesses since 1989.

I believe reform has been debated long enough. I think that reform should, and can, be enacted this year. All interested parties have had ample opportunity to express their views. At this point, I believe that most parties agree that some change is necessary. The question now is how much change, and what form that change will take.

I think the best place to answer that question is in conference. I have devised a strategy which I think is the best, and perhaps only, way of enacting comprehensive mining law reform. What I have proposed is to pass S. 775, introduced by Senator CRAIG, without amendment. This makes the bill, in effect, only a ticket to the conference committee, without commenting on the substance of the legislation. It is my intention that the provisions of reform be worked out, and written, in conference.

We have had two very goods models for this in recent years. The Senate dealt with both the California Central Valley project water reform legislation and the Alaska Tongass timber reform bill in this manner. Most would agree that those efforts resulted in good public policy. All parties may not have gotten everything they sought, but most involved believed the process ended with reasonable legislation.

It is my belief that we can do as well with mining law reform. It is possible that, without the strategy, we would not be able to enact mining law reform. This way, Members can reach agreements that will be final agreements, and not be asked to commit to a position prematurely in order to move the process forward.

We have taken the first step down this road. The Committee on Energy and Natural Resources reported S. 775 without amendment and by voice vote on May 6, 1993. It is my hope that the Senate today will do the same.

Mr. BUMPERS. Mr. President, as everyone knows, I do not support S. 775, the Craig bill, because in my opinion it does not represent meaningful mining law reform. I have not chosen to oppose the passage of this bill today because I believe that there are no other alternatives for achieving reform except to pass the Craig bill in the Senate and proceed to conference with the House of Representatives. However, I want to take this opportunity to critique S. 775 and outline the provisions which I believe represent comprehensive reform of the 1872 mining law.

PATENTING

The 1872 mining law permits individuals and mining companies to obtain patents to purchase public land in the West for the bargain basement price of $2.50 or $5 an acre. The Craig bill would modify this rate by requiring that the purchaser pay the value of the surface of the land, regardless of the value of the minerals which also would be acquired. Mr. President, I find it hard to believe that any Member of this body that owned land containing billions of dollars' worth of gold would sell that land at a price based on the value of the surface only. If none of us as individuals would enter into such a transaction, there is absolutely no justification for treating the taxpayers' land with less respect.

Moreover, Mr. President, there is no reason to continue the sale of public land under the mining law at all. In 1976 Congress enacted the Federal Lands Policy and Management Act [FLPMA] which established a public policy against the privitization of public lands. The patenting of Federal land under the mining law runs contrary to this policy and should be abolished once and for all. The maintenance of the claim location system provides a miner with sufficient security of tenure to secure adequate financing for a mining operation. Patents add nothing to this process.

ROYALTIES

Mr. President, while billions and billions of dollars worth of hardrock minerals have been extracted from public lands under the auspices of the mining law, the American taxpayer—the owner of this land—has never received one red cent in royalties. Senator CRAIG's bill would establish a royalty of 2 percent of net income based on the value of the mineral at the minemouth. The concept of a net royalty is completely unacceptable. Royalties are paid to a landowner for the right to extract minerals from his/her land. Generally, these royalties have been assessed on a gross, rather than net, value basis. In fact, the Federal Government receives a gross royalty from companies which extract oil, gas and coal from the public lands. The Government even receives a gross royalty for hardrock minerals which are extracted from Federal land not subject to the 1872 mining law. In addition, all but two States in the West that charge royalties for hardrock mining on State lands assess royalties on a gross value basis.

The mining companies have sponsored and paid for several studies designed to persuade Members of Congress that the 12.5-percent gross royalty favored by the administration and the 8-percent gross royalty provided for in S. 257 would have draconian effects on the industry. These doom and gloom analyses forecast large job losses and significant lost revenue for the Federal Government. However, the only independent analysis on the subject, performed by the Congressional Budget Office, indicates that any job loss resulting from the payment of royalties could be offset as a result of the increased employment associated with the reclamation and cleanup of abandoned hardrock mines in the West. As a matter of fact, over 100 Federal employees are so engaged at this moment.

While the mining industry is crying foul at the prospects of having to pay a royalty for the extraction of minerals on public lands, mining companies find themselves able to afford handsome royalties to private landowners, railroad companies, Indian tribes, State governments and even other mining companies. The American taxpayer is apparently the only entity that does not receive any royalties. Mining law reform legislation must provide for a reasonable return for the taxpayer for it to receive my support.

RECLAMATION

Although there are no Federal statutory reclamation standards for hardrock mining operations on Federal land, the Craig bill fails to correct this situation. Rather, S. 775 provides that reclamation would be subject to already existing Federal and State environmental requirements. While certain Federal environmental statutes, such as the Clean Air Act and the Clean Water Act apply to limited situations, the fact remains that many mining-related environmental consequences do not fall within the purview of these statutes. In addition, State reclamation laws vary in coverage, leaving the environment in a perilous position. Moreover, the State of Arizona has no reclamation requirements at all. We should not be subjecting the future of the Federal lands to State statutes which vary in effectiveness.

Inadequate State reclamation requirements have left the taxpayers of the United States to pick up the tab for the reclamation of the hundreds of thousands of acres at abandoned mine sites on Federal lands. In fact, there are currently more than 70 hardrock mine sites on the Superfund national priority list. According to the Economist magazine, the cost, to the taxpayers, of cleaning up these sites will be in the billions of dollars. It is vital that mining law reform legislation contain reclamation requirements that will provide for sufficient environmental protection.

SUITABILITY

The 1872 mining law contains an implicit presumption that mineral development is the highest and best use of the public land. The Craig bill does nothing to change this condition. In contrast to all other activities on Federal lands, when mining activity is initiated on a valid claim, it becomes the dominant use of the land. Currently, the only thing a land manager can do is to seek a formal withdrawal of the lands for mining. Mining reform legislation must provide the Secretary of Interior with sufficient discretion to treat mining on an equivalent basis with all other uses of the land.

Mr. President, if the 1992 elections had a theme it was that the American people were tired of business as usual in Washington. They are not interested in continuing to permit the privileged few to benefit while the American taxpayers remain uncompensated for mineral extraction on public lands and are left to pick up the costs of massive cleanup efforts. When Members of the House and the Senate convene to work out the final details on mining reform legislation, the American people will be watching closely to learn whether change has really prevailed or business as usual will continue.

Mr. President, I would like to engage the chairman of the Energy and Natural Resources Committee and the chairman of the Subcommittee on Mineral Resources, Development and Production in a colloquy concerning the committee's intent in reporting S. 775 to the floor and the Senate's intent in passing the bill pursuant to a unanimous-consent request.

Over the last 5 years many of my colleagues and I have attempted to enact legislation which would comprehensively reform the 1872 Mining Law. It is now almost universally acknowledged that this antiquated law which governs the exploration, extraction and development of hardrock minerals on Federal lands in the Western United States must be reformed. However, while significant progress toward the passage of meaningful mining law reform has been made in the House of Representatives, the Energy and Natural Resources Committee, the authorizing committee in the Senate, has not reported reform legislation to the Senate floor.

However, as the pressures for reform increased, the chairman of the Energy and Natural Resources Committee devised a strategy to end the stalemate and begin the process by which reform legislation hopefully will be enacted this year. Rather than continuing the acrimonious debate on the subject in committee and on the Senate floor, for yet another session of Congress, the chairman has indicated that S. 775 would act as a vehicle to permit conferees from the Senate and House of Representatives to put together a new, comprehensive, mining reform bill that would be voted on in both Chambers of Congress and hopefully enacted.

Mr. JOHNSTON. That is correct. As we have done on several occasions in the past when the committee could not reach agreement on a particular piece of legislation, the committee has chosen to use S. 775 as a vehicle to permit conferees from the House and Senate to draft a new bill that will hopefully be acceptable to those on all sides of the issue. As I have stated on numerous occasions both prior to and after the committee reported S. 775, I intend to seek appointment, as conferees, an equal number of proponents of Senator BUMPERS' position and proponents of Senator CRAIG'S position to represent the Senate in the conference. I also intend to try to bring both sides together to ensure that a reasonable bill is arrived at in the conference. In reporting the bill from committee and passing S. 775 in the Senate today, by unanimous consent, we are not taking a position one way or the other on any of the provisions in that legislation.

Mr. BUMPERS. I thank the Senator. As the chairman well knows, I believe that S. 775 is deficient in number of areas. I dare say that a majority of my colleagues in the Senate would agree. Any legislation that reforms the 1872 mining law must: First, be comprehensive in nature; second, provide for a fair return to the American taxpayers for the use of and extraction of minerals from the public lands; third, establish Federal statutory reclamation standards for hardrock mines located on public lands; fourth, provide the Secretary of Interior with sufficient authority to prohibit, limit or condition hardrock mining on Federal lands consistent with the multiple use concept; and fifth, create a fund to enable the reclamation of hardrock mines that have been abandoned. I believe that we can enact such legislation this year.

Mr. AKAKA. I share the optimism and the goals of the senior Senator from Arkansas. As chairman of the Mineral Resources, Development and Production Subcommittee, I have presided over the two most recent hearings the subcommittee has held on the subject of mining law reform. It is clear that comprehensive reform of the 1872 mining law is badly needed. I believe that the strategy of the distinguished chairman of the Energy and Natural Resources Committee will result in the final passage of legislation that will achieve this goal.

Mr. BUMPERS. I thank the chairmen of the committee and subcommittee.

Mr. CRAIG. Mr. President, as I said upon introduction of S. 775, the Hardrock Mining Reform Act of 1993, we all know the mining laws of the United States have been under attack for the past several years. The charges have ranged from "the biggest giveaway of Federal lands" to "mineral production not paying its fair share of the Federal largess." Neither of these charges is correct. This remains true today; however, we have seen an intensified push by special interest groups to attempt to make their case against mining in this country through hyperbole and untruths. I suspect as the other body moves to consider mining law reform, the level of charges against the mining law will intensify.

On April 5, 1993, several of my colleagues and I introduced the Hardrock Mining Reform Act of 1993. Today we pass this bipartisan legislation as an honest and fair legislative answer to the numerous charges that have been leveled against the current mining law.

The production of minerals in the United States is a vital part of our economy. Everything that we do in our day-to-day lives from driving to work to turning out the lights in the evening, involves mined materials. As we move to conference with the other body, we must assure that nothing is done to destroy the mining industry in this country and the jobs that depend on that industry. To do so would not only destroy the lives of the individuals and families whose day-to-day livelihoods depend on mining, but also would adversely affect every American.

S. 775 recognizes that minerals and metals must remain available from the mines of the United States. If we are to continue to be a viable international economic power, we must appreciate the importance of natural resource production from this country's lands and act to assure their accessibility. S. 775 will allow mining to remain an option, under environmentally acceptable conditions, in this country. Legislation before the other body would not allow this option to be kept open—that must not happen.

S. 775 addresses all of the issues that have been raised relating to the mining law. It assures a secure and reliable source of minerals in the United States. It recognizes that mining activities on Federal lands should be consistent with land use plans and conducted in compliance with all Federal and State environmental laws and regulations, including those governing mined land reclamation. It recognizes that the United States should receive a fair economic return from minerals mined on the Federal lands.

The purposes of S. 775 are clear. They are:

First, provide for increased revenues from fees and royalties;

Second, provide for payment of fair market value for the surface of any land patented under the general mining laws;

Third, assure mined lands are reclaimed in concert with State and local reclamation authorities; and

Fourth, establish a hardrock reclamation program for abandoned mines.

This bill accomplishes these purposes while protecting small business and assuring that we will not drive mineral production to foreign shores. It is important to the survival of the mining industry and the communities and families dependent on the jobs created by that industry that as we move toward passage of a bill into law we stick with the tenets of S. 775.

MEASURE PLACED ON CALENDAR

Mr. FORD. Mr. President, I ask unanimous consent that the Judiciary Committee be discharged from further consideration of H.R. 1313, the National Cooperative Production Amendments of 1993, and that the measure then be placed on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY FOR COMMITTEES TO REPORT

Mr. FORD. Mr. President, I ask unanimous consent that during the recess/adjournment of the Senate, committees may file reported legislative and Executive Calendar business on Thursday, June 3, 1993, from 11 a.m. to 3 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR TOMORROW

Mr. FORD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 8:30 a.m. Wednesday, May 26; that following the prayer, the Journal of proceedings be approved to date; that the time for the two leaders be reserved for their use later in the day; that there then be a period for morning business not to extend beyond 11 a.m., with Senators permitted to speak therein for up to 5 minutes each, with the first hour of the morning business under the control of Senator PACKWOOD or his designee, with the next 45 minutes under the control of Senator DASCHLE or his designee, with the following Senators recognized thereafter for the time limits specified: Senator BAUCUS for up to 15 minutes, and Senators DORGAN and JEFFORDS for a total of 15 minutes; that at 11 a.m. the Senate resume consideration of S. 3.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. Mr. President, I ask unanimous consent that Senator GRAMM, of Texas, be given 15 minutes during morning business under the previous unanimous-consent agreement.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 8:30 TOMORROW

Mr. FORD. Mr. President, if there is no further business to come before the Senate today, I now ask unanimous consent the Senate stand in recess as previously ordered.

There being no objection, the Senate, at 6:58 p.m., recessed until Wednesday, May 26, 1992, at 8:30 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 25, 1993:

DEPARTMENT OF STATE

ELINOR G. CONSTABLE, OF THE DISTRICT OF COLUMBIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERV-

ICE, CLASS OF CAREER MINISTER, TO BE ASSISTANT SECRETARY OF STATE FOR OCEANS AND INTERNATIONAL ENVIRONMENTAL AND SCIENTIFIC AFFAIRS.

THE ABOVE NOMINATION WAS APPROVED SUBJECT TO THE NOMINEE'S COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

IN THE ARMY

THE FOLLOWING NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be general

GEN. ROBERT W. RISCASSI [redacted] UNITED STATES ARMY.

THE FOLLOWING NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. JAMES H. JOHNSON, JR [redacted] UNITED STATES ARMY.

HOUSE OF REPRESENTATIVES—*Tuesday, May 25, 1993*

The House met at 12 noon and was called to order by the Speaker pro tempore [Mr. MONTGOMERY].

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
May 25, 1993.

I hereby designate the Honorable G.V. (SONNY) MONTGOMERY to act as Speaker pro tempore on this day.

THOMAS S. FOLEY,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Remind us, gracious God, of the uncertainty of life and our responsibility to be good stewards of the time and opportunities before us. May we be the people You would have us be in the days ahead and see the joyous opportunities to live lives that truly take seriously the responsibilities each has been given. May we be faithful custodians of all the blessings that have been given to us, whatever those gifts might be, and so may we use our time to serve people in their needs and seek reconciliation and peace with all. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. The gentleman from Alabama [Mr. EVERETT] will please come forward and lead the House in the Pledge of Allegiance.

Mr. EVERETT led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H.J. Res. 80. Joint resolution designating May 30, 1993, through June 7, 1993, as a "Time for the National Observance of the Fiftieth Anniversary of World War II."

NEED FOR CAPITAL PUNISHMENT MARKED BY MURDER OF MICHIGAN PRISON GUARD

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, a prison guard at a Lansing correctional facility was beaten to death by a bunch of inmates. The saga of police officers in America being killed continues to go on at a record pace, and to make it worse, we now approach a record of 25,000 murders in America this year.

Prisons are overcrowded, and taxpayers are bankrupt trying to pay for it.

Mr. Speaker, it is time to enact the death penalty for first degree murder. We have been coddling murderers too long, and we have been, in fact, denying victims any rights or protections. What do we now tell this family in Lansing, MI? That the murderer who killed your father and who had a lifetime sentence will be given another lifetime sentence?

This is unbelievable, and nobody in Washington is doing one thing about it. It is time, Mr. Speaker, to stop reading tombstones all over America and legislate and create some policy on first degree murder.

ODE TO A NEW DEMOCRAT

(Mr. ARMEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ARMEY. Mr. Speaker, this is an "Ode to a 'New Democrat'" by DICK ARMEY:

Bill Clinton was a president
Whose hair was white as snow.
And everywhere Bill Clinton went,
His hair was sure to grow!

To California he did fly
To talk of "sacrifice,"
While out there he cut his hair
And boy, did it look nice!

Christophe! boarded "Hair Force One"
And charged two hundred bucks.
See, your new taxes ain't so bad,
Just two-and-a-half haircuts!

So pony up now, middle class,
He knows for you what's good.
His degrees are from the Ivy League,
His hair, from Hollywood!

Perhaps we've learned a lesson here.
Of "new Democrats" beware.
They care less about your tax burden,
Than they do about their hair.

TAXGATE

(Mr. EWING asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EWING. Mr. Speaker, the White House has vowed never to have another week like they had last week.

Remember last week we had both Hairgate and Travelgate, two little public relations gaffes that embarrassed the administration.

Unfortunately, Mr. Speaker, the White House must prefer to have more weeks like this week. And this week we are going to have Taxgate.

Yes; this week the Democrats in the House will attempt to pass the largest tax increase in history. Taxgate will do more to harm the middle-class taxpayer than Hairgate, Travelgate, and all the other gates combined.

And after the Democrats pass this tax bill, you will see the White House claim this passage as a victory for the President. With victories like this, who needs defeats?

Mr. Speaker, we need an opportunity to stop the Clinton tax plan. Give us a vote on the Btu tax and the Social Security tax.

Let us stop Taxgate before it becomes a real scandal to the American taxpayer.

STRAIGHT TALK ABOUT TAXES AND ECONOMICS

(Mr. WISE asked and was given permission to address the House for 1 minute.)

Mr. WISE. Mr. Speaker, I enjoyed hearing the limerick that was just cited by the gentleman on the other side of the aisle, but I have got to be honest with you: After you hear some of their proposals for deficit reduction, it is enough to curl your hair as well. I would resort to poetry, too.

Let us talk about what this is really all about. This is about, yes, a very large deficit reduction package, of which half, 1 to 1 at least, indeed a little better, comes from spending cuts. And they are going to be tough cuts.

Let us also be honest and forthcoming and say, yes, there are tax increases in there. Sixty-five percent come upon those who make over $200,000 a year, 70 percent come up on those who make over $100,000, and

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

those under a certain level will not see a tax increase because of an earned income tax credit.

Finally, let us also recognize what the other side is not telling us. They are not telling us how they brought us a $4 trillion deficit that we are having to contend with. They are not telling us about the lowest economic growth in the last 4 years since the Great Depression. They are not telling us about the lowest number of jobs created.

It is time to talk straight, Mr. Speaker.

WORKING AMERICANS CLIPPED BY THE BTU TAX

(Mr. HASTERT asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. HASTERT. Mr. Speaker, if you were in the air last Thursday, especially if you were flying to the Los Angeles airport, you might have been delayed because Air Force One was sitting on the tarmac while our President was getting a $200 Hollywood haircut. The rest of America was squirming, squirming about the President's Btu tax.

In my State of Illinois the tax foundation says that that very tax will cost 21,581 jobs, jobs to the middle class, to working people.

Mr. Speaker, I think maybe the American people are the ones getting clipped after all.

TIME TO ABANDON SUPPLY-SIDE ECONOMICS, PUT PEOPLE BACK TO WORK

(Mr. GEJDENSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GEJDENSON. Mr. Speaker, there is an interesting sleight of hand going on. It is the kind of performance that Nehru would have loved. While our economy is in deep trouble, there are some who would like to get the people in this country to look to the side someplace and not to the central issue.

The alternative that has been proposed to the President's proposal on reviving our economy would increase the burden on senior citizens and the poor, increase the burden on the middle class, and, yes, once again, a la the Reagan and Bush years, give a tax break to the oil companies and the utilities and the wealthiest in America.

The President has come forward with a proposal that is tough. It is not the 1980's. We cannot cut taxes on the rich all over again, once more, as you would like. It is time to undo the damage of supply-side economics and put Americans back to work with a program of diversification and conversion and investing in the future of this country.

Mr. Speaker, enough of this foolishness. Let us move forward with the President's proposal.

FLUSHING THE BTU TAX

(Mr. LINDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LINDER. Mr. Speaker, while President Clinton's tax proposal may not be worth the paper it is printed on, if his tax plan is passed, that paper will be worth a good deal more.

That's because with the President's middle-class energy tax, the cost to make paper will increase considerably. In fact, every consumer product will cost more. From grocery goods to toilet paper, the inflationary impact of the Btu tax will be devastating.

The direct costs of the energy tax per family will be $471. The indirect costs are incalculable.

Mr. Speaker, we do not really need more taxes. The middle class pays enough. The poor pay enough. They cannot stand another hit.

We especially do not need an energy tax which will spur inflation and slow our economy.

Before Bill Clinton increases the cost of toilet paper, we should flush this tax.

We need a vote to strike the Btu tax.

SUNDRY MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Edwin Thomas, one of his secretaries.

THE PRESIDENT IS WRONG

(Ms. PRYCE of Ohio asked and was given permission to address the House for 1 minute and to revise and extend her remarks and include extraneous matter.)

Ms. PRYCE of Ohio. Mr. Speaker, the line out of the Clinton White House is if you vote against the President's tax bill, you betray the President.

I disagree. I say to my Democratic colleagues you do your President a favor if you vote down his tax proposal.

The President is lost, and he is too proud to ask for directions. He is heading down the wrong road, a road which will lead to higher inflation, higher interest rates, and slower economic growth.

Defeating the President's tax bill is the best way to tell him he is going the wrong direction. How do we know that his way is the wrong way? Because it was the same route taken by Jimmy Carter in 1976.

It is no crime to tell the President that he is wrong. This is not a monarchy. It is not a dictatorship. It is a democracy. And when the President is wrong, it is the duty of every American of any political party to tell him so.

Mr. Speaker, the President is wrong. We do not need more taxes. I urge my Democratic colleagues to send that message to President Clinton by voting against his tax bill.

THE PRESIDENT'S SUMMER JOBS PROPOSAL

(Mr. TOWNS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TOWNS. Mr. Speaker, just a few days ago the Mayor of the City of New York addressed the Subcommittee on Human Resources. He came for a hearing, and indicated that in New York City he had over 100,000 young people that had signed up for summer jobs, and that he only had enough money for 30,000 summer jobs, which means that 70,000 young people will go without jobs this summer.

When we look at the package that has been put forth in terms of job programs, $314 million, this would mean only an additional 10,000 jobs for the city of New York's young people, which means that there will be 40,000 young people with jobs and 60,000 with no jobs.

Mr. Speaker, something else that should be noted here is that this package creates 12,000 fewer summer jobs than the last year of the Bush administration.

As Mayor Dinkins stated, $314 million for summer jobs is totally inadequate, and we must face up to this problem, and, as Spike Lee from my district said, we now must do the right thing.

TIME IS TICKING AWAY

(Mr. BOEHNER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BOEHNER. Mr. Speaker, this patriot pays enough: No more taxes.

Last week I came to the floor with this message from the patriots of America. Well, the Democrats haven't gotten the message yet. The minutes are ticking away till the Democrats bring up their tax bill to the floor, the largest tax increase in American history. And who will be hurt the most by the new taxes—the middle class.

I specifically recall hearing candidate Clinton on the campaign trail claiming he was going to cut taxes for the middle class. On October 19, 1992, he said "I will not raise taxes on the middle class to pay for my programs." It seems that since becoming President, Bill Clinton is experiencing memory loss. Now President Clinton is pushing a tax bill complete with an energy tax and new taxes on Social Security—taxes aimed at the middle class to pay for more spending programs.

More taxes, more spending, and a bigger government. That's what President Clinton's tax bill is all about. The minutes are ticking away for the middle class Americans. Prepare to open your wallets and watch your money disappear, because the Democrats' tax bill is gonna getcha.

AMERICAN PUBLIC, NATION'S JOBLESS HOPE FOR MEANINGFUL LEGISLATION

(Mr. MENENDEZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MENENDEZ. Mr. Speaker, this past Sunday, the people in my home State of New Jersey had it all spelled out for them on the editorial page of the Star-Ledger, a statewide newspaper. "When you're out of a job, it's a recession. When I'm out of a job, it's a depression." With New Jersey's unemployment rate at 9.1 percent, the highest in the Nation, nothing could ring truer.

This week I am going to have to answer to real people at home, not statistics. I am going to have to tell the jobless people on the streets of Perth Amboy, Newark, Elizabeth, and Jersey City that although I have each time answered the President's call and each time made the tough choices, all we will have to show for it is a share of an anemic, skin-and-bones stimulus.

Mr. Speaker, I call upon the President to keep fighting for people who want to work but can find none. I want to implore him to keep fighting to give them a chance, and not to let their hopes die amidst Republican rhetoric on the plush seating of the Senate Chamber, where everybody already has a job. Mr. President, put forth a meaningful job package, and the American public will be with you.

AN ODE TO THE MIDDLE CLASS

(Mr. DOOLITTLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DOOLITTLE. Mr. Speaker, "An Ode to the Middle Class":

Roses are red,
Daffodils are flaxen
And President Clinton
Just keeps on taxin'!
He promised the middle class
They'd get a break
But now all they've got
Is one big headache!
Their wallets are empty
And they find it strange
All that's in their pockets
Is some very small change.
And soon these poor taxpayers
will have new burdens on their backs
If President Clinton
Gets his energy tax.
They're taxed for the deficit
They're taxed for the streets
They're taxed from their heads
Way down to their feet!
They're taxed, some may say
To cure all our ills—
But the truth of it is
they're taxed to the gills!

INTRODUCTION OF LEGISLATION RESTRICTING HAZARDOUS WASTE INCINERATOR SITES

(Mr. HOLDEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HOLDEN. Mr. Speaker, I rise today to highlight legislation Congressman CLINGER and I have introduced concerning hazardous waste incinerators. And, I want to thank Mr. CLINGER for his leadership and hard work on this legislation.

The issue of hazardous waste incineration is of local and national importance. Local to my constituents in Northumberland County who are faced with this problem every day—and national to us since we have the ability to set requirements for incinerators.

One mile from my district is the site of a proposed hazardous waste incinerator. This site happens to be situated across the street from Allenwood Federal Prison.

As you can guess, this situation poses a tremendous threat to the community which would be endangered by an incinerator malfunction or other catastrophe. Residents, prison guards, and prisoners would have to be evacuated, and prison officials have testified that an evacuation could not be accomplished swiftly and safely. I do not want to put the people of the Susquehanna Valley at risk.

There seems to be no rhyme or reason of how we can allow the siting of these incinerators near a prison, since a hazardous waste incinerator does not make a good neighbor to any prison.

To address this problem, Mr. Clinger and I have introduced legislation creating a 2-mile buffer zone around Federal prisons, prohibiting hazardous waste facilities from being built within this area.

This legislation is a first step in bringing some common sense to the siting of hazardous waste incinerators, since the risks are too costly for the people that live near these sites.

THE BTU TAX: HITTING THE POOR THE HARDEST

(Mr. EVERETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EVERETT. Mr. Speaker, a column in yesterday's Roll Call said it all: "Clinton's Btu Tax Would Be Hardest on Poor Families."

That is right, Mr. Speaker. Despite Bill Clinton's warmed-over class warfare rhetoric, his proposed energy tax would hit the poor harder than anybody.

According to Bob Eckhardt, a former Democratic Congressman, poorer families pay four to five times more for energy per capita than rich and middle class families.

By increasing the costs of energy on these families, Bill Clinton's tax makes life harder for the working poor. Add in inflation, and you have a tax that will really sock it to poorer families. The working poor will feel the pain when Bill Clinton and the Democratic majority pass their energy tax.

Mr. Speaker, I hope you will give us a vote to strike the Btu tax. We must work to lift this crushing tax from every American family.

And to my Democratic friends, especially those Democratic freshmen who promised a middle class tax cut, to all my friends who are considering voting for this attack on the poor and working poor—are you willing to go back to your districts and tell them you broke your promise and voted for this mess?

□ 1210

PRESIDENT CLINTON'S COMMITMENT TO STRENGTHENING AMERICA

(Mrs. COLLINS of Illinois asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. COLLINS of Illinois. Mr. Speaker, President Clinton's deficit reduction and investment plan is the long-awaited antidote to counteract the past 12 years of Reagan-Bush trickle-down, voodoo economics—which has caused average Americans, pocketbooks to run dry while cursing opportunities to those most in need.

It is high time we break this devastating spell. America can no longer afford to simply maintain the status quo along with the inevitable inequities such a situation perpetuates.

The President's plan reverses this disastrous do-nothing trend by locking in nearly $500 billion in deficit reduction and bringing middle-class fairness back to our Tax Code. At the same time, the President's package injects much-needed investments into important programs such as Head Start, Women, Infants, and Children, childhood immunizations, and family preservation.

Mr. Speaker, President Clinton came to office with a firm commitment to putting people first. Indeed, the President has worked diligently to keep this commitment in the face of obstinacy and cynicism. People first, not big business, not the rich, but the people who made this country great: the worker, the homemaker, the student, the senior citizen, the average people who make this country what it is today.

NIH REAUTHORIZATION

(Ms. SNOWE asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. SNOWE. Mr. Speaker, it gives me great pleasure today to rise in support of final passage of the conference report on the National Institutes of Health reauthorization.

There is no question what passage of this legislation, and its subsequent signing into law, will mean for American women:

It means there will not be any more breakthrough studies that include 22,000 men and no women.

It means that women's health will no longer be an asterisk in America's medical textbook.

It means that women will finally have answers to the questions we've been asking for the past many years that can mean the difference between life and death.

Members of the House, the consciousness of American women has been raised regarding the dearth of research on their particular health needs. And yet, as the incidents of breast and cervical cancer and osteoporosis continue to rise, more and more women are asking questions about their health out of concern and outright fear.

Mr. Speaker, the answer can no longer be, "We simply don't know." We must help to restore their dignity, and respect their desire for simple parity in the area of health research and funding.

The increased funding contained in this legislation for research on osteoporosis, breast, cervical, and ovarian cancer, contraceptives and infertility, will provide the scientific underpinnings that will give women the answers they desperately need and deserve.

Mr. Speaker, I urge the Members of the House to support passage of the NIH reauthorization today. It is the right prescription for a problem which is long overdue for a solution.

A WILLINGNESS TO PAY TAXES IF THE PURPOSE IS CLEAR

(Mr. MAZZOLI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MAZZOLI. Mr. Speaker, it has been my experience to observe that people do not like to pay taxes. That is a truism. That is a self-statement.

Occasionally, however, if the goal for which people are requested to raise taxes is sufficiently clear and sufficiently important, people are willing, in fact, to pay taxes.

At home in Louisville, some years ago, we voted for earmarked taxes for local public transit. I understand the State of California has passed additional gasoline taxes to improve the road system and uncork the traffic jams there.

President Clinton's proposal that comes up this week, the reconciliation plan, does have in it tax increases, but because they are targeted for deficit reduction and because they go into a trust fund for that purpose and because some type of a mechanism for either capping entitlements or for establishing an alarm bell system to monitor entitlement growth will be included, the money which is raised, along with the spending cuts which are included, will go to deficit reduction.

So I am of the opinion, Mr. Speaker, that while people do not like to pay taxes, they will do so, if the purpose is good enough and the method is correct, and that is what we have in this reconciliation bill.

THE BTU TAX

(Mr. BACHUS of Alabama asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BACHUS of Alabama. Mr. Speaker, earlier this month, Energy Secretary Hazel O'Leary visited Birmingham, AL, and in a speech in my hometown she characterized President Clinton's Btu tax as a, and I use her quote, "pissant tax."

Now, Secretary O'Leary used this vulgar term to indicate that this tax was nominal, unimportant or insignificant. But, Mr. Speaker, this tax will take $500 out of the pockets of the average Alabama family.

That may not seem like a lot of money to Energy Secretary Hazel O'Leary, but I can tell my colleagues that that is a lot of money to the average Alabama family. It is money that these struggling families need to pay for groceries for a month or more, to pay rent payments. When their children are sick, this is money that they need to take them to the hospital or for medical treatment.

In short, this tax is not nominal to the people in my district. Middle-class families are struggling. They need the tax relief promised by President Clinton, not more taxes. They do not have an extra $500. To my freshman Democrats, I ask, is $500 a nominal or insignificant tax to the families of their district?

Do the families in their district have $500 extra? Do they need tax relief or a tax increase? Before you vote for the Btu tax, consider these questions.

Mr. Speaker, I close by saying that I ask my freshman Democrats, before they vote for this tax, are the families in their districts, do they need to pay more taxes or less taxes?

THE BIGGEST TAX INCREASE IN AMERICAN HISTORY

(Mr. ROTH asked and was given permission to address the House for 1 minute.)

Mr. ROTH. Mr. Speaker, today the Democrats are beginning their big push to pass Clinton's $246 billion tax package, the largest tax in American history.

The sum of $29 billion of the new tax will be taken from senior citizens. The senior citizens tax on Social Security benefits will be as high as 85 percent.

I have an amendment to stop the $29 billion tax raid on our senior citizens. I ask every Congressman to help me protect Social Security from the big spenders, and my amendment will do just that.

And get this, at the same time that the Clinton administration is asking to tax Social Security, they are asking for an increase, an increase in foreign aid. I ask, isn't it time for us to take care of our own people and our own problems first for a change? Tax, tax, tax, spend, spend, spend is not the correct approach.

A senior citizen from Minocqua, WI, put it best, in my annual questionnaire, when he wrote back and said, "If it were up to Bill Clinton, he would tax the very air we breathe."

I can only add, and send the tax dollars overseas.

HAZARDOUS WASTE SAFETY ZONE LEGISLATION

(Mr. CLINGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CLINGER. Mr. Speaker, last week I introduced H.R. 2209, along with my colleague Congressman TIM HOLDEN, to address a major public safety concern. Under current law, hazardous waste incinerators can be built and operated literally next door to Federal prisons. This raises very serious health and safety issues for surrounding communities, Federal prison staff, and prisoners given the potential for a hazardous waste accident.

This bill provides a 2-mile safety zone around Federal prisons within which no hazardous waste facility could be built that could require the evacuation of prisoners or other nearby residents. The intent of this safety zone is to provide a reasonable distance so that an emergency could be handled in a safe and orderly manner.

This legislation is prompted by a situation in my own district in which a proposed incinerator now under review is located less than one-half mile from the Allenwood Prison—which will soon house approximately 3,000 prisoners and employ 700 Federal prison officials. However, I understand that this same situation may be occurring in other parts of the country.

We have all heard or read about a number of hazardous waste accidents, including releases and spills. It took more than 2 days to evacuate a Miami prison after Hurricane Andrew. Without the proper precautions in place we could be endangering thousands of lives. I urge adoption of this legislation as a way to prevent a catastrophe from occurring before rather than after the fact.

PASS THE RECONCILIATION BILL NOW

(Mr. RICHARDSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RICHARDSON. Mr. Speaker, in 2 days, we will vote on the President's reconciliation bill. Let me be clear—his plan is the plan. We must pass it in order to give our new President the same chance many of us gave President Reagan 12 years ago.

The President's plan is a fair, progressive and realistic approach to cutting the deficit and funding some very important and beneficial programs. Other plans have been floated in the other body by a so-called bipartisan group. That plan, and others like it, seek to accomplish one thing—to kill the President's plan. In so doing, they seek to protect the wealthy, to reintroduce bookkeeping smoke and mirrors by quietly shifting costs to others, and to limit the ability of Government to encourage job creation.

The President's plan will cut the deficit by $500 billion over 5 years. It includes a $75 billion tax incentive for investment and jobs. It includes an increase in the earned income tax credit, a program that encourages the poor to work.

Mr. Speaker, we must stand with the President and his package, it moves us in the right direction and prescribes a valid cure to our economic problems.

□ 1220

THE PRESIDENT'S PLAN MEANS A DEFICIT INCREASE, NOT DEFICIT REDUCTION

(Mr. SMITH of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Michigan. Mr. Speaker, sometimes the only game in town is not a good game, so we should not play it.

Mr. Speaker, I think the American people are waking up to a lot of the political rhetoric that takes place here in Washington. A lot of the news media, a lot of individuals, call this a deficit reduction plan. No such thing. For the 5 years previous, from 1988 through 1992, the public debt increased an average of $328 billion per year, mark that down, $328 billion per year.

After raising taxes a record of $332 billion over the next 5 years and having so-called deficit reduction, this reconciliation bill increases the public debt an average of $360 billion per year for the next 5 years. It is not deficit reduction, it is increasing taxes and increasing spending. We are increasing the Federal debt from today's $4.2 to $6.2 trillion 5 years from now. Government overspending robs future generations of their chances for a strong economy.

The American people are waking up to what is important—let's hope the alarm clock goes off for Congress very soon.

RECONCILIATION BILL WOULD RESTORE FAIRNESS, CUT DEFICIT

(Mr. DERRICK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DERRICK. Mr. Speaker, this week the American people will be focused on the House as we debate the jobs bill and reconciliation.

My constituents in South Carolina and the people in the rest of our country want the Congress and President Clinton to reduce the deficit, to cut Government spending and to pump life back into the economy.

The President's economic plan will produce huge spending cuts and it will inject fairness into the Tax Code.

First, the reconciliation bill slices $496 billion from the deficit over the next 5 years.

Second, the bill freezes discretionary spending to the 1993 level in each of the next 5 years.

On the revenue side, the bill restores fairness to the tax system.

Seventy-five percent of its taxes will come from people earning $100,000 or more annually. Under this bill, the wealthy will bear the highest tax burden.

Mr. Speaker, the reconciliation bill restores fairness and it cuts the deficit. Support President Clinton's plan.

CALIFORNIA EIGHTH GRADERS ACTIVE IN ISSUES-ORIENTED PROGRAM, WIN COMPETITION

(Mr. BAKER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BAKER of California. Mr. Speaker, I would like to congratulate the students of Ann Hankes' eighth grade class at St. Raymonds Middle School in Dublin, CA, who won the American Youth Citizenship Competition in the 10th Congressional District.

The statewide program, sponsored by the Walt Disney Co., is an academic competition designed to inspire middle school students to take an active role in government by examining a current issue facing their community.

These young men and women worked diligently on a proposed antismoking ordinance which is one of the toughest issues facing most of our cities today.

As winners of the district competition, the St. Raymonds class will receive $100 and will have its portfolio entered in the regional competition. The St. Raymonds portfolio will then compete against winning schools from six other congressional districts. The winning school at each of 10 regional competitions will receive $250 and an expense-paid trip to Disneyland to compete in the State finals on June 2–4, 1993.

Once again, Mr. Speaker, I would like to congratulate the students at St. Raymonds and wish them the best of luck in the regional competitions.

PRESIDENT CLINTON'S NAYSAYERS ARE WITHOUT A PLAN

(Mr. SCHUMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHUMER. Mr. Speaker, we have a line here of naysayers, and they are all pointing holes in the President's plan. Anyone on this side of the aisle could do the same. Every one of us can point holes, but put up or shut up. Where is a plan that can pass?

A man from my party, the Senator from Oklahoma, came up with a plan. It is estimated it will get 20 votes in the Senate and 100 votes in the House. It is very easy to say no.

Mr. Speaker, we have spent 12 years saying no to everything as our country gradually slides down the drain. But the President, and we may disagree with specific parts, has had the courage to start putting this country in order and making us face the tough realities. We are going to try to do that here in the House as history is finally made.

Mr. Speaker, this morning the President told us at the White House he is going to fight for his plan. Go get 'em, Mr. President. Don't let parochial "what's in it for me" obstructionists fool the American people to protect energy producers. Your job is to do the right thing for the whole economy and the whole country. If you make that fight, an awful lot of people sick of gridlock will be at your side.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. MONTGOMERY). The Chair will remind Members that they should address the Chair, and not address the President directly.

A HAIL OF FAILURE

(Mr. HEFLEY asked and was given permission to address the House for 1 minute.)

Mr. HEFLEY. Mr. Speaker, the early days of the Clinton administration have been marked by failure. The American people are closely looking at his failed economic plan. Everywhere I go people are saying, "Cut spending first," but Clinton fails to get it. He instead pursues failed old-time liberal spending policies. He is having trouble convincing his own party of the worth of his failing new tax program.

The people fail to sympathize with a failing President who fails to replace those failed taxes with spending cuts. Meanwhile, Bill Clinton is failing to keep his promises for middle-class tax relief. He is failing to stop illegal immigrants. He is failing to revive the economy. He is failing to keep his promise to cut White House staff, and failing to earn the people's confidence.

With all of this failure, what a shame it would be if the successes of the Clinton administration were built around new taxes, new spending, and more deficit. I ask my colleagues on both sides of the aisle to help us this week to keep the President from failure in his new tax program, and vote against this tax program.

GIVE THE PRESIDENT'S PROPOSALS A CHANCE TO SUCCEED

(Mr. REYNOLDS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REYNOLDS. Mr. Speaker, I rise today to remind the American people of what happened over the last 12 years. From 1980 until now our deficit went from $60 billion a year to $330 billion a year under the Republicans, not under Bill Clinton, under the Republican administration. Now they want us to make sure that the President fails this week.

This is about the failure of Bill Clinton. That is all this is about. My Republican colleagues are not debating this on the substance. They want to embarrass this President, the President that you voted for, the President that you sent to office, and the President that you support. Give him a chance. Just like the Democrats gave Ronald Reagan a chance, give Bill Clinton a chance.

NATIONAL MISSING CHILDREN'S DAY

(Mr. RAMSTAD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RAMSTAD. Mr. Speaker, today is National Missing Children's Day.

I will never forget a young boy from St. Joseph, MN, Jacob Wetterling, who was abducted 3½ years ago.

The Department of Justice reports there are over 114,000 such stranger abductions each year.

How can we tolerate this widespread, horrifying threat to our children?

Mr. Speaker, 22 States, including my own State of Minnesota, have enacted sex offender registration laws. These laws are needed because these offenders repeat their crimes again and again. The typical child sex offender molests 117 children.

H.R. 324, the Jacob Wetterling bill, would create a national system of registration. This bill would require child sex offenders and abductors to register their addresses with police for 10 years after release from prison.

I urge all Members to join the 50 cosponsors from both sides of the aisle to pass a comprehensive crime bill which includes the Jacob Wetterling bill.

The children of America deserve nothing less.

EMPTY SLOGANS CANNOT DEFEAT A SERIOUS DEFICIT REDUCTION PLAN

(Mr. LEVIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEVIN. Mr. Speaker, the reconciliation bill will pass. It will pass because it is a serious effort at deficit reduction, which we so badly need. The response, unfortunately, on the other side of the aisle has been slogans. I looked again at its proposals on the budget. It had within its $119 billion in unspecified cuts, unspecified. It was an empty proposal.

It will also pass the House because we are not going to be hostage to the Senate. There is a bad mistake that the media, I am afraid, has not caught onto, and that is that no one person in the Senate can hold up the bill. If the Finance Committee in the Senate does not pass out a bill, the Senate Budget Committee under its rules can do so.

We in the House should do the right thing. I am confident in the end so will the Senate. The people will support a serious effort at deficit reduction, rather than the slogans that have been used to attack it.

□ 1240

WHITE HOUSE ACADEMY AWARDS NOMINEES

(Mr. WELDON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WELDON. Mr. Speaker, President Clinton's White House is off to a fast start in the race for next year's Academy Awards. A President so enamored of Hollywood has created a star-studded cast and crew right here in the Nation's Capital. The nominees are:

Best director: Harry Thomason for his own "Indecent Proposal."—an effort to can the travel office staff and have his own company take over the work instead.

Best actor: George Stephanopolous, who every day is forced to utter half-truths, deceptions, and falsehoods all with a look of utmost sincerity.

Best choreographer: Dee Dee Myers, who dances around the truth at least twice a day.

Best actress: Catherine Cornelius, the President's 25-year-old cousin, who orchestrated the firing of the White House travel office and her own ascension to the top job.

Best supporting actor: William Kennedy, the White House counsel and Hillary's old law partner, who got the FBI to do the White House dirty work.

Best supporting actress: Janet Reno, who while not even realizing she was in a supporting role, was so out of the loop that she really made the lead players shine.

Best makeup: Christophe of Beverly Hills, the Presidential hair advisor, who charges $200 per haircut, yet sticks the airlines with a $76,000 bill.

Best new disaster movie: Hairport '93", a public relations fiasco for the White House.

Best song: "Don't stop thinking about tomorrow," Mr. President, because the first 5 months have been a disaster.

Best producers: Bill and Hillary, who so graciously allow these not-ready-for-prime-time performers to use the White House as their stage.

MILITARY BAN ON HOMOSEXUALS NOT A MATTER FOR COMPROMISE

(Mr. BUNNING asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BUNNING. Mr. Speaker, we have been hearing a lot recently about a magic, compromise solution for the controversy about the President's promise to lift the ban on homosexuals in the military.

This so-called, don't ask, don't listen, compromise reminds me of those three monkeys with their eyes, ears and mouths covered with their hands so that they will "hear no evil, see no evil, and speak no evil".

There is no way to compromise this particular issue, folks. Homosexuals should not be in the military because it is bad for morale and efficiency. Our military leaders are virtually unanimous on that point.

Forcing our military leaders to cover their eyes and ears and mouths is not going to make the problem go away and it definitely is not going to make it work.

The ban should stay in place. Homosexuals do not belong in the military.

When something is wrong, pretending it isn't there, doesn't make it right.

CLINTON HAIRCUT SYMBOLIZES EXTRAVAGANCE, LACK OF CONCERN

(Mr. GRAMS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GRAMS. Mr. Speaker, for years, the symbol of Government waste has been $700 hammers at the Pentagon. Well, now there is a new symbol: the Clinton haircut.

Now, it is one thing that the President spent $200 of his own money on his hair. That may seem extravagant to most of us, but if that is the way he wants to spend his own money, that is his business.

What is more disturbing is that the Clinton haircut is estimated to have cost the airline industry $76,000 in delayed flights. That is equal to the wages of three average working Americans.

While some dismissed the President's new "do" by saying he has "gone Hollywood," the more serious truth is that the Clinton haircut symbolizes the root problems of the Clinton economic policy.

First, it shows a passion for extravagant spending, the same kind of extravagance that sunk the President's stimulus bill.

Second, it shows that the President has little concern for the impact of his actions on the private sector. It is the same lack of concern we are seeing in the energy tax, striker replacement, and other job-killing measures.

And finally, it shows that the President has either no idea or no concern for what his policies will really cost. That is an alarming thought when you consider that the Clinton administration is about to engage in a hostile takeover of the insurance, student loan, and health care industries.

Mr. Speaker, it is time for the President to get off his throne, kick out the hairdressers, and get back in touch with reality. The American people cannot afford a government of $76,000 haircuts.

CONGRESSIONAL ACTION NEEDED TO SOLVE NEGOTIATED RATES CRISIS, FREE UP INVESTMENT CAPITAL

(Mr. SHUSTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHUSTER. Mr. Speaker, several weeks ago, both Houses of Congress spent a great deal of time and energy debating President Clinton's economic stimulus package. We talked about the need for such legislation, the timing of it and whether or not it would truly help the economy. As you well know, Republicans and Democrats did not agree on the answers to many of these questions.

However, there is an action that we can take which would free up $32 billion in working capital where it would do the most good: in the checking accounts of hundreds of thousands of American firms. That doubles the amount of the legislation we just debated.

That means that we do not have to wait for slow government stimulus programs to move through the economy; that is a process that can take months and often years. In the past, we have seen that Federal stimulus funds arrive too late, jolting the economy long after the need for adrenaline was gone.

Presently, companies of all sizes, in every region of the Nation, are setting aside money to pay for legal costs and possible claims from irresponsible law suits brought by bankrupt trucking companies. The trustees for these failed firms are suing hundreds of thousands of companies, trying to gouge money by using a legal loophole.

It is time that the Congress took action and solved the negotiated rates crisis once and for all. We cannot allow unscrupulous trustees, lawyers and collection agencies to continue their multibillion dollar racket when their actions are clearly against the national interest.

It is time for the Congress to act, both for the sake of American industry and our economy.

THE BEAT OF A DIFFERENT DRUMMER: THE AMERICAN TAXPAYER

(Ms. DUNN asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. DUNN. Mr. Speaker, I rise to urge my colleagues across the aisle to march to the beat of a different drummer: the beat of the American taxpayer.

President Clinton is lobbying my Democratic colleagues to march with him to pass the largest tax increase in history.

But, Mr. Speaker, my friends on the other side of the aisle do not have to follow the President over the cliff. They don't have to be lemmings. They can see for themselves that more taxes are not what this country needs.

The political megaphone from the White House has increased in volume, but if you listen closely, you can hear the beat of the taxpayer's drums, and that beat is saying: Don't raise my taxes. Cut spending first, before you even whisper the word "taxes".

We can cut spending first, while not raising taxes. But first we need a rule that will allow amendments to strike the Btu tax and the Social Security tax. Mr. Speaker, I urge my colleagues to vote against a closed rule that precludes these amendments, to march to the beat of a different drummer, the beat of the American taxpayer.

□ 1250

THINK CAREFULLY ABOUT RAISING TAXES

(Mr. WALSH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WALSH. Mr. Speaker, later this week we will have a vote on the largest tax increase in our history. I urge my colleagues on the other side of the aisle to think about that vote very carefully.

Back in 1990 we were given the same reasons for supporting a huge tax increase that "Congress will commit to reduce spending if only we support the tax increase." Well, the taxes went up, and the deficit went up, and it keeps going up.

I do not know about your constituents, how they feel about more taxes, but my constituents, believe me, pay enough, and they are right. They already pay more taxes now at the local, State, and Federal levels than they have ever paid, and President Clinton wants the American taxpayer to pay more.

Think carefully about your vote this week on the rule and on reconciliation. History is a wonderful teacher. We need only go back 2 years to see what will happen if we pass this record increase. The economy will stay in the tank, the deficit will grow, and those who vote for the tax will be out looking for a new job.

IN HONOR OF FATHER AIDEN FOYNES

(Mr. BILIRAKIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BILIRAKIS. Mr. Speaker, I rise today to honor Father Aiden Foynes, a man of tremendous dedication and love whose achievements will live on in the hearts of those who benefited from his counsel and his friendship for many years.

After 18 years as pastor of Our Lady of Queen of Peace Church in New Port Richey, FL, Father Foynes will be moving soon, bringing his talents and love to the congregation at St. Cecelia's in Clearwater. All of us who know Father Foynes thank him for his tremendous contribution to the growth of Our Lady of Queen of Peace and look forward to witnessing the power of his leadership at St. Cecelia's.

Mr. Speaker, the story of Father Foynes illustrates what one person with a fierce commitment can achieve in this world.

Born one of eight children to Michael and Ellen Foynes, in Butlersbridge, County Cavan, Ireland, Father Foynes was ordained on June 4, 1961. Immediately after ordination, he came to Florida at the request of Archbishop

Joseph P. Hurley and served as associate pastor at St. Cecelia's. From there, he was assigned to Cardinal Mooney High School in Sarasota from 1963–68, serving also at the Church of the Incarnation. In that period of his life, Father Foynes studied during summers and obtained his master of arts degree in religious education.

Serving as an associate pastor at Our Lady of Lourdes Church in Dundein from 1968–69, Father Foynes then moved on to become the pastor of Espiritu Santo Church in Safety Harbor and also served as principal-president of Clearwater Central Catholic High School until the summer of 1975, when he became pastor of Our Lady Queen of Peace.

Under Father Foynes' direction, major changes took place at the church, beginning with the building of the parish center, which opened in 1980. In 1988, Father Foynes dedicated the fine new priest's residence across the street from the church. A fitting tribute to Father Foynes and the membership of Our Lady Queen of Peace was that the residence was debt-free on its opening day.

Those achievements were followed up with a residence for Sisters bordering the north parking lot and a three-bay garage and workshop to accommodate maintenance equipment and to provide work space for the Rosary Alter Society.

But Father Foynes' biggest challenge and achievement was the planning and supervision of the expansion of the church itself. Father Foyners insisted on retaining as much of the old as possible, seeking to build on the proud history of the church. The original stained glass windows, made in 1920, were retained, serving as stations of the cross. The alter table, tabernacle and lectern, all carried over from the old church were clad in rich carrara marble to match the sanctuary which is now 11 feet longer than the old building was wide! All in all, the seating configuration was improved to achieve eye-to-eye contact between every parishioner and the celebrant and both the lighting and acoustics were vastly improved.

Mr. Speaker, if we only celebrated the building record of Father Foynes, we would be reciting achievements for a long time. But even more important about Father Foynes is the impact he has had on the lives of the people he has touched.

A dedicated priest for 25 years, Father Foynes is not really leaving Our Lady Queen of Peace, he is spreading his love for people and his commitment to the future just a little farther. And as we celebrate with the parishioners of Our Lady Queen of Peace the tremendous achievements of Father Foynes there, we anticipate anxiously the great deeds to come in his next phase of his dedication.

IT'S OBVIOUS, OR IS IT?

(Mr. GOSS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GOSS. Mr. Speaker, the American people think the solution to our budget woes is obvious: Cut spending first. We spend more than we have, so we should be spending less. That is the way most American families approach their own budgets. Only in Washington could something so simple become so complex. In Washington we have important people telling us it is better to raise $27 billion in new taxes from hard working American citizens than it is to cancel $27 billion worth of services for illegal aliens. We are told it is better to raise more than $18 billion from senior citizens than it is to make a modest, 3 percent cut in overhead costs for bloated Federal agencies; and they say it is better to raise another $5.2 billion in taxes from middle America than it is to cut pork barrel highway demonstration projects. The list is endless. For every new dollar the President wants to raise from energy taxes and higher Social Security taxes, there is a dollar we could cut in wasteful or low-priority spending. Only in Washington does something so obvious become so confused, and so expensive for taxpayers.

U.N. CODDLING DICTATORS IN CHINA, MFN STATUS DEBATED IN UNITED STATES

(Mr. SMITH of New Jersey asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of New Jersey. Mr. Speaker, today Chinese human rights activist Shen Tong is holding a press conference in New York City to detail the Beijing regime's ongoing violations of human rights. In a shameful capitulation to the hardliners in Beijing, U.N. Secretary-General Boutros Boutros-Ghali barred Shen Tong from using the U.N. press club to brief reporters.

It is imperative that the world community take a strong stand against the kind of repression that is so rampant in China. The United States, as the leader of the free world, must make it clear that we will not employ a minimalist policy toward the Beijing regime. Such a policy would certainly be tantamount to coddling dictators.

Sadly, silent for months, the Clinton administration seems poised to announce such a minimalist policy with regard to China's most-favored-nation [MFN] trade status. The administration's consultation with Congress has been negligible on this vital human rights issue. If the President goes the route of a loophole-ridden Executive order, he will short circuit the opportunity for Congress to make it clear to the Beijing regime that substantive improvements in human rights are absolutely necessary if China's preferential trade treatment is to be continued.

Mr. Speaker, much more is at stake here than another broken campaign promise. The women of China need to know that we will not turn a blind eye as they are forcibly aborted and sterilized. Religious believers must know that we will not stand by as they are beaten and killed for exercising their beliefs. China's brutal dictators also need to know that we will not tolerate the imprisonment, torture, and harassment of those who advocate democratic principles; nor will we tolerate the gross abuses inherent in Gulag labor, nor will we tolerate continuing violations of nuclear non-proliferation agreements.

Mr. President, I urge you to work with the Congress so that, together, we can send an unequivocal message to China's leaders that business as usual is not good enough anymore. Respect for fundamental human rights is a prerequisite for future favorable treatment from the United States.

ACT RESPONSIBLY TO REDUCE THE DEFICIT

(Mr. SANTORUM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SANTORUM. Mr. Speaker, we are here this week to debate the Clinton tax package and the deficit-reduction package.

I wanted to make sure that all of us here kept our eye on the ball of what was really at stake, and that is the future of this country and the deficit that we are faced with.

A group of fifth-graders at Ben Franklin Elementary School in what used to be my district reminded me of that point yesterday when they presented to me a check for $240.35, money they raised at a bake sale and a car wash to reduce the national debt. They expressed their concern about the Federal deficit and what it will do to their lives, to their future, to their opportunities for them and their children.

I hope that the message is now sent clear that we have to act responsibly here in this Congress and in this city to reduce this deficit.

ENVIRONMENTAL ILLNESS FROM DESERT STORM

(Mr. STEARNS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STEARNS. Mr. Speaker, we have a growing problem when our military forces that served in Desert Storm have been discharged or released from active duty with a standard medical clearance. This medical clearance precludes the possibility that some undiagnosed disease which later becomes chronic or fatal can be classed as service connected. There is growing evidence of multichemical sensitivity in certain individuals that increases the risk of serious complications from exposure to chemicals and other environmental elements. Within my district, a young man, Michael Adcock, an outstanding high school athlete—football player and State recordholder in weightlifting—volunteered for duty in Operation Desert Storm. During his tour of duty, he was exposed to a chemical agent resistant coating which was the apparent cause of all of his subsequent medical problems. On April 23, 1992, Michael succumbed to cancer—11 months after his return from Desert Storm.

Mr. Speaker, we must find a way to better screen our young people for possible service-connected diseases—either at the time of discharge or in a continuing program of followup examinations after discharge.

INTRODUCTION OF THE BUDGET PROCESS REFORM ACT

(Mr. COX asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COX. Mr. Speaker, over the last 30 years this Congress has run up a public debt of over $4 trillion, and now this week in our reconciliation bill we will pass so much new spending that we will add $1.2 trillion to the national debt. That is what the Clinton plan calls for, despite the largest tax increase in American history.

This ever-increasing public debt is the inevitable result of a badly broken congressional budget process that virtually guarantees financial chaos. That is why the gentleman from Texas [Mr. STENHOLM], the gentleman from Minnesota [Mr. PENNY], and 125 of our colleagues have joined with me in introducing a bipartisan Budget Process Reform Act. The first tenet of this bill is that the budget itself should be a binding law, not the nonbinding concurrent resolution, that is virtually meaningless, that we presently use.

We end the practice of budget waivers, that notorious abuse under which in the last Congress over half of all spending bills waived the Budget Act in its entirety.

Every American who wants to restore fiscal sanity, who supports the principle that government should budget first and spend later, should support the Budget Process Reform Act.

Mr. Speaker, tomorrow I will explain how the Budget Process Reform Act will control entitlement spending.

THE PRESIDENT'S PLAN CUTS SPENDING

(Mr. KOPETSKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KOPETSKI. Mr. Speaker, there has been a lot of rhetoric on the floor today about what the President's tax plan does and does not do.

Mr. Speaker, I think it is time for some facts. The fact is that there are over 200 specific spending cuts in the tax package that include about 300 billion dollars' worth of spending cuts. There is a hard freeze on disretionary spending in the budget for a 5-year period, and, yes, there are tax increases. Just as the President promised while he was campaigning, he is going to tax millionaires in this country, and those folks on the other side of the aisle are opposed to taxing millionaires to help reduce the deficit. They are also opposed to raising the corporate tax on the 2,700 largest businesses in America from the current rate of 34 percent to 35 percent to help reduce the deficit.

The President's plan is about deficit reduction. They do not talk about that. They do not talk about how high the deficit would be if we do not pass the President's plan.

If they vote against the President's plan, what they are doing is voting against deficit reduction. This is the vote to do it. They are going to have to explain why they are opposed to deficit reduction.

CONFERENCE REPORT ON S. 1, NATIONAL INSTITUTES OF HEALTH REVITALIZATION ACT OF 1993

Ms. SLAUGHTER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 179 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 179

Resolved, That upon adoption of this resolution it shall be in order to consider the conference report to accompany the bill (S. 1) to amend the Public Health Service Act to revise and extend the programs of the National Institutes of Health, and for other purposes. All points of order against the conference report and against its consideration are waived.

The SPEAKER pro tempore (Mr. MONTGOMERY). The gentlewoman from New York [Ms. SLAUGHTER] is recognized for 1 hour.

Ms. SLAUGHTER. Mr. Speaker, I yield the customary 30 minutes of debate time to the gentleman from Florida [Mr. GOSS], pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

House Resolution 179 is the rule providing for the consideration of S. 1, the conference report on the National Institutes of Health Revitalization Act of 1993.

The rule waives all points of order against the conference report and against its consideration.

Mr. Speaker, the conference report on S. 1, the bill for which the Rules Committee has recommended this rule, is an important and long-overdue authorization of the National Institutes of Health, particularly the National Cancer Institute, the National Heart, Lung and Blood Institute, and the National Institute of Aging.

Most importantly, the bill includes requirements to ensure that women and minorities are included in NIH-sponsored clinical research. To implement this policy of equity in health research, the conference report statutorily establishes the Office of Research on Women's Health. It begins to fill major gaps in women's health research through earmarks for research on breast and ovarian cancers and on osteoporosis.

S. 1 also statutorily authorizes the Office of AIDS Research to draw up and coordinate a comprehensive plan for AIDS research activities. Under the bill, the Office will direct how best to spend an emergency discretionary fund to focus efforts on the most promising AIDS research.

Mr. Speaker, I commend Chairman DINGELL and Chairman WAXMAN for bringing back from conference this vital legislation that will safeguard the health of all Americans.

I ask my colleagues to support the rule so that we may deal with consideration of this important conference report.

Mr. GOSS. Mr. Speaker, I thank the gentlewoman from New York for yielding this time.

Mr. Speaker, the question was raised during the Committee on Rules' consideration of this rule as to why we are in such a rush to complete this legislation, the NIH Revitalization Act of 1993. We have just heard the gentlewoman from New York give us some of the important reasons and benefits that will flow from this legislation. And I think they have validity.

But I have to say that the rule did not really need to be granted just a few short hours after the lengthy conference report came back. There is a good deal in it, and it needed some opportunity to be considered, I think, more deliberatively than it was.

Nevertheless, we did ask that question exactly in the Rules Committee, "Why are we rushing this thing so?"

Frankly, the answer came back. It was very blunt, and it is a matter of record in the Rules Committee, and it is somewhat dismaying. The answer is, "We are doing this in such a hurry so that we will have something to talk about when we go home for the Memorial Day recess at the end of the week."

Well, I do not think that is a terrifically good explanation for rushing an important piece of legislation.

Taking this argument to its next logical step, I wonder if there may be some concern among the leadership that perhaps the constituents are not going to be particularly too happy about the massive new tax increase that we are also going to be talking about this week and which we may in fact vote on later this week.

So, perhaps this is being regarded as the "good news" bill that we are going to take home to deflect attention and criticism of what is actually going on.

Once again, this House appears to be punching an artificial and very political timeclock, which has the effect of denying Members the greatest possible opportunity to review and consider legislation before they vote.

Again, I say there is much in this legislation which is very critical.

Mr. Speaker, the rule before us today was made necessary because of several technical considerations in this conference report. Such arcane and vague terms to the American public as "germaneness" and "scope" come into play here because this conference report contains a wide variety of measures, on a host of very different subjects, including some provisions that were the result of compromise between the House and the Senate. The Rules Committee was asked to issue a rule that waives points of order against this conference report—to ensure that the bill passes through the House without further delay. I certainly wish to commend those House conferees for negotiating very hard and prevailed on one issue that I think is of great importance, and that is an issue that is contained in this bill that deals with the question of HIV. This is a matter we had a lot of debate about, a lot of discussion, a lot of correspondence from my State, from many Americans across the Nation.

The conference report includes a provision to list HIV infection as a communicable disease. As my colleagues may very well remember, this was a topic of very great concern several months ago when the Clinton administration signaled its intent to lift the ban on HIV immigration to allow hundreds, potentially thousands of HIV-positive individuals to immigrate into the United States, which clearly would result in an incredibly difficult burden on an already strapped national health care system, not to mention an extraordinary cost involved which nobody has been able to calculate.

While I am grateful for the immigration language in the bill, I very much remain opposed to the effort to nullify the existing ban on using Federal funds for the controversial fetal tissue issue research question. using fetal tissue research from aborted babies seems to me to send a very mixed message about health care. I am very concerned that this change in policy will lead to more abortions. Whether it is intended or not, I am afraid that will be a consequence. I am afraid also that this provision will direct resources away from other promising research programs. Alzheimer's has been mentioned often in this context.

To think that the only hope, the only answer for Alzheimer's victims, which is a terrible disease and one which we see the impact of, the tragedy of, the suffering of in my district quite often, to say that there is no other hope than fetal tissue research seems to me to be missing many opportunities and many bets that we hope the research medical community will be looking into and encourage them to.

□ 1310

There is also a significant concern about the changes this measure seeks to make in the way national AIDS research is conducted—this again is very topical these days—changes that are going to increase the bureaucracy and siphon desperately needed funds away from research and into red tape, and Lord knows there is nobody who wants more red tape and everybody wants more research on AIDS. I am afraid we have convoluted the process in this rule and in this bill in such a way that we now are going to have more red tape and less research.

The rule for this conference report is designed to make sure that the bill moves through this House as is, without getting tripped up by any technicalities. Even though I have got to point out that these technicalities were of such great concern that the members of the Rules Committee on the majority side when we first took this matter up, those technicalities were not to cause the majority vote in the Rules Committee not to allow us discussion on a number of amendments, not to make them in order for debate, even though now they come back to us after we have gone through the conferee process.

It is a less than perfect result we have got here today in this rule, and I am disappointed that the process could not be used to bring us to a better conclusion.

This Member, for one, will not be headed home next week to boast about what a wonderful thing we have done here in greasing the wheels to pass this bill. This Member will tell his constituents that Congress has again provided less than the best for this Nation.

Ms. SLAUGHTER. Mr. Speaker, for purposes of debate only, I yield 2 minutes to the gentleman from Oregon [Mr. WYDEN].

Mr. WYDEN. Mr. Speaker, I rise in support of the rule and of the bill.

Mr. Speaker and colleagues, we are not on the floor today with this important legislation in order to have something to talk about at home. We are on the floor today with this bill because it is a critical bill that helps people in every corner of our country.

As a conferee, I can attest to the hard work we have done on a bipartisan basis with respect to this bill. For example, research into women's health care is now coming out of the dark ages and this legislation accelerates that progress.

This legislation also promotes biomedical research, particularly cancer research, research into the science of aging and into the problems of heart disease.

So Mr. Speaker, I would ask my colleagues on both sides of the aisle to look at this bill carefully. It is not on the floor today in order to have something to talk about at home. It is on the floor today because this is a bill that will help people all across our country, and it is a bill that is needed not.

Mr. GOSS. Mr. Speaker, I yield myself such time as I may consume.

I have no other requests for time at this point, but before I yield back the balance of my time I would just like to respond to the gentleman from Oregon.

I was not making an observation about this question that has been raised about why we are rushing this bill. I was merely informing those interested in this rule in the process that we achieved it that when we asked the question in the Rule Committee about why we were rushing this bill through, the answer came back from those involved in the testimony process that perhaps it will give us something good to talk about when we go home, or words to that effect.

So this is not something that has been created by the minority side of the aisle as an obstacle or a deflection or hyperbole or excuse or anything else. This was a question that was asked in good faith as to why are we rushing into this, such an important piece of legislation and has so many implications for so many people, and that was the answer we got back.

Perhaps somebody might want to say it was facetious, but if the gentleman for Oregon is interested in pursuing it further, I would refer him to the records in the Rules Committee on this matter.

I do not believe even though we have talked about things as important as fetal tissue research and AIDS and how we are going to treat that and the immigration policy and how we deal with some of these health care issues that are so critically important for women, even though these things are in the bill, and I do not think this bill has had all the attention it needs, I am not going to call for a vote on this because I believe we should get on with the discussion of the bill.

Therefore, Mr. Speaker, I yield back the balance of my time.

Ms. SLAUGHTER. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. WAXMAN. Mr. Speaker, I call up the conference report on the Senate bill (S. 1) to amend the Public Health Service Act to revise and extend the programs of the National Institutes of Health, and for other purposes.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Pursuant to the rule, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of May 20, 1993 page H 2620.)

The SPEAKER, pro tempore. The gentleman from California [Mr. WAXMAN] will be recognized for 30 minutes, and the gentleman from Virginia [Mr. BLILEY] will be recognized for 30 minutes.

The Chair now recognizes the gentleman from California [Mr. WAXMAN].

GENERAL LEAVE

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks, and include therein extraneous material, on the conference report on S. 1, the Senate bill now under consideration.

The Speaker pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WAXMAN. Mr. Speaker, I yield myself such time as I may use.

Mr. Speaker, I am pleased to announce that House and Senate conferees have resolved their differences on S. 1, the National Institutes of Health Revitalization Act of 1993. With one notable exception which I will comment upon shortly, the conference report reflects legislative initiatives in which the House can take great pride.

Passage of the conference report today represents a major advance in maintaining America's leadership and international preeminence in biomedical research. The conference agreement is a comprehensive measure which addresses policy, financial and organizational issues of growing concern to the public and scientific community.

I am pleased to report that the conference agreement enjoys the strong support of President Bill Clinton and Health and Human Services Secretary Donna Shalala.

Mr. Speaker, the conference agreement codifies President's Clinton's decision to lift the Bush administration's ban on fetal tissue transplantation research. Until President Clinton issued his Executive order, the ban had stopped promising research on the treatment of Parkinson's disease, juvenile diabetes, spinal cord injuries, and Alzheimer's disease. It had also stopped research on techniques to correct genetic defects—defects for which there is now no cure or treatment—even before a baby is born.

S. 1 strikes down this ban and establishes strong safeguards for the conduct of this research to protect against potential abuse. I am pleased to report that Secretary Shalala has assured the committee of the administration's commitment to fully explore the enormous scientific potential that fetal tissue research represents. I submit a copy of the Secretary's letter on this subject to be printed in the RECORD at this point.

THE SECRETARY OF HEALTH
AND HUMAN SERVICES,
Washington, DC, May 25, 1993.

Hon. HENRY A. WAXMAN,
Chairman, Energy and Commerce Subcommittee on Health and the Environment, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: During final consideration of the reauthorization bill for the National Institutes of Health a question was raised about our plans to fund human fetal tissue transplantation research. The purpose of this letter is to share with you the Department's commitment to this important field of inquiry.

As you know, on January 22, 1993, President Clinton issued a directive ending the five-year moratorium on Federal funding for therapeutic transplantation research that uses human fetal tissue derived from induced abortion. The lifting of the moratorium means that Federal funding of this research is now possible and that the decisions of the National Institutes of Health (NIH) regarding funding will be based on scientific merit and the relevance of the research proposals to the advancement of the health missions of the NIH.

Following the lifting of the moratorium, I asked the Acting Assistant Secretary for Health, Dr. Audrey Manley, to request that NIH develop interim guidelines based on the recommendations of the 1988 Human Fetal Tissue Transplantation Research Panel. NIH was further asked to develop a proposed plan for the advancement of this research.

NIH has published the interim guidelines for use by the scientific community. In addition, NIH has prepared plans for therapeutic fetal tissue transplantation research and has already received a number of research applications that are undergoing scientific review. Fetal tissue transplantation research is an important line of inquiry in the advancement of the mission of a number of Institutes, Centers, and Divisions of the NIH and the NIH's plans reflect the value of both clinical and non-clinical fetal tissue transplantation research.

I assure you that human fetal tissue transplantation research is a high priority of the Department of Health and Human Services and that we intend to fund scientifically meritorious research efforts beginning in late fiscal year 1993 or fiscal year 1994.

Identical letters are being sent to Congressman Dingell and Senator Kennedy.

Sincerely,

DONNA E. SHALALA.

Mr. Speaker, perhaps some of the most significant achievements of this conference agreement are the provisions directed at improving women's health. In the past, NIH has not done an adequate job of assuring the inclusion of women as research subjects in clinical trials. In the past, treatment recommendations have been made for women but based upon studies that involved only men. The conference agreement remedies this deficiency in several ways.

First, the agreement establishes an Office of Research on Women's Health. The Office is charged with the development of a research plan to promote investigations of diseases that afflict women. Second, the agreement requires that women and members of racial and ethnic minority groups are appropriately included in NIH-funded clinical trials. Such requirements will assure that the findings of future clinical trials will have general applicability to the American population. Third, the legislation contains a special, increased supplemental authorization of appropriations for research on breast cancer and on ovarian cancer—two of the leading causes of illness and death among women. Fourth, the agreement establishes a program of research centers to develop improved methods of contraception and to discover better means of treating infertility. Finally, the agreement authorizes a special supplemental research initiative to boost funding for investigations of osteoporosis, a problem of great significance to older women.

Mr. Speaker, the conference agreement also extends for 3 fiscal years the authorization of appropriations for high priority NIH research programs. These authorizations include the National Cancer Institute; National Heart, Lung and Blood Institute; National Institute on Aging; National Library of Medicine; and National Research Service Awards.

By providing a new authorization of appropriations to strengthen the important programs of the National Institute on Aging, the conference agreement reaffirms the recommendations of the Pepper Commission for an increased commitment by the Federal Government to aging research.

Mr. Speaker, I want to note that the legislation singles out the National Cancer Institute for additional support by endorsing, for the first time, the Institute's proposed by-pass budget. Under the conference agreement, the authorization of appropriations for cancer research will be increased from its current appropriation level of $1.9 billion in fiscal year 1993, to an authorized funding level of $3.2 billion in fiscal year 1994. I am also pleased to report that the conference agreement provides for a major expansion in the National Cancer Institute's cancer control budget. Over the next 3 fiscal years, the agreement requires that the percentage of funds allocated to cancer control activities double. The conferees believe cancer control programs hold great promise for reducing the incidence and morbidity of cancer.

Mr. Speaker, the conference agreement strengthens NIH procedures for dealing with scientific misconduct, protecting whistleblowers, and preventing conflicts of interest. The distinguished chairman of the full committee, Mr. DINGELL, and the staff of his Subcommittee on Oversight and Investigations are to be commended for their work in the development of these important safeguards.

The conference agreement also contains a number of provisions designed to improve morale at the NIH and to aid in the recruitment of talented researchers to Federal service. First, the legislation will help NIH retain talented senior scientists by implementing the Senior Biomedical Research Service [SBRS] and raising the number of SBRS personnel from 350 to 500. In recognition of the late Silvio Conte's role in the SBRS's establishment, the service is renamed the Silvio O. Conte Senior Biomedical Research Service. For several years, the Office of Management and Budget has blocked implementation of this innovative scientific personnel system. With passage of this legislation, we are hopeful further obstacles will be removed and immediate steps taken to begin recruitment into this innovative scientific personnel system.

The conference agreement also provides the NIH and the Food and Drug Administration with special authorities to offer prospective physicians and scientists incentive packages that include loan repayments of up to $20,000 per year in exchange for a 3-year commitment to work at NIH or the FDA. Additional loan repayment authority is also provided to encourage the training of scientific investigators in the field of AIDS, contraception, and infertility research.

Mr. Speaker, the conference agreement retains authorities to spur research into chronic fatigue syndrome, sleep disorders, juvenile arthritis, multiple sclerosis and child health, including development of more effective childhood vaccines. In addition, a special $150 million funding authority is provided for construction projects to modernize and rehabilitate the infrastructure of our Nation's biomedical research laboratories.

Mr. Speaker, the conference agreement includes a number of studies contained in the original Senate bill. I am particularly pleased to note the inclusion of a study to further elaborate on the relationship between the abuse of licit and illicit drugs by young people. The report represents an important opportunity for the Secretary of Health and Human Services to further expand public understanding of the impact on illicit drug use posed by the use of tobacco and alcohol by adolescents. This report should include the most up-to-date information on the comparative health, social and economic costs of substance abuse on our Nation with particular focus upon those legal drugs, including alcohol and tobacco, which are subject to State or Federal regulation.

Mr. Speaker, I also want to note that the agreement contains a series of suggested Senate modifications to the Health Professions Student Loan [HPSL] Program and provides a new $10 million authorization of appropriations for additional Federal capital contributions. Funds available under this new funding authority are limited to those medical schools which have the best record of training medical students to enter primary care careers.

Mr. Speaker, in closing, I would like to go on record as opposing the provisions in this conference report regarding immigration of people with HIV. If the Rules of the House had allowed me to sign separately on this issue, I would not have signed these provisions. I fully recognize that the conferees who signed this provision do not intend to change current travel and immigration policy and that they do not intend to start testing programs that don't now exist or to start exclusions that are not now taking place. I fully appreciate that waivers are available and that the Attorney General has exercised a great deal of discretion in allowing travelers, refugees, immigrants, and others into the United States. But I object to the current policy and I object to the codification of it.

These provisions do not treat people with HIV in a fair manner. If it were a question of costs, the public charge provisions could have been used. If it were a question of public health, the public health provisions could have been used.

It was neither of these. It was a question of discrimination. The conferees in this instance have overruled every public health expert who has reviewed this provision. The conferees have overruled a Republican and a Democratic Secretary of Health. The conferees have chosen to ignore all evidence and reason and to capitulate to phobias instead.

But I have agreed to this conference report anyway for two reasons: First, this bill contains many good and important provisions regarding AIDS, women's health, and biomedical research. And second, if this bill were killed over the immigration amendments, these amendments would simply spring up on the next Senate bill that comes along. The votes in the other body were clear, and with no germaneness rules to limit them, the other body will certainly try to attach these immigration provisions to every piece of worthy legislation. The immigration amendments are, I'm afraid, inevitable, and so I am unwilling to kill a health research bill that contains so much for so many.

Mr. Speaker, I urge support for the conference report.

□ 1320

Mr. Speaker, I reserve the balance of my time.

Mr. BLILEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to express my opposition to the conference report on S. 1. I take this action regretfully, but I feel that the bill will ultimately damage the work of the National Institutes of Health [NIH] and I am unable to support it.

The National Institutes of Health is one of the finest research institutions in the world and merits our strong support. I am concerned that enactment of the legislation we are debating today will impede, and not enhance, the very fine work that is conducted by NIH. In reauthorizing NIH, we need to emphasize sound science and that NIH must be above both politics and political correctness.

While I can well understand the need for a certain amount of congressional direction and I am certainly supportive of congressional oversight, the conference report before us goes way beyond that. It contains numerous set-asides, research centers and research mandates for specific diseases. For example, the conference report creates at least 13 new offices, centers, or committees and mandates at least 13 studies in title 19. It directs the Secretary to conduct research on behavorial and social sciences, osteoporosis, Paget's disease, breast and ovarian cancer, prostate cancer, obesity, juvenile arthritis, chronic fatigue syndrome, and contraception and infertility. I personally doubt that a world-renowned institution such as the NIH really needs this much detailed congressional direction in order to conduct the best possible scientific research.

Another matter of very serious concern to me is the conference report's nullification of the moratorium on fetal research. I cannot, in good conscience, support the decision to allow such research to move forward with Federal funds. I firmly believe that opening up the door to such research will only lead to more abortions. I also believe that, over time, the safeguards against allowing such research to become an inducement for abortion will prove to be meaningless.

Finally, I would like to note my very serious concerns regarding provisions of the bill that would restructure the funding of AIDS research projects. Section 2353 will totally transform how AIDS research is funded at NIH. Under this provision, appropriations for AIDS research will not go directly to the various institutes as is the current practice, but will go directly to the Director of the Office on AIDS Research.

In a letter dated January 22, 1993, to the NIH Director, Bernadine Healy, the 22 Institute and Center Directors of NIH, said the following:

> The bill * * * as written, creates an administrative structure and outline of authorities

which, in fact, may inadvertently be detrimental to the main purpose to which the legislation was directed * * * it, in fact, will have the opposite effect of impeding both the planning process and particularly the execution of AIDS research because of the additional bureaucratic layer which will have been added to the process. Of major concern is the paradox that this, in fact, will have the effect of impeding the progress of AIDS research and, at the same time, having negative effects on non-AIDS research. By hurting research other than AIDS, there will also be the additive effect of hampering those multidisciplinary areas of research that feed into AIDS research, thus compounding the problem.

Mr. Speaker, for all these reasons, I am strongly opposed to this conference report.

Mr. Speaker, I reserve the balance of my time.

Mr. WAXMAN. Mr. Speaker, I yield 2 minutes to the gentleman from Washington [Mr. MCDERMOTT].

Mr. MCDERMOTT. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, while I support the efforts of my colleagues responsible for bringing the conference report on the National Institutes of Health reauthorization to the floor, I must speak against the provision codifying the ban on immigration and travel of foreign nationals with HIV and AIDS.

This provision is severely damaging to this country's efforts, and indeed the world's efforts, to prevent discrimination against the estimated 14 million men, women, and children infected with HIV in the world today.

One million of those HIV-infections are in the United States. Closing our borders will not prevent the continued spread of this disease in this country. Only a strategic policy of education, prevention, and care will accomplish this.

Nor will this immigration ban further research efforts and information gathering which take place at international conferences—activities which are very important in the fight against HIV/AIDS.

Sending an international message of discrimination shows how very far this Nation must go in avoiding the myths and facing the facts about AIDS.

A ban on immigration and travel on people with HIV and AIDS cannot protect us from the spread of this virus, will not save us from its profound costs, and will never allow us to deal openly with this epidemic.

This conference report contains many positive steps forward in HIV/AIDS research and prevention, which I wholeheartedly support, but it is my view that the provision codifying the ban on immigration sets us back immeasurably in the struggle to end discrimination against people with HIV and AIDS.

Mr. BLILEY. Mr. Speaker, it is my great pleasure to yield 3½ minutes to the gentlewoman from New Jersey [Mrs. ROUKEMA].

Mrs. ROUKEMA. Mr. Speaker, I rise today in strong support of the conference report on S. 1, the National Institutes of Health Revitalization Act. While there are many reasons to support this conference report, I would call attention to one of the most important provisions in the bill, that relating to the immigration of AIDS-infected aliens.

I am pleased to see that the conferees have taken note of the strong and clear position of the House on this issue, and have included language codifying the ban on the permanent immigration of HIV-infected individuals. This language is identical to the provisions of H.R. 985, the McCollum-Roukema-Solomon-Smith bill, and statutorily designates AIDS, and HIV-infection, as a communicable disease of public health significance.

As my colleagues may recall, support for this measure is overwhelming—similar provisions were adopted by a 3-to-1 margin in the other body, and in the House, more than 350 Members voted to maintain this ban.

I wish that this statutory designation was not necessary. But as you know, Mr. Speaker, earlier this year President Clinton proposed removing AIDS from the list of diseases for which immigration into this country can be denied. That policy cannot be supported by medical or scientific evidence. I had hoped that in the face of these facts, the President would have withdrawn his proposal. But, to date, he has not.

Mr. Speaker, I say to may colleagues that we cannot afford media distortions. The simple fact is—AIDS must be treated as an issue of public health, not one of civil rights or political expediency. And as an issue of public health, the ban on permanent immigration must be maintained.

We know the facts: AIDS remains terminal and contagious in nature. No cure has been found. Every piece of medical information indicates that the epidemic is accelerating. Just last week, the World Health Organization—the definitive medical expert on the AIDS epidemic—raised its estimate from 13 to 14 million persons infected with HIV. At this rate, WHO estimates that 30 to 40 million people will be infected by the year 2000.

Finally, scientists are finding new strains of HIV and pneumonia, proving the point that there is more unknown than known about this disease.

There are also enormous costs associated with this disease. The long-term costs of treating an AIDS patient start at $100,000 each. We are here on the floor increasing the money we spend on AIDS research and treatment, and still our public hospitals cannot face the existing case load.

And more and more, it is the public—the taxpaying American citizen—who picks up the cost of care for AIDS patients. How, in the name of all that is rational, can we act to radically increase those costs? At a time when millions of Americans struggle daily under the crushing burden of escalating health care costs, how can we knowingly add to that drain?

Let me remind my colleagues that never in the history of modern medicine have we knowingly admitted new sources of contagion during an epidemic. Our efforts should be concentrated on containing the spread of the epidemic, not introducing new sources of infection. Lifting the ban on AIDS would only serve to place healthy citizens at higher risk, and the conference committee has done well to reject this ill-conceived plan.

Finally, let me note for the record that this is not a heartless or cruel policy. Our present law can and does deal with visitors infected with HIV. We allow waivers for men and women who may want to visit family, seek medical treatment, or conduct business. These people are allowed to enter the United States for a short time, and the McCollum-Roukema-Solomon-Smith provision in no way alters those waivers.

The conference report before us ensures that AIDS shall be classified as a communicable disease of public health significance, and that the long-standing prohibition on HIV-infected immigration stays in place. I am pleased to see that the conference report has rejected specious arguments based on political considerations, and has brought back to us the only acceptable policy supported by medical and scientific evidence.

Mr. Speaker, I congratulate my colleagues on the conference committee for their fine work, and urge each of my colleagues to support the conference report.

□ 1330

Mr. WAXMAN. Mr. Speaker, I yield 2 minutes to the gentlewoman from the State of Washington [Mrs. UNSOELD].

Mrs. UNSOELD. Mr. Speaker, I thank the gentleman for yielding time, and would congratulate him on a job well done.

Mr. Speaker, it has been almost 3 years since the General Accounting Office reported that medical research was done mainly by men on men for men—3 years of educating and advocating and fighting for equal attention to women's health. I am very happy to be standing here today expressing my support for final passage of the National Institutes of Health Revitalization Act.

The NIH Act means more than increased funding for areas such as breast cancer, osteoporosis, contraception, and infertility. it means more than increased numbers of women conducting medical research or participating in clinical trials. It means that our Nation will no longer think of women's health concerns as an afterthought, but as a vital part of our Nation's health research agenda.

I urge my colleagues to support this landmark legislation to improve the health and the lives of our Nation's women for generations to come.

Mr. BLILEY. Mr. Speaker, it is a great privilege to yield 3½ minutes to the gentleman from New Jersey [Mr. SMITH].

Mr. SMITH of New Jersey. Mr. Speaker, tragically for the children who will be abused as a result of this bill, the legislation before us codifies the reversal of the moratorium on the use of deliberately aborted babies in federally funded research.

The legislation neglects to include important safeguards recommended by the 1988 Human Fetal Tissue Transplantation Research Panel, thereby allowing for an extreme reversal of Federal policy and flagrant disregard for innocent human life. The legislation creates ethic advisory boards and entrusts these boards with the authority to determine the appropriateness of specific life threatening and life taking experiments involving unborn babies. It is a remarkable power these boards will hold, differentiating the acceptability of one horrendous human dissection from another.

If the past is prolog, Mr. Speaker, it is conceivable that experiments and transplantation from living unborn babies will be the next target of federally sanctioned research. According to the Energy and Commerce report of H.R. 5661, the bill of 1990, in 1974 Federal-funded researchers saw fit to conduct experiments on living unborn babies. The report details the experiment, which the gentleman from California [Mr. WAXMAN] and others point to with high esteem, and which I think is unfortunate, which involved the administration of the rubella vaccine to pregnant women in the following manner. "Because of the potential risk to the fetus, women requesting therapeutic abortion were employed as subjects. These volunteers received the vaccine and underwent the abortion 11 to 30 days later. Examination of tissues from the dead aborted fetuses showed that in contrast to the results in monkeys, the vaccine virus did cross the human placenta and infect the fetus."

In other words, Mr. Speaker, these living unborn children were used as guinea pigs, deliberately exposed to the rubella vaccine, deliberately exposed to this disease while they were still alive, again being used as guinea pigs, and then killed by the abortionist, and then their bodies were dissected to see what happened.

What happens if some of those women decided not to abort and these children were affected in a negative way by the disease? What would have happened? We would have had deliberately induced deformity in a child. This brave new world of research regards unborn babies as guinea pigs, and treats them inhumanly.

Let we remind Members that this experiment occurred under the same scenario, Mr. Speaker, that S. 1 is establishing. No safeguards are included in the bill to prevent this type of so-called research from occurring.

Mr. Speaker, if you want to get a clear picture of what transplantation looks like, and this I believe will become much more rampant as a result of this bill, here is a verbatim description of fetal tissue extractions reported in the June 1989 issue of the Archives of Neurology. "Two methods of collect fetal material were used. With the first method, a plastic cannula, connected to a 60 ml syringe, was inserted into the uterus. Under ultrasound guidance, the opening of the cannula was directed to the fetal head. Suction was applied, and the fetus was slowly aspirated and fragmented into the cannula."

S. 1 establishes a close relationship between abortionists and medical researchers. This collaboration of medical researchers lends credence to the practice and further dehumanizes human life. It cheapens the lives of unborn children.

It seems to me ironic, Mr. Speaker, that the policies put forth in S. 1 place such a high premium on the value of fetal tissue and individual parts of unborn babies, yet we will not acknowledge the inherent value of that same life as a whole for himself or herself.

By voting in favor of S. 1, we are giving our seal of approval to this barbaric research. I hope Members will reconsider.

Mr. WAXMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I just want to comment that after hearing the gentleman from New Jersey [Mr. SMITH] who just addressed us, it seems to me the most barbaric thing would be to have women who are pregnant have rubella vaccines without knowing that their babies would be deformed. I also want to point out that while I disagree with the gentleman on that issue, that is not what is before us today. That kind of research is not affected by what we have in this legislation.

Mr. Speaker, I yield 2 minutes to the gentlewoman from Maryland [Mrs. MORELLA].

Mrs. MORELLA. Mr. Speaker, I rise in support of this conference report. We have waited 3 long years for this bill to finally reach the floor with an assurance that it will be signed into law. This bill contains critical provisions to address the historic neglect of women's health research. The Congressional Caucus for women's issues has been working to fill the gaps in research on women's health since 1989, when we requested a GAO study on the status of women's health research; the resulting report in 1990 led to many of the provisions that are included in this legislation today.

Among its many important provisions are the requirement that women and minorities be represented in clinical trials and the permanent authorization of the Office of Research on Women's Health at NIH. Funding for breast and ovarian cancer, osteoporosis, and other women's diseases is increased, and legislation to establish a National Cancer Registry is also part of the conference report.

I note that the conference report authorizes a new Office of AIDS Research within NIH. I look forward to working with that office. Hopefully the increased research on HIV in women will be part of what the office's commitment will be.

The bill also lifts the ban on fetal tissue research,which has already led to a number of medical advances and is very promising in fighting diseases ranging from Alzheimer's and Parkinson's disease to Juvenile diabetes and leukemia. The bill provides strict safeguards for the donation of fetal tissue and is supported by a broad coalition of scientific and health organization, including the American Medical Association, the American Academy of Pediatrics, and the American College of Physicians, to name just a few.

Mr. Speaker, women's health concerns have lagged behind for generations, and it is vitally important that the needs of millions of women across the country are finally addressed. This legislation will go a long way toward bridging this gap, and I urge my colleagues to support it.

Mr. BLILEY. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. UPTON].

Mr. UPTON. Mr. Speaker, not a day goes by when we are not reminded of someone less fortunate. Any of us that read yesterday's Washington Post could not miss the tragic front-page story of Doti Lonaberger and Frank Aldrich, who suffer from Freiderich's atoxia. Many of us have watched closely as a friend, colleague, or family member has suffered a long, often painful, disease that has robbed them of their life. We have all sat by that bedside, as we have gripped their hand, prayed, and often wondered out loud, why?

Why is it that we have not found a cure for something that strikes one in nine women, like breast cancer? Why can we not help prevent the suffering of our next-door neighbor who has Lou Gehrig's disease, the child down the street with leukemia, our former colleague Mo Udall with Parkinson's, our parents with Alzheimer's, the list goes on and on and on. No family has been untouched.

How tragic that our Nation, with the best and brightest physicians and researchers, armed with an awesome arsenal of health care technology, have not been able to fully utilize the tools of science to combat these painful, dreadful killer diseases until now.

Mr. Speaker, a year and a half ago I doubt that many Members here knew much about fetal tissue research. Virtually everyone in the research community supported the research, but there was opposition, by a minority here in Congress.

Now, that is gridlock. This, despite the fact that a Reagan-appointed panel voted overwhelmingly to continue the research, saying that it would not lead to more abortions.

In fact, in perhaps a rare event of prochoice and prolife harmony, the safeguards for fetal tissue research were strengthened with my amendment.

Most of us here have benefited from this research, which relieved us from crippling diseases of an earlier era, such as polio, which today exists only as a wrenching memory.

Almost every day we hear about new breakthroughs in medical science. We have wasted a year by not enacting the bill, this bill, last year.

Mr. Speaker, this bill is more than hope. It is life for so many.

Have my colleagues met Joan Samuelson, who despite having Parkinson's still is able to move down the Halls of Congress hoping to win the race for a cure? Have they met Baptist minister Guy Walden, whose child lives today because of this research, after losing two others to an awful, early death?

As I put my two little kids to bed last night and began to think about my speech today, I thought about my answer when they someday will ask of their dad, "What did you do in Congress to make a difference?"

The enactment of this bill will say it all. Mr. Speaker, life will always be too short, but let us do what we can to save lives.

Please vote "yes." We cannot wait another day.

Mr. WAXMAN. Mr. Speaker, I yield 2 minutes to the gentlewoman from Virginia [Ms. BYRNE].

Ms. BYRNE. Mr. Speaker, I rise today to express my support for the NIH conference report. It has taken us a long time to reach this point, and we must be thankful for a President in the White House who recognizes the need for more research into the many health concerns of women. All of the provisions of this bill are important; all of them are overdue.

Mr. Speaker, breast cancer is the leading cause of death in women between the ages of 35 and 54. Every 3 minutes a woman in America is diagnosed with breast cancer. Every 11 minutes someone's mother, sister, daughter, or wife dies of breast cancer. Those are 46,000 needless deaths.

This legislation authorizes $225 million for basic breast cancer research, and $100 million for detection, prevention, and treatment. It authorizes $75 million for gynecological research as well.

We also cannot overlook the fact that AIDS is spreading exponentially among women—faster and farther than among any other group. Last year it was the fifth leading cause of death among all women in this country. This legislation creates a $100 million discretionary fund for AIDS research.

The AIDS epidemic also points to a dire need for contraceptive research. Mr. Speaker, we can do so much more to protect our youth from this deadly and costly disease. This bill is a major step in that direction.

It authorizes $30 million in fiscal year 1994 to fund five applied research centers under the National Institute of Child Health and Human Development. Three of the centers will focus on better methods of contraception. Two centers will be devoted to new treatments for infertility.

Mr. Speaker, I urge my colleagues to lend this important legislation their strongest and most enthusiastic support.

Mr. BLILEY. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. DORNAN].

Mr. DORNAN. Mr. Speaker, although there is much good in this conference report, I will vote against it because it allows federally supported research using fetal tissue transplants from elective abortions.

On the positive side, it does, believe it or not, include language that codifies the ban on permanent entry of HIV-infected immigrants. This ban was supported by a vast majority of the American people, and I am happy to see that it was included in the conference report.

It also creates a new Office of AIDS Research for Centralized Planning and Coordination. While I support this, because of the increasing number of AIDS deaths, I find it peculiar that NIH does not have an Office of Heart Disease Research, which last year killed 750,000 of our fellow citizens. The tragedy of AIDS is still mercifully between 20,000 and 25,000.

While S. 1 supporters claim it will guard against abuses in fetal tissue research by prohibiting the sale of fetal tissue, do not believe for a second that that is going to be firm law. It will be violated regularly, as it has been for decades, with aborted babies sold to medical labs after they are dead.

S. 1 supporters also claim it will prevent the directed donation of tissues. I recently saw a television show glorify a family in which the woman, in her forties, deliberately conceives in order to have a baby girl so that the baby's bone marrow could be transplanted into her older sister thus saving her life. That was excellent and heroic, but not really the best reason to have a child. With all of this glorification, can anyone tell me we are not going to see stories about a misguided daughter who, to save her father with Parkinson's gets pregnant and then terminates that pregnancy to extend her father's life into his 80's or 90's?

S. 1 also says that any interference with abortion procedures for purposes of obtaining fetal tissue will not be allowed.

Does anyone believe for a minute, when abortionists, those who do nothing else—I do not even consider it medicine—are already describing to one another the D&X procedure, where you bring the preborn child into the birth canal, insert scissors at the base of the skull, open up a hole, and then put in a tube and evacuate the brain tissue. By the way, we are being told, especially from Frankenstein experiments in Stockjolm, Sweden, that this brain tissue is the way to extend people's lives into their 80's and 90's. They take the brain tissue from a child in the womb and put it directly into the head of someone who has one of these debilitating diseases generally associated with old age. Does anyone think for a minute that this language is going to be respected?

People will violate these provisions for the purpose of obtaining fetal tissue.

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Mr. WAXMAN. Mr. Speaker, I reserve the balance of my time.

Mr. BLILEY. Mr. Speaker, it gives me great pleasure to yield such time as he may consume to the gentleman from California [Mr. MOORHEAD], the ranking member of the Committee on Energy and Commerce.

Mr. MOORHEAD. Mr. Speaker, the National Institutes of Health is one of the most prestigious research facilities in the world and I support reauthorization of those programs which have expired. However, I have several concerns about numerous provisions in the conference report on S. 1.

Let me briefly mention a few of those concerns.

Last year, President Bush established a fetal tissue bank. We received several letters from noted scientists, including Dr. Bernadine Healy, Director of the NIH, stating that the tissue bank was a viable alternative to using tissue from aborted fetuses to meet research needs. Why has the moratorium been lifted before we know if the tissue bank is or is not a success? I cannot support legislation which would permit the use of tissue from induced abortions for this research.

I am also concerned about the level of funding in the conference report. When the President is proposing raising taxes to help reduce the Federal deficit, it is critical that we not respond with business as usual; namely increased spending. The American people do not want to see their taxes increased only to see Federal spending increase. I urge my colleagues to display fiscal constraint.

I am also very concerned about the provisions of the conference report which would significantly alter the mechanism by which AIDS research is funded. I think it is dangerous to put all the authority over AIDS research funding into the hands of one individual. I am afraid that both AIDS and non-AIDS research will suffer.

Mr. Speaker, for all these reasons—because I am a strong supporter of NIH, I cannot support the conference report. I urge my colleagues to reject it.

Mr. Speaker, I would also like to note in conclusion that NIH has not been authorized for several years, but the programs have been going forward and the programs have been prospering. This report with these provisions are not necessary for the success of NIH.

Mr. BLILEY. Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. McCOLLUM).

Mr. McCOLLUM. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I was a conferee on section 2007 of this bill dealing with an amendment to the Immigration and Nationality Act. I wanted to take a moment to explain a successful conclusion to that, even though I must say that I oppose much of this bill.

The part that I dealt with, though, in the conference from the Committee on the Judiciary deals with the exclusion of aliens who have the HIV virus. As agreed to in the conference, the bill incorporates the language of the McCollum-Solomon-Roukema-Smith bill on HIV exclusion, which was H.R. 985, and which 82 other Members have cosponsored.

Under section 212(a)(1)(A) of the Immigration and Nationality Act, certain noncitizens or aliens are excluded from the United States because of health-related conditions. One of the primary health-related grounds of exclusion is an infection with a communicable disease of public health significance.

As the Members are probably aware, the Clinton administration indicated early on this year that they were going to no longer recognize HIV under this category, and the Senate passed as an amendment to this bill a provision that Senator NICKLES offered that would have placed the HIV clearly as a communicable disease, and did a number of other things involving the requirement of certain testing that would have to take place, and certain waivers that would be locked in by statue.

The ultimate result of the conference, which is the product that is out here today, was not to adopt the Nickles provisions per se, but rather to go back to what some of us offered originally in bill form, but on which we had never voted on the floor, but which codifies clearly that the HIV or AIDS virus clearly is a communicable disease of public health significance, and that somebody is subject to exclusion under it; in other words, to codify the present law as it is today without all of the trimmings that the Nickles amendment might have done to it.

I think it is a solid provision. I think it does the right thing. It does what the majority of Members of both parties really want to do, and with respect to that, I think this bill is in good shape. However, as I said earlier, I have other problems with the bill unrelated to that.

I thought Members should know that the HIV issue in this bill has been squared away, is straightened out, is acceptable to the minority, and I think to most of the majority as well. I thank the gentleman for yielding for that explanation.

Mr. Speaker, I would also like to note in conclusion that NIH has not been authorized for several years, but the programs have been going forward and the programs have been prospering. This report with these provisions are not necessary for the success of NIH.

Mr. BLILEY. Mr. Speaker, I yield 2 minutes to the gentleman from Florida [Mr. McCOLLUM].

Mr. McCOLLUM. Mr. Speaker, section 2007 of the conference report before the House amends the Immigration and Nationality Act. This provision is not related to the remainder of the bill, on which I was not a conferee and much of which I oppose.

However, section 2007 is a significant provision on which both this House and the other chamber expressed overwhelmingly strong views. As a conferee on that section alone, I would like to explain its terms and implications.

Section 2007 codifies the current regulatory exclusion of aliens who are HIV positive. As agreed to in conference, the bill incorporates the language of the McCollum-Solomon-Roukema-Smith bill on HIV exclusion, H.R. 985, which 82 other Members have cosponsored.

Under section 212(a)(1)(A) of the Immigration and Nationality Act, certain non-citizens—or aliens—are excluded from the United States because of health-related conditions. One of the primary health-related grounds of exclusion is infection with a communicable disease of public health significance.

Specific diseases are not listed in the statute; the Secretary of Health and Human Services is to determine which diseases meet this standard and list them in regulations.

In 1987, Congress adopted language directing HHS to add HIV to the list of excludable diseases, which the statute then described as "any dangerous contagious disease." At the same time, HHS was moving to do just that.

The Immigration Act of 1990 rewrote the standard for excludable diseases to read communicable disease of public health significance.

In 1991, HHS proposed a new rule removing HIV from the list of excludable diseases. In the face of strong opposition from Congress and the Justice Department, HHS issued an interim rule that retained HIV on the list.

In 1993, HHS has again submitted a final rule removing HIV from the list, and the Clinton Administration stated in February that HIV would be removed from the list.

Congress has responded by stating clearly and overwhelmingly its view that HIV is a communicable disease of public health significance, and that aliens infected with this disease should be excluded.

On February 18, the Senate voted 76 to 23 to adopt the Nickles amendment to S. 1. On the same day, H.R. 985 was introduced with 64 cosponsors. On March 11, the House voted 356 to 58 to instruct House conferees on S. 1 to accept the Nickles amendment.

The Nickles amendment specified that HIV is a communicable disease of public health significance under the INA, required a report with several specific types of data, and mandated testing for HIV in accordance with the policy in effect on January 1, 1993. It also codified current administrative waivers of the testing requirement for nonimmigrants seeking entry for 30 days or less for specific purposes including tourism.

After rejecting proposals that would have severely weakened codification of the current HIV exclusion, House conferees on the NIH reauthorization bill offered the McCollum-Solomon-Roukema-Smith language as an alternative to the Nickles amendment.

Senate conferees initially opposed this offer, rejecting language—which was included in both the House language and the Nickles amendment—calling HIV a "communicable disease of public health significance." After further negotiation, the Senate accepted the House offer.

The final result is that S. 1 codifies current regulations listing HIV as a "communicable disease of public health significance." Waiver authority under current law remains unchanged. The current statutory requirement that immigrants and refugees be given medical exams also remains unchanged.

Under current waiver authority, a waiver may be granted to applicants for immigrant visas if they are close relatives of a U.S. citizen or permanent resident alien. Refugees may also be granted a waiver.

Although applicants for nonimmigrant visas are not required to undergo medical exams, there are cases where a consular or immigration officer knows, or has reason to know, that an applicant is HIV positive and requires the applicant to submit to a medical exam. If the applicant tests positive, he or she is excludable.

Current law allows the Attorney General the discretion to admit such a person temporarily as a nonimmigrant. Under this authority, INS issued an administrative directive waiving the testing requirement for an alien who is entering the U.S. for 30 days or less first, to attend educational or medical conferences, second, to receive medical treatment, third, to visit close family members, or fourth, to conduct temporary business activities.

I want to make it clear that my support for section 2007 of the NIH Revitalization Act does not mean that I support the bill as a whole. There are several provisions in S. 1

that I cannot support, and I will therefore vote against the conference report.

Mr. WAXMAN. Mr. Speaker, I am honored to yield 2 minutes to the gentlewoman from New York [Mrs. LOWEY].

Mrs. LOWEY. Mr. Speaker, I rise in strong support of this legislation. I do so because these institutes are more than Institutes of Health, they are, to many Americans, the National Institutes of Hope.

The life-saving work done at NIH gives hope to millions of Americans.

It offers hope to Anthony Colletta of Flushing, NY, who has lived with diabetes for over 5 years himself and who saw his own father die of this tragic disease.

It offers hope to Maureen Spies of Forest Hills, NY, who is undergoing chemotherapy for breast cancer after having lost her own mother and aunt to the tragedy of breast cancer and to the millions of other women who live knowing that they could be the one woman out of nine who will be a victim of breast cancer.

It offers hope to 8-year-old Sara Siegel of Harrison, NY, who has fought juvenile diabetes for over 4 years.

It offers hope to Jane Perlmutter of New Rochelle, NY, and hundreds of thousands of others who suffer from chronic fatigue syndrome.

It offers hope to 4-year-old Danny Potocki of Pelham, NY, as he fights acute leukemia.

And there is good reason for their hope. These institutes have truly saved lives. Thanks to NIH work, over the last two decades, heart disease fatalities have been reduced by 39 percent. Deaths due to stroke have been cut by 58 percent. Five-year cancer survival rates have increased by 52 percent.

Mr. Speaker, to all of those I mentioned earlier and millions like them, our action today in passing this legislation and our commitment to the work of these institutes over the long term gives real hope for healthier lives, for longer lives. No investment that we make could be more worthwhile. NIH is indeed the institute of hope.

Mr. BLILEY. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. WAXMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to acknowledge the work by a number of people in presenting this legislation to us today, people who have worked long and hard over the numbers of years that we have labored to get this bill to the floor: From the full Committee on Energy and Commerce, Suzanne Rudzinski; for our own Subcommittee on Health and Environment, Tim Westmoreland, Ruth Katz, and Ripley Forbes; from the legislative counsel's office, Peter Goodloe.

We had a number of people from the outside who have worked strenuously lobbying, knocking on doors, to explain why they feel that tissue research should be permitted. I want to mention Joan Samuelson, Guy and Terri Walden and their son Nathan, Anne Udall, Trudy and Howard Jacobson, and Judy Culpepper.

Then there were thousands of others around the country who said this bill did offer hope to them, hope of a cure, a prevention, a control of diseases that affected members of their families or themselves.

The National Institutes of Health is the gem of the Federal Government's efforts to combat disease. I urge an aye vote for this legislation.

Mr. DINGELL. Mr. Speaker, I am pleased today to rise in support of the conference report accompanying S. 1, the National Institutes of Health Revitalization Act of 1993.

Many people have worked long and hard to bring this bill to fruition. I would like to thank Mr. WAXMAN for his hard work in managing the bill and for successfully resolving many difficult and contentious issues.

I would also like to thank: Mr. WYDEN for his hard work on the bill and as a conferee; and Mr. BROOKS, Mr. MAZZOLI, and Mr. MCCOLLUM for their work as conferees on the provision concerning immigration of HIV-infected individuals.

I also thank Mr. FORD for his work as a conferee on the low-income housing energy assistance provision; and Mr. MOORHEAD and Mr. BLILEY for handling the bill in a gentlemanly fashion even though they disagree on the merits of several provisions of the bill.

FRED UPTON also deserves thanks for his leadership on fetal tissue transplantation research. And a special tanks to the Women's caucus and its efforts in support of the bill.

This conference report is the culmination of the efforts of the House and Senate to resolve a number of technical differences.

This comprehensive legislative package addresses a wide variety of health research issues. These issues are vital to maintaining the NIH as the world's foremost biomedical and behavioral research center.

Among other things, the bill reauthorizes the National Cancer Institute and the National Heart, Lung and Blood Institute.

It will improve research on women's and minorities' health. The bill include special initiatives on fetal tissue transplantation research, and on breast, ovarian, and prostate cancer.

Additionaly, it establishes an Office of Research Integrity to investigate allegations of research misconduct and to protect whistleblowers to report allegations of such misconduct.

The research activities covered by this bill are critically important to the future quality of our Nation's health care. These activities represent the most productive investment funded by the Federal dollar.

New discoveries in disease prevention and treatment greatly reduce the enormous burden of human suffering and economic loss inflicted by illness.

For example, fetal tissue transplantation research holds the promise for new breakthroughs. These breakthroughs will help to reduce the suffering or millions of Americans suffering from previously incurable, debilitating diseases such as Parkinson's disease, Alzheimer's disease and diabetes.

The conference agreement is also faithful to the instructions of the House to address the issue of immigration of individuals infected with HIV. The House conferees offered, and the Senate accepted, language recommended by Congressman MCCOLLUM.

That language maintains current prohibitions in law on immigration of such individuals. This is the same language that some Members sought to make in order when the House originally considered the NIH bill. However, it was not included at that time because it was not germane to the bill.

In conclusion, reauthorization of the NIH programs will ensure that we obtain the scientific knowledge necessary to prevent disease, improve the quality of health care, prolong life, and share the effectiveness of the American health care system.

I strongly support this legislation and urge my colleagues to do likewise.

Mr. FAZIO. Mr. Speaker, I rise in support of the conference report on S. 1, the bill that will reauthorize funding for the institutes, centers and divisions of the National Institutes of Health [NIH] for the first time since 1988. If S. 1 is enacted, it will enable America's top scientists and researchers to continue the crucial research that will lead to the new knowledge necessary for preventing, detecting, diagnosing, and treating disease and disability.

NIH research encompasses juvenile diabetes, as well as heart disease and arthritis in our children, and results in immunizations against the infectious diseases that threaten them. It has resulted in decreases in both heart disease and stroke mortality in Americans of all ages.

S. 1 continues in this tradition by providing for research on the development of new and improved childhood vaccines, as well as on juvenile arthritis, multiple sclerosis, and nutritional disorders and obesity. The reauthorization also streamlines and coordinates AIDS research, avoiding wasteful duplication and paving the way for a more efficient approach to combatting this deadly disease.

Recognizing that, in the course of a lifetime, one in every three Americans is expected to contract some form of cancer, S. 1 includes a provision enabling all States to set up cancer registries—for all cancers—operating under uniform standards. It also expands research for cancer, fertility and contraception, and osteoporosis—a disease to which so many American women fall prey and which is a major cause of chronic disability in our elderly.

One out of every nine women in this country will develop breast cancer; this year alone, tens of thousands of American women will die from this terrible disease. Therefore, S. 1 establishes the first congressional program targeted specifically at breast cancer prevention and cure. It increases research on the causes and prevention of breast cancer, ovarian cancer, and cervical cancer. It also requires that women and minorities be included in clinical research studies, where appropriate, and establishes a permanent Office for Research on Women's Health within the NIH. There is also a provision that increases research and prevention programs in prostrate cancer, a disease that is diagnosed in 132,000 American men every year and that kills 34,000 American men annually—second only to lung cancer.

American families are being overwhelmed by the financial and emotional strain that results when a child, parent, or spouse—any loved one—is stricken with diabetes or heart disease or Alzheimer's or a stroke. I have received numerous letters and phone calls from such families in my district—the families who have a stake in the work of the NIH. These are the Americans whose hopes hinge on the discovery of a cure for juvenile diabetes, for cancer, for kidney disease, for arthritis. We therefore have to support NIH research. We cannot afford not to invest in the kind of lifesaving research that S. 1 authorizes, because it is such an important part of the foundation of our health care system.

An investment in the work of the NIH is one of the best ways we have of preventing the costly treatment that too often follows when serious illness strikes. If an ounce of prevention is really worth a pound of cure, it makes good common sense to pass this bill now so that we can get on with the business of tackling the major health care reform challenges that are before us.

Mr. Speaker, I commend Chairman WAXMAN and his subcommittee for their efforts in bringing this bill to the floor and for reminding us of the challenge that remains—the challenge for us to better prevent and treat cancer, diabetes, heart disease, kidney disease, stroke, Alzheimer's disease, AIDS, blindness and arthritis, and to better understand both the aging process and the lifestyle practices that affect our health. NIH research is one of the best tools we have in meeting this challenge.

This is not a partisan issue. It is a health care issue. Mr. Speaker, I therefore urge my colleagues on both sides of the aisle to make an up-front investment in the health and the quality of life of all Americans, by supporting the conference report on the bill reauthorizing our National Institutes of Health.

Mrs. KENNELLY. Mr. Speaker, I am pleased to rise today in support of the conference report on S. 1, the NIH Revitalization Act of 1993.

Many Americans will never know how much research performed at the National Institutes of Health has helped them to live healthier, more productive lives. Many of us have family and friends who have already benefited tremendously from breakthroughs made at NIH.

But we will gain even richer rewards in the future, because this legislation provides NIH with the means necessary to investigate and conquer terrible diseases into the next century. Think of the women who will now have a better chance to survive breast cancer because of the funding this legislation provides for breast cancer research at the National Cancer Institute. Or for the expansion of the National Heart, Blood, and Lung Institute to provide improved training and education to cure these diseases. This legislation reaches out to help Americans of all ages by providing additional research in the area of pediatrics, as well as calling for the establishment of a research program to look into the causes and treatments of osteoporosis.

This legislation is an investment, an investment in the health and well being of Americans. Our ability to research and combat disease has already led to a dramatic increase in lifespan. Now it is time to build on these gains. I am pleased to give my support to this conference report, and urge my colleagues to do the same.

Mr. PORTER. Mr. Speaker, I support the conference report on the NIH reauthorization.

The bill contains important authorizations for our Nation's premier biomedical research institutions. It puts a new emphasis on chronic fatigue syndrome [CFS] and sleep disorders research, two areas which have not received the level of attention they deserve.

In addition, the bill would continue to permit researchers to conduct studies involving the transplantation of fetal tissue—studies which offer the hope of developing effective treatments for Parkinson's and possibly Alzheimer's and could conceivably yield a cure for diabetes.

Mr. Speaker, I find it truly sad that a tangential argument on abortion, which would not be affected by this legislation, threatens to derail important and potentially life saving research.

If opponents have their way, and succeed in blocking research on fetal tissue, not one less abortion will be performed in this country. Put another way, if we do the right thing and allow researchers to study fetal tissue subject to stringent ethical guidelines, not one additional abortion will be performed in this country.

The safeguards in this bill clearly separate the decision to have an abortion from the decision to donate fetal tissue. Decisions or discussions involving donation of fetal tissue cannot take place until after a woman has made the decision to have an abortion.

While the issue of fetal tissue research clearly involves abortion, it is in no way about abortion, and will certainly not encourage abortion.

A vote to oppose fetal tissue research does not limit access to or availability of abortions. It simply ensures that tissue that might otherwise be used to benefit society will be tossed on the medical waste heap. And it destroys the hope of millions of Americans who suffer from potentially curable and treatable diseases.

I support the NIH bill and urge all Members to vote for it.

Mr. ROSTENKOWSKI. Mr. Speaker, I rise today in strong support of S. 1, the National Institutes of Health Revitalization Act of 1993. The NIH is a renowned and respected institution which has been at the forefront of the battle against the diseases that plague our Nation. The legislation before us today is significant in its commitment to furthering the important mission of the NIH by increasing its emphasis on AIDS research, as well as on those health problems that affect American women and minorities.

Mr. Speaker, this legislation affirms the commitment to biomedical research, and the search for cures to such horrible diseases as AIDS and cancer. At the same time, it acts on behalf of our future generations by establishing a children's vaccine initiative that guarantees better access and protection for a larger number of our children, thereby preventing the unnecessary spread of diseases.

I am also gratified to see that this bill takes a particularly meaningful step toward improving health care for women and minorities. It requires the inclusion of women and minorities as subjects in NIH-funded research, as well as establishing an Office of Research on Women's Health, and an Office of Research on Minority Health. This legislation also establishes a national women's health data bank to assist in the coordination and dissemination of women's health research, allowing the NIH to focus on health problems that disproportionately affect women. Furthermore, this bill authorizes important additional funds for diseases such as breast cancer and osteoporosis.

Mr. Speaker, I urge my colleagues to support the NIH Revitalization Act. By giving full support to the important research at NIH, we are making a strong commitment to the future health of our Nation as a whole.

Ms. VELÁZQUEZ. I rise today in strong support of the conference report on S. 1, the NIH Authorization Act. This is a landmark piece of legislation that promotes research in areas that historically have been overlooked or simply ignored.

The NIH conference report authorizes a total of $6.2 billion in fiscal year 1994, including $100 million for breast cancer research, and $75 million for breast cancer detection and prevention. The bill also requires NIH to include women and minorities in clinical research trials and permanently establishes the Office of Research on Women's Health, whose purpose is to identify projects of women's health research that should be supported and to monitor the inclusion of women in clinical trials.

For years women have been excluded from clinical trials for methods of treatment because researchers assumed that men could serve as the sample for both sexes. Researchers feared that women of child-bearing age would be placed at risk if they had taken experimental medication. The end result is that women are diagnosed in the latter stages of a particular disease when it may be too late to receive proper treatment. Minority women, in particular, have suffered tremendously due to the lack of research, or because they are unaware of prevention and detection measures.

Unfortunately, the strides this bill takes in health research are tainted by the scourge of discrimination. The NIH conference report includes a provision that will codify the regulatory ban on the permanent admission into the United States of immigrants infected with the HIV virus. One of my greatest concerns is the way in which immigration officials will determine who is infected. Will they single out Haitians because the United States had erroneously labeled them as primary carriers of the virus? Will Europeans be subject to the same scrutiny? We are setting a disturbing precedent in this country, one that contradicts the fabric that once wove this country together and constantly expanded to include all people from around the world.

Mr. Speaker, I urge my colleagues, as they support the NIH conference report, to take a long, hard look at the implications of this ban. While I am keenly aware of the dangers of HIV and AIDS, I do not believe that banning people from this country will do anything to stop the spread of the disease. We desperately need research and education to help eliminate AIDS, not barriers and blockades.

Mr. ORTON. Mr. Speaker, I wish to add some remarks to those of my distinguished colleagues concerning the conference report on S. 1, National Institutes of Health Authorization. I have voted against this bill in the past because of my opposition to the provisions on fetal tissue research, which I have attempted to change through amendment. While I have thus far not been successful in this effort, I recognize the importance of the many good programs and projects in other provisions of this bill and therefore will vote in favor of its final passage.

Mrs. LLOYD. Mr. Speaker, I rise in strong support of the conference report, and I urge my colleagues to join me in supporting the many good programs and research projects that are authorized by this legislation.

This legislation includes virtually all of the provisions of the NIH bill that was overwhelmingly passed by the Congress last year and vetoed by President Bush. It includes provisions from last year's bill on women's health and increases funding for research on breast cancer, ovarian and cervical cancer, osteoporosis, and reproductive health. The bill goes even further and establishes within the Office of the Director of NIH, and Office of Research on Women's Health.

We often read about important medical breakthroughs that unlock the mystery of disease and give hope to afflicted patients and their families. Such advances do not occur overnight. They are the result of years of adding to our existing knowledge. In the world of science, we are never quite sure which experiment or project will unlock the door to a cure. We do know that unfunded research efforts and lack of commitment get us nowhere.

One disease in particular that plagues our Nation is breast cancer. The rate of breast cancer has increased for the past 20 years. Several thousand women will die of this disease this year alone, and we still know very little about its cause or cure. In June 1991, I joined with my colleagues on the congressional caucus for women's issues to challenge our medical community to find the causes and cure for breast cancer research by the year 2000. Dr. Sam Broder, Director of the National Cancer Institute, accepted our challenge provided the Institute be given the resources to succeed. The bill before us today contains the stimulus needed to activate the NCI research efforts in order to free the lives of women from breast cancer through an increased emphasis on basic and clinical research and through improved education and outreach programs, and continues the commitment to eradicating this dreaded disease that plagues our Nation.

The conference report also includes several other very important provisions that will help us to move closer to understanding, treating, and ultimately curing diseases that cause so much needless suffering and loss of human life. It also includes language to overturn the Bush administration's ban on fetal tissue research. Such research has shown great promise in treating such diseases as Parkinson's disease, diabetes, Alzheimer's disease, and other disabling conditions, and is considered a critical component of research by our medical research community. I'm sure many of us have heard the horror stories from patients suffering with Parkinson's disease and hoping all the time that our Nation finds a cure for this illness. I think it's important to note that this bill includes numerous safeguards against potential abuse in fetal tissue transplantation research.

I am also pleased to note that the conference report contains legislation which I introduced with my colleagues, Representative WYDEN, former Representative Downey, and former Senator Adams and Senator BINGAMAN, which will provide for two studies to address the serious problem of malnutrition and the elderly.

These are diseases that affect every one of us. If not individually, they affect a member of our family. The future of our health lies in jeopardy. As I have said before, improving the Nation's research commitment is fundamental to improving the health care received in this country. This is truly a human life bill and I hope all of my colleagues will support its passage.

Mrs. MINK. Mr. Speaker, I rise today in strong support of the conference report on the National Institutes of Health Revitalization Act.

This bill signifies great hope for the women of America—hope that one day, breast cancer will no longer be the most prevalent disease in women, hope that there will soon be an early detection test for ovarian cancer, hope that new information about the prevention of heart disease in women will mean that it is no longer the No. 1 killer of women in this country.

Mr. Speaker, many of us, particularly the women in Congress have worked very hard over the last 2 years to pass this legislation, which includes the most comprehensive women's health initiative ever to be considered in the Congress. These provisions signify that women will no longer have to take a back seat when it comes to biomedical research.

The NIH reauthorization bill permanently establishes the Office of Research on Women's Health to coordinate and monitor women's health research at the NIH. It requires the inclusion of women, minorities, and disadvantaged individuals in clinical research trials. It provides $355 million for basic and clinical breast cancer research, and $30 million for contraceptive and infertility research.

The bill also includes $75 million for research on ovarian and other reproductive cancers, a provision of great importance to me. Since I returned to the Congress in 1990, one of my priorities has been to increase Federal funding of research on ovarian cancer. Ovarian cancer is perhaps the most compelling example of the kind of neglect women's health has suffered over the last century.

As ovarian cancer continues to threaten over 21,000 women each year, there is still no early detection test to diagnose this disease in its early stages. The result is that two-thirds of the women with this terrible disease will die.

In the 102d and the 103d Congress, I introduced legislation to increase Federal dollars for ovarian cancer research, and I am pleased that the bill agreed upon in conference is in line with my legislation and will provide for $75 million for research on ovarian and other reproductive cancers.

Mr. Speaker, this investment in ovarian cancer research gives us hope that one day soon an early detection test will be found, that the genetic link which causes certain families to be afflicted by ovarian cancer at higher rates, will be identified, and most of all, it gives us hope that future generations of women with ovarian cancer will have a much greater chance of living full, productive, and very long lives.

I urge my colleagues to support the conference report on the National Institutes of Health Revitalization Act so that we can improve the health and lives of the women, men, and children of this country.

Mr. MAZZOLI. Mr. Speaker, as chairman of the Subcommittee on International Law, Immigration, and Refugees, and as a conferee on the provision in the NIH bill regarding the exclusion of HIV-infected aliens, I rise in support of the position taken by the conference committee on that issue.

The provision in the conference report reflects the overwhelming sentiment in both the House and the Senate for retaining the current policy of excluding from the United States aliens infected with the human immunodeficiency virus, HIV.

We do this because of the high costs of caring for AIDS victims and to protect the health of our citizens.

The approach taken by the conference committee was bipartisan and the provision in the report is identical to H.R. 985, a bill introduced by the ranking member of the Subcommittee on International Law, Immigration, and Refugees, Mr. McCOLLUM.

This provision requires that HIV infection be deemed a communicable disease of public health significance for immigration purposes. By any commonsense understanding, HIV infection is both communicable, and of public health significance.

This provision is the simplest and most direct approach to take on the issue and is fully consistent with the motion to instruct, which passed this body by a vote of 356 to 58.

The provision codifies the current policy that HIV-infected aliens be excluded, without making other unnecessary and complicated changes to our immigration laws.

Current immigration law allows the Attorney General to waive the health-related exclusion ground for nonimmigrants, refugees, and close relatives of citizens and permanent residents.

The Immigration and Nationality Act does not specify the circumstances under which an alien shall be required to undergo a medical examination to determine the existence of an excludable disease, nor does the act specify the circumstances under which an alien seeking admission should be questioned about the alien's medical condition.

Regulations, policies, and practices have developed with regard to waivers of exclusion, testing requirements, and health-related questioning. The conferees, by requiring that HIV be included among the list of excludable diseases until such time as Congress shall remove it, have taken the position that waiver, questioning, and testing decisions should continue to be left to the discretion of the Attorney General. Thus, the conference report does not codify any current policies or practices concerning those authorities.

I commend my fellow conferees for adopting a well-crafted provision.

Ms. HARMAN. Mr. Speaker, I rise today in strong support of the National Institutes of

Health revitalization bill and I commend my colleague from California, HENRY WAXMAN, for his indefatigable work to get this measure enacted.

This bill represents a historic change, the kind of change the people demanded in the last election. It is no coincidence that, in a session where we have doubled the number of women in the House of Representatives, we are about to enact the first NIH authorization that truly recognizes the need to address women's health issue. For years, women have been tragically shortchanged when it came to health research. Breast cancer research has been neglected. Research into gynecological cancers has been neglected. And contraceptive and infertility research has been neglected. With this bill, we begin to end that neglect. For the first time in a decade, we have an administration that is committed to making sure that the diseases that strike at women are given the attention they deserve.

This bill will permanently establish the Office of Research on Women's Health, ensuring that there will always be a voice for women inside NIH. Moreover, there will be an Advisory Committee set up, including outside health and research experts to advise the Office. This Office will also monitor the status of women physicians and scientists at NIH and at NIH-funded institutions and it will carry out appropriate activities to increase the representation of women as senior scientists and physicians.

In addition, the bill substantially increases funding for both basic and clinical research into breast cancer, provides new funding for ovarian and other reproductive cancers, and establishes new contraceptive and infertility research centers. For older women, the bill directs the NIH Director to establish a research program on osteoporosis and related bone disorders. For younger women, there is a study on the general health and well-being of adolescents, which will be coordinated with the women's health initiative.

This measure is long overdue. Many people have worked long and hard to get us to this point. As a women, a mother, and a daughter, I am proud to cast my vote for this groundbreaking legislation.

Ms. WOOLSEY Mr. Speaker, I rise today to commend my California colleague, Chairman WAXMAN, for his diligent work in crafting this important legislation. This is a much needed initiative, and I urge by colleagues on both sides of the aisle to vote in favor of this conference report.

This legislation makes huge strides toward equity in women's health research. It requires that women and minorities be included in clinical research trials, so that we can be sure that results from the trials are applicable across race and gender. It also permanently establishes the Office of Research on Women's Health at NIH, which will promote the inclusion of women as senior scientists and doctors and will advise NIH on the ground-breaking areas of women's health.

I strongly support the increased funding for research on breast and ovarian cancer, osteoporosis, and infertility which is a key part of this legislation. This funding is crucial to developing a cure for the many millions of women suffering from these illnesses.

This legislation is long overdue, and I urge my colleagues to vote "yes" on final passage.

Mr. KING. Mr. Speaker, I rise to express strong and enthusiastic support for the breast cancer study provisions of the conference report on the National Institutes of Health [NIH] Revitalization Act of 1993 (S. 1). With this measure now on the verge of final passage, I want to commend my colleagues from the Long Island delegation for joining with me in a successful bipartisan effort to address the serious public health threat posed by breast cancer in our home region.

Today, Congress is finally recognizing the hardship inflicted on Long Island women and their families by breast cancer and is beginning efforts to find out why our area has suffered so much from this disease. This legislation specifically singles out Nassau and Suffolk Counties on Long Island for a special in-depth study of the environmental factors that may contribute to breast cancer. The study will be performed by the Nation's top experts at NIH's National Cancer Institute.

While women across the country suffer from breast cancer, the fact is that women in Nassau County face even greater odds of being stricken. Between 1984 and 1988, the breast cancer mortality rate for one group of women in Nassau County was 16 percent higher than that of New York State and 36 percent higher than that of the Nation. It is time for the Federal Government to get more actively involved in the fight against this killer.

Recently, I joined with a number of Members of Congress in sending a letter to President Clinton urging him to support the development of a comprehensive national breast cancer strategy. With 180,000 new cases of breast cancer—and 46,000 deaths—reported last year, we are facing nothing less than a public health emergency.

Mr. Speaker, I look forward to continuing to work closely with the Clinton administration, the experts at NIH, the Long Island delegation, and other Members of the House to aggressively pursue answers to the mysteries of breast cancer. We cannot stop until a cure is found.

Mr. BLACKWELL. Mr. Speaker, I rise in support of S. 1, legislation to reauthorize the National Institutes of Health.

As we all know, we are in the midst of a health care crisis in this country. A crisis that is forcing us to reexamine many of the fundamental principles around which our health care system is built. We are not only doing this because the rising cost of health care is damaging our entire national economy, but also because of the byproducts of our health care system, such as our high infant mortality rates. We spend more on health care than any other country, but the majority of American people are not getting the best possible health care.

Mr. Speaker, not everyone agrees with this conclusion, but, what cannot be disputed, however, is the assertion that the biomedical research community in this country is not equal anywhere in the world. Whenever we hear of another major breakthrough in our fight against diseases, we are likely to find that this research was accomplished in an American research laboratory.

This ground-breaking research is more likely to be supported by one of the foremost leaders in research, the National Institutes of Health. The NIH, Mr. Speaker, is truly the foundation upon which our entire biomedical research community stands, and, for this reason, it is essential that we act decisively to enable this institution to continue its good work.

I would also like to take this opportunity to bring to your attention an organization that has been a partner in the fine work of the National Institutes of Health, the Children's Hospital of Philadelphia, which is located in my district. It is one of the foremost providers of care for children as well as one of our premier pediatric research institutes. Over the years, researchers at the Children's Hospital of Philadelphia have been at the forefront of new and better ways to treat congenital heart defects, premature birth, rubella, mumps, influenza, and other medical problems. Today, these researchers are working on new developments involving cystic fibrosis, leukemia, sickle cell disease, asthma, diabetes, and mental retardation.

Mr. Speaker, one of Children's Hospital of Philadelphia's most recent activities, and an endeavor of which I am particularly proud, is its participation in the human genome project. With support from NIH, the Children's Hospital of Philadelphia has become the world's foremost authority on Chromosomes No. 22, which is often referred to as the Philadelphia Chromosome. Mr. Speaker, several months have passed since the hospital's research made headlines with a new discovery that doctors hope will lead to major improvements in the fight against cancer.

In my opinion, that is what NIH is all about. The private sector cannot generate funds sufficient to support this kind of research. All of the telephone and door-to-door solicitations, bake sales, or raffles cannot generate funds sufficient to support such research.

Only the National Institutes of Health can do so. Only the NIH has consistently had both the good judgment to select these and other worthy projects for further study as well as to allocate the resources with which to support this kind of work.

Mr. Speaker, as a Philadelphian, I have witnessed, time and time again, the life saving care provided by Children's Hospital of Philadelphia.

As an American, I am proud that the research that the hospital has done has improved and saved the lives of children, here and around the world. I cannot think of a more worthy use of our Nation's resources.

Mr. Speaker, as a Member of this House, I urge my colleagues to support the reauthorization of the National Institutes of Health, by voting in favor of S. 1. By doing so, we can reaffirm our commitment to the preservation and improvement of lives everywhere.

Mrs. COLLINS of Illinois. Mr. Speaker, I am very pleased and proud to rise today in support of the conference report of H.R. 4, the National Institutes of Health [NIH] Revitalization Act of 1993. This is a comprehensive landmark bill that finally addresses the needs of most Americans. For years, the NIH focused its funds and research primarily on diseases affecting nonminority males. Meanwhile, the number of women dying of breast cancer was soaring, African-Americans and Hispanic-Americans continued to suffer disproportionately from AIDS, diabetes, glaucoma, and other diseases and the hard, cold reality was that the needs of most Americans were simply not being studied or addressed. With the passage of H.R. 4, however, the NIH will be specifically and fully focused on the areas where America's health is most at risk.

Some of the provisions of H.R. 4 that are particularly important and assure that the NIH's interests are consistent with America's needs are the requirement that all Americans be included in clinical research trials and the required expansion of the National Research Service Awards Program to ensure the inclusion of women and individuals from disadvantaged backgrounds in the field of biomedical and behavioral research.

In addition, H.R. 4 permanently establishes the Office of Research on Women's Health to oversee efforts to improve women's health. The duties of the Office would include serving as a clearinghouse on women's health research, working to increase the number of female senior scientists and physicians at NIH, and to monitor the inclusion of women in clinical trials. To add bite to the bark on our efforts to improve women's health, H.R. 4 would provide key increases in funding for research on breast, ovarian, and cervical cancers, osteoporosis, and reproductive health.

I am also particularly pleased that H.R. 4 includes a provision which was added by my amendment in the Energy and Commerce Committee that institutionalizes an Office on Minority Health within the Office of the Director of NIH. The establishment of this Office ensures that the health of minorities will receive increased research and enhanced attention.

Increased concern about the health of minorities is critical to closing the gap between the health of minorities and nonminorities in America. The mortality rate of many diseases, such as heart disease, strokes, diabetes, liver cirrhosis, breast cancer, and glaucoma are significantly higher in the minority community. Yet, the reasons for this are not clear. Lifestyles may play a role in the high mortality rate but scientific, multidisciplinary studies must be done to determine the underlying medical cause of these disparate rates of disease. Although there have already been some studies done on minority-prone diseases, it is crucial that NIH, our premiere national research institution with the capability for real progress, takes the lead on this research. The establishment of the Office on Minority Health will ensure exactly this and begin to close the horrifying mortality gap for minorities.

Mr. Speaker, for the reasons I just mentioned, and for many others, I heartily support H.R. 4. Despite my opposition to the codification of the unfair ban on the permanent admission of individuals infected with the AIDS virus, I urge my colleagues to join me and vote for H.R. 4.

Ms. DELAURO. Mr. Speaker, today, the House takes the final step in the long road to passing a strong NIH reauthorization bill. The conference report on S. 1 authorizes research which has the potential to save the lives of thousands of men, women, and children. Intensified research efforts will be specifically authorized for childhood vaccines, osteoporosis, prostate cancer, AIDS, and breast, cervical, and ovarian cancer.

For years, women's health concerns have been systematically ignored. Often overlooked by researchers and left out of clinical trials, women are suffering and dying because not enough has been done in the past to find cures or treatments for the diseases that afflict them. Therefore, I believe the conference report's provisions for women's health research are an important and integral part of this legislation. When this bill becomes law, the NIH will be required, except in certain circumstances, to include women and minorities in NIH-funded research projects.

I believe so strongly in the need to include women in this research because I have experienced past neglect first hand. By chance, I was diagnosed with ovarian cancer, and by luck I survived a disease that kills 13,000 women in this country each year. Since then, I have joined other women with similar experiences, and Members of Congress in working to make certain that women's health concerns are a central component of our national health care debate.

This bill makes important strides in redressing past neglect of research into diseases that specifically strike women. It authorizes $225 million for basic breast cancer research, $100 million for breast cancer detection and prevention, and $75 million for gynecological cancer research.

We cannot continue to ignore the diseases that affect our daughters and mothers. We must highten awareness that the diseases affecting women have to be understood, analyzed, and treated with the same care and diligence with which we fight all other diseases. The bill helps to do that. It puts some balance into medical research, and provides millions of American women with the hope that their medical needs may be met.

We must invest in research if we are to have healthier children and families. We must make the commitment today so that we save lives and precious health care dollars tomorrow. I urge my colleagues to support this conference report.

Mrs. MALONEY. Mr. Speaker, I rise in support of the conference report on S. 1, the bill to reauthorize the important programs funded by the National Institutes of Health.

Frankly, Mr. Speaker, I have mixed feelings about the final version of this bill. On the one hand, the legislation authorizes generous levels of funding for a number of critical health initiatives, particularly programs affecting women. On the other hand, the conference report leaves largely intact the language inserted by the Senate which codifies the ban on the admission into the United States of immigrants with the HIV virus.

First, let me commend the gentleman from California, Chairman HENRY WAXMAN, on putting together a bill which makes enormous progress in several key areas. As the mother of two young daughters, I don't want them to grow up as I did, as my generation did—basically in the dark about the major health risks women face.

That's why I am pleased that the conference agreement retains $335 million for increased breast cancer research and $75 million for gynecological research. The bill also permanently establishes the Office of Research on Women's Health which will help ensure Federal support of women's health research projects.

In addition, I strongly support the funding contained in the bill for prostate cancer research, AIDS research, and the National Heart, Lung, and Blood Institute, and National Institute on Aging.

Mr. Speaker, when H.R. 4 passed the House on March 10, there was a great deal of concern in this body about language passed by the Senate concerning the admission of HIV-infected individuals into the country. The Senate provision would have placed a near-total ban on the admission of HIV-positive people except where the Attorney General granted a waiver of 30 days or less to a traveler visiting our country.

In my view, the Senate language was unacceptable. It codifies a policy, enacted in the Reagan administration, which is universally opposed by public health officials, including both Republican and Democratic Secretaries of Health and Human Services. To single out HIV-infected people as the only individuals with a disease statutorily banned from our country is, in my mind, an exercise in demagoguery and discrimination.

Chairman WAXMAN did the best he could in the conference committee to change the Senate language, and thanks to him, some small steps in the right direction were achieved. The conference report allows the Attorney General to grant waivers from this exclusion to HIV-positive visitors to our country for up to 6 months. Waivers may also be given to permanent immigrants with the HIV virus if they have immediate family members in the United States.

Mr. Speaker, I support the NIH reauthorization bill because offers so much hope for so many sick people. But I cannot support the ban on HIV-positive immigration, and I sincerely hope that the day will come when this inhumane policy will be reversed.

Mr. WAXMAN. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore (Mr. MONTGOMERY). The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BLILEY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 290, nays 130, not voting 12, as follows:

[Roll No. 178]

YEAS—290

Abercrombie
Ackerman
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Applegate
Bacchus (FL)
Baesler
Barlow
Barrett (WI)
Becerra
Beilenson
Bentley
Bevill
Bilbray
Bishop
Blute
Boehlert
Bonilla
Borski
Boucher

Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Byrne
Cantwell
Cardin
Carr
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Cooper
Coppersmith
Costello
Coyne
Cramer
Danner
Darden
Deal
DeFazio
DeLauro
Dellums
Derrick
Deutsch
Dicks
Dingell
Dixon
Dooley
Dunn
Durbin
Edwards (CA)
Edwards (TX)
English (AZ)
English (OK)
Eshoo
Evans
Fawell
Fazio
Fields (LA)
Filner
Fingerhut
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Fowler
Frank (MA)
Franks (CT)
Franks (NJ)
Frost
Furse
Gallegly
Gallo
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Glickman
Gonzalez
Gordon
Grandy
Green
Greenwood
Gunderson
Gutierrez
Hall (TX)
Hamburg
Hamilton
Harman
Hastings
Hefner
Hinchey
Hoagland
Hobson
Hochbrueckner
Holden
Horn
Houghton
Hoyer
Huffington
Hughes
Inslee
Jacobs
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kim
Kleczka
Klein
Klink
Klug
Kolbe
Kopetski
Kreidler
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lazio
Lehman
Levin
Levy
Lewis (FL)
Lewis (GA)
Lipinski
Lloyd
Long
Lowey
Machtley
Maloney
Mann
Manton
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCloskey
McCurdy
McDermott
McHale
McHugh
McInnis
McKinney
McMillan
McNulty
Meehan
Meek
Menendez
Meyers
Mfume
Miller (CA)
Miller (FL)
Mineta
Minge
Mink
Moakley
Molinari
Montgomery
Moran
Morella
Murtha
Nadler
Natcher
Neal (MA)
Neal (NC)
Oberstar
Obey
Olver
Orton
Owens
Pallone
Parker
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (FL)
Pickett
Pickle
Pomeroy
Porter
Price (NC)
Pryce (OH)
Ramstad
Rangel
Reed
Regula
Reynolds
Richardson
Ridge
Rose
Rostenkowski
Roukema
Rowland
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Sarpalius
Sawyer
Schenk
Schiff
Schroeder
Schumer
Scott
Serrano
Sharp
Shaw
Shays
Shepherd
Shuster
Sisisky
Skaggs
Slattery
Slaughter
Smith (IA)
Smith (TX)
Snowe
Spence
Spratt
Stark
Stenholm
Stokes
Strickland
Studds
Stupak
Swett
Swift
Synar
Tanner
Tejeda
Thomas (CA)
Thomas (WY)
Thornton
Thurman
Torkildsen
Torres
Torricelli
Towns
Traficant
Tucker
Unsoeld
Upton
Valentine
Velazquez
Vento
Visclosky
Walsh
Washington
Waters
Watt
Waxman
Wheat
Wilson
Wise
Woolsey
Wyden
Wynn
Yates
Young (AK)
Zeliff
Zimmer

NAYS—130

Allard
Archer
Armey
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barrett (NE)
Bartlett
Barton
Bateman
Bereuter
Bilirakis
Bliley
Boehner
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Clinger
Coble
Collins (GA)
Combest
Cox
Crane
Crapo
Cunningham
de la Garza
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Emerson
Everett
Ewing
Fields (TX)
Gingrich
Goodlatte
Goodling
Goss
Grams
Hall (OH)
Hancock
Hansen
Hastert
Hayes
Hefley
Herger
Hoekstra
Hoke
Hunter
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Istook
Johnson, Sam
Kasich
King
Kingston
Knollenberg
Kyl
Lightfoot
Linder
Livingston
Manzullo
McCandless
McCollum
McCrery
McDade
McKeon
Mica
Michel
Mollohan
Moorhead
Murphy
Myers
Nussle
Ortiz
Oxley
Packard
Paxon
Peterson (MN)
Petri
Pombo
Portman
Poshard
Quillen
Quinn
Rahall
Ravenel
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Royce
Santorum
Saxton
Schaefer
Sensenbrenner
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (OR)
Solomon
Stearns
Stump
Sundquist
Talent
Tauzin
Taylor (MS)
Taylor (NC)
Volkmer
Vucanovich
Walker
Weldon
Wolf
Young (FL)

NOT VOTING—12

Berman
Blackwell
Bonior
Conyers
Engel
Henry
Hilliard
Leach
Lewis (CA)
Thompson
Whitten
Williams

☐ 1420

Mr. DICKEY and Mr. ORTIZ changed their vote from "yea" to "nay."

Mr. OWENS changed his vote from "nay" to "yea."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. ENGEL. Mr. Speaker, I was unavoidably detained and missed rollcall vote 178 on the conference report on reauthorizing the National Institutes of Health. Had I been present, I would have voted "yea".

PERMISSION FOR COMMITTEE ON THE BUDGET TO FILE PRIVILEGED REPORT ON THE OMNIBUS BUDGET RECONCILIATION ACT OF 1993

Mr. SABO. Mr. Speaker, I ask unanimous consent that the Committee on the Budget have until midnight tonight to file a privileged report on the Omnibus Budget Reconciliation Act of 1993.

The SPEAKER pro tempore (Mr. MONTGOMERY). Is there objection to the request of the gentleman from Minnesota?

There was no objection.

CONTINUATION OF EMERGENCY WITH RESPECT TO THE FEDERAL REPUBLIC OF YUGOSLAVIA (SERBIA AND MONTENEGRO)—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 103–91)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Foreign Affairs and ordered to be printed:

To the Congress of the United States:

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the Federal Register and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent the enclosed notice, stating that the emergency declared with respect to the Federal Republic of Yugoslavia (Serbia and Montenegro) is to continue in effect beyond May 30, 1993, to the Federal Register for publication.

The circumstances that led to the declaration on May 30, 1992, of a national emergency have not been resolved. The Government of the Federal Republic of Yugoslavia (Serbia and Montenegro) continues to support groups seizing and attempting to seize territory in the Republics of Croatia and Bosnia-Hercegovina by force and violence. The actions and policies of the Government of the Federal Republic of Yugoslavia (Serbia and Montenegro) pose a continuing unusual and extraordinary threat to the national security, vital foreign policy interests, and the economy of the United States. For these reasons, I have determined that it is necessary to maintain in force the broad authorities necessary to apply economic pressure to the Government of the Federal Republic of Yugoslavia (Serbia and Montenegro) to reduce its ability to support the continuing civil strife and bloodshed in the former Yugoslavia.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *May 25, 1993.*

REPORT ON ADMINISTRATION ACTIONS AND EXPENSES RELATING TO EXERCISE OF POWERS AND AUTHORITIES AND SANCTIONS AGAINST FEDERAL REPUBLIC OF YUGOSLAVIA (SERBIA AND MONTENEGRO)—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 103–92)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Foreign Affairs and ordered to be printed:

To the Congress of the United States:

On May 30, 1992, in Executive Order No. 12808, President Bush declared a national emergency to deal with the threat to the national security, foreign policy, and economy of the United States arising from actions and policies of the Governments of Serbia and Montenegro, acting under the name of the Socialist Federal Republic of Yugoslavia or the Federal Republic of Yugoslavia, in their involvement in and support for groups attempting to seize territory in Croatia and Bosnia-Hercegovina by force and violence utilizing, in part, the forces of the so-called Yugoslav National Army (57 FR 23299, June 2, 1992). The present report is submitted pursuant to 50 U.S.C. 1641(c) and 1703(c). It discusses Administration actions and expenses directly related to the exercise of powers and authorities conferred by the declaration of a national emergency in Executive Order No. 12808 and to expanded sanctions against the Federal Republic of Yugoslavia (Serbia and Montenegro) (the "FRY (S/M)") contained in Executive Order No. 12810 of June 5, 1992 (57 FR 24347, June 9, 1992), Executive Order No. 12831 of January 15, 1993 (58 FR 5253, January 21, 1993), and Executive Order No. 12846 of April 26, 1993 (58 FR 25771, April 27, 1993).

1. Executive Order No. 12808 blocked all property and interests in property of the Governments of Serbia and Montenegro, or held in the name of the former Government of the Socialist Federal Republic of Yugoslavia or the Government of the Federal Republic of Yugoslavia, then or thereafter located in the United States or within the possession or control of U.S. persons, including their overseas branches.

Subsequently, Executive Order No. 12810 expanded U.S. actions to implement in the United States the U.N. sanctions against the FRY (S/M) adopted in United Nations Security Council Resolution No. 757 of May 30, 1992. In addition to reaffirming the blocking of FRY (S/M) Government property, this order prohibits transactions with respect to the FRY (S/M) involving imports, exports, dealing in FRY-origin property, air and sea transportation, contract performance, funds transfers, activity promoting importation or exportation or dealings in property, and official sports, scientific, technical, or cultural representation of the FRY (S/M) in the United States.

Executive Order No. 12810 exempted from trade restrictions (1) transshipments through the FRY (S/M), and (2) activities related to the United Nations Protection Force ("UNPROFOR"), the Conference on Yugoslavia, or the European Community Monitor Mission.

On January 15, 1993, President Bush issued Executive Order No. 12831 to implement new sanctions contained in United Nations Security Council Resolution No. 787 of November 16, 1992. The order revokes the exemption for transshipments through the FRY (S/M) contained in Executive Order No. 12810; prohibits transactions within the United States or by a U.S. person relating to FRY (S/M) vessels and vessels in which a majority or controlling interest is held by a person or entity in, or operating from, the FRY (S/M), and states that all such vessels shall be considered as vessels of the FRY (S/M), regardless of the flag under which they sail. Executive Order No. 12831 also delegates discretionary authority to the Secretary of the Treasury, in consultation with the Secretary of State, to prohibit trade and financial transactions involving any areas of the former Socialist Federal Republic of Yugoslavia as to which there is inadequate assurance that such transactions will not be diverted to the benefit of the FRY (S/M).

On April 26, 1993, I issued Executive Order No. 12846 to implement in the United States the sanctions adopted in United Nations Security Council Resolution No. 820 of April 17, 1993. That resolution called on the Bosnian Serbs to accept the Vance-Owen peace plan for Bosnia-Hercegovina and, if they failed to do so by April 26, called on member states to take additional measures to tighten the embargo against the FRY (S/M) and Serbian-controlled areas of Croatia and Bosnia-Hercegovina.

Effective 12:01 a.m. e.d.t., April 26, 1993, Executive Order No. 12846: (1) blocks all property and interests in property of businesses organized or located in the FRY (S/M), including the property of their U.S. and other foreign subsidiaries, that are in or later come within the United States or the possession or control of U.S. persons, including their overseas branches; (2) confirms the charging to the owners or operators of property blocked under this order or Executive Orders No. 12808, No. 12810, or No. 12831 all expenses incident to the blocking and maintenance of such property, requires that such expenses be satisfied from sources other than blocked funds, and permits such property to be sold and the proceeds (after payment of expenses) placed in a blocked account; (3) orders (a) the detention pending investigation of all nonblocked vessels, aircraft, freight vehicles, rolling stock, and cargo within the United States suspected of violating United Nations Security Council Resolutions No. 713, No. 757, No. 787, or No. 820, and (b) the blocking of such conveyances or cargo if a violation is determined to have been committed, and permits the liquidation of such blocked conveyances or cargo and the placing of the proceeds into a blocked account; (4) prohibits any vessel registered in the United States, or owned or controlled by U.S. persons, other than U.S. naval vessels, from entering the territorial waters of the FRY (S/M); and (5) prohibits U.S. persons from engaging in any transactions relating to the shipment of goods to, from, or through United Nations Protected Areas in the Republic of Croatia and areas in the Republic of Bosnia-Hercegovina under the control of Bosnian Serb forces.

Executive Order No. 12846 authorizes the Secretary of the Treasury in consultation with the Secretary of State to take such actions, and to employ all powers granted to me by the authorities cited above, as may be necessary to carry out the purposes of that order. The sanctions imposed in the order do not invalidate existing licenses or authorizations issued pursuant to Executive Orders No. 12808, No. 12810, or No. 12831 except as those licenses and authorizations may thereafter be terminated, suspended, or modified by the issuing Federal agencies, but otherwise the sanctions apply notwithstanding any preexisting contracts, international agreements, licenses, or authorizations.

2. The declaration of the national emergency on May 30, 1992, was made pursuant to the authority vested in the President by the Constitution and laws of the United States, including the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), the National Emergencies Act (50 U.S.C. 1601 et seq.), and section 301 of title 3 of the United States Code. The emergency declaration was reported to the Congress on May 30, 1992, pursuant to section 204(b) of the International Emergency Economic Powers Act (50 U.S.C. 1703(b)). The additional sanctions set forth in Executive Orders No. 12810, No. 12831, and No. 12846 were imposed pursuant to the authority vested in the President by the Constitution and laws of the United States, including the statutes cited above, section 1114 of the Federal Aviation Act of 1958, as amended (49 U.S.C. App. 1514), and section 5 of the United Nations Participation Act of 1945, as amended (22 U.S.C. 287c).

3. Since the last report, the Office of Foreign Assets Control of the Department of the Treasury ("FAC"), in consultation with the Department of State and other Federal agencies, issued the Federal Republic of Yugoslavia (Serbia and Montenegro) Sanctions Regulations, 31 C.F.R. Part 585 (58 FR 13199, March 10, 1993—the "Regulations"), to implement the prohibitions contained in Executive Orders No. 12808, No. 12810, and No. 12831. A copy of the Regulations is enclosed with this report. The seven general licenses discussed in the last report were incorporated into the Regulations. The Regulations contain

general licenses for certain transactions incident to: the receipt or transmission of mail and informational materials and for telecommunications transmissions between the United States and the FRY (S/M); the importation and exportation of diplomatic pouches; certain transfers of funds or other financial or economic resources for the benefit of individuals located in the FRY (S/M); the importation and exportation of household and personal effects of persons arriving from or departing to the FRY (S/M); transactions related to nonbusiness travel by U.S. persons to, from, and within the FRY (S/M); and transactions involving secondary-market trading in debt obligations originally incurred by banks organized in Slovenia, Croatia, Bosnia-Hercegovina, and Macedonia.

On January 15, 1993, FAC issued General Notice No. 2, entitled "Notification of Status of Yugoslav Entities." A copy of the notice is attached. The list is composed of government, financial, and commercial entities organized in Serbia or Montenegro and a number of foreign subsidiaries of such entities. The list is illustrative of entities covered by FAC's presumption, stated in the notice, that all entities organized or located in Serbia or Montenegro, as well as their foreign branches and subsidiaries, are controlled by the Government of the FRY (S/M) and thus subject to the blocking provisions of the Executive orders. General Notice No. 2, which includes more than 400 entities, expands and incorporates the list of 284 entities identified in General Notice No. 1 (57 FR 32051, July 20, 1992), noted in the previous report.

As part of a U.S.-led allied effort to tighten economic sanctions against Yugoslavia, on March 11, 1993, FAC named 25 maritime firms and 55 ships controlled by these firms as "Specially Designated Nationals" ("SDNs") of Yugoslavia. A copy of General Notice No. 3 is attached. These shipping firms and the vessels they own, manage, or operate by using foreign front companies, changing vessel names, and reflagging ships, are presumed to be owned or controlled by or to be acting on behalf of the Government of the FRY (S/M). In addition, pursuant to Executive Order No. 12846, the property within U.S. jurisdiction of these firms is blocked as direct or indirect property interests of firms organized or located in the FRY (S/M).

The FRY (S/M) has continued to operate its maritime fleet and trade in violation of the international economic sanctions mandated by United Nations Security Council Resolutions No. 757 and No. 787. Operations and activities by Yugoslav front companies, or SDNs, enable the Government of the FRY (S/M) to circumvent the international trade embargo. The effect of FAC's SDN designation is to identify agents and property of the Government of the FRY (S/M), and property of entities organized or located in the FRY (S/M), and thus to extend the applicability of the regulatory prohibitions governing transactions with the Government of the FRY (S/M) and its nationals by U.S. persons to these designated individuals and entities wherever located, irrespective of nationality or registration. U.S. persons are prohibited from engaging in any transaction involving property in which an SDN has an interest, which includes all financial and trade transactions. All SDN property within the jurisdiction of the United States (including financial assets in U.S. bank branches overseas) is blocked.

The two court cases in which the blocking authority was challenged as applied to FRY (S/M) subsidiaries and vessels in the United States remain pending at this time. In one case, the plaintiffs have challenged the application of Executive Order No. 12846, and the challenge remains to be resolved. The other case is presently pending before a U.S. Court of Appeals.

4. Over the past 6 months, the Departments of State and the Treasury have worked closely with European Community (the "EC") member states and other U.N. member nations to coordinate implementation of the sanctions against the FRY (S/M). This has included visits by assessment teams formed under the auspices of the United States, the EC, and the Conference for Security and Cooperation in Europe (the "CSCE") to states bordering on Serbia and Montenegro; deployment of CSCE sanctions assistance missions ("SAMS") to Albania, Bulgaria, Croatia, the Former Yugoslav Republic of Macedonia, Hungary, Romania, and Ukraine to assist in monitoring land and Danube River traffic; bilateral contacts between the United States and other countries with the purpose of tightening financial and trade restrictions on the FRY (S/M); and establishment of a mechanism to coordinate enforcement efforts and to exchange technical information.

5. In accordance with licensing policy and the Regulations, FAC has exercised its authority to license certain specific transactions with respect to the FRY (S/M) that are consistent with the Security Council sanctions. During the reporting period, FAC has issued 163 specific licenses regarding transactions pertaining to the FRY (S/M) or assets it owns or controls, bringing the total as of April 30, 1993, to 426. Specific licenses have been issued for (1) payment to U.S. or third-country secured creditors, under certain narrowly defined circumstances, for pre-embargo import and export transactions; (2) for legal representation or advice to the Government of the FRY (S/M) or FRY (S/M)-controlled clients; (3) for restricted and closely monitored operations by subsidiaries of FRY (S/M)-controlled firms located in the United States; (4) for limited FRY (S/M) diplomatic representation in Washington and New York; (5) for patent, trademark and copyright protection, and maintenance transactions in the FRY (S/M) not involving payment to the FRY (S/M) Government; (6) for certain communications, news media, and travel-related transactions; (7) for the payment of crews' wages and vessel maintenance of FRY (S/M)-controlled ships blocked in the United States; (8) for the removal from the FRY (S/M) of manufactured property owned and controlled by U.S. entities; and (9) to assist the United Nations in its relief operations and the activities of the U.N. Protection Force. Pursuant to United Nations Security Council Resolutions No. 757 and No. 760, specific licenses have also been issued to authorize exportation of food, medicine, and supplies intended for humanitarian purposes in the FRY (S/M).

During the past 6 months, FAC has continued to closely monitor 15 U.S. subsidiaries of entities organized in the FRY (S/M) that were blocked as entities owned or controlled by the Government of the FRY (S/M). Treasury agents performed on-site audits and reviewed numerous reports submitted by the blocked subsidiaries. Subsequent to the issuance of Executive Order No. 12846, operating licenses issued for U.S.-located Serbian or Montenegrin subsidiaries or joint ventures were revoked and the U.S. entities closed for business.

The Board of Governors of the Federal Reserve Board and the New York State Banking Department again worked closely with FAC with regard to two Serbian banking institutions in New York that were closed on June 1, 1992. Full-time bank examiners continue to be posted in their offices to ensure that banking records are appropriately safeguarded.

During the past 6 months, U.S. financial institutions have continued to block funds transfers in which there is an interest of the Government of the FRY (S/M). Such transfers have accounted for an additional $24.5 million in blocked Yugoslav assets since the issuance of Executive Order No. 12808.

To ensure compliance with the terms of the licenses that have been issued under the program, stringent reporting requirements are imposed. Some 350 submissions were reviewed since the last report, and more than 150 compliance cases are currently open. In addition, licensed bank accounts are regularly audited by FAC compliance personnel and by cooperating auditors from other regulatory agencies.

6. Since the issuance of Executive Order No. 12810, FAC has worked closely with the U.S. Customs Service to ensure both that prohibited imports and exports (including those in which the Government of the FRY (S/M) has an interest) are identified and interdicted,

and that permitted imports and exports move to their intended destination without undue delay. Violations and suspected violations of the embargo are being investigated, and appropriate enforcement actions are being taken. There are currently 39 cases under active investigation.

7. The expenses incurred by the Federal Government in the 6-month period from December 1, 1992, through May 30, 1993, that are directly attributable to the authorities conferred by the declaration of a national emergency with respect to the FRY (S/M) are estimated at $2.9 million, most of which represent wage and salary costs for Federal personnel. Personnel costs were largely centered in the Department of the Treasury (particularly in FAC and its Chief Counsel's Office and the U.S. Customs Service), the Department of State, the National Security Council, the U.S. Coast Guard, and the Department of Commerce.

8. The actions and policies of the Government of the FRY (S/M), in its involvement in and support for groups attempting to seize and hold territory in Croatia and Bosnia-Hercegovina by force and violence, continue to pose an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States. The United States remains committed to a multilateral resolution of this crisis through its actions implementing the binding resolutions of the United Nations Security Council with respect to the FRY (S/M). I shall continue to exercise the powers at my disposal to apply economic sanctions against the FRY (S/M) as long as these measures are appropriate, and will continue to report periodically to the Congress on significant developments pursuant to 50 U.S.C. 1703(c).

WILLIAM J. CLINTON.

THE WHITE HOUSE, *May 25, 1993.*

COMMUNICATION FROM THE SERGEANT AT ARMS OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Sergeant at Arms of the House:

WASHINGTON, DC,
May 24, 1993.

Hon. THOMAS S. FOLEY,
The Speaker, U.S. House of Representatives, Washington, DC.

DEAR MR. SPEAKER: This is to notify you pursuant to Rule L (50) of the Rules of the House that I have received subpoenas for grand juries issued to an employee of the Office of the Sergeant at Arms by the United States District Court for the District of Columbia.

After consultation with the General Counsel, I will make the determinations required by the Rule.

Sincerely,

WERNER W. BRANDT,
Sergeant at Arms.

RESOLUTION AUTHORIZING THE USE OF UNITED STATES ARMED FORCES IN SOMALIA

The SPEAKER pro tempore. Pursuant to House Resolution 173 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of Senate Joint Resolution 45.

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IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the Senate joint resolution (S.J. Res. 45) authorizing the use of United States Armed Forces in Somalia, with Mr. DARDEN in the chair.

The Clerk read the title for the Senate joint resolution.

The CHAIRMAN. When the Committee of the Whole rose on Thursday, May 20, 1993, all time for general debate had expired.

Pursuant to the rule, the committee amendment in the nature of a substitute printed in the joint resolution is considered as an original joint resolution for the purpose of amendment and is considered as read.

The text of the committee amendment in the nature of a substitute is as follows:

S.J. RES. 45

Resolved by the House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This joint resolution may be cited as the "Resolution Authorizing the Use of United States Armed Forces in Somalia".

SEC. 2. CONGRESSIONAL FINDINGS.

The Congress finds the following:

(1) An estimated 300,000 Somalis have died as a result of hunger and widespread violence since the fall of Siad Barre in January 1991.

(2) On December 3, 1992, the United Nations Security Council adopted Resolution 794 in which the Security Council—

(A) determined that "the magnitude of the human tragedy caused by the conflict in Somalia, further exacerbated by the obstacles being created to the distribution of humanitarian assistance, constitutes a threat to international peace and security", and

(B) acting under Chapter VII of the Charter of the United Nations, authorized the use of "all necessary means to establish as soon as possible a secure environment for humanitarian relief operations in Somalia".

(3) United States Armed Forces entered Somalia on December 9, 1992, in response to Security Council Resolution 794.

(4) The United Nations Secretary General concluded in his report of March 3, 1993, that without improved security throughout Somalia "the political process cannot prosper and humanitarian relief operations will remain vulnerable to disruption".

(5) The Secretary General recommended in his report that the United Nations Security Council adopt a resolution effecting the transition from the United States-led force in Somalia to a United Nations-led force, with the formal date of transfer of command to be May 1, 1993.

(6) The Secretary General's report envisioned a United Nations-led force having a multinational military component of 20,000 personnel, plus an additional 8,000 personnel to provide logistic support.

(7) On March 26, 1993, the United Nations Security Council, acting under Chapter VII of the Charter of the United Nations, adopted Resolution 814 in response to the Secretary General's report. This resolution provides for the establishment of the United Nations-led force in Somalia by expanding the size and mandate of the original United Nations peacekeeping force in Somalia (commonly referred to as "UNOSOM") in accordance with the recommendations contained in the report of the Secretary General.

(8) United States Armed Forces will participate in the United Nations-led force in Somalia as part of the multinational logistic support contingent, providing logistical, communications, and intelligence support.

(9) In addition to logistic forces, the United States will make available a battalion-sized tactical quick reaction force to respond to requests for emergency assistance from the United Nations Force Commander in Somalia. This quick reaction force will be under United States operational control.

(10) The transfer of operations in Somalia from the United States-led force to the United Nations-led force will result in a substantial reduction in the number of members of the United States Armed Forces that are deployed in Somalia and in the costs incurred by the United States as a result of United Nations-authorized operations in Somalia.

(11) The Congress should authorize any use of United States Armed Forces to implement United Nations Security Council Resolutions 794 and 814.

(12) By providing such an authorization, the Congress will facilitate the transfer of operations in Somalia from the United States-led force to the United Nations-led force.

(13)(A) The Congress does not anticipate that United States Armed Forces will need to remain in Somalia for more than 12 months after the date of enactment of this joint resolution to implement United Nations Security Council Resolution 814.

(B) Given the importance of the mission of the United Nations-led force in Somalia, however, the Congress will give strong consideration to extending the authorization for the use of United States Armed Forces to implement Resolution 814 should such continued use be necessary to ensure the success of the United Nations-led force in Somalia.

SEC. 3. SUPPORT FOR UNITED NATIONS EFFORTS IN SOMALIA.

The Congress supports United Nations efforts in Somalia—

(1) to help provide a secure environment for famine relief efforts;

(2) to prevent a resumption of violence;

(3) to help restore peace, stability, and order through reconciliation, rehabilitation, and reconstruction of Somali society; and

(4) to help the people of Somalia create and maintain democratic institutions for their own governance.

SEC. 4. AUTHORIZATION FOR USE OF ARMED FORCES.

(a) IMPLEMENTATION OF SECURITY COUNCIL RESOLUTIONS.—The President is authorized to use United States Armed Forces to implement United Nations Security Council Resolutions 794 (1992) and 814 (1993), including the use of such Armed Forces—

(1) to carry out operations under the authorization provided by United Nations Security Council Resolution 794 (1992) until the

transition to the United Nations-led force in Somalia is completed;

(2) to provide logistic and related support for the United Nations-led force in Somalia under the authorization provided by United Nations Security Council Resolution 814 (1993); and

(3) to serve as a tactical quick reaction force, under United States operational control, to respond to requests for emergency assistance from the United Nations Force Commander in Somalia.

(b) STATEMENTS OF INTENT REQUIRED BY WAR POWERS RESOLUTION.—Consistent with section 8(a)(1) of the War Powers Resolution, the Congress declares that subsection (a) is intended to constitute specific statutory authorization within the meaning of section 5(b) of the War Powers Resolution to the extent that any United States Armed Forces being used for the purposes described in subsection (a) are or become involved in hostilities or situations where imminent involvement in hostilities is clearly indicated by the circumstances.

(c) EXPIRATION OF AUTHORIZATIONS.—The authorizations provided by subsection (a) shall expire at the earlier of—

(1) the end of the 12-month period beginning on the date of enactment of this joint resolution, unless the Congress finds that continued participation by the United States Armed Forces is necessary to ensure the success of the United Nations-led force in Somalia and extends the period of such authorizations; or

(2) the expiration of the mandate of the United Nations-led force in Somalia.

SEC. 5. REPORTS REGARDING USE OF UNITED STATES ARMED FORCES.

(a) PERIODIC REPORTS.—

(1) INFORMATION TO BE PROVIDED.—The President shall submit periodic reports to the Congress with respect to United States Armed Forces participation in and support for the United Nations-led force in Somalia. Each such report shall—

(A) specify the number of members of the United States Armed Forces participating in the United Nations-led force in Somalia or operating in support of that force;

(B) specify where United States Armed Forces are deployed as part of the United Nations-led force in Somalia and where United States Armed Forces are deployed that are operating in support of that force;

(C) specify the functions being performed by United States Armed Forces participating in the United Nations-led force in Somalia;

(D) specify the functions of United States Armed Forces operating as a tactical quick reaction force in support of the United Nations-led force in Somalia, and describe any use of United States Armed Forces as a quick reaction force;

(E) specify the command arrangements applicable with respect to United States Armed Forces participating in the United Nations-led force in Somalia or operating in support of that force; and

(F) specify the anticipated duration of the deployment of United States Armed Forces as part of the United Nations-led force in Somalia or in support of that force.

(2) REPORTING DATES AND PERIOD COVERED BY EACH REPORT.—A report pursuant to this subsection shall be submitted—

(A) not later than July 1, 1993, covering the period since March 3, 1993; and

(B) not later than July 1, 1994, covering the period since the preceding report pursuant to this subsection.

(3) WAR POWERS RESOLUTION REPORTING REQUIREMENTS.—The requirements of this section do not supersede the requirements of section 4 of the War Powers Resolution.

(b) REPORT ON TRANSITION TO UN-LED FORCE.—The first report submitted pursuant to subsection (a) shall specify the number of members of the United States Armed Forces, if any, remaining in Somalia as part of the United States-led force in Somalia.

(c) AGREEMENTS WITH UNITED NATIONS.—The President shall transmit promptly to the Congress a copy of any memorandum of understanding or other written agreement entered into by the United States with the United Nations Security Council, the Secretary General of the United Nations (or his Special Representative), or the United Nations Force Commander in Somalia—

(1) regarding the participation of United States Armed Forces in the United Nations-led force in Somalia;

(2) regarding United States Armed Forces operating as a tactical quick reaction force in support of that force or otherwise in support of that force; or

(3) otherwise regarding the availability to the United Nations Security Council of United States Armed Forces, assistance, or facilities to implement Security Council Resolution 794 or 814.

SEC. 6. REPORTS ON COSTS OF UNITED NATIONS-AUTHORIZED OPERATIONS IN SOMALIA.

(a) REQUIREMENT FOR PERIODIC REPORTS.—The President shall submit to the Congress periodic reports regarding the costs of the United States-led force in Somalia and the United Nations-led force in Somalia.

(b) INFORMATION ON COSTS AND OTHER CONTRIBUTIONS.—Each report pursuant to this section shall specify (to the extent such information is available to the United States)—

(1) the amount of the incremental costs incurred by the United States as the result of its participation in the United States-led force in Somalia or as the result of its participation in or military operations in support of the United Nations-led force in Somalia;

(2) the amount of other in-kind or financial contributions pledged, and the amount of such contributions made, by each participating country toward the costs associated with the United States-led force in Somalia and the United Nations-led force in Somalia, including contributions to the United Nations Trust Fund for Somalia and excluding amounts reported pursuant to paragraph (3);

(3) the amount assessed by the United Nations to the United States and each other country for its contributions to the costs associated with the United Nations-led force in Somalia;

(4) the amount received by the United States and each other country as reimbursement from the United Nations, including reimbursements from the United Nations Trust Fund for Somalia, as the result of its participation in the United States-led force in Somalia; and

(5) the amount received by the United States and each other country as credit against an assessment described in paragraph (3) from the United Nations for costs that it incurred as the result of its participation in or military operations in support of the United Nations-led force in Somalia.

(c) REIMBURSEMENT OF COSTS INCURRED BY THE UNITED STATES IN SOMALIA.—It is the sense of the Congress that the President should seek to ensure that incremental costs incurred by the United States in connection with the United States-led force in Somalia and in connection with the United Nations-led force in Somalia are reimbursed to the maximum extent possible by the United Nations and other members of the international community. Each report pursuant to this section shall review all actions taken by the United States to achieve this objective.

(d) REPORTING DATES AND PERIOD COVERED BY EACH REPORT.—A report pursuant to this section shall be submitted—

(1) not later than 1 month after the date of enactment of this joint resolution, covering the period ending on the last day of the penultimate month preceding the enactment of this joint resolution; and

(2) not later than 12 months and 24 months after that date, covering the 12-month period following the period covered by the preceding report pursuant to this section and also providing cumulative information.

SEC. 7. DEFINITIONS.

As used in this joint resolution—

(1) the term "United Nations Force Commander in Somalia" means the commander appointed by the Secretary General of the United Nations to command the United Nations-led force in Somalia;

(2) the term "United Nations-led force in Somalia" means the expanded force (commonly referred to as "UNOSOM II") authorized by paragraph 5 of United Nations Security Council Resolution 814 (1993);

(3) the term "United Nations Trust Fund for Somalia" means the trust fund established and maintained pursuant to United Nations Security Council Resolutions 794 and 814; and

(4) the term "United States-led force in Somalia" means the force (commonly referred to as the "Unified Task Force" or "UNITAF") authorized by United Nations Security Council Resolution 794 (1992).

Amend the title so as to read: "Joint Resolution to authorize the use of United States Armed Forces in Somalia to implement United Nations Security Council Resolutions 794 (1992) and 814 (1993).".

The CHAIRMAN. No amendment to the substitute is in order except those amendments printed in House Report 103-97. Each amendment shall be considered in the order printed, may be offered only by the named proponent or a designee, shall be considered as read, shall not be subject to amendment, except that pro forma amendments for the purpose of debate may be offered by the chairman and ranking minority member of the Committee on Foreign Affairs, and shall not be subject to a demand for a division of the question. Debate on each amendment shall be equally divided and controlled by the proponent and an opponent of the amendment.

The Chair will announce the number of the amendment made in order by the rule in order to give notice to the Committee of the Whole as to the order of recognition.

It is now in order to consider amendment No. 1 printed in House Report 103-97.

AMENDMENT OFFERED BY MR. HAMILTON

Mr. HAMILTON. Mr. Chairman, pursuant to House Resolution 173, I offer a technical amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. HAMILTON:

Page 9, strike out lines 7 through 10.

Page 9, line 11, strike out "(13)" and insert in lieu thereof "(12)".

Page 10, strike out lines 20 through 23.

Page 10, line 24, strike out "(2)" and insert in lieu thereof "(1)".

Page 11, line 3, strike out "(3)" and insert in lieu thereof "(2)".

The CHAIRMAN. Pursuant to the rule, the gentleman from Indiana [Mr. HAMILTON] will be recognized for 15 minutes, and a Member opposed will be recognized for 15 minutes.

The Chair recognizes the gentleman from Indiana [Mr. HAMILTON].

Mr. HAMILTON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, my amendment makes two technical changes in Senate Joint Resolution 45, as reported by the House Committee on Foreign Affairs. Both changes are intended to update the resolution.

□ 1430

Both changes, so far as I know, are noncontroversial. They are intended to update the resolution to reflect the transfer of administrative and operational control of the Somalia operation to the U.N.-led forces from the United States-led forces.

The amendment strikes finding (12), which states that—

> Congress will facilitate the transfer of operations in Somalia from the United States-led force to the United Nations-led force.

That transfer is now complete, so the finding is no longer necessary.

The amendment also strikes in the authorization section the description of the use of U.S. forces "to carry out operations under the authorization provided by U.N. Security Council Resolution 794 until the transition to the U.N.-led force is completed;".

Again, that transition has been completed.

In summary then, this amendment makes two small technical changes to ensure that Senate Joint Resolution 45 is current and accurate and up to date.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Is there a Member in opposition to the amendment?

Mr. GILMAN. Mr. Chairman, while I do not have any objection, I do want to state that I support the technical amendments offered by the gentleman from Indiana [Mr. HAMILTON], the distinguished chairman of the Committee on Foreign Affairs.

As the gentleman indicated, the amendment makes technical changes to Senate Joint Resolution 45. These changes revise the resolution to take account of developments on the ground in Somalia since the passage of the resolution in committee on May 5, 1993.

Mr. Chairman, we have no objection and I urge all Members to support the technical amendment.

Mr. Chairman, I yield back the balance of my time.

Mr. HAMILTON. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. HAMILTON].

The amendment was agreed to.

The CHAIRMAN. It is now in order to consider amendment No. 2 printed in House Report 103-97.

For what purpose does the gentleman from New York [Mr. GILMAN] rise?

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. GILMAN

Mr. GILMAN. Mr. Chairman, I offer an amendment in the nature of a substitute.

The CHAIRMAN. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute offered by Mr. GILMAN:

Strike out all after the resolving clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This joint resolution may be cited as the "Authorization for Use of United States Armed Forces in Somalia Resolution".

SEC. 2. FINDINGS.

The Congress finds that—

(1) an estimated 300,000 Somalis reportedly have died of hunger or as casualties of widespread violence since the fall of Siad Barre in January, 1991;

(2) international relief agencies were unable to deliver adequate assistance to those most in need due to increasingly difficult and dangerous security conditions, including pervasive banditry and looting;

(3) the Congress expressed its support for a greater United Nations role in addressing the political and humanitarian situation in Somalia through Senate Concurrent Resolution 132 and House Concurrent Resolution 370 of the 102d Congress;

(4) the United Nations Secretary General and United States officials concluded that intervention in Somalia would be necessary to avert further massive starvation;

(5) the United Nations Security Council on December 3, 1992, adopted Resolution 794, authorizing the use of "all necessary means to establish as soon as possible a secure environment for humanitarian relief operations in Somalia";

(6) President Bush on December 8, 1992, began deploying United States Armed Forces in Somalia in response to United Nations Security Council Resolution 794;

(7) on December 10, 1992, President Bush formally reported to the Congress on the deployment of United States Armed Forces in Somalia;

(8) on January 15, 1993, the Department of Defense announced the beginning of the withdrawal of United States Armed Forces from Somalia;

(9) as of mid-May 1993, approximately 3,800 American servicemen and women remain in and near Somalia;

(10) President Bush emphasized that United States Armed Forces would be withdrawn from Somalia and that the security mission would be assumed by a new United Nations peace-keeping operation (UNOSOM II) as soon as a "secure environment" was created for the delivery of food and other humanitarian assistance;

(11) the deployment of United States Armed Forces in Somalia, together with those from other countries, has led to a substantial increase in the delivery of humanitarian assistance and has opened up access to more remote areas of the country;

(12) further starvation on a massive scale has been averted in Somalia, but there remains a need for continuing humanitarian efforts under UNOSOM II;

(13) in a report dated March 3, 1993, the United Nations Secretary General proposed that the transfer of command from UNITAF to UNOSOM II take place on May 1, 1993;

(14) on March 26, 1993, the United Nations Security Council adopted Resolution 814, approving the Secretary General's report of March 3, 1993;

(15) pursuant to Resolution 814, United States Armed Forces will play a key role in the UNOSOM II operation, United States Armed Forces participating in UNOSOM II will be under the command of a United Nations official, and United States Armed Forces participating in UNOSOM II will be asked to fulfill a mission in Somalia that is much broader and more open-ended than the mission originally outlined by President Bush;

(16) United States Armed Forces in Somalia are not now in a situation of hostilities or a situation in which imminent involvement in hostilities is clearly indicated by the circumstances within the meaning of the War Powers Resolution, nor is it contemplated that they will be in such a situation while participating in UNOSOM II; and

(17) the Congress has not been adequately consulted on the new United Nations mission in Somalia and has not had an opportunity to debate and consider what United States policy should be in the context of a broadened United Nations mandate for that country.

SEC. 3. SUPPORT FOR UNITED STATES ARMED FORCES IN SOMALIA.

(a) FINDINGS.—The Congress finds that—

(1) prior to United Nations-authorized operations in Somalia, over 300,000 Somalis (including one-fourth of the children under the age of five) died due to civil strife, disease, and famine, and at least one-half of Somalia's population of 8,000,000 people, were considered at risk of starvation;

(2) the number of deaths from starvation in Somalia has declined significantly since the arrival of the United States-led force in Somalia; and

(3) the United States contributed immeasurably to UNITAF, including the deployment of over 20,000 members of the Armed Forces and the loss of American lives.

(b) COMMENDATION OF U.S. ARMED FORCES.—The Congress commends the United States Armed Forces for successfully establishing a secure environment for the humanitarian relief operations in Somalia.

SEC. 4. PARTICIPATION OF UNITED STATES ARMED FORCES IN UNOSOM II.

(a) AUTHORIZATION.—The President is authorized to deploy United States Armed Forces in Somalia in order to participate in UNOSOM II, subject to subsection (b).

(b) EXPIRATION.—The authorization provided in subsection (a) shall expire 6 months after the date of enactment of this joint resolution, unless Congress extends such authorization.

SEC. 5. CONGRESSIONAL POLICY STATEMENTS.

(a) RESTORATION OF SOMALI SELF-GOVERNMENT AND WITHDRAWAL OF FOREIGN MILITARY FORCES.—It is the sense of the Congress that—

(1) the restoration of self-government to Somalia and the withdrawal of all foreign military forces from Somalia at the earliest

date consistent with the humanitarian situation in that country are fundamental objectives of the international community;

(2) to achieve these objectives, the United Nations should foster the establishment of competent local authorities in Somalia that will enable the Somali people to reclaim control of their country; and

(3) the size and scope of UNOSOM II should be reduced as quickly as local institutions and the humanitarian situation will permit.

(b) WITHDRAWAL OF UNITED STATES ARMED FORCES.—It is the sense of the Congress that—

(1) United States Armed Forces have performed a humanitarian service in Somalia that the armed forces of very few other countries could have performed;

(2) increasingly, however, the security needs of Somalia can be handled by the armed forces of other countries; and

(3) the mission of UNOSOM II established by United Nations Security Council Resolution 814 is considerably broader than the original United States objective of creating a secure environment for the delivery of humanitarian assistance.

For these reasons, and consistent with the objectives of promptly restoring Somalia self-government and withdrawing foreign military forces from Somalia, the Congress declares that all United States Armed Forces should be withdrawn from Somalia not later than 6 months after the date of enactment of this joint resolution and their functions assumed by other UNOSOM II personnel or forces to the extent required after that date.

(c) REIMBURSEMENT OF COSTS INCURRED BY THE UNITED STATES IN SOMALIA.—It is the sense of the Congress that the President should seek to ensure that incremental costs incurred by the United States in connection with UNITAF and in connection with UNOSOM II are reimbursed to the maximum extent possible by the United Nations and other members of the international community.

SEC. 6. REPORTING REQUIREMENT.

Not later than 2 months after the date of enactment of this joint resolution and at least once every 2 months thereafter until 2 months after all United States Armed Forces have been withdrawn from Somalia, the President shall submit to the Congress a report on developments related to Somalia. Each such report shall include—

(1) a statement of United States policy objectives in Somalia and an assessment of the progress that has been made in achieving those objectives;

(2) an assessment of the progress that has been made in fostering the establishment of competent local authorities in Somalia;

(3) the projected date for withdrawal of all United States Armed Forces from Somalia and an assessment of the progress that has been made toward completing that withdrawal;

(4) a full accounting of all United States incremental costs in connection with UNITAF and UNOSOM II;

(5) a full accounting of the estimated incremental costs of other countries in connection with UNITAF and UNOSOM II;

(6) a full accounting of all contributions that have been made to the United Nations Somalia Trust Fund, and all disbursements from the Fund; and

(7) a statement of the steps that have been taken, and an assessment of the progress that has been achieved, in obtaining reimbursement of the incremental costs incurred by the United States in connection with UNITAF and UNOSOM II.

SEC. 7. DEFINITIONS.

As used in this joint resolution—

(1) the term "UNITAF" means the Unified Task Force established pursuant to United Nations Security Council Resolution 794 (1992); and

(2) the term "UNOSOM II" means the international force established pursuant to the United Nations Security Council Resolution 814 (1993).

The CHAIRMAN. Pursuant to the rule, the gentleman from New York [Mr. GILMAN] will be recognized for 30 minutes, and a Member opposed will be recognized for 30 minutes.

The Chair recognizes the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Chairman, I yield myself as much time as I may consume.

Mr. Chairman, it is rare when there is disagreement within the Committee on Foreign Affairs on a foreign policy issue such as the one facing us today. We have a long, bipartisan tradition in the committee, especially in regard to emergency humanitarian crises around the world.

However, in the case of Somalia, I find myself in strong opposition to the provision of Senate Joint Resolution 45 that is very likely to provide for a long-term deployment of U.S. troops in a U.N. mission where the mission was neither debated nor approved by the Congress. And I want to make clear that my opposition is not a partisan opposition but is rather based on a fundamental difference of opinion on an important foreign policy issue.

The United States did not sign on to a plan for the national reconstruction of Somali society and the disarming of every Somali when we sent our forces there to restore order and confront the urgent humanitarian crisis. We have done our part and have done it effectively. Order has been restored, food is being delivered, and a U.N. force is now in place. It is time now for U.S. forces to come home. The United Nations has more than ample forces at its disposal to carry out its reconstruction plans.

Virtually all of us agree that United States military forces in Somalia have fulfilled the mission outlined for them by President Bush. My substitute authorizes their continued presence in Somalia for a 6-month transitional period and clearly states that all United States Armed Forces should be withdrawn from Somalia at the end of that 6-month period.

In contrast, the authorization in Senate Joint Resolution 45 runs for 12 months after the date of enactment. In addition, the Hamilton resolution strongly implies that the authorization will be extended as long as the United Nations wants. Because there is every reason to believe that the United Nations is planning to keep our forces in Somalia for a long time—perhaps as long as a decade—I urge my colleagues to think carefully before rejecting the limited authorization in my substitute with no presumption of renewal in favor of the longer authorization in Senate Joint Resolution 45 with a presumption of renewal.

My substitute authorizes the deployment of United States Armed Forces to Somalia to engage in peacekeeping only. If "hostilities"—as defined by the war powers resolution—were to break out, relevant provisions of that resolution would require the President to obtain additional authorization from Congress for our Armed Forces to remain in that country for more than 60 days.

By contrast, Senate Joint Resolution 45 provides "specific statutory authorization" under the war powers resolution for the deployment of United States Armed Forces to Somalia. This means that if hostilities break out in Somalia, the President could keep our troops in that country with no further authorization from Congress. The administration has not requested such authorization and considers it unnecessary. Why give the administration a war powers blank check when it is not even asking for one?

The transitional six-month period for the withdrawal of our Armed Forces that my substitute provides would let our commanders in the field draw down our logistical forces in a careful and deliberate way, and would enable them to send our Quick Reaction Force back to its home base.

It is also important for Members to understand that over the past 5 years, 12 new U.N. peacekeeping operations have been undertaken to end regional and national conflicts, monitor ceasefires, and help rebuild shattered societies. Seven of these were begun in 1992 alone. What we do in Somalia could well become the model for United States intervention in the many emerging hot spots around the world.

We have done more than our fair share in Somalia. With new peacekeeping operations demanding additional resources and commitments from the United States, we need to begin to set realistic and feasible limits on our humanitarian commitments around the world.

In short, my substitute is more forward-leaning in requiring the administration to protect the interests of the American taxpayer, in minimizing the risks to our Armed Forces in Somalia, and in protecting the rights of the Congress to authorize all aspects of our involvement in that country. For these reasons, I urge my colleagues to support my amendment, and I reserve the balance of my time.

The CHAIRMAN. Is there a Member in opposition to the amendment?

Mr. HAMILTON. Mr. Chairman, I am in opposition to the amendment.

The CHAIRMAN. The gentleman from Indiana [Mr. HAMILTON] is recognized for 30 minutes.

Mr. HAMILTON. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from California [Mr. LANTOS], a member of the Committee on Foreign Affairs.

Mr. LANTOS. Mr. Chairman, I thank the distinguished chairman of the committee for yielding me this time.

I want to commend him for his legislation.

I rise respectfully, but most strongly in opposition to the amendment offered by my friend, the gentleman from New York [Mr. GILMAN].

☐ 1440

I would like to put this whole discussion and the two alternatives in a broader context. With the end of the cold war, with the end of the confrontation between the Soviet bloc and our forces, we face a whole new international security situation, and in instance after instance we will find that American interests are best protected when we are part of the action of a multilateral nature with the bulk of the burden and the bulk of the cost borne by others. When President Bush decided to deploy United States forces in Somalia, all of the costs and all of the forces were American, and where we stand today is that the bulk of the forces are not American, and the bulk of the costs are borne by other nations. I would think the gentleman from New York [Mr. GILMAN] would welcome this shift. As a matter of fact, wherever we look, currently or prospectively, there will be international crises where we will have to play a role. I hope it will be a relatively minor role with the bulk of the activity undertaken by other forces. But it would be the height of irresponsibility, and absurdity and stupidity to withdraw American forces before the job is done.

We now have about 10 percent of the forces in Somalia, including 1,300 United States forces, a Quick Reaction Force. That is insurance. That is there to see to it that, should hostilities flair up, there is a capable force nipping it in the bud and dealing with it. To set an arbitrarily short time period, and the gentleman from New York knows this as well as I do, that the Somalia crisis will not be resolved in 6 months, it is obvious that it will not be resolved in 6 months; and, if we now telegraph a message that in 6 months we are out, that means that the effort, and the time and, yes, the sacrifices of American forces which have been killed in the process of this undertaking, will have been in vain.

We must indicate some degree of stability. We must indicate some degree of perseverance. The Hamilton legislation calls for a year. I hope the Somalia project will be concluded in a year. But there is not a Member in this body who thinks that in 6 months time this thing will be sealed, signed, and delivered.

I would also like to take issue with a rather important aspect of the substitute offered by my very good friend, the gentleman from New York [Mr. GILMAN]. This undertaking was begun by a Republican President, and I, for one, supported him when he decided to undertake the Somalia operation. It was continued by a Democrat President, and I support him for continuing the policy begun by a Republican President. I simply cannot understand how the gentleman in his substitute specifically praises the Republican President and implicitly criticizes the Democrat President for undertaking the same international humanitarian mission.

I think it is important for us to recognize that whenever possible we should stand together in these international crises, from Bosnia to Somalia, and there will be many more as we look ahead over the years and over the decades. It is a pity to reduce this to partisan bickering. It would seem to me that we either ought to praise both of our Presidents who supported this action or we should single out neither.

Mr. Chairman, the Hamilton proposal does the latter, and I think it is important that it prevail because it would be very unfortunate if such an issue, which has had the bipartisan support of the American people and of this body, should descend into partisan bickering.

I would also like to suggest that while my colleagues will speak at length about the relevance of the war powers resolution, I would just make one simple point about it:

There has long been debate between the executive and legislative branches on the question of shared responsibilities for major foreign policy decisions. I firmly believe, Mr. Chairman, that constitutional principles make it clear that decision making on sending U.S. troops abroad for potential combat must be shared by the executive and legislative branches. For this reason I think it is important to rely on specific statutory authority such as that provided by the war powers resolution, which the Hamilton proposal does include and the Gilman proposal does not.

Finally, Mr. Chairman, I would like to say a word about reporting requirements. I find it amusing that the side that typically talks about excessive bureaucratic procedures is calling for reporting every 2 months on a variety of factors. Chairman HAMILTON'S legislation requires reporting on the full range of issues, but reports are necessary only initially and in 12 months time so as to avoid placing unduly burdensome bureaucratic and onerous tasks on those who should be focusing, not on providing bimonthly reports to this body, but should be focusing on carrying out policy.

Mr. HUNTER. Mr. Chairman, will the gentleman yield for a question?

The CHAIRMAN. The time of the gentleman from California [Mr. LANTOS] has expired and the gentleman has no time to yield.

Mr. LANTOS. I, therefore, Mr. Chairman, yield back the balance of my nonexisting time.

Mr. GILMAN. Mr. Chairman, I yield 2 minutes to the distinguished gentlewoman from Kansas [Mrs. MEYERS], a member of our committee.

Mrs. MEYERS of Kansas. Mr. Chairman, I rise in support of the Gilman substitute. Now that the mission ordered by President Bush in Operation Restore Hope has been completed, all American forces should be withdrawn from Somalia as quickly as possible. Failure to do so will condemn our forces to a deployment that will last for years. American troops will be continuously dying in support of an impossible mission.

The objective the United Nations has established for UNOSOM II is that of disarming the rival factions, beginning long-term development and nation-building activities, and engaging in national reconciliation. Let me emphasize again, long term. The most optimistic observers say this task will take through the end of the century. If Congress is to state that strong consideration will be given to extending the authorization for American forces in Somalia should they continue to be needed, it is as certain as the sun rising in the East that the United Nations will say they will still be needed for as long as this mission lasts.

However, the United Nations is simply not capable of accomplishing this mission, not by the end of this century or the end of the next century. They will try to broker a deal between the rival clans and install a democratic system over the traditional Somali culture.

Some members of President Bush's National Security Council staff were advocating that this be part of the mission of Operation Restore Hope. General Powell convinced President Bush that this was a bad idea. Now, it appears President Clinton has decided that America should accept this mission under U.N. command. I have no reason to question the ability of General Bir to run the peacekeeping forces in Somalia, but I am not as confident about the ability of his bureaucratic superiors in New York.

Finally, I am seriously concerned about the war powers authorization contained in the bill. Other peacekeeping operations that involved American troops have not required such an authorization. The "Dear Colleague" signed by Messrs. HAMILTON, LANTOS, and JOHNSTON says Senate Joint Resolution 45 grants the same type of prior authorization under the war powers resolution as Congress approved for Operation Desert Storm. That makes our point as to why there should not be this authorization in this bill. Operation Desert Storm was a full-scale war. Yes, we found that war powers language acceptable for what President

Bush wanted to do in the gulf war. Operation Desert Storm had a clearly defined mission, one that could be accomplished in a relatively short time. UNOSOM II's mission is not clearly defined. It will take years, perhaps generations to achieve Somali national reconciliation, whatever that may be. Do my colleagues actually want to authorize that kind of commitment for American troops in Somalia? Under the command of, not Americans, but rather the United Nations? Also, remember that it was George Bush who decided when Operation Desert Storm had accomplished its mission. In this case it will be U.N. officials, who have absolutely no accountability to the American people, who will have the authority to decide whether and when our forces had accomplished their mission.

I believe that to grant this authority would be a serious mistake. Please join me in supporting the Gilman substitute.

□ 1450

Mr. HAMILTON. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from New Jersey [Mr. TORRICELLI], a subcommittee chairman of the Committee on Foreign Affairs.

Mr. TORRICELLI. Mr. Chairman, there are always foreign policy issues that for one reason or another will divide us, different priorities or views of the world, costs or ideological divisions. But surely here is one foreign policy issue upon which we can all agree: A desperate people in a poor land are driven to mass starvation by feudal warlords, and the world responds. Hundreds of thousands of lives are saved simply by opening the roads so that food can be delivered and order is established.

Among the many proud chapters of the United States and our Armed Forces, surely this must rank among them. And of the good leadership that George Bush provided in foreign policy, this, too, must be listed.

It is part of what makes America unique. Many countries would respond to opportunities to gain great wealth, conquer new lands, gain new glories. But what other nation than ours would send their sons and daughters halfway around the globe to ensure that food could be delivered, order restored, and then bring our forces home?

Indeed, our pride in our country for this selfless act can only be surpassed by our pride in our Armed Forces, 25,000 soldiers, professionally, selflessly, giving months of their lives in what they have often termed the best experience of their lives.

Now it is our responsibility to bring their efforts to a successful conclusion, to consolidate their victory over feudalism and hunger. And that is the message of this resolution. If the warlords doubt our power to remain, to see in fact this consolidation of victory, they will wait us out, no matter the time, and we will find again the same genocide by hunger that we saw before.

This 12-month authorization is what is needed as a message to them that we did not sacrifice in lives or treasure or efforts only to have them steal again the future of their people.

But it also provides cover of law in the War Powers Act. For all the frustration with the War Powers Act, for all those who have opposed it, it is still in my belief the greatest constitutional contribution of this generation to American law. It builds upon the frustrations of division in American foreign policy by assuring that no matter how small the battle, when American soldiers are placed in harm's way, this country will be united, the institutions of this Government will be together, and there will be support by the American people to bring an ultimate victory.

This resolution offered by the gentleman from Indiana [Mr. HAMILTON] ensures that cover of law for Somalia, and more. It sets a precedent. For while most Members of this House may agree today with what happened in Somalia, there is no assurance in the future that every time a President sends our forces to harm's way we will agree again. But by preserving our prerogatives in this House, by exercising the powers of the War Powers Act, we set an important precedent for the future.

But still, despite the importance of law and the significant contribution we have made to humanity, there are those who will disagree. There are those who will argue that the United States is being a policeman.

But indeed, if you cede the point, for what better cause? Only we have the power and the means to bring the world together. If we are going to err on the side of being a policeman, this was the time to err.

There are those who will argue cost, but indeed there are only 2,700 troops that remain, and indeed the financial obligation is only 10 percent of the total cost.

I ask my colleagues to support this resolution because it is the right message to the warlords, that we will not be tried out in our patience, because it honors our forces, because it preserves the prerogatives of this House and sets a precedent for the future.

When George Bush decided to send our forces to Somalia, we responded. Now Bill Clinton has asked that we complete the job that George Bush began. He deserves no less. Defeat the amendment and support the resolution.

Mr. GILMAN. Mr. Speaker, I am pleased to yield 5 minutes to the gentleman from Illinois [Mr. HYDE], a member of our committee.

Mr. HYDE. Mr. Chairman, I do not think there is any criticism of the present administration in the well-crafted amendment of the gentleman from New York [Mr. GILMAN]. I think there is recognition that the character of this mission has changed.

When our troops were sent over there it was to stabilize a country where people were starving, where food was not getting to them, and it was to assist in getting food to women and children and people in the rural areas of Somalia that, because the warlords were at each other's throats, were not able to survive.

Now, that was an in and out, a short term, get over there and do what is necessary, get the starvation level eliminated, and then for a more permanent solution, leave it to the United Nations, leave it to the Organization of African Unity, leave it to the other people.

We, after all, if we are to continue to perform this function, we ought to visit the Sudan, we ought to look at Liberia. Angola is still very explosive. Rwanda is still enduring tribes killing other tribes. Mozambique is still under fire with Renamo and other rebel groups still active. So there is no shortage of places for us to bring our troops to perform a stabilization function.

The difficulty with the amendment of the gentleman from Indiana [Mr. HAMILTON] is it presents the administration with authority it has not asked for, and it says you can stay there for 12 months, thus taking Congress totally out of play. Congress cannot do other than respect the law if this becomes law. It is a recognition, a reaffirmation of the War Powers Act.

Only twice in our history has Congress acted under the War Powers Act: once when we sent marines to Lebanon, and the other time was Desert Storm. That should be a very solemn undertaking. Here our soldiers are not in hostility nor in imminent danger of hostility.

Now, one could define that liberally if you wish, and one can walk through the District of Columbia or the city of Chicago and say you are in danger of imminent hostility. But I think the situation in Somalia is not that which is contemplated by the War Powers Act where you are going to get in harm's way imminently or you are already in harm's way.

□ 1500

This is not so. And so we do not need what the gentleman from Indiana [Mr. HAMILTON] is offering. The administration has not asked for it, and we ought not to trivialize the solemn undertaking of providing statutory authority for the Commander in Chief to exercise his constitutional powers as Commander in Chief. I just do not think this situation calls for that.

Now, the Organization of African Unity, it is quite interesting, Botswana is going to contribute 200 soldiers to this U.N. troop. Egypt, which gets $1.2

billion a year in military assistance and $800 million a year in economic support funds, is going to contribute 615 soldiers. Wow. And they are in the neighborhood with Somalia, I would remind my colleagues.

We also have Namibia with 196. They are likely to contribute that. Nigeria, 562; Uganda, 300; Zambia, 500; Zimbabwe, they are the biggest player there, they will provide 912 soldiers to this U.N. force.

Now, the U.S. contribution to this force is 3,800—not what the gentleman from New Jersey [Mr. TORRICELLI] has said, 2,700 plus 1,300 marines in a rapid reaction force, not under U.N. command but in the neighborhood.

Now, under the bill of the gentleman from Indiana [Mr. HAMILTON], we will be there 12 months, authority to keep our troops there. That is not what George Bush had in mind. We will be there as the biggest force, whereas Egypt and the other countries over there that get, I might add, a lot of money from the international financial institutions as well as bilateral aid, will be contributing a fraction of what the United States does.

What happened to burdensharing? Where is the money going to come from? We are going to take it from the military budget, the defense budget, operations and maintenance. We are going to further emasculate and eviscerate our defense establishment to pay for this.

It is not necessary. It is not required. The amendment of the gentleman from New York [Mr. GILMAN] provides a 6-month time period. I do not like any time limit period. I think the President has the authority, as Commander in Chief, to send the troops there. If we do not like it, we can pass a bill withholding funds for that operation.

Meanwhile, he is the Commander in Chief. We do not need the Hamilton amendment. Gilman is infinitely superior.

I ask that my colleagues support Gilman.

Mr. HAMILTON. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Oklahoma [Mr. McCURDY].

Mr. McCURDY. Mr. Chairman, I rise in support of Senate Joint Resolution 45, the joint resolution authorizing U.S. Armed Forces to support U.N. operations in Somalia and to oppose alternatives or amendments that would mandate unreasonable deadlines for a U.S. withdrawal.

Our efforts in Somalia have been a resounding success. U.S. forces have ended the civil war, reestablished order, and saved millions of innocent people from starvation. Operation Restore Hope will serve as a source of pride to the American people and the U.S. military, and a ray of hope to impoverished people around the world. It is a prime example of the good U.S. Armed Forces can do in the post-cold-war era.

Now, as we planned from the beginning, primary responsibility for peace in Somalia is being transferred to the United Nations. It, and not the United States, will bear the primary burden of the continuing U.N. operation. Of the 25,000-30,000 U.N. troops that will remain in Somalia, less than 4,000 will be United States forces. But they will play a critical role, providing the sort of logistical support and quick-response military muscle that remain areas of unique U.S. competency.

By underwriting U.N. operations for an additional 12 months, this resolution will make a major contribution to peace. The longer the U.N. operation continues, the more likely it is that Somali community leaders—clan elders, businesspeople, clerics, teachers, and others—will be able to overcome the violent factions and rebuild a civil society based on peace and justice.

Far from burdening the United States with expensive foreign entanglements, Operation Restore Hope is a perfect example of how we can unburden ourselves from the role of world policeman. As international organizations like the United Nations grow in strength, they are relieving the United States of the need to conduct peacekeeping and peace enforcement operations on its own. The United States leadership required during the early stages of this process—whether in Somalia or the Persian Gulf—is a wise investment.

And that investment is already paying off. In a dozen peacekeeping efforts around the globe, from Bosnia and Angola to Cambodia and the Middle East, over 50,000 troops under U.N. control are working to create a more stable and peaceful world. Very few U.S. troops participate in those operations.

Withdrawing from Somalia now would be irresponsible, endangering the stability we have so carefully crafted over the past months and wasting the hundreds of millions of dollars we have already spent on the enterprise. It would place at risk the lives of millions of Somalis, undermine the growing strength of the United Nations, and raise severe questions about our credibility as an international actor. And such a step would be an insult to the American soldiers, sailors, airmen, and Marines who labored so hard, and at such great personal risk, to craft a lasting peace.

It is with these thoughts in mind that I urge my colleagues to support Senate Joint Resolution 45 as reported by the Committee on Foreign Affairs.

Mr. GILMAN. Mr. Chairman, I yield myself such time as I may consume.

I would like to respond in brief to several points that have been made with regard to this legislation.

First, it was noted that the UNOSOM II role for the United States is far more limited and restricted than was the U.S. role under Operation Restore Hope.

Yet, Senate Joint Resolution 45 expresses support for comprehensive U.N. efforts to rebuild Somali society and create democratic institutions in the country. It strongly implies support for a U.N.—and a United States—military presence in Somalia that some experts estimate could extend into the next century.

The provisions in my substitute specifically state that the restoration of a government in Somalia should be a key U.N. objective and that all foreign forces should be reduced as quickly as the local institutions and the humanitarian situation will permit. And, most importantly, that U.S. forces should be withdrawn in 6 months time.

It is not at all apparent to this Member that we can speak of a limited United States role in Somalia in the context of a complex, nation-building mandate for UNOSOM II that is one of the most ambitious U.N. operations in history.

Second, it was pointed out that the United States is vitally needed in this U.N. operation. Yet, the State Department's most recent list of troop-contributing countries shows that the United Nations has a sufficient number of troops to do the job without U.S. participation. More than troops, what the U.N. needs now are civilians, including administrators, engineers, and development experts.

Third, the chairman of our committee, the gentleman from Indiana, pointed out that the Congress must assume its responsibility in committing U.S. troops in partnership with the President. But this is no easy task because the administration has failed to answer repeated inquiries from the gentleman from South Carolina, the distinguished ranking member of the Armed Services Committee Mr. SPENCE, concerning the details of the command and control arrangement under UNOSOM II.

Mr. Chairman, I ask my colleagues to consider who will have operational control over our troops? How and under what conditions will our Quick Reaction Force be deployed? We need to get answers to these and other questions before we enter into any long-term commitment in Somalia.

Finally, in regard to the cost of the Somalia operation, we've already spent close to $1 billion on our overall relief and military operations in that country. By the end of next year, the total will rise to about $1.8 billion—with $1.4 billion spent on military operations alone.

It is not at all clear to this Member that the American people are willing to sustain this level of commitment for peacekeeping operations in one country. Just 2 weeks ago, the Appropriations Committee failed to include the administration's request for $300 million in supplemental funding for United States support for U.N. peacekeeping operations, including $103 million for Somalia in particular.

With regard to peacekeeping, our commitments are outrunning our resources. In 1990, U.S. peacekeeping costs totaled $81 million. This year they could reach $1.5 billion. Given the ambitious scope of UNOSOM and the high costs associated with every aspect of its operations, the United States will be asked to contribute significant annual assessments that are likely to continue into the next century. Unless and until the administration does a better job of prioritizing our peacekeeping efforts, Congress should not be called upon to rubberstamp them one after another.

And which nations are next? Which nations are facing calamitous conditions similar to Somalia? Sudan, which faces internal chaos and massive starvation? Cambodia, which has been terrorized by the Khmer Rouge for years? Is the United States in a position to commit thousands of troops and billions of dollars to rebuild these nations? Or are we raising false expectations?

Unless the administration does a better job of prioritizing our peacekeeping efforts, it is not clear that Congress is prepared to approve all of these requests.

In response to the comment by my good friend, the gentleman from California [Mr. LANTOS], that my substitute engages in partisan bickering. It does no such thing. It merely observes something that is obvious to anyone who has followed the events in Somalia—that our policy has changed.

President Bush ordered a quick intervention to confront the humanitarian crisis in that country. It was intended that our U.S. forces were to be withdrawn quickly and replaced by U.N. peacekeepers. Now, however, the U.N. mission in Somalia has been expanded, and the State Department advises that United States forces will be in Somalia for at least another 17 months. I do not intend to praise President Bush or to criticize President Clinton by this resolution. I merely want to register the disagreement of the Congress with this change in our Nation's policy toward Somalia.

□ 1510

Mr. Chairman, I am pleased to yield such time as he may consume to the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. Mr. Chairman, I rise in strong support of the Gilman amendment.

Mr. Chairman, the debate on this Somalia resolution marks a very important turning point in American foreign policy, because it concerns the use of American forces under U.N. command. And, Mr. Chairman, the use of U.N. peace-keeping forces in this post-cold-war era is becoming more and more frequent, as new international instabilities arise.

Mr. Chairman, while the United States has a continuing role as a world leader in this new era, I think we owe it to ourselves, and the American people, to consider very carefully this new use of American forces under U.N. command, and what it may portend, both for those troops, and for the larger American security interests.

In Somalia we have played a very valuable role, pursuant to U.N. Security Council Resolution 794, to provide a secure environment for humanitarian relief operations. But I would point out that those 20,000 American troops operated under U.S. military command.

Now, however, the remaining U.S. troops will be operating under a U.N. command, and under a new and broader U.N. mandate, as contained in Security Council Resolution 814. Mr. Chairman, as the Republican substitute notes in its findings, this new operation, called UNOSOM II, "is much broader and more open-minded, than the mission originally outlined by President Bush."

It goes beyond the original mandate of providing a secure environment for humanitarian relief efforts. In Resolution 814, the United Nations is committing itself to the more daunting tasks of establishing a democracy, an infrastructure, and of disarming warring factions.

Mr. Chairman, the Republican views on this joint resolution correctly state that the Congress should be involved in any decisions regarding the deployment of any U.S. forces abroad, and a resolution is an appropriate mechanism for such involvement.

But the Republican views go on to warn that the Congress should not feel bound, and I quote, "to provide a blank check to the executive branch, and even more importantly, a blank check to the United Nations for an open-ended commitment of United States Armed Forces to that country."

And yet, Mr. Chairman, that is exactly what we are being asked to do today by the Democrat resolution. Section 2, paragraph 11 of the resolution says, and I quote, "The Congress should authorize any use of United States Armed Forces to implement United Nations Security Council Resolutions 794 and 814."

Mr. Chairman, that comes about as close to being a blank check as you can get. That authorization, combined with the language in paragraph 13 of section 2, does not bode well for an expeditious withdrawal of our forces.

Mr. Chairman, if the United States is going to get into the business of providing security cover for every country that may need it, while it attempts to develop its political institutions and its infrastructure, we could end up bogged down in many far corners of the world for indefinite periods of time. And, Mr. Chairman, this is all being done at the same time that we are undergoing a significant down-sizing in our military establishment, far deeper than I think is prudent.

We must step back now, and ask ourselves just what our vital security interests are, and just how much we can and should be doing. This resolution is not the way to go about such a reassessment of our military role and capabilities, in this new era. Unless the Republican substitute is adopted, I would strongly urge the defeat of Senate Joint Resolution 45.

Mr. GILMAN. Mr. Chairman, I thank the gentleman for his supporting comments, and I reserve the balance of my time.

Mr. HAMILTON. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. TUCKER].

Mr. TUCKER. Mr. Chairman, first of all I would like to congratulate the chairman of the full committee, the gentleman from Indiana [Mr. HAMILTON], for bringing this proposal to the floor. Obviously we all have been concerned about Somalia and the devastation that has gone on there in the past few years.

Of course, Mr. Chairman, this should not be, and I hope it is not, a partisan or a political position on this issue. President Bush did ask for our forces to instigate and to initiate in December 1992. The question before us now is whether or not an authorization should go beyond 6 months.

One of the things, Mr. Chairman, that has been confused by this discussion here is this question of 12 months as opposed to 6 months, because what the bill talks about is a 12-month authorization from the time of deployment. The time of deployment was December 1992, so the 12 months would take up into the end of 1993, in December. What that indicates is that we are already in essence at the 6 month period next month, in June.

Mr. Chairman, we need this extension, and I would respectfully but strongly oppose the Gilman amendment. We need this extension because the interests of Somalians and the interests of peacekeeping around the world will be secured and will be adequately supported by the Hamilton proposal.

If we do not extend for these next 6 months, we will be sending a very bad message and we will be sending a very bad precedent to the UNISOM II efforts, and to any other united peacekeeping efforts as it relates to the United Nations.

By us putting in and by putting in clearly and definitively, the other countries are also putting in their contributions. If we pull out now, it will set a dangerous precedent for any future peacekeeping forces.

We have heard opponents on the other side indicate that this problem cannot be solved in 12 months or 6 more months after June. If that be the case, then we need to be about the business now of extending it for 6 more months so we can do everything that we can in the short amount of time that we can to help the people out in Somalia, to protect their food, to protect them from any resumption of violence, and to protect any kind of rehabilitation.

In short, Mr. Chairman, I believe it is extremely important that we make sure that we do not set a dangerous precedent and do not abort and abandon the kind of collaborative efforts that we need to keep peace clear around the world. If we do this at this point we are going to set such a bad precedent that we will look up, and whether we are talking about Sudan or any other place around the world, no one will want to join forces with the United States.

The United States, when it joins in with the U.N. collective and collaborative peacekeeping forces, is not guaranteed of commanding those forces. Therefore, the argument that says that we will allow this extension of war powers authorization without having a control and command is a specious one. I think we should concentrate on the real issue, and that is, we should finish the job we started, the job that was started by President Bush, the job that now will be finished under the Clinton administration, and the small price we have to pay at this point to do that I think is justified by the faces of the poor Somalians who look to us for support.

Mr. GILMAN. Mr. Chairman, I am pleased to yield a minute and a half to the gentleman from Texas [Mr. BONILLA].

Mr. BONILLA. Mr. Chairman, I rise in support of our independence and freedom, and ask all my colleagues to vote against both the Democratic committee bill and the Republican substitute authorizing United States forces in Somalia.

This is not an easy request to make as I recognize the fine work the minority members of the Foreign Affairs Committee have done in making sure that United States forces do not end up permanently deployed in Somalia. I sincerely appreciate my colleagues fine work.

Nontheless, as I told fellow members of the Texas delegation last week, I believe both measures contain an unacceptable flaw.

Passage of either the resolution or the substitute represents congressional endorsement of the precedent of putting U.S. troops under U.N. command.

This precedent represents a profound and disturbing change from the integrated NATO military command, as the United Nations is a political, not military institution.

I do not believe that the American people want us to vote to put the destiny and lives of American troops in the hands of U.N. commanders.

In this Chamber is a picture of our first President, General Washington. I believe General Washington would have told us to vote for country, not party, and vote against both the Republican and Democratic versions of the bill.

The committee report explicitly states: "this UNOSOM II command and control is unprecedented because of foreign commander will have operational control over U.S. logistics forces."

I cannot endorse putting American lives under U.N. control in Somalia or Bosnia or anywhere else and I will vote "no."

I urge my colleagues to honor General Washington's legacy and join me in voting against the substitute, the bill, and any future legislation which puts American lives in foreign hands.

The CHAIRMAN. The Chair would announce that the gentleman from New York [Mr. GILMAN] has 7½ minutes remaining, and the gentleman from Indiana [Mr. HAMILTON] has 13 minutes remaining.

Under the rules of the House, the gentleman from Indiana [Mr. HAMILTON] will be allowed to close debate.

Mr. HAMILTON. Mr. Chairman, I yield 3 minutes to the gentleman from Florida [Mr. JOHNSTON], the distinguished chairman of the Subcommittee on Africa of the Committee on Foreign Affairs.

Mr. JOHNSTON of Florida. Mr. Chairman, sitting here listening to this debate, I almost think I am in a time warp, back in 1953, and somebody is going to have a sign outside the Chambers, "Impeach Earl Warren and get the United States out of the United Nations." It is almost incredulous.

I hope the gentleman from New York [Mr. SOLOMON] heard the previous speaker here when he said, "Even under the Gilman amendment, the troops will be under a Turkish general." He said that, a Republican.

We debate the War Powers Act. My gosh, if we ever want this establishment, the U.S. Congress, to be relevant to the situation, then we acknowledge the fact that the War Powers Act is the law of the land. It was passed under President Nixon, he vetoed it, it was overridden by this body and by the U.S. Senate, and it is imperative that we exercise the War Powers Act.

Did we exercise it when there was an invasion of Grenada by President Reagan? No, we did not. Did we exercise it when Panama was invaded? No, we did not. It is time that the U.S. Congress step forward and resume the powers given to it by the law and by the Constitution of the United States.

The mission there in Somalia is not completed. Let me emphasize, and in the statement of the gentleman from New York [Mr. GILMAN], he said, "The administration this, the administration that," and he repeated it seven times. Remember that on January 20, the date of the inauguration when the Democrats took power of the White House, there were 26,000 troops sitting there in Somalia. There are less than 4,000 today.

I do not have any apprehension of putting 4,000 troops under the command of a Turkish general picked by the United Nations when there is a reserve force sitting out in the Red Sea commanded by the United States, ready to attack if those troops are in any problems.

□ 1520

The 6 months versus 12 months is a compromise. The administration does not want any time restraints on it. The Republicans want 6 months. I think 12 months is a good compromise.

I strongly recommend that we defeat the Gilman amendment and pass the resolution.

Mr. GILMAN. Mr. Chairman, I am pleased to yield 3 minutes to the gentleman from California [Mr. HUNTER].

Mr. HUNTER. Mr. Chairman, I think the previous three or four speakers have framed this issue fairly effectively with respect to command and control of American troops, which is a very, very important issue for the American people. And first I think it is important to review some of the debate that has taken place to understand in fact that some American troops will be at times under the tactical command of foreign leaders.

I am quoting from the debate of May 20, the gentleman from Indiana [Mr. HAMILTON], where he says:

> The U.S. quick reaction force, that is the 1,300 troops I referred to a moment ago, will remain under U.S. operational control, although they may receive tactical orders in the field from a U.N. sectional commander.

My colleagues, tactical orders in the field is a euphemism for ordering into battle. That means to go to certain places where you may be fired upon, where you are being fired upon, where you put yourself in harm's way. It could mean going into an area where there is extreme sniper fire. It could mean going into an area where there is a good likelihood of there being an ambush. I means risking American men and women in combat, and we have to understand that because this is an open, honest, and candid debate.

I am informed that actually, and I think this point was made by the last gentleman, that we already have essentially American forces, young American men and women, under this type of command by U.N. leaders. And if somebody has different information, I would like them to give it to my colleagues at this time. But I understand that as recently as May 4 this situation already exists. So we are placing American men and women there.

And is it not interesting, my colleagues, and I have listened to a couple of members, good members of this committee talk about our young Americans now as being honorable, unselfish, caring, and noble, which of course they are and they have been, young Americans in uniform. For the last several weeks during this debate over whether or not we should force them to serve with homosexuals, they have been referred to, and I am referring to that 80 percent or so of young people who do not want to see the ban lifted, as homophobics, prejudiced, reactionary, and unenlightened, but we are now going to prove that they really all along have been honorable, unselfish, caring, and noble, which, they are, and to prove that we are going to put them in harm's way in Somalia.

I do not believe in the restraints that the War Powers Act attempts to place around the President of the United States, the Chief Executive, and so I would not do anything to validate that act. However, at this point it appears that we have a situation, a status quo which will be extended by Hamilton, which will be extended to some degree, 6 months by Gilman, and only 30 days by Roth, in which young American men and woman can be placed into a dangerous situation, into a combat situation by a foreign commander. And considering the fragility under which our volunteer service exists today, I think that that is an onerous burden and a burden which does not coincide with our constitutional adjudication of power to the Commander in Chief, to the President of the United States as our leader of the armed services.

Mr. GILMAN. Mr. Chairman, I thank the gentleman for his supporting comments.

Mr. Chairman, I am pleased to yield 3 minutes to the distinguished gentleman from Indiana [Mr. BURTON], a member of our Committee on Foreign Affairs.

Mr. BURTON of Indiana. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, I remember a few years ago when we were asked to keep our marines in Beirut beyond a period of time that we thought we should keep them there, and many people in this country will remember a terrorist with a truckload of dynamite running through a barricade and going into the place where these people were lodged, blowing up this facility and killing 237 marines.

I believe we could experience a similar situation if we allow our troops to stay for an indefinite period of time in Somalia. President Bush said when we sent our troops to Somalia to feed the hungry masses over there, to stop the marauding gangs from keeping these people from getting their food, that we would be out by inauguration day. Here we are almost into June and we are trying to pass a piece of legislation that will keep them there indefinitely.

Many say this will not keep them there indefinitely. The CIA has said that in order to reach the U.N. mandate we would probably have to keep them there to the year 2000.

And listen to what the legislation says. It says,

> The Congress will give strong consideration to extending the authorization for the use of United States armed forces to implement Resolution 814, should such continued use be necessary to ensure the success of the United Nations-led force in Somalia.

Remember, the CIA said they would have to stay there probably through the next 6, 7, to 8 years to accomplish their mission, and this legislation says we will give strong consideration to keeping our troops there to comply with this resolution.

We have 3,800 troops there. They have performed their function well. There is no need to keep almost 4,000 American troops there for an indefinite period of time, and in addition to that, under foreign command.

I believe that the people of this country believe the mission has been achieved. The people are getting their food, the starving masses are being fed. This should be turned over to the United Nations, and we should bring our troops home. We should not let them sit there like sitting ducks that sat in Beirut back 10 or 12 years ago when we saw 237 of them killed.

I think that we should support the Gilman amendment because the Gilman amendment gets them out by a date certain, in 6 months. In no more than 6 months we will have them home.

If we follow the Hamilton substitute, we are going to keep them there for an indefinite period of time. And mark my words, there will be a lot of young men and women that will not be coming home on their own two feet. They will be coming home in body bags, and we will all be saying why.

They have accomplished their mission. Let us bring them home.

Mr. HAMILTON. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. EDWARDS].

Mr. EDWARDS of California. Mr. Chairman, I thank Chairman HAMILTON for giving me this time.

Mr. Chairman, I rise today in strong support of Senate Joint Resolution 45, authorizing the use of American forces in UNOSOM II, the United Nations-led relief effort in Somalia. Our committee and subcommittee chairmen, LEE HAMILTON, HARRY JOHNSTON, and TOM LANTOS, are to be commended for bringing to the House floor a very thoughtful and well-balanced resolution.

Senate Joint Resolution 45 carefully addresses situations in which American troops are participating in a U.N. peace-keeping force. Surely the authority to send U.S. troops into potentially hostile situations is within the province of Congress under the War Powers Act. If we do not invoke the War Powers Act under these circumstances, we take a step toward forfeiting the prerogatives of the representative branch of government.

Despite what some may argue, this resolution authorizes U.S. participation for a limited time. Should the President decide after 1 year that the presence of our servicemen and women is still needed in Somalia, he must seek approval from Congress for an extension.

We cannot predict future conflicts around the world and should not commit the United States to act as the police for those conflicts. However, it is unlikely that efforts to promote and maintain peace around the globe will be successful without American involvement. Senate Joint Resolution 45 is a judicious resolution that affirms our commitment to peace. I urge my colleagues to support Senate Joint Resolution 45 and oppose the Gilman amendment.

Mr. GILMAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, in closing this debate, I urge my colleagues—do not lose sight of the fundamental difference between my substitute and the Hamilton resolution. It is not so much a matter of 6 versus 12 months as it is a question of sorting out our national interests from our international obligations.

As articulated by President Bush, we signed on to a mission to save lives and restore hope to a shattered nation. Our American Armed Forces accomplished this humanitarian mission in Somalia. We take pride in a mission well done.

No one is suggesting that the United States should walk away from the problems in Somalia or from our obligation to support the U.N. operation in that country, but in this effort, no vital American interests are at stake that require any long-term American troop peacekeeping presence.

There are practical limits to what the humanitarian intervention can accomplish in Somalia and most agree that the United States has done more than its fair share in providing food and humanitarian relief to this country.

Now is the time for other nations to provide their troops in support of this operation. I ask my colleagues to support removing our troops from Somalia within 6 months.

Mr. MICHEL. Mr. Chairman, I rise in favor of the substitute offered by the ranking minority member of the Foreign Affairs Committee, Mr. GILMAN of New York.

I believe his approach is more in keeping with the original intentions of our military mission in Somalia.

In my view, this is not a case where self-evident truth is on one side and total error is on the other.

Foreign policy is not a science. We should not expect to find certitude where reasonable doubt is about as much as you can hope for.

Having said that, I believe the substitute offered by Mr. GILMAN fits the facts of this particular case more closely than the approach of the majority.

Above all, the Gilman substitute has one virtue that is lacking in Senate Joint Resolution 45: I refer to the virtue of decisiveness.

The Gilman substitute states that:

> The Congress declares that all United States Armed Forces should be withdrawn from Somalia not later than 6 months after the date of enactment of this joint resolution * * *

This direct, unambiguous language stands in stark contrast to that of Senate Joint Resolution 45, which commits the Congress to give strong consideration to extending the authorization beyond the initial 12-month period.

The Gilman substitute has firmness, specificity, and directness. The committee approach is open-ended, vague, and lacks clarity.

In theory there might be some justification for giving the administration what amounts to a blank check.

But in this particular case, prudence dictates that the sooner we get American troops out of Somalia, the better.

President Bush sent them to do a job. The job is done. President Clinton should bring them home.

The time has come to gather up the loose ends of this successful humanitarian mission, and send our men and women home in 6 months or less.

This is what the Gilman substitute will do, with the kind of firmness and directness that marked the operation itself.

That is why I am in favor of it and why I urge our colleagues to vote for it.

□ 1530

Mr. Chairman, I yield back the balance of my time.

Mr. HAMILTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Chairman, first of all, let me express my appreciation to the gentleman from New York, the ranking member of the Committee on Foreign Affairs. He was quite right when he said earlier that he and I do not usually disagree on foreign policy matters. We do disagree on this particular amendment, but I do want to express my appreciation to him for the very excellent and effective service he gives to the Committee on Foreign Affairs as the ranking member.

Mr. Chairman, I also want to express a word of appreciation to the two subcommittee chairmen who shaped this resolution, the gentleman from California [Mr. LANTOS], chairman of the Subcommittee on International Security, International Organizations and Human Rights, and the gentleman from Florida [Mr. JOHNSTON], chairman of the Subcommittee on Africa. Both did marvelous work in putting together the resolution.

Now, I think there are several points I would like to make about the Gilman substitute. The first point simply is that Senate Joint Resolution 45 fulfills our constitutional responsibilities, and the Gilman substitute does not.

What Senate Joint Resolution 45 does is to require the Congress to step up to its constitutional responsibilities, assume our role as a partner on the most important decision that government makes, the decision to send American men and women into possible combat. The Gilman substitute, by sidestepping the war powers question, negates the role of the Congress as a constitutional partner in this decisionmaking process.

Senate Joint Resolution 45 includes a war powers resolution, because the purpose of the war powers resolution is to engage the Congress in the process of consultation before and not after the hostilities have occurred. Congress plays a key role under Senate Joint Resolution 45. It does not play a key role under the Gilman substitute.

They have argued on the other side two different positions. The first position is that the President has sufficient authority to deploy troops into combat without congressional authorization on the basis of the Commander-in-Chief clause. That is a respectable point of view. You can make that point of view. I do not happen to agree with that.

I think, under the Constitution, if you make this grave decision the Congress ought to participate in it.

The other point they make is that the President should come back to request special authorization if U.S. troops are to engage in hostilities. Congress then plays a role only after the fact, and in my judgment that is not living up to its responsibilities and stepping up to its responsibilities as the Constitution provides.

The War Powers Act is the existing law. We have a lot of differences of opinion in this institution about the War Powers Act, but it is not our responsibility individually to make a judgment whether the law is constitutional or not. It is the law, and we should then seek to apply it.

Of course, the executive branch is not going to apply the war powers resolution. If the war powers resolution is going to be applied, it is going to be applied by the Congress or not at all. If you do not use the power, then the power is going to be lost. The power is going to be eroded, and we are in a serious situation with respect to that, in my view.

Senate Joint Resolution 45 grants the same type of prior authorization under the War Powers Act as Congress approved for Operation Desert Storm, and many of those who are opposing Senate Joint Resolution 45 found similar war powers language acceptable at the time of Operation Desert Storm.

So the first point then is that we have to step up to our consitutional responsibilities, and Senate Joint Resolution 45 is the way to do it.

The second point is that we have got to have authority to get the job finished in Somalia. To complete the task that President Bush, I think rightly, committed the United States to do, we have got to ensure a smooth transition to this U.N. force, UNOSOM II, and in order to do that, you have got to have sufficient time.

We are not writing a blank check here. We are not giving unlimited time. I agree with the minority when they say we should have a limited amount of time. I do not happen to agree with the administration when they say our commitment ought to be open-ended.

The question is: What is a reasonable amount of time? The United States is now trying to recruit nations to participate in UNOSOM II. In order for us to be credible in that request that other nations participate, we have to show some staying power ourselves. In our judgment, 12 months is sufficiently long to show the U.S. commitment to UNOSOM II, but it is sufficiently limited in time to make clear that Congress is not endorsing an open-ended involvement.

Many of the comments made by the minority express a concern and a fear that we are going to be there ad infinitum. I agree with that concern. I understand that fear. But may I suggest to you that 6 months is simply too short. If you extend for 6 months now, the time would run out right at the end of the year when the Congress is completing its business, and that would not be a very satisfactory time for us to deal with this.

Let us give the administration a reasonably sufficient amount of time, 12 months, to get all of the troops out.

Now, one other point with respect to this blank check: The U.S. role in UNOSOM II is a very limited role. The minority is right when they say that the U.N. mandate is broad. It is a broad mandate. But the role of the U.S. troops is not broad. It is limited to two functions.

The first function is a logistical function. That is the purpose of the 2,700 logistics troops.

The second function is the combat force, the quick reaction force. That is a very limited role for the United States. It is narrowly defined. It is not a blank check and Senate Joint Resolution 45 endorses a declining role for U.S. forces.

We had 25,000 troops in Somalia as part of Operation Restore Hope, and under UNOSOM II we will have 2,700 logistical troops and 1,300 as a quick reaction force.

It is also important to point out, if you are worried just about money, that the cost for the operations in Somalia will be reduced significantly in the transfer from Operation Restore Hope to UNOSOM II.

Now, there has been a good bit of conversation about the cost of United States efforts in Somalia under UNOSOM II. Let me simply point out that the U.S. peacekeeping assessment for UNOSOM II remains the same whether or not U.S. troops participate. It is part of our obligation to the United Nations. So you are not saving any money here by voting for the Gilman substitute. The fact is that in 1993 the cost to the United States, as nearly as we can estimate it, was about $1.2 billion. In 1994, the cost to the United States will be something under $500 million. So that is a very, very sharp reduction in costs.

One other comment with regard to the command-and-control situation: The statement has been made on several occasions here that U.S. forces ought not to be under foreign command. There is not any doubt that this is an unprecedented situation, and that is one reason it is very important for the U.S. Congress to act. This will be the first time that U.S. forces will be under foreign command in the context of a U.N. peace enforcement operation.

The deputy UNOSOM II commander is Gen. Thomas Montgmery. The U.N. commander is the choice of General Powell.

The point simply is that all decisions by the U.N. commander involving United States forces in Somalia must have General Montgomery's concurrence, and therefore United States concurrence.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from New York [Mr. GILMAN].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. GILMAN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 179, noes 248, not voting 10, as follows:

[Roll No. 179]

AYES—179

Abercrombie
Allard
Applegate
Archer
Armey
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Barrett (NE)
Bartlett
Barton
Bateman
Bentley
Bereuter
Bilirakis
Bliley
Blute
Boehner
Bunning
Burton
Buyer
Callahan
Calvert
Canady
Castle
Clinger
Coble
Collins (GA)
Combest
Cox
Crane
Crapo
Cunningham
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Emerson
Everett
Ewing
Fawell
Fields (TX)
Filner
Fish
Fowler
Franks (CT)
Franks (NJ)
Gallegly
Gallo
Gekas
Gilchrest
Gillmor
Gilman
Gingrich
Goodlatte
Goodling
Goss
Grams
Grandy
Greenwood
Gunderson
Hamburg
Hancock
Hansen
Hastert
Hefley
Herger
Hobson
Hoekstra
Hoke
Horn
Houghton
Huffington
Hunter
Hutchinson
Hyde
Inglis
Inhofe
Istook
Johnson (CT)
Johnson (SD)
Kasich
Kim
King
Kingston
Klug
Knollenberg
Kolbe
Kyl
Lazio
Levy
Lewis (CA)
Lewis (FL)
Lightfoot
Linder
Livingston
Machtley
Manzullo
McCandless
McCollum
McCrery
McDade
McHugh
McInnis
McKeon
McMillan
Meyers
Mica
Michel
Miller (FL)
Molinari
Moorhead
Morella
Murphy
Myers
Nadler
Nussle
Oxley
Packard
Parker
Paxon
Petri
Pombo
Porter
Portman
Pryce (OH)
Quillen
Quinn
Ramstad
Ravenel
Regula
Ridge
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Santorum
Saxton
Schaefer
Schiff
Schroeder
Sensenbrenner
Shaw
Shays
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Stearns
Stump
Sundquist
Taylor (NC)
Thomas (CA)
Thomas (WY)
Torkildsen
Upton
Vucanovich
Walker
Walsh
Weldon
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—248

Ackerman
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Bacchus (FL)
Baesler
Barcia
Barlow
Barrett (WI)
Becerra
Beilenson
Berman
Bevill
Bilbray
Bishop
Blackwell
Boehlert
Bonilla
Borski
Boucher
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Byrne
Camp
Cantwell
Cardin
Carr
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Cooper
Coppersmith
Costello
Coyne
Cramer
Danner
Darden
de la Garza
de Lugo (VI)
DeFazio
DeLauro
Dellums
Derrick
Deutsch
Dicks
Dingell
Dixon
Dooley
Durbin
Edwards (CA)
Edwards (TX)
English (AZ)
English (OK)
Eshoo
Evans
Faleomavaega (AS)
Fazio
Fields (LA)
Fingerhut
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Geren
Gibbons
Glickman
Gonzalez
Gordon
Green
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Harman
Hastings
Hayes
Hefner
Hinchey
Hoagland
Hochbrueckner
Holden
Hoyer
Hughes
Hutto
Inslee
Jacobs
Jefferson
Johnson (GA)
Johnson, E.B.
Johnson, Sam
Johnston
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Klein
Klink
Kopetski
Kreidler
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lehman
Levin
Lewis (GA)
Lipinski
Lloyd
Long
Lowey
Maloney
Mann
Manton
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCloskey
McCurdy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Mineta
Minge
Mink
Moakley
Mollohan
Montgomery
Moran
Murtha
Natcher
Neal (MA)
Neal (NC)
Norton (DC)
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reed
Reynolds
Richardson
Roemer
Rose
Rostenkowski
Rowland
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Sarpalius
Sawyer
Schenk
Schumer
Scott
Serrano
Sharp
Shepherd
Sisisky
Skaggs
Skelton
Slattery
Slaughter
Smith (IA)
Spratt
Stark
Stokes
Strickland
Studds
Stupak
Swett
Swift
Synar
Talent
Tanner
Tauzin
Taylor (MS)
Tejeda
Thornton
Thurman
Torres
Torricelli
Towns
Traficant
Tucker
Underwood (GU)
Unsoeld
Valentine
Velazquez
Vento
Visclosky
Volkmer
Washington
Waters
Watt
Waxman
Wheat
Whitten
Wilson
Wise
Woolsey
Wyden
Wynn
Yates

NOT VOTING—10

Bonior
Conyers
Engel
Henry
Hilliard
Leach
Romero-Barcelo (PR)
Stenholm
Thompson
Williams

☐ 1602

Mr. FOGLIETTA changed his vote from "aye" to "no."

Mr. NADLER changed his vote from "no" to "aye."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. It is now in order to consider Amendment No. 3 printed in House Report 103–97 which the Chair understands will not be offered.

It is now in order to consider Amendment No. 4 printed in House Report 103–97.

AMENDMENT OFFERED BY MR. ROTH

Mr. ROTH. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. ROTH: Page 8, strike out line 11 and all that follows through line 22 on page 9 and insert in lieu thereof the following:

(8) Upon completion of the transfer of operations from the United States-led force in Somalia to the United Nations-led force in Somalia, all United States Armed Forces should be withdrawn from Somalia. Thereafter United States Armed Forces should not participate in or operate in support of the United Nations-led force in Somalia and the United States should not contribute to the costs of the United Nations-led force in Somalia.

Page 10, line 3, strike out "Congress supports" and insert in lieu thereof "United States has provided more support than any other country for".

Page 10, strike out line 14 and all that follows through line 6 on page 11 and insert in lieu thereof the following:

SEC. 4. USE OF THE ARMED FORCES IN SOMALIA.

(a) AUTHORIZATION.—The President is authorized to use United States Armed Forces to implement United Nations Security Council Resolutions 794 (1992) and 814 (1993) until June 30, 1993.

(b) WITHDRAWAL OF UNITED STATES ARMED FORCES.—All United States Armed Forces shall be withdrawn from Somalia not later than June 30, 1993. After that date United States Armed Forces shall not participate in or operate in support of the United Nations-led force in Somalia.

Page 11, line 7, strike out "(b)" and insert in lieu thereof "(c)"; and strike out line 17 and all that follows through line 2 on page 12.

Page 12, strike out line 3 and all that follows through line 20 on page 14 (section 5) and insert in lieu thereof the following:

SEC. 5. TERMINATION OF UNITED STATES FINANCIAL CONTRIBUTIONS TO UNITED NATIONS PEACEKEEPING OPERATIONS IN SOMALIA.

After June 30, 1993, the United States may not make any payment to the United Nations (including the United Nations Trust Fund for Somalia) as a contribution (either assessed or voluntary) toward costs incurred after that date for peacekeeping or other military operations in Somalia authorized by the United Nations Security Council acting under Chapter VI or VII of the Charter of the United Nations.

Page 15, line 22, after "States" insert "(subject to the limitation provided in section 5)".

The CHAIRMAN. Pursuant to the rule, the gentleman from Wisconsin [Mr. ROTH] will be recognized for 15 minutes, and a Member opposed will be recognized for 15 minutes.

The Chair recognizes the gentleman from Wisconsin [Mr. ROTH].

□ 1610

Mr. ROTH. Mr. Chairman, in the previous amendment last December, when the American people saw starving children in Somalia, the hearts of the American people were touched. Treasure, food and soldiers were sent to the starving people of Somalia. The President, at that time, told the American people that we must take action forthwith, and he sent, at the behest of the United Nations, Some 25,000 troops to Somalia.

There were those of us who were in favor of helping the people of Somalia, but we did question the length or duration of time our soldiers would have to be in Somalia.

We were told by the old administration, and it was concurred in by the current administration, that all of our troops would be out by inauguration day, January 20, 1993. Well, we all knew that would be almost impossible, but that's what we were told. So after inauguration day came and passed, we again raised the issue of when would our troops be out of Somalia. We were told that they would certainly be out by spring, or within 6 months at the longest.

Now we have a resolution before us which reads that not only are our troops not going to be out of Somalia, but we are going to keep some over 4,000 troops in Somalia, and who knows how many troops offshore in the Somalia region for at least 1 year or longer. For the next year or more, if Congress passes this resolution before us today, our troops could be in harms's way in Somalia for at least 1 year or more. I don't think that the American people would endorse this action. The American people have been told that the U.N. has taken over the responsibilities in Somalia.

Well, if that is true why not bring our troops home? Although the mandate to the United Nations was, technically, only for 6 months, it is now estimated by the U.N. officials that they are going to be expected to remain for 2 years.

The price tag for our involvement, so far, has been $1 billion. I think the American people have done their share. We took immediate action. We had our troops there not only until January 20, but for a total of over 6 months. We spent $1 billion of money which, quite frankly, we don't have. It is all borrowed money that our children will have to repay plus interest.

And so, I have an amendment before us which truly does turn over our involvement in Somalia to the United Nations. My amendment sets forth that we will remove our troops from Somalia as of June 30. Quite frankly, that is almost 6 months longer, 6 months more time than we were told was necessary when troops were first placed into Somalia last December 4.

So, this amendment even goes far beyond what was originally projected. I am very concerned about this situation, because if Congress does not set a time certain when our troops will be removed from Somalia, we are going to be there, mark my words, not only 1 year from now, or 2 years from now, but at the turn of the century, you will still have American troops in Somalia.

Now, the administration is talking about having troops in Macedonia, talks about having troops in Bosnia, and who knows where else in the world. As one of the leading Democrat spokesman for the Foreign Affairs Committee said, "We must be involved everywhere in the world." When I asked for a clarification, he was frank and candid enough to respond and say, "I said we must be involved everywhere in the world, and I meant we must be involved everywhere in the world." Many people in Congress share that foreign policy goal. However, from my reading of American public opinion, that is not the American people's perception of what our international commitments should be.

I think that if we are going to be involved everywhere in the world, we are going to be bled to death financially, we already have a $400 billion deficit, we have over $4 trillion in a national debt. We cannot keep going in this direction and not suffer grave consequences. The day of reckoning is nearly at hand. We had better be circumspect and wise in our decisions. I ask you not to be like lemmings in a mad rush to the sea. We do not want to lead America to financial suicide. We owe it to the American people, to the people who have put their confidence and trust in us that we make wise and judicious decisions, and the wise decision in this regard, with our troops in Somalia, is to have a date certain when they will be withdrawn.

After all, the American people, the United Nations and the people throughout the world have been told that this is a U.N. initiative. If it is a U.N. initiative, if it is truly a U.N. initiative, then let the United Nations truly take charge. Let us remove our troops as of June 30.

Without my resolution, without my amendment, if Congress passes this resolution, it is going to cost the American taxpayer another $1 billion in the next year. We can't spend another $1 billion after we just spent $1 billion in Somalia. We cannot be spending several billion dollars in Russia and other billions of dollars in the Republics. Can we continue to increase foreign aid? Secretary of State Christopher was before our committee and asked for an increase in foreign aid on Tuesday. I ask, when is it all going to stop? We have huge deficits. We have a huge national debt. We owe it to our people to think about the consequences of our spending. We are being bled to death. We are being smothered with debt. And, we are not being fair or truthful or honest with the people who put their trust in us, the American taxpayer.

And, that's why this amendment is so important. It is also important to be fair with our servicemen who are serving in Somalia, our service men and women who have been in Somalia since before the beginning of the year to stabilize and feed that country, who were told that they were going to be home by January 20, who were told that they were going to be home by spring, definitely after 6 months, and now we're going to keep over 4,000 of them there for at least 1 year or longer.

There is no cutoff date. We have got to have a date certain for our people who serve in uniform. We owe it to them. Our first obligation must always be to our taxpayers, and to our men and women in uniform.

The Secretary of State was before our Foreign Affairs Committee asking for an increase in foreign aid, while we're taxing Social Security, and while the majority in this Congress are going to vote for the largest tax increase in history.

At the same time, we are increasing foreign aid and shoveling billions of dollars overseas. I do not think this is the direction the American people are asking the Congress to pursue.

Quite frankly, when the Congress is scratching its head, wondering why the American people are so hostile to the people who serve in the Congress, the reason is, because the people in this Congress do not fulfill the wishes of the American people.

For example, I think the American people want a date certain for our withdrawal and let the U.N. take over this mandate. Under the present arrangements, U.S. troops are under the command of a foreign commander. This is, I think the first time that's happened. Are we really prepared to have American troops under the leadership and command of a foreign general? I think the American people want to help the starving people of the world, but, we have already spent 6 months more in Somalia than was originally assured that we were going to have to do. And, that we have already spent $1 billion.

I think the American people are saying that if the United Nations and other nations are truly taking over in Somalia, then let them take over and allow our troops to come home. We have spent $1 billion, and that's a lot of money, especially to a country like ours that does not have it. Our hearts did go out to the starving people of Somalia, but we have done our part, and then some. We have done our duty.

My amendment gives this Congress a clear choice, either to go along with the never-ending American commitment in Somalia, or draw the line and let the United Nations do their part. We have troops all over the world, we're being bled to death, we must think about our domestic commitments, too. Our American military is quickly becoming a "911" for every trouble spot in the world.

This is not a wise foreign policy. Open-ended commitments in all of these operations are not wise. They are foolhardy, we are indulging in folly, and the American people can sense this, and know this instinctively. And, that is why they are so hostile to their Congress. I am convinced that if the American people were voting in a referendum, that my amendment would be adopted, overwhelmingly.

The CHAIRMAN. Is there a Member in opposition to the amendment?

Mr. HAMILTON. Mr. Chairman, I am in opposition to the amendment.

The CHAIRMAN. The gentleman from Indiana [Mr. HAMILTON] is recognized for 15 minutes.

Mr. HAMILTON. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from New Mexico [Mr. RICHARDSON].

Mr. RICHARDSON. Mr. Chairman, I urge all Members of the House to oppose this amendment. Let me just state specifically what this amendment does. It makes sure that all United States forces are withdrawn from Somalia in 5 weeks. In 5 weeks. Even if we mandated a complete withdrawal today, it could not be completed in 5 weeks.

The amendment of our good friend, the gentleman from Wisconsin [Mr. ROTH], also prohibits the United States from making any payment to the United Nations as a contribution toward costs incurred after June 30, 1993, for peacekeeping or other military operations in Somalia.

If we were to withdraw completely as of June 30, the participation of other member states would be in jeopardy and the entire operation would fall apart.

Mr. Chairman, the head of the U.N. Command is Admiral Howe, a former member of the Bush administration and the National Security Council. He is an extremely responsible officer who desperately wants to see some kind of stability coming from the Congress so that he can complete his mission in 1 year. So to complete the task that President Bush rightly committed the United States to in December, we should simply ensure a smooth transition to a U.N.-led operation.

Our mission is not going to be complete until that environment in Somalia will remain secure for the continued delivery of humanitarian assistance so that a broader U.N. mission can be built on a firm foundation. We need to do a full job, and a minimal level of U.S. participation is going to be critical.

Mr. Chairman, I recently had the opportunity some 4 weeks ago to visit our troops in Somalia. I saw a nation that has been totally devastated by drought, by war, and by anarchy. If I had any doubts about the need of an international presence in Somalia before my visit, they were quickly erased when I saw the very difficult but important job our marines are doing.

In meeting with the marines, the United Nations, and a group of NGO's working in Somalia, I came to understand that an international presence is needed to ensure that the warlords do not take control of the country again. If there is any kind of precipitous withdrawal of U.S. forces or the U.N. operation, these warlords would take over completely and there would be more chaos and more killing.

People in Mogadishu are no longer starving or dying because of our presence. If we were to leave, the dying would begin once again.

Last December President Bush rightly committed the United States to action in Somalia. We hoped he could have the job done within a few months. Unfortunately, there remains a lot to be done. President Clinton has rightly decided to continue our presence in Somalia, but to reduce the number of American troops and to transfer major responsibility to the United Nations.

This resolution authorizes a reduced American role for the next year, but clearly extends our constructive role in trying to resolve this crisis.

Mr. Chairman, it was once said that politics ends at the water's edge. By passing this resolution unamended, as did the other body, we are going to continue a policy that is both constructive, bipartisan, and demonstrates what this country is all about.

Mr. Chairman, I urge support for the resolution and opposition to the amendment.

Mr. ROTH. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. MANZULLO], who has given this a good deal of consideration.

Mr. MANZULLO. Mr. Chairman, I rise in support of the Roth amendment. When President Bush first sent over troops to Somalia, we were supposed to be out by Inauguration Day. Our mission was to stabilize the situation until a U.N. force took over. American forces held the fort, waiting for the U.N. cavalry to arrive. That took 5 months. We paid the bill.

Our magnificent Armed forces did the job well. Food is getting to the people in Somalia. The situation is much more stabilized than was reported on our TV screens last December.

We've already spent nearly $1 billion on this operation with more expenditures on the way. We've done our fair share. In the name of fiscal sanity, it's time to bring our troops home.

The resolution before us contains at least a 1-year carte blanche for the President to do whatever with the remaining 3,600 American service personnel in Somalia. Plus, they are under United Nations command. They now take their orders from a Turkish general.

If we do not bring our troops home and cancel our open-ended commitment to the Somalia operations, we will spend another $450 million—on top of the $1 billion we have already spent. And that will go on year after year after year. We will spend billions. That is another reason to vote for the Roth amendment.

Mr. Chairman, to respect our sovereignty, it is time to bring our troops home and bring them home now. We cannot let them hang out there with the uncertainty that they may not come home for another year, or even by the end of the decade. That would be a prescription for disaster.

That's why I encourage my colleagues to vote for the Roth amendment. It would bring all our troops home from Somalia by June 30 and end the hemorrhaging of hard-earned tax dollars to a mission that has been accomplished. Support the Roth amendment. it is time to draw the line.

☐ 1620

Mr. HAMILTON. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Florida [Mr. JOHNSTON], chairman of the Subcommittee on Africa.

Mr. JOHNSTON of Florida. Mr. Chairman, let me repeat what my colleague from New Mexico said. If the Roth amendment is passed, then we pull the plug in less than 5 weeks. And if we do that, we literally collapse the organization of the United Nations being in Somalia. Because many of those countries, there are 35 countries that have committed troops to this operation, and the linchpin is the United States, even though we will have less than 4,000 troops there out of 28,000.

Now, I am the first one to concede that we cannot inject ourselves unilaterally and intervene into every civil disobedience or humanitarian operation. That is why the United Nations is so critical here, and that is why I have no fear in allowing a Turk general in command over less than 4,000 troops, when General Montgomery of the United States Army literally has a veto over his operation.

What the gentleman from Wisconsin [Mr. ROTH] is saying is that if we put 10 troops in Cambodia, then we have to be in charge. If we put 20 troops in Zimbabwe, we have to be in charge. And I could go down the whole operation here.

Everyone is, I think, misrepresenting the time limitation. Let me read from the resolution here:

> The authorization provided by subsection (a) shall expire at the earlier of the end of the 12-month period beginning on the date of enactment of this joint resolution, unless the Congress finds that continued participation is necessary.

That literally means that we have got to come back to this body to get an extension of the 12 months. The authorization expires in 12 months.

There is no ambiguity there, and I strongly recommend that we defeat the Roth amendment and pass the resolution.

Mr. ROTH. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. Mr. Chairman, with respect to my colleague from Indiana and also from New Mexico, we had full support on both sides of the aisle when we went into this area, but I would also tell my friend from New Mexico, it is Admiral Crowe, not Admiral Howe, and this is the same Clinton supporter that said we did not need any support in the Middle East, just prior to Desert Storm.

Let us look at what is really facing us. The President's budget is cutting defense $127 billion. Base closures are tearing the heart out of our military families. We are looking to possibly getting into Bosnia, even North Korea. Equipment, the military is scratching to replace its worn materials. They are trying to put homosexuals in the military, and not even our command will not be controlled by U.S. command.

They are also cutting out impact aid for education for military families. In an All-Volunteer Force, retention is important. But even with all of these above problems, the No. 1 issue in retention is family separation.

How about the 4,000 families back here in the United States? I respect my colleague from Indiana in what he is trying to do, but let me bring up some other things that are important.

There is an increase in vote on taxes on Thursday that this body is going to be voting for, $4 trillion deficit, $1.5 billion bucks per day, education cuts. The RTC next month is going to ask us for $48 billion more, and there is $150 billion coming up in health care.

If we care anything about our military families, we have destroyed and cut them to pieces enough. Let us bring them home, and let us bring them out of Somalia. I support the Roth amendment.

Mr. HAMILTON. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from New Jersey [Mr. PAYNE].

Mr. PAYNE of New Jersey. Mr. Chairman, I rise in support of Senate Joint Resolution 45 to authorize United States forces in Somalia. For the first time in many years America is viewed by the world community as helping the powerless and homeless—and without a cold war agenda.

We helped particularly women and children, who were literally too weak to speak for themselves, and who had been the brutalized victims of the ruthless male warlords.

Now we are faced with the decision to authorize this good work to be consistent with the War Powers Act which I support, but more importantly to give the administration the authority to continue our involvement in Somalia until there is a presence of peace and stability.

What we are being asked to vote on is to finish the task America set out to accomplish when then President Bush committed 28,000 troops in early December 1992. This action by President Bush was a logical step to insure the success of the food distribution program by airlift that began in August of that same year.

When I visited Somalia in November 1992 it was obvious that our airlifts were unsuccessful. As soon as food was put down on the ground it was taken by rival factions, or unaffiliated armed bands of Somali young men carrying out a campaign of fear and terror. They were heavily armed with semiautomatic rifles, and were destroying their homes and communities. They had become bandits accountable to no one.

Upon my return I stated that, and I quote:

> I hope the Somalia Tragedy is not what the New World Order is about, allowing a country to die because it is no longer strategic in the United States' political and economic interest.

I concurred with Senator NANCY KASSEBAUM that the United Nations must ensure security by sending increased U.N. troops. But, I added to that, and I quote again:

> The United States should set an example by volunteering our forces which have the capacity to arrive before it is too late.

And arrive they did. President Bush proved that the new world order really was for helping the weak against the strong as he had pointed out in the gulf war era. That the new world order really was to help people who were in need of help, which, in my community in northern New Jersey, went over very big.

We can be justly proud of the job our servicemen rendered in Somalia. A job done with sensitivity to Somali pride, and a respect for the preciousness of the human lives saved by their patience and discipline. Just the other day the independent Weekly Review in Kenya ran a headline that said "Somalia: The American Effort Was Well Worth It."

I was pleased when President Clinton gave full support to continue the job as a part of the United Nations' UNOSOM II operation in Somalia by providing logistic and related support, and to provide a tactical quick reaction force under United States command, to respond to requests for emergency assistance from the United Nations Force Commander in Somalia.

This is why we must give our new President the time necessary and the authorization of the War Powers Act to complete our humanitarian mission in Somalia. There was bipartisan support for President Bush when he started down this road to compassion for the Somalia people, and there should be bipartisan support for President Clinton in completing the task.

Mr. Chairman, I call for support of Senate Joint Resolution 45 to authorize United States forces in Somalia.

Mr. ROTH. Mr. Chairman, I yield 30 seconds to the gentleman from New York [Mr. GILMAN], who has devoted a major part of his life to these issues.

Mr. GILMAN. Mr. Chairman, I would like to commend the gentleman from Wisconsin [Mr. ROTH] for offering this amendment and for his constructive efforts on this issue as it has moved through committee to the floor.

It is clear that the gentleman and I share many concerns regarding when and under what circumstances U.S forces will depart. In addition, I share his sentiments on the significant financial costs inflicted on the United States by a continued presence in Somalia.

The CHAIRMAN. The Chair will announce that the gentleman from Wisconsin [Mr. ROTH] has 5 minutes remaining, and the gentleman from Indiana [Mr. HAMILTON] has 4½ minutes remaining. Under the rules of the House, the gentleman from Indiana [Mr. HAMILTON] will be allowed to close.

Mr. ROTH. Mr. Chairman, I thank the gentleman from New York [Mr. GILMAN] for his kind remarks.

Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. HUNTER].

☐ 1630

Mr. HUNTER. Mr. Chairman I thank the gentleman for yielding time to me.

I also thank the gentleman from Wisconsin [Mr. ROTH] for his commendable amendment, and I want to also give my kudos to the ranking member of the committee and to everyone who has worked on this difficult issue on both sides of the aisle.

The last speaker said that we have a responsibility to starving people around the world. I concur in that. We also have a responsibility to the men and women who wear the uniform of the United States. With respect to this responsibility, make no mistake about it, American military people under all analyses with respect to the law that we are operating under and the United Nations, our American military people are cooperating under the tactical command and will operate in certain combat situations under the tactical command of foreign commanders.

I quote very quickly the statement by the chairman of the committee:

> The U.S. Quick Reaction Force, that is, the 1,300 troops I referred to a moment ago, will remain under U.S. operational control, although they may receive tactical orders in the field from the United Nations sectional commander.

That is a euphemism for ordering people into battle, and that is exactly the right that the U.N. commander has. We have a duty to see to it that our men and women who wear the uniform operate under American military commanders, because that allows us, the American people, to have accountability for the actions and the determinations that our military leaders make.

General Schwarzkopf is accountable for his actions, or was accountable for his actions, as a U.S. military commander, to the American political establishment. A general from Turkey or Egypt or some other place is not accountable to the American people, and we should see to it that we end this situation as quickly as possible.

Second, we have to teach our allies to share these burdens. They also have a responsibility to the starving people of the world. Let me just tell the Members, the account stands as such right now: $1 billion spent by the United States, and $100 million spent by the rest of the world.

Until we give them a larger part of this responsibility by leaving, they are not going to voluntarily pick it up.

The Roth amendment is very commendable.

Mr. HAMILTON. Mr. Chairman, I yield 2 minutes to the gentlman from California [Mr. LANTOS].

Mr. LANTOS. Mr. Chairman, I thank the distinguished gentleman for yielding time to me.

Let me just say to my friend, the gentleman from Wisconsin [Mr. ROTH] that nothing has cost the American people more in blood than isolationism in any guise. The notion of stopping the world because we want to get off is not a very productive notion in 1993.

I would like to see every single American soldier back from Somalia tomorrow, not in 30 days or 45 days, but as the world's one remaining superpower, unless we organize and provide structure to assist them with international security, our costs in blood and treasure will be mind-boggling.

The notion of pretending that complex issues can be solved with a pushbutton solution is simply absurd. There is no way that this Somalia venture can continue if the United States continues its participation in it. Everything that we have invested in blood and treasure will go down the drain. A superpower of our complexity and sophistication needs some staying power, it needs some long-range perspective. It must recognize that this is a complex world. What my friend, the gentleman from Wisconsin, is complaining about is the complexity of the world we live in, not the specifics of how many days our troops will be there.

There will be crises beyond Somalia and Bosnia and Cambodia, and the United States will have a responsibility for participating and anticipating these crises and solving them. To set these ludicrous and arbitrary deadlines, as if that would be a solution, is just a new guise of isolationism.

Had we stopped Hitler early on, the Second World War would not have occurred. Had we stopped Milos Lovic when he started his ethnic cleansing, the tragedy in Yugoslavia would not have occurred. That is long-term planning, long-term participation, and the involvement of other nations that is called for, not the establishment of simplistic deadlines of 30 or 45 days.

Mr. ROTH. Mr. Chairman, I yield 1½ minutes to the distinguished gentleman from Florida [Mr. GOSS].

Mr. GOSS. Mr. Chairman, let us be clear about this. The Roth amendment does three things: It withdraws our troops by June 30, it cancels further United States funds for Somalia, and it mirrors American public opinion today. It does not affect humanitarian aid. We have done our share in Somalia, and we have done it well.

On December 9, we went in to stabilize things for humanitarian reasons. We spent nearly $1 billion. No other nation has done that much. Now other nations are being asked to do their share, and the more we do, the less others will do. They will hold back.

Unless we withdraw, we will likely be stuck there for quite a while. The question is how long. The State Department says maybe 17 months. The United Nations says maybe 18 months to 2 years. The intelligence community says maybe up to 7 or 8 years to take care of the problems over there.

I suggest that there is a cost involved as well. We have put in $1 billion. Estimates are if we go the length that we have been talking about, we are looking at $450 million. Those are big dollars today.

We avoid the U.N. command issue if we support the Roth amendment, which is divisive and troublesome, especially to people like myself who have proudly worn our Nation's uniform in one of our armed services.

Finally, I think the line draws here when we say we have done our share, we have done it well. Support Roth.

Mr. ROTH. Mr. Chairman, I thank the gentleman from Florida for his excellent statement.

Mr. Chairman, I yield the remaining time to the gentleman from Indiana [Mr. BURTON], who is vice chairman of the Subcommittee on Africa of the Committee on Foreign Affairs and who has been following this issue also for a long time.

The CHAIRMAN. The distinguished gentleman from Indiana [Mr. BURTON] is recognized for 1½ minutes.

Mr. BURTON of Indiana. Mr. Chairman, I thank the gentleman for yielding time to me.

Let me just say, Mr. Chairman, that I have voted, along with most of the people in this Chamber, to send our troops over to Somalia to help the starving masses and to stop those roving gangs, but it is time to bring our troops home. I want to read to the Members what is going on over there. This is about our troops, from an article in the Washington Post on Thursday, May 6, 1993.

It says that the troops:

> * * * endure attacks from rock-throwing children by day and snipers by night. They complained that their role had shifted from feeding the starving to policing a dangerous urban environment, a role for which they were not trained.

One of the troops over there wrote all over the walls, "Send us home. We have done our job. Send us home."

The chairman of this committee, the chairman of this committee said, and I quote:

> The mission of the U.S. forces is narrowly defined. U.S. troops will withdraw as soon as a secure environment for relief operations has been created.

That has been done. He said:

> Second, Operation Restore Hope must end soon. This requires that the mission of U.S. forces remain clear, consistent, and limited in scope. It also requires that a strong U.N. force be ready to replace the U.S. troops within several months.

That has been done. It is costing U.S. troops $5 million a day.

Finally, the chairman of this committee said, and I quote:

> We must work to ensure that Operation Restore Hope concludes safely, successfully, and soon.

We have 34 other countries over there. We have done our share. We do not want to have our kids, our young men and women, sitting around as sitting ducks. They have done their job honorably. We have supported them. Let us bring them home and support the Roth amendment.

The CHAIRMAN. The gentleman from Indiana [Mr. HAMILTON] has 2½ minutes remaining.

Mr. HAMILTON. Mr. Chairman, I rise in opposition to the Roth amendment. First, let us be clear what the Roth amendment does. It really does two things. Number one, it brings all of our troops out in 5 week's time. Number two, it cuts any United States funding from the United Nations operation in Somalia.

We just voted a few minutes ago in this Chamber against a Gilman substitute that provided 6 month's time before we had to get out. Now they come in with an amendment for only 5 week's time. That obviously is much too short. If we voted against the 6 month period, we are going to have to vote, it seems to me, against an even shorter period of time, which is 5 weeks.

It is important to understand here that the United States is a key actor in Somalia. If we simply pull out the rug from the Somalia operation, then there will not be a Somalia operation, and all of the investment and all of the effort that we have made in Operation Restore Hope, in which most of us in this Chamber have a great deal of pride, justifiably, would be lost. We want to try to complete the task.

☐ 1650

We want a smooth transition from the U.S. effort to the U.N. effort, and that is what this resolution is all about. The Roth amendment would totally undercut that transition.

Second, the Roth amendment cuts our funding for the United Nations. We went to the United Nations a few weeks ago and we voted for this resolution. We said to the world and the United Nations that we are going to support this effort. If we come along now and cut our financial support, we are reneging on a commitment that we made to support the Somalian effort. But beyond that, we are also reneging on support of peacekeeping assessments in general.

My friends, I strongly urge Members not to support the Roth amendment. It would pull the rug out from UNOSOM II. It would provide no money for the United Nations and renege on the commitments that the United States Government has solemnly made in the Security Council.

I urge the defeat of the Roth amendment.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Wisconsin [Mr. ROTH].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. ROTH. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 127, noes 299, not voting 11, as follows:

[Roll No. 180]

AYES—127

Allard
Archer
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Barrett (NE)
Bartlett
Barton
Bentley
Bereuter
Bilirakis
Blute
Bonilla
Bunning
Burton
Callahan
Camp
Clinger
Coble
Collins (GA)
Combest
Cox
Crane
Crapo
Cunningham
DeLay
Doolittle
Duncan
Dunn
Everett
Ewing
Fields (TX)
Franks (CT)
Franks (NJ)
Gallegly
Gallo
Gekas
Gilchrest
Gilman
Goodling
Goss
Grams
Grandy
Green
Hancock
Hansen
Hastert
Hefley
Herger
Hobson
Hoekstra
Hoke
Horn
Huffington
Hunter
Inglis
Inhofe
Istook
Johnson (CT)
Johnson, Sam
Kim
Kingston
Klink
Klug
Knollenberg
Kyl
Levy
Lewis (FL)
Lightfoot
Linder
Livingston
Machtley
Manzullo
McCollum
McHugh
McInnis
McKeon
McMillan
Meyers
Mica
Moorhead
Murphy
Myers
Nussle
Oxley
Packard
Petri
Pombo
Portman
Quillen
Quinn
Ramstad
Ravenel
Regula
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Saxton
Schaefer
Sensenbrenner
Shaw
Shuster
Smith (MI)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Stearns
Stump
Sundquist
Taylor (NC)
Thomas (CA)
Thomas (WY)
Vucanovich
Walker
Walsh
Weldon
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—299

Abercrombie
Ackerman
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Applegate
Armey
Bacchus (FL)
Baesler
Barcia
Barlow
Barrett (WI)
Bateman
Becerra
Beilenson
Berman
Bevill
Bilbray
Bishop
Blackwell
Bliley
Boehlert
Boehner
Borski
Boucher
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Buyer
Byrne
Calvert
Canady
Cantwell
Cardin
Carr
Castle
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Cooper
Coppersmith
Costello
Coyne
Cramer
Danner
Darden
de la Garza
de Lugo (VI)
Deal
DeFazio
DeLauro
Dellums
Derrick
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Dooley
Dornan
Dreier
Durbin
Edwards (CA)
Edwards (TX)
Emerson
Engel
English (AZ)
English (OK)
Eshoo
Evans
Faleomavaega (AS)
Fawell
Fazio
Fields (LA)
Filner
Fingerhut
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Fowler
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Geren
Gibbons
Gillmor
Gingrich
Glickman
Gonzalez
Goodlatte
Gordon
Greenwood
Gunderson
Gutierrez
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Harman
Hastings
Hayes
Hefner
Hinchey
Hoagland
Hochbrueckner
Holden
Hoyer
Hughes
Hutchinson
Hutto
Hyde
Inslee
Jacobs
Jefferson
Johnson (GA)
Johnson (SD)
Johnson, E.B.
Johnston
Kanjorski
Kasich
Kennedy
Kennelly
Kildee
King
Kleczka
Klein
Kolbe
Kopetski
Kreidler
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lazio
Lehman
Levin
Lewis (CA)
Lewis (GA)
Lipinski
Lloyd
Long
Lowey
Maloney
Mann
Manton
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCandless
McCloskey
McCrery
McCurdy
McDade
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Michel
Miller (CA)
Miller (FL)
Mineta
Minge
Mink
Moakley
Molinari
Mollohan
Montgomery
Moran
Morella
Murtha
Nadler
Natcher
Neal (MA)
Neal (NC)
Norton (DC)
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Pomeroy
Porter
Poshard
Price (NC)
Pryce (OH)
Rahall
Rangel
Reed
Reynolds
Richardson
Roemer
Romero-Barcelo (PR)
Rose
Rostenkowski
Rowland
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Santorum
Sarpalius
Sawyer
Schiff
Schroeder
Schumer
Scott
Serrano
Sharp
Shays
Shepherd
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (IA)
Smith (NJ)
Spratt
Stark
Stenholm
Stokes
Strickland
Studds
Stupak
Swett
Swift
Synar
Talent
Tanner
Tauzin
Taylor (MS)
Tejeda
Thornton
Thurman
Torkildsen
Torres
Torricelli
Towns
Traficant
Tucker
Underwood (GU)
Unsoeld
Upton
Valentine
Velazquez
Vento
Visclosky
Volkmer
Washington
Waters
Watt
Waxman
Wheat
Whitten
Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Yates

NOT VOTING—11

Bonior
Conyers
Henry
Hilliard
Houghton
Kaptur
Leach
Ridge
Schenk
Thompson
Williams

☐ 1702

Messrs. BARLOW, DREIER, and PAXON, and Mrs. MORELLA changed their vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. It is now in order to consider amendment No. 5 printed in House Report 103-97. It is the further understanding of the Chair that that amendment will not be offered.

It is now in order to consider amendment No. 6 printed in House Report 103-97.

AMENDMENT OFFERED BY MR. SOLOMON

Mr. SOLOMON. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. SOLOMON: Page 10, after line 13, insert the following new section 4 and redesignate existing sections 4 through 7 accordingly:

SEC. 4. SUPPORT FOR UNITED STATES ARMED FORCES IN SOMALIA.

(a) FINDINGS.—The Congress finds that—

(1) prior to United Nations-authorized operations in Somalia, over 300,000 Somalis (including one fourth of the children under the age of five) died due to civil strife, disease, and famine, and at least one-half of Somalia's population of 8,000,000 people, were considered at risk of starvation;

(2) the number of deaths from starvation in Somalia has declined significantly since the arrival of the United States-led force in Somalia; and

(3) the United States contributed immeasurably to the United States-led force in Somalia, including the deployment of over 20,000 members of the Armed Forces and the loss of American lives.

(b) COMMENDATION OF U.S. ARMED FORCES.—The Congress commended the United States Armed Forces for successfully establishing a secure environment for the humanitarian relief operations in Somalia.

The CHAIRMAN. Pursuant to the rule, the gentleman from New York [Mr. SOLOMON] will be recognized for 15 minutes, and a Member opposite—if there is a Member opposed—will be recognized for 15 minutes.

The Chair recognizes the distinguished gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. I thank the chairman.

Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I wish to thank the gentleman from Indiana [Mr. HAMILTON], and ranking member, the gentleman from New York [Mr. GILMAN] for allowing me the opportunity to offer my amendment commending the United States Armed Forces for successfully establishing a secure environment for humanitarian relief operations in Somalia.

Mr. Chairman, the amendment is similar to House Concurrent Resolution 26 which has strong bipartisan support.

And states that prior to the United Nations authorized operation in Somalia, over 300,000 Somalis—including one-fourth of the children under the age of 5—died due to civil strife, disease, and famine, and at least half of Somalia's population of 8 million people, were considered at risk of starvation.

The resolution points out that the number of deaths from starvation in Somalia has declined significantly since the arrival of the United States-led force in Somalia.

And, that the United States contributed immeasurably to Operation Restore Hope including the deployment of over 20,000 military troops and the loss of American lives.

The amendment concludes by commending United States Armed Forces for successfully establishing a secure environment for humanitarian relief operations in Somalia.

In the end, Mr. Chairman, over 28,000 United States servicemen were deployed in Somalia. They came under enemy fire and a number of American lives were lost.

Mr. Chairman, as Congress and the administration moves to cut back on America's defense budget, we should be mindful that it was our military which made it possible for the starving people in Somalia to be fed.

They are, without a doubt, the best trained, best equipped, most highly motivated young men and women, coming from all walks of life, a true cross section of America, and they are all volunteers serving their country in a most honorable profession, as a member of the Armed Forces of America.

Mr. Chairman, hundreds of thousands of innocent children and adults would have perished if not for the presence of American troops. As usual, these troops performed magnificently and they deserve our utmost appreciation.

Mr. Chairman, the service of the United States military in Somalia has honored all Americans and I again thank the committee for allowing me the opportunity to offer this amendment on behalf of the entire Congress commending our troops, and I urge the House to approve it unanimously.

Mr. HAMILTON. Mr. Chairman, will the gentleman yield?

Mr. SOLOMON. Mr. Chairman, I yield to a very respected Member of this Congress, the chairman of the committee, the gentleman from Indiana [Mr. HAMILTON].

Mr. HAMILTON. I thank the gentleman for yielding to me, and express my personal appreciation to the gentleman from New York [Mr. SOLOMON] for offering this amendment.

Mr. Chairman, I think the gentleman is exactly right. All of us are exceedingly proud of the role played by the American forces in Somalia. This is a very worthy initiative; I accept it and commend the gentleman for offering it.

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. SOLOMON. I yield to the ranking member of the committee, the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the amendment offered by my good friend, the gentleman from New York and a distinguished former member of the Foreign Affairs Committee, Mr. SOLOMON, commending our Armed Forces for their outstanding work in Somalia.

Mr. Chairman, when called upon to perform, our Armed Forces have consistently responded in a manner that makes our Nation proud. When asked by then-President Bush to provide a secure environment for the conduct of relief efforts in Somalia, 25,000 men and women of the United States military responded.

In performing their task, they were confronted with a massive human tragedy and uncertain security situation. As the gentleman from New York notes in his amendment, prior to the deployment of U.S. forces, some 8 million people were considered at risk, with over 300,000 already having died from either civil strife, disease, or famine. Tragically, of the victims, about one-fourth were children under the age of 5.

As a result of our military intervention, the threat of starvation has been dramatically reduced and a secure environment in Somalia has been created. Our U.S. Armed Forces performed an outstanding humanitarian service in Somalia—a service that the armed forces of very few other countries could have performed. Regrettably this feat was not done without cost: There were some killed and wounded, and families were separated. But throughout, the United States Armed Forces maintained their commitment to achieving a more secure future for the Somali people.

Mr. Chairman, for their commitment, dedication, and professionalism, the U.S. Armed Forces deserve the thanks of not only this Congress and the American people, but also of the international community. This amendment is an appropriate means of providing our thanks.

I commend our colleague from New York for offering this amendment and urge our colleagues to support it.

□ 1710

Mr. SOLOMON. Mr. Chairman, I yield 4 minutes to the gentleman from Virginia [Mr. WOLF], who for 13 years has led a humanitarian effort on behalf of human beings around this world.

Mr. WOLF. Mr. Chairman, I rise in support of this amendment. Let me say I am going to get a vote on this.

I had the opportunity to spend a day with the troops in Baidoa, and I think we certainly owe them 15 minutes of our time to vote for this.

No. 2, before we got to Somalia, we spent 2 days in southern Sudan. Let me sensitize the House to this issue, since you are all here waiting for a vote and you can go on and do other things.

The situation in southern Sudan is worse than Somalia. We spent a whole day debating Somalia here, and yet the situation in southern Sudan is worse. There is starvation of Biblical proportions.

We have a cable that the State Department finally declassified, showing that in southern Sudan there is slavery taking place. They are putting women and children onto buses and trucks and exporting them to Libya.

There is no food in southern Sudan. There is no water basically to drink in southern Sudan. There are no NGO's in Sudan. In Somalia, all the NGO's, World Vision, Save the Children, all of them are there, but in southern Sudan there are none.

Unless this Congress faces the issue of what is taking place in southern Sudan where over 750,000 people have died, and I believe they are being persecuted because they are black and because they are Christian. Because they are black and they are Christian, nobody is focusing on them.

Mr. Chairman, the Congress ought to focus on them and the administration ought to focus on them.

What the administration should do is send a high-level official to go and be active with regard to what is taking place in southern Sudan.

So, Mr. Chairman, I rise in strong support of this amendment and will call for a roll call vote and urge my colleagues to be sensitive to what is taking place in southern Sudan, where hundreds of thousands of people are dying and they are being persecuted. There is no food and there is no water.

Mr. GILMAN. Mr. Chairman, I thank the gentleman for his remarks.

Mr. Chairman, I would urge a unanimous vote for this amendment that honors our American troops.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. Is there a Member in opposition to the amendment? The Chair hears none.

The question is on the amendment offered by the gentleman from New York [Mr. SOLOMON].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. WOLF. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 425, noes 0, not voting 12, as follows:

[Roll No. 181]

AYES—425

Abercrombie
Ackerman
Allard
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Applegate
Archer
Armey
Bacchus (FL)
Bachus (AL)
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barlow
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bateman
Becerra
Beilenson
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Blackwell
Bliley
Blute
Boehlert
Boehner
Bonilla
Borski
Boucher
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Burton
Buyer
Byrne
Callahan
Calvert
Camp
Canady
Cantwell
Cardin
Carr
Castle
Chapman
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coleman
Collins (GA)
Collins (IL)
Collins (MI)
Combest
Condit
Cooper
Coppersmith
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cunningham
Danner
Darden
de la Garza
de Lugo (VI)
Deal
DeFazio
DeLauro
DeLay
Dellums
Derrick
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Dooley
Doolittle
Dornan
Dreier
Duncan
Dunn
Durbin
Edwards (CA)
Edwards (TX)
Emerson
Engel
English (AZ)
English (OK)
Eshoo
Evans
Everett
Ewing
Faleomavaega (AS)
Fawell
Fazio
Fields (LA)
Fields (TX)
Filner
Fingerhut
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Fowler
Frank (MA)
Franks (CT)
Franks (NJ)
Frost
Furse
Gallegly
Gallo
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Grams
Grandy
Green
Greenwood
Gunderson
Gutierrez
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings
Hayes
Hefley
Hefner
Herger
Hinchey
Hoagland
Hobson
Hochbrueckner
Hoekstra
Hoke
Holden
Horn
Hoyer
Huffington
Hunter
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Inslee
Istook
Jacobs
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E.B.
Johnson, Sam
Johnston
Kanjorski
Kasich
Kennedy
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klein
Klink
Klug
Knollenberg
Kolbe
Kopetski
Kreidler
Kyl
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lazio
Lehman
Levin
Levy
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Linder
Lipinski
Livingston
Lloyd
Long
Lowey
Machtley
Maloney
Mann
Manton
Manzullo
Margolies-Mezvinsky
Markey
Matsui
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McDermott
McHale
McHugh
McInnis
McKeon
McKinney
McMillan
McNulty
Meehan
Meek
Menendez
Meyers
Mfume
Mica
Michel
Miller (CA)
Miller (FL)
Mineta
Minge
Mink
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murphy
Murtha
Myers
Nadler
Natcher
Neal (MA)
Neal (NC)
Norton (DC)
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Penny
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pickle
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quillen
Quinn
Rahall
Ramstad
Rangel
Ravenel
Reed
Regula
Reynolds
Richardson
Ridge
Roberts
Roemer
Rogers
Rohrabacher
Romero-Barcelo (PR)
Ros-Lehtinen
Rose
Rostenkowski
Roth
Roukema
Rowland
Roybal-Allard
Royce
Rush
Sabo
Sanders
Sangmeister
Santorum
Sarpalius
Sawyer
Saxton
Schaefer
Schenk
Schiff
Schroeder
Schumer
Scott
Sensenbrenner
Serrano
Sharp
Shaw
Shays
Shepherd
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (IA)
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Spratt
Stark
Stearns
Stenholm
Stokes
Strickland
Studds
Stump
Stupak
Sundquist
Swett
Swift
Synar
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas (CA)
Thomas (WY)
Thornton
Thurman
Torkildsen
Torres
Torricelli
Towns
Traficant
Tucker
Underwood (GU)
Unsoeld
Upton
Valentine
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Washington
Waters
Watt
Waxman
Weldon
Wheat
Whitten
Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Yates
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—0

NOT VOTING—12

Bonior
Conyers
Henry
Hilliard
Houghton
Hughes
Kaptur
Leach
Martinez
Pelosi
Thompson
Williams

☐ 1733

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Mrs. LLOYD. Mr. Chairman, today we are not only debating the continued presence of the United States military in Somalia, we are also outlining the future role of the world's only superpower in international crisis. The end of the cold war has prompted U.S. policy advisers to rethink our role in the international community. As the leading military superpower, we are in a position to exert tremendous influence in nearly every corner of the world. But this newfound position should not be abused or over used. We must not be understood, as many would say, to be the 911 number for the world.

The resolution before us today continues United States commitment and resolve to implementing peace in the deeply troubled nation of Somalia. While it is true that our presence there was to be limited in scope and time, our original mission, to ensure some form of a lasting peace, is not over. Warlords continue to plunder humanitarian aid and sporadic gunfire and snipers continue to threaten the lives of innocent civilians. Lacking any recognizable, organized government further contributes to the overall confusion and disarray in Somalia.

Senate Joint Resolution 45 is a needed and well-crafted resolution that is in accordance with the law—specifically the War Powers Act of 1973, Public Law 93–148. Seeing as the situation in Somalia remains somewhat unstable, and the lives of all peacekeeping forces, including those of the United States, can be considered to be in danger, the President is required to seek congressional approval before any deployment of significant length. I am pleased to see that President Clinton has done so, and I intend to support him in this effort.

Under the auspices of the United Nations, the United States would retain a small military presence in Somali as part of an overall U.N. peacekeeping effort. Included is a U.S. commanded Quick Reaction Force designed to quell any serious uprisings that U.N. forces may not be capable of dealing with.

Senate Joint Resolution 45 is not an open-ended resolution, as opponents claim. It is clearly written into the bill that U.S. forces are committed for a period of 12 months. After that time is expired, Congress must revisit the issue. Without a vote to continue United States presence in Somalia, United States forces must withdraw. It is my belief that our mission there will be completed within the 12-month time period.

Mr. Chairman, our commitment to peace and stability in Somalia must be strong both in perception and reality. Our allies look toward us for leadership and support in times of crisis. Our resolve to make a change should be unwavering if we expect to have the support and strength of our allies behind us in any future crisis management situations. I urge support for this resolution not only because it is right for Somalia, but also because it is a sound United States foreign policy decision.

Mr. KANJORSKI. Mr. Chairman, I rise today to tell my colleagues that I intend to vote against the pending resolution and to explain my actions.

I believe that our Nation's Founding Fathers intended, and that the Constitution requires, that Congress debate and ultimately approve the positioning of American troops in hostile situations. For this reason, I am pleased to see Congress addressing the question of whether or not American troops should be in Somalia. In fact, I feel that in taking so long to address this situation Congress has reneged on its responsibilities to the Constitution and to the American people.

I would like to state unequivocally that Congress has the right, and indeed the responsibility, to debate and approve any action which would place the lives of American troops in danger. Thus, I support the concept behind this resolution and would encourage all of my colleagues, regardless of their position on the placement of troops in Somalia, to let it be known that they too agree that the law of the land requires that Congress authorize and approve of American troops being placed in a dangerous or hostile situation.

That being said, I would now like to turn to the resolution at hand and the question of American troops being deployed in Somalia. I was opposed to the positioning of 25,000 American troops in Somalia at the time it was proposed in early December 1992, and hindsight has not caused me to change my opinion.

Like everyone else in the world, I became extremely distressed and depressed every time I saw whole families dying of starvation. I was not convinced at the time, however, nor am I now, that American troops were necessary or even obligated morally to intervene.

It is my objection to the positioning of 25,000 United States troops in Somalia in December of 1992 that leads me to vote against this resolution. As I said earlier, however, I support the concept behind the resolution and will continue to urge Congress to take an active role in the placement of U.S. troops in hostile environs as long as I am a Member of Congress. It is the duty and the responsibility of Congress to act in a responsible manner on matters as grave as this; we owe it to our Nation, to our constituents, and to the men and women who have chosen to serve our Nation in the armed services.

The CHAIRMAN. No further amendments being in order, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. The Clerk will report the committee amendment to the preamble.

The Clerk read as follows:

Strike the preamble to Senate Joint Resolution 45.

The committee amendment to the preamble was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. MCNULTY) having assumed the chair, Mr. DARDEN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the Senate joint resolution (S.J. Res. 45) authorizing the use of United States Armed Forces in Somalia, pursuant to House Resolution 173, he reported the Senate joint resolution back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole?

Mr. WALKER. Mr. Speaker, I demand a vote on the amendment offered by the gentleman from New York [Mr. SOLOMON].

The SPEAKER pro tempore. Is a separate vote demanded on any other amendment?

If not, the Clerk will report the amendment on which a separate vote is demanded.

The Clerk read as follows:

Amendment:

Page 10, after line 13, insert the following new section 4 and redesignate existing sections 4 through 7 accordingly:

SEC. 4. SUPPORT FOR UNITED STATES ARMED FORCES IN SOMALIA.

(a) FINDINGS.—The Congress finds that—

(1) prior to United Nations-authorized operations in Somalia, over 300,000 Somalis (including one fourth of the children under the age of five) died due to civil strife, disease, and famine, and at least one-half of Somalia's population of 8,000,000 people, were considered at risk of starvation;

(2) the number of deaths from starvation in Somalia has declined significantly since the arrival of the United States-led force in Somalia; and

(3) the United States contributed immeasurably to the United States-led force in Somalia, including the deployment of over 20,000 members of the Armed Forces and loss of American lives.

(b) COMMENDATION OF U.S. ARMED FORCES.—The Congress commends the United States Armed Forces for successfully establishing a secure environment for the humanitarian relief operations in Somalia.

Mr. WALKER (during the reading). Mr. Speaker, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The SPEAKER pro tempore. The question is on the amendment.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. WALKER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5(b) of rule XV, the Chair will reduce to 5 minutes the time for a recorded vote, if ordered, on the committee amendment, as amended, immediately following this vote.

The vote was taken by electronic device, and there were—yeas 419, nays 0, not voting 13, as follows:

[Roll No. 182]

YEAS—419

Abercrombie
Ackerman
Allard
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Applegate
Archer
Armey
Bacchus (FL)
Bachus (AL)
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barlow
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bateman
Becerra
Beilenson
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Blackwell
Bliley
Blute
Boehlert
Boehner
Bonilla
Borski
Boucher
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Burton
Buyer
Byrne
Callahan
Calvert
Camp
Canady
Cantwell
Cardin
Carr
Castle
Chapman
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coleman
Collins (GA)
Collins (IL)
Collins (MI)
Combest
Condit
Cooper
Coppersmith
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cunningham
Danner
Darden
de la Garza
Deal
DeFazio
DeLauro
DeLay
Dellums
Derrick
Deutsch
Diaz-Balart
Dickey
Dicks
Dixon
Dooley
Doolittle
Dornan
Dreier
Duncan
Dunn
Durbin
Edwards (CA)
Edwards (TX)
Emerson
Engel
English (AZ)
English (OK)
Eshoo
Evans
Everett
Ewing
Fawell
Fazio
Fields (LA)
Fields (TX)
Filner
Fingerhut
Fish
Flake
Foglietta
Ford (TN)
Fowler
Frank (MA)
Franks (CT)
Franks (NJ)
Frost
Furse
Gallegly
Gallo
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Grams
Grandy
Green
Greenwood
Gunderson
Gutierrez
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings
Hayes
Hefley
Hefner
Herger
Hinchey
Hoagland
Hobson
Hochbrueckner
Hoekstra
Hoke
Holden
Horn
Hoyer
Huffington
Hunter
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Inslee
Istook
Jacobs
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E.B.
Johnson, Sam
Johnston
Kanjorski
Kasich
Kennedy
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klein
Klink
Klug
Knollenberg
Kolbe
Kopetski
Kreidler
Kyl
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lazio
Lehman
Levin
Levy
Lewis (CA)
Lewis (FL)
Lewis (GA)

Lightfoot
Linder
Lipinski
Livingston
Lloyd
Long
Lowey
Machtley
Maloney
Mann
Manton
Manzullo
Margolies-Mezvinsky
Markey
Matsui
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McDermott
McHale
McHugh
McInnis
McKeon
McKinney
McMillan
McNulty
Meehan
Meek
Menendez
Meyers
Mfume
Mica
Michel
Miller (CA)
Miller (FL)
Mineta
Minge
Mink
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murphy
Murtha
Myers
Nadler
Natcher
Neal (MA)
Neal (NC)
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pickle
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quillen
Quinn
Rahall
Ramstad
Rangel
Ravenel
Reed
Regula
Reynolds
Richardson
Ridge
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Rostenkowski
Roth
Roukema
Rowland
Roybal-Allard
Royce
Rush
Sabo
Sanders
Sangmeister
Santorum
Sarpalius
Sawyer
Saxton
Schaefer
Schenk
Schiff
Schroeder
Schumer
Scott
Sensenbrenner
Serrano
Sharp
Shaw
Shays
Shepherd
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (IA)
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Spratt
Stark
Stearns
Stenholm
Stokes
Strickland
Studds
Stump
Stupak
Sundquist
Swett
Swift
Synar
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas (CA)
Thomas (WY)
Thornton
Thurman
Torkildsen
Torres
Torricelli
Towns
Traficant
Tucker
Unsoeld
Upton
Valentine
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Washington
Waters
Watt
Waxman
Weldon
Wheat
Whitten
Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Yates
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—13

Bonior
Conyers
Dingell
Ford (MI)
Henry
Hilliard
Houghton
Hughes
Kaptur
Leach
Martinez
Thompson
Williams

□ 1753

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. McNulty). The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The SPEAKER pro tempore. The question is on the amendment to the preamble.

The amendment to the preamble was agreed to.

The SPEAKER pro tempore. The question is on the third reading of the Senate joint resolution.

The Senate joint resolution was ordered to be read a third time and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the Senate joint resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. GILMAN. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 243, noes 179, not voting 10, as follows:

[Roll No. 183]

AYES—243

Abercrombie
Ackerman
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Applegate
Bacchus (FL)
Baesler
Barcia
Barlow
Barrett (WI)
Becerra
Beilenson
Berman
Bevill
Bilbray
Bishop
Blackwell
Boehlert
Borski
Boucher
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Byrne
Cantwell
Cardin
Carr
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Cooper
Coppersmith
Costello
Coyne
Cramer
Darden
de la Garza
Deal
DeFazio
DeLauro
Dellums
Derrick
Deutsch
Dicks
Dingell
Dixon
Dooley
Durbin
Edwards (CA)
Edwards (TX)
Engel
English (AZ)
English (OK)
Eshoo
Evans
Fazio
Fields (LA)
Fingerhut
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Geren
Gibbons
Glickman
Gonzalez
Gordon
Green
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Harman
Hastings
Hayes
Hefner
Hinchey
Hoagland
Hochbrueckner
Holden
Hoyer
Hughes
Hutto
Inslee
Jefferson
Johnson (GA)
Johnson, E.B.
Johnston
Kennedy
Kennelly
Kildee
Kleczka
Klein
Kopetski
Kreidler
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lazio
Lehman
Levin
Lewis (GA)
Lipinski
Lloyd
Long
Lowey
Maloney
Mann
Manton
Margolies-Mezvinsky
Markey
Martinez
Matsui
McCloskey
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Mineta
Minge
Mink
Moakley
Mollohan
Montgomery
Moran
Morella
Murphy
Murtha
Nadler
Natcher
Neal (MA)
Neal (NC)
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Parker
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reed
Reynolds
Richardson
Roemer
Rose
Rostenkowski
Rowland
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Sarpalius
Sawyer
Schenk
Schumer
Scott
Serrano
Sharp
Sisisky
Skaggs
Skelton
Slattery
Slaughter
Smith (IA)
Spratt
Stark
Stenholm
Stokes
Strickland
Studds
Stupak
Swett
Swift
Synar
Tanner
Tauzin
Taylor (MS)
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Traficant
Tucker
Unsoeld
Valentine
Velazquez
Vento
Visclosky
Volkmer
Washington
Waters
Watt
Waxman
Wheat
Whitten
Wilson
Wise
Woolsey
Wyden
Wynn
Yates

NOES—179

Allard
Archer
Armey
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Barrett (NE)
Bartlett
Barton
Bateman
Bentley
Bereuter
Bilirakis
Bliley
Blute
Boehner
Bonilla
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Clinger
Coble
Collins (GA)
Combest
Cox
Crane
Crapo
Cunningham
Danner
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Emerson
Everett
Ewing
Fawell
Fields (TX)
Filner
Fish
Fowler
Franks (CT)
Franks (NJ)
Gallegly
Gallo
Gekas
Gilchrest
Gillmor
Gilman
Gingrich
Goodlatte
Goodling
Goss
Grams
Grandy
Greenwood
Gunderson
Hamburg
Hancock
Hansen
Hastert
Hefley
Herger
Hobson
Hoekstra
Hoke
Horn
Huffington
Hunter
Hutchinson
Hyde
Inglis
Inhofe
Istook
Jacobs
Johnson (CT)
Johnson (SD)
Johnson, Sam
Kanjorski
Kasich
Kim
King
Kingston
Klink
Klug
Knollenberg
Kolbe
Kyl
Levy
Lewis (CA)
Lewis (FL)
Lightfoot
Linder
Livingston
Machtley
Manzullo
Mazzoli
McCandless
McCollum
McCrery
McDade
McHugh
McInnis
McKeon
McMillan
Meyers
Mica
Michel
Miller (FL)
Molinari
Moorhead
Myers
Nussle
Oxley
Packard
Paxon
Petri
Pombo
Porter
Portman
Pryce (OH)
Quillen
Quinn
Ramstad
Ravenel
Regula
Ridge
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Santorum
Saxton
Schaefer
Schiff
Schroeder
Sensenbrenner
Shaw
Shays
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Stearns
Stump
Sundquist
Talent
Taylor (NC)
Thomas (CA)
Thomas (WY)
Torkildsen
Upton
Vucanovich
Walker
Walsh
Weldon
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—10

Bonior
Conyers
Henry
Hilliard
Houghton
Kaptur
Leach
McCurdy
Shepherd
Williams

□ 1811

The Clerk announced the following pair:

On this vote:

Ms. Kaptur for, with Mr. Houghton against.

So the Senate joint resolution was passed.

The result of the vote was announced as above recorded.

The title of the Senate joint resolution was amended so as to read: "Joint Resolution to authorize the use of United States Armed Forces in Somalia to implement United Nations Security Council Resolutions 794 (1992) and 814 (1993).".

A motion to reconsider was laid on the table.

EXPLANATION OF MISSED VOTES

Mr. BONIOR. Mr. Speaker, I was in my congressional district to attend the wake of a long-time dear friend. Had I been here, I would have voted in the following manner:

"Yes" on Roll No. 178, the NIH conference report;

"No" on Roll No. 179, the Gilman substitute on authorizing forces in Somalia;

"No" on Roll No. 180, the Roth amendment on Somalia;

"Yes" on Roll No. 181, the Solomon amendment to commend U.S. Armed Forces;

"Yes" on Roll No. 182, the Solomon amendment;

"Yes" on Roll No. 183, final passage to authorize U.S. forces in Somalia.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1295

Mr. COPPERSMITH. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 1295.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorder vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken on Wednesday, May 26, 1993.

REFUGEE RESETTLEMENT ACT AUTHORIZATION, FISCAL YEARS 1993 AND 1994

Mr. MAZZOLI. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2128) to amend the Immigration and Nationality Act to authorize appropriations for refugee assistance for fiscal years 1993 and 1994.

The Clerk read as follows:

H.R. 2128

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AUTHORIZATION OF APPROPRIATIONS FOR REFUGEE ASSISTANCE FOR FISCAL YEARS 1993 AND 1994.

Section 414(a) of the Immigration and Nationality Act (8 U.S.C. 1524(a)) is amended by striking "fiscal year 1992" and inserting "fiscal year 1993 and fiscal year 1994".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Kentucky [Mr. MAZZOLI] will be recognized for 20 minutes, and the gentleman from Florida [Mr. MCCOLLUM] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Kentucky [Mr. MAZZOLI].

Mr. MAZZOLI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 2128, the bill now under consideration.

GENERAL LEAVE

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. MAZZOLI. Mr. Speaker, this is a short, to the point, yet important measure that would reauthorize appropriations for fiscal years 1993 and 1994 for the Office of Refugee Resettlement in the Department of Health and Human Services.

Since the enactment of the Refugee Act of 1980 the United States has accepted and resettled over 1.3 million refugees from around the world through our formal, refugee admissions process.

In most cases members of refugee populations had little or no time to plan their lives in the United States. They were thrust out of their own countries because of persecution, not because good jobs were available or because they preferred to live with relatives in the United States.

In short, this is a hardship population and, recognizing that, the Refugee Act set up a resettlement system designed to address their unique needs.

Providing an adequate budget for refugee resettlement is productive and actually helps save money in the long run. Cash and medical assistance is provided to refugees so that they may learn English and receive job training. Without resettlement assistance, our public assistance entitlement programs, which already consume a huge percentage of the Federal budget, would swell with the ranks of newly arrived refugees.

The current appropriation for fiscal year 1993 for refugee resettlement is $381.5 million. However, the administration has determined that this is inadequate to fund the program and has requested a supplemental appropriation of $15 million for fiscal year 1993.

This supplemental appropriation would allow for the continuation of 8 months of refugee cash and medical assistance. In the absence of this appropriation, cash and medical benefits will be exhausted by July 31, 1993.

The administration has requested $420 million for fiscal year 1994 to resettle the same number of refugees. Thus, there should not be a need for a supplemental appropriation next year.

The supplemental appropriations bill recently reported out of the House Appropriations Committee does not contain the additional amount that the administration has asked for.

Mr. Speaker, H.R. 2128 provides a such sums reauthorization for fiscal years 1993 and 1994. This will remove a potential impediment now facing some Appropriations Committee members who may wish to include supplemental appropriations for fiscal year 1993 for this program, but who want the program to be authorized first.

A sum-certain authorization is appropriate in most instances. However, with the change in administrations and with the uncertainty surrounding the private resettlement program, it has been very difficult to put together accurate estimates of exactly how much the program needs.

The current law, which provides authorization for fiscal year 1992, is a such sums authorization, so there is ample precedent for this approach. In fact, a measure identical to H.R. 2128 has been introduced by Senators KENNEDY and SIMPSON in the other body.

Although there are many aspects of our resettlement program that need to be examined, if not changed, the reality is that it will take some time to work out a consensus on the various issues. With passage of the supplemental appropriations bill imminent, it was the committee's judgment that we should move forward with a streamlined and noncontroversial authorization bill.

Mr. Speaker, by approving this bill we demonstrate that we are serious about this program and want to see it adequately funded.

For these reasons, I strongly support H.R. 2128 and urge my colleagues to do likewise.

Mr. Speaker, I reserve the balance of my time.

Mr. BROOKS. Mr. Speaker, H.R. 2128 reauthorizes funding for fiscal years 1993 and 1994 for refugee assistance pursuant to the Refugee Act of 1980. The bill makes no programmatic changes to the Refugee Act.

The legislation authorizes Federal financial assistance to cover the cost of providing services to newly arrived refugees. These programs strive to integrate new refugees into the American mainstream as quickly as possible by assisting them in achieving economic self-sufficiency. Since the Federal Government controls the presence of refugees in this country, it is only fair that the Federal Government pick up the tab for providing temporary assistance to refugees when they first arrive.

The Judiciary Committee has worked with congressional leaders, the affected States and voluntary agencies to assure necessary funding for this program—without adding to the fiscal burden of State and local governments.

To continue providing the current level of Federal assistance and avoid shifting the refugee burden precipitously to the States, the administration needs, and the bill authorizes, a supplemental appropriation of $15 million for fiscal year 1993. In addition, the administration's budget for fiscal year 1994 requests $420 million for the refugee program. I am looking forward to working with my distinguished colleague from Kentucky, Chairman BILL NATCHER of the Appropriations Committee to secure sufficient funding. His steadfast support of this program is highly valued.

I wish to thank Congressman ROMANO MAZZOLI, chairman of the Immigration Subcommittee, for his expeditious consideration of the bill, and Congressman BILL MCCOLLUM, the ranking subcommittee member, for his support. I urge the Members to support the reauthorization of this critical program.

Mr. McCOLLUM. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 2128.

This bill, as the chairman has so aptly put it, simply reauthorizes the Refugee Resettlement Program for the current fiscal year and fiscal year 1994. It makes no changes in the Refugee Resettlement Program as it now operates.

The program, as he stated, is not currently authorized. The 3-year reauthorization bill that the Committee on the Judiciary reported last year was not scheduled for floor consideration prior to adjournment of the 102d Congress.

Although funding for refugee resettlement was appropriated for fiscal year 1993, the $381 million funding level was $29 million less than the funding level for fiscal 1992. A supplemental appropriation of about $15 million is required in order to allow the current resettlement program to continue to the end of this fiscal year. However, it is my understanding that the Committee on Appropriations has indicated it will not approve the administration's request for this supplemental unless the program is reauthorized.

The specific program for which the funding is required provides cash and medical assistance to refugees who are resettled in this country. This particular program benefits refugees who do not qualify for AFDC, supplemental security income, or Medicaid. It is intended to support the refugees until they can become self-sufficient.

If we do not reauthorize the refugee resettlement program, the supplemental appropriation will not be approved. Without the supplemental, cash and medical assistance for refugees will be cut from 8 months to 3 months effective July 1. Any refugee who entered the United States within the last 7 months would immediately become ineligible for assistance.

Some States, such as Florida, would have to shut down their refugee programs, leaving refugees who entered the United States in the last 3 months of the fiscal year with no cash and medical assistance.

Mr. Speaker, I strongly believe that we need to revisit the Refugee Program. I do not think that the authorization type of program that now exists is the way it ought to be. We need to work on it. The chairman, the gentleman from Kentucky [Mr. MAZZOLI], and I both think and concur in that fact, but we are not coming before the House today seeking to make those changes. We are simply doing something that needs to be done for the very short term.

It is a very simple bill, not a complicated one, that allows the supplemental appropriations to be put forward that need to be. Then, later on, it is our hope that we will come back through the committee process, revisit the resettlement bill, and the authorization process for refugees in a more complete and thorough fashion.

Mr. Speaker, I rise in support of H.R. 2128. This bill simply reauthorizes the Refugee Resettlement Program for the current fiscal year and fiscal 1994. It makes no changes in the Refugee Resettlement Program as it now operates.

The program is not currently authorized. The 3-year reauthorization bill that the Judiciary Committee reported last year was not scheduled for floor consideration prior to adjournment of the 102d Congress. Although funding for refugee resettlement was appropriated for fiscal 1993, the $381 million funding level was $29 million less than the funding level for fiscal 1992.

A supplemental appropriation of $15 million is required in order to allow the current resettlement program to continue through the end of this fiscal year. However, the Appropriations Committee has indicated that it will not approve the administration's request for these supplemental funds unless the program is reauthorized.

The specific program for which the funding is required provides cash and medical assistance to refugees who are resettled in this country. This particular program benefits refugees who do not qualify for AFDC, supplemental security income, or Medicaid. It is intended to support the refugees until they can become self-sufficient.

For some refugees, this adjustment does not take long. For others, who must learn English, adapt to a very different culture, and learn a trade or find a job to support themselves and their families, the adjustment takes longer.

The Refugee Act of 1980, which established our current refugee programs, envisioned providing up to 36 months of adjustment assistance. The States were to be reimbursed for their share of AFDC, SSI, and Medicaid costs for refugees who qualified for those programs. Cash and medical assistance, administered through the State governments, was to be provided for refugees who did not qualify for those programs.

Over the years, that period of adjustment assistance has been cut to 18 months, then to 12 months, and then to the current period of 8 months. In 1990, the Federal Government stopped reimbursing States for their share of AFDC, SSI, and Medicaid. The result has been a shift in costs and responsibility from the Federal Government to the States for a program that clearly is a Federal responsibility.

If we do not reauthorize the Refugee Resettlement Program, the supplemental appropriation will not be approved. Without the supplemental, cash and medical assistance for refugees will be cut from 8 months to 3 months, effective July 1. Any refugee who entered the United States within the last 7 months would immediately become ineligible for assistance.

Some States, such as Florida, would have to shut down their refugee programs, leaving refugees who enter the United States in the last 3 months of the fiscal year with no cash and medical assistance.

The refugee resettlement program has been the subject of some controversy in the last couple of years because of proposals to reform the program and shift responsibility to administering resettlement assistance for the States to voluntary agencies. This reform was promoted as enabling more efficient and effective use of refugee resettlement dollars.

While I agree that the refugee resettlement program should be thoroughly reviewed to determine whether there is a better way to administer refugee assistance, we should also acknowledge that some States are doing an excellent job.

I look forward to working with Mr. MAZZOLI, the distinguished chairman of the Subcommittee on International Law, Immigration, and Refugees, to review the resettlement program and determine what changes may be advisable.

Such an effort cannot be completed until next year, however, which is why I support reauthorizing the program as it currently operates for fiscal 1994 as well as 1993.

H.R. 2128 is a limited, noncontroversial bill, and I urge my colleagues to support it.

Mr. MAZZOLI. Mr. Speaker, will the gentleman yield?

Mr. McCOLLUM. I am happy to yield to the gentleman from Kentucky.

Mr. MAZZOLI. Mr. Speaker, I want to thank my friend for his cooperation, and really all the members of our subcommittee, because really this was done in perhaps a few hours in order to accommodate the House and the Committee on Appropriations. I want to thank the gentleman for his cooperation and to also assure him that it is the intention of the gentleman from Kentucky to get into the aspects of the refugee act which have not been gone into for a decade.

The gentleman will certainly help all of us in proffering suggestions and ideas, and we will have the hearings. I want to thank him for his suggestions.

Mr. McCOLLUM. Mr. Speaker, reclaiming my time, I know that is the intent of the gentleman, and I very much appreciate that.

Mr. FISH. Mr. Speaker, I rise in support of H.R. 2128, to authorize the refugee resettlement program for fiscal years 1993 and 1994.

This is a simple, straightforward piece of legislation. Currently, the Immigration and Nationality Act authorizes such sums as may be necessary for the refugee program for fiscal year 1992. Funds for fiscal year 1993 were appropriated but never authorized. H.R. 2128 simply changes the authorized years to 1993 and 1994 to comply with the Appropriations Committee's request for an authorization prior to appropriating a supplemental.

This legislation is needed immediately in order to allow a supplemental appropriation for the Office of Refugee Resettlement to move forward. Without this supplemental, the primary Federal program for refugee resettlement will be cut from 8 months of cash and medical assistance for recipients to 3 months.

Such a cut would be devastating for the refugee resettlement program. When we first set up the program through the Refugee Act of 1980, Congress authorized 36 months of resettlement assistance to help these dispossessed persons adjust and become self-sufficient in their new home.

Over the years, the Federal Government has reduced the cash and medical assistance program from 36 months, to 18 months, then to 12 months, and finally to 8 months. Reducing assistance further to 3 months would be tantamount to bringing these refugees into the United States and abandoning them.

H.R. 2128 does not specify authorized dollar amounts. Last year Congress appropriated $381 million for fiscal 1993 for refugee resettlement. The supplemental appropriation request, which originally was for $27 million, is now for $15 million, for a total fiscal 1993 funding level of $396 million. The budget request for fiscal 1994 is $420 million.

These figures are not out of line with the fiscal 1992 funding level of $410 million. In fact, they represent a significant decrease in the Federal Government's share of responsibility for refugee resettlement from what was envisioned in the Refugee Act of 1980.

H.R. 2128 is a simple bill that is nevertheless vital to the refugee resettlement program. The legislation represents our country's continued commitment to the world's refugees who have no hope of returning safely to their home countries. We are doing the right thing by helping these unfortunate people, and they, in turn, are enriching our culture as contributing members of our society.

I urge my colleagues to vote in support of H.R. 2128.

Mr. MCCOLLUM. Mr. Speaker, I yield such time as he may consume to the gentleman from Florida [Mr. GOSS].

Mr. GOSS. Mr. Speaker, I rise in support, somewhat hesitant support, because Florida is overburdened and undercompensated on its fair share of refugee costs.

Mr. Speaker, over the last 40 years, 1 million refugees have entered the United States by way of the State of Florida. It is estimated that at least 85 percent have settled in Florida and I assure you, the trend has not abated. I rise today in the hope that this reauthorization of the Vital Refugee Resettlement Act will bring a new emphasis on the word "partnership" when we refer to the relationship of the Federal and State governments in refugee resettlement. To quote from a letter sent by the Governors of Florida, Texas, California, New York, and Illinois:

> The decision to admit immigrants and refugees is strictly a Federal one and therefore carries with it a firm federal commitment to provide full reimbursement to the states for services provided to the immigrant and refugee population.

Sadly, the reverse is true. The Federal Government has cut back its support—covering fewer numbers of refugees for a shorter period of time. Large border States have been absorbing the bulk of refugees costs for far too long. While I am happy to say that Florida boasts an exemplary refugee program—pulling together a network of voluntary agencies, mutual assistance associations, State and local governments—there is a growing number of people that we are unable to reach. For the people in our network, we have a welfare dependency rate of under 20 percent—accomplished while keeping our administrative cost rate under 10 percent. All of this has been accomplished without the help of any Federal demonstration grants. Unfortunately, these statistics fall far short of meeting the needs of Florida's refugees who crowd our schools, our hospitals, and our labor force. There are still large numbers of elderly refugees who don't know that they qualify for Medicaid—there are children who are not attending school because their parents don't know that they can attend school without papers. We are facing ignorance and unused talents. Nurses, lawyers, and accountants are doing lawn maintenance, housework, and waiting tables because they do not know of an agency that can help them. These people are ready, willing and able to make a significant contribution to our community but we are unable to facilitate their assimilation. If the Federal Government is going to be a partner in the refugee resettlement challenge facing this country, we must stop funding with inflexible and outdated formulas that direct money to States with few refugees and instead, place the emphasis on the States and the people who need it most.

Mr. MCCOLLUM. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. MAZZOLI. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky [Mr. MAZZOLI] that the House suspend the rules and pass the bill, H.R. 2128.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

□ 1820

GOVERNMENT PERFORMANCE AND RESULTS ACT OF 1993

Mrs. MALONEY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 826) to provide for the establishment, testing, and evaluation of strategic planning and performance measurement in the Federal Government, and for other purposes, as amended.

The Clerk read as follows:

H.R. 826

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Government Performance and Results Act of 1993".

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) waste and inefficiency in Federal programs undermine the confidence of the American people in the Federal Government and reduces the Federal Government's ability to address adequately vital public needs;

(2) Federal managers are seriously disadvantaged in their efforts to improve program efficiency and effectiveness, because of insufficient articulation of program goals and inadequate information on program performance; and

(3) congressional policymaking, spending decisions, and program oversight are seriously handicapped by insufficient attention to program performance and results.

(b) PURPOSES.—The purposes of this Act are to—

(1) improve the confidence of the American people in the capability of the Federal Government, by systematically holding Federal agencies accountable for achieving program results;

(2) initiate program performance reform with a series of pilot projects in setting program goals, measuring program performance against those goals, and reporting publicly on their progress;

(3) improve Federal program effectiveness and public accountability by promoting a new focus on results, service quality, and customer satisfaction;

(4) help Federal managers improve service delivery, by requiring that they plan for meeting program objectives and by providing them with information about program results and service quality;

(5) improve congressional decisionmaking by providing more objective information on achieving statutory objectives, and on the relative effectiveness and efficiency of Federal programs and spending; and

(6) improve internal management of the Federal Government.

SEC. 3. STRATEGIC PLANNING.

Chapter 3 of title 5, United States Code, is amended by adding after section 305 the following new section:

"§ 306. Strategic plans

"(a) No later than September 30, 1997, the head of each agency shall submit to the Director of the Office of Management and Budget and the Congress a strategic plan for program activities. Such plan shall contain—

"(1) a comprehensive mission statement covering the major functions and operations of the agency;

"(2) general goals and objectives, including outcome-related goals and objectives, for the major functions and operations of the agency;

"(3) a description of how the general goals and objectives contained in the strategic plan are to be achieved, including a description of the operational processes, skills and technology, and the human, capital, information, and other resources required to meet those goals and objectives;

"(4) a description of how the performance goals included in the plan for the agency required by section 1115(a) of title 31 shall be related to the general goals and objectives contained in the strategic plan;

"(5) an identification of those key factors external to the agency and beyond its control that could significantly affect the achievement of the general goals and objectives contained in the strategic plan; and

"(6) a description of the program evaluations used in establishing or revising general goals and objectives contained in the strategic plan, with a schedule for future program evaluations.

"(b) The strategic plan shall cover a period of not less than five years forward from the fiscal year in which it is submitted, and shall be updated and revised at least every three years.

"(c) The performance plan required for an agency by section 1115 of title 31 shall be consistent with the agency's strategic plan. A performance plan may not be submitted for a fiscal year not covered by a current strategic plan under this section.

"(d) When developing a strategic plan, an agency shall consult with the Congress, and shall solicit and consider the views and suggestions of those entities potentially affected by or interested in such plan.

"(e) The functions and activities of this section shall be considered to be inherently governmental functions. The drafting of strategic plans under this section shall be performed only by Federal employees.

"(f) For purposes of this section the term 'agency' means an Executive agency as that term is defined under section 105, but does not include the Central Intelligence Agency, the General Accounting Office, the Panama Canal Commission, the United States Postal Service, and the Postal Rate Commission.

"(g) For exemptions of agencies from the requirements of this section, see section 1117 of title 31, United States Code.".

SEC. 4. ANNUAL PERFORMANCE PLANS AND REPORTS.

(a) BUDGET CONTENTS AND SUBMISSION TO CONGRESS.—Section 1105(a) of title 31, United States Code, is amended by adding at the end thereof the following new paragraph:

"(29) beginning with fiscal year 1999, a Federal Government performance plan for the overall budget as provided for under section 1115.".

(b) PERFORMANCE PLANS AND REPORTS.—Chapter 11 of title 31, United States Code, is amended by adding after section 1114 the following new sections:

"§ 1115. Performance plans

"(a) In carrying out the provisions of section 1105(a)(29), the Director of the Office of Management and Budget shall require each agency to prepare and submit to the Director an annual performance plan covering each program activity set forth in the budget of such agency. Such plan shall—

"(1) establish performance goals to define the level of performance to be achieved by a program activity;

"(2) express such goals in an objective, quantifiable, and measurable form unless authorized to be in an alternative form under subsection (b);

"(3) briefly describe the operational processes, skills, and technology, and the human, capital, information, or other resources required to meet the performance goals;

"(4) establish performance indicators to be used in measuring or assessing the relevant outputs, service levels, and outcomes of each program activity;

"(5) provide a basis for comparing actual program results with the established performance goals; and

"(6) describe the means to be used to verify and validate measured values.

"(b) If an agency, in consultation with the Director of the Office of Management and Budget, determines that it is not feasible to express the performance goals for a particular program activity in an objective, quantifiable, and measurable form, the Director of the Office of Management and Budget may authorize an alternative form. Such alternative form shall—

"(1) include separate descriptive statements of—

"(A) a minimally effective program, or

"(B) such alternative as authorized by the Director of the Office of Management and Budget,

with sufficient precision and in such terms that would allow for an accurate, independent determination of whether the program activity's performance meets the criteria of the description; or

"(2) state why it is infeasible or impractical to express a performance goal in any form for the program activity.

"(c) For the purpose of complying with this section, an agency may aggregate or consolidate program activities, except that any aggregation or consolidation may not omit or minimize the significance of any program activity constituting a major function or operation for the agency.

"(d) An agency may submit with its annual performance plan an appendix covering any portion of the plan that—

"(1) is specifically authorized under criteria established by an Executive order to be kept secret in the interest of national defense or foreign policy; and

"(2) is properly classified pursuant to such Executive order.

"(e) The functions and activities of this section shall be considered to be inherently governmental functions. The drafting of performance plans under this section shall be performed only by Federal employees.

"(f) For purposes of this section, sections 1116 through 1119, and sections 9704 and 9705—

"(1) the term 'agency' has the meaning that term has in section 306(f) of title 5;

"(2) the term 'outcome measure' means an assessment of the results of a program activity compared to its intended purpose;

"(3) the term 'output measure' means the tabulation, calculation, or recording of activity or effort, expressed in a quantitative or qualitative manner;

"(4) the term 'performance goal' means a target level of performance expressed as a tangible, measurable objective, against which actual achievement can be compared, including a goal expressed as a quantitative standard, value, or rate;

"(5) the term 'performance indicator' means a particular value or characteristic used to measure output or outcome;

"(6) the term 'program activity' means a specific activity or project as listed in the program and financing schedules of the annual budget of the United States Government; and

"(7) the term 'program evaluation' means an assessment, through objective measurement and systematic analysis, of the manner and extent to which Federal programs achieve intended objectives.

"§ 1116. Program performance reports

"(a) No later than March 31, 2000, and no later than March 31 of each year thereafter, the head of each agency shall prepare and submit to the President and the Congress, a report on program performance for the previous fiscal year.

"(b)(1) Each report on program performance shall set forth the performance indicators established in the agency performance plan under section 1115, along with the actual program performance achieved compared with the performance goals expressed in the plan for that fiscal year.

"(2) If performance goals are specified in an alternative form pursuant to section 1115(b), the results of such program shall be described in relation to such specifications.

"(c) The report on program performance for fiscal year 2000 shall include actual results for the preceding fiscal year, the report for fiscal year 2001 shall include actual results for the two preceding fiscal years, and the report for fiscal year 2002 and all subsequent reports shall include actual results for the three preceding fiscal years.

"(d) Each report on program performance shall—

"(1) review the success of achieving the performance goals of the fiscal year covered by the report;

"(2) evaluate the performance plan for the current fiscal year relative to the performance achieved toward the performance goals in each fiscal year covered by the report;

"(3) explain and describe, where a performance goal has not been met—

"(A) why the goal was not met;

"(B) those plans and schedules for achieving the established performance goal; and

"(C) if the performance goal is impractical or infeasible, why that is the case and what action is recommended;

"(4) describe the use and assess the effectiveness in achieving performance goals of any waiver under section 9704 of this title; and

"(5) include the summary findings of those program evaluations completed during each fiscal year covered by the report.

"(e) An agency head may include all program performance information required annually under this section in an annual financial statement required under section 3515 if any such statement is submitted to the Congress no later than March 31 of the applicable fiscal year.

"(f) The functions and activities of this section shall be considered to be inherently governmental functions. The drafting of reports on program performance under this section shall be performed only by Federal employees.

"(g) For definitions applicable under this section, see section 1115.

"§ 1117. Exemptions

"(a) The Director of the Office of Management and Budget may exempt from the requirements of sections 1115 and 1116 of this title and section 306 of title 5, any agency with annual outlays of $20,000,000 or less.

"(b) For definitions applicable under this section, see section 1115.".

SEC. 5. MANAGERIAL ACCOUNTABILITY AND FLEXIBILITY.

Chapter 97 of title 31, United States Code, is amended by adding after section 9703 the following new section:

"§ 9704. Managerial accountability and flexibility

"(a) Beginning with fiscal year 1999, the performance plans required under section 1115 may include proposals to waive administrative procedural requirements and controls (other than requirements under section 553 of title 5), including specification of personnel staffing levels, limitations on compensation or remuneration, and prohibitions or restrictions on funding transfers among budget object classification 20 and subclassifications 11, 12, 31, and 32 of each annual budget submitted under section 1105, in return for specific individual or organization accountability to achieve a performance goal. In preparing and submitting the performance plan under section 1105(a)(29), the Director of the Office of Management and Budget shall review and may approve any proposed waivers. A waiver shall take effect at the beginning of the fiscal year for which the waiver is approved.

"(b) Any such proposal under subsection (a) shall describe the anticipated effects on performance resulting from greater managerial or organizational flexibility, discretion, and authority, and shall quantify the expected improvements in performance resulting from any waiver. The expected improvements shall be compared to current actual performance, and to the projected level of performance that would be achieved independent of any waiver.

"(c) Any proposal waiving limitations on compensation or remuneration shall precisely express the monetary change in compensation or remuneration amounts, such as bonuses or awards, that shall result from meeting, exceeding, or failing to meet performance goals.

"(d) Any proposed waiver of procedural requirements or controls imposed by an agency (other than the proposing agency or the Office of Management and Budget) may not be included in a performance plan unless it is endorsed by the agency that established the requirement, and any such endorsement shall be included in the proposing agency's performance plan.

"(e) A waiver shall be in effect for one or two years, as specified by the Director of the Office of Management and Budget in approving the waiver. A waiver may be renewed for a subsequent year. After a waiver has been in effect for three consecutive years, the performance plan prepared under section 1115 may propose that a waiver, other than a waiver of limitations on compensation or remuneration, be made permanent.

"(f) For definitions applicable under this section, see section 1115.".

SEC. 6. PILOT PROJECTS.

(a) PERFORMANCE PLANS AND REPORTS.—Chapter 11 of title 31, United States Code, is amended by adding after section 1117 (as added by section 4 of this Act) the following new section:

"§ 1118. Pilot projects for performance goals

"(a) The Director of the Office of Management and Budget, after consultation with the head of each agency, shall designate not less than ten agencies as pilot projects in performance measurement for fiscal years 1994, 1995, and 1996. The selected agencies shall reflect a representative range of Government functions and capabilities in measuring and reporting program performance.

"(b) Pilot projects in the designated agencies shall undertake the preparation of performance plans under section 1115, and program performance reports under section 1116, other than section 1116(c), for one or more of the major functions and operations of the agency. A strategic plan shall be used when preparing agency performance plans during one or more years of the pilot period.

"(c) No later than May 1, 1997, the Director of the Office of Management and Budget shall submit a report to the President and the Congress which shall—

"(1) assess the benefits, costs, and usefulness of the plans and reports prepared by the pilot agencies in meeting the purposes of the Government Performance and Results Act of 1993;

"(2) identify any significant difficulties experienced by the pilot agencies in preparing plans and reports; and

"(3) set forth any recommended changes in the requirements of the provisions of Government Performance and Results Act of 1993, section 306 of title 5, sections 1105, 1115, 1116, 1117, 1119 and 9704 of this title, and this section.

"(d) For definitions applicable under this section, see section 1115.".

(b) MANAGERIAL ACCOUNTABILITY AND FLEXIBILITY.—Chapter 97 of title 31, United States Code, is amended by adding after section 9704 (as added by section 5 of this Act) the following new section:

"§ 9705. Pilot projects for managerial accountability and flexibility

"(a) The Director of the Office of Management and Budget shall designate not less than five agencies as pilot projects in managerial accountability and flexibility for fiscal years 1995 and 1996. Such agencies shall be selected from those designated as pilot projects under section 1118 and shall reflect a representative range of Government functions and capabilities in measuring and reporting program performance.

"(b) Pilot projects in the designated agencies shall include proposed waivers in accordance with section 9704 for one or more of the major functions and operations of the agency.

"(c) The Director of the Office of Management and Budget shall include in the report to the President and to the Congress required under section 1118(c)—

"(1) an assessment of the benefits, costs, and usefulness of increasing managerial and organizational flexibility, discretion, and authority in exchange for improved performance through a waiver; and

"(2) an identification of any significant difficulties experienced by the pilot agencies in preparing proposed waivers.

"(d) For definitions applicable under this section, see section 1115.".

(c) PERFORMANCE BUDGETING.—Chapter 11 of title 31, United State Code, is amended by adding after section 1118 (as added by section 6 of this Act) the following new section:

"§ 1119. Pilot projects for performance budgeting

"(a) The Director of the Office of Management and Budget, after consultation with the head of each agency, shall designate not less than five agencies as pilot projects in performance budgeting for fiscal years 1998 and 1999. At least three of the agencies shall be selected from those designated as pilot projects under section 1118, and shall also reflect a representative range of Government functions and capabilities in measuring and reporting program performance.

"(b) Pilot projects in the designated agencies shall cover the preparation of performance budgets. Such budgets shall present, for one or more of the major functions and operations of the agency, the varying levels of performance, including outcome-related performance, that would result from different budgeted amounts.

"(c) The Director of the Office of Management and Budget shall include, as an alternative budget presentation in the budget submitted under section 1105 for fiscal year 1999, the performance budgets of the designated agencies for this fiscal year.

"(d) No later than March 31, 2001, the Director of the Office of Management and Budget shall transmit a report to the President and to the Congress on the performance budgeting pilot projects which shall—

"(1) assess the feasibility and advisability of including a performance budget as part of the annual budget submitted under section 1105;

"(2) describe any difficulties encountered by the pilot agencies in preparing a performance budget;

"(3) recommend whether legislation requiring performance budgets should be proposed and the general provisions of any legislation; and

"(4) set forth any recommended changes in the other requirements of the Government Performance and Results Act of 1993, section 306 of title 5, sections 1105, 1115, 1116, 1117, and 9704 of this title, and this section.

"(e) For definitions applicable under this section, see section 1115.".

SEC. 7. CONGRESSIONAL OVERSIGHT AND LEGISLATION.

(a) IN GENERAL.—Nothing in this Act shall be construed as limiting the ability of the Congress to establish, amend, suspend, or annul a performance goal. Any such action shall have the effect of superseding that goal in the plan submitted under section 1105(a)(29) of title 31, United States Code, as amended by this Act.

(b) GAO REPORT.—No later than June 1, 1997, the Comptroller General of the United States shall report to the Congress on the implementation of this Act, including the prospects for compliance by Federal agencies beyond those participating as pilot projects under sections 1118 and 9705 of title 31, United States Code.

SEC. 8. TRAINING.

The Office of Personnel Management shall, in consultation with the Director of the Office of Management and Budget and the Comptroller General of the United States, develop a strategic planning and performance measurement training component for its management training program and otherwise provide managers with an orientation on the development and use of strategic planning and program performance measurement.

SEC. 9. RULE OF CONSTRUCTION.

No provision or amendment made by this Act may be construed as—

(1) creating any right, privilege, benefit, or entitlement for any person who is not an officer or employee of the United States acting in such capacity; or

(2) superseding any statutory requirement, including any requirement under section 553 of title 5, United States Code.

SEC. 10. TECHNICAL AND CONFORMING AMENDMENTS.

(a) AMENDMENT TO TITLE 5, UNITED STATES CODE.—The table of sections for chapter 3 of title 5, United States Code, is amended by adding after the item relating to section 305 the following:

"306. Strategic plans.".

(b) AMENDMENTS TO TITLE 31, UNITED STATES CODE.—

(1) AMENDMENT TO CHAPTER 11.—The table of sections for chapter 11 of title 31, United States Code, is amended by adding after the item relating to section 1114 the following:

"1115. Performance plans.
"1116. Program performance reports.
"1117. Exemptions.
"1118. Pilot projects for performance goals.
"1119. Pilot projects for performance budgeting.".

(2) AMENDMENT TO CHAPTER 97.—The table of sections for chapter 97 of title 31, United States Code, is amended by adding after the item relating to section 9703 the following:

"9704. Managerial accountability and flexibility.
"9705. Pilot projects for managerial accountability and flexibility.".

The SPEAKER pro tempore (Mr. MCNULTY). Pursuant to the rule, the gentlewoman from New York [Mrs. MALONEY] will be recognized for 20 minutes, and the gentleman from Pennsylvania [Mr. CLINGER] will be recognized for 20 minutes.

The Chair recognizes the gentlewoman from New York [Mrs. MALONEY].

GENERAL LEAVE

Mrs. MALONEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill presently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from New York?

There was no objection.

Mrs. MALONEY. Mr. Speaker, the Government Performance and Results Act is a major step toward reinventing the way our Government operates. With this legislation, we have a unique opportunity to make fundamental changes in the way the Federal Government does business. No longer can we tolerate a structure, culture, and lack of leadership that allows waste and mismanagement to dominate the Federal agencies.

This opportunity is unique for several reasons. Most important, we have a President who is committed to making our Government work more efficiently and effectively. He and his administration strongly support H.R. 826, and have urged its passage.

H.R. 826 will be a force in making fundamental changes in the Federal bureaucracy. The purpose of H.R. 826 is to improve the efficiency and effectiveness of Federal programs by establishing a system to set goals for program performance and to measure results.

Mr. Speaker, rather than justify budgets with abstract bureaucratic actions, we are going to start telling the American people exactly what kind of bang they are going to get for their dollars and hold ourselves accountable when we do not meet our goals. This is a profound cultural change in how our Government operates.

Beginning in 1994 this act requires the Office of Management and Budget to select 10 agencies to perform pilot projects for 3 years on developing strategic plans. These 5-year strategic plans must outline an agency's mission, general goals, and objectives, and include a description of how the goals and objectives will be achieved.

OMB will also select five agencies to perform pilot projects for 2 years on managerial flexibility. The pilots will assess the benefits, costs, and usefulness of increasing managerial and organizational flexibility, discretion, and authority. Managers will be given the opportunity to waive certain administrative procedural requirements, such as, specifying personnel staffing levels, placing limitations on compensation or remuneration, and transferring money between specified accounts, in return for more accountability by line managers. Managers will not be able to supersede any regulatory or statutory requirements under this act.

In 1997, OMB will report to Congress on the pilot projects. Also at that time, all agencies will begin submitting 5-year strategic plans, and annual performance plans to OMB. At the same time, OMB will select five agencies to begin pilot projects on performance-based budgeting. By the year 2000, all agencies will be submitting annual performance reports with the budget, preparing for the process of performance-based budgeting. OMB will then set forth any recommendations to Congress whether legislation requiring performance budgets should be proposed, and the general provisions of such legislation.

Today, Federal managers are impaired in their efforts to improve program efficiency and effectiveness because of a lack of programs goals and performance measurement. As they work to provide services to the public, they feel the budgeter's wrath to perform more with less, while not being given the adequate information or the tools to improve the program. This act will not only give managers critical performance information, but also managerial flexibility, a tool allowing managers to adapt to changing conditions.

Moreover, policymakers will also benefit from measuring a program's performance by allowing authorization and appropriation committees to be able to answer very basic questions: Is this program working? and if not, what will it take to fix it?

This legislation enjoys broad bipartisan support in both Houses of Congress. In addition, the Administration, the General Accounting Office, and many public policy groups, have endorsed H.R. 826. I would like to acknowledge the hard work and efforts of Mr. JOHN CONYERS, the chairman of the Committee on Government Operations, and Mr. BILL CLINGER, its ranking minority member, for crafting this legislation and moving it quickly through the process to where it is today.

Mr. CLINGER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the last several years have helped the Congress, and more important, the American people understand that we must start expecting more for less from the Federal Government. Among my goals as Republican chairman of the House Government Operations Committee is to help bring efficiency and effectiveness to the Nation's public programs. "Reinventing Government" is how author David Osborne referred to the pioneering of this new form of governance. Simply translated, it is the task of rebuilding faith in the Federal Government's ability to effectively carry out its missions.

The goal of reinventing government takes a giant leap forward today with the consideration H.R. 826, the Government Performance and Result Act of 1993. Under the mandates of this act, Federal program managers will, for the first time, be asked to document the successes of their programs and, eventually, tie their program's success to their annual budgets. H.R. 826 requires agencies to develop measurable program performance goals and to report their actual progress toward achieving those goals. This would begin with 10 pilot projects and phased in over several years. By the year 2000, all agencies would publish strategic plans, identifying measurable performance goals, and report annually on whether they are achieving those goals and, if not, why not.

Most important, a number of agencies will be tying their success in achieving their performance goals directly to their budget requests. The use of this information in the appropriation process is limitless. Despite the relative lack of press attention this proposal has received, no other legislation will have a greater impact on the lives of Government program managers as the Government Performance and Results Act of 1993.

The key to its success, however, will be Congress' willingness to use this performance data in allocating appropriations. Without a fundamental acceptance of performance measurement goals and achievements by our colleagues on the the House and Senate Appropriations Committees, this entire effort will be for naught.

In addition to calling on our colleagues to support this effort, I also want to express my gratitude to the parties that have worked so hard over so many years to put together this substantial management reform legislation. Namely, U.S. Senator WILLIAM ROTH and his staff pieced together the first versions of this legislation over 4 years ago. Since that time, the Senator has worked tirelessly to promote the creation of a Government performance measurement system.

Shortly after Senator ROTH introduced his original bill, staffs at the General Accounting Office, the Office of Management and Budget, and several executive branch agencies began exploring and experimenting with several forms of performance measurement systems. Indeed, most of the language included in H.R. 826, and the final version of S. 20 in the Senate, was negotiated with the Office of Management and Budget [OMB] during the final days of the Bush administration. To their credit. OMB officials in this administration have also lent support to this effort and have called upon Congress to enact its provisions.

Several of the organizations supporting this bill sent officials to several States and other countries to review their performance measurement practices. The results of these efforts have been a tremendous amount of research material which is now available to agencies to help them in implementing the requirements of H.R. 826

Finally, as Senator ROTH's legislation was considered in the House, through the language of H.R. 826, Members from both sides of the political aisle stood together for effective Government management reform. Very infrequently has the majority and minority parties stood together in unison as they have in passing this important Government management legislation. It is my hope that this cooperation will be repeated frequently on matters before the Government Operations Committee.

I thank Government Operations Committee chairman, the gentleman from Michigan, [Mr. CONYERS], for bringing this bill to the House floor in such a timely manner and thank my colleagues for their support for this vitally important performance measurement legislation.

□ 1830

Mr. Speaker, I yield such time as he may consume to the gentleman from New Jersey [Mr. FRANKS].

Mr. FRANKS of New Jersey. Mr. Speaker, I rise in support of H.R. 826, the Government Performance and Results Act of 1993. As we consider this week the tax and spend provisions contained in the reconciliation bill, it is truly refreshing to pause for a moment to actually consider improving how Government works for the American people.

I welcome this bill and the opportunity it represents to train our Government agencies to review, assess, and improve the programs they deliver to our citizens. This issue of improving the delivery of Government service is one personally important to me, as I was a sponsor of similar legislation during my tenure in the New Jersey State Legislature. I also recently introduced my own Government performance review bill, H.R. 2245, which would establish a permanent commission to schedule and direct performance reviews for all major agencies of the Federal Government.

Mr. Speaker, I believe H.R. 826 represents an important first step toward improving the efficiency of the Federal bureaucracy. Today, the American people are highly suspicious and increasingly cynical about how their Government spends their hard-earned tax dollars. This legislation can begin to reverse that perception.

Mr. Speaker, I commend the work of Chairman CONYERS and ranking minority member CLINGER for bringing this bill to the floor in an expedited fashion. I urge all of my colleagues to vote "yea" on this needed legislation.

Mr. CLINGER. Mr. Speaker, I thank the gentleman from New Jersey [Mr. FRANKS].

Mr. ZELIFF. Mr. Speaker, I rise in support of H.R. 826, the Government Performance and Results Act of 1993. Ever since I was elected to Congress in 1990, I have been fighting to achieve a government that is more accountable and more responsible to the American taxpayers.

Time and time again, we in Congress hear nightmarish stories of government waste and abuse. We hear about Federal employees who read books all day long—and get paid for it.

We hear about hammers and toilet seats that cost thousands of dollars. We must seek to force Government agencies to do what any business would do—create solid plans of action and analyze past performance.

That is why I am proud to be a cosponsor of Chairman CONYERS' bill to do just that. I hope that this legislation will be the start of a new era in American Government. The Government Performance and Results Act will, for the first time, require Federal agencies to tell the American people what results they have achieved with their tax dollars.

In these days of skyrocketing Federal budget deficits, we must be careful about how we appropriate every penny the Government takes in. We must be absolutely certain that the dollars we are spending are giving us a quality product in return. I believe that this legislation will help us do that.

As a small businessman, I realize how important it is in the private sector to require regular performance reviews. No business in America could survive if it were operated with the reckless fiscal abandon that so often characterizes government programs. I hope to see a Federal Government that operates more like my small businesses.

With this legislation, the Office of Management and Budget [OMB] would help to create pilot projects throughout the Federal bureaucracy. Each of these projects would outline the project's goals and objectives in a 5-year strategy plan. The bill requires the programs to develop concrete plans of action—detailing exactly how the goals will be met.

More importantly, the Government Performance and Results Act requires the pilot programs to generate annual reports explaining the successes and failures in accomplishing each milestone and goal during the past 12 months. The Congress could then use these accountability measures to help determine future funding levels.

In effect, spending for Federal programs would be directly tied to their effectiveness. In so doing, we would finally begin to make government accountable to the people.

It is my sincere hope that the Congress can continue to work with the executive branch to encourage more creativity and responsibility from Federal programs. In these days of fiscal austerity, we all must be willing to conserve the taxpayers' dollars and to seek new ways to achieve more effective government.

H.R. 826, the Government Performance and Results Act, will be the first step toward achieving true accountability in government.

Mr. CLINGER. Mr. Speaker, I yield back the balance of my time.

Mrs. MALONEY. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MCNULTY). The question is on the motion offered by the gentlewoman from New York [Mrs. MALONEY] that the House suspend the rules and pass the bill, H.R. 826, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read: "A bill to provide for the establishment of strategic planning and performance measurement in the Federal Government, and for other purposes.".

A motion to reconsider was laid on the table.

GOVERNMENT PRINTING OFFICE ELECTRONIC INFORMATION ACCESS ENHANCEMENT ACT OF 1993

Mr. KLECZKA. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 564) to establish in the Government Printing Office a means of enhancing electronic public access to a wide range of Federal electronic information.

The Clerk read as follows:

S. 564

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Government Printing Office Electronic Information Access Enhancement Act of 1993".

SEC. 2. AMENDMENTS TO TITLE 44, UNITED STATES CODE.

(a) IN GENERAL.—Title 44, United States Code, is amended by adding at the end the following new chapter:

"CHAPTER 41—ACCESS TO FEDERAL ELECTRONIC INFORMATION

"Sec.
"4101. Electronic directory; online access to publications; electronic storage facility.
"4102. Fees.
"4103. Biennial report.
"4104. Definition.

"§4101. Electronic directory; online access to publications; electronic storage facility

(a) IN GENERAL.—The Superintendent of Documents, under the direction of the Public Printer, shall—

"(1) maintain an electronic directory of Federal electronic information;

"(2) provide a system of online access to the Congressional Record, the Federal Register, and, as determined by the Superintendent of Documents, other appropriate publications distributed by the Superintendent of Documents; and

"(3) operate an electronic storage facility for Federal electronic information to which online access is made available under paragraph (2).

"(b) DEPARTMENTAL REQUESTS.—To the extent practicable, the Superintendent of Documents shall accommodate any request by the head of a department or agency to include in the system of access referred to in subsection (a)(2) information that is under the control of the department or agency involved.

"(c) CONSULTATION.—In carrying out this section, the Superintendent of Documents shall consult—

"(1) users of the directory and the system of access provided for under subsection (a); and

"(2) other providers of similar information services.

The purpose of such consultation shall be to assess the quality and value of the directory and the system, in light of user needs.

"§4102. Fees

"(a) IN GENERAL.—The Superintendent of Documents, under the direction of the Public Printer, may charge reasonable fees for use of the directory and the system of access provided for under section 4101, except that use of the directory and the system shall be made available to depository libraries without charge. The fees received shall be treated in the same manner as moneys received from sale of documents under section 1702 of this title.

"(b) COST RECOVERY.—The fees charged under this section shall be set so as to recover the incremental cost of dissemination of the information involved, with the cost to be computed without regard to section 1708 of this title.

"§4103. Biennial report

"Not later than December 31 of each odd-numbered year, the Public Printer shall submit to the Congress, with respect to the two preceding fiscal years, a report on the directory, the system of access, and the electronic storage facility referred to in section 4101(a). The report shall include a description of the functions involved , including a statement of cost savings in comparison with traditional forms of information distribution.

"§4104. Definition

"As used in this chapter, the term 'Federal electronic information' means Federal public information stored electronically.".

(b) CLERICAL AMENDMENT.—The table of chapters for title 44, United States Code, is amended by adding at the end the following new item:

"41. Access to Federal Electronic Information .... 4101".

SEC. 3. STATUS REPORT.

Not later than June 30, 1994, the Public Printer shall submit to the Congress a report on the status of the directory, the system of access, and the electronic storage facility referred to in section 4101 of title 44, United State Code, as added by section 2(a).

SEC. 4. SPECIAL RULES.

(a) OPERATIONAL DEADLINE.—The directory, the system of access, and the electronic storage facility referred to in section 4101 of title 44, United States Code, as added by section 2(a), shall be operational not later than one year after the date of the enactment of this Act.

(b) FIRST BIENNIAL REPORT.—The first report referred to in section 4103 of title 44, United States Code, as added by section 2(a), shall be submitted not later than December 31, 1995.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Wisconsin [Mr. KLECZKA] will be recognized for 20 minutes, and the gentleman from California [Mr. THOMAS] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Wisconsin [Mr. KLECZKA].

Mr. KLECZKA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to commend my colleagues, Mr. ROSE, Mr. GEJDENSON, Mr. THOMAS, Mr. GINGRICH, and Mr. ROBERTS, for introducing the identical House bill, H.R. 1328. I am delighted to manage the measure on the floor today.

This bill does the following:

First, the bill provides for online access to the CONGRESSIONAL RECORD, the Federal Register, and other publications distributed by the Superintendent of Documents.

Second, it provides for the establishment of an electronic directory of Federal public information stored electronically.

And third, it provides for an electronic storage facility.

In addition, the bill requires the Superintendent of Documents to distribute agency electronic information at the request of the issuing agency.

Fees for access to the directory and the system, including information stored in the electronic storage facility, are required to approximate the incremental cost of dissemination of the information. The one exception is that depository libraries will be able to access the directory, and system provided for in the bill, including the information stored in the electronic storage facility, free of charge.

The bill requires the Public Printer to report on the directory, the system access, and the electronic storage facility not later than December 31 of each odd numbered year. The report is to include an analysis of cost savings in comparison with traditional forms of information distribution.

This bill is, in essence, a test as to whether GPO has the capacity to effectively assist the public in electronically accessing information which it already produces in hard copy, and such other information as an agency may request.

The GPO is directed to achieve the objectives of the bill through cost savings elsewhere in its appropriated funds, so the bill does not authorize additional appropriations.

The timing is right, and I hope all Members will support this bill.

Mr. Speaker, I include the following letters:

COMMITTEE ON HOUSE ADMINISTRATIONS,
Washington, DC, May 25, 1993.
Hon. JOHN CONYERS,
Chairman Committee on Government Operations, Washington, DC.

DEAR CHAIRMAN: Thank you for your recent letter concerning the Government Printing Office Electronic Information Act of 1993 (H.R. 1328 and S. 564).

This Committee appreciates your Committee's decision not to seek referral of H.R. 1328 and S. 564, so that the bills can be considered by the House of Representatives.

This committee acknowledges that the Federal Register Act was handled by your committee.

With my very best wishes,

Sincerely,

CHARLIE ROSE,
Chairman.

COMMITTEE ON
GOVERNMENT OPERATIONS,
Washington, DC, May 25, 1993.
Hon. CHARLIE ROSE,
Chairman Committee on House Administration, Washington, DC.

DEAR MR. CHARLIE: Part of H.R. 1328 and S. 564 (identical bills), "The Government Printing Office Electronic Information Access Enhancement Act of 1993," addresses matters within the jurisdiction of the Committee on Government Operations. The bills, as reported by the Committee on House Administration on April 1, 1993 and May 25, 1993, amend Title 44 to require the Superintendent of Documents to establish a system for public use which allows "online" access to an electronically stored Congressional Record, Federal Register, and other public documents. The bills also direct the Superintendent to establish reasonable fees for access to these documents.

Thus, H.R. 1328 and S. 564 have the effect of amending the Federal Register Act, which governs the printing, content, distribution, and price of the Federal Register. 44 USC section 1504. The Committee on Government Operations has jurisdiction over the Federal Register Act.

As a result of discussions between our two Committees since the filing of the reports, I have agreed not to seek a sequential referral of H.R. 1328 and S. 564 sot hat the bills can be considered by the House of Representatives.

Sincerely,

JOHN CONYERS, Jr.,
Chairman.

Mr. THOMAS of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, S. 564 is the Senate version of a measure that has moved through both the House and the Senate.

The primary purpose of the bill is to increase the access of the public to public information that the Federal Government holds and to have that access be in electronic form.

This is truly a bipartisan effort to make changes that in our opinion are long overdue.

The gentleman from Wisconsin quite correctly outlined what the bill is going to do. What I want to do for a minute is talk about what the bill is not going to do. There is nothing in the bill that authorizes the Superintendent of Documents to impose conditions or requirements on the creation, dissemination, re-dissemination, use or re-use of Federal electronic information or electronic directories by Federal agencies or the public. We are not creating a clearinghouse, an approval ground, an editing structure. We are creating a through-channel so that the public can access public information.

In addition to that, Mr. Speaker, nothing in this legislation should be construed so as to authorize an increase in funding. Rather, it is the intent of the committee that the Government Printing Office implement the system of access, the electronic directory, and the electronic storage facility within the current Government Printing Office budget. Such a requirement should compel the Government Printing Office to find cost savings from existing services.

As I said, Mr. Speaker, it is long overdue for the public to have direct electronic access to public information. This bill provides it in an efficient, foolproof, and financially reasonable method.

Mr. Speaker, I would ask my colleagues to approve this bill.

Mr. THOMAS of California. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. KLECZKA. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wisconsin [Mr. KLECZKA] that the House suspend the rules and pass the Senate bill, S. 564.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. KLECZKA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks, and include therein extraneous material, on S. 564, the Senate bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

DISMISSING THE ELECTION CONTEST AGAINST JAY DICKEY

Mr. KLECZKA, from the Committee on House Administration, reported the following privileged resolution (H. Res. 182, Rept. No. 103–109) dismissing the election contest against JAY DICKEY, which was referred to the House Calendar and ordered to be printed:

H. RES. 182

Resolved, That the election contest of Bill McCuen, contestant, against Jay Dickey, contestee, relating to the office of Representative from the Fourth Congressional District of Arkansas, is dismissed.

□ 1840

Mr. KLECZKA. Mr. Speaker, I ask unanimous consent for the immediate consideration in the House of the resolution (H. Res. 182) dismissing the election contest against JAY DICKEY.

The SPEAKER pro tempore. The Clerk will report the resolution.

The Clerk read the resolution.

The SPEAKER pro tempore (Mr. MCNULTY). Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The SPEAKER pro tempore. The gentleman from Wisconsin [Mr. KLECZKA] is recognized for 1 hour.

Mr. KLECZKA. Mr. Speaker, I yield the customary half hour, for the purpose of debate only, to the ranking member of the contested election task force and the full Committee on House Administration, the gentleman from California [Mr. THOMAS], pending which I yield myself such time as I may consume.

Mr. Speaker, to provide the House with a little background, on Tuesday, November 3, 1992, the general election for the Fourth Congressional District in the State of Arkansas was held. This is a largely rural district consisting of 26 counties in the southern half of the State.

The initial results of this election had JAY DICKEY, the Republican candidate, leading Bill McCuen, the Democrat, by 10,093 votes.

On December 4, 1992, Mr. McCuen filed a notice of election contest with the Clerk of the House, based on two contentions: First, that the ballot and voting machines misled voters, and, second, that defective voting machines produced inaccurate totals.

On December 5, 1992, Mr. McCuen filed an amended notice of election contest with the Clerk, providing additional information and arguments in support of his two initial contentions, and providing documentary evidence and exhibits.

Mr. Speaker, on January 27, 1993, pursuant to House Administration Committee rule 16, the chairman of the committee, Mr. ROSE, created a task force to review the election contest. This task force was charged with reviewing the documentary record, receiving oral arguments, and recommending to the committee the disposition of an election contest filed pursuant to 2 U.S.C. 381 through 396, by Mr. McCuen.

The House is given its authority to judge election returns, primarily from article I, section 5 of the Constitution which provides that: "Each House shall be the judge of the elections, returns, and qualifications of its own members. * * *." This provision, taken with section 4 or article I, invest in Congress near complete authority to establish procedures and render final decisions relating to the election of its Members.

Although the House could assume complete responsibility for resolving election contests, to date it has declined to do so. Instead, both Chambers have recognized and relied upon State contest and recount procedures to clarify and resolve issues relating to election contests. The State of Arkansas, in this case, however, has chosen not to assert its jurisdiction.

In fact, the Governor of Arkansas, in his letter to the Clerk of the House, certifying the results of the Fourth Congressional District race, stated:

> The enclosed certification should not be interpreted as my position on the merits of the contest. In fact, I am greatly disturbed by the apparent defects in the voting machines in Garland County and by the finding of the Garland County Circuit Court that the voting machines have errors and faults.

Thus, it became the House's obligation to resolve this matter.

I was appointed to chair this task force, which also consisted of Mr. THOMAS of California and the gentleman from Michigan, Mr. KILDEE.

On Thursday, February 4, the task force met and heard testimony on Mr. DICKEY'S motion to dismiss the contest. Upon review of the arguments presented by contestant and the contestee, the task force unanimously agreed to recommend dismissal, thus reaffirming JAY DICKEY as the duly elected Member of Congress from the Fourth Congressional District of Arkansas.

Mr. Speaker, the members of the task force unanimously agreed that the contestant's allegations were not sufficiently specific to put into serious question either the results of the election, or the propriety of the actions of election and other State and local officials in the conduct of the election, so as to justify proceeding further with an election contest.

It should be noted that in contested election proceedings in the House, the contestant always has the burden of specifically alleging, and supporting with documentation, irregularities sufficient to change the outcome of the election. The contestant must also demonstrate that he is entitled to the seat. If the contestant fails to meet this burden, the Committee on House Administration may suggest dismissal of the contest.

On Wednesday, March 17, the full Committee on House Administration concurred in the task force's decision that the contestant failed to sustain his burden with evidence sufficient to overcome a motion to dismiss. It accordingly moved to favorably report an original resolution dismissing this election contest.

It is therefore the finding of the committee that contestee JAY DICKEY received the highest number of votes cast in the election and was duly elected by the voters of the Fourth Congressional District of the State of Arkansas.

Mr. Speaker, I reserve the balance of my time.

Mr. THOMAS of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, about a decade ago I addressed the floor of the House on another contested election. I think it is significant to note the differences between the one we have before us today and that one of a decade ago.

The gentleman from Wisconsin [Mr. KLECZKA] correctly pointed out that this was brought to the floor under the Contested Election Act and that we examined the contention of irregularities in the race according to Arkansas law. Over a decade ago, Mr. Speaker, we did not do that. We examined a contest in Indiana brought to the task force by resolution in which a set of rules that existed nowhere in the world, in any State, and especially in the State of Indiana, was used to examine a series of ballots, and that through sheer force of partisan majority an election that had been certified by the secretary of state of Indiana was overturned. I am pleased to say that today we have an election in front of us that was certified by the secretary of state of Arkansas who, by coincidence, happened to be the opponent in this case, Mr. McCuen. And we examined his contentions about whether or not there were irregularities in the ballots, in the voting machines, and in the manner in which people voted in those voting machines in particular areas.

Mr. Speaker, there was an extensive hearing. Evidence was presented. Numerous questions were asked. Followup information was presented. And the chairman, the gentleman from Wisconsin [Mr. KLECZKA], the gentleman from Michigan [Mr. KILDEE], and myself exhausted our questions, and to our satisfaction none of the allegations about irregularities in the election were proved. Under the law of the State of Arkansas our colleague, Mr. DICKEY, was duly elected.

So, Mr. Speaker, it is with extreme pleasure that I come before the Members today and support the majority in asking unanimous consent to move forward House Resolution 182 which finally puts the election contest against Mr. DICKEY to rest, a contest that never should have been presented, that never had credible evidence to carry it forward, and that put a taint on his election by the people in Arkansas.

The answer is: Mr. DICKEY won the election day, he won on the recount, he won on the challenge in the court, and he won in front of the task force. It seems to me the gentleman from Arkansas [Mr. DICKEY] has been certified more than any other Member of the House, that he truly won that election, and it is about time we move forward with saying so formally, and so I am pleased to ask my colleagues to support House Resolution 182.

Mr. Speaker, I yield back the balance of my time.

Mr. KLECZKA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, after the last comments by the gentleman from California [Mr. THOMAS] I am thinking of withdrawing the resolution. Let us keep the hype up for the gentleman from Arkansas [Mr. DICKEY]. But I will not do so, Mr. Speaker.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

□ 1850

GENERAL LEAVE

Mr. KLECZKA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include therein extraneous material on House Resolution 182.

The SPEAKER pro tempore (Mr. MCNULTY). Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

LYME DISEASE AWARENESS WEEK

Ms. BYRNE. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 43) designating the week beginning June 6, 1993, and June 5, 1994, "Lyme Disease Awareness Week," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Virginia?

Mr. BURTON of Indiana. Mr. Speaker, reserving the right to object, I yield to the gentleman from New York [Mr. GILMAN], who is one of the chief sponsors of H.J. Res. 92.

Mr. GILMAN. Mr. Speaker, I am pleased to rise today in support of a joint resolution designating the week beginning June 6, 1993 and June 5, 1994, as "Lyme Disease Awareness Week." I would also like to commend the gentleman from New York [Mr. HOCHBRUECKNER] for introducing this important resolution.

Mr. HOCHBRUECKNER has been a leader in our Congressional efforts to educate our Nation with regard to the dangers of Lyme disease.

Lyme disease, as you may know, is transmitted by a small, little-known tick species which have become abundant in a large part of my district. In 1982, there were 60 reported cases of Lyme disease in my district; by 1989, there were 1,731 cases and the actual number may be several times higher. Over the past years the number of reported cases have increased not decreased.

Although Lyme disease was first officially reported just 15 years ago in Lyme, CT, it has fast become the most common tick-borne disease and one of the fastest spreading infectious diseases in the United States. If treated early, the disease can be cured by antibiotic therapy; however, early diagnosis is often thwarted by the disease's resemblance to the Flu and other less dangerous ailments. Indeed, without early treatment, a victim of Lyme disease can expect severe arthritis, heart disease, or neurological complications. Later effects, often occurring months or years after the initial onset of the disease, include destructive arthritis and chronic neurological disease. If it were not for AIDS, Lyme disease would be the No. 1 infectious disease facing us today.

I believe the primary way to control Lyme disease is by educating the public on how to take precautions against tick bites and by being aware of symptoms associated with the disease.

Mr. Speaker, I want to take this opportunity to commend the New York Medical College in Valhalla, NY for their extensive, significant Lyme disease research.

I feel June 6, 1993, is an appropriate time to inform the public of Lyme disease and its dangers. As a representative of the people in my district, it is in their best interest to educate them of the dangers involved.

Mr. HOCHBRUECKNER. Mr. Speaker, as the Member of Congress representing the area with the most cases of Lyme disease in the country, I am delighted that the House is considering legislation that will designate the weeks of June 6, 1993 and June 5, 1994 as "Lyme Disease Awareness Week." The Senate approved identical legislation introduced by Senator JOSEPH LIEBERMAN of Connecticut on March 26, 1993. I appreciate this opportunity to provide my colleagues with some background on this disease, and why the designation of this week is so important.

Lyme disease is a bacterial infection that is spread by the deer tick, which is slightly smaller than the dog tick. Although Lyme disease was first officially reported just 18 years ago in Lyme, Connecticut, it has fast become the most common tick-borne disease and one of the fastest spreading infectious diseases in the United States. Once considered to be a regional problem found in the Northeast, 49 of the 50 states have now reported cases of Lyme disease.

The deer tick lives in grasses along the shore, in fields, and at the edge of woodlands. Many people on eastern Long Island have expressed concern about going to the beach, taking a walk in the woods, or sitting in their own backyard for fear of getting this debilitating disease.

Many people never even know that they have been bitten by a tick. The parasite can attach itself, feed, detach itself and lay its eggs all without the host's knowledge. In addition, due to its ability to mimic the symptoms of other ailments, a person may be left clueless as to the cause of his or her ailment. Lyme disease is often mistaken for other illnesses such as ringworm, influenza, arthritis, or heart disease. However, if left untreated Lyme disease can cause partial facial paralysis, meningitis, encephalitis, and abnormal slowing of the heartbeat, severe headaches and depression, destructive arthritis, memory loss, and chronic fatigue.

As early treatment of Lyme disease is the key to warding off its worst effects, and as there is currently no vaccine for Lyme disease, the best defense against it is prevention. That is why education is vital if we are to minimize the effects of this painful disease. The American public must know what to look for if they are to take precaution against this disease.

Symptoms of Lyme disease in its early stages include a characteristic rash at the site of the tick bite, headaches, fever, pains in joints, and swollen glands. However, a person might not develop the tell-tale rash at the site of the tick-bite, leaving the person puzzled as to the cause of such a rash. Moreover, standard blood tests often do not reveal the presence of Lyme disease.

The key words in combating Lyme disease are "protect and check," "protect" meaning to protect yourself by wearing protective clothing and repellents and "check" meaning check yourself, your children and your pets as soon as you get home. Checking is important because most experts believe the tick must be attached for more than 24 hours to transmit the disease.

In addition, I am pleased to announce that a permethrin-based repellant which has been approved by the Environmental Protection Agency [EPA] is now available to the public. This spray must be used only on clothing not on the skin. The spray, used in combination with a long-acting Deet-based lotion on the skin, can provide very effective protection against the tick and Lyme disease.

Mr. Speaker the prevention of Lyme disease depends upon public awareness. I want to thank my colleagues for their support in bringing this disease to the attention of the American public. It is my hope that the designation of the weeks of June 6, 1993 and June 5, 1994 as "Lyme Disease Awareness Week" will help to make the general public and health care professionals more knowledgeable about Lyme disease and it symptoms.

Mr. BURTON of Indiana. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Virginia?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 43

Whereas Lyme disease (borreliosis) is spread primarily by the bite of four types of ticks infected with the bacteria Borrelia burgdorferi;

Whereas Lyme disease-carrying ticks can be found across the country—in woods, mountains, beaches, even in our yards, and no effective tick control measures currently exist;

Whereas infected ticks can be carried by animals such as cats, dogs, horses, cows, goats, birds, and transferred to humans;

Whereas our pets and livestock can be infected with Lyme disease by ticks;

Whereas Lyme disease was first discovered in Europe in 1883 and scientists have recently proven its presence on Long Island as early as the 1940's;

Whereas Lyme disease was first found in Wisconsin in 1969, and derives its name from the diagnosis of a cluster of cases in the mid-1970's in Lyme, Connecticut;

Whereas forty-nine states reported more than forty thousand cases of Lyme disease from 1982 through 1991;

Whereas Lyme disease knows no season—the peak west coast and southern season is November to June, the peak east coast and northern season is April to October, and victims suffer all year round;

Whereas Lyme disease, easily treated soon after the bite with oral antibiotics, can be difficult to treat (by painful intravenous injections) if not discovered in time, and for some may be incurable;

Whereas Lyme disease is difficult to diagnose because there is no reliable test that can directly detect when the infection is present;

Whereas the early symptoms of Lyme disease may include rashes, severe headaches, fever, fatigue, and swollen glands;

Whereas if left untreated Lyme disease can affect every body system causing severe damage to the heart, brain, eyes, joints, lungs, liver, spleen, blood vessels, and kidneys;

Whereas the bacteria can cross the placenta and affect fetal development;

Whereas our children are the most vulnerable and most widely affected group;

Whereas the best cure for Lyme disease is prevention;

Whereas prevention of Lyme disease depends upon public awareness; and

Whereas education is essential to making the general public, health care professionals, employers, and insurers more knowledgeable about Lyme disease and its debilitating side effects: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week beginning June 6, 1993, and June 5, 1994, is designated as "Lyme Disease Awareness Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate programs, ceremonies, and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL TRAUMA AWARENESS MONTH

Ms. BYRNE. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 135) to designate the months of May 1993 and May 1994 as "National Trauma Awareness Month," and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Virginia?

Mr. BURTON of Indiana. Mr. Speaker, reserving the right to object, and I will not object, I would simply like to inform the House that the minority has no objection to the legislation now being considered.

Mr. MINETA. Mr. Speaker, trauma means injury, any type of injury, accidental or intentional. Tragically, 140,000 Americans die from injuries each year, more often from motor vehicle crashes than from any other cause. Injuries kill more Americans aged 1 through 34 than all diseases combined and cause the loss of more working years of life than all forms of cancer and heart disease combined. One out of every eight hospital beds is occupied by an injured patient.

The costs of trauma care are astronomical. Over $110 billion a year is lost in medical expenses, wages, productivity and disability trauma can strike anyone at any time, and the price it exacts in the agony of its victims and the grief experienced by families is immeasurable.

But we are not powerless in our struggle to overcome the causes of this medical problem. We cannot always prevent it but we can minimize the occurrences and maximize the availability of treatment by increasing public awareness of the problem.

Congress, in passing this resolution, will provide the necessary national focus to better enable trauma organizations to mount campaigns to educate our citizens about trauma, its implications and the best solutions to address it.

I fully support passage of this resolution.

Mr. BURTON of Indiana. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Virginia?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 135

Whereas more than 9,000,000 individuals in the United States suffer traumatic injury each year;

Whereas traumatic injury is the leading cause of death for individuals under 44 years of age in the United States;

Whereas every individual is a potential victim of traumatic injury;

Whereas traumatic injury often occurs without warning;

Whereas traumatic injury frequently renders its victims incapable of caring for themselves;

Whereas past inattention to the causes and effects of trauma has led to the inclusion of trauma among the most neglected medical conditions in the United States;

Whereas it is estimated that the people of the United States will spend more than $175,000,000,000 this year on the problem of trauma;

Whereas trauma is preventable and increased efforts to prevent trauma would reduce or eliminate deaths and disability due to trauma;

Whereas the problem of trauma can be remedied only by prevention and treatment through emergency medical services and trauma systems; and

Whereas the people of the United States must be educated in the prevention and treatment of trauma and in the proper and effective use of emergency medical systems; Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That May 1993 and May 1994 are each designated as "National Trauma Awareness Month" and the President is authorized and directed to issue a proclamation calling upon the people of the United States to observe these months with appropriate ceremonies and activities.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EMERGENCY MEDICAL SERVICES WEEK

Ms. BYRNE. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 78) designating the weeks beginning May 23, 1993, and May 15, 1994, as "Emergency Medical Services Week," and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. It there objection to the request of the gentlewoman from Virginia?

Mr. BURTON of Indiana. Mr. Speaker, reserving the right to object, I will not object, but I would simply like to inform the House that the minority has no objection to the legislation now being considered.

Mr. MANTON. Mr. Speaker, I rise today in support of House Joint Resolution 78, legislation I introduced to designate the week beginning May 23, 1993, and the week beginning May 15, 1994, as Emergency and Medical Services Week. I want to thank the gentleman from Missouri, BILL CLAY, chairman of the Committee on Post Office and Civil Service for his support of House Joint Resolution 78, and his help in bringing this legislation to the floor.

Since its inception in 1986, Emergency Medical Services Week has afforded the public with an important opportunity to learn about the life saving benefits of emergency medical care. The demand for emergency medical services is increasing along with rising costs. Many rural and urban hospitals and trauma centers across the Nation have been forced to close because of the increase in costs. EMS systems are overburdened and nearly all are underfunded. Many emergency departments are having difficulty recruiting and retaining health care professionals. Despite these problems, recent advances in emergency medical technologies are enabling EMS providers to save more lives than ever before.

Mr. Speaker, this resolution has the strong support of many National Health Care Organizations including the American College of Emergency Medical Physicians, the International Association of Firechiefs, the National Association of Emergency Medical Technicians, the American Ambulance Association, the Association of Air Medical Services, the Emergency Nurses Association, the National Association of State EMS Directors, and the National Council of State EMS Directors and the National Council of State EMS Training Coordinators.

Every year during Emergency Medical Services Week, these groups and communities across the Nation sponsor special events designed to increase awareness and promote prevention of medical emergencies. Emergency Medical Services Week programming has included a variety of health safety topics such as instruction in CPR, alcohol and drug abuse prevention and treatment, child safety, bicycle safety, and school based educational programs in emergency medicine.

Mr. Speaker, EMS providers are skilled and dedicated individuals ready to provide lifesaving assistance every day. They dedicate countless hours to training and working in cities and communities across the country. Emergency Medical Services Week is necessary to increase public knowledge about emergency medicine.

Again, I want to thank Chairman CLAY for his help in bringing this resolution to the floor and I urge its immediate passage.

Mr. BURTON of Indiana. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Virginia?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 78

Whereas emergency medical servcies is a vital public service;

Whereas access to quality emergency care dramatically improves the survival and recovery rate of those who experience sudden illness or injury;

Whereas efforts to establish emergency medicine as a medical specialty began 25 years ago with the founding of the American College of Emergency Physicians in 1968;

Whereas the members of emergency medical services teams are ready to provide lifesaving care to those in need 24 hours a day, 7 days a week;

Whereas emergency medical services teams consist of emergency physicians, emergency nurses, emergency medical technicians, paramedics, firefighters, educators, administrators, and others;

Whereas approximately ⅔ of all emergency medical services providers are volunteers;

Whereas the members of emergency medical services teams, whether career or volunteer, engage in thousands of hours of specialized training and continuing education to enhance their lifesaving skills;

Whereas Americans benefit daily from the knowledge and skills of these highly trained individuals;

Whereas it is appropriate to recognize the value and the accomplishments of emergency medical services providers by designating Emergency Medical Services Week; and

Whereas the designation of Emergency Medical Services Week will serve to educate all Americans about injury prevention and how to respond to a medical emergency: Now, therefore be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the weeks beginning May 23, 1993, and May 15, 1994, are designated as "Emergency Medical Services Week" and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such weeks with appropriate ceremonies and activities.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Ms. BYRNE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include therein extraneous material on Senate Joint Resolution 43, House Joint Resolution 135, and House Joint Resolution 78.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Virginia?

There was no objection.

ORDER OF BUSINESS

Mr. BURTON of Indiana. Mr. Speaker, I ask unanimous consent that the order of the 60-minute special orders granted for today to Mr. BURTON of Indiana and Mr. ARCHER of Texas be switched.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

HOUR OF MEETING ON WEDNESDAY NEXT AND THURSDAY NEXT

Mr. BACCHUS of Florida. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 a.m. tomorrow, and that when the House adjourns tomorrow, it adjourn to met at 11 a.m. on Thursday, May 27, 1993.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

REALLOCATION OF TIME FOR SPECIAL ORDER TODAY

Mr. BACCHUS of Florida. Mr. Speaker, I ask unanimous consent that the special order for the gentleman from Michigan [Mr. BONIOR] on May 25, 1993, be allocated to the gentleman from Missouri [Mr. GEPHARDT].

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

CHANGE OF TIME FOR SPECIAL ORDER TODAY

Mr. BACCHUS of Florida. Mr. Speaker, I ask unanimous consent to change the 60-minute special order today, for Hon. BARBARA-ROSE COLLINS to a 5-minute special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

□ 1210

NAFTA AND DRUGS

(Ms. KAPTUR asked and was given permission to address the House for 1 minute and to revise and extend her remarks and include extraneous matter.)

Ms. KAPTUR. Mr. Speaker, the front page of the New York Times yesterday said it all—illicit drug trafficking is indeed intertwined with the proposed NAFTA trade agreement with Mexico. Every American who is concerned about the destruction illegal drugs wreak every day in our country must read this article.

The Times reports that Mexico's cocaine smugglers, working with Columbian drug cartels, are buying maquiladora factories just south of our border, as well as warehouses and fleets of trucks, to use as front operations for drug-running if this deal goes into effect.

Trade negotiators committed an appalling oversight when they neglected even to discuss the illegal drug trade, in spite of repeated urgings by Members of Congress. After all, 50 to 70 percent of the cocaine consumed in our country comes from Mexico.

Congress should not approve the NAFTA deal unless our borders are locked tight from drug runners.

For the RECORD I include the following New York Times article from May 24, 1993:

[From the New York Times, May 24, 1993]

FREE-TRADE TREATY MAY WIDEN TRAFFIC IN DRUGS, U.S. SAYS

(By Tim Weiner with Tim Golden)

WASHINGTON, May 23.—Cocaine smugglers working with Colombian drug cartels are starting to set up factories, warehouses and trucking companies in Mexico to exploit the flood of cross-border commerce expected under the North American Free Trade Agreement, United States intelligence and law-enforcement officials say.

The Mexican smugglers are buying and setting up the companies "as fronts for drug trafficking," said a report written by an intelligence officer at the United States Embassy in Mexico City. The phenomenon was confirmed by a senior United States official who oversees enforcement of antidrug laws and who spoke on condition that he not be named.

The cocaine traffickers "intend to maximize their legitimate business enterprises within the auspices of the new U.S.-Mexico free trade agreement," the report said. The report was released under the Freedom of Information Act to the National Security Archive, a private research group in Washington that seeks to declassify Government documents.

TAKING ADVANTAGE OF ADVANTAGE

The document said traffickers planned to invest in trucking and warehousing businesses in Mexico as conduits for drug shipments. They have also started to buy manufacturing and assembly plants known as maquiladoras as fronts for drug shipments, the senior United States official said.

Under a program established in 1965, the maquiladoras have special tariff exemptions, and the goods they produce move in and out of the United States with minimal inspection.

"A lot of intelligence demonstrates the drug traffickers' ties to maquiladoras," the United States official said. "They are investing in these plants for shipments to the United States."

United States investigators said that they first noted the phenomenon 16 months ago and that the problem was growing; Mexican officials, who first heard of it six weeks ago from their United States counterparts, said they knew of only a few such cases.

The intelligence report, intended mainly as a warning, did not specify how widespread the problem was or which companies the smugglers were investing in. Law enforcement officials on both sides of the border said they did not know the scope of the threat.

"The free-trade agreement makes the United States more accessible and convenient for traffickers," said a United States official involved in fighting drug traffickers. "It gives these people better opportunities to smuggle drugs."

The trade agreement, which was signed in December by President Bush, President Carlos Salinas de Gortari and Prime Minister Brian Mulroney, awaits approval by Congress and by the legislatures of Mexico and Canada. Over the next 15 years, it would gradually eliminate tariffs on goods traded among the three nations and eventually allow Mexican truckers to drive their rigs anywhere in the United States and Canada.

A trade expert and two former United States trade negotiators said that while United States and Mexican officials had foreseen the possibility that drug traffickers would take advantage of the trade pact, the problem was not raised during the negotiations. In fact, the pact does not address law enforcement issues related to trade.

WHY IT WASN'T TALKED ABOUT

"This was in the 'too hot to handle' category," said Gary Hufbauer, a senior fellow at the Institute for International Economics and co-author of a favorable book about the trade pact. "It's a painfully obvious problem. The huge increases in traffic will provide a huge cover for drug traffickers."

The challenges facing customs inspectors are already daunting. Mexican smugglers working with the Medeltin and Cali drug cartels in Colombia already ship 50 percent to 70 percent of the cocaine consumed in the United States, hauling roughly 200 tons a year over the border and pocketing billions of dollars in profit.

The maquiladoras have grown over the past decade into Mexico's most important source of foreign exchange after oil. More than 2,100 maquiladoras employ half a million workers to make components or finished products from materials that are allowed into Mexico duty-free. The products, from furniture and television sets to auto parts, are shipped back by truck or train, with duty payments only on the value added in Mexico.

A senior Mexican law enforcement official, speaking on condition that he not be named, said the United States officials' warning could "definitely" be well founded.

He said officials were investigating a report of a cocaine shipment hidden in electronics components, although he had not confirmed that any specific maquiladora was being used to smuggle drugs.

Since Mexico deregulated its trucking industry in 1989, each maquiladora has been allowed to operate its own truck fleet and set up its own trucking company. That alone might make them attractive to smugglers.

"The issue of the maquilas is a new one," the Mexican official said. "There is no hard evidence, but these guys are not stupid, and the path is very clear."

A senior Mexican customs official who, following the policy of the Finance Secretariat, also spoke on the condition that he not be named, said maquiladora commerce was being treated deferentially on both sides of the border. He said that the United States Customs Service has the right to inspect the plants and their shipments, but that in practice such checks were rare.

"I think the controls will, naturally, get looser" under the free-trade pact, the Mexican customs official said. "Control will be reduced."

Thus free-trade pact is likely to complicate life for customs supervisors like Bill Lackey in El Paso.

At Mr. Lackey's post on Friday, a line of tractor-trailers spewing diesel fumes stretched for a quarter of a mile across the Bridge of the Americas into Ciudad Juárez, Mexico, waiting for inspections by the two officials on duty.

About 1,700 trucks cross the bridge over the Rio Grande each day, almost all from maquiladoras making textiles and electronic components. Inspections last as little as five minutes.

CONFLICTING GOALS AT BORDER

"We understand they have to get in and get out," Mr. Lackey said. "That is their living. We respect each other. The people coming across understand our problems and adapt to that."

Customs officials are torn between the goals of stopping contraband and supporting commerce. Today "most trucks that go through customs go through almost unimpeded," said Mike Lane, the deputy customs commissioner at El Paso.

But he said 300 new inspectors and new surveillance gear at the 22 customs posts between the Pacific and the Gulf of Mexico would help ferret out the smugglers.

Others familiar with the cocaine trade express doubts.

"The passage of Nafta will clearly put additional strain on customs at the borders," said Assistant United States Attorney Glenn MacTaggart, who prosecuted members of the so-called Juárez cartel, one of the Mexican syndicates cited in the intelligence report.

THE 21-TON CACHE

The Juárez cartel imported the biggest cocaine cache ever seized in the United States, a 21-ton supply found in 1989 in a warehouse near Los Angeles.

"If Nafta provides opportunity for legitimate businesses, it may clearly provide opportunities for illegitimate businessmen," Mr. MacTaggart said. "It's almost common sense."

Under the trade agreement, the export of Mexican products in Mexican trucks would vastly expand. Today, a tractor-trailer truck owned by a Mexican company cannot travel beyond a narrow commercial zone near the border, and trailers are transferred there to American haulers. If the pact is approved, a Mexican trucker will be able to travel to any point in California, Arizona, New Mexico and Texas by 1997, and anywhere in the United States and Canada by 2001.

American law-enforcement officials said they believed the cocaine belonged to a businessman who owns one of the biggest trucking companies in Mexico.

CONTINUED RESTRICTIONS ON EXTENSION OF MFN FOR CHINA

(Mr. WOLF asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. WOLF. Mr. Speaker, President Clinton is expected to request an extension of most-favored-nation status for China. I don't know exactly what conditions the President plans to place on MFN, but they must include an end to MFN if China continues to export slave labor made goods.

Those who believe that the collapse of the Soviet Union brought an end to forced labor and gulag-style prisons are quite mistaken; I know firsthand that the Laogai system is alive and flourishing in China.

In 1991, I visited Beijing Prison No. 1 with the hopes of meeting some of the prodemocracy demonstrators imprisoned there after the Tiananmen Square massacre. I was not allowed to see the demonstrators, but I did find an active prison industry, where workers toiled in unsafe conditions to manufacture socks and other textile products which were exported to the United States. If every Member of Congress witnessed what I did, I suspect very few would support extension of MFN for China.

Last week, I joined with my colleagues NANCY PELOSI, CHRIS SMITH, and CHARLIE ROSE at a press conference where shocking new information was made public about China's continued practice of slave labor exports.

Harry Wu, of Stanford University, recently brought this new information to light. Harry, who spent 19 years as a slave laborer in China's gulag, known as Laogai, has risked his life to try to stop the export of slave labor made goods and has found that American companies are knowingly importing slave labor made goods from China.

China right now enjoys an $18 billion trade surplus with the United States and Chinese leaders in the past have boasted that the Laogai system generates at least $100 million a year in exports. But there should be no misunderstanding, MFN for China is fundamentally a moral issue, not an economic one. Whether the Chinese Government is making $100 million or $1 by exporting these goods, it is immoral for the United States to prop up this inhumane system.

To allow the Chinese to continue to export to the United States goods made in these dismal prisons by innocent people—many whose only crime is that they stand for freedom—cuts against the grain of everything our Nation stands for.

President Clinton must demand an end to slave labor in China before MFN is approved.

I include for the RECORD the Laogai Research Foundation press release of May 18, 1993, on the subject:

CHINESE GOVERNMENT LIES ABOUT FORCED LABOR PRODUCTS REVEALED AMERICAN COMPANY IS THE SOLE AGENT FOR LAOGAI CAMP

Chinese government statements over the past two years claiming forced labor products are not exported were shown to be lies today at a press conference held on Capitol Hill by Hongda Harry Wu, Executive Director of the Laogai Research Foundation.

"Chinese government officials have not only lied to the world, but they have made an extraordinary effort to hid the continued export of slave labor products to the United States," Wu, a former political prisoner, said in reporting on the Foundation's three-month investigation.

Joined by Congressmen Frank Wolf and Charles Rose, Wu released a detailed report entitled: "Cruel Money: Who Profits from China's Laogai Products?"

The most important findings of the investigation are:

Columbus McKinnon Corp. (Amherst, NY) was named by a Chinese government trading company as the "sole agent" in the United States for chain and lever hoists manufactured by Zhejiang Province No. 4 Prison, also known as Hangzhou Superpower Hoist and Hangzhou Wulin Machinery Plant. The illegal hoists carry the CM brand and are on sale throughout the United States.

Zhejiang Province No. 1 Prison which is known as Wuyi (May 1st) Machinery Plant and Zhejiang Light Duty Lifting Machinery Factory is exporting chain and lever hoists to the U.S. through a Chinese government -owned trading company, Fuchuen Machinery & Equipment Import and Export Corp., operating in Hong Kong.

At a trade show held in Los Angeles in March, Chinese officials not only tried to sell a diesel engine banned by the U.S. Customs Service, they sought foreign investment in the Laogai factory.

A photograph from an official Chinese government publication purporting to show executives of Dow Chemical meeting with officials of Shenyang No. 1 Laogai (Labor Reform) Detachment, a prison producing rubber vulcanizing chemicals known as "accelerators." The executives are believed to be from Dow Chemical Pacific Ltd., a Dow subsidiary based in Hong Kong with branch offices in China.

Documentary evidence showing the chemical Laogai produces half of China's total output of rubber vulcanizing "accelerators." The implication of this is staggering—half of all Chinese rubber and rubber-related products might be illegal under U.S. law.

Another prison in Shenyang (No. 2 Laogai Detachment) produces millions of pairs of rubber boots, many of which are exported to the U.S.

Discussions with officials of Chinese state-owned trading companies in Hong Kong revealed the practice of mixing illegal forced labor products with legal products of the same brand name is expanding, thus making U.S. law enforcement efforts much more difficult. The products in question are handtools which may be coming into Texas.

The three-month investigation involved repeated trips inside China by a number of persons associated with the Laogai Research Foundation. Photographs taken on these trips of various Laogai camps are believed to be the first to appear in public inside or outside China.

Wu was for 19 years a political prisoner in many different Laogai camps. His secret filming inside 20 camps in 1991 resulted in major exposes on 60 Minutes and in Newsweek. He has testified before committees of both the Senate and House of Representatives, and is the author of Laogai—The Chinese Gulag, published in 1992 by Westview Press.

The Laogai Research Foundation is a nonprofit organization dedicated to exposing human rights abuses in China's vast gulag. Wu was joined at the press conference by Jeffrey Fiedler, a director of the Foundation and Secretary-Treasurer, Food and Allied Service Trades Department, AFL-CIO.

CRISIS IN HAITI

(Mr. OWENS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. OWENS. Mr. Speaker, the drug smuggling generals of Haiti are again laughing at U.S. and U.N. diplomats. They rejected another proposal. I quote from the New York Times of today:

> After 2 days of talks and a month of intense diplomatic pressure, Haiti's military authorities have rejected an American-backed United Nations plan to deploy an international police force here as part of a settlement of Haiti's long political crisis * * *
>
> The rejection was delivered to President Clinton's special adviser for Haitian affairs, Lawrence Pezzullo, and the United Nations special envoy to Haiti, Dante Caputo.

Mr. Speaker, I include this entire article for the RECORD, as follows:

[From the New York Times, May 25, 1993]

LEADERS IN HAITI SPURN POLICE PLAN

(By Howard W. French)

PORT-AU-PRINCE, HAITI, May 24.—After two days of talks and a month of intense diplomatic pressure, Haiti's military authorities have rejected an American-backed United Nations plan to deploy an international police force here as part of a settlement of Haiti's long political crisis, diplomats said today.

The rejection was delivered to President Clinton's special adviser for Haitian affairs, Lawrence Pezzullo, and the United Nations special envoy to Haiti, Dante Caputo. It came after American diplomats expressed strong confidence in recent days that army leaders would accept the return of the country's elected President, the Rev. Jean-Bertrand Aristide.

Diplomats said the rejection set the stage for new economic and other sanctions against Haiti, which would be aimed at the military leaders and their supporters among the country's small elite.

Under the plan for the negotiated return of Father Aristide, he had agreed to an amnesty for the military leaders in the September 1991 coup and the subsequent political violence that has claimed as many as 3,000 lives.

'NO OTHER CHOICE'

A proposal to deploy 500 international police officers, which has encountered resistance from both military leaders and some Aristide supporters, was intended to help end the violence and to create a climate for negotiations on a new government and a deadline for the exiled President's return.

With the rejection, diplomats here said Haiti's military authorities had called the bluff of the United Nations and Washington, which have warned of serious new sanctions if diplomacy fails.

"We told them that they had left no possibility for the international community to end this crisis but to impose sanctions," said a diplomat close to the discussions. "We don't want to do this, but it was made absolutely clear that at this point there is no other choice."

Another diplomat said. "There are two sides to this thing, naturally, but so far we have only heard the details of one of them"—a large international aid package being prepared for Haiti in expectation of a settlement. "It's time to begin talking seriously about the pain," the diplomat said.

PUNITIVE MEASURES SUGGESTED

Since shortly after the coup, which forced Father Aristide into exile, there has been a hemispheric embargo on Haiti, but has failed to sway the Haitian elite. At the same time, however, the embargo has wreaked severe long-term damage to Haiti's economy and caused added pain for the bulk of the popu-

> lation in what had already been the hemisphere's poorest country.
>
> Some diplomats here mentioned several possible punitive measures, including the prosecution of army leaders who are widely believed to be involved in narcotics trafficking, the blocking of petroleum shipments and the freezing of financial assets of supporters of the coup.
>
> Adding to the pressure for sanctions, diplomats close to the negotiations here have said the United Nations has recently indicated that it will withdraw from the diplomacy here in the absence of support for strong punitive measures that can persuade the Haitian Army to move toward a resolution.
>
> The United Nations special mediator for Haiti, Mr. Caputo, a former Argentine Foreign Minister, has made six trips here in recent weeks to seek an international settlement.
>
> FRUSTRATION IS EXPRESSED
>
> With great expectations of a breakthrough, fed by confident assessments from American diplomats, expressions of frustration toward the United States were common among diplomats here today.
>
> "For weeks, the Americans have been telling everyone that the army is in agreement, that everything is in place," one said. "Then we come down here and see that there is nothing to it, absolutely nothing.
>
> "Washington has one more opportunity to show that it is serious about settling this thing in a multilateral fashion, through sanctions. Otherwise, everyone else is going to withdraw and this is going to become an American problem again, all by itself."
>
> But another diplomat close to the talks said that Mr. Clinton's special representative, Mr. Pezzullo, had "spoken very strongly' in warning the army leaders today, leaving "no doubt about where the Americans stand."

Mr. Speaker, this senseless, continuous negotiation with drug smugglers who will never yield their profits must cease. The Congressional Black Caucus has adopted a position that we should tighten the sanctions on Haiti, we should proceed and demand that President Aristide be returned in 60 days, that by July 12 President Aristide should be returned to Haiti.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland [Mr. BARTLETT] is recognized for 5 minutes.

[Mr. BARTLETT of Maryland addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

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UNITED STATES AND PAKISTAN RELATIONS

The SPEAKER pro tempore (Mr. MCNULTY). Under a previous order of the House, the gentlewoman from Michigan [Miss COLLINS] is recognized for 5 minutes.

Miss COLLINS of Michigan. Mr. Speaker, I rise to discuss an issue imperative to United States foreign policy—United States and Pakistan relations.

Mr. Speaker, we currently face a crossroad between our Nation's relationship with one of our longtime allies, Pakistan.

The State Department is considering classifying Pakistan as a terrorist state because of allegations that Pakistan has given material, weapons, personnel, and training support to Kashmiri militants who have committed acts of terrorism in Indian-controlled Kashmir. Allegations have also been made that Pakistan lends support to Sikh militants engaged in terrorism in Indian Punjab.

A classification of being a terrorist state would have a devastating effect on Pakistan. Pakistan would be ineligible for any United States aid, including humanitarian aid, and Congress would be required to vote against any loans to Pakistan from multilateral lending agencies. In addition, under section 505 of the International Trade and Security Act of 1985, Pakistan would also be banned from importing goods and services to the United States as a nation supporting terrorism.

Pakistan has worked hand in hand with the United States in the quest for democracy. They were vital during the cold war in fighting the spread of communism. The CIA, in cooperation with Pakistan intelligence, trained Afghan guerrillas to combat Soviet aggression in Afghanistan.

Most of the complaints against Pakistan have come from India. Pakistan and India are involved in a longstanding and deeply rooted dispute regarding the State of Kashmir. Pakistan insists that it only lends diplomatic and moral support to separatists groups in Kashmir and Punjab and it denies backing Sikh militants.

Kashmir, the only majority Moslem state in India, was recognized by the United Nations as a disputed territory and Pakistan agrees to resolve this conflict based on the resolutions approved by the Security Council and United Nations Commission for India and Pakistan. In addition, Pakistan has offered to negotiate this issue bilaterally in accordance with the Simla agreement.

As a matter of fact, Pakistan has been deeply concerned about its being viewed a terrorist state. The Pakistan Government has deported Arab fundamentalists who have been connected to anti-Government terrorist activities in India, Algeria, and Egypt. They also offered full support to India in apprehending perpetrators involved in a series of bombings on Bombay. In addition, they replaced the director of Pakistan's interservices intelligence who was allegedly involved with supporting militants in Kashmir and Punjab.

Their actions have been in response to a statement released by the State Department on January 8, 1993, that Pakistan would be placed under active continuing review because of alleged terrorist activities in Kashmir and Punjab. If placed on the terrorist list, Pakistan will have the same status of countries such as Cuba, Iran, Iraq, Libya, North Korea, and Syria. Countries that have perpetuated anti-American sentiment throughout the Moslem world, propaganda that Pakistan has consistently disregarded. In fact, Pakistan has supported the United States and provided a positive view of our Nation to their Moslem counterparts.

This is a disturbing classification for Pakistan considering their longstanding alliance with the United States and the fact that they were not named in the April 1993 U.S. State Department annual report to Congress, Patterns of Global Terrorism, 1992.

The State Department can place a country on the terrorist list at any time. But, placing Pakistan on this list when it didn't appear in the recent report to Congress would be a rash decision.

In layman's terms the Pakistan economy would be dealt a severe blow and Pakistan-American trade relations would simply deteriorate. There would be restrictions on movement of Embassy staff thereby delaying visa processing and other services. Limitations would be placed on United States-Pakistan flights. Pakistani citizens would no longer be able to attend United States colleges and universities and Pakistan-Americans would have problems traveling back to the country to visit relatives and friends.

Many disagree with the State Department on considering Pakistan as a terrorist state. Pakistan has not shown to be involved in anti-Western propaganda and terrorism like Iran or Libya. To classify it as such strains the good relations that have existed between our two countries for decades.

Pakistan is still contending with the problems brought on during that time. According to Molly Moore and John Anderson in an article in the April 21, 1993, Washington Post:

> A nation that once was a linchpin of American foreign policy has become a casualty of post-cold war political realignments. Amid domestic political turmoil, Pakistan is struggling to cope with the refuse of a superpower battle: A glut of weapons in the marketplace, large numbers of restless, combat-experienced foreign guerrillas, millions of Afghan refugees, and an unbridled drug trade.

Also in the same article Pakistan's Secretary for Foreign Affairs Shahayar Khan said:

> We fought the Afghan war for 14 years, and now people who were committed to our side are suddenly seen as villains and branded as terrorists.

In addition to their vital role in ending Soviet aggression in Afghanistan, they assisted in developing our relationship with China when they offered their diplomatic services to then Secretary of State Henry Kissinger who flew to China from Pakistan in July 1976. This shows the ability of Pakistan to pave the way for United States relations with other countries who may have anti-American sentiments.

Pakistani troops served with our troops in Operation Desert Storm. They joined United States troops in assisting the United Nations in Operation Restore Hope in Somalia. Pakistan risked its own national security when it allowed the United States to use espionage aircraft to fly from its bases over the Soviet Union during the 1960's.

Pakistan has been instrumental in denuclearizing south Asia and plays a stabilizing role in central Asia and the Middle East. They have advocated the establishment of a nuclear-weapon-free zone in south Asia. Their proposal has been endorsed by the U.N. General Assembly. In 1979, Pakistan expressed its readiness to accede to Nuclear Nonproliferation Treaty [NPT] simultaneously with India.

Pakistan is also essential to the United States for its stand in the Moslem world. Pakistan is the world's third largest moderate Moslem country and has consistently supported America serving as an example to other Moslem nations. With many Moslem countries perpetuating anti-American sentiments, Pakistan serves as our one and best opportunity to develop and change the relationship America has with Moslem nations.

The United States has made economic and intellectual investments in Pakistan that should be cultivated. We must continue to foster this relationship and not make hasty decisions that would hurt both American and Pakistan interests.

Declaring Pakistan a terrorist state would not only be a slap in the face but it would only further strain relations between Pakistan and India. Pakistan, after all its years of service to the United States, would be a virtual outcast. It would interrupt the stabilizing force that Pakistan has offered and would cause them to ally themselves closer to their nearest neighbor, Iran. The United States should be working diplomatically to resolve the differences between the two nations.

This issue must be thoroughly investigated and debated before the United States makes such a strong decision. Prof. Thomas P. Thornton of the Nitze School of Advanced International Studies at Johns Hopkins University wrote an article in yesterday's Christian Science Monitor. I quote:

> Pakistan is * * * a large and very important country that plays a key role in the Moslem world—a place where we need friends. We need to get beyond the disillusion and embitterment that have characterized United States-Pakistan relations and find a middle ground where we can build a relationship that meets specific, limited mutual interest. Declaring Pakistan a terrorist state is not the way to start.

I agree with Professor Thornton and those Washington and Islamabad officials who feel this decision would be counterproductive and unfair. We must work with both India and Pakistan in seeking a fair solution. If Pakistan-India relations are to improve we must play the role of the impartial facilitator.

I urge the administration to remove Pakistan from active continuing review and to cease the threat of making Pakistan a terrorist state. I urge my congressional colleagues to contact the administration to voice their concern over the treatment of Pakistan. We cannot nor should we, lose a loyal and valuable ally. Thank you, Mr. Speaker.

THE PRESIDENTIAL HAIRCUT AND TRAVEL OFFICE PROBE

The SPEAKER pro tempore [Mr. HASTINGS]. Under a previous order of the House, the gentleman from California [Mr. DOOLITTLE] is recognized for 5 minutes.

Mr. DOOLITTLE. Mr. Speaker, the Washington Times today has an interesting headline: "Haircut Costs Airlines $76,000." Then underneath it, FBI Angry About Politicizing of Travel Office Probe."

Mr. Speaker, this was an administration that came to power on the claim of representing the middle class. Frankly, the claim of getting the economy going again, a middle-class tax cut, and doing something about the cost of health care to make it more affordable for people. Also, there has been a strong patina of concern about ethics.

I just think that it is very disturbing to see what is happening, in just the first few months of this administration.

Just to look at this Washington Times story for a minute, with reference to the haircut controversy, which in some ways is a tempest in a teapot, but in another is very symbolic of the great distance between this administration, and middle America.

The Citizens for a Sound Economy did some investigating to find out what the cost of that haircut was, above and beyond, of course, the $200, plus whatever the tip may have been.

A CSE spokesman quoted, from the Washington Times:

> CSE spokesman Jeff Nesbit told the Washington Times that costs provided by the airline industry indicate that Mr. Clinton's 56-minute haircut and the security block of two nearby runways in Los Angeles Monday cost the industry $76,000.

Now, I guess that does not include time involved with Air Force One, if it had its engines running. Air Force One is a 747, an enormous airplane. So it certainly showed, at best, a tremendous political insensitivity, and it imposed a number of costs upon various parties, certainly the airlines and, indirectly, or I guess directly, the American public, paying for the cost of Air Force One.

Now I would like to talk a little bit about this other issue, because this, again, goes right to the issue of ethics and the issue of relating to the American public. "FBI Angry About White House Politicizing of Travel Office Probe." And again, quoting from the Washington Times today, and substantially the same story is in the Washington Post:

> FBI agents charged that the White House "politicized" its operations by demanding a highly unusual statement confirming an investigation of the White House Travel Office. FBI sources said the agency had not been looking into mismanagement charges in the Travel Office after a White House audit was conducted, a direct contradiction of White House statements that the FBI was involved from the beginning.

□ 1910

Skipping down and quoting:

> One high-ranking FBI source said: "The FBI cannot be identified as a friend or a foe of any administration. It has to be perceived as neutral in all cases. On its surface, this unusual announcement served no purpose other than to legitimize a political decision."

Mr. Speaker, on the issue now of the travel agency, it is very interesting to see what some of the details are about that. Quoting from an article that appeared in the Sacramento Bee on Sunday, May 23, by columnist Pete Dexter:

> Mr. Stephanopolos did not say who was allowed to bid against Clinton's 25-year-old once- or twice-removed cousin Catherine Cornelius for the position of temporary head of the travel staff.
>
> He did not say which agencies were allowed to bid against the Little Rock, Arkansas firm World Wide Travel that was at first named to handle the White House's travel plans. World Wide and its owner, Betta Carney, were large political supporters of Clinton and large contributors. They paid off some of his campaign debts, in fact, debts Clinton would have otherwise been responsible for himself. After a deluge of criticism, World Wide itself was quickly dropped late Friday.

Then, quoting from the Washington Times:

> The White House also conceded yesterday that Penny Sample, president of Air Advantage—an airline company the Clinton campaign used last year—has volunteered to work in the travel office to solicit bids and choose winners for White House airplane charters, mainly for the jet that carries the press to presidential events outside of Washington.
>
> Asked if Ms. Sample is "interested in this business for her own firm," Ms. Meyers said, "I would think."

Mr. Speaker, this controversy reveals a tremendous gap between the President, his administration, and the middle class of America. We elected Bill Clinton, we did not intend to elect Michael Dukakis or George McGovern, but it would seem that indeed we may have gotten more of the philosophy of the latter.

FULL DISCLOSURE FOR THE PUBLIC

The SPEAKER pro tempore (Mr. HASTINGS). Under a previous order of the House, the gentleman from Florida [Mr. BACCHUS] is recognized for 5 minutes.

Mr. BACCHUS of Florida. Mr. Speaker, a week ago every Member of this House disclosed details of our personal finances to public scrutiny. That is, we made such disclosure to the extent that it is required by current law.

The truth is, Federal law does not require all that much disclosure of Members of Congress. There are enough loopholes in the current law to drive a truck through, or maybe a Mercedes.

Mr. Speaker, on the forms that we file annually Members of Congress are only required to list assets and liabilities within broad categories of value, very broad categories. The ranges are so broad, in fact, that it is impossible to tell from a report whether a Member received a large increase in income from a particular source.

I make a different kind of financial disclosure. I call it full disclosure. I do so voluntarily, as do a handful of other Members of this House. Each year I file voluntarily copies of my income tax return and of my net worth statement listing all my assets and all my liabilities down to the last penny. I believe that every candidate for Congress and every Member of Congress should be required to do the same on an annual basis. I have done so since I first became a candidate.

I have a history, a long history, of working for full financial disclosure. In my State of Florida, full financial disclosure is enshrined in the State constitution. It is so because an enlightened leader named Reuben O'Donovan Askew, as Governor of that State, led a statewide initiative drive that amended the constitution to require full financial disclosure. I am proud that I helped him in that campaign in 1975 and 1976. I am proud that I am one of the coauthors of that sunshine amendment to the Florida constitution.

That is why I have joined with my colleague, the gentleman from New Jersey [Mr. ZIMMER], in a bipartisan effort to bring full financial disclosure to the Congress of the United States. We have introduced H.R. 1084, the Public Service Accountability Act of 1993. This would require full financial disclosure. It calls for the listing of exact amounts and sources of all assets and liabilities, just as I have done voluntarily, and just as the gentleman from New Jersey [Mr. ZIMMER] has done, as well.

This would also require Members of the Congress and candidates for Congress to file an annual statement of net worth and copies of their tax returns from the previous year.

Why would we do this? Why would we take such extraordinary steps? These are extraordinary times. I cannot imagine how much greater the cynicism or the skepticism of the people could be. We need to take extraordinary steps in these extraordinary times to reassure the people that we are really working for them and not for ourselves or some selfish special interest.

As far as I am concerned, the people have every right to know what we own, what we owe, and how much we owe. They have the right to know every detail of our personal finances. I have no expectation of privacy in my personal finances, nor does the gentleman from New Jersey [Mr. ZIMMER], nor do the handful of Members who have cosponsored our resolution.

In my view, Mr. Jefferson was right long ago when he said that, "When one assumes a public office, he becomes a public property." We need to take the extraordinary step of passing H.R. 1084 and reassuring the people that a public office truly is a public trust.

TRAVELGATE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. DELAY] is recognized for 5 minutes.

Mr. DELAY. Mr. Speaker, I take 5 minutes today to describe what I think is a most outrageous injustice, an outrageous abuse of police power, and then an outrageous coverup by President Clinton and the White House over the last few days.

The gentleman from California [Mr. DOOLITTLE] outlined the situation with Travelgate, where employees were fired for what seems to be a replacement in organizing travel by the White House, being replaced by a distant cousin of the President and campaign contributors of the President, to be able to participate in the huge amounts of money that go into travel in the White House and by the press corps.

When the White House was called on firing these employees, they tried to claim that the firings were triggered May 12, solely because management irregularities were found. This is not true. The American people need to know it.

On February 15, Ms. Cornelius sent a memo to David Watkins proposing the dismissals and hiring of World Wide Travel by both the White House and the Democratic National Committee. Does that sound a little fishy? Moreover, the White House has insisted that the FBI was involved in investigating the travel office before an independent accounting firm was called in to audit the office. FBI officials said yesterday, however, that they were not involved in the investigation of alleged financial misconduct by the fired White House travel staff until the firings took place on Wednesday, after the White House audit was conducted.

Even more outrageous are today's reports that the White House has violated its own policy of noninterference with the Justice Department investigations. White House officials acknowledged taking the highly unusual step of summoning the Director of the FBI's Public Affairs Office last week and asking him to issue a news release saying criminal investigation of the seven workers was warranted, an absolute abuse of police power.

The Washington Post reports that at a meeting held at the White House, administration officials provided guidance in drafting an FBI release to back up its contention that possible criminal acts, not political cronyism, were the reason the travel staff had been fired abruptly.

□ 1920

When has the White House ever taken it upon itself to intervene in a Justice Department investigation, bypassing the Attorney General who has responsibility for the FBI, and tailored a press release to suit its own needs, and informed the Nation that an investigation of American citizens was ongoing? This is unbelievable and unprecedented.

Attorney General Janet Reno was never informed that the White House had asked the FBI to review the travel office matter, nor was she shown the FBI press release put out by the White House last Friday. Reno is reported to be outraged, as we are, and has called the White House counsel yesterday to protest the White House handling of the matter.

Now, to try to mend the damages, the White House has severed its partnership with World Wide Travel.

But now the White House is claiming that the seven travel office employees were not actually fired. Indeed, White House spokesman, George Stephanopoulos, said today that only the two employees with financial authority were considered fired, and that five were actually on administrative leave. The administrative leave would be extended indefinitely, meaning they could continue to be paid. That is an unbelievable coverup by White House trying to cover up an unsavory situation.

Chief of Staff Mack McLarty and Budget Director Leon Panetta have been directed to conduct a review of the entire matter. This is not enough. These people have been fired and their names have been dirtied by the White House by implying that there was criminal activities by them. How are they going to get a job in the future?

The House has to immediately call for hearings on this matter. Those who are responsible for this outrage should be fired, or at the very least we ought to have adult supervision in the White House.

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS ACT OF 1993

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. RUSH] is recognized for 5 minutes.

Mr. RUSH. Mr. Speaker, today I am introducing an important piece of legislation, the Community Development Financial Institutions Act of 1993, House Resolution No. 2250.

I do so with the belief that putting the economic needs of the people of inner city communities, rural areas, and close-in suburban areas on the same playing field is one of a series of steps necessary to make sure that equal economic opportunities are fully extended to all Americans. This bill is designed for those Americans who, as President Bill Clinton describes them, are "willing to work hard and play by the rules."

The bill I have introduced will create the National Community Development Administration [the NCDA]. The NCDA's mission will be the fostering of public-private partnerships which will provide access to credit and financial resources by low- and moderate-income people as well as small, minority- and women-owned businesses. These are the groups and individuals which have traditionally been denied access to adequate levels of capital and credit. Thousands of these groups are located within communities like Illinois' First Congressional District, which I represent.

Building from an initial appropriation of $200 million for fiscal year 1994, specifically, this bill would provide assistance in the forms of grants, loans, and technical assistance to new and existing community development financial institutions.

Innovative groups and individuals across the country who know, first hand, what steps to take to improve their communities will now be able to obtain the economic resources to do so. It allows creative ventures to be undertaken including everything from supporting the efforts of local groups to demolish and remove abandoned buildings, to facilitating the development of low- and moderate-income housing, to helping groups with successful track records in building small projects to obtain extra capital and credit to do more of the same but on a broader scale, thereby impacting larger groups of people and families.

And, Mr. Speaker, the good news is the NCDA will accomplish these goals in a way that does not create one more Federal bureaucracy but, instead, builds on the insights gained from some of the hard-fought struggles, and mistakes, of the past.

The NCDA will encourage healthy competition among certified applicants to get the most bang for their limited bucks. It will require matching private funds for the grants and loans it issues on at least a 1:1 basis. It will recycle funds back to lenders by encouraging secondary market activities among private actors, and it will promote the use of a new investment instrument that will bring dollars from individuals, corporations, and institutions into community development depository institutions for their long-term use.

With the added investment from individuals and institutional investors, millions of Americans will not only be able to take advantage of needed tax deferrals, but will also be playing a direct role in helping to capitalize an organization whose single mission is to systematically reinvest in and redevelop America's inner city and rural communities.

Finally, the real significance of this legislation is not just about credit or banking. It is about genuine, comprehensive, permanent community development. With this bill, I hope to give individuals the tools to determine their own destinies; to take their, and their families' futures into their own hands and work hard to achieve what, until now, has been in sight, but beyond their grasp—that elusive state of being called prosperity. I know that real prosperity cannot exist without the economic building blocks that so many of the hard working men and women in disinvested urban, suburban, and rural communities lack.

I urge my colleagues in the House of Representatives to support this bill which is designed to foster increased access to good-paying jobs; increased entrepreneurship and self-sufficiency; higher living standards and quality of life, and the creation of other assets within local communities.

I believe the kind of development the NCDA will focus on will steadily increase the confidence of local residents, business owners, and workers in targeted communities as these groups begin to realize that their community's fortunes are on the rise. I also believe that outside investors will become increasingly convinced that communities that are coming alive again are the types of communities that merit their careful and considered support—and their investment dollars.

By reinvesting in people and organizations that live in, or care about, our cities and rural areas, I strongly believe that the Community Development Financial Institutions Act of 1993 will be a catalyst for real change in the lives of countless Americans in the years to come.

GENERAL LEAVE

Mr. ARCHER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on the subject of my special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2244, SUPPLEMENTAL APPROPRIATIONS, TRANSFERS AND RESCISSIONS, FISCAL YEAR 1993; AND WAIVING POINTS OF ORDER AGAINST H.R. 2118, SUPPLEMENTAL APPROPRIATIONS, FISCAL YEAR 1993, AND AGAINST ITS CONSIDERATION

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 103–110) on the resolution (H. Res. 183) providing for consideration of the bill (H.R. 2244) making supplemental appropriations, transfer, and rescissions for the fiscal year ending September 30, 1993, and for other purposes, and waiving points of order against the bill (H.R. 2118) making supplemental appropriations for the fiscal year ending September 30, 1993, and for other purposes, and against its consideration, which was referred to the House Calendar and ordered to be printed.

RECONCILIATION AND THE CLINTON TAX INCREASES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. ARCHER] is recognized for 60 minutes.

Mr. ARCHER. Mr. Speaker, I rise to speak again to the House tonight, as I did last night, and discuss facets of the forthcoming reconciliation bill which includes the largest tax increase in the history of the human race that will be placed on Americans in all walks of life. I have listened to Democrats who extol the virtues of this bill, and I would like to discuss a little bit about why some of their comments are, in my opinion, misplaced.

But before I do so, I yield to the gentleman from Florida [Mr. GOSS].

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Mr. GOSS. Mr. Speaker, I thank the gentleman very much for yielding.

I would propose to address the subject that the gentleman has introduced from the perspective of a member of the Committee on Rules and share my very grave concerns that we are not going to be able to do full justice to this extraordinarily important issue in this House because of the Committee on Rules. In fact, tomorrow, the Committee on Rules will take up the Clinton tax bill, a massive tax hike on most Americans, and during that committee process, several Members, this gentleman included, will present alternatives to the energy tax, particularly, and the Social Security tax provisions that are in that bill.

The energy tax, the Btu tax, as we call it, is supposed to raise approximately $70 billion over the next 5 years by taxing virtually every good and service produced or performed in the United States. That is something that every family is going to feel and, frankly, many families cannot afford it. Not only is this proposed tax inflationary because it is going to increase the cost of goods and services, it is going to fall hard on middle-income America. We have heard a lot about middle-income America during the campaign, the very people then-candidate Clinton said he would spare from new taxes.

As for the Social Security tax, it is certainly going to impact millions of seniors who have very modest incomes whose only fault is that they are trying to take some responsibility for their own retirement. They have been prudent, they have set aside, and now we are going to propose to tax them because they are a convenient target. Quite simply, these are not rich people.

I know many, because they live in my district. They are people who are struggling to make ends meet, people earning as little as $25,000 a year. This tax is projected to raise $32 billion over the next 5 years, raising the percentage of Social Security taxable from 50 percent to a whopping 85 percent.

Adding insult to injury, this tax changes the rules of Social Security which is supposed to be a self-financing trust fund, as we know. This new tax plan will generate revenues from Social Security recipients that will go directly to the General Treasury, and that scares people who are on Social Security, and it should.

Mr. ARCHER. I was on the President's Commission on Social Security Reform in 1982, and that Commission recommended to the Congress and had adopted by the Congress, and I might say that I opposed this provision, but nevertheless, this is the way it occurred, for the first time that 50 percent of the Social Security benefits be taxed, and in doing so, they justified that on the basis that 50 percent of the money going into the payment of FICA taxes was tax-deductible to the employee but 50 percent was after-tax dollars on the part of the employee, and they further specified that inasmuch as this was in effect reducing benefits for those people who had enough income to be above the threshold, the threshold by the way which was not indexed for inflation, and as a result, here we are 10 years later, and that is the same threshold but in real dollars, of course, it is much, much lower and picks up people who actually have a lower income.

But they put that tax that was generated by taxing 50 percent of the benefits back into the Social Security trust fund, which is where it should have been placed.

Now the gentleman has appropriately explained to the people of this country that in Clinton's new tax on Social Security beneficiaries, that almost doubles it, that money will no longer go back into the trust fund for the benefit of the elderly in future generations of this country but will be deposited in the General Treasury to pay for President Clinton's new spending programs.

Is that correct?

Mr. GOSS. If the gentleman will yield further, that is precisely what is so scary about this.

I know the distinguished gentleman's participation and understanding, and not only do we have pain here, we have a breach of faith if not contract.

Why are we doing all this? The Clinton administration is telling us we are raising taxes to reduce the national debt, but read the small print and you will see that 5 years down the road after Americans have paid all of these new taxes we are talking about, our national debt is going to be bigger, $1 trillion bigger at least, not smaller, and in fact, the annual deficit will be climbing, according to the budget resolution we have passed. So what happens is we get to a defining moment, and I would suggest that the gentleman's hour this evening is a defining moment here.

We have got debate on a tax plan right now, and we are focusing on taxes, when we should be focusing on cutting spending. We know that Americans know that.

We are setting a course for our national economic security for years to come, and we are not going to be doing it in a broad spectrum of the full will of this body, because my view is that the Committee on Rules is not going to allow that to happen. I hope I am wrong, but as we meet tomorrow, we will know.

Americans are demanding that we cut spending. That is the message that is coming in on my phone and through my mailbag, and I think for the first time in years there is a real momentum among people to bring down the Federal deficit by bringing down the size and scope and the waste in Government.

I am not quite sure why we are being asked to resort to punitive and inflationary tax increases at a time when so much waste and low-priority spending is continuing to bloat our Federal budget.

If you ask the question abroad in this country, has the Federal Government removed all waste from its budget, there is not a place across this country that you would not get a horselaugh if somebody answered "yes." So I suggest our tax problem is not our tax problem, it is our wasteful-spending problem.

If we were focused a little bit more on that, I think we would have a little bit more credibility with the people of this country. I think it is wrong to tell Americans that higher taxes are a given when we have not really begun to cut spending.

Tomorrow I and I know others are going to present the Committee on Rules with alternative plans. I am putting forward one that wipes out the energy and Social Security taxes in the bill and replaces them with $104 billion in spending cuts. It is a serious proposal. I have worked very hard on it.

If Members do not like my list of spending cuts, I hope they will come up with their own list, because there is certainly plenty to choose from. There is no doubt that that is the point that the people of this country are trying to convey to us, and we seem to be slow in getting the message.

I greatly thank the gentleman from Texas, the distinguished ranking member, for allowing me the opportunity to convey that message to the people tonight.

Mr. ARCHER. Mr. Speaker, I appreciate the contribution of the gentleman from Florida.

Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. GREENWOOD].

Mr. GREENWOOD. Mr. Speaker, I want to address that part of the reconciliation package that incorporates the President's vaccine proposal, and to encourage my colleagues to support a rule which would make the Camp/Klug/Greenwood, et al. amendment in order when the budget reconciliation proposal is debated by this House.

Like many of my colleagues, I am deeply concerned about the health of America's children and the sad state of immunization rates in this country. I am committed to making sure all children are vaccinated and that vaccinations are available to children whose parents cannot afford them. I do not, however, think that it is the Federal Government's role or responsibility to provide free vaccines to Donald Trump's children or to my daughters Katie and Laura.

Given the fiscal constraints facing the Federal Government, it does not make sense to establish a new entitlement program for well-off Americans. I believe the amendment I have developed with Mr. CAMP, Mr. KLUG, and others represents a much more responsible approach.

Perhaps I bring a special perspective to this issue. Prior to being elected to public office I served as a children and youth social worker. I am proud to have been considered an advocate for children throughout my tenure in the Pennsylvania legislature. I also was honored to serve on Governor Casey's commission for children and families. The commission spent a great deal of time looking at what works and what does not work when trying to ensure that children are immunized and that they are immunized at the appropriate age.

Through my experience I have seen firsthand what works for families that are impoverished and those with less than perfect parents. In developing our amendment, we incorporated what has been proven to work—and that is requiring parents to get their children immunized if they are to participate in State and Federally funded programs and school.

We have seen it work in Maryland, for example, where waivers provide AFDC sanctions and special needs allowances for recipients to encourage them to meet education and preventive health care requirements established by the State. We have seen it in every State where immunizations are required before children start school and as a result immunization rates reach 98 percent.

Our amendment simply proposes that States be granted the option to increase AFDC and food stamp benefits if parents comply with the immunization requirement or decrease the benefits if parents do not comply. States may use either or both of these financial inducements. The amendment also would provide $100 million per year for the purchase and delivery of vaccines for the approximately 400,000 uninsured children under age 5.

I proposed this kind of approach during the joint House/Senate hearing on the President's legislation which was attended by HHS Secretary Shalala. At the hearing Secretary Shalala indicated, "* * * we have experimented, using the WIC program, for example, using the Head Start Programs, to try to get more children in, and some of these economic incentives and other kinds of incentives have worked—I think we ought to do all of the above. I am not opposed, nor is the Clinton administration, to trying every kind of positive incentive of education program." When I queried the Secretary on whether she would support including such a requirement as a criterion for entry into certain programs, she replied "Yes, absolutely, absolutely."

Furthermore, during a recent visit to Cleveland, President Clinton said that he thought such an approach was "a good idea."

This is not a partisan issue. We need to encourage parents to take responsibility to ensure the health and safety of their children. I believe our amendment is a more responsible and less costly approach toward that goal. I would urge my colleagues to support it.

□ 1940

Mr. ARCHER. Would the gentleman tell this body what the total cost of his amendment would be as compared to what the cost of the Clinton proposal is, which was adopted in the committee?

Mr. GREENWOOD. Our proposal saves, over the course of 5 years, I believe the number is, $980 million, or nearly $1 billion in savings.

The extraordinary thing is that we save all of that money and, instead of raising the rate of immunization a mere 5 percent as we would expect from the President's proposal, we would raise the rate probably close to the 98 percent that we see at the age of 5 years old.

So, what we are seeing is many, many more children needing desperately the help of their Government to help the parents do what the parents should do: more children immunized; far, far less cost.

Mr. ARCHER. I compliment the gentleman on his approach.

The gentleman highlights what is present in many, many other categories; the extreme increase in spending on the part of the Clinton administration without the productive results; and that there are ways to accomplish these solutions to problems without opening the floodgates of the Federal treasury and, once again, having to go to the American taxpayers and say, "Pay some more to Washington." I think it is an excellent suggestion.

Mr. Speaker, I yield to the gentleman from Kentucky, Mr. BUNNING, a respected member of the Committee on Ways and Means.

Mr. BUNNING. I thank the gentleman, the ranking member of the Committee on Ways and Means, for yielding to me.

Mr. Speaker, my wife, Mary, has always been a big believer in the old saying—"If you can't say something nice about somebody, don't say anything at all."

She tries to get me to follow that advice. Sometimes, I manage to follow it. Sometimes, I do not do so well.

But Mr. Speaker, if I were following my wife's advice today and if the President of the United States was standing right here on the floor of this House and if he asked me what I thought of this tax bill, I would have to look the President of the United States in the eye and say to him, "Mr. President, that's a mighty nice haircut you got there."

Mr. Speaker, I would rather compliment someone for his $200 haircut than I would say anything nice about the President's tax bill.

In fact, I cannot find anything nice to say about a tax bill that raises taxes $322.4 billion in new taxes. It is just downright crazy.

Tax increases just do not reduce the deficit. Congress has proven that over and over again. Every time this body raises taxes, it just turns around and raises spending.

And I have never seen a single economic model which even begins to suggest that you can create prosperity with tax increases. It just cannot be done.

How soon we forget? You do not have to look any further back than 1990. The tax increase did not reduce the deficit. But it did help throw us into recession.

You just cannot ax your way to prosperity and you cannot tax your way to a balanced budget. It just will not work.

So, no, I do not like the President's tax package and I cannot think of anything nice to say about it.

The energy tax is bad policy—it is counterproductive policy. The waterway user fee is terrible. The Ways and Means Committee did cut this outrageous tax increase in half but that does not make it all that much better. It still is ridiculous.

But the one tax proposal in the President's proposal that stands out above all the others when it comes to unfairness and dishonesty, is the President's proposal to raise from 50 to 85 percent the portion of Social Security benefits that is taxable.

We are not talking about wealthy people here. We are talking about individuals with incomes over $25,000—couples over $32,000.

We are talking about people who managed to scrimp and save and put enough money away for his or her retirement years to have a modest income. It is a retirement planning penalty.

Some people have criticized the President's tax plan because it breaks his promise not to raise taxes on middle-class America. Generally they point to the energy tax—the Btu tax—as the culprit, because that tax is passed on to every consumer and every homeowner in the country. This is the trickle-down tax.

But the proposal to raise taxes on Social Security benefits is the real broken promise.

The administration fudged their numbers enough to be able to say that 70 percent of the increased tax burden would fall on people with incomes over $100,000. This is just not true.

But 70 percent of the increased revenue from the Social Security tax increase falls on people with incomes well under $100,000—generally seniors with incomes between $25,000-$50,000.

The President's tax plans singled out millionaires—people with incomes over $250,000—for that special 10 percent tax surcharge. But the Social Security tax increase does exactly the same for many people with incomes between $30,000 and $50,000. Many of these middle-class, retired folks will be hit with tax increases over 10 percent.

They are not millionaires. They are not even wealthy by most standards. But many Social Security recipients will be hit with 10, 11, 12, even 13 percent increases in their overall tax liability because of this proposal.

That is a crime. But it gets worse.

As Mr. GOSS and Mr. ARCHER have mentioned, over and above the outrageous inequity of this kind of tax increase for the elderly, there is another big problem with the Social Security tax increase.

Not only does it penalize savings and investment, it also breaks a sacred promise to Social Security recipients.

When the tax on Social Security benefits was enacted in 1983, the revenues were directed to the Social Security trust fund to insure its future solvency. That was the purpose of the tax—to keep the Social Security trust fund strong.

The administration's proposal does not do that. The President's proposal originally diverted the additional revenues to Medicare. We are talking about an outright raid on the Social Security trust fund. But Democrats on the Ways and Means Committee took it one further step and directed the new money straight into the General Treasury.

That makes the proposal to increase taxes on Social Security benefits an outrageous breach of faith to Social Security and senior citizens.

Mr. Speaker, the Social Security tax increase is not only bad policy, it is a broken promise and breach of faith.

I ask my colleagues to remember, that just 2 months ago, each and every one of you—who was here that day—voted for a motion to instruct House conferees to delete the Social Security tax increase.

The conferees did not do it. The Social Security tax increase is still here—in the reconciliation bill. You cannot hide behind that vote from March 25 any more.

If you vote for this reconciliation bill, you are voting for the largest tax increase in history and for an outrageous tax on senior citizens.

Mr. ARCHER. On the waterway user tax, what emerged and was clear in the bill is still a 250-percent tax increase, is it not?

Mr. BUNNING. It is. In other words, from 19 cents, a proposal of $1.19, we now have in the bill 69 cents.

Mr. ARCHER. Is it not also true that studies have shown that the use of barges on the water is the most efficient, and the least injurious to the environment, of any mode of transportation?

Mr. BUNNING. It also shows that very clearly.

Mr. ARCHER. And will this not have a major negative impact on the ability of that source of transportation to do its job in competition with other alternatives?

Mr. BUNNING. I can quote you chapter and verse from some of my very good friends who are in that business and who are going to be suffering. Instead of putting them out of business, as one of the members on our Ways and Means Committee said, in 5 years, it will now take 2 years under this proposal.

Mr. ARCHER. I thank the gentleman for making that point because it is very, very important to all of the people of this country.

□ 1950

Mr. ARCHER. Reclaiming my time, Mr. Speaker, why does the gentleman suppose that President Clinton and his Democrat majority in the House has decided to target senior citizen for this very punitive tax, particularly considering that the ones they target are the ones who sacrificed during their work lives in order to save for their own retirement so they would not be wards of government, or possibly have to continue to work in order to make ends meet?

Mr. BUNNING. Mr. Speaker, if the gentleman from Texas will yield, I do not know the answer, but the fact of the matter is, if there would have been something in this bill to allow a senior to earn more and remove the earnings limit also, I could understand a little better what they are proposing; but the fact of the matter is the penalty on the senior citizens and the breach of trust of the trust fund is something I am not able to comprehend.

Mr. ARCHER. Well, I share the gentleman's inability to comprehend it, because whether you are a union worker who forewent wages during the worklife in order to get a pension for him and then finds that because they get a pension benefit in their retirement years suddenly they are considered to be rich and their Social Security taxes are going to find that 85 percent of them are taxed by the Clinton Democrat program, they have got to wonder, "Why didn't I take my wages up front instead of foregoing them in exchange for a retirement program?"

Mr. BUNNING. Mr. Speaker, if the gentleman will continue to yield, even the Federal employee is going to be doubly penalized under this proposal, for the simple reason of the offset in the Federal retirement in direct relationship to the Social Security benefit; so we are not talking about people just on private pensions, we are talking about people on public pensions who are going to be penalized even more under this proposal.

Mr. ARCHER. Would the gentleman agree that most economists say that the biggest problem in the United States today is a lack of savings?

Mr. BUNNING. That is pretty much the case.

Mr. ARCHER. Would the gentleman further agree that this provision sends just the reverse signal to the American worker that they should not save, because if they save during their work lives they are going to be faced with the highest marginal tax of their entire lives once their Social Security benefits start being taken?

Mr. BUNNING. That is absolutely true.

Mr. ARCHER. That is precisely the wrong signal, in my opinion, to send to American workers.

I greatly thank the gentleman for his contribution.

Mr. BUNNING. Mr. Speaker, I thank the gentleman for the time.

Mr. ARCHER. Mr. Speaker, I yield to the gentleman from New Jersey [Mr. ZIMMER].

Mr. ZIMMER. Mr. Speaker, I thank the gentleman for yielding to me.

The eyes of America are on this House as they rightly should be this week as we struggle with the issue of whether to vote for the largest tax increase in this Nation's history, but the eyes of the Members of this House should in turn be on my State of New Jersey, because we have gone through a very similar experience. In fact, if the States are indeed the laboratories of democracy, then New Jersey is one laboratory that blew up because of an experiment that was endeavored to be performed by our Governor, former Congressman Jim Florio. This is an experiment which unfortunately Bill Clinton wants to replicate.

It was 3 years ago that Jim Florio took office after a campaign in which he said that we did not need to raise taxes, and in a very eerie situation of deja vu all over again, we can recall, those of us from New Jersey, that he took office and he said he was shocked to find that the deficit was far larger than he had anticipated it was, and it was all the fault of his Republican predecessor.

So in short order, he proposed a massive tax increase, the greatest tax increase in the history of our State, and he told the middle class whose taxes were going to be increased that they should feel good about it because the rich were going to pay even more.

It was railroaded through the Democratic State legislature, signed into law, and when that happened Jim Florio promised us that this massive tax increase was going to pave the way to prosperity for the State of New Jersey.

He promised us that New Jersey would lead the region and the Nation out of the recession, that we would no longer have annual budget crises, that we would no longer have to fix holes in our budget with one-shot gimmicks, that we would be a model for the rest of the Nation.

It is 3 years later now and that experiment has had an opportunity to play out.

And what has happened? New Jersey which in the 1980's had an unemployment rate that was 2 percent below the national average, with quite some consistency, now has the highest unemployment rate in the Nation amongst all industrialized States, 9.1 percent, 2 points above the national average, way above all our neighbors.

We are a basket case. The economists in the State of New Jersey are saying that there is no way out and they can see no light at the end of the tunnel.

We are leading the Nation in foreclosures. We have 1 family out of 110 declaring bankruptcy. Businesses are trying to escape the State of New Jersey, and the $2.8 billion tax increase which was the record-breaking tax increase that Jim Florio gained through legislation never yielded $2.8 billion, because the economy went in the tank. Jobs were lost, income was reduced, profits were lower, and so as a result the budget still was a mess and we have not been able to balance it without gimmicks and without one-shot expedients ever since.

□ 2000

That, I think, is very instructive for us here at the national level. It should teach us that we cannot tax our way to prosperity. It should teach us that the only way to achieve real stability, and real prosperity and real budget responsibility is cutting the spending, and in fact that is what a Republican legislature, which was overwhelmingly elected after the Florio taxes went through, forced the Governor to accept: major spending cuts.

But that should be the first alternative, and that, of course, is what all our constituents are telling us. They are telling us, "Cut first. Don't even talk to us about tax increases until you cut the spending."

It is ironic that yesterday Gov. Jim Florio was awarded the Profiles in Courage Award by members of the Kennedy family for, among other things, increasing taxes on the people of New Jersey. One reason it is ironic is because it was J.F.K. who advocated lower taxes. It was J.F.K. who said, "A rising tide lifts all boats." And it was J.F.K.'s tax cuts that gave us the prosperity of the 1960's. I think the real Profiles in Courage Award should go to those representatives at the State and Federal level who have the courage to cut spending rather than to take the easier route and increase taxes.

I yield back.

Mr. ARCHER. Mr. Speaker, I thank the gentleman from New Jersey [Mr. ZIMMER] for his contribution, and he has graphically portrayed a microcosmic example of what is involved in the Clinton Democrat budget of extremely high increases in taxes with virtually little or no spending reductions, particularly in the first 2 years, and I am sure the gentleman is aware that in the first 2 years of the Clinton Democrat budget proposal that will be represented in reconciliation on the floor, expected this week. It includes zero net spending reductions in the first 2 years. Now, there are some minor cuts in spending in a few categories, but the increased spending for new projects and new programs offsets the minor cuts that are part of the budget. So, the result is that there are zero zero net spending reductions in the first 2 years, whereas the taxes, the massive tax increases, are effective immediately, and in some cases retroactively to the first of January this year.

So, it is a parallel to exactly what the gentleman from New Jersey [Mr. ZIMMER] has laid out before this body that occurred in New Jersey, and clearly, if we are going to work our way out of this fiscal mess, we must have a dynamic economy with workers improving their standard of living, generating a greater gross national product, and higher and higher taxes clearly are negative to that.

Mr. ZIMMER. Mr. Speaker, if the gentleman would yield, I think that New Jersey is a case study in that. It is exhibit No. 1. It is a shame that millions of New Jerseyans have had to suffer economically to teach the Nation this lesson while other States which face similar crisis resisted the temptation to increase taxes. They cut spending, and they are having unemployment rates lower than the national average. They are coming out of this recession, States like Massachusetts under Governor Weld, Michigan under Governor Engler and so on—Wisconsin under Governor Thompson. These are States that did not succumb to the temptation of increased taxes, but rather to live within their means and to allow the private sector to bring prosperity and more revenues to those governments.

Mr. ARCHER. Mr. Speaker, I thank the gentleman from New Jersey [Mr. ZIMMER], and I now yield to the gentleman from Illinois [Mr. EWING].

Mr. EWING. Mr. Speaker, I thank the gentleman from Texas [Mr. ARCHER], and I want to congratulate him for holding this special order tonight on the eve of what may be a most momentous vote in this House in the next 2 days on the largest tax increase in the history of America. Certainly the viewers of this proceeding have every right to know what is happening in their House, this House here, and I would like to talk about all of it which the gentlemen have so eloquently gone into. I would just like to comment a little bit about what the tax increase means to the agricultural economy of America.

Mr. Speaker, there are several things in this reconciliation bill that should make American agriculture stand up and maybe shiver with fear. First of all, as we came out of the Agriculture Committee on a very partisan vote with the reconciliation bill, we are going to cut over $3 billion from production agriculture. Those are the programs that are meant to keep America competitive, to allow the American farmer to put reasonable food on the table of Americans and yet be competitive in the world market. But we are going to cut $3 billion out of that. That is an 11 percent cut in the budget, and that is on top of 4 years of cuts in the neighborhood of 10 percent each year. So, this could very well cripple our farm program.

But in addition to that, Mr. Speaker, then, of course, we are going to raise spending $7 billion for the food stamp program, which to most of Americans will make it look like the agricultural segment is getting $4 billion in new money.

But included along with all of this are the tax effects on the agricultural industry of America. It is truly the finest agricultural industry in the world. We could put them in dire straits with the Btu tax, and we should not be fooled because they took half of the Btu tax off. It is still a terrible tax on an industry that everything they use incorporates energy into the product that they make, whether it is livestock, whether it is corn, soybeans, tobacco, cotton. It does not matter, Mr. Speaker, and this tax will cost the average farmer, even with the reduction, hundreds of dollars for each average farmer.

And then we add to it the waterway tax which is particularly heavy on the mid-States: Illinois, Iowa, the States that depend on the waterway and the Mississippi river, and this will cost us 3 to 6 cents a bushel for every bushel of grain that we want to ship. It is a tremendous burden, another $800 out of the pockets of the average farmer.

When we take the cuts in their programs, Mr. Speaker, the new taxes, we have a brewing disaster in rural America, and I predict we will be back here trying to resolve it with Federal dollars within the next 2 years, and all of that when we could turn loose the great engine of this country that drives our economy and let the private sector do it.

Of the $70 billion the administration hopes to raise from the Btu tax, Mr. Speaker, we are going to give 40 back, or somewhere in that neighborhood, to new programs to justify the raising of the $70 to $80 billion in the Btu tax. We would not even have to have all the Btu tax if we were not going to have these programs to make lower income Americans hold themselves harmless from this tax——

Mr. ARCHER. Mr. Speaker, will the gentleman allow me to comment on that?

Mr. EWING. Certainly.

Mr. ARCHER. It was interesting to me that last night one of the Members said it was going to be the tax and the higher rates on the rich that was going to pay for these extra welfare benefits, but in reality the extra spending that the gentleman talked about was put in the bill to soften the very negative impact, regressive impact, of the energy tax on these lower income people. So, the gentleman is absolutely correct that a tax that will generate in gross roughly $100 billion of new revenue for the Federal Treasury after all of the deductions and paybacks will only impact on the deficit to the amount of $31 billion.

Mr. EWING. It is incredible. We are going to make lower income people out of American farmers, and while they will be paying the tax, there will be no reimbursement to them through these programs. They are going to pay—middle-class America, farmers, laborers—all of us are going to pay this Btu tax, and we are going to take out of our economy $70 billion or more and let the Government spend it.

□ 2010

I think it will have devastating effect on Illinois. Probably thousands of jobs will be lost. In fact, there are predictions that in my district alone we will lose 1,000 jobs because of the Btu tax.

Mr. Speaker, I would like to make one other point. There was a tradeoff on the Btu tax. We have had ethanol. We have been trying to promote ethanol for a number of years. It makes good sense. It is renewable fuel made from a renewable source by American workers in this country. They are able to do that because of the tax exemption they had.

The exemption has been in and out, whether ethanol would be covered by the Btu tax. It was in, it was out, and it is back in. It can kill this industry. In addition, it will stifle the growth of the sale of corn in America for this very use, a way that we can take our corn and make it into gasoline additives and put it into our cars. It is crazy that we should be doing that. I know that the gentleman from Texas [Mr. ARCHER] knows that. I know the gentleman fought against it.

Because it is back on ethanol, then we are going to take half of the Btu tax off of diesel fuel. I understand we may have to color it purple so that we can tell that which should be taxed from that which should not be taxed for American farmers. That ought to be an interesting enforcement problem for this administration.

Mr. ARCHER. Mr. Speaker, the gentleman makes an excellent point, and particularly concerning the energy tax on fuel. It is going to open up the door to massive evasion, tax evasion, because home heating oil, which gets an exemption from the punitive oil tax but not from the basic tax, and those people who buy home heating oil should understand that for the first time there is going to be a Federal tax on what they use to heat their homes, but it just will not be as big as the tax on diesel fuel.

Yet, home heating oil has the same chemical properties as diesel fuel, and you can be sure that a lot of home heating oil will be driving trucks on the highways of this country before all is said and done.

Mr. Speaker, I would thank the gentleman for his points, which were extremely well taken. In addition, I would add for the farmers of this country, every single product that they buy that has been manufactured in the United States of America will increase in cost because of what our colleague from Kentucky, Mr. BUNNING, called the trickle-down energy tax, whether it is in the clothes they buy with synthetic fabric to put on their backs, or whether it is the fertilizer that they buy that is made from energy, or whether it is any aspect of their lives. The equipment they buy that is made from steel, which requires tremendous consumption of energy, they are going to see their costs increase tremendously.

Mr. EWING. Mr. Speaker, one thing I discovered recently in studying this legislation, which may have already been said here, that just incensed me is the fact that we have indexed it to inflation. So every year we can increase the tax on Americans silently, steal it in the middle of the night and bring it back to Washington. We ought to be ashamed of that type of action in this body.

Mr. ARCHER. I thank the gentleman from Illinois for his contribution.

Mr. Speaker, I yield to the gentleman from Wisconsin [Mr. KLUG].

Mr. KLUG. Mr. Speaker, I would like to thank my colleague, the distinguished ranking member of the Committee on Ways and Means, the gentleman from Texas [Mr. ARCHER]. As you know, the gentleman made the point a few minutes ago that the President's budget actually in the first 2 years increases spending. A number of my colleagues on the other side of the aisle are still intrigued with the possibility of trying to offer an alternative to the President's budget which would strip out the Btu tax and instead substitute it with cuts.

If I could for the next few minutes, I would like to point out a proposal drafted by a number of my Republican colleagues on the Committee on Ways and Means, the Committee on Education and Labor, and the Committee on Energy and Commerce, on which I sit, which will explain one of the reasons that the President's budget actually increases spending in a number of areas.

While frankly, in this area, it is another substitute we would like to see offered and approved by the Committee on Rules so we would have an opportunity to reduce spending, this is again a perfect illustration why the President's budget increases spending on some programs and not necessarily intelligently so.

My Democratic colleagues in the House right now are talking about trying to figure out a way to put caps on entitlement programs. As anybody who has taken a look at the Federal deficit understands, nearly 50 cents of every dollar we spend here in Washington goes to entitlement programs. Those are programs which rise every year by the cost of living, whether those of us who are in Congress do anything whatsoever.

Now, the President and his administration suggested several weeks ago we were about to announce a $4 billion entitlement program for childhood immunization. I, like a number of my colleagues in the House, and I am sure the gentleman from Texas [Mr. ARCHER] is one of them, am deeply concerned about pockets in this country where the immunization rate is actually much lower than Third World countries. I think we are all horrified by that.

But if we are going to be spending money on a new program to solve the childhood immunization program, I would suspect a $4 billion entitlement program is not the way to do that.

Initially, the administration, incredibly, wanted to nationalize the vaccination business in the United States, to take it completely over. The Federal Government would buy every single dose of vaccination, of immunization sold in the United States.

Now, does it really make sense when we have a $3 trillion deficit to have the Federal Government buy the vaccination to treat Donald Trump's kids or Ross Perot's grandchildren? Where is the sense in that?

So the administration came back several weeks ago and cut it from $4 billion to $2 billion. But again let me take a minute to explain some of what happens.

First of all, every year right now the Federal Government covers about 6.5 million children under the Medicaid Program. Right now the Federal Government picks up 55 percent of the cost of the vaccinations and the State governments pick up 45 percent of the cost. That is the way it has been for years and the way we think it should continue.

But under the President's current proposal, the Federal Government will now pick up 100 percent of the cost of immunizing children under Medicaid in the United States.

Now, as I am sure my distinguished colleague, the gentleman from Texas [Mr. ARCHER], appreciates the fact, most State budgets in the United States are in the black and the Federal Government's budget is in the red. So why in God's name are we about to basically double the outlay of the Federal Government to buy vaccinations for kids covered under the Medicaid Program? That is not part of the problem.

In addition, the administration's proposal is going to cover another 4 million children plus whose families have insurance but who do not have childhood immunization covered under the package.

The Congressional Budget Office estimates that that decision will basically provide coverage to 4 million children whose families make more than $29,000 a year. Again, it could be Donald Trump's kids and he could have the best health insurance plan in the country, but it simply does not cover immunizations. We are then going to have the Federal Government pay the cost, and that is another $800 million a year.

Why are we spending $800 million a year to vaccinate children of folks who make more than $30,000 a year? If you take a look, interestingly, at a number of health care plans offered for Members of Congress, you will discover that many of us under our current health care plans do not have immunization coverage. So for Members of Congress, who make more than $130,000 a year, the Federal Government is going to turn around and buy our children immunization programs.

Mr. Speaker, this is where we really should be spending money, which is on the last line here, which is 400,000 more kids under the age of 5 whose families make less than $30,000 a year and who have no health insurance. That is money spent wisely, and that is what the Republican alternative will do.

Mr. Speaker, let me make another point. If you look at who does not have immunization in this country and what kids have not been vaccinated, it is clear that there is a high correlation between poverty, families on public assistance, and children who have not received immunizations.

In my home State of Wisconsin, in Milwaukee, several years ago, there was a horrendous outbreak of measles. So the assumption has been that somehow the cost of vaccination prevented those kids from getting the treatment they should.

But look at this. In Milwaukee nearly 90 percent of the children who are eligible for Medicaid coverage, where vaccinations are already provided free, had not gotten vaccinated. And look at these percentages for Los Angeles, 70 percent, and for Chicago, above 60 percent, and for Dallas, in the home State of the gentleman from Texas [Mr. ARCHER], the figure is about 40 percent.

□ 2020

Now, there are 11 States in this country which already provide vaccinations free to everybody who asks for them. No questions asked. And the public vaccination rate in those areas, the public vaccination rates in those areas are at about 62 or 63 percent. And in States like my home State of Wisconsin, where there is a mix of public and private, and the Federal Government picks up the tab for families who cannot afford it and for families who can, including Members of Congress, we pay our own bills, and in those States, we discover that the vaccination rate is about 58 percent.

So if there is a cost problem in this country, it may be for 5 percent, maybe 10 percent of the population who are marginally pushed out of programs. But there is no evidence whatsoever to suggest that cost alone is the major barrier.

The major barrier, as I am sure the gentleman from Texas [Mr. ARCHER] understands, is the fact that we have a number of families who simply will not take responsibility for their own children.

So here is what the Republican alternative will do. Rather than spending $2 billion, we spend about $200 million, save the taxpayers $1.8 billion that does not have to be spent on families who make more than $30,000 a year.

First of all, it obviously reduces the unnecessary Federal funding. Under the Medicaid Program, we are again, rather than paying half the cost for immunization of children in Medicaid, we are now going to pick up the whole tab. And rather than providing another $800 million in Federal funding for families who make more than $30,000 a year, we are going to push it specifically at kids who are not being vaccinated.

We are going to spend, under the Republican plan, an extra $50 million a year to give the States for community outreach and community education. We are going to spend another $75 million a year giving States the opportunity to track children, to make sure that kids get an immunization shot once and complete the cycle, because oftentimes between the age of zero and 5, when they finally head to kindergarten, where about 95 percent of the kids are immunized, kids drop out of the program, and they get one DPT shot or one measles shot and then completely disappear.

So we are going to make $50 million available for States to do outreach programs, another $75 million a year to give States the money to track kids.

And then finally, here is the important point, we are going to turn around and give States across this country the opportunity to leverage public assistance programs, to make sure that the parents, who right now are not getting their kids immunized, will get them immunized. This is already being tried in a number of places across this country.

For example, in the State of South Carolina, there is now a law on the books that says no child can get into any kind of day-care setting unless they have been immunized. There is a law in Maryland, for example, that says any family that gets their kids covered under Medicaid and gets their child an annual checkup gets a $20 bonus for each child. And if they do not get their child immunized, their AFDC payments get cut.

The gentleman from Texas [Mr. ARCHER] will appreciate that fact, because there is some hard empirical evidence that for the 5 months leading up to the Maryland program, where it simply laid out the responsibility and the obligation to get kids vaccinated, there was no increase whatsoever in the level of children who were being vaccinated in the program. And then Maryland put the provision in the law which also had parental responsibility and parental penalties. And in the first 3 months after that law was enacted, an additional 3,500 children showed up at Maryland vaccination clinics. And State officials were absolutely dumbfounded.

So the Republican initiative says to those States, you have got a waiver to try any kind of program you want, whether it is the Maryland program, which says there is a bonus if you get your kids immunized and penalties if you don't, whether it is the South Carolina program, which bans kids from getting into preschool programs and into day-care programs unless they have been immunized, whether it is the Georgia program, which already specifically indicates that if families do not get their kinds immunized, then their AFDC payments will be cut back.

Now, some of my colleagues will say that is being tough on poor families, but certainly the indications are, in a number of welfare reform proposals that my colleague, the gentleman from Pennsylvania [Mr. SANTORUM] has been involved with, a colleague of the gentleman from Texas [Mr. ARCHER] on the Committee on Ways and Means, the indications are clear that money alone is not a barrier to get children immunized.

Parental responsibility has to play a key role. So in the day ahead, for those Americans having an opportunity to watch this program tonight, there are several key points. Are we going to rush forward with a Btu tax that my colleague, the gentleman from Texas [Mr. ARCHER] and the gentleman from New Jersey [Mr. ZIMMER] and the gentleman from Illinois [Mr. EWING] have made a very passionate case against, because it is simply bad economics. You cannot tax your way to prosperity. Washington has never had a revenue problem; Washington has always had a spending problem.

And if, as we heard Republican and Democratic speakers say throughout last year's Presidential Conventions, and throughout the conventions themselves, even Barbara Jordan, a colleague of the gentleman from Texas [Mr. ARCHER], a black woman, very prominent Democrat, talked about cutting back entitlement programs.

My colleagues, again on the Democratic side here, and I applaud the gentleman from Texas, Congressman STENHOLM, and others who are willing to say we will never get a handle on Federal spending unless we cap entitlement programs. And here we find, tucked in the Clinton budget, a $2 billion program that will create new entitlement spending, that will increase every year and again provide vaccinations and immunizations to families who make $30,000 a year, to Members of Congress, if their health insurance does not cover it at $130,000 a year, and again to Ross Perot's grandchildren or Donald Trump's kids.

We cannot do it. We are broke. And if we are going to spend money, consider the Republican alternative, which spends $225 million in the pockets of immunization shortages that the Centers for Disease Control has already identified and does not spend money in Sausalito and in the rich suburbs of Chicago or the boroughs of Manhattan, where we do not need to spend any more Federal money.

I applaud my colleague for all the work he has done on the Committee on Ways and Means to show the shortfall of the Btu tax.

It is my sincere hope that my Democratic colleagues will be allowed to offer their amendments in the Committee on Rules, and I also hope that in the end the Committee on Rules will allow us to offer the Republican alternative to spend $200 million to take care of the kids who need the help and save another $1.8 billion that does not need to be spent.

Mr. ARCHER. Mr. Speaker, I thank the gentleman for his graphic presentation, which I am sure the American people will understand that we do not need broad, new entitlement programs to solve problems.

Mr. KLUG. Absolutely not.

Mr. ARCHER. That is the important point that we are trying to make.

We also do not need massive new tax increases. We need to restrain the appetite of the Federal Government for spending. I am sure the gentleman will join with me in urging the Committee on Rules to make in order the Kasich budget alternative, a complete alternative for this high tax budget of the Clinton Democrats that will get the deficit down by the same amount without any tax increases.

I rather suspect that when we go before the Committee on Rules later this week, controlled by a big majority of Democrats, that they will accommodate their leadership's directions and prohibit even a vote on that.

It has specific spending cuts in it that the President has asked for. It has already been voted on once this year and defeated by a straight party line vote. I would, once again, ask our Democrat colleagues to go to the President and tell him, the Republicans are not nay sayers. They have an alternative. We have already voted down those specific spending cuts.

They should tell him, "Mr. President, take a look again."

So let us wait and see what the Committee on Rules does in making in order your amendment to prevent and obviate the need for another massive entitlements program and the overall Kasich budget, which would eliminate the need for any new taxes.

Mr. KLUG. I thank the gentleman. I think he makes an excellent point.

My colleague from Texas is absolutely right in this area. Again, the problem in Washington has always been a problem of expense, never a problem of revenue. And there is no evidence whatsoever that the Btu tax is going to help the economy one bit.

And there is not any evidence, again, based on what the gentleman from New Jersey [Mr. ZIMMER] had to say, that it is going to do much to solve the budget deficit.

Tax increases did not solve the budget deficit in New Jersey. Tax increases did not solve the budget deficit in California. And it is my sincere hope that when we look forward to the Committee on Rules action later this week, that even if we are allowed to debate this issue and we lose, that at the very least we should be able to debate and offer Republican alternatives, including the budget substitute of the gentleman from Ohio [Mr. KASICH] and including the immunization alternative developed by my colleagues on the Committee on Energy and Commerce, the Committee on Ways an Means, and the Committee on Education and Labor.

Mr. GRANDY. Mr. Speaker, the agricultural community is being asked to shoulder an unfair unequal portion of the energy and barge user fee taxes.

The energy tax hits farmers three times: Higher production costs, higher indirect costs, and higher transportation costs. Production agriculture can not pass on these increased costs. The impact is only compounded by the fact that farmers are also consumers and will have to pay higher prices on their consumer products due to the energy tax.

Many articles have reported that agriculture interests were protected when the Ways and Means Committee adopted the Democrat amendment regarding a Btu tax exemption. Here's the rest of the story.

The Ways and Means Committee attempted to make the Btu tax more palatable to the agricultural community by exempting diesel fuel utilized for off-road purposes from the supplemental Btu tax of $.342 per million Btu's. This reduced the tax that farmers will pay on diesel fuel from 8.37 cents per gallon to 3.59 cents per gallon.

Assuming that approximately 95 percent of the 2.8 billion gallons of diesel fuel used per year on the farm qualifies for the limited exemption, it would reduce the farmers' cost for the Btu tax on diesel from $232 million to $107 million per year.

However, some of this savings is reclaimed, as the Ways and Means Committee raised the basic Btu rate from $.257 per million Btu to $2.68 per million Btu's to offset the exemption given to agriculture. This has the impact of raising the Btu tax on other energy utilized in agriculture by $12 million.

Custom harvesters will be devastated by the proposed Btu tax. Energy is the very core of the harvesting business. Each year roughly 48,000 gallons of fuel is consumed by the harvesting operations. The energy tax could increase their operating costs by more than $4,000 a year.

Custom harvesters face further problems from another proposal in the budget plan which would reduce the deductibility of their meals to only 50 percent. This would increase harvesters' costs by another $1,000.

The American Farm Bureau has estimated that the proposed Btu tax and the adjustments in farm program payments will cost farmers $1.7 billion per year when fully implemented. When President Clinton promised during his campaign not to raise taxes on the middle class, I am sure the rural communities did not know that he intended to do this by lowering incomes. Full-time commercial farmers will see their incomes reduced over $2,500 per year due to lower revenues as a result of the tax plan.

Despite cutbacks in other areas of the USDA budget, the administration proposed that $7.3 billion be added to the Food Stamp Program. The irony of the proposed budget is the fact that the administration is requesting approximately $4 billion for low income energy assistance to offset that impact of the Btu tax. In other words, the reason that the agriculture budget is reduced by $3 billion per year is to pay for the increased food stamp assistance which is necessary due to the Btu tax. The effect on farmers is compounded by this act; higher input costs due to the energy tax and lower farm program payments.

Unfortunately, the higher cost to agriculture does not end there. The House Ways and Means Committee proposal also contains a very convoluted provision which requires diesel fuel to be dyed different colors depending on whether the fuel will be used for on-road or off-road vehicles.

This provision will require most commercial farmers, who have trucks and pickups that run on diesel fuel, to purchase new diesel fuel storage tanks and pumping equipment to separate the two fuels. The cost of such equipment will probably average between $1,000 and $1,200 per unit. Somewhere between 400,000 and 500,000 farms will most likely have to install such equipment. The total capital cost for the agricultural community will be $500 million. Therefore, the annual capital replacement costs plus annual operation and maintenance costs will be about $70 million per year just to separate their diesel fuel.

Farm cooperative suppliers and other petroleum marketers will also feel the impact of this dying proposal. The cost of installing a 12,000-gallon tank for a distribution facility is approximately $30,000 to $35,000. This estimate from Mobil Oil.

In addition to all the above costs, there is another area that has been seldom mentioned in the discussion of the Btu tax proposal. The administration's Btu tax proposal rescinds a 22.5 cent per gallon special tax on fuel set to expire September 30, 1995. This tax was part of the Omnibus Budget Reconciliation Act of 1990, which increased the manufacturer's excise tax on these fuels by 5 cents per gallon effective December 1, 1990, and extended the expiration date for these taxes, formally September 30, 1993, to September 30, 1995. Half of the increased 2.5 cents per gallon goes to the general fund of the Treasury for deficit reduction rather than to the Transportation trust fund. Therefore, these taxes were not and continue to not be subject to the off-road fuel exemption. This will cost the agriculture industry $105 million per year.

The Ways and Means Committee added insult to to agriculture's injuries by adopting the proposal to strike the exemption for ethanol, a product of corn, from the Btu tax. The committee provided exemptions for other renewable fuels. Few things are as renewable as corn, especially in the State of Iowa.

This budget package increases farmers energy and input costs, decreases market development for ethanol, and lowers farm program payments—but wait that's not all——

INLAND WATERWAY USER FEE

President Clinton has proposed a $1.00 phase in increase of the inland waterways diesel fuel tax by 1997. This tax will have a significant impact on methods and patterns of transportation. Presently, the barge industry pays a fuel tax of 17 cents per gallon. In 1994 the tax is scheduled to increase to 19 cents per gallon. The current fuel tax is used to fund new waterway construction projects. The new additional tax will be used to fund all operations and maintenance costs of the Corps of Engineers.

Six Democrats on the Ways and Means Committee signed a 4-page letter to Chairman ROSTENKOWSKI which outlined the parameters of the devastating effects of the barge tax. The members recognized that the proposed tax could have a very expensive environmental price tag. My colleagues stated that "Eliminating even one small river tow of 12 barges could add 720 tractor trailers to the highways with resultant air pollution, traffic congestion, wear and tear on the roads, and higher consumer costs."

The letter stated that the barge industry is capable of moving 1 ton of commodity 514 miles per gallon compared to 202 miles per gallon for the rail industry and 59.2 miles per gallon for the trucking industry. Further, these members of the Ways and Means Committee stated, "Major grain producing areas which would be affected as a result of increased costs include those in the Columbia River Basin and the Mississippi and the Missouri River Basins." These members asked that this proposal be deferred until the administration and Congress had conducted a complete review of the environmental and export-market impact. Although it appeared that these members understood the potential for very far reaching dramatic impacts of this tax proposal, these members voted to raise the barge tax by 50 cents instead of the $1.00. So, it will just take a bit longer for the devistation to unfold.

If this fuel tax is imposed on the barge industry it will have a stifling effect not only on the barge industry but also on the agriculture and coal industries, and on rural communities along the river which depend on the waterway for its lifeblood. The administration contends that "[t]he economic impacts upon the system and its users will not be excessive". Recall that the proposal by the administration was a 525-percent tax increase. The amended version which was introduced and passed by the Democratic members of the Ways and Means Committee, imposes only a 262.5-percent on the industry.

Sinking the barge industry would have a wide-ranging economic impact. Barges transport 15 percent of the Nation's goods including more than half the export grain, a quarter of the coal and 30 percent of the petroleum and petroleum products in the nation.

The OMB describes inland waterways "as the most heavily subsidized form of commercial freight transportation." This is a blatant misrepresention. CBO has calculated the Federal investment based on a percentage of the freight bill rather than on a basis of per ton-mile. The barge industry is being penalized for being efficient. If their rates were higher, CBO's formula would show that their subsidy was lower.

OMB justified the 525 percent proposed increase by stating that "Since the inland waterway system was constructed for commercial navigation beneficiaries, they should pay for all corps operation and maintenance costs". OMB's rationale incorrectly assumes that the barge industry is the sole beneficiary of the locks and dams which comprise the inland waterway system. The corps mission to operate and maintain the locks and dams is not restricted to commercial navigation, but includes flood control, hydropower, municipal and agricultural water supply, and recreation.

Passenger vessels, State, local, and Federal Government crafts and recreational vessels also use the inland waterways. However, these vessels are currently exempt from the fuel tax. There is no indication that they will share the burden of this additional fuel tax.

The recently released GAO study, "Maritime Industry: Federal Assessments Levied on Commercial Vessels" shows that waterborne commerce currently bears a heavy tax burden. Assessments levied by 12 Federal agencies on waterborne trade totaled $1.9 billion in fiscal year 1991 alone.

The U.S. Department of Transportation measures energy efficiency by the number of Btu's required to move 1 ton of cargo 1 mile, a ton mile. Shallow draft water transportation has proven to be the most energy efficient method of freight transportation for moving bulk raw materials. A recent report by the U.S. Department of Transportation Maritime Administration compares the fuel efficiency of rail and water transport. Barges expend 433 Btu's per ton mile; while it takes 696 Btu's to move the material by rail.

ENVIRONMENTAL ADVANTAGES

The administration has taken affirmative steps to advance environmental initiatives. However proposals that divert transportation from waterways to roads and rail fly in the face of responsible environmental initiatives.

Environmentalists should be up in arms at the very proposal of barge tax due to the fact that the administration critically jeopardizes the environment. The U.S. Department of Transportation, Maritime Administration recently reported that:

> Barge transportation is a low-energy form of transportation, and shifts of traffic to high-energy forms would be inconsistent with the nation's energy conservation efforts. The environmental advantages of water transport should be weighed when considering any activity that would result in a shift of cargo from the waterways to a land form of transport.

Barges are environmentally friendly, the transportation paths are away from densely populated centers. Barges are double hulled and have compartmented cargo tanks, which improves transportation safety. Conversely, virtually all railroad tank cars are equipped with single-skin tanks. The nation will be sacrificing environmental protection by shifting from barges to rail.

For each barge load diverted to rail 10 to 40 rail cars must be utilized to carry the same tonnage. Most transportation systems cause a great deal of air and noise pollution, road traffic is the greatest offender. Conversely, barge transportation has a relatively minor impact on air quality, consumes less energy and emits an insignificant amount of noise.

BARGE FEE AND AGRICULTURE

The U.S. Corps of Engineers reported that in 1991, 73.3 million tons of agricultural products were transported on the Mississippi River and its tributaries. In 1991, 65 percent of all U.S. grain exports, a total of 63 million tons with a total value of $10 to $15 billion, moved on the inland waterways.

On April 5, 1993 the corps released its analysis on the effect of the proposed user fee. According to the corps, about 38 percent of the barge grain traffic would be diverted to the railroads. The corps also estimated that the additional costs to the shippers of farm products would amount to $137 million.

Diversion of cargo to other modes of transportation does not make sense because barge transportation is the most fuel-efficient and environmentally friendly mode of transportation.

Towboats which move barges burn approximately 1 gallon of fuel for every 1 horsepower per day used. Therefore, a 5,000-horsepower tugboat burns 5,000 gallons of diesel fuel per day. Presently, at the 17 cent per gallon rate it costs the barge company $850 a day for the fuel tax. The 50 cent fuel tax increase would increase the barge company's fuel tax costs to $2,925 per day.

This tax would also impact the products moving upstream. Fertilizer is a major commodity which travels up river. This tax would add significant costs to farm inputs. A barge company has informed me that for every 10 cents/gallon tax increase amounts to 66.5 cents per ton delivered to Sioux City, IA. A tax of 50 cents per gallon equates to $3.33 extra cost. Hence, the total freight bill for bringing fertilizer upstream will be roughly $6.70 per ton.

The proposed fuel tax hits close to home. An additional fuel tax of 10 cents per gallon increases the barge company's operating costs by 4.5 to 5.0 percent. Hence, a 50 cent increase would impose transportation costs of 10 cents per bushel for grain leaving Sioux City.

In 1985 the Department of Agriculture studied an inland waterway user fee proposal that would have imposed an additional 5 cents per bushel tax or roughly an additional $1,000 per barge load. The study showed that the farmer would bear 70 percent of this cost. Raising the barge fuel tax from 19 cents to 69 cents will equate to roughly a $6,900 a day tax increase for a barge that burns 10,000 gallons of fuel. This will also be borne primarily by the farmer. The National Grain and Feed Association estimates that this tax will cause declines in annual farm income of up to $220 million per year, just in those States which border the waterways.

The administration has not considered the impacts of the barge fuel tax proposal on transportation infrastructure. Since the enactment of the Staggers Act of 1980, the number of major rail carriers has been substantially reduced through mergers and consolidation. The remaining rail carriers naturally exercise significantly greater power in a now substantially deregulated environment.

Since the late 1980's, agricultural rail shippers have experienced significant periods during each marketing year when rail cars have not been available for timely shipment of grain and oilseeds. This has resulted in lost market opportunities and lower cash prices for local producers. The disparity of this situation will only be accelerated by this tax on barge fuel.

Exports of U.S. grains and coal are directly impacted by taxes and user fees because the prices are determined by worldwide supply and demand. It is very unlikely that this proposed increase in transportation costs could be passed on to foreign buyers who have a large choice of alternative suppliers.

The recent GAO study reports that a typical 50,000 metric ton shipment of corn from New Orleans to Japan via the Panama Canal incurs $120,423 in maritime and user fees. The proposed $0.50 increase in the inland waterways fuel tax would add another $136,800 in costs to such a shipment, bringing the total taxes and user fees associated with a typical export of corn to a staggering $257,223 or $5.14 per metric ton.

This barge fuel tax increases the cost of coal in addition to the Btu tax. Currently, the fuel cost for coal exported from the Ohio Valley is $3.29 per ton from the Kanawha River to the Gulf of Mexico would rise to $5.50 per ton when the $0.50 fuel tax is imposed. Fuel costs for the iron and steel industries would dramatically rise—from $1.18 per ton to $2.00 per ton for hauls from Big Sandy to Pittsburgh.

Electricity generation costs would rise. Eighty percent of the barged coal goes to electric utilities, and half of the Nation's electricity comes from coal. One electric utility, Southern Co., estimates that the $0.50 tax will raise its annual coal bill by $10.5 million. For electric utilities, adjusting to higher coal prices will be more complex than merely passing on the increase to consumers.

OMB'S RESPONSE

On May 13, 1993, the Office of Management and Budget responded to some of the questions regarding the proposed inland waterway user fee which arose during the Ways and Means Committee markup session on the fiscal year 1994 budget reconciliation bill.

The OMB reinerated that it was the administration's intent to increase the barge fuel tax to recover the cost of operation and maintenance of the inland waterway. OMB stated that it is the administration's intent that the increased fee be imposed upon the users of the system. There is one very simple flaw to this proposed tax—the burden is not shared by all the users; in fact only one industry bears the costs—barges, not the recreational user, not the home owner that benefits from the flood control which the waterway provides, not the power company or municipality which uses the waterway for power production—only the barge industry pays the bill.

OMB recognized that the tax may have some impact on the industry, but recommended that "the phase-in process should properly be begun while any questions about the data are resolved." It appears that OMB would rather wait and see the extent of the devastation on the barge industry and rural communities before considering altering the tax increase.

OMB further stated, "the administration recognizes that there will be some economic impacts in moving toward a user fee that covers the full costs of the system, regardless of the merits of doing so. However, the administration believes that the pain of that transition will be less than some observers have suggested." OMB contends the estimates by the Corp of Engineers that approximately 38 percent of the barge grain traffic, approximately 30,278 tons, will be diverted to rail are too high. However, OMB did admit that it estimated that up to 25 percent of the grain transported would be redirected to rails—only 19,780 tons.

OMB does not believe that rail rates will increase as a result of the increase in the Inland Waterway user fee. Although, a recent study by Food and Agricultural Policy Research Institute, University of Missouri indicates that rail rates increase roughly 3 cents for every 10-cent increase in barge rates. The report further stated that the proposed increase in the barge user fee would directly affect the cost of transporting grain down river to the ocean terminals as well as moving fertilizer inland.

However, in the next breath OMB acknowledge that farm income would decline and that deficiency payments would probably increase, but declared that the decreased income taxes paid by farmers would be offset by the additional income taxes paid by railroads.

The merchandising margins in the coal, agricultural products, and commodity areas are very narrow, as are the operating margins of most barge carriers. A tax increase of this magnitude is larger than the combined margins of both the export grain and barge industries. Obviously, this tax cannot be absorbed by these industries.

The only segment remaining to absorb this tax is the producer himself. A 1985 study by the Department of Agriculture showed that the farmer would incur 75 percent of a $0.05 per bushel fuel tax. Therefore, the farmer will receive less for his products. Further, the USDA has reported that a $0.05 per bushel decline in corn price would cause additional government costs ranging from $300 to $500 million for corn and feed grains alone. The Federal Government would incur additional program costs due to lower wheat and soybean prices.

The American Farm Bureau estimates that farm revenues will be reduced by almost $150 million per year as it will be the farmer paying for the increased shipping costs due to the fact the barge company can not pass the costs forward and still deliver a product at a competitive price to the world market.

The present proposal estimates revenues in 1997 from this tax to be $486 million. However, this estimate is based on traffic volume remaining constant or even increasing slightly. It is highly unlikely that the barge industry will thrive when burdened with a tax of this magnitude.

SUMMARY

U.S. farmers will pay an additional $992 million per year for the Clinton Btu tax when fully implemented and see their farm program benefits and cash receipts from sales decline by over $700 million per year, a total $1.7 billion per year hit on agriculture. While this will range from a few dollars a year for small, part-time farmers to several thousand dollars per year for large farmers, the average will probably be about $2,500 per year for the typical commercial farmer. Moreover, the Btu tax is set to be indexed when fully implemented so it will be increasing each succeeding year.

When the agriculture sector experiences lower incomes; all of the rural community suffers due to the fact that farmers invest locally. They invest in agricultural businesses through the purchases of machinery, buildings, and supplies. Farmers also greatly contribute to the communities through development projects; whether it is for a new show arena at the county fair grounds or community park system.

Agriculture is known for being the backbone of America, but it should not shoulder an astonishing proportion of the tax burden.

Consequently, this tax proposal is not only highly costly to the farm sector in the short term, but it will also be highly inflationary to agriculture and the general economy over the long run.

Vice President GORE stated in his book, "Earth in the Balance," "More than anything else, my study has led me to realize the extent to which our current public discourse is focused on the shortest of short-term values and encourages the American people to join us politicians in avoiding the most important issues and postponing the really difficult choices." It will be costly if we adopt this very short-sighted proposal. We must have the foresight to see the potential for very dramatic and devastating effects of the Btu and barge fuel taxes on the agricultural and rural communities. We must protect the future of agriculture and vote against the budget proposal.

SUMMARY OF COST AND REVENUE CHANGES STEMMING FROM THE CLINTON TAX PLAN

[In millions of dollars]

	Original	Revised[1]
Btu Tax	1,000	887
Continue 2.5 cents special tax	105	105
Extra cost, separate diesel tank		70
Inland waterways tax (net)	300	150
Reduced farm program benefits	600	600
Total annual cost to farmers	2,005	1,707

[1] Based on revised House Ways and Means Committee (Btu tax) and House Agriculture Committee (Farm Program benefits) changes.

Mr. REGULA. Mr. Speaker, I want to thank the gentleman from Texas for reserving time tonight to discuss a very important issue, the President's proposed energy tax. Most Americans probably have not focused on this issue. When you start trying to understand how this tax would be levied and collected your eyes can glaze over and many people probably assume it will not affect them. But they are wrong.

This is a tax that will hit and hurt everyone in this country. It will increase the cost of energy in your home, it will increase the cost to produce and buy consumer goods and services, and will reduce our competitiveness in a global economy, that is, this tax will cost American jobs.

As part of his economic package the President has proposed a number of new taxes, including a new comprehensive energy tax based on the heat output, or British thermal unit [Btu], of various forms of energy such as coal, oil, natural gas, and nuclear power. Much of the impact of the President's tax package on the middle class will come indirectly through the proposed new energy tax. On average, the American family of four would pay approximately $500 more per year.

This tax is inequitable for a number of reasons. For one, it is an extremely regressive tax, costing low-income groups a greater percentage of income than the affluent. It is inequitable in that it proposes to raise 22 percent of the new revenues from an energy sector representing only 8 percent of the economy.

It is also geographically imbalanced. It could prove devastating to the industrial Midwest, a region of the country which has yet to feel the full brunt of the recently enacted Clean Air Act Amendments. Ohio's energy sector is already poised to take a hit from the substantial expense of complying with the Clean Air Act. Compliance costs will actually peak in the 1997 to 2000 period, precisely the time the Btu tax burden reaches its peak.

Ohio, for example, ranks third in terms of total energy consumption and electricity consumption. Accordingly any energy tax will have a substantial impact on Ohio consumers both residential and industrial. A broad based energy tax is counterproductive to the President's goals, which I share, of improving economic growth and employment opportunities. In fact I believe it will result in slowed growth and cost American jobs by making our goods and services less competitive in the global market place.

Ohio and the Midwest in general, have been leaders in the Nation's economic resurgence. Manufacturing and exporting have been at the heart of the economic turnaround. The energy tax poses a substantial threat to some of the most successful and competitive elements of the Ohio economy and for many other regions dependent on heavy industry, manufacturing, and exports.

Just a cursory review of the estimated impacts in Ohio alone are cause for concern. The Btu tax would take $1.3 billion from Ohio consumers and businesses, representing a 6.3-percent increase in the State's total energy costs. Three out of every ten manufacturing jobs in Ohio are in energy-intensive industries, 25 percent more than the national average. One out of every six Ohio manufacturing jobs is tied to exports, 10 percent more than the national average. The Btu tax would hit imported oil—but not energy-intensive imported products like cars, trucks, steel, et cetera, which would take jobs away from Ohio.

As a major industrial, energy-intensive State, Ohio would pay nearly 6 percent—three times its share—of the estimated $22 billion raised yearly by the energy tax.

The proposed Btu tax is estimated to cost 24,200 jobs in Ohio alone and 400,000 to 600,000 nationally adding about one-half of 1 percent to the unemployment rate. Revenue estimates for this tax have not factored in added costs such as the attendant unemployment costs. An analysis by the Ohio Inter-Agency Task Force on the energy tax concluded that Ohio could lost six times as many jobs under an energy tax as it would under equivalent levels of reduced Government spending.

Energy costs are a key component in the cost of manufacturing and, one advantage U.S. industries currently enjoy over virtually all of their foreign competition, is lower energy prices. Despite increases in U.S. commercial/industrial electricity rates during the last 2 years, U.S. rates remain among the least expensive compared to rates in industrialized countries worldwide according to a survey by National Utility Service. If we are to strengthen the economy it will come in large measure through improving our competitive position in the global market place.

In recognition of this other nations are now starting to reduce energy taxes. Sweden, for example, has lowered its energy tax on manufacturing companies by 85 percent.

Other nations also enjoy other competitive advantages. For example we burden U.S. industries with costs related to such matters as OSHA, workers' compensation, EPA regulations, product liability, and so on, that many of our foreign competitors do not have to contend with. Raising the cost of energy in the United States will deprive U.S. industry of one of its few advantages and place our global competitiveness in further jeopardy.

As a member who has dealt with energy issues for many years I know that most people simply take its availability and affordability for granted. The last time most Americans probably focused on energy was the 1973 Arab oil embargo when we all sat in gasoline lines. We focused then. Since then energy has been relatively cheap and plentiful. In fact, the price of gasoline today, when adjusted for inflation, is lower than it was in 1947.

A story former Speaker Jim Wright use to tell is particularly illustrative of our country's general perspective on energy. The Speaker told of a constituent who called him and said he was really worried about energy. Nuclear, he feared was just not safe. Oil and gas posed environmental problems in terms of developing our offshore resources. And coal was just too dirty. What do you suggest we use queried the Speaker? His constituents response: "Let's just use electricity."

This energy tax reminds me a little of that. What you don't see won't hurt you, but this tax will hurt.

In general, the energy tax harms the economy nationwide by reducing the overall level of business activity—especially new investments that are critical for growth. Taxing the sectors of the economy that need to grow will only stifle economic growth.

A study prepared by the National Association of Manufacturers indicates that within 4 years the real Gross Domestic Product would be lowered by between $105 billion and $140 billion and between 1.5 and 2.3 million jobs would be lost. Energy and capital are complementary and thus an energy tax will result in a lower level of capital investment. This will impede productivity gains and make U.S. production less competitive. All manufacturing industries in the United States will suffer.

The Btu tax will place most U.S. industries at a substantial competitive disadvantage in world markets. Access to reasonably priced energy resources is one of the United States' competitive edges in the global market. Increasing energy costs would disadvantage companies that export their products to foreign markets. The export will become American jobs as industrial production moves overseas to avoid higher overall costs in the United States imposed through the energy tax.

An energy tax has been touted as encouraging conservation. I support that goal, but believe the way this particular tax is structured, limited conservation gains will be realized. Moreover, while total oil imports would decline, foreign oil would enjoy a cost advantage over U.S. oil, because the energy used in the process of exploring for oil and refining foreign petroleum products would not be taxed. That cost advantage for foreign oil would likely give foreign producers a larger share of the U.S. petroleum market than before the tax.

The message I have gotten from my constituents is not enough has been done on the spending side of the equation. As a member of the Appropriations Committee, I could argue that we have cut spending. Despite the relatively small share of the pie the appropriations process can effect, the record has been good. In the 18 years since the Budget Act was enacted in 1974, Congress has appropriated $72 billion less than requested by the Presidents. In 1993, for example, appropriations bills totaled $9.2 billion less than requested for discretionary spending. These cuts were achieved in all three categories, domestic, international, and military.

For over a decade Congress has focused on only a part of the equation—the appropriations process. All the angst over deficits has found its only outlet through criticizing annual appropriations bills, whether they be for defense or health care.

Very few people recognize that only one-half of all Federal spending goes through the annual appropriations process. The remainder is mandatory or entitlement spending and interest on the debt. And even though one-half of all spending is appropriated—only 35 percent of the total is truly discretionary. The other 15 percent that is appropriated consists of appropriated entitlements that we cannot easily adjust without changing the authorizing legislation.

The Ohio Governor's task force concluded that reduced Government spending is more balanced and does far less damage to the economy, while providing the same deficit reduction benefits. If Ohio is any barometer the American people want us to take a harder look at the spending side of the equation before we act to impose the largest new tax burden in the Nation's history.

Additional spending cuts, fewer regulations, and business incentives should all be explored before imposing this potentially devastating new tax. We should consider incentives for growth in productivity, industrial investment, and exports—the true sources of job growth in a world economy. We should also explore incentives for energy efficiency and environmental improvements that directly support the environmental goals of the administration's proposal without incurring their inherent economic risks.

Mr. ARCHER. Mr. Speaker, I thank the gentleman.

□ 2030

BUDGET RECONCILIATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin [Mr. OBEY] is recognized for 60 minutes.

Mr. OBEY. Mr. Speaker, this week we are scheduled to vote on the budget reconciliation bill, which will lock into place President Clinton's deficit reduction package, which is one of the three integral pieces in the administration's economic plan to rebuild America.

Before taking too seriously Republican congressional criticism of President Clinton's pending deficit reduction plan, I would like to review some facts.

Chart 1 demonstrates what the history of deficits has been since the end of World War II, and that chart demonstrates that we have never experienced a deficit larger than $74 billion until the day Ronald Reagan walked into office and suggested that we pass his deficit reduction package, which, in plain English, never got there. The deficit reduction package that was promised by President Reagan, in fact, wound up exploding deficits, so we were running deficits well above $200 billion a year, as can be demonstrated on the right of this green line.

Chart 2 demonstrates the difference between the Reagan performance and Reagan promise on deficit reduction. The Reagan promise, in 1981, was that if we passed their budget the deficit would decline, as represented by these white bars, from $55 billion in 1981 down to zero by 1984. The red bars demonstrate how performance varied from that promise, with deficits rising to over $200 billion.

Recognizing that they were then in trouble, the Reagan administration again tried a second strategy to control the deficit. They proposed Gramm-Rudman I. That plan suggested, as these green bars demonstrate, that if we passed their plan the deficit would decline in nice, neat, $36 billion increments from $172 billion down to zero in 1990.

The red bars demonstrate that again, performance did not match promise, because the deficits continued to stay in the $200 billion range. They never dropped below $150 billion.

When Gramm-Rudman I did not work in attacking the deficit, the administration then proposed magic trick No. 3, which was Gramm-Rudman II, and again they said, as represented by these green bars, that if we just passed their economic program we would take the deficit from $144 billion in 1987 down to zero by 1992. Again, performance did not match promise, and we wound up today inheriting a $290 billion deficit.

Now President Clinton has proposed a plan to try to get those deficits under control over the next few years. This chart demonstrates what is projected to happen to the Federal deficit under the economic policies that President Clinton inherited from the previous administration. The chart demonstrates that the deficits that are $290 billion today are expected to rise to $361 billion by 1998.

To try to turn this line downward, President Clinton has proposed a combination of spending cuts and revenue increases which, if adopted, are expected to cut $150 billion off the projected deficit in that 4th year, as demonstrated by this green line. This green line demonstrates how the deficit is expected to drop under the President's plan in comparison to what will happen on the orange track if we continue existing policy.

This plan is being attacked by the President's critics because they are saying, "Oh, it is nice, but, you know, the problem is, it does not really cut enough in terms of the deficit," or "The mix between taxes and spending is not quite right."

I would suggest that the President's plan does not look all that bad in comparison to the missed-by-a-mile record of his critics in this Congress over the past 12 years.

His critics have centered on the Btu tax as a tax which they say they do not like. Who does like the Btu tax? We would all prefer to have no Btu tax and no taxes of any kind. However, after 12 years of feeding the American public nonsense, after 12 years of the easy-answer boys in this House, telling the entire country that somehow you can get there with no real pain in spending reductions and no real revenue increases, thank God, we finally have a President who recognizes that we have to level with the American people and admit honestly that we are not going to be able to successfully attack that deficit without both spending reductions and revenue increases.

Now his opponents are making a lot of political charges about the Btu tax. I want to demonstrate that under the President's proposal, even if we include all indirect as well as direct tax effects under that proposal, the President's package, including the Btu tax, will wind up reducing taxes on persons making less than $20,000 a year.

The average monthly increase, if we include direct as well as indirect, if we include anything that is possible to be calculated under the wildest stretch of the imagination, the increase in taxation for someone in the $30,000 to $40,000 level is only about $13 per month.

That is not pleasant, but it is a whole lot more responsible than simply saying, "Well, we are going to continue to tell people they can afford to avoid even that small sacrifice on a monthly basis, and instead shovel the load off on their kids, who just graduated from high school or college over the last couple of weeks."

I think this chart needs to be put in perspective. Consider it in the perspective of what has happened over the past decade and what is projected to happen under the President's plan by comparison. This chart shows who got what in the 1980's. It shows how your share of the national income changed from 1980, when Ronald Reagan walked into office, until today. It demonstrates that the bottom 20 percent of earners in this country lost, as a share of national income, 17 percent. It demonstrates that you did not get to be a real winner until you got to be in the top 5 percent of the population by income, and you did not get to really clean up unless you were in the top 1 percent, in which case your share of national income, the top 1 percent, rose by 60 percent over that time, the time that the President's critics were in control of what happened in this country.

This chart demonstrates—you remember when we had the budget summit in 1990, which was the fourth administration effort to fix the problem under President Bush? President Bush endorsed the first summit package that came out of that conference, and what this chart demonstrates is that the tax increases that George Bush endorsed at that time imposed a tax increase on people who made less than $10,000 a year, more than four times as large as the tax-rate increase that was proposed for people who made more than $200,000 a year.

□ 2040

And for people between $20,000 and $50,000, it proposed a tax increase which was 50 percent higher than the tax increase proposed for those making $200,000 a year.

Compare that chart to this one. This chart demonstrates what the distribution in monthly tax burden will be under the President's package. If you are below $10,000, you actually have a reduction in taxes. If you are below $20,000, you actually have a reduction in taxes. If you are at $40,000, the direct costs to a taxpayer is $14 a month. Even if you are making $200,000 a year, your tax bill will increase only $64 a month. It is only when you get above $200,000 a year in income that you have a heavy tax hit. That tax hit under the President's plan average $1,900 a month, and I do not apologize for 1 dollar of that.

These are the people who were on the gravy train in the 1980's. They are the people who ought to be paying a much larger share of the revenue intake in this country so that other people with far more limited means do not have to pay more than their fair share.

So basically, I believe these two charts demonstrate the difference in the tax distribution which the Republican White House occupant was willing to impose on the American people in 1990 versus the dramatic change in direction in terms of burden being proposed by President Clinton under his package. And keep in mind that these tax changes are accompanied by very major spending reductions, spending reductions which over the next 5 years total $246 billion, including $13 billion in pay reductions for Federal employees, $24 billion from eliminating excess Federal workers, $9.5 billion from reducing pensions and retirement costs for Federal retirees, caps on Medicare payments going to doctors, hospitals, and laboratory, billions of dollars in other savings that are equally as painful. Anyone who thinks that the spending cuts in the President's package are not going to be tough to impose does not understand the human condition and does not understand human nature.

So these are the basic facts. The fact is that America has suffered through 12 years of skyrocketing deficits while incomes soared for the wealthiest Americans and sagged for everybody else in the society. And now the very same characters in this Capitol Building who were responsible for voting for the Reagan budgets and the Gramm-Rudman I, Gramm-Rudman II, and the other magic fixes from the wizards who ran this country in the 1980's, those very same characters are now trying to bring down the only package available that has a chance to reduce the inequity that was produced in terms of income distribution and tax distribution in the 1980's. And it is the only package in town which has a prayer of reducing deficits long term.

There is an old adage which says fool me once, shame on you; fool me twice, shame on me. In my judgment, the President's critics have failed the country three times running with their deficit reduction promises and their ideological economic dogma. Do they really deserve another chance?

Is is not time to break with them and the failed past which they represent? I believe these charts demonstrate clearly that it is. That is why we must pass the President's reconciliation package this week. It is one of three key parts in bringing down the deficit, restoring economic growth, restoring family income growth, and correcting the miscarriage of justice which occurred in the 1980's when the wealthiest people in this society got the lion's share of the benefits, people who are now being asked for the first time in 12 long years to finally pay their fair share of the Nation's bills.

I say it is about time. I think we need to get on with the job and do it this week.

Mr. GEPHARDT. Mr. Speaker, will the gentleman yield?

Mr. OBEY. I am happy to yield to the distinguished majority leader.

Mr. GEPHARDT. Mr. Speaker, I want to thank the gentleman for a very fine statement and for the number of facts that he has brought out that I think are very, very important that people need to consider as they look at this reconciliation bill that the President has brought forward. I think what the gentleman said about the necessity of deficit reduction is absolutely correct. In my view, the deficit is a dagger pointed at the economic heart of this country, and after 12 years of inaction on the deficit, it is now time that we have to take the responsibility for dealing with the deficit.

In my view we had institutional irresponsibility for 12 years that produced a $4 trillion debt. We now have the chance, and we are at the crossroads where we have to take the responsibility and lead toward a conclusion which will bring this deficit under control.

A lot of people are saying that there are not enough spending cuts in the plan. I think, I may be wrong, but I think this is the largest spending cut proposal that we have ever seen. The gentleman set out the kind of cuts we are looking at. Agricultural entitlement cuts, $3 billion; Federal workers, $11 billion. As the gentleman said, there are 30 specific cuts in Medicare and Medicaid that reduce the deficit by $56 billion, $11 billion in Federal administrative costs, $2.2 billion streamlining education programs, $1 billion out of highway demonstration projects, and $3 billion in veterans' program cuts.

Nobody likes to talk about cuts. One of my problems in discussing this bill is that everybody is for cuts in general, but nobody wants to talk about cuts in specific. That has been our problem for the last 12 years. People want to talk about a balanced budget amendment, or they want to talk about a cap on entitlements, or they want to talk about some other process gimmick, the Gramm-Rudman, or Gramm-Latta, or some other gizmo that is going to solve our problems.

The truth is there is no solution to the budget problem unless there are specific suggestions of cuts, and that is what President Clinton has had the courage to do. And what the committees of the Congress here have brought to the floor are specific recommendations for cuts.

Nobody likes taxes. I hate taxes. I wish we did not have to have one tax. But if we are going to have taxes as part of the solution, and I think we must, because the cuts are deep indeed, then the taxes that have been presented are the fairest taxes we have seen for over 12 years. As the gentleman's chart shows, the taxes are taxes on the wealthiest people in the country. This is not soak-the-rich. We are not after rich people. We do not want to do anything to harm rich people. We want more rich people in this country. But the wealthy, like everybody else, have to pay their fair share, and the chart the gentleman shows right next to him shows that under the 1990 budget agreement that we negotiated with George Bush, the poorest people in the country were bearing the worst part of the burden and the richest people, the lowest part of the burden.

Under the Clinton plan on top it is the highest people that are taking the highest burden.

The chart to my right shows again 66 percent share of the taxes for people over $200,000; 75 percent of the taxes come from people over $100,000.

A lot of people are saying well, they do not like this tax, or that tax or the other tax. Fine. We have said tell us the alternative in spending cuts that will take care of that tax. People want to get very general then. They do not want to be specific. We have got to be specific about the spending cuts.

We have an alternative in the other body where Members, Republicans and Democrats, have come up with an alternative. The problem I see with the alternative is that it is more of the same from the past. It is another budget from the past.

It is a budget that says, "Let us not tax the people who are the wealthiest in the country so much; let us give them a capital-gains break." It says, "Let us lower the taxation for Medicare on those folks who make over $100,000 a year. Let us do other things that will help people at the very top, and let us increase taxes on people at the bottom by lowering the earned-income credit which is the most important thing for progressivity in the Clinton budget," that is in this reconciliation bill.

And, yes, "Let us cut Social Security COLA, let us cut Medicare, and let us cut Medicaid again." I am not for that, and I think if you put that alternative on the floor, you would not get many votes for it on either side of the aisle. If you it in the other body, I suspect it might be the same.

We have problems in this country today with being specific about what we want to do. President Clinton has been specific. He has put a concrete proposal in front of us and our committees have brought that proposal forward. It is a good proposal.

We are at crossroads in the country. Either we deal with this problem that is eating us alive, or we do not.

Now, people say, "Gee, I am against that Btu tax. It is going to cost me in the third year," and remember it is phased in, but in the third year for an average family of four, it is going to cost us $15 or $17 a month.

What they are not looking at is that if we can get this proposal through, interest rates will be held down over the next 3 years to an extent where they will get much more benefit than the costs of the Btu tax. Jobs will be created, the recovery will go forward, we will not fall back into another recession, we will begin to get economic growth in this society.

We do not do a deficit-reduction plan as an academic exercise. It is not to make somebody in a university feel good who studies economics. It is to get concrete results in the economy in the country. We are trying to create jobs. We are trying to hold inflation down. We are trying to hold interest rates down, and we are trying to stay out of another recession that we have been in now for 3 years.

I was at home the other day with the unemployment people, and a fellow who has been in the unemployment office for 30 years said he has never seen recovery like this. He said, "Congressman, there are no jobs." He said "I can get minimum-wage jobs, people who want to work at McDonald's. We have got plenty of those. What we do not have are good jobs."

I do not know how we get good jobs created in this society unless we do something real about the deficit, unless we stand up finally and say, "Here is a program that will get the deficit down over the next 5 years," not smoke and mirrors, not another gimmick, not another gizmo, not another promise, and not another illusion; something that works and is real. That is what we are talking about with this plan, and I believe it is fair. I believe it is balanced, and I think we have to show the leadership and the responsibility to go forward and pass this plan, get it through the Senate, put it on the President's desk as quickly as possible, and move this country and this economy in a positive direction.

Mr. OBEY. I thank the gentleman very much for his comments.

Let me simply say that I think he has summed up the situation exactly on point.

My message to anyone concerned, for instance, about the Btu tax is I would invite farmers in my State, for instance, to recall that just 90 days ago they were terrified, and so were we, of being hit with a large gasoline tax such as that proposed by Mr. Perot, 10 cents a gallon, and we have had proposals for 10-cents-a-gallon increase each year for 5 years. That would extract a huge amount of money from the pockets of the farmers that all of us represent in this country.

This Btu tax, by comparison, has a much smaller hit.

I would also point out that I would say to those who are concerned about the Btu tax and would like to escape that 3-year, $14 or $17 a month that it will cost them in the third year when it is fully effective, I would simply say, "Take a look at your kids as they are leaving high school and leaving college and ask yourself what kind of job opportunity you have available for them."

My youngest son just graduated from the University of Wisconsin 2 weeks ago. The job market that he is facing today is far tougher than the job market that faced my oldest son 10 years ago, and it is much, much tougher than the job market that faced the gentleman or me when we graduated from college quite a few more years ago than I would care to talk about, but it just seems to me that this is a question of whether this generation of adults has the responsibility to make a small contribution in order to make the job market, the retirement market, the lifestyle market for their kids a little bit better than it otherwise is going to be, and in some cases a whole lot better.

I would also suggest that for those who think that a plan such as the Boren plan in the other body, which has been offered, if they think that that is the answer by eliminating $40 billion in taxes on the very wealthy and by increasing the hit on Social Security recipients and the poor by $40 billion as that plan does, if they think that is the answer, they must be talking to different human beings than I am talking to when I go back to my district each week. To me, when I go back to my district, my constituents are telling me one thing: "Give the President a chance. he is the only President we have got, and he is going to be the only one we have for 4 years. Do not destroy him out of the box. We elected him, back him," and I would say that I simply agree with that.

What is our alternative? Are we going to turn it over again to the same naysayers who really drove policy in this country for 12 years and drove this country into the ditch? I hope to God the answer is not yes to that question.

The President's option is the only real one before us. We have got an obligation to move it forward.

Mr. Speaker, I yield to the gentlewoman from Florida [Mrs. THURMAN].

Mrs. THURMAN. I say to the gentleman from Wisconsin [Mr. OBEY] that I want to kind of go back to some of the things he has been talking about, particularly with the other plans, because as he well knows during this debate, there has been the issue of what is going to happen in the Senate.

One of the things that I keep hearing about is Senator BOREN'S and Senator DANFORTH'S replacement. I come from a district that is probably two-thirds seniors.

Can the gentleman give us a little more detail of what is going to happen under that with Social Security? I mean, I have heard things that people around the $7,500 mark are going to be taxed more under that plan, where this plan does not do any of those kinds of things. I mean, there are a lot of issues in here that I think we need to be talking about so that the American public understands that the alternatives are deeper cuts for people who can least afford it.

Mr. OBEY. Well, I do not know how much detail the Senator has gone into, and I do not know how much of his program would survive actual action by specific committees.

But all I would say is that my understanding of the Boren plan, for instance, is that it takes a much larger hit on Social Security recipients. When people talk about entitlements, that is a nice, neutral political word, but when you get behind that moniker, what it means is you are talking about Medicare, you are talking about Medicaid, you are talking about food stamps, you are talking about unemployment compensation, you are talking about Social Security.

I am not about to support a package which has an extra $40 billion or $50 billion hit on those folks.

Mrs. THURMAN. And including what already is being hit, I understand, in the package we are looking at?

Mr. OBEY. I was amused by the fact that we heard some of our friends on the Republican side of the aisle tonight bemoaning the modest actions we have in President Clinton's package with respect to senior citizens on Social Security, and yet we are being asked in the next breath to support something like the Boren plan which has a much larger hit on those same folks.

I know that people often try to have it both ways in this place, but that seems to me to be stretching it a little much.

I yield to the distinguished chairman of the Committee on the Budget, the gentleman from Minnesota [Mr. SABO].

Mr. SABO. I just simply wanted to thank the gentleman for taking this special order and the majority leader for his participation.

I think the message is clear. This is a huge deficit-reduction plan.

□ 2100

I think modestly stated it is about $500 billion. Frankly, some of the calculations I do would make it significantly larger. I frankly think the administration has understated their deficit reduction requirements over the next 5 years rather than overstating them. I also have to say that they use very modest, conservative economic assumptions in their budgeting so that we can have some expectations of the projections they make for the future are real. Clearly, it is having significant impact on interest rates in this country. Interest rates are coming down.

That is good for the American public, but it is also good for the Federal budget, because one of our biggest expenditures is simply interest costs, and those are going to be less than what we projected rather than more.

I am curious that you do know while we have significant spending reductions—I wish the gentleman would review again his chart on who is asked to pay those new revenues. I know the gentleman from Wisconsin also over the years has studied what happened to income during the 1980's. Who was it, during the 1980's, who had the greatest income growth in this country?

Mr. OBEY. The fact is that the richest 1 percent of Americans saw their income more than double from less than $300,000 on average before Ronald Reagan walked into the White House, to over $600,000 by the time George Bush left the White House.

So they saw their income more than double, while virtually everyone else outside of the top 10 or 15 percent lost real economic ground.

Mr. SABO. So that thick blue chart that the gentleman has there with the big blue column, that really applies to the people who had the largest real income growth during the 1980's?

Mr. OBEY. You bet. The people who went to the party in the 1980's are now finally being sent the tab, belatedly, but thank God somebody is sending it to them.

Mr. SABO. Would that marginal tax rate be higher than it was before 1981?

Mr. OBEY. Absolutely not. The fact is that the marginal tax rate used to be 90 percent; then it dropped to 70 percent; then to 50 percent. It has now dropped down to less than half of that level.

So, even with the modest increases that we are getting under this package, they are still paying substantially less than they were paying before Ronald Reagan walked into the White House.

Mr. SABO. So, the marginal tax rate, the top rate they would pay, would still be much lower than what it was in 1981?

Mr. OBEY. Absolutely. In my view, we ought to raise it even further, but we would run into great resistance from our friends on this side of the aisle if we tried to do that.

You remember David Stockman, in his famous book in 1981, explained the truth when he said—his words were—"Supply-side was always trickle-down." It was a Trojan horse. This magic supply-side formula was a Trojan horse through which they drove trickle-down economics to the wall, and trickle-down economics produced a bonanza for these people at the top of the income scale, and a few drops for everyone else.

Mr. SABO. I thank the gentleman for the answers to those questions.

Mr. HUNTER. Would the gentleman yield to this side of the aisle for just a minute? I will not ask a lot of questions.

Mr. OBEY. Sure; I yield to the gentleman from California.

Mr. HUNTER. I thank the gentleman, and I respect the gentleman and respect the time that he has taken and the illustrations he is making. I would just ask one question. That is: As I understand—and I looked at the figures the other day—although we cut marginal tax rates and, as the gentleman said a number of individuals, many of whom own small businesses, are employers, increased their income. As I understand, total net revenues to the Government went up between 1981 and 1987 by about 70 percent. Would the gentleman comment on that?

Mr. OBEY. I am really glad the gentleman asked that question, because what we always hear is, "Oh, gee, whiz, what are we talking about? After all, we shouldn't soak these poor fellows up at the top of the ladder because, my God, when you look at what happened to the total taxes in the 1980's, their taxes went up."

Well, this chart demonstrates that is absolutely true; the total tax represented by this green piece actually did go up slightly from $108,000 to $163,000 for the top 1 percent of the people in this country. But that is because their income went up from around $300,000 to almost $600,000 over time, as represented by this red block.

So, what that demonstrates is, yes, their taxes went up a tiny bit, but the fact is that their income went up by a much larger amount.

Mr. Speaker, I yield to the gentlewoman from Georgia.

Ms. McKINNEY. I thank the gentleman from Wisconsin for yielding to me.

Mr. Speaker, I want to take an opportunity this evening to discuss, in all candor, the grave stakes that we have before us. I want the people whom I represent, as well as the people of this country, to understand, as I understand, the imperatives which face us today.

Three Sundays ago we celebrated Mother's Day. And this brings to my mind some ideas about the faith of mothers. You know, from before we are even born, mothers have faith in us. And in a mother's eyes, there is very little wrong that we can do. You see, mothers have learned to keep their eyes on the prize and to understand that life has its bumps along the way, but that it is always possible to take lemons and turn them into lemonade, to take life's bumps and turn them into stepping stones. And our mothers always have the faith that we will be so wise.

During this most important week of decision, let us also resolve that we will not betray our mother's faith. And let me commend the President for his leadership, the Budget Committee, and the Ways and Means Committee, the leadership of the House of Representatives, and the whole Democratic team, really, for crafting legislation that represents the kind of change that the American people voted for in November.

We are demonstrating that the House is ready to take up leadership and that the Democratic Party is ready to demonstrate the kind of leadership that will make this world all the better because we dared to struggle, among ourselves and within ourselves in order to reach ever new heights.

Today, we debate nothing short of hard work and dedication, the kind of dedication and commitment to purpose that usually turns dreams into reality.

In the beginning, I am sure, becoming President was only a dream for our President. Probably no one believed in it but him—at first.

But he was able to convince his wife, his friends, and then all of us. But his dream only started because there was something deep down inside of him.

In my own case, I know that becoming a Member of Congress was a dream that only a few people close to me felt was possible. It seems that the world is full of naysayers—people love to tell you what you cannot do. But through hard work and dedication, and demonstrated commitment to purpose, we too were able to turn that something deep down inside to history-making in Georgia.

Each of us who must cast a vote this week began with the most important commitment—and that was to excellence. For when we begin with excellence, nothing short of the best will be good enough.

Well, all of us working together have come up with a legislative package for change for this country. The reconciliation bill before us contains legislation which will correct the decline that this country has experienced over the past 12 years.

Now is the time for all of us to be proud, and committed, and strong.

Strong, because life is not always easy. And when we encounter those unexpected bumps along the way, we must remain focused and committed to the goal, and turn those bumps into stepping stones.

As the Representative for Georgia's 11th Congressional District, which is Georgia's second poorest district, I am committed to providing a better Georgia and America for every child, every family, every person in my district.

For too long, the needs of ordinary Americans have been sacrificed for the needs of the wealthy. Yet, in addition to that, our President has assumed office at a time of unprecedented world instability—during a time of peace. Our President gained control of the White House after the previous President unilaterally announced a "new world order" but failed to define what it was or even what he meant.

Let us pray for our President so that the Lord's hand will guide him as he tries to make our Government more accountable to us and at the same time turn this massive ship of state in a new direction. He needs our success, and we need his success.

I am concerned about today, but also about tomorrow. But, as is usually the case, as we fight for a better tomorrow, we ought to remember the past that got us to this point. I would like for you to recall the memory of another time in the American experience.

Thirty years ago we were in the midst of a season of discontent:

- Black people decided to sit down at lunch counters all over this country in order to stand up for freedom and justice and dignity.
- Black people decided to register to vote to change the policymakers, since they couldn't change the policies of oppression that blanketed the South and this Nation.
- Young freedom riders, both black and white, defied the racial order of apartheid and bigotry in the South and some saw their lives ended as they rode on those freedom rides of the American dream.
- Three young men—Goodwin, Cheney, and Schwerner—should never be forgotten as they rode the freedom ride to their death in Philadelphia, MS.

Goodwin, Cheney, and Schwerner should never be forgotten because they represented all that is good in America.

They were young and hopeful, willing to overlook the racism of the times, in order to do what was right for their country and for their fellow man. Well, we have just endured another long season of discontent: 12 long years—where Government served the interests of a few of us at the expense of the rest of us.

We have got to have a change.

We must understand, too, what the last 12 years have done to us as a Nation and as a people.

TV cameras were poised in Los Angeles to view the spectacle. You would have thought that the circus had come to town. But the people of Los Angeles and the people of this country just wanted justice to come to town. Thank goodness that it did—on that day.

However, not until we completely obliterate the politics of division that this country endured for the last 12 years. And remember that words and actions and deeds have ramifications. And understand the complete sense of alienation that our young people feel about this system that we call their Government, and our society will we be able to properly deal with the many frustrations of being young, and black, or Latino, in America.

With one Presidential campaign begun in Philadelphia, MS, along with a message of State's rights and another Presidential campaign won on the back of a Willie Horton ad, the Republican Party has done nothing to honor the memory of the proud and strong three young men who died on that dark, dark Mississippi night.

The legacy of Republican leadership has been Iran-Contra, S&L scandal, HUD scandal, BNL scandal, war against Third World people, environmental injustice gone mad, and, most seriously, a complete neglect of this country's children. In my home State of Georgia, we rank 47th overall in the well-being of our children.

The United States ranks 20th in the world in infant mortality rates, equal to Greece, Israel, and New Zealand—only just above Cuba by one point. And if we look at black babies, black babies die at almost twice the national rate, placing the U.S. black infant mortality rate at 33d in the world, tied with Costa Rica and just above Chile by two points.

The United States ranks 31st in the world in low birthweight babies, equal to Turkey and Paraguay and Israel, just above Jamaica and Panama. For black babies, the rank is 75th in the world, just behind Cote D'Ivoire, little better than Niger.

And while 71.3 percent of all white children are covered by employment-related insurance, that is the case for only 38 percent of black children and is only the case for 39 percent of Latino children.

Furthermore, during the 1980's, the following health trends were recognized: Access to early prenatal care—worsened; late or no prenatal care—worsened; low birthweight babies—worsened; measles increased 533 percent over 1983; mumps increased 35 percent over 1985; pertussis increased 106 percent over 1981; and rubella increased 509 percent over 1988.

Both our children and our future are at stake if we do nothing.

The stewardship of our Government over the past 12 years has seen a steady deterioration in the quality of life for our children. Yet, the enrichment of the top 1 percent of family income earners was unprecedented. The expenditures for the military-industrial complex were astronomical; and we had two Presidents who were telling us that everything was all right.

Some of us knew, however, that the last thing this country was, was all right. And we didn't hesitate to say so. In the meantime, though, middle-class incomes deteriorated; the budget deficit grew to unprecedented proportions; health care costs became unbearable to most of us; and our President said that the United States was the strongest country in the world and everything was all right.

We saw homelessness grow in every city in America, drug abuse increases unprecedented, an ozone hole in the atmosphere that some folks told us did not exist; while our President advocated Brilliant Pebbles—a Star Wars antimissile array orbiting in space.

Life in America, down on the streets, where ordinary people are, has deteriorated. Public schools have become more public than schools, with strangers walking on campuses and shooting teachers and students; schools are becoming merely an extension of the battleground and disarray that exists on every American urban street and in many American homes, urban, suburban, and rural.

And President Bush started a war in Iraq and spent thousands of lives and we still do not know what for.

We just recently lost the $16.2 billion stimulus package because of Republican gridlock in the Senate. And on my jog the other day with the President, I asked him, Mr. President, why did you give up? Fight on for the stimulus package.

And he responded to me,

> You know, Cynthia, I never expected that the people who would benefit from the jobs—the young people who would get summer jobs, the parents who would get immunizations for their babies, the students who would get Pell grants for college, the unemployed who would get jobs to repair the infrastructure, and the elected officials in cities and counties all over this country who would receive much-needed dollars for their communities—I never imagined that they wouldn't stand up and scream in outrage that this money and these opportunities were being taken away from them.

And what could I say to the President, because he was absolutely right.

The rallying cry of the Republicans was cut spending first. But they can find $45 billion to clean up the S&L scandal; they can find billions of dollars for Russia, but they could not find $16.2 billion for you, your mothers and fathers, your brothers and sisters, children, and the rest of us who have been hurting for the past 12 years.

The fight is not over, though, as we continue to try to defy gridlock and do what is right for our constituents and our country. There was no reason for the President and the American people to lose that $16.2 billion. We lost by three votes. But it is done now. And as a result of an emboldened Republican minority promoting, at best, business-as-usual politics, and at worst, serve-the-rich policies, the Democratic agenda will have to be unfortunately compromised if we are to avoid gridlock.

We do have to pay the hand that we are dealt.

But every American has an opportunity to help us play our hand as best we can. I have heard from my constituents who say that they are willing to sacrifice a little more if it will help everyone—if all Americans will be made a little better off.

I would ask that each of you listening tonight make a commitment that you will help to make our country stronger. The need today is much more pressing than a lost stimulus package. The entire agenda for change is threatened if we don't act—today.

And so, I would say to my colleagues in the House and the Senate, and to our friends across this country: Let the message be loud and clear, that change is not a free good. We all want it, but only a few are willing to work for it.

I am asking that we now make a commitment to work for it.

Join with me and let us renew the faith of our mothers in our ability to be winners;

Join with me and let us renew the faith of young Goodwin, Cheney, and Schwerner in the American dream.

And let us renew a pledge to ourselves that we will not allow others to thwart that which is good and right and just for us. Let us renew our willingness to fight for what is right.

Otherwise, a new season of discontent is likely to unfold. One, I believe, that this country can avoid with our active prodding. Many who listen tonight are the lucky ones. Let us join together to forge opportunities for all who are willing to work hard and dream about what might yet be.

The President's budget represents our future. Let us take the charge and protect our country well. The people are counting on us.

□ 2110

Mr. OBEY. Mr. Speaker, I thank the gentlewoman for her comments. I appreciate them very much.

Mr. Speaker, I yield to the gentlewoman from North Carolina [Mrs. CLAYTON].

Mrs. CLAYTON. Mr. Speaker, I want to just raise some questions and see if I can have some understanding. Perhaps that would be helpful for others who may be wondering about if this bill indeed does represent cuts, real cuts.

I know I have a lot of people telling me that we ought to really cut first and spend later, and what they mean by that is tax later.

Could the gentleman just share with me if they are real cuts, particularly in agriculture.

Mr. OBEY. Well, let me simply respond by telling the gentlewoman what I have experienced in my office in the last 2 weeks.

□ 2120

I asked my staff last week to simply keep track of the number of groups in my district who came in to talk to me about opposing the spending cuts in the Clinton plan. I had 31 different groups, not lobbyists, but folks from home who came to me objecting to one kind of cut in the President's budget or another. We had some doctors objecting to the Medicare caps—doctors, hospitals. We had farmers concerned about the additional squeezing going to take place. There were all ranges of people, all well-meaning.

And so, Mr. Speaker, I would say to those who are claiming that there are no spending cuts in this package that I wish they had been talking to those 31 groups from my district, all of whom were objecting strenuously to them and asking that I resist them. I think they have a quite different view.

Mrs. CLAYTON. Will the gentleman respond?

Mr. KOPETSKI. Mr. Speaker, if the gentleman would yield, I was going to present this a little later this evening, but I do have a list of very specific cuts that are in the reconciliation bill if the gentlewoman from North Carolina [Mrs. CLAYTON] would like me to articulate those.

Mrs. CLAYTON. Well, if I could get the gentleman to do that a moment later, I just wanted to emphasize that I know I received calls, as well, in agriculture. I live in a community where the concern was there if indeed others were going to suffer the same way they were suffering. So, it is called shared pain and obviously I was concerned, not only for my farmers, but also people who live in rural areas, and I know the whole Btu tax, that the farming community expressed concerns, and I certainly shared those concerns, and there was some accommodation made to—I thought in the Btu—for at least the fuel in farming; is that correct?

Mr. OBEY. Yes; the farm use has been exempted from the higher of the two rates which apply under the Btu tax. But there are other very large spending cuts in this package.

For instance, tomorrow morning I am supposed to chair a markup that marks up the foreign aid bill for this year. By the time we get done marking up that bill, there are going to be programs in the foreign aid package which are cut by 50 percent below last year. Since I have been chairman, Mr. Speaker, foreign aid has already declined by $5 billion, and we are going to have to take it down another $1 billion tomorrow just to meet the squeeze required under President Clinton's package.

And my phone has been ringing off the hook all day long from every single interest group in this country who has a stake in seeing that bill increased rather than decreased, so I wish they could have simply been—those who say there are no squeezes in this bill—I wish they could have been on the receiving end of those phone calls today that I received.

Mrs. CLAYTON. My final question and comment would be around the fairness of our effort to accommodate the response to the Btu taxes being negative to low income persons or families, and particularly as it relates to being an aggressive tax to those persons who make less than $35,000. My understanding, or one of the responses to that, was the earned income.

Mr. OBEY. Absolutely.

Mrs. CLAYTON. And that meant that it was sensitive to families who made less than $35,000.

Mr. OBEY. Absolutely. You have the earned income tax credit, which is in the President's package, and, as a result of that, as a result of that, the Btu tax will actually—even with the Btu tax this package will result in a—about a $10 a month tax cut for persons making below $10,000, for instance, and it will not amount to a heavy hit until you get up to those who make over a hundred thousand dollars.

So, it seems to me we have one of two choices on that tax. We can either do as has been done the last 12 years, telling everybody, "Oh, don't worry. If there's any pain at all, we'll get rid of it for you." Or we can honestly belly up to the bar and say, "Folks, it is going to be a small impact on you, but it is well worth it to create a better world for your kids," and that is what we are trying to do.

This chart demonstrates that for low income groups, with the Btu tax included, there will still be a decline in the average monthly tax rate of anybody making less than $35,000 a year.

Mr. GEPHARDT. Mr. Speaker, if the gentleman would yield on this question of the earned income credit, it has been my understanding through the years that the reason we wanted to increase the earned income credit was to make it possible to induce people to stay off welfare and to continue to work.

It is also my understanding that the increase that is in this reconciliation bill is the largest increase we have ever had in the earned income credit so that it would have the opportunity, the program, of pulling more and more people out of welfare, getting them to take a job and to be willing to keep the job because their taxes would be reduced, and they would be induced to stay off of welfare and in productive income.

Mr. OBEY. Mr. Speaker, if the gentleman would recall when the President spoke to us in that magnificent State of the Union Message that he delivered in this very Chamber, one of the statements he made that got the largest round of applause was when he said that under his proposal no one who worked full time would go home at night still in poverty. It was his belief that through devices such as the earned income tax credit we would be able to say to each and every American who works full time for a living that, if they are willing to work that hard, they will not be home each night to face their kids in the state of poverty.

Mr. GEPHARDT. Mr. Speaker, I thank the gentleman. I just wanted to make that point.

Mrs. CLAYTON. Mr. Speaker, that is a good point, and also another point that I think the gentleman would share is that this has bipartisan support, the earned income, and there are those who would want to say this is all of a sudden gimmickry to just help the poor from this administration.

Mr. OBEY. I would say one of the champions of the earned income tax credit is the gentleman from Wisconsin [Mr. PETRI]. He is from my own State, a Republican who championed that cause for years.

Mrs. CLAYTON. And it does reinforce the value of work, it reinforces the value of families, it reinforces the value of supporting dependent children, and it gives opportunity, even with this tax, to offset that burden. So, I think the fairness of that tax has to be also emphasized.

No one likes taxes, but the case is being made by others who would want to distort what the complications are that this would have a disproportionately harmful effect on low income families or working families when in fact it is only a large income for those above $35,000, and there are provisions within the law to offset the burden on poor working families with children.

Mr. GEPHARDT. Mr. Speaker, I thank the gentlewoman from North Carolina [Mrs. CLAYTON].

Mr. OBEY. Mr. Speaker, I thank them both. I would simply like to close by making this observation:

This chart demonstrates that our debt, the national debt of this country, declined steadily from 1945 as a percentage of our national annual income. Down to about 1973 but national debt was almost 120 percent of our annual national income. At the end of World War II it declined to about 24 percent of our national annual income by 1973, stalled out until 1980, and since the Reagan budgets were first adopted has now gone up again, just about doubling as a share of our total national income over that time.

The President's package is an effort to try and finally reverse that. This chart demonstrates the difference between the trend lines on the Federal deficit which will continue to go up if we do not adopt the Clinton plan versus the reduction in the deficit that will occur if we do adopt the Clinton plan. For those of my colleagues who say that is not good enough, I would simply say, "You had your try at it. This chart represents what the result was. You told us in 1981 that, if we passed the Reagan package, you would take us from a deficit of $55 billion at that time down to zero. Instead you gave us deficits of $200 billion."

□ 2130

You said you would do it better when you produced Gramm-Rudman, and Gramm-Rudman II, and each time promise did not match performance and in fact we had larger deficits than when the process began.

It is time for those who gave us three magic fixes in a row to now step aside and let the President have a chance to adopt his plan. It is the only one in town that has a real change to reduce the deficit, to restore economic growth, to restore family income growth in this country. After 12 years of trying their failed prescriptions, it seems to be we are entitled to give the President a chance to try this.

ADDITIONAL TAXES WILL DAMAGE THE ECONOMY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. HUNTER] is recognized for 5 minutes.

Mr. HUNTER. Mr. Speaker, I have listened to the Democrat majority talking about the plan that is put forth by President Clinton and has been worked over by the Democrat leadership and now will be before the full House shortly and be before all of our colleagues to analyze and vote on. Let me just state a couple of things that I think the Democrat majority is missing.

The first thing that they are missing is that taxes change behavior. Each time we are presented with new taxes, they are presented as an automatic reducer of deficits. If you have somebody who is working in the 30 percent tax bracket, you boost him up to 33 percent, and that is automatically going to raise that proportionate amount of income relative to the 3 or 4 percent tax increase. And if you have a Btu tax that is applied to all of American enterprise across the spectrum of industry, that is going to raise a certain amount of tax money absolutely with no reductions or no mitigation of that tax, that effective tax, due to loss of enterprise and due to loss of industries.

In fact, taxes do affect behavior. They affect the behavior of the American people. Very simply, if you have a small businessman and you increase the taxes on him, whether it is through a Btu tax, an energy tax, an 8-cent-per-gallon-at-the-pump tax if he is a trucker, or any of a number of other ways through the manufacturing process with this energy tax that the President has proposed, if you take dollars out of his pocket and give them to the Government, then those are dollars that that small businessman or large businessman is not going to use to buy new equipment, expand his facility, and hire people.

The second basic truth that I think has been missed by the democrat majority is this: To have jobs, to have employees, you have to have employers. The gentleman who has presented the charts here and the Democrat leadership that has talked about what they consider to be the benign or benevolent effect of these increased taxes have missed the fact that you need to have people who are making enough money to want to take a risk, to go out and build factories, to invest in new equipment, and to hire people. Blue collar workers cannot hire each other.

Yet each time I hear the majority talk about tax increases, they talk about wealthier people. I thought this point was an important one. It was made by my friend, the gentleman from Wisconsin [Mr. OBEY]. He pointed out that yes, people at the wealthier end of the spectrum did pay more money during the Reagan years in total taxes paid, but he said they made a lot more money.

I think the problem with the Democrat leadership's thinking is they look at people, many of these people in these $200,000 tax brackets who are small businessmen, who employ people, who have payrolls, they look at those people as the adversaries, as people who damage the economy if they make a profit, as people who if they did not make a profit somehow the money they generate would go to other people. And that is just not the case.

If a person goes out and takes out a loan and builds a tract of homes, then that money is used to employ people, it is used for mortgage payments by the workers, it is used to buy cars and to send kids to college. It is turned over in the American system. It creates a ripple effect. And you lose that effect, you lose that growth effect, if you damage the economy by putting onerous taxes on employers. So employees do require employers.

PRESIDENT'S BUDGET AND THE AGRICULTURE COMMUNITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas [Mr. ROBERTS] is recognized for 60 minutes.

GENERAL LEAVE

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include therein extraneous material on this special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. ROBERTS. Mr. Speaker, the Republican members of the Committee on Agriculture have taken this special order to discuss the very crucial vote we have before us Thursday with regard to President Clinton's budget.

Mr. Speaker, in making my comments on my special order and inviting the comments of my colleagues who serve on the Committee on Agriculture, I do so with all due respect to the comment that the majority leader and the distinguished gentleman from Wisconsin [Mr. OBEY], and the chairman of the Committee on the Budget [Mr. SABO]. I would suggest, however, that rather than go into a lengthy dissertation on what has happened in the eighties and a very unique version of the class warfare argument that has been raised in this body time and time again, that this debate is not with 176 Republicans that are not going to vote for higher taxes. Your debate is with the 60 or so Democrats who do not want to vote for this, and for very good reason.

We have, as I recall, about 256 or 257 Democrats and 176 Republicans, and the real situation here is that we have an honest difference of opinion. We can get into that in terms of that debate. But the debate is over all of the Democrats who want to vote for this. Why? It is because it is a vote that will directly affect the pocketbooks and the daily lives of every American, but especially the economic well-being of farm families whose job it is to feed this country and a very troubled and very hungry world.

Simply put, this tax heavy budget represents a blueprint for disaster in farm country. Those are harsh words, I intend them to be, and I certainly do not intend my concern and criticism to be in a partisan manner. But every Member of this body has an obligation to study and fully understand the practical effect of what will happen as a result of our actions when we consider legislation, and we have an obligation of informing as best we can the people we represent of the consequences of what is passed by this body.

Every member on the Republican side of the Committee on Agriculture wants to work with the President and my colleagues across the aisle in regard to reducing the deficit and certainly reviving our country. We all share that goal. But as we pencil out the Clinton plan and determine the effect on farmers and ranchers in rural America, and, more important, as farmers and ranchers really pencil this out on the details, the conclusion is obvious: The White House budget posse is riding in the wrong direction.

Let us look at the facts. Farmers and ranchers are true patriots. They know the deficit is the No. 1 problem facing our Nation and they have done their part.

I am quoting the chairman of the Committee on Agriculture, the distinguished gentleman from Texas [Mr. DE LA GARZA], when I say of the top 12 entitlement programs, only farm program spending has declined since 1985.

□ 2140

In fact, farm programs spending has been cut an average of 9 percent in the last 4 years. This budget, this farm program budget, cuts farm spending by 11 percent. It goes without saying, if every other program had shared the same sacrifice, our deficit problems would not be so severe.

Nevertheless, the Clinton budget cuts almost $3 billion in direct farm income over the next 5 years. Let me emphasize again, this $3 billion cut is an addition to $57 billion in cuts agriculture has made over the past 10 years.

Now, it would be one thing if by taking the $3 billion in deficiency payments out of farmers' pockets represented a fair share sacrifice. We have heard a lot about fair share sacrifice on the other side of the aisle.

Certainly, in reducing the deficit, as true deficit patriots our farmers and ranchers would say, "All right, find the $3 billion in savings and let us get the job done."

But, Mr. Speaker, that is not the case. The Clinton budget plan spends an additional $7.3 billion on food stamps above and beyond the cost of living adjustment. Nobody is trying to cut food stamps, and why are we doing that? Because the President's Btu tax falls heaviest, despite the charts and the arguments, falls heaviest on the poorest of Americans.

So the farmers' $3 billion sacrifice is not going to the deficit. It is going to fund additional food stamps due to the Btu tax that the farmer does not want to pay in the first place.

The result is that agriculture's part of the Clinton budget adds $4.4 billion to the deficit. And what about the Btu tax? The individual impact from the tax will vary, according to region and size of the farmer's operation and his crop. But farmers can expect an additional $1,000 to $4,000 a year in costs each year because of the Btu tax.

To offset this revenue loss from granting this minor relief to farmers, the much acclaimed exemption of ethanol from the Btu tax was eliminated. Now, the absurd nature of the Btu tax is illustrated by the convoluted budget structure of this proposal.

Here is what all of this really boils down to, folks. The Btu tax is expected to bring in $70.5 billion over 5 years. That is the linchpin of the Clinton plan. However, in order to offset the burden of this energy tax on the poor, spending was increased in several Federal programs: $7.3 billion in food stamps; $28.3 billion for an earned income tax credit, as referred to by the majority leader; $4 billion for low income energy assistance.

So here we have the Government, which will have to spend nearly $40 billion to offset the harm done by the $70 billion in new taxes, while imposing an unfair and unequal burden on energy-intensive industries like agriculture.

I will say again that farmers are willing to contribute to deficit reduction. They repeatedly have done so over the past decade. But it is fundamentally unfair to ask them to make another major sacrifice for a plan that will raise $3.23 in taxes for every dollar cut in spending, with a net result, after 5 years, of economic pain, very little progress on the deficit.

Nor is it fair that their programs be cut to the bone while the administration and Congress insist on major spending increases for favorite programs.

Mr. Speaker, I yield to a valuable member of the House Committee on Agriculture, the gentleman from Iowa [Mr. NUSSLE].

Mr. NUSSLE. Mr. Speaker, I thank my distinguished colleague from Kansas, our fearless leader on the Committee on Agriculture.

Mr. Speaker, tonight's debate, for me, is really the whole reason why I ran for Congress. The whole reason I got into this crazy business in the first place is because I recognized what the deficit and the national debt was doing to our kids, and, maybe selfishly, doing to my kids.

In fact, when my son Mark was born, there was a bill in his crib, because of the deficit and debt in this country, of $15,000.

You might think, well, my son is what, paying more than his fair share. No; every person in this country has that kind of bill sitting at their table right now to pay as a result of our problems.

So what do we do? What do we do?

We hear about cutting. We hear about fair share. Well, fair share has definitely been provided by farmers. In fact, over the past decade, as my colleague for Kansas indicated, farmers have contributed $57 billion to deficit reduction, $57 billion.

Are we complaining? No. Maybe a little bit, only because we feel that maybe some other sectors have not contributed as much. But we will take that, and we will even up the ante.

Farmers have told me we will contribute more in deficit reduction through more spending cuts. So the Committee on Agriculture this year was asked to make a few cuts. We did. We cut $12.9 billion out of farm programs for farmers in the Committee on Agriculture. We went along with it only because we knew we had to provide our fair share, but only until we found out what that savings was going for.

You know what it was going for? The same thing farmers across the country complain about all the time, the fact that we use farm program reductions for food stamp increases; $7.3 billion was increased in this agriculture budget because of the effect of, get this, the Btu tax.

You might ask, what is going on here? The Clinton administration believes that because of the effects of the Btu tax that they are going to have to increase food stamps $7.9 billion just to make up the difference.

The Committee on Agriculture cannot stand for that. Republicans stand firm on the fact that those cuts should not go, if we are going to cut in agriculture programs. It needs to go to deficit reduction and not toward food stamp programs, when there has been no reform of the program, no revitalization, no streamlining, no efficiencies.

That is promised down the line, just like everything else has been promised in this country, but nothing was done today.

The Btu tax is supposed to bring in $70 billion over the next 5 years. But in order to offset that, we have increased welfare programs $40 billion, because we expect because of the Btu tax more and more people to be dependent on welfare, forced into that dependency.

We heard just a moment ago the majority leader indicate that "Aren't we special, we are increasing the earned income tax credit."

Why? Somebody needs to ask him that, because the Btu tax is driving people into poverty. The farmer must take the risk. The farmer must grow the food. The farmer must transport the food.

Then he has got to finance the food. Then he has got to market the food. Then he has to sell the food. And now we are telling farmers, "Stand in line in order to earn food stamps so you can buy back your food." And that is ridiculous in this kind of economy.

What are we telling the young farmers out there? We are telling them, "Don't come back to the farm. Don't come back to the farm. We don't need you. We don't need you."

Just make farmers get bigger. Get bigger, spend more money. That is what we are encouraging them to do.

None of those young farmers that Iowa has lost or any other district in this country are going to come running back to the farm in order to grow food under this kind of a plan. That is ridiculous. That is not economic growth and revitalization.

Clinton talked about patriots in his State of the Union Address. He talked about all Americans being patriots.

Farmers are patriots. They are not patsies, and we cannot stand for a Btu tax that is offset by welfare programs to drive farmers into welfare so that they can, in fact, be eligible for those same programs.

In a recent Tax Foundation study that just came out today, Iowa alone, because of the effect of the Btu tax, according to this independent foundation, is going to lose 4,779 jobs. That is economic growth, folks.

In fact, my district alone, if this Btu tax passes, is going to lose 890 jobs, in just my district.

Is that economic growth? Ask yourself who of you out there is willing to give up your job for this Btu tax. There are a lot of Congressmen, I think, who are probably going to lose their job over this.

□ 2150

Let me tell you this about the State of the Union Address. The State of the Union Address for me was exciting, because I felt as a newcomer to Congress that we had a President that was willing to stand up to the plate and deal with the budget deficit. You know what happened? When he went out to sell this plan to people, not the Republicans but the people, they said, "Cut spending first." What did he do? He abandoned his sales pitch.

Now what happens? We have Democrats by the droves running to the floor of the House to save the President's plan when he himself is not selling, when he himself is not out advertising, when he himself is letting Democrats fall on the sword.

People ask me, "Gridlock in Congress, Jim, how do you get around gridlock in Congress?" Folks, gridlock is over. Gridlock is over on this side. We cannot stand in the way of their plan. How many do they have? They have more than 218, don't they? If they don't, maybe the gridlock is on their side of the aisle, and maybe they have to face up to that fact, not on the Republican side.

Of course, we are not going to vote for it. Are you crazy? We are not going to drive people out of work. But if you want to, you provide the votes. You pass the President's plan. He is not calling Republicans. He has not called me. He has not asked me to support the plan. He has not asked me how it affects farmers in Iowa.

They say, "Be specific." We have got Kasich. We even have two amendments that we are willing to introduce this week, if they will let us. Will they let us have an open rule? People out there watching, they say, "What is an open rule? That doesn't make any sense. That is procedural." An open rule means we get to debate this. We get to offer our amendments and we get to offer our specifics. We will see if they let us. Put your money where your mouth is, so to speak.

I think what we have to do is face up to the reality of what this plan is really going to mean. I think it is probably put best in the words of President Clinton's barber. President Clinton's barber probably would say, "Clinton is hair today and gone tomorrow."

Mr. Speaker, what is most disturbing about the past 4 months is that the way of doing business in the House of Representatives has not changed. My constituents tell me they are willing to sacrifice to reduce the Federal budget deficit. They have said repeatedly they are willing to step up to the plate and take their fair share of the hits to fight the red ink spending in Washington.

But that's not what has happened.

First, rural America took its share of hits when agricultural programs were cut $2.9 billion.

But the hits didn't end there.

They were also informed that in addition to $2.9 billion in cuts for agriculture, they would get hit with a Btu tax that will cost farmers between $1,000 and $4,000 per year. And they will get hit again with a barge tax that is expected to increase the cost of each bushel of corn between 5 and 10 cents.

But the hits don't just end there either. The money resulting from the cuts in farm programs and increased taxes will not go to the $4 trillion debt hanging over our heads. Instead, Congress has decided that any savings resulting from farm program cuts and tax increases will go to fund new Federal programs.

Mr. Speaker, after the House of Representatives votes on the budget reconciliation package this week and the dust settles, it is rural America that will carry the burden of increased taxes. Rural America no doubt knows what it means to tighten their belts and is willing to sacrifice. But we have to cut spending first.

Unfortunately, Mr. Speaker, the way of doing business hasn't changed at all here.

Mr. ROBERTS. Mr. Speaker, I yield to the gentleman from California [Mr. DOOLITTLE], a valuable member of the Committee on Agriculture.

Mr. DOOLITTLE. Mr. Speaker, I enjoyed listening to the gentleman from Wisconsin and the majority leader make their version of history for all of us to understand. But try as they might to trash the 1980's, the fact of the matter is every income group improved. If we could only get back to the 1980's instead of the malaise of the 1990's.

Is it just Democrats that bear the burden of this? No. Democrats ruled the Congress, but we had Republican Presidents. We had disastrous plans for the 1980's to fix the budget, so we all had, Republicans and Democrats, our fingers in it together. We don't make any claim to the contrary.

This plan advocated by President Clinton is more of the same old warmed-over dinner. It did not work in the 1980's and it will not work in the 1990's.

Focus for a minute, if you will, on what the formula has been. It is always a promised immediate tax hike followed by a promised future set of spending reductions. When was this formula tried? We began in 1982 with the first disastrous tax hike, up until that point the biggest in history. TEFRA it was called. In 1984 we had DEFRA. In 1987 we had another effort; in 1989, yet another; in 1990, the disastrous budget summit agreement that cost George Bush his Presidency.

Now the Democrats, led by President Clinton, come into this Chamber and before the United States ask us once again to put blinders on and pretend the emperor is wearing a magnificent suit of clothes. In reality, it is just the same old failed nonsense. We get immediate promised tax hikes, now the largest in history, and promised future spending reductions.

Of course, it turns out, when you read the fine print, that even in this plan we discover there will be no net spending reductions for the first 2 years of the plan. Mr. Speaker, we will never get beyond the first 2 years of the plan. That is the idea. Don't you think it is fascinating, we have a 5-year plan and we get the first couple of years and then we are onto a new 5-year plan, with yet more tax increases and further spending reductions? Look at this chart. These numbers have changed a little bit, I am going to be very honest. This is a moving target, and this chart was prepared a month ago, so they are a little different.

Let me just outline briefly what the effect of the Clinton plan is. It is $140 billion in new spending, under these numbers, $359 billion in new taxes, and, after we go through all of that, what do we end up with? After we penalize farmers and blue-collar workers and middle-class workers and everybody in this country, shared sacrifice, it is like socialism, equal sharing of misery, as Churchill said, what do we end up with? We end up with an annual budget deficit of $228.5 billion.

The gentleman from Texas [Mr. ARCHER], the ranking member of the Committee on Ways and Means, tells me this is now projected to be $250 billion, but it is over $200 billion, wherever the numbers may fall.

What does that do for us? It is a serious fiscal risk for this country to end up after the largest tax increase in history and energy tax that is going to cost 600,000 jobs, and the effect of the other taxes in the Clinton plan may be to cost 1½ to 2 million jobs, and then we end up with an enormous annual deficit.

Let me show the Members by comparison what has happened in the past. This chart is not upside down. It just so happens that the Government has not had a very good record with its budget in past years. Look, this goes clear back to 1940. These are inflation-adjusted dollars. Look at what happened here in World War II. In inflation-adjusted dollars we had annual budget deficits of over $500 billion. But look here, near the end of World War II, the tremendous drop that occurred, down to about $180 billion. Guess what, folks? The next year there was a surplus, a surplus that is about $45 billion.

Under this pathetic administration plan, after huge tax increases, we will end up with an annual budget deficit of over $200 billion after 5 years, and having added a cumulative total to our existing national debt, which is about $4 trillion now, it will be $5 trillion.

That will not work. It will not work for farmers, it will not work for housewives, it will not work for children, it will not work for senior citizens, it will not work for anyone who hopes to thrive in this Republic.

A good Democrat, John F. Kennedy, used to say, "A rising tide lifts all boats." Another way of saying that is, when the rich get richer, the poor get richer. Sure, we can go back into socialism and have the equal sharing of misery, kind of like we got a taste of that right now. It is going to get worse if we enact the Clinton plan.

We have had various statements about farmers. Let me quote from the president of the American Farm Bureau Federation, writing to President Clinton. He said:

> I am compelled to express our members' deep concern about the energy tax proposal and your proposed economic package. If imposed, this tax will stifle economic output, increase production costs for farmers, cause farm prices to decline, and jeopardize our ability to compete in the world markets.
>
> Agricultural products are processed, packaged, and transported to consumers. They will be more costly due to the multiplier effect of energy cost increases at each point in the food distribution chain.

Mr. Speaker, we ought to get real and recognize the key to balancing this budget freeze. It is a reduction in spending. When I hear about how many billions that are being cut, that is only inside the beltway. They are not cutting anything, as far as I can tell. They are merely reductions below the planned increases, but they are net increases. It is a disaster. We have got to quit talking like that.

If you are going to talk about a cut, tell me that you are spending less next year than you are spending this year. That is a cut. That is the type of approach we are going to have to take, or at least a freeze so we allow the growth in the economy to reduce the deficit.

Paul Craig Roberts wrote an article saying that if President Reagan had continued the partial freeze in spending in 1987 for 2 more years, his administration would not have been known for its deficits. What we need to do is recognize there is an economic emergency in this country, and that does not mean you go out and pour money out the door from the Federal Government and not be subject to the phoney 1990 budget rules, the pay-as-you-go rules, like we have done time and time again. What it means is you stop spending and you let the budget gap close to the natural growth in the budget. That is the formula for success, and that is what will help farmers and everyone else.

□ 2200

So in this Agriculture Committee, and in this presentation, I thank the ranking member for the chance to address the House on these important issues. We have got to recognize that control of spending is what is lacking here. We do not need any tax increases of any kind. We need spending cuts, and this Clinton package does not do the job.

Mr. ROBERTS. Mr. Speaker, I thank the gentleman from California for his contribution.

I yield to the gentleman from Arkansas [Mr. DICKEY], a most valuable member of the House Agriculture Committee.

Mr. DICKEY. Mr. Speaker, I thank the gentleman.

Mr. Speaker, I am from Pine Bluff, AR. It is a little town in the Fourth Congressional District. There we have agriculture as a main commodity or main business and a staunch part of our economy. There we are playing out a game called farmers lose, and this farmers lose game comes from the fact that this reconciliation package that we are going to consider here soon in this body will hurt the farmers in two ways. It will cut the farm programs and cut the financial footings out from under the farmers, and it will also tax him or her in a disproportionate way as compared to other industries.

My colleagues have spoken to the inequity of raising food stamp spending. They have spoken on the hardships that will be caused by the proposed Btu tax.

I want to spend some time talking about the other tax that will have a very negative impact on our farmers. That is the inland waterways fuel tax—the so-called barge fuel tax.

To add insult to injury, the reconciliation bill also adds another tax that will be devastating to thousands of farmers: The inland waterways fuel tax.

Forty percent of all grain shipped in this country moves by barge. The Ways and Means Committee announced that it had made a major concession to barge users by cutting the proposed increase in the inland waterways fuel tax in half.

This might sound good. But what it really means is that there will be a 250-percent increase in the tax on barge fuel, if this reconciliation package is passed.

The American waterways operators have said that the Ways and Means compromise is not enough. That organization says that jobs are already being lost in the industry, as orders for new vessels and equipment are canceled in anticipation of loss of business it will cause.

We have seen this already in the luxury tax that was passed here in this body. In the first year that luxury tax was passed there were 9,100 jobs lost and the Federal Government ended up paying out $2.40 in benefits for every $1 collected under the new tax. This is the experience we can fall back on as we look at what the taxes are going to do to the farmer.

We must not make the mistake of penalizing associated industries, like agriculture, with the full cost of all the various projects that may have been done on those rivers, for a wide variety of users and purposes.

I have tried hard to find out why this inland waterways tax has been proposed, and the only thing I hear is that the users should pay for the maintenance. But I know as a young boy growing up in Pine Bluff, AR, when that river was nothing but a thread in the summer and a raging torrent in the winter, lives were lost and land was devastated. This Arkansas River project, as well as other inland projects, were actually put in to have flood control, not so that we could have barge traffic. Barge traffic is a by-product of that, and to say now that we are paying for the maintenance for the barge traffic is wrong. It is not the reason why these particular inland waterways were created.

This tax has far-reaching and extraordinarily serious implications for a number of significant Federal policy areas. As an example, more than one-half of all U.S. export grain goes by barge to deepwater port, where prices paid are set by world market forces. Those forces are irrelevant to domestic transportation costs, and farmers will have to absorb 85 to 95 percent of the rate increase as less income per bushel.

Using Army Corps of Engineers estimates, one study projects that farmers will contribute more than one fourth of all new revenue derived from the tax increase. The resulting farm income losses easily could trigger increased requirements for Federal support payments, offsetting much or possibly all new revenue derived from the Waterways fuel tax.

The Arkansas Farm Bureau, an organization I respect, is on record as being opposed to the barge fuel tax. They have indicated their great concern that it will not only hurt our farmers, but that it has hidden costs as well.

The Arkansas State Senate passed a resolution opposing the proposal to increase the inland waterways fuel tax, saying the tax would be "detrimental to the economy of Arkansas and the United States, resulting in lost jobs, lost public and private investments, and higher prices for all."

A lot of those people signing that particular resolution in the Arkansas State Senate are the closest of friends and the staunchest of supporters of our President.

The Arkansas Waterways Commission points out that barge transportation is the most environmentally friendly mode of transportation. A fuel tax in Arkansas, as in many other States, would create a railroad monopoly within the Nation for the movement of raw materials, farm crops, farm chemicals, and fuels. There is no economic logic for the destruction of the navigation industry.

The barge tax will have a ruinous effect on Arkansas agriculture, as well as on other Arkansas businesses. It will impact local communities, as farmers and other businessmen have to pay higher prices to get their goods to market. We should not even think about doing something that has such far-reaching effects, unless we know what those effects are and are willing to live with them.

Farmers cannot pass those costs along. Farm commodities are traded in international markets. The proposed reconciliation package will put American farmers at another disadvantage relative to their heavily subsidized competitors in other countries.

I joined my Republican colleagues in the Ag Committee in voting against the reconciliation package. Yet our voice in support of American agriculture went unheeded.

Famers, who represent less than 2 percent of the population, are being asked to bear 10 percent of the discretionary, nondefense cuts.

As a result of this reconciliation package, we are faced with more taxes, more spending, higher deficits, and lower farm programs. Our Nation's farmers are being asked to suffer. And this is not right. This is not proportionate.

This reconciliation package will be a terrible burden on an industry that is vital to the welfare of our Nation. We must not allow this burden to be placed on agriculture.

Mr. ROBERTS. I thank the gentleman for his contribution.

Mr. Speaker, I yield to the gentleman from Idaho [Mr. CRAPO].

Mr. CRAPO. Mr. Speaker, I thank the gentleman from Kansas for yielding and I rise this evening to support my colleagues on both sides of the aisle who oppose the increased energy tax proposed by the administration, and to help focus attention of this Nation on the heavy burden it places on rural and agricultural communities.

My home State of Idaho is powered by energy-intensive industries like agriculture, logging, mining, manufacturing, recreation, and tourism. This increased tax singles out rural and energy-dependent areas like the Second Congressional District in Idaho.

This proposed energy tax increase adds up to thousands of dollars in expenses for Idaho farmers. The men and women who work hard every day to grow food we put on our tables will bear an unfair burden under this tax.

Tax hikes on fuel, gasoline, and electricity alone will add millions to the cost of goods and services. It will boost the price of the very items that the farmers need to do business, fertilizer, equipment, transportation.

In my hometown region of Idaho Falls in eastern Idaho, potato and grain farmers will face an increase in production costs of several thousand dollars a year just for direct increases. That does not include the indirect increases that they will face in terms of increased fertilizer, electric, and transportation costs. Sugar, corn, mint, and wheat farmers in the Treasure Valley in southern Idaho will also face increased costs of thousands of dollars.

These are family farms, the ones that provide the backbone of our farm economy. We cannot ask them to foot this bill. I will not ask them to foot this bill.

The increased tax on agribusiness will have a ripple effect throughout rural economies. The Idaho Farm Bureau tells me that Idahoans will pay an additional $160 million annually in direct energy taxes in utility and fuel costs. This tax takes the biggest bite from rural economies and will only drive farmers and other industries out of business. It will drive up the cost of food, and in the end will not help to reduce the deficit. This is the cruelest tax of all, a heavy middle-income tax.

We are asked by the President to pay this price to share the sacrifice in order to get this country out of its Federal deficit. But this tax increase will not be used to cut the deficit. History has shown and the review we just saw earlier shows that every time we raise taxes in this country, spending increases more than the tax dollars increase. This last tax increase resulted in, I think it was, $1.59 of increased spending for every $1 of increased taxes. History should teach us this lesson, and we should not be lead down this path again.

Hundreds of Idahoans have sent me letters asking that Congress cut spending first. That is where our attention should be focused, in finding ways to cut spending, not to increase it.

The problem with our Federal Government is not that it taxes us too little but that it spends too much, and an increase in energy taxes will only continue that unfortunate trend.

Mr. ROBERTS. Mr. Speaker, I thank the gentleman for his contribution.

Mr. Speaker, I yield to the gentleman from Illinois [Mr. EWING], a most valuable member of the House Agriculture Committee.

□ 2210

Mr. EWING. Mr. Speaker, I thank the gentleman for yielding. I appreciate his organizing this special order on the eve, or the night before the eve, of the important tax vote in this House.

The American people have every right to know what is happening in their House. The Clinton budget hits farmers very hard. The American farmer is willing to do their share.

But let us look at it very closely: a $3 billion decrease in farm programs, $7 billion increase in food stamps. To the American public, it appears that agriculture has got a $4 billion profit when, in fact, $3 billion is taken out of the programs that make American agriculture competitive, that allow American farmers to stay in business while competing against the European Economic Community and other areas of the world in which we trade who are heavily subsidized.

Tonight I want to talk particularly about two elements of the Clinton plan which I think will hurt farmers.

No. 1, I want to talk about including ethanol in the Btu tax, and I want to talk briefly about the barge tax.

Originally, President Clinton included ethanol in his proposal to be taxed under the Btu tax. Ethanol was then exempted in a revised program which was intended to win farm support. However, the Committee on Ways and Means, in their wisdom, reinstated the tax on ethanol to pay for, listen to this, a partial exemption from the Btu tax for on-farm use of gasoline and diesel. So we put the tax on ethanol, we take the tax off ethanol, we put it back on, and we are going to give a little crumb to the farm community on the diesel they use on the farm.

We now probably will have to color that purple so that we can keep track of it. It may be a full-employment bill for inspectors to be sure you have purple-colored diesel fuel which is partially exempt from the Btu tax. Farmers are not going to be happy to hear that they lost one exemption just to pay for a partial exemption on other fuel they need, nor will they be happy to know that they are going to lose one of the fastest growing markets for their corn, the ethanol industry, nor, I think, are the working men and women of America going to be happy when they realize they are not going to have these jobs.

We are not going to have this renewable fuel made from American grown corn by American workers. Ethanol is that renewable fuel just like wind and other renewable sources and should be exempt.

Additionally, we have the barge tax then. It hits Illinois and other midwestern farmers very hard. We depend on the waterways to get our grain to market.

While Ways and Means cut Clinton's proposed barge tax in half, it still is over a 250-percent increase from the current tax. Congressional Research Service estimates that the original barge tax proposal would cost corn farmers in Illinois 6 cents a bushel. The Ways and Means barge tax will still cost 3 cents a bushel, and when corn is at 2.20, that is not much of a bargain.

I might mention that the taxes included in the President's plan are indexed to inflation. What a cruel hoax, sneak in in the middle of the night and take it out with inflation every year, an increase in the taxes. The American public should know that.

The bottom line is taxing ethanol and the barge fuel is just a part of a package that could devastate American agriculture and rural America. We will be back here trying to fix this mess probably in a year or two.

Mr. ROBERTS. Mr. Speaker, I thank the gentleman for his contribution.

I yield to the gentleman from Georgia [Mr. KINGSTON], who represents a most important agricultural district.

Mr. KINGSTON. I thank the gentleman very much for yielding.

Mr. Speaker, I have in my hand a letter from a constituent that I received last week. It says:

> DEAR CONGRESSMAN KINGSTON: I am furious. I have lived the life of a south Georgia farmer all my life and I am deeply concerned about President Clinton's plans to cut the farm programs of our great nation. Who does he think is going to raise the crops and produce the food for the recipients of food stamps to purchase after he puts these self-sufficient, hard-working farmers out of business? You cannot grow beans, potatoes and corn on a piece of paper called a food stamp! It takes a thriving, producing farm with plenty of acreage to produce healthy, marketable food products.
>
> I, along with my friends, are furious, and we would like you to remind the President that he will only serve 4 years at the rate he is going.

And this, Mr. Speaker, is from a Democrat.

Why is she so mad? Myra Johns is mad because she, like many other middle-class in America, was promised a tax cut by the now President Clinton. Instead they got a series of tax increases, fees, and other spending increases on them, the most famous, the one that hurts the farmers worst, I think, which is the Btu tax.

Down on the farm back home, we say Btu stands for "Bill's Tax is Unfair." It is unfair because it hits people with a direct tax increase of about $400 for the average Georgia farm, and then indirect tax increases of about $600 per farm. Now, is indirect costs going to increase the cost of the goods and services that they buy, the transportation, the fertilizer, all of the products that they purchase for the farm for their production of food which is going to increase and then, of course, the taxes on the municipalities, the counties that they live in.

These governments will have to incur higher taxes, or higher costs, for utilities that they consume, and they are going to have to turn around and increase the millage rates on these farmers.

So it is a very substantial tax increase.

Now, I know that the President said, "Do not worry, we are bringing interest down." Well, I am glad to know we have got a President now who can control the interest. Why does he not go ahead and control the weather while he is at it and help these farmers out a little bit more? For him to say that he controls interest rates, Mr. Speaker, please.

Look at the action of the committee last week; we increased the fees and cut spending on farmers $2.9 billion because we needed to reduce the deficit, and then we turned right around and increased food stamps $7.4 billion on top of an $8.4 billion or an $8 billion COLA which was built in.

Since 1979, food stamps have tripled: $7,300 in 1979 to $21,000 this year. How many farmers have had their incomes triple since 1979? How many farmers are millionaires, since we are out to kill millionaires? How many of the farmers are these big, bad, wealthy people the President keeps screaming about?

If this tax increase is so good, why is it that the majority party does not want to wait until the break to vote for it? Are they afraid they might go home and folks might say, "Hey, this is a horrible tax, and you folks are out of your mind if you think we are going to continue to let you run the Government based on these tax increases."

Mr. Speaker, farmers in my district are not afraid to do their part. They have always stepped forward, but what we need to do is help farmers so that they can produce more food at cheaper prices. We need to give them a capital gains tax cut, an investment tax credit, and less regulations. We do not need to bite the hand that feeds us.

Mr. ROBERTS. Mr. Speaker, I thank the gentleman for his contribution.

Mr. Speaker, at this particular time I yield to my friend and colleague to the north, the gentleman from Nebraska [Mr. BARRETT].

Mr. BARRETT. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, tonight we are here to highlight the adverse effects that the majority's budget reconciliation package will have on U.S. production agriculture.

This package will likely result in: the largest tax increase in history; pushing the economy back into recession; driving the deficit further out of control; dragging the country further into debt; and an even more powerful Federal bureaucracy. And to get all of this, we are once again asking the country's agriculture producers to ante up, and do more than their fair share.

Mr. Speaker, the President and many others have asked for shared sacrifice. This package sacrifices the farmer; there is not shared sacrifice involved. Farmers have shown their willingness to do their fair share, as agriculture has already sacrificed $57 billion over the past decade—percentagewise, more than any other sector of the economy. I believe too much focus has been placed on agricultural spending, which accounts for less than 1 percent of our total Federal spending.

Nearly $2 billion of the cuts in farm program spending will come from reducing the number of acres on which a farmer can receive deficiency payments, by 5 percent. This reduction comes on the heels of the 1990 budget reconciliation provision, that just 2 years ago stripped the farmers of 15 percent of their cropland benefits.

The budget reconciliation bill we are scheduled to consider on Thursday, calls for an additional 5-percent increase in the so-called unpaid flex or triple base acres, without a corresponding reduction in the regulatory burden associated with conservation compliance on those acres.

Specifically, I want to focus on an amendment I offered during the Agriculture Committee reconciliation mark-up, that would have saved an additional $269 million, and at the same time reduced some of the paperwork burden that has been placed on farmers.

My amendment, patterned after H.R. 1587, which was introduced by Mr. ROBERTS, and S. 610 by Mr. KERREY in the Senate, would simply say that on a farmer's unpaid acres, the farmer will no longer be subject to the conservation compliance and wetlands protection requirements of current law.

This theory reinforces the concept, adopted by Congress in the 1985 farm bill, that when farmers receive farm program benefits, the taxpayer has the right to demand certain conservation benefits. The reverse should also be true. When the public withdraws benefits from farmers, the public at that point, forfeits the right to tell the farmer how to farm.

If this House, insists on imposing on our agriculture producers, the 5-percent triple base expansion, then the least we could do is relieve them of a few Federal mandates and save the taxpayers money at the same time.

Mr. Speaker, as the unpaid acreage increases from 15 to 20 percent, more farmers will find the program lacking in sufficient benefits, compared to the cost of setting aside acreage and complying with Federal mandates. This will severely reduce the levels of farm program participation.

According to the Food and Agricultural Research Policy Institute at the University of Missouri, a 5-percent increase in flex acres will reduce payments almost dollar for dollar from net farm income. For example, the study projects corn farmers' returns will decline around $3 per acre; wheat farmers' returns will fall by $1 to $1.50 per acre; and cotton and rice returns will drop by $3 to $5 per acre under this package.

How can we continue to ask for more and give less? This concept does not work in the business world, and it is not going to work through another Government program. This philosophy of reducing farm program spending, and increasing mandates, is putting agricultural policy on a collision course with disaster.

President Clinton, in his State of the Union address said, "We ought to be subsidizing the things that work, and discouraging the things that don't." Agriculture programs have earned the right to be counted among the things that work.

Agriculture programs have a successful track record; they are worth the investment. Returns to America include: The world's safest and lowest cost food and fiber supply for American consumers; a job for one out of six Americans; and a $16 billion positive trade balance for the Nation's economy.

In conclusion, I am opposed to the agriculture section of budget reconciliation, because it will severely damage agriculture by increasing production costs, reducing commodity prices, and decreasing world competitiveness. All this on top of the painful budget savings that agriculture has absorbed over the past 8 years. I cannot and will not support this proposal.

□ 2220

Mr. ROBERTS. I thank the gentleman for his comments.

Mr. Speaker, at this time I yield to the gentleman from Colorado [Mr. ALLARD], the ranking member of the Subcommittee on Foreign Agriculture and Hunger.

Mr. ALLARD. I thank the gentleman for yielding.

Mr. Speaker, I rise today to address the Clinton administration's cut in farm programs, their increase in the energy tax, and their rising deficit. it amazes me that in a time when our constituents are willing to make the sacrifices necessary to being the budget under control, the Clinton administration manages to cut farm programs, raise taxes across the board on agriculture producers, and increase the deficit $4.4 billion for food stamps.

I want to be clear that food stamps are necessary for many Americans and their families. However, it's just as true that the President has promised to enact welfare reform. Certainly, it makes sense to defer this new spending until it can be put in the context of a reform package. If we were to defer the new spending it would not take 1 dollar of benefits away from those who are currently eligible, nor would it prevent those who are newly eligible from receiving food stamps. What this would ensure is that we are wisely spending taxpayer dollars.

But instead I have to go back to Colorado and tell the farmers in my district that we cut their programs by almost $3 billion but still increased spending by almost $4½ billion. And by the way, on top of all this, there's still the Btu tax you are subject to, and that is tied to inflation so every year it will continue to rise.

Mr. Speaker, all the farmers in my district are going to be adversely affected by the actions we took in the Agriculture Committee last week, But let me give you an example for a farmer I have known since I was in the Colorado State Senate. His name is Dennis Hoshiko. He farms in Weld County, primarily onions, along with some wheat and pinto beans.

He, like most farmers, is ready and willing to make some sacrifices to help balance our budget. He is willing, along with the rest of America, to give a little for the common good. But instead of telling him that we made hard decisions on the deficit, I have to tell him that once again we're going to tax him so we can increase spending. I am tired of saying it, they are tired of hearing it, but it keeps happening—increased spending.

It is frustrating because all of us who were elected last November were given one clear mandate: cut the deficit. It didn't matter what region of the country you came from. It did not matter what State. It did not matter whether you came from a rural or urban area, the message was the same: decrease the deficit. It is going to be tough on some of our colleagues to go home and explain increased spending.

As you can probably guess I'm going to vote against this budget. But it is probably still going to pass the House. I hope that the Senate can modify this to make it less castor oil and more sugar. Or to put it plainly I hope they can hold down taxes in this program and come up with less spending.

Mr. ROBERTS. I thank the gentleman for his contribution.

Mr. Speaker, at this time I yield to the gentleman from Virginia, Mr. GOODLATTE, a most valuable member of the Agriculture Committee.

Mr. GOODLATTE. I thank the gentleman, our distinguished leader on the Committee on Agriculture on our side, for yielding to me.

I appreciate the time to talk about this devastating economic plan that the President has proposed.

The gentleman from Colorado [Mr. ALLARD] correctly pointed out that people of this country want more than anything else a reduction of this deficit, and the American farmer is making a contribution, more than a contribution, a real commitment to that deficit reduction with this budget cut of nearly $3 billion, 11 percent of the agriculture budget.

Mr. Speaker, it reminds me of the story of the difference between the contribution of a chicken and that of a pig to a ham and egg breakfast. The chicken makes a contribution, the pig makes a real commitment.

That is what the American farmer is doing here with this budget.

Then he turns around and looks and sees what the Agriculture Committee at the same time is asked by this administration to do, and I cannot support, increased food stamps in this country by $7.3 billion.

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Now, nobody is calling for cutting the Food Stamp Program, but the reason why this program is being called for, the reason why it is necessary is that the Btu tax is going to take so much money out of the pockets of hard-working, low-income people that they are going to have to turn around and give it back to them in the form of food stamp handouts.

Now, what does that say, Mr. Speaker, for welfare reform in this country, that we would deprive hundreds of thousands of people with jobs—the estimate is over 600,000 jobs nationwide, more than 10,000 in my State of Virginia, and turn around and increase the food stamp budget by 25 to 30 percent. It is simply wrong. It is the wrong approach. The Btu tax, many of my constituents now understand what Btu really stands for, big time unemployment.

We need to get cuts across the board, not just in agriculture, but in everything across the spectrum of the Federal budget and get serious about cutting spending, not increasing taxes.

Mr. ROBERTS. Mr. Speaker, I yield to the gentleman from Indiana [Mr. BUYER], who serves on the Armed Services Committee and who represents the fabulous Fifth District, which is a vital agricultural district, and I welcome the gentleman to this special order.

Mr. BUYER. Mr. Speaker, I thank the gentleman from Kansas [Mr. ROBERTS] for yielding to me. I compliment the gentleman on his leadership on the Agriculture Committee and on his leadership in this country for agriculture.

I come here because I represent a rural district in Indiana, all the parts of 20 counties. That is very small compared to the 60 counties of the gentleman from Kansas [Mr. ROBERTS], but the people of Indiana are very similar to the people of Kansas and very similar to people all across rural America.

The Btu tax, or the energy tax on middle-class families, yes, it sets out to raise $71 billion in revenue, but we do not need a new source of revenue.

The President still has not received the message from the American people, and that is to cut spending first, not to create new spending.

To add on this energy tax so we can raise $7 billion for food stamps and $28 billion to increase the earned income credit is just a redistribution of wealth theories of old.

It is estimated that in Indiana the Btu tax will cost my State not only tens of thousands of jobs but also the Nation will lose over 600,000 jobs.

What really boggles my mind, Mr. Speaker, was when the President came here to this Chamber and he proposed the Btu tax, he at that time had no idea what effect the Btu tax was going to have upon agriculture nor the American families, nor upon manufacturing. Only now are we calculating what that effect is going to be.

In Indiana, the Indiana Farm Bureau conducted a study that showed the impact of the Btu tax alone on corn, soybean, and wheat production is over $12 million annually, just in my district alone. The impact of three counties, White, Jasper, and Benton Counties, over $1 million each. These are very rural counties. We are taking this money out of rural districts for redistribution around America.

A local farmer from Rensselaer who farms 1,200 acres of corn, soybeans, and wheat, projects that the annual cost will be over $1,600 from those three crops alone. That does not take into account the barge tax, dairy products, the tax effect on livestock, an increase of rural electric.

We heard discussions about the shared sacrifice. Those who live in rural America are very used to shared sacrifice because they have always done more with less. It is part of their heritage. It is part of their character and that is why we refer to those people who grow up in rural America as those who live in the heartland of America.

This Btu tax is flat-out wrong and we should have a separate vote on the tax coming up.

Mr. ROBERTS. Mr. Speaker, I thank the gentleman for his contribution, and all the Members of the House Agriculture Committee and others who have contributed to this special order.

Mr. Speaker, I include the minority views of Republicans on the Agriculture Committee in the RECORD at this point:

[Committee on Agriculture, U.S. House of Representatives]

MINORITY VIEWS, TITLE I OF THE OMNIBUS BUDGET RECONCILIATION ACT OF 1993, MAY 21, 1993

(Prepared at the Direction of Ranking Minority Member Pat Roberts by the Minority Staff of the Committee on Agriculture)

The final reconciliation package passed by the Committee on Agriculture cuts $2.95 billion from the USDA Budget that will protect farm income over the next five years. This contribution to deficit reduction is on top of the $57 billion in cuts surrendered by agriculture over the past decade.

At the same time, following the President's budget blueprint, the Committee action increases spending on food stamps by $7.3 billion over the same five-year period. This increase comes despite an OMB spending baseline that projects food stamp spending increasing from $25 billion to $28 billion by 1998. Baseline estimates include provision for cost of living increases and newly eligible recipients. If the $7.3 billion increase was eliminated, not a single person now eligible or expected to become eligible would lose a single dollar in food stamp benefits. This is simply an expansion of the program, supposedly to offset the effect of the BTU tax.

The Committee, voting on party lines, defeated amendments to block the food stamp increase and to eliminate the need for cuts to farmers by offsetting them against food stamp increases.

Nearly $2 billion of the farm program cuts comes from reducing the number of acres on which a farmer can receive deficiency payments by 5 percent beginning in 1994. This increase in the so-called "unpaid flex" acres would be added to the 15 percent unpaid acres instituted to make savings in 1990. In addition to the 20 percent unpaid flex, farmers will be required to set-aside acres from production to qualify for entry into the farm programs. In 1994, for example, corn will have a set-aside of 10 percent plus a further 20 percent of unsupported acres. For wheat there will be a 5 percent set-aside plus the 20 percent unpaid flex acres.

The cuts adopted by the Agriculture Committee will be crippling to a farm economy that is already suffering from weak grain and commodity prices, but the devastation of agriculture does not end there. Among the $240 billion in net additional taxes contained in the reconciliation bill are two taxes that will destroy the economic base of thousands of farms: the increase in the inland waterways fuel tax and the BTU energy tax. Unfortunately, these issues are beyond the jurisdiction of the Committee on Agriculture.

The Ways and Means Committee announced a major concession to barge users [40% of all grain moves by barge] by cutting the proposed increase in half. While this may sound like progress, it still means that there will be a 250% increase in the tax on barge fuel. This increase will subtract five cents from the bushel-price for a farmer who ships his grain down the Mississippi River. A medium-size corn farmer in Illinois who ships half his crop for export could expect to lose $2,000 from the price of his corn.

The President's BTU tax is the really big hit on farmers, and again the House Ways and Means Committee claims to have given an "exemption" to agriculture. In fact, the "exemption" is only a slight reduction of an unfair and disproportionate tax. Energy is the basis of all production and is used to increase efficiencies and reduce manpower needs. Nowhere has this been more true than in agriculture, perhaps the most productive sector of our economy. The BTU tax will be levied on all the gasoline, diesel, natural gas and electrical energy used by farmers.

In the proposed BTU tax petroleum-based energy will be taxed at a higher penalty rate. The Ways and Means Committee amended the President's plan to allow farmers to pay gasoline and diesel BTU assessments at the lower non-petroleum rate for on-farm uses. How useful is this "exemption" for farmers? In the aggregate they will still pay $600 million to $1 billion annually in BTU taxes. Individual taxes will vary according to region, size and specific crop, but farmers can expect to pay from $1,000 to $4,000 each year in additional taxes attributable to the BTU tax. To offset the revenue loss from granting this minor relief to farmers the much acclaimed exemption of ethanol from the BTU tax was stricken, denying this farm-based fuel a greater opportunity to crack the vehicle fuels market.

The absurd nature of the BTU tax is illustrated by the convoluted budget structure of the proposal. The BTU tax is expected to bring in $70.5 billion over five years. However, in order to offset the burden of this energy tax on the poor, spending was increased in several federal programs: $7.3 billion in food stamps; $28.3 billion for the Earned Income Tax Credit; and $4 billion for low income energy assistance. As a result the government will have to spend nearly $40 billion to offset the harm done by the $70 billion in new taxes, while imposing an unfair and unequal burden on energy intensive industries like agriculture. First, Congress creates the BTU tax, then its effects are offset with major spending increases like food stamps; and then farmers are asked to pay for the increased food stamps by cutting their programs. Farmers get it coming and going.

Farmers have indicated their willingness to make contributions to reducing the deficit. Indeed, they have repeatedly done so over the last decade. But it is fundamentally unfair to ask them to make another major sacrifice for a plan that will raise $3.23 in taxes for each $1 cut in spending with the net result after 5 years of economic pain very little progress on the deficit. Nor is it fair that their programs be cut to the bone while the Clinton Administration and the Democrats insist on major increases in spending for their favored programs.

THE COMMITTEE ON AGRICULTURE HAS A RECORD IT CAN BE PROUD OF ON THE FOOD STAMP PROGRAM

Over the past several years the Agriculture Committee has reported numerous bills, that were enacted into law, expanding the food stamp program and other nutrition programs under the Committee's jurisdiction. In the 100th Congress, there were 7 bills; in the 101st Congress, there were 4 bills, including the 1990 Farm Bill; and in the 102d Congress, there were 4 bills.

Since the inception of the food stamp program, with pilot projects in 1961, total food stamp spending has reached $220 billion.

In 1983, ten years ago, food stamp spending totalled $12.7 billion. In 1993, it is expected food stamp spending will total $25 billion—double the federal funds spent on the program. Since 1983, $175 billion has been spent on the food stamp program.

The food stamp program is designed to automatically expand to meet the food needs of poor families—without any additional legislation. People with incomes below 130% of the poverty line are generally eligible for food benefits. Food stamp benefits are indexed each year to account for the cost of food inflation. Therefore increases in participation are accommodated within the current program.

In 1981 and 1982 the rate of growth of the food stamp program was slowed down. However, according to a study prepared by the Urban Institute in May 1986, the average number of food stamp participants, the average benefit, and the total program costs all showed growth from 1981 to 1984.

The study shows that the effects of the 1981–1982 food stamp legislation was smaller than original expectations and the basic structure of the food stamp program did not change significantly. The legislative changes did not have a consistent or significant effect on the number of people receiving food stamps.

The Urban Institute Policy and Research Report concluded ". . . on the whole, it appears that the legislation exercised moderate restraint on program growth and costs without undermining its ability to serve current and potential recipients."

The food stamp program is carefully designed to expand to meet the needs of poor families, without any legislative changes. Over the past ten years the food stamp program has been liberalized almost every year. It was significantly expanded by Congress in 1985 and 1988.

According to figures from the Department of Agriculture, the food stamp program will cost over $28 billion by 1998—without any legislative changes to the program. With the changes adopted by the Committee, the food stamp program will cost $30 billion by 1998, with no reform of the system and no opportunity to improve poor peoples' chances to get a job.

Food Stamp Program Growth

[In billions]

Year:	*Expenditure*
1979	$6.9
1980	9.2
1981	11.3
1982	11.1
1983	12.7
1984	12.5
1985	12.6
1986	12.5
1987	12.5
1988	13.3
1989	13.8
1990	16.5
1991	19.8
1992	23.5
1993	25.1

WHAT IS WELFARE REFORM

The goal of welfare reform is to make taxpayers out of able bodied participants, something that will be difficult to do with the present welfare system. In the long run reform of the welfare system will benefit participants and taxpayers. Nevertheless, reform can entail costs and spending more money now on the food stamp program, before we reform the system, is not the right thing to do.

Putting $7.3 billion into the food stamp program before any reforms are made to the welfare system is like putting the cart before the horse. There is a better way to provide help to poor families and the President's proposal to reform welfare as we know it presents an opportunity that should be seized.

WHERE IS THE REFORM OF THE WELFARE SYSTEM?

One of the themes of President Clinton's campaign and a bi-partisan goal of Congress is to end and reform welfare as we know it. Unfortunately, the food stamp proposals adopted by the Committee do not end welfare as we know it; rather, they continue the same welfare programs. In fact, they will trap second generation food stamp recipients in the circle of poverty that undermines family and self responsibility. The President said he wanted to require those who can work, to go to work. What is missing in the food stamp package adopted by the Committee is a significant proposal to accomplish this goal; to target assistance to the truly disadvantaged; and, to assist those who are able-bodied gain employment. In fact, the changes to the food stamp *employment and training program* included in the President's bill cost $20 million over five years—or less than .3%—three tenths of one percent of the entire five year cost of the bill. If we are to increase food stamp spending by over $7 billion, surely we can allocate more than .3% of employment and training programs.

Before additional funding is allocated to the food stamp program, described by the President as an investment, this "investment" should pay dividends—to the able bodied people now relying on food stamps, by ending this circle of poverty, and to the taxpayer who is footing the bill.

THE CASE FOR WELFARE REFORM OR ENDING THE "CIRCLE OF POVERTY"

Families participating in the food stamp program have needs other than food—the need for financial assistance, help in finding a job, housing, and medical assistance are among the major problems facing poor families. The present system with the lack of coordination and resolution of the differences among the programs, is very troublesome. There are major problems facing the entire public welfare system. Until these problems are addressed, which must include budgetary, regulatory, tax, and welfare reform, real assistance for needy families will not be achieved.

When a family is in need of help, that need often crosses program lines and the hurdles that families must scale in applying for help are immense. They often must go to different agencies, meet different eligibility standards, and abide by different rules and regulations. That they are able to receive help if a reflection of their abilities, rather than the system presented to them.

The time is ripe for change. There is great interest in looking at the present welfare system and making changes that benefit the families looking for help and the administrators running the programs. President Clinton, while campaigning and in his State of the Union address, made the point we must end welfare as we know it by giving poor families the tools necessary to improve their lives and those of their children. He is right. Unfortunately, the Agriculture Committee turned its back on this opportunity.

COMMITTEE CONSIDERATION

The President's 1994 budget proposed to institute an energy tax, better known as a BTU tax. Because of the effects of this new tax the President also proposed to increase spending in programs designed to help poor families.

The Administration submitted its proposals for changes to the food stamp program to increase spending on the food stamp program by $563 million in 1994 and by $6.955 billion over a five year period. The proposals include removing the ceiling on the excess shelter deduction which will cost $2.5 billion over five years (over one-third of the new spending) resulting in additional food stamp benefits to only 15% of the families receiving food stamps. Another change increases the value of a car food stamp families may own and then increases that amount each year to reflect the changes in the consumer price index for new cars.

The Agriculture Committee adopted the Administration's food stamp proposals, with few changes, and the resulting expenditures total $7.137 billion over five years. The Committee rejected two proposals: to offset cuts to farm programs and increase food stamp spending by $4.4 billion and to defer additional food stamp spending until the President's welfare proposal is submitted to Congress.

The Committee rejected an opportunity to place $7.3 billion in a "trust fund" for future reform of the welfare system. Instead the Committee chose to spend now and probably pay later as well.

THE ROBERTS AMENDMENT

The instructions from the Budget Committee to the Agriculture Committee required a cut in agriculture programs of $2.9 billion over five years and an expansion of $7.3 billion for the food stamp program. This means that the Agriculture Committee is charged with increasing the deficit by almost $4.4 billion—$7.3 billion minus $2.9 billion—with none of the money going to agricultural programs.

Because of the 1994 Budget Reconciliation, the Agriculture Committee will be charged with cutting farm programs and contributing to the deficit at the same time. This action was required despite the fact that farm programs have been cut by $57 billion since 1981.

The Roberts amendment simply said—no cuts to agriculture programs and increase the food stamp program by $4.335 billion. The result would have been that the Committee would be spending an additional $4.335 billion; but, agriculture programs would not be reduced. If this amendment had been adopted, the Committee would have been within its spending guidelines, and farmers would not have suffered another year of budget cuts.

The Roberts amendment did not cut food stamp program spending. It increased food stamp program spending over the baseline by almost $4.4 billion over five years.

Nevertheless, the Committee chose to reject the Roberts amendment, on a straight party line vote, cut farm programs, and almost doubled this amendment's increase in food stamp spending. Farmers, who represent less than 2% of the population, are being asked to bear 10% of the discretionary, nondefense cuts.

THE EMERSON AMENDMENT

An amendment was offered in the Agriculture Committee by Congressman Emerson to strike the food stamp expansions included in the Committee's reconciliation package and include instructions to defer the $7.3 billion in spending until the President submits his welfare reform proposal. The Committee rejected this proposal and chose to spend additional money on the food stamp program now without any attempt to reform the system.

THE BARRETT AMENDMENT

The Committee rejected an amendment offered by Congressman Barrett that would save money and at the same time reduce some of the paperwork burden that has been placed on farmers since 1985. The Barrett Amendment reinforced the concept adopted by the Committee in the 1985 Farm Bill, that when farmers receive farm program benefits, the taxpayer has the right to demand certain conservation benefits. The converse should be true. When the public withdraws benefits from farmers, the public at that point forfeits the right to tell the farmer how to farm.

Mr. Barrett's amendment (HR 1587) would exempt from conservation compliance regulations that portion of the farmer's farm for which he or she is not receiving Federal Farm Program benefits.

Our current course, reducing farm program spending and ever increasing mandates is heading agricultural policy on a collision course. Economics will dictate that the farmer simply opt out of the farm programs and the entire farm will not have to be in conservation compliance. This would be a catastrophe for our nation's effort to protect the nation's soil and water resources.

The Barrett amendment would have at least provided a minimal regulatory relief and also save money. The Committee rejected the proposal with the intent of further examination of the issues raised by the amendment and we urge the Committee to proceed expeditiously in considering HR 1587.

RURAL ELECTRIFICATION ACT AMENDMENTS

Although an argument could be made that these amendments are an extension of the rural development title of the 1990 Food, Agriculture, Conservation and Trade Act, nonetheless, we believe the Committee has included in a budget package a dramatic policy shift in the delivery of USDA rural development programs. This reorganization of programs and activities may create a more efficient delivery system and a more coherent federal policy apparatus. It is a cause of concern, however, that it has been adopted outside the usual procedural restraints of committee hearings and deliberation. We believe the Administration and rural America should also be concerned over the sweeping changes made to a significant program critical to rural America, without hearings and public comment.

It should be pointed out these REAct amendments achieve only modest savings, about 20% of the savings required by the House Committee on the Budget. These "lost" savings must necessarily be taken from other program functions affecting farmers, ranchers and rural areas. While we believe the Committee certainly has a responsibility to soften the blow to our rural constituents who use electric and phone services. The REAct amendments adopted by the Committee could inadvertently cause undue hardship in the future and may prove unworkable.

Should rates rise above the statutory caps in the Committee amendments, (7% in the municipal rate program for electrics and the cost-of-money program for rural telephone companies (telecos), then electric coops and rural telecos could face a situation similar to that of the early 1980s when the electric and telephone revolving fund was in fiscal crisis. At that time, repayments to the revolving fund at low rates were insufficient to service new government borrowings at very high interest rates. In the Committee package, interest rates above the statutory 7% lending rate may mean a restriction on the number of loans made. We are troubled by the possibility rural electrics and phone companies could at some time in the future not be able to fund their capital needs at any interest rate.

FEDERAL CROP INSURANCE

We have similar concerns about the crop insurance proposal that was offered in the Committee markup. With little discussion, no hearings, and no public comment, we are changing a basic risk management tool that producers and lenders currently appear to find increasingly suitable. Our concerns also are based on the experience some of us remember from crop insurance reform deliberations in the 101st Congress.

At that time, Members of this Committee discussed and debated at length two bills with completely different approaches to crop insurance reform. Neither was adopted, but this Committee with no more debate than was entertained during the business meeting of May 13th appears to have agreed in principle to a bill very similar to one that was found unworkable in 1991.

We are concerned we are being asked to undertake a major reform of crop insurance without allowing time for some of the reforms made in the program in 1990 to work. The Committee took steps in 1990 to improve actuarial soundness and to reduce the program's cost. With only two cropping seasons since those changes, adequate time has not been allowed to see if those reforms will reduce costs and improve the program.

In addition, the Federal Crop Insurance program changes adopted by the Committee would eliminate the premium subsidy to farmers who have been responsible risk managers and purchasing crop insurance. Instead the money being used for premium subsidies, plus an additional $157 Million is spent to provide 35 percent catastrophic coverage to all producers. We question whether this low level of catastrophic coverage is enough and more importantly have concerns over the impact this will have on farmers ability to secure financing from lenders.

Aside from the policy considerations, the problem encountered in 1991 was cost. In 1991, it appeared from all angles that a program similar to the one included in this bill, would cost about $1.1 billion annually, approximately $300 million more per year than the baseline. We are concerned the $157 Million, over five years, the Committee has siphoned off from other agriculture programs to fund this program will be insufficient. We are doubly concerned that the Committee in its haste to seize this opportunity and use this "new" money may adopt a program that was unacceptable a few years ago. There are legitimate policy and budget questions needing answers. While we are not opposed to considering this latest proposal, we would prefer an orderly procedure with balanced hearings and due deliberation.

PEANUT PROGRAM PROVISIONS RELATING TO THE IMPOSITION OF AN INTERIM TARIFF AND A SECTION 22 QUOTA UNDER THE AGRICULTURE ADJUSTMENT ACT

The Committee's recommendations to the Committee on the Budget provides for an additional 2% assessment on peanuts for the 1993 through 1998 crops of peanuts and extends the current (1%) assessment through 1998 to ensure that the peanut program remains a no cost program. The Committee is to be commended for meeting its instructions contained in the Budget Resolution on reductions in direct spending in this farm program, as it did for other farm programs, in a fair and balanced manner. However, section 1109(d) as explained in pertinent part in the section-by-section analysis (located earlier in this report) contained additional amendments relating to the peanut program.

"A second factor contributing to losses in the program is the continued quota-exempt importation of peanut paste and peanut butter. Although the importation of peanuts and peanut products is regulated under Section 22 of the Agricultural Adjustment Act, a 1953 Executive Order signed by President Eisenhower exempts peanut butter from these restrictions. Peanut paste does not have this waiver, but the restrictions on peanut paste imports is not currently enforced by the U.S. Customs Service.

"Similarly, since the ratification of the Canadian Free Trade Agreement (Free-Trade Agreement), imports of peanut butter have increased more than 700%. Canada has a negligible to non-existent peanut production capacity. Most peanuts used to produce peanut butter in Canada are imported from China or Argentina. Transshipped foreign peanuts violate the rule of origin limitations contained in the Free-Trade Agreement. In some instances, the U.S. Government has identified the prohibited use of U.S. additional peanuts re-imported to the United States from Canada in the form of peanut butter or peanut paste.

"The loophole in the peanut restrictions of section 22 of the Agricultural Adjustment Act should be closed. Section 1109 requires that a 55 cents per kilogram tariff be placed on all imported peanut butter and peanut paste. The increased tariff rate will expire on July 31, 1996. At that time, peanut butter and peanut paste will be placed under the existing Section 22 limitations established for peanuts and peanut products."

It is understood that the National Peanut Grower Group has submitted a letter to Secretary Espy earlier this year as allowed, under section 22 of the Agricultural Adjustment Act of 1933, claiming that imports from Canada and Argentina are tending to render ineffective or materially interfere with the Department of Agriculture peanut program. It is also understood that a task force in the Department has been studying this matter and will report its findings to the Secretary in the near future. If the Secretary finds that the imports of peanut products from Canada and/or Argentina are interfering with a loan, purchase, or other USDA program, the Secretary may so advise the President who, if he agrees with the Secretary, may cause an immediate investigation by the International Trade Commission or take other emergency action. Thus, it would appear that the peanut growers are pursing a course to try to have the President address this problem as is set forth in current law.

It is also recommended that the Subcommittee on Specialty Crops and Natural Resources give consideration of holding hearings on this subject. Furthermore, the Committee on Ways and Means is urged to address this issue in an appropriate manner so as to review the claims made and concerns expressed by the domestic peanut growers.

However, the appropriateness of addressing this matter—at this time and in these legislative recommendations—is questioned based on amendments to the Harmonized Tariff Schedule (see section 1109(d)) that would not appear to be in our jurisdiction.

Mr. Boehner, a Member of the Committee, made a point of order objecting to the consideration of the matters in section 1109(d) during the Committee mark up of its recommendations to the Budget Committee (see excerpt below taken from the transcript of the business meeting):

"Mr. Chairman, I am going to make a point of order to the peanut provisions that are in the outline that were presented. The

Committee, with regard to those peanut provisions, is certainly overstepping our jurisdiction in imposing assessments on manufacturers which, in fact, become a tax. In addition, the increased tariff in the second part of the peanut provision that we've heard explained oversteps the Committee's jurisdiction in increasing the tariff on imported peanut butter and peanut paste. Finally, Mr. Chairman, the third part of that peanut provision relating to section 22 currently covers peanuts and what you are doing is you are adding peanut butter and peanut paste to that section 22. Again, all of these issues are under the jurisdiction of the Committee on Ways and Means and I don't know how we can use these as part of our reconciliation letter."

The Acting Chairman, after some discussion, overruled the point of order and as a result Mr. Boehner proceeded to offer amendments to strike what he considered to be each of the three provisions that he submitted should be deleted from the House recommendations as they related to the peanut program. One of the amendments deleting the assessment on manufacturers who utilize peanuts in processing or manufacturing their product was accepted by unanimous consent and without objection.

Mr. Boehner's amendments to the other two provisions that remain in the Committee's recommendation (section 1109(d)) failed adoption on a "show of hands" vote.

It is believed a better course of action in this matter would have been to avoid a jurisdictional dispute with the Committee on Ways and Means as it relates to this matter. Although there would undoubtedly be some effect on revenue and costs based on the provisions in section 1109(d), apparently no such estimate was provided to the Committee by the Congressional Budget Office based on the jurisdictional confusion surrounding this matter.

It is recommended that in view of all the foregoing circumstances that the provisions of section 1109(d) be deleted.

Mr. Speaker, in summary, it would be one thing if this whole budget package were coming down the pike and prices for farm products were at reasonable levels, but prices were off 10 to 20 percent from last year. Our export picture is in shambles. We do not know about the Russian aid program. We do not know about GATT and NAFTA.

I will repeat again. If we are not successful in attracting more Members on that side of the aisle to defeat this Clinton budget package and it passes both Houses of Congress, we will be back within a year with an emergency farm package and an urgent dire supplemental. We do not need to do it.

Mr. Speaker, I thank my colleagues for their contribution.

Mr. POMBO. Mr. Speaker, as a Member of the freshman class of this Congress, I am proud and honored to represent the people of the 11th District of California here in the House. But before I came to this Chamber, I was a full-time farmer in production agriculture, and to agriculture I will return one day. I have tried to bring that unique perspective with me to the Agriculture Committee.

And, as a farmer, I'm going to tell you that this budget reconciliation is going to be hard to sell back home, especially to our Nation's farmers.

The farmers I know are basic, hardworking, straightforward people. They speak simply and plainly. And the plain, simple truth is that this budget reconciliation package is cutting nearly $3 billion from farm programs while, at the same time, increasing and expanding the Food Stamp Program by over $7 billion. Those are the facts. Without the blue smoke and mirrors; without the rhetoric and window dressing, there is the reality that the supporters of this budget need to explain.

For me, it's easy. I voted against the budget reconciliation, and urged my colleagues to do the same. I voted in committee repeatedly to produce a more fair and evenhanded approach for agriculture. Each time the Democrat Party prevailed, leaving this farmer with no alternative but to oppose the final product. I wanted to see a budget that made the needed cuts, but did it in a way that shared the burden, rather than heaping the load ever higher on farmers.

As I said, for me the explanation of my vote is easy. For my Democrat colleagues, however, I can only wish you luck. To those who supported this budget, I want you to go, visit a farmer in your district. Put your foot up on the bumper of his truck, and tell him why the money being cut from crop insurance is better spent by expanding the Food Stamp Program. Or explain to him the equity of the Btu tax, or maybe the justice of the estate tax. I'd like to be there when you try. But let me give you a word of warning: don't do it near a running combine.

Mr. BOEHNER. Mr. Speaker, I take the floor today to discuss the budget reconciliation process and its impact on agriculture.

I am confident that if Americans knew what happened in each of the authorizing committees a few weeks ago, they would be appalled. In one afternoon, the House Agriculture Committee legislated more changes in agricultural policy than we have in the 3 years that I have been here.

Little, if any consideration was given to the overall direction of our agricultural policy. The committee was told to come up with $2.9 billion in savings—which would be offset by a $7.3 billion increase in food stamps. Efforts to try to insulate the farmer from these cuts were rebuffed.

Attempts by Mr. ROBERTS and Mr. EMERSON to reduce the amount of the food stamp increase and withhold the $7.3 billion until the welfare system is reformed, respectively, were rejected on straight party line votes. By rejecting these amendments, the committee preferred to spend now and probably pay more later as well.

MAJOR AMENDMENTS CONSIDERED BY THE HOUSE AGRICULTURE COMMITTEE TO TITLE I OF THE OMNIBUS BUDGET RECONCILIATION ACT OF 1993

1. Amendment by Mr. Roberts—Motion to instruct the Committee; increase food stamp spending by $4.4 billion and use the savings to meet the $2.9 billion from program spending cuts.

Explanation: The House passed Budget Resolution instructed the Agriculture Committee to decrease farm program spending by $2.9 billion and increase food stamp spending by $7.3 billion over the next 5 years. Essentially the Budget Committee told the Agriculture Committee to adopt the Mickey Leland Hunger Prevention Act.

Mr. Roberts' amendment was rejected by a vote of 17 yeas to 27 nays, recorded as follows:

Yeas: Mr. Roberts, Mr. Emerson, Mr. Gunderson, Mr. Lewis, Mr. Smith, Mr. Combest, Mr. Allard, Mr. Barrett, Mr. Nussle, Mr. Boehner, Mr. Ewing, Mr. Doolittle, Mr. Kingston, Mr. Goodlatte, Mr. Dickey, Mr. Pombo, and Mr. Canady.

Nays: Mr. Brown, Mr. Rose, Mr. English, Mr. Glickman, Mr. Stenholm, Mr. Volkmer, Mr. Penny, Mr. Johnson, Mr. Sarpalius, Ms. Long, Mr. Condit, Mr. Dooley, Mrs. Clayton, Mr. Minge, Mr. Hilliard, Mr. Inslee, Mr. Barlow, Mr. Pomeroy, Mr. Holden, Mr. McKinney, Mr. Baesler, Mrs. Thurman, Mr. Bishop, Mr. Thompson, Mr. Williams, Ms. Lambert, and Mr. Peterson.

2. Amendment by Mr. Emerson—deferred the $7.3 billion in additional food stamp spending until Congress worked on and adopted welfare reform.

Explanation: Mr. Emerson argued that we shouldn't spend this additional money until the President submits a welfare reform package and the Congress has addressed the problem. The taxpayer could be better served by using some of the increased spending for training and employment programs.

Mr. Emerson's amendment was rejected by a vote of 19 yeas to 25 nays, recorded as follows:

Yeas: Mr. Minge, Mr. Baesler, Mr. Roberts, Mr. Emerson, Mr. Gunderson, Mr. Lewis, Mr. Smith, Mr. Combest, Mr. Allard, Mr. Barrett, Mr. Nussle, Mr. Boehner, Mr. Ewing, Mr. Doolittle, Mr. Kingston, Mr. Goodlatte, Mr. Dickey, Mr. Pombo, and Mr. Canady.

Nays: Mr. Brown, Mr. Rose, Mr. English, Mr. Glickman, Mr. Stenholm, Mr. Volkmer, Mr. Penny, Mr. Johnson, Mr. Sarpalius, Ms. Long, Mr. Condit, Mr. Peterson, Mr. Dooley, Mrs. Clayton, Mr. Hilliard, Mr. Inslee, Mr. Barlow, Mr. Pomeroy, Mr. Holden, Ms. McKinney, Mrs. Thurman, Mr. Bishop, Mr. Thompson, Mr. Williams, and Ms. Lambert.

The Committee reported the Reconciliation package by a roll call vote of 26 yeas and 18 nays, recorded as follows:

Yeas: Mr. Brown, Mr. Rose, Mr. English, Mr. Glickman, Mr. Stenholm, Mr. Penny, Mr. Johnson, Mr. Sarpalius, Ms. Long, Mr. Condit, Mr. Peterson, Mr. Dooley, Mrs. Clayton, Mr. Hilliard, Mr. Inslee, Mr. Barlow, Mr. Pomeroy, Mr. Holden, Ms. McKinney, Mr. Baesler, Mrs. Thurman, Mr. Bishop, Mr. Thompson, Mr. Williams, Ms. Lambert, and Mr. Volkmer.

Nays: Mr. Minge, Mr. Roberts, Mr. Emerson, Mr. Gunderson, Mr. Lewis, Mr. Smith, Mr. Combest, Mr. Allard, Mr. Barrett, Mr. Nussle, Mr. Boehner, Mr. Ewing, Mr. Doolittle, Mr. Kingston, Mr. Goodlatte, Mr. Dickey, Mr. Pombo, and Mr. Canady.

These votes, when coupled with several other actions taken by the committee point out the need for serious controls on Federal spending. Increasing food stamp funding while reducing farm programs is not good policy. Nor is it consistent with a real commitment to deficit reduction.

The food stamp fiasco is just one of the antics that happened during the committee's consideration of the reconciliation package.

In addition, the committee included language on several provisions outside the committee's jurisdiction, and made several major policy changes based on nothing more than brief summaries. Such changes were made to the peanut program, the Rural Electrification Act, and the Federal crop insurance.

With regard to the peanut program, I made several attempts to strike certain objectionable provisions from the package, however they were defeated along party line votes—even though they were clearly outside our jurisdiction. These provisions will have the effect of raising the price the consumer will have to pay for peanut butter. I find it kind of ironic that Congress would increase the funding for food stamps and increase the price of peanut butter at the same time.

These changes were not just minor or technical in nature. They put forth major changes in the operation of these programs. These actions were taken with little discussion, no hearings, and no public input. Hardly the way the democratic process is supposed to work.

Like many of my colleagues, I am committed to working for true deficit reduction. This package does not even come close to reducing the deficit. It is just another way to ensure that the pet programs of the majority are fully funded while asking the hard-working people of the Eighth District of Ohio for more of their hard-earned money.

If the savings found went to actual deficit reduction, I would have no problem with this package. However, we all know that these so-called savings will not go to reducing the deficit. Just like all the previous tax increases, these additional savings will only go to fund more Federal programs.

There is no doubt that the administration's proposals increases taxes by over $3 for every $1 in spending cuts. No one can refer to that as a real deficit reduction effort.

The reconciliation package we will consider later this week raises everyone's taxes without providing any long-term entitlement restraint. Ohioans who had hoped that the budget reconciliation process would begin cutting the deficit should be outraged.

Mr. EMERSON. Mr. Speaker, this body will soon deliberate and vote on a measure that will cause certain economic harm on American agriculture, many rural communities, and local jobs across the country. Clearly, this Nation's agricultural livelihood will soon suffer potential economic catastrophe as a result of the Omnibus Budget Reconciliation Act of 1993, if enacted. This issue is a timely one—particularly given all that our local farming communities have at stake under the President's budget recommendations.

Frankly, I am deeply concerned by the components of the President's economic plan—specifically the proposed Btu energy tax and the barge fuel tax or inland waterway user fee. I am also disturbed by the impact of the proposed budget cuts on production agriculture and related jobs. Unfortunately, it appears the narrow margin of profit on a bushel of corn, acre of soybeans, bale of cotton, or pound of pork or beef will get slimmer yet. The President's proposed tax increases and budget cuts will undoubtedly hit farmers where it hurts the worst—the bottom line.

We have proved to the rest of this Nation that American agriculture is willing to pull its share of the deficit reduction load. However, I now fear that the President's economic plan sacrifices the economic health of our rural towns and communities to pay for increased spending in other areas of the Federal budget.

Certainly, an increase in taxes will have a tremendous negative effect on this Nation's hard-working farmers and local agri-businesses. For example, this budget plan will increase barge fuel taxes by 250 percent, from $0.19 to nearly $0.70 per gallon. This tax increase will decimate the domestic barge industry which is so critical to farm producers in the Mississippi Delta region along with producers throughout the Midwest and South.

Equally important, the increased costs of the inland waterways fuel tax cannot be passed on to the end purchaser in foreign ports. Rather, the lion's share of the tax will be passed on to the local farmer in the form of lower prices for grain at the farm gate. By unfairly singling out this industry so vital to our Nation's transportation network, the new administration is prescribing a serious blow to the viability of American agriculture and local jobs.

This tax coupled with the Btu energy tax could easily cost more jobs in the agricultural arena than the package purportedly intends to create. Unfortunately, increased fuel costs through higher taxes on gasoline, diesel fuel, and propane on the rural consumer are just the beginning. Fertilizer, pesticides, herbicides, machinery, and even the tires on farm equipment will cost farm producers more through this energy tax proposition. Drying, ginning, and grain storage costs along with transportation and electricity expenses will also go up.

The local banker and farm credit office must also be considered. The reduced profitability of farming through increased taxes, higher costs, more paperwork, and added Government regulations will make the trip to the local banker more difficult than ever.

Adding another tax burden on the shoulders of farm producers and related farm industries won't balance the budget—it will only make a bad situation worse. Greater tax burdens—particularly in the nature of an energy tax—only rob from those hard-working men and women who spend their lives providing the food and fiber for the people of this Nation.

Mr. Speaker, less Government spending is the answer—but it must be applied equitably and fairly. We must not and cannot balance the budget on the backs of the American farm producer. Clearly, this is one budget plan that we in rural America cannot afford.

Mr. GUNDERSON. Mr. Speaker, I join my colleagues today in speaking out against the reconciliation package which is presented for our consideration. it is simply incomprehensible how this administration can ask the agricultural sector of our economy, which gets only seven-tenths of one percent of all Federal dollars, to make 3½ percent of all of cuts its budget calls for.

The whole reconciliation debate this week is going to be about fairness, Mr. Speaker, not partisanship. During that debate, a lot of tough questions are going to be asked about the fairness of this reconciliation package. And the first question on my list is, Is it fair to make hard-working American farmers take five times their share of budget cuts? The answer, Mr. Speaker, is a resounding "no!"

You know, every dollar we cut out of Function 350 is at least a dollar out of farmers' pockets around the country. And, quite frankly, farmers just might be willing to collectively give up $2.95 billion of income in the upcoming 5 years if they could be assured that their sacrifice would result in genuine deficit reduction. Unfortunately, Mr. Speaker, it won't.

By the Clinton administration's own figures, their budget will result in a 4-year budget deficit of $1,290 billion—that's $144 billion more than the entire deficit of the Bush administration, $467 billion more than the second Reagan administration, and a whopping $702 billion more than the first Reagan administration. Is it fair to ask farmers to forgo $2.95 billion in income so that we can still have the largest 4-year deficit in our country's history? Again, Mr. Speaker, the answer is a resounding "no!"

Which, of course, leads us to the question of the hour—that is, if we're making all of these cuts and raising all of these new taxes, why is the Clinton administration running the single largest 4-year deficit in American history? One simply has to look at the reconciliation instructions provided to the House Agriculture Committee to find that answer.

Unbelievable as it seems, at the same time the committee has been instructed to take $2.95 billion of income out of farmers' pockets, it has also been ordered to increase spending on the Food Stamp Program by $7.3 billion. One would naturally assume that the justification for an increase of that size would have to be there are people who qualify for food stamps who aren't getting them currenlty and we need to increase spending on the program to accommodate these individuals.

Not so. The Food Stamp Program is an entitlement program and, as that title suggests, everyone who is eligible to receive food stamps does, indeed, get them. Instead, this $7.3 billion is earmarked to fund various reforms in the program contained in the yet-unpassed Mickey Leland hunger legislation.

So, as you can see, the $2.95 billion coming from farmer program cuts is not being used for deficit reduction purposes but is, rather, being directly diverted to new spending on programs such as food stamps. What makes this so onerous is that the Mickey Leland bill—as introduced by Budget Director, then Congressman, Panetta last year—has specific language which provides that "none of the provisions of this act shall become effective unless the costs are fully offset in each fiscal year through fiscal year 1996. No agricultural price or income support program administered through the Commodity Credit Corporation under the Agricultural Act of 1949 may be reduced to achieve that offset."

Listen to that last sentence one more time, Mr. Speaker: "No agricultural price or income support program administered through the Commodity Credit Corporation under the Agricultural Act of 1949 may be reduced to achieve that offset." But that's exactly what this reconciliation package does here today—it takes $2.95 billion of farmer income and reprograms it to the Food Stamp Program. Is that fair, Mr. Speaker? Again, the answer is a resounding "no!"

Instead of rolling over and playing dead on this issue, we ought to stand up to this administration and say "that's not fair and we're not going to let you make this trade-off." And that's exactly what we tried to do in the Agriculture Committee with the Roberts amendment which would have allowed $4.4 billion of increases in the Food Stamp Program, but would have refused to make the $2.95 billion in farmer program cuts needed to fund the remainder of the changes requested in the Food Stamp Program. Unfortunately, that amendment was defeated on a party-line vote.

If we're going to take income directly out of the pockets of American farmers, the least we can do is use it for deficit reduction. That's why I and several other members of the Agriculture Committee have called for the establishment of a second trust fund into which savings from current program cuts can be placed for the sole purpose of deficit reduction rather than to fund spending increases on select programs. Short of that, Mr. Speaker, I don't see any way that a Member of this House can go back to his/her farmer constituents and explain why $2.95 billion of their money has been taken out of their pockets.

Take my dairy producers for example. In the name of deficit reduction, we have cut Federal outlays on the Dairy Price Support Program from a yearly high of $2.6 billion in fiscal year 1983 to a projected average annual cost of $275 million over the next 5 fiscal years. Clearly, dairy farmers have done their part in the war against the deficit.

Yet, the dairy program is now expected to take another cut of about $50 million per year over the next 5 years as part of this reconciliation package. Is it fair for dairy producers, who have already reduced annual expenditures on their program by 90 percent in the last decade, to be asked to take $250 million out of their pockets simply to fund increased spending on food stamps? There is no doubt that the answer to that question is "no" and I will not support any package that requires them to do that.

Such funding reductions are particularly unfair in light of the new energy taxes that dairy producers will have to pay when President Clinton's Btu tax kicks in. This tax hits farmers disproportionately, all day and every day, directly and indirectly, gas, diesel, electricity, fertilizer, herbicides, pesticides, hauling prices, and processing fees to name just a few. Those of us who represent agriculture know that for every dollar of direct on-farm energy expense there's another dollar of indirect energy costs.

Economists for the National Milk Producers Federation originally estimated that the Clinton Btu tax would cost the small dairy farmer with 50 cows between $575 and $625 annually while the large operator with 500 cows would pay between $5,750 and $6,250 in new energy taxes.

With the very limited exception granted on diesel fuel, the small dairy farmer with 50 cows will still be paying between $445 and $520 in Btu taxes while the large operator with 500 cows would still pay between $4,450 and $5,200 annually for the privilege of using electricity and fossil fuels on his/her farm.

These additional farmer taxes are not only unfair when considered in conjunction with the cuts in Federal farm programs, but regressive as well because they hit disproportionately on farmers, low income families, and rural Americans. The Btu tax is also bad economic policy because, in a time of a fragile economy when we ought to be stimulating rather than discouraging investment, it taxes the one thing that touches virtually every aspect of our economic lives—energy. In the process, it hurts everyone—working families, small businesses, industry, and—most significantly—farmers.

As I stated in the opening of my remarks, Mr. Speaker, the question before us is one of fairness of the administration's budget and the House Budget Committee's reconciliation package. First of all, it is unfair to force a disproportionate share of cuts on one sector of the economy. Second, it is inequitable to go after a farm program that has already reduced its outlays 90 percent over the past decade in the name of deficit reduction. Third, it is unfair to impose a new, highly regressive tax on the individuals who have already had their Federal programs cut disproportionately. And finally, it is fundamentally unfair to take the savings associated with those cuts and the revenues received from those new taxes and channel these funds to new spending on food stamps and whatever else rather than using this money for deficit reduction.

I, for one, vigorously oppose this reconciliation package because of its inequitable impact on rural America. We need to stand up to this administration, Mr. Speaker, and insist on fairness. We should accept nothing less.

Mr. SKEEN. Mr. Speaker, I appreciate the efforts made by Mr. ROBERTS, the ranking member of the Committee on Agriculture, in securing this time to address the effects of the Budget Reconciliation Act on this country's most endangered species: The American farmer. Some have made the argument that the President doesn't need to worry about agriculture because agriculture makes up only 2 percent of the population. However, this small percentage of the population brings a positive balance to our trade deficit, out produces any other nation, and provides the American public with a bountiful supply of food at low prices.

Agriculture needs more champions, like KIKA DE LA GARZA and PAT ROBERTS, the chairman and ranking member of the Agriculture Committee. As members of the Agriculture Appropriations Subcommittee, our responsibility is to work toward directing the spending for some of this country's vital programs dealing with agriculture, rural development, and nutrition programs. However, we have jurisdiction only for discretionary spending which comprises no more than 30 percent of the bill. Over 70 percent of the bill is made up of mandatory programs, such as food stamps, the School Lunch Program, and the Commodity Credit Corporation which are off limits.

If we are ever going to get a hold of this budget deficit crisis, we must be willing to grapple with the fact that these mandatory spending programs are inflating out of control. And it is going to take leadership from the President to urge Congress and the authorizing committees to break this gridlock by controlling mandatory programs. Otherwise Congress will continue to incresae these programs in an irresponsible manner, as we are witnessing in the agriculture section of the budget reconciliation bill.

Let us remember agriculture anted up over $57 billion in cuts in the 1990 farm bill and now is being asked to sustain cuts of $2.95 billion from the USDA budget, further jeopardizing farm income. These are the same farmers who are already suffering from weak grain and commodity prices. At the same time, this plan would increase spending on food stamps by $7.3 billion over the same 5-year period.

I do not have anything against increasing the level of spending for food stamps, but it should not be done at the expense of the farmer. In fact, the Food Stamp Program has many inherent problems associated with fraud and abuse. When the inspector general testified at a hearing earlier this year, he mentioned that the Food Stamp Program is a very high-risk program which is costing this Nation millions of dollars due to fraud and abuse. Our committee is committed to working with USDA to remedy these abuses, but we need some more time.

We are exploring some very creative solutions, and given enough time to fully implement them nationwide, we can save millions of dollars. For instance, one of the most promising pilot programs is the Electronic Benefits Transfer Program being tested in the State of Maryland. A complete and thorough evaluation will be conducted, and if warranted, I suggest that this program be extended to other States with large occurrences of fraud and abuse. To throw another $7.3 billion at this program before we address these problems of abuse is an abuse in and of itself.

I'm further disturbed with the Btu tax proposal which singles out the farmer whose energy consumption is the basis of all production. It has been estimated that the farmer can be expected to pay from $1,000 to $4,000 each year in additional taxes attributable to the Btu tax. To make matters worse almost $40 billion in new spending for food stamps, the earned income tax credit, and low income energy assistance is needed to offset the harm done by this new tax. The farmer pays a disproportionate amount of the Btu tax, and then is also asked to bear the consequences of increased spending for the Food Stamps Program.

Farmers have paid more than their share toward reducing the debt over the last decade. It is unfair to ask them now to make another major sacrifice for a plan which makes very little progress on the deficit. Raising $3.23 in taxes for every $1 in spending cuts over 5 years is not going to address our huge deficit problems. We can do better.

Again, I commend Mr. ROBERTS for giving this issue the heightened awareness that it deserves. I look forward to working with him and the chairman of the agriculture committee to prortect the most endangered species of all: The American farmer.

THE IMPACT OF THE PRESIDENT'S BUDGET PROPOSAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon [Mr. KOPETSKI] is recognized for 60 minutes.

Mr. KOPETSKI. Mr. Speaker, I know the hour is late and I will be somewhat brief.

Before I start my regular presentation, though, I want to respond to some of the comments made about the impact of the President's proposal on the agriculture community.

I had the great honor and pleasure to serve with the gentleman from Kansas [Mr. ROBERTS] on the Agriculture Committee in the last session of Congress. Clearly, the House is much better with the voice of the gentleman from Kansas [Mr. ROBERTS] here. Clearly, agriculture is well served by his voice and advocacy in the House.

Many times we agree on many issues facing the farm families of America and the agricultural sector of this country. After all, it is one of those areas in my district, for example, that helps the balance of payments. We export a lot of products overseas. These are good businesses. They are involved in the domestic economy as well as very fierce international economy as well.

So I want to take a moment to talk about some of the items that are in the President's tax package for the American farmer.

The bill does allow small farmers to expense $25,000 of their depreciable assets, instead of the current law provision of only $10,000.

This allows farmers to buy another truck, help make the downpayment on a new tractor. The effect of that economically is to help stimulate the economy this year.

The bill does exempt farm use of energy from the extra supplemental energy tax, thus limiting the tax on farm uses of energy to the lower basic rate.

And yes, as was discussed this evening, there was a tradeoff from the subsidy, the roughly $500 million subsidy that was going to the ethanol manufacturers and using that $500 million in exchange for helping all farmers in our country.

Why is that? Why do I say it helps all farmers in this country? Because the farmers that benefited from the $500 million ethanol subsidy are mainly in the Midwest.

I think a lot of the opposition to the exchange is coming from those Members who are representing their own backyards.

So we took them, as we serve on the Ways and Means Committee, we had a healthy debate on this issue, and we thought that it was fair to agriculture, in America, to spread this $500 million throughout America by exempting all of agriculture from the extra supplemental energy tax.

In addition, those of us who are spokesmen and spokeswomen for the agriculture community did argue with the White House and other Members, quite frankly, from the urban areas about reducing the President's proposed inland waterways tax. The President proposed an additional dollar increase per gallon on waterway fuel uses. We were successful in getting that tax reduced by 50 cents per gallon.

There is a debate that the American public should know, that as other modes of transportation that do compete against waterways, waterway traffickers, such as the railroad industry and the trucking industry argued, that it is unfair to us, for us to pay a little bit more in the energy tax and exempt fully those who use the inland waterways.

□ 2240

Perhaps looking to success with the President's bill, perhaps the Senate may look a little more closely at the waterway provision and do a further reduction. But I do not think it is fair to propose that we would see complete elimination, nor should we see complete elimination of the President's proposed increase.

Remember that the President has talked about fairness, fairness across the board for all Americans, to help with his deficit reduction package, and that is what we are talking about here.

The bill also in terms of helping farmers, simplifies rules for filing estimated taxes. This will be especially helpful to farmers as it is difficult sometimes to predict what their incomes will be from 1 year to the next, and it would be unfair to penalize them if they did not correctly estimate the amount of taxes owed. And, therefore, we have gone to a much more simple procedure of collecting estimated taxes.

Also we have to keep in mind that, as long as we are involved in deficit reduction, that this is going to help farmers at the bank when they go to borrow money because deficit reduction is directly linked to the interest rates charged by the financial institutions, and, if we do not get control of this Federal deficit, as the President has urged, then we will see a rise in the interest rates, and that will be felt by every American, especially our farm folks who have to go to the financial institutions to obtain the money necessary to plant their crops and to harvest their crops as well.

So, I wanted to take just a few moments of time to talk about the good that is in the President's bill, that there are people on this side of the aisle who are very sensitive to the agriculture sector, and we tried to mitigate, as fairly as possible and as much as possible, some of the impact of the tax increases.

I do want to talk a little bit more about the problems facing America and why the President has taken the leadership role that he has. He recognized that, after 12 years of profligate spending, that the United States must get its economic house in order, that we saw from 1980 to 1992 a growth in the Federal debt from $1 trillion, $1 trillion, up to now $4 trillion. Just in a 12-year timespan we have quadrupled the debt, so we cannot let business continue as usual in this country.

The other problem, in addition to the Federal debt and the Federal deficit that we face, that we are trying to address here in the President's plan, is the fact that we have a stagnant economy, and we have a recovery out of a recession that is not producing the number of jobs that recoveries in previous recessions created at this time in a recovery. And especially the good-paying jobs whereby people can pay their mortgage or buy their first home, a job where there is a health care benefit, where there is a pension plan and some vacation time for the family. And I think all economists agree that the tools that we used to have to fight a stagnant economy do not exist today because of the huge Federal deficit, and I think that many, if not all, would also agree that, if we cut too much out of the Federal budget and in the wrong places, we will hurt economic growth.

Obviously, the best example is our highway system. We have to maintain it to conduct commerce in this country. We have to expand it as the economy expands as well. Highways are essential to moving commerce in this country. The same is true with our airports, as we know, and on the human service side it would be painful, painful, to ask the widow, American widow in this country whose only income is the $400 a month Social Security check. Now that is an entitlement payment that she has earned, and there are many people in my district, too many, whose only source of income in their retirement years is that monthly Social Security check.

So, Mr. Speaker, we understand that we are in a very difficult situation economically, and with respect to human services, and that makes our task much more difficult, and we strive to make these Solomon-like decisions. The President in just his first few months of office has asked us all to make a very difficult decision, to, yes, cut spending, and I am going to talk about that, reducing the deficit. But he has also said we are going to have to raise some revenue if we truly—if we want to truly bring about true deficit reduction. So, that is why we have the plan before us. I think we have to step back and look at this overall big picture before we even look at the individual items that are being asked of people and entities that are being asked to pay their fair share of this burden.

So, I think that, if we take just a moment to talk about the spending cuts, it is very important because there is a lot of rhetoric on this floor in the past few days that Americans are writing in to all of us and saying, "Cut spending first," and the fact is we are cutting spending at the same time that we are raising revenue. That is why we call this the reconciliation bill, or piece of legislation, because we are reconciling our budget with the revenues, and so we are doing it both at the same time. And those who will be direct and honest with their constituents back home will explain to them this reconciliation process.

President Clinton this morning made an interesting observation to a group of us when he talked about the spending cut issue, and he said that many of the liberals in the Congress agreed, reluctantly agreed, to spending cuts, and so there was not the controversy nationally in the press, for a few days even, let alone a few weeks, and even a month, about the spending cuts and the ramifications it would have for individuals in our society, whether they be elderly, on Medicare, whether they be a young child in need of health care or a student who is going down to get a school loan so that they can meet that college tuition requirement. This is going to happen as a result of cuts that were agreed upon without much controversy, at least, in the public. The President observed that, as a result of that, we did not have the national education that is sometimes necessary to show the public that, yes, we are cutting spending and we are cutting spending first. Those decisions were made prior to the Ways and Means Committee taking up the President's tax plan. The revenues and the tax plan come together in this reconciliation process.

Let me articulate specifically some of the spending cuts: The plan, the President's plan, gives over 30 specific cuts in Medicare and Medicaid that will reduce the deficit, reduce the deficit by $56 billion. Yes, as we heard earlier this evening, agriculture entitlements will be cut by $3 billion. Federal worker entitlements are cut by $11 billion. There is a pay reduction in this for Federal employees in the amount of $13.2 billion. Administrative cuts, $11 billion. Cutting 100,000 Federal workers out of the system saves $10.2 billion. Agriculture administrative cuts will save another $1.1 billion. Consolidating overseas broadcasting services saves $894 million. Streamlining education programs saves $2.2 billion. Dozens of highway demonstration projects will save a billion dollars. We will eliminate certain special purpose HUD grants, tens of NOAA or National Oceanographic and Atmospheric Administration demonstration projects will be cut out of the budget.

□ 2250

Certain earmarked Small Business Administration grants are going to be eliminated, and unnecessary Government commissions are going to be told they no longer exist. These are specific items, specific cuts that the President has proposed and that the House has included in this budget reconciliation piece of legislation.

But there is the other side as well. There is the tax revenue increases. And it is difficult. The majority leader earlier this evening talked about how he hated taxes and he wished he did not have to pay any of them.

I have found in my short few days on the Committee on Ways and Means that it is always easier to tax the other guy. Find somebody else to tax.

Oh, yes, we have got to reduce the deficit. Oh, yes, let us raise some revenue to do it, as long as we cut spending. But tax the other guy. That is the message I kept hearing over and over again from the special interests that come before this committee.

So I think what we need to do as Americans is say OK, if we are going to have this tax increase, what do we buy for America with these tax increases?

No 1, and most important of all, is we buy deficit reduction. Our national security is threatened by the fact that we, the United States, are deeply in debt, in essence to other nations.

I think that today, 1993, the greatest single threat to our national security is our national deficit. Just as in World War II we had to take drastic measures, so too in 1993 must we take drastic and dramatic measures to eliminate this national security threat.

Second, deficit reduction means interest rates remain low, and hopefully can go even lower. I can tick off four reasons why deficit reduction, interest rates staying low, if not going lower, puts money back into Americans' pockets. Many are refinancing their homes today so that they are paying lower interest rates on their home mortgages, and this means more money in the pocketbook. It also means they are going to own their home at an earlier time. It also means that many Americans now can afford to buy their first home, so important to the American dream and our way of life.

Third, lower business loans. I mentioned that about our farmers, but all businesses in this country, when they go to the bank, whether it is the retail store that finances their inventory to the large corporation, lower loan rates mean a cost savings to businesses.

Fourth, our local governments will pay less interest money for the bonds they borrow to finance the new school building or the city that needs a new water treatment facility. It means a lower interest payment, and that should mean a lower property tax as that is the usual means to finance these local government bonds.

So there is a savings. There is a savings. There is money into the pockets if we do obtain deficit reduction, and you do that in part through these tax increases.

We also listened to the President when he said not only do we need to reduce the deficit, we also need to provide some investment incentives at the same time so that we can stimulate the economy in such a way that we are producing more jobs and more good paying jobs, and we have to have the business incentives to do that. So we are raising approximately $35 billion more to pay for these big investment incentives.

What are they? Let me list them off. Targeted capital gains exclusion, $1 billion. Is it as broad as I would like to see? No, but it does cost the Treasury, it does cost our budget dollars in the short run, and we came up with $1 billion for a targeted capital gains exclusion.

We have increased the incentives for real estate investment. This will cost the Treasury in the short run $5 billion. But I think it will stimulate the housing market and the real estate communities as well, which will produce many more jobs.

We also increased the expensing for small businesses from $10,000 to $25,000. It helps every small business in this country. It is easily understood. It does not take an accountant or a tax lawyer to figure that out. Every small business person in this country understands it. But it also comes with a price tag to the Federal Treasury, and that price tag is $8 billion.

We are increasing the research and development incentives for so many companies and industries in this Nation so that we will be competitive in an international economy. That has a price tag of $13 billion. If we are not encouraging our corporations to invest in research and development, how can we compete against the Germans and the Japanese in this high-technology world?

So obviously this costs money. So that is why I say we are raising a little bit more than what we need in terms of our deficit reduction targets in order to help stimulate the economy as well.

We also modified the alternative minimum tax depreciation schedule so that we can help any of those very capital intensive industries with the problems that we have in this technical tax called the AMT that comes with a price tag of $8 billion.

These business incentives add up to $35 billion. We think, we believe, I agree with the President, that it is necessary to help the economy keep moving and to provide more jobs, which will help reduce the deficit further, if you will, in two ways. First, there will be less people having to turn to the welfare program; and, second, we will have more revenues in order to reduce that deficit spending.

So, as I said at the outset, we have to keep the big picture in mind. We have the deficit, and we have a sluggish economy without the kinds of jobs that are necessary.

Ms. THURMAN. Mr. Speaker, will the gentleman yield?

Mr. KOPETSKI. I yield to the gentlewoman from Florida.

Ms. THURMAN. Mr. Speaker, before the gentleman goes on, I know during the campaign there was a lot of conversation that went on about foreign companies participating in the United States. Maybe the gentleman can expand on this, because he touched on it a little bit on the research and development within the United States.

I believe there is a provision in here under the foreign tax for an American company that actually develops here, researches here, but actually does production. There is now an incentive here to keep the production in the United States versus taking it overseas.

Mr. KOPETSKI. The gentlewoman is correct, that there is a provision to capture some of the moneys. I think what she is referring to is what is known as the deferral tax. Those corporations that defer their tax payments of moneys earned overseas, when they bring their dollars home, how much of it and what rate and how should it be taxed?

The President made that part of his campaign. He put that in his stimulus package.

What we are asking those international corporations is to pay a little bit fairer share of the moneys that they do earn overseas and bring home to the United States. So that has been taken care of as well.

Ms. THURMAN. If the gentleman would yield further, one of the things that I heard during the energy tax debate was that this is not just for deficit reduction, but it is kind of a rethinking for the country of how we are going to deal with sources of energy and what we need to be doing for our future that might not only affect us in what I might consider development of alternative sources, but also in helping with another deficit that we have not talked much about here, which is a trade deficit.

☐ 2300

One of the things that I have watched over the years, probably back as far as the 1970's, the United States was like No. 1 in solar energy, which was one of our big products. We are now seventh in the world in production of solar energy.

It would seem to me, with some of the tax credits that you are talking about, with businesses for investment and incentives back here in this country, that this is also a time that they might be looking at building new businesses, such as solar energy to, in fact, offset some of the Btu tax. And if we got a little creative with this and then also used the tax incentives that were available to us, that we might see some new production, lots of good things coming out of this, if we look at it in the right light.

Mr. KOPETSKI. You are absolutely right. I think you make a very valid point about the energy tax and providing incentives to move more toward alternative energy rather than being a nation dependent on foreign oil.

Clearly, the Btu tax was heavily debated in committee, and it has been heavily debated on the floor.

I should say, it raises $70 billion out of about $350 billion of revenue or tax increases; $70 billion of that is from the energy tax.

What is not taxed is very important. Alternative energy, solar and wind, is exempt from the tax. So there is a tax incentive to invest in those kinds of technologies.

Cogeneration, energy that is produced from cogeneration, an energy waste today, but if you can harness that and use that steam plant that is maybe producing paper to also cogenerate electricity to run the factory, that energy produced is not taxed.

So there is more incentive, incentives for industries, especially our energy-intensive industries, companies, to move into this direction.

In addition, the biomass, conversion of biomass into energy is exempt from the tax as well. So we have now in place as part of energy policy an incentive to go in those much more benign and energy-efficient ways of producing, generating energy.

In addition, we try to reconcile the fact that different regions of this country rely on different sources of energy for transportation or home heating or electricity for their homes, whether used for air-conditioning or on the stove or the heating system. So if Americans stop and think about it, the Northeast is different from the Northwest, which is different from the Southeast and the Southwest. We each have energy which comes from different sources.

We may have a major source, such as nuclear power in the Midwest, or also use some coal, where out in the Northwest we use a lot of hydro and some coal.

How do you bring fairness nationally to this energy tax is a very difficult question. Compromise was made, and we did that. But the fact is, we are asking everybody to pay a little bit more, not everybody, I will get to that, because of the earned income tax credit, but we are asking a lot of Americans to pay.

This is a tax also that people can have some control over, because if they are using energy conservation devices in their home, wrapping the water heater, wrapping the hot water pipes, putting plastic over the windows in the wintertime and storm windows, and those kinds of things, that is going to save them on their energy tax bill. And that is good energy policy for this country, because as you well know, we are a nation that, once again, is over 50 percent dependent on foreign oil.

Mrs. THURMAN. I can relate another issue for you. In fact, in a townhall meeting that I had, there was some conversation about the Btu tax. And I suggested to them, being from Florida, or any place within the Southeast or the Southwest or any of those areas, that what we had looked at was in solar energy, if they just did one thing in their houses and that was to install a water heater, they could save as much as a third of their energy bill.

Now, a third of an energy bill, say, even a minimum bill of $90 is $30 that they could save. The figures that I have seen is that somebody over 40,000 or under 40,000 is about $10 a month. First, they have paid for whatever the increase might have been in their home heating anyway, and they probably, with over a 2-year period of time, would have paid for the installation of the solar energy heater, because they are about $700 and coming down.

So it seems to me that those are the kinds of things we need to be talking about. They generate jobs, and yet they also give us some other alternatives to some of our other problems.

Mr. KOPETSKI. You are absolutely correct. The technologies are there.

It is not like we are waiting for a new technology to come along.

You go to other countries in the world, Israel, for example, they use a solar hot water heating device. There is no reason why we cannot be doing that in our sunshine belt in this country as well, and we ought to be doing it. There is a tax incentive to have it occur. I think it will occur.

So I thank the gentlewoman from Florida about those questions. They are clearly right on point. These are difficult decisions. It is difficult policymaking.

I think that if the American people, yes, we are all afraid of taxes; yes, we are afraid of the impact of some of the spending cuts that will occur, but I also hear from my constituents that say, we have got to balance our budget. We have got to get our economic house in order.

That is what this plan does. It is the most well-thought-through and thorough plan that is before the House. I do not think this is something that can wait. I think the House has got to move.

I have some charts I do want to close with, but before that, I want to yield to the gentlewoman from Georgia [Ms. McKINNEY].

Ms. McKINNEY. Mr. Speaker, I appreciate the gentleman recognizing me. I also appreciate the service that he has put to the American people and for the American people on the Committee on Ways and Means. And in my talk earlier, we talked about the status of America's children.

Can you tell me what is in this reconciliation bill that will assist our children in at least not being able or not suffering from the preventable diseases of childhood?

Mr. KOPETSKI. I think that is an area of interest to a lot of Members.

We heard earlier this evening about some of the staggering statistics that you outlined in terms of this country and diseases that should not exist in the most powerful Nation on Earth, the wealthiest Nation on Earth, and yet we see, because we are not spending money on immunization, we see this vast increase in these diseases.

So what we are doing in this program is guaranteeing to every American child the right to an immunization. It is very simple.

These children cannot make that decision for themselves. And at a national level, we are saying, it is so important to them as individuals that we are going to spend the money, close to $2 billion, to ensure that happens.

Now, there is some criticism for the fact that we are also paying for the very wealthy in this country's children. Well, let us examine that a little bit.

I think the argument is made because of the fact that if a person does have a health insurance plan that the health insurance plan does not include immunizations, we will pay for it.

Another approach, therefore, would be at a national level to mandate that every insurance company include as a mandate immunization for children.

What the health care people will tell you, number one, we hate mandates, and they fight them in every State legislature. They fight it in the Halls of Congress, even a program as worthy as this.

And second, if you do mandate it, we will raise the cost to every policyholder in this country. There is no free lunch with the health care industry, believe me. They have a very powerful lobby.

The other example, the other reason given why we should not provide this to people is because there is a lot of working people that make $30,000 a year, but they do have a health insurance program, but it is not covered in the plan, or they are working and they may not have health care coverage.

☐ 2310

I think this is a very instructive statistic. Three-fourths of the people in the United States who are not covered by a health care plan are people in a family where one of the people is working, so these folks do not even have insurance coverage, let alone insurance coverage that includes the immunization program coverage.

Finally we talk about the superwealthy in this country. I cannot imagine their not having a decent health care package that includes immunization programs, but maybe they are self-insured. Maybe they are, and maybe we would be paying for those people's children. My thought about that is yes, I guess we could set up a huge Federal bureaucracy to means test the children's parents to find out if they did hit that means level or not, and hire lots of bureaucrats and set up all kinds of means testing regulations, or we could just say:

> Look, in this area children are the most important clients. We are going to spend the money on the child, regardless of how responsible or irresponsible that parent is.

What is the benefit to society, besides helping the children in our society? We know that it is going to save us health care dollars as a Federal Government, so we are going to get this money back tenfold, I am willing to bet, because we have taken care of these diseases before they ever came into existence in a child's body.

Ms. McKINNEY. That is absolutely wonderful. In fact, you know children are our most valuable asset, and we need to do everything that we can to divert our national attention to the status of children in this country. The statistics are appalling and are quite shameful for a country so wealthy as this one.

I would also like to just mention for half a moment that this is a piece of legislation that has a lot of support, and that we have organizations that represent literally millions of Americans who are in support of this legislation.

Mr. KOPETSKI. I would ask the gentlewoman if they are limited to the business side.

Ms. McKINNEY. These organizations are as diverse as the American Agriculture Movement, the American Education Association, the American Federation of Teachers, Bread for the World, the Child Welfare League of America, Coalition on Human Needs, Council for a Liveable World, Council for Rural Housing and Development, Families U.S.A., National Association of Homes and Services for Children, National Neighborhood Coalition, National Realty Committee, National Urban League, Women's Action for New Directions, Physicians for Social Responsibility, and the United Methodist Church.

Mr. KOPETSKI. I see you have about three pages of organizations.

Ms. McKINNEY. Three pages of organizations, fully in support of the President's package.

Mr. KOPETSKI. Let me also say that as a member of the Committee on Ways and Means, we do have significant business support for this proposal as well. The fact is the President proposed increasing the top corporate rate from 34 percent, the current rate, to 36 percent. After a lot of public testimony and debate, we listened to the business community and instead of that 36 percent rate it will be at 35 percent.

Is it every business in America or every corporation in America? The fact is it is only the top 2,700 corporations in this country out of about 40,000 that do pay that top income rate.

Mr. Speaker, I would like to take, in closing, just a few moments to show some of these charts that I have here, Mr. Speaker.

Mr. Speaker, here we have a chart that talks about the changes in the average monthly taxes, the overall impact of the President's reconciliation bill, the bill that is before the House now.

As we see, and this includes the impact of the energy tax, of any kind of further tax's effect on the average American, we see that those who make less than $10,000, because of the expansion of the earned income tax credit, their taxes will go down, as will those making less than $20,000 a year.

Those from $20,000 to $30,000 a year will see a $3 a month increase in their taxes, and this is at the end, this is the accumulation, a culmination of the President's plan in 1998. All of this is phased in.

For the American family with a household income of $30,000 to $40,000, we are talking about a $14 increase and a $23 increase for families of $40,000 to $50,000; from $50,000 to $75,000, a $41 increase; from $75,000 to $100,000, a $64 a month increase.

Yes, for those who make over $200,000, their monthly tax bill will go up about $1,935. What we are saying is that we are reversing the trend that occurred in the 1980's and trying to be fair in asking every American, based on ability, to pay to help reduce the Federal deficit.

Does it hurt the millionaires? Probably a little bit, but I think I know two or three of these, actually, and I think they would actually say, "If it truly goes to deficit reduction, I am willing to pay."

I think that is the important point that we have to focus on, is that the world is not going to end for the middle income taxpayers if we pass this bill. Are they going to pay a little bit more? Yes, no question about it. Is it going to deficit reduction? Yes, no question about it.

This chart demonstrates in a different showing who is paying the taxes under the bill. You can see that 66 percent of it, the overwhelming majority of the tax bill, is going to those incomes over $200,000. The next highest group are those who make $50,000 to $100,000. They will pay 20 percent of the share. Those from $100,000 to $200,000 pay 9 percent, and those with incomes under $50,000 will pay 5 percent of the share of the American tax bill.

Finally, I think that it is important to conclude on this note, that this truly is deficit reduction. There has been a lot of rhetoric this week in the newspapers and on the floor about does it go to deficit reduction. There is no doubt about it. This orange line shows what happens if we do nothing, and this shows what happens if we pass the President's deficit reduction package. There is quite a gap here if we do nothing.

I think for all the reasons articulated earlier and by other speakers on this side of the aisle, that the American public cannot afford to do nothing. I commend the President for his leadership. This is not an easy vote for the Members of the Congress, there is no doubt about it, but those of us who will be voting "yes" will be voting for a sound, solid, secure future for our

American children, and for a sound, positive economic growth for our economy these next few years.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. LEACH (at the request of Mr. MICHEL) for today, on account of medical reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. BURTON of Indiana) to revise and extend their remarks and include extraneous material:)

Mrs. MORELLA, for 60 minutes, on May 27.

Mr. DOOLITTLE, for 5 minutes, today.

Ms. ROS-LEHTINEN, for 5 minutes, on May 26.

Mr. DIAZ-BALART, for 5 minutes, on May 26.

Mr. ZIMMER, for 5 minutes, today.

Mr. DELAY, for 5 minutes, today.

(The following Members (at the request of Mr. BACCHUS of Florida) to revise and extend their remarks and include extraneous material:)

Mr. DEUTSCH, for 5 minutes each day, on May 25 and 26.

Mr. BACCHUS of Florida, for 5 minutes, today.

Mr. PICKLE, for 5 minutes each day, on May 25 and 26.

Mr. KOPETSKI, for 60 minutes, today.

Ms. MCKINNEY, for 60 minutes, today.

Mr. BLACKWELL, for 60 minutes, on May 26.

Mr. RANGEL, for 60 minutes, on June 30.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. HUNTER, for 5 minutes.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. BURTON of Indiana) and to include extraneous matter:)

Mr. MICHEL.

Mr. LIGHTFOOT.

Mr. BILIRAKIS.

Mr. COMBEST.

Mr. WALSH.

Mr. KING.

Mr. BURTON of Indiana in two instances.

Mr. GOODLING.

Mr. OXLEY.

Mr. GINGRICH.

Mr. SOLOMON in two instances.

Mr. CRANE.

Mr. BALLENGER.

Mr. ZELIFF.

Mr. HYDE.

Mr. SMITH of New Jersey.

(The following Members (at the request of Mr. BACCHUS of Florida) and to include extraneous matter:)

Mr. COLEMAN.

Mr. SWETT.

Mr. FAZIO.

Mr. BORSKI.

Mr. OLVER.

Mr. STARK in seven instances.

Mr. PAYNE of New Jersey.

Mr. BERMAN.

Mr. RICHARDSON.

Mr. EDWARDS of California.

Mr. FROST.

Mr. COSTELLO.

Mrs. SCHROEDER in three instances.

Mr. KILDEE.

Mr. MANTON.

Mr. SABO.

Mr. CLEMENT.

Mr. BONIOR.

Mr. EDWARDS of Texas.

Mr. MINETA.

(The following Member (at the request of Mr. KOPETSKI) and to include extraneous matter:)

Mr. BISHOP.

ADJOURNMENT

Mr. KOPETSKI. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 19 minutes p.m.) under its previous order the House adjourned until tomorrow, Wednesday, May 26, 1993, at 11 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1282. A letter from the Department of the Air Force, transmitting notice that the Air Force plans to conduct a cost comparison of Air Training Command's Base Operating Support function at Columbus Air Force Base, MS, pursuant to 10 U.S.C. 2461; to the Committee on Armed Services.

1283. A letter from the Clerk, U.S. House of Representatives, transmitting the quarterly report of receipts and expenditures of appropriations and other funds for the period January 1, 1993 through March 31, 1993, pursuant to 2 U.S.C. 104a (H. Doc. No. 103–90); to the Committee on House Administration and ordered to be printed.

1284. A letter from the Deputy Associate Director for Collection and Disbursement, Department of the Interior, transmitting a report on proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Natural Resources.

1285. A letter from the Secretary of the Interior, transmitting a report on the Government's helium program providing operating statistical and financial information for the fiscal year 1992, pursuant to 50 U.S.C. 167n; to the Committee on Natural Resources.

1286. A letter from the Secretary of the Interior, transmitting the Foundation's annual report for fiscal year 1992, pursuant to 16 U.S.C. 19n, 19dd(f); to the Committee on Natural Resources.

1287. A letter from the Director, National Legislative Commission, The American Legion, transmitting a copy of the Legion's financial statements as of December 31, 1992, pursuant to 36 U.S.C. 1101(4), 1103; to the Committee on the Judiciary.

1288. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to make permanent the authority of the Secretary of Commerce to conduct the Quarterly Financial Report Program; to the Committee on Post Office and Civil Service.

1289. A letter from the Secretary of Veterans Affairs, transmitting a draft of proposed legislation to amend title 10, United States Code, to extend the definition of the Office of the Under Secretary for Health to include health care personnel appointed to positions in the Veterans Health Administration; to the Committee on Veterans' Affairs.

1290. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to authorize the transfer of 11 naval vessels to Argentina, Australia, Chile, Greece, Taiwan, and Turkey; jointly, to the Committees on Armed Services and Foreign Affairs.

1291. A letter from the Secretary of Energy, transmitting notification that the National Renewable Energy and Energy Efficiency Management Plan will be submitted on October 25, 1993, pursuant to Public Law 102–218, section 9(b) (103 Stat. 1868); jointly, to the Committees on Energy and Commerce and Science, Space, and Technology.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CONYERS: Committee on Government Operations. H.R. 826. A bill to provide for the establishment, testing, and evaluation of strategic planning and performance measurement in the Federal Government, and for other purposes; with amendments (Rept. 103–106, Pt. 1). Ordered to be printed.

Mr. BROOKS: Committee on the Judiciary. H.R. 2128. A bill to amend the Immigration and Nationality Act to authorize appropriations for refugee assistance for fiscal years 1993 and 1994 (Rept. 103–107). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROSE: Committee on House Administration. S. 564. An act to establish in the Government Printing Office a means of enhancing electronic public access to a wide range of Federal electronic information (Rept. 103–108). Referred to the Committee of the Whole House on the State of the Union.

Mr. KLECZKA: Committee on House Administration. House Resolution 182. Resolution dismissing the election contest against Jay Dickey (Rept. 103–109). Referred to the House Calendar.

Mr. FROST: Committee on Rules. House Resolution 183. Resolution providing for considerations of the bill (H.R. 2244) making supplemental appropriations, transfers, and rescissions for the fiscal year ending September 30, 1993, and for other purposes, and waiving points of order against the bill (H.R. 2118) making supplemental appropriations for the fiscal year ending September 30, 1993, and for other purposes, and against its consideration (Rept. 103–110). Referred to the House Calendar.

Mr. SABO: Committee on the budget. H.R. 2264. A bill to provide for reconciliation pursuant to section 7 of the concurrent resolution on the budget for fiscal year 1994 (Rept. 103–111). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FRANKS of New Jersey:

H.R. 2245. A bill to establish a Permanent Performance Review Commission; jointly to the Committees on Government Operations and Rules.

By Mr. ANDREWS of Texas (for himself and Mr. COLEMAN):

H.R. 2246. A bill to amend the Internal Revenue Code of 1986 to provide tax incentives to encourage development in certain border areas; to the Committee on Ways and Means.

By Mr. BALLENGER:

H.R. 2247. A bill to suspend until January 1, 1995, the duty on 4,4′biphenol; to the Committee on Ways and Means.

By Mr. DORNAN:

H.R. 2248. A bill to provide that petitioners for immigration classification on the basis of immediate relative status to a citizen shall be required to pay only one fee when such petitions are filed at the same time; to the Committee on the Judiciary.

By Mr. EDWARDS of California:

H.R. 2249. A bill to preserve the integrity of certain athletic competition in sports; to the Committee on the Judiciary.

By Mr. RUSH (for himself, Mr. FRANK of Massachusetts, Mr. DELLUMS, Mr. LEWIS of Georgia, Mr. FORD of Tennessee, Mr. EVANS, Mr. DURBIN, Mrs. COLLINS of Illinois, Ms. FURSE, Mr. JEFFERSON, Ms. CANTWELL, Mrs. CLAYTON, Ms. NORTON, Mr. BERMAN, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. WATT, Mr. WYNN, Ms. ROYBAL-ALLARD, Ms. MALONEY, Mr. HINCHEY, Mr. SCOTT, Mr. TUCKER, Mr. REYNOLDS, Mr. BLACKWELL, Ms. VELAZQUEZ, Mr. RICHARDSON, Mr. BROWN of Ohio, Ms. BROWN of Florida, Mr. CLYBURN, Mr. BARRETT of Wisconsin, Ms. MEEK, Mr. FILNER, Mr. HASTINGS, Mr. FIELDS of Louisiana, Mr. TOWNS, Mr. MENENDEZ, Mr. GENE GREEN of Texas, Mr. PASTOR, Mr. BISHOP, Ms. MCKINNEY, and Mr. NADLER):

H.R. 2250. A bill to establish the National Community Development Administration to facilitate community and economic development in low-income neighborhoods in the United States, and for other purposes; jointly, to the Committee on Banking, Finance and Urban Affairs and Ways and Means.

By Mr. GRANDY (for himself and Mr. CASTLE):

H.R. 2251. A bill to extend until January 1, 1997, the existing suspension of duty on fluazifop-p-butyl; to the Committee on Ways and Means.

By Mr. GRANDY (for himself and Mr. NUSSLE):

H.R. 2252. A bill to extend until January 1, 1997, the existing suspension of duty on mercuric oxide; to the Committee on Ways and Means.

By Mr. HYDE:

H.R. 2253. A bill to require periodic assessments of the impact and effectiveness of U.S. economic assistance to foreign countries; to the Committee on Foreign Affairs.

By Mr. LIGHTFOOT (for himself and Mr. JOHNSON of South Dakota):

H.R. 2254. A bill to authorize the President to enter into an agreement with the Government of the People's Republic of China to establish a United States-China Bilateral Human Rights Commission; to the Committee on Foreign Affairs.

By Mr. MINETA:

H.R. 2255. A bill to amend the Federal Water Pollution Control Act to reauthorize and modify the State water pollution control revolving loan program and for other purposes; jointly, to the Committees on Public Works and Transportation and Ways and Means.

By Mr. OWENS:

H.R. 2256. A bill to provide emergency assistance to local public libraries for the purchase of books and other library materials and resources; to the Committee on Education and Labor.

By Mr. POSHARD:

H.R. 2257. A bill to direct the heads of Federal agencies to provide local resident hiring preferences in carrying out construction projects; to the Committee on Government Operations.

By Mrs. SCHROEDER:

H.R. 2258. A bill to apply the expanded definition of disposable retired pay used for computation of the maximum amount of a former spouse's share of military retired pay to divorces that became final before the effective date of amendments made by Public Law 101–510 as well as those after that date; to the Committee on Armed Services.

By Mr. SMITH of Texas:

H.R. 2259. A bill to amend the Immigration and Nationality Act to provide for the adjustment of levels of immigration to reflect changes in the unemployment rate of the United States; to the Committee on the Judiciary.

By Ms. SNOWE:

H.R. 2260. A bill calling for reduction in the U.S. share of assessed contributions to international peacekeeping operations, restricting the use of the U.S. Peacekeeping Emergency Fund, and for other purposes; to the Committee on Foreign Affairs.

By Mr. THOMAS of California (for himself, Mrs. JOHNSON of Connecticut, Mr. GRANDY, and Mr. MCCRERY):

H.R. 2261. A bill to contain the rate of growth in health care costs and enhance the quality of health care by improving and making more efficient the provision of medical and health insurance information, and for other purposes; jointly, to the Committees on Energy and Commerce, Ways and Means, Education and Labor, and Veterans' Affairs.

By Mrs. UNSOELD:

H.R. 2262. A bill to authorize the conveyance of certain lighthouses in the State of Washington; to the Committee on Merchant Marine and Fisheries.

By Mr. WHEAT:

H.R. 2263. A bill to amend the Internal Revenue Code of 1986 to reduce the burden of Social Security taxes on lower and middle income individuals by allowing a refundable credit for a portion of such taxes, and to repeal the limit on the amount of wages subject to the employee OASDI taxes; to the Committee on Ways and Means.

By Mr. SABO:

H.R. 2264. A bill to provide for reconciliation pursuant to section 7 of the concurrent resolution on the budget for fiscal year 1994; committed to the Committee of the Whole House on the State of the Union.

By Mr. KLECZKA:

H. Res. 182. Resolution dismissing the election contest against Jay Dickey; considered and agreed to.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

155. By the SPEAKER: Memorial of the Senate of the State of Hawaii, relative to supporting the development of new roles for the military in Hawaii; to the Committee on Armed Services.

156. Also, memorial of the Senate of the State of Hawaii, relative to Federal emergency unemployment benefits; to the Committee on Ways and Means.

157. Also memorial of the Senate of the State of Hawaii, relative to the Healthy Families America [HFA] Initiative; jointly, to the Committees on Education and Labor and Energy and Commerce.

158. Also, memorial of the Senate of the State of Hawaii, relative to the formation of an Economic Conversion Task Force; jointly, to the Committees on Armed Services, Ways and Means, Education and Labor, and Banking, Finance and Urban Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. EDWARDS of Texas:

H.R. 2265. A bill for the relief of Michael Patrick McNamara and Thomas Parnell McNamara, Jr.; to the Committee on Post Office and Civil Service.

By Mr. TOWNS:

H.R. 2266. A bill for the relief of Orlando Wayne Naraysingh; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 39: Mr. ENGEL, Mr. JOHNSTON of Florida, Mr. MINGE.

H.R. 109: Mr. ANDREWS of Maine.

H.R. 163: Mr. HASTERT.

H.R. 224: Ms. ROYBAL-ALLARD, Mr. JOHNSTON of Florida, Mr. DELLUMS, AND Mr. ABERCROMBIE.

H.R. 304: Mr. PAXON and Mr. LANCASTER.

H.R. 417: Ms. LONG and Mr. DURBIN.

H.R. 466: Mrs. LLOYD, Mr. WALSH, Mrs. MALONEY, Mr. BALLENGER, Mrs. THURMAN, and Mr. UPTON.

H.R. 509: Mr. ROTH.

H.R. 518: Mr. JOHNSTON of Florida, Ms. SCHENK, Mr. VALENTINE, and Ms. SHEPHERD.

H.R. 559: Mr. VENTO, Mr. BACCHUS of Florida, Mr. GILMAN, Mrs. MINK, Mr. MEEHAN, and Mr. DEFAZIO.

H.R. 749: Mr. KLEIN, Ms. FURSE, and Mr. MYERS of Indiana.

H.R. 769: Mr. ACKERMAN, Mr. SMITH of New Jersey, and Mr. VISCLOSKY.

H.R. 773: Mr. DORNAN.

H.R. 799: Mr. REED.

H.R. 822: Mr. FISH and Mr. ENGEL.

H.R. 844: Mr. KLEIN and Mr. SCHIFF.

H.R. 881: Mr. HAMBURG, Mr. SWETT, Mr. HORN, Ms. SCHENK, Mr. LAFALCE, Mr. WAXMAN, Mrs. SCHROEDER, Mrs. COLLINS of Illinois, Mrs. JOHNSON of Connecticut, Mr. MINETA, Mr. MAZZOLI, Mr. JACOBS, and Mr. EVANS.

H.R. 882: Mr. NEAL of North Carolina.

H.R. 891: Mr. RAVENEL.

H.R. 911: Mr. HEFLEY and Mr. ARMEY.

H.R. 923: Mr. BEVILL.

H.R. 935: Mr. ROMERO-BARCELÓ, Mr. UNDERWOOD, Mr. FIELDS of Louisiana, Mr. FALEOMAVAEGA, Mr. THOMPSON, Mr. FILNER, and Mr. LANCASTER.

H.R. 972: Mr. LEWIS of Florida and Mr. STRICKLAND.

H.R. 983: Mr. ENGEL.

H.R. 1003: Mr. ENGEL.

H.R. 1006: Mr. PACKARD.

H.R. 1036: Mr. TORRES, Mr. REYNOLDS, Mrs. SCHROEDER, Mr. HOCHBRUECKNER, and Mr. OBERSTAR.

H.R. 1080: Mr. COBLE, Mr. HASTERT, and Mr. HYDE.

H.R. 1133: Ms. ENGLISH of Arizona, Mr. GILMAN, Mr. LEACH, Mr. APPLEGATE, Mr. RAHALL, Mr. ENGEL, and Mr. DE LUGO.

H.R. 1141: Mr. MYERS of Indiana.

H.R. 1154: Mr. HALL of Ohio.

H.R. 1155: Mr. CHAPMAN, Mr. GONZALEZ, Mr. BONIOR, Mr. BOUCHER, and Mr. PETERSON of Minnesota.

H.R. 1164: Mr. BROWN of California.

H.R. 1171: Mr. ENGEL.

H.R. 1182: Mr. TRAFICANT and Ms. SHEPHERD.

H.R. 1254: Mr. BARRETT of Wisconsin, Mr. SERRANO, Ms. MEEK, Mr. FINGERHUT, Mr. BEILENSON, and Mr. ENGEL.

H.R. 1272: Mr. SPENCE.

H.R. 1277: Mr. GINGRICH.

H.R. 1293: Mr. PACKARD.

H.R. 1332: Mr. BACCHUS of Florida, Mr. FRANK of Massachusetts, and Mr. SKAGGS.

H.R. 1353: Mr. SENSENBRENNER, Mr. HERGER, and Mr. MCCOLLUM.

H.R. 1355: Mr. DUNCAN, Mr. LINDER, and Mr. ARMEY.

H.R. 1404: Mr. SPENCE, Mr. EVANS, and Ms. WOOLSEY.

H.R. 1405: Mr. HASTINGS and Mr. ENGEL.

H.R. 1421: Mr. BECERRA and Ms. DELAURO.

H.R. 1459: Mr. LINDER, Mr. ROHRABACHER, and Mr. ARMEY.

H.R. 1496: Mr. MACHTLEY, Mr. LANCASTER, Mr. DREIER, Mr. HASTINGS, Mr. HILLIARD, Mr. BAKER of California, and Mr. ARMEY.

H.R. 1500: Ms. WOOLSEY and Mr. FRANK of Massachusetts.

H.R. 1509: Mr. ACKERMAN.

H.R. 1520: Mr. WYNN.

H.R. 1523: Mr. COX, Mr. PETRI, and Mr. BALLENGER.

H.R. 1524: Mr. PETRI.

H.R. 1525: Mr. PETRI and Mr. KLUG.

H.R. 1532: Mr. JOHNSTON of Florida, Mr. SWIFT, Mr. SMITH of Oregon, Mrs. SCHROEDER, Mr. FOGLIETTA, Mr. GOODLING, Mr. SPENCE, Mr. GLICKMAN, Mr. SHAW, Mr. GEJDENSON, Mr. HASTERT, Mr. PETRI, Mr. DOOLITTLE, and Mr. CALVERT.

H.R. 1533: Mr. PARKER, Mr. HILLIARD, Mrs. CLAYTON, Miss COLLINS of Michigan, Mr. SERRANO, and Mr. STRICKLAND.

H.R. 1539: Mr. COLEMAN.

H.R. 1573: Mr. LANTOS, Mr. KLINK, and Mr. ENGEL.

H.R. 1583: Mr. ARMEY.

H.R. 1698: Mr. JACOBS.

H.R. 1709: Mrs. UNSOELD and Mr. INSLEE.

H.R. 1795: Mr. DE LUGO, Mr. FILNER, Mr. PARKER, and Mr. CARDIN.

H.R. 1829: Ms. SLAUGHTER.

H.R. 1877: Ms. PELOSI, Mr. JACOBS, Mr. DORNAN, Mr. PETERSON of Minnesota, Mr. EVANS, Ms. MALONEY, and Mr. UPTON.

H.R. 1887: Mr. PENNY, Mr. PAXON, Mr. PARKER, Ms. SNOWE, Mr. ANDREWS of New Jersey, Mr. BAKER of Louisiana, Mr. POMEROY, Mr. CLINGER, Mr. INSLEE, and Mr. PACKARD.

H.R. 1890: Mr. OWENS and Mr. BAKER of California.

H.R. 1897: Mrs. MINK and Mr. FORD of Michigan.

H.R. 1904: Mr. SANDERS.

H.R. 1905: Mr. SANDERS.

H.R. 1906: Mr. SANDERS.

H.R. 1935: Mr. DEUTSCH, Mrs. CLAYTON, and Ms. BYRNE.

H.R. 1948: Mr. ACKERMAN.

H.R. 2053: Mr. ARMEY and Mr. FAWELL.

H.R. 2076: Mr. PETERSON of Minnesota, Mr. FROST, Mr. DEFAZIO, and Mr. TOWNS.

H.R. 2135: Mr. BARRETT of Nebraska, Mr. LAROCCO, Mr. BREWSTER, and Mr. TOWNS.

H.R. 2136: Mr. SCHIFF.

H.R. 2154: Ms. ENGLISH of Arizona.

H.R. 2190: Mr. DORNAN.

H.R. 2201: Mr. RICHARDSON, Mr. FRANKS of Connecticut, and Mr. MANTON.

H.R. 2202: Mr. RICHARDSON and Mr. FRANKS of Connecticut.

H.R. 2203: Mr. RICHARDSON and Mr. FRANKS of Connecticut.

H.R. 2204: Mr. RICHARDSON, Mr. FRANKS of Connecticut, and Mr. MANTON.

H.R. 2205: Mr. RICHARDSON, Mr. FRANKS of Connecticut, Mr. MANTON, and Mr. PALLONE.

H.R. 2219: Mr. BROWDER, Mr. KANJORSKI, and Mr. PETERSON of Florida.

H.J. Res. 44: Mr. PACKARD and Mr. SMITH of New Jersey.

H.J. Res. 78: Mr. ABERCROMBIE, Mr. OBEY, Mr. GRANDY, Mr. COX, Mr. FOGLIETTA, Mr. SOLOMON, Mr. FLAKE, Ms. MOLINARI, Ms. DELAURO, Mr. WYNN, Mr. MYERS of Indiana, Mr. SANGMEISTER, Mr. GILLMOR, Mr. HAMBURG, Ms. CANTWELL, Ms. LAMBERT, Mr. RICHARDSON, Mr. LEVY, Mr. KINGSTON, Mr. BRYANT, Mr. JOHNSON of Georgia, and Ms. FURSE.

H.J. Res. 92: Mr. CAMP.

H.J. Res. 122: Mr. DURBIN.

H.J. Res. 133: Mr. HILLIARD.

H.J. Res. 135: Mr. FIELDS of Texas, Mr. GINGRICH, Mr. PAYNE of Virginia, Mr. HAMILTON, Mr. LEWIS of Georgia, Mr. FINGERHUT, Mr. LEVIN, Mr. INHOFE, Mr. COOPER, Mr. SYNAR, Mr. HAYES of Louisiana, Mr. DREIER, Mr. FRANKS of New Jersey, Mr. DICKS, Ms. SHEPHERD, Mr. BREWSTER, Mr. OBEY, Mr. DARDEN, Ms. ESHOO, Mr. FRANK of Massachusetts, Mr. SHAW, Mr. PETE GEREN, Mr. YATES, Mr. QUINN, Mr. WHEAT, Mr. REED, Mr. SHARP, and Mrs. COLLINS of Illinois.

H.J. Res. 139: Mr. LEVIN.

H.J. Res. 148: Mr. LANCASTER.

H.J. Res. 187: Mr. MANTON, Mr. RAMSTAD, Mr. LEVIN, Mr. COBLE, Ms. MALONEY, Mr. JEFFERSON, Mr. MURTHA, Mr. MATSUI, Ms. MCKINNEY, Mr. STOKES, Mr. SYNAR, Mr. LANCASTER, Mr. MURPHY, Mr. GUNDERSON, Mr. GINGRICH, Ms. MARGOLIES-MEZVINSKY, and Mr. NATCHER.

H.J. Res. 194: Mr. TUCKER, Mr. WALSH, Mr. CONYERS, Mr. DELLUMS, Mr. WELDON, and Mrs. MORELLA.

H.J. Res. 195: Mr. BONIOR, Mr. DEFAZIO, Mr. TORRES, Mr. THOMPSON, Mr. ABERCROMBIE, Ms. NORTON, Mr. DEUTSCH, and Mr. MATSUI.

H. Con. Res. 66: Mr. JACOBS.

H. Con. Res. 95: Ms. SHEPHERD.

H. Con. Res. 100: Mr. BERMAN, Mrs. MORELLA, Mr. SANDERS, Mr. BEILENSON, Mr. EMERSON, Mr. SCHIFF, Mr. SCHAEFER, Mr. LEVIN, and Mr. SAWYER.

H. Res. 47: Mr. STUMP, Mr. KLUG, Mr. CRANE, Mr. CASTLE, Mr. MCCOLLUM, and Mr. PAXON.

H. Res. 151: Mr. MCHUGH, Mr. BACHUS of Alabama, and Mr. BLUTE.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 1295: Mr. COPPERSMITH.

EXTENSIONS OF REMARKS

"REAGAN DOCTRINE" NEEDED FOR BOSNIA, A NEW APPROACH FOR RUSSIA

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 25, 1993

Mr. SOLOMON. Mr. Speaker, I had the great privilege of representing this body at the meeting last weekend of the North Atlantic Assembly, the parliamentary arm of NATO.

What I found, unfortunately, was the desire of our European allies that America commit her own troops to that seemingly intractable civil war.

As far as I'm concerned, and as far as the American people are concerned, that is out of the question.

The American people are equally opposed, Mr. Speaker, to the United States throwing billions of dollars at the former Soviet Union, only to see it wasted.

I spoke on those two issues before the North Atlantic Assembly. I told our European counterparts that what was needed in Bosnia was an adaption of the Reagan doctrine, which worked so well a decade ago in Afghanistan, Nicaragua, and El Salvador. Let us keep our own soldiers home, but let's give freedom fighters the ability to defend themselves. I urged lifting the arms embargo on the Bosnian Muslims.

In my speech on Russia, I repeated my support for Boris Yeltsin and all genuine reformers.

Mr. Speaker, I place both speeches in today's RECORD, and urge Members to read them.

REMARKS BY CONGRESSMAN GERALD B. SOLOMON AT THE PLENARY SESSION OF THE NORTH ATLANTIC ASSEMBLY, BERLIN, GERMANY, MAY 24, 1993

Ladies and Gentlemen: Today we in NATO are faced with an incredibly complex challenge in the Balkans. It seems amazing, but the place where World War I began continues to be a cauldron of ethnic strife and intractable problems. Seventy-nine years ago, violence in the Balkans sucked the European empires and America into a savage war which killed millions.

Today, to our great credit, we have managed to avoid this terrible fate. Today, instead of empires lining up behind one or the other side in the former Yugoslavia, the violence, and the main perpetrators of it, the Serbs have been met with universal condemnation. Even our old adversaries, the Russians, have joined us in our efforts to stop this bloodletting.

The reasons for this difference between now and 1914 are clear: The democratization of Western Europe after World War II and the Russian Revolution of 1991 have brought America, Europe and Russia closer together and now we are all travelling down the same, civilized path, together. Let us hope that this will always be.

And what organization has played a more pivotal role in ensuring democracy in Western Europe and in brining about the end of the Cold War than NATO? And what better reason is there than our unified voice regarding the Balkans to keep this tremendous organization together? NATO can and will continue to play a stabilizing and democratizing role in Europe.

But we clearly need to refine our mission. And each country needs to rethink its role in the alliance. For while we have spoken in unison regarding the Balkans, we have been unable to come up with a coherent, effective policy. We have clearly failed to stabilize the situation in the former Yugoslavia. Our efforts have been half-hearted, untimely, and have lacked integration.

It is lamentable that it took us nearly a year to impose even partial sanctions on Serbia, and even more so that it was only last month that we put some teeth into them. It is embarrassing that the foreign minister of Bosnia has requested that UN troops leave his country, saying, in effect, that they are in the way. And it is inexcusable, in my view, that we maintain an arms embargo against an outmanned, outgunned people who have been subject to merciless attack.

Now, there is no way, in my view, that we can impose a military solution on this crisis. I have been and will continue to be against the use of direct American military involvement in the Balkans, either to impose a solution or enforce Bosnia's division into ethnic cantons. We are not going to solve centuries-old problems in this manner. We have only to remember that Hitler could not tame this region with forty-three divisions in order to realize the potential for a quagmire in the Balkans.

But it seems to me that the debate has been allowed to be dominated by those who advocate an all-or-nothing approach. Between the chorus of calls for direct military intervention on the one hand, and bland calls for more dialogue and humanitarian aid on the other, the middle view has been drowned out.

We Republicans in the U.S. House of Representatives have drafted a plan that pursues just this middle course. It is based upon a strategy that has proven its mettle in the past, in numerous different situations. In America, we called it the Reagan Doctrine.

It is a relatively simple approach that rests upon the idea of letting other freedom-loving peoples have the means to fight their own battles.

This policy jettisoned the Soviets from Afghanistan, forced democratic elections in Nicaragua and prevented a communist takeover of El Salvador, without the loss of a single American life.

We should let the Bosnians, who have shown their love of country and their valiance, fight their own battle. But they need the means to do it. Let's give them the means by lifting the arms embargo. Let's keep the tightest possible sanctions on Serbia and make clear to the Croatians that they face the same if they don't clean up their act. We can also take other steps such as establishing contact with the democratic opposition in Serbia, like we did in Poland after martial law, to stir up opposition to the Milosevic dictatorship, which is clearly a large part of the problem.

This strategy is not guaranteed to be effective, and will certainly lead to an upsurge in the violence in the short run. But it is certainly a better idea than stuffing the Balkans full of Western troops, who would be subject to a Beirut or Vietnam-type situation. And it certainly is better than leaving in place an unconscionable arms embargo, which is depriving a helpless people of the ability to fight for their lives.

I would hope that NATO could agree on this strategy, for if we cannot even agree on this small step to counter the Serbs, I fear for how we will deal with potentially bigger problems in the future.

REMARKS BY CONGRESSMAN GERALD B. SOLOMON AT THE POLITICAL COMMITTEE OF THE NORTH ATLANTIC ASSEMBLY, BERLIN, GERMANY, MAY 24, 1993

Ladies and Gentleman: Once again, the taxpayers of our countries are being asked to ante up in order to "save" democracy in Russia and the former Soviet Union. I would like to suggest today that we rethink our entire approach to the Russian problem, as I feel we are on the verge of wasting tens of billions of dollars on efforts that will actually stymie reform there.

Now please, don't misunderstand me. I am 100 percent behind President Yeltsin and his reformist allies over there. Their efforts to rid their society of the vestiges of communism are truly heroic. And I understand fully the enormous stakes that we have in seeing a successful transformation to market democracies in all of these countries. A successful transformation will pave the way toward unparalleled human advancement. An aborted transformation could unleash a reign of terror across Eurasia. Therefore, we must stay engaged in this process.

But is Western money really the answer to this problem? An analysis of the Russian political situation, the Russian economy and the history of Western development aid yields an emphatic answer of "no" to this question, but here we are, ready to dump another $28 billion into a black hole. Worst of all, most of this money is ticketed to go to the place that least needs it: the Russian government.

The labyrinth that is the Russian government is not just a sinkhole for our money; it is the source of the problem in Russia. It is nothing but the remnants of the apparatus which tyrannized and pauperized the Russian and Soviet people under Communism. It needs to be dismantled, not propped up with cash. The notion that a market economy can be constructed by a series of government actions is itself contradictory. What the Russian government needs to do is implement a proper commercial code and get out of the way. Then, the talented Russian people, in concert with hungry Western investors, will build a market economy from the ground up.

President Yeltsin and his top economic advisors understand this, but they are blocked by reactionaries in the Parliament, who continue to dawdle on such critical issues as land ownership and bankruptcy laws. Mean-

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

while, the Central Bank, controlled by Parliament and run by an old-style Soviet bureaucrat, is subverting the reform process with an irresponsibly loose monetary policy.

These simple facts tell us that the ultimate problem in Russia is political, not economic. And our money cannot solve political problems in Russia. In this sphere we have only limited leverage. Here we can only lend our political and moral support to Yeltsin and his allies. Though limited, this kind of support is not altogether insignificant.

Indeed, I was recently visited by a man named Sergei Ponomarev, who spent five years in the gulag for helping Andrei Sakharov publish his memoirs. When I asked Mr. Ponomarev how we could best help Russia, he replied not with a type of economic aid or a dollar figure. He simply stated that we must continue to support Yeltsin and the reformers politically, while avoiding granting any legitimacy to those who are blocking reform under the guise of constitutionalism.

To our credit, we in the West did exactly this when events almost reached a crisis point in Russia in March. I hope that we will continue to act in this way.

Getting back to the aid question, it does seem to me that there are some ways in which we can help. But we need to apply an acid test to each and every proposal. That is: does it help to build democratic and market institutions in the recipient country? I believe that the majority of the $28 billion we have pledged, because it is typical government-to-government aid, does not met this test.

Take grain credits, for example. Does dumping cheap grain on the Russian market help build a market economy there? Of course it doesn't. It just lowers the profits of new private Russian farmers. How about loans for the Russian energy sector, to which so much of our money is dedicated? Does this help build a market economy? No, it just props up a truly archaic communist-era industry that is still a government monopoly. The Russian energy sector will get all of the investment it needs as soon as the government frees prices and allows for at least partial privatization.

Last month, I was a member of a U.S. Congressional delegation to Russia and the Ukraine. There, we were warned repeatedly by reformers and businessmen to avoid this very sort of aid. As they put it, the money would go "right into the sand." After my deliberations there and with reformist Russian parliamentarians in Washington recently, I have concluded that a responsible framework for aid to Russia and the former Soviet Union would be as follows:

(1) Concentrating on regions where reformers have local control, we should try to aid private entrepreneurs as much as possible. For instance, private farmers in Russia need equipment and fertilizer. What they don't need is to have the Russian government dump foreign grain in their laps. Can't we find a mechanism to get them the tools they need to produce and market their own grain?

(2) Encouraging as much private investment by our own firms as possible.

(3) Sending as many advisors, trainers and teachers, especially in the business sphere, as possible. Not hot shot consultants who stay for a week in $400/night hotels, but volunteers who really want to help at the grass roots level.

These ideas may not be as sexy as a $6 billion ruble stabilization fund or a $4 billion World Bank development loan, but they are bound to be more effective.

It is often said that we stand at the edge of a new era in human history; an era of limitless possibilities if we just seize the moment. I couldn't agree more; let's not blow it by simultaneously wasting precious Western resources and thwarting Russian reform with massive government-to-government aid.

JOHN MELENDEZ—TEACHING THE CHILDREN OF FREMONT FOR 35 YEARS

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 25, 1993

Mr. STARK. Mr. Speaker, today I want to share with my colleagues news that John Melendez, principal of the Blacow School in Fremont, CA, is retiring after 35 years in education. The faculty and students are saying goodbye to a man who has touched the lives of thousands of children in my district.

In 1958, John began working with students as a classroom teacher at Mission Valley Elementary School and has since coached several sports and taught at the junior and senior high school levels. Fifteen years ago, John took over as principal of Blacow School and has been a leader and innovator ever since. The Science Lab Program began under his leadership and the bilingual education has gained national recognition. Blacow is also currently a finalist in the California Distinguished Schools Program.

The standard of excellence set by Principal Melendez and the Blacow faculty will benefit the students throughout their lives. This is the sort of investment in our children that pays huge dividends later on and John has invested for the highest return for his entire professional life.

On June 12, parents, colleagues, friends and former students will gather to honor John for his many contributions over the years. I am happy to be able to join them in thanking John on behalf of my constituents and our neighbors for his dedication and commitment; he has earned a long and happy retirement. John Melendez is an exceptional educator, Mr. Speaker, who has shown himself worthy of the trust placed in him by the people of Fremont.

ON THE RETIREMENT OF BRIG. GEN. THOMAS E. BOWEN

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 25, 1993

Mrs. SCHROEDER. Mr. Speaker, I wish to pay tribute to the career of a distinguished Army officer and gentleman.

Brig. Gen. Thomas E. Bowen recently retired as the commander of Fitzsimons Army Medical Center. But he began his military career 40 years earlier as an aviation mechanic. After mastering the inner workings of military machines, he changed his focus to mastering the inner workings of a much more complex machine—the human body.

Master Sergeant Bowen became college graduate Bowen, then Dr. Bowen, then in 1965, Captain Bowen. Years of internship and residency work at various Army hospitals eventually produced Major Bowen.

Part of his medical training required duty in Vietnam. And no doubt his most memorable case involved an operating room drama that required Dr. Bowen to remove a live grenade from a live South Vietnamese soldier. The soldier pulled through. The grenade didn't.

Dr. Bowen received academic appointments and awards galore. His career took him south to Panama and west to Korea. Eventually, his career landed him at Fitzsimons in Aurora, CO.

General Bowen won the admiration of the civilian community and both patients and staff alike. He also won the admiration of one Congresswoman, a neat trick indeed.

The community and I wish Brig. Gen. Thomas E. Bowen all the best in his future pursuits.

CONGRATULATIONS TO PRESIDENT LEE TENG-HUI

HON. DAN BURTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 25, 1993

Mr. BURTON of Indiana. Mr. Speaker, among the leaders in the world, few are as impressive as President Lee Teng-hui of the Republic of China on Taiwan. With the assistance of his Premier, Dr. Lien Chan, and his Foreign Minister, Dr. Frederick Chien, President Lee has fully made Taiwan's presence felt in the world.

Taiwan impresses the world with its economic strength. Taiwan is an economic powerhouse, with a total trade volume of $153 billion in 1992 and a current foreign reserve in excess of $80 billion. Politically, it is moving toward a full democracy. Its people enjoy all the political freedoms that we enjoy in the West. Furthermore, Taiwan ranks as our sixth largest trading partner and maintains a strong relationship with our Government and people.

In the aftermath of President Lee Teng-hui's third anniversary in office which was May 20, 1993, this member sends President Lee and his people warmest congratulations and best wishes.

POWER FEEDBACK FOR TODAY'S EDUCATION

HON. JOHN W. OLVER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 25, 1993

Mr. OLVER. Mr. Speaker, I rise today to bring attention to Mr. Paul Kelly of Lenox, MA, for his outstanding development of an education plan entitled, "Power Feedback."

Mr. Kelly's plan comes to us at a time in which the country needs to concentrate on revising its educational system. His strategy strengthens the connections between teachers and students while improving listening, learning, and classroom management. It is applicable to any situation where learning is the objective and any size multicultural group is the audience. It is so defensible it could be politically correct. It costs and risks nothing. It can be implemented right away and yield quick observable results. It is a strategy that Mr. Kelly has used with success and knows will work for many other equators.

In today's classrooms, feedback should be more immediate, more individualized, and more enjoyable for students and teachers to stay connected. Power Feedback is an instructional tool that motivates students and teachers to listen and learn from each other and feel good about the exchange. As it is a method that leads to a mindset, it is to an individual's advantage to experience it in a classroom setting.

After 15 years of varied teaching experience, Mr. Kelly has clearly made a difference in education.

I am privileged to be able to recognize and acknowledge Mr. Kelly's overwhelming dedication to helping others achieve the success that he has had while using his plan, Power Feedback.

ST. JOSEPH'S PARISH IN FORT EDWARD, NY, RESTORES MEMORIAL TO WORLD WAR II SERVICE

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 25, 1993

Mr. SOLOMON. Mr. Speaker, there are two bedrocks of tradition in American life, and they are the military and our churches.

Our greatest patriots have often been our most religious citizens. Our families have spent countless Sundays in prayer for the well-being of our brave men and women in uniform, and have been comforted in their sorrow for the loss of loved ones.

This connection between patriotism and piety in America makes me especially happy for the good people of St. Joseph's Parish in Fort Edward, NY, in the heart of the 22d District.

In 1947 the erected a monument in honor of the 325 parishioners who served in World War II, including the 14 individuals who gave their lives for their country.

The years have taken a toll on the memorial. But this past winter the memorial, including the bronze plaque commemorating the 14 war dead, was restored to its original beauty. On April 7, 1993, the memorial was placed where it can be seen by passersby.

At this time I'd like to commend the Reverend Michael J. Polewczak, pastor of St. Joseph's, parishioner Nicholas Ruotolo, a World War II veteran who is coordinating rededication of the memorial, and Tree Care by Stan Hunt, the local company which helped in the restoration project. And of course, praise should go to the entire parish for their patriotism and their support for this project.

Mr. Speaker, we are reminded so often that every day, everywhere in America, people are still promoting and protecting the values and virtues that have made America the greatest and freest nation on Earth. I ask every Member to join me in saluting the people of St. Joseph's Church in Fort Edward, NY, on this happy occasion.

IN HONOR OF ROSEMARIE LEBER

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 25, 1993

Mr. STARK. Mr. Speaker, I rise today to recognize Ms. Rosemarie Leber, who is retiring after 32 years of classroom teaching. The faculty and students at the Lorenzo Manor School in San Lorenzo, CA are saying goodbye to a fine teacher who has touched the lives of thousands of children in my district.

Rosemarie Leber is one of those we speak of when we mention the unsung heroes of our society, dedicating her professional life to the futures of our children. As an elementary school teacher, Rosemarie reaches out to her students through music and art to bring language to life. Her efforts to engage the students in the learning process make many of my constituents look back on elementary school with great affection. She has given them a gift that brings rewards throughout their lives.

In June, Rosemarie will be honored for her years of service as friends and colleagues show her how much she will be missed. She has touched many lives in the classroom, Mr. Speaker, and I want to take this opportunity to congratulate her and wish her the best in retirement.

LEGISLATION REGARDING MILITARY SPOUSES

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 25, 1993

Mrs. SCHROEDER. Mr. Speaker, in 1982, Congress passed the Uniformed Services Former Spouses Protection Act [FSPA] to help former military spouses who sacrificed careers and permanent homes to support their spouses' military professions. The law has helped many former military spouses avoid financial disaster. But, like all laws, it yielded some unforeseen problems.

One such problem occurred when former military spouses receiving benefits under FSPA found themselves double-taxed because their ex-spouses, military retirees, deducted their own debt and tax payments before turning over the court-awarded share of retirement benefits. Once former military spouses received their share, they were taxed again, despite the fact that taxes had already been paid. In essence, former military spouses ended up paying their ex-spouse's debts and taxes, plus their own taxes.

In 1991, Congress corrected this problem by passing legislation that redefined disposable pay. Under this law, military retirees may deduct personal debt or tax payments only after making the court-appointed payment to their ex-spouses. Once the division is made, each party then becomes responsible for their own taxes. Although this law closed a loophole in FSPA, it only applied to divorces secured after February 4, 1991. Currently, former military spouses with pre-February 4, 1991, divorce decrees are still being penalized.

My proposal is simple. It takes the new definition of disposal pay and applies it to pre-February 4, 1991, divorces. Therefore, former military spouses, regardless of their divorce date, will not be forced to pay their ex-spouse's debts and taxes. In addition, in order to be fair to the military retiree, the bill prohibits former military spouses from seeking back payments on the new figures, and gives military retirees 90 days to adjust to the math. In short, the bill allows former military spouses access to payments that accurately reflect the divorce agreement they negotiated.

CONGRATULATIONS TO THE PEOPLE OF ERITREA

HON. DAN BURTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 25, 1993

Mr. BURTON of Indiana. Mr. Speaker, yesterday, the courageous people of Eritrea declared their independence after 30 years of struggling for freedom. The flag of the sovereign Republic of Eritrea now flies proudly in the beautiful capital city of Asmara.

The liberation of Eritrea, against the longest odds, is an incredible inspiration to people fighting for freedom all over the world. The perseverance of the Eritrean people is indeed remarkable. But even more striking is the sheer humanity and magnanimity exhibited by Eritrea in victory. It is an example worthy of emulation by others.

I am quite disappointed, Mr. Speaker, that our own Government did not see fit to send an appropriate delegation to the Eritrean independence celebration. The administration ought to be ashamed of itself.

I congratulate President Issaias Afwerki, Ambassador Hagos Ghebrehiwet, and all the people of Eritrea on this very joyous event.

IN RECOGNITION OF DON R. WILLIAMS

HON. LARRY COMBEST

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 25, 1993

Mr. COMBEST. Mr. Speaker, I rise today to pay tribute to a man who has for many years dedicated himself and his talents to the community of Odessa, TX. Don R. Williams was recently honored as Odessa's outstanding volunteer for 1993. In stating, "I believe that anything you do in the way of community service is the rent you pay for the space you occupy," he proves to have the true spirit of humanity.

Don was recognized with the W.D. Noel Volunteer of the Year Award sponsored by the Junior League of Odessa, the Odessa Chamber of Commerce, and the United Way, for his involvement in numerous nonprofit organizations. These include the Odessa Rotary Club, the United Way, the Salvation Army, the Odessa Chamber of Commerce, the Ector County Republican Party, and the Art Institute of the Permian Basin. Don's service is noteworthy not only because of the number of activities he contributes to, but also because of the variety of causes he supports.

The Rotary Club has been Don's primary service organization. He has maintained perfect meeting attendance for 30 years, and attributes this commitment to his father with whom he attended his first Rotary meeting. Don was recently named Rotary International district governor.

Mr. Speaker, it is an honor for me to recognize such an involved and devoted citizen of west Texas. I salute Don Williams for his willingness to freely give of his own time, energy, and talents. In doing so, he has touched many lives in Odessa, and has proven what community really means.

GUATEMALA'S ABROGATION OF THE CONSTITUTION

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 25, 1993

Mr. SMITH of New Jersey. Mr. Speaker, I was disappointed to hear the news this morning that President Serrano of Guatemala has taken the constitution into his own hands, and dissolved the legislature. Constitutional governance is fragile and President Serrano has made the disturbing decision to bring an abrupt halt to the progress he was leading. Now, Guatemalans will require a time and dedicated effort to sort out the distrust created by this cavalier action. Guatemala's neighbors are once again faced with an illegitimate government in the region, and they must cope with the pall of instability that such actions bring.

Guatemala is rife with abhorrent human rights abuses, I am concerned that the breadth of atrocities have not received the full light of day.

I am particularly concerned about the well being of the President of the Supreme Court of Justice, Juan Jose Rodil; Human Rights Ombudsman, Romiro de Leon Carpio and the President of Congress, Jose Lobo Dubon, The safety of these Guatemalan officials is of extreme importance to Congress.

I hope that the Organization of American States speaks out strongly against these events. Rapid response is warranted. In the end, democracy must be honored and Mr. Serrano must be held responsible for being true to the principles of civil government. I pray that lives will be spared throughout this process. Certainly Mr. Serrano will be held accountable for the climate which is created, whether it be a climate of reform and peaceful change, or a climate of terror and political and economic uncertainty. These actions bring into question the legitimacy of his government and force us to rethink United States policy as it relates to Guatemala.

TRIBUTE TO DAMIAN ELEMENTARY AND BEL AIR HIGH SCHOOL

HON. RONALD D. COLEMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 25, 1993

Mr. COLEMAN. Mr. Speaker, I rise today to herald the accomplishments of students in two of my local schools who will be recognized today for their efforts to prevent drug abuse, violence, and illiteracy amongst their peers. Damian Elementary and Bel Air High School of El Paso will receive $5,000 grand prize awards after finishing first in their respective categories in the "Seventh Annual Set a Good Example Contest," sponsored by the Concerned Businessmen's Association of America.

More than 850 schools competed this year in the nationwide contest which encourages students to get involved in combating drug use, illiteracy, dropping out and youth gang involvement. For the past 2 years the contest has put added emphasis on stopping the awful tragedy of kids killing kids in our schools. Five other El Paso schools received top 10 national honors in this year's program. They were Capistrano Elementary School; Ysleta Elementary School; Parkland Middle School; Ranchland Middle School; and Ysleta High School.

Over 7,000 schools have enrolled more than 6.8 million children in the Set a Good Example Program throughout its tenure on American campuses. And each year these millions of American children complete the contest by submitting essays on what they did to improve grades, recycle and even cleanup graffiti, parks and beaches. In my schools, many children developed buddy projects with students across the border in Mexico, giving international significance to the Set a Good Example Program.

Incredibly, all these good works are fostered thanks to the good will of some concerned and generous business people who donate all the books and materials for this program. My schools were supported by Dr. W.C. LaRock and Dr. J.I. Superville, both of El Paso. My heartfelt thanks for their assistance.

Congratulations to the Concerned Businessmen's Association of America for another successful year. But most of all I want to congratulate the children of Bel Air High School and Damian Elementary who worked hard this year to better themselves and improve their communities. Keep up the good work kids.

WHY?

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 25, 1993

Mr. STARK. Mr. Speaker, I've received a great, succinct letter from a constituent, Richard D. Smith in Hayward, CA:

My wife and I recently made a trip to Belgium. While in Belgium I came down with bronchitis. The Doctor I went to in Belgium prescribed 5 days of medication—Biclar 010. comp. 25 mg. for my problem at a cost of $22.30 American, which took care of my problem.

Upon returning to Hayward, CA., I visited my personal Doctor and he told me this same medication for 5 days in USA would cost $150.00. Why?

Why, indeed? If Members would like to help answer that question and stop the outrageous pricing of pharmaceutical drugs in this country, I urge them to cosponsor H.R. 916, which establishes a Pharmaceutical Price Review Board. Such a board—modeled on Canada's successful program—could help prevent the type of abuse of American patients so well described by Mr. Smith.

THOMAS-HILL REVISITED

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 25, 1993

Mrs. SCHROEDER. Mr. Speaker, I would like to make a matter of record my "Dear Colleagues" of May 24 and 25, 1993.

HOUSE OF REPRESENTATIVES,
Washington, DC, May 24, 1993.

DEAR COLLEAGUE: The recent publication of "The Real Anita Hill: The Untold Story," by David Brock, has returned the jarring events of October 1991 to the public eye. This week, The New Yorker magazine published a critique of the book and the author's methods, which I would like to share with you.

[From the New Yorker, May 24, 1992]

THE SURREAL ANITA HILL

(By Jane Mayer and Jill Abramson)

Nineteen months have passed since Anita Hill and Clarence Thomas exchanged their televised charges and denials in what became one of the most politically and sexually polarized confrontations in recent history, and still the American public is divided about whether a justice now sitting on the country's highest court lied to get the job. The extraordinary showdown between the judge and his accuser has already affected politics on almost every level, from the personal to the Presidential; but the mystery of who really was telling the truth has endured. So it is a matter of national interest that a man named David Brock has come forward with a book that purports to settle the question.

With a tone of authority and thirty-five pages of footnotes, his book, "The Real Anita Hill: The Untold Story" (Free Press; $24.95), is presented as a powerful work of investigative reporting. Published by a division of the reputable Macmillan publishing house, it is packaged as an unbiased, revisionist look at the explosive hearings, which the author claims to have approached as an agnostic, willing to go wherever the facts led him.

Having pored over hearing transcripts, F.B.I. interviews, previously unreleased affidavits, and the report of the special counsel assigned by the Senate to determine who leaked Hill's accusation to the media, Brock flatly accuses Anita Hill of fabricating her charge even though "she must have known that Clarence Thomas was not the guilty party in this case." At first, he proposes, Hill simply failed to correct a friend's false impression that Thomas was the man whom she had once accused of sexually harassing her. But later, Brock suggests, Hill actively embellished the story, with the help of overzealous Senate aides and a feminist law professor determined to score an ideological hit on a conservative nominee. At their extreme, her radical feminist mentors were indifferent to the truth, he concludes, because in their eyes "all men are seen as rapists . . . [so] it does not matter whether Hill proved her case against Thomas or not." The hearings, Brock warns darkly, were but one foray in a "broader ideological movement to redefine the legal and social relations between the sexes" now underway in this country.

In the course of making his case, Brock transforms the prim former Reagan Administration official, who is now a tenured professor of commercial law at the University of Oklahoma, into an emotionally unstable, "full-fledged campus radical" with a long list of political and personal reasons for wanting to do Clarence Thomas in. And that's not all. According to an anonymous source quoted by Brock, she seems to enjoy watching pornographic films and making lunchtime chitchat about "the size of men's penises" and "firm butts," and is "obsessed with oral sex."

Unsurprisingly, "The Real Anita Hill" has been heralded as the long-suppressed truth by prominent conservatives, among them Rush Limbaugh, Thomas Sowell, and George F. Will—who devoted his *Newsweek* column to the book, declaring it "persuasive to minds not sealed by the caulking of ideology." But it has also, surprisingly, received respectful reviews from the *Times*, the Washington *Post*, and *Newsday*, where the historian David J. Garrow, whose biography of Martin Luther King, Jr., was awarded a Pulitzer Prize, called the book "highly plausible," and suggested that "in time [it] may well prove to be far closer to the mark than many present-day pundits would like to believe."

An essentially uncritical acceptance of the facts in a nonfiction book—as distinct from the author's interpretations of those facts—is a convention of book reviewing, and normally an unavoidable one. In the case of "The Real Anita Hill," this convention threatens to do a serious disservice to history. For more than a year, we have been researching a political history of the Thomas confirmation battle, interviewing many of the same people Brock has talked to, and many to whom, evidently, he hasn't. He is skilled at lining up facts to fit his agenda, and it's clear that a familiarity with the larger record, and a willingness to do independent reporting, is required in order fully to evaluate—and to correct—his account. So, before this important piece of American history is abandoned to the ideologues, a closer look should be taken at both Brock and his "Real Anita Hill."

The book's jacket describes Brock as "an investigative journalist." The term suggests—as does Brock's foreword—that he is a man without a bias. "Like most Americans," the first sentence of the foreword reads, "I tuned into the Thomas-Hill hearings with an open mind." But what is left vague to readers trying to evaluate the perspective he brings to the subject is his extensive bona fides in the conservative movement. He is not an unbiased journalist, as he represents himself, he is a polemicist who writes. Through early 1991, he was a fellow of the Heritage Foundation, the staunchly conservative Washington think tank that supplied both intellectual energy and personnel to the Reagan revolution. His first "investigative" work on Professor Hill, a long article describing her as "a bit nutty, and a bit slutty" (the mudslinging language has been cleaned up for this more high-toned effort), appeared in March of 1992 in the lively and tendentiously conservative journal of opinion *The American Spectator*—a publication funded by several conservative foundations, one of which, the Bradley Foundation, donated a hundred thousand dollars last year partly to pay for "investigative" pieces like Brock's. Both the Bradley Foundation and the equally conservative John M. Olin Foundation have also helped to bankroll this book—as Brock acknowledges in an author's note. But the note, though it suggests full disclosure, fails to mention that the Olin Foundation is headed by William Simon, who served as finance chair of the Citizens' Committee to Confirm Clarence Thomas.

Of course, the fact that an author has a strong ideological predisposition is not an automatic indication that what he writes will be untrue or without merit. Much of the best nonfiction has come from impassioned, opinionated partisans. What is so troubling about Brock is that he pretends to be neutral when he is not. He does a skillful job of identifying numerous inconsistencies in the public and private record of the Hill-Thomas dispute, highlighting contradictions and questioning motives. But when it suits his agenda he will take a small inconsistency, read into it a major and unproved thesis, and, with each subsequent reference, treat his own speculation increasingly as accepted fact, as if repetition made it so. The technique will be recognizable to anyone who has watched a slick trial lawyer. But, unlike a court of law, the book provides no opportunity to face the accuser, since much of Brock's most damning material is in the form of quotes from anonymous sources. Nor is there any representation for the accused. Had Brock been interested in balance, he might have applied his "investigative journalism" to Justice Thomas as well. Instead, he gives Thomas a totally clean bill of health at the outset, declaring, without qualification, that "nothing was discovered to contradict his sworn testimony." One wonders how hard he looked.

Brock's central thesis is that Hill left the false impression, in a telephone conversation with a girlfriend, that Thomas had harassed her, and, for unknown reasons, failed subsequently to clear up the misunderstanding. Instead, Hill decided to stick with the misrepresentation, to repeat it to the F.B.I., to fly to Washington so that she could repeat it publicly in front of a national television audience (and her assembled family), and then to subject herself and the detailed story she was fabricating to three days of intense grilling by the members of the Senate Judiciary Committee—all under threat of perjury.

The proof offered for this extraordinary case of mistaken identity is that the girlfriend in question, Susan Hoerchner, who was a Yale Law School classmate of Hill's and is now a workers' compensation judge in Norwalk, California, told authorities that she recalled that it was in the spring of 1981 that Hill had first mentioned being harassed—and the spring of 1981 was several months before Hill first started working for Thomas, at the Department of Education. Therefore, Brock concludes, Hill must have been referring to an earlier harasser at an earlier job, whom Hoerchner later confused with Thomas.

The possibility that when Hoerchner was recalling a conversation that had taken place a decade earlier she got the date of the conversation wrong by a few months is not explored. Brock did not interview Hoerchner or her attorney, Ron Allen; if he had, he would have learned that when she was first contacted and interviewed by the F.B.I. Hoerchner characterized the date of her phone conversation as "a wild guess," and was therefore reluctant to supply it. In her later sworn testimony, she said three times that she simply could not pin down the date of the conversation with any certainty—a statement that Brock interprets as reflecting a belated realization that the pieces of her story weren't adding up. What she was certain about, however, and what she swore to under oath, in testimony not included in this book, was that Hill "had gone to work for Clarence Thomas in the Department of Education before she mentioned any problems with harassment."

On the fragile foundation of a shaky date a mighty fortress of intrigue is built. The plot gets so much more convoluted before Brock's version of Anita Hill's "untold story" is over that the book produces a kind of absurdist effect, giving us more the surreal Anita Hill than the real one. Probably the most egregious, and certainly the most sensational, of the book's distortions serve to reconstruct Hill's image into that of a wanton sexual tease, coming on to her students in bizarre ways and engaging in kinky sexual conversations—allegations that are useful to Brock as a way of explaining how Hill was able to fabricate the details of her charge against Thomas. For the most past, Brock bases these ad feminam attacks on anonymous sources, thereby making them impossible to evaluate; but an examination of one of the few instances in which sources are named does not inspire faith in his reportorial methods.

He writes that when Hill was teaching law at Oral Roberts University, in Tulsa, she once returned several students' papers to them with what appeared to be a dozen or so pubic hairs sprinkled through the pages. The pubic-hair motif, of course, echoes Hill's testimony that Thomas once picked up a Coke can in her presence and asked, inexplicably, "Who has put pubic hair on my Coke?" The term-paper story is attributed to a former law student, now a Tulsa attorney, named Lawrence Shiles. Brock writes that, despite qualms in the Justice Department, "Shiles took it upon himself to swear our an affidavit" about the pubic hairs, which "he filed with the Judiciary Committee under no pressure from the divided Thomas camp in Washington." A corroborative witness, named Jeff Londoff, is also mentioned in the affidavit. Brock says that Londoff, "while he could not be sure of their source . . . corroborated the affidavit and said virtually the same things about the hairs in an interview: 'They were short, coarse, and curly.'"

But in a recent interview Londoff, who is now an attorney in St. Louis, told us a different story: "The whole thing was just a joke—how the hell would anyone know whether it was pubic hair or not? The lady's black, you know; she's got kinky hair. Or it could have come from an assistant, too. But some Senate aide kept faxing me these affidavits trying to get me to sign them saying it was pubic hair. The must have called me ten or twelve times. They wanted to put as much crap down on her as they could. I think they were looking for anything they could find, but the affidavit was so one-sided I refused to sign." This is from a source Brock describes as providing corroboration.

As for Shiles, Londoff, who considers himself a good friend, said of him, "You have to understand, Larry has different views about black and while [people]. He's a great guy, but he's from down South, if you know what I mean." Moreover, "Larry had a problem with Professor Hill for a number of reasons—he didn't do too well in her class." And Brock's assertion that Shiles came forward on his own is disputed by Shiles himself. "I was hunting with my son way up in Rifle, Colorado, when my wife called at midnight on a Saturday night at the motel where we were staying. She said someone from Hank Brown's office"—Brown is the Colorado Republican senator and serves on the Judiciary Committee—"was trying to reach me," Shiles told us. After eliciting the pubic-hair story, the staffer searched through the Martindale-Hubbell Law Directory for the nearest law firm and arranged for Shiles to have an affidavit notarized there on Sunday morning so that it could be used in the hearings.

These are not insignificant differences. By exposing Brock's eagerness to distort a puerile student joke into a corroborated instance of seriously strange behavior, they fundamentally undermine his characterization of Anita Hill. The Republican members of the Judiciary Committee considered Shiles' affidavit too risky to use. In the absence of any corroboration—despite strenuous efforts to get Londoff to confirm the story—they discounted it. Their judgment is evidently not shared by Brock.

Brock's thesis that Hill accused the wrong man rests on his assumption that she must have had someone else in mind when she first discussed the problem with Susan Hoerchner. So he posits that Hill made up an earlier harassment experience, and he endows her with a motive for doing so: he suggests that she invented such an experience in order to cover up her failure to thrive at Wald, Harkrader & Ross, a Washington law firm, now defunct, that she went to work for, as a junior associate, after Yale, Brock uses this alleged incident to establish that Hill had a "proclivity to use harassment . . . as an excuse for her personal and professional problems," and suggests that she repeated this behavior when she charged Thomas. Brock's argument requires him to prove that Hill was, in fact, failing at the law firm, and was thus in need of a cover story. He stakes quite a lot on this notion, asserting at one point that "the most critical misrepresentation" Hill made during the hearings was her denial that she had been asked to leave the law firm.

That assertion, unlike many in the book, at least has a named source: a former Wald, Harkrader partner named John Burke. Burke states, in an affidavit submitted to the Judiciary Committee, that Hill was indeed in trouble at the firm, and that he told her it would be in her best interests to seek employment elsewhere. What Brock does not mention is that, according to three partners who have searched the firm's records—Robert Wald, C. Coleman Bird, and Donald Green—they give no indication that Hill ever worked on any legal matter with John Burke. This makes it highly unlikely that he would have had any role in evaluating Hill's work, much less that he would have taken it upon himself to ask her to leave the firm. Moreover, these two partners say that Hill's associate evaluations do not indicate unsatisfactory work. Interestingly, the records do show that Burke worked with another black female associate, in the same class at the firm as Hill, and that this associate was performing so unsatisfactorily that she was asked to leave the firm. Brock fails to present readers with the embarrassing possibility that Burke had in mind the wrong black female associate. Nor does he consider how unlikely it would have been for the firm to dismiss *both* of its first-year black female associates. Burke is a respected member of the bar, and a liberal with no ideological axe to grind, but there is another reason to question his memory: at the time he submitted his affidavit about Hill, Burke called Jeffrey Liss, another former partner, who he thought was present during his talk with Hill, for confirmation. Liss says that he told Burke he had no memory of it.

Brock stretches this thin story line even further: he suggests a deliberate coverup on the part of those who dispute the contention that Hill was asked to leave, including the firm's founder, Robert Wald, who is a well-known liberal lawyer in Washington. To prove that Wald is part of a liberal conspiracy, Brock discloses triumphantly that Wald's wife, Patricia, a prominent federal judge (she was on President Clinton's short list for Attorney General), "was close to" Anita Hill's sympathizer Senator Paul Simon. But, alas for conspiracy buffs, both Senator Simon and Judge Wald agree that they have never met.

By page 297, Brock's speculation has hardened into fact, and he is referring to Thomas as "the man who had saved [Hill] from the indignity of being fired at Wald, Harkrader." Without any evidence that Hill ever filed a complaint or accused anyone other than Clarence Thomas of sexual harassment, Brock has turned a harassment episode which only he knows about, designed to cover a failure no one can prove, into a "pattern of complaints about harassment" on Hill's part, which he then uses to explain her charges against Thomas.

Hill's alleged invention could not have succeeded, in Brock's account, without the support of a conspiracy of anti-Thomas partisans. By far the most successful section of Brock's book is its discussion of the behind-the-scenes political pressure that forced Hill to come forward. The reason the reporting is so much more thorough here than elsewhere may be that it is largely based on the special counsel's report on the leak—a document that was itself based on hundreds of interviews. But even with all this assistance, Brock manages to wring an unbalanced conclusion from the facts. He decries the existence of a "Shadow Senate," which he describes as a "loose coalition of special-interest lobby groups, zealous Senate staffers, and a scandal-hungry press corps . . . who organized . . . the opposition to conservative judicial nominees." This nexus is unquestionably important. But Brock scarcely mentions its counterpart, the well-funded conservative coalition, backed in part by the same foundations that have supported his book, which worked had in glove with the Bush White House in a campaign to generate support for Judge Thomas. In any event, the issue of who leaked Hill's testimony does not bear on the question of whether the substance of that testimony was fabricated.

Among Brock's more extraordinary theories is that all of Hill's four corroborating witnesses were either confused or lying. After Hoerchner, he takes them on one by one. When he is done, he declares that Hill's case was "uncorroborated and unsupported by any co-worker, or anyone else." But interviews that we conducted with all four corroborating witnesses (none of whom appear to have been interviewed by Brock) and a fair reading of the hearing transcripts leave no doubt that Hill confided both the nature and the source of her harassment problem to a number of people at the time it was happening. And Brock unwisely and incorrectly assumes that the four people who testified to this constitute the whole universe of people she told.

Brock levels one of his nastiest attacks against Angela Wright, a woman who worked under Thomas at the Equal Employment Opportunity Commission until he fired her. Wright spent the weekend of the hearings in her lawyer's office in Washington and in an Arlington, Virginia, motel room, waiting to testify that Thomas had also made sexually inappropriate comments to her at work, asking her breast size at one point, and admiring the hair on her legs at another. She is obviously in a position to counter Brock's argument that no other women have ever had similar complaints about Thomas. In what is apparently an effort to undermine Wright's credibility, Brock stresses that she refused to submit to an F.B.I. interview. But according to her attorney James G. Middlebrooks, Wright was interviewed by two F.B.I. agents, Linda McKetney and Leslie Fairbairn, of the agency's Washington Metropolitan Field Office, between 1:30 and 3 p.m. on Saturday, October 12th. Brock also claims that the statement Wright submitted to the Senate Judiciary Committee was not sworn, and he upbraids National Public Radio's legal-affairs correspondent, Nina Totenberg, for stating otherwise in a speech at Stanford. Totenberg and the rest of the media were, in his view, irresponsible in giving Wright any coverage at all, since, he argues, "ordinarily, one would not credit such unsworn statements as Wright's by publicizing them further." But Wright's statement was sworn. She signed a legal affidavit under oath that her statement was true and accurate, thus giving it the same legal status as sworn testimony before the Judiciary Committee. According to Wright, Brock never attempted to get in touch with her to ask about this or about anything else.

All nonfiction books contain errors, but this book is unusual in the extent to which its key arguments are based on them. For example, in confronting the problem that Hill passed a polygraph test Brock suggests that Paul Minor, the man who conducted it, was inexperienced, quoting a competitor of Minor's as saying, "I don't think he's run that many tests." But Minor was a full-time polygraph examiner for the federal government from 1972 until 1987, when he retired as chief of the F.B.I.'s polygraph division. When Brock raises the issue of whether Senators Howard Metzenbaum and Paul Simon, both Democratic members of the Judiciary Committee, had something to hide from the special counsel investigating the leak, he asserts that they both "refused to be interviewed" by the special counsel. But each was interviewed for over an hour. Brock asserts, no fewer than four times, that the feminist law professor Catharine MacKinnon (whose name he misspells) "advised Anita Hill before she testified"—assertions that appear to be an effort to buttress the claim that radical feminists helped Hill to concoct her story. But MacKinnon adamantly denies that she advised Hill, either directly or indirectly, and so do Hill's lawyers. And, to give just one more example, in an attempt to provide Hill with a motive for cooperating with Senate aides who were out to get Thomas, Brock quotes two former employees of Thomas' as saying that Hill and James Brudney—the aide to Metzenbaum whom Brock accuses of leaking Hill's allegations to the media—were close friends. The friendship, one of these sources asserts, was in full bloom while Hill worked at the E.E.O.C.

Brock omits from the account, however, that the same source told Senate investigators that Brudney was working for the Senate at the time. But Brudney didn't work for the Senate until two years after Hill left Washington for Oklahoma, which raises questions about the sources' reliability. Brock's other source on the friendship is quoted as saying that Hill often talked of "having spent the weekend at [Brudney's] apartment, in Foggy Bottom I think it was." According to a spokesman for Brudney, he only saw and spoke to Hill once during the entire time they were both in Washington, when he bumped into her on the street. And he has never lived in Foggy Bottom.

At a certain point, a knowledgeable reader begins to wonder how many of these errors are innocent and how many are deliberate distortions. Although Brock carefully distances himself from the Republicans on the Senate Judiciary Committee, and even suggests that their tactics were at times unfair to Hill, his version of history has many of the earmarks of the original smear campaign. If anything, it is less principled, since he bases so much of his reporting—particularly the uncorroborated and mostly anonymous allegations from Oklahoma about Hill's sexual peccadilloes—on material that the Republican members of the Senate Judiciary Committee had at their disposal during the hearings but considered beyond the pale.

Given the fervor with which Brock and his funders have gone after Hill, what is most striking is how little they have found. Once the sources are evaluated and the contradictory evidence is considered, Brock's arguments evaporate into an amorphous cloud of ill will. It's understandable, and even laudable, that Thomas's supporters would want to clear his name from slander. And obviously, in order to do so, they must somehow deal with Hill. But then one might expect them to construct their case on the facts, rather than the other way around.

HOUSE OF REPRESENTATIVES,
Washington, DC, May 25, 1994.

DEAR COLLEAGUE: Yesterday's "Dear Colleague" from Reps. Phil Crane and Dick Armey asserts that the fact that Jane Meyer and Jill Abramson "are in the process of writing their own book" on the Clarence Thomas-Anita Hill matter was "cleverly left out of the book review" that I circulated to my colleagues yesterday. Reps. Crane and Armey, gentleman both, allow that I was "probably not aware of this fact."

Gentlemen, I was aware of that fact because it was fully disclosed in the sixth paragraph of the book review:

"In the case of 'The Real Anita Hill,' this convention threatens to do a serious disservice to history. For more than a year, we have been researching a political history of the Thomas confirmation battle, interviewing many of the same people Brock has talked to, and many to whom, evidently, he hasn't. He is skilled at lining up facts to fit his agenda, and it's clear that a familiarity with the larger record, and a willingness to do independent reporting, is required in order fully to evaluate—and to correct—his account. So, before this important piece of American history is abandoned to the ideologues, a closer look should be taken at both Brock and his 'Real Anita Hill'."

TRIBUTE TO HERMAN BELL

HON. ROBERT A. BORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 25, 1993

Mr. BORSKI. Mr. Speaker, I rise today to honor Herman Bell, who will soon retire after 38 eight years of exemplary service with the Philadelphia Public School System.

Mr. Speaker, Herman Bell has dedicated his life to creating an atmosphere for students which is both challenging and empowering. Emphasizing not only academic excellence but also personal integrity and self-esteem, Herman Bell has accepted and met all of the broad responsibilities associated with being an educator. He has worked to assume that the Philadelphia Public School System is linked with the community it serves through community service, home and school association meetings, and faculty conferences.

Herman Bell served as teacher, counselor, vice principal, and principal at the Key School in south Philadelphia, working there until 1982. He then assumed the position of principal at the Sullivan School in northeast Philadelphia, where he has worked for the past 11 years. His tenure has seen a marked increase in test scores across all school subjects. Also, he has instituted a curriculum which endeavors to insure that all students acquire necessary writing skills.

Herman Bell has been an invaluable asset to the Philadelphia Public School System, and the mark he has made will touch future generations, inspiring them to meet the challenges of their day.

TRIBUTE TO A LIGHT OF THE COMMUNITY

HON. DONALD M. PAYNE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 25, 1993

Mr. PAYNE of New Jersey. Mr. Speaker, over this past weekend a program was held that honored Ms. Magnolia Etheridge, fondly known as Aunt Maggie or Mag. Ms. Etheridge has been a beacon in the Newark community for the past 50 years. She is actively involved in all aspects of the community. She has been a resident of South Eighth Street since 1959, where she has nurtured many generations of young people into adulthood.

She joined Mount Zion Baptist Church in 1937 where she has been an active participant in many of the church's organizations. She is a member of the Pulpit Aid Club, currently serving as its president. With the knowledge that the children are our future, she has taught Sunday School for more than 40 years always bringing a child along with her to church. She is also an active participant with the missionary society, presently working with the Sharing Our Bread Program.

Her extended family is large and loving and encompasses many more than blood relatives. Whenever there is a family emergency Maggie is the first one to be contacted. Everyone knows that she will know what to do. Many have told me that she always has a cake in the freezer ready to take to whoever might need it, whatever the occasion.

Maggie is a senior citizen in numerical listing only. She is always on the run working to make the Newark community a better place for all she touches. I am glad to be able to say that Ms. Magnolia Etheridge is a member of the 10th Congressional District of New Jersey working closely with our youth to form the intergenerational bonds that are so greatly needed. Thank you Aunt Maggie for caring and sharing so freely to make the community great.

Mr. Speaker, I ask my colleagues to please join me in saluting Ms. Etheridge as her family and friends saluted her last weekend.

INTRODUCTION OF LEGISLATION REGARDING A UNITED STATES-CHINA BILATERAL HUMAN RIGHTS COMMISSION

HON. JIM LIGHTFOOT

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 25, 1993

Mr. LIGHTFOOT. Mr. Speaker, today I am introducing legislation authorizing the President to enter into agreement with the Peoples Republic of China to establish a United States-China Bilateral Human Rights Commission.

Although Members of Congress may disagree on the policy prescriptions, no one disputes the fact there are serious human rights abuses in China. Some in Congress have gone so far as to propose legislation which would renew MFN this year but condition next year's renewal of MFN to noble, but unrealistic goals.

I believe tying MFN to China with unrealistic conditions simply harms those we are trying to help. Revoking MFN to China will not greatly harm the butchers who ordered the attack at Tianenmen Square. But it will harm Americans whose livelihood depends on trade with China, it will hurt the people of Hong Kong who are attempting to negotiate the delicate transfer to Chinese authority, and it will hurt, most of all, the Chinese citizens who are experiencing economic freedom.

My bill authorizes the President to establish a bilateral human rights commission between the United States and China. The United States commissioners would include Government officials with expertise in human rights, activists in Chinese human rights, jurists, religious leaders, and business persons. The duties of the commission would include investigating and resolving human rights abuse cases and monitoring human rights in both countries, using as the standard the International Covenant on Civil And Political Rights. For those of you unfamiliar with this covenant, it was once described by Secretary of State Warren Christopher as, "the most similar in conception to the U.S. Constitution and Bill of Rights." Finally, the bill would also call for the opening of offices in both countries manned by permanent staff.

I do not intend this bill to be a cure-all for the issues separating our two counties. The leaders of China today suppress human rights, pursue mercantilist trade policies and their arms sales could lead to the destabilization of many parts of the world. But we must pursue policies which are appropriate to each separate issue and offer a realistic hope of real results.

I believe a bilateral human rights commission between our two counties is a reasonable start to solving a difficult problem. Coupled with playing a major role in admission to GATT and our role in deciding whether the Olympics in the year 2000, the United States is in a position to have positive influence on change within China. Given the fact that Australia now sends annual, high level delegations to China to discuss human rights, I believe the time has come to aggressively explore this alternative.

BASEBALL HIRING

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 25, 1993

Mr. RICHARDSON. Mr. Speaker, I am delighted by major league baseball's recent decision to appoint Sal B. Artiaga as president of the Arizona Fall League [AFL]. As one who has urged baseball executives to hire more minorities in management positions, I must commend major league baseball for selecting Mr. Artiaga who is of Hispanic descent for this important position in the AFL.

Mr. Artiaga was an executive of the National Association, the governing body of the minor leagues, for 10 years, serving as president the final 3 years. Before joining the National Association, he spent 15 years in key scouting and minor league positions with the Cincinnati Reds during a period when the Reds won six division championships and two World Series. He began his baseball career in 1955 as the assistant business manager of the El Paso club of the Texas League.

As a native of my home State of New Mexico, I personally congratulate Mr. Artiaga and urge my colleagues to join me in wishing the new president of the AFL the very best during his new assignment.

CELLUS AND GAYZELLE PENTON CELEBRATE THEIR GOLDEN WEDDING ANNIVERSARY

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 25, 1993

Mr. STARK. Mr. Speaker, on May 29, 1993, Cellus and Gayzelle Penton of Oakland, CA, will celebrate 50 years of marriage together. I want to take a moment to share with my colleagues some details about their remarkable lives together in the community I have the honor to represent.

Mr. and Mrs. Penton are both from Louisiana and were married during World War II, when Cellus served as a sergeant first class both stateside and in Europe until 1945. The couple moved to Oakland, where Cellus worked at the Alameda Naval Air Station for 32 years until his retirement in 1978. They have been Oakland residents for 47 years and active members of Phillips Chapel in Berkeley for 46 years.

Gayzelle was an active homemaker and served as president of the local PTA. In 1959, she started the first noon supervision program using parent volunteers, a plan that was adopted by the Oakland Board of Education. She retired in 1980 after 21 dedicated years of working for the safety and education of Oakland children.

Cellus and Gayzelle have three grown daughters, Jacqueline Austin, Cynthea McKinzie, and Claudia Penton, and three grandchildren, Brian, Joslyn, and Julayne. They are widely regarded back home as fine parents and role models. We can all learn something, Mr. Speaker, from the dedication they have shown to each other, their family, and community. I ask my colleagues to join me in offering them a hearty congratulations as they celebrate 50 happy years together.

TRIBUTE TO MAJ. GEN. MICHAEL D. PAVICH

HON. VIC FAZIO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 25, 1993

Mr. FAZIO. Mr. Speaker, I rise today to pay tribute to Maj. Gen. Michael D. Pavich, who will retire effective July 1, 1993, after 29 years of dedicated service to the U.S. Air Force. General Pavich has been commander of the Sacramento Air Logistics Center at McClellan Air Force Base in Sacramento, CA, for the past 2½ years.

A native of Salt Lake City, UT, General Pavich graduated from the U.S. Air Force Academy in 1964, with a bachelor of science degree in military science, and was commissioned a second lieutenant. After pilot training, he flew RF-4C Phantoms at Shaw Air Force Base, SC, and at Udorn Royal Thai Air Force Base. He completed 100 combat missions over North Vietnam.

After an assignment at Mountain Home Air Force Base, ID, the general attended the Air Force Institute of Technology at Wright-Patterson Air Force Base, OH, graduating in July 1972, with a master of science degree in aerospace engineering.

In 1975, General Pavich completed Armed Forces Staff College, after which he returned to Shaw Air Force Base as operations officer and then commander of the 62d Tactical Reconnaissance Squadron. In 1979, he completed the National War College and was subsequently assigned to the Air Force Academy as deputy commandant for military instruction.

In November 1980, he returned to the Ogden Air Logistics Center in Utah as chief of the Aircraft System Management Division, Directorate of Materiel Management. An assignment at the Pentagon followed, as director for Theater Force Analyses under the Assistant Chief of Staff for Studies and Analyses. He then returned to Ogden as director of Materiel Management.

During a 3-year assignment at Wright-Patterson, General Pavich served first as commander of the Logistics Operations Center, Air Force Logistics Command, then as Deputy Chief of Staff for Materiel Management.

General Pavich's present assignment at Sacramento began on November 6, 1990. Under his dynamic leadership, the center was presented several notable awards. His dedication to a quality force drove the achievements which resulted in the award of the 1991 Quality Improvement Prototype Award. The center's visibility as a modern, efficient, high-technology aerial depot earned the general and the center the Thomas P. Gerrity Logistics Award and the General Thomas D. White Environmental Pollution Prevention Award.

Additionally, General Pavich's hands-on management style ensured effective and efficient logistics support and greatly enhanced the operational capability of the U.S. Air Force during the Persian Gulf conflict. The unprecedented mission-capable rates of aircraft and systems supported by the Sacramento Air Logistics Center were significantly enhanced by General Pavich's exemplary foresight and initiative.

General Pavich's military awards and decorations include the Distinguished Service Medal, the Legion of Merit, Distinguished Flying Cross with oak leaf cluster, Meritorious Service Medal with two oak leaf clusters, the Air Medal with 9 oak leaf clusters, and the Air Force Commendation Medal. The extraordinary leadership, outstanding dedication, and ceaseless efforts of Maj. Gen. Michael D. Pavich culminate a distinguished career in the service of his country and reflect great credit upon himself and the U.S. Air Force.

THE SPORTS STANDARDS ACT OF 1993

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 25, 1993

Mr. EDWARDS of California. Mr. Speaker, today I am reintroducing legislation which addresses a narrow but important problem faced by sports organizations in the United States. That problem is the threat of antitrust litigation which athletic governing bodies constantly face when they set standards of competition. I have redrafted the bill, the Sports Standards Act of 1993, to clarify its application to this issue.

The goal of the Sports Act of 1993 is to promote the administration of sports competition by protecting qualifying sports organizations from needless litigation over the setting of equipment standards and rules of competition.

In addition to promoting their sports, governing bodies often adopt official rules of competition, which frequently include equipment standards. No one would argue against an organizing body setting the standards of competition for its sport. After all, competition is meaningless unless it is based on a consistent set of rules.

Setting rules can require a sports organization to consult with other international rulemaking organizations to ensure that international and national competitions are conducted under the same set of rules. Unfortunately, it is this consultation which has landed some of these sports organizations in court, defending against charges of participating in unlawful conspiracies in restraint of trade.

Manufacturers of nonconforming equipment have filed suit against sports organizations alleging that these consultations constitute antitrust violations. The rulemaking bodies must then spend enormous sums to defend their legitimate actions in court. To cite just one example, the U.S. Golf Association has had to defend itself against the golf shoe and golf club manufacturers which produced equipment which did not meet USGA's standards for its championships—standards that had been established as a result of consultations with the USGA's counterpart in the United Kingdom.

This is an unfair burden on organizations which set rules solely to preserve the integrity of their sport, not to keep manufacturers out of a particular market. Moreover, the threat of these suits discourages the consultation necessary to maintain uniform competitive conditions both here and abroad.

My bill would simply clarify that a nonprofit sports organization, which functions as the rulemaking body for all competition in the sport, is exempt from liability for consultations with other national and international rulemaking bodies and for actions taken pursuant to such consultations concerning rules and equipment standards for national and international competition.

The bill's protection would extend only to not-for-profit charitable corporations which have as their purpose the advancement of athletic competition. It would not affect the liability of any for-profit corporation for any action that may be in violation of the law. Nor would it protect not-for-profit organizations from other independent claims arising from improper dealings with, for example, a particular equipment manufacturer.

Mr. Speaker, athletic competition requires that someone make the rules of play. Governing bodies for sports organizations are formed in large part to perform that function. However, those who serve on these organizations cannot be free to adopt proper rules with the constant threat of antitrust litigation hanging over their heads every time they consult with another national governing body in search of a common standard. The Sports Standards Act of 1993 would remove that threat and let these organizations go about the business of promoting and organizing competition.

FOR THE RELIEF OF THOMAS PARNELL McNAMARA, JR., AND MICHAEL PATRICK McNAMARA

HON. CHET EDWARDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 25, 1993

Mr. EDWARDS of Texas. Mr. Speaker, today, I am introducing legislation for the relief of Thomas Parnell McNamara, Jr., and Michael Patrick McNamara, to have their position as intermittent deputy U.S. marshals converted to deputy U.S. marshals. They are prevented from becoming deputy U.S. marshals due to the maximum age limit. The legislation I am introducing will waive the maximum age limit allowing Parnell and Michael McNamara's position to be upgraded to deputy U.S. marshals.

For all practical purposes, the McNamara brothers have served for 22 years in the capacity of deputy U.S. marshals. As teenagers they were hired in 1963 by the U.S. Marshals Service as Federal guards to transport prisoners, provide courtroom security, and guard Federal grand juries. The McNamara's continued in this capacity until 1970, when they were sworn in as intermittent deputy U.S. marshals. Parnell was 24 years old when he was sworn in and Michael was 23. For the past 22 years they have performed the duties of full time career status deputy U.S. marshals in Waco, TX.

Parnell and Michael McNamara have been exceptional intermittent deputy U.S. marshals winning many awards. From 1985 to 1991, both Parnell and Michael received each year the Special Achievement Award for Sustained Superior Performance of Duty. In 1987, they both attended the U.S. Marshals Academy at the Federal Law Enforcement Training Center in Glynco, GA, and received the highest honors in academics and firearms training. The highest award an intermittent deputy U.S. marshal can receive, the Director's Award for Enforcement was bestowed on Parnell and Michael for their investigative work on the case of serial killer Kenneth Allen McDuff.

Every requirement for becoming a career status deputy U.S. marshal has been satisfied by Parnell and Michael McNamara. The only obstacle is the maximum age limit for deputy U.S. marshals. As their record shows, these men are highly skilled and very experienced. Since they have served as deputy U.S. marshals in practice, it is only fitting that Parnell and Michael become deputy U.S. marshals in fact.

TRIBUTE TO JOHN WILSON

HON. JAMES T. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 25, 1993

Mr. WALSH. Mr. Speaker, all of us at one time or another have walked into a room and met someone for the first time we immediately liked. That experience recently happened to me when I attended a hearing of the Subcommittee on the District of Columbia and was introduced to John Wilson, council chairman of the District of Columbia government.

I must admit that John knew more about my background than I did of his. He teased me about the amount of snow we get each year in my hometown of Syracuse, NY. He talked easily and graciously about the wonderful basketball rivalry between the Georgetown Hoyas and the Syracuse Orangemen.

We had a common bond. He was the chairman of the D.C. Council and I had formerly been the president of the Syracuse Common Council. Both of us drew our strength and knowledge from local government. A bond of respect and friendship was immediately established and I looked forward to its growth over the months ahead.

When the news came of John's death I was stunned and saddened like every citizen of this community. A light in the bell tower of life has burned out, leaving us in the dark. John Wilson, in my mind, was a dedicated public servant who desperately wanted to help the people he was elected to serve. His strong character and passion for justice should be a symbol to all of us who had the honor to know him.

We will miss you, John Wilson. You were what is so very right about America—someone who cared about everyone else first and never expected anything for himself.

To John's widow and family, my deepest sympathy during these difficult days.

MAYORS AS CITIZEN COSPONSORS OF THE FISCAL ACCOUNTABILITY AND INTERGOVERNMENTAL REFORM ACT OF 1993

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 25, 1993

Mr. GOODLING. Mr. Speaker, on March 10 of this year Congressman MORAN and I introduced the Fiscal Accountability and Intergovernmental Reform [FAIR] Act to help State and local governments alleviate their most crushing financial burden, unfunded Federal mandates.

As you know, this legislation is necessary to safeguard against a tendency within the institution and among Federal agencies to resort to more and more unfunded Federal mandates.

This bill would require that any legislation to be considered by the full House or Senate have an analysis of the costs of compliance to State and local governments and the private sector. This bill seeks to enforce provisions already included in the 1974 Budget Reform Act. Second, this legislation would require all Federal agencies to analyze the economic costs of new regulations before they are adopted.

Support for this legislation has been increased both in the Congress and among those who it will help the most, our Nation's civil leaders in State and local governments and small business.

Congressman MORAN and I have received letters from mayors all over the country expressing their support for the FAIR Act. Clearly, their support of this bill reflects the need for the Congress to reform the way it does business. Their support signals the beginning of a partnership between the Federal Government and State and local governments and small businesses.

In order to give our local government a stronger voice in this issue, we have decided to make these mayors "citizen cosponsors" of the FAIR Act. Mr. Speaker, I am submitting for the RECORD, the names of 20 mayors who have written to express their strong support for the passage of the FAIR Act.

REPRESENTATIVE GOODLING "CITIZEN COSPONSOR" LIST NO. 2

Name, city, and State:

1. Steve Means, Gadsen, AL.
2. Patricia Boom, San Ramon, CA.
3. Nancy Gore, Concord, CA.
4. Angelo R. D'Agostino, Meriden, CT.
5. Julio Martinez, Hialeah, FL.
6. Lawrence J. Kelly, Daytona, FL.
7. Frank Fasi, Honolulu, HI.
8. Larry Serbousek, Cedar Rapids, IA.
9. Verne Hagstorm, Quincy, IL.
10. Erik C. Brechnitz, Decatur, IL.
11. Mark J. Lawler, Anderson, IN.
12. Jordan Levy, Worcester, MA.
13. Paul P. Gordon, Fredrick, MD.
14. Jon Grant, Farmington Hills, MI.
15. Stephen Rice, Sterling Heights, MI.
16. James Scheibel, St. Paul, MN.
17. Pete Sferrazza, Reno, NV.
18. Jimmy Dimora, Bedford Heights, OH.
19. Edward G. Rendell, Philadelphia, PA.
20. Bob Smith, Garland, TX.

FORT WORTH, TX, NAMED ALL-AMERICAN CITY

HON. MARTIN FROST

OF TEXAS

HON. PETE GEREN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 25, 1993

Mr. FROST. Mr. Speaker, as Congressmen representing the city of Fort Worth, TX, we want to share with the House of Representatives our pride in announcing to this body that Fort Worth has been named one of only 10 1993 All-American Cities.

As many of our colleagues know, the All-American City designation is the most prestigious award given to cities in our Nation. It recognizes not only city governments that work, but communities that work together.

In naming Fort Worth an All-American City, the National Civic League recognized Fort Worth's innovative "Code: Blue" crime fighting and neighborhood planning programs. "Code: Blue" has brought the police department, the housing authority, youth groups, and churches together, fighting crime as it occurs and, more important, instilling pride and self-esteem within the community. It is a wonderful example of combining public policy with public spirit to give citizens a stake in their community and a reason for making it better.

We both grew up in Fort Worth, so we're, of course, proud of our city regardless of what awards are won. However, Fort Worth's All-American City designation and it's "Code: Blue" Program represent local government and citizen cooperation at its best and should indeed be recognized publicly before this body.

TRIBUTE TO LOIS AND RICHARD GUNTHER

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 25, 1993

Mr. BERMAN. Mr. Speaker, we rise today to pay tribute to Lois and Dick Gunther, our close and esteemed friends for many years. Their contributions to the Jewish community of Los Angeles are legion. For more than 40 years Dick and Lois have selflessly involved themselves in service organizations here and in Israel.

The honor they are receiving this evening from the New Israel Fund typifies both their passion and sense of commitment about Israel. Over the years we have had many conversations with Lois and Dick about Israeli politics, Israeli society, and the Middle East in general. We have felt fortunate to have the benefit of their learned opinions and wise counsel.

That this award is being given in conjunction with the celebration of the 45th anniversary of Israel's independence is extremely appropriate. Few people have served the advancement and security of Israel more selflessly and energetically than Lois and Dick.

Together, the Gunthers have been involved with the Brandeis-Bardin Institute, Dick was president, Lois a member of the board and the Council on Jewish Life, Dick was founding chairman.

Their separate activities are no less impressive: Dick was cochair of Operation Exodus, is a member of the national boards of Mazon, Nishma and the joint distribution committee, serves on the executive committee of the California-Israel Economic Exchange and is co-authoring a book on aging in America.

Lois was past president and is a current member of the board of Jewish Family Service of Los Angeles, former chair of the Inter-religious Committee on the American Jewish Committee and serves on the advisory board of Hebrew Union College School of Jewish Communal Service.

We are honored by our long and valued friendship with these two outstanding individuals and proud to ask our colleagues to join us today in paying tribute to their tireless and dedicated service to the New Israel Fund and to the Jewish community of Los Angeles.

CYNTHIA BYRD: "OUTSTANDING TALENT"

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 25, 1993

Mr. MICHEL. Mr. Speaker, I would like to bring to the attention of my colleagues the exceptional accomplishment of one of my constituents, Cynthia Byrd of Illinois Central College.

Cynthia was 1 of the 20 students chosen to the All-USA Academic First Team for community and junior colleges. Here dedication and achievements in the classroom and community are commendable.

At this time I would like to insert into the RECORD an article by Pat Ordovensky of the USA Today, "Outstanding Talent From 2-Year Campuses," and congratulate Cynthia for this award.

"OUTSTANDING TALENT"

(By Pat Ordovensky)

Twenty students today are named to the All-USA Academic First Team for Community and Junior colleges as representatives of outstanding academic talent on the nation's two-year campuses.

First Team members, whose photos appear on this page, win a trophy and $2,500 from USA TODAY. Presentations will be today in Portland, Ore., at the American Association of Community Colleges' convention.

Another 46 students, whose names appear below, make the Second Team, Third Team or honorable mention.

"We give these awards to remind the nation that outstanding talent is not confined to four-year colleges," says USA TODAY President Tom Curley, who will present the awards. "We encourage academic achievement wherever it exists."

Today's winners were selected by a panel of educators assembled by Phi Theta Kappa, honorary society for students on two-year campuses.

Judges considered grades, leadership roles on and off campus, community and public service and academic awards. Heavy weight was given to a student's essay describing a highlight of the two-year college experience.

Several winners "used two-year colleges to get back into the educational system, and they seemed genuinely surprised by the success they've had," says judge Shanda Ivory, the National Association of College Admission Counselors.

HEALTH CARE REFORM: DON'T JUST DO IT—DO IT RIGHT!

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 25, 1993

Mr. STARK. Mr. Speaker, I would like to share with my colleagues a recent editorial from the New Yorker magazine that says with a single-payer system we "can have more, better, and cheaper, all at once." The editorial supports a Canadian style single-payer plan, but warns that it probably is not politically or intellectually feasible for this country.

The seeds of reform are planted. But no one is absolutely certain which reform the majority of Americans prefer and support. I believe the plan ultimately adopted will blend the best aspects of several different systems. It doesn't matter what is called—single payer, managed competition, pay or play—as long as it provides equal access to adequate affordable health care for everyone. Health care reform is an idea whose time has come: Let's do it and do it right.

THE WRONG PRESCRIPTION

Hilary Clinton's report on what to do about doctors and their bills isn't due for another few weeks, but, reading the magazines and newspapers about the "health-care crisis," you get the impression that the real culprits have already been identified. It's those damn patients, with their incessant whining about their aches and pains, and their insistence on showing up at emergency rooms at all hours of the night, clamoring for help, who are really screwing things up. Newsweek recently devoted a couple of columns to this crisis, offering sorrowful tales of doctors forced to examine people who, it turned out, weren't even that sick. The New Republic suggested darkly this week that the only way to fix American medicine was to impose a strict "bare-bones" system (odd metaphor) on all those "middle-class" people, who presumably get operations for the fun of it.

Of course, overdoctoring is an American problem—one created mostly by the claims to omniscience that the medical guilds have been promoting for more than half a century. But the real reason for the current fantasy of doctor abuse by patients is simpler. Someone is going to have to do with less if American medicine is going to be fixed, and it will have to be either the patients or the "providers"—the insurance companies, the hospitals, and the doctors. Guess who's been talking to Mrs. Clinton's task force.

The biggest irony of American health care is that this is one of the very few "crises" in which there are—intellectually, at least—no hard choices. The pile of evidence that a "single-payer" system, in which the government serves as the insurance company—the Canadian system—works better than any other is by now so high that it is almost embarrassing to have to reassemble it here. The General Accounting Office has published a study that showed we could save sixty-seven billion dollars a year by adopting the Canadian system. That sum alone would come close to meeting the cost of covering the thirty-seven million uninsured Americans. Canada's medical expenditures are about nine percent of its G.N.P., compared with ours, which are about twelve percent of the G.N.P., and in the two most crucial public-health indicators—life expectancy and infant mortality—Canada is ahead of us. As the Times noted recently, ninety-five percent of Canadians report having received within twenty-four hours all the care they needed, and public support for the program remains at around ninety percent. Nor is this a case where you sacrifice efficiency for social welfare. (Even in Barron's, Wall Street's trade papers, it has been conceded blandly this week that Canadian health-care costs are lower because a single-payer system is always more efficiently administered.) This is a case where you can have more, better, and cheaper, all at once. But it seems certain that we won't get a Canadian-style system. The real reasons for this failure are two—one political, the other intellectual. Taken together, they paint a depressing picture of political intimidation and ideological paralysis.

The political reason is obvious. The people who would benefit from a Canadian-style system, which is to say just about everybody, don't have concentrated political power. Those who would lose, which is to say the insurance companies, are unapologetically prepared to do whatever it takes to make sure that health insurance will remain their monopoly. They'll spend hundreds of millions of dollars of their clients' money on ad campaigns (that is, scare stories with slogans) and political contributions. The battle against them isn't winnable, and so isn't worth fighting.

But there is also, even in enlightened circles, a conviction that "market competition" is such an unqualified good that there must be some way for its therapeutic virtues to be brought to bear on this problem. A lot of well-meaning thought on this subject is constricted by an ideological allergy—a kind of automatic intellectual response that idealizes the market system, and cuts off any pragmatic appreciation of what it does and does not do well.

Markets are terrific at creating goods and services, but they do it by distributing rewards according to price. People who have money get more of what's scarce than people who don't. Markets create winners and losers. That's their job. The secret of markets is that they manage to create so much of everything that a lot of the time the losers hardly know they've lost. It's not the gold medals that make capitalism endure. It's the consolation prizes.

But in the case of health care what the losers lose is their lives—or their well-being, or, at the very least, their peace of mind. To ask the market to fix this problem is to ask the market to do what it cannot possibly do: to create a system in which we all get just about the same amount of care—all the care we need. (We have come to accept that more money buys you more justice, but that is probably because relatively few of us ever have to buy justice. If each of us knew that around the age of seventy we would probably have to fight a capital case or two in court, we might feel differently about that system, too.)

What we seem likely to get from the Clinton task force is some version of "managed competition," a pseudo market system, which will probably institutionalize the insurance companies as the feudal lords of American medicine. Patients will be organized into big groups, in which they will most likely (in the case of the poor, quite certainly) have much less choice than they would have under a Canadian-style system. No one seriously expects that, given the quasi-monopoly that each organization will enjoy, there will be any serious price competition. When the Big Three ran the auto industry, they controlled prices very effectively, and no one imagines that compact health-care plans from Japan will ever penetrate (or even be allowed to enter) this market.

Watching the news these days, you notice a fearful symmetry between the entrenched Russian apparatchiks, who cannot understand, for the life of them, why if you simply give the command economy a kick here and there it will not be able to produce VCRs and minivans, and our entrenched apparatchiks, who cannot see why if you give the market a kick here and a jolt there it won't suddenly produce universal and equitable medical care. The two are the victims of the same syndrome—an insistence, born of ingrained ideological prejudice and the blindest kind of self-interest, on sticking to a system that long ago became too sick to cure.

INTERNATIONAL COUNTRY MUSIC FAN FAIR—1993

HON. BOB CLEMENT

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 25, 1993

Mr. CLEMENT. Mr. Speaker, country music fans have the opportunity to see some of country's most popular entertainers as well as some exciting newcomers at the 22d Annual International Country Music Fan Fair. Fan Fair takes place June 7–13 at the Tennessee State Fairgrounds in Nashville.

Ronnie McDowell, the Kentucky Headhunters, Vince Gill, Lorrie Morgan, Holly Dunn and Alabama are just a few of the artists fans will see perform during the action-packed week.

Newcomers including Dude Mowrey, Tracy Byrd, the Gibson/Miller Band, and Tim McGraw will meet and greet over 24,000 fans. Also jumping wholeheartedly into the exhibit hall trenches will be Confederate Railroad, Martina McBride, Stacy Dean Campbell and Pearl River, who are among several artists to have Fan Fair booths for the first time.

Fan Fair veterans Oak Ridge Boys, Ricky Skaggs, Eddy Raven, Janie Fricke, and Sweethearts of the Rodeo are among those returning to the exhibit halls to thank fans for their enthusiastic support. Legendary performers will also be in attendance, including George Jones, Kitty Wells, Jim Ed Brown and Skeeter Davis.

The tentative show schedule for the Fan Fair '93:

Monday, June 7: 7–10 p.m.—Bluegrass Show.

Tuesday, June 8: 10 a.m.-Noon—Curb Records, Al Wyntor/Katie Haas, Hosts, Hal Ketchum, Ronnie McDowell, Tim McGraw, Sawyer Brown, Six Shooter, Rick Vincent.

2:30–4:30 p.m.—Mercury Records, Billy Ray Cyrus, Kentucky HeadHunters, Sammy Kershaw; Kathy Mattea.

7:30–9:30 p.m.—MCA Records, Run C&W, Host, Tracy Byrd, Mark Chesnutt, Mark Collie, Vince Gill, The Mavericks, Kelly Willis.

Wednesday, June 9: 10 a.m.-Noon—Liberty Records, Steven Curtis Chapman, Billy Dean, Ricky Lynn Gregg, Chris LeDoux, Pearl River.

2:30–4:30 p.m.—Warner Bros. Records, Jeff Foxworthy, Host, Billy Burnette, Holly Dunn, Little Texas, Dan Seals. Warner Western: Don Edwards, Bill Miller, Waddie Mitchell, Sons of the San Joaquin, Red Steagall.

7:30–9:30 p.m.—RCA Records, Darrell Waltrip, Host, Alabama, Shenandoah, Larry Steward, Lari White.

Thurday, June 10: 10 a.m.-Noon—Atantic Records, Jerry Glanville, Co-Host, Neal McCoy, Co-Host, Confederate Railroad, Tracy Lawrence, John Michael Montgomery.

2:30–4:30 p.m.—Arista Records, Steve Wariner, Co-Host, Michelle Wright, Co-Host, Brooks & Dunn, Diamond Rio, Radney Foster, Alan Jackson, Dude Mowrey, Lee Roy Parnell, Pam Tillis.

7:30–9:30 p.m.—Columbia/Epic Records, Larry Boone, Bobbie Cryner, Joe Diffie, Gibson/Miller Band, Patty Loveless, Collin Raye, Ricky Van Shelton, Doug Stone, Joy White.

Friday, June 11: 10–11:30 a.m.—BNA Entertainment, John Anderson, Lorrie Morgan.

1–2:30 p.m.—Giant Records, Deborah Allen, Carlene Carter, Dennis Robbins.

Saturday, June 12: 10:30 a.m.–6 p.m.—Grand Masters Fiddling Championship, Opryland Park.

ROBERT E. LEE HIGH SCHOOL MUSIC DEPARTMENT TOPS CHART

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 25, 1993

Mr. HYDE. Mr. Speaker, I would like to salute an outstanding group of students from Robert E. Lee High School in Springfield, VA. On May 7, 190 students participated in the 1993 Invitational Music Festival held in Myrtle Beach and captured the winners circle.

Competing against schools within their division from the Midwest and east coast, members of the choirs, band and orchestra were rated superior and excellent and finished in first and second place.

Each of the Lee choirs participating were recognized for their musical achievements. An excellent rating was awarded to the Men's Ensemble and the Women's Ensemble for their performances, and each choir's total point score was second highest in their division. The Madrigal Singers were awarded a superior rating—for their performance—from each of their three judges. The Ladies' Chamber Choir received a superior rating for their performance and claimed first place in their division.

A champion is determined in each of seven categories of competition by achieving the highest point total. This Champion Trophy epitomizes excellence in performance, and this distinctive recognition was awarded to the Ladies' Chamber Choir.

An outstanding accompanist award was presented to Beth Hochberg for her piano accompaniment of the Men's Ensemble.

Lee also walked away with the top instrumental awards. The Concert/Symphonic and Marching Band each received an excellent rating for their performance, with the Marching Band capturing second place. Separate awards were given for the Drum Line which won a superior rating, and Monica Waters received a superior rating as Drum Major.

The Wind Ensemble rated superior and earned first place honors with Kathy Stotz, bass clarinet, receiving an outstanding soloist award. The ensemble won the Champion Trophy in their division.

The orchestra also placed first with outstanding soloist awards presented to Sinbat Siraseranant and Amy Henschen. The First Violin Section received a separate award for the best in their category. The orchestra received the distinguished Champion Trophy.

This is the first year for Lee's Indoor Guard Team, and this group made a very impressive showing with a superior rating and receiving the second place award.

The musical achievements of these young men and women are a tribute to the success of the music programs in our schools. Credit for the success of these programs would be incomplete without recognizing the notable contribution of the directors, and Lee is fortunate to have three of the finest. Congratulations to Mr. G. Lindsey Florence, choral; Mr. John Crossin, band; and Jennifer Gehl, orchestra.

To each of the following students, I extend my warmest congratulations for a job well done and my best wishes for your success in your future endeavors.

Brent Aberant, Chrissy Albanese, Pam Albanese, Martha Allerding, Aimee Andre, James Ankran, Kent Bailey, Karen Baisden, Andy Barrett, Andy Bays, Jennifer Bennett, Jessi Bennett, Kara Bennis, Kim Boots, Jessica Bosso, David Brewster, Beth Brown, Emily Buchanan, Chris Bucklew, Daphne Buehlr, Beth Burgoyne, Meridith Canode, Cherilyn Carruth, Ana Ceberg, Ashley Chadwick, Brian Chapman, Alison Cherryholmes, Mi Won Choe, Tina Chun, Susan Clingerman, John Cole, Betsey Covert, Stephanie Daniels, Shalini Daswani, Jimmy Davis, Jul Davis, Rachel Dingcong, Sharon Dingcong, Megan Donner, Paula Donohoe, Rebecca Dosch, Kristen Dove, Kim Edwards, Dan England, Alisa Ersoz, Scott Evans, Stephanie Evans, Katie Farrell, Matt Fischl, Brandt Fletcher, Jen Floyd, Aaron Frazier, Maggie Gailliot, Andy Gilbert, Mindy Gilpin, Stephani Gittinger, Rose Goldschmidt, Daniel Grobe, Mike Guillory, Kristin Gustafson, Shelly Gutierrez, Grier Hansen, Jen Hard, Julie Hard, Kelly Harvilla, Stephanie Hawk, Cappie Hempley, Emily Henrich, Amy Henschen, Josh Hiller, Heidi Hisler, Beth Hochberg, Matt Horner, John Housein, Nadiya Howard, Amy Huntington, Missi Hyman, Jen Ivey, Robbie Johanson, Leikny Johnson, Matt Johnson, Chris Jones, Rachel Kahn, Tricia Kay, Maridith Kenna, Kim Kersey, Gretchen Kilss, Paul Kim, Tim Kim, Andrea Kirkley, Ben Kley, Amy Ko, John Ko, Michelle Ko, Robert Koch, Brandi Kopp, Matt Koschmann, Megan Laver, Jennie Lawson, Yun-Yi Lee, Lesdy Lopez, Megan Mahoney, Sandy Martin, Debra McDonald, Ryan McKay, Holly Meeuwissen, Marilaine Miller, Tiffany Miller, Keith Moore, Tanya Moore, Rigel Moranchel, Courtney Morris, Jason Morrison, Clay Moulton, Joanna Murphy, Tara Murphy, Dan Nelson, Khoa Nguyen, Scott Niehoff, Sean Niehoff, Matt O'Neill, Mark Oh, Nicole Orton, Amy Oxley, Kristen Panzenhagen, Hae-Won Park, Stacy Parsons, Troy Peck, Becky Perkins, John Perrine, Chris Perry, Craig Phillips, Jenny Platt, Tara Pugh, Sara Reynolds, Tony Richey, Jennie Richmond, Amy Ridpath, Rebecca Riech, John Riekse, Darcy Roberts, Megan Ross, Scott Ross, Alice Rouse, Julie Ruffo, Darden Safley, Megan Safley, Keya Saifullah, Amy Saikowski, Stacy Sassano, Steve Sayounsat, Laura Scheip, Robbie Schell, Jennifer Schmiel, Elizabeth Sheets, Greg Shields, Kim Short, Nita Siraseranant, Patti Sizemore, Lavar Smith, Jared Snow, Carrie Spitnale, Tori Stoops, Kathy Stotz, Michelle Stotz, Dorothy Sul, Christy Sylvester, Blake Thompson, Jason Thompson, Lia Thompson, Dia Tran-Trong, Veronica Vejar, Roberta Vickery, Ibti Vincent, Catheney Wang, Will Warner, Monica Waters, Sharon Weaver, Joe Wendel, Eddie Whiteman, Becky Whittler, Brian Wickam, Jason Wills, Cathy Wong, Danny Wood, Carey Woodke, Caleb Wright, Carrier Wright, and Chris Zemba.

KILDEE SALUTES EDUCATOR HOWARD HUGHES

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 25, 1993

Mr. KILDEE. Mr. Speaker, I rise today to pay tribute to an outstanding educator, Howard Hughes. Howard is retiring after 27 years at Mott Community College in Flint, MI.

Howard has had a long and industrious career in the education field. A life-long resident of Flint, he graduated from the University of Detroit and began to demonstrate his skills at innovative education by piloting a common learnings program at Bryant Junior High School in the early 1960's. During this time he discovered a love for counseling students and decided to pursue this aspect of the education field. Howard earned a second master's degree from the University of Michigan and began working at Southwestern High School as a counselor and teacher of English.

At this time Howard became active with the Flint Education Association and participated in the first teachers' strike in the State of Michigan. His involvement with the union followed him to his new position as a full-time counselor at Flint Junior College in 1965. He eventually became the president of the union.

During his career at Mott Community College, Howard has held many positions. He has held a faculty position, been the acting dean of arts and sciences, and vice-president of academic affairs. His professional involvements include leadership positions in counseling associations, SODAT, and the Grand Blanc High School Parents' Advisory Committee. The list of awards he has won is extensive and includes the Beta Psi Talented Tenth Award, the Mott Community College Apple Award for Outstanding Staff Member, and the Phi Delta Kappa honorary award.

I am proud to call Howard Hughes my friend. I have known him for several years and rely on his advice and judgment. He has not only inspired me but the thousands of students he has counseled over the years. He and his wife, Pat, instilled in their five children a love of education. All five have completed their college degrees and three have master's degrees. The field of education is losing a bright, committed individual as Howard retires after working 38 years in the field. I ask the House of Representatives to join me in wishing the best for Howard as he embarks upon his well deserved new career of rest and relaxation.

DR. DENNIS LITTKY, OF THAYER HIGH SCHOOL, HONORED AS A CHINA BREAKER

HON. DICK SWETT

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 25, 1993

Mr. SWETT. Mr. Speaker, I rise today in honor of Dr. Dennis Littky, recipient of the RJR Nabisco Foundation China Breaker Award. The foundation annually honors a small number of educators as China Breakers for their pioneering efforts in the field of educational reform. This year, Dr. Littky, the principal at Thayer High School in Winchester, NH, will be recognized, along with 79 other educators, at RJR Nabisco Foundation's China Breakers Conference, June 20–23, in Leesburg, VA.

Dr. Littky was chosen as an awardee after a national competition because of his demonstrated leadership in implementing educational reform at Thayer High School. At the China Breakers Conference, he will join other principals, teachers, and administrators from throughout the country who also were singled out for the effective and innovative approaches they developed to facilitate teaching and learning in our Nation's schools.

Dr. Littky has transformed Thayer High School during his time as principle there. His efforts has earned him recognition, both in the NBC movie "A Town Torn Apart," and as New Hampshire Principal of the Year in 1993. Now, with his well-deserved selection as a China Breaker, Dr. Littky will join other pioneering educators at the 3-day summit in June to share their models for the successful restructuring of their local schools.

Mr. Speaker, educational reform is one of the highest priorities we face today. The efforts of innovative educators such as Dr. Dennis Littky must be closely examined, for they may hold the key to successful reform of our ailing educational system. The China Breakers Conference will allow individuals like Dr. Littky to introduce their ideas to a wider and, I hope, receptive audience. The future effectiveness of our Nation's education system depends on people like Dr. Littky who are willing to introduce and implement innovative reform measures to our Nation's schools.

THE REAL STORY?

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 25, 1993

Mr. CRANE. Mr. Speaker, the new book authored by David Brock, "The Real Anita Hill: The Untold Story," has attempted to put to rest the endless vilification of Justice Clarence Thomas and the near canonization of Anita Hill that has taken place since Justice Thomas's confirmation hearings that took place in October 1991. The May 24, 1993 issue of the New Yorker, contains a book review circulated by Representative PAT SCHROEDER, "The Surreal Anita Hill," in which journalists Jane Mayer and Jill Abramson unabashedly attack Mr. Brock's work by saying that "he is skilled at lining up facts to fit his agenda." The duo goes on to say that, although the book has been praised by the likes of Thomas Sowell and George Will, as well as David J. Garrow, the biographer of Martin Luther King, Jr., this praise "threatens to do a serious disservice to history."

In the Sunday, May 23, 1993, Washington Times, American Spectator editor R. Emmett Tyrrell, Jr., attempts to set the record straight regarding the book review. Mr. Tyrrell points out that while Ms. Mayer and Ms. Abramson attack Mr. Brock's objectivity, they had their own Anita Hill book waiting in the wings.

I would like to submit for the record Mr. Tyrrell's article so that my colleagues may decide for themselves who is telling the real story.

[From the Washington Times, May 23, 1993]

ANOTHER CHAPTER ON THE 'REAL' ANITA

(By Emmett Tyrrell, Jr.)

The sudden appearance of a querulous review of David Brock's best seller, "The Real Anita Hill," in the current issue of the New Yorker magazine, presents me with an occasion to note a point of crucial import to all consumers of the news; to wit, journalistic ethics are almost nonexistent. Consider this review by two Wall Street Journal reporters, Jane Mayer and Jill Abramson (M&A). Journalistic ethics would demand of book reviewers a modicum of disinterestedness, but M&A are grievously compromised by self-interest.

For more than a year, M&A have themselves been at work on a book about *L' affaire Hill-Thomas.* Mr. Brock's book scoops them; and, unless one thinks the American people's curiosity about Anita Hill and Clarence Thomas is inexhaustible, it is a matter of the utmost self-interest for these reviewers to sink Mr. Brock's book. Hence, M&A expend awesome energy depicting Mr. Brock as an "ideologue," politically biased and deceitful. They even pooh-pooh his claim to being an "investigative journalist" as though pursuant to that claim one must undergo some esoteric process of credentializing as does, say, a chiropractor. Actually, Mr. Brock's impressive journalistic output—along with this book—amply warrant the "investigative." As for political bias, Miss Mayer has demonstrated hers indelibly in her 1988 examination of former President Ronald Reagan titled "Landslide: The Unmaking of the President 1984–1988." "Unmaking" goes a bit far, does it not, in describing the 1988 condition of a president who left office with history's highest approval rating?

M&A are closet left-liberals, a type abundant in American journalism. They expose themselves by their proclivity for overreacting to a self-proclaimed conservative, referring to him as "ultra" or "extreme," and citing his conservatism as a mark of corruption, stupidity and general evil. That is how they have responded to Mr. Brock, but what is important about his discovery that Anita Hill has lied is not his politics nor his religion or sex or dietary quirks, but his facts.

M&A question his facts, but in doing so it is they who are deceitful or, perhaps, just stupid. For instance, they reprove him for relying at times on unidentified sources, but in Miss Mayer's "Landslide," I counted no fewer than 48 unidentified sources. That's journalism. Mr. Brock never claimed to be a historian. Journalists, just as David Brock and Jane Mayer, often resort to unidentified sources. That is why we call journalism a rough draft of history. But M&A are deceitful in more serious ways.

For instance, Mr. Brock has found that Susan Hoerchner, a key Hill supporter, misspoke to disastrous effect in testifying to the FBI that Anita Hill complained of Clarence Thomas' harassment in the spring of 1981. Miss Hill never worked for Justice Thomas until the fall. "The possibility that when Hoerchner was recalling a conversation that had taken place a decade earlier she got the date of the conversation wrong by a few months is not explored [by Mr. Brock]," M&A sneer. Yet, it is! Mr. Brock demonstrates that the conversation had to take place before Miss Hill went to work for Justice Thomas. He cites Miss Hoerchner's further testimony that she left for California about the time Miss Hill joined Clarence Thomas and did not speak with Hill for several years.

In challenging Mr. Brock, M&A fix their attention mostly on side issues of a subjective nature: Whether Mr. Brock's emphasis of Miss Hill's radical politics and sexual contretemps with students is overdone, whether a former law associate, John Burke, had sufficient authority to notify her that her work at their firm was unsatisfactory, necessitating her departure. Here the real issue is not Mr. Burke's authority but Miss Hill's veracity. She denied that she had been told her work was unsatisfactory. Mr. Brock identifies Mr. Burke, who signed an affidavit, and two other corroborating sources.

The most blatant deceit of M&A's review is that they ignore Mr. Brock's Chapter 5. There, in a thorough dissection of Miss Hill's testimony to the Judiciary committee, Mr. Brock lists Miss Hill's numerous false, misleading and contradictory statements—all made under oath. That chapter alone destroys Miss Hill's credibility.

Finally, M&A deride the fervor of Mr. Brock and his "funders" against Anita Hill. Well, I was Mr. Brock's original "funder." As editor of the American Spectator, I asked him to write a piece that became the foundation for his book. Here is a fact for M&A: the piece was never supposed to be on Miss Hill. I sought a piece on Washington leaks; specifically on who leaked Anita Hill's testimony to the press. Without "fervor," I turned to Mr. Brock out of curiosity about leaks. Inadvertently, Mr. Brock came across discrepancies in both the testimony of Anita Hill and the legend that she was a pious Reaganite. That is how this book came about, not from ideological fervor, but from journalistic curiosity. Evidence of deceit, not politics, created it.

OPEN RULES, A FADING MEMORY

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 25, 1993

Mr. GINGRICH. Mr. Speaker, I would like to bring to the attention of my colleagues an article that was in the Wall Street Journal on May 21, 1993. The article is entitled "Kangaroo Congress," and I think that it is right on target. Open rules have diminished at an alarming rate and along with them any opportunity for the legislative process to work.

With closed rules, voices all across America are silenced. Republicans want the people to have choices, and that can only be done by having open rules.

KANGAROO CONGRESS

A majority of House members apparently oppose the $72 billion energy tax and would vote to substitute a cap on entitlement spending. But it's likely a vote on that idea won't even be allowed when the Clinton budget goes to the House floor next Wednesday. When democracy means they might lose, the House leadership prefers to win votes the old-fashioned way: They shut off real debate and choices.

Any bill that goes to the full House first passes through the 13-member Rules Committee, which decides how long the debate on it will last and whether it will be handled under an "open" or "closed" rule. An open rule means the bill is open to all relevant amendments. A closed rule sharply limits the number of amendments or denies them completely. After President Clinton's meeting with House Democrats on Wednesday, there was general agreement his budget will be voted on under a closed rule.

That means moderate House Democrats won't be given a chance for an up or down vote on replacing the energy tax with entitlement caps. They are steaming.

Rep. Tim Penny of Minnesota said that by foreclosing alternatives House leaders are "ignoring" the legitimate concerns of moderate Democrats. "It's an insult to say we can't be part of the process," he told us. Former Rep. Dennis Eckart, a liberal Ohio Democrat who retired last year, decries the increasing use of closed rules. He says they are "the most disturbing part" of how the House operates today.

The accompanying chart shows how the number of open rules has shrunk to virtually none. This year, 10 of the 11 bills debated have operated under the equivalent of a gag order.

The first key vote on the Clinton tax increases will come this Wednesday, when the House will vote on whether or not to approve a closed rule governing debate on the bill. Many Democratic Members are telling the folks back home that while they don't like the energy tax or higher taxes on senior citizens, their hands are tied: "A vote on those issues won't be allowed." That is a dodge.

If enough Members vote to defeat the closed rule, amendments to the Clinton package will be in order. Voters should know that any Member who votes for the closed rule is, in effect, signing on to the entire $260 billion Clinton tax increase.

Some House Members, led by Scott Klug of Wisconsin, are alerting the public on how debate is being muzzled. This week Ross Perot offered to help this effort with its planned nationwide distribution of a videotape laying out the case against the current House Rules.

It is startling how debased the operation of Congress has become. The House of Representatives—the chamber intended by the Founding Fathers to be closest to the people—is about to stage a debate on the largest tax increase in American history and probably won't even allow full public deliberation on it. This is not "change."

TARPON SPRINGS WAR MEMORIAL

HON. MICHAEL BILIRAKIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 25, 1993

Mr. BILIRAKIS. Mr. Speaker, several years ago, two Vietnam veterans, Robert Renneke and Dr. Fred Roever, in my district, proposed building a memorial to honor those killed, or yet missing in action, who hailed from the local area. Like so many other memorial projects, this one was ridiculed by some who contended it was a waste of time and money. However, I am pleased to say that the monument's supporters persevered and in 1992, the city of Tarpon Springs held a dedication ceremony for this important memorial.

The 15-foot high black granite obelisk sits atop a granite base in Craig Park on the banks of the Spring Bayou in Tarpon Springs, FL. The names of approximately 30 Tarpon Springs-area people who lost their lives in wars or are still missing in action have been carved onto the monument, which is illuminated at night.

Our Nation's Capital is filled with monuments, new and old, but the real monuments to courage, to heroism, to valor and to sacrifice are America's veterans themselves.

We asked them to interrupt their lives—to leave their homes, their families, their jobs—to trade the plow for the sword that our Nation might be protected. We asked them to risk and endure hardships most of us cannot imagine, to sacrifice and even to die so that our time-honored and cherished traditions of democracy and freedom might live—and live they have.

Our society asked and our veterans answered. For their dedication and loyalty we should embrace them, honor them, treat them with dignity and respect and treat their disabilities.

These veterans served, as in the words inscribed on a memorial in Arlington Cemetery, "not for fame or reward, not for place or for rank, not lured by ambition or goaded by necessity, but in simple obedience to duty as they understood it * * *"

They are the reasons that the United States is the mightiest, wealthiest, most secure nation on Earth today.

They are the reasons that the United States has been and will continue to be the bastion of support and solace for those in the world searching for freedom and human rights.

We have borne arms many times since fighting the war that created our great Nation more than 200 years ago. We have fought on foreign lands and we have fought among ourselves. We have learned there is never any glory in war—only suffering. But we also have learned, given a just and right cause, that we do not lack the courage, dignity and fortitude necessary to defend the age-old principles upon which our country was founded.

I have often said that it is important for us to display that same determination in our daily lives—in living up to those principles in all that we do. That we live and practice and preach those principles day by day. Otherwise, won't all of that suffering and bravery have been in vain?

And as we talk and think of principles and courage, I consider it important that we recognize the distinction between the level of duty and patriotism we exercise in our daily lives, and the level demonstrated by the American veteran—the ultimate sacrifice resting in the balance. It is the difference between heroes and men who might be brave; between the tested and those who have not yet been tried.

The liberties we enjoy are precious gifts protected only for the moment and requiring a constant vigil. They will never be completely won—and they most certainly will be lost should we ever turn our backs on those who served in their defense.

Nothing could be more devastating to the security of this or any nation than for it to deny its defenders the care and treatment they have earned and deserve * * * or worse, to forget them altogether.

For as long as the American soldier stands ready to support his country and its allies, the forces of oppression and injustice will be held in check. For this, the American serviceman—the veteran—must never be forgotten.

Therefore, I would like to salute the individuals who made the Tarpon Springs war memorial possible. This is, of course, but a small down payment on the great debt America owes its veterans—all of them, man and woman alike.

Those brave Americans who are honored by this wonderful memorial include: John Gerakios, Emmanuel Pastrikos, Richard Sanders, Edward Sapp, Chester McKay, Anthony Antonglou, Howard Thompson, Orby Kelly, Nikitas Cladakis, Raymond Eifert, Angelo Tsavlopoulos, John Saclarides, John Fountouklis, Michael Athanason, Donald Drake, Alan Roberts, Dozier Lovett Jr, Peter Meros, Horace Bullard, John Brockman, William Cooper, Michael Dundas, Morris Dixon Jr, John Schneider, Edward Higgins, Ronald Coleman, William Hadsock, James Lewis Jr, Charles Dixon, Felton Fussell, and Dennis Neal.

We must never forget how blessed we are in the modern world to live in a free society, nor forget the sacrifices of our friends, relatives, neighbors and countrymen who served us all when duty called.

TRIBUTE TO CATHERINE REMBISCH

HON. JERRY F. COSTELLO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 25, 1993

Mr. COSTELLO. Mr. Speaker, I rise today to congratulate Ms. Catherine Rembisch, who has been selected along with six other contest finalists by the Rural Electric Cooperatives Association to come to Washington, DC., to see the legislative process firsthand.

Catherine was selected because of her participation in the Rural Electric Cooperatives' essay contest, being one of six finalists chosen. It is my hope that her visit will be extremely productive and educational. I ask my colleagues to recognize her accomplishments and wish her a fulfilling visit to the Nation's Capital.

NEW CASTLE'S 300TH ANNIVERSARY

HON. WILLIAM H. ZELIFF, JR.

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 25, 1993

Mr. ZELIFF. Mr. Speaker, I rise today to pay tribute to the town of New Castle, NH, on the occasion of its 300th anniversary. For 300 years, this small island community has been the site of many historic events.

King William and Queen Mary of England granted the town of New Castle a charter as a towne corporate on May 29, 1693. For 70 years prior to that time, it was known as the great island settlement and housed the seat of the Province of New Hampshire's government. The provincial assembly and the Governor's council met there to set policy.

Later, New Castle would see the first overt acts of violence of the American Revolution. On December 14 and 15, 1774, a group of revolutionaries seized cannon and gun powder from His Majesty's Fort William and Mary. This action by the local militia served to ratchet up the already growing tensions between Great Britain and her colony in the New World. Today, that fort still stands as a monument to the American Revolution as well as to the later world wars in which it served her new country—the United States of America.

As the earliest settlement in the Province of New Hampshire, New Castle deserves the tribute of the entire Congress. Today, I pay tribute to the town's history and wish the people of New Castle all the best for their next 300 years.

REINTRODUCTION OF CLEAN WATER LEGISLATION

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 25, 1993

Mr. MINETA. Mr. Speaker, today, I am reintroducing as a new bill the text of H.R. 2199, except for some minor deletions which I will explain, for the sole purpose of setting the record straight on jurisdiction over the Clean Water Program. Lest anyone be confused by recent assertions to the contrary, the Committee on Public Works and Transportation is the clean water committee of the House of Representatives. On that the record is clear.

H.R. 2199 was introduced on May 20, 1993, and referred jointly to three committees: the Committees on Public Works and Transportation, Merchant Marine and Fisheries, and Ways and Means. As to the latter, we have no dispute since title II of H.R. 2199 would, in part, impose certain excise taxes on substances contributing to water pollution. We are, however, concerned with the other part of the referral since only about 25 lines in a 34 page bill involve matters under the jurisdiction of the Merchant Marine Committee. Since the current practice of joint referrals does not identify the specific sections of a bill that actually fall within a committee's jurisdiction, I was concerned that the referral of H.R. 2199 would leave a false impression with Members and other interested parties.

To address that, to set the record straight, and to confirm once again the rightful role and responsibility of the Committee on Public Works and Transportation over the Clean Water Act, I had H.R. 2199 redrafted, deleting the 25 lines, but in all other respects the original 34 pages remain unchanged. This redrafted bill will be referred jointly to only two committees: the Committees on Public Works and Transportation, and Ways and Means.

Mr. Speaker, I have two points I wish to make today.

First, we have a problem with inefficient operation of this House when 25 lines worth of jurisdiction in a 34-page bill can get a committee joint jurisdiction over the entire bill. I emphasize that 97 percent of the nontax portions of H.R. 2199 are exclusively in the jurisdiction of the Committee on Public Works and Transportation, yet the entire bill was jointly referred to Merchant Marine and Fisheries.

Congressman SHUSTER and I recently testified before the Joint Committee on the Organization of Congress, and we emphasized the problem of growing inefficiency in the rising proportion of joint referrals in the House, which have risen from about 6 percent of introduced bills in 1974 to 20 percent today. Even more troubling, to date, four out of five multiple-referral measures this Congress involve more than two committees.

Joint referrals dramatically complicate legislative decisionmaking, contribute to gridlock, and increase workload. Enormous amounts of Member and stafftime and energy are spent on jurisdictional jockeying, rather than on the substance of the issue at hand.

These inefficiencies could be greatly reduced by several basic reforms, which would merely bring basic notions of common sense and good management to the way we work in the House. First, we could construct committee jurisdictions so that they were aligned more nearly with the major issues we have under active consideration. Second, we could provide that where only a distinct and minor portion of a large bill created jurisdiction for a particular committee, that committee would receive sequential, not joint, jurisdiction.

The bill I am introducing today is a case in point. If only 25 lines out of 34 pages is enough to get full and coequal joint jurisdiction, what is to stop the Armed Services Committee from introducing a complete rewrite of the Nation's farm programs, including a few lines on vegetable gardening at military bases, and claiming full joint jurisdiction over the Nation's farm policy? Not the present practices of this House. What is to stop the Agriculture Committee from introducing its own comprehensive national health care bill, including a few lines about rural medical services, and claiming full joint jurisdiction over the national health care debate? Not the present practices of this House.

This is a shamefully wasteful way for us to attempt to do the Nation's legislative business. We spend too much time tangling ourselves up in these jurisdictional knots and way too much time trying to untie ourselves from them. These are practices which cry out for reform. Committees are supposed to facilitate the ability of this House to resolve complex issues, not impede their resolution with jurisdictional complications.

Oviously, the issue here is not the introduction of H.R. 2199, since any Member has the right to introduce any bill on any subject. The issue is how we in the House choose to handle multiple committee referrals, and what that means for our ability to resolve the issues the people sent us here to resolve.

Second, Mr. Speaker, I want to make it absolutely clear to anyone who may be confused or misled, which committee of this House does have, and has long had, full jurisdiction over the Clean Water Act and clean water programs. It is not a complicated or difficult question. In 45 years of major Federal water pollution legislation, every significant clean water bill enacted by Congress has been exclusively referred to our committee, with only one exception (H.R. 1, Public Law 100–4) for very specific reasons where the referral was accompanied by assurances that it would not be relied on as a precedent. All the bills to which I refer are described in the following review of those 45 years of clean water legislation.

Water quality concerns have been a major focus of the Committee on Public Works and Transportation's activities for many years. The committee's efforts have resulted in gradual expansion of Federal water pollution abatement activities in three key areas: From concern with pollution only of interstate waters to applicability to all waters of the United States; from supporting technical research into the causes of water pollution to requiring rigorous water cleanup goals for industries and municipalities; and from providing limited assistance to States to providing billions of dollars in grants to aid construction of municipal wastewater treatment facilities. The Federal Water Pollution Control Act, or Clean Water Act as it is commonly known, is the legal backbone of America's water pollution cleanup campaign.

As the following discussion demonstrates, the committee's jurisdiction over clean water is longstanding and well founded. No other committee can reasonably make this claim. Pursuant to rule X, clause 1(p)(6) of the standing Rules of the House of Representatives, the committee has jurisdiction over "oil and other pollution of navigable waters." This specific designation of jurisdiction over clean water is clear—it does not appear anywhere else in rule X; it has been supported by countless referrals and precedents; and it remains fundamentally unchallenged.

THE EARLY PERIOD: 1948 THROUGH THE 1960'S

Congress initiated the first step in the evolution of water pollution abatement with the Water Pollution Control Act of 1948, Public Law 845, 80th Congress, which originated in our committee. It represented the committee's and the Congress' first significant attention to an issue of growing concern: The public sector's responsibility for preserving water resources, which were threatened by pollution from industrial activities and from a growing population. The 1948 law recognized the primacy of States in the field of water pollution control and established the Federal role as providing support—largely technical—for the States. It also authorized loans for construction of sewage and waste treatment works, although appropriations were never provided.

The next major water pollution legislation developed by our committee was a comprehensive bill that permitted Federal participation in a wider variety of activities. The Federal Water Pollution Control Act of 1956, Public Law 660, 84th Congress, S. 890, referred exclusively to our committee which reported it, authorized research and demonstration projects, technical assistance, and modified enforcement measures for pollution of interstate waters.

Most significantly, this legislation authorized a 10-year program of grants to communities for construction of wastewater treatment facilities at a level of $50 million per year.

The 1960's were a period of growing public and congressional attention to public health and environmental pollution problems. Our committee's efforts continued, through hearings and legislation intended to respond aggressively to water pollution problems. A major result was passage of the Federal Water Pollution Control Act of 1961. Public Law 87–88; H.R. 6441, referred exclusively to our committee which reported it, which expanded programs for research and demonstration into improved methods of sewage treatment and control, and extended pollution abatement procedures of the act to navigable intrastate and coastal waters.

In the Water Quality Act of 1965, Public Law 89–234; H.R. 151, referred exclusively to our committee which reported it, water quality became a national rather than a local priority. Local governments were authorized to receive Federal aid to construct wastewater treatment projects if water quality standards were implemented, and a more effective enforcement process was created. The establishment of water quality standards was designed to prevent pollution before it occurred, by setting prior standards of water purity to make it possible to determine whether discharges of wastes and sewage were causing or would cause unacceptable pollution in a given river or stream.

Through the 1960's, Congress increased wastewater treatment aid authorization levels from $50 million per year, under the 1956 act, to $1.25 billion for fiscal year 1971, under the Clean Water Restoration Act of 1966, Public Law 89–753; H.R. 16076, referred exclusively to our committee which reported it. The 1966 legislation provided substantial amounts of money—a total of $3.55 billion for the 5-year authorization in the act—to help communities pay the costs of achieving the water quality standards established under the 1965 act, and offered financial incentives to the States to establish such standards on intrastate waters. These two enactments made the 89th Congress the most important up to that time in dealing with the increasingly serious national problem of water pollution.

1972 LEGISLATION

Our committee, beginning in 1971, continued oversight and critical review of water quality issues with extensive and intensive hearings. These hearings examined the implementation and effectiveness of existing law and considered proposals for strengthening, expanding, and accelerating the water pollution control program.

From its 7-month review, including 38 days of hearings and a hearing record that comprised more than 4,000 pages of testimony, our committee concluded that, despite some progress, many of the Nation's waters were severely polluted and unfit for most purposes. The committee found that the existing water quality standards process, enforcement mechanism, and levels of Federal funding had to be revised in order to adequately abate and control water pollution. These conclusions led to enactment of the Federal Water Pollution Control Act Amendments of 1972, Public Law 92–500; H.R. 11896, referred exclusively to our committee which reported it, the most comprehensive legislative response to water pollution problems up to that date.

The 1972 amendments totally revised water pollution legislation by mandating a fundamental shift in approach. The new law established two goals: The ultimate goal of eliminating pollutant discharges, and an interim goal of water quality adequate to provide for protection of aquatic life and wildlife and for recreation in and on the water. In order to achieve these ambitious goals, the amendments mandated a number of specific, action-forcing steps. Rather than basing control requirements on water quality standards and working backward, with great difficulty, to the sources of pollution—under procedures established in the Water Quality Act of 1965—national uniform effluent limitation standards would be applied to industrial and municipal sources.

These new technology-based standards focused on specific limits on amounts of pollutants that industries and cities could discharge, rather than solely on the quality of receiving waters. In the law, the standards were coupled with statutory deadlines intended to achieve increasingly more stringent pollution control. First, all industrial pollution sources were required to apply the best practicable waste treatment technology, and communities were required to install secondary treatment of municipal waste by mid-1977. Second, industries were required to apply improved technological controls, termed the best available treatment control technology, by mid-1983. Enforcement was achieved through a comprehensive permit program administered by the Federal Government and the States, making it illegal to discharge pollutants into the Nation's waters without a permit which sets forth numerical limits and other requirements necessary to achieve standards established under the act.

The 1972 legislation required comprehensive regional waste treatment planning and addressed for the first time the problem of nonpoint source pollution, or rainfall runoff from areas such as agricultural lands, city streets, construction sites, and forests.

Civil and criminal penalties were provided, including authority for citizen suits against those who violate effluent standards or compliance orders, or against the EPA Administrator for failure to carry out nondiscretionary duties under the law. A key concept of the total program was public participation in developing and revising guidelines and standards. Recognizing that the steps laid out in the legislation were a significant departure from previous approaches to water pollution control, Congress provided for creation of a National Commission on Water Quality. The Commission would study and evaluate the early implementation of the 1972 amendments, providing a report within 3 years to guide Congress in making any necessary corrections to the goals, programs, and policies established in Public Law 92–500.

To accelerate municipal pollution cleanup, Public Law 92–500 authorized $18 billion for 3 years as grant for construction of treatment works. Our committee believed that, although identified nationwide funding needs might be twice the authorized amount, funds provided under the act would enable communities to make major inroads into their construction backlog and begin to achieve the kind of pollution control program anticipated by the legislation. Coupled with authorized funding, the 1972 amendments further enhanced the Federal Government's commitment by increasing the Federal share from a maximum of 55 to 75 percent of total project costs. Grant funds were to be allotted to the States on the basis of need—rather than population, as under prior law—and the amendments provided a specific distribution formula to govern State-by-State allotment.

Despite strong public support for environmental improvements and water pollution programs specifically, Federal wastewater treatment grant funding had been particularly controversial. Indeed, Public Law 92–500 authorized such a large increase in appropriations that President Nixon vetoed the bill on the basis of its purported budget-wrecking effects. However, under the committee's leadership in the House, the Congress quickly overrode the veto and launched the modern water pollution control program.

Since passage of Public Law 92–500, the committee's legislative activities on water quality have been extensively supported by oversight and investigatory activities. In 1975 and 1976, our Investigations and Review Subcommittee held a series of hearings on implementation of the act. In 1977, the Subcommittee held 5 days of hearings to examine issues concerning regulation of toxic and hazardous substances, a major focus of amendments enacted in that year.

1977 AMENDMENTS

The committee and Congress as a whole recognized that Public Law 92–500 would not be the final legislative word on complex water pollution problems and anticipated that midcourse corrections would be needed to attain the long-term goals of the act. Thus, after reviewing the act's early implementation and recommendations of the National Commission on Water Quality established under that law, Congress enacted additional legislation in 1977.

The committee, renamed the Committee on Public Works and Transportation at the start of 1975, took a strong leadership role in this effort. Although the House passed H.R. 9560—referred exclusively to our Committee which reported it—in 1976, the 94th Congress adjourned before reaching final agreement on legislative changes. The committee promptly resumed its review of these issues in the 95th Congress, resulting in approval of H.R. 3199 in March 1977. Moreover, following House passage of that bill in August, the committee held 4 additional days of hearings, for further examination of critical issues.

The Clean Water Act of 1977, Public Law 95–217; H.R. 3199, referred exclusively to our Committee which reported it, enacted in December, built on Public Law 92–500 in three basic ways.

First, it extended authorization for the municipal wastewater treatment construction grants program providing $24.5 billion over 5 years. Second, it provided new authorities for controlling toxic pollutant discharges into the Nation's waters. And third, it included numerous fine-tuning provisions to adjust municipal and industrial source deadlines, improve administrative flexibility, and enhance implementation by the Environmental Protection Agency [EPA] and the States. While providing limited adjustments—such as extending the municipal compliance deadline to 1983—the 1977 legislation endorsed key environmental concepts supported by the committee. These included the application of technology to reduce the flow of waste into streams and the provision of incentives—such as Federal funding bonuses—for use of technology that incorporates innovative and alternative waste treatment processes, encourages recycling, and conserves energy and resources.

During its mid-1970's review of water quality issues, the committee focused considerable time and attention on toxic water pollution problems. These efforts were reflected in the Clean Water Act of 1977, which reaffirmed the commitment made in 1972 to apply technology-based controls to industrial sources of toxic and potentially toxic waste discharges. At the same time, the 1977 legislation sought to accelerate the regulation of toxic pollutants through a process of mandating lists of substances and industries to be regulated, plus establishing specific deadlines for compliance with toxic pollutant control requirements.

1981 AMENDMENTS

The Clean Water Act of 1977 had authorized funding for wastewater treatment grants through September 30, 1981. Thus, the committee turned its attention to the act's construction grants program early in the 97th Congress. However, the committee and the Congress faced increasingly difficult policy choices. On the one hand, despite $30 billion in Federal investment since 1972, a national total of $120 billion in additional municipal wastewater treatment investment was believed to be required to fully attain the goals of the act. On the other hand, fiscal pressures and efforts to reduce Federal spending led the committee and the administration toward certain programmatic reforms. Still, the committee found the basic goals of the act to be valid and widely supported by the public.

Even before considering legislation, the committee had been examining the construction grants program, first through 3 days of hearings in 1978 by our Investigations and Review Subcommittee, which I chaired, and second by 3 additional days of detailed review in 1979, under our renamed Subcommittee on Oversight and Review. The subcommittee continued evaluation of these issues with 6 days of hearings in 1981, concurrent with congressional review of legislative changes to this portion of the act.

Two themes dominated the debate and 5 days of public hearings by the Water Resources Subcommittee during 1981: First, the need to focus limited Federal dollars on the most urgent treatment needs and water pollution problems, and second, the need for funding stability. Legislation which resulted from these considerations, the Municipal Wastewater Treatment Construction Grant Amendments of 1981, Public Law 97–117; H.R. 4503, referred exclusively to our committee which reported it, sought to address these concerns.

The 1981 amendments extended wastewater treatment grants funding at $2.4 billion annually for 4 years—$9.6 billion total through fiscal year 1985—and reduced the Federal share of project costs from 75 to 55 percent, as a means of spreading available Federal resources and encouraging communities to make efficient project choices and investments. To focus the program on priority projects having the greatest water quality benefits, the amendments limited the types of facilities for which Federal funds could generally be used and restricted funding of projects that would support community growth. Throughout the congressional debate, a key concern of the committee was to minimize program disruption in communities with ongoing construction projects that were intended to meet the water quality objectives of the act.

1987 AMENDMENTS

After focusing on the act's wastewater treatment grants program during 1981, our committee turned its legislative attention to extending and revising other provisions of the Clean Water Act. These efforts, lasting from the 97th to the 100th Congresses, resulted in the Water Quality Act of 1987, Public Law 100–4; H.R. 1, the most comprehensive amendments to the act since 1972. As in previous reviews, neither the committee nor the Congress sought to alter the goals or fundamental approach of water quality law. The 1987 legislation represents further fine tuning needed to attain those goals.

Our Water Resources Subcommittee held an extensive series of hearings beginning with 5 days in 1982—the second session of the 97th Congress—that examined numerous implementation and statutory issues. In June 1984 our Committee reported H.R. 3282—referred exclusively to our committee—consisting of amendments to all five titles of the existing law. It also included a major initiative authored by the committee: A provision authorizing grants to States to establish Water Pollution Control Revolving Funds for sewage treatment plant construction. Despite House passage of the bill on June 16, the 98th Congress adjourned without coming to final agreement on a Clean Water Act reauthorization bill.

Building on its efforts in the 98th Congress, our committee quickly resumed activity on water quality issues at the start of the 99th Congress in 1985. Again, our Water Resources Subcommittee held 2 additional days of public hearings in April, and the committee soon reported a comprehensive measure, H.R. 8—referred exclusively to our Committee—which the House passed in July. Based on provisions in H.R. 3282, the 98th Congress bill reported by the committee, it addressed numerous regulatory aspects of the law and authorized Federal wastewater treatment assistance through 1994. Further, it added provisions not included in the 98th Congress bill, to establish new policies and programs in such areas as nonpoint sources of pollution. This initiative resulted from the committee's recognition that, despite progress in controlling industrial and municipal point sources of pollution, the largely uncontrolled nonpoint sources such as runoff from farm and urban areas may represent as much as 50 percent of the Nation's remaining water quality problems. This legislative effort also built on information from hearings by the Oversight and Review Subcommittee in 1979, which examined the regional waste treatment planning program authorized in 1972 in Public Law 92–500.

Although the committee's bill passed the House in mid-1985, other legislative priorities intervened, delaying agreement on final legislation until October 1986. Notwithstanding that, the House and Senate unanimously approved a comprehensive reauthorization bill, President Reagan pocket vetoed it after the 99th Congress had adjourned. As with President Nixon's disapproval of the 1972 legislation, President Reagan cited budgetary concerns as the principal reason for the 1986 veto.

Under the committee's leadership, the 1986 measure was reintroduced in the 100th Congress as H.R. 1. Both the House and Senate passed the legislation, and, despite a second veto by President Reagan, the House and Senate overrode the veto to enact the Water Quality Act of 1987 as Public Law 100–4.

The 1987 amendments contain a number of significant programs. One of these is the nonpoint pollution management initiative, first included in the committee's 1985 proposal. Grant assistance totaling $400 million over 4 years is authorized to assist States in developing and implementing programs to control nonpoint sources of pollution. Other program initiatives give emphasis to water quality problems in the Nation's estuaries. Chesapeake Bay, and the Great Lakes. Another major initiative establishes a program to deal with toxic hot spots, areas of waterways where toxic discharges continue to cause pollution problems, even after industries and cities achieve currently required pollution controls. This latter provision represents further legislative steps in a progressive program to reduce toxic pollutant degradation of streams and lakes and support public health and water quality objectives of the act.

The amendments contain numerous provisions to clarify and fine-tune the act's regulatory, permit, and enforcement programs. In particular, existing enforcement provisions are enhanced by increasing penalties for civil and criminal violations under the act and by establishing a new administrative civil penalty mechanism.

Finally, the 1987 amendments set the course for Federal aid to local wastewater treatment construction through the mid-1990's by establishing a new program of grants to capitalize State loan programs for wastewater treatment plant construction. Under the revolving fund concept first contained in our committee's 1984 legislative proposal, moneys used for such construction are repaid by loan recipients to the States, to be recycled for future water quality activities in other communities, thus providing an ongoing source of financing. To support these State and local efforts, the amendments authorized $18 billion in Federal aid, $9.6 billion in grants under the previous program through fiscal year 1990, and $8.4 billion as seed money for State revolving loan funds, beginning in fiscal year 1989.

1992 AND BEYOND

Starting last Congress and extending into the 103d Congress, our committee's Subcommittee on Water Resources and Environment has held 28 days of extensive hearings on clean water. Topics covered included reauthorization generally, funding for wastewater treatment needs, sludge management, combined sewer overflows, nonpoint source pollution, stormwater, contaminated sediments, Great Lakes water quality, water quality monitoring, water quality standards, effluent guidelines, enforcement, coastal pollution, groundwater, pollution prevention, water conservation, protection and restoration of wetlands resources, rural and small communities, and so forth. Building on previous laws which have revitalized our Nation's commitment to water quality, reauthorization of the Clean Water Act will involve the resolution of a number of complex and controversial issues including sewage treatment, water quality, wetlands, and so forth.

EPA's latest estimate is that there are $80 billion in sewage treatment needs through the next 20 years. Presently, some $2 billion a year is made available to the States to capitalize revolving loan funds from which loans can be made to communities for the construction of sewage treatment works. The extension of this program, which expires in 1994, and the possibility of an increase in the amount of authorization, must be examined. Also to be considered is whether there should be at least a partial return to the former direct construction grants program as opposed to the program for grants to capitalize revolving loan funds.

Many improvements have been documented in water quality, but much remains to be done. There is a strong need to strengthen the control of nonpoint source pollution—runoff from diffuse sources—which now contributes roughly half of the pollutants still entering our waters.

There is also a need to develop a new program for the control of stormwater runoff which discharges through separate storm sewers into waters of the United States. These discharges constitute a significant source of pollution and the existing program has been subject to uncertainty, delay, and considerable controversy. A strategy for the correction of combined storm and sanitary sewer overflows must also be examined. The ultimate cost of such a program has been estimated to be as much as $100 billion.

The most controversial and difficult issue associated with reauthorization of the Clean Water Act is that of wetlands protection. One-half of our country's wetlands have been lost since settlement of the lower 48 States. Wetlands serve essential purposes of wildlife habitat, flood prevention, and water quality. The task before our committee will be that of fashioning a wetlands protection program which brings together, as much as possible, the many strong and conflicting views on the proper role of the Federal and State Governments in the regulation of land use and the need for protection of wetlands.

Other major issues which need to be addressed in connection with the reauthorization of the Clean Water Act include a pollution prevention program, to limit the use and generation of pollutants which otherwise would be discharged into waters of the United States or removed from the waste stream and disposed of in other manners; development of standards for, and control of, contaminated sediments underlying water bodies; water conservation, which can reduce the need for treatment capacity, and the reuse of treated water; coastal pollution, involving the targeted approach to problems of pollution in coastal waters; and the development of a watershed approach to water quality which will encourage the addressing of water quality problems through the comprehensive control of all sources of pollution in a watershed to achieve the maximum water quality benefit through a proper mix of controls.

Whatever the issue, the challenge now before the Committee on Public Works and Transportation, and ultimately the Congress, is to fashion a clean water program that enhances the quality of life for all Americans. With quiet confidence resulting from its record of successes in making the Clean Water Act the legal backbone of America's water pollution cleanup campaign, our committee has begun the work of drafting the Clean Water Act reauthorization bill which this Congress will enact. We expect to introduce a bill within a matter of weeks. I encourage the input of all Members. It is the responsibility of our committee to craft legislation which continues this long history of clean water improvements, which can attract broad support in this House, and which can progress with reasonable speed toward enactment. We take that responsibility seriously.

DON'T MERGE ACDA WITH STATE

HON. MARTIN OLAV SABO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 25, 1993

Mr. SABO. Mr. Speaker, I would like to direct my colleagues' attention to an editorial carried by the New York Daily News on Friday, May 21, 1993, which argues against merging the Arms Control and Disarmament Agency with the State Department. Such a merger has been promoted recently—primarily by the State Department—but not as a way to ensure the best possible arms control policies. Instead, merger advocates say that arms control isn't that important anymore, that all the issues have been settled, and that State can handle the supposedly reduced agenda.

I strongly disagree with both the argument and the conclusion. In my view, the post-cold-war arms control agenda is both extensive and challenging. Ensuring implementation of existing arms control treaties, negotiating a comprehensive nuclear test ban treaty, and battling the proliferation of nuclear and other weapons are important and difficult issues. And, as a number of our colleagues stated in an April letter to the President on this topic, ACDA and the State Department working together would be more effective than the State Department alone.

Historically, it is fairly easy to illustrate the importance of an independent ACDA. Scholars agree that without ACDA, we probably would not have a Nuclear Nonproliferation Treaty helping us to stop the spread of nuclear weapons. Without ACDA, former President Reagan would not have heard arguments for dealing harshly with Pakistan's efforts to develop a nuclear bomb.

Now, there is another, very recent example of why we need a strong, revitalized, and independent ACDA. The administration is reviewing its options for pursuing limits on nuclear weapons testing, as directed last year by Congress through a provision in the fiscal year 1993 Energy and Water Appropriations Act. According to reliable sources, several participants in the interagency group, including the Departments of Energy and Defense, were promoting a continuation of low-level testing after 1996, directly contrary to last year's congressional directive. The State Department vacillated. Only ACDA argued for an end to nuclear testing.

The administration's internal debate is continuing, but I am hopeful that the final recommendations to the President will be consistent with the law, as Senators HATFIELD, EXON, and MITCHELL, and Representatives KOPETSKI and others have argued. It seems probable, however, that without ACDA's forceful advocacy of the proarms control position, the President would have been presented with a recommendation contrary to the law and sure to cause considerable controversy and opposition in Congress.

The Daily News editorial I am enclosing makes these same points, and argues that the State Department would have inherent conflicts between maintaining good relations between the United States and foreign countries, and advocating strong proarms control positions. I urge my colleagues to read this piece.

For my colleagues' use and information, I am also including here a copy of the letter supporting ACDA which was sent to the President by eight Members of Congress in mid-April.

Finally, I wish to note that Representative TOM LANTOS, chairman of the Foreign Affairs Subcommittee on International Security, and Representative HOWARD BERMAN, chairman of the Foreign Affairs Subcommittee on International Organizations, have just introduced H.R. 2155, legislation to strengthen and revitalize ACDA by giving it a greater role within the Government on arms control, disarmament, and nonproliferation questions. I commend the chairmen for their decision to introduce this legislation, and I strongly support their efforts.

[From the Daily News, May 21, 1993]

DON'T TRUST STATE DEPARTMENT TO CURB NUKES

(By Lars-Erik Nelson)

In the name of streamlining government, President Clinton is pondering whether to shut down one of John F. Kennedy's legacies to America, the Arms Control and Disarmament Agency. If he does, he risks blinding himself to the gravest national security threats America faces.

On the surface, abolishing ACDA makes sense. The agency is a Cold War baby. Its officials drafted the major arms control treaties with the Soviet Union. But with the Soviet threat gone, what role is left for ACDA today?

Consider some recent history: In the 1980's, Pakistan secretly assembled an atomic weapon. Under U.S. law, all American aid should have been cut off. Nevertheless, the Reagan administration repeatedly certified to Congress that Pakistan had no nuclear weapons program.

Why? Because Pakistan was helping the CIA run a guerrilla war against Soviet troops in Afghanistan. President Reagan endorsed the CIA and State Department view that the Afghan war was more important than enforcing U.S. laws on stopping the spread of nuclear weapons. The result: The Russians are out of Afghanistan—but Pakistan, a fundamentalist, increasingly radical Muslim state and refuge for terrorism, now has atomic weapons.

Such difficult trade-offs are made all the time—and they ought to be made at the presidential level. But a bureaucratic ploy threatens to strip Clinton of this major responsibility. Secretary of State Christopher is proposing to fold ACDA into the State Department. Herein lies the trouble. The State Department, over the years, has developed what has frequently been called "clientitis." It tends to find excuses for misdeeds by other countries. It gravely warns Congress that America cannot afford to crack down on Chinese civil rights abuses. Japanese predatory trade practices or Arab enforcement of the anti-Israel boycott—for fear of damaging our relations. Examples are many. Turkey has been helping Pakistan buy nuclear-related equipment for over a decade. We ought to slap Turkey's wrist, too, but State argued, no doubt correctly, that we needed Turkey's help, first to monitor Soviet missile tests and later to defeat Saddam Hussein.

The government of Laos was caught running drugs. But State cautioned that we need Laotian cooperation to help track down American servicemen missing in Southeast Asia.

"The Department of State still has the mindset that bilateral relations with other countries are our most important foreign policy goal," says a Senate staffer who feels State and CIA lied to him about the Pakistan bomb. "When State sees things like an illegal weapons program in Pakistan, it often prefers to look the other way."

At least under Reagan, the system worked. With ACDA as an independent agency, he was able to hear arguments for cracking down on Pakistan as well as the State Department's reasons for shutting our eyes. He ruled in favor of State after ACDA had warned him of the costs. But if ACDA comes under the State Department, the President may never even get the opportunity to hear ACDA's warnings. ACDA would no longer have independent access to the White House. "These have got to be presidential choices, but the President can't choose what's not on the menu," says a long-time arms control official.

"If it becomes a dispute within the State Department on whether to blow the whistle on a weapons program or to keep good relations with the suspect country, keeping good relations is going to win at State almost every time," warns Jack Mendelsohn of the private Arms Control Association.

"It's an important point to me that the voice of restraint on nuclear weapons proliferation and on arms sale must be heard at the highest levels." Rep. Lee Hamilton (D-Ind), chairman of the House Foreign Affairs Committee, said yesterday. Hamilton predicted trouble with Congress if Clinton tries to shut down ACDA.

With Soviet communism dead, the old arms threat is gone. But the one that has replaced it is even more alarming. It is the spread of nuclear weapons to a host of immature, disorganized, newly independent countries—with which the State Department is eager to establish good relations. In that world, we need ACDA as an independent cop on the beat, not a bureau within the State Department.

HOUSE OF REPRESENTATIVES,
Washington, DC, April 12, 1993.

Hon. BILL CLINTON,
President of the United States, The White House, Washington, DC.

DEAR MR. PRESIDENT: Despite the end of the Cold War, the arms control and nonproliferation agenda continues to grow. Implementation of arms control agreements such as the Chemical Weapons Convention, negotiation of new agreements such as a comprehensive nuclear test ban, and controlling the spread of weapons of mass destruction will pose increasing challenges to the government's leadership and management ability.

Along these lines, we were pleased to note in your budget submission to Congress for fiscal year 1994 the budget request for the Arms Control and Disarmament Agency (ACDA), which will increase with the agency's new responsibilities in implementing the Chemical Weapons Convention.

We strongly hope this is an indication that ACDA will play a key role as an independent agency dedicated to the management and coordination of U.S. arms control and nonproliferation policy. This position is echoed by two recent studies on the management of U.S. government arms control policy. The Office of the State Inspector General (reporting by Congressional request) and the nonprofit, nonpartisan Stimson Center each conclude that the best way to develop a coordinated arms control and nonproliferation policy in the U.S. government is to revitalize the Arms Control and Disarmament Agency.

In our judgment, a strong, independent, and revitalized ACDA and a strong State Department, working in a complementary manner, equal more than the sum of their parts. With ACDA's arms control and nonproliferation expertise and guidance, and the State Department's foreign policy and diplomatic expertise, the arms control priorities that you have outlined have the best chance of being fulfilled.

Finally, we wish to note Congress's efforts over the last twelve years to protect ACDA from the previous administrations' attempt to destroy it. While we succeeded in saving ACDA, the agency's importance in the arms control process was severely limited. We understand that some are using ACDA's reduced status as an argument for eliminating the agency. In our view, it would be ironic, indeed, if a Democratic President completed the work of destroying ACDA that two Republican Presidents were unable to accomplish. We believe the results of these past conflicts should be reversed, not accelerated.

In short, we strongly urge you to maintain ACDA as an independent agency, and to revitalize it as the center of U.S. arms control and nonproliferation policy as soon as possible.

Thank you for your consideration.

Sincerely,

Ronald V. Dellums, Chairman, Committee on Armed Services; John Joseph Moakley, Chairman, Committee on Rules; George E. Brown, Jr., Chairman, Committee on Science, Space, and Technology; David Bonior, Majority Whip; Martin Olav Sabo, Chairman, Committee on the Budget; John Conyers, Jr., Chairman, Committee on Government Operations; Dave Obey, Chairman, Subcommittee on Foreign Operations Appropriations; Bob Carr, Subcommittee on Commerce, Justice, State Appropriations.

TRIBUTE TO LOIS AND RICHARD GUNTHER

HON. HOWARD L. BERMAN

OF CALIFORNIA

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 25, 1993

Mr. BERMAN. Mr. Speaker, we rise today to pay tribute to Lois and Dick Gunther, our close and esteemed friends for many years. Their contributions to the Jewish community of Los Angeles are legion. For more than 40 years Dick and Lois have selflessly involved themselves in service organizations here and in Israel.

The honor they are receiving this evening from the New Israel Fund typifies both their passion and sense of commitment about Israel. Over the years we have had many conversations with Lois and Dick about Israeli politics, Israeli society, and the Middle East in general. We have felt fortunate to have the benefit of their learned opinions and wise counsel.

That this award is being given in conjunction with the celebration of the 45th anniversary of Israel's independence is extremely appropriate. Few people have served the advancement and security of Israel more selflessly and energetically than Lois and Dick.

Together, the Gunthers have been involved with the Brandeis-Bardin Institute, Dick was president, Lois a member of the board and the Council on Jewish Life, Dick was founding chairman.

Their separate activities are no less impressive: Dick was cochair of Operation Exodus, is a member of the national boards of Mazon, Nishma and the joint distribution committee, serves on the executive committee of the California-Israel Economic Exchange and is coauthoring a book on aging in America.

Lois was past president and is a current member of the board of Jewish Family Service of Los Angeles, former chair of the Interreligious Committee on the American Jewish Committee and serves on the advisory board of Hebrew Union College School of Jewish Communal Service.

We are honored by our long and valued friendship with these two outstanding individuals and proud to ask our colleagues to join us today in paying tribute to their tireless and dedicated service to the New Israel Fund and to the Jewish community of Los Angeles.

SENATE—*Wednesday, May 26, 1993*

(Legislative day of Monday, April 19, 1993)

The Senate met at 8:30 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. BYRD].

The PRESIDENT pro tempore. The Senate will come to order.

Leading the Senate in his prayer to the Supreme Lawgiver, Creator of the universe, Creator of life and life eternal, is the Senate Chaplain, the Reverend Richard C. Halverson.

Dr. Halverson, please.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

* * * *in quietness and in confidence shall be your strength* * * *.—Isaiah 30:15.

Gracious God our Father, as the Senate considers crucial issues with profound implications for the Nation and the world—in an atmosphere in which more and more people are expressing mistrust of the institution—help the Senators to realize there is One who understands them, loves them, and desires to lead them. In the milieu of crisis, controversy, conflict, compromise, and confusion, teach them the wisdom of moments of withdrawal, waiting upon God in quiet reflection and prayer. Help them understand that to be too busy for God is to be too busy. It is to deny one's self the availability of a Supreme Resource.

Dear Lord, convince the Senators of Your nearness, Your availability, Your relevance to whatever issues they face. May they find meaning in the words of Isaiah, "* * * in quietness and in confidence shall be your strength * * *."

In Jesus' name. Amen.

RESERVATION OF LEADER TIME

The PRESIDENT pro tempore. Under the previous order, leadership time is reserved.

MORNING BUSINESS

The PRESIDENT pro tempore. Under the previous order there will now be a period for the transaction of morning business not to extend beyond the hour of 11 o'clock a.m., with Senators permitted to speak therein for not to exceed 5 minutes each.

The first hour of morning business will be under the control of the Senator from Oregon [Mr. PACKWOOD] or his designee.

Mr. PACKWOOD is recognized under the order.

Mr. PACKWOOD. I thank the Chair. Is it correct that that 5-minute limitation does not apply to the first hour?

The PRESIDENT pro tempore. It is not. The first hour is under the control of the Senator from Oregon [Mr. PACKWOOD].

Mr. PACKWOOD. I appreciate that. Thank you very much, Mr. President.

THE RECONCILIATION

Mr. PACKWOOD. Mr. President, we are going to be entering into serious debates now in the Congress, in the House and Senate, after the recess, on the so-called President's budget or, as we call it now in Congress, reconciliation. That is a fancy term, and anyone listening to me need not worry about that.

We are going to be voting on taxes and spending in a package that has been fashioned jointly, by and large, by the Democratic majority in the House, the Senate and the President. The Republicans, by and large, have opposed it.

I do not plan today to get into the arguments as to each and every item. But I do plan to get into the philosophy of what it is we are talking about and why the Republicans are so opposed.

First, I want to quote from what we call the 1978 Byrd amendment. This is not the Chair, but this is Harry Byrd, the Senator from Virginia.

In 1978 we passed the following amendment in Congress. "Beginning with fiscal year 1981, the total budget outlays of the Federal Government shall not exceed its receipts."

That is the law. That was the law. We passed it. And we said in 1978, "by 1981 we are going to have a balanced budget and the law compels it."

Interestingly, in what we call the conference report, when the House and the Senate pass slightly different bills on the same subject, you have to go to conference between the House and the Senate to reconcile the differences. We went to conference, we reconciled the differences. This provision remained in the law. But in the report that accompanies the conference, appears the following language:

> The conferees note that this provision may be superseded by the actions of future Congresses.

This is clearly what has happened. In 1978 we said by 1981 we are going to balance the budget; but, oh, by the way, in case somebody else in conference does something different, next month or next year, this does not count.

Indeed, it has not counted. We have not come close to balancing the budget in 1979, 1981, 1982, or 1983, 1984 or onward. This is irrelevancy. What the Congress says it is going to do, balance the budget, does not mean this Congress or any future Congress is going to do it just because we put it in law.

If this Congress, this year, today, said we pass a law that says we are going to spend no more than $1 trillion, signed into law, goes to the President, he signs it, next week we can pass a law that says no, we decided to spend $1.1 trillion and, as we do not have the revenue, we are going to borrow the $100 billion. That will supersede the law to spend $1 trillion if it was balanced.

So, it is nice language, it is a nice thought. It is an irrelevancy based upon the past actions of this Congress—frankly, of all of the governments in the United States.

Mr. President, at this stage, although I want to refer to them a little later, I ask unanimous consent to have printed in the RECORD two charts that will have some budget figures on them. I would like to put them in at this place in my speech so that those who are following it will have the charts to look at.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FEDERAL, STATE/LOCAL, AND TOTAL GOVERNMENT TAXES AND SPENDING AS A PERCENTAGE OF GROSS DOMESTIC PRODUCT: 1950–92

[In percent]

Year	Federal		State/Local[1]		Total	
	Tax	Spend	Tax	Spend	Tax	Spend
1950	15	16	7	7	21	23
1955	17	18	7	7	24	25
1960	18	18	8	8	26	26
1965	17	18	9	9	26	26
1970	20	20	10	10	30	30
1975	19	22	11	10	29	32
1980	20	23	10	9	30	31
1985	19	24	11	9	29	33
1990	19	22	11	10	30	33
1991	19	24	11	11	30	34
1992	19	24	11	11	30	34

[1] This column does not include the receipt or spending of grants-in-aid from the Federal Government, which are counted as Federal expenditures.

Note.—All figures rounded. Totals may not add due to rounding.

Source: "Budget Baselines, Historical Data, and Alternatives for the Future," Office of Management and Budget, January 1993.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

TOTAL GOVERNMENT TAXES AND SPENDING FOR SELECTED ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT [OECD] COUNTRIES AS A PERCENTAGE OF GROSS DOMESTIC PRODUCT, 1965–90

[In percent]

	1965		1970		1980		1985		1990	
	Tax	Spend	Tax	Spend	Tax	Spend	Tax	Spend	Tax	Spend
Switzerland	23	20	27	21	33	29	34	31	34	31
Japan	20	20	21	19	28	33	31	32	35	32
United States	27	28	29	32	31	34	31	37	[1] 32	[1] 36
United Kingdom	33	36	40	39	40	45	42	46	40	42
Germany	36	37	38	39	45	48	46	48	43	46
Canada	28	29	34	35	36	41	39	47	42	47
France	38	38	39	39	46	46	48	52	47	50
Italy	30	34	30	34	33	42	38	51	42	53
Norway	37	34	44	41	54	51	55	46	56	55
Netherlands	37	39	42	44	53	58	54	60	50	56
Denmark	31	30	42	40	52	57	57	59	56	58
Sweden	40	36	47	43	57	62	60	65	64	61

[1] 1989 data.

Note.—All figures rounded. The percentages in this chart are compiled by the Organization for Economic Cooperation and Development, an association of the major industrialized countries of the world. The OECD uses a different method of calculating government expenditures and revenues than the standard budget accounting method the U.S. Government uses. Therefore, while the figures in this table give an accurate comparison of the spending and revenue trends of our major competitors, these figures should not be compared directly to other data.

Source: Prepared by Greg Esenwein of the Library of Congress from Organization for Economic Cooperation and Development data, January 1993.

Mr. PACKWOOD. Mr. President, the first chart is entitled "Federal, State/Local, and Total Government Taxes and Spending as a Percentage of Gross Domestic Product: 1950–1992." It is a complicated title. What it means is this: How much of the gross domestic product—for that term we will simply mean all of the income in the United States. It does not quite mean that, but for purposes of my discussion you can say it means that. How much of all of the income of the assets of the United States do governments tax and do they spend from 1950 onward?

In 1950, all of the governments of the United States, Federal Government, State governments, local governments—like counties and cities, school districts, water districts, fire districts, all of them—taxed 21 percent of the gross domestic product. So if the gross domestic product was $100, all of the governments in the United States were taxing $21.

In that same year, 1950, all of the governments of the United States were spending 23 percent. We had a deficit. We were spending more than we were taking in 40 years ago.

We were taxing 21 percent and spending 23 percent.

Now let us go up 42 years to 1992. Same governments. Whereas in 1950 they were taxing 21 percent of all the money in the United States, they are now taxing 30 percent of it, $30 out of every $100. Instead of spending $23 out of $100, we are now spending $34. We still have a deficit. We collect $30 and we spend $34. We are taxing 30 percent of the gross domestic product, and we are spending 34 percent.

Have taxes gone up? You bet. They have gone up a total of 50 percent from where they were.

Has spending gone up? Gone up about 50 percent from where it was.

Every time we raise taxes, we spend the money. There is an interesting breakdown, however, if you compare the Federal Government to all local governments, collectively. On all of the State and local governments collectively, their taxes have gone up, their spending has gone up, but interestingly, it balances. In 1950, all of the State and local governments were taxing 7 percent and spending 7 percent.

Forty-two years later, they are taxing 11 percent and they are spending 11 percent. I think the reason is, they have constitutional amendments that compel them to balance their budgets—all the States, cities, counties, and fire districts. So if they want to spend, they have to tax or they have to cut spending; but they have to make it come out even. The Federal Government does not. There is a significant difference in the column. You might say that is a shame. The United States will not remain competitive if we keep doing that.

So the second chart I will have placed in the RECORD does the same comparison of taxing and spending for our major industrial competitors. This was a chart prepared by the Organization for Economic Cooperation and Development. This is an organization headquartered in Paris, and all the industrial countries belong to it. It is basically a statistical gathering organization, and it does its analysis slightly different from the way we do ours, so the percentages are not quite the same. They are not very far off. The trend is the same in all events in every single country, what we might regard as industrialized competitors. Over the years, their taxes and spending have gone up. They start from a higher base than we did.

Let us take a couple of examples. Let us take Denmark. In 1965, they were taxing 31 percent of their gross domestic product; they were spending 30 percent. They actually had a slight surplus. Twenty-five years later, they are not taxing 31 percent; they are taxing 56 percent, and they are spending 58 percent. They have a deficit.

Let us take just one other: Sweden. In 1965, it was taxing 40 percent and spending 36 percent; in 1990, it was taxing 64 percent and spending 61 percent. So they all do the same thing we have done. If they have money, they spend it. If we have the money, we spend it. We do not pay down the deficits. We do not reduce spending. Give us the taxes and we spend the money, and it is true in all countries.

That brings us to the issue at hand as to what is going to happen if we pass the so-called reconciliation bill. I am going to call it more or less the outlines of the President's budget that the Democratic majority has agreed to.

This bill allocates the taxes and spending for the next year, and when this bill passes—and it may or may not pass, because we are going to try to defeat it—it will lock in taxes and spending for the next year. The taxes are locked in for the entire 5-year period. All of the so-called spending cuts are not.

I am going to take just the first year of this bill, and there is no argument about the figures that I am giving you. The majority and minority all agree that these figures are accurate for the first year. If this bill passes, we are going to increase taxes, over 5 years, by about $336 billion gross. We are going to give some people tax cuts of about $64 billion. But the total increase in taxes, net, when you subtract from the gross the reductions, is a $272 billion increase in taxes. We are going to lock into place, at the same time we pass this bill, if we do, spending cuts, net—and you have some increase and some decrease—spending cuts of $55 billion. So you have about a 5-to-1 increase in taxes over spending cuts locked in.

Here is the promise: But, aha; this bill says that in the next 4 or 5 years, we are also to pass other spending cuts. We are not required to. It will take further actions of Congress to do it. It will take all the heart and might and soul of the authorizing committees and the Appropriations Committees, but the bill we pass—if we pass it—will not lock in those spending cuts in future years. We might do them; we might not.

The history of this country and the history of every industrialized country is that if they have the money, they spend it. Now, we pass this bill, and in comes this $272 billion in taxes. If we cut $55 billion in spending, roughly $215 billion is left over now, and the President says every penny of that is going to go to deficit reduction.

Where is the history that ever indicates that when we have extra money, it goes for deficit reduction? From the time these statistics started in 1950 to today, every time we have extra money, we spend it, not save it. That is why the Republicans are saying, Mr. President, to the Democratic majority in the House and the Senate: Before we pass this tax bill, let us write into law, irrevocably, spending cuts.

Remember, the President said, when he got inaugurated, his budget was going to be $3 in spending cuts for $1 in taxes. Then, finally, when we begin to see the budget, it was going to be 2 to 1. Then it was $1 of taxes for $1 of spending cuts. Now we have a bill that is $5 of taxes for $1 of spending cuts and a promise on the come of more spending cuts.

We have been suckered on that before, in 1982, when President Reagan was promised support on spending cuts. They said: Just support this tax increase, and you will get it. He reluctantly supported the tax increase and never got the spending cuts.

So I do not think it is unfair for the Republicans to say, Mr. President, to the Democratic majority: We will bargain with you.

We might or might not support a real deficit package. I think I would. I would like to see the deficit reduced. I want to see it reduced overwhelmingly by spending cuts, not tax increases. But, in any event, Mr. President, I am not going to buy into something that promises spending cuts later and puts taxes into effect now.

That is where we are, and that is why the Republicans are adamantly opposed, because time after time after time, it has been the same. As they say, "Fool me once, shame on you; fool me twice, shame on me." We are not going to buy into this again.

We have been fooled often enough with promises. What we want now, in the law, is spending cuts of significantly greater magnitude than will be in this bill, if it passes—not a promise, Mr. President, of possible spending cuts in 1994, 1995, 1996, or 1997, and the taxes now. Let us get the spending cuts now in law, and then we will talk about the taxes.

Mr. President, I reserve the remainder of my time.

Mr. ROTH addressed the Chair.

Mr. PACKWOOD. Mr. President, I yield 7 minutes to the Senator from Delaware.

The PRESIDENT pro tempore. The Senator from Delaware [Mr. ROTH] is recognized for 7 minutes.

CLINTON ECONOMIC PLAN FEEDS CONSUMER DOUBTS

Mr. ROTH. Mr. President, yesterday the Conference Board released its monthly Consumer Confidence Index and the news is not good. Consumer confidence in the Nation's economy fell in May to its lowest level since last October. The No. 1 fear identified by participants in this survey is jobs.

Only 13 percent of those surveyed believe more jobs will be available in the coming months—the lowest level of confidence in job prospects in more than a year.

I believe this continuing drop in consumer confidence can be directly linked to the growing concern of the American people about the dramatic tax increases proposed in the Clinton economic plan. They recognize the plan is heavy on tax increases and light on spending cuts.

Americans are realizing that President Clinton's economic plan is not what it was promised to be.

During the campaign, candidate Clinton promised middle class tax relief. President Clinton's plan will increase taxes by as much as $500 a year for the average middle-class family.

Last fall, candidate Clinton promised to cut the deficit in half in 4 years and significantly reduce the Federal debt. As President, he would increase the national debt by $1.4 trillion in the next 4 years. At the end of his 5-year plan, annual deficits will still be in excess of $200 billion and increasing in future years. This assumes that all of his tax increases will go toward cutting the deficit instead of being spent on new programs, as Congress has done in the past. In fact, since World War II, Congress has spent $1.59 for every $1 in tax increases.

Candidate Clinton promised to create hundreds of thousands of new jobs. But independent economic analysis shows his plan will cause an economic decline and serious loss of jobs.

The result of these broken promises is a loss of faith by the American people and American businesses that has produced a sharp drop in consumer confidence.

Mr. President, the reconciliation bill scheduled for action tomorrow by the House proposes $288 billion in tax increases and user fees and only $55 billion in spending cuts—that is $5 in tax increases for every $1 of spending cuts. That is a far cry from the $2 in spending cuts to $1 of tax increases that was advocated by OMB Director Leon Panetta when he testified before the Senate Governmental Affairs Committee during his confirmation hearings.

For the President to argue that these tax increases will go solely to reducing the deficit, while advocating at the same time a tremendous increase in so-called investment spending is contradictory. History proves that the liberal spending Congress will agree to this new spending.

I believe the American people want to give their President the benefit of the doubt. They want to believe Government spending will be cut and that the massive increase in taxes they are expected to pay go to reduce the Federal deficit. But frankly, they have heard these promises before and not so long ago.

The 1990 budget agreement was sold as the deal which would polish off the Federal budget deficit. Unfortunately, the only thing it polished off was the taxpayer's wallet.

In 1990, I argued raising taxes would slow economic growth and increase unemployment. Unfortunately, I was correct. The lessons of the 1990 agreement are simple: Higher taxes stifle economic growth, destroy jobs, and fuel more Government spending.

Who can blame Americans for being skeptical? Why should they believe enacting another unprecedented tax increase will bring the jobs and economic growth that the last one did not? I don't believe it and neither should the taxpayer.

Tax increases will not create jobs or encourage growth in the economy. As I have said on many occasions, you cannot tax America into prosperity.

Mr. President, I yield back the remainder of my time and yield the floor.

Mr. PACKWOOD. Mr. President, I yield 10 minutes to the Senator from New Mexico.

The PRESIDENT pro tempore. The Senator from New Mexico [Mr. DOMENICI] is recognized for 10 minutes.

Mr. DOMENICI. Thank you, Mr. President.

I thank my friend, Senator PACKWOOD, for yielding.

Mr. President, the House of Representatives is scheduled to vote on its 1993 omnibus reconciliation bill tomorrow. As of this time, it appears that the House will proceed with that vote with many nervous Members.

There is good reason for those Members to be nervous.

If they would take the time to truly study the 1,500-page bill they are about to vote on, I think their anxiety would only be further confirmed.

This may be the reason why the President and the Democratic leadership in the House wants to quickly vote on the bill. The more time people have to really study and analyze it the more questionable will be their support.

I would like to take a few minutes to just review the facts—what is in the House reconciliation bill as I have analyzed it.

DEFICIT REDUCTION

First, for the American public—and indeed for many Members of the Congress—this budget process is confusing.

Back on April Fools Day, the Congress adopted a budget resolution that assumed we would pass various kinds of legislation that over 5 years would reduce the deficit about $440 billion. The majority insists on saying that deficit reduction in that package would total $500 billion, but I am using the official CBO numbers.

One of those pieces of legislation that had to pass to achieve the savings in the resolution was a tax and spending bill—a reconciliation bill.

But that reconciliation bill makes up only a portion of the assumed deficit reduction in the budget adopted in the spring—$337 billion—the remainder $103 billion comes from future cuts in appropriation bills—almost entirely cuts in defense spending—and assumed reductions in interest payments on our national debt.

So let me be clear, the House will be voting not on a $500 billion deficit reduction package, not a $440 billion package, but a $337 billion package, that just also happens to raise the debt limit to $4.9 trillion, with no expiration date. And that bill is what I have analyzed here today.

MIX OF TAXES AND SPENDING CUTS

The House reconciliation bill raises gross taxes $327 billion over the next 5 years—$44 billion next year alone.

The major tax raisers include:

Increased individual income taxes, $115 billion;

A broad-based Btu tax, $72 billion;

A tax on Social Security recipients, $32 billion; and

Repeal of the HI wage base cap, $29 billion;

The House bill also reduces some taxes—$53.8 billion over the next 5 years—$11 billion next year alone.

The major tax reducers include:

R&E tax credit, $10 billion;

Small business expensing, $8 billion;

Modification of AMT depreciation schedules, $9 billion;

Empowerment zones, $5.3 billion; and Passive loss relief, $2.7 billion.

On net then, the House bill increases taxes a total of $275.5 billion over the next 5 years—$32.7 billion next year alone.

Without getting into all the specific policies that back up these huge tax increases at this time, the American public and the Congress needs to understand that the total spending cuts and user fees defined as spending cuts—netting out the spending increases in the bill, which I will discuss later—total only $61.4 billion in this bill.

User fees in the reconciliation bill total nearly $16 billion.

As a result, real spending cuts in the bill total $45.8 billion.

Therefore, the House reconciliation bill if adopted will raise $6.35 in taxes and user fees for every $1 of spending cuts.

What is even more disturbing, the taxes come early in the 5 year reconciliation period and the spending cuts in the bill come later. So taxes and user fees will go up $35 billion next year, while spending cuts in the bill are only $1.7 billion. That is a ratio of $20.68 in taxes/user fees to only $1 in spending cuts.

TAXES

Everyone is aware that the House reconciliation bill assumes a new energy tax—the Btu tax. I will not discuss the concerns I have about that tax at this time. My position is well known already.

But just for the record, I wonder how well it is known that the House reconciliation bill reintroduces bracket creep. Indexing is postponed for 1 year for the top two individual income tax brackets. The tax threshold levels for the new and higher 36- and 39.6-percent tax brackets stay where they are in 1994, rather than being indexed.

I wonder how well it is generally known that the bill's income tax increases, both corporate and individual, are retroactive to January 1, 1993.

I wonder how well it is understood that the bill once again places new paperwork mandates and reporting requirements on businesses: requirements for employers to notify their employees of EITC availability, and numerous new reporting requirements and statements for other business organizations.

Rather than simplifying the Tax Code, the House bill continues to add to its complexities. New regulations and definitions to keep the tax lawyers in business abound.

The House bill requires the Secretary of the Treasury to issue regulations for at least 15 new provisions, three related to a minimal enterprise zone proposal.

The 400 pages of legislative language contain over 160 new definitions for taxpayers to contend and comply with. And the favorite of a reconciliation bill—at least eight new studies are mandated in the tax title alone.

SPENDING CUTS AND INCREASES

On the spending side the bill is scored as cutting spending over the next 5 years a total of $45.8 billion. But this masks the almost equivalent amount of new spending increases also found in this bill.

I will insert a table into the RECORD that presents the new spending found in this supposedly deficit reduction bill.

Including new authorizations in this bill, over the next 5 years a total of $42.6 billion in new spending would be created. Looking only at the new entitlement spending including expansion of existing entitlement programs, the bill will increase spending $38.8 billion over the next 5 years.

At a time when we are all concerned about controlling entitlement spending, this bill will actually create two new entitlement programs: a childhood immunization entitlement and a health care for illegal immigrants entitlement. While I may not be against the objectives of these programs, I certainly am opposed to creating another uncontrollable spending program.

In addition to these new entitlements, the food stamp program is greatly expanded, and new Medicare and Medicaid expansions are included in the bill.

Where there are scorable spending cuts, I think it is interesting to know that a number of these so-called cuts Congress has done before. Of the nearly $61.4 billion in spending cuts well over half—54 percent—come from nothing more than an extension of current law spending cuts that expire over the next 5 years.

As an example, the House bill rejected the President's proposal to permanently increase the part B premiums for Medicare beneficiaries. Instead the bill simply extends the current 25 percent premium for 2 more years. The House Ways and Means Committee has claimed savings from this provision seven times since 1982.

I ask unanimous consent that several tables pertaining to reconciliation be printed in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

RECONCILIATION BY HOUSE COMMITTEE

[In billions of dollars]

Committee	Instructions	1994–98 submitted	Difference
Agriculture [1]	+4.3	+4.2	−0.1
Armed Services	−2.4	−2.3	+.1
Banking, Finance, and Urban Affairs	−3.1	−3.1	
Education and Labor	−5.8	−5.8	
Energy and Commerce	−64.5	−65.8	−1.3
Foreign Affairs			
Judiciary	−.3	−.3	
Merchant Marine and Fisheries	−.2	−.2	
Natural Resources	−2.0	−2.1	−.1
Post Office and Civil Service	−10.6	−10.8	−.1
Public Works and Transportation	−.3	−.3	
Veterans' Affairs	−2.6	−2.6	
Ways and Means:			
Spending	NA	−25.0	NA
Revenues [2]	NA	−275.2	NA
Total	−299.8	−300.2	−.4
Total reconciliation	−335.8	−336.8	−.1
Revenues [3]	NA	−275.5	NA
Spending	NA	−61.4	NA

[1] Includes food stamps authorization.

[2] Revenue increase shown as negative because it reduces the deficit.

[3] Includes revenue provisions from committees other than Ways and Means.

RECONCILIATION RATIOS

[House-reported bill, in billions of dollars]

	1994	1995	1996	1997	1998	1994–98
Spending reductions	−1.7	−4.5	−9.1	−14.0	−16.6	−45.8
User fees	2.3	2.6	3.9	3.3	3.4	15.5
Revenue increases	32.7	41.6	54.8	73.8	72.6	275.5
Ratio of taxes and user fees to spending cuts	(1)	(2)	(3)	(4)	(5)	(6)

[1] $20.68 to 1.

[2] $9.77 to 1.

[3] $6.47 to 1.

[4] $5.52 to 1.

[5] $4.58 to 1.

[6] $6.35 to 1.

Note.—Based on CBO/JCT estimates.

NEW SPENDING IN HOUSE RECONCILIATION BILL

[Deficit impact in billions of dollars]

Committee provision	1994	1995	1996	1997	1998	1994–98
DIRECT SPENDING						
AG: Food stamps	0.567	1.529	1.623	1.673	1.750	7.142
EC: Medicare expansions	.004	.006	.007	.009	.011	.037
EC: Emergency medical asst. for undocumented aliens	.300	....	....	....	....	.300
EC: Universal access to childhood immunizations	.315	.356	.347	.327	.322	1.667
EC: Other medicaid expansions	.073	.075	.086	.098	.111	.443
WM: Medicare part A expansions	.318	.162	.165	.029	.011	.685
WM: Medicare part B expansions	.050	.053	.057	.063	.054	.277
WM: Medicare parts A & B	.037	.049	.076	.094	.102	.358
WM: OASDI expansion	.004	.008	.008	.003	.001	.024
WM: FSLIC double dip	.136	.014	.029	.095	.109	.355
WM: EITC expansion	.339	3.735	6.895	7.191	7.518	25.678
WM: Child welfare services	.174	.132	.232	.367	.575	1.480
WM: Unemployment insurance	.165	.108	.020	.020	.020	.333
Subtotal direct spending	2.482	6.199	9.545	9.969	10.584	38.779
AUTHORIZATIONS						
AG: Rural telephone loans	.001	.005	.008	.011	.013	.038
EC: Grants for state registries	.026	.065	.105	.095	.060	.351
EC: Year 2000 health objectives	.202	.462	.612	.668	.692	.636
EC: Healthy Start	.025	.057	.077	.084	.088	.331
EC: Maternal and child health	.010	.017	.019	.019	.019	.084
EC: Miscellaneous health	.003	.003	.003	.004	.004	.017
PO: Payment to USPS retiring revenue forgone debt	.029	.029	.029	.029	.029	.145
WM: Medicare (subject to appns)	.061	.057	.030	.030	....	.178
Subtotal authorizations	.037	.695	.883	.940	.905	3.780
Total new spending	2.839	6.894	10.428	10.909	11.489	42.559

Source: CBO/JCT cost estimates.

USER FEES IN HOUSE RECONCILIATION BILL

[Deficit reduction in billions of dollars]

Committee provision	1994	1995	1996	1997	1998	1994–98
NEW FEES						
AG: Recreation user fees [1]	−0.006	−0.009	−0.009	−0.010	−0.010	−0.044
BK: GNMA REMICs fee	−.146	−.146	−.146	−.146	−.146	−.730
EC: FCC spectrum auction	−1.700	−1.800	−1.700	−1.000	−1.000	−7.200
NR: Irrigation water surcharge	−.010	−.011	−.011	−.017	−.018	−.067
NR: Recreation user fees [1]	−.040	−.061	−.072	−.076	−.078	−.327
PW: Aviation services fees	−.041	−.042	−.042	−.044	−.045	−.214
PW: COE recreation fees	−.013	−.018	−.018	−.018	−.018	−.085
WM: SSI administration fee	−.050	−.110	−.180	−.180	−.190	−.710
WM: BATF user fees	−.005	−.005	−.005	−.005	−.005	−.025
Subtotal new fees [2]	−2.005	−2.193	−2.174	−1.486	−1.500	−9.358
CURRENT LAW EXTENSIONS						
EC: NRC fees	....	....	−.378	−.389	−.402	−1.169
JD: Patent and trademark fees	....	....	−.111	−.115	−.119	−.345
MM: Tonnage fees	....	....	−.067	−.068	−.070	−.205
NR: Hardrock mining fees	−.041	−.041	−.041	−.041	−.041	−.205
NR: Net receipt sharing	−.035	−.039	−.041	−.042	−.044	−.201
VA: VA medical care reimburs	−.076	−.199	−.216	−.232	−.251	−.974
VA: VA home loan fees	−.143	−.118	−.122	−.126	−.124	−.633
WM: Customs user fees	....	....	−.750	−.820	−.850	−2.420
Subtotal extensions	−.295	−.397	−1.726	−1.833	−1.901	−6.152
Total user fees [2]	−2.300	−2.590	−3.900	−3.319	−3.401	−15.510

[1] Joint jurisdiction.

[2] Adjusted to exclude double—counting of joint jurisdiction items.

Source: CBO/JCT cost estimates.

CURRENT LAW EXTENSIONS IN HOUSE RECONCILIATION BILL

[Deficit reduction in billions of dollars]

Committee provision	1994	1995	1996	1997	1998	1994–98
DIRECT SPENDING						
AG: CCC, Triple base	−0.185	−0.394	−0.447	−0.452	−0.452	−1.960
AG: CCC, Crop assessments	−.016	−.030	−.014	−.008	−.008	−.076
EC: NRC user fees	....	....	−.378	−.389	−.402	−1.169
EC: Medicare: Outpatient	....	....	−.565	−.661	−.767	−1.993
JD: Patent & Trademark fees	....	....	−.111	−.115	−.119	−.345
MM: Tonnage fees	....	....	−.067	−.068	−.070	−.205
NR: Hardrock mining fees	−.041	−.041	−.041	−.041	−.041	−.205
NR: Net receipt sharing	−.035	−.039	−.041	−.042	−.044	−.201
PO: FEHB postal liabilities	....	−.116	−.116	−.116	....	−.348
PO: CSRS postal liabilities	....	−.231	−.231	−.231	....	−.693
PO: CSRS/FS lump sum	−.041	−.107	−2.130	−3.132	−3.400	−8.810
PO: FEHB proxy premium	....	....	....	....	....	....
VA: VA pensions/medicaid bfts	....	....	....	....	−.531	−.531
VA: VA pension inc. IRS match	....	....	....	....	−.136	−.136
VA: VA medical care reimburs	−.076	−.199	−.216	−.232	−.251	−.974
VA: VA drug copayment	....	....	....	....	−.079	−.079
VA: VA home loan fees	−.143	−.118	−.122	−.126	−.124	−.633
VA: VA FCL resale losses	−.007	−.006	−.006	−.006	−.007	−.032
WM: Medicare premiums	....	....	−1.212	−3.127	−3.739	−8.078
WM: Medicare: 2d payor	....	....	−1.005	−1.524	−1.746	−4.275
WM: Customs user fees	....	....	−.750	−.820	−.850	−2.420
Subtotal spending	−.544	−1.281	−7.452	−11.090	−12.796	−33.163
REVENUES						
WM: Individual income taxes	....	....	−1.700	−4.900	−6.200	−12.800

CURRENT LAW EXTENSIONS IN HOUSE RECONCILIATION BILL—Continued

[Deficit reduction in billions of dollars]

Committee provision	1994	1995	1996	1997	1998	1994–98
WM: Gas tax			−2.595	−2.670	−2.651	−7.916
WM: Corporate estimated tax				−4.300	−.900	−5.200
WM: Estate tax	−.475	−.512	−.553	−.598	−.647	−2.785
WM: Vaccine excise tax	−.147	−.154	−.154	−.139	−.133	−.727
WM: FUTA surtax				−.881	−1.208	−2.089
Subtotal revenues	−.622	−.666	−5.002	−13.488	−11.739	−31.517
Total	−1.166	−1.947	−12.454	−24.578	−24.535	−64.080

Source: CBO/JCT cost estimates.

Mr. DOMENICI. Mr. President, I conclude by simply stating the House of Representatives is about to take an important vote on the fiscal future of this country.

The House reconciliation bill when really analyzed is truly a tax bill. Front end loaded on taxes and back end loaded with spending cuts that are made up primarily of extending current law.

The House would do the country a service by defeating that bill and beginning again with a real deficit reduction package focusing on real spending cuts.

Mr. President, I rise to urge that the President of the United States abandon this plan and start over and seek to get bipartisan support so that together we can address the real issue of deficits and, that is, the towering growth of entitlements and mandatory spending.

We spend so much time around here talking about getting the deficit under control by controlling appropriated accounts when, as a matter of fact, there is no way that short of getting rid of all of them, all of the appropriated accounts, everything from the National Institutes of Health, to water and sewer grants, to education. Unless you got rid of it all, you could not get the budget under control.

Having said that—for there are Members of the U.S. House of Representatives who feel a little bit uneasy about the reconciliation bill that passed before the committee and is going before them—let me urge that they not only continue that uneasiness but they look at this bill.

Mr. President, it is 1,500 pages in length. I do not believe it has been filed of record—at least, it had not been the day before yesterday, and frankly it is very difficult to find out what is in it. But we have tried our best and we have found some rather startling things.

I hope every Member of the House has someone to help them look at it in depth, because I do not really believe the American people would sit by and watch this bill pass without sending an ultimatum to their Members if the American people knew what was in this bill.

Let me just use the chart first and say to every Senator here, as I see budget matters, all of the deficit reductions that we are going to get, except for defense cuts, some of which may be spent on other appropriated accounts, almost all the deficit reductions we are going to get are in this bill.

This year, reconciliation is synonymous with deficit reduction. Anyone who wants to come and argue about how much more we are going to get in savings, we will have that argument in due course, and I am certain the American people will understand that there is little or no chance that there is going to be any deficit reduction besides this huge bill consisting of 1,500 pages.

If that is the case, and I believe it is, because there are no mandatory controls over the other expenditures of this Government, except for 2 years, and they are the old mandatory controls of the 1990 agreement, they are not of this President or this Congress.

Now, here is what we find in this bill, I say to my friend, Senator PACKWOOD. Senator PACKWOOD and Senator ROTH and their committee are going to do most of this. The ratio of taxes and user fees to spending cuts in this big bill is $35 billion in the first year in taxes, most of which are retroactive—and you see this almost invisible little red line, $1.7 billion in real cuts in this year, spending cuts. That ratio is $20.68 in taxes in the first year for $1 in spending cuts.

Let us just quickly go right along. And here we have in the second year the result of this bill if it is totally carried out, not changed, $44 billion in taxes and user fees and $4.5 billion in cuts. That ratio is $9.77 to $1.

And let us just continue right along—and it does not get any better, Mr. President.

When you add it all up, there is $291 billion in taxes and user fees in this bill and there is the astronomical net cut in Federal spending of $45.8 billion.

I gave Senator NICKLES a wrong ratio yesterday. When we finished analyzing and subtracting and adding it, it is even worse than I told him. It is $6.35 in taxes for every $1 in spending cuts.

Frankly, unless someone is sitting around hoping against hope that we are going to find another way after this arduous ordeal, we are going to find another way to cut spending, it is going to be a whole new ball game to cut some more spending, I do not believe it. I believe this is the end of it. This is all we are going to get, and, if anything, the pressure for domestic spending after the 2-year freeze will push up the appropriated accounts because there is enormous pressure within them. And even if defense spending is coming down—and to put that in perspective—that is not going to greatly affect this ratio, but everybody knew spending in defense was coming down. That was not arduous or difficult for this President or those who want to cut spending.

So this is it, friends. When we are finished with this great exercise in deficit reduction, I believe it is fair for some of us who have worked on deficit reduction day in and day out—if people think Senator DOMENICI went along with everything Ronald Reagan wanted and President Bush; I mean, I actually had serious, serious reservations and departures with President Reagan, the same with President Bush, on deficit matters and I believe that entitles me to have differences with this President.

But the most important thing is he ought to start over. He ought to sit down and say the Republicans, through their leadership, want to meet and do something about mandatories and entitlements together, Democrats and Republicans. You cannot do it any other way.

Once you have locked these taxes in, $291 billion in net taxes, you are not going to take them off the books.

And, frankly, I believe the American people ought to be very skeptical about what is next because, as I said, there will not be another big deficit package, but I tell you there will be another huge tax package to pay for the health care program. I do not see any other way. Everywhere I look, the health care package is going to be a second round of taxes.

So, if there is a second round, it will not be cuts. It will not be reducing Federal expenditures, I say to Senator PACKWOOD. It will be some significant new tax on the American people to pay for the health care program.

So where are we? For anybody who thinks we are exaggerating when we say this is a tax-and-spend program, let me wrap this part up and move to five or six basic facts, and then I will sit down.

If you take these taxes as I have described them here and consider their retroactivity, consider the little tiny bits of cuts that come with it, how could you get the budget under control? You do not.

And I will give you one new fact. In the next 5 years, the spending side of the American budget in an era of restraint, in a budget deficit package that really was working, the domestic programs of this country in their totality go up, I say to Senator PACKWOOD, $572 billion in 5 years; slightly over $100 billion a year, most of which, seeing the occupant of the Chair, I must say, with real, real affirmation, is not the appropriated accounts of this country but rather the uncontrolled, unreformed mandatory entitlement programs of this land.

Now, having said that, friends in the House, you should know the following. I wonder if you know, and if we know in the Senate, that bracket creep is put back into the Tax Code.

Did Senator PACKWOOD know that?

Mr. PACKWOOD. I did not know that.

Mr. DOMENICI. For the two highest brackets, the two new high brackets we have just put back in the old law that actually ruined the taxpayers of this country and produced a fake tax divided for the American Government to spend by saying you do not stay at the same percentage, if inflation goes up 4 percent, you do not change, you do not change the level of taxation. So that means in a few years, if it went up 10 percent, you would add 10 percent and say that is the new amount of tax on top of 39 or 40 whatever it is.

The PRESIDENT pro tempore. The time of the Senator has expired.

Mr. DOMENICI. Could I have 2 more minutes?

Mr. PACKWOOD. Does Senator DANFORTH wish to speak?

Mr. DANFORTH. Yes.

Mr. PACKWOOD. I have Senator DANFORTH and Senators GREGG, NICKLES and, I think, one other is coming, and we have to be done in 25 minutes.

Mr. DOMENICI. Could I just give you one more?

Mr. PACKWOOD. In 30 seconds?

Mr. DOMENICI. In 30 seconds.

How many people know that in this bill the income tax increases, both corporate and individual, are retroactive to January 1, 1993?

Mr. PACKWOOD. Very few people know that.

I would yield, as I indicated, 8 minutes to the Senator from New Hampshire. If there is any chance he could cut it, I would appreciate it.

I yield 8 minutes to the Senator from New Hampshire.

The PRESIDENT pro tempore. The Senator from New Hampshire is recognized for 8 minutes.

Mr. GREGG. I thank the Senator from Oregon. I intend to conclude my remarks in less time than that.

I thank the Senator from New Mexico for his remarks and for his always precise and rather devastating statement of what this reconciliation bill means in terms of new taxes: $6.35 of new taxes for every $1 of spending cuts. That is really an outrageous number.

What I want to talk about today is who is going to pay those new taxes. We are hearing about it is going to be the wealthy who are going to pay this tax burden of $6.35 of new taxes for every $1 of spending cuts. Well, it is not. It is going to be small business that is going to pay it.

Why is that important? Well, it is important because we are talking about the economic revitalization of this country. And what is the engine of economic revitalization? It is small business.

From the period 1980 to the period 1990, 4.1 million jobs were created in this country by small business. What happened with businesses with over 500 employees? They actually lost jobs. They lost 500,000 jobs.

There are 20 million small business people in this country today, representing 56 percent of the private work force. And of those 20 million small businesses, 80 percent of them are unincorporated or are partnerships.

Why is that important? Well, it is important because it goes to who is going to pay this tax. Because under this tax proposal, subchapter S corporations and partnerships end up getting a disproportionate share of the tax burden that is going to have to be borne here.

Why is that? Because they are treated as individuals. They are not treated as corporations. And they are hit with basically five major new events in their fiscal life which are going to penalize their economic prosperity and their capacity to be competitive.

First, the tax rate of a small business will go up from 31 percent to 36 percent, if they are subchapter S corporations and they have a level of income that qualifies.

Second, the wage on which their tax is calculated for the purposes of FICA and the hospital insurance portion of FICA will go up, and the cap will be taken off.

Third, if they have more than $250,000 of income, they will be hit with a 50-percent surtax.

People say, "Well, if they have $250,000 of income, they ought to pay the 10-percent surtax."

Let me remind you, we are dealing with small businesses. A small business can generate $250,000 of income simply by rolling over its income from one year to the next.

Let us take a dress shop. For example, a dress shop has $250,000 worth of income. The owner of the dress shop, the mom and pop dress shop, happens to make $250,000 in salary. If they roll this over into inventory next year under a subchapter S corporation, they are going to end up paying the surtax penalty under this proposal.

In addition, we have changed this law—not "we," because I certainly am not going to support it—have changed the calculation of the AMT, the alternative minimum tax, raising that rate from 24 to 26 percent, and for people under $75,000 to 28 percent. And as you tend to compress those differences between the AMT and the corporate rate and the individual rate, you end up with more people having to file, more people having to file an alternative minimum tax calculation. And anyone who has filed an alternative minimum tax calculation knows it is a nightmare. There is no small business person in the country who can fill it out without going to their accountant. That is an additional AMT cost. It can be expensive to a small business person.

In addition, we put a limitation on itemized deductions—"we" do not, the President does. The limitation on itemized deductions is extended, and that is going to cost small businesses money. And you have the other things, like the Btu tax, extending the gas tax, eliminating the meals. All those hit small business.

What does it total up for the small business persons in this country that they are going to have to pay in new taxes?

Well, it totals a tremendous amount. Quite honestly, if you take the rate increase, if you take off the cap on Medicare, if you take the surtax, you are talking about a 42.5-percent increase—42.5-percent increase—in the amount of taxes which many small business people in this country are going to have to pay as a result of this bill.

So when we hear all this political babble about how it is going to be the rich and the wealthy who are going to pay this tax, let us remember that it is really going to be the small business people of this country who are going to pay this tax.

And that, in some instances, some small business people are going to be put out of business, and instead of creating jobs in the private sector through the engine of small business, this bill is going to significantly contract the capacity of small business to expand and be the engine of job creation today in this country.

It is just foolish to have targeted the real core of entrepreneurship in this country for the major burden of taxation in order to pay for this largess which this program proposes.

Really, what we should be doing is encouraging small business to expand, encouraging small businesses to create opportunity and to generate jobs. And the way you do that, of course, is by cutting the deficit the same way small business people have to deal with managing their businesses and that is controlling the spending side of the ledger. Limiting the amount of spending that is going on at the Federal Government is the way a small business would have to address the deficit if it had one, and it is the way we should be addressing the deficit.

There have been a number of very substantive and effective ideas put on the table by a number of people, including the Senator from Missouri, who is going to be speaking here in a minute, about how to go about limiting spending. Yet the President turns a deaf ear to this and, instead, has stepped off on this road of a massive tax increase, a large majority of which, as I have just mention, is going to fall on the backs of the small business people of this country, who are the engines for economic growth in this Nation—and that is a mistake.

I yield the remainder of my time.

Mr. PACKWOOD. Mr. President, I yield 6 minutes to the Senator from Oklahoma.

The PRESIDENT pro tempore. The Senator from Oklahoma [Mr. NICKLES] is recognized for 6 minutes.

RECONCILIATION

Mr. NICKLES. Mr. President, I compliment my friend from New Hampshire for an excellent statement, as well as Senator DOMENICI, from New Mexico. I hope, even though the hour is early this morning, the American people will have a chance to listen and find out what is in the bill Congress is getting ready to vote on this week, the so-called reconciliation package. Most people do not know what reconciliation means.

Basically, reconciliation is a set of instructions to Congress to report out a bill that will reduce the deficit. I hope the media will pay a little attention to what I am saying because I read in the New York Times this morning that President Clinton's package is balanced, that it has about as much spending cuts as it does tax increases.

That is not the fact. That is not the case. It is not the truth. Senator DOMENICI pointed out the House reconciliation bill, now reported, supposedly will reduce the deficit by $337 billion over the next 5 years; $291 billion of that is in tax increases and fee increases, $46 billion of that is in spending cuts. That is a ratio of $6.35 in taxes for every $1 of spending cuts.

I might mention most of those spending cuts do not happen until the fourth or fifth year, until after the next Presidential election. So there are almost no spending cuts in this bill. The tax increases are retroactive, as the Senator from New Hampshire mentioned, for persons and corporations, going back to 1991. They are going to be putting people out of business. Citizens are going to be getting notices next year that they owe a lot of money, money they did not expect to owe, money that was not withheld. Congratulations, Congress.

What about deficit reduction? Many of us would like deficit reduction, but we would like to see some balance and we would also like to see some truth in budgeting. We are bothered because we continue to see the media reporting that the President's budget is balanced because it has $1 in taxes for $1 in spending. The reconciliation bill, which the House will be voting on tomorrow and which we will be voting on soon in the Senate, is really front end loaded heavily toward taxes, tax increases that are five or six times as large any spending cuts. The American people need to know that. If you go to the American people and ask, "Do you favor deficit reduction?" they all say, "Yes." If you ask, "Do you favor deficit reduction by cutting spending or do you favor deficit reduction be increasing taxes 5 to 1 over spending cuts?" and you will find a resounding, "No." People will be upset about it.

Why is the President doing it? Why is Congress going along? In the Washington Post on May 14, the President stated he is very pleased the House Ways and Means Committee passed his tax plan. In his interview in the Washington Post he said, referring to his economic plan, "I think it will help the economy, bring in more revenues, and permit us to spend more."

Those are the President's words. Those are not words from DON NICKLES. Those came from President Bill Clinton. He wants to spend more.

I might mention I have a list of some of President Clinton's so-called investment proposals: $165 billion of new spending over and above the baseline, over and above inflation, for which President Clinton has asked Congress for more money: Earned income tax credits $16 billion. Head Start, $13.8 billion; health and AIDS initiatives, $12.4 billion; food stamps, $12 billion; national service—I would call it national servitude—$9.4 billion. I could go on and on. I will include it in the RECORD. This is $165 billion of additional spending that President Clinton is seeking over and above the baseline.

He also wants a lot more taxes to pay for this spending. He wants a Btu tax, he wants a tax on Social Security income, he wants to raise corporate tax rates, he wants to raise personal income tax rates. He wants to raise taxes, really, on all Americans, all income brackets, so he can have more money to spend.

Again, I want to clarify that the President's budget package is not balanced. The only way people can say his tax cuts equal his spending cuts is if they call Social Security tax increases a spending cut. I happen to have a father-in-law who says when you raise Social Security taxes 50 to 85 percent, that is a tax increase. The Government is going to take an extra $100 a month out of his check, out of his retirement income.

People who are using those funny numbers are also counting user fees as a spending cut. It is not a spending cut, it is a tax increase. They also forgot to count $54 billion of new spending. In other words, they talk about spending cuts but they forget to include spending increases over the same period of time. Then they give themselves credit for $59 or $60 billion of interest expense and call that a spending cut, therefore getting close to a 1-to-1 margin of taxes to spending cuts.

The facts are as presented by Senator DOMENICI, that the reconciliation bill the House is going to be voting on Thursday and we will be voting on soon in the Senate has $291 billion of new taxes and user fees, and $46 billion of spending cuts. That is a ratio of $6.35 in taxes for every $1 of spending cuts. That is not balanced. That is not equal. That is not fair. It will jeopardize this economy. It will put people out of work in West Virginia, Oklahoma and the rest of the Nation. It will raise costs for agriculture and the transportation industry. I do not think it is balanced, and I hope my colleagues will defeat it.

Mr. President, I yield the remainder of my time to the Senator from Oregon. I ask unanimous consent to have printed in the RECORD the tables that I referred to.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

President Clinton's Investment Program

[Outlays in billions above baseline levels]

New spending:	*Fiscal years 1994–98*
Earned Income Tax Credit (Outlays)	16.072
Head Start	13.846
Health & AIDS Initiatives	12.433
Food Stamps	12.000
National Service	9.430
Education Reform	9.235
Federal Aid Highway Program	7.018
Dislocated Worker Assistance	6.598
Clean Water Act Funds	4.366
WIC	3.634
National Science Foundation	3.397
Government Automation	3.384
VA Medical Care	3.336
Crime Initiative	3.216
Low Income Home Energy Assistance	2.945
JTPA Summer Youth	2.662
Extended Unemployment Compensation	2.400
Safe Drinking Water Act Funds	2.168
National Institute of Standards	2.111
Mass Transit	2.073
Environmental Protection	2.069
CDBG	.430
Subtotal, major provisions	124.823
Other provisions	40.232
Total new spending[1]	165.055

[1] Total New Spending on President Clinton's investment program taken from the appendix of President Clinton's fiscal year 1994 budget request. Individual program totals taken from "A Vision of Change for America."

RATIO OF TAXES TO SPENDING CUTS—WHO'S RIGHT?

	Republicans	Add interest	Move user fees	Reclassify social security taxes	Don't count new spending	Democrats
Gross taxes	$336			$-32		$304
User fees	18		$-18			0
Tax cuts	(64)					(64)
Net taxes and fees	291					240
Spending increase	(54)				+54	0
Spending cuts	156	$+59	+18	+32		265
Net spending cuts	102					265
Ratio: Taxes/cuts	3					1

Note.—Items which increase the deficit are shown in (parenthesis).

5 TO 1, TAXES TO SPENDING CUTS

Budget reconciliation, 1994–98	Budget resolution	House reported
Gross new taxes	$336	$329
Tax cuts	(64)	(54)
User fees	16	16
Net new taxes and fees	288	291
Total spending cuts	55	46
Total new taxes, fees and spending cuts	343	337
Ratio of taxes to spending cuts	5.24	6.35

Note.—Based on Senate Budget Committee minority analysis.

Mr. PACKWOOD. I yield 6 minutes to the junior Senator from Missouri.

The PRESIDENT pro tempore. The junior Senator from Missouri [Mr. BOND] is recognized for 6 minutes.

READY, FIRE, AIM SAGA AT THE WHITE HOUSE

Mr. BOND. Mr. President, my sincere thanks to the Senator from Oregon. I want to address the ready, fire, aim saga we have been witnessing at the White House.

As I trust all of us know by now, last Wednesday, seven long-time travel office employees were notified by White House staff they should clear out their desks and be gone by noon. The travel office handles both the charters and advance work for the press corps, advance particularly in foreign travel, as well as the basic travel agency work needed for any White House staff travel. One week ago, White House official David Watkins called five employees in for a 10 o'clock meeting and informed them they were going to be "revamped and reorganized" out of existence. The two missing employees were overseas in one case, and the other was on vacation. They left quietly and with no inkling of what was to come.

Yet later that same day, press Secretary Dee Dee Myers said "gross mismanagement" and "shoddy accounting procedures" were the reasons behind the dismissals and did not allege "personal misconduct," although, she said, the FBI had been called in. This was the first time the fired staff had heard about criminal conduct, allegations or FBI checks.

The Clinton campaign's travel agency, Worldwide Travel of Little Rock, was tapped to handle—they say on an interim basis—the staff travel, reservations, and other responsibilities. They were to have an office in the EEOB staffed by their people, and this contract was not competitively bid.

Catherine Cornelius, the 25-year-old cousin of the President, was named to take over the White House travel office. Two other political employees will also be assigned to the office, according to a record in the May 20 Washington Post, and they will handle the press charter portion of the work.

The administration claims this was done to ensure competitive bidding for these charters, but reports make it clear that the President's long-time friend and supporter, Hollywood producer Harry Thomason, who has an office in the Executive Office Building for his own use—which also raises some questions—had complained that charter companies he was aware of were not getting any business.

Now it has become clear that he has a financial stake in a charter company who may want in on the business. And now we find that the president of Air Advantage, a charter used by the Clinton campaign, has volunteered to work in the travel office to help solicit and take bids for charters.

I have also heard quite a bit about the supposed Peat Marwick audit of May 14 and 16, but I am still waiting for a response I sent last week which asked for the report plus answers about the choice of the Little Rock travel agency. Now questions have arisen as to the Peat Marwick audit team. Was it headed by someone already on board in the White House as part of the Vice President's review of the Government team. Was this audit initiated as a result of a request for proposal, a standard procedure for instituting outside work of an accounting office or auditing agency to assist the Government.

David Watkins, who actually did the firing, initially said that the Worldwide Travel choice was interim and that it would be competitively bid soon, although no mention of when.

Now it turns out that he was affiliated with Worldwide Travel, and given that he is the one who will decide on any future bids, certainly there are questions as to whether he was likely to change his mind once they got in and got started.

Perhaps the White House finally figured this out, as now Worldwide Travel has been dropped, to avoid the appearance of impropriety, is the White House line. But even more questions have come up now, not the least of which is using Air Advantage to help choose who will get the bids, an inappropriate use of an outside contractor.

But we ought to spend a minute or two thinking about the memo. This was the President's cousin's memo of February 14 to David Watkins. Mr. Watkins now said while he received it, he never read it. Well, perhaps. But it is passing strange that the basic memo said: Fire the staff, put me in charge of charters, and then get Worldwide Travel out of Little Rock to handle the rest. This way we can better coordinate with the Democratic National Committee and we will not be so pro-press.

What happened? Well, the travel staff was fired with the twist of adding charges of gross financial mismanagement, the President's cousin was put in charge, and Worldwide Travel was chosen. So there we have it. Harry Thomason is happy; the President's cousin is happy; Worldwide Travel is happy.

But that is not the end of the story. In fact, it is just the beginning. For now we find that the Attorney General was out of the loop when the FBI was called in. Worldwide Travel has been taken out of the loop and that five of those who were charged with gross financial mismanagement were not really fired at all. They were just told by the White House that the administrative leave has been extended. They were not told they were being put on administrative leave. The White House did not say when it was to expire or when it had been extended to, only that, contrary to their earlier statements for the past week, the folks were not really fired at all.

So what is really going on? Who is in charge? Mr. President, I think when we talk about reinventing Government, we should not be reinventing it to return to patronage statehouse politics.

The PRESIDENT pro tempore. The time of the Senator has expired.

Mr. BOND. Mr. President, I ask my colleague if I could have 2 minutes.

Mr. PACKWOOD. I cannot. We are up against a deadline. Senator DANFORTH has to comment on the budget.

Mr. BOND. Mr. President, then I ask unanimous consent to print in the RECORD several questions which I would like to have answered before we act on the appropriations for the White House.

There being no objection, the questions were ordered to be printed in the RECORD, as follows:

QUESTIONS

Why was the FBI asked to change their statement?

Why wasn't Attorney General Reno informed of the use of the FBI?

Why did the White House release the FBI's statement rather than let the FBI release it?

Why were the employees fired without any opportunity to know about the potential charges—much less defend against them?

What kind of financial arrangement was there between Worldwide Travel and the travel office? Were any contracts signed? For what duration?

Is Worldwide Travel owed any money from the campaign?

If another outside travel agency is brought in, will they be on call 24 hours a day as the current office? Will FBI checks be needed for any employees for security purposes?

What is the current status of the five employees called by the White House and told that their administrative leave had been extended? Will they be given an opportunity to review charges against them? Are any charges pending against them?

When will the internal review be completed? And how can a decisionmaker in the process be expected to conduct an independent review?

If no misconduct is found, will the White House make an effort to clear the employees and either reinstate them or help them relocate?

And most important of all, why didn't anyone in the White House question the impropriety of the entire affair—before it happened?

Mr. PACKWOOD. Mr. President, I yield the remainder of the time we have to Senator DANFORTH.

The PRESIDENT pro tempore. The remainder of the time being 9 minutes, the Senator from Missouri [Mr. DANFORTH] is recognized for 9 minutes.

DEFICIT REDUCTION PROGRAM

Mr. DANFORTH. Mr. President, last week Senator BOREN, Senator JOHNSTON, Senator COHEN, and I offered our suggestion for the best way to go about dealing with the terrible problem of the budget deficit. I would like to describe for the Senate the reasoning that went into the program that we announced last week.

The first principle that was agreed on by the Senators who were part of this effort was that we should propose a deficit reduction program which was at least as good in total deficit reduction as the President's program and as the budget resolution that has been adopted. We met that target. In fact, we exceeded that target by some $46 billion.

Then the second premise was that in addition to at least matching the target that had already been set for deficit reduction, the ratio of spending cuts to tax increases should be dramatically changed from the program that was before us. We have heard speeches already this morning describing what the ratio, in fact, is. There are various analyses of that ratio. Most everybody agrees that it is somewhat less than $1 of spending cuts for $1 of tax increases. Some say it is 2 or 3 or 4 to 1 in tax increases over spending cuts. We believed that the figure given by Leon Panetta, now the Director of the Office of Management and Budget, during his confirmation hearings should be the target that we shot for; that is, we thought the best program, as far as the economy was concerned, was to have at least $2 of spending cuts for every $1 of tax increases.

The third general principle that we agreed to was that entitlement programs must be controlled. It was our view that it was not possible to come up with the necessary numbers for spending cut reduction without controlling the growth of the entitlement programs, the automatic programs in the budget that do not require appropriations.

These entitlement programs have been the fastest growing part of the Federal budget. They have grown from about 30 percent of the budget in the 1960's to about 50 percent of the budget today. And in 10 years, on the present growth pattern, the entitlement programs will constitute just short of 70 percent of the Federal budget.

Under the budget resolution that has been adopted, nothing of significance is done to control the growth of the entitlements. And, as a matter of fact, under the budget resolution over a 5-year period of time, the entitlement programs will grow by 25 percent.

It was our position that as difficult as it is to take on the entitlement programs, they are uncontrollable today, they are growing at an enormous rate and that the entitlement programs have to be reined in.

We have some further points of agreement. We agreed that we should reduce the tax burden in the President's program, and we agreed on how we should do it. There were two specific points that I think deserve special attention this morning.

The first is that the so-called Btu tax, the energy tax, should be deleted from the program. A lot of newspaper commentary on this proposal of ours said, well, two of the Senators are from oil-producing States, so that is obviously the reason that the Btu tax was deleted in this program. That is really not correct. Two Senators were from oil-producing States, but my State of Missouri is not an oil-producing State and the State of Maine, which is represented by Senator COHEN, is not an oil-producing State.,

We believe that the Btu tax should be deleted not because we are from oil-producing States, but rather because we think the Btu tax is bad for our economy.

It is a very regressive tax, and beyond that it is a tax on the production of goods manufactured in the United States. It is a tax which is particularly injurious to America's competitive position. That was really an easy decision for all four Senators. The Btu tax must go.

The second easy decision, but it has received a lot of comment on the press, was that we should delete the repeal of the cap on the payroll tax for health insurance that was proposed by the President.

Now, the way that has been written up by the editorial writers was, well, this was a desire on the part of the four Senators to provide a tax break for the rich. That is why they wanted to delete that idea of doing away with the repeal of the cap on the payroll tax.

Mr. President, if we wanted to help the rich, we would have reduced the tax rates. We would not have done this. The reason we did this, the reason we made this suggestion was not to help the well-to-do but to help the small businesses of this country, because the problem with doing away with the cap on the payroll tax is that the effect is to tax 100 percent of the earnings of unincorporated businesses. So that individual proprietorships and partnerships would have all of their earnings subjected to the HI tax under the program that has been suggested by the President.

We thought that small business is the big growth area in this country, this is the job-producing part of our economy, and this was just too hard a hit on the small businesses, on the unincorporated businesses, and that that part of the President's program should be abandoned.

There were also some similarly held views among all the four participating Senators in the area of the entitlements. The first had to do with the annuity programs, including Social Security, the so-called third rail of American politics. And we said that the first $600 a month should get the full adjustment for inflation, but after the $600 a month it should be the Consumer Price Index minus 2 percent.

For the average Social Security beneficiary, that means $1 per month. Now, people say, well, we should not touch them at all. This should just be totally off limits. That is the conventional political position. It is a justified position. As a matter of fact, Social Security does stand on its own merits. It is a separate trust fund.

Why did we make this proposal, Mr. President? We made it simply because we have a national crisis, and we believe that when the question is really put to the senior citizens of this country, they, too, would be willing to make a modest contribution for the sake of their grandchildren. That is really what the question is.

The PRESIDENT pro tempore. The time of the Senator has expired.

Mr. DANFORTH. Mr. President, I ask unanimous consent that I be given 1 more minute.

The PRESIDENT pro tempore. Is there objection? The Chair hears no objection. The Senator is recognized.

Mr. DANFORTH. Mr. President, on the other point relating to the control of the entitlement growth, also there was no real difficulty in reaching conclusions among the four Senators. But let me conclude by making just two additional very short points.

We agreed among the four Senators that whatever is done about the budget deficit has to be bipartisan. The gridlock in this country is not just caused by Republicans, and it is not just caused by Democrats. It is caused by people who are afraid of the next election. And we believe that Republicans and Democrats absolutely have to get together in a common approach in order to deal effectively with the budget deficit. Ours is the first effort in a bipartisan approach.

The second point we thought about was that there are really only three alternatives which are now before the country: We can either raise taxes, or we can control entitlements, or we can simply forget about the budget deficit and let the country get weaker and weaker and weaker.

We believe that controlling entitlements and some increase in taxes is the best approach for America.

The PRESIDENT pro tempore. All time under the control of Mr. PACKWOOD has expired.

ORDER OF PROCEDURE

The PRESIDENT pro tempore. Under the previous order, there will now be 45 minutes under the control of the Senator from South Dakota [Mr. DASHLE] or his designee.

Mrs. BOXER addressed the Chair.

The PRESIDENT pro tempore. The Senator from California.

Mrs. BOXER. I ask unanimous consent that I be Senator DASCHLE'S designee for this time.

The PRESIDENT pro tempore. The Senator will be so recognized.

BUDGET RECONCILIATION

Mrs. BOXER. Mr. President, I have listened very carefully to my Republican colleagues this morning, and I will say they are certainly filled with spirit. They are angry. They are spirited. But, with the exception of one of the Senators, they have offered nothing to lead us out of the fiscal mess in which we find ourselves.

Yes, they have launched a very spirited attack against the President's economic plan, and they are quite worked up about it, Mr. President, as you can see. I respect my Republican friends, and I respect their opinions. I respect their right to speak out in a spirited way against this plan. But I have to ask a few questions.

Where was this spirit, Mr. President, when you led the fight for a jobs bill for our people? Where was this spirit for our people and their families? Where was the spirit for America's children, who would have been so much better off if we had passed the jobs bill? And I would have to ask, Mr. President, Where was this spirit as Presidents Reagan and Bush borrowed and spent our deficit from $50 billion in 1980 to $300 billion at its peak? Where was this spirit, Mr. President, when the national debt went from $1 to $4 trillion?

It was not there, Mr. President, I served in the other body, in the House, for 10 years, and somehow I did not see this anger as that deficit rose. I did not see this anger as our children went into poverty. I did not see this anger as our families saw their incomes level off and drop.

I did not see this anger from my Republican friends because they were happy with the way things were going. The wealthiest among us saw their incomes rise 115 percent in that decade of neglect. Republicans liked that just fine. And that is when I find that my Republican friends are at their happiest, when the wealthiest Americans see their incomes rise. And, average incomes did rise during the Reagan-Bush years. They went up from $314,000 in 1977 an average to $675,000 in 1992.

So, yes, there will be changes. The American people voted for change. The American people said enough is enough. CEO's, Mr. President, getting million-dollar bonuses. Enough is enough. Feathers are being ruffled, and suddenly we see spirit on the other side of the aisle which we have not seen in a long time.

But, for the most part, we have heard nothing but criticism. Yes, we heard the Senator from New Mexico, who is a real leader in deficit reduction, offer to sit down with the President. But I believe the time for sitting down has passed and the time for action is now.

This reconciliation bill should and must be passed. We all know this economy is in trouble. It is easy to point fingers and blame, but we know now that we need to reduce this deficit and make sound investments in our people.

We do know this is going to mean some very, very tough choices—choices that I do not like, Mr. President; choices that you do not like, I am sure; choices that many of us hate to make. But I think there is one choice we cannot make, and that is we cannot do nothing. If we continue on the present course, it is clear we would see deficits in 10 years in excess of $600 billion and ruination for our country.

We have a President who has brought that home to Americans. That is the irony of all this. He has brought it home to Americans, and yet he is criticized by the other side of the aisle for not doing enough about the deficit when they, over all those years, never got excited or angry about the kind of increases we saw in the deficit.

We have just come out of a decade of neglect. We saw the people in the middle getting squeezed and the rich getting richer and the poor getting poorer. We just came out of a decade of politics of greed and divisiveness. And the people watch the deficit and the interest on the debt rise, and they see now a very weak economy, and, yes, consumer confidence is down. Of course it is down. When we bicker here, when the forces of delay and filibuster rear their heads again on this floor, of course consumer confidence is going to be down.

This is not a time to be proud of, but we can turn it around. We can move this country forward. We need to revive this economy. We need to take bold steps, and President Clinton has presented us with a plan to do that. It is the most ambitious deficit reduction plan in history. I believe, Mr. President, it has been distorted on this Senate floor. People say 6 to 1 taxes over spending cuts. Those are not the numbers that I have been given. The point is we know we cannot tip the scale too far in any one direction. If we put too much on the tax side, we will hurt the middle class. If we put too much on the spending cut side, we will lose more jobs and sink into a deep recession. It is a very delicate economic balance, Mr. President. It is like a puzzle. The pieces must be kept intact.

So when we talk about the President's plan, we need to talk about it as a whole. And, again, I must say, I would write it differently. Other Members of the Senate would write it differently. But we have one President, and his plan deserves a chance. Ronald Reagan's plan got a chance. George Bush's plan got a chance. I did not see Democrats stopping their plan. We criticized it. We said it would lead to deficits. We said it was too generous to the wealthiest among us, those earning over $300,000. We said that, Mr. President. I think we were right. But those Presidents got their chance. People liked what President Reagan did and they reelected him. They did not like what President Bush did, and they turned to President Clinton.

We can look at the polls, and polls will go up and down. But, Mr. President, polls are not what leadership is about. Leadership is really about making choices. It is about standing up when the going gets tough. It is about not tearing things down without offering something in its place. We have a chance to show that kind of leadership, as tough as it may be. If we continue this debate and this tearing down, my own State of California will see its unemployment rate stick at an unacceptable 9 percent. That is too much suffering, Mr. President. We cannot afford to continue to see this economy faltering. We would have failed the people we were sent here to represent.

President Clinton said it over and over again. If you have a better idea, put it on the table. We did have a group of five—some Democrats, some Republicans—put an idea on the table. That is fine. But if you really look at it, that plan hurts the poor. That plan hurts the middle class. That plan hurts the elderly through cuts in Medicare. When we compare it to President Clinton's plan, it does not match up.

We know that we are going to have to look at Medicare. When Congress considers health reform, we will look at Medicare. But let us not do it in a vacuum. Let us look at Medicare and Medicaid in the context of a comprehensive health care reform package. That debate is coming soon.

Now it is time to focus on the comprehensive plan that is before us. We need to focus on the only plan that meets this Nation's challengers head on. It is the only plan that really acknowledges new priorities. Yes, we can criticize the plan and debate it, but let us move on with it, Mr. President.

The President's plan will reduce the deficit by almost $500 billion over 5 years. It will do so with a delicate combination of spending cuts and tax increases. You will hear squawking and complaining that there will be tax increases and you will hear squawking and complaining that some spending priorities are taking a lower peg on the ladder. You will even hear those on the other side of the aisle defend the mohair subsidy. Many of those who defend it are those who say we have to cut more spending, but not in my backyard, not the mohair subsidy. As I have heard Senators say that my Texas goat ranchers would not like to lose their subsidy. The mohair subsidy goes back to the war years, Mr. President, when we needed wool for the uniforms of our fighting men. This subsidy is out of date. We hear a lot of people say we have to do away with the sacred cows. I say do away with the sacred goats while we are at it. Yet even with these other subsidies, you will hear those on the other side of the aisle who keep complaining that this President does not cut enough spending. They keep speaking out for these kinds of subsidies for their own backyards. It is time to put all that aside. We tried that strategy in the eighties. It did not work.

President Clinton proposes to cut spending by $175 billion. Roughly $60 billion of these cuts are in entitlement programs, and those cuts are not easy. These are tough choices, and President Clinton has made them.

And the taxes. I want to talk about the taxes. Not one Senator or one Member of Congress wants to raise taxes. It is not pleasant. It is not happy. You do not get rewarded for it. It hurts you. But once in a while you have to do something tough.

Again, during the last decade, wealthy Americans saw their average income skyrocket from $314,000 in 1977 to $675,000 in 1992, a 115-percent increase in their incomes. I ask you who paid the price for that? I say the middle class. The middle class was hit by taxes, and they found themselves working harder and making less.

But this time, as we look at these sorry deficits, we must look at fairness. And this President has done so. Yes, he says it is time that the wealthiest among us pay their fair share of the burden. Mr. President, I know people in my State who did very well in this last decade, and they want to help.

I am not saying they are going to sit down and write a check on their own to lower the deficit, but they are ready and willing to see their tax rates go up a little. And I know that my friends on the other side of the aisle get very upset at this thought. They like the trickle-down theory. They believe that if you give to the wealthiest, then, hopefully, the crumbs will eventually wind there way on down to everybody else. They think that with trickle-down economics we will all become richer and better, and the deficit will go down. They think that spending us into prosperity is the answer.

But what did the wealthy Americans do with all the money they made in the 1980's? Many of them used it to buy up companies and then break them apart, costing many Americans their jobs.

So it is time that we see a fair tax bill. And, it is time that those who benefited the most in the 1980's pay their fair share. I think that is what you will see in this President's tax program. Seventy-five percent of President Clinton's proposed tax increases fall on those who can afford to pay more. And, these Americans will feel better when they see our children doing better; they will feel better when they see our families doing better; they will feel better about this country when every one is brought along.

Mr. President, that is what America is about—bringing everyone along. We do not guarantee things for people we do not guarantee certain results, or guarantee money. But we should guarantee people a chance, an opportunity. To do that, we need to make investments in the American people, and that is what the President does.

The President has even offered to set up a deficit reduction trust fund so that we are sure that increased taxes will go toward deficit reduction.

Yes, the President must raise some taxes. Yes, he increases some spending. But, we need to increase spending in some cases in order to invest in our people. In order to invest in our industries, so that we will have prosperity in the future. With President Clinton's economic plan, the deficit will come down from 5 percent of GDP to 2.5 percent of GDP. That is what is important, the percentage the deficit is of the gross domestic product. It must come down in order for Americans to be competitive.

So, let us resist the easy answer of tearing everything down, Mr. President. The time is past for that. Let us resist the answer of hitting our elderly, as the so-called bipartisan compromise does. Let us adopt the basic concepts in the President's plan. It is going to go through committee; it is going to change. But we must begin to move forward with the President's plan. I believe the plan is a blueprint for fiscal responsibility and sound investment. I think it will bring us closer to reversing a decade of neglect of our people, and our children, and to reversing a decade of fiscal irresponsibility.

Mr. President, I yield the remainder of the time to the Senator from South Dakota.

The PRESIDENT pro tempore. The Senator from South Dakota [Mr. DASCHLE] has 27 minutes 18 seconds.

Mr. DASCHLE. Thank you, Mr. President.

Mrs. BOXER. Mr. President, before the Senator begins, I wanted to mention one thing to him. First, I want to thank him for organizing this morning.

I wanted to mention that one of our colleagues was deriding the reconciliation bill, saying it was more than 1,000 pages, as if this was something unusual. So we did a little research and found out that in 1987, the Ronald Reagan reconciliation bill was 1,100 pages; and the George Bush reconciliation bill was 2,000 pages; and in 1990, it was 1,100 pages. I thought it was important to put that on the record.

THE PRESIDENT'S ECONOMIC STRATEGY

Mr. DASCHLE. Mr. President, that is important, and I thank the distinguished Senator from California. She is an articulate advocate for her State and, once again, has enlightened us with her description of the reconciliation package and the need for it. I appreciate very much her willingness to come to the floor this morning, as she has, and as she does so often, to represent not only the interests of her people, but the interests of this country, as she articulates what so many of us have also attempted to describe as an important part of the President's economic strategy.

Mr. President, I, too, come to the floor this morning to talk about this reconciliation package, and I begin by reading the following list: The Advance Screw Products Corp.; Acme Manufacturing Co.; the American Lawn Mower Co.; Chicago Flame Hardening Co.; Clark Grave Vault Co.; Embalmers Supply Co.; the National Association of Band Instrument Manufacturers; Phillips Petroleum; the Salt Institute; and perhaps my personal favorite, Republican Engineered Steels. That is right, Republican Engineered Steels, Inc. Ten companies and ten more reasons that America has a $4 trillion national debt.

Each of those companies has just signed on as a member of the Affordable Energy Alliance, which boasts that it has 823 members, all opposed to the Clinton economic plan because they do not like the Btu tax. So the list represents not just 10, but 823 more reasons that we have a $4 trillion debt.

Then there are a few thousand millionaires. They hate Clinton's tax on millionaires, so that is a few thousand more reasons why we have a $4 trillion debt. Add some city people who do not like the President's cut in city programs, and military people who do not like the cuts in defense spending, and you get the point.

Nobody likes to have their programs cut, their taxes increased. There is just one problem—after all of the complaining, after all of the reasons stated by so many of our colleagues and so many of these companies about why we cannot do this, why we cannot do that, why we can never do anything to govern effectively, or deal with what people tell us is a serious problem in this country, getting worse and worse and worse—everyone has just one reason why this or that plan is unfair, ineffective, and not worthy of our support. And the bottom line is that, today, we have a $4 trillion debt.

That is up from $1 trillion just 12 years ago, as now everybody knows. It is a disaster of the first order. We all know that, too. We all know that it does not matter who is the President or what the deficit reduction plan is. Nobody is going to like it. Pain does not have a constituency. There is no constituency out there for taking programs away, or for adding taxes. But it is time to get real. If we want to cut that $4 trillion deficit, then all of us are going to have to take a little pain. There is no plan in the world that is not going to be attacked by the affordable energy alliances of the world. But we ought to at least be honest about the price we pay if we toss the President's package into the dumpster. If his plan is defeated, it will add almost $4,000 to the average family's share of our national debt over the next 5 years; to avoid that $4,000 debt burden would cost the same average family about $488 in additional taxes over the next 5 years. That is $488 in taxes to save $4,000 in new debt.

That is the difference. That is our choice. We can add 4,000 dollars' worth of debt, or an average family over the next 5 years may have to absorb $488 in taxes. That is less than $10 a month. Sometimes I wonder if the facts about any deficit reduction plan really matter. Are the facts persuasive to anybody? Does anybody look at that and say, oh, and the light goes on and somebody comes to the realization that maybe it is worth some kind of an investment, a $488 investment, at the end of 5 years for a $4,000 per family deficit reduction plan?

Two facts really do matter, whether or not that argument is persuasive. The first is, as I said, that it is only going to get worse. That $4 trillion debt is expected to be $7.5 trillion by the year 2003 if we do nothing—$7.5 trillion if we do nothing. Everybody can come up with their plan to do something. The President has provided his. That means that without a change in the Federal Government's current policies, the amount of publicly held debt every man, women and child owes will more than double from $12,941 in 1993 to $26,595 in the year 2003.

So that $4,000 figure I used for the next 5 years is nothing compared to what it will be in the next 10—$26,595; that is the price tag. That is what we could have to look forward to.

The amount a family of four owes on publicly held debt will more than double, from $51,000 to $106,000, in the year 2003, nearly the level of the average home mortgage in 1992—$106,000. I do not know about West Virginia, which the Presiding Officer so ably represents, or California, but I do know this: In South Dakota, you can still buy a pretty nice home for $106,000. By the year 2003, your choice may be buying that home or coming to grips with the fact that we now have a debt that is larger than the value of most homes in my State. That could be the choice in 10 years if we do nothing now.

Publicly held debt as a percentage of GDP will increase from 53 percent in 1993 to 77 percent in the year 2003.

I have heard the President pro tempore talk about putting the debt in concrete terms, and I think that is the only way we can fully appreciate our situation. I am told that a $7.5 trillion debt means that, in $1 bills placed end to end, it would stretch 697.5 million miles, from the Earth to the Sun and back, 3½ times. And paid off at the rate of $1 million a minute, it would take 14 years and 3 months to pay off this debt. To pay off the debt at a rate of $1 million a minute, it would take 14 years and 3 months. That is of our fiscal situation.

So, if we do nothing, we are talking about a debt—just so everybody understands, that, placed end to end, would take us to the Sun and back 3½ times. That is what this debt is all about. That is why this plan is so important.

Sure, we can find ways to tear it apart. Sure, we can come up with our own ways to make it better. But that is what leads me to the second fact.

The second fact is that we have just one President. He has been in office now for 4 months. He is the first President in a long time who has had the courage to bite the deficit reduction bullet.

So if we allow Republican Engineered Steel, and all the thousands of other special interests that do not like this plan, to kill it, believe me, it is going to be a very long time before this President, this Congress, or anyone else sticks their necks out on a budget deficit plan the way this President has done.

We can make a lot of easy political points today, but when we finish, remember these two facts: The deficit is not going to go away; it is only going to get worse. And no other plan will be easier to pass than the one the only President we have presented to us and has proposed. Those are the facts.

We can sit here and do nothing. But doing nothing has consequences beyond those I believe most people have considered today. Unless we change current fiscal policies, in 10 years the net interest payment on the Federal debt held by the public will go from $198 billion in 1993 to $437 billion in the year 2003, becoming far and away the single biggest part of the Federal budget. That means that we will have increased the debt as a percent of GDP to 4.5 percent. It will be, as I said, the costliest Government program of all. We will see it go from 13.6 percent in total spending in 1993 to 17 percent of total spending in the year 2003.

Mr. President, we really have to look at the consequences here. These are very difficult times, but if we choose to do nothing, they can only get worse, can only become more complicated, can only become far more onerous to us in the future.

Obviously, it is important that, as we attack this problem, we try to work in a bipartisan spirit. I am told that there are those on the other side who would support revenue increases of some kind if they were tied directly to the deficit. It is important to emphasize, as I think has been emphasized over and over again, that every dollar in revenue increases in this plan, every single dollar, goes to deficit reduction. Over the next 5 years, there is $1.21 in spending cuts for every dollar of tax increases in the budget resolution. In 1994, the budget resolution has 97 cents in spending cuts for every dollar of tax increases. In 1995, the budget resolution has $1.07 in spending cuts for every dollar in tax increases. In 1996, the budget resolution has $1.10 in spending cuts for each dollar of tax increases. In 1997, the budget resolution has $1.18 in spending cuts for each dollar of tax increases. In 1998, the budget resolution has $1.54 in spending cuts for each dollar of tax increases.

Let me emphasize that: $1.21 in spending cuts for every dollar of tax increases. And that ratio could become even more dramatic as we continue to negotiate with active participants in this reconciliation process.

I want to see more cuts. I want to see ways in which to reduce the deficit even faster. I want to find a way in which to reach a consensus with liberal and conservative Members alike in this

Chamber. That is the only way we are going to get it passed. And if it takes more cuts to do so, let us do it. Let us find a way to do it.

But to say categorically we are not going to be a part of it—which some of our colleagues on the other side of the aisle have said—to say categorically there is no way they are going to participate in this process that we have all talked about as being the most important thing we can do in Government today seems awfully disingenuous.

So I think we have a responsibility here to act constructively, to act in a nonpartisan fashion, to find a way to deal more effectively with the problem that we have before us.

Many have articulated concerns along with this Senator of the impact that this plan has on agriculture. Frankly, I wish the administration would be more forthcoming as they attempt to describe the impact of this plan on various areas, especially that area of the country, the Midwest, where so much of our agriculture is such a big part of the economy, both nationally and regionally.

I think the Department of the Treasury's analysis of the economic impact of the administration's plan on agriculture is a very relevant and very important part of this whole effort to educate and to consider carefully the ramifications of reconciliation. The Department of the Treasury has released recently a very thorough report on the impact that this plan has on agriculture, and I ask unanimous consent to print that report in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

ECONOMIC IMPACT OF THE ADMINISTRATION'S PLAN ON AGRICULTURE

EXAMPLE OF AN UPPER MID-WESTERN FARMER

This example illustrates the economic impact of the President's economic plan on an upper mid-western farm family. The example is that of a farm family with two children, and with income of $17,600. They have $107,000 of debt and a net worth of $500,000 (close to the regional average), and invest $15,000 in new or used equipment. The farm consists of 1,250 acres, producing four crops: 610 acres of wheat, 180 acres of barley, 50 acres of oats, and 160 acres of sunflowers, with 250 acres fallow.

This farm family will benefit under the President's economic plan, as currently modified by the Congress. Family income will increase an estimated $1,718 as a result of lower interest rates, more generous investment incentives, and extension of the health insurance deduction for self-employed workers. (These increases could be realized this year or next.) The farmer will lose $1,644 from reductions in farm program benefits, the proposed energy tax, and the increase in the inland waterways fuel tax when these provisions are fully phased-in (not generally until 1996 or 1997). For the facts assumed in the example, the net result will be an increase in the farm family's income of $74 (a gain of 0.4 percent) under the President's economic plan, as shown below. If it is assumed the status of the two children enable the family to reap the benefits of the expanded earned income tax credit (EITC), the example shows that the farm family's income will increase by $1,035 (a gain of 5.9 percent).

Economic Impact

	Amount
Benefits in 1994:	
Equipment expensing (first year's saving)	$643
Reduced interest rates	963
Extended self-employed health insurance deduction	112
Subtotal benefits	1,718
Expanded EITC	961
Total benefits	2,679
Cost when fully phased-in:	
BTU energy tax in 1997	382
Increased inland waterways fuel tax in 1997	223
Cuts in farm programs in 1996	1,039
Total costs	1,644

Department of the Treasury, May 20, 1993.

COSTS AND BENEFITS OF THE ADMINISTRATION'S PLAN ON FARMING

The Administration's economic plan seeks to accomplish the combined national goals of reducing the federal budget deficit, increasing investment, and restoring long term economic growth. Increased growth helps people and businesses by increasing our standards of living.

The plan requires a shared contribution from all Americans to achieve its goals, but on balance, all Americans, including farmers, will benefit. They will receive new incentives to invest in more productive equipment. Lower interest rates, resulting from deficit reduction, will lighten existing debt burdens and will spur rural economic growth. The nation will see a reform proposal designed to control the rising cost of health care. The Administration's plan will also assist low-income earners by expanding the earned income tax credit. This will ensure that all families with two children earning at least the minimum wage will not live in poverty.

Increased expensing

As modified by the House Ways and Means Committee, the plan will encourage Americans to investment in new equipment, commencing in 1993. Specifically, it increases the level of capital investments allowed to be expensed from $10,000 to $25,000. These investments would, in general, otherwise have to be depreciated over 7 years. In any year, about one-third of the farmers in the region in the example do not invest in equipment, but the two-thirds who do tend to invest an average of $15,000. The increased reduction in tax liability (at a 15 percent tax rate) attributable to the increased expensing allowed, in the year this average investment is made, is $643.

Reduced interest rates

Financial markets view the Administration's program very favorably, calling it the first true deficit reduction program in twelve years. As a result, interest rates have declined significantly since the November election. These lower rates should stimulate new investment, and overtime should allow existing debtors to refinance their high interest rate debt at more favorable levels, as is assumed in the example (which is based on a decline of 90 basis points in interest rates).

Extending small-issue agricultural bonds

Some farmers receive low-cost interest loans from state, county, or local governments. These governments are able to raise lower-cost funds through small-issue agricultural bonds, since the bondholders' interest is exempted from federal tax. The government requires that at least 95 percent of gross proceeds must be used to purchase agricultural land or equipment, and the size of an issuance cannot exceed $1 million. The Administration's plan proposes to extend the rights of state and local governments to issue these agricultural bonds.

Extension of the health insurance deduction

Farmers need comprehensive affordable health insurance, yet many can no longer afford it. The Administration is addressing this issue in two ways. First, the plan extends the 25 percent deduction for health insurance costs of self-employed workers and their families through at least December 31, 1993. Second, the Administration initiated a task force to examine ways to reform the health care industry. The health care task force seeks to control exploding costs and to expand coverage to ensure all Americans receive some form of coverage.

The example shows the tax savings generated from extending the 25 percent deduction for self-employed health insurance, based on an assumed premium of $3,000 (which is anticipated to be about the typical 1994 cost of such family policy) and a 15 percent tax rate.

Expansion of the EITC

The Administration is committed to "making work pay." The President's plan would expand the earned income tax credit to allow a credit of up to 39.7 percent of income for families with two or more children. Depending on a farmer's income level, a family with two children can receive up to $1,482 in additional annual assistance. The increased benefit is reduced for families earning more than $11,000 (as is the case in the example), and is fully phased-out for two-children families earning more than $28,000. Increased benefits of up to $282 are available to a family with one child, and up to $306 to taxpayers with no children.

Phased-in Btu energy tax

To reduce the budget deficit, encourage greater energy conservation, and stimulate development of less environmentally damaging processes, the Administration proposes to impose an excise tax on fossil fuels, as well as hydro- and nuclear-generated electricity. Petroleum-based fuels would generally be taxed at a higher rate. The Ways and Means Committee, however, exempted diesel fuel and gasoline used on farms from the higher rate. This tax is expected to increase average farm production costs by about 0.4 percent in 1997, when the tax is fully phased in.

In the example, the increased production costs for the farm specified are anticipated to be $288; adding an additional $94 for the family's household energy consumption accounts for the $382 cost noted. Farmers are likely to adjust both their crop mix and farming practices, as they have done in the past in response to higher oil prices, and this will reduce the costs. A 3-year phase-in period will provide farmers time to shift to more energy conserving practices. During this period, farmers will benefit from the lower interest rates and investment incentives that are associated with the plan.

Inland waterways fuel tax increase

Farmers will experience a small increase in freight costs for their crops due to the proposed increase in inland waterways fuel taxes (as modified by the Ways and Means

Committee) of $0.50 per gallon when fully phased in. These waterways are currently the most heavily subsidized mode of transportation in the United States and the only Army Corp of Engineers program that is still dependent on federal operating funds. The Administration plans to move this system of intercoastal waterways towards self-sufficiency by increasing the tax on diesel fuel for barges. The increased cost is expected to depend upon the amount of grain and oilseeds shipped by barge, and competing rail freight costs are assumed to also increase somewhat. These increased transportation costs are expected to lead to some reduction in the prices received by the farmer, but increased deficiency payments are expected to help offset the lower prices. In the example, the net effect after taking these effects into account, is estimated to be $223.

Farm program cuts

The Administration's economic plan calls for a reduction in some farm programs over the next four years (although the overall reductions have been modified by the Budget resolution). The example includes the effects of the estimated reduction in deficiency payments for wheat and barley for the farm specified.

Mr. DASCHLE. The bottom line is they take an average farm of about 1250 acres, producing four crops: 600 acres of wheat, 100 acres of barley, 50 acres of oats, 160 acres of sunflowers, and 250 acres fallow.

Considering together all of the costs, when fully phased in, and all the benefits, according to the Department of the Treasury, there would be a complete gain of about $1,035 for that 1250-acre farm; a $1,035 gain for a typical family farm, according to the Treasury Department's analysis. That means a Btu tax, a partial barge tax, cuts in farm programs, all on the cost side; but a dramatic increase in equipment expensing, from $10,000 to $425,000 on the benefit side; reduced interest rates, already being realized by farmers; extended self-employed health insurance deduction; and expanded EITC or earned income tax credit. Those are all considered.

In addition to that, we have added now a reduction in the Btu tax for farmers, or off-road exemption. And our negotiations with the administration continue. I feel very encouraged by the response that they have given us with regard to the impact of the Btu tax and their willingness to negotiate further with regard to its impact on agriculture.

So clearly, we have an effort on the part of this administration to respond to the concerns raised by people in rural America about the effects of the Btu tax and a determination to ensure that it is fair.

Small business, too, is affected in a very favorable way by this plan. Interest rates have declined substantially since the President's election. Increased expensing for farmers will also be included for small businesses.

The package contains a capital gains provision to directly encourage investment in small business. A 50-percent exclusion for companies that paid in capital of less than $50 million will provide a significant differential for qualified capital gains. A health insurance deduction of 25 percent for those who are self-employed; tax-exempt bonds; an exemption for small businesses from the corporate rate increase; permanent extension of incentives like the R&D tax credit; targeted jobs tax credit; the exclusion of employer provided educational assistance, among others. Individual estimated tax simplification is also included in this package.

So, Mr. President, there are very significant proposals for small business—some of which we have called for for a long time—wrapped into this reconciliation package, in spite of the fact that we reduce the deficit by $500 billion over the next 5 years.

Shared sacrifice is really the key here for small business, for people in rural America, for people of all categories in our economy. Throughout this process our overriding goals must be to ensure fundamental fairness, and to reach that $500 billion target.

Is it fair? Are we reaching that target? Those two questions, Mr. President, are critical to our successful completion of this effort.

I do not think anyone can deny the progressivity in this plan. It is something we have not seen for 12 years. So it does not surprise me that those who are most detrimentally affected by higher revenues would be out there in such vehement opposition to the plan. They have not had to face this kind of progressivity for the last 12 years.

Indeed, at long last we are putting some progressivity into the tax plan that has not been there for a long time. So, obviously, when you weigh the cuts that affect those who do not pay a lot of tax against the taxes for those who pay taxes but do not really see themselves affected by cuts, you have the balance that makes this the kind of plan that I feel very comfortable with.

Obviously, we still have work to do, and, obviously, the negotiations are going to continue. But let us all come to the table, let us all come to the realization that to do nothing will have consequences for the American family, for the American taxpayer, for the American businessman, for the American politician, the likes of which we have never seen in recent American history. That is what this is all about, Mr. President.

So we can come to the floor and we can lament this or that. We can listen to all of those groups who are not lining up in opposition because their special interest is detrimentally affected. Or we can do what is right. We can muster the courage, We can recognizing that we have no choice, that we only have one President, and that we must negotiate in good faith with this President, with the House and the Senate, in coming to grips with this problem that has gotten too big and has gone on too long to ignore.

We owe it to the American people. We recognize the importance of change. We recognize the importance of fairness. And, most of all, we recognize the importance of our ability to govern.

Mr. President, I yield the floor.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The absence of a quorum having been suggested, the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SASSER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered. The Senator from Tennessee [Mr. SASSER] is recognized for 5 minutes.

Mr. SASSER. Mr. President, I ask unanimous consent that I be allowed to proceed this morning for 10 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered. The Senator from Tennessee is recognized for 10 minutes.

DEFICIT REDUCTION

Mr. SASSER. Mr. President, I listened with interest this morning, as I always do, to my colleagues on the other side of the aisle, and I must say that I heard nothing new, absolutely nothing new. The same tired, old echoes of Reaganomics and taxophobia that gave us the greatest fiscal crisis in our Nation's history I heard more of this morning emanating from our friends on the other side.

I want to remind all of our colleagues, and all who may be listening, one more time that many of the voices we are hearing this morning, now in shrill opposition to the Clinton deficit reduction program, are the very same voices that gave us the disastrous 1981 Reagan tax cut and its subsequent problems. The same Senators who were on this floor this morning demanding more cuts, more deficit reduction are the same Senators who dutifully defended the hallow fiscal leadership of the 1980's.

The Reagan-Bush Presidencies that generated—now, they did not inherit it—the Reagan-Bush Presidencies generated $3 trillion in new national debt. It is no exaggeration to say, Mr. President, that the 12 years of Reagan-Bush, and particularly the 10 years of Reagan-Bush, will go down in history, when economic historians write the history of the 20th century, as the most mismanaged and irresponsible period of governmental fiscal policy in the history of the United States, and I say not just in the 20th century, but perhaps in the history of our country.

Listeners with any historic perspective will not miss the rich ironies that are on this floor this morning. I am happy to say that we have a chance now to do more than measure present rhetoric against past actions. We are going to be able to measure this rhetoric against present actions.

Last week—and this is what I am talking about—last week Senators DANFORTH and BOREN put together a deficit reduction package that actually attempts to do what those on the other side of the aisle are calling for. It cut the mandatory programs in specific ways. It cuts the entitlements.

Let me say immediately that the Boren-Danforth plan does contain a substantial block of new taxes, $150 billion in net tax increases, using the figures that Senators BOREN and DANFORTH have themselves offered. It includes every dime of President Clinton's increases in the personal income tax which are aimed at the wealthier in our society. It includes every dime of his increases in the tax on Social Security benefits that go to those of the more affluent who draw Social Security benefits.

It includes every dime of President Clinton's corporate tax increases. And I would suggest that right there the so-called bipartisan plan has lost probably two-thirds of those on the other side of the aisle.

The Boren-Danforth plan then goes on to supplement the tax increases with all of President Clinton's $224 billion in outlay cuts, including his defense cuts, with some $160 billion in additional cuts.

Now, that is what they say they want on the other side of the aisle. They want additional cuts, they want more spending cuts, and they want fewer tax increases.

Well, how do we go about getting those cuts? Boren-Danforth plan tells us how. Virtually every cut that Senator BOREN and Senator DANFORTH make is in three programs: Medicare for our older citizens, Medicaid for those who are so poor they cannot afford to pay for medical care, and Social Security for our elderly, along with some tradeoffs that reduce the earned income tax credits, and reduce food stamps in exchange for maintaining the hospital insurance cap at $130,000, that indexes capital gains to benefit the wealthy, and they also eliminate the energy tax. But when you are talking about more cuts, the lion's share of them are coming out of Medicare, Medicaid, and Social Security.

Now, I think the Boren-Danforth plan is an ill-advised plan. I think it is both inequitable and simplistic, and I think it is guided largely by an abstract formula that demands $12 in outlay cuts for every dollar in tax increases. That is what some on the other side of the aisle think we have to have. Of course, blended into that are some special regional interests. Some of the authors of this Boren-Danforth plan are opposed to energy taxes because of the area of the country from which they come. But I think at bottom the Boren-Danforth plan is bad policy.

But as bad as the Boren-Danforth plan is in this Senator's judgment, it conforms to the principles that have been established by the speakers we have heard from the minority side of the aisle now from over the last month. They have been saying we have to have more cuts and fewer tax increases. That is what the Boren-Danforth has.

Now, let us see how many of them on the other side of the aisle are going to march up and support it. I submit, Mr. President, that almost none of them will. David Stockman, the Director of Office of Management and Budget under President Reagan, who presided early on in the Reagan administration over the disastrous tax cuts that came about, said that "The full-throated"—and I quote him in an article that appeared just a few weeks ago. He said, "The full-throated antitax war cries emanating from the GOP since February the 17th amount to no more than deceptive gibberish."

He goes on to state in this article that raising revenues is what is needed and that raising taxes is a business for grown-ups and the GOP should stand aside and let the grown-ups get the job done.

The Boren-Danforth proposal, as I indicated earlier, conforms to the principles to which our colleagues on the other side of the aisle say it should conform. It contains more cuts. It contains fewer taxes. The ratio is the same ratio that they have asked for; there is $2 in spending cuts for every dollar in tax increases.

I wish to see how many of our colleagues on the other side of the aisle will stand up and support that. That is what they say they want. But I will predict, Mr. President, that if the roll is called on the Danforth-Boren plan on the floor of the Senate, it will not get any more than 20 votes.

Why? Because they want to talk about more spending cuts, but they do not have the gumption to come out and vote for those spending cuts because they know they are going to come out of Social Security, they know they have to come out of Medicare, they know they have to come out of Medicaid, and they know that the State governments and the Governors across this country will rebel if Medicaid is cut any more.

The American people reject this kind of nonsense where people are saying, well, we are for deficit reduction, but we are not for this particular deficit reduction plan because it just does not do precisely what we want. And the American people do not want a freeze on Social Security cost-of-living adjustments.

The PRESIDENT pro tempore. The time of the Senator has expired.

Mr. SASSER. I ask unanimous consent that I have an additional 5 minutes.

The PRESIDENT pro tempore. Without objection, the Senator will be recognized for 5 more minutes.

Mr. SASSER. The American people do not want $114 billion in cuts in Medicare and Medicaid. That is what is in the Boren-Danforth plan. They do not want the tax credit for working American families to be reduced so that we can maintain a cap on Medicare that protects people with incomes of over $130,000 a year.

The CNN television network did a poll on this whole question. They asked Americans if they wanted to see the so-called Btu tax eliminated, just eliminate the Btu tax and substitute in lieu thereof the cuts in Medicare, Medicaid, and Social Security.

Guess what the American people said? Twenty-two percent of the American people told the pollster, yes, we want to see the Btu tax eliminated, and we want to put in its place additional cuts, and those cuts will be in Medicare, Medicaid, and Social Security.

But 72 percent of the American people, by almost a 4-to-1 margin, said emphatically, no, they do not want to see the Btu tax eliminated and in lieu thereof Social Security cut, Medicaid cut, and Medicaid cut. The American people know that is a miserable tradeoff.

If this plan were subjected to the kind of scrutiny—I am talking about the Boren-Danforth plan—that the Clinton deficit reduction plan has undergone—and I will tell you they have had experts for weeks looking it over trying to accentuate the negative in this whole Clinton program.

If the Boren-Danforth plan had been subjected to just a minimum amount of scrutiny, it would not have the support of 10 percent of the population. But again I want to say, Mr. President, the Boren-Danforth plan coincides precisely with the guidelines established by the minority in their public statements. It has $2 of spending cuts for every $1 of tax increases. Let us see how many of them on the other side of the aisle will vote for that. Let us see how many of them will vote to cut Social Security, how many will vote to cut Medicare, and how many will vote to cut Medicaid. You can count them on the fingers of your hands, in my judgment. How many of these Senators who just spoke denouncing the Clinton program will support the Boren-Danforth proposal, which meets their criteria? It is going to be interesting to find out.

Mr. President, it is my view that none of them will support the Boren-Danforth plan. Indeed, some who spoke this morning have already announced their opposition to it, even though it has the $2 in spending cuts formula for every $1 in tax increases they say they want.

Mr. SARBANES. Mr. President, will the Senator yield?

Mr. SASSER. I am pleased to yield to my friend from Maryland.

Mr. SARBANES. When people get out here on the floor and talk about cutting entitlements, what happens is, they use that as a handy label. They talk about cutting entitlements, but what you really have to do is go beneath that label and find out exactly what the programs are on which these cuts are going to have an impact.

There are proposals out here, for example, that, if carried through, would severely impact the senior citizen population of this country—and not the senior citizens who are better off, but the people absolutely dependent on Social Security for their income in order to make it from month to month and the people who are dependent on Medicare in order to meet their medical bills.

It seems to me at least it must be understood that this glib throwing around of the word "entitlements" does not begin to address the real situation. The real situation is what is actually going to happen to people if these entitlements are cut. What you have is people coming in and saying, well, we do not want to do the work needed to reduce the deficit. We do not want to have a tax on someone who is better off. In fact, we want to reduce that tax. But then they put forward these proposals which are going to impose the pain and the burden on people who are less well off, who are dependent on the cost-of-living adjustment and Social Security in order to make ends meet or dependent on Medicare in order to meet their medical bills. Is not that correct, I ask the Senator?

Mr. SASSER. I ask unanimous consent that we be allowed to proceed for an additional 10 minutes.

The PRESIDENT pro tempore. Without objection, the Senator from Tennessee is recognized for an additional 10 minutes.

Mr. SASSER. The Senator from Maryland is precisely correct. When they are talking about cutting entitlements, as the distinguished chairman of the Finance Committee, Senator MOYNIHAN, said on one of the national programs Sunday, when they are talking about cutting entitlements, that is really a code word for cutting Social Security.

Well, it is a code word for cutting Social Security, but it is a code word for cutting even more. It is a code word for cutting Medicare. It is also a code word for cutting other entitlements.

Some of the same Senators who have come on this floor and railed against entitlements, saying they ought to be cut, are the same Senators who will privately say, well, we cannot cut agriculture. You know, many of the agriculture programs, as my friend from Maryland knows, are also entitlements. Civil service retirement programs are also entitlements. There are a whole host of programs that are entitlements. But principally the entitlement programs are Social Security; they are Medicaid, Medicare. Ninety-five percent of the growth in entitlements is in three programs: Medicare, Social Security, and Medicaid. So when you are talking about cutting entitlements or putting caps on entitlements, you are really talking about reducing the benefits in those programs or beneficiaries of those programs.

Mr. SARBANES. I appreciate the answer. Let me ask the Senator this: Does that not really mean, instead of talking vaguely about cutting entitlements, what you really have to do is talk about whether you want to cut specific programs and what the consequences will be of cutting the particular program to which you are making reference?

In the 1980's the Social Security trust fund was in difficulty financially. We have committed revenues that go into the trust fund from the payroll tax, and we pay the benefits out of that. The trust fund was getting into difficulty. We looked at that situation, and as part of correcting the problem of the Social Security trust fund, we did cut back on some benefits. We also increased some taxes in order to get the trust fund into a balanced position. Not only did we get into a balanced position, the Social Security trust fund, is now running a very significant surplus as a consequence of doing this.

In effect, it is not the Social Security program that is contributing to the deficit. In fact, if anything, the Social Security trust fund, the positive balance, is an offset in an accounting sense to this very large deficit figure.

So, really, people have to ask themselves the question: Do we want to hit the senior citizens even more heavily as opposed to reducing the deficit in some other way? Some people on the other side are upset because President Clinton is proposing to raise taxes on the very wealthy. In fact, 75 percent of the revenues which the President's program calls for, the increase in revenues to the Government, come from the top 6 percent of the income scale—75 percent. There are people on the other side who do not want that burden put on the very wealthy. They say, no, no, we should not do that tax; we should cut entitlements, which means let us cut the ordinary Social Security recipient before we ask the very wealthy to make some contribution toward reducing the deficit. That does not seem equitable to this Senator.

Mr. SASSER. I think the Senator from Maryland is quite right, and particularly in view of the fact that the Social Security old-age and survivors trust fund that pays out the Social Security benefits will run a surplus this year of about $70 billion.

Mr. SARBANES. Seventy billion dollars?

Mr. SASSER. That is correct. Why should we be reducing benefits for those who are the beneficiaries of a program when that program is running a surplus? The Social Security Program is not the problem. What they are seeking to do is to use the funds collected to go into the Social Security trust fund to reduce the outlay of those so they will not have to raise taxes on the upper 6 percent of the wealthiest people in the country.

Let me just say to my friend from Maryland something that I read that I think he will find of great interest. He will recall when David Stockman was Director of the Office of Management and Budget during the early days of the Reagan administration, that is when we really got ourselves into such serious trouble with the very large tax cut at that time. Here is what David Stockman just wrote about this whole problem. I would like to quote him. I think my friend from Maryland will find this interesting. David Stockman said:

> There is no way out of the elephantine budget deficits that have plagued the Nation since 1981 without major tax increases.

That is what David Stockman wrote just a few weeks ago. Continuing on in this regard, Mr. Stockman said:

> In this regard, the full-throated antitax war cries emanating from the GOP since February 17 amount to no more than deceptive gibberish.

That is what David Stockman says. Then Mr. Stockman continues on——

Mr. SARBANES. This is the David Stockman who was the Director of the Office of Management and Budget for Ronald Reagan in his first term?

Mr. SASSER. That is correct. Continuing on, Mr. Stockman, who was Reagan's Director of OMB, says:

> The root problem goes back to the July 1981 frenzy of excessive and imprudent tax cutting that shattered the Nation's fiscal stability.
>
> A noisy faction of Republicans have willfully denied this giant mistake of fiscal governance, and their own culpability in it, ever since.

He continues on, I say to my friend from Maryland, and this is a direct quote, talking about these Republicans:

> Instead, they have incessantly poisoned the political debate with a mindless stream of antitax venom, while pretending that economic growth and spending cuts alone could cure the deficit.

That is what David Stockman said.

Mr. SARBANES. President Clinton, to his credit, has proposed a balanced program. The President has proposed very significant cuts in spending, but he recognizes that that alone will not fully address the deficit reduction problem with which we are confronted. He, therefore, is proposing increases in revenue as well.

The deficit reduction he is proposing far exceeds the additional revenues from taxes, so it can legitimately be stated that every penny in additional taxes will go for deficit reduction; I ask my friend, is that not correct: And in addition, a very significantly amount will go for deficit reduction from the spending cuts.

So what the President is doing is seeking to reduce the deficit through a combination of spending cuts and revenue increases, and the deficit reduction, which runs at about $500 billion, is almost twice the additional revenues from revenue increases. So every penny will go for deficit reduction and a significant additional amount will come from spending cuts; is that not correct?

Mr. SASSER. The Senator from Maryland is absolutely correct. I find it ironic that the same group that gave us these enormous deficits, the same party that gave us this $3 trillion increase in the national debt during the 1980's, are the same people here that are saying "no" to the Clinton plan. The Clinton plan is the largest deficit reduction program in the history of this country.

Let me just quote one more statement of David Stockman. I think this is really illuminating to hear the views of Mr. Stockman, who served, as I said earlier, as the Director of the Office of Management and Budget in the early days of the Reagan administration. Here is a quote from the same article:

> On the vast expense of the domestic budget, "overspending" is an absolute myth. Our post-1981 megadeficits are not attributable to it.

Mr. Stockman is saying that these large deficits are not attributable to spending.

He continues on and says:

> And the GOP has neither a coherent program nor the political courage to attack anything but the most microscopic spending marginalia.

I think that is a very illuminating statement. It says an awful lot to be coming from him.

Mr. President, I simply conclude by saying this to our friends on the other side of the aisle: The Clinton program is the largest deficit reduction plan in the history of this country that will reduce the deficit by one-half over the next 5 years. For our friends on the other side of the aisle who say, well, we cannot support it because it has too much by way of tax increases and it does not have enough spending cuts, let me recommend to them the Danforth-Boren proposal.

I am not going to vote for it because I am not willing to cut Social Security; that is not part of the problem. Why should Social Security beneficiaries be cut when Social Security is running a surplus every year? I am not going to vote for the Danforth-Boren proposal because I am not willing to cut Medicare to the extent that they are. I am not going to vote for it because I am not willing to cut Medicaid to the extent that Danforth-Boren does.

Mr. SARBANES. If the Senator will yield on that, people have to understand that when you say cut entitlements, you mean cut Medicare, cut Medicaid, cut Social Security. If you cut them, what you are saying is that people who desperately need health care are not going to get it. It amounts to that exactly, and that must be understood.

Let us get away from this sort of vague language that says we will cut entitlements. What do you mean? We will cut Medicare and Medicaid. What do you mean? What that means is that people without financial means, who need health care, are not going to be able to get health care. That is what it means.

Mr. SASSER. The Senator from Maryland is quite right. If those on the other side of the aisle want more cuts, if they want fewer tax increases, then let them vote for Boren-Danforth and cut Social Security and reduce the Social Security benefits, reduce the Medicare benefits, and reduce the amount of taxes that have to be paid, if that is what they want to do. It meets their formula of 2 dollars' worth of spending cuts for every $1 in tax increases.

But I submit, Mr. President, that when the time comes to answer the rollcall, two-thirds to 80 percent of our friends on the other side of the aisle who say they want more cuts will not vote for them.

Before yielding to my friend from Montana, Mr. President, I ask unanimous consent that this article by Mr. David Stockman be printed in the RECORD in its entirety. I think it ought to be required reading for all of our colleagues on both sides of the aisle.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AMERICA IS NOT OVERSPENDING

David A. Stockman Director of the Office of Management and Budget from 1981 to 1985, during the first years of the "Reagan Revolution," David Stockman left office amid the lingering controversy caused by his revelations in the Atlantic magazine about the internal Administration politics which, Stockman said, would result in untenable deficits. (Stockman's memoirs of those years are entitled A Triumph of Politics: How the Reagan Revolution Failed. He is currently a General Partner at the Blackstone Group, a New York investment house.)

President Clinton's economic plan deserves heavy-duty criticism—particularly the $190 billion worth of new boondoggles through FY1998 that are euphemistically labelled "stimulus" and "investment" programs. But on one thing he has told the unvarnished truth. There is no way out of the elephantine budget deficits which have plagued the nation since 1981 without major tax increases.

In this regard, the full-throated anti-tax war cries emanating from the GOP since February 17 amount to no more than deceptive gibberish. Indeed, if Congressman Newt Gingrich and his playmates had the parental supervision they deserve, they would be sent to the nearest corner wherein to lodge their Pinocchio-sized noses until this adult task of raising taxes is finished.

The fact is, we have no other viable choice. According to the Congressional Budget Office (CBO) forecast, by FY1998 we will have practical full employment and, also, nearly a $400 billion budget deficit if nothing is done. The projected red ink would amount to five percent of GNP, and would mean continuing Treasury absorption of most of our meager net national savings through the end of the century. This is hardly a formula for sustaining a competitive and growing economy.

The root problem goes back to the July 1981 frenzy of excessive and imprudent tax-cutting that shattered the nation's fiscal stability. A noisy faction of Republicans have willfully denied this giant mistake of fiscal governance, and their own culpability in it, ever since. Instead, they have incessantly poisoned the political debate with a mindless stream of anti-tax venom, while pretending that economic growth and spending cuts alone could cure the deficit.

It ought to be obvious by now that we can't grow our way out. If we should happen to realize CBO's economic forecast by 1998, wouldn't a nearly $400 billion deficit in a full employment economy 17 years after the event finally constitute the smoking gun?

To be sure, aversion to higher taxes is usually a necessary, healthy impulse in a political democracy. But when the alternative becomes as self-evidently threadbare and groundless as has the "growth" argument, we are no longer dealing with legitimate skepticism but with what amounts to a demagogic fetish.

Unfortunately, as a matter of hard-core political realism, the ritualized spending cut mantra of the GOP anti-taxers is equally vapid. Again, the historical facts are overwhelming.

Ronald Reagan's original across-the-board income tax cut would have permanently reduced the federal revenue base by three percent of GNP. At a time when defense spending was being rapidly pumped up, and in a context in which the then "conservative" congressional majority had already decided to leave 90 percent of domestic spending untouched, the Reagan tax cut alone would have strained the nation's fiscal equation beyond the breaking point. But no one blew the whistle. Instead, both parties succumbed to a shameless tax-bidding war that ended up doubling the tax cut to six percent of GNP—or slashing by nearly one-third the permanent revenue base of the United States government.

While delayed effective dates and phase-ins postponed the full day of reckoning until the late 1980s, there is no gainsaying the fiscal carnage. As of August, 1981, Uncle Sam had been left to finance a 1980s-sized domestic welfare state and defense build-up from a general revenue base that was now smaller relative to GNP than at any time since 1940!

In subsequent years, several "mini" tax increase bills did slowly restore the Federal revenue base to nearly its post-war average share of GNP. The $2.5 trillion in cumulative deficits since 1981, however, is not a product of "over-spending" in any meaningful sense of the term. In fact, we have had a rolling legislative referendum for 12 years on "appropriate" Federal spending in today's society—and by now the overwhelming bi-partisan consensus is crystal clear.

Cash benefits for Social Security recipients, government retirees and veterans will cost about $500 billion in 1998—or six percent of prospective GNP. The fact is they also cost six percent of GNP when Jimmy Carter came to town in 1977, as they did when Ronald Reagan arrived in 1981, Bush in 1989 and Clinton in 1993.

The explanation for this remarkable 25 years of actual and prospective fiscal cost stability is simple. Since the mid-1970s there has been no legislative action to increase benefits, while a deep political consensus has steadily congealed on not cutting them, either. Ronald Reagan pledged not to touch Social Security in his 1984 debate with Mondale; on this issue Bush never did move his lips; and Rep. Gingrich can readily wax as eloquently on the "sanctity" of the nation's social contract with the old folks as the late Senator Claude Pepper ever did.

The political and policy fundamentals of the $375 billion prospective 1998 cost of Medicare and Medicaid are exactly the same. If every amendment relating to these medical entitlements which increased or decreased eligibility and benefit coverage since Jimmy Carter's inauguration were laid end-to-end, the net impact by 1998 would hardly amount to one to two percent of currently projected costs.

Thus, in the case of the big medical entitlements, there has been no legislatively driven "overspending" surge in the last two decades. And since 1981, no elected Republican has even dared think out loud about the kind of big changes in beneficiary premium costs and co-payments that could actually save meaningful budget dollars.

To be sure, budget costs of the medical entitlements have skyrocketed—but that is because our underlying health delivery system is ridden with inflationary growth. Perhaps Hillary will fix this huge, sytemic economic problem. But until that silver bullet is discovered, there is no way to save meaningful budget dollars in these programs except to impose higher participation costs on middle and upper income beneficiaries—a move for which the GOP has absolutely no stomach.

Likewise, the "safety net" for the poor and price and credit supports for rural America cost the same in real terms—about $100 billion—as they did in January, 1981. That is because Republicans and Democrats have gone to the well year after year only to add nickels, subtract pennies, and, in effect, validate over and over the same "appropriate" level of spending.

On the vast expanse of the domestic budget, then, "overspending" is an absolute myth. Our post-1981 mega-deficits are not attributable to it; and the GOP has neither a coherent program nor the political courage to attack anything but the most microscopic spending marginalia.

It is unfortunate that having summoned the courage to face the tax issue squarely, President Clinton has clouded the debate with an excess of bashing the wealthy and an utterly unnecessary grab-bag of new tax and spending giveaways. But that can be corrected in the legislative process—and it in no way lets the Republicans off the hook. They led the Congress into a giant fiscal mistake 12 years ago, and they now have the responsibility to work with a President who is at least brave enough to attempt to correct it.

EXTENSION OF MORNING BUSINESS

Mr. BAUCUS. Mr. President, I ask unanimous consent that morning business be extended and that I may speak for 15 minutes.

The PRESIDING OFFICER (Mr. DORGAN). Without objection, it is so ordered.

The Senator from Montana is recognized for 15 minutes.

MINING LAW REFORM

Mr. BAUCUS. Mr. President, I would like to speak on reform of the Hardrock Mining Act of 1872. Last night, the Senate passed mining reform legislation introduced by Senator CRAIG.

Mining has always been important to Montana. To a large degree, mining was the economic foundation upon which Montana was built. Mining gave rise to the present day towns of Butte, Helena, and Anaconda, as well as the long forgotten boom then bust towns of Bannack, Diamond City, Gold Creek, and Garnet.

The first gold discovery in Montana seems to have been made by John Owen in 1853, when he penned in his dairy, "Gold hunting. Found some." In the early 1860's, gold discoveries in Bannack, Virginia City, and Helena brought nearly 30,000 prospectors to the Montana frontier, and by 1866 the Montana Territory ranked second only to California in gold production. But by 1870, the boom had fallen into a bust, and the Montana Territory fell on a decade of hard times, until copper revived the economy and Butte emerged as the greatest mining camp in the West.

And while mining is no longer as dominant as it once was, it continues to be an important segment of Montana's economy. According to a report recently prepared by the Center for National Policy, mining and derivative economic activities contribute an estimated 11 percent of the State's earned income. And mining and mining related activities employ 8.3 percent of our State's work force.

Because mining is of such obvious importance to States like Montana, I take a great interest in any legislation which this body considers that affects mining. For example, the President's budget package included a provision that required a 12.5-percent gross royalty on hardrock mining on Federal lands. Simply put, this proposal was a killer for hardrock mining throughout the West.

Together with a group of my western Democratic colleagues, I talked to the President about this provision. As a result of these discussions, and thanks to President Clinton's understanding of our concerns, a 12.5-percent royalty is no long part of the budget reconciliation package.

But this does not mean that the larger issue of mining reform should not be addressed. Indeed, Senator JOHNSTON has shown decisive leadership in moving a mining law bill out of the Energy Committee and through the Senate—I welcome this development. It is time for change, and I have long argued that good, balanced mining reform is needed. A 121-year-old law is just not up to the challenge of regulating the modern mining industry.

There are presently two Senate measures—S. 157, introduced by Senator BUMPERS; and S. 775, introduced by Senator CRAIG, the measure that passed last night—that attempt to deal with reform of the Hardrock Mining Act. In my mind, neither adequately represents the type of reform legislation that is needed on this issue.

Senator CRAIG'S measure, passed last night by unanimous consent, is a start. But the bill does very little beyond reaffirming the status quo. That is plainly unacceptable. On the other hand, Senator BUMPERS' measure is reformed oriented, but, unfortunately, it contains specific provisions that will cripple domestic hardrock mining. The answer to acceptable mining reform lies somewhere in the middle. Today, I intend to spell out what I believe to be fair, balanced reform.

Mining reform can be broken into four distinct categories: First, patenting; second, reclamation; third, unsuitability; and fourth, royalties. I believe fair and balanced reform must move beyond the status quo in each category.

The first issue concerns patenting of Federal lands for mineral entry and development. Under the 1872 mining law's patenting provision, mine claimants may obtain fee title to public lands for a filing fee of either $2.50 or $5 per acre. While this often involves a great deal of work and investment on the part of the claimant, few would dispute that the American taxpayer should receive fair market value on the sale of Federal lands—$2.50 per acre is a far cry from fair market value.

I also take issue with a law that encourages transferring public lands into private ownership. While the incentive of cheap public lands for sale was once necessary to attract people to the West, times have changed.

Be it coal mining, oil and gas leasing, or timber extraction, we do not otherwise practice a policy of transferring ownership of lands to encourage development of the resource. Nor do we need to give away land to encourage hardrock mineral development.

I support revising the patenting system so that the public retains ultimate ownership of the public resource. An acceptable patenting system would allow individuals to make mineral claims on public lands, and would secure that right to develop the mineral resource in exchange for an escalating yearly fee.

For example, the holder of a claim would pay $1 per acre for the first 5 years of the claim; $2.50 for the next 5; $5 for the next 5; and so on, until the claim enters into commercial production. And, once mining ceases, the prospector would be obligated to return the land to the Federal Government in the best possible condition.

Second, I would like to talk about the need to develop Federal reclamation guidelines for hardrock mining. The 1872 mining law is not an environmental law, nor was it ever intended to be. And while I am well aware that modern mining projects must comply with a multitude of Federal and State environmental laws, I nevertheless believe that solid mining reform must address relevant environmental concerns.

I support reform that includes strong Federal reclamation standards. These standards should address hydrologic balance, waste disposal, soil contamination, erosion, revegetation, and other pertinent concerns relating to mineral activities. While it is certainly in the public interest to have a healthy domestic mining industry, it is also very much in the public interest to ensure that mining is conducted in an environmentally responsible manner.

While I believe it is necessary to develop Federal standards, I remain firmly committed to the notion that the States are best situated to regulate the mining industry. As such, Federal standards must not be so inflexible that the States are unable to craft reclamation laws given a region's particular topographic, geologic, and climatic conditions.

A good example would be the Federal hole reclamation statute where there are Federal mines, or where States are allowed in. In fact, my State of Montana has passed State reclamation laws which are more stringent than the Federal.

The third issue concerns unsuitability. Put simply, an unsuitability review is a determination whether mining is compatible with other values and uses that exist in a particular area. Under the terms of the 1872 Mining Act, mining is automatically considered the highest and best use of our public lands. Land managers are not given the discretion of saying no to mining even when that activity can be shown to irreparably impair other legitimate uses of the public resource. Our public lands should be managed for multiple use, with no single use predominate over all others in all circumstances.

I will support a suitability provision so long as it is applied at the beginning of the permitting process so as to be fair to the individual who might otherwise invest considerable time and money on a specific claim. Most importantly, this provision must be narrowly tailored so that mining interests are not unfairly burdened by a process that quickly becomes a legal nightmare. In short, it must be as fair to the mineral resource as it is to other resources.

The final and most controversial issue centers around imposing a royalty for hardrock mining on Federal lands. I believe a royalty is justified for hardrock mining on Federal lands. We currently impose a royalty on coal and on oil and gas taken from Federal lands. States impose royalties on hardrock minerals, as do private landowners who lease their lands for mineral development.

As the Senate Energy Committee's hearing 2 weeks ago on the royalty issue demonstrated, however, the manner in which this royalty is assessed is critically important. Plainly, a 12.5-percent gross royalty would have dire implications for this country's mining industry. I suspect the same could be said for even an 8-percent gross royalty. On the other hand, CBO indicated that the 2-percent net royalty proposed in Senator CRAIG's bill will fail to generate 1 red cent of revenue.

The goal in imposing a royalty should be twofold. First, a portion of the money collected should go to the States so that their mining regulation programs are adequately funded and staffed. Federal mining reform should vest in the State the responsibility for implementing and enforcing reclamation standards, and it is our duty to ensure that the States have the financial support to carry out this responsibility.

Second, the bulk of the money collected must go to address the environmental problems created by inactive and abandoned mines. Montana's Abandoned Mine Reclamation Bureau estimated that there are over 3,000 abandoned mine sites in my State that pose either an environmental or safety hazard—a very real problem for which not enough is being done because of the magnitude of the costs involved. It is estimated that over $1 billion is required to remedy the problems caused by inactive and abandoned mines in Montana alone. Many other States are in the same boat.

I therefore, believe that the royalty imposed must be based on profits generated—that is, a net royalty. And I do not think that an 8-percent net royalty is unreasonable. Preliminary estimates suggest that an 8-percent net royalty will generate $96 million in revenue over the next 5 years. Unfortunately, I realize that $96 million does not approach the kind of revenue the administration has indicated they would like to see generated, nor would it totally satisfy the objectives that I have mentioned must be served by a royalty.

I would strongly suggest that the Congress think seriously about imposing a modest fee on all hardrock mineral development—mining that occurs on Federal, State, and private land—and use the profits generated to adequately address the inactive and abandoned mine problem that currently exists. Such a fee will serve to generate needed revenue and is spread evenhanded across the entire industry so that no one particular segment of the industry is responsible for the burden that should be borne by the entire industry.

The challenge facing both sides of the mining reform debate is to step up and recognize that this issue needs to be resolved in a fair, balanced, and permanent fashion. Industry must recognize that the status quo no longer serves the public interest. The public rightly demands fiscal and environmental accountability whenever the public domain is used, and industry should be willing to meet that demand. On the other hand, staunch advocates of reform need to be aware that we are talking about the livelihood of ordinary citizens and the sustenance of many a small community. Punitive reform is not rational reform.

I believe that the suggestions which I have offered today serve as the basis for balancing these competing interests and strikes a fair compromise on a difficult and divisive issue. Let us proceed with reform and be thorough about it so that we can finally put the issue to rest. But above all else, let us not forget the human element of the debate, and act with fairness and compassion.

Mr. President, I yield the floor.

TRIBUTE TO JAMES LYON

Mr. DECONCINI. Mr. President, George Bush once said that "the definition of a successful life must include serving others." Jim Lyon, who I can say with a great deal of pride was related to me, met President Bush's definition of service.

When he died recently at the age of 85, Jim had earned the reputation of a successful businessman and a successful inventor. Over his lifetime he held numerous patents for inventions which made their mark in agricultural science, in education and defense. One of Jim's inventions, widely hailed as a major breakthrough in the poultry industry, permitted chickens to feed in a natural setting without injury to one another.

But it was his commitment to young people and his belief in our system of education for which I will most remember Jim Lyon. Like Ben Franklin, he recognized the critical importance of education. "If a man empties his purse into his head," Franklin said, "No man can take it away from him. An investment in knowledge always pays the best interest." Jim knew that our children's confidence and ability and skills for the future often begin in school. He knew that our walk on the moon and the cure for cancer start in our schools. And so year after year, Jim encouraged science education in schools by providing basic electricity and science kits for classrooms. It is fitting that in his memory his family is planning an annual scholarship award to encourage the development of innovative devices that will solve problems for those with special needs.

As a youngster, my family often spent summers in San Diego with the Lyons. Jim taught me how to fish, how to row a boat, and start a campfire. But he also taught me about the love of learning and the power of education in shaping the future. I will miss him.

A SPECIAL TEACHER—SCOTT SPENCER

Mr. BUMPERS. Mr. President, nothing is more precious to us than our children, and this is what makes their education so very important to us, not to mention to the future of our country. Yet we too seldom recognize the great importance this places on those to whom we entrust our children's education. More seldom still do we recognize those qualities in special teachers who turn what too often is the chore of teaching into an exciting experience, one that stays with the child long after the class is completed.

I would like to share with my colleagues the sad news that the country lost a special teacher in late March, one who brought a special magic to the classroom that influenced every child fortunate enough to have him for a teacher. Scott Spencer was an elementary school teacher extraordinaire. He cared about his students, went the extra mile for them, broke rules when necessary to make the learning experience an exciting one, something they would not only remember but take with them in the years to come.

Scott Spencer had a special knack for knowing what would be appealing, memorable, and fun for his kids, which made the job of learning much more exciting for them. If it took using an aardvark as his mascot, or wearing Groucho Marx glasses, or dressing up in costumes, Scott did it.

Sadly Scott Spencer was not able to complete his teaching career. Diagnosed with cancer last summer, Scott fought his disease valiantly. But when it was clear to him and his doctors that the cancer would win, Scott reacted in typical fashion: Don't give up, travel. Cheerful to the end, he made a final whirlwind set of trips, visiting close friends in California and Florida, even as his strength was ebbing away. From Florida he flew to the Washington, DC, area, where he spent 8 days with a member of my staff. He returned to his home in suburban Cincinnati just when the big March snowstorm hit. Fifteen days later he died.

Mr. President, the teaching profession has lost one of its finest in Scott Spencer. But his legacy is an army of former students and colleagues who were influenced by his special brand of teaching. To Scott's family, friends, former students, and colleagues I extend my sincere condolences.

I ask unanimous consent that an inspirational article about Scott Spencer and his teaching methods, "A Man and His Aardvark," and an editorial comment, "Thank You, Mr. Spencer," from the Hamilton County, OH, EastWord be printed in the RECORD following my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Hamilton County (OH) EastWord, May 1963]

A MAN AND HIS AARDVARK

(By Douglas E. Sandhage)

(Editor's Note: Ever since I decided to be a writer, I've had but two key objectives: (1) to learn; and (2) to make a difference. Making a difference is what the following story is all about. Scott Spencer didn't need a media outlet, a political constituency, or a soapbox to leave his mark. He just needed a good old elementary school and the freedom to practice—sometimes outside the rules—common sense education. He did so, at the same school, for 25 consecutive years. The proof of his impact was probably most expressed in the messages that were read aloud at Scott's funeral in late March. The voices were loud and clear: "Mr. Spencer, thanks! We love you!")

I never met Scott Spencer. And up until last month, all I ever really knew about the man was that he was known as a good teacher, and that he adopted the aardvark as sort of a personal mascot.

Scott died in March, age 47, an untimely victim of cancer.

Some say he had no family. His mother and father died years before, the last of his kinfolk. He lived alone in his house in Amelia, a single man his entire life.

Others say he had family like you wouldn't believe. His home was Maddux Elementary School in Anderson Township; his students were his sons and daughters; his fellow teachers were his brothers and sisters; those he met during his worldwide travels were his best friends.

Scott's last words were that he loved everyone. He was buried in Spring Grove Cemetery, next to his mom.

WHO WAS THIS GUY, SCOTT SPENCER?

From what I can tell, Scott Spencer, in many ways was a regular Joe. He joined a few civic organizations, he kept a home, he bowled, he hiked, he enjoyed photography. Nothing in particular anything but what his closest friends would remember.

But outside of such normalness—when he was in school—was a different man.

Scott Spencer was born and raised in Hyde Park and like most in his day, chose the University of Cincinnati to get his degree. Nobody remembers what brought him to Anderson Township's Maddux Elementary, but it is clear a long-ago principal believed enough in him to offer an open classroom for a few thousand dollars in annual salary. Perhaps it was the adventure of coming to an area that then was still largely untouched, rolling farmland. Most years he taught the fifth grade.

Immediately Mr. Spencer began to make a difference. He accepted numerous additional duties, including after school activities like drama, Spanish and computer clubs, directing the Yearbook, as well as teaching calligraphy classes.

But all teachers claim extra-curricular activities so this alone did not set Scott Spencer apart.

It was the time he began spending with his students. It was the techniques he employed to hold their attention, to help them not just to memorize the correct answers, but, more importantly, know how to ask good questions and where to find the answers.

It was his annual overseas trips to Russia, Australia, Africa, China, Mongolia, the Arctic Circle, his climb to the top of Mt. Kilimanjaro. It was his ability to capture on film, and his notes, the cultures of the world and to share them with his students.

It was his own Scott Spencer "Saturday Field Trips"—as many as half a dozen each year—that expanded the horizons of his students. They would go on cave trips, museum tours, to a Cyclones game, and to outdoor dramas.

It was his pervasive sense of humor. It was an annual event for Mr. Spencer to pose with his students, all of them in the nose glasses with the large, black mustache and eyebrows.

Parents would beg—in writing, on the telephone, in person—to have their child placed in "Mr. Spencer's class." I was among them (though I asked politely and was told that parental influence would have no impact on teacher assignments). This proved to be true.

WHAT THE TEACHERS SAID

Over the years Mr. Spencer grew close to the faculty who shared his Maddux home with him. So close that five of them unofficially adopted him as his sisters.

A week after the funeral, I met with three of the five—Sue Stebbins, Nancy Manley and Jan Jackson—and with the current principal of Maddux, Diane Method.

Some of the things they said:

"Scott was always looking for a humorous way to teach a concept to his students," one of them said. "He would start every day with a joke, which not only got the attention of his students, but also helped with staff morale."

"He never did anything small. He was very well organized, knew every detail. On the way back from an all-day field trip, when we were all tired, he got the kids to get out their paper pads and have a cow drawing contest. He never quit."

"He used everything he did in life to motivate his kids. Once, he used his friendship with a well-known California race car driver to develop a pen-pal relationship between the driver and one of his troubled students, who, Scott discovered, had a keen interest in the driver."

"His shoes will be hard to fill. As the faculty advisor for the school Yearbook, he let the kid staff do it all—from layout, to the writing, to the photography. He believed in them."

"He always had former students return to see him, to touch base. He had a lasting influence."

"On his trips, he took lots of photos, especially of animals and children. He captured the specialness of life."

"Before Scott would leave on his summer expeditions, he would ask for the names and addresses of the students who would be in his class upon his return. He sent a personalized post card to each student, saying where he was and that he would be looking forward to meeting them in a few weeks. And on the first day of school, each student would find on his desk some small item he purchased on his trip, such as a Mongolian doll."

"After his death, we received lots of calls and letters. Everybody claimed to have been his best friend."

"Scott celebrated life, he loved life. He enjoyed the world."

WHAT THE STUDENTS SAID

Ms. Method asked former students of Mr. Spencer to meet with me. Luke, Kurt, Melissa, Jill and Tori talked with spirit and enthusiasm about this special teacher. Their eyes were filled not with sadness, but with a sense of happiness that they had had the opportunity to have known Scott Spencer.

They all remembered the daily corny jokes ("What did the acorn say when he was born? Geometry (Gee-I'm-A-Tree)"; his slide shows of his trips ("lions eating a zebra"); the simulation games (dramatizing an historical event); his blowing a horn to indicate recess was over; his selection of hats, including a Viking headdress; his bonks ("If you got 100% on a test, he would come by and bonk you on the head with a pencil. Bonks got extra bonus points, needed to qualify for extra recess or to go on the Saturday field trips"); some of his test questions ("Do you like cookies?").

"We couldn't wait to go to class. We wanted to come to school," they echoed each other. "He made everything fun."

WHAT ABOUT THE AARDVARK?

Just for fun, when I ended the conversation with the students, I said I understood Mr. Spencer's mascot was the groundhog. With unison, and loudly, they fired back: "Aardvark!"

Invariably, no matter who you talk to you about Mr. Spencer; the aardvark will come up.

What significance was the aardvark to Mr. Spencer? Anywhere he left his mark, he usually included a rubber stamp impression of an aardvark.

An aardvark is an unusual looking animal, sort of a cross between a pig, a donkey and an anteater. It lives underground, comes out only at night, and is native to Africa. There is particularly nothing that ties Mr. Spencer and the aardvark together.

The teachers and the students offered no conclusions.

And perhaps there is no deep meaning.

Mr. Spencer probably chose the aardvark just to be different.

Mr. Spencer was a different sort of a guy who made a difference.

FIVE THINGS THAT MADE MR. SPENCER A SPECIAL TEACHER

SATURDAY FIELD TRIPS

Most students in most public elementary schools are lucky to take one or two field trips a year. Scott Spencer planned up to a half-dozen Saturday field trips each year. But his students had to earn the right to go. Earning rights meant doing homework on time, and participating in class activities.

AROUND THE WORLD WITH SCOTT SPENCER

Mr. Spencer carefully planned each of his summer expeditions. Students and teachers knew six months before departure his exact itinerary and his mission. While away, Mr. Spencer would send each student a personal postcard saying he was looking forward to being their teacher. And on the day school started, he would have on each student's desk an item he purchased on his trip. Throughout the year, he would share his slides and his thoughts on the people he met and the cultures he shared. Every inch of space in his classroom was plastered with posters from around the world as well as artifacts he purchased.

LET THE STUDENTS DO IT

As the student advisor to the annual Yearbook, Mr. Spencer had an attitude that he was simply the facilitator. The students designed, wrote and photographed the material. It was "their" yearbook.

TIME WITH STUDENTS

Nobody accused Scott Spencer of ever shirking his duties. He took whatever time was necessary—including un-told hours before and after school—to help his students achieve. He was more interested in getting his students to ask good questions and having the knowledge of how to find the answers, rather than memorizing facts.

HUMOR

Scott Spencer began each day with a joke or two. While not every punchline was a hit, the students anticipated the daily laughter or groan. Spencer's homespun humor was also a hit with his fellow teachers, who saw it as a welcome relief from the sometimes daily grind.

TESTIMONIALS

Selected excerpts from letters written to Mr. Spencer before his death:

FROM A PARENT

"I'm writing to thank you for something you may not even know you had a part in. My daughter had hopes of being a student in the 'Spencer/Stebbins' team. Of course her plans did not contemplate your absence and I must say that without even knowing you well, she has missed you quite a lot. She has, however, been privileged to 'soak up' the riches of the environment of your classroom. It's quite a spectacular place! And, too, she benefits from the high standards of excellence that you've always set for Maddux students. She's been blessed by wonderful anecdotes and stories that endear you to the children. Through all of these things, you have become quite an important person in her life. . . . My son told a neighborhood friend (who said he was sure that men couldn't be teachers because all teachers at his school were 'girls') that not only could men be teachers, but only the 'coolest' men could, like Mr. Spencer! That's a compliment. And my compliments to you, now and always for your part in my children's lives! God bless.

FROM A PARENT

"Thank you for making 5th grade a special experience at Maddux. You brought something wonderful to my daughter last year, because of you she was exposed to an enthusiasm of learning few teachers harbor after so many years in the classroom. You made it exciting and fun. You should be proud to know how much of an impact you have had on those students who have sat in your midst, exposed to your travels. Know that whatever reward seeing your students blossom has been for you, if there is a God in heaven, there is a greater one awaiting."

FROM A STUDENT

". . . Now I will try my best to give you courage in your final days. I have prayed many times telling God to help you. Just remember, don't think of this as the end, think of it as a beginning. You have a better life ahead of you. I never met you, but I don't need to. Stories of your teaching career will be told for decades, and you will always have a special place in the students' hearts. Oh, and say hello to Einstein for me!"

THANK YOU, MR. SPENCER

We all remember at least one teacher who made a difference in our life. But how many of us have taken the time—after so many years—to get back in touch with this special person and say "thanks."

The cover story in this issue of EastWord is about one of those special teachers. Fortunately, he received the accolades due him. Unfortunately, much of the applause came during his dying days.

I never met Scott Spencer, this so special of a teacher. I heard of him oftentimes as I dropped my sons off at school. I overheard parents saying they wanted their kids to get Mr. Spencer (as their teacher). I heard that his mascot was an aardvark, something that struck me as unusual, but of no significance.

The day he died, the other teachers wept only. A week after his funeral, during an interview I had with several teachers, they remained in a somber state.

But then, in a round-table discussion with five of his former students, it hit me. The kids were not somber, they smiled during most of our discussion. They laughed as they recalled his "corny jokes." They fondly remembered his Saturday field trips, his annual slide shows showing the people/places he visited in foreign countries during his summer-off months, the personal letters they each received while he was away, his "letting us do it" attitude on putting together the school yearbook, his praise for right answers and for asking good questions.

The look in these kid's eyes was that they were better off for having known Mr. Spencer. And while he was now gone, he was simply on another adventure.

If only they could see his slides this time . . .

The following are a few excerpts from a letter the school principal received from a former student of Mr. Spencer:

"I just got off the phone with my mom and felt I had to write to you. She told me that Mr. Spencer died on Monday. . . .

The funny thing is that I was just talking about him in my Educational Psychology class today. You see, he used games and learning activities and positive reinforcement in a way similar to how I want to use them some day in my classroom. I remember being scared as a 5th grader of how difficult he would be. I was so incredibly lucky though. I learned so much. I visited lands I may never visit through his slides, pictures and stories. I learned those things which I could never learn in books through his simulation games. Teaching to Mr. Spencer was more than the basics from the curriculum guide, but from our own experiences, and his own experiences in life. He gave me confidence and raised my self-esteem. I remember his end-of-the-year awards and that everyone received one! When it came to "prettiest girls," it didn't go to the most popular girl, but to someone who didn't feel beautiful as an awkward 5th grader—me. His sense of humor was corny, but made school more fun. I remember when my sister Stephanie was convinced that Mr. Spencer could grow a pencil in a flower pot. She didn't understand that he would just pull the pencil up a little each day. His love for aardvarks . . . I'll never understand. But to this day, every time I see an aardvark, I think of him.

I guess my mom is right. He is in less pain now. He is better off now. Well, I am better off now too. I had Mr. Spencer for two years. I learned a lot in those two years. Not only did I learn my math and social studies, but I learned how to be a better teacher one day in the not so far off future. I am indeed lucky to have had that gift."

PAIGE DURKEE

I had four teachers who particularly influenced my life. I've thanked two of them—my parents—and now it is time to thank the other two.

DOUGLAS E. SANDHAGE,
Publisher.

REGARDING THE RETIREMENT OF CHARLES SCALA

Mr. MITCHELL. Mr. President, at the end of this month the Senate will say farewell to a long-time member of the engineering staff, Charles Lawson Scala.

Charlie came to the Senate long before most Members of this institution. He began work here in 1965 after serving 4 years in the Navy's electronics division.

While Charlie is known for his easy smile and positive outlook on life, it is his devotion to the history of this beautiful building and the institution of Congress—and his desire to share that with others—that sets him apart.

Charlie's pride in the U.S. Capitol is infections. While he has no formal training in this area, he has carefully studied the architecture and history of this building for many years. He delights in sharing this knowledge with anyone with an interest in the Congress. Describing the design, construction, and renovation of the building, Charlie makes history come alive.

For the past decade, Charlie has been on a one-man quest to find the original cornerstone of the U.S. Capitol. He has approached his search with tenacity and enthusiasm, researching masonry techniques, consulting with architects, and exploring the depths of the Capitol.

Regardless of whether the original cornerstone is ever found, Charlie Scala has given the Senate a wonderful gift. He has shared with all of us his love for the Capitol Building and the institution that it houses. For that, we are forever grateful.

On behalf of all Senators, I would like to thank Charlie for his many years of service to the Senate. We congratulate him on his retirement and wish him well wherever his future endeavors may lead him.

IRRESPONSIBLE CONGRESS? HERE IS TODAY'S BOXSCORE

Mr. HELMS. Mr. President, the Federal debt stood at $4,289,248,864,590.92 as of the close of business on Monday, May 24. Averaged out, every man, woman, and child in America owes a part of this massive debt, and that per capital share is $16,701.76.

SENATOR PAUL SIMON IS A PERSON OF ABSOLUTE INTEGRITY

Ms. MOSELEY-BRAUN. Mr. President, the controversy surrounding the nomination of Judge Thomas to the Supreme Court is in the public eye again because of a new book entitled "The Real Anita Hill: The Untold Story," by David Brock. This book has attracted a lot of attention, and not just in the book review sections of our Nation's newspapers. A number of political columnists have also devoted space to the book and the arguments it makes about the Thomas nomination, and Anita Hill's role in the nomination battle.

I think there was a lot wrong with the way the Senate handled Judge Thomas' nomination generally. I was particularly disappointed and disturbed by the way the Senate addressed Prof. Anita Hill's allegations. In fact, as the residents of my State already know very well, this nomination, the hearings before the Judiciary Committee, and the substantive and process controversies that were involved were among the most important factors leading to my decision to run for the U.S. Senate.

Having said that, however, I must take strong issue with the charge made by Mr. Brock that my distinguished senior colleague from Illinois, Senator PAUL SIMON, is responsible for "Leaking" Prof. Anita Hill's charges regarding Judge Thomas to the press.

PAUL SIMON is a man of absolute integrity. His word is the best—the hardest—currency there is. His word is not gold-plated; it is solid through and through. PAUL SIMON has a long-standing reputation in Illinois as a person of decency and honesty; it is a reputation that is richly deserved.

I have known PAUL for a long time, as has the public. In all of his years in public life, he has consistently comforted himself with dignity and rectitude.

Senator PAUL SIMON has stated without any equivocation at all that he was not the person who leaked Professor Hill's allegations to the press. And if that is what he says, there is no question in my mind that is what the truth is.

A recent article in the New Yorker, entitled "The Surreal Anita Hill," by Jane Mayer and Jill Abramson, sheds some light on Mr. Brock's theories, and I commend it to my colleagues' attention. The article points out that, contrary to Mr. Brock's assertion, Senator SIMON did not "refuse to be interviewed" by the special counsel investigating the leak; in fact, Senator SIMON was interviewed for more than an hour.

And it is worth noting that the special counsel, after an extensive investigation, cleared Senator SIMON, along with many others, of being the source of the leak.

Mr. President, I think it is important not to confuse speculation with fact. Mr. Brock's book speculates; Senator SIMON's denial is fact—a fact on which anyone can rely without any qualification whatsoever.

Mr. President, I ask unanimous consent that the New Yorker article to which I referred be included at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE SURREAL ANITA HILL

(By Jane Mayer and Jill Abramson)

Nineteen months have passed since Anita Hill and Clarence Thomas exchanged their televised charges and denials in what became one of the most politically and sexually polarized confrontations in recent history, and still the American public is divided about whether a justice now sitting on the country's highest court lied to get the job. The extraordinary showdown between the judge and his accuser has already affected politics on almost every level, from the personal to the Presidential; but the mystery of who really was telling the truth has endured. So it is a matter of national interest that a man named David Brock has come forward with a book that purports to settle the question.

With a tone of authority and thirty-five pages of footnotes, his book, "The Real Anita Hill: The Untold Story" (Free Press; $24.95), is presented as a powerful work of investigative reporting. Published by a division of the reputable Macmillan publishing house, it is packaged as an unbiased, revisionist look at the explosive hearings, which the author claims to have approached as an agnostic, willing to go wherever the facts led him.

Having pored over hearing transcripts, F.B.I. interviews, previously unreleased affidavits, and the report of the special counsel assigned by the Senate to determine who leaked Hill's accusation to the media, Brock flatly accuses Anita Hill of fabricating her charge even though "she must have known that Clarence Thomas was not the guilty party in this case." At first, he proposes, Hill simply failed to correct a friend's false impression that Thomas was the man whom she had once accused of sexually harassing her. But later, Brock suggests, Hill actively embellished the story, with the help of overzealous Senate aides and of feminist law professors determined to score an ideological hit on a conservative nominee. At their extreme, her radical feminist mentors were indifferent to the truth, he concludes, because in their eyes "all men are seen as rapists . . . [so] it does not matter whether Hill proved her case against Thomas or not." The hearings, Brock warns darkly, were but one foray in a "broader ideological movement to redefine the legal and social relations between the sexes" now under way in this country.

In the course of making his case, Brock transforms the prim former Reagan Administration official, who is now a tenured professor of commercial law at the University of Oklahoma, into an emotionally unstable, "full-fledged campus radical" with a long list of political and personal reasons for wanting to do Clarence Thomas in. And that's not all. According to an anonymous source quoted by Brock, she seems to enjoy watching pornographic films and making lunchtime chitchat about "the size of men's penises" and "firm butts," and is "obsessed with oral sex."

Unsurprisingly, "The real Anita Hill" has been heralded as the long-suppressed truth by prominent conservatives, among them Rush Limbaugh, Thomas Sowell, and George F. Will—who devoted his Newsweek column to the book, declaring it "persuasive to minds not sealed by the caulking of ideology." But it has also, surprisingly, received respectful reviews from the Times, the Washington Post, and Newsday, where the historian David J. Garrow, whose biography of Martin Luther King, Jr., was awarded a Pulitzer Prize, called the book "highly plausible," and suggested that "in time [it] may well prove to be far closer to the mark than many present-day pundits would like to believe."

An essentially uncritical acceptance of the facts in a nonfiction book—as distinct from the author's interpretations of those facts—is a convention of book reviewing, and normally an unavoidable one. In the case of "The Real Anita Hill," this convention threatens to do a serious disservice to history. For more than a year, we have been reaching a political history of the Thomas confirmation battle, interviewing many of the same people Brock has talked to, and many to whom, evidently, he hasn't. He is skilled at lining up facts to fit his agenda, and it's clear that a familiarity with the larger record, and a willingness to do independent reporting, is required in order fully to evaluate—and to correct—his account. So, before this important piece of American history is abandoned to the ideologues, a closer look should be taken at both Brock and his "Real Anita Hill."

The book's jacket describes Brock as "an investigative journalist." The term suggests—as does Brock's foreword—that he is a man without a bias. "Like most Americans," the first sentence of the foreword reads, "I tuned into the Thomas-Hill hearings with an open mind." But what is left vague to readers trying to evaluate the perspective he brings to the subject is his extensive bona fides in the conservative movement. He is not an unbiased journalist, as he represents himself; he is a polemicist who writes. Through early 1991, he was a fellow of the Heritage Foundation, the staunchly conservative Washington think tank that supplied both intellectual energy and personnel to the Reagan revolution. His first "investigative" work on Professor Hill, a long article describing her as "a bit nutty, and a bit slutty" (the mudslinging language has been cleaned up for this more high-toned effort), appeared in March of 1992 in the lively and tendentiously conservative journal of opinion The American Spectator—a publication funded by several conservative foundations, one of which, the Bradley Foundation, donated a hundred thousand dollars last year partly to pay for "investigative" pieces like Brock's. Both the Bradley Foundation and the equally conservative John M. Olin Foundation have also helped to bankroll this book—as Brock acknowledges in an author's note. But the note, though it suggests full disclosure, fails to mention that the Olin Foundation is headed by William Simon, who served as finance chair of the Citizens' Committee to Confirm Clarence Thomas.

Of course, the fact that an author has a strong ideological predisposition is not an automatic indication that what he writes will be untrue or without merit. Much of the best nonfiction has come from impassioned, opinionated partisans. What is so troubling about Brock is that he pretends to be neutral when he is not. He does a skillful job of identifying numerous inconsistencies in the public and private record of the Hill-Thomas dispute, highlighting contradictions and questioning motives. But when it suits his agenda he will take a small inconsistency, read into it a major and unproved thesis, and, with each subsequent reference, treat his own speculation increasingly as accepted fact, as if repetition made it so. The technique will be recognizable to anyone who has watched a slick trial lawyer. But, unlike a court of law, the book provides no opportunity to face the accuser, since much of Brock's most damning material is in the form of quotes from anonymous sources. Now is there an representation for the accused. Had Brock been interested in balance, he might have applied his "investigative journalism" to Justice Thomas as well. Instead, he gives Thomas a totally clean bill of health at the outset, declaring, without qualification, that "nothing was discovered to contradict his sworn testimony." One wonders how hard he looked.

Brock's central thesis is that Hill left the false impression, in a telephone conversation with a girlfriend, that Thomas had harassed her, and, for unknown reasons, failed subsequently to clear up the misunderstanding. Instead, Hill decided to stick with the misrepresentation, to repeat it to the F.B.I., to fly to Washington so that she could repeat it publicly in front of a national television audience (and her assembled family), and then to subject herself and the detailed story she was fabricating to three days of intense grilling by the members of the Senate Judiciary Committee—all under threat of perjury.

The proof offered for this extraordinary case of mistaken identity is that the girlfriend in question, Susan Hoerchner, who was a Yale Law School classmate of Hill's and is now a workers' compensation judge in Norwalk, California, told authorities that she recalled that it was in the spring of 1981 that Hill had first mentioned being harassed—and the spring of 1981 was several months before Hill first stated working for Thomas, at the Department of Education. Therefore, Brock concludes, Hill must have been referring to an earlier harasser at an earlier job, whom Hoerchner later confused with Thomas was recalling a conversation that had taken place a decade earlier she got the date of the conversation wrong by a few months is not explored. Brock did not interview Hoerchner or her attorney, Ron Allen; if he had, he would have learned that when she was first contacted and interviewed by the F.B.I. Hoerchner characterized the date of her phone conversation as "a wild guess," and was therefore reluctant to supply it. In her later sworn testimony, she said three times that she simply could not pin down the date of the conversation with any certainty—a statement that Brock interprets as reflecting a belated realization that the pieces of her story weren't adding up. What she was certain about, however, and what she swore to under oath, in testimony not included in this book, was that Hill "had gone to work for Clarence Thomas in the Department of Education before she mentioned any problems with harassment."

On the fragile foundation of a shaky date a mighty fortress of intrigue is built. The plot gets so much more convoluted before Brock's version of Anita Hill's "untold story" is over that the book produces a kind of absurdist effect, giving us more the surreal Anita Hill than the real one. Probably the most egregious, and certainly the most sensational, of the book's distortions serve to reconstruct Hill's image into that of a wanton sexual tease, coming on to her students in bizarre ways and engaging in kinky sexual conversations—allegations that are useful to Brock as a way of explaining how Hill was able to fabricate the details of her charge against Thomas. For the most part, Brock bases these ad feminam attacks on anonymous sources, thereby making them impossible to evaluate; but an examination of one of the few instances in which sources are named does not inspire faith in his reportorial methods.

He writes that when Hill was teaching law at Oral Roberts University, in Tulsa, she once returned several students' papers to them with what appeared to be a dozen or so pubic hairs sprinkled through the pages. The pubic-hair motif, of course, echoes Hill's testimony that Thomas once picked up a Coke can in her presence and asked, inexplicably, "Who has put public hair on my Coke?" The term-paper story is attributed to a former law student, now a Tulsa attorney, named Lawrence Shiles. Brock writes that, despite qualms in the Justice Department, "Shiles took it upon himself to swear out an affidavit" about the pubic hairs, which "he filed with the Judiciary Committee under no pressure from the divided Thomas camp in Washington." A corroborative witness, named Jeff Londoff, is also mentioned in the affidavit. Brock says that Londoff, "while he could not be sure of their source * * * corroborated the affidavit and said virtually the same things about the hairs in an interview: 'They were short, coarse, and curly.'"

But in a recent interview, Londoff, who is now an attorney in St. Louis, told us a different story: "The whole thing was just a joke—how the hell would anyone know whether it was pubic hair or not? The lady's black, you know; she's got kinky hair. Or it could have come from an assistant, too. But some Senate aide kept faxing me these affidavits trying to get me to sign them saying it was pubic hair. They must have called me ten or twelve times. They wanted to put as much crap down on her as they could. I think they were looking for anything they could find, but the affidavit was so one-sided I refused to sign." This is from a source Brock describes as providing corroboration.

As for Shiles, Londoff, who considers himself a good friend, said of him, "You have to understand, Larry has different views about black and white [people]. He's a great guy, but he's from down South, if you know what I mean." Moreover, "Larry had a problem with Professor Hill for a number of reasons—he didn't do too well in her class." And Brock's assertion that Shiles came forward on his own is disputed by Shiles himself. "I was hunting with my son way up in Rifle, Colorado, when my wife called at midnight on a Saturday night at the motel where we were staying. She said someone from Hank Brown's office"—Brown is the Colorado Republican senator and serves on the Judiciary Committee—"was trying to reach me," Shiles told us. After eliciting the pubic-hair story, the staffer searched through the Martindale-Hubbell Law Directory for the nearest law firm and arranged for Shiles to have an affidavit notarized there on Sunday morning so that it could be used in the hearings.

These are not insignificant differences. By exposing Brock's eagerness to distort a puerile student joke into a corroborated instance of seriously strange behavior, they fundamentally undermine his characterization of Anita Hill. The Republican members of the Judiciary Committee considered Shiles' affidavit too risky to use. In the absence of any corroboration—despite strenuous efforts to get Londoff to confirm the story—they discounted it. Their judgment is evidently not shared by Brock.

Brock's thesis that Hill accused the wrong man rests on his assumption that she must have had someone else in mind when she first discussed the problem with Susan Hoerchner. So he posits that Hill made up an earlier harassment experience, and he endows her with a motive for doing so: he suggests that she invented such an experience in order to cover up her failure to thrive at Wald, Harkrader & Ross, a Washington law firm, now defunct, that she went to work for, as a junior associate, after Yale. Brock uses this alleged incident to establish that Hill had a "proclivity to use harassment . . . as an excuse for her personal and professional problems," and suggests that she repeated this behavior when she charged Thomas. Brock's argument requires him to prove that

Hill was, in fact, failing at the law firm, and was thus in need of a cover story. He stakes quite a lot on this notion, asserting at one point that "the most critical misrepresentation" Hill made during the hearings was her denial that she had been asked to leave the law firm.

That assertion, unlike many in the book, at least has a named source: a former Wald, Harkrader partner named John Burke. Burke states, in an affidavit submitted to the Judiciary Committee, that Hill was indeed in trouble at the firm, and that he told her it would be in her best interests to seek employment elsewhere. What Brock does not mention is that, according to three partners who have searched the firm's records—Robert Wald, C. Coleman Bird, and Donald Green—they give no indication that Hill ever worked on any legal matter with John Burke. This makes it highly unlikely that he would have had any role in evaluating Hill's work, much less that he would have taken it upon himself to ask her to leave the firm. Moreover, these two partners say that Hill's associate evaluations do not indicate unsatisfactory work. Interestingly, the records do show that Burke worked with another black female associate, in the same class at the firm as Hill, and that this associate was performing so unsatisfactorily that she was asked to leave the firm. Brock fails to present readers with the embarrassing possibility that Burke had in mind the wrong black female associate. Nor does he consider how unlikely it would have been for the firm to dismiss both of its first-year black female associates. Burke is a respected member of the bar, and a liberal with no ideological axe to grind, but there is another reason to question his memory: at the time he submitted his affidavit about Hill, Burke called Jeffrey Liss, another former partner, who he thought was present during his talk with Hill, for confirmation. Liss says that he told Burke he had no memory of it.

Brock stretches this thin story line even further: he suggests a deliberate coverup on the part of those who dispute the contention that Hill was asked to leave, including the firm's founder, Robert Wald, who is a well-known liberal lawyer in Washington. To prove that Wald is part of a liberal conspiracy, Brock discloses triumphantly that Wald's wife, Patricia, a prominent federal judge (she was on President Clinton's short list for Attorney General), "was close to" Anita Hill's sympathizer Senator Paul Simon. But, alas for conspiracy buffs, both Senator Simon and Judge Wald agree that they have never met.

By page 297, Brock's speculation has hardened into fact, and he is referring to Thomas as "the man who had saved [Hill] from the indignity of being fired at Wald, Harkrader." Without any evidence that Hill ever filed a complaint or accused anyone other than Clarence Thomas of sexual harassment, Brock has turned a harassment episode which only he knows about, designed to cover a failure no one can prove, into a "pattern of complaints about harassment" on Hill's part, which he then uses to explain her charges against Thomas.

Hill's alleged invention could not have succeeded, in Brock's account, without the support of a conspiracy of anti-Thomas partisans. By far the most successful section of Brock's book is its discussion of the behind-the-scenes political pressure that forced Hill to come forward. The reason the reporting is so much more thorough here than elsewhere may be that it is largely based on the special counsel's report on the leak—a document that was itself based on hundreds of interviews. But even with all this assistance, Brock manages to wring an unbalanced conclusion from the facts. He descries the existence of a "Shadow Senate," which he describes as a "loose coalition of special-interest lobby groups, zealous Senate staffers, and a scandal-hungry press corps * * * who organized * * * the opposition to conservative judicial nominees." This nexus is unquestionably important. But Brock scarcely mentions its counterpart, the well-funded conservative coalition, backed in part by the same foundations that have supported his book, which worked hand in glove with the Bush White House in a campaign to generate support for Judge Thomas. In any event, the issue of who leaked Hill's testimony does not bear on the question of whether the substance of that testimony was fabricated.

Among Brock's more extraordinary theories is that all of Hill's four corroborating witnesses were either confused or lying. After Hoechner, he takes them on one by one. When he is done, he declares that Hill's case was "uncorroborated and unsupported by any co-worker, or anyone else." But interviews that we conducted with all four corroborating witnesses (none of whom appear to have been interviewed by Brock) and a fair reading of the hearing transcripts leave no doubt that Hill confided both the nature and the source of her harassment problem to a number of people at the time it was happening. And Brock unwisely and incorrectly assumes that the four people who testified to this constitute the whole universe of people she told.

Brock levels one of his nastiest attacks against Angela Wright, a woman who worked under Thomas at the Equal Employment Opportunity Commission until he fired her. Wright spent the weekend of the hearings in her lawyer's office in Washington and in an Arlington, Virginia, motel room, waiting to testify that Thomas had also made sexually inappropriate comments to her at work, asking her breast size at one point, and admiring the hair on her legs at another. She is obviously in a position to counter Brock's argument that no other women have ever had similar complaints about Thomas. In what is apparently an effort to undermine Wright's credibility, Brock stresses that she refused to submit to an F.B.I. interview. But according to her attorney James G. Middlebrooks, Wright was interviewed by two F.B.I. agents, Linda McKetney and Leslie Fairbairn, of the agency's Washington Metropolitan Field Office, between 1:30 and 3 p.m. on Saturday, October 12th. Brock also claims that the statement Wright submitted to the Senate Judiciary Committee was not sworn, and he upbraids National Public Radio's legal-affairs correspondent, Nina Totenberg, for stating otherwise in a speech at Stanford. Totenberg and the rest of the media were, in his view, irresponsible in giving Wright any coverage at all, since, he argues, "ordinarily, one would not credit such unsworn statements as Wright's by publicizing them further." But Wright's statement was sworn. She signed a legal affidavit under oath that her statement was true and accurate, thus giving it the same legal status as sworn testimony before the Judiciary Committee. According to Wright, Brock never attempted to get in touch with her to ask about this or about anything else.

All nonfiction books contain errors, but this book is unusual in the extent to which its key arguments are based on them. For example, in confronting the problem that Hill passed a polygraph test Brock suggests that Paul Minor, the man who conducted it, was inexperienced, quoting a competitor of Minor's as saying, "I don't think he's run that many tests." But Minor was a full-time polygraph examiner for the federal government from 1972 until 1987, when he retired as chief of the F.B.I.'s polygraph division. When Brock raises the issue of whether Senators Howard Metzenbaum and Paul Simon, both Democratic members of the Judiciary Committee, had something to hide from the special counsel investigating the leak, he asserts that they both "refused to be interviewed" by the special counsel. But each was interviewed for over an hour. Brock asserts, no fewer than four times, that the feminist law professor Catharine MacKinnon (whose name he misspells) "advised Anita Hill before she testified"—assertions that appear to be an effort to buttress the claim that radical feminists helped Hill to concoct her story. But MacKinnon adamantly denies that she advised Hill, either directly or indirectly, and so do Hill's lawyers. And, to give just one more example, in an attempt to provide Hill with a motive for cooperating with Senate aides who were out to get Thomas, Brock quotes two former employees of Thomas's as saying that Hill and James Brudney—the aide to Metzenbaum whom Brock accuses of leaking Hill's allegation to the media—were close friends. The friendship, one of these sources asserts, was in full bloom while Hill worked at the E.E.O.C. Brock omits from the account, however, that the same source told Senate investigators that Brudney was working for the Senate at the time. But Brudney didn't work for the Senate until two years after Hill left Washington for Oklahoma, which raises questions about the source's reliability. Brock's other source on the friendship is quoted as saying that Hill often talked of "having sent the weekend at [Brudney's] apartment, in Foggy Bottom I think it was." According to a spokesman for Brudney, he only saw and spoke to Hill once during the entire time they were both in Washington, when he bumped into her on the street. And he has never lived in Foggy Bottom.

At a certain point, a knowledgeable reader begins to wonder how many of these errors are innocent and how many are deliberate distortions. Although Brock carefully distances himself from the Republicans on the Senate Judiciary Committee, and even suggests that their tactics were at times unfair to Hill, his version of history has many of the earmarks of the original smear campaign. If anything, it is less principled, since he bases so much of his reporting—particularly the uncorroborated and mostly anonymous allegations from Oklahoma about Hill's sexual peccadilloes—on material that the Republican members of the Senate Judiciary Committee had at their disposal during the hearings but considered beyond the pale.

Given the fervor with which Brock and his funders have gone after Hill, what is most striking is how little they have found. Once the sources are evaluated and the contradictory evidence is considered, Brock's arguments evaporate into an amorphous cloud of ill will. It's understandable, and even laudable, that Thomas's supporter would want to clear his name from slander. And obviously, in order to do so, they must somehow deal with Hill. But then one might expect them to construct their case on the facts, rather than on the other way around.

IN RECOGNITION OF JASON EVANS AND PHILLIP BOHANNON

Mr. RIEGLE. Mr. President, I rise here today to honor Jason Evans and Phillip Bohannon from my hometown of Flint, MI, for their courageous efforts in stopping a careening school bus. These two boys, who attend McKinley Middle School, went into action on May 18, 1993, when the driver of their school bus suffered a fatal seizure.

Jason and Phillip jumped to the rescue of their fellow classmates when the driver's head fell back as a result of the seizure. With the bus in motion and the driver still buckled behind the wheel, the boys controlled the steering wheel and brakes of the bus. They were able to steer their classmates to safety and avert catastrophe.

Jason and Phillip's valiant efforts and quick thinking has earned them the well deserved gratitude and deep appreciation of our community.

I am proud to join the Flint community and their family and friends in proclaiming Jason Evans and Phillip Bohannon heroes.

CITY OF LOUISVILLE EXCELLENCE IN EDUCATION AWARD

Mr. FORD. Mr. President, I rise today with a great deal of pride to announce to my colleagues that the city of Louisville, in my home State of Kentucky, has been selected as the first recipient of the Scholastic Community Award for Excellence in Education.

This award, sponsored by Scholastic, Inc. and the National Alliance of Business, recognizes the efforts of a community that has committed its energies and resources to the education of its children, with the goal of ensuring they lead productive lives.

Mr. President, no matter where I visit or who I see, I am often asked about the efforts and great strides my State has made in educational reform. Indeed, many see the Commonwealth's reforms as a model that could well be put to use on the national level.

If I had to summarize our reforms in a word, one of the first that would come to mind is involvement—active involvement by parents, teachers, and administrators committed to seeing our students achieve the highest degree of excellence possible in their formative educational years.

But the involvement does not end there. Every parent, every teachers, and every administrator is part of a community effort in Kentucky actively involved in their children's well-being and providing the support necessary to see that every student is given the chance to succeed. And that is why I'm so pleased the city of Louisville has been chosen as the first recipient of this prestigious award.

Louisville's community leaders, like leaders all across the Commonwealth, have worked diligently in an effort to expand educational opportunities for our students and prepare them for a successful entry into the work force.

Someone once said, "Education is where we decide whether we love our children enough not to expel them from our world and leave them to their own devices, not to strike from their hands the chance of undertaking something new, something unforeseen by us, but to prepare them in advance for the task of renewing a common world."

The city of Louisville is meeting this challenge and I congratulate all those persons involved for their part in ensuring the youngest of our society have a brighter future filled with endless possibilities and opportunities.

TIME TO STEP UP THE PRESSURE ON HAITI

Mr. PELL. Mr. President, I was disappointed to learn of yet another setback in the United Nations-sponsored negotiations to restore democracy to Haiti. The military leaders and the de facto government in Haiti have rejected a plan to deploy a United Nations police force that would have, among other things, ensured their own security during a transition period. This follows the regime's rejection 1 month earlier of a settlement plan even though it granted a broad amnesty for the military and others responsible for the political violence in Haiti. U.N. Special Envoy Dante Caputo and U.S. Special Adviser Lawrence Pezzullo have made commendable diplomatic efforts to negotiate resolution to the political crisis. Unfortunately, it has become obvious that those in power have failed to negotiate in good faith and take seriously the international community's commitment to restore democracy to Haiti.

This most recent setback has made it painfully clear to me that it is time to put some action behind our words. In consultation with the negotiators from the United Nations and the Organization of American States, the United States should immediately take steps, including freezing assets and suspending the visas of coup supporters, to respond to the regime's intransigence. This would increase pressure on the regime, strengthen the negotiators' efforts and clearly demonstrate our commitment to the restoration of President Aristide with little cost to the United States. The United States could also tighten enforcement of the Organization of American States embargo by using the Coast Guard to clamp down on smuggling out of the Miami River. Ironically, we have been far more effective at stopping refugees fleeing Haiti than enforcing the embargo.

In addition to these immediate actions, the United States should begin preparing multilateral measures to heighten pressure on the regime. The OAS embargo demonstrated the resolve of countries in this region, but it failed because many of our trading partners outside the hemisphere continued to do business with Haiti. For economic sanctions to have any significant impact, the scope of the embargo must be broadened to the United Nations. The United States should work closely with our European allies to seek a United Nations resolution to block oil shipments to Haiti.

As I have said recently regarding the situation in Bosnia, the United States cannot police the world. But the United States can and should support the multilateral institutions most capable of responding to threats to peace and democracy, particularly in our own hemisphere. The success of the United Nations and the Organization of American States in resolving the political crisis in Haiti will be closely watched by other countries in the region where democracy is threatened. Already we have seen the spillover effects of setbacks to democracy. Yesterday, in an action reminiscent of Peruvian President Alberto Fujimori's self coup 1 year ago, President Jorge Serrano in Guatemala suspended the Constitution and disbanded Congress and the Supreme Court.

Unlike Bosnia, the United States is not currently faced with the imperative of using military force in Haiti—there are a range of economic sanctions that the administration could implement. Just as the Europeans have a greater responsibility to address the slaughter and instability in Bosnia, the United States has much more at stake in Haiti. Events in Haiti directly impact on the United States, as was so dramatically demonstrated by the flood of refugees fleeing Haiti for Florida since President Aristide's ouster.

Since President Aristide was violently forced out of office 20 months ago, Haiti has been ruled through intimidation, repression, and violence. Mr. President, the Haitian people have suffered far too long—it is time for the international community to demonstrate its commitment to the restoration to democracy in Haiti and elsewhere by taking clear steps to increase the pressure on the Haitian regime.

U.N. HIGH COMMISSIONER FOR REFUGEES VISITS CONGRESS

Mr. PELL. Mr. President, this afternoon some of us had the honor of meeting with Dr. Sadako Ogata, the U.N. High Commissioner for Refugees. Mrs. Ogata is the first woman and the first Japanese to hold this office. She was appointed 2 years ago and was plunged immediately into the desperate problems of the former Yugoslavia.

Mrs. Ogata was one of the first to bring the term "ethnic cleansing" to public attention when she called for action to halt military sweeps aimed at expelling Moslem communities from their longtime homes. Last February, when both the Bosnian Moslems and Serbs obstructed food deliveries to remote regions, Mrs. Ogata announced the suspension of all relief to Bosnia. Her action helped bring pressure on all parties and resulted in resumption of humanitarian aid shipments.

Mrs. Ogata said she was encouraged by the joint action program announced by Secretary Christopher and the Foreign Ministers of France, Russia, Spain, and the United Kingdom because it puts strong emphasis on humanitarian assistance. She expressed concern, however, about the possibility that the safe areas contemplated in the plan might in effect become refugee camps, cut off geographically from the possibility of normal, economically viable life. She said it was important that this not happen, that we have to make sure the communities do not deteriorate in the safe areas.

The UNHCR, according to Mrs. Ogata, has been able to continue its relief shipments to Moslem communities in Eastern Bosnia, but with frequent difficulties and changes of plan. She also noted that the greater problems now in central Bosnia are a result of the fighting between Croats and Moslems.

Mr. President, under Mrs. Ogata's distinguished leadership, the UNHCR has been at the center of refugee programs throughout the world. Her organization was instrumental in the successful effort to repatriate some 360,000 Cambodians from Thailand where they had lived in camps for over 15 years. Major repatriations have also taken place to Afghanistan from Pakistan and Iran—1.2 million Afghans have now returned to their own country. UNHCR has also assisted in the repatriation of Vietnamese from Hong Kong.

But elsewhere large numbers of refugees remain under the protection of the High Commissioner, relying on UNHCR and other organizations such as the International Committee of the Red Cross and private voluntary groups for care and assistance. Some of the largest groups are in Africa, where their needs are bound up with the overall pattern of poverty, drought, and a lack of constructive development. Mrs. Ogata stressed the need to integrate refugee programs into development plans.

The United States has traditionally been a major supporter of the High Commissioner's programs, and that is a tradition that must continue. Mrs. Ogata is a worthy successor to such notable High Commissioners as Prince Sadruddin Aga Khan and Poul Hartling, the former Prime Minister and Foreign Minister of Denmark. Her background as a scholar, with an M.A. from Georgetown and a Ph.D. from the University of California at Berkeley, and as a representative of Japan at U.N. human rights meetings, have given her special insight into what is needed for leadership in these areas. And she fully measures up to her own high standards.

ESTABLISHMENT OF WAR CRIMES TRIBUNAL

Mr. PELL. Mr. President, last night the U.N. Security Council adopted a resolution creating an international tribunal to prosecute those responsible for war crimes in the conflict which has been raging in the Balkans.

I commend Secretary Christopher and Ambassador Albright for their dedicated efforts to establish this tribunal. The action of the Security Council was the first step in the joint action program adopted by the United States, Russia, France, Britain, and Spain over the weekend.

Ambassador Albright sent a clear message when she stated "to those who committed these heinous crimes, we have a very clear message; war criminals will be prosecuted and justice will be rendered".

This tribunal will be the first international court empowered to try crimes against humanity since the Nuremberg trials of top Nazis after World War II. I am proud of the role my father, Herbert Pell, played in the efforts to establish the Nuremberg tribunal and today I am proud to express my support for the actions of the Clinton Administration and the United Nations to create this historic tribunal.

I ask unanimous consent that Ambassador Albright's statement before the U.N. Security Council, be included in the RECORD at the conclusion of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES MISSION
TO THE UNITED NATIONS,
New York, NY, May 25, 1993.

STATEMENT BY AMBASSADOR MADELEINE K. ALBRIGHT, U.S. PERMANENT REPRESENTATIVE TO THE UNITED NATIONS, IN THE SECURITY COUNCIL, IN EXPLANATION OF VOTE, ON THE ADOPTIONS OF THE SECURITY COUNCIL RESOLUTION TO ESTABLISH AN INTERNATIONAL TRIBUNAL, MAY 25, 1993

Mr. President, today we begin to cleanse the hatred that has torn apart the former Yugoslavia. A few months ago, I said, "This will be no victor's tribunal. The only victor that will prevail in this endeavor is the truth." Truth is the cornerstone of the rule of law, and it will point toward individuals, not peoples, as perpetrators of war crimes. And it is only the truth that can cleanse the ethnic and religious hatreds and begin the healing process.

Included among the millions who will learn of this resolution are the hundreds of thousands of civilians who are the victims of horrific war crimes and crimes against humanity in the former Yugoslavia. To these victims we declare by this action that your agony, your sacrifice, and your hope for justice have not been forgotten. And to those who committed these heinous crimes, we have a very clear message; war criminals will be prosecuted and justice will be rendered.

The crimes being committed, even as we meet today, are not just isolated acts of drunken militia men, but often are the systematic and orchestrated crimes of government officials, military commanders, and disciplined artillery men and foot soldiers. The men and women behind these crimes are individually responsible for the crimes of those they purport to control; the fact that their power is often self-proclaimed does not lessen their culpability.

Those skeptics—including the war criminals—who deride this Tribunal as being powerless because the suspects may avoid arrest should not be so confident. The Tribunal will issue indictments whether or not suspects can be taken into custody. They will become international pariahs. While these individuals may be able to hide within the borders of Serbia or parts of Bosnia or Croatia, they will be imprisoned for the rest of their lives within their own land. Under today's resolution, every government, including each one in the former Yugoslavia, will be obligated to hand over those indicted by the Tribunal.

We must ensure that the voices of the groups most victimized are heard by the Tribunal. I refer particularly to the detention and systematic rape of women and girls, often followed by cold-blooded murder. Let the tens of thousands of women and girls who courageously survived the brutal assault of cowards who call themselves soldiers know this: your dignity survives, as does that of those who died.

The Honorable Geraldine Ferraro, who recently represented the United States on the UN Human Rights Commission, said of this crime, "Rape should not be used as a weapon of war. It should also not be used as a tool for revenge . . . Women's rights are human rights, and must be respected as such." The International Tribunal will prosecute the rapists and murderers and their superiors.

My government is also determined to see that women jurists sit on the Tribunal and that women prosecutors bring war criminals to justice. Our view is shared by all of the women permanent representatives of this Organization. We also take note of the recommendation of the Organization of the Islamic Conference that gender be duly represented on the Tribunal.

Today's resolution contains important provisions designed to ensure the expeditious establishment of the Tribunal. It is imperative that I take some time to state clearly and completely the understandings which underpin my government's support for this resolution and for the statute of the Tribunal. To begin, we want to stress the importance of three provisions in particular:

Today's resolution ensures that the UN Commission of Experts continues to pursue its work of establishing a data base and preparing evidence during the interim period before the appointment of the Tribunal's Prosecutor and hiring of staff to begin authoritative investigations and preparations for trials. We expect that the Secretary-General will provide the Commission with the space, resources and personnel necessary to continue its mandate, and we urge other countries to follow our lead in pledging financial contributions to the Commission. At the appropriate time, we expect the Commission would cease to exist and its work folded into the Prosecutor's office.

The resolution also encourages States to submit proposals for the Rules of Evidence and Procedure for consideration by the judges of the Tribunal. We hope to contribute to this critical process of developing the rules that the Tribunal can expeditiously adopt, so that the Prosecutor will then be in a position to begin prosecuting cases without further delay.

In addition, the resolution recognizes that States may find it necessary to take measures under their domestic law to enable them to implement the provisions of the Statute, and pledges them to endeavor to take any such measures as soon as possible. That is certainly the intention of the United States.

We commend the Secretariat for its outstanding report which has laid the foundation for today's action by the Council. While the Council has adopted the statute for the Tribunal as proposed in that report, the members of the Council have recognized that the statute raises several technical issues that can be addressed through interpretive statements.

In particular, we understand that other members of the Council share our view regarding the following clarifications related to the Statute:

First, it is understood that the "laws or customs of war" referred to in Article 8 include all obligations under humanitarian law agreements in force in the territory of the former Yugoslavia at the time the acts were committed, including Common Article 8 of the 1949 Geneva Conventions, and the 1977 Additional Protocols to these Conventions.

Second, it is understood that Article 5 applies to all acts listed in that article, when committed contrary to law during a period of armed conflict in the territory of the former Yugoslavia, as part of a widespread or systematic attack against any civilian population on national, political, ethnic, racial, gender, or religious grounds.

Third, it is understood that the primacy of the International Tribunal referred to in paragraph 2 of Article 9 only referrs to the situations described in Article 10.

The United States wishes also to offer several other clarifications related to the provisions of the statute:

With respect to paragraph 1 of Article 7, it is our understanding that individual liability arises in the case of a conspiracy to commit a crime referred to in Articles 2 through 5, or the failure of a superior (whether political or military) to take reasonable steps to prevent or punish such crimes by persons under his or her authority. It is, of course, a defense that the accused was acting pursuant to orders where he or she did not know the orders were unlawful and a person of ordinary sense and understanding would not have known the orders to be unlawful.

With respect to Article 10, it is our understanding that the Tribunal is authorized to conduct proceedings against persons previously tried by a national court for the same crime when national proceedings (including clemency, parole, and other similar relief) were not impartial or independent, were designed to shield the accused from international criminal responsibility, or were not diligently prosecuted.

With respect to Article 19, we understand that the reference to a "prima facie" case in paragraph 1 means a reasonable basis to believe that a crime as defined in Articles 2–5 has been committed by the person named in the indictment.

Finally, with respect to Article 24, it is our understanding that compensation to victims by a convicted person may be an appropriate part of decisions on sentencing, reduction of sentences, parole or commutation. We also understand that the Tribunal may impose a sentence of life imprisonment, or consecutive sentences for multiple offenses, in any appropriate case.

With the adoption of the statute for the Tribunal, we have completed the most difficult part of the task we began in February when Resolution 808 was approved by the Council. We must move without delay to the next steps particularly the appointment of the Prosecutor and the election of judges.

Finally, of this we are certain: The Tribunal must succeed, for the sake of the victims and for the credibility of international law in this new era. Thank you, Mr. President.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is now closed.

CONGRESSIONAL SPENDING LIMIT AND ELECTION REFORM ACT OF 1993

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of S. 3, which the clerk will report.

The bill clerk read as follows:

A bill (S. 3) entitled "Congressional Spending Limit and Election Reform Act of 1993."

The Senate resumed consideration of the bill.

Pending:

(1) Mitchell/Ford/Boren amendment No. 366, in the nature of a substitute.

(2) Wellstone amendment No. 367 (to amendment No. 366), to strengthen the restrictions on contributions by lobbyists.

(3) Wellstone amendment No. 368 (to amendment No. 367), in the nature of a substitute.

(4) Pressler amendment No. 372 (to amendment No. 366), to amend the Federal Election Campaign Act of 1971 to ban activities of political action committees in Federal elections.

Mr. BAUCUS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. PRESSLER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 372 TO AMENDMENT NO. 366

Mr. PRESSLER. Mr. President, I rise to urge my colleagues to vote for my amendment which would ban political action committees in both the House and Senate. It has a fallback provision that, if the ban is considered unconstitutional by the courts, they be limited to $1,000 contributions in an election campaign. And those rules would apply to both the House and the Senate.

We are in the process of considering a campaign reform bill. I have been a Member of Congress since 1975, elected in 1974, and every year we have considered campaign reform in one form or another. In fact, when I first came to Washington, political action committees were the reform of the day. Since that time things have changed, attitudes toward them have changed.

Now we are debating a campaign reform bill sent over by the White House which has a different standard for Members of the House than for the Senate. It is my feeling that if we consider PAC's as bad, or we are trying to limit PAC's, the same rule should apply to both Houses. Why would there be a difference in the attitude toward PAC's for the House or the Senate?

Also let me comment on another aspect of this bill which my amendment does not address but it is the logic of being consistent.

During the last election cycle, I tried to help a woman candidate for the U.S. Senate raise money. We have had a lot of publicity about women candidates for the U.S. Senate. This one happened to be a conservative woman, a conservative Republican woman. She received no money from EMILY's List at all. In fact, they opposed her. They gave money to the other side. They probably did not give money, but they supported the other side.

If we are going to exempt bundling for one type of woman candidate—what is classified as liberal in today's media—but not for other types of woman, then where do we stand?

The people who supported the conservative woman do not benefit from EMILY's List. I have been reading in the paper we want to make an exemption so women candidates can raise more money, but it does not say a certain type of woman candidate, a politically correct woman candidate who benefits from EMILY's List.

The idea is floating around from here and there that we are going to exempt them from the prohibition on bundling. That seems very strange. If bundling is bad for liberal women, is bundling not bad for conservative women? Why does the logic stop there? I do not get it.

What I am getting to is something very sad in this whole process, because we may be wasting our time going through this exercise. If each side tries to write a campaign bill that will just protect their incumbents and protect their people, that is not campaign reform at all. There have to be some standards across the board. If we are going to eliminate PAC's for the Senate, we should eliminate them for the House. If we are going to allow bundling for EMILY's List, which gives to liberal women candidates—and I suggest them very much—we should also eliminate the prohibition against bundling for money raised for conservative women candidates. The conservative woman I speak about was Charlene Haar. She had a hard time raising money. None of the women's groups helped her; none of them featured her. The national media totally ignored her. She was a candidate for the U.S. Senate.

I think it is very strange we have the double standard.

So what I am saying is let us really get sincere about campaign reform. Let us not have these charges going back and forth about how self-righteous we are on both sides. Let us find some standards and apply them on both sides, apply them to the House and Senate, apply them to liberal women candidates and conservative women candidates, and not start carving out special treatment. That is the kind of campaign bill this Senator will support. That is what this amendment, as a first step, is doing. It is putting the House and Senate on an equal basis.

I might add one more thing. In my home State of South Dakota, a very interesting thing has happened. The State house of representatives is controlled by Republicans. The State Senate is controlled by the Democrats. The Democrats have a State ethics committee and were making all sorts of idealistic statements about campaign reform. One day the Republicans decided we are just going to vote for their bill, essentially. So they all did. And the Democrats stopped it in the State senate so we did not have a campaign reform bill. It was very ironic.

I have a feeling what is going on here also is each side on this campaign bill wants the other side to block it. I think there are a lot of people on the other side of the aisle who do not want to deal with the issues. They are hoping we are going to kill it with a filibuster. Maybe we will just fool everybody and vote for it and they will have to kill it over there if they do not want it.

The point is there is so much posturing and so forth going on, and I suppose some would accuse me of being part of that. What I am pleading for—I stand here as a Senator who wants campaign reform. I want both sides to be treated equally. If we are going to eliminate PAC's on the Senate side, let us eliminate them on the House side. If we are going to allow the liberal women's group EMILY'S List to bundle, then let us not prohibit a conservative woman's group to go out to corporations and bundle, where she can raise some money.

Let us have a level playing field, to overuse a very trite phrase. That is the purpose of my amendment. I hope the Senate will adopt it.

The PRESIDING OFFICER. The Chair recognizes the Senator from Kentucky.

Mr. McCONNELL. Mr. President, I commend my friend from South Dakota. He has been the leader in the Senate on the issue of not only equal treatment between the Senate and the House, but also, really, abolishing PAC's. If it were not for the Pressler amendment, we would not have a true PAC ban in this bill.

I am pleased to hear from my friend from Oklahoma that the Pressler amendment is likely to be supported by him, and I am, therefore, assuming it will pass. But I think it is important for the people of the United States and the people of South Dakota to know that, but for the amendment of the Senator from South Dakota, we would not have a true PAC ban applied equally to the House and Senate; a true PAC ban that would guarantee if the Supreme Court ruled the PAC ban unconstitutional and a fallback provision came into effect there would be an equal aggregate limit on PAC contributions between the House and the Senate; and that the House would not be able to spring back up to $5,000 should the Supreme Court rule a total PAC ban unconstitutional. And the amendment of the Senator from South Dakota guarantees there will no longer be leadership PAC's.

So I commend the Senator from Oklahoma. Without his leadership on this issue, this bill would not have truly banned PAC's. So he has done a great service, not only for the people of his State, but also for the U.S. Senate. I commend him for his leadership.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BROWN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Chair recognizes the Senator from Colorado, Mr. [BROWN].

Mr. BROWN. I thank the Chair.

(The remarks of Mr. BROWN pertaining to the introduction of S. 1027 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. BROWN. I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. PRESSLER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. The Chair recognizes the Senator from South Dakota.

Mr. PRESSLER. Mr. President, I ask unanimous consent to speak as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

EC SUBSIDIES THREATEN U.S. MARKET IN AFRICA

Mr. PRESSLER. Mr. President, recently I made a trip to Nigeria to promote United States agricultural exports. I have previously discussed the promising opportunities for increased United States agricultural exports to Africa. I want to continue that discussion now.

During a recent trip to Africa it became abundantly clear that the European Community is poised to undercut United States markets in Africa. Steal, would be a more appropriate word because Europe's reliance on excessive export subsidies have stolen other U.S. markets. We cannot let this Government-sponsored robbery continue.

There is much at stake here. Africa represents one of our fastest growing export markets. Total United States agricultural exports to Africa in 1991 totaled $1.9 billion. In 1992 that total rose to $2.6 billion—a 35-percent increase. This trend is likely to continue in 1993. Many areas of Africa are experiencing low moisture levels and poor growing conditions. A recent global food assessment has predicted shortfalls in grain production in every African country. The opportunities for increased trade are there.

Grain food needs are greatest in sub-Saharan Africa. The current drought in southern Africa has cut production of major cereals by nearly 50 percent. Regional grain imports of 1992–93 are expected to be nearly 10 million tons, or 6 million tons more than normal grain import levels. Similar food needs are evident in East and West Africa.

I had several opportunities to view and discuss the food and agricultural situation in Africa and pursue United States exports opportunities. Increased United States wheat exports will help meet food needs in Africa. It most certainly will help South Dakota wheat growers. I am pleased to report that my trip helped produce results that will benefit the United States and Africa.

In December 1992, the Government of Nigeria suspended a 7-year ban on cereal grain imports. This suspension was to expire in June. I raised this issue with Chief Ernest Shonekan, Chairman of Nigeria's transitional government. I presented Chief Shonekan a letter to President Babangida urging him not to reinstate the grain import ban. I explained that a major South Dakota crop, hard red winter wheat, historically has been a major Nigerian import. If Nigeria resumed its ban on wheat imports it would be to the detriment of South Dakota, the United States, and Nigeria.

Mr. President, the purpose of my speech today is to outline the potential threat the European Community [EC] represents in United States agricultural markets in Africa. However, I would like to inform the Senate that as a result of my visit to Nigeria, the Nigerian Agricultural Secretary recently announced that Nigeria would not reimpose a ban on future United States wheat imports. The revitalized United

States market in Nigeria has been maintained. This should produce positive results for South Dakota and U.S. wheat producers. I ask unanimous consent that two cables from the United States Embassy in Nigeria on this announcement be printed in the RECORD.

There being no objection, the cables were ordered to be printed in the RECORD, as follows:

Fm: EMBASSY LAGOS.
To: SECSTATE WASHDC.
Subject: Wheat ban.

Hon. LARRY PRESSLER,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR PRESSLER: In a conversation I initiated today, head of government Ernest Shonekan told me that in follow-up to the letter you gave him at our meeting in his home on Saturday, April 17, he had brought to President Babangida's personal attention your concern that the wheat ban be permanently lifted.

In this connection, Shonekan said he was pleased to inform me that he and President Babangida had agreed at that meeting that the ban should be lifted permanently. Chief Shonekan expected that an announcement to this effect would be made in the near future. We will continue to follow this up with the government and confirm with you once such an announcement is made.

Many thanks again for your visit and kind regards to you and Mrs. Pressler.

Sincerely,
WILLIAM LACY SWING,
American Ambassador to the Federal Republic of Nigeria.

Fm: AMEMBASSY LAGOS
To: SECSTATE WASHDC
Subject: Wheat ban.

Hon. LARRY PRESSLER,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR PRESSLER: Further to my cable of April 29, I am pleased to confirm that the Federal Government of the Republic of Nigeria, speaking through Agricultural Secretary Abdulkadir, announced officially on Thursday, April 29, the permanent lifting of the ban on importation of wheat into Nigeria. The announcement linked the lifting of the wheat ban to an agreement with the Federal Ministry of Agriculture whereby flour millers are required to purchase annually the available locally-produced wheat at the agreed price, i.e., fifty percent above the price of imported wheat. The Secretary also said that the master bakers are expected to maintain the price of bread at a level which is affordable to the common citizen.

The announcement of this decision to lift permanently the wheat ban follows closely on the heels of head of Government Shonekan's conversation with me on April 29, in which he said, as I reported to you, that President Babangida had decided to lift the ban permanently.

Kind regards,
WILLIAM LACY SWING,
American Ambassador to the Federal Republic of Nigeria.

Mr. PRESSLER. Mr. President, historically, the Nigerians have been excellent customers of ours. Not that Nigeria's ban has been permanently suspended, we must try to maintain our market presence. I learned the Nigerians would prefer to purchase United States wheat as they have done in the past, and are doing now. However, it alarmed me to learn that the United States could lose this recently reopened market.

Though there have been no reported purchases of EC wheat by Nigeria, a number of Nigerian millers informed me that Europe could be a new supplier if the price were right. We all know what that means: European export subsidies once again could undercut the U.S. market.

World prices for wheat are constantly changing. Not long ago, Hard Red Winter wheat was selling for $150 per ton. That price recently has dropped to $135. The price for Soft Red Winter wheat is around $110 per ton as of this week.

Mr. President, it is my understanding that the EC is selling its surplus wheat for $85 to $95 per ton. In the past, the EC has sold its wheat at even lower prices. There is no indication that the EC is willing or ready to change its ways. Indeed, a number of factors indicate the EC will continue to underprice its wheat. First, the EC has a large inventory of surplus wheat that it wants to get rid of. Over the past 2 years, the EC's ending wheat stocks have risen from 16.3 million tons to 20.8 million tons. Record European wheat exports are anticipated. Given that Africa represents the world's largest wheat market, it's not difficult to consider where the EC will try to dump its surplus wheat.

Second, recent history indicates that Europe is ready to try to subsidize its way into new markets. Over the past 5 years, the United States has reduced agricultural subsidies. Meanwhile, the EC has increased its subsidies. Since 1986, the EC has spent $10 in export subsidies for every $1 the United States spent on its export enhancement program. In 1992, the EC spent nearly $14 billion on export subsidies—nearly double the 1986 amount.

Third, the EC has a growing track record of undercutting wheat markets once dominated by the United States. Permit me to offer two examples: In 1986, the United States sold Algeria 1.6 million tons of wheat, while the EC sold Algeria 200,000 tons. By 1991, the roles were reversed: The EC sold Algeria 896,000 tons of wheat that year while United States wheat exports dropped by more than 50 percent, to 755,000 tons. In 1986, the United States sold Sudan 361,000 tons of wheat. The EC did not sell an ounce of grain to Sudan at that time. Yet in 1991, the EC sold Sudan 184,000 tons of wheat while United States wheat exports dropped to just 78,000 tons.

Probably not too many individuals are familiar with the EC's article 11 restitution program. This program extends subsidies to countries in the Pacific, the Caribbean, and West Africa for 11 months of the marketing year. Normally, EC subsidies are available for 5 months of the marketing year. The article 11 program is dramatic evidence that the EC is poised to subsidize, almost continuously, wheat exports to West Africa, including Nigeria. The United States must insist that these subsidies cease, or fight fire with fire—or dollar for dollar.

Mr. President, it would take all day to list all the places where the United States has lost market share due to EC export subsidies. However, let me take a moment to focus on Africa. Just recently, Namibia wished to purchase 80,000 tons of Soft Red Winter wheat, which was selling at a world market price of $120 per ton. The EC stole that market by pricing its wheat at a remarkably low $95 per ton.

To maintain existing markets and open new ones, the United States should fully fund our Export Enhancement Program, or EEP. EEP is needed in order to keep the United States competitive in the wheat markets of Nigeria and other African countries.

Mr. President, my remarks today have focused on wheat. Yet, as my colleagues know, the EC is not going to stop at subsidizing only wheat exports. Up until the 1992 marketing year, the EC had not reported any significant exports of corn to Africa. However, it is expected that the EC soon will begin to export nearly 1 million tons of corn during the current 1992 marketing year. When the marketing year is over in June, I expect to report regretfully to the Senate what U.S. corn markets were lost in Africa due to EC export subsidies.

These concerns are real. While the United States Department of Agriculture cannot confirm any EC sales of wheat to Nigeria, I have learned that the French are interested in the Nigerian wheat market. If we do not stand ready to combat EC export subsidies, the United States could lose a market that historically has been ours. We should not allow that to happen.

Mr. President, as I stated earlier, Africa represents our fastest growing agricultural market. Agricultural sales to West and Central Africa, dominated by sales to Nigeria, are expected to be more than four times the total for fiscal year 1992. This growth in U.S. wheat exports is part of increased demand from all developing countries. U.S. agricultural exports to all developing countries are expected to reach a record $17.7 billion in fiscal 1993—nearly 43 percent of all U.S. agricultural exports.

These opportunities could be placed in jeopardy by the continuation of EC export subsidies. The United States must not back down on its insistence that EC export subsidies be greatly reduced or eliminated.

As I stated in previous remarks, the negotiations on a new General Agreement on Tariffs and Trade [GATT] are at a critical stage. If EC export subsidies are not significantly reduced under a new GATT agreement, it will be nothing more than an unacceptable agreement. I could not support new world trading rules that would permit the EC to dump its surplus wheat. Much more negotiation on this issue will occur before we see a new agreement. I hope I can support it. What is at stake for American farmers is simple: The GATT will determine whether an American farmer's market extends beyond our borders. The United States should stand for nothing less than a fully open, fair market world for the American farmer.

In conclusion, let me say that Nigeria's action is positive news for the American wheat grower and also for the American balance of payments. In so many countries, we found that the EC subsidies really make it hard for us to sell our cereal grains.

I have visited around the world, be it in Asia or Africa, and the system is very clear. You get the price from the United States, you take the price to the EC representative and you say, "The United States is willing to sell us wheat for $130 per metric ton," or $120, and then if they have a surplus of that cereal grain at that time, they will just set a price below that and dump theirs and subsidize the difference to their farmers and to their merchants. That hurts the United States because it is not fair. We do not do that.

Maybe we should start doing it in a trade war. I do not know. But I wish we would get an agreement on GATT. I wish people knew what the agricultural community in the EC is doing because it is very unfair and we should not let GATT go forward unless that is corrected.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I ask unanimous consent that I be allowed to proceed for no more than 5 minutes as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE MEANING OF FREEDOM

Mr. EXON. Mr. President, there are many things that are upsetting America today, not the least of which always comes forefront during this particular time of the year, when we are having graduation ceremonies from all kinds of schools in the United States, up through our universities and colleges.

Once again, driven to the forefront is the matter of making certain, in some quarters, that there be no moment of silent recognition, certainly no prayer, as ordained by certain well-meaning institutions in the United States that have taken this on as a thing.

I think they are totally wrong, and I have spoken out on this on many occasions. For the RECORD, I would like to read a very short editorial that appeared in the Omaha World Herald on May 23. The headline of this editorial says: "* * * And of Broken Bow, Nebraska."

Broken Bow, NE, is a wonderful community near the approximate geographical center of our State, that I think embodies, as so many of our smaller communities do, what is right with America today. The editorial goes on to say:

> The young men and women who just graduated from Broken Bow, Nebraska, High School might teach the American Civil Liberties Union a thing or two about the meaning of freedom.
>
> As noted in the above editorial, some ACLU representatives have said that they will take any district to court if it dared allow students to thank the Supreme Being at their graduation ceremonies. Facing such a limitation, the School Board of Custer County, Neb.—

Where Broken Bow is located—

> canceled the traditional prayer and ordered a moment of silence at the high school commencement.
>
> The board's action didn't sit well with the 68-member senior class.
>
> Last Sunday, when Tim Loy, senior class president, asked those at the ceremony to join him in a moment of silence, his classmates rose to their feet as one. Quietly, without fanfare, in unison, they recited "The Lord's Prayer."
>
> One observer called it one of the most moving moments in her experience. The parents, friends and others of the commencement also approved, giving their young people a heartfelt standing ovation. They, their churches and their school system can be proud of the Broken Bow High School class of 1993.
>
> OK, ACLU. Sue. Sue whom? Not the school board, which gave in. Not the school principal, who didn't lead the prayer and didn't plan it, didn't direct it, apparently didn't know anything about what was going to happen.
>
> Sue the 68 admirable young men and women who have apparently learned something about freedom, about rights, about America during these years at the Broken Bow High School. See how far you get.

Mr. President, I call this to the attention of the Senate, in that it shows, notwithstanding the dedicated attitudes of some, including what I think has been a misinterpretation to a large extent of what the Supreme Court said in this area, the young students of Broken Bow High School have found a way, and unfortunately they had to take that route at their commencement exercises.

Mr. President, I thank my colleagues and I yield the floor.

The PRESIDING OFFICER. The time of the Senator from Nebraska has expired.

Mr. MCCONNELL addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Kentucky [Mr. MCCONNELL].

CONGRESSIONAL SPENDING LIMIT AND ELECTION REFORM ACT OF 1993

The Senate continued consideration of the bill.

Mr. MCCONNELL. Mr. President, they are at it again. I want to call my colleagues' attention to an op-ed piece that appeared today in the Courier-Journal, which is one of our two major statewide newspapers in Kentucky, by Joan Claybrook of Public Citizen.

Obviously, it is not particularly complimentary. It is designed to sort of turn the heat up with regard to the current debate on campaign finance reform. It is reminiscent of what happens every time this bill comes up. Any Senators who are protecting the Treasury from the ultimate raid on the Treasury, which is the funding of our campaigns with tax dollars, is subjected to this kind of soft money operation.

Mr. President, the article is full of inaccuracies, but that is really not the point I wanted to make this morning. One of the inaccuracies, however, is kind of interesting. She states, Joan Claybrook in this op-ed piece in the Courier-Journal in Kentucky today, that "the Clinton proposal would for the first time"—this is quoting Joan Claybrook—"shut down the soft money loopholes in current law."

She is talking about the bill before us that we have been debating this week.

Now, Mr. President, while it is true that President Clinton's bill would clamp down on party soft money, like registering voters, voter turnout, and volunteer activities, the kind of things that most political scientists think we ought to be encouraging, it sure would alter the procedure of the political parties in this country. It, nevertheless, does absolutely nothing, Mr. President, nothing—zero, zilch—about nonparty soft money. For example, it does nothing about union-run telephone banks. It does nothing about political action lobbying groups like Public Citizen, which write this article to which I referred.

Now, groups like Public Citizen illustrate the sewer money problem we have in American politics today. These are the kinds of groups, Mr. President, that hide behind the Tax Code and receive unlimited, undisclosed contributions, much of it from Washington special interests.

This is exactly what we are talking about, Mr. President, one of the ways in which this bill is uneven. The proponents of this legislation say it does something about soft money. It does not do anything about the real sewer money in the process. It simply makes it more difficult for political parties in this country to register voters, provide telephone banks, yard signs, volunteer activities, and all the other, what we used to think of as good, clean political activities.

Yes, that gets impacted by this bill, but the nonparty soft money, the sewer money of American politics, certainly illustrated by Citizens Action, is unaffected by this bill, completely unaffected.

These groups, as I said, hide behind the Tax Code, receive unlimited, undisclosed contributions, much of it from Washington special interests, and use that money for direct political action to influence Federal elections.

They use that tax-exempt money, received from all of those special interests in this town and around the country in unlimited and undisclosed amounts, to attack Senators like this Senator in their home States for trying to protect the taxpayers from the final raid on the Treasury.

Now, we know what the American people really think of taxpayer funding of elections, Mr. President.

This chart pretty well illustrates how the American people feel about taxpayer funding of elections. This chart illustrates the interest among the American taxpayers in checking off a dollar of taxes they already owe—it does not add anything to their tax bill—to pay for the one major race in America that is largely funded by the taxpayers—not entirely but largely funded by the taxpayers—started back in 1976. In 1977, 28.6 percent of Americans thought it was a pretty good idea to divert a dollar of taxes they already owed away from something like childhood immunization, deficit reduction, food stamps, any other particular worthwhile proposal, divert a dollar away from that for the Presidential election campaign.

But you can see that enthusiasm wanes, continues to wane down through the years to 1991, to a low of 17.7 percent—17.7 percent. In my State it is only 10 percent. Only 10 percent are willing to voluntarily divert a dollar of taxes already owed to pay for the Presidential political campaign.

Now, that is what this tax-exempt sewer money operation, funded, we suspect, largely by trial lawyers and labor unions, want to wreck on the other Federal elections in this country. They want to bring 535 new races into the Federal funding system.

Why, my goodness gracious, you will have at least 2 candidates in every one of those 535 races plus who knows, Mr. President, how many fringe candidates are going to look in the mirror every morning and say, "By golly, I think I see a Congressman. I am going to get myself some of that tax money to run for political office." And of course we are going to have to audit these public funds, Mr. President. We are going to have to audit them. We are going to give tax dollars to all those candidates out across America running for Congress.

We are going to need to be sure they spend the money right. So there will be an army of auditors out crawling all over the campaigns for donations all across America, an army of auditors. Why, the FEC will be as big as the Pentagon. That is the kind of bureaucracy we are going to build here. That is what Public Citizen, this soft money tax-exempt organization, is promoting.

And any Senator who has the audacity to stand up and say that is a bad idea at the time when we have a $4 trillion debt and the President is asking us for the biggest tax increase in history, and say, gee, maybe that is not a good idea to start a new taxpayer-funded program for us, vouchers for us, food stamps for us here in the political system, this is what you get. You get attacked by the Joan Claybrooks of the world. That is your thanks for it, for protecting the taxpayer.

Yet Public Citizen refuses to disclose the special interests that fund its operations and helps set its agenda.

Any candidate for Federal office who receives support from private voluntary donations, it is on the FEC report and there is a limit on how much an individual can give. So people know who is for you and who is against you, but not this organization. Not Public Citizen. We do not know. Common Cause at least discloses its large donors.

A series of articles which appeared in Forbes magazine linked Public Citizen, the group that attacked me this morning in the Courier-Journal, their top mentor, Ralph Nader, to a nationwide network of rich plaintiffs' lawyers. I think that is why Public Citizen does not want to disclose who is contributing to it.

I call on Public Citizen today, come clean, tell us who is funding your operation that provides you the wherewithal to come down in my State and attack me today. You have a right to do that, I believe, in the first amendment.

I would like to know who is supplying you your money. Common Cause, your ally in this effort, is willing to disclose its large donations. Come clean, Public Citizen. Tell us who is funding you. You say you are against that nasty soft money. Come clean, tell us who is supporting you.

In fact, it is widely reported that Public Citizen and its subsidiary, Citizen Action, are funded heavily by plaintiffs' lawyers and labor unions. We think that is where your money comes from, but we are not sure.

I do not want to malign you folks. I do not want to say anything inaccurate. It is largely guesswork on my part, other than what I read in Forbes. But you can disabuse us of this notion by simply disclosing where your money comes from. If you want us to do it, we already do it under the existing law. Tell us where your money is coming from.

Apparently, whatever their level of financial support, it buys a lot of clout, because Public Citizen has worked hard to lobby for the agenda of those special interests, the labor unions and the plaintiffs' lawyers. Because there is no disclosure of who funds Public Citizen and Citizen Action lobbying and soft money activities we do not know who is buying influence. Who is buying Joan Claybrook's influence as a former Government official? We do not know. And the Clinton bill, contrary to Ms. Claybrook's assertion in the article in the Courier-Journal today, will not shut down the soft money loophole that Public Citizen and its affiliated organizations use freely to influence Federal elections.

But I am particularly thankful to Ms. Claybrook for reminding me of this glaring omission in the campaign laws. This organization funded by undisclosed and unlimited soft money can be expected—I say to all my colleagues, who are not going to support taxpayer funding of elections, let me just warn you in advance. This is going to happen to you.

They have a regular little routine here. They go around and attack you in your State, and misrepresent your position, do not mention that you are trying to save the Treasury, trying to save the taxpayer from the new boondoggle promoted by this administration. It is going to happen to you. I do not want you to get nervous about it now.

This is the pattern. A similar article is being written. It will appear in your State. So do not be surprised. We will help you write the op-ed reply. Let the people of your State know that the people behind this organization calling for taxpayer funding of elections which now is only supported by a mere 17 percent of the American people—I say to my friend the Presiding Officer only 10 percent check off in Alabama. The national average is 17 percent. Only 10 percent of the people of the State of Alabama are willing to check off $1 of the taxes they already owe. This does not pay anything for the tax bill. It pays for this political campaign. That is how enthusiastic the people of Alabama are about taxpayer funding of elections.

It is the most comprehensive poll we ever had. Every April 15, everybody in America gets to decide whether or not they want to check off $1 of taxes they already owe to fund this big political race. And, by the way, the conventions get paid for by taxpayers' money too. So we know how the people of America feel about this. This is the biggest poll ever taken on any issue in the history of America.

This soft money operation is going to attack any Senator standing up for the taxpayer. I just want them to be aware of it, what kind of organization that is.

I have offered amendments in the past as we have debated this issue it seems to me ad nauseam for 5 or 6 years. Every time I offered an attempt to do something to make these kinds of organizations come clean—you have a right to speak like anybody else in this country. You have first amendment rights, too, but why do you not tell us who is funding you? Disclose.

I am not even advocating limits. It is a lot easier than running for office. We have a limit on what people can contribute. I just would like for this organization to disclose their donors. Come clean. Tell us who is paying to underwrite the trashing of Senators in their home States who have the courage to stand up to the ultimate boondoggle, the ultimate waste of the taxpayers' money, taxpayer funding of elections, which only 17.7 percent of the American people support.

My guess is it is going to continue to slide. You can look at the trend here, going straight down, down to 17.7 percent.

Under this bill, the proponents would like for the checkoff to be increased from $1 to $5. Do you know why? They need to get more money out of these few remaining suckers who are willing to support this thing. That $1 a pop is not producing enough money even for the Presidential system, much less to underwrite some of the congressional systems.

So as this thing slides down the razorblade of life, down to the last dollar, they need to get those few people to cough up $5 instead of $1 to make up for it, to try to pump some life into this Presidential system that they do not like, and to try to provide some of the funding for this congressional system that they want the taxpayers to pay for.

Mr. President, it is kind of interesting to look at some of the ways that Public Citizen raises money. I happen to have one of their fundraising appeals. It is kind of interesting. This is one of the groups that sort of makes a living off of trashing Congress. There is a pretty good audience out there for that. I am told people never have thought much of politicians, and think even less of them now than they used to. If we pass this bill, if you think they do not think much of us now—to have the American people pay for our political campaigns—it is possible to be totally unpopular, possible to get below the line, that is where we will be if we pass this bill.

Here is the Public Citizen fundraiser. I do not have the date. I know it was sent out after the Presidential election.

This is the soft money group that I have been talking about that all of the people who are standing up for the taxpayer and trying to avoid passing a new entitlement program for us—this is the group you can expect to be trashed by. This is one of their fundraisers.

Let me take out some of the more interesting parts here. It says, "We can push through a congressional campaign finance reform package but we can't do it without your help." They say that. This is a tax-exempt organization that can receive unlimited and undisclosed contributions. We do not know who is giving it to them. They are hiding behind the Tax Code, and they are trashing Members of Congress who are trying not to take this travesty any further.

They say, "The special interest lobbyists who occupy Washington continue to oppose this. Now the special interests realize that their hold on Washington is slipping." This goes on to say, "They are racing to reestablish their influence with many new Members of Congress. A cornered rat is a very dangerous animal," says Joan Claybrook. "These well-heeled lobbyists will fight even harder to get their hooks into our Government."

Talk about getting hooks into our Government. Who is trying to advocate starting a whole new taxpayer-funded entitlement program for politicians? Why, it is this group. Talk about getting your hooks into the taxpayers. "Now we have new faces in Washington and along with those comes new hope. We can achieve these reforms, but we have to beat the special interests to the punch. We can only do it with your help now at this critical moment. Our funds are low, and without your immediate support, our future work on this critical issue will be threatened. With a new Congress, we can succeed in enacting reform that will limit the power of special interest influence," except their own power, except her power, and this group's power. They are going to have a free ride—no taxes paid, tax-exempt, unlimited, undisclosed contributions.

She goes on: "We can't do it without your help. Do your part today by rushing a contribution to Public Citizen and Its Clean Up Congress Campaign."

Well, my goodness, where did I leave my checkbook. That is what we are up against, Mr. President. This kind of group, totally involved in the political process and certainly entitled to its opinion, hides behind the Tax Code, and trashes Senators who have the courage to stand up against this outrage and extending it to 535 additional races. That is what you can expect. So I am sorry that that will be happening. But I wanted my colleagues to know, those who have the courage to try to stop this outrage, that is what you can expect.

Mr. President, while we are talking about use of public funds, the Pressler amendment is the pending business. I have discussed with my colleague from Oklahoma, who is not on the floor at the moment, but I know he shares what I am about to say. It is our intention to lay aside the Pressler amendment to be voted on at 2 o'clock in conjunction with an amendment that I will be laying down now and discussing. I think it is the plan of my friend from Oklahoma and myself to have two recorded votes at 2 o'clock. If that is not his view, he will have adequate time to express himself. I will go ahead and lay down an amendment at this point.

Mr. President, I ask unanimous consent that the Pressler amendment be temporarily laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 376

(Purpose: To provide that revenues derived from the disallowance of tax deductions for lobbying expenses shall be paid into the general fund of the Treasury so as to reduce the deficit)

Mr. McCONNELL. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Kentucky [Mr. McCONNELL] proposes an amendment numbered 376.

Mr. McCONNELL. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place insert the following:

SEC. . APPLICATION OF INCREASED REVENUES TO REDUCE THE DEFICIT.

(a) DEFICIT REDUCTION.—Notwithstanding any other provision of this Act, amendment made by this Act, or any other law, the amount of increased revenue to the United States that is determined to be attributable to the disallowance of a deduction from income tax for lobbying expenses made by any such provisions, amendment, or law shall be paid into the general fund of the Treasury, and shall not be paid into or credited to the Senate Election Campaign Fund or any other fund or account, so that such increased revenues will go to reduce the budget deficit that would otherwise accrue.

(b) SUPERSEDURE.—Subsection (a) shall supersede any other provision of this Act, amendment made by this Act, or any other law unless such other provision, amendment, or law explicitly provides otherwise by specific reference to this section.

Mr. McCONNELL. Mr. President, sitting in the Oval Office during the White House Easter egg roll, President Clinton gestured toward the children on the White House lawn and lambasted Republicans for filibustering the so-called stimulus package. He said the children were hostages of the filibuster because the bill included funds for child immunization.

Mr. President, the stimulus debacle has been analyzed ad nauseam. Republicans stopped it because it was loaded with pork, too expensive, and obviously it was deficit spending.

The child immunization funds were hostage to the grossly wasteful pork spending in the stimulus package and the lack of political will to pay for it.

Children also are hostages of the $4 trillion Federal debt that they seem doomed to inherit. By the end of President Clinton's term, under his plan, using his figures, the debt will be over $5 trillion. The President should keep that debt in mind the next time he sees children on the White House lawn. Perhaps then he will resolve not to send any more deficit spending bills to Congress.

That said, Mr. President, it is time for Congress to prioritize. Taxpayers cannot afford for us to do it all. The amendment I sent to the desk is about priorities, stating for the record that any revenues realized through a repeal of the Federal tax deduction for lobbying expenses shall go toward reducing the deficit and not to the Senate Election Campaign Fund established by this bill to fund our reelections.

Mr. President, this is a straightforward amendment. If the tax deduction for lobbying expenses is to be repealed, where should the money go? If we are going to repeal this tax deduction for lobbying expenses, which I personally do not have any problem with, the issue is, where should the money realized from that repeal of that deduction go? Should it reduce the deficit, or should it fund political campaigns? No gimmicks, concise, to the point. What are our priorities going to be?

We better start asking that question of ourselves more often, because our constituents are getting tired of having their taxes raised, and it would be downright immoral for our descendants to get stuck with the tab.

Yet, I anticipate that some Washington special interest groups, like the Public Citizen group I was just discussing, will criticize this amendment as a "blatant politicking of the worst sort," as they did with a similar one I was prepared to offer to the lobbying bill.

I notice today that the president of Public Citizen wrote a nasty and misleading diatribe in my hometown paper for the unpardonable sin of opposing taxpayer financing of campaigns. Public Citizen, as I indicated earlier, also is the diehard proponent of the energy tax which will kill thousands of jobs in my State and raise poor peoples' heating bills.

Mr. President, a more objective observer would describe my amendment as blatant politicking of the best sort. Simple priorities, Mr. President, is what this amendment is all about.

Mr. President, some groups seem to have a finders-keepers attitude in regard to the repeal of the lobbying expense deduction. The taxpayer-funded/spending-limits crowd first identified this potential windfall, and they are loathe to consider any alternatives for the savings. That is not altogether surprising because almost any alternative to funding political campaigns would be preferable in the eyes of most Americans.

It has been faintly amusing to observe the scramble among proponents of taxpayer-funded political campaigns to secure a politically safe source of funding for their campaign finance proposals.

If this creative energy, the kind of energy that has been put into this effort, were applied to reducing the deficit, we could balance the budget in a couple of years.

There are a number of reasons to vote against using taxpayer dollars to prop up this unworkable, unconstitutional campaign finance bill. The fact is that the spending limits in this proposal are a fraud that would be perpetuated on the taxpayers. In return for their tax dollars, taxpayers would get a spending limits system riddled with loopholes, a system that would limit neither special interests nor total spending.

I will not at this time belabor the shortcomings of the taxpayer-financed spending limits scheme put forth by my friends across the aisle. The point of this amendment is that regardless of what one believes in regard to campaign finance reform, it should not be given a higher priority for available tax dollars than reducing the national debt—that terrible legacy we are leaving for our grandchildren.

If the tax deduction for lobbying expenses is to be reduced or repealed, numerous causes far more worthy than taxpayer-funded political campaigns are literally standing in line for the money, causes such as deficit reduction, child immunization, child nutrition, and health care, to name just a few.

My amendment names just one. It names the deficit.

So, in summary, Mr. President, let me just say that this amendment is quite clear and quite to the point. If we are going to raise revenue by the elimination of the lobbying deduction, it is the view of this Senator, and I hope it will be the view of the majority of the Members of the Senate, that that revenue would be better spent reducing the deficit than paying for our political campaigns, clearly the ultimate perk.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, I have listened with fascination to the comments, the critique, and the constructive suggestions for this field of election campaign reform from the junior Senator from Kentucky, with great interest and with great admiration for his skills and for his dedication.

At this point, however, Mr. President, if it is permissible to the Senator from Kentucky, I have remarks on another subject. And if no one is seeking recognition to speak on this subject, I ask unanimous consent that I be permitted to speak as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Washington is recognized.

Mr. GORTON. I thank the Chair.

(The remarks of Mr. GORTON pertaining to the introduction of S. 1029 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. GORTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BOREN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOREN. Mr. President, without prolonging the debate on the pending McConnell amendment, I do want to make just a few remarks about that amendment.

What we are dealing with in this amendment is not really an amendment about whether or not we should apply additional resources to the reduction of the deficit. I think my colleague knows, and my colleagues on both sides of the aisle know, I feel very strongly about passage of a real deficit reduction measure. The country is in terrible difficulty and not getting the deficit down is something that really threatens our future.

At the same, I think we must press ahead for meaningful campaign finance reform. I am convinced the American people are already paying a terrible price for the way the current financing of campaigns takes place.

For example, because millions, and millions, and millions of dollars pour into this system—over $600 million in the last election cycle spent by candidates running for Congress—because all of that money is pouring in and because half of all the Members of Congress elected in the last election received more than half of their campaign contributions not from the people back home, but from special interest groups, political action committees and others, the people themselves are paying a very large price for the failure to reform the campaign financing system.

Special interest tax breaks are written into the Tax Code that are simply not available to the average American who cannot afford to give $1,000, $10,000 or $50,000, the average American who cannot put on a $300,000 fundraiser in one night in which PAC manager after PAC manager with waiting cars come in to give those large contributions and checks. And therefore they are not able to get the same kind of tax relief—we have certainly seen that happen—that many others are able to get.

So, on the taxing side the special tax breaks are certainly encouraged by a campaign financing system in which more and more of the money comes from special interest groups, and millions and millions of dollars.

On the spending side the same thing happens. Pork barrel projects and special projects to pay back the special interest groups that have helped fund campaigns pile up more spending. So the revenues of this country are reduced and the spending is increased, in part because of the way campaigns are financed. And Members of Congress make, in essence, payback legislating, perhaps not directly but at least indirectly, remembering those who financed their campaigns when they come around later wanting a special spending project or a special tax break.

So when we talk about what we could do to get the deficit down—yes, we have to have revenues to get the deficit down and yes, we have to have spending cuts, and we should have far more spending cuts than we now have before us to get the deficit down. I hope we will find a way to do that in a bipartisan fashion with both Houses working together.

But another thing we could do to help the deficit problem is change the way we finance campaigns in this country, stop the money chase in American politics, squeeze out the special interest money, the soft money and the rest of it, get it so people will not any longer have to spend over $670 million on congressional campaigns to win; so the average Senate candidate will not have to spend $4 million, even in a small State, on the average just to get elected—$10,000, $15,000, $20,000 a week in fundraising for 6 years.

That is important. It is important for every aspect of the political life of this country. It is principally important because we want to restore the confidence of the people in this Congress so the people know this Congress belongs to them and not to those people who are able to put on $300,000 or $400,000 or $500,000 fundraisers here in the Nation's Capital to pump money into campaigns. But it is important also to reduce the deficit.

It is well known and those who are presenting this amendment understand, my friend from Kentucky understands because he is a student of the Buckley versus Valeo case, the Supreme Court decision, that we cannot have a bill to limit spending in campaigns and to bring this spending under control unless, according to the Supreme Court, it is under a voluntary system.

What does that mean? It means that you have to present the candidates with incentives—incentives that cause them to accept spending limits.

I wish that were not the case. I do not believe the Supreme Court was right in making their decision in Buckley versus Valeo, but we are stuck with it. There are many things the Supreme Court has done over the years that I would change had I been a sitting Justice and able to vote on those decisions, but we are stuck with the bad judgment of the Court and a bad decision, as far as I am concerned. We cannot just come out here and pass a law and say you can spend over *x* cents per voter and do it directly. We are stuck with a Court decision that requires us to have some incentives in order to get candidates to voluntarily accept spending limits.

In the letter I received from several Members on the other side of the aisle, including Senator JEFFORDS and Senator COHEN, Senator CHAFEE, Senator MCCAIN, and Senator DURENBERGER, they asked the President to specify how we would pay for any of those incentives that are necessary to have spending limits. I received just last night a letter from President Clinton which I have shared with those on the other side of the aisle who requested the assurance that we would designate how we would pay for this program. The President said:

> DEAR DAVID: As you know, I have proposed a comprehensive campaign finance reform plan that seeks to limit campaign spending, curb the role of lobbyists and PACs, ban the use of "soft money" in federal elections, and open up the airwaves. The legislation you have introduced embodies that proposal.
>
> Under the plan, candidates who agree to comply with voluntary spending limits will receive voter communication vouchers that can be used for broadcast, postage, and printing. This will level the playing field by giving challengers, as well as well-funded incumbents, an opportunity to make their case to the public.
>
> I a writing to make clear my position on how these benefits should be paid for.
>
> As I stated at the time the political reform proposal was announced, it is my continued intention that any funds for these vouchers come from the repeal of the lobbying deduction. When I first proposed eliminating the lobbying deduction in February, our budget documents made clear that these funds could be used to pay for campaign finance reform if such legislation were enacted. As Congress now prepares to enact such legislation, I want to reiterate my support for the use of the lobbying deduction for this purpose. In addition, my proposal would increase the voluntary taxpayer checkoff from $1, where it has been since the early 1970s, to $5.
>
> Thank you.
>
> Sincerely,

It is signed by the President.

That is what this is all about. This is not about whether or not we want to reduce the deficit. Yes, we want to reduce the deficit. We think passing real, meaningful campaign finance reform so Members of Congress will no longer be so beholden to special interest groups and will no longer have to raise massive amounts of money will help us make better decisions on a more objective basis that will lead to getting the deficit down, take Congress off the auction block, and allow Congress the independence it needs to make those decisions.

But this amendment, Mr. President, let us not fool ourselves, is not about that. While it purports to be an amendment about getting the deficit reduced and using the lobbying deduction for that purpose, the authors well known if it is used for that purpose, if it is used to go into the general revenue fund, it cannot be used to fund the incentives necessary to reduce runaway spending.

So this is an amendment not about whether or not you want to get the deficit down, even though that is what it purports to be. This is an amendment about whether or not you want campaign finance reform, whether or not you want spending limits, whether or not you want to shut off the continued flow of millions, and millions, and millions of dollars, most of it from special interests, most of it going to incumbents at the rate of 3 to 1 in the Senate and 5 to 1 in the House, so challengers, new people, do not have a chance to come here with their fresh ideas to help this country.

That is what this amendment is about and that is why at the appropriate time, Mr. President, I am going to move to table this amendment. Because it would make it impossible for us to proceed ahead with a plan to provide those incentives to get candidates to limit spending so we can shut off the money and shut off the special interest funding of campaigns and so we can return Congress back to responsiveness to the American people instead of simply those with enough financial resources to influence the outcome of elections.

So, Mr. President, I urge my colleagues not to be misled. This amendment is not what it appears to be. It is not a matter of getting the deficit down. It is not a matter of whether or not you want to get the deficit down. This is about whether or not you want meaningful campaign finance reform. That is why this amendment should be defeated.

Let me say on a happier note, while I feel compelled to move to table at the appropriate time the McConnell amendment—and I say to those of my colleagues who might be listening or their staff who might be listening to our floor discussion, wondering about the time which we would likely have votes, it is very possible that the votes will occur about 2:30.

I have just been informed by my good friend from Kentucky, they would like to do that. We have some colleagues who are committed elsewhere for very worthwhile, I might say, public purposes. So for those who are thinking about scheduling, it is likely the vote will occur—we are checking with both leaders now—on the Pressler amendment, immediately followed by a vote in relation to the McConnell amendment, which will likely be a tabling motion, at approximately 2:30.

We will confirm that request just as soon as both leaders have been able to clear it on both sides of the aisle.

Let me say with regard to the Pressler amendment, which we have been working on very hard, we have now come, I believe, to an agreement. The distinguished Senator from South Dakota and our staffs, and all of us, have been working together on it. I want to, again, commend him for that amendment. I believe that the bill already had taken care of many of the problems that he sought to correct.

For example, we had sought in this legislation to ban leadership PAC's. The Senator from South Dakota, in his amendment, would clarify that and make certain that our intent of the bill was carried out. He makes a technical amendment to that part of the bill and it is very welcome because that has been one of the objectives, we felt one of the provisions of the bill from the beginning.

He also makes it clear that we ban PAC's for both the House and the Senate. We totally do away with PAC contributions in the bill. We also felt we had already done that because, we said, no one running for Federal office would be able to receive PAC donations. That would be both the House and Senate, of course. He spells that out. We are in full agreement with that.

Also, he provides a backup provision that would assure that the House and the Senate would play by the same rules. If, for some reason, the Court were to find unconstitutional and to strike down our ban on PAC's altogether, there is a fallback position. There was one in our bill which said that we would fall back to a limitation on how many individual PAC's could give, and that we would not allow Senate candidates to receive more than 20 percent of their total contributions from political action committees.

The Senator from South Dakota, in his amendment, as has now been worked out, would apply that same rule to the House. No more than a 20-percent aggregate of the contributions allowed under the spending limits in the House bill, would be allowed from PAC's, and it sets $1,000 as the amount that individual PAC's could give to either House or Senate Members.

Those on the other side of the aisle, again, who had written to me, and to the President and the majority leader, stressed their belief that as much as possible on relevant provisions, at least, that there should be a balance and a parallel construction: The same rules in essence applying to the House and Senate.

This Senator happens to very much agree with that point of view. Therefore, the Pressler amendment would embody that as to the fallback position if, for any reason, the Court found our total PAC ban to not pass constitutional muster, as I frankly hope that it will pass muster.

I want, again, to commend the Senator from South Dakota for his contribution to this process. He will seek the yeas and nays. I do not believe they have yet been ordered but I know he will seek the yeas and nays. We can do that by unanimous consent on his amendment. This Senator will be supporting and voting for the Pressler amendment. I urge my colleagues to do the same.

I yield the floor so my colleague from Kentucky may comment as he wishes, and both of us are simply now standing by to get clearance from both leaders as to the request about the votes at 2:30, but we anticipate that will be the approximate time for both of these votes.

I also urge my colleagues who might be listening in their offices to come to the floor and offer amendments if they have additional amendments. We want to continue making progress on this legislation. As I said yesterday, we want to take as much time as it takes to be thorough and to arrive at the best possible bill. At the same time we want to move the dispatch because there are so many important issues facing us in the Senate.

I urge my colleagues to come to the floor and offer their amendments. I say to my colleague from Kentucky, I have been informed the Senator from Massachusetts [Mr. KERRY] does plan to come after our two votes at 2:30 to begin to offer his amendment on the public financing of campaigns.

Mr. McCONNELL. I say to my friend from Oklahoma, we have sort of been informally trading sides here. It is good the Senator from Massachusetts [Mr. KERRY] will be over after the votes on the Pressler and McConnell amendments, proceeding in an orderly fashion, allowing Senators on both sides to offer amendments. I do not wish to further discuss my amendment at this point. I thought I would do that prior to the vote later this afternoon.

Mr. BOREN. Mr. President, I am wondering if we can get clearance from the two leaders, if we might have a brief period, perhaps a recess until about 1:30, if we can get clearance from both sides and then come back and allow time for discussion, any remaining time that the Senator from Kentucky, or the Senator from South Dakota, would like to have discussion on their amendments.

I suggest, that on the amendments of the Senator from Kentucky, that we might perhaps, if we get unanimous consent, agree to a certain amount of time that will be equally divided on the McConnell amendment.

Mr. McCONNELL. I might suggest from 2 to 2:30 on the McConnell amendment.

Mr. BOREN. That would be fine with me, but we must await clearance from the leaders.

Mr. President, while we await clearance from the two leaders on our unanimous-consent request, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BOREN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOREN. Mr. President, in just a moment, I am going to send a second-degree amendment to the desk to the pending McConnell amendment.

As I indicated earlier, in my view, the real issue raised by the McConnell amendment is not a matter of whether or not we want to reduce the deficit, but whether or not we are going to have meaningful campaign finance reform. Because under the Supreme Court decision, there is a requirement that any campaign spending limit be a voluntary limit accepted by the candidates and, therefore, there have to be incentives provided in terms of the Supreme Court decision to candidates which induce them to accept those voluntary spending limits.

As I also indicated—we all understand, because all of us want to get the deficit down—the way we finance campaigns in this country, with more and more money pouring into the process, much coming from special interest groups, itself contributes to the deficit being increased because we are spending the time, effort, and energy on that issue because we are having to be full-time fundraisers and part-time Members of Congress.

But it also contributes to the deficit problem, because special interest groups which pour millions of dollars into the campaigns often get special tax breaks not available to ordinary Americans, tax breaks that reduce the revenue, the income of the Government, and at the same time very often they are the beneficiaries of pork-barrel projects resulting in more spending by the Government on things that are not necessary and not needed.

Therefore, for many reasons to restore the confidence of people in Government and to devote time and attention to that issue as opposed to fundraising and to avoid special-interest tax breaks and unnecessary spending, it is very important that we reform the way that we finance campaigns in this country.

Mr. President, if we were to defeat the way in which we pay for those incentives provided for in the current campaign finance reform bill, we defeat the whole possibility of imposing spending limits and we defeat the whole possibility of shutting off the flow of special interests into politics. The issue here is not whether or not we are for deficit reduction. The issue is whether or not we are for meaningful campaign finance reform.

That is why I believe that we must amend the current amendment and make it clear that that is what we are all about. Therefore, the amendment that I am getting ready to send to the desk in the second degree would provide the amount of the increased revenue to the United States that is deemed to be attributable to the disallowance of a deduction from income tax for lobbying expenses, which is the way the President, I think appropriately, wants to pay for campaign finance reform, not to put a tax increase on the American people, not to tax the people back home to do this, but to tax the lobbyists, in essence, to pay into a clean Government fund who will help us restore integrity to the campaign financing process.

So our amendment would provide that any funds that flow into the general fund as a result of ending the tax deduction for lobbying expenses shall flow into the general fund of the Treasury to reduce the deficit. And to the extent provided by law—and we hope that this bill will become law—the Congress will, therefore, provide that as many funds as are necessary will be used to reduce the role of special interests in congressional elections by funding the benefits to candidates to encourage their agreement to accept campaign expenditure limits.

AMENDMENT NO. 377 TO AMENDMENT NO. 376

(Purpose: To provide that revenues derived from the disallowance of tax deductions for lobbying expenses shall be used to reduce the deficit and to reduce the role of special interests in congressional election campaigns)

Mr. BOREN. Mr. President, on behalf of myself and the distinguished majority leader, Senator MITCHELL, I send this amendment in the second degree to the pending McConnell amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Oklahoma [Mr. BOREN], for himself and Mr. MITCHELL, proposes an amendment numbered 377 to Amendment No. 376.

Mr. BOREN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In the amendment strike all after Deficit Reduction in line 4 and insert the following:.—The amount of increased revenue to the United States that is determined to be attributable to the disallowance of a deduction from income tax for lobbying expenses made by any law shall be paid into the general fund of the Treasury, to reduce the deficit and, to the extent provided by law, shall be used to reduce the role of special interests in congressional elections by funding the provision of benefits to candidates to encourage their agreement to campaign expenditure limits.

Mr. BOREN. Mr. President, I think I pretty well explained what the second-degree amendment is about.

Prior to the offering of this amendment, we had planned on recessing briefly until the hour of at least 2 o'clock—perhaps now to the hour of 2:15—and I need to check with the floor staff on the other side of the aisle to see if we could propound a unanimous-consent request. Perhaps in light of the absence of the Senator from Kentucky and because he perhaps has not yet been informed about the second-degree amendment, what we might do is ask unanimous consent that we recess until the hour of 2:05 at which time there will be allowed—well, I think I better withhold that request.

What I was thinking about doing was allowing time for the debate of the second-degree amendment or the underlying McConnell amendment at that time, and then having back-to-back votes, first on the Pressler amendment and then on the second-degree amendment to the McConnell amendment.

So, until the Senator from Kentucky arrives and we can discuss this further, let me suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. McCONNELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCONNELL. Mr. President, I noted with interest the second-degree amendment that has been offered to the McConnell amendment.

Let me say I am distressed that we are getting into this pattern of second-degreeing each other. The manager of the bill and myself have talked earlier about creating an atmosphere here during this debate in which each side was assured to have votes on the amendment it wanted to offer.

Obviously, a second-degree amendment is not improper, but it certainly does not create the kind of atmosphere I had hoped we could move forward with in the course of handling the amendments on this bill.

Of course, I could simply reoffer the amendment at some other time, and may well do that. It does not seem to me it facilitates completion of the bill to constantly be second-degreeing each other in order to try to protect Members from unpleasant votes. I mean, we will have the vote on this at some point, I guarantee you, during this debate.

But with reference to the second-degree, I wanted to ask my friend from Oklahoma, as I read it, it says that revenues derived from the disallowance of a deduction from income tax for lobbying expenses shall be used to reduce the role of special interests in congressional campaigns; to reduce the deficit and, to extent provided by law, be used to reduce the role of special interests in congressional elections.

Under this second-degree amendment, which comes first, the deficit or, as it puts it, reducing the role of special interests?

Mr. BOREN. I would say to my colleague from Kentucky that under the amendment, of course, if there is a purpose set out in the law for which this fund shall be used, it would be used for that first.

In other words, we would use sufficient funds in order to implement the campaign finance reform bill and to reduce the flow of special interest funding into campaigns. And all revenue estimates have indicated that the ending of this lobbying deduction would raise considerably more—there is a range of estimates—but all would indicate they would raise considerably more than necessary for that purpose.

The remainder would flow into the general revenue fund for the reduction of the deficit.

Mr. McCONNELL. So, Mr. President, it is clear that the second-degree amendment is designed to thwart the thrust of the McConnell amendment, which is quite simple. The amendment that I offered, which is pending now, now second-degreed, was designed to allow the Senate to choose whether it wanted to spend those revenues derived from eliminating the deductibility of lobbying expenses for corporations on funding political campaigns or reducing the deficit.

So the purpose of this second-degree amendment is to rule null and void, in effect, the amendment offered by the Senator from Kentucky.

I would say to my friend from Oklahoma, I would, of course, move to table the second-degree amendment at the appropriate time, and as we are working on this unanimous-consent agreement my right to offer the tabling motion would need to be protected.

Mr. BOREN. Mr. President, I understand what my friend and colleague from Kentucky has said.

Let me indicate to him that we are trying to operate in good faith. We have accepted a number of amendments on up-or-down votes, as we did with the McCain amendment and as we are going to do with the Pressler amendment.

But there was a feeling that a second-degree amendment in this case would draw the issue more clearly. I think it certainly allows each of us to make the point. I think the Senator from Kentucky, from his point of view, is making the point and will make the point by moving to table my second-degree amendment. Certainly, in propounding the unanimous-consent request, I will do so in a way that would preserve that right for him.

Let me say, we want to be fair in every way we can. We do have an honest difference of opinion. This is simply a matter of principle.

I understand why the Senator from Kentucky feels as he does. He also quite openly opposes the bill and spending limits in the bill.

We have had many discussions about that. He does not favor spending limits in campaigns and I do. He feels that they are unhealthy and I feel they are healthy for the process. So we do have that division. Therefore, he would like to see the funds all flow into the general fund and I would like to see a portion of those funds, as is necessary, flow into the special account that would be created to pay for these incentives and have spending limits.

So I think the issue is clear. This will give us an opportunity to vote on that issue and to see how the Members of the Senate feel about it.

Mr. McCONNELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. McCONNEL. Mr. President, let me make it perfectly clear—and I do not know whether this second-degree amendment was the idea of the Senator from Oklahoma or not; I doubt if it was. But this second-degree amendment is designed to protect Members from having to vote on an amendment that simply requires that we choose. We do that every day in here on one issue or another. We make choices.

My amendment, the underlying amendment, says quite simply that whatever revenues are derived from eliminating the deductibility of lobbying expenses should be used to reduce the deficit, rather than to pay for congressional political campaigns.

I do not think we ought to be relieving, if you will, Members of the opportunity to make these kinds of choices. We make them every day; many of them are unpleasant.

And so we may have to revisit this issue later in the debate in the quest that we will have on this side to get clear votes on clear options at some point during this debate.

I understand the position my friend from Oklahoma is in. Hopefully, we are now ready for the unanimous-consent agreement that will protect my right to offer a tabling motion.

Mr. BOREN. Mr. President, I thank my colleague. Let me just say, I suppose this proves the old saying that beauty is in the eye of the beholder.

This Senator is perfectly willing to assume responsibility and to explain to his constituents that, rather than have all of these funds flow in the general fund to be immediately used for the purpose of deficit reduction, this Senator is willing, not only willing but proud, to vote for the use of some of these funds to get runaway campaign spending under control and the influence of special interests under control so we can do a better job in this country on the deficit and everything else and have the confidence of the American people.

So this Senator is proud to use the money for that purpose. This Senator believes the American people would want him to vote to use the money for that purpose.

So we have an honest difference of opinion. I will not debate that further.

Let me just propound the unanimous-consent request at this point.

UNANIMOUS-CONSENT AGREEMENT

Mr. BOREN. Mr. President, I ask unanimous consent that the Senate stand in recess until the hour of 2:15 p.m. today; that the time between 2:15 and 2:45 be for debate only, divided as follows: 15 minutes under the control of the Senator from Kentucky [Mr. McCONNELL], 10 minutes under my control, and 5 minutes under the control of the Senator from South Dakota [Mr. PRESSLER]; that at 2:45 p.m., Senator PRESSLER be recognized to modify his amendment No. 372 with language that has been agreed to by the two managers; that the Senate then, without any intervening action or debate, vote on the Pressler amendment No. 372; that upon the disposition of the Pressler amendment, the Senate, without any intervening action or debate, vote on or in relation to the Boren perfecting amendment No. 377; and that, upon the disposition of the Boren perfecting amendment, the Senate, without any intervening action or debate, vote on or in relation to the underlying McConnell amendment No. 376, as amended, if amended.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

RECESS UNTIL 2:15 TODAY

The PRESIDING OFFICER. The Senate stands in recess until the hour of 2:15.

Thereupon the Senate, at 1:50 p.m., recessed until 2:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. MATHEWS].

CONGRESSIONAL SPENDING LIMIT AND ELECTION REFORM ACT OF 1993

The Senate continued consideration of the bill.

The PRESIDING OFFICER. Under the previous order, the Pressler amendment is the pending business. Under the previous order, three Senators have reserved time between now and 2:45: Senator McCONNELL for 15 minutes, Senator BOREN for 10 minutes, and Senator PRESSLER for 5 minutes.

Mr. McCONNELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. McCONNELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McCONNELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCONNELL. Mr. President, I ask unanimous consent that whatever time runs between now and 2:45 be charged equally to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCONNELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. McCONNELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCONNELL. Mr. President, shortly we will be having two rollcall votes, one on the Pressler amendment and one on a motion which I will be making to table the Boren second-degree amendment to my underlying amendment.

I want to take a few moments to describe for my colleagues what that second vote is all about.

I hope my colleagues will vote against the second-degree amendment offered by the Senator from Oklahoma by voting for the motion to table which I will make, because it makes it clear beyond any doubt that taxpayer funds taken from the U.S. Treasury will in fact be used to finance congressional political campaigns.

Let me read the key words from this amendment.

The amount of increased revenue attributable to the disallowance of a deduction from income tax for allotting expenses shall be paid into the general fund of the Treasury, and to the extent provided by law shall be used to fund the provision of benefits to candidates.

This second-degree amendment also allows the revenues from repealing the lobbyist reduction to be used to reduce the Federal deficit. But as the Senator from Oklahoma indicated in a response to a question from this Senator earlier in the discussion, taxpayer funding of campaigns will come first before such moneys can be used for any other purpose.

So make no mistake about it. The second-degree amendment is designed to avoid, in effect, the amendment that I offered.

This intention is underscored by a letter sent to the Senator from Oklahoma by the President, released this morning and dated yesterday, which states in pertinent part that candidates will receive voter communication vouchers that can be used for broadcast, postage, and printing. The President says:

I am writing to make clear my position on how these benefits should be paid for. When I first proposed eliminating the lobbying deduction in February, our budget documents made clear that these funds could be used to pay for this purpose if such legislation were enacted. As Congress now prepares to enact such legislation, I want to reiterate my support for the use of the lobbying deduction for this purpose.

What the President is saying is it is his intention, backed up by the second-degree amendment of the Senator from Oklahoma, that the money raised by eliminating the lobbying deduction be used to pay for political campaigns, which thwarts the underlying amendment of this Senator.

The underlying bill as well makes clear that as soon as the repeal of the lobbying deduction is passed, those funds will be put in the pockets of politicians to pay for their political campaigns.

Let me point out that the President's letter, as well as this second-degree amendment, contradicts the announced understanding of the chairman of the Ways and Means Committee. Last week's Rollcall reported that all of the revenues of the repeal of the lobbyist deduction had already been spent on deficit reduction. Now we are in the midst of trying to spend money on political campaigns that has already been committed to another purpose, a very legitimate purpose of deficit reduction.

My amendment simply seeks to confirm that the apparent understanding of the Democratic chairman of the House Ways and Means Committee is correct.

Mr. President, my amendment is about priorities. Having identified a tax loophole for elimination, the question is quite simply this: If we are going to close this loophole, where should the revenue go? Should it go to us to spend on our political campaigns, or should it go to reduce the deficit? That is the choice.

That is still the question this body will have to answer when it votes on the second-degree amendment, but in a slightly modified form. If we are going to pour more tax dollars into the public trough, who get to line up first and stick their snouts in the trough?

The second-degree amendment makes it clear that politicians get first crack at this money, not deficit reduction, not our children and grandchildren, who are being saddled with this massive debt. No, deficit reduction will have to wait its turn until the politicians are through lining their coffers before we can pick over the crumbs to reduce the debt we are leaving our children and grandchildren.

My amendment makes it clear that all of this money goes to deficit reduction. The second degree makes it clear that politicians come first and our children will have to keep paying for this deficit we keep building up.

Mr. President, I yield to the Senator from Virginia who, I believe, wants to speak on my amendment.

Mr. WARNER. Mr. President, I will be brief. I have a short statement and a question. I rise to support the amendment offered by the Senator from Kentucky. This amendment states that any revenue raised from a repeal of the lobbying tax deduction must be applied to deficit reduction. This amendment, however, brings to light an aspect of the pending substitute legislation which is of great concern to me, and I expressed this concern during the course of our deliberation in the Rules Committee. I want to mention that I addressed these concerns to my good friend from Oklahoma, Mr. BOREN, in both a recent hearing and in a letter.

However, I feel it is important that I bring up this issue as we discuss the pending amendment. The substitute legislation before us contains a clause relating to the planned funding mechanism for the legislation. It states in title VIII, section 802(b), Funding:

> Legislation effectuating this act shall not provide for general revenue increases, reduced expenditures for any existing Federal program, or increase the Federal deficit, but should be funded by disallowing the Federal income tax deduction for expenses paid or incurred for lobbying the Federal Government.

There have been various figures given as the estimated amount of new revenue that would result from a change in the tax law regarding the lobbyist deduction. I am extremely interested in knowing how these figures were reached. Were they based on the number of lobbyists currently employed or in the act, or on the actual amount of deductions for lobbying activity taken on tax forms? It is my understanding that there is no lobbying deduction line on the tax form.

Also, how are lobbyists defined? Are they defined as laid out in the currently laid-aside Wellstone amendment, No. 367? Are the registered lobbyists covered? What type of expenses are clearly defined as related particularly to lobbying? These are questions which must be answered so that we can more clearly define the issue of how this bill would actually be funded.

My good friend from Oklahoma, Senator BOREN, earlier today, read a letter from President Clinton which restated his intent to pay for the legislation by a repeal of the lobbyist deduction and a change in the voluntary checkoff from $1 to $5. However, no one has explained how this is done, how much revenue could be accumulated by such repeal.

I am confident that it would be most helpful to our debate on campaign finance reform if we could ascertain some of these answers. We are dealing with a very, very imprecise formula, at a time when the public is being convinced that this category of lobbyist—including those who lobby on behalf of kindergarten or breast cancer, or on behalf of thousands of subjects that are dear and near to each of our hearts—but they are all put in the same basket, and the finger is pointed at lobbyists. Therefore, you take away the deduction. But we do not know how you define lobbyist. We do not know, with any precision necessary to give an intelligent vote on the final package of this bill, how to determine the amount of revenue.

I thank my colleague.

Mr. MCCONNELL. Let me say to my good friend from Virginia, he raises a very important point. But I cannot answer that question. It was not the idea of this Senator to eliminate the deduction for lobbying expenses. I have no particular problem with it one way or the other. But I think the Senator points out very accurately that there is no way to determine how many people we are talking about. There are an awful lot of good causes that everybody would agree are terrific causes that are represented here in Washington on behalf of a whole lot of people across America.

The purpose of the amendment of the Senator from Kentucky is to say whatever money is created—presumably, some will be generated by the elimination of this deduction—ought to be spent for deficit reduction rather than politicians' campaigns.

Mr. WARNER. That is right. It is my understanding that the House of Representatives has done that. I asked my good friend, from Oklahoma when he testified before the Rules Committee, referring to the fact that his State has an identification to Will Rogers: "Did you ever meet a lobbyist that you liked?" He said, "Yes." Yet, the whole group is thrown together as if they were some sort of a leper colony that we should not associate with, and we should deny a fundamental right in the tax law with respect to other people performing their chosen professions. It is downright wrong if we go about it this way.

Mr. MCCONNELL. Mr. President, I suggest to my friend from Virginia that even after this amendment is voted on, this is an issue we might want to revisit further during the course of the debate. And the question could quite properly be posed to the Senator from Oklahoma when he is on the floor, or others who may have proposed this method of paying for it. Maybe during the course of this debate, which will be going on for some time, we can get some answers to the very legitimate and important questions that the Senator from Virginia has raised.

All my amendment would do is provide that whatever money is raised, use it for deficit reduction. I thank the Senator from Virginia for a very important comment.

The PRESIDING OFFICER. The time allotted to the Senator from Kentucky has expired.

AMENDMENT NO. 372

Mr. PRESSLER addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. PRESSLER. I have a modification that has been agreed to by the managers, and I will send it to the desk in a minute. I believe I have 5 minutes.

The PRESIDING OFFICER. The Senator's time was diminished by the fact of the equal running of time. The Senator has 3 minutes.

Mr. PRESSLER. I will summarize my amendment again, which we will be voting on. It would put the House and Senate on an equal basis in campaign reform. It would eliminate PAC's in both House and Senate races. If that is unconstitutional, it would allow $1,000 contributions to candidates by PAC's. It also would limit PAC contributions to 20 percent of the spending limits provided for in the bill.

As I have said, if we put the House and Senate on an equal basis, it would be fair. PAC's are bad for the House and the Senate. I also have said that I hope we have true campaign reform. But it seems that each side is tailoring the bill in such a way that it fits them perfectly. For example, we understand the Clinton proposal allows House Democratic incumbents to get $5,000 per PAC, which is really an incumbents' protection bill, not campaign reform.

There are a number of other things we need to achieve. I mentioned that if we have an exemption for EMILY's List, it should be not only for liberal women running for the Senate but also for conservative women. We had a conservative woman running in South Dakota last year. She did not get any support from the EMILY's List PAC. That is another issue.

This Senator is prepared to support campaign reform, if it is based on equal treatment between the two Houses, and if it indeed is true campaign reform.

I urge Senators to support my amendment as part of campaign reform.

AMENDMENT NO. 372, AS MODIFIED, TO AMENDMENT NO. 366

Mr. PRESSLER. Mr. President, I send a modification of my amendment to the desk.

The PRESIDING OFFICER. The Senator has the right to modify his amendment.

The amendment is so modified.

The amendment (No. 372), as modified, is as follows:

On page 37, beginning with line 6, strike all through page 43, line 15, and insert the following:

SEC. 102. BAN ON ACTIVITIES OF POLITICAL ACTION COMMITTEES IN FEDERAL ELECTIONS.

(a) IN GENERAL.—Title III of FECA (2 U.S.C. 431 et seq.), as amended by section 404, is amended by adding at the end thereof the following new section:

"BAN ON FEDERAL ELECTION ACTIVITIES BY POLITICAL ACTION COMMITTEES

"SEC. 327. (a) Notwithstanding any other provision of this Act, no person other than an individual or a political committee may make contributions, solicit or receive contributions, or make expenditures for the purpose of influencing an election for Federal office.

"(b) In the case of individuals who are executive or administrative personnel of an employer—

"(1) no contributions may be made by such individuals—

"(A) to any political committees established and maintained by any political party; or

"(B) to any candidate for nomination for election, or election, to Federal office or the candidate's authorized committees,

unless such contributions are not being made at the direction of, or otherwise controlled or influenced by, the employer; and

"(2) the aggregate amount of such contributions by all such individuals in any calendar year shall not exceed—

"(A) $20,000 in the case of such political committees; and

"(B) $5,000 in the case of any such candidate and the candidate's authorized committees.".

(b) DEFINITION OF POLITICAL COMMITTEE.—(1) Paragraph (4) of section 301 of FECA (2 U.S.C. 431(4)) is amended to read as follows:

"(4) The term 'political committee' means—

"(A) the principal campaign committee of a candidate;

"(B) any national, State, or district committee of a political party, including any subordinate committee thereof; and

"(C) any local committee of a political party which—

"(i) receives contributions aggregating in excess of $5,000 during a calendar year;

"(ii) makes payments exempted from the definition of contribution or expenditure under paragraph (8) or (9) aggregating in excess of $5,000 during a calendar year;

"(iii) makes contributions or expenditures aggregating in excess of $1,000 during a calendar year; or

"(D) any committee described in section 315(a)(8)(D)(i)(III).".

(2) Section 316(b)(2) of FECA (2 U.S.C. 441b(b)(2)) is amended by striking subparagraph (C).

(c) CANDIDATE'S COMMITTEES.—(1) Section 315(a) of FECA (2 U.S.C. 441a(a)) is amended by adding at the end thereof the following new paragraph:

"(9) For the purposes of the limitations provided by paragraphs (1) and (2), any political committee which is established or financed or maintained or controlled by any candidate or Federal officeholder shall be deemed to be an authorized committee of such candidate or officeholder. Nothing in this paragraph shall be construed to permit the establishment, financing, maintenance, or control of any committee which is prohibited by paragraph (3) or (6) of section 302(e).".

(2) Section 302(e)(3) of FECA (2 U.S.C. 432) is amended to read as follows:

"(3) No political committee that supports or has supported more than one candidate may be designated as an authorized committee, except that—

"(A) a candidate for the office of President nominated by a political party may designate the national committee of such political party as the candidate's principal campaign committee, but only if that national committee maintains separate books of account with respect to its functions as a principal campaign committee; and

"(B) a candidate may designate a political committee established solely for the purpose of joint fundraising by such candidates as an authorized committee.".

(d) RULES APPLICABLE WHEN BAN NOT IN EFFECT.—For purposes of the Federal Election Campaign Act of 1971, during any period beginning after the effective date in which the limitation under section 327 of such Act (as added by subsection (a)) is not in effect—

(1) the amendments made by subsections (a), (b), and (c) shall not be in effect;

(2) in the case of a candidate for election, or nomination for election, to Federal office (and such candidate's authorized committees), section 315(a)(2)(A) of FECA (2 U.S.C. 441a(a)(2)(A)) shall be applied by substituting "$1,000" for "$5,000";

(3) it shall be unlawful for a multicandidate political committee to make a contribution to a candidate for election, or nomination for election, to Federal office (or an authorized committee) to the extent that the making or accepting of the contribution will cause the amount of contributions received by the candidate and the candidate's authorized committees from multicandidate political committees to exceed the lesser of—

(A) $825,000; or

(B) 20 percent of the aggregate Federal election spending limits applicable to the candidate for the election cycle.

The $825,000 amount in paragraph (3) shall be increased as of the beginning of each calendar year based on the increase in the price index determined under section 315(c) of FECA, except that for purposes of paragraph (3), the base period shall be the calendar year 1996. A candidate or authorized committee that receives a contribution from a multicandidate political committee in excess of the amount allowed under paragraph (3) shall return the amount of such excess contribution to the contributor.

(e) RULE ENSURING PROHIBITION ON DIRECT CORPORATE AND LABOR SPENDING.—If section 316(a) of the Federal Election Campaign Act of 1971 is held to be invalid by reason of the amendments made by this section, then the amendments made by subsections (a), (b), and (c) of this section shall not apply to contributions by any political committee that is directly or indirectly established, administered, or supported by a connected organization which is a bank, corporation, or other organization described in such section 316(a).

(f) RESTRICTIONS ON CONTRIBUTIONS TO POLITICAL COMMITTEES.—Paragraphs (1)(D) and (2)(D) of section 315(a) of FECA (2 U.S.C. 441a(a) (1)(D) and (2)(D)), as redesignated by section 312, are each amended by striking "$5,000" and inserting "$1,000".

(g) EFFECTIVE DATES.—(1) Except as provided in paragraph (2), the amendments made by this section shall apply to elections (and the election cycles relating thereto) occurring after December 31, 1994.

(2) In applying the amendments made by this section, there shall not be taken into account—

(A) contributions made or received before January 1, 1994; or

(B) contributions made to, or received by, a candidate on or after January 1, 1994, to the extent such contributions are not greater than the excess (if any) of—

(i) such contributions received by any opponent of the candidate before January 1, 1994, over

(ii) such contributions received by the candidate before January 1, 1994.

Mr. FORD. Mr. President, I suggest the absence of a quorum, and I understand it will be charged to one side.

The PRESIDING OFFICER. The Senator from Oklahoma has the remaining time.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BOREN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOREN. Mr. President, I have heard the discussion of both amendments.

Again, I want to reaffirm my support for the Pressler amendment. I think it is a good amendment. It is one that I support, and it goes a long way, I think, to answering some of those concerns that have been raised on the other side of the aisle, especially by a group of Senators on the other side of the aisle who have been working with us to craft a bipartisan proposal and in every effort to do so. We are making progress in that regard for which I am very grateful.

I think the acceptance of the amendment of the Senator from South Dakota is another step in the right direction toward ultimately achieving a goal of a bipartisan bill.

As to the McConnell amendment, I have stated previously my feeling that I am not at all troubled—in fact, I am proud to say that I believe that some of those funds raised by the ending of the lobbyist tax deduction should go to fund campaign finance reform. I am convinced that in itself will help bring the deficit down. It will stop so many special interest tax benefits that the average American does not get, stop the funding of so many pork-barrel projects.

The fact that so many millions of dollars flow into campaign funds, much of it coming from special interests, really, I believe, leads to some of the problems we have with the deficit, also leads to loss of trust in this institution and its inability to focus on problems like the deficit, because we have to use so many hours and days raising the many millions of dollars necessary to run campaigns in this day and time—over $670 million in the last election cycle.

In terms of revenue estimates, listening to the comments made by the Senator from Virginia, my good friend, with whom I have worked on so many, many projects, we have used the estimate in the lobby disclosure bill. We used that definition of "lobbyist," and using that definition of "lobbyist" under that bill, it is estimated that this particular provision will raise $1.2 billion. The estimates that have been given in terms of what will be required if—and this is I think a high estimate, if all of those who were eligible accepted the communication vouchers, and let me say to my friend from Virginia that is by no means certain because if we were to pass this bill exactly as it is, it is voluntary as to whether anyone accepts a communications voucher.

So, you do not have to accept it even though you accept the amendment and might accept others. The estimate would be $350 million, I say to my good friend from Virginia. So the difference between $1.2 billion and $350 million would be the additional amount that would flow into the general fund for deficit reduction under the terms of the second-degree amendment. The $350 million it is assumed would flow into the Treasury, I would call the clean Government fund to make sure that we can set spending limits and have campaign finance reform.

Mr. WARNER. Mr. President, will the Senator accept a short question, though, to clarify in the public's mind and, indeed, I think, mine and some others? The President refers to a ballpark figure of 80,000. Yet the official record shows but 6,000 lobbyists.

Now, when the President talks about generating all of this revenue and then mentions 80,000, it conveys to me he has predicated the assessment on 80,000 lobbyists when, in fact, we only have 6,000 registered under the current laws.

Mr. BOREN. I will say to my friend from Virginia, the revenue estimates I saw based on an earlier figure and the figure as defined by current law were $450 million per year would be produced. So that is approximately $900 million.

Mr. WARNER. How many lobbyists, Mr. President?

Mr. BOREN. I cannot answer that question. I will be happy to try to find out.

The definition that we have utilized is the definition in the lobby disclosure bill which was passed by the Senate and hopefully is on the way to enactment into law. I am told that the estimates from the administration, from OMB—and as I say there is a range of estimates I understand also from CBO—both of them are far in excess of the amount of money indicated required for the bill raised by ending the lobbyist deduction.

But the last estimate that I have cited, the $1.2 billion, is an estimate based upon assumption of the passage of the Levin-Cohen lobby disclosure bill.

Mr. WARNER. Mr. President, the Senator uses the $1.2 billion, but that has to extrapolate into a precise number of lobbyists.

The PRESIDING OFFICER. All time has expired.

Mr. BOREN. Mr. President, I ask unanimous consent that I might be allowed to proceed for 30 extra seconds.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOREN. Mr. President, as to the exact number, as I say, I know the number of dollars. I know the assumptions on which they were based as to definition. I do not know the exact number of lobbyists that were the basic of the methodology used. I know the definition, so I certainly must have had a number.

I will be happy to try to find that number. Hopefully, I can find that number today. It is simply a matter of checking with OMB to determine that. It is a simple fact, and I will insert it into the RECORD as soon as I get it.

Mr. WARNER. I am happy to join with the Senator on open floor debate to discuss that matter when the Senator is prepared.

Mr. BOREN. I will be happy to do so.

Mr. CHAFEE. Mr. President, I am pleased to be a cosponsor of the Pressler amendment which prohibits political action committees [PAC's] from contributing to political campaigns of candidates for the Senate and the House of Representatives. If this provision is found to be unconstitutional, PAC's would be permitted to contribute up to $1,000 to Senate and House candidates.

I believe that this amendment embodies one of the principle elements of campaign reform. Almost all of us agree that to restore public confidence in our campaign system, contributions from political action committees should be eliminated. In fact, the Mitchell substitute includes a PAC ban. Even more importantly, this amendment requires candidates for the Senate and the House to be treated in the same manner.

It makes absolutely no sense for us to agree to one set of standards for Senate candidates and a separate set of standards, or no standards at all, for candidates for the House of Representatives. I wonder how we can expect the public to take us seriously if we adopt legislation with such a glaring omission. Surely, if a fundraising practice is unacceptable for one group, it must be equally offensive for a candidate for the other body to engage in it.

This amendment takes a first step toward achieving the parity that this legislation so sorely lacks. I believe that we should go one step further and include a provision in this legislation that requires candidates for the House of Representatives to adhere to the same rules as Senate candidates. I expect such an amendment to be offered later in the debate, and I intend to be a cosponsor. I simply fail to understand how we can call this bill campaign finance reform when it excludes 435 Members of the House of Representatives and individuals who may want to challenge them.

We are here today trying to reform the system, by which we were all elected, because of the public perception that the actions of public officials are unduly influenced by special interest money. By ignoring the House of Representatives, we are retaining that perception which has alienated so many

Americans. We should be making every effort to restore the public's faith in Congress, and that includes both the Senate and the House of Representatives. We cannot expect anyone to take this effort seriously if we fail to address Congress as a whole.

Earlier this month, I joined four of my colleagues in sending a letter to President Clinton about campaign finance reform legislation. The letter included a brief outline of nine principles that we believe should be included in campaign finance reform legislation. Requiring candidates for the House and Senate to abide by the same rules is among those basic principles. I do not believe that we will have real campaign reform until we make sure that there is one set of rules, and we are all adhering to them.

This amendment is a good first step and I am heartened by Senator BOREN's words in general support of the amendment.

The PRESIDING OFFICER. The hour of 2:45 p.m. having arrived, the question occurs on the amendment No. 372, as modified, offered by the Senator from South Dakota [Mr. PRESSLER].

Mr. FORD. Have the yeas and nays been ordered?

Mr. BOREN. I believe the Senator from South Dakota wishes to ask for the yeas and nays, if I could ask the question.

Have the yeas and nays been ordered on the amendment?

The PRESIDING OFFICER. Yes.

Mr. BOREN. Have the yeas and nays been ordered on the second-degree amendment?

The PRESIDING OFFICER. They have not been ordered at this point.

Mr. BOREN. I withhold that request at this time.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified, of the Senator from South Dakota.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Alabama [Mr. HEFLIN], the Senator from Hawaii [Mr. INOUYE], and the Senator from Texas [Mr. KRUEGER] are necessarily absent.

The PRESIDING OFFICER (Mr. WELLSTONE). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 85, nays 12, as follows:

[Rollcall Vote No. 125 Leg.]

YEAS—85

Akaka
Baucus
Bennett
Bingaman
Bond
Boren
Boxer
Bradley
Breaux
Brown
Bryan
Bumpers
Burns
Campbell
Chafee
Cochran
Cohen
Coverdell
Craig
D'Amato
DeConcini
Dodd
Dole
Domenici
Durenberger
Exon
Faircloth
Feingold
Ford
Glenn
Gorton
Graham
Gramm
Grassley
Gregg
Harkin
Hatch
Hatfield
Jeffords
Johnston
Kassebaum
Kempthorne
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Lott
Lugar
Mack
Mathews
McCain
McConnell
Metzenbaum
Mitchell
Moseley-Braun
Moynihan
Murkowski
Nickles
Nunn
Packwood
Pell
Pressler
Pryor
Reid
Riegle
Robb
Rockefeller
Roth
Sarbanes
Sasser
Shelby
Simon
Simpson
Smith
Specter
Stevens
Thurmond
Wallop
Warner
Wellstone
Wofford

NAYS—12

Biden
Byrd
Coats
Conrad
Danforth
Daschle
Dorgan
Feinstein
Helms
Hollings
Mikulski
Murray

NOT VOTING—3

Heflin
Inouye
Krueger

So the amendment (No. 372), as modified, was agreed to.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the amendment, as modified, was agreed to.

Mr. MCCONNELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Kentucky.

AMENDMENT NO. 377

Mr. MCCONNELL. Mr. President, I move to table the Boren second-degree amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table amendment No. 377. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. FORD. I announce that the Senator from Alabama [Mr. HEFLIN] and the Senator from Texas [Mr. KRUEGER] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 48, nays 50, as follows:

[Rollcall Vote No. 126 Leg.]

YEAS—48

Bennett
Bond
Brown
Burns
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
Danforth
Dole
Domenici
Durenberger
Exon
Faircloth
Gorton
Gramm
Grassley
Gregg
Hatch
Hatfield
Helms
Hollings
Jeffords
Kassebaum
Kempthorne
Lautenberg
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Packwood
Pressler
Roth
Shelby
Simpson
Smith
Specter
Stevens
Thurmond
Wallop
Warner

NAYS—50

Akaka
Baucus
Biden
Bingaman
Boren
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Campbell
Conrad
Daschle
DeConcini
Dodd
Dorgan
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Inouye
Johnston
Kennedy
Kerrey
Kerry
Kohl
Leahy
Levin
Mathews
Metzenbaum
Mikulski
Mitchell
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pryor
Reid
Riegle
Robb
Rockefeller
Sarbanes
Sasser
Simon
Wellstone
Wofford

NOT VOTING—2

Heflin
Krueger

So the motion to lay on the table the amendment (No. 377) was rejected.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BOREN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question occurs on amendment No. 377 offered by the Senator from Oklahoma.

The amendment (No. 377) was agreed to.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BOREN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question occurs on amendment No. 376, as amended, offered by the Senator from Kentucky.

The amendment (No. 376), as amended, was agreed to.

Mr. BOREN. Mr. President, I move to reconsider the vote by which the amendment, as amended, was agreed to.

Mr. MITCHELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

ORDER OF PROCEDURE

Mr. BOREN. Mr. President, may I yield for purposes of a question to my colleague from Maine?

Mr. COHEN. Mr. President, I was going to ask unanimous consent to proceed as if in morning business for a few moments on a different subject matter.

Mr. BOREN. Mr. President, I am happy to yield to the Senator from Maine in just a moment for that request. Let me ask the Senator from Maine how long he intends to proceed. The Senator from Massachusetts is going to lay down an amendment.

Mr. COHEN. Five to six minutes.

Mr. BOREN. Mr. President, I will yield in just a moment to the Senator from Maine for that purpose.

Let me first ask unanimous consent that the pending amendments, the Wellstone amendments, amendment Nos. 367 and 368, the pending Wellstone amendments, be set aside; that following that the Senator from Maine be recognized, Mr. COHEN, for a period of 6 minutes to proceed as if in morning business; after which time the Senator from Massachusetts, Senator KERRY, be recognized for the purpose of offering an amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COHEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine is recognized for 6 minutes.

THE ISSUE OF APPEARANCES

Mr. COHEN. Mr. President, regular attention has been focused on appearance in our process, appearance certainly as we conduct ourselves in the political forum, but also upon personal appearances as well.

We have heard a great deal about the price of haircuts and the application of makeup recently.

Mr. President, while the style and the manner in which we conduct ourselves send important signals to the electorate, there is a danger that we will lump all appearances of hubris, that of overweaning pride or arrogance, into one barrel as if they were fungible goods, all equal in size, in content, and to be traded or exchanged with equal weight given to each unit or in this case, to each story. Thus, we have the words Watergate and Irangate joined by those of Hairgate or Travelgate.

I think there is a great danger that we will merge the serious with the frivolous. The issue of appearing to misuse the FBI is not a trifling matter. It is not something that simply reflects the innocent mistakes of amateurs or those in positions of power who are in need of adult supervision. That is too easy a characterization, one that is too superficial.

These descriptions have been invoked to rationalize or dismiss what is a very serious matter. Mr. Bernard Nussbaum, who is the White House counsel, is no adolescent. He is much older today than John Dean was when the scandal enveloped and, indeed, destroyed many of those in the White House; including the President. He is no amateur. He served on the House Judiciary staff when I was a member of that committee, as a freshman Congressman back in 1973. I do not suggest that the actions that have been described in the press to date are at all equal to the Watergate scandal. But we should not forget the uproar that was created when the Nation learned how the White House had attempted and, indeed, had used the Director of the FBI to serve the President's political ends.

I also recall the issue involving Federal district court judge, Matthew Burne. As I recall, he was presiding over the Ellsberg trial and at one point he was offered the position of Director of the FBI. Some treated this as a demotion rather than a promotion. But I recall my reaction at the time. I was deeply offended. I felt that was an attempt to either overtly or subtly influence the judge as he presided over a very controversial case at that time. It was inappropriate and wrong, and it was to be condemned.

I also recall my reaction during the last campaign when we learned that the State Department had been called upon to checkout the passport of then candidate Bill Clinton. Most of the American people were justifiably outraged about the attempt or the appearance of the attempt to use the State Department to achieve a political objective. Those individuals who were involved either were forced to resign or indeed were fired.

In this particular case, we should be concerned about appearances because we have an FBI Director whose future is very much in question meeting with the Attorney General to discuss his future, and that meeting occurred close to the time that the White House decided to fire those in charge of the White House travel arrangements. It may have been coincidence, it may be merely an appearance, but it is an unseemly appearance at a time when the leadership of the FBI is still in doubt.

I was asked yesterday as to whether the American people, and we in Congress, particularly on the Republican side, are being overly sensitive about this issue, too hypercritical about this issue. My reaction is that the American people are not overly sensitive but they are most serious when it comes to the issue of maintaining the integrity and the appearance of integrity of neutral instruments of Government. I repeat that, neutral instruments of Government. And they are justifiably outraged when they sense that one of those instruments, in this case the prosecutorial arm or I should say the investigative arm, of the Justice Department appears to have been used to achieve a political purpose.

I cite this morning's New York Times, by way of example. It says:

> By design or incompetence or a blend of the two, the White House has used a highly vulnerable FBI for unworthy political purposes. Though President Clinton's staff finally admitted yesterday that the process that led to the firing of the seven-member White House travel office was full of mistakes, it exonerated itself of meddling with the FBI. But meddle it did.

Mr. President, I think it is too early to arrive to a judgment as to whether the FBI was either unduly influenced or in any way corrupted by the attempt to use it to rationalize a decision made to fire those individuals. But I think we have to have a number of questions asked and answered. And sooner rather than later.

When did the FBI first become involved? What facts did it develop? What prompted it to allow a statement to be issued for public release or to allow its stamp of approval to be used on a White House press release that contradicted its original statement that it would await an audit before issuing any judgment on this, and finally allowed its name to be used to say, yes, it seemed to be that a criminal investigation was warranted?

To whom did Mr. Collingwood report his meeting with the White House officials? Did he seek or receive any guidance from his superiors? Is it customary or routine for the FBI to be called to the White House, and if not, why did he go?

Mr. President, I raise all of these questions because I think that we have to proceed in this matter on a nonpartisan basis. I do not join with those who want to savage the President. But I think this is something that strikes at the very heart of our system. We cannot allow the IRS—as was attempted during the Watergate years by President Nixon, with the assistance of his aides—to attempt to intimidate or harass political enemies; nor can we allow the FBI to be used to serve political ends. I do not know whether that was done here, but it seems to me that we have an obligation to the American people to get answers to these questions and to do so as expeditiously as possible to remove the cloud that exists.

It is not a matter of Hairgate or Travelgate; this is serious. It is not a trifling or frivolous matter. It should not be subject to partisan attack from Republicans or partisan defense from the Democratic majority. This affects all of us, and every American. I hope we can proceed to get the answers to these questions, and many more, as soon as possible.

I yield the remainder of my time. I thank the Senator from Oklahoma for allowing me to proceed.

CONGRESSIONAL SPENDING LIMIT AND ELECTION REFORM ACT OF 1993

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. Under the previous order, the Senator from Massachusetts [Mr. KERRY] is recognized.

AMENDMENT NO. 378 TO AMENDMENT NO. 366

(Purpose: To add findings and declarations of the Senate)

Mr. KERRY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Massachusetts [Mr. KERRY] proposes an amendment numbered 378 to amendment No. 366.

Mr. KERRY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 1, after line 9, insert the following:

SEC. 2. FINDINGS AND DECLARATIONS OF THE SENATE.

(a) NECESSITY FOR SPENDING LIMITS.—The Senate finds and declares that—

(1) the current system of campaign finance has led to public perceptions that political contributions and their solicitation have unduly influenced the official conduct of elected officials;

(2) permitting candidates for Federal office to raise and spend unlimited amounts of money constitutes a fundamental flaw in the current system of campaign finance, and has undermined public respect for the Senate as an institution;

(3) the failure to limit campaign expenditures has caused individuals elected to the Senate to spend an increasing proportion of their time in office as elected officials raising funds, interfering with the ability of the Senate to carry out its constitutional responsibilities;

(4) the failure to limit campaign expenditures has damaged the Senate as an institution, due to the time lost to raising funds for campaigns; and

(5) to prevent the appearance of corruption and to restore public trust in the Senate as an institution, it is necessary to limit campaign expenditures, through a system which provides public benefits to candidates who agree to limit campaign expenditures.

(b) NECESSITY FOR LIMITS ON POLITICAL ACTION COMMITTEES.—The Senate finds and declares that—

(1) contributions by political action committees to individual candidates have created the perception that candidates are beholden to special interests, and leave candidates open to charges of corruption;

(2) unconstrained contributions by political action committees to individual candidates have undermined public confidence in the Senate as an institution; and

(3) to prevent the appearance of corruption and to restore public trust in the Senate as an institution, it is necessary to limit contributions by political action committees, while allowing such committees to continue to participate in the political process through other means, such as through independent expenditures.

(c) NECESSITY FOR ATTRIBUTING COOPERATIVE EXPENDITURES TO CANDIDATES.—The Senate finds and declares that—

(1) public confidence and trust in the system of campaign finance would be undermined should any candidate be able to circumvent a system of caps on expenditures through cooperative expenditures with outside individuals, groups, or organizations;

(2) cooperative expenditures by candidates with outside individuals, groups, or organizations would severely undermine the effectiveness of caps on campaign expenditures, unless they are included within such caps; and

(3) to maintain the integrity of the system of campaign finance, expenditures by any individual, group, or organization that have been made in cooperation with any candidate, authorized committee, or agent of any candidate must be attributed to that candidate's cap on campaign expenditures.

Mr. KERRY. Mr. President, I was conferring with the distinguished Senator from Kentucky, the minority manager, to ascertain—I believe he has a copy of this, and it has been previously discussed. Let me discuss it quickly, and if we need to take a moment to run through it, I hope it might be accepted.

Mr. President, this is an effort to respond to the newly stated declarations of the Supreme Court that legislative intent is not sufficient with respect to legislation. And so, indeed, if we want to pass a piece of legislation that passes constitutional muster, it appears as if we are strengthened by virtue of a firm declaration within the body of the legislation itself as to our intent.

In the seminal case of Buckley versus Valeo, which is the subject of always continuing debate and discussion whenever we get into campaign finance reform, the Supreme Court, 20 years ago, said that Congress can only regulate contributions and/or expenditures to the extent that there is an appearance of corruption pertaining to them.

The Court, accordingly, struck down at that time spending limits on the grounds that there was not any appearance of corruption in connection with expenditures. But since then, we have learned over the last 20 years that expenditures themselves can create this appearance. I want to underscore that appearance is a very different thing from reality, and I am not coming to the floor of the U.S. Senate and alleging or even suggesting the reality. We are dealing with an appearance. We all know that. Appearances are a significant portion of what drives the entire debate about public finance. But the fact is that the current system that was left in place following the Supreme Court's invalidation of spending limits has led to an ever-increasing public cynicism about the Congress. We all know that.

There is not one proponent of campaign finance reform, Republican or Democrat, who does not come to the floor understanding the perception problem. We have different approaches to it. We have different solutions. Some people do not like public financing in any form. Some people want no limits. Some people want limits, and some people think PAC limitations are the only way. There is a whole variation of cures.

But the definition of the disease is based on the perception of the public that there is too much big money, that the big money influences the system, and that somehow we need to create an effort here that is mindful of that perception.

That is what these findings and declarations are based on—the fact that today the public faith of this institution is at an all-time low. During the legislative debate thus far, Senator after Senator has expressed frustration and anger about the fate of the institution and the need for reform.

The legislative record is already replete with statements that the current system has led to the appearance of the corruption that I talked about, that it is hurting the Senate, and that it requires the reforms that bring us here at this moment.

There is more than enough material in the legislative record to find this showing justifying the legislation to limit PAC contributions, to end soft money, to impose a system of voluntary spending limits, and so forth. We have made a lot of statements declaring our intent.

The problem is that some members of the Supreme Court recently have made statements indicating that they will not pay attention to the legislative history, and that even in the last 6 years, to any of the effort leading up to this, those Justices—particularly Justice Scalia and Justice Thomas—have suggested that they will ignore legislative intent pertaining to legislation and only read the black letter of what is in the legislation itself, totally devoid of any other context in which that legislation was created.

Justice Scalia wrote, in Conroy versus Anascoff, decided on March 31 of this year, that in his view, legislative history is illegitimate, I quote:

> The greatest defect of legislative history is its illegitimacy. We are governed by laws, not by the intentions of legislators, and not the least of the defects of legislative history is its indeterminacy. If one were to search for an interpretive technique that, on the whole, was more likely to confuse than clarify, one could hardly find a more promising candidate than legislative history. We should not pretend to care about legislative intent.

So the problem is, if the Supreme Court ignores legislative history, then we do not have language in this bill that specifies why we were imposing these kinds of restrictions on ourselves, and why we are setting up the system to provide public resources that respond to independent expenditures.

So lacking that language, we would really be passing a piece of legislation that is not sufficiently effective.

So the amendment I have sent to the desk is one that specifies, with Buckley versus Valeo in mind, precisely the reasons why the legislation is necessary in a series of findings and declarations.

I think most of us would believe that, as we have voted, we know there is a reason we are here voting for these things. We are simply setting out the reasons in those declarations.

So, Mr. President, I hope that my colleague is willing to accept it. I do not think it is particularly controversial. I will ask for the yeas and nays only if it is necessary.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. McCONNELL. Mr. President, I beg to differ with my good friend from

Massachusetts. This amendment is certainly controversial. Let me point out what the Buckley decision held.

What the Supreme Court said in Buckley versus Valeo is that spending has no corrupting potential, that spending is in fact speech. In our large, diverse society, without spending there is no potential to enhance speech, to resonate speech, to the millions of people that most of us represent.

The Supreme Court said it is constitutionally impermissible to dole out speech in equal amounts, to say to the Senator from Minnesota, "You can only speak this much," and to the Senator from Massachusetts, "You can only speak that much; do not speak too much." Within the first amendment there is the right to speak in unlimited quantities.

The Supreme Court did, however, as my friend from Massachusetts pointed out, draw a distinction between contributions and spending, a very sensible distinction. The Supreme Court said that the act of giving money from one individual to a candidate did have corrupting potential, and it did specifically allow the Congress to put a limitation on what an individual might give to a candidate.

So, I say to my friend from Massachusetts, appearance is not reality here. The reality is that with the limits on what an individual can give to a candidate there is no corrupting potential. As a matter of fact, the limit on what an individual can give to a candidate has not been raised since this law passed in the mid-1970's, the $1,000 for an individual and $5,000 for a PAC, and that is it. And the Court said that kind of limitation on what an individual can give to a candidate was constitutionally permissible but that is was impermissible to quantify, limit speech, that limiting speech was inconsistent with the first amendment.

So, I suggest to my friend from Massachusetts I do not agree with this amendment and, even if I did, I do not think the Supreme Court would be bound by it. It was only one Justice out of nine who thought that spending limits were not a violation of the first amendment. Thurgood Marshall was not that Justice. Nor were any of the other very liberal Justices who served on the Court in the mid-1970's. The Justice who thought that spending limits were consistent with the first amendment was the recently or about to retire Justice White. So it did not even break along philosophical lines.

I would say, with due respect to my colleague from Massachusetts, frankly, no matter what we say in this bill, the Supreme Court is not going to find that the act of spending has corrupting potential. So I do not think anything we will do could bind the Court to find something that is, in fact, inconsistent with reality. The Court is not likely to rule on the basis of appearance but rather on the basis of reality.

As a matter of fact, I think if you ask the question right, if you ask the question of the American people truthfully, they would agree with the Supreme Court. If, in fact, the survey question read as follows: Do you believe that there ought to be a limit on how much individuals can voluntarily contribute limited and fully disclosed amounts of money to their favorite candidate? I think the American people would answer that overwhelmingly "no," because they understand in their wisdom that, in this big society of 250 million people in this modern age, that is the way the vast majority participate in politics. It would be nice if we could go back to the horse and buggy days when people made speeches on the courthouse lawn and everybody showed up. speaking was an art form in those days. There was not any television. It was good entertainment on Saturday to listen to the candidates.

People do not do that any more. It is very unusual in running for town council in a small State. Chances are the people are home watching the sports event on television, a way, frankly, an intelligent member of our society might well conclude to spend his or her time rather than going down to the courthouse to listen to some politician drone on. This is the way we communicate in our society, and the Court has held that you simply cannot limit that means of communication.

So I understand the motivation of my friend from Massachusetts. I simply disagree with him. I am going to vote against the amendment and encourage my colleagues to do likewise. There is nothing this amendment could dictate to the Supreme Court on the issue of spending that it has not already found. The amendment would not be binding. Nevertheless, I do not think it is a good idea for the Senate to go on record supporting an amendment that clearly is unconstitutional. So I will, at whatever point we have a vote on this, oppose the amendment.

I yield the floor.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KERRY. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. KERRY. Mr. President, let me just say in quick response I do not think we need to spend a lot of time debating. I hope we will not. I understand the arguments of my colleague. I just disagree with him. I guess it underscores the fundamental approach to the differences in this legislation.

If you do not want the legislation to have any potential of being constitutional, meaning you are not for reform, then I suppose you do not want us to strengthen it in terms of this language. But if you are really for reform and you want whatever our final piece of legislation is to have a sufficient constitutional foundation so, that, if there were an argument made that somehow the legislative intent is not clear, this makes it very clear. Nothing we do, obviously, binds the Supreme Court unless it does meet constitutional muster. They will strike down anything that we do that is not constitutional. But it certainly helps us to declare our intent in the context of our efforts within the body and framework of the legislation itself, given the fact that we now know an argument is being made within the Court to suggest that, absent that, it is insufficient.

So I think the argument stands for itself. If you want campaign finance reform, it is important to contain these findings and declarations.

I yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. KERRY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. KOHL). Without objection, it is so ordered.

Mr. KERRY. Mr. President, the Senator from Kentucky is not here yet, but I want to just signal out from the per curiam decision of the Court—that is the full Court's basic decision. The Court, in Buckley versus Valeo, said very clearly:

> Congress was surely entitled to conclude that disclosure was only a partial measure, and that contribution ceilings were a necessary legislative concomitant to deal with the reality or appearance of corruption inherent in a system permitting unlimited financial contributions, even when the identities of the contributors and the amounts of the contributions are fully disclosed.

The point is, what the Court is saying is that this linkage of the finding of corruption is the key element which Congress is permitted to find, and Congress found it as to the contributions. They did not find it 20 years ago as to the expenditures. Now, clearly, over the last years, the evidence is very clear through our congressional debates that we do find that.

I do not know if there is further debate on this or what is happening. I am ready to vote. We are certainly ready to vote over here. I do not know what the intentions of the Senator from Kentucky are, but we are prepared to proceed forward.

The PRESIDING OFFICER. Is there further debate?

Mr. SMITH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCONNELL. Mr. President, the amendment of the Senator from Massachusetts, although well intentioned, clearly is unconstitutional. It is in direct violation of the plain meaning of the Supreme Court's decision in Buckley against Valeo. The Supreme Court said in the Buckley case:

> No Government interest that has been suggested is sufficient to justify the restriction on the quantity of political expression imposed by 608(c)'s campaign expenditure limitations—

Referring to the bill.

> The major evil associated with rapidly increasing campaign expenditures is the danger of candidate dependence on large contributions. The interest in alleviating the corrupting influence of large contributions is served by the act's contribution limitations and disclosure provisions rather than by 608(c)'s campaign expenditure ceilings.

What is the Court saying? The Court is saying spending has no corrupting potential. It is a finding of fact, cannot be overturned by a vote of the U.S. Senate, that spending has no corrupting potential.

What the Court said is the act of contributing by a contributor to a candidate to have corrupting potential. In other words, the occupant of the chair could give the Senator from Kentucky $50,000, or $100,000 or a quarter of a million dollars. Presumably, the appearance of that would be the appearance of corruption. But if the Senator from Kentucky were so fortunate as to have 500 donors who collectively contributed that same amount of money, the act of spending that money would have no corrupting potential.

So this is not in the gray area, Mr. President. This is a direct finding by the Supreme Court.

The Court said further:

> There is no indication that the substantial criminal penalties for violating the contribution ceilings, combined with the political repercussion of such violations, will be insufficient to police the contribution provisions. Extensive reporting, auditing and disclosure requirements applicable to both contributions and expenditures by political campaigns are designed to facilitate the detection of illegal contributions.

So what the Court is saying here is the potential for corruption comes in the transaction between the donor and the candidate, and that it is constitutionally permissible, the limit, the amount the donor can give to the candidate, but that the act of expression, the act of speech on behalf of the candidate has no corrupting potential. That is communication, expression of one views and you cannot, consistent with the Constitution, put a limit on that speech. You cannot dole it out and say, A, you only get so much speech and B, you only get so much speech.

The Court goes on:

> The interest in equalizing the financial resources of candidates competing for Federal office is no more convincing a justification for restricting the scope of Federal election campaigns. Given the limitation on the size of outside contributions, the financial resources available to a candidate's campaign, like the number of volunteers recruited, will normally vary with the size and the intensity of the candidate's support. There is nothing invidious, improper or unhealthy in permitting such funds to be spend to carry the candidate's message to the electorate.
>
> Moreover, the equalization of permissible campaign expenditures might serve not to equalize the opportunities of all candidates but to handicap a candidate who lacked substantial name recognition or exposure of his views before the start of a campaign.

The Court continued:

> The campaign expenditure ceilings appear to be designed primarily to serve the governmental interests in reducing the allegedly skyrocketing costs of political campaigns. Appellees and the Court of Appeals stressed statistics indicating that spending for Federal election campaigns increased almost 300 percent between 1952 and 1972 in comparison with the 57.6 percent rise in the consumer price index during the same period. Appellants respond that during these years the rise in campaign spending lagged behind the percentage increase in total expenditures for commercial advertising and the size of the gross national product.
>
> In any event—

The Court says—

> the more growth in the cost of Federal election campaigns in and of itself provides no basis—

No basis, the Court said—

> for governmental restrictions on the quantity of campaign spending and the resulting limitation on the scope of Federal campaigns. The First Amendment denies Government—

I repeat, the Court said—

> The First Amendment denies Government the power to determine that spending to promote one's political views is wasteful, excessive, or unwise.

Now, Mr. President, that is one of the most oft quoted sentences in the history of the Supreme Court. Let me repeat it:

> The First Amendment denies Government the power to determine that spending to promote one's political views is wasteful, excessive, or unwise.
>
> In the free society ordained by our Constitution—

The Court said—

> it is not the Government but the people—individually as citizens and candidates and collectively as associations and political committees—who must retain control over the quantity and range of debate on public issues in a political campaign.

It is just as clear as it can be, Mr. President. The amendment of the Senator from Massachusetts seeks to make a finding not supported in fact. It seeks to draw a legislative conclusive clearly at variance with the plain meaning of the Buckley case.

And also, we could not dictate the constitutionality of this to the Supreme Court, in any event. As the Senator from Massachusetts pointed out, there are some Supreme Court Justices who do not pay much attention to the legislative history anyway. And clearly, should any Supreme Court Justice at some point take a look at this debate, I hope such a Justice would note that the amendment offered by the Senator from Massachusetts seeks to declare an apple an orange. It seeks to make something corrupting that clearly is not. There is no rational basis for a conclusion that spending has any corrupting potential, as the Court wisely and astutely pointed out in the Buckley case.

The Court went on:

> For these reasons, we hold that 608(c) is constitutionally invalid.
>
> In sum, the provisions of the Act that impose a $1,000 limitation on contributions to a single candidate, a $5,000 limitation on contributions by a political committee to a single candidate, and a $25,000 limitation on total contributions by an individual during any calendar year are constitutionally valid.

In other words, it is OK to put a limit on what a candidate or a PAC, what an individual or PAC can give to a candidate or a party, but you cannot constitutionally tell the candidate how much he can speak. You cannot do that. It is a violation of the first amendment.

> These limitations, along with the disclosure provisions, constitute the Act's primary weapons against the reality or appearance—

The Senator from Massachusetts says the reality of spending is not corrupting; it appears corrupting. Therefore, we declare the appearance to be the guiding principle here.

> These limitations—

The Court said—

> along with the disclosure provisions, constitute the Act's primary weapons against the reality or appearance of improper influence stemming from the dependence of candidates on large campaign contributions.

In other words, the act makes large campaign contributions impossible.

> The contribution ceilings thus serve the basic governmental interest in safeguarding the integrity of the electoral process without directly impinging upon the rights of individual citizens and candidates to engage in political debate and discussion. By contrast, the First Amendment requires the invalidation of the Act's independent expenditure ceiling, its limitation on a candidate's expenditures from his own personal funds, and its ceilings on overall campaign expenditures. These provisions place substantial and direct restrictions on the ability of candidates, citizens, and associations to engage in protected political expression, restrictions that the First Amendment cannot tolerate.

Now, this was not exactly uncertain language, Mr. President. There were no dissents in this case. There was one Justice out of nine who filed a separate opinion that he felt spending limits were consistent with the first amendment. The other eight, presumably, disagreed with that. Among the eight were such Justices as Thurgood Marshall and William Brennan. This Court did not cross the great ideological divide. This Court found a spending limit a violation of the first amendment.

So I think the amendment of the Senator from Massachusetts clearly seeks to do that which cannot be done and is clearly inconsistent with the Buckley case. I would urge Senators who revere the Constitution to oppose the amendment.

Finally, let me say on this point that even if the amendment is adopted, it does not make any difference because the Supreme Court is not going to pay any attention to a legislative effort to legislate history that is inconsistent with reality and in clear violation of the Buckley case.

Now, that is not just the opinion of the Senator from Kentucky about the Buckley case, or about the constitutional deficiencies of the bill that is before us.

Let me just, Mr. President, make reference to the American Civil Liberties' testimony before the Senate Rules Committee on the underlying bill which is found to be constitutionally suspect in a variety of different ways. This bill is not just in the gray area, Mr. President. This bill trashes the first amendment. It tramples all over citizens' rights to express themselves in a free and unfettered debate in connection with political campaigns. Now, what did the ACLU have to say about this?

Speaking of President Clinton's proposal, the ACLU said:

> The President's proposal fails to pass constitutional muster by (1) penalizing candidates who exercise their constitutional right to refuse the public funding offered by the bill as well as its so-called voluntary spending limits; (2) creating contribution limitations that cannot be justified as preventing potential corruption; (3) placing unreasonable burdens on the rights of citizens to make independent expenditures or associate to emphasize their reason for support; and (4) restricting the political participation rights of registered lobbyists.

Now, Mr. President, when it comes to the Constitution, we all know that once in a while there are gray areas, areas that could conceivably go one way or the other. This is not a gray area, Mr. President. The Supreme Court has ruled on the fundamental question raised by the amendment of the Senator from Massachusetts. It has said that spending has no potential for corruption, A; and B, you cannot dole out spending—that is, speech—in equal amounts. That is inconsistent with the first amendment.

And the Senator from Massachusetts seeks to do that which cannot be done.

The ACLU testimony further points out that:

> The First Amendment applies with special force to political campaigns.
>
> Regulating campaign spending runs counter to the notion that—

Says the ACLU memorandum—

> our political campaigns are "uninhibited, robust, and wide open."

Quoting New York Times versus Sullivan, 1964.

> The reason campaigns have this broad freedom is because the "First Amendment has its fullest and most urgent application precisely to the conduct of campaigns for public office."

Citing Monitor Patriot Co. versus Roy, in 1971.

> This, of course, only makes sense—

The ACLU points out—

> since "discussion of public issues and debate on the qualifications of candidates are integral to the operation of the system of Government established by our Constitution."

Quoting the Buckley case.

> In fact, "there is practically universal agreement that a major purpose of that Amendment was to protect the free discussion of governmental affairs, including * * * discussions of candidates."

Quoting Mills versus Alabama, 1966.

> Too often, people make the mistake of thinking that this means our candidates are merely free to advocate whatever they want. Yet, the first Amendment's guarantee of freedom of speech does much more than that. Among its other protections, it secures the "right [of people] not only to advocate their cause but also to select what they believe to be the most effective means for so doing."

Citing Meyer versus Grant, in 1988, the ACLU goes on:

> Moreover, the first amendment also "entails solicitude not only for communication itself, but also for the indispensable conditions of meaningful communication."

Citing Richmond Newspapers versus Virginia in 1980.

> Those involved in electoral politics know that one indispensable condition is money to get their campaign message out. In Buckley, the Supreme Court recognized that spending limits violate the first amendment by reducing the quantity of expression, including the number of issues, the depth of discussion, and the size of the audience that might be reached. Expenditure limitations, the Court said, amount to "substantial and direct restrictions on the ability of candidates, citizens and associations to engage in protected political expression, restrictions that the First Amendment cannot tolerate."

The ACLU goes on:

> None of the rationales for regulation that were offered by defenders of expenditure limitations passed constitutional muster. The Court rejected both a concern about the potential for corruption and the proffered alternative rationale of equalizing the financial resources of candidates as compelling interests sufficient to support spending limits. * * * Existing precedent also does not allow the mandating of contribution limits that are not aimed at preventing corruption. * * * (the sole governmental interest that the Supreme Court recognized as a justification for restricting contributions was the prevention of quid pro quo corruption between a contributor and a candidate).

The memo goes on and on, Mr. President. And the point the Senator from Kentucky wants to make here is simply this: Spending limits are unconstitutional and no amendment passed by this body is going to make them otherwise. The Supreme Court was not ambiguous about that. They were not undecided about that. It was not a close vote on that question. Spending limits are unconstitutional, and the Supreme Court specifically addressed the issue raised by the amendment of the Senator from Massachusetts, which seeks to declare a spending corruption, in plain variance, at odds with the Supreme Court finding.

So I raise this issue not because I think the passage of the amendment of the Senator from Massachusetts makes any difference whatsoever. It is irrelevant. It is of no consequence. The Supreme Court will pay no attention to it. But, rather, I want to raise this issue with my colleagues in the hopes that some people in this body may occasionally cast a vote based upon sound constitutional reasoning. Somebody would say a point of order might lie against this amendment. I do not intend to raise it because we are not supposed to knowingly pass legislation in violation of the Constitution.

So that is essentially the argument this Senator makes against the Kerry amendment. It will not be adopted. If it is adopted, it will not make any difference.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. McCONNELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCONNELL. Mr. President, briefly, just a few further observations about the Kerry amendment. Reading from the Kerry amendment, on page 2, the language says:

> * * * permitting candidates for Federal office to raise and spend unlimited amounts of money constitutes a fundamental flaw in the current system of campaign finance. * * *

Mr. President, that statement is totally at variance with the Supreme Court decision of Buckley versus Valeo, pertinent portions of which I just read.

Paragraph (3) of the Kerry amendment reads:

> * * * the failure to limit campaign expenditures has caused individuals elected to the Senate to spend an increasing proportion of their time in office as elected officials raising funds, interfering with the ability of the Senate to carry out its constitutional responsibilities;
>
> (4) the failure to limit campaign expenditures has damaged the Senate as an institution, due to the time lost to raising funds for campaigns. * * *

Each day of this debate, Mr. President, I have asked Senators to come over here and explain to all of us how the current system is causing Senators to interfere with their duties. I would be greatly concerned to learn that Senators were missing votes or shirking their responsibility here in the Senate in order to raise money for reelection. As we already know, 80 percent of the money that Senators raise for reelection comes in the last 2 years of the election cycle. So we know they are not raising money all the time. But even in those last 2 years when most Senators, particularly those who think they may have a race, decide to solicit support from contributors and supporters.

I have not had anybody come over to the Senate yet and confess. We need to have some evidence that Senators are in fact shirking their duties as a result of this so-called demand for raising money. We cannot make the finding based upon no testimony. We have heard no testimony from any Senators in the years that I have dealt with this issue indicating that they have missed votes, not taken care of their constituents, or in any way have not attended to the duties of the office as a result of the current campaign finance system.

Paragraph (5) of the Kerry amendment says: "to prevent the appearance of corruption and to restore public trust in the Senate as an institution, it is necessary to limit campaign expenditures * * *"

Mr. President, that flatly contradicts the Buckley case. That seeks to overturn a Supreme Court decision in a first amendment case by a Senate amendment. That simply will not work. As we say down home, "That dog won't hunt."

So, Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JEFFORDS. I ask to speak as in morning business for a period not to exceed 6 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Vermont is recognized.

Mr. JEFFORDS. I thank the Chair.

(The remarks of Mr. JEFFORDS pertaining to the introduction of S. 1033 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. KERRY addressed the Chair.

The PRESIDING OFFICER. The chair recognizes the Senator from Massachusetts.

CONGRESSIONAL SPENDING LIMIT AND ELECTION REFORM ACT OF 1993

The Senate continued with the consideration of the bill.

Mr. KERRY. Mr. President, while I was briefly away from the floor, the Senator from Kentucky addressed some of the concerns that he has with respect to my amendment. I am going to take a couple of quick minutes, and we will proceed forward.

The Senator from Kentucky alleged that this amendment is unconstitutional because it seeks, number one, to set out the intent of Congress. Well, I think every Member knows that there has never been a decision that suggests that the U.S. Congress does not have a right to state and declare its intent in any piece of legislation.

There is nothing inherently unconstitutional about setting forth our intent with respect to this piece of legislation.

Obviously, claims of unconstitutionality about a piece of legislation are a great way to cloud the air and perhaps even suggest to some people that is a good reason not to vote for it.

But the fact is this is not unconstitutional, and I will state very clearly from the language of Buckley itself why it is not only not unconstitutional but necessary to this legislation.

In the decision of Buckley versus Valeo the Court held, and I read:

> For the reasons discussed in part 3 infra, Congress may engage in public financing of election campaigns and may condition acceptance of public funds on an agreement by the candidate to abide by specified expenditure limitations.

So the court absolutely contemplated that the Congress may create, No. 1, a public finance mechanism with financing spending limitations thereon and that the candidate, just as he may voluntarily limit the size of contributions he chooses to accept, may decide to forgo fundraising and accept public funding. That is precisely the situation that we have in this legislation.

Second, the Senator from Kentucky points out that there was a specific finding in the Buckley versus Valeo decision of absence of appearance of any kind of corruption with respect to campaign expenditures. That is correct, 17 years ago, 20 years ago, the Court found an absence. But the Court precisely incorporated that if you find the presence of that appearance then you have the right to take that action, just as I have read from the Court decision itself.

I read from the Court's holding: "The independent advocacy restricted by the provision"—referring to the provision they struck down—"does not presently appear to impose dangers, real or apparent, corruption, comparable to those identified in contributions."

In the last years, we have seen through the Keating affair, through countless other editorials, through countless problems people have had on the campaign trial, through all of the statements of intent and all of the debate, that that has changed. We are in a different situation.

Merely because we pass a law reacting to that different situation some 20 years later to a situation the Court did not find existed 20 years ago does not in and of itself mean that by doing this today it is automatically unconstitutional today. As the Court itself said, presently it does not appear 20 years ago, but today we have every right in the world to declare as an institution that we believe that appearance of a problem does exist and that, therefore, we must pass this legislation to deal with it.

There is ample testimony to this. I will just give you one example, and I will ask unanimous consent that others be printed in the RECORD.

Mr. President, the Plain Dealer from Cleveland, OH, last year wrote an editorial saying: "Clean up the filthy cash," and it said:

> Reinforcing the wisest post-Watergate reform—the public financing mechanism that has started to purge special pleaders' money from presidential elections—the reform package would offer congressional candidates incentives to accept spending limits. It would foster public participation by matching small-scale donations to House candidates: it would offer reduced-rate broadcasting time to Senate candidates and postage to House contestants. This package marks the first time both the House and Senate have moved simultaneously toward the ideal of public financing for all federal campaigns.

Mr. President, I ask unanimous consent that various editorials be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Cleveland Plain Dealer, Apr. 7, 1992]

CLEAN UP THE FILTHY CASH

Corruption stains the way America elects its lawmakers and makes its laws—corruption that rewards special interests and shortchanges the public interest. But this week, Congress seems ready to approve a campaign-finance reform package that would help break Washington's incumbent-protection racket.

As Congress crafted its worthy reform package, the White House last week raced to get ahead of the parade, yet offered only a half-hearted diversion from meaningful action. If President George Bush is serious about enacting realistic reforms, he must drop his threat to veto Congress' sensible cleanup plan.

The package, dubbed "the most important anticorruption reform since the Watergate years" by the Common Cause watchdog group, correctly targets the way special interests use campaign cash to manipulate lawmakers. The reform plan, while not perfect, includes the two essential elements of workable change. The first is reducing the amount of money spent by political action committees; the second is limiting overall spending for congressional races.

As Bush rightly notes, today's insidious PAC-dominated system protects incumbents and discourages challengers. PACs subvert voters' demand for change by pouring money into the coffers of incumbents whose re-election seems threatened. With newcomers starved for cash. PAC donations keep incumbents beholden to special interests largesse and stifle ideas that might threaten the status quo.

PAC donations would be limited under the House and Senate plan. But Bush would merely wink at the problem, outlawing PACs run by business and labor (which tend to donate much of their money to Democrats) while putting no restrictions on single-issue ideological PACs (which funnel most of their money to Republicans).

To put challengers and incumbents on a fair footing, overall spending limits are essential. Congress' reform package would induce candidates to accept realistic spending limits. But the White House shuns spending caps, thus perpetuating wealthier candidates' advantage.

Reinforcing the wisest post-Watergate reform—the public financing mechanism that has started to purge special pleaders' money from presidential elections—the reform package would offer congressional candidates incentives to accept spending limits. It would foster public participation by matching small-scale donations to House candidates; it would offer reduced-rates broadcasting time to Senate candidates and postage to House contestants. This package marks the first time both the House and Senate have moved simultaneously toward the ideal of public financing for all federal campaigns.

Best of all, the reform plan would close the "sewer money" loophole that now allows $100,000 donors to purchase privileged access to presidential candidates. Such tainted donations undermine the post-Watergate structure.

Public outrage at lawmakers' money-and-ethics scandals must propel the drive for comprehensive campaign-finance reform. If voters hope to win back control of their government from monied interests, they must insist that Bush join Congress in cleaning up Washington's filthy cash.

[From the Aiken Standard, July 9, 1989]

POLITICAL FUNDING BY PACS IS MAGNIFYING SMALL VOICES

When 98 percent of House incumbents are returned to office, when a candidate for the House must spend nearly $400,000 and for the Senate nearly $4 million, when special-interest political action committees provide the lion's share of campaign funding, then something obviously is wrong. Our system of choosing our representatives has gone badly off track.

President Bush, to his credit, has acknowledged the problem and has proposed remedies.

The president's campaign reform package by itself isn't going to solve the campaign-finance scandal, but as a starting point it's welcome. What's needed in the coming weeks is bipartisan negotiation toward ending Congress' serious addiction to special-interest influence money.

Bush offered an 11-point package, including a proposal that Congress limit its chief source of outside income, honoraria. Members of Congress took in more than $9 million in speaking fees last year—that averages out to more than $15,000 per member. The groups that pay these fees understand they are getting more for their money than just a speech.

In return for an honoraria ban, the president promised to endorse a 25 percent pay raise for Congress, federal judges and some surgeons and scientists in the executive brand. Both the ban and the increase are worthy proposals.

Much more controversial is the president's proposal to ban contributions by PACs supported by corporations, unions or trade associations. PACs, special-interest money conduits, contributed approximately 50 percent of the money spent on congressional campaigns last year. That amounted to more than $170 million.

In the past six years, PACs have invested more than $400 million in governmental decision-making. PAC donors, without question, see these contributions as investments.

The president insisted—and we agree—that PAC contributions improperly and unfairly magnify the voices of special interests at the expense of representative government. But to ban PACs—or to ban all but "ideological" PACs, as the president suggests—does not get to the root of the problem. It does nothing to rein in the soaring costs of financing a campaign. Those costs have gone up exponentially, primarily because of expensive television advertising.

If Bush really wants to help Congress reclaim its integrity, he will push for overall limits on campaign spending. And, he will work with Congress to forge a public-financing plan for campaigns, a plan that is both politically and constitutionally acceptable.

Congress' own system of campaign funding is not working just fine. In fact, the current corrosive system is a major reason Congress finds itself embroiled in an ethics crisis. Comprehensive reform would go a long way toward calming that crisis.

[From the Allentown (PA) Morning Call, Mar. 29, 1989]

TIME FOR DAM AGAINST PAC'S

"The current congressional finance system has stacked the deck against challengers." —Common Cause President Fred Wertheimer.

That's a fair appraisal of a system that last year saw 402 of 408 congressional incumbents slip back into their seats on Capitol Hill. The challengers just seem to be washed away again and again in an ever-rising flood of money from political action committees (PACs). Congress should not operate that way, and the American people should stand up and squawk about PACS the way they squawked about the last congressional pay raise attempt.

PAC money is seldom, if ever, given altruistically. Political action groups representing various industries, special-interest groups, ethnic organizations and such do not go about Washington, D.C., handing out donations to representatives and senators purely in the interest of perpetuating the democratic republic that governs this nation. No. They expect something for their money, and all too often, they get it. A vote here, a friend on the Hill there, a friendly word to a potential supporter. Members of Congress are there to be bought and paid for. This flood is a corrosive tide eating at the glue that holds the federal structure together. And it's time to put up a dam.

The figures are as alarming as they are huge. Nearly half the House members—210 of the current 432 representatives—received at least 50 percent of their campaign funds from PACs in 1988, according to Common Cause, a public-interest lobby group. To fully understand the disadvantage suffered by challengers, look at these statistics: PACs delivered $82.2 million to those 408 House members during last year's election campaign. The 328 challengers received a total of $9 million. If that's not a stacked deck, Ronald Reagan isn't a Republican.

It is time to begin building the foundation of a public-funding structure for congressional election campaigns. It is time to reduce the special-interest intrusion into the public's interest . . . and the politician's pocket. Common Cause is on the right track in supporting such a venture, tied to spending limits for congressional campaigns. The American people should take up that cry. It is truly absurd, and to some, obscene, to see two candidates for a position that pays $89,500 a year spend a total of $1.5 million fighting for that seat, as Ed Howard and Peter Kostmayer did in last year's battle for the 8th District seat. It's a wasteful and corrupting way of spending money. And it's time to start building that dam.

[From the Anchorage Daily News, May 31, 1989]

SLEAZE GETS A GRIP ON THE DEMOCRATS

For virtually the full eight years of the Reagan administration, ethics troubles clung to Republicans like a terrier gnawing on the party's pant leg. A new phrase—"sleaze factor"—had to be invented to describe what the nation witnessed. Democrats, for their part, watched and gloated and carped.

Now the dog has turned on the Democrats.

First bitten was House Speaker Jim Wright. The embattled Texas congressman faces a disciplinary hearing before his body's ethics committee on 69 alleged violations of House financial rules. Mr. Wright, through, is expected to resign rather than face the charges.

Then there was Rep. Tony Coelho of California. Mr. Coelho, current House Democratic whip, says he will resign rather than face ethics questions about a bond investment. Mr. Coelho, like Mr. Wright, denies any wrongdoing and claims he' quitting to avoid the political turmoil certain to accompany an ethics investigation.

As the Wright-Coelho tale unfolds. Republicans have assumed the role the Democrats held in the Reagan years: They watch and gloat and carp.

Meanwhile, the House as an institution suffers. Americans hold it in such low regard that it borders on contempt. One recent poll showed 3 of 4 Americans believe congressmen will lie if it's politically expedient. Four of 10 familiar with Mr. Wright's troubles believe others are guilty of similar violations.

No laws or rules can deter a congressmen intent on trying to enrich himself. But the constant hustle for extra income and campaign money contributes to the urge to stray outside the rules. Remedies are available that could limit some of the sleaze

One is an adequate salary for the nation's lawmakers. Invariably unpopular with the public, a fair wage—coupled with a ban on honoraria—would make the taxpayers, not the special interests, the sole employer of lawmakers.

Another is public financing of campaigns. Congressmen, who stand for re-election every two years, are caught up in an endless cycle of fund raising. Here again, if the American public won't pay for the campaigns, the special interests will.

In the end, though, the public must rely heavily on the integrity of the individual lawmakers. Congress, as well as the Democratic Party, faces an uphill struggle to win back the good graces of the public. And, it's integrity more than anything that will get the sleaze out of American politics.

[From the Atlanta Constitution, Feb. 15, 1993]

CAMPAIGN REFORM SCARES DEMOCRATS

Congressional Democrats are celebrating the presence of a Democrat in the White House by rushing to approve bills they had passed last year, but which were vetoed by President Bush.

They've already passed the first bill introduced this session, H.R. 1, more commonly known as the family leave bill. President Clinton has signed the bill into law.

The House also has rushed to approve H.R. 2, which allows states to register voters when they apply for a driver's license. The Senate is expected to move quickly on that bill as well.

But on H.R. 3, the pace of action in Congress slows noticeably. That's the comprehensive campaign-finance reform bill.

Last year, congressional Democrats approved the bill by wide margins. But they did so secure in the knowledge that President Bush would veto the measure, which he did.

Now, with a president eager and willing to sign a campaign-finance reform bill, congressional Democrats are having second thoughts. They know the free ride is over.

The bill that Congress approved last year would set specific spending limits—$600,000 in House races, and a varying limit in Senate races depending on the size of the state. The bill also called for limited public financing of congressional campaigns, a necessity in light of a U.S. Supreme Court ruling that spending limits are constitutional only if accompanied by public financing.

In most races, the bill would have obliterated the huge fund-raising advantage enjoyed by incumbents. Last year, those incumbents in tight House races (defined as those who won 55 percent or less of the vote) outspent their challengers by more than 3-to-1.

The qualm cited most commonly by congressmen this year involves the use of taxpayers' money to finance campaigns. They aren't sure that's a good idea.

However, that didn't bother them last year. In addition, the cost to taxpayers of publicly financed campaigns would be returned many times over if the new bill frees Congress from the grip of special interests who now pour millions of dollars into congressional campaigns.

It's a difficult decision, voting for a bill you know may cost you your seat in Congress. But some issues must be more important to a congressman than re-election. The reform of a corrupt system ought to be one of them.

If the bill passes, the rate of turnover in Congress will no doubt increase. There will still be those who manage to stay in office a long time, but they'll do so because they're good congressmen, not because they're good fund-raisers.

[From the Augusta (GA) Herald, Dec. 18, 1993]

WATCH FOR REFORM

The Washington-based Common Cause organization preformed a signal service by getting a majority of members of the new U.S. House of Representative "on the record" to change costly and corrupt campaign financing laws.

It's essential, as President-elect Bill Clinton has said, for Congress to enact meaningful reform in time for the 1994 elections.

Common Cause has Reps. Butler Derrick, D-S.C., Don Johnson, D-Ga., Cynthia McKinney, D-Ga., Jack Kingston, R-Ga., and 203 other House members publicly committed to:

A ban on huge "soft money" contributions, thus ending "the $100,000 campaign contributions that have returned to presidential campaigns and put the White House on the auction block."

Campaign spending limits for congressional elections, such as free or reduced-cost television time, mailings and matching payments.

New restrictions on political action committee (PAC) conntributions—especially to "reduce the enormous advantage PAC contributions provide for incumbents."

Voters of all political stripes should support these key points, and work to ensure their congressional members work for quick reform. Any congressional delay next year only plays into the hands of special-interest lobbyists. PACs and some longtime incumbents who are always out to gut any real finance reform.

[From the Augusta (GA) Chronicle, Dec. 28, 1992]

WATCH FOR REFORM

A majority of U.S. House of Representatives members are "on the record" pledging to change costly and corrupt campaign financing laws—and thanks for this public service goes to the Washington-based Common Cause.

It's essential, as President-elect Bill Clinton said during the 1992 campaign, that Congress enact meaningful reform in time for the 1994 elections. That's why Common Cause has Reps. Butler Derrick, D-S.C., Don Johnson, D-Ga., Cynthia McKinney, D-Ga., Jack Kingston, R-GA., and 203 other House members publicly committed to:

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Voters of all political stripes should support these key points, and work to ensure their congressional representatives work for quick reform.

Any congressional delay next year only plays into the hands of special-interest lobbyists. PACs and some longtime incumbents working covertly to gut any real finance reform.

[From the Bangor Daily News, Apr. 29, 1992]

CAMPAIGN FINANCING

If anything, the bill to reform campaign financing before the Senate is too generous, although it is hard to tell that considering the caterwauling coming from the White House. After all his talk about the need for change, President George Bush is threatening to veto a mild bill that could begin significant improvements in the election process.

The average Senate campaign now costs about $4 million. House campaigns cost $375,000. To raise this money, senators and representatives must spend an inordinate amount of time meeting and shmoozing with the special-interest groups that can afford to make substantial contributions. This leaves elected officials beholden to the interest group and reduces the time they can spend on the issues that concern their constituents.

The bill introduced in the Senate by Majority Leader George Mitchell and supported by Sen. Bill Cohen would provide both incumbents and challengers with some public funding or its equivalent if they comply with spending limits; would reduce funding from political action committees and sources of "soft money"; and would require candidates or images of candidates to appear during their television ads. This last requirement is a good way to encourage candidates to keep their campaign ads clean.

In the House. Rep. Tom Andrews was a cosponsor of the reform bill, and Rep. Olympia Snowe was one of only 19 Republicians to support it.

President Bush and other Republican opponents of the bill, however, preach that the public financing in the bill is just another way for Democrats to tap taxpayers. But how much more has it cost taxpayers to have their elected officials in the hip pockets of special interest? And how much has it cost the country to have in place a system that all but excludes new voices in congress? The public-financing aspects of the reform bill make it overgenerous, perhaps, but it is a bargain compared with the current system.

The threatened veto by the president is difficult to fathom considering that he is the largest receiver on record of public campaign financing: $200 million by November for agreeing to spending limits in vice presidential and presidential campaigns since 1980. If he doesn't agree with it, he shouldn't so enthusiastically accept the funding.

Congress must regain the trust of the American people if it is to legislate effectively. This single bill won't complete such a monumental task, but is would help establish a more open election process, which is a good place to start.

[From the Barre (VT) Times Argus, Apr. 29, 1992

POWER FOR SALE

The specter of 4,300 people shelling out enormous sums of money to dine on asparagus tips with the president and vice president of the United States and the assembled power brokers of the Republican Party says all anyone needs to know about what's wrong with politics in this country.

Americans have made no distinction between their politics—the discourse that is supposed to keep the populace informed so it can guide itself through the medium of elections—and the freewheeling capitalism that spirits the private economy. The American conviction that money can buy anything has spilled over into realms where it should be foreign, to the point where money buys politicians and policy.

How many low- or middle-income people attended Tuesday's "President's Dinner?" Are they less important, are they less "American," are their children less a part of this country's future, than the privileged set who placed themselves, for a price, in the midst of Washington's power elite Tuesday night?

The guest list was more typified by the lobbyists for Xerox Corp. who ponied up $20,000, or executives from a Cincinnati company owned by financier Carl Lindner, who bought entry with a $250,000 contribution. Among them, this group scraped together $8 million, all in one sitting, to contribute to the status quo.

It does not matter that, technically, the enormous sums collected at the President's Dinner are not donations specifically to George Bush's re-election fund. Regardless how they are distributed, those funds are the fuel that propels the Republican Party—and, though the donors are of a different cast, the Democratic Party, too.

And they—as well as the $800,000 already lodged in Vermont Sen. Patrick J. Leahy's 1992 war chest—pervert American politics. A sitting senator of the United States should run for re-election with his record of service and name recognition being the only advantages he has over his opponent.

As should a president.

Because—though it verges on blasphemy to say so—some things are too precious to be bought and sold. Our leadership and our destiny are among them.

There is a bill making its way through Congress that would establish public financing of elections to the U.S. Senate and House of Representatives. Bush, playing on the public's anger with Congress, vows he will veto it, saying the good citizens of the United States shouldn't have to pay the campaign bills of those slime balls in Congress.

That is twisted and devious logic. It costs money to run for national office (far more than it should, with pollsters and middle men and ad executives filing every conceivable crack in the electioneering system.) If the public doesn't take over that financial burden, the money will continue to come from the special interests represented among the 4,300 paying guests who dined with President Bush and Vice President Dan Quayle Tuesday.

And those folks are smart enough not to spend money unless they're sure they'll get something for it. That shculd be a clue to the rest of us.

[From the Beaver County Times, July 9, 1989]

REFORM NEEDED ON SPENDING IN ELECTIONS

It may be difficult to imagine the U.S. House of Representatives changing a political campaign system that assures re-election of 98 percent of its members, but a House Task Force is entertaining proposals to do just that.

At least some members believe that Congress finally must address its burgeoning ethics crisis, or at least go through the motions for benefit of the folks back home—a growing number of whom are beginning to wonder just who their congressmen are working for; them or the special interest groups whose money assures their re-election.

As president of Common Cause, the Washington-based consumer lobby, Fred Wertheimer has long been one of Congress' most persistent protagonists on the subject of campaign finances, and he has proposed a comprehensive reform package that makes a great deal of sense. It has four main points:

Reduce the role of PACs (political action committees) in congressional elections. PACs have contributed some $400 million to congressional races in the past six years. Last year, $82.2 million went to House incumbents while challengers got only $9 million. "An investment in government decisionmaking," Wertheimer labels the contributions.

Establish overall spending limits for congressional races. Spending in House races has grown from $60.9 million in 1976 to $204.4 million in 1988, while spending in Senate races has increased fivefold during the same period.

Provide alternative public resources for congressional candidates. These, according to the proposal, would be funds from public sources to replace the PAC-dominated funding system and "provide necessary resources to credible challengers as well as incumbents."

End illegal campaign contributions, such as the $50 million in so-called "soft money" that was injected into the last presidential race—"a blatant violation of federal campaign laws," according to Common Cause. "Soft money" was that raised nationally through presidential campaigns in conjunction with the national parties, then channeled through the state and local parties and spent for the purpose of electing the presidential candidates involved—in violation of federal laws.

The 21-member House Task Force on Campaign Reform—whose only Pennsylvania member is Rep. William Gray of Philadelphia—will have a formidable job in drafting a viable reform package to be considered by the full House of Representatives—a consideration the type of which has not been made for 15 years.

Whether the exercise will be productive in gaining the necessary reforms or merely a charade depends largely on public interest in the subject. Without that, it surely will be business as usual, which is not in the public interest.

[From the Bennington (VT) Banner, Jan. 12, 1993]

OFFICE FOR SALE OR RENT

With enough money, anyone can be Ross Perot. His presidential bid made it clear that political offices, from the presidency on down, can be for sale. Big money doesn't buy efficient, responsive government, and significant campaign-finance reform is needed to prevent our democracy from becoming a cashocracy. The need grows as the cost of running a political campaign mounts and political races become even more vulnerable to the much-derided "special interests" that contribute to government gridlock.

The situation can only get worse. The Federal Election Commission reported last week that spending for U.S. House races in 1992 increased 41 percent over 1990, with spending jumping to $313.7 million from nearly $220 million.

President-elect Clinton can keep his campaign promise to enact significant reform legislation by limiting contributions and increasing public funds. So-called "soft money," huge sums given to organizations and political parties that are not subject to the same limitations as donations to individuals, should be banned. Setting more stringent limits on PAC and other special-interest contributions would help to make politicians less hamstrung by their financial backers and encourage newcomers to challenge incumbents. Incumbents should also be severely constrained from using their staffs and franking privileges to campaign for re-election.

Public funds for campaigns can be increased by repealing the tax deduction on lobbying expenses, which Clinton endorsed during his campaign, and adding that money to the public-funding pool. The $1 checkoff on income-tax returns might also be raised.

The 1992 elections showed how disgusted many people are with a government they perceive as being out-of-touch, inefficient and ruled by wealthy special interests. The only way out is to change fundamentally the way politicians are elected and by doing so, change the way government operates.

[From the Beverly (MA) Times, Sept. 10, 1992]

THE NEED FOR PAC REFORM

Running a campaign for public office requires money as fuel for the engine.

In this region, the campaign that requires the most horsepower is for U.S. representative from the 6th Congressional District.

And that requires a lot of fuel.

Some candidates in this race will easily spend $250,000 in the primary campaign that ends Tuesday.

The price tag could reach $400,000 to $500,000 for the two candidates who ultimately go on to face each other in the November general election.

With a gas tank that big, congressional candidates are often tempted to turn to political action committees to help fill 'er up.

In the 6th District primary race, two candidates are accepting PAC contributions—incumbent U.S. Rep. Nicholas Mavroules and state Rep. Barbara Hildt of Amesbury. The others are not: Democrat Eric Elbot of Beverly and Republicans Peter Torkildsen and Alexander "Sandy" Tennant.

While Mavroules runs second to Hildt in overall fund-raising, he leads the pack in PAC contributions—$60,775, according to the most recent campaign finance reports. Hildt reported PAC contributions of $13,331.

With Mavroules facing a tough Democratic primary and a 17-count federal corruption indictment, he will now take all-comers who want to give to his campaign.

This is a new twist for the 14-year incumbent.

As a senior member of the House Armed Services Committee, Mavroules has considerable say over what military weapons the United States will buy.

Five years ago, under criticism for the practice, he refused to take money from any contractor doing more than 30 percent of its business with the Pentagon.

But he changed that policy this year to fight both his primary opponents and the federal corruption charges. (He is allowed to use campaign contributions toward his legal defense.)

It is, indeed, ethically wrong for any member of Congress to take thousands of dollars from contractors who can benefit from his or her decisions.

That is why whoever is sent to Congress in January to represent the 6th District should push vigorously for campaign finance reform.

One effort to take campaign financing out of the hands of special interests failed in May with the president's veto of a Democrat reform plan.

The effort should start anew in 1993 to publicly finance campaigns with spending limits instead of forcing candidates to turn to PAC men and PAC women in search of the fuel to run their campaigns.

[From the Big Spring (TX) Herald, July 13, 1989]

PRICKING PAC'S IS JUST THE START

When 98 percent of House incumbents are returned to office, when a candidate for the House must spend nearly $400,000 and for the Senate nearly $4 million, when special-interest political action committees provide the lion's share of campaign funding, then something obviously is wrong. Our system of choosing our representatives has gone badly off track.

President Bush, to his credit, has acknowledged the problem and last week proposed remedies.

The president's campaign reform package by itself isn't going to solve the campaign-finance scandal, but as a starting point it's welcome. What's needed in the coming weeks is bipartisan negotiation toward ending Congress' serious addiction to special-interest influence money.

Bush offered an 11-point package, including a proposal that Congress limit its chief source of outside income, honoraria. Members of Congress took in more than $9 million in speaking fees last year—that averages out to more than $15,000 per member. The groups that pay these fees understand they are getting more for their money than just a speech.

In return for an honoraria ban, the president promised to endorse a 25 percent pay raise for Congress, federal judges and some surgeons and scientists in the executive branch. Both the ban and the increase are worthy proposals.

Much more controversial is the president's proposal to ban contributions by PACs supported by corporations, unions or trade associations. PACs, special-interest money conduits, contributed approximately 50 percent of the money spent on congressional campaigns last year. That amounted to more than $170 million.

In the past six years, PACs have invested more than $400 million in government decision-making. PAC donors, without question, see these contributions as investments.

The president insisted—and we agree—that PAC contributions improperly and unfairly magnify the voices of special interests at the expense of representative government. But to ban PACs—or to ban all but "ideological" PACs, as the president suggests—does not get to the root of the problem. It does nothing to rein in the soaring costs of financing a campaign. Those costs have gone up exponentially, primarily because of expensive television advertising.

If Bush really wants to help Congress reclaim its integrity, he will push for overall limits on campaign spending. And, he will work with Congress to forge a public-financing plan for campaigns, a plan that is both politically and constitutionally acceptable. Congress instituted a public financing mechanism for presidential elections, and it has worked just fine.

Congress' own system of campaign funding is not working just fine. In fact, the current corrosive system is a major reason Congress finds itself embroiled in an ethics crisis. Comprehensive reform would go a long way toward calming that crisis.

[From the Birmingham News, Dec. 3, 1992]

PUT-UP TIME—THE DEMOCRATS TALKED A GOOD GAME ON CAMPAIGN REFORM, NOW LET'S SEE SOME ACTION

Did the Democrats mean it, or was it part of a plan to make President Bush look bad before the election? The issue is campaign finance reform. The question is whether Congress will again approve the bill Bush vetoed.

Before the election the Democrats pushed a bill through Congress that placed limits on the amounts congressional candidates may spend. But some who voted for the bill did so knowing Bush would never sign it.

Now that a Democratic president is about to be sworn in, some who voted for the campaign finance bill when it was only for show won't be so eager to actually cut off the amounts they can raise and spend in a re-election effort.

The bill Bush vetoed would have limited political action committees from contributing more than $2,500 on Senate elections and $5,000 on House races.

A 1976 Supreme Court ruling says mandatory spending limits are unconstitutional. But the vetoed bill would have rewarded candidates who met voluntary limits by providing matching funds similar to what's available in presidential campaigns.

President-elect Clinton must not be persuaded by fellow Democrats who have lost their fervor for campaign finance reform. They knew forcing Bush to veto a bill Republicans didn't like would make him appear to be against any reform.

There is no doubt, however, about Clinton's position. He and vice president-elect Gore issued a campaign document titled "Putting People First" that detailed the changes they would like to see in campaign finance law.

Congressional Quarterly recently reviewed the Clinton-Gore proposals, which included voluntary spending caps based on each state's population, limiting PAC contributions to $1,000, mandating reductions in the cost of TV commercials, eliminating tax deductions for lobbying expenses, and ending "soft money" contributions to candidates by using the political parties as conduits.

Clinton and Gore should stick to their guns. Their proposals are basically on target, though there may be a need for fine-tuning in congressional debate. But Congress shouldn't be let off the hook.

Make the honorables put up, not shut up, when it comes to campaign finance reform. The current situation gives incumbents who have little difficulty raising huge sums of money too great an advantage in elections.

Enacting a fair campaign finance reform law will allow a greater number of Americans with leadership potential to wage a serious political campaign without going into bankruptcy or hock.

[From the Bismarck Tribune, May 17, 1992]

BUSH BLOWS OUT SPARK OF PAC REFORM

Do we sense some hypocrisy in the White House?

We've become accustomed to President Bush's doublespeak—grudgingly. Our president has trouble saying what he means, and we have trouble understanding. The most recent example came in his veto a week ago of a bill that would have overhauled the system for financing U.S. House and Senate campaigns.

Bush labeled the bill a "taxpayer-financed incumbent protection plan."

Some of the president's comments should come with printed directions much like you would receive when buying a washing machine. His position on this particular bill is curious, and certainly doesn't square with the facts:

Congress collects more than $2.7 million a week in campaign contributions.

The cost of a Senate campaign is now close to $4 million, for which a Senator has to raise $12,000 a week every week of a six-year term.

While the issue in the Senate has become the pursuit of money, the issue in the House is its accumulation, where incumbents have had eight times more to spend than their challengers.

Under this measure, House candidates would have been required to limit spending to $600,000 and Senate candidates would have had spending caps of up to $5.5 million to qualify for federal campaign funds. The bill would have limited the amount of PAC contributions a candidate could accept. And it would have restricted the flow of "soft money"—unregulated contributions from party organizations to candidates.

The public subsidies for this bill would have cost from $100 million to $150 million for a two-year election cycle. The current system for public financing of presidential candidates—which appears to be far more costly than the vetoed bill—is funded by the voluntary $1 checkoff on individual Federal income tax returns. As the prime beneficiary of this system, Bush will have earned as estimated $200 million for his vice presidential and presidential campaigns by the end of his current bid for re-election.

The bill he just vetoed had wide support from consumer groups that saw in it potential for the first glimmer of campaign reform.

But wait, there's more.

Both the Bush-Quayle campaign and the Republican Party are guzzling money like cheap beer in the Florida sun. At a Bush-Quayle fund-raiser on April 28 an estimated $9 million was raised for Republican congressional candidates, most of this "soft money" again. A guest at the president's table paid $454,000 for the honor—and he later went bankrupt.

A few weeks earlier, five corporations were listed as major donors at a Michigan fund-raiser. This is illegal, because neither corporations nor unions can contribute directly to presidential candidates. Bush campaign aides called the listing "an embarrassing * * * mistake."

Bush will veto attempts to control campaign spending because he has benefited handsomely from the current system. It's a system where incumbent politicos become heavily indebted to special interests.

No amount of doublespeak can cloud the truth.

[From the Boston Globe, Nov. 18, 1992]

THE MOMENT FOR CAMPAIGN REFORM

In quickly issuing a strict code of ethics for members of his transition team and administration, President-elect Clinton struck the right tone. But only if Clinton now bangs on the bell of campaign finance reform will he lastingly change the way business is done in Washington.

The modern heyday of greed came in the Reagan administration, when more than 100 officials were indicted for alleged ethics violations. But the public correctly perceives the system as still rigged to the benefit of both parties. That goes far to explain the appeal of Ross Perot.

There is an inevitable balancing act in drawing people valued by the private sector into public service. They are worth more in the world of profit than they can expect to earn in govenment. Rigid rules may conflict with the aim of hiring the best.

But campaign finance reform is a clear-cut issue. It must include: a cap on overall spending to end the "alms race" in every congressional district and state; sufficient public funding so challengers and incumbents can conduct effective campaigns; a sharp reduction in the money candidates can accept from political action committees; a plug in the "soft money" route through which fat cats launder big contributions; and an end to the practice of "bundling" individual checks to evade the limits for contributions to PACs.

Clinton has much to gain. Winning public confidence would put him on the fast track toward the grass-roots support that will be essential in the epic battles ahead over health care reform and other controversial legislation. If he waits six months, as Jimmy Carter did in 1977, the campaign spending reform effort is likely to unravel, and with it public support.

That's why Clinton should not wait for Congress to draft campaign reform legislation. He has made the point that public service is not a path to riches but a privilege. Now he must get his own campaign reform agenda out front.

[From the Christian Science Monitor, Apr. 21, 1992]

CAMPAIGN REFORM

A bill to wring some of the money out of congressional campaigns and to make House and Senate races more competitive is nearing passage in Congress. The most sweeping campaign-finance reform since 1974, after Watergate, the bill takes a big step toward a cleaner and fairer system for electing federal lawmakers.

Unforunately, President Bush evincing little concern that the money chase has a demeaning and perhaps even corrupting effect on American politics—has vowed to veto the bill.

The key element in the bill is voluntary spending caps in House and Senate races (the Supreme Court ruled that the First Amendment bars mandatory caps). By clamping a lid on spending, proponents hope to reduce the clout of special interests and the time and energy candidates must devote to fundraising. The cap in House races would be $600,000; in Senate races it would range from $950,000 to $5.5 million depending on the size of the state.

To induce candidates to keep within the spending caps, the bill offers alternative sources of campaign funds. Candidates for House seats would be eligible to receive up to $200,000 in federal matching funds. Senate candidate could receive, also on a matching basis, vouchers to purchase TV time (a larger expense in Senate than House contests). .

Other progressive features of the bill include limits on contributions by political action committees (PACs), and cut-rate mailing rights (to offset incumbents franking privilege). Most important, perhaps, the bill would restrict "soft money"—virtually unlimited amounts raised by the political parties under state laws but used indirectly to benefit federal candidates. Through this loophole both parties rake in millions from $100,000 givers.

Mr. Bush's main objection is to the spending caps. He says they protect incumbents (predominantly Democrats), contending that challengers need unlimited spending rights to surmount incumbents' advantages in name recognition and media coverage. Yet consider that in House races few challengers of either party come even close to raising and spending $600,000. In nearly all cases, victorious challengers win because of their message or the incumbents' vulnerability, not because of higher spending. Caps would constrain incumbents more than challengers, thereby leveling the playing field.

Besides, it's hard to conceive of a system that protects incumbents better than the present one. Incumbent-reelection rates consistently exceed 90 percent.

Bush and other opponents also denounce the bill's public-financing aspects. Taxpayers, they say, shouldn't subsidize officeseekers. But partial public financing of elections, already used in presidential contests, is a proper investment in the working of American democracy—especially given the ominous impact of money on the current system.

It is a defect in the bill that its backers haven't yet devised a way to pay for it. But even if it's enacted, the bill won't go into effect until funding sources are found.

The reform bill, already passed by the House, deserves approval by the Senate and the president's signature. In this year of the political outsiders, Bush looks like the ultimate insider in protecting a money chase that contributes greatly to Americans' distrust of the political system.

[From the Bradenton Herald, July 9, 1989]

REFORM THE REFORMS—PAC LIMITS WON'T END ABUSES; SPENDING LIMITS WILL

What does President George Bush hope to accomplish by proposing campaign reforms? In one of his more candid moments, the president admitted the obvious: he hopes changing the rules will elect more Republicans.

It's no surprise that a Republican president would want to shake loose a few Democratic incumbents, who now have better than a 98 percent chance of getting re-elected. But how does Bush hope to get his proposals past the Democratic-controlled Congress? The president has to reform his reform package, or see it die quickly.

Some of Bush's proposals are worthy, such as eliminating lawmakers' outside speaking fees, and stopping their abuse of free mailing privileges.

Bush's most controversial proposal is his recommendation to restrict PACs—the political action committees that collect members' small campaign contributions to form huge, lump-sum payoffs for candidates. Republican loyalty to the PAC system has slipped in recent years, as PAC support has shifted from the GOP to Democrats.

Banning PACs outright isn't possible on constitutional grounds, since that would curtail free political "speech." So the president targets only trade, union and corporate PACs—the biggest offenders—for extinction. The courts may disagree, but Bush claims that only the PACs with specific political agendas—"ideological" PACs—should be allowed.

There's no denying PACs' undue influence on the political system, or that a large PAC is more an economic device than a political organization. Bush's proposed PAC limits wouldn't solve the problem, however; special interest groups will find a way around PAC regulations.

Bush rejects the real answer to candidates' financial abuses: public financing for candidates who volunteer to limit campaign spending. Knowing that Republicans are more likely to glean large individual contributions than Democrats, Bush objects to campaign spending limits. And he tries to improve GOP challengers' chances by proposing to double the amount political parties can spend on congressional candidates.

Bush should prove he truly wants campaign reform by proposing changes that don't stack the deck in his party's favor. Cleaner campaigns are in the interests of candidates from both parties—not to mention the people who elect them.

[From the Brattleboro (VT) Reformer, May 17, 1989]

STALEMATE ON CAMPAIGN REFORM

In the midst of proposals that President Bush made earlier this month to tighten the ethics code for federal office-holders, he also included a sweeping plan to revamp campaign financing: Contributions to candidates from the political action committees of business, labor and the professions would be banned altogether.

On the face of it, this looks like progress. PAC contributions are at best a form of legalized influence-purchasing in which the donor assures himself at least of a hearing by a congressman, if not of his support. Moreover, PAC money goes overwhelmingly to incumbents, be they Democrats or Republicans, and this helps to create the phenomenon of a permanent Congress with very little new blood. In the 1988 election, more than 98 percent of incumbent House candidates were re-elected.

Unfortunately, Bush combined his call for a ban on PAC contributions with a restatement of his opposition to public financing of campaigns. If the Treasury isn't going to pay for congressional campaigns (as it has since 1976 for presidential campaigns) and if candidates can't get the money from PACs, that leaves one major source of funds: individuals who can afford the up to $1,000 donations that the law permits—fat cats.

Not surprisingly, the Republican Party has cultivated a much more productive network of fat cats than the Democrats have. Bush favors a ban on PAC money and no movement towards public financing of congressional candidates because he knows that this will finally break the lock that the Democrats have had on Congress since the Eisenhower era. By the same token, the great majority of Democrats won't go along with either a ban or strict limitations on PACs unless the reform package includes public financing as well.

The great advantage of public financing is that it assures the public that Congress is working for it, not some unseen donor behind the scene. If the financing levels are generous enough, challengers will have a much better chance than they have now to knock off incumbents and the reform would not—as some Republicans fear—preserve the continued Democratic majorities. Public financing, combined with bans or severe curbs on PAC money, would take Congress off the auction block and help generate a little healthy turnover.

[From the Bridgewater (NJ) Courier-News, July 2, 1989]

THE PARTISAN'S EDGE—BUSH'S PAC REFORMS WOULD FAVOR THE GOP

It is refreshing indeed to have a president who can, with a straight face, address the need to improve the ethical climate in Washington.

George Bush has called for a reasonable pay raise for members of Congress, for an end to fees for speeches they give, for limits on their free mailings, for a ban on retention of their surplus campaign contributions. Those steps can and should be converted into law without delay.

Unfortunately, the president's ideas for limiting special-interest contributions to members of Congress are too obviously designed to benefit Republicans, and so might sabotage the bipartisan negotiation needed to enact any of his reforms.

Bush would abolish political action committees (PACs) set up by corporations, unions or trade associations. Those groups accounted for 90 percent of the $160 million contributed by PACs in 1987-88—most of it to Democratic incumbents. But he would preserve the ideological or single-issue PACs that tend to support Republicans, while lowering their contribution limit from $5,000 to $2,500 per candidate.

Criticism from key Democrats was immediate and sharp. Senate Majority Leader George Mitchell of Maine said Bush's proposal ". . . is obviously crafted with one objective: To help Republicans."

Because Democrats control both houses of Congress, any reforms Bush hopes to see enacted need to be couched in terms that invite negotiations and compromise. On the key issue of PAC contributions they aren't. In fact, bills to incorporate the president's proposals apparently are being drafted with no consultation or input from Democrats.

So Bush's PAC reforms will collide with those proposed by Rep. David Boren, which already have attracted bipartisan support. The Oklahoma Democrat would set overall spending limits on congressional campaigns and provide public financing for any candidates who accept the limits. That approach is more likely than Bush's to reduce the influence of special interests—and it favors neither Democrats nor Republicans.

But the president won't hear of public financing. Public funding, like that provided in New Jersey gubernatorial races, deserves to be considered as a necessary—and neutralizing—ingredient in any national campaign-financing reform. This time out, it apparently won't even be discussed.

By putting such a partisan edge on one reform. Bush may have lost the opportunity to lead and deliver on any of them.

[From the Brooklyn (NY) Daily Bulletin, July 25, 1989]

PRICKING PAC'S IS ONLY A START

When 98 percent of House incumbents are returned to office, when a candidate for the House must spend nearly $400,000 and for the Senate nearly $4 million, when special-interest political action committees provide the lion's share of campaign funding, then something obviously is wrong. Our system of choosing our representatives has gone badly off track.

President Bush, to his credit, has acknowledged the problem and the other day proposed remedies.

The president's campaign reform package by itself isn't going to solve the campaign-finance scandal, but as a starting point it's welcome. What's needed in the coming weeks is bipartisan negotiation toward ending Congress' serious addiction to special-interest influence money.

Bush offered an 11-point package, including a proposal that Congress limit its chief source of outside income,' honoraria. Members of Congress took in more than $9 million, in speaking fees last year—that averages out to more than $15,000 per member. The group that pay these fees understand they are getting more for their money than just a speech.

In return for an honoraria ban, the president promised to endorse a 25 percent pay raise for Congress, federal judges and some surgeons and scientists in the executive branch. Both the ban and the increase are worthy proposals.

Much more controversial is the president's proposal to ban contributions by PACs supported by corporations, unions or trade associations PACs, special-interest money conduits, contributed approximately 50 percent of the money spent on congressional campaigns last year. That amounted to more than $170 million.

In the past six years, PACs have invested more than $400 million in government decision-making. PAC donors, without question, see these contributions as investments.

The president insisted—and we agree—that PAC contributions improperly and unfairly magnify the voices of special interests at the expense of representative government. But to ban PACs—or to ban all but "ideological" PACs, as the president suggests—does not get to the root of the problem. It does nothing to rein in the soaring costs of financing a campaign. Those costs have gone up exponentially, primarily because of expensive television advertising.

If Bush really wants to help Congress reclaim its integrity, he will push for overall limits on campaign spending. And, he will work with Congress to forge a public-financing plan for campaigns, a plan that is both politically and constitutionally acceptable. Congress instituted a public financing mechanism for presidential elections, and it has worked just fine.

Congress' own system of campaign funding is not working just fine. In fact, the current corrosive system is a major reason Congress finds itself embroiled in an ethics crisis. Comprehensive reform would go a long way toward calming that crisis.

[From the Buffalo News; July 9, 1989]

BUSH PLAN A PARTIAL SOLUTION

President Bush deserves credit for at least opening the dialogue on the issue of campaign finance reform.

But in his package of political action committee curbs, gerrymandering restrictions and a prohibition on some congressional franking privileges. Bush continues to avoid the real key to election reform: public financing and accompanying spending limits.

The fact that Bush's proposal to ban corporate, union and trade association PACs would hurt Democrats more than Republicans because money from those committees goes most often to incumbents—most of who are Democrats—does not in itself argue against such a reform.

But it is interesting that the president did not also propose a ban on the so-called "ideological" single-issue PACs that most often back Republicans.

Similarly, Bush's proposal to more than double the limit on how much the parties can spend on congressional races—another move that has Democrats screaming because Republicans generally are more adept at raising money from large contributors—has merit despite its partisan impact.

It should, as the president suggests, help even the playing field by making more money available for challengers who can't raise significant funds on their own.

But what would rally even the playing field is a meaningful cap on campaign spending tied to public funding so that all challengers could mount a more competitive effort.

As good-government groups from Common Cause to Public Citizen have noted. Bush's plan does little to solve the "basic campaign finance problems facing Congress today" or to prevent those with huge sums of money from having an undue influence on the electoral process.

The president argues that public financing would exclude people from the political process by denying them the chance to donate. But there are myriad ways to contribute, the most important of which should be at the ballot box, not the automatic teller machine. And in any case, every rational public financing plan includes provision for ample private contributions, if for no other reason than to legitimize a candidacy before allotting it public dollars.

Public financing and spending limits will bring a sense of proportion back to the system, helping to even the playing field and ensuring that voters get a legitimate choice. It is clear that many don't under a current system that all but guarantees uncontested races and victory for incumbents.

Bush has recognized the need for reform, as evidenced by his call for restrictions on free mailings by incumbents and a prohibition on carrying over campaign funds from one election to the next. The only problem is that his package—while generally aiming in the right direction—falls far short of what will be required to do the job.

[From the Burlington (VT) Free Press, Feb. 14, 1993]

PASSING THE BUCK(S)

President Clinton promised the plain Americans at his Detroit meeting that he's committed to honesty, prosperity and less red ink.

For the moment, we'll settle for honesty—and an uphill battle it will be in Washington.

Honesty in government begins with politicians setting an example. That means campaign finance reform. The House and Senate passed a good reform proposal last year, but the game was rigged. President Bush's promise of a veto made virtue easy.

Clinton says he would have signed that bill, would have tried to make it tougher. House leaders greeted this news with all the enthusiasm of a debtor meeting his bill collector.

Obscene amounts of money pour into federal campaign coffers. An average Senate seat costs $4 million. More than half of all House incumbents get more than half their campaign money from special interest groups. Clinton was a big beneficiary of one sleazy practice: His party raised and spent $20 million of special interest on his behalf last year, more than the Republicans.

Putting a lid on campaign cash might require some public financing. The price is worth paying if Congress really cuts the umbilical cord to the PACs.

Only campaign finance reform can begin to restore Americans' belief that members of Congress represent them, not the tobacco industry, the sugar farmers, the big banks, insurance companies and real estate developers.

Congress has no appetite for cutting off its free lunch. Only vigorous leadership from the White House will drive House members and senators away from the well-laden table.

[From the Cadillac (MI) News, July 12, 1989]

BUSH CAMPAIGN REFORM PROPOSAL GOOD FOR STARTERS

When 98 percent of House incumbents are returned to office, when a candidate for the House must spend nearly $400,000 and for the Senate nearly $4 million, when special-interest political action committees provide the lion's share of campaign funding, then something obviously is wrong. Our system of choosing our representatives has gone badly off track.

President Bush, to his credit, has acknowledged the problem and the other day proposed remedies.

The president's campaign reform package by itself isn't going to solve the campaign-finance scandal, but as a starting point it's welcome. What's needed in the coming weeks is bipartisan negotiation toward ending Congress' serious addiction to special-interest influence money.

Bush offered an 11-point package, including a proposal that Congress limit its chief source of outside income, honoraria. Members of Congress took in more than $9 million in speaking fees last year—that averages out to more than $15,000 per member. The groups that pay these fees understand they are getting more for their money than just a speech.

In return for an honoraria ban, the president promised to endorse a 25 percent pay raise for Congress, federal judges and some surgeons and scientists in the executive branch. Both the ban and the increase are worthy proposals.

Much more controversial is the president's proposal to ban contributions by PACs supported by corporations, unions or trade associations.

PACs, special-interest money conduits, contributed approximately 50 percent of the money spent on congressional campaigns last year. That amounted to more than $170 million.

In the past six years, PACs have invested more than $400 million in government decision-making. PAC donors, without question, see these contributions as investments.

The president insisted—and we agree—that PAC contributions improperly and unfairly magnify the voices of special interests at the expense of representative government. But to ban PACs—or to ban all but "ideological" PACs, as the president suggests—does not get to the root of the problem. It does nothing to rein in the soaring costs of financing a campaign. Those costs have gone up exponentially, primarily because of expensive television advertising.

If Bush really wants to help Congress reclaim its integrity, he will push for overall limits on campaign spending. And, he will work with Congress to forge a public-financing plan for campaigns, a plan that is both politically and constitutionally acceptable. Congress instituted a public financing mechanism for presidential elections, and it has worked just fine.

Congress' own system of campaign funding is not working just fine. In fact, the current corrosive system is a major reason Congress finds itself embroiled in an ethics crisis. comprehensive reform would go a long way toward calming that crisis.

[From the Champaign-Urbana News-Gazette, June 20, 1989]

BAN ON PAC'S NOT ENOUGH

(By Rosemary T. Garhart)

President Bush would like to end campaign contributions from most political action committees, but don't expect his proposal to go anywhere.

The president wants to ban most PAC contributions. But since PAC contributions usually go to incumbents. Congress isn't likely to go along with Bush's proposals any time soon.

According to the Common Cause lobby, incumbents in the House raised $142 million for the elections last year. Their challengers came up with only $36 million.

During that election, congressional incumbents received $115 million from PACs; challengers received only $17 million from the political action committees. Incumbents did so well in fund raising that they ended the election with $63 million left over.

The money obviously helped. Last year, 98.5 percent of the incumbents seeking reelection won. The winners are not about to cut out one of the largest sources of support.

Contributions from PACs have boosted campaign spending to absurd levels, decreased the influence of lawmakers' constituents and given special interest groups unwarranted access in the Capitol.

The well-heeled PACs have the resources to lobby against any efforts to curb their power. It's no wonder that previous efforts to curb PAC contributions have failed.

Bush's proposal differs from past plans in suggesting a ban only on PACs sponsored by business, unions and trade groups, not ideological PACs like those working for improved health care or a cleaner environment.

Even though the president seems willing to act against PACs, a ban alone won't be enough and never will have the support of Congress.

Reform of campaign finance must address a number of other issues like spending limits, public financing and even limits on congressional terms of office.

Until lawmakers have incentives to give up PACs, it seems unlikely that they will be willing to shut off their lifelines.

[From the Charleston (SC) News and Courier, July 28, 1989]

ON THE RIGHT TRACK

When 98 percent of incumbents in the U.S. House of Representatives are returned to office, when a candidate for the House must spend nearly $400,000 to get elected ($4 million for the Senate), when special-interest political action committees provide the lion's share of campaign funding, then something obvious is wrong. The system by which Americans choose their congressional representatives has gone badly off track.

President Bush, to his credit, has acknowledged the problem and recently proposed some remedies.

The president's campaign reform package by itself isn't going to solve the campaign-finance scandal but as a starting point it is welcome. What is needed in the coming weeks is bipartisan negotiations toward ending Congress' serious addiction to special-interest money.

Mr. Bush offered an 11-point package, including a proposal that Congress limit honoraria, its chief source of outside income. Members of Congress took in more than $9 million in speaking fees last year, which averages out at more than $15,000 per member. The groups that pay these fees understand exactly what they are getting for their money, and it isn't a few pearls of wisdom.

In return for the ban on honoraria, the president endorsed, and formally proposed, a 25 percent pay raise for Congress, federal judges and some surgeons and scientists in the executive branch. Both the ban and the pay increase are worthy proposals.

Much more controversial is the president's idea to ban contributions by political action committees, or PACs, supported by corporations, unions or trade associations. PACs, which are the conduits for special-interest money, contributed approximately 50 percent of the money spent last year on congressional campaigns. That amounted to more than $170 million. In the last six years, PACs have invested more than $400 million in government decision-making. Without question, PAC donors interpret these contributions as investments.

The president insisted, correctly, that PAC contributions improperly and unfairly magnify the voices of special interests at the expense of representative government. But to ban PACs—or, more precisely, to ban all but "ideological" PACs, as Mr. Bush suggested—does not get to the root of the problem. It does nothing to rein in the soaring costs of financing a campaign. These costs have risen exponentially, primarily because of expensive TV advertising.

If President Bush really wants to help Congress reclaim its integrity, he will push for overall limits on campaign spending. Further, he will work with Congress to forge a public-financing plan for campaigns, a plan that is both politically and constitutionally acceptable. Congress instituted a public financing mechanism for presidential elections, and on balance it has worked out well.

Unfortunately, Congress' own system of campaign financing is not working out well at all. In fact, the present corrosive system is a major reason why Congress finds itself embroiled in an ethics crisis. Genuine, comprehensive reform would go a long way toward alleviating that crisis.

[From the Charleston (WV) Gazette, Nov. 16, 1991]

CLEAN UP CONGRESS

It took forever, but Congress finally may be on the brink of cleansing itself of the cash corruption that has bred contempt of the legislative process.

The Senate acted first to impose workable limits on congressional campaign spending and to curb the flood of money from special interests trying to buy favor on Capitol Hill. Now the House is nearing a vote on a reform bill proposed by Rep. Sam Gejdenson, D-Conn. No doubt the cleanup wave is being spurred by the widespread public disgust felt by Americans toward Congress after a series of recent embarrassing revelations.

Observers such as Common Cause and The New York Times say the Gejdenson bill is weaker than the Senate version, but agree it deserves quick passage. Its provisions:

A voluntary limit would be set—$600,000 per candidate per election. Those who comply could get up to $200,000 in government funds to match individual contributions, which would be limited to $200 per donor.

No taxes would be required. The government money would come from registration fees on PACs (political action committees) and from eliminating tax deductions for lobbying.

PAC influence would be curbed, because no candidate could accept more than $200,000 in PAC money per election.

The Gejdenson bill has shortcomings. Funneling "soft money" through national political committees to individual candidates would not be forbidden, as it is in the Senate bill. But if the two bills are reconciled in a conference committee, the Senate versions might—and should—prevail.

Reform advocates are hopeful. Common Cause President Fred Wertheimer said:

"After 17 years of protecting a campaign financing system that has steadily eroded public trust and confidence in Congress, the House has an opportunity at a crucial time to make a dramatic change. The Gejdenson bill challenges each House member to act to end the campaign finance scandal in Congress. It should be passed without any weakening amendments."

Exactly. West Virginia House members should support the bill, and help show voters that Congress has enough honor to clean up its financial taint.

[From the Chattanooga Times, Nov. 27, 1992]

DON'T DAWDLE ON CAMPAIGN REFORM

It is too soon to get a clear fix on the role money played in this year's congressional races, but early numbers provided by Common Cause are troubling. They should also spur greater efforts toward campaign finance reform.

Common Cause reports that in House races where the successful candidate won with 55 percent of the vote or less, incumbents had three times as much cash to spend as challengers.

Translated into dollars, incumbents had a combined war chest of $43.4 million, compared with the challengers' paltry $10.6 million. Most challengers raised less than $100,000, which nowadays barely amounts to walking-around money in political races.

The disparity in Senate races was worse. In both houses, however, most incumbents were re-elected, a fact that argues for campaign finance reform, and the sooner the better.

REform may actually occur this time around. President-elect Bill Clinton favors it, and Common Cause reports that so do 74 of the 120 new House and Senate members. Couple those 74 with the members who supported the 1991 reform bill—vetoed by President Bush—and a majority appears likely.

Majority support for reform, however, can vanish like a morning fog when special-interest lobbyists start to turn up the heat. That means if Mr. Clinton intends to follow through, he should do so quickly. Before he knows it, opponents will try to block reform—either through outright opposition or, more likely, by supporting a version so weak as to be meaningless.

It's not clear yet what reforms should be included. Certainly there should be tighter regulation of contributions by political action committees, and of "soft money." That's money individuals contribute to the national parties, which in turn funnel it to state parties for activities that usually support specific candidates.

A far better plan would be federal financing for congressional races, which would provide a more level playing field for incumbent and challenger alike.

Whatever proposal is finally adopted, it is crucial that Mr. Clinton not make the same mistake former President Jimmy Carter did. He didn't send his campaign finance reform proposal to Congress for more than six months, which is all the time opponents needed to round up enough votes to kill it.

The sooner Mr. Clinton acts, the better his chances of success.

[From the Clover (SC) Herald, July 26, 1989]

PRICKING PAC'S

When 98 percent of House incumbents are returned to office, when a candidate for the House must spend nearly $400,000 and for the Senate nearly $4 million, when special-interest political action committees provide the lion's share of campaign funding, then something obviously is wrong. Our system of choosing our representatives has gone badly off track.

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Congress' own system of campaign funding is not working just fine. In fact, the current corrosive system is a major reason Congress finds itself embroiled in an ethics crisis. Comprehensive reform would go a long way toward calming that crisis.

[From the Coffeyville (KS) Journal, Jan. 9, 1989]

FOR WHOM DOES CONGRESS WORK?

It's enough to make non-political types wonder just who these people we vote for are working—the voters or the well-heeled Political Action Committees.

While the final tabulations for the 1987-8 election cycle haven't been made by the Federal Election Commission, through last Sept. 30, PAC money continued to grow both in total dollars and in comparison to campaign contributions from individuals.

For the period, PACs pumped $35.7 million into all Senate campaigns, up 1.7 percent over the corresponding 21 months of the 1985-6 cycle. They provided more than one-fifth of the $159.8 million given to Senate candidates.

PACs provided one of every three dollars given to House candidates, or about $73.7 million of the $214.4 million contributed. The PAC money was nearly 24 percent higher than in the first 21 months of the 1985-6 cycle.

As in past years, incumbents fared better than their challengers in the scramble for PAC dollars. Senators got $5.17 for every $1 contributed to challengers. In the House it was 10 to one in favor of incumbents.

These are all statistics—with changes in the dollar figures—which have been reported every year for the last decade. However, this year there seems to be a sea change taking place in the marbled halls on Capitol Hill.

Even those whose warchests bulge with large PAC contributions are beginning to say "enough is enough."

House Speaker Jim Wright D-Texas; Rep. Bob Michel of Illinois, the Republican leader: Senator Minority Leader Bod Dole, R-Kan.; Senate Majority Leader, George Mitchell, D-Maine and Sen. David Boren, D-Okla., are just some of the legislative leaders who are gearing up for a campaign financing reform push this year.

This is reason for optimism at Common Cause, the self-described citizens' lobby, which wants to substitute public financing for individual and special interest money in the quarter-billion-dollar plus business of winning seats in Congress.

"It's going all the way to the top," says Fred Wertheimer, Common Cause president. "There's a different dynamic now. An awful lot of Republicans are upset with the present system and talking about need for change. There's an unusual opportunity for 1989."

PAC money is intrusive and pervasive.

Intrusive because once a Congressman is elected and begins receiving it, it becomes necessary in the seemingly endless parade of reelection campaigns. To receive it, he had to do favors for the PAC men who dole out these special interest funds.

Thus, the vicious circle begins.

Pervasive because there are literally hundreds of PACs. And Congressmen court just as many as they can, to receive just as much money as they can, to wage the largest reelection campaign they can.

And so it goes.

And goes.

And goes.

Sometime, someplace, someone has to stand up and say "Stop."

Congress, after all, was initiated to represent all the people. One has to wonder, if our representatives have to spend all this money for radio, television and newspaper advertisements to tell us about the wonderful job they're doing, just how wonderful a job are they really doing?

Isn't there a saying about actions speaking louder than words?

The best action that could be taken is to limit reelection campaigns to a set dollar amount, and then to finance those campaigns—and the campaigns of the oposition—publically.

Sure, it would cost the taxpayer. But at lest we would know for certain who is footing the bill.

That's more than the taxpayer can say today.

[From the Concord (NH) Monitor, Sept. 1, 1992]

BEYOND PACS—SOME PUBLIC FINANCING IS LOGICAL ANSWER TO ELECTION REFORM

Candidates who have pledged not to accept money from special interest lobbies or PACs are raising a vital issue—but at the risk of oversimplifying the problem.

Campaign finance reform must have the following pieces to be effective: It must further restrict contributions not only from PACs but also from individuals. It must limit total campaign spending. And it must make it possible for average working people to run for office.

To do all of these will require some public financing of campaigns. Banning PAC contributions alone will simply make it easier for the wealthy to dominate elections.

Two candidates made that point last week. Republican 2nd District candidate Ted de Winter, who has raised only $1,000 and dislikes fund-raising, said to us: "Anyone who sends you $1,000 or $500 is a special interest. They expect you to be at the end of the phone when you call."

As a corporation, Cabletron cannot make campaign contributions. But the company's executives and their spouses gave $18,000 to 1st District Rep. Bill Zeliff's campaign—nearly twice what a PAC can give a candidate. As individuals, they may agree with Zeliff's politics and think he is a swell congressman. But in writing their checks out the same day, they sent a subtle reminder of the importance of Cabletron and the need to keep its interests in mind.

Franklin Mayor Brenda Elias put a wet blanket on an anti-PAC press conference sponsored by Common Cause when she defended the acceptance of PAC money, which she said enables people who aren't rich to run for office. She and others point out that PACs are citizen groups as well as business lobbies and offer a way for average citizens with like opinions to influence a candidate in the most effective way—as a group.

There is no question that PACs have too much power over congressional elections and probably over the candidates once they are elected. In Concord and Washington, money buys influence, whether it's the health insurance lobby, the trial lawyers or defense contractors.

Mostly, however, PACs play the odds and go with incumbents, even those who may disagree with them. They give on average 10 times as much to them as to challengers. That's one reason it's so hard to get rid of incumbents.

Take Zeliff and Swett, both freshman congressmen, one Republican, one Democrat, neither of whom has set the Washington world on fire. Both are awash in PAC money—several hundred thousand dollars each—from Teamsters and Federal Express for Swett to Realtors and health insurers for Zeliff, mostly from out of state. As of last spring, Swett was 23rd of all 435 representatives in PAC donations.

Because it is unconstitutional to prevent millionaires from spending what they want on themselves, campaign reform must be voluntary, using public subsidies as an inducement to spending and contribution limits. Besides limiting overall spending, any new system should:

Limit the percentage of PAC and individual contributions from out of state.

Mandate free or reduced-cost TV time, since television ads are most responsible for escalating costs.

Provide federal matching money for individual contributions up to only $250—maybe even less.

PACs have grown in influence since the post-Watergate reforms of the mid-1970s, when, by limiting the contributions of individuals to $2,000, Congress tipped the balance to PACs. They can give five times as much to federal candidates.

This is typical of campaign reforms: For every effort to curb one excess, powerful interests find two loopholes. Any new effort must be comprehensive, not piecemeal.

[From the Dallas Morning News, Jan. 2, 1991]

102ND CONGRESS—CAMPAIGN FINANCE REFORM MUST BE A PRIORITY

The 102nd Congress opens Thursday. One of its first orders of business must be campaign finance reform. As important as all the other issues of the nation are, this one cries out for immediate attention. Upon it rests the people's confidence in their government.

That confidence has waned considerably since the closing days of the 101st Congress. The 1990 congressional elections reaffirmed what many Americans had long known: Money has corrupted our system of representative democracy to its core. Despite the virulent anti-incumbent sentiment that marked the fall campaigns, the members of Congress seeking re-election virtually sailed back into office. Money has become such a factor in congressional races that it now can thwart the public will.

On the heels of that travesty came the Senate Ethics Committee's hearings of the Keating Five, during which the current system of campaign financing was put on trial—and found guilty. All five senators under investigation decried the system, saying it places lawmakers in the dangerous position of collecting contributions from people who also may enlist their aid in governmental matters. Without reform, special counsel Robert Bennett warned, Congress soon will be in "utter ruin."

The public's contempt for Congress, fueled by the '90 elections and the Keating Five scandal, brings enormous pressure on the 102nd to produce genuine reform. Specifically, the onus is on House Democrats. In the last Congress, the Senate broke a years-old impasse and approved a sweeping bill that could have ended the money chase and curbed the influence of special interests. But Democrats in the House defeated the effort by passing another bill that was so weak it was an insult to reform.

Real and comprehensive campaign finance reform must be a top priority in the new Congress. A meaningful bill should include: (1) voluntary caps on campaign spending, coupled with significant financial incentives for candidates who agree to abide by those limits, (2) dramatic reductions in the flow of political action committee contributions, and (3) an end to the system that allows both political parties to channel huge, and illegal, donations to presidential campaigns.

The leadership of House Speaker Tom Foley and Majority Leader Dick Gephardt will be tested more by this issue than any other. Will they do what is needed to restore the institution's integrity? Or will they let lawmakers continue their political prostitution?

[From the Danbury (CT) News-Times, May 16, 1992]

CAMPAIGN FINANCE VETO

When he vetoed landmark legislation that would have reformed campaign financing, George Bush said it was an "incumbent protection plan."

As an incumbent who by November will have received more than $200 million in public financing for his four national campaigns, the president probably knows more about incumbent protection than other people.

But his criticism of the landmark legislation, which passed Congress without a veto-proof majority, is disingenuous at best. It was not a perfect bill, but it was solid and innovative. It would have created a cleaner system that would limit spending in congressional elections, provide some public financing as an incentive to lower spending and end access to what is known as "sewer money," money that evades limits on contributions to individual candidates.

The president says he vetoed the legislation because of the public funding provision and because it didn't abolish all corporate and union political action committees, as he advocated. Political action committees have become a problem. But the Bush support for abolishing PACs is deceptive. The groups would simply have reorganized themselves under other umbrellas and the money would have continued to flow.

Perhaps it is expecting too much to ask the president to take a leadership position on campaign finance reform in the middle of a difficult election year, but surely even he can see how the current system undercuts confidence in public officials.

For example, the Republican Party recently collected $9 million at an event called "The President's Dinner." In the days leading up to it, one man filed a lawsuit against his employer saying he was dismissed after he refused to buy a ticket to the dinner. It got so messy that the president felt compelled to denounce such practices.

There also has been controversy over the involvement of executives mixed up in the savings and loan scandal in fund raising for the Bush campaign. It turns out that Lawrence Bathgate 2nd, a finance chairman for the Republican National Committee, is being pursued by federal regulators who want to recover more than $21 million in bank loans to Bathgate and his associates in connection with the largest bank failure in New Jersey history.

Three other Bush fund-raisers are defendants in a federal lawsuit as a result of their actions as directors of a failed financial institution.

Are these really the sort of people who should be linked to a president? The present system almost requires such associations. It is not too late for the president to seek a compromise on campaign finance reform this year. But it should be real reform, not window dressing.

[From the Daytona Beach News-Journal, Apr. 10, 1992]

FOR ALL THE TALK OF CHANGE, CAMPAIGN REFORM STILL IFFY

Everyone in government these days seems to have adopted the pose of the insurgent outsider. Even George Bush, who it should be recalled is president, has railed against professional politicians and "a failed status quo."

This climate would seem to be ideal for finally taking some of the big money out of political campaigns and enacting campaign finance reform. Unfortunately, that has not proved to be the case.

The president has made a proposal that would ban PAC contributions from PACs representing labor and business while leaving alone PACs of ideological groups. The idea of banning PACs always sounds good on the surface, but it is self-defeating to ban PACs while allowing big donors more influence by increasing their ability to funnel money to candidates through political parties and ideological PACs. Under the president's plan, about the only thing that would end would be labor's ability to contribute to candidates. Money which, not so coincidentally, goes primarily to Democrats.

The president's commitment to campaign finance reform is about as believable as his pose as an outsider seeking change.

There are some real campaign finance proposals in Congress, plans which the president has threatened to veto.

These plans would create spending limits and contribution limits but would involve public financing.

Public financing is a necessary part of any meaningful campaign financing reform. Because the Supreme Court has ruled campaign giving is an issue of free speech, it is difficult to ban PACs or limit campaign spending without violating the Constitution.

Public financing crates an inducement to abide by the limits. This way of limiting the influence of the big special-interest donors would be allowable under law.

Sadly, the threat of a veto and the unwillingness of the national parties to harm their flow of dollars continue to stymie meaningful campaign reform.

More than angry attacks on perks and calls for term limitations, campaign finance reform would restore accountability to our political system. The sincerity of any candidate who claims to be for change and against the special interests should be the degree to which he or she embraces this needed reform.

[From the Denton (TX) Record-Chronicle, Feb. 14, 1991]

FIGHT CORRUPTION BY FIGHTING AGAINST SPECIAL INTEREST PAC'S

The campaign to stem the flood of special-interest political money that is corrupting the United States Congress is still underway.

It threatens our representative form of government, but in this new session of Congress there are those who believe we are within striking distance of enacting historic reforms that will clean up the scandalous way congressional campaigns are financed.

We can look back just a short period of time to the 1990 elections for a demonstration of the need for fundamental campaign reform. This was one of those continuations of corrupting activities when a tide of money, swelled by special-interest political action committee (PAC) contributions, flowed overwhelmingly to incumbents, succeeding in the minds of many to corrupt the Congress.

For your review:

Special-interest PACs gave House and Senate incumbents $105 million for their 1990 campaigns, nine times the $11.8 million given to challengers by PACs.

Successful candidates for the U.S. Senate in 1990 raised, on average, nearly $4 million each. That means that to win a Senate seat a candidate had to raise an average of $12,000 a week for six years.

It is not difficult, then, to believe, along with some astute students of the nation's politics, that contributions have built a wall of political money around the incumbents that makes them nearly invincible.

There are those who point a finger at the savings and loan scandal "as a classic example of congressional elections being bought and paid for by special interests who are interested in re-electing incumbents and buying influence with them in Congress." When it comes to the S&L crisis and highflying influence money, "the Keating Five" scandal is the ultimate smoking gun.

The Washington Post has said that the present congressional campaign financing system "is fundamentally corrupt. Every citizen knows that. So does every legislator."

West Virginia's Charleston Gazette has warned: "Disguised bribery has grown like a cancer in Congress, corrupting the lawmaking process, making 'bag men' of most senators and representatives."

The Dallas Times Herald said: "The power of the PAC money threatens increasingly to turn members of Congress into legalized political prostitutes."

So, let's listen to our collective conscience and the echoes of the world around us and not let lawmakers off the hook this session of Congress. We can join the non-profit Common Cause organization in Washington with some vocal reasoning: "It's time to say 'NO' to PACs and the special interest money. 'NO' to unlimited campaign spending. 'NO' to unfair elections."

We agree that to take the "FOR SALE" sign off Congress, comprehensive reform legislation must be enacted to:

Dramatically reduce the role of PACs and other special interest money in congressional elections.

Place limits on overall campaign spending and on the use of personal wealth, while providing alternative clean campaign resources, such as public funding and free TV time.

As things stand now, the system is rigged. It's an insult to all of us as voters. It threatens our ability to obtain fair and honest representation in Washington.

We can't hang on to a corrupt system and continue to call ourselves democratic.

[From the Des Moines Register, Mar. 5, 1989]

DREADING THE SENATE RACE

The prospect of a U.S. Senate race in Iowa between Tom Harkin and Tom Tauke should be a happy one. Both men rank among the most able in their parties.

Why, then, does the thought of the contest arouse a certain dread?

Because the political pros are talking of the candidates raising and spending between $4 million and $6 million each. Iowa could have its first $6-million senator—an appalling thought.

The election is still nearly two years away, and already the two are scouring the country for handouts from special-interest groups—Harkin as the incumbent amassing a bankroll and Tauke as the prospective challenger testing to see if he has enough support to run. (That means whether he can raise enough money.)

From the manner in which Senate campaigns are financed these days, it is a legitimate question to ask whom the eventual winner will end up working for—the public or the special-interest lobbies that put up the cash. More troubling still is the realization of what the majority of the boodle will be spent on—television advertising.

If the past is any guide, those ads will be short on substance, long on manipulation and they'll probably be negative smears. The public will watch the candidates grub for money from the special interests, then spend that money on ads that demean the democratic process.

The only way to stop it is for public money to be provided the candidates. As a condition of receiving the money, candidates should be required to forego special-interest money and required to show themselves and speak in person in their television ads instead of using professional announcers and image-making scenery.

[From the Detroit Free Press, May 10, 1992]

REFORM AGENDA—CLEAN UP CAMPAIGN MONEY SEWER DESPITE BUSH

If the imperial excesses of President George Bush's $9-million fund-raising banquet for the Republican Party can't finally persuade Americans of the need for thorough campaign finance reform, it's hard to know what will.

As long as voters preoccupy themselves with such diversions as term-limitation schemes rather than attack the corruption of legalized bribery at its source, big-money dominance of politics in Washington—and, for that matter, in Lansing—will continue.

Mr. Bush's recent Washington fund-raiser was the greatest triumph yet of "soft money" (or, more accurately, "sewer money"—special-interest payoffs funneled through state political parties to evade legal restrictions on individual and corporate contributions to federal candidates. Tastefully, signs that named the president were removed from the banquet hall.

One enterprising, if obscure, Los Angeles fat cat anted ±up $400,000 to attend the "Presiden't Dinner." It seems reasonable to assume he expected more of a return on that investment than a seat at the head table. It is equally reasonable to assume that the White House access—and influence—he has bought are unavailable to the rest of us.

A cochairman of the dinner is a convicted felon who reportedly seeks a presidential pardon, and whose relationship with a bank * * * subject for federal investigation. He has been sued for allegedly forcing his employees to contribute to the fund-raiser.

Democrats as well as Republicans have long played happily in the soft money sewer. But a bill passed by the Democratic majority Congress would start to close that sewer, impose reasonable spending curbs on congressional campaigns, and regulate and limit donations by special-interest political action committees and lobbyists.

It also would enhance the importance of small home-state contributions and make campaign mailings and television advertising more affordable to candidates. These provisions would give challengers a better chance to unseat entrenched incumbents, and give individual voters a louder voice among elected officials to whom powerful lobbies already enjoy ready access.

President Bush vetoed the measure Saturday because it would provide public matching funds for congressional campaigns. Presidential candidates, including Mr. Bush, already collect such tax subsidies. But, the president might reason, who needs public money when so much private money is bountifully available?

Term-limitation plans, such as a proposal that will appear on Michigan's November ballot, have superficial appeal to voters-disgusted with and alienated from a political system that excludes them. But until government no longer is for sale to the highest bidder, the influence-peddling will continue.

Congress should override Mr. Bush's veto. And Gov. John Engler and state lawmakers need to get serious about similar reform in Lansing; if they don't voters must do the job for them. New measures proposed by state House Republicans offer a dozen useful proposals.

Real campaign finance reform—not arbitrary and counterproductive term limitation—will clean up American politics.

[From the Easton (PA) Express, Mar. 11, 1991]

ELECTION FINANCING REFORM LIKELY—CONGRESS WANTS TO CUT SPECIAL INTEREST MONEY

Once again, Congress is trying to show it's serious about cleaning up its campaign financing morass. The influence peddling in the Keating Five scandal, coupled with the taxpayer's $2 billion buyout of the Lincoln S&L, should be adequate imperative to scour the trough of special-interest election money.

Both houses failed on this issue last year, but there is new hope this year. Bills introduced in the Senate and House would throttle the flow of money from political action committees and make individual citizens the most important financial backers of campaigns.

Here's how the proposed reforms would work: Campaign spending limits would be voluntary; a senator or congressman could still ignore common sense and try to wage a mega-buck campaign, but there's an incentive not to—public financing.

The voluntary limits would be $550,000 per election year for House members and candidates, and from $950,000 to $5.5 million for Senate races, based on the voting-age population of the state. Those who agree to the limits would qualify for vouchers—essentially credits for campaign advertising—of up to 50 percent of their spending limits. These credits would be paid for by taxpayers checking off a few dollars on the IRS forms, an option that would be increased from $1 (now just for funding presidential campaigns) to $3.

But the more significant change is a restriction on PAC money. All candidates, whether they obey the spending limits or not, would be limited to 20 percent of the limit in PAC contributions. Thus, a House incumbent or challenger can't take more than $110,000 in PAC contributions (20 percent of the $550,000 ceiling). Equally important, the maximum PAC donation would be $1,000 per candidate per election, down from the current $5,000.

Also, to encourage individual contributions, taxpayers would be able to deduct up to $100 in in-state campaign contributions from federal income tax.

Actually, the Senate bill is bolder—it proposes to ban PAC contributions outright, but contains a "fall-back" clause allowing for 20 percent of the spending limit in case the Supreme Court overrules a total ban on PAC money, which some lawmakers think would be likely.

The House bill contains a measure the Senate bill needs: Only 10 percent of the excess campaign money raised could be carried over into another election cycle. Both bills also seek to close a "soft money" loophole—donations that circumvent the existing limits by going through party committees, which can be used indirectly to help individual candidates.

Is this a serious reform effort? For once, it is. If nothing else, it discourages shopping-spree campaigns and deals with the perverting influence of PAC money. A half-million-dollar budget for congressmen and up to $5.5 million for big-state senators may seem exorbitant to some, but it's unrealistic to think that the incumbents in the House and Senate are going to bend over entirely to help challengers. At least the current legislation, if not watered down by the time it comes to a vote, would go a long way toward leveling the playing field.

[From the El Paso Times; May 14, 1992]

CAMPAIGN REFORM DIES AGAIN

Everybody talks about the need to reform campaign financing, but—as with so many national problem—the solutions get trapped in Washington's partisan gridlock.

As expected, President Bush vetoed a Democratic campaign reform package Saturday.

His said he couldn't accept legislation "that contains spending limits or public subsidies * * * or fails to eliminate special interest PACs."

Strange words coming from Bush, who has benefitted more from public money and spending limits in four presidential elections than other candidate in the nation's history.

By year's end, he will have received about $200 million in public campaign funds in his career.

Why did he veto a bill that would have placed congressional elections under the same rules that have so benefitted him at the presidential level?

Politics, of course.

Bush and the GOP hope that by eliminating political action committees while allowing large individual contributions to campaigns, challengers can break the Democratic hold on Congress.

Democrats traditionally have relied on PAC contributions to counter what Republicans get from wealthy individuals.

Just last month, Bush raised $9 million at the biggest political fund-raiser in history. More than 4,000 people paid $1,500 to $400,000 each to help the president's re-election effort and his party.

The system is rotten and needs to be changed. Democrats know it; so do Republicans. The president and Congress know it.

They know the present system contributes to the corrupting influence of special interest groups and individuals. They know it perpetuates the advantages of incumbents over challengers.

Approval of the spending limits and public financing would have partially eliminated those inequities and would have been a start.

Despite all of Bush's pronouncements to the contrary, his veto perpetuates a system that he himself has deplored.

[From the Eugene (OR) Register-Guard, May 4, 1992]

DON'T VETO REFORM BILL

It was mere coincidence that Congress passed a sweeping campaign finance reform bill only two days after President Bush was the star attraction at a black-tie Republican dinner that brought in $8 million for the party and its candidates.

The coincidence was underscored by the fact that the president—for reasons both wrongheaded and hypocritical—has vowed to veto the campaign reform measure. He opposes provisions in the bill that would provide partial public funding of congressional campaigns for candidates who voluntarily agree to predetermined spending limits.

Bush's opposition is wrongheaded because money is corrupting the political process and feeding public cynicism about politics and politicians. Although admittedly imperfect, the campaign reform bill is the best opportunity yet to bring campaign spending under control, reduce the influence of special interest money and allow challengers to compete with incumbents on a relatively even playing field.

The president's opposition is hypocritical because he has received nearly $200 million in public funds for his several campaigns for both the vice presidency and the presidency. The amount of money Bush has received from the Treasury is the most any single person has obtained since public funding for presidential campaigns was instituted in the mid-1970s.

As columnist David Broder, among others, has noted, the amount of campaign cash raised from individual contributors has shrunk, while the amount raised from special interest political action committees has risen. Because most PAC money goes to incumbents, this trend not only strengthens the link—already too cozy—between PACs and officeholders, it increases the many advantages of incumbency.

The president can benefit himself, the Congress and the American political process by signing the campaign reform bill. He should do so.

[From the Everett (WA) Herald, Apr. 24, 1992]

CAMPAIGN FINANCING NEEDS REFORM, LIMITS

George Bush has said he's committed to repairing the nation's broken-down political system. But the proof lies with his presidential pen. And it is poised to scrawl a veto message on the only comprehensive, meaningful fix to come along in the 20 years since the Watergate scandal.

The fix, a congressional campaign finance reform bill known as S.3, most importantly would limit campaign spending in House and Senate races. It would provide some public campaign resources for congressional candidates, such as presidential contenders already enjoy. It would establish new restrictions on special-interest political action committee (PAC) contributions. And it would end the so-called "soft-money" abuses that have brought huge influence-buying contributions back to the White House. Recall the recent news about President Bush's multi-million dollar "Team 100" supporters. No wonder he—and they—don't like S.3.

But voters should like it. And if they are serious about wanting political campaigns to revolve more around issues and less around dollars, they should write or phone the White House to encourage President Bush's support of the campaign finance reform bill.

The landmark legislation already has cleared a House-Senate conference committee and has passed the full House in a 259-165 vote. Approval also seems assured in the Senate. Indeed campaign reform is likely to be the top priority for senators returning to Washington next week after time at home among plenty of angry, frustrated constituents.

And those constituents of senators also are constituents of the president a fact surely not lost on either the electorate or Mr. Bush.

S.3 is not perfect. But it is the closest Congress has come to enacting real and fundamental campaign reforms since the Watergate scandal. Even in this current climate of voter unrest, common political ground has been hard to find. Though the plan has substantial bipartisan support in Congress, neither chamber seems capable of amassing the two-thirds supermajority needed to override a Bush veto which is why it's important to change the president's mind on the matter.

Mr. Bush has threatened to veto S.3 for several reasons, none of them credible.

The president objects to spending limits, on the grounds that they would stifle challengers' abilities to outspend incumbents. But in fact incumbents routinely raise and spend much more money than challengers. Spending limits simply would make campaigns more equitable. S.3 would establish generous voluntary limits of $600,000 for each House candidate and population-based limits of between $1.5 million and $8.25 million for each Senate candidate. Candidates who abide by the limits would be eligible for some public resources.

The president also does not favor public financing of elections. Yet, by November 1992 he will have benefited from the use of more than $200 million in public funds to run president and vice president, according to Common Cause, a citizen lobby group.

And, given the massive political wealth Mr. Bush has reaped from his "Team 100" contributions, it's no wonder he opposes S.3 specific ban of the corrupt soft-money process. Nonetheless, it's wrong. Perhaps voters can help him realize it.

If President Bush wants to help clean up Congress, as he claims, then he ought to help Congress clean up the money-grubbling election process. S.3 deserves a presidential seal of approval, not a presidential veto.

[From the Fort Lauderdale Sun-Sentinel, Apr. 7, 1992]

FLAWED BILL RATES HIGH PRIORITY TO REFORM CAMPAIGN FINANCE MESS

Congress has never been as close to bringing down the gavel on the Great American Election Auction as it is now, but the most important potential buyer remains unsold.

A major campaign-finance reform bill has cleared a House-Senate conference committee and could be debated on the floor of the House of Representatives this week. The Senate is not expected to take up the proposal until after the Easter recess.

Supported by Senate majority leader George Mitchell, D-Maine, and House Speaker Tom Foley, D-Wash., the bill would place new restrictions on campaign spending, apply limits to contributions by political action committees and extend public financing to congressional campaigns.

Unfortunately, the bill contains numerous loopholes. For example, House candidates still would be allowed to spend from $600,000 to $750,000 and Senate candidates from $2 million to $10 million—depending on the state's population.

Despite its shortcomings, the bill has a chance of passage. But it will never become law because President Bush has promised to veto any measure containing spending limits and partial public financing.

There is more than a little hypocrisy in Bush's position, because he is the all-time leader in accepting public money to underwrite his vice presidential and presidential campaigns. At some point this year, he will top the $200-million mark.

Taxpayers should take that into account when Bush piously talks about "leveling the playing field for challengers."

Several provisions make the bill worth fighting for. Limiting PAC contributions to 20 percent of Senate campaigns and 33 percent of House campaigns is a step in the right direction. Equally important is the limitation on "soft-money" contributions that now find their way into federal campaigns after being funneled into state organizations as a means of evading federal ceilings.

The compromise bill is at least a meaningful attempt to address the problem of the money flood that now swamps the election process. Candidates spend far too much time begging for campaign funds. An excessive amount of this money comes from PACs, the special-interest groups whose profit-making initiatives seldom coincide with the best interests of the people. The system unfairly favors incumbents, whose seniority and ability to grant "access" make them much more attractive to major contributors than challengers.

A growing, but not yet veto-proof, majority in Congress recognizes the urgency of these changes. Both houses should pass this bill and call Bush's bluff by forcing him to rationalize his veto on the record.

[From the Fort Worth Star-Telegram; Apr. 12, 1992]

POLITICS CLOUD REFORM BILL'S PROSPECTS

The hardest reform is self-reform, and Washington, D.C., is living proof.

Another stab at congressional campaign finance reform—perhaps the single most vital issue facing America's system of government—is going down in flames.

The House has passed the House-Senate compromise bill which is founded on public financing—but without providing any money for it—and is further flawed by allowing everyone to protect his or her own favorite source of campaign funds—PACs, for instance.

Even so, it is a major effort. Unfortunately, it is snarled in the same unreasoning partisanship that has made the federal government largely inoperative this year. Everything is Democrat vs. Republican.

The bill will be vetoed.

Saddest of all is President Bush's reasoning as he prepares his veto.

He is opposed to any legislation that even proposes a little bit of public financing of congressional campaigns—even when that is the only way to eliminate the crass cynicism of special interest control of our national legislature.

Bush knows better, but he seems to have his feet and his brain set in concrete this election year.

[From the Fresno Bee, July 7, 1989]

TOO LITTLE REFORM

President Bush deserves credit for stepping into the campaign reform fray at all. If anything positive is to come out of the current ethics crisis in Congress the president's leadership will be essential. Unfortunately, the Bush reform package falls badly short of what is needed.

At the heart of the proposal is what amounts to a ban on political action committees controlled by corporations, unions and trade associations. Such groups contributed roughly half of all the campaign funds raised during last year's federal elections and represent an increasingly powerful force in national politics.

But because there is nothing to prevent such groups from re-forming themselves in a somewhat different guise. It would be easy, for example, for the PAC controlled by corporation X to reappear as a "free trade" PAC. It's hard to see how the plan will greatly weaken the influence of their union and industry sponsors. In fact, it might make matters worse by encouraging dissimulation and thus weakening the effectiveness of disclosure laws.

The president does advance worthwhile proposals aimed at lessening the huge advantage of incumbents over challengers. Unlimited franking—by which members of Congress communicate through the mail to constituents free of charge—invites nonstop campaigning at public expense and should be restricted as the president suggests, although stopping the abuses without stifling legitimate communication may require a different solution than the one Bush outlined. Similarly, the president's proposed ban on retaining leftover campaign funds for use in future elections should help unlock the incumbent stranglehold on Congress.

Democrats complain that the measures Bush proposes are blatantly partisan, and while those complaints are not an adequate reason to reject any particular element, the charge is probably true.

Almost everything Bush proposes helps Republicans and hurts Democrats. There is no limit on the amount of money a candidate may spend—perhaps the single most important element of any real reform—and no call for public financing, without which no such limit can be constitutionally imposed.

Nor does the president propose any ban on so-called "soft money"—funds that are raised by independent groups working in behalf of candidates. Millions of dollars of soft money were used by Republicans to evade campaign spending limits in the presidential election last year, and nothing in the Bush proposal prevents that from happening again.

All of that makes Bush package both unfair and unrealistic. Nothing as one-sided has a chance of enactment in a Democratic Congress. If the president is sincere in wanting, as he puts it, "to free our electoral system from the grip of special interest" he will have to offer a great deal more.

[From the Gainesville Sun, Apr. 8, 1992]

THE BEST POLITICAL JOB

The public's anger over congressional check kiting notwithstanding, being a member of Congress is still the best political job in America.

The pay is excellent. The pension is world class. You get a huge staff to do your bidding, and there is very little personal accountability involved. (After all, in a House of 435 members, who can hold one representative responsible for anything?)

Oh yes, and then there is the best thing of all about the job: Perfect strangers come around by the dozens to hand you checks upon checks (none of which bounce, by the way), which can soon add up to hundreds of thousands of dollars—just because you are a member of Congress.

And of course, they don't expect anything in return. They just want you, Mr. or Ms. Congressman, to be you.

Case in point: According to Common Cause, nearly 400 House members who are seeking reelection this year collected more than $69 million in campaign contributions in 1991. Of that total, $33 million, almost half, came from political action committees.

Even considering the angry mood of the American voters, that kind of money will provide a lot of incumbent protection.

"The most scandalous perk in Congress today is the campaign finance system, which has protected incumbents with a wall of special-interest influence money," says Common Cause President Fred Wertheimer. "The current campaign finance system undermines Congress' integrity and the right to fair, competitive elections."

Among other things, Common Cause points out that 219 incumbent representatives have raised at least half of their 1991 campaign funds from special interest PACs, as opposed to, say, individual donations from the folks back in the districts.

For instance, Pete Peterson, the freshman Democrat from the Florida Panhandle, has collected more than $100,000, or 78 percent of his total campaign funds, from PACs, according to Common Cause.

Stung by scandals like the Keating Five affair and defensive over the increasing anti-incumbent mood among the body politic, members of Congress have been promising to reform their rotten campaign finance system for years now. And as it happens, legislation is currently making its way through Congress that would at least begin to limit the corrupting influence of big money donations on the people's Congress.

There's just one problem: The legislation hasn't a chance of becoming law.

The campaign finance reform bill that has emerged from a House and Senate conference would establish for the first time voluntary campaign spending limits in return for public financing of congressional campaigns. It would outlaw "soft money" contributions, which are donations that are essentially laundered through the political parties in order to duck federal reporting requirements. And it would, for the first time, limit the amount of PAC money that a congressional candidate can accept.

"The legislation is not perfect—no bill ever is," Wetheimer observes. "But it constitutes real and fundamental reform. This is the most important anti-corruption reform legislation passed since the Watergate years."

The campaign finance reform bill may clear Congress as early as this week. But President Bush has already promised to veto it because he objects to the public financing provisions of the bill.

That's a fine objection coming from Bush, who will have by the end of this election cycle received more public financing than any other candidate in the history of the Republic. By the end of 1992, Bush will have collected more than $200 million in public funds for his various races for president and vice president.

The truth is, neither the Democrats nor the Republicans have been particularly eager to turn off, or even slow down, the flood of special interest money that keeps incumbents in office. If they are unable to reform the campaign finance system during a year when Americans seem more disgusted than usual with Congress, it's doubtful that they ever will.

Special interest money has paralyzed Congress and insulated its members from the people who elected them. It's time to strip away that insulation, in the public interest.

[From the Grand Forks (ND) Herald, July 8, 1989]

LET'S CLEAN UP THE CONGRESSIONAL MESS: REFORM THE REFORMS

(By Tim Fought)

A generation ago, in the mid-1970's, the Congress undertook to reform campaign laws. This was after the Watergate scandals.

The reforms didn't work as well as the reformers hoped. The evidence is that one of the main "reforms" were the political action committees, or PACs, whose money has distorted American politics and government.

Now the cry has arisen again for campaign reform, this time touched off by scandal in the legislative branch.

The liberal lobby group Common Cause has proposed four sensible principles for campaign reform. The principles hang together. Only reform that reflects all of them has a chance not to become the next generation's scandals.

Reduce PAC contributions.

In its least pernicious form, the PAC system allows special interest groups to gain access to candidates in exchange for campaign contributions. In the Congress, getting the ear of a member is a small edge. Of such small advantages are great legislative victories won—often at the expense of the general welfare.

At its worst, the PAC system is a rather straightforward way of buying votes.

PAC contributions should be limited, if not abolished. The current $5,000 limit for each election could be cut to $1,000 or $500, and the republic would be lots better off.

Limit spending.

It takes too much money to run for the Congress, and not enough of it gets to challengers.

Overall, according to Common Cause's accounting, incumbents in the 1988 House races raised more than $200 million while challengers raised $36 million—an advantage of 6 to 1.

Money isn't everything in political campaigns, but it's a lot. Clearly, in the aggregate, incumbents will win most of the races if they have most of the money.

The reform can be close to simple with regard to spending limits: Allow congressional campaigns to spend only so much per voting-age resident of their states. A side benefit would be to reduce the advantages enjoyed by millionaire candidates.

Provide alternative financing for campaigns.

Mainly, this means public financing for campaigns. Federal funds would be used to match private contributions.

That's not a popular proposal, according to the public opinion polls, but public finance is the only way to fill the gap between what the special interests now provide and the expense of modern political campaigns. The alternative to some form of public finance is continued private corruption.

Enact tougher laws against "soft" political contributions.

"Soft" money is raised by presidential campaigns through proxies—such as a state party committee. Such money is largely uncontrolled, and in some states the raising and spending of "soft" money was a popular dodge in the 1988 presidential elections.

Curbing PACs, and limiting spending will create great opportunities for "soft" money in congressional campaigns.

It will have to be outlawed.

There are other abuses of campaign cash that ought to be addressed. limiting or abolishing free mail for members of the Congress is one. Another is repealing the law that allows members of the Congress to pile up big campaign treasures—and then retire and turn the political contributions into personal wealth.

But the main thing is to reduce the volume of money flowing into political campaigns and thus the influence that the money has on the work of the Congress

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[From the Green Valley (AZ) News & Sun, July 14, 1990]

LIMITING PAC'S IS START

When 98 percent of House incumbents are returned to office, when a candidate for the House must spend nearly $400,000 and for the Senate nearly $4 million, when special-interest political action committees provide the lion's share of campaign funding, then something obviously is wrong.

Our system of choosing our representatives has gone badly off track.

President Bush, to his credit, has acknowledged the problem and recently proposed remedies.

The president's campaign reform package by itself isn't going to solve the campaign-finance scandal, but as a starting point it's welcome.

What's needed in the coming weeks is bipartisan negotiation toward ending Congress serious addiction to special-interest influence money.

Bush offered an 11-point package, including a proposal that Congress limit its chief source of outside income, honoraria. Members of Congress took in more than $9 million in speaking fees last year—that averages out to more than $15,000 per member. The groups that pay these fees understand they are getting more for their money than just a speech.

In return for an honoraria ban, the president promised to endorse a 25 percent pay raise for Congress, federal judges and some surgeons and scientists in the executive branch. Both the ban and the increase are worthy proposals.

Much more controversial is the president's proposal to ban contributions by PACs supported by corporations, unions or trade associations.

PACs. special-interest money conduits, contributed approximately 50 percent of the money spent on congressional campaigns last year. That amounted to more than $170 million.

In the past six years. PACs have invested more than $400 million in government decision-making. PAC donors, without question, see these contributions as investments.

If Bush really wants to help Congress reclaim its integrity, he will push for overall limits on campaign spending.

And, he will work with Congress to forge a public-financing plan for campaigns, a plan that is both politically and constitutionally accepted.

Comprehensive reform would go a long way toward calming that crisis.

[From the Greensboro (NC) News and Record, May 9, 1992]

THIS IS THE CHANCE FOR CAMPAIGN REFORM

With unprecedented numbers leaving Congress, the country has its best shot in 20 years at campaign finance reform. Public financing is truly a more economical system in the long run. If President Bush vetoes the legislation, Congress should override it.

Congress sent President Bush a sweeping campaign finance reform bill Thursday that could do much to clean up politics. But a presidential veto is all but certain. Bush is not going to support closing loopholes in limits on presidential campaign financing when he has long benefited from money flowing through them.

The focus should be on Congress. While the Congressional Campaign Spending and Election Reform Act of 1992 didn't pass with enough votes to override a veto, an override is still possible.

This is not a typical election year. Many congressmen either have decided not to stand for reelection or else have lost in primaries. That leaves many free agents in Congress, lame ducks unencumbered by fund-raising worries.

Campaign finance reform has gotten nowhere in 20 years, primarily because the parties have split on the issue. Democrats generally have favored spending limits and supported public financing. Republicans have not.

However, times are changing. With the bulk of special-interest money flow to incumbents, some in the Republican minority see limits on campaign contributions working to their advantage. Indeed, some retired Republican congressmen and current Republican congressional challengers have banded together to lobby for campaign finance reform.

The reform bill has problems. Among the biggest is that it authorizes public funding for House and Senate candidates but doesn't provide for any. Additional legislation would have to be passed.

Still, the bill is a good one. Besides banning "soft-money" contributions (indirect, funneled through party organs) to presidential and other federal candidates, it sets spending limits for both House and Senate races. It also sets limits both on the amount political action committees can give to a candidate as well as on the amount of PAC money each candidate can collect.

Some may cringe at the idea of financing congressional elections with tax money. They may think no harm comes from PACS and wealthy individuals underwriting campaigns. But that's not true. The public pays, one way or another.

Without change, both Congress and the president will continue to spend an inordinate time fund-raising for congressional races. It also means they will continue to shape policy in response to the short-sighted interests of big check writers instead of voting for what's in the best long-term interest of the country. As the S&L debacle showed, pleasing special-interests can end up costing taxpayers billions.

Campaign finance reform and public financing aren't extravagances. They are sound investments in good government. If the president can't see that, maybe a lame-duck Congress can.

[From the Hackensack Record, Jan. 7, 1991]

MONEY TALKS IN CONGRESS

Campaign finance reform should have top priority in the new session of Congress. The flow of money from favor-seeking donors to incumbents pollutes the political process. Even lackluster members of Congress are hard to defeat, partly because of their fund-raising edge. And voters aren't stupid. They know something's wrong with a system that allows big-money donors to buy "access" not available to the rest of us.

Last November's congressional election provided sickening new examples of moral bankruptcy. PACs. the money-giving arms of labor unions, large corporations, and other interest groups, contributed $24.5 million to incumbent senators, and only $6.2 million to challengers. Figures for House races were even more telling. Many PACs care more about winning favor with a winner than about voting records, so they freeze out even the ablest and brightest challengers. The more money an incumbent rakes in from PACs and other donors, of course, the greater the odds of victory. The losers are the voters, who are deprived of a meaningful choice between two viable candidates.

Congressional leaders promise reform of campaign financing. They have been doing that for years. But they never deliver. Last year, Sen. Majority Leader George J. Mitchell, D-Maine, issued this lofty pronouncement: "I'm convinced beyond a shadow of doubt that we're going to pass a meaningful campaign reform law in the near future." Yet the last session of Congress—like the session before it—adjourned with no action.

The remedies are clear. Candidates for office must agree to limit what they spend in campaigns. Court decisions have made clear that candidates can't be forced to accept a spending limit. They must do so voluntarily, if at all, since courts have held that expenditures for ads, brochures, and other items are a constitutionally protected form of free speech. One way to encourage candidates to accept spending limits would be to offer something in return. Congress should consider offering partial public campaign financing for candidates who agree to limit spending. In addition, contributions from individual PACs should be limited.

Opponents of public spending argue that spending limits would make it impossible for a challenger to spend enough money to oust an incumbent. But that argument defies logic. Challengers are free to spend as much as they like under the present system, but they seldom succeed in raising enough funds because they're viewed as certain losers. Other critics charge that changes in the law will simply lead to unforeseen new abuses. Yet the experience with presidential elections, and with New Jersey gubernatorial elections, suggests that a mix of spending limits and partial public financing works well and draws little opposition.

The real opposition to change comes from Democrats whose control of Congress is tightened by present fund-raising practices. Republicans, when they offer alternatives, focus on ideas they think would help the GOP, rather than serious reform. Both sides should knock it off, and work together to devise a respectable way to finance campaigns. The present system is shameful. That seems to be obvious to almost everyone but members of Congress themselves.

[From the Hartford Courant, Apr. 18, 1992]

A CLEANUP OF CAMPAIGN FINANCING

The campaign-spending measure passed by the U.S. House of Representatives doesn't go far enough, but it represents the most comprehensive reform in nearly 20 years. It would help to reduce the influence of special-interest money on elections. Now the Senate should pass it.

Unfortunately, President Bush's veto threat probably means there will be no political reform. Mr. Bush has yet to be overridden by Congress on any veto.

Reform-minded members of Congress—including Rep. Sam Gejdenson of Connecticut, who was the major force behind changes on the House side—deserve credit nonetheless. Until now, Congress has refused to change a system that generously rewarded incumbents. Political action committees rarely pump a lot of money in the campaigns of challengers.

Here's what the bill would do:

Establish voluntary spending limits of $600,000 for House races per election cycle and a sliding scale for Senate races depending on the size of the state. House and Senate candidates would get public funds if they agreed to a voluntary spending limits. This would help challengers.

The public resources would be in the form of vouchers for free or discounted television time for Senate candidates, substantial postage discounts for candidates for both chambers and matching payments for small contributions from individuals to House candidates.

Ban so-called soft money contributions that have been laundered through political parties in support of presidential campaigns.

Limit PAC contributions to no more than 20 percent of the Senate campaign spending limit and no more than one-third of the House limit. The total of large individual contributions to House candidates would be similarly limited. These aggregate limits would be a first. In addition, the amount that a Senate candidate could accept from an individual PAC would be cut in half to $2,500.

The influence of special-interest money on government probably will never be eliminated but it can be limited substantially. These proposals would help in cleaning up government.

Mr. Bush promises a veto because he does not like spending limits and the use of public funds in congressional elections. His aversion to public financing of elections is ironic, considering that according to Common Cause, the president probably will have used a total of more than $200 million in public funds by the end of this year to run for president and vice president.

Mr. Bush has had a field day denouncing Congress as a broken institution in need of improvements. But on the question of campaign-financing reform, the president, not Congress prefers the cozy status quo.

[From the Hattiesburg (MS) American, Mar. 24, 1991]

CAMPAIGN FINANCE REFORM NECESSARY FOR FAIR ELECTIONS

Already, candidates are lining up for the 1992 elections. But how fair those elections will be is more likely to be decided within the next few weeks than on election day, 1992.

We had high hopes that the Senate Ethics Committee would live up to its name and dish out appropriate punishment to the Keating Five. When they disposed of four cases and recommended further action only in the case of Sen. Alan Cranston (D-CA), they only added to a growing wave of public disillusionment in our lawmakers.

The committee said they didn't find that the four had violated any laws. But it wasn't a criminal trial. The four were charged with unethical behavior. Should we believe that skirting laws and taking huge sums of special influence money is the right thing to do?

In the 1990 elections, the people expressed their anger at lawmakers in a nationwide call to "throw the rascals out." But the very situations that angered voters are the ones that make it all but impossible to get rid of incumbents. Until significant campaign financing reforms are passed, we'll see little change in the system.

Currently, laws limiting PAC and other campaign contributions have so many loopholes that wealthy individuals, industries, special interest groups and PACs are able to give to—and influence—our lawmakers at will.

Take it from Charles Keating, owner of the failed Lincoln Savings & Loan, whose hefty contributions tainted the Keating Five. When asked whether his contributions influenced their votes on his behalf, he said, "Let me say in the most forceful way that I can, I certainly hope so."

The answer to the problem, however, is not in limiting terms, but in cleaning up campaign financing to prevent future Keating-type scandals.

Campaign finance reform legislation passed the Senate in 1990 by a vote of 59-40 but died in a Senate-House conference committee. Mississippi Senators Thad Cochran and Trent Lott, also a member of the Senate Ethics Committee, voted against the reform.

Another comprehensive campaign reform package, S.3, the Senate Elections Ethics Act, is expected to reach the Senate floor for action in early April. The act would provide candidates who adhere to spending limits with clean campaign resources in the form of publicly-provided funding and vouchers to purchase TV time at 50 percent off. It would "abolish special-interest political action committees (PACs) and close off the ways Keating and other influence-seekers have exploited the system to funnel vast sums of political money to the nation's top elected officials," according to Common Cause.

Aside from the corrupting influence of such money, the current system is rigged to favor incumbents. Common Cause said that in the last three elections, "congressional incumbents received three times more in campaign funds than challengers did, or $862 million to $266 million. During the 1990 Senate elections alone, incumbents outspent challengers by $129 million to $47 million, a nearly 3-to-1 advantage, leading to the highest reelection rate for incumbents since 1960—only one incumbent was defeated."

The reforms would give challengers a fighting chance. They would help assure that our elected lawmakers represent us instead of the special interests. And they would help restore voters' faith in their elected officials.

The upcoming vote on S.3 will be a key test for Senators Lott and Cochran. A "yes" vote will show they want to adopt guidelines to abolish this corrupt system. A "no" vote will tell us they favor doing business as usual.

We hope you'll let them know how you feel. They can be contacted at: Sen. Thad Cochran, 326 Russell Senate Office Building, Washington, D.C. 20510; phone, (202) 224-5054; Sen. Trent Lott, 487 Russell Senate Office Building, Washington, D.C. 20510: phone (202) 224-6253.

[From the Huntington (WV) Herald-Dispatch, Nov. 25, 1989]

KEATING PROVES PROBLEM WITH PAC'S

It is too soon to tell whether the five senators involved in the Lincoln Savings and Loan scandal have been guilty of violating the law, Senate rules or accepted standards of political ethics.

But it is not too soon to draw one conclusion from this sorry episode: The system of financing American political campaigns stinks.

Whatever the culpability of the five senators, there can be no reasonable quarrel with the proposition that they wouldn't have pressured the bureaucracy on behalf of Charles Keating, the head of Lincoln, if he had not arranged to channel more than $1.3 million to the election campaigns and political action committees.

Up to this point, the explanation offered by the five senators has been the one legislators always use when accused of bringing unseemly influence to bear in behalf of a contributor—that is, that they were performing a service they would have performed for any constituent.

Sure—and anybody who believes that surely also believes in the tooth fairy.

Keating himself never made any bones about what he was doing. At a press conference after Lincoln was seized by federal regulators, he put it bluntly: "One question, among many others raised in recent weeks, had to do with whether my financial support in any way influenced several political figures to take up my cause. I want to say in the most forceful way I can: I certainly hope so."

The defenders of political action committees—the so-called PACs—always insist that contributors don't buy influence, only access with their money. The Keating case shows how ridiculous such assertions are.

There is a solution to this problem that has been on the table in Congress for more than a decade—public funding of Senate and House campaigns coupled with strict limits on private and PAC contributions. Opponents always argue that this would amount to passing an Incumbents Protection Act because it would vastly increase the natural advantage that incumbents already enjoy.

But it is hard to imagine an incumbent's advantage greater than the ability to be able to raise huge sums from a Charles Keating because they are willing to put the arm on federal regulators.

[From the Ithaca Journal, Apr. 7, 1992]

WILL BUSH STYMIE CAMPAIGN REFORM?

The public's anger over the House Bank has launched a frenzy of reform in Congress. Traditional perks are vanishing by the dozens. No longer will legislators enjoy "fixed" parking tickets, free medical care, and the cheap meals and haircuts that they'd come to regard as privileges of office.

The best news of all was last week's move by Democratic leaders toward the adoption of long-awaited campaign finance reforms. Perks look trivial in comparison with the excesses of campaign finance, which corrupt the election process and weaken democracy itself. Yet President Bush promptly said he'd slap a veto on the Democrats' proposal.

Bush should think again. The Democrats' plan has several strong features. It provides some degree of public financing, if House and Senate candidates agree to limit their campaign spending. A common abuse would be outlawed, in that donors have aided campaigns by giving huge sums to political parties, thus skirting the legal limits on the gifts to candidates. And the amount that candidates could accept from political action committees (PACs) would be capped, at 20 percent of campaign spending in the Senate, 33 percent in the House.

Bush sees this package as favoring incumbents, who too often for his taste are Democrats. Instead he'd abolish the corporate and union PACs, allow the parties to give more, not less, to candidates, and limit congressional terms to a total of 12 years.

Those positions are hypocritical as well as partisan. It's easy to see why Bush would allow party-laundered donations, since his last campaign netted more than $20 million this way. He opposes public financing of congressional campaigns, but requested and accepted huge chunks of public money himself: The total for his two presidential campaigns is expected to top $114 million.

But do spending limits put challengers at a disadvantage? Common Cause, which has lobbied for campaign reforms for years, believes the Democrat-proposed limits—$600,000 in the House, $1.5 million or more in the Senate—are generous enough to give challengers a fair chance against incumbents.

President Bush can kill the reform package with a stroke of his pen, since the Democrats are unlikely to muster the votes to override a veto. But that could end the chances of reform this year. That in turn would make Bush not the agent of "change," as he presents himself, but an agent of continuing corruption.

[From the Jackson (MS) Clarion-Ledger, Feb. 18, 1989]

PAC'S—FAT CATS' INFLUENCE MUST BE REINED IN

Common Cause is leading the fight to try to rein in the influence of big political action committees in Congress.

The citizen's action group is circulating a flier that presents a compelling argument. Citing the case of the failed Lincoln Savings and Loan Association, the most expensive failure in S&L history, Common Cause points to money given candidates by Charles H. Keating Jr.

Keating, Lincoln's principal owner, gave large contributions to the political campaigns of five U.S. senators, dubbed the "Keating Five." The senators in April 1987 intervened on Keating's behalf with government regulators who were examining alleged violations by Lincoln.

It took two years then for examiners to seize Lincoln—a delay that will cost taxpayers an estimated $1.3 billion.

Asked if his political contributions influenced political figures to take up his cause, he said, "I want to say in the most forceful way I can: I certainly hope so."

As another example, the 275,000-member group notes the lost rebates ratepayers lost on utility bills. It said more than a half-million dollars in PAC contributions from the utilities industry helped kill a measure that would have immediately returned to consumers $19 billion, or roughly $100 per family, which utilities had collected to pay for future taxes—which were no longer due.

Also noted is the increasing amount of cash handed candidates by PACs: from $55 million in 1980 ballooning to $148 million in 1988.

As a result, the organization urges citizens to write their representatives to support a comprehensive "Keating Five Campaign Reform Bill" to:

Limit campaign spending.

Slash the role of special-interest political money.

Provide alternative campaign funds.

Shut down the "soft money" system bringing huge fat cat contributions back into federal campaigns.

Representatives should represent the people, not the powerful few. Mississippians can call the U.S. Capitol to tell their views at (202) 225-3121, or write c/o U.S. House of Representatives, Washington, D.C. 20515.

[From the Janesville (WI) Gazette, Feb. 17, 1990]

HAVE POLITICIANS BOTTOMED OUT?

The American public should be wondering if our politicians have hit rock bottom yet.

In the past year, both the speaker of the House and the next-highest-ranking House Democrat resigned their seats amid a flurry of allegations of financial shenanigans.

More recently, a handful of U.S. senators have come under investigation after claims that they gave favorable treatment to a savings and loan executive who poured money into their campaign coffers.

Asked if his contributions influenced the politicians, the S&L executive, Charles Keating Jr., brashly responded: "I want to say in the most forceful way I can—I certainly hope so."

What have we come to? Government of the rich, by the rich and for the rich?

Money is the root cause of the problems that have caused many of our elected officials to lose touch with the voters who sent them to Washington.

Just look at the numbers: Average spending by Senate winners nearly doubled from 1982 to 1988, when it took an average of $3.7 million to win a seat. That works out to more than $12,000 a week for every week of a six-year Senate term.

Now, after years of resistance, Congress appears poised to consider meaningful reform of finance laws. Could it be that the public perception of politicians has sunk so low that our lawmakers finally feel compelled to act?

Common Cause, a Washington-based group that has hammered for years on the need for reform, has offered a no-nonsense plan that it is urging Congress to adopt.

Some parts of the plan may seem radical to members of Congress who are used to the perks of incumbency that virtually assure their re-election. That is precisely the reason why Common Cause's suggestions should be adopted in full.

The key parts of the plan would: shut down "the soft money system" that allows huge, illegal campaign contributions; dramatically reduce the amount and influence of special-interest political contributions; set congressional spending limits that permit competitive campaigns; and establish alternative resources that allow candidates to compete with those who do not choose to abide by spending limits.

You can be sure this plan will not be passed unless we, the voters, hold politicians' feet to the fire.

The addresses of Wisconsin's congressmen and senators are printed on this page and the next. Write a letter to your elected representatives.

Tell them, in no uncertain terms, that it is time to close the loopholes, turn off the fat-cat money spigot and level the playing field.

[From the Johnson City (TN) Press, Jan. 28, 1993]

ADDRESS ETHICS EARLY

President Clinton, prior to inauguration, promised many things. One of those dealt with ethics in his new administration.

There's no question of where the buck stops—the desk in the Oval Office. And President Harry Truman put it succinctly: "If you can't stand the heat, get out of the kitchen."

There is heat attached to this business of establishing ethics on the federal level. The unrepentant hacks who sip from the public trough, no matter who's in charge, Democrat or Republicans, are already plotting ways to strike down real change.

Hence, if President Clinton is serious about reclaiming the nation's politics from the grip of rich special interests, there's no time to lose. After all, as part of his inaugural address, he declared: "Let us give this capital back to the people to whom it belongs."

Clinton has promised early action on campaign finance reform. But advocates of reform warn that he must quickly move it to the top of his legislative agenda or the

Democratic congressional leadership will be quite happy to follow its traditional habit of promising to clean up politics "soon." But "soon" never seems to arrive.

Some suggestions for reform include placing a cap on campaign spending and providing up to $200,000 in matching funds to candidates who agree to abide by it. Moreover, the president needs to insist on adding tougher measures designed to reduce members' unseemly reliance on PACs—the special-interest political action committees that now supply half the campaign money raised by House incumbents.

Indeed, Clinton has already offered some good ideas on this score: for example, limiting the amount a PAC may give to a candidate to $1,000 instead of the present $5,000.

While many Americans resist the idea of spending taxpayer money on politicians, the alternative is worse: non-competitive elections and further mortgaging of government to big-money contributors.

[From the Kalamazoo Gazette, Nov. 18, 1992]

THE TIME HAS ARRIVED FOR CAMPAIGN REFORM

In 1990, Charles H. Keating Jr., the symbol of all the worst elements of the Savings and Loan debacle, said: "There's nothing wrong with the current (campaign finance) system."

Keating, principal owner of the failed Lincoln Savings and Loan Association, was bluntly honest about what he was up to in making hundreds of thousands of dollars in campaign contributions to the "Keating Five" senators who intervened on his behalf with federal regulators. When asked whether his contributions influenced politicians, he said: "I want to say in the most forceful way I can: I certainly hope so."

And there are a lot of other influential organizations and individuals with a lot of bucks who don't say much about it but feel exactly the same way as Keating.

For nearly 20 years, ordinary Americans have been increasingly troubled by the sense that their government has been out of their grasp, that it has been a captive of the special interests and the wealthy donors such as Keating who overflow campaign coffers.

Every four years, as soon as the national elections are over, there is a call for campaign reform aimed, in particular, at cleaning up the financing of congressional campaigns and cutting off the flow of "soft money" which pads presidential campaigns as well.

Since the post-Watergate reforms, however, each time the fine-sounding bugle call for action sounds, it soon goes flat and trails off into oblivion.

Look at what happened earlier this year when the most far-reaching attempt to reform federal election law in nearly two decades finally made it through Congress. President Bush vetoed it and the veto stood.

However, maybe it will be different this time.

Come January, there will be a Congress and a president who are in agreement on the need for campaign finance reform.

As President-elect Clinton has pointed out, there is nothing wrong with lobbying, nor in special interest groups attempting to get their message across to the people who make decisions affecting them. Nor is it unreasonable for individuals and groups to financially support the incumbents or challengers whose views they endorse. The harm is in the use of a torrent of campaign money seeking to ensure "access" and a sympathetic ear.

Needed reforms include:

Shutting down the soft money system so that fat cat contributors, whether individuals, corporations or labor unions, will be prevented from making contributions of $100,000 or more, laundered through state parties, to support presidential and congressional candidates.

Reducing the role and influence of political action committees (PACs). The problem with PAC giving is that it tilts the playing field steeply in favor of incumbents since an overwhelming share of PAC money goes to incumbents. In 1988, PACs gave incumbents $115 million compared to only $17 million to challengers. Despite all the anti-incumbency sentiment this year, when the final figures on campaign spending and PAC donations are in, they likely will show a similar pattern.

Establishing spending limits.

Providing alternative, "clean" resources such as public matching funds and low-cost mailings for candidates to run their campaigns.

Putting safeguards and limits on independent expenditures in which advertising or communications supporting or opposing a candidate are paid for without the direct participation or cooperation of that candidate or campaign.

Limiting who could serve as a conduit for and requiring disclosure of "bundling," in which an organization or individual raises money for a candidate, usually from associates, members of an organization or its employees.

Throughout his campaign, Clinton called for strong campaign finance reform legislation, and on election night welcomed the prospect of support from Ross Perot and his adherents in enacting it.

And when the 103rd Congress convenes in January, a clear majority in both chambers—266 of 435 representatives and 56 of 100 senators, Republicans and Democrats—will be publicly on record in support of campaign finance legislation such as that outlined above.

In electing a new president and a new Congress, American voters sent a message that they want leaders who are more in touch with their concerns, and who know and understand what ordinary citizens are feeling.

Although much of the early focus will be on the economy, and appropriately so, campaign finance reform ought not be pushed aside or forgotten. If their government is to be the vehicle for sought-after change, Americans have to know that they, not the fat cats or special-interest groups, are in the driver's seat.

[From the Kingsport (TN) Times-News, Mar. 26, 1991]

GETTING SERIOUS ABOUT ELECTION FUNDING REFORM

Common Cause reports that U.S. House incumbents seeking reelection in 1990 had available to them nearly seven times the campaign contributions of challengers—a total of $240 million.

Imagine what $240 million would buy in terms of research to end disease. Instead, it was handed to incumbent politicians to curry favor. And the politicians took it.

There are some disturbing trends in the Common Cause report:

Incumbents received 13 times the amount of contributions received by challengers.

More than half the 1990 House winners received 50 percent or more of their total receipts from political action committees—the first time a majority of winners got more than 50 percent of their funds from PACs.

The huge fund-raising gap between incumbents and challengers continues to grow. Spending by House incumbents, on average, increased 5 percent over the previous election. In contrast, spending by challengers decreased 5 percent.

These figures support the contention that Congress in general and the House in particular is becoming institutionalized in its membership; that a Congress that has failed miserably to do anything about runaway spending and federal deficits is being bought and paid for by special interests and is unbeatable by those who would do something about it.

It is becoming a permanent Congress, where members cannot be defeated because they have incredible amounts of money available to, in effect, buy votes through Madison Avenue advertising campaigns. It won't be long before incumbents won't have to bother to hit the campaign trail because they'll have no opposition at all. Only a multi-millionaire will be able to mount a credible opposition campaign.

What can be done about it?

The House now has before it a comprehensive campaign finance reform bill that advocates say would clean up the system effectively. This bill gives House members an opportunity to take a stand in support of real reform. It allows them to match action with the rhetoric they dish out every year at election time about cleaning up the campaign financing mess.

The bill, H.R. 1177, would dramatically reduce the role of political action committee contributions and other private-interest money to Congress. It would cap campaign spending, provide clean campaign resources to replace private-influence money and shut down soft money abuses by which huge, federally-illegal contributions flow into federal elections through the state parties.

The need for campaign finance reform is obvious and urgent. The bill merits the support of Reps. Rick Boucher and Jimmy Quillen—the latter of whom is among only seven members of the House who at year's and had more then $1 million in cash in their campaign funds.

[From the Lake Charles (LA) American Press, Nov. 30, 1992]

MONEY IN POLITICS EQUALS CORRUPTION

"Change" is a word we heard frequently during the 1992 campaigns. But what will it take to really make a fundamental change in the way things are currently being done in Washington?

The answer to that question isn't difficult. We must change the way money influences politics. The current mess in the nation's capitol is being fueled by the corrupting influence of money in politics.

Fred Wertheimer, president of Common Cause, summarized the problem in a recent speech. He said. "The huge economic stakes involved in government decisions, the ever-increasing amounts necessary for political campaigns and the willingness of people in Washington to treat as acceptable practices that most people see plainly wrong, have all combined to make influence-seeking money a pervasive force today in the nation's capitol."

In effect, corruption has been legalized in Washington. Typically, money from Washington lobbyists and special interest political action committees (PAC's) is laundered through the political parties to evade federal laws. Lobbyists also shower elected officials with payments for travel and vacation trips, payments for Super Bowl tickets and Broad-way shows, and payments for meals and entertainment, all perfectly legal.

Rules prohibiting conversion of campaign contributions to personal use are widely ignored and are used to buy cars, clothes, meals, entertainment, private clubs and even direct (per diem) cash payments to officeholders. In one case, campaign contributions were even used to pay off gambling debts.

Not all elected officials are corrupt. Many are honorable and do their best to stay clean. But the corrupting influence of special interest money has become so pervasive in Washington that it has become increasingly difficult for even the most well intentioned lawmakers to keep from becoming tainted.

President-elect Bill Clinton and the many newly elected Congressmen and women have pledged meaningful campaign reform as a high priority. If they truly mean business, here's what needs to be done.

Campaign spending limits should be set. "Clean" public campaign resources for congressional elections should replace private influence-seeking contributions. Challengers should be provided with greater resources. There should be new and more stringent restrictions of PAC contributions. There should be a ban on $100,000 campaign contributions in presidential campaigns. And the widespread abuse of converting campaign money to personal use should be ended.

The problem is obvious, the solutions are known. All that is needed to make meaningful "change" is the will, both on the part of the officeholders to keep campaign promises, and on the part of the voters to hold their representatives accountable.

[From the Lakeland (FL) Ledger, Feb. 8, 1991]

THE THREE-DAY-OLD FISH

President Bush dwelled on the war and the economy during his State of the Union address to the nation last month. Important subjects, to be sure, that overshadowed others. But one paragraph of that speech should gain much attention in coming months:

"It's time to give people more choice in government by reviving the idea of the citizen politician who comes not to stay, but to serve. One of the reasons there is so much support for term limitations is that the American people are increasingly concerned about big-money influence in politics. We must look beyond the next election, to the next generation. The time has come to put the national interest above the special interest—and totally eliminate political action committees."

Total elimination of PACs—which contributed more than $100 million to candidates during last year's elections—is a start in cleaning up America's funding system for campaigns. Public financing, lower contribution limits and enforcement of existing campaign laws designed to curb independent—but coordinated—expenditures on behalf of candidates will be needed, too.

"If you have any doubt that our campaign-finance system reeks like a three-day-old fish, look no further than the 'Keating Five' scandal," proclaimed a recent fund-raising letter from Joan Claybrook, president of Public Citizen, a citizens group founded by Ralph Nader.

Last year, said Fred Wertheimer, president of Common Cause, "A tide of campaign money, swelled by special-interest political action committee (PAC) contributions, flowed overwhelmingly to incumbents, skewing the elections and corrupting the congress."

Just before the elections, House incumbents had a lopsided 16-to-1 advantage over their challengers in PAC money. Is it any wonder, than, that 96 percent of the incumbent House members running for reelection were returned to office, despite a strong "throw the rascals out" sentiment among voters?

Wertheimer said the savings-and-loan scandal was a "classic example of special interest money at work," and maintained that "when it comes to the S&L crisis and high-flying influence money, the 'Keating Five' scandal is the ultimate smoking gun."

The National Association of Business Political Action Committees takes exception to these remarks. The PAC association complained that Common Cause and others have "unfairly attempted to tie PACs" to the Keating case. Nowhere in the $1.5 million that Keating and his associates lavished on the five senators was there a contribution from a political action committee.

Keating was, in effect, a one-man political action committee. And his goals were the same as a PAC: Rent access to congressmen.

Some PACs even give contributions to Democratic and Republican nominees in the same race. By hedging their bets, they gain access to the office no matter who wins.

Campaign-reform legislation proposed by Senate majority Leader George Mitchell, D-Maine, and Sen. David Boren, D-Okla., will be considered in March. The bill attacks PAC money, but also proposes limits on campaign spending, establishes public funding and bans funds spent on a candidate's behalf.

Even if it passes the Senate, the House could block the legislation—as it did during the last session. It shouldn't. Nor should Congress settle for the total elimination of PACs as the only needed campaign-finance reform.

To approve that alone is to spray air freshener on the rotting three-day-old fish.

[From the Las Vegas Sun, Feb. 9, 1993]

CAMPAIGN SPENDING LONG OVERDUE FOR REAL REFORM

President Clinton is prodding Congress to move quickly on campaign spending reform.

And well he should. A delay could cost voters any meaningful reform as veterans and freshmen in Congress start to have second thoughts about cutting off their money supply.

Campaigns have become obscenely expensive. In Nevada, costs for the winners in the two Senate races since 1988 have approached $3 million each. The House races are not much better. Reps. James Bilbray and Barbara Vucanovich spent more than $600,000 apiece in their races last year.

That does not include expenses entailed by challengers in those races, costs which approach, and sometimes exceed, that spent by the incumbents.

Runaway spending forces the candidates to woo interest groups. That raises a serious question on what price the candidate must pay for interest-group support. A special-interest group expects political support in exchange for financial support.

Clinton has called for an overhaul of campaign financing with $1,000 caps on PAC contributions. He probably won't get that, but a bill advanced by Democrats in the Senate would cap PAC gifts at $2,500. They are now limited to $5,000.

This plan, spearheaded by Nevada Sens. Harry Reid and Richard Bryan, would voluntarily limit campaign expenses in a formula based on the size of the voting-age population. Larger population states would allow candidates more money than states like Nevada. Candidates who stick to the limits would receive taxpayer-financed perks and generous matching funds. Public funds would be available for runoff elections and to fend off third-party campaigns.

A Republican version would be less restrictive, allowing for support from the national party organizations and generous gifts from individuals.

In the Democratic plan, Senate races in Nevada would be held to about half the cost they incur now, and the House races would see a minor reduction from the present level.

But one wonders if there'll be any reform if this important issue is delayed. House Speaker Tom Foley already has dropped his support, asking for a delay until 1995. Other congressmen are less than enthusiastic.

Fred Wertheimer, president of Common Cause, sent a personal appeal to 48 freshmen congressmen, asking for their immediate support of campaign reform. Wertheimer apparently thinks the best hope for this legislation is through the newcomers, since many incumbents have come to rely on big campaign money to keep them in office.

Campaign reform is the key to keeping elections fair. Critics of the public financing provision should understand the alternative is far worse: political loyalties to private donors.

Obviously much more needs to be done on Capitol Hill. Out-of-state contributions need to be examined. Politicians with large war chests passing money on to colleagues for their campaigns also has come under fire.

Both the Republican and Democratic proposals contain loopholes that candidates will undoubtedly take advantage of. The best version of the two, supported by Senate Democrats, can only be called modest in terms of what needs to be done.

But campaign reform must start somewhere. Clinton is right to push for this legislation. It would raise the public's confidence in the White House and Capitol Hill.

Election reform means keeping politicians loyal to their constituents, not to a few people with a cause and a lot of money to spend.

[From the Lawrence (KS) Journal-World, Mar. 17, 1991]

BENEFITS OF REFORM

"Follow the money," Deep Throat advised the Watergate reporters.

Especially in politics, if you find the money, you find the power. And increasingly in American politics, that money and power is in the hands of political action committees and special interests.

Both the U.S. Senate and House are considering campaign finance bills that would wrest some of that power away from special interests by cutting off their pipeline of donations to political candidates. The goal of such campaign reform is both to limit spending by candidates and to limit the ties of officeholders to the special interests they now depend on to finance their campaigns.

The urgency of campaign reform has been emphasized by the recent Keating Five case in which five senators were investigated for accepting contributions from Charles Keating and allegedly allowing those contributions to influence their support of Keating's savings and loan interests.

The idea is to get politicians back in touch with their constituents by making them more responsive to the needs of their districts and less responsive to the whims of special interests. The most logical way to do that is to shift the source of their funding from special interests to the public, which is the goal of the campaign finance legislation.

Among other things, the bill currently under consideration by the Senate would establish campaign spending limits and reward candidates who adhere to those limits with free vouchers for television advertising time. The vouchers would be paid for by the public.

It would also abolish PACs, but in case such a provision is found to be unconstitutional, it would provide an alternative that would severely reduce the flow of PAC money to the Senate.

There would be some obvious benefits from such a plan. First, it would help even the playing field between congressional incumbents and challengers. An analysis by Common Cause, an independent lobbying group, shows that in the 1990 elections. Senate incumbents raised almost three times as much money as their challengers, with a large portion of that funding coming from PACs. Such unbalanced fund-raising is an underlying reason that many Americans are looking more favorably at term limits as a way to force incumbents out of office—an artificial means for accomplishing the end of ensuring that members of Congress don't have such a lock on their offices that they can virtually ignore the will of their constituents.

Another key benefit is to cut some of the ties between Congress and strong lobbying groups. Common Cause says that the average incumbent Senate candidate in 1990 spent more than $4 million on his or her election campaign. The pressure of raising that kind of money makes it easy to see why some members of Congress become preoccupied with fund-raising and might be more willing to cut some ethical corners.

The main concern many Americans have for campaign reform proposals is the cost to taxpayers. The price tag is high. Common Cause estimates the Senate plan would cost the taxpayers $32 million a year.

It seems like a lot of money. It is a lot of money. But it pales when compared to the estimated $50 billion government officials think the savings and loan bailout will cost U.S. taxpayers in the next fiscal year. If campaign reform could eliminate such costly mistakes, there is little doubt it would pay ample dividends down the road.

[From the Lebanon (NH) Valley News, Apr. 6, 1992]

CAMPAIGN FINANCES

Republicans are probably doing themselves no political harm by opposing the campaign-finance measure now being considered in Congress. Whether they're doing the political system any good is a different question.

The measure, which President Bush has said he will veto if it passes, represents a significant step in trying to pry the political system loose from the pervasive influence of special-interest money. It would reduce the amount of money wasted on political campaigns by establishing voluntary spending limits of $600,000 for House seats and $5.5 million for Senate races. Senate candidates who agreed to the limits would be eligible for federal funds for as much as 20 percent of their campaign expenses: House candidates could receive funds for as much as 30 percent. Candidates would also receive subsidies to help pay for mailing and broadcast-advertising costs.

At the same time, limits would be established on the amount of money candidates could accept from political action committees ($200,000 for House candidates and $825,000 for Senate candidates).

In general, the measure aims to wean the political system from its dependence on money, specifically money provided by special-interest groups. Limits on overall spending would make fund-raising a less important part of political life and give incumbents more time for legislating and serving their constituents. Limits on PAC contributions would constrict—although not eliminate—some of the influence exercised by special-interest groups.

Similar versions of the measure have passed both House and Senate despite strong Republican opposition. GOP leaders have complained that spending limits favor incumbents because challengers often have to spend more money to offset the greater name recognition and political advantages of incumbents.

That's a potent complaint to make at a time when anti-incumbent sentiment is said to be running strong. It's not a complaint that's supported by evidence, however. Numerous studies have shown that the vast majority of money that flows into the political system is channeled to incumbents. Campaign contributors, especially those representing special-interest groups, want a return on their investment, which is to say they want to back a candidate who is likely to win and provide them the influence they seek. Incumbents usually win, in part because of the self-fulfilling nature of the campaign-finance system.

Republicans also have complained that the last thing the public wants to do is fork over money to politicians to run campaigns. "Take your political tin cup to the taxpayers on that one, and see what you come back with," said Sen. Bob Dole, R-Kansas. "My guess is, a black eye and a fat lip."

His guess is probably right, if only because many political campaigns are so atrocious that voters can't help but want to keep a distance from them. But public financing of campaigns should be viewed more as a defensive measure than a gesture of approval. The public would pick up part of the tab not because it likes the notion of paying for campaigns but because it deplores what happens when it doesn't. By agreeing to spend tax money on campaigns, the public gets greater control over the process, both in terms of how much is spent and who does most of the spending.

At this point, though, it's virtually certain that the Democrats won't muster enough votes to override Bush's promised veto. That means the politicians will be taking their tin cups back to their well-established network of donors. Taxpayers won't be burdened with the cost of subsidizing campaigns, but that doesn't mean they'll be getting a good deal.

[From the Leesburg (FL) Daily Commercial, Feb. 15, 1991]

IT'S NOT JUST THE PAC'S—STEARNS AND MCCOLLUM SHOULD BACK FULL REFORM

It wasn't much noticed last month during the State of the Union address, but it's impact on government and American society may last long after the Persian Gulf war.

Said President Bush:

"It's time to give people more choice in government by reviving the idea of the citizen politician who comes not to stay, but to serve. One of the reasons there is so much support for term limitations is that the American people are increasingly concerned about big-money influence in politics. We must look beyond the next election, to the next generation.

"The time has come to put the national interest above the special interest—and totally eliminate political action committees."

Total elimination of PACs—which contributed more than $100 million to candidates during last year's elections—is a start in cleaning up America's funding system for campaigns.

Public financing, lower contribution limits and enforcement of existing campaign laws designed to curb independent—but coordinated—expenditures on behalf of candidates will be needed, too.

"If you have any doubt that our campaign-finance system reeks like a three-day-old fish, look no further than the 'Keating Five' scandal," proclaimed a recent fund-raising letter from Joan Claybrook, president of Public Citizen, a citizens group founded by Ralph Nader.

Last year, said Fred Wertheimer, president of Common Cause, "A tide of campaign money, swelled by special-interest political action committee (PAC) contributions, flowed overwhelmingly to incumbents, skewing the elections and corrupting the Congress."

Just before the elections, House incumbents had a lopsided 16-to-1 advantage over their challengers in PAC money. Is it any wonder, then, that 96 percent of the incumbent House members running for re-election were returned to office, despite a strong "throw the rascals out" sentiment among voters?

Wertheimer said the savings-and-loan scandal was a "classic example of special-interest money at work," and maintained that "when it comes to the S&L crisis and high-flying influence money, the 'Keating Five' scandal is the ultimate smoking gun."

In truth, Keating and associates gave their $1.5 million independent of any PAC. But Keating was, in effect, a one-man PAC. And his goals were the same as a PAC: Rent access to congressmen.

Some PACs even give contributions to Democratic and Republican nominees in the same race. by hedging their bets, they gain access to the office no mater who wins.

Campaign-reform legislation proposed by Senate Majority Leader George Mitchell, D-Maine, and Sen. David Boren, D-Okla., will be considered in March. The bill attacks PAC money, but also proposes limits on campaign spending, establishes public funding and bans funds spent on a candidate's behalf.

Even if it passes the Senate, the House could block the legislation—as it did during the last session, Both Congressmen who represent the Lake-Sumter area, Reps. Cliff Stearns, R-Ocala, and Bill McCollum, R-Altamonte Springs, have not been advocates of campaign reform. But they should now support the Mitchell and Boren proposal.

They should see that Congress does not just settle for the total elimination of PACs as the only needed campaign-finance reform, but also attacks the other ways in which government is sold to the highest bidder.

To only go after PACs alone is to spray air freshener on the rotting three-day-old fish.

[From the Bucks County (PA) Courier Times, Mar. 12, 1990]

CAMPAIGN REFORM—STEP IN THE RIGHT DIRECTION

We have to crawl before we can walk. For the past two years the U.S. Senate wasn't even crawling toward campaign reform—until last week.

What finally wormed its way to the surface was a bipartisan panel's proposal that includes flexible spending limits. Strict limits on campaign spending or a publicly financed system are what's really needed. But we have to take what we can get.

Senate Republicans have opposed strict spending limits because the special-interest largess that flows into GOP campaigns far exceeds what Democrats get. That's why reform involving strict limits hasn't gone anywhere.

The deadlock finally was broken by a proposal for relatively high limits and exemptions from restrictions for certain activities. It also calls for free broadcast time for political advertising; proposes ways of encouraging more individual contributions while restricting excessive campaign financing by PACs; and calls for curbs on practices that have led to evasion of campaign rules and which have increased special-interest influence.

Such measures are steps in the right direction. But they are only first steps. More meaningful steps will have to be taken in the future. For the present, we'll just have to settle for crawling.

[From the Lincoln Courier, July 10, 1989]

TRIM CAMPAIGN COSTS

When 98 percent of House incumbents are returned to office, when a candidate for the House must spend nearly $400,000 and for the Senate nearly $4 million, when special-interest political action committees provide the lion's share of campaign funding, then something obviously is wrong. Our system of choosing our representatives has gone badly off track.

President Bush, to his credit, has acknowledged the problem and last week proposed remedies.

The president's campaign reform package by itself isn't going to solve the campaign-finance scandal, but as a starting point it's welcome. What's needed in the coming weeks is bipartisan negotiation toward ending Congress' serious addiction to special-interest influence money.

Bush offered an 11-point package, including a proposal that Congress limit its chief source of outside income, honoraria. Members of Congress took in more than $9 million in speaking fees last year—that averages out to more than $15,000 per member. The groups that pay these fees understand they are getting more for their money than just a speech.

In return for an honoraria ban, the president promised to endorse a 25 percent pay raise for Congress, federal judges and some surgeons and scientists in the executive branch. Both the ban and the increase are worthy proposals.

Much more controversial is the president's proposal to ban contributions by PACs supported by corporations, unions or trade associations. PACs, special-interest money conduits, contributed approximately 50 percent of the money spent on congressional campaigns last year. That amounted to more than $170 million.

In the past six years, PACs have invested more than $400 million in government decision-making. PAC donors, without question, see these contributions as investments.

The president insisted—and we agree—that PAC contributions improperly and unfairly magnify the voices of special interests at the expense of representative government. But to ban PACs—or to ban all but "ideological" PACs, as the president suggests—does not get to the root of the problem. It does nothing to rein in the soaring costs of financing a campaign. Those costs have gone up exponentially, primarily because of expensive television advertising.

If Bush really wants to help Congress reclaim its integrity, he will push for overall limits on campaign spending. And, he will work with Congress to forge a public-financing plan for campaigns, a plan that is both politically and constitutionally acceptable. Congress instituted a public financing mechanism for presidential elections, and it has worked just fine.

Congress' own system of campaign funding is not working just fine. In fact, the current corrosive system is a major reason Congress finds itself embroiled in an ethics crisis. Comprehensive reform would go a long way toward calming that crisis.

[From the Lincoln (NC) Times-News, July 21, 1989]

PRICKING PAC'S IS ONLY A START

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[From the Long Island Newsday, April 14, 1992]

MAKE 'EM RUN ON PUBLIC FUNDS AND TAKE BACK THE CONGRESS

The campaign finance legislation the House passed last week was derided by Republicans as an incumbent protection bill. But which is more likely to keep incumbents coming back to Congress term after term:

a). A system that forces members to hustle for private funds to finance their campaigns and encourages heavy special-interest contributions to those with the power to grease the legislative wheels—or gum them up if that's what the big spenders want?

b). A law that provides public funds to match small contributions for both incumbents and challengers if they agree to limit their special-interest funding as well as overall campaign spending?

If you answered a. you've lined up with President George Bush and House Republicans, who voted almost unanimously last week against b. They contend that spending limits would prevent well-financed challengers from overcoming the undoubted advantage that incumbency confers on a candidate.

Bush—whose four national campaign have benefited from about $200 million in public funds—promises to veto the legislation which was guided through the House by Rep. Sam Gejdenson (D-Conn.).

The Republicans' position on this bill is nonsensical. The truth is, of course, that the present system protects incumbents by giving them first crack at contributions from the political action committees of industries for which a single paragraph in some lengthy appropriations bill may be a matter of life and death.

Yet in the current atmosphere of public distaste for check-bouncing, perk-grabbing, pay-hiking incumbents, intelligent members from both parties should be stampeding to ingratiate themselves with voters by packing a genuine reform bill. The Senate vote will be held after Congress returns to Washington late this month.

Opponents suggest that it's wrong to stick the taxpayers with the tab for congressional campaigns.

But if congressional campaign expenses dwarf members salaries—and they do, even after the pay raises some voters find so objectionable—it's only natural for members to be responsive to the lobbies that provide the money they need to stay in office.

If the taxpayers want a Congress that will respond to them, they should be prepared to pay for it.

[From the Los Angeles Times, Feb. 5, 1993]

REFORM THAT'S THE KEY TO WASHINGTON

"Lord, grant me chastity," St. Augustine prayed, "but not now." "Lord, grant me campaign reform," Congress prays, "but not now. I need one more election under the old rules."

Whether the prayer of the corrupt congressional heart will be answered may depend less on the Lord than on the President. Will President Clinton, who campaigned on a platform in which campaign reform was a key plank, do the right thing? Or will he do the prudent thing?

The prudent thing, a tempter with money on his breath whispers into the President's left ear, is to hoard that tiny, precious dowry of honeymoon goodwill. "Spend it where it counts, Bill" the crooning, savvy voice coaxes. Spend it on health care, spend it on your economic package. Blow it on a nonstarter like campaign reform and your honeymoon is really over. Do yourself a favor."

The right thing, a better angel speaks into the President's right ear, is to worry less about a honeymoon with Congress and more about a stable relationship with the voters. "Mr. President," the plain-spoken messenger begins, "remember gridlock? God did not create gridlock when he created Republicans and Democrats. Gridlock results from the separate imprisonment of each legislator to a different set of bankrolling special interests. Free the legislators, and they will free you. Leave them trapped in gridlock, and their gridlock will trap you too."

Odd language for an angel, but then for most angels English is a second language. Language aside, the better angel has the better longterm strategy. Bill Clinton's victory stood on two legs. The economy was one. Change was the other. And change in Washington means a reduction in the buying and selling of legislation or it means nothing.

Clinton is not, repeat not, in trouble because two weeks after his inauguration he has not placed a full-blown health plan, a comprehensive economic package and the rest of some mythical 100-days package before Congress. Here, if anywhere, the gulf between the realism of the people and the restlessness of the media yawns before us. Every administration, in its opening days, seems slow, and that was so for Ronald Reagan's Administration as much as any. Read the clips.

Clinton will be in trouble if signs of business-as-usual blossom into a revised definition of how much—that is, of course, how little—real change he represents. The Ronald H. Brown confirmation flap was one such worrisome sign. Backing out on campaign reform would be the largest imaginable such sign.

The basic requirements—funding limits, an end to loop-holes that permit "soft money" contributed to parties to escape candidate limits, and reasonable public funding for those who accept the funding limits—are known and have been known for years.

The President needs to preserve his reputation as an honest man prepared to put the national interest first more than he needs to preserve goodwill with the Kings of the Hill. The same people elect them who elected him.

[From the Los Angeles, Noticias del Mundo, July 12, 1989]

A NEEDED REFORM

When 99 percent of House incumbents are returned to office, when a candidate for the House must spend nearly $400,000 and for the Senate nearly $4 million, when special-interest political action committees provide the lion's share of campaign funding, then something obviously is wrong. Our system of choosing our representatives has gone badly off track.

President Bush, to his credit, has acknowledged the problem and has proposed remedies.

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Much more controversial is the president's proposal to ban contributions by PACs supported by corporations, unions or trade associations. PAC's special-interest money conduits, contributed approximately 50 percent of the money spent on congressional campaigns last year. That amounted to more than $170 million.

In the past six years. PACs have invested more than $400 million in government decision-making. PAC donors, without question, see these contributions as investments.

The president insisted—and we agree—that PAC contributions improperly and unfairly magnify the voices of special interests at the expense of representative government. But to ban all PACs—or to ban all but "ideological" PACs, as the president suggests—does not get to the root of the problem. It does nothing to rein in the soaring costs of financing a campaign. These costs have gone up exponentially, primarily because of expensive television advertising.

If Bush really wants to help Congress reclaim its integrity, he will push for overall limits on campaign spending. And, he will work with Congress to forge a public-financing plan for campaigns, a plan that is both politically and constitutionally acceptable. Congress instituted a public financing mechanism for presidential elections and it has worked just fine.

Congress' own system of campaign funding is not working just fine. In fact, the current corrosive system is a major reason Congress finds itself embroiled in an ethics crisis. Comprehensive reform would go a long way toward calming that crisis.

[From the Courier-Journal, June 2, 1989]

HOPING FOR MIRACLES . . .

Americans were cynical about Congress long before Jim Wright appeared on the scene. Barring a miracle, they likely will remain cynical long after he has returned to Texas.

It would take a miraculous display of courage by lawmakers to persuade the public to forget all the jokes about "the best Congress money can buy." It would require, for starters, that members of Congress openly vote themselves a pay raise and quit accepting speaking fees and other favors from special-interest groups.

It would require public financing of congressional campaigns, so incumbents no longer could shake down PAC contributions and accumulate war chests that discourage all challengers.

The problem is not so much that Congress is more corrupt these days as that the public, for all its cynicism, is demanding higher standards. Mark Twain once described Congress as the only "distinctly native American criminal class." Yet Congress today is almost surely less corrupt than it was in the 19th Century—or even during most of this century. Fewer members take money under the table. There are fewer drunks and outright incompetents.

It can even be argued that lawmakers are more sensitive to ethical issues—or at least to the danger that scandals pose to Congress as an institution. The fate of Jim Wright is a case in point. He is the first Speaker of the House ever to be forced to resign at mid-term. Majority Whip Tony Coelho is stepping down, too, rather than face a likely investigation by the same House ethics committee that got the goods on Mr. Wright.

This sudden flurry of housecleaning is a healthy trend, even if it is prompted in large part by Republican attacks on high-visibility Democratic targets. Partisan warfare—though it was deplored by Mr. Wright in his alternately angry and unctuous address to the House Wednesday—serves a useful purpose when it exposes corruption and forces lawmakers to examine their consciences, and their financial records.

Critics of the "ethics obsession" on Capitol Hill argue that too much attention is being paid to petty rules and financial disclosure forms and too little to the main business of Congress: legislation. But how can the public have confidence in the legislative process if lawmakers receive special favors from those most directly affected by that process? It's outrageous, for instance, to read of all the honoraria and campaign contributions flowing from the savings and loan industry to key lawmakers at a time when taxpayers are being asked to pony up billions of dollars to bail out that industry.

As we said, it will take a miracle to inspire public trust in Congress. Thomas Foley, who will succeed Mr. Wright as Speaker, and Senate Majority Leader George Mitchell must put miracle-working at the top of their legislative agenda.

[From the Lubbock Avalanche-Journal, May 13, 1992]

WASHINGTON CHARADE

George Bush told the American people he wanted to be the environmental president. Then he said he wanted to be the education president.

Mr. Bush did not say he wanted to be the hypocritical president, but the reasons he gave for vetoing the campaign finance reform bill Congress sent to his desk last week suggest that such a label is appropriate.

"I cannot accept legislation . . . that contains spending limits or public subsidies or fails to eliminate special interest PACs," the president said, in the midst of a presidential campaign subsidized by public funding, special interest groups and unlimited soft money.

One provision of the bill called for limited public financing for congressional races. That feature is a "taxpayer-financed incumbent protection bill," the president explained.

Mr. Bush diplomatically refrained from mentioning that he has reaped approximately $200 million from the publicly financed presidential campaign system that has been in place for almost 20 years.

The President said he feared that Congress, by failing to provide a mechanism to pay for the public financing, would create legislation that would "inevitably lead to a raid on the Treasury." The presidential public financing system is paid for by the $1 voluntary check off on individual income tax returns.

Could not a similar system have been devised to pay for the limited public financing system for congressional campaigns, as well?

Although the measure would have limited the amount of money candidates could accept from political action committees, the president said one reason he vetoed the bill was because it did not eliminate PACs altogether.

The bill also would have capped the amount of soft money both political parties could spend during an election year, a provision that could have reduced contributions significantly.

The President does not necessarily bear the entire responsibility for the death of campaign finance reform in the United States, although his pen did deliver the final, fatal, blow.

Members of Congress apparently did not believe in the necessity for cleaning up the process of financing their own campaigns strongly enough to pass a bill that would override a presidential veto.

But Congress can point to the failed legislation—which was a good beginning toward making some substantive changes in campaign funding—as evidence that it tried its best to effect significant reform.

To the undiscerning eye, the failure of the bill makes them look good and the president look—hypocritical.

[From the Macon Telegraph and News, June 2, 1989]

WRIGHT'S FALL MIGHT STRENGTHEN CONGRESS

Where will it end? ask worriers about Washington. Within less than a week, the No. 1 and No. 3 congressmen in the House announced their resignations under ethical clouds. There had been no comparable cataclysm since August 1974, when a president resigned rather than face impeachment.

Well, the executive branch survived Richard Nixon, albeit in slightly weakened condition. It regained considerable strength *vis-a-vis* Congress under Reagan.

Congress may well emerge on the other side of its ethical cloudbank purged. It could regain as much public respect as legislators can reasonably expect if certain things happen:

1. If it is made clear that Jim Wright, Tony Coelho and even the other "nine or ten" Democrats on GOP whip Newt Gingrich's list for investigative attention altogether constitute only a very small percentage of Democratic House members. Those who remember the bad old days testify that the general level of honesty and openness in Congress is much, much higher today, Jim Wright is not typical.

The best way for Congress to parade its honesty is not to pass new and complex House rules of ethics. It is to go on doing what it has done for the past year. Make a reasonable effort to enforce the existing ones passed in the wake of Watergate. For doing that, even against the highest powers in the House, the House Ethics Committee deserves the nation's gratitude.

2. If the public rejects the claims by Wright and others that a runaway press and partisan vindictiveness, not their ethical violations toppled them from power.

It may well be that Gingrich would love to visit upon the Democrats the kind of defeats they inflicted on Robert Bork, John Tower, Ed Meese, Anne Burford and others. As he well realizes, any group of legislators long in power is apt to contain those who have fallen to special-interest seduction. But it's not the motives of accusations, but whether they stick after bipartisan investigation, that matters. Let us not forget that the "liberal" Common Cause asked the House Ethics Committee to probe Wright eight days before Gingrich jumped in with his formal charges May 26, 1988.

While there may have been random press excesses, in the matters of reporting rumors and insufficient attention to the motives of leakers, for the most part the news media have merely carried out their "watchdog duties," the ones the First Amendment was meant to protect.

3. If the Congress is willing to forbid its members honoraria and make reforms in campaign financing (probably with a measure of public funding), thus reducing two major holes in the dike of financial propriety through which special interest money is now allowed to flood.

Elimination of honoraria, of course, must be matched with an increase in salary. Members of Congress are badly paid for what they must do and now they must live. Unless it is to become a club for rich men's sons and daughters, the institution must afford a living to its members.

Jim Wright had a long, partisan and powerful career in the House. But he could not adjust to the new, post—Watergate rules of political and financial morality. He bent them. He broke them. The few charges retained by the committee, in which relatively small amounts figure, were but the tip of the iceberg. The House Democrats will be well rid of him.

[From the Marlboro (MA) Enterprise/Hudson Daily Sun, July 24, 1989]

ENDING THE PAC ADDICTION

When 98 percent of House incumbents are returned to office, when a candidate for the House must spend nearly $400,000 and for the Senate nearly $4 million, when special-interest political action committees provide the lion's share of campaign funding, then something obviously is wrong. Our system of choosing our representatives has gone badly off track.

President Bush, to his credit, has acknowledged the problem and the other day proposed remedies.

The president's campaign reform package by itself isn't going to solve the campaign-finance scandal, but as a starting point, it's welcome. What's needed in the coming weeks is bipartisan negotiation toward ending Congress' serious addiction to special interest influence money.

Bush offered an 11-point package, including a proposal that Congress limit its chief source of outside income, honoraria. Members of Congress took in more than $9 million in speaking fees last year—that averages out to more than $15,000 per member. The groups that pay these fees understand they are getting more for their money than just a speech.

In return for an honoraria ban, the president promised to endorse a 25 percent pay raise for Congress, federal judges and some surgeons and scientists in the executive branch. Both the ban and the increase are worthy proposals.

Much more controversial is the president's proposal to ban contributions by PACs supported by corporations, union or trade associations. PACs, special-interest money conduits, contributed approximately 50 percent of the money spent on congressional campaigns last year. That amounted to more than $170 million.

In the past six years, PACs have invested more than $400 million in government decision-making. PAC donors, without question, see these contributions as investments.

The president insisted—and we agree—that PAC contributions improperly and unfairly magnify the voices of special interests at the expense of representative government. But to ban PACs—or to ban all but "ideological" PACs, as the president suggests—does not get to the root of the problem. It does nothing to rein in the soaring costs of financing a campaign. Those costs have gone up exponentially, primarily because of expensive television advertising.

If Bush really wants to help Congress reclaim is integrity, he will push for overall limits on campaign spending. And, he will work with Congress to forge a public-financing plan for campaigns, a plan that is both politically and constitutionally acceptable. Congress instituted a public financing mechanism for presidential election, and it has worked just fine.

Congress' own system of campaign funding is not working just fine. In fact, the current corrosive system is a major reason Congress finds itself embroiled in an ethics crisis. Comprehensive reform would go a long way toward calming that crisis.

[From the Miami Herald, Apr. 14, 1992]

REFORM CAMPAIGN FUNDING

Just look at what a little scandal will do: After years of Congress' self-serving procrastination, a House-Senate conference finally has gotten around to clearing campaign-finance legislation. It's the first of many badly needed reforms that can change the way Washington conducts its business.

This feat has been accomplished in the year of the check-overdraft scandal. Apparently the outcry from the scandal has pushed Capitol Hill toward passage of campaign finance reform.

The House has passed the revised bill, whose fate now rests with the Senate. The legislation does not provide for the profound changes that groups such as Common Cause rightly advocates. Still, it's as good as any reform that Congress is likely to pass. The last time it tried its hand at significant campaign finance reform, in 1974, Congress tried to diminish the influence of slush funds and "fat cats." Alas, it ended up replacing them with "fat PACs."

This bill changes the way that political action committees do business, thereby limiting their influence. It also encourages public financing of campaigns, provides for voluntary spending limits, and eliminates "soft money" from federal elections.

President Bush awaits, veto pen in hand, should the Senate pass this bill. This is the same president who has criticized Congress in the harshest terms and has called for deep changes in how legislators conduct their affairs.

Mr. Bush says that he opposes "public financing" of elections. But his opposition has not prevented him from accepting millions of dollars in public funds for his own presidential campaigns.

Congress should force his hand on campaign finance reform. If the President doesn't sign the bill, he is going to face more damaging accusations of passive-aggressive leadership in the fall.

As former Sen. Barry Goldwater, an elder statesman of the president's party, said some time ago: "PAC money . . . creates an impression that every candidate is bought and owned by the biggest givers." Without campaign finance reform, it will be hard to change that impression. The electorate, however, will know where to place the blame.

[From the Middletown (CT) Press, Jan. 11, 1993]

GIVE CAMPAIGN REFORM TOP PRIORITY

Here's a frightening thought: With enough money, anyone could be an H. Ross Perot. The proposition is arguable; more than one millionaire with no civic background has failed to buy his or her way into politics. But there's no denying that Perot's deep pockets—and the deep pockets of congressional incumbents—give the impression that government is for sale.

Big money, however, does not buy efficient, responsive government, and significant campaign-finance reform is needed to prevent our democracy from becoming a cashocracy. The need grows as the cost of running a political campaign mounts and political races become even more vulnerable to the much-derided "special interests" that contribute to government gridlock.

The situation can only get worse. The Federal Election Commission reported this week that spending for U.S. House races in 1992 increased 41 percent over 1990, with spending jumping to $313.7 million from nearly $220 million.

President-elect Clinton can keep his campaign promise to enact significant reform legislation by limiting contributions and increasing public funds. So-called "soft money," huge sums given to organizations and political parties that are not subject to the same limitations as donations to individuals, should be banned. Setting more stringent limits on PAC and other special-interest contributions would help to make politicians less hamstrung by their financial backers and encourage newcomers to challenge incumbents. Incumbents should also be severely constrained from using their staffs and franking privileges to campaign for reelection.

Public funds for campaigns can be increased by repealing the tax deduction on lobbying expenses, which Clinton endorsed during his campaign, and adding that money to the public-funding pool. The $1 checkoff on income-tax returns might also be raised.

The 1992 elections showed how disgusted many people are with a government they perceive as being out-of-touch, inefficient and ruled by wealthy special interests. The only way out is to change fundamentally the way politicians are elected and by doing so, change the way government operates.

[From the Milwaukee Journal, Apr. 19, 1992]

Will Bush Veto Wreck Reform?

Go ahead and rail at House members who until recently could bounce checks with impunity at their private bank: they deserve the rap. But give the entire Congress credit for moving to clean up a much bigger scandal: the putrid campaign-finance system. If George Bush wanted to look truly presidential he'd sign on to the cause.

Alas, Bush threatens to veto a House-passed measure viewed as the most significant anticorruption legislation since Watergate. The bill, the product of a House-Senate conference committee, limits spending for congressional campaigns and expands public financing—the keys to fixing a system that unfairly bolsters incumbents and tightens the stranglehold of special interests.

Among the reforms are voluntary spending ceilings of $600,000 for House candidates and population-based limits ranging from $1.5 million to $8.2 million for Senate candidates. In return, Senate candidates would get free or discounted TV time: House hopefuls would get federal matching funds: and all candidates would get lower postal rates for campaign mailings.

Contributions from political action committees would be sharply limited and "soft" money—the unregulated funds raised by the two major political parties—would be virtually excluded.

The measure isn't perfect. The ceilings themselves are higher than many candidates already spend. And Congress cravenly failed to say where the money for expanded public financing would come from. Nor did it overhaul one of the most egregious of all incumbent-protection perks: the year-round free mailing privileges for House and Senate members.

Still, as reforms go, this is a biggie. And the objections of Bush and other Republicans don't stand up under scrutiny. They argue, for example, that taxpayers shouldn't have to finance elections. But as Common Cause points out, Bush himself has used more than $200 million in public funds since 1980 to finance his campaigns for vice president and president. Why is what's good for a White House campaign bad for a congressional race? Why isn't the cause of cleaner elections worth a public investment?

As for the GOP claim that spending limits would only help incumbents, if anything the opposite is true. Incumbents already have a giant fund-raising advantage. The new limits would help level the playing field.

Sad to say, if Bush makes good on his wrongheaded veto threat, there won't be enough votes in either house for an override. The president doubtless will go on making political hay out of congressional corruption. But voters oughtn't to be fooled: Bush will have had his chance to clean up the squalid fund-raising system he professes to deplore and he will have blown it.

[From the Minneapolis Star Tribune, Apr. 26, 1992]

A Federal Prescription for Better Politics

This week, the U.S. Senate will vote on the first comprehensive campaign finance reform bill since the Watergate era. It's expected to pass, then go to President Bush for a promised veto—unless some principled and politically savvy Republican voices persuade Bush that the bill is good both for American government and for his own reelection.

Minnesota's Dave Durenberger has one such voice. Durenberger should not only vote for the bill, but also draw on his unique perspective to urge his party's president to let the bill become law.

Durenberger provided one of only four Republican votes for the original Senate bill, which was superior to the conference committee version that's been approved by the House and awaits a Senate vote. For example, the Senate bill banned political-action committee (PAC) contributions to candidates: the final bill limits PAC gifts to an overly generous 20 percent of what a Senate candidate raises and a much-too-high $200,000 for House candidates. The changes in the bill have put Durenberger's vote in question.

The bill still has much to admire. It includes the first nationwide voluntary limit on campaign spending, with public financing available to the volunteers. Vouchers and discounts would be made available to give candidates better access to television air time and the mail. The bill would prohibit candidates for federal office from raising "soft money," funds raised to help a candidate but laundered through political parties to avoid spending limits. The soft-money game has corrupted public financing of presidential candidates. The bill even requires that all TV ads bear the visage of the candidate purchasing them—no more nearly anonymous cheap shots at an opponent.

Bush, who as a presidential candidate has benefited more from public financing than any other politician, opposes the spending of tax money for congressional campaigns. The alternative is a system that encourages officeholders to become fulltime money-grubbers. Durenberger should remind Bush that Sen. Rudy Boschwitz was defeated in 1990 in part because he let himself be so transformed. More and more voters are awakening to the unhealthy influence that money plays in politics. The bill before the Senate is medicine worth taking—and Bush needs to hear that a veto could be hazardous to his own political health.

[From the Missoula (MT) Missoulian, Apr. 14, 1992]

Curb Checks to Congress—When PACs Do the Endorsing, Candidates Forget Who's Boss

While voters remain justifiably riled over congressional check-writing abuses, now's a good time for the public to focus its attention on congressional check-collecting abuses.

Specifically, it's time for voters to insist on an end to the corrupt way congressional campaigns get paid for. They should lean on Congress and the president to cut the strings that tie our politicians to big-money special interests.

The problem is obvious. It costs a lot of money to campaign for the Senate and House of Representatives. There also happens to be plenty of money available to candidates, too—from the political action committees (PACs) representing a wide range of industries and interest groups.

These special interests don't donate money out of some sense of civic generosity. In fact, they don't exactly look at the contributions as donations. They're investments. PACs invest money in candidates in the hope of profiting from favorable treatment once the candidates are elected.

The public-interest group Common Cause says the 393 representatives seeking re-election collected a tidy $33.6 million from PACs last year—almost half the entire campaign funds they raised.

Says Common Cause President Fred Wertheimer: "The most scandalous perk in Congress today is the campaign financing system, which has protected incumbents with a wall of special-interest influence money."

Not surprisingly, most PAC money goes to incumbents, who are in a position to give the campaign "investors" something in return. That's perhaps the main reason why congressional incumbents have about $13 in their campaign war chests for every $1 challengers have managed to scrounge up. Is it any wonder incumbents enjoy almost-certain re-election in most races?

Of course, your congressman will tell you that no amount of money could buy his vote. That may be true. But a politician doesn't have to sell his vote to do somebody a favor. Remember the Keating Five senators who cost taxpayers a bundle by pressuring federal regulators to ease up on the failing Lincoln Savings and Loan?

Both the House and Senate last year passed campaign-finance reform bills that would provide taxpayer subsidies to congressional candidates who agree to abide by campaign spending limits. Also included are strict limits on the amount of PAC money a candidate could accept and elimination of a loophole in existing restrictions that allows congressional and presidential candidates to solicit contributions of up to $100,000.

The reform measures won't eliminate the influence of big money in Congress. Public financing of presidential campaigns has yet to achieve that goal and it's unlikely public funding would be much more successful at the congressional level. However, the proposed measures will help reduce the cost of campaigns—giving challengers a better shot at getting elected.

More important, we should heed the proverb "He who pays the piper calls the tune." So long as special interests are sponsoring candidates, special interests are going to call the shots. When taxpayers are paying the freight, they'll reclaim more control over elections.

Details of the reform bills passed by the House and Senate last year have been worked out by a conference committee, and the measure will be on its way to President Bush soon. Bush must sign the bill into law. Failure to do so would be the same as endorsing business as usual, and that's intolerable.

[From the Murfreesboro (TN) Daily News Journal, May 7, 1992]

Bush Ready To Veto Bill on Campaign

Somebody needs to give President Bush a reality check.

The commander-in-chief is set to veto a bill that would, among other things, provide parity in campaign financing between the executive and legislative branches.

The bill, approved by both houses of Congress, would overhaul the way campaigns are financed.

Bush, who's been the beneficiary of about $200 million in public campaign funds since he first joined the Reagan campaign back in 1980, seems to have objections to public funds going to elect congressmen.

House candidates will have to raise $60,000 in contributions of $250 or less to qualify for matching funds on smaller donations up to $200,000.

Would-be senators would have to raise $95,000–$250,000 in contributions of $250 or less depending on their state's population to qualify. They'd get vouchers equaling 20 percent of the general election campaign ceiling to buy TV and ad time.

If legislators can't have public funds to help their campaigns, why should presidential candidates?

The proposed law would also stop the sickening spiral of money spent on campaigns. All but the wealthiest people are virtually barred from public office by virtue of campaign costs these days.

The bill would set limits on how much could be spent on elections: $600,000 for a House seat and between $950,000–$5.5 million for a Senate spot, depending on the home state's population.

Caps would also be set on the amount of money Political Action Committees could contribute: $200,000 for representative candidates and up to $825,000 for senatorial hopefuls.

PAC limits would be a major response to the public's perceived, and too often real, perception that political influence can be bought.

We can't understand why Bush would object to putting sensible controls on the financial angle of electing congressmen.

The president is fond of blaming the nation's problems on Congress and it seems like this bill would be the first step to putting the dreaded incumbents on a level playing field with challengers.

Perhaps the president is afraid that capping expenditures and providing public funds could result in more of the "wrong" kind of candidates being elected.

Makes you wonder.

[From the Muskegon (MI) Chronicle, Jan. 11, 1991]

Push for Campaign Finance Reform, Not Term Limits

The high degree of public anger with Congress, and with politicians at all levels, was illustrated in many ways in the voting nationally last November. But nowhere more pointedly than in voted action in two states to limit terms of office for state legislators.

We can understand the motivation: aside from the dismal 1990 elections, there are serious economic and other problems in many states, plus the Keating Five revelations, the botched congressional attempt to fashion a budget, and much more. All this has created a situation in which a large segment of the public has lost confidence in their state lawmakers and representatives in Congress.

Nonetheless, what has been proposed as a solution is a very bad idea for a lot of reasons. First, voters unhappy with their representatives in the statehouse or in Washington have a splendid mechanism for ridding themselves of those lawmakers: Vote them out. Elections are held at regular intervals for House members and senators, and there is no reason to clutter constitutions at the state or national levels with term restrictions.

In short, nothing should be done to limit the power of voters to return good lawmakers to office. Limitation drives are a simplistic attack on experience and expertise that restrict the right of the voters to determine who is qualified. Automatic ousters won't bring better government.

What, then, is the answer? Why don't the rascals get thrown out more often? The base problem is the power of huge amounts of special interest money flowing into the hands of incumbents.

Their election-time advantage is virtually insuperable. Common Cause notes that a total of $475 million was spent during the 1988 congressional election. The total for the 1990 election is expected to exceed half a billion dollars. Almost half the Senate incumbents seeking re-election (12 of 32) had so much campaign money they were considered "financially unopposed" on election day.

For many of them, the money advantage over challengers was close to 10-to-1. Four had no opposition at all. In the House, incumbents had eight times more money available to them than did their challengers.

Getting this changed won't be easy. But a dead serious attempt is essential—well before voting starts anew on ill-considered, simplistic limitation initiatives. We can't allow continuation of a system in which public policy is decided by special interest campaign dollars and those who hand them out.

Public financing of campaigns could provide part of the answer. The public would be far better off to pay for congressional campaigns—at an estimated $5 a person—than continuing to leave funding of politics to private interests. Beyond this, there should be a cap on campaign spending, and a big cut in the flow of political action committee (PAC) money. A total ban may not be constitutional, but limitations should be possible.

The political ferment is all to the good. But the pressure needs to be focused on the proper goal—campaign finance reform. It's been 15 years since campaign reform was seriously considered. Let's get it done now.

[From the Nashua (NH) Telegraph, July 3, 1989]

Posturing on the Potomac

Is it simply impossible for anyone in Washington to do the right thing?

After all of the ethics scandals that have plagued both the White House and congress in recent years, and the clear public disgust with business as usual, one would think that our leaders might have gotten the message by now. Unfortunately, if President Bush's proposals for revising congressional campaign finances are any indication, somebody isn't listening.

Bush announced last week proposals which he said would help curb the influence of special interest groups and reduce the advantage congressional incumbents have over challengers. The president said he favored cutting back on the free postage privilege for lawmakers; passing new laws to eliminate gerrymandering; banning political action committees connected with businesses, labor or trade groups; and trimming the contribution limits on other PACs from $5,000 to $2,500.

The Bush plan is fine, as far as it goes. The problem is that it doesn't go far enough and may simply have the effect of benefiting Republicans over Democrats. That's all right if the president's only purpose is to play politics by making the Democrats look bad when they refuse to go along with his proposals.

The real difficulty is that Bush refused to endorse public financing of congressional campaigns or overall campaign spending limits, which means that his plan simply doesn't go far enough and will not remedy the problem facing Congress.

Without overall spending limits, public financing and especially elimination of "soft money"—prohibited corporate and union financing that leaks into campaigns through loopholes in current law—any real reform will not be accomplished.

Bush says that public financing would exclude individuals from the political process by denying the opportunity to contribute, and spending limits would discourage them from contributing.

But his proposals only tend to allow people with money to have more influence on politics than they should have. And he knows that his suggestions for reducing the advantages of incumbency would hurt more Democrats than Republicans because there are more Democrats in Congress.

Although Bush said he wants to restrict PACs, he would permit the continuation of so-called "ideological" PACs, many of them one-issue groups that favor Republican causes. He also would ban lawmakers from carrying campaign money over from one election to the next, which would hurt Democratic incumbents, but would more than double the amount of money that political parties—where big contributors have given the Republicans a clear advantage—can give to their congressional candidates.

So the bottom line is that while some of the president's proposals are good ones and ought to be implemented, they don't go far enough and probably will never become law because his other suggestions clearly are designed to punish the opposition. In the meantime, an increasingly weary and disillusioned public is treated to yet another example of posturing along the Potomac.

[From the Nashville Tennessean, Apr. 21, 1992]

Big Money Corrupts the Political Process

After 17 years and one doozy of a congressional scandal, a campaign reform bill has finally muscled its way through the House of Representatives.

This month, the House approved a bill that would completely overhaul election spending. The bill is expected to go to the Senate immediately after recess.

So if long-needed campaign reform is finally passing, where's the parade? Nowhere. Everyone in Washington knows that the bill will never become law. President Bush has vowed to veto it, and its supporters lack the votes for an override.

That's tragic, because this bill's primary purpose is to reduce the awesome, awful influence of money on congressional elections.

First, the bill establishes reasonable spending limits for House and Senate campaigns. House candidates would have a $600,000 limit for the election cycle. The Senate limit varies from $1,586,500 to $8,250,000, depending on the size of the state.

Courts have ruled that mandatory campaign spending limits would be unconstitutional, so these limits must be voluntary. The bill would give Senate candidates who agreed to the limits discounted television time. House candidates would receive matching payments for small individual contributions. Both House and Senate candidates would receive postage discounts.

The legislation also limits the amount of PAC money that a candidate could receive. Senate candidates would receive no more than 20 percent of their total campaign money from PACs, while House candidates could receive no more than one-third from PACs.

The bill also bans "soft money" contributions, which are contributions laundered through political parties. According to Common Cause, the 1988 Bush and Dukakis campaigns both raised more than $20 million in soft money contributions that did not comply with federal law.

The voting on this bill has been highly partisan. Democrats, who are frequently outspent by Republicans, like the spending limits. Republicans say that the limits would make it harder for challengers to compete against incumbents with high name-recognition.

But the debate on the bill now seems moot since President Bush has said that he would veto any campaign legislation that provides public funding. It should be noted that his aversion to public funding doesn't extend to the top of the ticket, since he has accepted more than $200 million in public funds to run for president and vice-president.

This nation shouldn't have to wait until another scandal shames Congress to get campaign reform. The bill now on the table reduces the clout of money on the political system. Its most ardent supporters should be the people who are tired to seeing special interests get special treatment.

Big money is corrupting the political process. President Bush might believe that the status quo is just fine. After all, he's done just fine in the current system.

But he should know that most people think it stinks, and he should know that most people are looking for change, not excuses.

[From the Chelsea-Clinton (NY) News, Feb. 11, 1993]

UNNECESSARY KILLING

The bullets that killed Bonnie Vargas, the hostage who was grabbed by a fleeing bank robber on 93rd Street near Riverside Drive, were fired by New York police. And though the police could not have known it, the lone gunman's handgun was empty when the fatal shots were fired. The police were operating in a life-threatening situation; two policemen had already been wounded.

We, like most New Yorkers, were shocked that the police could open fire on a gunman holding a mobile hostage. In this case, the gunman was surrounded and could not escape. Why then endanger the hostage's life? Either police procedures were violated or new rules must be spelled out to cover these cases.

The officers' disregard for the life of Bonnie Vargas makes us very apprehensive of the greater fire power police will have if all officers are issued 9mm semi-automatic handguns. Three days after Vargas' death, the NYPD began increasing the number of officers carrying 9mm handguns by 50 each week. The chances of hitting bystanders will increase enormously if this experiment becomes standard policy.

DEMOCRATS IN D.C.

The nice thing about having divided government is there's always someone to blame for what went wrong. Obviously that luxury was too high a price to pay for gridlock. Now the Democrats have control of both the executive and legislative branches of the federal government and should be held accountable.

The Kimba Wood affair was a travesty. She was highly qualified, and her name should have been forwarded to the Senate for approval as attorney general. But panic broke out at the White House. A longer reaction time in the future could probably lead to saner results.

What really concerns us is House Speaker Tom Foley dragging his feet on campaign spending. Legislation was drafted and voted on by both houses last term only to be vetoed. The Senate is moving to re-pass the bill; the House should do the same.

The delay certainly won't result in a stronger bill. It's nice the president is getting along so well with Congress, but there should be times when he disagrees and seizes the moral high ground. Campaign reform is an issue that demands such leadership, and Bill Clinton shouldn't be satisfied with the excuse that the bill will be brought up later.

Most political action committees (PACs) are equal-opportunity contributors. Incumbents of both parties get the money, and committee chairs are special favorites. Since Democrats now control all the committees, they'll be the big losers if the PAC contributions are banned. That's why they're hesitating to pass the bill—a bill that's really quite mild. It doesn't eliminate all PAC money. Real campaign reform would have elections publicly financed and requirements that candidates debate on television.

It's true that bad news drives out good. The family-leave legislation is excellent, and its passage wasn't given enough news coverage. This law will permit employees in companies with over 50 employees to take up to 12 weeks of unpaid time off to be with a sick relative or newborn baby. No loss in benefits or position will occur as a result.

Clinton and his staffers will continue to make goofs, and that is expected. Our real concern is the Democratic Congress, which doesn't fully appreciate that the country expects major changes and that Congress must take some unpopular actions.

[From the New York Daily News, May 3, 1992]

BUSH AND THE FAT CATS

President Bush campaigns on the theme of "change." Yet he refuses a great opportunity to change the political system—an opportunity to stop fat cats from pouring zillions into candidates' pockets to buy access and influence.

Congress has taken a historic step by passing legislation that would lower the amounts that could be raised and spent in Senate and House elections. The measure would also create a system of public campaign financing, a crucial element in the effort to squeeze the lard out of congressional races.

But Bush says he'll veto the bill because he's against public financing. How's that again? When he ran for vice president with Ronald Reagan and when he ran for President in 1988, Bush cheerfully accepted public funds. He'll take more—in excess of $50 million—for his campaign this year. Why is it okay for him but not Congress?

Bush agrees with Sen. Bob Dole, who argues that contribution limits and public financing make it hard for challengers to spend enough to topple incumbents. But the argument is nonsense. As Sen. George Mitchell correctly points out, congressional "ins" outraise opponents by as much as four to one. Eliminating that incumbent advantage will help level the playing field and stop the auctioning of Congress.

A President who attends a $9 million fundraiser then vetoes a bill to outlaw such obscene money-grubbing has a lot to explain to the public. This should be a major campaign issue.

[From the New York Noticias del Mundo, July 12, 1989]

A NEEDED REFORM

When 99 percent of House incumbents are returned to office, when a candidate for the House must spend nearly $400,000 and for the Senate nearly $4 million, when special-interest political action committees provide the lion's share of campaign funding, then something obviously is wrong. Our system of choosing our representatives has gone badly off track.

President Bush, to his credit, has acknowledged the problem and has proposed remedies.

The president's campaign reform package by itself isn't going to solve the campaign-finance scandal, but as a starting point it's welcome. What's needed in the coming weeks is bipartisan negotiation toward ending Congress's serious addition to special-interest influence money.

Bush offered an 11-point legislative package, including a proposal that Congress limit its chief source of outside income, honoraria. Members of Congress took in more than $9 million in speaking fees last year—that averages out to be more that $15,000 per member. The groups that pay these fees understand they are getting more for their money than just a speech.

In return for an honoraria ban, the president promised to endorse a 25 percent raise for Congress, federal judges and some surgeons and scientists in the executive branch. Both the ban and the increase are worthy proposals.

Much more controversial is the president's proposal to ban contributions by PACs supported by corporations, unions or trade associations. PACs, special-interest money conduits, contributed approximately 50 percent of the money spent on congressional campaigns last year. That amounted to more than $170 million.

In the past six years, PACs have invested more than $400 million in government decision-making. PAC donors, without question, see these contributions as investments.

The president insisted—and we agree—that PAC contributions improperly and unfairly magnify the voices of special interests at the expense of representative government. But to ban all PACs—or to ban all but "ideological" PACs, as the president suggests—does not get to the root of the problem. It does nothing to rein in the soaring costs of financing a campaign. These costs have gone up exponentially, primarily because of expensive television advertising.

If Bush really wants to help Congress reclaim its integrity, he will push for overall limits on campaign spending. And, he will work with Congress to forge a public-financing plan for campaigns, a plan that is both politically and constitutionally acceptable. Congress instituted a public financing mechanism for presidential elections and it has worked just fine.

Congress's own system of campaign funding is not working just fine. In fact, the current corrosive system is a major reason Congress finds itself embroiled in an ethics crisis. Comprehensive reform would go a long way toward calming that crisis.

[From the New York Times, Mar. 8, 1993]

CLASH OVER CONGRESSIONAL CASH

Senator Mitch McConnell, Republican of Kentucky, was in there pitching for the status quo last week. That's an allowable position for a conservative pol, if only the status quo in question were not a corrupt, outdated and harmful one. As the G.O.P.'s designated hitter on all issues pertaining to campaign finance reform, Mr. McConnell told the Senate Rules Committee not to bother about the talk that senators spend too much time raising campaign money. It's a point many senators would probably dispute if they weren't so busy scrounging for funds. As the chart at right suggests, the senators have to churn out a lot of cash.

Mr. McConnell calls the Democrats' proposal to clean up campaign financing in part by using taxpayer funds an "entitlement program for politicians." It's a mystery why a Republican would want to prolong the system under which his party lost control of the Senate. In truth, as Senator David Boren of Oklahoma, the chief sponsor of the Democratic reform plan strongly notes, it's the present system that's the real entitlement program—but for incumbents only.

They enjoy a huge fund-raising advantage over challengers—mostly because of the favors they can provide wealthy special interests—and the invaluable perk of taxpayer-financed mail.

Still Mr. McConnell's argument stirs fear among some fainthearted Congressional reformers. They believe the public hates politicians so much it won't be able to see that partial public financing—either through direct matching funds or vouchers for media and mail—is really a realistic way to break the grip of special-interest money on Congress and give challengers a real chance. The relatively modest cost of the new Congressional campaign financing system could easily be covered by the revenues from ending the tax deduction for lobbying, as President Clinton has proposed.

Mr. Boren and George Mitchell, the majority leader, are looking at strengthening last year's bill by adding more public resources for Senate races. But unless President Clinton steps in, there's a real danger that reform-shy Democratic leaders in the House will drop the public financing provisions that it accepted last year in a bill vetoed by President Bush. That would be a staggering act of hypocrisy, even by the standard of past Congressional performance on political reform. Yet, it could happen.

Removing public financing from the bill, the House majority leader, Richard Gephardt, recently said, "doesn't threaten the heart and soul of reform." Oh no? Perhaps Mr. Gephardt's status as the House champion in raising money from the special-interest political action committees has made him undervalue the need for public finance. Or perhaps he is reflecting the House Democrats' traditional reluctance to fiddle with a formula that has locked them in the majority.

As always, an examination of the weekly ups and downs of Congressional reform leads one straight back to the President. For all his candor about the need for budgetary sacrifice, Mr. Clinton has been slow to level with Americans on the need to invest in the political system. It's this simple: Absent a decent infusion of public financing, it will be impossible to stop Congressional dependence on special-interest money.

By some accounts, Mr. Gephardt and a small group of House Democrats may decide the fate of public financing in a private meeting in the next few days. Mr. Clinton said he wanted to lead the country. On this issue he can start by leading the discussion in Mr. Gephardt's group.

THE SENATE'S TIN CUP

By some accounts, senators must become full-time fund-raisers in the last two years of their terms. Here's a look at fund-raising during that period by several G.O.P. Senators who oppose public campaign funds.

Fund-raiser	Two-year campaign receipts	Weekly fund-raising average
Minority Leader Bob Dole [1]	$2,362,936	$22,720
Mitch McConnell [2]	4,073,583	39,169
Phil Gramm [2]	11,626,377	111,792
Don Nickles [1]	3,235,075	31,106
Al D'Amato [1]	6,533,230	62,819
Robert Packwood [1]	5,804,130	55,809

[1] Re-elected 1992.

[2] Re-elected 1990.

Source: Federal Election Commission.

[From the New York Westsider, Feb. 11, 1993]

UNNECESSARY KILLING

The bullets that killed Bonnie Vargas, the hostage who was grabbed by a fleeing bank robber on 93rd Street near Riverside Drive, were fired by New York police. And though the police could not have known it, the lone gunman's handgun was empty when the fatal shots were fired. The police were operating in a life-threating situation; two policemen had already been wounded.

We, like most New Yorkers, were shocked that the police could open fire on a gunman holding a mobile hostage. In this case, the gunman was surrounded and could not escape. Why then endanger the hostage's life? Either police procedures were violated or new rules must be spelled out to cover these cases.

The officers' disregard for the life of Bonnie Vargas makes us very apprehensive of the greater fire power police will have if all officers are issued 9mm semi-automatic handguns. Three days after Vargas' death, the NYPD began increasing the number of officers carrying 9mm handguns by 50 each week. The chances of hitting bystanders will increase enormously if this experiment becomes standard policy.

DEMOCRATS IN DC

The nice thing about having divided government is there's always someone to blame for what went wrong. Obviously that luxury was too high a price to pay for gidlock. Now the Democrats have control of both the executive and legislative branches of the federal government and should be held accountable.

The Kimba Wood affair was a travesty. She was highly qualified, and her name should have been forwarded to the Senate for approval as attorney general. But panic broke out at the White House. A longer reaction time in the future could probably lead to saner results.

What really concerns us is House Speaker Tom Foley dragging his feet on campaign spending. Legislation was drafted and voted on by both houses last term only to be vetoed. The Senate is moving to re-pass the bill; the House should do the same.

The delay certainly won't result in a stronger bill. It's nice the president is getting along so well with Congress, but there should be times when he disagrees and seizes the moral high ground. Campaign reform is an issue that demands such leadership, and Bill Clinton shouldn't be satisfied with the excuse that the bill will be brought up later.

Most political action committees (PACs) are equal-opportunity contributors. Incumbents of both parties get the money, and committee chairs are special favorites. Since Democrats how control all the committees, they'll be the big losers if the PAC contributions are banned. That's why they're hesitating to pass the bill—a bill that's really quite mild. It doesn't eliminate all PAC money. Real campaign reform would have elections publicly financed and requirements that candidates debate on television.

It's true that bad news drives out good. The family-leave legislation is excellent, and its passage wasn't given enough news coverage. This law will permit employees in companies with over 50 employees to take up to 12 weeks of unpaid time off to be with a sick relative or newborn baby. No loss in benefits or position will occur as a result.

Clinton and his staffers will continue to make goofs, and that is expected. Our real concern is the Democratic Congress, which doesn't fully appreciate that the country expects major changes and that Congress must take some unpopular actions.

[From the Niles (OH) Daily Times, July 24, 1989]

CAMPAIGN FINANCING SYSTEM NEEDS CHANGED

Something's obviously wrong with our system of choosing congressmen and U.S. Senators.

When 98 percent of House incumbents are returned to office, when a candidate for the House must spend $400,000 to get elected or re-elected, and for the Senate, $4 million, this system has gone badly off track.

When special-interest political action committees provide the lion's share campaign funding, a remedy to this system is drastically needed.

President Bush, to his credit, has acknowledged this problem and recently proposed remedies.

While the president's campaign-reform package won't, by itself, solve the campaign-finance scandal, it's welcome as a starting point.

Bush offered an 11-point package, including a proposal that Congress limit its chief source of outside income, honoraria. Members of Congress took in more than $9 million in speaking fees last year—that averages out to more than $15,000 per member. The groups that pay these fees understand they are getting more for their money than just a speech.

In return for the honoraria the president said he'd endorse a 25 percent pay raise for Congress, federal judges and some surgeons and scientists in the executive branch. Both the honoraria band and the increase are worthy proposals.

Much more controversial is President Bush's proposal to ban contributions by PAC's supported by corporations, unions or trade associations. Such groups contributed about 50 percent of the money—$170 million—spent on congressional campaigns last year.

In the past six years, PACs have invested more than $400 million in government decision-making. PAC donors look at these contributions as "investments."

Bush insisted—and The Niles Times agrees—that PAC contributions improperly and unfairly magnify the voices of special interests at the expense of representative government.

But to ban all PACs—or to ban all but ideological PACs—does not get to the root of the problem. It does nothing to rein on the soaring problem of financing a campaign. These costs have skyrocketed primarily because of expensive television advertising.

If the president wants to help Congress reclaim its integrity, The Times believes he should push for overall limits in campaign spending. He should work with Congress to forge a public-financing plan for campaigns, a plan that is both politically and constitutionally acceptable.

After all, Congress did institute a public financing mechanism or presidential elections and it worked just fine.

On the other hand, Congress' own system of campaign funding is not working period. In fact, the corrosive system is a major reason Congress finds itself embroiled in an ethics crisis.

Comprehensive reform would go a long way toward calming that crisis.

[The Ogdensburg (NY) Journal, Dec. 16, 1991]

Public Financing for Congress

As the Bush-Quayle '92 Fund-Raiser was rolling merrily along Halloween night in Houston, Vice President Dan Quayle gushed that Texan Phil Gramm is "one of the best United States senators in the entire country!"

And the audience cheered. Then, in the next breath, Quayle urged that Gramm be summarily booted out of the Senate—thwarting the will of the people who made the ever-ready conservative the most popular Republican vote-getter in Texas history.

And yet, the audience cheered again. They cheered not because they'd suddenly turned against Phil Gramm, who is indeed one of the smartest and ablest of senators, but because they didn't grasp the impact of Quayle's plea. Then again, neither did Quayle. He wasn't thinking about the future of Phil Gramm, his aides say; he was merely pleading his pet notion of how Republicans can defeat Democrats: term limits for Congress.

What the vice president and his fellow Republicans haven't yet figured out is that there is a far better plan to accomplish their real goal—ending the apparent invincibility of Democratic incumbents in Congress—without scrapping all that is good about our democratic system of government of, and by, the people.

It is a plan that will end the overwhelming advantages that incumbents have over challengers—senators and representatives lure big money from the special interests and spend it to assure their re-election.

It is a plan that will end the corrupting influence of the special interests and their PACs—the Charles Keatings and the lobbyists of big labor and big business won't be able to buy or rent the services of representatives and senators, or even access to them. And senators and representatives won't have to beg them for money.

It is a plan that will give voters equal access to the ideas, promises and claims of incumbents and challengers—to level the playing field for all candidates.

It is a plan for the people to finally recapture their own electoral system from the special interests by financing the primary and general election campaigns of Senate and House candidates. The plan will cost, according to the Center for Responsible Politics and the Working Group on Electoral Democracy, about $500 million a year.

The idea is far from revolutionary. It is a plan to extend to Senate and House candidates the public funding system we now provide for presidential candidates. You'd think this would be precisely what Republicans would be demanding as they seek to break the lock that Democrats seem to have on the House, where more than nine out of every 10 incumbents win reelection. But Republicans seem to be unable to break the old philosophic lock that keeps them repeating clinches of opposition to all government financing.

How quickly the elephant forgets:

Ronald Reagan is the No. 1 recipient of public money for campaigns; he got a combined total of $92 million for three presidential campaigns (as calculated by Common Cause).

President Bush received a combined total of $60 million in public funds for his 1980 and 1988 presidential campaign.

Republican presidential candidates together have accepted $212 million in tax funds. The Republican National Committee has gotten $24 million in tax money for its presidential conventions.

House and Senate Republican campaign committees have accepted millions in tax funds for political mailings.

This year, the House and Senate passed campaign finance reforms—now Bush threatens a veto if the House version prevails, because it would limit spending and match small individual contributions with public funds.

In their zeal to do what's best for Republicans, Bush and Quayle have gotten it backward. Public financing in their best—probably their only—hope for ending the domination by Democratic incumbents in Congress. And it is our best hope for driving the PACs into extinction.

Dan Quayle thinks the loss of a few super conservatives like Phil Gramm is a price worth paying to force all incumbents from power. The rest of us can argue that it is better to guarantee that the will of the people can be freely expressed—for a small price.

[From the Orlando Sentinel, Mar. 12, 1991]

An Overhaul Makes Sense * * *

Much of the public's relative indifference to campaign finance reform stems from questionable objections to the leading reform ideas.

For example, many opponents of giving candidates public money express revulsion at the idea of having their tax dollars used by candidates they oppose. But when the public money devoted to this purpose is spread across all taxpayers, a given candidate probably would receive no more than a few cents of each citizen's taxes.

Furthermore, candidates whose views some people find revolting are elected all the time. There's no way that will change. Likewise, the offensive candidate may lose even with the objecting citizen's meager involuntary help.

Most important is this question: Which is worse, the minor irritation of a few cents' donation to a candidate you don't like or the substantial evil of current political shenanigans and influence-buying?

Surely the answer is that the current ills are far worse. Especially considering the enormity of the problem, other routine objections to campaign reform stand up no better to assaults of logic.

For instance, it makes no sense to maintain that candidates should be able to spend as much as they want. (It's more important that elected officials aren't obligated to special interests.) Or that PAC contributions buy access but don't influence votes. (Contributors like the NRA and Charles Keating seem to want results for their money.) Or that challengers (like Lawton Chiles, maybe?) can't win by limiting contributions and letting incumbents outspend them.

An overhaul of the campaign finance system can't be delayed.

[From the Paris (TN) Post-Intelligencer, Apr. 16, 1992]

Run Campaigns With Tax Funds, Not PAC's

A political cartoon depicts a taxpayer working on his return. He has leaped up from the table in such a rage that his head has smashed through the ceiling, and his wife is explaining, "He was fine until he got to the box about donating a dollar to the presidential election campaign."

That may be the way a lot of us feel: Be darned if we want our hard-earned money going to pay for a political campaign.

But wait a minute. If we don't pay for campaigns, who does? Think about that.

Who pays is the big spender: the wealthy, the political fat cat and especially the political action committee. They're all too happy for you and me to turn our backs while they pour bucks into the election campaigns.

And what do you suppose they expect in return for their money? You've got it. Results.

Our election funding system is as much at fault as any single factor in the bad reputation which our government is getting with the people. The government isn't ours any more, we feel. If that's true, it hasn't been stolen from us. We sold it.

Political action committees originated as a reform movement, a method to assure that the wealthy were not the only big contributors to campaigns. The feeling was that people with common interests could pool their funds and make a difference.

The theory has worked beyond the wildest dreams of the planners. PACs have succeeded too well—so well that they now dominate the whole election funding process.

We need to buy campaigns back. The campaign funding role of PACs should be sharply limited, and campaigns should be funded largely with tax funds—yes, your taxes and mine. In order to do that, we need to sharply limit the amount that can be spent on campaigns.

Under the present system, the candidate who can raise the most money stands the best chance of getting elected. While that may make some free-market sense, it still results in far too much being spent on campaigns.

We would be better served with limits on the length and spending of political campaigns and on the amount that PACs could contribute to the process. Tax money should make up the balance. That would make office holders more beholden to the taxpayers and less to the special interests.

Or we could just let the big spenders go on running things for us. Are you satisfied with the ways things are?

[From the Parkersburg (WV) Sentinel, Apr. 22, 1992]

Bush on the Spot

President Bush will faces a pivotal decision for the nation.

He will either sign into law a landmark campaign finance reform bill and help bring about basic change in Washington, or he will veto the bill and, in effect, become the chief protector of our nation's corrupt campaign finance system.

Fred Wertheimer, president of Common Cause, says the bill is the most important government reform legislation to emerge from Congress since Watergate. It would limit campaign spending and provide public campaign resources for congressional races, establish new restrictions on special-interest PAC contributions in Congress, and end the so-called "soft money" abuses that have brought huge, Watergate-style $100,000 contributions back to the White House. The House passed the legislation on April 9 and the Senate is expected to act on its shortly.

President Bush has threatened to veto this bill for several reasons.

He does not favor public financing of elections. By the end of the 1992 campaign, Bush will have benefited from the use of more than $200 million in public funds to run for president and vice president.

Bush also objects to spending limits because they would hurt challengers by limiting their ability to outspending incumbents.

The current system of unlimited spending and no public campaign resources that has produced unprecedented reelection rates for congressional incumbents, as high as 98 percent in recent elections.

In contrast, under the presidential system of spending limits and public financing, challenges have been able to win two of the past four elections.

The real problem that congressional challengers face is that they are starved for campaign funds, while incumbents have far more than they need. In 1990 90 percent of the 330 House challengers did not have even half of the campaign funds they would have been allowed to spend under the proposed legislation. House challengers had just $36 million, compared with $240 million for the incumbents.

A system that combines public campaign resources with reasonable spending limits would increase, not decrease, the ability of congressional challengers to run competitive races.

The President also says he wants to end the influence of special-interest political money in Washington by banning PACs. The proposed legislation does not ban PACs, which is of questionable constitutionality, but it makes major reductions in PAC money to congressional candidates.

The bill also eliminates the $100,000 special-interest soft money contributions that are flowing back into presidential campaigns and destroying our country's anti-corruption laws. President Bush has been unwilling to stop this kind of special-interest money.

The so-called soft money system is, in reality, a money laundering scheme that President Bush used in 1988 to evade the presidential campaign contribution and spending limits and to raise $25 million in $100,000 contributions from just 249 individuals. The Democratic presidential nominee Michael Dukakis conducted a similar campaign.

The soft money system is providing the wealthiest people in America with special access and influence at the White House. The legislation the President is threatening to veto would end this system.

If President Bush signs the fundamental reform legislation headed to his desk, he will put in place the most sweeping government reform in almost 20 years.

If the President vetoes the bill, he must assume responsibility for allowing the present unfair system, with its opportunities for corruption, to continue.

The choice is his.

[From the East Oregonian, Apr. 6, 1992]

Limiting the Power of Incumbency

Career politician George Bush now wants to get rid of career politicians.

Ironically, President Bush's hypocrisy on this issue offers the best evidence of why we need a campaign finance system that gives challengers a fighting chance. We desperately need citizen legislators—and presidents—who hold office believing in more than merely getting re-elected.

Bush, predictably, is now cynically exploiting the public's low estimation of Congress for his own political payoff. He only wants reforms that hurts Democrats. He is threatening to veto a campaign finance reform bill that would move us in the right direction by limiting the power of all incumbents, no matter the party.

The centerpiece of Bush's proposal is term limits for members of Congress. Term limits may indeed be necessary at some point if Congress—and the president—refuse to address our corrupt, moribund political system through strong campaign finance reform.

But Bush's motivations for term limits are not the same as those of the frustrated masses wondering why Congress can't accomplish anything substantial. Bush wants only reforms that throw Democrats out of office but preserve the ability of Republicans to amass huge campaign war chests. He is exploiting the popularity of term limits not to make the system better—but to get more members of his own party in office.

Bush is also calling for further limits on special interest money—or PACs. This is aimed primarily at reducing the ability of large labor unions to shovel enormous amounts of money to their Democratic friends in Congress. Limiting PAC donations is a good idea, but it means nothing unless accompanied by spending limits. But Bush won't go that far because the Republican Party does a much better job than Democrats at raising huge sums from corporations and individuals and passing that money on to their incumbents.

Until Bush is willing to support campaign finance reform limiting the power of ALL incumbents, his sincerity must be questioned. If Bush truly believes in converting our "career" Congress to a "citizen" legislature, he should sign the campaign finance reform bill approved by a House-Senate conference committee and headed for the House floor. It calls for sending limits on Congressional elections and cuts political action committee donations in half. In addition, the bill curbs the use of "soft money"—money raised outside existing limits and distributed by party organizations to candidates.

Bush's signature on this bill would go a long way toward reducing the corrupting influence of special interest money that allows incumbents to cling to power long after their usefulness as legislators has expired. And he could really make his mark in this field by going further. The president should prod Congress to offer free television time to candidates and franking privileges for challengers on a par with incumbents.

Spending limits, partial public funding of congressional campaigns, free television time for candidates, and equal mailing privileges for challengers and incumbents all will dramatically reduce the power of incumbency.

A veto of the campaign finance reform bill now in Congress will show that Bush is more interested in partisan advantage than true reform. And he would once again be a shining example of an entrenched political leader more interested in retaining power than moving forward on the revitalization of American democracy.

[From the Philadelphia Inquirer, Apr. 15, 1992]

How Weak Can It Get?

The House and Senate have just hammered out a campaign-financing compromise that's weaker than it should be—yet it's going to die by veto because President Bush wants something even weaker. That's this year's eulogy for efforts to reduce the advantages of incumbency, and make candidates less dependent on the generosity of special interests.

The staples of reform are limits on contributions from political action committees (PACs) and limits on total spending. And since mandatory limits run afoul of the Constitution, the basic way to enact limits is to make them voluntary—with candidates who agree to them getting something in return. Under the latest plan, the incentive for House candidates would be federal matching money for the first $200 of any donation from an individual. Senate candidates who agreed to the limits could get free television time. And candidates for either office, both incumbents and challengers, could get a discount on postage for one political mailing.

Even though Mr. Bush objects to spending limits and partial public financing as unneeded interference with the political process, we feel these policies are essential to at least put some check on the spreading corruption of campaign finance. In fact, the new limits would still be too loose. Under this legislation, a House candidate could accept up to $200,000 in PAC money, and Senate candidates could get between $375,000 and $825,000, depending on the state's voting age population. These limits are better than no limits, but they still give special interests too much influence.

The limits on total spending are also too high, leaving the better-financed candidate—usually the incumbent—free to heavily outspend the opposition. For House candidates, the limit on general-election spending is half a million bucks; Senate candidates could spend between $950,000 and $5.5 million to win a general election.

Still, there's value in setting limits. It's at least a start. Loose limits could lead to tougher ones later. The bill also has other worthwhile provisions, such as a ban on PACs controlled by congressional leaders. Unfortunately, this partial clean-up is too much for Mr. Bush.

[From the Berkshire (MA) Eagle, Apr. 30, 1992]

The President's Pricy Dinner

Eating out can be an expensive proposition, but the President's Dinner in Washington Tuesday night was particularly steep. A ticket cost $1,500, and a purchaser of a table of tickets would get to sit with a senior administration official. For $92,000, a diner could have a picture taken with President Bush.

When the last table was cleared away, President Bush, who is fighting a congressional attempt at campaign reform, had raked in $9 million. The fund-raiser is thought to be the largest in American political history.

The hypocrisy of the Bush administration and the ineffectiveness of campaign finance laws were both on public display Wednesday night. Though the law limits donations to political campaigns to $1,000 per person and $5,000 per political action committee, there is no limit on indirect contributions. Most of the money raised at the dinner went to a trust which funnels money to Republican organizations, and from there to the Bush campaign. In turn, the president's wealthy dinner guests can anticipate favors during the president's second term.

The same president who uses loopholes to set fund-raising records has also sanctimoniously berated the Democrat-dominated Congress for its reliance on PAC money. But at least Congress wants to do something about it.

A bill the Senate brought to the floor Tuesday would close many loopholes the president benefits from and establish voluntary spending ceilings on congressional campaigns. In exchange for agreeing to those limits, House candidates will receive increases in public matching funds and Senate candidates will get vouchers to purchase television time.

Of course, the president threatens a veto. He is opposed to public financing of congressional campaigns, claiming challengers will be hurt, though it is incumbents who generally collect the largest donations. Ironically, the president has received more than $200 million in public financing in his political career, more than any other candidate in history.

The Senate bill has flaws but it represents progress. A president bought and paid for by wealthy dinner guests shouldn't stand in its way.

[From the Tri-Valley (CA) Herald, Feb. 16, 1993]

MAKING GOOD ON CAMPAIGN FINANCING REFORM

President Clinton may have a lot on his agenda already, but we're adding another must-do item to his list. Clinton needs to take advantage of the climate for change that swept him into the White House by getting campaign financing reform legislation through Congress. During the 1992 campaign, he voiced support for a tough, new law.

Campaign financing reform isn't the kind of issue that inspires mass marches on the Mall. Still, Americans know that big money has corrupted the electoral process.

A 1992 study by Common Cause, the good government lobbyist, showed President Bush granted numerous government favors, including regulatory relief, special appointments and import-export assistance, to business leaders who contributed $100,000 or more to his 1988 campaign. But Democrats don't wear halos. By September, 1992, Clinton-Gore fund-raisers expected their campaign would exceed the $53-million record in "soft" money collections—contributions from private sources that go indirectly to the candidate through the part—set during the Dukakis campaign in 1988.

Clinton was an eager presidential candidate when President Bush vetoed a campaign reform bill last fall. "I would urge Congress to go right back and give him a tougher bill," he said.

But time ran out on Bush and now Clinton's the main man. It's up to him to urge Congress to bring the bill to him.

Clinton will need to do his best politicking. Traditionally, Democrats rely heavily on PACs, the political action committees that tend to back liberal candidates. Lowering the amounts of money that PACs can give to candidates is one of the key provisions of the finance reform bill. The others would:

Place financing limits of $600,000 on House races and from $1 million to $5.5 million on Senate races.

Ban the kind of "soft" money contributions the Clinton-Gore campaign amassed so adroitly, and

Require public-matching funds for limited campaign communications like TV ads, financed through a repeal of a tax loophole that allows corporations to deduct lobbying costs.

President Clinton has plenty of ammunition for this fight. Common Cause is holding 48 House Democratic freshmen to the promise each made during the 1992 campaign to support financing reform. And most returning House members claim they're for it, says Jay Hedlund, Common Cause's director of grassroots lobbying.

What the president must do is direct his attention to this low-profile but important issue in the coming weeks. Americans may not descend on Washington in buses. But they do want the kind of change in the electoral process that can start with campaign-financing reform.

[From the Port Huron (MI) Times Herald, Apr. 3, 1993]

CAMPAIGN SPENDING REFORM A '91 "MUST"

The watchdog agency Common Cause has complained for years that election victors are almost always those who raise the most money.

Its recent report that congressional incumbents who easily won re-election in 1990 also raised—and spent—far more than their challengers consequently comes as no surprise.

What the new federal spending figures underscore is the urgency of adopting campaign spending caps and controls that will diminish the advantage of incumbents.

And the Keating Five scandal demonstrated that essential to any reform is a reduction in the impact, and the influence, of political action committees—which in 1989-90 favored incumbents over challengers as recipients of their largess by a margin of 13-to-1.

The House went through the motions of passing an election reform bill last year, but it embraced few reforms. For example, one of its provisions would have increased the amount that many legislators could receive from PACs.

The Senate passed a far better bill, addressing all the major concerns over a system that has made lawmakers beholden to big-money contributors for an evermore disturbing proportion of their campaign dollars. But the two chambers never came to grips with the bills' substantial differences, and both died when the 101st Congress expired at year's end.

This year, the House has before it a genuine reform proposal—The Clean and Fair Elections Act of 1991—sponsored by three Democrats and a Republican. It is almost identical to the 1990 Senate-passed bill, which senators have resurrected in the new Congress.

Both House and Senate plans would drastically alter the way campaigns are financed. Among other things, they would:

Reduce the maximum PAC contribution to a candidate from the current $5,000 to $1,000 and prohibit candidates from accepting more than 20 percent of their spending limit from PAC's. Those provisions would have cut 1990 PAC contributions to House candidates by 50 percent—a total of $52.7 million.

Prohibit "bundling" of campaign contributions—the lobbyist practice of collecting contributions from several sources and presenting a hefty (and impressive) total to the candidate—as Charles Keating did.

Cut in half, from $1,000 to $500 per election, the amount of money an individual could give to a candidate and set up a $100-per-contributor tax credit to encourage small contributions.

Shut down the "soft money" system which now permits money banned from federal elections to be laundered through state parties and spent on behalf of federal candidates anyway, violating the federal law's spirit.

Make available public funds to candidates who agree to an overall spending limit of $550,000 and who raise a specified portion of their campaign money from home-state contributors.

This last provision to allocate public tax money to political campaigns is one of the most controversial features of the proposals. It's also the one we like least. But if expending some public dollars is the only practicable way to substitute "clean money" for the pell-mell race to garner contributions that can raise suspicion even alarm—then that's a price of a more wholesome democracy the nation should be willing to pay.

The Senate is likely to pass its bill again, so the key to reform is the House. Lawmakers there can demonstrate they're serious about campaign reform by giving top priority to passing The Clean and Fair Elections Act of 1991.

[From the Portland (ME) Press Herald, May 13, 1992]

SENATE SHOULD REVERSE CAMPAIGN REFORM VETO

Hypocrisy ran amok over the weekend when President Bush, professing political virginity, vetoed the campaign finance reform act sponsored by Senate Majority Leader George Mitchell and others. He just couldn't accept legislation, cluck-clucked the president that "contains spending limits or public subsidies or fails to eliminate special-interest PACs (political action committees)."

Gracious no. This is the man who has run in four presidential elections, all of them with voluntary spending limits and "public subsidies." Though he didn't have to participate in this system, he did. As a result, says Mitchell, by year's end the president will have received more than $200 million in public campaign funds, "more than any person in the history of the country."

Last month in his latest trip to the trough to seek another $2 million in public funding, Bush barely looked up long enough to say he would veto any legislation that allowed such outrageous extravagance. Slurp, slurp.

As senators prepare to vote on whether to override the president's veto, they should consider that it is they who will pay the price if the Bush veto stands. Americans are fed up with the obscene, multimillion-dollar cost of many campaigns. Existing campaign finance laws are easily skirted, through "soft money" raised by candidate surrogates and through "bundling." The latter consists of putting together large sums of money from individuals, corporations and labor unions in a way not otherwise allowed.

In 1988, almost 250 individuals and corporations donated at least $100,000 each to the George Bush campaign.

"There has been a return to the pre-Watergate presidential campaign finance era," says Mitchell.

The Maine senator's reform bill would disallow soft money and bundling. It would curtail the participation of political action committees in federal elections. It would provide broadcast vouchers, lowered broadcast rates and discounted mail rates to candidates who agreed to limit their campaign spending.

More than any other recent bill, the campaign finance reform act would begin to restore badly shaken public confidence in the political process.

Senators should vote to override Bush's veto not for their own sakes or for that of their House counterparts or for that of their respective parties' presidential nominee. They should do it for the simple reason that it would be right, and it would be good for the country.

[From the Primos (PA) Times, Apr. 30, 1992]

REFORM ELECTION SPENDING

The first election of 1992 is history and the victors are gearing up for a November battle.

The primary brought upsets, unchallenged candidates and expected winners. It also replayed an all-too-familiar refrain.

"Money was it. Money was the ball game, no doubt about it," Republican primary challenger Steve Freind said when asked to discuss the turning point in his losing fight.

But the issue isn't just who has raised the most money for his or her campaign. The real problem for the American public is where is that money coming from?

During the 1988 presidential campaign, 60 wealthy real estate executives gave $100,000 each to George Bush's Team 100, according to a Common Cause study. From 1989 through 1991, these same 60 (including Donald Trump) gave an additional $1.7 million to President Bush's national party committee.

Also, from 1987 through 1991, real estate industry political action committees (PACS), gave current members of Congress a total of $12,060,735, according to the same study.

Critics believe legislation which encouraged investment in speculative commercial building without fear of real monetary loss under a passive loss tax shelter contributed to overbuilding in the past decade and the subsequent failure of the savings and loan industry. Who benefited? Any of these who contributed millions of dollars to campaigns and thus bought access to candidates ears? Who is paying for the savings and loan fiasco? Those who, apparently, have no one's ear.

Another study in 1991 found that house members from our state of Pennsylvania alone received nearly $1.4 million from medical-industry PACS during the past decade. Does that financial clout have anything to do with the lack of meaningful health care reform in the country? Who benefits from the system as it works—the average, middle class taxpayer or an organization that can "donate" $239,414 to Richard Schulze (R–5th) over a 10-year period?

As Donna Summers once sang, "Enough is enough."

The Senate should take up the conference report on bill S.3 as early as this week. The Senate first passed this bill on May 23, 1991 by roll call vote of 56–42.

The House of Representatives passed the conference report on April 9 by roll call vote of 259–165. Nineteen Republicans, 239 Democrats and one independent voted aye; 145 Republicans and 20 Democrats voted no.

The President is expected to veto S.3.

The bill is not perfect, but it is a beginning. It will require campaign spending limits and clean public resources for congressional elections. The House limit is $600,000 for the election cycle; the Senate limits vary according to the size of the state from $1,586,500 to $8,250,000.

The bill bans huge "soft money" contributions and takes the presidency of the United States away from the super rich.

It also places new restrictions on PACs. Under S.3 PACs could not contribute more than 20 percent of the total campaign spending in Senate campaigns. The House limit would be one-third of campaign spending, while the amount a Senate candidate could accept from an individual PAC would be cut in half—from $5,000 to $2,500.

The conservative critics of the bill (who include Schulze and Curt Weldon, both of whom voted no on April 9) point to campaign financing under the new proposals as "government subsidies."

Big deal. So, taxpayers will discover part of their tax dollars going to support campaign spending.

Ironically, President Bush, who finds this distasteful enough to warrant a veto, did not find the idea too horrible to accept $200.2 million in total public funds in seven primary and general election campaigns since 1980, according to the Federal Election Commission.

The only solution to the fund-raising advantages of incumbency and the access of special interests through their donations to candidates is campaign finance reform that ensures equal spending by both candidates (ideally through public financing).

The feeling exists in this country that Capital Hill is for sale. It is time to return the power to elect and the power to make our elected representatives listen to the public they are supposed to represent.

Tell our representatives we want election spending reform.

[From the Provo (UT) Daily Herald, Aug. 12, 1989]

CAMPAIGN SPENDING LAWS NEED REFORM

When 98 percent of House incumbents are returned to office, when a candidate for the House must spend nearly $400,000 and for the Senate nearly $4 million, when special-interest political action committees provide the lion's share of campaign funding, then something obviously is wrong. Our system of choosing our representatives has gone badly off track.

President Bush, to his credit, has acknowledged the problem and proposed remedies.

The president's campaign reform package by itself isn't going to solve the campaign-finance scandal, but as a starting point it's welcome. What's needed in the coming weeks is bipartisan negotiation toward ending Congress' serious addiction to special-interest influence money.

Bush offered an 11-point package, including a proposal that Congress limit its chief source of outside income, honoraria. Members of congress took in more than $9 million in speaking fees last year—that averages out to more than $15,000 per member. The groups that pay these fees understand they are getting more for their money than just a speech.

In return for an honoraria ban, the president promised to endorse a 25 percent pay raise for Congress, federal judges and some surgeons and scientists in the executive branch. Both the ban and the increase are worthy proposals.

Much more controversial is the president's proposal to ban contributions by PACs supported by corporations, unions or trade associations. PACs, special-interest money conduits, contributed approximately 50 percent of the money spent on congressional campaigns last year. That amounted to more than $170 million.

In the past six years, PACs have invested more than $400 million in government decision-making. PAC donors, without question, see these contributions as investments.

The president insisted that PAC contributions improperly and unfairly magnify the voices of special interests at the expense of representative government. But to ban PACs—or to ban all but "ideological" PACs, as the president suggested—does not get to the root of the problem. It does nothing to rein in the soaring costs of financing a campaign. Those costs have gone up exponentially, primarily because of expensive television advertising.

If Bush really wants to help Congress reclaim its integrity, he will push for overall limits on campaign spending. And, he will work with Congress to forge a public-financing plan for campaigns, a plan that is both politically and constitutionally acceptable. Congress instituted a public financing mechanism for presidential elections, and it has worked just fine.

Congress' own system for campaign funding is not working just fine. In fact, the current corrosive system is a major reason Congress finds itself embroiled in an ethics crisis. Comprehensive reform would go a long way toward calming that crisis.

[From the Rapid City (SD) Journal, Feb. 14, 1993]

THIS TIME NO EXCUSES

The way congressional election campaigns are financed needs to be changed.

As Roseann Roseannadanna might have said. "What's all this fuss about camping finance reform?"

And really, who cares if Sen. Larry Pressler, apparently deciding against pitching a tent, spends a few nights in the posh Beverly Wilshire Hotel at the expense of his campaign war chest? Who cares if he spends $143,000 during a year in which he is not even up for re-election? After all, the senator is up for re-election in 1996, and he has to spend some of that campaign money in order to raise more money to counter the millions his Democratic opponent is sure to spend.

Sorry, Roseann, but the issue is campaign finance reform, and it is important.

Why? Because, the way things are now, members of Congress spend as much time raising money for the next election as they do deliberating as our nation's lawmaking body. It's important because, although as members of Congress they are supposed to be operating in the best interests of our country in general the money that is getting them elected comes from a multitude of people and groups with very specific interests.

Whom are they raising money from? Take a look at Sen. Tom Daschle's Federal Elections Commission report summary for 1987-1992, and you will see 14 pages full of names of special interest groups that have donated to the senator's war chest. Names such as the Hawaiian Sugar Planters Association ($1,000), Pear Growers for Responsible Government ($250), the United Auto Workers ($10,000) and the Women's Alliance for Israel ($10,000).

When it comes right down to it, the interest that Congress is supposed to serve—the well-being of everyone—is nowhere represented in the money that gets candidates elected.

The solution is public financing for elections. In other words, for us, the common people, to give them money out of the taxes we pay. Our best interest isn't served by having them traveling all over the country with their hands out. We want them out talking to people, studying issues, figuring out how to get our country out of the messes it's in. And we'll give the same amount of money to the people running against them, and let 'em have a fair fight—have the same amount to spend, the same amount of time on TV, the same amount of free postage for their brochures, etc.

Pressler was quick last week to defend his off-year campaign spending. He wasn't doing anything illegal. But he has been complaining a lot lately about how much he dislikes campaign fund raising.

And Daschle, even as one of the top recipients of special interest money in the Senate, has voted consistently for campaign reform measures and says he would like to stop accepting special interest money but can't because the other side won't.

So, both of South Dakota's senators say they don't like the system the way it is. It's time for a change.

And now we have a President in the White House who favors changing the way America funds congressional campaigns. Last year, Congress passed a law that would make some of these changes, but it did so knowing that President Bush would very likely veto it.

This time there's no more excuses. Recent polls have shown that Americans support the concept of public financing. Members of Congress say they want it. The president says he wants it. Let's have it.

[From the Red Bluff (CA) Daily News, July 18, 1989]

PRICKING PACS IS ONLY A START

When 98 percent of House incumbents are returned to office, when a candidate for the House must spend nearly $400,000 and for the Senate nearly $4 million, when special-interest political action committees provide the lion's share of campaign funding, then something obviously is wrong. Our system of choosing our representatives has gone badly off track.

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Much more controversial is the president's proposal to ban contributions by PACs supported by corporations, unions or trade associations. PACs, special-interest money conduits, contributed approximately 50 percent of the money spent on congressional campaigns last year. That amounted to more than $170 million.

In the past six years PACs have invested more than $400 million in government decision-making. PAC donors, without question, see these contributions as investments.

The president insisted—and we agree—that PAC contributions improperly and unfairly magnify the voices of special interests at the expense of representative government. But to ban PACs—or to ban all but "ideological" PACs, as the president suggests—does not get to the root of the problem. It does nothing to rein in the soaring costs of financing a campaign. Those costs have gone up exponentially, primarily because of expensive television advertising.

If Bush really wants to help Congress reclaim its integrity, he will push for overall limits on campaign spending. And, he will work with Congress to forge a public-financing plan for campaigns, a plan that is both politically and constitutionally acceptable. Congress instituted a public financing mechanism for presidential elections, and it has worked just fine.

Congress' own system of campaign funding is not working just fine. In fact, the current corrosive system is a major reason Congress finds itself embroiled in an ethics crisis. Comprehensive reform would go a long way toward calming the crisis.

[From the Roanoke Times and World-News Apr. 13, 1992]

THE WORST PERK OF 'EM ALL

In July 1988, an article in "Campaigns & Elections" magazine gave helpful instruction to candidates who wanted to weasel around those pesky post-Watergate limits on campaign contributions:

There are scores of ways a generous individual or PAC can surreptitiously help your campaign—if they are so inclined. Indeed, accepting "special" money or money above the legal cash limit has become an art in and of itself. Three of the more creative approaches are bundling, generic donations and in-kind contributions. Best of all, each is absolutely legal—and fattening to your campaign budget.

But none of our esteemed representatives in Congress would actually resort to such clandestine financing tactics, would they?

Right.

While Americans worry about bounced congressional checks, free prescriptions drugs, private gyms and reserved parking spaces at Washington airports be assured: What Common Cause President Fred Werthemer calls "the most scandalous perk in Congress"—a corruptive system of multimillion-dollar political fund-raising—will continue unless President Bush comes to his senses and signs meaningful campaign-finance reform legislation.

Following a decade of congressional struggle, such a bill finally has been produced by a House-Senate conference committee; it would go far toward dismantling this dangerously corrupting system.

The proposal's welcome features include:

Voluntary spending limits on congressional campaigns to brake the outrageous money chase that now occupies the time public officials should be devoting to the public's business.

Public funding for congressional candidates who agree to so limit their campaign spending. This would substantially reduce candidates' dependency on special-interest contributions and help eliminate incumbents' edge over challengers.

A ban on so-called sewer money, unregulated contributions made to political-party committees for slipping under the table to candidates. In 1988, sewer money laundered through political committees provided about $20 million for the presidential campaigns of both Bush and Democratic challenger Michael Dukakis.

New restrictions on the aggregate amount of campaign funding that congressional candidates can raise from political-action committees. (In 1991, PAC contributions to 393 incumbent representatives seeking re-election accounted for more than $33 million—almost half of the total $39 million that incumbents raised.)

A ban on "bundling," a gimmick used by PACs to exceed the maximum spending limits for a particular candidate. (Here's how to works: A PAC asks each of its members to write personal checks to a candidate. To ensure that the special-interest organizations gets credit, the PAC collects the checks and delivers them in a bundle to the candidate. But when campaign-funding reports are made, only the individual contributions are reported.)

Such reforms could dramatically reduce the role of special-interest money in politics—and President Bush intends to veto them. He opposes campaign-spending limits, even if voluntary. He objects to public funding for congressional campaigns, through by the end of the year he will have received more than $200 million in public funds for his re-election campaign.

A veto would be intolerable. The measure comes to late to prevent the Keating Five scandal, for which taxpayers are still paying. But it may not be to late to prevent similar scandals.

In this election year, President Bush talks about the congressional system being broken. Jerry Brown and Ross Perot play to the public's disenchantment with government, and to voters' concerns that Washington is unable to deal with the nation's problems.

Few would deny the link between the loss of confidence in government and the current system of campaign financing.

The reform bill won't fix it all. But if what former Wisconsin Sen. William Proxmire calls "thinly concealed bribery that not only buys [lawmakers"] attention but frequently buys their votes" can be curtailed, it will be a good start.

[From the Rochester (NY) Democrat & Chronicle, June 2, 1992]

WHITE HOUSE FOR SALE?—BUSH'S 1988 RICH DONORS RECEIVED FAVORS THAT COST TAXPAYERS A BUNDLE

When he vetoed a campaign finance reform bill last month, President Bush said it would gouge the taxpayers.

Public financing of congressional campaigns would cost money—probably more than $100 million every two years. But is that more than the cost of favors done by grateful winners for the rich fat cats who bankrolled their campaigns?

It's a hard question to answer. But who can believe that people who give $100,000 or more to a presidential candidate want nothing in return?

The new issue of Common Cause Magazine, in fact, takes a look at how some of the GOP Team 100 members (the 249 people who gave at least $100,000 in 1988) fared.

It's clear that Team 100 members reaped millions of dollars in benefits—some of it directly from the taxpayers.

While it is illegal to give more than $1,000 to a presidential candidate, the political parties each raised more than $25 million in "soft money" in 1988—large donations given to party committees set up to evade the legal limits.

And the practice continues—although the bill Bush vetoed would have outlawed soft money.

On April 28, for example, the Republicans raised $9 million at an annual gala dubbed "The President's Dinner." Contributors were encouraged to give at least $92,000 to various GOP committees, which certainly will engage in activities intended to aid Bush's re-election chances.

It is impossible to say what, if anything, the donors, who each had their pictures taken with Bush, will receive for their checks. Just as it's impossible to say for sure that the Team 100 members were buying favors—although savvy business people don't invest large sums of money with no hope of turning a profit.

Our guess is that public financing of elections would cost the taxpayers less than campaigns partially financed by Team 100—without creating the impression of a White House for sale.

Investing in Campaigns

Here's how some Team 100 members fared since their 1988 contributions:

California real estate developer William Lloyd Davis gave $176,540. The Bush administration approved a $35 million grant to extend and strengthen runways at a Denver air terminal adjacent to an industrial park to be built by Davis and his partners. Davis needs the airport as a hub for commercial cargo flights.

Paul Hebner, a former vice president of Occidental Petroleum, gave $100,000. One month after Bush was sworn in, the administration announced a $205 million settlement to cover $710 million in fines and interest the Energy Department had earlier said Occidental owed for violations of federal oil price controls.

After much protest that the settlement was unfair, the deal was withdrawn last year, but Occidental still has paid nothing.

Edward Addison, president of Southern Company Services of Atlanta, gave $105,000. The Justice Department later killed a two-year investigation of $50 million of alleged illegal tax write-offs by the utility company.

Agribusinessman J.W. Boswell, a $125,000 donor, receives $2 million worth of federal water subsidies per year, despite having subdivided his 23,000-acre farm into smaller units to qualify for a program aimed at small farmers.

[From the Daily Sentinel, July 12, 1989]

Need Public-Financing Plan

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President Bush, to his credit, has acknowledged the problem and the other day proposed remedies.

The president's campaign reform package by itself isn't going to solve the campaign-finance scandal, but as a starting point it's welcome. What's needed in the coming weeks is bipartisan negotiation toward ending Congress' serious addiction to special-interest influence money.

The president's proposal to ban contributions by PAC's supported by corporations, unions or trade associations is controversial. PAC's, special-interest money conduits, contributed approximately 50 percent of the money spent on congressional campaigns last year. That amounted to more than $170 million.

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If President Bush really wants to help Congress reclaim its integrity, he will push for overall limits on campaign spending. And, he will work with Congress to forge a public-financing plan for campaigns, a plan that is both politically and constitutionally acceptable. Congress instituted a public financing mechanism for presidential elections, and it has worked just fine.

Congress' own system of campaign funding is not working just fine. In fact, the current corrosive system is a major reason Congress finds itself embroiled in an ethics crisis. Comprehensive reform would go a long way toward calming that crisis.

[From the Rutland Herald, Feb. 12, 1993]

Yes to Campaign Reform

Public financing of election campaigns is an idea whose time has come, even for elections in Vermont.

House Speaker Ralph Wright has once again thrust himself into the spotlight by seizing on a timely issue and pushing it onto the agenda of the House. Campaign finance reform may prove more amenable to swift legislative action than the other issue on which Wright has placed his personal stamp, reform of education finance.

On the national level, President Clinton has pledged himself to reforming the way that we elect members of Congress. Public revulsion with the corrupting influence of special interest money makes this a good time for Clinton to put Congress on the spot. If Congress refuses to clean its own house, then the nattering nabobs of talk radio can unloose their invective on Congress.

Campaign finance reform involves some elementary principles that were embodied in a bill that was vetoed by former President Bush: spending limits on congressional campaigns, public financing of campaigns, and a limit on contributions from political action committees. Clinton is expected to revive reform of this sort.

In Montpelier, the same principles apply even if the level of spending does not approach the flood tide that keeps Washington awash in money. Establishing a state fund, financed in part by a tax checkoff, would ease the pressure on politicians to spend their time sucking up money. Public financing would be used to match private money raised by a candidate, so candidates would still have to appeal for contributions. But the over-all spending limit would diminish the candidates' reliance on private contributors.

Public financing of legislative campaigns would address the new high level of spending that has made many races, particularly for the Senate, costlier than ever. If the lack of a spare $12,000 prevents worthy candidate from running for the Vermont Senate, that is Vermont's loss.

Campaign finance reform, on the other hand, could keep the door open to a wider spectrum of Vermonters who want to participate in politics. That would be Vermont's gain.

Wright's decision to push campaign finance reform reflects his new interest in identifying himself in public with specific issues rather than sticking to the traditional speaker's role as presiding officer and powerbroker. The risks in that new role are that he could abuse his influence or that he could actually diminish it.

But he also has the opportunity to advance worthy measures that otherwise might languish. Campaign finance reform is one of them.

[From the Sacramento Bee, Apr. 9, 1992]

Tonic for an Ailing Congress

Salivating over the House check-writing scandal, his moistened finger lifted bravely to the wind, President Bush, like so many others in this election season, is running against Congress. In that vein, he has endorsed the dangerous congressional quick fix of term limits. At the same time, the president promises to veto the one good piece of reform legislation that has a chance of reducing the special-interest grip on Congress and making the institution more responsive to the electorate.

A campaign-finance reform bill designed to slow the congressional money chase cleared a House-Senate conference committee last week. Its key elements are voluntary spending limits and limited public financing of congressional campaigns. Under the legislation, candidates for the House of Representatives who accepted public financing could spend no more than $600,000 per election cycle. Spending limits for Senate candidates who accepted public funds would vary from $1.5 million to $8.2 million, depending on the size of the state.

The bill was approved on a straight party-line vote, with all Republicans voting "no." They fear that spending limits will hurt challengers, most of whom are Republicans, while helping better-known incumbents, mostly Democrats. It's a groundless fear: The history of political campaigns has shown that challengers don't need huge amounts of money to win, just enough to run credible campaigns. Practically every incumbent defeated in the last congressional election cycle spent more than his opponent.

Congressional Republicans and Bush also object to public financing, dismissing it derisively as "welfare for the politicians." It's an odd objection coming from a politician who, as a two-time candidate for vice president and a three-time candidate for president, has received nearly $150 million in public campaign funds.

The bill approved last week is not the perfect remedy for what ails Congress, but if it becomes law it can reduce the obscene sums spent on election campaigns. And it would give those candidates who wish to avoid both the appearance and the reality of being bought and paid for by wealthy special interests a clean source of campaign funds. What's wrong with that?

[From the St. Louis Post-Dispatch, Nov. 13, 1992]

Campaign-Finance Reform Now

Though the numbers are preliminary, they are appalling. Common Cause reports that House incumbents in close races in 1992—which it defines as those where the winner received 55 percent of the vote or less—had three times as much money to spend than their challengers, or $43.4 million versus $10.6 million. Almost two-thirds of all challengers raised less than $100,000 apiece.

The numbers for the Senate are similar, but worse. Most incumbents were, of course, re-elected. There is no better case for campaign-finance reform.

Fortunately, the votes to enact it appear to be present in the 103d Congress. Not only has President-elect Bill Clinton explicitly endorsed reform, but Common Cause records pledges by 74 of the 120 new members of the House and Senate to vote for it. Together with those who supported last year's reform bill, which was vetoed by President Bush, a clear majority is now on record in favor of campaign reform. Of particular importance, 43 House Republicans now say they support it, compared with only 19 who voted for it last year.

Generic support for reform isn't enough. There is still no specific consensus for a particular kind of campaign reform, though certain elements of a possible measure do seem to have wide backing. Agreement seems to exist for limiting or ending so-called soft money—funds the national party can collect from individuals without contribution limits, can funnel to state parties for get-out-the-vote drives and the like, but actually can use to support specific candidates. There is also wide backing for limiting the contributions of political action committees.

But these measures won't do the job. Public disgust with the role of special-interest money in campaigns is so great that serious consideration should be given to full public financing of all campaigns for federal offices. True, some believe this amounts to giving incumbents yet another special perk, though, in fact, it would benefit challengers. This opposition won't be overcome without strong pressure from Mr. Clinton.

The most important step the president-elect can take is to place campaign-finance reform near the top of his agenda. While he has sensibly been advised not to flood Congress with so many proposals as to dissipate his political capital, focusing on the economy alone in the first 100 days would be unwise. President Jimmy Carter waited six months to submit his campaign-finance reform proposals, by which time the opposition had time to organize. His proposals were killed. Mr. Clinton must not make the same mistake. He should submit a proposal in January.

[From the Daily Press, Aug. 4, 1989]

PRICKING PACs

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In return for an honoraria ban, the president promised to endorse a 25 percent pay raise for Congress, federal judges and some surgeons and scientist in the executive branch. Both the ban and the increase are worthy proposals.

Much more controversial is the president's proposal to ban contributions by PACs supported by corporations, unions or trade associations. PACs, special-interest money conduits, contributed approximately 50 percent of the money spent on congressional campaigns last year. That amounted to more than $170 million.

In the past six years, PACs have invested more than $400 million in government decision-making. PAC donors, without question, see these contributions as investments.

The president insisted—and we agreed—PAC contributions improperly and unfairly magnify the voices of special interests at the expense of representative government. But to ban PACs—or to ban all but "ideological" PACs, as the president suggests—does not get to the root of the problem. It does nothing to rein in the soaring costs of financing a campaign. Those costs have gone up exponentially, primarily because of expensive television advertising.

If Bush really wants to help Congress reclaim its integrity, he will push for overall limits on campaign spending. And, he will work with Congress to forge a public-financing plan for campaigns, a plan that is both politically and constitutionally acceptable. Congress instituted a public financing mechanism for presidential elections, and it has worked just fine.

Congress' own system of campaign funding is not working just fine. In fact, the current corrosive system is a major reason Congress finds itself embroiled in an ethics crisis. Comprehensive reform would go a long way toward claiming that crisis.

[From the St. Petersburg Times, June 19, 1989]

THE DOMESTIC ARMS RACE

Jim Wright's book hustle and Tony Coelho's junk bond were tame stuff compared to the mass auction of Congress that culminates with every election. But the lesser scandals seem to have sensitized Congress to the greater one. Everyone is now promising to have a go at campaign reform—even the Republicans, whose Senate filibuster ruined the last attempt. Among the converts is President Bush, who is working on a plan to ban most contributions by political action committees.

That ought to be done, of course, but if Mr. Bush means to be serious he'll have to come up with a whole lot more. The problem with simply banning PAC money is that the Democrats won't agree to do it. Having most of the incumbents in Congress, they get most of the PAC money, as the Republicans know only too well. Even Democratic freshmen got twice as much PAC help last year as Republican freshmen did. To get the Democrats to give up such an advantage, the Republicans will have to concede something too—specifically, the stubborn GOP opposition to public financing and overall spending ceilings.

Public financing is the key to fashioning spending limits that the Supreme Court will accept. It ruled in 1976 that the Constitution allows candidates to spend all they can raise unless they agree to exchange that right for some form of public campaign assistance. The history of the presidential primaries, in which only one candidate, John Connally, ever turned down public financing, suggests that most congressional candidates would welcome the opportunity to practice mutual restraint.

Republicans tend to raise more money from individuals than Democrats do. Democrats do better by the PACs. Regardless of the reasons, any successful attempt at campaign reform will have to reconcile those facts.

Sen. David Boren, D-Okla., and a dozen cosponsors tried mightily to pass such a bill in the last Congress. It called for limits on each candidate's overall PAC contributions as well as for partial public financing for candidates accepting total spending restrictions. If all Senate candidates had chosen to participate last year, the public contribution would have cost less than $100-million. The GOP filibuster denied everyone the opportunity. The $100-million represented only a fraction of the money that could be saved by closing tax loopholes initially created to repay congressional campaign contributors.

As Boren perceived, PAC contributions are only one part, albeit glaring, of a large problem. The high cost of buying television time to make or counter negative advertising has every candidate scrambling fearfully for all the money he or she can raise. If direct PAC contributions are barred, special interests would then come under candidate pressure to "bundle" individual contributions from their members. That goes on already, just to evade the $5,000 limit on a single PAC's gift to a candidate.

Campaign spending has been called the domestic equivalent of the arms race. It's an appropriate analogy. And, as with the arms race, it will take more than piecemeal efforts to bring it under control. It will take a bipartisan approach that exacts sacrifices from both sides of the aisle.

[From the Salt Lake City Tribune, May 19, 1992]

BUSH PUTS OFF CAMPAIGN REFORM ANOTHER YEAR AT PUBLIC EXPENSE

With his recent veto, President Bush blocked a necessary first step in reforming federal campaign financing. That means special interests can continue corrupting the campaign process yet another year, and campaign spending will reach new, untenable heights.

Mr. Bush killed the Congressional Campaign Spending and Election Reform Act of 1992 on grounds that it perpetuated political action committees, favored incumbents and required public funding of congressional campaigns. Whether he also opposed banning the presidential fund-raising that gives special interests access to the White House and indirectly bolsters presidential campaigns, he didn't say.

While his point about PACs is well-taken, given the need to reduce the growing influence of special interests on elected leaders, the legislation at least offered a realistic improvement over the status quo. But the president simply is wrong about the incumbent issue. Moreover, there is now way to stem campaign spending without offering candidates public funds, and there is no excuse for sustaining a system that circumvents limits on federal campaign fundraising.

Because of constitutional questions about an outright ban on PACs, part of Mr. Bush's own campaign reform proposal might have been impossible to implement. Congress' legislation, still the most sweeping campaign finance proposal in 18 years, would have reduced PAC contributions to Senate candidates from $5,000 to $2,500. PAC donations to House candidates would have remained at $5,000, but each candidate would have been limited to no more than $200,000 in total PAC funding. That's better than no change at all.

The need for spending limits becomes increasingly apparent each year as the cost of a congressional campaign climbs inexorably higher, encouraging incumbent candidates to cater to monied interests and eliminating newcomers of modest means from the competition.

In 1990, for example, 90 percent of incumbents in the House of Representatives faced either no challenger or a challenger with half or less the campaign funds of the incumbent. Ninety-six percent of incumbents, who collected six of every seven PAC dollars spent on candidates, were elected.

Utah candidates for Congress are experiencing another problem. Even this early in the campaign, Republican Joe Cannon has amassed $2.03 million for his Senate bid, and Democrat Doug Anderson has accumulated $1.41 million for a House race. The candidates are supplying most of the money themselves. Largely because there are too many candidates and too few donations this election to satisfy campaign appetites.

Rather than favor incumbents, as Mr. Bush fears, the legislation would give candidates a more even chance at election by encouraging all to limit spending. House participants, for example, would receive matching funds for individual contributions up to $250 and discounts on postage and broadcast advertising.

Should anyone forget, two presidential incumbents—Gerald Ford and Jimmy Carter—lost elections despite campaign spending limits.

As federal law now stands, spending restrictions cannot be imposed on candidates. That leaves the country with voluntary limits offset by public funds. Although the legislation did not specify the revenue source for this funding, a variety of options were available, including eliminating tax deductions on PAC contributions.

The law would have properly closed loopholes permitting political parties to take corporate and other donations outside existing legal limits. In 1988, after receiving more than $50 million in public funds to run their campaigns, George Bush and Michael Dukakis each raised $25 million more from corporations and individuals for political parties that undoubtedly promoted the candidates' interests. Federal law forbids the use of corporate contributions to influence federal elections.

Americans have lost faith in their federal leaders, largely because of the influence that savings and loan officers, health care and other special interests now wield in Washington. No thanks to President Bush's veto, momentum for reform will stall, permitting influence-peddlers to freely buy and sell at the public's expense.

[From the San Diego (CA) Tribune, May 31, 1989]

VOTERS MUST RECLAIM CONGRESS

Tony Coelho—the name means rabbit in Portuguese—hopped out of the House ethical thicket last week, and who can blame him? The four-term congressman from Merced, the Democratic whip with ambitions of becoming majority leader, saw House investigation of his personal finances consuming the next 18 months of his life, maybe more. He decided the ordeal wasn't worth it, and on Friday announced his resignation. He will leave Congress June 15.

Coelho's decision comes only a few days after most House Democrats concluded that their speaker, Jim Wright of Texas, also had to go. Wright is expected to announce his intentions this week.

Coelho's departure and Wright's expected departure does not, in essence, clean House. Rep. Newt Gingrich, the Georgia Republican who serves as his party's whip, vows to continue his crusade against corrupt House Democrats. For Gingrich, it's an intensely partisan issue. Democrats are corrupt, he insists, because they have been in power too long. They have controlled the House since 1955.

Historian Gingrich knows his Lord Acton, the British historian best known for his observation about the venal influence of power. But corruption in Congress, we suggest, runs deeper. Like termites in the woodwork, corruption has eaten its way into the very heart of the institution.

It has to do with money. Members of Congress are addicted to special-interest money. It rolls into Washington in the form of honoraria, campaign financing and so-called "soft money," contributions that go to campaign front organizations not regulated by campaign-finance laws.

Honoraria, vacation junkets and other financial favors are forms of legalized bribery. They are investments on the part of special interests seeking to influence Congress. They run into the million, and few would question their effectiveness. Honoraria already are illegal for members of the executive branch. They should be illegal for members of Congress.

Congress also must get serious about campaign-finance reform. Almost all lawmakers complain about the high cost of campaigning and the demeaning exercise of begging for money, but they can't seem to wean themselves from the current corrupting system. Like honoraria, but on a much larger scale, contributions from political action committees guarantee private interests an undue influence over government decisions.

Because these contributions are meant to influence legislation, PACs give overwhelmingly to incumbents, making it almost impossible for challengers to prevail. In the last congressional election, PACs gave $115 million to incumbents, compared with $17.5 million to their challengers. It's little wonder that in 1988, 98.5 percent of House incumbents running for re-election were returned to office.

Cleaning up campaign finance will involve public financing and spending limits. It also will involve eliminating soft money abuses.

Cleaning up Congress requires acknowledgement on the part of lawmakers that corruption and conflict of interest have been institutionalized. Doing something about it will depend, most of all, on the American people's determination to reclaim their government from the powerful few. It won't be an easy task.

[From the San Jose Mercury News, Dec. 2, 1991]

HOPE FOR REFORM—CHANGES IN CAMPAIGN LAWS WILL BE MEANINGLESS WITHOUT SPENDING LIMITS

Approval in the House of Representatives of campaign finance reform last week offers more hope that Congress may kick its addiction to special-interest money.

Earlier this year, the Senate passed a strong campaign reform measure. Now the two versions must be reconciled in conference committee.

One impediment to reform will be President Bush, who has said he will veto any measure that includes spending limits and public subsidies.

Without them, there will be no meaningful reform.

The Supreme Court has ruled that spending limits are unconstitutional, except when made a condition of receiving public funding for campaigns.

Spending limits are essential, because the fear of being outspent is what drives incumbents to raise money throughout their terms in office. The wallets they reach into usually belong to businesses and interest groups with a major stake in the outcome of legislation.

Campaign reform without spending limits becomes an endless attempt to limit contributions, which, by itself, is doomed to fail. If candidates feel they need more money and they are allowed to spend it, they will find it someplace.

The House bill has three major provisions. Total spending would be voluntarily limited to $600,000. Candidates could receive only $200,000 from political action committees. And candidates who agree to the spending limit would be eligible for $200,000 in public funds.

Republicans claim the bill would cripple challengers. The argument is baffling. Incumbents—and in Congress, most incumbents are Democrats—enjoy huge fund-raising advantages. Spending limits and public funds blunt that advantage.

The Senate approach to reform is similar to the House's, with one important addition. The Senate would ban so-called "soft money," contributions in amounts as high as $100,000 given to parties, not directly to candidates. Especially in presidential and senatorial contests, where the party has only one candidate, this is a loophole big enough to accommodate a Charles Keating.

Public funding of campaigns is often criticized as forcing the public to pay for yet another congressional perk. That criticism is foolishly shortsighted.

Campaigns will be financed somehow. The current method is that agricultural interests disproportionately underwrite the campaigns of representatives and senators on agricultural committees, and banking and savings and loan interests contribute heavily to members on the banking committees.

Compare the hundreds of billions of dollars spent bailing out savings and loans with the cost of subsidizing campaigns.

[From the San Mateo, (CA) Times, Feb. 15, 1993]

ACTION ON GENUINE CAMPAIGN FINANCE REFORM IS NEEDED

Common Cause President Fred Wertheimer has strong backing for his insistence that the effective date for campaign finance reform must not be delayed until the 1996 elections for Congress. House Speaker Tom Foley reportedly favors such a delay.

"When voters in 1992 provided a mandate to change the way business is done in Washington," Wertheimer wrote to 48 new Democratic members of the House, "they were voting for change now, not in 1995." In letters directed to each new member, Wertheimer reminded them that they made public commitments by signing the Common Cause Anti-Corruption Campaign statement when they were seeking election last November.

The anti-corruption pledge calls for:

A ban on huge "soft money" contributions, given to political parties and then passed along to candidates.

Campaign spending limits and clean public resources for congressional elections, such as free or reduced-cost television time and mailings and matching payments. To end the campaign spending arms race, replace private influence-seeking contributions and provide greater resources to challengers.

New restrictions on political action committee contributions "to reduce the influence of special-interest PACs over government decisions and reduce the enormous advantage PAC contributions provide for incumbents."

Overall, 225 current representatives (including the Peninsula's Tom Lantos and Anna Eshoo) made public commitments during last year's campaigns to support comprehensive campaign finance reform legislation, according to Common Cause.

Wertheimer closes his letter to the new lawmakers by quoting President Clinton's statement during last fall's campaign: "There is a good reason public confidence in public officials is so low. It ought to be—because of the dominance of special interests over the political process and especially over the campaign finance process. That's why I strongly support campaign finance reform."

It would be difficult to put the matter more plainly than that. Now it's time to deliver.

Nothing less than immediate action on genuine campaign reform, effective for the 1994 elections, will suffice.

[From the Schenectady (NY) Gazette, July 11, 1989]

HALFWAY REFORM WON'T WORK

George Bush's suggestions for congressional campaign finance reform are half measures at best. Although portions of his proposal deserve support, true reform cannot come piecemeal. Congress should draft a comprehensive law to remove the unhealthy influence of special interest money and give all candidates a fair chance.

Money is an inescapable need of the modern lawmaker. He begins raising it from the moment he first decides to seek office—even before he makes that decision, in many cases. Going hat in hand to individuals and special interests creates the sometimes accurate impression that the candidate will trade his influence in return for cash. Once elected, the money hunt grows even more heated, since incumbents have discovered that a massive campaign warchest is an effective way to discourage would-be opponents. And the special interests have discovered that filling those warchests is a good way to get the attention of legislators. Thus, the pervasive influence of campaign financing has weakened the system by driving away candidates and by feeding voter distrust in the integrity of elected officials.

Bush seems to recognize only part of the problem. He proposes to ban donations by political action committees formed by corporations, trade groups and unions. That measure would dry up some of the more suspect funding sources, provided the PACs didn't find ways around the ban. But the president would do nothing to limit campaign spending. This means lawmakers would have to devote even more of their time to grubbing for money to make up for the lost PAC riches.

Moreover, the PAC contribution ban is fatally incomplete. the president would continue to allow donations by what he calls ideological PACs, committees formed to push causes like environmental protection. But such a double standard is unfair and unenforceable. Why are labor issues, for instance, less ideological then environmental ones? Who could draw the distinctions consistently, predictably or fairly?

Hacking off one head of the Hydra doesn't work. Only comprehensive reform will bring credibility back to the system. This means limits not only on campaign donations but on campaign spending. And it means public financing of campaigns, as well as carefully drawn rules limiting contributions in the form of in-kind services and donations to political parties. As Common Cause President Fred Wertheimer argues, eliminating one financing source without eliminating the need for the financing will only escalate the race to find new money and new ways around restrictions.

The president's proposals do contain worthwhile suggestions, including reducing Congress's free mail privileges, prohibiting the rolling over of campaign funds to future elections and disclosure of indirect PAC and organizational support through activities like voter drives and phone banks. But those don't add up to reform.

As long as incumbents are the big beneficiaries of the current system, comprehensive reform will be difficult to sell on Capitol Hill. But that doesn't increase the attractiveness of partial answers such as Bush proposes. True reformers will insist on a complete package.

[From the Scranton (PA) Tribune, Feb. 17, 1993]

. . . BEGINNING WITH CAMPAIGNS

If the Democrats are agents of change, as they've been claiming since last summer, then the House of Representatives will stop delaying campaign reform and move soon on H.R. 3, a bill that would establish reform.

The Senate has set an early date to act on its version of the bill, despite opposition from Republicans, but the House has failed to do so. It should change course because the bill would raise public confidence in the Congress as it prepares to deal with President Clinton's proposal for broad-based public sacrifice in the name of the overall public good.

The bill would establish partial public funding of congressional campaigns as a means to end the overwhelming advantages enjoyed by incumbents.

Opponents say that they oppose the use of public funds for political purposes but they belie that by their actions. Virtually all of them, for example, make extensive use of free mailing, paid for from public funds, for ill-disguised political purposes.

Sen. Arlen Specter, for example, has spent $4.3 million on mailings since 1985, according to a study by Common Cause. And Sen. Alfonse D'Amato of New York has spent an astounding $12.3 million in public funds for that purpose over the same period.

Campaign reform is a vital precursor to overall government reform. President Clinton is on board. It's time for Congress to join him.

[From the Sioux City (IA) City Journal, July 14, 1989]

PRICKING PACS: ONLY A START

When 98 percent of House incumbents are returned to office, when a candidate for the House must spend nearly $400,000 and for the Senate nearly $4 million, when special-interest political action committees provide the lion's share of campaign funding, then something obviously is wrong. Our system of choosing our representatives has gone badly off track.

President Bush, to his credit, has acknowledged the problem and has proposed remedies.

The president's campaign reform package by itself isn't going to solve the campaign-finance scandal, but as a starting point it's welcome. What's needed in the coming weeks is bipartisan negotiation toward ending Congress' serious addiction to special-interest influence money.

Bush offered an 11-point package, including a proposal that Congress limit its chief source of outside income, honoraria. Members of Congress took in more than $9 million in speaking fees last year—that averages out to more than $15,000 per member. The groups that pay these fees understand they are getting more for their money than just a speech.

In return for an honoraria ban, the president promised to endorse a 25 percent pay raise for Congress, federal judges and some surgeons and scientists in the executive branch. Both the ban and the increase are worthy proposals.

Much more controversial is the president's proposal to ban contributions by PACs supported by corporations, unions or trade associations. PACs special-interest money conduits, contributed approximately 50 percent of the money spent on congressional campaigns last year. That amounted to more than $170 million.

In the past six years, PACs have invested more than $400 million in government decision-making. PAC donors, without question, see these contributions as investments.

The president insisted—and we agree—that PAC contributions improperly and unfairly magnify the voices of special interests at the expense of representative government. But to ban PACs—or to ban all but "ideological" PACs, as the president suggests—does not get to the root of the problem.

If Bush really wanted to help Congress reclaim its integrity, he will push for overall limits on campaign spending. And, he will work with Congress to forge a public-financing plan for campaigns, a plan that is both politically and constitutionally acceptable. Congress instituted a public financing mechanism for presidential elections, and it has worked just fine.

Congress' own system of campaign funding is not working just fine. In fact the current corrosive system is a major reason Congress finds itself embroiled in an ethics crisis. Comprehensive reform would go a long way toward calming that crisis.

[From the Sioux Falls (SD) Argus Leader, Apr. 16, 1992]

DON'T LET BUSH STOP FINANCE REFORM BILL

Say what you want about Jerry Brown's new-found reformist views and the opportunistic way he exploits public anger, but he is dead right on one issue: The way the nation finances political campaigns is fundamentally corrupt.

If nothing else, the long-shot candidate for the Democratic nomination for president has brought attention to the undue influence of political action committees, or PACs, as they are called in political circles. PACs are formed by trade organizations and other special interest groups to raise and donate money to political candidates.

In other words, PACs legally buy political influence.

"Bit by bit our representative government has been bought away by the insidious legalized bribery we know as campaign donations," said Jim Berman, executive director of the South Dakota affiliate of Common Cause. "Today, if you give $5,000 to a judge before a trial, that would be a bribe. But if you give $5,000 to a senator, it's a campaign donation."

Brown isn't in a position to do much about the problem but complain. However, incumbent members of Congress and President Bush have a huge opportunity awaiting them.

Congress is on the verge of passing a far-reaching reform bill. Bush, unfortunately, has threatened to veto it.

Rejecting the bill would be a big mistake. Bush shouldn't be allowed to get away with it.

The reform bill, a compromise between the House and the Senate, would put spending limits on congressional races. The House limit would be $600,000 per election cycle. The Senate limit would range from about $1.6 million to $8.3 million, depending on the size of the state. The bill also would put limits on the amount of money candidates could accept from PACs and ban large contributions laundered through political parties.

The House has approved the bill. Among the supporters were Rep. Tim Johnson, D-S.D. The bill will be acted on by Senators after they return from their spring break and then, we hope, be forwarded to Bush.

Sen. Tom Daschle, D-S.D., and Sen. Larry Pressler, R-S.D., are both high beneficiaries of PACs. But both have supported campaign reform in the past, Daschle especally. We hope the two senators both come through for the public again.

Bush stands as the biggest obstacle to reform. He has vowed to veto any bill that provides public funding for campaigns or puts spending limits on congressional elections. That's ironic, as noted by the the public-interest lobby group Common Cause, because by the end of this year, Bush will have used more public funding to run for office than any candidate in U.S. history.

You can leave a message for the president by calling the White House Comment Office between 8 a.m. and 4 p.m. (Central Time), Monday through Friday, and leave a message. The number is 1-202-456-1111. If you prefer to write, the address is: The Honorable George Bush, President of the United States, The White House, Washington, D.C. 20500.

Act now. Don't let Bush get away with letting a corrupt financing system flourish.

[From the Springfield (OH) News-Sun, Dec. 27, 1991]

CAMPAIGN PROCESS WILL BENEFIT FROM HOUSE REFORMS

The House of Representatives gave honest government an important boost when it passed its version of the 1991 campaign finance reform bill.

Republicans on up to George Bush denounced it as a Democratic Incumbent Protection Bill, but that's a crock. For the first time in history, the House has gone on record supporting overall campaign spending limits.

In fact, Democratic incumbents have until now been among the worst foot-draggers on spending limits.

The reason? Because, as incumbents, they easily outraise their Republican challengers on the campaign-finance trail.

Then why do most congressional Republicans continue to oppose spending limits? It's never easy to explain irrational behavior, but the answer seems to be threefold:

1) They can't get it out of their heads that raising money is the GOP's strong suit, 2) they are ideologically committed to the private corporate interests that subvert the current system—even at the expense of their party's interests, and 3) they are themselves incumbents who profit from the current system.

Besides a basic $600,000 limit on House races, the bill makes a major dent in PAC influence by reducing the maximum PAC contribution from $5,000 to $1,000 and limiting total PAC contributions to $15,000 to $1,000 and limiting total PAC contributions to $200,000. It also limits large-donor contributions (those over $200) to $200,000. And it encourages small donations by restricting matching funds to a maximum of $200 per contribution.

To be sure, there are some significant loopholes.

The $600,000 cap can be exceeded to pay legal and accounting fees. Candidates in close primary contests may spend an additional $150,000 in the general election. So-called soft money (contributions that can be funneled to candidates by way of their political parties) is unrestricted.

The soft-money loophole in particular must be closed when the bill goes to conference committee early next year. That can be accomplished simply by adopting the Senate's more stringent provision.

The critical unresolved issue, however, has to do with supplying sufficient monetary inducement to get candidates to accept the spending limits. (According to the courts, spending limits are unconstitutional if they are not voluntary.)

Here again, the Senate bill offers an excellent solution: Give candidates vouchers to pay for TV time, which is by far the costiest art of campaigning. Then pay for the vouchers by removing the tax deduction on lobbying.

According to the Joint Tax Committee, removing that deduction would raise $500 million over five years—more than enough to cover the vouchers. Taxpayers shouldn't underwrite private efforts to influence government anyway.

[From the Robertson County Times, July 20, 1989]

HITTING PAC'S ONLY A START

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[From the Centre Daily Times, Apr. 9, 1992]

BILL WILL TEST PRESIDENT'S ELECTION TUNE

Everyone's having a good time bashing Congress this election, often deservedly, but no one is having a better time than George Bush.

Yet Bush is poised to veto a bill that would provide the very thing he calls for: significant reform.

Legislation approved last week by Democratic House and Senate conferees would reform the campaign financing system by setting campaign spending limits, providing partial public financing, closing the "soft money" loophole and halving contributions from special-interest political action committees (PACs).

According to Common Cause, the good-government lobby group that has pushed for such legislation for years, it is the most important government reform legislation since the post-Watergate reforms about 20 years ago.

And that's not hype.

Escalating campaign spending, the incumbency phenomenon and the S&L scandal have made abundantly clear the anti-democratic and corrupting role that big money plays in getting people elected and re-elected to Congress and the White House. Big money means politicians get job security, special interests get special favors, and would-be challengers get discouraged or squelched. It fuels scandals and ill-advised term-limit movements.

The reform legislation, though not perfect, would set the system on its ear.

Republican conferees oppose the bill on the grounds that spending limits favor incumbents (mostly Democrats). But in truth, they don't want limits on how much they can raise to unseat Democrats.

Such self-interest undercuts their criticism of the way the Democrats have run Congress. But even if spending limits favor current Democratic members, those same members will suffer from the provision slashing PAC contributions since PACs give the most money to incumbents.

Most important, the reforms would give challengers a fighting chance at raising enough money to run.

Bush, however, opposes spending limits and any form public financing. Yet, as a vice presidential and presidential candidate, he has benefited enormously from the latter. Moreover, in 1988, his operatives raised

$100,000 in soft money contributions from EACH of the 250 members of "Team 100" to support the Bush campaign. Soft money is money laundered through political parties to circumvent federal limits on individual contributions.

Which is more important to Bush—real reform or the political advantage of hammering Congress as corrupt? His action on the Democratic campaign finance legislation will tell.

[From the Pocono Record, Oct. 27, 1992]

Time Ripe for Reform

Ross Perot is hitting home with his call to clean up the mess in Washington—specifically, the system that creates the perception if not reality that office holders are beholden to the special interests and PACs that fund their election campaigns.

Term limits have been advanced as a "silver-bullet" panacea to make politicians more responsive to the rank-and-file citizenry and less so to the moneyed interests. But beware—there may be troubling ramifications to term limits; restricting our choices could bring about unforeseen complications and missed opportunities.

But there is another route: serious, basic campaign funding reform. Common Cause, the self-styled "citizens lobby," is pushing a reform package to, 1. ban "soft money" contributions that have returned $100,000 donations to presidential campaigns; 2. campaign spending limits and "clean" public resources for congressional elections—free or reduced-cost TV time and mailings and matching payments; 3. more restrictions on PAC contributions to reduce the influence of special-interest PACs over government decisions and reduce incumbent advantages.

Hard though it will be to push campaign reform through Congress, it would be easier than a constitutional amendment limiting House and Senate terms—and it may ultimately prove more fruitful.

There is something unfair about forbidding someone qualified and able to serve more than—let's say—12 years in office. Just as there is something unfair about giving some people ready and influential access to senators and representatives and to the Oval Office itself, just because they have more money than others—in effect giving them "super-votes" by virtue of their financial power.

People with an ax to grind always will find some way to gain access to the sanctums of power. But that is no reason to make it any easier for them to do so. There is every reason to limit the opportunities to curry favor with office holders. This season of voter disaffection and Ross Perot denunciation may be the best opportunity to push through a campaign reform package that takes government out of the hands of moneyed interests and returns it to the people.

[From the Daily News-Sun, Feb. 14, 1990]

Reform Bill Sought

Arizona Democrat Dennis DeConcini has introduced a campaign spending reform bill in the Senate. Now, Common Cause, a "people's lobby," is enlisting its members and other supporters of campaign funding reform to lobby the House of Representatives for a "Keating Five Campaign Reform Bill" this year.

It is ironic that DeConcini is one of the "Keating Five," the senators at present under congressional investigation for interceding with federal regulators on behalf of Charles H. Keating, Jr.'s failed Lincoln Savings and Loan Association after having received campaign contributions from him. The other four are John McCain, R-Ariz., John Glenn, D-Ohio, Alan Cranston, D-Calif., and Donald W. Riegle, Jr., D-Mich.

None of the senators has been charged with anything as yet. But the perception of evil in special interest money influencing lawmakers has become so strong that they are already considered guilty by a large part of the media and by many Americans.

Common Cause, which has attacked special-interest campaign funding for years—especially contributions by political action committees—is targeting the "Keating Five" in its present drive for reform legislation.

DeConcini's legislation proposes partial public financing of Senate campaigns, voluntary spending limits, reduction of PAC contributions and an aggregate limit on them. It's a bill that could be passed, given the present mood of the people for reform of campaign financing.

Common Cause, which launched its campaign today noon at the U.S. Federal Building in Phoenix, suggests House legislation that would limit campaign spending; dramatically reduce the role of special-interest political money; provide alternative campaign funds; and shut down the "soft money system that is bringing huge 'fat cat' contributions back into federal campaigns."

The people's lobby is urging letters to representatives in care of the U.S. House of Representatives, Washington, D.C. 20515, supporting a "Keating Five Campaign Reform Bill" that would contain those provisions.

We agree with Common Cause that "the way congressional campaigns are financed is a national scandal" and that the present system allows special-interest and PAC money to speak louder than the voter's voice.

Both chambers should consider and pass strong bills despite the lobbying that can be expected from special interests. And the compromise legislation that finally emerges from the conference committee should be equally as strong, without loopholes for some special interests and without being watered down.

[From the Tallahassee Democrat, Feb. 5, 1993]

Reform Needed at Two Levels

On matters of reform, particularly reform that could affect their re-elections, members of Congress have a very low pain threshold.—Phillip Powlick, professor of political science at DePauw University in Indiana.

State legislators, likewise.

Which explains why both President Bill Clinton and Florida Gov. Lawton Chiles are going to have some major trouble passing campaign-reform legislation that both have put high on their agendas.

That's true even though Congress passed a tough campaign-reform bill last year. Passing that bill was easy for Democrats, though: President Bush had promised the veto he later delivered, and all hands knew he had the votes to sustain it.

That's true even though the Florida Legislature several years ago passed a portion of the legislation Chiles now wants, only to have it struck down by the Florida Supreme Court. Chiles says his new proposal to bar contributions during regular legislative sessions gets around the court problem by applying the ban to incumbents only. Lawmakers aren't likely to embrace the idea of being unable to collect campaign funds while their opponents are free to fill their own warchests.

Chiles' proposed legislation also targets another set of powerful people—lobbyists—by urging that their fees be made public and that fees contingent on their success in lobbying state government be outlawed.

Clinton will encounter stout opposition from those who oppose any form of public financing. He wants to provide some such financing in return for candidates' acceptance of spending limits. He's also limit contributions from political-action committees.

Incumbents don't like those provisions because they see them as giving aid and comfort to their opponents. Matching public financing would help low-budget candidates get their message across. Limiting PAC contributions would sharply reduce a major source of incumbent campaign money.

"Over $160 million was poured into the process by political-action committees last year, and well over half the members elected received more than half of their campaign funds not from the people back home but from special interest groups," pointed out Sen. David Boren, D-Oklahoma, chief sponsor of reform legislation in the upper chamber this year and in the past.

He could have added that the vast majority of special-interest money goes to incumbents, not challengers.

There is going to be a lot of lawmaker pain in Tallahassee and in Washington during the next few weeks. But it will be the taxpayers who are hurt most if reform legislation fails.

After all, those special interests aren't contributing to promote good government. They contribute to promote their own interests. And that can be expensive for the folks who pay the taxes, state and federal.

[From the Temecula Californian, Nov. 16, 1992]

Ethics Are Right in Style

And we thought we received a ton of mail. Each day 30,000 letters pour into the Little Rock office of one Bill Clinton, the soon-to-be President of the United States.

Most of the envelopes contain resumes.

To counter the constant criticisms that Washington insiders routinely trade on their access to the White House, the Clinton transition team is making a point of setting high ethical standards for itself. This is a first.

For example, members of the transition team cannot lobby the government for six months into the new administration. Nor can they be involved with businesses that may create a conflict of interest while on the team.

By comparison, the Bush administration took this transition thing rather casually, allowing members to keep up their corporate contacts and lobby immediately once their man was installed in the White House.

Before it's even begun, the Clinton administration is creating a virtual aura of integrity around itself. The rectitude is so thick you can cut it with a knife.

And this is just the beginning.

Anyone working in the Clinton administration must agree not to lobby the U.S. government five years after leaving the executive branch. And in a rule that's bound to make Ross Perot smile, no one in the White House can lobby for a foreign government this side of the grave.

But wait, there's more.

Clinton also promises to make good on his campaign promise to push Congress to reform this country's insane campaign finance rules.

This may not be as empty a boast as it was for Jimmy Carter, who dithered around and failed to win the reform package he promised in 1976.

In this extraordinary election year, 74 of the 120 non-incumbents elected to the U.S.

House and Senate made public commitments to vote for comprehensive campaign finance legislation in the 103rd Congress, according to Common Cause.

A total of 266 representatives and 56 senators are on record supporting basic reform, which includes spending limits and public resources for congressional elections, restrictions on political action committee money and an end to the soft money system where parties funnel money to support individual candidates.

"The 1992 national election provides the most powerful mandate for cleaning up the system in Washington since the 1974 Watergate election," says Common Cause President Fred Wertheimer.

In this kind of reformist climate, the new president might nail down this important pledge without expending much political capital.

The obscene amounts of money spent on the elections—Barbara Boxer and Bruce Herschensohn spent $14 million between them in their Senate race—must stop distorting elections. Term limits will help, but money remains the mother's milk of politics. It must be pasteurized by reform if the system is ever going to be healthy.

[From the Torrance (CA) Daily Breeze, July 8, 1989]

CONTROLLING CONGRESS

Few people these days enjoy as much job security as members of Congress.

Challengers simply cannot compete with incumbents for the lion's share of contributions that come from the well-heeled political action committees.

These special-interest groups provided about 50 percent of the money spent on congressional campaigns last year, totaling more than $170 million.

As a result of this special-interest financing, 98 percent of the congressional members are returned to office. The system, it seems, has gotten badly off track.

President Bush has proposed an 11-point package to deal with the problem. While the plan will not solve the campaign-finance scandal, it is a welcome starting point.

The president's proposal, which would ban outside earnings from honoraria and provide a 25 percent congressional pay increase, appropriately bans contributions from PACs supported by corporations, unions or trade associations.

In the past six years, PACs have invested more than $400 million is government decision-making. Without question, PAC donors see these contributions as investments.

The president insists—and we agree—that PAC contributions improperly and unfairly magnify the voices of special interests at the expense of representative government.

But to ban these "ideological" PACs, as the president suggests, does not get to the root of the problem—soaring campaign costs that have risen exponentially primarily because of expensive television advertising.

If Bush really wants to help Congress reclaim its integrity, he will push for overall limits on campaign spending, and will work with Congress to force a public-financing plan for campaigns, a plan that is both politically and constitutionally acceptable.

Congress instituted a public financing mechanism for presidential elections that has worked out just fine. The corrosive congressional system, on the other hand, is a major cause of the ethics crises that continue to plague congressional leaders. Bipartisan negotiation toward ending this serious addiction to special-interest influence money is needed now.

[From the Traverse City (MI) Record-Eagle, May 12, 1992]

CAMPAIGN FINANCE REFORM

At one gala dinner in Washington two weeks ago, President Bush collected $9 million for his campaign. Individuals donated as much as $400,000 each to sit with him at the head table and some corporate leaders bundled $1,500 donations from their employees. Those who donated at least $92,000 to various GOP causes were permitted to pose for a picture with the president. Those who gave less were seated with Cabinet members, senators or House members, according to the size of their donations.

"We don't believe that that is buying influence. But it certainly is . . . buying access to the system, yes." White House spokesman Marlin Fitzwater admitted to reporters. He added that people who cannot afford such large donations "have to demand access in other ways."

A rotten, unfair system? Of course. Unique to President Bush and the Republican Party? Not at all—Democrats have done the same thing for years.

Much of this corruption would have been halted, however, if Bush had signed a sweeping campaign finance reform bill presented to him last weekend.

Instead of signing it, he vetoed it. Said he couldn't tolerate a provision that would have provided up to $200,000 in public funds for House candidates who would agree to spend no more than $600,000 on their campaigns—and proportionately more for Senate candidates who would agree to similar spending limits.

Bush also claimed the bill favored incumbents and gouged taxpayers. "(Congress is) trying to have the taxpayer, who's already overburdened now, pay more for congressional elections. That's where the fight is," Bush said.

Somehow, the president seems to have no problem rationalizing the exclusion of public funds for congressional campaigns—even though public funds are used in presidential campaigns. In fact, by the end of this next election, Bush will have used more than $200 million in public funds in his four campaigns for president and vice-president.

Somehow, the president also has overlooked the fact that challengers would be able to compete on a more equal basis if incumbents could no longer take advantage of their lopsided campaign war chests. In 1990, more than 90 percent of all congressional challengers had less than half as much money to spend on their campaigns as incumbents—in large part, because incumbents received much more PAC money.

Somehow, the president seems unconcerned about the bundling of hundreds of $1,500 campaign donations by corporations, unions and lobbying organizations to circumvent donation limits. For some reason, he's not protesting the unlimited supply of "soft money" that can be donated to candidates through their political parties.

"Everything complied with the law, so don't buy into that old theory by the liberals that are trying to ram through government financing on everything," Bush said on April 29, the day after his $9 million fundraiser.

The president should know that complying with the law isn't always enough. Sometimes, political leaders should do more than the law demands. Sometimes, they should change the law.

They should change the campaign finance law now.

The bill vetoed by Bush wasn't perfect. It didn't say, for example, where the estimated $100 million in campaign subsidies would come from. It stated only that the money "would not come from general revenues." That's nonsense, as House Minority Leader Bob Michel points out. "Maybe they want us to believe the tooth fairy will leave money under the pillows of candidates," Michel suggested.

Indeed, that provision was stupid at best. More likely, it was intentionally misleading. But Bush and congressional leaders should be able to resolve problems like that without killing an entire bill that is badly needed.

[From the Trenton (NJ) Times, Mar. 8, 1990]

WHAT PACS ARE BUYING

It's a strange parallel. As the public's disenchantment with Congress and its ethical transgressions increases, so does the source of much of that disenchantment—special-interest campaign money.

Political action committees (PACs) increased their contributions to candidates, political parties and other political committees to $68.7 million last year, up 24 percent from the previous non-election year in 1987, according to the Federal Election Commission. An analysis by The Wall Street showed that the chief beneficiaries of increased PAC giving were House members, particularly Democrats, who control the chairmanships of committees and subcommittees. Some of these incumbents get 60 percent or more of their campaign funds from PACs.

Only the most naive would imagine that that kind of money, from the kind of source, targeted in that manner, is contributed out of pure food-citizenship motives. The givers are buying access—access of the kind ordinary constituents stand little chance of getting—and some believe they are buying much more than that. Charles Keating, head of the notorious Lincoln Savings & Loan, shed light on the motivation of big political donors when The Journal asked him whether his financial support of five U.S. senators in any way influenced them to take up his cause with the Federal Home Loan Bank Board. "I want to say in the most forceful way I can: I certainly hope so." Mr. Keating replied.

Real reform will require a drastic curb on PAC giving, caps on campaign spending and the provision of public funds to replace some of the money now flowing from special interests. Past efforts to get such a package through Congress have foundered on partisanship and the refusal of members to bite the hand that feeds them. Now a new attempt is being launched.

The Senate Rules Committee is expected to approve a campaign-finance overhaul program today, and the full Senate will take up the issue within the month. In the House, Democrats and Republicans are still far apart in their approach to the problem. What's needed is a public outcry on a scale similar to that which shot down the original congressional pay raise proposal. If Ralph Nader and the radio talk show hosts who orchestrated that protest really want to improve our system of government, let them take up this crusade.

[From the Arizona Daily Star, Jan. 25, 1990]

BUYING CONGRESS—CAMPAIGN REFORM SHOULD BE A PRIORITY THIS YEAR

Campaign-finance reform has received heated debate in Congress over the years, but elected representatives have failed to deal with it responsibly. This year, campaign-finance crusaders have a host of ethics questions—including those raised in the Lincoln Savings affair-to fuel the fires of reform.

It should be a priority on the minds and consciences of reconvened lawmakers.

"The Keating story is as clear and powerful an example of the problem (of special-interest money) as you can find," observed Fred Wertheimer, president of Common Cause.

Some say the "Keating Five" simply did what the system forces nearly all politicians to do: accept special-interest money in exchange for giving the donors of that money greater access at the least. It happens all the time on the Hill, they say.

It does. That's the pattern and the problem.

To break that pattern, a tough, multipronged legislative approach is needed. It begins with public financing of congressional elections, the only way to place limits on what candidates may spend in election campaigns. That could curb the spiraling costs that drive candidates to special-interest groups. For example, winning senators dished out almost $4 million in 1988, nearly twice the figure set in 1982.

The session undoubtedly will have a number of bills introduced to address the problem. Sen. Mitch McConnell, R-Ky., already has introduced one—a proposal that takes aim at the problems inherent in the Keating scandal but avoids the tough solutions that would lower the cost of campaigns and reduce the power of the money men.

His bill would set new limits and disclosure requirements on state or federal PACs maintained by a candidate, and would require executive branch officials to maintain a public log of all contacts with members of Congress—narrowly drawn reactions to the Keating scandal that do little to solve the overall problem.

That's not a surprise. McConnell has long opposed the sensible strategy of spending limits and public financing.

Democratic Sen. Dennis DeConcini, who along with Republican Sen. John McCain holds membership in the infamous Fivesome, was suitably blunt about McConnell's bandaid bill: "Reform without limiting spending is no reform at all."

Congress cannot drive political corruption out of the political arena. It can, however, reform a system that encourages the outright buying of Congress.

[From the Vallejo Times-Herald, July 10, 1989]

CUTTING PACs IS ONLY A START

When 98 percent of House incumbents are returned to office, when a candidate for the House must spend nearly $400,000 and for the Senate nearly $4 million, when special-interest political action committees provide the lion's share of campaign funding, Then something obviously is wrong. Our system of choosing our representatives has gone badly off track.

President Bush, to his credit, has acknowledged the problem and recently proposed remedies.

The president's campaign reform package by itself isn't going to solve the campaign-finance scandal, but as a starting point it's welcome. What's needed in the coming weeks is bipartisan negotiation toward ending Congress' serious addition to special-interest influence money.

Bush offered an 11-point package, including a proposal that Congress limit its chief source of outside income, honoraria. Members of Congress took in more than $9 million in speaking fees last year—that averages out to more than $15,000 per member. The groups that pay these fees understand they are getting more for their money than just a speech.

In return for an honoraria ban, the president promised to endorse a 25 percent pay raise for Congress, federal judges and some surgeons and scientists in the executive branch. Both the ban and the increase are worthy proposals.

Much more controversial is the president's proposal to ban contributions by PACs supported by corporations, unions or trade associations. PACs, special-interest money conduits, contributed approximately 50 percent of the money spent on congressional campaigns last year. That amount to more than $170 million.

In the past six years. PACs have invested more than $400 million in government decision-making. PAC donors, without question, see these contributions as investments.

The president insisted—and we agree—that PAC contributions improperly and unfairly magnify the voices of special interest at the expense of representative government. But to ban PACs—or to ban all but "ideological" PACs, as the president suggests—does not get to the root of the problem. It does nothing to rein in the soaring costs of financing a campaign. those costs have gone up exponentially, primarily because of expensive television advertising.

If Bush really wants to help Congress reclaim its integrity, he will push for overall limits on campaign spending. And, he will work with Congress to forge a public-financing plan for campaigns, a plan that is both politically and constitutionally acceptable. Congress instituted a public financing mechanism for presidential elections, and it has worked just fine.

Congress' own system of campaign funding is not working just fine. In fact, the current corrosive system is a major reason Congress finds itself embroiled in an ethics crisis. Comprehensive reform would go a long way toward calming that crisis.

[From the Washington Post, Nov. 10, 1992]

POLITICAL REFORM

The Clinton administration will be able to push only so many items through even a willing Congress in its first few months in office, and every major group in America with a bill it wants enacted is trying to make the cut. None is trying harder than the groups seeking reform of the system of congressional campaign finance. The advocates point to some of the closer recent election results as confirmation of the need for reform; in a number of races the disproportionate amount of money they had available helped incumbents survive.

But the same results suggest as well how difficult reform may be to achieve, since the incumbent who will vote to reduce his own advantage is rare indeed. The Democrats in control of both houses passed good reform legislation last year when there was no danger of its being enacted; the president had promised to veto it. The president-elect, however, has indicated he supports such a bill. On this as on other such issues, that puts him and the congressional Democrats both on the spot.

The advocacy group Common Cause has done an early study of last Tuesday's returns. This was supposed to be the year of the wipe-out for Congress, and in fact, in the House particularly, the return rate was lower than in the past. But of members seeking reelection (some of those in trouble having already voluntarily retired), about 88 percent still survived—and nine incumbents had to lose: They were pitted by redistricting against other incumbents.

Common Cause found that, of 349 incumbents in the general election, 290 were unopposed or in races that were financially noncompetitive (that is, the challenger had less than half the incumbent's campaign treasury). Two-thirds of all challengers were able to raise less than $100,000, and only 14 raised more than $400,000 while 180 incumbents raised that much. There were 48 "close" races in which incumbents defeated challengers but got less than 55 percent of the vote. Money mattered to some extent in all of these; as a group the incumbents had more than three times the campaign resources of their challengers—$34 million to $10 million.

So also in the Senate, where all but three incumbents seeking reelection won (a fourth is in a runoff). The eight who won with less than 55 percent of the vote had 2½ times the resources of their challengers—$50 million to $20 million. Republicans argue against the spending limits at the heart of reform on grounds they would work to the disadvantage of challengers. Not always. In three of the closest settled Senate elections Tuesday—in New York. Pennsylvania and Oregon—Republican incumbents won. By Common Cause's reckoning, each of the winners had a funds-available advantage of about $6 million.

Campaign finance reform would adopt essentially the same system for congressional candidates as has existed with mostly good effect since 1976 at the presidential level—partial public finance in return for acceptance of voluntary spending limits. In addition it would adjust the mix of campaign funds and plug the larger holes in current law, including the one that allows unlimited amounts of so-called soft money to be given to presidential candidates indirectly through state parties. That's excellent medicine that not every Democrat in Congress wants to swallow. Question: How much political capital will the new president be willing to expend to try to make them do so?

[From USA Today, Mar. 19, 1992]

CLEAN UP CONGRESS' ACT

Tuesday's primaries sent a message to Congress—clean up your act or we'll clear you out.

That's what Illinois voters did.

They unleashed their frustration with the perks of incumbency by throwing out Reps. Gus Savage and Charles Hayes and Sen. Alan Dixon.

Savage ran afoul of his arrogance in playing racial politics while missing House votes. Hayes blew his re-election because of check kiting. And Dixon lost to a campaigner who attacked big money and insider politics.

If members of Congress are smart, they will heed these signs of discontent and forget the last election, when 96% of incumbents were re-elected.

They must put an end to the special privileges that have engendered public anger. Not only the House bank, but lobbyist-paid junkets and other perks that have made them seem a class apart from their constituents' interests.

The place to begin: Take the For Sale sign off Congress' back at election time.

In 1990, $400 million was spent on congressional elections, including $159 million from special-interest political action committees. This year, incumbents already have a $125 million war chest, mostly from PACs, giving them a 10–1 advantage over opponents.

That money buys access and influence. The public is shut out.

But instead of turning off the money spigot, President Bush and Congress are squabbling over who should get the biggest splash.

They should get serious about reform now, beginning with public financing of congressional elections.

Many in Congress say they want to stop hustling big contributors for donations. The public would be the big winner. And an income-tax checkoff, like that for presidential campaigns, could help pay the bill.

Congress must end the big-money scandal in campaigns if its members are to win back the public's trust.

[From the Watertown Public Opinion, July 15, 1989]

PRICKING PACS SHOULD ONLY BE START OF REFORM

After our recent editorial comments about PAC funding, we received a call from Pierre to remind us that the only reason industry managements went to political action committees to help finance campaigns was in defense of what labor unions had been doing for some time. However, as we reminded him, whenever we have questioned PAC spending for a political campaign, we have never narrowed it to a particular group of PACs, but PACs in general. Our entire war on PACs has not been centered on helping a candidate, but what obligation that "investment" does to a candidate. For example:

When 98 percent of House incumbents are returned to office, when a candidate for the House must spend nearly $400,000 and for the Senate nearly $4 million, when special-interest political action committees provide the lion's share of campaign funding, then something obviously is wrong. Our system of choosing our representatives has gone badly off track.

President Bush, to his credit, has acknowledged the problem and the other day proposed remedies which are worth mentioning again.

The President's campaign reform package by itself isn't going to solve the campaign-finance scandal, but as a starting point it's welcome. What's needed in the coming weeks is bipartisan negotiation toward ending congress' serious addiction to special-interest influence money.

Bush offered an 11-point package, including a proposal that Congress limit its chief source of outside income, honoraria. Members of Congress took in more than $9 million in speaking fees last year—that averages out to more than $15,000 per member. The groups that pay these fees understand they are getting more for their money than just a speech.

In return for an honoraria ban, the president promised to endorse a 25 percent pay raise for Congress, federal judges and some surgeons and scientists in the executive branch. Both the ban and the increase are probably worthy proposals. However, we would think a 10 to 12 percent pay increase would certainly be more appropriate.

Much more controversial, as we see it, is the president's proposal to ban contributions by PACs supported by corporations, unions or trade associations. PACs, special-interest money conduits, contributed approximately 50 percent of the money spent on congressional campaigns last year. That amounted to more than $170 million.

In the past six years, PACs have invested more than $400 million in government decision-making. PAC donors, without question, see these contributions as investments.

The president insisted—and we agree—that PAC contributions improperly and unfairly magnify the voices of special interests at the expense of representative government. But to ban PACs—or to ban all but "ideological" PACs, as the president suggests—does not get to the root of the problem. It does nothing to rein in the soaring costs of financing a campaign. Those costs have gone up ridiculously, primarily because of expensive television advertising.

If Bush really wants to help Congress reclaim its integrity, he will push for overall limits on campaign spending. This will be done at the cost of having a public-financing plan for campaigns, which is apparently both politically and constitutionally acceptable.

Congress' own system of campaign funding is not acceptable. In fact, the current corrosive system is a major reason Congress finds itself embroiled in an ethics crisis. Comprehensive reform would go a long way toward calming that crisis. . . .

[From the Palm Beach (FL) Post, Dec. 29, 1992]

POLITICAL BUYING GUIDE

The "U.S. Congress New Member Handbook" is out, with pictures and thumbnail biographies of the 14 new Senators and 110 new representatives in the 103rd Congress.

Lobbyists and special interest groups study the publication the way yuppies inspect the latest L.L. Bean catalog. So many new things to buy!

The assumption among those with enough money to buy influence is that new members of Congress might have been elected by promising reform but once in power, movers and shakers are easily converted into merchandise. Campaign finance reform, dear to the hearts of outsiders trying to overcome the fund-raising advantage of incumbents, looks different to neo-insiders.

That's why 48 groups have written to President-elect Bill Clinton, urging him to push quickly for important changes in the way political campaigns are paid for. Common Cause, the League of Women Voters, the American Association of Retired Persons, farm groups, religious groups and consumer groups all have called on Mr. Clinton to keep his promise to support campaign finance reform.

For congressional races, those reforms include spending limits, public financing and easier access to TV and mailings. But the most important change is to prohibit "soft money" abuses. "Soft money" refers to the loophole that skirts legal limits on contributions to individual races by allowing unlimited contributions to organizations—such as the Democratic or Republican parties—that use the cash to boost individual candidates.

Other reforms would include a limit on PAC contributions a candidate could accept, repealing the tax deduction for lobbying expenses and prodding the Federal Election Commission to enforce campaign laws.

Some of these reforms did pass in the 102nd Congress, only to be vetoed by President Bush. He used the old excuse that public money shouldn't be used to pay for campaigns. But the truth is that public money is likely to buy public servants, and private money is likely to buy private servants.

Reforms need to be approved quickly. Campaigns for the 104th Congress already are under way.

[From the Sunday Star-News, Apr. 12, 1992]

CONGRESSIONAL REFORM ALMOST OVERLOOKED . . .

While the nation's outrage was fixed on the perks and peccadillos of congressmen, progress was being made against one of the real scandals that undermines democracy: the power over Congress wielded by special interest groups and their political action committees.

The outrageous expense of running TV-commercial campaigns has driven even conscientious congressmen into the arms of labor unions, medical associations, industry groups and a wide variety of other special interests.

These groups raise money from their members and give it to congressmen who have the power to help or hurt them. Though it's probably rare that explicit deals are made, congressmen know that if they don't vote the right way, they may lose a big chunk of money at the next election.

Because PAC money tends to go to veteran legislators with the most power, it helps protect incumbents and discourage challengers. That's one of the reasons why there has been so little turnover in recent years.

But reining in special-interest PACs is difficult. The Supreme Court has ruled that giving money to candidates is a way of expressing political views and is, therefore, akin to free speech.

To get around that problem, reformers have devised a complicated approach: If candidates give up some of their campaign contributions voluntarily, they can qualify for public funds for their campaigns.

The idea is that it's better for the public to pay for campaigns than to let special interests and fat cats do it.

Congress applied that approach to presidential campaigns after the Watergate scandal. Ronald Reagan and George Bush, like other presidential candidates, have collected and spent millions of public dollars in their campaigns.

Yet President Bush is bashing the latest congressional campaign reform bill because among other things, it would establish some public financing of campaigns.

The reason the president and many other Republicans oppose campaign contribution limits is that Republicans traditionally raise much more money than Democrats do, and fund-raising limits might hurt them more.

In addition, Republicans say, challengers need a lot of money to knock off entrenched incumbents.

So Mr. Bush is threatening to veto a campaign reform bill the House passed this week and the Senate is expected to pass in couple of weeks.

The bill is complicated in its details, but the idea is that if congressional candidates would accept voluntary limits on campaign contributions, they would be entitled to public money for their campaigns.

It's not a perfect approach, but it seems to be about the only one that could get past the Supreme Court. It wouldn't destroy the power of special interests, but it ought to reduce it.

And that power, not self-indulgent perks and the minor chiseling of some congressmen, is what ought to be making Americans angry.

[From the Telegram & Gazette, Feb. 15, 1993]

CAMPAIGN FINANCING—BLUTE, DEMOCRATS SHOULD BACK REFORM PLAN

U.S. Rep. Peter I. Blute—the only member of the Massachusetts delegation who balked at supporting campaign financing reforms championed by Common Cause—said he did so on principle.

Problem is, the alternative is apt to be no reform at all.

Common Cause, the highly regarded nonprofit watchdog of government, proposes: a ban on the abuse-prone "soft-money" system of campaign contributions from individuals to national parties; campaign spending limits and public funding for congressional elections, and new restrictions on contributions from political action committees.

Blute agrees on the need to eliminate PAC contributions and to limit the amount that can be spent on campaigns. However, he opposes public financing on principle and because of its cost to taxpayers.

As painful experience has shown, however, the cost of the current system, controlled by well-heeled special interests, can be far higher.

For instance, five senators who collected $1 million in contributions from banker Charles Keating helped to hold off the shutdown of Lincoln Savings & Loan for years. The delay added hundreds of millions of dollars to the bailout cost, which eventually totaled $2.5 billion.

In that and countless other cases, special-interest financing of campaigns has provide to be a poor bargain for taxpayers.

Blute would prefer adopting British-style funding in which contributions are given only to parties, which dole out the money to individual candidates. The approach is intended to insulate candidates from special-interest pressure.

Whatever its merits, however, it's not presently on the table—nor is it likely to be.

In an ideal world, public financing of political campaigns would not be anybody's first choice. However, the Common Cause approach appears to offer a practical blueprint for breaking the stranglehold of big-money interests on national policy.

We urge Blute to reconsider his opposition to the Common Cause campaign financing reforms.

Meanwhile, the Democrats should grab the opportunity to break the link between incumbency and special interests and restore control of government to the voters, where it belongs.

The need for reform is clear. In recent elections, 98 percent of incumbents who sought re-election have been returned to Congress—a phenomenon Common Cause has linked persuasively to the fund-raising advantages enjoyed by incumbents.

The Democratic leadership professes to be in general agreement with the overall goals outline by President Clinton. When confronted with specifics—tighter limits on contributions from political action committees, restrictions on "soft money" donations and the like—the House and Senate leaders balked.

Their furious backpedaling underscores the cynicism underlying the Democratic leaders' support for reform last year. They passed a bill remarkably similar to the Common Cause approach—knowing President Bush would veto it.

Bill Clinton pledged major campaign-finance reforms. He must not back off on that promise.

[From the Yakima Herald-Republic, July 17, 1989]

PACS ONLY A START

When 98 percent of House incumbents are returned to office, when a candidate for the House must spend nearly $400,000 and for the Senate nearly $4 million, when special-interest political action committees provide the lion's share of campaign funding, then something obviously is wrong. Our system of choosing our representatives has gone badly off track.

President Bush, to his credit, has acknowledged the problem and has proposed remedies.

The president's campaign reform package by itself isn't going to solve the campaign-finance scandal, but as a starting point it's welcome.

Bush offered an 11-point package, including a proposal that Congress limit its chief source of outside income, honoraria. Members of Congress took in more than $9 million in speaking fees last year—that averages out to more than $15,000 per member. The groups that pay these fees understand they are getting more for their money than just a speech.

In return for an honoraria ban, the president promised to endorse a 25 percent pay raise for Congress, federal judges and some surgeons and scientists in the executive branch. Both the ban and the increase are worthy proposals.

Much more controversial is the president's proposal to ban contributions by PACs supported by corporations, unions or trade associations. PACs, special-interest money conduits, contributed approximately 50 percent of the money spent on congressional campaigns last year. That amounted to more than $170 million.

In the past six years, PACs have invested more than $400 million in government decision-making. PAC donors, without question, see these contributions as investments.

The president insisted—and we agree—that PAC contributions improperly and unfairly magnify the voices of special interests at the expense of representative government. But to ban PACs—or to ban all but "ideological" PACs, as the president suggests—does not get to the root of the problem. It does nothing to rein in the soaring costs of financing a campaign. Those costs have gone up exponentially, primarily because of expensive television advertising.

If Bush really wants to help Congress reclaim its integrity, he will push for overall limits on campaign spending. And, he will work with Congress to forge a public-financing plan for campaigns, a plan that is both politically and constitutionally acceptable. Congress instituted a public financing mechanism for presidential elections, and it has worked just fine.

Congress' own system of campaign funding is not working just fine. In fact, the current corrosive system is a major reason Congress finds itself embroiled in an ethics crisis. Comprehensive reform would go a long way toward calming that crisis.

[From the York Dispatch, Apr. 13, 1992]

GIVE VOTERS THEIR VOICES BACK

The skyrocketing cost of political campaigns is a paradox in the American election system.

Congressional and presidential candidates who want to convince voters today that they are prudent with other people's money and are fiscally responsible contradict themselves when they accept millions of dollars in campaign donations to get elected to a job that will never pay what they spent to get there.

According to a 1991 report by the Kettering Foundation, too many Americans don't participate in government or the election process because they feel big-money supporters have captured the ears and minds of their representatives.

Citizens feel they have been squeezed out of politics by a system made up of lobbyists, special interests and political action committees. We feel that Americans aren't apathetic, but frustrated. They feel they've been rendered obsolete.

President Bush can ease the widespread exasperation by enacting campaign finance reform legislation.

Earlier this month, the House and Senate approved legislation that would establish a public campaign fund, set spending limits, cap political action committee donations, and ban "soft money" contributions—the ones that bother us the most.

Since a federal law enacted in 1974 prohibits presidential and congressional candidates from receiving direct campaign contributions, candidates and their contributors have made use of a loophole which allows them to funnel money through political parties.

The soft money system works so well Bush will have accrued $200 million in public funds by the end of this year, according to Common Cause, a citizens' watchdog group.

About 245 of Bush's campaign contributors belong to the president's Team 100, which grants membership only after prospective members donate $100,000 in soft money. Two of the more well-known members are Charles Keating and Donald Trump.

No wonder Bush has sworn he will veto the campaign financing reform legislation.

We also strongly favor proposed spending limits, which would allow challengers to compete fairly against incumbents. We can only wonder how many great leaders we've lost due to out-of-this-world campaign costs.

Campaign finance reform will help release the tight grasp wealthy individuals and organizations hold or appear to hold on many candidates. It would be a big step toward restoring public confidence in our leaders and reassuring citizens that they have a voice in government.

[From the Yorkville Enquirer, July 27, 1989]

PRICKING PACS

When 98 percent of House incumbents are returned to office, when a candidate for the House must spend nearly $400,000 and for the Senate nearly $4 million, when special-interest political action committees provide the lion's share of campaign funding, then something obviously is wrong. Our system of choosing our representatives has gone badly off track.

President Bush, to his credit, has acknowledged the problem and the other day proposed remedies.

The president's campaign reform package by itself isn't going to solve the campaign-finance scandal, but as a starting point it's welcome. What's needed in the coming weeks is bipartisan negotiation toward ending Congress' serious addiction to special-interest influence money.

Bush offered an 11-point package, including a proposal that Congress limit its chief source of outside income, honoraria. Members of Congress took in more than $9 million in speaking fees last year—that averages out to more than $15,000 per member. The groups that pay these fees understand they are getting more for their money than just a speech.

In return for an honoraria ban, the president promised to endorse a 25 percent pay raise for Congress, federal judges and some surgeons and scientists in the executive branch. Both the ban and the increase are worthy proposals.

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> Congress' own system of campaign funding is not working just fine. In fact, the current corrosive system is a major reason Congress finds itself embroiled in an ethics crisis. Comprehensive reform would go a long way toward calming that crisis.

Mr. KERRY. Mr. President, there are ample examples of the public's sense of corruption and distrust with the U.S. Congress' unwillingness to police itself, and Buckley versus Valeo could not make more clear the standard that needs to be applied and the standard we are attempting to apply here.

I yield the floor.

The PRESIDING OFFICER (Mr. AKAKA). The Senator from Kentucky is recognized.

Mr. McCONNELL. Mr. President, my friend from Massachusetts is mixing up the Presidential system with the congressional system in the Buckley case.

The Buckley case included a distinction between the inducement in the Presidential system that the Congress decided to offer; in other words, it works like this: If you want to voluntarily limit your speech in order to get tax dollars to run for President, that is constitutionally permissible, the Court said, and that was the Presidential system.

It struck down the congressional system, because there were mandatory spending limits just like in this bill before us. But the Court said that the Presidential system was truly voluntary. In other words, the two candidates that I can currently think of who had chosen not to accept public money, John Connally in the 1980 Presidential race, and Ross Perot in the 1992 Presidential race, did not have anything bad happen to them. They did not lose a broadcast discount. They did not trigger tax dollars for their opponent.

In short, they just had to either, in the case of Perot, spend their own money, or in the case of John Connally, go out and raise it from individuals who voluntarily donated their money. But the Court made it perfectly clear that the spending limits would have to be voluntary, or it trashed the first amendment.

As the ACLU pointed out in the testimony that I have provided in this debate earlier, and as any plain reading of the underlying bill would lead one to conclude, there is nothing voluntary about the spending limits in this bill. If you are so audacious to want to speak too much—and remember spending is speech; the Court was unequivocal about that—and you get above the limitation on speech provided for in this bill, your troubles have just begun. You lose your broadcast discount. Tax dollars are given to your opponent to counter your excessive, and presumably inappropriate speech. And one of the most significant parts of this Rube Goldberg bill is if a citizen or a group wants to engage in independent expenditures, which they are entitled to do under the Buckley case, the following could happen.

Let us assume a civil rights group in the North decided they wanted to make independent expenditures against David Duke in a Louisiana Senate race. Under this bill, David Duke would get tax dollars to counter, let us say, the NAACP or B'nai B'rith. That is in this bill.

You see, Mr. President, those kinds of provisions are what make these spending limits in this bill compulsory and involuntary.

So, the Buckley case is clear, and the Senator from Massachusetts and I can throw this ball back and forth the rest of the night if we want to, and it is fine with me. I am not going anywhere. But the fact of the matter is, there is no amendment that the U.S. Senate can pass that will declare an apple an orange.

The Supreme Court was clear and unequivocal in its finding that the act of spending alone has no corrupting potential, and just the fact that it is 17 years later some things have not changed. Individuals are still limited and PAC's are still limited to what they can give to a candidate, and if a candidate is popular enough, or works hard enough to get a whole lot of individuals to support him, he can speak as much as he wants to under this decision.

And this decision, Mr. President, was handed down by a very liberal Supreme Court, a very liberal Supreme Court. Today, if this issue goes back to the Supreme Court, and I guarantee you it will if this were to become law, because I will be the plaintiff like Senator Buckley was in the mid-1970's, there is a reasonable chance this Supreme Court might decide that even contribution limits are a violation of this first amendment.

This Supreme Court might also decide that a spending limit is not really voluntary if one candidate agrees to shut up and get public dollars, in other words, gets paid to be quiet. The other candidate, who wants to speak as much as he wants to, does not get that public subsidy. The Court might well decide that is not a very voluntary spending limit, because after all the Government is, in effect, paying somebody not to speak too much.

This whole bill is about the first amendment, Mr. President. This is about political expression, political speech. It goes to the very heart of our free society. And I repeat what I said earlier. I know the Senator from Massachusetts is well-intentioned but there is not any way to craft an amendment that the Supreme Court is going to accept in this area.

Mr. President, I yield the floor.

Mr. KERRY. Mr. President, could I answer my friend from Kentucky?

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KERRY. I am interested in his interpretation of the difference of powers. That is the first time in my life I have ever heard that the congressional branch of Government does not have the right to declare perceptions of corruption. Of course we do.

Whether the Supreme Court agrees with it or not remains to be seen. Indeed, he has a right to take the case to the Supreme Court, and I am sure he will. I look forward to the arguments. They will be significantly stronger by virtue of our passing this declaration of intent, and he knows that.

That is one of the reasons why people who do not like any concept of reform may oppose this, because once Congress has declared its intent, very clearly the Supreme Court has a harder time avoiding it. That is what is at stake here.

My friend from Kentucky suggests somehow this bill shuts people up. It does not shut people up. It gives them a fair opportunity to talk as much as they want. It just puts them on an equal footing, Mr. President.

Look at the current footing. Here is the current footing. This is the 1992 average campaign fundraising for Senate candidates. Republican incumbents, 12 of them ran, got $5,553,270. Democratic challengers against those Republicans got only $2,563,938. There is the difference. If you are an incumbent, the big interests will pay you to talk. If you are a challenger, it is hard to get to talk.

What this bill does is equalize people's opportunity to talk.

Look at the difference here on the Democratic incumbents. They did not get away from the shamefulness of the current situation where they get a lot more money. They get $3.487 million—that is incumbents—compared to Republican challengers, who got only $1.158 million. So the incumbents get a heck of a lot more chance to talk, paid for by your big interests in this country, versus the little person who is challenging.

That is what this is about, Mr. President. What this bill does, it does not shut anybody up. If you want to spend your own money, you can spend a trillion dollars. It just says, we are going to try to give the other person a fair shot to be heard amidst the cacophony of your dollars buying ad, after ad, after ad, distorting and distorting, and trashing and trashing, and turning the American people off at the system.

We have a right to say that if we are going to spend some taxpayer dollars, or Federal dollars, as part of this effort to clean up the system; that if somebody says, "I don't want to take those dollars," then why should they get the benefit of cheaper television?

Let me make it clear, I hope, for the last time: The U.S. Supreme Court, in its decision, embraced this very concept. What the Court said was not about Presidential races. It was about Congress. I will read it again:

"Congress may engage in public financing of election campaigns and may condition acceptance of public funds on an agreement by the candidate to abide by specific expenditure limitations."

Congress may do that. The Court kind of said, "You dummies. You did not do the right thing here. If you had done this, we would have approved it, but you did not."

And what they also said was, "No governmental interest that has been suggested is sufficient to justify the restriction that was placed on campaigns at that point in time." Well, I buy that. Which is why stating the governmental interest becomes so important.

And my friend, who is a lawyer, knows that when he goes to the Supreme Court, it will be a lot harder to oppose this if we have stated the governmental interest. If the governmental interest is clear and it is compelling, then there is a legitimacy in affecting the speech. That has always been the finding of the Court of this land.

So that is what this amendment is about. I hope we will not obfuscate it. We have the right, as the U.S. Congress, to declare our intent any time we want to. Whether the Court wants to agree with it, or not, is another matter.

I yield the floor.

Mr. McCONNELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky [Mr. McCONNELL].

Mr. McCONNELL. Mr. President, my friend from Massachusetts knows it is possible to make this bill constitutional.

I am told later in the debate he is going to offer an amendment that will increase the amount of taxpayer funding of these elections, up to 80 or 90 percent, or something to that effect. I have not seen it yet.

But, just for purposes of discussion, let us assume the Senator from Massachusetts, or someone else in this body, wants to increase the amount of public funding available for candidates.

Under that scenario, it is possible to construct a piece of legislation that would pass a Supreme Court muster. I am assuming if such an amendment—which would probably be described as full public funding—is offered, that that amendment will also take out the punitive measures in the underlying bill which guarantee that the bill will be struck down.

What clearly makes the bill unconstitutional is the punishment one endures as a price for excessive speech. The Supreme Court clearly did not sanction, in the Buckley case, any effort to punish candidates that Congress might prescribe who do not agree to shut up.

So what I hope the Senator from Massachusetts will do at some subsequent point—if, in fact, he is the one who will offer the so-called full funding amendment—is let us make this bill constitutional. You could make it constitutional. Put plenty of money in it and take out the punishment, so it is just like the presidential system, which the Buckley case did sanction.

The Buckley case sanctioned the Presidential system because nothing bad happens to you if you do not shut up. You just have to raise your money from individuals rather than get it from the taxpayers.

And most candidates for President, even those philosophically opposed to public funding, like George Bush and Ronald Reagan, have accepted the subsidy because it is so enormous. It is easy money right out of the Treasury.

So let us be honest about this. If we do not want to trash the Constitution—this amendment is not going to cure the problem—let us offer an amendment that fully funds this bill and takes away the punitive features that makes the spending limits involuntary.

And I hope that the Senator from Massachusetts may well do that in the amendment that he is going to offer, because it is possible to make this bill constitutional. It costs a little bit more. It is already pretty costly. We estimate a billion dollars over a 6-year period. It might cost a little bit more to encourage people to shut up or pay them to shut up, but that at least could make it honest and could make it constitutional.

But I repeat, the Senator from Massachusetts said that Congress' goal here was to level the playing field, equalize the opportunities. That is precisely what the Court said was constitutionally impermissible.

The Court said:

> The interest is equalizing—

They used that word—

> equalizing the financial resources of candidates competing for Federal office is no more convincing a justification for restricting the scope of Federal election campaigns. Given the limitation on the size of outside contributions, the financial resources available to a candidate's campaign, like the number of volunteers recruited, will normally vary in size and intensity of the candidate's support. There is nothing invidious, improper, or unhealthy in permitting such funds to be spent to carry the candidate's message to the electorate.

So I think the ACLU, which sides with the Senator from Kentucky—I know the Senator from Massachusetts is a lawyer, as well. The body is full of lawyers; probably has too darn many of them. I think the public would certainly agree with that.

But people who have studied this issue—the scholars, the American Civil Liberties Union, not just the Senator from Kentucky—find this bill unconstitutional.

And the only point I would make is that the amendment of the Senator from Massachusetts is not going to cure that problem. He could cure it. I hope in the name of honesty and really laying it out on the table and quit playing games, let us make this underlying bill constitutional. Let us put some real money in it. Let us make it truly voluntary so it meets the Buckley standards. Then we would have an honest bill before us that we knew would be constitutional, and Senators could vote up or down on a constitutional, yet expensive, piece of legislation.

Mr. President, I do not have anything further to add. I am happy to, at this point, go to a vote on the amendment of Senator KERRY.

Mr. KERRY. Mr. President, I appreciate that. I have nothing to add at this point. I would be delighted to vote.

I believe the yeas and nays have been ordered?

The PRESIDING OFFICER. The yeas and nays have been ordered.

There being no further debate, the question is on agreeing to the amendment (No. 378) of the Senator from Massachusetts.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Alabama [Mr. HEFLIN] and the Senator from Texas [Mr. KRUEGER] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 39, nays 59, as follows:

[Rollcall Vote No. 127 Leg.]

YEAS—39

Akaka
Baucus
Biden
Bingaman
Boren
Bradley
Bryan
Bumpers
Byrd
Campbell
Daschle
DeConcini
Exon
Feingold
Feinstein
Ford
Glenn
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Mathews
Metzenbaum
Mitchell
Moseley-Braun
Moynihan
Nunn
Pell
Riegle
Robb
Rockefeller
Sarbanes
Sasser
Simon
Wellstone
Wofford

NAYS—59

Bennett
Bond
Boxer
Breaux
Brown
Burns
Chafee
Coats
Cochran
Cohen
Conrad
Coverdell
Craig
D'Amato
Danforth
Dodd
Dole
Domenici
Dorgan
Durenberger
Faircloth
Gorton
Graham
Gramm
Grassley
Gregg
Harkin
Hatch
Hatfield
Helms
Hollings
Inouye
Jeffords
Johnston
Kassebaum
Kempthorne
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Mikulski
Murkowski
Murray
Nickles
Packwood
Pressler
Pryor
Reid
Roth
Shelby
Simpson
Smith
Specter
Stevens
Thurmond
Wallop
Warner

NOT VOTING—2

Heflin
Krueger

So the amendment (No. 378) was rejected.

Mr. WARNER and Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. HOLLINGS. Mr. President, if I can get the attention of the distinguished Senator from Oklahoma, a motion to temporarily set aside the Wellstone amendment so I can present an amendment, is that the procedure?

Mr. BOREN. The Senator wishes to offer an amendment?

Mr. HOLLINGS. Right.

Mr. BOREN. Mr. President, I am told that we have been trying to alternate back and forth between the two sides of the aisle on amendments. If the Senator would withhold for a moment, let me consult the floor leader on the other side to see if they would be willing—will the Senator's amendment take very long?

Mr. HOLLINGS. I do not think it will take long. It has to do with a sense-of-the-Senate.

Mr. BOREN. With which?

Mr. HOLLINGS. Sense of the Senate to limit spending.

Mr. BOREN. Sense of the Senate?

Mr. HOLLINGS. Yes. Mr. President, since I have the floor, I ask unanimous consent that we temporarily set aside the Wellstone amendment so I can offer an amendment.

Mr. MCCONNELL. I object.

The PRESIDING OFFICER. There is objection.

Mr. MCCONNELL. The only point I make to my friend from South Carolina, we just had an informal agreement here to rotate from side to side. Senator BROWN and Senator FAIRCLOTH have been waiting. We are going to be on this bill for quite some time. I would just hope the Senator might defer until tomorrow.

Mr. HOLLINGS. Tomorrow. Is it going to take that long?

Mr. MCCONNELL. No. I think we could have it—if Senator BROWN or Senator FAIRCLOTH would listen up a minute, I think we were talking about 30 minutes equally divided.

We are just talking about 30 minutes equally divided.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that after they are recognized, I be recognized in order to present my amendment.

The PRESIDING OFFICER. Is there objection?

Mr. BOREN addressed the chair.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. BOREN. Mr. President, reserving the right to object, let me just inquire, if I could, of either the distinguished Republican floor leader of the bill or of the authors of the two amendments if we could have recited for us the subject matter of the two amendments.

Mr. MCCONNELL. If my friend would yield—or we could have agreement to take the Hollings amendment up first thing in the morning. He can be first in order.

Mr. BOREN. We could enter into an agreement on these two amendments and then perhaps lock in the Hollings amendment to follow, if I just knew the subject matter of the two amendments that would be offered.

Mr. MCCONNELL. One.

Mr. BOREN. One amendment being offered together?

Mr. FAIRCLOTH. One.

Mr. BOREN. They are the two sponsors. I understand. Do I understand that it has to do with term limits?

Mr. FAIRCLOTH. Yes. It is term limits.

Mr. BOREN. It is term limits.

Mr. FAIRCLOTH. We are waiting for it right now.

Mr. BOREN. Mr. President, could I, for just 1 moment, beg the indulgence of my colleagues on both sides of the aisle, the Senator from South Carolina and the Senator from Kentucky. While we are getting the exact description of the amendment, the Senator from California has a unanimous-consent request, which I understand has been cleared by the leaders on both sides, if I might yield to her for a unanimous-consent request.

Mrs. FEINSTEIN. I thank the Senator very much.

The PRESIDING OFFICER. The Senator from California is recognized.

Mrs. FEINSTEIN. Mr. President, on vote No. 125, the Pressler amendment, I was mistakenly recorded in the negative. I ask unanimous consent that I be able to change my vote. I note that this change will not change the total of the vote.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

(The foregoing tally has been changed to reflect the above order.)

Mr. BOREN. Mr. President, if I could now just have a general description, not necessarily a reading of the amendment but a general description of what the amendment is, from the two distinguished Senators, then we could perhaps enter into this agreement and allow them to proceed.

Mr. HOLLINGS. If the Senators will yield, so upon the completion of their amendment, or the disposal of their amendment, I would be recognized to submit my amendment first thing in the morning.

Mr. BOREN. Mr. President, I ask unanimous consent that upon completion of the amendment of the two Senators that the Senator from South Carolina be recognized to offer his amendment.

Mr. MCCONNELL. Mr. President, reserving the right to object, is it the understanding of my friend from Oklahoma that this next vote may well be the last vote this evening, in which case we would go to——

Mr. HOLLINGS. Tomorrow morning.

Mr. BOREN. The majority leader asked us to continue tonight. I think it would be his desire that the debate be at least completed tonight. He has indicated to me that he wants us to get some additional work done tonight so that we can move ahead with the bill.

So I am not in the position to say on his behalf that it would be the last vote. If we are to complete debate on the Hollings amendment tonight, we could go to a vote tonight, or if there is still debate or if there are objections to that, obviously Senators could prevent a vote tonight. We would perhaps complete the debate and go to the vote first thing tomorrow.

Mr. MCCONNELL. So the purpose of this unanimous-consent agreement is to put the Hollings amendment in line behind the Brown-Faircloth amendment.

Mr. BOREN. That is correct.

I see the distinguished minority leader on the floor. I understand he may also have an amendment after the Senator from South Carolina.

Mr. FORD. Reserving the right to object, the only thing I want to do is limit it to 30 minutes. We have already talked 30 minutes about giving my friend from South Carolina the next amendment. But as I understand it, the unanimous-consent agreement is 30 minutes equally divided, 15 minutes to a side, and then the vote and then we go to the Senator from South Carolina. Is that correct?

Mr. MCCONNELL. Mr. President, is that agreeable with the Senator from North Carolina and Colorado?

Mr. BROWN. Yes.

Mr. BOREN. Mr. President, if we could just have a description of the amendment, the major provisions of the amendment, I think we could enter into an agreement and proceed. It would mean we would have at least one more rollcall vote tonight, I assume the Senator would wish a rollcall vote, and it would be not a certainty as to whether we would have a rollcall vote on the Hollings amendment tonight. That would depend on the course of the debate.

Mr. BROWN. If the Senator will yield, the Faircloth-Brown amendment is simply a straightforward term limitation amendment; that is, it limits Members of the House and Senate to 12 years. 2 terms in the Senate, six terms in the House. If indeed someone wishes to run for an additional term in the House or an additional term in the Senate, they would be allowed to, but they would be required to repay the public financing that they had received through the system.

Mr. BOREN. May I ask my colleague, is it prospective in its application? So the distinguished minority leader I see consulting would not be immediately banned from the Chamber? We give him some lease on life.

Mr. President, since this is such a noncontroversial amendment, I believe we would be able to enter into—is it the desire to have 30 minutes of debate equally divided? Or 30 minutes to a side?

Mr. BROWN. We would be happy to accommodate either preference.

Mr. BOREN. Mr. President, I ask unanimous consent that there be 30 minutes equally divided and allotted to this amendment, upon conclusion of which, there be a vote on or in relation to this amendment; with no second-degree amendments in order; and that upon the completion of the voting, on or in relation to this amendment, that the Senator from South Carolina then be recognized to lay down his amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BOREN. Mr. President, I am informed that in our previous unanimous-consent agreement we did not also ask unanimous consent that we temporarily set aside the two pending Wellstone amendments, Nos. 367, 368. I ask unanimous consent that the two Wellstone amendments be temporarily set aside that I have mentioned in order that the amendment now be in order.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. FORD. Mr. President, what is the pending agreement?

The PRESIDING OFFICER. The pending agreement is to set aside the two amendments offered by the Senator from Minnesota [Mr. WELLSTONE]; that an amendment can be offered by the Senator from Colorado [Mr. BROWN], and the Senator from North Carolina [Mr. FAIRCLOTH].

Mr. FORD. Is there a time limit?

The PRESIDING OFFICER. There is a time limit of 30 minutes equally divided.

Mr. FORD. The Senator from South Carolina is to be recognized following disposition of that?

The PRESIDING OFFICER. That is correct.

Mr. FORD. I thank the Chair.

Mr. FAIRCLOTH addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

AMENDMENT NO. 379

(Purpose: To limit public financing to campaigns for election to terms in the Senate and the House of Representatives aggregating 12 years)

Mr. FAIRCLOTH. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from North Carolina [Mr. FAIRCLOTH], for himself, Mr. BROWN, and Mr. COATS proposes an amendment numbered 379.

Mr. FAIRCLOTH. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place add the following new section:

SEC. 137. TERM LIMITS FOR CANDIDATES WHO RECEIVE PUBLIC FINANCING.

(a) AGREEMENT.—Acceptance of public financing by a candidate for election to the Senate or the House of Representatives constitutes an agreement on the part of the candidate, enforceable by the United States, that if the candidate is thereafter elected to the Senate or the House of Representatives, the candidate will seek election to and will serve terms (including the first full term that the candidate serves after receiving public financing) in the Senate or the House of Representatives, or both, aggregating no more than 12 years.

(b) PROHIBITION OF FURTHER PUBLIC FINANCING.—After a candidate has received public financing of campaigns for election to the Senate or the House of Representatives, or both, that result in the candidate's election to terms in the Senate or the House of Representatives, or both, aggregating 12 years, the candidate shall no longer be eligible to receive public financing of a campaign for election to the Senate or the House of Representatives.

(c) REPAYMENT UPON VIOLATION.—A candidate who has received public financing of campaigns for election to the Senate or the House of Representatives, or both, that result in the candidate's election to terms in the Senate or the House of Representatives, or both, aggregating 12 years, shall, within 10 days after again becoming a candidate for nomination for election, or election, to the Senate or the House of Representatives, repay the United States the entire amount of the public financing received by the candidate.

(d) ENFORCEMENT.—

(1) BY THE ATTORNEY GENERAL.—(A) If a candidate who is required to make repayment fails to make full repayment within the 10-day period described in subsection (c), the Attorney General shall bring and shall vigorously prosecute a civil action against the candidate in United States district court to collect the entire amount of the public financing received by the candidate.

(B)(i) The Attorney General shall not have discretion to decline to bring and vigorously prosecute an action as required by subparagraph (A).

(ii) The duty of the Attorney General to bring and vigorously prosecute an action as required by subparagraph (A) shall be enforceable by a writ of mandamus obtained by any citizen of the United States.

(2) BY A CITIZEN.—If the Attorney General fails to bring an action as required by paragraph (1)(A) within 5 days after the expiration of the 10-day period described in paragraph (1)(A), a citizen of the United States may bring a civil action on behalf of the United States, in accordance with the procedures stated in section 3730 (b), (c), (d), and (g) of title 31, United States Code, and the United States shall pay the expenses incurred by the citizen in bringing the action.

(3) ATTACHMENT AND GARNISHMENT.—(A) Upon bringing an action under paragraph (1) or (2), the Attorney General or citizen plaintiff, as the case may be, shall seek, and not later than 5 days after commencement of the action the court shall issue, an order—

(i) attaching contributions that the candidate has received (including funds carried over from prior campaigns) or receives after the date of the order;

(ii) attaching personal assets of the candidate; and

(iii) garnishing the candidate's earnings to be received from the Government and from all other sources,

in an amount that will be sufficient to secure repayment of the entire amount of public financing received by the candidate, plus interest from the date on which the 10-day period described in paragraph (1)(A) expired to the date of full repayment.

(B) An order under subparagraph (A) shall remain in effect until the entire amount of public financing received by the candidate, plus interest, has been repaid.

(e) REDUCTION OF PUBLIC DEBT.—Funds received by the Treasury from a candidate in repayment of public financing under this section shall be deposited in the sinking fund described in section 3112 of title 31, United States Code, to retire the public debt.

Mr. FAIRCLOTH. Mr. President, every member who ran last year promised change and reform. Unfortunately, the campaign spending bill on the floor today is a hoax when it comes to change and reform. By letting politicians spend taxpayer money for their campaigns, the campaign spending bill is a quarter of a billion dollar raid on the taxpayers' pockets. The spending limits in the bill, inevitably, will favor incumbents.

Term limits are a real solution to get real change and reform. I am a farmer and businessman. I do not intend to spend more than two terms in the Senate. When my term ends, I plan to go back to my farm and business to live under the laws I helped to make.

But for too many in Congress today, Government has become a career. We have what columnist George Will calls a political class of professional politicians who make Government and spending taxpayers' money their full-time business.

The results of this are everywhere to be seen. Congress passes equal pay laws, civil rights laws, OSHA laws, all kinds of laws and then exempts Congress from the laws that the rest of the people have to live under.

Professional politicians insulate themselves from a bad economy by giving themselves automatic pay raises and a salary that puts Members of the House and Senate in the top 1 or 2 percent of income.

Congress has perks and privileges not available to the average citizen, a pension plan that is more generous than any pension plan in the private sector or even in Federal employment.

Congress has a staff of 37,000 employees—more congressional staff members work on Capitol Hill than the entire population of 11 State capitals.

Common sense is an uncommon thing in Washington. The people out in the country—the taxpayers—know we have to cut spending. But Congress would rather raise taxes.

I think the problem is that Congressmen and Senators find life in Washington too easy. They do not want to give it up. They may come to Washington to do good things, in many cases, but then they get plugged into the Washington system of you scratch my back and I will scratch yours. You vote for my boondoggle and I'll vote for yours.

In fact, former Budget Director James Miller, using the National Taxpayers Union's figures on how much tax money each Member of Congress votes to spend, found that the longer someone stays in Congress, the more tax money they vote to spend. The longer someone stays in Washington, the more out of touch they get, and the more dependent on lobbyists and Washington interest groups they are likely to become.

I think it is time to bring common sense to Washington by opening up the system, not by closing down the system with a campaign spending bill that favors incumbents.

Term limits will give more new people a chance to serve in Congress. Perhaps more importantly, term limits will make the people who are here in Congress now realize that they are going to have to go home and live under the laws they have passed.

Term limits are supported by the American people. Twenty-one million Americans voted for term limits measures in the States in the last election. Term limits got more votes than Bill Clinton in 13 of the 14 States where they were both on the ballot.

A recent poll done by the Gordon Black Co. for Ross Perot found that over 70 percent of the American people support some form of term limits.

It is not really a new idea. Thomas Jefferson said, "I dislike, and greatly dislike (in the new Constitution) the abandonment in every instance of the principle of rotation in office."

George Washington said, "A rotation of elected officers (may be) most congenial with the ideas (the people have) of liberty and safety."

Jefferson and Washington wanted a citizen legislature where good people would serve for a few years and then go home. Harry Truman wanted the same thing. Harry Truman sponsored a term limit amendment back in 1950.

The opponents of term limits say that bringing new people to Congress so often will rob us of experience. Well, look what experience has brought the country. A $4 trillion debt—every penny of it voted by a Congress filled with career politicians.

The opponents say term limits will increase the power of the special interests. That is silly on its face. The special interests—big corporations and labor unions—spend thousands and thousands of dollars fighting to defeat term limit initiatives out in the States. The special interests are comfortable with the career politicians who are in Washington now.

We are told that term limits will increase the power of the congressional staffs. That is more ridiculous. We do not have term limits, but spending for congressional staff keeps climbing anyway.

The opponents tell us that there was a lot of turn over in Congress last year without term limits. If it had not been for the check bouncing scandal and perhaps the fact that incumbents in the House were able to retire last year and keep their campaign funds for personal use, I doubt we would have seen as many congressional retirements as we saw. Even so, 93 percent of the incumbents still won. Spending limits in the campaign spending bill will protect incumbents even more.

The opponents of term limits say we are taking away the people's right to choose their representatives. But the people want term limits. The polls and the votes in the States prove it. Congressional leaders who claim term limits are antidemocratic have so far refused to even bring up a constitutional amendment for term limits. That is why I am bringing it up today. If the people do not want it, then term limits will never be ratified by three-fourths of the State legislatures as the Constitution requires. But in fact, most of the American people do want term limits.

We desperately need a Congress with the courage to cut spending and stop piling up debt for our children to pay off. Term limits may be our last best hope to stop stealing our children's future. With term limits, Members of Congress will know that they will only be able to serve a few years. The incentive to buy reelection term after term by voting more spending to pay off more groups will be gone. Perhaps the Congress will have the courage to do what's right—cut spending.

Term limits make common sense. If two terms were good enough for George Washington, they are good enough for anyone in the Senate today. I urge the Senate to pass this clear, simple constitutional amendment for term limits.

Mr. President, I am serving my first term as an elected official but have been in and out of politics a lot in my life. I have also considered politics an exceedingly fine avocation, but a poor vocation. The point being that we should all have an extremely healthy interest in government, and in politics, and in public service. But I do not think it should be considered a lifetime career.

When I ran for the Senate, I made very, very few commitments or promises. After having spent my life in the private sector, I committed myself only to vote against any tax increase, to vote any way that I could to reduce the deficit, to reduce Federal spending, and to support term limits for the Members of the Congress.

We need desperately to get back to the idea of our Founding Fathers, which was that public service should be something we did in addition to our vocation.

I think that so many of the people in the Congress and in the administration have been writing rules and regulations that handicap business for the very simple reason they have never been involved in it. So many of the people writing the rules have never played the game.

I have been here 5 months, and for the brief 5 months I have been here I am more convinced than ever that we need term limits.

The reason we have a $400 billion deficit is that Congress is unwilling to cut Federal spending. Why? Because spending the taxpayers' money on programs that benefit one's home State helps us get reelected. And there is one driving ambition in politicians—it is to get reelected. Well, let us give them an opportunity to get back into the private sector and earn a living under the rules and regulations that we have imposed upon the working people of this country. Let those of us who are here serve and then return to the private sector. As I said earlier, politics should be an avocation and not a vocation.

I yield the floor.

The PRESIDING OFFICER (Mrs. BOXER). Who yields time? If neither side yields time, time will be subtracted equally from both sides.

Mr. BROWN addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado is recognized.

Mr. BROWN. Madam President, I ask that the distinguished Senator from North Carolina yield me 5 minutes from his time on the bill.

Mr. FAIRCLOTH. Madam President, I yield 5 minutes to the Senator from Colorado.

Mr. BROWN. Madam President, I appreciate this opportunity to raise this issue. The underlying measure provides public financing for candidates for office. The thesis of this amendment is quite simply that if the Federal Government is going to pay for it, there ought to be some sort of term limitation. I think all American citizens are well aware that term limits have been a very important topic of debate in the last decade, and even before that.

This measure provides, I think, an appropriate and significant reason to move ahead with term limitations. It asks the taxpayers to fund a portion of campaigns. This amendment would simply say that if you take the public's money to run for office, you agree to limit yourself to 12 years of service; that is, continuous service in the House or the Senate. Obviously, after serving in the House, somebody can move to the Senate, or from the Senate they can move to the House. But 12 years of continuous service is enough. If, indeed, somebody feels they must continue to run for office after those 12 years, they can. This amendment would not prohibit them. But it would say that you have to give the money back you have taken from the public to run under those terms.

Madam President, as I know you are well aware, and many Americans are well aware, California has enacted a term limitation. It involves two terms for the U.S. Senate, as other States around the country do: 15 States currently have term limitations. Term limitations will probably be on the ballots in eight more States, and several additional States are considering instituting term limits for Members of Congress.

Colorado is the first State in the Nation to adopt congressional term limitations. But the movement is growing stronger. There is one reason: Americans want change in this country, and they want a Congress that represents them. As a nation, we were the ones that outlawed in our Constitution titles of nobility. It was because we wanted a Government of the people and by the people. And what we found instead is the development of a ruling class in this Nation, where people do not work for a living before they come to rule this country. They do not understand the problems of this country.

Madam President, it shows, I believe, in the way this Nation is governed by Congress. The runaway deficits, the micromanagement of the economy, the incredible regulations that defy both Democrats and Republicans, are all a function of a Congress that has not had a chance to work for a living and understand the real problems of this Nation.

Certainly, people of good faith serve in this body, but all too often, the votes on this floor reflect the fact that many people have not had the chance to do the real work of this country. I believe with all my heart that if the Members of this body had had a chance to live under the regulations we have imposed on the American people, we would have far different laws enacted. That is the real value of this—to provide a turnover in Congress that allows the Congress to be more reflective of the American people.

Madam President, 75 percent of the American people favor term limits. In every one of the States where it was on the ballot last time, it passed. It had majorities sometimes reaching above 70 percent. It is clearly the will of the American people that this be adopted.

Term limits now exist in the Constitution for the President of the United States. They exist in the constitutions of a majority of our States for Governors. They exist in many States for State legislators.

Virtually every State that had it on the ballot last time approved it. I believe eight additional States will adopt it next time. For simple equity and parity among the States, I think it is important. How tragic it would be for States like California and Colorado, and others, to have adopted term limits and then other States not have to abide by the same rules. This amendment, if adopted and enacted into law, will provide consistency among the States. But most important of all, it will ensure that Congress becomes a much more reflective body of the attitude of the American people.

Madam President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. FAIRCLOTH. Madam President, I yield time to Senator COATS.

The PRESIDING OFFICER. The Senator from Indiana is recognized.

Mr. COATS. Madam President, I appreciate the amendment the Senator has brought before us because it gives us an opportunity to discuss an issue that I think is very much on the minds of the American people, in terms of how they look at this institution and look at ways in which it can be reformed in a way that they can feel a sense of restoration of trust.

As I campaigned for this office in the last 4 years, in two separate elections, what I discovered, to my dismay, was that a great percentage of the people of America are in the process of losing confidence in this institution. They are losing confidence for a number of reasons but particularly one reason, and that is that they felt it was an institution no longer in touch with the thoughts of the everyday American—the basic American who felt that Congress had insulated itself from the realities of day-to-day life.

So the question arose as to how we could possibly begin to restore this sense of trust, because really without the confidence and support of the American people, what we do here is not going to be successful in the long run.

Perhaps the most important means by which I think this trust and confidence could begin to be restored is through the concept of term limitations. In that regard, I would like to go back just a little bit in history and talk about the Congress as it existed before this modern era.

Before the Civil War, it was the common American conviction that the surest way to avoid the temptation of an imperial Congress was the principle of frequent rotation in office. Americans expected a Government of citizen legislators, not career politicians, and though the principle was voluntary, they usually got what they wanted.

During the first half of the 19th century, between 40 and 50 percent of the Congress left office in every election. The belief in a regular congressional turnover came to America from a much older tradition. Aristotle had written that democracy was only possible when there was a chance of ruling and being ruled in turn.

The theory is simple: Public servants will pass better laws when they expect to go home and live under them for a term, or for a while.

One delegate to the American Constitutional Convention warned by remaining in the seat of Government they, the Convention, would acquire the habits of the place, which might differ from those of their constituents. That, we have found, was a monumental understatement.

After the Civil War, the average duration of congressional service doubled, and then doubled again. And it has come to the logical conclusion, in our time, a Congress of entrenched professionals who are only unseated, it seems, by death, scandal, or their own disgust with the institution.

In the process, a wall has been constructed, a wall between citizens and legislators, a wall of endless reelection, a wall of arrogance and indifference, a wall that has left this body, in many instances, isolated.

One observer has commented that Members of Congress become like the noncustodial parent in a divorced family. They have visitations; they come on holidays and weekends; they send money. But they do not live with us. And, over time, it has become harder and harder to know, to really know one another very well.

So the answer, Madam President, I think is as simple and as radical as term limitation. If turnover is not voluntary, we must make it mandatory.

I have introduced a proposal for limited terms and made a commitment to honor that proposal which closely parallels the proposal of the amendment before us today.

The goal would be on a 12-year term limitation. The goal would be a slow, gradual, gentle revolution, a revolution in the attitude of the Congress and the confidence of Americans.

Our Nation would find public servants who came from the real world and planned to return there. They would find public servants who expect to live much of their productive lives under the laws and regulations they write and the taxes that they pass. They would find public servants freed from the endless campaigning of career politics and allowed to deal with issues. They would find public servants connected to their community and its needs by experience, not just sympathy.

This is the kind of congressional reform that would do more than shift the distribution of money and power. This is the kind of congressional reform that would restore trust. But the restoration of this trust could begin in one historic moment— when the Congress supports limits on its own service.

So I thank my colleagues from North Carolina and from Colorado for offering this amendment. I do not expect it will garner a majority of votes. I do think it is something that this body ought to seriously consider, because in the end, as I said, what counts in terms of our ability to enact legislation that will be meaningful and supported by the American people is their support and confidence in us as an institution. And that support and that confidence is in short supply as we debate here this evening.

Madam President, I thank the Senator for the time, and I yield the floor.

The PRESIDING OFFICER. All time for the proponents of this amendment has expired.

Who yields time?

Mr. BOREN. Madam President, I know the time has expired on that side. I will be happy to yield a minute each, if there are additional Senators on that side who wish to speak.

Mr. FAIRCLOTH. The Senator from Idaho wishes to speak.

Mr. BOREN. Madam President, I will be happy to yield a minute and a half to any Senator out of my time.

The PRESIDING OFFICER. The Senator from Oklahoma yields time.

Mr. KEMPTHORNE. Madam President, thank you very much.

I thank the Senator from Oklahoma very much for the courtesy.

Madam President, I ask unanimous consent that I be added as a cosponsor to this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KEMPTHORNE. Madam President, I would like to point out, as we discuss term limitations, we are not without precedent for Federal term limits. We are a coequal branch of the Government with the executive branch. Congress has imposed term limitations for the executive branch. I think what is good for one should be good for the other. It should apply to both.

So I wish to associate myself with the remarks made by my colleagues who have spoken in favor of this amendment, but I also state the principle is sound. It has been implemented for the executive branch. It is time we implement it also for the legislative branch.

I thank the Chair very much. I yield the floor.

The PRESIDING OFFICER. The Senator from Oklahoma yields further time.

Mr. FAIRCLOTH. Madam President, will the Senator from Oklahoma yield 1 minute?

Mr. BOREN. I am happy to yield.

The PRESIDING OFFICER. The Senator from Oklahoma yields time.

Mr. FAIRCLOTH. Madam President, there are a lot of reasons to have term limits, and you have heard a number of them stated here in the last few minutes.

But I think one of the most interesting and demanding reasons was an honorable Member of this Senate for a long time, George McGovern—and one of its more liberal Members—after he left the Senate he went, I think, to Connecticut, and went into the hotel and restaurant business. He immediately ran into a plethora of rules and regulations that he had helped write on business while he was a Member of the Senate.

He wrote a number of columns in newspapers, and articles, in which he said that if he had been aware of the impact that the rules and regulations that he was sponsoring and writing would have upon small business, how difficult it would make it for them to operate, he would have been a different Senator while he was serving.

I think that is as good a reason as we need for people to be in the Senate and then return to the private sector.

I yield time.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from Oklahoma.

Mr. BOREN. Madam President, I understand the frustration that is reflected in the amendment by my colleagues from the other side of the aisle. It is a frustration felt by the American people.

In the last election, when this issue was on the ballot in several States, it carried to limit the terms of Members of Congress.

It is no wonder that people are frustrated when they view what has been going on in elections and when they view what has been going on within this institution, in some respects.

But while I understand that frustration, in all honesty, I must oppose this amendment because I do not think it is the solution.

The people are frustrated right now because they do not believe they have enough say in their own Government. They do not believe there is anyone here representing them, looking after their interests, caring about people like them.

I do not believe that by limiting the terms of the elected Members of Congress while the civil service and the bureaucracy will continue on for many, many years in this place, will make the Government of the United States more responsive to the people. That is exactly what will happen if we limit the terms of elected officials and allow the nonelected bureaucracy to continue, as I presume we would under the terms of this amendment.

Those who are not elected and not responsive to the people, the bureaucracy, will run the country to an even greater degree than it already does.

So, Madam President, I do not think the answer for the American people is to turn the Government over to the bureaucracy, which absolutely cannot be reached by the people.

What is the answer to the frustration being expressed by the people? What is the answer to those in poll after poll, who say in large majorities approaching 80 percent, that they no longer feel that Congress represents people like them? The answer is not in term limits. The answer is in passing real campaign finance reform.

Under the present system, it is true that those who want to stay in office have a tremendous advantage over challengers who are trying to come here and offer fresh and new ideas to the American people.

In the last election, when over $670 million was poured into campaigns—much of it from political action committees, PAC's, and special interest groups—incumbents, under a system that has no spending limits, as is the case with current law, incumbents, the people who are already here, have tremendous advantages.

On the Senate side, incumbents were able to raise three times as much money as challenges. In the House, incumbents were able to raise five times as much money as challengers. And on the average, where did the political action committees, the special interests, give their money? On the average, they gave $6 to sitting Members of Congress versus every dollar that they gave to challengers.

The public understands that, and they say this is not a level playing field and this is not a system that gives new people a chance to break into politics.

So they want the system changed, Madam President. We do not need term limits. If we want to allow new people with fresh ideas an equal chance and an equal opportunity to be elected to the Congress, what we need is a system of spending limits so incumbents will not have this huge advantage, and a system that will wring the special interest money out of politics, with the PAC's giving 6 to 1 to incumbents. That is what we need. That is what will change the system.

That is what will help us restore the confidence of the American People in the political system. No wonder new people trying to break into politics are discouraged. They sit back and think, "Well, perhaps I could raise as much money in early fundraising in my home State as the sitting Member of Congress."

It does not matter whether they are Democrat or Republican. The facts I have just given apply equally. Republican incumbents or Democratic incumbents are outspending their challengers 3 and 5 to 1. Democratic and Republican incumbents are getting most of the PAC money at a rate of 6 to 1.

So new people sit back and say, "I might do pretty well at the grassroots, but then I am going to be inundated by a tidal wave of special interest money from Washington that makes it impossible for me to have an equal chance to make this race and come to the U.S. Congress."

And the people perceive something else, Madam President, and it causes them to feel that this Congress does not represent people like them. They understand that as long as there is this terrible pressure to raise money in campaigns.

As I was discussing on the floor yesterday, if you average it out—and we know that Members do not sit down and do it on a weekly basis; they tend to raise more of the money, as the Senator from Kentucky has said, in the last couple of years of their term—but if you were to space it out all the way through 6 years, just to run in an average size State, a Member of Congress or the Senate has to figure out how to raise over $4 million. That is about $15,000 a week, every single week for 6 years to raise the amount of money that it takes, on the average, to run for reelection.

Madam President, when you are under that kind of pressure to raise that kind of money, I do not care who you are, human nature being what it is, if you are desperately trying to do that and you have very little time available to you—and the example I have given is, if , in the middle of a busy day, you have 5 minutes and there are several people sitting in your waiting room and they all want to see you. One of them is a student, with high hopes to become involved in the political process; another one is a farmer, who has perhaps been sitting out on his tractor thinking of ideas to make this country better while he has been in the middle of the wheat harvest; another might be a factory worker; another a housewife; and another a teacher; and another a PAC manager in Washington, who has the ability to give you a check for $5,000 for the primary and $5,000 for the general election and perhaps could hold a fundraiser here in Washington and raise you $250,000 in one night.

And there you are trying to figure out "How do I raise the $4 million to run for re-election?"

Well, Madam President, who are you going to see with the 5 minutes available to you? Are you going to see the student? Are you going to see the farmer? Are you going to see the teacher? Are you going to see the factory worker? Probably not, sadly.

And at the end of the day, how are you going to feel about it? You did not come here to figure out how to raise $4 million. You did not come here to only talk to people who can give to your campaign. You came here because you wanted to make a difference in the future of the country. You came here because you wanted to render public service.

And at the end of the day, with those kinds of pressures upon you, you do not feel good about being a pawn of the system that forces you to raise more and more money. And the people that you did not have time to see, they do not feel good about the fact that you could not see them and listen to the views of people like them. And not even the PAC manager feels good about it, because he is probably being forced from this way and that way to give to candidates that have access to those people that are already here.

So there is a great disillusionment about the system. And because of that, people do not know what to do. And when they see anything on the ballot, whether it is term limits or anything else in which they can register a protest against the Congress of the United States, they say, "I want to express my frustration. I want to say things are not as they should be in this system." And they are right, Madam President. They are right.

But the way to answer that loss of trust, the way to answer that mistaken sense of priorities is not to turn the Government of the United States over to the nonelected bureaucracy, not to destroy the system of Government as the framers of the Constitution wisely put it in place where they wanted the elected officials in this country to be for the people to have a chance to make sure that the people's will was carried out.

Let us not destroy this system. Let us not turn it over to nonelected bureaucrats. Let us cleanse this system of too much money pouring in, stacking the deck against challengers, stacking the deck against people with qualifications and new and fresh ideas, stacking the deck against the very people we are sent here to represent. Let us pass meaningful campaign finance reform.

And I appeal to my colleagues on the other side of the aisle: I hope that they will join us in this effort to do just that. I hope that they will realize that putting limits on runaway spending is a benefit not of one party or the other. If anything, it is in the benefit of the Republican Party, because there are fewer Republican incumbents and more Republican challengers, since those of us on this side of the aisle have a temporary majority in the Congress.

I hope they will realize that we can do something for the American people and the political process that has nothing to do with one party or the other and join us in answering this frustration by passing real and meaningful campaign finance reform.

Mr. DORGAN. Will the Senator yield?

Mr. BOREN. I am happy to yield.

Mr. DORGAN. I am not speaking to the campaign finance bill. I am looking at this amendment and wondering if this amendment says to somebody that is a billionaire, "You spend your own money, you exceed all spending limits, do it as often as you like, and you could stay here forever." But to another Senator that is involved under the rules and receives some public financing, it says, "You will have term limits. The person that spends a load of money will not, but you will have term limits."

That seems fundamentally unfair. Do I understand this amendment correctly?

Mr. BOREN. I say to my good colleague from North Dakota, he stated it exactly correctly, because the way the amendment is framed, there will only be term limits for some people. Those people who are able to raise the vast amounts of money, those people who are millionaires, who can afford to finance their campaigns out of their own PAC's, they will not be limited as to their terms.

But if they are candidates—and I do believe there are people that do not have vast pocketbooks and there are people who are not willing to sell out in a way that they can raise huge amounts of money from the political action committees or from other sources, that want a chance to render a public service, those people would be limited in their service while those that had unlimited financial means themselves would be able to stay here forever.

So the Senator is exactly right. It is not only a matter that this is a solution that would turn over, I believe, to the bureaucracy the operations of the Government, but it is also a matter that would have two standards—one for those with large means and the ability to tap large amounts of money without getting some incentives that are provided in this bill and those that would not.

So it would, indeed, establish a double standard. It would really limit the right of the American people as to their right to pick their own representatives. They would be able to pick millionaires to represent them for life, but they would not be able to pick other people to stay longer and represent them.

So I do believe the Senator is correct that the amendment is flawed in that respect as well.

Mr. BROWN. Will the Senator yield for 30 seconds? He has been very generous with his time.

Mr. BOREN. I am happy to yield for a question.

Mr. BROWN. Well, I want to put something in the RECORD.

Mr. BOREN. I am happy to yield.

Mr. BROWN. I thank the distinguished Senator, who has been most generous.

Madam President, I ask unanimous consent to have printed in the RECORD a series of quotes from our Nation's Founding Fathers on the subject of term limitations.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

QUOTES THROUGHOUT AMERICAN HISTORY ADVOCATING TERM LIMITATIONS

JOHN ADAMS

"A rotation of offices, in the Legislative and Executive Departments has many advocates and, if practicable might have many good effects."

"These great men (legislators), in this respect, should be, once a year, 'Like bubbles on the sea of matter borne, they rise, they break, and to that sea return.'"

"A rotation in all offices, as well as of representatives and counsellors, has many advocates, and is contended for with many plausible arguments . . . I can see no objection to it."

"Rotation would teach representatives the great political virtues of humility, patience, and moderation without which every man in power becomes a ravenous beast of prey."

NEW YORK'S BRUTUS—CONSTITUTIONAL CONVENTION DEBATES

"It would give opportunity to bring forward a greater number of men to serve their country, and would return those, who had served, to their state, and afford them the advantage of becoming better acquainted with the condition and politics of their constituents."

GEORGE MASON

"Nothing is so essential to the preservation of a republic government as a periodic rotation."

"It is a great defect in the Senate that they are not ineligible at the end of six years."

"Nothing so strong impels a man to regard the interest of his constituents as the certainty of returning to the general mass of the people, from whence he was taken, where he must participate in their burdens."

THOMAS JEFFERSON

"To prevent every danger which might arise to American freedom by continuing too long in office . . ."

"By the term rotation in office . . . we mean an obligation on the holder of that office to go out at a certain period."

"My reason for fixing them in office for a term of years, rather than for life, was that they might have in idea that they were at a certain period to return into the mass of the people and become the governed instead of the governors . . ."

GEORGE WASHINGTON

Washington's voluntary retirement after 2 terms as President set an important precedent.

Washington wrote: "The spirit of the government may render a rotation in the elected officers of it most congenial with the ideas (the people have) of liberty and safety."

BENJAMIN FRANKLIN

"In free Governments, the rulers are the servants, and the people their superiors and sovereigns. For the former, therefore, to return among the latter was not to degrade but to promote them.

ANDREW JACKSON

Jackson devoted a portion of his 1829 Inaugural Address to the merits of rotation in office.

"I cannot but believe that more is lost by the long continuance of men in office, than is generally to be gained by their experience." No one should "treat public office as a species of property," nor view government "as a means of promoting individual interest."

PRESIDENTS POLK, BUCHANAN, AND LINCOLN

Each celebrated the virtues of rotation in office.

Henry Clay was elected as Speaker of the House in his first term.

ABRAHAM LINCOLN

Abraham Lincoln served only one term in the House before returning to his Illinois law practice.

"If our American society and United States Government are overthrown, it will come from the voracious desire for office," this [desire] to live without toil, work and labor . . . from which I am not free myself."

HARRY TRUMAN

"We'd help cure senility and seniority—both terrible legislative diseases."

"There is a lure in power. It can get in a man's blood just as gambling and lust for money have been known to do."

DWIGHT EISENHOWER

"What is good for the President might very well be good for the Congress."

JOHN F. KENNEDY

"The desire to be re-elected exercises a strong brake on independent courage."

Mr. BROWN. Madam President, I also would like to point out for the RECORD that we now have 15 States that limit the term limits of Members of the Senate and Congress: Arizona, Arkansas, California, Colorado, Florida, Michigan, Missouri, Montana, Nebraska, North Dakota, Ohio, Oregon, South Dakota, Washington, and Wyoming. With the exception of North Dakota, these same States also limit the terms for members of their State legislatures. In addition, while Oklahoma has not enacted a Federal term limit, it has adopted term limits for its State legislators.

We also have 37 Governors that are limited. And again I reiterate that 75 percent of the American people favor term limits in poll after poll.

The PRESIDING OFFICER. The Chair will point out there are 3 seconds remaining on this debate.

Mr. BOREN. Madam President, I would say that the polling data shows approximately 90 percent of the American people want spending limits in campaigns.

I urge my colleagues, if they are following the will of the American people, to join us in passing real and meaningful campaign reform that will solve this problem and shut off runaway campaign spending that is pouring into the tills of the candidates in this Congress.

The PRESIDING OFFICER. All time has expired.

Mr. BOREN. Madam President, I move to table the pending amendment and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. BROWN. Madam President, I understood we had an agreement that we would be allowed straight up or down votes on these measures. Am I misinformed?

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oklahoma [Mr. BOREN] to table the amendment of the Senator from North Carolina [Mr. FAIRCLOTH]. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. Mr. President, I announce that the Senator from Delaware [Mr. BIDEN], the Senator from Alabama [Mr. HEFLIN], and the Senator from Texas [Mr. KRUEGER] are necessarily absent.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. HELMS] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 57, nays 39, as follows:

[Rollcall Vote No. 128 Leg.]

YEAS—57

Akaka
Baucus
Bingaman
Boren
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Chafee
Cohen
Conrad
Daschle
Dodd
Dorgan
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Hollings
Inouye
Jeffords
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Lugar
Mathews
Metzenbaum
Mikulski
Mitchell
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pryor
Reid
Riegle
Robb
Rockefeller
Roth
Sarbanes
Sasser
Shelby
Simon
Warner
Wellstone
Wofford

NAYS—39

Bennett
Bond
Brown
Burns
Campbell
Coats
Cochran
Coverdell
Craig
D'Amato
Danforth
DeConcini
Dole
Domenici
Durenberger
Exon
Faircloth
Gorton
Gramm
Grassley
Gregg
Hatch
Hatfield
Kassebaum
Kempthorne
Lott
Mack
McCain
McConnell
Murkowski
Nickles
Packwood
Pressler
Simpson
Smith
Specter
Stevens
Thurmond
Wallop

NOT VOTING—4

Biden
Heflin
Helms
Krueger

So, the motion to lay on the table the amendment (No. 379) was agreed to.

The PRESIDING OFFICER. The Senator from South Carolina is recognized under the previous order.

Mr. MITCHELL. Will the Senator yield for just a brief statement.

Mr. HOLLINGS. I do yield to the majority leader without losing my right to the floor.

ORDER OF PROCEDURE

Mr. MITCHELL. Madam President and Members of the Senate, there will be no further rollcall votes this evening. Senators should be aware, however, that Thursday, tomorrow, is the day on which we expect to work in the evening, if necessary. That will clearly be necessary, so Senators should expect a very long session tomorrow and a session throughout the day on Friday with votes possible throughout the day on Friday. This is an important bill. A lot of Senators say they have amendments to offer to it. I hope they will be prepared to do so on tomorrow and Friday.

Madam President, I thank my colleague.

Mr. BOREN addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. BOREN. Madam President, if my colleague from South Carolina will yield to me to make a request, I ask unanimous consent that the previous agreement be modified to allow the distinguished Senator from Georgia to speak on a matter of importance for 10 minutes at this time, and following that I believe that the Senator from Tennessee wished to be recognized for 3 minutes, at which time we would then return to the Senator from South Carolina, if he would be willing to allow us to do that, to lay down his amendment.

Mr. HOLLINGS. Madam President, could I lay down my amendment and then I could go like everybody else. Ten minutes is ten hours as far as I am concerned.

Mr. BOREN. Madam President, will the Senator from Georgia allow the Senator from South Carolina to lay down his amendment.

Mr. COVERDELL. I am happy to yield.

The PRESIDING OFFICER. Under the previous order, the Senator from South Carolina is recognized.

AMENDMENT NO. 380

(Purpose: To express the sense of the Senate that the Congress should adopt a joint resolution calling for an amendment to the Constitution that would empower Congress and the States to set reasonable limits on campaign expenditures)

Mr. HOLLINGS. Madam President, I have an amendment at the desk. I ask unanimous consent that we set aside the amendment of the Senator from Minnesota so that I can present an amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. I ask that the clerk report the amendment.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from South Carolina [Mr. HOLLINGS], for himself, Mr. SPECTER, Mr. REID, Mr. CAMPBELL, and Mr. EXON, proposes an amendment numbered 380.

Mr. HOLLINGS. I ask unanimous consent further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place insert the following:

SEC. . SENSE OF THE SENATE THAT CONGRESS SHOULD ADOPT A JOINT RESOLUTION PROPOSING AN AMENDMENT TO THE CONSTITUTION THAT WOULD EMPOWER CONGRESS AND THE STATES TO SET REASONABLE LIMITS ON CAMPAIGN EXPENDITURES.

It is the sense of the Senate that Congress should adopt a joint resolution proposing an amendment to the Constitution that would—

(1) empower Congress to set reasonable limits on campaign expenditures by, in support of, or in opposition to any candidate in any primary, general, or other election for Federal office; and

(2) empower the States to set reasonable limits on campaign expenditures by, in support of, or in opposition to any candidate in any primary, general, or other election for State or local office.

Mr. BOREN. Madam President, I ask unanimous consent that the Senator from Georgia be allowed to proceed as if in morning business for 10 minutes, followed by the Senator from Tennessee as if in morning business for 3 minutes, and thereupon the Senator from South Carolina be recognized to continue discussion of the pending amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The Senator from Georgia is recognized.

SHORTFALL IN GOVERNMENT-BACKED LOAN PROGRAM

Mr. COVERDELL. Madam President, I rise to speak about an issue dealing with the Department of Agriculture and specifically the Farmers Home Administration on a matter of deep concern to me, the citizens of Georgia, and the citizens of the United States.

On or about April 15, in late April, early May, our office began to receive telephone calls from citizens who advised us that they had been promised loans. These are low- and moderate-income, rural people who had been promised loans by the Farmers Home Administration and their lending agents and as a result had begun to make changes in their lives based on these promises, only to be advised later that, indeed, the loans would not be possible; they had overobligated.

After some period of inquiry, it was determined that it was April 21, to be specific, that the Department advised its lending agents that no further loans could be made. The problem, however, was that there are 720 American families, 90 of which are in Georgia, that were offered the loan prior to the Department's decision to stop obligation.

We endeavored to secure an appointment with the Secretary of Agriculture and were unable to do so, which led to an advice to the Agricultural Committee that we would pass through the nominations of three individuals but unless a meeting were confirmed with the Department we would put them on hold.

Those individuals are James S. Gilliland, of Tennessee, to be general counsel of the Department of Agriculture; Eugene Moos, of Washington, to be Under Secretary of Agriculture for International Affairs and Commodity Programs; and Helen Weinberger Haas, of New York, to be Assistant Secretary of Agriculture. Two of these individuals have been nominated for another post.

After discussions with the majority leader yesterday evening, I have concurred to release my hold on these nominees. I have had a meeting with the Secretary this past Friday and intend to be speaking with him again tomorrow evening or the day after.

During the session, I agreed to survey the 90-some-odd families in my State to find out what they were told, when they were told it, and what their circumstances are.

The data is a bit sketchy but we have been able to get to 39 of the 90 in Georgia. Thirty-eight believed that their loan was approved based on the information given to them by the mortgage brokers, bankers, realtors, or home builders that are agents of the agency.

I wish to share just a brief story.

Claudia Best, a secretary, and her husband, Harvey Best, a railway car loader, thought they were finally able to achieve the American dream of buying their own home but instead of celebrating the Bests worry they may have to move out. This homebuyer in a rural county in north Georgia would have to come up with more than a $3,000 payment on another loan, and they cannot do it on their salaries.

One single mother, living in one room of a relative's house with her child, was told that if she did not receive financing by this Friday, May 28, the House would go back on the market.

A grandmother, with the custody of her grandchild, acting on good faith, sold her trailer in anticipation of the closing. The funding has been reversed. She has been forced to move from her trailer into one room at her baby-sitter's house.

Madam President, I ask unanimous consent to have printed in the RECORD a recent article in the Atlanta Journal discussing the circumstances of the matter I am addressing to the Senate.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GOVERNMENT-BACKED FUND LEAVES RURAL BUYERS IN LURCH

(By Deborah Royston)

Claudia Best and her family moved into a new house in rural Barrow County in April even though their loan on the $75,000 ranch had not closed.

Mrs. Best and her husband, Harvey, met the qualifications for the government-backed loan designed for moderate-income rural residents. Their builder, Thomas W. Limbach, thought it was a done deal.

But instead of celebrating, the Bests worry they might have to move out.

A budget shortfall in a government-backed loan program for rural areas is blocking a mortgage for the Bests, who face a May 31 closing date.

"There are a lot of people riding on this whose lives are just totally up in the air," Mrs. Best said.

Nationwide, at least 3,759 potential borrowers can't get loans until Congress allocates supplemental funding for the Guaranteed Rural Housing Loan program, according to the Farmers Home Administration, the federal agency that administers the program.

Farmers Home officials say about 265 home sales are pending in Georgia. But lenders estimate 500 to 600 sales statewide are stalled because the government ran out of money to guarantee the loans last month. The loans are privately funded.

Last week, a U.S. House of Representatives committee passed a supplemental appropriations bill that includes up to $250 million in loan guarantees for the program, said Rep. Buddy Darden (D-Ga.).

"Every [loan] commitment we have issued, we have been able to deliver," said Joseph Walden, a Farmers Home official in Athens.

He said that lenders may have misled some potential homebuyers. "They've been saying, 'Yeah it looks like you qualify,'" he said. That may have led borrowers to believe the loans had been approved.

Mr. Coverdell has asked Agriculture Secretary Mike Espy to use his discretionary authority to provide emergency funding to make good on outstanding loan guarantees for these potential buyers, including 125 affected Georgia families who have contacted his office.

Mr. Espy did not return phone calls Thursday. But he has agreed to meet with Mr. Coverdell today to discuss the funding issue, said Chris Allen, Mr. Coverdell's press secretary.

Farmers Home officials in Washington say they alerted their field representatives last December that a budget shortfall was likely.

"I don't think the agency mismanaged the program at all," said Ronnie Tharrington, a Farmers Home official in Washington. "It's just a good program with great demand."

The majority of potential homebuyers who use the program probably would not qualify for a home loan under other government or conventional loan guidelines because most other programs require a down payment, Mr. Walden said.

Mrs. Best, the homebuyer in Barrow County, said she and her husband would have to come up with more than $3,000 for a down payment on another loan.

"We can't do that on our salaries," she said. She is a secretary and Mr. Best is a railway car loader.

Their builder, Mr. Limbach, said he will allow the Bests to stay in the house "as long as we know that the [funds for the loan] are forthcoming."

"But it creates a real hardship for us and these homebuyers," he said.

Mr. COVERDELL. Now, I wish to make this point very, very clear. This is a national problem: California, 25 individuals in this category; Georgia, 90; Michigan, 65; Minnesota, 42—a total of 720 people who predate the agency's statement that it would have to close the program.

I have been arguing with the agency that it ought to make full its promise and that it ought to correct the problem it created. I am not talking about people in the pipeline or people in the future. I am talking about people who in good faith entered into a transaction offered to them by their Government. This is people first.

The sum of money that it would take the department to correct and make whole these 720 people is $340,000. That is $340,000. We get used to talking about billions here and millions. This is $340,000 that makes whole 720 families.

The Secretary advised me he was concerned about overutilization of the discretionary authority. Well, by discretionary authority, we send $300 million to Michigan; by discretionary authority, we sent $300 million to Russia. We have located $8 plus million to move to supplemental appropriations, but we just leave these people out of their trailers, facing closings they cannot meet because we cannot locate $340,000?

No wonder the American people have grown tired and wonder about the responsiveness of their Government when we would make a promise, admit that there is a burden, a moral responsibility on the part of the Government and just say it is too bad.

Madam President, as I said in keeping with my discussion with the majority leader, I withdraw the hold. I have no question about the qualifications of these individuals and will vote for their confirmation in whatever form it ultimately comes before us.

But I will not retreat from holding the Congress responsible for fulfilling an obligation to people who, through no fault of their own, who have been left stranded, and for which the solution is so uncomplicated and so minimum but for which the reaction or the problem that it places a burden on these people which is so great.

Madam President, I yield the floor. I thank the majority leader, and the manager of the measure for according me the opportunity to present this case before the Senate.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Kentucky.

Mr. FORD. Madam President, the distinguished Senator from Georgia of course has pled his case here today. I am not familiar with all of the details involved and the amount of money he is talking about seems minimal when you look at the Federal budget. But the money in the jobs bill that was to supplement the funding in the area in which my friend from Georgia has such concern here tonight was defeated. It was defeated. And that money would have taken care of the problem as I understand it that he is concerned about.

I do not blame him for his concern. But I also wonder why we did not get the jobs bill and the stimulus package so we would have had the money, and there would not be any question. There would not have been the use of holds on people who he has said is very, very qualified and that he will vote for them in any manner in which they come before the Senate.

But I am not qualified to go into detail with the distinguished Senator from Georgia. The chairman of the Agriculture Committee will have a detailed statement as it relates to his problem, and he will be here early in the morning. I hope that the Senator from Georgia will be here when the chairman of the Agriculture Committee makes his statement relative to his complaint of the USDA.

Mr. MATHEWS addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Tennessee.

Mr. MATHEWS. Madam President, I would like to take an opportunity to say thank you to my colleague from Georgia for releasing this hold on this nomination. And in the process of doing so, I would like to make a couple of statements.

Jim Gilliland was the first person from Tennessee nominated for a post in the Federal Government. He spent his entire career in a very successful law business. And he is in fact making a sacrifice to take this job.

He can be of immeasurable help to us here. I can understand the frustration that he and others face when some of us sometimes may get the solution mixed up with the problem.

I, too, feel that perhaps the Farmers Home Administration may have oversubscribed or may have run into some difficulties that they cannot handle. But Mr. Gilliland and some of the people who are up for confirmation tonight are a part of the solution. They are being asked to come in and help the Farmers Home Administration get some of these problems solved.

They were not here when those problems occurred. They were not a part of the problem that did occur. And I am hopeful that, as my colleague from Georgia is, when they get aboard, and these confirmations are made and they get aboard, we can all work together to help these people who find themselves in this unfortunate position.

But I do believe that we have taken an awful lot of time here. We are in our fifth month now in terms of conducting the business of Government. And this is the first nomination that was made from Tennessee and just today being confirmed. I believe we need to get on about our business.

I thank my colleague from Georgia for his courtesy in releasing the hold.

Madam President, I yield the floor.

CONGRESSIONAL SPENDING LIMIT AND ELECTION REFORM ACT OF 1993

The Senate continued with the consideration of the bill.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from South Carolina.

Mr. HOLLINGS. Madam President, is it the desire of the distinguished leader that I yield to the Senator from Texas?

Mr. FORD. Does the Senator wish to make any statement as it relates to his amendment tonight? If not, we will go in morning business and start the wrapup. That is fine.

Mr. HOLLINGS. Madam President, the crux of our efforts in the field of campaign finance reform is to undo the damage and distortion caused by the Buckley versus Valeo decision. I seek to remedy that damage by passing and ratifying a one-sentence constitional amendment, empowering Congress to control expenditures in Federal elections.

This amendment would be a big boost to freedom of speech. It would end the unfairness of the current system. Currently, let us say the distinguished Chair has $100,000 and I have $1 million, I wait until October 10, have my negative TV ads in the can, have my charges and billboards ready, and then I unleash a last-minute barrage. Then my opponent has only limited speech, namely the amount of speech that can be bought for $100,000. I can take away your speech with my wealth.

This is very unfortunate. This Senator is one of the few who were here two decades ago when this problem arose.

In 1974, with the Federal Election Campaign Amendments, we had a wonderful bipartisan agreement to limit spending. Then that superb bipartisan compromise was overturned by the Supreme Courts misbegotten 5-4 decision in Buckley versus Valeo. Since that 1976 decision, we have been the dog chasing its tail trying to come up with incentives, coercion actually, to impose spending limits.

We spent a lengthy time on an amendment earlier today whereby a candidate limits himself or herself to $25,000 by the coercive agreement to certain limits. That is unconstitutional on its face. So let us clean it up.

The Committee on the Constitutional System downtown has endorsed my proposed constitutional amendment. We have a bipartisan effort. The distinguished Senator from Kansas [Mrs. KASSEBAUM], the distinguished Senator from Delaware [Mr. ROTH], the distinguished Senator from Pennsylvania [Mr. SPECTER], Senator EXON of Nebraska, Senator BRADLEY of New Jersey, Senator REID of Nevada, Senator CAMPBELL of Colorado, we have a wonderful bipartisan initiative on campaign reform. In fact, it is the only truly bipartisan initiative on campaign reform.

And it is the only realistic one, as we will debate more thoroughly in the morning when my cosponsors are here. I see the distinguished principal cosponsor, the Senator from Pennsylvania, is here now. We are offering a joint resolution, not requiring, of course, the approval of the President, but rather requiring ratification by the States.

Over the years, this constitutional amendment has been kept back in deference to the leadership campaign finance bills. We cannot get out of the committee. And so to bring this proposed constitutional amendment to the forefront and to the understanding of our colleagues, we offer this sense of the Senate resolution. But I hope that it will pave the way to actually getting the joint resolution out of committee and before the Senate for an up-or-down vote.

Having said that, I will be delighted to yield to the distinguished Senator from Pennsylvania [Mr. SPECTER], and then we will move to the appointments.

Madam President, I ask unanimous consent that the Senator from Nevada, Senator BRYAN, be added as a cosponsor of my joint resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. Madam President, I understand we have one more speaker, the Senator from Pennsylvania, as it relates to this.

Mr. SPECTER. Madam President, I am pleased to join the distinguished Senator from South Carolina as cosponsor of this amendment to express the sense of the Senate that Congress should amend the Constitution to overrule the Supreme Court's erroneous decision in Buckley versus Valeo to allow Congress to regulate campaign spending. Because of the decision in Buckley, a constitutional amendment is the only direct way of establishing limits on campaign spending, which are so urgently needed.

The evidence is clear that campaign spending is out of control. Between 1974 and 1988, spending in the average Senate campaign increased from less than a half million dollars to almost $2 million. Figures from the 1990 election cycle show a slight decrease in spending on Senate races, but while 1992 data are not yet completely available, all indications are that spending again rose. Spending for the average House race also has increased significantly, and continued to increase in 1990 races. Data from the 1992 election are not yet complete. Even if we use constant dollars to factor out inflation, the evidence demonstrates that costs have escalated dangerously. The 1990 Senate races cost almost 300 more, on average, in constant dollars than the 1974 races. In constant dollars, 1990 House races were more than twice as expensive as 1974 campaigns. And despite popular misconceptions, Democrats, on average, continue to spend far more than Republicans, a reflection of the hold that incumbency has on fundraising.

We have known for some time that our campaign finance system cries our for fundamental reform. For the past three Congresses, we have attempted to deal with these issues. In the 100th Congress, the Senate faced a series of cloture votes—nine, I believe—on S. 2. Legislation bogged down in the 101st Congress, but was passed in the 102d Congress, only to be vetoed.

Until we fix campaign financing, we will be unable to restore a sense of popular control over our institutions, and until we curb campaign spending, we cannot hope to reform campaign financing. Thus, as the issue of campaign finance reform must be a top priority for all of us, the first aspect of it that must be addressed is spending limits.

I come to this conclusion from personal experience. The 1974 legislation that was struck down in Buckley provided that Senate candidates in the 1976 primary in Pennsylvania would be limited to spending $35,000. That was just about all the money I had, and as no other candidate could spend more than that, I thought all primary candidates faced the same odds and decided to enter the race. On January 29, 1976, however, the Supreme Court decided Buckley and held that any candidate could spend as much of his or her own money as he or she chose. The Court, however, upheld the limits on direct contributions. All of a sudden, the playing field that had been even was tilted. The decision in Buckley provided me with firsthand experience on the importance of having preestablished campaign spending limits.

Some opponents of this proposal to allow Congress to regulate campaign expenditures have argued that even if Buckley was wrongly decided, it would be an even greater mistake to pass this amendment and restrict first amendment rights. To this argument I respond that in my judgment we are not affecting a matter at the core of the first amendment, we are not restricting speech. Rather, this proposal would allow regulation of campaign spending. The two matters should not be equated under the first amendment, as Justice Thurgood Marshall pointed out in his ringing dissent. In Buckley, the Court did erroneously choose to equate the two. In doing so, it created a distortion in the effect money has on the political process that remains to this day. We must fix that distortion.

The Constitution expressly provides that Congress may correct such errant decisions of the Supreme Court through the amendment process. While the Constitution is sacrosanct, decisions of the Supreme Court, especially split decisions, are not. The Framers intended that Congress be able to overturn erroneous decisions, as evidenced by the existence of the amending process.

It must be borne in mind that in passing this amendment, we would only be authorizing Congress to legislate in the area of campaign expenditures; we would be furthering debate on this important public issue. Article I, section 4 of the Constitution specifically vests the authority in Congress to regulate national elections. The issue of campaign spending is too important to be left beyond the ability of the political branches to debate and address. This is not a free speech issue; rather it is an issue that goes to the heart of our democracy—the ability of all persons to have access to their elected leaders without reference to their ability to pay for that access.

I urge my colleagues to consider this sense-of-the-Senate amendment carefully. When they do so, I am certain that they will recognize the urgent need to remove money as the driving force in campaigns.

Upon consideration, I know that the Members of this body will understand the purpose behind this amendment and I urge their support for it. Once this sense-of-the-Senate amendment is adopted, I hope the Judiciary Committee will move promptly to report the measure for consideration by the full Senate.

I want to recognize the work of the distinguished Senator from South Carolina on this issue. He has tirelessly pressed this amendment for several years. He is deeply committed to remedying the wrongs that money causes in our electoral system. I share his concerns and am pleased to be joining him once again to support this proposal calling on the Congress to overturn Buckley versus Valeo.

Madam President, again I am pleased to join my distinguished colleague from South Carolina, Senator HOLLINGS, in offering this sense-of-the-Senate resolution, which goes to the core of reform on campaign financing by suggesting the sense of the Senate that we ought to overrule Buckley versus Valeo, which was the landmark decision handed down in January 1976 holding that an element of first amendment free speech was the right of any individual to spend as much of his or her money as he or she chose.

That was a remarkable decision, because it upheld spending limits so that other individuals could contribute no more than $1,000 to a Senator's primary election, $1,000 to that Senator's general election, and upheld spending limits on PAC's of $5,000 in a primary and $5,000 in the general. But it set as indicia of first amendment freedom of speech that an individual can spend as much of his or her money as he or she chose.

I have engaged in some study of the Constitution since my days in law school, in the practice of law, and serving as district attorney of Philadelphia, being in the U.S. Senate now for almost 12½ years, and having served on the Judiciary Committee; and it is my view, my opinion, my legal judgment, that the first amendment does not comprehend within freedom of speech the opportunity to spend as much money as anyone chooses to within his or her election.

We have been on campaign finance reform for a long time, and there is very serious objection by many Senators to having public financing in campaigns, and that has been the alternative suggestion in order to see to it that there is a compulsion for people to accept limitations on spending. And the structure has been put forward that there ought to be public financing, and that if someone does not accept the public financing and the limitations which that imposes, the consequences are so onerous that there will be, in effect, a compulsion for people to accept public financing.

There have been a variety of formulas worked out, but they all cost the taxpayers millions of dollars. It is my view that, in a time of deficit, that, simply stated, is unwise. I have a particular concern about Buckley versus Valeo, because I was engaged in a primary campaign for the U.S. Senate in the year that Buckley came down in 1976. When I started that campaign, I took a look at the statute in effect, the laws of 1974, and calculated the amount of money that someone from Pennsylvania could spend; and it turned out, as I recollect it, to be about $35,000. It was just about as much money as I had in the bank, and I thought it would be a good thing to file for the Senate.

My opponent was the late John Heinz, who later turned out to be my colleague in this body for many years. In the midst of our campaign, the Supreme Court of the United States said there was no limit on what an individual could spend. My opponent, quite appropriately, utilized the law as it existed at that time and spent a considerable sum, and it was quite a dramatic election night. I recall at 1:30 a.m., I believe, the Associated Press declared me the winner. I came out of Pennsylvania with a very large lead—in Philadelphia, by about 10 to 1. The western counties came in, and that number was dwarfed by what the late Senator Heinz had.

It has been my sense ever since that there ought to be a limitation on how much an individual could spend of his or her money. As long as somebody has the opportunity to come into the field and spend many millions of dollars, that is a very, very onerous weapon.

Mr. HOLLINGS. Madam President, I have one unanimous-consent request, that at the conclusion of debate before the vote on the last amendment, we include a copy of the Constitution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Thank you. By thus including the Constitution, we will point out the term limits as prescribed by the Founding Fathers, term limits that have been in the Constitution for more than 200 years and which have worked extremely well.

We do indeed have term limits, and I think the people ought to be reminded of that. We are limited to 6 years, and House Members are limited to 2 years under the Constitution. So we do have term limits already, and we do not need to engage in these monkeyshines about returning money if certain specified terms are exceeded, as in the preceding Brown-Faircloth amendment.

I thank the Chair.

Mr. FORD. Madam President, I thank the distinguished Senator from South Carolina for his constitutional lesson, and I thank my distinguished friend from Pennsylvania for putting a smile on my face.

MORNING BUSINESS

Mr. FORD. Madam President, I ask unanimous consent that the Senate proceed to morning business with Senators allowed to speak therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

NEW MARKET BICENTENNIAL

Mr. SARBANES. Madam President, in a few weeks the town of New Market, MD, will host a parade as part of its yearlong festivities in celebration of its bicentennial. New Market, known as Maryland's antique capital, is a lovely town on the National Turnpike and has a rich history of community spirit and culture. Its ties to the past are evident to all who visit this quaint town, which has preserved much of its original flavor. Many of its earliest buildings, homes, and churches are still in use.

June 1, 1793, marked the official beginning of the town of New Market when Nicholas Hall sold 19 lots of land and William Plummer began building homes for his family members. George Smith purchased four lots at Hall's sale and erected the first house in the newly established town. The house was used as a tavern and soon became a popular stopover for those traveling along the turnpike which we known today as the National Pike, one of the most famous and well-traveled highways in America. The George Smith Tavern located on Federal Street is now an antique shop.

As in most small towns of the time, many community activities revolved around its religious institutions. William Plummer, a Quaker, and one of the founding fathers of the town, sold land to the Bush Creek Society of Friends which became the first religious institution of the town. However, others were quick to follow. The Methodist Episcopal Church of America was established in 1801 and although the original structure has been removed, the present structure has been there since 1821. The Methodist Protestant Church was built in 1831 and the Methodist Episcopal Church South was erected in 1867, and in 1872, the Grace Episcopal Church was built on East Main Street.

Unlike many other small towns that lacked railroad facilities, New Market, because of its location along the National Pike, grew quickly. Homes, churches, and businesses were established quickly in order to cater to the travelers moving along the turnpike. Main Street, the major thoroughfare on the Old National Pike, grew to include a number of hotels, inns, blacksmiths, livery stables, wheelrights, and dry goods and grocery stores to serve the road's travelers.

New Market remained an important stop for wagoners and other travelers until the middle of the 19th century when the railroad reached Wheeling, WV and provided a new and easier route to transport goods. The train cars could carry heavy loads much faster than the traditional wagons and by 1867 the trains started hauling passengers in comfort. The National Turnpike was no longer the main route of travel; consequently, the town's traffic steadily declined until the advent of the automobile in the early 1990's.

New Market was incorporated by the Maryland Legislature on March 28, 1878, 87 years after its founding. Today, New Market is known as an important center of antiques. There are now 40 shops where visitors, collectors, and buyers can browse and purchase antiques.

New Market is still as hospitable a town today as it was 200 years ago. The old homes and shops stand as monuments to the rich history of this western Maryland town. I would like to extend my sincere appreciation to Mrs. Kathleen Snowden for sharing the history of New Market with me.

I join the citizens of New Market and Frederick County in honoring a town which has experienced two centuries of history and to wish the town a joyful celebration during this notable anniversary.

ADULT IMMUNIZATION AS A NATIONAL PREVENTIVE STRATEGY

Mr. PRYOR. Madam President, over the past 30 years, immunizations have been a major factor in improving the health of people of all ages. Yet despite these gains, thousands of adults are unprotected from the dangers of diseases that could have been prevented by vaccines.

Children, in particular, have benefited from immunization programs, and we are thankful for that. Much of the debate over the last few months has focused on the need to establish a national program for childhood immunizations. In this debate, however, we have often overlooked the equally important issue of adult immunizations.

To remedy that omission, Madam President, I am sending a copy of a report on adult immunizations to each of our colleagues in the Senate. That report, which we are releasing today, was prepared by the Partnership for Prevention, a nonprofit organization whose mission is to increase the priority we place on prevention in national health policy.

The report contains some alarming findings. Few people realize, as the report states, that, "Up to 60 times more adults die from vaccine-preventable diseases than children." The unnecessary death of each of these Americans, many of whom are elderly, is a tragedy for them, for their families, and for their communities.

Three vaccines are considered key to protecting the public's health—influenza, pneumonia, and hepatitis-B. These account for the bulk of vaccine-preventable deaths among adults in the United States. Yet the report states that less than 40 percent of adults receive annual flu shorts, and even fewer have been vaccinated against pneumonia. As a result, the report estimates that 10,000–40,000 adults die unnecessarily each year during influenza epidemics. Further, it reports that preventable pneumonia infections cause 40,000 deaths annually and as many as 120,000 hospitalizations. Another 4,000 to 5,000 deaths occur each year as a result of chronic hepatitis-B-related liver disease and liver cancer.

On May 6, I chaired a hearing of the Special Committee on Aging on the topic of preventive health care for older Americans. One of the witnesses was Dr. Robert Butler of the Mount Sinai Medical Center in New York, who is one of the America's foremost experts in geriatrics and preventive medicine. Dr. Butler testified that, "every older person should receive the vaccines against pneumonia, flu, and tetanus." He was right. To accomplish that goal, he argued that President Clinton's plan to immunize all children should be supplemented by adding universal immunizations for older persons. Mr. President, I believe his recommendation deserves serious consideration by our colleagues.

There are many reasons why older people who are at risk of infectious diseases are not properly immunized. The report being released today states that:

> Immunizations are not integrated in the routine health care of adults. Primary health care providers infrequently monitor the immunization status of their adult patients and adults are often unaware that they may be at risk of diseases which are preventable through immunization.

All of us can begin by educating our constituents who are 65 and older, as well as adults with chronic conditions, about the need to visit their doctor or clinic to get flu shots each year, and for a single dose of pneumonia vaccine. Many older Americans may not yet realize the President Clinton expanded Medicare coverage to include flu shots as of May 1 this year.

There is still more the Federal Government must do to increase the rates of adult immunization. For example, we need to establish a better system of tracking those older Americans who have received their vaccinations, and those who have not. The Government should establish guidelines on how best to reach different adult populations, and make them available to health practitioners and public health officials. Finally, the Government should examine strategies to reduce the financial barriers to immunizations for those that are both insured and uninsured.

Our strategy needs to unite Government agencies and the health care professions to protect older Americans. Madam President, I would like to call on my colleagues to join me in developing a national strategy to prevent disease among our Nation's elderly citizens by ensuring that more of them receive timely vaccinations.

EXECUTIVE CALENDAR UNANIMOUS CONSENT

Mr. FORD. Madam President. I ask unanimous consent that the Senate proceed to executive session to consider the following nominations:

Calendar 119, James S. Gilliland, to be general counsel of the Department of Agriculture;

Calendar 120, Eugene Moos, to be Under Secretary of Agriculture for International Affairs and Commodity Programs;

Calendar 121, Eugene Moos, to be a member of the Board of Directors of the Commodity Credit Corporation;

Calendar 122, Ellen Weinberger Haas, to be an Assistant Secretary of Agriculture;

Calendar 123, Ellen Weinberger Haas, to be a member of the board of Directors of the Commodity Credit Corporation; and

Calendar 198, those listed for appointment to the grade of rear admiral and those listed for appointment to the grade of rear admiral (lower half) of the U.S. Coast Guard, and all nominations placed on the Secretary's desk in the Coast Guard.

I further ask unanimous consent that the nominees be confirmed, en bloc, that any statements appear in the RECORD as if read, that the motions to reconsider be laid upon the table, en bloc, that the President be immediately notified of the Senate's action, and that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations considered and confirmed in bloc are as follows:

DEPARTMENT OF AGRICULTURE

James S. Gilliland, of Tennessee, to be General Counsel of the Department of Agriculture.

Eugene Moos, of Washington, to be Under Secretary of Agriculture for International Affairs and Community Programs.

Eugene Moos, of Washington, to be a Member of the Board of Directors of the Commodity Credit Corporation.

Ellen Weinberger Haas, of New York, to be an Assistant Secretary of Agriculture.

Ellen Weinberger Haas, of New York, to be a Member of the Board of Directors of the Commodity Credit Corporation.

IN THE COAST GUARD

The following officers of the United States Coast Guard for appointment to the grade of rear admiral:

Kent H. Williams.
James M. Loy.
John L. Linnon, Jr.

The following officers of the United States Coast Guard for appointment to the grade of rear admiral (lower half):

Howard B. Gehring.
Gordon G. Piche.
Paul M. Blayney.
John E. Shkor.
Paul E. Busick.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE COAST GUARD

Coast Guard nominations beginning Gary C. Anderson, and ending Darryl W. Flattum, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of February 16, 1993.

Coast Guard nominations beginning Thomas R. Greene, and ending John C. O'Connor, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of February 25, 1993.

Coast Guard nominations beginning Lawrence W. Ryan, Jr., and ending Michael J. Rauworth, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of April 2, 1993.

Coast Guard nominations beginning Glena T. Sanchez, and ending Jennifer A. Ketchum, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of April 21, 1993.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislation session.

MESSAGE FROM THE HOUSE

At 1 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bill and joint resoultion, each without amendment:

S. 564. An act to establish in the Government Printing Office a means of enhancing electronic public access to a wide range of Federal electronic information; and

S.J. Res. 43. Joint resolution designating the week beginning June 6, 1993, and June 5, 1994, "Lyme Disease Awareness Week."

The message also announced that the House passed the following joint resolution with amendments, in which it requests the concurrence of the Senate:

S.J. Res. 45. Joint resolution authorizing the use of United States Armed Forces in Somalia.

The message further announced that the House has passed the following bills and joint resolutions, in which it requests the concurrence of the Senate:

H.R. 826. An act to provide for the establishment of strategic planning and performance measurement in the Federal Government, and for other purposes;

H.R. 2128. An act to amend the Immigration and Nationality Act to authorize appropriations for refugee assistance for fiscal years 1993 and 1994;

H.J. Res. 78. Joint resolution designating the weeks beginning May 23, 1993, and May 15, 1994, as "Emergency Medical Services Week"; and

H.J. Res. 135. Joint resolution to designate the months of May 1993 and May 1994 as "National Trauma Awareness Month."

ENROLLED BILL AND JOINT RESOLUTIONS SIGNED

At 3:06 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the Speaker has signed the following bill and joint resolutions:

S. 564. An act to establish in the Government Printing Office a means of enhancing electronic public access to a wide range of Federal electronic information.

S.J. Res. 43. Joint resolution designating the week beginning June 6, 1993, and June 5, 1994, "Lyme Disease Awareness Week".

H.J. Res. 80. Joint resolution designating May 30, 1993, through June 7, 1993, as a "Time for the National Observance of the Fiftieth Anniversary of World War II."

The enrolled bill and joint resolutions were subsequently signed by the President pro tempore [Mr. BYRD].

MEASURE REFERRED

The following bill was read the first and second times by unanimous consent, and referred as indicated:

H.R. 826. An Act to provide for the establishment of strategic planning and performance measurement in the Federal Government, and for other purposes; to the Committee on Governmental Affairs.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-851. A communication from the Administrator of the United States Environmental Protection Agency, transmitting, a draft of proposed legislation "to amend and extend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, for two years"; to the Committee on Agriculture, Nutrition and Forestry.

EC-852. A communication from the Secretary of Agriculture, transmitting, pursuant to law, the report of the Forest Service for fiscal year 1992; to the Committee on Agriculture, Nutrition and Forestry.

EC-853. A communication from the Principal Deputy (Production and Logistics), Assistant Secretary of Defense, transmitting, pursuant to law, the report on the National Defense Stockpile Requirements; to the Committee on Armed Services.

EC-854. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a supplement to the report entitled "Military Bases: Analyses of DOD's Recommendations and Selection Process for Closures and Realignments"; to the Committee on Armed Services.

EC-855. A communication from the Acting Administrator (Energy Information Administration), Department of Energy, transmitting, pursuant to law, a report entitled "Profiles of Foreign Direct Investment in U.S. Energy 1991"; to the Committee on Energy and Natural Resources.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. FORD, from the Committee on Rules and Administration, with an amendment in the nature of a substitute:

S. 345. A bill to authorize the Library of Congress to provide certain information products and services, and for other purposes (Rept. No. 103-50).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. RIEGLE, from the Committee on Banking, Housing and Urban Affairs:

Michael A. Stegman, of North Carolina, to be an Assistant Secretary of Housing and Urban Development.

Joseph Shuldiner, of California, to be an Assistant Secretary of Housing and Urban Development.

Marilyn A. Davis, of New York, to be an Assistant Secretary of Housing and Urban Development.

Aida Alvarez, of California, to be Director of the Office of Federal Housing Enterprise Oversight, Department of Housing and Urban Development, for a term of 5 years. (New position.)

Andrew M. Cuomo, of New York, to be an Assistant Secretary of Housing and Urban Development.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. GLENN, from the Committee on Governmental Affairs:

Sally Katzen, of the District of Columbia, to be Administrator of the Office of Information and Regulatory Affairs, Office of Management and Budget.

Philip Lader, of South Carolina, to be Deputy Director for Management, Office of Management and Budget.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. NUNN, from the Committee on Armed Services:

Walter Becker Slocombe*, of the District of Columbia, to be Deputy Under Secretary of Defense for Policy.

Emmett Paige, Jr.*, of Maryland, to be an Assistant Secretary of Defense.

Deborah Roche Lee*, of Maryland, to be an Assistant Secretary of Defense.

Harold P. Smith*, Jr., of California, to be Assistant to the Secretary of Defense for Atomic Energy.

Anita K. Jones*, of Virginia, to be Director of Defense Research and Engineering.

Edward L. Warner*, III, of Virginia, to be an Assistant Secretary of Defense.

Steven S. Honigman*, of New York, to be General Counsel of the Department of the Navy.

The following-named officers for appointment as the Judge Advocate General and the Assistant Judge Advocate General, respectively, U.S. Army, in the grade of major general, under the provisions of title 10, United States Code, section 3037:

To be the judge advocate general and major general Brig. Gen. Michael J. Nardotti, Jr [redacted] U.S. Army.

To be the assistant judge advocate general and major general Brig. Gen. Kenneth D. Gray, [redacted] U.S. Army.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. LOTT (for himself, Mr. Thurmond, Mr. D'Amato, Mr. Cochran, Mr. Coats, Mr. McConnell, Mr. Inouye, Mr. Burns, Mr. Kempthorne, Mr. Specter, and Mr. Stevens):

S. 1026. A bill to amend the Internal Revenue Code of 1986 to provide that certain deductions of members of the National Guard or reserve units of the Armed Forces will be allowable in computing adjusted gross income; to the Committee on Finance.

By Mr. BROWN (for himself, Mr. Kohl, Mr. Craig, Mr. Grassley, Mrs. Kassebaum, Mr. Danforth, Mr. Lugar, Mr. Faircloth, Mr. Pressler, Mr. Nickles, and Mr. Durenberger):

S. 1027. A bill to amend certain cargo preference laws; to the Committee on Commerce, Science, and Transportation.

By Ms. MIKULSKI:

S. 1028. A bill to provide for the income tax treatment of certain distributions under a governmental plan; to the Committee on Finance.

By Mr. GORTON:

S. 1029. A bill to amend the Job Training Partnership Act to encourage the placement of youths in private sector jobs under the Summer Youth Employment and Training Program, and for other purposes; to the Committee on Finance.

By Mr. ROCKEFELLER (for himself, Mr. DeConcini, Mr. Graham, Mr. Akaka, Mr. Daschle, Mr. Campbell, Mr. Kennedy, Mr. Conrad, Mrs. Murray, and Mr. Jeffords):

S. 1030. A bill to amend chapter 17 of title 38, United States Code, to improve the Department of Veterans Affairs program of sexual trauma counseling for veterans and to improve certain Department of Veterans Affairs programs for women veterans; to the Committee on Veterans' Affairs.

By Mr. PELL (by request):

S. 1031. A bill to authorize appropriations for fiscal year 1994 and 1995 for the United States Information Agency, and for other purposes; to the Committee on Foreign Relations.

By Mr. SIMON:

S. 1032. A bill to transfer vacant real property from the Federal Government to general units of local government when the property has been vacant for at least 7 years; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. WARNER (for himself, Mr. Robb, and Mr. Jeffords):

S. 1033. A bill to establish the Shenandoah Valley National Battlefields and Commission in the Commonwealth of Virginia, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. RIEGLE:

S. 1034. A bill to provide that the President may not extend to the People's Republic of China renewal of nondiscriminatory (most-favored-nation) treatment beginning July 3, 1994, unless the President determines that the People's Republic of China is not manipulating its currency to prevent effective balance of payments adjustments or to gain an unfair competitive advantage in trade; to the Committee on Finance.

By Mr. REID (for himself, Mr. Bryan, Mr. Graham, and Mr. Simpson):

S. 1035. A bill to amend the Indian Gaming Regulatory Act, and for other purposes; to the Committee on Indian Affairs.

By Mr. MITCHELL (for himself, Mr. Akaka, Mr. Breaux, Mr. Chafee, Mr. Cochran, Mr. Cohen, Mr. Conrad, Mr. DeConcini, Mr. Dole, Mr. Dorgan, Mr. Gorton, Mr. Gramm, Mr. Hatch, Mr. Hollings, Mr. Inouye, Mr. Lautenberg, Mr. Levin, Ms. Mikulski, Mr. Moynihan, Mrs. Murray, Mr. Pell, Mr. Reid, Mr. Riegle, Mr. Stevens, Mr. Thurmond, and Mr. Wellstone):

S.J. Res. 98. A joint resolution to designate the week beginning October 25, 1993, as "National Child Safety Awareness Week"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. BINGAMAN (for himself, Mr. Harkin, Mr. Ford, Mr. Kennedy, Mr. Kerry, Mr. Leahy, Mr. Domenici, and Mr. Jeffords):

S. Res. 113. A resolution condemning the extraconstitutional and antidemocratic actions of President Serrano of Guatemala; to the Committee on Foreign Relations.

By Mr. MITCHELL (for himself and Mr. Dole):

S. Res. 114. A resolution extending the provisions of Senate Resolution 106 of the One Hundred First Congress (agreed to April 13, 1989); considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. LOTT (for himself, Mr. Thurmond, Mr. D'Amato, Mr. Cochran, Mr. Coats, Mr. McConnell, Mr. Inouye, Mr. Burns, Mr. Kempthorne, Mr. Specter, and Mr. Stevens):

S. 1026. A bill to amend the Internal Revenue Code of 1986 to provide that certain deductions of members of the National Guard or reserve units of the Armed Forces will be allowable in computing adjusted gross income; to the Committee on Finance.

NATIONAL GUARD AND RESERVE LEGISLATION

• Mr. LOTT. Mr. President, I rise today on behalf of the men and women of our National Guard and Reserves. These citizen soldiers make up 40 percent of our Nation's defense. They comprise a strong, well-trained, and cost effective element of our Armed Forces.

The proposed reductions in defense spending will obviously reduce our active forces dramatically. As the force's end strength is drawn down, the Guard and Reserves will play an ever increasing role in the defense of our country. We should not allow financial impediments to stand in the way of their service to the Nation.

For this reason, I am introducing this legislation to amend the Internal Revenue Code to restore certain deductions for members of the Guard and Reserve in computing adjusted gross income. At the same time that our fiscal difficulties require us to reduce the active component of our force, the Reserve component becomes more and more cost effective. The small cost of this bill is money well spent.

Very often guardsmen and Reservists spend money out of their own pocket on travel expenses, lodging, personal vehicles, and uniforms to perform their military duty. These men and women, who proudly serve our country in the time honored tradition of the citizen soldier, should not be penalized with these costly personal expenses. This bill would allow them to deduct these business expenses in arriving at adjusted gross income for tax purposes.

The Guard and Reserve proved that they are a critical and effective part of the total force during Desert Storm. When the bugle blew, they answered the call promptly and proudly to defend America and its allies. In many cases they sacrificed personal businesses, jobs and families in order to serve their country. This bill will help to ease the financial burden placed on members of the Guard and Reserve by their commitment to serve.

In light of the anticipated reductions in our Active Forces, and the Guard and Reserve's valiant service in Desert Storm, this legislation to preserve and protect them is more important than ever.

I urge my distinguished colleagues to join me, and the cosponsors of this legislation, in demonstrating our support for the National Guard and Reserve.•

By Mr. BROWN (for himself, Mr. Kohl, Mr. Craig, Mr. Grass-

LEY, Mrs. KASSEBAUM, Mr. DANFORTH, Mr. LUGAR, Mr. FAIRCLOTH, Mr. PRESSLER, Mr. NICKLES, and Mr. DURENBERGER

S. 1027. A bill to amend certain cargo preference laws; to the Committee on Commerce, Science, and Transportation.

CARGO PREFERENCE LAWS AMENDMENT ACT OF 1993

Mr. BROWN. Mr. President, this morning I will be introducing a bill that will end the cargo preference provisions of our statutes. As the Senate knows, currently 75 percent of our humanitarian food assistance comes under cargo preference provisions, 50 percent of the other cargo by the U.S. Government, and 100 percent of the military cargo goes under those provisions. In the past, it has cost us up to $1 billion a year for this provision.

I think most Senators will be shocked to find what has happened with regard to Russian aid. Because of a continuing fall in our merchant marine, we have had fewer and fewer vessels willing to compete in the cargo preference provisions. Rates have risen dramatically. Under cargo preference, the U.S. Government has been required to pay up to 50 percent and even in some instances 100 percent more than competitive market rates to ship U.S. grain, for example, overseas, under these programs.

What has happened with the big surge in exports of grain to the Soviet Union, or the former Soviet Union, is a tragedy of the first order. Greedy ship owners, faced with the ability to corner the market because of this law, have not only demanded 50 percent more than the world market rates, or 100 percent more than the world market rates, but have been bidding 200 percent more and 300 percent more and 400 percent more.

I think most Senators are going to be shocked to find that the bids on the Russian grain exports now are almost five times what the world market rate is.

What has happened is simply this: Faced with a crisis with regard to humanitarian food aid to the former Soviet Union, greedy shipowners have priced their shipment rates at unconscionable rates of almost five times what the world market is.

Mr. President, this is a scandal. This is totally unacceptable that the American people would be stuck with shipment rates that exceed even the value of the grain. This is the kind of greed and corruption that the American people are demanding to be changed. There is no pretense that the rates they are shipping out are fair, or even half the rates they are demanding are fair, or even a third of the rates they are demanding are fair. This is a simple ripoff of the American taxpayer.

This bill would change cargo preference so that, indeed, American flag carriers get cargo preference when they are competitive, but not when they are not competitive. This is the kind of tragedy, I think, that the American people are going to demand be changed. I intend to offer, not only this bill, in which I am joined by Senators GRASSLEY, CRAIG, KOHL, KASSEBAUM, DANFORTH, LUGAR, FAIRCLOTH, and PRESSLER, but I intend to offer a resolution tomorrow that deals with the specific ripoff of the taxpayers on the Russian food aid. When the supplemental comes before this body, I intend to offer a series of amendments that puts a limit on cargo preference.

How much should we allow these shipowners to rip off the taxpayers? How much do we have to pay in tribute? Is double the market price enough? We are going to test that, and if this body will not agree to limiting a double market price, we are going to triple the market price and quadruple the market price.

But what is going on now is unconscionable. To say that you are going to charge five times the going market rate because this kind of special interest legislation gives people a corner on the market is totally unacceptable, not only to this body but to the American people.

Mr. President, I ask unanimous consent that the text of the bill and additional material be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1027

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TRANSPORTATION IN AMERICAN VESSELS OF CERTAIN CARGOES.

Section 901(b)(1) of the Merchant Marine Act, 1936 (46 U.S.C. 1241(b)(1)) is amended by striking "at fair and reasonable rates for United States-flag commercial vessels, in such manner as will insure a fair and reasonable participation of United States-flag commercial vessels in such cargoes by geographic areas" immediately before the colon and inserting in lieu thereof the following: "at rates which are competitive with the rates charged by commercial vessels which are not United States-flag vessels, except that if the President determines that, for reasons of national security, it is necessary to use United States-flag vessels, and notifies the Congress to that effect, the President may require the use of United States-flag vessels, even if the rates charged by the United States-flag vessels are not competitive with the rates charged by vessels which are not United States-flag vessels".

SEC. 2. SHIPMENT OF EXPORTS FINANCED BY GOVERNMENT IN UNITED STATES VESSELS.

The Joint Resolution entitled "Joint Resolution requiring agricultural or other products to be shipped in vessels of the United States where the Reconstruction Finance Corporation or any other instrumentality of the Government finances by exporting of such products", approved March 26, 1934 (46 U.S.C. 1241-1), is amended by striking "or at reasonable rates" immediately before the period at the end and inserting in lieu thereof the following: "or at rates determined by the Secretary of Transportation to be competitive with the rates charged by vessels other than United States vessels".

SEC. 3. SHIPMENT REQUIREMENTS FOR CERTAIN EXPORTS SPONSORED BY THE DEPARTMENT OF AGRICULTURE.

(a) IN GENERAL.—Section 2631 of title 10, United States Code, is amended by striking "is excessive or otherwise unreasonable" in the second sentence and inserting in lieu thereof the following: "is not competitive with the freight charged by vessels other than United States vessels".

(b) NATIONAL SECURITY EXCEPTION; CONGRESSIONAL NOTIFICATION REQUIRED.—Section 2631 of title 10, United States Code, is amended by inserting at the end: "Nothing in this section shall be construed to prohibit the President from requiring the use of United States vessels for the transportation by sea of supplies bought for the Army, Navy, Air Force, or Marine Corps, if the President determines that, for reasons of national security, such use is necessary and notifies the Congress to that effect, even if the rates charged by the United States vessels are not competitive with the rates charged by vessels other than United States vessels.".

AMERICAN GREAT LAKES PORTS,
May 26, 1993.

Hon. HANK BROWN,
U.S. Senator, Hart Senate Office Building, Washington, DC.

DEAR SENATOR BROWN: As American ports on the Great Lakes, we support the U.S. merchant marine and would like to see it become a healthy and internationally competitive part of the American economy. Unfortunately, under the present subsidy system, the U.S. flag fleet has not remained internationally competitive. Rather, the fleet has gone into serious decline. Also, while we continue to have foreign flag v sits, U.S. flag vessels no longer provide regular ocean-going service to the Great Lakes. We would like to see a return of American ocean ships to our ports.

Cargo preference has been one of the elements of the subsidy system which, in its present form, fails to promote international competitiveness of the U.S. merchant marine. To the contrary, its payments are not related to world market prices, with a result that its costs to the government currently are budgeted at some $600 million a year. This money would be better spent for commodities and for promoting competitiveness of U.S. ocean carriers. Furthermore, the exclusionary aspect of cargo preference effectively denies opportunities for most government cargo business to ports such as those in the Great Lakes because of our lack of U.S.-flag ocean-going service.

We believe you are taking a commendable step in introducing legislation which focuses on the need to make the U.S. flag fleet more competitive internationally. Such emphasis is vital to the success of an American merchant marine in the future.

Sincerely,

JOHN M. LOFTUS,
Chairman,
American Great Lakes Ports.

NATIONAL COAL ASSOCIATION,
Washington, DC, May 25, 1993.

Hon. HANK BROWN,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR BROWN: On behalf of the members of the National Coal Association and its affiliate, the Coal Exporters Association, I am writing to commend you and your colleagues for introducing legislation which would limit cargo preference to those commercial vessels with competitive rates.

Every new Congress brings another version of expanded cargo preference requirements which have one purpose: to revitalize the U.S. merchant marine fleet. The NCA is certainly not opposed to this goal, but we have historically been opposed to any efforts which expand current preference requirements at the expense of U.S. exporters. If our Nation's exporters have to compete in the world market to survive, so should our maritime industry.

Last year 102 million tons of coal were shipped to 40 countries overseas including Canada. These exports contribute $4.2 billion annually to the positive side of our balance of trade. Every year our coal exporters face stiff competition for our markets from other countries such as South Africa, Colombia, and Australia. If possible, our exporting companies would use U.S. flag vessels for the ocean transport of their coal; however, the rates for these vessels are as much as two to three times more than those for foreign-flagged vessels.

We look forward to working with you to ensure that this legislation receives the serious consideration and attention it deserves.

Sincerely,

RICHARD L. LAWSON.

Mr. GRASSLEY. Mr. President, I am pleased to join Senator BROWN in introducing legislation aimed at restoring fiscal responsibility and accountability to cargo preference. Cargo preference is a backdoor, hidden subsidy for the U.S.-flag commercial vessels and seafarers.

As does a parasite, cargo preference draws its lifeblood by latching onto money set aside to feed the hungry, literally snatching food from mouths of the starving overseas. It was recently reported that last year, more was spent on shipping food to the starving in Africa, than the cost of the food itself.

Cargo preference, and its widespread abuse, has turned a once proud, mighty U.S.-flag merchant marine, into the welfare queens of the highseas who plunder the American taxpayer with legalized piracy.

We appropriate money for other Federal programs, but cargo preference stands at water's edge, demanding 50 to 100 percent of the cargoes at monopoly rates several times higher than world market rates.

Like a parasite, it drains the lifeblood, and strength of Federal programs by gouging taxpayers through increased costs of shipping military cargoes, undermining market development efforts, and as we have seen recently with the $700 million loan to Russia, jeopardizing critical foreign policy initiatives.

Can you imagine President Yeltsin trying to explain to the hard-line communist critics, who are trying to overthrow him, that much of the $700 million loan that Russia must repay, went toward cargo preference subsidies for United States seafarers, instead of buying food for the Russian people?

The solution the Clinton administration finally came up with demonstrates the grip the U.S. maritime special interests have on the President and Congress. The law allows a waiver of cargo preference if the administration determines that a simple emergency exists. This would have allowed Russia to buy another $150 million of food with its loan.

Instead, the Clinton administration did the incredible. They declared not only an emergency existed, but that an extraordinary emergency existed which triggered a different law. This law, in effect, allowed the President to transfer and spend hundreds of millions of taxpayer dollars, not save them. And it was aimed entirely at throwing more subsidies at the U.S.-flag merchant marine.

This, after spending well over $500 million in cargo preference subsidies during this past year. To put this in perspective, this subsidy translates into $250,000 per billet or seafaring job. The average cost of a billet in the regular military through the rank of captain is about $32,000 per year.

Since cargo preference subsidies are supposed to be justified in the name of national defense, then they can start getting paid like our regular military. Then maybe we would not have to put so many of our men and women in uniform in unemployment lines as a result of budget cuts in defense.

But when we need our U.S.-flags and seafarers in time of war, they do not want to be treated like regular military. For instance, U.S. News reported that two U.S.-flag carriers charged $70,000 to send gulf war material that could have been shipped for $6,000 at world competitive prices. They called it unpatriotic profits.

If our reservists are called up and sent into a war zone, they have no choice—they go, and may collect up to $150 per month as a war bonus.

If our U.S.-flag seafarers are called up, they can, and some do, say, "Thanks, but no thanks," to Uncle Sam. But if they do serve, and their vessel happens to enter a war zone area, they are entitled a war bonus of 100 percent their base pay.

The Maritime Administration reported that one U.S.-flag seafarer collected $15,700 in war bonuses during a 2-month period. Had their vessels actually been attacked, they could have collected another $600 per day.

Again, compare that to the maximum of $150 per month that reservists and regular military could receive.

The fourth arm of national defense is a myth. A very expensive myth. You can get more bang for the buck by paying $1,800 for toilet seats.

Let me emphasize that I am not questioning the patriotism of our U.S.-flag seafarers. I just don't think we can afford this kind of patriotism.

Just because the Defense Department needs toilet seats, doesn't mean they need to spend $1,800 for them.

And certainly, we need national defense sealift capacity, and we need people to operate these vessels in time of war. But we can do it far more effectively, and for far fewer tax dollars, by either paying regular Navy personnel to man these sealift vessels in time of war, or set up a merchant marine reserve, but pay them the same as regular military reservists. We could spend our tax dollars on vessels that are truly militarily useful, and not waste money on old, slow, useless commercial vessels.

This legislation we are introducing today, gets at the heart of the problem with cargo preference. We are saying that the U.S.-flag fleet can have cargo preference, but only if they charge U.S. taxpayers world competitive rates. If our U.S.-flags think they face unfair foreign competition, then they should quit blocking attempts to put maritime on the GATT table.

We are replacing the existing fair and reasonable rates criteria because it is worthless. It is a loophole so wide, that you run the entire U.S.-flag merchant marine fleet through it sideways. And that is just about what happens.

Virtually any rate charged by a U.S.-flag vessel is fair and reasonable as far as the Maritime Administration is concerned.

I challenge the reporters here today to make some inquiries to MarAd. Ask them to give you details about how they determine what constitutes fair and reasonable rates for purposes of cargo preference.

Then ask them how they know whether or not the data and financial figures given to them from U.S.-flag companies are truthful.

Does MarAd do audits? Regularly?

And most important, what happens if a company is found to have provided MarAd with fraudulent information? Does MarAd impose fines and penalties? Does it even attempt to retrieve the subsidy?

Does the Justice Department investigate and prosecute?

I am not going to reveal any further details at this time, but there is a big story here for any enterprising investigative reporter.

The reason is simple. Companies send to MarAd data on their capital and operational costs. Based upon their costs, MarAd determines a range of rates for each vessel that MarAd believes constitutes a fair and reasonable cargo preference bid.

The higher the cost, the higher the allowable fair and reasonable rate, and the more the U.S.-flag can gouge Uncle Sam.

Aside from the fact this is irresponsible, what happens if the company lies?

Again, our legislation does not eliminate cargo preference, it simply says that if a U.S.-flag is going to get a preference cargo, it must offer a world competitive bid for it.

It is my view, that if we do not gain sufficient support for this fiscally prudent reform that still allows cargo preference, then we may need to turn our efforts entirely upon the elimination of cargo preference laws.

By Mr. GORTON:

S. 1029. A bill to amend the Job Training Partnership Act to encourage the placement of youths in private sector jobs under the Summer Youth Employment and Training Program, and for other purposes; to the Committee on Finance.

SUMMER YOUTH JOBS THROUGH BUSINESS ACT

Mr. GORTON. Mr. President, this summer thousands of disadvantaged youth will choose to participate in job training programs across the country. These young people make a conscious decision to give up long days in the sun, for long hours of hard work so they can take advantage of an opportunity to learn the skills and gain the necessary experience to help them find, and keep, real jobs. Yet many of those youths' expectations for learning the skills necessary to obtain future gainful employment may go unrealized.

Over the last 25 years, our Nation has made substantial investments in more than 50 Federal training programs, all of which sought to prepare America's youth for work in the private sector. However, these programs have become better known for placing young people who are eager for meaningful jobs and real work experience, in Government make-work positions that have little or nothing to do with the realities of today's working world. Yet under the structure of the current program, it is virtually impossible to place participants in an environment in which they can learn the most about finding and keeping a job—America's private businesses and industries.

Opportunities to reach out and make a real difference in the lives of our Nation's youth are few and far between—their desire to take part in Federal jobs training programs is one of these rare opportunities. We must take advantage of it by offering these young people the very best job training our country has to offer—and that will come best from jobs in what has provided America with its greatest achievements—private enterprise.

Today, with the strong support of the National Employment Opportunities Network [NEON], the International Mass Retailers Association, Boeing, the National Center for Community Enterprise, the National Association of Convenience Stores, and Congressman NEWT GINGRICH and HENRY BONILLA in the House, I am introducing the Youth Job Opportunities through Business Act—the Youth JOBS Act. It will expand and improve the Summer Youth Employment Training Program under the Job Training Partnership Act [JTPA] by putting a priority on placing young people into private sector jobs. This program will provide them with what they are looking for in a jobs training program—meaningful jobs that will teach them the skills, and give them the experience they need to land jobs in America's competitive workplace.

Earlier this year, President Clinton called on the private sector to "stretch a little bit to give * * * young people a chance to work this summer." In this spirit of public-private partnership, the Youth JOBS Act links the public sector jobs program, the JTPA, with a mechanism designed specifically to help create private sector jobs, the targeted jobs tax credit.

By creating this public-private partnership, the Youth JOBS Act can more than double the number of summer youth jobs available for young people, decrease overall Federal expenditures, and increase the quality of jobs in which youth work.

In order to provide our Nation's youth with the best job training possible, it will cut through the boundaries separating business and Government—boundaries which are built out of bureaucratic redtape.

Mr. President, the Youth JOBS Act provides needed changes to the summer jobs program, because the summer job programs of the past haven't lived up to expectations. Young people have been paid to make up the detention time they failed to serve during the school year, build model cardboard cities, listen to talks on drug education, attend basketball reading incentive camps, learn communication skills, and paint pictures of cars on the sides of buildings. While some of these activities may have some value for those who would otherwise have nothing to do with their summer, they have little or nothing to do with preparing our Nation's youth for the challenges and pressures of today's workplace. These make-work activities not only deprive our youth of needed skills, but they repell other youth from even looking toward the current program. The National Academy of Sciences issued a report on job training programs which found:

> Over time some young people who participate in youth employment programs become frustrated and demoralized by their experiences. They simply become worn down by the routine of the program and, often because of the inability to make visible "progress," become disgusted with the program and its staff. Progress for them is to feel equipped with marketable skills that will give them a chance to compete effectively for a permanent, well-paying job. Lacking clear signs of progress, many become frustrated and resign from the program, at times in an attempt to retain a sense of manhood and independence.

Government studies and reports have also repeatedly pointed out the inadequacies of large, Government-run jobs programs. In 1969, the General Accounting Office said that "some workers have regressed in their conception of what should reasonably be required in return for wages paid." Ten years later, the GAO found that "almost three of every four enrollees were exposed to a worksite where good work habits were not learned or reinforced, or realistic ideas on expectations in the real world were not fostered." A report on last summer's youth jobs program, issued by the Department of Labor, identified inadequate controls over time and attendance of the participant payroll system—trainees had not signed in when they arrived, they signed time sheets in advance, and had signed both in and out simultaneously. And, in May 1992, a study conducted for the Department of Labor on the impacts on future earnings and employment of participants who had gone through JTPA youth job training, reported:

> Overall, the JTPA appears to have [had] * * * little or no effect on the earning and employment of female youths, and negative effects on the earnings and employment of male youths.

The earnings of some male youth were reduced as much as 13.3 percent of what their earnings would have been without access to the JTPA.

Not surprisingly, even some of those who have spent years administering these programs have tempered their expectations of what the Government-run programs will provide. Today, they acknowledge that the primary benefit of the current program is to keep kids from getting into troube—and not to train them for jobs. Paul Osterman, an economist and expert on youth training programs at the Massachusetts Institute of Technology and a colleague of Labor Secretary Robert Reich, stated, "I think from everything we know about summer jobs programs * * * they're a fine idea and they keep kids out of trouble, but it's not in any sense a long term solution. What they're accomplishing is keeping kids out of trouble. * * *"

Statements like this have led critics to label the programs as fire insurance—claiming that the programs serve only to keep peace in the cities during the summer. Many of the so-called jobs magically appear in June, and magically disappear in August. Whether it's cleaning up parks, or sitting in a classroom, the Government spends 3 months training kids for jobs that would not exist if the Government had not created them.

Calling such programs job programs is shamefully deceptive. Young people who are eager to hold down a real job should not be led to believe that the time they spend in such programs is job training. Not only is it a disappointment for them now, but when they do begin their first jobs, their expectations of the demands of the workplace will be sadly off course. This is what one 21-year-old, inner-city youth stated about his experiences with Government-run youth training programs:

> Boy, these programs were very misleading, 'cause they were very unsuccessful. Led the people to believe they would get permanent jobs. And they had the right people there. They had the motivators. * * * They hired all these young people just to get them off the street. It would be to your advantage [the kid's] not to get involved. Because it takes up time, and time is money. You start off with confidence, but down the line you gon' be let down. I don't know anyone that took that [was involved in the program] that's now independent. If they were on welfare before they started the program, they got back on. The program was just a sham. It was just a political move. People playing chess with other peoples' lives.

Clearly it is time for a true public-private partnership that will give youth an opportunity to get real jobs in the private sector. Mr. Osterman told my office that—

> Skill training is something the private sector is better equipped to do. The key issue is the quality of the placement. You must ensure that the job is not make work. You must have the job be genuinely worthwhile. It must be a real job.

It only makes sense that if the purpose of these programs is to prepare America's youth to work in the private sector, that we look to the private sector to train them. The National Academy of Sciences report found that—

> In [an] effort to solve what is too easily viewed as an intractable social problem, the private sector must become more deeply involved. Training programs must be made to work.

Our children's futures are too important to play chess with. Therefore the current summer jobs program is worth improving—and not abandoning. But we can no longer afford to cling to the misguided notion that throwing more money at the program will somehow improve it. And we certainly cannot afford to ignore the enthusiasm of hundreds of disadvantaged youth who are eager for real work experience.

The Youth JOBS Act will make bold and innovative changes to the existing program—changes that will give our Nation's youth the real job experiences they need, and want, to meet the demands of today's work force.

By linking the Summer Youth Employment and Training Program with the targeted jobs tax credit, we will cut the per job wage costs to the Federal Government by 60 percent, and thus will be able to help 150 percent more youth. The current summer jobs program pays 100 percent of a youths wages for the summer. By joining into partnership with private businesses, the government share would fall to 40 percent. For example, if under the current program a young person makes $1,000 during the summer, the Federal Government pays for the full $1,000. Under the Youth JOBS Act, the Government would only pay out $400 and the business would pay the remaining $600.

To put this into perspective let us look at some employment figures. During the summer of 1992 the program employed 774,200 young people. President Clinton wants to spend an extra $1 billion this summer to employ a total of 1.3 million youth. The Youth JOBS Act, on the other hand, could provide real jobs, in the private sector to 1,935,500 youth without spending one dime more on wages than we did in 1992. That is 635,500 more youth employed and $1 billion saved.

If you are worried about finding that many youth who want to participate, do not be. As the NAS report stated:

> When trainees are well trained and systematically and effectively placed in gainful employment situations, they will declare the program effective and successful. Then young unemployed people will be standing in line to enroll in job-training programs instead of having to be recruited as they are now.

But we should be concerned not just about blindly expanding the number of jobs we create. As Secretary Reich has stated, "a lot of Americans confuse the number of jobs with the quality of jobs. We need more jobs, but we need better jobs." I could not agree more. Our Nation's youth job training programs should not create mere illusions of what the working world will be like—they should provide youths the opportunity to hold meaningful jobs where realistic ideas about real world expectations can grow. Real-life job skills are learned by working for a real boss with real demands and expectations in a company that experiences real-life consequences if those employed are not responsible. Only a real job, in the real world, can breed good work habits, teach the meaning of dependability, emphasize the importance of punctuality, and reward hard work.

Competition for jobs today is tough. Anyone who is struggling to find a job in today's economy—or anyone who has recently put out a help wanted ad—can attest to the scores of people lining up for job openings. If you are trying to enter today's work force, you are competing with the 12,000 people who enter the world economy every hour. Without the right skills and experience, finding a job is an impossible task.

The Youth JOBS Act will help create a program in which young people learn the attributes that distinguish a good employee from a bad employee, understand what traits employers look for in potential employees, and gain experience that will make them viable candidates for the jobs they seek.

The Youth JOBS Act is not only about creating today's jobs—but tomorrow's. At the end of the summer, a teenager leaves knowing that finding and keeping a job is not some distant and unreachable aspiration, but something that has already become a tangible reality. Spending summers working in businesses allows youths to make early connections with the working world. Not only do they gain an early understanding of the demands of the workplace—but they also meet members of their community who may serve as role models or mentors, and people who may even guide them in seeking their next job. They spend time working and learning with those who are best qualified to teach real job skills—people who have spent years developing their own.

A job in the private sector also provides a youth with a better chance for future employment by connecting him or her with a business that has jobs year round. That youth now has at least one contact in the private sector to whom he or she can turn for a job or a reference for a job in the future. If the young person does a good job for the employer, then the possibility arises for a part-time job during the school year, a job the next summer, or, for those transitioning from school to work, a permanent job with the company. The current program cannot provide that future job potential, because those jobs are only temporary.

If we give young people a summer of make-work activities, then we have only kept them busy for 3 months. But if we teach youth how to find and keep jobs, then we will have taught them skills they will need for the rest of their lives.

Young people can also begin to draw the connection between school and work. For many, this transition is tough. Putting last year's English assignments into practice and making practical sense of geometry are terrible important lessons. For most graduates, it's not the facts and figures that you use in your new job—most often, it is the process by which they learned them that will be used over and over again. Establishing that connection between education and the work world is something that comes only from firsthand experience. The Youth JOBS Act will provide America's youth with that vital firsthand experience.

The youth are not the only ones who stand to gain from the Youth JOBS Act—communities and businesses will as well. This program is customized in that it can be suited to match the needs of the local businesses. The effort and hard work that these young people put into their summer will contribute to the growth and productivity of their community's businesses and industries.

I fully agree with President Clinton when he states that summer youth jobs will "help to build local communities, to strengthen local economies, to solve local problems." We can bolster local communities and local economies even more, however, by taking them out of make-work Government programs and placing youth into private businesses where they will be actively contributing to America's productivity and economic growth.

Over the last 25 years, we have invested heavily in more than 50 different Federal training programs making only minimal gains in training youths for work in the private sector. We can spend another quarter century spending limited resources each summer on a program that only gives America's cities fire insurance—or we can make bold changes in the program that will give our Nation's youth real work experiences, practical job skills and a new beginning.

Preparing our Nation's youth for the challenges of tomorrow is one of the most demanding, and significant, tasks of our time. Our competitive position in this world, has and always will, rest on the skills and talents of our work force. It is their insights and ideas that are the resources on which our Nation's future depends. Whether it is their education, their health, or their future financial security—an investment in their future is an investment in America's future, and we cannot afford to shy away from bold, innovative programs such as the Youth JOBS Act that will make those investments work.

I look forward to the House and Senate's swift action on this important legislation to provide millions of America's youth the opportunity to receive a quality job.

By Mr. ROCKEFELLER (for himself, Mr. DECONCINI, Mr. GRAHAM, Mr. AKAKA, Mr. DASCHLE, Mr. CAMPBELL, Mr. KENNEDY, Mr. CONRAD, Mrs. MURRAY, and Mr. JEFFORDS):

S. 1030. A bill to amend chapter 17 of title 38, United States Code, to improve the Department of Veterans Affairs program of sexual trauma counseling for veterans and to improve certain Department of Veterans Affairs programs for women veterans; to the Committee on Veterans Affairs.

SEXUAL TRAUMA COUNSELING AMENDMENT OF 1993

• Mr. ROCKEFELLER. Mr. President, we will soon observe Memorial Day, the day on which we pause to remember those who sacrificed their lives in service to their Nation. I have always felt that we can best honor those courageous men and women by reinforcing our commitment to meet the needs of their living compatriots, many of whom bear deep physical and emotional scars from their service.

It is with those thoughts in mind that I am today introducing a bill that would extend and improve Department of Veterans Affairs' services for veterans who were sexually assaulted while serving on active duty in the Armed Forces, and would enhance VA's women veterans coordinator program. I am delighted that Senators DECONCINI, GRAHAM, AKAKA, DASCHLE, CAMPBELL, KENNEDY, CONRAD, MURRAY, and JEFFORDS have joined with me as original cosponsors.

Representative PATRICIA SCHROEDER, a tireless advocate for all American women, will introduce a companion bill in the House of Representatives today. I feel privileged to be working with her to help women veterans who were treated so shabbily by their fellow soldiers while defending their Nation.

Our legislation builds on companion bills, S. 2973 and H.R. 5885, introduced in the 102d Congress. On October 1, 1992, the Senate passed S. 2973 as part of the Veterans Health Care Act of 1992, an omnibus veterans health measure. However, because the House did not act on H.R. 5885, we had to make many compromises in order to enact the legislation necessary to establish VA's sexual trauma counseling program, compromises that may well threaten the program's success. The bill we introduce today seeks to prevent that from happening by providing VA with the broader legislative authority embodied in the original Senate bill.

SUMMARY OF PROVISIONS

Mr. President, this legislation contains three sets of provisions, all of which are designed to improve veterans' access to sexual trauma counseling and women's health services.

Section 1 contains modifications to provisions in Public Law 102-585, the legislation governing VA's sexual trauma counseling program, that would:

First, extend VA's authority to provide sexual trauma counseling at VA health care facilities for 3 years, through December 31, 1998.

Second, extend VA's authority to provide sexual trauma counseling through contracts with non-VA providers for 4 years, through December 31, 1998.

Third, delete provisions in current law that require veterans to seek sexual trauma counseling within 2 years of discharge from active duty or, in the case of veterans discharged before December 31, 1991, by December 31, 1993.

Fourth, delete the 1-year limit in current law on the period of time during which a veteran may receive sexual trauma counseling.

Fifth, require that veterans seeking sexual trauma counseling have the same priority for that care as veterans who are entitled to VA outpatient services.

Sixth, authorize VA to provide sexual trauma counseling to male veterans.

Seventh, require VA, not later than 6 months after enactment, to establish and advertise a toll-free phone number to provide confidential crisis intervention and referral services to veterans needing sexual trauma counseling. VA would also be required to submit a detailed report to Congress on this program, not later than 18 months after enactment.

Section 2 contains provisions that would require VA, not later than June 30, 1994, to submit a report to Congress on the difficulties veterans encounter in obtaining from VA determinations of service-connection for disabilities resulting from sexual trauma experienced while serving on active duty in the Armed Forces.

Section 3 contains modifications to provisions enacted in Public Law 102-585 concerning VA's women veterans coordinators that would:

First, require VA's four regional women veterans coordinators to serve in those positions on a full-time basis.

Second, require regional women veterans coordinators, in addition to carrying out other responsibilities specified in current law, to facilitate communication between women veterans coordinators at VA facilities in their regions, and the Under Secretary for Health and the Secretary.

Third, require the Secretary to ensure that women veterans coordinators at VA health care facilities are provided sufficient resources, including clerical support, to carry out their responsibilities.

Fourth, ensure that women veterans coordinators have direct access to the directors and chiefs of staffs at the VA health care facilities at which they are employed.

BACKGROUND

Mr. President, for far too long our Nation refused to take seriously the problems of rape and sexual assault. Unlike victims of other crimes, rape victims were presumed to have provoked their attackers by their comments, dress, or actions. Thanks to the persistent efforts of Representative SCHROEDER and other leaders of the women's movement, most civilians who are raped now have access to the help they need to recover from their assaults and persecute their attackers.

I am sad to report that the same cannot be said about members of the Armed Forces. Military officials have long tolerated, indeed condoned, flagrant and brutal displays of sexual violence toward military and civilian women. The Department of Defense Inspector General's report on the disturbing incidents at the 1991 Tailhook convention indicates that similar incidents had taken place at previous conventions and suggests that the 1991 convention may have been tame by comparison.

One might dismiss events at the Tailhook conventions as isolated incidents perpetrated by inebriated young military personnel set free from the rigid constraints of military life. Unfortunately, these outrageous sexual pranks are merely a manifestation of a problem pervasive throughout the Armed Forces. A 1988 Department of Defense survey indicated that 5 percent of the women who responded had experienced actual or attempted rape or other forms of sexual assault within 12 months prior to taking the survey. If the respondents were representative of the approximately 222,000 serving on active duty in 1988, over 11,000 military women would have been victims of sexual violence in that year alone. Those estimates may well be conservative, given that many military women believe that reporting rape or sexual assault will lead to demotion or discharge from active duty.

These figures have profound implications for the Department of Veterans Affairs. Extrapolating the 5-percent figure to our Nation's 1.2 million women veterans, at least 60,000 women veterans may have been raped or sexually assaulted while serving on active duty. Because the military rarely provides victims with assistance when rapes or assaults occur, women veterans are likely to experience even greater trauma than civilian victims. Experts have told the committee that victims who do not receive counseling soon after a rape or assault occurs are far more likely to develop rape-related post traumatic stress disorder [PTSD] as well as severe eating and sleeping disorders.

These problems first came to light at hearings that the committee held last summer. At those hearings, four brave women veterans told the committee about brutal sexual assaults that military officials failed to document or prosecute. These women also vividly described the profound difficulties they had experienced in obtaining assistance from VA facilities. Many of the VA health and benefits personnel with whom they came in contact were unwilling or unprepared to address their unique needs.

Those hearings led to the enactment provisions of Public Law 102-585 that established VA's sexual trauma counseling program. Since that law was enacted, VA officials have been working hard to carry out its objectives. Vet centers across the Nation, including the Charleston Vet Center in my State of West Virginia, are hiring 60 new, part-time, experienced sexual trauma counselors. Several weeks ago, VA held its first nationwide video conference to train VA health care personnel in how to respond to sexual assault survivors.

However, Public Law 102-585 is at best a first step in the right direction. Indeed, some of the compromises incorporated into that legislation may impede VA's ability to meet women veterans' needs. The bill we are introducing today would address this distressing situation by extending and improving VA's sexual trauma counseling program. Secretary Brown also has recommended further legislation and I am very pleased that he shares our commitment to ensuring the program's success.

I will now highlight briefly three provisions that underscore the critical need for this legislation. First, the bill would repeal the restriction in current law that requires women veterans to seek sexual trauma counseling within 2 years of discharge from active duty, or by December 31, 1993, in the case of women discharged before December 31, 1991. Experts tell the committee that persons who suffer from rape-related PTSD may not display symptoms until many years after the rape occurred. Victims who do not receive assistance soon after the rape takes place are even more likely to exhibit delayed reactions. The restriction in current law prevents VA from helping veterans who may not realize they need counseling until many years after they leave the Armed Forces. Current law imposed no comparable restrictions on veterans who have combat-related PTSD.

In addition, the bill would extend the entire sexual trauma counseling program through 1998 to give VA more time to reach veterans who need these services. Under current law, VA's authority to carry out this program would expire on December 31, 1995, less than 3 years from now. VA officials are just now getting the program up and running. Services remain unavailable in many communities. VA needs time to train and hire sexual trauma counselors, develop referral mechanisms for veterans who need inpatient or contract care, and promote the program.

Publicity is especially important. Women veterans, who constitute the vast majority of sexual assault survivors, often do not perceive themselves as eligible for VA services. Others have had bad experiences with VA in the past and may not seek care unless VA makes concerted efforts to inform them about these services.

Third, our bill would require the Secretary to undertake a study regarding the difficulties veterans face in obtaining from VA determinations that they are entitled to disability compensation for sexual trauma experienced while serving on active duty. These difficulties appear to stem primarily from incomplete and inaccurate military records. Other factors may include insensitivity or ignorance on the part of VA claims personnel. I know that Secretary Brown is firmly committed to improving claims adjudication, and I strongly encourage him to examine these matters whether or not our bill is enacted.

CONCLUSION

Mr. President, in closing, I thank Representative SCHROEDER for working with me on this legislation. I also thank Senator Cranston for calling our Nation's attention to the inexcusable sexual abuse to which so many women veterans were subjected while on active duty. Thanks to his strong commitment, VA is now working hard to help women veterans address mental and physical consequences that have been ignored for far too long. Our bill would ensure that VA can carry out his proud legacy.

Most importantly, I thank the many courageous women veterans who have contacted the committee staff about their sexual assaults and their often futile attempts to obtain assistance from VA. Their willingness to reveal very private aspects of their lives so that other women veterans might receive the help they need to put these awful incidents behind them embodies the finest spirit of the American military tradition.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1030

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DEPARTMENT OF VETERANS AFFAIRS SEXUAL TRAUMA COUNSELING PROGRAM.

(a) EXTENSION OF PERIOD OF AUTHORITY TO PROVIDE SEXUAL TRAUMA COUNSELING.—Subsection (a) of section 1720D of title 38, United States Code, is amended—

(1) by striking out "December 31, 1995," in paragraph (1) and inserting in lieu thereof "December 31, 1998,"; and

(2) by striking out "December 31, 1994," in paragraph (3) and inserting in lieu thereof "December 31, 1998,".

(b) PERIOD OF ELIGIBILITY TO SEEK COUNSELING.—(1) Such subsection is further amended—

(A) by striking out paragraph (2); and

(B) by redesignating paragraph (3) (as amended by subsection (a)(2)) as paragraph (2).

(2) Section 102(b) of the Veterans Health Care Act of 1992 (Public Law 102-585; 106 Stat. 4946; 38 U.S.C. 1720D note) is repealed.

(c) REPEAL OF LIMITATION ON PERIOD OF RECEIPT OF COUNSELING.—Section 1720D of title 38, United States Code, is further amended—

(1) by striking out subsection (b); and

(2) by redesignating subsections (c), (d), and (e) as subsections (b), (c), and (d), respectively.

(d) INCREASED PRIORITY OF CARE.—Section 1712(i) of title 38, United States Code, is amended—

(1) in paragraph (1)—

(A) by inserting "(A)" after "To a veteran"; and

(B) by inserting ", or (B) who is eligible for counseling under section 1720D of this title, for the purposes of such counseling" before the period at the end; and

(2) in paragraph (2)—

(A) by striking out ", (B)" and inserting in lieu thereof "or (B)"; and

(B) by striking out ", or (C)" and all that follows through "such counseling".

(e) PROGRAM REVISION.—(1) Section 1720D of title 38, United States Code, is further amended—

(A) by striking out "woman" in subsection (a)(1);

(B) by striking out "women" in subsection (b)(2)(C) and in the first sentence of subsection (c), as redesignated by subsection (c); and

(C) by striking out "women" in subsection (c)(2), as so redesignated, and inserting in lieu thereof "individuals".

(2)(A) The heading of such section is amended to read as follows:

"§ 1720D. Counseling for sexual trauma".

(B) The item relating to such section in the table of sections at the beginning of chapter 17 of such title is amended to read as follows:

"1720D. Counseling for sexual trauma.".

(f) Information on Counseling by Telephone.—(1) Paragraph (1) of section 1720D(c) of title 38, United States Code, as redesignated by subsection (c) of this section, is amended by striking out "may" and inserting in lieu thereof "shall".

(2) In providing information on counseling available to veterans through the information system required under section 1720D(c)(1) of title 38, United States Code (as amended by this section), the Secretary of Veterans Affairs shall ensure—

(A) that the telephone system described in such section is operated by Department of Veterans Affairs personnel who are trained in the provision to persons who have experienced sexual trauma of information about the care and services relating to sexual trauma that are available to veterans in the communities in which such veterans reside, including care and services available under programs of the Department (including the care and services available under section 1720D of such title) and from non-Department agencies or organizations;

(B) that such personnel are provided with information on the care and services relating to sexual trauma that are available to veterans and the locations in which such care and services are available;

(C) that such personnel refer veterans seeking such care and services to appropriate providers of such care and services (including care and services that are available in the communities in which such veterans reside);

(D) that the telephone system is operated in a manner that protects the confidentiality of persons who place telephone calls to the system; and

(E) that the telephone system operates at all times.

(3) The Secretary shall ensure that information about the availability of the telephone system is visibly posted in Department medical facilities and is advertised through public service announcements, pamphlets, and other means.

(4) Not later than 18 months after the date of the enactment of this Act, the Secretary shall submit to Congress a report on the operation of the telephone system required under section 1720D(c)(1) of title 38, United States Code (as so amended). The report shall set forth the following:

(A) The number of telephone calls placed to the system during the period covered by the report, with a separate display of (i) the number of calls placed to the system from each State (as such term is defined in section 101(20) of title 38, United States Code) during that period, and (ii) the number of persons who placed more than one call to the system during that period.

(B) The types of sexual trauma described to personnel operating the system by persons placing calls to the system.

(C) A description of the difficulties, if any, experienced by persons placing calls to the system in obtaining care and services for sexual trauma in the communities in which such persons live, including care and services available from the Department and from non-Department agencies and organizations.

(D) A description of the training provided to the personnel operating the system.

(E) The recommendations and plans of the Secretary for the improvement of the system.

(4) The Secretary shall commence operation of the telephone system required under section 1720D(c)(1) of title 38, United States Code (as so amended), not later than 180 days after the date of the enactment of this Act.

SEC. 2. REPORT RELATING TO DETERMINATIONS OF SERVICE CONNECTION FOR SEXUAL TRAUMA.

(a) Report.—The Secretary of Veterans Affairs shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report containing the Secretary's assessment of—

(1) the difficulties that veterans encounter in obtaining from the Department of Veterans Affairs determinations that disabilities relating to sexual trauma resulting from events that occurred during active duty are service-connected disabilities; and

(2) the extent to which Department personnel fail to make determinations that such disabilities are service-connected disabilities.

(b) Recommendations.—The Secretary shall include in the report the Secretary's recommendations for actions to be taken to respond in a fair manner to the difficulties described in the report and to eliminate failures to make determinations that such disabilities are service-connected disabilities.

(c) Definition.—In this section, the term "sexual trauma" means the immediate and long-term physical or psychological trauma resulting from rape, sexual assault, aggravated sexual abuse (as such term is described in section 2241 of title 18, United States Code), sexual harassment, or other act of sexual violence.

(d) Deadline for Report.—The report required by this section shall be submitted not later than June 30, 1994.

SEC. 3. COORDINATORS OF WOMEN'S SERVICES.

(a) Requirement of Full-time Service.—Section 108 of the Veterans Health Care Act of 1992 (Public Law 102-585; 106 Stat. 4948; 38 U.S.C. 1710 note) is amended—

(1) by inserting "(a)" before "The Secretary"; and

(2) by adding at the end the following:

"(b) Each official who serves in the position of coordinator of women's services under subsection (a) shall so serve on a full-time basis.".

(b) Additional Responsibilities.—Subsection (a) of such section (as designated by subsection (a) of this section) is further amended—

(1) by redesignating paragraph (5) as paragraph (6); and

(2) by inserting after paragraph (4) the following new paragraph (5):

"(5) Facilitating communication between women veterans coordinators under the jurisdiction of such regional coordinator and the Under Secretary for Health and the Secretary.".

(c) Support for Women's Services Coordinators.—The Secretary of Veterans Affairs shall take appropriate actions to ensure that—

(1) sufficient funding is provided to each Department of Veterans Affairs facility in order to permit the coordinator of women's services to carry out the responsibilities of the coordinator at the facility;

(2) sufficient clerical and communications support is provided to each such coordinator for that purpose; and

(3) each such coordinator has direct access to the Director or Chief of Staff of the facility to which the coordinator is assigned.●

By Mr. PELL (by request):

S. 1031. A bill to authorize appropriations for fiscal years 1994 and 1995 for the U.S. Information Agency, and for other purposes; to the Committee on Foreign Relations.

U.S. INFORMATION AGENCY AUTHORIZATION ACT, FISCAL YEARS 1994 AND 1995

Mr. PELL. Mr. President, by request, I introduce for appropriate reference a bill to authorize appropriations for fiscal years 1994 and 1995 for the U.S. Information Agency, and for other purposes.

This proposed legislation has been requested by the U.S. Information Agency, and I am introducing it in order that there may be a specific bill to which Members of the Senate, and the public, may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the Record at this point, together with the section-by-section analysis and the letter from the Acting Director of the U.S. Information Agency, which was received on May 21, 1993.

There being no objection, the material was ordered to be printed in the Record, as follows:

S. 1031

Be it enacted by the Senate and the House of Representatives of the United States in Congress assembled,

SHORT TITLE

Sec. 101. This title may be cited as the "United States Information Agency Authorization Act, Fiscal Years 1994 and 1995."

AUTHORIZATION OF APPROPRIATIONS

Sec. 102. In addition to amounts otherwise available for such purposes, there are authorized to be appropriated for the United States Information Agency to carry out international information activities, and educational and cultural exchange programs under the United States Information and Educational Exchange Act of 1948, as amended, the Mutual Educational and Cultural Exchange Act of 1961, as amended, Reorganization Plan No. 2 of 1977, the Radio Broadcasting to Cuba Act, as amended, the Television Broadcasting to Cuba Act, the Inspector General Act of 1978, as amended, the Center for Cultural and Technical Interchange Between North and South Act, the National Endowment for Democracy Act, as amended, and for other purposes authorized by law:

(a) For the fiscal year 1994:

(1) "Salaries and Expenses," $773,024,000;

(2) "Educational and Cultural Exchange Programs," $242,922,000;

(3) " Broadcasting to Cuba," $28,351,000;

(4) "Office of the Inspector General," $4,390,000;

(5) "East-West Center," $26,000,000;

(6) "National Endowment for Democracy," $50,000,000;

(7) "Radio Construction," $228,720,000;

(8) "Eisenhower Exchange Fellowship Program," $300,000;

(9) "Israeli Arab Scholarship Program," $397,000.

(b) For the fiscal year 1995:

(1) "Salaries and Expenses," $800,286,000;

(2) "Educational and Cultural Exchange Programs," $249,238,000;

(3) "Broadcasting to Cuba," $28,382,000;

(4) "Office of the Inspector General," 4,396,000;

(5) "East-West Center," $26,676,000;

(6) "National Endowment for Democracy," $50,780,000;

(7) "Radio Construction," $106,271,000;

(8) "Eisenhower Fellowship Exchange Programs," $308,000;

(9) "Israeli Arab Scholarship Program," $407,000.

CHANGES IN ADMINISTRATIVE AUTHORITIES

SEC. 103. Section 801 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1471) is amended by replacing the period at the end of subsection "(6)" with a semicolon, and adding a new subsection "(7)" as follows:

"(7) notwithstanding any other provision of law, to carry out projects involving security construction and related improvements for Agency facilities not collocated with Department of State facilities abroad."

SEC. 104. Section 804(6) of the United States Information and Educational Exchange Act of 1948 [22 U.S.C. 1474(6)] is amended to read as follows:

"(6) contract with individuals for personal service abroad: *Provided*, That such individuals shall not be regarded as employees of the United States Government for the purpose of any law administered by the Office of Personnel Management."

SEC. 105. Section 206(b) of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993, Pub. L. 102–138 (22 U.S.C. 1475g note), is hereby repealed.

SEC. 106. Subsection (a) of Section 501 of the United States Information and Educational Exchange Act of 1948 [22 U.S.C. 1461(a)] is hereby amended by deleting the second sentence in said subsection and inserting in lieu thereof the following:

"Subject to subsection (b) any such information shall not be disseminated within the United States, its territories or possessions, but, on request, shall be made available following its release as information abroad, to representatives of United States press associations, newspapers, magazines, radio and television systems and stations, research students and scholars, and Members of Congress."

Section 208 of Public Law 99–93 (22 U.S.C. 1461–1a) is amended by adding the following sentence at the end of such section:

"Nothing herein shall preclude the United States Information Agency from reasonably keeping the United States public informed of its operations, policies or programs."

SEC. 107. Section 802(b)(3) of the United States Information and Educational Exchange Act of 1948, as amended, [22 U.S.C. 1472(b)(3)] is amended by adding the following sentence at the end thereof:

"However, notwithstanding this or any other provision in this section, the United States Information Agency is authorized to enter into contracts not to exceed seven years for circuit capacity to distribute radio and television programs."

SEC. 108. Subsection (f) of Section 701 of the United States Information and Educational Exchange Act of 1948 [22 U.S.C. 1476(f)(4)], is amended as follows:

(1) in subsection (f)(1) by striking ", for the second fiscal year of any two-year authorization cycle may be appropriated for such second fiscal year" and inserting in its place "for a given fiscal year may be appropriated for such year"; and,

(2) by striking subsection "(f)(4)".

SEC. 109. Section 902 of the United States Information and Educational Exchange Act of 1948, 22 U.S.C. §1431 et seq., is amended by inserting on line one after the word "any" the following language: "international organization of which the United States is a member, or".

SEC. 110. The Immigration and Nationality Act, as amended, is amended by adding the following new section after Section 216A (8 U.S.C. 1186b);

"Section 216B. Conditional permanent resident status for certain USIA employees:

(a) conditional Basis for Admission: Conditional immigrant visas may be issued to employees of the United States Information Agency beginning fiscal year 1994 in a number not to exceed one hundred per fiscal year. Upon enactment, one hundred fifty additional visas shall be available to present USIA employees. Such employees shall be identified by the Director of USIA, and, if otherwise admissible, shall be admitted conditionally for a period not to exceed four years. Spouses and dependent children of such employees may also be admitted as conditional permanent residents but shall not be subject to numerical limitation.

(b) Removal of Conditional Basis: Persons admitted under this provision shall be eligible for removal of the conditional basis of their admission for permanent resident status after three years, upon certification by the Director of USIA to the Attorney General; the Attorney General shall remove the conditional basis of his or her admission, if the alien is otherwise admissible, effective as of the date of such certification.

(c) Termination of Status: At any time during such four year period, the Director of USIA may certify to the Attorney General that such conditional status with respect to any alien should be terminated. Upon receipt of such notice, the Attorney General shall terminate such status and the alien and any other family members admitted with such alien shall be subject to deportation proceedings. The conditional status of any such alien, admitted under this provision who has not had the conditional basis of his or her admission removed by a date four years after such admission, shall be deemed to have been terminated.

Section 101(a)(27) of the Immigration and Nationality Act [8 U.S.C. 1101(a)(27)] is amended by adding a new subsection "(L)", as follows:

"(L) an immigrant who is employed by the United States Information Agency for service in the United States, and his or her accompanying spouse and children, under conditions set forth in Section 216B of this Act."

Section 804(1) of the United States Information and Educational Exchange Act of 1948 [22 U.S.C. 1474(1)], as amended, is amended by inserting the words "or as an immigrant under section 101(a)(27)(L) of that Act [8 U.S.C. 1101(a)(27)(L)]" immediately after the words "as nonimmigrants under section 101(a)(15) of the Immigration and Nationality Act [8 U.S.C. 1101(a)(15)]."

SECTION-BY-SECTION ANALYSIS

AUTHORIZATION OF APPROPRIATIONS

Section 101—Short Title.

This section is self-explanatory.

Section 102—Authorization of Appropriations for the Fiscal years 1994 and 1995.

Section 102 (a) and (b) of the United States Information Agency Authorization Act, Fiscal Years 1994 and 1995, authorizes the appropriation of $1,354,104,000 in fiscal year 1994 and $1,266,744,000 in fiscal year 1995 for all Agency accounts as shown in the following table comparing the Agency's fiscal year 1993 appropriations, in thousands. The funds are required as presented in the Agency's justification materials to carry out a full range of public diplomacy activities in a challenging and changing world environment:

Appropriation	1993 appropriation	1994 request	1995 request
Salaries and Expenses	[1]$742,871	$773,024	$800,286
Educational and Cultural Exchange Programs	[1]242,269	242,922	249,238
Broadcasting to Cuba	28,531	28,351	28,382
Office of Inspector General	4,390	4,390	4,396
East-West Center	26,000	26,000	26,676
North/South Center	8,700		
National Endowment for Democracy	30,000	50,000	50,780
Russian Technical Assistance Center	2,000		
Radio Construction	103,647	228,720	106,271
Subtotal, USIA Federal Funds	1,188,408	1,353,407	1,266,029
Trust Funds: Eisenhower Exchange Fellowship Program	300	300	300
Israeli Arab Scholarship Program	397	397	407
Total 1993 Enacted and 1994 and 1995 Proposed	1,189,105	1,354,104	1,266,744

[1] Reflects a proposed transfer of $653,000 from Exchanges to S&E for the administrative costs related to 1993 exchange program enhancements. Also reflects $19,475,000 transferred from USAID to the USIA Educational and Cultural Exchange Programs appropriation and $525,000 to S&E to implement secondary school exchanges in the NIS appropriated in 1993 to carry out the Freedom Support Act.

CHANGES IN ADMINISTRATIVE AUTHORITIES

Section 103. Amend Section 801 of the United States Information and Educational Exchange Act of 1948 to Authorize USIA to Obtain Direct Appropriations For Security Construction Requirements for its Facilities That Are Not Collocated With Department of State Facilities.

This requested amendment to the United States Information and Educational Exchange Act of 1948 would authorize direct appropriations to USIA of funds for selected security construction requirements. Current law requires the Secretary of State to provide an equitable level of funding for the overseas security requirements of other foreign affairs agencies. In practice, however, because of the keen competition for scarce resources, many of USIA's security requests abroad have gone unfunded in successive fiscal years. With 209 overseas posts and a similar number of affiliated institutions, such as binational centers and Fulbright Commission offices, USIA has a significant need for resources to provide adequately for the protection of its employees and facilities located separately from the Department of State's embassy and consulate buildings. In recent years, the amounts allocated to USIA have fallen short of its requests. The proposed legislation would allow the Agency to budget for its own overseas security construction needs, thus ensuring a consistent and predictable funding source.

A precedent for authorizing direct appropriations for security purposes to agencies other than State was set when the Agency for International Development (AID) succeeded in obtaining, for FY 90 and thereafter, such authority for four types of security projects, namely, residential security communications, office building security, and vehicle armoring.

The difference between AID and USIA in implementing this solution is twofold. First, AID already had the requisite statutory authority under Section 8A of the Inspector General Act of 1978, pursuant to which AID's Inspector General is responsible for "all security activities" of AID. Thus, security funds for AID could readily be included in its Inspector General's annual appropriation. By contrast, USIA's Inspector General does not have such authority. Second USIA's authority will be limited to security construction for physical upgrades to official facilities not collocated with Department of State facilities abroad. Other security needs will continue to be addressed in the Department of State's Salaries and Expenses account.

Section 104. Amend Section 804(6) of the United States Information and Educational Exchange Act to Permit Overseas Hiring Under Personal Service Contracts.

Several U.S. foreign affairs agencies, including the Department of State and AID, already have this authority, USIA does not. The extension of USIA of the authority to hire individuals with personal service contracts (PSCs) is needed for our posts in the former Soviet Union for it would enable posts to hire from the pool of talent among mission-dependent spouses and other in-country U.S. citizens, who often have advanced university degrees and practical skills of great value to post programs, making such special talents available as America House directors or to serve in situations where it is difficult to hire local nationals to meet USIA program needs.

Such contracting authority would also permit the hiring of architects and engineers and English teachers at selected overseas posts. For example, an area of immediate need concerns the American Language Centers in the Middle East and Africa, where our posts presently hire a Director of Courses to run the centers under non-personal service contracts. Our posts are ultimately responsible for the use of USG funds and the programs of the American Language Centers, and the Public Affairs Officers at the posts should be supervising the course directors. Under current arrangements, the Director of Courses is an independent contractor and our posts are prevented from exercising the direct control that we would have with personal service contracts.

PSC's will also be needed for the Radio Free Asia (RFA) operation.

Section 105. Amend the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (Pub. L. 102–138) by repealing Section 206(b) thereof.

Section 206(b) of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (22 U.S.C. 175g note) provides as follows:

"(b) REDUCTIONS IN AMERICAN EMPLOYEES.—Reductions may not be made in the number of positions filled by American employees of the United States Information Agency stationed abroad until the number of such employees is the same percentage of the total number of American employees of the Agency as the number of American employees of the Agency stationed abroad in 1981 was to the total number of American employees at the Agency at the same time in 1981."

The requirements imposed by the above section are extremely difficult, if not impossible, to achieve. Since 1981, the number of American positions in Washington has increased by almost 900 positions. These increases have come about mainly due to increases in Broadcasting to Cuba, Voice of America, and Exchange Visitor Program activity which were mandated by Congress. During the same period, USIA has had to eliminate some positions in Western Europe and elsewhere and reprogram other resources. Changing circumstances and priorities prevent USIA from complying with this provision.

Section 106. Amend Section 501 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1461) and Section 208 of Public Law 99-93 (the Zorinsky Amendment) to Relax the Ban on Domestic Dissemination.

Two statutory provisions prohibit the dissemination of program materials produced by USIA within the United States and forbid the use of funds appropriated to the Agency "to influence public opinion in the United States."

Section 501, the older of the two, dates from the earliest days of the Agency and represents an effort by Congress, with still-vivid memories of wartime propaganda, to limit the power of any administration to utilize the Agency to influence domestic public opinion for its own purposes.

Section 208 (the Zorinsky Amendment) (22 U.S.C. 1461-1a) further strengthened the ban on the domestic dissemination of program materials by prohibiting the Agency from using appropriated funds to influence public opinion in the United States and from distributing in the United States any program material prepared by USIA.

Although the fears of the original drafters of the domestic dissemination bans may have been well-founded in the history of the first half of this century, subsequent developments in media communications technology as well as the phenomenal growth and influence of private print and broadcast media serve to limit severely the possible domestic misuse of the Agency.

American taxpayers have read about the role of VOA in changing the political landscape of Eastern Europe and about award-winning USIA motion picture and television productions and magazines but cannot view or judge these activities and products, paid for with tax dollars, except when specifically authorized by Congress. So, too, with the wide range of special publications issued abroad by USIA, covering items of immediate concern, such as the Gulf War, to excellent soft-cover booklets of substance, such as the popular *Outline* series, which focuses on issues in American history, government, economic and geography, which would be of interest to educators and others in this country.

As a result, the ban may often appear to many Americans as an interference with the public's right to know, an impression which damages the Agency's credibility at home and abroad. Similarly, the ban has often resulted in situations where foreign news media are often better or more quickly informed about foreign policy issues because transcripts of Agency radio and television programs, interviews with the leaders and policy makers and news conferences sponsored by the Agency in the U.S. are limited to the foreign press.

In addition, because of the bans, the Agency and its resources have been neither fully nor efficiently utilized. For example, USIA, with its global communication network and skilled employees stationed throughout the world, is in an excellent position to help American business better compete internationally by providing executives with information about foreign attitudes, needs and developments.

The amendment to Section 501 is designed to allow USIA to respond reasonably to requests from the media and students and scholars for information about the Agency's mission and activities. Section 208 (the Zorinsky Amendment), which includes a prohibition barring USIA from using appropriated funds to influence public opinion in the United States, would be amended by adding the following sentence: "Nothing herein shall preclude the United States Information Agency from reasonably keeping the United States public informed of its operations, policies, or programs."

Section 107. Amend Section 802(b)(3) of the United States Information and Educational Exchange Act of 1948 to Allow USIA to Enter Into Seven-Year Contracts for Satellite Leases.

The Agency's contracting authority under section 802(b) of the United States Information and Educational Exchange Act of 1948, as amended, is currently limited to five years. However, many vendors, particularly in the satellite industry, offer discounted tariff rates on seven-year contracts. For example, COMSAT offers a half television transponder for $56,795 per month on five-year contracts and $53,350 per month on seven-year contracts, a saving of approximately $290,000 over a seven-year period for one full transponder. USIA presently leases ten full transponders (at varying rates) and the availability of discounted rates could result in substantial savings to the taxpayer.

To maintain its position in the competition for scarce satellite capacity, USIA should be able to procure the same range of services offered to private industry. Vendors are stressing long-term commitments and are willing to negotiate more favorable rates with customers who will commit to a period longer than five years. In the future, USIA could be passed over in favor of a customer who is willing to contract for seven years, even if the technical requirements are the same. Finally, longer contracting periods would allow an Agency communications network to stay in place for longer periods of time with a minimum of technical changes, thus allowing for greater stability in the operation of the network and the provision of program services.

Section 108. Extend Section 701(f) of the United States Information and Educational Exchange Act of 1948 (Appropriations Transfer Authority) Until September 30, 1995.

In 1992 Congress amended Section 701 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1476) to permit USIA appropriations to exceed corresponding authorization levels by five or ten percent depending on the accounts. This authority provides that when funds are authorized to be appropriated to specific accounts for two fiscal years, in the second fiscal year of a two-year authorization the appropriators may transfer portions of the authorized amounts to other accounts, subject to certain limitations. The limitations are that "amounts appropriated for the Salaries and Expenses and Exchange Programs accounts may not exceed by more than 5 percent the amount specifically authorized to be appropriated for each such account for a fiscal year. No other appropriations account may exceed by more than 10 percent the amount specifically authorized to be appropriated for such account for a fiscal year." This transfer authority expires on September 30, 1993. The proposed amendment would make the transfer authority available in either fiscal year and would make such authority permanent.

Section 109. Amend Section 902 of the United States Information and Educational Exchange Act of 1948 to Allow USIA to Retain Funds Received from any Cooperating International Organization As Well As From Any Other Government.

Currently, Section 902 allows the Agency to accept funds from "any other government [which] shall express the desire to provide funds, property, or services to be used by this Government . . . for the expenses of any specific part of the program undertaken pursuant to this Act." Funds so received from "any other government" are placed in a special deposit account in the U.S. Treasury and are thereafter available to the Agency for the specified purpose.

The proposed change would allow the Agency to receive funds from any international organizations of which the United States is a member and apply those funds either for the specific purpose for which they were received or for any activity which furthers the purpose of the Act.

As an example, the Agency currently carries broadcasts of the United Nations Transitional Authority in Cambodia (UNTAC) on its Bangkok transmitter. The UN reimburses USIA for these costs. However, under present §902 the funds received are not available for USIA programs since the UN is not a foreign government. Instead, the funds are received under the authority of §901 and are passed through to the U.S. Treasury. This amendment would place the receipts for the service provided in the appropriate place—where the costs are incurred. It would have the indirect effect of providing a built-in incentive for the Agency to secure such agreements, thereby making greater use of government resources.

Section 110. Amend the Immigration and Nationality Act to Create a New Special Immigrant Category for certain Employees of the United States Information Agency and Amend Section 804 of the United States Information and Educational Exchange Act of 1948 to Allow USIA to Employ Such Special Immigrants

In carrying out its mission, USIA's Voice of America (VOA) employs approximately 900 International Radio Broadcasters (IRB's) who serve as reporters, writers, translators, editors, producers and announcers for news, interviews, news analyses, editorials and other broadcast features covering a wide ranges of issues and subjects.

VOA's mission requires it to be able to attract and retain a large number of Foreign Language IRB's who have a unique combination of native fluency in the broadcast language, an in-depth knowledge of the people, history and culture of the broadcast area, and professional journalistic skills. The U.S. workforce simply does not contain a sufficient number of people with this rare combination of skills to meet VOA's needs. VOA must be able to attract and employ non-U.S. citizens.

In recognition of this, VOA is authorized under section 804(1) of the United States Information and Educational Exchange Act of 1948 [22 U.S.C. 1474(1)] to recruit aliens abroad and domestically for work in the U.S. to carry out its foreign language programming when it cannot find suitably qualified U.S. citizens. The Act provides that such aliens may be admitted to the U.S. as nonimmigrants under section 101 (a) (15) of the Immigration and Nationality Act [8 U.S.C. 1101 (a) (15)].

In the past, VOA utilized the J visa (Exchange Visitor) to meet its needs for nonimmigrant alien foreign language broadcasters, and it presently has approximately 150 foreign language broadcasters on that visa. When VOA determines that a foreign language broadcaster's continued service is necessary, it typically sponsors the alien for permanent residence.

However, problems involving the use of the J visa have arisen. J visa holders who have filed for an immigrant visa may be barred from reentering the U.S. after traveling abroad, even if they were on official Government travel, and they are therefore unable to be sent abroad to cover stories for VOA or travel on such personal business as attending the funeral of a family member. Also, unless the requirement is waived, most J visa holders are required by §212(e) of the Immigration and Naturalization Act to return to their home country for two years before they can adjust to another nonimmigrant U.S. visa or acquire legal permanent resident status through an immigrant visa. Moreover, dependents of J visa employees generally cannot remain in the U.S. beyond the age of 21, which has led to serious morale problems and loss of staff.

VOA has investigated the possibility of utilizing other nonimmigrant visas, the most appropriate of which would be the H visa. Many of VOA's IRB's do not have a four-year degree and would therefore fail to qualify for the H visa. Moreover, spouses and dependents of H visa holders are barred from working, which causes serious financial problems and prevents VOA from attracting and retaining non-U.S. citizens as IRB's.

The proposed conditional special immigrant visa would meet the unique needs of VOA, as it would allow the IRB's to travel freely outside the U.S., they would not be legally bound to return to their home country for two years before adjusting to permanent resident status in the U.S., their spouses and dependents could work, and their dependents could remain in the U.S. beyond the age of 21. Under the proposed legislation, employees needed for long-term employment at VOA, after remaining in conditional status for three years, could quickly and easily be converted to permanent resident alien status.

U.S. INFORMATION AGENCY,
Washington, DC, May 21, 1993.

Hon. AL GORE,
President of the Senate.

DEAR MR. PRESIDENT: Pursuant to the United States Information and Educational Exchange Act of 1948, as amended, the Mutual Educational and Cultural Exchange Act of 1961, as amended, Reorganization Plan No. 2 of 1977, the Radio Broadcasting to Cuba Act, as amended, the Television Broadcasting to Cuba Act, the Inspector General Act of 1978, as amended, the Center for Cultural and Technical Interchange Between East and West Act of 1960, the National Endowment for Democracy Act, as amended, I am submitting the enclosed proposed legislation to authorize appropriations for the United States Information Agency for Fiscal Years 1994 and 1995 to enable the Agency to carry out international information and educational and cultural exchange programs. A section-by-section analysis further explaining the proposed legislation is also enclosed.

The Office of Management and Budget advises that there is no objection to the submission of this proposed legislation to Congress and that its enactment would be in accord with the program of the President.

Sincerely,

JOHN CONDAYAN,
Acting Director.

By Mr. WARNER (for himself, Mr. ROBB, and Mr. JEFFORDS):

S. 1033. A bill to establish the Shenandoah Valley National Battlefield and Commission in the Commonwealth of Virginia, and for other purposes; to the Committee on Energy and Natural Resources.

THE SHENANDOAH VALLEY NATIONAL BATTLEFIELDS PARTNERSHIP ACT OF 1993

Mr. WARNER. Mr. President, I am pleased to introduce today, along with Senator ROBB and Senator JEFFORDS, legislation establishing a new national park in the Shenandoah Valley of Virginia.

This new park will preserve and commemorate the strategic significance of the Civil War battles in the valley which occurred from 1862 to 1864.

The Shenandoah Valley National Battlefields Partnerships Act is the product of an in-depth study by the National Park Service which was authorized by the Congress in 1990.

In the draft report issued in 1991, the Park Service conducted field surveys of 15 battlefields in the valley and concluded in their analysis that because of their size and unprotected status, the battlefields of the Shenandoah Valley were its most important, most neglected, and most threatened resource.

Mr. President, throughout my service in this body, I have been actively involved in the preservation of several Civil War battlefields in Virginia. One of my first legislative initiatives was to sponsor legislation in 1980 to expand the boundaries of the Manassas National Battlefield Park by 1,522 acres. While some battlefield preservation efforts in Virginia have been accomplished by a consensus of support from local governments, the preservation community and the Federal Government, other battlefield issues have involved a great deal of acrimony.

I am pleased today that I bring to the Senate legislation which represents a significant investment of time, understanding, and accommodation by preservation groups and local governments which has resulted in legislation to protect and preserve these treasures of our American heritage.

Each party interested in fostering the protection of the Shenandoah Valley battlefields has worked for the past year to craft a consensus proposal that recognizes the limits on the Federal Government's resources to acquire substantial acreage in the valley and balances the needs of property owners and local governments to provide for their economic future.

The Shenandoah Valley National Battlefields Partnership Act can be, I believe, a responsible method of preserving unprotected, yet significant Civil War sites.

While authorizing limited Federal acquisition of eight battlefields in the valley, the core of this legislation is to foster and encourage an atmosphere of cooperation between the Federal Government, State and local governments, property owners, and preservation groups who currently own some of this historic property.

Local governments will benefit from and have endorsed the creation of a new national park within their jurisdictions because they recognize that the Park Service can provide technical assistance about the location of Civil War engagements. This assistance will allow local governments to plan appropriately for new growth and development within their borders.

Mr. President, specifically, my legislation establishes the Shenandoah Valley National Battlefields consisting of the boundaries of 1,140 acres at eight battlefields throughout the valley.

They include Stonewall Jackson's valley campaign of 1862 of the battles of McDowell, Cross Keys, and Port Republic; the Gettysburg campaign in 1863 marked by the Second Battle of Winchester; the Lynchburg campaign of 1864 at the Battle of New Market; and Union General Sheridan's valley campaign of 1864 of the Battles of Fishers Hill, Toms Brook, and Cedar Creek.

As the Park Service's draft report identifies more than 33,000 acres as core battlefield engagement areas, I propose the creation of the Shenandoah Valley National Battlefields Commission to make recommendations on which of these core areas should be added to the battlefields.

These recommendations will be developed as the Commission discharges its duties of preparing a heritage plan with the assistance of the Park Service and active public involvement. The heritage plan must be approved by the Secretary of Interior and transmitted to the Congress for approval. The heritage plan will identify the final boundaries of the battlefields and identify which areas are part of the core engagement areas and which areas contributed in a significant way to the historical events that occurred in the valley from 1862 to 1864.

Mr. President, there is no question about the value of these properties. They are essentially undisturbed and continue to tell an important story of the military strategy employed during the battles of Thomas J. "Stonewall" Jackson's valley campaign of 1862 and the battles associated with Union Gen. Philip Sheridan's burning of the Shenandoah Valley in 1864.

Approximately one-third of the recorded events of the Civil War occurred in Virginia. Dyers "Compendium of the War of the Rebellion" records 297 incidents of armed conflict in the Shenandoah Valley during the Civil War: 6 battles, 18 engagements, 21 actions, and 252 skirmishes. The Shenandoah Valley—referred to as the granary of Virginia—was the richest agricultural region in Virginia, providing provisions to the Confederate forces. In addition, the Confederates used the valley as a natural corridor for invading or threatening invasion of the North, while the Union forces realized the importance of denying the valley's use to the Confederacy.

One of the most brilliant and most studied military campaigns in history was Stonewall Jackson's valley campaign of 1862. During his campaign, Jackson's army of 17,000 men defeated three northern armies with a combined strength of 33,000 in a single month, winning five battles: McDowell, Front Royal, Winchester, Cross Keys, and Port Republic. Most importantly, Jackson's valley campaign created a strategic division to draw strength from the Federals' advance on Richmond. It was Robert E. Lee who unleashed Jackson in the valley. Lee realized the importance of creating a diversion in the valley to keep Union troops from moving toward Richmond.

Jackson's performance during the 1862 valley campaign had transformed this southern, VMI professor into a military legend. As James McPherson recounts in "Battle Cry of Freedom":

> Jackson's victories in the valley created an aura of invincibility around him and his foot cavalry. They furthered the southern tradition of victory in the Virginia theater that had begun at Manassas * * * Stonewall became larger than life in the eyes of many northerners; he had gotten the drop on them psychologically, and kept it until his death a year later.

Confederate advances preceding August 1864—including Jubal Early's victories at the Battle of Cool Springs and the Second Battle of Kernstown—led Lt. Gen. Ulysses S. Grant to instruct Gen. Philip H. Sheridan to put an end to the Confederate threat to the lower Shenandoah Valley. In October 1864, Sheridan introduced the concept of total warfare to the Shenandoah Valley—later to be referred to as "the Burning" or "Red October."

In Sheridan's own words he described his actions in the fall of 1864 in this way:

> I have destroyed over 2,000 barns, filled with wheat, hay, and farming implements; over 70 mills, filled with flour and wheat.* * * When this is completed, the Valley from Winchester up to Staunton, ninety-two miles, will have but little in it for man or beast.

Even with the incredible devastation wrought by Sheridan during the Battle of the Opequon, the Battle of Fishers Hill, and the battle of Toms Brook, the Confederates refused to surrender the valley, even successfully pulling off a surprise attack on Union forces at Cedar Creek.

However, Sheridan counterattacked, and as James McPherson states in "Battle Cry":

> Within a few hours Sheridan had converted the battle of Cedar Creek from a humiliating defeat into one of the more decisive Union victories of the war.

With the Confederate threat in the valley eliminated, Sheridan moved on to Petersburg to participate in the final campaign of the Civil War in Virginia.

The events which occurred in the Shenandoah Valley during the Civil War deserve a permanent place in history, just as Manassas, Gettysburg, and Antietam. As stated in the National Park Service's 1991 draft of the Civil War sites in the valley:

> Few regions in the United States have experienced the horrors of systematic destruction, and the memories are still close to the surface for many long-time Valley residents. Family histories are filled with stories that relate to the hardships of that time. It took a generation to repair the savages of "The Burning" and another generation before life in the Valley returned to its pre-war condition. There can be found there today a fierce pride in ancestors who survived the war and who struggled to rebuild all that was lost.
>
> The history of the Civil War in the Shenandoah Valley bears witness to the devastation and waste of warfare, but more importantly, it underscores the irrepressible human will to survive, to rebuild, to carry on. The historic events and the human players of the Valley—heroic and the tragic alike—have contributed significantly to the texture of our American cultural heritage.

Mr. President, I am confident that these battlefields will make a very positive contribution to the Park Service's preservation of this tragic chapter in our American history. These lands are important to our understanding of the events that occurred from 1862 to 1864 when the momentum and tide of the Confederacy's struggle turned and the Union forces began to take hold.

Mr. President, I request that the following letters from the National Trust for Historic Preservation, the National Parks and Conservation Association and the Association for the Preservation of Civil War Sites—all endorsing this bill—be printed in the RECORD.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1033

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Shenandoah Valley National Battlefields Partnership Act of 1993".

SEC. 2. FINDINGS.

Congress finds that—

(1) there are situated in the Shenandoah Valley in the Commonwealth of Virginia the sites of Civil War battles;

(2) certain sites, battlefields, structures, and districts in the Shenandoah Valley are collectively of national significance in the history of the American Civil War;

(3) the National Park Service has assessed the suitability and feasibility of recognizing Shenandoah Valley battlefield sites and affiliating these sites with the National Park System, and has found that these sites possess national significance and a high degree of historical integrity;

(4) the preservation and interpretation of these sites, battlefields, structures, and districts can make a vital contribution to the understanding of the heritage of the United States;

(5) the goal of preserving Civil War sites within a regional framework is to promote cooperation among local property owners and Federal, State, and local government entities that seek to promote the preservation of sites and places significant to the history of the Nation; and

(6) partnerships between Federal, State, and local governments and their regional entities, and the private sector—

(A) offer the most effective opportunities for the enhancement and management of the Civil War battlefields and related sites in the Shenandoah Valley; and

(B) are best fostered through establishment of a regionwide Commission.

SEC. 3. PURPOSES.

The purposes of this Act are to—

(1) preserve, conserve, and interpret the legacy of the Civil War in the Shenandoah Valley of Virginia;

(2) recognize and interpret important events and geographic locations in the conduct of the Civil War in the Shenandoah Valley of Virginia, including those battlefields associated with the Thomas J. (Stonewall) Jackson Campaign of 1862 and the decisive campaigns of 1864;

(3) recognize and interpret the effect of war on the civilian population of the Valley during the war and the postwar reconstruction period;

(4) create partnerships among Federal, State, and local governments and their regional entities, and the private sector to preserve, conserve, enhance, and interpret the nationally significant battlefields and related sites associated with the Civil War in the Shenandoah Valley; and

(5) establish and maintain a geographic database and information system that can be used to locate, track, and cross reference significant historical and cultural properties, structures, and markers.

SEC. 4. DEFINITIONS.

For the purposes of this Act:

(1) BATTLEFIELDS.—The term "Battlefields" means the Shenandoah Valley National Battlefields established under section 101.

(2) COMMISSION.—The term "Commission" means the Shenandoah Valley National Battlefields Commission established under title II.

(3) CONTRIBUTING AREAS.—The term "contributing areas" means those areas identified in the National Park Service study, "Civil War Sites in the Shenandoah Valley of Virginia", that encompass all important components of a conflict that provide a strategic context and geographic setting for understanding the conflict.

(4) HERITAGE PLAN.—The term "Heritage Plan" means the Shenandoah Valley National Heritage Plan approved pursuant to section 102.

(5) HISTORIC CORE.—The term "historic core" means areas identified in the National Park Service study, "Civil War Sites in the Shenandoah Valley of Virginia", containing sites of confrontation deployment, heaviest fighting, and most severe casualties.

(6) MAJOR INTERPRETATIVE FACILITY.—The term "major interpretative facility" means a year-round staffed facility that may serve as the headquarters for the Commission, provides an orientation to the Battlefields, and, through interpretive exhibits and media, communicates to the public the story of the Civil War in the Shenandoah Valley of Virginia.

(7) SECRETARY.—The term "Secretary" means the Secretary of the Interior.

TITLE I—SHENANDOAH VALLEY NATIONAL BATTLEFIELDS

SEC. 101. ESTABLISHMENT OF THE SHENANDOAH VALLEY NATIONAL BATTLEFIELDS.

(a) ESTABLISHMENT.—To carry out the purpose of this Act, there is established the Shenandoah Valley National Battlefields.

(b) BOUNDARIES.—

(1) IN GENERAL.—The Battlefields shall consist of approximately 1,140 acres as generally depicted on the map entitled "Shenandoah Valley National Battlefields", numbered ________ and dated ________, located in the counties of Frederick, Highland, Rockingham, Shenandoah, and in the city of Winchester, Virginia.

(2) AVAILABILITY OF MAP.—The map shall be on file and available for public inspection in the offices of the Commission and in the offices of the National Park Service.

(3) REVISIONS.—The Secretary may, with the advice of the Commission and following an opportunity for public comment and timely notice to the Committee on Energy and Natural Resources of the Senate and to the Committee on Natural Resources of the House of Representatives, make minor revisions to the boundaries of the Battlefields. Any revision shall take effect upon publication by the Secretary in the Federal Register of a revised boundary map or other description.

(c) ADMINISTRATION.—The Secretary, acting through the Director of the National Park Service, shall manage the Battlefields in accordance with this Act and the provisions of law generally applicable to the National Park System, including the Act of August 25, 1916 (39 Stat. 535; 16 U.S.C. 1 et seq.) and the Act of August 21, 1935 (49 Stat. 666). The Secretary shall protect, manage, and administer the Battlefields for the purposes of preserving and interpreting the cultural and natural resources of the historic site and providing for the public understanding and appreciation of the Battlefields in such a manner as to perpetuate these qualities and values for future generations.

(d) ACQUISITION.—

(1) IN GENERAL.—Subject to paragraph (2), the Secretary is authorized to acquire lands and interests in lands with the consent of the landowner—

(A) within the Battlefields, by donation, purchase with donated or appropriated funds, or exchange, only with the consent of the landowners; and

(B) within the boundaries of the contributing areas, by donation or exchange pursuant to the Heritage Plan.

(2) LIMITATIONS ON AUTHORITY.—

(A) STATE OR LOCAL LAND.—Lands, and interests in lands, within the Battlefields or contributing areas, that are owned by a State, county, or municipal entity, or any political subdivision of the entity, may be acquired only by donation or exchange.

(B) CONDEMNED LAND.—The Secretary may not accept lands acquired by the State through condemnation.

SEC. 102. ESTABLISHMENT OF THE SHENANDOAH VALLEY NATIONAL BATTLEFIELDS HERITAGE PLAN.

(a) IN GENERAL.—Not later than 3 years after the date of enactment of this Act, the Secretary, with the advice of the Commission, shall transmit to Congress for approval a Shenandoah Valley National Battlefields Heritage Plan that meets the requirements of subsection (c).

(b) PREPARATION AND APPROVAL OF THE HERITAGE PLAN.—

(1) SUBMISSION OF DRAFT HERITAGE PLAN TO THE SECRETARY.—Not later than 2 years after the date on which the Commission conducts the first meeting of the Commission, the Commission shall submit to the Secretary a draft Shenandoah Valley National Battlefields Heritage Plan that meets the requirements of subsection (c).

(2) PUBLIC REVIEW OF DRAFT HERITAGE PLAN.—Prior to submitting the draft Heritage Plan to the Secretary, the Commission shall ensure that—

(A) the State and any political subdivision of the State that would be affected by the Heritage Plan receives notice of the draft Heritage Plan;

(B) adequate notice of the draft Heritage Plan is given by publication in the area of the Battlefields; and

(C) a public hearing is conducted by the Commission with respect to the draft Heritage Plan.

(3) REVIEW OF DRAFT HERITAGE PLAN BY THE SECRETARY.—The Secretary shall review the draft Heritage Plan, and, not later than 90 days after the date on which the draft Heritage Plan is submitted to the Secretary, shall—

(A) approve the plan and submit the Plan to Congress for approval; or

(B) reject the plan and submit suggestions for modifications to the Commission.

(c) SPECIFIC PROVISIONS.—The Heritage Plan shall include—

(1) a description of the final boundaries of the Battlefields, including the areas identified as contributing areas and historic core areas, giving special consideration to lands containing the locations of the battles of Cool Spring, First and Second Kernstown, and Opequon (Third Winchester);

(2) a description of appropriate protection, management, uses, and development of the Battlefields consistent with the purposes of this Act;

(3) the information described in section 12(b) of Public Law 91-383 (16 U.S.C. 1a-7(b));

(4) identification of partnerships between the Secretary and other Federal, State, and local governments and regional entities, and the private sector, for the management of the Battlefields and contributing areas;

(5) proposed locations for visitor contact and major interpretive facilities, including one interpretive facility in the upper valley and the lower valley vicinities;

(6) plans for implementing a continuing program of interpretation and visitor education concerning the resources and values of the Battlefields and contributing areas;

(7) plans for a uniform valley-wide historical marker and wayside exhibit program, including a provision for marking, with the consent of the owner, historic structures and properties contained in the areas identified in section 101(b) that contribute to the understanding of the Civil War of the Shenandoah Valley;

(8) plans for the management of natural and cultural resources of the Battlefields and contributing areas, with particular emphasis on the preservation of historic landscapes and scenes, including a reassessment of the historic integrity of lands within Battlefields every 5 years, or otherwise, as considered necessary by the Commission; and

(9) proposals for future operation of concessions for the Battlefields by locally owned businesses, certification of Battlefields guides, and a Battlefields-wide interpretive training program.

SEC. 103. PARTNERSHIPS AND COOPERATIVE AGREEMENTS.

(a) IN GENERAL.—

(1) AGREEMENTS.—The Secretary may establish partnerships and enter into cooperative agreements relating to planning, development, use, management, and interpretation of properties within the Battlefields and contributing areas with other Federal agencies, State and local subdivisions, and private persons to advance the purposes of this Act.

(2) HISTORIC MONUMENTS.—Secretary may enter into agreements with the owners of property in the Battlefields and contributing areas on which historic monuments and tablets commemorating the battles have been erected.

(b) MAINTENANCE.—The Secretary may make funds available for the maintenance, protection, and interpretation of the monuments and tablets pursuant to the agreements.

(c) RESTORATION OF PROPERTIES.—Notwithstanding any other provision of law, the Secretary may restore and rehabilitate property within the Battlefields and contributing areas pursuant to partnerships and cooperative agreements without regard to whether title to the property vests with the United States.

(d) INTERIM AUTHORITY.—During the period the Heritage Plan is being prepared, the Secretary may enter into agreements described in subsection (a) to advance the purposes of this Act.

SEC. 104. GRANT PROGRAM.

(a) IN GENERAL.—Within the Battlefields and contributing areas, the Secretary may award grants to property owners and governmental entities and provide technical assistance, information, and advice to promote the use of natural and cultural resources to conserve and maintain the historic character of the area.

(b) PLANNING COSTS.—

(1) IN GENERAL.—Subject to paragraph (2) and subsection (d), the Secretary, with the advice of the Commission, may award a grant to a State or local government, or regional planning entity that has jurisdiction over the Battlefields or contributing areas, for the development of comprehensive plans and land use guidelines, regulations, and ordinances that are consistent with conserving the historic character of the area.

(2) GRANT CONDITIONS.—The Secretary may award a grant under this subsection only upon—

(A) submission by the local government or regional planning entity of a comprehensive plan, prepared in consultation with the Commission, for the implementation of a strategy designed to protect the historic character of the area; and

(B) approval of the strategy by the Secretary.

(3) AWARD.—An award under this subsection shall be in an amount not to exceed 90 percent of the planning cost incurred by the entity.

(c) IMPLEMENTATION GRANTS.—

(1) IN GENERAL.—Subject to subsection (d), the Secretary may award a grant to a State or local government, or regional entity to implement a protection plan or strategy approved by the Secretary under subsection (b)(2).

(2) SUSPENSION OF GRANTS.—The Secretary, after consulting with the Commission, may suspend the provision of grants under this subsection if the Secretary has withdrawn approval of the protection plan or strategy.

(3) REVIEW.—

(A) IN GENERAL.—The Commission shall conduct a regular review of approved protection plans and strategies for the purpose of ensuring that the protection plans and strategies continue to meet the requirements of subsection (a).

(B) RECOMMENDATION.—If the Commission finds that a protection plan or strategy or the implementation of a protection plan or strategy is no longer in accordance with the purposes of this Act, after consultation with the affected governmental entity, the Commission may recommend that the Secretary withdraw approval of the protection plan or strategy.

(d) ADDITIONAL CONDITIONS.—The Secretary may require such terms and conditions as the Secretary determines are necessary to carry out this Act.

TITLE II—SHENANDOAH VALLEY NATIONAL BATTLEFIELDS COMMISSION

SEC. 201. ESTABLISHMENT; ADMINISTRATION OF THE COMMISSION.

(a) ESTABLISHMENT.—There is established the Shenandoah Valley National Battlefields Commission.

(b) MEMBERSHIP.—The Commission shall be composed of the following members:

(1) 12 members appointed by the Secretary from recommendations made by appropriate local governing bodies, of whom—

(A) 2 members shall represent each of the areas in the historic core, including 1 member who is a property owner in the historic core;

(B) 1 member shall be a member of a chamber of commerce from a county in which part of the historic core is located; and

(C) 1 member shall be a business leader from a county in which part of the historic core is located.

(2) The executive director of the Lord Fairfax Planning District Commission.

(3) The executive director of the Central Shenandoah Planning District Commission.

(4) 2 members who have demonstrated expertise in historic preservation, appointed by the Secretary.

(5) 2 members who are recognized historians with expertise in Civil War history, appointed by the Secretary.

(6) The executive director or designee from each of the following nonprofit entities that own property within the Battlefields:

(A) The National Trust for Historic Preservation/Belle Grove Incorporated.

(B) The Cedar Creek Battlefield Foundation.

(C) The New Market Battlefield Park.

(D) The Association for the Preservation of Civil War Sites.

(E) The Lee Jackson Foundation.

(F) The Stonewall Brigade Foundation.

(G) The Society of Port Republic Preservationists.

(H) Preservation of Historic Winchester.

(7) The Governor of Virginia, or a designee of the Governor, to serve as an ex officio member of the Commission.

(8) The Director of the National Park Service, or a designee of the Director, to serve as an ex officio member of the Commission.

(c) OPERATIONS.—

(1) APPOINTMENTS.—Members of the Commission shall be appointed for staggered terms of 3 years, as designated by the Secretary at the time of the initial appointment. Any member of the Commission appointed for a definite term may serve after the expiration of the term until the successor of the member is appointed.

(2) ELECTION OF OFFICERS.—The Commission shall elect one of the members of the Commission as Chairperson and one as Vice Chairperson. Terms of the Chairperson and Vice Chairperson shall be 2 years. The Vice Chairperson shall serve as Chairperson in the absence of the Chairperson.

(3) VACANCY.—Any vacancy on the Commission shall be filled in the same manner in which the original appointment was made, except that the Secretary, if responsible for the appointment, shall fill any vacancy within 30 days after the vacancy occurs.

(4) QUORUM.—Eleven members of the Commission shall constitute a quorum.

(5) MEETINGS.—

(A) IN GENERAL.—The Commission shall meet not less than quarterly, or at the call of the Chairperson or a majority of the members of the Commission. Notice of meetings and agendas shall be published in local newspapers that have a distribution throughout the Shenandoah Valley. Commission meetings shall be held at various locations throughout the Valley and in a manner that ensures adequate public participation.

(B) SUBPOENAS.—The Commission may not issue subpoenas or exercise any subpoena authority.

(6) EXPENSES.—Members of the Commission shall serve without compensation, but the Secretary may reimburse members for expenses reasonably incurred in carrying out the responsibilities of the members under this Act.

(7) ADMINISTRATIVE SUPPORT SERVICES.—The Administrator of General Services shall provide to the Commission, on a reimbursable basis, such administrative support services as the Commission may request.

(8) MAILS.—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(9) GIFTS.—

(A) IN GENERAL.—The Commission may, for purposes of carrying out the duties of the Commission, seek, accept, and dispose of gifts, bequests, or donations of money, personal property, or services, received from any source.

(B) GIFTS.—For the purposes of section 170(c) of the Internal Revenue Code of 1954, any gift to the Commission shall be deemed to be a gift to the United States.

(d) STAFF.—

(1) DIRECTOR.—The Commission shall have a Director who shall be appointed by the Commission and who shall be paid at a rate not to exceed the maximum rate of basic pay for level GS-14 of the General Schedule.

(2) STAFF.—The Commission may appoint such additional staff as the Commission considers appropriate and may pay the staff at rates not to exceed the minimum rate of basic pay for level GS-14 of the General Schedule. The staff may include specialists in areas such as interpretation, historic preservation, recreation, conservation, financing, and fundraising.

(3) APPOINTMENTS; COMPENSATION.—Except as otherwise provided in this subsection, the Director and staff—

(A) shall be appointed by the Secretary; and

(B) shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(4) OTHER AGENCIES.—Upon request of the Commission, the head of any Federal agency may detail to the Commission on a reimbursable basis, personnel of the agency to assist the Commission in carrying out the duties of the Commission under section 202.

SEC. 202. DUTIES OF THE COMMISSION.

(a) DUTIES.—The Commission shall—

(1) develop the Heritage Plan in consultation with the National Park Service;

(2) assist the State, any political subdivision of the State, or any nonprofit organization in the implementation, coordination, protection, promotion, and management of the Battlefields resources in the Shenandoah Valley of Virginia;

(3) in providing assistance, in no way infringe upon the authorities and policies of the State or any political subdivision of the State concerning the management of the Battlefields and contributing areas property;

(4) take appropriate action to encourage heritage preservation within the Battlefields and contributing areas by landowners, local governments, organizations, and businesses; and

(5) cooperate to promote appropriate levels of heritage tourism in the Shenandoah Val-

ley of Virginia that are compatible with resource protection.

(b) MAJOR INTERPRETATIVE FACILITY.—

(1) PURCHASE OR LEASE.—The Commission is authorized with the assistance of the General Services Administration to purchase or lease a facility within the Battlefields to serve as a headquarters and interpretative facility.

(2) FUNDING.—Any funds made available for the lease or purchase of an interpretative facility may be authorized from the Federal Building Fund.

TITLE III—AUTHORIZATION OF APPROPRIATIONS

SEC. 301. AUTHORIZATION OF APPROPRIATIONS.

(a) AUTHORIZATION.—There are authorized to be appropriated—

(1) such sums as are necessary to carry out title I; and

(2) $250,000 to carry out title II.

(b) AVAILABILITY OF FUNDS.—Sums made available under subsection (a) shall remain available until expended.

NATIONAL TRUST FOR
HISTORIC PRESERVATION,
Washington, DC, May 26, 1993.

Hon. JOHN WARNER,
U.S. Senate, Russell Senate Office Building, Washington, DC.

DEAR SENATOR WARNER: On behalf of the trustees and nearly quarter of a million members of the National Trust, I am writing to endorse your new legislation, the Shenandoah Valley National Battlefields Partnership Act of 1993. We are grateful for your ongoing efforts to protect the many historic Civil War sites in Virginia, whether in the Shenandoah Valley or elsewhere in the Commonwealth.

The legislation addresses the interests of local citizens, preservation advocates and historians. The bill's collaborative approach will provide a model for other communities seeking to both care for historic sites as well as protect the interests of local land holders.

Thank you for your work to save the Civil War battlefields in the Shenandoah Valley.

Sincerely,

RICHARD MOE,
President.

THE ASSOCIATION FOR THE PRESERVATION OF CIVIL WAR SITES, INC.,
Fredericksburg, VA, May 25, 1993.

DEAR SENATOR WARNER: The Association for the Preservation of Civil War Sites is pleased to endorse the legislation you and Senator ROBB are introducing entitled A Bill to Establish the Shenandoah Valley National Battlefields and Commission . . . . The APCWS has been working with local citizens and governments as well as the national Civil War preservation community on this issue for more than two years. We believe that your legislation balances the need to protect and make accessible the Shenandoah Valley's rich Civil War heritage while safeguarding the rights of property owners and involving local citizens in the preservation process.

The Association for the Preservation of Civil War Sites stands ready to assist you with your legislation as it proceeds through the Senate in any way we can. As you know, the APCWS owns significant portions of the Valley's battlefields acquired through the work of private citizens using private resources. We look forward to continuing our contribution to Civil War history and preservation in the context of the Shenandoah Valley National Battlefields and representation on the Heritage Commission.

Sincerely,

A. WILSON GREENE,
Executive Director.

NATIONAL PARKS
AND CONSERVATION ASSOCIATION,
Washington, DC, May 25, 1993.

Hon. JOHN W. WARNER,
Russell Office Building,
Washington, DC.

DEAR SENATOR WARNER: On behalf of the 350,000 members of National Parks and Conservation Association (NPCA), I wish to take this opportunity to congratulate you for introducing legislation to establish the Shenandoah Valley National Battlefields and Commission in the Commonwealth of Virginia.

As you are aware, NPCA along with dozens of landowners, governmental officials, the Association for the Preservation of Civil War Sites (APCWS), and other preservation groups have been working for many months to create feasible framework for the long-term preservation of nationally significant resources associated with the Civil War in the Shenandoah Valley. That effort led H.R. 746, the Shenandoah Valley National Battlefields Partnership Act of 1993, introduced earlier this year by Representative Frank Wolf.

NPCA also supports your legislative proposal, as we believe it reflects the consensus reached by the working group. Although there are some differences in the two bills, the essence of the consensus proposal remains intact in your initiative. Your legislation protects individual property rights, provides preservation incentives for local governments and individuals, and encourages a balanced approach to heritage tourism. It also ensures the long-term preservation of the priceless Civil War heritage in the Shenandoah Valley in a manner that is fully consistent with the standards and management philosophy of the National Park System.

On behalf of our membership and Board of Trustees, National Parks and Conservation Association is pleased to support your bill as introduced. We appreciate your interest in making the battlefield park a reality.

Sincerely,

PAUL C. PRITCHARD,
President.

Mr. ROBB. Mr. President, I rise today as an original cosponsor and strong supporter of legislation offered by my senior colleague from Virginia, Senator WARNER, to help preserve for future generations the many significant Civil War battlefields in the Shenandoah Valley of Virginia. The bill would create a new national park in Virginia and establish a Commission, made up of local landowners and historians, to devise a plan for further preservation in the valley.

Mr. President, the Shenandoah Valley is particularly rich in Civil War history. The valley is the site of both General "Stonewall" Jackson's 1862 valley campaign, in which the South posted victories in five key battles, and General Sheridan's 1864 Union campaign.

Mr. President, in recent years, the Civil War battlefields at sites like Manassas and Brandy Station have been the subject of intense and heated public debate between preservationists on the one hand and private property owners on the other. It is my strong hope that the legislation we are introducing today will go a long way to ending this second Civil War in Virginia, at least in the Shenandoah Valley.

The bill Senator WARNER and I are introducing is the product of a grass root effort of preservationists, local governments, and local residents and property owners, who came together in a spirit of compromise to find a way to preserve our national heritage without unduly infringing on the rights of property owners. This legislation is very similar to a bill introduced in the House by Representative FRANK WOLF (H.R. 746), with some refinements to improve its changes of ultimate enactment into law.

The bill builds on legislation passed unanimously by this body in the 101st Congress, the Shenandoah Valley Civil War Sites Study Act of 1990. That legislation, offered by Senator JEFFORDS and cosponsored by Senators WARNER, LEAHY, and me, required the National Park Service to conduct a study of the significance of Civil War sites in the valley. A draft of the study, which was released in November 1991, confirmed that many of the sites in the Shenandoah Valley are both historically significant and largely retain their integrity.

The bill offered today would immediately establish boundaries for a small, 1,140-acre, Shenandoah Valley National Battlefields in Virginia, to be made up exclusively of land now owned by certain Civil War preservation and/or nonprofit groups. The park will allow visitors to better appreciate eight key battles: at McDowell, Cross Keys, and Port Republic; at the Second Battle of Winchester; and at the Battles of New Market, Fisher's Hill, Toms Brook, and Cedar Creek. Several preservation groups have indicated a willingness to donate land in this area. The battlefields will be administered and managed by the National Park Service.

In addition, the bill would establish a Commission, made up of local landowners, local officials, and Civil War historians and preservationists, to come up with a heritage plan to preserve other battlefield sites in the valley. The Commission, relying on the existing National Park Service study, would identify important core areas and less important contributing areas. After receiving public input, the Commission would advise the Secretary of the Interior as to what boundary expansions should be made within 2 years of the legislation's enactment. The Secretary would then submit the boundary expansions to Congress for its consideration.

If and when the Congress passes a second law authorizing boundary expansions, the Secretary of the Interior would be authorized to acquire lands in the core areas by purchase through Federal appropriation, by donation, or by exchange. Lands in less important contributing areas could be acquired only by donation or exchange.

A key provision of the bill provides that under no circumstances could the Secretary condemn lands from an unwilling seller or accept lands acquired by the State through condemnation.

The bill encourages cooperative agreements and partnerships between the Federal Government and private individuals. The bill also authorizes a planning grants program, which will encourage localities to be sensitive to history as they make local zoning decisions.

Mr. President, I am pleased to cosponsor this important legislation and I urge my colleagues to support the measure.

Mr. JEFFORDS. Mr. President, I stand before you today in full support of this bill which would establish the Shenandoah Valley National Battlefields and Commission in the Commonwealth of Virginia. I commend my distinguished colleagues from Virginia, Senator WARNER and Senator ROBB, for the leadership they have displayed in bringing this important piece of legislation before us today.

Bruce Catton, in "Stillness at Appomattox," wrote:

> There may be lovelier country somewhere—in the Island Vale of Avalon, at a gamble—but when the sunlight lies upon it and the wind puts white clouds racing their shadows, the Shenandoah Valley is as good as anything America can show.

Those words well describe my impressions when I first visited the Shenandoah Valley, one early autumn day in 1989. If there is a lovelier place in America, it is likely to be somewhere in my home State of Vermont. Indeed, Vermonters who served in the valley during the Civil War likened it to the countryside back home.

In 1989, the 125th anniversary of the Battle of Cedar Creek, the Vermont Legislature passed a resolution asking that the places where Vermonters fought be saved. Vermont soldiers nowhere served with more distinction than at Cedar Creek. One day when the clouds happened to be racing, I was taken to a ridgetop outside Middletown where the Vermont Brigade had made an heroic stand to bring the great Confederate surprise attack of October 19, 1864, to a halt. I quickly learned that, except for a parcel of land around Belle Grove Mansion, Cedar Creek was unprotected. Clearly, something had to be done.

Cedar Creek is a battlefield in which Americans, North and South, can take great pride. There, Jubal Early launched one of the great surprise attacks of the Civil War. Then, Philip Sheridan sent forward one of the great counterattacks of the war. Though it all ended in Union victory, both sides did themselves proud.

Indeed, the Shenandoah Valley was the setting for major triumphs for both Union and Confederate forces; most prominently Stonewall Jackson's Valley Campaign of 1862 and Sheridan's campaign of 1864. Many of the battlefields remain considerably unspoiled, like Cedar Creek, Port Republic, Cross Keys, Piedmont, and Kernstown. Others, such as First Winchester and Front Royal, have been lost to development. Yet even amid aggressive development, the core of the great Third Winchester field remains pristine.

In response to the Vermont initiative, I introduced legislation in the fall of 1989 that resulted, thanks in large part to the leadership and parallel interest of Senator BUMPERS, in the Park Service's Shenandoah Valley Civil War sites study.

Mr. President, the time has come for Congress to create a national battlefield park in the Shenandoah Valley. This park would, initially, consist of battlefield lands that have already been preserved. Because of the determined efforts of private preservation groups, such as the Association for the Preservation of Civil War Sites, the Friends of Cedar Creek, the Lee-Jackson Association, the National Trust; and through the work of Virginia Military Institute, some 1,000 acres of battlefield land is protected.

That land lies at New Market, Cedar Creek, McDowell, Fisher's Hill, Cross Keys, Toms Brook, and Port Republic.

It is important to note, that this bill authorizes no condemnation authority in the Shenandoah Valley. The park will be created and grow, only with the consent of willing sellers. The role of private battlefield preservation groups will become even more important. As I allude here to dollars and cents, I should note that a national battlefield park in the valley should be of considerable economic benefit to residents of the valley. I believe that a great number of Americans, like myself, will go to this lovely landscape to see for themselves the storied places where Jackson and Sheridan, Mosby and Jubal Early, and tens of thousands of Americans did battle a century-and-a-third ago.

Also within this legislation, a Commission would be created that would assist and cooperate in the development and promotion of the Shenandoah Valley National Battlefield Park.

At Winchester, for instance, where the great Battle of the Opequon took place in 1862, no land has been saved and much of the battlefield has been lost to housing development. We are past the eleventh hour at third Winchester. Battlefield land is being lost daily to development as pressures increase on the valley, as improved roads put it in commuting distance of the greater Washington area.

Americans' interest in the Civil War increases every day. At stake, in the Shenandoah Valley, is some of America's most precious historic landscape that should be available to future generations of Americans to walk, to ponder, and understand. The battlefield land of Cedar Creek and Winchester, Kernstown and Piedmond, New Market and Cross Keys constitute a national treasure. It is no less hallowed ground that the fields of Antietam, Manassas, and Gettysburg. This is the last chance for us to preserve that land's historical landscape. And while it is a part of the State of Virginia, we must remember that men from Vermont and New Hampshire, Michigan and Maryland, Alabama and Georgia, Texas and Mississippi, fought and died there. Let us act now to give the Nation, and the people of the valley, a Shenandoah Valley National Battlefield Park such as we have at Antietam, Manassas, Gettysburg, and other treasured places where our forefathers, North and South, did battle in the greatest of all American conflicts.

By Mr. RIEGLE:

S. 1034. A bill to provide that the President may not extend to the People's Republic of China renewal of nondiscriminatory (most-favored-nation) treatment beginning July 3, 1994, unless the President determines that the People's Republic of China is not manipulating its currency to prevent effective balance of payments adjustments or to gain an unfair competitive advantage in trade; to the Committee on Finance.

FAIR TRADE WITH CHINA ACT

• Mr. RIEGLE. Mr. President, I introduce S. 1034, the Fair Trade With China Act. This legislation provides that beginning July 3, 1994 the President may not renew the most-favored-nation [MFN] trade status the United States currently extends to the People's Republic of China without first determining that country is no longer manipulating its currency to gain unfair competitive advantages in trade with our country. The United States is presently running a trade deficit with China that is approaching $20 billion—our second largest bilateral trade deficit after Japan.

The Treasury Department, in reports to Congress on international economic and exchange rate policy required by section 3005 of the Omnibus Trade and Competitiveness Act of 1988, stated in both May and December of 1992 and again in May 1993 that China is manipulating its exchange rate to gain competitive advantages in trade with our country. This is trade cheating. We should not be extending MFN treatment to a country that engages in such a practice in order to run up massive trade surpluses with our country.

This bill is designed to get China to stop manipulating its exchange rate. If it does not, then it would no longer be eligible to receive most-favored-nation trade treatment. The United States cannot continue to sacrifice American jobs and our economic base for transitory political advantages that may accrue to us from giving China such favorable trade terms.

The Senate Banking Committee was concerned about the problem of exchange rate manipulation when it formulated its contributions to the Omnibus Trade and Competitiveness Act of 1988. To help stop the practice it developed section 3004 of that act. That provision requires the Secretary of the Treasury to assess semiannually:

> * * * whether countries manipulate the rate of exchange between their currency and the United States dollar for purposes of preventing effective balance of payments adjustments or gaining unfair competitive advantages in international trade.

The act also requires the Treasury Secretary to report to Congress the names of currency manipulating countries and to promptly initiate discussions with them to halt the unfair practice.

Pursuant to that law, the Treasury Secretary reported to Congress in May 1992 that:

> According to United States customs data, China's bilateral trade surplus with the United States grew in 1991. The surplus rose from $10.4 billion in 1990 to $12.7 billion last year, an increase of 22 percent. China thereby surpassed Taiwan as the United States' second largest bilateral deficit [after Japan].

It further stated that China's growing trade surplus with the United States was "a major concern" and was "destabilizing to the global economy." In that same report the Treasury indicated that at least part of our growing trade deficit with China could be traced to China's strict import controls and its active use of exchange rate management to obtain trade advantages. Referring to section 3004 of the Omnibus Trade and Competitiveness Act of 1988, Treasury stated:

> It is the present judgment of Treasury that China is manipulating its exchange rate within the meaning of that legislation.

The Treasury indicated that in the summer of 1991 it started negotiating with the Chinese to halt this unfair practice and would continue to press them on it.

On December 2, 1992, the committee received an updated Treasury Report on Exchange Rate Policy. This report indicated that Treasury had held two more negotiating sessions with Chinese officials regarding exchange rate manipulation. It also told the Congress that China's bilateral trade surplus with the United States was expected to reach $17 billion in 1992—up from $12.7 billion in 1991. This increase, the Treasury reported, came from a slowdown in United States exports to China and a rapid increase in United States imports from China. "Toys, sporting goods, clothing and footwear lead the rapid growth of United States imports from China," the Treasury stated. It also noted that the Chinese "employ exchange rate and foreign exchange policies to attain their balance of payment objectives," and then concluded:

> It is Treasury's judgment that China is manipulating its exchange rate within the meaning of Section 3004.

Yesterday, on May 25, the Treasury Department released its May 1993 report on international economic and exchange rate policy at a hearing before the Subcommittee on International Finance and Monetary Policy of the Senate Banking Committee. In this latest report the Treasury Department informed the committee that China's overall trade surplus with the United States is approaching $20 billion and that China is continuing to manipulate its currency in order to capture United States markets and restrict American imports into China. The latest Treasury report indicated that while in 1992 the United States received $25.7 billion of China's $85 billion of merchandise exports, almost one-third, China took only $7.5 billion of its total $80.6 billion of merchandise trade imports from the United States, less than 10 percent. The Treasury reported that China manipulates its foreign exchange system by restricting imports from the United States and this impedes effective balance of payments adjustments between our two countries. In other words, China is engaging in trade cheating to run up huge surpluses in its trade with the United States.

The latest Treasury report confirms again that the United States continues to give most-favored-nation trade treatment to a country which is actively manipulating its currency in order to capture U.S. markets and take jobs from American workers. Our workers who make toys, sporting goods, footwear, and clothing are losing their livelihood, in part, because our Goverment continues to let China get away with this unfair practice. Because of this practice we are also losing opportunities to expand American exports to China, and are in effect losing jobs that would be associated with such expanded exports. This should not continue.

The time has come to deny any further extensions of MFN status to China unless it stops manipulating its currency to gain unfair trade advantages with the United States. We can no longer sacrifice jobs and our economic strength for short term, political advantages. Under S. 1034, any extensions of MFN status to China after July 3, 1994, would be made dependent on China halting this unfair trade practice.

In my view the United States should not renew China's MFN status this year without getting a commitment from its officials that it would stop this unfair trade practice immediately. I understand, however, that the new administration will ask for an unconditional extension of MFN this year, so it can negotiate with the Chinese about issues such as human rights, weapons proliferation, and unfair trade practices. If the President commits that he will vigorously address these matters this year, and will not seek a renewal of MFN for China in 1994 unless results are achieved, I expect Congress will go along. I will state, however, that I will press for passage of this bill in 1994 if China continues to engage in exchange rate manipulation to achieve unfair advantages in trade with our country to the detriment of American workers.•

By Mr. MITCHELL (for himself, Mr. AKAKA, Mr. BREAUX, Mr. CHAFEE, Mr. COCHRAN, Mr. COHEN, Mr. CONRAD, Mr. DECONCINI, Mr. DOLE, Mr. DORGAN, Mr. GORTON, Mr. GRAMM, Mr. HATCH, Mr. HOLLINGS, Mr. INOUYE, Mr. LAUTENBERG, Mr. LEVIN, Ms. MIKULSKI, Mr. MOYNIHAN, Mrs. MURRAY, Mr. PELL, Mr. REID, Mr. RIEGLE, Mr. STEVENS, Mr. THURMOND, and Mr. WELLSTONE):

S.J. Res. 98. A joint resolution to designate the week beginning October 25, 1993, as "National Child Safety Awareness Week"; to the Committee on the Judiciary.

NATIONAL CHILD SAFETY AWARENESS WEEK JOINT RESOLUTION

Mr. MITCHELL. Mr. President, I am pleased to introduce legislation in the Senate today to designate the week of October 25 through 31 of this year as "National Child Safety Awareness Week." This resolution seeks a national effort to recognize the many dangers that our children encounter in everyday life.

Every year, our children are the victims of abuse, abduction, and accidents. They are injured by faulty toys. They are burned by fires in their homes. They are kidnaped by strangers. They are abducted by people they know. They are abused. And they are the victims of gang violence.

According to a report by the National Safety Council, accidents are the leading cause of death among children under the age of 15. Each year, well over 7,000 children under the age of 14 die in accidents. Nearly half of these young lives are taken in automobile accidents alone, and more than 2,000 perish in fires or drown. In 1988, fire claimed the lives of more 3-year-olds than any other age. In 1989, nearly 150,000 people, mostly children, were admitted into emergency rooms for injuries from toys.

In 1988, there were 114,000 reported attempted abductions of children, and nearly 4,600 children were kidnaped by nonfamily members. Two-thirds were sexually assaulted.

All these threats know no boundary. The dangers are just as real to the children of Kansas, New York, and urban

California as they are to the children of rural Maine. They are as real for the children of America as for their brothers and sisters in other lands such as Somalia and Bosnia. While America's youth have not witnessed firsthand the ravages of war, children across the sea have not been as fortunate.

Nothing can entirely eliminate the dangers children face, but we do have a duty to try and diminish these threats. To make our streets and homes safer. To protect our children. To prevent needless injury and death. To give them unimpeded opportunities to live, grow old, and raise their own children in turn.

That is what this resolution hopes to accomplish—to raise the awareness of the dangers our children face, work toward preventing such occurrences, and protect our society's most indispensable asset and our brightest hope for the future.

I thank my colleagues who have already joined me in introducing this resolution and I welcome any other Senators who wish to become additional cosponsors.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 98

Whereas there is a need to promote awareness of all aspects of child safety in government, education, business, law enforcement, and private sectors within each community of the United States;

Whereas a combined effort and national awareness will help to eliminate or discourage possibly harmful or criminal actions against children;

Whereas statistics suggest an increase in incidents involving missing and exploited children during the week preceding a holiday season; and

Whereas the children of the United States are our greatest resource and warrant the protection necessary to ensure their healthy and happy lives: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of October 25, 1993, through October 31, 1993, is designated as "National Child Safety Awareness Week". The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe the week with appropriate programs, ceremonies, and activities.

ADDITIONAL COSPONSORS

S. 67

At the request of Mrs. KASSEBAUM, the name of the Senator from North Carolina [Mr. HELMS] was added as a cosponsor of S. 67, a bill to regulate interstate commerce by providing for uniform standards of liability for harm arising out of general aviation accidents.

S. 266

At the request of Mr. SIMON, the name of the Senator from Montana [Mr. BAUCUS] was added as a cosponsor of S. 266, a bill to provide for elementary and secondary school library media resources, technology enhancement, training and improvement.

S. 297

At the request of Mr. STEVENS, the names of the Senator from South Dakota [Mr. PRESSLER] and the Senator from Vermont [Mr. JEFFORDS] were added as cosponsors of S. 297, a bill to authorize the Air Force Memorial Foundation to establish a memorial in the District of Columbia or its environs.

S. 412

At the request of Mr. EXON, the name of the Senator from New Hampshire [Mr. GREGG] was added as a cosponsor of S. 412, a bill to amend title 49, United States Code, regarding the collection of certain payments for shipments via motor common carriers of property and nonhousehold goods freight forwarders, and for other purposes.

S. 487

At the request of Mr. MITCHELL, the names of the Senator from Rhode Island [Mr. CHAFEE] and the Senator from Washington [Mrs. MURRAY] were added as cosponsors of S. 487, a bill to amend the Internal Revenue Code of 1986 to permanently extend and modify the low-income housing tax credit.

S. 573

At the request of Mr. BREAUX, the names of the Senator from Kansas [Mr. DOLE] and the Senator from Hawaii [Mr. AKAKA] were added as cosponsors of S. 573, a bill to amend the Internal Revenue Code of 1986 to provide for a credit for the portion of employer social security taxes paid with respect to employee cash tips.

S. 618

At the request of Mr. RIEGLE, the name of the Senator from Wyoming [Mr. WALLOP] was added as a cosponsor of S. 618, a bill to amend the Immigration and Nationality Act to permit the admission to the United States of nonimmigrant students and visitors who are the spouses and children of U.S. permanent resident aliens, and for other purposes.

S. 666

At the request of Mr. DANFORTH, the name of the Senator from Minnesota [Mr. DURENBERGER] was added as a cosponsor of S. 666, a bill to amend the Internal Revenue Code of 1986 to permanently extend and modify the credit for increasing research activities, and for other purposes.

S. 674

At the request of Mr. THURMOND, the names of the Senator from Utah [Mr. HATCH] and the Senator from New Mexico [Mr. BINGAMAN] were added as cosponsors of S. 674, a bill to require health warnings to be included in alcoholic beverage advertisements, and for other purposes.

S. 687

At the request of Mr. ROCKEFELLER, the name of the Senator from North Carolina [Mr. HELMS] was added as a cosponsor of S. 687, a bill to regulate interstate commerce by providing for a uniform product liability law, and for other purposes.

S. 716

At the request of Mr. BOND, the name of the Senator from Kansas [Mrs. KASSEBAUM] was added as a cosponsor of S. 716, a bill to require that all Federal lithographic printing be performed using ink made from vegetable oil, and for other purposes.

S. 732

At the request of Mr. KENNEDY, the names of the Senator from Vermont [Mr. JEFFORDS] and the Senator from Kansas [Mrs. KASSEBAUM] were added as cosponsors of S. 732, a bill to provide for the immunization of all children in the United States against vaccine-preventable diseases, and for other purposes.

S. 764

At the request of Mr. WOFFORD, the name of the Senator from Nevada [Mr. BRYAN] was added as a cosponsor of S. 764, a bill to exclude service of election officials and election workers from the Social Security payroll tax.

S. 784

At the request of Mr. HATCH, the name of the Senator from New Mexico [Mr. DOMENICI] was added as a cosponsor of S. 784, a bill to amend the Federal Food, Drug, and Cosmetic Act to establish standards with respect to dietary supplements, and for other purposes.

S. 874

At the request of Mr. PRESSLER, the names of the Senator from Colorado [Mr. BROWN], and the Senator from Idaho [Mr. CRAIG] were added as cosponsors of S. 874, a bill to reauthorize Public Law 81–874 (Impact Aid), and for other purposes.

S. 894

At the request of Mr. BAUCUS, the names of the Senator from Nevada [Mr. BRYAN], the Senator from Colorado [Mr. CAMPBELL], the Senator from South Dakota [Mr. DASCHLE], and the Senator from North Dakota [Mr. DORGAN] were added as cosponsors of S. 894, a bill to amend the Internal Revenue Code of 1986 to deny the benefits of certain export subsidies in the case of exports of certain unprocessed timber.

S. 915

At the request of Mr. BAUCUS, the names of the Senator from Minnesota [Mr. DURENBERGER], and the Senator from Michigan [Mr. RIEGLE] were added as cosponsors of S. 915, a bill to amend the Internal Revenue Code of 1986 to more accurately codify the depreciable life of semiconductor manufacturing equipment.

S. 923

At the request of Mr. DASCHLE, the name of the Senator from Pennsylvania [Mr. WOFFORD] was added as a cosponsor of S. 923, a bill to amend the Public Health Service Act to provide a comprehensive program for the prevention of Fetal Alcohol Syndrome, and for other purposes.

S. 967

At the request of Mr. SHELBY, the name of the Senator from Nevada [Mr. REID] was added as a cosponsor of S. 967, a bill to amend the Internal Revenue Code of 1986 and the Social Security Act to repeal provisions relating to the State enforcement of child support obligations, to require the Internal Revenue Service to collect child support through wage withholding, and for other purposes.

S. 978

At the request of Mr. BAUCUS, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of S. 978, a bill to establish programs to promote environmental technology, and for other purposes.

S. 991

At the request of Mr. JOHNSTON, the name of the Senator from Mississippi [Mr. LOTT] was added as a cosponsor of S. 991, a bill to direct the Secretary of the Interior and the Secretary of Energy to undertake initiatives to address certain needs in the Lower Mississippi Delta Region, and for other purposes.

S. 993

At the request of Mr. KEMPTHORNE, the names of the Senator from Montana [Mr. BURNS] and the Senator from South Dakota [Mr. PRESSLER] were added as cosponsors of S. 993, a bill to end the practice of imposing unfunded Federal mandates on States and local governments and to ensure that the Federal Government pays the costs incurred by those governments in complying with certain requirements under Federal statutes and regulations.

S. 1002

At the request of Mr. HATCH, the names of the Senator from Iowa [Mr. GRASSLEY] and the Senator from Minnesota [Mr. WELLSTONE] were added as cosponsors of S. 1002, a bill to require each recipient of a grant or contract under section 1001 of the Public Health Service Act to provide information concerning breast and cervical cancer.

S. 1004

At the request of Mr. BROWN, the names of the Senator from Montana [Mr. BURNS], and the Senator from Missouri [Mr. DANFORTH] were added as cosponsors of S. 1004, a bill to limit amounts expended by certain government entities for overhead expenses.

S. 1007

At the request of Mr. PRYOR, the name of the Senator from Louisiana [Mr. JOHNSTON] was added as a cosponsor of S. 1007, a bill to recreate the common good by supporting programs that enable adults to share their experience and skills with elementary and secondary school age children.

S. 1011

At the request of Mr. PRYOR, the names of the Senator from Ohio [Mr. GLENN], the Senator from Oregon [Mr. HATFIELD], and the Senator from Pennsylvania [Mr. WOFFORD] were added as cosponsors of S. 1011, a bill to amend title XI of the Social Security Act to improve and clarify provisions prohibiting misuse of symbols, emblems, or names in reference to social security programs and agencies.

SENATE JOINT RESOLUTION 52

At the request of Mr. PACKWOOD, the name of the Senator from South Dakota [Mr. DASCHLE] was added as a cosponsor of Senate Joint Resolution 52, a joint resolution to designate the month of November 1993 and 1994 as "National Hospice Month."

At the request of Mr. LEVIN, his name was added as a cosponsor of Senate Joint Resolution 52, supra.

SENATE CONCURRENT RESOLUTION 25

At the request of Mr. DORGAN, the name of the Senator from North Dakota [Mr. CONRAD] was added as a cosponsor of Senate Concurrent Resolution 25, a concurrent resolution expressing the sense of the Congress that China should purchase a majority of its imported wheat from the United States in order to reduce the trade imbalance between China and the United States.

SENATE RESOLUTION 92

At the request of Mr. ROBB, the name of the Senator from Indiana [Mr. LUGAR] was added as a cosponsor of Senate Resolution 92, a resolution condemning the proposed withdrawal of North Korea from the Treaty on the Non-Proliferation of Nuclear Weapons, and for other purposes.

SENATE RESOLUTION 112

At the request of Mr. MOYNIHAN, the name of the Senator from Oregon [Mr. HATFIELD] was added as a cosponsor of Senate Resolution 112, a resolution urging sanctions to be imposed against the Burmese government, and for other purposes.

AMENDMENT NO. 372

At the request of Mr. PRESSLER the names of the Senator from Maine [Mr. COHEN], the Senator from Kansas [Mr. DOLE], the Senator from Rhode Island [Mr. CHAFEE], and the Senator from Vermont [Mr. JEFFORDS] were added as cosponsors of amendment No. 372 proposed to S. 3, a bill entitled the "Congressional Spending Limit and Election Reform Act of 1993."

SENATE RESOLUTION 113—RELATING TO THE ACTIONS OF PRESIDENT SERRANO OF GUATEMALA

Mr. BINGAMAN (for himself, Mr. HARKIN, Mr. FORD, Mr. KENNEDY, and Mr. KERRY) submitted the following resolution which was referred to the Committee on Foreign Relations:

S. RES. 113

Whereas Guatemala has had a democratically elected government since 1985;

Whereas President Jorge Serrano and the members of the Guatemalan Congress were freely and fairly elected;

Whereas on May 25, 1993, President Serrano seized near dictatorial powers by spatially suspending Guatemala's Constitution, dissolving Congress and the Supreme Court, and ruling by decree;

Whereas these events are extraconstitutional and antidemocratic and require immediate international attention and action; and

Whereas the Organization of American States agreed in Santiago, Chile, in 1991 to convene an emergency meeting of the Hemisphere's foreign ministers in the event of a coup de'etat in a member country in order to consider joint actions to bring about a return to democracy in that country: Now, therefore, be it

Resolved, That the Senate—

(1) condemns the extraconstitutional and antidemocratic actions of President Serrano of Guatemala and considers those actions a serious blow to democracy in Guatemala and a serious threat to democracy in the Hemisphere;

(2) calls on President Serrano to restore immediately the democratically elected Congress and the judiciary and to ensure full respect for internationally recognized human rights;

(3) commends President Clinton for his rapid and decisive response to the situation in Guatemala, in particular his condemnation of President Serrano's actions and his suspension of disbursements of United States assistance;

(4) calls on the President to suspend the United States assistance program to Guatemala, and to seek to delay approval of any international loans for Guatemala, until constitutional government is restored to Guatemala; and

(5) commends the organization of American States (OAS) for its plan to send a fact-finding mission headed by the Secretary General to Guatemala and for calling a meeting of the foreign ministers of the OAS member countries, to be held within 10 days.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President of the United States.

Mr. BINGAMAN. Mr. President, I rise today to submit a resolution condemning the actions taken yesterday morning by President Jorge Serrano of Guatemala.

Yesterday, in a dawn radio and television broadcast, President Serrano announced that he was seizing near-dictatorial powers. The heads of Congress, members of the Supreme Court, and the Attorney General were all placed under house arrest. Serrano's actions are very similar to the actions taken by the President of Peru, Alberto Fujimori, a little over a year ago, when he dissolved the Peruvian Congress and declared martial law. This is a dangerous precedent for a region that has seen a growing number of democracies emerge in the last couple of years, and I believe that it is important that the Senate go on record in opposition to these actions.

I would like to commend the Clinton administration for its quick and decisive response to Serrano's actions. Assistant Secretary for Inter-American Affairs Bernard Aronson telephoned

President Serrano early yesterday morning to express strong U.S. opposition to this seizure of power and urge that Serrano reverse his decision. President Clinton stated that "this illegitimate course of action threatens to place Guatemala outside the democratic community of nations. We strongly condemn such efforts to resolve Guatemala's problems through non-democratic means."

I would also like to commend the Organization of American States [OAS] for immediately convening an emergency permanent council meeting to discuss the situation. In a bid to deter suspensions of democratic rule in the hemisphere, the OAS established a procedure in 1991 requiring such meetings when democratic rule in a member country is disrupted.

Mr. President, I and many of my colleagues have joined together to condemn human rights violations in Guatemala over the past several years. Most recently, together with several of my colleagues, I joined Senator HARKIN in writing to President Serrano to express our concerns for the continued violation of human rights in Guatemala.

It is somewhat ironic then that yesterday's action coincided with a summit of indigenous people in Guatemala, attended by 50 delegates from around the world, and called by the country's own Rigoberta Menchu, last year's Nobel Peace Prize winner, to call attention to human rights issues for indigenous people. Despite worldwide acclaim for her work, Serrano has never officially recognized Rigoberta Menchu's work on behalf of her people, or the prize she received last year.

Mr. President, I would conclude by urging my colleagues to support this resolution. The suspension of the Guatemalan Constitution and dissolution of Congress puts in jeopardy the political democratization of the region. This process is particularly fragile due to the recent return of peace to El Salvador. Latin American is ill served by this undemocratic action, and the Senate should go on record in opposition to Serrano's actions.

SENATE RESOLUTION 114—RELATIVE TO SENATE RESOLUTION 106 OF THE ONE HUNDRED FIRST CONGRESS

Mr. MITCHELL (for himself and Mr. DOLE) submitted the following resolution; which was considered and agreed to:

S. RES. 114

Resolved, That (a) section 9 of Senate Resolution 106 of the One Hundred First Congress (agreed to April 13, 1989) (as amended by Senate Resolution 351 of the One Hundred First Congress (agreed to October 27, 1990) and as further amended by Senate Resolution 366 of the One Hundred Second Congress (agreed to October 8, 1992)) is further amended by striking "March 31, 1993" and inserting in lieu thereof "December 31, 1993".

(b) The amendment made by subsection (a) shall be deemed to have become effective as of March 30, 1993.

AMENDMENTS SUBMITTED

CONGRESSIONAL CAMPAIGN SPENDING LIMIT AND ELECTION REFORM ACT OF 1993

MCCONNELL AMENDMENT NO. 376

Mr. MCCONNELL proposed an amendment to amendment No. 366 (in the nature of a substitute) to the bill (S. 3) entitled the "Congressional Spending Limit and Election Reform Act of 1993," as follows:

At the appropriate place insert the following:

SEC. . APPLICATION OF INCREASED REVENUES TO REDUCE THE DEFICIT.

(a) DEFICIT REDUCTION.—Notwithstanding any other provision of this Act, amendment made by this Act, or any other law, the amount of increased revenue to the United States that is determined to be attributable to the disallowance of a deduction from income tax for lobbying expenses made by any such provision, amendment, or law shall be paid into the general fund of the Treasury, and shall not be paid into or credited to the Senate Election Campaign Fund or any other fund or account, so that such increased revenues will go to reduce the budget deficit that would otherwise accrue.

(b) SUPERSEDURE.—Subsection (a) shall supersede any other provision of this Act, amendment made by this Act, or any other law unless such other provision, amendment, or law explicitly provides otherwise by specific reference to this section.

BOREN (AND MITCHELL) AMENDMENT NO. 377

Mr. BOREN (for himself and Mr. MITCHELL) proposed an amendment to amendment No. 376 proposed by Mr. MCCONNELL to amendment No. 366 (in the nature of a substitute) to the bill, (S. 3), supra, as follows:

In the amendment strike all after Deficit Reduction in line 4 and insert the following: ".—The amount of increased revenue to the United States that is determined to be attributable to the disallowance of a deduction from income tax for lobbying expenses made by any law shall be paid into the general fund of the Treasury, to reduce the deficit and, to the extent provided by law, shall be used to reduce the role of special interests in congressional elections by funding the provision of benefits to candidates to encourage their agreement to campaign expenditure limits.

KERRY AMENDMENT NO. 378

Mr. KERRY proposed an amendment to amendment No. 366 (in the nature of a substitute) to the bill (S. 3), supra, as follows:

On page 1, after line 9, insert the following:

SEC. 2. FINDINGS AND DECLARATIONS OF THE SENATE.

(a) NECESSITY FOR SPENDING LIMITS.—The Senate finds and declares that—

(1) the current system of campaign finance has led to public perceptions that political contributions and their solicitation have unduly influenced the official conduct of elected officials;

(2) permitting candidates for Federal office to raise and spend unlimited amounts of money constitutes a fundamental flaw in the current system of campaign finance, and has undermined public respect for the Senate as an institution;

(3) the failure to limit campaign expenditures has caused individuals elected to the Senate to spend an increasing proportion of their time in office as elected officials raising funds, interfering with the ability of the Senate to carry out its constitutional responsibilities;

(4) the failure to limit campaign expenditures has damaged the Senate as an institution, due to the time lost to raising funds for campaigns; and

(5) to prevent the appearance of corruption and to restore public trust in the Senate as an institution, it is necessary to limit campaign expenditures, through a system which provides public benefits to candidates who agree to limit campaign expenditures.

(b) NECESSITY FOR LIMITS ON POLITICAL ACTION COMMITTEES.—The Senate finds and declares that—

(1) contributions by political action committees to individual candidates have created the perception that candidates are beholden to special interests, and leave candidates open to charges of corruption;

(2) unconstrained contributions by political action committees to individual candidates have undermined public confidence in the Senate as an institution; and

(3) to prevent the appearance of corruption and to restore public trust in the Senate as an institution, it is necessary to limit contributions by political action committees, while allowing such committees to continue to participate in the political process through other means, such as through independent expenditures.

(c) NECESSITY FOR ATTRIBUTING COOPERATIVE EXPENDITURES TO CANDIDATES.—The Senate finds and declares that—

(1) public confidence and trust in the system of campaign finance would be undermined should any candidate be able to circumvent a system of caps on expenditures through cooperative expenditures with outside individuals, groups, or organizations;

(2) cooperative expenditures by candidates with outside individuals, groups, or organizations would severely undermine the effectiveness of caps on campaign expenditures, unless they are included within such caps; and

(3) to maintain the integrity of the system of campaign finance, expenditures by any individual, group, or organization that have been made in cooperation with any candidate, authorized committee, or agent of any candidate must be attributed to that candidate's cap on campaign expenditures.

FAIRCLOTH (AND OTHERS) AMENDMENT NO. 379

Mr. FAIRCLOTH (for himself, Mr. BROWN, Mr. COATS, and Mr. KEMPTHORNE) proposed an amendment to amendment No. 366 (in the nature of a substitute) to the bill (S. 3), supra, as follows:

At the appropriate place, add the following new section:

SEC. 137. TERM LIMITS FOR CANDIDATES WHO RECEIVE PUBLIC FINANCING.

(a) AGREEMENT.—Acceptance of public financing by a candidate for election to the

Senate or the House of Representatives constitutes an agreement on the part of the candidate, enforceable by the United States, that if the candidate is thereafter elected to the Senate or the House of Representatives, the candidate will seek election to and will serve terms (including the first full term that the candidate serves after receiving public financing) in the Senate or the House of Representatives, or both, aggregating no more than 12 years.

(b) Prohibition of Further Public Financing.—After a candidate has received public financing of campaigns for election to the Senate or the House of Representatives, or both, that result in the candidate's election to terms in the Senate or the House of Representatives, or both, aggregating 12 years, the candidate shall no longer be eligible to receive public financing of a campaign for election to the Senate or the House of Representatives.

(c) Repayment Upon Violation.—A candidate who has received public financing of campaigns for election to the Senate or the House of Representatives, or both, that result in the candidate's election to terms in the Senate or the House of Representatives, or both, aggregating 12 years, shall, within 10 days after again becoming a candidate for nomination for election, or election, to the Senate or the House of Representatives, repay the United States the entire amount of the public financing received by the candidate.

(d) Enforcement.—

(1) By the Attorney General.—(A) If a candidate who is required to make repayment fails to make full repayment within the 10-day period described in subsection (c), the Attorney General shall bring and shall vigorously prosecute a civil action against the candidate in United States district court to collect the entire amount of the public financing received by the candidate.

(B)(i) The Attorney General shall not have discretion to decline to bring and vigorously prosecute an action as required by subparagraph (A).

(ii) The duty of the Attorney General to bring and vigorously prosecute an action as required by subparagraph (A) shall be enforceable by a writ of mandamus obtained by any citizen of the United States.

(2) By a Citizen.—If the Attorney General fails to bring an action as required by paragraph (1)(A) within 5 days after the expiration of the 10-day period described in paragraph (1)(A), a citizen of the United States may bring a civil action on behalf of the United States, in accordance with the procedures stated in section 3730 (b), (c), (d), and (g) of title 31, United States Code, and the United States shall pay the expenses incurred by the citizen in bringing the action.

(3) Attachment and Garnishment.—(A) Upon bringing an action under paragraph (1) or (2), the Attorney General or citizen plaintiff, as the case may be, shall seek, and not later than 5 days after commencement of the action the court shall issue, an order—

(i) attaching contributions that the candidate has received (including funds carried over from prior campaigns) or receives after the date of the order;

(ii) attaching personal assets of the candidate; and

(iii) garnishing the candidate's earnings to be received from the Government and from all other sources,

in an amount that will be sufficient to secure repayment of the entire amount of public financing received by the candidate, plus interest from the date on which the 10-day period described in paragraph (1)(A) expired to the date of full repayment.

(B) An order under subparagraph (A) shall remain in effect until the entire amount of public financing received by the candidate, plus interest, has been repaid.

(e) Reduction of Public Debt.—Funds received by the Treasury from a candidate in repayment of public financing under this section shall be deposited in the sinking fund described in section 3112 of title 31, United States Code, to retire the public debt.

HOLLINGS (AND OTHERS) AMENDMENT NO. 380

Mr. HOLLINGS (for himself, Mr. Specter, Mr. Reid, Mr. Campbell, Mr. Exon, and Mr. Bryan) proposed an amendment to amendment No. 366 in the nature of a substitute) to the bill (S. 3), supra, as follows:

At the appropriate place insert the following:

SEC. . SENSE OF THE SENATE THAT CONGRESS SHOULD ADOPT A JOINT RESOLUTION PROPOSING AN AMENDMENT TO THE CONSTITUTION THAT WOULD EMPOWER CONGRESS AND THE STATES TO SET REASONABLE LIMITS ON CAMPAIGN EXPENDITURES.

It is the sense of the Senate that Congress should adopt a joint resolution proposing an amendment to the Constitution that would—

(1) empower Congress to set reasonable limits on campaign expenditures by, in support of, or in opposition to any candidate in any primary, general, or other election for Federal office; and

(2) empower the States to set reasonable limits on campaign expenditures by, in support of, or in opposition to any candidate in any primary, general, or other election for State or local office.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. FORD. Mr. President, I ask unanimous consent that the Governmental Affairs Committee be authorized to meet for a markup on the nomination of Philip Lader, to be Director for Management, OMB, and the nomination of Sally Katzen, to be Administrator, Office of Information and Regulatory Affairs, OMB.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. FORD. Mr. President, I ask unanimous consent that the Governmental Affairs Committee be authorized to meet on Wednesday, May 26, at 9:30 a.m., for a hearing on the legislation: S. 404, the Federal Employee Fairness Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, May 26, at 3 p.m. to receive a closed briefing from the State Department on the administration's policy toward China.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON EAST ASIAN AND PACIFIC AFFAIRS

Mr. FORD. Mr. President, I ask unanimous consent that the Subcommittee on East Asian and Pacific Affairs of the Foreign Relations Committee be authorized to meet during the session of the Senate on Wednesday, May 26, at 10 a.m. to hold a hearing on "North Korea's Withdrawal From the NPT: Implications for U.S. Policy."

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate on Wednesday, May 26, 1993, at 10 a.m. on the Coast Guard reauthorization.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. FORD. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Wednesday, May 26, 1993, at 2:30 p.m. to hold a closed hearing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet on Wednesday, May 26, 1993, at 2 p.m. on S. 738, High Risk Drivers Act of 1993.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet for an executive session to consider an original bill, title IV, the National Skill Standards Board, of the Goals 2000: Educate America Act, during the session of the Senate on Wednesday, May 26, at 9 a.m. in SD–430.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet for a hearing on improving the student loan system for students and schools, during the session of the Senate on Wednesday, May 26, 1993, at 10 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Wednesday, May 26, 1993, at 10 a.m. to mark up the nominations of Michael Stegman, Joseph Shuldiner, Marilyn Davis, and Andrew Cuomo to be Assistant Secretaries of Housing and Urban Development; and Aida Alvarez, to be Director of the Office of Federal Housing Enterprise Oversight.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate, 9:30 a.m., May 26, 1993, to consider pending calendar business.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON NUCLEAR DETERRENCE, ARMS CONTROL AND DEFENSE INTELLIGENCE

Mr. FORD. Mr. President, I ask unanimous consent that the Subcommittee on Nuclear Deterrence, Arms Control and Defense Intelligence of the Committee on Armed Services be authorized to meet at 9:30 a.m. on Wednesday, May 26, 1993, in open session, to receive testimony on chemical demilitarization and chemical defense programs in review of the defense authorization request for fiscal year 1994 and the future years defense program.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

MEMORIAL DAY, 1993

• Mr. ROCKEFELLER. Mr. President, next Monday, we as a nation will pause to pay tribute to the nearly 1,200,000 military service men and women who paid the ultimate price to gain and defend our freedom and our security. From Bunker Hill to the Argonne, from Iwo Jima, Inchon, and the Mekong Delta to Kuwait City—the price of liberty has been paid for with the sweat, blood, and lives of these brave and selfless men and women.

Memorial Day is the day we set aside to reflect on their solemn sacrifices and honor the memory of those who gave their all in our defense. Some of these service members rest just across the Potomac River on the hillside known as Arlington National Cemetery, in view of this Capitol. It is incumbent upon us, as Members of Congress, vested with the awesome responsibility to send our citizens to war, never to forget their ultimate sacrifice.

Some of my colleagues in the Congress have experienced the sacrifices of military service firsthand—waking up in a hospital without all of their limbs or spending years in enemy prison camps, wondering if they would live to return to their families and their country. These Members, and the millions of other veterans who have faced the trials of warfare, understand this sacrifice in ways that the rest of us can only imagine. Monday, we honor those former military men and women who cannot look back. I am moved by a quote from Henry Ward Beecher which I feel embodies the spirit of Memorial Day:

> They that die for a good cause are redeemed from death. Are they dead that yet move upon society and inspire the people with nobler motives and more heroic patriotism? Ye that mourn let gladness mingle with your tears. It was your son, but now he is the Nation's. He made your household bright; now his example inspires a thousand households.

As chairman of the Senate Veterans' Affairs Committee, I believe that the best way we can honor those who have paid the ultimate price on our behalf is to uphold our responsibilities to their colleagues, who are still with us, by ensuring that surviving veterans receive all they so richly deserve in light of the services and sacrifices they have made for their country. I am very proud of the men and women from every branch and action who have served our Nation with such courage, and I am committed to upholding their honor. I know that my colleagues here in the Congress share my concern for the welfare of the millions of veterans who depend on the Department of Veterans Affairs for quality health care and other benefits and services. They did not fail their country in times of crisis. And now, we must not fail them.•

LOWERING ESTATE TAX EXEMPTION IS WRONG

• Mr. GORTON. Mr. President, last year legislation was introduced in Congress that would have reduced the current estate tax exemption from $600,000 to $200,000. The legislation did not pass, but I am afraid that some Members of Congress may try again this year to accomplish that goal. That would be disastrous.

Recently I wrote people in Washington to ask their opinion on lowering the estate tax exemption. Almost everyone who responded opposed this tax hike. Many of the respondents owned or worked on family farms or ranches and were very worried that lowering the estate tax exemption would jeopardize their livelihood. They felt their farms or ranches would have to be sold off in order to pay the higher taxes.

Mr. President, the average farm in Washington State is 421 acres. Most are relatively small operations working on the very thinnest of margins. They cannot afford a huge increase in taxes when a farm or ranch passes on to the next generation.

We have heard for many years about the dwindling number of small family farms and ranches and we have worked very hard to keep these hardworking people in business. Lowering the estate tax exemption will do just the opposite.

It means that the families who have scrimped and saved all their lives to build a productive business, to build something they could pass on to their children, could find themselves in a terrible situation. Their children would be served a huge tax bill by the IRS and have to sell off assets or land in order to pay the bill. Worse, it could mean bankruptcy for many of the State's family farms and ranches. These are the real life consequences of this proposal.

We must do all we can to protect the property of those who have scrimped and saved in order to carve out a little share of the American dream for themselves and their children, whether it's a rancher, a farmer, a small businessman, a retired teacher. These people have worked very hard their entire lives to create something they can pass on to their children, to leave them a legacy. It is incomprehensible that some would try and take that away by reducing the exemption. I oppose the lowering of the estate tax exemption and I will continue to fight any attempts to do so.•

U.S. WEST

• Mr. KERREY. Mr. President, on May 17, U.S. West and Time Warner announced a strategic partnership to create an information superhighway to deliver interactive communications, entertainment and information to the home.

The purposes of the partnership is to provide consumers with immediate access to movies, programming, video games, computer data bases and services, which I hope will also include a significant amount of education and training information.

The new partnership is in many ways simply the manifestation of developments which have been evolving as the telecommunications, computer, software and related industries have converged. It is simply a market recognition that in the electronic age, the structure of the industry is going to be different. It brings together U.S. West's telecommunications expertise, including the switching capabilities which it—and the other regional bells—enjoy, and the cable infrastructure and programming capabilities of Time Warner. It is but a harbinger of things to come.

Ironically enough, Mr. President, my constituents in Nebraska—which U.S. West serves—do not stand to benefit, at least in the near term, from this new arrangement. Because of the 1984 Cable Act, U.S. West could not have entered into a partnership with a cable company in its service area. Additionally, restrictions in the modified final judgment [MFJ] continue to hamper the regional bells both in region and outside their service area.

But, that is only one of the longer term regulatory issues which are beginning to surface as a result of this alliance and other agreements which we can expect in the near future.

It is only the beginning of questions about local service competition and long distance connections.

Earlier this week, I commented on the Ameritech filing which seeks a number of changes in the way both local and long distance services are provided. I urged the FCC to review carefully the Ameritech proposal. I think it is important that the FCC do so.

But I also believe that it is time to begin a more comprehensive review of telecommunications and related policy. The world market for telecommunications, computer and related industries have been estimated by John Scully of Apple Computer at $3.5 trillion by the year 2002. In the knowledge or information age, those who succeed are likely to be those who know how to access and use information. Technology offers opportunity but it also forces adjustment. Benefit will not naturally accrue to all. I do not believe that the Government should pick winners and losers. I do not believe that the Government should do what the private sector can do. But, I do believe that Government needs to provide the investment and regulatory environment which will allow the United States to participate fully in the multimedia world. And I believe there are equities, such as universal service and educational and public service offerings, which must be preserved.•

TRIBUTE TO HAROLD WHITE

• Mr. McCONNELL. Mr. President, I rise today to pay tribute to one of Kentucky's outstanding citizens, who has shown how much can be accomplished through hard work and dedication to a lifelong dream.

Harold White has been a pioneer in Kentucky's lumber industry from the age of 19 when he sold lumber from the bed of an old truck. Today, Harold White Lumber, Inc. employs 85 employees and sales volume has exceed $9,400,000. Recently, Harold was named 1993 Exporter of the Year by the U.S. Small Business Administration, an outstanding accomplishment.

Harold White began Harold White Lumber, Inc. in 1968 with four employees, one truck, and one forklift. At that time, a majority of the lumber was shipped to the Carolina furniture belt. Following a severe recession in the lumber industry, domestic furniture production came to a virtual standstill. Harold saw the need for diversification in the industry and recognized the potential of export markets could play in the lumber industry. In 1978, Harold constructed his first set of dry kilns so that the company could enter the export markets with kiln dried lumber. This foresight has allowed export sales to account for almost 60 percent of the company's sales. Hard work, a benevolent attitude, and good decision making has resulted in one of the largest small businesses in eastern Kentucky.

Helping Harold in the lumber business is his wife, Barbara, and their five children. In addition to running an excellent business, Harold and his family are also very involved in community-oriented projects. Following Hurricane Andrew in 1992, Harold sent supplies and trained individuals for the relief effort. Harold has sponsored several less-fortunate students at his alma mater, the National Hardwood Lumber Grading School in Memphis, TN. He was a charter member of the Kentucky World Trade Center, which assists other businesses in becoming competitive on a global market. Harold is also a founding member of the Kentucky Forest Industries Association which tackles environmental concerns as well as assisting in different aspects of the industry.

I congratulate Harold White for being a successful businessman and also being a kind and generous man to his community and others.•

LEAVE SOCIAL SECURITY ALONE

• Mr. GORTON. Mr. President, we have heard a lot of talk recently about taxes, spending cuts, and balancing the Federal budget. While most of us agree on the goal of reducing the deficit and achieving a balanced Federal budget, we do not necessarily agree on how to accomplish those goals.

Unfortunately, some Senators, House Members, and even our President have decided that we should tap into the Social Security system to raise necessary revenues. That is wrong.

Initially, the President floated a proposal to limit COLA's on Social Security as a way to reduce the deficit. I spoke out against this, along with some of my colleagues, on the Senate floor and the President chose not to pursue this policy. We hardly had time to breathe a sigh of relief when the President announced he would seek a 70 percent tax hike on Social Security. As if the tax hike was not bad enough by itself, the President also announced that the money raised by this tax hike on Social Security will go into the general fund, not back into the Social Security system.

I was very alarmed by this proposal because I felt it would unfairly impact our seniors. Recently, I wrote to people in Washington and asked them what they thought about limiting COLA's and taxing Social Security. Almost unanimously, they opposed these efforts. And even among those few who supported the tax hike on Social Security, most felt it should kick in at a much higher income level than is currently proposed.

The people who wrote back said, and I believe, that the Social Security system should not be used for anything but what it was intended for, to provide retirement benefits for America's seniors. We should not be cutting benefits when the system has a $300 billion surplus, and we should not be taxing these benefits to fund other programs. The new proposal by the Clinton administration to tax Social Security and use that money for the general fund is unacceptable.

Social Security is solvent, it runs a surplus. But because it is one of the few Government programs that actually is working, some people regard it as a cash cow. I am very worried, as are the people in Washington, that attempts to tax or tinker with Social Security will jeopardize its solvency.

I have heard from the people of Washington State and they have spoken loud and clear: "Leave Social Security alone." I agree with them 100 percent and will fight any attempts to tax, cut, or tamper in any way with Social Security.•

LINCOLN SCHOOL CELEBRATES EARTH WEEK

• Mr. BAUCUS. Mr. President, a few weeks ago, the fourth grade class at Lincoln School in Miles City, MT, celebrated Earth Week. Students Ben Wemmer, Tara Larimore, Stephanie Laney, Ivy Bartz, and Megan Bundy wrote to me to explain what they learned about the importance of taking care of the Earth. Discussions on various environmental topics and picking up garbage were among the many activities scheduled to commemorate the week.

This program, and similar environmental education programs are very important. They represent a significant step toward heightening our Nation's awareness of environmental issues. By teaching our children about recycling, rain forests, and pollution—and the effect that each has on our environment—our children will learn how to be responsible stewards of the planet. What could be more important than that? These young people are our future.•

TRIBUTE TO WICKLIFFE

• Mr. McCONNELL. Mr. President, I rise today to pay tribute to the town of Wickliffe in Ballard County.

Wickliffe is a small town overlooking two of the world's mightiest rivers. Nestled on a hillside, Wickliffe is located at the confluence of the Ohio and Mississippi Rivers.

The people of Wickliffe thrive on their city's smalltown hospitality and rural charm. Wickliffe's 300 homes and smattering of businesses do not even have street addresses. The residents take pride in the strong sense of community. Wickliffe is a tightknit community where citizens go out of their way to help friends and neighbors.

One of the popular attractions to Wickliffe is the 8,600-acre Ballard County Wildlife Management Area. A few miles upriver, this is the winter home for tens of thousands of ducks and Canadian geese. This area attracts more than 19,000 hunters from nearly every State each year.

Wickliffe has a slow-paced lifestyle, but it is planning for the future. There is a new park in Wickliffe and plans to develop waterfront property for industry are in the works. Growth will occur in Wickliffe, but not at the expense of losing the smalltown qualities that make it so unique and enjoyable.

I applaud Wickliffe's efforts to preserve simple living and smalltown values, making it one of Kentucky's finest towns.

Mr. President, I ask that a recent article from Louisville's Courier-Journal be submitted in today's CONGRESSIONAL RECORD.

The article follows:

[From the Courier-Journal, April 19, 1993]

Wickliffe: It's a Nice Town Where You Need Not Lock Your Doors When You Go Out

(By James Malone)

Logic suggests there should be a city with a fast-paced, sophisticated lifestyle at the confluence of two of the world's mightiest rivers, the Ohio and the Mississippi.

Instead, nestled on a hillside overlooking the water, there is Wickliffe—an idyllic town whose 300 homes and a smattering of businesses don't even have street addresses. There were no street signs until the mid-1980s.

It's a community where the postman doesn't ring twice.

"He doesn't ring at all," said Wickliffe Postmaster Ted Roberts. That's because nearly everyone rents one of 586 post office boxes. The Community is too small for home delivery.

Roberts, one of Wickcliffe's few African Americans, calls it a nice town.

"I've had opportunities to leave but I have chosen to stay because the people here are wonderful," he said. "They pull together to help anyone that needs it."

Apple cider is the strongest legal drink and hot races in the Democratic primary are on the lips of early risers at the Coffee Shop, a downtown institution for the breakfast crowd in the western end of Ballard County.

Lori Parham, who owns the Coffee Shop, said it's a rare day when she doesn't know the names of every one of her customers. "You'd be surprised at how many walk back to the kitchen and get their own food," she said.

Many residents will confide that they are none the worse off when they forget to lock their doors.

"Seldom anything had happens here," said Teresa Sullivan, editor of the weekly Advance Yeoman newspaper.

Wickcliffe probably would be a lot smaller than the 851 who stood up to be counted in the 1990 census were it not for a profound change in the late 1960s. That's when West Virginia Pulp and Paper Corp., now called Westvaco, built an $80 million paper mill along the Mississippi just south of town.

Westvaco's presence is subtle but overwhelming. Though the plant's stench sometimes wafts over the town, its high-paying jobs and benefits pump more than $38 million a year into an otherwise lackluster economy.

Ballard County is home for about 200 of Westvaco's 678 employees, including the mayors of Wickliffe and Barlow, the town just up U.S. 60 from Wickliffe. The average hourly wage is $17.50.

The mill is built on 2,000 acres and the company owns some 230,000 acres of timberland, most of it in Western Kentucky and Tennessee. Westvaco's investment has grown to $1 billion, said Sandra Jones, a plant spokeswoman.

You can see Westvaco's finished product by reading National Geographic magazine. The mill started producing the glossy paper after a $170 million addition that went on line in 1990. Westvaco also produces about 75 percent of the paper on which those annoying little subscription offers that fall out of magazines are printed.

The mill is what brought Wickliffe Mayor Sylvio L. Mayolo to town.

"Not many people around here with a name like that," he quips.

Mayolo, a West Virginia native, is Westvaco's quality control superintendent and came with the mill in 1969. He looked at Paducah and other towns but he and his wife liked Wickliffe the moment they saw it.

"This is not your New York City, rush type of living," Mayolo said.

Mayolo is Wickliffe's biggest booster, showing off a new park and explaining plans to develop waterfront property for industry. He's proud of the recent improvement in the city's fire-safety rating, giving homes and shops a break on insurance rates. He says the city, along with Ballard County, is preparing to give everyone a house number.

The most important issue facing the community is stemming the exodus of young people, says Mayolo.

He and others are at a loss to explain why Wickliffe can't seem to grow or even maintain its population, which is down some 200 from the 1960s.

Ironically, while Westvaco spends millions to control noxious odors, a fledgling Wickliffe business is making a name of its own creating fragrances.

A visitor might have a hard time finding the manufacturing arm of Hillhouse Naturals Farm. It's on Ky. 288 east of town, but has no sign and doesn't cater to the walk-in trade.

Full-time farmers for 25 years, owners Shelly and Peggy Batts started the venture about six years ago, and today they ship dried flowers, fruits, herbs and potpourri all over the country and as far away as Japan.

Locals will tell you that jobs are hard to find. The husbands of the women who work at the Coffee Shop all work out of town.

"Around here, you work for the river, Westvaco or farm or go somewhere else," said Dwanda Sullivan, whose husband is a towboat pilot.

Parham, the Coffee Shop owner, said her husband commutes daily to a construction job in Calvert City—about 140 miles round trip.

One of the community's few tourist attractions is the Wickliffe Mounds Research Center, operated since 1983 by Murray State University. Begun with the donation of a 1,000-year-old Indian village to the school, the excavations and displays draw about 9,000 visitors a year, said Murray anthropologist Kit Wesler.

A common misconception, Wesler said, is that the mounds are burial sites. Actually, the mounds—built by Mississippian Indians between 900 and 1400 A.D.—were raised bases for what were central located town-hall type structures. Archaeological digs have uncovered evidence the mound builders took trade from Wisconsin, the Gulf of Mexico and the Appalachian mountains, said Wesler.

In 1988 thieves broke into the buildings and stole 18 pieces of pottery unearthed from nearby digs.

"Among private collectors, many will buy artifacts without asking questions," Wesler said.

Why the Indians abandoned their riverbank villages around the end of 1400 remains an archaeological mystery.

Another popular attraction is a few miles upriver at the 8,600-acre Ballard County Wildlife Management Area near La Center, the winter home for tens of thousands of ducks and Canada geese. More than 19,000 hunters from nearly every state in the union come to the region each year.

The influx of hunters might account for the abundance of restaurants and small motels, which line the long straight stretches of U.S. 60.

If Wickliffe has a matriarch, she is 80-year-old Mildred Swain Maxberry, proprietor of the Swain Motel and for 20 years the city's tax collector.

Maxberry came to Wickliffe in 1934 and since 1952 has managed the 17-room hotel next to City Hall. She also has been executive secretary for the Red Cross in Ballard County for 30 years and at age 73, she took on the chore of becoming the agency's local caseworker.

Her living quarters in the hotel are trimmed in virgin oak and decorated with antiques. In her youth, Maxberry played bridge and traveled to St. Louis to see the theater. Maxberry said she wouldn't think of leaving.

"I like the people," she said. "They are so friendly. They'll do anything for you." But Maxberry has seen Wickliffe go from seven doctors to just one. The number of stores has also declined.

"What's our future? I don't know," said Maxberry.

It's the past that occupies Kathleen Rollins, founder of the Ballard-Carlisle Historical Society. In the basement of the Ballard County Courthouse, she has doggedly built up a collection of the faded pictures and yellowed words from the past on Ballard and neighboring Carlisle counties. Begun in 1988, the group's membership has swelled to near 70.

"Too many communities have been destroyed and no one cared," said Rollins, a former deputy county clerk.

The society is nearing the end of a three-year project to publish an extensive history of the two counties.

Wickliffe was laid out in January of 1880 and is the namesake of Charles Wickliffe, a state legislator and officer in the Confederate army.

Originally settled on the riverbank, the town relocated to higher ground around 1906 after experiencing more than its share of high water.

Wickliffe, earlier known as Fort Jefferson, became the Ballard County seat soon after it was surveyed. But that provoked a vigorous legal challenge from Blandville where, in

1842, the county court had started meeting in a tobacco barn. A referendum approved moving the seat to Wickliffe in 1880 after the courthouse in Blendville burned, with the loss of nearly all of the county's records.

Blandville persisted but lost a second referendum in 1884 by 291 votes, then begrudgingly gave up the prestige and benefits of a county seat.

Anecdotal evidence suggests that a pro-Wickliffe faction torched the courthouse in 1880, but no one was ever charged and the arson argument was never pursued.•

PASSAGE OF S. 775

• Mr. BINGAMAN. Mr. President, last night the Senate passed S. 775, the Craig mining bill, by voice vote. I want to take this opportunity to share with my colleagues the points I raised when this bill was before the Energy and Natural Resources Committee. Senator JOHNSTON has been an honest broker in this process, and has the difficult task of marshaling a lot of competing interests to consensus. I look forward to a productive conference that will ultimately produce meaningful mining law reform.

I want to commend my colleague from Idaho for his hard work on this bill. I know that he is as deeply concerned about this issue as I am. But this bill does not include some things I believe are essential to comprehensive mining law reform. There are no provisions for reclamation in this legislation, beyond current law. I am not convinced that this bill proposes appropriate royalty or patenting regimes. I think we need to look closely at the whole question of suitability.

My home State of New Mexico just passed, in the last legislative session, an outstanding mining reclamation bill. Passage of a hardrock mining bill in New Mexico took three legislative sessions, and represented a tremendous effort on the part of hundreds of New Mexicans. We have shared that bill with Senators and staff, and I hope that it will offer some options for Federal reform.

We have been at the task at the Federal level at least as long as it has taken New Mexico to produce a State bill, probably longer. It is time to reach closure on this issue, Mr. President, and fashion a mining regime that makes sense for our country today, and for the future. I am committed to the retention of a mining industry in New Mexico and the West. I am also committed to seeing that Federal land use activities are conducted safely, responsibly, and fairly. These goals are not mutually exclusive.

Nonetheless, we have a long road ahead of us in conference, Mr. President. But I am confident that Congress will ultimately produce a mining reform bill that speaks to the issues that have been raised by so many people. If I am appointed to the conference committee, I intend to work with my House and Senate colleagues to ensure that we produce an honest and fair bill.•

INTERVIEW WITH AMBASSADOR HERMAN COHEN

• Mr. SIMON. Mr. President, the Assistant Secretary of State for African Affairs during the Bush administration was Ambassador Herman J. Cohen.

He is better known as "Hank" Cohen to those of us who have had the opportunity to know and work with him.

He did a solid, workmanlike job and gained the respect of leaders all over Africa.

I wish him well as he moves to other areas of responsibility for the Federal Government.

Recently, the Center for Strategic and International Studies in Washington published in their Africa Notes an interview with Hank Cohen, conducted by Jannie Botes, an adjunct professor of communication at George Mason University.

I ask that the full interview be published at the end of my remarks.

A couple of things in that interview are worth pointing out. At one point, on the matter of arms, he says:

> During the Carter Administration, there were U.S.-Soviet discussions about limiting arms deliveries to the Third World. Nothing ever came of those talks. It might now be timely to readdress ways of limiting exports. Unfortunately, since the end of the cold war there are more and more countries that depend on arms exports as their main source of foreign exchange earnings.

This is an area where we still have to do more.

One of the little-known stories of Africa today is the spread of democracy. At another point in his interview, Cohen says:

> We really can't accomplish our mission of furthering economic development in Africa unless it is in a democratic context. I believe that sincerely, and not just for ideological reasons. Our resources will be wasted unless there is accountability, transparency, and popular participation in deciding how these resources are going to be spent. There is no blackmail or pressure involved, since we are willing to provide financial assistance to the democratization process and we understand that the entire process takes time. Our experience with totalitarian states in Africa is that they are investment-averse, and economic growth is out of the question without private investment.

He also suggests that we have to do more in the environmental area and in the population area, and I have seen the need to do both in country after country in Africa. When asked what advice he would give the new Assistant Secretary of State for African affairs, George Moose, among other things, he says:

> We really have to do more in the environmental area. In this, we are pushing on an open door as far as the Clinton administration is concerned. Many parts of Africa are engaged in self-destruction through the elimination of forests and overgrazing of the land. We need to be more active for everyone's good, including our own. Population management is also vital because the environment can support only so many people and their livestock.

He comments about our failure to respond more vigorously in Liberia. Senator CHARLES ROBB and I had the chance to visit with both sides in the civil war in Liberia 2 years ago. We made a great mistake in backing Samuel Doe, a dictator who did not merit that support. We have done too much in the way of backing dictators. In commenting on the Liberian situation, Hank Cohen does not mention the Samuel Doe part of our history but does add some important comments:

> Yes, I believe we missed an opportunity in Liberia. The conflict there started out very small in December 1989. By April-May 1990, it had become quite large. Yet, it was still manageable. We deployed a large Marine amphibious force near Liberia to evacuate U.S. citizens, an operation accomplished with great efficiency. A modest intervention at that point to end the fighting in Monrovia could have avoided the prolonged conflict that Liberia has endured until the present. Even in Somalia, the decision to intervene militarily in December 1992 was late.
>
> Don't misunderstand me. Our hesitancy to intervene with military forces is healthy. As the strongest military power in the world, the United States should not be throwing its military weight around and jumping in to solve every conflict situation with force. Diplomacy should come first. In Somalia, we intervened after diplomacy failed, and our forces accomplished the mission of ending starvation in a remarkably rapid fashion. In Liberia, we did not intervene either diplomatically or militarily. I regret that.

The interview follows:

[From the Center for Strategic and International Studies, Washington, DC, April 1993]

AFRICA NOTES—AN EXIT INTERVIEW WITH "HANK" COHEN

This CSIS Africa Notes interview with Ambassador Herman J. Cohen took place in early April 1993, shortly after he concluded his four-year assignment as assistant secretary of state for African affairs. His successor, also a career Foreign Service officer, is former Ambassador to Senegal George E. Moose. The interview was conducted by Jannie Botes, an adjunct professor of communication as well as conflict analysis and resolution at George Mason University.

Q. Mr. Ambassador, what do you regard as the highlights of your four years as assistant secretary of state for African affairs?

A. When the torch was passed from Chet Crocker to me in 1989, I decided that our highest priority must be the terrible civil wars raging in several countries—notably Ethiopia, Mozambique, Angola, and Sudan. We became involved in seeking solutions to all of them. The fighting has stopped in Ethiopia and Mozambique. We helped achieve a peace agreement in Angola, but the war resumed 18 months later. The situation in Sudan has worsened. Overall, I believe we played a major role in making conflict resolution an important element of African politics.

I also feel good about the emphasis we placed on democratization and economic reform. There have been 15 reasonably democratic elections in Africa since 1989, and I believe we made a contribution to accelerating the trend toward multiparty democracy. The overall trend toward free market economic systems also has an American imprint. We did more than put pressure on African governments to democratize through linkage to our aid programs. We also established new assistance programs designed to promote free elections, voter education, and the development of civic organizations such as bar associations, women's groups, and chambers of commerce. When I was appointed in 1989, there was virtually no money going to African democratization. Now there is between $25 and $50 million available per year.

Q. Were there any personal high points?

A. One of the first directives I received from Secretary of State Baker was to seek a change in the nature of the internal debate on South Africa (between the executive and legislative branches of the U.S. government), which he had considered too divisive in the Reagan era. I did this in part by informing Congress in a formal hearing in October 1989 that U.S. economic sanctions had played a positive role in persuading South African whites to accept the idea of majority rule. This diffused the tension between the administration and Congress, allowing us to work together to influence both black and white South Africans to focus on negotiation of a democratic replacement for the apartheid system.

I am also particularly proud of the leadership role I played in persuading the national security system to accept the concept of a strong military intervention in Somalia. Between January and August 1992, my colleagues who cover East Africa and I were lonely voices calling for an activist policy. While most of the bureaucracy resisted, our message got through to President Bush, who launched our humanitarian (military) airlift in August. In November 1992, the President authorized military action ("Operation Restore Hope") to deliver food and other aid to thousands of starving people in Somalia. It is too early to say whether Somalia is a precedent for future military interventions to deal with humanitarian disasters, but I have the feeling that in Somalia we may have seen the laying of the cornerstone for the new world order.

Looking back at the past four years, I also feel it is important to take note of two major modifications of Organization of African Unity principles and our role in the evolutionary process. First, the principle of noninterference in member nations' internal affairs was substantially changed with regards to the issue of internal conflict. From my first day in office, I began to criticize the OAU's passivity toward Africa's civil wars, stressing the incongruity of the substantial U.S. role in resolving conflicts on the continent while the Africans' own regional body did nothing. The OAU's position is now one of active efforts to resolve civil conflict, including the official blessing given to the Economic Community of West African States (ECOWAS) military intervention in Liberia in 1990. Second, the principle of nonmodification of colonial boundaries adopted at the founding meeting in 1963 has been set aside in the case of Eritrea, which has been accorded the right of self-determination and is expected to opt for independence from Ethiopia in the April 1993 referendum. It is my view that the basic principle of preserving colonial boundaries in Africa is still valid, but should not be so rigid as to prevent the dissolution of some "unnatural marriages" such as the one between what was the kingdom of Ethiopia and the Italian colony of Eritrea.

The three-decade conflict in Ethiopia was ended by the defeat of President Mengistu's army at the hands of the Tigrean and Eritrean rebels rather than by mediation. Nevertheless, the relationships we developed during our mediation efforts allowed us to prevent the destruction of Addis Ababa in the final days of the war and to negotiate a rapid exit of the Ethiopian Jews (Falashas) in close coordination with Israel.

Q. To what extend did the end of the cold war determine U.S. actions in Africa during your tenure?

A. The cold war distorted our policy emphasis on economic development, human rights, and democracy. In too many cases, we had to concentrate instead on thwarting the growth of Soviet influence. For example, during my time as senior director for African affairs on the National Security Council (1987–1989), the Soviets tried to obtain submarine and air surveillance bases on the west coast of Africa. In some of those countries, preempting the Soviets took priority over our bilateral political and economic goals. My shift to the Department of State in 1989 came just before the end of the cold war and the beginning of U.S.-Soviet cooperation in solving regional problems worldwide. That made it feasible for me to enlist Soviet assistance in conflict resolution in Angola, Mozambique, and Ethiopia, where Moscow had been deeply involved. Soviet cooperation also extended to the UN Security Council, where they worked with us on establishing peacekeeping operations in several countries.

Q. I recall that you recently described the main U.S. priority in Africa in the 1990s as "economic development so that Africa can stand on its own feet, become productive, and join the international trading system as a full partner." Yet you seem to have devoted most of your time as assistant secretary to working toward the resolution of conflicts in such countries as Angola, Mozambique, and Ethiopia. Is there a connection.

A. We decided early on that conflict was the greatest obstacle to economic development, not only for the affected countries, but for their regional neighbors as well. Massive refugee flows, frontier instability, and trade interruptions made economic growth impossible. It was this reasoning that explains why conflict resolution became the highest priority of my term in office.

Angola and Mozambique were natural follow-ons to the success of my predecessor, Chester Crocker, in orchestrating the many-phased negotiations that led to Namibian independence. These Lusophone countries represented the unfinished business of the Angola-Cuba-South Africa agreements signed in New York in December 1988 that set in motion Namibia's transition to independence. Because of Crocker's success, the United States retained significant prestige as a broker in southern Africa.

We became engaged in Ethiopia because of Secretary of State Baker's desire to collaborate with the Soviets in solving regional problems. Afghanistan and Cambodia were other examples. Ethiopia was a logical African choice for cooperation because of the heavy Soviet involvement there since the 1970s. Liberia was of interest because of the historical relationship, and the active interest of a range of U.S. relief and religious organizations played a significant role in our becoming involved in Sudan.

Q. What were the lessons learned from your experiences in conflict resolution?

A. I learned that rebel groups in civil conflicts usually have legitimate grievances that are expressed through violence when there is no other outlet. First, it was important to persuade governments in power to view their rebel opposition as fellow citizens with legitimate aspirations. Second, we decided that the end result of any negotiation must be a democratic process. Third, every party to a conflict, whatever the outcome, must feel secure. We therefore had to counsel against any revenge-seeking or threats to hold "Nuremburg trials," which could make the entire process collapse before it begins. Finally, even with a democratic process, a "winner take all" result could not work. In order to feel secure, the losers must eventually participate in a government of national unity.

Q. Did your experience generate particular methods, formulas, or approaches toward resolving conflict?

A. Some important elements of how to handle conflict emerged. For example: (1) the parties need to recognize each other's legitimacy; (2) negotiations should take place without prior conditions, which means that nonnegotiable demands are unacceptable; (3) conflicts involving long periods of warfare create too much bitterness for negotiations to have any hope of success without a mediator, which is another way of saying that mediation is an indispensable conflict resolution tool; (4) agreements should be simple and relatively easy to implement; (5) international security guarantees (e.g., by the United Nations in the form of cease-fire monitors and election observers) should be the objective, and movement toward Security Council resolutions that formally "adopt" agreements (thereby making it harder for one or both sides to violate them later) should be given increased attention; (6) amnesty and forgiveness are critical factors; and (7) the targeted goal should be a government of national unity that includes the loser after an election process is completed.

Q. Are you using the concept of a "mediator" in a literal or specific sense, or in the wider context of "facilitation" and "reconciliation"?

A. When I used the term "mediator," I was thinking of escalated conflict situations where there has been actual combat for a number of years, making it very difficult to arrange communications between warring parties. We saw that in the early stages of the Angolan negotiations when Zaire's President Mobutu hosted talks and characterized his role as limited to that of "facilitator." In practice, this meant placing the two parties in a room with instructions to "talk to each other." Not surprisingly, the entire time was spent exchanging recriminations and insults, and no progress was ever really made. It was not until Portugal's foreign minister became the mediator, established an agenda, and personally engaged in shuttle diplomacy that the Angolans were forced to deal with the issues, and progress followed.

From the beginning of the negotiations in South Africa, neither the African National Congress nor the government wanted an official mediator. The U.S. government did, however, play a helpful informal role behind the scenes. Both parties consulted us and we influenced the process through timely public declarations. I believe, for example, that we were instrumental in moving the black leadership toward the view that a market-based economy is more likely to produce the wealth needed to eliminate the inequalities of apartheid than a heavily socialized economy. We also helped to shape the white leadership's recognition that the way to preclude any one group or party from achieving a total monopoly of power is through regionalism and a justicable bill of rights rather than through an entrenched minority veto.

We played a similarly influential "nonmediator" role in Mozambique and Rwanda, where our experts in judicial and military affairs have been making positive contributions. Although we were not the official mediator in either of these conflicts (and in the case of Mozambique not even an official observer), we always has representatives in the town where negotiations took place. They were often consulted on judicial texts or military dispositions. In these informal, nonofficial mediating roles, the United States acted as a catalyst in breaking down impasses and other barriers to negotiations.

Q. Is it useful, in your view, for the United States to get involved during the early stages of civil conflicts in order to prevent their escalation?

A. Our experience tells us that the earlier the international community addresses conflicts, the better are the prospects for resolution and for avoidance of full-scale war. Good examples are Zaire and Togo, where the U.S., French, Belgian, and German ambassadors became involved in the early stages of democratization when it was clear the governments and their opposition were heading for trouble. Our respective ambassadors have essentially been facilitators, making suggestions during talks with all parties as events unfolded. Their main role has been to try to deter unreasonable demands and unhelpful actions.

Q. Have you encountered roadblocks within the U.S. bureaucracy to becoming involved in African conflict resolution, especially at an early stage?

A. During my four years as assistant secretary, I found a reluctance at senior policy levels to our becoming too extended in attempting to resolve African conflicts. There was the issue of limited resources, and a feeling that we should not take on all of Africa's burdens. Angola was a natural involvement for us because of our cold war assistance to UNITA. Mozambique was attractive because Presidents Reagan and Bush had special relationships with President Chissano. In all of our other African involvements, however, I had to do a lot of in-house persuading to get the United States engaged.

The reluctance to take on new burdens was particularly pronounced during the last 18 months of the Bush administration. I remember being chided at one point because the Africa Bureau was becoming involved in so many African conflicts. My response, only half in jest, was to deny our involvement in "every" conflict. As an example, I pointed out that in Somalia we were concentrating solely on humanitarian relief and were keeping our distance from any political mediation. Twelve months later, of course, Somalia became one of our largest-scale peacemaking commitments, not only in Africa but the entire world.

Q. Is the United States concerned about the expense associated with resolving conflicts in Africa?

A. I don't think this has been or should be a major factor. The expenses for our low-key initiatives are not high. It only becomes expensive when peacekeeping and cease-fire monitoring come into the game. Even these costs are minimal compared to the high price of taking care of humanitarian disasters involving famine and refugee flows. Prevention through early conflict resolution is worth every penny because much larger costs are avoided later on.

Q. What do you believe should be the role in conflict resolution of continental or regional organizations such as the Organization of African Unity and the Economic Community of West African States?

A. I believe that regional organizations are the answer for the future of conflict resolution in Africa. Neither the United States nor the United Nations has the energy or resources to step in and "solve" every conflict. The first choice should be a regional effort. Only when there is a horrendous problem like Somalia should the wider community take charge. I am very encouraged by the ECOMOG operation in Liberia. This regional military initiative saved the city of Monrovia from starvation and is slowly bringing Liberia to a point where a democratic process can begin. The Organization of African Unity, in a modest way, has been working to keep the peace in Rwanda. Secretary General Salim Salim warrants a special tribute for his efforts to bring the OAU into conflict resolution against its historic tendency to avoid interference in internal affairs. I believe that we should help the OAU secretariat develop its conflict-resolution capability.

Q. How much of a problem are the large stocks of arms that accumulated in many African countries during the cold war? Can conflicts be resolved and democracy achieved under the menace of these arms stocks and the large size and political role of militaries?

A. The main way to alleviate the arms problem is the process of conflict resolution itself. As long as conflict is ongoing, combatants will find ways of arranging and financing arms purchases. There are also other interesting initiatives taking shape. The World Bank and other donors are talking about setting criteria for arms budgets. If, for example, a developing country spends more on arms than on education or health, then why should the international community provide assistance?

Q. Is it possible to help African governments reduce their militaries?

A. I believe that assistance focused on demobilization is a good way to use military assistance funds. This would involve providing incentives to ex-soldiers in the form of retraining and starts for small businesses and other vocations. Otherwise, reducing military manpower could usher in an era of armed banditry. Although U.S. economic assistance to Africa has remained steady, military assistance has been reduced drastically in recent years, from a high of some $250 million annually to about $25 million now. I believe it would be a good investment to help those African countries with large armies to demobilize so that development can proceed. That would be military assistance better spent than during the days of the cold war when we supported some unsavory leaders with arms aid.

Q. What do you believe are the prospects of diminishing the disproportionate role that military and other security forces play in many African societies?

A. Among the major impediments to democracy in Africa are bloated militaries that do not accept civilian rule and do not accept democracy in any form. I consider it important, therefore, that we continue our longtime program of inviting African military personnel to the United States for training under our International Military Education and Training (IMET) programs. In addition to teaching military skills, [IMET also exposes the African participants to the military's role in a democratic society.

Q. Some argue that Africa's lack of a democratic tradition (in the Western sense) is one of the major obstacles to stability and peace on the continent. What is your view?

A. I have never demanded that Africa adopt the U.S., Westminister, or French forms of democracy. My preference is for generic terms such as the right to participate, the right to change governments, the right to have a voice in policy, and the right to speak out without fear of persecution. If there is an African model that would include these rights, then I am all for it. Must such a model include elections? I find it hard to see how Africans can exercise their democratic rights without elections. Power-sharing through proportional representation and federal structures is the best way to impart a feeling of security to all groups in Africa's ethnically diverse societies. Fear and insecurity start when one ethnic or political group achieves a monopoly of power, even if it is done through democratic means.

Q. During your tenure, U.S. development assistance to Africa became directly linked to democratization for the first time. How successful do you think this policy has been?

A. The end of the cold war and the complications it imposed on our relationships in Africa made linkage between aid and democratization feasible. My support for the linkage was particularly motivated by its relevance to our policy regarding South Africa. How could we insist on democratization in South Africa without giving the rest of Africa equal treatment? If we were tough on the whites in South Africa, shouldn't we be equally tough on governments such as Mengistu's in Ethiopia and Mobutu's in Zaire? Our double standards were beginning to grate. We also concluded that the one-party state was a major inhibitor of economic growth. Investors are not going to put money in countries that do not have the rule of law, and where the quality of governance causes widespread human suffering. Another factor was that a new generation of educated African elites is demanding democratization in emulation of the emerging democracies of Eastern Europe. In the final analysis, our policy is really following an African lead.

Q. How do you respond to the view that a policy linkage between aid and democratization is an unacceptable form of political pressure?

A. We really can't accomplish our mission of furthering economic development in Africa unless it is in a democratic context. I believe that sincerely, and not just for ideological reasons. Our resources will be wasted unless there is accountability, transparency, and popular participation in deciding how these resources are going to be spent. There is no blackmail or pressure involved, since we are willing to provide financial assistance to the democratization process and we understand that the entire process takes time. Our experience with totalitarian states in Africa is that they are investment-averse, and economic growth is out of the question without private investment.

Q. In Angola, the refusal of UNITA to accept the results of the first-ever multiparty election in September 1992 may be seen as a major setback to democratic change in Africa. Are there lessons there for Mozambique?

A. With regard to Angola, I do not want to absolve UNITA of responsibility for the breakdown of the process. Its leadership agreed to play the democratic game. UNITA lost an election that the UN monitoring teams declared free and fair, reneged, and bears full responsibility for the resumption of war. Nevertheless, there are some valuable lessons to be learned from what has taken place.

The agreement to hold the election was flawed because it called for the two sides to implement the agreement without a third party or a referee. So the various oversight bodies created were constantly deadlocked. The official observers (Portuguese, U.S., and Russian) were there and made suggestions, but had no capability to force resolution of impasses. The Mozambique accords are an improvement on the Angolan experience because the United Nations will chair the various implementing bodies.

Another problem in Angola was that the number of cease-fire monitors was inadequate. The MPLA government rejected a large UN presence because of concern for its own sovereignty. Consequently, there were too few monitors to detect the extensive hiding of troops (by both sides) outside the required assembly areas. There will be over 7,000 monitors in Mozambique compared to only 400 in Angola.

Finally, we were all in too much of a hurry for an election. We should have insisted that the sequencing be fully respected in regard to security arrangements (encampment, disarmament, and formation of a national army) before the election was held. It has been agreed that Mozambique will follow this rule.

Q. How do you get people who have spent 10 to 15 years as guerrilla fighters to accept psychologically that they could possibly lose an election? Should the leaders of warring factions be prepared in some way so that they can emotionally accept defeat at the ballot box?

A. You are right. Dr. Savimbi of UNITA clearly felt that the MPLA government, after so many years of mismanagement, should be rejected by the electorate. In addition, his campaign workers told him that he could not lose. His campaign, however, alienated the voters because he stressed militarism as opposed to peace and reconstruction. He frightened the voters with his military approach because Angolans were sick of war. UNITA therefore lost an election it should have won. Prior to the election, the United States provided training to cadres from all political parties in what democracy was all about, including the role of the losing opposition. But we only scratched the surface. I also believe that we should provide advice on how to run a campaign. We did not help UNITA because we wanted to be completely neutral.

Parties coming out of the bush also need financial assistance. In Mozambique, Frelimo benefits from having been the government party over the years. As it comes out of the bush, Renamo must start from zero. It is quite legitimate, therefore, to help Renamo financially. I am also leaning toward the conclusion that even before a democratic process gets under way, a certain amount of cohabitation in the form of power-sharing arrangements might be worthwhile to build mutual confidence.

Q. At the moment, domestic priorities seem to have marginalized foreign aid in Washington policy-making circles. To what extent does this situation jeopardize future U.S. funding for Africa?

A. I see no indication that assistance to Africa will decrease. After all, Africa has never been a "fat cat" in the hierarchy of U.S. assistance. Our overall development assistance level to Africa has remained steady at around $800 million per annum for the last few years—despite the increased focus on Eastern Europe and the former Soviet Union. I see no sentiment that aid to Africa should be reduced. Indeed, the pro-Africa constituency is growing, especially in Congress. Our humanitarian aid levels will continue to make our overall annual assistance about $1.5 billion. The United States is not the only donor to Africa and is by far not the main donor. If you add all of the assistance from the European Community, France, Belgium, Germany, Japan, and the United Kingdom, as well as the World Bank, the International Monetary Fund (IMF), and the United States, resource flows to Africa should be sufficient to fuel growth provided economic and political reforms are seriously adopted.

Q. Does a total of $800 million in foreign aid to sub-Saharan Africa compared to $3 billion to Israel and $2.1 billion to Egypt mean that Africa is a low U.S. foreign aid priority?

A. For geopolitical reasons, Egypt and Israel are the top-ranking bilateral foreign aid recipients. This does not mean, however, that Africa is being neglected. Far from it. In addition to direct assistance, the United States provides 25 percent of World Bank, IMF, and UN resources. As much as 50 percent of these resources go to Africa. If you add up the total international resource flows to Africa, the continent is clearly far from being marginalized.

Q. According to a recent statement by the chairman of the Subcommittee on Africa of the House Committee on Foreign Affairs, the continent's debt has tripled in the last decade from $56 billion in 1980 to $173 billion in 1990. What will the impact of this deepening debt burden be on peaceful change, development, and political stability toward the end of the century?

A. The debt overhang is the greatest single economic inhibitor to growth in Africa. Even with conflict resolution, economic reform, and democratization, the debt burden will make it extremely difficult for African states to escape the syndrome of sending all of their export earnings out of the country in order to service debt. It is vitally important that the international community do more to make it less onerous for African governments to service their debt over a longer period of time and also forgive as much debt as possible.

Q. To what extent has it been beneficial during your tenure for the United States to coordinate its policies with other countries dealing with Africa?

A. The United States enjoys considerable prestige in Africa, but there are other governments with even more influence in certain countries. France and the United Kingdom have strong voices in many of their former colonies. The Germans and the Japanese are major aid donors and trading partners who can make a big impact. If the external friends of Africa can speak with one voice on specific issues, we can achieve a lot more. Our combined pressures on Kenya and Malawi in 1992 stimulated major changes in those countries.

Q. What comment or advice would you offer Ambassador George Moose, your successor as assistant secretary of state for African affairs?

A. First of all, I would advise that respect for the United States has never been higher in Africa. The results of the cold war have had a marked effect on how Africans view us. Our work in conflict resolution in Angola, Ethiopia, and Mozambique has given us a good reputation in that area of endeavor. In addition, our own democracy serves as a beacon and as a role model. Above all, many Africans feel that the moral guarantee of the United States is important to assure the success of the conflict resolution agreements they achieve.

My advice to my successor, therefore, is to be very activist, to get involved. I believe Africans welcome our activism. They want our assistance, advice, and counsel. Don't be shy about that.

Q. Is there any one concern regarding Africa that warrants special emphasis?

A. We really have to do more in the environmental area. In this, we are pushing on an open door as far as the Clinton administration is concerned. Many parts of Africa are engaged in self-destruction through the elimination of forests and overgrazing of the land. We need to be more active for everyone's good, including our own. Population management is also vital because the environment can support only so many people and their livestock.

Q. Are there any examples of incidents you look back on and think you could have done differently or better?

A. Yes, I believe we missed an opportunity in Liberia. The conflict there started out very small in December 1989. By April-May, 1990, it had become quite large. Yet, it was still manageable. We deployed a large marine amphibious force near Liberia to evacuate U.S. citizens, an operation accomplished with great efficiency. A modest intervention at that point to end the fighting in Monrovia could have avoided the prolonged conflict that Liberia has endured until the present. Even in Somalia, the decision to intervene militarily in December 1992 was late.

Don't misunderstand me. Our hesitancy to intervene with military forces is healthy. As the strongest military power in the world, the United States should not be throwing its military weight around and jumping in to solve every conflict situation with force. Diplomacy should come first. In Somalia, we intervened after diplomacy failed, and our forces accomplished the mission of ending starvation in a remarkably rapid fashion. In Liberia, we did not intervene either diplomatically or militarily. I regret that. Fortunately, ECOWAS was there to do that job after we decided not to assume a leadership role.

My bottom line for U.S. involvement in African conflicts is that an activist approach almost always provides opportunities for us to do some good, although sometimes not in ways that we envisage when we start. The reason we can expect such opportunities is that since the end of the cold war, U.S. prestige and admiration for our values have never been higher in Africa.

Before his appointment as assistant secretary of state for African affairs in 1989, Ambassador Herman J. Cohen was (1987–1989) senior director for African affairs on the National Security Council. He was the Department of State's deputy assistant secretary for personnel from 1984 to 1986; principal deputy assistant secretary of the Bureau of Intelligence and Research (1980–1984); U.S. ambassador to Senegal and Gambia (1977–1980); and political counselor in the U.S. embassy in Paris (1974–1977). In his earlier career, he served as deputy chief of mission in the U.S. embassy in Zaire and in a range of economic and administrative posts in other African countries. He received the Department of State's Superior Honor Award in 1989, the French Legion of Honor in 1990, and the Belgian Order of Leopold II in 1992.●

SESQUICENTENNIAL CELEBRATION OF ST. AUGUSTINE'S PARISH

● Mr. LEVIN. Mr. President, in 1843, Rev. Patrick O'Kelly and 13 families, mostly Irish immigrants, founded St. Augustine's Roman Catholic Church. In 1846, they built a small wooden framed building in Deerfield Township, Livingston County, MI, thus establishing a spiritual home for the congregation.

Some 50 years later, in 1895, Rev. George J. Maurer directed the construction of a brick and hammered stone building on the original site of the first church. And that charming structure, lovingly maintained and restored by its parishioners, is still being used for daily worship by over 290 families.

For 150 years, St. Augustine's has been a place of worship and a center for community events in this rural township. It is one of the three oldest Roman Catholic parishes in Michigan.

In August of this year, Father Carl Simon and his congregants will commemorate the sesquicentennial of St. Augustine's at a special Mass and banquet. I wish to send my greetings and congratulations to all those who will participate in this joyous celebration.●

BUDGET SCOREKEEPING REPORT

● Mr. SASSER. Mr. President, I hereby submit to the Senate the budget scorekeeping report prepared by the Congressional Budget Office under section 308(b) and in aid of section 311 of the Congressional Budget Act of 1974, as amended. This report meets the requirements for Senate scorekeeping of section 5 of Senate Concurrent Resolution 32, the first concurrent resolution on the budget for 1986.

This report shows the effects of congressional action on the budget through May 21, 1993. The estimates of budget authority, outlays, and revenues, which are consistent with the technical and economic assumptions of the concurrent resolution on the budget (H. Con. Res. 287), show that current level spending is below the budget resolution by $2.1 billion in budget authority and $0.5 billion in outlays. Current level is $0.5 billion above the revenue floor in 1993 and above by $1.4 billion over the 5 years, 1993–97. The current estimate of the deficit for purposes of calculating the maximum deficit amount is $392.4 billion, $28.4 billion below the maximum deficit amount for 1993 of $420.8 billion.

There has been no action that affects the current level of budget authority, outlays, or revenues since the last report, dated May 19, 1993.

The report follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 24, 1993.

Hon. JIM SASSER,
Chairman, Committee on the Budget,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The attached report shows the effects of Congressional action on the budget for fiscal year 1993 and is current through May 21, 1993. The estimates of budget authority, outlays, and revenues are consistent with the technical and economic assumptions of the Concurrent Resolution on the Budget (H. Con. Res. 287). This report is submitted under Section 308(b) and in aid of Section 311 of the Congressional Budget Act, as amended, and meets the requirements for Senate scorekeeping of Section 5 of S. Con. Res. 32, the 1986 First Concurrent Resolution on the Budget.

Since my last report, dated May 18, 1993, there has been no action that affects the current level of budget authority, outlays, or revenues.

Sincerely,
ROBERT D. REISCHAUER,
Director.

THE CURRENT LEVEL REPORT FOR THE U.S. SENATE, 103D CONGRESS, 1ST SESSION, AS OF MAY 21, 1993

[In billions of dollars]

	Budget resolution (H. Con. Res. 287)	Current level[1]	Current level +/− resolution
ON-BUDGET			
Budget authority	1,250.0	1,247.9	−2.1
Outlays	1,242.3	1,241.8	−0.5
Revenues			
1993	848.9	849.4	+0.5
1993–97	4,818.6	4,820.0	+1.4
Maximum deficit amount	420.8	392.4	−28.4
Debt subject to limit	4,461.2	4,190.4	−270.8
OFF-BUDGET			
Social Security outlays:			
1993	260.0	260.0	
1993–97	1,415.0	1,415.0	
Social Security revenues:			
1993	328.1	328.1	(2)
1993–97	1,865.0	1,865.0	(2)

[1] Current level represents the estimated revenue and direct spending effects of all legislation that Congress has enacted or sent to the President for his approval. In addition, full-year funding estimates under current law are included for entitlement and mandatory programs requiring annual appropriations even if the appropriations have not been made. The current level of debt subject to limit reflects the latest U.S. Treasury information on public debt transactions.

[2] Less than $50,000,000.

Note: Detail may not add due to rounding.

THE ON-BUDGET CURRENT LEVEL REPORT FOR THE U.S. SENATE, 103D CONGRESS, 1ST SESSION, SENATE SUPPORTING DETAIL FOR FISCAL YEAR 1993 AS OF CLOSE OF BUSINESS MAY 21, 1993

[In millions of dollars]

	Budget authority	Outlays	Revenues
ENACTED IN PREVIOUS SESSIONS			
Revenues			849,425
Permanents and other spending legislation	764,283	737,413	
Appropriation legislation	732,061	743,943	
Offsetting receipts	(240,524)	(240,524)	
Total previously enacted	1,255,820	1,240,833	849,425
ENACTED THIS SESSION			
Entitlements and Mandatories			
Budget resolution baseline estimates of appropriated entitlements and other mandatory programs not yet enacted	(7,928)	962	
Total current level[1]	1,247,892	1,241,794	849,425
Total budget resolution[2]	1,249,990	1,242,290	838,890
Amount remaining:			
Under budget resolution	2,098	496	
Over budget resolution			535

[1] In accordance with the Budget Enforcement Act, budget authority and outlay totals do not include the following in emergency funding:

[In millions of dollars]

	Budget authority	Outlays
Public Law:		
102–229		712
102–266		33
102–302		380
102–368	960	5,873
102–381	218	13
103–6	3,322	3,322
103–24	4,000	4,000
Offsetting receipts	(4,000)	(4,000)
Total	4,500	10,333

[2] Includes revision under Section 9 of the Concurrent Resolution on the budget.

Notes: Amounts in parentheses are negative. Detail may not add due to rounding.●

CONFERENCE ON AFRICA

● Mr. SIMON. Mr. President, during a conference on Africa I organized in Chicago on May 1, 1993, a thoughtful keynote address was presented by John W. Casey, the Secretary General of the World Alliance of YMCA's. Mr. Casey effectively argued for the need for increased attention to African economic development, concentrating on the training of grassroots African leaders, and working within the context of African—rather than Western—culture. Mr. Casey's comments are cogently and persuasively presented. I ask that his remarks be inserted into the RECORD.

The remarks follow:

REMARKS OF JOHN W. CASEY, SECRETARY GENERAL, WORLD ALLIANCE OF YMCA'S

First, I would like to thank our distinguished U.S. Senator—my Senator, the Honorable Paul Simon, for organizing and giving leadership to this important Conference on Africa. His role as a member of the Senate Foreign Relations Committee, and Chairman of its Subcommittee on Africa, together with the presence of a new administration in Washington, gives hope for a thorough reevaluation of U.S. foreign policy toward Africa and, hopefully, a new commitment to assist in the development of the nations of that continent.

This Conference is timely also because Africa is going through a most turbulent time with the current level of human tragedy and suffering having no precedence in recent history. There are at least a dozen—or more civil wars and tribal clashes (ethnic cleansing) raging across the continent which have attracted little media attention from the West. The more publicized wars in the Horn of Africa—Sudan, Somalia and Ethiopia—and Southern Africa—Mozambique and Angola—have claimed tens of thousands of lives and have destroyed the fragile infrastructure of those countries. The economics of Africa are collapsing like dominos and currencies have devalued so rapidly that one has to have a pocket full of worthless bank notes to purchase a loaf of bread or a kilo of flour. Coffee, tea, peanuts, cotton and other agricultural products have lost value in the world market. Education, health and veterinary services, and agriculture have virtually come to a standstill because of moribund economies and absence of investment. Africa has the highest number of externally indebted countries of any region of the world and are in hock to the West for some 260 billion in loans. The continent has been repeatedly hit by severe drought over the past decade that has required billions of dollars in foreign assistance in the form of emergency and humanitarian aid instead of much needed long term development funds. The Sahel drought of 1984 will be remembered by Americans and Europeans because of the public arousal through rock concerts and other public events. Another, equally devastating drought hit the Horn of Africa and Southern Africa just two years ago but that did not receive enthusiastic world support despite the fact that 40 million human lives were threatened. Africans are still struggling through the agonizing effects of this latest drought despite the fact that the rains have come to the South and the crops are more plentiful. Despite the horrible scenes of starving and dying children seen on our T.V. screens, there has been considerably less enthusiasm in the West and the trend line shows a pattern of declining interest. Maybe Africa had one drought too many! This is a continent of very complicated and multiple problems—ranging from Apartheid—to dictatorships—fundamentalist oppression—and brutal warlords. Would you believe that there are substantiated reports of live crucifixions of Christians in Sudan by a brutal Islamic fundamentalist government that is financed by, among others, an American ally such as Saudi Arabia, where Americans recently died defending those national interests.

Now, I am not an academician, or a foreign policy expert, or a think tanker, economist or foreign aid expert, but am the Secretary General of a worldwide organization that has an active and growing presence in 28 African countries, including 13 of the 19 countries of Southern Africa and the Horn of Africa. We are an indigenous organization in Africa with each of our YMCAs in African countries being fully autonomous, independent and governed and staffed by citizens of Africa. While American and European relief agencies enter in response to various disasters, eventually they also leave and in the process do not strengthen the capacity of African institutions but prefer to take their know-how back home from where they came. Knowledge is power and power fosters dependency. I watch my colleagues in Africa struggle to build their African institutions and fully realize that the only successful future for Africa must be led and controlled by the indigenous governmental and non-governmental leaders in Africa. In this post-colonial and post-superpower competition era- despite the internal disorders and seeming chaos of Africa—Western countries and Western institutions have never had a better opportunity to help support the development of democratic institutions and the political, economic and social infrastructure of Africa than they do right now. But this will require new concepts, new methods, new citizen partnerships within Africa, and new commitments together with an enlightened understanding of the African way which can be the only way. External prescriptions that are not based in African cultural reality have no chance for success—but will still be encouraged by Africans who are desperate for any resources—good or bad as they may be.

I present this rather dark scenario of Africa so that together with the other presenters at this conference we can underscore the urgency as well as opportunities of these times in Africa: We in the West—Europeans through colonialism, and the United States in recent decades of superpower competition, have contributed immeasurably to the miseries and problems of Africa, and in good conscience must work constructively with Africans in the development of their continental potential.

The entire continent was until the 1960's largely under European colonial domination, mainly British with the exception of Ethiopia which was independent. Germany and Italy lost their colonies (Tanzania, Rwanda, Burundi, Namibia and Somalia) after the world wars.

The Berlin Conference of 1886 divided Africa at the surveyors's drawing table irrespective of cultural and ethnic realities in Africa. The ongoing consequences of these arbitrary partitions are evident to this day in struggles for control of governance systems that follow tribal/ethnic lines, not surveyor lines.

By the mid-1960's most of the African countries, with the exception of the Portuguese colonies—Angola and Mozambique—gained independence. Political colonial government ended in Africa, but in reality a new economic, colonialism has taken root with the truth being that the West has a tighter, safer and less expensive grip on the continent than in any other time in history.

In the new colonial era, the U.S.A. took interest in the continent from the late 1950's until the recent collapse of communism as a world power. The U.S. used Africa as a buffer zone to halt the spread of communism and in so doing sponsored anti-communist regimes and insurgents, some of whom continue to destabilize government until this very day.

Dictators and exploiters were supported at the expense of the masses and the West nurtured and supported dictators the likes of Mobutu, Moi, Sid Barré, Mengistu, Savimbi, Habiarimana and Eyadema who turned on their Western sponsors and resisted pressures to change. In fact dictators in Ethiopia and Somalia had to be forced out of their palaces at gun point, and in Zair, one still tries to govern from a floating boat in the river.

The end of communism has decreased U.S.A. interest in Africa—our national interests are focused elsewhere such as the potentially lucrative markets in Eastern Europe. Africa represents no real market for American manufactured consumer goods, fast foods or electronic gadgets. Africa does not have ready skilled labor. In some African countries, with the number growing, the vacuum left after the demise of the super power struggle unfortunately is being filled by the rapid spread of Islamic fundamentalism spearheaded by committed enemies of the West. This is fostering tyrannical regimes who have no tolerance for democracy or diversity.

As the continent gets poorer and poorer, many Africans, particularly the qualified and skilled Africans, are fleeing to Europe and the U.S. in search of better living conditions and security. Between 1985 and 1990, Africa lost 60,000 middle and high level managers to Europe who have been replaced by 30,000 high salaried European expatriates who now work in Africa. The brain drain continues.

Almost all foreign policy in the West is established under the rubric of what is called—"national security interests"—be that political or economic in nature. With the exception of the continuing exploitation of the rich natural resources of Africa, Europe and North American have no remaining political or market, national security interests in Africa—in fact almost all U.S. banks have closed their offices and moved elsewhere.

In the absence of hard national interests, what rationale can be offered to persuade Western governments to hold Africa as a priority? The argument must be based on moral and ethical rationale and that is an increasingly difficult argument to make. Unlike other immigrant groups from Europe in the U.S. who for the most part emigrated of their own free will, retained their birth names and brought their cultural traditions with them, the African-American community who represents almost 15% of our population do not have those advantages and have never been able to overcome their own social and economic disadvantages and deficits. It is difficult to politically organize for the continent of Africa if increasing numbers of African Americans are struggling to survive themselves. Much smaller ethnic groups—such as the Armenians, Poles, Jews and others have effectively influenced U.S. foreign policy related to their ancestral homelands—but as I said earlier, their cultural identities and ties remained whole—and they have prospered economically here in the U.S. But in the absence of clear cut arguments of national security interests—economic or political—the moral argument can best—and maybe only be expressed by those of African ancestry. That's the nature and essence of our political system—nobody in the U.S. really cares about Armenia, Poland and Israel other than American Armenians, American Poles and American Jews. The same can be said of Africa. Leadership in the African-American community has long understood this.

The particular region of Africa that we are focusing on today—Southern Africa and the Horn of Africa, is the area of Africa with the most potential. More than 50% of Africa's population South of the Sahara live in this region within the borders of 19 nation states. As a region it is slightly larger than the U.S. and has roughly the same number of inhabitants—250 million. In this region natural resources are abundant—fresh water such as the Nile River and Lake Victoria, natural forests, minerals (gold, diamonds, copper), and others. It is a plateau of rich volcanic top soil, very suitable for agricultural production. The economic potential of these natural resources is great, but in spite of that the region is plagued by hunger, civil disorders and wars, and massive economic hardships.

The West, through the World Bank and the IMF investments, have failed miserably in halting the economic downtrends. In fact the structural adjustment programs (SAPs) have had destabilizing effects in many countries. Democratization, as conceptualized in the West, has proved hard to achieve in Africa. When the Zambia government stopped the subsidy of maize meal (which is the staple food in this part of Africa) in bowing to the pressure of IMF to liberalize the economy, the people rioted, caused millions of dollars in property damages, and the government had to retract its decision. The IMF required cutbacks of bloated civil service has become problematic because it touches on sensitive issues of tribe, nepotism and clanism.

What I am saying is that economic and political prescriptions and solutions imposed by the West have not worked in favor of Africans and that the dictators still unleash havoc on the people, economies continue to crumble, hunger still abounds and environmental devastation remains unchecked. The new Europe is anti-Africa and is closing its doors to African immigrants and job seekers. There must be some alternatives to this dim scenario and our government, with our counsel and support, must provide some new and fresh leadership.

Just as there is emerging some new thinking on the economic restructuring of Russia with major U.S. aid and loan emphasis on direct relationships with the private and citizen sector as opposed to government-to-government arrangements, the same thinking must increasingly be applied to Africa. Much of the past U.S. government aid to African governments has ended up in European bank accounts and it is estimated that only 20% ever got to the level of the people. The bureaucracies of these same governments—the civil servants—are enemies of their people. The people are exploited through graft and corruption.

A new emphasis on Africa will be a hard sell at this time given our own serious domestic needs as well as the many international issues that do have substantial "national security interest" implications—political and economic. But the moral argument must be presented and must be considered.

I would suggest that fresh U.S. foreign policy thinking toward Africa should concentrate on three areas:

1. I just referred to an economic development approach that goes around African governments and engages at least three sectors of the African citizenry—education, small business and agricultural development, and indigenous health and social service systems. It is certainly no secret that massive amounts of U.S. aid has been stolen or wasted on white elephant projects that were never completed or that were inappropriate for conditions. Expensive factories, bridges, schools, hospitals, highways, sports complexes, hotels and office blocks which were seen to represent a new era of development were only partially utilized or abandoned before completion.

In the social development area we can identify those private sector national and local agencies and individuals that are involved in grassroots community development activities such as small holder and subsistence farming, health clinics, literacy programs, water development, nutrition, family health, environmental care, housing and the like. We must engage them in direct and new ways so as to strengthen their capacity to grow and serve their people.

In economic development there has been the slow growth of viable formal and informal business enterprise by individuals and groups. This is the sector that we should focus on—the open air market traders, transporters, shop owners, construction and maintenance companies, and the like. These groups are easy to identify through established trade organizations and chambers of commerce and U.S. counterparts can collaborate with them in upgrading skills, production and marketing. In a collaborative process we can find markets for African goods.

2. The second area of concentration should be in the field of education and skills training. At the time of African independence, the U.S. government brought thousands of Africans into this country for higher education and training. After completing their education very few of them returned to Africa thus Africa lost their most qualified professionals, business executives, university teachers and doctors to name a few. This practice has been harmful to Africa because there is a shortage of skilled manpower and trained professionals and Africa has had to import expensive expatriates to replace this loss. I can envision an increased range of U.S. government supported educational exchange and enrichment initiatives that can increase the professional capacities within Africa.

Such programs should be high quality and should emphasize private initiatives—for example, private—mainly church supported education institutions which are currently providing excellent, quality education within Africa. As I said before, government education systems are crumbling and our focus should be on the private sector.

I would offer one word of caution on any future initiatives whether it be in the social, health, business or educational fields, that we enter into processes that are understanding of and sensitive to the wide cultural gaps that exist and that are designed with the African way in mind.

3. Finally, the third area of concentration has to do with more macro economic issues—external debt and international trade policy.

The total debt of both North and sub-Saharan Africa stands about US$260 billion and represents a critical and never ending drain on much restricted African state budgets. If the U.S. is serious about a moral and ethical approach to African development then new thinking must be applied to this most serious matter. Debt service in declining African economies drains the very life blood out of these struggling economic systems. I think that there ought to be a 10 year debt payment moratorium for all debt distressed African countries together with an outright forgiveness of half the debt amount. Anything short of such an approach will result in a continuing and pervasive choking to death of any hope of African economic recovery.

Obviously such an approach should be applied on a country by country basis and should have tough restrictions in terms of their budgetary and economic growth plans. Violations of agreements could result in debt reinstatement policies. The focus of the agreements should be directed to private sector economic development and the social, educational and health needs of the African people.

The other major economic stimulus initiative should be in the area of U.S. trade policy as represented in the Uruguay Round of trade negotiations under GATT. Sub-Saharan African countries have seen their international trade share fall to one-fourth of its 1960 levels. The least developed countries are among the greatest losers—their already small share of global trade has been halved over the past 20 years—from .8% to .4%. GATT was founded on the principle of nondiscrimination, elimination of restrictions on imports and exports, reductions of tariffs and stability of tariffs. In effect GATT has now become an instrument of trade for Europe and North America denying developing countries opportunities for markets worth at least US$500 billion per year. Products produced by Africans cannot penetrate the lucrative markets in the West. Trade barriers are highest for manufactured goods for which Africa enjoys a competitive advantage—for labor intensive exports such as textiles, clothing and footwear. The market for agricultural produce is also distorted by important barriers and by US$300 billion a year in subsidies and price supports in industrial countries, reducing the export opportunities for African countries. African economic development cannot occur if it cannot move its products in a world market.

These then are some of my thoughts related to stimulating the economic development of Africa. Much internal reform has to occur within Africa in order to be able to relate to all of these external realities and increasing numbers of Africans are aware of this.

If the United States is serious and concerned about the future of this continent then aggressive re-evaluation of foreign policy must be undertaken and creative and bold new initiatives must be taken. Hopefully this important Conference will help stimulate such action.

Thank you.●

COMMEMORATION OF THE 500TH ANNIVERSARY OF PUERTO RICO

● Mr. BRADLEY. Mr. President, I rise today to commemorate the Puerto Rican community's 1993 celebration of Puerto Rican Heritage Year. November 19 of this year will mark the 500th anniversary of Christopher Columbus' arrival on this naturally rich and beautiful island. It is my honor to recognize Puerto Ricans throughout New Jersey and the Nation as they reflect on their culture, family, history, and home land.

Taino Indians, Puerto Rico's indigenous population, named the island Boriken (Land of the Supreme Lord). According to their religion, Yucahu, their god, lived at the summit of El Yunque, the highest mountain in the northeastern section of the island. It is said that upon Columbus' arrival, he named the island after Saint John the Baptist.

Initial attempts by the Spanish to establish a settlement failed until 1508 when it was founded by Ponce de Leon, the island's first governor. Puerto Rico was under Spanish rule until ceded to the United States in 1898 after the Spanish-American War. Citizens of Puerto Rico gained their full U.S. citizenship in 1917 and Puerto Rico attained its present status as a Commonwealth in 1952. This island, which is now one of the most densely populated areas in the world, is known for its agriculture, tourism, and manufacturing industries.

Since the late 1800's Puerto Ricans have migrated to the continental United States, concentrating mainly in the northeast. The United States and New Jersey have greatly benefited from Puerto Ricans' rich culture, strong values, and significant political and economic contributions. It is most timely to recognize the Puerto Rican community as they celebrate 500 years of struggle and prosperity. Their contributions have served to strengthen this country's democratic system and its social and economic institutions.●

CONDEMNING FOREIGN POLICY RETREATISM

● Mr. D'AMATO. Mr. President, I rise today to address a very disturbing article that appeared in today's Washington Post. In the article, entitled, "Reduced U.S. World Role Outlined but Soon Altered," an unnamed senior State Department official reportedly stated, that the Clinton administration plans to withdraw from "many foreign policy leadership roles" routinely assumed by the United States. This policy line was later denied by the Secretary of State.

I have it on good authority that the unnamed official who made these remarks was the Undersecretary of State for Political Affairs, Peter Tarnoff. Tarnoff made these remarks at a luncheon for the Overseas Writers Club. These unfortunate remarks reveal the true intent of an administration that is increasingly showing itself to be weak and inept.

This retreatist policy is nothing less than Jimmy Carter's foreign policy warmed over. This policy of malaise was predictable, months ago, when numerous former Carter State Department officials were brought back to serve in the Clinton State Department. As a result, today, the United States—because of its foreign affairs mishaps and broken promises—appears disoriented and confused. Our allies and foes alike view the United States as weak and ineffectual.

We need no further proof of the authenticity of this dangerous policy than the administration's shameful actions in regard to Bosnia. After criticizing President Bush for inaction there, the Clinton administration appears absolutely hypocritical by itself refusing to do anything.

In a congressional hearing last week, Secretary of State Christopher announced a new administration policy, stating that the United States has no moral right to intervene in the conflict. This is outrageous. This policy reversal represents a total abandonment of Bosnia, throwing her to the Serbian wolves.

The administration has been sabre rattling for weeks and floating its routine trial balloons through the press as to what they should do in Bosnia. As the press and the Europeans alike shot down idea after idea, the tough talk stopped and appeasement of the Serbs began.

Where we once had the initiative in threatening military action if the Bosnian Serbs did not sign the peace plan, we lost it. Worse yet, our failure to act only emboldened the Bosnian Serbs convincing them of our total lack of resolve. Now, we appear weak in the face of defiant Bosnian Serbs, bent upon conquering the remnants of a sovereign Bosnian State and perhaps carrying its conquest into Kosova. Surely Milosevic and Karadzic must believe that the United States would do nothing in response to further Serbian aggression.

Simply put, through U.S. inaction and bungled diplomacy, we have abdicated our position as a world leader and we have compromised our integrity as a nation. There is little doubt as to why the Clinton administration is now being called Carter II. This sounds like a bad Hollywood sequel, but is all too real and all too dangerous.

Given Undersecretary Tarnoff's statement, it is becoming terribly evident that we are in trouble not only domestically, but overseas as well. This is unfortunate because the world needs us and we need the world. Apparently, the Clinton administration does not think so.

I ask that the text of the article be included in the RECORD following my remarks.

The article follows:

[From the Washington Post, May 26, 1993]

REDUCED U.S. WORLD ROLE OUTLINED BUT SOON ALTERED—HIGH-LEVEL DISAVOWALS FOLLOW OFFICIAL'S TALK

(By Daniel Williams and John M. Goshko)

A senior State Department official set off a flurry of high-level disavowals yesterday with remarks to reporters that the Clinton administration, as it focuses on domestic economic troubles, expects to withdraw from many foreign policy leadership roles customarily assumed by the United States.

"It is necessary to make the point that our economic interests are paramount," the official declared. With limited resources, the United States must "define the extent of its commitment and make a commitment commensurate with those realities. This may on occasion fall short of what some Americans would like and others would hope for."

His remarks, before a large luncheon audience of reporters, caused concern among more senior officials who moved quickly to dispute the notion that either American power or influence was in decline or that the official was expressing administration policy.

President Clinton and Secretary of State Warren Christopher have spoken frequently about their intention to give a high priority to international economic issues and to press U.S. allies to share more of the burden of dealing with crisis situations. But they have not spelled out the limits of U.S. engagement as specifically as the official yesterday.

"There is no derogation of our powers and our responsibility to lead," Christopher said in a brief telephone interview yesterday evening. "In some situations, we will try to involve other countries. We would not be a superpower for long if we have to do everything on our own." Christopher added that the United States would continue to involve itself overseas when U.S. interests are at stake.

"That is not our foreign policy," said a senior White House official in response to the disputed remarks. "The president believes that we cannot be strong abroad unless we are strong at home and we cannot be strong at home unless we are engaged abroad. It is simply not right to in any way suggest that we do not want to take a strong leadership role abroad."

Yesterday's episode occurred under ground rules common in Washington where officials frequently speak behind a cover of anonymity in order to feel freer to express themselves. The State Department declined repeated requests to let the official be quoted by name.

As an example of the new approach he described to America's global responsibilities, the official cited how Washington, in the face of allied opposition, shelved its call for military pressure in Bosnia-Herzegovina and acquiesced to a joint European-Russian plan for settling the conflict there.

"For those who would like this to have become a United States show, there is distinct disappointment out there. We are determined not to go in there and take over Bosnia policy," the official said.

"Are people dying because the United States could do more if we wanted to?" he asked rhetorically. "Yes, the answer is that."

He depicted a post-Cold War landscape of limited American power and influence. His comments appeared to outline the parameters of future American action and intervention in international crises.

The remarks departed from the muscular image of U.S. leadership projected by the Reagan and Bush administrations and harkened back to the more limited exercise of U.S. power characteristic of the Carter administration. The official served in a high-ranking State Department position during the Carter years from 1977 through 1980.

"Friends" of the United States have had difficulty understanding "how much has changed in the U.S. after the Cold War," the official said.

He admitted that the self-imposed limitations can result in policy "that may on occasion fall short of what some Americans would like and others might hope for."

The official stressed that there would be situations so central to U.S. security that the United States would feel it necessary to intervene without its allies. But he said that unlike the Cold War, when Washington paid lip service to the notion of collective security, the new administration really believes in that concept.

"The approach is difficult for our friends to understand. It's not different by accident, it's different by design," he said.

The United States faces the threat of "middleweight powers" in contrast to the heavyweight rivalries of the Cold War era, the official explained. Taming these, he suggested, would also be difficult, given the lack of national resources and will.

"We simply don't have the leverage, we don't have the influence, the inclination to use military force. We don't have the money to bring positive results any time soon," he said.

Asked repeatedly about the course of U.S. policy towards Bosnia, his responses indicated that events there have transformed the former Yugoslav republic into a kind of laboratory for this new approach to international crisis management.

"People were genuinely disarmed by the fact that he was there to consult," the official said of Christopher's efforts. "He did not have a blueprint in his back pocket. * * * He had some things we favored."

Part of Christopher's goal was to set limits on American involvement, the official said.

Christopher encountered resistance from Russian and major European states to the Clinton plan, which the administration then put aside. Last week, the administration signed on to a European-Russian plan centered on the establishment of U.N.-declared safe havens for besieged Muslims. The United States has agreed to use air power to protect the international troops that will be guarding the safe havens.

The official said he understood the bitter criticism that has been directed at these decisions by the Bosnian Muslims and their sympathizers in Islamic countries. "Any of us involved in this have to feel pain and sympathy," he said.

The official also spoke approvingly of the administration's performance in several other foreign policy areas. He said Washington had managed to restart the Middle East peace talks after a rocky beginning and had provided important financial support to Russian President Boris Yeltsin's reformist government.

He said Clinton is still wrestling with how to maintain sound relations with China while expressing concern and hope for change in China's approach to human rights, trade with the United States and high-tech arms sales abroad.

A decision by Clinton on whether to renew for another year China's trade privileges with the United States is due by June 3. Administration officials say Clinton will place conditions on future annual renewal in order to force progress on the issues of concern to the United States.

On the eve of the trip, Clinton decided on a package of steps to even the balance between Bosnian Serbs and Muslims. The plan involved helping to arm the Muslims while holding Serb forces at bay with U.S. air power. Christopher traveled to Moscow and several Western European capitals to discuss the package.•

COMMEMORATION OF THE YEAR OF XACOBEO

• Mr. BRADLEY. Mr. President, I rise today to join the Galician and Spanish community in their commemoration of the holy year of St. James the Great, also known as Xacobeo or Jacob. According to tradition, St. James preached Christian religion throughout Spain until his execution in approximately 42 A.D. Many claim that this apostle's spiritual leadership inspired the reconquest of Spain and, in part, guided the first century unification of Europe. His body was moved from Jerusalem and placed in Santiago. This capital city of Galicia is the destination of people from many other European nations who make the pilgramage to honor St. James.

Through 1,200 years of this unique bringing together of nations for St. James' pilgrimage, the city of Santiago has become more diverse. Santiago represents a unique collection of citizens who possess an array of different creeds, ethnicities, and nationalities. The legacy of St. James' unification continues as Santiago, the city where his tomb lies, is now recognized for the unity of its diverse population.

Like Santiago, the United States and New Jersey are known for their mixture of different cultures and ethnicities. American Galician and Spanish communities are a significant part of this mixture. Over 400,000 Galicians live in the United States, and Spanish communities represent the fourth largest Hispanic group in this country. Not only do these communities contribute to the cultural diversity of this great country and state, they also contribute to the strength of its socioeconomic fiber.

In 1179 A.D. Pope Alexander III declared that every year St. James Day, July 25, falls on a Sunday will be considered a holy year in the name of St. James. This year, July 25 falls on a Sunday. Galician and Spanish communities throughout the United States and New Jersey will be celebrating the holy year of St. James with the rest of the world. It is my pleasure to salute the achievements and cultural vibrance of the American Galician and Spanish community, and to join these proud communities in recognizing 1993 as the Year of Xacobeo.•

CENTRAL INTELLIGENCE AGENCY VOLUNTARY PAY SEPARATION ACT

Mr. FORD. Madam President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 73, H.R. 1723, a bill to authorize the establishment of a program under which employees of the CIA may be offered separation pay to separate from service voluntarily, that the bill be deemed read three times, passed and the motion to reconsider laid upon the table; and, that any statements by Senators DECONCINI and WARNER appear in the RECORD at the appropriate place.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the bill (H.R. 1723) was deemed read three times and passed.

Mr. DECONCINI. Madam President, I urge my colleagues to vote in favor of H.R. 1723. This is the House companion bill to S. 647, a bill originally sponsored by Senator WARNER and myself and reported favorably without dissent by the Senate Intelligence Committee. In our judgment, the House bill, although different from our bill is some minor respects, accomplishes the objectives we set out to achieve and we believe it can and should be passed without amendment.

By passing this legislation, we will help ensure rationality and fairness in the process of reducing personnel in the intelligence community. The bill would allow the Director of Central Intelligence to make one-time payments to encourage voluntary separations from the CIA.

The Clinton administration has endorsed the legislation. While there were certain changes made by the House in the original proposal that came from the administration, we are advised that the CIA is satisfied with the changes.

The arguments in favor of the bill are clear:

First, we all recognize that the intelligence community, including the CIA, is in an era of downsizing. Indeed, the Congress last year mandated a 17.5-percent reduction in CIA personnel to take place over the next 5 years. Reductions in the work force are necessary, and relying solely on attrition may not be the most rational way to get there. This legislation would allow the DCI to target these separation incentive payments in specific job areas where there are too many workers on the payroll now. Employees in areas without surplus workers would not be eligible for the payments if they retired.

Second, this bill is modeled on legislation that was enacted last year giving similar authority to the Secretary of Defense for both civilian employees and military personnel. Thus, the intelligence agencies in the Department of Defense are already eligible to award this separation pay if the Secretary of Defense decides to delegate the authority to them. This bill puts the CIA director in essentially the same position with respect to his employees.

Third, this proposal is fiscally sound. Although there are some initial costs associated with the bill, in the long term, it will save considerable amounts of money.

In addition, the bill prohibits CIA employees who separate under this authority from being rehired within a year by CIA or being placed under contract. The bill also contains a requirement that periodic reports be filed with the congressional intelligence committees with respect to the implementation of this program. This will provide us an ability to adjust the program as need be over its five-year life. I can assure my colleagues that the Senate Intelligence Committee will carefully monitor the program to ensure that payments are offered only where necessary and in the amounts necessary to induce the required number of separations.

Madam President, as we come to grips with our fiscal problems in the Government, we must continually look for imaginative solutions that will manage spending cuts fairly and efficiently. Providing the DCI with this modest tool will help ensure that CIA downsizing occurs on schedule and is structured to meet the Government's needs and that the Agency can forego difficult and expensive voluntary separations.

I urge the Senate to pass H.R. 1723.

Mr. WARNER. Madam President, I strongly support enactment of H.R. 1723, the Central Intelligence Agency Voluntary Separation Pay Act. The bill has strong, bipartisan support. It is the companion bill to S. 647, the CIA Voluntary Separation Incentive Act, that Senator DECONCINI and I introduced and that the Select Committee on Intelligence reported favorably on May 5, 1993 (S. Rept. 103–43).

The bill authorizes the Director of Central Intelligence to offer separation pay as a financial incentive to CIA personnel to resign or retire voluntarily. By offering financial incentives for voluntary departures, CIA expects to be able to minimize or eliminate altogether a need for CIA to involuntarily dismiss employees. The bill also ensures that, if the Director of the Office of Personnel Management authorizes early retirement for governmentwide retirement systems, the same benefit will apply to the CIA retirement and disability system for certain CIA employees.

The legislation will accomplish four important objectives.

First, it will assist the CIA in managing its drawdown so that the resulting work force has the right mix of skills and experience to conduct CIA's mission effectively in the future.

Second, the bill will help ensure fair treatment of CIA personnel. CIA employees—and in particular those with clandestine duties—have served their country with distinction, often at great personal sacrifice and sacrifice by their families. The CIA must keep faith with them, especially if we are to continue to get people of the same high quality and dedication to serve in the CIA in the future.

Third, the legislation will save the taxpayers' dollars. By offering now a financial incentive to an employee to leave CIA service voluntarily, CIA will not incur greater costs in the outyears.

Finally, the legislation will contribute to maintaining the proper secrecy of U.S. intelligence activities.

Federal law already grants the Secretary of Defense authority to provide similar incentives for voluntary separation to Department of Defense employees, including intelligence employees, to assist in downsizing that department. Enactment of H.R. 1723 will provide similar authority for voluntary separation incentives for CIA employees.

As a result of the relatively sudden end to the cold war, the corresponding shift of America's defense strategy. from a bipolar focus to a more regional focus, and the corresponding shift of U.S. resources from defense to nondefense pursuits, the organizations of the U.S. Government primarily responsible for addressing external threats to U.S. interests—including the Central Intelligence Agency—face significant reductions in size, to be carried out relatively quickly. The leadership of these organizations face the difficult management challenge of reducing their work forces substantially, promptly, and fairly, and in a fashion that leaves the organizations with a smaller, but highly effective organization at the end of the drawdown. The Congress has enacted legislation to assist the Department of Defense in managing effectively and fairly drawdowns in the size of the Armed Forces and the size of the defense civilian work force. Enactment of H.R. 1723 would extend to the Central Intelligence Agency one of the personnel drawdown management tools already available to the Department of Defense—the ability to offer a financial incentive to employees to leave Government service voluntarily.

In the post-cold-war era under a regional defense strategy, the United States plans to devote fewer of its scarce national resources to defense and intelligence efforts and to reorient the use of the resources devoted to those efforts. With respect to defense, the United States plans smaller, but well-trained, well-equipped, highly mobile, and highly effective U.S. military forces prepared to protect American interests in regional crises that may emerge. With respect to intelligence, the United States plans smaller, well-trained intelligence work forces reoriented toward collecting and processing intelligence on the primary threats the United States faces in the post-cold-war era. The scope and pace of the drawdowns of defense organizations and intelligence organizations may differ, because maintaining a strong intelligence capability is particularly important when military forces are being substantially reduced, but both types of organizations face substantial drawdowns.

The Central Intelligence Agency faces the twin management challenge of reducing the overall size of its highly professional work force and adjusting the skill composition of the remaining smaller work force to meet the intelligence needs of the future. The voluntary separation incentive program that H.R. 1723 would authorize is designed to assist the CIA both in reducing the overall size of the CIA work force and in adjusting the mix of skills available in the CIA work force to meet future needs.

The exact number of employees of the Central Intelligence Agency remains classified by the executive branch. The size of the CIA work force is limited by law, through an end-strength limitation incorporated in the Annual Intelligence Authorization Act that prohibits CIA from employing more than a specified number of employees on the last day of the fiscal year. Congress and the executive branch have reduced the size of the CIA work force significantly from its cold war peak and they have established plans for completion of a prudent further drawdown of the CIA work force.

Management of the CIA work force, like the work force of any governmental institution, is a dynamic process, requiring simultaneous consideration of a variety of factors. At a given point in time, whether an institution is growing or shrinking in size, people are both entering and leaving an institution's work force. People are leaving the institution's work force voluntarily to accept other jobs or to retire and involuntarily because they are excess to the institution's needs or because they failed to meet the institution's minimum performance standards. People are entering the institution's work force both to meet its immediate needs for individuals with particular educations or skills and to help meet its longer term needs for individuals with particular educations or skills and substantial employment experience within the institution. Personnel managers must at all times be acutely aware not only of the short-term requirements of staying within limitations on the number of personnel, but also on the long-term aggregate impact of personnel decisions on the institution's work force as a whole. As employees make individual decisions to move into and out of the institution, employees mature and acquire changing skills and experience, and changes occur in the environment external to the institution, personnel managers have the responsibility to ensure that, at any given point in time, the institution's work force has the correct mix of skills and experience to accomplish its mission effectively.

The Director of Central Intelligence must take a substantial number of personnel actions in the short term to stay within the legal limitations on the number of CIA personnel, but must ensure that the actions taken in the short term also are consistent with ensuring an effective CIA work force decades hence. Through the optimum combination of retirements, resignations, and hirings, the Director must ensure the proper mix of skills and experience in the work force, while getting the work force down to its planned size.

The Director has a number of means available by which to reduce the work force that would readily meet the short-term need to reduce the size of the work force, but which could have potentially devastating effects on the ability of CIA to accomplish its mission effectively. The Director could achieve the short-term need to reduce the work force by prohibiting the hiring of employees, by involuntarily separating employees; that is, using CIA reduction in force procedures to lay off employees who do not wish to leave, or by involuntarily retiring retirement-eligible employees who do not yet wish to retire. Employing these means on a broad scale to achieve the necessary drawdown of personnel would have a substantial adverse impact on the CIA and its employees.

Today's CIA personnel decisions must be made with a recognition that CIA's managers, operations chiefs, and senior analysts for the decade beginning in 2010 are the newly hired personnel of today who will require two decades of education, training, and intelligence experience before they are ready to assume the senior positions in the CIA. Thus, the Director should not simply order an absolute halt to hiring at CIA as a way to reduce the CIA work force to its desired level. Such a prohibition on hiring would result in an extraordinary gap in the CIA work force over time, as a result of which CIA would not have the career employees with the proper training and experience ready to assume leadership positions two decades in the future.

Large layoffs of individuals, called involuntary separations due to a reduction in force, in the parlance of government personnel management, and forced retirements would be shortsighted as a means of reaching personnel reduction targets. The CIA should work to avoid turning employees out of the CIA against their will, both as a matter of fairness to dedicated employees who have served their country faithfully and often at personal sacrifice, and because any perception of unfairness or harsh treatment of current employees during the drawdown may have an adverse effect on the CIA's ability to recruit top-quality employees in the future. The Director of Central Intelligence also has raised delicately the difficult subject of the counterintelligence impact of involuntary separations, expressing concern that forcing out large numbers of CIA employees involuntarily would increase the risk that an employee who had access to sensitive intelligence secrets might fail to maintain his or her obligation to protect those secrets.

The Director of Central Intelligence has advised the Committee that the CIA likely cannot, with the Director's current legal authority, meet the requirement to reduce the size of its work force steadily in the coming years and maintain the correct mix of skills and experience in the CIA work force unless the Director involuntarily separates employees from the CIA. To avoid the need for involuntary separations, the Director has asked for authority to offer financial incentives to employees to encourage them to retire or resign voluntarily. If enough employees of surplus skills and experience accept the financial incentives and voluntarily retire or resign from the CIA, the CIA no longer would need to use involuntary separations of employees to meet its drawdown targets.

Recent experience at the National Security Agency has demonstrated that financial incentives can stimulate voluntary separations at a rate much higher than the normal rate of attrition. By using voluntary separation incentive authority to encourage such separations among categories of employees whose skills may no longer be critical to the CIA, the DCI would be better able to manage the drawdown in a way that will preserve the skills and expertise which continue to be crucial to the CIA's post-cold-war mission.

There are a number of items of special interest to the Senate Select Committee on Intelligence concerning H.R. 1723, about which the committee inquired during consideration of S. 647 and received a letter in response from the Central Intelligence Agency dated April 8, 1993. These remain items of special interest to the committee with respect to H.R. 1723.

As a matter of constitutional and statutory law, CIA cannot discriminate in employment matters among employees on the basis of race, creed, color, sex, national origin, or handicap and, to emphasize the point, the committee requested an explicit commitment from the CIA that such prohibited factors would not be used in deciding which CIA employees receive a financial incentive under the legislation to resign or retire voluntarily. The CIA letter to the committee on April 8, 1993, confirmed that the CIA would not use such prohibited factors in making those decisions and indicated that the CIA would carry out its equal employment opportunity obligations during the drawdown process.

The committee also inquired about the potential use of the voluntary separation incentive program to reduce the number of CIA employees in the Senior Intelligence Service [SIS], which is the CIA equivalent of the Senior Executive Service and contains higher-paid employees with managerial and professional responsibilities. To maintain a balanced work force, the CIA needs to reduce the number of SIS employees during the drawdown along with reductions in the number of less senior employees. The CIA hopes, however, that the necessary reduction of SIS employees will occur through voluntary retirements in early 1994, when SIS employees have achieved the maximum benefit for retirement annuity calculation purposes of the substantial SIS pay raise that occurred in early 1991. The accuracy of the CIA's assumption that a sufficient number of SIS employees will retire voluntarily in early 1994 may depend in part upon the post-retirement employment opportunities available to such employees, which cannot be forecast in advance. If the CIA's assumption should not be borne out, the Director still would have the ability to use the voluntary separation incentive authority under H.R. 1723 to help meet CIA's shortfall in reaching SIS reduction objectives. The committee's monitoring of the drawdown of the CIA work force will include careful monitoring to ensure that the CIA meets SIS work force reduction targets.

The committee made a number of specific inquiries of the CIA concerning how the CIA planned to implement the voluntary separation incentive program if Congress should enact S. 647, the companion bill to H.R. 1723. Those CIA plans are also applicable to H.R. 1723. For example, the committee inquired whether the CIA intended to offer financial incentives of different amounts to different occupational groups of employees slated for drawdown or intended to offer financial incentives of different amounts to employees within an occupational group. In its April 8, 1993 letter, the CIA responded that, although special circumstances might arise in the future that might warrant doing otherwise, the CIA did not expect to differentiate among groups of employees or among employees within a group with respect to incentive amounts offered. The committee also asked whether it would be possible for the CIA to use the legislation to hire a new employee now and after only a year's service offer the employee a $25,000 bonus to separate voluntarily from CIA service. The CIA responded in its April 8, 1993, letter that the CIA requires all of its employees to complete a 3-year probationary period before they become full-status employees and that the CIA does not expect to use the voluntary separation incentive authority with respect to any employee during his or her 3-year probationary period. Finally, the CIA in its April 8, 1993, letter assured the committee that it will carefully coordinate its hiring process and separation process to ensure that: First, the CIA is not using the voluntary separation incentive in one office to separate an employee from the CIA when another CIA office has a need for the skills of that employee which it will otherwise obtain by hiring from outside the CIA; and second, to ensure that the CIA is not now or in the future hiring employees who will later be offered a voluntary separation incentive.

Pursuant to legislation enacted in 1992 (5 U.S.C. 5597), the Department of Defense has authority for a voluntary separation incentive program for that department's civilian employees. Both the National Security Agency and the Defense Intelligence Agency are using that authority to help reduce the size of their civilian work forces. The CIA's letter of April 8, 1993, indicated that NSA has had significant success with its voluntary separation incentive program and that it is too early to measure the success of the DIA program. The Director of Central Intelligence should ensure to the extent possible appropriate consistency between the CIA's use of voluntary separation incentive authority under H.R. 1723 and defense intelligence organizations' use of voluntary separation incentive authority under section 5597 of title V. In particular, the Director should work to avoid to the extent practicable disparate treatment by different intelligence organizations of similarly situated intelligence employees.

The CIA's letter to the committee of April 8, 1993, set forth the retirement, severance pay, health insurance, life insurance, and career counseling and placement assistance available under certain circumstances to departing CIA employees. The committee believes that early, widespread, and repeated dissemination of this information to CIA employees would assist such employees in making decisions about their futures.

Madam President, I urge my colleagues to support H.R. 1723.

Mr. FORD. Madam President, I now ask unanimous consent that Calendar No. 62, S. 647, the Senate companion measure, be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENDING THE PROVISIONS OF SENATE RESOLUTION 106

Mr. FORD. Madam President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Resolution 114, submitted earlier today by the majority and minority leaders, that the resolution be agreed to and the motion to reconsider laid upon the table, and a statement by Senator MITCHELL relative to this resolution inserted in the RECORD as if read.

The PRESIDING OFFICER. Without objection, it is so ordered.

So, the resolution (S. Res. 114) was agreed to, as follows:

S. RES. 114

Resolved, That (a) section 9 of Senate Resolution 106 of the One Hundred First Congress (agreed to April 13, 1989) (as amended by Senate Resolution 351 of the One Hundred First Congress (agreed to October 27, 1990) and as further amended by Senate Resolution 366 of the One Hundred Second Congress (agreed to October 8, 1992)) is further amended by striking "March 31, 1993" and inserting in lieu thereof "December 31, 1993".

(b) The amendment made by subsection (a) shall be deemed to have become effective as of March 30, 1993.

Mr. MITCHELL. Mr. President, this resolution will extend the Central American Observer Group until the end of this year. The purpose of this extension is to enable this group to wind up its affairs, publish reports, and prepare its records for archives. The cochairman of this group, Senators DODD and McCAIN, are in agreement with the leadership that no further extension will be required or requested for this group.

ORDERS FOR TOMORROW

Mr. FORD. Madam President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9 a.m., Thursday, May 27; that following the Prayer, the Journal of proceedings be approved to date, and the time for the two leaders reserved for their use later in the day; that immediately after the announcements of the Chair, the Senate resume consideration of S. 3.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 9 A.M. TOMORROW

Mr. FORD. Madam President, if there is no further business to come before the Senate today, I now ask unanimous consent that the Senate stand in recess as previously ordered.

There being no objection, the Senate, at 7:21 p.m., recessed until Thursday, May 27, 1993, at 9 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 26, 1993:

DEPARTMENT OF AGRICULTURE

JAMES S. GILLILAND, OF TENNESSEE, TO BE GENERAL COUNSEL OF THE DEPARTMENT OF AGRICULTURE.

EUGENE MOOS, OF WASHINGTON, TO BE UNDER SECRETARY OF AGRICULTURE FOR INTERNATIONAL AFFAIRS AND COMMODITY PROGRAMS.

EUGENE MOOS, OF WASHINGTON, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE COMMODITY CREDIT CORPORATION.

ELLEN WEINBERGER HAAS, OF NEW YORK, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE COMMODITY CREDIT CORPORATION.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

IN THE COAST GUARD

THE FOLLOWING OFFICERS OF THE U.S. COAST GUARD FOR APPOINTMENT TO THE GRADE OF REAR ADMIRAL:

KENT H. WILLIAMS
JAMES M. LOY
JOHN L. LINNON, JR.

THE FOLLOWING OFFICERS OF THE U.S. COAST GUARD FOR APPOINTMENT TO THE GRADE OF REAR ADMIRAL (LOWER HALF):

HOWARD B. GEHRING
GORDON G. PICHE
PAUL M. BLAYNEY
JOHN E. SHKOR
PAUL E. BUSICK

COAST GUARD NOMINATIONS BEGINNING GARY C. ANDERSON, AND ENDING DARRYL W. FLATTUM, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON FEBRUARY 16, 1993.

COAST GUARD NOMINATIONS BEGINNING THOMAS R. GREENE, AND ENDING JOHN C. O'CONNOR, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON FEBRUARY 25, 1993.

COAST GUARD NOMINATIONS BEGINNING LAWRENCE W. RYAN, JR., AND ENDING MICHAEL J. RAUWORTH, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON APRIL 2, 1993.

COAST GUARD NOMINATIONS BEGINNING GLENA T. SANCHEZ, AND ENDING JENNIFER A. KETCHUM, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON APRIL 21, 1993.

HOUSE OF REPRESENTATIVES—*Wednesday, May 26, 1993*

The House met at 11 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We express our prayers to You, gracious God, that You would allow us the gifts of discernment and insight for the concerns of our Nation and for the concerns of our world. We recognize the complexities of problems that must be met and our appetite for easy solutions and we know there is much to do. We also know that it is not enough to know only the technicalities or the details of problems. Above all else we pray for wisdom and sensibility in our lives so we will make decisions that involve the things of character and of value that are truly the gifts of the spirit. This is our earnest prayer. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. ABERCROMBIE. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ABERCROMBIE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 255, nays 153, answered "present" 2, not voting 22, as follows:

[Roll No. 184]

YEAS—255

Abercrombie
Ackerman
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Applegate
Archer
Bacchus (FL)
Baesler
Barcia
Barlow
Barrett (WI)
Bateman
Becerra
Beilenson
Berman
Bevill
Bilbray
Bishop
Blackwell
Bonior
Borski
Boucher
Brewster
Brooks
Browder
Brown (FL)
Brown (OH)
Bryant
Byrne
Cantwell
Cardin
Carr
Chapman
Clayton
Clement
Clinger
Clyburn
Coleman
Collins (IL)
Collins (MI)
Combest
Condit
Cooper
Coppersmith
Costello
Coyne
Cramer
Danner
Darden
de la Garza
Deal
DeFazio
DeLauro
Dellums
Derrick
Deutsch
Dicks
Dingell
Dixon
Dooley
Durbin
Edwards (CA)
Edwards (TX)
Engel
English (AZ)
English (OK)
Eshoo
Evans
Fazio
Fields (LA)
Filner
Fish
Flake
Foglietta
Ford (MI)
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Geren
Gibbons
Gillmor
Gilman
Glickman
Gonzalez
Gordon
Green
Gunderson
Gutierrez
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Harman
Hastings
Hayes
Hefner
Hilliard
Hinchey
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Hoke
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Hoyer
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Hyde
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Jefferson
Johnson (GA)
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Johnson, E. B.
Kanjorski
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Laughlin
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Lewis (GA)
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Lowey
Maloney
Mann
Manton
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCloskey
McCurdy
McDermott
McHale
McInnis
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Mineta
Minge
Mink
Moakley
Mollohan
Montgomery
Moran
Murtha
Myers
Nadler
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Neal (MA)
Neal (NC)
Oberstar
Obey
Olver
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Orton
Owens
Pallone
Parker
Pastor
Payne (NJ)
Payne (VA)
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Pickett
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Price (NC)
Rahall
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Reed
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Rowland
Roybal-Allard
Rush
Sabo
Sangmeister
Sarpalius
Sawyer
Schenk
Schumer
Scott
Serrano
Sharp
Shepherd
Sisisky
Skaggs
Skelton
Slattery
Slaughter
Smith (IA)
Smith (NJ)
Spratt
Stark
Stenholm
Stokes
Strickland
Studds
Stupak
Swett
Swift
Synar
Tanner
Tauzin
Tejeda
Thornton
Thurman
Torres
Torricelli
Towns
Traficant
Unsoeld
Velazquez
Vento
Visclosky
Volkmer
Washington
Waters
Watt
Waxman
Wheat
Wilson
Woolsey
Wyden
Wynn
Yates

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Allard
Armey
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Barrett (NE)
Bartlett
Barton
Bentley
Bereuter
Bliley
Blute
Boehlert
Boehner
Bonilla
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Clay
Coble
Collins (GA)
Cox
Crane
Crapo
Cunningham
DeLay
Diaz-Balart
Doolittle
Dornan
Dreier
Duncan
Dunn
Emerson
Everett
Ewing
Fawell
Fields (TX)
Fingerhut
Fowler
Franks (CT)
Franks (NJ)
Gallo
Gekas
Gilchrest
Goodlatte
Goodling
Goss
Grams
Grandy
Greenwood
Hancock
Hansen
Hastert
Hefley
Herger
Hobson
Hoekstra
Horn
Huffington
Hunter
Hutchinson
Inhofe
Jacobs
Johnson (CT)
Johnson, Sam
Kim
King
Kingston
Knollenberg
Kolbe
Kyl
Lazio
Levy
Lewis (CA)
Lewis (FL)
Lightfoot
Linder
Machtley
Manzullo
McCandless
McCollum
McCrery
McDade
McHugh
McKeon
Meyers
Mica
Michel
Molinari
Moorhead
Morella
Murphy
Nussle
Oxley
Packard
Paxon
Petri
Pombo
Porter
Portman
Pryce (OH)
Quillen
Quinn
Ramstad
Regula
Ridge
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Santorum
Saxton
Schaefer
Schiff
Schroeder
Sensenbrenner
Shaw
Shays
Shuster
Skeen
Smith (MI)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Stearns
Stump
Sundquist
Talent
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (WY)
Torkildsen
Upton
Vucanovich
Walker
Walsh
Weldon
Wolf
Young (AK)
Young (FL)
Zimmer

ANSWERED "PRESENT"—2

Dickey
Zeliff

NOT VOTING—22

Bilirakis
Brown (CA)
Conyers
Ford (TN)
Gallegly
Gingrich
Henry
Houghton
Istook
Johnston
Klug
Kopetski
Leach
McMillan
Miller (FL)
Sanders
Thompson
Tucker
Valentine
Whitten
Williams
Wise

☐ 1123

Ms. EDDIE BERNICE JOHNSON of Texas changed her vote from "nay" to "yea."

So the Journal was approved.

The result of the vote was announced as above recorded.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore (Mr. McDERMOTT). Will the gentlewoman from Connecticut [Ms. DeLAURO] please come forward and lead the House in the Pledge of Allegiance.

Ms. DeLAURO led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 775. An act to modify the requirements applicable to locatable minerals on public lands, consistent with the principles of self-initiation of mining claims, and for other purposes.

REMOVAL OF NAME AS COSPONSOR OF H.R. 436

Mr. YATES. Mr. Speaker, I ask unanimous consent that my name be withdrawn as a cosponsor of H.R. 436.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

PARLIAMENTARY INQUIRY

Mr. SENSENBRENNER. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore (Mr. McDERMOTT). The gentleman will state it.

Mr. SENSENBRENNER. Mr. Speaker, would it be in order for me to ask unanimous consent that the gentleman from Wisconsin [Mr. BARCA] who has been elected to fill the vacant First District seat, be allowed to take the oath of office, notwithstanding the fact that a certificate of election for him has not arrived? The Republican candidate has conceded and, to my knowledge, there is no objection to Mr. BARCA taking the oath of office from this side of the aisle.

The SPEAKER pro tempore. The Chair would have to take that under advisement with the Speaker of the House.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair would like to announce that there will be 15 1-minutes on each side.

ITS TIME FOR ACTION

(Mr. SKAGGS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SKAGGS. Mr. Speaker, this is a critical week—a week that gives Members of the House the opportunity to show that we have some courage—the courage to match our rhetoric about deficit reduction with action.

Tomorrow, we vote on the largest deficit reduction package in our national history. It is a measure that will reverse a 12-year legacy of deficit spending, trickle-down economics, and neglect—and instead, help put us on a course of fiscal restraint, tax fairness, and economic growth.

In a bill this large and this comprehensive, it is easy to find some measures that you do not like. It is also easy to succumb to the pressures of interest groups that want to stick with business-as-usual.

But too much is at stake here. This is a choice between narrow interests and the national interest. It is a choice between the status quo and change—between stagnation and growth—between fiscal discipline and fiscal default.

Sweeping change cannot be accomplished without tough choices. And no measure that is going to be effective is going to please everyone.

We must rise above parochial concerns—to remember that for every orchestrated phone call we have gotten from a special interest opposing this or that, there are thousands silently praying that we will take action to bring about real change.

This bill is not pain-free—but real disaster awaits if we let our Government and our economy continue to drift. We us have the courage to join together for action in the national interest—to support the President and vote for a new direction for the country.

TAX FAIRNESS LACKING FOR SENIORS

(Mr. HASTERT asked and was given permission to address the House for 1 minute.)

Mr. HASTERT. Mr. Speaker, tomorrow Congress will consider the largest tax increase in history. Every family in the United States can expect to pay more. But one segment of society will have an additional tax burden. I am referring to the increased Social Security tax President Clinton has proposed for seniors.

This tax increase would hit seniors hard, bringing their tax rates up to a real rate of 70 percent. But that is not all. When combined with the Social Security earnings penalty, the marginal tax rate on these seniors can reach 103 percent. This would actually exceed the amount of money they receive in benefits. The Government would take back every penny these seniors receive in Social Security benefits and more.

President Clinton stated in "Putting People First" that he wanted to "lift the Social Security earning test limit so that Older Americans are able to help rebuild our economy and create a better future for all." He said he would bring tax relief to seniors.

Instead of considering new taxes on seniors tomorrow, we should be lifting the earnings penalty on Social Security and allowing seniors to work and be productive—thereby creating real tax fairness.

□ 1130

URGING SUPPORT FOR A RESPONSIBLE BUDGET PLAN

(Ms. DELAURO asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. DELAURO. Mr. Speaker, this week we have a chance to make an investment in the future when we consider the President's budget plan. The President's budget plan is a good one. It reduces the deficit by almost $500 million over the next 5 years. It is historic in that respect. It cuts spending and restores fairness to the Tax Code. It asks those who are most well off to pay their fair share of taxes. Working middle-class families will not see an increase in their income taxes.

I do not minimize the contribution everyone will make to the energy tax, but three-quarters of the taxes will be paid by the wealthiest 6 percent of this country. The President's plan makes Government accountable for its spending with the establishment of the deficit trust fund.

President Clinton's budget plan is responsible and long overdue. He is not responsible for the huge deficit that he inherited, a deficit that increased from $79 billion in 1981 to $290 billion at the end of the Bush administration. He is not responsible for this deficit, but he is responsible for our future. He has taken this challenge seriously and given us a plan that will reduce the deficit, cut spending, and transfer the tax burden to those who can most afford it.

The President's plan deserves our support. I urge my colleagues to vote for it.

LET US HAVE AN OPEN RULE ON THE CLINTON TAX AND SPEND BILL

(Ms. PRYCE of Ohio asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. PRYCE of Ohio. Mr. Speaker, a couple of weeks ago, the Democrat leadership barred the doors to the Ways and Means Committee so that the American people could not watch as they crafted legislation for the largest tax increase in American history.

This week, the Democrat leadership seeks a closed rule on that bill, a rule which will prohibit a vote on the specifics.

It is a terrible way to legislate, Mr. Speaker, and it is an unconscionable way to pick the pockets of the American taxpayers.

Let us have an open rule on this bill. If Members want to vote for an energy tax which will put the squeeze on each and every American family, let them vote for it in the open. If Members want to vote for a tax increase on Social Security recipients, let them vote for it, but let us do it for the record, and let the chips fall where they may.

URGING MEMBERS TO RISE ABOVE SPECIAL INTEREST POLITICS AND SUPPORT THE PRESIDENT'S PLAN

(Mr. RICHARDSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RICHARDSON. Mr. Speaker, in the next day the American people will tune in to the House of Representatives like they did on the Persian Gulf war vote. The stakes are very high for this institution, because once again, the American people will be asking if we can govern. Can the Democrats stay united and lead instead of dividing themselves? Can the Republicans rise above partisanship and obstructionism? Most importantly, can President Clinton run this country as he was elected to do, rather than gridlock taking over once again?

Mr. Speaker, President Clinton deserves a chance. Ross Perot's budget is 85 percent similar to the President's, yet he now denounces it. The President's package is the only game in town. It is a good and fair plan, yet every lobby in every region wants a last-minute fix.

That is understandable, but let us rise above personal and political interests and give this young Presidency a chance.

CLINTON'S TAX BILL ASKS TOO MUCH OF AMERICANS

(Mr. LINDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LINDER. Mr. Speaker, President Clinton has broken his tax-cut covenant with middle class America. And unfortunately, the sacrament of reconciliation, or in this case, the Omnibus Budget Reconciliation Act of 1993, will do very little to ease his guilty conscience.

The Omnibus Budget Reconciliation Act reads like a grocery list of Clinton inspired sins against the American taxpayer. The most mortal of which is a $70 billion Btu tax which will ask the average American family of four, to sacrifice an additional $471 a year in higher energy prices. It will also separate 600,000 to a million people from their jobs when their factories are forced to move overseas.

Mr. Speaker, Members of Congress must be allowed to strike egregious items like the Btu tax from the Omnibus Budget Reconciliation Act, because, simply put, President Clinton has threatened to pass the basket once to often and it is time to put an end to his bottomless Government coffer.

THE BEST BUDGET PLAN

(Mr. OWENS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OWENS. Mr. Speaker, there are only two plans for reconciliation on the table. The Boren plan wants to cut Social Security COLA's. The Boren plan wants to cut Medicare. That is a plan I cannot accept.

There is a lot of pain in the reconciliation package, and we are willing to accept some of that pain, but the President's package at least lays a firm foundation on which we can move forward. After this foundation is laid, we will have our opportunity to make further cuts.

I am all for cutting the CIA budget, I am all for cutting the super collider, I am all for cutting obsolete weapons systems. We will have our opportunity to do that when we deal with the appropriations, but the firm foundation must be laid first and the President's reconciliation package is that firm foundation.

In order for us to break the gridlock and for us to go forward, we must support this package, and we must do it now. The only other alternative says cut Social Security and cut Medicare. We will not cut Social Security and cut Medicare.

THE IMPACT OF THE BTU TAX ON THE ECONOMY

(Mr. EWING asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EWING. Mr. Speaker, I would like to talk about the impact of the Btu tax on the economy. I hope my colleagues on both sides of the aisle will not vote for the rule on reconciliation unless it allows a separate vote on the Btu tax.

President Clinton campaigned as the champion of the middle class and as the candidate to fix the economy, but his regressive Btu tax on energy would hit the middle class hard and wreck the economy. We all know the Btu tax will raise gasoline by 8 cents, will cost the average family $500, will have many indirect costs, and will create or will cost us 400,000 to 500,000 jobs.

However, to add insult to injury, the Btu tax will be adjusted for inflation, which means the tax will increase and continue to grow each year ahead. I urge my colleagues to vote against the rule on reconciliation, unless it allows a separate vote on the Btu tax.

RECONCILIATION BILL PUTS AMERICA FIRST

(Mr. BLACKWELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BLACKWELL. Mr. Speaker, diversion is a military tactic, designed to distract and derail, and thereby weaken those who would move forward.

Despite the partisan manuever which killed a sound economic stimulus package, President Clinton has an economic recovery program to repair the past, stabilize the present, and project America into the future.

When we vote on the reconciliation bill tomorrow, we will be supporting real deficit reduction, a restoration of tax fairness, three for one spending cuts, and solid investment in America.

There are some who seek to divert the attention of the President and the Congress away from the economy. They seek to distract the American people, and thereby derail the movement to return some of the wealth of this Nation to the poor and middle class.

If we support the President, in 5 years, we will reduce the deficit by nearly $500 billion, we will put Americans back to work, at livable wages, and we will place the economy on firm footing for the future.

I urge my colleagues to vote for the reconciliation bill. We should not be duped by those who put party, politics, and special interests above the well-being of America.

PLUCKED BY THE PRESIDENT

(Mr. SMITH of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Texas. Mr. Speaker, last year we heard Bill Clinton talk a lot about jobs. We all assumed he meant that he was going to increase jobs. But we were wrong. His defense cuts are going to cost 400,000 jobs and his energy tax is going to cost Americans 600,000 jobs.

Just those two parts of his budget are going to cost Americans a total of 1 million jobs. We get more job cuts than spending cuts.

But cutting 1 million jobs is not enough. President Clinton wants to pile on the largest tax hike in history. Under his own optimistic projections, it is only going to reduce the deficit $40 billion—from $290 to $250 billion—during the next 4 years and after that it goes up again. Yet Bill Clinton attracted votes by promising to cut the deficit in half.

What happened to the Bill Clinton we all heard and saw just a few months ago?

Spending cuts have turned into haircuts. No taxes has turned into new taxes. Job creation has turned into job evaporation. The deficit isn't cut in half. And voters are feeling like a chick'n, plucked by President Clinton.

□ 1140

THE 30TH ANNIVERSARY OF THE EQUAL PAY ACT

(Miss COLLINS of Michigan asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Miss COLLINS of Michigan. Mr. Speaker, today I will introduce a joint resolution designating the week of June 7, 1993, "Equal Pay Act 30th Anniversary Week."

This landmark act called our country to the standard of equality it was founded upon and required equal pay for equal work for men and women.

However, we must also note how far we still have to go toward fairness and equality. Women and people of color continue to be undervalued and underpaid for the skills, effort, and responsibility required by the work that they do.

This resolution reminds us that, although the Equal Pay Act was an important step in the right direction, we must not forget that wage discrimination persists in the 1990's, paying women and people of color mere fractions of the salaries earned by their white male counterparts.

PRESIDENT CLINTON'S VIEW OF SACRIFICE

(Mr. BALLENGER asked and was given permission to address the House for 1 minute.)

Mr. BALLENGER. Mr. Speaker—

There once was a barber Christophe
Who snipped at the hair of the boss
All the planes they delayed
Left many travellers dismayed
Why not a 10-buck cut like Ross?

All kidding aside, Mr. Speaker, this President certainly has a strange view of sacrifice. With him sacrifice is all a one-way street. The taxpayers do all the sacrificing while the Government gets a free ride.

And the more I think about it, the more the President's $200 haircut looks like an apt metaphor for the entire Clinton Presidency. As with the budget, the good of the Government was put ahead of the good of those who pay the bills.

So when the President talks about Government sacrifice, America, don't believe it. Under President Clinton Government spending will increase $300 billion and the national debt will increase by over $1 trillion.

Meanwhile, you will be asked to pay over $300 billion in higher income taxes, higher corporate taxes, and a new energy tax.

But I have an idea for raising revenue that I think the President might go for. How about a tax on all haircuts costing over $20?

SUPPORT OF THE BUDGET RECONCILIATION PACKAGE

(Mr. CLYBURN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CLYBURN. Mr. Speaker, I rise to express strong support for the President's budget reconciliation measure which we will vote on tomorrow.

There are many reasons for my support of this measure:

The deficit reduction trust fund which locks in $500 billion in reductions over the next 5 years.

The Mickey Leland Child Hunger Prevention Act.

The Family Preservation Act.

But one of the most attractive elements in this budget is the increase in the earned income tax credit to $30,000 per year.

Working families with two or more children, earning only minimum wage, would receive a wage supplement of nearly $3,400.

Families of four with a full-time worker would be assured of being lifted to the poverty line if they also received food stamps.

In the Sixth Congressional District of South Carolina, which I am privileged to represent, 80 percent of the working families earn less than $30,000 per year.

Mr. Speaker, the earned income tax credit allows those families to earn more money for everyday necessities, and to reap greater benefits for their hard work.

NEGATIVE IMPACT OF PRESIDENT'S PACKAGE

(Mr. THOMAS of Wyoming asked and was given permission to address the House for 1 minute.)

Mr. THOMAS of Wyoming. Mr. Speaker, it is hard to believe that an administration which rode into Washington promising to create jobs and reduce taxes on the middle class is working so hard to pass a middle-class tax hike and reduce jobs to the middle class.

I think the Btu tax is a bad idea for the country. But Mr. Speaker, it is the rural areas like my State of Wyoming that are going to be hit especially hard.

For example, we drive long distances, and families in Wyoming are reckoned to be hit by about $1,100 in taxes as opposed to the $500 or $600 as an average throughout the country. Cattle producers, $12 to $15 a head on the taxes that are being proposed here. On coal, $4 a ton for low-sulfur coal, the kind of coal we ought to be using for the environment of this country, the Btu tax doubles that cost to 8 bucks. We are trying to reduce the imports of oil, and what does this do? Much of the oil in Wyoming comes from stripper wells, 15 barrels or less. The largest cost for them is electric power to pump this oil. We will be increasing foreign oil.

Mr. Speaker, this is a bad idea. Mr. Clinton has promised to put a laser on the economy. In fact, he has put his tax gun on the middle-class jobs and middle-class taxes.

SUPPORT FOR RECONCILIATION PACKAGE

(Ms. FURSE asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. FURSE. Mr. Speaker, I rise today in support of President Clinton's budget reconciliation package which we will be voting on tomorrow. Let me be clear: There are things about this package that I do not like—particularly the impact of the Btu and the Social Security provisions. But the fact remains that no one on this planet could develop a proposal that would both satisfy everyone and make a true, honest attempt at deficit reduction. Mr. Speaker, for the last 12 years, Republicans and Democrats have fought over how to reduce the deficit. Well, this reconciliation bill truly reduces the deficit.

And I would point out to my colleagues that passing this budget does not limit the amount of deficit reduction we can do. If we feel the plan does not go far enough, we can do more through the appropriations process.

Mr. Speaker, I was sent to Congress to do some things, to reduce the deficit, to fund investments, to cut unnecessary spending and to support families. That is why I am supporting this budget.

FARMERS HAVE PAID THEIR FAIR SHARE

(Mr. COMBEST asked and was given permission to address the House for 1 minute.)

Mr. COMBEST. Mr. Speaker, recently visiting with a group of farmers in my district, and getting the dismal reports of many very reputable groups around this country on the impact President Clinton's budget would have on American agriculture, I asked those farmers to send in specifics from their farm. Several of them have responded to that.

This chart shows a specific farm in west Texas. It would be very average. It raises cotton, milo, and wheat. I want to focus just for 1 minute on just the deficiency payments alone and the implications it would have on that farm. The red line would show the point at which the farmer would have a negative net worth on his farm without deficiency payments. The black line is the true implications of what would happen on that farm with deficiency payments. As we can readily see, in 1981 that farmer's net worth would have fallen below the zero-level line.

Farmers have done their part in dealing with the deficit problems, Mr. Speaker. And we are looking not just at farmers competing with farmers across the turn row but the farmer around the world. Consequently, all of those implications that foreign countries have on their deficiency payments and upon their increasing their agricultural output has tremendous implications on the American farmer.

Agriculture has done its part, Mr. Speaker.

URGING SUPPORT FOR PRESIDENT CLINTON'S PLAN

(Mr. BARRETT of Wisconsin asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BARRETT of Wisconsin. Mr. Speaker, this week the House of Representatives has the opportunity to set this country on a course that will both invest in our future and reduce the mammoth Federal deficit. After 12 years of Presidents running up huge deficits and spending money wastefully, President Clinton has provided us with a bold plan to cut spending, restore tax fairness, and invest rather than waste our precious tax dollars.

President Clinton could have followed the lead of his predecessors and ignored the deficit. He could have presented another economic plan that said "let us live for today and do not worry about tomorrow." But the President knows that the deficit is more like termites in the basement than a wolf behind the door. It is eating away at our country's prosperity and placing the gigantic deficit squarely on the backs of our children.

The President's plan is fair because it cuts spending and places the burden of new taxes on those who are most able to pay them; 73 percent of the tax increases fall on the top 5 percent of taxpayers.

With the President's plan, we have a choice: go with the status quo that threatens our country's future or take bold action to change our direction for the better. I hope you will join me in supporting the President's efforts to set this country on a course of deficit reduction, investment, and economic prosperity.

TRUE COST TO TAXPAYERS OF PRESIDENT CLINTON'S PLAN

(Mr. KIM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KIM. Mr. Speaker, I want the American public to know that the new budget really is the largest tax increase in American history.

It will cost American taxpayers $332 billion over the next 5 years.

As an engineer, I always like to quantify figures.

Using basic math, let us see how much this tax hike will really mean to an average American family.

Take $332 billion and divide it by 435 congressional districts. That is $760 million per district.

Now, divide $760 million by the number of people in each district, roughly 570,000, and the result is shocking. A family of five will pay $7,000 in new tax increases.

Mr. Speaker, the American people deserve the truth, I repeat, this tax bill is going to cost the average family of five nearly $7,000 in new taxes.

It is simple mathematics and it is outrageous.

I urge my colleagues to vote against this outrageous tax increase.

□ 1150

SOME ANSWERS ABOUT THE PRESIDENT'S PLAN

(Ms. BROWN of Florida asked and was given permission to address the House for 1 minute.)

Ms. BROWN of Florida. Mr. Speaker, over the last few weeks, there has been a lot of misinformation put forth to the American people by Republicans about the President's budget plan. These politicians have join forces to undermine our President.

Today I am going to provide the American people with the answers to all of their questions about the President's plan. But first let us start with a little history.

Question: What did the Republicans do during the Reagan and Bush administrations in the 1980's?

Answer: Well, they just quadrupled the national deficit, and gave the rich enough tax breaks so that they could party their way through the 1980's.

Question: Does the President's plan turn around the trickle-down economics of the Reagan and Bush years by putting forth a deficit reduction plan that is as fair as it is real in bringing down the deficit?

Answer: Yes, it does.

Question: Does the budget plan include tough cuts to support not only the largest deficit reduction in history but new investments as well?

Answer: Yes, it does.

Question: For every dollar of new investment, is there a dollar of spending cut to pay for it and two more for deficit reduction?

Answer: Yes, there is.

Question: Will the majority of the taxes fall on the wealthy Americans, those that make over $100,000?

Answer: Yes, 75 percent of all taxes we raise will fall on the top 5.5 percent of all Americans.

Question: Should the American people get behind our President and support his economic plan?

Answer: Yes, they should.

ENERGY TAX; A THREAT TO AMERICAN JOBS

(Mr. STEARNS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STEARNS. Mr. Speaker, yesterday the Tax Foundation released a nationwide study highlighting the impact of President Clinton's energy tax on the economy. This study makes for sober reading as the House is soon to begin its debate on the President's tax and spend reconciliation package.

The Foundation's analysis concluded that the United States will lose close to half a million jobs through 1998. In my own district in central Florida almost 700 people could lose their job through the impact of the energy tax. These job losses would stem from several important factors, including greater expenses for energy-intensive businesses and changes in consumer behavior as a result of higher costs to use that energy.

Instead of driving people out of work and forcing more burdens on small business, the President should be looking for ways to increase jobs and remove Government interference from small businesses.

CHARTING A BETTER COURSE FOR OUR COUNTRY'S FUTURE

(Mr. STRICKLAND asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STRICKLAND. Mr. Speaker, a father once told his son, "Son, never grow a wishbone where a backbone ought to be."

We have a tendency to want to wish away our problems—wish away the deficit, wish away unemployment, wish away 12 years of failed policies.

The fact is, Mr. Speaker, wishing gets us nowhere. I and most of my freshman colleagues were elected to bring about positive change. Our greatest opportunity in over a decade comes tomorrow.

But, in the face of special interest lobbyists who deliberately distort the President's program, and its very real attack on the budget deficit, many of us are realizing change takes real courage. Mr. Speaker, it is time for this body to stand up to the big oil lobbyists and tell them to go straight to hell. They have done enough to damage this country.

Mr. Speaker, I hope that when it comes time to cast the most important vote of the year tomorrow, those who want to chart a better course for our country's future will turn away from wishful thinking and have backbone to vote "yes."

NOVEMBER'S ELECTION WAS NOT A MANDATE FOR TAX INCREASES

(Mr. KNOLLENBERG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KNOLLENBERG. Mr. Speaker, a couple of days ago, one of our Democrat colleagues stood in this well and said that " * * * this week we cast a vote on whether we allow the President to govern as the American people elected him to do."

Let us just think about that for a minute. I think it is fair to say that if the American people had any idea that candidate Bill Clinton was going to propose the largest tax increase in American history almost immediately after taking the oath of office, he would not have been elected in November.

I doubt that those 43 percent of the voters who cast their ballots for Bill Clinton on election day were actually voting for an energy tax which will raise the price on everything from the gas pump to the grocery store.

I doubt that they were voting in favor of increased taxes on Social Security recipients.

I doubt that they were voting for middle-class tax increases, particularly since candidate Clinton was promising middle-class tax cuts.

And I doubt that they were voting to raise tax rates on small business owners and farmers by over a third—from 31 percent to as high as 44 percent.

Mr. Speaker, the issue is not whether or not we allow the President to govern. The issue is whether or not we allow President Clinton to raise taxes through the roof.

A HISTORIC MOMENT IN OUR ECONOMY

(Mr. MILLER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MILLER of California. Mr. Speaker, Members of the House, when the House votes tomorrow to pass the President's package, we will engage in a historic moment in the economy of this country, because for the first time the House will assure the American people that we will have real deficit reduction, for the first time we will see the deficit not continue to go up as it has for the last 20 years, but we will see a change of direction in the deficit, and that is real.

Why is that real? Not because the Democrats say so, not because the Republicans say it is not, but because the bond markets in this country and the people who are betting their pension fund money and betting their investment money are betting it is real. That is why we see the lowest interest rates in 20 years.

What does that deficit reduction mean to middle America? It means a chance for first-time home buyers. it means a chance for small business formation. It means a chance to finance your kids' education. It means you may be able to afford a new automobile and put people to work. It means you can refinance your home. It means large businesses can reduce the high debt that they engaged in in the 1980's and put it into productive jobs, manufacturing, and new facilities. That is what this is about, ladies and gentleman.

It is about the first time to historically change the direction of the deficit of this country and the courage of a President to engage in that change.

The question will be whether or not the Congress has that courage.

WHITE HOUSE TRAVEL STAFF FIRING: NOT A TRIVIAL MATTER

(Mr. ROBERTS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROBERTS. Mr. Speaker, I saw on the TV news your comments describing the commentary regarding the White House firing of its travel staff as a distraction.

The connotation is, of course, that undue preoccupation with this subject, with a little politics mixed in, takes away from the importance of the debate over the President's economic package.

And that is true. Except of course, if you are the seven longtime non-political employees involved who now have been fired—rehired maybe—and have had their reputations and careers permanently damaged. Except of course, if you are Attorney General Reno who has found out the White House does not define police matters as coming under the jurisdiction of the Justice Department. Except of course, for those who think there has been misuse of the FBI and now even the Internal Revenue Service as a coverup for passing out the patronage travel business behind closed doors.

Yes, the fate of seven White House employees is pretty small potatoes compared to the national budget. Except for that individual it's 100 percent and it should be 100 percent for every Federal worker and every American citizen worried about Big Brother. I know it is 100 percent for one of the employees: he is my neighbor of many years and a finer professional and more dedicated employee you cannot find.

Mr. Speaker, this is not a trivial matter. Let us get to the bottom of it with candor, decency, and integrity and yes, Mr. President, with some sense of responsibility.

BUY AMERICAN AND SOLVE THE DEFICIT

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, BART [the Bay Area Rapid Transit Co.] is buying new fare collection equipment, that is right, and even though a San Diego company is the best in the world, BART wants a waiver of the buy American laws so they can buy a machine and machinery from Germany. That is right.

They say the German machines are cheaper. Mr. Speaker, it is a downright stone-cold lie. On the long haul, the German equipment is more expensive than the machines made in San Diego.

I am urging the Federal Transit Administration to deny the waiver request. No wonder California is bankrupt, no jobs, when the bay area BART, like Bart Simpson, will buy machines from Germany and not better machines from San Diego workers.

Beam me up. You want to solve the deficit? Start buying some damn American-made goods.

STOP POLITICIZING THE FBI

(Mr. OXLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks).

Mr. OXLEY. Mr. Speaker, for years Democrats leveled charges of improper political influence at the Department of Justice. In response, the Clinton White House implemented highly touted policies to put an end to the perceived problem. Now we learn that these policies were promptly ignored when an FBI official was summoned to the White House and pressured to rewrite an FBI statement to provide cover for White House officials involved in the travel office scandal.

Policies to prevent politicization of the Bureau call for White House requests for assistance to go through the Attorney General. However, Attorney General Reno's office was completely bypassed in this case. To her credit, Ms. Reno protested the decision, making her look, once again, like one of the few people in this administration with any common sense.

Mr. Speaker, the Federal Bureau of Investigation has too much serious work to do to be dragged into providing political cover for the kids at the White House. If White House officials wish to engage in cronyism, nepotism, and self dealing, then let them take the heat for it. But keep the FBI out of it.

Mr. Speaker, it is amateur hour at the White House.

SURPRISE AUDIT OF ULTRAIR AIRLINE

(Mr. WOLF asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WOLF. Mr. Speaker, as a member of the Subcommittee on Treasury, Postal Service, General Government of the Committee on Appropriations, I contacted the IRS today to ask for an investigation of actions described in an article that appeared in today's Washington Post quoting Rick Millinor, president of the Ultrair Airline Co.

that had received the bulk of the White House press corps charter business since last year. Millinor said that three Internal Revenue Service agents showed up unannounced at the firm's chief operating office in Smyrna, TN, Friday, saying they were conducting their own audit of Ultrair and handing over a summons for company records, including those related to the White House business. "We're trying to figure out what this is about," Millinor said. The IRS agents told company officials they had read about the White House travel controversy in the press and "had some concerns that the relationship between Ultrair and the White House wasn't on the up-and-up," he said. Officials to the Smyrna IRS office could not be reached for comment.

Asked about the audit at the briefing, White House communications director George Stephanopolous—who many people are having a hard time believing—said the White House "absolutely" did not initiate the investigation. I have asked the IRS Commissioner to tell us the names of the three agents who made the visit and how did they get sent to make this audit. To use the IRS is wrong.

COMPANIES INCORPORATED IN FOREIGN COUNTRIES EXPLOIT TAX LOOPHOLE

(Mr. DUNCAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DUNCAN. Mr. Speaker, the average taxpayer today pays almost half of his or her income in the form of taxes.

Taxes are already too high. We certainly do not need the largest tax increase in history on top of what we already have. We need to cut spending much further, and we need to close some of the ridiculous loopholes which exist today.

One glaring example is the law which exempts shipping companies incorporated in foreign countries from paying U.S. income taxes.

This law has allowed Carnival Cruise Lines to avoid paying any tax at all on hundreds of millions of profits. It has turned Carnival's founder into a billionaire who Forbes magazine listed in 1991 as one of the 15 richest people in the United States.

In one recent 4-year period, Carnival paid not one penny on over half a billion in profits.

Most of its business is with American Citizens conducted out of an office in Miami.

It is totally unfair to let Carnival Cruise Lines pay nothing on hundreds of millions in profits just because it was incorporated in Panama.

This causes the average taxpayer to have to pay more. This is one sweetheart tax deal which desperately needs to be changed.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. McDERMOTT). Further 1 minutes will be entertained at the close of business today.

PROVIDING FOR CONSIDERATION OF H.R. 2244, SECOND SUPPLEMENTAL APPROPRIATIONS ACT OF 1993, AND WAIVING POINTS OF ORDER AGAINST H.R. 2118, SUPPLEMENTAL APPROPRIATIONS ACT OF 1993.

Mr. FROST. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 183 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 183

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 2244) making supplemental appropriations, transfers, and rescissions for the fiscal year ending September 30, 1993, and for other purposes. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations. After general debate the bill shall be considered for amendment under the five-minute rule. The amendments printed in the report of the Committee on Rules accompanying this resolution shall be considered as adopted in the House and in the Committee of the Whole. The bill as so amended shall be considered as the original bill for the purpose of further amendment under the five-minute rule. All points of order against the bill, as so amended, are waived. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

SEC. 2. All points of order against the bill (H.R. 2118) making supplemental appropriations for the fiscal year ending September 30, 1993, and for other purposes, and against its consideration are waived. The following amendment to the bill shall be considered as adopted in the House and in the Committee of the Whole: page 12, strike line 20 and all that follows through page 13, line 19.

The SPEAKER pro tempore. The gentleman from Texas [Mr. FROST] is recognized for 1 hour.

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield 30 minutes to the gentleman from Tennessee, [Mr. QUILLEN] pending which I yield myself such time as I may consume.

Mr. Speaker, during the debate on House Resolution 183, all time is yielded only for the purpose of debate.

Mr. Speaker, House Resolution 183 is an open rule providing for the consideration of H.R. 2244, the Second Supplemental Appropriations Act of 1993. H.R. 2244, as reported by the Committee on Appropriations, provides for new spending for job creation, including $320 million for summer youth employment and $200 million for the Police on the Streets Program. The budget authority recommended in the bill is fully offset by rescissions of previously appropriated funds and, to ensure deficit neutrality, the bill fully offsets estimated new outlays for both fiscal years 1993 and 1994. The Committee on Appropriations has recommended a fiscally sound and policy prudent package to the House and is to be congratulated.

Mr. Speaker, House Resolution 183 provides for 1 hour of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations and waives all points of order against consideration of the bill. The Committee on Rules has recommended three amendments, which are printed in the report accompanying this resolution, which shall be considered as adopted in the House and in the Committee of the Whole. The bill, as so amended, shall be considered as original text for the purpose of amendment under the 5-minute rule. The rule further waives all points of order against the bill as so amended.

Mr. Speaker, House Resolution 183 provides that at the conclusion of the consideration of H.R. 2244 for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and that the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. Speaker, section 2 of House Resolution 183 waives all points of order against the consideration of H.R. 2118, a bill making supplemental appropriations for the fiscal year 1993. The Committee on Rules has recommended this section of the rule for two reasons: The first to facilitate the consideration of H.R. 2118, which includes funds for Operation Restore Hope in Somalia, partial funding of the Pell grant shortfall, mandatory funding for veterans compensation and pensions, and funding to repair flood damage at Camp Pendleton. Secondly, the Committee has recommended a provision which provides for the automatic adoption of a provision in the bill which strikes funds for the White House.

Mr. Speaker, as Members of the House are well aware, earlier we considered and passed an economic stimulus package recommended to the Congress by the President. And, as everyone is well aware, that package was ultimately filibustered to death in the Senate. However, in spite of the death of the original package, the original reason for the President's proposal has not gone away: While our economy seems to be recovering from recession, the way to ensure a steady and sure recovery is to provide unemployed Americans with jobs. The Committee on Appropriations has recommended a jobs package to the House in response to this continuing need and I recommend its passage.

I would also like to point out that since this rule is open, any Member is entitled to offer amendments to the bill. Those amendments must be, of course, germane to the bill, not violate any other rule of the House, and not violate the budget numbers under which we are currently operating. The committee heard from a number of Members who sought to have specific amendments made in order in the rule; the Committee has, from those requests, provided for the three amendments to the text of the reported bill which I mentioned. Those amendments are, of course, open to amendment, as is the rest of the bill. The amendments include one requiring that $80,000 of the $320 million for the Summer Jobs Program be spent on the Youth Fair Chance Program, one striking a rescission of funds for the Fort Worth Stockyards and providing a commensurate rescission in the economic development revolving fund, and the third which increases the funding for wastewater treatment facilities by $90 million while rescinding $49 million from the Clean Air Employment Transition Assistance Program. The Committee on Rules believes this is a fair mechanism to consider H.R. 2244, and I urge adoption of the rule in order that we may proceed to this most important jobs creation package.

□ 1210

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as the gentleman from Texas [Mr. FROST] has described, this is an open rule, and I wish I could support it. But it is much more than a simple open rule, and I rise in strong opposition to it.

I understand that the chairman of the Appropriations Committee, the gentleman from Kentucky [Mr. NATCHER], announced during the Appropriations Committee meeting on this measure that he did not intend to come to the Rules Committee for a rule. And true to his word, he did not appear before the Rules Committee yesterday. The gentleman from Kentucky [Mr. NATCHER] also noted that if a rule was reported, he would have no objection to making any amendment in order.

Yet here we are, considering a rule which covers two supplemental appropriations bills and waives all points of order against them. It self-executes an amendment providing funding for the Youth Fair Chance Program—an amendment which was not even presented before the Rules Committee for consideration. The rule also self-executes two other amendments, which I personally could support; but I cannot support denying the other Members of this body the right to vote on these amendments separately.

This rule also waives the three-day layover requirement on the second supplemental bill. This is a substantial bill, appropriating approximately $900 million and rescinding a like amount. Members are entitled to the opportunity to thoroughly review these appropriations and rescissions and should not be forced to make hasty and uninformed decisions when voting on this bill.

Further, this resolution waives the rules pertaining to reappropriations, the Budget Act and unauthorized appropriations and Legislation on general appropriations bills. There is an old saying that "Rules are made to be broken." I am beginning to think that this saying originated here in the House of Representatives.

This bill includes funding for several so-called stimulus programs. While many of the programs are worthy, in my opinion, some are questionable, to say the least. The President requested that this bill be offset by across-the-board cuts; however, the bill reported by the committee pays for all spending through specific cuts, some of which I find extremely objectionable.

Mr. Speaker, democracy is defined as representation by the people through their elected representatives. Under this rule, some Members are once again being denied the right to participate in a deliberative democracy and represent the wishes of their constituents. Several motions were offered in the Rules Committee to make some important amendments in order, but all of these attempts were defeated. I am including with my statement a summary of each amendment to the rule offered in the Rules Committee, along with the rollcall vote on each. Additionally, I am submitting with my statement a comparative chart of open versus restrictive rules covering the 95th through the 103d Congresses and a separate chart of open versus restrictive rules for the 103d Congress

Mr. Speaker, I would generally rise in strong support of an open rule, but this one goes too far, much too far. I am opposed to it, and I hope in the future the rules committee will serve its intended purpose by reporting rules which allow a fair, open and deliberative debate on legislation considered by the House.

Mr. Speaker, I include a summary of rollcall votes in the Rules Committee, along with a chart, as follows:

ROLLCALL VOTES IN THE RULES COMMITTEE ON AMENDMENTS TO THE RULE ON H.R. 2244 AND H.R. 2218, SUPPLEMENTAL APPROPRIATIONS BILLS TUESDAY, MAY 25, 1993

Motions were offered to make the following amendments in order, waiving specified points of order:

1. Collins (GA)—None of the funds in the bill may be used to provide benefits to persons who are not citizens or in other specified categories. (Needs waiver of Clause 2, Rule XXI—Legislation on appropriations, and limitation on an appropriation).

Rejected: 5-5 Yeas: Beilenson, Solomon, Quillen, Dreier and Goss. Nays: Moakley, Derrick, Frost, Gordon and Slaughter.

2. Blute—Rescind funds for the Select Committees. (Needs Waiver of Clause 2, Rule XXI—Legislation on appropriation).

Rejected: 4-6 Yeas: Solomon, Quillen, Dreier, and Goss. Nays: Moakley, Derrick, Beilenson, Frost, Gordon and Slaughter.

3. Kolbe—Strike rescission of $165 million from the HOPE program with offsets. (Needs waiver of Clause 2, Rule XXI—legislation on an appropriation; needs protection against division of the question).

Rejected: 4-6 Yeas: Solomon, Quillen, Dreier, and Goss. Nays: Moakley, Derrick, Beilenson, Frost, Gordon and Slaughter.

4. Gingrich—Increase the amount of creditable wages offered under the Targeted Jobs Tax Credit from a maximum of $3,000 to $3,500; and expand the age of affected youths in this program from 16- and 17-year-olds to youths ages 14-21. (waive all points of order)

Rejected: 4-6 Yeas: Solomon, Quillen, Dreier, and Goss. Nays: Moakley, Derrick, Beilenson, Frost, Gordon and Slaughter.

5. Castle—Restore $20.5 million for a VA Medical Center in Wilmington, Delaware. (if money under subcommittee cap is used up, waiver of Section 302(f) of the Budget Act would be needed)

Rejected: 4-6 Yeas: Solomon, Quillen, Dreier, and Goss. Nays: Moakley, Derrick, Beilenson, Frost, Gordon and Slaughter.

6. Adoption of Rule—Providing an open rule for H.R. 2244, with one-hour of general debate, waiving all points of order against the consideration of the bill, self-executing the adoption of three amendments relating to the "Youth Fair Chance Program," striking the Fort Worth Stock Yards rescission offset by EDA revolving fund rescission, and increasing the wastewater treatment facilities funding by $90 million and rescinding $49 million from Clean Air Employment transition Assistance Program; waiving all points of order against H.R. 2118, General Supplemental for 1993, and self-executing the deletion of funds for the White House office.

Adopted: 6-4 Yeas: Moakley, Derrick, Beilenson, Frost, Gordon and Slaughter. Nays: Solomon, Quillen, Dreier and Goss.

OPEN VERSUS RESTRICTIVE RULES—95TH–103D CONGRESSES

Congress (years)	Total rules granted[1]	Open rules[2]		Restrictive rules[3]	
		Number	Pct.	Number	Pct.
95th (1977–78)	211	179	85	32	15
96th (1979–80)	214	161	75	53	25
97th (1981–82)	120	90	75	30	25
98th (1983–84)	155	105	68	50	32
99th (1985–86)	115	65	57	50	43
100th (1987–88) ...	123	66	54	57	46
101st (1989–90)	104	47	45	57	55
102nd (1991–92) ...	109	37	34	72	66
103rd (1993–94) ...	15	4	27	11	73

[1] Total rules counted are all order of business resolutions reported from the Rules Committee which provide for the initial consideration of legislation, except rules on appropriations bills which only waive points of order. Original jurisdiction measures reported as privileged are also not counted.

[2] Open rules are those which permit any Member to offer any germane amendment to a measure so long as it is otherwise in compliance with the rules of the House. The parenthetical percentages are open rules as a percent of total rules granted.

[3] Restrictive rules are those which limit the number of amendments which can be offered, and include so-called modified open and modified closed rules, as well as completely closed rule, and rules providing for consideration in the House as opposed to the Committee of the Whole. The parenthetical percentages are restrictive rules as a percent of total rules granted.

Sources: Rules Committee Calendars & Surveys of Activities, 95th–102nd Congresses; "Notices of Action Taken," Committee on Rules, 103rd Congress, through May 26, 1993.

OPEN VERSUS RESTRICTIVE RULES—103D CONGRESS

Rule number date reported	Rule type	Bill number and subject	Amendments submitted	Amendments allowed	Disposition of rule and date
H. Res. 58—Feb. 2, 1993	MC	H.R. 1: Family and medical leave	30 (D–5; R–25)	3 (D–0; R–3)	PQ: 246–176 A: 259–164 (2/3/93)
H. Res. 59—Feb. 3, 1993	MC	H.R. 2: National voter registration act	19 (D–1; R–18)	1 (D–0; R–1)	PQ: 248–171 A: 249–170 (2/4/93)
H. Res. 103—Feb. 3, 1993	C	H.R. 920: Unemployment compensation	7 (D–2; R–5)	0 (D–0; R–0)	PQ: 243–172 A: 237–178 (2/24/93)
H. Res. 106—Mar. 2, 1993	MC	H.R. 20: Hatch act amendments	9 (D–1; R–8)	3 (D–0; R–3)	PQ: 248–166 A: 249–163 (3/3/93)
H. Res. 119—Mar. 9, 1993	MC	H.R. 4: NIH revitalization act of 1993	13 (D–4; R–9)	8 (D–3; R–5)	PQ: 247–170 A: 248–170 (3/10/93)
H. Res. 132—Mar. 17, 1993	MC	H.R. 1335: Emergency supplemental approps.	37 (D–8; R–29)	1 (not submitted) (D–1; R–0)	A: 240–185 (3/18/93)
H. Res. 133—Mar. 17, 1993	MC	H. Con. Res. 64: Budget resolution	14 (D–2; R–12)	4 (1–D not submitted) (D–2; R–2)	PQ: 250–172 A: 251–172 (3/18/93)
H. Res. 138—Mar. 17, 1993	MC	H.R. 670: Family planning amendments	20 (D–8; R–12)	9 (D–4; R–5)	PQ: 252–164 A: 247–169 (3/24/93)
H. Res. 147—Mar. 17, 1993	C	H.R. 1430: Increase public debt limit	6 (D–1; R–5)	0 (D–0; R–0)	PQ: 244–168 A: 242–170 (4/1/93)
H. Res. 149—Apr. 1, 1993	MC	H.R. 1578: Expedited rescission act of 1993.	8 (D–1; R–7)	3 (D–1; R–2)	A: 212–208 (4/28/93)
H. Res. 164—May 4, 1993	O	H.R. 820: Natl. competitiveness act	N/A	N/A	A: Voice Vote (5/5/93)
H. Res. 171—May 18, 1993	O	H.R. 873: Gallatin range act of 1993	N/A	N/A	A: Voice Vote (5/20/93)
H. Res. 172—May 18, 1993	O	H.R. 1159: Passenger vessel safety act	N/A	N/A	A: Voice Vote (5/24/93)
H. Res. 173—May 18, 1993	MC	S.J. Res. 45: U.S. forces in Somalia	6 (D–1; R–5)	6 (D–1; R–5)	A: Voice Vote (5/20/93)
H. Res. 183—May 25, 1993	O	H.R. 2244: 2 supplemental approps	N/A	N/A	

Code: C-Closed; MC-Modified closed; MO-Modified open; O-Open; D-Democrat; R-Republican; PQ: Previous Question; A-Adopted; F-Failed.

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield 2 minutes to the gentlewoman from Connecticut [Ms. DELAURO].

Ms. DELAURO. Mr. Speaker, I rise in strong support of the rule on the supplemental appropriations bills. I am particularly pleased that after several months of working to craft legislation that will help put people back to work, we have a bill that will do just that. While it is not what many of us originally supported and fought for, the bill before us today is a significant response to the desperate need we have to create new jobs.

Our urban areas need special attention—they have borne the brunt of recession for too long. Under this supplemental economic stimulus bill, we will provide summer jobs for youth from disadvantaged families, we will hire more police officers for our streets, and we will create jobs by cleaning our Nation's waterways.

In my State of Connecticut, we have been in a recession for more than 4 years. In that time we have lost 180,000 jobs, and unemployment among the construction trades exceeds 40 percent—these are the very people that would be put back to work by increased funding for clean water projects.

Not only will this bill create new jobs, but it does so in a fiscally responsible manner. All expenditures in the bill offset by rescissions of previously appropriated funds.

We cannot afford to squander our last chance to do something to get people back to work this summer. If we fail to pass this responsible Jobs bill, we will have said once again to the American public that we are not serious about helping those who have suffered for such a long time.

Mr. QUILLEN. Mr. Speaker, I yield 3 minutes to the gentleman from Florida [Mr. GOSS], a distinguished member of the Committee on Rules.

Mr. GOSS. Mr. Speaker, I thank the distinguished chairman emeritus, the gentleman from Tennessee [Mr. QUILLEN] for yielding this time to me. I think this is a very important rule we are considering.

Mr. Speaker, we have a now-you-see-it-now-you-don't rule on the floor today. True, this is an open rule, but because of the rules of the House, there are several important amendments that were brought to the Rules Committee that will not be allowed to be considered, even under this open rule. We are talking about spending $840 million for stimulus to create jobs. We can argue the merits of approving $320 million for a summer jobs program at this late date, with summer only a few weeks away and we can discuss whether a tree planting program costing $14 million is a cost-effective way to create new jobs and we can certainly discuss whether bailing Amtrak out from under its operating losses should really be of a higher priority than funding the HOPE Home Ownership Program that helps people buy their own homes, providing veterans outpatients care in Delaware or providing adequate Coast Guard resources. Those three programs were among those cut by the appropriators in order to fund this bill.

I am particularly troubled by what is happening to the HOPE Program, which is a program that actually works in helping to give people ownership over the places where they live. By refusing to allow an amendment by the gentleman from Arizona [Mr. KOLBE] to be considered, the Rules Committee has effectively killed this HOPE Program, and that is a shame, especially since I know many Members in this House are interested in helping people get on their feet and own their own homes. Sadly, the full House will not be able to debate whether canceling that program is a wise idea.

Still, although I disagree with some of the priorities that have been set in this bill, I do wish to commend the chairman and ranking member of the Appropriations Committee for taking a big step in the right budgeting direction by paying for the programs they have decided are their priority. So many times this House simply spends money and either raises taxes or ups the deficit instead of making the tough choices necessary for living within our means.

Among the good amendments presented in the Rules Committee that were not allowed under this rule was a proposal to ensure that none of the money in this bill be spent for programs for illegal aliens. That is an important issue for all America, and especially in South Florida. We have estimates that Federal Programs are being spent on services for illegal aliens to the tune of $5.4 billion a year. It is a shame this amendment will not be allowed. And the list goes on.

The point is, once again, the heavy-hand of the Rules Committee is reaching down onto this floor to control and limit debate. And once again I am afraid that we will be delivering less than the best for the American people as a result.

That said, I do wish to underscore that this bill—for all its problems—should serve as a jumping off point for this House as we move ahead in our budget process: The American people wants us to pay for our priorities through existing resources. They do not want bigger deficits—they do not want more debt. And they sure do not want higher taxes. They want us to cut spending.

Mr. Speaker, I hope that this bill signals a new willingness on the part of the majority to make the hard choices when it comes to spending taxpayers' money. The real test could come as soon as tomorrow, when we take up the President's tax bill.

□ 1220

Mr. FROST. Mr. Speaker, for the purposes of debate only, I yield 3 minutes to the gentlewoman from New York [Mrs. LOWEY].

Mrs. LOWEY. Mr. Speaker, I rise in support of the rule governing consideration of the bill, H.R. 2244, the second supplemental appropriations bill. It is essential that the House move forward expeditiously in endorsing this rule and in approving H.R. 2244, legislation that includes important funding for job training, community policing, Amtrak, and investments in water pollution control that will create thousands of badly-needed jobs.

Like many of my colleagues, I would have preferred a larger package of supplemental appropriations, such as the one approved earlier this year. There can be little question that the Federal Government must step up to its responsibility to help put Americans back to work. What was once referred to as a jobless economic recovery may become an aborted recovery unless we make investments that can stimulate the creation of real jobs now.

The package of investments that we will be voting on later today is a step in that direction. It provides $320 million in supplemental funds to the Summer Youth Employment Program. These additional funds will increase the appropriation for the summer of 1993 to $997 million, and will finance an additional 237,000 summer jobs. This will bring the total number of participants in the program up to 847,000 young people—56,000 more than last summer.

The shortage of jobs in our economically depressed urban areas has reached crisis proportions. To those who contend that the funds for summer jobs provided in this supplemental cannot be spent by our cities, I would point out that New York City alone has received over 100,000 applications from young people seeking work in the Summer Youth Employment Program. The fiscal year 1993 appropriation for this program provides only enough funds to enable 30,000 youth in New York City to get summer jobs through the program. New York City, which spent virtually all of the supplemental funds it received last year, has stated clearly that it would have no problem spending these badly needed funds.

H.R. 2244, as approved by the Rules Committee, would also provide $290 million in funds for the successful State Revolving Fund [SRF] Program. The purpose of this appropriation is to jump start the economy and put Americans back to work by providing supplemental funding to clean water projects across the country.

Mr. Speaker, our Nation faces over $100 billion in unmet wastewater treatment needs. Without adequate Federal aid, this burden will wreck State and municipal budgets, cripple local economies, and rob our waterways of their environmental and economic vitality. But in the midst of this dire need lies an unprecedented opportunity. The very investments that are needed to upgrade our environmental facilities can also expand the economic horizons of our communities. At a time when the national unemployment rate remains at 7 percent, investments in modernizing sewage treatment plants can create tens of thousands of jobs in the short-term and provide the capacity for years of economic expansion. These expenditures are possible, however, only with substantial Federal aid.

The third major component of the bill is its police on the street provision, which provides supplemental appropriations of $200 million for Justice assistance grants to States to provide additional police officers on the street at the State and local level. Our efforts to stimulate the economy can only succeed if we act forcefully to help our communities keep their streets and neighborhoods safe.

Mr. Speaker, the time to invest is now, and for the first time in years, we have an administration that understands what these investments can mean for our economy and our communities. I urge my colleagues to respond by endorsing this legislation which will enable us to begin rebuilding our vital infrastructure, providing critically needed summer jobs for our youth, and putting more police on our streets. I urge my colleagues to support the rule on H.R. 2244.

Mr. QUILLEN. Mr. Speaker, I yield 4 minutes to the gentleman from Indiana [Mr. BURTON].

Mr. BURTON of Indiana. Mr. Speaker, I thank the gentleman for yielding this time to me.

You know, when you listen to this, it sounds like all this money is going to be spent for a worthy purpose, and that the taxpayers of this country ought to embrace it. Tomorrow the taxpayers of America are going to be asked to belly up another 320 some billion dollars of new taxes. In addition to that, there are a lot of other fees that are hidden, and so it will take close to $400 billion. It is by far the largest tax increase in U.S. history.

Yet they are telling us that this spending bill is a worthwhile program, that it is going to be great for job creation and everything else. Let us just take a close look at it.

First of all, the Appropriations Committee that has jurisdiction over this cut the waste water treatment facilities money from $400 million to $200 million. So what did the Rules Committee do because they did not like what the Appropriations Committee did? They added $90 million back in there. But then the Rules Committee knows more than the Appropriations Committee that has jurisdiction.

I wonder why they did that. We ought to ask the Rules Committee. Maybe somebody had some pork in their district that they wanted and they could not get it through the appropriations process, so they just happened to sneak $90 million more in there.

Then let us take a look at the rescissions. The rescissions are the things that we take out. The Appropriations Committee took out $11.8 million for the Fort Worth stockyards. That was Jim Wright's district. You remember Jim Wright. He used to be the Speaker of this place. He left here kind of under a cloud. But anyhow that is $11.8 million for those stockyards. Well, the Appropriations Committee took it out, but the Rules Committee that has no jurisdiction says, "Well, that's not quite the right thing to do." So they put it back in. That is $11.8 million for the Fort Worth stockyards.

Does that sound a little like pork? Maybe not pork, maybe just cow.

Then they talked about other things. They said there were supposed to be some matching funds here for the Federal Water Pollution Control Act. The money that we give to the States, that is supposed to be matched by an 80–20 match, and that makes the States responsible. The States pay 20 percent of these water projects, and as a result they are very careful about how that money is spent. But this time the Rules Committee changed it to where the Federal Government pays 100 percent of it. So there is no responsibility at the State level. So the State says, "OK, we want that project, so we just ask the Federal Government, and like manna from heaven, we will come down and they will pay for it."

There is no responsibility at the State level. There needs to be responsibility at the State level if we are going to give them money. They should be porking up some of that money themselves.

In addition to that, we are talking about $320 million for summer jobs. That sounds good. We all want to help our teenagers, but the General Accounting Office tells us that that $320 million cannot get in there quickly enough to help provide these summer jobs for teenagers. So what has been put in there? Well, one of the Members of this House, a Member from California, was able to get $80 million of that money put in there for a program called the Youth Fair Chance Program.

That is supposed to be for teenagers. But what did the Rules Committee do? They changed the definition of a "teenager." Now, get this, America. They changed the definition of "teenagers" to people being 30 years old and younger. When I was a teenager, it ended at age 19, but now under the Youth Jobs Program we are going to provide jobs for people up to age 30 in Los Angeles, CA.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. BURTON of Indiana. I am happy to yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Speaker, is the gentleman absolutely sure of that, that we are now going to have people who are 30 years old defined as "teenagers"?

Mr. BURTON of Indiana. Yes, that is absolutely correct, and that is because the Rules Committee made this change. It is not done by the Appropriations Committee.

Mr. WALKER. Is the gentleman's understanding, as it is mine, that this amendment was never even presented to the Rules Committee, that the Rules Committee had not seen it, and that it just kind of magically showed up in the rule when it came forward, and that there was no testimony on it at all?

Mr. BURTON of Indiana. I think that is right. The things I talked about did not go through the Appropriations Committee. They were sneaked in by the Rules Committee.

Mr. FROST. Mr. Speaker, for the purposes of debate only, I yield 3 minutes to the gentleman from Texas [Mr. COLEMAN].

Mr. COLEMAN. Mr. Speaker, I rise in support of the rule. The rule provides additional funds for clean water and I would like to thank the gentlewoman from Connecticut [Ms. DELAURO] and the gentlewoman from New York [Mrs. LOWEY] for their leadership in securing this vital funding.

Mr. Speaker, water is the most basic necessity of life. It is not a need which is limited to one region. It is not a need which is limited to a certain time of the year. It is not a need which is limited to a particular group of people. Water is the most basic, most fundamental, most vital necessity of life. Without water, no matter how much food we have, no matter how much heat we have, no matter how much money we have, we will die. Indeed, without water every living thing will die.

Moreover, people came to the conclusion more than a hundred years ago that the provision of wastewater collection and treatment facilities was vital for the protection and maintenance of public health. Armed with this belief, cities across the country and across Europe began massive sewer construction projects. Once these sewage systems were in place, a remarkable thing happened: the incidence of diseases like cholera and typhoid dropped dramatically. A better level of public health could now be achieved because people were no longer being subjected to contaminated sources of drinking water.

Over 20 years ago, when the Water Pollution Control Act was first passed, Congress recognized that the provision of proper, modern wastewater treatment facilities was a necessary ingredient in curbing water pollution and bolstering this Nation's efforts in restoring and maintaining the integrity of the Nation's water. Indeed, Federal aid for the construction of wastewater treatment plants has always been a central feature of the Clean Water Act. Since the Clean Water Act was established, wastewater construction aid has led to a significant reduction in the levels of wastes entering into the Nation's water bodies. Although the system under which these funds are provided was altered under the terms of the 1987 amendments to the Clean Water Act, the intention to maintain the highest possible water quality standards remains.

When the State revolving fund [SRF] mechanism was established under the 1987 amendments, the intention was not to eliminate the Federal Government's role in ensuring that wastewater needs would continue to be met. The intention was to provide a mechanism to ensure the States would have the wherewithal to grant assistance to communities which were unable to meet the costs of modernizing their wastewater treatment facilities on their own. Let me repeat that, because I think it is important, in 1987, this body made a commitment to continue to provide funding to the States to meet their wastewater treatment needs by establishing the SRF.

Having undertaken that commitment, I believe it is now incumbent upon us to ensure that the SRF is funded to the level necessary to achieve the goal of restoring the health of our Nation's water supply. The SRF is a necessary and extremely cost effective way in which to meet that goal. It is a very simple choice: we can either make a commitment now to ensure the quality of water, and therefore public health; or we can wait and pay huge sums later in efforts to combat deteriorating public health, and polluted water systems.

The President has asked that we make the commitment now. This Member believes it would behoove us to do so. I supported the President's original request for $892 million for the SRF, because it is such an important investment. I rise now in support of the rule, which will provide $90 million to the SRF in addition to the $200 million which was approved by the Appropriations Committee. While this still falls short of the President's revised request of $400 million, it is an important step in the right direction. I support the rule and commend it to my colleagues.

□ 1230

Mr. QUILLEN. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts [Mr. BLUTE].

Mr. BLUTE. Mr. Speaker, earlier this year, the Members of this House made a conscious decision to allow the authorization for the four select committees to expire. Surely, at the time, there was some disagreement over whether that was the appropriate thing to do, but the fact is that the select committees no longer exist.

Of the $3.6 million that the selects were authorized to spend on salaries and expenses this year, approximately $1.5 million was left when the committees expired. However, unless the House takes action to rescind the remaining budget authority, that money is going to be spent, somehow, somewhere—it could be reprogrammed, and drawn down for other reasons.

Yesterday, I went to the Rules Committee to ask that they make in order an amendment that I was seeking to offer to H.R. 2244, the son of stimulus bill. But I was denied.

My amendment was a simple one. It would have rescinded the budget authority that was left after the selects closed their doors. This is a small but necessary step, designed to assure that the $1.5 million saved by eliminating the select committees is returned to the taxpayers, and not spent, for some other purpose, by the Congress. This money does not belong to the Congress, it belongs to the American people.

Mr. Speaker, it seems to me that the best time for the Congress to consider a measure which would save money belonging to American taxpayers, is while we are considering several other measures to spend money belonging to American taxpayers. And, this week, the Congress is taxing and spending every single taxpayer dollar they can find.

The people I represent have made one point crystal clear. Cut spending first is a message that I have received loud and clear since the day I arrived here, and that is what I was hoping to do today. While $1.5 million may seem like pocket change to the Congress, I am sure that the taxpayers, to whom that $1.5 million belong, would love to have it back.

Therefore, I ask my colleagues to join me in defeating the previous question, so that I might have a chance to offer my amendment here today. Regardless of your feelings about the select committees, you must agree that returning the savings from those committees to the people of this country is the right thing to do.

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield 3 minutes to the gentleman from New Mexico [Mr. RICHARDSON].

Mr. RICHARDSON. Mr. Speaker, I rise in strong support of this rule. I am heartened that this body is moving ahead on a jobs program, although it is limited.

Mr. Speaker, the administration requested that the amounts in this jobs program be fully offset by an across-the-board cut in discretionary appropriations. However, the chairman of the Committee on Appropriations and the Committee on Appropriations oppose an across-the-board cut. It is the intent of this legislation for all the spending to take place through specific spending cuts.

Mr. Speaker, this bill is important because it provides community policing. It provides $200 million to the Justice Department for discretionary grants to States and local governments to promote community policing.

Second, and most importantly, it provides summer jobs. The bill provides an additional $320 million to the Labor Department for a summer jobs program for youth, of which 30 percent is set aside for academic enrichment programs, as spelled out in the legislative language.

Third, it provides for very much needed waste water treatment facilities. The bill provides an additional $400 million to EPA.

Mr. Speaker, for those of us from rural areas, minority areas, and urban areas that wanted a stimulus program and were thwarted by the other body, this, although modest and small, is a very positive step. The summer jobs money will be able to be used this summer, there is no question about it.

Mr. Speaker, I believe from the other side there was a question about those between 17 and 30 years old being eligible for this program, and to explain why this very important provision is here, I would like to yield to the gentleman from California [Mr. TUCKER], from the Los Angeles area.

Mr. TUCKER. Mr. Speaker, I thank the distinguished gentleman for yielding.

Mr. Speaker, I too rise in strong support of H.R. 2244. My only regret with this particular bill is that there is not enough money and there is not enough commitment and investment for the kinds of devastation we have to deal with in our inner cities.

As to the question concerning the group of 17- to 30-year-olds in the inner cities in America today, we need an extreme amount of help. That group is a targeted group that should be included in this kind of legislation.

Mr. Speaker, in my district alone, in the Watts area, one out of every two young black and brown males between the ages of 17 and 30 are unemployed. So even as this country slumps on unemployment of 7 percent continually in the last few months, the unemployment in my district hovers between 42 and 50 percent.

It is time that this body moves in some concrete way to do something about providing jobs. That is what I believe the American people put Bill Clinton into office to respond to, the economy and the unemployment problem in our country. I believe this is extremely important, and that is why we have this particular package and the $320 million put in targeted at that particular group.

Mr. QUILLEN. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise against the rule. This is a bad rule and we ought to focus on several things about it.

First of all, the chairman of the Committee on Appropriations, acting honorably in this instance, did not request this rule. The chairman wanted to bring his bill to the floor. He thought it was a clean bill that could be taken care of very easily on the floor. Instead what happened was the Democratic leadership went to the Committee on Rules and got this rule.

Mr. Speaker, let me tell you what is in this rule. This rule legislates an appropriations bill and does all kinds of other damaging things in waiving points of order.

Mr. Speaker, let me give you just a couple of examples. One of the things they did was strip the money out that the White House wanted for a supplemental appropriation.

□ 1240

Now, lots of people in this Chamber might think that that is a good idea, that they stripped all the money.

Let me tell my colleagues why the stripped the money. They did not want a discussion on this floor about what the money was being spent for the White House these days.

Just this morning we find out from the newspaper that not only was the FBI abused in the Travelgate scandal, but now they have brought the IRS into the problem and the IRS agents are going after one of the charter airlines, and they are being abused in an illegal manner.

They do not want that kind of discussion on the floor, so they used this rule to strip out that money.

And then we have this interesting jobs program that we just heard talked about.

First of all, the gentleman from Indiana was absolutely right. We are now defining teenagers as anybody under 30 years old. I was brought up to believe that at some point somewhere around 18 or 20, one probably took on the responsibilities of an adult. But, no, we legislate in this appropriations bill, thanks to the Committee on Rules, and we define teenagers as anybody under age 30.

What are we giving this money out for? Is it for jobs? No. Read the amendment that came out of nowhere in the Committee on Rules.

It says that we are giving this, I am quoting, "This money is going to be used for or used by such youth and young adults for transportation, food, grooming and other basic necessities."

I mean, are these people going to go to Kristophe for a coiffure? What is this money going to be used for? This is grooming and other basic necessities. This is not jobs for these folks. And we are going to pay them up to 100 bucks a week.

Then we have another problem which is, pretty soon we are going to have another bill floating through here, the reconciliation bill tomorrow. Guess what it has in it? It has a brand-new trust fund, a new entitlement program for an illegal alien trust fund.

These Members keep claiming they are going to cut spending and do something about the debt and deficit, and they are out forming new entitlement programs, and one that we have now found in the reconciliation bill for tomorrow is a new illegal alien trust fund, where they are going to pay for any baby born in the country to an illegal alien, thereby encouraging more illegal aliens to come here to have their babies born in the United States.

It is absolutely crazy. Then if we look down in this bill, one of the things that they left in it, they did not strike when they went to the Committee on Rules, is $14 million to plant new trees. I understand that that is over and above $16 million we have already appropriated to plant trees. How many trees are we going to plant? I wonder how much the trees are costing?

Mr. BURTON of Indiana. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Indiana.

Mr. BURTON of Indiana. Mr. Speaker, we did some research. I would like to inform the Chamber and the gentleman from Pennsylvania that each one of those trees planted costs $189, each tree to be planted. That is a real squandering of the taxpayers' money.

Mr. WALKER. Mr. Speaker, I have some trees down in the back of my property. I would be happy to sell them for 189 bucks apiece. I would be very happy at that rate. As a matter of fact, I know most of the tree growers in Pennsylvania would be very happy to sell trees at 189 bucks apiece.

Maybe we are going to have a new crop of Christmas trees here. We are finding out what inflation is going to do to Christmas tree prices in the future. People are going to walk in and find out that a Christmas tree costs as much as a haircut.

Mr. BURTON of Indiana. Mr. Speaker, if the gentleman will continue to yield, I would like to make one more comment about the illegal alien trust fund. In Los Angeles, CA, they had 37,000 illegal alien births last year. Each one of those children are approved for AFDC, and that totals $25 million a month in AFDC payments for illegal aliens.

Mr. WALKER. Now we are going to pay 100 percent of the cost.

Mr. FROST. Mr. Speaker, I reserve the balance of my time.

Mr. QUILLEN. Mr. Speaker, I yield 2 minutes to a very valuable member of the House Committee on Rules, the distinguished gentleman from California [Mr. DREIER].

Mr. DREIER. Mr. Speaker, I thank the valued Republican chairman emeritus of the Committee on Rules for yielding time to me.

Mr. Speaker, I cannot tell my colleagues how saddened I am for our very dear friend and one of the most respected Members of this House, the gentleman from Kentucky [Mr. NATCHER].

The gentleman from Kentucky [Mr. NATCHER] has said to us, many of us, repeatedly that we want to do this thing right. He does not know where the Committee on Rules is. He has occasionally been shoved up there on the third floor, but he has repeatedly said that he does not know where it is because he desperately wants us to move with the standard rules of the House on appropriation bills.

That means they come to the floor, and they stand on an open rule and points of order can be made against amendments, especially where we see Members legislating in appropriations bills, which is a clear violation of the rules of this House.

So I want to say how sorry I am that we are moving ahead with this process and that the leadership on the other side of the aisle has trounced on one of the most respected Members of this House, the Pope, the chairman of the Committee on Appropriations, the gentleman from Kentucky [Mr. NATCHER].

When my colleagues look at the provisions in this bill, there are a wide range of things that are a real joke. Tragically, if they look at the so-called tree planting program, which is going to move ahead, we are taking money from small business venture capital and shifting it to tree planting. So basically, what we are doing is we are shifting away from jobs creation and moving instead to jobs killing.

And when they look at the cost per tree that we are going to have in this measure, it is an absolute travesty. In fact, 90 percent of the trees planted are planted primarily by home owners privately, and yet we are going to see a cost, and the cost for that is around $75, if we look at this measure, it will cost us $1,400 per tree in the District of Columbia.

It is absolutely ludicrous. We should defeat this rule and do what the gentleman from Kentucky [Mr. NATCHER] sincerely wants us to do, come forward to this House with the standard operating rules.

Mr. QUILLEN. Mr. Speaker, I yield 4 minutes to the gentleman from Arizona [Mr. KOLBE].

Mr. KOLBE. Mr. Speaker, I rise in opposition to the rule on H.R. 2244, the supplemental appropriations bill.

It has been pointed out here that the chairman of the Committee on Appropriations did not ask for a closed rule or a limited rule, such as we are debating here today. A point has also been made that there is a self-enacting provision in here that will enact an amendment for an individual who is on the Committee on Appropriations. But that individual never even raised the issue when the Committee on Appropriations met.

But those are other issues.

The issue I want to talk about today has to do with a program that I think is vitally important. That is HOPE, the home ownership program for low-income people. A few moments ago the gentleman from Texas [Mr. COLEMAN] spoke about the need for EPA grants to provide for waste water and water treatment plants along our border and elsewhere in the country.

I represent a border district. I understand very well the need for these kinds of grants. But I wonder whether the gentleman from Texas would also agree that low-income people ought to have the opportunity to own their own homes, to share in the American dream of owning a home.

That is what the HOPE Program is about, a program supported on a bipartisan fashion by this body for the last several years. It was an amendment offered by myself and then-Congressman Espy, now Secretary Espy, that put money back into the program a couple of years ago.

It is a program that has worked. Sadly, it is one of too few programs in HUD that has worked.

And now, cruelly, we are going to tell people in more than 500 projects that are already under way for conversion to home ownership that their dream is going to be stopped in midstream. They will not have the opportunity to own their home. No, No, they are just out of luck.

Middle class Americans can own homes, but low-income people living in the inner cities, no. No, we are not going to provide funds for them to have the opportunity to own their own home. What makes this such a cruel hoax is that the money is available elsewhere. The money is available by making a rescission from the unallocated funds that are in HUD. That account has more than $750 million of unallocated funds that could be made available to help at least a few more families realize the dream of home ownership.

This is a program that has been supported by the President of the United States. In a campaign speech that he made last year, he said this, and I quote:

> We have to start indigenous economic development and housing strategies in these inner-city areas. There are all kinds of housing programs that are at work empowering people. I think the Congress made a mistake in not passing more of Jack Kemp's housing initiatives to do more for low income working people, to give them the right to own their own homes and to secure their own neighborhoods.

□ 1250

Now, unfortunately, we are about to do away with this program. Even more tragically, those projects that are underway, over 500 projects and more than 50,000 people that are now in the process of doing the architectural, the engineering, the technical work, and the training, so they can own their own homes, they are going to be told, "It is too late. We are going to stop the program. You will not be allowed to acquire your own home."

I will have an amendment later if there are funds that remain below the caps to put some of that money back in. I will also offer an amendment which a point of order can be made against to change the rescission from the HOPE Program to those unallocated funds in HUD, so at least we can finish these projects where we have told people they are going to have the opportunity to own their own home.

This program is supported by a wide range of organizations. Let me just mention a couple of those that support this, and the Members will be getting phone calls and letters from some of these: The National Black Caucus of State Legislators, the National Association of Resident Management Corporations, the Empowerment Network, the National Talent Union, and on and on.

My amendment would restore these funds so people might own their own homes. I hope Members will support it.

Mr. QUILLEN. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois [Mr. PORTER].

Mr. PORTER. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, this rule is an absolute outrage. On Monday, the full Appropriations Committee met for 3 hours to pass the third supplemental bill, H.R. 2244. We had heated debate, several votes and approved the bill for floor consideration. Our chairman, the gentleman from Kentucky [Mr. NATCHER], made clear that he would not seek a rule for this bill. Nevertheless, the leadership of the House circumvented the chairman and asked for a rule. That in itself is bad enough.

But the Rules Committee then decided it was not enough simply to inject itself into a process. It decided it would act as our committee.

This rule adds three amendments to the bill through a self-executing mechanism. These are amendments that were never considered by the appropriations subcommittees or full committees, although they certainly could have been offered.

I am not talking here about the substance or merits of the amendments. The DeLauro amendment was never discussed in a subcommittee. It was not offered in the full committee even though Ms. DELAURO is a member of the committee and attended the entire markup.

The Waters amendment is even worse. It would be made part of the supplemental bill even though it has never been considered by the appropriations subcommittees or full committee, even though it adds authorizing language to an appropriations bill, even though it funds a program that has never been funded, even though it exceeds by three times the President's request for 1994, and even though it would have been subject to a point of order if Mr. NATCHER had been allowed to bring this bill to the floor without a rule. By what right does any Member become entitled to circumvent the processes that the rest of the Members must follow?

Mr. Speaker, this rule is a slap in the face of our chairman by the leadership of this House. It usurps jurisdiction, circumvents normal consideration of legislation, and imposes the will of a handful of members of the Rules Committee on the entire House of Representatives.

This process should not be allowed to stand. Mr. NATCHER should be allowed to bring the bill to the floor without a rule to have fair and full consideration and debate.

Mr. Speaker, I urge every Member to vote down this rule.

Mr. QUILLEN. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey [Mr. GALLO].

Mr. GALLO. Mr. Speaker, I rise today to oppose the rule for H.R. 2244. I cannot support a rule that is so restrictive and does not allow for open debate and free discussion of alternatives.

When I first saw the stimulus bill, I was pleased to see that the committee provided the necessary offsets in other programs to pay for this bill. This is the right direction for the committee to take, and I commend the chairman for making this decision. However, my pleasure turned to anger as I looked at this rule. The time has come for the Democratic leadership to learn that we want to work with you to develop good legislation. We only find it increasingly more difficult to do that when they continually put roadblocks in our way, such as this rule.

As a member of the Appropriations Committee, I was told in committee that an open rule would be sought, and that all possible amendments would be allowed on the floor. I commended Chairman NATCHER for this decision, and was prepared to offer an amendment on the floor.

However, now I learn that the Democratic leadership sought a restrictive rule for this bill. Again, the Democratic leadership does not feel confident enough with their legislation to allow all members to have a free discussion.

The amendment I intended to offer would have restored the $100 million cut to the Superfund Program that was included in this bill. The Superfund program is a very important program for the country. In fact, the Clinton administration has said that it is committed to cleaning up the environmental disasters in this country and is going to make it a top priority within the EPA. I guess the Democrats don't agree with this position.

Yesterday, I received a fax from the Environmental Protection Agency describing the impact this $100 million cut will have on the Superfund Program. The EPA informed me and I quote:

> This reduction would result in funding delays for 8 to 10 Superfund remedial action projects. Any unmet funding need from FY 93 would create a domino effect, pushing ready-to-proceed projects into the outyears, creating complications for existing design plans by allowing contaminants additional time to migrate.

I will be the first one to admit that the Superfund Program is not a perfect program, however, we do not make it any better by cutting the valuable funding for cleanups. The Superfund Program needs to be reworked and I am hopeful that this issue can be taken up during this Congress.

This rule ties my hands and the hands of my colleagues. it puts in jeopardy projects in the States of West Virginia, Massachusetts, Arkansas, Texas, Louisiana, New York, Colorado, Ohio, and New Jersey. All these States have Superfund sites that are ready to be cleaned up, but will have to be put off until next year because of the decision by the Democratic leadership to limit our ability to have equal input.

Mr. Speaker, this is a bad rule and I urge my colleagues to defeat it.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

In conclusion, Mr. Speaker, this rule is outrageous. We should honor the wishes of the distinguished chairman of the Committee on Appropriations by voting down the rule and considering these bills under the regular process.

Mr. Speaker, I think that today we are faced with a new procedure that I hope we can kill by voting down this rule.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. NATCHER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in opposition to the amendment and I do so reluctantly. The gentleman from Nebraska, [Mr. BEREUTER] is one of the best Members in this House. He is concerned about education, he is concerned about everything that is in the Labor-HHS-Education appropriations bill that we will bring out here in about 3 or 4 more weeks.

If this amendment were adopted, as the gentleman knows, it would cut the Summer Youth Program employment about 10,000 jobs.

As far as cooperative education is concerned, I know the gentleman's interest there. We have the same interest. There are 14 items where the money has not been used and also is not incorporated in the 1994 budget. That is why we rescinded the money to pay for summer jobs. But I want to assure the gentleman from Nebraska that when we go to conference on this bill, the gentleman's request certainly will be in the mind of every conferee. We know of his interest, and we know how he has helped us in the past.

Mr. Chairman, reluctantly we would have to be against this amendment. It would cut 10,000 jobs, and I know the gentleman from Nebraska does not want to do that.

I ask that the amendment be defeated.

Mr. FROST. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we have heard a lot or rhetoric from the other side. If the other side does not like the summer youth program, if it does not like the police in the streets program, they can offer a motion to strike. This is an open rule. They can delete, on the floor, any of these programs they do not like.

We happen to feel that the time has come to take care of some pressing problems in our cities and in our environment. If they disagree, and this rule passes, they can move to strike those funds from the appropriation bill. If they are not successful in that, they can vote against the appropriation bill itself.

This is a fair rule.

Mr. Speaker, I ask for adoption of the rule, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BURTON of Indiana. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 251, nays 174, not voting 7, as follows:

[Roll No: 185]

YEAS—251

Abercrombie
Ackerman
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Applegate
Bacchus (FL)
Baesler
Barcia
Barlow
Barrett (WI)
Becerra
Beilenson
Berman
Bevill
Bilbray
Bishop
Blackwell
Bonior
Borski
Boucher
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Byrne
Cantwell
Cardin
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Cooper
Coppersmith
Costello
Coyne
Cramer
Danner
Darden
de la Garza
Deal
DeFazio
DeLauro
Dellums
Derrick
Deutsch
Dicks
Dingell
Dixon
Dooley
Durbin
Edwards (CA)
Edwards (TX)
Engel
English (AZ)
English (OK)
Eshoo
Evans
Fazio
Fields (LA)
Filner
Fingerhut
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Geren
Gibbons
Glickman
Gonzalez
Gordon
Green
Gutierrez
Hall (OH)
Hamburg
Hamilton
Harman
Hastings
Hayes
Hefner
Hilliard
Hinchey
Hoagland
Hochbrueckner
Holden
Hoyer
Hughes
Hutto
Inslee
Jacobs
Jefferson
Johnson (GA)
Johnson (SD)
Johnson, E.B.
Johnston
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Klein
Klink
Kopetski
Kreidler
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lehman
Levin
Lewis (GA)
Lipinski
Lloyd

Long
Lowey
Maloney
Mann
Manton
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCloskey
McCurdy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Mineta
Minge
Mink
Moakley
Mollohan
Montgomery
Moran
Murphy
Murtha
Nadler
Natcher
Neal (MA)
Neal (NC)
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Parker
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reed
Reynolds
Richardson
Roemer
Rose
Rostenkowski
Rowland
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Santorum
Sarpalius
Sawyer
Schenk
Schumer
Scott
Serrano
Sharp
Shepherd
Sisisky
Skaggs
Skelton
Slattery
Slaughter
Smith (IA)
Spratt
Stark
Stenholm
Stokes
Strickland
Studds
Stupak
Swett
Swift
Synar
Tanner
Tauzin
Taylor (MS)
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Traficant
Tucker
Unsoeld
Valentine
Velazquez
Vento
Visclosky
Volkmer
Washington
Waters
Watt
Waxman
Wheat
Whitten
Wise
Woolsey
Wyden
Wynn
Yates

NAYS—174

Allard
Archer
Armey
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Barrett (NE)
Bartlett
Barton
Bateman
Bentley
Bereuter
Bliley
Blute
Boehlert
Boehner
Bonilla
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Canady
Carr
Castle
Clinger
Coble
Collins (GA)
Combest
Cox
Crane
Crapo
Cunningham
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Emerson
Everett
Ewing
Fawell
Fields (TX)
Fish
Fowler
Franks (CT)
Franks (NJ)
Gallegly
Gallo
Gekas
Gilchrest
Gillmor
Gilman
Gingrich
Goodlatte
Goodling
Goss
Grams
Grandy
Greenwood
Gunderson
Hall (TX)
Hancock
Hansen
Hastert
Hefley
Herger
Hobson
Hoekstra
Hoke
Horn
Houghton
Huffington
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson (CT)
Johnson, Sam
Kasich
Kim
King
Kingston
Klug
Knollenberg
Kolbe
Kyl
Lazio
Levy
Lewis (CA)
Lewis (FL)
Lightfoot
Linder
Livingston
Machtley
Manzullo
McCandless
McCollum
McCrery
McDade
McHugh
McInnis
McKeon
McMillan
Meyers
Mica
Michel
Miller (FL)
Molinari
Moorhead
Morella
Myers
Nussle
Oxley
Packard
Paxon
Petri
Pombo
Porter
Portman
Pryce (OH)
Quillen
Quinn
Ramstad
Ravenel
Regula
Ridge
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Saxton
Schaefer
Schiff
Schroeder
Sensenbrenner
Shaw
Shays
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Stearns
Stump
Sundquist
Talent
Taylor (NC)
Thomas (CA)
Thomas (WY)
Torkildsen
Upton
Vucanovich
Walker
Walsh
Weldon
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—7

Bilirakis
Conyers
Henry
Inhofe
Leach
Williams
Wilson

□ 1318

The Clerk announced the following pair:

On this vote:

Mr. Conyers for, with Mr. Bilirakis against.

Ms. EDDIE BERNICE JOHNSON of Texas changed her vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. NATCHER. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 2118, making supplemental appropriations for the fiscal year ending September 30, 1993, and for other purposes, and that I may be permitted, Madam Speaker, to include tabular and extraneous material.

The SPEAKER pro tempore (Ms. WOOLSEY). Is there objection to the request of the gentleman from Kentucky?

There was no objection.

SUPPLEMENTAL APPROPRIATIONS ACT OF 1993

Mr. NATCHER. Madam Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2118) making supplemental appropriations for the fiscal year ending September 30, 1993, and for other purposes; and pending that motion, Madam Speaker, I ask unanimous consent that general debate be limited to 1 hour, the time to be divided equally between the gentleman from Pennsylvania [Mr. McDADE] and myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

Mr. YOUNG of Florida. Madam Speaker, reserving the right to object, what is the request?

The SPEAKER pro tempore. The request is to limit general debate to 1 hour.

Mr. YOUNG of Florida. Is that the entire request, Madam Speaker?

The SPEAKER pro tempore. One hour to be equally divided between the gentleman from Kentucky [Mr. NATCHER] and the gentleman from Pennsylvania [Mr. McDADE].

Mr. YOUNG of Florida. Madam Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

□ 1320

Mr. WALKER. Madam Speaker, reserving the right to object, how much time was allocated under the rule?

Mr. NATCHER. Madam Speaker, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Kentucky.

Mr. NATCHER. Under the rule, 1 hour, equally divided and controlled by the gentleman from Pennsylvania [Mr. McDADE] and myself.

Mr. WALKER. Further reserving the right to object, Madam Speaker, if in fact the rule provided for 1 hour of debate, why do we need a unanimous consent request?

The SPEAKER pro tempore (Ms. WOOLSEY). The rule does not limit or allocate time. The unanimous-consent request would allocate time.

Mr. WALKER. The rule was for only 1 hour of time?

The SPEAKER pro tempore. The rule does not specify the time.

Mr. WALKER. Is this 1 hour for general debate only and does not involve the amendment process in any way, shape, or form?

The SPEAKER pro tempore. The gentleman is correct, general debate only.

Mr. WALKER. And this is just for the first supplemental appropriation bill and does not include the second bill?

The SPEAKER pro tempore. The gentleman is correct.

Mr. WALKER. Madam Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky.

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

□ 1323

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 2118, making supplemental appropriations for the fiscal year ending September 30, 1993, and for other purposes, with Mr. McDERMOTT in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Without objection, the bill is considered as having been read the first time.

There was no objection.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from Kentucky [Mr. NATCHER] will be recognized for 30 minutes, and the gentleman from Pennsylvania [Mr.

McDADE] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Kentucky [Mr. NATCHER].

Mr. NATCHER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, today we bring to the House a fiscal year 1993 supplemental appropriation bill, which includes several items proposed in the April budget request of the President. In addition, the committee has identified other needs, including paying the past-due bills that are presently owed for the humanitarian effort in Somalia and recapitalizing Small Business Administration business loan guarantees.

Mr. Chairman, we should move this bill right quickly. There are urgent needs for the defender services and fees of jurors, which will soon be out of money. The Small Business Administration business loan program has been out of money since April 27. They have loan applications piling up every day.

Some of the major items recommended in this $1.84 billion bill include $750 million for Operation Restore Hope in Somalia; $295 million for the Civilian Health and Medical Program of the Uniformed Services, or CHAMPUS; $181 million for loan subsidies for the Small Business Administration business loan program; $160 million for partial funding of the Pell grant shortfall; $147 million for veterans compensation and pensions; $100 million for Operation Southern Watch in southern Iraq; $71,583,000 for repair of flood damages at Marine Corps bases; $55 million for defender services attorney payments; $30 million for vaccine injury compensation; and $5,500,000 for fees of jurors in Federal civil trials.

Mr. Chairman, this bill before you is within the committee discretionary budget authority allocation under the fiscal 1993 budget resolution for domestic, international, and defense. The bill exceeds our allocation for domestic outlays by $67 million. Even though the bill is over the budget resolution target for domestic outlays, it is well under the amount remaining in the domestic minicap included in the 1990 Budget Summit Agreement. As presented, Mr. Chairman, this bill will not result in sequestration.

Mr. Chairman, this bill takes care of some of our most pressing needs, and it does so in a responsible manner. I urge its adoption.

Mr. Chairman, I reserve the balance of my time.

Mr. McDADE. I yield myself such time as I may consume.

Mr. Chairman, I rise first of all to commend the distinguished gentleman from Kentucky, the chairman of the Committee on Appropriations, Mr. NATCHER, who throughout his career has tried to follow all the rules and traditions of the House. He said from the beginning he would not seek a rule on this bill. That is exactly what he did.

Others saw it differently and decided they knew better than the Committee on Appropriations. I regret that, Mr. Chairman; I want the membership to know that a lot of effort goes into making sure that Members on this side of the aisle know that this bill deserves support because of the fact that my friend from Kentucky, Mr. NATCHER, was going to treat it in the normal fashion, not go up for a rule, have it wide open, available for debate, available for points of order.

That is the way we should have proceeded. Unfortunately, we got help from sources we did not need. I say to my friend it really does a disservice to all of us as we try to give assurances back and forth across the aisle about what is going to happen as we bring a piece of legislation to the floor.

My friend from Kentucky, as always, has my greatest admiration and affection.

Mr. Chairman, in spite of that, I rise in support of H.R. 2118. It is a straightforward supplemental budget funding legislation designed to pay for specific needs that have developed over the course of the fiscal year.

As the chairman of the committee has said, of the $1.8 billion in new funding, $147 million is for veterans compensation to pay the COLA adjustments to which our veterans are entitled; $1.2 billion is defense related; $750 million, my friends, is to pay the cost of the military's mission in Somalia through May 1, when it became a U.N. mission.

☐ 1330

We did the right thing in Somalia, Mr. Chairman, and we can be proud of the job that this country and its young men and women did, but we need to pay the bill for it, since it was not budgeted in the bill that we passed last year.

There is another $100 million in here to pay the costs of enforcing the no-fly zone over southern Iraq. That, too, needs to be paid.

And Mr. Chairman and my friends, there is $295 million, just about a third of a billion dollars, for shortfalls in CHAMPUS, the defense medical care program, where everywhere, not just in this area, but across the country health costs are rising.

May I say to my colleagues, unless we fund this CHAMPUS Program, military dependents will not receive the medical care to which they are entitled.

And finally, we put in $78 million to repair Marine bases that were damaged in the storm in California.

All of those are necessary expenditures and are only, may I say to my friends, and it is important that we hear this, only a part of the shortfall which the Defense Department is faced with.

Even after this supplemental, the DOD will have to absorb over $2 billion more to meet unfunded, must-pay requirements, through supplementals, reprogramming, or some other means.

Let me just talk for a second about what that means. We are seeing, Mr. Chairman and my friends, indicators from every source that we look at across the board that the quality of our military forces is beginning to erode.

For those of you who had an opportunity to see this morning's Washington Post, for example, there is a story about how the quality of military recruits is dropping, especially, says the Post, for the U.S. Army. Let me quote from the Post:

> Recruit quality went down for all the services in the six months ending March 31 * * * the Army showed the biggest decline (in recruiting high school graduates), from 100 percent a year ago to 89 percent.

This trend, should it continue, Mr. Chairman, cannot help but hurt the military, which all have said is the finest quality fighting force in our history. Yesterday, for example, a group of us had a chance to meet with Secretary Cheney. He talked to us briefly and informally about testing results, which shows how the quality in the service person affects the performance of the military.

Just take a tank crew, for instance. Field exercises show that tank crews with our top quality recruits, so-called category one recruits, will perform eight times as well as the lowest category enlistees, called category fours.

And what does today's news in the Washington Post tell us? Fewer high school graduates, more cat-four enlistees, all very troubling.

This is not an isolated incident, Mr. Chairman, we have got a group of people in the Joint Chiefs warning of a return to a hollow force. We have Army divisions performing today less well than they did before in the national training center. We have examples of Marine Corps and Air Force pilots telling us of deep cuts in flying hours and in training, and that means more accidents, more deaths, and less efficiency should they face a problem.

Without the $1.2 billion in this bill, we will only accelerate these trends, as the Pentagon will have to cut training and other programs to meet these and other unmet needs.

The committee has said this is unacceptable, and we funded this unanimously. We did it within budget caps and within allocations.

On the domestic side, may I say to my colleagues, there are three critical needs addressed in this bill. There is $181 million for small business loans, a program that is now shutdown and out of funds and which my friend, the gentleman from Iowa [Mr. SMITH] has argued very strongly for.

There is $61 million for civil juror pay and public defenders. They are all on the verge of closing.

And there is $160 million to begin chipping away at a $2 billion shortfall that has developed Pell grants.

So Mr. Chairman and my colleagues, what we are doing in this bill is paying for legitimate needs that have occurred and that must be met, no more and no less.

I urge that all of us adopt this bill.

I would like to close with just one comment to my friend, the gentleman from Kentucky, if I might address a question in a colloquy.

As we discussed, the CBO after the bill marked up, indicated that we are a few dollars over in outlays, and the chairman and I discussed that problem, because it is a major problem in the Senate. I believe I can say that we both agree that when this bill comes back from conference, it will not be over in outlays. It will be under the outlay cap.

Do I state the chairman's position correctly?

Mr. NATCHER. Mr. Chairman, if the gentleman will yield to me at this time, I would like the gentleman from Pennsylvania to know that the gentleman and I are not only good friends, but we have always worked together on this bill and on others.

This matter will be resolved in conference. The gentleman and I will resolve it with the assistance of the other members of the committee.

Mr. MCDADE. Mr. Chairman, I thank the committee chairman for his assurances.

Mr. Chairman, I reserve the balance of my time.

Mr. NATCHER. Mr. Chairman, I yield 3 minutes to the gentleman from Iowa [Mr. SMITH], the chairman of the subcommittee.

Mr. SMITH of Iowa. Mr. Chairman, I want to talk about three items in this bill that were handled by the subcommittee of which I am the chairman and the gentleman from Kentucky [Mr. ROGERS] is the ranking member. We do not have a disagreement on these three items, but I think I should explain what they are.

One of them is for the defenders service. It is for $55 million. The courts will soon be out of money and if we do not provide adequate legal defense services for persons who are accused of crimes, they must be turned loose, because the Constitution requires adequate counsel for those who are accused of a crime. So the supplemental for the defenders service is very important and it is time-sensitive. We need to do it as soon as possible, and in fact it would have been preferred to have completed action of these items before now.

Another item that I want to talk about is the amount of $5½ million for fees for jurors. They are out of money for fees for jurors, or will be in a few days. If they do not have fees for jurors, they cannot seat jurors in jury cases, and that would include criminal cases.

The other item I want to explain, however, happens to be the business guaranteed loan program under the Small Business Administration. There has been a skyrocketing demand in this program. Under this program, the SBA guarantees up to 90 percent of a qualified loan that a bank makes. The bank risks at least 10 percent. They make the loan. They must show that the recipient could not have gotten credit elsewhere without the loan guarantee and that it is a worthy small business loan. Of course, the bank would not risk 10 percent or more if they did not think the borrower would repay the loan.

This program, the $181 million that is in the bill drives $3.308 billion in loan guarantees. The reason for this small figure compared to the amount of loan guarantee is that we require now that we pay up front in an appropriation the full amount that the loan guarantees will cost eventually, including any loss of interest and losses from defaults.

So the $181 million in here pays the losses on these loan guarantees that will eventually occur, and this is based on an historical basis.

There has been a huge increase in the number of loan guarantees requested because the banks have had to call loans, because under their loan restrictions they are not able to handle these higher risk loans unless the excess in their capital account is sufficient; but, if these loans are guaranteed, they need not be applied against the capital account.

The $3.3 billion of loan guarantees at a cost of $181 million provides 325,000 jobs. That is 325,000 jobs.

We have heard a lot of contention around here about a number of bills that people wanted passed that would have resulted in far less jobs than this, and this bill has been held up waiting for the next jobs bill; however, and this is a jobs bill of immediate and greater importance when measured by the number of jobs.

Now, I have heard some members say, "Well, those jobs don't effect the State I represent." That is not so. These jobs are in every State in this Nation, all 50 States, a total of 325,000. It is true that in those States that are worse off economically have more jobs at stake because there are more borrowers in those States who can and must satisfy the no-credit elsewhere test.

□ 1340

But these jobs are spread all over the United States. The loan guarantees authority ran out April 27. This is a very time-sensitive matter. I hope that we pass this bill today, and that it will rapidly go through the Senate and back, and passed before the weekend, because people are going to be laid off this Friday and next Friday because these loans are being called.

So, Mr. Chairman, this is a time-sensitive jobs measure which only costs $181 million or $567 per job and those are not temporary jobs and I hope the Committee will pass the bill and the Congress will send this bill to the White House this weekend.

Mr. MCDADE. Mr. Chairman, I yield 3 minutes to the gentleman from Indiana [Mr. BURTON].

Mr. BURTON of Indiana. Mr. Chairman, I thank the gentleman from Pennsylvania [Mr. MCDADE] for yielding this time to me.

Mr. Chairman, the Committee on Rules waived all points of order on this, but I think the Members have a right to know what is in this bill:

First of all, in chapter 1, page 3, lines 1 to 7, it waives the 15 percent cap on the distribution of WIC funds.

Chapter 8, page 14, section 801, the transfer of funds between Executive Office of the Presidential agencies; that has been changed. Section 802, there is an additional $40,000 for the Vice President's entertainment expenses.

Chapter 9, page 17, lines 16 to 23, and my colleagues ought to pay particular attention to this; it waives important criteria for CDBG grants for hurricane damage, and these criteria that are being waived include, first, the required statement describing activities and review of how Federal funds are actually being spent; second, fair share allocation. Not all the money should go to just a few cities. That is being waived. No. 3, 70 percent of the funds should help low and moderate income people, and I think those who are concerned about the poor and underprivileged ought to be concerned about that. That is being waived. No. 4, there must be citizen participation hearings in cities where the money is to be spent. What is wrong with the citizens participating in the hearings? That is being waived. No. 5, remedies for noncompliance with the criteria.

And then chapter 9 continued: Chapter 9, page 18, lines 1 to 7 repeals the cap on political appointees at HUD headquarters. Now why does the White House want that? It repeals the cap on political appointees at HUD headquarters. I thought this was supposed to be a less political administration.

Chapter 9, page 18, lines 8 to 22; it merges 7 accounts together at HUD headquarters. Why are they doing that?

Chapter 9, page 18, line 23; page 19, line 7; and chapter 9, page 19, lines 8 through 20; it allows HUD special purpose grants to be transferred to new organizations. What new organizations? Most of the people in the body do not know what all this means.

Mr. Chairman, I submit to my colleagues they should not be legislating on an appropriations bill. The Committee on Rules has waived all points of order. It is wrong, and I think that for that reason many of my colleagues and

I will be voting against this appropriation bill.

Mr. NATCHER. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. YATES].

Mr. YATES. Mr. Chairman, my section in this bill relates to the Department of the Interior. It concerns total funding of $27.3 million to be derived by transfer, and of this amount $6 million was requested by the President for the BIA Alaska resupply program, which is required to meet the long lead time for ordering fuel for delivery to remote areas of Alaska.

The balance of $21.3 million is required to offset partially a shortfall in funding for BIA schools in the current school year as well as the school year beginning in August. If these funds are not made available, the schools may very well close before the time scheduled. These funds are needed to avoid closing schools early, laying off teachers and other essential personnel, and reducing books and supplies for Indian students.

The final item, Mr. Chairman, deals with bill language allowing $2.6 million of construction funding provided to the Fish and Wildlife Service in 1993 to be provided as a grant, to construct the Federal portion of the project for which the funds were appropriated: The Metzger Marsh dike and pump station restoration project in Ohio. For that project, $1,450,000 is being made available by private and State funds.

Mr. Chairman, I urge support for that section of the bill.

Mr. McDADE. Mr. Chairman, I yield 2 minutes to the distinguished gentlewoman from Nevada [Mrs. VUCANOVICH], the ranking Republican on the Subcommittee on Military Construction.

Mrs. VUCANOVICH. Mr. Chairman, today I rise in support of H.R. 2118, the supplemental appropriations bill.

I am especially pleased that this bill includes $3 million for the implementation of the Mammography Standards Screening Act that Congress passed last year. While this funding is just a drop in the bucket to what is needed for full implementation of the act, it is a start. I am eager to work with my colleagues on the Appropriations Committee and the Commissioner of the FDA to develop a resolution to the problems associated with the implementation of this act and will be offering the State of Nevada's existing mammography standards as a model for the entire Nation. Because there is no cure for breast cancer, we must do all we can to provide an accurate and responsible method of diagnosing this devastating disease. From my own personal experience with breast cancer and a life-saving mammogram, I can tell you that early detection is the only chance for survival.

In addition, I am happy that we were able to include in this bill $181 million which will support an additional $3.3 billion of section 7(a) business loans. Due to lack of funds, this program was forced to shut down in April, causing many hardships to small businesses throughout the Nation. This funding is vital to our small businesses who constitute the economic fiber of our Nation and create jobs for so many Americans. I strongly support this funding and am hopeful that these loans will continue to enable small businesses to remain strong, to expand, and to prosper. In today's economy, this is absolutely imperative. This funding is expected to be sufficient to restart the program and to meet the high levels of demand anticipated throughout the remainder of fiscal year.

In this time of fiscal constraint, Congress must continue to examine the importance of each and every program that is funded. This bill has addressed the funding needs of such worthwhile programs as CHAMPUS, veterans' COLA's, and housing programs. I urge my colleagues to support this legislation.

Mr. NATCHER. Mr. Chairman, I yield 4 minutes to the gentleman from Pennsylvania [Mr. MURTHA].

Mr. MURTHA. Mr. Chairman, the gentleman from Pennsylvania [Mr. McDADE] explained the breakdown of the issues in the defense area that we are interested in in this bill. Over the last 10 years, the Subcommittee on Defense Appropriations has cut about $124 billion from defense budget requests. Last year we cut over $7 billion. We are $2 billion in outlays under the budget resolution allotment and we are $12 billion under the budget agreement level for fiscal year 1993.

During the campaign last year, Mr. Chairman, both President Bush and President Clinton said that more was going to be cut out of defense. After President Clinton was elected, I sat down with the staff, and for 2 months we analyzed what we felt was a reasonable figure for defense. The President said at that point there was going to be about a $60 billion cut over a 5-year period, and we decided we could live with that if the tempo of operations was reduced. Otherwise we felt the quality of the military would be substantially eroded.

Now, when President Bush, with all good intentions, decided to send United States forces into Somalia, I said to him, "Mr. President, how are we going to pay for this action, because we're on the edge of the envelope in trying to pay for any kind of an operation like this under present levels." He said, "Well, I'm sure we can work out the payment."

Now many, many people advocated going into Somalia for humanitarian reasons, and I understand that. There is no question about the need with the problems they had, but how were we going to pay for it. It has cost up to this point about $750 million to fund Somalia, and the troops did a magnificent job over there. I feel good about the operation even though I had a great concern and reservations about how we would pay for it. I said to President Clinton, "Mr. President, before we go into these operations, it has to be clear how we're going to pay for them."

Now what has happened to the military since that time? High school graduates have dropped substantially in the numbers that are enlisting. Propensity to enlist has changed. Money for training has changed. That means that accident rates will increase and the quality of life for the military will be reduced. We could have this year a $5 billion outlay shortfall, and if there is anybody who has worked harder for quality of life in the military, it is myself.

□ 1350

I have tried to insist on taking care of the military personnel, taking care of the family of the military and taking care of their needs. We have in here several hundred million dollars for CHAMPUS—medical assistance. That is something that has to be paid. We have money in here to take care of damage at Camp Pendleton. We have money in here for overflights in Iraq. We have 4,400 people in Somalia now and we know there will be at least another $200 million bill for the troops deployed there.

If we do not make these payments, which are under the caps and within the budget guidelines, we are going to have a tremendous shortfall in the military for next year. We are going to have to cut out programs that are absolutely essential to our national security and our national security will be eroded substantially if we do not make this appropriation to the military. We must try to work out the details under the guidelines and under the promises that President Clinton has made.

The administration supports this budget. They have requested it in reprogramming efforts, but we felt they were taking out Members' programs and changes in priorities we were interested in.

We will have to use some of that money next year. But it is absolutely essential that we pass this supplemental so that the quality of life in the military will not be eroded.

Mr. NATCHER. Mr. Chairman, I yield 2 minutes to the gentleman from North Carolina [Mr. HEFNER], chairman of the Subcommittee on Military Construction.

Mr. HEFNER. Mr. Chairman, chapter 6 of the military construction portion of the supplemental appropriations bill contains $7,345,000 to initiate recovery from floods at Camp Pendleton, CA, which occurred back in January of this year. The funds are requested to begin planning and design for replacement of bridges, levees, and many other projects as a result of the flood. In addition, funds are required for removal of debris, erosion control, and housing repairs in family housing areas of Camp Pendleton. The marines deserve better than to be living in damaged quarters and houses with leaky roofs. The funds represent a modest amount to begin recovery from the flood damage.

The second part of this chapter involves a technical correction to the homeowners assistance fund. The committee action rescinds $133 million and appropriates the same amount but makes the funds available until expended. This action is in accordance with authorizing law. It adds no funds to the bill. If not enacted, much of the funds will lapse and we will not have the budget room to make up the shortfall in fiscal year 1994. This is a very important program to the military personnel homeowners who are impacted by the reduced market value of their homes caused by base closure and realignment.

Mr. NATCHER. Mr. Chairman, I yield 4 minutes to the gentleman from Illinois [Mr. DURBIN].

Mr. DURBIN. Mr. Chairman, first I would like to commend my colleague, the gentleman from New Mexico [Mr. SKEEN], the minority spokesman on the subcommittee, for his cooperation and hard work in helping us with this supplemental.

Mr. Chairman, there are five elements of this bill that relate to our subcommittee that I think you will find very important in terms of spending.

First, we are appropriating $4 million for additional meat inspectors. After the E-coli outbreak in the northwestern part of the United States and the loss of life, Secretary Espy has committed himself to hiring 160 new meat inspectors to try to make certain that we maintain the quality and safety of the food supply in our country. Unfortunately, there were some 550 vacancies for Federal meat inspectors when this administration came to office. The Secretary has asked for $4 million to fill 160 of those vacancies. We provide for that in this bill.

Second, the gentlewoman from Nevada [Mrs. VUCANOVICH] has accurately pointed out there is some $3 million in this bill so that the Food and Drug Administration can start certifying and inspecting mammography clinics. We passed legislation to require that inspection and to require certification by October of next year so that women who seek mammography testing have competent professional personnel performing the tests and the machines and equipment are accurately calibrated. The money we provide in this bill will allow the Food and Drug Administration to start that approval and certification process.

Third, we add some $36 million in user fees for drug approval. What that means is, if we are going to find the medical breakthroughs to cure the diseases and illnesses in this country, we need more professional people at the Food and Drug Administration reviewing new drug applications. We have asked the drug companies to pay $36 million for them, and they have agreed to do so. We appropriate that money here so it can be used for that purpose.

The next point relates to the Women, Infant and Children's Program. My colleague from Indiana raised earlier the fact that there will be a reallocation of funds. We do this once a year to make sure that pregnant women and young children across America who need the help of this program have the money available. The reason we have waiver language is to make sure that California and Texas, which have extraordinary requirements and more applications than they have money for, will have access to additional funds.

Also, there is a program very important to my colleague from Pennsylvania, which is the unsubsidized guaranteed housing program for the Farmers Home Administration. For $4½ million in this bill we will build $250 million of housing for people in low or moderate income categories. That is a bargain, not only for the taxpayers, but in creating jobs across the United States.

The final point I would like to make clear is the reference earlier to another appropriation which has some $40,000 for the Vice President's social expenses. That was for the previous Vice President's expenses, not for Vice President GORE.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. DURBIN. I yield to the gentleman from California.

Mr. MILLER of California. Mr. Chairman, I just want to thank the gentleman very much for his work on this reallocation issue to help out pregnant women and children in those States that have had economic downturns. I appreciate the work of the gentleman from Illinois [Mr. DURBIN] very much.

Mr. MYERS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. DURBIN. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. Mr. Chairman, dealing with mammography screening, which we all support, the $3 million put in this bill, Dr. Kessler of the Food and Drug Administration did tell us that even though we get the $3 million, it would be physically impossible to meet the October next year deadline because of the tremendous number of facilities that have to be inspected. So anyone that thinks we did not adequately fund it and it is going to be slowed down, that is not true. They are moving on, and have been, and this has helped them do their job. They still will not be able to make the deadline though, and I think everyone should understand that.

Mr. DURBIN. Mr. Chairman, reclaiming my time, the gentleman is correct. Some 11,000 different mammography facilities must be inspected to make sure they are doing the job and doing it right for the women of America. This $3 million starts us in that process. This subcommittee is going to stick with it. This is critically important to the health of women across America, and we want to make sure that the legislation passed by this body is fully implemented.

Mr. NATCHER. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. STOKES], the chairman of the Subcommittee on VA, HUD, and Independent Agencies.

Mr. STOKES. Mr. Chairman, we believe that the VA, HUD, and independent agencies chapter is essentially noncontroversial. In addition to requested items, we have included three transfers of funds.

Under the Department of Veterans Affairs Compensation and Pension Program, we are including the budget request of $147,422,000 for mandatory payment required due to a 3-percent cost-of-living compensation adjustment that was effective December 1, 1992.

Under the Department of Housing and Urban Development, we are transferring $60,000,000 from funds appropriated for public housing activities in areas impacted by various disasters to the HOME Program and $40,000,000 to community development grants. HUD has suggested that making these transfers will provide more flexibility in administering and making available moneys to disaster areas.

Under the severely distressed Public Housing Program—which is also known as HOPE VI—we are recommending that $300,000,000 made available in the 1993 appropriations act for this activity be transferred to a separate account.

The Housing and Community Development Act of 1992 authorized a Youthbuild Program and disadvantaged young adults. The administration has requested a transfer of $40,000,000 from HOPE grants previously appropriated for this new activity, and we are recommending that the transfer be included.

We have also included requested language to allow HUD more flexibility in administering its programs.

Finally, under HUD, we have included language in the bill which modifies the description of two special purpose grants in Chicago and south central Los Angeles.

We want to make clear that in both cases there are no funding increases involved and these are not new grants. In short, this language only makes technical corrections.

Under the Environmental Protection Agency, we are recommending a transfer of $5,000,000 to accommodate an extremely tight salaries account owing to the restructure of several EPA accounts in the 1993 appropriations act.

And finally, Mr. Chairman, we are transferring $5,000,000 from the construction of facilities account under NASA to the research and development account to offset moneys reprogrammed from the Consortium for International Earth Sciences and Information Network [CIESIN].

Mr. Chairman, the bottom line is that all of these actions involved no new appropriations. Every transfer represents an offset—and all of these actions are essentially outlay neutral.

Mr. HUGHES. Mr. Chairman, I rise in support of H.R. 2118, the fiscal year 1993 general supplemental appropriations bill and in particular that portion of title I pertaining to increased appropriations for defender services and fees for civil jurors. I would like to particularly thank the chairman of the Committee on Appropriations, Mr. NATCHER, and the ranking minority member, Mr. MCDADE, and the chairman of the Subcommittee on Commerce, Justice, State, and Judiciary, Mr. SMITH, and his ranking minority member, Mr. ROGERS, for their expedited consideration of this portion of the bill. This supplemental request is required due to the continuing increase in cases filed in Federal Courts. Increased civil filings requiring jury trials necessitates additional funding for jurors and an extremely high level of Federal criminal cases demands court-appointed panel attorneys to defend indigent defendants.

Existing funding for panel attorneys under the Criminal Justice Act (18 U.S.C. § 3006 A) is expected to be exhausted in the next few days. Funds currently available to pay fees for jurors in Federal civil trials are expected to be exhausted in June. I would point out to my colleagues that failure to pay attorneys in criminal cases implicates serious sixth amendment issues. Further, failure to pay jurors in civil trials would prevent the federal judicial system from delivering justice in a timely fashion. I would also like to point out to my colleagues that given the tight budget situation, the Appropriations Committee scrutinized both of these accounts closely and was able to find $12.5 million in savings from the original supplemental request. This scaled back $55,000,000 for defender services and $5,500,000 in jurors fees will just barely meet the requirements in these areas for the remainder of fiscal year 1993.

At this juncture, I would also like to comment on the fact that this supplemental does not include additional funds for 35 new bankruptcy judgeships that we authorized last year. In so doing, we are burdening the existing bankruptcy courts with massive overloads. Hopefully, we can adjust for this in fiscal year 1994 although in my reading of the proposed judicial funding for fiscal year 1994, I question whether we will be able to accommodate them. This, by the way, ought to be a caveat for all my colleagues in expanding the Federal judiciary's workload in this Congress. At the present time, we are not funding their present needs. Any further increases due to expanding jurisdiction by new legislation, therefore, should either be accompanied by appropriate increases in appropriations or decreases in other aspects of their workload.

We now find a Federal judiciary in a time of crisis and we must face up to this fact as responsible legislators.

I urge the passage of this important supplemental appropriations bill.

Mr. CARR. Mr. Chairman, the transportation chapter in the supplemental contains language requested by the administration that would restructure certain offices within the Office of the Secretary of Transportation. Specifically, the Office of the Assistant Secretary for Public Affairs becomes the Office of the Director of Public Affairs.

This has the effect of making available one additional Assistant Secretary position. Thus, the proposal also disestablishes the Office of the Assistant Secretary for Policy and International Affairs and in its place creates the Office of the Assistant Secretary for Transportation Policy and the Office of the Assistant Secretary for Aviation and International Affairs.

In practical terms, there had been both an Assistant Secretary for Governmental Affairs and one for Public Affairs. Two weren't needed. Now there is one. There had been only one Assistant Secretary dealing with all transportation policy and with international affairs. It was too much and the transportation policy part of the job was getting short shrift. The reorganization splits those responsibilities into two Assistant Secretary positions.

I think the reorganization makes good sense. I should add that the administration has already announced its intention to nominate an individual for the job of Assistant Secretary for Transportation Policy. There is no cost to the reorganization. The expenses of the new offices will be funded within the amounts previously made available for the other offices.

Mr. DINGELL. Mr. Chairman, I rise to support provisions of this supplemental appropriations bill that relate to activities of the Food and Drug Administration.

This package includes $3 million for FDA to begin implementing the Mammography Quality Standards Act. These funds are being transferred from several other programs of the Department of Health and Human Services. The funds are essential for FDA to initiate activities, with its expert advisory committee, to develop standards for accrediting mammography facilities. This is the first step in implementing this very important legislation, and I am very pleased that we have been able to secure this funding.

I also want to thank Chairmen NATCHER and DURBIN for bringing to the House floor the necessary supplemental appropriation to allow FDA to begin collecting user fees under the Prescription Drug User Fee Act.

This user fee legislation represented the culmination of a very successful collaboration of the Congress, the FDA, and the pharmaceutical industry. The result was law that will allow FDA to increase its resources through charging fees for activities related to the approval of new drugs and biological products. The industry will benefit from improvements in the approval process and through reduction in the length of time that has been required to secure approval of a new product. American citizens will benefit from having new and approved pharmaceutical products available to them more quickly.

All involved in the evolution of this legislation agreed that these user fees were essential and equitable. We reached significant agreement about the size of the fees and how they would be collected. We agreed, most significantly, that these fees would be used exclusively to enhance the FDA budget. The fees are additive. They are not a substitute for a budget adequate to allow FDA to function effectively. They are not a deficit-reduction mechanism, but a mechanism to provide direct and targeted improvements in the drug and biologics approval process.

The most significant activity that FDA will undertake with the user fees in this first year will be to hire a number of much-needed new reviewers for the Center for Drug Evaluation and Research and the Center for Biologics Evaluation and Research. The hiring of these new personnel is critical to the effectiveness of the program, for without them FDA simply will not be able to uphold its end of the bargain—faster product approval. I trust that the Office of Management and Budget will take whatever steps are needed to ensure that the FDA is allotted the number of full time equivalent positions to allow the agency to hire these reviewers.

Mr. FRANKS of Connecticut. Mr. Chairman, the general supplemental appropriations bill before us today responds to genuine funding needs that have developed over the past year. When the starving people of Somalia desperately needed help from the international community, the United States, under the leadership of George Bush, took the initiative and demonstrated that when Americans can help, we will. Our commitment was made, our mission was successful, and the support of Congress is well deserved. Now we have to pay for the successful humanitarian efforts of our military to save thousands of innocent people from starvation.

Unfortunately, some Members of Congress have taken this need for emergency funds and subverted it to their own agenda of gutting our defense forces. Our mission in Somalia was not expected, as so many military operations are not expected. Funding for the Somalia mission should not be taken out of other areas of the Defense budget when Congress and the president are already reducing the military by 25 percent or more. A vote against these supplemental appropriations is in effect a vote for a weaker military. Considering the threats that still exist in the world, further defense cuts at this point would be foolhardy.

I am skeptical about the new claims of fiscal concern emanating from those who oppose these Defense supplementals. Where were all these members when a certain infamous bill loaded with waste and pork was brought before the house for a vote? They lined up in full support behind the bill. I bet that they will be fully behind the pork once again when we discuss President Clinton's scaled-down stimulus package later today.

It appears that Congress found $886 million in rescissions to offset the cost of the new spending programs in the scaled-down stimulus package. It is unfortunate that we cannot consider these budget savings while we are addressing funding for some of the worthwhile domestic programs that are included in the bill we are debating now. This bill provides $147 million to cover the cost-of-living adjustment for veterans compensation. It recognizes the important role small businesses have played in our current economic recovery by providing $181 million in needed funds for small business loans. Our assistance to them now will pay important dividends later. In addition, this bill includes $160 million to partially finance the shortfall in funding for Pell grants, which are the main source of Federal student financial aid to low-income students. Surely we could have offset these worthwhile programs by rescinding some of the wasteful spending in the budget.

I do not want to see America weakened as the force behind liberty and democracy in the world, even as we are weakened at home from excessive taxation and regulation. Congress needs to make a distinction between funding important items and funding frivolous items. I feel that the general supplemental bill before us today fulfills our commitment and projects and programs that are truly worthy of public support.

Mr. LAFALCE. Mr. Chairman, I rise in strong support of H.R. 2118, a bill making supplemental appropriations for fiscal year ending September 30, 1993.

This legislation is of particular interest to me as chairman of the Small Business Committee as it includes funds to permit the reopening of the Small Business Administration's regular business or 7(a) Loan Guarantee Program.

This Loan Guarantee Program is the primary source of funding for long-term loans to the small business community. The impact of the credit crunch has driven small businesses by the thousands to the SBA as their last hope. As a result loan demand is up approximately 40 percent and 4 weeks ago the SBA exhausted all of its 1993 funding.

Since then the SBA has continued to accept loan applications even though it has no funds to approve them. Lest anyone doubt the continued existence of a credit crunch, simply look at the $500 million in applications that SBA has received in the past 4 weeks even though the lenders and borrowers are being told there is no money and no assurance as to when there will be some. Still, they continue to approach the agency as the only possible source of funding.

Mr. Chairman, the bill before us today provides $181 million for this SBA Program. It will support approximately $3.3 billion in loan guarantees. This will fund the program for the balance of the fiscal year.

Ultimately, this bill will not cost the Government the $181 million it is advancing at this point. These small firms that rely upon SBA funding will be given the tools with which they can grow and prosper and increase employment and lead us out of our current economic doldrums. This increase in employment will result in the payment of additional taxes many times the $181 million in seed money.

Experience has shown that the 7(a) Loan Guarantee Program is a real job creation program. Based upon a recent Price Waterhouse study, the $3.3 billion in loan guarantees being funded through this bill will permit small businesses to add almost 140,000 new jobs to our economy over the next 4 years.

This SBA Loan Guarantee Program has been the sole safety valve for small business during the credit crunch. It is imperative that we fund it so that it can continue to be available to play the role.

Mr. FAZIO. Mr. Chairman, I rise in strong support of H.R. 2118, providing supplemental appropriations for fiscal year 1993.

This is a modest and good bill, Mr. Chairman. All funds provided in the bill are either offset or within the spending limits set in the fiscal year 1993 budget resolution. Specifically, the bill contains $141.5 million in offsets or rescissions of previously appropriated funds and includes transfers of $483 million from previously appropriated funds.

Mr. Chairman, I would like to highlight two key programs that benefit from the measure: the Pell Grant Program and the Small Business Administration's Guaranteed Loan Program.

The Pell Grant Program, which provides assistance to needy college students, has an accumulated shortfall for fiscal years 1991 through 1993 of over $2 billion. These deficiencies have occurred, in large measure, because of the unanticipated increase in the number of needy students applying for this assistance. The administration has made a top priority of restorating the full benefits of this program as soon as possible. The committee agrees with the President and has provided an additional $160 million for this important program as a down payment on this growing shortfall.

The funds provided in the bill for the SBA Loan Guarantee Program, Mr. Chairman, are also urgently needed. The $181 million in the bill will support over $3.3 billion in SBA guaranteed loans. This is an important investment in one of the most prolific job creating sectors of our economy—our Nation's small businesses. This additional investment will fund about 13,000 new loans and generate an estimated 325,000 new jobs, all at an unbelievably low cost to the Federal taxpayer of just $557 per job.

This SBA assistance is particularly important to states like California. In California, in 1992, business failures grew 33 percent, nearly quadruple the average of all other States. And, these funds will support an estimated $660 million new loans to small businesses, generating 65,000 jobs statewide.

One final note, Mr. Chairman, the bill also includes a provision critical to fish and wildlife restoration efforts in the Central Valley of California. The provision will make it easier to appropriate, on an annual basis, funds which are collected pursuant to the CVP Improvement Act. This provision is designed to yield not less than and not more than the amounts that would otherwise be collected under title 34 of Public Law 102–575. Under the provision, when matched with language that will be included in annual appropriations bills, amounts appropriated on an annual basis will be offset by the amounts collected pursuant to the act, resulting in no net impact on the budget.

Mr. Chairman, again, this is an important, urgently needed bill, and I urge my colleagues to support it.

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Mr. McDADE. Mr. Chairman, I urge adoption of the bill.

Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. NATCHER. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. All time for general debate has expired.

The Clerk will read.

The Clerk read as follows:

H.R. 2118

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, to provide supplemental appropriations for the fiscal year ending September 30, 1993, and for other purposes, namely:

TITLE I—SUPPLEMENTAL APPROPRIATIONS

CHAPTER I—DEPARTMENT OF AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES

DEPARTMENT OF AGRICULTURE

FOOD SAFETY AND INSPECTION SERVICE

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $4,000,000.

RURAL DEVELOPMENT ADMINISTRATION

(RESCISSION)

Of the funds made available for this heading in Public law 102–341, $8,576,000 are rescinded. Such funds were made available for salaries and expenses.

FARMERS HOME ADMINISTRATION

RURAL HOUSING INSURANCE FUND PROGRAM ACCOUNT

For an additional amount for the "Rural housing insurance fund program account", $4,576,000 for the cost of guaranteed unsubsidized section 502 loans, for total loan principal not to exceed $250,000,000.

FOOD AND NUTRITION SERVICE

SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (WIC)

For the funds remaining after the fiscal year 1993 reallocation process, the Secretary may waive the 15 percent cap regulation to ensure additional funds are received by States most in need.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOOD AND DRUG ADMINISTRATION

SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

For an additional amount for "Salaries and expenses" from fees collected pursuant to section 736 of the Federal Food, Drug, and Cosmetic Act, not to exceed $36,000,000, to remain available until expended: *Provided*, That fees derived from applications received during fiscal year 1993 shall be subject to the fiscal year 1993 limitation.

For an additional amount for carrying out the Mammography Quality Standards Act, $3,000,000, of which $1,000,000 shall be transferred from the Centers for Disease Control and Prevention; $1,000,000 shall be transferred from the National Institutes of Health "National Cancer Institute"; and $1,000,000 shall be transferred from the Health Care Financing Administration "Program Management".

CHAPTER II—DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES

THE JUDICIARY

Courts of Appeals, District Courts, and Other Judicial Services

DEFENDER SERVICES

For an additional amount for "Defender Services", $55,000,000, to remain available until expended.

FEES OF JURORS AND COMMISSIONERS

For an additional amount for "Fees of Jurors and Commissioners", $5,500,000.

SMALL BUSINESS ADMINISTRATION

Business Loans Program Account

For an additional amount for "Business loans program account" for the cost of guaranteed loans authorized by section 7(a) of the Small Business Act, $181,000,000.

CHAPTER III—DEPARTMENT OF DEFENSE—MILITARY

MILITARY PERSONNEL

Military Personnel, Navy

For an additional amount for "Military Personnel, Navy", $7,100,000.

OPERATION AND MAINTENANCE

Operation and Maintenance, Army

For an additional amount for "Operation and maintenance, Army", 149,800,000.

Operation and Maintenance, Navy

For an additional amount for "Operation and maintenance, Navy", $46,356,000.

Operation and Maintenance, Marine Corps

For an additional amount for "Operation and maintenance, Marine Corps", $122,192,000.

Operation and Maintenance, Air Force

For an additional amount for "Operation and maintenance, Air Force", $266,400,000.

Operation and Maintenance, Defense Agencies

For an additional amount for "Operation and maintenance, Defense Agencies", $2,000,000.

Operation and Maintenance, Navy Reserve

For an additional amount for "Operation and maintenance, Navy Reserve", $237,000.

Real Property Maintenance, Defense

For an additional amount for "Real Property Maintenance, Defense", $29,098,000.

REVOLVING AND MANAGEMENT FUNDS

Defense Business Operations Fund

For an additional amount for "Defense Business Operations Fund", $293,500,000.

OTHER DEPARTMENT OF DEFENSE PROGRAMS

Defense Health Program

For an additional amount for "Defense Health Program", $299,900,000.

RELATED AGENCIES

National Security Education Trust Fund

There is hereby appropriated out of funds in the National Security Education Trust Fund, $10,000,000, which shall remain available until expended, for the purposes set out in paragraph (1) of section 804(b) of the National Security Education Act of 1991 (title VIII of Public Law 102-183; 50 U.S.C. 1904(b)), and may be obligated for such purposes notwithstanding any other provision of law.

GENERAL PROVISIONS—CHAPTER III

Sec. 301. Section 9032 of the Department of Defense Appropriations Act, 1993 (Public Law 102-396) is amended by inserting ", the California and Hawaii recompetition contract," after "pursuant to this general provision" in the next to the last proviso (relating to preemption provisions).

Sec. 302. Section 9084 of the Department of Defense Appropriations Act, 1993 (Public Law 102-396) is amended by inserting "or any other beneficiary described by section 1086(c) of title 10, United States Code," after "or a dependent of such a member,", and by inserting ", or end stage renal disease" after "solely on the grounds of physical disability" in the paragraph preceding the first proviso.

AMENDMENT OFFERED BY MR. ANDREWS OF MAINE

Mr. ANDREWS of Maine. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Andrews of Maine: Page 7, after line 8, insert the following new section:

Sec. 303. Each amount otherwise provided in this chapter is hereby reduced to $0.

Mr. ANDREWS of Maine. Mr. Chairman, if a Federal department of this government came before the Congress and said, "We have some more spending that we would like to engage in, some more important priorities that we want to meet, and we would like to do that, but we have gone into our budget, we have looked at lower priority items, and we are going to come and propose to you that we pay for these high priority items by making cuts of these low priority items," what should the response of the Congress be to that Federal department?

A group of us, Mr. Chairman, believe that the response of the Congress should be to that department that "We support you, we endorse you. And we are going to stand behind your request and the responsible action of your department for finding cuts to pay for the new spending that you want to engage in."

And that, Mr. Chairman, is why a number of us, Democrats and Republicans, are supporting the amendment before us today.

The Department of Defense proposed that $750 million be spent to cover the costs of Operation Restore Hope, our Somalia operation, and that department came up with $750 million worth of low-priority cuts to pay for that operation, Mr. Chairman.

Now, the supplemental appropriations bill before us allows for the spending of that $750 million, but it says to that Federal Department of Defense, "You don't have to pay for it. You don't have to make those cuts. We are going to tack that 750 million on to the deficit."

It then goes further, Mr. Chairman, and says that "There are over $450 million of other items that you may not have formally come and requested of us, but we think that they need to be funded as well, and don't look for additional savings in low-priority budget items to pay for that additional spending. We are going to spend it by adding it to the deficit, for a total of $1.2 billion in additional deficit spending."

Do not get me wrong. I support the items before us, Operation Restore Hope, the program supporting health care for families of military personnel, repairing flood damage for Marine bases. These are important. But, Mr. Chairman, I think it is very important for this Congress to do what any household or business in America would do. If they had a priority item that they wanted to spend money on, they would first look to their own budget and say, "Is there something that we really don't need in our household budget or our business budget that we could use to pay for this necessary item and, if we can find it, that should be our first priority."

Mr. Chairman, that is the way this Congress should operate as well, and that is why we are proposing the amendment before my colleagues today.

Now, is this supplemental appropriations bill under the budget resolution, as we heard today? Yes.

Is it below the discretionary cap? Yes. Both the bill and this amendment are below the discretionary caps. But the difference is this, Mr. Chairman: Without the amendment, this bill will add $1,200,000,000 to our deficit. With this amendment, we will not add $1,200,000,000 toward this deficit, and we appropriate this money and go about meeting these responsibilities in the right way.

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Mr. McDADE. Mr. Chairman, I rise in unequivocal opposition to the amendment of the distinguished gentleman from Maine.

Mr. Chairman, if this House now wants to return and begin to step back to the hollow Army, the hollow Navy, the hollow Marine Corps, this is the way to do it. The gentleman is correct when he said they sent out a suggestion about $750 million as a way of paying for part of this supplemental, but what he did not refer to, and I say to my friend that the figures are at the Pentagon and available for public inspection, there is about $2 billion unfunded requirements, above and beyond this $1.2 billion that we are trying to fund under normal processes in this bill.

We are trying to pay, as the gentleman said, CHAMPUS, a must pay bill; we are trying to pay for the Iraqi no-fly zone, a must pay bill; we are trying to repair Marine bases in California that were hit by a storm. We consider them a must pay bill. Also, we are trying to pay for the peacekeeping operation, the humanitarian operation in Somalia. In my opinion, those are totally worthwhile and must be seen in the appropriate context.

What is the appropriate context? Mr. Chairman, last year the Department of Defense bill was cut by $16 billion from the previous year's level. It has been in a decline since 1985, and is, I say to my colleagues, it is the only single appropriation account in this Congress that is trending down dramatically, that is doing what it can do for deficit reduction. It is not a free lunch.

Earlier in the debate I quoted from the Washington Post, which has a story in this morning saying that the quality of recruits that are applying to the Army in particular are declining substantially. Exhaustive testing has shown that when you cut below category 1 youngsters, you lose efficiency. Extensive testing has shown if you have CAT 1 people in the military operating a tank, it performs eight times more efficiently than if you have the lower category group, and that is what is happening. Youngsters are being disincentivized. They are not sure that there is a future in the military.

We are tearing up contracts, in some places, putting people out of the services prematurely. There are youngsters who have signed up under a volunteer basis to spend a military career and they are seeing it torn up.

If we talk to the commander of the 6th Fleet, he will tell us that he has been advised verbally that his budget for the next fiscal year is going to be cut in operations and training, and that means readiness, by 49 percent. What that means is less flying operations, less steaming time, more accidents, less efficiency.

We have just had an example of a battalion, one of the first battalions that we deployed to Desert Storm, that went up to the National Training Center and saw a measurable decline in performance at the National Training Center because their training is cut back.

I know my dear friend, the gentleman from Maine [Mr. ANDREWS] is sincere, and we are all trying to get this entire budget back under control. However, may I say to my friend, this is a unanimous vote, Republicans and Democrats alike, in the Subcommittee on Defense of the Committee on Appropriations to pay these must-pay items and to pay them now, not to shove them out into the next year when the budget crunch is going to be much worse; to pay these bills now, to do it within our budget cap. We have the room to do it because, as I say, this budget was cut considerably last year.

I hope the House will not vote to return to the days of the hollow Army, the hollow Navy, the hollow Air Force, and will support the committee in an overwhelming fashion.

Mr. ANDREWS of Maine. Mr. Chairman, will the gentleman yield?

Mr. McDADE. I yield to the gentleman from Maine.

Mr. ANDREWS of Maine. Mr. Chairman, I appreciate the comments of the distinguished gentleman from Pennsylvania. I want to make it very clear that particularly being a member of the House Committee on Armed Services, I concur with the gentleman on some of the points he has made as far as being sure we have a military that is prepared and ready and supported. If we are going to put young people in harm's way, we should back them up.

However, if we take a look at the opportunities for savings, if we tell the Department of Defense, "Take a look at what your options are, let us discuss both with respect to the Committee on Appropriations and the Committee on Armed Services what options exist, so we can have our military needs met while we find savings," we might be able to find those savings.

For example, if we take a look at what was cut, proposed to be cut to pay for the Somalia operation, for example, aircraft to support executives to travel around the country, VIP's, a $274 million item, that is an item that the Department of Defense said, "We can make this cut and not have a hollow force."

I suggest that that is the proper way to go about deciding what our priorities will be.

Mr. McDADE. Mr. Chairman, if I may reclaim my time, and I appreciate the gentleman's candor, and if he wants to try to cut the executive jet, let him offer the amendment. The gentleman is offering a $1.2 billion cut against the accounts of the Defense Department.

I say to my friend that that is not workable. We have to do this—in order to keep a strong military.

Mr. DELLUMS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the gentleman from Maine [Mr. ANDREWS], in the humble opinion of this gentleman, has an amendment that is worthy of consideration. I will try to argue my case and make what I think is the principal point.

The bill that is before us is a $1.8 billion supplemental. Of that, $1.2 billion is for defense spending. The genesis of this $1.2 billion is that we carried out an operation in Somalia to the tune of $750 million.

The Department of Defense, in attempting to find the resources to pay for that Somalia operation, line itemed several items of savings, low priority spending, to the tune of $750 million to offset the cost of the operation in Somalia. That was sent to the authorizing committee, and I would remind the chairman, I chair the authorizing committee. It was also sent to the Committee on Appropriations.

We looked at the list and we saw no problem with the low priority line items that were taken out of the DOD bill for the purpose of reprogramming to pay for the $750 million.

Instead, the $1.2 billion, which is nearly $5 billion over that requested for other programs, meritorious, laudatory, worthy of support, all of those things, but instead, the $1.2 billion adds to the deficit. Yes, the budget resolution ceiling did not exceed authorization.

Last year in fiscal year 1993 we authorized approximately $2 billion above what was appropriated. The $1.2 billion was taken out of that so-called $2 billion in unappropriated authorized funds, but a number of my colleagues came to me and raised the question of whether or not this was appropriation without authorization, and whether or not a point of order would lie against the $1.2 billion.

Trying to diligently carry out my responsibilities, my staff and I, Mr. Chairman, looked at this issue. We came to the determination that while we did not exceed that $2 billion in appropriation, that indeed, some of the programs listed to pay for this $1.2 billion do indeed exceed fiscal year 1993 authorization levels. Therefore, a point of order would have lain against certain programs that added to the $1.2 billion.

But because that did not appear to be a clean way to deal with this issue, the Chair was reluctant to come to the body to ask for a point of order to lie against certain programs where they exceeded authorization for fiscal year 1993.

The gentleman from Maine [Mr. ANDREWS] came up with a different construct that would handle the problem in a very straightforward way, because indeed, Mr. Chairman, the $1.2 billion does add to the deficit.

Why is that important? Because this means that this program is being treated differently, this agency is being treated differently, than any other agency. There is massive unemployment in America. We cannot come to the floor, Mr. Chairman, and ask for $1.2 billion in deficit spending to create a jobs bill. There is massive homelessness in America. We cannot come to the floor of this Congress and ask for $1.2 billion in deficit spending. There are massive educational needs in this country. We cannot come to the floor with deficit spending.

I would accept, because this is not a personal matter here, there are good people on both sides of this question, that is not the issue. There is, however, an important principle, the principle of whether or not we would treat one agency differently than we would treat any other agency on the question of deficit.

□ 1420

If you want to deficit spend for this $1.2 billion, then lift that prohibition and give those of us who are concerned about solving other kinds of problems the ability also to engage in deficit spending. Then there is fairness. Then there is equity. Then there is integrity.

But if you want to treat one agency differently than any other agency, give us the rationale.

We speak of hollow forces.

The CHAIRMAN. The time of the gentleman from California [Mr. DELLUMS] has expired.

(By unanimous consent Mr. DELLUMS was allowed to proceed for 2 additional minutes.)

Mr. DELLUMS. There is a great deal of discussion of hollow military, and I would remind my colleagues that at this very moment as we deliberate, the Department of Defense is engaging in a bottom-up review of the military budget. Right now, as we deliberate, at this very moment there is an effort to look at the issue of hollow military.

But I would also remind my colleagues and ask where is America's enemy at this moment? We no longer live in a bipolar world. Colleagues, the World War is over, the Berlin Wall is down, the Soviet Union is no longer.

So we talk about hollow force. Where is the threat? What is the immediacy here? If we are prepared to deliberate over how we pay for these programs, fine. But there is no sense of urgency here. We are the only superpower on the face of this Earth, and there is no power that immediately threatens the United States.

We have been given a 10-year gift, an opportunity to step back from the mentality of the cold war when we dangled our swords and threatened the American people with the notion of a hollow force. Now we have time, minimally 10 years, to step back and rethink.

So to summarize, Mr. Chairman, while the programs that we seek to pay in this $1.2 billion are laudatory, and that is not at debate, the author of the amendment stipulates that and so do we, but what we are suggesting is what was wrong with how the Department of Defense came up with paying this, No. 1; and No. 2, how do you defend deficit spending for one department and not provide that opportunity for deficit spending in other areas of extraordinary urgency? And finally, what is the urgency that drives the need to pay for this, this particular way, on this particular day in this particular bill?

So those are my remarks, Mr. Chairman, and with all due respect to my colleagues, I believe that this is a laudatory amendment, and I believe that we should support it and go back and find a different way to fund this that keeps us within the deficit. Or if you do not lift the deficit, then let us all have a free-for-all, and then let us pay for the kinds of programs we are all interested in.

Mr. MURTHA. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

The gentleman says we do not have to worry about a hollow force. I talked before about how we are starting to move toward a hollow force. I want to say that in 1980 we had the same number of troops that we had in 1991. In 1980 we could not pull off Desert One, a small rescue operation. In 1991 we pulled off Desert Storm, a major operation, because the troops were trained, the troops were equipped, and the morale was high.

We could face a $5 billion outlay shortfall in next year's budget. I hope that Members do not think that we will be able to fund all of the programs that they would like to see to provide for national security with the amount of money that has been allotted to us.

For instance, we have innumerable requests for good programs. A major program that we have to be concerned about this year that takes big funding in budget authority is the C–17 aircraft. Our C–141's are worn out. It is going to be a $40 billion program. Do we need the C–17's tomorrow? No. When do we need them? Down the road. We are going to try to fund them.

The destroyers are another major item with big budget authority impacts. Are we going to be able to fund them? I hope so, because they are certainly important to national defense, and there are many other things that we know are so important.

A couple of years ago people complained because we put money in for trucks because it happened to be in Secretary Aspin's State but the Congress prevailed over the Defense Department. In Desert Storm, the biggest shortage we had was trucks. Right now the biggest shortage we have in the military is morale, and the biggest shortage is training money, spare parts are starting to be short and we are moving quickly toward a hollow force.

This supplemental is under the budget caps. It is under the allocation. Last year I went down to the Bush White House, and they said the Somalia operation is an absolutely essential operation. Everybody said that except me, and I said it is a good operation, but let me tell you this, how are we going to pay for it? And if we pay for it the right way, we will not deplete the military resources and the quality of life of our personnel. And President Bush said oh yes, we will pay for it.

Right now we could be $5 billion short of money for this year, and that is outlays, which translates into $12 billion and $13 billion in budget authority. And that means we are going to have a hollow force under these circumstances.

We have to decide: Are operations in Somalia the right way to go? Sudan is an operation that a lot of people are saying we ought to move in; it is something where we ought to help. Some people are advocating going into Bosnia. I have been against Bosnia. I do not believe it would be in our best interest to go into Sudan or Bosnia unless we are willing to pay for the operations. We have to set up procedures to decide when it is in our national interest and if we are going to do it under humanitarian circumstances, we are going to have to pay for it.

And just like last year, the domestic programs are right up to the cap. We did the right thing. We cut $2 billion out of defense in outlays and budget authority under the caps because we felt they could stand that cut. Somalia came up as an entirely new appropriation, something that needed to be done, something President Bush requested and something that President Clinton supported. I had grave reservations about the operation because of the cost. Now the same people who were advocating that operation, do not want to pay for it, and they say well, we can pay for it out of other things from the Defense Department.

Let me tell Members, there is no money left. The reason that there are less high school graduates, the reason there is not money for training, the reason that there is not money to keep the quality of life for our military is because we have cut back so severely. And as I said to President Clinton, in conclusion, I said, "Mr. President, I'm willing to support your budget that you have sent up to us, but you've got to reduce the deployment or increase the amount of money that's available." And President Clinton said, "You can be assured we're going to reduce the tempo of operations or we're going to increase the amount of money that's available."

Well, we are not increasing the amount of money that is available. All we are doing is, under the allocation last year, we are going back not to the full allocation of up to $2 billion, but taking $1.2 billion of that in order to fund the military so that we will not be back to the 1981 status where we could not even pull off a small operation like Desert One.

Mr. KYL. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

Mr. Chairman, I want to echo all of the comments just made by the gentleman from Pennsylvania [Mr. MURTHA], who I think quite correctly noted one of the key points here. That is that the reason this supplemental is possible is because of the severe cutting that the committee did last year in taking the Defense budget $14 billion under the cap. And as a result of that significant scrubbing, that money is available now to pay the bills for the Somalian operation and the other items that are included within this supplemental appropriation.

My colleague on the Armed Services Committee, Chairman DELLUMS, asked an appropriate question. He asks, why does Defense get to do this so-called deficit spending, but none of the other agencies of the Government get to? That is not fair, he asserts, and he would like to see a little deficit spending for some other nondefense items.

Well the reason is precisely as the gentleman from Pennsylvania [Mr. MURTHA] pointed out, because of the significant savings that were made in the Defense budget last year. But for that, this supplemental appropriation would not be possible.

The second question is whether there is sufficient money to pay for everything under the reprogramming that was originally offered up by the Defense Department? I would make two points with respect to that. First of all, it is not the Defense Department that chose to go into Somalia or occasioned the flood damage at Camp Pendleton, or told us that we needed to do the overfly operations in Iraq, for example. Those decisions to fund the flood damage, go into Iraq, to do the operation in Somalia, those were all decisions that were made by this United States Congress.

□ 1430

Now is the time to pay for those expenditures, and we have got to decide how to do that. We can do it one of two ways. We can either take the money saved last year and apply a small part of that money to fund these operations or we can decide to try to find it somewhere else. That is really the question here: Is there anyplace to find it?

The gentleman from Pennsylvania [Mr. MURTHA] points out that we are already looking at the possibility of a hollow force because we have cut that defense budget to the bone, and I want to point out to my colleagues just a few of the items that are currently being underfunded as a result of the cuts that have occurred.

The real property maintenance program continues to have serious problems because the funds that have been provided to maintain and repair buildings, structures, warehouses, and roadways and runways, utility plants, and so on, have not come close to making the necessary repairs to those facilities.

In 1992 the total requirement was $13.5 billion, but only $4.5 billion was provided. The backlog amounted to almost $9 billion. In fiscal year 1993 the total requirement is $15.9 billion, but only $4 billion was provided, increasing the backlog to $11.8 billion. In 1994 the budget request was about $3.9 billion, which is lower than we appropriated for fiscal 1993, and the backlog is projected to be $14.2 billion. So in 3 years the backlog increased by 60 percent.

Mr. Chairman, I just visited one of the hospitals at one of our bases, and I noted the fact that the hallways were just full of chairs, because the waiting room was filled. I said, "How can you get away with it?" There was hardly room to walk in the hallways. The person showing me around said, "Well, actually," she said, "we are not supposed to do this, and when the fire inspectors come we take all of those chairs and hide them out in back, because we are not supposed to have them in the hallways. They are not safe." They cannot get the funds to add to the facility, so this is what they have to do.

I was in the base shop for the repair of the vehicles. I said, "How do you deal with all of the cleaning that has to be done on these vehicles, the disposal of the oil and other fluids and so on to comply with the EPA requirements, because I note that you have plugged off the drain." It was an old 1950-style drain. "Well, we have a sump pump, and we pump it all back and dispose of it that way," a very costly, inefficient, and ineffective way to comply with these EPA requirements.

This is really penny wise and pound foolish. The idea here of trying to save a penny in some of these key programs is not effective and efficient in the long run; and that is why some of these key maintenance programs, Mr. Chairman, need to be funded now and why it would be folly to take the payment for Somalia, the CHAMPUS Program, the Iraq no-fly zone funding and the Camp Pendleton Flooding Program out of these maintenance programs. We should, rather, use the money that is available because it was saved for last year's appropriation.

Mr. HUNTER. Mr. Chairman, will the gentleman yield?

Mr. KYL. I am happy to yield to the gentleman from California.

Mr. HUNTER. Mr. Chairman, for those of us who have arrived and are listening to this debate, I think it is important for the gentleman to explain exactly what the mechanics are here. As I understand it, if this passes, that is going to force the Defense Department to basically take the funding for Somalia out of hide, so to speak, and that means these massive cuts that we are making in defense we are going to add on to those cuts the additional costs of the Somalia operation, and that is going to mean less money for operations and maintenance, less money for the young men and women in uniform, and less money for military readiness.

Is that right?

Mr. KYL. Mr. Chairman, yes, my colleague, the gentleman from California, is exactly right.

And for those who argue that the reprogramming already suggests where the funds can come from, I would respond by saying that those funds are needed for the spare parts shortages, the unit-training cutbacks that have already occurred, the funding for the Bosnia no-fly-zone operation, and a host of other things that are going to have to be paid for, and these things cannot also come out of hide.

The CHAIRMAN. The time of the gentleman from Arizona [Mr. KYL] has expired.

(At the request of Mr. DELLUMS and by unanimous consent, Mr. KYL was allowed to proceed for 1 additional minute.)

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. KYL. I yield to the gentleman from California.

Mr. DELLUMS. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, in my remarks, I tried to point out that this is $1.2 billion of deficit spending that gives the Department of Defense a preferential role in this budgeting process different from any other agency.

But I would like to make a different point, because both of the gentleman on their feet are distinguished contributing members to the Committee on Armed Services that is the authorizing committee, and I would like either of my colleagues to respond to this.

Should not the authorizing committee assume its burden of responsibility to engage in policy-oriented, programmatic decisions, or should we allow the Committee on Appropriations to make those judgments without our participation? I yield back to the gentleman for that purpose, because otherwise let us take our paychecks and go home, because I spent a hell of a lot of time trying to chair the authorizing committee, and I want to assume the burden of my responsibility to diligently and fiducially carry out my responsibility.

The CHAIRMAN. The time of the gentleman from Arizona [Mr. KYL] has again expired.

(At the request of Mr. DELLUMS and by unanimous consent, Mr. KYL was allowed to proceed for 1 additional minute.)

Mr. MURTHA. Mr. Speaker, will the gentleman yield?

Mr. KYL. I yield to the gentleman from Pennsylvania.

Mr. MURTHA. Mr. Chairman, I really feel hurt that the gentleman feels the Appropriations Committee is trying to end run the authorization process. What we are trying to do is take care of a problem that we see in the Committee on Appropriations, and nobody has cooperated more fully with your former chairman and with yourself, Mr. Chairman, than myself.

I defer to you on what you try to do, and I fund the programs you request in every regard. There are differences in a few select cases, maybe 1 or 2 percent, but I always check before I go forward.

This is not an issue between the appropriations and the authorizing committees. This is an issue of funding programs that need funding for people who supported programs and now do not want to pay for them.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. KYL. I yield to the gentleman from California.

The CHAIRMAN. The time of the gentleman from Arizona [Mr. KYL] has again expired.

(At the request of Mr. DELLUMS and by unanimous consent, Mr. KYL was allowed to proceed for 1 additional minute.)

Mr. DELLUMS. Mr. Chairman, let me speak to my colleague, the gentleman from Pennsylvania.

This is no effort to impugn anyone's integrity, and for the gentleman to arrive at that is inappropriate.

This gentleman wanted to say that this gentleman wanted to say that, and gentlemen will say that. The gentleman knows my character, and I am more than willing to be open, honest, and candid. That is not what this gentleman was saying.

What I am trying to say to my colleagues here is that we have to participate in that process. That is not to suggest that these programs might not be laudatory, but we did not participate in the decisionmaking. That is all we are saying.

If we had, the gentleman from Maine, a member of the committee, and several others of my colleagues on the committee came to me and said, "Mr. Chairman, we have not participated in this"; and I would have to put a mask on and be a blind person to walk away from colleagues who have suggested to me in clear and unequivocal terms that we have not participated in marking up $1.2 billion. That is the nature of the process.

This process was designed well before this gentleman ever came to Congress, so I did not participate in that. The authorizing committee, then the appropriation committee, and that is the nature of that beast.

I would like my colleague to respond to the authorizing argument.

Mr. HUNTER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to this amendment.

Mr. KYL. Mr. Chairman, will the gentleman yield?

Mr. HUNTER. I yield to the gentleman from Arizona.

Mr. KYL. Mr. Chairman, I thank the gentleman for yielding.

In response to my chairman's question, I would have preferred that this issue have gone through our committee, the authorizing committee, but, I mean, I agree with the chairman that would have been preferable, but I would also make the point that that having been said, I agree with the substance of the argument that the gentleman from Pennsylvania [Mr. MURTHA] has made. That is why I rise in opposition to the amendment, preferring it would have come from our committee.

Since it came from the other committee, I support what the full Committee on Appropriations has suggested and oppose the proposed amendment.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. HUNTER. I yield to the gentleman from California.

Mr. DELLUMS. Mr. Chairman, I appreciate the candor of my colleague's comment.

The gentleman has indicated clearly on a procedural basis, as I understand the gentleman, he said that I have made a point that this would have been preferable. I can understand people having differences of opinion on the substantive issue, but I have always suggested that on procedural matters we ought to all be together, and if you are going to have an authorizing process that at least it be fully engaged, fully involved, and fully participatory. Otherwise, why have the process?

Mr. HUNTER. Mr. Chairman, let me answer my chairman and say something on behalf of the chairman of the Defense Appropriations Subcommittee.

We did engage in full participation in this issue when we decided that we were going to do something in Somalia. And with respect to the Bosnian air operation, that was done with concurrence and advice of the body, so I understand that we have programmatic things that we carry out, and we have a budget that is structured, and we go through that process. Respecting that process is important.

On the other hand, the Somalia operation involves operational costs that everybody did participate in as a body, in other words, the full House participated in, and it is important to have some comity, understanding that we need to guard our turf and protect our prerogatives as members of the Committee on Armed Services.

I think that this is a little different than funding a weapons system that has not been authorized and that happens to originate in another committee.

The full body did have a chance to participate in the Somalia decision and work with the President on that, and those are hard expenses that we cannot escape.

So I would ask my chairman to take that into consideration here.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. HUNTER. I am happy to yield to the gentleman from California.

Mr. DELLUMS. Mr. Chairman, one last comment. Understand that this is not personal. No one is questioning anyone's personal credibility here or whatever.

The Chair has always said, this gentleman has always said, that there must be integrity in the process. We can fight it out on political ideas. We can fight it out on substance. That is what this body is all about. That is why they bring Democrats and Republicans, left and right and center into this body, to have at it honestly in the arena of open discussion and open debate. There is no problem with that.

□ 1440

There is no problem with that; I have nothing different about that. I am going to bring my political point of view to the situation.

The place where we all have to agree in order to make this operation work with dignity is that we have to respect the integrity of the process.

Mr. HUNTER. I thank the gentleman for inspiring many debates that have been participated in fully on the floor.

Mr. WELDON. Mr. Chairman, will the gentleman yield?

Mr. HUNTER. I yield to the gentleman from Pennsylvania.

Mr. WELDON. I thank the gentleman for yielding.

Mr. Chairman, as a 7-year member of the Committee on Armed Services, let me say that I understand the question of process. But let me also say that a point that I raised on the reconciliation bill in the committee, the process was circumvented when the Administration came to us and cut not $60 billion but cut $127 billion of defense funding over 5 years. That was not based on net threat assessment. We on the committee who are given the obligation to assess the threat around the world were not asked to determine what the defense level of spending should be for the next 5 years. We were given a number. I will use SAM NUNN's quote, a figure that "pulled out of the air." A number was pulled out of the air in terms of defense cuts over 5 years.

Now we are being asked to go beyond that and cut. The authorizing committee had no involvement at all in determining those $127 billion of defense cuts. We were not brought in and said, "Would you consider this to be wise?" Or, "Where would you cut?" We were given a blank number, no fill-ins, no details, no substance; we were just told to cut.

So I think the integrity of the process has to be kept also by this administration when it comes to defense spending levels.

Mr. HUNTER. I thank the gentleman. I also want to thank the people who put together the numbers on the supplemental appropriation, because we do have—and the point was made yesterday during the debate many times—we do have a duty as a great Nation and as a leader of the free world to do good things to people and to feed hungry people and to help in humanitarian areas.

We also have a duty to the members of the Armed Forces to keep them ready. And when the taking of funds for humanitarian purposes intrudes on our ability to keep our own forces ready and well equipped, then we need to set that aside and keep the budget for equipment and for our personnel intact. And we are doing that by going with the supplemental appropriation.

I appreciate the remarks of the gentleman.

Ms. FURSE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, today I rise in support of the amendment to strike $1.2 billion from the supplemental appropriations bill. The $1.2 billion contained in this bill for the Defense Department represents exactly what makes people angry about Congress: Spending taxpayers' money unnecessarily and adding to the deficit.

In addition, under this supplemental, taxpayers' money will be disbursed without public discussion here in the house or in the authorizing committee.

Mr. Chairman, I serve on the House Armed Services Committee, and we made very, very difficult decisions to reach our budget goals.

Among other provisions in today's supplemental, the bill before us today contains $750 million for a number of accounts within the Department of Defense to pay for Operation Restore Hope. It may interest my colleagues here to know that on April 21 of this year, the Defense Department submitted a notice of reprogramming to the Defense Oversight Committees which detailed how the Defense Department could use existing funds to pay for Somalia. We should encourage the efforts by the Defense Department to better use our existing resources by reducing a number of low-priority programs and making a number of cost-saving restructuring changes to pay for Operation Restore Hope.

In sum, Congress is going out of its way to give money to the Defense Department when they told us they don't need it. I think this is bad policy, and the Andrews-Penny-Furse amendment will strike the $1.2 billion for the Defense Department from the supplemental bill which was not authorized or requested by either the administration or the Defense Department.

I serve on the House Armed Services Committee, and I want to emphasize that our amendment does not concern itself with the merits of any of the Defense programs, including Operation Restore Hope. No one is disputing the fact that thousands of our servicemen and women braved great danger and served their country with distinction in Somalia. Four even gave their lives. That is not the question today. We are proud of all our Armed Forces. The questions are simple: "Why deficit spend for something that our own Defense Department has said it doesn't need?" And "why not let the reprogramming process run it course before adding more money to the deficit?"

Mr. WELDON. Mr. Chairman, will the gentlewoman yield?

Ms. FURSE. I yield to the gentleman from Pennsylvania.

Mr. WELDON. I thank the gentlewoman for yielding.

Mr. Chairman, does the gentlewoman [Ms. FURSE], who is on the Committee on Armed Services, where Secretary Aspin is in favor of the supplemental and in fact stated before 200 Members of Congress in a briefing with Gen. Colin Powell that the way to pay for Somalia was through the supplemental and not through reprogramming?

Ms. FURSE. I thank the gentleman.

Mr. WELDON. I ask the gentlewoman that question.

Ms. FURSE. Yes, I am aware, but they did not request it.

Mr. WELDON. But the Secretary has stated on the record that the supplemental was the way to pay for Somalia, and not the reprogramming process, which would devastate defense spending levels. I do not understand how she says the Defense Department does not want this.

Ms. FURSE. The Defense Department came with reprogramming opportunities, and those were before us on the Armed Services Committee.

Mr. WELDON. But the Secretary is in fact in favor of the supplemental, as provided for the Committee on Appropriations, and the Secretary of Defense is the one who speaks to us on the administration's defense policy.

Ms. FURSE. How can we in good conscience vote for a comprehensive deficit reduction package tomorrow while voting for this bill today? This money was not authorized. This money will instantly be added to our deficit. How can we go to our constituents this weekend and say that we are serious about the deficit? It is time we begin to change.

The fact remains that it is just plain nonsensical to give money to a department after they have taken the time and effort to maximize their resources for the benefit of the taxpayers. I remind my colleagues: The Defense Department has told us they can pay for Operation Restore Hope without new money. In light of DOD's reprogramming action, we, as legislators, have no justification for acting hastily and stopping the reprogramming process before it has a chance to be considered, which is what passage of this funding would do.

I would hope my colleagues on the other side of the aisle—particularly my freshmen classmates—will support this amendment. I would point out that we have a letter from the National Taxpayer Union and Citizens Against Government Waste in support of the Andrews-Penny-Furse amendment. Deficit spending is deficit spending no matter what account it comes from.

The Pentagon has informed us they can pay for the noble efforts of Operation Restore Hope without additional funding. It has also come to my attention that it is likely another reprogramming request will be forthcoming from the Defense Department after Memorial Day which may include the additional defense funding in the bill.

Let's not subvert their work, let's not subjugate the reprogramming process which could ultimately benefit the taxpayer. We have already paid for the program, let's strike the $1.2 billion from the bill, and I urge my colleagues to support the Andrews-Penny-Furse amendment.

Mr. FAWELL. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I rise in opposition to this supplemental appropriations bill. It is unnecessary and unfortunately, graphically illustrates Congress' penchant for spending the American taxpayers' money.

The $750 million provided in the bill for the Department of Defense's activities in Somalia was not requested by the Department. Rather, the Department of Defense had proposed to fund the operations in Somalia by reprogramming funds from other activities or programs which were no longer deemed necessary. The Department planned to reprogram $750 million from a variety of sources, including $100 million for university grants and research on brown tree snakes, all of which were identified in this year's porkbusters bill.

Despite the Department's desire to pay for the operations in Somalia through previously appropriated funds, Congress, with its addiction to spending, decided that instead, we should finance the activities in Somalia by borrowing more money from our children and grandchildren and adding directly to our already burgeoning debt for fiscal year 1993. And they didn't stop there. We have also added another $450 million in unrequested funding for the Department of Defense, thus increasing the deficit by a total of $1.2 billion.

On top of that, there is an additional $600 million in the bill for nondefense programs, such as Small Business Administration loans—despite the fact that 99.8 percent of small businesses do not receive direct assistance from the SBA. There is also an increase for the Executive Office of the President—despite the fact that President Clinton had pledged to cut the White House staff by 25 percent.

I'd prefer an amendment to cut out all $1.8 billion. It will only add to the deficit we are going to try to control later this week in the reconciliation process and the President's 5-year deficit reduction plan, this despite the fact that we are only in year 3 of the 1990 5-year deficit reduction plan. The President's new plan features $332 billion of net new taxes, with net spending cuts of only $106.4 billion, with most of those cuts taking place in the last 2 years of the budget plan. That is an amazing 4 to 1 ratio of new taxes over deficit cuts. Actually, the ratio is worse than that since $71 billion of the spending cuts represents estimated reductions of interest payments on the national debt and $60 billion represents

$21 billion of increased taxes on Social Security benefits and increased user fees. Deducting those questionable deficit cuts and the ratio of new net taxes—$332 billion—to net deficit cuts—$35.4 billion—is 12 to 1.

Now, let's assume that all the new taxes are levied and all the new spending set forth in this 5-year budget occurs, which is quite certain. Assume too, that all the estimated new revenues from the new taxes will be received—which is very doubtful. And assume that the promised deficit cuts really take place—which certainly won't happen as 84 percent of the cuts are scheduled for the fourth and fifth years of the plan. What will be the result of this new 5-year plan? Another $1.8 trillion will be added to the national debt. $1.8 trillion. And in 1999, annual deficits will be on the rise again.

Today, the national debt is $4.3 trillion, roughly equivalent to $16,000 for every man, woman, and child in America. It's 51 percent of our Nation's GDP, which is the highest since the end of World War II. For 23 years in a row—31 out of the last 32 years—Congress has failed to balance its annual budget. The Nation now incurs $300 billion per year in interest on that national debt.

Clearly, given the current fiscal crisis, Congress should not be spending an additional $1.8 billion—especially when the bulk of the money was not requested and could be obtained through reprogramming of previously appropriated funds.

As I stated earlier, my personal preference would be to scrap the entire $1.8 billion. But if that is not politically possible, the least we should do is cut out the $1.2 billion in Defense which was not requested. I wholeheartedly support the efforts of my colleague, TOM ANDREWS, and others to cut this unnecessary spending and urge my colleagues to likewise vote for a toddling step of fiscal responsibility and support the Andrews amendment.

□ 1450

Mr. HANSEN. Mr. Chairman, will the gentleman yield?

Mr. FAWELL. Yes, I am glad to yield to the gentleman from Utah.

Mr. HANSEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it is not very often that I have risen in support of supplemental appropriations bills. It has been my experience that they are often a mixed bag—including vital funding along with a lot of not-so-necessary funds.

However, I rise in overall support of H.R. 2118 because of the critical need to meet shortfalls in the defense accounts.

Having the privilege of serving on the Armed Services and Intelligence Committees has opened my eyes to the threats that are facing this great Nation despite the widely held perception that we can stop worrying about a strong defense now that we have won the cold war.

Nothing could be further from the truth. Serious threats abound. Can anyone really question that? Look at the instability growing in many parts of the world. Look at nuclear proliferation and proliferation of weapons of mass destruction. Look at the terrorist threats that have begun to strike us here at home. Can anyone really seriously question the absolute necessity of maintaining a strong and viable defense?

To the Pollyannas and would-be slashers of defense, I say, "wake up; you're living in a dream world."

A strong defense is what makes everything else possible—our way of life, our freedoms, our economic potential. It is the prerequisite. And, as the peoples of former Yugoslavia are now finding out, freedom is a precious and fleeting thing, almost without cost.

For some time, I have stated my opposition to what I believe is a freefall in the defense budget.

Many in this body and the present administration believe that defense should be the billpayer to fund every other social or Federal program under the sun.

I firmly believe that we are already cutting defense far too much, too fast, and that we are seeing a return to the 1970's and the days of a hollow force.

We are already forcing out of the service hundreds of thousands of fine men and women who have sacrificed on behalf of their country and who have risked their lives in our behalf.

We are breaking faith with them and our All-Volunteer Force. The administration would subject them to a pay freeze; the ones who will really suffer are the thousands of young enlisted personnel who struggle to make ends meet now. Do we really want to return to the days when many of our military could qualify for food stamps and welfare?

The defense cuts have caused us to cut personnel benefits and health care benefits, threatening morale and our ability to attract, in the future, the best and finest our Nation has to offer.

For weeks now, my office has been flooded with letters from service men and women who have been negatively affected by shortfalls in the CHAMPUS health care system.

These individuals and their families have, in many instances, been denied certain health care procedures and common prescriptions because of CHAMPUS cuts.

From my perspective, this erosion of readiness cannot continue. I will not be a part of it. My conscience will not allow that.

Unless the supplemental is approved the CHAMPUS accounts will dry up in July. What will our service men and women have to say then? What excuse will we give to them when they take their sick son or daughter to the doctor, only to hear, "Sorry, we can't help you." We cannot allow that to happen.

This bill also provides funding for other unanticipated requirements in Somalia—$750 million—and Iraq—$100 million. It would repair damage at Key Marine Corps installations caused by flooding last year.

Some in this body believe that the Department of Defense should eat these new funding requirements and take the money out of existing defense programs. In view of the precipitous defense cuts that have already occurred and are still occurring, that is not practical. I believe it would hurt our readiness to an unacceptable degree.

Mr. Chairman, the national defense budget has already been ransacked. Enough is enough. Even with this supplemental, total defense spending would still be nearly $1 billion below the ceiling. I urge my colleagues to vote "yes" on this supplemental.

Mr. PENNY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman. I urge Members to vote in favor of the Andrews-Penny-Furse amendment to strike $1.2 billion in additional defense spending from H.R. 2118, the fiscal year 1993 supplemental appropriations bill. These funds were not requested by the Department of Defense, were not authorized by the Armed Services Committee, and were not offset by reductions in other Federal programs. At a time when Congress should be looking at ways to reduce Federal budget deficits, we should not be increasing the deficit by $1.2 billion.

This $1.2 billion in new defense spending includes $750 million for Operation Restore Hope in Somalia. I supported this mission in Somalia; however, I am aware that the Pentagon requested reprogramming authority in order to pay the costs of Operation Restore Hope. In January of this year, the Pentagon requested the authority to transfer $750 million from other DOD accounts to fund the costs of this mission. The reprogramming request included funds appropriated last year for unrequested and uncompetitive DOD grants earmarked for particular colleges and universities. These are extremely low priorities for the Pentagon, and they ought to be allowed to transfer these funds for their mission on Somalia.

Mr. Chairman, I understand the desire of the Appropriations Committee to make the point that interventions and involvements in foreign countries do not come without a price tag. However in the post-cold-war era when the United States may be compelled to act militarily overseas on short notice, the Pentagon must have the flexibility to fund these new spending priorities by recommending that lower priority programs in their $270 billion budget be cut.

Again, I urge Members to vote in favor of the Andrews-Penny-Furse amendment and in favor of deficit reduction. This amendment has been endorsed by Citizens Against Government Waste. It deserves to be endorsed by every Member of Congress.

Mr. EDWARDS of California. Mr. Chairman, will the gentleman yield?

Mr. PENNY. I yield to the gentleman from California.

Mr. EDWARDS of California. Mr. Chairman, I appreciate the statement of the gentleman and that of the chairman of the Armed Services Committee, the gentleman from California [Mr. DELLUMS].

It seems to me the issue is rather simple here. I agree with what the gentleman in the well said, that the Pentagon said that yes, they can reprogram so that this addition to the deficit of $1.2 billion will not happen. Is that correct?

Mr. PENNY. That is exactly the point.

Mr. EDWARDS of California. It seems to me certainly this amendment should be approved.

Mr. Chairman, today the House is considering whether or not to appropriate $1.8 billion for programs for students, veterans, and small businesses as well as for the Department of Defense. Ironically, as we struggle to decrease our budget deficit, we are contemplating new spending that was not requested by the Pentagon.

The dollars included in this bill for military operations would be used for meritorious purposes such as providing CHAMPUS benefits, supporting American troops participating in United Nations peace-keeping efforts in Somalia and enforcing the no-fly zone in Iraq. However, where the Defense Department saw the need for additional funding, it asked that existing funds be reprogrammed to pay for those costs. Our military leadership did not believe reprogramming would jeopardize the readiness of our forces. Congress should honor the Pentagon request.

I support supplemental appropriations for the other vital programs contained in this bill such as Pell grants for needy students, loans for small businesses and benefits for veterans. These are wise investments in society. I oppose the $1.2 billion in unwanted and unnecessary new military spending contained in this bill. I urge my colleagues to show that Congress cares about the deficit by supporting the Andrews amendment.

Mr. PENNY. Mr. Chairman, I thank the gentleman for his remarks.

Mr. LEWIS of California. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to this amendment and in support of the supplemental appropriations bill.

Mr. Chairman and my colleagues, it is my personal privilege to serve on the subcommittee that deals with Defense appropriations. It has been a relatively short stay, but I arrived there during an era in which people on both sides of the aisle were talking about a quality builddown of our national defense.

I heard Secretary Cheney speak to a quality builddown on several occasions. We have a penchant for us to want to have America get involved in the world's problems, and then in turn as we have been involved, this amendment would have us walk away from the responsibility of funding those efforts.

There is little question that the discussion here today between the authorizing committee versus the appropriations process is an interesting one, but it is one that ebbs and flows and goes on it seems forever, and hardly ever makes the point of the need for having dollars available in a timely fashion for critical needs.

This amendment would suggest that perhaps in ongoing expenditures for the Defense Department there is some kind of free lunch.

Somalia, it is suggested, cost some $750 million, and we could easily have reprogrammed that in the process, and yet it has been testified here today that the Secretary of Defense, Les Aspin, has publicly indicated his preference for this supplemental process, because his budget over the last several years has been reduced little more than 30 percent.

CHAMPUS, the medical benefits for our service men and women that are involved there, relates to some $295 million of ongoing expenses, expenses we have obligations for that must be met, and this supplemental is the way of meeting them.

Just yesterday, the House voted to keep our troops for at least another year in Somalia.

I guess the presumption is the Members on both sides of the aisle voted for that continuation of presence, and believe that can be done for free.

Our best guesstimate is the costs are somewhere in excess of $100 million, and yet in some way that has to be paid for.

Camp Pendleton last year was hit by disastrous floods. The costs involved there are at least $71 million. Some suggest maybe $100 million more.

Indeed, those who would indicate that it is pretty easy with a $1.2 billion amendment reduction here to readjust priorities in the Defense Department, Mr. Chairman, it does not work that way. We have a process for carefully evaluating expenditures and where they should be applied.

Comparing the 1993 budget summit level, the current appropriations for our national security is $14 billion less than the budget summit cap.

With this proposed supplemental, we would still be $12.8 billion under the budget summit proposals.

Comparing our current subcommittee 1993 602(b), the current level is $2.1 billion below that allocation.

In outlays, it is $2.3 billion below.

With this proposed supplemental, we still are $980 million below the 602(b).

Clearly, this amendment would cut beyond the marrow of the bone. It does not recognize the processes in the House whereby we measure the pros and cons and allocate necessary funding.

Indeed, this amendment would one more time tend to cut the heart out of our Defense programs, while we are suggesting we are about a quality builddown.

□ 1500

Mr. SANDERS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this is a very interesting debate that I hope all Members are paying attention to; in fact, the American people are paying attention to, because all over this country the American people are outraged by the misplaced priorities that we have seen in Washington over the last decade. We have seen the situation where we give huge tax breaks to the wealthy, and we have 2 million people sleeping out on the street, billions of dollars of all kinds of obsolete weapons systems, and we have 5 million children who are hungry. When we come forward, when some of us come forward, to say, "Let's fund programs to feed hungry children, or to fund Head Start or to house the homeless," we are told there is just no money available, we have a $4 trillion deficit. We have heard that argument once or twice.

Now today, interestingly enough, in this general supplemental appropriations bill we are seeing exactly the kind of politics as usual that outrages the American people. We are looking at spending $1.2 billion for expenditures on the military which neither the Defense Department, nor the White House, has requested.

Now some people have said, "Well, Les Aspin would like the money." No kidding. So would every department head all over America. If we put $5 billion into housing, Mr. Cisneros would be here saying, "Hey, I think it's a great idea." But unfortunately our job is to develop priorities.

So, Mr. Chairman, what we have is $1.2 billion more that neither the President, nor the Defense Department, has asked for.

It is ironic that later this afternoon, in the second supplemental appropriations, we will be asked to make cuts in worthy educational programs in order to fund another worthy effort, that is, summer jobs programs for our kids. That is what we are going to be asked to do in an hour. We will be told there is not enough money to fund educational programs. We will be told that, in order to fund jobs programs, we have got to cut back on education. But now we are being told, "No problem, we could spend another $1.2 billion on the military."

Mr. Chairman, the cost of the Somalia operation and the other military needs this supplemental covers can easily come, as others have already said from shifting unneeded money from other military accounts. That is what the Clinton administration proposed, that's what the Defense Department agreed to, and that is what we should be doing.

Now, Mr. Chairman, and this is the interesting part of this whole debate, every single day on this floor we hear long speeches about our $4 trillion national debt and our $260 billion deficit. We have heard them so often we can practically recite them from memory, and we know all the people who come up here. Remember our children and grandchildren, that particular speech, how terrible the deficit is?

We have all seen the dramatic press conferences, Mr. Chairman, on the need for a line-item veto, for a balanced budget amendment to the Constitution and for other magical formulas for dealing with the deficit crisis. Well, today we are not dealing with magical formulas. We are dealing with concrete reality.

It is time, frankly, to put up or to shut up. We are deciding whether to add another $1.2 billion to the deficit in military spending which is not wanted by the Defense Department or whether instead we are going to finally act responsibly and say no.

Mr. Chairman, I urge my colleagues to reject this unnecessary spending and to support the amendment offered by the gentleman from Maine [Mr. ANDREWS]. Now is the time to finally begin developing some rational priorities for our country. If this amendment fails, I believe that many of us will have no choice but to vote down the entire supplemental.

Mr. NATCHER. Mr. Chairman, as the gentleman knows, we will have a second supplementary following passage of the present bill.

In order to expedite this matter now, as the gentleman from New York [Mr. NADLER] wants to speak, I believe, and maybe one more on this side, Mr. Chairman, I would like to ask unanimous consent that following the two speakers here and the one over on the other side, as I understand, that all time on this amendment be limited to 10 minutes on either side, to be controlled by the gentleman from Maine [Mr. ANDREWS] and the gentleman from Pennsylvania [Mr. MURTHA], each controlling 10 minutes following the present speaker.

The CHAIRMAN. Would the gentleman indicate which speakers would precede the limitation, or are they included in the limitation?

Mr. NATCHER. They are not included, Mr. Chairman.

The CHAIRMAN. So there is the gentleman from New York [Mr. NADLER], and who else would speak?

Mr. NATCHER. The gentleman from New York [Mr. NADLER] wants to speak on this side.

Mr. ANDREWS of Maine. Mr. Chairman, will the gentleman yield?

Mr. NATCHER. I yield to the gentleman from Maine.

Mr. ANDREWS of Maine. Mr. Chairman, I have eight Members who have been waiting since the beginning of this debate who would like to speak. If all of those eight have a chance to speak, then I would be happy to accommodate the gentleman and limit this debate. But they have been here from the very beginning, and I would appreciate it if they would be able to participate in this debate.

Mr. NATCHER. Mr. Chairman, I withdraw my unanimous-consent request at this time.

The CHAIRMAN. The request of the gentleman from Kentucky [Mr. NATCHER] is withdrawn.

Mr. NUSSLE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Maine [Mr. ANDREWS], and I have to say I have been very interested in this debate because a number of my colleagues who typically join us when we talk about cutting the spending in this country and spending in this budget have been rising to talk about the priorities of this country, and I am concerned about the way these priorities have been characterized here today.

We have heard that this small effort, this very small effect of cutting $1.2 billion from this particular bill, is all of a sudden cutting the heart out of the Defense Department. It is cutting the priorities of the Defense Department. It is sending women, and children, and our armed service personnel running into the street looking for work. All of a sudden our priorities are ready to be reorganized because one Member gets up and offers an amendment that says, "Can't we have a little fiscal sanity?"

Mr. Chairman, $1.2 billion of unrequested spending, unrequested spending, is really the issue. Sure one can get up, and they can talk about the fact that now all of a sudden we have eliminated our defense priorities in this country when that is not the issue. If that is the issue my colleagues want to provide for the American people, true, we are going to lose. We are probably going to lose, but really the issue, my colleagues, and I am sure my colleagues know it, is whether or not we can find just a little bit of savings within this budget, just a little bit, $750 million that the Defense Department said, "We can find offsets."

Heaven forbid that we would have a department of this Government come forward and say we can actually save money, and we stand here and say that we are not going to at least give them credit for that by actually letting them save money, and the money that they want to save comes out of jets to fly us around? And my colleagues are going to say no to that? I cannot believe that.

This is not cutting the heart out of defense spending. This is doing one small part when tomorrow we are going to add to the deficit even more.

I will give my colleagues one example: Farm programs; I have to figure out a way. I have to cut $2.9 billion out of farm programs, and go back to Iowa, explain to my constituents that I can cut them, but I cannot find any savings in the Defense Department at all. Yes, last year we had the debate on cutting the Defense Department. This year we will probably continue. But this small savings?

Let us look at the priorities in this country.

Mr. WELDON. Mr. Chairman, will the gentleman yield?

Mr. NUSSLE. I yield to the gentleman from Pennsylvania.

Mr. WELDON. Mr. Chairman, I thank the gentleman from Iowa [Mr. NUSSLE], my friend and colleague.

Is the gentleman aware of how much we are cutting in the 1994 defense budget?

Mr. NUSSLE. That is irrelevant.

Mr. WELDON. Is the gentleman aware of how much?

Mr. NUSSLE. I will reclaim my time with all due respect for my friend and colleague.

Mr. Chairman, this is not the issue today. I ask, "Have you looked at the offsets that the Defense Department has requested? Have you looked at the priorities that they have said we're willing to cut?"

This does not throw anybody out on the street. Let us wake up here a little bit. Those people out there that have to cut around the dinner table and balance their checkbook every single day have to do what we are asked to do by this amendment, and yet we go back home, and we say we cannot do it, we cannot do it, these are not our priorities. We are going to save every last scintilla of authority for the Defense Department when farm programs and everything else gets cut.

I cannot sell that at home, and I think it is about time we wake up, that, if my colleagues really want to be true budget cutters, if they really want to be true budget cutters, when a department comes forward and says we can do it, let us be a team in this effort, that we let them have that credit, we give them that credit, and we support the gentleman from Maine [Mr. ANDREWS] in an amendment to say we can do it as a Congress, as the American people, to finally, maybe once and for all, get just a little bit of this finally under control.

□ 1510

Mr. VISCLOSKY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the Andrews amendment. There are a number of items that have been raised today and a number of issues that have been discussed, but I think we have to divorce ourselves in terms of the emotion of the moment and ask ourselves what is good for the United States of America and what is good for the women and men in the Department of Defense.

One of the points I would raise in terms of reprogramming is between now and the end of the fiscal year we still have another $3.9 billion that must be rescinded.

Second, in terms of potential reprogrammings, we have those options before the committee. If those reprogrammings are not made, you will see rescissions in terms of the 1994 bill.

Mr. Chairman, I would point out that these moneys are in fact owed for commitments that this country has made in circumstances such as the country of Somalia. There has been a lot of talk about the Department of Defense and the military and the defense industry, and on the other side there has been a lot of talk about the people of this country.

Well, we are talking about the people of this country when we are talking about the Department of Defense, people who are faced with potential job losses in the Army, Navy, Marine Corps, and Air Force, as well as the civilian side in terms of our defense. We are talking about people who have been employed overseas on a whole series of holidays.

For example, when the committee visited Marine troops in Somalia, they found one Marine unit that had been deployed to Saudi Arabia during Christmas of 1990. They were overseas on a rotational deployment during Christmas of 1991. They were in Somalia for Christmas of 1992. That same unit is scheduled for overseas rotational deployment during Christmas of 1993.

The commitments that our Nation has made and the commitments that our Nation still has are current. They are being met and they are being met by people who deserve the same respect that has been shown in terms of the other issues that we face in this country and in this Chamber.

We also have to understand that with these moneys we are not simply talking about rewarding contractors. We are talking about shortfalls in programs like health care and the CHAMPUS Program to the tune of $295 million. The purpose of CHAMPUS is to provide health care to beneficiaries, not to even the personnel, who cannot receive care in a military medical facility. And the program is not free. These beneficiaries pay 20 to 25 percent of the cost and they share in the total medical cost of the program. The Government does pay the rest. If the funds today in this program are not provided, it will mean that the Department would have to stop paying the claims for your constituents sometime in the month of July. Medical benefits are ranked among the No. 1 benefit in most Department surveys.

Mr. Chairman, we are talking about people in all of these arguments. We are talking about the commitments this country has made.

I think the bill is a sound bill. I support it. I am opposed to the Andrews amendment and would ask my colleagues to vote against it.

Mr. NATCHER. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 40 minutes, with the 40 minutes to be equally divided between the author of the amendment, the gentleman from Maine [Mr. ANDREWS], and the chairman of the Subcommittee on Defense, the gentleman from Pennsylvania [Mr. MURTHA], each controlling 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. WALKER. Mr. Chairman, reserving the right to object, I did not hear exactly what the gentleman was proposing in terms of a time limit.

Mr. NATCHER. Mr. Chairman, I would say to my friend the gentleman from Pennsylvania that I ask unanimous consent that all debate on this amendment and all amendments thereto close in 40 minutes, the time to be equally divided between the author of the amendment, the gentleman from Maine [Mr. ANDREWS], and the gentleman from Pennsylvania [Mr. MURTHA], each controlling 20 minutes.

Mr. WALKER. Mr. Chairman, further reserving the right to object, how are we on this side going to get a part of that time? Are there other amendments expected?

Mr. NATCHER. Mr. Chairman, the gentleman from Pennsylvania [Mr. MURTHA] assures me, and I would like to say to the gentleman from Pennsylvania [Mr. WALKER] that the gentleman knows his word is good, the gentleman from Pennsylvania [Mr. MURTHA] has assured me the time will be allocated.

Mr. WALKER. Mr. Chairman, I thank the gentleman, and I do respect the gentleman from Pennsylvania [Mr. MURTHA] for that very much. But do we know of any other amendments that are going to be offered on this bill?

Mr. NATCHER. Mr. Chairman, the request is just on this amendment.

Mr. WALKER. Mr. Chairman, the gentleman from Kentucky [Mr. NATCHER] has asked for debate on this amendment and all amendments to end in 40 minutes.

Mr. NATCHER. Mr. Chairman, this amendment and all amendments thereto.

Mr. WALKER. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky [Mr. NATCHER]?

There was no objection.

The CHAIRMAN. The gentleman from Maine [Mr. ANDREWS] is recognized for 20 minutes, and the gentleman from Pennsylvania [Mr. MURTHA] is recognized for 20 minutes.

The Chair recognizes the gentleman from Maine [Mr. ANDREWS].

Mr. ANDREWS of Maine. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. HAMBURG].

Mr. HAMBURG. Mr. Chairman, I rise in support of the amendment to remove the $1.2 billion of defense expenditures contained in this supplemental appropriation. These funds have not been requested and are not needed, and they will add yet another heavy load to our national debt.

The Armed Services Committee has not requested these funds. The Defense Department has not requested these funds. The President has not requested these funds. Rather, they have stated that the expenditures addressed by the supplemental can be reprogrammed from the existing budget.

The Defense budget is already the second largest expenditure of the Federal Government. In fact, it is the largest discretionary expenditure in the Federal budget. We have spent trillions upon trillions of dollars over the past half-century on troops and tanks and bullets and bombs. We have purchased a military establishment unmatched in the history of the world.

Yet, every single time the military is used, we look for a way to appropriate more funds. In effect, we are asked to pay twice—once in the original appropriation to build the force and a second time if the force is used.

How are we able to spend money twice on the military when we have such a hard time finding the money to spend once for the other critical national security problems facing our society? And 38 million Americans have no health insurance and millions more teeter on the edge of uninsured status. Our public infrastructure is deteriorating due to decades of neglect. Tens of millions of Americans are jobless or suffering from underemployment. This $1.2 billion defense appropriation does not address any of these national security problems—the problems faced by average Americans every single day.

Mr. Chairman, the Armed Services Committee has not requested these funds. The Defense Department has not requested these funds. The President has not requested these funds. I urge my colleagues to vote against this deficit-increasing $1.2 billion in unwanted and unnecessary defense expenditures.

Mr. MURTHA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, let me just say that the Defense Department, in a reprogramming action, did request the funds, and we know they are necessary. We know CHAMPUS, for instance, is going to be short and the payments will run out this summer. But even more important is we had no idea we would be going on a humanitarian mission in Somalia and I think that is a very important point.

This exercise I knew would cost money. The people that were applauding this exercise at the time said this is something that we want to do, and I said this is not in our national interest, even though there is no question about the humanitarian value of this exercise and the wonderful job the people did. But now we have got to pay for it, and the Defense Department is short of funds.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. MURTHA. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I want to rise in opposition to this amendment, but I want to first compliment the chairman of the subcommittee, the gentleman from Pennsylvania [Mr. MURTHA], and the gentleman from Pennsylvania [Mr. MCDADE] our ranking Republican, because they have worked diligently to determine what the real needs of our national defense are, and to make sure that we do not approach a hollow force.

Now, with regard to the comments about a hollow force that have been made today, whether there is that threat or is not that threat, you do not make that decision based on politics. But to the chairman's credit, he has had the commanders in chief of the various commands of all of our military forces before our committee, and during those hearings and those briefings we have been told that if things do not change, we are heading for a hollow force.

Mr. Chairman, believe it or not, that is what the military people, the war fighters, are telling us.

Another speaker said that this amount of money was not relevant to the fact that we have reduced defense spending in recent years. I disagree with that. It is very relevant, because every time we reduce our defense budget, we are making it harder and harder to provide the things that are necessary to provide for our national security. We are canceling programs and weapons systems, we are reducing the size of the force and bringing home troops from NATO. We are doing all of these things as fast as we can.

It has been suggested that nobody has requested this money. Well, I do not know about that, but I do know that there are American military forces in Somalia.

☐ 1520

If nobody requested it, why are they there?

Is there a competition here between the gentleman from Pennsylvania, Chairman MURTHA, and the gentleman from California, Chairman DELLUMS? There should not be, because this House is the alternate authorizing committee.

And just yesterday in this House, the sponsor of this amendment, the chairman of the Committee on Armed Services, and practically everyone who supports this amendment, with the exception of the gentleman from Illinois [Mr. FAWELL], voted to extend for another year United States troop involvement in Somalia.

How much more authorization do we need? And it does not come for nothing. We do not put troops in Somalia for zero.

There were two other votes yesterday. One was an amendment to limit that time to 6 months rather than a year. The Members who proposed this amendment today opposed that amendment and also opposed the second amendment to limit that time to 5 weeks.

The Members who want to cut the money out of here for the Somalia force are the ones who voted just yesterday to commit our troops in Somalia for another year.

Now, about who asked for this. Here is a statement, dated May 26, from the Executive Office of the President of the United States.

It says, "Statement of Administration Policy." And in parentheses it says, "This statement has been coordinated by OMB with the concerned agencies," and it is directed to the bill that we have before us, sponsored by the gentleman from Kentucky [Mr. NATCHER]. And it says simply, "The administration supports passage of H.R. 2118, as reported by the Committee on Appropriations." That means without this amendment.

So I say that the administration supports this bill. President Clinton supports this bill. The House has supported United States troops in Somalia. And now we have to pay for it.

CHAMPUS is medical care for members of the families of the military and those who have served and retired. CHAMPUS is almost an entitlement. We have to pay for CHAMPUS.

Is it relative to other defense cuts? My colleagues better believe it is relative to other defense cuts, because in the last 5 years, since the 1990 budget agreement, and with the projected budget for the next 5 years, we will have cut this defense budget by almost $400 billion. So every cut is relative, regardless of the rhetoric on the floor today.

Mr. Chairman, I thank my chairman for yielding time to me.

Mr. ANDREWS of Maine. Mr. Chairman, I yield 2 minutes to the gentlewoman from California [Ms. HARMAN].

Ms. HARMAN. Mr. Chairman, I rise in strong support of this amendment and commend the quality of this bipartisan debate.

Based on the leadership's commitment that tomorrow's Reconciliation bill will include the deficit reduction trust fund and some form of entitlement cap, I have committed to vote for it because we must make the hard choices to combat our deficit catastrophe. I believe that we are faced with a similar vote right now.

You will find no stronger proponent for retaining an adequate level of defense spending than I. I support full funding of a defense budget to meet current and future threats and to preserve our vital intellectual and industrial base.

But if we are going to be serious about containing our deficit, we have to be willing to discipline the programs we care about, not just the other guy's programs. I am going to vote for this amendment because the administration did not formally request supplemental funds and because the Department of Defense has the capacity to offset these costs by cuts in low-priority programs.

Most of all, I am going to vote for this amendment because I feel that we must change our ethic of spending. We must be able to scrutinize all spending, even the programs we consider vital to our constituents, if we are going to tame this deficit monster.

I compliment my colleagues on their excellent amendment, and urge its passage.

Mr. ANDREWS of Maine. Mr. Chairman, I yield 2 minutes to the gentlewoman from New York [Ms. VELÁZQUEZ].

Ms. VELAZQUEZ. Mr. Chairman, I rise in support of the very thoughtful and prudent amendment offered by Mr. ANDREWS, Mr. PENNY, and Ms. FURSE.

The reason for this amendment is very simple. It is an issue of equity and fairness between social spending and defense spending. Mostly, all of the social spending in this supplemental, and all of the funds in the second supplemental we will consider later today, are offset by cuts or transfers. However, the $1.2 billion in H.R. 2118 targeted for Defense Department activities are new appropriations. This creates an unfair and unacceptable double standard.

If this Congress is unwilling or unable to approve new funds for needed social programs, as it has proven in the recent past, then it should be just as frugal regarding new defense expenditures.

It is important to note that the adoption of this amendment will not cause Operation Restore Hope and other Defense programs in the bill to go unfunded. It will merely cause the Defense Department to reprogram these funds as they had already suggested.

Mr. Chairman, it is clear that these supplemental funds are needed. But, when we have an executive agency offering to reprogram these funds and we have an opportunity not to add to the deficit, we should take it. I urge my colleagues to support the amendment before us.

Mr. MURTHA. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Chairman, I thank the gentleman for yielding time to me.

Did I understand the gentleman from Pennsylvania to say, a couple of minutes ago, that the Department did, in fact, request this money?

Mr. MURTHA. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Pennsylvania.

Mr. MURTHA. Mr. Chairman, twice, in a reprogramming action the Department has requested the money. And in talking to the various heads of all of the departments, they realize now how stringent the cuts are going to be and what an impact they are going to have on defense next year.

We are struggling, frankly, trying to come up with the money that they will need next year in order to provide for national security without a hollow force. And as the gentleman heard, President Clinton has endorsed this supplemental as reported out.

Mr. WALKER. Mr. Chairman, I just wanted to clarify, though. In other words, every one who has stood up here and told us that there is no request from the Defense Department for this money is wrong; is that correct?

Mr. MURTHA. Mr. Chairman, if the gentleman will continue to yield, that is exactly right.

Mr. WALKER. So we have had a whole series of speakers come to us here and tell us that the Defense Department has not requested this money and, in fact, every one of those speakers has been absolutely wrong. The chairman of the subcommittee has a formal request from the Department of Defense for the money that is before us.

It would be very easy for this gentleman and, I think, the gentleman from Pennsylvania, the chairman of the subcommittee, to support this amendment. We were not for putting the troops in Somalia in the first place.

I criticized my own President, Mr. Bush, for having taken the action, because I had a feeling that we were going to come along and find that all of the members who were enthusiastic for this humanitarian mission were not going to be willing to pay for it in the end. And today we find out the truth.

These Members were all for sending the mission over there, spending all the money, findings ways of handing out food, which, by the way, is not a part of the military mission of the country, that is not provided for, that was additional money. They were all for doing all of this, but, "Oh, by the way, when the bill comes due, we don't want to pay for it."

Instead, what they want to do is take it out of the core programs of the military, find the money somewhere in the core programs.

They say that it is out of nonpriority programs, but it is true that this Congress has forced the military to do some things the military did not want to do. But in this particular case, we are headed toward what the gentleman from Pennsylvania talks about and what I think the greatest fear of the American people is, another military hollow force.

We went through these kinds of exercises back during the Carter administration when, in this Congress, we had Members just like these folks come to the floor and tell us, "Oh, we can cut the military and there will be nothing, no sacrifice involved. The country won't be hurt at all by this."

We ended up in the 1980 with a military force that was the laughingstock of the world, and we spent a decade rebuilding that force. And we are headed right back into the same kind of pattern here.

□ 1530

I will say that it strikes me as passing strange that, as the gentleman from Florida mentioned a minute ago, we had a bill on the floor yesterday on whether or not to extend this mission for another 12 months. The very people who bring the amendment to the floor today, every one of them voted to extend it for another 12 months, the mission in Somalia.

Where is that money going to come from? Is that more money that is going to be taken out of the core program of the military, or are we going to at some point support money to pay for that mission? My guess is that, once again, when the bill comes due, the very same people will be on the floor saying we ought to fund this another way.

Where was the gentleman when the question was before us as to whether or not to authorize 12 more months of military action in Somalia, if he was really serious about this amendment that he brings to the floor today? Why was he not voting "no"?

There were only a couple of Members who have spoken on the floor today who stood up and voted against that authorization. There were only a couple of them who supported amendments to try to limit that authorization. Now when it comes to paying the bill, they decide that they are not willing to pay for it. They are going to make a hollow force out of the military as their way of paying for the obligation that just yesterday they voted to extend.

Mr. ANDREWS of Maine. Mr. Chairman, will be gentleman yield?

Mr. WALKER. I am happy to yield to the gentleman from Maine.

Mr. ANDREWS of Maine. Mr. Chairman, I appreciate the gentleman yielding to me.

I would say to the gentleman that the answer that he got for his question was that the Department of Defense asked for a preprogramming request. That means that the Defense Department said:

> This is a priority for us, but to pay for it we have identified areas that are of nonpriority. In other words, we are going to cut before we spend.

Mr. WALKER. I understand. If I can, Mr. Chairman, reclaiming my time, I understand what reprogramming means. However, I have complete faith in the integrity of the gentleman from Pennsylvania, who has told me that the Defense Department has come to his committee and requested this money. I will take his word for that; that is, that word against the other statements that I have heard here today suggesting that something different took place.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ANDREWS of Maine. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. DELLUMS], the chairman of the Committee on Armed Services.

Mr. DELLUMS. Mr. Chairman, I thank the gentleman for yielding time to me.

Let me just respond to my colleague, the gentleman from Pennsylvania [Mr. WALKER]. I think it is important for us to separate fact from fantasy here.

The Department of Defense sent over a reprogramming specifically outlining item by item how they arrived at $750 million to pay for Somalia. It is disingenuous in the extreme to suggest that those persons who supported American military troops in Somalia for humanitarian purposes were not prepared to pay for it. The Department of Defense found low priority programs to pay for the $750 million. That is not at issue.

What is at issue here is that this $1.2 billion adds to the deficit, which means that it treats this agency different from any other agency. If the gentleman is prepared to move aside and allow deficit spending for defense, why not do it for something else? You establish that precedent.

No. 2, it has been stated on this floor, Mr. Chairman, and I do not challenge it, that the Secretary of Defense asked for this. It never got to the authorizing committee. I can say here, without equivocation, to a moral certainty, that no one in the administration came to the Committee on Armed Services and said, "Pay for this this way." Instead, they sent us a statement that said, "Pay for Somalia this particular way, to the tune of $750 million."

So let us cut the wheat from the chaff, the fact from the fantasy, the truth from the error here, and understand, first, we are prepared to pay; second, the Department of Defense found a way to pay; third, you should not be engaging in deficit spending for DOD when you are not prepared to do it any place else.

Finally, we need to maintain the integrity of the process. Let us authorize and then let us appropriate.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. DELLUMS. I am happy to yield to the gentleman from Pennsylvania.

Mr. WALKER. Who is the gentleman accusing of not telling the truth?

Mr. DELLUMS. I am not accusing anyone of not telling the truth.

Mr. WALKER. The gentleman said someone did not tell the truth. Who did not tell the truth.?

Mr. DELLUMS. I said "fact from fantasy."

Mr. WALKER. The gentleman said "truth." Who did not tell the truth?

Mr. DELLUMS. If I said that, I am saying "fact from fantasy, fact from fantasy." And there were——

Mr. WALKER. Who is fantasizing?

Mr. DELLUMS. The gentleman from Pennsylvania made a statement that the DOD was not prepared to pay the bill. That is, in and of itself, incorrect. That is not correct.

Mr. WALKER. Mr. Chairman, I demand that the gentleman's words be taken down.

The CHAIRMAN. The Clerk will report the words objected to by the gentleman from Pennsylavnia [Mr. WALKER].

□ 1535

Mr. DELLUMS. Mr. Chairman, this gentleman from California used the term "falsehood."

I would ask unanimous consent to revise and extend my remarks, because it seems to me that "falsehood" would be construed to mean something other that what this gentleman meant. The term "falsehood," as this gentleman was using it, dealt with correctness, not truth or lie. So, Mr. Chairman, I would ask unanimous consent to withdraw that remark and insert the term "correct."

Mr. WALKER. Mr. Chairman, reserving the right to object, the gentleman also suggested that the gentleman from Pennsylvania was not truthful in words and so on. And withdrawing some of the words certainly does not extend to other statements that were made which I think fall beyond parliamentary procedure.

Mr. DELLUMS. Mr. Chairman, if the gentleman will yield, the gentleman is clearly aware of the fact that this gentleman is never interested in engaging anyone on a personal level. These matters are not personal, and it certainly was not the intention of this gentleman to call the person, my distinguished colleague from Pennsylvania, anything but incorrect, and so that is all we were simply attempting to suggest.

I would ask unanimous consent that any remarks that could be construed that would challenge the gentleman on a personal basis or challenge his personal veracity would be stricken from the RECORD. But what the gentleman was simply trying to suggest to my colleague in clear and unequivocal terms is that the gentleman was incorrect when the gentleman asserted that there are those of us who supported the deployment of U.S. Marines in Somalia for purposes of humanitarian assistance and were not prepared to pay the bill.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. WALKER. Further reserving the right to object, Mr. Chairman, I certainly understand now the point that the gentleman was making. I also, though, pointed out, and I think it is passing strange that the authorization came up yesterday, and many of those Members voted to continue the mission there, despite the fact that they obviously knew that today they were going to come to the floor and suggest that they were not willing to come up with any additional money to pay for a mission that they were not going to extend for 12 months.

Now that strikes me as being highly questionable and perhaps incorrect as well, that you cannot on one hand suggest one day that this mission ought to be extended for many more months, and come out the day afterward and suggest that oh, by the way, somebody else can figure out how we are going to pay for what the gentleman just committed to.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I am happy to yield to the gentleman from California.

Mr. DELLUMS. Mr. Chairman, the gentleman raises a different question, and this gentleman is prepared to address my colleagues.

First of all, this gentleman stated very clearly and unequivocably why I stood in support of this amendment. As I said before, first, this contributes to the deficit; second, it moves outside of the requests of the Department of Defense; third, the authorizing process was not engaged in in making that determination; and finally, we are prepared to pay the bill.

But with respect to who pays the additional service, that is something that we ought to discuss, and we ought to debate. This gentleman was elected chairman of the House Armed Services Committee as the appropriation process, and I take the responsibility very diligently, and so do the other 55 members of our committee. We want to be part of engaging in that.

One of the questions of how we pay for the Somalias of the future is an issue that is legitimately before our committee, and I would suggest to my colleagues that in the course of our liberations over the next several months that issue will be developed, and it will be presented, and my colleague and others can work their will on the floor of this Congress.

Mr. WALKER. I thank the gentleman.

The CHAIRMAN. The Chair would like to resolve the parliamentary issue which is before the Committee. In the opinion of the Chair, the unanimous-consent request of the gentleman from California would resolve the question of the words.

Is there objection to the unanimous-consent request of the gentleman from California?

Mr. WALKER. Well, Mr. Chairman, I am reserving the right to object just to finish up on the statement.

The CHAIRMAN. The Chair would like to have debate occur within the debate time. So if the gentleman has an objection, or does not accept the unanimous consent request as a way of dealing with the words, the Chair would need to deal with the words.

Mr. WALKER. Reserving the right to object, I think I have been fairly generous in yielding to the gentleman from California. I take it that the Chair is now going to cut me off in my ability to reply, and I understand that.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. The words are withdrawn.

The time of the gentleman from California [Mr. DELLUMS] has expired.

Mr. MURTHA. Mr. Chairman, could I ask how much time is remaining?

The CHAIRMAN. The gentleman from Pennsylvania [Mr. MURTHA] has 11 minutes remaining, and the gentleman from Maine [Mr. ANDREWS] has 12 minutes remaining.

Mr. MURTHA. Mr. Chairman, I yield myself such time as I may consume just to make a couple of points before yielding further. One is that it has been said that the Defense Department is being treated differently. Let me list the domestic programs which are not being offset in this bill: Pell grants, $160 million; $147 million in veterans' compensation; and $241 million in SBA. That adds up to $548 million.

Let me also say that over the last 10 years this Congress has cut back from the last two administrations' requests some $124 billion in budget authority. This committee will take a back seat to no one in the reductions in defense spending. And while we were doing that, we did it in a responsible way so that we would not have a hollow force. And I think the Desert Storm operation proved that you can cut defense reasonably and end up with a good force.

Mr. Chairman, I yield 5 minutes to the gentleman from Louisiana [Mr. LIVINGSTON].

Mr. LIVINGSTON. Mr. Chairman, I thank my chairman for yielding time to me.

You know, I would like to address my comments to the folks on my side of the aisle, because I am astounded that George Bush, our President in the last administration, marched our troops off to Somalia in a humanitarian mission. They performed that mission admirably, they brought peace to a nation that was in a state of total anarchy, people were starving to death as a result of that anarchy, and they are now eating, and it was our troops that brought stability to that part of the world in a mission perhaps the likes of which have never been seen before. Our troops who are representative of the finest fighting forces in the history of the world, who brought about one of the most lopsided victories in the history of the world, when they went to Iraq. Now, look, these victories do not come lightly, they do not come easily. They cost money.

Sure, we can go out and offer up in the normal appropriations process the money for operations and maintenance under normal circumstances. We pay the salaries, we give them the equipment and the uniforms. But in unforeseen operations they expend equipment, they expend ammunition. It takes additional time on duty. You have to work overtime when you are out there in the field, such as they have been. You lose equipment, you lose planes, vehicles, and what have you, and we have to make up the difference.

Now, as the distinguished chairman of the Appropriations Subcommittee on Defense has pointed out, since 1985 we have cut roughly $124 billion in toto, well over $18 to $20 billion a year since 1985, and yet we expect them to still be the crack troops that they are, and perform as admirably as they have in recent years. Well, folks, somebody has to pay the bill. We cannot expect DOD to continue to suck up the bill and march forward and carry on as this country continues to have responsibilities in a troubled and turmoiled world.

So I suggest if Members do not want this headline which says, "Military Recruits Decline in Quality," to become the norm, if they do not want the military forces of the United States of America to become inferior, to be a hollow force such as we had in the late 1970's, I want to tell them they have got to step up and pay the bill.

I am conservative, too, but these funds have to be paid.

I include this article for the RECORD.

The article referred to follows:

Military Recruits Decline in Quality

The quality of men and women recruited by the military services is declining, particularly among new entrants to the Army, the Pentagon said yesterday.

While saying "recruit quality has declined slightly," the department stressed that quality still is "excellent" and noted that all four branches of the military signed up as many people, or more, than they aimed to.

Recruit quality, as measured by the Defense Department's own indicators, declined for all the services in the six months ended March 31—spanning the first half of the federal budget year—compared with the same period a year earlier.

The dip in quality is a break from the trend that prevailed throughout the 1980s. And it may heighten fears among some, particularly the service leaders, that continuing cuts in military spending, the closing of more bases and further reduction in force levels will hurt military readiness.

The Defense Department uses three main indicators to gauge the quality of recruits. One is the proportion who are high school graduates. In the latest counting period ended March 31, that figure fell to 94 percent for all the services combined, from 99 percent a year earlier and 97 percent two years earlier.

The Army showed the biggest decline, from 100 percent a year ago to 89 percent.

A second indicator is the share of recruits who score in the upper half on their enlistment test. Overall, that share fell to 70 percent from 77 percent a year earlier and 74 percent two years earlier. Again, the Army suffered the biggest drop, to 67 percent from 78 percent a year earlier.

The third category is the proportion of recruits who both are high school graduates and score in the upper half on the enlistment test. For the Army, Air Force, Navy and Marine Corps combined, that figure was 65 percent in the latest period, compared with 76 percent a year earlier and 71 percent two years ago.

The Navy, Air Force and Marine Corps showed a modest drop in that third category, but the Army fell from 78 percent to 58 percent.

Mr. ANDREWS of Maine. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. NADLER].

Mr. NADLER. Mr. Chairman, it is astounding to me that as we seek to cut the deficit, there are many Members here who seem eager to add $1.2 billion to the deficit by giving the Pentagon money it has not requested, by apparently not acting on the authority to reprogram the low-priority funds that they did request. We should grant them that authority and not act on this additional funding.

Mr. Chairman, the world has changed in the last few years. We no longer have an obvious enemy that we have to keep having an arms race with. We have made defense cuts, but not nearly enough to reflect the realistic new world situation. We still have potential adversaries, Iran, Iraq, who knows who else, but not another superpower. We can cut plenty more money from the Pentagon budget without reducing training, or recruitment, or pay, or perks, without getting into a hollow Army situation.

I will tell Members some places to cut the money. Cut some of our no-longer-necessary strategic programs. Scale back SDI to focus only on theater defense. That alone would pay for this.

Do not buy additional D-5 Trident missiles. We have 650 submarine-launched ballistic missiles. At whom are they aimed?

Scale back production of nuclear weapons. Only 4,000 would be more than enough.

Cancel the AX attack aircraft program. Since the Soviet Union no longer exists, and they are not about to produce new, more advanced aircraft, the FA-18 is adequate for another decade. Do not buy another 20 B-2 Stealth bombers. Our existing bomber force is quite capable of penetrating Iraqi or Iranian or anyone else's airspace.

The Pentagon can easily reprogram $1.2 billion and much, much more. If we are really sincere and serious about our express determination to start removing the millstone around the neck of this economy that the budget deficit represents, then we will approve this amendment.

Mr. ANDREWS of Maine. Mr. Chairman, I yield 2 minutes to the gentleman from Utah [Mr. ORTON].

Mr. ORTON. Mr. Chairman, I thank the gentleman for yielding me this time.

Before beginning, let me make clear my support for American security, American defense, and American military forces. This is not a partisan issue, and this is also not an issue of cutting spending for the Department of Defense.

This is a question of whether we are going to increase an appropriation to the Department of Defense. This is not a cut. This is an add-on increase.

The facts, as the chairman of the Armed Services Committee has pointed out, are first, the $750 million cost of the Somalia operation was identified by the Department as being offset by other low-priority expenditures without an additional appropriation.

☐ 1547

And the additional $450 million was added on at the end for no specific purpose other than apparently they are taking additional cuts in 1994 through 1998. It seems to me that, at a time when the military, when the Department of Defense is contemplating a new provision called, "Don't ask, don't tell," it seems to me that we ought to now adopt the plan, "Don't ask, don't spend."

So I would encourage my colleagues to vote in favor of this amendment and pare back this supplemental appropriation by the $1.2 billion not requested by Defense.

Mr. ANDREWS of Maine. Mr. Chairman, I yield 2 minutes to the gentleman from Oregon [Mr. DEFAZIO].

Mr. DEFAZIO. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in support of his amendment.

Sometimes the debate gets a little esoteric around here, and we need to distill it a little bit.

Let us look at it this way: You go to the car dealer, you buy a base model car, say you pay $27,300 for it, and this is a fraction of a percent of what we are asking for at the Defense Department this year, and when you go to drive it out, the car dealer says, "Oh, no, wait a minute, you want to drive it somewhere? You have got to pay extra for that." Well, that is the case here.

The sum of $273 billion to the Department of Defense, and when we exercise the Department of Defense in an overseas deployment, despite the fact that they have a $50 billion previously appropriated unobligated balance in their account and other accounts that they are willing to cut, like executive travel for the generals, and, now, gosh, it might be tough in that the generals might have to fly on commercial airplanes with the rest of us mortals, but it might bring them down to Earth a little bit. I do not think it would hurt; $80 million out of star wars, and that is just one brochure for the people over there promoting the star wars fantasy.

So even the Pentagon thinks they could cut a little bit without going into that $50 billion previously appropriated unobligated money. But, no, we have got to come forward and say, "Here is some new money. We will just run the printing presses for 1 more day here in Washington, DC, and here is $1.2 billion, and, you know, we are not going to offset this with deficit reduction."

The second appropriation we will deal with today, the real needs of the American people, is not the Somalians, not other people overseas. Every penny of that is paid for with offsetting pay-as-you-go cuts.

I think that it is time that we get our priorities straight. Deficit reduction, yes, and the real needs of the American people, yes, too, summer jobs for youth, hiring additional State and local police, wastewater treatment, real grants, and we are going to pay for those in the second bill.

Let us pay for the DOD appropriation in this bill. Take it out of other parts of their budget.

Mr. ANDREWS of Maine. Mr. Chairman, I yield 2 minutes to the gentlewoman from New York [Mrs. MALONEY].

Mrs. MALONEY. Mr. Chairman, I rise today in strong support of the amendment to delete $1.2 billion of unnecessary deficit spending for Pentagon programs.

The issue is not whether these defense programs are worthy of receiving funding. What is at issue is the fact that the Pentagon was—and is—willing to fund these programs by making reductions in other, nonvital programs.

Given the willingness of the administration to fund these programs internally, I cannot understand why we would choose to provide the Defense Department with $1.2 billion of additional deficit spending.

This appropriation goes directly to the heart of the public's anger over Government spending. Why, they ask, are we giving the Pentagon $1.2 billion that it did not even ask for? And we have no reasonable answer for them.

How can we expect any credibility with the public on managing the Federal deficit, if we cannot even control ourselves long enough to allow the Pentagon to make—on its own—$1.2 billion in spending cuts, just four-tenths of 1 percent, out of its annual budget of more than $250 billion.

One of our distinguished predecessors, Congressman John Randolph of Virginia, called Government spending the most delicious of all privileges. Let us start dieting by adopting this amendment today.

Mr. MURTHA. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. PACKARD].

Mr. PACKARD. Mr. Chairman, this is a supplemental bill. It is designed to take care of problems that emerged that were not planned for. Somalia was not planned for, and it is an expense that we have to pay for.

This bill also contains funds to repair significant damage that was done in a base, Camp Pendleton, the largest Marine base in the country, in my district. I went out and saw the damage. We saw helicopters that were up to the cockpit in mud. Some of the damage washed away parts of the airstrip, and it added up to more than $100 million of damage.

When cities and counties and agencies have damage from flooding, as we have had in California this year, FEMA is designed to step in and help. But who helps a Federal agency? The Federal Government, obviously, has to pay for it.

To simply say to Camp Pendleton or to the Marine Corps, "Take it out of your existing budget," simply is not acceptable. To take out of the existing budget when we are calling for 25 percent reduction in the defense budget, and some are saying we are gutting the defense budget, and then to come around and we are actually freezing, or we are proposing to freeze, the pay of our military people for at least the foreseeable future, and then to come along and say, "In addition to that, let us take out of your existing budget the cost of Somalia, the cost of flood damage, and the cost of other emergencies that come up" is simply irresponsible.

I hope, and I certainly pray, that we will not accept the amendment before us and force the defense budget to cut deeper into their budget when they are already being cut back far beyond what I think they should absorb.

Mr. MURTHA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I just wanted to make a couple of closing remarks.

One, I wanted to remind the people who are in opposition to this defense amount, because it is not offset, that there are three examples on the domestic side that are not offset in this bill, not in the next bill, but in this bill. They are $160 million in Pell grants, and I do not hear anybody up complaining about it, $147 million in veterans' compensation, certainly something that is deserved and needed, $241 million in SBA money that is not offset, and many other smaller items that are not offset. I do not argue about that at all.

We have cut over the last 10 years, $124 billion out of defense. We cut $2 billion more below the caps last year. We felt that we could get by.

We did not anticipate Somalia. We did not know there was going to be a humanitarian operation in Somalia. I had grave reservations and concerns about American forces being interjected into Somalia because I was concerned that people would not want to pay for it, and they would want to take it out of the hide of the Defense Department. This year we are going to have a terrible time trying to keep the armed forces at a level where they can respond to humanitarian efforts if it is the desire of the President and the authorization of Congress, and also in our national interest.

So I would urge the Members to support the $1.2 billion and to vote against the amendment to delete the funds which are under the cap and under the budget resolution and would still leave over $900 million appropriated for last year, under the authorization.

Mr. Chairman, I yield back the balance of my time.

Mr. ANDREWS of Maine. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, let me say in closing out this debate, which had great substance and great vigor, that I do not think there is anyone in this Chamber, certainly not myself, who does not recognize and respect the tremendous commitment of the chairman of the Defense Subcommittee on Appropriations, the gentleman from Pennsylvania [Mr. MURTHA], to our defense, and certainly, Mr. Chairman and my fellow Members, the issue here before us is not whether or not we are going to appropriate the funds necessary to meet our responsibilities in Somalia and to meet our responsibilities in the other areas that have been identified.

The issue before us, Mr. Chairman, is how we are going to do it. The fact of the matter is that a Federal department came to this Congress and said it wanted to spend a significant amount of money to meet a priority, a priority that I agree with, but it said that, "We are going to pay for that priority by looking at the rest of our budget and identifying cuts that we can make and then use those moneys to support the priorities that we have established." That is responsible government. And that is something that we should be applauding. That is something that we should be encouraging.

Mr. Chairman, the bill that we have before us tells that Federal department, "Do not worry, we are going to take and spend the money by borrowing it and adding to the deficit, and you do not have to touch any of those cuts that you have identified."

Ladies and gentlemen, our Defense Department did not identify cuts that were going to give us a hollow force. These were responsible cuts, recognizing the fiscal challenge that we, as an institution, that we as a nation are facing.

Mr. Chairman and my fellow Members, I would urge that we recognize this amendment for what it is. It is saying, "Let us take a step forward in fiscal responsibility. Let us recognize the obligations that we have to the defense needs of this Nation, but let us provide some balance and fiscal responsibility just as every household in this Nation and every business in this Nation must do when it meets its budget."

Mr. Chairman, I urge a "yes" vote on this amendment.

Mr. Chairman, I yield back the balance of my time.

Mr. EVERETT. Mr. Chairman, this Andrews amendment to strike the $1.2 billion supplement for the Department of Defense may seem like prudent fiscal policy, but would unfairly leave DOD with the check for the Somalia operation. This amendment tells DOD to take the costs out of hide. DOD has been taking it out of hid for the past 8 years.

This morning's newswire had a couple of stories to illustrate how lean the defense budget has actually become:

Army aviators in the 4th Aviation Brigade at Fort Carson have complained they are getting rusty because of insufficient flying time, according to the Colorado Springs Gazette Telegraph. The story goes on to explain how pilots have complained that their flight skills have deteriorated because of inadequate training, particularly at night and at high altitudes, and they are not ready for combat. "My confidence is extremely poor; a lot of people would get killed if this battalion went to war tomorrow," said one pilot to an investigator.

Another story goes on to say—.

The quality of military recruits is beginning to slip, especially in the Army, where one key gauge of aptitude has declined dramatically. The Army showed a decline of high school graduates from 100 percent one year ago to 89 percent today. One explanation is the cuts to the advertising budget for recruits.

These two illustrations amplify the affect of prolonged cuts to the Defense budget, especially to the operations and maintenance accounts. If this amendment is approved, that $1.2 billion cuts come right out of O&M which impacts the readiness of our troops. We cannot continue to drain the defense budget and expect the capability of our troops to be at a Desert Storm readiness level. If the operating budget continues to go down, people are going to get hurt. Let me remind you that one of the Sea Hawk helicopters in the President's fleet crashed last week, killing all persons on board.

I urge all Members to vote "no" on this amendment.

□ 1600

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Maine [Mr. ANDREWS].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. MURTHA. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 188, noes 244, not voting 5, as follows:

[Roll No. 186]

AYES—188

Abercrombie
Ackerman
Allard
Andrews (ME)
Bacchus (FL)
Baesler
Barcia
Barlow
Barrett (NE)
Barrett (WI)
Barton
Becerra
Beilenson
Bereuter
Bishop
Blackwell
Blute
Boehner
Brewster
Brown (OH)
Bryant
Byrne
Camp
Cantwell
Cardin
Castle
Clay
Clayton
Clement
Clyburn
Coble
Collins (IL)
Collins (MI)
Condit
Coppersmith
Crane
Crapo
Danner
Deal
DeFazio
Dellums
Deutsch
Dooley
Duncan
Edwards (CA)
Engel
English (AZ)
Eshoo
Evans
Ewing
Fawell
Fields (LA)
Filner
Fingerhut
Flake
Ford (TN)
Frank (MA)
Franks (NJ)
Furse
Gibbons
Gillmor
Glickman
Gordon
Grams
Grandy
Green
Greenwood
Gutierrez
Hamburg
Hancock
Harman
Hastings
Hilliard
Hinchey
Hoagland
Hoke
Hughes
Inslee
Istook
Jacobs
Jefferson
Johnson (GA)
Johnson (SD)
Johnson, E.B.
Johnston
Kasich
Kennedy
Kildee
Kleczka
Klein
Klug
Kopetski
Kreidler
Lambert
LaRocco
Lazio
Levin
Lewis (GA)
Lipinski
Long
Maloney
Mann
Markey
McCandless
McDermott
McInnis
McKinney
Meehan
Menendez
Meyers
Mfume
Miller (CA)
Mineta
Minge
Mink
Moran
Morella
Murphy
Nadler
Neal (NC)
Norton (DC)
Nussle
Orton
Owens
Payne (NJ)
Payne (VA)
Penny
Peterson (MN)
Pomeroy
Porter
Portman
Poshard
Pryce (OH)
Ramstad
Rangel
Reynolds
Ridge
Roemer
Rohrabacher
Romero-Barcelo (PR)
Rose
Roth
Roukema
Roybal-Allard
Royce
Rush
Sanders
Sangmeister
Santorum
Schaefer
Schenk
Schroeder
Schumer
Sensenbrenner
Serrano
Sharp
Shays
Shepherd
Slattery
Snowe
Spratt
Stark
Stenholm
Strickland
Studds
Stupak
Synar
Thompson
Thurman
Torkildsen
Torres
Towns
Tucker
Underwood (GU)
Unsoeld
Valentine
Velazquez
Vento
Volkmer
Washington
Watt
Waxman
Wheat
Woolsey
Wyden
Wynn
Yates
Zimmer

NOES—244

Andrews (NJ)
Andrews (TX)
Applegate
Archer
Armey
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Bartlett
Bateman
Bentley
Berman
Bevill
Bilbray
Bilirakis
Bliley
Boehlert
Bonilla
Bonior
Borski
Boucher
Brooks
Browder
Brown (CA)
Brown (FL)
Bunning
Burton
Buyer
Callahan
Calvert
Canady
Carr
Chapman
Clinger
Coleman
Collins (GA)
Combest
Cooper
Costello
Cox
Coyne
Cramer
Cunningham
Darden
de la Garza
DeLauro
DeLay
Derrick
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doolittle
Dornan
Dreier
Dunn
Durbin
Edwards (TX)
Emerson
English (OK)
Everett
Faleomavaega (AS)
Fazio
Fields (TX)
Fish
Foglietta
Ford (MI)
Fowler
Franks (CT)
Frost
Gallegly
Gallo
Gejdenson
Gekas
Gephardt
Geren
Gilchrest
Gilman
Gingrich
Gonzalez
Goodlatte
Goodling
Goss
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hansen
Hastert
Hayes
Hefley
Hefner
Herger
Hobson
Hochbrueckner
Hoekstra
Holden
Horn
Houghton
Hoyer
Huffington
Hunter
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Johnson (CT)
Johnson, Sam
Kanjorski
Kaptur
Kennelly
Kim
King
Kingston
Klink
Knollenberg
Kolbe
Kyl
LaFalce
Lancaster
Lantos
Laughlin
Lehman
Levy
Lewis (CA)
Lewis (FL)
Lightfoot
Linder
Livingston
Lloyd
Lowey
Machtley
Manton
Manzullo
Margolies-Mezvinsky
Martinez
Matsui
Mazzoli
McCloskey
McCollum
McCrery
McCurdy
McDade
McHale
McHugh
McKeon
McMillan
McNulty
Meek
Mica
Michel
Miller (FL)
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Murtha
Myers
Natcher
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Pelosi
Peterson (FL)
Petri
Pickett
Pickle
Pombo
Price (NC)
Quillen
Quinn
Rahall
Ravenel
Reed
Regula
Richardson
Roberts
Rogers
Ros-Lehtinen
Rostenkowski
Rowland
Sabo
Sarpalius
Sawyer
Saxton
Schiff
Scott
Shaw
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (IA)
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Solomon
Spence
Stearns
Stokes
Stump
Sundquist
Swett
Swift
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas (CA)
Thomas (WY)
Thornton
Torricelli
Traficant
Upton
Visclosky
Vucanovich
Walker
Walsh
Waters
Weldon
Whitten
Wilson
Wise
Wolf
Young (AK)
Young (FL)
Zeliff

NOT VOTING—5

Conyers
de Lugo (VI)
Henry
Leach
Williams

□ 1623

Messrs. DE LA GARZA, LEHMAN, and MCMILLAN, Ms. PELOSI, Mr. WALSH, and Mr. GONZALEZ changed their vote from "aye" to "no."

Messrs. KREIDLER, MCINNIS, ACKERMAN, and JEFFERSON changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. NATCHER. Mr. Chairman, I ask unanimous consent that the bill, from page 7, line 9, be considered as read, printed in the RECORD, and open for amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The text of the bill from line 9, Page 7, through page 12, line 19, is as follows:

CHAPTER IV

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES

DEPARTMENT OF THE INTERIOR

UNITED STATES FISH AND WILDLIFE SERVICE

CONSTRUCTION AND ANADROMOUS FISH

Of the $2,700,000 included under this head in Public Law 102–381 for construction of the OTTAWA National Wildlife Refuge, Ohio, Metzger Marsh project, $2,600,000 shall be available as a grant from the United States Fish and Wildlife Service to Ducks Unlimited, Inc., for construction of the Federal portion of the dike and pumping station at Metzger Marsh.

BUREAU OF INDIAN AFFAIRS

OPERATION OF INDIAN PROGRAMS

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for "Operation of Indian programs", $21,300,000, of which $2,100,000 shall be main available until September 30, 1994; and $19,200,000 for school operations shall become available for obligation on July 1, 1993, and shall remain available for obligation until September 30, 1994; and of which $3,900,000 shall be derived by transfer for unobligated balances available in the "Oil spill emergency fund" account and $4,937,000 shall be derived by transfer from unobligated balances available under "Indian health services, Department of Health and Human Services" for the Morris K. Udall Scholarship Foundation, Public Law 102–154.

MISCELLANEOUS PERMANENT APPROPRIATIONS

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for the "Alaska resupply program", $6,000,000, to remain available until expended, to be derived by transfer from the unobligated balances available in the "Oil spill emergency7 fund" account.

CHAPTER V

DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES

DEPARTMENT OF HEALTH AND HUMAN SERVICES

HEALTH RESOURCES AND SERVICES ADMINISTRATION

VACCINE INJURY COMPENSATION

For an additional amount for payment of claims resolved by the United States Claims Court related to the administration of vaccines before October 1, 1988, $30,000,000, to remain available until expended.

SOCIAL SECURITY ADMINISTRATION

PAYMENTS TO SOCIAL SECURITY TRUST FUNDS

For an additional amount for "Payments to Social Security Trust Funds" to reimburse the trust funds for administrative expenses to carry out sections 9704 and 9706 of the Internal Revenue Code of 1986, $10,000,000, to remain available until expended.

SUPPLEMENTAL SECURITY INCOME PROGRAM

For making, after June 15 of the current fiscal year, benefit payments to individuals under title XVI of the Social Security Act, for unanticipated costs incurred for the current fiscal year, such sums as may be necessary.

LIMITATION ON ADMINISTRATIVE EXPENSES

For an additional amount, $10,000,000, to remain available until expended, to carry out sections 9704 and 9706 of the Internal Revenue Code of 1986.

DEPARTMENT OF EDUCATION

STUDENT FINANCIAL ASSISTANCE

For additional amount for "Student financial assistance" for payment of awards made under subpart 1 of part A of title IV of the Higher Education Act of 1965, as amended, $160,000,000, which shall be available through September 30, 1994, only for such awards made for award year 1993–1994 and prior award years.

CHAPTER VI

DEPARTMENT OF DEFENSE—MILITARY CONSTRUCTION

MILITARY CONSTRUCTION, NAVY

For an additional amount for "Military Construction, Navy" to cover the incremental costs arising from flood damage at Camp Pendleton, California, $3,000,000.

FAMILY HOUSING, NAVY AND MARINE CORPS

For an additional amount for "Family Housing, Navy and Marine Corps" to cover the incremental costs arising from flood damage at Camp Pendleton, California, $4,345,000.

HOMEOWNERS ASSISTANCE FUND, DEFENSE

(INCLUDING RESCISSION)

Of the funds appropriated for "Homeowners Assistance Fund, Defense" under Public Law 102–380, $133,000,000 is hereby rescinded.

For an additional amount for "Homeowners Assistance Fund, Defense", $133,000,000, to remain available until expended.

CHAPTER VII

DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES

DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

(TRANSFERS OF FUNDS)

OFFICE OF THE ASSISTANT SECRETARY FOR TRANSPORTATION POLICY

For necessary expenses of the Office of the Assistant Secretary for Transportation Policy, $2,358,000 to be derived from amounts made available for the "Office of the Assistant Secretary for Policy and International Affairs" in the Department of Transportation and Related Agencies Appropriations Act, 1993.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

INDEPENDENT AGENCIES

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

OPERATING EXPENSES

For an additional amount for "Operating expenses", $2,997,000.

OFFICE OF THE ASSISTANT SECRETARY FOR AVIATION AND INTERNATIONAL AFFAIRS

For necessary expenses of the Office of the Assistant Secretary for Aviation and International Affairs, $7,920,000 to be derived from amounts made available for the "Office of the Assistant Secretary for Policy and International Affairs" and the "Office of Essential Air Service" in the Department of Transportation and Related Agencies Appropriations Act, 1993.

OFFICE OF THE DIRECTOR OF PUBLIC AFFAIRS

Amounts made available for the Office of Assistant Secretary for Public Affairs in the Department of Transportation and Related Agencies Appropriations Act, 1993, which are unobligated on the date of enactment of this Act shall be transferred to an merged under this head.

CHAPTER VIII

TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT

GENERAL SERVICES ADMINISTRATION

ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS

For an additional amount for "Allowances and Office Staff for Former Presidents", $194,000.

SEC. 801. Not to exceed 4 per centum of any appropriations made available to the Executive Office of the President in fiscal year 1993 may be transferred between such appropriations. Notwithstanding any authority to transfer funds between appropriations contained in this or any other Act, no transfer may increase or decrease any appropriation by more than 4 per centum and any such proposed transfers shall be approved in advance by the Committees on Appropriations of the House and Senate.

AMENDMENT OFFERED BY MR. WOLF

Mr. WOLF. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLF: on page 14, strike lines 7 through 15.

Mr. WOLF. Mr. Chairman, the amendment that I have is basically a simple amendment. It denies the administration the request for a new transfer authority, and let me say it does not take any existing authority away from the President. It would eliminate the provision in the bill giving the White House new authority to transfer funds from one account in the White House to another account.

Mr. Chairman, to restate, my amendment would eliminate the provision in the bill giving the White House new authority to transfer funds form one account in the White House to another.

This is not a partisan issue. I am a member and last year was the ranking member on the Subcommittee on Treasury, Postal Service, General Government and have just been in markup today on appropriations with regard to the White House. No other President in the history of the Nation, President Bush, President Reagan, President Carter, had this transfer, wide-ranging transfer, authority. Now, Mr. Chairman, is not the time to be granting new authority to the White House. Serious questions still need to be answered with regard to the firing of employees at the White House travel office, and I might say one of those employees who was involved, and fired, and now rehired, is a constituent of mine. Thee have been potential abuses in other areas with regard to the FBI.

Let me just say that the Democrat leadership recognized the problems and pulled the money with regard to the White House, the $6.8 million in this bill. When travel office problems are resolved, when the travel office problems are resolved, the Congress then can consider whether or not to grant this new authority for fiscal year 1994.

I would encourage all Members here to read in the Washington Post today the editorial that starts out by saying:

> Now it turns out three of President Clinton's principal aides, including White House counsel, caused an FBI official to order a press release to reflect the White House line in an increasingly smelly affair of the White House travel office—

And it ends by saying:

> What does the President think about keeping politics and law enforcement separate? What, if anything, has he said or is he going to say to his staff about it, or will this one, too, be left to Miss Reno? We would like to know.

Mr. Chairman, this is an amendment that I hope can be accepted by the other side, and I reserve the balance of my time.

Mr. HOYER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, as chairman of the Subcommittee on Treasury, Postal Service, General Government Appropriations, which this title comes under the jurisdiction of, I rise in strong opposition to the amendment offered by the gentleman from Virginia [Mr. WOLF], and I would ask the Members on both sides of the aisle to listen, please, and to vote against this amendment.

I have been on the Treasury postal committee for 9 years. Actually, Mr. Chairman, this is my 11th year. For 10 years I have supported the White House; my colleague knows that. I have done that because I thought the White House deserves the respect, even though I had philosophical and important differences with the White House, with this coequal branch.

□ 1630

I supported the priorities always of the White House and voted against on the floor, not only in committee, but on the floor, amendments to cut or change the priorities of the White House.

Now, this White House, my colleague and good friend, the gentleman from Virginia [Mr. WOLF] says is unique and we are giving them unique authority. In the 1989 transition, because we contemplated the transition, we put in $1.2 million, or 2.3 percent of the White House budget, as money for transition.

Now, perhaps one could accuse the Democrats of not being as competent as we should have been, but we included zero money for transition, because, very frankly, there was an incumbent President running for reelection and nobody expected a transition. The President at that time was about 75 percent popular in the polls.

I ask on both sides for this comity to be respected. The White House asked for $11 million. In my committee I cut that and my committee cut that down to $4.2 million of transfer authority within the White House and $2 million of new money within our budget cap. We have made a determination to pull that. Why? Because it is very controversial. There have been problems. The travel office has been mentioned, and that is a problem. This does not deal with the travel office.

Mr. Chairman, let me state what some of the expenses are: To pay the Bush employees, because they had leave coming to them. That was not budgeted for when they left. The $650,000 it cost for President Bush's employees is in this money.

We have got to have some flexibility. We are not giving them new money, we are trying to give them some flexibility to transfer. This is not one penny of new money, not one penny of additional deficit.

The issue, my colleagues on this side of the aisle, is whether or not we are going to give our new President the opportunity to try to manage the White House as he sees fit. Not as President Bush's budget saw fit, which we approved almost in total. This is the authority of a President to take 4 percent of the money that the White House has appropriated to them, to President Bush, and to say no, I have priorities over here to which I want to apply that money.

Mr. Chairman, I hope that every Member on our side of the aisle sticks with our President in giving him this authority. I think the public would say we have elected a Chief Executive and he ought to have this authority. Four percent, a small amount of money.

Furthermore, I would say to the Members on this side of the aisle, the comity that I think we extended, very frankly the majority on my side did in fact respect and honor the President's priorities and the President's request. Thus, it was not transfer request, because he was President. But there was 2.3 percent expended even between Mr. Reagan and Mr. Bush.

This is not an unreasonable sum of money to give flexibility to the President to do. This does not relate to the travel office. This does not relate to other problems that may or may not exist in your mind. This relates to whether or not you are going to allow a newly elected President to have the flexibility to apply resources somewhat differently than were appropriated to Mr. Bush's White House. I ask for that comity. I believe it is appropriate.

Mr. WOLF. Mr. Chairman, will the gentleman yield?

Mr. HOYER. I yield to the gentleman from Virginia.

Mr. WOLF. Mr. Chairman, the difference, I would say to my colleagues, is that it is one thing to support the President on specific requests that he makes, and I think that the chairman, the gentleman from Maryland [Mr. HOYER], makes a very good point. It is another thing to send up to $11 million down there whereby they can shift around and do anything they want without coming back before the committee. President Bush did not have this authority, President Reagan did not have this authority, and I think it is inappropriate here.

The CHAIRMAN. The time of the gentleman from Maryland [Mr. HOYER] has expired.

(By unanimous consent, Mr. HOYER was allowed to proceed for 2 additional minutes.)

Mr. HOYER. Mr. Chairman, I yield to the gentleman from Virginia.

Mr. WOLF. Mr. Chairman, I think it is inappropriate to give this President this authority now. Second, I think there may be an opportunity to come back at a later date after these issues are resolved. But President Bush did not have the authority, President Reagan did not have the authority, and we are just giving him journal openness.

Mr. HOYER. Mr. Chairman, reclaiming my time, with all due respect again, let me reiterate to my colleagues, we had appropriated money, 2.3 percent of the White House budget, on transition money between Reagan and Bush, a friendly transfer, I would presume most of us think. We gave no transition money to this President. Why? Because nobody contemplated it. The President, as I said, at the time we wrote up the bill was at about 70 to 75 percent popularity.

The fact is there was a transition. The fact is there are different priorities.

We are not giving additional money in this bill. We have struck the money. Without this authority, $1.2 million went to Bush employees because they had leave coming to them and other benefits coming to them. That was not contemplated and that had to be expected.

All this says is if you are not giving the money, at least give them the authority to shift just 4 percent from items in the White House, from one item to another, to meet their priorities, the new President's priorities. That is all we are saying.

Mr. MYERS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. HOYER. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. Mr. Chairman, I think we all recognize the need for flexibility. In fact, every agency we appropriate would like to have that. But we have reprogramming that also accommodates the same problem. Would there be an accounting after the fact?

Mr. HOYER. The answer is yes.

Mr. MYERS of Indiana. Mr. Chairman, there is a requirement for an accounting after it is done?

Mr. HOYER. Mr. Chairman, there is not a requirement in the transfer authority, no. But the committee will know, and we will ask for a report from the White House as to what they are doing.

But again, let me reiterate to my colleagues and emphasize, for 11 years I have supported the priorities of the Republican administrations. Why? Because I thought, not the Executive agencies, I am talking about the White House itself, a coequal branch of government, that they ought to have that comity. I gave them that comity, and I ask for that comity with this President.

Mr. DELAY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, as we know, this amendment strikes section 801, which is the administrative provision allowing the transfer authority that we have already talked about. I support this amendment, because I believe section 801 establishes a very untimely precedent and I do not believe this is the year to allow this kind of authority.

Over the past several weeks, there has been considerable controversy over events at the White House:

The President has said that he wants to cut his staff by 25 percent by October 1, 1993. And, in a spirit of shared sacrifice, the President has pledged to reduce overall expenses at the White House.

I commend the President for these laudable goals. But the fact is, his 1994 budget request for the White House is an increase of nearly 10 percent over the 1993 enacted level. His actual staff cuts are a simple 12 percent change from the previous year.

The President's pledge is commendable but the facts behind this pledge are becoming increasingly more difficult to support.

The fact is, the President sent up a supplemental request for 1993 for the White House that would have provided an increase of 21 percent over the 1993 level for the White House office. Some of this would have been used to pay for additional staff—up to 200 more people by some accounts.

The provision that the gentleman from Maryland [Mr. HOYER] was talking about that was struck in this bill was a transfer of money that we may see if we give this kind of authority to the President. He wanted to take $4.1 million out of the drug czar's office and move it to the White House account; $4.1 million out of drug enforcement, out of the drug czar's office, into the White House account. Under this provision we would allow him to do that, without any oversight of the Committee on Appropriations.

So while the President says he wants to cut staff and reduce White House expenses, the reality is that he has requested an increase in both staff and funding. And the President has been making some movement toward White House staff cuts. On February 7, 1993, he fired 20 White House correspondents, some of them people who had been loyal to the White House for decades.

□ 1640

And just recently, the seven employees of the White House Travel Office were fired and then reinstated under allegations of mismanagement and criminal wrongdoing. I do not claim to know all the truth about these allegations, but I do know that the handling of these seven employees was harsh and uncalled for.

So, Mr. Chairman, I believe that the White House has shown over the past several weeks that they are having some problems getting organized and, in light of this disorganization and the mismatch between pledges and reality, I believe we should hold off on this transfer authority and revisit it in the real bill.

Mr. DARDEN. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

Mr. HOYER. Mr. Chairman, will the gentleman yield?

Mr. DARDEN. I yield to the gentleman from Maryland.

Mr. HOYER. Mr. Chairman, I thank the distinguished gentleman from Georgia for yielding to me.

I misspoke, and I wanted to make sure everybody understands.

When the gentleman from Indiana [Mr. MYERS] asked me the question about whether we would know about the transfer, in point of fact, not only will we know, but the committee, the White House will have to report to the committee and the committee will have to approve the transfers.

Absent this language, contrary to what my good friend from Indiana said, there will not be reprogramming authority. They will not be able to transfer funds to apply to those priorities that they have, as opposed to the priorities that Mr. Bush might have had.

Again, I would ask that this language be rejected, that we give the authority with the oversight of the committee made up, of course, of both parties, and a committee that, I would say, I think has been open to information to both sides of the committee.

I would urge the House to reject this, the committee to reject this amendment.

Mr. DARDEN. Mr. Chairman, reclaiming my time, I join our distinguished chairman of the subcommittee in urging the amendment be rejected.

Mr. BURTON of Indiana. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, in 1993, Congress appropriated $279 million for the Executive Office of the President. And this bill contains $2 million more, and this would allow the President 4 percent of this total or $11.248 million to be used for whatever purposes he wants to shift it around the White House for.

Last year our Subcommittee on Human Resources of the Committee on Post Office and Civil Service, chaired by the gentleman from Pennsylvania [Mr. KANJORSKI], had a full-fledged investigation of the White House.

Last year during the Presidential campaign the gentleman from Pennsylvania [Mr. KANJORSKI], chairman of the subcommittee, held numerous hearings. And he had the White House bring box after box of records from the White House telling him and the committee what was going on down there regarding travel, who was driving around in White House staff cars, what they were doing, what they were spending money for and so on and so forth.

I submit to my colleagues, what is good for the goose is good for the gander, and the President of the United States has said he was going to cut the White House staff by 25 percent. And now, today, we are talking about giving him $11.248 million to spend in a discretionary way, to spread it around the White House without any accountability.

Now, our subcommittee is charged with the responsibility of oversight of the White House office, the Office of Administration, the Office of Policy Development, Special Assistance to the President, Executive Residence at the White House, and the Official Residence of the Vice President.

I submit to my colleagues that there should be accountability, that our committee ought to know what the President is spending this money for.

It is my contention that if this passes, what is going to happen is he is going to be able to do with this money as he sees fit to a large degree, and there will not any accountability.

I support what the gentleman from Pennsylvania [Mr. KANJORSKI] was trying to do last year. As a matter of fact, I have reintroduced exactly the same legislation he did, because I think that it is good public policy.

I would just like to say to my colleagues that we ought to be supporting the same kind of policies this year as we did last year, and that means there should be complete accountability in the White House. And we should not be giving the President the authority to move $11.248 million around.

Mr. HOYER. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Indiana. I yield to the gentleman from Maryland.

Mr. HOYER. Mr. Chairman, let me make two comments.

From the committee's standpoint, the same policy last year was, from my committee, we gave the President what he asked for in his budget. I am asking that we do the same thing this year. The gentleman is correct, so he and I agree.

Let me make the point, second, if I did not make it clearly, the gentleman said without accountability. The language of the bill sought to be struck by this amendment says that 4 percent of "any such proposed transfers shall be approved in advance by the Committees on Appropriations of the House and Senate."

So this is not simply an ex parte transfer. This is a recognition that we have a new administration, and they need flexibility.

Mr. BURTON of Indiana. Mr. Chairman, if I might reclaim my time, that argument was made last year, and the gentleman from Pennsylvania [Mr. KANJORSKI], on the Committee on Post Office and Civil Service, our chairman, said time and again that we did not have accountability. We did not have the information necessary. And he literally had the White House bringing box after box after box of records down there before the committee to try to find something wrong.

I would just like to say that I think what is good for a Republican administration should be good for a Democrat administration. I submit to my colleagues that there should be real accountability. And according to the gentleman from Pennsylvania [Mr. KANJORSKI], in our subcommittee, there was not last year.

Mr. MYERS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Indiana. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. Mr. Chairman, I cannot help but remember last July, though, when we had this issue before our body here on the Vice President's Council for Competitiveness. We talked, we pleaded here, give the flexibility there. Let them organize as they want to.

I just checked the RECORD, and the gentleman voted not to give the White House and the Vice President that flexibility last year.

Mr. HOYER. Mr. Chairman, if the gentleman will continue to yield, that was $86,000. As we all know, that issue did not have to do with White House flexibility in terms of money. That had to with, as the gentleman knows—and there were differences of opinion on that—a policy judgment as to whether that particular office was subverting regulatory agencies.

Mr. MYERS of Indiana. Mr. Chairman, how do we know it is not going to happen here? I agree; flexibility should be there, but I think it should play, regardless of politics.

I accept; we have not been consistent in this body, not consistent at all, when we knocked it out last year.

The CHAIRMAN. The time of the gentleman from Indiana [Mr. BURTON] has expired.

(By unanimous consent, Mr. BURTON was allowed to proceed for 1 additional minute.)

Mr. BURTON of Indiana. Mr. Chairman, I would like to end up by saying we should pass this amendment. Even the appearance of chicanery or impropriety should not be tolerated, and I think the gentleman from Pennsylvania [Mr. KANJORSKI] made the point vividly last year again and again before our subcommittee that there was this kind of appearance.

And so I would just like to say to my colleagues, let us pass this amendment and eliminate any possibility that the public might think they are being hoodwinked.

Mr. COX. Mr. Chairman, I move to strike the requisite number of words.

Mr. WOLF. Mr. Chairman, will the gentleman yield?

Mr. COX. I yield to the gentleman from Virginia.

Mr. WOLF. Mr. Chairman, I just wanted to point out, as a followup, the House zeroed out last year the money for the Competitiveness Council. There was no money for the Competitiveness Council.

And in fairness to the gentleman, I think he had some difficult problems with that. He was fair, I will admit that and stipulate that for the RECORD.

I think, and unfortunately, this has become a partisan issue, my expectations are that that is the way it will fall down.

Based on the record that they have had for the last several months, particularly ending with how they had treated Federal employees, one who was a constituent of mine, I think it is inappropriate. It is a good government vote to vote to prohibit them from having this transfer authority just during the period of time that it is cleared up.

This has also been one of the concerns that I have had with regards to repeal of the Hatch Act, of politicizing of the process.

Mr. COX. Mr. Chairman, I have a brief statement to make. It is this: Section 801 will permit the White House to increase certain of its appropriations by 4 percent. The language of section 801 is that no transfer may increase any appropriation by more than 4 percent.

So it is contemplated that appropriations will increase by that amount. I know that the total fiscal year 1993 appropriations for the President and for the White House is itself an increase over the preceding year.

I have heard President Clinton on television, on radio, say, "I cut the White House staff by 25 percent."

In fact, the appropriation for fiscal year 1993 is an increase over the preceding year. And now this Congress is going to assist the President in increasing certain of those amounts by an additional 4 percent.

Whatever became of the 25 percent cut? Either the President is not telling us the truth, or this Congress is aiding and abetting the President in breaking his own pledge.

□ 1650

Mr. HOYER. Mr. Chairman, will the gentleman yield?

Mr. COX. I am glad to yield to the gentleman from Maryland.

Mr. HOYER. Mr. Chairman, first, as the gentleman who used to be the ranking member of the Subcommittee on Commerce, Consumer and Monetary Affairs of the Committee on Government Operations, we just marked up a budget which cuts the White House budget personnel by 25 percent for fiscal year 1994. This is for fiscal year 1993, No. 1.

No. 2, it does not increase a nickel in the amount of the appropriations of the fiscal year 1993, which was to the Bush White House, not the Clinton White House. It does not increase one penny. All it says is, it allows them to transfer money.

Furthermore, in response to my friend, the gentleman from Virginia [Mr. WOLF], if they do not get this ability, the money that they have already expended the $1.2 million for the Bush employees who left, will not be available to transfer from nonsalary accounts into salary accounts to pay employees, because that is where the money was paid from, the salary accounts in the White House to the Bush employees, who, of course, are not earning the salary. They have left.

In other words, we could be subjecting further employees to RIFs, as a result of the inflexibility that this amendment would result in. I think that is an accurate statement. This is not one nickel of more money. It is simply authority to transfer within an existing budget 4 percent; not 50 percent, not 40 percent, not 20 percent, but 4 percent.

The CHAIRMAN. The time of the gentleman from California has expired.

(By unanimous consent, Mr. COX was allowed to proceed for 2 additional minutes.)

Mr. COX. Mr. Chairman, in response to the gentleman, I would simply say that fiscal year 1993 ends in September 1993. That is this year. That is the Clinton administration. The Clinton White House has said, "We did it. We cut." They have not cut anything. They are spending more; in fact, $129 million, which is more than the fiscal year 1992 appropriation.

The purpose of section 801 is to permit the White House additional flexibility so they can further increase appropriations by up to 4 percent. The net effect of this is not to decrease but to increase spending within the White House.

I recognize that overall some accounts may be diminished and others increased, but the purpose, of course, is to prevent any cuts. If we could not move it around, we would end up just with the cut and not with the offsetting increase.

I think we would be wise, Mr. Chairman, to focus the President once again on his pledge and his promise to cut spending, not in the future but in the very year that we are experiencing right now, 1993.

The President himself has said it: "I did it, I cut it," yet he has not cut it. He has been called on the carpet by commentators around the country. This is unwise if one is interested in fiscal restraint and fiscal responsibility and accountability.

I certainly support the amendment offered by my colleague.

Mr. ROBERTS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would tell my colleagues that obviously I am not a member of the subcommittee or the committee. Obviously, I do not have expertise, other than trying to listen to the debate. I share the concern of the gentleman from Maryland [Mr. HOYER] that we may be doing the wrong thing for the right reasons. I do not want to deny the White House the flexibility to do what they would like to do.

But, I would like to address my colleague and friend, the gentleman from Virginia [Mr. WOLF], if I might, on an issue that he has raised in reference to trust.

Mr. Chairman, this is a personal thing with me. I came back from my district in Kansas on a Sunday night to learn that my next door neighbor that I have known for 11 years, whose professional standing and ability and integrity is second to none, is part of the employee situation down at the White House travel office.

I said this morning in a 1 minute to the Speaker, who said that this White House travel office issue was a distraction from the economic package, and yes, it is pretty small potatoes when we are dealing with seven people as compared to the economic package of the entire United States that we are going to vote on tomorrow. I agree with that. But it is not a distraction. It is a 100-percent problem to that one individual and shall be for every Member here.

When I went over to my neighbor's house on Sunday night and he had many couples and friends from the neighborhood asking what on Earth was going on, this was the story. Wednesday he is called in around 10 a.m. Five minutes he is given for 11 years of professional duty, and was told to clear his desk, clear his desk and be out by 12 o'clock; not to worry, he would get paid until June 5.

He goes home in a state of shock. The other members of the White House travel staff meet and say, "What is going on?" No hint of anything going wrong, no hint of any improvement that was needed, no warning, no nothing.

The gentleman from Virginia [Mr. WOLF] is right in terms of the rights of the travel office workers or any other citizen of this United States worried about big brother. I will not tell you the description that his wife gave to me, who would like to sue the Federal Government. It was not until Friday that he learned in the press of an FBI investigation. No contact from the White House.

I came back late after a special order last night and I learned of great news. I understand they are on administrative leave." However there has been no contact from the White House, nothing, except his attorney, who has now said, "Don't talk to anybody. Don't talk to your former colleagues, don't talk to your former employees, don't talk to a Congressman," but I am his personal friend. He is probably keeping that quiet.

This is wrong. This is shameful. I do not like it. I admit, it is personal, but this is a big-time issue. Now we have the FBI involved, and perhaps the Internal Revenue Service.

The gentleman is correct, this is a matter of trust. If this vote is the only way this Member can stand up and say whoa on this kind of treatment to my personal friend and similar treatment that could occur to any citizen. I am going to vote with the gentleman from Virginia. I thank the gentleman for offering his amendment.

Mr. WOLF. Will the gentleman yield?

Mr. ROBERTS. I yield to the gentleman from Virginia.

Mr. WOLF. Mr. Chairman, I spoke to one of these individuals, too, and they found out, without going into great detail, because I do not want to identify them, basically the same way and perhaps even in a worse way. These are career Federal employees. They heard by listening to Dee Dee Meyers and Stephanopoulos that they were fired. Then they began to feel the heat after calling the FBI in. Now they are on administrative leave. Their reputations have been absolutely ruined.

If many of the Members had businesses and had to hire these people and we saw that their former job was the White House travel office, very few companies would do it. I think this amendment deals with that.

For those of us who also voted to repeal the Hatch Act, and I did not, and there are reasonable men and women on both sides, but if the Members want to do this, then I think to support this amendment is following through.

For those Members who want to deal with this issue, they may never get to vote on this issue again because my sense tells me that since the leadership pulled this amount of money, they will never see it again. It will be put in in conference and this body will never, ever get to vote on it again.

I ask for an aye vote for this amendment. It is the right amendment. It is a good government amendment. It is a clean amendment. It is a good amendment, and I think it ought to be supported.

Mr. ROBERTS. Reclaiming my time, Mr. Chairman, we had better deal with this issue with candor and integrity and honesty and responsibility in this House, and I am talking about the White House staff; and yes, I am upset because it is a personal friend of mine, but I am telling the Members, it has connotations for every Federal worker and every citizen in these United States.

I am trying to make these comments in a non-partisan way, although I think probably some of the Members may think otherwise. That is not the case. We need to take action.

Mr. ROHRABACHER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this discussion has obviously gone way beyond just the issue of transferring money and whether the White House should be able to run its own business internally. The reason it has is because some of us on this side of the aisle, and I am sure people on the other side of the aisle, are concerned about what happened to some specific individuals, some public servants who were perceive to have been not just mistreated, but obviously had their character assassinated.

Let me note, I worked in the White House for 7 years. I know the individuals who we are talking about. I worked with then on a daily basis for 7 years of my life.

I know I was a political appointee. These people were not political appointees. They were people who had been there in the administration before Ronald Reagan, and they are here now, after George Bush. These are people who dedicated themselves to trying to see that the operation could function. We are talking about public servants. They were obviously not protected by the civil service code.

I am not going to name any names, but I know these individuals as not only being caring people but the kind of people that would stay up late, hours at night, to make sure the President was meeting his schedule, to make sure that those of us who had to travel to different parts of the country got there on time; to make sure that the press plane was there to cover the President when he arrived.

These are professionals. These are people who have spent their lives trying to do a good job, thinking they were serving their country. What have they gotten in return? What they have gotten is, in an attempt to give a contract to someone else's cousin, they have seen their reputations ruined. They have seen their professional credentials called into question, but even their honesty has been called into question.

☐ 1700

This character assassination has taken place for political purposes. This character assassination that has taken place on these hardworking civil servants has taken place to offer a fig leaf to cover up an action for someone who is trying to give his cousin a contract, a Federal contract.

Yes, this has become a very personal issue for a lot of people, and this has been a vehicle for us to express that and to express to those six or seven members of the travel office who worked for me for those 7 years, and worked for Members of both parties trying to do a good job for their country, thinking they were serving their President, that not only we do not take them for granted, that we are going to stand up for them when they are under unfair attack like this, and that is what this is all about.

So I would ask for passage of the resolution.

Mr. NATCHER. Mr. Chairman, I ask unanimous consent that all time on this amendment and amendments thereto end in 10 minutes, 5 minutes on either side.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. WALKER. Mr. Chairman, reserving the right to object, this is just on amendments to this amendment?

Mr. NATCHER. If the gentleman will yield, that is correct.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The CHAIRMAN. The gentleman from North Carolina [Mr. HEFNER] will be recognized for 5 minutes, and the gentleman from Virginia [Mr. WOLF] will be recognized for 5 minutes.

The Chair recognizes the gentleman from North Carolina [Mr. HEFNER].

Mr. HEFNER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am a bit confused on the debate here. I would ask Chairman HOYER, if I understand, when they made the accusation, on the other side, the gentleman from Indiana said there was absolutely no oversight on this, and I understood the gentleman from Maryland to say that the committee had to be informed in advance.

Mr. HOYER. If the gentleman will yield, in advance.

Mr. HEFNER. Of any transactions, of any moneys before it could be done?

Mr. HOYER. The gentleman understood me correctly.

Mr. HEFNER. It would seem to me, I am a subcommittee chairman, and we have a very good working relationship among our subcommittee, and I am assuming on this subcommittee that the gentleman from Maryland chairs that they have men of integrity and women of integrity on their committee, and it would seem to me that you are raising the specter of no trust among any of us here, that there is going to be no oversight, that the White House is going to engage in all kinds of chicanery. And the gentleman from California just brought up the political part about the cousin, and what have you. I do not know what the situation is, and if there is some impropriety, it should be addressed, it should be addressed.

But to just say here but, you have a committee, and they have to be informed, but then you come back and you raise on that side of the aisle, well, they are not going to be, they are not going to be zealous about it, they are not going to honor it, they are not going to go by the rules, it seems to me we are just losing all trust in this body here.

Mr. HOYER. Mr. Chairman, will the gentleman yield?

Mr. HEFNER. I yield to the gentleman from Maryland.

Mr. HOYER. Mr. Chairman, I just want to make the point, not only do we have to be informed, the committee has to approve the transfer. Not just information, we have to approve the transfer.

Mr. HEFNER. And you do not vote by proxy in your committee either, do you? Do you not have to have a quorum when you make these decisions?

Mr. HOYER. The gentleman is correct, yes, sir.

Mr. MYERS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. HEFNER. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. Mr. Chairman, I only asked a question about accountability. I did not know whether there was or was not. I would not be under this impression.

Mr. HEFNER. I was not speaking about this gentleman from Indiana but the other gentleman from Indiana.

Mr. MYERS of Indiana. I asked the question earlier.

Mr. HEFNER. The gentleman made the statement about accountability, and this is how we get into these hysterics that we are going to have tomorrow about information we had on the stimulus package and everything else, and it goes that we do not trust people in this body.

Mr. BURTON of Indiana. Mr. Chairman, will the gentleman yield?

Mr. HEFNER. Certainly, I yield to the gentleman from Indiana.

Mr. BURTON of Indiana. Mr. Chairman, it was not I who raised the trust issue. The gentleman from Pennsylvania [Mr. KANJORSKI] last year had about 10 hearings where he dragged people from the White House down, and I was merely stating the fact.

Mr. HEFNER. I will recapture my time. The gentleman made the statement, read from the legislation that there had to be notification from the White House and an okay before they could transfer any funds. And then you raised the specter about no trust, and it would not take place.

Mr. Chairman, I yield 30 seconds to the gentleman from New York [Mr. HINCHEY].

Mr. HINCHEY. Mr. Chairman, it will take me just about 30 seconds to make the observation that the discussion we have just heard from the other side of the aisle really, Mr. Chairman, has nothing to do with the supplemental budget. What it has to do with is one thing: pure partisan politics.

We ought not to care whose crony was put out of what job for whatever reason. The White House has the right to hire their own people to do the job within the White House under the supervision of the White House. And this discussion we have just heard has nothing to do with the supplemental budget. What it has to do with is partisan politics, and I think it ought to be seen in that light.

The CHAIRMAN. The gentleman from Virginia [Mr. WOLF] has 5 minutes remaining, and the gentleman from North Carolina [Mr. HEFNER] has 1½ minutes remaining.

Mr. HEFNER. Mr. Chairman, I yield 45 seconds to the gentleman from Maryland [Mr. HOYER].

Mr. HOYER. Mr. Chairman, I thank the gentleman for yielding me the time.

First of all, there is not a person on this floor who has protected more vigorously Federal employees than I have, period. There are some who have done as much, but nobody more.

Second, I agree with the gentleman from New York [Mr. HINCHEY] that these are White House employees.

Third, I have the Peat Marwick report. I am going to look into it, not publicly at first because I respect the sensibilities. It is a report that bears looking into.

Fourth and last, in the 45 seconds I have, this is an issue about whether a new President is going to be able to operate within the framework of the 1993 budget, given to Mr. Bush. Should a new President not have at least 4 percent flexibility? Is that not right? Do we not think that America would expect that? Is it not comity for a new President?

I ask Members to defeat this amendment.

The CHAIRMAN. The gentleman from North Carolina [Mr. HEFNER] has 45 seconds remaining.

Mr. HEFNER. Mr. Chairman, I yield myself my remaining time.

Mr. Chairman, I have supported the Hatch Act, I strongly support the Hatch Act. If someone has been mistreated, they should be reimbursed, and if they have got reimbursement coming they should be treated right. And it should be looked into. But this is something when the gentleman who is the chairman, and I consider to be an honorable man, and I consider the full committee to have honorable men, when it is in the legislation that says that there will be oversight, I would expect a committee in this House to respect the legislation when it is in writing.

I yield back the balance of my time.

The CHAIRMAN. The Chair was in doubt and yielded the time to the maker of the amendment, although he was not standing. The gentleman from Pennsylvania [Mr. WALKER] was standing, and the Chair would ask the two gentlemen to decide who gets the 5 minutes.

The gentleman from Pennsylvania [Mr. WALKER] is recognized for 5 minutes.

Mr. WALKER. Mr. Chairman, I yield 30 seconds to the gentleman from Indiana [Mr. BURTON].

Mr. BURTON of Indiana. Mr. Chairman, all I would like to say is that it is a matter of public record about the issue that was raised last year on accountability. All you have to do, and it was in the Washington Post, all over the place where they were checking the White House travel, and cars, and everything else, and I am just saying that the same principle should apply to the Clinton administration as was applied to the Bush administration.

I do not have any problem with them shifting this around, but I think there should be full accountability. We did not have it last year, and I am very concerned whether we will have it this year.

If the Appropriations Committee wants to approve it, that is one thing. But I think the entire House ought to be involved in authorizing money for transfer at the White House, not just the Appropriations Committee. You folks do not run the House.

Mr. WALKER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, we had the issue raised a minute ago about partisan politics. You see, one of the concerns that we have is the fact that when it says that it is going to have oversight by the subcommittee, that does not necessarily mean that the Republicans on the subcommittee need to be consulted at any point in all of that. From what I understand, this would be done as a reprogramming action, which means that it would be purely in the hands of the chairman of the subcommittee and the chairman of the committee. So, therefore, there would be no need under the provisions that are in the present bill for there to be any consultation with the Republicans.

Our concern is that there are some things happening at the White House right now that deserve attention. We do not see any committee of the Congress willing to take up some of the questions that are already arising about the operation of the White House.

For example, we found out this morning that the IRS is now involved in the whole Travelgate scandal. We found out that IRS agents have all of a sudden shown up at the small airline that was providing the charter services. The White House is saying absolutely this is not us, this is the IRS acting independently, just like they told us originally that it was the FBI acting independently.

We are a little concerned and think somebody ought to be looking into this. We have a suspicion that if this was the Bush administration there would be at least three committees of the Congress that would all of a sudden be jumping to find out what is happening down there, and we see nobody interested in taking this matter up in the House of Representatives or in the Senate at the present time.

□ 1710

And so our concern is that perhaps the kind of oversight that would be expected of the Congress is not taking place here and that this is one more example where funds can be transferred all over the place, and few committee chairmen up here are going to know about it, but Republicans are not really going to have a feeling for what is going on, and so I think that we have a legitimate concern.

The gentleman from Virginia is trying to speak to that legitimate concern.

Mr. WOLF. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I am happy to yield to the gentleman from Virginia.

Mr. WOLF. Mr. Chairman, let me stipulate something for the record: First, I trust the gentleman from Maryland [Mr. HOYER] implicitly on this, and I want to make that clear.

Second, though, to the gentleman who is not listening now but is talking to the gentleman from Kansas [Mr. ROBERTS], let me just say for him to call the people down there political cronyism is absolutely wrong.

Third, I am including at this point in the RECORD the memo sent by Catherine Cornelius, the distant cousin of the President, with regard to the political cronyism in the White House.

Let me just say lastly that we ask for an "aye" vote simply to postpone this thing and deal with it after we know what the resolution is, deal with it in conference, deal with it later. I think there have been enough issues raised, possible, and I am not even saying probable, but possible implications that it is inappropriate to have a 4-percent transfer.

I ask for an "aye" vote on this.

EXECUTIVE SUMMARY THE WHITE HOUSE TRAVEL OFFICE BRIEFING AND PROPOSAL

OVERVIEW

The information to follow provides an analysis of the current procedures and authorities under which Travel was exercised during the Bush Administration and a proposed model for the Clinton Administration. The model for the future utilizes the campaign philosophy of outsourcing to a commercial travel agency while considering all of the regulations of Government Travel.

THE BUSH ADMINISTRATION

Within this structure, Travel involves three delineations of authority and involves three separate groups.

I. The Office of Telegraph and Travel (Billy Dale—director)

The responsibilities of this office are to provide all support for the Traveling Press Corps prior to, during and after an official Presidential Trip. This group is charged with the responsibility of managing the press monetary fund, coordinating their charter flights and hotel arrangements, traveling on the plane and in the end billing the press for their pro rata share.

Secondary to this responsibility, the Office of Telegraph and Travel provides an on-line ticketing service to issue commercial airline tickets to traveling staff members.

II. The Office of Presidential Advance (Kathleen Super—director)

The Office of Presidential Advance was charged with the coordination of all Presidential Travel. Their authorities have allowed them to manifest and monitor the Air Force One Plane by directing Air Lift Ops, designate the number of advance persons traveling to a site, select hotels and manage the trip on the ground. In reality, all authority for approval, which on paper belongs to the Office of Management and Administration, has defaulted to the Advance & Scheduling office over time. Currently, the Management office rarely sees the Travel Authorization prior to departure.

III. The Office of Management and Administration

All accounting and budgeting has been performed by a person in Chris Vein's office, and they alone have maintained the M&A role in Travel. Tom Hufford is the authorizing party for all individual staff travel by default. Staff is expected to coordinate their own arrangements, and then submit a request for Travel based on their findings. there is NO commercial travel support for hotels, etc.

THE CLINTON ADMINISTRATION—PROPOSED

I. Office of Management and Administration

Under the proposed system, the Office of Management and Administration would create a Travel Department which completely fell under its jurisdiction as one of the many service entities it controls. All information and expenditures would then be centralized and under David Watkins control and the individuals he designates to run this operation. Therefore, the department ultimately responsible for the budget would regain control over its expenditure from the front end as opposed to the back end of the process. Clearly, no other department head should have jurisdiction over these funds.

II. The Traveling Press

The Traveling Press would no longer have an entire staff of White House employees outside of the press office which care for their needs above and beyond the needs of The President and/or the Traveling Staff. As in the campaign, the staff designated with caring for the Press (Press Advance) would clearly be in place to advance their movements, but also ensure that the President's needs—and not the Press Corps'—are satisfied. Thus, when the group travels, all parties are coordinated by a team—the Travel Office—as opposed to one person planning the staff travel, one group planning the press travel and another planning the President's schedule.

III. The Out Sourced Agency

The agency is contracted with to serve all EOP employees; however, they report to and with the Office of Management and Administration. There is never a question of their reporting structure, it is clearly to the money.

The agency also allows for a great deal of overhead to be shifted to the contracted agency. The Administration will only pay for the actual costs of travel, and nothing above and beyond that cost. An added advantage is the accurate and quick reports an agency can generate for review as opposed to the current financial system of 30 days.

IV. The Office of Scheduling and Advance

By controlling the Travel Office and the Travel Agency, the Office of Management and Administration will be able to gain control over the advance operation. No advance travel will occur without the financial/budgeting side of the system being aware of it. Thus, giving the opportunity for discussion of approval and disapproval. In an age of high ethical standards, monitoring any White House Travel is critically important.

V. White House political travel and the DNC

If the DNC were able to establish an account with an outsourced agency the White House used to perform Official Travel, there would be extreme continuity in the Travel of White House staff. All staff would be able to use the same ticketing office for either Political or Official Travel. The Travel Office staff can monitor the classification of travel as Political or Official Travel, and bill the appropriate account. The risk for unethical behavior or misappropriated funds is reduced ten fold on the front end.

VI. Press reimbursements

The current operation costs more money to run than it should and could cost. It requires more FTEs than it should. It is decentralized and inefficient. The current operation bills expenses based on reasonable estimates prior to being incurred rather than on actual money spent—creating unrecoverable expenditures. It does not appear to have a clear tracking system, subjecting us to greater risk under GAO or Press Scrutiny. The current Travel and Telegraph Office seems to be complacent in its inefficiency and overly pro-press. Reorganization and centralization of the travel system in the White House would eliminate much of this inefficiency.

BENEFITS OF PROPOSED REORGANIZATION

1. Centralized Coordination of Macro Travel Picture (Presidential Travel, Staff Travel & Press Travel).
2. Use of Outside Travel Agency reduces inhouse costs and Allows for Better Coordination.
3. More Efficient Use of Staffing (More with Less FTEs).
4. More Efficient Use of Dollars (More than $200,000 saved in salaries alone.)
5. Centralized Coordination of Official and Political Travel (No Centralization Previously.)
6. Front-End Monitoring of Staff Travel (Instead of tracking after the fact.)
7. Travel Assistance for Staff Travel (None Previously.)
8. Incoming Clinton Administration More Comfortable and Familiar with this Proven System.
9. Recommended Staff are More Knowledgeable and Familiar with the Personalities Involved as well as the System; thus, allowing for better service.

Mr. WALKER. Mr. Chairman, I meant no disrespect to the gentleman from Maryland. I am simply saying that we do not think the language really fully covers our concerns.

Mr. HOYER. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I am happy to yield to the gentleman from Maryland.

Mr. HOYER. Mr. Chairman, I understand the gentleman's concerns.

I wanted to point out and clarify, however, that the gentleman mentioned the subcommittee. The language says that they have to be informed and approved prior to taking any action by the full committee not only in the House but in the Senate, that is not the subcommittee, but the full committee.

Mr. WALKER. But approval.

Mr. HOYER. No; I understand that.

Mr. WALKER. Approval under the regular reprogramming does not mean that there has to be a vote of the full committee. If we thought that this meant a vote of the committee with Republicans and Democrats interacting, I do not think we would have a problem. But that is not the way reprogramming takes place. The gentleman well knows that.

Mr. HOYER. There is a ranking member over there who I hope does get notice, and my ranking member, I can assure you, gets notice of every reprogramming that we approve, and the gentleman from Indiana [Mr. MYERS] is shaking his head that that is the case.

Second, I would doubt that there is a Republican member of my committee, and I certainly hope this is the case, that does not believe they have had the full opportunity at every hearing that we have had involving the White House to fully question the White House about any of its actions.

Mr. WALKER. Reclaiming my time, I would simply say that we would have a lot more confidence in the process if we saw some action directed toward some of the things happening now at the White House that seem to have no attention on Capitol Hill at all. If there were some committees holding hearings, if there were people taking an interest in some mismanagement questions downtown, we might have a whole lot more confidence.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Virginia [Mr. WOLF].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. KANJORSKI. Mr. Chairman, I wanted to take this opportunity to set the record straight with regard to the comments made by my colleague from Indiana, Mr. BURTON. Since he served as ranking member of my Human Resources Subcommittee when I was chairman, I am disappointed with his recollection of the hearings we held last year.

The White House Personnel Reauthorization Act which I introduced last year, and reintroduced this Congress, requires public disclosure of all expenditures of the White House offices, requires annual consolidation cost accounting, establishes specific personnel ceilings in each of the authorized offices and sets specific dollar amounts for each office.

Let me say from the beginning that I introduced this legislation not for any partisan purposes but to urge the Executive Offices of the President—from either party—to enact procedures to ensure sound management and full accountability to the Congress and to the American people. I did not seek to draw attention to the disarray in the Bush White House; although the lack of cooperation from President Bush's staff certainly attracted a great deal of media interest.

Mr. BURTON neglected to point out the extent to which the past administration failed to cooperate with the subcommittee during its reauthorization hearings. Out of the numerous hearings held by my subcommittee, the Bush White House only provided witnesses for one hearing. The boxes of documents my colleague referred to, in reality, consisted of 800 pages of useless paperwork. Despite my numerous calls to White House Chief of Staff Sam Skinner and other Bush administration officials, I was unable to obtain the information necessary to complete the subcommittee's work.

Conversely, after the election last November, then President-elect Clinton and his staff worked closely with my office on the very issues my legislation addressed. President Clinton is genuinely interested in cutting waste and reforming Government, and is trying to implement changes in the way Government does business.

Because this is a new administration, I agree we need to give the President the flexibility he needs to effect change within the executive branch of Government. President Clinton is serious about eliminating unnecessary spending throughout the entire Government and has shown a willingness to start at the top. I urge my colleagues to vote against the Wolf amendment and allow the President the flexibility he needs to carry out his plan for change.

RECORDED VOTE

Mr. BURTON of Indiana. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 165, noes 267, not voting 5, as follows:

[Roll No. 187]

AYES—165

Allard
Archer
Armey
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Barrett (NE)
Bartlett
Barton
Bateman
Bentley
Bereuter
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Clinger
Coble
Collins (GA)
Combest
Cox
Crane
Crapo
Cunningham
DeLay
Diaz-Balart
Doolittle
Dornan
Dreier
Duncan
Dunn
Emerson
Everett
Ewing
Fawell
Fields (TX)
Fish
Fowler
Franks (CT)
Franks (NJ)
Gallegly
Gallo
Gekas
Gilchrest
Gillmor
Gilman
Gingrich
Goodlatte
Goodling
Goss
Grams
Grandy
Greenwood
Gunderson
Hancock
Hansen
Hastert
Hefley
Herger
Hobson
Hoekstra
Hoke
Houghton
Huffington
Hunter
Hutchinson
Hyde

Inhofe
Johnson (CT)
Johnson, Sam
Kasich
Kim
King
Kingston
Klug
Knollenberg
Kolbe
Kyl
Lazio
Levy
Lewis (CA)
Lewis (FL)
Lightfoot
Linder
Livingston
Machtley
Manzullo
McCandless
McCollum
McCrery
McDade
McHugh
McInnis
McKeon
McMillan
Meyers
Mica
Michel
Miller (FL)
Molinari
Moorhead
Morella
Oxley
Packard
Paxon
Petri
Pombo
Porter
Portman
Pryce (OH)
Quillen
Quinn
Ramstad
Ravenel
Regula
Ridge
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Saxton
Schaefer
Sensenbrenner
Shaw
Shays
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Stearns
Stump
Sundquist
Talent
Taylor (NC)
Thomas (CA)
Thomas (WY)
Upton
Vucanovich
Walker
Walsh
Weldon
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—267

Abercrombie
Ackerman
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Applegate
Bacchus (FL)
Baesler
Barcia
Barlow
Barrett (WI)
Becerra
Beilenson
Berman
Bevill
Bilbray
Bishop
Blackwell
Bonior
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Byrne
Cantwell
Cardin
Carr
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Cooper
Coppersmith
Costello
Coyne
Cramer
Danner
Darden
de la Garza
de Lugo (VI)
Deal
DeFazio
DeLauro
Dellums
Derrick
Deutsch
Dickey
Dicks
Dingell
Dixon
Dooley
Durbin
Edwards (CA)
Edwards (TX)
Engel
English (AZ)
English (OK)
Eshoo
Evans
Faleomavaega (AS)
Fazio
Fields (LA)
Filner
Fingerhut
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Geren
Gibbons
Glickman
Gonzalez
Gordon
Green
Gutierrez
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Harman
Hastings
Hayes
Hefner
Hilliard
Hinchey
Hoagland
Hochbrueckner
Holden
Horn
Hoyer
Hughes
Hutto
Inglis
Inslee
Istook
Jacobs
Jefferson
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Klein
Klink
Kopetski
Kreidler
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lehman
Levin
Lewis (GA)
Lipinski
Lloyd
Long
Lowey
Maloney
Mann
Manton
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCloskey
McCurdy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Mineta
Minge
Mink
Moakley
Mollohan
Montgomery
Moran
Murphy
Murtha
Myers
Nadler
Natcher
Neal (MA)
Neal (NC)
Norton (DC)
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Parker
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reed
Reynolds
Richardson
Roemer
Romero-Barcelo (PR)
Rose
Rostenkowski
Rowland
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Santorum
Sarpalius
Sawyer
Schenk
Schiff
Schroeder
Schumer
Scott
Serrano
Sharp
Shepherd
Sisisky
Skaggs
Skelton
Slattery
Slaughter
Smith (IA)
Spratt
Stark
Stenholm
Stokes
Strickland
Studds
Stupak
Swett
Swift
Synar
Tanner
Tauzin
Taylor (MS)
Tejeda
Thompson
Thornton
Thurman
Torkildsen
Torres
Torricelli
Towns
Traficant
Tucker
Underwood (GU)
Unsoeld
Valentine
Velazquez
Vento
Visclosky
Volkmer
Washington
Waters
Watt
Waxman
Wheat
Whitten
Wilson
Wise
Woolsey
Wyden
Wynn
Yates

NOT VOTING—5

Brooks
Henry
Kleczka
Leach
Williams

□ 1734

Ms. HARMAN, Mr. DIXON, and Mr. INGLIS changed their vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. NATCHER. Mr. Chairman, I ask unanimous consent that the bill from page 14, line 16 through page 20, line 19, be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Three was no objection.

The text of the bill from page 14, line 16, through page 20, line 19, is as follows:

SEC. 802. Notwithstanding the limitation contained in Public Law 102–393 (Treasury, Postal Service, and General Government Appropriations Act, 1993), within the appropriation, "Official Residence of the Vice President", not to exceed $130,000 shall be available for official entertainment expenses.

CHAPTER IX

DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES

DEPARTMENT OF VETERANS AFFAIRS

VETERANS BENEFITS ADMINISTRATION

COMPENSATION AND PENSIONS

For an additional amount for "Compensation and pensions", $147,422,000, to remain available until expended.

VETERANS HEALTH ADMINISTRATION

MEDICAL CARE

(TRANSFER OF FUNDS)

For an additional amount for "Medical care", $5,000,000, to be derived by transfer from amounts appropriated under the head "Medical administration and miscellaneous operating expenses" in Public Law 102–389.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOUSING PROGRAMS

HOME INVESTMENT PARTNERSHIPS PROGRAM

(TRANSFER OF FUNDS)

For additional amounts for the HOME investment partnerships program, as authorized under title II of the Cranston-Gonzalez National Affordable Housing Act, as amended, subject to the terms provided under this head in the Dire Emergency Supplemental Appropriations Act, 1992, Public Law 102–368, to remain available until expended, $60,000,000, to be derived by transfer from the $100,000,000 appropriated in the second paragraph under the head "Annual contributions for assisted housing" in such Act.

SEVERELY DISTRESSED PUBLIC HOUSING PROJECTS

(TRANSFER OF FUNDS)

For activities as set forth in the third paragraph under the head "Homeownership and opportunity for people everywhere grants (HOPE grants)" in the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act of 1993, $300,000,000, to remain available until expended, to be derived by transfer from amounts appropriated for the purpose under the foregoing head.

YOUTHBUILD PROGRAMS

(TRANSFER OF FUNDS)

For activities authorized by subtitle D of the Housing and Community Development Act of 1992, under the heading "HOPE for Youth: Youthbuild", $40,000,000, to remain available until expended, to be derived by transfer from amounts appropriated under the head "Homeownership and opportunity for people everywhere grants (HOPE grants)" in title II of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1993, Public Law 102–389.

COMMUNITY PLANNING AND DEVELOPMENT

COMMUNITY DEVELOPMENT GRANTS

(TRANSFER OF FUNDS)

For an additional amount for "Community development grants", for use only for the repair, renovation, or replacement, or other authorized community development activities affecting structures damaged or destroyed by Hurricane Andrew, Hurricane Iniki, Typhoon Omar, and other Presidentially-declared disasters, to remain available until September 30, 1995, $40,000,000, to be derived by transfer from the $100,000,000 appropriated in the second paragraph under the head "Annual contributions for assisted housing" in the Dire Emergency Supplemental Appropriations Act, 1992, Public Law 102–368: *Provided*, That the Secretary may waive entirely, or in any part, any requirement set forth in title I of the Housing and Community Development Act of 1974, except a requirement relating to fair housing and nondiscrimination, the environment, and labor standards, if the Secretary finds that such waiver will further the purposes of the use of the amount hereby transferred.

MANAGEMENT AND ADMINISTRATION

SALARIES AND EXPENSES

The third, fourth, and fifth provisos under this head in title II of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1993, Public Law 102–389, are repealed.

ADMINISTRATIVE PROVISIONS

The accounts under the head "Management and administration", except the account for the Office of Inspector General, in title II, Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1992, Public Law 102–139, and the amounts in such accounts are hereby merged, into "Salaries and expenses", for the purposes of administering such accounts in accordance with 31 U.S.C., subchapter IV, chapter 15.

The seventh paragraph under this heading in the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1993, Public Law 102–389 (the second full paragraph at 106 Stat. 1591) is repealed.

Of the $260,000,000 earmarked in Public Law 102–389 for special purpose grants (106 Stat. 1571, 1584), $1,750,000 made available to Los Angeles, CA, for a loan fund to be administered by a nonprofit community organization in support of small business revitalization that will create a beneficial impact on employment, income, savings, and the development of a stronger community economic base in South Central Los Angeles shall instead be made available to the Brotherhood Crusade Black United Front of Los Angeles for the same purpose.

Of the $54,250,000 earmarked in Public Law 101–507 for special purpose grants (104 Stat. 1351, 1357), $1,350,000 made available for the Bickerdike Redevelopment Corporation for the rehabilitation of 70 units in three buildings, for rental to low-income tenants in the City of Chicago shall instead be made available for the Bickerdike Redevelopment Corporation, for the creation of rental subsidy for 70 units of affordable housing for rental to low-income tenants in the City of Chicago. The Rental Subsidy program is to be set up through a secure investment portfolio by Bickerdike whereby principal and interest earned will be used to subsidize rents for a period of years.

INDEPENDENT AGENCIES

ENVIRONMENTAL PROTECTION AGENCY

PROGRAM AND RESEARCH OPERATIONS

(TRANSFER OF FUNDS)

For an additional amount for "Program and research operations", up to $5,000,000, to be derived by transfer from amounts provided under the head "Abatement, control, and compliance" in Public Law 102–389.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

RESEARCH AND DEVELOPMENT

(TRANSFER OF FUNDS)

For an additional amount for "Research and development", $5,000,000, to be available until September 30, 1994, to be derived by transfer from amounts provided under the head "Construction of facilities" in Public Law 102–389.

TITLE II—GENERAL PROVISIONS

SEC. 201. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 202. In fiscal year 1994 and thereafter, the payments, revenues, and surcharges referred to in sections 3404(c)(3), 3405(f), and 3406(c)(1), respectively, of Public Law 102–575 shall be assessed and collected to the extent required in appropriations Acts.

The CHAIRMAN. Are there any amendments to the part of the bill which has just been included in the RECORD?

The Clerk will read the last two lines of the bill.

The Clerk read as follows:

This Act may be cited as the "Supplemental Appropriations Act of 1993".

Mr. NATCHER. Mr. Speaker, I move that the Committee do now rise and report the bill back to the House with an amendment adopted pursuant to House Resolution 183, with the recommendation that the amendment be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore [Mr. MCNULTY] having assumed the chair, Mr. MCDERMOTT, Chairman of the Committee on the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2118) making supplemental appropriations for the fiscal year ending September 30, 1993, and for other purposes, had directed him to report the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER pro tempore. Pursuant to House Resolution 183, the amendment is considered as adopted.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. BURTON of Indiana. Mr. Chairman, I demand a recorded vote.

A recorded vote was recorded.

The vote was taken by electronic device; and there were—ayes 300, noes, 125, not voting 7, as follows:

[Roll No. 188]

AYES—300

Abercrombie
Ackerman
Andrews (NJ)
Andrews (TX)
Applegate
Bacchus (FL)
Barcia
Barlow
Barrett (NE)
Bartlett
Bateman
Bentley
Berman
Bevill
Bilbray
Bilirakis
Bishop
Blackwell
Bliley
Blute
Boehlert
Bonilla
Bonior
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Buyer
Byrne
Callahan
Calvert
Camp
Canady
Cantwell
Carr
Chapman
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coleman
Collins (IL)
Collins (MI)
Cooper
Costello
Coyne
Cramer
Crapo
Cunningham
Danner
Darden
de la Garza
DeLauro
Derrick
Deutsch
Diaz-Balart
Dicks
Dingell
Dixon
Dunn
Durbin
Emerson
Engel
Evans
Everett
Fazio
Fields (LA)
Filner
Fingerhut
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Fowler
Frank (MA)
Franks (CT)
Frost
Gallegly
Gallo
Gejdenson
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Grandy
Gunderson
Gutierrez
Hall (OH)
Hamilton
Hansen
Harman
Hastert
Hastings
Hayes
Hefley
Hefner
Hilliard
Hinchey
Hobson
Hochbrueckner
Holden
Horn
Houghton
Hoyer
Hughes
Hunter
Hutchinson
Hutto
Hyde
Inslee
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kim
King
Kleczka
Klink
Kolbe
Kopetski
Kreidler
LaFalce
Lancaster
Lantos
LaRocco
Laughlin
Lehman
Levin
Levy
Lewis (GA)
Lightfoot
Linder
Lipinski
Livingston
Lloyd
Lowey
Machtley
Manton
Manzullo
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCloskey
McCollum
McCrery
McCurdy
McDade
McHale
McHugh
McKeon
McKinney
McMillan
McNulty
Meek
Meyers
Mfume
Michel
Miller (CA)
Miller (FL)
Mineta
Mink
Moakley
Molinari
Mollohan
Montgomery
Moran
Murphy
Murtha
Myers
Natcher
Neal (MA)
Neal (NC)
Oberstar
Obey
Olver
Ortiz
Packard
Parker
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Pickett
Pickle
Pombo
Pomeroy
Porter
Poshard
Price (NC)
Pryce (OH)
Quillen
Quinn
Rahall
Rangel
Ravenel
Reed
Regula
Reynolds
Richardson
Roemer
Rogers
Ros-Lehtinen
Rostenkowski
Rowland
Rush
Sabo
Sangmeister
Sarpalius
Sawyer
Saxton
Schaefer
Schenk
Schiff
Schumer
Scott
Serrano
Shaw
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (IA)
Smith (NJ)
Smith (TX)
Snowe
Spence
Spratt
Stearns
Stokes
Strickland
Studds
Stupak
Sundquist
Swett
Swift
Synar
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas (CA)
Thomas (WY)
Thompson
Thornton
Torres
Torricelli
Towns
Traficant
Tucker
Unsoeld
Upton
Vento
Visclosky
Volkmer
Vucanovich
Walsh
Washington
Waters
Watt
Waxman
Weldon
Wheat
Whitten
Wilson
Wise
Woolsey
Wyden
Wynn
Yates
Young (AK)
Young (FL)
Zeliff

NOES—125

Allard
Andrews (ME)
Archer
Armey
Bachus (AL)
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barrett (WI)
Barton
Becerra
Beilenson
Bereuter
Boehner
Bunning
Burton
Cardin
Castle
Collins (GA)
Combest
Condit
Coppersmith
Cox
Crane
Deal
DeFazio
DeLay
Dellums
Dickey
Dooley
Doolittle
Dornan
Dreier
Duncan
Edwards (CA)
Edwards (TX)
English (AZ)
English (OK)
Eshoo
Ewing
Fawell
Fields (TX)
Franks (NJ)
Furse
Gekas
Glickman
Grams
Green
Greenwood
Hall (TX)
Hamburg
Hancock
Herger
Hoagland
Hoekstra
Hoke
Huffington
Inglis
Inhofe
Istook
Jacobs
Johnson, Sam
Kasich
Kingston
Klein
Klug
Knollenberg
Kyl
Lambert
Lazio
Lewis (CA)
Lewis (FL)
Long
Maloney
Mann
McCandless
McDermott
McInnis
Meehan
Mica
Minge
Moorhead
Morella
Nadler
Nussle
Orton
Owens
Oxley
Pallone

Paxon
Penny
Peterson (MN)
Petri
Portman
Ramstad
Ridge
Roberts
Rohrabacher
Roth
Roukema
Roybal-Allard
Royce
Sanders
Santorum
Schroeder
Sensenbrenner
Sharp
Shays
Shepherd
Shuster
Slattery
Smith (MI)
Smith (OR)
Solomon
Stark
Stenholm
Stump
Thurman
Torkildsen
Valentine
Velazquez
Walker
Wolf
Zimmer

NOT VOTING—7

Brooks
Conyers
Henry
Leach
Menendez
Rose
Williams

□ 1759

Mrs. MALONEY, Ms. VALÁQUEZ, Ms. ROYBAL-ALLARD, and Mr. ENGLISH of Oklahoma changed their vote from "aye" to "no."

Mr. LAROCCO and Mr. GRANDY changed their vote from "no" to "aye."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

□ 1800

GENERAL LEAVE

Mr. NATCHER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, (H.R. 2244) making supplemental appropriations, transfers, and rescissions for the fiscal year ending September 30, 1993, and for other purposes and that I may include tabular and extraneous material.

The SPEAKER pro tempore (Mr. McNULTY). Is there objection to the request of the gentleman from Kentucky?

There was no objection.

PERSONAL EXPLANATION

Mr. MENENDEZ. Mr. Speaker, according to the CONGRESSIONAL RECORD, I was recorded as not voting on rollcall No. 188. It was my belief that I had in fact cast my vote, and I would therefore like to note for the RECORD that I had intended to vote "aye."

SECOND SUPPLEMENTAL APPROPRIATIONS ACT OF 1993

The SPEAKER pro tempore. Pursuant to House Resolution 183 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 2244.

□ 1800

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2244) making supplemental appropriations, transfers, and rescissions for the fiscal year ending September 30, 1993, and for other purposes, with Mr. McDERMOTT in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Kentucky [Mr. NATCHER] will be recognized for 30 minutes, and the gentleman from Pennsylvania [Mr. McDADE] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Kentucky [Mr. NATCHER].

Mr. NATCHER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, in the bill we bring before the House, H.R. 2244, we have a total of $931,543,000. All of this money, every dollar of it, is paid for with rescissions within the bill. We do not violate any cap. We do not go above the 1990 budget agreement. We do not go above the 1993 budget resolution limits.

Mr. Chairman, the distinguished gentleman from Pennsylvania [Mr. McDADE], the ranking minority member on our committee, and I, all down through the hearings, stressed the fact that the funds in this bill would have to be paid for, they would have to be offset within the bill. Every dollar of new spending in this bill is paid for with rescinded money elsewhere in the bill.

The President requested three items, Mr. Chairman. One was $320 million additional for summer youth employment. The second request was an additional $400 million for a waste water treatment facility grant. The third item requested was $200 million for additional police protection on the streets in the cities.

We had hearings on these matters.

Mr. Chairman, as I pointed out, instead of the $920 million, we ended up with $931,543,000. All of this is financed with rescissions in other domestic programs.

I want to call attention to our friends that have raised concerns about education.

As my colleagues know, in the Labor-Health and Human Services-Education Subcommittee section of the bill, we have rescissions for 14 education programs some of which we have carried in our bills down through the years. Each 1 of the 14 was funded in the 1993 bill. No part of the money for 1993 has been consumed up to this time.

All 14 of these bills were left out of President Clinton's budget request for the fiscal 1994, but that does not mean necessarily, Mr. Chairman, that they will stay out of the 1994 appropriations act.

The distinguished gentleman from Michigan [Mr. FORD], my friend, the chairman of the Committee on Education and Labor, sitting here on my left, all down through the years, when we have brought out the bill pertaining to education, and I have needed help, he has helped me every day that I have been here.

And Mr. Chairman, for my colleagues' information, he and I learned at the feet our friend, Carl D. Perkins of Kentucky. That is where we both learned about education. We started back in the 1960's, like my dear friend over here from Hawaii, Mrs. MINK, did back in the days when we could not pass an education bill.

They would bring the Kelly bill out every year, and the House would knock it down.

I believe the issue with the 14 education programs has been explained to the satisfaction of the members of this Committee with the colloquy between the gentleman from Michigan [Mr. FORD] and myself.

Mr. Chairman, there are going to be several amendments that we know about. They may take a little time but I hope we can move along quickly. Let us pass this bill.

Mr. Chairman, I yield myself such time as I may consume.

Mr. McDADE. Mr. Chairman, may I say to my good friend, the gentleman from Kentucky, I was never more in agreement with him than I was just a few minutes ago, when he suggested we get on with this bill.

It is not a complex or complicated bill. It is a completely offset bill. When the first stimulus was considered earlier this year it totaled $16 billion, and it was declared as an emergency. The position that was taken on this side of the aisle was that it ought to be offset.

As this version comes before the body today, it is totally and completely offset.

The principal items include the Summer Youth Employment Program, the Justice Community Policing Program, Waste Water Treatment Programs and a few other programs that were added by the Committee. The principal rescissions are HOPE grants, Superfund, Federal Prison Construction, Student Financial Aid, FAA facilities, and about 30 others.

Mr. Chairman, this bill is revenue neutral. The position was, on this side of the aisle that I took when we had the last bill, offset it and I will support it.

Under the leadership of my distinguished friend from Kentucky, that is the way this bill appears before us. I urge its adoption.

Mr. Chairman, I reserve the balance of my time.

Mr. NATCHER. Mr. Chairman, in order to resolve a matter that has caused some problems in this bill, I yield 4 minutes to the gentleman from Michigan [Mr. FORD], Chairman of the Committee on Education and Labor, who as I said a few moments ago, is one of the best friends education has ever had in this country.

Mr. FORD of Michigan. Mr. Chairman, I thank the gentleman for yielding time to me. I rise in support of H.R. 2244, a bill making supplemental appropriations for fiscal year 1993.

I rise reluctantly because I am deeply concerned about the treatment of education programs in this bill. In a moment, I will ask the distinguished chairman of the Committee on Appropriations to engage in a colloquy on this.

Mr. Chairman, this bill should not be necessary. Weeks ago, we in this body bit the bullet and passed the President's economic stimulus package which, unfortunately and for reasons we are all too familiar with, did not become law. So, today we have this relatively modest proposal.

But it is necessary. We desperately need the 237,000 additional summer jobs it will produce. In today's uncertain economic climate we must take this step.

Before engaging in a colloquy with the gentleman from Kentucky, I do want to express my concerns about the treatment of one particular education program—State student incentive grant [SSIG] funds. SSIG provides funds to States to establish State scholarship programs. For every $1 of Federal funding, States put in at least $1 of State funds. No Federal funds have been obligated for fiscal year 1993 yet. However, students in many States have been notified of their State grant award. Depending on the size of the State match, students would receive a reduction in their State grants. Under the bill, overall students would have $72.5 million less in grant funding for the 1993–94 school year. Also, eight States exactly match the Federal contribution. If funding for SSIG is eliminated, it is likely that these States would shut down their State grant program. In those States, a $1 cut in Federal funds means a $2 reduction in grant funding to students.

Mr. Chairman, I would like to engage in a colloquy. I would like to clarify what your proposal in this bill means for fiscal 1995 funding for the programs whose moneys we propose to rescind in fiscal year 1993.

It is my understanding that the Committee on Appropriations, which you so ably chair, is not bound by the President's budget submission for fiscal 1994 and, at the appropriate time, you will judge each of these programs on its merits. I also seek your assurance that the rescissions in this bill do not in any way indicate how your committee will treat these programs in your fiscal 1994 bill.

Mr. NATCHER. Mr. Chairman, will the gentleman yield?

Mr. FORD of Michigan. I yield to the gentleman from Kentucky.

Mr. NATCHER. Mr. Chairman, before answering the gentleman's question, I would like to inform the Members that one of our new Members, the gentleman from California [Mr. BECERRA], was nice enough to come to me and talk to me about these different items that are in question. They are of concern to him and his people.

I want the gentleman to know that I appreciate his concern in these matters which he has discussed with me.

□ 1810

That is the way to start out in this House. In addition, I want to tell the gentleman that the sooner the gentleman learns that they have just as many smart people on the other side of that aisle as sit on this side of the aisle, the better off he will be. I say frankly to him that when he can work with them on both sides, he will never have any trouble. I appreciate him coming and talking to me, and want to include him in this colloquy.

In response to the inquiry of my friend, the chairman of the Education and Labor Committee, I want him to know, as he has clearly stated to the Members, that the committee is not bound by the President's fiscal year 1994 budget proposal. The Subcommittee on Labor, Health and Human Services and Education, which I chair, will not necessarily base our fiscal year 1994 funding recommendation on the recommendation in this supplemental appropriation bill. These were done to fund summer jobs. I assure the Members that we will give consideration to each individual program on its merits.

Today's supplemental certainly does not preclude any program from being funded in fiscal year 1994. In addition, I want to assure Members that I remain open to any alternative reductions to fund this summer jobs bill if they can be found before this bill goes to conference.

Mr. Chairman, this bill does not fund the summer jobs and other program increases with an across-the-top cut which would take funds out of Chapter 1, Head Start and Pell grants. Instead we had these programs where they had not spent the money, where they are not in the President's budget for 1994. That is the reason we directed our attention to these rescissions.

Mr. FORD of Michigan. Mr. Chairman, I yield to the gentleman from California [Mr. BECERRA] for a statement.

Mr. BECERRA. Mr. Chairman, I thank the gentleman for yielding time to me. I thank the two Chairs, the gentleman from Michigan [Mr. FORD] and the gentleman from Kentucky [Mr. NATCHER], very distinguished Chairs. I thank them very much for the opportunity to bring up a point that I think is very important.

First, I wish to say one thing. I believe it is very important that we have two chairmen, both in the Committee on Education and Labor and also on the Committee on Appropriations, with whom we can all work, whether we are a freshman or a 20-year incumbent. I think it becomes very important when we see some of the things that we have to swallow.

This is a very tough fiscal time. I wanted to, if I could, just briefly mention some of the programs that have caused me quite a bit of concern in this particular bill.

There are some cuts in some of the educational programs; for example, State student incentive grants, which the distinguished gentleman from Michigan mentioned.

I have just been in contact, through my office, with the California State university system in the State that I represent. CSU stands to lose at least $2.5 million from the State student incentive grants, which will cause Cal State University System to probably cut its Cal grants, its awards to students, needy students, by at least 10 percent and perhaps increase the student fees at a time when the State budget is already about $8.3 billion in deficit.

There will also be effects on other programs. The Ellender Fellowship Program which allows low income children to come not only to the State capital of California but also to Washington, DC, to see what we do and how Government works. There are other programs. I believe the literacy program will be cut, and it is unfortunate.

It is reassuring, and I thank the gentleman from Kentucky [Mr. NATCHER] that he will really remain open to funding alternatives, because I believe it is very important. I was prepared to offer an amendment to try to strike the cuts to education, which total about $136 million, because I think that this is not the time for us to cut back on the education for our students which they so desperately need. I understand if we cut the $135 million that we are getting from education, however, we have to find it from some other source, and we need a jobs bill.

I am one in this Congress who knows that my district and the people of my district need jobs, so I will swallow some of the cuts here that go to education, because I know there is an effort to create jobs for Americans not only in my district but throughout the country.

I believe that the two chairmen that have yielded me some time are also working very hard to make sure that is accomplished, and I thank them very much.

Mr. McDADE. Mr. Chairman, I yield 6 minutes to the able gentleman from Pennsylvania [Mr. GOODLING].

Mr. GOODLING. Mr. Chairman, some people will vote for the legislation simply because the necessary cuts are made in other areas to pay for the additions; in other words, the offsets are made. That is commendable.

I have to oppose it, because it is not good legislation. Why is it not good legislation? There are many reasons. I would like to point out a few facts before we get into the emotional part of the discussion, where you will hear all sorts of things as to how we are going to save cities from burning, et cetera, et cetera, et cetera, with this legislation, or poor, rural America. This legislation will have no control over that whatsoever.

Let me point out some facts before we get to the emotional part of the discussion. First of all, the summer youth employment provisions contained in this new package would send $314 million out to local service delivery areas by formula provided under JTPA, with $5.5 million of that for technical assistance and administration. That is in accordance with current law. In other words, there would be no targeting of this money going to urban areas, no earmarking of the monies for educational enrichment activities, which the previous legislation would have done. This money would simply provide additional funding for this summer's summer youth employment program.

Is that a good program? In many areas it is a very good program. That is not part of the discussion. We already have in the pipeline appropriated over $600 million for this program. We have another almost $250 million that was not used that will be available, so we will have about $950 million to spend very quickly this summer. I do not know that we can do it and really make sense out of what we are doing.

The money is there. We have about $300 million more than we have ever had for summer youth programs. Number one, we really have the money available at the present time, but to get that money we do several things which I do not think make very good sense.

We would rescind from other education and training programs $25 million for training programs from the economically disadvantaged, $25 million we are going to take. We already have $950, $300 million more than we have ever had for summer youth programs, and we are going to take $25 million away from the training programs from the economically disadvantaged. That does not make very much sense.

We would also take $25 million away from the dislocated workers program. There are probably more dislocated workers than ever, and more to come with the defense cutbacks, et cetera. We would do that at a time when 20 of the States in February of this year said they have already obligated all of their dislocated workers money. Another 35 States said they have already obligated 90 percent of their dislocated workers funds.

My problem is not with the fact that we are going to do a good job as far as appropriation for summer youth jobs. We have already done that. They are going to have, as I said, $300 million more than they have ever had to spend.

It does not seem to me that it makes sense to take away from the title 2 programs for the economically disadvantaged when we are only serving 3- to 5-percent of them now due to the lack of appropriation, so it does not make sense to take that away. It also does not seem to me to make sense when the administration is going to propose tripling the money for a single dislocated workers program. It does not seem that it makes sense, then, to take $25 million away from that program at this particular time.

The problem is compounded because on this legislation we are also authorizing on an appropriation bill. Every time we do that we get into trouble. How are we doing that? There was an amendment that became part of the bill that said we will provide $80 million of the $320 to set aside for the title IV, part H of JTPA.

Remember, we spent 4 years in a bipartisan fashion to put together all of these amendments to JTPA, and have just completed that at the end of last year. We are now in an appropriation bill changing that legislation.

□ 1820

It would permanently change JTPA because it says that you will now have in the Youth Fair Chance Program ages 14 to 30 rather than 14 to 21. So you automatically change the legislation in an appropriation bill.

The whole purpose of the 14- to 21-year-old idea was that they would gear this to the high-risk impoverished youth. Now what do we do when we play around with the numbers and move it to age 30? Well, I will tell you what we do. We take away the services for the very people we were trying to deal with, the 14- to 21-year-olds.

Why do we not have to do that? Simply because in JTPA, title 2(a) we have a program that deals with the economically disadvantaged adults. So we should not be authorizing on an appropriation bill.

Again, I hope, and I know it will not do any good, but I hope that we will look at the legislation rather than at emotion. We have put the money in to take care of summer youth programs, $300 million more than we have ever spent before. And I hope that we can use that wisely.

Mr. CONYERS. Mr. Chairman, will the gentleman yield?

Mr. GOODLING. I yield to the gentleman from Michigan.

Mr. CONYERS. I thank the gentleman for yielding.

That is $300 million more than what?

Mr. GOODLING. Than you have ever spent before.

Mr. NATCHER. Mr. Chairman, I yield 3 minutes to the gentleman from California, Mr. DIXON.

Mr. DIXON. Mr. Chairman, I rise in support of the second supplemental appropriations bill for fiscal year 1993. The additional funding is for worthy priority programs that will put Americans to work. I am particularly pleased that the bill includes funds for the summer Youth Employment Program.

While our cities need far more money for summer jobs, I believe this bill is a modest step in the right direction. Our country is still in the throes of a floundering economy. Such an economy does not hold out summer youth employment opportunities for our Nation's young. Meaningful employment for our youth is a social imperative, particularly in cities like Los Angeles where the high unemployment rate makes it even more difficult for our young people to find jobs.

It is important that we do not let the passage of time and the surface calm of our cities lull us into a false sense of security. One of the primary reasons that the city of Los Angeles erupted so violently last spring was because of the lack of job opportunity for its young men and women. The plight of these young people is unchanged; the cry for help has not waned.

Several of my colleagues have expressed concern for that State, and local governments being able to fashion a worthwhile summer jobs program for this year. I can assure you this is not the case in Los Angeles.

With extremely short notice last year, Los Angeles developed a model summer youth program and effectively spent all of the Summer Youth Employment Program funds made available. For this summer's program, the city has already begun receiving applications from its 85,000 eligible youth; worksites have already been located, and an academic enrichment program has been planned which could support a $35 million program—an amount that well exceeds the funding we expect to receive.

Let us not abandon the needs of our young people. The Summer Youth Employment Program provides economically disadvantaged youth with job and training services. The program is invaluable and a springboard for getting our young people trained for future entry into the labor market.

I commend the distinguished chairman of the Appropriations Committee for his work on this legislation. This bill is fully offset by rescissions of previously appropriated funds and is deficit neutral under Congressional Budget Office scoring. I urge my colleagues to vote in support of this measure which will promote jobs in our communities.

Mr. McDADE. Mr. Chairman, I am delighted to yield 5 minutes to the distinguished gentleman from Indiana [Mr. BURTON].

Mr. BURTON of Indiana. Mr. Chairman, I thank my colleague from Pennsylvania for yielding me the time.

Mr. Chairman, although I think it is great that there is $1 billion in rescissions in this bill, the $1 billion in new spending I think is pretty much terrible.

Tomorrow we are going to ask the American taxpayers to pony up an extra $322 billion out of their pockets, the largest tax increase in U.S. history, and that does not include additional fees and hidden taxes and smoke and mirrors that are not pointed out, but $322 billion in new taxes. Yet today we are coming up with $1 billion in new spending at a time when people across this country are saying do not raise taxes, do not raise spending, take a meat cleaver to the Federal budget before you start talking about anything else. And here we are with $1 billion in new programs.

But that is not all. I would like to go through some specific items in this bill that bother me and I think will bother the American public.

First of all, the Appropriations Committee lowered from $400 million to $200 million the amount of money to be spent on wastewater treatment facilities, and yet, after the Appropriations Committee cut that in half from $400 million to $200 million, the Rules Committee, because of pressure from some Congressmen, I presume, added $90 million back into it. The Rules Committee does not have any jurisdiction over this, and yet they added $90 million back, so it is back up to $290 million, and I think that is wrong. I think the American people would agree with that.

Second, the States are obligated to produce 20 percent of their program regarding wastewater or Federal water treatment programs. In other words, the Federal Government puts up 80 percent of the money and the States produce 20 percent of the money. We waive that in this bill. Now the Federal Government is going to pay 100 percent of the program.

Why is a State supposed to be accountable if they are not paying anything? Right now the State government officials say, hey, we have to put up 20 percent of the money and we had better be accountable. Well, you had better make sure this is a worthwhile project, because we have to answer to the taxpayers of our State and our community.

We are taking that away, that responsibility, and putting it all at the Federal level. So what do they have, what obligation? They just ask for the money and say, hey, if we can get that money, great. There is no accountability whatsoever. I think the American taxpayer thinks that is a mistake.

Third, this Summer Job Youth Program, this is highly questionable. The GAO tells us that the $320 million you are asking for cannot be spent this year. It is too late to get it into the pipeline to pay for it. And in California, the gentlewoman from California is asking for $80 million for a specific program in her area. That is laudable that she is doing this. But the fact of the matter is she did not go before the Appropriations Committee, she did not go before any authorizing committee. She went straight to the Rules Committee, circumventing the entire process. I think that is inconceivable that we would allow that to happen right now when we are under such tight fiscal and budgetary constraints.

In addition to that, they are increasing the age limit. Under the Job Training Partnership Act, we are talking about teenagers and young people from the ages of 14 to 21. They are raising the definition of teenager or young worker to age 30.

When do we become accountable around this place? We are going to be giving money to people between the ages of 21 and 30 under the teenage programs for summer workers. Baloney. I do not think we ought to be doing that.

Next, the former Speaker of the House, Mr. Wright, had a project down in Fort Worth, TX. It dealt with the Fort Worth stockyards. Well, he left, but the project goes on, I guess forever.

The Appropriations Committee took out the $11.8 million under the rescissions for the Fort Worth stockyards, but what did the Rules Committee do? They put it back in again. So we are putting $11.8 million in pork back in for the Fort Worth stockyards that the Appropriations Committee took out because of a whim that appeared before the Rules Committee.

I think the American people will be very upset about that, because it is more pork that has been stuck back in, even though the Appropriations Committee did its job and cut it out.

Finally, let me just say they are transferring $14 million from the Small Business Investment Companies Program, and they are going to use it, get this folks, to plant trees. And each one of the trees they are going to plant costs, get this folks, $189. We have already spent $16 million for this program, and at $189 a tree, and in Washington, DC it has been running $1,200 a tree; the taxpayers cannot afford that.

□ 1830

So let me just say that there is a lot of pork, a lot of waste in this bill, and we really do not need it.

Mr. NATCHER. Mr. Chairman, I yield 1 minute to the gentleman from Iowa [Mr. SMITH].

Mr. SMITH of Iowa. Mr. Chairman, that figure the gentleman is using is absolutely, totally, ridiculously inaccurate. The cost last year was $3.41 for the Federal Government, per tree, and for 1993 is $3.25 of Federal money per tree.

Mr. BURTON of Indiana. Mr. Chairman, if the gentleman will yield and if I may respond, I have a list of all the trees that were planted and the amount of money. If you divide the trees into the amount of money, you come up with $189, and if you are talking about D.C., it is $1,200. I have the figures for you, and I will be glad to show them to you.

Mr. SMITH of Iowa. The gentleman's figures are totally inaccurate. They are totally inaccurate. I have the results here. The average cost per tree in 1993 is $3.25 for the Federal Government's share, so your calculator is off.

Mr. BURTON of Indiana. I will be glad to meet with the gentleman afterward to talk about it.

Mr. CONYERS. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I am happy to yield to the gentleman from Michigan.

Mr. CONYERS. I would just like to supply a rationale to what my friend said was nuts on JTPA going from 17 to age 30. The reason we are doing that, from 21 to 30, is because people between 21 and 30 are unemployed and need retraining, sir.

Mr. NATCHER. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. MILLER], chairman of the Committee on Natural Resources.

Mr. MILLER of California. Mr. Chairman, I thank the gentleman for yielding me this time, and I thank the work that the Committee on Appropriations has done to put this job legislation together.

I do want, however, to register my concerns about some of the cutbacks in the education money. I appreciate the colloquy that the chairman has had with the chairman of my Committee on Education and Labor and the gentleman from California [Mr. BECERRA], from Los Angeles, on this issue.

I specifically want to discuss the National Writing Project which is a program that we fund to the tune of about $3 million. I would hope that this appropriations rescission is not a blueprint for what will happen to this program in the next budget year. This is one of the most successful small programs that we have run.

The dollars that we have spent on behalf of the Federal taxpayer have been matched over five times by local, State, universities, school districts, and other sources for this project. The children that are participating in this project have shown gains well above and beyond those children that have not been able to participate in this effort to get writing and writing skills into our schools so that children will be able to work more complicated problems, to be able to reason better and to express themselves in a comprehensive fashion. We have seen the results of this program in States such as in South Carolina, California, the city of Chicago, throughout the country, as hundreds of thousands of children, millions of children, have now participated in this, some 20,000 children just throughout the summer writing camps that we have run, and I would hope, Mr. Chairman, that your

Committee on Appropriations would give very careful attention to the success of the national writing project.

It enjoys bipartisan support, support both in the House and in the Senate. It has been called one of the very best staff development models in history by the National Council of Teachers of English, and I would hope that we would be able to continue this project even in spite of its rescission because the last administration would not spend the money even though there were grants and proposals submitted to the Federal Government.

Mr. MCDADE. Mr. Chairman, I yield 2 minutes to my able friend, the gentleman from Pennsylvania [Mr. GEKAS].

Mr. GEKAS. Mr. Chairman, I thank the gentleman for yielding me this time.

At first blush, the most attractive thing about this supplemental bill is the fact that it is paid for, at least on the report and the paperwork that accompanies the bill. It is paid for by deductions in other programs, and that is good. That is an excellent first step. That is easy to report back to the taxpayers that finally we have accomplished something ensuring that when we go to spend then we have to account for how we are going to pay for it.

But the second blush, the second look at the bill, I am convinced by a scrutiny of the legislation is that we are overlapping and duplicating again, and thus the savings that we are making in the appropriations from other programs to pay for this one are illusory.

It is true or is it not, and I am convinced that it is, that the money for the summer jobs, for the youth, is already in appropriations in the pipeline, and yet not spent? Even if we were, and the question arises, to appropriate this money now, when would it go into place? When would the first summer youth job be financed by the appropriations that we are about to make in this program?

That is why we ought to reject this bill and allow the process of the current appropriations to fulfill its promise of the summer youth.

I venture to say that the same number of youths who are contemplated to be employed in summer jobs under this bill will go to work under the current appropriations.

Mr. BURTON of Indiana. Mr. Chairman, will the gentleman yield?

Mr. GEKAS. I yield to the gentleman from Indiana.

Mr. BURTON of Indiana. Mr. Chairman, we inquired of the General Accounting Office about this $320 million for the summer jobs program. They said that it was not possible, in their opinion, for the money to be in the pipeline quick enough to be utilized this year. So I think the gentleman makes a very valid point.

Mr. GEKAS. And so we can feel assured when we leave this Chamber, having rejected this bill, that our youths will be served this summer with the current appropriations.

Mr. NATCHER. Mr. Chairman, I yield 2 minutes to the gentlewoman from Hawaii [Mrs. MINK].

Mrs. MINK. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in strong opposition to the cuts of $135 million in education funds in H.R. 2244, the second supplemental appropriations bill. While I believe this Nation desperately needs an economic stimulus package, I do not believe that it is wise policy to accomplish this task on the backs of our Nation's students.

This bill will in one fell swoop eliminate 14 education programs—programs that students depend on to get funds to go to college, programs to train teachers, and improve writing skills, give students practical work experience while going to college, improve libraries, and provide bilingual vocational training.

The elimination of these programs goes against the very purpose of this bill to increase employment opportunities for the young people of this Nation. By eliminating these programs we will deny thousands, perhaps millions of students quality education programs that will prepare them to be a part of a productive and high-skilled work force.

H.R. 2244 eliminates over $135 million in fiscal year 1993 education funds to pay for the additional spending in this bill. $100 million is being taken from the Labor budget. This means that one-forth of the new spending in this bill is being offset by cuts in education and labor funds.

The programs that will be eliminated in this bill include: The State Student Incentive Scholarships Program which is a matching State/Federal Government program which provides scholarships to needy students. The $74 million provided by the Federal Government drives over $600 million in State grants. The elimination of this program means that 242,000 students all across this Nation and in the territories will be denied financial assistance and perhaps the ability to even attend college at all.

Many of these students have already been notified that they will receive a grant for the 1993–94 school year. If this bill passes a notice will be sent out that says "because of congressional action your grant will not be available this year." I do not believe that the intention of this Congress is to provide opportunities for some students through the Summer Jobs Program by taking it away from others.

The Cooperative Education Program gives students the opportunity to enhance their education while gaining relevant work experience and earning income to help offset the cost of higher education. The elimination of this program will mean the demise of 171 programs which provide real life work experience and financial assistance to 200,000 students across the Nation.

The Student Literacy Corps is a voluntary literacy tutoring program which provides students with the opportunity to receive college credit for literacy services in disadvantaged communities.

The Territorial Teacher Training Program provides technical assistance and training for teachers in the insular areas. This program is essential in improving the truly dismal educational situation in the insular areas. With very few qualified teachers, the territories depend upon this program to train potential teachers and provide ongoing staff development for current educators.

The Bilingual Vocational Education Training Program provides important job training services to individuals with limited English proficiency.

The National Writing Project is a revolutionary program that provides training on improved methods on teaching students how to write. The program has trained over 1 million teachers since 1973 and is one of the most highly regarded staff development programs in education today.

The Foreign Language Assistance Program provides matching funds to States to improve the quality and quantity of foreign language instruction in elementary and secondary education.

Library Programs which provide adult literacy services at public libraries, improve technology for elementary and secondary schools, college and public libraries.

Mr. Chairman, I am deeply distressed that we are being asked to cut education funds for the children of America, by eliminating programs which have proven records of success in improving educational and employment opportunities for the most needy in our Nation.

While we can deem funds for the Department of Defense as emergency spending, we are forced to rob the coffers of our schools to pay for job programs and economic stimulus. The economic situation of our country is a true emergency and denying educational and employment opportunities will only serve to exacerbate our domestic problems which have reached crisis proportions.

It is with great disappointment and reluctance that I raise these objections. I could not in good conscience allow this debate to go forward without pointing out the great impacts these rescissions will cause.

I hope, as the chairman said, that these funds can be restored in conference.

Mr. MCDADE. Mr. Chairman, I yield 2 minutes to my friend, the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, when you read the amendment that was put into the bill by the Committee on Rules, you begin to understand why we have a process around here that scrubs down these bills and these amendments so that we do not bring things to the floor that are embarrassing.

This particular one has some real problem in it. For example, the gentleman from Indiana had mentioned the increase in the age. Well, you know, if you are going to say that the increase in the age is because people up to age 30 are unemployed, people up to age 65 are unemployed, and we could, in fact, say that 60-year-olds are teenagers for the purposes of this bill.

I am even more worried about some of the rest of the language in here. Without definition, we say that what we are going to do is allow the stipends that are to be paid to be used for transportation. Does that mean that the money can be used to go out and buy an old car? And it is fully justifiable.

It says it is going to be used for food. The food is undefined, so I went to the dictionary and found the word food and found out, for instance, that it includes things like beer, wine, grain alcohol, vodka. It could be used for any kinds of things that are perfectly definable under the dictionary that way, and that would be under here.

Grooming is the next thing, and if you check in the dictionary, what you find out is that one of the definitions for grooming is taking care of a pet, having a pet washed and so on. Is this meant to have the taxpayers paying money so that people can go out and have their pets washed, combed, and so on at the local salon? I mean, it is not defined in the bill. What does it mean then?

It goes on and says, "Other basic necessities." What are those other basic necessities? I mean, you could have a whole host of things that fall under that.

These stipends are going to be paid for totally undefined terms by people up to age 30, and we also have another provision here that says, for example, that you are only allowed to work 20 hours a week, but you have to be paid at least $100.

□ 1840

So we have already defined now in the bill that it has to be at least $5 an hour that you are paying for the job. So you are paying $5 an hour for stipends to people who are going to use the money for perhaps buying beer, perhaps grooming their pets, or perhaps for anything else under the sun.

Mr. NATCHER. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. CARR].

Mr. CARR. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, the bill includes $51 million for additional expenses for Amtrak in 1993. This is further divided into $30 million for operating expenses to cover losses experienced this year and $21 million in capital grants for urgent capital equipment overhaul requirements. Although not officially requested by the administration, it is our understanding that this amount has been cleared by the President's Office of Management and Budget, and is supported by the administration.

Perhaps some of my colleagues saw the article on the first page of yesterday's Washington Post that related the plight of certain Amtrak employees who have been laid off. The slow economic recovery has hit Amtrak especially hard. Since Amtrak is prohibited by law from stopping service on uneconomical routes, it usually responds to revenue shortfalls by reducing equipment maintenance. Last year, 257 employees were furloughed at Amtrak maintenance facilities. Without additional financial assistance such as provided in this bill, another 450 may be laid off during the next few months.

We want to avoid the layoffs of the additional people. And timing is crucial in this matter. According to Amtrak, if additional money is not available soon, equipment and personnel will not be ready for the peak summer travel season. The result would be a more dismal year-end revenue position and a sharply increased maintenance backlog.

Finding the funds to pay for the additional Amtrak funding has not been easy. As you know, the Appropriations Committee decided not to follow President Clinton's suggestion to impose an across-the-board cut to pay for the items in the supplemental. Instead, we made the hard choices and have recommended specific reductions. Some people do not agree with our priorities. That is understandable. But the cuts recommended to pay for the extra Amtrak funds are real. They are not phony accounting for scoring gimmicks. They will reduce the level of funds available for certain activities.

I know there is concern especially with the $20 million the committee recommended be rescinded from the Coast Guard. We don't think the effect of this action will be as bad as some are predicting. We have recommended specific areas in the committee's report we think might be reduced without too much difficulty. And we look forward to working with our Senate counterparts on these matters. If they can find other programs that will produce real savings with less pain, we will be pleased to consider them in conference.

Mr. McDADE. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Georgia [Mr. COLLINS].

Mr. COLLINS of Georgia. I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise to serve notice to the Members of this body that at the end of the general debate I will offer an amendment that will prohibit any of these funds from being received by anyone who is not a legal resident of the United States of America.

This is the same amendment that this body passed by a majority of 288 votes last week.

I urge the membership, at the time that we offer this amendment, to support it, so that we can prevent any funds in this bill, or any spending bills in the future on which we may offer this amendment, from being spent on people who are not legal residents.

Mr. NATCHER. Mr. Chairman, I yield 2 minutes to the gentlewoman from California [Ms. WOOLSEY].

Ms. WOOLSEY. I thank the chairman, the gentleman from Kentucky [Mr. NATCHER] for yielding this time to me.

Mr. Chairman, I rise in support of the President's job package, but I must express my strong concern about the cuts in education funds that have been made to pay for this bill. The concept of pitting education against jobs for youth is not the direction we need in this country. I am particularly concerned about the loss of State student incentive scholarships for the 1993-94 school year. This action seriously affects college students in my State of California.

By this time of year, students all over the country have already been notified of their financial aid packages. They have made important school decisions based on these promises. What, I ask, is our responsibility to these young people and to their schools?

Overall, however, Mr. Chairman, with Chairman NATCHER'S commitment to Chairman FORD to revisit these programs for 1994, I believe this bill provides important funding for programs for the summer jobs for youth and wastewater treatment. I think we should urge our colleagues to vote for this package.

Mr. McDADE. Mr. Chairman, I yield 2 minutes to the gentleman from Delaware [Mr. CASTLE].

Mr. CASTLE. I thank the gentleman for yielding to me.

Mr. Chairman, just following up on what the gentleman from Michigan [Mr. CARR] said, who is the chairman of the Subcommittee on Transportation of the Committee on Appropriations, we in Delaware have been very concerned about the possibility of layoffs. We share with Indiana some of the repair facilities for Amtrak, and the language is somewhat uncertain as to exactly what it means. I am pleased to hear the gentleman's words that every effort will be made to prevent layoffs, to make sure these employees are able to continue their work for the balance of the year, as I understand what he has stated.

Mr. CARR. Mr. Chairman, will the gentleman yield?

Mr. CASTLE. I yield to the gentleman from Michigan.

Mr. CARR. I thank the gentleman for yielding.

Mr. Chairman, we are concerned not only about the Indiana Beach Grove situation but Bear, DE, and Wilmington. We have been working in the past few weeks through reprogramming to make sure these people are not furloughed. The maintenance backlog of the Amtrak program is growing at an alarming rate; that will cut into reliability and hence into passenger confidence and hence the market share that Amtrak will have.

I want to assure the gentleman that Delaware is as much on our minds as the workers in Indiana. The workers in both States are crucial to the success of Amtrak, and we will work to make sure there is enough money to make sure that all of the workers will not be furloughed.

Mr. CASTLE. I thank the distinguished gentleman from Michigan both for his words of comfort here and also his words off the floor and his help in this particular matter.

Mr. NATCHER. Mr. Chairman, I yield 1 minute to the gentleman from the Virgin Islands (Mr. DE LUGO).

Mr. DE LUGO. I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise in support of this legislation, for the assistance it will give the American people in communities across the Nation, and the help it will give to those most in need in our country today.

This legislation forces us to make extremely difficult decisions, and to sacrifice important and worthy programs so that we can address other priorities.

This bill will provide much needed money for additional summer jobs for our youth. It will also provide money so that our communities can hire police officers to help combat crime and illegal drugs in communities all across the country. These are two very important actions.

Now more than ever we need to take responsibility for our young people and help them to achieve the goals that we set for them. Summer jobs is an important step. Equally important, we must make sure that we provide more resources to combat the rampant crime that we read about every day. Our citizens deserve no less.

I am especially pleased that these initiatives will apply to the insular areas as well as the States, including the territory that I represent, the Virgin Islands. The good that they will do will have to be paid for however and funds have had to be identified from other programs. This has required difficult tradeoffs.

Sadly, many of the dollars needed for summer jobs and the fight against crime have been cut from education, including from the special assistance we have gotten in the past for territorial teacher training. I have been pleased that we have provided millions of dollars in special assistance over the years to upgrade teaching skills in the insular areas and that we have been able to prevent the Executive branch from eliminating funding for this purpose for so long.

But the President has had to make the tough choice between this form of special assistance continuing, and additional summer jobs and the increased fight against crime. And, so, the people of the Virgin Islands and the other insular areas are being asked to join their fellow Americans in sacrifice. I think that it is the will of this House that we do so and I think that we cannot object in light of the benefits that we, too, would receive.

So, on balance this is a good bill and should be passed.

Mr. McDADE. Mr. Chairman, I yield 2 minutes to the gentleman from Delaware [Mr. CASTLE].

Mr. CASTLE. I thank the gentleman for yielding further to me.

Mr. Chairman, at this point I was to enter into a colloquy with the distinguished chairman of the Subcommittee on VA, HUD, and Independent Agencies of the Committee on Appropriations, the gentleman from Ohio [Mr. STOKES]. Mr. STOKES is not here at the present time, but I think I can repeat the conversation that we worked out in the committee, if I may.

Mr. Chairman, H.R. 2244 would rescind $20.5 million in authorized and appropriated fiscal year 1993 funds for construction of an outpatient care clinic at the Veterans Medical Center in Wilmington, DE.

The outpatient clinic is critically needed to replace the existing facility which is over 40 years old and is operating at 300 percent of capacity. The VA Medical Center in Wilmington serves over 200,000 veterans from four States. It is designed to handle 5,000 outpatient visits per year and in 1992 it received 82,000 patients.

□ 1850

The project is authorized and was requested in the President's fiscal 1993 budget.

The Department of Veterans Affairs has the project on schedule and under budget. They will break ground in 3 months.

I realize the committee has made the decision to rescind the 1993 funds. I would like to ask the chairman: If the Senate restores these funds during its consideration of H.R. 2244, would he agree to reconsider this issue in conference?

His response, as we agreed to, was that if the other body restores the funding for this project during its consideration of the supplemental appropriations bill, he would agree to revisit this issue in conference.

As I said, that was worked out, and I believe is a correct representation. Certainly if the gentleman from Ohio [Mr. STOKES] states otherwise, I would be glad to enter into a further colloquy with him.

Mr. McDADE. Mr. Chairman, I thank my friend, and I yield back the balance of my time.

Mr. NATCHER. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. CONYERS].

Mr. CONYERS. Mr. Chairman, we have some problems with numbers here this evening. We do not know how much trees cost. We had to get the chairman of the Appropriations Committee to straighten that out.

I was told we were getting $300 million more for jobs, and now I checked with staff on this side and I find out that we are not getting $300 million more, we are getting $265 million less than in 1992.

I would love to be corrected if somebody on the other side has something to say about it.

We have 4 million kids that need summer jobs. With the supplemental here, we will be dealing with 20 percent of those kids. Now, let me ask you something here as we are talking about this.

Mr. NATCHER. Mr. Chairman, will the gentleman yield?

Mr. CONYERS. I yield to the distinguished gentleman from Kentucky.

Mr. NATCHER. In this bill, Mr. Chairman, we have $320 million additional for summer youth employment, which would bring about 237,000 additional jobs, I say to the gentleman from Michigan [Mr. CONYERS]. It is in the bill, $320 million, 237,000 additional jobs for the best interests of our people.

Mr. CONYERS. Well, may I say to my good friend, I am not disputing that. That is what the other side said.

The point I am making is that it is $265 million less than last year, and with 4 million kids out of summer jobs who are eligible, we need $5 billion. I repeat that, $5 billion.

I mean, what are we doing here? The cold war is over. We are cutting back on everything. We are telling kids that do not have work, that need summer jobs, that we are giving them a few million more, so that should take care of everything. It is not going to cover more than 15 percent of the kids that need summer jobs.

Mr. NATCHER. Mr. Chairman, I yield our final 30 seconds to the gentlewoman from Illinois [Mrs. COLLINS].

Mrs. COLLINS of Illinois. Mr. Chairman, I rise in support of H.R. 2244, the second supplemental appropriations for fiscal year 1993 because it does provide $842 million for summer jobs for youth, for the hiring of additional police for our communities, and for some very important infrastructure needs. All lofty and important goals.

While I am supportive of this effort, I am less than enthusiastic about it than I would have been if we had been able to fund these important needs and a few others at levels that more accurately reflect the dire conditions of our cities and towns. This is precisely what we tried to do in the economic stimulus package that the Republicans in the Senate stalled and ultimately killed. We are now left with the midget measure to battle the enormous giants of poverty, unemployment, and crime that stalk our towns and cities today.

While those Members on the other side of the aisle are slapping each other on their backs over their grand defeat of that measure, many young people in my district who would have had summer jobs are left with few options other than to loiter on the corner. I find absolutely nothing to celebrate in this.

Regretably, we have had to pay for the limited moneys for summer jobs and other good programs in this bill with rescissions in equally important programs, i.e., the $14.7 million cut in sorely needed library and literacy funding. This will result in the dramatic scaling back to funds for many public libraries in my district which have already sustained drastic budget cuts at the local level. In Chicago, many libraries have already not only had to shorten their hours, but have had to close their doors on certain days of the week. So, in addition to not having jobs, the kids in my district have limited access to library facilities. Now included in that $14.7 billion cut was $8 million for literacy programs which train librarians and volunteers to work with children and adults who are trying to learn to read. How anyone can be proud of this is beyond comprehension.

I feel compelled to support this measure because even the reduced amount of help that this bill represents is important to communities which have watched well over a decade of neglect take its toll. Time and again inner-city residents like my constituents have been told to wait our turn for funding while dairy and farm subsidies have been given.

Now our need of jobs, police protection, and other basic services has grown more acute.

The $314 million for the summer jobs included in this bill, is not nearly enough to address the crises of unemployment suffered by urban youth, but it does serve as a symbol to our young people that we care about what happens to them and that we are looking for long-term solutions that will address their needs. This supplemental along with earlier funding will allow us to provide 56,000 more summer jobs than last year. It is a start, a way for us to buy time in which to come up with more substantive responses to the crises in our communities. The way I see it, we have no choice but to pass it, and I urge my colleagues to do so.

Mr. MINETA. Mr. Chairman, I rise in tepid support of this bill.

Some Members of this House have expressed opposition in the past to enacting any economic stimulus bill. They need not be opposed to this bill—it will do nothing to stimulate the economy.

It is elementary economics that stimulating the economy means increasing jobs-producing spending in a time of slack demand in the economy. This bill does not do that. Every item of spending in this bill is offset by a spending reduction somewhere else. The net effect of this bill on Federal spending will be zero. The stimulus provided to the economy will be zero.

This is of concern because the economy remains weak, particularly with regard to job creation. And a recovery which does not generate job growth will not ultimately be a sustainable recovery. This recovery, even though now over 2 years old, has created almost no net job growth. In the 9 months of recession in 1990–91 our economy lost nearly 2 million nonfarm jobs. In 26 months of recovery since then, we have managed to gain back only half a million of those jobs.

We read today that consumer confidence plunged in May. Consumers are also employees and much of their confidence as consumers comes from their confidence in their place in the labor markets. They have had little to be confident about either during the recession or during the recovery.

I would also note that many Members on both sides of the aisle have called for a shift in Government spending away from consumption and current operating costs of Government and toward long-term investment in the economy. That means investment in the physical infrastructure and human capital our businesses rely on when they go out to compete in the world economy.

About half of the spending in the original stimulus bill considered here in the House was long-term investment spending. Republicans in the Senate defeated most of that proposal—only $4 billion in unemployment compensation remained. In other words, they took a package that was 50 percent investment and turned it into one that was zero percent investment.

The package before us now is 41 percent investment spending—the amounts for wastewater treatment, rural water programs, and part of the Amtrak spending. That a slight step in the right direction from the present spending practices of the Government, but this is such a small step—this entire bill represents only about one-twentieth of 1 percent of the Federal budget—that it hardly matters.

Finally Mr. Chairman, I would note that this bill would increase Federal spending on EPA's wastewater State revolving funds by $290 million. Before we pat ourselves on the back too much about that, I would point out that in the late 1970's we spent as much as $7 billion per year on EPA's programs to clean up water pollution. In the course of the 1980's, that was slashed back to about $2 billion per year.

Many people concerned about the environment looked to the new administration to restore some commitment to environmental cleanup. But the results we have seen so far, this bill included, are disappointing. Inheriting a $2 billion a year water pollution program, the new administration proposed adding $845 million in fiscal year 1993 stimulus funding for clean water, but basically they proposed taking it out of fiscal year 1994, leaving only $1.2 billion in fiscal year 1994. In other words, it wasn't new money at all—they were freezing an already reduced program and then shifting the dollars around.

Then the stimulus bill was defeated, meaning we are now headed for $845 million less for clean water in fiscal year 1993–94 than the freeze level. This bill will restore only $290 million of that cut, leaving this key environmental program over half a billion dollars short of the freeze level. This is hardly excessive spending. The fact is, we are drastically underspending on clean water, we are shortchanging the environment, and we are shortchanging our communities as they try to meet environmental requirements.

To make the environmental situation even worse, $100 million of the rescissions in this bill are from the Superfund Program. This money was for projects which are underway, and the rescission is going to cause very real problems. Many Members have complained that there is too little real clean-up in the Superfund Program. This bill rescinds some of the funding for clean-up which are underway. This is so clearly a mistake, that I can only assume that it will be remedied in conference.

In sum, Mr. Speaker, this bill does nothing for jobs or the economy, little for investment, and would only slightly reduce the damage the Federal budget is doing to the environment.

That's not a ringing endorsement, but it does explain why my support is only tepid.

Mr. SHARP. Mr. Chairman, I rise in support of H.R. 2244, the second supplemental appropriations for fiscal year 1993. This measure will help create jobs for our people and help invest in America's future; and it is revenue neutral due to spending cuts in other programs.

I want to draw particular attention to the $51 million in supplemental funding for Amtrak, especially the $21 billion for the railroad's capital budget. Much of these funds will be used to renovate locomotives and cars at Amtrak's maintenance facility in Beech Grove, IN.

Despite keeping its costs in check, Amtrak reports that its year-to-date revenues still down due to the recession, jeopardizing its capital equipment overhauls.

Adequate funding for Amtrak is an important investment in America's future, especially in order to avoid serious and long-term harm to our Nation's rail transportation infrastructure. By properly funding its capital budget, Amtrak will be able to make the necessary repairs and overhauls on its diesel locomotives and passenger cars. Such expenditures also provide significant fuel savings and less environmental pollutants.

By repairing existing rolling stock, Amtrak has been able to squeeze more out of its capital budget. Amtrak's Beech Grove facility, one of the dwindling few refurbishing centers remaining in the industry, has been at the forefront of this battle. Just yesterday in a front page article, the Washington Post referred to work done by Beech Grove employees as "near legend, rebuilding 40- and 50-year-old passenger cars into rolling miracles."

Despite being a key ingredient in rebuilding our infrastructure, the employees at Amtrak's Beech Grove facility have endured through some rough months. More than 250 employees of the plant's usual 1,250 work force were on layoff when the President's stimulus program was under consideration earlier this spring. Approximately 100 additional employees were laid off when that program failed to clear the other legislative body. Facing even tougher budget constraints, railroad management began preparing several weeks ago layoff notice for 300 more employees. Only an 11th hour agreement between Chairman BOB CARR of the House Appropriation Committee's Transportation Subcommittee and his counterpart in the other body temporarily saved these jobs.

The repercussions of Amtrak layoffs are felt far beyond the Beech Grove to many other parts of central Indiana. These highly skilled craftspersons command good salaries, and their loss of purchasing power hurts Main Street retailers in many surrounding communities.

Passage of H.R. 2244 will help Amtrak keep jobs during the remainder of this fiscal year. Not only will this bill help employment and sustain business activity in Indiana, this bill will help build a better economic future for America.

Mr. BORSKI. Mr. Chairman, I rise in support of H.R. 2244, the second supplemental appropriations for fiscal year 1993.

President Clinton campaigned on a promise of change. He promised to end the years of neglect of our cities, to provide hundreds of thousands of jobs to unemployed Americans and to invest in our children and our future.

On February 17, President Clinton outlined a plan to bring about that change. The plan called for increased funding for jobs programs and job training, mass transit, highway construction, and a variety of other investment programs that would have created over a million new jobs over the next 4 years.

The plan also provided funding for programs such as Head Start, Child Immunization, education and training initiatives to create a more healthy and productive work force, and provided much needed funding for housing and community development to help rebuild and revitalize our cities.

Our country's need for this stimulus package was unquestionable. The unemployment rate remains at 7 percent in the Nation and has climbed to nearly 17 percent in the 30 largest cities. And jobs are still being lost. Last year alone, my home city of Philadelphia and its suburbs lost 31,700 jobs, an average of 600 jobs a week.

Twelve years of neglect have allowed our communities' infrastructure and municipal facilities to deteriorate. Crime, homelessness and poverty have become commonplace in our cities. And our child immunization record is among the worst in the developed world.

Unfortunately, this plan fell prey to the partisan politics of the other body. And it is the American people, the ones who would have had new jobs, better roads and hope for the future, who are paying.

Mr. Chairman, I believe we owe it to these people to pass this revised jobs bill. Although much smaller than the original stimulus package, H.R. 2244 will create over 215,000 summer jobs by providing $320 million to summer jobs programs across the country, 6,500 more police officers will be put back on the street with $200 million in grants for the hiring of additional law enforcement officials. And by investing $200 million in our local infrastructure, this legislation will get people back to work and rebuild some of our municipal facilities.

We cannot disappoint the American people a second time, I urge all my colleagues to support H.R. 2244.

Ms. VELÁZQUEZ. I rise in support of H.R. 2244, providing supplemental appropriations for 1993. The origins of this bill trace back to the fall of 1992, when our economy was still in the grips of a long running recession. At that time, candidate Bill Clinton heard the cries for help from our people and promised to spur the economy if he were elected. Months later, President Clinton attempted to make good on that promise by offering a $16 billion stimulus bill that included funds for immediate repair of roads and bridges, summer jobs for our youth, Head Start summer enrollment, community development block grants and childhood immunization. In short, it was a jobs package, a housing package, and a recovery package for our urban centers and our country. unfortunately, the Republican Party chose to hold up these vital programs for the sake of political partisanship.

H.R. 2244 is the phoenix that rises from the ashes of that political battle. The measure is far from perfect. For starters, the bill's $932 million appropriation is less than 6 percent of the total in the original stimulus. This amount is insufficient to address some of the problems our communities still face due to the lingering recession and its lackluster recovery. Second, the measure pays for itself through a series of offsets, some of which I find very disturbing. For example, the bill contains $136 million in rescissions for 14 Education Department programs, including $72 million for the State student incentive grant. These cuts will create a $6 million hole in New York State's budget and threaten aid to many needy students. I am still at a loss for why these programs were targeted for cuts. I am also saddened that we could not resurrect any of the housing funds included in the original stimulus. These CDBG and supportive housing dollars would have been immensely beneficial to my home district for construction of new housing and short term shelter and services for the homeless.

So, we are compelled to consider this very restricted appropriations supplemental which does fund some important programs.

The bill provides a total of $920 million in supplemental appropriations in fiscal year 1993 to fund summer jobs for youths, EPA wastewater grants, grants for community policing, Amtrak funding, and rural water, and sewer loan grants.

Instead of offsetting the funds by an across-the-board cut in fiscal year 1993 spending as proposed by the Clinton administration, the bill offsets all new spending by rescinding specific appropriations.

Without a doubt, the heart and soul of the bill is the $320 million for summer jobs for disadvantaged youth, $23 million of which New York State will receive. These funds will create 237,000 jobs for this summer. These are 237,000 youths who will be off the dangerous summer streets that offer few opportunities but much troubling temptation. These are 237,000 youths who will return to school with added job skills and gainful employment on their resumes, as opposed to new street tricks and an arrest record. These are 237,000 youths who will be given an opportunity to prove themselves and to gain self respect. Indeed, this is one of the best investments that this Chamber could ever make. I am also heartened to note that $80 million of these funds are being targeted for the Youth Fair Chance Program to train long-term unemployed persons.

The measure also provides $200 million for justice assistance grants to states to provide additional police officers at the State and local levels. These funds will assist in keeping our streets safer during the long summer days that await us.

Mr. Chairman, I urge my colleagues to support summer opportunities for our youth and summer safety for our citizens by approving H.R. 2244.

Mr. PAYNE of Virginia. Mr. Chairman, I would like to add my support for this important supplemental appropriations bill. The projects that are included for funding are a very high priority and will help create jobs.

Our constituents are very concerned about the future of this country, Mr. Chairman, in part because of lingering high unemployment. In order to remain competitive in the global economy, our industrial base has been forced to restructure and reorganize, and this has caused many jobs to disappear forever. In fact, this is the first recovery from a recession in history in which so many jobs were lost, not through temporary layoffs, but permanently. This bill will help our unemployed find jobs again, while at the same time providing investments in infrastructure that are essential for our future.

There is, however, a rescission included in this bill that I strongly oppose, and that is the elimination of funding for the commission that was created to coordinate the celebration of Thomas Jefferson's 250th birthday this year.

Mr. Chairman, we began this year with high hopes for the resurgence of democracy. Around the globe, nations are emerging from the darkness of tyranny into the light of freedom and self-determination, guided and encouraged by the promise of the principles that Jefferson helped define and nurture two centuries ago.

The commission that was authorized by Congress last year was intended to help coordinate the activities surrounding this year's anniversary celebrations. While part of the year is, indeed, behind us, there is still a great deal of important work for the Commission to accomplish. Most critical is the international celebration planned this fall, in which our nation must take a leading role.

While I can appreciate the committee's concern about the delay in getting this Commission under way, I understand the President is very close to completing the appointment process. It is my understanding that he has given final approval to the list of appointees, and only a brief confirmatory background check remains to be completed before the appointments are announced. We fully expect this process to be concluded before the upcoming Memorial Day recess. I am confident the Commission will be in place in time to provide meaningful assistance in coordinating the international celebration.

I have expressed my concerns about this recession to Subcommittee Chairman NEAL SMITH, and I appreciate his willingness to seriously consider receding to the Senate on this issue if the rescission is not included in the Senate version of the bill. I have also received a commitment from Senator ROBB that he will work, on a high priority basis, to ensure the Senate bill does not recommend rescinding these funds.

Mr. FRANKS of Connecticut. Mr. Chairman, through this bill President Clinton has recognized the need for disadvantaged youth to find opportunities to work during the summer months.

However, President Clinton's approach to this problem—spending money on a wasteful bureaucracy that employs youths in public sector jobs—is misguided.

Many of the jobs that will be created by this program are likely to be make-work pseudojobs of dubious value.

Sweeping floors and cleaning bathrooms will do nothing to inspire inner-city young people to strive for a better life.

In addition, Labor Department studies have shown that young people enrolled in the Job Training Partnership Act programs have not been served well in the long term by these programs.

There is a better alternative to another new social program.

Rather than creating work, President Clinton should give eligible young people tax vouchers that corporations in urban areas can redeem in exchange for providing real job opportunities.

I am a cosponsor of the Youth Jobs Act, which would give business a 40-percent tax credit for summer youth employment.

Under this program, businesses would manage job creation in a cost-conscious manner.

Successful entrepreneurs in the community would oversee the youths' career growth, instead of impersonal Government bureaucrats.

Government and business can work together to give disadvantaged youths a real chance at improving their lives.

By taking part in business activity and working with positive role models, young people will have a genuine opportunity to gain worthwhile job skills and a new hope for the future.

Unfortunately, the summer youth employment programs of H.R. 2244 will not achieve these goals.

Mrs. ROUKEMA. Mr. Chairman, I rise in strong opposition to this legislation.

Once again, we are here playing political payoff games with millions of dollars, and throwing good money after bad.

Does any one of my colleagues believe that Congress needs to spend another $320 million on creating more new summer job programs when it's practically June 1? Does anyone honestly believe these moneys are going to generate one job this summer? Or that a third of a billion dollars in funds are going to hit the streets next week?

My colleagues, plain and simple, this is walking around money for the mayors in the cities. We're sending $320 million—on top of the $683 million we're already spending—for more $100-a-week make-work programs.

If that weren't enough, these summer-jobs-for-youth moneys aren't even going to youth. Under this rule, and without any hearings, we are statutorily changing the criteria of the Youth Fair Chance Program to include people up to 30 years old.

In fairness, there are some merits to this bill. Certainly, spending $200 million for more cops on the beat is something we all support. And I am pleased to see that we are including $200 million for construction of wastewater treatment facilities—that's real money for real jobs.

In fact, if there is one place we should be spending these funds, it is infrastructure—roads, highways, and bridges—jobs that put hard-working Americans back to work in real jobs, jobs that support American families.

But when the lion's share of the funds are going at the 11th hour to supposedly develop, create, and fund 800,000 new make-work jobs for this summer—next week—I cry "foul."

If these programs had been given adequate, advanced planning, they might be justified. This late in the calendar year it cannot be justified.

Once more, we are holding good programs and needed funds hostage for political paybacks. And once more, it's good money after bad.

I urge my colleagues in strongest terms to oppose this measure.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the amendments printed in H. Rept. 103–110 are adopted.

The bill, as amended, is considered as an original bill for the purpose of further amendment under the 5-minute rule.

The Clerk will read.

The Clerk read as follows:

H.R. 2244

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, to provide supplemental appropriations for the fiscal year ending September 30, 1993, and for other purposes, namely;

TITLE I—SUPPLEMENTAL APPROPRIATIONS

DEPARTMENT OF LABOR

EMPLOYMENT AND TRAINING ADMINISTRATION

TRAINING AND EMPLOYMENT SERVICES

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for "Training and employment services", $320,000,000, to be available upon enactment of this Act, to carry into effect the Job Training Partnership Act, of which $5,500,000 is for activities under part D of title IV of such Act, of which up to $1,500,000 may be transferred to the Program Administration account, of which $80,000,000 is for activities under part H of title IV of such Act, and of which $234,500,000 is for activities under Part B of title II of such Act.

AMENDMENTS OFFERED BY MR. BURTON OF INDIANA

Mr. BURTON of Indiana. Mr. Chairman, I offer amendments.

The Clerk read as follows:

Amendments offered by Mr. BURTON of Indiana: On page 2 under the heading "Training and Employment Services", strike "of which $80,000,000 is for activities under Part H of Title IV of such Act, and of which $234,500,000" and insert "and of which $314,500,000".

On page 15, strike Section 304.

Mr. BURTON of Indiana. Mr. Chairman, I ask unanimous consent that the amendments be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. BURTON of Indiana. Mr. Chairman, when I was a kid we lived in a place called West Indianapolis. It was what they call a white ghetto. My mother was a waitress at L.S. Ayres Co. You have heard me talk about this before. I shined shoes at a place called J.D. Rushton's Barber Shop. When summertime came, we went out and we cut grass or we carried newspapers or we hitchhiked and caddied at the golf course. We did a lot of different things to raise money for ourselves.

Now, today young people can work at McDonald's. They can work at a lot of different restaurants, and yet when I listen to my colleagues on the other side of the aisle, it appears the only way for them to get a job is for the Government to provide it. Not only that, we are now increasing the definition of what a young person is up to age 30—up to age 30.

Now, how far do we go? Do we go to complete Government control, complete socialism?

I mean, for crying out loud, I think there may be some merit for some funding for summer jobs in some areas of the country, like Los Angeles and elsewhere. But my goodness, how far do we go?

I heard somebody just mention we need to provide $5 billion to take care of all the young people in the country so they can have summer jobs. Baloney.

I drive by McDonald's and Burger King and everything else. They have these big signs in the window saying, "Help Wanted, $5 An Hour."

Are we going to take everything under the Government wing and control, or are we going to believe somewhere along the line that the free enterprise system has some merit, and some young people who go to work working in some of these institutions might be able to end up owning one of their own because they earned a trade?

Now, I think there is room for some of these programs, but I think we go way, way too far.

Now, in this particular case, I have an amendment. The gentlewoman from California has asked the Rules Committee, not the Appropriations Committee, or the authorizing committee, she went around both of those, but she went to the Rules Committee for a special program for Los Angeles, CA, and they are earmarking 25 percent of the $320 million for Los Angeles alone.

Now, why in the world should Los Angeles County in her district get 25 percent of that money? It make no sense to me.

If this program is worthwhile, then let us fund it. If it is not, let us cut it back; but to put 25 percent of it in one county in the country because they have had some problems, makes no sense to me.

Now, what this amendment does is two things, and I think this amendment needs to be seriously considered. It removes the earmark of $80 million. It leaves $320 million intact, so you can use it across the country, but it removes the $80 million earmark, and I think it should be removed. Los Angeles should not get preferential treatment over New York, Chicago, Miami, or any other part of the country.

The second thing is, along with the definition of the Job training Partnership Act, we should limit it to people 21 years and under. You do not need to extend this to people age 30.

For crying out loud, we are going to include under youthful summer employment people up to age 30? The next thing we will be doing it to 40 and then 50 and then 60. Heck, I might fall under the category and I would get a job working all summer. Give me a break.

□ 1900

Let us change this back to a regular approach to solving this problem, people between the ages of 14 and 21, as is defined in current law, and let us not earmark $80 million for one county in the whole Nation because they have had some problems.

Mrs. MEEK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I stand to sort of correct some of the discrepancies and misunderstandings of the Youth Fair Change Program which would add $80 million to the summer youth employment program.

The first misunderstanding is that it is not designed for the State of California alone. It is designed for the youngsters throughout our country, and they do need summer jobs.

No. 2, it is not designed to hurt the summer youth employment program, but it is designed to supplement it—not to supplement it, but to supplement it by adding a new group of jobless people to it.

Is this the wrong thing to do? My answer is: No, it is not the wrong thing to do. We have young people walking the streets of our country who have been unemployed for years, and years, and years, and they are not only unemployed now. They have been unemployed so long, until they are not even counted on the rolls when we start talking about unemployment. They are structurally unemployed.

Mr. Chairman, there is every good reason in this country to hire people who are 18 years of age and older. They are the people who need jobs as well as the summer young people, as well as the young people who are in school. Many times we have people who are in school, and we say this is for school youngsters only. That is fine. But we also have a segment of people who need jobs who are not in school. They are out-of-school youth. They are roaming the streets. They need a job. The have been alienated by the joblessness in this country.

I think we need to remember that we cannot just look at a program and say, let's continue what we have been doing. Let's continue this because we've done it before and it works. The gentlewoman from California [Ms. WATERS] has come up with a program that may not have been used before, but that does not mean it is not going to work.

Yes, government should help to fund these programs. Yes, government should look at some of this. If government can buy out, capitalize and buy out, banks, why, I ask, can government not invest in human capital instead of bricks and mortar?

So, this gentlewoman from California is asking the Congress, "Look, let's try some of these people that you have not experimented with before because that's what much of you are doing because you don't believe, as I'm going to tell you, if you walk the streets of this country, you will find those youngsters and young adults who escalate from one program to another, one escalator to the other." The gentlewoman from California has a training component in here that is to give them some training so they will not continue to escalate and go from one program to the other, but to get some training in a program so they can go out and get a meaningful job.

What else has she done? Given them some incentive to stay in that program. They must be able to get transportation to places. It is not a handout. It is not a handout at all. It is to give them a provision so they can get someplace, get basic training, learn how to upgrade their skills.

Mr. Chairman, we will not have these people on welfare rolls that the gentlewoman from California has identified here, and I say to my colleagues, if you want to keep them on there, it's going to cost you more money, more money, to continue doing some of the things you're doing just because they have come on to those favorite acronyms that you've slept with and kept all these years.

Now she wants to come up with something new and creative. The first key to restitution is: We have tried that before, we have tried that before, and I say, "Yes, you have. You've tried." We are not saying, she is not saying, to stop summer youth employment. She is saying, "Supplement it, and reach out for those who have shown they need a problem in this country."

And this is not the first time this has been done. There has been a model for this before. It started in the 1980's as a response to the extreme difficulty in training disadvantaged people in low income areas, and I say to my colleagues, "If you have never tried to do this, you ought to try it, and, if you try it, you will have to go out and get some new ideas and some new, bold, venturesome things."

I am saying, "Let's support the lady from California because she has come up with something that's going to help each one of you."

Remember, when the tide rises, all the ships come up with it.

Mr. DIXON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the en bloc amendment offered by the gentleman from Indiana [Mr. BURTON], and I would be glad to yield to the gentleman from Indiana. He has indicated that the $80 million is allocated to Los Angeles, and I have read the bill, and the gentlewoman from Florida [Mrs. MEEK] indicates it is for a national program, which is my understanding.

Mr. Chairman, I yield such time as the gentleman from Indiana [Mr. BURTON] needs to point out to me where in the bill he interprets it to go to Los Angeles.

Mr. BURTON of Indiana. Mr. Chairman, I thank the gentleman from California [Mr. DIXON] for having yielded to me.

It does not.

Mr. DIXON. Mr. Chairman, I thank the gentleman from Indiana [Mr. BURTON], and I yield back the balance of my time.

Ms. WATERS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman and Members, I rise in opposition to the attempt of the gentleman from Indiana to remove this provision from the legislation. It has been pointed out that the gentleman from Indiana has incorrectly defined and described what this program is all about, and let me further say that in addition to the lack of knowledge displayed by the gentleman about where this program would be applied, he does not appear to be familiar with any of the details of the program.

First, Mr. Chairman, the program is not for California alone or Los Angeles alone. It is for the entire country.

Second, allow me to explain what the program is so that we can correct all of his misconceptions about what we are attempting to do.

One of the things that I have discovered in working, not only in Los Angeles, but in traveling across this country, is this: that there is a huge constituency of young people, many of whom may have dropped out of school at 15 and 16 years old, who are untrained and unskilled, and they do not have the CETA Program of yesteryear where perhaps they could get into a program with some support while they are in training. These young people are on the street, unskilled, untrained, with no support for staying in a training program. Our national job training program, JTPA, does not offer any support while they are in training.

So, Mr. Chairman, what this basically does is it asks people who have no money for food, no place to live, no support whatsoever, to be in a training program, and the gentleman and I both know that homeless people, hungry people, people without anything, do not sit in job training programs. This is a program that recognizes what the real problem is.

Yes, some of them are 23, 24, 25 years of age. Yes, some of them have been out on the streets for 8, 9, 10 years even. The last 12 years have been very difficult, and so we have these young people, some of them have children, those children are on welfare.

I want to break the cycle, Mr. Chairman. I want to get young people off welfare because we give their mothers and fathers an opportunity for job training. If in fact we can get these people enrolled in vocational education, in GED, in remediation, to prepare them for jobs with some support, a little stipend that says, "If you're enrolled, and you're trying to change your life, we'll provide a little stipend so that you can have some food, and a haircut and some clean clothes. You go to school. You get some training so that, when this economy is better, when empowerment zones are working, you are now prepared to go to work so that you can take care of yourselves."

We can get rid of general relief. They can take care of their children. We can get rid of welfare. We have got to stop dancing all around this problem.

Yes, the summer youth program is fine and good, and I support the idea that we are going to put a few more dollars in it to expand. But I also say, "Let us not have a lost generation that we throw away, young men and women who would like to be mainstreamed, who we can mainstream with a little support. Let us stop pretending that this problem does not exist."

Yes, Mr. Chairman, there may be 24, 25, and 26 year olds, but, if they want to go to school, if they want to invest in themselves now, we can give them a little support and help them get trained so that they can have a skill, so that they are competitive, so that they can go to work, they can take care of these babies, they can get off welfare, and we can get rid of the problem, not only in our cities, but in many of our rural communities where they are just standing around all day doing nothing.

□ 1910

I want them to work. You should want them to work. This is a good family bill. This is a good bill for America. This is a bill that invests in human potential.

I would ask Members to reject the misinformed information of the gentleman from Indiana [Mr. BURTON], and reject his amendment, because he is attempting to deny an opportunity in a way that we can not do something about a problem.

Miss COLLINS of Michigan. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment of the gentleman from Indiana [Mr. BURTON]. I want to read just a few short words from a review for a movie that is in today's Washington Post. The movie is "Menace to Society." A young man is asked the question by his grandfather, "Do you care whether you live or die?" After he ponders the question seriously, he replies, "I don't know."

It goes on to say that this movie captures the utter hopelessness of modern inner-city existence, that there is no future and no way out.

I commend the gentlewoman from California [Ms. WATERS] for her creative and far-reaching amendment, to reach out to those young men from the ages of 18 to 30. We are not talking about a safety net here; we are talking about a life line, to help save lives.

Mr. Chairman, frankly, I am sick and tired of hearing people in this House talk about free enterprise, a system that was built on 400 years of slavery, free labor. And now, when it is time to offer a helping hand to those people whose ancestors helped build this country, your talk about it is bad.

To my way of thinking, it is bad for us to spend billions of dollars on the RTC, to save the savings and loans, a problem that was created by multi-million-dollar crooks who stole the money from the American people. I did not hear these gentlemen talking about that.

We are talking about a measly $80 million. This amendment is not fair, I will tell you. It is disgraceful. I could even call it disgusting, but I would not do that, because of the decorum of the House.

Mr. Chairman, I am asking Members to defeat this ill-begotten amendment and vote for the amendment of the gentlewoman from California [Ms. WATERS].

Mr. SCOTT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in full support of the Youth Fair Chance Program. In our efforts to rebuild America and to provide jobs for Americans, the Youth Fair Chance Program must be seen as a critical component.

Today we are considering language to require a small stipend for participants and to expand eligibility up to age 30. I support both provisions.

We must remember that there are costs associated with receiving training for employment, seeking employment, or having a job—costs such as busfare, money for lunch, money for a hair cut, or to get clothes cleaned. For many people, these costs are major hurdles, disincentives to seeking employment. The stipend, although somewhat small, helps to remove these disincentives and provides youth with the opportunity that they need.

The decision to expand eligibility to age 30 is also based on the realities of our times. Today more people have been laid off of positions. They need help in meeting the needs of their families, rethinking how their skills can be transferred, learning about the training opportunities that are available in the community. Raising the eligibility level will enable us to provide crucial employment training services to a segment of our society that is in need.

The Youth Fair Chance Program offers our youth and our communities the opportunities that they need. We have to look for ways to turn stumbling blocks into stepping stones. I believe that the Youth Fair Chance Program is the way. I support the stipend and the age expansion and I urge my colleagues to do so.

Mr. WALKER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in favor of the gentleman's amendment.

Mr. Chairman, I was fascinated with the discussion here a minute ago that talked about a measly $80 million. A measly $80 million represents every penny of taxes paid by 16,000 average families in this country. That is a lot of money. In my district $80 million is a lot of money.

But I have a more serious concern here. If this amendment is not adopted, we are going to go on and adopt language in this bill that is not very well-defined. I am wondering if somebody can tell me what some of the words mean.

For example, the stipends that we are providing here are not going for just anything, they are going for particular purposes. They are going for transportation.

I would like to know what the word transportation means, because it is not defind anywhere in the bill. Does this mean that the money can be used to go out and buy a $100 car? Can anyone answer the question for me?

Ms. WATERS. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I would be happy to yield to the gentlewoman.

Ms. WATERS. Mr. Chairman, let me try and respond to that in the way that you attempted to give definition to several of the terms. The gentleman talked not only about transportation, but about the definition of food.

Mr. WALKER. No, I will come to food in a minute. I was asking the gentlewoman, she is the author of this amendment. She chose to go through an extraordinary process to get this amendment put in. She chose not to put any definition into the bill. The fact that there are no definitions means that the only legislative history we will have for this is what is established on the floor. As the author of the amendment, it becomes an important ingredient in determining what this is.

Mr. Chairman, I have asked the gentlewoman now a specific question. I do not want generic answers. I want a specific answer whether or not the term transportation would include the buying of a $100 car.

Ms. WATERS. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I will certainly yield to the gentlewoman.

Ms. WATERS. Mr. Chairman, if the gentleman will notice, we referred to the Youth Fair Chance Program that is already in law under JTPA. We are using that vehicle and the definitions in that vehicle to provide a stipend, and it simply is those definitions that are already in law describing food and transportation and other things that cover stipends under the existing law.

Mr. WALKER. Mr. Chairman, reclaiming my time, you are changing law in this particular case. You are changing ages in law, you are changing the provisions of law, and this new language that you are adding is brand new language for how these stipends are to be used. You now have a responsibility to define for us what those things mean. You cannot tell me about transportation; I want to go on to food.

Ms. WATERS. Yes, I have told you.

Mr. WALKER. No, you have not told me.

Ms. WATERS. It is the definitions that are in existing law under this program.

Mr. WALKER. No, this is not an existing law.

Ms. WATERS. Yes, it is.

Mr. WALKER. I am asking whether or not it includes a $100 car, and the gentlewoman will not answer, so I will go on to food.

Ms. WATERS. I have given my definition.

Mr. WALKER. Does food in fact include alcoholic beverages?

Ms. WATERS. No, it does not.

Mr. WALKER. It does not include alcoholic beverages?

Ms. WATERS. No, it does not.

Mr. WALKER. So the gentlewoman would be willing to accept an amendment on the floor to say that it does not include alcoholic beverages?

Ms. WATERS. Oh, that is perfectly legitimate, because you know that it does not include alcoholic beverages.

Mr. WALKER. No, I do not know, because the definition of food would certainly include alcoholic beverages.

Ms. WATERS. No, it does not. It is in existing law.

Mr. WALKER. The word "grooming," does that mean personal grooming? Does it mean grooming of pets? What does it mean? There are 1,000 definitions in the dictionary. What does the word "grooming" mean?

Ms. WATERS. Grooming, as you know, means attending to one's personal needs.

Mr. WALKER. No, I do not know what it means.

Ms. WATERS. Please do not be facetious and extend this to dog grooming. The American taxpayers do not wish us to be involved in this kind of debate. We do not have to take up this time talking about this meaning dog grooming. The gentleman knows better than that.

Mr. WALKER. Mr. Chairman, let me reclaim my time. What I am hearing from the gentlewoman is she does not want to define these terms because she knows it would be an embarrassment to her amendment to have to define the terms.

I will tell you the American taxpayers are very concerned about this. The American taxpayers are sick and tired of us trying to cure welfare with more welfare. The gentlewoman from California [Ms. WATERS] says she wants to do something about welfare. This amendment that she has put in is more welfare, and she is including an expanded definition of welfare beyond all belief because she is now to the point where we are now going to be out buying $100 cars, we may now be paying for alcoholic beverages, we are certainly paying for grooming, and she will not define what that means. I think what the gentlewoman just said is that it pays for haircuts and a number of other things, and that is a very broad definition. And then, and then here is this open-ended one, and I wonder if the gentlewoman will tell me that the definitions are already in present law, what this means: and other basic necessities.

How, there is a wide open category for you. Does that mean housing? Can the money pay for housing? Does it mean clothing? Does it mean condoms? Does it mean a whole host of things? What are all of these things that could be other basic necessities under the act?

□ 1920

Mr. WALKER. Mr. Chairman. I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. DEFAZIO. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. MYERS of Indiana. Mr. Chairman, I move to strike the requisite number of words.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. MYERS of Indiana. I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Chairman, I thank the gentleman, because it seems to me that it is very bad practice in this House that when we are engaged in debate and when I had yielded to the gentlewoman at her request, for them then to say that we ought not to have a debate and go back and forth and so on and for them to use the tactics of tyranny to shut down debate.

Mr. DEFAZIO. Mr. Chairman, will the gentleman yield?

Mr. WALKER. Mr. Chairman, the gentleman from Indiana [Mr. MYERS] has the time.

Mr. DEFAZIO. Mr. Chairman, will the gentleman yield?

Mr. WALKER. Mr. Chairman, I would like to continue. The gentleman is the one who shut off debate.

Mr. DEFAZIO. Mr. Chairman, there was no debate going on.

Mr. MYERS of Indiana. Mr. Chairman, regular order. I have yielded to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Chairman, the gentleman is really, I think, causing a deterioration here.

I think it is a very serious issue. Whenever Members raise issues that the other side becomes uncomfortable with, then they want to shut off debate. They try to use the Committee on Rules to shut off debate. And when we have open rules, they want to come out here and shut off debate.

It is obvious that there is a lot of discomfort about attempting to define these words. The words were put in without any consideration to the committee whatsoever.

If this amendment had come before the Committee on Appropriations, my guess is they would have asked them some very serious questions about those words, because they realize that it is open-ended kind of spending for things that cannot be justified.

Yet, when we try to raise questions about it and when we bring it up, they do not want to have that debate take place. And they try to shut it down.

It is the definition of tyranny, when we do not want these legitimate questions raised on the floor. I think it is entirely legitimate to question whether or not these terms are defined in law.

I do not believe they are. I do not believe we will find any definition in law whatsoever for the term "other basic necessities."

And so we are now in a position where we are asked to adopt an amendment or keep an amendment in that I believe will be an open-ended welfare program that will spend $80 million of the taxpayers' money, perhaps to buy beer, $100 cars, and grooming at the local pet salon.

Mr. LINDER. Mr. Chairman, will the gentleman yield?

Mr. MYERS of Indiana. I yield to the gentleman from Georgia.

Mr. LINDER. Mr. Chairman, is the gentleman on the Committee on Appropriations?

Mr. MYERS of Indiana. Mr. Chairman, yes.

Mr. LINDER. Mr. Chairman, if the gentleman will continue to yield, is it not correct that this amendment did not go through any appropriations committees?

Mr. MYERS of Indiana. Never considered by the Committee on Appropriations.

Mr. LINDER. Did it go through an authorizing committee?

Mr. MYERS of Indiana. I cannot answer that.

Mr. LINDER. Mr. Chairman, I believe it is true to say it did not go through an authorizing committee. It was written and passed in the Committee on Rules. If it were taken through the Committee on Appropriations, would they have tightened down the language that the gentleman from Pennsylvania is talking about, for example, "and other things"?

Mr. MYERS of Indiana. Well, that would be authorization on an appropriation bill, which the committee would not have been permitted to include under the present rules. We cannot authorize on appropriations bills.

Mr. LINDER. Is it fair to say that that language "and other things" is hard to define?

Mr. MYERS of Indiana. It is for new programs that are not under existing law.

Mr. CONYERS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, at 7:25 p.m., this is an example of how debate over a serious matter can deteriorate into questions of whether condoms, grooming of dogs, purchasing of alcohol, buying cars for $100 passes for a serious exchange of debate about a question of unemployment that has been raging in many communities for more than two decades.

This is a modest attempt to correct it, and that is why it gained the support not only of this committee but of the Committee on Rules, the leadership, and, I believe, ultimately and hope that it will receive the support of the majority of Members in the House on this vote tonight.

The gentleman from Pennsylvania has made a lot of announcements about what taxpayers are sick and tired of. May I remind him that he has not got one more taxpayer in his district than I have in mine, and everybody else on this floor.

I do not know where he has some special understanding of what taxpayers are sick and tired of and what they are not.

I find that frequently that is merely debate.

I happen to recall that the gentleman from Pennsylvania has objected to debate across the years, across the years he has objected to Members getting additional remarks, so I am surprised that this becomes some sensitive point of parliamentary procedure under this debate this evening.

Furthermore, in case he does not know it, and I suspect that he does, there are methods that he can get as much time as he wants, even though he cannot get additional remarks around the 5 minutes.

Let me talk about the importance of this amendment, this provision, the Waters provision being kept in this legislation.

It can be kept in this legislation and, at the same time, we can increase the number of summer jobs. There are two different, critical matters.

It seems to me, I have come to this point in my career that if we cannot do these two things tonight, with a majority of the House, a majority of the Senate, a Democratic Presidency, it is hard for me to imagine when it is going to happen.

I think the time has come for us to deal with this.

I would ask my good friend, the gentleman from Kentucky, who is the chair of this committee and has been a friend of the members of the Congressional Black Caucus across the years, to do everything that he can, continue to do it, to make sure that we deal with this problem.

We cannot go into the streets of the cities of the United States of America and tell them that somebody said on the other side that there are a few thousand more jobs this year than there were last year. We cannot tell them that there is a budget requirement that prevents people from working.

For goodness sake, citizens are not crazy. They may not be in Congress, but they know that we can do better than we are doing. And we have got to deal with this problem.

In Los Angeles, it blew up last year. And if my colleagues have followed it even remotely, it is about to blow up again.

What are we waiting for? What do we want? Do we want to turn this Nation into a series of conflagrations by people that cannot take it any longer? For goodness sake.

I am looking at my good friend, the gentleman from Indiana. If he knows how many people in the private sector are going to provide jobs for the 5 million people that need them, I would sure like to know who and where they are, because I would be happy to subtract that from the 4 million youngsters that are in poverty circumstances that sure are not going to all be flipping at McDonald's this summer.

Mr. LINDER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this is an example of precisely what got us in this fix. We think somehow that $80 million is going to cure poverty and hunger in America, and we have spent $3 trillion since 1968 on poverty, when the poverty rate was at that time 12.8 percent in America.

Three trillion dollars is enough to buy every share of stock in the Fortune 500 corporations and every acre of farmland in America, and we have moved that 12.8 percent poverty to 13-plus percent.

Something is wrong, and $80 million more is not going to cure it.

□ 1930

What is even worse is, this is another example of doing things outside of the process. It did not go through the Committee on the Budget, so it lacked the priority setting of the Committee on the Budget. This amendment lacked the attention to detail and definition given by the authorizing committees, and indeed, it is dumped into by the Committee on Rules, left wide open for immense abuse.

We do not know what other purposes means; we do not know what transportation means; we do not know if grooming is $200 haircuts. Again, it is wide open.

It needs to be taken out, it needs to go the process, it needs to be given the attention that our ordinary process gives it. This needs to be moved out. I support the amendment of the gentleman from Indiana [Mr. BURTON].

Mr. BURTON of Indiana. Mr. Chairman, will the gentleman yield?

Mr. LINDER. I yield to the gentleman from Indiana.

Mr. BURTON of Indiana. Mr. Chairman, I thank the gentleman for yielding.

First of all, let me say to my colleagues on the other side of the aisle, that I do stand corrected. I thought the $80 million was for Los Angeles alone. I have been corrected on that, and I do admit that.

However, let me just say that President Clinton, in his next year's budget proposal, only has $25 million for this program. What are we going to do if we appropriate $80 million for it next year, and we only have $80 million this year, and there is only $25 million next year? Are we going to cut out $55 or $65 million for young people next year? Are we going to raise the authorization or appropriation so we can spend more, then?

Second, the GAO says that we cannot get this money into the pipeline quick enough for this year to take care of the problem anyhow. Third, why in the world are we raising the age limit from 21, under the Job Training Partnership Act, to age 30? At what point does a person become an adult? Are we going to raise it to 35 and 40 in the years to come.

Next, do we throw money at urban problems because of threats, because of a threat of blowup or violence? That should not be the reason why we deal with problems in this country, because there is some kind of a threat from an urban area like Los Angeles or Chicago or any place else. That is a ludicrous argument, in my opinion.

What we should be dealing with is the long-term economic problems of this country: stimulating the private sector to create long-term jobs, giving tax incentives to the private sector to train the unemployable, to teach them useful skills so they can stand on their own two feet.

Government cannot give jobs to people for an indefinite period of time. Government can only do it for a short period of time, and then we have to come back next year and the following year and the following year asking the taxpayers to pony up more money for a program that is not going to solve the problem.

The way we solve the problem is to let the free enterprise system teach them useful skills and give them long-term employment. Yet some Members think Government can do everything. This is not the solution to the problem, I say to my colleagues. This is an amendment that should be passed.

I do, however, admit this is a nationwide program and not just for Los Angeles County.

I thank the gentleman for yielding to me.

Mr. CONYERS. Mr. Chairman, will the gentleman yield?

Mr. LINDER. I am pleased to yield to the gentleman from Michigan.

Mr. CONYERS. Mr. Chairman, I thank the gentleman for yielding to me.

The gentleman has raised a couple of important points. First of all, this is a special program that does not intend to insult 30-years-olds by assuming that they are youngsters or kids or not adults. It is specially created to deal with unemployment that has existed so long that people from 17 to 30 may have never had meaningful work experience in their lives. That is why the program is being created.

Where are we going to get the money from next time around? I am glad the Members conceded that the money is there and we can do it this time. Next time we will cut the defense budget by $80 million or more, and we will have more than enough to do it.

Mr. Chairman, I am glad the gentleman is concerned about the next time and the next time and the next time, but I think that that will take care of itself.

Mr. LINDER. I would ask the gentleman from Michigan, would he not agree that the way to create real jobs is to get off the backs of private industry with regulations and taxes, and they will create real jobs? And if the gentleman wants to create part-time jobs for people who have hard-core unemployment, give tax credits to business to hire them in the real marketplace, in the real world, companies that have real jobs with the potential for the long term.

These are make-work jobs in Government, and they do not work.

Mr. PORTER. Mr. Chairman, I rise to strike the requisite number of words.

Mr. Chairman, I want to be clear that I do not oppose, necessarily, the Youth Fair Chance Program, but as the ranking member of the Subcommittee on Labor—Health and Human Services—and Education of the Committee on Appropriations, which should have jurisdiction over this appropriation, I strenuously object to the process by which it has been added to this bill.

The Youth Fair Chance amendment was included in this bill without consideration by our subcommittee, without consideration by the full committee, without consideration by the authorizing committee, and in direct contravention of Chairman NATCHER'S intent to bring this bill to the floor without a rule. I have the highest regard for the gentlewoman from California [Ms. WATERS], but with all due respect to her, this is no way to deal with the legislative process. It shows disrespect toward my chairman, disrespect toward all the members of the Committee on Appropriations, the subcommittee and the full committee, and disrespect to the members of the authorizing subcommittee and full committee as well.

On Monday, our full committee had a 3-hour debate during which the Youth Fair Chance Program was never mentioned. Certainly any Member should have an opportunity to come down to the floor and offer an amendment to fund the program, but the rule went far beyond that. It incorporated the Waters amendment in the text of the bill, and waived all points of order against it.

The Waters amendment rewrites the authorizing statute for the Youth Fair Chance Program before it has ever been funded. It would raise the maximum age for participation from 19 to 30. It would create a new minimum wage, set new caseworker ratios, and limit employment to no more than 20 hours per week.

There may be decent provisions, Mr. Speaker, but no one has had any chance to hear a word about them or to hear a word of evidence about them. Mr. Speaker, the Waters provision ought to be reviewed first by the authorizing committee and then by the Appropriations Committee, just like any other amendment. Had it come to the floor for a vote under an open rule, it would have been subject to a point of order and would never have been considered today.

Beyond these procedural issues, I am concerned that the funding will not even be obligated in the current fiscal year, as the gentleman from Indiana [Mr. BURTON] just said. The Department of Labor estimates it will take as least 3 months after enactment to publish a grant solicitation, receive and evaluate applications, and make the awards.

Unlike the Summer Youth Program, which is allocated based on a formula, the Youth Fair Chance Program will require tremendous staff time and resources to solicit and review applications. This will take time and it cannot be funded in this fiscal year.

Finally, Mr. Speaker, the Waters amendment would add $80 million in fiscal year 1993 funding to a program that has never been funded and for which the President requested only $25 million for the entire fiscal year 1994.

While I have serious concerns about the ability of the grantees to use summer youth employment funding this year, I have even more serious concerns about the Waters amendment funding for the Youth Fair Chance Program. I urge Members to support, therefore, the Burton amendment, which rescinds the Waters amendment, sends it back to the authorizing and appropriating committees, where it ought to be considered, not to the Committee on Rules.

I urge the Members to support the amendment and vote to eliminate unauthorized and unreviewed programs from the supplemental bill.

Mr. DEFAZIO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, at last we have gotten to a few substantive questions about this issue, which is refreshing after the earlier rather facetious debate, and extraordinarily bizarre questions that were raised, stretching the reality of the program.

One question is, Why deal with people 21 to 30? It was Elizabeth Dole as Secretary of Labor who first targeted this group as the hard core unemployed, people who need to be targeted and gotten back into productive employment.

Let me just relate a story about a lot of sort of inspiring things that had happened around here. There are a lot of moving stories, but last fall the gentlewoman from California [Ms. WATERS] brought back some ex-gang members who had gotten straight with no help from the Federal Government, no help from any Federal program. They had locked onto a person in the Los Angeles area who was helping get gang members straight and get them off drugs and get them on a good path.

These people had become entrepreneurs. One guy had four or five employees. He was paying taxes on them. They were working for him. He was selling shoes.

I said, "How is business?"

"Business is pretty good, but I am worried."

"What are you worried about, the economy?"

"No, it is getting to be winter."

I said, "How does that affect your business?"

He said, "It is going to start getting dark earlier. It is going to rain."

"I still don't get how that affects your business."

"Yes, we are selling on the street corners. I want to get enough money to get a small grant and get in one of those burned-out stores and fix it up, and have a business, and put people to work, and use people from my neighborhood to do that."

☐ 1940

Now this is a guy who got straight, and he has got it right, and he is trying to get just a little bit of help. And there are a lot of other young people out there, young men out there between 21 and 30 years of age, young women who want to get away from that bad life style, and here for $2,500 we can put them in a program for 6 months to teach them some basic skills.

Why grooming? Because if you go and apply for a job you have got to look good. You have got to know how to dress right. You have to have your hair combed. That is one of the most basic skills we teach in job training, and being a rehab counselor I have done that.

Why transportation? Because we find the biggest barrier for people who want to apply for jobs is that they do not have the money to go down and apply for the job, they do not have the money for bus fare, they do not have the money for a taxicab, they do not have a car. They cannot get down there and apply, and that is why these things are in there.

It is not dog grooming. This is not buying $100 cars for fun or something else. This is getting them to job interviews. I have done this work as a rehab counselor. This is sincere, $2,500 a year for 6 months' investment in these young people, or $30,000 a year for them in jail.

I am sure my colleagues on the other side of the aisle would have no problem voting for $10,000 or $100,000 more for new jail cells at $30,000 per year per person. How about we try something different? How about we target them with this program that has a proven record of success in dealing with our youth and fund the $2,500 per person for 6 months?

Ms. WATERS. Mr. Chairman, will the gentleman yield?

Mr. DEFAZIO. I yield to the gentlewoman from California.

Ms. WATERS. Mr. Chairman, I thank the gentleman very much for yielding.

We have another Member who is also going to talk about these same two gentlemen that were just alluded to, who came to Washington to talk about how their lives were changed. I and my women's group have been funding stipends that we raise and work very hard to try to help some young people. The same two gentlemen that the gentleman from Oregon referred to have moved from the street corner selling shoes. They are now in a building. It is known as the Playground. I nurtured and developed them with my women's group, as we are doing with other people, but we only have so much money.

This business called the Playground that is now managed and run by former gang members was visited by the President of the United States on his last visit to Los Angeles. These two are but an example of what we can do with small investments. I would like to be able to raise money to fund all of them all over the country, but the fact of the matter is we cannot do it for everybody, and the government needs to help just a little bit.

With a little bit of help we can get these young people off the street. yes, we can make entrepreneurs out of them.

I would like to invite you to come to Los Angeles, to the shoe store, to the sporting goods store called the playground, owned by former gang members who have been supported with a little stipend.

Mr. GUNDERSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, as a member of the authorizing committee I would like to discuss this issue because I think it is important that everyone put this in perspective. In so doing, hopefully, I can focus a little bit on why this is not the time or the place, and certainly this is not the process by which we should try to accomplish this goal.

I want every one of my Democratic colleagues to understand from the outset that I agree with you that we need more funding in the area of training and retraining in this country. There can be no question that if we are going to have a global, high-technology workplace, if we are going to have defense conversion, if we are going to have NAFTA retraining, if we are going to pick up those people who have fallen through the cracks, we in this country have no choice but to dramatically increase our funding in this area. George Bush recognized that when he was President, and President Clinton has now articulated the same.

But that gets to the very point of what we are talking about today. The fact is, and I pleaded with my colleagues on the Democratic side of the aisle who are speaking with their hearts to take a look with their minds at the authorizing language. You are focusing your comments on title II(A) which is exactly the disadvantaged workers program under the Job Training Partnership Act. We just completed a comprehensive rewrite of that program. You voted for that in the last Congress, and what we did was we required that it be targeted to not one, but at a minimum of two barriers to employment. It meant you had to have perhaps a language skill and an employment skill barrier. We targeted that money to the very people that you want.

In addition to that, what we said is that it is important to recognize that yes, in the inner cities some people need income assistance and, therefore, we allow under title II(A) that money could be used for income assistance in addition to the training.

Third, we recognized that there were going to be disparities, whether it be the Los Angeles or other communities in dire need, and so we gave the Secretary discretionary money to target, as he saw fit, to those places greatest in need in this country. It is no secret, the Secretary of Labor today is your Secretary of Labor. You know him well; I know him well. He has his heart in the right place. I am sure if you take your program to him he will make that decision on whether your program ought to achieve special priority above and beyond one of the others.

The problem with this is you take the disadvantaged worker program, written, crafted and targeted to the very population you seek to help, a program that today, because of lack of funds, serves only 3 percent to 5 percent of the eligible participants, and then you are going to take $25 million from that program, $25 million from the dislocated worker program, and you are going to move that money into this particular area. That is wrong. That is wrong, and that is where we ought to go through the normal authorization process. It is why we ought to go through the normal appropriation processes and come back, and I will work with you. I mean those of you on the Education and Labor Committee know that I am not one who is hostile to targeting our training programs to those most in need.

But this is not the way. This is not the process.

Mr. CONYERS. Mr. Chairman, will the gentleman yield?

Mr. GUNDERSON. I am happy to yield to the gentleman from Michigan.

Mr. CONYERS. Mr. Chairman, I am delighted to hear the gentleman's comments, and I understand that his sympathies run with the gentlewoman who created the provision here that would deal with the problem that he recognizes exists.

Let me just make a few points. No. 1, her program is not provided for in the existing legislation, and if it was, she would be the first to pull it out.

No. 2, it is not income assistance in any way, shape or form.

No. 3, she did not invent the process by which she brought this amendment to the floor. It has been done before, and it probably will be done again.

Mr. GUNDERSON. First of all, we all agree the program is authorized, but the Appropriations Committee of this Congress last year saw fit to not provide any money for it, for better or worse. I mean, do not blame us today for that. You people controlled the process, your Congress in the last Congress chose not to do that.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. GUNDERSON] has expired.

(By unanimous consent Mr. GUNDERSON was allowed to proceed for 1 additional minute.)

Mr. GUNDERSON. Second, this program does provide a $100 stipend. I do not know if that is right or wrong. I think, very frankly, that is authorizing in an appropriation bill. That is something we in the Education and Labor Committee should have had a chance to look at. We are not hostile, and we are going to provide stipends in the national service program, as the gentleman knows.

Third, the gentleman says he did not pick the process by which this came here. That may be, but I have to tell him, and I have to tell the distinguished gentlewoman from Los Angeles, I think this would be much different if we had seen an effort in front of our committee, if we had seen a request in front of the Appropriations Committee, if this was not something that had happened above and beyond that process, and it had been articulated only in a self-enforcing rule so that we never have been allowed to discuss the merits of the program.

Mr. NATCHER. Mr. Chairman, we have been on this amendment now for a little bit over an hour. I would like to suggest that we have two or three more amendments and we do not want to keep the Members here all night.

Mr. Chairman, I ask unanimous consent that all debate on this amendment close at 8 o'clock, with the time equally divided between the gentlewoman from California [Ms. WATERS] and the gentleman from Indiana [Mr. BURTON].

□ 1950

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The CHAIRMAN. The gentlewoman from California [Ms. WATERS] will be recognized for 5 minutes, and the gentleman from Indiana [Mr. BURTON] will be recognized for 5 minutes.

The Chair recognizes the gentlewoman from California [Ms. WATERS].

Ms. WATERS. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. TUCKER].

Mr. TUCKER. Mr. Chairman, I thank the gentlewoman for yielding me this time.

Mr. Chairman, this is not a question of persons on this side of the aisle not thinking with their head. I think it is more so a question of people on that side of the aisle not thinking or not feeling with their hearts.

It is time that this body stops playing politics with the pain and the suffering of the people in this country. It is obvious that we have young people in America who need an opportunity, and that age is not cutoff at just 18 or 19. It goes up to the age of 30 because of chronic unemployment.

As I spoke on the House floor earlier today, I was talking about the situation in my district in Watts, in places like South Central where the playground is, where these two young men had to start a business with private-sector moneys. They should not have to do that.

This amendment offered by the gentlewoman from California, from Los Angeles, should be in there, and should be an opportunity for these young people to pull themselves up. Everyone always talks about them pulling themselves up by their bootstraps. Let us give them some boots and some straps to pull themselves up by.

It is obvious that this body always talks about cutting spending, being cost-conscious. Let us be cost-conscious and let us have some conscience at this time as it relates to the people who are suffering in South Central, in south Chicago, and all over this country who need an opportunity to empower themselves. It is pretty obvious this particular amendment will provide that empowerment, will provide the training, will provide the opportunity by which people over the age of 18, but all the way up to the age of 30, to have an opportunity to have some self-esteem and some self-productivity.

I think it is time that this body stops playing with legalisms and with specious arguments and comes down to the reality of the fact that we are all Americans in this country, and let us step up to the plate and do what is right for people who are just like you and I who need an opportunity to be taxpayers.

Do you want the deficit reduced? Give these people an opportunity to have a job so maybe they could be taxpayers and they could help the deficit to be reduced.

Do you want this country to move in the right direction? Give these people a job, and we will not see the riots in Los Angeles, and we will not see the riots all around this country. We will have people who have a stakehold in this country.

Mr. BURTON of Indiana. Mr. Chairman, I yield 2 minutes to my colleague, the gentleman from Illinois [Mr. HASTERT].

Mr. HASTERT. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, you know, I take some umbrage, I guess, in saying that someone on the other side of the aisle does not have a heart or we are not feeling.

But I think there is a fact here, and I think the facts are that funding for this program, this money grab that we see in this amendment or in this program, comes out of the programs such as the State students' incentive grants. Now, let me tell you about this grant. It is money for disadvantaged children, young men, young women who have gone and filled out the requirements of a program, that have gone and applied for money for summer programs.

I will tell you what is going to happen if this bill passes. If this piece of legislation passes, those young men and women, yes, from south Chicago and from Philadelphia and probably even some from Los Angeles are going to show up at colleges and community colleges and say, "Oh, by the way, there was another program that just took your money away, and you are not going to be able to participate in the State Student Incentive Grant Program this summer or this year." Incidentally, there is going to be money taken from libraries, libraries where kids, yes, some advantaged and a lot of disadvantaged kids, kids who cannot afford to go and buy books, they are going to go to the library this summer and find that the door is closed, because the money comes out of this program that the gentlewoman from California is putting together. It comes out of everybody else's program, and, ladies and gentlemen, this is, pure and simple, a money grab.

Ms. WATERS. Mr. Chairman, I yield 1 minute to the gentlewoman from Illinois [Mrs. COLLINS].

Mrs. COLLINS of Illinois. Mr. Chairman, I thank the gentlewoman for yielding me this time.

Mr. Chairman, let me say this: I take it upon myself to say that this amendment offered by the gentleman from Indiana is a mischievous amendment, and let me say that I think I am in a far better position to talk about what happens on the south side and the west side of Chicago than those who have spoken about those particular communities very, very recently.

Let me tell you that there are people who are 17 through 30 years of age who need a helping hand. Somebody said they thought it was disrespectful toward the chairman, et cetera, when this amendment by the gentlewoman from California was offered. It is not disrespectful to the chairman, and it is not disrespect to the House. It is respect for the human needs of the young people in our country. They have an opportunity under her amendment to get a job, to be able to groom themselves and go there and be prepared to learn and earn a decent living for themselves.

To deny them that opportunity is strictly un-American, and for anybody to decide that they do not have that opportunity is absolutely wrong. It is not about grabbing money. It is about trying to grab a chance, trying to grab hold of America and what America is supposed to hold for all of us, not just those who happen not to live on the West Side or the South Side of Chicago.

Ms. WATERS. Mr. Chairman, I yield such time as he may consume to the gentleman from Oklahoma [Mr. MCCURDY].

Mr. MCCURDY. Mr. Chairman. I rise in support of the gentlewoman's position and in opposition to the Burton amendment.

Ms. WATERS. Mr. Chairman, I yield 1 minute to the gentleman from Louisiana [Mr. FIELDS].

Mr. FIELDS of Louisiana. Mr. Chairman, I thank the gentlewoman for yielding me this time.

Mr. Chairman, I thank the gentlewoman for giving me the opportunity to speak.

I oppose the amendment, of course, and I support the gentlewoman from California.

I think the gentleman from California has stated it better than I could ever state it. We have got to get serious about funding some programs for our young people to produce jobs in this country.

There has been a lot of talk about California, but I am here to tell you that I am from a State that has high unemployment as it relates to young people. I have young people who are unemployed, young people who are on the streets, young people who need jobs, and that is one of the poorest areas of our country, the delta region of Louisiana.

I suggest that this bill, particularly the amendment offered by the gentlewoman from California, that she put on in committee, is in the best interests of young people all across this country.

The gentleman from California is absolutely right. I mean, we spend $30,000 a year to put somebody behind jail bars, but will not spend $2,500 to give a person the opportunity to have a job and teach them about job training.

Ms. WATERS. Mr. Chairman, I yield such time as he may consume to the gentleman from Minnesota [Mr. PENNY].

Mr. PENNY. Mr. Chairman, I thank the gentlewoman for yielding.

I simply want to support her position on this issue. I rise in opposition to the amendment offered by the gentleman from Indiana.

I have discussed this matter with the gentlewoman from California, and I am convinced that the approach that she has proposed to deal with this population group up to age 30 really focuses our attention in the proper area.

We have to guarantee that these jobs are created for those who are now most desperately looking for constructive work in their lives, and she understands the problem firsthand, as few of us can.

We ought to support her in her effort to provide support for those who need it the most.

Ms. WATERS. Mr. Chairman, I yield back the balance of my time.

Mr. BURTON of Indiana. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, let us just close by saying that I think this has been a good debate, and I think that my colleagues on the other side of the aisle really believe in the position that they have taken. I think their hearts are sincere.

But so was Lyndon Johnson's. You know, back when Lyndon Johnson became President, he said he was going to create something called the Great Society, and he said that within 3 to 4 years we were going to eradicate poverty. He created jobs programs and welfare programs and programs on top of programs.

The taxpayers of this country and the businesses of this country were saddled with huge taxes to deal with the problems, and here we are 20-some years later. What are we asking for? More taxes, for more Government programs, for more spending.

I just say to my colleagues that the people of this country are tired of the welfare system that we have. They are tired of runaway programs and entitlements. They want an end to it. They want to cut Government spending and hold the line on taxes.

□ 2000

Now here we are with this program increasing the eligibility for people to be considered youthful employees from age 21 to age 30. We are creating $80 million for another program, and all I am saying to my colleagues is enough is enough.

We are going to end up with a socialistic system in this country with the Government controlling everything, if we are not careful.

The people of America are simply tired of it. They do not want more programs. They do not want more taxes, they do not want more spending; they want to cut spending, hold the line on taxes and get the Government off the backs of the private sector so that they can create jobs to get these hard-core unemployed off the streets.

If you want to do something for the young people of this country, give incentives to the business people, give them tax credits for hiring the hard-core unemployed, teach them useful skills. Then they will hire them because there is a reason for them to hire them. They will create additional workers in the work force. These people will get good jobs, learn a trade, stand on their own two feet and will no longer be tax recipients but taxpayers. That is the solution to our country's ills, not more Government programs, not increasing the age of eligibility.

Enough is enough, enough is enough.

Mr. Chairman, I yield back the balance of my time.

Mr. COX. Mr. Chairman, I rise in strong moral support of my colleague from Indiana, whose amendment is now under debate. His purpose is clear: to cut spending on any program that is not absolutely necessary.

Unfortunately, the amendment as written does not cut any spending from the bill. If it did, I would vote for it. Our deficit spending must stop

All this amendment does is erase the $80 million earmark for one of several programs. It leave the $80 million in the bill. Arguably other programs in the bill are less worthy than the one that is the subject of this amendment.

My colleague, Ms. WATERS. has agreed to consider joining Congressman WASHINGTON and me as sponsors of my turbo enterprise zone legislation. For that, I am grateful and in the meanwhile she has earned by support on this amendment.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Indiana [Mr. BURTON].

The question was taken, and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. BURTON of Indiana. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 176, noes 251, not voting 10, as follows:

[Roll No. 189]

AYES—176

Allard
Archer
Armey
Bachus (AL)
Baker (LA)
Ballenger
Barrett (NE)
Bartlett
Barton
Bateman
Bentley
Bereuter
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Brewster
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Clinger
Coble
Collins (GA)
Combest
Crane
Crapo
Cunningham
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Emerson
Everett
Ewing
Fawell
Fields (TX)
Fowler
Franks (CT)
Franks (NJ)
Gallegly
Gallo
Gilchrest
Gillmor
Gilman
Gingrich
Goodlatte
Goodling
Goss
Grams
Grandy
Greenwood
Gunderson
Hall (TX)
Hancock
Hansen
Hastert
Hayes
Hefley
Herger
Hobson
Hoekstra
Hoke
Horn
Houghton
Huffington
Hunter
Hutchinson
Hyde
Inglis
Inhofe
Istook
Johnson (CT)
Johnson, Sam
Kasich
Kim
King
Kingston
Kleczka
Klug
Knollenberg
Kolbe
Kyl
LaRocco
Lazio
Levy
Lewis (FL)
Lightfoot
Linder
Lipinski
Livingston
Manzullo
McCandless
McCollum
McCrery
McDade
McHugh
McInnis
McKeon
McMillan
Meyers
Mica
Michel
Miller (FL)
Molinari
Moorhead
Morella
Murphy
Myers
Nussle
Oxley
Packard
Paxon
Petri
Pombo
Porter

Portman
Pryce (OH)
Quillen
Quinn
Ramstad
Ravenel
Regula
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Santorum
Sarpalius
Saxton
Schaefer
Schiff
Sensenbrenner
Shaw
Shays
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Stearns
Stump
Sundquist
Talent
Tauzin
Taylor (NC)
Thomas (CA)
Thomas (WY)
Torkildsen
Upton
Vucanovich
Walker
Walsh
Weldon
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—251

Abercrombie
Ackerman
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Applegate
Bacchus (FL)
Baesler
Baker (CA)
Barcia
Barlow
Barrett (WI)
Becerra
Beilenson
Berman
Bevill
Bilbray
Bishop
Blackwell
Bonior
Borski
Boucher
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
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Cantwell
Cardin
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Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Cooper
Coppersmith
Costello
Cox
Coyne
Cramer
Danner
Darden
de la Garza
de Lugo (VI)
Deal
DeFazio
DeLauro
Dellums
Derrick
Deutsch
Dicks
Dingell
Dixon
Dooley
Durbin
Edwards (CA)
Edwards (TX)
Engel
English (AZ)
English (OK)
Eshoo
Evans
Faleomavaega (AS)
Fazio
Fields (LA)
Filner
Fingerhut
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Frost
Furse
Gejdenson
Gekas
Gephardt
Geren
Glickman
Gonzalez
Gordon
Green
Gutierrez
Hall (OH)
Hamburg
Hamilton
Harman
Hastings
Hefner
Hilliard
Hinchey
Hoagland
Hochbrueckner
Holden
Hoyer
Hughes
Hutto
Inslee
Jacobs
Jefferson
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Klein
Klink
Kopetski
Kreidler
LaFalce
Lambert
Lancaster
Lantos
Laughlin
Lehman
Levin
Lewis (GA)
Lloyd
Long
Lowey
Maloney
Mann
Manton
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCloskey
McCurdy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Mineta
Minge
Mink
Moakley
Mollohan
Montgomery
Moran
Murtha
Nadler
Natcher
Neal (MA)
Neal (NC)
Norton (DC)
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Parker
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reed
Reynolds
Richardson
Roemer
Rose
Rostenkowski
Rowland
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Sawyer
Schenk
Schroeder
Schumer
Scott
Serrano
Sharp
Shepherd
Sisisky
Skaggs
Skelton
Slattery
Slaughter
Smith (IA)
Spratt
Stenholm
Stokes
Strickland
Studds
Stupak
Swett
Swift
Synar
Tanner
Taylor (MS)
Tejeda
Thornton
Thurman
Torres
Torricelli
Towns
Traficant
Tucker
Underwood (GU)
Unsoeld
Valentine
Velazquez
Vento
Visclosky
Volkmer
Washington
Waters
Watt
Waxman
Wheat
Whitten
Wilson
Wise
Woolsey
Wyden
Wynn
Yates

NOT VOTING—10

Gibbons
Henry
Leach
Lewis (CA)
Machtley
Ridge
Romero-Barcelo (PR)
Stark
Thompson
Williams

□ 2024

Mr. SKAGGS changed his vote from "aye" to "no".

Messrs. SANTORUM, YOUNG of Alaska, and SARPALIUS changed their vote from "no" to "aye."

So the amendments were rejected.

The result of the vote was announced as above recorded.

Mr. NATCHER. I ask unanimous consent, Mr. Chairman, that all debate on each amendment offered from this point on be allotted 10 minutes, with the allotted time equally divided between the author of the amendment and the opponent of the amendment.

Mr. Chairman, I would like to explain to my colleagues why I make this request.

The CHAIRMAN. First, is there objection to the request of the gentleman from Kentucky?

Mr. BURTON of Indiana. Mr. Chairman, I reserve the right to object.

Mr. Chairman, I think under my reservation I have the time; am I not correct?

The CHAIRMAN. The gentleman from Indiana is correct.

Mr. BURTON of Indiana. Mr. Chairman, let me just say that I would like to yield to the gentleman from Kentucky to offer his explanation, but, before I do, I would like to say to him that I think we may have some Members who would like to express themselves. I realize it is late in the evening, and we would like to expedite things as quickly as possible, but I think 10 minutes might be too short a period.

Mr. Chairman, if the gentleman from Kentucky [Mr. NATCHER] would rethink this and maybe ask for a limit of 20 minutes on each amendment, then perhaps there would be no objection.

Mr. NATCHER. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Indiana. I yield to the gentleman from Kentucky.

Mr. NATCHER. Mr. Chairman, with all due respect to my friend, the gentleman from Indiana, we started on the first supplemental appropriation bill at 1:10. Both of these bills, with the amendments added, amount to about $2 billion, and now it is 8:30.

Mr. Chairman, on this side we do not intend to wear these Members out tonight. I am going to insist on my unanimous-consent request.

Mr. BURTON of Indiana. Mr. Chairman, I reluctantly object.

The CHAIRMAN. Objection is heard.

Mr. NATCHER. Mr. Chairman, I move that all remaining debate on each amendment presented and all amendments thereto, be allocated 10 minutes, with the time equally divided between the author and the opponent of the amendment.

The CHAIRMAN. The Chair cannot entertain that motion, since the bill has not been read and the motion would allocate time.

AMENDMENTS OFFERED BY MR. CALLAHAN

Mr. CALLAHAN. Mr. Chairman, I offer amendments.

The Clerk read as follows:

Amendments offered by Mr. CALLAHAN: On page 2, line 8, strike "$320,000,000" and insert "$300,000,000".

On page 2 under the heading "Training and Employment Services", strike $234,500,000" and insert "$214,500,000".

On page 11, strike lines 12 through 17.

PARLIAMENTARY INQUIRY

Mr. BEREUTER. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BEREUTER. Mr. Chairman, it is my understanding we are doing this paragraph by paragraph.

The CHAIRMAN. The gentleman from Nebraska [Mr. BEREUTER] is correct.

Mr. BEREUTER. I have an amendment to paragraph one. Does the gentleman from Alabama [Mr. CALLAHAN] have an amendment to paragraph one as well?

Mr. CALLAHAN. Yes, Mr. Chairman, I do.

The CHAIRMAN. We are still in the first paragraph, and I inform the gentleman from Nebraska that his amendment is coming up.

Mr. NATCHER. Mr. Chairman, I reserve a point of order on the amendments offered by the gentleman from Alabama [Mr. CALLAHAN].

The CHAIRMAN. The gentleman from Kentucky reserves a point of order on the amendments, and the gentleman from Alabama [Mr. CALLAHAN] is recognized for 5 minutes.

□ 2030

Mr. CALLAHAN. Mr. Chairman, the purpose of this reduction is certainly to do no harm to the summer jobs bill. As a matter of fact, if we can get this matter corrected, I more than likely will support the jobs bill. But in creating the $320 million appropriation for the summer job bill, my amendment would reduce that by $20 million and would return the $20 million that the rescission later on in this bill takes away. The draft rescission language for the U.S. Coast Guard suggests that the Coast Guard can easily absorb the $20 million reduction, but this is not the case.

Mr. Chairman, if you will recall, last year we had some problems with Coast Guard funding. The House, in an action which was ultimately concurred in by the Senate, had to give them an additional $35 million to get through the year.

This rescission factor takes $20 million from the Coast Guard just in the last quarter, and there is no way they can possibly get through the end of the year without cutting into the meat and the capability of the U.S. Coast Guard to operate.

Mr. Chairman, I have had some conversations on this matter with the gentleman from Kentucky [Mr. NATCHER].

Mr. NATCHER. Mr. Chairman, under my point of order, I yield to the gentleman from Louisiana [Mr. TAUZIN].

Mr. TAUZIN. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, the gentleman from Alabama [Mr. CALLAHAN] has raised a very legitimate concern with the way the bill is structured in regard to deleting $20 million from the Coast Guard budget. The Coast Guard recently spent about $10 million of money that was not planned to be spent in Operation Able Manner, the operation that was designed to interdict Haitians who were coming in unstable, unsteady, and unsafe boats to America to try to prevent the loss of life at sea.

The Coast Guard simply cannot endure as much as a $20 million cut in its operating budget. We are told by responsible people within the Coast Guard that while some of those cuts could be endured, as much as a $20 million cut will mean that in the last quarter of this year, in the summer, in the busiest time of year, search and rescue will have to be curtailed. We will have to curtail fishery enforcement and there will have to be a curtailment of some of the missions in the Caribbean designed to protect against people dying in the waters of the Caribbean trying to come to American shores. I know that none of us wants to see that happen.

Mr. Chairman, I understand the gentleman from Alabama [Mr. CALLAHAN] is attempting to resolve the situation. I have had a conversation with the chairman of the committee, the gentleman from Kentucky [Mr. NATCHER], and I believe that he shares our concern that this damage not be done, and that perhaps some way might be found in the process of this bill to ensure that we do not have that occur in the middle of the summer, the busiest water boating season of the year.

Mr. NATCHER. Mr. Chairman, our friend, the gentleman from Alabama [Mr. CALLAHAN], and also our friend, the gentleman from Louisiana [Mr. TAUZIN], have discussed this matter with us on this side. The subcommittee chairman of the Transportation subcommittee is the gentleman from Michigan [Mr. CARR], one of the best subcommittee chairmen that we have. Mr. Chairman, let me say this to the two gentlemen: When we go into conference on this bill, both gentlemen can rest assured that the gentleman from Michigan [Mr. CARR] will give every consideration to your concerns, and I will be sitting right there beside him.

Mr. TAUZIN. Mr. Chairman, I thank the gentleman from Kentucky [Mr. NATCHER], the chairman of the full committee.

Mr. NATCHER. Mr. Chairman, I yield to the gentleman from Michigan [Mr. CARR].

Mr. CARR. Mr. Chairman, I wish to assure the gentleman from Louisiana [Mr. TAUZIN] and the gentleman from Alabama [Mr. CALLAHAN], with whom I am good friends, that we do not want to do anything to curtail the Coast Guard's essential missions. Obviously, when we appropriate money we do it with the best of forecasting. When the Coast Guard asks for money, they do it with the best of their forecasting. We are going to make sure that they do not have any shortfalls like the gentleman indicated. We will be glad to work with you.

Mr. TAUZIN. Mr. Chairman, if the gentleman will yield further, I wish to thank the chairman of the subcommittee, the gentleman from Michigan [Mr. CARR]. I would urge my colleague from Alabama [Mr. CALLAHAN] to work with us to see that the process does cure what I think is an obvious defect in the funding for this last quarter of the year. I know the chairman of the subcommittee and the chairman of the full Committee on Appropriations do not want to see us face the situation in the middle of the summer when in fact search and rescue operations have to be curtailed because we simply cannot buy the fuel to operate the boats and the airplanes that are necessary, and I know that in this process I have a good faith belief we are going to cure this somewhere down the line.

Mr. Chairman, I would urge my friend, the gentleman from Alabama [Mr. CALLAHAN] perhaps to consider withdrawing the amendment at this time and working with us to ensure that this process yields the right result.

Mr. CALLAHAN. Mr. Chairman, if the gentleman will yield, I thank the gentleman from Louisiana [Mr. TAUZIN] as well as the subcommittee chairman, the gentleman from Michigan [Mr. CARR], and the chairman of the full committee, the gentleman from Kentucky [Mr. NATCHER].

If I understand the colloquy that took place, do I understand the Members to say they are going to review this, and if indeed my concerns are factual, that they are going to find a way to rescind a lesser portion of that $20 million?

Mr. TAUZIN. Mr. Chairman, if the gentleman will yield, it is certainly my hope that is going to be the result. I think we have to count on our friends in the Committee on Appropriations to carefully examine the impact of these cuts, particularly in the last quarter, and I would urge, that if they find as we do, that they resolve it.

Mr. CARR. Mr. Chairman, if the gentleman will yield, this is a cash-flow problem. We think that the Coast Guard has enough cash to carry out its missions, and that in fact at the end of the year might have an unobligated balance, and we are seeking to change that money for the benefit of Amtrak.

Now, if that does not occur, we are not interested in having the Coast Guard curtail its missions. If we have not provided adequately, of course we will be amenable to a friendly reprogramming request. But I want to assure both gentlemen that this is not about curtailing essential Coast Guard functions.

Mr. TAUZIN. Mr. Chairman, if the gentleman will yield further, I wish to thank the gentleman from Michigan [Mr. CARR] for his comments. I want to point out to the gentleman from Alabama [Mr. CALLAHAN] and the chairman of the subcommittee that we have it on fairly reliable sources within the Coast Guard that some of these cuts can indeed be managed, but some of them cannot. To the extent they cannot be managed, if in the process of reaching the reconciliation with the Senate those concerns can be addressed, we would deeply appreciate it.

Mrs. BENTLEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I want to commend the gentleman from Alabama [Mr. CALLAHAN] for taking the lead to restore the $20 million to the Coast Guard budget, and I am also pleased to hear the promises of the gentleman from Kentucky [Mr. NATCHER], our chairman, the gentleman from Michigan [Mr. CARR], our subcommittee chairman, and also the position of the gentleman from Louisiana [Mr. TAUZIN], to restore this money in conference as needed.

I rise in strong support, and will not be presenting my amendment to do so this evening.

Mr. Chairman, I feel that it is imperative that this $20 million be attached to the Coast Guard's funding, because currently under this bill, the Coast Guard would not be able to effectively shoulder its many responsibilities, which include search and rescue activities and drug interdiction.

Congress now must prioritize the Nation's concerns for the 1990's and allot our scarce resources to programs that are desperately needed, such as the U.S. Coast Guard.

Mr. Chairman, I would like to remind my colleagues that the U.S. Coast Guard has an important environmental role:

The Coast Guard is responsible for enforcing the Federal Water Pollution Control Act and several other laws relating to the protection of the marine environment.

Especially after environmental catastrophes like the *Exxon Valdez* oilspill, the Coast Guard has never been more vital to ensure that the public health and welfare and the environment are protected when spills occur.

The Coast Guard's functions include providing a National Response Center to receive reports of oil and hazardous substance spills, initiating subsequent civil penalty action when warranted, and encouraging and monitoring responsible party cleanups.

Further, the Coast Guard's environmental program provides a national strike force to respond to pollution incidents and, probably even more important, the Coast Guard provides a kind of psychological check and prevents various polluting incidents from occurring.

Whether it is maritime enforcement, inspection, licensing, environmental responsiveness, safety and security, management, navigation, or military readiness, the Coast Guard fulfills many critical responsibilities vital to us all.

Mr. Chairman, I yield back the balance of my time.

Mr. CALLAHAN. Mr. Chairman, with the consideration that I have been promised by our distinguished chairman and subcommittee chairman, I am very confident they are going to see that those necessary moneys to provide for the Coast Guard are reinstated without doing injury to the jobs program.

Mr. Chairman, with that understanding, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. NATCHER. Mr. Chairman, I ask unanimous consent that on each remaining amendment offered, the author of the amendment and a Member opposed thereto receive 20 minutes, equally divided.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

□ 2040

Mr. KOLBE. Mr. Chairman, reserving the right to object, as I had an opportunity to discuss a moment ago with the distinguished chairman of the committee, there is an amendment that I will be offering, myself and with some other Members, with regard to the HOPE Program, a program that received several hours of debate a couple of years ago, when we had the appropriations bill and then—Congressman Espy and I offered the amendment with regard to funding of that.

The legislation before us tonight would essentially end, eliminate the HOPE Program which, of course, is a very important home ownership for low-income Americans, mostly in inner cities.

I have a real concern with 10 minutes on a side, a total of 20 minutes of debate, on something that I believe is as important as that.

I would like consideration for, and I would even say, 30 minutes, 15 on a side. But I have several requests for speakers on my side on this, and I would like to have slightly more consideration, Mr. Chairman.

Mr. NATCHER. Mr. Chairman, I would like to amend my unanimous consent request.

Mr. Chairman, I ask unanimous consent that with the exception of the amendment of the gentleman from Arizona, all amendments 20 minutes, and on the amendment offered by the gentleman from Arizona, 30 minutes, Mr. Chairman, to be equally divided between the author and the opponent of the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. WALKER. Mr. Chairman, reserving the right to object, I am just trying to determine how many amendments we think that we have that are going to be subjected to this process.

Mr. NATCHER. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Kentucky.

Mr. NATCHER. Mr. Chairman, as far as we know on this side, there is 1 amendment on this side.

Mr. WALKER. Mr. Chairman, continuing my reservation of objection, there are at least 3 over here, as I understand it. The gentleman is asking that we have 10 minutes of debate on each side for a total of 20 minutes on each of the amendments that are to come before the House, is that correct, with the exception of 30 minutes on the HOPE amendment, 15 minutes on each side.

Mr. NATCHER. Mr. Chairman, if the gentleman will continue to yield, that is correct. We say to the gentleman, we have been on these 2 bills since a little after 1 o'clock, $2 billion involved in 2 supplemental bills.

If the gentleman from Pennsylvania [Mr. McDADE], the ranking minority member, and I had had our way, we would have been out of here at 3 o'clock. We ask the gentleman to go along with us.

Mr. WALKER. Mr. Chairman, continuing my reservation of objection, I certainly want to cooperate here. I certainly want to make certain that this is placing no limitations on amendments. It simply places a limitation on time on any amendments that are going to be offered.

Mr. NATCHER. Mr. Chairman, there is no limitation on amendments.

Mr. WALKER. Mr. Chairman, I thank the gentleman, and I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

AMENDMENT OFFERED BY MR. CONYERS

Mr. CONYERS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Conyers: Page 2, line 8, strike $320,000,000'' and insert ''$1,000,000,000''.

Page 2, line 13, strike ''of which $80,000,000 is for activities under part H of title IV of such Act, and of which $234,500,000'' (as deemed to be added to H.R. 2244, pursuant to H. Res.   ) and insert ''$994,500,000''.

Page 2, line 14, insert after the period the following: In order to utilize for domestic purposes a portion of the $14 billion in budget authority remaining under the $290 billion discretionary spending limit (as defined in section 601(a)(2) of the Congressional Budget Act of 1974) applicable for the defense category for fiscal year 1993, new budget authority and outlays for fiscal year 1993 resulting from $680,000,000 of the amount made available in the preceding sentence shall be counted against the defense category of the discretionary spending limits for purposes of part C of the Balanced Budget and Emergency Deficit Control Act of 1985.

Mr. CONYERS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. NATCHER. Mr. Chairman, I reserve the a point of order against the amendment.

The CHAIRMAN. The gentleman from Kentucky [Mr. NATCHER] reserves a point of order against the amendment.

The Chair recognizes the gentleman from Michigan [Mr. CONYERS].

Mr. CONYERS. Mr. Chairman, this amendment is very brief and to the point. It merely provides for dealing with the reality of summer work, summer jobs for the number of young men and women in American that need them.

I want to commend the subcommittee chair and the manager of this bill for the work that he has done in this regard.

What we are doing now is taking a modest step to deal with this subject in its entirety.

Mr. Chairman, the fact of the matter is, and I think that there has been an indication of concern about the subject matter tonight, and I feel encouraged in my attempt here to bring us into focus with the reality of the crisis for summer jobs for young people.

We have a circumstance in which there are 4 million young men and women, teenagers mostly, who are searching for jobs and are people that are in a poverty line or under the poverty line circumstance.

And before anybody thinks that this is strictly for minorities or African Americans, let me give my colleagues the report of who those children are.

Half of them are African Americans, but the other half are Hispanic, Caucasian, Asian, Indian and other ethnic nationalities. So what I am proposing is that we deal with this subject in a far more complete way.

What we need is really $5 billion. My amendment merely raises the figure that is already in the bill to $1 billion, which would then cover only 35 percent of the eligible young men and women in the United States of America. And so I do this because we need to.

Now, let me explain to my colleagues the procedure by which this can happen, because we have done this before, last year, when the Congress recognized that the cold war was over and took the first step by reducing the defense budget by $14 billion for this fiscal year.

I propose we now take the second step by using some of this unused defense money to give summer jobs to our youth. This amendment does that and increases the amount for summer jobs from $320 million to $1 billion.

Nobody disputes that there are 4 million young people who want jobs this summer and only a small percentage will be able to get them. There are already 16 million people who want to work full-time and cannot find full-time jobs. There are 9 million people completely unemployed. They are the ones who are counted in the official unemployment rate of 7 percent, but this 7 percent should be adjusted upward to include the 6 million who are working part-time that want to work full-time, and I million more unemployed, who are so discouraged they have stopped looking for a job.

In making these adjustments, it would increase the national unemployment rate, really, from 7 percent stated to 12 percent real. This national figure hides the deep pockets of unemployment, not only in our large cities but in our rural areas as well.

In my city, the real unemployment rate is 23 percent. That is a depression, not a recession.

It should be no surprise that throughout the country, our local governments are so overwhelmed with young people looking for summer work that we had the mayor of the largest city in America testify before a subcommittee of the Committee on Government Operations that in New York there were 100,000 young people looking for jobs this summer but funds for only 27,000. In Detroit, we already had 25,000 applications for summer jobs, but funds for only 6,100; Richmond, VA, funds for 400 summer jobs and more than 2,000 applications; Los Angeles, the same relative story.

And the President has recognized the need for more funds, when he asked for $1 billion in February as part of his fiscal stimulus program. He said we should use this additional money, plus the $677 million appropriated last year, to fund at least 1.4 million jobs this summer.

I say that now is the time for us to sensibly add to this program, and here is the one and only chance we are going to get to do it.

□ 2050

If we are going to walk out of here tonight and think that funding 15 percent of the eligible people for summer jobs is all we can do, and then I would beg the Members to support this amendment, because I think it will match our concern and our commitment with the reality and the scope of the problem.

This would not be the first time that Congress has used the "directed score keeping" provision of the Budget Enforcement Act to tap "defense" funds for higher priority uses in one of the other two categories—"international" and "domestic"—created by the Budget Enforcement Act. This technique was used last year, under President Bush, to give "foreign aid" to the former Soviet Union. In the Freedom Support Act of 1992, Public Law 102-511, Congress approved $800 million in aid to the former Soviet Union to help clean up and dispose of their weapons and directed that this be scored as "defense" rather than "international."

If we can transfer funds from the "defense" category to provide foreign aid to the former Soviet Union, then surely we can transfer funds from "defense" to help American youth.

Mr. Chairman, I urge my colleagues to support this amendment.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. Does the gentleman from Kentucky [Mr. NATCHER] insist on his point of order?

POINT OF ORDER

Mr. NATCHER. Mr. Chairman, I insist on my point of order, and I do so reluctantly. The gentleman in the well is our friend. He helps us every time we bring out our bill, and we appreciate it.

Mr. Chairman, adoption of this amendment would change existing law. Therefore, it becomes legislation on an appropriation bill. I insist upon the point of order.

The CHAIRMAN. Does the gentleman from Michigan [Mr. CONYERS] desire to be heard on the point of order?

Mr. CONYERS. I absolutely do, Mr. Chairman.

The CHAIRMAN. The gentleman from Michigan [Mr. CONYERS] is recognized on the point of order.

Mr. CONYERS. Mr. Chairman, I would like to point out, with all due respect to my friend, who chairs both the subcommittee and the full Committee on Appropriations, that arguing that this amendment violates the Budget Enforcement Act, if that is what he is arguing, ignores the fact that in 1992 Congress changed the definition when it approved $800 million in aid to the Soviet Union and directed the Office of Management and Budget to count it in the defense budget appropriation. This was done under section 503(c)(2) of the Freedom Support Act of 1992.

Further, Mr. Chairman, rule 21(c)(2) of the House of Representatives provides "No amendment to a general appropriation bill shall be in order if changing existing law." This rule, I would contend, with all respect, is not applicable to this amendment for the following reasons:

First, the House rule contains no definition of a "general appropriation bill," and today we are not considering a "general appropriation bill" within the meaning of rule 21. We are considering a very special type of appropriation bill: One that contains both rescissions and specific appropriations in order to comply with the requirements of the Budget Enforcement Act of 1990. This bill is analogous to other bills that under the precedents of the House have been held not to be a general appropriations bill, such as a bill appropriating for a single agency or a joint resolution containing continuing appropriations for diverse agencies until regular appropriations bills have been enacted.

Second, the amendment does not "change existing law" within the meaning of rule 21. The Budget Enforcement Act provides three categories of funds for fiscal year 1993, but the statute itself does not define what goes into each of these three categories of "defense," "international," and "domestic." Under the previous administration, the Office of Management and Budget exercised considerable resourcefulness in deciding how to score various items. My amendment does direct how the money is to be scored by the current administration, but it does not change any existing law.

I also argue that there is germaneness satisfied by this amendment under rule XVI of the House because its fundamental purpose is the exact same as the fundamental purpose of the section it is amending.

For those several reasons, Mr. Chairman, I urge that the objection be overruled.

The CHAIRMAN. Does the gentleman from Kentucky [Mr. NATCHER] wish to be heard further on his point of order?

Mr. NATCHER. I would like to be heard just a little further, Mr. Chairman.

Mr. CONYERS. Mr. Chairman, on a point of procedure, I thought that the Chair had already been heard.

The CHAIRMAN. The Chair can hear other arguments.

Mr. NATCHER. Mr. Chairman, I would like further to point out to the Chair that the adoption of this amendment would violate the Balanced Budget and Emergency Deficit Control Act of 1985. The gentleman's amendment changes the basic figure of $320 million to $1 billion. The change in the amounts, in addition to legislation upon an appropriation bill, places this amendment, Mr. Chairman, in a position where it is not in order.

The CHAIRMAN (Mr. MCDERMOTT). The Chair is prepared to rule.

The gentleman from Kentucky makes a point of order against the amendment offered by the gentleman from Michigan [Mr. CONYERS] on the grounds that the amendment violates section 302(f) of the Budget Act as well as clause 2 of rule XXI (21). The Chair is advised by the Committee on the Budget that after the adoption of House Resolution 183 the Subcommittee on Labor and Health and Human Services is some $82 million under their subcommittee allocation. Since the amendment carries the subcommittee over their allocation, it is subject to a point of order under section 302(f) of the Budget Act. Further, the amendment directs the budgetary scorekeeping of the increase as defense spending, rather than as domestic spending, a change in the manner that existing law would treat the increase. Therefore the amendment is also subject to a point of order under clause 2 of rule XXI as a change in existing law. The Chair sustains the point of order.

The pending bill is a general bill under the precedents as a supplemental for more than one department.

The Chair, therefore, sustains the point of order.

Are there other amendments to this section?

AMENDMENTS OFFERED BY MR. BEREUTER

Mr. BEREUTER. Mr. Chairman, I offer an amendment to paragraph 1.

The Clerk read as follows:

Amendment offered by Mr. BEREUTER: Page 2, line 8, strike "$320,000,000" and insert "$306,251,000".

Page 10, line 17, strike "title VIII,".

Page 10, line 21, strike "$23,652,000" and insert "$9,903,000".

Mr. BEREUTER. Mr. Chairman, I ask unanimous consent that the amendments be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

Mr. NATCHER. Mr. Chairman, I would have to say to my friend, the gentleman from Nebraska, that we object to the amendments being offered en bloc.

The CHAIRMAN. Objection is heard.

AMENDMENT OFFERED BY MR. BEREUTER

Mr. BEREUTER. Mr. Chairman, I offer a second amendment on paragraph 1.

The Clerk read as follows:

Amendment offered by Mr. BEREUTER: Page 2, line 8, strike "$320,000,000" and insert "$306,251,000".

The CHAIRMAN. The gentleman from Nebraska (Mr. BEREUTER) is recognized for 10 minutes.

Mr. BEREUTER. Mr. Chairman, the purpose of this Member's original amendment objected to was to reduce the suggested appropriation for the Job Training Partnership Act, part D, of title IV, by $13,749,000, and to restore the $13,749,000 proposed to be rescinded in fiscal year 1993 from title VIII of the Higher Education Act of 1965, a program referred to as the Cooperative Education Program.

Unfortunately, by the amendment I am now restricted only to reducing the $13,749,000 to make way for a subsequent amendment to add the $13,749,000 back to the Cooperative Extension Education Program. This rescission is unfortunate.

H.R. 2244 rescinds funds available to the Cooperative Education Program in fiscal year 1993 in order to provide funds for the summer job program.

This Member would like to point out that cooperative education is itself an important jobs and education program. The Cooperative Education Program awards discretionary grants to institutions of higher education to develop and make available to as many of their students as possible work experience heavily concentrated in summer jobs that would aid them in future careers and provide financial compensation. Both students and employers benefit from cooperative education. This program has become an excellent vehicle for students to both pay for their college education, and also gain valuable work experience before graduation.

Currently 147 institutions of higher education operating Cooperative Education Programs across the country would be affected if the funds for this important program are not restored. When the fall semester begins there will, with the passage of this legislation, as now drafted, be colleges who cannot offer the Cooperative Education job funds to their students; this is a very serious and unexpected setback to these thousands of needy college students.

This Member would also like to note that the $13.749 million restored to the Cooperative Education Program this amendment would still leave an additional $306 million for the Job Training Partnership Act Summer Youth Employment and Training Program. The $306 million is in addition to the $677 million already appropriated for summer job programs.

While this program is currently used by 147 colleges and universities, this Member would offer one example of how cooperative education money is being utilized. At Wayne State College, located in Wayne, NE, 63 students were placed in paid, credit-bearing work experiences directly related to their major. This program generated $250,000 in income with 28 percent of the students being offered fulltime positions upon graduation in the very firms or agencies where they had been employed as students. This same medium-sized institution now was nearly 400 students registered with this program and has over 350 job opportunities for students to apply for. Wayne State College is currently in the middle of a 4-year grant for Cooperative Education funds.

While the title VIII Cooperative Education Program certainly is meant to be seed money to get a program started and institutions agreed to take over the program after grant moneys are expected, cutting the institutions off in the middle of the grant cycle is wrong. Passage of H.R. 2244 without this amendment would be devastating to colleges, students, and employers in scores of institutions around the country.

In closing, Mr. Chairman, the Member urges his colleagues to support this amendment to ensure that the Federal Government is equitable to students counting on this important jobs program. I would say to my colleagues do not renege on the promises to our educational institutions using the Cooperative Education Program and to the students that are employed—the thousands of college students who are employed as interns or junior-level employees in the very occupations they hope to pursue after graduation. This amendment is not offered with any anti-summer job sentiment; instead it is meant to protect summer and part-time relevant school jobs for undergraduate students.

□ 2100

Mr. Chairman, I reserve the balance of my time.

Mr. NATCHER. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Kentucky [Mr. NATCHER] is recognized for 10 minutes.

Mr. NATCHER. Mr. Chairman, I reserve the balance of my time.

Mr. BEREUTER. Mr. Chairman, I understand the administration is not asking for this program for 1994. My concern is cutting off the existing program in this fiscal year while we have students coming to the schools in August and September, expecting it to be there in the educational institution, and the educational institution expecting to be able to offer it to their students. I hear the distinguished chairman's promises and concerns, and I understand and believe those concerns to be real and very legitimate.

Therefore, having heard those assurances, Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

ENVIRONMENTAL PROTECTION AGENCY

STATE REVOLVING FUNDS/CONSTRUCTION GRANTS

For an additional amount for "State revolving funds/construction grants", to make grants under title VI of the Federal Water Pollution Control Act, as amended, $290,000,000, to remain available until September 30, 1994: *Provided*, That notwithstanding section 602(b)(2) of such Act, no State match shall be required for this additional amount: *Povided further*, That notwithstanding section 602(b)(3) of such Act, States shall enter into binding commitments to provide assistance in an amount equal to 100 percent of the amount of each grant payment within one year after receipt of such grant payment from this additional amount.

AMENDMENTS OFFERED BY MR. BURTON OF INDIANA

Mr. BURTON of Indiana. Mr. Chairman, I offer two amendments, and ask unanimous consent that they be considered en bloc.

The CHAIRMAN. The Clerk will report the amendments.

The Clerk read as follows:

Amendments offered by Mr. BURTON of Indiana:

Page 2, line 20, strike "$290,000,000" and insert in lieu thereof "$200,000,000"

Page 2, beginning after "1994;" on line 21, strike all that follows up through and including "amount:" on line 23

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana that the amendments be considered en bloc?

There was no objection.

The CHAIRMAN. The gentleman from Indiana [Mr. BURTON] is recognized for 10 minutes.

Mr. BURTON of Indiana. Mr. Chairman, I yield myself as much time as I may consume.

Mr. Chairman, this is a very simple amendment and it should not take too much time.

The Appropriations Committee cut from $400 million to $200 million the amount of money appropriated for the construction of wastewater treatment facilities. So it was the intention of the Appropriations Committee to only spend $200 million for this function of Government.

When the bill went to the Rules Committee, the Rules Committee, of its own volition, increased the $200 million to $290 million. So the first part of my amendment simply reduces the amount of money back to the Appropriation Committee level. The amount of money that the Appropriations Committee appropriated, $200 million, is what should be spent by this body, not the additional $90 million that the Rules Committee stuck in there. We ought to listen to the Appropriations Committee on this, not the Rules Committee that did not have the time or the inclination to listen to all of the arguments for or against the additional appropriations.

The second thing is that under the previous rules there was a 20 percent match required by the States for these wastewater treatment facilities' moneys. That was eliminated. I submit to my colleagues that there should be some accountability at the State level, and that 20 percent match provided that accountability. The States are not going to ask for wastewater treatment facilities if they have to put up 20 percent of the money unless they are really, really necessary. However, if you take away that requirement, then they may just say hey, this sounds like a good project. Let's ask for it because the Federal Government is going to pay for it, the whole enchilada, the whole 100 percent.

So what my amendment does very simply is it puts the language back in that was in before, that there has to be an 80–20 match for these wastewater treatment facility grants, 80 percent at the Federal level, 20 percent at the State level for these moneys. And the second thing it does is it reduces to $200 million the amount of money appropriated, which is what the Appropriations Committee appropriated in the first place. The extra $90 million was stuck in under the cover of darkness by the Rules Committee, and we believe probably for some pork barrel projects.

So let us take it back to what the Appropriations Committee authorized and appropriated.

Mr. Chairman, I reserve the balance of my time.

Mr. STOKES. Mr. Chairman, I rise in opposition to the gentleman's amendments.

The CHAIRMAN. The gentleman from Ohio [Mr. STOKES] is recognized for 10 minutes.

Mr. STOKES. Mr. Chairman, I yield myself such time as I many consume.

Mr. Chairman, I rise in opposition to the gentleman's amendment reducing the amount of funds to be provided to the State Revolving Funds Program in the Environmental Protection Agency from $290 to $200 million.

Concern has been expressed about the need for wastewater treatment facilities in this supplemental appropriation. The administration has requested funds for this account because there is a large need for construction of wastewater facilities. Currently, the unfunded need for water infrastructure is approximately $80 to $100 billion—or higher. These funds are necessary for the improvement of our water.

Additionally, because these funds are for the construction of wastewater treatment facilities, this program creates jobs. It is expected that, in addition to improving water quality, this investment will spur economic growth through the creation of approximately 25,000 jobs.

I also oppose the gentleman's amendment which would strike a provision included under the State revolving fund account in EPA. This provision waives the 20 percent match usually required for the State Revolving Funds Program under the Federal Water Pollution Control Act. This waiver, which was requested by the administration, will speed the obligation of funds for this program to provide new jobs and to spur economic growth. This is an expedited process necessitated by the need to stimulate the economy.

Instead of the usual time period required to obligate these funds, this waiver will shorten that time. Because many State legislatures review the expenditure of these funds, it may be difficult for the legislatures to provide additional funding soon enough to put these funds to work to create jobs in the near future. Waiving the State match will allow States to accelerate their project startups.

Finally, because the funds are only available until September 30, 1994, it is important to obligate these moneys quickly.

This match is the same language that was passed in the stimulus package earlier today.

□ 2110

Mr. Chairman, I would strongly urge the Members of this body to defeat the gentleman's amendment.

Mr. Chairman, I yield 3 minutes to the gentlewoman from Connecticut [Ms. DELAURO].

Ms. DELAURO. Mr. Chairman, I rise in opposition to the Burton amendment that would reduce the amount of money for wastewater treatment plants.

Let me just say to you this: The people who will be put back to work with wastewater treatment are people who are construction trades workers all over this Nation who are suffering 40 percent or higher unemployment rate in most communities in this Nation. Wastewater treatment programs are the most cost-effective way to create jobs in this country.

Investment in wastewater treatment projects not only creates thousands of greatly needed jobs, but what we have is it addresses $100 billion in unmet wastewater needs that we face all over this Nation. In communities across this country, groups of business people, environmentalists, and the labor leaders are saying these are the kinds of programs that we need to have in order to put people back to work in our communities, together, and they have joined forces, people who normally would not even stay in the same room together, who have come together around these kinds of projects because of their effectiveness and because they are proven to put people back to work again.

This is the kind of investment that is good for jobs. It is good for the long-term health of our economy, and, in fact, it is one of the only ways in which we are going to maintain long-term growth in each of our communities.

Let me add further, with regard to the 20-percent match, for the normal State revolving loan fund program, I am a strong supporter of the 20-percent match. But this is an emergency jobs bill. The purpose of this bill is to create jobs quickly, to get people to work this year, and we need to move this bill quickly if we are to have people back to work now.

I will tell you, I do not know about Indiana, but I will tell you that the communities in my State have got to move money immediately, and they do not have the money, because of the high property taxes. They are strapped these days in order to meet this kind of need. I can tell you that in Connecticut and in most other States we do not have the 20 percent.

Mr. SHARP. Mr. Chairman, will the gentlewoman yield?

Ms. DELAURO. I am happy to yield to the gentleman from Indiana.

Mr. SHARP. I can tell the gentlewoman about Indiana. The fact is we have a heck of a lot of people out of work. We need jobs, and we need this help as well right there to put people to work.

Ms. DELAURO. If these States and localities have got to go through the lengthy bonding process through State legislatures to raise the matching funds, then we are not going to see this money do the work that it is intended to do this year, and it will not create jobs until it is too late. So that waiving the 20-percent match means that the money can go to work immediately.

I urge my colleagues to defeat this amendment.

Mr. STOKES. Mr. Chairman, I urge a "no" vote on the gentleman's amendment.

Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. BURTON of Indiana. Mr. Chairman, I yield myself the remainder of my time.

Mr. Chairman, let me just say that the Committee on Appropriations, that we charge with the responsibility of appropriating money around this place, cut the amount of appropriations for wastewater treatment facilities from $400 to $200 million. The gentlewoman who just spoke went up to the Committee on Rules and said, "That ain't enough," pardon my English. And so they put $90 million more in it.

They are not charged with that responsibility. What business does the Committee on Rules have adding $90 million to wastewater treatment facilities? That is the job of the gentleman from Kentucky [Mr. NATCHER], and the Committee on Appropriations.

So they have gone over and above their responsibilities, adding what I consider to be pork-barrel spending, $90 million, for somebody's wastewater treatment facilities. That is No. 1.

No. 2, we had a requirement in Federal law that 80 percent would be paid for by the Federal Government and 20 percent by the States. What is wrong with that? It has worked well for years. They took that out because they want the Federal Government, Big Brother, to swallow the whole enchilada, and that means the taxpayers across the country paying for this.

The bottom line is that this is not the way you should run a railroad. We should go back to the level of spending that was appropriated by the Committee on Appropriations and not by the Committee on Rules. We should go back to the 80/20 match, not the 100-percent total funding by the Federal Government.

This is a good amendment, and I say to my colleagues who are concerned about their voting record and their National Taxpayers' Union record, this is the way that you can improve it. Vote for the Burton amendment. Take it back to the Committee on Appropriations level. It is the right thing to do. You will be proud of yourself. You will wake up happy tomorrow.

Mr. PETRI. Mr. Chairman, I support the amendment offered by my colleague from Indiana.

I see no reason why we should waive the 20-percent State match requirements for recipients of the wastewater treatment funds to be provided under this legislation.

The State Revolving Loan Fund Program created by the Clean Water Act has always required the 20-percent State match—and for good reasons. I have always believed that cost-sharing of this type helps to create more responsibility and integrity in the management of the program and in determining what projects are selected for funding.

It also enables us to stretch out our Federal dollars so that ultimately more projects can be funded.

I also question how much of a burden we are placing on States if we ask them to contribute the usual 20-percent match. These funds are nothing more than borrowed SRF funds from the fiscal year 1994 SRF [State Revolving Fund] Program which have been moved into the stimulus package.

We are accelerating fiscal year 1994 spending, and the Federal wastewater treatment funds provided in 1994 will be that much lower. So States should already have completed some amount of planning and budgeting for the 20-percent match required for fiscal year 1994—which is only a few months away.

In essence, through this bill, we are reducing the normal State-match requirements for fiscal year 1994.

Mr. Chairman, I urge support for this amendment.

Mrs. LOWEY. Mr. Chairman, I rise in strong opposition to the amendment offered by the gentleman from Indiana. This amendment would gut the President's economic package by striking critically needed funds designated for clean water infrastructure improvements.

Mr. Chairman, the agents of gridlock are out in force this evening in the House of Representatives. Over 4 months ago, the President stood in this very Chamber and called for an end to partisan division, for an end to the politics of obstruction that have prevented the Federal Government from responding to the serious economic problems that face our Nation. That evening in February he called on us to enact an economic stimulus package that would put Americans back to work by investing in the things that make our country strong: our people and our infrastructure.

Four months later, we stand in this Chamber seeking action on an economic growth package that is far smaller than the one originally proposed. It would add not 1 cent to the deficit, and it would provide critically needed funds aimed at putting Americans back to work. The amendment offered by the gentleman from Indiana would destroy vital elements of this legislation.

It is time for Members of this body who care about the endless unemployment that is devastating our communities to say no to more to gridlock and reject this amendment. The $290 million in supplemental funds for wastewater treatment would create thousands of jobs, especially in the construction industry which is suffering from unemployment rates that range as high as 50 percent in some regions.

Mr. Chairman, all of the funds provided for wastewater treatment in this bill are paid for. In addition, the funds provided in the measure are desperately needed by communities to meet the enormous cost of upgrading their environmental infrastructure. The gentleman from Indiana says he offers his amendment on behalf of the taxpayers. But he fails to mention that unless the Federal Government does its part to help communities upgrade their environmental systems, taxpayers all over this country will face skyrocketing water and sewer fees.

Mr. Chairman, I also oppose the second part of the Burton amendment which would remove the portion of the bill which waives the 20-percent State-matching requirement for the State Revolving Fund Program [SRF].

I want to emphasize to my colleagues the purpose of this economic stimulus package: It is to put Americans back to work now. The bill includes the waiver of the 20-percent matching requirement in order to enable States to put these funds to work as quickly as possible. In many cases, the matching requirement would require States to appropriate new funds in order to receive this stimulus funding. The purpose of this waiver is simply to expedite the use of these stimulus funds. Mr. Burton's amendment would severely undermine the effectiveness of these funds.

Mr. Chairman, the funds contained in the supplemental will put Americans back to work rebuilding our infrastructure. I urge my colleagues to reject the Burton amendment.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Indiana [Mr. BURTON].

The question was taken; and the Speaker pro tempore announced that the "noes" appeared to have it.

RECORDED VOTE

Mr. BURTON of Indiana. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 175, noes 246, not voting 16, as follows:

[Roll No. 190]

AYES—175

Allard
Andrews (TX)
Archer
Armey
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Barrett (NE)
Bartlett
Barton
Bateman
Bentley
Bilirakis
Boehner
Bonilla
Bunning
Burton
Buyer
Callahan
Calvert

Camp
Canady
Castle
Clinger
Coble
Collins (GA)
Combest
Condit
Cox
Crane
Crapo
Cunningham
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Emerson
English (OK)
Everett
Ewing
Fawell
Fields (TX)
Fish
Fowler
Franks (CT)
Franks (NJ)
Gallegly
Gallo
Gekas
Gillmor
Gilman
Glickman
Goodling
Grams
Grandy
Greenwood
Gunderson
Hancock
Hansen
Hastert
Hefley
Herger
Hobson
Hoekstra
Horn
Houghton
Huffington
Hunter
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Istook
Jacobs
Johnson (GA)
Johnson, Sam
Kasich
Kim
King
Kingston
Klug
Knollenberg
Kolbe
Kyl
LaFalce
Lazio
Levy
Lewis (CA)
Lewis (FL)
Lightfoot
Linder
Livingston
Maloney
Manzullo
McCandless
McCollum
McCrery
McCurdy
McDade
McHugh
McInnis
McKeon
McMillan
Meyers
Mica
Michel
Miller (FL)
Minge
Moorhead
Moran
Morella
Myers
Neal (NC)
Nussle
Orton
Oxley
Packard
Paxon
Penny
Petri
Pombo
Porter
Portman
Pryce (OH)
Quinn
Ramstad
Ravenel
Regula
Roberts
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Santorum
Saxton
Schaefer
Schiff
Sensenbrenner
Shaw
Shuster
Skeen
Slattery
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Solomon
Spence
Stearns
Stump
Talent
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (WY)
Upton
Valentine
Volkmer
Vucanovich
Walker
Walsh
Weldon
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—246

Abercrombie
Ackerman
Andrews (ME)
Andrews (NJ)
Applegate
Bacchus (FL)
Baesler
Barlow
Barrett (WI)
Becerra
Beilenson
Bereuter
Berman
Bevill
Bilbray
Bishop
Blackwell
Bliley
Blute
Boehlert
Bonior
Borski
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Byrne
Cantwell
Cardin
Carr
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Conyers
Cooper
Coppersmith
Costello
Coyne
Cramer
Danner
Darden
de la Garza
de Lugo (VI)
Deal
DeFazio
DeLauro
Dellums
Derrick
Deutsch
Dicks
Dingell
Dixon
Dooley
Durbin
Edwards (CA)
Edwards (TX)
Engel
English (AZ)
Eshoo
Evans
Faleomavaega (AS)
Fazio
Fields (LA)
Filner
Fingerhut
Flake
Foglietta
Ford (MI)
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Geren
Gibbons
Gilchrest
Gonzalez
Goodlatte
Gordon
Goss
Green
Gutierrez
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Hastings
Hayes
Hefner
Hilliard
Hinchey
Hoagland
Hochbrueckner
Holden
Hoyer
Hughes
Inslee
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E.B.
Johnston
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Klein
Klink
Kopetski
Kreidler
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Levin
Lewis (GA)
Lipinski
Lloyd
Long
Lowey
Machtley
Mann
Manton
Margolies-Mezvinsky
Markey
Matsui
Mazzoli
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Mineta
Mink
Moakley
Molinari
Mollohan
Montgomery
Murphy
Murtha
Nadler
Natcher
Neal (MA)
Norton (DC)
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Parker
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Pomeroy
Poshard
Price (NC)
Quillen
Rahall
Reed
Reynolds
Richardson
Roemer
Rogers
Rose
Rowland
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Sarpalius
Sawyer
Schenk
Schroeder
Schumer
Scott
Serrano
Sharp
Shays
Shepherd
Sisisky
Skaggs
Skelton
Slaughter
Smith (IA)
Snowe
Spratt
Stark
Stenholm
Stokes
Strickland
Studds
Stupak
Sundquist
Swett
Swift
Synar
Tanner
Tejeda
Thompson
Thornton
Thurman
Torkildsen
Torres
Torricelli
Towns
Traficant
Tucker
Underwood (GU)
Unsoeld
Velazquez
Vento
Visclosky
Washington
Waters
Watt
Waxman
Wheat
Whitten
Wilson
Wise
Woolsey
Wyden
Wynn
Yates

NOT VOTING—16

Barcia
Boucher
Ford (TN)
Gingrich
Harman
Henry
Hoke
Leach
Lehman
Martinez
McCloskey
Rangel
Ridge
Romero-Barcelo (PR)
Rostenkowski
Williams

□ 2135

Mr. STENHOLM, Mr. MACHTLEY, Ms. LAMBERT, and Mr. ROGERS changed their vote from "aye" to "no."

So the amendments were rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk read as follows:

DEPARTMENT OF AGRICULTURE

FARMERS HOME ADMINISTRATION

RURAL DEVELOPMENT INSURANCE FUND PROGRAM ACCOUNT

For an additional amount for the "Rural development insurance fund program account", for the costs of water and sewer direct loans, $35,543,000, to subsidize additional gross obligations for the principal amount of direct loans not to exceed $250,000,000.

RURAL WATER AND WASTE DISPOSAL GRANTS

For an additional amount for "Rural water and waste disposal grants", $35,000,000, to remain available until expended.

DEPARTMENT OF JUSTICE

OFFICE OF JUSTICE PROGRAMS

JUSTICE ASSISTANCE

For an additional amount for "Justice assistance", $200,000,000 for grants authorized by subpart 1 of part E of title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended: *Provided*, That such funds shall be available only for the first year cost of the salaries and benefits, excluding overtime payments, resulting from the hiring of additional sworn law enforcement personnel.

DEPARTMENT OF TRANSPORTATION

FEDERAL RAILROAD ADMINISTRATION

GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION

For an additional amount for "Grants to the National Railroad Passenger Corporation", to remain available until expended, $51,000,000, of which $30,000,000 shall be available for operating losses incurred by the Corporation, and of which $21,000,000 shall be available for capital improvements.

SMALL BUSINESS ADMINISTRATION

SALARIES AND EXPENSES

(BY TRANSFER)

For an additional amount for "Salaries and expenses", $14,000,000, to carry out section 24 of the Small Business Act, as amended, to be derived by transfer from amounts provided in Public Law 102–395 for the credit subsidy cost of the SBIC Program.

AMENDMENT OFFERED BY MR. MCINNIS

Mr. MCINNIS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MCINNIS: On page 4, strike lines 11 through 18.

The CHAIRMAN. The gentleman from Colorado [Mr. MCINNIS] is recognized for 10 minutes.

Mr. MCINNIS. Mr. Chairman, my amendment is a very simple amendment. It deals with the Small Business Administration and it strikes $14 million designated in the Small Business Administration for tree planting. That is $14 million for tree planting. I think it is necessary for us to come to some realization about the budget that we face. I would ask that we take a tree planting test.

First of all, we should ask ourselves, should this money not be used for deficit reduction or SBA loans instead of tree planting? And the answer is, of course, it should be.

The second question: Does not the average taxpayer believe that the Small Business Administration is in the business of assisting small businesses and making loans available to small businesses and not in the tree planting business? Of course, that is what the average taxpayer believes.

The third question: Is not the SBA planting project exactly the kind of wasteful spending that the taxpayers and the working population of this country are demanding be stopped at the Federal Government? And the answer is, of course, yes.

The next question is, is the small business expenditure of $14 million what our President calls shared sacrifice? And of course, the answer is no. For you see, this $14 million has not been requested by the administration.

□ 2140

Mr. Chairman, there has been a great deal of discussion in regard to these $14 million that are being spent for tree planting by the Small Business Administration. Some would say that the cost of a tree is 3 cents. They are talking about the seedlings, of course. Others would say that the cost of an actual tree runs between $189 and over $1,000.

That is not the issue that we have in front of us today. The issue, Mr. Chairman, that we have in front of us today is whether or not the Small Business Administration should be spending $14 million of its budget for tree planting.

Let me give my colleagues an idea of what that means in leverage. During examination in front of the Committee on Small Business, on which I sit, I asked the director of the Small Business Administration exactly what amount of leverage for every dollar in their budget they could get in loans on the street. That ratio in the minority program is 1 to 20. So, this $14 million converts maybe to $200 million on loans on the street.

Can we justify that kind of loss of leverage, Mr. Chairman, and the answer is simply no. The answer and the question before us is: How on earth can we stand in front of the taxpayers of this country and say that we should use $14 million from the Small Business Administration and use it for the planting of trees?

Let us try another test that I think is necessary when we assess this. How do we spell "waste"? How do we spell "pork"? How much time can we spend with small business in this country, trying to tell them, or justify, that we are going to spend $14 million planting trees instead of making that money available for loans? How many of us have gotten calls from small businesses around this country asking for money to help small businesses?

I have proposed this amendment, Mr. Chairman, on behalf of the American people, somebody that a lot of us may forget, the working stiffs out there, the taxpayer, the ordinary person who would be stunned to learn that the Small Business Administration is going to spend $14 million to plant trees.

I think that it is necessary for all of us to take a look at that. This is exactly, and I said it earlier, exactly what the American people want us in Washington, DC, to stop.

With that Mr. Chairman, I reserve the balance of my time.

Mr. SMITH of Iowa. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Colorado [Mr. MCINNIS].

Mr. Chairman, there is a basic question involved here: "Are you for work or for welfare? Are you for work or for welfare?"

Mr. Chairman, we are going to plant trees with people who need a job, and mostly with people who otherwise would be unemployed or on welfare. They are going to do something that is substantive, satisfying, and of importance mostly to the urban areas of this country. And not only that, but the work will produce, and it has produced, something that will benefit future generations.

Mr. Chairman, we get more jobs per dollar in this program than any other program in this jobs bill, and I say to my colleagues, "If we are going to have a jobs bill, we should give weight to how many jobs we secure for the dollars spent."

Mr. BURTON of Indiana. Mr. Chairman, will the gentleman yield for a question?

Mr. SMITH of Iowa. I yield to the gentleman from Indiana.

Mr. BURTON of Indiana. How many jobs will this tree planting part of the bill create?

Mr. SMITH of Iowa. It is 140,000 jobs per million dollars.

Mr. BURTON of Indiana. One hundred forty thousand jobs for each million that is spent for tree planting?

Mr. SMITH of Iowa. No, 140,000 hours per million dollars, and that is over twice as many hours as we secure under summer youth programs because this program is more than matched with local money, it is four times as many hours as we secure out of the waste water program per million dollars, and it is four times as much as we secure per million dollars from the police part of this bill.

Mr. BURTON of Indiana. Mr. Chairman, I thank the gentleman from Iowa [Mr. SMITH].

Mr. SMITH of Iowa. Now, we first enacted this program in 1983. Fifty million dollars was appropriated. It was the only program that was spent out within the fiscal year and before the recession was over. There is virtually no cost to the administration. The money is leveraged—I heard someone talking about leveraging. The money is leveraged in this bill. The State and local governments put up $22 million for the 1993 program compared to $16 million by the Federal Government, and in 1992 there was $15.71 million Awarded of Federal money, while the States put up $20.7 million. Besides that, the States furnish the land and maintain the trees; 4.6 million trees were planted in 1992 at an average cost of $3.41 per tree. In 1993 the average is less than that. It is $3.25 a tree.

So, Mr. Chairman, what we have here is a way to help especially urban areas, because they plant these trees on their land along the streets. The trees are where they need to be. It is where the people are. It is an environmental program because it takes trees to convert carbon dioxide to oxygen, and we need cleaner air in urban areas.

Mr. Chairman, this is a very good program, and every State participates, including the State of Colorado. I have a letter from Colorado that says that they are putting up 65.7 percent of the money that is being used in the tree planting program in Colorado and they are strongly in favor of it.

Now maybe the gentleman from Colorado [Mr. MCINNIS] lives in an area where they have billions of trees and he does not understand the need for trees. But in the cities we need trees along the streets, and instead of giving people welfare, Mr. Chairman, what we ought to do is have them plant trees, and then the trees will be there for those people to enjoy in future years who are going to pay the bill. They are going to pay the bill for this whole thing, and this is the one program where those who pay the bill will receive the benefit of the investment. Future generations are not going to get much benefit from picking up papers on the street today that were thrown on the ground yesterday, but they will benefit from trees planted this year.

The point is, Mr. Chairman, that anyone who is against this program is simply against employing the unemployed to do a worthwhile project instead of giving them welfare because this, more than anything else in this bill, this program satisfies the objective of giving people jobs, and the maximum number of people jobs for $1 million, and at the same time we leave assets that will be enjoyed for 100 years to come.

Mr. Chairman, I yield 2 minutes to the gentlewoman from Florida [Mrs. MEEK].

Mrs. MEEK. Mr. Chairman, on August 24 of last year Florida was hit by a very hard hurricane. It wiped out all of the trees in a little place in all of south Florida.

Mr. Chairman, I got letters from people such as a little girl by the name of Margarita Boyd from Cutler Ridge. She said, "We're asking for help to replace our trees across Florida. Please donate a tree that is native to our State. Please help us."

Mr. Chairman, when I came to the Congress, I went to the gentleman from Iowa [Mr. SMITH], as I am talking to all of my colleagues now, and asked him to help Florida to reconstruct itself, to help south Florida reconstruct itself.

I know we are not supposed to show pictures on the floor of the House, but think of this picture, my colleagues. We need to put forests back in Florida, and we need to put trees back. The gentleman from Iowa [Mr. SMITH] will do that. And it will not only put the trees back, but it will put people to work.

□ 2150

Two things: improve and keep our natural resources, and reconstruct an area that has been wiped out by natural disaster and provide jobs. That is a three-pronged goodness.

So please, I stand in support of the gentleman from Iowa [Mr. SMITH] and ask Members to vote against any amendment that opposes the gentleman in trying the very best to put trees back into our country.

Mr. Chairman, everyone knows what Joyce Kilmer said about trees: "I think that I shall never see, a poem as lovely as a tree."

Mr. McINNIS. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana [Mr. BURTON].

Mr. BURTON of Indiana. Mr. Chairman, I thank the gentleman for yielding. I would just like to say to the gentleman from Iowa [Mr. SMITH] that I put a pencil to his figures. One hundred forty thousand hours for each $1 million that is spent for this tree program, if you multiply 140,000 by 14, that is 1,960,000 hours. If you divide that by 40 hours a week, that is 49,000 weeks in hours. That figure is out, divided by 52 weeks, to 942 jobs. So we are going to create 942 jobs to plant trees for $14 million, according to the gentleman from Iowa [Mr. SMITH], and the cost per tree is approximately $189.

Mr. Chairman, I have the documentation, if anyone wants to see it, $189 per tree. And how many jobs are we going to create with this jobs bill? We will create 942.

This is another waste of taxpayer money. The Small Business Administration has no business in the business of planting trees. They are supposed to stimulate small business in this country, not plant trees.

Mr. McINNIS. Mr. Chairman, I yield 30 seconds to my respected colleague, the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, we had Joyce Kilmer quoted here a moment ago, and I think maybe we ought to add a couple of verses to it, though:

I think that I shall never see, a poem as lovely as a tree; but if it costs me 14 mil, that tree had better be a dill.

Mr. McINNIS. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, the gentlewoman from Florida [Mrs. MEEK] was not here last year when we gave millions of dollars for disaster aid for Florida, Louisiana, Hawaii, and Arizona. Because it was disaster aid, there was so much pork in it. For example, a Member that is now out of this body had $20 million in there for a California institute. There were two roads put in there for $10 million each, and it paid for that.

So I would say to the gentlewoman, when we are talking about pork and spending, it could have been paid for without the pork last year, and we did give disaster aid for that.

Mr. McINNIS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I think the issue here is, you talk about putting people to work, if you want to put people to work, take that $14 million and put it out on the street in loans. That kind of a loan has a 1 to 20 ratio.

When I asked the Small Business Administration Director in our Small Business Committee meeting what that yield was, what that leverage was, the leverage was 1 to 20.

Mr. Chairman, how many of us in here would ignore a 1 to 20 ratio? If we can take $1 million in loans from the Small Business Administration and convert it to $280 million, do you want to talk about jobs? That is how we talk about jobs.

Now let us go back to the most fundamental question. We are not talking about how much a tree costs, whether it is 3 cents or whether it is $1,000. We are talking about the more fundamental question, and the fundamental question is was it ever the design of our predecessors that the Small Business Administration would be a nursery agency, an agency of nursery? Of course it was not.

Is it the intent of the taxpayers of this country or the working stiffs of this country that the Small Business Administration should be giving out money to plant trees? Of course it is not.

How can we sit in these Chambers and justify the expenditure of $14 million to plant trees. Somewhere down the road we are going to have to say no to small businesses in the Small Business Administration, and we are going to have to say it like this: "I am sorry, we have used the money to plant trees."

With respect to my respected colleague on the other side of the aisle who says gee, we are planting some trees in Colorado; hey, that does not buy my argument. Colorado is subject to the same kind of scrutiny as every other State in this country.

Mr. Chairman, I can say when I stop the average citizen in Colorado and say, "Would it be a surprise to you that the Small Business Administration is spending $14 million of taxpayer money to plant trees," I can assure my colleagues on the other side of the aisle that they would be stunned, and the approval in Colorado would be not greater than it would be in any other State.

Mr. Chairman, I think it is time to clearcut that expenditure for trees, put that money back into the Small Business Administration, and put it where it was intended to be, and that is loans out there for small businesses in our country. I would urge your support and approval of this amendment.

Mr. SMITH of Iowa. Mr. Chairman, let me first deal with 7(a) loans. We have taken care of 7(a) loans every year. We cannot force people to take more 7(a) loans than they want, and we would not want to. These 7(a) loans have been taken care of, it is not an either/or proposition.

The question is, after taking care of 7(a) loans, how do we provide some jobs?

One way we did it in another supplemental early this year was $4 billion for extended unemployment for about $2000 per person, and they do not have to do any work to get it. I voted for it as did virtually every Member of this House, but those beneficiaries of that bill are not the same people who secure jobs under this tree planting program. These are mostly people who have not been lucky enough to have had a job. As contractor, who is usually a small business nurseryman, will go out and hire some unemployed people; buy a few spades, and plant trees on city or county property. It is a matter of work instead of welfare.

Now, why is SBA in it? It is so you can limit the program to SBA small businesses and nurseries. During a recession, small businesses need work and sales. That is the reason. We do not want to give it to big business. Let small nurseries do it. They have difficulty competing and staying in business during a recession.

Mr. Chairman, we get over two times as many hours of work per Federal dollar spent under this program compared to the summer youth program.

Now, about the dollars per tree, let me tell the gentleman about the $189. What the gentleman did was take 201,000 trees and divided it into the total amount of money that both the State and Federal Government put up.

That is the number of landscape trees. There are another 4.4 million smaller trees. So if you add the two together, the total number of trees is 4.6 million trees that were planted at a cost of $15.6 million of Federal money. The balance was State and local money.

Mr. BURTON of Indiana. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Indiana.

Mr. BURTON of Indiana. Mr. Chairman, I have planted seedlings. They are about this big.

Mr. SMITH of Iowa. Mr. Chairman, is the gentleman going to ignore 4.4 million smaller trees? Of course not. So what we have got was trees planted for $4.31 of Federal money per tree in 1992, and $4.25 per tree in 1993.

Society will get something for the money. The cities now have large trees growing along the streets from the 1983 program. This makes more sense to me than just giving people welfare. Give them a job. They feel better doing something of value and society benefits, too.

So the basic question is simply this: Are you for work, or for welfare? You hear a lot of talk about letting people work instead of getting welfare. Well, that is what this program does, and this program, more than anything else in this bill, complies with the objective of providing jobs when they are needed in this country to the maximum number of people, and at the same time leaving assets for those same people who will pay the bill. It is an investment to benefit future generations.

Mr. McINNIS. Mr. Chairman, we have just done a quick calculation. I would say to my respected colleague, the gentleman from Iowa [Mr. SMITH], we have 942 jobs for $14 million under the numbers that have just been given to me, and if you want to provide jobs in this country, you take that $14 million and you leverage it on loans. And if you have decided we have all the money we need for Small Business Administration loans, I suggest that the gentleman take the $14 million and reduce the deficit.

Mr. Chairman, how can you justify this? I am going to ask for a recorded vote, because I want all of us to justify to our constituents back in our States that $14 million in Small Business Administration money is going to plant trees.

Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. SMITH of Iowa. Mr. Chairman, I yield back the balance of my time. I think everybody knows what the issue is.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Colorado [Mr. McINNIS].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. McINNIS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 209, noes 218, not voting 11, as follows:

[Roll No. 191]

AYES—209

Allard
Andrews (TX)
Applegate
Archer
Armey
Bachus (AL)
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barrett (NE)
Bartlett
Barton
Bateman
Bentley
Bereuter
Bilbray
Bilirakis
Bliley
Blute
Boehner
Bonilla
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cardin
Castle
Clinger
Coble
Collins (GA)
Combest
Condit
Cooper
Coppersmith
Costello
Cox
Crane
Crapo
Cunningham
Danner
Deal
DeLay
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Edwards (TX)
Emerson
Everett
Ewing
Fawell
Fields (TX)
Fish
Fowler
Franks (CT)
Franks (NJ)
Gallegly
Gallo
Gekas
Gillmor
Gilman
Gingrich
Glickman
Goodlatte
Goodling
Gordon
Goss
Grams
Greenwood
Gunderson
Hall (TX)
Hamilton
Hancock
Hansen
Hastert
Herger
Hobson
Hoekstra
Hoke
Holden
Horn
Houghton
Huffington
Hunter
Hutchinson
Hyde
Inglis
Inhofe
Istook
Johnson (CT)
Johnson (GA)
Johnson, Sam
Kasich
Kim
King
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
Kyl
Lambert
Lazio
Levy
Lewis (CA)
Lewis (FL)
Linder
Lipinski
Livingston
Lloyd
Machtley
Maloney
Manzullo
McCandless
McCollum
McCrery
McCurdy
McDade
McHale
McHugh
McInnis
McKeon
McMillan
Meyers
Mica
Michel
Miller (FL)
Minge
Molinari
Moorhead
Morella
Murphy
Neal (NC)
Nussle
Orton
Oxley
Packard
Parker
Paxon
Penny
Petri
Pickle
Pombo
Porter
Portman
Pryce (OH)
Quillen
Quinn
Ramstad
Ravenel
Ridge
Roberts
Roemer
Rogers
Rohrabacher
Roth
Roukema
Rowland
Royce
Santorum
Sarpalius
Saxton
Schaefer
Schiff
Sensenbrenner
Shays
Shuster
Skeen
Slattery
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Stearns
Stenholm
Strickland
Stump
Sundquist
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (WY)
Torkildsen
Torres
Traficant
Upton
Valentine
Vucanovich
Walker
Walsh
Weldon
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—218

Abercrombie
Ackerman
Andrews (ME)
Andrews (NJ)
Bacchus (FL)
Barcia
Barlow
Barrett (WI)
Becerra
Beilenson
Berman
Bevill
Bishop
Blackwell
Boehlert
Bonior
Borski
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Byrne
Cantwell
Carr
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Conyers
Coyne
Cramer
Darden
de la Garza
de Lugo (VI)
DeLauro
Dellums
Derrick
Deutsch
Diaz-Balart
Dicks
Dingell
Dixon
Dooley
Durbin
Edwards (CA)
Engel
English (AZ)
English (OK)
Eshoo
Evans
Faleomavaega (AS)
Fazio
Fields (LA)
Filner
Fingerhut
Flake
Foglietta
Foley
Ford (MI)
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Geren
Gibbons
Gilchrest
Gonzalez
Grandy
Green
Gutierrez
Hall (OH)
Hamburg
Harman
Hastings
Hayes
Hefley
Hefner
Hilliard
Hinchey
Hoagland
Hochbrueckner
Hoyer
Hughes
Hutto
Inslee
Jacobs
Jefferson
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Klein
Kopetski
Kreidler
LaFalce
Lancaster
Lantos
LaRocco
Laughlin
Levin
Lewis (GA)
Lightfoot
Long
Lowey
Mann
Manton
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCloskey
McDermott
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Mineta
Mink
Moakley
Mollohan
Montgomery
Moran
Murtha
Myers
Nadler
Natcher
Neal (MA)
Norton (DC)
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reed
Regula
Reynolds
Richardson
Ros-Lehtinen
Rose
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Sawyer
Schenk
Schroeder
Schumer
Scott
Serrano
Sharp
Shaw
Shepherd
Sisisky
Skaggs
Skelton
Slaughter
Smith (IA)
Spratt
Stark
Stokes
Studds
Stupak
Swett
Swift
Synar
Tejeda
Thompson
Thornton
Thurman
Torricelli
Towns
Unsoeld
Velazquez
Vento
Visclosky
Volkmer
Washington
Waters
Watt
Waxman
Wheat
Whitten
Wilson
Wise
Woolsey
Wyden
Wynn
Yates

NOT VOTING—11

Boucher
DeFazio
Ford (TN)
Henry
Leach
Lehman
Romero-Barcelo (PR)
Rostenkowski
Tucker
Underwood (GU)
Williams

□ 2219

Messrs. DERRICK, GUTIERREZ, MEEHAN, ENGLISH of Oklahoma, and HAYES changed their vote from “aye” to “no.”

Messrs. BLILEY, SARPALIUS, HOLDEN, KLINK, JOHNSON of Georgia, STRICKLAND, and GILLMOR changed their vote from “no” to “aye.”

So the amendment was rejected.

The result of the vote was announced as above recorded.

□ 2220

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE II—RESCISSIONS

DEPARTMENT OF AGRICULTURE

FARMERS HOME ADMINISTRATION

AGRICULTURAL CREDIT INSURANCE FUND PROGRAM ACCOUNT

(RESCISSION)

Of the amounts provided under this heading for the cost of direct operating loans in Public Law 102–341, $15,000,000 are rescinded.

Of the amounts provided for the cost of emergency insured loans for this heading in Public Law 102–341, $15,000,000 are rescinded.

SALARIES AND EXPENSES

(RESCISSION)

Of the amounts provided for this heading in Public Law 102–341, $15,000,000 are rescinded. Such funds were made available for salaries and expenses.

HUMAN NUTRITION INFORMATION SERVICE

(RESCISSION)

Of the amounts provided for this heading in Public Law 102–341, $2,250,000 are rescinded.

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

SALARIES AND EXPENSES

(RESCISSION)

Of the amounts provided for this heading in Public Law 102–341, $3,900,000 are rescinded. Such funds were made available for salaries and expenses.

DEPARTMENT OF COMMERCE

ECONOMIC DEVELOPMENT ADMINISTRATION

AMENDMENT OFFERED BY MR. BURTON OF INDIANA

Mr. BURTON of Indiana. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BURTON of Indiana: Page 6, beginning after line 9, add the following:

ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS

(RESCISSION)

Of the amounts provided under this heading in Public Law 99–190 and Public Law 99–591, $11,807,000 are rescinded.

POINT OR ORDER

Mr. FROST. Mr. Chairman, I make a point of order that the gentleman's amendment constitutes legislation on an appropriation bill, in violation of clause 2 of rule XXI.

The amendment is a straightforward rescission of funds provided in another law. A change in existing laws is clearly legislation.

Mr. Chairman, it is a well established parliamentary point that an amendment to an appropriation bill providing a rescission of fund is legislation. Deschler's volume 8, chapter 26, section 27.

Mr. Chairman, I insist on my point of order.

The CHAIRMAN. Does the gentleman from Indiana [Mr. BURTON] wish to be heard on the point of order?

Mr. BURTON of Indiana. Mr. Chairman, I do.

Mr. Chairman, the Appropriations Committee rescinded the $11.8 million that is now being debated. I want to repeat that, the Appropriations Committee took this $11.8 million out of there. The Rules Committee, legislating on an appropriations bill, put the $11.8 million back in there.

Now why did they do that? They did that because this is the Fort Worth stockyards.

Mr. FROST. Mr. Chairman, regular order. The gentleman is addressing the merits of his proposal.

The CHAIRMAN. Is the gentleman from Indiana addressing the point of order?

Mr. BURTON of Indiana. Mr. Chairman, I am discussing the merits of the point of order.

Mr. FROST. Mr. Chairman, I insist on my point of order.

Mr. BURTON of Indiana. And I insist on being able to debate the point.

The CHAIRMAN. The gentleman from Indiana must address the point of order.

Mr. BURTON of Indiana. I am addressing the point of order, and the point of order is this: If the Rules Committee can legislate on an appropriation bill and put $11.8 million back in there, why is it wrong for us to try to take it out? Now I know you call that legislating on an appropriation bill. But the Rules Committee just did it. The Appropriations Committee cut the $11.8 million out, and you put it back in, against the wishes of the Appropriations Committee.

So why is it wrong for me to try to legislate on an appropriations bill when you just did it upstairs behind closed doors?

The CHAIRMAN (Mr. MCDERMOTT). The Chair is prepared to rule.

For the reasons stated by the gentleman from Texas [Mr. FROST] the amendment constitutes legislation in violation of clause 2, rule XXI, and the point of order is sustained.

The Clerk will read.

The Clerk read as follows:

ECONOMIC DEVELOPMENT REVOLVING FUND

(RESCISSION)

Of the unobligated balances in the Economic Development Revolving Fund, $66,807,000 are rescinded.

National Oceanic and Atmospheric Administration

OPERATIONS, RESEARCH, AND FACILITIES

(RESCISSION)

Of the amounts provided under this heading in Public Law 102–395, $1,750,000 are rescinded and in addition of the amounts also provided under this heading for a semitropical research facility located at Key Largo, Florida, in Public Law 101–515 and Public Law 102–140, $794,000 are rescinded.

DEPARTMENT OF JUSTICE AND RELATED AGENCY

Assets Forfeiture Fund

(RESCISSION)

Of the amounts provided under this heading in Public Law 102–395, $5,000,000 are rescinded.

Federal Prison System

BUILDINGS AND FACILITIES

(RESCISSION)

Of the amounts provided under this heading in Public Law 102–395, $94,500,000 are rescinded.

Office of Justice Programs

JUSTICE ASSISTANCE

(RESCISSION)

Of the amounts provided under this heading in Public Law 102–140 to carry out part N of title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, $1,000,000 for grants for televised testimony of child abuse victims are rescinded.

Thomas Jefferson Commemoration Commission

SALARIES AND EXPENSES

(RESCISSION)

Of the amounts provided under this heading in Public Law 102–395, $200,000 are rescinded.

DEPARTMENT OF THE INTERIOR AND RELATED AGENCY

Bureau of Land Management

LAND ACQUISITION

(RESCISSION)

Of the amounts provided under this heading in Public Law 102–381, $4,958,000 for the Morris K. Udall Scholarship and Excellence in National Environmental Policy Foundation are rescinded.

United States Fish and Wildlife Service

CONSTRUCTION AND ANADROMOUS FISH

(RESCISSION)

Of the amounts provided under this heading in Public Law 101–121 and Public Law 102–512, $4,100,000 are rescinded.

National Park Service

CONSTRUCTION

(RESCISSION)

Of the amounts provided under this heading in Public Law 102–154, $6,800,000 are rescinded.

Office of Navajo and Hopi Indian Relocation

SALARIES AND EXPENSES

(RESCISSION)

Of the amounts provided under this heading in Public Law 102–381, $3,000,000 for housing are rescinded.

DEPARTMENT OF LABOR

Employment and Training Administration

TRAINING AND EMPLOYMENT SERVICES

(RESCISSION)

Of the amounts provided under this heading in Public Law 102–394 for carrying out the Job Training Partnership Act, $50,000,000 are rescinded: *Provided*, That $25,000,000 shall be from programs authorized by title II, parts A and C and $25,000,000 shall be from programs authorized by title III. Of the amounts provided under this heading in Public Law 102–170 for Clean Air Employment Transition Assistance under part B of title III of the Job Training Partnership Act, $49,000,000 are rescinded.

Departmental Management

SALARIES AND EXPENSES

(RESCISSION)

Of the amounts provided under this heading in Public Law 102–394, $2,000,000 are rescinded.

DEPARTMENT OF EDUCATION

Impact Aid

(RESCISSION)

Of the amounts provided under this heading in Public Law 102–394 for payments under section 3(e), $1,786,000 are rescinded.

School Improvement Programs

(RESCISSION)

Of the amounts provided under this heading in Public Law 102–394 for titles II–B and IV–C of the Elementary and Secondary Education Act of 1965, $15,135,000 are rescinded.

Vocational and Adult Education

(RESCISSION)

Of the amounts provided under this heading in Public Law 102–394 for title IV–E of the Carl D. Perkins Vocational and Applied Technology Education Act, $2,946,000 are rescinded.

Student Financial Assistance

(RESCISSION)

Of the amounts provided under this heading in Public Law 102–394 for subpart 4 of part A of title IV of the Higher Education Act, $72,490,000 are rescinded.

Higher Education

(RESCISSION)

Of the amounts provided under this heading in Public Law 102–394 for title VIII, part D of title X, and subpart 2 of part B of title XI of the Higher Education Act of 1965, as amended, and part C of title VI of the Excellence in Mathematics, Science and Engineering Education Act of 1990, $23,652,000 are rescinded.

Education Research, Statistics, and Improvement

(RESCISSION)

Of the amounts provided under this heading in Public Law 102–394 for territorial teacher training and the National Writing Project, $4,949,000 are rescinded.

Libraries

(RESCISSION)

Of the amounts provided under this heading in Public Law 102–394 for title VI of the Library Services and Construction Act and title II of the Higher Education Act, $14,720,000 are rescinded.

DEPARTMENT OF TRANSPORTATION

COAST GUARD

Operating Expenses

(RESCISSION)

Of the amounts provided under this heading in Public Law 102–388, $20,000,000 are rescinded.

FEDERAL AVIATION ADMINISTRATION

OPERATIONS

(RESCISSION)

Of the amounts provided under this heading in Public Law 102–388, $5,000,000 are rescinded.

FACILITIES AND EQUIPMENT

(AIRPORT AND AIRWAY TRUST FUND)

(RESCISSION)

Of the amounts provided under this heading in Public Law 100–457, $57,400,000 are rescinded.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

OPERATIONS AND RESEARCH

(RESCISSION)

Of the amounts provided under this heading in Public Law 102–388, the Department of Transportation and Related Agencies Appropriations Act, 1993, $3,520,242 are rescinded.

Of the amounts provided under this heading in Public Law 101–516, the Department of Transportation and Related Agencies Appropriations Act, 1991, $1,800,000 are rescinded.

Of the amount provided under this heading in Public Law 101–164, the Department of Transportation and Related Agencies Appropriations Act, 1990, $2,534,346 are rescinded.

DEPARTMENT OF THE TREASURY

UNITED STATES CUSTOMS SERVICE

SALARIES AND EXPENSES

(RESCISSION)

Of the amounts provided under this heading in Public Law 102–393, $600,000 are rescinded.

BUREAU OF THE PUBLIC DEBT

ADMINISTERING THE PUBLIC DEBT

(RESCISSION)

Of the amounts provided under this heading in Public Law 102–393, $3,400,000 are rescinded.

INTERNAL REVENUE SERVICE

ADMINISTRATION AND MANAGEMENT

(RESCISSION)

Of the amounts provided under this heading in Public Law 102–393, $11,000,000 are rescinded.

GENERAL SERVICES ADMINISTRATION

FEDERAL BUILDINGS FUND

(RESCISSION)

(LIMITATIONS ON AVAILABILITY OF REVENUE)

Of the amounts provided under this heading in Public Law 102–393, the following amounts are rescinded in the following accounts: Rental of space, $16,000,000 and Installment and acquisition payments, $2,000,000: *Provided*, That the aggregate limitation on Federal Buildings Fund obligations established in Public Law 102–393 is hereby reduced by such amounts.

Of the amounts provided under this heading in Public Law 101–509 for the Northern Virginia Naval Systems Commands $25,000,000 are rescinded.

DEPARTMENT OF VETERANS AFFAIRS

DEPARTMENTAL ADMINISTRATION

CONSTRUCTION, MAJOR PROJECTS

(RESCISSION)

Of the amounts provided under this heading in Public Law 102–389, $20,500,000 are rescinded.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOUSING PROGRAMS

HOMEOWNERSHIP AND OPPORTUNITY FOR PEOPLE EVERYWHERE GRANTS (HOPE GRANTS)

(RESCISSION)

Of the amounts provided under this heading in Public Law 102–389, $164,500,000 are rescinded: *Provided*, That of the foregoing amount, $114,500,000 shall be deducted from amounts earmarked for HOPE for the Public and Indian Housing Homeownership Program and $50,000,000 shall be deducted from amounts earmarked for the HOPE for Homeownership of Multifamily Units Program.

ENVIRONMENTAL PROTECTION AGENCY

HAZARDOUS SUBSTANCE SUPERFUND

(RESCISSION)

Of the amounts provided under this heading in Public Law 102–389, $100,000,000 are rescinded.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

RESEARCH AND DEVELOPMENT

(RESCISSION)

Of the amounts provided under this heading in Public Law 102–389, $25,000,000 are rescinded.

TITLE III—GENERAL PROVISIONS

SEC. 301. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

COMMUNITY INVESTMENT PROGRAM

SEC. 302. None of the funds made available for the Community Investment Program by Public Law 102–368 shall be available prior to September 30, 1993.

SEC. 303. None of the funds in this Act, or any other Act, may be used to pay for the relocation of the Human Nutrition Information Service.

SEC. 304. YOUTH FAIR CHANCE PROGRAM.

(a) AGE ELIGIBILITY AND STIPEND REQUIREMENTS.—Section 494(b) of the Job Training Partnership Act (29 U.S.C. 1782c(b)) (in this section referred to as the "Act") is amended—

(1) in paragraph (3) to read as follows:

"(3) provide that funds received under this part will be used—

"(A) for services to youth and young adults ages 14 through 30 at the time of enrollment, including case management, life skills management, and crisis intervention services; and

"(B) to provide stipends to youth and young adults ages 17 to 30 at the time of enrollment for participant support in paid work experience and classroom programs (if such programs are combined with other education and training activities), which may be used by such youth and young adults for transportation, food, grooming, and other basic necessities;";

(2) by redesignating paragraphs (4) through (9) as paragraphs (5) through (10); and

(3) by inserting after paragraph (3) the following new paragraph:

"(4) contain assurances that—

"(A) in providing services under paragraph (3), the participating community will maintain a ratio of approximately 1 case worker for every 25 participants;

"(B) employment provided under such paragraph to any youth or young adult will not exceed 20 hours per week; and

"(C) the amount of a stipend provided under such paragraph to any youth or young adult will not be less than $100 per week and will reflect the cost of living in the participating community;".

(b) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—Section 3 of the Act is amended by adding at the end the following new subsection:

"(g) There are authorized to be appropriated to carry out part H of title IV $100,000,000 for fiscal year 1993 and such sums as may be necessary for each of the fiscal years 1994 through 1997.".

(2) REPEAL.—Section 3(c)(3) of the Act is repealed effective July 1, 1993.

(c) EFFECTIVE DATE FOR PART H OF TITLE IV OF THE ACT.—Section 701 of the Job Training Reform Amendments of 1992 is amended by adding at the end the following new subsection:

"(k) YOUTH FAIR CHANCE PROGRAM.—The amendment made by section 406 shall take effect on the date of the enactment of the Second Supplemental Appropriations Act of 1993.".

(d) EFFECTIVE DATE.—Except as provided in subsection (b)(2), the amendments made by this section shall take effect on the date of the enactment of this Act.

Mr. NATCHER (during the reading). Mr. Chairman, I ask unanimous consent that the bill through page 15, line 22, be considered as read, printed in the RECORD, and open for amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

AMENDMENT OFFERED BY MR. KOLBE

Mr. KOLBE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KOLBE: Page 14, line 19, strike "$164,500,000" and insert "$14,500,000".

The CHAIRMAN. The gentleman from Arizona [Mr. KOLBE] is recognized for 15 minutes.

Mr. KOLBE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I appreciate the time to discuss this amendment.

Mr. Chairman, simply, this amendment is one that I think Members of this body know something about. We have debated this on the floor before. It goes to a program that has a lot of bipartisan support. It is the HOPE Program. It is the program for low-income ownership of homes. It is a program that is appropriately named hope because it brings hope to many people in inner cities.

Not many hours ago here, we had a rather protracted debate on another amendment, and we saw a lot of Members from the inner cities of our country who came before this body and talked about the need for programs to help provide jobs in the inner cities.

Mr. Chairman, it is important to provide jobs for those who are unemployed and have no hope in our inner cities. It is also important to give them an opportunity to own their own home, to give them an opportunity to have a part of the American dream, to share in that American dream, and that is what HOPE is all about.

I would have preferred an amendment that would have allowed us to take the unallocated funds from another part of HUD where there is more than $750 million of funds that are not expended, and to substitute the rescission of these funds by rescinding funds there for the EPA grants. But, unfortunately, the Rules Committee did not make that in order, and so the amendment that is before you now would restore all of the money that is available under the caps, which is $150 million, to the HOPE Program.

□ 2230

Now, in 1994, and the debate will come later when we get to the appropriation bills for 1994, but in 1994, we are going to see an ending of this program. In 1993, in the current fiscal year, we have in progress more than 50 projects around the country, more than 50,000 families and people affected by HOPE ownership programs that are now through the architectural, engineering, and technical training to get people to own their own homes. What is needed now is the money to implement that.

Even if every dollar that is in this account, and we only appropriated a small fraction of the authorized amount, about 10 percent of the authorized amount, even if every dollar is made available, and only 29 percent of the projects that are now in planning will ever be implemented, only 29 percent. We rescind this money, and only 13 percent of those that we have been telling are going to have the opportunity to own their own home, only 13 percent will ever have that chance to own their own home.

I think it is a cruel hoax, Mr. Chairman, that we are talking about playing on these people who have been told that they are going to have the opportunity to own their own home. You will recall that 2 years ago my good friend, now Secretary Mike Espy, and I offered this amendment. We had a spirited debate on the floor of the House of Representatives, and we carried the day on this program.

This is about empowering people. It is a program that works. What is wrong with it? Some bureaucrats might be put out of work. It might mean that we do not have all the public housing projects, because people will own their own home. They will have the opportunity to take the pride in owning their own home, to share in what it means to maintain and care for a home through this program.

It is supported, and I know many people have been talking about this today, it is supported by a large number of organizations, the National Black Caucus of State Legislators, the Empowerment Network, the National Association of Residence Management Corporations, the National Tenant Union, the National Center for Neighborhood Enterprise, the American Legislative Exchange Council, the National Association for the Southern Poor, the National Association of Housing Cooperatives, the Youth Gang Service of South Central Los Angeles, the National Jewish Coalition, and the list goes on and on. They understand what this is about. It is about empowering people and giving them an opportunity to own their own home.

This is a program that has had substantial bipartisan support.

I urge my colleagues to consider this amendment carefully and to restore these funds so that we can give hope to people who want to own their own homes.

Mr. Chairman, I reserve the balance of my time.

Mr. STOKES. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Arizona.

The CHAIRMAN. The gentleman from Ohio [Mr. STOKES] is recognized for 15 minutes.

Mr. STOKES. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I think it is important to understand that the funds provided in this bill must be offset. Therefore, we have to rescind from some programs.

The HOPE I and the HOPE II Programs are being phased out. As such, this program is a good candidate for rescinding funds.

I think it is important for the House to know that there are large unobligated balances in these programs. None of the $256 million appropriated for HOPE I and HOPE II Programs in 1993 has been obligated. Of the $256 million appropriated for the HOPE I and HOPE II Programs in 1992, only $100 million has been obligated.

So this rescission then will not take away all of the available funds. The HOPE rescission will leave adequate funds in the HOPE I and the HOPE II Programs to fund any previous commitments.

Additionally, I would say to all of my friends tonight, particularly any of those who are inclined to support the gentleman's amendment to reduce the rescission, that you cannot have it both ways. We either have offsets for the funds provided for this economic stimulus package, or we do not. If we do not have offsets, then to avoid being over the caps and possibly triggering sequestration, we would need to declare that these funds be classified as an emergency requirement.

Mr. Chairman, I think this is a bad amendment, and I urge the Members to vote no on the gentleman's amendment.

Mr. Chairman, I yield such time as he may consume to the chairman of the full Committee on Appropriations, the distinguished gentleman from Kentucky [Mr. NATCHER].

Mr. NATCHER. Mr. Chairman, I want to thank my friend, the gentleman from Ohio.

Mr. Chairman, I rise in strong opposition to this amendment for two reasons.

First, this amendment puts the entire bill out of balance. We brought this bill to the floor totally deficit-neutral—all new spending in the bill is financed with cuts in previously appropriated funds.

This amendment would take out $150 million of the cuts used to finance the new spending in this bill. It means that the total new spending in the bill would be about $147 million more than the total of the cuts—and that is unacceptable.

We must have a bill that is totally offset.

Second, under the 1993 domestic discretionary caps set into law, only $106 million more in budget authority could be added before we cause a sequester. Mr. Chairman, this amendment busts the domestic cap. It would cause a sequester.

It would cause reductions across-the-board in: Health programs like cancer research, AIDS research, heart research; education programs; transportation programs; job training programs; urban development; research and development; law enforcement; and the list could go on and on.

Mr. Chairman, we cannot allow a sequester. We must vote this amendment down.

I urge a "no" vote.

Mr. KOLBE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, let me just make two points here. The point that was made by the distinguished chairman of the subcommittee that there are large unobligated balances: We are in the 1993 fiscal year. Yes, there are large unobligated balances. There are literally hundreds, hundreds of notices of intent to go ahead sitting on the desk ready to go; you had to get through the planning stage, you had to do the architectural work, you had to do the engineering work. There are literally hundreds of people, 50,000 people, who have been told they are going to be allowed to buy their own home that will be told no if we do this rescission.

With regard to the second point that both the chairman of the subcommittee and the distinguished chairman of the full committee made, it is true there is no offset. I would like to have offered an offset. We asked the Committee on Rules to make an offset in order. They refused to make the offset in order.

There are more than $750 million in the HUD nonincremental account. That is all the unexpended funds from previous years that go into the central account that we could have used for this, but they would not make that in order.

Tonight we have an opportunity to say that we believe people should be allowed to buy their own home.

Mr. Chairman, I yield 4 minutes to the gentleman from New Jersey [Mr. ANDREWS].

Mr. ANDREWS of New Jersey. Mr. Chairman, I thank my friend, the gentleman from Arizona, for yielding me this time.

Mr. Chairman, I rise in strong support of his amendment.

There have been many vigorous debates on this floor about the merits or demerits of the HOPE Program. I happen to think it is a very sensible and intelligent approach to helping people by empowering people. Regardless of your point of view on the merits of the HOPE Program, let me ask you to think about this amendment in these terms: Should we or should we not change the rules in the middle of the game for 50,000 families? Should we or should we not pull the rug out from underneath 50,000 families?

Fifty thousand families across the country relying on the idea that our assistance would be there to help them organize groups to buy public housing units and own their own homes have started down a road. They have organized themselves. They have formed corporations and organizations to buy and run property. They have met. They have developed bylaws. They have filed applications. They have selected properties, all in reliance upon the fact that a commitment that we made would be honored.

The legislation before us, without this amendment, would fail to honor that commitment, and I think it is time that we honor that commitment.

Mr. CLAY. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of New Jersey. I am happy to yield to the gentleman from Missouri.

Mr. CLAY. Mr. Chairman, let me ask the gentleman about all of these great things that he talks about poor people owning public housing. The Federal Government cannot afford to keep in repair these public housing units that the gentleman now wants to turn over to the poorest people in our society.

If he wants to do something for poor people, and if anybody over there wants to do something for them, they ought to support the programs to give them some jobs, not give them these raggedy houses.

I say to the gentleman that I think he is way off base when he talks about giving people houses that the Federal Government cannot keep the roofs in repair, cannot keep the pipes in repair.

They have a unit in my district right now, Carr Square Village, that they are getting ready to spend $110,000 per unit to repair in order to sell them to people whose median income in that unit is $6,000 a year.

What are they going to pay for these houses with? Food stamps? Are you going to increase food stamp allotments so they can afford to pay for them?

□ 2240

Mr. ANDREWS of New Jersey. Reclaiming my time, to my friend from Missouri: The idea behind the whole program is that some of the money that we claim that goes to housing goes to pay the salaries of those that administer housing bureaucracies will go into the hands of people that fix those houses and run those units. Those 50,000 families that I made reference to rely on the fact that we will give them that chance. We ought to follow through and give them that chance by leaving the funding previously put in by this Congress and by this country.

Mr. CLAY. These are houses where you have tenant management. You do not have that great overhead, the administrative overhead that the gentleman is now alluding to. They are getting ready to destroy 246 housing units in Carr Square Village and spend an additional $110,000 per unit just to repair them to make them qualified, to sell them to people whose median income in that project is $6,000 a year. These people are senior citizens, they have no additional income. How are they going to pay for these units that the gentleman is talking about?

Mr. ANDREWS of New Jersey. Reclaiming my time, I respect fully the gentleman's concern about whether projects will work. But I point out to the gentleman there are 50,000 families across the country who believe this may work, and they should be given a chance to see if it would work. They should be given a chance to follow their projects through and see if the projects will work the way they want. That is what we owe them. I would ask my friend and all of my colleagues to support the amendment of the gentleman from Arizona [Mr. KOLBE].

Mr. STOKES. Mr. Chairman, I yield 2 minutes to the gentleman from Utah [Mr. ORTON].

Mr. ORTON. I thank the subcommittee chairman for yielding to me.

As a member of the Committee on Banking, Finance and Urban Affairs and formerly on the Housing subcommittee, I looked at possible areas for rescission and submitted to this House a proposed amendment which would rescind over $400 million in the HOPE in 1993 and 1994. Before submitting that recommended rescission, we did our homework, we checked with HUD to determine how many of these unobligated funds of $256 million could possibly be spent if every application, if every commitment, if every possible conversion took place in 1993. And HUD told us that no more than $75 million could possibly be expended in 1993.

There is an appropriated balance of $256 million. If you leave $75 million in it, you can still cut out more than the $164,500,000 recommended by the Committee on Appropriations.

This rescission will not impact one person who is working on or committed to or planned on an acquisition through the HOPE Program. The HOPE Program has been only modestly successful, only modestly successful in providing housing for low-income families. A program which has been successful is the HOME Program. I suggest we repeal, rescind this funding in 1993, we look at the 1994 funding and shift it from the HOPE Program to the HOME Program, which will actually do some good.

I would encourage my colleagues to vote to rescind, to vote against the amendment of the gentleman.

Mr. KOLBE. Mr. Chairman, I yield myself such time as I may consume before I yield to the gentleman from Pennsylvania. Let me respond to the gentleman from Utah [Mr. ORTON].

Unfortunately, the information that comes from the program officer who administers this at HUD does not match the information that he has just given us. We spoke with him today. Today there are 34,056 units already in the pipeline that have received planning grants. If all of the 1993 funding was available, they would be able to do 29 percent of the units. Twenty-nine percent would be able to get converted. With the rescission, only 13 percent. So he is going to say that we are going to say "no" to several thousand more people that are already—we have many of them—more than two-thirds of them will not get funding for it.

Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. WELDON].

Mr. WELDON. I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise in strong support of the amendment being offered by our colleague. With all due respect to the chairman of the committee, for whom I have the highest respect, and our ranking member, this rescission, if allowed to go unchecked, would in effect kill the HOPE Program. The HOPE Program, I think, offers tremendous opportunity for poor people all over America.

Just this past January Congressman ROB ANDREWS and I cohosted a network conference in Washington with 300 housing activists from all over America. One of the most unanimous themes that came out of that conference was to allow these people to take control of their own destiny, to where possible and feasible take over the ownership of their property.

This is not in any way, shape or form a Republican idea. As a matter of fact, most of our colleagues will remember this program was—one of its strongest supporters is our Agriculture Secretary, Mike Espy. It was Mike Espy who laid the foundation for the HOPE Program and allowed this administration to move forward with HOPE as a key part of the agenda of the Clinton administration.

As a matter of fact, on a campaign stop in Detroit 1 year ago, it was President Clinton, for my colleagues who support the administration, it was President Clinton who went to a HOPE

Program and talked about the success of that program and how he wanted to, if he became President, support the continuation of this privatization effort. If we listened to people like Bob Woodson, who in fact is one of our leaders in terms of being chairman of the National Center for Neighborhood Enterprise, who says we have to support programs like HOPE to allow people to take control of their own destiny.

Right now we have 570 programs that have worked their way through the planning process. These programs are ready for implementation. If we allow this rescission to go through, we have cut off any possibility for those programs to continue. While none of these are in my district, there are eight in my region. Six of them are in the city of Philadelphia, and two in suburban Westchester, one of the most impoverished cities in Pennsylvania.

These programs will end outright if we in fact allow this rescission to go forward. This program deserves bipartisan support because it is the right thing to do for poor people who want to take over and own their own property.

One of the gentlemen on the other side made the point that we cannot privatize all public housing. We all know that, it is an established fact. That is why the implementation process allowed us to identify those units most suitable for privatization. The funding that we are talking about in the amendment offered by Mr. KOLBE would allow us to move forward and turn those implementation programs where we know they in fact have a chance for success. I urge my colleagues to do what Mike Espy has said on this House floor, and I quote, "Owning your own home is not a Republican idea, it is not a Democratic idea, it is an American idea."

I urge my colleagues to support the Kolbe amendment.

Mr. STOKES. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK of Massachusetts. I congratulate the subcommittee on appropriations for taking the lead in this and the full Committee on Appropriations for carrying it forward. I hope the rescission is left undisturbed.

I am in favor of trying to provide home ownership for low-income people. The HOPE Program is a very inefficient and costly way to try to do that. It is also in some cases socially disruptive.

There are a lot of people in this country who are active in the advocacy on behalf of the poor. You will not find any significant number of them lined up here, because the net effect of this program has not been a beneficial one.

We have the Resolution Trust Corporation, that Members are aware of, that deals with the properties of the S&L. We have the FDIC. Those two between them have a vast inventory of housing. The best way to provide low-income home ownership is to take those thousands and thousands of unoccupied units which are, in many cases, individual units, not parts of a large housing complex, and sell them exclusively to low-income home occupancy. That is what the Committee on Banking, Finance and Urban Affairs proposed, that is what has become law. In a bipartisan way from the Committee on Banking we recently proposed some amendments to increase the scope of that both in the RTC and FDIC.

□ 2250

You have home ownership there that is home ownership in the most meaningful sense.

It also does not take from the existing inventory because part of the problem with HOPE is that it takes some units that are now and have built with public funds for low-income occupancy, and what it does is to remove those forever from that stream.

Yes, one individual may get it, but that unit is never again available.

With the RTC and the FDIC at much less cost per unit, because what we do is we auction off this vacant property and the auction prices we get are close to the other prices.

I want to make that clear, because this is not a debate on low-income home ownership. The RTC has already sold 57,000 units. It sold them. It has gotten people into them because it is a much more efficient way of doing it.

We know the Bush administration opposed this because their commitment was less to home ownership than it seemed to be trying to reduce the stock elsewhere.

We have a better, more socially efficient, more economic program.

I should say parenthetically that if any Democratic administration had proposed a program for the poor that had as high a cost per unit as the HOPE Program did, we would have heard ringing denunciations. It is the most costly per unit program we have got in the housing area today on the books, compared to the RTC–FDIC affordable housing programs.

So I urge Members to go along at this point with this sensible thing and do home ownership in a better way.

Mr. KOLBE. Mr. Chairman, I yield 30 seconds to the gentleman from Pennsylvania [Mr. WELDON].

Mr. WELDON. Mr. Chairman, I thank my colleague for yielding this time to me.

Just on the point of cost, I would read into the RECORD, Mr. Chairman, a study that HUD conducted on the Kenilworth-Parkside homes, a HOPE project here in Washington.

HUD conducted a study which compared Kenilworth-Parkside, a HOPE project here in Washington. The study compared the costs of a set of HOPE units at Kenilworth-Parkside with a comparable set of public housing units.

Over a twenty year period, the Kenilworth-Parkside units cost the federal government $59,691,902. A comparable number of public housing units costs $122,615,789. These figures even include the costs to build replacement housing, as HOPE requires that every unit that goes over to homeownership be replaced to serve other eligible families. So over time, HOPE is extremely cost effective.

Mr. STOKES. Mr. Chairman, I yield 3 minutes to the gentlewoman from California [Ms. WATERS].

Ms. WATERS. Mr. Chairman, I serve on the Banking Committee, and I decided to try and understand very clearly what Mr. Kemp was talking about as he sold you this program.

I am from Los Angeles. Mr. Kemp spent many hours in south central Los Angeles. The reason you have $256 million in the program unspent is because he could not move the HOPE Program.

Think about it. Poor people with very low incomes who would like to have jobs, people who cannot afford any upkeep on anything, would be given public housing units after 5 years. They would be responsible for, I suppose, repairing the roof, fixing the plumbing, keeping up the maintenance on the apartments.

How are they going to do this if they have no jobs?

Yes, most people would like to own a home, but most people understand that they have got to have an income. We debate jobs and job creation here all the time. That money that is stuck in the pipeline will be stuck for many years to come, if you expect that people with $6,000 median incomes are going to want to have a house or a home in the housing project that eventually they will not be able to maintain.

Besides, let me tell you about some of these public housing projects. We have poor people piled on top of each other in many of these units. Many of them would like to get out. They would like to live in a single-family dwelling. They would like to get into environments that are more conducive for quality living.

Many of us see this as transitional housing. We want poor people to have this housing for a limited period of time when they do not have incomes, but once we get them working, we get them into job training programs, we want them to be up and out, buying homes and living in environments that are not environments where poor people are piled on top of each other.

This is a mistake. It sounds good. It sounds like motherhood and apple pie to talk about owning your own home, but I will remind you, when we had this debate before, I challenged Mr. Kemp to allow people an alternative. Do not say you can own your own home in these public housing projects where most people really do not want to buy their homes. Let us get them some jobs and create some opportunity and they may want to have a home next door to Mr. Kemp.

Mr. KOLBE. Mr. Chairman, I yield 1 minute to the gentleman from Minnesota [Mr. GRAMS].

Mr. GRAMS. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I rise today in support of the Kolbe amendment to restore funding for the HOPE Program.

While I am pleased that this supplemental appropriations package contains a number of rescissions to offset its costs, I am concerned about the priorities it would set for this Nation, in particular for low-income Americans who want to purchase their own home.

The HOPE Program was created to give these Americans some of the same opportunities others have to pursue the dream of homeownership and economic self-sufficiency. And at a time when investment is the buzzword in Washington, what better investment can the Government make in its people than to give them the chance to become homeowners?

But instead of making these investments in the American people, we are being asked to trade away the dreams of potential homeowners for some makeshift summer jobs and political favors to big-city mayors. Instead of giving low-income Americans the tools of empowerment and self-sufficiency, we are funding operating losses for Amtrak and SBA tree planting programs.

Mr. Chairman, this is not putting people first, investing in America, or any of the other slogans you hear in Washington. This is simply another step by the opponents of HOPE to dismantle the program, put an end to homeownership for low-income Americans, and leave them in the failed public housing programs of the past.

A vote for the Kolbe amendment is more than just a vote to restore funding for the HOPE program. It is a vote for making a real investment in the American people and for restoring their belief in the American dream. I urge my colleagues to support the amendment offered by the gentleman from Arizona and keep HOPE alive.

Mr. STOKES. Mr. Chairman, I would just say once again to my colleagues that this is a bad amendment. I think it is one that ought to be defeated.

I would just in closing remind my colleagues that at the current time we have $106 million left in the domestic discretionary cap.

The effect of adding the $150 million of this amendment to the cap will cause a $44 million sequestration across the board to all domestic programs.

I would urge the Members to be aware of the effect of this amendment and I would urge its defeat.

Mr. KOLBE. Mr. Chairman, will the gentleman yield just on that point?

Mr. STOKES. Certainly, I yield to the gentleman from Arizona.

Mr. KOLBE. Mr. Chairman, I appreciate the gentleman yielding to me.

That is contrary to what we were advised by the Parlimentarian. The reason I did not put back the entire $164 million is that we were advised that $150 million was available, so we are not exceeding the cap, and it certainly is not the intention to exceed the cap and result in a sequestration.

Mr. STOKES. Mr. Chairman, I would just say that there is no point of order that is applicable right here in the House on this issue, and sequestration will be automatic.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arizona [Mr. KOLBE].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. KOLBE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 150, noes 279, not voting 8, as follows:

[Roll No. 192]

AYES—150

Andrews (NJ)
Archer
Armey
Bachus (AL)
Baker (LA)
Ballenger
Barrett (NE)
Bartlett
Barton
Bateman
Bentley
Bereuter
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Clinger
Coble
Combest
Crane
Cunningham
DeLay
Diaz-Balart
Dornan
Dreier
Dunn
Emerson
Everett
Ewing
Fawell
Fields (TX)
Fish
Fowler
Franks (CT)
Franks (NJ)
Gallegly
Gallo
Gekas
Gilchrest
Gillmor
Gilman
Gingrich
Goodlatte
Goss
Grams
Grandy
Greenwood
Gunderson
Hancock
Hansen
Hastert
Hobson
Hoke
Horn
Houghton
Hunter
Hyde
Inglis
Inhofe
Johnson (CT)
Johnson, Sam
Kasich
Kim
King
Kingston
Klug
Knollenberg
Kolbe
Kyl
Lazio
Levy
Lewis (CA)
Lewis (FL)
Lightfoot
Linder
Lipinski
Livingston
Machtley
McCollum
McDade
McHale
McHugh
McKeon
McMillan
Meyers
Mica
Michel
Miller (FL)
Molinari
Moorhead
Oxley
Packard
Pallone
Paxon
Payne (VA)
Pickle
Porter
Portman
Pryce (OH)
Quillen
Quinn
Ravenel
Regula
Ridge
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Sangmeister
Santorum
Saxton
Schiff
Shaw
Shays
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Solomon
Spence
Stearns
Stump
Sundquist
Talent
Taylor (NC)
Thomas (CA)
Thomas (WY)
Upton
Vucanovich
Walker
Walsh
Weldon
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—279

Abercrombie
Ackerman
Allard
Andrews (ME)
Andrews (TX)
Applegate
Bacchus (FL)
Baesler
Baker (CA)
Barcia
Barlow
Barrett (WI)
Becerra
Beilenson
Berman
Bevill
Bilbray
Bishop
Blackwell
Bonior
Borski
Boucher
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Byrne
Cantwell
Cardin
Carr
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (GA)
Collins (IL)
Collins (MI)
Condit
Conyers
Cooper
Coppersmith
Costello
Cox
Coyne
Cramer
Crapo
Danner
Darden
de la Garza
de Lugo (VI)
Deal
DeLauro
Dellums
Derrick
Deutsch
Dickey
Dicks
Dingell
Dixon
Dooley
Doolittle
Duncan
Durbin
Edwards (CA)
Edwards (TX)
Engel
English (AZ)
English (OK)
Eshoo
Evans
Faleomavaega (AS)
Fazio
Fields (LA)
Filner
Fingerhut
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Geren
Gibbons
Glickman
Gonzalez
Goodling
Gordon
Green
Gutierrez
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Harman
Hastings
Hayes
Hefley
Hefner
Herger
Hilliard
Hinchey
Hoagland
Hochbrueckner
Hoekstra
Holden
Hoyer
Huffington
Hughes
Hutchinson
Hutto
Inslee
Istook
Jacobs
Jefferson
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Klein
Klink
Kopetski
Kreidler
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lehman
Levin
Lewis (GA)
Lloyd
Long
Lowey
Maloney
Mann
Manton
Manzullo
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCandless
McCloskey
McCrery
McCurdy
McDermott
McInnis
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Mineta
Minge
Mink
Moakley
Mollohan
Montgomery
Moran
Morella
Murphy
Murtha
Myers
Nadler
Natcher
Neal (NC)
Norton (DC)
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Parker
Pastor
Payne (NJ)
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Poshard
Price (NC)
Rahall
Ramstad
Rangel
Reed
Reynolds
Richardson
Roemer
Rose
Rostenkowski
Roukema
Rowland
Roybal-Allard
Royce
Rush
Sabo
Sanders
Sarpalius
Sawyer
Schaefer
Schenk
Schroeder
Schumer
Scott
Sensenbrenner
Serrano
Sharp
Shepherd
Skaggs
Skelton
Slattery
Slaughter
Smith (IA)
Snowe
Spratt
Stark
Stenholm
Stokes
Strickland
Studds
Stupak
Swett
Swift
Synar
Tanner
Tauzin
Taylor (MS)
Tejeda
Thompson
Thornton
Thurman
Torkildsen
Torres
Torricelli
Towns
Traficant
Underwood (GU)
Unsoeld
Valentine
Velazquez
Vento
Visclosky
Volkmer
Washington
Waters
Watt
Waxman
Wheat
Whitten
Wilson
Wise
Woolsey
Wyden
Wynn
Yates

NOT VOTING—8

DeFazio
Henry
Leach
Neal (MA)
Romero-Barcelo (PR)
Sisisky
Tucker
Williams

☐ 2316

The Clerk announced the following pair:

Mr. Sisisky for, with Mr. DeFazio against.

Messrs. DUNCAN, MANZULLO, DOOLITTLE, and RAMSTAD changed their vote from "aye" to "no."

Mr. TAYLOR of North Carolina changed his vote from "no" to "aye."

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

This Act may be cited as the "Second Supplemental Appropriations Act of 1993".

The CHAIRMAN. There being no further amendments, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having assumed the chair, Mr. McDERMOTT, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2244) making supplemental appropriations, transfers, and rescissions for the fiscal year ending September 30, 1993, and for other purposes, pursuant to House Resolution 183, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The amendments printed in House Report 103-110 are considered as adopted.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. KOLBE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 287, nays 140, not voting 5, as follows:

[Roll No. 193]

YEAS—287

Abercrombie
Ackerman
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Applegate
Bacchus (FL)
Baesler
Barcia
Barlow
Barrett (WI)
Bateman
Becerra
Beilenson
Bentley
Berman
Bevill
Bilbray
Bishop
Blackwell
Blute
Boehlert
Bonior
Borski
Boucher
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Byrne
Callahan
Cantwell
Cardin
Carr
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Cooper
Coppersmith
Costello
Coyne
Cramer
Danner
Darden
de la Garza
Deal
DeLauro
Dellums
Derrick
Deutsch
Diaz-Balart
Dicks
Dingell
Dixon
Dooley
Durbin
Edwards (CA)
Engel
English (AZ)
English (OK)
Eshoo
Evans
Fazio
Fields (LA)
Filner
Fingerhut
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Franks (NJ)
Frost
Furse
Gejdenson
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Glickman
Gonzalez
Gordon
Green
Gunderson
Gutierrez
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Harman
Hastings
Hayes
Hefner
Hilliard
Hinchey
Hoagland
Hochbrueckner
Hoekstra
Hoke
Holden
Hoyer
Hughes
Hutchinson
Hutto
Inslee
Jacobs
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E.B.
Johnston
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Klein
Klink
Kopetski
Kreidler
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lazio
Lehman
Levin
Levy
Lewis (GA)
Lipinski
Lloyd
Long
Lowey
Machtley
Maloney
Mann
Manton
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCloskey
McCrery
McCurdy
McDade
McDermott
McHale
McHugh
McKinney
McNulty
Meehan
Meek
Menendez
Meyers
Mfume
Miller (CA)
Mineta
Minge
Mink
Moakley
Mollohan
Montgomery
Moran
Morella
Murphy
Murtha
Myers
Nadler
Natcher
Neal (MA)
Neal (NC)
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Parker
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (FL)
Pickett
Pickle
Pomeroy
Poshard
Price (NC)
Quinn
Rahall
Rangel
Reed
Reynolds
Richardson
Ridge
Roemer
Rogers
Ros-Lehtinen
Rose
Rostenkowski
Rowland
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Santorum
Sawyer
Schenk
Schiff
Schroeder
Schumer
Scott
Serrano
Sharp
Shays
Shepherd
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (IA)
Smith (NJ)
Spratt
Stark
Stenholm
Stokes
Strickland
Studds
Stupak
Swett
Swift
Synar
Tanner
Tauzin
Taylor (MS)
Tejeda
Thompson
Thornton
Thurman
Torkildsen
Torres
Torricelli
Towns
Traficant
Tucker
Unsoeld
Valentine
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walsh
Washington
Waters
Watt
Waxman
Wheat
Whitten
Wilson
Wise
Woolsey
Wyden
Wynn
Yates
Young (AK)

NAYS—140

Allard
Archer
Armey
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Barrett (NE)
Bartlett
Barton
Bereuter
Bilirakis
Bliley
Boehner
Bonilla
Brewster
Bunning
Burton
Buyer
Calvert
Camp
Canady
Castle
Clinger
Coble
Collins (GA)
Combest
Cox
Crane
Crapo
Cunningham
DeLay
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Edwards (TX)
Emerson
Everett
Ewing
Fawell
Fields (TX)
Fowler
Franks (CT)
Gallegly
Gallo
Gekas
Gingrich
Goodlatte
Goodling
Goss
Grams
Grandy
Greenwood
Hancock
Hansen
Hastert
Hefley
Herger
Hobson
Horn
Houghton
Huffington
Hunter
Hyde
Inglis
Inhofe
Istook
Johnson, Sam
Kasich
Kim
King
Kingston
Klug
Knollenberg
Kolbe
Kyl
Lewis (CA)
Lewis (FL)
Lightfoot
Linder
Livingston
Manzullo
McCandless
McCollum
McInnis
McKeon
McMillan
Mica
Michel
Miller (FL)
Molinari
Moorhead
Nussle
Oxley
Packard
Paxon
Peterson (MN)
Petri
Pombo
Porter
Portman
Pryce (OH)
Quillen
Ramstad
Ravenel
Regula
Roberts
Rohrabacher
Roth
Roukema
Royce
Sarpalius
Saxton
Schaefer
Sensenbrenner
Shaw
Shuster
Smith (MI)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Stearns
Stump
Sundquist
Talent
Taylor (NC)
Thomas (CA)
Thomas (WY)
Upton
Walker
Weldon
Wolf
Young (FL)
Zeliff
Zimmer

NOT VOTING—5

DeFazio
Henry
Leach
Sisisky
Williams

☐ 2337

The Clerk announced the following pair:

Mr. Sisisky for, with Mr. DeFazio against.

Mr. KIM changed his vote from "yea" to "nay."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

COMMUNICATION FROM HON. GARY A. CONDIT, MEMBER OF CONGRESS

The SPEAKER pro tempore. (Ms. E.B. JOHNSON of Texas) laid before the House the following communication from Hon. GARY A. CONDIT, Member of Congress:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, May 22, 1993.

Hon. THOMAS S. FOLEY,
House of Representatives, The Capitol, Washington, DC.

DEAR MR. SPEAKER: This is to formally notify you pursuant to Rule L (50) of the Rules of the House that my office has been served with a subpoena issued by the Superior Court of California.

After consultation with the General Counsel to the House, I have determined that compliance with the subpoena is consistent with the privileges and precedents of the House.

Sincerely,

GARY A. CONDIT,
Member of Congress.

ELECTION OF MEMBER TO CERTAIN STANDING COMMITTEES

Mr. MICHEL. Mr. Speaker, I offer a privileged resolution (H. Res. 185) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 185

Resolved, That Representative Portman of Ohio be, and is hereby, elected to the following standing committees of the House of

Representatives: the Committee on Government Operations the Committee on Small Business.

The resolution was agreed to.

A motion to reconsider was laid on the table.

FIXED SUM APPROPRIATIONS FOR ENTITLEMENTS

(Mr. COX asked and was given permission to address the House for 1 minute.)

Mr. COX. Mr. Speaker, of all the defects in our budget process, probably the most glaring is Congress's abdication of year-to-year control of most government spending. Congress willfully refuses to bring welfare and other so-called entitlements under control. Every year, Congress simply writes a blank check for these massive spending programs.

I am not speaking figuratively. Congress literally appropriates such sums as may be necessary for entitlements. With a process that permits this, it's no wonder that deficit spending is out of control. The Budget Process Reform Act will put an end to blank check spending on entitlements. Each year Congress will decide on specific spending totals for all Federal programs except Social Security and interest on the debt. The head of each Federal agency that administers any entitlement program will be authorized to adjust benefit levels and eligibility requirements, so that the program costs exactly what Congress has appropriated, and no more.

It is time for Congress to put entitlements once and for all under real, fixed-sum budget control. I invite my colleagues to join CHARLES STENHOLM, TIM PENNY, and more than 125 other Members who are cosponsoring with me the Budget Process Reform Act. Mr. Speaker, tomorrow, I will conclude this series on budget reform with a proposal for making the process work in favor of controlling spending—not raising taxes.

☐ 1200

THE U.S./ASIAN INTERPARLIAMENTARY AND DEVELOPMENT CONFERENCE HOSTED BY THE PACIFIC COMMUNITY INSTITUTE

(Mr. FALEOMAVAEGA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FALEOMAVAEGA. Mr. Speaker, as you know the month of May has been designated by Congress and our President as National Asian-Pacific-American Heritage Month. Given America's focus this month on Asian-Pacific concerns, I thought it only appropriate to bring to the attention of our colleagues and the nation the historic gathering that took place last month in Jakarta, Indonesia.

The inaugural meeting of the U.S./Asian Interparliamentary and Development Conference was hosted by the president of the Pacific Community Institute, my good friend and former chairman of the House Foreign Affairs Subcommittee on Asia-Pacific Affairs, Hon. Lester Wolff.

After my appointment to lead the United States congressional delegation to this parliamentary exchange between America and the nations of Asia, I want to report that the conference was a resounding success. The broad-based participation by the parliaments of several Asia-Pacific countries allowed the goals of greater communication and cooperation among the nations of the Pacific rim to be achieved. In particular, the wide-ranging discussions on crucial developments impacting the Pacific rim—from trade concerns to security interests to cultural relations and environmental problems—were very fruitful and substantive. Even though I have been the vice-chairman of the House Asia-Pacific Affairs Subcommittee for two going on three terms of Congress, I came away with new insights, allowing me to have a much greater understanding of the perspectives on our government counterparts in the Asia-Pacific region on these weighty issues.

Mr. Speaker, the United States currently conducts a $328 billion trade with the Asia-Pacific region, with over $120 billion in United States exports to the Asia-Pacific last year, and over 2.3 million American jobs directly dependent on Asia-Pacific trade—with the trend quickly escalating—it is clear that this part of the world is very important to our Nation's economic and security interests. Given that fact, Mr. Speaker, I cannot more strongly urge that the United States continue to support and participate in interparliamentary exchanges with the Asia-Pacific nations, such as that coordinated in Jakarta by the Pacific Community Institute.

Mr. Speaker, I would like to extend my personal thanks to Hon. Lester Wolff for having the vision to bring into creation the first U.S./Asian Interparliamentary and Development Conference, and I would submit for the RECORD former Congressman Wolff's memorable closing remarks to the parliamentarians attending the conference.

CLOSING REMARKS OF CONGRESSMAN WOLFF

Thank you Madame Chairman.

I cannot let this opportunity pass without echoing the glowing words of praise made by our colleagues. You have outdone yourself in leading us in this historic Parliamentary conference. Your breadth of knowledge, tact and perseverance have lead us thru the mine fields and sensitivities to produce the outstanding understanding we have achieved.

My thanks as well to the members of the Indonesian Congress, for their participation. And special thanks to Speaker H. Wahono and Vice Speaker of the Congress Soetedjo for their efforts. The Vice Speaker the Hon. Sutedjo took time off from a very busy schedule to sit thru all of our sessions and who made such constructive interventions throughout.

One matter that has taken much of our time throughout these proceedings is that of Human Rights.

I, for one, would not take second place to anyone in the United States Congress for my support for human rights throughout the world. I marched in Mississippi to protest the deprivation of human rights afforded our American black citizens. I held the first and only hearings on the human rights situation in the North of Ireland; at the time of the incarceration of Kim Dae Jung went with our Ambassador Philip Habib to President Park Chung Hee to protest his proposed death sentence. I could cite a long list of additional human rights areas where I have been involved.

I come to you now upon reflection of our discussions and ask "who is to be the ultimate judge?" There is only one final and ultimate judge of the human rights of all and HE is not here. He is among us and is judging us this very moment, but he is not here to delineate the rules by which we judge.

The one element that I ask you to consider however, is the rights of all to the right to life . . . the right to freedom of the press, the rights of religious freedom . . . the right to freedom from fear . . . the right of people peaceably to assemble . . . the right to be free from cruel and unjust punishment. . . . Or, should we best to adopt the old French rallying cry to the right to life, liberty and the pursuit of happiness.

We have a Bill of Rights attached to our constitution. It is not very long but has deep meaning and it has been sustained over many years. But, I wonder today, in present circumstances, if we offered it up once again to the American people whether they would agree to its passage. Circumstances change and are different in various parts of the world. I think before we criticize others, we should look to ourselves and find out how we can better the life of the individual without major damage to the state.

We must consider majority rule otherwise there will be chaos and anarchy. however, we must also give priority to the rights of the minority and protection from oppression to the individual.

I appreciate all of the points that have been made here by you our colleagues. I do think it is strange that whether we are discussing the economy, the environment or whatever, we do come back to the basic area of political rights and as well human rights. But I do believe we must distinguish, we must define the difference, if any, between civil rights, political rights and human rights. Much confusion exists in the press which, in many cases, has misconstrued and intermingled the true meaning of what those rights mean, and how those rights carry with them responsibilities. Too often generalities misunderstood by journalists who are ill grounded in the circumstances, becloud the issue and are subject to the biased views of proponents of a cause that influences their reporting and undermines the professionalism of a journalist who then plead a cause rather than report the news as it happens.

We must open up our discussions as we have during this conference to fully understand each others problems and find solutions that are beneficial to all. Not just thru official channels which are limited and conditioned by protocol and diplomatic double talk but thru the informality of legislators that has permeated this meeting.

With the most gratitude I can muster that can express to you my true feelings I convey to you that thanks of the PCI for your participation.

Now coming to another . . . and that is the composition of this group . . . the lack of some numbers and some areas of the Pacific region being represented here. I do want you to know that the Speaker of the United States Congress encouraged members to participate. However, because of a legislative problem the House and Senate remained in session beyond the designated recess time [because of a Parliamentary problem of a filibuster in the US Senate,] and were unable to travel, in time to make this meeting. The Hon. Eni Faleomavenga, ranking member of the Asian and Pacific Affairs committee of the House of Representatives, was delegated by the Speaker as spokesman for the United States. He most adequately fulfilled his responsibilities and was assisted by former Representative, the Hon. Robert Leggett, and a former member of the National Security Council Staff, Donald MacDonald. I am sure you will agree we have profited nobly by their participation.

One aspect of these, our four sessions, I am happy to report has been the unanimous desire for a continuation of this type of meeting and the need to broaden the base, thru additional countries being represented. I concur. And, I do believe if we are to achieve the most productive results we must be inclusive rather than exclusionary.

That we have had opposition people represented here has greatly added to the dialogue and the overall information about which we have been availed. I recommend this as a pattern for us to follow in future meetings. We should invite parliamentary representation of all bodies that seek to join this effort.

However, we also have a situation, within the region, because of certain sensitivities, that has precluded the attendance of some of the major players of the region who have not been invited to participate. I refer to Taiwan and Hong Kong. Some time ago, we had hawks, doves and ostriches, as well. Ostriches are those who would stick their heads in the sand and are impervious to the events taking place around them. Well, we have no flags here. That was done with a purpose. We are not ostriches. There is not a conscious attempt to plead any political cause.

It is regrettable that because of a snafu relating to communications problems and the visas not being available in time for the meeting that the Peoples Republic of China Delegation could not be present with us, (even though they had their tickets and approval of their government to travel to the conference. The Chinese Ambassador to Indonesia has graced us with his presence and participated in several of the events. I am assured it was their intent to fully join with us and give us the benefit of their comments, ideas and suggestions.

Informality has been the key underlying premise upon which we have conditioned our conference so that we could obtain the benefit of the fullest practical information and all views that could lead to better understanding and a channel of communication that could prevent tensions and misunderstandings.

Exclusion from future meetings would mean that we would miss important perspectives. Hong Kong is a major economic factor in the region. As is Taiwan. With the largest foreign reserves in the world, how can we truly understand the macroeconomic picture without their participation.

The nature and advantage of this meeting, as has been repeatedly emphasized, is its informality . . . where we can talk and discuss without the strictures imposed in diplomatic settings. It is through this informal type of exchange that progress can be made without formal compromise of position. That is another reason we have designated this conference as a Parliamentary and Development Conference. To preclude the formality of just parliamentary delegation attendance.

I would just like to say something about the Pacific Community Institute. I circulated a booklet about our Institute among you. I hope you have had a chance to go through it. If not . . .

The Pacific Community Institute was established in 1982 by Touro College, which looks to the understanding of American and Pan Asian culture in relation to the contributions of other civilizations and societies.

PCI is dedicated to: 1. the promotion of Asian and American bodies, elected officials and private sector leaders to enhance communication, strengthen democracy and improve cross-cultural understanding and trade relations.

2. Providing a forum for parliamentarians and others in transpacific issues in the fields of energy, trade, technological exchange, business effectiveness, social welfare and education.

3. Furthering the development of research and demonstration projects to implement forum recommendations on modes of international business development, cultural exchange and joint parliamentary action on geopolitical issues.

4. Recruiting students for attendance at Asian and American colleges with curricula combining education with internships and business, Pacific nation Parliaments and the U.S. Congress.

The PCI has had a leading role over the years in organizing conferences with other Pacific Rim Institutes. These have been held in the Republic of Korea, Republic of China, Thailand, Republic of the Philippines, Indonesia and Singapore, with the primary topics being joint security and trade. In 1984, PCI began a student Exchange program of internships with the US Congress and the Korean National Assembly. This program, over the years has been extended to Thailand, Hong Kong and the Peoples' Republic of China. It has provided the leaders of tomorrow with vital insights into the governments and daily life of the countries participating.

We intend to expand these programs through which we hope to provide for closer relations among all nations of the Pacific Rim, which includes the United States which is a Pacific nation, as well as an Atlantic nation.

Thank you for your attention and participation.

EVERY SECTOR WILL PAY INCREASED TAXES

(Mr. BURTON of Indiana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BURTON of Indiana. Mr. Speaker, I would just like to say to the gentleman from Oregon who just spoke that every family in America is going to be hit with these tax increases, not just millionaires, not $100,000 income earners; every single person in America is going to get hit with the tax increase.

Let me just say to the gentleman, I want to say to the freshmen like him on the other side of the aisle, I wish you well because if you vote for all these tax increases and go home and tell your constituents that you voted for the largest tax increases in history, that you voted to support President Clinton's breaking promises to every single American he made those promises to, and he said he was not going to raise taxes for anybody under $100,000, that you are going to vote for all these tax increases, you are going to vote to send all these people in this country back to the bank to borrow money to pay their taxes because you want to spend more, let me just say to you, I wish you well. I wish you well because you are going to be doing something new after the next election.

FBI DOES NOT SERVE AT THE BECK AND CALL OF THE PRESIDENT OF THE UNITED STATES

(Mr. McINNIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McINNIS. Mr. Speaker and Members, as a former police officer, I realize the importance of the Federal Bureau of Investigation being independent. It is an arm of the Department of Justice, and it is an independent investigative authority. What has happened in the last week by actions of the White House is a travesty to justice in this country. As you know, in the last few days, in an attempt to put a better light on the travel agency fiasco at the White House, the FBI was called over, ordered to the White House in the last couple of days in order that they be given some guidance to help with the press release.

Many of you saw this morning that the Attorney General, Janet Reno, has protested that type of action. That type of action is certainly out of the ordinary and should not be tolerated in this country.

The FBI does not serve at the beck and call of the President of the United States; the FBI must maintain its independence, and I would hope that in the future that this kind of activity and behavior is certainly brought to an immediate halt.

CALCULATING THE TAX INCREASES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California, [Mr. KIM], is recognized for 5 minutes.

Mr. KIM. Madam Speaker, my remarks tonight should be seriously considered by the Democratic Members of the freshman class in this body.

When these members ran for election last year, did they tell the voters that they were intending to vote for the largest tax increase in U.S. history? I don't think so.

Did they tell the voters—that they would cast their vote to raise taxes dramatically long before ever voting for any spending cuts?

I don't think so.

I don't think my colleagues ran as business as usual, tax and spend Democrats.

Well then, let me explain this budget bill, the Clinton administration is asking freshmen representatives to support.

It's called the Omnibus Budget Reconciliation Act.

The name is purposely confusing so that the American public is deceived into thinking it's something harmless or even good.

Madam Speaker, I want the American public to know that this new budget bill, really is the largest tax increase in American history.

It will cost American taxpayers at least $332 billion over the next 5 years.

As a freshman, I have a hard time committing American taxpayers to $332 billion.

As an engineer, I always like to quantify figures.

Using basic math, let's see how much this tax hike will really mean to the American family.

My district is one of 435 districts. So, I took $332 billion and divided it by 435. The result is $760 million per district. That means my district in California alone would be obligated to pay $760 million in new taxes over the next 5 years.

Then, I took this simple math a step further. There are about 570,000 people in my district. So, I divided $760 million by 570,000 people.

I was shocked to see that every man, woman and child would have to come up with over $1,300.

This means that the average family of 5 will be assessed nearly $7,000 in new tax increases. Let me repeat. $7,000 in new tax increases. America has never had this huge a tax increase in its entire history! But, that's not all.

This tax bill also includes a new BTU tax. Again, let's be honest. This is a hidden gas tax.

This BTU tax means 8 cents a gallon. That might not sound like much, but it is.

We're told avg $450/yr of new BTU taxes per family is not that big a deal to the average American family.

I guess this is true, it's only the price of 2 haircuts! But, this is not all. This BTU tax is indexed annually for inflation.

The cost of this new tax will grow higher and higher each year. . .

But, wait . . . . there is more. The BTU tax isn't just a gas tax on automobiles, it also translates into more taxes on electricity, water, heating oil and almost every other products.

So, by the time all these new taxes are added together, I wouldn't be surprised if the total burden to the average family of 5 will exceed $10,000 in new tax increases! That's outrageous. We must stop this madness.

The point I raise for my fellow Democratic freshmen . . . is that a "yes" vote on this tax bill will have grave consequences in 1994.

Good luck going home and telling people that we voted for the biggest tax increase in U.S. history.

Madam Speaker, I just wanted to quantify this bill using simple mathematics so that the American public will be told the truth.

Let me repeat, for the average family of five, we're looking at nearly $10,000 new taxes.

I say don't raise taxes. No nation has ever taxed its way into prosperity. Cut these hundreds of wasteful government subsidies instead.

CLINTON DEFICIT REDUCTION PLAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. PICKLE], is recognized for 5 minutes.

Mr. PICKLE. Madam Speaker, the only way we will ever get our deficit under control and get out of the economic mess we're in is through a combination of spending cuts and revenue increases—there is just no other way. All the nuances and natterings in the world cannot change this basic fact.

Let me emphasize one very important point: The pending tax-reconciliation bill is a balanced one. It contains roughly the same in tax increases as it does in program and spending reductions. Now, it is true that it doesn't cut as much in the first year, but over 5 years there is a good balance of cuts on spending and new revenues.

Madam Speaker, for the first time in more than 15 years, a Democratic President is proposing to bring down the deficit through a responsible approach including spending cuts and new revenues—the only real answer we've got if we want to do the right thing for the country.

This is a unique moment in history. We've got a unique window of opportunity that we have never before had. For the first time, we have a combination of a White House, a Congress, and most importantly, a public citizenry united in a desire to reduce this horrendous deficit. People clearly see that it threatens our future as a Nation. Whether we like all aspects of this plan or not, if we don't pass it, we've lost our one real chance for a decade, maybe even a generation.

Now, we need to understand that there is a lot more to this bill than just revenue increases—contrary to what political opportunists and uninformed pundits might be saying. This bill actually cuts spending or saves spending by some $240 billion dollars. This package includes some tax cuts designed to spur business and help us better compete in the global economy. Some of these measures include:

R&D tax credits will be reintroduced and made permanent.

The targeted jobs tax credit will be reintroduced and made permanent.

The low-income housing credit will be reintroduced and made permanent.

The small-issue tax exempt bond program will be reauthorized and made permanent.

The bill also cuts taxes to help small business, the most critical sector of our economy, by increasing expensing for new equipment from $10,000 to $25,000.

Small business is also helped by the extension of the self-employment health deduction up to 25%. If ought to be 100%, as given to others—but we just can't afford it now.

The bill reverses the harsh impact on our real estate industry of the 1986 passive loss provisions. This is something our real estate business sorely needs.

Let me also mention a couple of areas that this bill addresses as a result of our work in the Ways and Means Oversight Subcommittee.

Madam Speaker, during 1991 and 1992, the Subcommittee on Oversight conducted numerous hearings, investigations, and site visits as part of a major oversight initiative. In follow-up to these activities, the subcommittee forwarded to the committee its findings and recommendations to improve the administration of certain laws and programs. Several of those recommendations are contained in the reconciliation bill we will be voting on tomorrow. They include provisions to: (1) improve the administration of the Medicare Program in the areas of Medicare Secondary Payers [MSP] and Durable Medical Equipment [DME]; (2) to reform Customs overtime pay practices; (3) to prevent the payment of Federal benefits to dead people; and, (4) to protect taxpayers from deceptive mailings.

This legislation affects the manner in which the Federal Government serves and protects the public, and manages its resources. In the end, I believe that enactment of these provisions will protect the integrity of many Federal programs. It will prevent wasteful and abusive practices which are currently costing taxpayers millions of dollar each month.

Madam Speaker, let me just cite one example, the payment of Federal benefits to dead people. At the subcommittee's request, GAO reviewed 6 out of 123 different Government benefit programs and identified about $5 million in benefits being paid to dead people each month. After checking further GAO established that some of these people had been dead for over 6 years. Even worse, GAO found that some of these benefit checks had been regularly increased to provide cost-of-living-adjustments [COLAs] to these deceased beneficiaries. But, perhaps worst of all, these were beneficiaries that were known to be dead. The Social Security Administration had already received information indicating that they were dead. Unfortunately, this information was often not shared with other Federal agencies because a majority of the States have, by contract, prevented SSA from redisclosing death certificate information to other Federal agencies. This leaves the Federal Government in the absurd position of paying millions of dollars each month to people we know are dead.

Unfortunately, Madam Speaker, this is not a new issue. Last year the House passed H.R. 3837, legislation specifically intended to address these issues, but it was not acted on by the Senate. This legislation was also included in H.R. 11, last year's tax bill, which was vetoed by the President. This is the kind of bureaucratic and legislative gridlock that the public cannot understand. There is no justification for paying millions of dollars each month to people we know for a fact are dead. There is no excuse for wasting many millions more as the result of mismanagement in the area of Customs overtime pay, fraud and abuse in the Medicare program, and con artists bilking the public with deceptive mailings. But, if we do not pass this legislation that is exactly what will happen.

Now, the bill does spend some more on the vulnerable of America's citizens—our children. We do spend a little money on immunizations and on family preservation, but we pay for these programs as we go.

And, Madam Speaker, that is the crucial point: We've had a party over the last 10 or 15 years, and now it's time to clean up after ourselves and pay the bills.

That's what this plan does, and if we are serious, it's time to fish or cut bait. Support this plan for America's future.

WHERE IS THE RULE ON BUDGET RECONCILIATION?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California, Mr. DREIER, is recognized for 5 minutes.

Mr. DREIER. Madam Speaker, I took this time out this evening to ask a specific question: Where is the rule under which we are going to consider this reconciliation bill? I frankly did not know that I had requested the time, but I see several of my Rules Committee colleagues here in the House, the distinguished ranking Republican on the Rules Committee, and it is now 11 minutes before midnight and we are anxious to have a rule reported to the floor so that we can proceed to do everything that we possibly can to defeat the largest tax increase that has ever been proposed on the American people.

Mr. WALKER. Madam Speaker, will the gentleman yield?

Mr. DREIER. I am happy to yield to the gentleman from Pennsylvania.

Mr. WALKER. Madam Speaker, has the gentleman, as a member of the Rules Committee, been given any word whatsoever as to when we may see this rule emerge onto the House floor?

Mr. DREIER. Madam Speaker, reclaiming my time, I am happy to yield to my very dear friend, the gentleman from South Carolina, Mr. DERRICK, the deputy majority whip.

Mr. DERRICK. Madam Speaker, we are hoping to get a rule out here within the next half an hour or so. We are waiting on some negotiations.

Mr. DREIER. Reclaiming my time——

Mr. DERRICK. So that we can take up the greatest budget cut in the history of this Nation.

☐ 2350

We are waiting on some negotiations.

Mr. DREIER. So the next half-hour?

Mr. DERRICK. So we can take up the greatest budget cut in the history of this Nation.

Mr. DREIER. I would like to pose a question to my dear friend from South Carolina, if I might. I would like to ask that, if we are supposed to have this rule reported out within the next 30 minutes, at what time can we expect to have a meeting upstairs on the third floor to begin the markup of this rule? Because a number of us have a wide range of amendments we would like to propose. I would be happy to yield to my friend from South Carolina to respond.

Mr. DERRICK. Would you mind repeating that?

Mr. DREIER. I would be happy to repeat it if my friend did not hear it. I would like to know if we are going to be holding or when we are going to be holding our meeting upstairs so that we can begin marking up this rule that we hope to consider here. I am happy to yield to my friend from South Carolina to respond.

Mr. DERRICK. It is my understanding that the Committee on Rules will be meeting, oh, probably within the next 20 minutes and hopefully to get out a rule in time to take it up tomorrow and vote on the matters that are before us.

Mr. DREIER. Great. I thank my friend for his response.

I am happy to yield to my friend from East Petersburg.

Mr. WALKER. That timing sounds like it is going to take you to after midnight, Now, does that mean that the rule then would not be eligible to be brought to the floor tomorrow and we are going to have to go over until Friday?

Mr. DREIER. I think we should propound that question to the chief deputy whip, my friend from South Carolina and colleague on the Committee on Rules.

If we go past midnight, will be able to file this rule and bring it up on the same day on the House floor?

Mr. DERRICK. As the gentleman well knows, being the great student of the rules of this body that he is, that it is the legislative day that determines it. As long as we are in this legislative day.

Mr. DREIER. I have heard that it is the legislative day, but we are now at 9 minutes to midnight, and it seems to me that we might recognize the clock in this matter.

I am happy to yield to my friend from East Petersburg.

Mr. WALKER. Those legislative days, we have found in the past, are kind of floating concepts that, you know, sometimes they stop in the middle of the day and create a new legislative day. I remember that happening at one time. So obviously it will not matter when you mark it up, we will have it on the floor tomorrow.

Let me ask the gentleman: Do we have any idea what might be contained in this rule?

Mr. DREIER. Reclaiming my time, that is a very interesting question.

I would say to my friend from East Petersburg that there is no indication whatsoever as to what shape this rule will take. We want to have a chance to vote on this package when it comes down here, but no one really knows.

I am happy to yield to my friend, the gentleman from Georgia.

Mr. KINGSTON. I say to the gentleman from California that I am new here. I am a little bit confused. It is 10 until 12, and we have been in session since 11 a.m. today. Am I understanding that 12 o'clock, when the day ends for the rest of the Eastern time zone, it does not end for the United States Congress? I am real confused about this, gentleman.

Mr. WALKER. They move to Pacific time at that point.

Mr. DREIER. I have to tell you that my watch right now is on Pacific time, and it is now 6 minutes to 9 o'clock, and according to my schedule, we have an additional 3 hours before the end of the legislative day. I try to stay on California time even when I am in Washington, DC. It helps me maintain a semblance of reality when the legislative day can in fact here move well beyond midnight.

Mr. KINGSTON. So we have got a time deficit along with our other deficit?

Mr. DREIER. Absolutely as well as tongue lock, which I know something my friend has referred to when he has referred to the closed rules that have come out of our committee onto the floor.

Mr. KINGSTON. Are we likely to have voice lock on this largest tax increase in the history of America?

Mr. DREIER. I would not be surprised if we were to get something other than an open rule allowing for the free flow of debate on the House floor as we consider this measure.

I would like to bring into this discussion my friend, the gentleman from New York, from Glens Falls, the distinguished ranking member of the Committee on Rules, to see if he has any thought he would like to pose to us.

The SPEAKER pro tempore (Ms. E.B. JOHNSON of Texas). The time of the gentleman from California has expired.

MANAGED CARE: THE DARK SIDE; A DOCTOR SPEAKS OUT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. STARK] is recognized for 5 minutes.

Mr. STARK. Madam Speaker, Dr. Robert L. Weinmann of San Jose, president of the Union of American Physicians and Dentists, recently wrote an excellent article about the 'dark side' of managed care operations.

The article, which appeared in the April 2, 1993 San Jose Mercury News, makes the excellent point that enrollees in these managed care plans need to know what kind of financial incentives and barriers exist to their being provided with care. While the fee-for-service system has too many incentives to overcharge and overbill, the movement toward managed care is also fraught with dangers—the danger of underservice and underutilization.

Dr. Weinmann's article follows:

MANAGED CARE: THE DARK SIDE

(By Robert L. Weinmann)

Is "managed competition" the promised land of health care reform? These plans promise complete health care for fixed premiums. "Managed" means that oversight is applied to the plan's doctors, who agree that the diagnostic tests and treatment plans they prescribe may be abbreviated or disallowed by the plan's cost controllers.

Subscribers do not know that their physicians have made such agreements with management because the contracts signed by the doctors are not made available to the plan's subscribers. Yet nobody has a greater need to know about the limitations a plan places on its doctors' ability to prescribe than the patient.

Prospective patients need to know about the "gatekeeper" concept by which patients may be diverted from obtaining care.

The gatekeeper is a patient's first point of contact with the health care plan. The gatekeeper may be a primary care physician, nurse, or other health counselor. The gatekeeper decides if referral to a specialist is needed or even if the patient should see a primary care physician.

An early flashpoint may develop in this encounter if it turns out that the gatekeeper may be penalized if he allows "too many" patients to see specialists. In some cases the penalty is that the specialty referral is disallowed and the cost thereof is charged back to the gatekeeper physician. Patients might be dismayed to learn that a specialty referral wasn't made because the gatekeeper was afraid to make it. But this plank allows the plan to save money because it reduces the frequency and cost of specialty referral.

Speaking as a physician, I never wanted to be a gatekeeper. I only wanted to take care of sick people. Taking care of sick people when they need it and being a gatekeeper don't mesh together.

Why don't physicians speak out? Most plans contain an anti-whistle-blowing clause. One form this clause takes is a provision in the doctor's contract that allows the plan to fire the doctor without specific cause. This "termination-at-will" element serves its purpose. The doctor who wants to stay in his plan will not "cause trouble."

What about emergencies? While most plans promise emergency care, most subscribers do not learn that their plan may have its own definition for what will be accepted as an "emergency." Everything else is called "elective." This handy distinction allows elective care to be legally delayed or deferred. Deferred medical care is cost-effective on annual reports because expenditures are postponed. Is this version of cost containment what subscribers want?

Managed care plans generally employ well-paid administrators whose salaries come from the premiums paid into the plan by subscribers. The trick is to provide health care while minimizing expenses. Subscribers sign up for these plans because they believe they'll get better medical coverage at a fixed and affordable premium. Doctors sign up for these plans because that's where the patients are. Patients are then told that they may choose their doctors and hospitals only from the list approved by the plan. This skewed selection is then called "free choice" by the plan's sales force.

Subscribers to managed health care plans may have a greater need to know about the financial machinations of their plans than do the doctors. The message is to make sure that the health care plan to which you subscribe takes as good care of you as it does of itself.

THE QUESTION REMAINS: WHERE IS THE RULE ON BUDGET RECONCILIATION?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia [Mr. KINGSTON] is recognized for 5 minutes.

Mr. KINGSTON. Madam Speaker, I wanted to continue on the discussion of this rule, if I could engage the gentleman from California a little bit more.

Now, on February 18, when President Clinton stood right over there in the well of the House, I heard him say, along with the rest of America, that if we had specific ideas about the budget, to come up with them, and he was open to them, and he welcomed bipartisan support. And I do remember him saying, "But be specific."

Mr. DREIER. If the gentleman would yield, I think the terminology used following his address here was, "No more hot air, show me where," and that was, in fact, his challenge to us to be specific on the issue of spending cuts.

My friend is absolutely right.

Mr. KINGSTON. Well then, clearly, he meant by that to have an open rule so that if we have specific ideas to further cut the deficit, reduce the deficit, that he certainly would want to have those debated on the floor of the House.

Mr. DREIER. I am not sure the President has been a proponent of open rules on these issues. I have not heard him voice an opinion on it. It would stand to reason, having made a statement like that, that the best way to approach it and allow us to have an opportunity to be specific would be open rules, but I am not sure that President Clinton would join us in our challenge against the Democrat leadership here on the open-rule issue.

Mr. KINGSTON. Well, the reason why I am real curious about that, again, being a newcomer, is because I understand that there were 35 separate amendments that were offered in the Committee on the Budget that would have further reduced the deficit, and surely, out of 35 separate amendments, that some of them were good and some of them would certainly merit bipartisan support. I would think that particularly freshman Democrats who were elected under this idea of change and let us kind of buck the system and stir things up a little bit for the better of America in Congress, then, I cannot understand why these amendments would not be offered. And I am very disappointed in that process as a newcomer.

I hope the freshman Democrats will join in a bipartisan manner to try to further reduce the deficit.

Mr. WALKER. If the gentleman will yield, my guess is that the freshman Democrats are more likely to be somewhere at the present time having their arms twisted so that the deal can be cut so these gentlemen can go back to the Committee on Rules, having had the deal cut without any input from them, so that, you know, we can actually write the rule based upon the deal that was cut.

You know, the only reason for hanging around here that I can imagine and waiting for another 20 or 30 minutes is because they still have not cut all the deals necessary in order to bring the rule out.

Mr. DREIER. If the gentleman will yield, if I could respond to my friend from East Petersburg, I would say that we are going to take votes on these amendments up in the Committee on Rules; the gentleman from New York [Mr. SOLOMON] and I and the gentleman from Florida [Mr. GOSS] and the gentleman from Tennessee [Mr. QUILLEN] plan to offer some of the very thoughtful amendments that were proposed during 10½ hours of hearings today, and we will have votes up there.

The fact of the matter is that the ratio is 2 to 1 plus 1 against us, 9 to 4, and so the outcome is really predetermined, I am afraid. We are going to make a valiant effort up there with our 4 votes to try and make some of those 35 amendments, to which my friend from Georgia referred, in order.

I thank my friend for yielding.

Mr. KINGSTON. I yield to the gentleman from New York.

Mr. SOLOMON. If the gentleman would yield, and I am just really concerned about what is happening in this body. I guess it can best be explained by these editorials that I have from around the country. They come from a wide spectrum of newspapers.

One is from the Wall Street Journal. Another is from Mary McGrory, who I do not always quote on this floor. But another is here, and here is one that says, "Ruling with rules in the House," and I think I will just take a moment and read this to the membership, because it really speaks to the point of what is happening here.

It says, "The Democrat leadership in the House of Representatives is used to getting its own way not in the least part because it has a stranglehold on the legislative process in the lower House." It goes on to say, "From even the most cursory glance at the rules of the House of Representatives, one would be impressed with the complexity of the procedural maneuvers open to Members. But those rules almost never come into play when a bill matters to the powers that be, the Democrat Party. The House Rules Committee, a wholly-owned subsidiary of the House Democrat Caucus, simply waives the rules to protect measures from opposition."

Madam Speaker, has the time of the gentleman from Georgia expired?

The SPEAKER pro tempore. Yes, the gentleman's time has expired.

RULING WITH RULES IN THE HOUSE

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Pennsylvania [Mr. WALKER] is recognized for 5 minutes.

Mr. WALKER. Madam Speaker, I yield to the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. Madam Speaker, if I may continue with this editorial because I think more editorial writers around the country are beginning to pick up the problems that exist in this House today.

This editorial goes on to say that:

> That is what Speaker of the House Tom Foley and Rules Committee chairman Joe Moakley have in mind for President Clinton's budget bill, which is scheduled to be taken up by the Rules Committee tomorrow. But the tactics that usually raise only the ire of Republicans (who suffer the most at the hands of the partisan Rules Committee) now have raised the dander of conservative Democrats who fear that Mr. Moakley and Co. will try to stifle their amendments to the tax-and-spend package. Having gotten too high-handed in trying to control the agenda, the House leadership and the president may now suffer a humiliating defeat if enough moderate and conservative Democrats join Republicans to defeat the rule under which the bill will be considered on the floor.
>
> Mr. Foley may instruct Mr. Moakley to try to buy off enough Democrats to pass the rule by giving them a few amendments to offer. But it may be too late for that (aside from the fact that the leadership is not ready to give the rebels serious amendments that would directly challenge the president's tax plans) and by tomorrow the House leadership may decide to hold off on the whole package until they can drill their troops.

And here is the interesting part, Madam Speaker and my colleagues. It goes on to say,

> If a rule is brought forward, there will probably be some provision to allow the Republicans to offer an alternative package. But again, tricky games with the rules allow the Democrats to keep the Republicans from getting an honest vote on the alternative of their choice.

Keep that in mind, and I will talk about that in a minute.

> The Rules Committee has told Republican leaders that any alternative will have to comply with the Budget Control and Impoundment Act of 1974. The act requires that to offset any tax increase, cuts must come only from entitlement spending. That prevents the GOP from trying to get rid of Mr. Clinton's tax increases by substituting cuts in discretionary spending. In other words, the Rules Committee has told Republicans that they can offer a plan different from the president's, but to do it they have to offer cuts in such politically volatile areas as Social Security and Medicare. Doing away with mohair subsidies and the like is out of bounds and out of order.
>
> Democrats in the House regularly waive the institution's rules when it is in their best interest but become punctilious when it allows them to force Republicans into a no-win corner. Could Mr. Moakley explain, please, why it is that in 47 percent of other revenue bills to pass through his committee, the Budget Act has been waived?

And it concludes by saying, "These tricks, these games and procedural sleights of hand, perfected by the majority of the House of Representatives, are an embarrassment to this Congress." Now, what the gentleman is saying, a few minutes ago, about what kind of amendments have Republicans and Democrats been asking for in the Committee on Rules——

Mr. KINGSTON. Madam Speaker, will the gentleman yield?

Mr. WALKER. This gentleman controls the time. I yield to the gentleman from Georgia.

Mr. KINGSTON. The way I understand is that these rules actually prevent us from working in a bipartisan manner with moderate and conservative Democrats because one of the big points that I am getting from letters back home is, "Work in a bipartisan manner." And we on the Republican side are ready to be bipartisan on our approach to these things. What the gentleman is saying is that these rules are preventing us from doing that.

Mr. WALKER. I yield to the gentleman from New York.

Mr. SOLOMON. The gentleman is absolutely right. As a matter of fact, Republicans meeting in the last 12 hours in the Rules Committee have asked for 27 amendments. They are all significant amendments dealing with such things as repealing the Btu energy tax, repealing the tax increase on social security benefits that Americans have already paid taxes on once or twice before. Democrats and Republicans have been coming to the Committee on Rules testifying before me and others asking that their amendments be made in order. We as Republicans have been offering to make their amendments in order, the Democrats, if the Democrat leadership would allow those amendments to come on the floor. Now here we are at midnight. We still are in recess waiting for some kind of deal to be put together behind closed doors, and we do not know what the outcome is going to be. I am very much afraid that what was in the last editorial that I just read to the gentleman is going to come to pass.

Mr. WALKER. If the gentleman would permit, then, reclaiming my time: Isn't one of the big differences here, though, that a number of major groups across the country have made a decision on this particular rule to score this rule, however.

Mr. SOLOMON. That is correct.

TAX INCREASES DO NOT STIMULATE THE ECONOMY; INVESTMENT, JOBS, CONFIDENCE PICK UP THE ECONOMY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. HOUGHTON] is recognized for 5 minutes.

Mr. HOUGHTON. Madam Speaker, I am sorry to interrupt this discussion on the rules, because it is an important subject, but what I would like to do is to get back to the real kernel of the whole issue.

Today, because it is past midnight, we are going to be discussing probably as important an economic package as we have ever faced, certainly as I have ever faced during my time here in the House. I would just like to talk a little bit about it.

I know there are not too many people here, and I wish there were more people here; it is late and we are all tired. But I think it is important, important to everybody in this country who is interested in jobs, in security, in deficit reduction.

You know, I give President Clinton great credit for asking for change, and I think the American people responded to that. He held the torch high and he said, "Believe in me, and we can have change, and it is for the better, and we are going to concentrate on the economy."

You know, a lot of people could have done that, and they have not; he did. We should appreciate that fact.

I guess where I come down is that I do not think that he is being properly served by those people who are putting the economic plan together, because I think what he wants and what he says and what actually is coming to this floor for votes are not the same thing.

Let me tell you why: I do not think ever in the history of mankind has a tax increase stimulated the economy.

You may say, "Well, you don't want to stimulate the economy." But the President does. We all want to. One of the things we are looking out on now is unemployment. We want people to believe, we want them to invest, we want them to employ. But if I say to you who are business people, who are individuals who own homes, who are interested in your own activities, "Please employ, please invest," because we need to pick this economy up because if the whole tide comes up we all benefit.

We cannot do this in individual pockets.

So you say, "Fine, what are you going to do here in Congress?" And what we say is this: "Look, we have got to fix the deficit and, therefore, we are going to increase taxes." And then you say, "But, you know, there must be another way of doing this. You ask me to invest and to employ, and yet you say I am going to throw on you a huge new cost." And furthermore, there is a train coming out of the station which says, "health care," which may be up to another $100 billion, they say, in additional costs.

So what are you going to do? Are you going to buy a new car? Are you going to invest in your business? Are you going to employ somebody else? No, you are not. You are going to wait because you just do not know what is going to happen.

You know, business is two things; it is timing and psychology. One of the big problems I have with this particular package is it flies in the face of what we want.

Now, you have all these fancy 3-story minds and you have these brilliant Rhodes Scholars, but at the same time people like us are out there and we are in the real world. We have met payrolls, we have to renegotiate our loans, we have got to go down and ask for extensions on our taxes.

So why should we do the things which the President wants with these huge new costs and expenses on us? We are not going to do it. And, frankly, it does not make any sense.

So what you have got to do, you have got to balance what you want to do with the economy with deficit reduction.

Now, let me talk a little bit about deficit reduction. I was down here in 1982 at the time of the Grace Commission and I headed up one of the teams. Our expenses at that time were $800 billion.

Now it is $1 trillion 500 billion.

Our income at that time was $600 billion.

If I had said to you, "I'll tell you what I'll do. I'll increase your income by a factor of 2 in the next 10 years. Can you hold your expenses to a 50-percent increase?"

Any family could do that. Any business could do it.

No, we cannot. So deficit reduction is not a matter of taxes. It is a matter of cost control, and that is expensive.

I guess that is what we are pleading for. It is a perfectly human reaction. It is a reaction we understand. You do not when you are in trouble in a business increase your prices. You cut your costs, and that is what we are not doing here.

Let me say one other thing. This is a high-risk economic policy, and I will give you an example. We have a debt of $4 trillion 200 billion, a lot of money. $4 trillion, you can hardly pronounce it.

Do you know that 70 to 75 percent of that debt is in so-called Treasury bonds which have a maturity of less than 5 years? Now, if there is anything we learn as we are growing up, you do not borrow short to pay long. You do not borrow on a short-term basis to pay something long, and that is going to come and hurt us.

Furthermore, we are further shortening it so the deficit package and the debt package does not make any sense.

I am sorry about this. I want to support our President, but under the circumstances, I cannot.

THE CLINTON BUDGET PROPOSAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. SOLOMON] is recognized for 60 minutes.

Mr. SOLOMON. Madam Speaker and my colleagues, we are still here waiting for the Rules Committee to reconvene to put out a rule which is going to set the levels of spending, taxing and regulating in this country, for the next five years.

Much has been said about this so-called Clinton Budget Proposal. As I look at it, I am very much concerned. I have here before me a chart which shows, for one thing, the tax increases called for by President Clinton over the next five consecutive years starting in 1994.

It shows under tax increases, tax increases of $332.4 billion over that cumulative five-year period, and $246 billion of the $332 billion is a net tax increase because there are some so-called tax incentives in there, but the truth of the matter is that it is a cold hard $246 billion being taken out of the private sector and put into the public sector, which means we are going to grow government by $246 billion over the next five years.

Now, much has been said that the American people are willing to sacrifice. They are willing to pay a little bit more if something can be done about this unconscionable sea of red ink that has developed over the years because of what the gentleman from New York [Mr. HOUGHTON] was explaining about the Congress not living within its means.

The alarming thing is that Mr. Clinton is asking for $246 billion in new taxes, but he is also asking for $231 billion in new spending.

Now, that means we are going to take $246 billion out of the pockets of American business and industry and the American people and we are going to take almost all that money, $231 billion, and we are going to spend it on new programs.

Now, what does that do to the deficit levels? We have been running deficits in this Congress for many years now. The projected deficit in 1994, even with this huge tax increase, which is the biggest tax increase in the history of the United States of America or any other country, the deficit level for 1994 is still going to remain $268 billion. That means we are going to add to the $4 trillion debt another $268 billion in just one year.

In 1995, we are going to do the same thing.

Now, the reason for that is that there are no spending cuts in those first two years of the Clinton budget, 1994–1995.

In 1994, we are only going to cut spending by a mere $6 billion in old spending, and we are going to increase spending in new programs by $27 billion, so there is no net savings at all, so we continue with the $268 billion annual debt for 1994 and 1995.

In 1996, 1997, and 1998, the remaining three years of this budget, the same thing happens. We end up actually in the fifth year of this Clinton budget with the deficit rising, and during that five-year period we add to the $4 trillion existing debt today, we add another $1.2 trillion to that debt.

Do you know what that does? We owe $5½ trillion. That sum is owed to the American people, but the vast majority of it is owed to foreign governments. That means we have to pay top interest to those note holders, those foreign countries. That means that the interest that we are going to pay on that debt is going to exceed what we now spend on our national defense budget. That is how bad that debt is becoming.

Mr. WALKER. Madam Speaker, will the gentleman yield?

Mr. SOLOMON. I am more than glad to yield to my good friend, the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Madam Speaker, let me see if I understand what the gentleman just told us. It is rather stunning figures, given all the rhetoric we have heard on the floor in the last few days.

The gentleman is saying to us that the deficit never really goes down in the whole five years of the Clinton program, and by the time you get to the last year of the Clinton program, the deficit starts up again and that during this period of time the Clinton economic program adds $1.2 trillion to the overall national debt, is that what I heard the gentleman say?

Mr. SOLOMON. Well, that is not what I am saying. That is what the Congressional Budget Office is saying. They are the ones who have given me these authentic figures.

Mr. WALKER. Well, Madam Speaker, if the gentleman will yield further, I have heard a lot of criticism on the House floor in recent weeks about the 12 years of the Reagan-Bush administration where in each of these four-year periods they added a trillion dollars to the national debt, for a total of $3 trillion, and we have been told that was terrible economics, that somehow the economy was devastated by that.

What I hear the gentleman telling us is that the Clinton administration is going to add that much again with this so-called changed economic program that we have. That does not seem to fit the rhetoric that we have heard so much about on the House floor recently.

Mr. SOLOMON. It does not fit the rhetoric at all.

I will say to the gentleman from Pennsylvania, this is the alarming part. I wish the gentleman would take a look afterwards at the chart I have here. I talked about the tax increases of $246 billion being the highest in history, and I talked about new spending.

Mr. WALKER. The highest in human history, is that not right? Literally we have had civilizations collapse as a result of the tax burden and none of them ever imposed taxes as high as this.

Mr. SOLOMON. Never, not in this percentage.

The alarming thing is and the thing that bothers me is the sincerity about really trying to get a handle on the deficit, because when they talk about spending reductions, I mentioned that in the first 2 years of the Clinton budget they only have spending cuts of $6 billion and $10 billion respectively, and then when you add all this up for the 5-year total, they talk about cutting spending by $150 billion, but in the fifth year two-thirds of that spending cut comes in the fifth year.

In other words, of the $150 billion in cuts, $95 billion of it comes in the last year of the 5 years. That is after Clinton has been out of office for 1 year.

So in the first 4 years of the Clinton administration of which the President will probably actually serve those 4 years, he is only going to cut one-third of that money, which is about $50 billion over 4 years.

I mean, that is $10 billion a year, and yet we are running up a $1.2 trillion debt during that same period of time.

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Mr. WALKER. So, if the gentleman would yield further, we are to believe that the Clinton economic program consists of the spending machine continuing to roll out the spending for 4 years, and all of a sudden in the fifth year heaven is going to open, the sun is going to shine, and all the spending cuts are going to take place in the 5th year of the deal.

I mean is that the kind of economic program that we are working on here?

Mr. SOLOMON. Well, that is a disastrous program because I do not have to tell the gentleman from Pennsylvania [Mr. WALKER] what happened 12 years ago during the Carter administration when we had inflation running rampant at 12 and 13 percent, and we had interest rates, prime interest rates, at 22 percent, and small businessmen and farmers throughout this country had to borrow at 2 percent above prime—I mean that is what could be borrowed then. I was a small businessman then, and I know that means borrowing at 24 percent. There is not a small business in America that can do that.

But think what would happen to this $5.2 trillion debt if interest rates go back from what they are now, and, my colleagues, if we continue on this proposal, this 5-year projection that is before us now, those interest rates are going to soar, and that means the Federal debt, the annual debt payment on that accumulated debt, is just going to be beyond what we can spend. We will be spending one-third of the entire Federal budget just to pay the debt payment to these foreign countries that own the debt if we continue this fiscal irresponsibility that is bankrupting this Nation.

Mr. DREIER. Madam Speaker, if the gentleman would yield——

Mr. SOLOMON. Madam Speaker, I am glad to yield to my fellow member of the Committee on Rules from California who has been meeting with me in the Committee on Rules for almost 13 hours now today.

Mr. DREIER. I have to thank my friend from Glens Falls for yielding, and he knows full well that I was not there that entire period, and he criticized me for going to a number of other meetings today, but I was there for a good part of it, and I have to say, as the gentleman knows, that it seems to me that we should really sort of follow along the line that our good friend, the gentleman from New York [Mr. HOUGHTON], was on.

As my colleagues know, I have in Los Angeles County an 11.2 percent unemployment rate, and, as my colleagues know, California boomed during the 1980's, and we are undergoing some extraordinary times in southern California, especially because of cuts in the defense and aerospace industry, and there is a wide range of other problems.

And it seems to me that to have President Clinton fail really does nothing to help us. I see my friend from California who represents the San Fernando Valley here. He knows full well, too, that the failure of President Clinton does not help us. And I have said, when posed with this question, what would I like to see happen, I would like to see President Clinton comply with the commitments that he made to the American people during the campaign.

After all, Madam Speaker, the 43 percent of those who voted in the election were Democrats, Republicans and Independents, people who clearly wanted change, and he did make that promise.

Many of our friends and supporters, people who voted for the gentleman from Pennsylvania [Mr. WALKER], the gentleman from New York [Mr. SOLOMON], the gentleman from Florida [Mr. GOSS] and the gentleman from California [Mr. DREIER] voted for Bill Clinton because they wanted change, and they cast those votes based on his promise to be fiscally responsible, to put into place a middle income tax cut, to stimulate the economy and help middle income wage earners.

And we know that the Washington Post's David Broder has talked about this trust deficit.

Madam Speaker, I want him to succeed, but the fact of the matter is I want him to succeed with the promises that he made to those of us who followed his campaign for President, and tragically he has moved dramatically away from that by proceeding on the course which was outlined by my colleague from the Committee on Rules, and I think that that is an overly sad commentary on where we have gone, and I hope very much that we can defeat this proposal that he has for the largest tax increase in American history, if it gets down here to the floor, if we ever report it out of the Committee on Rules tonight, and come back with an economic growth package that is modeled after the one he said he supported during the campaign, a meaningful capital gains differential which will create jobs, and stimulate investment and productivity, and to put into place that middle income tax cut that he promised during the campaign.

Madam Speaker, these are the kinds of incentives that we desperately need, not moving in the direction of a massive tax on the so-called rich.

One of the issues that I raised with the gentleman from Illinois [Mr. ROSTENKOWSKI] in the Committee on Rules today was the fact that we are repealing many aspects of the luxury tax in this measure. Most of the luxury tax is repealed. Why? Because it was labeled as a tax on the rich, which we were going to raise, and we found, within months of its implementation, following the 1990 budget summit agreement, that people who were in the boat building industry, the small aircraft industry, a wide range of other industries, the working people were thrown out of work, and the luxury tax ended up costing, rather than raising, revenues. It costs revenues because people who had jobs, who were gainfully employed building boats and small aircraft, were thrown out of work.

Well, unfortunately, this measure gets to the point where we repeal much of the luxury tax, but the mindset which put into place the luxury tax is being utilized in this bill because we are moving in this so-called tax-the-rich mentality, believing that we can stick it to those in upper income brackets and that we will continue to have people who are working Americans, middle income wage earners, have jobs and opportunity, and unfortunately this bill continues to move in what I believe is a very, very negative direction.

And I hope that we will be able to make these arguments when we get down here, and I do sincerely want President Clinton to succeed because it will address the problems that we have in southern California and in other parts of the country, but the kinds of things that have been proposed here are anathema to the rhetoric that we heard last fall during the campaign, and I thank my friend, the gentleman from Glens Falls, NY, for having yielded to me.

Mr. WALKER. Madam Speaker, will the gentleman yield to me?

Mr. SOLOMON. I will be glad to yield to the gentleman.

Mr. WALKER. Madam Speaker, I do not want it to get in the way of what is a very good philosophical discussion here, but I seem to recall 45 minutes ago that these gentlemen were told they were going to be called back to the Committee on Rules in 20 to 30 minutes. I ask my colleagues, "Have you been called back yet?"

Mr. DREIER. It is 9:25 in southern California right now, West Coast time, and the legislative day is not over for my constituents yet, but it is almost 12:30 here, and it seems that my friends from the Committee on Rules have vacated the floor, those on the majority side.

Mr. WALKER. And the gentlemen have not been called back yet.

Would this seem to indicate, and this is my question, would this seem to indicate they may be having some trouble cutting a deal that is going to get a majority of them on the floor?

My understanding that I will tell my colleagues, speaking as the chief deputy whip, my understanding was at the time we left that they do not have the votes. The reason why they do not have the votes is there are an awful lot of Democrats who are having trouble swallowing the economic philosophy down in this bill. They have decided that President Clinton has been guided poorly, that some of the people on Capitol Hill that have attempted to give him advice have guided him poorly, and he has come up with an economic program that is impossible to vote for. Many people on the Democrat side of the aisle are, in fact, in a bipartisan coalition with Republicans who believe that this is a bad economic package.

Now the way they are trying to get around that is by cutting some backroom deal that buys off enough people to get them 218 votes. What appears at 12:30 at night is they are having trouble cutting that deal, they are having trouble getting Democrats who have promised the folks back home that they will not vote for Btu taxes, that they will not vote to raise Social Security taxes, that they will not do a lot of the things that are down in this economic program—they are having trouble finding the deal that brings them on board, and I just have to guess, as we stand here at 12:30 at night, that a lot of Democrats are in rebellion against their own leadership and against their own President, not because they want him to fail, and not because they want the country to fail. They are in rebellion because they agree with what the gentleman from California [Mr. DREIER] said a minute ago, that this is a bad economic package, that this is not the way that the country gets back on the right economic footing, that this is a package being driven by a liberal mindset that believes that now there are all kinds of rich people out there that we tax into poverty and somehow have the Nation move forward.

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It just does not add up, because what they have then labeled the rich turn out to be $20,000-a-year working families, and those working families simply cannot afford the bill that the Democrats want to pass along to them. And many Democrats understand that. Even some of the people who have lined up and told them that they were willing to vote for the package, willing to swallow hard and vote for the President's package, do not like it. They are walking across the aisle here and saying, "I have got to do this, but, boy, what a crummy vote I am being asked to cast."

You know, that is not the way that you define the Nation's future. If this is change, there are an awful lot of people in this country, and, for that matter, a lot of people in the Congress, that think it is the wrong kind of change.

Mr. SOLOMON. If I may for just one minute make a point, because it goes to the point of what the gentleman from California [Mr. DREIER] in the well was speaking about, while I was in the Committee on Rules meeting I had a call from a small businessman back in my district. He has a small plant employing about 100 people and he was calling me for two reasons. One, he was concerned with this Btu tax, and I would like to discuss that Btu tax in a couple of minutes.

Because his company is an older company, it operates with oil to produce the energy to produce the product that he makes. He is a marginal small company and he is afraid that he will no longer be competitive if this Btu tax goes through.

He was planning an expansion which would take in about 75,000 square feet of additional manufacturing space and employ possibly 25 more people. Now he has canceled that because of this threat of this Btu tax going through, and also because of another tax that is going to be retroactive, and that is the corporate tax increase and the individual tax increase that is proposed in this reconciliation bill we are going to be voting on tomorrow that is retroactive to December 31, 1992.

Now, that means that that businessman has already given raises to his employees effective for this year. Those raises are going to have to be rescinded for those employees.

It means that he can no longer go ahead with that expansion because he no longer is going to have the cash flow that was expected from that small marginal profit that he was going to be able to make.

Now, just picture that. So here he is. He is not hiring 25 more people, and he is probably going to end up laying off 10 or 15, so that is 40 jobs in a county that has less than 70,000 people.

All my district is rural. I do not have any big cities. The City of Saratoga Springs, 25,000, is the largest municipality in my district.

Mr. DREIER. By the way, what is the population of Glens Falls? I have always been curious.

Mr. SOLOMON. Glens Falls has a population of 16,000. It used to be called by Life Magazine back in 1945 "Hometown, USA." It has all the elm trees down the streets. It is a beautiful town.

Let me just tell you about those people. We are talking about that small industry. That was an industry of 100 people. We have another industry that employs over 1000 people called the International Paper Company. It is one of their older plants. I have a lot of paper making plants in the Adirondacks, International Paper Company, Scott Paper Company, and the list goes on and on. But this one particular plant located in Corinth, New York, with a population of 6000 people, is going to probably go out of business because they operate this paper plant that uses imported oil coming in from out of the country to produce their goods. They are marginally profitable now and they are competing with foreign competition.

That plant, if this Btu tax goes through, can no longer operate. It can no longer be profitable, and therefore it will probably close.

Here is a little town, 6000 people, that may lose over 1000 jobs. Those people do not stand a prayer of getting a job anywhere. That is how serious it is.

But let us look at the Btu tax, period, because where I come from in this rural area with Glens Falls, New York at one end of it, the average person drives over 100 miles a day roundtrip to work.

Can you imagine what an 8, 9, or 10-cent gasoline tax does to that person? What does it do to the home heating fuel, where we had for about eight weeks running this past year temperatures below zero, 5, 10 above zero, for almost six weeks straight, and it stayed cold and we had snow on the ground through May?

Those people up there have an income of about $16,000 after tax for a family of four. Now, you are going to take $500 out of their after-tax income just to pay for the gasoline, home heating fuel, and those other direct costs that are attributable to this Btu tax.

You would think that that would be bad enough, but let me tell you about something else. Who is going to pay the tax for the municipalities? Each one of these municipalities, they have municipal buildings, they have police cars, they have the sheriff's patrol, they have fire trucks, they have snow plows and highway equipment. All of those municipalities have to pay the same Btu tax that the individuals are going to pay.

Now, you add that up. The city, the town, the county, the villages, all four municipalities have to pay this Btu tax. That individual family of four living on $16,000 has got to pay through property taxes. They are going to have to pay on top of the $500 in additional Btu tax.

Now, it does not stop there. The State of New York, and it is a big state and in my district I have eight state prisons and one federal prison, they all run on energy produced by oil. Those prisons have to pay the Btu tax. There is no exemption in this bill.

All of the psychiatric hospitals and all of the municipal hospitals that are run by the state government, all of that expense, the state trooper cars, the highway trucks, all have to pay a Btu tax. All that has to come out of the state income tax. So that is going to go up.

You would think it would end there. We have a military in this country. Do you know what it is going to cost the military, our Pentagon, in Btu tax? Over $1 billion to fly the airplanes and for the tanks and the training.

Now, where does all this end? What about the Post Office? Do you know how much gasoline the Post Office uses and how much energy it uses to run all those post offices? Do you think the price of a 29-cent stamp is going to stay there? It is going to go up.

So what I am driving at is this poor family of four, earning after-tax dollars of $16,000, by the time they get through paying the additional property tax, the additional state tax, the additional state income tax, because they are going to have to pay more, somebody has to pay for all this Btu tax.

How many people here know what Btu stands for?

Four months ago 90 percent of the American people, including me, did not know what it was. What is it, British Thermal Unit?

Mr. WALKER. We need the gentleman on the Committee on Science, Space, and Technology. We would teach you those kinds of things.

Mr. SOLOMON. Along with 90 percent of the American people, I did not know what that meant. Do you know what? Back four months ago, 68 percent of the people supported the President's package because they did not know what was in it. Now they have found out what Btu means. It is an energy tax at all levels.

Now, four months later, they found out what the Btu tax is, they found out what the Social Security tax is, they found out what the increase in corporate income taxes is on small business. Now they know what is in there. Now the President's support for that economic plan has dropped from 68 percent, to what was it the other day, 46 percent? And 49 percent of the people disapproved.

Mr. Speaker, by the time they really find out what is in this thing, 80 percent of the people are going to disapprove, because this is a bad, bad bill.

Mr. DREIER. Mr. Speaker, if my educated friend from Glens Falls would yield for just a moment, I would just like to share a little quip with the gentleman. The last person to stand in this well a little while ago, it has been an hour and a half ago now, was my colleague, the gentleman from California [Mr. KIM], who is an engineer and is very familiar with British Thermal Units. He referred to the fact that when this proposal came out a woman came up to him and said, "It is about time we start taxing those British," when she had that understanding.

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So there clearly has been a misunderstanding of British thermal units and this entire tax bill. The thing that has really concerned me, as we have proceeded with the package, which my friend from east Petersburg referred to, the proposal that has come down here by President Clinton, a massive tax increase, a massive spending increase, I think about the fact that why is it that we are adjourning this weekend.

It is for Memorial Day. Now, my friend from Glens Falls is a former Marine who fought courageously in the Korean War. I suspect he will be giving more Memorial Day speeches on Monday than I. I am giving four of them in Whittier and Monrovia and some other cities in southern California Monday morning.

The fact of the matter is, when we think of why it is that so many veterans sacrificed on behalf of this country, it is for the cause of free economy, limited government, freedom and opportunity. And yet someone quipped to me the other day, as they look at this proposal, and it is interesting to think of it as it relates to Memorial Day, the United States of America tragically today seems to be the world's only emerging socialist country, because this bill, which we have been listening to amendments on for 10½ hours today up in the Committee on Rules, is a bill which clearly moves us in the opposite direction of the rest of the world. In fact, unfortunately, we may be headed to the point where we have to use Poland as our economic model for the future.

Why? Because they truly have moved towards a free economy, free of regulatory burdens. And we, now, under this administration and this Congress, we are moving in a direction which is imposing a greater degree of regulation on the private sector of the economy, a higher level of spending from the Federal Government and, of course, a dramatic increase, this proposal, the largest increase in taxes in American history.

So it seems to me that we really have little alternative other than to do everything that we can to get President Clinton and the majority in this House back on track to what it was they talked about last fall. That is our obligation. That is our responsibility. And I know that we will, when we finally get our Committee on Rules meeting, which was supposed to have started 30 minutes ago now, back on track with the amendments that we will propose to offer up there.

Mr. WALKER. The gentleman was discussing what Btu means. It is British thermal units, but the American people have come to the conclusion it means being taxed to unemployment, because we now have a Tax Foundation study indicating the kinds of job losses.

For instance, in the gentleman's State, he mentioned all the places in his district that will be impacted. In his State, the Btu tax alone is going to cost New York 31,857 jobs, over 1,000 of those jobs in the gentleman's 22d District of New York.

In my State of Pennsylvania, 21,827 people are going to lose their jobs as a result of the Btu tax, 1,486 of those people are in my congressional district. In California, over 54,000 people are going to lose their jobs in California as a result of the Btu tax.

Now, I do not see how you can have an economic recovery where you have got a tax that is killing the jobs, not by the hundreds, not by the thousands, but by the tens of thousands in each of our three States.

Mr. SOLOMON. How many jobs is that nationwide?

Mr. WALKER. Overall in the Nation, it indicates, let me see if I can find the figure here, it is about a half a million. Here is the total, 463,000 jobs nationwide are going to be lost just on the basis of the Btu tax. That does not take into account the corporate income tax, all the rest of the job-killing taxes that are down in the package.

Just the Btu tax is going to cost the Nation 463,000 jobs.

Mr. SOLOMON. Do you know what that means? Do you know what happens when you raise the unemployment rate 1 percent in the United States of America? Do you know what that does? It triggers in almost $40 billion in total social programs at the county, town, city, village, State, Federal level. So here we are, by enacting this Btu energy tax, we are going to raise the unemployment rate by almost 1 percent.

Now, we are raising $70 billion in revenues from the Btu, and we are going to lose 40 billion of it, 40 billion just to pay welfare benefits. We are going to create a Btu tax, put people out of work, put them on welfare and take the money and give it to them.

Mr. DREIER. Do you really think that we will raise $70 billion from the Btu tax itself?

Mr. WALKER. Not when the economy collapses.

Mr. DREIER. Exactly. How can we possibly believe that the $70 billion figure is going to be on track when you have a tax which is going to force so many people out of work? Those people who commute 100 miles a day in your district are people who will not be able to have jobs if they are thrown out of work, so they will not be paying into the Btu tax, paying that tax. So obviously, as we found with the luxury tax, we are going to see a decrease in that flow of revenues. And it is going to end up costing.

We saw in this reconciliation bill, they increased the level of food-stamp funding, funding for food stamps, because it will be necessary for an offset for the acknowledged jobs that will be lost by the imposition of the Btu tax.

A couple of hours ago I was talking across the street at the Cannon building with one of our conservative Democrat colleagues. I talked to him about the fact that we were bouncing back and forth up in the Committee on Rules, and my friend from Sanibel was referring to the different levels of cost, whether it was going to be $424 for the average family with the imposition of the Btu tax. And the chairman of the Committee on Rules claimed that it would be $110.

We went back and forth as to whether or not this was just gasoline or other items. And he said to me, "I'm not concerned about the issue of the cost to the consumer of the Btu tax. I am concerned about the tremendous numbers of people who will be losing their jobs as the result of the Btu job. That is why I am considering voting against this measure."

And to listen to these numbers in the tens of thousands, it is staggering and very disconcerting for those of us who truly want to get this economy moving.

Mr. SOLOMON. Let me say to the gentleman, he said it is 3 hours earlier out in California. I hope the people out there are watching, because tomorrow the Democrats are going to deprive us of our right to offer an amendment on this floor for legitimate debate, to wipe out that Btu tax. And the only way we can get it on to the floor is to have 45 Democrats come across the aisle and vote with us. That is less than 20 percent of them.

If they will come with us and help us defeat the rule, we will come back with the amendments. And there will be no Btu saddled on the backs of the American people.

Speaking of another good member of the Committee on Rules that has been meeting with me for the last 13 hours, I am getting sick of looking at you, let me yield to the gentleman from Sanibel, FL [Mr. PORTER GOSS].

Mr. GOSS. Madam Speaker, I thank the gentleman for yielding to me, especially with such a gracious greeting.

Mr. SOLOMON. I was being facetious.

Mr. GOSS. I surely know that. It has been a long day, and it may only be 3 hours earlier in California, but I think it is actually a lot later in California than you think it is.

I think that we have talked a lot about the numbers, and I think our numbers are probably as good as anybody can make them in terms of the economic consequences. But we are talking about people. We are not talking about numbers.

And when you talk about 500,000 jobs or you talk about 1,000 in your district, and I do not know how many are in the district of the gentleman from Pennsylvania, 1,400 in the Commonwealth of Pennsylvania, in that district, I did not hear the gentleman from California, how many in his district, I am sure it is in that range or more, those are sort of abstract numbers.

Behind those numbers are real people. And for every person out of a job, there are several dependents involved, other people, members of the family who are also suffering consequences.

Now, sometimes those consequences, sadly enough, lead to the need to go to other Federal agencies and get support from them. So there really is no way to calculate either in terms of human suffering, human misery, loss of dignity, loss of productivity to America, what the exact figure is.

The point is that anything that trends this way in causing those bad kinds of things to happen seems to be a poor idea, especially when there are other choices. And as the gentleman from New York has so cleverly pointed out, so consistently pointed out, there are choices.

The issue is going to be, are we going to be able to debate those choices so that the full will of this body can make a meritorious decision on some of those other good choices, particularly in the areas of cutting some of the spending, much of which is frivolous, as we know.

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Mr. SOLOMON. The gentleman has one of those amendments that I was talking about that is so significant, and in his amendment he actually knocks out not only the Btu tax but it knocks out probably the second most onerous tax of all, and that is the tax increase that President Clinton and the Democrats are calling for on Social Security benefits that have been earned by the American people and have already paid taxes on it once, and sometimes twice before.

The gentleman heard me discussing it upstairs. We had one member of the Committee on Rules say that he resented the fact that his children had to pay higher taxes than some people on Social Security. As the gentleman knows, I became very exercised about that.

I happen to come from a Scotch background. I was raised by Scotch grandparents, and they taught me how to be frugal. I recall right after I got out of the Marine Corps and got married and my wife and I immediately had five children in 7 years. During that time in raising those children my wife chose to stay home. We had a one-earner family, and I remember making $50 a week with five children, and that did not go far.

The point I made upstairs was that every single week of my life my wife and I on that limited income managed to save $1 a week or more, and we have done that for 37 consecutive years.

Who are the people that are getting hit with this new tax increase on Social Security benefits? It is going to be people like me and thousands and thousands of frugal Americans who have saved all their lives, who have accumulated a little bit of money, and now are going to have to pay a tax on a tax on a tax on a tax.

Remember when FDR back in 1932 established the first Social Security Trust Fund, which was supposed to be a supplemental retirement? All that was, quoting FDR, was a forced savings account, so that the American people who were frugal and lucky and were able to save a little bit would not end up having to support those who were lazy or unlucky or unfrugal in their later lives.

Is that right? That is what the President is trying to do. He is trying to tax those people.

We even had Democrats from New York City come and testify before the Committee on Rules asking to repeal, to knock out that Social Security tax. Even they realized it, and they are being shut out, you are and they are. We will not be able to allow that on the floor tomorrow.

Mr. WALKER. Madam Speaker, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Speaker, isn't it also true that one of the most egregious parts of the Social Security tax is the fact that it breaks faith with the trust fund, because the way in which it is structured means money is going to be pulled out of the trust fund and put into general revenues, which does break faith with the trust fund concept.

Mr. SOLOMON. My good friend, the gentleman from Florida [PORTER GOSS], made that point in the Committee on Rules.

Mr. GOSS. Will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from Florida.

Mr. GOSS. Madam Speaker, I thank the gentleman for yielding.

I think that is a very scary point. I think that this is the first time that line has been crossed, and that line truly is a breach of faith, if not a breach of contract with the people who have paid into the Social Security trust fund all these years.

We have always made this great promise that we will protect that fund. No longer are we going to be able to say that we have done that and preserved the purity of that fund if this piece of legislation passes. That will be a significant breakthrough.

I thank the gentleman for yielding.

Mr. DREIER. Madam Speaker, will the gentleman yield?

Mr. SOLOMON. The gentleman from California [Mr. DREIER] has a point to make. I yield to the gentleman from California.

Mr. DREIER. Madam Speaker, I thank the gentleman for yielding. I would like to reiterate the point that I made upstairs in the Committee on Rules on this issue. My good friend, the gentleman from New York [Mr. SOLOMON] talks about the basis of the Social Security System. Since 1937 when it went into place it has not been optional. Americans have been forced by law to pay into that system. What we have done is we have, along with that, tried to encourage Americans to save and plan for retirement.

I remember that the only tax bill that I voted for in the 12 years I have been privileged to serve here was the Economic Recovery Tax Act of 1981. we had in that bill individual retirement accounts, whereby we were encouraging people to put dollars aside, plan and save for retirement. We constantly would say, "Be prepared so that you do not have to totally rely on the Social Security System for your sole source of income." One of the things that we have come to is that when people reach retirement, we end up rewarding those who have not saved and not planned for retirement, and we penalize those with this proposed tax, and with the present tax system, quite frankly, that we have, the earnings test and the penalty for those who earn outside earnings above $10,000, you know, from working, and those who earn above $32,000 a couple from outside income. We penalize those who plan for retirement. I think it is a very tragic thing that we have come to that point.

We are in fact, as my friend, the gentleman from Sanibel [Mr. GOSS] has said, violating that contract which the U.S. Government has with the American people, having forced them to pay into that system.

Mr. SOLOMON. While I am yielding to another good friend, I see another good friend, the gentleman from Missouri [Mr. WHEAT] sitting over here yawning. I just wonder, while I am yielding to my good friend from California [Mr. DREIER], if the gentleman from Missouri [Mr. WHEAT], another member of our Committee on Rules, can enlighten us as to when we may be going back into the Committee on Rules meeting.

Mr. DREIER. Madam Speaker, if the gentleman will yield, I would like to report on behalf of my good friend, the gentleman from Kansas City, who just told me what basically was happening. We were informed 1 hour and 5 minutes ago by the distinguished deputy majority whip, the gentleman from South Carolina [Mr. DERRICK] and our Committee on Rules colleague, that we would be meeting in the Committee on Rules in about 20 to 30 minutes, I think was what he said.

I am saddened to report to the House, based on the report that I just heard from my good friend, the gentleman from Kansas City, that we have yet to have a meeting time established. My friend went upstairs to the Committee on Rules and has nothing to report as far as a time for us to meet, unfortunately.

Mr. SOLOMON. Time is running short. I yield to the distinguished gentleman from California [Mr. HUNTER], the distinguished chairman of our Research Committee for the Republican Caucus, the gentleman from San Diego, California. I hope his bases are still open.

Mr. HUNTER. Madam Speaker, I thank the gentleman for yielding to me. I want to thank all my friends on the Committee on Rules who have been working hard to try to fashion and draft a rule, and also the true patriot on the floor, who is not here because he is a member of a committee that is still meeting—Mr. WALKER, who is out here making a few points for the American taxpayer.

Let me just address the fact, the statement that has been made by the Democrat side of the aisle on a number of occasions when they have claimed that they are cutting spending significantly to go along with these tax increases.

The spending cuts that the Democrats are talking about are mostly defense cuts. They are talking about $127 billion worth of defense cuts over the next 5 years. That is a very significant figure, because in real terms the United States has been cutting defense ever since 1986. That is 6 years now we have been cutting down the level of money we are spending on defense.

Most of the time what we do is evaluate what has happened in the world, look at how dangerous the world is, and then we build a defense budget that allows us to have enough planes, enough people, enough aircraft carriers, and enough equipment and personnel to meet that threat, whether it is a Desert Storm operation that we think we are going to need or defending the Korean Peninsula against the North Korean attack, a contingency there, or maybe having the capability of making a Panama-type contingency operation, we basically build to the threat.

President Clinton did something a little different this year. He took the $50 billion cuts that George Bush had made after the Berlin Wall had fallen and he just arbitrarily came up with $127 billion additional, that is $127 billion in additional defense cuts.

As Senator SAM NUNN, the chairman of the Senate Armed Services, said, "This number was pulled out of thin air." That means that the fact that the North Koreans are building a nuclear weapon, we know that now, we know they have withdrawn from the nuclear nonproliferation treaty; the fact that Byelorussia and the Ukraine and Kazakhstan and Russia all have nuclear weapons now, those are the four states that made up the former Soviet Union. They all have nuclear weapons now.

We know there is instability in those nations. There is a dispute as to, now, who has the pink slip on nuclear weapons, some of them top end nuclear weapons. We know our adversaries in the Middle East are acquiring nuclear capability and the missile technology with which to deliver those weapons. We know also that Red China is claiming all the territory that is available in the South China Sea. They are moving in warships, they are moving in aircraft landing areas, building air bases for warplanes.

We know all these dangers are arising around the world, and all of these dangers, incidentally, are since and in addition to those dangers that we had in the cold war era.

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And yet, in the face of those dangers, we are cutting $127 billion out of defense.

So this new, so-called new Democrat plan that came from the so-called new Democrat, President Clinton, is not new at all. It is the same old thing. It is the same pattern that was utilized by Jimmy Carter, the same pattern that was espoused by George McGovern and many other liberal Democrats, and that is raise taxes, and match those increases in taxes with spending cuts not in social programs, because in social programs the Clinton plan actually increases social spending, but in fact cut only defense spending, even though you have not evaluated the world situation and even though it could be very dangerous.

I thank my friends for yielding, because I think it is an important point to make, that before he became Secretary of Defense, Les Aspin, who was the chairman of the House Armed Services Committee on which I sat, made an analysis. In this analysis he said what will we need in terms of planes, and tanks, and personnel, and aircraft carriers, and all of those other parts of national defense, what will we need to handle three contingencies, none of which involve the Soviet Union. Those three contingencies were a Desert Storm-type operation like we had in the Persian Gulf, defense of the Korean Peninsula, and lastly a Panama Canal-type contingency. And he came up with the dollars we needed to do that. He thought that was an important thing. And Bill Clinton cut that level by $60 billion.

So the facts are that this package, which is put together, guts national defense, throws 2½ million defense workers out of work, and has done all of this with no backdrop of national security against which to analyze and define exactly what we needed.

And I thank the gentleman for yielding me time to come over and talk just a little bit about national security, and the fact that the Clinton plan that we are going to be voting on, that we have already voted on in part, guts national defense, and those are where the big cuts are, to go with these big tax increases that are levied on the American people. And I thank the gentleman from New York for giving me a little time.

Mr. SOLOMON. I thank the gentleman.

Madam Speaker, how much time do we have remaining on this special order?

The SPEAKER pro tempore (Ms. E. B. JOHNSON of Texas). The gentleman from New York has 11 minutes remaining.

Mr. SOLOMON. Madam Speaker, we are running out of time.

Mr. WALKER. Will the gentleman yield?

Mr. SOLOMON. I am glad to yield to the gentleman from Pennsylvania.

Mr. WALKER. Madam Speaker, it occurs to this gentleman, and we have just been discussing here on the floor while the gentleman from California was speaking, it is now 1 o'clock in the morning. The House has had absolutely no guidance whatsoever from the Democrat leadership. We have no idea where we are in the Rules Committee. We were told an hour ago that they were going to be called back in session in 20 minutes, and it has not been called back in order yet. It seems to me that the House at least deserves to have some Member of the Democrat leadership come out here and explain to us where we are and when the Rules Committee is going to meet, and what is going to happen here.

There is a privileged motion to adjourn. We have the capacity to offer a privileged motion to adjourn here at any time, and it is going to cause havoc, it seems to me, if that happens. But I think we are entirely within our rights to proceed with that motion to adjourn if this special order runs out and we have not had an explanation of where we are and what is going on, because it is simply not right for the membership to be held in the lurch with absolutely no idea what is going on behind the closed doors of this Capitol. And at the same time we have the Rules Committee held in abeyance about the procedures that are going to go on later on tonight.

So I think it is absolutely essential that someone from the Democratic leadership come to the floor and give us a full explanation of where we are and what is going on here, or it seems to me that we are going to be, as a group, constrained to move adjournment here in the very near future.

Mr. SOLOMON. The gentleman makes a good point, and I hope we do not do that if there is going to be someone. I understand that Mr. ALAN WHEAT from Missouri, a member of the Rules Committee from the other side of the aisle, who we spoke to a few minutes ago, has gone to consult with the Democrat leadership, and I would hope that he would return in the next few minutes, and perhaps with a Member of the leadership to enlighten us so that we know what is going on for the rest of the morning.

Mr. GOSS. Madam Speaker, will the gentleman yield?

Mr. SOLOMON. I am glad to yield to my good friend from Sanibel.

Mr. GOSS. One of the reasons that I asked the gentleman to yield, and the distinguished ranking member of our Rules Committee along with the presence of another distinguished member of the committee, and other distinguished members of our conference, is that we have got a lot of work to do in the Rules Committee before we finish our business. This is not just a question of wanting to know what is going on. That is extremely important, and I believe the gentleman from the Commonwealth has properly echoed the sentiment of many of our colleagues probably in their offices and elsewhere, watching on C-SPAN who would want to know what the impact of what is going on would be, and where we are headed. But we have got work to do in the Rules Committee. We have got some very important motions to make. We have three dozen or so amendments to deal with that came up today. We had 13 hours of testimony.

Mr. SOLOMON. With recorded votes.

Mr. GOSS. And with recorded votes. And we darn well need to have those votes, because people have put in hours and hours. We have had legislative counsel, parliamentary consultation, input from people we represent. I mean, this is a tremendous amount of work that has got to be disposed of even before we can report back to the full body with a rule, well understanding that the majority will have their way. But we have work to do, no matter which way it is. We have got to make a good faith attempt to make those amendments that deserve to be in order to be put in order, as the ranking member knows. And I believe it is reasonable to work 24 hours a day every so often, but I do not see any reason for this. And I think maybe the gentleman from Pennsylvania has struck a chord that other Members feel. Somebody had better give us a reason why we are doing what we are doing.

Mr. DREIER. Madam Speaker, will the gentleman yield?

Mr. SOLOMON. I am glad to yield to the gentleman from California.

Mr. DREIER. I thank my friend for yielding. I would simply say that the gentleman is absolutely right. It will probably take us 30 minutes, I would guess, to go through and offer each of the amendments that those of us in the minority want to offer to this rule, because I rather doubt that the majority is going to allow for consideration all of those amendments that we want to have included in the rule and we want to come down here. And while it is only 5 after 10 in the evening for me, some of the rest of you who live on the East Coast, I know it is a little past your bedtime, and it seems to me that we are in a position right now where we should be able to have some direction as to how late we are going to be staying up, when we can plan for 30 minutes to begin offering our amendments and start the fight this morning up in the Rules Committee. And I hope very much that we are able to move ahead with it, and I thank my friend for yielding.

Mr. SOLOMON. I would just tell the gentleman that he might look bright-eyed and bushy-tailed, but this gentleman just got back from Berlin, Germany where I was meeting with the 15 other NATO countries, telling them point blank that Americans were not going to put troops on the soil of Bosnia and fight a civil war over there while our European allies sat back and let our kids come home in body bags.

Mr. DREIER. I took the red eye back from California this week, the overnight flight.

Mr. SOLOMON. So I would just as soon go to bed this hour.

Mr. WALKER. Will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I am hearing a rumor that what we might do is use one of the new rules of the House to suggest that the recess authority of the Speaker is of equal weight to the motion to adjourn, claiming that that is a part of the new rules of the House, and that they might declare a recess. If that is the case, they should be forewarned that some of us are probably willing to stay around here for a long time, and when they declare an end to that recess could come in fact, be back out here causing some real difficulty if, in fact, we do not get those kinds of explanations. I mean, this is the ultimate in silliness that they can go behind closed doors, outside of the view of the American people, shut out the Republicans from these kinds of decisions, and then not even report to the House what is going on. And then, you know, begin to use recess authority and all kinds of things in order to further cover up the processes of the House, and then try to keep the House from adjourning so that they can bring this deal, struck behind closed doors, out here at some 3 or 4 in the morning, evidently, and drop it on the House floor, and think that they can do it under the cover of night.

Well, I assure them that somebody will be here during the cover of night, and will be asking for plenty of explanations when it is dropped.

We may well have a motion to adjourn at that point, which could be a bit of a problem.

Mr. SOLOMON. If I might reclaim my time just for a moment, it is not a question of being dilatory at all. You know we have staff, particularly our Budget Committee staff, our Ways and Means Committee staff, and there are about nine committees involved.

Mr. DREIER. And Rules Committee staff.

Mr. SOLOMON. Including the Rules Committee staff, including the men and women who are still here, and we have at the end of this voting process, and when we see what is left, we have to be able to put together our plans for the rest of the night. And I just hope that we can get some cooperation with the Democrat leadership.

If the gentleman from Missouri would like me to yield to him, I would be glad to yield to the very distinguished gentleman from Missouri, Mr. ALAN WHEAT, a very honorable member of the Rules Committee.

Mr. WHEAT. I thank the gentleman for yielding and for giving me time to make a determination as to what time the Rules Committee expects to go back into session. As the gentleman knows, we have been in session for most of the day and part of the evening hearing witnesses. We expect to attempt to put together a rule very shortly.

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There have been some very complicated negotiations going on. My understanding is that these negotiations are completed. It is strictly a matter of drafting some amendments for the Committee on Rules to consider at this point in time.

There is every expectation that all of the information would be placed upon your desk for consideration; there would be every expectation that there would be a minimum of 30 minutes from the time the legislation would be placed on your desk until the time we considered it so that you would have adequate time to review it before any votes were required, and it is with every expectation that that would occur by 1:30, which would mean that the Committee on Rules would be going back in session approximately 2 o'clock, give or take a few minutes.

Mr. SOLOMON. Will all due respect to the gentleman, since no Republicans have been a part of those negotiations, and it has strictly been a one-sided affair, can we be enlightened at all as to what kind of deals have been struck and what we might expect?

Mr. WHEAT. I am not sure that it is appropriate to say that deals have been struck in any regard.

There have been people who have been working on the language of legislation, and that will be available for a period of time for you to consider before anyone has asked that you be asked to vote on that legislation.

Of course, if you wanted to suggest that you could review that legislation in less than the time that is currently planned of 30 minutes, I am sure that many of us who have families waiting at home would be happier to start before 2 o'clock in the morning in terms of considering this legislation.

Mr. DREIER. So the 3-day layover is obviously waived for us, for those of us on the Committee on Rules?

Mr. SOLOMON. Even the 3-hour layover is waived.

But I know that the gentleman is very honorable, and I know that he is sincere in what he is saying.

I would just hope that the amendments they are laying on our desk are not something that has not been testified to, you know; in the last year I recall they laid an amendment there called double triple X which had no parent, no one claimed it, and yet it was put in, self-executed into the bill, and that is no way to run a ship. I hope that is not what is going to happen up there this morning.

Mr. WHEAT. That is not my expectation. It is my understanding that the legislation we are referring to, the amendments we are referring to are amendments for which we had proponents, witnesses, who came and testified before the Committee on Rules, so in that regard all of us would have the opportunity to be equally familiar with the legislation.

Mr. SOLOMON. That is somewhat reassuring. I thank the gentleman for checking it out for us.

Did the gentleman from California [Mr. HUNTER] leave? The gentleman from California was worried about the defense budget, and I just wanted to worry him a little bit more, because the gentleman from Pennsylvania [Mr. WALKER] and I have been engaged in a colloquy with the so-called spending cuts that are proposed in this 5-year budget.

We pointed out that during the first 4 years that there was only a minuscule $45 billion in spending cuts proposed with the heavy cuts, $95 billion, coming in the fifth year after the Clinton Presidency, and a large part of this is, if there are any kind of spending caps and spending controls put into this legislation, what will happen after we have not met these goals in that fifth year, you know, there is going to be a movement to take the vast amount of that $95 billion out of the defense budget, because there will be no place to take it, according to those who occupy the majority in the House and in the Senate.

So perhaps I could continue that discussion with the gentleman from California [Mr. HUNTER] when he returns tomorrow.

I would just point out again that I am quite worried at what is going to happen. I will run down again through these amendments that we had requested to be offered.

The one amendment, of course, the most important one as far as I am concerned, is the amendment by our Republican leader which would have knocked out the energy, the Btu, tax entirely and offset it with additional spending cuts equal to that lost revenue of $71.5 billion.

There was another amendment by the gentleman from Texas [Mr. ARCHER], ranking member on the Committee on Ways and Means, to knock out the tax increase on the Social Security benefits. Either of those two amendments, if they were allowed to be debated on this floor, would pass overwhelmingly.

I mentioned in the Committee on Rules that we have kept track of the press releases and bills sponsored by various Members from both sides of the aisle, and there are at least 267 Members who have tried to take credit for attempting to repeal this proposed Btu tax. Two hundred sixty-seven Members is almost 60 more than is needed to pass a bill in this House. The same holds true for the Social Security tax.

Another very important amendment that we wanted to offer was one by the gentleman from Illinois [Mr. PORTER] that would have repealed the taxes that are going to be enacted in this reconciliation bill tomorrow.

Mr. DREIER. If the gentleman would yield on that point, I do not want him to give up the ship yet, because we have yet to vote on those amendments up there. My friend just said "would have" and it seems to me if we are going to meet at 2 o'clock this morning, we are going to have a chance to wage a fight in behalf of the Michel amendment to repeal the Btu tax with that offset and the Porter amendment and the other amendments that have been proposed, so I would just say to my friend that I plan to fight upstairs in behalf of it, and I hope we can put together a compromise that will gain the votes we need so we can have free and fair debate and consideration of those amendments on the floor here.

Mr. WALKER. If the gentleman will yield further, my guessing is based upon what we are hearing just off the rumor mill here which is that what we are going to have is probably some deal that has been struck with those people who wanted entitlement caps, and that that is going to be the cover for some people to jump on and say that they can now vote for this package.

I would simply want to point out that the fact that they get some entitlement caps and they get some sort of process, whatever that ends up being, and I think you will probably find out when you go up to the Committee on Rules what that involves, it still does not change the fact that there is still going to be this huge Btu tax that is going to cost 463,000 Americans their jobs, and there is still going to be this Social Security tax and all of those things which will still be in there, and the entitlement caps will do nothing to stop the undermining of the economy by those massive new taxes.

So those Members of Congress who run for cover tomorrow and now sign on to this wonderful deal because they have now won a major victory for entitlement caps will still be in a position of destroying American jobs with this massive new tax increase that will still be a part of the package.

Mr. SOLOMON. First of all, I cannot believe that there has been a deal struck that will put the entitlement caps in, that you and I and the American people want.

Second, I find it hard to believe that there would be that many Members of Congress that would sell out their principles for whatever reason, to go back on what they have promised the American people, that they would not vote for a Btu tax that nobody wants in this country.

So it will be interesting to see what does happen when we get up to the Committee on Rules in less than 20 minutes, I understand.

Mr. GOSS. If the gentleman will yield further, I just wanted to point out that you were talking about this massive tax and the Social Security tax. I do not think people realize just how onerous this Social Security tax is.

We had a couple of hypotheticals in testimony in the Committee on Rules today, and I believe several were startled in the room in the Committee on Rules that a very modest income situation with Social Security payments and some modest outside income, the tax impact of consequence per year would be $1,084 for a couple. That is a lot of money, and particularly for those in a bracket that are in the $40,000-income range. That is not an isolated case.

There are something like 10 million senior citizens that will be impacted who are on Social Security, so this is not just a few people on Social Security somewhere who have a lot of money who will not notice this. This is everybody out there at all levels, fixed-income levels, and there will clearly be some very, very unhappy consequences. And there will be unexpected consequences.

Even in the Committee on Rules today, Members who know about these things, who have been dealing with these things, I think it is fair to say, were startled at some of the consequences in these hypothetical cases where the people who were testifying before us were actually challenged a couple of times. They said, "Now, that cannot be right. That is too high. The tax consequence cannot be that bad," and in fact it is that bad when you go through the numbers that have been set up by Ways and Means and the appropriators and the others involved.

I thank the gentleman for yielding.

Mr. WALKER. If the gentleman will yield for just a question: I also understand that none of those figures, for instance, the $25,000 figure and the $32,500 figure for Social Security people to begin paying the taxes, none of that is indexed, and so not a very far place down the pike you are going to have lots more people than the 10 million you are talking about, because as inflation pushes retirement incomes up, you are going to have a whole host of people who then will come under that category, and so this tax will continue to expand and continue to impact on more and more retired couples as the time goes on.

Mr. GOSS. The projection is that 10 million that are affected now will be 14 million as this Clinton administrative package, tax package, works out over the next 5 years.

□ 0120

Mr. GOSS. Under those projections it could double, that is correct.

Mr. SOLOMON. I yield to the gentleman from California.

Mr. DREIER. I thank the gentleman from Glen Falls for yielding to me.

I would just like the record to show that it is in the job description for Messrs. GOSS, SOLOMON, and myself to be here because the Committee on Rules has not met. But the distinguished chief deputy whip [Mr. WALKER] has chosen to stay here at 1:20 in the morning, and I simply would like to congratulate my friend from East Petersburg for having the strength to remain here, as I said.

Mr. WALKER. It is more a test of my sanity, is the question.

Mr. DREIER. And the gentleman's commitment to the cause of trying to bring about a semblance of fairness here.

I simply would like the gentleman to know that Messrs. GOSS, SOLOMON, and I congratulate him for taking the time to be here, and we look forward to seeing him bright and early at the Republican Conference at 9:00 in the morning.

Mr. SOLOMON. While we are handing out accolades, I would like to hand one out to the acting Speaker in the chair. He is suffering along with the rest of us and it shows.

Well, as Ronald Reagan used to say, I sure hope we are going to get these amendments in order.

As I look down the line, we did not finish going through these amendments. But Mr. COLLINS of Georgia, a new Member, had a very, very new idea which he was able to enact when he was a Republican in the minority in the Georgia State Legislature. What that did was to mandate a loss of benefit to families if children of recipients drop out of school. There has been a dramatic turnaround.

One of the problems we have with education today is not because of a lack of money to fund the educational system, but it is the lack of discipline in the school and discipline in the home. When these funds were threatened to be taken away from the families, they doggone well made sure that their kids went to school, that they did not drop out, and that the accomplishments, the academic accomplishments went up considerably.

I think that would have been a great amendment to have on this floor to offer.

The gentleman from Kentucky [Mr. BAESLER] who is a Democrat, a new Member, he had an amendment to eliminate this Btu tax, working with us on a bipartisan basis. He wanted to offset it with spending cuts similar to those that I have recommended and also some other Republicans.

Yet he has been told point blank by his Democrat leadership that they are not going to allow his Democrat amendment. That goes back to the same old editorial that I was reading. Back in the days of Tip O'Neill— everybody remembers Tip O'Neill, from Boston, MA—there never was a more partisan human being who ever served as Speaker of this House. But there never was a more fair Speaker, too.

Back in those days—which was not so many days ago—Tip O'Neill, presiding over the Rules Committee—and after all, the Speaker does call the shots on the Rules Committee—only closed about 15 percent of the rules. That means only 15 percent were restricted, all of the other time, 85 percent of the time when major legislation came on the floor, it was brought on this floor so that every single Member, all 435, regardless of whether you are Republicans, Democrats, liberals or conservatives or even the socialist from Vermont now, anybody would have an opportunity to help work his will on the floor of this House. It is too bad that we have gone into this structured rule situation that now deprives over 80 percent of all the Members of this House from ever being able to take an active part in enacting legislation on the floor.

Mr. Speaker, I yield to the gentleman from Florida.

Mr. GOSS. The gentleman mentioned several amendments. There were several amendments, such as immunization, ways to increase the efficiency of getting our youngsters immunized, ways to do that. There are a lot more good amendments up there.

The ultimate irony of this today is that the American people are talking at least to me and many other Members about cutting spending. We spent most of the day, at least the majority leadership spent most of the day defending taxes rather than welcoming ways to cut spending. And I think that is the ultimate irony because there is not a voice in America saying, "Well done, Congress, you have stamped out all the waste, you have cut out all the fat, you have chopped out all the pork in Washington. Now, since we can't pay our way, I guess it is okay, we will have to raise taxes a bit."

We are not there. We have not cut where we need to cut, where we could cut, where we should cut, and we are spending all our time right now watching the leadership defend higher taxes when we should be entertaining these very good amendments to allow us to find new ways to cut.

I thank the gentleman for yielding.

Mr. SOLOMON. I thank the gentleman for those words. There were a lot of good amendments. For example, the gentleman from New York [Mr. HOUGHTON], who was in the well here earlier, had an amendment that would have required payment of social security tax on domestic help if paid more than $800.

We all know what that problem was with people who either deliberately or not deliberately, not paying social security taxes on young kids who were coming in to cut the grass or someone who might come in and help in cleaning a house for 1 day a week of 1 day a month. That would have been an excellent amendment. People want that amendment. It would save so much bookwork.

Mr. KNOLLENBERG of Michigan had an amendment that would have held the proposed income tax rate increase to 31 percent if that party were engaged in small-business activity. Small-business activity: Small businesses in this country produce 75 percent of all the new jobs in America. You let that tax go up to 36 percent, how many new employees do you think a small businessman is going to be able to hire? This would have given him better incentive.

We will be voting in a few minutes. The gentleman knows we are outnumbered up there by 9 to 4. There are four Republicans and nine Democrats, all handpicked, all extremely partisan. That is why they are up there. And our chances of pulling them across the aisle and getting them to vote for these reasonable estimates are slim at best.

But that is not where the real chance will come. The real chance will come tomorrow on this floor where we can do what we did in 1981, and both of the gentleman were here. That was the year that Ronald Reagan came into office. He had been elected in 1980. He brought with him Republican control of the Senate. We had about 45 solid conservative Democrats from all over this country, and they put together a coalition with us Reagan Republicans, and we rammed through Reaganomics that brought back this country and brought back economic growth and created 21 million new jobs in a period of about 6 years: 21 million, not to mention hundreds of thousands of new businesses, small and large, across this country.

You know that is what we need tomorrow. Back in those days in 1981 we defeated a rule in this House by four votes. We wrote our own rule. We made all these amendments in order. That is how we got the economic recovery. Ladies and gentlemen, that is what we need tomorrow on this floor. All we need is 45 solid Democrat conservative votes tomorrow to go with us, and we will carry the day tomorrow. Let us do it.

Mr. GOSS. I thank the gentleman. It sounds good to me.

Mr. SOLOMON. Since the acting Speaker pro tempore assured us we would be back in session in 30 minutes, and the 30 minutes is almost there, at this time I would yield back the balance of my time for the purpose of going off to the Rules Committee to see what has been laid upon our desk.

I would yield back the balance of my time.

RECESS

Mr. SPEAKER pro tempore. (Mr. WHEAT). Pursuant to clause 12 of rule I, the Chair declares the House in recess, subject to the call of the Chair.

Accordingly (at 1 o'clock and 31 minutes a.m.) the House stood in recess subject to the call of the Chair.

□ 0336

AFTER RECESS

The recess having expired the House was called to order by the Speaker pro tempore [Mr. BEILENSON] at 3 o'clock and 46 minutes a.m.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2264, OMNIBUS BUDGET RECONCILIATION ACT OF 1993

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 103-112) on the resolution (H. Res. 186) providing for consideration of the bill (H.R. 2264) to provide for reconciliation pursuant to section 7 of the concurrent resolution on the budget for fiscal 1994, which was referred to the House Calendar and ordered to be printed.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. LEACH (at the request of Mr. MICHEL), for today, on account of medical reasons.

Mr. WILLIAMS (at the request of Mr. GEPHARDT), for today, on account of a death in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. OLVER) to revise and extend their remarks and include extraneous material:)

Mr. BACCHUS of Florida for 5 minutes today.

Mr. STARK for 5 minutes today.

Mr. SLATTERY for 5 minutes on June 16.

Mr. KANJORSKI for 60 minutes today.

Mr. DE LA GARZA for 60 minutes today.

(The following Members (at the request of Mr. SANTORUM) to revise and extend their remarks and include extraneous material:)

Mr. PORTER for 5 minutes today.

Mr. KINGSTON for 5 minutes today.

Mr. DOOLITTLE for 5 minutes today.

Mr. WALKER for 5 minutes today.

Mr. HUTCHINSON for 5 minutes today.

Mr. HORN for 20 minutes on May 27.

Mr. THOMAS of Wyoming for 60 minutes on June 9.

Ms. ROS-LEHTINEN for 5 minutes on June 8 and 9.

Mr. DIAZ-BALART for 5 minutes on June 8 and 9.

Mr. CAMP for 5 minutes today.

Mr. HOUGHTON for 5 minutes.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. OLVER) and to include extraneous matter:)

Mr. ANDREWS of New Jersey.
Mr. HINCHEY.
Mr. APPLEGATE.
Mr. HAMILTON.
Mr. SWETT.
Mr. MILLER of California.
Mr. TRAFICANT.
Mrs. SCHROEDER.
Mr. COSTELLO.
Mr. CLAY.
Mr. TORRICELLI in three instances.
Mr. BLACKWELL in four instances.
Mr. VISCLOSKY.
Mr. JACOBS in two instances.
Mr. KLINK.
Mr. MCDERMOTT.
Mr. HOCHBRUECKNER.
Mr. ACKERMAN in two instances.
Ms. KAPTUR.
Mr. BROWN of California.
Mr. KOPETSKI.
Mr. KILDEE in three instances.
Mr. BORSKI.
Mr. BARCIA.
Mr. POSHARD.
Mr. SHARP.

(The following Members (at the request of Mr. SANTORUM) and to include extraneous matter:)

Mr. LEWIS of California.
Mr. DORNAN.
Ms. MOLINARI.
Mr. REGULA.
Mr. FISH.
Mr. SANTORUM.
Mr. YOUNG of Alaska.
Mr. MCINNIS.
Mr. FIELDS of Texas
Mr. GALLEGLY in three instances.
Mr. KING.
Mr. HOKE.
Mr. KYL.
Mrs. BENTLEY in two instances.
Mr. BEREUTER.
Mr. GINGRICH.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 775. An act to modify the requirements applicable to locatable minerals on public lands, consistent with the principles of self-initiation of mining claims, and for other purposes.

ENROLLED JOINT RESOLUTION SIGNED

Mr. ROSE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.J. RES. 80. Joint Resolution designating May 30, 1993, through June 7, 1993, as a "Time for the National Observance of the Fifteenth Anniversary of World War II".

SENATE ENROLLED BILL AND JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled bill and joint resolution of the Senate of the following title:

S. 564. An act to establish in the Government Printing Office a means of enhancing electronic public access to a wide range of Federal electronic information.

S.J. RES. 43. Joint resolution designating the week beginning June 6, 1993, and June 5, 1994, "Lyme Disease Awareness Week".

ADJOURNMENT

Mr. MOAKLEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 47 minutes a.m.) under its previous order, the House adjourned until tomorrow, Thursday, May 27, 1993, at 11 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1292. A letter from the Chairman, Council of the District of Columbia, transmitting copies of D.C. Act 10-28, "Carjacking Prevention Amendment Act of 1993," pursuant to D.C. Code, section 1-233(c)(1); to the Committee on the District of Columbia.

1293. A letter from the Chairman, Council of the District of Columbia, transmitting copies of D.C. Act 10-30, "Youth Initiatives Temporary Act of 1993," pursuant to D.C. Code, section 1-233(c)(1); to the committee on the District of Columbia.

1294. A letter from the Chairman, Council of the District of Columbia, transmitting copies of D.C. Act 10-26, "Retired Police Officer Public Schools Security Personnel Deployment. Temporary Amendment Act of 1993," pursuant to D.C. Code, section 1-233(c)(1); to the Committee on the District of Columbia.

1295. A letter from the Chairman, Council of the District of Columbia, transmitting copies of D.C. Act 10-31, "General Obligation Bond Act of 1992, D.C. Law 9-251, Temporary Amendment Act of 1993," pursuant to D.C. Code, section 1-233(c)(1); to the Committee on the district of Columbia.

1296. A letter from the Chairman, Council of the District of Columbia, transmitting copies of D.C. Act 10-27, "Temporary Appeals Panel Extension Temporary Act of 1993," pursuant to D.C. Code, section 1-233(c)(1); to the Committee on the District of Columbia.

1297. A letter from the Assistant Secretary of State for Legislative Affairs, transmitting copies of the report of political contributions by John Francis Maisto, of Pennsylvania, to be Ambassador to the Republic of Nicaragua and members of his family, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on foreign Affairs.

1298. A letter from the Head, Personnel Benefits Section, Department of the Navy, transmitting the 1991 annual report for the Navy Nonappropriated Fund Retirement Plan of Employees of Civilian Morale, Welfare, and Recreation, pursuant to 31 U.S.C. 9503(a)(1)(B); to the Committee on government Operations.

1299. A letter from the Executive Director, Federal Labor Relations Authority, transmitting its implementation of the Sunshine Act during calendar years 1990, 1991, and 1992, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

1300. A letter from the Chairman, National Labor Relations board, transmitting its report of activities under the Freedom of Information Act during calendar year 1992, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

1301. A letter from the Chairman, Panama Canal Commission, transmitting the Commission's activities of the inspector general for the period October 1, 1992 through March 31, 1993, pursuant to Public Law 95-452, section 5(b) (102 Stat. 2526); to the Committee on Government Operations.

1302. A letter from the Secretary of the Department of Interior, transmitting the ninth biennial report on the administration of the Wild and Free Roaming Horses and Burros on Public Lands Act, pursuant to 16 U.S.C. 1340; jointly, to the Committees on Natural Resources and Merchant Marine and Fisheries.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DERRICK: Committee on Rules. H. Res. 186. A resolution providing for consideration of the bill (H.R. 2264) to provide for reconciliation pursuant to section 7 of the concurrent resolution on the budget for fiscal year 1994 (Rept. 103-112). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREWS of New Jersey:

H.R. 2267. A bill to amend section 207 of title 18, United States Code, to increase to 5 years the period during which former Members of Congress may not engage in certain lobbying activities; to the Committee on the Judiciary.

By Mr. BROWN of California (for himself, Mrs. MORELLA, Mr. FROST, Mr. WILLIAMS, Mr. FISH, Mr. EVANS, and Mr. CLYBURN):

H.R. 2268. A bill to facilitate the development of an integrated, nationwide telecommunications system dedicated to instruction by guaranteeing the acquisition of a communications satellite system used solely for communications among State and local instructional institutions and agencies and instructional resource providers; to the Committee on Education and Labor.

By Mr. CRANE:

H.R. 2269. A bill to provide for annual observances of certain legal public holidays on their traditional dates; to the Committee on Post Office and Civil Service.

By Mr. DELAY:

H.R. 2270. A bill to improve the quality of education in the District of Columbia by allowing choice for parents of elementary and secondary school students; to the Committee on the District of Columbia.

By Mr. GINGRICH:

H.R. 2271. A bill to amend the Job Training Partnership Act to encourage the placement of youths in private sector jobs under the Summer Youth Employment and Training Program, and for other purposes; jointly, to the Committees on Education and Labor and Ways and Means.

By Mr. GUTIERREZ (for himself, Mr. Baesler, and Mr. Deal):

H.R. 2272. A bill to amend the Federal Election Campaign Act of 1971 to reduce the amount that a multicandidate political committee may contribute to a House of Representatives Candidate; to the Committee on House Administration.

By Mr. JACOBS (for himself and Mr. Rostenkowski):

H.R. 2273. A bill to amend the Omnibus Budget Reconciliation Act of 1990 to clarify that the expenses of administering the Old Age, Survivors and Disability Insurance Programs are not included in the budget of the U.S. Government, and for other purposes; jointly, to the Committees on Government Operations, Ways and Means, and Rules.

By Mr. KOPETSKI:

H.R. 2274. A bill to amend the Internal Revenue Code of 1986 to impose an excise tax on the offshore processing of certain fish; to the Committee on Ways and Means.

By Mr. KREIDLER:

H.R. 2275. A bill to amend title XVIII of the Social Security Act to treat ventilators, aspirators, and certain other items as miscellaneous items of durable medical equipment for purposes of determining the amount of payment for such items under part B of the Medicare Program; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Ms. MEEK (for herself and Mr. Schumer):

H.R. 2276. A bill to amend the Internal Revenue Code of 1986 to increase the tax on handguns and assault weapons, to increase the license application fee for gun dealers, and to use the proceeds from those increases to pay for medical care for gunshot victims; jointly, to the Committees on Ways and Means and the Judiciary.

By Mr. MILLER of California (for himself, Mr. Stark, Mr. Yates, Ms. Woolsey, Mr. Gutierrez, Ms. Maloney, Mr. Barrett of Wisconsin, Mr. Rangel, Mr. Hinchey, Mr. Olver, Mr. Bonior, Mr. Rush, Mr. Blackwell, Ms. DeLauro, Mr. Romero-Barcelo, and Miss Collins of Michigan):

H.R. 2277. A bill to provide grants to States and Indian tribes to provide payments for labor and related costs associated with the repair and rehabilitation of elementary school, secondary school, and Indian tribal school facilities; to the Committee on Education and Labor.

By Mr. OBERSTAR (for himself, Mr. Ramstadd, Mr. Carr, Mr. Levin, and Mr. Kyl):

H.R. 2278. A bill to permit certain air carriers to immediately utilize accumulated net operating losses; to the Committee on Ways and Means.

By Mr. PORTER:

H.R. 2279. A bill to suspend temporarily the duty on Tacrolimus in bulk or measured dose form subject to approval by the Food and Drug Administration; to the Committee on Ways and Means.

By Mr. REED;

H.R. 2280. A bill to extend until January 1, 1995, the previously existing suspensions of duty on certain chemicals; to the Committee on Ways and Means.

H.R. 2281. A bill to extend until January 1, 1995, the previously existing suspensions of duty on acet quinone base; to the Committee on Ways and Means.

H.R. 2282. A bill to extend until January 1, 1995, the previously existing suspensions of duty on N-acetylsulfanilyl chloride; to the Committee on Ways and Means.

H.R. 2283. A bill to extend until January 1, 1995, the previously existing suspensions of duty on nito sulfon B.; to the Committee on Ways and Means.

By Mr. SANTORUM:

H.R. 2284. A bill to extend until December 31, 1994, the date required for the State of Pennsylvania to submit certain provisions of a Clean Air Act implementation plan applicable to the Liberty Borough PM–10 Nonattainment Area, and for other purposes; to the Committee on Energy and Commerce.

By Mrs. SCHROEDER (for herself, Ms. Pelosi, Mr. Evans, Ms. Long, Ms. Norton, Mrs. Lloyd, Mr. Oberstar, Mr. Waxman, Mr. Gutierrez, and Mr. Kennedy):

H.R. 2285. A bill to amend chapter 17 of title 38, United States Code, to improve the Department of Veterans Affairs program of sexual trauma counseling for veterans and to improve certain Department of Veterans Affairs programs for women veterans; to the Committee on Veterans' Affairs.

By Mr. TAUZIN (for himself, Mr. Hayes of Louisiana, Mr. Ravenel, Mr. Bishop, Mr. Penny, Mr. Wheat, Mr. Callahan, Mr. Lewis of Florida, Mr. Cox, Mr. Talent, Mr. Gillmor, Mr. Wilson, Ms. Byrne, Mr. Sarpalius, Mr. Porter, Mr. Boehner, Mr. Camp, Mr. Hastert, Mr. Lewis of California, Mr. Volkmer, Mr. Ewing, Mrs. Meyers of Kansas, Mr. Hobson, and Mr. Solomon):

H.R. 2286. A bill to amend the Solid Waste Disposal Act to require States to provide an opportunity for their citizens to participate in comprehensive recycling programs, and for other purposes; to the Committee on Energy and Commerce.

By Mr. TORRICELLI (for himself, Mr. Bilbray, Mr. Calvert, Mr. Hoagland, Mr. Reed, Mr. Stump and Mrs. Vucanovich):

H.R. 2287. A bill to amend the Indian Gaming Regulatory Act, and for other purposes; jointly, to the Committees on Natural Resources and the judiciary.

By Mr. CLAY (by request):

H.R. 2288. A bill to extend the authorization of appropriations for the Office of Special Counsel; to the Committee on Post Office and Civil Service.

H.R. 2289. A bill to amend the Ethics in Government Act of 1978 to extend the authorization of appropriations for the Office of Government Ethics for 8 years, and for other purposes; jointly, to the Committees on Post Office and Civil Service and the Judiciary.

H.R. 2290.

By Mr. FRANKS of Connecticut:

H.R. 2290. A bill to amend title 18, United States Code, to extend the Federal carjacking offense to cases not involving firearms, and to authorize the imposition of the death penalty if a death results from the commission of the offense; to the Committee on the Judiciary.

By Mr. GRAMS:

H.R. 2291. A bill to amend the Internal Revenue Code of 1986 to allow the deduction for home office expenses where the taxpayer's sole fixed business location is in the home; to the Committee on Ways and Means.

By Mr. HOCHBRUECKNER (for himself, Mr. Torres, Mr. Fish, Ms. Norton, Mr. Walsh, and Ms. McKinney):

H.R. 2292. A bill to express the sense of the Congress to encourage the President and the Governor of each State to carry out on-site composting at their residences; to the Committee on Energy and Commerce.

By Mr. KYL (for himself and Ms. Eddie Bernice Johnson of Texas):

H.R. 2293. A bill to require each recipient of a grant or contract under section 1001 of the Public Health Service Act to provide information concerning breast and cervical cancer; to the Committee on Energy and Commerce.

By Mr. SARPALIUS:

H.R. 2294. A bill to designate the Federal building in Wichita Falls, TX, which is currently known as the Main Post Office, as the "Graham B. Purcell, Jr., Post Office and Federal Building"; to the Committee on Post Office and Civil Service.

By Miss COLLINS of Michigan (for herself, Mrs. Morella, Ms. Meek, Mr. Kreidler, Mr. Stokes, Ms. Norton, Mr. Reynolds, Mrs. Mink, Ms. Waters, Ms. Maloney, Mr. Clyburn, Ms. McKinney, Ms. Roybal-Allard, Ms. Brown of Florida, Mr. Deutsch, Ms. Kaptur, Ms. Pelosi, Mr. Jefferson, Mr. Scott, Mr. Serrano, Mr. Mfume, Mr. Dellums, Mr. Conyers, Ms. Danner, Mr. Borski, Ms. Furse, Ms. Margolies-Mezvinsky, Mr. Hastings, and Mr. Barrett of Wisconsin):

H.J. Res. 202. Joint resolution designating the week of June 7, 1993, as "Equal Pay Act 30th Anniversary Week"; to the Committee on Post Office and Civil Service.

By Mr. HOKE (for himself, Mr. McCollum, Mr. Coppersmith, Mr. Wilson, Mr. McKeon, Mr. Hoekstra, and Mr. Smith of Michigan):

H.J. Res. 203. Joint resolution proposing an amendment to the Constitution of the United States to limit terms of Representatives and Senators and to place requirements on Representatives who seek election to the Senate; to the Committee on the Judiciary.

By Mr. MONTGOMERY:

H.J. Res. 204. Joint resolution to designate the week of July 25 through 31, 1993, as the "National Week of Recognition and Remembrance for Those Who Served in the Korean War"; to the Committee on Post Office and Civil Service.

By Mr. TAYLOR of Mississippi (for himself, Mr. Hefner, Mr. Kanjorski, Ms. Slaughter, Mr. Bryant, Mrs. Unsoeld, Mr. Laughlin, Mr. Tanner, Ms. Lambert, Mr. Peterson of Florida, Mr. Clement, Mr. Penny, Mr. Rostenkowski, Mr. Volkmer, Mr. Ford of Michigan, Mr. Murtha, and Mr. Orton):

H. Res. 184. Resolution amending the Rules of the House of Representatives to direct the Speaker to allow the televising of special order speeches of Members at a location in the Capitol other than the Hall of the House, and to eliminate the televising of these speeches as part of the proceedings of the House; to the Committee on Rules.

By Mr. MICHEL:

H. Res. 185. Resolution designating minority membership on certain standing committees of the House; considered and agreed to.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

159. By the SPEAKER: Memorial of the Legislature of the State of Hawaii, relative

to the Pacific Missile Range Facility at Mana; to the Committee on Armed Services.

160. Also, memorial of the General Assembly of the State of Iowa, relative to the entertainment industry; to the Committee on Energy and Commerce.

161. Also, memorial of the Legislature of the State of Hawaii, relative to native Hawaiians; to the Committee on Natural Resources.

162. Also, memorial of the Legislature of the State of Hawaii, relative to the relationship between the United States and the Hawaiian people; to the Committee on Natural Resources.

163. Also, memorial of the Legislature of the State of Hawaii, relative to the World's indigenous people; to the Committee on Post Office and Civil Service.

164. Also, memorial of the General Assembly of the State of New Jersey, relative to the President's tax plan; to the Committee on Ways and Means.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 7: Mr. Engel.

H.R. 26: Mr. Blackwell, Ms. Schenk, and Mr. Stokes.

H.R. 81: Mr. Darden, Ms. Cantwell, Mr. Deutsch, Mr. Johnson of South Dakota, Mrs. Unsoeld, Mr. Bilbray, and Mr. Kreidler.

H.R. 82: Mr. Fish, Mr. Borski, Ms. Snowe, Mr. Faleomavaega, and Mr. Evans.

H.R. 127: Mr. Camp, Mr. Crane, Mr. Clinger, Mr. Combest, Mr. Emerson, Mr. Fawell, Ms. Fowler, Mr. Gallo, Mr. Gilmor, Mr. Istook, Mr. Pickett, Ms. Pryce of Ohio, Mr. Browder, and Mr. Inglis.

H.R. 299: Mr. Andrews of Maine.

H.R. 305: Mrs. Morella and Mr. Olver.

H.R. 325: Ms. Pryce of Ohio, Mr. Clyburn, Mr. Tejeda, Mr. Coppersmith, Mr. Nadler, Mr. Gilman, Mr. Bonior, Mr. Richardson, Mr. Bateman, and Ms. Slaughter.

H.R. 326: Mr. Hamilton, Mr. Lantos, Mr. Richardson, Mrs. Unsoeld, Mr. Walsh, Mr. Fish, and Mr. Dellums.

H.R. 349: Mr. Diaz-Balart, Mr. Clyburn, Mr. Fish, and Mr. Brown of California.

H.R. 465: Mr. Klug.

H.R. 500: Mr. Murtha.

H.R. 508: Mr. Fish.

H.R. 522: Mr. Engel.

H.R. 535: Mr. Coppersmith.

H.R. 551: Mr. Thomas of Wyoming, Mr. Grams, Mr. Sangmeister, and Mr. Spratt.

H.R. 595: Mr. Goodling.

H.R. 602: Mr. Bateman and Mr. Klug.

H.R. 604: Mr. Jacobs and Mr. Berman.

H.R. 611: Mr. Bacchus of Florida and Mr. Paxon.

H.R. 662: Mr. Hastert.

H.R. 723: Mr. Doolittle.

H.R. 727: Mr. Lewis of Georgia.

H.R. 728: Mr. Fish and Mr. Wynn.

H.R. 740: Mr. Hyde, Mrs. Roukema, Mr. Doolittle, Mr. Kim, Mr. Gutierrez, Mr. McMillan, and Mr. Wynn.

H.R. 777: Mr. Mica, Mr. Fish, Mr. Pete Geren, and Mr. Taylor of North Carolina.

H.R. 789: Mr. Hoagland, Mr. McHugh, Mr. Archer, Mr. Klein, Mr. Talent, Mr. Faleomavaega, Mr. Yates, Mr. Castle, Mr. Stenholm, Mr. Hastings, Mr. Cooper, and Mr. Moakley.

H.R. 799: Mr. Weldon.

H.R. 814: Mr. Fish, Ms. Slaughter, Mr. Barrett of Wisconsin, Mr. Cunningham, Mr. Klug, and Mr. Machtley.

H.R. 821: Mr. Buyer.

H.R. 840: Mr. Kildee, Mr. Borski, and Mr. Jefferson.

H.R. 878: Mr. Hoekstra, Mr. Stupak, Mr. Carr, and Mr. Knollenberg.

H.R. 883: Mr. kyl and Mr. Klug.

H.R. 898: Ms. Byrne, Mr. Hamilton, Mr. Schiff, Mr. McHale, Mr. Skeen, Mr. King, Mr. Peterson of Florida, Mr. Istook, Mr. Dellums, Ms. Maloney, Mr. Stearns, Mr. Williams, Mr. English of Oklahoma, and Mr. Pete Geren.

H.R. 916: Mr. Foglietta, Mr. Hall of Ohio, Mr. Flake, Mr. Baesler, Mr. Torricelli, Mr. DeFazio, Ms. Slaughter, Mr. Miller of California, and Mrs. Clayton.

H.R. 918: Mr. Evans, Mr. Becerra, and Mr. Engel.

H.R. 935: Ms. Meek, Mr. Abercrombie, and Mr. Mineta.

H.R. 962: Mr. Pombo, Mr. Barton of Texas, Mr. Lehman, Ms. Long, Mr. McInnis, Mr. Cunningham , Mr. Baesler, Mr. Blute, Mr. Ballenger, Ms. Margolies-Mezvinsky, Mr. Shuster, Mr. Dreier, Mr. Packard, Mr. Torkildsen, Mr. Tanner, Mr. CAlvert, Mr. Glickman, Mr. McCloskey, Mr. de la Garza, and Mr. Unsoeld.

H.R. 963: Ms. McKinney, Ms. Danner, AND MR. Costello.

H.R. 998: Mr. Payne of Virginia.

H.R. 1009: Mr. Hastert, Mr. Brown of Ohio, and Mr. Strickland.

H.R. 1089: Mr. Rogers.

H.R. 1141: Mr. Ackerman.

H.R. 1156: Mr. Armey.

H.R. 1164: Mr. Johnston of Florida and Mr. Jefferson.

H.R. 1172: Mr. Barrett of Wisconsin.

H.R. 1231: Mr. Berman, Mr. Blackwell, Mr. Edwards of California, Mr. Foglietta, Mr. Frank of Massachusetts, Mr. Hochbrueckner, Mr. Lantos, Mr. Lipkinski, Mr. Pastor, Mr. Sharp, Mr. Torres and Mrs. Schroeder.

H.R. 1419: Mr. Blackwell.

H.R. 1475: Mr. de la Garza and Mr. Dornan.

H.R. 1481: Mr. Jacobs and Mr. Traficant.

H.R. 1544: Mr. Skeen and Mr. Sarpalius.

H.R. 1555: Mr. Vento.

H.R. 1560: Mr. Wynn and Mr. Myers of Indiana.

H.R. 1608: Mr. Evans, Mr. Johnston of Florida, Mr. Lancaster, Mr. Manton, Mr. McDade, Mr. McMillan, Ms. Meek, Mr. Minge, Mr. Myers of Indiana, Mr. Oberstar, Mr. Obey, Mr. Rahall, Mr. Romero-Barceló, Mr. Slattery, and Miss Collins of Michigan.

H.R. 1670: Mr. Skeen.

H.R. 1697: Mr. Sharp, Mr. Dellums, Mr. Peterson of Florida, Mr. Pickle, Mr. Jefferson, Mr. Quinn, Mr. Ackerman, Mr. Borski, Mr. Traficant, Mr. Blackwell, Mr. Klein, Mr. Lancaster, and Ms. Waters.

H.R. 1733: Ms. Velazquez.

H.R. 1738: Mr. Johnston of Florida, Mr. Stump, Mr. Barrett of Nebraska, and Mr. Machtley.

H.R. 1767: Mr. Frost, Mr. Solomon, and Ms. Shepherd.

H.R. 1801: Mr. Peterson of Minnesota, Mr. Lipinski, Mr. Parker, and Mr. Coleman.

H.R. 1817: Mr. Doolittle and Mr. Crapo.

H.R. 1867: Mr. Walsh, Mr. Roberts, Mrs. Clayton, and Mr. Fazio.

H.R. 1921: Ms. Shepherd, Mr. Fish, Mr. Kanjorski, Mr. Crane, Mr. Hyde, Ms. Molinari, Mr. Synar, Mr. Coppersmith, and Mr. Machtley.

H.R. 1986: Mr. Petri and Mr. Miller of California.

H.R. 1996: Mr. Fish.

H.R. 1999: Mr. Emerson and Mr. Inglis.

H.R. 2043: Mr. Mazzoli, Mr. Owens, Mr. Coyne, and Ms. Kaptur.

H.R. 2120: Mr. Walker, Mr. Packard, and Mr. Kyl.

H.R. 2121: Mr. Traficant, Mr. Valentine, Mr. Pete Geren, Mr. Poshard, Mr. de Lugo, Mr. Barcia, Mr. Coppersmith, Mr. Montgomery, Mr. Sisisky, Mr. Petri, Mr. Bereuter, Mr. Inhofe, Mr. Gilchrest, Mr. Clinger, Mr. Hoekstra, Mr. Hutchinson, Mr. Blute, Mr. Hyde, Mr. Kim, Mr. Ewing and Mr. Barlow.

H.R. 2201: Mr. Upton.

H.R. 2202: Mr. Upton.

H.R. 2203: Mr. Upton.

H.R. 2204: Mr. Upton.

H.R. 2205: Mr. Andrews of New Jersey and Mr. Upton.

H.R. 2220: Mr. Skeen and Mr. Dornan.

H.J. Res. 61: Mr. Crapo and Mr. Pete Geren.

H.J. Res 88: Mr. Andrews of New Jersey.

H.J. Res. 122: Mr. Frank of Massachusetts.

H. Con. Res. 40: Mr. Sam Johnson.

H. Con. Res. 68: Mr. Gingrich, Mr. McNulty, Mr. Fawell, Mr. Canady and Ms. Pryce of Ohio.

H. Con. Res. 69: Mr. Inslee and Ms. McKinney.

H. Con. Res. 77: Mr. Spence, Mr. Dornan and Mr. Darden.

H. Con. Res. 99: Mr. Smith of Texas, Mr. Santorum, Mr. Filner and Mr. Sangmeister.

H. Con. Res. 100: Mr. LaFalce, Mrs. Schroeder, Mr. Abercrombie, Mr. Evans, Mr. Hochbrueckner, Mr. Klein, Mr. McDermott, Mr. Sabo, Mr. Kleczka and Mr. Clement.

H. Res. 165: Mr. Bilbray, Mr. Brown of California, Mr. Cramer, Ms. Danner, Mr. de Lugo, Ms. Fowler, Ms. Harman, Mr. Hilliard, Mr. Hinchey, Mr. Kleczka, Mr. Johnson of South Dakota, Mr. Leach, Mr. Levy, Ms. Maloney, Mr. McCloskey, Ms. Meek, Mrs. Meyers of Kansas, Mr. Miller of Florida, Mr. Murphy, Mr. Nadler, Mr. Swift, Mr. Towns, Mr. Waxman, Mr. Wheat, Mr. Wilson, Mr. Gallegly, Mr. Hoke, Mr. Faleomavaega, Mr. Richardson, Mr. Canady, Mr. Klein, Mr. Filner, Mr. Poshard, Mr. Emerson, Mr. Dingell and Mr. Rangel.

H. Res. 174: Mr. Wolf. Mr. Visclosky, Mr. Hyde, Mr. Hayes, Mr. Darden and Mr. Hutchinson.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 436: Mr. Yates.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 2264

By Mr. ARCHER:

—Strike section 1405 (relating to levels of insurance under the Federal Crop Insurance Act).

—Insert at the end of subtitle D of title I the following new sections:

SEC. 1405. EXEMPTION OF TRIPLE BASE ACREAGE FROM CERTAIN CONSERVATION REQUIREMENTS.

(a) Highly Erodible Land Conservation.—Section 1212 of the Food Security Act of 1985 (16 U.S.C. 3812) is amended by adding at the end the following new subsection:

"(i) Notwithstanding any other provision of law, the producers on a farm—

"(1) may designate the specific acres on the farm that are in a quantity equal to the crop acreage base for a crop on the farm less the quantity of payment acres for the crop under section 107B(c)(1)(C)(ii), 105B(c)(1)(C)(ii), 103B(c)(1)(C)(ii), or 101B(c)(1)(C)(ii) of the Agricultural Act of 1949 (7 U.S.C. 1445b–3a(c)(1)(C)(ii), 1444f(c)(1)(C)(ii), 1444–2(c)(1)(C)(ii), or 1441–2(c)(1)(C)(ii); and

"(2) shall be exempt from the requirements of this subtitle with respect to the specific acres that are designated under paragraph (1).".

(b) Wetland Conservation.—Section 1222 of such Act (16 U.S.C. 3822) is amended by adding at the end the following new subsection:

"(k) Production on Triple Base Acreage.—Notwithstanding any other provision of law, the producers on a farm—

"(1) may designate the specific acres on the farm that are in a quantity equal to the crop acreage base for a crop on the farm less the quantity of payment acres for the crop under section 107B(c)(1)(C)(ii), 105B(c)(1)(C)(ii), 103(c)(1)(C)(ii), or 101B(c)(1)(C)(ii) of the Agricultural Act of 1949 (7 U.S.C. 1445b–3a(c)(1)(C)(ii), or 1444f(c)(1)(C)(ii), 1444–2(c)(1)(C)(ii), or 141–2(c)(1)(C)(ii)); and

"(2) shall be exempt from the requirements of this subtitle with respect to the specific access that are designated under paragraph (1).".

(c) Crops.—The amendments made by this section shall be effective only for the 1994 through 1998 crops of wheat, feed grains, upland cotton, and rice.

SEC. 1406. ELIMINATION OF MALTING BARLEY ASSESSMENT

(a) Elimination of Assessment.—Section 105B of the Agricultural Act of 1949 (7 U.S.C. 1444f) is amended by striking subsection (p).

(b) Effect on Calculation of Target Price for Barley.—Subsection (c)(1)(B)(iii)(IV)(bb) of such section is amended—

(1) by striking "clause (i)(I)" and inserting "clause (ii)(I);

(2) by striking "primarily"; and

(3) by inserting before the period the following: "or malting purposes".

(c) Application of Amendments.—The amendments made by this section shall apply beginning with the 1994 crop year for barley.

SEC. 1407. REFORM OF THE PAYMENT LIMITATION PROVISIONS OF THE FOOD SECURITY ACT OF 1985.

(a) Repeal of Three-Entity Rule.—Section 1001A(a)(1) of the Food Security Act of 1985 (7 U.S.C. 1308–1(a)(1) is amended—

(1) in the first sentence by—

(A) striking "substantial beneficial interests in more than two entities" and inserting "a substantial beneficial interest in any other entity"; and

(B) striking "receive such payments as separate persons" and insert "receives such payments as a separate person"; and

(2) by striking the second sentence.

(b) Attribution of Payments Made to Corporations and Other Entities.—(1) Section 1001(5)(C) of the Food Security Act of 1985 (7 U.S.C. 1308(5)(C)) is amended to read as follows:

"(C) In the case of corporations and other entities included in subparagraph (B), and partnerships, the Secretary shall attribute payments to individuals in proportion to their ownership interests in an entity and in any other entity, or partnership, which owns or controls the entity, or partnership, receiving such payment.".

(2) Section 609 of the Agricultural Act of 1949 (7 U.S.C. 1471g) is amended by striking subsections (c) and (d) and inserting the following:

"(c) In the case of corporations and other entities included in section 1001(5)(B) of the Food Security Act of 1985, and partnerships, the Secretary shall attribute payments to individuals in proportion to their ownership interests in such entities and partnerships.".

(c) Tracking Payments Using Social Security Numbers.—Section 1001(5)(A) of the Food Security Act of 1985 (7 U.S.C. 1308(5)(A)) is amended—

(1) by striking "and" at the end of subparagraph (i);

(2) by redesignating subparagraph (ii) as subparagraph (iii); and

(3) by inserting after subparagraph (i) the following new subparagraph:

"(ii) providing for the tracking of payments made or attributed to an individual on the basis of the Social Security number of the individual; and" Strike out section 2001 and insert the following new section:

SEC. 2001. DEFERRAL OF COST-OF-LIVING ADJUSTMENTS FOR MILITARY RETIREES UNTIL AGE 62.

Section 1401a(b)(1) of title 10, United States Code, is amended by adding at the end the following new sentence: "In the case of a member or former member under age 62 (other than a member retired under chapter 61 of this title), such increase shall not become payable as part of the retired pay of the member or former member until the month in which the member or former member becomes 62 years of age.".

Strike section 5117 (relating to the health coverage clearing house).

Insert after section 5121 the following new part;

PART VI—ELIMINATION OF ENHANCED FEDERAL MATCHING PAYMENTS

SEC. 5126. ELIMINATION OF ENHANCED FEDERAL MATCHING PAYMENTS.

(a) In General.—Section 1903(a) (42 U.S.C. 1396b(a) is amended to read as follows:

"(a) From the sums appropriated therefore, the Secretary (except as otherwise provided in this section) shall pay to each State that has a plan approved under this title, for each quarter—

"(1) an amount with respect to total expenditures during such quarter under the State plan for medical assistance (as defined in section 1905(a)) equal to the sum of—

"(A) an amount equal to 90 percent of such expenditures for family planning services and supplies, plus

"(B) an amount equal to the Federal medical assistance percentage (as defined in section 1905(b), subject to subsections (g) and (j) of this section), of the remainder of such expenditures; plus

"(2) subject to section 1919(g)(3)(C), an amount equal to 50 percent of the remainder of the expenditures during such quarter as found necessary by the Secretary for the proper and efficient administration of the State plan.".

(b) Conforming Amendments.—

(1) Fraud control units.—Section 1903(b) (42 U.S.C. 1396b(b)) is amended by striking paragraph (3).

(2) Medicaid management information systems.—Section 1903(r) (42 U.S.C. 1396b(r)) is amended—

(A) by amending paragraph (1) to read as follows:

"(1) In order to receive payments under subsection (a)(2) without being subject to per centum reductions set forth in paragraph (2), a State must have in operation mechanized claims processing and information retrieval systems approved by the Secretary (of the type approved since October 7, 1980) which are determined to be likely to provide more efficient, economical, and effective administration of the plan and which—

"(A) are compatible with the claims processing and information retrieval systems used in the administration of title XVIII, and

"(B) include provision for prompt written notice to each individual who is furnished services covered by the plan, or to each individual in a sample group of such individuals, of the specific services (other than confidential services) so covered, the name of the person or persons furnishing the services, the date or dates on which the services were furnished, and the amount of the payment or payments made under the plan on account of the services.";

(B) by striking paragraphs (2) and (3), and redesignating paragraphs (4) through (8) as paragraphs (2) through (6), respectively;

(C) in paragraph (2), as so redesignated—

(i) in subparagraph (A), by striking "paragraph (6)" and inserting "paragraph (4)", and

(ii) in subparagraph (B)—

(I) by striking "subsection (a)(3)(B)" and inserting "subsection (a)(2)"; and

(II) by striking "not less than 50 per centum and not more than 70 per centum" and inserting "not less than 25 per centum and not more than 45 per centum";

(D) in paragraph (3), as so redesignated—

(i) in the matter in subparagraph (A) preceding clause (i), by striking "subsection (a)(3)(B)" and inserting "paragraph (1)", and

(ii) in subparagraphs (A)(iii) and (B), by striking "paragraph (6)" and inserting "paragraph (4)"; and

(E) in paragraph (4), as so redesignated—

(i) by striking subparagraph (C) and redesignating subparagraphs (D) through (J) as subparagraphs (C) through (I), and

(ii) in subparagraph (H), as redesignated, by striking "subsection (a)(3) of this section" and inserting "subsection (a)(2)".

(3) Nursing home enforcement.—Section 1919 (42 U.S.C. 1396r) is amended—

(A) in subsection (g)(3)(C), by striking "section 1903(a)(3)(D" and inserting "section 1903(a)(2) with respect to amounts expended for State activities under this subsection", and

(B) in subsection (h)(2), by striking "1903(a)(7)" and inserting "1903(a)(2)" each place it appears in subparagraphs (E) and (F)

(4) Peer review funding.—Section 1158 (42 U.S.C. 1320c–7) is amended—

(A) by striking "(a)", and

(B) by striking subsection (b).

(c) Effective Date.—(1) Except as provided in paragraph (2), the amendments made by subsections (a) and (b) shall apply to calendar quarters beginning on or after April 1, 1994, without regard to whether or not final regulations to carry out such amendments have been promulgated by such date.

(2) In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order for the plan to meet the additional requirements imposed by the amendments made by subsections (a) and (b), the State plan shall not be regarded as failing to comply with the requirements

of such title solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

Insert after section 5140 the following new section:

SEC. 5140A. CONDITIONING FEDERAL FINANCIAL PARTICIPATION ON ENROLLMENT OF BENEFICIARIES IN STAFF OR GROUP MODEL HEALTH MAINTENANCE ORGANIZATIONS.

(a) In General.—Section 1903 (42 U.S.C. 1396b) is amended by inserting after subsection (r) the following new subsection:

“(s)(1) Notwithstanding the preceding provisions of this section or any other provision of this title, except as provided in paragraph (2), no payment may be made to a State under this section for medical assistance (other than nursing facility services, home or community based services described in section 1915(c)(1), and other long-term care services specified by the Secretary) furnished to any individual who does not receive such assistance through enrollment with a staff or group model health maintenance organization.

“(2) Notwithstanding paragraph (1), payment may be made to a State for medical assistance furnished to an individual other than through enrollment with a staff or group model health maintenance organization if the State demonstrates to the satisfaction of the Secretary that, for the geographic area in which the individual resides, no such organization is available with which the individual may enroll.

“(3) In this subsection, a ‘staff or group model health maintenance organization’ is a health maintenance organization (as defined in subsection (m)(1)(A)) for which 90 percent of the services of physicians are provided through members of the staff of the organization or through a medical group (or groups).”.

(b) Repeal of Enrollment Mix Requirement for Medical HMO's.—

(1) In General.—Section 1903(m)(2)(A) (42 U.S.C. 1396b(m)(2)(A)) is amended by striking clause (ii).

(2) Conforming Amendments.—Section 1903(m)(2) (42 U.S.C. 1396b(m)(2)) is further amended—

(A) by striking subparagraphs (C), (D), and (E); and

(B) in subparagraph (F), by striking “In the case of—” and all that follows through “(ii) a program” and inserting “In the case of a program”.

(c) Effective Date.—(1) Except as provided in paragraph (2), the amendments made by subsections (a) and (b) shall apply to calendar quarters beginning on or after October 1, 1994, without regard to whether or not final regulations to carry out such amendments have been promulgated by such date.

(2) In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order for the plan to meet the additional requirements imposed by the amendments made by subsections (a) and (b), the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

Strike section 5144 (relating to increase in limit on Federal Medicaid matching payments to certain territories).

Strike section 5146 (relating to renewal of unfunded demonstration project for low-income pregnant women and children).

Strike section 5147 (relating to optional Medicaid coverage for TB-related services for certain TB-infected individuals).

In section 5150B (relating to nursing home reform), add at the end the following new subsection:

(e) Authorizing Waiver of Nursing Home Reform Requirements.—The Secretary of Health and Human Services may waive specified requirements of subsections (b) through (e) of section 1919 of the Social Security Act with respect to nursing facilities located in a State if the State provides assurances satisfactory to the Secretary (including, if appropriate, the implementation of an alternative State program) that the waiver of such requirements will not adversely affect the quality of life of the residents in such facilities.

Strike section 5181 (relating to entitlements and grants with respect to immunizations against vaccine-preventable diseases).

In section 5183 (relating to Medicaid immunization provisions), strike subsections (b), (c), and (f).

At the end of title X insert the following:

Subtitle D—Miscellaneous Provisions

SEC. 10301. INCREASE IN MINIMUM AGE REQUIRED IN ORDER TO BE ELIGIBLE FOR AN IMMEDIATE CIVIL SERVICE ANNUITY.

(a) Civil Service Retirement System.—

(1) With 30 years of service.—Section 8336(a) of title 5, United States Code, is amended to read as follows:

“(a)(1) An employee who is separated from the service after attaining the minimum retirement age under paragraph (2) and completing 30 years of service is entitled to an annuity.

“(2) The minimum retirement age under this paragraph is—

“(A) for an individual whose date of birth is before January 1, 1938, 55 years of age;

“(B) for an individual whose date of birth is after December 31, 1937, and before January 1, 1940, 56 years of age;

“(C) for an individual whose date of birth is after December 31, 1939, and before January 1, 1942, 57 years of age;

“(D) for an individual whose date of birth is after December 31, 1941, and before January 1, 1944, 58 years of age;

“(E) for an individual whose date of birth is after December 31, 1943, and before January 1, 1946, 59 years of age;

“(F) for an individual whose date of birth is after December 31, 1945, and before January 1, 1948, 60 years of age; and

“(G) for an individual whose date of birth is after December 31, 1947, and before January 1, 1950, 61 years of age.

“(3) The preceding provisions of this subsection shall not apply with respect to any individual whose date of birth is after December 31, 1949.”.

(2) With 20 years of service.—Section 8336(b) of title 5, United States Code, is amended to read as follows:

“(b)(1) An employee who is separated from the service after attaining the minimum retirement age under paragraph (2) and completing 20 years of service is entitled to an annuity.

“(2) The minimum retirement age under this paragraph is—

“(A) for an individual whose date of birth is before January 1, 1933, 60 years of age; and

“(B) for an individual whose date of birth is after December 31, 1932, and before January 1, 1935, 61 years of age.

“(3) The preceding provisions of this subsection shall not apply with respect to any individual whose date of birth is after December 31, 1934.”.

(3) Members of congress.—Section 8336(g) of title 5, United States Code, is amended—

(A) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively, and by striking “(g)” and inserting “(g)(1)”;

(B) in the first sentence by striking “becoming 60 years of age” and inserting “satisfying the requirements of paragraph (2)”;

(C) in the second sentence by striking “becoming 55 years of age (but before becoming 60 years of age)” and inserting “satisfying the requirements of paragraph (3)”; and

(D) by adding at the end the following:

“(2) A Member shall be considered to satisfy the requirements of this paragraph if such Member has attained the minimum retirement age which would apply to such Member under section 8336(b), except that such requirements shall not be considered satisfied by any Member described in section 8336(b)(3).

“(3) A Member shall be considered to satisfy the requirements of this paragraph if such Member—

“(A) has attained the minimum retirement age which would apply to such Member under section 8336(a), but

“(B) has not attained the minimum retirement age which would apply to such Member under section 8336(b),

except that such requirements shall not be considered satisfied by any Member described in section 8336(b)(3).”.

(b) Federal Employees' Retirement System.—

(1) With 20 years of service.—Section 8412(b) of title 5, United States Code, is amended to read as follows:

“(b)(1) An employee or Member who is separated from the service after attaining the minimum retirement age under paragraph (2) and completing 20 years of service is entitled to an annuity.

“(2) The minimum retirement age under this paragraph is—

“(A) for an individual whose date of birth is before January 1, 1933, 60 years of age; and

“(B) for an individual whose date of birth is after December 31, 1932, and before January 1, 1935, 61 years of age.

“(3) The preceding provisions of this subsection shall not apply with respect to any individual whose date of birth is after December 31, 1934.”.

(2) With 30 years of service.—Section 8412(h) of title 5, United States Code, is amended to read as follows:

“(h)(1) The applicable minimum retirement age under this subsection is—

“(A) for an individual whose date of birth is before January 1, 1938, 55 years of age;

“(B) for an individual whose date of birth is after December 31, 1937, and before January 1, 1940, 56 years of age;

“(C) for an individual whose date of birth is after December 31, 1939, and before January 1, 1942, 57 years of age;

“(D) for an individual whose date of birth is after December 31, 1941, and before January 1, 1944, 58 years of age;

"(E) for an individual whose date of birth is after December 31, 1943, and before January 1, 1946, 59 years of age;

"(F) for an individual whose date of birth is after December 31, 1945, and before January 1, 1948, 60 years of age; and

"(G) for an individual whose date of birth is after December 31, 1947, and before January 1, 1950, 61 years of age.

"(2) Nothing in paragraph (1) shall be considered to apply with respect to any individual whose date of birth is after December 31, 1949.".

(c) CONFORMING AMENDMENT.—Section 8442(c)(2)(B)(i)(I) of title 5, United States Code, is amended by striking "age 60" and inserting "the minimum retirement age under section 8412(b)".

(d) CONFORMANCE OF THE RETIREMENT SYSTEMS RELATING TO THE FOREIGN SERVICE AND THE CENTRAL INTELLIGENCE AGENCY.—

(1) FOREIGN SERVICE.—The President shall, in accordance with applicable provisions of section 827 of the Foreign Service Act of 1980 (22 U.S.C. 4067), provide that the Foreign Service Retirement and Disability System and the Foreign Service Pension System are conformed to reflect the amendments made by this section.

(2) CENTRAL INTELLIGENCE AGENCY.—The President shall, using the authority available to him under section 292 of the Central Intelligence Agency Retirement Act, as set forth in section 802 of the CIARDS Technical Corrections Act of 1992 (Public Law 102–496; 106 Stat. 3241), provide that the Central Intelligence Agency Retirement and Disability System shall be conformed to reflect the amendments made by this section.

(e) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on January 1, 1994, and shall apply with respect to annuities based on the service of any individual separating on or after that date.

SEC. 10302. REQUIREMENT THAT CERTAIN AGENCIES PREFUND GOVERNMENT HEALTH BENEFITS CONTRIBUTIONS FOR THEIR ANNUITANTS.

(a) DEFINITIONS.—For the purpose of this section—

(1) the term "agency" means any agency or other instrumentality within the executive branch of the Government, the receipts and disbursements of which are not generally included in the totals of the budget of the United States Government submitted by the President;

(2) the term "health benefits plan" means, with respect to an agency, a health benefits plan, established by or under Federal law, in which employees or annuitants of such agency may participate;

(3) the term "health-benefits coverage" means coverage under a health benefits plan";

(4) an individual shall be considered to be an "annuitant of an agency" if such individual is entitled to an annuity, under a retirement system established by or under Federal law, by virtue of—

(A) such individual's service with, and separation from, such agency; or

(B) being the survivor of an annuitant under subparagraph (A) or of an individual who died while employed by such agency; and

(5) the term "Office" means the Office of Personnel Management.

(b) PREFUNDING REQUIREMENT.—

(1) IN GENERAL.—Effective as of October 1, 1994, each agency (or February 1, 1995, in the case of the agency with the greatest number of employees, as determined by the Office) shall be required to prepay the Government contributions which are or will be required in connection with providing health-benefits coverage for annuitants of such agency.

(2) REGULATIONS.—The Office shall prescribe such regulations as may be necessary to carry out this section. The regulations shall be designed to ensure at least the following:

(A) Amounts paid by each agency shall be sufficient to cover the amounts which would otherwise be payable by such agency (on a "pay-as-you-go" basis), on or after the applicable effective date under paragraph (1), on behalf of—

(i) individuals who are annuitants of the agency as of such effective date; and

(ii) individuals who are employed by the agency as of such effective date, or who become employed by the agency after such effective date, after such individuals have become annuitants of the agency (including their survivors).

(B)(i) For purposes of determining any amounts payable by an agency—

(I) this section shall be treated as if it had taken effect at the beginning of the 20-year period which ends on the effective date applicable under paragraph (1) with respect to such agency; and

(II) in addition to any amounts payable under subparagraph (A), each agency shall also be responsible for paying any amounts for which it would have been responsible, with respect to the 20-year period described in subclause (I), in connection with any individuals who are annuitants or employees of the agency as of the applicable effective date under paragraph (1).

(ii) Any amounts payable under this subparagraph for periods preceding the applicable effective date under paragraph (1) shall be payable in equal installments over the 20-year period beginning on such effective date.

(c) FASB STANDARDS.—Regulations under subsection (b) shall be in conformance with the provisions of standard 106 of the Financial Accounting Standards Board, issued in December 1990.

(d) CLARIFICATION.—Nothing in this section shall be considered to permit or require duplicative payments on behalf of any individuals.

(e) DRAFT LEGISLATION.—The Office shall prepare and submit to Congress any draft legislation which may be necessary in order to carry out this section.

Strike sections 13211 and 13212 (relating to new family preservation entitlement).

In section 13214(a), strike "13213(a)" and insert "13211(a)".

In section 13219(a)(2), strike "13224" and insert "13222".

In section 13226(a), strike "13224 and 13219(a)(2)" and insert "13222 and 13217(a)(2)".

In section 13234(a), strike "13229" and insert "13227".

Strike section 13275 (relating to modifications to extended unemployment program).

Insert after section 13581 the following new chapter:

Chapter 6—Third Party Liability

SEC. 13591. ACCESS TO EMPLOYMENT-BASED HEALTH INSURANCE INFORMATION.

(a) REPORTING OF GROUP HEALTH PLAN INFORMATION.—Section 6051(a) of the Internal Revenue Code of 1986 is amended—

(1) by striking "and" at the end of paragraph (8),

(2) by striking the period at the end of paragraph (9) and inserting ", and", and

(3) by inserting after paragraph (9) the following new paragraph:

"(10) whether a group health plan (as defined in section 6103(l)(12)(F)(ii)) is available to the employee and the plan coverage (single or family) elected by such employee (if any).".

(b) DISCLOSURES OF TAX RETURN INFORMATION.—Section 6103(l)(12) of the Internal Revenue Code of 1986 is amended—

(1) by amending the heading to read as follows: "DISCLOSURE OF CERTAIN TAXPAYER IDENTITY INFORMATION FOR PURPOSES OF IDENTIFYING HEALTH INSURANCE COVERAGE OF CERTAIN INDIVIDUALS AND SPOUSES.—";

(2) in subparagraph (A)—

(A) by striking "Commissioner of Social Security" and inserting "Director of the Third Party Liability Clearinghouse pursuant to section 1144(c) of the Social Security Act",

(B) by striking "Commissioner" the second place it appears and inserting "Commissioner of Social Security",

(C) by striking "medicare beneficiary" and inserting "individual", and

(D) by striking "Commissioner" the third place it appears and inserting "Director";

(3) in subparagraph (B)—

(A) by striking "medicare beneficiary" each place it appears and inserting "individual";

(B) in the matter preceding clause (i)—

(i) by striking "Administrator of the Health Care Financing Administration" and inserting "Director of the Third Party Liability Clearinghouse",

(ii) by striking "Administrator" the second place it appears and inserting "Director", and

(iii) by inserting before the colon the following: "with respect to the individuals (and spouses) specified in subparagraph (A)";

(C) by amending clause (i) to read as follows:

"(i) For each such individual who is identified as having received wages (as defined in section 3401(a)) from, and as having available coverage under a group health plan of, an employer in a previous year—

"(I) the name and TIN of the individual,

"(II) the name, address, and TIN of the employer, and whether such employer is a qualified employer, and

"(III) the information reported under section 6051(a)(10).";

(D) in clause (ii)—

(i) in the matter preceding subclause (I), by striking "a qualified employer" and inserting ", and as having available coverage under a group health plan of, an employer",

(ii) by striking "and" at the end of subclause (I),

(iii) by striking the period at the end of subclause (II) and inserting a comma, and

(iv) by inserting after subclause (II) the following:

"(III) the name, address, and TIN of the spouse's employer, and whether such employer is a qualified employer, and

"(IV) the information reported under section 6051(a)(10) with respect to the spouse."; and

(E) by striking clause (iii);

(5) in subparagraph (C)—

(A) in the matter preceding clause (i)—

(i) in the heading, by striking "Health Care Financing Administration" and inserting "Third Party Liability Clearinghouse", and

(ii) by striking "Administrator of the Health Care Financing Administration may disclose" and inserting "Director of the Third Party Liability Clearinghouse may (subject to the provisions of subparagraph (E)) disclose",

(B) in clause (i), by striking "qualified employer" and inserting "employer",

(C) by amending clause (ii) to read as follows:

"(ii) to the administrator of a program specified in section 1144(b)(2) of the Social Security Act, to the extent provided in such section 1144, and",

(D) by redesignating clause (iii) as clause (iv),

(E) by inserting after clause (ii) the following new clause:

"(iii) to any person specified in section 1144(e)(2), information in the data bank established pursuant to such section 1144(e), for the purposes specified in such section, and", and

(F) in clause (iv), as so redesignated, by striking "Administrator" each place it appears and inserting "Director";

(6) by redesignating subparagraphs (D), (E), and (F) as subparagraphs (E), (F), and (G), respectively, and inserting after subparagraph (C) the following new subparagraph:

"(D) DISCLOSURE BY CERTAIN PROGRAMS TO GROUP HEALTH PLANS.—The administrator of a program specified in section 1144(b)(2) of the Social Security Act may (subject to the provisions of subparagraph (E)) disclose information concerning an employee or spouse disclosed to the Director of the Third Party Liability Clearinghouse pursuant to subparagraph (B) and redisclosed to such administrator pursuant to subparagraph (D)—

"(i) to any group health plan which provides or provided coverage to such employee or spouse, and

"(ii) to any agent of such administrator, for purposes of identifying, or collecting on claims under, coverage of such employee or spouse under such group health plan.";

(7) in subparagraph (E)(i), as redesignated by paragraph (6), by striking "medicare beneficiary" and inserting "individual"; and

(8) in subparagraph (F), as redesignated by paragraph (6), by striking clause (i) and redesignating clauses (ii) and (iii) as clauses (i) and (ii), respectively.

(c) HEALTH INSURANCE CLEARINGHOUSE.—

(1) Part A of title XI of the Social Security Act is amended by adding at the end thereof the following new section:

"THIRD PARTY LIABILITY CLEARINGHOUSE

"SEC. 1144. (a)(1) ESTABLISHMENT OF CLEARINGHOUSE.—The Secretary shall establish and operate a Third Party Liability Clearinghouse (in this section referred to as the 'Clearinghouse') for the purpose of identifying third parties responsible for payment for health care items and services furnished (or available) to beneficiaries of certain Federal and federally assisted programs, and for related purposes.

"(2) DIRECTOR.—The Clearinghouse established pursuant to paragraph (1) shall be headed by a Director (in this section referred to as the 'Director').

"(b) PROGRAM ADMINISTRATORS ENTITLED TO INFORMATION ON THIRD PART LIABILITIES.—

"(1) IN GENERAL.—Each person administering a program specified in paragraph (2) shall be entitled (subject to subsection (h)), upon written request to the Director in such form and manner and at such times as the Director may require, specifying names and tax identification numbers (TINs) of individuals who are—

"(A) program beneficiaries (in the case of programs specified in paragraph (2)(A)), or

"(B) parents of dependent children (in the case of programs specified in paragraph (2)(B)),

to obtain information in accordance with this section concerning employment and group health coverage of such individuals and their spouses.

"(2) PROGRAMS SPECIFIED.—The programs whose administrators are entitled to obtain the information specified in paragraph (1) in accordance with this section are—

"(A) all programs administered by the Federal Government, or by a State or local government or any other entity with Federal financial assistance, whose primary purpose is to provide (or make payment for) health care items and services to individuals, and

"(B) the Federal Parent Locator Service established pursuant to section 453, and State agencies administering plans for child and spousal support pursuant to section 454.

"(c) DATA MATCHING PROGRAM.—

"(1) REQUEST BY DIRECTOR.—The Director shall, at such intervals as he finds appropriate, transmit to the Secretary of the Treasury the names and TINs of individuals with respect to whom a request has been made pursuant to subsection (b), and request that the Secretary disclose to the Commissioner of Social Security the information described in section 6103(l)(12)(A) of the Internal Revenue Code of 1986 (concerning names and TINs of spouses of such individuals).

"(2) INFORMATION FROM COMMISSIONER OF SOCIAL SECURITY.—The Commissioner of Social Security shall disclose to the Director, in accordance with section 6103(l)(12)(B) of the Internal Revenue Code of 1986, information concerning employment and health insurance with respect to such individuals and spouses.

"(3) INFORMATION FROM EMPLOYERS.—The Director shall—

"(A) request, from the employer of each individual (including each spouse) with respect to whom information was received from the Commissioner of Social Security pursuant to paragraph (2), specific information concerning coverage of such individual under the employer's group health plan (including the period and nature of the coverage, and the name, address, and identifying number of the plan), and

"(B) furnish the information received in response to such request with respect to an individual (or such individual's spouse) to the person or persons requesting such information pursuant to subsection (b).

"(d) REQUIREMENT THAT EMPLOYERS FURNISH INFORMATION.—

"(1) IN GENERAL.—An employer shall furnish to the Director the information requested pursuant to subsection (c)(3) within 30 days after receipt of such a request.

"(2) SUNSET ON REQUIREMENT.—Paragraph (1) shall not apply to inquiries made after September 30, 1998.

"(3) CIVIL MONEY PENALTY FOR FAILURE TO COOPERATE.—

"(A) IN GENERAL.—An employer (other than a Federal or other governmental entity) who willfully or repeatedly fails to provide timely and accurate response to a request for information pursuant to subsection (c)(3) shall be subject, in addition to any other penalties that may be prescribed by law, to a civil money penalty of not to exceed $1,000 for each individual with respect to which such a request is made.

"(B) ENFORCEMENT AUTHORITY FOR HHS PROGRAMS.—In cases of failure to respond to the Director in accordance with paragraph (1) to inquiries relating to requests pursuant to subsection (b) by persons administering programs of, or financially assisted by, the Department of Health and Human Services, the provisions of section 1128A (other than subsections (a) and (b)) shall apply to civil money penalties under subparagraph (A) in the same manner as such provisions apply to penalties or proceedings under section 1128A(a).

"(e) DATA BANK.—

"(1) MAINTENANCE OF INFORMATION.—The Clearinghouse shall maintain a data bank, containing information on individuals obtained pursuant to this section and to section 6103(l)(12) of the Internal Revenue Code of 1986. Individual information in the data bank shall be retained for not less than one year after the date the information was obtained.

"(2) DISCLOSURE OF INFORMATION IN DATA BANK.—The Administrator is authorized (subject to the restriction in section 6103(l)(12)(E)(i) of the Internal Revenue Code of 1986) to disclose any information in the data bank established pursuant to paragraph (1) with respect to an individual (or an individual's spouse)—

"(A) to the Commissioner of Social Security, the Secretary of the Treasury, officials administering programs specified in subsection (b)(2), employers, and insurers, to the extent necessary to assist such officials to administer such programs;

"(B) to Federal and State law enforcement officials responsible for enforcement of civil or criminal laws, in connection with investigations or administrative or judicial law enforcement proceedings relating to a program specified in subsection (b)(2); and

"(C) for research or statistical purposes.

"(f) COLLECTIONS FROM THIRD PARTIES.—The Clearinghouse is authorized, upon request by a person administering a Federal health care program, to assist in the collection of amounts due from liable third parties to reimburse costs incurred by such program for health care items and services, through methods including—

"(1) use of contractors reimbursed on a contingency fee basis, and

"(2) judicial and administrative processes, in cooperation with program official and the Attorney General, as appropriate.

"(g) EVALUATION RESPONSIBILITIES.—The Clearinghouse shall evaluate methods for improving—

"(1) procedures for the collection, management, and appropriate disclosure of health care coverage information,

"(2) Federal laws and policies concerning third party liability for medical care, and

"(3) State requirements for medical support of dependent children.

"(h) FEES FOR CLEARINGHOUSE SERVICES.—The Clearinghouse shall establish fees for services to programs specified in subsection (b)(2) under subsections (c) and (f) designed to cover the full costs to the Clearinghouse of providing such services. Clearinghouse services under such subsections (c) and (f) shall be available to such programs subject to payment of such fees.

"(i) USE OF CONTRACTORS.—The responsibilities of the Clearinghouse may be carried out directly or (except for the responsibilities under subsections (b), (c)(1), and (c)(2)) by contract.

"(j) DEFINITIONS.—For purposes of this section, the terms 'employer' and 'group health plan' have the meanings given them in section 6103(l)(12)(F) of the Internal Revenue Code of 1986.".

(d) CONFORMING AMENDMENTS.—Section 1862(b)(5) (42 U.S.C. 1395y(b)(5)) is amended—

(1) in subparagraph (A)(i)—

(A) by striking "Secretary of the Treasury" and inserting "Administrator of the Health Care Financing Administration";

(B) by striking "(as defined in section 6103(l)(12) of the Internal Revenue Code of 1986)" and inserting "(as defined in clause (iii)"; and

(C) by striking "and request" and all that follows and inserting a period;

(2) in subparagraph (A)(ii)—

(A) by striking "the Commissioner of the Social Security Administration and all that follows and inserting "the Director of the Third Party Liability Clearinghouse to obtain and disclose to the Administrator, pursuant to section 1144(c) and to subparagraph (C) of section 6103(l)(12) of the Internal Revenue Code of 1986, the information described in subparagraph (B) of such section 6103(l)(12)."; and

(B) by inserting ", pursuant to section 1144(c)," after "disclose to the Administrator";

(3) in subparagraph (A), by adding at the end the following new clause:

"(iii) MEDICARE BENEFICIARY.—For purposes of this paragraph, the term 'medicare beneficiary' means an individual entitled to benefits under part A or enrolled under part B, but does not include such an individual enrolled in part A under section 1818."; and

(4) by striking subparagraph (C).

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect April 1, 1995.

Strike section 14215 (relating to social security and tier 1 railroad retirement benefits).

Make such subtitle, part, and section redesignations and conforming changes to the tables of contents as may be appropriate.

By Mr. CLINGER:

—At the appropriate place in title XV, insert the following new section:

SEC. . DEFINITION OF EMERGENCY.

Section 250 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding at the end the following new paragraph:

"(22) The term 'emergency requirement', as used in section 251(b)(2)(D) and section 252(e), refers only to an emergency that is genuine, sudden, and unforeseen.".

By Mr. MICHEL:

—Strike subtitle C of title I (relating to the food stamp program).

—Strike section 1405 (relating to levels of insurance under the Federal Crop Insurance Act).

—Insert at the end of subtitle D of title I the following new sections:

SEC. 1405. EXEMPTION OF TRIPLE BASE ACREAGE FROM CERTAIN CONSERVATION REQUIREMENTS.

(a) HIGHLY ERODIBLE LAND CONSERVATION.—Section 1212 of the Food Security Act of 1985 (16 U.S.C. 3812) is amended by adding at the end the following new subsection:

"(i) Notwithstanding any other provision of law, the producers on a farm—

"(1) may designate the specific acres on the farm that are in a quantity equal to the crop acreage base for a crop on the farm less the quantity of payment acres for the crop under section 107B(c)(1)(C)(ii), 105B(c)(1)(C)(ii), 103B(c)(1)(C)(ii), or 101B(c)(1)(C)(ii) of the Agricultural Act of 1949 (7 U.S.C. 1445b–3a(c)(1)(C)(ii), 1444f(c)(1)(C)(ii), 1444–2(c)(1)(C)(ii), or 1441–2(c)(1)(C)(ii)); and

"(2) shall be exempt from the requirements of this subtitle with respect to the specific acres that are designated under paragraph (1).".

(b) WETLAND CONSERVATION.—Section 1222 of such Act (16 U.S.C. 3822) is amended by adding at the end the following new subsection:

"(k) PRODUCTION ON TRIPLE BASE ACREAGE.—Notwithstanding any other provision of law, the producers on a farm—

"(1) may designate the specific acres on the farm that are in a quantity equal to the crop acreage base for a crop on the farm less the quantity of payment acres for the crop under section 107B(c)(1)(C)(ii), 105B(c)(1)(C)(ii), 103(c)(1)(C)(ii), or 101B(c)(1)(C)(ii) of the Agricultural Act of 1949 (7 U.S.C. 1445b–3a(c)(1)(C)(ii), or 1444f(c)(1)(C)(ii), 1444–2(c)(1)(C)(ii), or 1441–2(c)(1)(C)(ii)); and

"(2) shall be exempt from the requirements of this subtitle with respect to the specific acres that are designated under paragraph (1).".

(c) CROPS.—The amendments made by this section shall be effective only for the 1994 through 1998 crops of wheat, feed grains, upland cotton, and rice.

SEC. 1406. ELIMINATION OF MALTING BARLEY ASSESSMENT.

(a) ELIMINATION OF ASSESSMENT.—Section 105B of the Agricultural Act of 1949 (7 U.S.C. 1444f) is amended by striking subsection (p).

(b) EFFECT ON CALCULATION OF TARGET PRICE FOR BARLEY.—Subsection (c)(1)(B)(iii)(IV)(bb) of such section is amended—

(1) by striking "clause (i)(I)" and inserting "clause (ii)(I);

(2) by striking "primarily"; and

(3) by inserting before the period the following: "or malting purposes".

(c) APPLICATION OF AMENDMENTS.—The amendments made by this section shall apply beginning with the 1994 crop year for barley.

SEC. 1407. REFORM OF THE PAYMENT LIMITATION PROVISIONS OF THE FOOD SECURITY ACT OF 1985.

(a) REPEAL OF THREE-ENTITY RULE.—Section 1001A(a)(1) of the Food Security Act of 1985 (7 U.S.C. 1308–1(a)(1) is amended—

(1) in the first sentence by—

(A) striking "substantial beneficial interests in more than two entities" and inserting "a substantial beneficial interest in any other entity"; and

(B) striking "receive such payments as separate persons" and insert "receives such payments as a separate person"; and

(2) by striking the second sentence.

(b) ATTRIBUTION OF PAYMENTS MADE TO CORPORATIONS AND OTHER ENTITIES.—(1) Section 1001(5)(C) of the Food Security Act of 1985 (7 U.S.C. 1308(5)(C)) is amended to read as follows:

"(C) In the case of corporations and other entities included in subparagraph (B), and partnerships, the Secretary shall attribute payments to individuals in proportion to their ownership interests in an entity and in any other entity, or partnership, which owns or controls the entity, or partnership, receiving such payment.".

(2) Section 609 of the Agricultural Act of 1949 (7 U.S.C. 1471g) is amended by striking subsections (c) and (d) and inserting the following:

"(c) In the case of corporations and other entities included in section 1001(5)(B) of the Food Security Act of 1985, and partnerships, the Secretary shall attribute payments to individuals in proportion to their ownership interests in such entities and partnerships.".

(c) TRACKING PAYMENTS USING SOCIAL SECURITY NUMBERS.—Section 1001(5)(A) of the Food Security Act of 1985 (7 U.S.C. 1308(5)(A)) is amended—

(1) by striking "and" at the end of subparagraph (i);

(2) by redesignating subparagraph (ii) as subparagraph (iii); and

(3) by inserting after subparagraph (i) the following new subparagraph:

"(ii) providing for the tracking of payments made or attributed to an individual on the basis of the Social Security number of the individual; and".

SEC. 1408. UNIFORM FOOD STAMPS REIMBURSEMENT RATES.

(a) AMENDMENTS.—Section 16 of the Food Stamp Act of 1977 (7 U.S.C. 2025) is amended—

(1) in subsection (a)—

(A) by striking "and (5)" and inserting "(5)";

(B) by inserting before the colon the following—

", (6) automated data processing and information retrieval systems subject to the conditions set forth in subsection (g), (7) food stamp program investigations and prosecutions, and (8) implementing and operating the immigration status verification system under section 1137(d) of the Social Security Act (42 U.S.C. 1320b-7(d))"; and

(C) in the proviso by inserting after "75 per centum" the following:

"through June 30, 1994, 70 percent for the 1-year period beginning July 1, 1994, 60 percent for the 1-year period beginning July 1, 1995, and 50 percent for any subsequent period,";

(2) in subsection (g)—

(A) by inserting "through June 30, 1995, equal to 60 percent for the 1-year period beginning July 1, 1995, and 50 percent effective July 1, 1996," after "1991,"; and

(B) by striking "automatic" and inserting "automated"; and

(3) in subsection (j) by inserting after "100 per centum" the following:

"through June 30, 1994, 70 percent for the 1-year period beginning July 1, 1994, 60 percent for the 1-year period beginning July 1, 1995, and 50 percent for any subsequent period,".

(b) APPLICATION OF AMENDMENTS.—The reductions in enhanced Federal match rates for administration resulting from the amendments made by subsection (a) shall apply to payments to States for expenditures incurred only after—

(A) the end of the State fiscal year that ends during 1994; or

(B) in the case of a State with a State legislature which is not scheduled to have a regular legislative session in 1994, the end of the State fiscal year that ends during 1995;

without regard to whether or not final regulations to carry out such amendments have been promulgated by the Secretary before the end of either of such State fiscal years.

Strike out section 2001 and insert the following new section:

SEC. 2001. DEFERRAL OF COST-OF-LIVING ADJUSTMENTS FOR MILITARY RETIREES UNTIL AGE 62.

Section 1401a(b)(1) of title 10, United States Code, is amended by adding at the end the following new sentence: "In the case of a member or former member under age 62 (other than a member retired under chapter 61 of this title), such increase shall not become payable as part of the retired pay of the member or former member until the month in which the member or former member becomes 62 years of age.".

After section 3005 insert the following new section:

SEC. 3006. ADMINISTRATIVE FEES FOR SECTION 8 CERTIFICATE AND VOUCHER PROGRAMS.

(a) IN GENERAL.—Section 8(q)(1) of the United States Housing Act of 1937 (42 U.S.C. 1437f(q)(1)) is amended—

(1) by striking the 2d sentence and inserting the following new sentences: "In fiscal year 1994, the amount of the fee for each month for which a dwelling unit is covered by an assistance contract shall be 7.25 percent of the fair market rental established

under subsection (c)(1) for a 2-bedroom existing rental dwelling unit in the market area of the public housing agency. After fiscal year 1994, the Secretary may decrease the amount of the fee at such times and in such amounts as the Secretary considers appropriate, except that (A) the fee may not be less than 6.0 percent of such fair market rental at any time, and (B) in fiscal year 1998 and in each fiscal year thereafter, the fee shall be 6.0 percent of such fair market rental."; and

(2) in the last sentence, by striking "fee" and inserting "amount of the fee established under this paragraph, for certain programs,".

(b) EFFECTIVE DATE AND APPLICABILITY.—

(1) EFFECTIVE DATE.—The amendments under subsection (a) shall be made and shall take effect on October 1, 1993.

(2) APPLICABILITY.—The amendments made by this section shall apply to any dwelling units covered by an assistance contract under section 8 of the United States Housing Act of 1937 in effect on October 1, 1993, and any units covered by a contract entered into or renewed on or after such date.

Add at the end of section 5061 the following new subsection:

(c) IMPOSITION OF 10 PERCENT COINSURANCE.—

(1) IN GENERAL.—Paragraphs (1)(D) and (2)(D) of section 1833(a) (42 U.S.C. 1395l(a)) are each amended by striking "100 percent" each place it appears and inserting "90 percent".

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall apply to tests furnished on or after January 1, 1994.

Strike section 5117 (relating to the health coverage clearinghouse).

Insert after section 5140 the following new section:

SEC. 5140A. CONDITIONING FEDERAL FINANCIAL PARTICIPATION ON ENROLLMENT OF BENEFICIARIES IN STAFF OR GROUP MODEL HEALTH MAINTENANCE ORGANIZATIONS.

(a) IN GENERAL.—Section 1903 (42 U.S.C. 1396b) is amended by inserting after subsection (r) the following new subsection:

"(s)(1) Notwithstanding the preceding provisions of this section or any other provision of this title, except as provided in paragraph (2), no payment may be made to a State under this section for medical assistance (other than nursing facility services, home or community based services described in section 1915(c)(1), and other long-term care services specified by the Secretary) furnished to any individual who does not receive such assistance through enrollment with a staff or group model health maintenance organization.

"(2) Notwithstanding paragraph (1), payment may be made to a State for medical assistance furnished to an individual other than through enrollment with a staff or group model health maintenance organization if the State demonstrates to the satisfaction of the Secretary that, for the geographic area in which the individual resides, no such organization is available with which the individual may enroll.

"(3) In this subsection, a 'staff or group model health maintenance organization' is a health maintenance organization (as defined in subsection (m)(1)(A)) for which 90 percent of the services of physicians are provided through members of the staff of the organization or through a medical group (or groups).".

(b) REPEAL OF ENROLLMENT MIX REQUIREMENT FOR MEDICAID HMO'S.—

(1) IN GENERAL.—Section 1903(m)(2)(A) (42 U.S.C. 1396b(m)(2)(A)) is amended by striking clause (ii).

(2) CONFORMING AMENDMENTS.—Section 1903(m)(2) (42 U.S.C. 1396b(m)(2)) is further amended—

(A) by striking subparagraphs (C), (D), and (E); and

(B) in subparagraph (F), by striking "In the case of—" and all that follows through "(ii) a program" and inserting "In the case of a program".

(c) EFFECTIVE DATE.—(1) Except as provided in paragraph (2), the amendments made by subsections (a) and (b) shall apply to calendar quarters beginning on or after October 1, 1994, without regard to whether or not final regulations to carry out such amendments have been promulgated by such date.

(2) In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determine requires State legislation (other than legislation appropriating funds) in order for the plan to meet the additional requirements imposed by the amendments made by subsections (a) and (b), the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

Strike section 5141 (relating to special funding for medical assistance for aliens).

Strike section 5144 (relating to increase in limit on Federal Medicaid matching payments to certain territories).

Strike section 5146 (relating to renewal of unfunded demonstration project for low-income pregnant women and children).

Strike section 5147 (relating to optional Medicaid coverage for TB-related services for certain TB-infected individuals).

In section 5150B (relating to nursing home reform), add at the end the following new subsection:

(e) AUTHORIZING WAIVER OF NURSING HOME REFORM REQUIREMENTS.—The Secretary of Health and Human Services may waive specified requirements of subsections (b) through (e) of section 1919 of the Social Security Act with respect to nursing facilities located in a State if the State provides assurances satisfactory to the Secretary (including, if appropriate, the implementation of an alternative State program) that the waiver of such requirements will not adversely affect the quality of life of the residents in such facilities.

Strike section 5181 (relating to entitlements and grants with respect to immunizations against vaccine-preventable diseases).

In section 5183 (relating to Medicaid immunization provisions), strike subsections (b), (c), and (f).

At the end of title X insert the following:

Subtitle D—Miscellaneous Provisions

SEC. 10301. INCREASE IN MINIMUM AGE REQUIRED IN ORDER TO BE ELIGIBLE FOR AN IMMEDIATE CIVIL SERVICE ANNUITY.

(a) CIVIL SERVICE RETIREMENT SYSTEM.—

(1) WITH 30 YEARS OF SERVICE.—Section 8336(a) of title 5, United States Code, is amended to read as follows:

"(a)(1) An employee who is separated from the service after attaining the minimum retirement age under paragraph (2) and completing 30 years of service is entitled to an annuity.

"(2) The minimum retirement age under this paragraph is—

"(A) for an individual whose date of birth is before January 1, 1939, 55 years of age; and

"(B) for an individual whose date of birth is after December 31, 1938, and before January 1, 1942, 58 years of age.

"(3) The preceding provisions of this subsection shall not apply with respect to any individual whose date of birth is after December 31, 1941.".

(2) WITH 20 YEARS OF SERVICE.—Section 8336(b) of title 5, United States Code, is amended to read as follows:

"(b)(1) An employee who is separated from the service after attaining the minimum retirement age under paragraph (2) and completing 20 years of service is entitled to an annuity.

"(2) The minimum retirement age under this paragraph is, for an individual whose date of birth is before January 1, 1935, 60 years of age.

"(3) The preceding provisions of this subsection shall not apply with respect to any individual whose date of birth is after December 31, 1934.".

(3) MEMBERS OF CONGRESS.—Section 8336(g) of title 5, United States Code, is amended—

(A) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively, and by striking "(g)" and inserting "(g)(1)";

(B) in the first sentence by striking "becoming 60 years of age" and inserting "satisfying the requirements of paragraph (2)";

(C) in the second sentence by striking "becoming 55 years of age (but before becoming 60 years of age)" and inserting "satisfying the requirements of paragraph (3)"; and

(D) by adding at the end the following:

"(2) A Member shall be considered to satisfy the requirements of this paragraph if such Member has attained the minimum retirement age which would apply to such Member under section 8336(b), except that such requirements shall not be considered satisfied by any Member described in section 8336(b)(3).

"(3) A Member shall be considered to satisfy the requirements of this paragraph if such Member—

"(A) has attained the minimum retirement age which would apply to such Member under section 8336(a), but

"(B) has not attained the minimum retirement age which would apply to such Member under section 8336(b),

except that such requirements shall not be considered satisfied by any Member described in section 8336(b)(3).".

(b) FEDERAL EMPLOYEES' RETIREMENT SYSTEM.—

(1) WITH 20 YEARS OF SERVICE.—Section 8412(b) of title 5, United States Code, is amended to read as follows:

"(b)(1) An employee or Member who is separated from the service after attaining the minimum retirement age under paragraph (2) and completing 20 years of service is entitled to an annuity.

"(2) The minimum retirement age under this paragraph is, for an individual whose date of birth is before January 1, 1935, 60 years of age.

"(3) The preceding provisions of this subsection shall not apply with respect to any individual whose date of birth is after December 31, 1934.".

(2) WITH 30 YEARS OF SERVICE.—Section 8412(h) of title 5, United States Code, is amended to read as follows:

"(h)(1) The applicable minimum retirement age under this subsection is—

"(A) for an individual whose date of birth is before January 1, 1939, 55 years of age; and

"(B) for an individual whose date of birth is after December 31, 1938, and before January 1, 1948, 58 years of age.

"(2) Nothing in paragraph (1) shall be considered to apply with respect to any individual whose date of birth is after December 31, 1947.".

(c) Conforming Amendment.—Section 8442(c)(2)(B)(i)(I) of title 5, United States Code, is amended by striking "age 60" and inserting "the minimum retirement age under section 8412(b)".

(d) Conformance of the Retirement Systems Relating to the Foreign Service and the Central Intelligence Agency.—

(1) Foreign Service.—The President shall, in accordance with applicable provisions of section 827 of the Foreign Service Act of 1980 (22 U.S.C. 4067), provide that the Foreign Service Retirement and Disability System and the Foreign Service Pension System are conformed to reflect the amendments made by this section.

(2) Central Intelligence Agency.—The President shall, using the authority available to him under section 292 of the Central Intelligence Agency Retirement Act, as set forth in section 802 of the CIARDS Technical Corrections Act of 1992 (Public Law 102-496; 106 Stat. 3241), provide that the Central Intelligence Agency Retirement and Disability System shall be conformed to reflect the amendments made by this section.

(e) Effective Date.—This section and the amendments made by this section shall take effect on January 1, 1994, and shall apply with respect to annuities based on the service of any individual separating on or after that date.

SEC. 10302. REQUIREMENT THAT CERTAIN AGENCIES PREFUND GOVERNMENT HEALTH BENEFITS CONTRIBUTIONS FOR THEIR ANNUITANTS.

(a) Definitions.—For the purpose of this section—

(1) the term "agency" means any agency or other instrumentality within the executive branch of the Government, the receipts and disbursements of which are not generally included in the totals of the budget of the United States Government submitted by the President;

(2) the term "health benefits plan" means, with respect to an agency, a health benefits plan, established by or under Federal law, in which employees or annuitants of such agency may participate;

(3) the term "health-benefits coverage" means coverage under a health benefits plan";

(4) an individual shall be considered to be an "annuitant of an agency" if such individual is entitled to an annuity, under a retirement system established by or under Federal law, by virtue of—

(A) such individual's service with, and separation from, such agency; or

(B) being the survivor of an annuitant under subparagraph (A) or of an individual who died while employed by such agency; and

(5) the term "Office" means the Office of Personnel Management.

(b) Prefunding Requirement.—

(1) In general.—Effective as of October 1, 1994, each agency (or February 1, 1995, in the case of the agency with the greatest number of employees, as determined by the Office) shall be required to prepay the Government contributions which are or will be required in connection with providing health-benefits coverage for annuitants of such agency.

(2) Regulations.—The Office shall prescribe such regulations as may be necessary to carry out this section. The regulations shall be designed to ensure at least the following:

(A) Amounts paid by each agency shall be sufficient to cover the amounts which would otherwise be payable by such agency (on a "pay-as-you-go" basis), on or after the applicable effective date under paragraph (1), on behalf of—

(i) individuals who are annuitants of the agency as of such effective date; and

(ii) individuals who are employed by the agency as of such effective date, or who become employed by the agency after such effective date, after such individuals have become annuitants of the agency (including their survivors).

(B)(i) For purposes of determining any amounts payable by an agency—

(I) this section shall be treated as if it had taken effect at the beginning of the 20-year period which ends on the effective date applicable under paragraph (1) with respect to such agency; and

(II) in addition to any amounts payable under subparagraph (A), each agency shall also be responsible for paying any amounts for which it would have been responsible, with respect to the 20-year period described in subclause (I), in connection with any individuals who are annuitants or employees of the agency as of the applicable effective date under paragraph (1).

(ii) Any amounts payable under this subparagraph for periods preceding the applicable effective date under paragraph (1) shall be payable in equal installments over the 20-year period beginning on such effective date.

(c) FASB Standards.—Regulations under subsection (b) shall be in conformance with the provisions of standard 106 of the Financial Accounting Standards Board, issued in December 1990.

(d) Clarification.—Nothing in this section shall be considered to permit or require duplicative payments on behalf of any individuals.

(e) Draft Legislation.—The Office shall prepare and submit to Congress any draft legislation which may be necessary in order to carry out this section.

Strike sections 13211 and 13212 (relating to new family preservation entitlement).

In section 13214(a), strike "13213(a)" and insert "13211(a)".

In section 13219(a)(2), strike "13224" and insert "13222".

In section 13226(a), strike "13224 and 13219(a)(2)" and insert "13222 and 13217(a)(2)".

In section 13234(a), strike "13229" and insert "13227".

Strike section 13275 (relating to modifications to extended unemployment program).

Insert after section 13429 the following new section:

SEC. 13429A. ELIMINATION OF RETURN ON EQUITY FOR PROPRIETARY SKILLED NURSING FACILITIES.

(a) Repeal of Requirement for Return on Equity.—

(1) In general.—Section 1861(v)(1)(B) (42 U.S.C. 1395x(v)(1)(B)) is amended to read as follows:

"(B) Such regulations in the case of extended care services shall not include provision for specific recognition of a return on equity capital.".

(2) Conforming amendments.—(A) Section 1878(f)(2) (42 U.S.C. 1395oo(f)(2)) is amended by striking "the rate of return on equity capital established by regulation pursuant to section 1861(v)(1)(B) and in effect at the time" and inserting "the average of the rates of interest on obligations issued for purchase by the Federal Hospital Insurance Trust Fund for each of the months any part of which is included in the cost reporting period in which".

(B) Section 1881(b)(2)(C) (42 U.S.C. 1395rr(b)(2)(C)) is amended by striking ", providing such rate" and all that follows and inserting a period.

(b) Effective Date.—The amendments made by subsection (a) apply to costs incurred after September 1993.

Insert after section 13581 the following new chapter:

CHAPTER 6—THIRD PARTY LIABILITY

SEC. 13591. ACCESS TO EMPLOYMENT-BASED HEALTH INSURANCE INFORMATION.

(a) Reporting of Group Health Plan Information.—Section 6051(a) of the Internal Revenue Code of 1986 is amended—

(1) by striking "and" at the end of paragraph (8),

(2) by striking the period at the end of paragraph (9) and inserting ", and", and

(3) by inserting after paragraph (9) the following new paragraph:

"(10) whether a group health plan (as defined in section 6103(l)(12)(F)(ii)) is available to the employee and the plan coverage (single or family) elected by such employee (if any).".

(b) Disclosures of Tax Return Information.—Section 6103(l)(12) of the Internal Revenue Code of 1986 is amended—

(1) by amending the heading to read as follows: "DISCLOSURE OF CERTAIN TAXPAYER IDENTITY INFORMATION FOR PURPOSES OF IDENTIFYING HEALTH INSURANCE COVERAGE OF CERTAIN INDIVIDUALS AND SPOUSES.—";

(2) in subparagraph (A)—

(A) by striking "Commissioner of Social Security" and inserting "Director of the Third Party Liability Clearinghouse pursuant to section 1144(c) of the Social Security Act",

(B) by striking "Commissioner" the second place it appears and inserting "Commissioner of Social Security",

(C) by striking "medicare beneficiary" and inserting "individual", and

(D) by striking "Commissioner" the third place it appears and inserting "Director";

(3) in subparagraph (B)—

(A) by striking "medicare beneficiary" each place it appears and inserting "individual";

(B) in the matter preceding clause (i)—

(i) by striking "Administrator of the Health Care Financing Administration" and inserting "Director of the Third Party Liability Clearinghouse",

(ii) by striking "Administrator" the second place it appears and inserting "Director", and

(iii) by inserting before the colon the following: "with respect to the individuals (and spouses) specified in subparagraph (A)";

(C) by amending clause (i) to read as follows:

"(i) For each such individual who is identified as having received wages (as defined in section 3401(a)) from, and as having available coverage under a group health plan of, an employer in a previous year—

"(I) the name and TIN of the individual,

"(II) the name, address, and TIN of the employer, and whether such employer is a qualified employer, and

"(III) the information reported under section 6051(a)(10).";

(D) in clause (ii)—

(i) in the matter preceding subclause (I), by striking "a qualified employer" and inserting ", and as having available coverage under a group health plan of, an employer",

(ii) by striking "and" at the end of subclause (I),

(iii) by striking the period at the end of subclause (II) and inserting a comma, and

(iv) by inserting after subclause (II) the following:

"(III) the name, address, and TIN of the spouse's employer, and whether such employer is a qualified employer, and

"(IV) the information reported under section 6051(a)(10) with respect to the spouse."; and

(E) by striking clause (iii);

(5) in subparagraph (C)—

(A) in the matter preceding clause (i)—

(i) in the heading, by striking "Health Care Financing Administration" and inserting "Third Party Liability Clearinghouse", and

(ii) by striking "Administrator of the Health Care Financing Administration may disclose" and inserting "Director of the Third Party Liability Clearinghouse may (subject to the provisions of subparagraph (E)) disclose",

(B) in clause (i), by striking "qualified employer" and inserting "employer",

(C) by amending clause (ii) to read as follows:

"(ii) to the administrator of a program specified in section 1144(b)(2) of the Social Security Act, to the extent provided in such section 1144, and",

(D) by redesignating clause (iii) as clause (iv),

(E) by inserting after clause (ii) the following new clause:

"(iii) to any person specified in section 1144(e)(2), information in the data bank established pursuant to such section 1144(e), for the purposes specified in such section, and", and

(F) in clause (iv), as so redesignated, by striking "Administrator" each place it appears and inserting "Director";

(6) by redesignating subparagraphs (D), (E), and (F) as subparagraphs (E), (F), and (G), respectively, and inserting after subparagraph (C) the following new subparagraph:

"(D) DISCLOSURE BY CERTAIN PROGRAMS TO GROUP HEALTH PLANS.—The administrator of a program specified in section 1144(b)(2) of the Social Security Act may (subject to the provisions of subparagraph (E)) disclose information concerning an employee or spouse disclosed to the Director of the Third Party Liability Clearinghouse pursuant to subparagraph (B) and redisclosed to such administrator pursuant to subparagraph (D)—

"(i) to any group health plan which provides or provided coverage to such employee or spouse, and

"(ii) to any agent of such administrator, for purposes of identifying, or collecting on claims under, coverage of such employee or spouse under such group health plan.";

(7) in subparagraph (E)(i), as redesignated by paragraph (6), by striking "medicare beneficiary" and inserting "individual"; and

(8) in subparagraph (F), as redesignated by paragraph (6), by striking clause (i) and redesignating clauses (ii) and (iii) as clauses (i) and (ii), respectively.

(c) HEALTH INSURANCE CLEARINGHOUSE.—

(1) Part A of title XI of the Social Security Act is amended by adding at the end thereof the following new section:

"THIRD PARTY LIABILITY CLEARINGHOUSE

"SEC. 1144. (a)(1) ESTABLISHMENT OF CLEARINGHOUSE.—The Secretary shall establish and operate a Third Party Liability Clearinghouse (in this section referred to as the 'Clearinghouse') for the purpose of identifying third parties responsible for payment for health care items and services furnished (or available) to beneficiaries of certain Federal and federally assisted programs, and for related purposes.

"(2) DIRECTOR.—The Clearinghouse established pursuant to paragraph (1) shall be headed by a Director (in this section referred to as the 'Director').

"(b) PROGRAM ADMINISTRATORS ENTITLED TO INFORMATION ON THIRD PART LIABILITIES.—

"(1) IN GENERAL.—Each person administering a program specified in paragraph (2) shall be entitled (subject to subsection (h)), upon written request to the Director in such form and manner and at such times as the Director may require, specifying names and tax identification numbers (TINs) of individuals who are—

"(A) program beneficiaries (in the case of programs specified in paragraph (2)(A)), or

"(B) parents of dependent children (in the case of programs specified in paragraph (2)(B)),

to obtain information in accordance with this section concerning employment and group health coverage of such individuals and their spouses.

"(2) PROGRAMS SPECIFIED.—The programs whose administrators are entitled to obtain the information specified in paragraph (1) in accordance with this section are—

"(A) all programs administered by the Federal Government, or by a State or local government or any other entity with Federal financial assistance, whose primary purpose is to provide (or make payment for) health care items and services to individuals, and

"(B) the Federal Parent Locator Service established pursuant to section 453, and State agencies administering plans for child and spousal support pursuant to section 454.

"(c) DATA MATCHING PROGRAM.—

"(1) REQUEST BY DIRECTOR.—The Director shall, at such intervals as he finds appropriate, transmit to the Secretary of the Treasury the names and TINs of individuals with respect to whom a request has been made pursuant to subsection (b), and request that the Secretary disclose to the Commissioner of Social Security the information described in section 6103(l)(12)(A) of the Internal Revenue Code of 1986 (concerning names and TINs of spouses of such individuals).

"(2) INFORMATION FROM COMMISSIONER OF SOCIAL SECURITY.—The Commissioner of Social Security shall disclose to the Director, in accordance with section 6103(l)(12)(B) of the Internal Revenue Code of 1986, information concerning employment and health insurance with respect to such individuals and spouses.

"(3) INFORMATION FROM EMPLOYERS.—The Director shall—

"(A) request, from the employer of each individual (including each spouse) with respect to whom information was received from the Commissioner of Social Security pursuant to paragraph (2), specific information concerning coverage of such individual under the employer's group health plan (including the period and nature of the coverage, and the name, address, and identifying number of the plan), and

"(B) furnish the information received in response to such request with respect to an individual (or such individual's spouse) to the person or persons requesting such information pursuant to subsection (b).

"(d) REQUIREMENT THAT EMPLOYERS FURNISH INFORMATION.—

"(1) IN GENERAL.—An employer shall furnish to the Director the information requested pursuant to subsection (c)(3) within 30 days after receipt of such a request.

"(2) SUNSET ON REQUIREMENT.—Paragraph (1) shall not apply to inquiries made after September 30, 1998.

"(3) CIVIL MONEY PENALTY FOR FAILURE TO COOPERATE.—

"(A) IN GENERAL.—An employer (other than a Federal or other governmental entity) who willfully or repeatedly fails to provide timely and accurate response to a request for information pursuant to subsection (c)(3) shall be subject, in addition to any other penalties that may be prescribed by law, to a civil money penalty of not to exceed $1,000 for each individual with respect to which such a request is made.

"(B) ENFORCEMENT AUTHORITY FOR HHS PROGRAMS.—In cases of failure to respond to the Director in accordance with paragraph (1) to inquiries relating to requests pursuant to subsection (b) by persons administering programs of, or financially assisted by, the Department of Health and Human Services, the provisions of section 1128A (other than subsections (a) and (b)) shall apply to civil money penalties under subparagraph (A) in the same manner as such provisions apply to penalties or proceedings under section 1128A(a).

"(e) DATA BANK.—

"(1) MAINTENANCE OF INFORMATION.—The Clearinghouse shall maintain a data bank, containing information on individuals obtained pursuant to this section and to section 6103(l)(12) of the Internal Revenue Code of 1986. Individual information in the data bank shall be retained for not less than one year after the date the information was obtained.

"(2) DISCLOSURE OF INFORMATION IN DATA BANK.—The Administrator is authorized (subject to the restriction in section 6103(l)(12)(E)(i) of the Internal Revenue Code of 1986) to disclose any information in the data bank established pursuant to paragraph (1) with respect to an individual (or an individual's spouse)—

"(A) to the Commissioner of Social Security, the Secretary of the Treasury, officials administering programs specified in subsection (b)(2), employers, and insurers, to the extent necessary to assist such officials to administer such programs;

"(B) to Federal and State law enforcement officials responsible for enforcement of civil or criminal laws, in connection with investigations or administrative or judicial law enforcement proceedings relating to a program specified in subsection (b)(2); and

"(C) for research or statistical purposes.

"(f) COLLECTIONS FROM THIRD PARTIES.—The Clearinghouse is authorized, upon request by a person administering a Federal health care program, to assist in the collection of amounts due from liable third parties to reimburse costs incurred by such program for health care items and services, through methods including—

"(1) use of contractors reimbursed on a contingency fee basis, and

"(2) judicial and administrative processes, in cooperation with program official and the Attorney General, as appropriate.

"(g) EVALUATION RESPONSIBILITIES.—The Clearinghouse shall evaluate methods for improving—

"(1) procedures for the collection, management, and appropriate disclosure of health care coverage information,

"(2) Federal laws and policies concerning third party liability for medical care, and

"(3) State requirements for medical support of dependent children.

"(h) Fees for Clearinghouse Services.—The Clearinghouse shall establish fees for services to programs specified in subsection (b)(2) under subsections (c) and (f) designed to cover the full costs to the Clearinghouse of providing such services. Clearinghouse services under such subsections (c) and (f) shall be available to such programs subject to payment of such fees.

"(i) Use of Contractors.—The responsibilities of the Clearinghouse may be carried out directly or (except for the responsibilities under subsections (b), (c)(1), and (c)(2)) by contract.

"(j) Definitions.—For purposes of this section, the terms 'employer' and 'group health plan' have the meanings given them in section 6103(l)(12)(F) of the Internal Revenue Code of 1986.".

(d) Conforming Amendments.—Section 1862(b)(5) (42 U.S.C. 1395y(b)(5)) is amended—

(1) in subparagraph (A)(i)—

(A) by striking "Secretary of the Treasury" and inserting "Administrator of the Health Care Financing Administration";

(B) by striking "(as defined in section 6103(l)(12) of the Internal Revenue Code of 1986)" and inserting "(as defined in clause (iii)"; and

(C) by striking "and request" and all that follows and inserting a period;

(2) in subparagraph (A)(ii)—

(A) by striking "the Commissioner of the Social Security Administration and all that follows and inserting "the Director of the Third Party Liability Clearinghouse to obtain and disclose to the Administrator, pursuant to section 1144(c) and to subparagraph (C) of section 6103(l)(12) of the Internal Revenue Code of 1986, the information described in subparagraph (B) of such section 6103(l)(12)."; and

(B) by inserting ", pursuant to section 1144(c)," after "disclose to the Administrator";

(3) in subparagraph (A), by adding at the end the following new clause:

"(iii) Medicare beneficiary.—For purposes of this paragraph, the term 'medicare beneficiary' means an individual entitled to benefits under part A or enrolled under part B, but does not include such an individual enrolled in part A under section 1818."; and

(4) by striking subparagraph (C).

(e) Effective Date.—The amendments made by this section shall take effect April 1, 1995.

Strike part IV of subtitle A of title XIV (relating to expansion and simplification of earned income tax credit).

Strike subpart A of part IV of subtitle B of title XIV (relating to energy tax based on Btu content).

Make such subtitle, part, subpart, section, and subsection redesignations and conforming changes to the tables of contents as may be appropriate.

By Mr. KASICH:

—At the end, add the following new title:

TITLE XV—BUDGET PROCESS

SEC. 15001. SHORT TITLE.

This title may be cited as the "Budget Process Improvement Act of 1993".

SEC. 15002. DISCRETIONARY SPENDING LIMITS FOR FISCAL YEARS 1994–1998.

(a) Discretionary Spending Limits.—(1) Section 601(a)(2) of the Congressional Budget Act of 1974 is amended by striking subparagraphs (D) and (E) and by inserting the following new subparagraphs:

"(D) with respect to fiscal year 1994, $472,925,000,000 in new budget authority and $525,415,000,000 in outlays;

"(E) with respect to fiscal year 1995, $472,794,000,000 in new budget authority and $516,824,000,000 in outlays;

"(F) with respect to fiscal year 1996, $481,678,000,000 in new budget authority and $514,782,000,000 in outlays;

"(G) with respect to fiscal year 1997, $495,039,000,000 in new budget authority and $518,205,000,000 in outlays; and

"(H) with respect to fiscal year 1998, $505,825,000,000 in new budget authority and $522,752,000,000 in outlays;".

(b) Point of Order in the House.—Section 601(b) of the Congressional Budget Act of 1974 is amended—

(1) in its side heading, by striking "IN THE SENATE";

(2) in paragraph (1), by inserting "or in the House of Representatives" after "Senate"; and

(3) in paragraph (3), by inserting "or of the House of Representatives, as the case may be" before the period.

(c) Conforming Amendments.—(1) Section 601(b) of the Congressional Budget Act of 1974 is amended—

(A) in its side heading, by striking "DEFENSE, INTERNATIONAL, AND DOMESTIC"; and

(B) in paragraph (1), by striking "or 1995" and inserting "1995, 1996, 1997, or 1998".

(2) Section 602(c) of the Congressional Budget Act of 1974 is amended by striking "1995" and inserting "1998".

(3) Section 602(d) of the Congressional Budget Act of 1974 is amended—

(A) in its side heading, by striking "1995" and inserting "1998"; and

(B) in the first sentence, by striking "1995" and inserting "1998".

(4) Section 606(c) of the Congressional Budget Act of 1974 is amended—

(A) in subsection (a), by striking "or 1995" and inserting "1995, 1996, 1997, or 1998"; and

(B) in subsection (d), by striking "and 1995" and inserting "1995, 1996, 1997, and 1998".

(5) Section 607 of the Congressional Budget Act of 1974 is amended by striking "1995" and inserting "1998".

SEC. 15003. CONFORMING AMENDMENTS TO THE BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT OF 1985.

Part C of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended as follows:

(1) Section 250(a) is amended by striking "1995" and inserting "1998".

(2) Section 250(c) is amended—

(A) in paragraph (4), by striking "(A)", by striking "1991, 1992, and 1993" and inserting "1991 through 1998", and by repealing subparagraph (B);

(B) in paragraph (6)(B), by striking "or 1995," and inserting "1995, 1996, 1997, or 1998,"; and

(C) in paragraph (14), by striking "1995" and inserting "1998".

(3)(A) The side heading of section 251(a) is amended by striking "1995" and inserting "1998".

(B) Section 251(b) is amended—

(i) by striking "or 1995" and inserting "1995, 1996, 1997, or 1998" in the first sentence of paragraph (1), in paragraph (1)(B)(i), in the first sentence of paragraph (2), and in paragraph (2)(D);

(ii) in paragraph (1)(B) by striking clause (ii) and inserting the following new clause:

"(ii) The inflation adjustment factor shall be the ratio of—

"(I) the level of year-over-year inflation measured for the fiscal year immediately preceding the current year, and

"(II) the applicable estimated level for that year set forth below:

For 1993, 1.030.
For 1994, 1.027.
For 1995, 1.025.

Inflation shall be measured by the average of the estimated fixed-weight gross domestic product price index for a fiscal year divided by the average index for the prior fiscal year.";

(iii) in the first sentence of paragraph (2) by striking "through 1995" and inserting "through 1998"; and

(iv) in paragraph (2)(F) by striking the comma after "or 1993" and all that follows and inserting a period.

(4)(A) The side heading of section 252(a) is amended by striking "1995" and inserting "1998".

(B) Section 252(d) is amended by striking "1995" and inserting "1998" each place it appears.

(C) Section 252(e) is amended by striking "or 1995" and inserting "1995, 1996, 1997, or 1998" and by striking "through 1995" and inserting "through 1998".

(5) Section 253 is amended—

(A) in subsection (g)(1)(B), by inserting "or any subsequent fiscal year through 1998" after "fiscal year 1994", by striking "fiscal years 1994 and 1995" and inserting "that fiscal year and the subsequent fiscal year (through fiscal year 1998)", and by striking the second sentence and the last sentence;

(B) in subsection (g)(1)(C), by striking "or 1995" and inserting "1995, 1996, 1997, or 1998"; and

(C) in subsection (h), by striking "fiscal year 1994 and fiscal year 1995" both places it appears and inserting "fiscal year 1994, 1995, 1996, 1997, and 1998".

(6) Section 254 is amended—

(A) in subsection (c), by striking "or 1995" and inserting "1995, 1996, 1997, or 1998";

(B) in subsection (d)(2), by striking "1995" and inserting "1998"; and

(C) in paragraphs (2)(A) and (3) of subsection (g), by striking "1995" and inserting "1998".

(7) Section 275(b) is amended by striking "1995" and inserting "1998".

SEC. 15004. MISCELLANEOUS NONTECHNICAL AMENDMENTS.

(a) Making Paygo Permanent.—Notwithstanding section 275(b) of the Balanced Budget and Emergency Deficit Control Act of 1985, the expiration date set forth in that section shall not apply to section 252 or, in the case of any other provisions of that Act, to the extent necessary to carry out that section.

(b) Elimination of Year-to-Year Rollover.—Section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding at the end the following new sentence:

"No net deficit decrease in effect at the end of a fiscal year may be carried forward as an offset against future receipts decreases or direct spending increases in any subsequent fiscal year."

(c) Definition of Emergency.—Section 250 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding at the end the following new paragraph:

"(22) The term 'emergency requirement', as used in section 251(b)(2)(D) and section 252(e), refers only to an emergency that is sudden, urgent, unforeseen, and not permanent and the expenditure for which is necessary.".

(d) Scoring Rule for Emergencies.—Section 251(b)(2)(D) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows:

"(D) Emergencies.—If appropriations for discretionary spending for any fiscal year 1994 through 1998 are enacted that the President designates as emergency requirements and that the Congress so designated in statute, the adjustment shall be the total of such appropriations in discretionary accounts designated as emergency requirements and the outlays flowing in all years from such appropriations.".

(e) Paygo Scorecard.—Section 252(a) is amended by adding at the end the following new sentence: "The scorecard for purposes of this section shall only include entries resulting from the enactment, after the date of enactment of this Act, of any direct spending or receipts law.".

(f) Limitation on Amendments to Reconciliation Bills.—Section 310(d)(1) of the Congressional Budget Act of 1974 is amended to read as follows:

"(1) It shall not be in order in the House of Representatives to consider any amendment to a reconciliation bill or reconciliation resolution if such amendment would—

"(A) have the effect of increasing any specific budget outlays above the level of such outlays provided in the bill or resolution (for the fiscal years covered by the reconciliation instructions set forth in the most recently agreed to concurrent resolution on the budget), unless such amendment makes at least an equivalent reduction in other specific budget outlays, an equivalent increase in other specific Federal revenues, or an equivalent combination thereof (for such fiscal years); or

"(B) have the effect of reducing any specific Federal revenues below the level of such revenues provided in the bill or resolution (for such fiscal years), unless such amendment makes at least an equivalent reduction in other specific budget outlays, an equivalent reduction in the discretionary spending limit under section 601(a)(2), an equivalent increase in other specific Federal revenues, or an equivalent combination thereof (for such fiscal years),

except that a motion to strike a provision providing new budget authority or new entitlement authority may be in order.".

(g) Supermajority Requirement in the House for Waivers of Points of Order.—Section 904(c) of the Congressional Budget Act of 1974 is amended by inserting "or in the House of Representatives" after "in the Senate" both places it appears.

(h) Legislative Jurisdiction of the Committee on the Budget of the House of Representatives.—Clause 1(e)(2) of rule X of the Rules of the House of Representatives is amended by inserting "(A)" after "(2)" and by adding at the end the following:

"(B) The Congressional Budget Act of 1974.

"(C) The Balanced Budget and Emergency Deficit Control Act of 1985.".

SEC. 15005. JOINT BUDGET RESOLUTIONS.

(a) Amendments to the Congressional Budget and Impoundment Control Act of 1974.—

(1) Table of contents.—The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by striking "concurrent" each place it occurs therein and by inserting "joint" and by striking "Concurrent" and by inserting "Joint" in the item relating to section 303.

(2) Definitions.—

(A) Paragraph (4) of section 3 of the Congressional Budget and Impoundment Control Act of 1974 is amended by striking "concurrent" each place it occurs and inserting "joint".

(B) Paragraph (8) of section 3 of the Congressional Budget and Impoundment Control Act of 1974 is amended by striking "by the Congress".

(3) Title III of the Budget Act.—Title III of the Congressional Budget Act of 1974 is amended by striking "concurrent" each place it occurs therein and by inserting "joint" and by striking "Concurrent" and by inserting "Joint" in the heading of section 303.

(4) Title IV of the Budget Act.—Section 401(b)(2) of the Congressional Budget Act of 1974 is amended by striking "concurrent" and by inserting "joint".

(5) Title IX of the Budget Act.—Section 904(d) of the Congressional Budget Act of 1974 is amended by striking "concurrent" and by inserting "joint".

(b) Technical and Conforming Amendments to the Rules of the House of Representatives.—

(1) Rule X.—Clauses 1(e)(2), 4(a)(2), 4(b)(2), 4(g), 4(h), and 4(i) of rule X of the Rules of the House of Representatives are amended by striking "concurrent" each place it appears therein and by inserting "joint".

(2) Rule XXIII.—Clause 8 of rule XXIII of the Rules of the House of Representatives is amended by striking "concurrent" each place it appears therein and by inserting "joint".

(3) Rule XLIX.—Rule XLIX of the Rules of the House of Representatives is repealed.

(c) Technical and Conforming Amends to the Balanced Budget and Emergency Deficit Control Act of 1985.—

(1) Section 254.—Section 254(b)(2)(A) of the Deficit Control Act of 1985 is amended by striking "concurrent" and by inserting "joint".

(2) Section 257.—Section 257(3) of the Deficit Control Act of 1985 is amended by striking "concurrent" and by inserting "joint".

By Mr. PORTER:

—At the appropriate place, insert the following:

SEC. . TAX INCREASES TERMINATED IF PROJECTED ANNUAL DEFICIT SHRINKS TOO SLOWLY.

(a) Determination of Size of Federal Budget Deficit.—On or before January 31 of each calendar year through calendar year 1999, the Director of the Office of Management and Budget shall—

(1) determine the size of the Federal budget deficit for each of the 2 most recently completed fiscal years and the difference in the size of those deficits; and

(2) notify, in writing, the Secretary of the Treasury, the Speaker and the minority party leader of the House of Representatives, and the majority party leader and minority party leader of the Senate of the information described in paragraph (1).

(b) Determination of Certain Revenues and User Fees.—On or before January 31 of each calendar year through calendar year 1999, the Secretary of the Treasury shall—

(1) determine the net aggregate amount of Federal receipts attributable to amendments to the Internal Revenue Code of 1986, new user fees, and any increases in existing user fees contained in this Act or any amendment made by it; and

(2) notify, in writing, the Speaker and the minority party leader of the House of Representatives, and the majority party leader and minority party leader of the Senate of the information described in paragraph (1).

(c) Relationship between Change in the Deficit and Revenue Increases.—(1) The Secretary of the Treasury shall determine, based upon the information described in paragraph (1) of subsections (a) and (b), if—

(A) the Federal annual budget deficit shrank by an amount nominally less than the amount of receipts described in subsection (b)(1) for the most recently completed fiscal year (and to what extent);

(B) the Federal annual budget deficit shrank by an amount nominally equal to or greater than the amount of receipts described in subsection (b)(1) for the most recently completed fiscal year (and to what extent); or

(C) the annual budget deficit increased (and to what extent).

(2) On or before February 14 of each calendar year through calendar year 1999, the Secretary of the Treasury shall notify, in writing, the Speaker and the minority party leader of the House of Representatives, and the majority party leader and minority party leader of the Senate of the determination made under paragraph (1).

(d) Tax Changes Terminate If Spending Increase Not Rescinded.—If the Secretary of the Treasury makes a determination described under subsection (c)(1)(A) or (C) for the most recently completed fiscal year, then—

(1) the Internal Revenue Code of 1986 shall be applied without regard to any legislation referred to in subsection (b)(1)—

(A) in the case of excise taxes, with respect to periods after the close of such 45-day period; and

(B) in the case of income taxes, with respect to taxable years ending on or after the close of such 45-day period; and

(2) in the case of user fees, any provision of Federal law imposing any user fee shall be applied without regard to any legislation referred to in subsection (b)(1) with respect to periods after the close of such 45-day period.

(e) 45-Day Period.—For purposes of this section, the "45-day period" shall be the 45-calendar day period commencing on the day after the date upon which the Secretary of the Treasury makes the notifications required by subsection (c)(2).

(f) Suspension.—The preceding provisions of this section shall be suspended upon a declaration of war by the Congress.

By Mr. McCANDLESS:

—Strike the section (if any) that establishes a deficit reduction trust fund.

—At the appropriate place, insert the following new sections:

SEC. . DESIGNATION OF AMOUNTS FOR REDUCTION OF PUBLIC DEBT.

(a) In General.—Subchapter A of chapter 61 of the Internal Revenue Code of 1986 (relating to returns and records) is amended by adding at the end the following new part:

"PART IX—DESIGNATION FOR REDUCTION OF PUBLIC DEBT.

"Sec. 6097. Designation.

"SEC. 6097. DESIGNATION.

"(a) In General.—Every individual with adjusted income tax liability for any taxable year may designate that a portion of such liability (not to exceed 10 percent thereof) shall be used to reduce the public debt.

"(b) Manner and Time of Designation.—A designation under subsection (a) may be made with respect to any taxable year only at the time of filing the return of tax imposed by chapter 1 for the taxable year. The designation shall be made on the first page of the return or on the page bearing the taxpayer's signature.

"(c) Adjusted Income Tax Liability.—For purposes of this section, the term 'adjusted income tax liability' means income tax liability (as defined in section 3096(b)) reduced by any amount designated under section 6096 (relating to designation of income tax payments to Presidential Election Campaign Fund)."

(b) Clerical Amendment.—The table of parts for such subchapter A is amended by adding at the end the following new item:

"Part IX. Designation for reduction of public debt."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

SEC. . PUBLIC DEBT REDUCTION TRUST FUND.

(a) IN GENERAL.—Subchapter A of chapter 98 of the Internal Revenue Code of 1986 (relating to trust fund code) is amended by adding at the end the following section:

"SEC. 9512. PUBLIC DEBT REDUCTION TRUST FUND.

"(a) CREATION OF TRUST FUND.—There is established in the Treasury of the United States a trust fund to be known as the 'Public Debt Reduction Trust Fund', consisting of any amount appropriated or credited to the Trust Fund as provided in this section or section 9602(b).

"(b) TRANSFERS TO TRUST FUND.—There are hereby appropriated to the Public Debt Reduction Trust Fund amounts equivalent to the amounts designated under section 6097 (relating to designation for public debt reduction).

"(c) EXPENDITURES.—Amounts in the Public Debt Reduction Trust Fund shall be available only for purposes of paying at maturity, or to redeem or buy before maturity, any obligation of the Federal Government included in the public debt. Any obligation which is paid, redeemed, or bought with amounts from such Trust Fund shall be canceled and retired and may not be reissued."

(b) CLERICAL AMENDMENT.—The table of sections for such subchapter is amended by adding at the end the following new item:

"Sec. 9512. Public Debt Reduction Trust Fund."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts received after the date of the enactment of this Act.

SEC. . TAXPAYER-GENERATED SEQUESTRATION OF FEDERAL SPENDING TO REDUCE THE PUBLIC DEBT.

(a) SEQUESTRATION TO REDUCE THE PUBLIC DEBT.—Part C of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding after section 253 the following new section:

"SEC. 253A. SEQUESTRATION TO REDUCE THE PUBLIC DEBT.

"(a) SEQUESTRATION.—Notwithstanding sections 255 and 256, within 15 days after Congress adjourns to end a session, and on the same day as sequestration (if any) under sections 251, 252, and 253, but after any sequestration required by those sections, there shall be a sequestration equivalent to the estimated aggregate amount designated under section 6097 of the Internal Revenue Code of 1986 for the last taxable year ending before the beginning of that session of Congress, as estimated by the Department of the Treasury on May 1 and as modified by the total of (1) any amounts by which net discretionary spending is reduced by legislation below the discretionary spending limits (or, in the absence of such limits, any net deficit change from the baseline amount calculated under section 257, except that such baseline for fiscal year 1996 and thereafter shall be based upon fiscal year 1995 enacted appropriations less any 1995 sequesters) and (2) the net deficit change that has resulted from direct spending legislation.

"(b) APPLICABILITY.—

"(1) IN GENERAL.—Except as provided by paragraph (2), each account of the United States shall be reduced by a dollar amount calculated by multiplying the level of budgetary resources in that account at that time by the uniform percentage necessary to carry out subsection (a). All obligational authority reduced under this section shall be done in a manner that makes such reductions permanent.

"(2) EXEMPT ACCOUNTS.—No order issued under this part may—

"(A) reduce benefits payable the old-age, survivors, and disability insurance program established under title II of the Social Security Act;

"(B) reduce payments for net interest (all of major functional category 900); or

"(C) make any reduction in the following accounts:

"Federal Deposit Insurance Corporation, Bank Insurance Fund;

"Federal Deposit Insurance Corporation, FSLIC Resolution Fund;

"Federal Deposit Insurance Corporation, Savings Association Insurance Fund;

"National Credit Union Administration, credit union share insurance fund; or

"Resolution Trust Corporation.".

(b) REPORTS.—Section 254 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) in subsection (a), by inserting before the item relating to August 10 the following:

"May 1 . . . . Department of Treasury report to Congress estimating amount of income tax designated pursuant to section 6097 of the Internal Revenue Code of 1986.";

(2) in subsection (d)(1), by inserting ", and sequestration to reduce the public debt,";

(3) in subsection (d), by redesignating paragraph (5) as paragraph (6) and by inserting after paragraph (4) the following new paragraph:

"(5) SEQUESTRATION TO REDUCE THE PUBLIC DEBT REPORTS.—The preview reports shall set forth for the budget year estimates for each of the following:

"(A) The aggregate amount designated under section 6097 of the Internal Revenue Code of 1986 for the last taxable year ending before the budget year.

"(B) The amount of reductions required under section 253A and the deficit remaining after those reductions have been made.

"(C) The sequestration percentage necessary to achieve the required reduction in accounts under section 253A(b)."; and

(4) in subsection (g), by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively, and by inserting after paragraph (3) the following new paragraph:

"(4) SEQUESTRATION TO REDUCE THE PUBLIC DEBT REPORTS.—The final reports shall contain all of the information contained in the public debt taxation designation report required on May 1.".

(c) EFFECTIVE DATE.—Notwithstanding section 275(b) of the Balanced Budget and Emergency Deficit Control Act of 1985, the expiration date set forth in that section shall not apply to the amendments made by this section. The amendments made by this section shall cease to have any effect after the first fiscal year during which there is no public debt.

By Mr. MCMILLAN:

—At the end, add the following new title:

TITLE XV—BUDGET REFORM

SEC. 15001. SHORT TITLE.

This title may be cited as the "Budget Reform Act of 1993".

SEC. 15002. EFFECTIVE DATE.

This title and the amendments made by it shall take effect on its date of enactment and shall apply to fiscal year 1994 and subsequent fiscal years.

Subtitle A—Requirement That President Submit and Budget Committees Report Budgets That Achieve a Balanced Budget by Fiscal Year 2000

SEC. 15101. SUBMISSION OF BALANCED BUDGET BY THE PRESIDENT.

Section 1105 of title 31, United States Code, is amended by inserting at the end the following new subsection:

"(g) Any budget submitted to Congress pursuant to subsection (a) for fiscal year 1994, 1995, 1996, 1997, 1998, 1999, or 2000 shall be a budget for that fiscal year and the 4 ensuing fiscal years that provides for a balanced budget for fiscal year 2000 and subsequent fiscal years and for each such year is within the categorical targets set forth in paragraphs (1) and (2) of section 601. Any budget submitted to Congress pursuant to subsection (a) for a fiscal year after fiscal year 2000 shall be a budget that provides for a balanced budget for that fiscal year and the 4 ensuing fiscal years and sets forth appropriate categorical targets for discretionary appropriations and direct spending.".

SEC. 15102. REPORTING OF BALANCED BUDGETS.

Section 301 of the Congressional Budget Act of 1974 is amended by inserting at the end the following new subsection:

"(j) REPORTING OF BALANCED BUDGETS.—Any joint resolution on the budget for fiscal year 1994, 1995, 1996, 1997, 1998, 1999, or 2000 as reported by the Committee on the Budget of each House, shall set forth appropriate levels for the fiscal year beginning on October 1 of the calendar year in which it is reported and for each of the 4 ensuing fiscal years for the matters described in section 301(a) and for each categorical target set forth in paragraphs (1) and (2) of section 601 that provides for a balanced budget by fiscal year 2000 and for each fiscal year thereafter. Any joint resolution on the budget for a fiscal year after fiscal year 2000, as reported by the Committee on the Budget of each House, shall set forth appropriate levels for the fiscal year beginning on October 1 of the calendar year in which it is reported and for each of the 4 ensuing fiscal years for the matters described in section 301(a) and set forth appropriate categorical targets for discretionary appropriations and direct spending that provides for a balanced budget for that fiscal year and each of the ensuing 4 fiscal years.".

SEC. 15103. PROCEDURE IN THE HOUSE OF REPRESENTATIVES.

Section 305(a) of the Congressional Budget Act of 1974 is amended by inserting at the end the following:

"(8)(A) If the Committee on Rules of the House of Representatives reports any rule or order providing for the consideration of any joint resolution on the budget for a fiscal year, then it shall also, within the same rule or order, provide for—

"(i) the consideration of the text of any joint resolution on the budget for that fiscal year reported by the Committee on the Budget of the House of Representatives pursuant to section 301(j); and

"(ii) the consideration of the text of each joint resolution on the budget as introduced by the majority leader pursuant to subparagraph (B);

and such rule or order shall assure that a separate vote occurs on each such budget.

"(B) The majority leader of the House of Representatives shall introduce a joint resolution on the budget reflecting, without substantive revision, the budget submitted by the President pursuant to section 1105(g) of title 31, United States Code, as soon as practicable after its submission.".

SEC. 15104. PROCEDURE IN THE SENATE.

Section 305(b) of the Congressional Budget Act of 1974 is amended by inserting at the end the following:

"(7) Notwithstanding any other rule, it shall always be in order in the Senate to consider an amendment to a joint resolution on the budget for a fiscal year comprising the text of any budget submitted by the President for that fiscal year as described in section 1105(g) of title 31, United States Code.".

Subtitle B—Joint Budget Resolutions

SEC. 15201. AMENDMENTS TO THE BUDGET ACT TO CHANGE CONCURRENT BUDGET RESOLUTIONS INTO JOINT BUDGET RESOLUTIONS.

(a) TABLE OF CONTENTS.—The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by striking "concurrent" each place it occurs therein and by inserting "joint" and by striking "Concurrent" and by inserting "Joint" in the item relating to section 303.

(b) DEFINITIONS.—

(1) Paragraph (4) of section 3 of the Congressional Budget and Impoundment Control Act of 1974 is amended by striking "concurrent" each place it occurs and inserting "joint".

(2) Paragraph (8) of section 3 of the Congressional Budget and Impoundment Control Act of 1974 is amended by striking "by the Congress".

(c) TITLE III OF THE BUDGET ACT.—Title III of the Congressional Budget Act of 1974 is amended by striking "concurrent" each place it occurs therein and by inserting "joint" and by striking "Concurrent" and by inserting "Joint" in the heading of section 303.

(d) TITLE IV OF THE BUDGET ACT.—Section 401(b)(2) of the Congressional Budget Act of 1974 is amended by striking "concurrent" and by inserting "joint".

(e) TITLE IX OF THE BUDGET ACT.—Section 904(d) of the Congressional Budget Act of 1974 is amended by striking "concurrent" and by inserting "joint".

SEC. 15202. TECHNICAL AND CONFORMING AMENDMENTS TO THE RULES OF THE HOUSE OF REPRESENTATIVES.

(a) RULE X.—Clauses 1(e)(2), 4(a)(2), 4(b)(2), 4(g), 4(h), and 4(i) of rule X of the Rules of the House of Representatives are amended by striking "concurrent" each place it appears therein and by inserting "joint".

(b) RULE XXIII.—Clause 8 of rule XXIII of the Rules of the House of Representatives is amended by striking "concurrent" each place it appears therein and by inserting "joint".

(c) RULE XLIX.—Rule XLIX of the Rules of the House of Representatives is repealed.

SEC. 15203. TECHNICAL AND CONFORMING AMENDMENTS TO THE DEFICIT CONTROL ACT OF 1985.

(a) SECTION 254.—Section 254(b)(2)(A) of the Deficit Control Act of 1985 is amended by striking "concurrent" and by inserting "joint".

(b) SECTION 257.—Section 257(3) of the Deficit Control Act of 1985 is amended by striking "concurrent" and by inserting "joint".

SEC. 15204. ESTABLISHMENT OF NEW POINT OF ORDER.

Section 301 of the Congressional Budget Act of 1974 (as amended by section 15102) is amended by adding at the end the following new subsection:

"(k)(1) It shall not be in order in the House of Representatives or the Senate to consider any appropriation or authorizing legislation for a fiscal year covered by a joint resolution on the budget before that joint resolution is enacted.

"(2) The point of order set forth in paragraph (1) may only be waived by an affirmative vote of not less than two-thirds of those voting, a quorum being present.".

Subtitle C—Categorical Sequestration and Pay-as-You-Go

SEC. 15301. REVISED MAXIMUM DEFICIT AMOUNTS AND DISCRETIONARY SPENDING TARGETS.

(a) DIRECT SPENDING TARGET.—Section 601(a)(1) of the Congressional Budget Act of 1974 is amended to read as follows:

"(1) DIRECT SPENDING TARGET.—The term 'direct spending target' means—

"ENTITLEMENT TARGETS

[In billions of dollars]

	1994	1995	1996	1997	1998	1999	2000
[NON-MEANS-TESTED]							
Medicare	154	164	170	176	182	187	193
Federal civilian retirement	37	39	42	44	46	48	50
Military retirement	27	28	29	31	32	33	35
Other retirement/disability	5	5	5	5	5	5	5
Unemployment compensation	26	25	25	25	25	25	25
Veterans' benefits	18	17	16	18	18	18	18
Farm price supports	10	9	8	9	9	9	9
Social services	6	5	5	5	5	5	5
Credit reform liquidating account	2	−2	−8	−6	−7	−1	−1
Other	17	16	14	16	17	17	17
[MEANS-TESTED]							
Medicaid	85	90	95	100	105	110	115
Food stamps	24	24	24	25	26	26	27
SSI	24	24	24	28	30	30	30
Family support	18	18	19	19	20	20	20
Veterans' pensions	3	3	2	2	3	3	3
Child nutrition	7	7	8	8	9	9	9
EITC	10	13	13	14	14	14	14
Stafford loans	3	3	3	3	3	3	3
Other	3	3	4	4	4	4	4
Total mandatory (excluding social security)	479	491	498	526	546	565	581".

(b) DISCRETIONARY SPENDING TARGET.—Section 601(a)(2) of the Congressional Budget Act of 1974 is amended to read as follows:

"(2) DISCRETIONARY SPENDING TARGET.—The term 'discretionary spending target' means—

[In billions of dollars]

"Fiscal Year	Domestic targets	National security targets
1994	228	293
1995	234	287
1996	234	287
1997	234	287
1998	234	287
1999	234	287
2000	234	287".

(c) ADJUSTMENTS TO DISCRETIONARY SPENDING TARGETS.—Section 251(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows:

"(b) ADJUSTMENTS TO DISCRETIONARY SPENDING TARGETS.—Whenever appropriate, adjustments to the discretionary spending targets (and to those targets as cumulatively adjusted) for one or more fiscal years shall be made to reflect the following:

"(1) CHANGES IN CONCEPTS.—For any fiscal year, the adjustments produced by any change in budget accounting concepts (including scorekeeping conventions, budget classifications, and definitions) shall equal the current-year levels of new budget authority using up-to-date concepts minus those levels using the concepts in effect before the change. Such changes in concepts may only be made in consultation with the Committees on Appropriations and the Budget of the House of Representatives and Senate, CBO, and OMB. A change in budget classifications includes any change from the assumption that all amounts provided in appropriation Acts are classified as discretionary except those included under the heading 'Mandatory Appropriations' in the joint explanatory statement of managers accompanying the conference report on the Budget Reform Act of 1993.

"(2) CHANGES IN INFLATION.—(A) For the budget year and each outyear through 2000, the adjustments produced by changes in inflation shall equal the discretionary spending target for each such year multiplied by the inflation adjustment factor (for the fiscal year immediately preceding the current year) computed under subparagraph (B).

"(B) The inflation adjustment factor shall be calculated by subtracting 1 from the ratio of (i) the level of year-over-year inflation measured for the fiscal year immediately preceding the current year, and (ii) the applicable estimated level for that year set forth below:

For 1992, 1.030.
For 1993, 1.031.
For 1994, 1.027.
For 1995, 1.027.
For 1996, 1.027.

Inflation shall be measured by the average of the estimated consumer price index for all urban consumers for a fiscal year divided by the average index for the prior fiscal year.

"(3) EXPIRING HOUSING CONTRACTS.—For each budget year through 2000, the adjustment shall be the amount of new budget authority needed to renew expiring multiyear subsidized housing contracts or provide contracts to replace units lost due to prepayments, with the per-contract renewal/replacement cost equal to the average current-year cost of renewal or replacement contracts.

"(4) EMERGENCIES.—If for any fiscal year appropriations for discretionary accounts are enacted that are designated as emergency requirements by statute, the adjustment shall be the amount of those appropriations that the President also designates, in writing, as emergency requirements within 5 days of the enactment of those appropriations. If any amount previously designated as an emergency requirement is rescinded, the adjustment shall be the amount of that rescission.".

(d) REVENUE RAISING RECOMMENDATIONS TO COVER SHORTFALL.—Section 251 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding at the end the following new subsection:

"(c) RECONCILIATION PROCESS TO AVOID SEQUESTRATION.—Whenever the Committee on Appropriations of the House or Senate believes that a sequestration would be necessary under this section to eliminate a budget-year breach in any discretionary appropriation category as a result of the enactment of any appropriation Act, that committee may forward a report to the Committee on Ways and Means or the Committee on Finance, as the case may be, recommending a revenue increase to cover the shortfall. If such a revenue increase measure of sufficient size to cover the shortfall is enacted into law during that session of Congress, then no categorical sequestration may occur under this section as a result of that appropriation Act.".

(e) REVENUE SHORTFALL POINT OF ORDER.—Section 253 of the Balanced Budget and

Emergency Deficit Control Act of 1985 is amended to read as follows:

"SEC. 253. REVENUE SHORTFALL POINT OF ORDER.

"(a) Point of Order.—It shall not be in order in the House of Representatives or the Senate to consider any bill or joint resolution, or any conference report thereon or amendment thereto, reducing revenues for any fiscal year through fiscal year 2000 unless it also contains an amendment to section 601(a)(1) or 601(a)(2) of the Congressional Budget Act of 1974 to reduce any combination of entitlement targets or discretionary spending targets in order to make that bill, joint resolution, conference report, or amendment deficit-neutral for each such fiscal year.

"(b) Waiver.—The point or order set forth in paragraph (1) may only be waived by an affirmative vote of not less than two-thirds of those voting, a quorum being present.".

SEC. 15302. LIMITATION ON DIRECT SPENDING.

(a) Limitation on Direct Spending.—Section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows:

"SEC. 252. LIMITATION ON DIRECT SPENDING.

"(a) Permanent Sequestration of Direct Spending.—

"(1) Application.—Obligations in sequestered direct spending accounts shall be reduced in the fiscal year in which a sequestration occurs and in all succeeding fiscal years. Notwithstanding any other provision of this section, after the first direct spending sequestration, any later sequestration shall reduce direct spending by an amount in addition to, rather than in lieu of, the reduction in direct spending in place under the existing sequestration or sequestrations.

"(2) Sequestration.—Within 15 calendar days after Congress adjourns to end a session and on the same day as a sequestration (if any) under section 251, there shall be a sequestration to eliminate a budget-year breach (if any) in any direct spending category within the direct spending target.

"(b) Eliminating Excess Direct Spending.—The amount required to be sequestered in a fiscal year under subsection (a) shall be obtained from direct spending accounts. Each non-exempt direct spending account in a category within the direct spending target shall be reduced by a uniform percentage necessary to make the reduction in direct spending required in that category to stay within the direct spending target.

"(c) Reconciliation Process To Avoid Sequestration.—Whenever a committee of the House or Senate believes that a sequestration would be necessary under this section to eliminate a budget-year breach in any direct spending category as a result of the enactment of any Act under its jurisdiction, that committee may forward a report to the Committee on Ways and Means or the Committee on Finance, as the case may be, recommending a revenue increase to cover the shortfall. If such a revenue increase measure of sufficient size to cover the shortfall is enacted into law during that session of Congress, then no categorical sequestration may occur under this section as a result of that Act.".

SEC. 15303. EXEMPT PROGRAMS AND ACTIVITIES.

(a) Exemptions.—Section 255 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows:

"SEC. 255. EXEMPT PROGRAMS AND ACTIVITIES.

"(a) Social Security Benefits.—Benefits payable under the old-age, survivors, and disability insurance program established under title II of the Social Security Act shall be exempt from reduction from any order issued under this part.

"(b) Net Interest.—No reduction of payments for net interest (all of major functional category 900) shall be made under any order issued under this part.".

(b) Repealer.—(1) Section 256 of the Balanced Budget and Emergency Deficit Control Act of 1985 (relating to exceptions, limitations, and special rules) is repealed.

(2) The item relating to section 255 in the table of contents set forth in section 250(a) of the Balanced Budget and Emergency Deficit Control Act of 1985 is repealed.

SEC. 15304. TECHNICAL AND CONFORMING AMENDMENTS TO THE BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT OF 1985.

(a) Definition of Category.—Section 250(c)(4) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows:

"(4) The term 'category' means for fiscal years 1994, 1995, 1996, 1997, 1998, 1999, and 2000—

"(A) when referring to discretionary appropriations, either of the following subsets: national security (defense and international) or domestic; and

"(B) when referring to direct spending, any of the 19 categories set forth in section 601(a)(2) of the Congressional Budget Act of 1974.

Discretionary appropriations in the domestic category and in the national security (defense and international) category and accounts in the 19 direct spending categories referred to in the preceding sentence shall be those so designated in the joint statement of managers accompanying this Act. New accounts or activities shall be categorized in consultation with the Committees on Appropriations and the Budget of the House of Representatives and the Senate.".

(b) Definition of Budgetary Resources.—Section 250(c)(6)(B) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking "or 1995" and inserting "1995, 1996, 1997, 1998, 1999, or 2000".

(c) Enforcing Discretionary Spending Targets.—Section 251 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) in subsection (a), by striking "and section 253" and by striking "1995" in its side heading and inserting "2000";

(2) in subsection (b)(1), by striking "or 1995" both places it appears and inserting "1995, 1996, 1997, 1998, 1999, or 2000";

(3) in subsection (b)(2), by striking "or 1995" the first place it appears and inserting "1995, 1996, 1997, 1998, 1999, or 2000" and by striking "through 1995" and inserting "through 2000"; and

(4) in subsection (b)(2)(D), by striking "or 1995" and inserting "1995, 1996, 1997, 1998, 1999, or 2000".

(d) Reports and Orders.—Section 254 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) by striking subsection (c);

(2)(A) in subsection (d)(1), by striking ", pay-as-you-go, and deficit" and inserting "and direct spending" and by striking "1995" and inserting "2000";

(B) in subsection (d), by amending paragraph (3) to read as follows:

"(3) Direct spending sequestration reports.—The preview reports shall set forth estimates, for the current year and each subsequent year through 2000, of the applicable direct spending targets for each category."; and

(C) by striking paragraph (4) of subsection (d); and

(3)(A) in subsection (g)(2)(A), by striking "1995" and inserting "2000"; and

(B) by amending paragraph (3) of subsection (g) to read as follows:

"(3) Direct spending sequestration reports.—The final reports shall set forth estimates for each of the following:

"(A) For the current year and each subsequent year through 2000 the applicable direct spending targets for each category.

"(B) For the current year and the budget year the estimated new budget authority and outlays for each category and the breach, if any, in each category.

"(C) For each category for which a sequestration is required, the sequestration percentages necessary to achieve the required reduction.

"(D) For the budget year, for each account to be sequestered, estimates of the baseline level of sequesterable budgetary resources and resulting outlays and the amount of budgetary resources to be sequestered and resulting outlay reductions.".

(e) Extension of Expiration Date.—Section 274(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking "1995" and inserting "2000".

(f) Table of Sections.—The table of sections set forth in section 250(a) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) in the item relating to section 252, by striking "Enforcing pay-as-you-go" and inserting "Limitation on direct spending"; and

(2) by striking the item relating to section 253.

SEC. 15305. TECHNICAL AND CONFORMING AMENDMENTS TO TITLE VI OF THE CONGRESSIONAL BUDGET ACT OF 1974.

(a) Point of Order in the Senate.—Section 601(b)(1) of the Congressional Budget Act of 1974 is amended by striking "or 1995" and inserting "1995, 1996, 1997, 1998, 1999, or 2000".

(b) Committee Allocations and Enforcement.—Section 602 of the Congressional Budget Act of 1974 is amended by striking "1995" each place it appears and inserting "2000".

(c) 5-Year Budget Resolutions.—Section 606 of the Congressional Budget Act of 1974 is amended—

(1) in subsection (a), by striking "or 1995" and inserting "1995, 1996, 1997, 1998, 1999, or 2000"; and

(2) in subsection (d), by striking "and 1995" and inserting "1995, 1996, 1997, 1998, 1999, and 2000".

(d) Effective Date.—Section 607 of the Congressional Budget Act of 1974 is amended by striking "1995" and inserting "2000".

Subtitle D—The Budget Baseline

SEC. 15401. THE PRESIDENT'S BUDGET.

Paragraph (5) of section 1105(a) of title 31, United States Code, is amended to read as follows:

"(5) except as provided in subsection (b) of this section—

"(A) estimated expenditures and proposed appropriations for each function and subfunction in the current fiscal year;

"(B) estimated expenditures and proposed appropriations the President decides are necessary to support the Government for each function and subfunction in the fiscal year for which the budget is submitted; and

"(C) a comparison of levels of estimated expenditures and proposed appropriations for each function and subfunction in the current fiscal year and the fiscal year for which the budget is submitted, along with the proposed increase or decrease of spending in percentage terms for each function and subfunction;''.

SEC. 15402. CONGRESSIONAL BUDGET.

Section 301(e) of the Congressional Budget Act of 1974 is amended by—

(1) inserting after the second sentence the following: "The starting point for any deliberations in the Committee on the Budget of each House on the joint resolution on the budget for the next fiscal year shall be the estimated level of outlays for the current year in each function and subfunction. Any increases or decreases in the Congressional budget for the next fiscal year shall be from such estimated levels.";

(2) striking paragraphs (2) and (3) and inserting the following:

"(2) a comparison of levels for the current fiscal year with proposed spending for the subsequent fiscal years along with the proposed increase or decrease of spending in percentage terms for each function and subfunction;

"(3) information, data, and comparisons indicating the manner in which and the basis on which, the committee determined each of the matters set forth in the joint resolution, including information on outlays for the current fiscal year and the decisions reached to set funding for the subsequent fiscal years;";

(3) inserting "and" after the semicolon in paragraph (7);

(4) striking paragraph (8); and

(5) redesignating paragraph (9) as paragraph (8).

SEC. 15403. CONGRESSIONAL BUDGET OFFICE REPORT TO COMMITTEES.

The first sentence of section 202(f)(1) of the Congressional Budget Act of 1974 is amended to read as follows: "On or before February 15 of each year, the Director shall submit to the Committees on the Budget of the House of Representatives and the Senate a report, for the fiscal year commencing on October 1 of that year, with respect to fiscal policy, including (A) estimated budget outlays in all functions and subfunctions for appropriated accounts for the current fiscal year and estimated budget outlays under current law for all entitlement programs for the next fiscal year, (B) alternative levels of total revenues, total new budget authority, and total outlays (including related surpluses and deficits), and (C) the levels of tax expenditures under existing law, taking into account projected economic factors and any changes in such levels based on proposals in the budget submitted by the President for such fiscal year.".

EXTENSIONS OF REMARKS

MEMORIAL—STERLING BOLIMA

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1993

Mr. YOUNG of Alaska. Mr. Speaker, it is with great sadness that I report to my colleagues today the death last week of Sterling Bolima, who was for many years the Washington representative for Kootznoowoo, Inc., the Native village corporation for Angoon, Alaska, a small village on Admiralty Island. From the passage of the Alaska Native Claims Settlement Act to the present, Sterling was a part of the history of Alaska's lands, a literal fixture with respect to land and resources decisions that were made over the past 25 years respecting Alaska. Many of my colleagues knew Sterling, and remember him with affection, but may not have known how much was packed into his short life.

Sterling was born in 1940 in Sacramento, CA, but nonetheless was an Alaskan from the start. His father, Francisco, had worked for years with the Alaska Territorial Legislature beginning as early as the 1920's, and his mother, Lenora, was born on Admiralty Island in a small village which no longer exists. She is still alive today, 94 years old and living in Seattle and, like Sterling, was a member of the Raven Clan.

As a young man of 17 years, Sterling joined the U.S. Army and was trained as a paratrooper and photogrammetrist. Stationed in France in the late 1950's, Sterling was assigned to the CIA, which he served as a specialist in aerial photo and map interpretations doing top security analysis regarding Angola, Uganda, and other sensitive areas. Sterling continued work in photogrammetry and surveying related to resource management following his years of military service.

In the early 1970's, Sterling began his work for the village of Angoon, and Kootznoowoo, Inc. From the outset, whatever Sterling's job description, his mission was to see that people understood and treated Angoon and Admiralty Island as very special places. Over the years, he convinced thousands of people, many of them key congressional and executive branch officials, of his case.

Sterling was on the scene, as the Washington representative for Angoon—which became the village corporation of Kootznoowoo—during the passage of the Alaska Native Claims Settlement Act. From that point forward, Sterling became the virtual embodiment of Kootznoowoo and Angoon in Washington, DC. Although he was diminutive in stature and quiet in manner, Sterling was nonetheless a force with which to be reckoned, committed and creative in his pursuit of the interests of his village and his corporation.

Angoon and Kootznoowoo were, and are, unique in many respects. Angoon is the only village on Admiralty Island, a one million acre treasure house of natural resources in Southeast Alaska, now recognized by National Monument and Wilderness status. Admiralty Island is also a storehouse of timber and mineral resources, as well. As with many Native villages in somewhat similar situations, Angoon—and Kootznoowoo—had to face the dilemma of preserving their traditional lifestyle, and their land, while providing economic advancement for their people. In Angoon, they made a firm choice.

Sterling Bolima, and Kootznoowoo, were determined, from early on, not only to resist the development of their own land and resources around their village on Admiralty Island, but also the development of other lands on Admiralty which had been selected by other Native corporations whose villages were not on the Island. This put Kootznoowoo, and Sterling, from time to time, at odds with other Native corporations, and I confess, with me. Nonetheless, Sterling's opposition to one idea usually came along with the suggestion of alternatives to accomplish the objective in another way. For years, and through many amendments to the Settlement Act, Sterling worked with Congress, the Forest Service, the Department of the Interior, the State of Alaska, and others to shape alternatives which protected the natural resources of Admiralty Island, yet afforded economic development opportunities in other areas of Southeast Alaska.

During the consideration and passage of the Alaska National Interest Lands Conservation Act [ANILCA], Sterling was a ubiquitous presence on the Washington scene, working with the offices of the Alaska delegation and others to achieve a significant land exchange which conveyed much on Kootznoowoo's land on Admiralty Island to the Federal Government for inclusion in the National Monument, in exchange for lands off Admiralty suitable for development and timber harvest. This exchange, Section 506 of ANILCA, is in many respects a tribute to the dedication and tenacity of Sterling Bolima in representing Kootznoowoo and his home village of Angoon.

In the years since then, Sterling continued to work in Washington, DC, as necessary, solving the Federal problems of his people. Ultimately, the Admiralty Island Wilderness was renamed, in legislation that Sterling brought to me and I sponsored, the Kootznoowoo and his home village of Angoon.

In the years since then, Sterling continued to work in Washington, DC, as necessary, solving the Federal problems of his people. Ultimately, the Admiralty Island Wilderness was renamed, in legislation that Sterling brought to me and I sponsored, the Kootznoowoo Wilderness—meaning the Fortress of the Bears. Over the years, Sterling Bolima became the symbol of his village in Washington, and I hope he is recognized and remembered there for the stature he obtained for his people in his Nation's capital.

Those who knew him best understood that, as quiet and understated as he was, Sterling had power, creativity, and wisdom in the management of resources, and in finding ways to secure both the protection and the development of Alaska's resources. Sterling was one of the very first to recognize the potential in the relationship between Native Alaskans and environmentalists, and to capitalize on that relationship politically. This recognition, as you may guess, was not one which always endeared Sterling to me or others in the Alaska Congressional delegation, but it was an insightful and important idea which was extremely important to the people of Kootznoowoo. Even when there were differences over how to resolve problems, the relationship of the Congressional delegation with Sterling was one of respect and friendship. Sterling Bolima was a man who made a difference on behalf of his people; he made an impact on all of those with whom he worked. I join with all Alaskans and with all of those in the Congress, both Members and staff, who worked with Sterling in extending our heartfelt sympathies to his family and to all of those in Kootznoowoo who benefitted from his labors.

TRIBUTE TO PAUL FEUER

HON. SUSAN MOLINARI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1993

Ms. MOLINARI. Mr. Speaker, on July 9, 1993, the Navy Exchange Service Command on Staten Island will suffer a great loss. On this day, after dedicating 38 years of service to Nexcom, Paul Feuer will retire.

Paul, a native of Brooklyn and former resident of Staten Island, was chosen for a summer job with Nexcom in 1955, after graduating from Lafayette High School. That summer job never ended, and Paul progressed from the most junior clerical position, to one of the most senior executive positions within Nexcom, serving as deputy commander of the Contracts Group.

As the deputy commander, Paul has provided oversight, guidance, and direction for the worldwide contracting of services, merchandise, equipment, and supplies for Navy exchanges, commissaries, ships stores, Navy lodges, and the Navy Uniform Program.

While he has had many accomplishments over the years, Paul's primary focus throughout his time with Nexcom was to get the very best for the sailor, while providing service members with a "taste of home, away from home."

Paul was always a team player, and encouraged teamwork amongst all associates. He also provided numerous opportunities for training and advancement for women and minorities.

In 1976, the Department of Defense decided to relocate Nexcom from Brooklyn to Great Lakes. Paul was instrumental in getting Nexcom's rent reduced by several hundred thousand dollars, thereby canceling the relocation.

And when Nexcom was looking for a new home in 1981, it was Paul who took an active role in soliciting support for Nexcom to move to Fort Wadsworth on Staten island.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

During his 38 years of service to Nexcom, Paul married his wife Doris, and together they raised four children. Besides family and work, Paul found the time to get involved in our community, by managing Little League baseball for 6 years.

Mr. Speaker, it is a privilege for me to have this opportunity to honor Paul Feuer, for his distinguished career, and his commitment to our community. On behalf of the Brooklyn and Staten Island community, I would like to thank him for his dedication and service. Nexcom will not be the same without him.

SALUTE TO CAROLINA L. ERIE

HON. ELTON GALLEGLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1993

Mr. GALLEGLY. Mr. Speaker, I rise today to salute Carolina L. Erie, the superintendent of the Santa Paula High School District, who is retiring after this school year after 36 years in education.

Mrs. Erie is truly an example of the difference one person can make in our communities. When she came to Santa Paula 4 years ago, the high school district was in serious financial and academic trouble. Working with the school board, faculty, staff, parents, and community leaders, she has helped make it one of the most financially stable school districts in Ventura County. Perhaps more importantly, the school has made significant academic progress, as recognized by the State department of education and by the Western Association of Schools and Colleges review committee.

Carol Erie began her career in 1957 as a teacher at Palms Junior High School in Los Angeles. In 1967, she became an assistant principal in the Los Angeles Unified School District, working at several district campuses over the next decade, including becoming the first woman to serve as the athletic director at a Los Angeles high school.

After serving as principal of Olive Vista Junior High School for 2 years, she was hired by the Conejo Valley Unified School District in 1978 as assistant principal at Westlake High School, then principal for 6 years at Colina Intermediate School. In 1985, she moved on to become the district's first K–12 director of curriculum, then a year later assumed the post of director of secondary education, with direct responsibility for the District's high schools and intermediate schools.

Mr. Speaker, Mrs. Erie will be honored on June 20 at a retirement ceremony at Santa Paula High School. I ask my colleagues to join me in saluting her for her long and distinguished career in education, and in wishing her well upon her retirement.

TRIBUTE TO CORLISS GRAY

HON. LUCIEN E. BLACKWELL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1993

Mr. BLACKWELL. Mr. Speaker, I proudly rise today to pay tribute to Corliss Gray, an exemplary Philadelphian.

This exceptional woman has dedicated her life to serving her fellow man and has truly made a difference in a multitude of endeavors as a mother, a wife, a nurse, and a housing activist.

For many years, Mr. Speaker, she has struggled valiantly to improve public housing. She has nobly faced the Philadelphia City Council, the Pennsylvania Housing Authority, the Pennsylvania State Legislature, and the U.S. Department of Housing and Urban Development in an effort to afford all individuals quality and affordable housing. Indeed, she has been an outspoken voice for public housing tenants throughout the city of Philadelphia.

Mr. Speaker, she presently serves as president of the Queen Lane Tenant Management Corp. [QLTMC]. In this position, she has worked to develop home ownership plans, developing food programs, youth programs, training programs, and a GED program.

Her dedication to the enrichment of the city of Philadelphia is incredible. In addition to her work in the field of housing, she has utilized her talents and donated her time as the vice president of the Wissahickon Boys Club, member of the board of Westside Neighbors, and Southwest Germantown Community Corp.

Mr. Speaker, I am delighted to pay tribute to this outstanding woman as the North Central Philadelphia Council honors her during their 12th annual extravaganza "Who's Who Among Our Distinguished Citizens." I ask my colleagues to join me in congratulating her on this great honor.

CONGRATULATIONS TO JOHN F. MURPHY

HON. ROBERT G. TORRICELLI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1993

Mr. TORRICELLI. Mr. Speaker, it is with great respect and admiration that I address my colleagues in the House today, for I rise to extend my heartiest congratulations and warmest best wishes to my colleague and friend, Englewood Cliffs Police Chief John F. Murphy.

John Murphy joined the Englewood Police Department on May 19, 1953, and attended many technical police schools which included taking classes in photography, advanced fingerprinting, criminal investigation, police supervision, narcotics and hostage negotiations. His professional association memberships include PBA Local No. 45, New Jersey Honor Legion, New York and New Jersey Detectives Crime Clinic, Bergen County Police Chiefs Association, New Jersey State Chiefs Association, and the International Association of Chiefs of Police.

During his tenure with Englewood Cliffs Police Department, John was assigned to all divisions within the department, rising through the ranks to his present position of chief. He has handled numerous investigations and has been involved in many different aspects of police work.

Chief Murphy is married to the former Alice Robles and has six children, John, Stephen, Chris, Brian, Suzanne, and Michele.

Mr. Speaker, I am proud to join in paying tribute to John F. Murphy and his invaluable service to his community. His service truly made a difference in society. I extend my best wishes to him on this most special occasion and hope that he will enjoy retirement, and remain active as a councilman in the city to which he has dedicated his life.

HONORING FRED LEBOW

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1993

Mr. ACKERMAN. Mr. Speaker, I rise today to join with my constituents the Emanuel Foundation for Hungarian Culture to honor a truly unique American and outstanding sportsman, Fred Lebow.

To running enthusiasts across our country, Fred Lebow's name is synonymous with the New York Marathon. Born in 1932 in Transylvania, Rumania, Fred lived in several European countries until coming to the United States. He soon started a most successful career in the New York City garment business. To build his stamina for playing tennis, Fred took up running. What began as a hobby very quickly became a second career.

Today, Fred has competed in a total of 68 marathons in over 30 countries. His love for running led to his active participation in the New York Road Runners Club [NYRRC]. In 1972, he became the club's president, and from then on Fred's leadership brought major changes to the sport of running. He expanded the New York Marathon to an internationally known citywide race. He staged the women's Mini-Marathon—the first women-only long-distance running event in the world—which now has more than 8,000 runners participating. In addition, he developed such well known running events as the Fifth Avenue Mile, the Empire State Building Run-Up, and he reintroduced the Six-Day Run in New York.

Fred Lebow expanded the NYRRC from 270 members in 1972 to the largest organization of its kind in the world with over 29,000 members sponsoring over 120 annual events.

I know my colleagues will join with me as we honor this truly outstanding citizen.

REMEMBER LIEUTENANT BORAH

HON. GLENN POSHARD

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1993

Mr. POSHARD. Mr. Speaker, as Memorial Day approaches I rise to bring to the attention of the House of Representatives the effort of a town in my district to keep alive the memory of Lt. Dan V. Borah, Jr.

Lieutenant Borah is a native son of Olney, IL, and like so many other young Americans he answered his country's call to service in the Vietnam war as a fighter pilot in the U.S. Navy. On September 24, 1972, his plane was shot down over enemy territory as Lieutenant Borah was carrying out his mission. After the ensuing crash Lieutenant Borah was observed being taken captive after bailing out of his crippled aircraft. Soon after this event Lieutenant Borah was listed as missing in action and tragically his name remains on that list to this very day.

This Memorial Day, the fine people of Olney, IL, will mark the 20th year of Lieutenant Borah being listed as an MIA. They will observe this somber occasion with a special commemoration and prayer for Lieutenant Borah and all his fellow MIA's. I stand today before the House of Representatives urging all of my colleagues to remember Lieutenant Borah and every American still thought to be a prisoner of war or missing in action, as we continue the long fight to bring all Americans back to the country which they so proudly served. My thoughts and prayers are with Lieutenant Borah's family and friends this Memorial Day weekend.

CLARIFICATION OF THE BUDGETARY TREATMENT OF SOCIAL SECURITY ADMINISTRATIVE EXPENSES

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1993

Mr. JACOBS. Mr. Speaker, today I am introducing legislation to amend the Omnibus Budget Reconciliation Act of 1990—Public Law 101–508—to clarify that the expenses of administering Social Security are to be placed off-budget, just like Social Security benefits. I am pleased that Chairman Rostenkowski has joined me as an original cosponsor of this legislation.

In the 101st Congress, we responded to public concern over the alleged use of Social Security trust funds to mask actual Federal deficits. In essence, we make Social Security independent of the regular Federal budget. In other words, the financial accounting of Social Security Old-Age, Survivors and Disability Insurance [OASDI] Program would not in any way be intermingled with the financial accounting of the rest of the Government.

The trouble is that, despite this law, the Office of Management and Budget says that the administrative costs of the Social Security Program should be subject to the general caps on Federal spending that we passed in the Budget Enforcement Act of 1990—Public Law 101–508.

The Social Security trust funds are not in trouble. They are in surplus. They can well afford to pay for their own administrative expenses. OMB is posing a hardship on Social Security beneficiaries by suggesting that the Social Security trust funds have anything at all to do with the Federal deficit. According to recent testimony before the Social Security Subcommittee: The backlog of pending disability claims now stands at approximately 700,000 and, without additional funding, is projected to rise to 1.3 million by the end of next year; and qualified applicants must now wait an average of 3 months for initial decisions on their claims and, without additional funding, will have to wait 5 months or more by the end of this year.

Appropriations from the Trust Funds for administration should be based on the needs of the Social Security Program, which the trust funds can well afford to finance, rather than on the size of the Federal deficit.

Accordingly, I have introduced legislation to make clear that Social Security, including the funds for its administration, is in fact financially independent of the rest of the Government. Under this bill, administrative expenses would continue to be subject to annual appropriations. In addition, appropriations would be further limited by a budgetary point of order against any bill that provides Social Security administrative funding of more than 1.5 percent of estimated benefit payments for the year.

Not only is this legislation logical but it is fair. The people who pay the Social Security tax are entitled to get what they pay for—and that includes adequate administration of the Social Security Program. Inadequate administration means long delays in benefit checks, inaccurate payments, high telephone busy rates, and poor service to both workers and beneficiaries. Furthermore, in the Social Security Disability Program, inadequate administration can mean that justice delayed is justice denied.

TRIBUTE TO JULIANNA C. ANDERSON

HON. LUCIEN E. BLACKWELL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1993

Mr. BLACKWELL. Mr. Speaker, I am pleased to pay homage to Julianna C. Anderson. Mrs. Anderson is truly a beacon of the Philadelphia community, who has unrelentlessly worked at the aid of many elderly individuals.

Since early childhood, she displayed a commitment to improving the care and enriching the qualify of life of the elderly. At age 9, she worked as a sitter for an elderly neighbor and has continued her exceptional work in this field to this very day, even in her current role as a great-grandmother.

She thoroughly prepared herself to work with the elderly by extensively studying the issues which impact them most. She holds numerous degrees such as an A.D. from Eastern College, B.B.A. from Temple University, and a M.H.S. from Lincoln University.

Throughout Mrs. Anderson's sterling career, she has successfully worked in a number of senior centers and senior service agencies. Presently, Julianna Anderson serves as the director of older adult services for Philadelphia's department of recreation. In this capacity, she brilliantly manages five senior centers throughout the city.

Mr. Speaker, on Saturday, May 22, 1993, Mrs. Anderson is being honored by the North Central Philadelphia Council during their 12th Annual Extravaganza, "Who's Who Among Our Distinguished Citizens." I ask my colleagues to join me in congratulating this great American on this wonderful honor.

CONGRATULATIONS TO ANGELO DINOME

HON. ROBERT G. TORRICELLI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1993

Mr. TORRICELLI. Mr. Speaker, it is with great respect and admiration that I address my colleagues in the House today, for I rise to extend my heartiest congratulations and warmest best wishes to Angelo DiNome who is the recipient of Bergen County Labor Council's Community Service Award which is presented by the Bergen County Central Trades and Labor Council AFL–CIO and its community service program, United Labor Agency of Bergen County.

Angelo is a graduate of Manhattan College where he received his bachelor's in business administration in 1960. He then went on to receive his master of business administration from Baruch School at the City University of New York.

Upon graduation, Angelo joined Rockefeller Center, Inc., where he served as the assistant to the superintendent. After 7 years of service, Angelo began employment with the Port Authority of New York and New Jersey. He has been employed by the port authority ever since and has steadily worked his way through the ranks. Angelo now serves as the acting director of the Government and Community Affairs Department within the port authority.

Angelo is involved in numerous community organizations. He serves as a member of the New Jersey Governor's International Trade Commission, the Private Industry Council in Newark and New York City, Senator BRADLEY's Selection Committee for the Naval Academy, the New Jersey Business and Industry Association, and the Business Council of New York State. Angelo also served on the board of trustees of the Bergen County Technical and Vocational School and presently serves as a trustee to the United Labor Agency of Bergen County and the Bergenfield Library Board.

Throughout all this Angelo has found time to serve on the board of directors for the Urban League of New Jersey World Trade Council, and the Commerce and Industry Association of Bergen County. He is truly one of the special few who make a difference in society. Angelo is a man of the utmost integrity who sincerely cares about his neighbors, his community and his country.

Mr. Speaker, I am proud to join in paying tribute to Angelo DiNome as a colleague and a friend, as he continues to provide invaluable service to his community and truly makes a difference in society. I extend my best wishes to him on this most special occasion.

PORT WASHINGTON YOUTH ACTIVITIES

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1993

Mr. ACKERMAN. Mr. Speaker, I rise today to honor the Port Washington Youth Activities, Inc. [PYA] and three outstanding individuals who have helped the PYA be a most effective organization. Designed to encourage boys and girls to grow through athletics, the PYA provides our youth with over half a million child-program hours in activities that include Little League baseball, basketball, lacrosse, swimming, football, wrestling, and tennis.

At the PYA's 1993 Hall of Fame Dinner, three most unique individuals will be honored.

John O'Leary played both baseball and football for the PYA. At Holy Cross High School he played football, baseball, and ran track. In 1971–72 he was recognized as a Daily News All City Player. At the University of Nebraska, he played baseball and football and was voted outstanding freshman in the Big 8. He was drafted by the Chicago Bears of the National Football League, and was rookie of the year in the Canadian Football League. In 1991, he was selected to the Holy Cross High School Hall of Fame.

Jim Vigilis has provided both leadership and experience to the PYA. He was a most active member of its board of directors for 10 years. In addition, he served as commissioner of the Babe Ruth Baseball League and was a head coach for 10 years as well as an assistant coach for 5 years. He also served as assistant football coach for 10 years.

Al Bonelli is being honored posthumously for his dedication to the PYA. Providing leadership and support to the PYA during its formative years, he devoted three decades of service continuing coaching into his late sixties. He is fondly remembered by the youth of the PYA as "Mr. Basketball."

Mr. Speaker, I am most proud to know that my colleagues will join me in honoring these three individuals and the PYA for their ideals and dedication to our youth through sports.

SALUTE TO DR. JAMES COWAN

HON. ELTON GALLEGLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1993

Mr. GALLEGLY. Mr. Speaker, I rise today to honor Dr. James Cowan, who is stepping down after serving as Ventura County Superintendent of Schools for 23 years.

Dr. Cowan retires with a record of accomplishment, including his pioneering work in establishing the Regional Occupational Program and Gateway Community School, and his leadership role in building six special education schools to serve Ventura County's special-needs students.

After graduating from Ventura High School and Ventura College, he left the county for a few years to serve in the Army and earn degrees at Whittier College, he returned to Ventura in 1957 and has been an educator there ever since.

He served as a teacher and counselor at Ventura High School and Ventura College, then as dean of boys at Buena High School until he became director of secondary education for the superintendent of schools office in 1965. In 1967, he became assistant superintendent and then superintendent in 1969.

As superintendent, he has worked hard to build quality public education in Ventura County, and indeed around the country. Among his achievements were establishing and maintaining the national leadership training center for gifted/talented education and serving as chairman of the board of the southwest regional laboratory for educational research and development.

Dr. Cowan has received numerous awards for his dedication, including the Ventura College Alumni Honor Award, being named one of the 100 outstanding alumni in the history of Whittier College, and receiving the Educator of the Year Award from the Tri-Counties Chapter of the California Teachers Association.

Mr. Speaker, I ask my colleagues to join me in recognizing Dr. James Cowan for his long years of service to the people of Ventura County, and in wishing him well upon his retirement.

TRIBUTE TO PATRICK DALY

HON. SUSAN MOLINARI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1993

Ms. MOLINARI. Mr. Speaker, on Thursday evening, May 27, 1993, a very special and very poignant ceremony will take place in Brooklyn, NY. The public school, PS 15 in the Red Hook section of Brooklyn will be renamed the Patrick Daly School.

This event is so very special, because Patrick Daly was a very special man. He was the dedicated principal of PS 15, who was gunned down on a fateful day in December 1992. He was taken from us for the simple mistake of coming between two groups of feuding drug dealers. They were in the midst of a shoot-out in a housing project courtyard, while Patrick Daly was in the midst of trying to find a crying boy who had left the school after a fight.

Many of us cannot comprehend why Patrick Daly would go into a place where such gunplay is an everyday occurrence. As a principal, he didn't have to go. Survival, not kindness and concern is a priority in a ruthless city.

But, in Patrick Daly's world, a crying little boy mattered. So he went, without a second thought about his safety, but for concern for a little boy.

New York City is filled with some good people, but only a few can convince others of their own goodness. Patrick Daly had this gift, and he did it for the children of PS 15 in Red Hook. He brought them the gift of loving discipline, the priceless treasure of education, and most importantly a wealth of hope, in an area of New York City that has none.

His wife Robin and his three children lost a husband and a father, and his neighbors have lost a good friend. And, the children of PS 15, have had taken from them a man who always believed in them, despite the perils of urban life, a man who was a symbol of love and decency.

The death of Patrick Daly has added to the despair felt by New Yorkers in an increasingly ruthless city. It is hard to see good in others, when truly good people are gunned down for no reason. But Patrick Daly had a certain kind of faith, a faith that kept him working in a tough neighborhood, working with kids whose lives are encompassed in poverty and hopelessness.

Mr. Speaker, it is only fitting that PS 15 in the Red Hook section of Brooklyn be renamed the Patrick Daly School. Patrick Daly saw a light many of us cannot see. He saw a bright place reached only by helping people one by one, especially the children.

HOUSTONIAN A.J. FOYT RETIRES FROM AUTO RACING

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1993

Mr. FIELDS of Texas. Mr. Speaker, those of us who enjoy the thrill of auto racing were saddened to learn of the retirement of the legendary A.J. Foyt—a Houstonian with ranching and business interests in my congressional district.

A.J. Foyt is an American original—a man of unsurpassed courage, accomplishment, and character who has provided millions of Americans with unforgettable moments of excitement; a man whose professional successes have made all Houstonians tremendously proud; a man who has never sacrificed his honor in order to come out No. 1; and a man who has faced and overcome adversity in the course of his long and distinguished professional career.

A.J. made the difficult decision to retire from the sport he loves—and that so many millions of other Americans enjoy—at a time when he was still a winner. The only man ever to win the Daytona 500; the Indianapolis 500, four times; and the 24 hours of LeMans, A.J. Foyt embodies those qualities to which Americans have always been attracted: courage; risk; determination; hard work; and success.

At age 58, A.J. might be considered an old man by many in the sports world. But those of us who have seen him race in recent years know that while his body may be a little more battered than in the past, A.J.'s spirit is as young as ever. Like some of his cars, A.J. has a few more miles on him than he might like, but those of us who have been with him in his races over the years—figuratively, if not literally—cannot help but feel that he would have had a few more good races had he decided to continue his auto racing career.

When he announced his retirement, A.J. had just finished running a practice lap at the famed Indianapolis Motor Speedway at 221 miles-per-hour—a speed that would have easily qualified him for this year's race, and put him in the field for a record 36th straight year. A.J., of course, owns the record for 35 straight Indy races.

Even at age 58, A.J. was still doing what so many of us simply dream about doing.

A.J.'s entire record in the sport of auto racing simply is too long to recite here. But he has won more IndyCar races—67—than any other driver in history. He is a 7-time IndyCar titleholder whose other career highlights include 41 USAC stock car wins, 29 victories in sprint cars, 20 wins in midgets, 7 victories in NASCAR stock cars, 7 wins in sports cars and 2 victories in championship dirt cars.

While his victories in the racing world have thrilled millions of Americans during the last four decades, even some of A.J.'s lower moments have turned to triumphs, and have excited his many fans—of which I am one.

In January 1965, for instance, A.J. broke his back in a stock car racing accident at Riverside—and yet, after a brief recuperation, he returned to auto racing and, in May, set qualifying records at Indianapolis and won his first career pole.

In 1990, he suffered his most debilitating injuries ever in a crash at Road America, literally crushing his feet. Doctors told him he would never race again—but in May 1991, he earned a front-row starting spot for the 75th Indianapolis 500.

Those of us who have followed A.J.'s racing career, and who are familiar with his many diverse activities in the Houston area, are immensely proud of this remarkable man, who was so inspired by his late father throughout most of his racing career, and are deeply grateful for the excitement he has provided to so many for so long.

Mr. Speaker, I know you join with me and my colleagues in wishing A.J. Foyt—the greatest race car driver of all time—and his wife, Lucy, and their four children, much happiness and good health in the years ahead.

TRIBUTE TO TYLER B. HANDSOME

HON. LUCIEN E. BLACKWELL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1993

Mr. BLACKWELL. Mr. Speaker, I stand here to honor an outstanding gentleman, Mr. Tyler B. Handsome. He is indeed a role model and phenomenal member of the Philadelphia community.

Tyler B. Handsome has lived in the city of Philadelphia since 1940. For many years, he has worked tirelessly in the religious community. He is affectionately known to many Philadelphians as the Preaching Deacon because of his relentless ability to spread the word of God wherever he presents himself.

Mr. Speaker, Tyler B. Handsome is a man who is not afraid to work hard for the values in which he believes. As a religious leader, he has served the Garden of Prayer Church as a worship leader, Sunday School teacher, and Sunday School superintendent.

The results of his ministry have certainly proven that he is a focused and committed individual whose actions are in the name of helping others. Moreover, he has worked steadfastly to combat many of the social problems that have plagued our Nation. One of his most notable accomplishments is his commitment and involvement in the rescue mission of numerous young men who would otherwise participate in gang-related activities.

Moreover, for over 25 years he has been a radio-broadcaster, a writer, a concert musician, and a community activist. He has truly utilized all of his talents to touch many lives.

Mr. Speaker, I am delighted to recognize this gentleman as the North Central Philadelphia Council honors him during their 12th annual extravaganza, "Who's Who Among Our Distinguished Citizens." I ask my colleagues to join me in congratulating Tyler B. Handsome on this great honor.

THE GAMING INTEGRITY AND STATE LAW ENFORCEMENT ACT

HON. ROBERT G. TORRICELLI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1993

Mr. TORRICELLI. Mr. Speaker, today I am introducing the Gaming Integrity and State Law Enforcement Act, legislation that will solve the many problems related to the 1988 Indian Gaming Regulatory Act [IGRA]. Joining me as original cosponsors are Representatives BILBRAY, VUCANOVICH, CALVERT, HOAGLAND, and STUMP. I am pleased to announce that Senators REID and BRYAN are introducing similar legislation today in the Senate.

Some will argue that there is no problem with the IGRA. I would respond that 49 Governors, who have signed a petition calling for major reforms in Indian gaming laws, think there's a problem. The National Association of Attorneys General, which has called upon Congress to correct sections of the law that have resulted in repetitious litigation, thinks there's a problem. And the Members of the House and Senate who are cosponsoring this legislation, who represent hundreds of thousands of Americans who are firmly opposed to casino gaming on reservations in their States, think there's a problem.

The problem is that we are facing the practical equivalency of de-regulated casino gaming across the country without the citizens of the United States or their elected representatives ever having made the decision to let that happen.

Only two States in this country allow full-scale, for-profit casino gaming, yet there are now 124 commercial Indian gaming establishments of all sizes in 24 States. These operations gross roughly $7.5 billion a year—more than 10 percent of all gambling revenues in the country.

I come from one of two States that do allow high stakes casinos. Gambling in New Jersey was a very difficult public policy decision. It was made only after careful consideration by the people of New Jersey and their elected officials, and it was accompanied by an amendment to the State's Constitution.

The laws that were passed to implement that decision ensured that casino gaming would be highly taxed and closely regulated. Background checks for anyone even remotely connected with the games are thorough, and profits are earmarked for State programs to help the elderly and the disabled.

The people of New Jersey carefully considered the pluses and minuses associated with casino gaming, and made a decision. But the people of other States that are now home to native American gaming establishments had no say in the decision at all.

IGRA was supposed to be a compromise between Indian tribes seeking access to the revenues of gaming establishments, and State governments seeking to protect their citizens from the corrupting influence of unregulated gambling. But in practice, this law has greatly favored the tribes and has allowed the proliferation of gaming activities that the States had no intention of allowing.

Our legislation will restore the balance intended by the original law:

First, it will prohibit gaming on tribal lands in any State unless the specific form of gaming is allowed as a commercial, for-profit enterprise by State laws. Current law has been interpreted to mean that casino gaming can take place on tribal lands in a State that only allows such gaming as part of charitable Las Vegas nights. This was clearly not the intent of Congress.

Second, our bill prohibits gaming on any lands that were not a part of a federally recognized tribe's reservation at the time of IGRA's enactment in 1988. This will stop tribes from establishing gaming enclaves on territory outside of their reservations, and it will also end the rush by several tribes to apply for Federal recognition just so that they can open casinos.

Third, our bill will restore state sovereignty by reforming the compact negotiation process. No longer will States face the threat of frivolous lawsuits because they refuse a tribe's offer to negotiate a gaming compact that would be at odds with State laws and regulations.

Finally, our bill gives to the U.S. Attorney General authority to conduct background checks using all pertinent government documents to ensure the suitability of any individual involved with the ownership, financing, management or operation of a native American gaming operation. When IGRA was first passed there was little indication that organized crime was infiltrating gaming on reservations. However, over the last 5 years this has become a significant problem.

There is no doubt that many native American tribes are in need of economic development to alleviate unemployment and other problems. But loosely regulated casino gaming in States that have not sanctioned such gaming is not the answer.

We must give back to the States a reasonable opportunity to say no to gaming. It was not the intent of Congress in passing the Indian Gaming Regulatory Act to take away that opportunity. That is why the legislation we are introducing today is necessary, and that is why we are urging our colleagues to support it.

VETERAN CORPS OF THE 5TH REGIMENT INFANTRY, MARYLAND NATIONAL GUARD CELEBRATES 105TH ANNIVERSARY

HON. HELEN DELICH BENTLEY

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1993

Mrs. BENTLEY. Mr. Speaker, my fellow colleagues, I rise today to recognize the 105th anniversary of the Veteran Corps of the Fifth Regiment Infantry, Maryland National Guard. It is with great respect and admiration that I commend the corps on this momentous occasion.

The Veteran Corps of the Fifth Regiment Infantry enjoys a rich and proud history and is unlike any other veteran organization in Maryland. On February 3, 1888, by resolution of the board of officers of the Fifth Regiment Infantry, a committee was appointed to look into the organization of a veteran corps. An invitation to join was extended to all honorably discharged members of the Fifth Regiment, Maryland National Guard and on May 10, 1888, the Veteran Corps became a reality with 90 members.

In 1892, the Veteran Corps was incorporated and became a part of the State militia of Maryland. Also, its officers were duly commissioned. The corps has represented the Maryland National Guard at numerous out-of-State functions throughout the years and was a part of the military backup for the State when the active Guard has been mobilized.

As a backup for the State when the active Guard has been mobilized, the Veteran Corps served during the railroad strikes in the 1890's and during the Spanish-American War. In addition, they served during the Baltimore fires of both 1905 and 1917. Later, during World War II, some members were a part of the State Guard. Although, technically, they still can be considered a backup for the Maryland National Guard, today, the State Defense Force has been given greater responsibility to serve in this capacity.

I am proud to say that the Veteran Corps stands ready to support the Maryland National Guard and its interests in Maryland and the Nation. Presently, the corps is active in the Centennial Legion Of Historic Military Commands which is an organization dedicated to the preservation of the traditions and history of those commands that were part of the Thirteen Original Colonies. The corps' primary focus and involvement is related to issues concerning veterans and veteran affairs. The corps also is involved in the promotion and support of many historical events and ceremonies. Many members are on the Governor's Monument Commission and work diligently to preserve Maryland's military heritage.

Whatever the call or need, the members of the Veteran Corps always serve with great honor and distinction. For over a century, its members have served the great State of Maryland and out country and for this, they deserve to be most proud.

Again, Mr. Speaker, my fellow colleagues, on the 105th anniversary of the Veteran Corps Fifth Regiment Infantry, Maryland National Guard, I convey my utmost respect and admiration on this momentous occasion. It is indeed my honor to recognize this group of dedicated and patriotic Americans. May God bless them in the years to come.

SALUTE TO B'NAI B'RITH

HON. ELTON GALLEGLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1993

Mr. GALLEGLY. Mr. Speaker, I rise today to salute the members of B'nai B'rith unit 3118 in Camarillo, CA, as they observe their 13th anniversary of serving the community.

Additionally, I want to ask my colleagues to join me in honoring B'nai B'rith International as it marks its 150th anniversary this year of dedication to Jewish security. Jewish security, Jewish continuity, and Jewish unity.

Perhaps best known to the public through the tireless work of its Anti-Defamation League in combating the virus of anti-Semitism, B'nai B'rith is the world's largest Jewish organization, with more than 500,000 members in 50 countries.

Founded in the United States in 1843, B'nai B'rith has worked to defend human rights, fight discrimination, sponsor interfaith dialog, promote democracy, support scholarship, endow hospitals, provide broad-based services and quality housing to seniors, encourage volunteerism in the general community, and preserve Jewish culture.

Through education, philanthropy and personal involvement, B'nai B'rith reaches out to those in need and strives for the betterment of society.

On June 6, the Camarillo unit of B'nai B'rith will hold its annual installation dinner dance, installing its new officers and commemorating the International's 150th anniversary. I ask my colleagues to join me in saluting B'nai B'rith International and the Camarillo chapter for their hard work and dedicated service.

A LOSS FOR INDIANA

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1993

Mr. JACOBS. Mr. Speaker, this May 19 editorial from the Indianapolis News, if anything, is an understatement of the skills and imaginative management techniques possessed and exercised by Jeff Richardson.

Mr. Richardson is one of God's noblemen and one of the reasons for our society's achievement of such civilization as we have so far managed to bring about.

[From the Indianapolis News, May 19, 1993]

A LOSS FOR INDIANA

A loss for Indiana will be someone else's gain as Jeff Richardson leaves state government next month.

Richardson, secretary of the Family and Social Services Administration, has earned respect both from supporters and opponents of the administration of Gov. Evan Bayh since he joined state government after Bayh's 1988 election.

As columnist George Will once observed, "Choosing means pleasing some people but aggravating others, and people have longer memories for aggravations than pleasures."

Richardson has held enough important positions to have the opportunity to alienate or irritate a wide range of groups and people.

Yet he has managed to win respect and sometimes even admiration even as he has had to say no or deal with policy issues that inevitably make someone unhappy.

He started out in 1989 working in what was then the Department of Human Services and then helped in the Bayh administration's consolidation of several departments into the Family and Social Services Administration.

Those who dealt with him on a personal basis especially have appreciated his courtesy and dedication.

"Jeff brought not only a sense of responsibility to his job but also a sense of compassion," said John Dickerson, executive director of the Association for Retarded Citizens of Indiana.

Whatever his next step, Richardson has served Indiana and the Bayh administration in a way that fulfills the best meaning of the concept of public service.

NATIONAL HEALTH CARE POLICY: A PENNSYLVANIA MODEL

HON. RON KLINK

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1993

Mr. KLINK. Mr. Speaker, since the Presidential campaign last year, significant discussion has centered on efforts to achieve reform of the Nation's health care system. With spending reaching $900 billion annually, consuming 14 percent of the gross domestic product, solutions guaranteeing access to coverage and controlling the cost of health care are crucial to the Nation's financial viability and competitiveness.

President Clinton is to be commended for his dedication to this enormous challenge, and so, too, First Lady Hillary Rodham Clinton in leading the President's task force on health care reform. The Nation eagerly awaits the President's proposal in the coming weeks.

We are now involved in national debate on the various options designed to ensure access to coverage for all Americans, protecting those now enrolled in a health benefit program, and bringing about moderation in the cost of medical care. As Americans, we enjoy the highest quality health care, with unparalleled choice of medical specialties and advanced levels of care that are the envy of the world.

All too often, we take for granted that which works in our health care system. Despite significant economic dislocations throughout western Pennsylvania over the past decade, Pennsylvania has managed to maintain the fourth lowest rate of uninsured in the Nation. With over 90 percent of all Pennsylvanians enrolled in some form of health care coverage, our situation is by no means perfect. It is, however, characterized by a system of guaranteed access to coverage for small businesses and every individual, regardless of an individual's age, sex, occupation, or condition of health.

I am pleased to enter into the CONGRESSIONAL RECORD today a policy paper developed by Blue Cross of Western Pennsylvania addressing perspectives on a framework for developing national health care policy. Without endorsing any exclusive approach to health care reform, I commend the organization's commitment to its traditional mission of serving all segments of the community, while developing products that have been replicated across the Nation, benefitting economically disadvantaged children and low-income workers.

Many of the programs, practices, and policies that have proven effective in western Pennsylvania—specialized programs of coverage for children and low-income workers; continuous open enrollment; community rating; wellness and preventive care initiatives; negotiated reimbursement with providers; and efforts to bring about a rational approach to the siting of technology, among others—have contributed to Pennsylvania's low uninsured rate. Indeed, many of the reported "consensus" recommendations already endorsed by President Clinton are, in fact, being administered daily in Pennsylvania for nearly 2.8 million people.

In contributing to the process of advancing ideas and time-tested programs that can serve as a guide for national health care policy, I urge that the Pennsylvania model be considered by my colleagues in our common effort to bring about appreciable, prudent, and beneficial reform of America's health care system.

NATIONAL HEALTH CARE POLICY: A PENNSYLVANIA MODEL

EXECUTIVE OVERVIEW

Private insurance carriers have a responsibility to conduct their business for the public good. This means making sure affordable health care coverage is available to all segments of the community consistent with maintaining financial soundness.

Insurers also have an obligation to help shape the health care system to meet community medical needs. Reinvestment by insurers in the community and its people is essential to a workable and responsive health care system.

Health care delivery is a uniquely local activity. The medical needs of people, and practice patterns of physicians, vary from community to community. In crafting the right solutions, local reforms are vital—as opposed to bureaucratic remedies lacking community input.

U.S. health care policy should build on and improve the current market-based health care financing system to ensure universal and affordable health care and portable coverage.

All participants in the health care industry must be determined and dedicated as partners to achieve these goals. Health care reform can best be accomplished through: 1. Community-based Standards for Private Insurance Carriers.

The role of private insurers must be to: First, expand access to health care by making coverage available to individuals and groups, regardless of medical condition, age or use of benefits; second, provide affordable coverage for small employers (as few as two persons) with community-rated programs and large insurance pools, built around unions, trade groups and other businesses;

third, contain costs by negotiating tough yet fair agreements with health care providers that limit the rate of cost increases and reward cost-effective, high-quality care; and fourth, encourage reinvestment strategies as a shared community responsibility to develop and finance health benefit programs for economically disadvantaged individuals and families not in group plans.

2. Community Health Planning: Ending The Medical Arms Race.—Rising health care costs are the major barrier to accessible health care for all Americans. The key to slowing the growth in health care spending is establishing community-based accountability to control the expansion of costly, duplicate technologies and the over-saturation of facilities: First, focus health planning at the local and regional levels, because health care is inherently a locally based activity. Government policy should support successful local and state initiatives that promote cost-effective, high-quality health care delivery; and second, empower the major stakeholders in the health care system with responsibility to ensure the proper balance of necessary technologies and medical services in local communities.

3. A Workable Cost-Management Strategy.—A comprehensive national health care strategy is imperative to controlling health care costs. Strategic elements should include: First, requiring insurance carriers to operate as efficiently as possible to reduce the cost of administering health care programs; second, encourage individuals to adopt healthier lifestyles and become wiser users of the health care system by emphasizing preventive care and primary care programs; third, creating managed care and medical management programs that ensure patients receive cost-effective, high-quality care in the most appropriate setting; fourth, collecting data to measure the clinical competence of health care providers and to detect quality problems in delivery of care; and fifth, developing practice guidelines to help physicians choose the optimal course and level of treatment.

4. The Pennsylvania Model.—Market-based strategies offer the soundest solutions to the health care problems in the United States. The practices and programs of Blue Cross and Blue Shield in Pennsylvania, as outlined in this paper, provide an instructive model for reforming the existing health care system. They are founded on a tradition of shared community responsibility to meet local health care needs.

FRAMEWORK FOR SOLUTIONS

Reform of the U.S. health care system should focus on strengthening what works well now, and changing what doesn't work. All participants in health care have a vested interest and an obligation in bringing about workable and equitable reform to ensure that basic health care for everyone is (1) available, (2) affordable and (3) that coverage continues when their employer-provided coverage is interrupted.

COMMUNITY-BASED STANDARDS FOR PRIVATE INSURANCE CARRIERS

U.S. health care policy should build on and improve the current market-based health care financing system. As a centerpiece of constructive change, private insurance must be more responsive to public needs. Community-based standards of responsible behavior should be established for private insurance carriers, requiring them to manage rather than avoid risks and to address community health care needs.

Private insurance carriers should conduct their business to: First, provide a basic set of benefits to individuals and small groups, regardless of medical condition, age or use of benefits. Medical underwriting for this coverage would be prohibited, as would exclusions for pre-existing conditions. Coverage could not be canceled due to poor medical claims experience; second, negotiate tough yet equitable payment agreements with physicians, hospitals, pharmacists and other providers of medical services as part of a comprehensive strategy to limit the rate of cost increases and reward cost-effective, high-quality care. Emphasis should be placed on moderating the cost of outpatient services and developing methods of paying institutions based on their mission, level of care, geographic location and other relevant factors; third, establish community-rated programs to make coverage affordable for small employers with as few as two persons. Community-rated programs would be based on creating large insurance pools to spread the health risks over a large group of people. This rating approach is consistent with fundamental principles of insurance. Limited adjustments in community rates would be allowed for geographic location and certain components affecting usage of medical services.

Blue Cross of Western Pennsylvania, over several years, has successfully demonstrated the feasibility of insuring small employers through large insurance pools organized around unions, trade groups and other businesses. About 400,000 Western Pennsylvanians, primarily working at small firms, obtain comprehensive health benefits based on a community-rating concept.

Fourth, forge community-based partnerships to encourage, develop and finance special benefit programs for economically disadvantaged individuals and families not in group health plans. Community-based partnerships should involve all private insurers, large employers, physicians and hospitals, foundations and civic organizations.

In Pennsylvania, voluntary community partnerships facilitated by Blue Cross and Blue Shield address local health care needs, minimizing reliance on more government-sponsored health care programs:

1. The Pennsylvania Blue Cross Plans and Pennsylvania Blue Shield are the only carriers in the state to "subsidize" benefit programs for economically disadvantaged individuals under-age 65 who are not part of a group health plan, and people over-age 65 who buy Medicare supplemental (Medigap) coverage. The Plans pay out more in benefits for these coverage programs than the cost of premiums (the loss ratio). On average, loss ratios for these benefit programs range from 110% to 125%. The loss ratio for providing Medigap coverage to the Medicare disabled is 185%.

Statewide, Blue Cross and Blue Shield have more people enrolled in their individual benefit programs than in all the state-operated risk pools combined.

2. Blue Cross of Western Pennsylvania created the Caring Program for Children to provide health care to children of low-income families ineligible for Medicaid—at no cost to the families. Begun in 1985, the program has provided routine doctor visits, immunizations, emergency care and outpatient surgery to 20,000 children.

More than 7,500 individuals, corporations and community organizations make contributions to the program, reflecting broad community involvement to meet local health care needs. Blue Cross and Blue Shield match each contribution and absorb the $1.5 million administrative costs. Caring Programs will operate in 20 states by the end of 1992.

3. More than 32,000 Pennsylvanians are enrolled in Special Care, a low-priced benefit program offered by the Blue Cross and Blue Shield Plans in Pennsylvania for low-income, working individuals and families. Special care covers inpatient and outpatient surgery, primary care and preventive services for children and adults.

Special Care coverage costs $2 per day per individual. Blue Cross and Blue Shield and health care providers subsidize the program to maintain affordable rates. The statewide Special Care program is modeled after a Special Care program developed in 1990 by Blue Cross of Western Pennsylvania.

These community-based standards embody the practices and programs of Blue Cross and Blue Shield in Pennsylvania. To make the insurance system fairer, more responsible and more responsive to community health care needs, insurers must be required to meet community-based standards. Government and the private sector must work together to craft community-based standards for private insurers.

COMMUNITY HEALTH PLANNING: ENDING THE MEDICAL ARMS RACE

Rising health care costs are the key barrier to accessible health care for many Americans. The growth of technology, coupled with uncontrolled spending by hospitals and physicians on new buildings and equipment, has been the primary reason for technology wars in states and communities across the country and for rising medical costs.

Government policies supporting competition in health care among physicians and hospitals have fueled the proliferation of costly medical technologies in Western Pennsylvania and across the country, such as magnetic resonance imaging machines and cardiac catheterization facilities.

Local, voluntary health planning organizations should be the primary vehicle to prevent the expansion of costly, duplicate technologies and the over-saturation of facilities. Local planning must emphasize a working partnership involving consumers, physicians, hospitals, health care purchasers, insurers and government agencies.

Government policy should: First, focus health planning at the local and regional levels, because the delivery of health care is a locally based activity; second, recognize, facilitate and support successful local and state initiatives that encourage the prudent use of technology and discourage duplication of services—without dampening research and development of new, beneficial technology; and third, empower the major stakeholders in the health care system with responsibility to ensure growth of necessary technologies and medical services in local communities, and organize medical delivery systems to meet the medical needs of local populations.

A WORKABLE, COST-MANAGEMENT STRATEGY

Local health planning must be part of a comprehensive strategy to control and manage health care costs. Other strategic elements should include: First, requiring health insurance carriers to meet minimum standards of administrative efficiency as a means to reduce the cost of health care. Blue Cross of Western Pennsylvania spends only about four cents of each premium dollar on administrative costs—returning about 96 cents to subscribers in the form of benefits. Carriers should also meet standards relating to uniform billing, health care data collection, electronic claims processing and data review; second, encouraging individuals to adopt healthier lifestyles and become wiser users of the health care system by emphasizing preventive care and primary care programs. By establishing themselves as advocates and information resources, private insurers should help individuals and communities understand the connection between healthy lifestyles and managing costs.

In Western Pennsylvania, Blue Cross has launched 15 community-based HealthPLACE centers. These walk-in centers provide information on referrals, health screenings and classes on nutrition, smoking cessation, parenting skills and other specific preventive and lifestyle subjects. Private insurers should be active in community-based health promotion partnerships to address the unique needs of older adults and economically disadvantaged individuals and families, and to assist communities in meeting the "Healthy People 2000" goals.

Third, encouraging managed care initiatives to ensure that patients receive necessary, high-quality cost-effective care in the most appropriate inpatient or outpatient setting. Government policy should support "medical management" programs by employers and insurance carries to meet individual patient needs and to use each health care dollar more wisely; and fourth, collecting data to measure the clinical competence of health care providers and detect quality problems in the delivery of care. Providers, employers and insurance carries should work cooperatively to (a) examine those clinical conditions that contribute the most to rising health care costs in local communities, (b) share information on clinical outcomes and practice patterns to improve physician decision-making, and (c) develop clinical practice guidelines that define the optimal care for specific conditions.

SUMMARY

Controlling the cost of health care must be the primary goal of health care policy. To achieve universal access to health care, the growth of medical spending must be slowed. Reliance on tax increases to expand access to care are unacceptable to most Americans—and ignore the impetative to control health care costs.

While government has a role to play in health care reform, private market-based proposals offer the soundest strategy to solving today's health care problems. Government policy should encourage and support responsible behavior by private insurance carriers to make health care delivery and financing responsive to community health care needs.

(1) COMMUNITY-BASED STANDARDS FOR PRIVATE INSURANCE CARRIERS.—Private insurance carriers should make affordable health care coverage available to any individual or small business seeking coverage. The role of private insurers should be to:

Expand access to health care by making coverage available to individuals and groups other carriers refuse to cover, regardless of medical condition, age or use of benefits (no medical underwriting, no cancellation of coverage due to use of benefits).

Provide affordable coverage for small employers (as few as two persons) with community rated programs and large insurance pools, built around unions, trade groups and other businesses.

Encourage shared community responsibility, vs. new taxes, to finance coverage for economically disadvantaged individuals and families not in group plans.

a. Large employers help to subsidize coverage for working individuals and families: Special Care program.

b. Community-wide contributions to finance coverage for children of economically disadvantaged families: The Caring Program for Children—operating in 20 states.

Contain costs by negotiating tough agreements with health care providers that limit the rate of cost increases and reward cost-effective, high-quality care.

The Pennsylvania Model.—The practices and programs of Blue Cross and Blue Shield in Pennsylvania provide a model for an equitable, workable national health care policy.

(2) Community Health Planning: Ending the Medical "Arms Race".—Rising health care costs are the major barrier to accessible health care for all Americans. The key to slowing the growth in health care spending is preventing the proliferation of costly, duplicate technologies and the oversaturation of facilities:

Focus health planning at the local and regional levels, because health care is inherently a locally based activity. Federal government policy should recognize, facilitate and support successful local and state initiatives that promote cost-effective, high-quality health care delivery.

Empower the major stakeholders in the health care system with responsibility to ensure growth of necessary technologies and medical services in local communities, and to organize medical delivery system to meet the medical needs of local populations.

(3) A Workable Cost-Management Strategy.—A comprehensive national health care strategy is imperative to controlling health care costs. Strategic elements should include:

Assessing the effectiveness of emerging technology;

Developing practice guidelines to help physicians choose the optimal course and level of treatment;

Collecting data to measure the clinical competence of health care providers and to detect quality problems in delivery of care, and

Encouraging individuals to adopt healthier lifestyles and become wiser users of the health care system by emphasizing preventive care and primary care programs.

TRIBUTE TO VERA COOK, PRESIDENT OF CONCERNED CITIZEN COMMUNITY ACTION

HON. LUCIEN E. BLACKWELL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1993

Mr. BLACKWELL. Mr. Speaker, I rise today to pay tribute to Ms. Vera Cook a special individual who has dedicated her life to the service of mankind.

Vera Cook is indeed a pillar of the Philadelphia community who has demonstrated her overwhelming love, affection, and concern for many people in different ways. She is well-respected throughout the city of Philadelphia for her extraordinary ability to bring people from all walks of life together in an effort to strengthen and improve the quality of life in the community.

Mr. Speaker, the "Concerned Citizen Community Action" organization has the absolute best that there is in Vera Cook as a president. This nonprofit organization under her able leadership has been able to implement a number of programs aimed at reducing crime, providing food and clothing to those who are in need, finding housing for the homeless, sponsoring neighborhood cleanup projects, and working with senior citizens. No doubt, this organization has successfully accomplished many noteworthy tasks that have tremendously benefited the entire city.

Mr. Speaker, the commitment to serve that this phenomenal woman embraces goes far beyond the activities that have been enumerated. For many years, she has participated in activities that have enriched Philadelphia's social, cultural, and political fabric.

Vera Cook is one of Philadelphia's most responsible committeewomen. She has worked diligently with door registration projects in the third ward. Ms. Cook is the president of the Millick Street Association which provides food, clothing, and shelter to the city's neediest people. Mr. Speaker, she has also assisted with gang control at the House of Umoja. She chaired a Head Start Program, and has worked with a myriad of youth programs.

Mr. Speaker, I am delighted to stand here today to honor an individual of such character and conscience. Vera Cook leads her life in such a way that any American would be proud to emulate. I ask my colleagues to join me in commending Ms. Cook on her many noteworthy contributions to all mankind.

INFORMATION ERRONEOUS

HON. JIM McDERMOTT

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1993

Mr. McDERMOTT. Mr. Speaker, on April 28, 1993, I made a statement on the floor of the House in which I described the administrative expenses of Blue Cross/Blue Shield, a nonprofit health insurance company, as 27 percent. I have since learned that that information provided to my office was erroneous. In fact, administrative expenses for Blue Cross/Blue Shield nationally approximate between 9 and 10 percent. I regret this factual error and commend Blue Cross/Blue Shield on its effort to control administrative costs.

BREAST AND CERVICAL CANCER INFORMATION ACT OF 1993

HON. JON KYL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1993

Mr. KYL. Mr. Speaker, I rise today together with Congresswoman NANCY JOHNSON to introduce the Breast and Cervical Cancer Information Act of 1993. This bill is companion legislation to S. 1002, introduced by Senators HATCH, KENNEDY, CHAFEE, MIKULSKI, and others.

Mr. Speaker, this bill is very simple. It requires family planning clinics which receive funding under title X of the Public Health Service Act to provide information regarding breast and cervical cancer, including how to conduct a breast self-examination. When appropriate, clinics are to refer for screening.

Mr. Speaker, some family planning clinics already provide this kind of information, and some even provide screening on-site. The purpose of this bill is to ensure that, at a minimum, women who may not ordinarily be exposed to this critical information are given it when they visit a family planning clinic receiving Federal funding.

Most Members of Congress are by now intimately familiar with the grim statistics about the incidence of both breast and cervical cancer. The breast cancer coalition has done an outstanding job of highlighting these statistics. As research on breast and cervical cancer continues, we simply must take advantage of every opportunity to provide women with information on these diseases, and to increase early detection. Family planning clinics represent such an opportunity, and this bill will help ensure that this opportunity is maximized.

EXECUTIVE COMPOSTING ACT

HON. GEORGE J. HOCHBRUECKNER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1993

Mr. HOCHBRUECKNER. Mr. Speaker, I rise to address the House in an effort to encourage backyard composting of organic material by citizens across the country. Today I am introducing the Executive Composting Act, a bill that encourages the President and the Nation's Governors to adopt backyard composting at their official residences.

More and more Americans are naturally recycling their yard trimmings and kitchen scraps through backyard composting, thereby substantially reducing the amount of material they send to landfills. Compost provides a valuable soil additive that can improve soil quality and stability, help prevent erosion, and reduce the demand for chemical fertilizers. Compost can be used in outdoor landscaping and gardening or as soil conditioner for houseplants.

I believe backyard composting at the White House and at Governors' residences would demonstrate to citizens that each household has a role to play in the solid waste solution. Currently, at least two of the Nation's Governors are composting. Georgia Gov. Zell Miller is composting at the Governor's mansion in Atlanta, and Illinois Gov. Jim Edgar is composting in Springfield.

Composting is an ancient technique that promotes natural decomposition of organic materials. Compost systems could handle between 30 and 60 percent of the Nation's waste. Compostable materials include such items as fallen leaves, grass clippings, discarded wood, and a variety of post-consumer biodegradable materials that are not suitable for municipal recycling programs.

In the past several years, Congress has recognized the role of composting in helping to solve the Nation's waste disposal crisis. The 1990 farm bill included an amendment I authored which authorizes a new extension program promoting on-farm composting of organic farm materials and use of finished compost in agriculture. The 1991 Intermodal Surface Transportation and Efficiency Act included my amendment calling for an evaluation of the suitability of incorporating organic debris from Federal-aid highways in composting projects, as well as the usefulness of finished compost material in highway landscaping.

Mr. Speaker, I invite my colleagues to join with me in cosponsoring the Executive Composting Act.

CONGRATULATIONS TO TOM TOPOROVICH 1993 DUNDALK CITIZEN OF THE YEAR

HON. HELEN DELICH BENTLEY

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1993

Mrs. BENTLEY. Mr. Speaker, I rise today to pay tribute and extend my heartiest congratulations to Tom Toporovich, Dundalk's newly selected "Citizen of the Year." Tom has compiled an impressive record of community service in the Dundalk Community, Baltimore County as well as the State of Maryland.

Tom came to Maryland in 1955 and was employed by a major international contractor to help modernize the Bethlehem Steel Plant. Previously, Tom had served in the Army during the Korean War. After completion of his work at Sparrows Point in 1966, he turned down several out-of-State project assignments to serve his beloved Maryland.

Tom has since devoted many thousands of hours to his community. After 22 years with the Baltimore County government, he became the longest serving council secretary in the county's history. He appeared on television for about 12 of those years and was the council's recognized authority on cable television, the building code, rent control, comprehensive rezoning, charter revisions and smoking in public buildings, just to name a few issues.

For over 30 years Tom has helped make the greater Dundalk area the envy of Baltimore County and across the State. He is justifiably proud of being the longest serving member of the Fourth of July Celebration, beginning in the 1960's and holding almost every office, including general chairman in 1966, president in 1977 and known most of all for his job as the master of ceremonies of the Heritage Fair since 1976.

Tom was the organizer of the Greater Dundalk Community Council in 1964 and led the organization in numerous issues including—the establishment of the Dundalk Community College, opposition to the Parallel Bay Bridge, modernization of the Back River Sewage Treatment Plant, property tax reform, and many other important community issues. He is the only active charter member, still serving after almost 30 years.

Tom has been past president of the Greater Dundalk Jaycees, the Greater Dundalk Community Council, and the Baltimore County Police Community Relations Council. A few of the organizations and committees he has served on or is currently serving on include the following: Heritage Association of Greater Dundalk, Dundalk Community College Advisory Council, North Point Defenders Day Committee, and Dundalk Farms Improvement Association to name only a few. He has served on numerous other committees and organizations.

Some of the awards presented to Tom for his outstanding service include: Outstanding Young Men of America, 1966, Outstanding Young Man in Dundalk, 1965, Maryland Jaycees Outstanding State Chairman, 1964, and many, many more.

Mr. Speaker, this individual has been and continues to be invaluable to his community. He is truly deserving of this award and of all the tribute and gratitude he receives. I extend my best wishes to him on this most special occasion.

CONSTITUTIONAL AMENDMENT ON TERM LIMITS INTRODUCED

HON. MARTIN R. HOKE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1993

Mr. HOKE. Mr. Speaker, earlier today, I introduced on behalf of myself, Mr. COPPERSMITH, Mr. Wilson, Mr. MCKEON, Mr. HOEKSTRA, Mr. MCCOLLUM, and Mr. SMITH of Michigan an amendment to the Constitution imposing a 12-year limit on the terms of all Members of Congress and providing for an increase of House terms from 2 to 4 years. The amendment also prohibits Representatives from running for the Senate unless they resign from the House or choose to seek this office during the final year of their current term.

My amendment represents the cornerstone of enduring congressional reform. Over the last few decades, we have built a wall of incumbency around ourselves that keeps us focused more on the next election rather than the will of the people. Term limits will insure the infusion of fresh talent into Congress and curb the domination of this body by entrenched professional politicians.

To those who maintain that the time for term limits has yet to come, I ask them to justify how the House and Senate spend about $100 million every year on self-promoting mailers. I ask them to explain why term limits passed with 70 percent majorities in the 14 States that had put the question on the ballot last November. And I ask them to account for the fact that the cost of operating the entire Congress has gone up sevenfold just since 1970.

But none of those trends should surprise us since incumbency overtook accountability long ago as the governing principal of Congress. My proposed amendment would move us back in the direction of accountability by liberating Members of the House and Senate from the constant cycle of running for reelection.

Beyond restoring electoral accountability, my amendment removes seniority as the benchmark of power and effectiveness. Longevity, Mr. Speaker, is the most coveted trait on Capitol Hill. This fact, not the reasonable rotation of elected officials, does the most violence to the compact of representative government. The people expect a meritocracy, as opposed to a gerontocracy, in the legislative branch.

The overwhelming staff, financial, and fundraising advantages of incumbency have drained any semblance of competition out of congressional elections. During the 19th century, for example, turnover in both the House and the Senate frequently reached 60 percent. It has now fallen to 7 percent.

As George Will has so eloquently written, "to govern is to choose." The careerism of elected officials has directly contributed to our abdication of responsibility for making hard policy choices. Expenditures of public funds have also deteriorated from a process in which we make decisions based on merit to one in which Congress chronically spends taxpayer dollars based on the ballot box.

Term limits would restore a more citizen-oriented legislature envisioned and practiced by our Founding Fathers and frequently dismissed today by self-interested politicians as a quaint early American ideal. But my straightforward constitutional amendment would convert this dream into a reality. And a citizen-oriented Congress remains even more important in modern times as a result of the need for our lawmaking institutions to reflect the cultural, economic, and political diversity that has come to characterize America today.

I propose term limits as a constitutional amendment, Mr. Speaker, because they would restore the constitutional mandate for deliberation and debate that the country's founders gave to Congress. They would end the direct and indirect use of hundreds of millions of public funds for mailings, unnecessary staff operations, and deficit-driving programs that advance political careers rather than the public welfare. And they would lend Congress the traits of diversity and expertise forged by Members' experiences with their own families, businesses, and communities.

The time for congressional term limits is overdue. Let us adopt this amendment and restore that precious blend of accountability and serious decisionmaking expected of us by the voters but sacrificed by us in the mindless search for their support.

TRIBUTE TO FATHER JOHN WHITE

HON. PETER T. KING

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1993

Mr. KING. Mr. Speaker, I rise today to honor a man who has a larger constituency than any Member of this body. Indeed, he represents all good people everywhere. Father John White has recently celebrated his 10-year anniversary as a priest in the diocese of Rockville Centre. His dedication to serving God by assisting people is truly unequaled. His service to the parish of St. Brigid's Roman Catholic Church in Westburg is a comfort to all Nassau County residents.

Father John White is a man of great moral character. He views life as an opportunity to help others. He seizes endless opportunities to fight for justice, peace, and human understanding. He consistently extends himself for others who are less fortunate in ways which encourage and support the needy through their own life experiences. He is a man committed to the needs of the poor, the sick, the lonely and the unfortunate. He believes if one wants peace both internally and globally, they must work for justice. His life is an example of his beliefs. I am personally aware of the outstanding work which he has done for the oppressed Catholics in the north of Ireland. Father White holds a torch to light other's paths.

In a world plagued by violence and oppression, John White offers the greatest gift of his humanity—his care. At a time when materialism, consumerism, and narcissism drive so many people in our society, caring is at the heart and core of John White. He believes that God cares for us and that we are called to care for each other. He believes God's care for us ought to be a liberating force in our lives.

Mr. Speaker, John White demonstrates his humanity in his ministry, his work and in his relationships. I offer my congratulations to him on the occasion of his 10 years of service to the people he is called to serve. The world is a better place because of the work and vision of John White and I thank him for all his endeavors on behalf of mankind.

A PATRONAGE PROGRAM FOR BIG CITY MAYORS

HON. THOMAS EWING

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1993

Mr. EWING. Mr. Speaker, I rise today in strong opposition to President Clinton's supplement appropriations bill. Although I feel this bill contains several questionable programs, I would like to bring one program in particular to your attention, the summer youth employment project.

Despite its name, this initiative is nothing more than a patronage program for big city mayors. The program will do little more than hand over hundreds of thousands of dollars to big city mayors who are in turn charged with the mission of creating efficient unemployment programs. One would reason that if we are willing to turn over these taxpayer dollars that at the very minimum we would insist upon some type of accountability from our big city governments. Think again.

In my opinion what is even more appalling, is the legitimate higher education programs that are going to be sacrificed to pay for this. One program that will be eliminated is the State Student Incentive Grant [SSIG] Program. My home State of Illinois stands to lose at least $3.9 million. Hundreds of needy students in my district alone are counting on this assistance to continue their higher educations. Although these grants have already been awarded, students across the country will return to school only to find out that the Clinton administration has yanked the rug out from under them.

In realist terms, over 2,200 students in the State of Illinois who said "good-bye, see you in September" to their roommates may not be able to return to college this fall for the simple reason that President Clinton decided to squander away their higher educations for pure political patronage.

I think it is outrageous that we are even considering taking money away from needy students in order to pay for the President's patronage for big city mayors program.

I received the following letter from the Illinois Student Assistance Commission that supports my concerns:

ILLINOIS STUDENT
ASSISTANCE COMMISSION,
Deerfield, IL, May 25, 1993.

THOMAS W. EWING,
House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE EWING: I understand the House will be asked on Wednesday, May 26 to vote on a supplemental appropriations bill to fund the summer youth employment and other programs. The proposal to be considered, as we currently understand it, will eliminate the State Student Incentive Grant (SSIG) program retroactively—that is, funds currently being awarded in Illinois for the 1993–94 award year will be eliminated.

In Illinois we expect to receive at least $3.9 million for 1993–94 awards. It is estimated that eliminating this fund would negatively impact over 2,200 Illinois students, eliminating grant aid they would otherwise receive.

While we can understand the interest in funding the Summer Jobs program, we urge you not to take those funds from needy students and families who are already counting on those funds to assist them in securing a postsecondary education.

Sincerely,

LARRY E. MATEJKA,
Executive Director.

FIRST NATIONAL TRAILS DAY

HON. JERRY F. COSTELLO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1993

Mr. COSTELLO. Mr. Speaker, I rise today in recognition of the first National Trails Day celebration in the Shawnee National Forest. Our Nation celebrates National Trails Day on June 5, 1993.

Due to congressional redistricting, a portion of the Shawnee National Forest is now included in my new district. I am pleased to represent the Shawnee Forest and have the opportunity to work here in Congress on issues affecting the forest and the residents of southern Illinois.

Trails Day commemorates the 25th anniversary of the National Trails System Act, enacted to provide Federal assistance toward the effort to establish a nationwide system of trails. This day also launches the next 25 years of commitment to preserving and expanding our Nation's trail system.

I would like to extend my special appreciation to the many volunteers who will be removing trash, marking, and brushing clear trails in the Shawnee Forest in honor of Trail Day. Through their efforts, preservation and expansion of our Nation's system of trails are possible. Mr. Speaker, I again thank my colleagues for joining me in recognizing the first National Trails Day in the Shawnee National Forest.

EXPLANATION OF VOTE ON S. 1—NIH REVITALIZATION ACT CONFERENCE REPORT

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1993

Mr. BEREUTER. Mr. Speaker, this Member would like to clearly state the rationale for his vote on May 25, 1993, against S. 1, the National Institutes of Health Revitalization Act Conference Report.

This Member voted against this bill for continued fiscal concerns regarding the authorization levels included in S. 1. In fact, on March 9, 1993, this Member offered an amendment to this bill to freeze spending at fiscal year 1993 appropriations levels. This amendment, which failed by a vote of 193–234, would have achieved a savings of $1.7 billion in fiscal year 1994 alone. While this conference report decreased funding in the House-passed bill by $492 million in fiscal year 1994, the $6.2 billion authorization level represents a $1 billion increase over the current appropriations funding level for NIH.

One of the most controversial sections of this measure would overturn a moratorium on Federally funded fetal tissue transplant research from induced abortions. If there were the opportunity for a straightforward vote on fetal tissue research, this Member would vote to allow fetal tissue transplant research from induced abortions. The safeguards surrounding the use of fetal tissue for research purposes included in this legislation should ensure that abortions will not be encouraged for the purpose of providing fetal tissue for research.

This Member would also like to express his support for the provision in this conference report which would codify the existing regulatory ban on the permanent admission into the United States of immigrants infected with the HIV virus, by requiring that HIV be placed on the list of communicable disease for which aliens may be excluded from entering the Nation. In fact, earlier this year, this Member voted in favor to instruct conferees to agree to the Senate provision regarding the issue of immigrants infected with the HIV virus.

Mr. Speaker, this Member appreciates this opportunity to clarify his vote on the National Institutes of Health Revitalization Act Conference Report.

EDSAT

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1993

Mr. BROWN of California. Mr. Speaker, today I am reintroducing legislation designed to facilitate the development of an integrated, nationwide telecommunications system dedicated to education. This bill would guarantee the acquisition of a satellite system to be used solely for communications among State and local instructional resource providers. Similar legislation will be reintroduced in the Senate by Senator CONRAD BURNS.

Certainly every student in America deserves equal access to quality education. Unfortunately, not every small rural or poor inner city school can afford to hire specialized instructors to provide the education for children the way that schools in larger and wealthier communities can.

One way to bridge this gap is through the use of satellite technology for distance learning. With the efficient use of an integrated, satellite-based communications system linked by cable and telephone lines, distance learning can provide children access to vast educational resources, regardless of wealth or geographic location.

I have long been interested in helping to strengthen and improve the utilization of telecommunications in the U.S. economy and educational institutions. The need for a satellite dedicated solely to education programming has been apparent since the issue was raised at the 1989 education summit. Since that time, the nonprofit National Education Telecommunications Organization [NETO], along with its wholly-owned subsidiary, the Education Satellite Corporation [EDSAT], has been working to improve the availability of educational programming for schools, universities, and libraries across the country.

In 1991, EDSAT issued a final report, "Analysis of a Proposal for an Education Satellite." The report found that under present practices, America's schools, colleges, universities and libraries are without predictable, low-cost, and equitable access to satellite services.

Despite the existing problems, however, the EDSAT Institute found that the education sector is expanding and investing heavily in telecommunications systems. Unfortunately, education buyers of satellite time are often not able to commit to expensive long-term contracts with satellite providers. This puts them at a competitive disadvantage with other buyers of satellite time. In addition, as occasional users, the education sector is forced to pay high and variable prices for undependable services. Finally, the current system is set up so that educational programs are often spread out among 12 to 15 satellites. Every time the user wants to switch to a different program, they have to adjust their satellite dish. NETO's goal is to create the infrastructure necessary to establish an integrated telecommunications system at affordable costs to the education sector.

The EDSAT bill will authorize the Secretary of Education to provide a $35 million loan guarantee for the purpose of acquiring an education satellite. This is significantly less than the $270 million guarantee requested last session of Congress. The purchase of this satellite will allow education programming, now scattered across numerous satellites, to be collocated, or put in one place in the sky. This will allow schools to receive far more educational programming—without constantly reorienting their satellite dishes. Collocation will also enhance the marketing of programming, reduce technical problems, and stabilize the pricing of satellite time.

Federal backing of such a system will not only heighten the educational opportunities for our children, but it will also benefit State and local educational agencies by ultimately reducing their expenses for satellite services and equipment. Further, while distance learning can never replace classroom teachers, it does provide educators with an additional tool with which to teach.

This is just the first step and certainly not the only answer to solving the problems that schools face in using satellites. However, I believe that it is an important step for the Federal Government to take to help encourage the use of technology in the education sector. Improving the accessibility and quality of education will help our children and our national economy as a whole to become stronger and more competitive in the global marketplace.

FACTORY TRAWLER EQUITABLE TAX ACT INTRODUCED

HON. MICHAEL J. KOPETSKI

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1993

Mr. KOPETSKI. Mr. Speaker, today I am introducing legislation, the Factory Trawler Equitable Tax Act, to impose an excise tax on the offshore processing of fish, specifically Pacific whiting.

This legislation is straightforward. The amount of the tax per metric ton shall be 10 percent of the ex-vessel value, approximately $7.70 to $8.80 per metric ton in today's market. Importantly, the bill directs that revenues collected from the tax be dedicated to Pacific whiting habitat restoration and rebuilding of fisheries and fishing stock, and by-catch gear selectivity and reduction research in Oregon, Washington and California.

Mr. Speaker, earlier this spring, the Secretary of Commerce overrode the recommendation of the Pacific Fisheries Management Council and Commerce's own previously published proposed rule relating to an allocation of Pacific whiting. This action established what is generally known as an "olympic fishery" that strongly favored the large factory trawlers that process Pacific whiting off-shore and a small reserve for the vessels that fish for the on-shore processors. Commerce defended its action by stating that the final rule was fair and equitable to all parties fishing for Pacific whiting.

In reality, Mr. Speaker, the on-shore fishermen never had a chance under this plan. After only 1 week, of the 112,000 tons of Pacific whiting allocated to the olympic fishery, the factory trawlers had harvested nearly 25,000 tons while the on-shore fishermen had harvested only 214 tons. Commerce's ill-founded assumption that the on-shore sector would harvest 12,000 tons in the initial fishery began to look ridiculous. When it became painfully obvious that the factory trawlers were going to suck up the entire initial allocation, Commerce was forced to issue an emergency rule, stopping the olympic fishery earlier than expected in order to save some of the fish for the on-shore vessels.

Initial reports also indicate that the Pacific whiting caught by the off-shore sector was of inferior quality because the fish had just completed spawning and were depleted. Some processors estimate that recovery of product from whole fish is 6 to 10 percent below normal. Other indicators, such as the production of fish oil, also confirm the poor quality of the Pacific whiting caught by the off-shore sector this year.

Mr. Speaker, the factory trawlers and motherships that fish and process Pacific whiting are set up to handle only whiting. Additionally, they only handle whiting of a certain size. Whiting too small or too large, as well as the incidental take of all other groundfish and other fish species, are discarded. In 1992 the entire catch and discard by the factory trawlers, other than whiting, was 7 percent of all quota managed species by the Pacific Fisheries Management Council. Because the factory fleet does not utilize this by-catch, this 7 percent equals 10,502,633 pounds of non-utilized and wasted resource by the factory trawler fleet at the expense of the coastal trawl fleet which depends on these fish.

In fairness, Mr. Speaker, the coastal fleet also has by-catch tonnage. However, in 1992 the incidental catch for yellowtail rockfish was 10 times higher for the factory fleet than the coastal fleet and the same comparisons can be made for the other groundfish species and perch. Additionally, the shore-based vessels retained and landed all of their incidental catch, all of which was processed and sold.

Mr. Speaker, as a result of Commerce's decision, the coastal communities of Oregon, Washington and northern California stand to lose $100 million in revenues, while the factory trawlers profit and run. Pacific whiting is put to much better economic advantage by the on-shore sector through more efficient utilization of the resource and a longer season. For example, 40,000 tons of Pacific whiting means 6 days of work for the factory trawlers while it represents 8 weeks of work for the shore-based fisherman. Further, in Oregon, on-shore fishermen and processors contribute significantly to State and local governments through landing, trawl commission, corporate and property taxes, while the factory trawlers and motherships contribute nothing.

The Factory Trawler Equitable Tax Act attempts to make up for the competitive advantage the factory trawlers enjoy by not significantly contributing to State and local taxes in the Pacific Northwest and provides the revenues we need to research how to rebuild our fisheries. These revenues will be dedicated to important management issues such as the effect olympic and "pulse" type fisheries have on the Pacific whiting resource, as well as issues of by-catch, including techniques to reduce tonnage and increase utilization.

A section-by-section summary of the bill follows.

SECTION-BY-SECTION SUMMARY OF THE FACTORY TRAWLER EQUITABLE TAX ACT

Section 1. Short Title. The Factory Trawler Equitable Tax Act of 1993.

Section 2. Tax On Offshore Processing of Certain Fish. This provision amends Chapter 36 of the Internal Revenue Code of 1986 (relating to excise taxes) by adding Subchapter G, entitled "Tax on offshore processing of certain fish". The provision imposes a tax on the processing of any taxable fish on a fish processing vessel to be effective upon date of enactment. The tax imposed is 10% of the ex-vessel value per metric ton to be paid by the owner or operator of the vessel. The provision requires the operator of a fish processing vessel to install weighing devices determined to be necessary by the Secretary of Commerce.

Taxable fish are defined as Pacific whiting caught in a fishery regulated under the Magnuson Fishery Conservation and Management Act. A fish processing vessel is defined as consistent with section 2101(11b) of title 46, United States Code.

Section 3. Fisheries Research Trust Fund. This provision amends Subchapter A of chapter 98 of the Internal Revenue Code of 1986 by adding the Pacific Whiting Fisheries Research Trust Fund. The provision appropriates to the Trust Fund the taxes received as a result of the preceding section. Trust Fund money can be appropriated only for the purposes of Pacific whiting habitat restoration, restoration and rebuilding of Pacific whiting fisheries and fishing stock and by-catch gear selectivity and reduction research in relation to Pacific whiting.

The provision allows for 40% of the annual allocation for use by the Secretary of Commerce. The remainder is allocated between the States of Oregon, Washington, and California based on the percentage of annual Pacific whiting harvest which takes place off of the coast of each State.

A TRIBUTE TO THE PALMER FOUNDATION—COMMUNITY ACTIVISM AT ITS FINEST

HON. LUCIEN E. BLACKWELL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1993

Mr. BLACKWELL. Mr. Speaker, I rise today to commemorate a most special event that will take place this week in the great city of Philadelphia. On Thursday May 27, the Palmer Foundation will hold a community activist reunion at the Philadelphia Afro-American Historical and Cultural Museum, which will celebrate 50 years of community, civil, and human rights activism in Philadelphia. Most importantly, this event will be a testimony to the unfailing efforts of the Palmer Foundation, and its founder Mr. Walter Palmer.

As a graduate of Philadelphia's Temple and Cheyney Universities, Walter Palmer has long been active in the Philadelphia community. Whether he was serving as director of community organization at Temple University's Community Mental Health Center, or hosting and producing the adult education program "Wake Up," Walter Palmer has always strived to help improve the quality of life for all Philadelphians. Perhaps this was best demonstrated by his founding of the Black People's University, an innovative and highly respected preschool and adult learning center.

Walter Palmer's crowning achievement however, was the creation of the Palmer Foundation, an institution which has been active since 1953. The Palmer Foundation is a community leadership training institute committed to the rebuilding of Philadelphia's most socially and economically disadvantaged areas. The mission of the Palmer Foundation is to educate and teach the community in a wide array of disciplines including human rights, cultural, awareness, and community leadership training.

Mr. Speaker, the efforts of Walter Palmer, and the Palmer Foundation have improved the lives of a countless number of Philadelphians. By making Philadelphia a model city for social change and human progress, the Palmer Foundation has certainly undertaken a tremendous amount of work. People in America's cities are hurting and need to be taught self-sufficiency, and more importantly, how they can assist others. The Palmer Foundation clearly recognizes its mission, and has truly made a difference over the years. It is my great hope that someday, others will follow the examples of the Palmer Foundation, and institutions of learning and activism will emerge in every city in the Nation.

I would like to ask my colleagues to rise and join me in paying our greatest tributes to the Palmer Foundation, and congratulate all of the participants in the community activist reunion. May God Bless you, and continue to provide you with the energy to keep performing your essential work. Thank you, Mr. Speaker.

TRIBUTE TO JOHN H. ROUSE

HON. JERRY F. COSTELLO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1993

Mr. COSTELLO. Mr. Speaker, I rise today to pay special tribute to Mr. John Henry Rouse, the distinguished pastor of Mount Zion Missionary Baptist Church in East St. Louis, IL. On June 6, Pastor Rouse will celebrate his 18th year as minister to the congregation of Mount Zion Missionary.

For 18 years, the community of East St. Louis has been blessed with the presence of Pastor Rouse's endearing and selfless acts of goodwill. Since 1975, Pastor Rouse has led the church in several community-oriented service projects to benefit those less fortunate. The church provides a "Noon Day Feeding" to help feed the hungry and also maintains a food pantry in order to assist families and individuals who face difficult times.

Pastor Rouse has been instrumental in establishing an all-day program for seniors. This one-day-per-week program enables seniors to receive information on aging, including reference material and assistance from different government agencies and not-for-profit organizations. The church program provides seniors with a meal and organized activities as well as companionship with other seniors and caring church members.

Additionally, Pastor Rouse has helped those who wish to further spread the Word of God by sponsoring scholarships through the church. Scholars attend the American Baptist Seminary in Tennessee.

While Pastor Rouse has played a very significant role in helping the in-need community beyond the confines of his congregation, he has also been a very dedicated spiritual advisor, confidant, and friend to members of the church. The members of the Mount Zion Missionary Baptist Church and the citizens of East St. Louis are fortunate to have Pastor Rouse.

TRIBUTE TO THE PRESERVATION AND REDEDICATION OF DELANCEY HALL OF NORTH SALEM, NY

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1993

Mr. FISH. Mr. Speaker, I rise today to recognize and pay special tribute upon the rededication of DeLancey Hall as the Town Hall of North Salem, in Westchester County, NY. I am proud to be part of the rededication ceremony on June 5, 1993 which has such significance to the people of North Salem.

DeLancey Hall serves as a focal point of architectural heritage and history in the township. The structure dates to pre-Revolutionary War times, and is listed as a historic landmark. Originally DeLancey Hall was the manor home of Steven DeLancey, a Revolutionary War loyalist, and his wife Hannah, a patriot. The division caused by the war split the DeLancey marriage, and Stephen left Hannah in Westchester County while joining fellow loyalists in Long Island.

DeLancey Hall, a local landmark for over 200 years, has also served as one of New York State's first academies and as a public library. It is most appropriate today, that this building which spans our history as a Nation, is now a seat of that government which is closest to the people. It is a daily reminder that we are a self governing Nation, that each of us privileged to hold public trust do so only with the consent of the governed. Few townships, few cities can boast a seat of government with the historical significance of DeLancey Hall.

INTRODUCTION OF LEGISLATION TO EXTEND THE DEADLINE FOR SUBMISSION OF A CERTAIN STATE IMPLEMENTATION PLAN AS REQUIRED BY THE CLEAN AIR ACT

HON. RICK SANTORUM

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1993

Mr. SANTORUM. Mr. Speaker, today I introduce a bill to extend the deadline for Pennsylvania to submit a Clean Air Act implementation plan applicable to the Liberty Borough PM–10 Nonattainment Area.

This extension is urgently needed to provide time for Allegheny County in Pennsylvania to develop the accurate emissions dispersion model necessary to draft a State implementation plan for compliance with the Clean Air Act. Without an extension, western Pennsylvania faces sanctions that could lead to the loss of thousands of jobs and cost the region millions of dollars in Federal funding for transportation projects. But the sanctions do not stem from a pollution problem; rather they will be the result of the inability of scientists to create a reliable predictive model that would satisfy the requirements of the Clean Air Act.

By law, States must draft and put in place State implementation plans to reduce air pollution. The plans for regions with air pollution problems, referred to as nonattainment areas, must contain steps to bring areas into compliance with the law by certain deadlines. For a nonattainment area, failure to comply with these deadlines will result in sanctions such as a cut-off in highway funding or a requirement that new plants or plant modifications obtain steep offsetting emissions reductions.

Due to the anticipated inability of Allegheny County to submit a State implementation plan for compliance with the Clean Air Act Amendments of 1990 (Public Law 101–549), by the EPA's December 16, 1993 deadline, the region faces the loss of $10.3 million in Federal funding for construction—a loss that could have a serious impact on Allegheny County—as well as $1.5 million in Federal funding for trail and bikeway projects.

In particular, the Liberty Borough PM–10 Nonattainment Area, encompassing the communities of Clairton, Glassport, Port Vue, Liberty, and Lincoln, has been in compliance with the Federal air quality standards for 28 consecutive months. Federal law requires 36 months of compliance before an area can be reclassified as an attainment area. USX Corp.'s Clairton Coke Works, the largest coke plant in the Nation, has invested $145 million in improvements to make this significant reduction in PM–10 emissions possible.

While it was the clear intention of the sponsors of the Clean Air Act to apply sanctions to areas that could not come into compliance with the act, Allegheny County's inability to draft a State implementation plan results from factors beyond its control. The unique geographical and meteorological features of the Pittsburgh area make a realistic emissions dispersion model for its revised air quality plan very difficult to develop. The Allegheny County Health Department's Bureau of Air Pollution Control has been struggling unsuccessfully to craft a model which will accurately reflect the emissions throughout five Pittsburgh-area communities. Despite spending $1.2 million on the project, it now appears that the county will miss the statutory deadline for submission of this plan.

USX has approximately 1,500 employees at its Clairton plant, and the region in question also contains several smaller facilities. Under the requirements of the law, Allegheny County could face severe sanctions and hundreds of jobs could be lost, simply because we have the misfortune of complex terrain that has made construction of a scientific model virtually impossible. Ironically, the sanctions may also make it impossible for USX to modify their facility to reduce emissions further. This was certainly not the intention of the authors of the Clean Air Act.

I am joining the Allegheny County Health Department in urging the EPA's regional office in Philadelphia to provide any technical assistance it can offer so as to help the county meet the December 16 deadline. However, due to the amount of work involved and the required timelines for public comment and hearings, it appears uncertain that the county will be able to meet this deadline. For this reason, I am introducing specific, narrowly worded legislation that would extend the deadline for submission to EPA of a State implementation plan [SIP] for Allegheny County until December 31, 1994. This extension would in no way gut the provisions of the Clean Air Act, but would simply provide additional time for Allegheny County to work with EPA on more scientifically advanced forms of modeling and to submit 36 months of data that would enable the region to be redesignated in attainment.

A copy of the bill follows:

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXTENSION OF DEADLINE FOR PLAN SUBMISSION.

In recognition of the unique and distinctive geographical and meteorological characteristics of the Liberty Borough PM–10 Nonattainment Area in Western Pennsylvania (encompassing Clairton, Glassport, Port Vue, Liberty Borough, and Lincoln), the deadline applicable to that area under section 189(a)(2)(B) of the Clean Air Act (42 U.S.C. 7514(a)(2)(B)) (relating to date for implementation plan submissions for PM–10 Moderate Nonattainment Areas) shall be extended until December 31, 1994.

THE POLITICAL CLIMATE IN CROATIA

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1993

Mr. TRAFICANT. Mr. Speaker, I enter into the CONGRESSIONAL RECORD a statement by Dobroslav Paraga, a member of the Parliament of Croatia, detailing his perspective on the present political climate in Croatia. Mr. Paraga has been in Washington, DC for the past few weeks briefing Members of Congress about the authoritarian tendencies of President Franjo Tudjman's administration, which has demonstrated an intolerance toward free press and free expression in Croatia. For those Members of Congress who were not able to meet with Mr. Paraga during his visit, I bring to your attention the following statement for your consideration:

STATEMENT OF DOBROSLAV PARAGA, PRESIDENT, CROATIAN PARTY OF RIGHTS, MEMBER OF PARLIAMENT OF CROATIA AND VICE CHAIRMAN OF ITS COMMITTEE ON HUMAN RIGHTS AND MINORITY RIGHTS

In my country of Croatia, many people, young and old, have given their lives for independence, democracy, and for a better future for those whom they have left behind. We must not allow their lives to have been given in vain. We must all—especially those of us serving in the political life of Croatia—strive on a daily basis to bring life to those ideals for which they have died.

Thus, I stand before you here today. My cause is to further democracy in my homeland and to counter all those who do the opposite, no matter who they may be or how high up in power they are. As a Member of Croatian Parliament and as the Vice Chairman of its Committee on Human and Minority Rights, I give voice to those whose civil liberties have been violated by the present-day government of Franjo Tudjman. This includes the press in Croatia which has been taken over by the ruling party. It includes all the real opposition parties, which have been marginalized by the drive toward a one-party state. It includes the minorities within Croatia—Muslims, Jews, Albanians, and Serbs—who have been discriminated against and persecuted.

It also includes the people of Bosnia-Herzegovina.

As president of the Croatian Party of Rights, I condemn Franjo Tudjman's brutal policies toward the Republic of Bosnia-Herzegovina. The forces of Tudjman's agent, Mate Boban, are taking part in the ethnic cleansing of Muslim populations and the division of the country. Nothing could be more damaging to the future of Croatia and the region as a whole than totalitarian philosophies of government such as ethnic purity and one-party rule.

There are many similarities between the methods and policies of Franjo Tudjman and Slobodan Milosevic. They are particularly visible in Bosnia-Herzegovina. We have evidence which shows that Tudjman and Milosevic have on many occasions secretly discussed and agreed to a partition of that country. They have also openly talked about an exchange of populations and territories. Their victims today are primarily the Muslims, but also all those Croatians who are opposed to the Tudjman-Boban policy and their proclamation of the so-called "Community of Herzeg-Bosna".

Mate Boban, Tudjman's man in Bosnia-Herzegovina, liquidated numerous Croats who are opposed to the division of Bosnia. The most prominent instance of this was the murder of leading volunteers from our own party last August. General Blaz Kraljevic and his eight aides, who were members of the legitimate Army of Bosnia-Herzegovina, were machine-gunned at a road-block by Boban's police, the very same way the Vice-President of my party had been killed in Zagreb. Our volunteer units, which are all under the command of the Bosnian Army, are mixed units with Croats, Muslims, and even a few Serbs.

Now Tudjman and Boban are internationally provoking clashes with the Army of Bosnia-Herzegovina. This serves to postpone any outside military intervention against Serbia and the Serbs in Bosnia-Herzegovina. They are using UNPROFOR units to assist in the expulsion of Muslim populations, just as the Serbs do, so as to accomplish the division of Bosnia-Herzegovina. Croat soldiers in Boban's HVO units have opened numerous camps to isolate and expel Muslims.

Presidents Tudjman and Milosevic have a symbiotic relation. They help keep each other in power. Sometimes they collaborate directly. We Croatians in the Party of Rights stand against all aspects of Serbian aggression against the Croat and Muslim people, as well as against Tudjman's policy which is destroying the positive image of Croatia in the world community and is nullifying the meaning of the losses suffered by Croatians in defense of their own country.

Inside Croatia, political murders have become commonplace. The president of one of Croatia's largest labor unions, Milan Krivokuca, was shot dead on his doorstep. Likewise Marina Nuic, Vice President of the Croatian Democratic Party in Kraljevica, was kidnapped in downtown Zagreb and murdered by one of Tudjman's well-known military groups in Slavonia. Despite the fact that their murderers are known, no one has been brought to trial.

There is not democracy in Croatia. What Croatia has is a virtual dictator, Franjo Tudjman. He never confers with Parliament on important internal or external policy decisions for the country. There is no freedom of the judiciary.

Tudjman's Government has also taken over all of the media in Croatia. The latest brutal example of this was two months ago when Tudjman sent police forces literally storming onto the premises of the last independent paper in Croatia, Free Dalmatia, forcibly physically expelling more than one hundred journalists and editors and replacing them with people who would obey the party line. Tudjman's Government has also brought about criminal charges against several prominent journalists who have openly criticized Tudjman and his policies.

There is now a law against "verbal offense." This is used to punish criticism of the President. One of the charges against me in an indictment in January 1992 was my "verbal offense" of criticizing Tudjman in an interview in Free Dalmatia, which was then still an independent newspaper.

Tudjman even permits slurs by his government and party against his political opponents' and critics' ethnic heritage. The highest officials of the ruling party have publicly made racist remarks about the bloodlines of certain individuals. They have made public denunciations of Professor Slobodan Lang because of his "Jewish blood". They tried to denigrate, on the basis of heritage, my colleague in Parliament and president of another leading opposition party, Drazen Budisa, because he has some "Serbian blood". Finally, the Vecernji List newspaper, which is directly under the control of the ruling party, has raised questions about how I, having some Jewish blood, could have the audacity to participate in Croatian politics since I do not have, according to Vecernji List, "clean Croatian blood". The same sort of remarks were made about Mladen Schwartz, the editor of my party's newspaper, who is a Jew by origin.

The law on citizenship gives the police the power to decide who is to be given citizenship papers and who is not. They are using this to refuse citizenship to Muslins and Serbs who live in Croatia. They are also using it to refuse citizenship to Croats who have ideas of their own. My wife was almost refused citizenship. This is another tool in the hands of the ruling party to blackmail individuals and groups.

I would like to emphasize that my party, the Croatian Party of Rights, is in essence a liberal party which defends human and civil rights of all Croatian citizens who obey its laws and order. This is very clear from our Party Program.

It is natural that I have become Vice Chairman of the Committee on Human Rights and Minority Rights in the Croatian Parliament. I have been working for human rights in the former Yugoslavia ever since the late 1970s. I was first arrested for this in 1980. I spent four years in the prisons of the old Communist regime. The U.S. Senate adopted a resolution in 1989 in my defense.

I have continued the fight for human rights without stop. Unfortunately the problem has also continued without stop. The collapse of Communism brought a brief period of relatively greater freedom, but the spirit of the one-party system has come back, along with its methods.

In some ways the new tyranny is more brutal than the old one was in its dying days. The new tyranny is trying to establish itself and has to get rid of all the free press and parties which sprang up in 1990. The philosophy of the Tudjman regime is to have a single party which represents the whole people, with the people being understood as an ethnically pure group. This is Communist totalitarianism without Communism. There is a word for this: it is fascism.

There has been a problem of new fascist or semi-fascist regimes in several of the countries that have just escaped from Communism—Serbia, Croatia, Romania. It is by no means unique to Croatia. The people of Croatia do not like fascism, just like ordinary people everywhere do not like fascism. But there are fascistic movements in all of the ex-Communist countries, alongside the liberal democratic parties like my own which are fighting against fascism. Some of these movements have a full-fledged Nazi philosophy. There is a dangerous Nazi movement in Russia.

The old Communist nomenklatura is trying to keep its power through the new fascism. Tudjman himself had been a high-ranking General under the old Communist regime and was used to its methods. Milosevic is the most perfect case of someone who has transformed the Communist regime directly into a fascist regime. Milosevic and Tudjman are two different forms of the same terrible problem. Together they are the source of 90% of the trouble in the former Yugoslavia.

More than a year ago, the Foreign Minister of Bosnia-Herzegovina, Haris Silajdzic, said that the real solution to the problem was to arrest Milosevic and Tudjman. Everything that has happened since has proved him right. 3

The Tudjman Government has been trying to distract attention from its own authoritarian policies by making false accusations against me and other opposition leaders in Croatia. It has gone so far as to run a well-financed campaign in the West to discredit myself and others. We have the evidence to prove that Tudjman's Government hired two P.R. agencies here in the United States just to blacken my name and to spread lies about me.

Inside Croatia, my own deputy, Mr. Ante Paradzik, was killed in an ambush 20 months ago. He was machine-gunned by Croatian police at a checkpoint, while he was in my car. Today his murderers are still Croatian police. Not one of them has been found guilty and sentenced due to a half-hearted prosecution. In less than 2 years, 26 members of my party were murdered under suspicious circumstances. No one has been found guilty in a single case. Rather, these individuals were all labelled "fascists" by Tudjman and his aides, thereby excusing their deaths.

There have already been three assassination attempts made against me. We have evidence to show all were in liaison with the Croatian Government. No one has been held accountable for this.

Instead of these people being put on trial, I am being put on trial. I am returning to Croatia to face trial on June 1st, on the same charges I faced a year and a half ago—for supposedly attempting to overthrow his Government. That time around, the charge was dismissed by the Supreme Court of Croatia. But after that decision, President Tudjman dismissed the President of the Supreme Court. Now the same charge is being brought against me—but in a Military Court.

The head of the Supreme Court is no longer around to protect me. A military court will not be the best place for a fair trial. But I must return to defend my reputation, my friends and my county. Others in my party are also defendants in this trial. I will not forsake them. I ask you, the free people and the free press in America, not to forsake me and the people of Croatia who are still struggling for freedom.

For all of us whose lives and liberties are at stake, I would like to thank the American Congressmen who yesterday sent an official letter to President Clinton, asking him to press Mr. Tudjman to allow an independent media and free elections. The Croatian people, of whom I am an elected representative, sincerely appreciate all of their efforts, both present and future, in helping Croatia become the democratic and just society it wants to be. Thank you.

NATIONAL SCIENCE OLYMPIAD WINNERS

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1993

Mr. VISCLOSKY. Mr. Speaker, I rise to pay tribute to our country's future scientists, a group of 17 students from Thomas Jefferson Middle School in Valparaiso, IN, who won first place at the National Science Olympiad on May 22, 1993, in Pueblo, CO.

I could not be more proud of these fine, young women and men and their coaches for competing against and outscoring 51 other teams in the ninth annual Science Olympics. This competition is based solely on knowledge and concerted problem-solving. The events ranged from the simple machines event which calculated the efficiency of machines constructed for the event with levers and pulleys to the metric masters event which participants measured with calipers, cylinders, and scales. Tom Gioia, Ben Stover and Bill Sullivan, all Thomas Jefferson Middle School Students, took first place for these events.

According to the president of the National Science Olympics, the academic skill levels of the competitors have steadily risen over the years. Unfortunately, we have become a society that lavishes front page recognition and media coverage only on those who compete on the basketball court or the baseball field. Super Bowl and World Series champions are invited to the White House, but who will pay tribute to these 17 students from Valparaiso, IN, for their sharp minds and dedication to the field of science?

Mr. Speaker, it is my pleasure to recognize ninth graders Jeff Brown, David Germann, Anne Holterhoff, Joe Racine, and Bill Sullivan; eighth graders John Baldea, Dan Davis, Tom Gioia, Jeffrin Griffith, Jane Hughes, Eric Sherer, Katie Pfleeger, Ben Stover, Bridget Tomes, Jeff Mroz and Cary Knauff; seventh grader Lindsay Eaton. I would also like to commend coaches Richard Bender, Laura Karr and Carol Haller for investing their time and guidance in our children and their academic endeavors. Finally, I would like to recognize the Principal of Thomas Jefferson Middle School, Paul C. Knauff.

We must get our priorities straight as a country and put education on the top of our national agenda. Educational competition deserves the support and recognition of our country's leaders. Mr. Speaker, I am proud to bring these promising students to your attention.

INTRODUCTION OF LEGISLATION REGARDING FEMALE VETERANS

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1993

Mrs. SCHROEDER. Mr. Speaker, nearly a year ago today, the Senate Veterans' Affairs Committee held hearings on providing counseling care to female veterans who were sexually assaulted during military service. At this hearing, the Senate heard stories of brave and able soldiers who had been raped on active duty and found no services available when they turned the Department of Veterans' Affairs for help.

Last October, under the leadership of Representative LANE EVANS of Illinois, and one of our former colleagues, Senator Alan Cranston of California, Congress passed Public Law 102–585, which authorized the Department of Veteran Affairs to offer counseling services to women veterans suffering posttraumatic stress disorder [PTSD] as a result of sexual assault.

Although the law opened VA doors to thousands of veterans in need, Public Law 102–585 will soon slam these same doors shut.

For instance, Public Law 102–585 only allows female veterans to seek sexual assault services within 2 years of their military separation. In addition, the law permits patients to receive such services for only 1 year and suspends the entire program at the end of 1994. These restrictions illustrate a glaring misunderstanding as to what PTSD is, and will prevent the Department from reaching out to veterans in need.

Today, I am introducing legislation to eliminate the restrictive time periods established under Public Law 102–585 and extend the current overall authorization through December 31, 1998. Under my legislation, veterans suffering from PTSD as a result of sexual violence can access continuous care no matter when they separate from the military. My bill also establishes an 800-hotline to provide veterans with up-to-date information about VA and non-VA sexual assault programs. Moreover, the bill strengthens the Women Veteran Coordinator Program so female veterans will have an advocate as they wind their way through the VA system. Senator JAY ROCKEFELLER, chairman of the Senate Veterans' Affairs Committee, is introducing a companion bill in the Senate.

The VA Readjustment Counseling Service Program reports that 40 percent of women entering veteran centers have experienced sexual assault. Since July, the National Center for PTSD in Menlo Park, CA, has received over 100 additional unsolicited calls requesting information about sexual assault services for veterans. My office alone has acquired over 200 cases documenting sexual violence in the military. These numbers are proof to me that the sexual assault program at the Department of Veteran Affairs must be responsive, comprehensive, and thorough.

CONGRESSMAN KILDEE CELEBRATES 27 YEARS OF SPIRITUAL VISIONS AT GRACE EMMANUEL BAPTIST CHURCH

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1993

Mr. KILDEE. Mr. Speaker, I rise today to honor Grace Emmanuel Baptist Church on their 27 years of spiritual visions.

Grace Emmanuel was organized with eight charter members at Crocker Avenue, the home of Pastor Emeritus Lindell L. Brady on May 15, 1966. God immediately blessed the church to grow, leading to the need for a new larger location at Eureka Lodge Hall on Ferris Avenue where the church moved on June 12, 1966. Quickly outgrowing Eureka Hall, the church relocated to Stewart Community School on October 2, 1966. Two years later, the first ground-breaking services were held on May 7, 1968 and on January 5, 1969, the parishioners marched from Stewart School to the church's new location at 1513 Kent Street.

As the parish grew over the next decade, it was necessary to build an even larger house of worship to serve the burgeoning membership. As a result, a second ground-breaking service was held on April 19, 1981, making Grace Emmanuel the first black church to erect two buildings within a 14-year period. To celebrate this occasion, on May 16, 1982, the church members marched from the Kent Street location to the new church home at 3502 Lapeer Road.

Then, in February, 1985, after more than 19 years of outstanding leadership, Pastor Lindell L. Brady announced his retirement from the church that grew to 737 members under his direction. Succeeding Pastor Marvin A. Jennings, Sr., of the Second Baptist Church of Bay City, MI, who was voted pastor-elect on November 17, 1985. Soon after the pastoral baton was officially passed on to Pastor Jennings, Sr. on December 2, 1985, God led Pastor Jennings to advance the church in new technology with the purchase of two new computer systems, multicopier, and duplicating equipment in January of 1986.

Under the direction of Pastor Jennings, Sr., the church was blessed with an increase of 202 members by January of 1989. Continuing within God's vision, Pastor Jennings, Sr. was prayerfully led to increase the official board by seven new officers, who completed training and were officially installed in 1991. After God revealed to Pastor Jennings, Sr. to establish church ministries, he prayerfully and obediently proceeded to institute 10 major ministries and related sub-ministries in December of 1989.

Under the auspices of Pastor Jennings, Sr., Grace Emmanuel held an off-site 5-year strategic planning session in January of 1990. And with leadership of Pastor Jennings, Sr., the Reverend George Wilkinson accepted the call to the ministry in February of 1991. In addition, three ministries were added: the outreach ministry, the mentor, and counselling ministries.

The ministries reached out spiritually and financially with food, clothing, tax preparation, and a health fair for Atherton Terrace, Evergreen Regency, and Howard Estates. As a result of these ministries, many souls were consistently won through Christ by March of 1991.

Enhancing the conveniences of its facility, the church built a canopy and car port for its members in September of 1991. To complement the new additions to the building, the music ministry added two new musicians in April of 1992. One year later, in April of 1993, the church purchased three new computers, and implemented a computer training program.

And so after 27 years of expansion, growth, and evolution, the church's membership has increased to 792 through God's blessing. To mark this historic occasion, I would like to include this passage from the Bible which symbolizes the continuous onward progress of Grace Emmanuel Baptist Church in providing spiritual growth for the community:

> Brethern, I count not myself to have achieved . . . for getting those things which are behind . . . pressing toward the mark . . . in Christ Jesus. Philippians 3:13–14

Mr. Speaker, without a doubt, our community is a much better place in which to live because of the dedication and leadership provided by the parish of Grace Emmanuel Baptist Church. I urge my House colleagues to join me in congratulating the members of Grace Emmanuel Baptist Church for a wonderful and fulfilling 27 years and wish them even greater success in the years ahead.

RECOGNITION OF THE 125TH ANNIVERSARY OF RONDOUT SAVINGS BANK OF KINGSTON, NY

HON. MAURICE D. HINCHEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1993

Mr. HINCHEY. Mr. Speaker, I rise today to bring to the attention of the Members of the House the 125th anniversary of the Rondout Savings Bank in Kingston, N.Y.

Rondout Savings is still a genuine hometown bank. At a time when the community bank is getting to be as rare as a two-dollar bill, the citizens of Kingston and the surrounding area are fortunate to have Rondout Savings. The officers of the bank have strong ties to the community. The bank has a reputation for stability and prudent investment. To this day, Rondout continues to prosper just recently turning the $100 million mark.

Rondout Savings is a shinning example of the axiom that service is the key to success. I commend Rondout Savings on its profitable and service oriented 125 years and wish both the bank and the community many more years of such service.

TRIBUTE TO JEAN CAMPBELL DEBLASIS

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1993

Mr. LEWIS of California. Mr. Speaker, I would like to bring to your attention the fine work and outstanding public service of a most remarkable woman, Jean Campbell DeBlasis of Victorville, CA. Jean will be recognized by the city of Victorville and her many friends for her contributions during a lifetime of achievement at a dinner in her honor on June 11.

Jean is part of the well-known and loved Kemper Campbell family who pioneered the Victor Valley in the early 20th century. Both her mother and father were distinguished attorneys who demonstrated a contribution of talent and a dedication of service which they passed along to their daughter. These qualities have also been bestowed upon Jean's daughter, Celeste, a well-known and nationally acclaimed authoress. Jean was born in Los Angeles and has lived in Victorville since 1931. Today, she is the manager of the family owned Kemper Campbell Ranch.

It is difficult to adequately express the impact Jean has had upon my life. I have fond memories of a conversation years ago with Jean and her husband, Ray, in which they encouraged me to seek public office. Together, they provided the critical support enabling a young, black-haired guy to win his first campaign for the California State Assembly in 1968. I have always considered their personal friendship one of the most important rewards of my life in public affairs. Since that time, Jean's advice and counsel on issues as diverse as the Federal budget, child care and desert planning has been of great value.

To say that Jean is active in our community is a major understatement. She has been a member of the Victorville City Council since 1976, served as mayor pro tem from 1978 to 1980 and from 1984 to 1992, and served as mayor from 1980 to 1984. Jean is also a member of a number of civic organizations including the Victor Valley Child Abuse Task Force, the Victor Valley Community Hospital Auxiliary, the High Desert Republican Women and the Victor Valley Animal Protection League.

Mr. Speaker, I ask that you join me, our colleagues, and the many friends of Jean Campbell DeBlasis in honoring this truly outstanding woman. I will always remain thankful for Jean's presence in my life and our community. People of her quality, commitment, and intellect do not come along often. Over the years, she has provided a firm and steady hand, demonstrated a willingness to listen, and urged others to think rather than overreact. It is fitting that the House of Representatives recognize this remarkable woman today.

INTRODUCTION OF THE SCHOOL REPAIR AND REHABILITATION ACT

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1993

Mr. MILLER of California. Mr. Speaker, today, along with 15 of my colleagues, I am introducing the School Repair and Rehabilitation Act. This legislation would create jobs to repair and rehabilitate our Nation's deteriorating public schools.

Much of the discussion about the jobs program has focused on the Nation's crumbling infrastructure—highways, bridges, and other transportation systems. Hundreds of thousands of unemployed construction workers could also be employed to repair schools that in many cases are dilapidated to the point of endangering children and school personnel.

In 1991, the American Association of School Administrators conducted the first nationwide survey of school facilities in 30 years. The survey concluded that 74 percent of our public school buildings need to be replaced. Almost one-third of these buildings were built prior to World War II.

In its 1989 report, "Wolves At The Schoolhouse Door", the Education Writers Association concluded that one of every four school buildings in the United States is in inadequate condition. Of those schools, 61 percent need maintenance or major repairs, 43 percent are obsolete, 42 percent have environmental hazards, 25 percent are overcrowded, and 13 percent are structurally unsound. Many schools have multiple problems.

Education budgets throughout the country are taking enormous cuts. There is simply no money at the State and local levels sufficient to repair and rebuild public schools.

Children cannot learn and teachers cannot teach in buildings that are unsafe. This legislation will not only ensure the health and safety of our Nation's schools, but will help create jobs our economy badly needs.

TRIBUTE TO NICHOLAS P. STAMPONE

HON. ROBERT A. BORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1993

Mr. BORSKI. Mr. Speaker, I rise today to pay tribute to my dear friend, Nicholas P. Stampone, on the occasion of his retirement from active political affairs.

Nick Stampone's career with the Democratic Party spans over 45 years. Nick began his participation in government and public affairs in 1955. Serving the government of the city of Philadelphia first as the supervisor of the Philadelphia Traffic Court, and then in a variety of supervisory and administrative positions with the Philadelphia City Council, Nick gained the respect of all who worked with him.

The very fact that three successive city council presidents appointed Nick Stampone as the sergeant-at-arms to the Philadelphia City Council is a strong indication of the high regard Philadelphians have held for him.

While I was a member of the Pennsylvania House of Representatives, Nick served as the State senator, fourth district, the district which encompassed my own. There, Nick provided insightful leadership, and, as a significant political figure in Philadelphia, he tirelessly worked in support of Democratic candidates such as myself.

Currently, Nick is the Democratic leader of the 41st ward in Philadelphia and an elected committeeperson of the 41st ward democratic executive committee. He has held these positions continuously from 1966 and 1948 respectively, and he will offer his resignation from these posts on June 3, 1993.

Nick Stampone has been a lifelong, loyal public servant. He served his country in the U.S. Army, Medical Corps in 1946–47, and has continued since that time to serve city, State and country with distinction. His active participation in government will be missed, but not forgotten.

It is an honor to know Nick Stampone. I thank you, Mr. Speaker, for this opportunity to bring attention in the U.S. House of Representatives to his numerous accomplishments.

A TRIBUTE TO MIKE FARRIS

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1993

Mr. DORNAN. Mr. Speaker, I would like to take this opportunity to recognize the noble efforts of Mr. Mike Farris who played a key role in protecting and restoring the free exercise of religion in America.

As you know, the Religious Freedom Restoration Act, which was overwhelmingly approved by the House, is perhaps the most important legislation in support of religious freedom to come before Congress in any session. Indeed, passage of this legislation will mean ultimate protection of our religious liberty—the first liberty set forth in our Bill of Rights.

As a defender of true religious freedom, Mike's many years of experience and his vital and brilliant work as co-chairman of the drafting committee of RFRA were instrumental in securing appropriate language for the restoration of religious freedom in this Nation. Indeed, he is a champion for those who defend our constitutional right for religious liberty.

Knowing that religious freedom is the cornerstone of our American way of life, I am grateful to Mike Farris for his unwavering commitment to protecting this basic and most meaningful right.

TRIBUTE TO TALL PINE BOY SCOUTS COUNCIL

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1993

Mr. KILDEE. Mr. Speaker, I rise today before my colleagues in the U.S. House of Representatives to pay tribute to an outstanding community organization in my hometown of Flint, MI, the Tall Pine Council of the Boy Scouts of America, which will celebrate its 75th anniversary on June 4–6, 1993, at the E.A. Cummings Center.

As the largest service organization in the Flint area, the Tall Pine Council has played a significant role in shaping the lives of over 500,000 young people since its inception. Beginning only 5 years after the Boy Scouts were established in Flint, the Tall Pine Council was created in 1917 when a charter was issued to the city of Flint. The council would later be expanded to encompass Genesee, Lapeer, and Shiawassee Counties.

In 1992, the Tall Pine Council served over 12,000 young people and 5,000 adult volunteers. The Boy Scouts and the Tall Pine Council have always been committed to improving our community, as was evident in 1941 when they were at the forefront of the volunteer organizations during World War II, leading the drive to collect scrap metal, start victory gardens and sell war bonds. Now, local Boy Scout troops are addressing other social problems such as hunger. Over the last 5 years Scouts in the Tall Pine Council have collected over 165,000 pounds of food for local organizations fighting hunger in our community. Finally, one of the greatest achievements of the Tall Pine Council has been the induction of 2,056 Scouts in the Eagle Court of Honor, Scouting's highest award.

Mr. Speaker, it is indeed an honor and a pleasure for me to rise today to pay tribute to an American institution, the Boy Scouts of America. Through the Tall Pine Council, thousands of young lives have been molded and shaped to become the leaders of our great Nation. I know that you and the rest of the U.S. House of Representatives will join me in honoring the Tall Pine Council in Flint, MI, as it celebrates its 75th anniversary.

LBJ CONGRESSIONAL INTERNSHIP ESSAY CONTEST RECIPIENTS

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1993

Ms. KAPTUR. Mr. Speaker, each year I sponsor an essay-writing contest among interested students and teachers in Ohio's Ninth District to select a Lyndon Baines Johnson

Congressional Internship recipient. Those vying for this year's LBJ Internship slot were required to write a 10-page analysis of the impact the proposed North American Free-Trade Agreement will have on workers' wages in the United States, Canada, and Mexico.

This year's competition was especially intense and it was difficult to pick a single winner. Therefore we also selected three runners-up. I would like to share some excerpts of what this year's contestants wrote about the pending North American Free-Trade Agreement.

Corey Schaal, LBJ Congressional Internship first-place recipient:

Today, free trade, as an economic theory, has gained strength through the example of modern-day successes. Western European nations replaced their nationalistic self-interest with common economic interest when they created the European Economic Community, on "Common Market." The United States already has free trade agreements with Israel and Canada. Free trade agreements can work when parties are economically balanced (the United States and Canada), or when systems are designed to help balance the situation (rich EEC nations and poor EEC nations). Mexico's economy does not balance against the United States' economy in any sense, nor does NAFTA put any proactive balancing systems into effect. Still, it is possible for the United States to enter into free trade agreements that would benefit both it and other nations. Japan has been considered a likely candidate in the past due to the size of its economy and its relative parity in terms of the per-capita GNP. This would make better economic sense than the current plan with Mexico and Canada.

Holly K. Vershum, LBJ Congressional Internship runner-up:

On the surface this agreement seems sound and beneficial to all parties involved, but ultimately it could cause many manufacturers to move factories and jobs south of the border, resulting in the deterioration of America's economy.

Kenneth J. Filipiak, LBJ Congressional Internship runner-up

NAFTA is about duty-free investment and the opening of new markets; increased competition in such industries as a telecommunications, textiles, transportation, automotive, and financial services; the expansion of scale for American industry; the creation of the huge new population of people to buy American goods; and most importantly the creation of many new American jobs.

Gina M. La Cava, LBJ Congressional Internship runner-up:

It is evident that the United States needs to insert on explicit, enforceable side agreements to NAFTA that deal specifically with human rights, environmental standards and acceptable living conditions in order that the Mexican people may begin to prosper.

Ian B. English, LBJ Congressional Internship participant:

The United States is participating in the NAFTA to make North America the largest trading market in the world in order to compete on that world level.

Fabian P.A. Newman, LBJ Congressional Internship participant:

By creating a common market with our Mexican and Canadian neighbors we gain two advantages: the efficiencies of freer trade with them, and a larger bloc with which to confront the Europeans and the Japanese.

Tiffany L. Koch, LBJ Congressional Internship participant:

Wage scales will bottom out if the North American Free Trade Agreement is passed because this agreement is a vehicle for worker exploitation.

Bruce D. Purdy, Jr., LBJ Congressional Internship participant:

So far, NAFTA is not as beneficial as it appears. However, if changes can be made in the agreement and in our tax system, we will all benefit from expanded trade.

Stephanie A. Burger, LBJ Congressional Internship participant:

The Clinton Administration's call for parallel agreements enforcing labor and environmental standards is an encouraging indicator that wages and living standards will not become unimportant after NAFTA is implemented.

Bradley A. Akers, LBJ Congressional Internship participant:

Now, the United States must work to eliminate a growing fear that we are slowly setting up side pacts and tribunals that supersede and undermine the laws and the provisions of the agreement.

Rachel E. Hinz, LBJ Congressional Internship participant:

The only way to lessen the impact of the NAFTA and make the agreement an advantage to the U.S. worker would be to raise the standards: standards of the environment for the workers and consumers, and the standard of living in Mexico.

Rosemary K. Metzger, LBJ Congressional Internship participant:

After a period of adjustment, the U.S. economy will achieve greater efficiency from free trade because inefficient elements—those that are not producing the most goods possible for the available resources in a price-competitive situation—will be eliminated, placing the economy on a base that requires less government help and has a larger market.

Jennifer J. Habrych, LBJ Congressional Internship participant:

While it is clear that not every industry would be adversely affected by the adoption of the NAFTA, enough of American industry would be traumatized that it should be given serious consideration whether or not the agreement would be good for the United States as a whole, or whether it would only benefit certain select businesses and industries.

Vandana Thapar, LBJ Congressional Internship participant:

The NAFTA is in many ways unprecedented in terms of its scope and the depth of the commitments required, going well beyond the removal of barriers to good trade alone.

Gregory A. Guzman, LBJ Congressional Internship participant:

NAFTA will not help Mexico, Canada or the United States until Mexican workers are treated at or near the standard equilibrium of the United States and Canadian workers

David Savolaine, LBJ Congressional Internship participant:

The things that are needed to make NAFTA work for the U.S. include guarantees that wage scales and environmental standards in Mexico will gradually increase over the next ten years, bringing them up to a level that still allows for co-production but does not relocate the majority of current manufacturing jobs from the U.S. to Mexico.

Nicole A. Waldron, LBJ Congressional Internship participant:

I believe very strongly that if we as a nation are able to get this trade agreement off the ground with minor, supplementary provision for the environment, laborer protection and health and safety standards, the chances of creating a global economy are greatly increased.

William E. Grady, LBJ Congressional Internship participant:

The globalization of industries will be a constant in the future, and governmental endeavors, such as NAFTA, will be continually sought and implemented. We had better be prepared and up to the challenge, with a clear, well-thought-out strategy.

Jay B. Patterson, LBJ Congressional Internship participant:

While the United States has a relatively low unemployment rate, Mexico has been unable to keep up with its growing labor force. This problem would add to this fear in this country of U.S. investment in Mexico taking jobs from the United States.

THE MIDDLE-CLASS SQUEEZE

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1993

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, May 26, 1993 into the CONGRESSIONAL RECORD:

THE MIDDLE-CLASS SQUEEZE

More and more middle-class Americans are anxious about their economic status. They are deeply concerned about what has happened to their jobs, earnings, home values and safety net of pensions, health care and insurance. They are uncertain whether a life of hard work will be rewarded with improved living standards and a comfortable retirement. They are even more concerned about the prospects for their children.

The economic squeeze has contributed to a feeling of frustration and anger among middle-class workers. Many believe that government fails to make a positive difference in their lives. Government gave his parents the GI bill, a booming economy and Social Security, but has left them rising deficits and a stagment economy. They feel that government has been captured by special interests and is unresponsive to their needs.

THE ECONOMIC SQUEEZE

Several recent studies suggest there indeed has been an economic squeeze on the middle class. Its ranks have been shrinking, perhaps by as much as 15% since the 1960s, and its incomes have been growing slowly. Between 1948 and 1973, average family income doubled, after adjusting for inflation; since 1973 it has risen only about 12%. Real wages have grown even more slowly and the paychecks of spouses have become increasingly important in keeping family incomes growing at all. Two-thirds of the increase in family income in the 1980s came from more hours worked, not higher wages. In contrast, upper-income Americans have enjoyed substantial gains. More than half of the additional income generated between 1977 and 1989 went to the top 1% of American households. By 1990 the compensation of corporate chairmen was 135 times higher than that of a typical worker. For those families fortunate enough to rise out of the middle class, the 1980s were indeed a good time. But for those many others who fell out of the middle class, they were a disaster. Incomes for the poorest American families actually shrank during the 1980s.

Several factors have contributed to the middle-class economic squeeze. First, as the "babyboom" generation reached adulthood, the supply of entry level workers surged. This increased the number of workers with low earnings and helped keep wages down. Second, many manufacturing jobs paying solid middle-class wages have been lost. Although there was job growth in the economy in the 1980s, a significant portion of the job growth came in lower-paying industries. Also technological competition has automated many of the higher-paying manufacturing jobs. Third, private services vital to the middle class like health care and insurance have become less affordable as costs have risen and companies have reduced employee benefits. Fourth, as other benefits have been reduced, private retirement benefits also have weakened. In 1989 about 16,000 defined-benefit plans were eliminated, while only about 5,000 plans were created. Fifth, despite claims to the contrary, the average family did not get overall tax relief in the 1980s. Between 1977 and 1990, the tax bill for a taxpayer earning $35,000 dollars a year increased over 7%—due mainly to increases in Social Security payroll taxes—while the bill for taxpayers with incomes of $200,000 a year dropped almost 28%. Sixth, certain federal programs aimed at assisting middle-class Americans—such as college tuition assistance—were reduced during the 1980s. This is not to suggest that federal programs do not help the middle class. The main beneficiaries of Social Security, Medicare, the home mortgage deduction and other programs continue to be middle-class Americans.

POLITICAL CONSEQUENCES

The decline of the middle class is a worrisome trend. The middle class has helped define who we are as a nation; our dedication to hard work, family and education; our sense of community; our desire to give our children a better future. It has been the great source of our economic strength, and has helped bind us together as a society. A strong and growing middle class is critical to our success as a democracy. Middle-class America has given us our political leaders, our millions of voters, and our spirit of debate and compromise. Countries without a strong middle class tend to be less democratic, less wealthy, and less peaceful.

Many middle-class Americans feel disillusioned about our political system. They believe that Washington has been seized by special-interests, often with little regard for the national interest or the interests of the average person. Some feel that they cannot make a difference, and opt out of the political process. Others are demanding change. They do not necessarily want more or less government, just better government that is more responsive to their needs and concerns. Middle-class voters served notice in 1992 that status quo politics and economic policy are unacceptable.

POLICY CHANGES

The federal government alone cannot reverse the decline of the middle class, but it can make an important difference. We must take steps to promote long-term economic growth. A healthy economy produces jobs, raises productivity, and improves living standards—all the things middle-class Americans want. To this end, government must first act to reduce the federal budget deficit. The deficit hurts prospects for sustained economic growth by raising interest rates and consuming national savings that could be invested more productively. Taxes raised for deficit reduction should come primarily from the wealthiest Americans, and spending cuts should not fall disproportionately on services which are particularly important to middle-income Americans, such as education, transportation and child care programs. Second, government must place more emphasis on investment. Investment is a key to a growing economy that produces good jobs and high quality goods and services. The private sector is the engine for economic growth, but government can play a role as well by investing, for example, in our workers, our infrastructure and our technology base. For middle-class Americans, this means health care reform, education assistance, and worker retraining.

We must also act to restore public confidence in our political institutions. Congress should pass campaign finance reform legislation. Money plays a disproportionate role in American politics. The high cost of campaigns is increasing the dependence of candidates on special-interest groups. Congress should act promptly on legislative proposals to better control lobbying and reduce interest group influence in Washington.

CONCLUSION

It is time to come to grips with the difficulties facing middle-class America today. What is at stake is the restoration of the American promise that hard work will be rewarded, that opportunity and mobility to move up the ladder will be sustained, and that sacrifice will be shared fairly.

THE SUCCESS OF ROCKWELL INTERNATIONAL

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1993

Mr. GINGRICH. Mr. Speaker, I hope that my colleagues will read the following editorial by George Krumbhaar as an example of how to cut government spending.

As Mr. Krumbhaar points out, by applying the principles of quality and assets of technology, we can significantly cut out the waste and overspending of the government and truly focus on what the government is really about: protecting and serving the people of the United States in an effective and efficient user-friendly manner.

Because the No. 1 threat to United States' national security in the near future is the collapse of American civilization, I would suggest to my colleagues that we need a drastic change in our culture if we are to survive in the 21st century and beyond. Through cooperation and a well defined vision of what we want for our children, we can do for the entire United States, what Rockwell International in Duluth, GA, has done for the American people in saving scarce defense budget funds and bringing quality management to the workplace.

HOW TO CUT DEFENSE SPENDING

(By George Krumbhaar)

If President Bill Clinton is serious about controlling federal spending, he ought to take a look at the Rockwell International plan in Duluth, Ga., that makes Hell-fire missiles.

He could apply the lessons Rockwell has learned not just to defense procurement but to the federal government—and save billions.

Rockwell is in the forefront of U.S. companies that have learned from and are implementing the sweeping changes in manufacturing that have made American firms more competitive abroad.

Total quality control and computer-integrated manufacturing are terms often used to describe the revolution under way on factory floors. But this revolution has not yet reached the factories of most defense contractors.

There are explanations for this. We want the best (read: most expensive) technology available for defending our country; military contractors have little incentive to produce least-cost goods; and the very abuses we want to prevent have given rise to regulatory checks and double-checks whose very complexity guarantees overspending.

And, of course, there's pork built into the system. When thousands of jobs in a state or district depend on a vote or contract award going a certain way, it's only American to try to influence the outcome regardless of merit.

But there have also been modest successes in cutting these costs. A succession of commissions over the years has identified many of the problems; and initiatives such as the Industrial Modernization Incentives Program give Pentagon contract officers some latitude in encouraging more modern ways of manufacturing defense hardware.

These successes, however, fail to approach the degree of change that is required if we are to reverse decades of entrenched habits and bring state-of-the-art manufacturing to defense procurement.

But Rockwell's Duluth plant shows what can be done. In the past three years, Rockwell has increased productivity by 40 percent and cut manufacturing time in half while improving quality.

How did it accomplish this? First, by undergoing what a Rockwell spokesman called a "cultural change" in management and employment attitude, one that dramatically changed the way it did business and shifted decision-making downward to the employee level. Second, by convincing the Defense Department that the two entities should work together rather than as adversaries. Formerly devoted to contract enforcement, Pentagon procurement officials now work with Rockwell to solve problems in much the same way that modern manufacturers do with their suppliers.

The result has been a sharp reduction in cost, from as much as $60,000 per missile a decade ago to $25,000 today.

These kinds of quality and cost improvements would come as no surprise to any firm that has applied modern manufacturing methods to its operations. That they should be achieved by a defense contractor is surprising only because there is currently so little incentive to change and improve the procurement process.

Rockwell claims that the lessons it has learned are applicable elsewhere, not only in weapons procurement but also in such "soft" areas as hospital management. This should immediately start the dollar signs spinning in every budgeteer's eyes. Military-hardware procurement alone amounts to approximately $75 billion annually. Cost-cutting on the order of the Hellfire experience could save the Pentagon $35 billion. Apply these kinds of savings to military facility management and you could cut defense costs by several billion more.

Who knows? Perhaps the yearning to get better quality at lower cost could spread to other parts of the government. Again, we could do this by applying the lessons that some U.S. firms have already learned in their effort to become internationally competitive.

Mr. Clinton has promised us change, and he surely appreciates that the changes required in defense spending involve more than lip service and catchy slogans. Ask any firm that has introduced an effective program of total quality management about its experience, for example, and the words "top to bottom change," and "strategic, cultural change" often crop up.

There is a lot of room for budget savings here. As the president aptly put it in his inaugural address, "There is nothing wrong with America that cannot be cured by what is right with America."

NATIONAL FOSTER CARE MONTH

HON. DICK SWETT

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1993

Mr. SWETT. Mr. Speaker, I rise today in recognition of May 1993 as National Foster Care Month. It is my hope that National Foster Care Month will help to increase the Nation's awareness of the growing number of children who need the stable, safe homes that foster care provides.

Unfortunately, while the number of children in the United States who need foster care has increased during the last 5 years, the number of foster care families is steadily decreasing. In the mid-1980's, the number of foster care children fluctuated between 270,000 and 280,000. Statistics released in December of last year by the American Public Welfare Association claimed that there are currently 447,000 children in need of foster care. Yet, the National Foster Care Association's study showed that there are only approximately 100,000 active foster family homes. Mr. Speaker, this discrepancy should be cause for national concern.

Not only are the number of foster care children increasing, but the needs of foster children appear to be changing. Many of the children entering foster homes today are significantly more troubled and have more complex needs than ever before. Babies and young children are entering foster care at a faster rate. Many of the children are abandoned, abused, or have learning disabilities. There are increasing numbers of foster children who have AIDS and foster infants that are drug- or alcohol-exposed. The challenge of caring for foster children is becoming more daunting, which perhaps accounts for the decline in foster family homes.

These complex needs of foster children only underline the increasing demand for willing foster families. I know from experience that foster families make a positive difference in many childrens' lives. As I was growing up, my parents served as foster parents for children in need, and I personally have seen the difference that a stable, loving home can make in a child's life.

Mr. Speaker, I encourage citizens of our country to become more aware of the growing need for foster family homes and to get involved in trying to help with this important issue. It is my sincere hope that National Foster Care Month will help to promote the further involvement of citizens if foster care organizations—involvement which is so essential to our Nation's children and our Nation's future.

INTRODUCTION OF LEGISLATION REGARDING FORMER MEMBERS AND LOBBYING

HON. ROBERT E. ANDREWS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1993

Mr. ANDREWS of New Jersey. Mr. Speaker, I rise today to introduce a bill that would lengthen the time period from 1 to 5 years for which former Members of Congress would be prohibited from lobbying their prior colleagues.

Many Americans are cynical about the activities of this body. Too often our constituents feel that we are more responsive to lobbyists and interest groups than we are to their concerns. Public perception is that former Members of Congress, acting as lobbyists, exert undue pressure on their former colleagues by way of the personal relationships developed during their service in Congress. My constituents feel that this influence is used to promote the views of special interest groups, to the detriment of the public good.

We must remove this concern by preventing its occurrence. We must strengthen the laws that prevent Members from using their service here as a springboard to high paying jobs lobbying their former colleagues.

The vast majority of our constituents do not have the wealth to afford high-powered lobbyists. They elected us to be their voice.

I believe this bill will alleviate the concerns of many of our constituents. By banning retired Members from lobbying activities for 5 years, we are assuring the people that we are here to represent them, not to ingratiate ourselves to future benefactors.

CONGRESSMAN KILDEE SALUTES LA AMISTAD

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1993

Mr. KILDEE. Mr. Speaker, as we note the 50th anniversary this year of the opening of the first senior center in the Nation, I rise today to urge my colleagues in the House of Representatives to join me in commemorating the 17th year of La Amistad Senior Center in Pontiac, MI.

Under the outstanding leadership of its founder, Ligia Bueno, La Amistad has served as a home away from home for Pontiac area Hispanic seniors. Housed in the 100-year-old Central High School, La Amistad remains the only Latino senior center in Oakland County. La Amistad maintains a full service kitchen and in addition to providing hot meals to seniors, the kitchen operates under a subcontract from the Area Agency on Aging as a part of the Meals on Wheels Program.

La Amistad hosts a variety of activities for its seniors including health education, blood pressure screening, arts and crafts, and pool and bingo games. Interpreter services are available for the many patrons that do not speak English. The center also serves seniors by arranging visits by representatives from agencies such as the Social Security Administration to assist seniors in filing claims.

Through there have been many trials and tribulations, La Amistad has preserved, largely due to the efforts of Ligia Bueno. On May 15, 1993, she was honored for her selfless and tireless commitment to the cause of Latino seniors and the continued growth of La Amistad.

Additionally, I want to thank Ms. Virginia Block for inviting me to be a part of the celebration at La Amistad. She is a selflessly giving person and the citizens of Pontiac are fortunate indeed to have her working so diligently on behalf of our children.

Mr. Speaker, without a doubt, our community is a much better place in which to live because of the 17 years of service, love, and support that Ligia Bueno has given through La Amistad. I urge my House colleagues to join me in congratulating Ligia Bueno and La Amistad for a wonderful, fulfilling 17 years and wish then even greater success in the years ahead.

NORMA J. MELCHIORI—DISTINGUISHED MEMBER OF BUSINESS COMMUNITY AND HUMANITARIAN

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1993

Mr. APPLEGATE. Mr. Speaker, it is somewhat customary in the U.S. House of Representatives to bring to the attention of the Members special events in one's congressional district or notable accomplishments of constituents. However, I would like my colleagues to take particular note of Saturday, the 29th of May, in the year 1993. This date has been declared "Norma J. Melchiori Day" by the city of Flushing, OH and will serve as a time for her friends and supporters to recognize her outstanding achievements and humanitarian efforts.

In 1940, Ms. Melchiori was appointed postmaster at Morrefield Post Office. She served in this capacity until she joined the staff of Piedmont Bank. She worked her way up the corporate ladder while remaining a devoted wife and mother of two. Ms. Melchiori ultimately became executive vice president of Citizens National Bank and president of the Ohio group of National Association of Bank Women.

She retired from the corporate world in 1979 to devote herself to philanthropy. Her participation has been instrumental to the success of Belmont County's unit of American Cancer Society, United Methodist women's groups, Flushing Belmont Library Foundation, ladies auxiliary of Harrison Community Hospital, and many other organizations.

Few people in Belmont County, or elsewhere, could be more involved in their community than Norma J. Melchiori. Despite heavy work schedules, she always found the time to participate in civic affairs and philanthropies.

Mr. Speaker, Ms. Norma J. Melchiori deserves the praise and thanks of Belmont County, OH, and on behalf of the U.S. House of Representatives, I congratulate her on a record of contribution and improvement within her community and wish her the best of luck in the future.

TRIBUTE TO FIRST CHRISTIAN CHURCH OF MASSILLON, OH

HON. RALPH REGULA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1993

Mr. REGULA. Mr. Speaker, I rise today to honor First Christian Church of Massillon, OH, which celebrates its 150th anniversary throughout this year.

The freedom to worship was the cornerstone upon which our Nation was founded. We have no greater liberty than this freedom, which has remained constant and sustained us through the trials and tribulations of more than two centuries as a society.

First Christian Church had a modest start in the home of Isaac Doxsee, one of the first lay preachers of the Christian Church in Ohio. In 1847, it built its first building, but by 1889 it had outgrown its space and built a new sanctuary for less than $10,000. That church was home for nearly seven decades, until the current building was dedicated in 1959. The church features beautiful contemporary architecture and a 450-seat sanctuary. It is the spiritual home of more than 500 members of the Massillon community.

I was privileged to speak at Sunday services recently and was made to feel most welcome. The church continues to play a vital role in enriching the Massillon community, and I wish it many more years of continued blessings.

LETTER CARRIERS COLLECT 11 MILLION POUNDS OF FOOD FOR THE NEEDY

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1993

Mr. CLAY. Mr. Speaker, the National Association of Letter Carriers (AFL–CIO), in conjunction with over 220 local branches and the U.S. Postal Service, collected over 11 million pounds (5,500 tons) of nonperishable food which was donated to local food banks throughout the States.

This drive is believed to be the largest 1-day collection of food donations in the Nation's history.

The leadership of the NALC, its locals and all of its participating members, are to be congratulated for this tremendous and heartwarming endeavor which helps to insure that local food banks will be able to assist needy individuals during the summer months.

I am particularly gratified that several locals in my home area of St. Louis (No. 343) Hazelwood (No. 5847) and Ballwin, MO (No. 5050) collected over 33 tons of food. Keith Gentry, executive vice president of local 343 served as coordinator for this effort.

At the national level the drive was ably directed by Drew Von Bergen, director of public relations for the NALC.

Thanks to the generous contributions of postal patrons and the collection effort of letter carriers across the Nation, thousands of adults and children will have access to much needed food.

HYDE PARK ELEMENTARY SCHOOL, PUEBLO, CO

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1993

Mr. MCINNIS. Mr. Speaker, there is a very special, very unique, elementary school in Pueblo, CO. It's Hyde Park Elementary School, 1 of only 16 schools nationwide chosen to demonstrate the Follow Through Program. Hyde Park's 212 students, their families, 19 teachers, and 7 staff have every reason to be proud.

Hyde Park school is located in the kind of neighborhood where schools are truly important. Nearly a third of these families do not use English as their first language. Three-quarters are low income, and perhaps most challenging, nearly half are single-parent families.

At Hyde Park, they believe in getting parents involved, and that's what I like about the Follow Through Program. Parental involvement is the key to teaching children well. Follow Through trains parents to go into the Hyde Park classrooms as teachers helpers. A Parent Action Council gives parents a hand to in guiding their children's school. And Follow Through health support in kindergarten through third grade sees that children are healthy.

Congratulations to the Hyde Park school family and your whole neighborhood. Through your efforts, Hyde Park will serve as a national model for getting parents involved in building excellent neighborhood schools.

INTRODUCTION OF THE COMPREHENSIVE RECYCLING ACT OF 1993

HON. W.J. (BILLY) TAUZIN

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1993

Mr. TAUZIN. Mr. Speaker, much progress was made in the last Congress toward reauthorization of the Resource Conservation and Recovery Act [RCRA]. A major part of that debate and a continuing priority is the role which the Federal Government can play in supporting comprehensive recycling in our States.

In the 102d Congress, my colleague from Louisiana, Congressman JIMMY HAYES, and I introduced H.R. 945, the Comprehensive Recycling Act. We were extremely pleased that 157 of our colleagues from all regions of the country and both sides of the aisle joined us to cosponsor that legislation.

Since introducing that bill, the number of communities across America which have implemented some type of comprehensive recycling has jumped from 1,600 in January of 1991 to more than 4,000 today. Recycling rates for such major commodities as aluminum, glass, paper and plastic continue to improve dramatically. However, more needs to be done to continue this positive movement. With this in mind, we are again introducing the Comprehensive Recycling Act of 1993.

This bill requires States to develop and implement a comprehensive multimaterial recycling plan which will be made available to all its citizens. Unlike those who advocate inflexible, static, Federal mandates such as a "bottle bill," no single approach is mandated through this proposal. We believe States should be given the flexibility to tailor their plans to varying local needs. At a time when many local governments are facing severe revenue shortfalls, this flexibility will be essential in developing successful programs. This bill, which directs inclusion of the widest possible array of materials in recycling plans, can foster significant waste diversion rates by making recycling opportunities available to and convenient for all citizens.

Startling recycling levels, coupled with overwhelming public enthusiasm and participation, have resulted in unqualified success stories in the States and municipalities where comprehensive recycling programs have been implemented. These communities have reduced the burden on their landfills, have reduced their landfill disposal costs, and have benefited from the sale of recyclables. While this legislation is not intended to address all the issues inherent in the ultimate reauthorization of RCRA, we believe it is an essential component.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Thursday, May 27, 1993, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MAY 28

10:00 a.m.

Judiciary

Immigration and Refugee Affairs Subcommittee

To hold hearings on S. 667, to revise the Immigration and Nationality Act to improve the procedures for the exclusion of aliens seeking to enter the United States by fraud, and on other proposed legislation on asylum issues, and to examine the implementation of immigration laws on preventing terrorism.

SD–226

JUNE 8

10:00 a.m.

Appropriations

Interior Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1994 for the Department of the Interior.

S–128, Capitol

Commerce, Science, and Transportation

To hold hearings to examine Federal financial programs that affect United States fisheries.

SR–253

Judiciary

Constitution Subcommittee

To resume oversight hearings to examine violence in television programming.

SD–226

2:30 p.m.

Appropriations

Foreign Operations Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1994 for foreign assistance programs, focusing on global issues.

SD–138

JUNE 9

9:30 a.m.

Armed Services

To resume hearings on proposed legislation authorizing funds for fiscal year 1994 for the Department of Defense and the future years defense program, focusing on the defense conversion and reinvestment program.

SH-216

Environment and Public Works

Clean Water, Fisheries and Wildlife Subcommittee

To hold hearings on S. 823, to improve the management of the National Wildlife Refuge System.

SD-406

2:00 p.m.

Armed Services

Nuclear Deterrence, Arms Control and Defense Intelligence Subcommittee

To resume hearings on proposed legislation authorizing funds for fiscal year 1994 for the Department of Defense and the future years defense program, focusing on the Strategic Defense Initiative program.

SR-222

JUNE 10

10:00 a.m.

Appropriations

VA, HUD, and Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1994 for the National Aeronautics and Space Administration.

SH-216

Veterans Affairs

Business meeting, to mark up S. 843, to revise title 38, United States Code, to improve reemployment rights and benefits of veterans and other benefits of employment of certain members of the uniformed services.

SR-418

JUNE 11

2:00 p.m.

Indian Affairs

To hold hearings on the President's proposed budget request for fiscal year 1994 for the Bureau of Indian Affairs.

SR-485

JUNE 15

10:00 a.m.

Appropriations

Interior Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1994 for the Department of Energy.

S-128, Capitol

JUNE 16

9:30 a.m.

Indian Affairs

To hold hearings on the proposed "Indian Fish and Wildlife Enhancement Act."

SR-485

JUNE 18

9:30 a.m.

Appropriations

Labor, Health and Human Services, and Education Subcommittee

To hold hearings to examine waste, fraud, and abuse in the Government, and ways of streamlining Government.

SD-192

JUNE 21

9:30 a.m.

Appropriations

Labor, Health and Human Services, and Education Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1994 for the Departments of Labor, Health and Human Services, and Education, and related agencies.

SD-192

1:30 p.m.

Appropriations

Labor, Health and Human Services, and Education Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1994 for the Departments of Labor, Health and Human Services, and Education, and related agencies.

SD-192

JUNE 22

9:30 a.m.

Indian Affairs

To hold hearings on S. 925, to reform the accounting and management processes of the Native American Trust Fund.

SR-485

JUNE 23

10:00 a.m.

Veterans' Affairs

To hold hearings on proposed legislation relating to the Veterans Administration's health care programs.

SR-418

JUNE 24

9:30 a.m.

Rules and Administration

To hold hearings on S. 716, to require that all Federal lithographic printing be performed using ink made from vegetable oil.

SR-301

Indian Affairs

To hold hearings on the proposed "American Indian Religious Freedom Act."

SR-485

SENATE—*Thursday, May 27, 1993*

(Legislative day of Monday, April 19, 1993)

The Senate met at 9 a.m., on the expiration of recess, and was called to order by the Honorable RUSSELL D. FEINGOLD, a Senator from the State of Wisconsin.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

Except the Lord build the house, they labour in vain that build it: except the Lord keep the city, the watchman waketh but in vain.—Psalm 127:1.

Almighty God, Lord of history and the nations, give us the grace to acknowledge our need of You. Forgive us for saying we believe in You and acting as though You are nonexistent. In our sophisticated age of science and technology, we assume there is no problem we cannot solve, then wonder why our best efforts so often seem futile. Help us understand that we do not abdicate our responsibility when we look to You for aid. We do not abandon our intellect when we look to You for wisdom.

Grant us grace to acknowledge our need of You, that we may face our problems, personal and political, with hearts that are strengthened and minds enlightened by divine intervention.

In the name of Jesus, Light of the world. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, May 27, 1993.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable RUSSELL D. FEINGOLD, a Senator from the State of Wisconsin, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. FEINGOLD thereupon assumed the chair as Acting President pro tempore.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

CONGRESSIONAL SPENDING LIMIT AND ELECTION REFORM ACT OF 1993

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of S. 3, which the clerk will report.

The bill clerk read as follows:

A bill (S. 3) entitled "Congressional Spending Limit and Election Reform Act of 1993."

The Senate resumed consideration of the bill.

Pending:

(1) Mitchell/Ford/Boren amendment No. 366, in the nature of a substitute.

(2) Wellstone amendment No. 367 (to amendment No. 366), to strengthen the restrictions on contributions by lobbyists.

(3) Wellstone amendment No. 368 (to amendment No. 367), in the nature of a substitute.

(4) Hollings amendment No. 380 (to amendment No. 366), to express the sense of the Senate that the Congress should adopt a joint resolution calling for an amendment to the Constitution that would empower Congress and the States to set reasonable limits on campaign expenditures.

Mr. GRASSLEY addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I ask unanimous consent to address the Senate for 10 minutes, as if in morning business. However, if the leadership wants the floor before that period of time, I will give it up whenever the leadership ask for it.

Mr. SPECTER. Reserving the right to object, and I shall not object, I would just like to say, in advance of the time for the distinguished Senator from Iowa, that I am here this morning to proceed in support of amendment No. 380, which is a sense-of-the-Senate resolution calling for a constitutional amendment to permit Congress and State legislatures to impose appropriate limits on campaign financing.

Senator HOLLINGS, my distinguished colleague, is here, so I shall say no more about it and yield at this time to our colleague from Iowa.

The ACTING PRESIDENT pro tempore. Is there further objection? If not, without objection, it is so ordered.

A LEADERSHIP CRISIS IN WASHINGTON

Mr. GRASSLEY. Mr. President, on May 23, the Des Moines Register wrote an editorial that I would like to take issue with. The issue is the Clinton Presidency. The arguments advanced by the Register represent an understandable viewpoint. However, it does not quite hit the mark. I rise today to help focus the aim.

The editorial is called "The Deficit, and a Gridlock of Spirit." The gist of the article is the following—and I use the Register's own words:

> Americans are not behaving as one people, but rather as a collection of groups, each with its own agenda.
>
> Clinton * * * needs to incite a loud public roar for action that can be heard above the shrill pleadings of all the "me-first" voices.
>
> Clinton needs to succeed in this. Not for his sake, but for the country's.

Mr. President, the problem is correctly depicted by the Register. So is the solution. But the means for solving the problem, Mr. President, are not correct, in my view. My statement this morning is about the means. It is also about leadership.

The Register correctly points out that Members of Congress are often preoccupied with the parochial interests of their States and districts. It is the job of the President to lead the country above that level of politics.

From that standpoint, the Des Moines Register is correct, Mr. President. That is how the Founding Fathers envisioned it. The House of Representatives was closest to the people and mirrored their passions; the Senate would ensure that reason would temper the passions that spilled over from the House; and, the President would inspire and lead the Nation to a higher purpose for the collective, public good.

The Register's editorial suggests that the President should lead by taking his case to the people, and by directly confronting his opponents.

It seems the Register is saying that if the President would just yell loud enough, the public would be outraged and Members of Congress would do what is right.

But the problem is, the President has not come up with what is right. And coming up with what is right is the whole essence of leadership.

Albert Einstein once said:

> Setting an example is not the main means of influencing another, it is the only means.

This is where it all starts, Mr. President. Leadership begins and ends in the example set by the White House.

Let us review the White House record.

The President campaigned as one of the common folk. Yet the common folk do not spend $200 for a haircut.

The President campaigned in support of public education. Yet his daughter goes to a private school.

The President says he will cut his staff by 25 percent. But he replaces them through the back door from other agencies.

The Vice President campaigns on reinventing Government. But the Vice President has five offices, and a large staff to run them all.

There are more examples. But I assume the point is clear, Mr. President. Setting an example is the only means for leadership. When the example is not set, no one will follow.

What is more, the economic plan itself is not perceived as fair.

The polls are reflecting this. The latest polls show that the President's approval ratings are now lower than his disapproval ratings. For his performance on the economy, it is lower still.

Is this surprising, given that the reconciliation bill has $5 in tax increases for every $1 in spending cuts?

Is this surprising, given that the President himself has not sacrificed even though he asks America to?

Is this surprising, given that the President got only 43 percent of the vote in November?

Mr. President, leadership-by-example and fair policies provide one with the moral authority to lead. Without fairness and without example setting, there can be no leadership. No one will follow when the moral authority to lead is absent.

When the President lacks the moral authority to lead, what happens is that politicians and the people sink to that lower political level—where each defends his or her narrower interest or agenda. This is the natural state of a civil society. The one is the direct result of the absence of the other.

Yes, the President needs to, as the Des Moines Register says, incite a loud public roar for action.

We all want the President to succeed for the country's sake. But that roar must be for what is right. And $5 in tax increases to $1 in spending cuts is not right. And it sure as heck is not right when the President says he will set an example and then does not.

What we have here, Mr. President, is the makings of a leadership crisis in Washington. This crisis is evident in that not only are Republicans trying to hold the President to his campaign pledges, but so are the Democrats. And most importantly, so are the people. It was the Republicans saying "no" to the stimulus pork bill.

But it is the Democrats, along with this side, saying "no" to the tax bill. And it is the people saying "cut spending first."

And it is not just here at home. Our European allies are turning their backs on our entreaties to address the situation in Bosnia.

All of these examples are indicators of a growing perception of failed leadership. Someone needs to tell the emperor he has no clothes. And then someone needs to find him a fig leaf.

Who is advising the President, anyway? Is it the same ones who advised him to get a $200 haircut at LAX for 45 minutes, while traffic was rerouted?

Is it the same ones who advised the FBI to provide cover for travelgate?

Mr. President, this is a serious issue.

Perhaps the White House would like some gratuitous advice. Well, here goes:

First, we should not blame the public for not hearing the message. They have heard the message, and it is not selling.

And, we should not blame Congress for not wanting to swallow a $300 billion tax hike. It is the wrong medicine for what ails America. If you think it is the right medicine, I will bet you would spend $200 for a haircut.

The moral of the story is, you cannot make followers follow. That is like trying to force a cat to purr. Cats cannot be forced to purr. They purr only when you treat them right—and you have to convince them that you are sincere.

Instead, you have to make leaders lead. And before you can lead, you need to come up with what is right—for Democrats, for Republicans, and for all Americans.

The way you get a cat to purr is to love it. The way you get a nation to follow is to lead it.

You need to set the example, and ask them to do what is fair. That is what is missing from this administration.

You cannot ask others to do what you are not willing to do yourself.

Right now, there is no leadership coming from the White House because it lacks the moral authority required. The White House has cut that right out from under itself: Beginning with its many broken promises, and right up to travelgate and hairgate.

Mr. President, this administration already faces a skeptical public, full of cynicism. It faces a skeptical international community. It faces not just a partisan foe in the Republican Party—but it also faces the significant Perot factor.

That is an awful lot of skeptics that this President needs to lead. The more skeptical they become, the tougher it is to lead them. It is enough to compel anyone to get its act together. Otherwise, this administration will come apart at the seams.

So much for free advice from this Senator. Perhaps the advice of a former President would carry more weight.

Dwight Eisenhower once had this to say about leadership. He said:

> The supreme quality for a leader is unquestionable integrity. Without it, no real success is possible, no matter whether it is in a section gang, on a football field, in an Army, or in an office. If his associates find him guilty of phoniness, if they find that he lacks forthright integrity, he will fail. His teachings and actions must square with each other. The first great need, therefore, is integrity and high purpose.

Mr. President, this quote from former President Eisenhower captures the essence of the problem facing this administration. The solution is not to yell louder so the public can hear. The solution is not to directly confront opponents. The solution is not to blame the followers for not following.

The solution is to lead and inspire. We need a vision of high purpose and a policy of fairness to reach it. We need forthright integrity, in which—as Eisenhower says—teachings and actions square with each other. And, we need a leader to set an example—one who does first what he asks others to do.

Mr. President, America desperately needs this kind of leadership. Without it, we will not succeed in turning our country around. I just hope the White House gets the message.

I ask unanimous consent to have the editorial from the Des Moines Register printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE DEFICIT, AND A GRIDLOCK OF SPIRIT

It's only natural for members of Congress to represent the parochial concerns of their states. Congress has always been a cacophony of narrow interests, each tending to put its own welfare first.

It's the president's job to overcome that. Only the president is elected by all of the people. Only the president can rise above regional and special interests in trying to move the country ahead as one nation, guided by the broad national interest.

Bill Clinton's presidency is in danger of failing because of his inability, so far, to do that. His program is being picked to shreds in Congress.

Midwestern members want to keep a tax break for ethanol and oppose higher fuel taxes for river barges. Western members oppose higher grazing and mining fees on public lands. The aluminum industry makes a case for exemption from higher energy taxes. Eastern coal interests succeeded in getting a tax shifted to electricity producers instead of coal companies. And on and on.

The biggest blow came last week when Democratic Senator David Boren of Oklahoma declared he will not under any circumstances support Clinton's proposed energy tax. He's a member of the Senate Finance Committee, and the tax might well be dead without his vote.

The proposed tax on the Btu content of fuels is the cornerstone of Clinton's program. Having already seen his modest economic-stimulus package gutted in Congress, Clinton cannot let it happen again to his much more important deficit-reduction program.

An intact Btu tax, or a substitute new tax that will raise as much or more revenue, must be passed by Congress this year. The combination of a tax increase and spending reductions is the only hope of significantly reducing the runaway federal deficits.

The spiel of Clinton's opponents is that spending should be cut more before taxes are raised. But look closely at their proposed cuts and most of them amount to promises to cut something sometime in the future, not now. Sound familiar? It's just another variation of the same old game that caused the problem in the first place.

Without Clinton's program, or something close to it, nothing will change. America will keep sinking deeper into debt. The gridlock on the Potomac will not have been broken.

By electing a president and a Congress of the same political party, voters last fall might have thought they were breaking the gridlock. But it is becoming apparent that the paralysis is something more profound than a mere difference between Republicans and Democrats. There is a gridlock of the spirit in this country, and it is reflected in Washington.

Americans are not behaving as one people, but rather as a collection of groups, each with its own agenda. Don't cut my benefits; cut somebody else's. Don't tax my industry; tax somebody else's. Perhaps this is not any worse than it's always been, but the rise of political-action committees and special-interest-group politics has given it more expression. Clinton's task may be more difficult than faced by presidents of the past, but it's still his job to weld the nation to a common purpose.

Clinton has begun to take his case to the people, but he needs to do it more effectively. He needs to paint the sorry picture of what will happen if his program isn't enacted; he needs to cast a vision of how things will be better if it is. He needs to confront directly those who oppose him by asking whether they represent the national interest or narrow interests. And he needs to incite a loud public roar for action that can be heard above the shrill pleadings of all the "me-first" voices.

Clinton needs to succeed in this. Not for his sake, but for the country's.

CONGRESSIONAL SPENDING LIMIT AND ELECTION REFORM ACT OF 1993

The Senate continued with the consideration of the bill.

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania.

AMENDMENT NO. 380

Mr. SPECTER. Mr. President, the pending business is the campaign finance reform bill and the pending amendment is the one which was laid down last night, shortly before adjournment, offered by the distinguished Senator from South Carolina, who is on the floor, and a number of other Senators, including myself.

The amendment which is pending is a very brief one. It states:

> It is the sense of the Senate that Congress should adopt a joint resolution proposing an amendment to the Constitution that would—
>
> (1) empower Congress to set reasonable limits on campaign expenditures by, in support of, or in opposition to any candidate in any primary, general, or other election for Federal office; and
>
> (2) empower the States to set reasonable limits on campaign expenditures by, in support of, or in opposition to any candidate in any primary, general, or other election for State or local office.

The constitutional amendment is necessary because the Supreme Court of the United States, on January 29, 1976, ruled that the first amendment freedom of speech contained within it a constitutional right for any candidate to spend as much of his or her money as that candidate chose. In so doing, the Court invalidated a provision of the 1974 campaign finance law which limited what individuals could spend.

At the same time, the Court upheld other limitations in the statute which limited the amount that other individuals may give to a candidate; illustratively, for a Senator, $1,000 in a primary and $1,000 in a general, and political action committees being limited to $5,000 in the primary and $5,000 in the general.

There are, beyond question, items which ought to be changed. There is great public cynicism and great public outcry about campaign financing, and there ought to be changes. That is why we are debating this bill. But the crux of the issue has turned on Buckley versus Valeo, and the constitutional requirement that an individual be allowed to spend as much of his or her own money as he or she may choose.

The more direct approach, the most direct approach, is the one proposed by Senator HOLLINGS and myself, which goes to the core of the Buckley decision, and says that campaign expenditures are not a part of freedom of speech.

The Buckley versus Valeo decision was a hotly contested case, with dissents—a split Court. To my view, my opinion, my judgment—having worked over the Constitution for some considerable time since law school, in the practice of law, being district attorney of Philadelphia, being in the Senate for almost 12½ years, and serving on the Judiciary Committee—it is not within the appropriate ambit of freedom of speech to allow someone to spend as much money as he or she may have to win a political office.

Freedom of speech is a very highly prized possession in the United States and in the world. It is part of a series of guarantees under the first amendment to the U.S. Constitution. Others are freedom of religion, the right to assemble, and the right to petition the Government. Our powers to speak freely are at the core of our ability to correct injustices and to right wrongs. Freedom of speech is very, very important. From freedom of speech spring many corollary rights.

But why should a rich person have an enormous advantage on becoming a U.S. Senator because that person may spend millions—or whatever it takes—to win a seat in the U.S. Senate? As long as it is possible for someone to come from Wisconsin, the home State of the Presiding Officer, or from South Carolina, the home State of Senator HOLLINGS, or from Pennsylvania, my home State, and enter the race and plunk down $10 million or $12 million or $15 million, or whatever it takes to win a seat in the U.S. Senate.

Why is that related to speech? Speech is the ability to go into shopping centers, go into streets, go into halls, go into meetings, to introduce oneself, talk to people, express ideas, articulate views on how a budget ought to be structured, what we ought to be spending our money on: education, environmental training, job protection, economic development, housing, highways, mass transit—and the projection of the candidacy to persuade people that a given individual is the right person to be a U.S. Senator.

It is a high honor, a very high honor to serve the State of Pennsylvania or any State as a U.S. Senator. In addressing this issue, I know that since we have gone on television, C-SPAN 2—there are people in California where it is 6:21 a.m., and people in Hawaii, where it is 4:21 a.m., maybe some insomniacs are interested in this issue, or they might even be interested in this amendment, who knows—but people are watching this proceeding.

A Senator can come to the floor, and too often we have quorum calls. For those who do not know the intricacies of the Senate, that means that somebody has suggested the absence of a quorum. It is a procedure employed to say we are not ready to transact any further business. When a quorum call is on, any Senator may seek recognition, may ask unanimous consent to proceed, as we call it, "as if in morning business."

I am sure many wonder why we use that phrase. It is a phrase used so that we may introduce a bill or speak about a subject, as the distinguished Senator from Iowa [Mr. GRASSLEY] just did about the editorial from the Des Moines Register.

So coming to the Senate as a Senator is a very high honor and a privilege and an opportunity to really have an effect on public policy in the United States.

But it seems to this Senator that to give special advantage to the wealthy, to someone who can put millions of dollars down, is not an appropriate interpretation of the Constitution of the United States. Charles Evans Hughes, a great Chief Justice of the Supreme Court, said the Constitution is what the Supreme Court says it is. That is the long of it and that is the short of it.

When the Supreme Court of the United States comes to a decision 5 to 4, among the nine Justices, on a hairline judgment, or when the Supreme Court comes to a judgment sometimes without having five Justices in agreement on the approach to the Constitution, and there may be one opinion with three Justices and two others may concur specially, and that establishes the constitutional parameter, that is the law of the land until there is another case which goes before the Supreme Court, and decisions may be reversed.

No one has challenged Buckley versus Valeo, so the appropriate course to take is to bring a constitutional amendment. Senator HOLLINGS and I and others have had problems getting this matter moved through the process, out of committee and onto the Senate floor. It takes a two-thirds majority from the House and from the Senate, and ratification by three-fourths of the States. So it is a complicated matter.

Senator HOLLINGS and I talked in advance of this bill coming up. We agreed that we would seek an early spot on this bill to have the Senate express its sense. This is not binding. But it is a significant step forward in moving to a constitutional amendment.

When the issue has been raised, Mr. President, to have campaign finance reform, a sticking point has consistently been public financing. Those who have advocated a change in the campaign laws want to have the public pay for elections. The central reason to have the public pay for elections is to set up a mechanism where individual Senators, individual candidates would be unwilling or unable or reluctant or simply will not contest the campaign limits which the legislation would establish.

The procedure goes like this: Campaign finance reform established an amount of money which could be set hypothetically in Pennsylvania. The first campaign finance reform provided for close to $4 million for each candidate in Pennsylvania. Then there have been a variety of provisions to enforce acceptance by saying that if one candidate refused to accept the $4 million and the limit to spend no more than $4 million, then there would be negative consequences. His opponent would get the $4 million that was allocated to him, and there would be other sanctions in order to compel, in effect, a candidate to accept that limitation.

I am very, very much opposed to public financing of campaigns. It is my view that in an era where our deficit is in the range of $4 trillion, and we talk about a projected deficit over the next 5 years for an additional deficit of $1.1 trillion, that is simply unwise, as a matter of public policy, to put any more expenses on the public.

President Clinton has spoken about reducing the deficit by $500 billion, but if you read the fine print and check the tables, you find that it is not true the deficit will be reduced by $500 billion. But what is true is if you take former President Bush's projection over 5 years for a deficit of $1.6 trillion, that is $1,600,000,000,000 and compare that to President Clinton's projection which is $1,157,000,000,000, President Clinton claims to project a deficit reduction of almost $500 billion but only against a projection of $1.6 trillion. When we have these kinds of deficits, it seems to me we ought not to be talking about public financing or adding any further burden on the public.

The issue is one that is especially sensitive to this Senator, because when I decided to stand for election in 1976, I did so in the context of the existing 1974 law, which established a ration for a primary campaign in Pennsylvania where an individual would be limited to spending $35,000. That was about as much money as I had, having devoted most of my life to public service, so I decided to run for election. Right in the middle of the campaign, January 29 of 1976, the Supreme Court came down with the famous decision of Buckley versus Valeo saying that most parts of the act were constitutional but that provision was not constitutional.

I then filed papers for leave to intervene in the case on the ground of personal prejudice, and, in my view, that was an incorrect decision. I applied for leave to intervene and applied for reargument in the case, all of which was denied.

That campaign that I ran in 1976 was against a man later to become a very close colleague of mine in the U.S. Senate, the late Senator John Heinz. When the campaign restrictions were limited, Senator Heinz did, as was appropriate under the law, spent his own funds, and not in a modest manner, and won the election. It was a close 2.6 percent election. The Associated Press, I believe it was, at 1:30 a.m. the day after election day declared me the winner, but when the returns were in from the whole State, Senator Heinz had prevailed by some 26,000 votes out of approximately 1 million votes cast.

It seemed to me since that time that we really ought to go to the core of the problem, and the core is Buckley versus Valeo.

I spoke briefly last night when the issue came to the floor, and the statement is in the CONGRESSIONAL RECORD. I will await the other arguments with interest, but I do urge my colleagues to take a close look at this issue, especially in the context of the sense-of-the Senate resolution. This will give us some direction as to where to go, and I suggest that it will do justice to have an appropriate interpretation of a very important provision of the U.S. Constitution.

I see my colleague from South Carolina has risen, so I yield the floor.

Mr. HOLLINGS addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, let me thank the distinguished Senator from Pennsylvania. He has been a conscientious leader in this quest to limit campaign spending.

Let's get right to the crux of the corruption. Let's get to the fundamental logical error of the Buckley versus Valeo decision. In this landmark 1976 ruling, the Supreme Court mistakenly equated a candidate's right to spend unlimited sums of money with his right to free speech. In the face of spirited dissents, the Court drew a bizarre distinction between campaign spending and campaign giving. For first amendment reasons, the Court struck down limits on campaign spending. But it upheld limits on campaign contributions on the grounds that "the governmental interest in preventing corruption and the appearance of corruption" outweighs considerations of free speech.

I have never been able to fathom why that same test—"the governmental interest in preventing corruption and the appearance of corruption"—does not overwhelmingly justify limits on campaign spending. However, it seems to me that the Court committed a far greater error by striking down spending limits as a threat to free speech. The fact is, spending limits in Federal campaigns would act to restore the free speech that has been eroded by Buckley versus Valeo.

If there has ever been a distortion and a twist and an upside down amending of the Constitution by way of a Supreme Court decision, Buckley versus Valeo is it. There is not any question. Opponents of my measure will argue that we must not meddle with the Constitution. Yet, the fact is of the last five amendments, four of the five dealt with elections. And then opponents say, well, amending the Constitution is too long a process. Yet the average of four of those five is 17 months. Meanwhile, by failing to take the constitutional amendment route, we have been on this particular subject fruitlessly for over 20 years, like a dog chasing its tail. And the so-called legislative remedies get more and more complex, more and more expensive, more and more partisan.

I have never seen such nonsense as some of the amendments and maneuvers surrounding this underlying bill, and worst of all is the attempt to coerce candidates into allegedly voluntarily accepting spending limits. Everyone knows what we are doing is unconstitutional. But we pat ourselves on the back, saying we have the best of intentions, we are good boys and girls, we are against corruption. We are for limits. We are working hard. Yet, all along, we know this bill is not going anywhere, and even if it is passed, much of it will be found unconstitutional.

And then we say, why does not the President get to work. Well, why does not the Congress get to work? We should long since have passed the reconciliation bill. That was my contention at the very early day of this particular session. Pass that reconciliation first thing. Put the horse before the cart rather than the stimulus bill before the reconciliation, and we would have passed both with little problem.

What we need is leadership. Instead we have wandered into this self-flagellation, implying that everybody is corrupt. The lobbyists are corrupt. Public financing is corrupt. PAC's, political action committees, everybody is corrupt but us, and we want you to know we are good boys and girls. Nonsense.

Back in 1974, when we passed the bipartisan Federal election campaign amendments, we directly addressed the problem of excessive spending. We put reasonable spending limits on Federal campaigns. The idea was to get at the alligators, the abuses, by draining the swamp.

You have to recall the rampant abuses of the time, with huge amounts of money sloshing around. When Nixon was running in 1968, his money men put the squeeze on textile executives in my State. Each one was told to cough up $35,000. They were told by a campaign official in Washington that their fair share was $35,000 each and that 10 of them were to raise $350,000. And I said, heck, I have been Speaker pro tempore in the legislature, Lieutenant Governor, Governor, been working with that textile crowd 20 some years myself, and they never had given $350,000 to me, much less somebody in Washington.

But they did it. And others were told equally clearly what they had to pay up. Some were told that payments due from the Government would not be made until they came up with campaign money. And later the orchestrators of this extortion racket got involved in a plea for a misdemeanor. That crowd had put on the full court press to buy the office of the Presidency.

After President Nixon got in office, his Secretary of the Treasury, John Connally said, now, Mr. President, we raised all of this money but you have not even thanked them, and most of them you have not even met. They would like to shake your hand. They would like to at least say they met you. So Nixon said, well, that is a good idea, and so Connally said come down to my ranch in Texas; we will have a barbecue and you can meet these folks and thank them. And to draw attention to this outrage, the prankster from the Kennedy crowd, a fellow named Dick Tuck, he put a Brinks armored car right out at the entrance to the Connally ranch. The media covered the story, and talked about how they were buying and selling the Presidency.

We were all embarrassed. Republicans were embarrassed; Democrats were embarrassed. Back then, we had a conscience around here, not a bunch of pollsters. And we said, look, we are really going to have to limit spending. So we got together and both sides fashioned the Federal Election Campaign Amendments Act of 1974.

It was very clear-cut, not complex. For starters, we said, no cash. I never will forget the stories of Bobby Baker under the Democratic administration supposedly running around this place collecting and distributing cash. So we said it was a crime to take cash. And, of course, no corporate contributions. We also said that contributions were going to be limited, $1,000 per individual and $5,000 for a political action committee.

Now, that was a very conservative restriction on campaign contributions, given the environment of $2 million contributors out of Chicago, $500,000 contributors out of my own State to the Nixon campaign. We limited individuals to $1,000. And we limited political action committees to $5,000. Moreover, every dollar contributed was going to appear on top of the table, open to public scrutiny in your records. Every dollar spent was going to appear on top of the table in your records. You were required to file those records with the Secretary of the Senate, and in your own home State with the Secretary of State so they would be available.

So we attempted with that very simple measure to clean up politics, especially the abuse of the large contributor. We were going to limit the buying of public office.

The distinguished Senator from New York, Jim Buckley—and I say this with affection because I had received contributions from his father, William F. Buckley, Sr., in my campaign for governor of South Carolina. William, Senior was a winter resident of Camden, SC. Jim said, oh, no, by limiting how much of my personal wealth I can spend in my own campaign, you are trying to limit my speech, and I am going to prove it. And he sued the Secretary of the Senate, Frank Valeo, in the case of Buckley versus Valeo, and in a 5-to-4 distorted, split decision the Court equated political speech with money. But the real perversion in that decision was that the court limited those who gave money and let run free those who spent it—the exact opposite of the intent of the 1974 Federal election campaign amendments.

That act did not worry about contributors. The contributor's name—and this goes right to the heart of the Buckley versus Valeo decision about corruption, or the appearance of corruption in contributing—the contributor's name was open to the public and on the public record. You could see it. If you received all of your money from textiles, one could argue that the textile industry bought the fellow, or the oil industry bought the fellow, or PAC's, if PAC's are corrupt. And I am absolutely positive they are not. As an old JC, I remember our emphasis on encouraging citizens to participate.

"Politics is the practical art of self-government." said Elihu Root. "And someone must attend to it if we are going to have self-government." And Root went on speaking and finally concluded with a very cogent observation that: "The principal grounds for reproach against any American citizen should be that he is not a politician."

In participatory democracy and America itself every citizen counts. You can count in a negative way by not participating. You can count in a positive way by participating. Through the vehicle of PAC's, doctors, lawyers, nurses, teachers, and labor folks, what have you, can get together, pool their modest contributions and have a voice.

It is unfair to now turn against PAC's and label them negatively as special interests. They are interests. They are especially interested, especially committed. That is the premise for their coordination and thereby for their contribution, to be sure their particular interests are represented. I have been in the game 40 years. No one has ever said a special interest bought me. That would be just out of the whole cloth. If there is any evidence of your being bought, you are through, I can tell you that.

Incumbency. In this morning's Post, we had to read another article about incumbency and term limitation. If we can just get term limitations on these editorialists, we can get cleaned up in this town.

I listened to the Senator from Iowa chastise the President. Oh, how rambunctious they are. They pretend to want the President to succeed. But they point out he got an expensive haircut. And he did this and he did that. So they keep up this nagging drumbeat to tear down the Presidency, when that is the crowd on the other side of the aisle that raises taxes $1 billion a day.

One billion dollars a day for interest costs on the national debt, which are a hidden tax that cannot be repealed. You can repeal catastrophic health insurance taxes, as we did. We can repeal luxury boat taxes. But you cannot repeal interest cost taxes. You have to pay it. That is the dilemma we are in. That is why the debt will go up another $1 trillion, even while we carry through with the President's program, because his 2 predecessors quadrupled the national debt during the past 12 years. So it is galling to hear Senators on the other side of the aisle claim that the difference in philosophy between the two parties is that they want to pay the bill. Good, golly, Moses. They have wrecked the Government and the economy, and now they pose as fiscal conservatives.

One editorial this morning said that we are for campaign finance reform because we are against term limits. I am against term limitations, period. We already have term limitations. That is why we printed the Constitution in the CONGRESSIONAL RECORD yesterday. The Constitution clearly provides for term limits of six years in the Senate, 2 years in the House.

I have been reelected six times. Each time you have to answer to your people. I can tell you incumbency is no advantage. Right now we know that 10 Senators who were here last year are not here this year. And the biggest issue I had against my particular candidacy in the 1992 campaign was incumbency. People said it was so fouled up in Washington, they didn't want to hear from me; we have heard enough of you; forget your record; you are just an incumbent; get rid of you.

Mr. President, the Buckley versus Valeo decision, was a violation of the first amendment. This Constitutional amendment will undo the damage by stating that the Congress is hereby empowered to control expenditures in Federal elections, and States are hereby empowered to control expenditures in State elections. This simple amendment restores the violated freedom of speech in Buckley versus Valeo. The Supreme Court, by a 1-vote margin, amended the Constitution. They are the ones who violated the Constitution by saying money is speech in politics. Those who give money can be limited. Those who have money can spend in unlimited amounts. If you have the money, you have effective freedom of speech. If you do not have the money, you have the freedom to shut up.

That is why we are in this dilemma of coercing people to accept spending limits while pretending it is voluntary. That is why some want public financing. I oppose both, and both are headed for an unconstitutional finding.

So the only way that we can get to the root problem is by a constitutional amendment. In a bipartisan fashion Senators of goodwill on both sides have supported this constitutional amendment for the past 7 years. We could not amend S. 3 with a joint resolution. The bill after three readings of the House and Senate goes to the President for approval; the joint resolution, three readings in the House and Senate, goes to the States for their approval. So this underlying bill is not amendable with a joint resolution. That is why we have opted for this vehicle of a sense of the Senate resolution.

I really do not like these sense-of-the-Senate resolutions. They are like that constitutional amendment to balance the budget. They are ineffectual. They are like a football team running up in the grandstand, shouting "We want a touchdown." If they are serious, they should get back down on the field and score the touchdown. Likewise, if we want a balanced budget, then let's balance the budget. Put something in that is real.

That is why I am pushing for this direct solution to the problem. It would put an end to 20 fruitless years of debate on this subject.

So this sense of the Senate resolution is designed to get the attention of our colleagues, to point the way out. Let us get constitutional authority so the Congress can control the expenditures. And we have good scholarly support for this approach, beginning with the Commission on the Constitution headed by Mr. Lloyd Cutler and others. The distinguished Senator from Kansas has been on that particular commission.

Bear in mind, four of the last five amendments to the Constitution had to do with elections. And nothing is more important, because it is runaway spending that has really corrupted us. We are all painfully aware of the uncontrolled escalation of campaign spending. The average cost of a winning Senate race was $1.2 million in 1980, rising to $2.1 million in 1984, and skyrocketing to $3.1 million in 1986, $3.7 million in 1988, $3.3 million in 1990, $3.5 million in 1992, and up, up, and away. Overall spending in Congressional races increased from $403 million in 1990 to $522 million in 1992—more than a 20 percent increase in 2 years' time.

This obsession with money distracts us from the people's business. At worst, it corrupts and degrades the entire political process. Fundraisers used to be arranged so they didn't conflict with the Senate schedule; nowadays, the Senate schedule is regularly shifted to accommodate fundraisers.

This last election year, $3.5 million was the average cost of a winning Senate campaign. You would have to raise $11,000 a week, or much more if you are from a populous State like New York or California. When you see the Senator from New York, ask him if he has raised his $36,000 this week. If he has not, he is going to be out of business. He has to raise it every week in order to stay in the race. That is not what Government is all about. It easily can be repaired. What I envision is exactly what we achieved in 1974, to have the limitation of so much per voter in each particular State.

Under those 1974 guidelines, Senator Thurmond and I could run on slightly more than $600,000. I think California would be $4 million. Maybe we can go somewhat higher. California might go up to $7 million.

This proposed constitutional amendment would enhance freedom of speech. Incidentally, the States came to us early on, and they wanted to be added to the amendment. They are having the same problems at every level. The States would like to have the authority, constitutionally, to control spending and thereby restore an equal freedom of speech to everybody.

It can easily be done in a very fair, reasonable, bipartisan manner, as we showed in the act of 1974. Republicans overwhelmingly supported it. Democrats overwhelmingly supported it. Now we are in this standoff, perhaps even a filibuster. This simply shows how far afield we have strayed.

I yield the floor.

APPOINTMENTS BY THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Chair, on behalf of the majority leader, pursuant to Public Law 103-13, announces the appointment, effective May 24, 1993, of the following individuals to serve on the National Commission to Ensure a Strong Competitive Airline Industry:

As voting members: Charles "Chip" M. Barclay; Robert F. Daniell; and Felix Rohatyn.

As nonvoting members: The Senator from South Carolina [Mr. HOLLINGS];

The Senator from Nebraska [Mr. EXON]; and

The Senator from Washington [Mrs. MURRAY].

CONGRESSIONAL SPENDING LIMIT AND ELECTION REFORM ACT OF 1993

The Senate continued with the consideration of the bill.

PRIVILEGE OF THE FLOOR

Mr. KERREY. Mr. President, I ask unanimous consent that a congressional fellow, Karen Davenport, be allowed to remain on the floor.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROTH addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Delaware is recognized.

Mr. ROTH. Mr. President, recently, I introduced Senate Joint Resolution 96, a joint resolution proposing a constitutional amendment to limit campaign expenditures.

This is now the fourth consecutive Congress in which I have introduced my proposal.

Unfortunately, campaign costs continue to explode, and the demands those costs place on individual candidates contribute to the mounting criticism we are hearing from our constituents. In my view, it does not have to be this way. Lowering the overall costs of campaigns, reducing the need for astronomical war chests, and shortening campaigns can and should be done.

Mr. President, as you know, Congress made a good faith effort to address the campaign finance problem nearly 20 years ago, by passing the Federal Election Campaign Act of 1974. We attempted to establish limits on campaign contributions and expenditures and to require certain disclosures. These limitations, along with other regulations provided in that law, we believed, would protect against corruption and restore equity to the political process.

Some of these limitations, however, were held to be unconstitutional by the Supreme Court in Buckley versus Valeo.

While the Court upheld the contribution and disclosure provisions as permissible incursions on first amendment rights on the grounds that such provisions protected against corruption and the appearance of corruption in the political process, it struck down the expenditure limitations.

Congress' stated intention to protect against corruption or the appearance of corruption was found to be insufficient to justify such direct limitations on political expression. Likewise, the Court's analysis specifically rejected as insufficient any congressional purpose to equalize political opportunity or to curb escalating campaign costs.

While Congress remains free to limit campaign contributions, we cannot, under Buckley, limit the amount of personal money that a candidate, wealthy or otherwise, spends on his or her campaign. The Court determined that to do so would be unconstitutional, striking at the first amendment's guarantee of freedom of speech. The same logic dictated that individuals independent of a candidate also have a constitutional right to spend any amount of money to support or criticize the candidate or party of their choice.

The effect of the decision was to exacerbate the difference between the wealthy and not so wealthy that Congress wished to eliminate.

Consequently, the present system makes it relatively difficult for a candidate of average means, who has to run a campaign on statutorily limited contributions, to compete with a wealthy candidate, who need not rely on contributions at all.

But perhaps the most nettlesome component of the Court's Buckley ruling, at least to this Senator, is the connection many have made between spending limits and taxpayer financing.

I find it difficult to comprehend how Congress can seriously consider spending taxpayer money on a reform measure which, even if it were to work as promised, would not fix the problem.

It is clear that a voluntary spending-limit approach could not affect constitutional rights of wealthy candidates and independent parties to spend without limitation. Why would a wealthy candidate agree to abide by prearranged spending limits when he or she can otherwise outspend the less fortunate candidate? A constitutional amendment will allow Congress to skip the carrot of public funding, which would save money and avoid antagonizing the taxpayer, and it would work.

Proponents of public financing often argue that the cost to the taxpayer is well worth it. In making this claim proponents tend to overlook certain points: First, they tend to exaggerate the corruption in our system. They hypothesize corruption by identifying Government programs that benefit someone else. They believe that they themselves have no special interests and that whatever benefit is given to someone else in society must be the result of some unfairness.

Second, the public financing proposal, as stated before, cannot solve the problem of the wealthy candidate spending his own resources and the problem of independent expenditures.

Third, the general public dislikes having taxpayer funds flowing to candidates to whom they would otherwise never contribute. I suspect many find it hard enough to give to candidates they favor, let alone to those they dislike.

Fourth, the general public does not believe that incumbents deserve another perk, the equivalent of food stamps for politicians. They believe the costs of running for Congress are too high and should not be further increased.

Fifth, whatever the current cost estimates there are today, they are too low.

I have never seen a Government program whose initial cost estimates weren't too low. Here, the object of proponents is to establish a public financing beachhead and then, having established that, advance over time to full public financing. Many of the proponents do not espouse public financing to achieve an end, such as expenditure limits, but as an end it itself, to eliminate all private contributions from the system. Once established, public financing is sure to grow.

In contrast, a constitutional amendment would accomplish everything that the public financing proposal could and more, but without, of course, cost to the taxpayer.

Since the ratification of the Constitution and the Bill or Rights, we have regularly had to adopt constitutional amendments to overturn Supreme Court decisions thought to be bad public policy. Indeed, 8 of the 17 amendments ratified since the Bill of Rights were in response to Supreme Court decisions thought to be bad policy.

Of course, not every issue is of such importance to merit a constitutional amendment. But campaign financing, I submit, easily meets that threshold. It is not ephemeral. It is a matter of electoral integrity. And while Congress has a continuing responsibility to protect free speech, it must also remain faithful to its obligation to protect the integrity of the electoral system.

Mr. President, while there are some technical differences between the Hollings proposal and my proposal, we are in fundamental agreement that the impediments of Buckley versus Valeo must be set aside.

It is my hope that those interested in campaign finance reform will overcome the ill-founded notion that one must choose between constitutional and statutory reform proposals.

I find some irony in the fact that we in Congress debate campaign reform without end, yet proponents of reform oppose constitutional amendments because they take too long to put in place. It has been 6 years since I first introduced this proposal. That first proposal could easily have been ratified by now. If proponents of reform would also become proponents of a constitutional amendment, this sea change would allow Congress to act expeditiously.

In the final analysis, if we do not adopt a constitutional amendment, we will be left to suffer the problem with statutory solutions that are not fully satisfactory. We will be left to try to get candidates to waive their rights to unlimited spending in return for public funding. Mr. President, I believe that the only true reform can be found in a constitutional amendment, and I urge my colleagues to support the Hollings amendment to S. 3.

I yield the floor.

The PRESIDING OFFICER (Mrs. MURRAY). The Chair recognizes the Senator from Nebraska.

Mr. KERREY. Madam President, I thank the Chair.

I ask unanimous consent to speak for 20 minutes as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

HEALTH CARE TRUST FUND

Mr. KERREY. Madam President, the subject that I am speaking on today is a health care trust fund proposal that I have been discussing with a number of my colleagues, particularly members of the Finance Committee, as well as the Budget Committee.

It is an idea of importance as we prepare to debate the reconciliation bill that is likely to be before us after we return from the Memorial Day recess. It is a proposal that does deal with health care, but deals with health care honestly—what we are currently spending—and provides an opportunity for significant deficit reduction inside the reconciliation effort in a fashion I find more acceptable, frankly, than the entitlement costs. I would like to talk about it today.

One of the things I notice about the health care debate is we all pretty much figured out what it takes to get the audience to give us a round of applause. Applause lines are 10 or 12 seconds long. We give a preliminary one-sentence statement and rise with the second statement. The audience gets to its feet and you get a round of applause. If we do that 10 or 15 times, the audience figures we are with them. We do not necessarily have to say anything or, indeed, have to give them any information about where we stand; nor do we have to give them any information about what we are currently doing. We merely have to give them a sense that we are as outraged as they about some particular aspect of our health care system, which is relatively easy to do. We can find all sorts of things wrong with the existing system and point those out. The audience gets excited along with us, and they hopefully will give us their votes.

What I have come here today to describe as a preliminary to this health care trust fund idea is where we currently are, just some facts about our current health care system and some truth about our current health care system that I think is important.

It is difficult sometimes. I must say, I am reminded as I look at these numbers of the cynic—in fact, the misanthrope—Ambrose Bierce, who once said, "Love is a temporary illness curable by marriage."

Health care rhetoric is a temporary illness curable by the truth, very often. The truth is that currently, in this fiscal year, the fiscal year ending September 30, we will collect and spend approximately $284 billion for health care. Lots of people come up and say they do not want a big Government institution for health care. We hear lots of so-called free marketers, in particular, come and say that. They have a difficult time when presented with the fact we are spending $284 billion today in programs like Medicare, Medicaid, the VA, defense health programs, all the Public Health Service expenditures, the National Institutes of Health, and the Federal employee health benefit program.

It is over 30 percent of our national health expenditures. Of all health expenditures in the Nation today, the Federal Government is picking up 30 percent of the tab. You can open a nonprofit hospital anywhere in America and the Government will subsidize 30 percent of the revenue. The Federal Government will provide 30 percent of the revenue.

When the opportunity comes and we are out in the marketplace, and they say that they want to continue doing what we are doing, make sure to point out this: 40 percent of the income comes from the Federal Government, and another 40 percent, as I will show later, comes from subsidies that occur as a consequence of being able to get a tax deduction for purchasing health insurance in the first place. State and local spending increases the public funding total to over 40 percent. As can be seen here, $223 billion is in Federal spending. The State and local spending is $100 billion, leaving $234 billion of private insurance and about $146 billion left for out-of-pocket.

Clearly, public spending on health care right now is extremely large. The largest piece of all health care spending is public spending. It is large, and it is growing very rapidly.

I must say, one of the most alarming numbers inside our budget is that we are currently spending in this fiscal year $250 billion for Medicare and Medicaid. That number will be $400 billion in approximately 4½ or 5 years. It is clearly an unsustainable growth in expenditures, and something needs to occur about it. But regrettably, we have no discipline in our system. This health care trust fund I am proposing creates that kind of discipline.

I would like, from here, to talk a little bit about how the money itself is distributed and to talk about where the Federal Government gets its money. We have $300 billion in spending. But where do we get that $100 billion? Are we asking the American people to pay for it? Are we saying, "Folks, I am giving you $100 billion worth of health care; make sure I collect $300 billion to pay for it"?

One of the things that I very often find people discovering is they are surprised to learn where we get the money for that $300 billion.

Thirty-two percent of our funding for health care comes from payroll taxes. That is where we collect the money. A lot of people are surprised to know that that amount of money is being collected from people who are in the work force right now. There are approximately 94 million workers out there, paying 3 percent of the payroll: 1.45 percent, employee; 1.45 percent, employer. Three percent of the payroll. That is about 2 percent—general revenues are about 50 percent—for those who mail a check into the Federal Government on the 15th of April.

One thing I regret, being in Senate. I miss my friends with whom I used to gather on the 15th of April. We were last-minute filers, and at 11:30 at night, we would show up at the post office and send the check in to Washington.

The folks sending the check in to Washington need to understand that a big piece—my guess is about 40 percent—of the current Federal income taxes are being used to fund health care. That is all good, insofar as it goes.

The bad news, I have to say to the folks in America receiving health care benefits—and everybody does—from the Federal Government, 13 percent of that is borrowed money. I am talking about T-bills and bonds, as the distinguished Senator from South Carolina knows, who spoke earlier about the deficit and has previously. We are borrowing 13 percent.

To everybody out there in America who says, "I do not want a big bailout of health care," and, "Gee, I do not want to do anything irresponsible," understand, we are paying for 13 percent of our health care bills with T-bills and bonds.

Maybe you can make a case to do that if you are building a road; maybe if you are building a sewer system or a water system; if you are doing something that your kids are going to have an opportunity to use. But I have difficulty making the case that my 18-year-old and 16-year-old should pay interest on bonds that I sell this year to pay doctor and hospital bills.

It is difficult for me to make that case. Perhaps other colleagues can. Perhaps American taxpayers can make that case. I have a difficult time doing that.

I say all this because often one of the things you hear is people get up to say, "We want the marketplace to take care of health care." I tell you, we have a lot of undoing to do if that is what you want; if you want the market forces to run health care, eliminate the tax deduction, and end the Federal Government subsidies.

I think all this conversation about market forces is all well and good, as far as it goes. But we do not have much of a market in health care anymore.

I would like to show specifically what is happening over the last 30 or 40 years with our health care system.

Madam President, I was 7 years old in 1950. I do not remember this particular situation, but in 1950, 65 percent of all health care expenditures were paid out of pocket—out of pocket, Madam President. That number has steadily gone down to approximately 20 percent in 1992.

On the other hand, Madam President, the third-party payers—that is insurance companies and Government payments—have gone from about 30 percent to over 70 percent. We have gone from a point where indeed we had a market in operation; we have gone from a point where we intervened in that marketplace with tax deductions, direct tax subsidies, and, as a consequence, over the last 4 years we now have third parties paying over 70 percent of the bills.

It leaves us, Madam President, with a rather remarkable situation. Most of us do not really know what the costs are.

In fact, I would ask my colleagues—sort of a little test here. I discovered this because one of my legislative assistants who does have health care is on maternity leave right now. So I asked her what the baby cost. She was in the hospital for 2 days here in the Washington, DC, area. It cost her $7,000 for 2 days of hospitalization, about $3,000 for the doctor, and she has not even received the bill yet for the anesthesiologist.

We all have different experiences with our health care systems, but most of us have been born in a hospital—some have not—and all of us have had some experience, I believe, with delivering a baby. Most of us are at an age where we probably are not aware of what occurred in just that one cost.

I will say to you, one thing I discovered is I could not actually get a price, except from my staff person, who was able to tell me. It is difficult to call a hospital and say, "What do you charge for a baby, normal delivery?"

"Well, we have privacy problems; we really cannot provide you with that information," you might be told. All I was able to get was a median average. The median increase for the cost of delivering a baby from 1958, when it cost you a bag of cash of about $829—that is just for the doctor—has gone to $1,700 in 1991.

I point this out, Madam President, because I believe we have seen that kind of escalation across the board and we have seen that kind of escalation going on outside of our view. We just are not a part of it. We are not sensitive to what those costs are until it hits us as an uninsured person or it hits us as a young couple trying to figure out whether or not they can, in fact, afford to even have a baby.

We have seen technological changes. We have seen changes in practices. All of us have seen it. We have seen, I think, substantial improvement in the quality of our care.

Madam President, one of the truths is, again, we have to say to the American people that one of the reasons our costs have gone up is we have been protected from it.

All the politicians—and I have done a little of it myself—come and say, "Gee, the problem is our hospitals are ripping you off, the problem is doctors are ripping you off, insurance companies are ripping you off." The truth of the matter is, we have a lot of waste, fraud, and abuse in our system.

One of the biggest reasons we see costs going up is it does not matter. I would not want to take a test right now, or have 535 Members of Congress take a test and ask: What is your deductible and copayment? What does the Federal Employee Health Benefit Program provide you as an individual?

I suspect you would be lucky to get 20 percent of the 535 people up here on the Hill that would be able to tell you. I certainly would not be in that 20 percent. Because the fact of the matter is, it does not matter. Somebody else is picking up the tab. Why should I worry about it?

We need a mechanism that brings us face to face with the truth. And this unitarian Federal trust fund that I am going to try to get a part of the reconciliation does that. It says that, first of all, we will account for every single expenditure in a single fund. That is No. 1.

No. 2, we will declare as citizens of this great Nation—it is still a high honor to be a citizen of this country—we will say we have a responsibility to pay the bills. A fairly simple thing, it seems to me. We are going to say, if we ask our politicians for 284 or 300 billion dollars' worth of spending, we will pay the bills and we will designate whatever taxes we decide to use to make sure that, in fact, the money is contributed for the bills.

That designation in the tax revenue forces us, No. 3, to have the kind of discipline that is needed. Frankly, what we find is that the projected growth of health care expenditures are going up so rapidly that right now we are relieved of the requirement to make difficult decisions.

I have, in my own proposal, said, OK, let us take the 3-percent payroll tax, the Federal health insurance premium we are currently paying, let us get the alcohol taxes, the cigarette taxes, designate 27 percent of the income taxes, corporate taxes—none of these are new taxes; that is the current taxes in the current system.

You designate those taxes and you match them up against where we are spending.

Well, this chart here shows where all Federal spending on health care is projected to go. In 1993, 1994, 1995, 1996, 1997, 1998, not very far into the future, we are going from about $280 billion to nearly $500 billion in a 5-year period of time, with no restraint, no requirement for fiscal discipline. The trust fund provides us with that constraint.

This is the shortfall. This is where the deficit reduction begins to occur, because we are required to fully fund. Unless we have a trust fund, this is the kind of gap that we have between the revenue that would be generated if we designated existing taxes. That is the kind of gap that is going to occur, because health care is growing more rapidly than our income. Everybody knows that.

One of the things that happened in the 1980's, as health care costs went up, disposable income has gotten squeezed. In fact, jobs have been destroyed; not just salaries have gone down, but jobs have been destroyed as well.

There are three things that occur with this kind of trust fund. First, as I said, we present an honest bill to the American people. Second, we get into an honest debate about which taxes we ought to use.

I am an advocate, myself, of using a progressive consumption tax to replace the income tax as a powerful second part of a new American safety net. I think Americans need to know health care is there.

I believe we need a second piece, which is a powerful incentive for individuals to save. But at an interim stage, at the very least, we could bring on what the Senator from South Carolina is talking about this year, a value-added tax, not just to pay for any spending but to get the tax down on payroll. It is too high right now.

People who get paid by the hour today, if you are an American out there watching this—you are probably not watching this, because you are working—but if you are in the work force today getting paid by the hour, you are holding about $70 million of excess deficit reduction because we are overtaxing you on Social Security.

You could do it with a value-added tax, lower the income tax, lower the corporate tax. You could take action that would unquestionably stimulate the American economy, not as new spending, but as a way to reduce existing taxes. I think the value-added or progressive consumption tax, those kinds of ideas are powerful economic ideas and are urgently needed.

Regrettably, the American people—and I think correctly so—have assumed if you bring a new tax into the existing system, the money is going to get spent on all sorts of things, because Congress, by definition, is undisciplined.

The Federal Health Care Trust Fund provides that discipline. It contributes to deficit reduction. It gives the American people an honest assessment of how their money is being spent for health care and requires us to be responsible as adults, as citizens in this country. If you want a benefit, if you want an expenditure, pay for it.

Madam President, I hope in the reconciliation debate we are able to accept this proposal. I think it will contribute to deficit reduction. I think it will enable us to have the kind of debate that I think is going to be necessary to enact comprehensive health care reform.

This is not a substitute for reform. It is a necessary, in my judgment, precursor. Otherwise, what we will hear is everything but the truth when it comes to health care in the United States of America.

Madam President, I thank my distinguished colleague for allowing me to speak in morning business.

I yield the floor.

Mr. CRAIG addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Idaho.

Mr. CRAIG. Madam President, I ask unanimous consent to proceed as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE BTU TAX

Mr. CRAIG. Madam President, I think all of us here in the Congress, and certainly the American people, have attempted to focus in the last several days on a phenomenally fast and elusive target, and that is the Btu tax as proposed by President Clinton and as articulated by him over the last several months as the pillar of his economic package.

I say that because when it was first proposed, economists around the country said "What? What are you doing, Madam President, for the first time in this Nation's history, attempting to apply a tax in this way on the energy sources of our country that have throughout our time been the great source of our wealth, not only in the abundance of inexpensive energy, but in its ability to create industries that employ people that make us competitive around the world?

He gave all kinds of excuses—that this was the only way out of a deficit, even though he had proposed major new spending increases, and that, really, this was the kind of revenue raiser that would be necessary if we were going to resolve all of these great problems.

That was some months ago. And, of course, all of us began to look at it and tried to analyze it, as it related to true deficit reduction; but, more important, what kind of impact would it have on the economy? How many people would it put out of work? Because any time you drive up the cost of doing business you drive down the competitiveness of business and, ultimately, you cause those businesses to have to lay off people.

I come from a Western State. It is a lot of miles between Twin Falls, ID and Boise, ID. Yet the commerce, to flow back and forth, flows on rubber tires. Those rubber tires are driven by hydrocarbons—gas; and that gas costs a lot of money. Now this President has proposed it ought to cost more money for the sake of the country.

So we began to analyze, not only to Idaho, but to the Nation, the kind of impact this type of taxation would have on our State. Of course we came up with some fascinating figures. A State of 1,030,000 people would be paying as much as a half billion dollars more in income—or Btu tax to the Federal government, on an annual basis. That is a phenomenal hit.

Some small farmers who are highly specialized and intensified in their businesses, because this tax was spread across fertilizers and fuels and other energy-intensive kinds of products, would be paying anywhere from $10,000 to $15,000 more a year in the costs of production on their particular farm.

Energy-intensive businesses like the aluminum industry, in which a lot of people in the north end of my State are employed, all of a sudden would probably find themselves out of work and that industry would be seeking a new home in British Columbia, in Canada, where there were inexpensive hydroenergy sources.

As all those figures began to hit the scene, and as the American people finally recognized they were going to be hit several hundred dollars a year per household, and that middle-income America somehow became lost in the shuffle, and the campaign promises that our President had made had somehow disappeared, we all know what began to happen to that tax. It became a burden too heavy to bear.

Yet, of course we know in the budget resolution passed by this Congress and by this Senate it was a burden that was locked in because it was a major revenue source for this President's economic program. Was it going to cost 7 to 10 cents a gallon for gasoline and 8 or 9 cents for diesel? Annual costs per family? The President said in February, $204; and then Hazel O'Leary said in March, $322; and Treasury said today about $400; the Carter Energy Secretary, James Schlesinger, said maybe $470 per family. All of these kinds of speculations went on.

McGraw-Hill calculates 400,000 jobs lost; the National Association of Manufacturers, 610,000 jobs lost; American Petroleum Institute, 700,000 jobs lost. All of a sudden this President was in trouble with his economic package because the mainstay, the plank, that which locked it together, all of a sudden did not work or could not work or would not work. Senators on this floor began to stand up and say: Wait a minute, we have better ideas if we are going to have to raise revenue, because this kind of approach simply will put well-too-many people out of work.

This President was elected on a platform of coming to this Nation's Capitol, and putting America back to work with all kinds of inventive, creative new ideas. This one was not too inventive. It was not too creative. And, most assuredly, it was going to put a lot of people out in the cold.

I understand in the House yesterday, and into the wee hours of this morning, people tried to figure a way out of this one. They began to work on it, in the sense they began to cut it back. All of a sudden that aluminum industry that I talked about that is a part of my State's employment base and a part of the Chair's employment base—all of a sudden: Exempt. You do not have to worry about it anymore. We are going to take you out of the picture. All of a sudden certain portions of agriculture: Exempt, taken out of the picture. I understand now, as of last night, certain chemical industries that are exporters, they get a rebate if they export and have to employ this tax.

In other words, this kind of phony economics is in trouble, and it appears that the House is trying to create a whole new image around a very bad idea so, of course, they can get this President's economic package passed.

I am not at all confident you can take a bad idea and turn it into a good idea by a little window dressing; a little flurry around the edges, a little adjustment here, a little kind of political maneuvering to make sure the employees of the Speaker of the House are, all of a sudden, taken care of; that certain dominant areas of our economy are already taken care of. What they have not taken care of is middle-income America, about 74 percent of the American people who are going to be hit right in their pocketbooks by this kind of a tax, because at the very beginning it was a bad idea.

I am not going to argue about deficits. My voting record shows I do not vote for massive new spending programs and I vote to reduce spending anywhere and everywhere I can, because I do believe in limited government and I do not believe that the Government's magic wand creates jobs and builds up economies, as this President and others do. So I would vote against a Btu tax. And I plan to do just that if that kind of program gets to the floor of this Congress, because, no matter how you try to make a bad idea good, in the State of Idaho it damages our economy tremendously as it will in all other working States across this Nation.

I do not want to have to say to certain people in certain households, "Because we are going to make it more costly for you to operate, we are going to give you more food stamps." What a humiliation. Or, "We are going to provide other kinds of spending programs in this Government to cover up for a bad idea, as it came along." That is what is going on in the House today.

I hope Republicans and Democrats alike, in a bipartisan way, recognize, as many of them already have, that no matter how much you try to change, no matter how much you burn the midnight oil, bad ideas do not become good ideas overnight. They were bad going in, and they will be bad coming out. I wish this President would simply go back to the drawing board, recognize there are other ways to get at revenue.

But, before he talks revenue, I think the American people are beginning to show him a little by the way they are demonstrating their disfavor in the polls: Madam President, revenues are not the issue. Spending is the issue. Get off the Btu tax kick, get on with the business of reducing the growth of Government, and all of a sudden I think you will find your popularity in the polls takes a dramatic turn for the good.

I yield the remainder of my time.

The PRESIDING OFFICER. The Chair recognizes the Senator from Kentucky.

CONGRESSIONAL SPENDING LIMIT AND ELECTION REFORM ACT OF 1993

The Senate continued with the consideration of the bill.

Mr. McCONNELL. Madam President, I rise in opposition to the Hollings-Specter sense-of-the-Senate resolution that the Congress should pass a constitutional amendment to revise the first amendment part of our Bill of Rights for the first time in 200 years. I understand the frustration of my good friend from South Carolina. He philosophically supports spending limits. He has said very eloquently, and correctly, that the underlying bill before us is clearly unconstitutional. The bill could be made constitutional. The bill before us could be made constitutional by making it truly voluntary and by providing adequate public funding so that candidates would elect to limit their speech in return for a public subsidy.

But the Senator from South Carolina is absolutely on the mark and correct that the bill we are considering does not have a chance in the courts.

But the issue before us that is presented by the Senator from South Carolina is the question of whether we should, for the first time in the 200-year history of our country, amend the first amendment. I would say, Madam President, there is not much of a constituency for that. Even the advocates of the underlying bill, such as the Washington Post, oppose a first amendment amendment, if you will, which is what this sense-of-the-Senate calls upon us to enact.

The Washington Post, in an editorial of April 6, 1988, in connection with an earlier effort by Senator HOLLINGS to amend the Constitution, came out in opposition saying, in effect, it is a bad idea after 200 years to be messing around with the first amendment.

I ask unanimous consent that the Washington Post editorial, in opposition to amending the first amendment, be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Apr. 6, 1993]

CAMPAIGN SPINACH

Sen. Ernest Hollings was not an admirer of S. 2, the sturdy bill his fellow Democrats tried to pass to limit congressional campaign spending by setting up a system of partial public finance. He agreed to vote for cloture, to break a Republican filibuster only after Majority Leader Robert Byrd agreed to bring up a Hollings constitutional amendment if cloture failed. Mr. Byrd, having lost on S. 2, is now about to do that.

Right now Congress can't just limit spending and be done with it; the Supreme Court says such legislation would violate the First Amendment. Limits can only be imposed indirectly—for example, as a condition for receipt of public campaign funds. The Hollings amendment would cut through this thick spinach by authorizing Congress to impose limits straightaway. The limits are enticing, but the constitutional amendment is a bad idea. It would be an exception to the free speech clause, and once that clause is breached for one purpose, who is to say how many others may follow? As the American Civil Liberties Union observed in opposing the measure, about the last thing the country needs is "a second First Amendment."

The free speech issues arises in almost any effort to regulate campaigns, the fundamental area of free expression on which all others depend. There has long been the feeling in and out of Congress—which we emphatically share—that congressional campaign spending is out of hand. Congress tried in one of the Watergate reforms to limit both the giving and the spending of campaign funds. The Supreme Court in its *Buckley* v. *Valeo* decision in 1976 drew a rather strained distinction between these two sides of the campaign ledger. In a decision that let it keep a foot in both camps—civil liberties and reform—it said Congress could limit giving but not spending (except in the context of a system of public finance). In the first case the court found that "the governmental interest in preventing corruption and the appearance of corruption" outweighed the free speech considerations, while in the second case it did not.

Mr. Hollings would simplify the matter, but at considerable cost. His amendment said, in a recent formulation: "The Congress may enact laws regulating the amounts of contributions and expenditures intended to affect elections to federal offices." But that's much too vague, and so are rival amendments that have been proposed. Ask yourself what expenditures of a certain kind in an election year are *not* "intended to affect" the outcome? At a certain point in the process, just about any public utterance is.

Nor would the Hollings amendment be a *political* solution to the problem. Congress would still have to vote the limits, and that is what the Senate balked at this time around.

As *Buckley* v. *Valeo* demonstrates, that is a messy area of law. The competing values are important; they require a balancing act. The Hollings amendment, in trying instead to brush the problem aside, is less a solution than a dangerous show. The Senate should vote it down.

Mr. MCCONNELL. Madam President, in addition to that, interestingly enough, the principal outside group lobbying for the underlying bill, Common Cause, opposes amending the Constitution. Common Cause, in a letter of March 23, 1988, sent to all the Members of the Senate at that time, pointed out that it was a bad idea to amend the Constitution to bring about a result presumably that Common Cause would very much like to see.

I ask unanimous consent that the Common Cause letter, opposing a constitutional amendment, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMMON CAUSE,
Washington, DC, March 23, 1988.

DEAR SENATOR: The Senate is expected to consider shortly S.J. Res. 21, a proposed amendment to the Constitution to give Congress the power to enact mandatory limits on expenditures in campaigns. Common Cause urges you not to support S.J. Res. 21.

The fundamental problems caused by the massive growth in spending for congressional elections and by special interest PAC giving demand effective and expeditious solution. The Senate recently came within a handful of votes of achieving this goal. For the first time since the Watergate period, a majority of Senators went on record in support of comprehensive campaign finance reform legislation, including a system of spending limits for Senate races. It took an obstructionist filibuster by a minority of Senators to block the bill from going forward.

The Senate now stands within striking distance of enacting comprehensive legislation to deal with the urgent problems that confront the congressional campaign finance system. The Senate should not walk away from or delay this effort. But that is what will happen if the Senate chooses to pursue a constitutional amendment, an inherently lengthy and time-consuming process.

S.J. Res. 21, the proposed constitutional amendment, would not establish expenditure limits in campaigns; it would only empower the Congress to do so. Thus even if two-thirds of the Senate and the House should pass S.J. Res. 21 and three-quarters of the states were to ratify the amendment, it would then *still be necessary* for the Senate and the House to pass legislation to establish spending limits in congressional campaigns.

Yet it is this very issue of whether there should be spending limits in congressional campaigns that has been at the heart of the recent legislative battle in the Senate. Opponents of S. 2, the Senatorial Election Campaign Act, made very clear that their principal objection was the establishment of any spending limits in campaigns.

So even assuming a constitutional amendment were to be ratified, after years of delay the Senate would find itself right back where it is today—in a battle over whether there should be spending limits in congressional campaigns. In the interim, it is almost certain that nothing would have been done to deal with the scandalous congressional campaign finance system.

There are other serious questions that need to be considered and addressed by anyone who is presently considering supporting S.J. Res. 21.

For example, what are the implications if S.J. Res. 21 takes away from the federal courts any ability to determine that particular expenditure limits enacted by Congress discriminate against or otherwise violate the constitutional rights of challengers?

What are the implications, if any, of narrowing by constitutional amendment the First Amendment rights of individuals as interpreted by the Supreme Court?

We believe that campaign finance reform legislation must continue to be a top priority for the Senate as it has been in the 100th Congress. If legislation is not passed this year, it should be scheduled for early action in the Senate and the House in 1989.

In conclusion, Common Cause strongly urges the Senate to face up to its institutional responsibilities to reform the disgraceful congressional campaign finance system. The Senate should enact comprehensive legislation to establish a system of campaign spending limits and aggregate PAC limits, instead of pursuing a constitutional amendment that will delay solving this fundamental problem for years and then still leave Congress faced with the need to pass legislation to limit campaign spending.

Sincerely,

FRED WERTHEIMER,
President.

Mr. MCCONNELL. Also, Madam President, the American Civil Liberties Union, in a letter of June 4, 1992, also states its opposition to amending the Constitution for the first time in 200 years, no matter what the goal of that amendment.

I would like to read pertinent parts of the ACLU letter. It says:

> First, as many Members of the Senate recognized during the debate about the flag-burning amendment proposed a few years ago, it is wrong—

I repeat from the ACLU letter:

> it is wrong for the Senate to consider changing the first amendment—

Further in the letter, I think it is worthy of note, Madam President, the ACLU points out:

> As an amendment subsequent to the first amendment, the existing understandings about the protections of freedoms of the press would also be changed, thereby empowering Congress to regulate what newspapers and broadcasters can do on behalf of the candidates they endorse or oppose. A candidate-centered editorial, as well as op-ed articles or commentary, are certainly expenditures in support of or in opposition to political

candidates. The amendment, as its words make apparent, would authorize Congress to set reasonable limits on the involvement of the media in campaigns when not strictly reporting the news.

One of the concerns raised by the American Civil Liberties Union in opposition to amending the first amendment for the first time in 200 years.

I ask unanimous consent that the text of that letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AMERICAN CIVIL LIBERTIES UNION,
Washington, DC, June 4, 1992.

DEAR SENATOR: The American Civil Liberties strongly opposes S.J. Res. 35, the proposed constitutional amendment to limit federal campaign expenditures. The proposal would amend the free-speech guarantee of the First Amendment, as interpreted by the Supreme Court, thereby limiting the amount of political speech that may be engaged in by any candidate or by anyone else seeking to be involved in the political process. It is a highly flawed proposal, one that is constitutionally incapable of being fixed, and raises a number of significant issues. It deserves to be rejected by the Senate.

First, as many members of the Senate recognized during the debate about the flag-burning amendment proposed a few years ago, it is wrong for the Senate to consider changing the First Amendment, a provision that is a justifiable source of pride for the United States and much admired throughout the world. If Congress could carve out exceptions to the reach of free speech through constitutional amendment, particularly in the important area of political speech, then none of our liberties and freedoms are safe and proposals to give Congress authority over other forms of speech will abound. Moreover, since the Constitution does not grant freedom of speech to the people, but is a reflection of its Framers' natural-rights philosophy—one that recognizes that these rights inhere in the people and are inalienable—it is unlikely that Congress, even by way of constitutional amendment, has the authority to interfere with or restrict those rights. In other words, S.J. Res. 35 may well be an unconstitutional constitutional proposal.

Second, if the proposed amendment were implemented, it would operate to distort the political process in numerous ways. If implemented evenhandedly, it would operate to the benefit of incumbents who generally have a higher name recognition and thus an ability to do more with lesser funding. And it would operate to the detriment of dark-horse and third-party candidates who start out with fewer contributors and whose only hope of obtaining the visibility necessary to run a serious campaign may come from the backing of a few large contributors or from their own funds. Thus, rather than assure fair and free elections, the proposal would likely operate to the benefit of those in power and to the disadvantage of those challenging the political status quo.

Additionally, the wording of the proposed amendment would actually permit Congress to set a different limit on incumbents versus challengers, wealthy candidates versus those without vast personal funds to mount a campaign, or candidates from underrepresented groups versus those who are well represented, as long as these were justified on a rational basis. The First Amendment properly prevents the government from making these kinds of distinctions, but S.J. Res. 35 would enable Congress to set these limitations notwithstanding currently existing constitutional understandings. The sum of the dangers to the First Amendment are most apparent when S.J. Res. 35 is viewed from that perspective.

Finally, as an amendment subsequent to the First Amendment, the existing understanding about the protections of freedom of the press would also be changed, thereby empowering Congress to regulate what newspapers and broadcasters can do on behalf of the candidates they endorse or oppose. A candidate-centered editorial, as well as op-ed articles or commentary, are certainly expenditures in support of or in opposition to political candidates. The amendment, as its words make apparent, would authorize Congress to set reasonable limits on the involvement of the media in campaigns when not strictly reporting the news. Such a result would be intolerable in a society that cherishes a free press.

Last year, we celebrated the 200th anniversary of the Bill of Rights with speeches, articles, and lessons about the importance of our cherished liberties. This year should not mark the end of that bicentennial legacy by an ill-conceived effort to cut back on freedom of speech and the press. Please reject S.J. Res. 35.

Sincerely,

ROBERT S. PECK,
Legislative Counsel.

Mr. McCONNELL. Madam President, what I would like to focus the attention of the Senate on is this whole issue of whether or not, for the first time in the history of our country, we ought to amend the first amendment.

We had this issue before us in 1990. And the Senators, still in the Senate, who opposed amending the first amendment were: Senators CHAFEE, DANFORTH, DURENBERGER, JEFFORDS, PACKWOOD, AKAKA, BIDEN, BINGAMAN, BOREN, BRADLEY, BUMPERS, DASCHLE, DODD, GLENN, HARKIN, INOUYE, KENNEDY, KERREY, KERRY, KOHL, LAUTENBERG, LEAHY, LEVIN, LIEBERMAN, METZENBAUM, MIKULSKI, MITCHELL, MOYNIHAN, PELL, PRYOR, RIEGLE, ROBB, SARBANES, SASSER, and SIMON.

The issue before us at that time, Madam President, was whether or not we ought to amend the first amendment to prevent the act of desecrating the flag. It was a very tough vote to cast for those Senators who felt that even when that act, which virtually everybody we all know, including ourselves, found offensive, could have been restricted, those Senators obviously felt that when weighed against the interests of leaving the first amendment intact and untouched clearly that was not the way to go.

Reasonable people can differ, obviously, about the form campaign finance reform should take. I do not know any Senators here who do not think the present system could be improved, but the issue before us with the sense-of-the-Senate resolution of the Senator from South Carolina is whether we ought to amend the Bill of Rights for the first time in 200 years.

Many Senators have spoken eloquently about that issue. In looking back at previous debate, I look with great interest at the observations of the majority leader, Senator MITCHELL, when we were last considering the possibility of amending the Bill of Rights.

Senator MITCHELL said on June 26, 1990—and this was in connection with the flag-burning issue and a court decision much like the Buckley case that many people did not like. Senator MITCHELL said:

> So even though I disagree with the Court's ruling—

Referring to the flag burning decision—

> I accept it. The question now before us is whether we should override the Supreme Court's decision by amending the Constitution.

The majority leader said at that point:

> I do not support changing the Constitution. We can support the American flag without changing the American Constitution.
>
> The first 10 amendments to the Constitution have come to be known as the Bill of Rights. They were adopted as part of the Constitution because the States insisted that before a new and powerful Federal Government could be created, there had to be clear and controlling limits on the power of that Federal Government against individual citizens.
>
> The Bill of Rights secures the liberty of the individual by limiting the power of Government.
>
> Across the whole sweep of human history, there is no better, clearer, more concise, more eloquent or effective statement of the right of citizens to be free of the dictates of Government than the American Bill of Rights.
>
> For 200 years it has protected the liberties of generations of Americans. During that time, the Bill of Rights has never been changed or amended. Not once. Ever. It stands today, word for word, exactly as it did when it was adopted two centuries ago.
>
> Of the 10 amendments which make up the Bill of Rights, none is more important than the first. In this debate, its relevant words are: "Congress shall make no law abridging the freedom of speech."
>
> The English language could not be more clear—

Said the majority leader. Let me repeat those few words—

> Congress shall make no law abridging the freedom of speech.

Senator MITCHELL went on:

> Never in 200 years has the first amendment been changed or amended. As a result, never in 200 years has Congress been able to make a law abridging the freedom of speech.
>
> Now we are asked to change that, for the first time. We are asked to give Congress and the States the power to do that which, for 200 years, the Bill of Rights has prevented them from doing.
>
> We are asked to permit Congress, or any State, to make a law that would abridge the freedom of speech, as defined by the Supreme Court.
>
> Even though, as I have already said, I disagree with the Court—

Senator MITCHELL referring to the flag-burning decision, others referring to the Buckley decision, a decision with which they disagree—

> I do not believe we should amend the Bill of Rights.

And here is the critical comment from the majority leader:

> I do not believe that we should ever, under any circumstances, for any reason, amend the American Bill of Rights.

Senator MITCHELL on June 26, 1990.

He went on:

> The Bill of Rights is so effective in protecting individual liberty precisely because of its unchanging nature. Once that is unraveled, its effectiveness will be forever diminished.
>
> If the Constitution is amended to prohibit the burning of a flag, where do we stop?
>
> The supporters of this amendment argue that their goal is so important that it warrants overriding the Court's decision. But the supporters should consider this question before they vote.
>
> * * * The point is that once the Bill of Rights is changed or amended, no line can be drawn. That is why it should not be changed or amended.
>
> We Americans revere the flag. We also revere the Constitution and the Bill of Rights. We need not choose between them.

And Senator MITCHELL proceeded to point out that there are other ways of getting at that.

The principal point is that Senator MITCHELL said the first amendment should not be amended, not now, not ever.

Senator DASCHLE also spoke very eloquently on that issue on June 25, 1990.

Senator DASCHLE said:

> I intend to vote against this particular amendment and all other constitutional amendments that would amend what I consider to be the most important clause in the document which makes the United State of America what it is—the free speech clause of the Bill of Rights.

He proceeded the next day to say:

> I will vote against any amendment, any amendment of any kind, that would burn the most important clause of the document that makes the United States of America what she is, the free speech clause of the Bill of Rights.
>
> If we tamper with the Bill of Rights on the 200th anniversary of the Constitution we are diminishing every flag in America.

Senator LEAHY on June 25, 1990:

> We have gone through 200 years without amending the Bill of Rights. We have gone through two World Wars, a Civil War, several major depressions, the expansion of the West, the addition of States. We have had Presidents who have acceded to office either in the normal electoral fashion, some tragically through death or assassination and one by resignation. And through all of that, with all of these strains on our great Nation, not once did we ever think it was necessary to amend the Bill of Rights.

That was Senator LEAHY on June 25, 1990.

Senator BUMPERS, June 25, 1990:

> When Vaclav Havel spoke to a joint session of Congress recently, I have never seen a foreign dignitary received with as much enthusiasm as was he. And what did he say?
>
> "We want something like your Declaration of Independence and your Preamble to the Constitution and your Bill of Rights."

Senator BUMPERS on October 18, 1989:

> The Constitution is also the one piece of irrefutable political evidence that says every person counts, that all are equal in the eyes of the law. I hold it second only to the Holy Bible as the most sacred possession in the hands of mankind. For these reasons, any amendments to the Constitution must be examined with the greatest degree of scrutiny.

It is worth repeating now—

Senator BUMPERS said—

> that we have only amended the Constitution 16 times since the ratification of the Bill of Rights in 1791—198 years since the first 10 amendments were adopted as the Bill of Rights. In that entire period of time, we have never seen fit to change one "t" or one "i" of those 10 amendments.

Senator KOHL on June 25, 1990:

> Today we are considering something far more drastic than a simple statute: We are contemplating carving a slice out of the first amendment. Everyone knows that flag burners are infantile and misguided. Yet altering the Constitution to prohibit flag burning would be just as bad.

Senator KOHL said:

> Adopting an asterisk to the Bill of Rights would be unprecedented, unwise, unnecessary, and unfortunate.

Senator GLENN on June 25, 1990:

> That commitment to freedom is encapsulated and encoded in our Bill of Rights: Our Bill of Rights, perhaps the most envied and imitated document anywhere in this world. The Bill of Rights is what makes our country unique. It is what made us a shining beacon of hope, liberty, of inspiration to oppressed peoples around the world for over 200 years.

Senator BOREN, June 21, 1990:

> We should ask ourselves if 100 years from now we want to be remembered for tampering with the Bill of Rights for the first time in our history.

Senator BOREN went on:

> Do we really feel that 200 years of experience under our Bill of Rights should be cast aside in favor of uncertain and dangerous tampering with the language of our Constitution?

Senator METZENBAUM, June 14, 1990:

> I am angry that once again we are going to turn the Bill of Rights into a political football. In 200 years, the Bill of Rights has never, never, been curtailed.

Senator METZENBAUM went on:

> Once you start fiddling with the Bill of Rights to outlaw offensive expression, where do you stop?

Senator KENNEDY, June 11, 1990:

> I intend to do all I can to see that the first amendment stays unamended.

Senator KENNEDY went on:

> The words of the first amendment are simple and majestic: "Congress shall make no law * * * abridging freedom of speech." The proposed constitutional amendment would undermine that fundamental liberty. For the first time in our 200-year history, it would create an exception to the freedom of speech our Constitution protects.

Senator MIKULSKI, October 18, 1989:

> * * *the sanctity of the Bill of Rights. These first 10 amendments to the Constitution were ratified on December 15, 1791. In the almost 198 years since, our Nation has ratified 16 more amendments and almost every one of those amendments has expanded, not contracted, the Bill of Rights.

Senator JOHN KERRY, June 11, 1990:

> I cherish the freedoms that I have in this country. They have given me far more than I could ever give this country in return—the freedom to express myself, the freedom to be what I want to be, the freedom to travel in an almost unlimited way, and acquire whatever skills I have the energy to try to acquire.
>
> The issue is whether or not we can fearlessly hang on to that freedom and encourage human beings to express themselves, to listen to that beating heart inside of them that says to them this is what you ought to do in spite of what the majority says.

Senator BINGAMAN, June 20, 1990:

> I cannot support an effort to begin writing exceptions into the first amendment of our Constitution.

Senator BRADLEY, June 20, 1990:

> * * *our American flag is best protected by preserving the freedom that is symbolized. I cannot support a constitutional amendment that will limit that freedom.
>
> To preserve means to keep intact, to avoid decay, but this amendment would leave the freedom of speech intact, less robust, more in a state of decay. To support an amendment which would, for the first time in 200 years, reduce the personal freedom that all Americans have been guaranteed by the Constitution would be, for me, inconsistent with my oath.

Senator BIDEN, October 16, 1989:

> Today we embark on what in my view is one of the solemn tasks any Member of the U.S. Senate can engage in; that is, the task of deciding whether to amend the U.S. Constitution, a document that, together with the Magna Carta, stands as one of the greatest monuments to liberty in the history of all mankind.

Senator PAUL SIMON, June 14, 1990:

> Because I disagree with an unpopular decision by the Court—

Senator SIMON said:

> Because I disagree with an unpopular decision by the Court does not mean that we ought to then all of a sudden rush in and, for the first time in 200 years, amend the Bill of Rights.

Madam President, I wanted to put this argument in perspective. I understand the concern of my good friend from South Carolina. He supports spending limits. He opposes public funding. He is, indeed, confronted with a Hobson's choice. But the issue before us with regard to the Hollings amendment is whether we want to recommend amending the first amendment for the first time in 200 years because we do not like a Supreme Court decision. That is precisely what was before the Senate 3 years ago with regard to the constitutional amendment to prevent flag burning.

The principal advocates of the underlying bill, Common Cause, the Washington Post, oppose amending the first amendment. And many of our colleagues have expressed themselves on the inadvisability of amending the first amendment as recently as 3 years ago.

I understand the frustration of my friend from South Carolina, but, Madam President, I hope that this sense-of-the-Senate amendment will be defeated overwhelmingly and on a bipartisan basis, indicating that Members of the Senate do not feel it is a good idea to amend the first amendment or, for that matter, the Bill of Rights for the first time in 200 years because we object to one Supreme Court decision.

Madam President, I yield the floor.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from South Carolina.

Mr. HOLLINGS. Madam President, we have just had a very, very interesting lecture about the dangers of amending the first amendment for the first time in 200 years by the same gentleman who wanted to amend the first amendment for the first time in 200 years to ban flag burning. I think it is wrong to evade the issue of whether you are going to limit campaign spending by wrapping yourself in the Bill of Rights, in an incorrect citation of the Bill of Rights and the first amendment itself.

For example, Madam President, as to the distinguished Senator's analysis of the first amendment and Bill of Rights, under Constitution amendment No. XXIV:

The right of citizens of the United States to vote in any primary or other election for President or Vice President, for electors for President or Vice President, or for Senator or Representative in Congress, shall not be denied or abridged by the United States or any State by reason of failure to pay any poll tax or other tax.

There it is. The Bill of Rights is amended in the 14th amendment. You can go through a lot of these other amendments. Amendment No. XVI, the right of citizens of the United States of 18 years of age or over, their right to vote shall not be denied or abridged by the United States or any State on account of age. So 18-year-old Americans did not have freedom of speech—the right to vote—in elections until we amended the Bill of Rights, amended it by saying to the 18-year-olds, speak. We want to hear your voice. We want to hear your speech. We want to hear your vote.

I have often heard in debate that patriotism is the last refuge of scoundrels. Likewise, the first amendment, the Bill of Rights, is the last refuge of those who know that a majority want to limit campaign spending. There are those who do not want limits. And categorically, the distinguished Senator from Kentucky says he does not want to limit spending. He claims that we are not spending enough. He says we spend more on cat food, on "Kibbles and Bits."

It is this Senator's contention, supported by a majority because we have had a majority vote for this constitutional amendment, that we need spending caps. We did not get the 67 votes, or two-thirds, to amend the Constitution, including the votes of many of the Senators whom he alludes to with respect to the flag burning amendment. But on this current amendment, he is trying to intimidate those Senators by implicitly threatening that they are going to face a 30-second attack ad in their next election on the charge of flip-flopping, because they said they would not amend the first amendment. The charge is that now they are voting for the Hollings-Specter amendment that allegedly amends the Bill of Rights. Absolutely false. It does nothing of the kind.

Let me read what we are voting on:

A sense of the Senate that Congress should adopt a joint resolution proposing an amendment to the Constitution that would, one, empower Congress to set reasonable limits on campaign expenditures in support of or in opposition to any candidate in any primary, general, or other election for Federal office; two, empower the States to set reasonable limits on campaign expenditures by and in support of or in opposition to any candidate in any primary, general, or other election for State or local office.

We do not say anything about limiting speech. It is our opponents who equate money with speech, relying on the unconstitutional decision of Buckley versus Valeo. They would have it that four Justices voted to amend the first amendment of the Bill of Rights for the first time in 200 years. But, as Justice White argued with regard to both contribution limits and spending limits, they "are neutral as to the content of speech and are not motivated by fear of the consequences of the political speech of political candidates or of political speech in general." That is what Justice White said.

According to the distinguished Senator's analysis, Byron White wanted to amend the first amendment for the first time in 200 years. Come on. The issue is spending limits, not speech. Justice Thurgood Marshall sided with Justice White. I know the unique and challenging personality of the late Justice Thurgood Marshall. I am not intimate to the proposal he made with the Library of Congress regarding his papers. But having known him, and having respected him greatly, I can see Justice Marshall saying, yes, don't wait any 20 years for everybody to be dead and people saying who is Marshall? You might as well know what I was thinking now. Here is what he said in Buckley versus Valeo. By striking down the limit on what a candidate can spend, he said, "it would appear to follow that the candidate with a substantial personal fortune at his disposal is off to a significant head start."

The late Justice Marshall wanted, my friend from Kentucky would say, to amend the first amendment in the Bill of Rights for the first time in 200 years. But, as Justice Marshall made clear, speech is not at issue. At issue is the corrupting influence of money.

In Buckley versus Valeo, the Supreme Court absurdly equated a candidate's right to spend unlimited sums of money with his right to free speech. The majority drew a bizarre distinction between campaign spending and campaign giving. For first amendment reasons, the Court struck down limits on campaign spending. But it upheld limits on campaign contributions on the grounds that "the governmental interest in preventing corruption and the appearance of corruption" outweighs considerations of free speech.

I have never been able to figure why that same test—"the governmental interest in preventing corruption and the appearance of corruption"—does not overwhelmingly justify limits on campaign spending. However, it seems to me that the Court committed a far graver error by striking down spending limits as a threat to free speech. The fact is, spending limits in Federal campaigns would act to restore the free speech that has been eroded by Buckley versus Valeo.

After all, as a practical reality, what Buckley says is: Yes, if you have personal wealth, then you have access to television, you have freedom of speech. But if you do not have personal wealth, then you are denied access to television. Instead of freedom of speech, you have only the freedom to shut up.

If you are a nurse or teacher or doctor involved in a political action committee, you are attacked with the epithet special interest, special interest, special interest. But big fat cats, the billionaires now are elevated in this land. The little people are derided as special interests. The common good is gone. Great individual wealth is revered.

My friend Ross Perot, heavens above, if the Government had paid on his invoices for computer services the way it pays on the national debt, Ross would be on food stamps. I can tell you that right now. But we elevate the billionaire, and he can run around, change positions and go in all directions, harassing the President who is trying his best to speak candidly to the American people. President Clinton is telling the truth, telling us that we need spending cuts, we need spending freezes, and we need taxes. And, let's be clear, it is the President's predecessors who are raising taxes every day by $1 billion to pay interest on the debt they quadrupled.

I am tempted to come on the floor at the morning hour each day and point out that the Republicans raised taxes today, they spent another $1 billion to pay interest on the debt. Because they quadrupled it with this nonsense of growth, growth, growth, running around like monkeys on a string; growth, growth, just by gosh, cut taxes, run up the deficits and debt. As a result, net interest costs in 1981 were $52 billion. Today, interest costs are more than $230 billion. Gross interest is now $310 billion, and that is with low interest rates. Let the interest rates go back up and we are in real trouble. Interest costs are over $1 billion every day of the week, except Sunday. So we can come on the floor and say, eek, taxes. But the hidden taxes of interest costs are up, up, and away. The luxury tax we can repeal, the catastrophic health insurance tax we can repeal. But you cannot repeal interest taxes. You have to pay them.

Bear in mind that President Ronald Reagan signed every appropriation bill, save for one small supplemental in his first year. He signed every appropriation bill from then on.

Likewise, President George Bush has his name on every red cent of spending during his 4 years as President. He had 43 vetoes; he never vetoed spending. Yet, they have the audacity, the unmitigated gall to come on the floor and say: Taxes, taxes, taxes; when you raise taxes, that ruins competitiveness and loses jobs.

How many jobs are lost as a result of the interest costs on the debt? Think what we could do with the $300 billion per year we squander in interest payments. This is the Reagan-Bush debt. They ran it up. That is why we are in this wrecked economy here and why President Clinton is trying to repair the mess. They say no to taxes, make spending cuts first, as if we have the luxury of choice. We must do both. Now. You can eliminate the Congress, the President, food stamps, foreign aid, the departments of governments—just eliminate them, do not cut them—and you still have a $150 billion deficit. So spending cuts alone won't do the job. Let us talk sense.

When we come to campaign spending limits, do not wrap yourself up in the first amendment, the Bill of Rights and freedom of speech. What we are trying to do is restore—as the Commission on the Constitution downtown has said—"restore" freedom of speech, because at the present time, if I have $1 million and you have $50,000, then I have speech and you don't. I can wait until October 10 in the campaign, and then I unload my barrage. I can have my TV ads, billboards, magazine articles all ready, and I just unload a million dollars' worth of speech, and you only have $50,000 to respond. It's totally inadequate. Your family wonders why you are not answering. Veritably, under Buckley versus Valeo, your freedom of speech is taken away.

So if we are going to talk about the first amendment, which I revere; if we are going to talk about the Bill of Rights, which I revere; and if we are going to talk about freedom of speech, which I revere, then let us vote for the Hollings-Specter amendment. We are finding out in this particular sense of the Senate who is who and what is what. And this is the one opportunity we have to come back to the bipartisanship that enacted the Federal Election Campaign Practices Act two decades ago. That is what we have been trying to do.

S. 3 and the leadership approach to reform has bogged down into a partisan wrangle. Like a dog chasing its tail, we are spun around in contortions about how much you can and cannot spend, whether compliance is voluntary or coerced. And, by the way, if you do not comply, you must put in your ad "I do not agree with voluntary limits"—and they dare to call this a voluntary system.

That is patently unconstitutional. We keep running around voting on unconstitutional nonsense around here. If you want to preserve and protect the Bill of Rights and the Constitution, support my constitutional amendment. We have it cold and clean, and we have it checked with the best of constitutional authorities. It permits limits on expenditures, period. That is what is really at issue. Then the Congress, the Senate, and the House can get together, Republicans and Democrats, and impose appropriate, reasonable limits. And we don't have to resort to the subterfuge of so-called voluntariness.

They are trying to coerce and pretend it is voluntary. It is not going to pass constitutional muster. That is why I am offering this sense-of-the-Senate resolution, to let Senators speak out, because a majority voted for this before. We did not get the necessary two-thirds. This time, regrettably, I am not in a position to amend the underlying bill because this is a joint resolution to amend the Constitution, requiring approval of the States, rather than a bill requiring the approval of the President.

So we seek approval of this sense-of-the-Senate resolution to get this issue out on the table, to try to restore bipartisanship, to try to get spending limits in the most direct way possible.

I yield the floor.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER (Mr. KOHL). The chair recognizes the Senator from North Dakota.

Mr. DORGAN. I ask unanimous consent to speak for 10 minutes as in morning business.

The PRESIDING OFFICER. Without objection. It is so ordered.

MANAGED COMPETITION

Mr. DORGAN. Mr. President, in Rugby, ND, top quality health care costs a lot less than it does in most other rural areas. Through the Heart of America HMO, Rugby provides health care to most of its 2,900 residents and to surrounding counties through four satellite clinics. And the HMO provides this much needed rural health care for about $100 less per family per month than comparable Blue Cross/Blue Shield plans in the State.

When the Secretary for Health and Human Services, Donna Shalala, visited Rugby a few weeks ago, she called the Heart of America HMO "the wave of the future." We're proud of the way that this North Dakota community has responded to the challenge of providing quality rural health care efficiently.

I am not telling you this just to brag about Rugby, or as a way of saying the health care system in this country isn't broke. But I am saying that, in some communities, we know how to fix it.

Secretary Shalala said that Rugby is "what the new model for rural health care delivery is going to look like in this country." And I suspect she's right. But the folks at the Heart of America HMO will be the first to tell you that their success doesn't provide a cookie-cutter formula guaranteed to fix the Nation's rural health care woes.

The unique problems of rural health care aren't only unique to rural America; they are unique to each and every rural community. Anyone who thinks that rural North Dakota probably is a lot like rural New England ought to spend a couple days in my home State.

These differences highlight the need for a single major component to underlie any serious attempt at health care reform—flexibility. The United States is more like a dozen countries than a single country in that, within our borders, we have 250 million people, hundreds of cultures, and dramatically varying climates and environments. In short, we have 50 very different States, and I think all of them would reject a proposal to create a uniform health care system.

Let us talk first about what rural health care is all about. More than 22 percent of our Nation's population lives in rural areas. Most of these areas face an acute shortage of physicians and a critical lack of access to health care services. In more populated areas the chief health care problems are usually related to cost, but in rural areas cost and enhanced access must be vital components of any health reform proposal.

Obviously, the concept of managed competition in sparsely populated rural areas is unworkable and unimaginable—there simply is no competition to be managed in rural areas where the primary health concern is access to basic care. From my discussions with Hillary Clinton and Ira Magaziner, I am confident that the health reform proposal that we receive from the President will recognize the unique circumstances in rural areas.

However, I want to emphasize that, just like urban and rural areas have different health care concerns, different rural areas also have unique health needs that cannot be effectively addressed by a single, cookie-cutter national plan.

In my own State of North Dakota, 36 of our 53 counties are frontier counties with fewer than 6 people per square mile, and 3 counties have fewer than 2 people per square mile.

How does that translate into health care needs? Thirty-eight of our 53 counties have physician shortages. Sixteen counties have no hospital beds, and 5 don't even have a satellite clinic facility.

Just for discussion's sake, I'd like to draw a comparison with another rural State—Vermont. Both States have populations of about 600,000 people, both States get a lot of snow in the winter, and both States are proud to call themselves rural America. But when it comes to health care, our similarities end right there.

Vermont has just over 9,000 square miles; North Dakota covers nearly 70,000 square miles with almost the same population. Geographically, more than seven Vermonts could fit into one North Dakota.

In 1986, Vermont had 246 physicians for every 100,000 people. North Dakota, in comparison, had only 133—barely half the number in Vermont, despite the fact that patients have to travel much greater distances to reach a doctor in my State. By 1995, the difference in physician ratios is expected to jump to 305 doctors per 100,000 people in Vermont versus 152 in North Dakota.

This difference in health care needs also extends to other health care professionals. For example, in 1989 Vermont had nearly 36 clinically trained psychologists per 100,000 residents; North Dakota had fewer than 17 per 100,000 residents.

But when you look at registered nurses, you'll see the situation reversed. In 1988, Vermont had only 821 registered nurses per 100,000 people, but North Dakota had 923. Only five States had a greater ratio of registered nurses to their population than North Dakota.

Each of these differences must be integrated into a comprehensive health reform plan for both North Dakota and Vermont. Each State needs a plan that enhances its strengths and directly addresses specific gaps in health care delivery. No cookie-cutter uniform plan is going to do the job for both North Dakota and Vermont.

Here's what we're doing in my State: In response to a growing number of uninsured North Dakotans and skyrocketing health costs in the state, health care providers, insurers, and consumers in North Dakota have come together to form the North Dakota Health Task Force. With assistance from the Robert Wood Johnson Foundation, the task force has begun developing its proposal for statewide health reform.

The task force has challenged itself to go further than the kinds of universal principles proposals that we often see from large industry and umbrella organizations. Instead, the task force has set specific timetables and has begun developing a comprehensive, detailed legislative proposal.

Here in Congress, we talk a lot about the need for innovation in this country. The North Dakota Health Care Task Force and the HMO at Rugby, ND, demonstrate the range of innovative new ideas that states and communities already are experimenting with to address the unique problems and needs of rural health care. As we look to proposals for national health care reform, we have to ensure that we don't stifle the energy and innovation that are already at work fixing many of the problems with our health care system.

I am not suggesting that rural areas should be exempted from the national health reform plan. The crisis in our health care system is a national crisis. Too many citizens don't have insurance coverage or don't have access to a physician. We have to find a way to fix this problem across the country, and to do it without it costing—literally and figuratively—an arm and a leg.

I fully recognize the magnitude and scope of this problem, and I will wholeheartedly endorse a national solution. I agree with those who say that rural areas as well as urban areas must accommodate our national drive toward containing costs and providing universal health care access.

Within the parameters of these broad health reform goals, however, rural areas should be given maximum latitude to devise their own proposals for meeting the goals. In order to make health care reform work, we have to bring the ability to tailor a health reform plan as close as possible to the people who deliver and consume health care services.

I know from experience that American communities will come through with innovative, ground-breaking proposals that work for them—that accommodate their unique needs and circumstances—if we'll only give them the flexibility to do it. I urge my colleagues and the White House to remember our diversity as we all struggle to attain our common goal—universal health coverage for all our citizens.

I would be happy to yield to my colleague, Senator JEFFORDS from Vermont, whom I visited with about this issue of flexibility. We have different States and different needs, but both have the same need for flexibility in the health care proposal.

Mr. JEFFORDS. Mr. President, I am happy to continue to speak on the question of how best to achieve rural health care reform. I agree with everything that my colleague from North Dakota has said. I also commend him on the charts which have been very informative in letting people know the serious differences we have in the ability to provide health care in rural areas and the need for flexibility.

It comes down to, as he said, that with delivery of health care in rural areas, one size does not fit all. I believe any national reform effort must be evaluated in terms of whether it achieves three important goals: First, it must ensure that all Americans have health benefits; second, it must eliminate the cost shifting that occurs within our present system; and third, it must have strong cost containment provisions in order to control health care's impact on the Federal budget deficit.

For health care reform to work best, State flexibility is essential. The States are in a better position than the Federal Government to determine the best way to deliver care and keep health care costs in line. They are closer to the people, and able to respond more quickly to their needs. State flexibility is the cornerstone of my own reform proposal, called the MediCore Health Act. I introduced it last year. After making some refinements, I will be reintroducing the proposal today. I am pleased to be able to say that the administration is also taking a look at my MediCore proposal.

Having had several discussions on health care with Mrs. Clinton and her staff, I believe our goals for health care policy reform are very similar, and I am pleased with recent changes that have been announced relative to financing.

I agree, as was reported in the Washington Post today, that no significant amount of new money needs to come from the private sector. Good Lord, we are spending enough now, more than twice as much as some of our industrialized countries and with no significant indication of any better health care.

As Senator DORGAN points out, managed competition may not work in North Dakota and many other rural areas. In my own State of Vermont, the jury is still out when it comes to determining whether or not managed competition will work. Last spring, the Vermont Legislature passed many strategic health care reforms including the creation of a new State agency, the Vermont Health Care Authority. The health care authority has many responsibilities but one of its most important tasks will be to develop two approaches to ensuring health care for all Vermonters, a single-payer and a limited-payer system. The limited payer may well be referred to as a managed competition type of system. Come next January, the State legislature will vote on which of these two approaches will work best in Vermont. In the meantime, networks of care are developing at a rapid rate in response to our new State law.

I must stress that the changes in law that took place in 1992 were certainly not the starting point for health care reform in our State. While we are not without our health care problems in Vermont, we have been working toward solutions to our problems for well over 6 years. Vermont has been a true pioneer in health reform. Many of the State's past initiatives in this area are now considered essential elements of any national reform that takes place. I am extremely proud of our accomplishments to date.

For example, in 1988 Vermont initiated one of the first continuous quality improvement programs in the country, the Vermont Program for Quality of Care. This program is designed to collect, analyze, and distribute outcomes research to Vermont doctors and hospitals. It received national recognition in the form of a Robert Wood Johnson Foundation grant. The grant enabled the program to share research on the national level regarding cesarean sections and lower back pain.

In 1989, the State of Vermont acknowledged the fact that the current Medicaid Program is inadequate in its coverage for the poor. In response, the State initiated one of the most comprehensive programs in the country to provide primary and preventive care to low-income children. Our program, called Dr. Dinosaur, provides care for children under the age of 18 living in families with incomes of up to 225 percent of the poverty level. I am also pleased to report that 85 percent of the eligible population is currently enrolled in Dr. Dinosaur.

In 1991, once again Vermont had the foresight and fortitude to tackle another important health policy problem relating to insurance market reform. We passed a law that requires all insurance companies to community rate and guarantee acceptance of all group insurance contracts. By July of this year, these insurance market reforms will extend to individual policies as well.

Finally in 1992, Vermont passed several additional reforms that are likely to be paralleled on the national level. For example, all insurance companies are now required to use universal forms and procedures for processing claims. A statewide data bank was created as a centralized source for determining Vermont's resources, the health care needs of our population, and outcomes of various medical procedures. Again, we received a Robert Wood Johnson grant so that all States could learn from Vermont's efforts.

The new law also requires insurance companies to create and submit to the Vermont Health Care Authority a plan on how they will integrate health care delivery systems in a way to insure patient satisfaction and continuous quality improvement.

As I mentioned earlier, the Vermont Health Care Authority has several important responsibilities. It is the central point for all health planning within the State. It must develop two alternatives for providing access to health care by next January. It needs to ensure universal access to a set of health benefits by October of 1994. At the same time, it will be responsible for enforcing global budgets for all health spending within the State. Expenditure targets will need to be in place by this July, and an actual budget will go into effect 1 year later.

Mr. President, Vermont is trying its best to try and show how a rural State in this country can provide the kind of health care that is necessary. Along with the creation of the health authority, Vermont also created a 3-year trial period for a medical malpractice arbitration panel. Once our new delivery system is up and running, all medical malpractice disputes will have to undergo mandatory arbitration. The arbitration process itself will not be allowed to take more than 10 months. If appealed, the panel's decision and its findings would be admissible as evidence in court. This is necessary so that doctors will not have to order extra tests to protect themselves from liability. Practice guidelines would be used as the standard for care. After the 3-year trial period, the Vermont Health Care Authority would be responsible for evaluating the new system and issuing a study on it.

Whether or not managed competition can work in Vermont, one thing is for certain, we know how important it is to manage care. The concept of managed care, using a continuous quality improvement process to ensure quality care and patient satisfaction, is now an integral part of health care delivery in Vermont and its role will only increase in the future.

It is my understanding that the Clinton administration will encourage managed competition in those areas where it is appropriate and give States the flexibility to opt out of this kind of system when it just will not work. For rural areas where managed competition may not work, the Clinton administration envisions a system of managed cooperation instead of managed competition. The administration will look to HHS to develop models for rural network development that States may want to try. For example, a public utility approach, where a health plan would be required to service a rural area in exchange for being able to bid on a more urban area within a State, could be used in some States. In other States, price variation, where health plans pay a higher rate to doctors who agree to practice in rural areas, could be implemented. In addition, it is my understanding that the Clinton plan will encourage rural health plans to contract for shared resources, like specialty doctors and centers, that work for more than one plan.

Mrs. Clinton has even talked of using interactive video in order to ensure that rural doctors are able to obtain second opinions. Both Democrats and Republicans acknowledge that we need to work on manpower policy in the health area in order to encourage National Health Service Corps doctors to stay in rural areas, as well as ensure sufficient primary care and support for primary care physicians in rural areas.

I am very supportive of all these ideas. Furthermore, I believe that the Clinton administration is planning to allow States to opt entirely out of a managed competition delivery system and put in a single payor system if they prefer. It is particularly important that rural States like Vermont have this flexibility.

I commend the administration for its commitment to State flexibility, even though they are likely to take a less direct approach than I do in my MediCORE bill. It seems that the administration wisely realizes that States need the freedom to be able to explore their own unique approaches to solving their health care problems. I am convinced that it is only through State experimentation that we will all learn better ways of achieving our health policy goals. We have much to learn.

While my own home State of Vermont has enacted many important reforms, we have a long way to go before we completely achieve our goals. We are not without our share of obstacles to overcome. For example, we have almost 64,000 uninsured Vermonters. Many of these folks will need financial assistance for obtaining care. In addition, we need to do better at creating delivery structures that eliminate transportation and other geographic barriers to care.

While Vermont may have more doctors than they do in North Dakota, our population may well be more disbursed. Approximately 45 percent of North Dakotans live in cities of 8,000 or more compared to 20 percent of all Vermonters. Most of us in Vermont enjoy a rural lifestyle and our health care delivery system will need to reflect this. Furthermore, when designing preventive care programs, Vermont will need to come up with a plan that puts a special emphasis on preventing breast cancer, as our State unfortunately has the fourth highest incidence of breast cancer in the country. Perhaps our biggest challenge in the health care area will be to find the most equitable ways of staying within our health care budget.

While there is still much to be done to improve health care in Vermont, I am confident that we are moving ahead in the right direction. We are fortunate in the sense that unlike many areas, we have all the interested parties, providers, businesses, consumers, and State officials, working together to tackle our problems. Any national reform effort must build on the progress already made and not impede State efforts. States must have the freedom to explore creative ways for achieving efficiencies within the system as well as for improving the quality of care. The Federal role should be to encourage State creativity in meeting health care goals. This can only be done through a flexible approach on the part of the Federal Government. Anything less just will not work.

I will just conclude by commending the Senator from North Dakota for rising to help explain the problems of rural areas and the necessity that we cannot have just one national system that is going to try to fit all different areas. I look forward to working with him as the health care debate progresses, trying to find the best possible health care program for this country.

Mr. President, I yield the floor.

CONGRESSIONAL SPENDING LIMIT AND ELECTION REFORM ACT OF 1993

The Senate continued with the consideration of the bill.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

UNANIMOUS-CONSENT AGREEMENT

Mr. HOLLINGS. Mr. President, I understand this unanimous consent request has been cleared on both sides.

Mr. President, I ask unanimous consent that the time until 11:45 a.m. today be for debate of the pending Hollings amendment No. 380, with the time equally divided and controlled in the usual form, with no second-degree amendment in order thereto, and that at 11:45 a.m., the Senate, without intervention action or debate, vote on or in relation to the Hollings amendment number 380.

Mr. MACK. Reserving the right to object, and I hope I will not have to object, as long as I will have an opportunity to speak as if in morning business between now and that time.

Mr. HOLLINGS. I object to anyone speaking in morning business. That is all we have done all morning long. We are trying to bring this to a conclusion.

Mr. MACK. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Is their further debate on the amendment?

Mr. McCONNELL addressed the Chair.

The Chair recognizes the Senator from Kentucky.

Mr. McCONNELL. Mr. President, I say to my friend from Florida, we are trying to get a vote scheduled here. How much time is he seeking?

Mr. MACK. Probably 7 minutes.

Mr. McCONNELL. How much time is the Senator from Washington seeking?

Mrs. MURRAY. Approximately 4 or 5 minutes.

Mr. HOLLINGS. I will yield her 5 minutes, if you will yield him 7 minutes between now and 11:45. We can go ahead with the agreement and we can both yield.

Mr. McCONNELL. I think that is agreeable.

Mr. HOLLINGS. Again, Mr. President I ask unanimous consent that the time until 11:45 a.m. today be for debate of the pending Hollings amendment No. 380, with the time equally divided and controlled in the usual form, with no second-degree amendment in order thereto, and that at 11:45 a.m., the Senate, without intervening action or debate then vote on or in relation to the Hollings amendment No. 380.

Mr. McCONNELL. Reserving the right to object, I want to make certain that I have 5 minutes before the vote. If the Senator from South Carolina can modify the UC agreement to accommodate that, then I will have no objection.

Mr. HOLLINGS. If I can also have 5 minutes before the vote.

Why do we not change 11:45 to 11:50?

Mr. McCONNELL. That would be fine.

Mr. HOLLINGS. I amend the request to 11:50.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Chair recognizes the Senator from Washington for 5 minutes.

Mrs. MURRAY. I thank the Chair.

(The remarks of Mrs. MURRAY pertaining to the introduction of S. 1037 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. MACK addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Florida for 7 minutes.

Mr. MACK. Thank you, Mr. President. And I thank the distinguished Senator from South Carolina for making this time available to me.

PRESIDENT CLINTON'S TRUST DEFICIT

Mr. MACK. Mr. President, earlier this year, David Broder of the Washington Post wrote an article about President Clinton's trust deficit. In that article, Broder expressed the concerns of Americans across the Nation that the President has a major credibility gap.

Since then, the President has done nothing but heighten those concerns. Bill Clinton still has not done what he promised; he has not given the American people what they voted for.

His trust deficit is certainly exposed in the case of the Btu tax. Where candidate Clinton promised that the middle class would get a tax cut, President Clinton is socking them with a major tax increase.

In his book, "Putting People First," candidate Clinton opposed a Federal gas tax and said, in his words, that it would be "backbreaking" to the middle class. But Bill Clinton's Btu tax will raise the price of gasoline just like a gas tax will. And it will be just as unfair and could hurt the middle class just as much.

The consumer watchdog group Citizens for a Sound Economy calculates that the average family would pay at least an additional $125 per year on just the gas tax component of the President's Btu tax. This is because it estimates that the gas tax component will add at least 8 cents a gallon to the price of gasoline.

The President's trust deficit is even more apparent in looking at his overall tax package. Candidate Clinton said he would reduce the deficit, and promised to cut spending by more than he raised in new taxes.

When he became President, his Budget Director confirmed a deficit plan that would cut spending by $2 for every dollar in new taxes.

By the time President Clinton gave his State of the Union Address, the ration of spending cuts to new taxes had slipped. He talked about cutting spending only $1 for every dollar in new taxes.

Soon after that, when the President submitted his Budget to Congress, there were not $2 in spending cuts for every dollar in tax increases; there was not even $1 in spending cuts for every dollar in tax increases. His budget package had turned into $3 of tax increases for every dollar of spending cuts.

And now, the President and his Democrat pals in Congress are presenting the American people with a tax bill that raises $5 in new taxes for every dollar in spending cuts. As a further insult, there are virtually no net spending cuts in 1994 and 1995. Nearly all the spending cuts require some future Congress—not this one—to make the tough choices on cutting spending. In other words, there is only the promise of spending cuts in the future. "Trust me," says the President.

His program of $5 in tax increases for every dollar of spending cuts is even scaring the tax-happy House of Representatives. Today the House is scheduled to vote on a package that has net reconciled spending cuts of $55 billion over 5 years and tax increases—including user fees—of $288 billion. This is an explosion of Government. It is the largest tax increase by far in our Nation's history. And it may be followed by what could be another spending explosion on health care.

The American people are not buying the President's package. They want spending cuts first and they want spending cuts now. Here are examples of the letters and cards that have flooded my office with the simple message of cut spending first. Let me read one of them.

> This is the first time in 57 years that I have felt strongly enough about an issue to

> write one of my federal representatives. The issue is the current debate going on regarding the budget. It appears that the congress and the current administration do not understand what we the electorate are concerned about. The issue is spending. If the Congress and the administration would spend more time discussing how money can be saved rather than spent we would all feel a lot better. There are many ways to save money that aren't being considered or are being protected because of a special interest. I don't mind sacrificing if it is as a result of a cut back. I do mind if it comes as a result of additional debt or more taxes. I can't operate my finances in the red and I don't understand how or why government should.

He is saying in essence, "cut spending first."

These three simple words have been the battle cry for a revolution sweeping the Nation. If the President continues to ignore the calls of the American people, his Presidency will be swept under by this tide of revolt.

That is what this debate is all about.

The American people have been down this road before with the same, tired program of tax hikes now with only the promise of spending cuts later.

Trouble is, taxes continue to rise, the economy continues to suffer, the debt continues to soar, and Government spending spirals out of control.

The American people have had their fill of empty promises. The system is flat out broke. That is why we need to bypass this whole mess and take a lesson from the Base Closure Commission to form a spending cuts commission.

Under my bipartisan legislation, the commission would come up with $65 billion a year in cuts—with Congress and the administration having only the ability to say "yes" or "no" without amendments.

Congress is not cutting spending first. The administration certainly is not cutting spending first. It is time to reinvent the system.

But in the meantime, we simply cannot tolerate more taxes for more spending and more Government. We must restore the American spirit of innovation and competition, not punish success. The Clinton plan means failure—not only for the American people, but for his Presidency.

Let me add one more thought on the President's trust deficit. During his campaign, candidate Clinton continually pounded at President Bush for extending most-favored-nation trade status to China. He said we should not "coddle tyrants from Beijing."

Yet last night at a town meeting, the President announced that he would extend MFN status for another year. Despite their extensive record of human rights abuses, their use of gulags and prison labor, their devastation of the people of Tibet, and their active nuclear weapons sales to terrorist countries, the President believes those tyrants in Beijing deserve unrestricted trade privileges.

What kind of a signal does this send to the world when the President continually reverses his position? What kind of trust do others in the world have of us that our policies affecting them will not change tomorrow?

The real question is, is this President up for the job he was elected to do?

The PRESIDING OFFICER. Who yields time? The Senator from Kentucky [Mr. MCCONNELL].

CONGRESSIONAL SPENDING LIMIT AND ELECTION REFORM ACT OF 1993

The Senate continued with the consideration of the bill.

Mr. MCCONNELL. Mr. President, we are going to be voting at 10 minutes to 12 and I could, under the unanimous-consent agreement, make a motion to table. But I will not do that. I think it is important for the Senate to be clearly on record, up or down, on the question before us.

My good friend from South Carolina suggested that my credentials for raising the constitutional argument against amending the first amendment were tainted because I had earlier supported the flag burning amendment. I have only been here—I guess I am beginning my ninth year. The Senator from South Carolina has been here considerably longer than I. I do not know whether he has ever cast a vote that he subsequently regretted or whether he has ever changed his mind over a period of time. But I would say there is no vote I have cast since I have been here that I subsequently concluded was more in error than that one. I can assure my friend from South Carolina that if the question of revisiting the first amendment were before the Senate today on the question of flag burning, I would vote differently from the way I voted 3 years ago.

I have changed my mind. I have had an opportunity to research more thoroughly the whole implications of revisiting the first amendment. I do not know if my friend from South Carolina has ever changed his mind about an issue, but I have clearly changed mine about that one.

So, if the fact that I voted for that amendment in 1990 tarnished my credentials, then the tarnish is removed. That vote was a mistake. If I had to do it over again, I would vote differently.

So, let us go to the heart of what is before us: The constitutional amendment provision that the Senator from South Carolina offers, an amendment to the Constitution that would "empower Congress to set reasonable limits on campaign expenditures by, in support of, or in opposition to any candidate in any primary, general, or other election for Federal office."

What did the Washington Post say about the Hollings amendment? In its editorial of April 6, 1988, it said as follows:

> Mr. Hollings would simplify the matter, but at considerable cost. His amendment said, in a recent formulation: "The Congress may enact laws regulating the amounts of contributions and expenditures intended to affect elections to federal offices." But that's much too vague, and so are rival amendments that have been proposed. Ask yourself what expenditures of a certain kind in an election year are not "intended to affect" the outcome? At a certain point in the process, just about any public utterance is.
>
> Nor would the Hollings amendment be a political solution to the problem. Congress would still have to vote the limits, and that is what the Senate balked at this time around.
>
> As Buckley v. Valeo demonstrates, this is a messy area of law. The competing values are important; they require a balancing act. The Hollings amendment, in trying instead to brush the problem aside, is less a solution than a dangerous show. The Senate should vote it down.

The Washington Post, which supports the underlying bill, opposes the constitutional amendment.

Common Cause, which is the most aggressive supporter of the underlying bill, opposes the constitutional amendment.

The letter I have referred to earlier from the American Civil Liberties Union, dated June 4, 1992, raises a very important point about the potential for amending the first amendment for the first time in 200 years, and the implications thereof.

"Finally," the ACLU says:

> * * * as an amendment subsequent to the First Amendment, the existing understandings about the protections of freedom of the press would also be changed, thereby empowering Congress to regulate what newspapers and broadcasters can do on behalf of the candidates they endorse or oppose. A candidate-centered editorial, as well as op-ed articles or commentary, are certainly expenditures in support of or in opposition to political candidates. The amendment, as its words make apparent, would authorize Congress to set reasonable limits on the involvement of the media in campaigns when not strictly reporting the news. Such a result would be intolerable in a society that cherishes a free press.

Mr. President, there are partisan disagreements about the underlying bill. Obviously that is the case. But on this amendment, the issue is precisely the same that the Senate visited in the flag-burning issue. The question is quite simply this: After 200 years, do we want to amend the first amendment?

Let the debate continue on the underlying bill. But let us today, on a very strong bipartisan basis, say no to amending the Bill of Rights for the first time in 200 years.

Mr. President, I rest my case. I yield the floor.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I have emphasized we are not amending the constitutional Bill of Rights for the first time in 200 years. We are not amending the Bill of Rights at all. We are affirming the Bill of Rights. We are affirming and restoring true freedom of speech in Federal campaigns.

The truth of the matter is that the amendment does not limit speech with respect to the context of speech itself. It says, "Empower Congress to set reasonable limits on campaign expenditures * * *." You can talk all you want. "Empower the States to set reasonable limits on campaign expenditures * * *." You can talk all you want.

The Court, in looking at television and its costs, said, "Wait a minute. In campaigns, money is speech."

For argument, let us go along with that analysis that money is speech. But where is the difference between the contributor's speech and the spender's speech? The Court said that the spender was unlimited; he had total freedom. But the contributor could be limited because of the appearance of corruption. How can there be corruption if everything is open to the public, on the public record? If there is a corrupt gift, it is on the record. You can defeat a fellow on that.

So Buckley versus Valeo is a distorted decision that took away true freedom of speech, which I have emphasized time and again. If you have money, you have freedom of speech; if you do not have money, you have the freedom to shut up. We all know that in war whoever controls the air controls the battlefield. In campaigns, politically, whoever controls the airwaves controls the campaign. And so it is that we are trying to restore equal freedom of speech by putting reasonable limits on spending. S. 3, supported by The Washington Post among others, provides for public financing, food stamps for politicians. They want Common Cause-style public financing; food stamps for politicians.

I oppose public financing. Politicians ought to go back to their constituents, have an accounting, meet on the main street, talk to the Rotary Club, explain your votes. We cannot do that in a national election because the other 49 States are not my constituents. It is totally impossible. So we have had public financing in national, Presidential elections. But don't try to use that as a precedent. It is inappropriate with respect to campaigns for Congress. We cannot have food stamps for politicians.

We have dithered for 20 years as campaign costs have gone up, up and away. And it has corrupted. Everyone agrees—Republican, Democrat, those who favor, those who oppose financing—that we cannot vote on Friday, we cannot vote on Monday, we have to get out here to raise money; someone has a fundraiser downtown, someone has this; we have to have a dinner break, so we have fundraisers and then we all come back at 9 o'clock to vote. It is an embarrassing spectacle.

I was here when the Senate started up on Monday morning and voted. I was here when we voted through Friday afternoon. We got through with our work. Now there is a week off to raise money every month. I mean, come on.

It is so out of control that we now have to raise $11,000 per week, and in a larger State like Wisconsin, it is probably nearer $20,000 per week for every week during the 6-year term. If you have not raised your money this week, you are out. You have to raise it.

That is what we are trying to correct, and that is what, in a bipartisan fashion, we corrected back in 1974, until our bipartisan reform was undone by Buckley versus Valeo. That decision took away freedom of speech. We are trying to restore true freedom of speech by means of this sense-of-the-Senate resolution.

The distinguished Senator from Kentucky did not say it today, but I have heard him in the past expound his eloquent Kibbles 'N Bits defense, his notion that we spend more money on cat food than we do on elections, and we ought to be spending more money on elections than on cat food. Well, unlike cat food, elections should not be up for sale. He and I disagree fundamentally on that. We ought to limit spending, and this is a bipartisan approach to express a sense of the Senate so we can later move to the joint resolution.

In the future, I can put up an amendment; we can have a debate; we can pass it and send it to the States, and the States would vote for it in a flash. You know it and I know it and everybody else knows it. But if you want not to limit the spending, then vote no.

But if you want to get to the real issue at hand, then we ought to go ahead and support this, as it has been supported by a majority of the Senate, in a bipartisan fashion, in the past. We have to get two-thirds.

If we have a few more minutes on either side, if it belongs to either one, do you want to yield back?

Mr. McCONNELL. Yes.

Mr. HOLLINGS. We both yield back our time, and I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. HOLLINGS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, I think the order now is for a vote.

The PRESIDING OFFICER. The question is on agreeing to the Hollings amendment No. 380. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. FORD. I announce that the Senator from Montana [Mr. BAUCUS], the Senator from Alabama [Mr. HEFLIN], and the Senator from Texas [Mr. KRUEGER] are necessarily absent.

Mr. SIMPSON. I announce that the Senator from Utah [Mr. HATCH] and the Senator from South Carolina [Mr. THURMOND] are necessarily absent.

The result was announced—yeas 52, nays 43, as follows:

[Rollcall Vote No. 129 Leg.]

YEAS—52

Akaka
Biden
Bingaman
Boren
Bradley
Breaux
Bryan
Bumpers
Byrd
Campbell
Conrad
D'Amato
Daschle
DeConcini
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Hatfield
Hollings
Inouye
Johnston
Kassebaum
Kennedy
Kerry
Lautenberg
Levin
Lieberman
Mathews
Metzenbaum
Mitchell
Moseley-Braun
Murray
Nunn
Pressler
Pryor
Reid
Riegle
Robb
Roth
Sarbanes
Sasser
Shelby
Simon
Specter
Wellstone
Wofford

NAYS—43

Bennett
Bond
Boxer
Brown
Burns
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
Danforth
Dole
Domenici
Durenberger
Faircloth
Gorton
Gramm
Grassley
Gregg
Helms
Jeffords
Kempthorne
Kerrey
Kohl
Leahy
Lott
Lugar
Mack
McCain
McConnell
Mikulski
Moynihan
Murkowski
Nickles
Packwood
Pell
Rockefeller
Simpson
Smith
Stevens
Wallop
Warner

NOT VOTING—5

Baucus
Hatch
Heflin
Krueger
Thurmond

So the amendment (No. 380) was agreed to.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote.

Mrs. FEINSTEIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATCH. Mr. President, I would like to explain my missing the vote just taken on the Hollings amendment. As ranking member of the Senate Judiciary Committee, I was conducting Judiciary Committee business and did not hear the bell alert nor did I see the clock lights before the vote was concluded. I would have voted no on the Hollings amendment.

Mr. THURMOND. Mr. President, on the earlier vote today on amendment No. 380, I would have voted in the negative. I missed this vote due to a power failure in my office which caused the bells and the telephone alert to fail to work properly. I recognize that my vote would not have affected the outcome of the vote.

Mr. McCONNELL. Mr. President, I want to commend the Senate for refusing to agree to the Hollings amendment. As we all know, it takes 67 votes in the U.S. Senate to agree to a constitutional amendment. The amendment of Senator HOLLINGS only got 52 votes, a full 15 votes short. I want to particularly commend Senators on the other side who were willing to look to the substance of this, Senator BOXER; Senator MIKULSKI; Senator KERREY of Nebraska; Senator KOHL; Senator LEAHY; Senator ROCKEFELLER; Senator MOYNIHAN; and Senator PELL, who followed the majority leader's admonition 3 years ago when we were considering amending the first amendment to overturn the flag-burning case.

The majority leader said at that time 3 years ago that:

> I do not believe we should amend the Bill of Rights. I do not believe that we should ever under any circumstances for any reason amend the American Bill of Rights.

I commend the majority leader for what he said 3 years ago on that subject. I particularly want to thank Senators BOXER, MIKULSKI, KERREY, KOHL, LEAHY, ROCKEFELLER, MOYNIHAN, and PELL for following that admonition.

Mr. President, I yield the floor.

Mr. WALLOP. Mr. President, I ask unanimous consent that I may proceed as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE RECONCILIATION PACKAGE

Mr. WALLOP. Mr. President, I was startled in a way, and not surprised in another way, to read the headline in the Wall Street Journal this morning that states "The White House Gives Ground on Energy Tax."

Mr. President, I ask if this is not the same administration who, excoriating the special interests, is now accommodating them one by one. I ask the Senate to consider if this Btu tax is not now more the equivalent of a Belgian lace doily than a straightforward policy. Every hole that has been punctured in the tax remains not a hole but a burden on the back of somebody whose interest was not special enough to be carved out by the White House.

The list of those whose interests have been accommodated is long, beginning with the Speaker of the House's interest in aluminum, and with the House majority leader's interest in beer, and with a variety of other interests, some of which I would agree with. But keep in mind, Mr. President, that these exemptions—this relief for the President's special interests—is someone else's burden. They are not, in fact, exempting these interests from the American consumer as an obligation to pay, or from other less-favored taxpayers to pay; they are relieving the obligations of the favored few that belong to the political elite that are drafting this wonderful little thing called the House reconciliation package.

There was a statement, I believe, in this week's U.S. News and World Report, which quotes a Los Angeles publication, basically saying that this administration is the most anti-job, antigrowth, anticonsumer administration in this half century.

If the administration's plan—if one can even determine what the administration's plan is, since it changes by the hour in the pursuit of votes—as outlined in the budget resolution and the reconciliation's instructions, were to be passed, it will, in effect, destroy the economy of this country, while it is struggling to recover.

It will raise taxes on all taxpayers five times more than it will cut spending. And most impressive of all, under the provisions of the bill that sits on the floor of the House today, during the first year that the bill would be in effect, taxes will exceed spending reductions by almost $17.

Over the 5 years of the bill, taxes will exceed spending by somewhere in the neighborhood of $7 in new taxes for every dollar achieved in spending reduction.

Mr. President, it is absolutely fair to assume that the American public honestly believed this President when he said that (a) there would be a middle-class tax cut and (b) there would be $2–$3 in spending cuts for every dollar in new taxes raised.

Had that promise been achieved, and given the administration's own tax increase now on the table of just under $300 billion, deficit reduction might be an impressive achievement of over $1 billion.

I think it is fair to say that the American public did not believe during the campaign that when they voted, they would get an administration committed to increasing the size of Government under the guise of the term "investment"—which is a word that Americans will learn means a bigger Government, with more regulations, more redistribution of income, and more growth in the very size of the thing which is now consuming us all. It is also fair to say that Americans did not expect to see no middle-class tax cut, and instead get significant middle and even lower class tax increase.

Mr. President, 54 percent of all Federal spending today goes toward entitlements and mandatory spending programs. I think it is obvious to everyone who will be honest for the moment that, in order to get a real handle on the increase in the growth of the deficit and thus the debt, we are somehow going to have to be brave enough to belly up to the question of entitlement growth.

But what appears to have been achieved in the House of Representatives is an agreement between House Democrat Conservatives and the White House that in effect says we have an absolute commitment that under no set of circumstances will we address entitlement cuts. Let me explain what I mean. What appears to be the compromise needed to obtain votes on the budget package in the House is the idea that we first will determine what growth in the entitlement programs is permitted by the budget resolution and then, if we exceed those ludicrously called caps, the President may recommend either an increase in taxes—which is a license I think Americans will loathe to give to an administration whose general tendency is to increase taxes—or further cuts in spending.

If the Senate would oblige me for a minute, I ask you, where will we go to get the further cuts in discretionary spending? The cash cow called the defense budget that has been used by Democrats and Republicans alike? The only identifiable cuts of consequence in the budget resolution are the extraordinarily large cuts in defense that even the most liberal members of the House Armed Services Committee are now saying may need to be replenished at the end of 5 years, lest we degrade our defense system so much that we endanger this country.

These are not Republicans, or Cap Weinberger types who say this. These are people, like the chairman of the House Armed Services Committee, who is generally not known for his passion to increase defense spending. But even he realizes that this cow has been milked dry and there is nothing more to be gained from her. Far from being on a sacred pasture, she now grazes on the endangered species list.

And we have also not yet seen what will be required of Americans with regards to health care reform. The alarming news this morning is that merely a tax on cigarettes will take care of health care spending, because we will require America's businesses to provide these health care packages.

Mr. President, even though the administration does not willingly call these obligations taxes, the administration cannot fool American businesses owners that this is in fact a tax on the cost of their production and operation.

So what we have is a huge increase, somewhere in the neighborhood of $100 to $150 billion a year for health care reform, as well as $300 billion in new taxes over the next 5 years. And you have milked the defense cow beyond her ability to be replenished.

So, where do we go from here, when, using the administration's own figures, 5 years from now we find the deficit has not been ever reduced, rapidly rising again? Where does America go to fix that problem? The problem, in fact, must be fixed before we ever reach that point.

The President promised us he was a new Democrat. Now we find instead that he has, in fact, exuberantly launched himself as having the reputation of the old tax-and-spend Democrats. Whatever happened to the promises of spending cuts in the form of $3 for every $1 in tax increases? They were not even around long enough to grow stale on us.

The most empty promise and the most egregious tax of them all is, in fact, the Btu tax. The President, when the able Senators from Oklahoma, Louisiana, Missouri, and Maine brought up problems with the Btu tax, accused them uniformly and blindly of being captives of energy industry interests.

That is a ludicrous thing to say. The chairman of the Finance Committee in the Senate, Senator MOYNIHAN, even said on national television over the weekend that the Btu tax was not an oil issue; in fact, Mr. President, it is a jobs issue. And one need not go any further to understand this than the pleadings of the House Speaker who managed to get his aluminum and energy-intensive industries of the Northwest excluded from the provisions of this tax. Speaker FOLEY cannot be accused by the administration of being an oil-State captive, but he has managed to exempt his industry.

One of the most perverse parts of all of the Btu tax is that little segment in the Agriculture Department's appropriation which calls for a $17 billion increase in food stamps, to take care of the Americans newly made eligible for food stamps because of the onerous requirements of the Btu tax. Compensating them for the cost of the new taxes by making them eligible for food stamps and wards of the Government is not the middle-class tax cut that most Americans thought might be coming their way. Food stamps is a dependency, my friends, and it is being created as a means of putting together a dependent constituency.

I had a constituent named Carl from Cody, WY, who called me this week to express his deep concerns over the administration's tax package and the Btu tax, in particular.

Guess what he told me? He said that the Btu tax would cost him at least $100 more a year. He had not read the figures as to how much it would cost in Wyoming. It is more like $400 a year.

But he was concerned that he was going to have to pay $100 more a year because of the Btu tax and, in simple terms, this meant that he could not get his $6.50 haircut every 4 weeks. He said he would have to go back to having his wife cut his hair. He wanted to know why he was to be taxed out of his $6.50 haircut when the President had a $200 haircut on the runway at Los Angeles while holding up America's air traffic.

Mr. President, the administration claims absolutely repetitiously that the Btu tax is fair, that it is regionally equitable, and that its burden will be borne by all.

But those of us who have farm interests—another group seeking exemptions, which is a tolerable concept as long as exemptions are taking place—and constituents, who live 60 miles or 70 miles away from their jobs like in my State of Wyoming; those of us who have industries, which are energy-intensive; and those of us who have State governments, whose ability to manage and meet the requirements of governing that this Congress and past administrations have been willing to heap upon but not willing to pay for them, are finding that the energy tax will be devastating.

Those of us who have school boards, whose children live 40, 50 miles away from the schools, are suddenly finding that our counties and our school systems are going to be taxed to do the ordinary and necessary functions of Government.

And, guess what? As the President's people allow each exemption to take place without changing on the total level of revenue to be raised by this tax, who do you think gets to pay but our cities, our school boards, our States, and our counties?

The White House continues to say that its interest is in jobs and in education.

How is it appropriate to add to the cost of education in rural States by imposing a Btu tax? How is it that we are going to explain to these people, who are now on tight budgets because of a whole series of other obligations heaped on them by past Congresses, that they are now going to have significantly lower amounts of money to spend on education, because they must pay the Government a tax to run their school buses and to heat their schools?

One has to ask, from an administration who speaks of fairness, if it is fair to impose a tax that will cost American jobs. Six hundred thousand jobs lost is one figure that has been attributed just to the Btu tax.

The Forest Service is seeking to remove 708 jobs in the State of Wyoming because of what are called below-cost timber sales, which we now find when we put all the numbers together, means that the revenue forgone to the Government will actually increase the cost of operating the Forest Service. So, in order to find revenue to increase government, we are willing to sacrifice another 708 jobs in my State, and regions of the West will see similar kinds of results.

How is it that a President, who says he is interested in the competitive capability of America, is willing to say to Boeing, before changes were made to the tax, that he hated what Airbus was doing and he was going to stand up for them, and then willingly impose a Btu tax, which does two significant things. First, it vastly increases the cost of producing a Boeing aircraft, both in the materials they buy and in the cost of producing it; and, second, it vastly increases the costs of their customers, the U.S. airlines, in plying their trade.

The airlines, with lost billions over the last few years, are now looking at an additional $1 billion in costs because of the Btu tax. Airbus does not have to pay that tax and, therefore, can have their airplanes sold here at a lower price.

Now we see that the administration is playing around with the idea that the Btu tax can be rebated. They forget, of course, that they have an obligation which America has willingly undertaken over the years, called GATT, the General Agreement on Tariffs and Trade. The Btu tax is not rebatable under GATT in the way in which they seek to impose the tax. So how does that do anything for American who want jobs?

In the other body today, the administration will be trying to bring the tax package and the Btu tax to a vote. They are trying to placate concerned Democrats over there with promises, first, of "no compromise."

Now, we have: "The White House gives grounds on energy tax."

They have agreed to modifications of the tax in the hope that they will have created or discovered enough new Fausts who are willing to sell their souls to the Devil to create a moment's relief from the onerous antibusiness, anticonsumer, anticompetitive policies of this administration.

It is about time they realized that the tax will hurt industrial competitiveness. But it is even more time to realize that the proposed solutions will only wreak more havoc. Let me explain.

The first solution included in the bill by the Ways and Means Committee would add an imputed Btu tax on imported high-energy products. Does anybody hear echoes of the 1930's and Smoot-Hawley and the type of policies that wrecked the economy of the whole world, to say nothing of the United States? The import tax is the same type of protectionist measure that took us into the Depression, and it thoroughly discredits the President's own speech at American University where he said he was for free, fair, and open trade, and world competitiveness. By imposing an import fee he is basically saying that since we must tax our own products we must try to find some way to also do it to our trading partners, even though it may be prohibited by GATT.

Now, the administration is trying to find a way to propose a rebate on the Btu tax at the border so America's industries, which are rendered uncompetitive by these taxes, will find some relief.

I asked the former chairman of the Finance Committee, now Secretary of the Treasury, during a hearing in the Finance Committee, if it was not true that the Common Market provided up to a 20-percent subsidy on energy taxes and costs to energy-consumptive industries in their country? He knew nothing of it. But the fact is, that the Common Market does provide such subsidies.

So, now, with this proposal to rebate taxes at the border, we have a solution that will not readily solve the problem, because even the administration and the Joint Committee on Taxation have acknowledged that a border adjustment may well violate our GATT obligations and could be challenged by our trading partners. The 1979 GATT subsidies code expressly states that a rebate at the border on an input not physically incorporated into an exported good is an export subsidy.

What kind of administration is this that says it is interested in the competitiveness of American products, and in free and fair trade, who willingly finds ways to transgress this Nation's obligations under GATT.

The GATT interpretation of the physical incorporation test, as well as America's own practice, suggest that energy consumed in the production of a good is not physically incorporated into a good and, therefore, is an illegal subsidy. To be border adjustable, the tax would have to be on the product and not on the energy input into it. But to do that, guess what, America's consumers would be able to see the level of taxation that this administration was forcing them to pay, so they have gone to extraordinary lengths to see to it that it is not visible to the consumers.

It concerns me that the Clinton Administration is playing Russian roulette with trade policies in order to salvage a bad tax that ought to be defeated. It will be my hope and plan to ask for a study that will provide us with what I hope to be an objective analysis of the issue before we make a mistake that will have serious and probably irreparable international consequences.

But I stand here this morning to say to my colleagues in the Senate: Beware. The American people are well aware of the emptiness of the promises that the administration proposed between the time of its campaign and since ruling. "We will never yield on the issues of entitlements. We will not yield on the issue of the Btu tax." Today we have, "White House gives ground on the Btu tax."

The American people are used to and aware of the necessity to trust their Government. But where do they find trust? Having been promised a middle-class tax cut, now even those with incomes of $20,000 will have serious increases in their taxes. When the President, having promised the middle class a tax cut in order to get elected confronts the middle class in Los Angeles, the first thing he says is Well, you will have to wait until sometime in the next 4 years in order to get such relief. Why should they believe that? Where is the basis for trust? If the Btu tax is enacted, make no mistake, it is a permanent tax. The slushy compromise with regard to entitlements has made it clear that under no set of circumstances will anybody ever deal with the growth. We have only to look at the behavior of these Congresses with regard to unemployment to understand why. We say: "This is the last"—"By golly, this is the last"—"This is certainly the last extension of unemployment benefits." Yet we extend them again.

We have only to look at the courage of a Congress that has passed Gramm-Rudman with its spending caps to realize that every time we reached the point whereby we would have to make uniform, across-the-board cuts, we ducked from doing so.

So, what we are left with are taxes that are permanent and cuts which are nonexistent. We have a serious problem that is being laid in front of us. It is not deficit reduction—read the administration's own figures. For a year or two, the size of the deficit declines, but it does not diminish and the debt increases by $1.5 trillion over the next 4 years. That is certainly not debt reduction.

I would like to bring out one little known fact about the Btu tax. Did you know that this mysteriously evil tax is indexed for inflation? This is unique since the only explicit inflation adjustments in the Tax Code are designed to protect the taxpayer from the effects of inflation—although even these have been curtailed, in part, by this administration—not hurt them, like the Btu tax.

Americans ought to take a look at what this means—it means the tax automatically increases every single year without Government intervention. We will have to intervene to keep the tax from growing. It is devious, what has taken place. I conclude by saying that the Btu tax is bad economics, it is bad tax policy, and it is bad energy policy.

A last little bit on the energy policy. It was said that the Btu tax was imposed, partly in response to the Vice President's total commitment to the environmental movement, as a substitute, for a carbon tax. But the administration tried to pray to too many gods when they designed this tax. In order for the Pacific Northwest, with all its hydroelectric power, to avoid becoming the American manufacturing center of the continent, the Btu content of water was taxed for heaven's sakes. And, in order to satisfy the inordinate demands of the Senator from West Virginia and high-sulfur coal, we doubled the tax rate of Btu in oil over coal. So now you are taxing water, which does not have a Btu content, and you say to high sulfur coal, that it is not as serious an environmental problem as earlier claimed. And what happened to our energy strategy which we just passed, with the President's blessing. As a candidate, the President said, along with others, that the Energy Policy Act was perhaps the most far-reaching piece of policy that this Congress had passed in many years. We worked hard last year to craft an energy strategy that was fuel-neutral. Now the Btu tax picks a Government fuel and have farther impeded the Energy Act by granting new exemptions that in order to get some more votes in the House and to create new little crowds of Fausts that sit over there.

But the energy policy we crafted last year is distorted because there are now Government-subsidized fuels, there are ignored consequences of the use of high-sulfur coal, there are penalties on the use of American oil which end up being penalties that create a greater dependence on overseas oil, and there is decreased reliability and availability of low-carbon fuels such as nuclear and hydro.

The Btu tax is an environmental mess, Mr. President, as well as an economic mess. This tax has not been well thought out. This program is totally political. And the fact that it is totally political can be seen in the fact that you can buy off the Speaker of the House and the majority leader and other important people, by providing more and more and more exemptions to the onerous provisions of this tax. The Administration has accused others of being special interests, while absolutely kowtowing to the interests whose votes might be necessary to get this tax package passed.

It ill-becomes the President of the United States or his spokesman to call those folks special interests when they absolutely cater to them by the hour in order to find the Faust to pass this new package.

Mr. President, I yield the floor.

Mr. RIEGLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

THREAT TO THE SOCIAL SECURITY SYSTEM

Mr. RIEGLE. Mr. President, I want to address the threat being posed to the Social Security system by the budget package that has been put forward by some colleagues, particularly the Senator from Oklahoma [Mr. BOREN]. I say that at the outset so that can be known to anyone in his office and other places interested in this particular issue.

I will also, at the conclusion of my remarks on that, make a comment or two about the remarks of the Senator from Wyoming, which I listened to with great interest.

But I want to, first, of all, address this new budget package that we are still analyzing—but we have analyzed it enough—the one being offered by the

Senator from Oklahoma. I find the part in there that has to do with cuts in the Social Security COLA adjustments to be very damaging and unfair and I think also, in the form in which they have been presented, would actually violate the budget rules that we have in the Senate.

I want to go though it in some detail because I do not think the press yet or the public understands the threat posed to Social Security by that aspect of this program that has been put forward. I want to lay it out here because I intend to do everything I can to confront it directly and to not only make sure everybody understands what it is designed to do and would do, but that the battle lines are drawn right now on this issue, so nobody is under any illusions as to what may be done here.

When you look at the element of the plan that has been put forward, the bulk of the program cuts really are going to be on the backs of older Americans and on those people down the income scale in our country, including those in poverty who are struggling every day just to make ends meet.

Most of those proposals are ones that we have previously dealt with in the Senate and which have been rejected by a series of record votes. In many instances, they were votes on amendments that I myself offered back in the early eighties when the Reagan administration was trying to cut Social Security benefits at that time.

But to be very specific about it, the proposal that has been put forward would cut the cost-of-living adjustments for Social Security recipients and those COLA cuts, as we call them, the cost-of-living adjustments, the cuts in those would be imposed every year for 5 years in a row. That would result in a permanent, cumulative loss of real income for many of our low- and middle-income Social Security recipients.

A lot of these people today are just able to make ends meet. It is not easy to get by in old age in America. Things can be very expensive, whether we are talking about prescription drugs or we are talking about utility bills or we are talking about transportation needs, housing needs, food, the rest of the essentials that everybody has to have.

The cost-of-living adjustment on Social Security does not give any senior citizen on Social Security extra buying power. That is not what it is. It is designed to come in and make up for buying power that inflation has taken away from them over the last year.

We know, for example, that, if somebody is getting a modest Social Security payment, which they have paid for and which they have earned by their work history, inflation takes away some of the buying power of that money. We have built in an adjustment the next year to come in and replace that lost buying power so that the person is not sliding backward, sliding either into poverty or sliding toward poverty.

So the cost-of-living adjustment does not provide any extra buying power. It is there to replace buying power that has been taken away by inflation, just to hold the senior citizen even with inflation so that their benefits are preserved in real terms so that they can pay their bills and meet their basic living expenses.

The design of this program is very diabolical because it wants to come in and shave down the cost-of-living increase for senior citizens and keep it in place each year for 5 years so it is a piling-up effect. But then the effort is to take and use the money that, in effect, will not be spent on the cost-of-living adjustment on Social Security and have that available for other purposes totally unrelated to Social Security.

So, in effect, it is squeezing down the seniors in order to have that money, in a budget sense, available to pay for other things that have nothing to do with Social Security and are outside the Social Security system.

A related aspect of this that makes it even more troubling, and I think unfair and just misconceived, is the fact that the Social Security system today is running a big surplus. That is not what is causing our Federal deficit. In fact, we will add just this year to the Social Security surplus for retirement benefits, over $53 billion. In fact, at the end of this year, we will have a total from the addition of this year of surplus, and prior years' surplus, we will have in that fund a surplus of $350 billion. So that is not causing the Federal deficit.

In fact, we have already acted as a body to take Social Security out of the Federal budget directly so that people cannot try and loot the Social Security system to pay for other things, which is a practice that had gone on around here for many years.

So we have already recognized in our own prior votes and legal actions the need to protect Social Security from exactly this kind of raid. But that is what is being proposed here: To shave down the Social Security benefits in terms of the cost-of-living adjustments year by year and have that money available to put against things that have nothing to do with Social Security.

When people understand this, and I am going to make sure people do understand it because we are not going to have that done to protect some industry in this country—whether it is in the energy area, or to protect some other part of the Federal budget having nothing to do with Social Security—we are not going to tolerate a raid on the Social Security trust fund for that purpose, in effect, a theft of the cost-of-living adjustment that just holds people harmless against inflation.

I know it is very tempting for people to go and get that money especially if they can do it in a way that is hard to trace. But the cold fact is it is not going to be done without having to be done out here in the cold light of day and with votes on it every inch of the way.

I suspect that when the public understands what is going to be proposed there, they are not going to like it very much, and I think they will have something to say about it. I suspect as well—and this is just a surmise because I do not purport to read his mind on this issue, and he may have already addressed it, but I saw Ross Perot on television this morning. My guess is—just a guess—that if he sees what is happening here, namely that the Social Security fund is being used for purposes other than Social Security by shaving down the benefit structure to bloat the surplus to be able to apply that against other areas of Federal spending, my guess is—and it is just a guess—that he would blow the whistle on that. He would say that the Social Security funds ought to be kept separate and apart and there ought to be no effort made through a budget package or any other way to somehow go in and take something out of the Social Security system and allow it in some fashion to be used in some other part of the Federal budget or to cover as a budget offset some other area of Federal spending. The American people are not going to buy it either because, I repeat, the Social Security system is not what is creating the Federal deficit. That is one of the few funds we have that is in surplus, and the surplus is building up.

Now, just so everybody has it clearly in mind, this proposal places the brunt of spending reductions on senior citizens and on people with disabilities and low-income children and foster care, which is what the entitlement caps would do. The non-Social Security programs would be limited to growth at the rate of inflation plus the population growth but at a declining scale over time.

Now, somebody said earlier, the previous speaker as a matter of fact said something about food stamps and how bad food stamps are: food stamps create a "dependent constituency" were the words used. Not by choice. We have food stamps because people need to eat. You need to eat in this country to stay alive. There are three things you need. You need oxygen; you need water; and you need food. If you do not have a job or you do not have an income, you do not have food. People starve to death.

And it is true in this country right now, we have more people on food stamps than we have ever had in our country. That is because we have a sick economy and not enough jobs. Every time there is an advertisement around the country that a hotel or something is opening up, or a fast food joint is opening up and they indicate they have 20 or 30 jobs—there are not many of those announcements, frankly, but when they happen—2,000, 3,000 people show up seeking those jobs. There are not enough jobs for our people now.

So if you cannot get a job and you have no income and you have to feed yourself and you have to feed your family, how do you do that in America? You have to turn, unfortunately, either to public or private charity if you cannot find work. And we have millions of people in this country right now who want to work but cannot find work, up and down the talent scale, up and down the professional résumé scale.

So food stamps are a necessity because we do not want people to starve to death in America. It is a pretty basic issue. It is not the question of having a bleeding heart. It is a question of the fact that people need to eat to live. And I daresay, unless there is a Senator here who is on a diet in such a way that they are going to pass up the lunch hour today, every Senator here already has or will shortly meander off to a lunchroom somewhere and have lunch because Senators, just like every other citizen, have to eat periodically during the day, just like everybody in our country.

And so to say, when you have somebody in our society that has been ground down to the point that the only way they are actually able to provide for their nutritional needs, the food they need to live is obtained through food stamps, I think it is a terrible commentary on what is happening in our economic system. I would like to see everybody off food stamps.

Mr. WALLOP. Will the Senator yield for a question?

Mr. RIEGLE. Just very briefly, yes.

Mr. WALLOP. The question that the Senator from Wyoming raised was not that food stamps were a necessity, but that they were a necessity now created by the effects of the Btu tax which will increase by several millions of people those eligible for food stamps, so that these people can have the very basic necessities of which the Senator speaks, and so that they may eat because they have been impoverished by the effects of the Btu tax.

(Ms. MOSELEY-BRAUN assumed the chair.)

Mr. RIEGLE. I appreciate the point the Senator made earlier and the point he makes now, and we can bring up any other issue, such as the Btu tax or anything else that comes into the picture.

I am making a different point. I am making a point about the fact that we have all these people in this country today, every bit as important and as worthy as the Senator and I or anybody else is, who want to live and who want to have some improving aspect to their lives. If they have families, they want to support their families, have their families well cared for, in safe settings, with health care and the basic things we all want and need for our families.

When you bring it down to food stamps, literally the ability of a person once, twice, three times a day to be able just to have the food they need to stay alive, I guess I react in a sense that that is so basic and so fundamental. I guess I object partly to the notion of a "dependent constituency" because I see a lot of these folks—and I am sure the Senator does as well, a certain number in the State of Wyoming—and I have not found anybody yet in all the time I have been in public life that is on food stamps who does not want to get off food stamps. Most people find it a humiliating circumstance to be reduced to a point where they are in that situation and they want virtually more than anything else to be able to escape from it, have their kids escape from it and get up on a higher economic rung of the ladder so that they are able to provide for themselves without having to go through the process of trying to survive on food stamps.

Mr. WALLOP. If the Senator will yield again briefly.

Mr. RIEGLE. Of course.

Mr. WALLOP. The Senator makes exactly my point. Of course people do not want to be on food stamps. One of the perverse consequences of the Btu tax that has been recognized by the administration in their request for greater funding for food stamps is that there will be an increased number of Americans who will be made dependent upon them by the effects of the Btu tax. I do not quarrel with the Senator that people want to be off food stamps. The question is, Why should we have a tax policy that puts more people on them?

Mr. RIEGLE. I would say to the Senator I think our problem here is that we have a new President, who has been in office about 4 months, who did not create these problems. I think they have been building for many, many years.

I am not even going to take the time right now to try to sort of enter into a debate as to who is more responsible politically, and so forth and so on. We can get off into that subject.

But the fact is America is in serious economic trouble. It has been building up for a long time. You see it in our trade statistics. You see it in a lot of other things. We had a trade deficit in March in excess of $10 billion for 1 month. In 31 days, we had over $10 billion drained out of this country through the trade account and over $5 billion went to Japan. And there is a lot of trade cheating involved in the way Japan plays the game, keeping their market closed and selling oftentimes below cost and through keiretsu, interlocking relationships, here in this country. So there is all kinds of damage being done.

But if you come back to the plan that I have risen to speak about now, the plan offered by the Senator from Oklahoma, that attacks Social Security in the name of solving our deficit problem, that is just not a fair way to come at it. Our deficit problem is not caused by Social Security.

And to come and take it out of the hides of people on Social Security, who have gone through their work life, who have paid into the system, who now have that as part of the income stream they have to depend upon to survive and maintain some reasonable standard of living for themselves, to come along and say, well, now we are going to reduce your annual cost-of-living adjustment, we are not going to enable you any longer to stay even with inflation, even though we are building up a huge surplus in the Social Security fund, we are going to take that away from the seniors so we do not have to come over here and ask somebody else to chip in and do their fair share of what needs to be done to get this budget in order and get this deficit down.

So it is an effort to protect certain classes of society and certain economic interests by saying, well, let us just come and take it out of the hides of the senior citizens. Let us just scale down that cost-of-living adjustment for those seniors out there and, you know, they will find some way to make do.

I think the cost-of-living adjustment for senior citizens is, if anything, being based on the CIP, many times lower than the actual inflation rate that seniors are experiencing.

With or without the Btu tax, energy costs have been rising, and housing, and costs have been going up in the supplemental health insurance policies for the seniors who try to have those in place. Those have been going up. The Medicare deductibles have been going up. Prescription drug costs have been going up. Food costs have been going up. Clothing costs are going up. Senior citizens today are under tremendous pressure as virtually all American families are who do not have huge amounts of income or assets.

Mr. LOTT. Madam President, will the Senator yield to me so that I may have an opportunity to agree with him on these points?

Mr. RIEGLE. I just yielded to the Senator from Wyoming because I was making reference to what he was saying. Let me do that at the end of my remarks.

Mr. LOTT. Do not forget to yield.

Mr. RIEGLE. I will not forget my friend from Mississippi. I will not want to, I am sure he would remind me if I did want to. But I do not want to.

But in any event, we are in a situation here where the plan being proposed says, look, we realize Social Security is not creating the problem. There is a big surplus in the fund. The fund is getting larger. We know the seniors need the cost-of-living protection because otherwise many will be sliding back into poverty. But let us take away from them anyway, even though they have paid for it, even though they have worked for it with their earning history. Take it away anyway, and we will have that money. It is several tens of billions of dollars. We will be able to say we have that money to do other things with. We will do other things with that. Maybe we will help the energy industry in certain ways. Maybe we will not have as heavy a tax burden on the business side or high-income individuals. There are a lot of ways you can end up through this budget process we use allowing that so-called saving in Social Security to be applied to other things. That is what is going on here.

The question is, Do you feed the seniors into the meat grinder here in the name of reducing the Federal budget deficit and reducing spending in order to not have to do it somewhere else where the problem is really coming from? That is what is happening.

So that is why we voted on this before. That is why that proposal when it comes is subject to a budget point of order. We took Social Security off budget for the purpose of making it clear that Social Security was not part of the deficit problem but, in fact, is being used to hide the huge size of the deficit.

The real deficit is higher than we say it is because we are using the Social Security surplus to hide the true cost in the deficit. But cutting the benefits and inflating the surplus in Social Security actually leads us away from the truth. It is part of the whole illusion process that we have had going on for too long around here. That is one of the reasons why the last administration from my view was tossed out. It was partly the failure of the economic plan and not enough jobs in the country, but also all of the gimmicks and the misleading treatment of the Federal budget deficit to make it look like it was going down when it was going up. People know it is going up. They want that stopped.

I will conclude very shortly and yield to my friend from Mississippi by saying the seniors of this country through Social Security are not causing the budget problem. And they should not be unfairly targeted as they have been by this new proposal that has been put out by the Senator from Missouri and the Senator from Oklahoma in the name of deficit reduction.

I am all for any plan that they can develop that reduces the deficit. I would like to see one, by the way, that is sort of zeroing in on some of the constituency groups, maybe where they come from, that would have to eat some of the pain of the plan.

But to just try to spread a large part of it on the senior citizens across the country when they have not caused the problem, let me tell you something: It is not fair. There is no intellectual or logical justification for it, and I do not want there to be anyone under the misapprehension that they are going to get away with it. They did not get away with it in the early eighties when that was tried when Reagan was President. He tried at the height of his power to come in, shave down Social Security, chisel down the benefits at different times. We had a lot of votes around here on that.

I would remind some of my colleagues on the other side of the aisle that there were some Senators that served on that side of the aisle, between 1980 and 1986, that voted for a lot of those Social Security cuts. They are not here anymore. When 1986 came along the ones who were elected in 1980—the first time the people of their States had a chance to replace them which was 6 years later, in 1986—almost to a person they went down the drain. They went down the drain because they had come in to cut Social Security when there was no justification for it in order to try to take care of other problems having nothing to do with Social Security. This is the same thing all over again.

So keep your hands off the Social Security trust fund. I say that to colleagues on both sides of the aisle. Do not come in here with proposals to cut Social Security benefits when the fund is in surplus, and the surplus is growing in order to turn around and provide some help or some relief for somebody else out there that you may happen to feel strongly about, or that may be an important interest in your State.

That is not going to work. You are going to have to find another target besides the seniors, because that is just not going to fly and should not fly. So anybody that has that in mind better be sure they have 60 votes because that is what it's going to take, to have to override a budget point of order which I will offer on the floor if no one else does to be able to take and violate the Budget Act in that fashion and at the same time violate common sense.

Let me yield.

Mr. LOTT. I thank the distinguished Senator for yielding to me, Madam President, for a brief comment and a question.

I certainly agree with the Senator from Michigan that limiting COLA's of Social Security recipients who make over $600 a month is the wrong approach for dealing with the budget problems we are now confronting. These are people with very limited resources.

The Senator from Michigan is absolutely right. Social Security is not causing the deficit. It is a trust fund. Social Security recipients should not be asked to pay.

So I oppose the proposal that has been put forward by the Senator from Oklahoma and the Senator from Missouri, for that reason primarily. I think they should be commended for their efforts. There are a lot of things they are trying to do that I agree with.

I support their efforts to take out some of the proposed taxes, including the Btu tax. But, I still think they have too many taxes in their proposal. I do think we need to get some control on entitlements and I support their efforts toward that goal. When I say that, I do not include Social Security.

Social Security has a separate trust fund. It was paid into. Recipients worked most all of their life, some are disabled, and many are depending on this to be able to have minimal sustenance.

So I certainly agree with the Senator on his position. I will support him on a point of order on this item if he makes it when this matter comes before us.

I would like to ask the Senator from Michigan—and solicit his support in joining me—to also knock out a provision that is in the Clinton package. It was also in the budget resolution and it would do essentially the same thing as the COLA reduction. It would attack the seniors by increasing taxes on retirees down to $25,000 for an individual, $32,000 for a couple. This provision would raise the marginal tax rate on their benefits by 70 percent. It will increase the taxable portion of their benefits from 50 percent to 85 percent. An individual earning $25,000 is not a wealthy individual. Somebody came up with a harebrained idea—let us raise taxes on senior citizens, Social Security recipients. But, under this proposal, this money would not go to the trust fund.

No. That money would be moved over into the general account to pay for what I do not know—maybe some good things to help pay for Medicare. But, it would be the first time that we allowed taxes to be increased, the trust fund to in effect be attacked, and then used the money to pay for other programs.

I hope the Senator from Michigan will join me in opposing that blatantly unfair proposal also.

Mr. RIEGLE. Madam President, let me say to the Senator that, as a Member of the Finance Committee, which I am, that issue is at the top of my list. It is a complex issue because it is tied together with a lot of other things. I am troubled about it as well. There is another wrinkle, and that is that at any level of taxation, even if that level is to be shifted, what happens to the amount of money that is supposed to be saved? Is that going to slosh on over into the rest of the budget to be spent on other things, or is it to be credited back to the Social Security System, which it should be; if you are going to have a scheme like that, it ought to be credited back over to the system, so that the resources are not leaking away.

So you have, really, kind of a double jeopardy involved there. So I say to the

Senator that he and I share a concern in that area. As a matter of fact, as we speak, I am working on the problem.

Mr. LOTT. $32 billion is not an insignificant amount of money.

Mr. RIEGLE. Over 5 years; that is right.

Mr. LOTT. We should not have that tax increase at all. I hope the Senator will work very hard in the Finance Committee to knock that out. If he is not successful, I assure him that somebody will try; if not somebody else, I will offer an amendment to knock that totally out when it gets before the Senate, and I will be looking for the Senator's help when we make that effort.

Mr. RIEGLE. I may want to talk to the Senator about what the offset will be. When we knock these things out, we have to pay for them, and I will be interested to see what the offsets will be. We can put our heads together.

I yield the floor.

Mr. MURKOWSKI. Madam President, I think it is interesting to note——

Mr. WALLOP. Will the Senator yield for half a second?

Mr. MURKOWSKI. I yield, without losing my right to the floor.

Mr. WALLOP. Madam President, I want to say this, before both Senators who have just addressed the Senate leave the floor: CBO has done an estimate, and they say that any Social Security recipient who worked his whole life receives about $650. The cost of the COLA is $12, $13 a year, or $1 per month. The Btu tax will cost that same citizen $17 a month. I wanted to ask, what ends up being fair?

According to the administration's own figures, if you make $800 a month, it will cost $4 extra a month. CBO and the Joint Tax Commission said that a number of Social Security recipients—the largest number of recipients—will have to pay significantly more in the Btu tax than any of the proposals that are out there now. And the Joint Tax Commission, looking at the figures, said that, by far, the most progressive solution on the table today—I do not agree with all of the provisions of the Danforth-Boren proposal, but the most progressive proposition on the table today, especially in terms of seniors—was not the President's proposal but the Danforth-Boren proposal.

THE PRESIDENT'S PROPOSAL

Mr. MURKOWSKI. Madam President, I think it is important to reflect on the discussion that has been taking place on the floor because it represents a sequence; a pattern. To examine that pattern, I think we have to go back to the administration's first proposal before this body, so-called stimulus package. It appealed to emotion. We were called upon to "make a sacrifice" as Americans. Our President asked us to "invest in America" and, clearly, that is a call that should not be taken lightly.

But as a consequence of the extended debate in this body, the American people began to understand what that "sacrifice" and "investment" meant. It was synonymous with increasing debt, because the President's proposal for paying for the stimulus plan was simply to add to the already existing deficit anticipated to be somewhere over $300 billion. His proposal was no different than working a bum check on a checking account and hoping that somehow, somebody else will cover your bad check.

That is what the American people were asked to do with that stimulus plan—to make an expenditure of $16 billion, without having any way to pay for it, except by adding to the debt. And the American people have understood that, and they have responded accordingly by saying: Cut spending.

Yet, we have our President coming along with this current message, the budget message, which suggests that he is on a deficit cutting program. But, in reality, his proposal never brings the yearly deficit below $200 billion. If you extend that proposal over 5 years, what he has done is increase the accumulated debt of this country from $4.4 to $5.4 trillion. So in 5 years, by the time we have accomplished his plan, we will have increased our accumulated debt by $1 trillion.

That is where we are. Make no mistake about it. That is the true reality, if you look at his budget and project where the debt is at the end of 5 years; it goes from $4.4 to $5.4 trillion. One-seventh of our current budget is interest on the debt. There is not one significant effort to cut real spending, except by cutting defense and laying off soldiers.

These are the hard, cold facts, Madam President. The next issue that has been discussed here on the floor this morning is the issue before the House, budget reconciliation legislation, and, more particularly, the proposed $72 billion Btu tax.

That tax is a charade, Madam President. The tax will not generate $72 billion in new revenues even if it passes. Do you know why? Because deals have been made at the White House, and deals have been made at the Treasury Department, reducing or eliminating certain industries that ordinarily would be taxed. If you are in the gas business, and if you are injecting gas to recover oil, you probably got an exemption. Exemptions have been granted in the petrochemical industries.

So we have seen a series of efforts made by well-meaning special interest groups to get excluded from the application of the Btu tax. Clearly, the stimulus plan and the Btu tax were not too well thought out.

Rather curiously, if one looks at the Btu tax, he finds that there was a proposal, initially, that 26 cents per million Btu would be applicable on the production of oil, gas, coal, hydro, and nuclear. That sounds equitable. But then they found they needed some more revenue, so they put a surtax of 34 cents on oil. Basically, that is moving oil into the category of a sin tax. If you are in the Northwest or Northeast, or in my State of Alaska, where it is cold and you need heat, and your only alternative is to burn oil or chop wood, you are penalized. That was the initial proposal.

Then they got some feedback that suggested that the plan put too much of a burden on people who had no other alternative. So they took the surtax off of heating oil. That is the sequence of the manner in which these proposals have been presented to the American people.

What does it do to international competitiveness, to our industries that have to pass on this higher cost of fuel oil? If they are exporting products into the market of the Pacific rim, or European markets, these additional costs due to taxes will not be borne by the competitors; they will only be borne by our side.

What does it do to our airline industry, that is struggling to have to pay an additional tax as a cost of operations? We have already seen the difficulties in our domestic airline system.

Our trucking system. The cost is going to be borne by every single segment of American industry and every single taxpayer. Do you know what the alternative to this is, and what the White House simply will not acknowledge? The alternative is not to raise taxes from energy use, but simply to cut Federal programs that are unneeded. For some reason, that does not seem to permeate the minds of those within the administration.

So what has happened, Madam President, is that we are here today debating a series of issues—stimulus, budget, Btu tax—all of which evidence shows were poorly thought out, poorly presented to the American people, and clearly did not consider the other more obvious alternative of cutting Federal spending, which is what the people of this country want most of all. And that is what the people of this country want.

CIVIL RIGHTS

Mr. MURKOWSKI. Briefly, Madam President, I would like to refer to another item. Earlier today the junior Senator from Washington introduced, with four other Members of this body, legislation to repeal the provision that I worked very hard to include in the Civil Rights Act of 1991 that passed on November 5, 1991. It passed this body by a vote of 73 to 22.

I must say I have the deepest respect for the junior Senator from Washington, but the arguments used in the opening statement clearly appeal to emotion rather than fact. The suggestion by the Senator from Washington that thousands of people are being denied their civil rights is not accurate, and the reality is that the ex post facto amendment which I offered and, as I indicated, passed this body 73 go 22, provides fair protection against frivolous retroactive litigation without weakening the rights of any workers to initiate lawsuits based on the 1991 Civil Rights Act. No workers of any race have been exempted from the 1991 Civil Rights Act, and certainly many Senators working on civil rights legislation, including, I am pleased to say, the senior Senator from Massachusetts, who supported adoption of the amendment during the consideration of the civil rights bill, could not have supported an amendment that exempted any individual from the protections of the Civil Rights Act.

In 1971, Madam President, Wards Cove, which is a fish cannery in Ketchikan, a community I happened to have grown up in, employed more minority workers in both skilled and unskilled positions than were available in the local population. Despite this fact, Wards Cove was sued for violating laws governing unintentional discrimination because 20 percent of the skilled workers were minorities while 50 percent of the unskilled workers were minorities. Plaintiffs cited separate eating and sleeping facilities as evidence of discrimination even though both arrangements were mandated by the collective bargaining agreement that the local, minority-run union sought and negotiated with Wards Cove. The class action lawsuit against Wards Cove was originally filed in 1974, and since then they have been in and out of the courts some eight times. Every court has found Wards Cove to be not in violation of the antidiscrimination laws.

The amendment that was passed by this body simply protects the Ketchikan cannery from having to go to court yet again to prove the 1991 law is not different in any significant way from the 1971 standard under which the 1970 practices have been judged to be free of discrimination. It is of no use, except to the lawyers who are trying to collect a fee by breathing life into this old lawsuit, to continue to relitigate the situation 20 years ago at this remote cannery location. It is time to focus our energies on protecting the civil rights of people currently working at the cannery as well as other businesses like it.

This is precisely what the 1991 civil rights bill does, and my amendment in no way detracts from that objective. My provision specifically does not prevent any employee, including Wards Cove employees, from suing under the 1991 Civil Rights Act. My amendment, which passed, does not exempt Wards Cove's current hiring and promotion practices from being judged by the standards of the 1991 Civil Rights Act. My amendment does provide Wards Cove with relief from being forced into court again for the ninth time on an allegation made in 1974, 19 years and $2 million in legal fees ago.

CHRONOLOGY OF THE WARDS COVE CASES

The 1971 salmon season: Plaintiff argues that Wards Cove violated antidiscrimination laws.

June 27, 1972: Complaint filed with EEOC.

March 20, 1974: Original lawsuit filed in district court, was later dismissed by the district court on technical grounds.

March 31, 1982: Ninth circuit reinstates the lawsuit.

November 4, 1983: District court finds that Wards Cove did not discriminate either intentionally or unintentionally.

The court described the employer's burden of proof and the legal standard in a disparate impact case stating where.

> The plaintiff has made out a prima facie case * * * the burden of proof shifts to the defendant to show that the practice is justified by "business necessity."

The court rejected plaintiffs' argument that the existence of a higher percentage of minorities in unskilled jobs proved discrimination. The court's findings of fact state:

> The racial composition of [unskilled] workers * * * is predominately nonwhite. That is so because [under the union contract] Local 37 is the primary source of [unskilled] workers and the membership and leadership of Local 37 is predominately Filipino.

The court exonerated Wards Cove of any charge of intentional or unintentional discrimination.

August 16, 1985: Ninth circuit sustained the district court opinion. Ninth circuit interpreted the Griggs Standard to mean that the burden of proof shifted to the employer once the employee established a prima facie case of unintentional discrimination based on disparate impact. And held that Wards Cove met the burden of proof and that the plaintiff's case was without merit.

February 23, 1987: Ninth circuit en banc concurs with the district court that the defendant has the burden of proof in an impact case, and held that disparate impact analysis is applicable to subjective employment practices. The case was sent back to the panel that originally heard the appeal.

September 2, 1987: The ninth circuit panel maintained its position that the employer has the ultimate burden of proof in an impact case. The court cited Griggs in stating: "The employer must demonstrate the "manifest relationship" between the challenged practice and job performance." The court also stated that statistics alone could be sufficient to support an inference of discrimination and remanded to the lower district court.

June 5, 1989: Supreme Court reversed the appeals court finding that statistics alone could not establish a prima facie case of disparate impact. The Court also ruled that the employer's burden in a disparate impact case is the burden of production, not the burden of persuasion. Remanded to district court.

January 29, 1991: District court determines that Wards Cove hired individuals for the at-issue jobs based upon their qualifications and not upon their race. The court found no reason or basis for altering any of its findings of fact or conclusions of law set forth in the 1983 decision.

Madam President, I ask unanimous consent that a compilation of the tally sheet of the vote taken on November 5, 1991, which passed 73 to 22, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[Rollcall Vote No. 244 Leg.]

YEAS—73

Baucus, Bentsen, Biden, Bond, Boren, Breaux, Bryan, Bumpers, Burns, Byrd, Chafee, Cochran, Cohen, Craig, D'Amato, Danforth, Daschle, Dodd, Dole, Domenici, Durenberger, Exon, Ford, Fowler, Garn, Glenn, Gore, Gorton, Graham, Gramm, Grassley, Hatfield, Heflin, Helms, Hollings, Jeffords, Johnston, Kassebaum, Kasten, Kennedy, Kerry, Kohl, Levin, Lieberman, Lott, Lugar, Mack, McCain, McConnell, Metzenbaum, Mitchell, Moynihan, Murkowski, Nunn, Packwood, Pell, Pressler, Pryor, Reid, Riegle, Rockefeller, Roth, Rudman, Sasser, Seymour, Shelby, Simpson, Specter, Stevens, Symms, Thurmond, Wallop, Warner.

NAYS—22

Adams, Akaka, Bingaman, Bradley, Brown, Burdick, Coats, Conrad, DeConcini, Dixon, Harkin, Inouye, Lautenberg, Leahy, Mikulski, Nickles, Robb, Sanford, Sarbanes, Simon, Smith, Wellstone.

NOT VOTING—5

Cranston, Hatch, Kerrey, Wirth, Wofford.

So the resolution (S. Res. 214) as amended, was agreed to.

Mr. MURKOWSKI. Madam President, I encourage my colleagues to refrain from signing on to the proposed bill by the Senator from Washington until they have viewed the merits of this case. Everybody wants to stand up for civil rights, but this is not an issue of whether or not people's civil rights are protected; every court that has looked at the facts in the Wards Cove case has found no discrimination. It's a matter of wrongful retroactive application of law. So far, six Federal circuit courts have ruled that the 1991 civil rights law does not apply retroactively. The Supreme Court has agreed to review two of those findings.

I encourage my colleagues to refrain from signing on to the bill introduced earlier today; wait to see what the Supreme Court rules, and judge this legislation by the facts, not the feelings.

I thank the Chair and I yield the floor.

The PRESIDING OFFICER. The Senator from Mississippi.

THE BTU TAX

Mr. LOTT. Madam President, I do want to make clear again one of the things I said a while go about the distinguished Senator from Oklahoma, Senator BOREN, and Senator DANFORTH, from Missouri, and others, for the efforts they are making. They are trying to find an alternative that is an improvement over the Clinton tax package, and I commend them for it. I do not think they are there yet. I want them to keep working.

I understand the Senator from Oklahoma will be here in a few minutes to, in effect, defend himself on some of the questions that have been raised about his package. I want to join him in sending a message to the colleagues in the other body that will be voting on this tax issue today. I want to caution them, in fact warn them, that, yes, they are walking the plank to no avail. Yes, they are going to be voting to raise their constituents' taxes in many ways, specifically on this Btu energy tax, and they can rest assured the Senate is not going to do that.

So I say to my old buddies from the other body that I served with for 16 years, where I had the pleasure of being the whip and counting votes, get ready because you are going out there and we are going to leave you out there. Go ahead and count. The Senate is not going to buy this deal for a lot of reasons.

One of the reasons is because of the impact on seniors that the distinguished Senator from Michigan was talking about. Senior citizens, like my blessed mother in Pascagoula, MS, are going to be hit by this tax package that the House is going to be voting on today and the Senate is going to be voting on some time in June. Thank goodness we are going to get home next week and listen to the folks from the States of Illinois, Missouri, Kansas, and Mississippi. They are going to say, "You people are out of your mind in what you are doing."

Let me tell what this tax bill will do to my mother. She will probably have to pay higher Social Security taxes to get this $32 billion they are talking about taking from seniors—and not to put in the trust fund; oh, no, we are going to move it over here. We are going to spend it in the deep, dark black home of the general Treasury. It will be gone, never to be seen again. We will be taking it from the seniors.

But that is not the end. That is just the beginning. My mother's utility bill will go up, because the Mississippi Power Co. produces utility energy with coal, as do the other utility companies in Mississippi. They are going to charge more. Do you think they are going to eat this tax increase? No, sir; they are going to pass it on to the senior citizens in the form of higher utility bills and gasoline. These people still have to drive to the grocery store and stand in line and pay for the gasoline for their old, used, beat-up cars.

This is insanity to talk about raising taxes on the working people of America again and on the senior citizens. They are going to feel this impact disproportionately. It is not fair.

I do not understand what happens between Jackson Hole, WY, and Jackson, MS, and when we get to Washington. When I go home, nobody comes up to me and says, "Hey, raise taxes and spend more money." And that is what President Clinton has said he wants to do. He wants to raise taxes so he can spend more. He said it. It is quoted in the Washington Post. That must be the truth, then.

No; they do not say that. They say, "Do not raise my taxes any more. I own Barnett's Restaurant in Baldwin, MS, and am barely making it. I need to go to the dentist and cannot afford it. Do not put any more regulation or bureaucrats or any more taxes on me. I cannot stand it."

"Cut spending first." Cut spending on—you take your pick. Someone said, "What would you cut spending on?" I am open. I will agree to cut spending on anything and everything except Social Security and the trust funds. They are trust funds. They are not causing the problem.

That is what I hear. Then I get to Washington and hear: Let us get a tax on this and a tax on that." When is someone going to get around in this city to doing something to encourage growth in the economy, encourage people to be able to get off these programs and be able to have a job? What we need to do is have incentives for inner city enterprise zones and targeted tax credits for businessmen and women to create jobs.

When is somebody going to get back to talking about growth in the economy and incentives and not talking about taxes that will hurt the economy and cut jobs and will put more people on these welfare programs that do not want to be there?

This tax package is just wrong; it is not the answer.

Now let me respond to some of the specific questions that people have asked me—very good legitimate questions—about the Btu tax when I have been home and in various meetings.

No. 1, what effect will the Btu tax have on unemployment?

Well, you might get a lot of different figures, but I think there is a lot of agreement it is going to cost jobs. The National Association of Manufacturers and the American Petroleum Institute estimate the loss of 610,000 jobs when this tax is fully implemented. Somebody else might have a different number, but I do not think there is any question it is going to cost us jobs.

What effect will the Btu tax have on the gross national product?

The Department of Energy studies show a significant reduction in GNP. Estimates range from 0.05 to 0.1 percent.

What effect will the Btu tax have on international competitiveness?

A Btu tax increases cost of production, decreases productivity, reduces corporate profits and investment. An energy tax, combined with an increased corporate tax rate—which is in this package also—and future health care tax—which we are looking at—will hurt competitiveness, cost jobs, and will slow growth.

What effect will the Btu tax have on American productivity?

Numerous studies from a lot of different groups show a direct relationship between energy costs and productivity. American productivity has made tremendous gains in the past 2 years. It is now higher than any time over the past 20 years. So this tax will reverse those gains that we are making.

Now let me give just one other example here—and I know other colleagues want to speak, but I want to bring it down home for a few minutes, to what this really does to people on the street. I want to illustrate why I so strongly oppose this Btu tax.

I oppose it because of what it is going to do to our country, to our economy, but also because of what it is going to do to Yazoo City, MS. So I ask you to listen as I tell you about the town of Yazoo City, MS.

This is a small town which has produced many of our State's most famous citizens. It is the home of Jerry Clower, the great country comedian; Willie Morris, the well-known southern writer; Mike Espy, the new Secretary of Agriculture; and Haley Barbour, the new chairman of the Republic National Committee. They are all from Yazoo City, MS. Maybe there is something in the water there in the Yazoo River.

The town is nestled in the hills which mark the beginning of the Mississippi Delta and is known as the Gateway to the Delta.

The county is roughly the size of Rhode Island. The city population is 12,500, and the total county population is approximately 25,000 people. The per-capita income—now, listen to this—of Yazoo City is $7,399, or only 45 percent of the national average.

Its economy is dependent upon agriculture, the production of agrichemicals and fertilizers, small manufacturers, and forest products. Every single aspect of Yazoo City's and Yazoo County's economy is energy intensive.

We are not talking about the big industrial giants. There is no such thing in that area.

We must ask ourselves—every Senator must ask this question—what is the impact on my communities? So what is the impact of the Btu tax on Yazoo City, MS?

Here it is. Let us look at Mississippi Chemical. It is the largest employer in Yazoo City, employing approximately 570 people.

It produces, on an annual basis, 720,000 tons of ammonium nitrate, 522,000 tons of nitrogen solutions, and 500,000 tons of anhydrous ammonia.

Mississippi Chemical estimates the Btu tax will increase the cost of each ton by $6 to $9. Mississippi Chemical's total cost of production will increase by between $10.4 million and $15.7 million. That will mean lost jobs, lost markets, and lost wages.

It will hurt the local economy and it will cost jobs. That is why I worry about the effect of the Btu tax on Mississippi Chemical.

Mr. BURNS. Will the Senator yield on that point?

Mr. LOTT. I am glad to yield to the Senator.

Mr. BURNS. Madam President, the Senator from Mississippi hits the nail on the head. And while he has some information to put in the RECORD, the Guest Observer in Roll Call, written by Bob Eckhardt, who was a Democratic Congressman from Texas, makes the point very well on this particular tax: That this will be hurting the very people that we are trying to help, and that is our poorer families.

If you figure the percentage of the Btu tax that people pay of their incomes, the poorer people in this country now pay over 22 percent for energy. If you want to get very parochial about that, in my State of Montana, where we have a longer winter and it is colder and a $200 fuel bill is not uncommon, we are absolutely taking money right out of their pockets and sending it to Washington and doing whatever we ever do with it.

Mr. LOTT. Will this tax hurt Missoula, MT?

Mr. BURNS. Very much.

So I say to the Senator from Mississippi he is right on target.

And I will submit that article for the RECORD when it comes my turn.

But he is right on target when he says this is going to hurt the people that we are trying to help. It is misguided.

I thank the Senator.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

Mr. LOTT. Thank you again, Madam President.

To continue, the cost will also increase in a number of other areas. Mississippi Chemical will be forced to pass what costs it can on to the farmer in Yazoo City. The former's cost of production will increase. That farmer, who is already paying higher fuel costs as a result of the Btu, gets a double hit. What happens next? The farmer will have to pass it on to his customers, or else he will have to absorb the cost himself. If he passes it on, it gets in the food chain, resulting in higher food costs, for the consumer, higher inflation, and it continues to go on.

What happens to the rates that citizens in Yazoo City and the County must pay? Yazoo Valley Electric and the Public Service Commission, which serves the town and region, will be forced to increase the rates an average of 5 percent, for a total of approximately $1 million to accommodate the Btu tax.

What will the tax do to the taxpayer in terms of increased costs to the Government? Well, a new Federal correctional facility will be constructed in Yazoo County. I worked with former Congressman Mike Epsy in helping to get that correctional facility to be located in Yazoo County, MS. It will be fully operational in 1996, just in time—just in time—for the new Btu tax to be fully implemented.

Using power requirements for the Yazoo City Federal Prison, as provided by the Bureau of Prisons, the Btu will increase its cost of providing energy to the prison by an annual amount of $113,200.

Guess who will get the bill? The taxpayer. It adds to the cost of maintaining prisoners in Yazoo City and other places all across the country. The facility will house 3,800 prisoners. The Btu will increase the cost to the taxpayer of each prisoner by $30 a year.

And so the list goes on, Madam President.

Is this Btu tax regressive in Yazoo City? Again the per capita income in Yazoo City is $7,399. For Mississippi, the average per capita income is $9,648. Yazoo City is substantially below the Mississippi average; both are significantly below the national average.

This is the type of tax that hits the poor, rural, and agricultural communities the hardest.

The President says he will expand the Low-Income Home Energy Assistance Program [LIHEAP] to address the regressivity. But let's examine that.

In Yazoo City, if LIHEAP is fully funded as the President requests, it will only cover 10 percent of the households eligible. Or, in other words, 90 percent of those eligible will not receive any assistance to make up for the harm of the Btu tax.

At the conclusion of my statement I will list the companies in and around Yazoo City which will each be adversely affected by this tax. Jobs will be lost, costs will increase, and inflation will rise. As you walk through this town, I want everyone to know what will happen in Yazoo City and the towns just like it around this country if a Btu tax is passed.

It will harm the economy of Yazoo City just as it will harm the Nation's economy. It will not reach any of the objectives put forth. The deficit will not be reduced—the anticipated revenues will only pay for new spending. It will not reduce U.S. dependence on imported oil—dependence will increase, domestic production will continue to decline. The economy will contract, not expand. Jobs will be lost not created. Competitiveness will suffer and inflation will rise.

For Yazoo City and for the Nation, I urge my colleagues to oppose the Btu tax.

I ask unanimous consent to have printed in the RECORD at this point a list of the companies in Yazoo County, MS, that would be impacted by this tax and what they do, and some of the costs that they will have to absorb.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXISTING MANUFACTURERS LIST, YAZOO COUNTY, MS

AMCO Manufacturing, Inc. Lecil Lee, Plant Superintendent. Employees: Total 22. Product/Service: Disk harrows, bedding equipment & power ditchers, terrace construction equipment, metal fabrication, custom.

Anderson-River Oak. Donald R. Bohannon, President; C. Pat Ramsay, Vice President & General Manager; Larry Kitchens, Vice President & General Manager. Employees: Total 100. Product/Service: Drum debarker, chips, kiln-dried foreign & domestic woods.

Apac, MS. B.A. Atkins, President; David Barton, President Southern Division. Product/Service: Asphalt, paving contractors.

Architectural Millworks Ind., Inc. Melanie Kitchens; Dewey Hood. Product/Service: Custom cabinets, molding, trim.

Barry Barnes Lumber Co., Inc. Barry Barnes, President. Employees: Total 55. Product/Service: Hardwood lumber (red & white oak, ash, hackberry, etc.), hardwood lumber (cypress, poplar, maple, cherry, etc.), lumber, hardwood & softwood (rough, sawed & planed), rough & semifinished timber & ties, kiln drying of lumber, hardwood flooring, hardwood paneling.

C–G Industries dba Marting Manufacturing. Cecil Cartwright, President. Employees: Total 11. Product/Service: Aluminum fishing, commercial & chemical boats, hog & cattle feeders, hog & cattle scales, farrowing crates & handling equipment, hog & cattle waterers.

Carroll Gin Co. Joe S. Stoner, Sr., President. Product/Service: Cotton gins.

Carson Printing & Office Supplies, Inc. R.B. Carson, Sr., Owner. Employees: Total 3. Product/Service: Commercial printing-offset (stationery, cards & forms), commercial printing-letterpress (newsletters, posters, etc.).

C'est Bon Millworks. Billy Brewer, Shop Foreman. Employees: Total 3. Product/Service: Customs cabinets, molding, trim.

Crabtree Manufacturing. Jimmy Crabtree, Owner. Employees: Total 19. Product/Service: Machine shop welding repair.

Environmental Solutions, Inc. Alan Ramsay, President. Employees: Total 13. Product/Service: Equipment-extract silver from x-rays & photographic solutions.

Helena Chemical, Inc. Charles Johnson, Branch Manager; John E. Book, Fertilizer Manager. Employees: Total 9. Product/Service: Fluid suspension fertilizer.

W.S. "Red" Hancock, Inc. Raiford Hancock, President. Product/Service: Construction-oil field equipment.

Greg Harkins Chairs. Greg Harkins, Owner. Employees: Total 1. Product/Service: Rocking chairs, hand-made (oak & walnut), rocking chairs, large-size (double, nannie & children's), straight chairs, stools & benches.

Holly Bluff Gin Co. John Phillips; F.H. Coghlan. Product/Service: Cotton gins.

Jim King Welding. Jim King, President. Employees: Total 1. Product/Service: Welding.

Linwood Gin Co., Inc. Harrison Moore, President; Bill Parker, Manager. Employees: Total 40. Product/Service: Cotton gins.

Memphis Hardwood Flooring Co. Gene Gouch, Plant Manager. Employees: Total 58. Product/Service: Hardwood lumber.

Midway Gin of Yazoo County. Harris Swayze, President. Employees: Total 57. Product/Service: Cotton gins.

Mijo Lithographing Co., Inc. Burke Jones, President. Employees: Total 6. Product/Service: Business forms, commercial printing.

Mississippi Chemical Corp. Tom Parry, President. Employees: Total 570. Product/Service: Ammonium nitrate, urea, nitrogen solutions anhydrous ammonia, liquid carbon dioxide.

Nitrous Oxide Corp. Wardell Walton, Superintendent. Employees: Total 5. Product/Service: Nitrous oxide.

The Printing Shop. Stanley Simpson, President; Richard Sanders, Manager. Employees: Total 2. Product/Service: Commercial printing.

Satartia Gin Co., Inc. James Cresswell, General Manager. Product/Service: Cotton gin.

Simmons Farm-Raised Catfish. Harry Simmons, Jr., President; Hardy White, Jr., Plant Manager. Employees: Total 90. Product/Service: Fresh & frozen catfish (fillets, whole, nuggets & steaks).

Southern Bag Corp. Rick Markell, President. Employees: Total 200. Product/Service: Multiwall paper bags, stepped-end paper bags.

Spencer Ready Mix. Jack Spencer, President. Employees: Total 11. Product/Service: Concrete.

Strickland Pallet Co. Sam Strickland & Mable Strickland, Owners. Employees: Total 5. Product/Service: Pallets, wood.

Warren Pallet Co. C.L. (Pee) Warren, Owner; Esther H. Warren, Owner. Employees: Total 7. Product/Service: Pallets, wood.

The Yazoo Herald. Roy Thomas, General Manager. Employees: Total 10. Product/Service: Newspaper.

Yazoo Industries, Inc. Larry Loughman, President; Joey Ledlow, Plant Manager. Employees: Total 350. Product/Service: Wire harnesses for automobiles.

Mr. LOTT. Madam President, in recognition of others who want to speak here on the floor, I will conclude. I wanted to cite this example of a real world impact. There will be a dramatic increase in taxes on people in this rural county in Mississippi. This story can be repeated hundreds and thousands of times all across America. This Btu tax should be defeated.

When this piece is pulled out, this whole package will be pulled down. Maybe then we can get busy and serious about really talking about incentives to create jobs and controlling spending.

I yield the floor.

Mr. BURNS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BURNS. Madam President, I thank the Chair.

I just want to follow up a little bit on what my colleague from Mississippi has said.

As agriculture is his basis, his financial basis and economic basis in Mississippi, it is true in Montana.

It is the single largest industry in my State. We have to be mobile. We are 148,000 square miles. We have a lot of dirt between light bulbs. We have to be mobile if we are going to be efficient. So it hits us especially hard.

Madam President, I ask unanimous consent at this time to have printed in the RECORD the Guest Observer by former Congressman Bob Eckhardt from Texas.

The point he is trying to make is the poorest 20 percent of Americans will spend 22 percent of their income on energy costs. And I daresay that it would have an even bigger impact on my people, if we want to be very parochial, in Montana.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Roll Call, May 24, 1993]

GUEST OBSERVER

(By Bob Eckhardt)

CLINTON'S BTU TAX WOULD BE HARDEST ON POOR FAMILIES

The proposed energy tax is the worst kind of sales tax. It is both regressive and hidden.

Legislation worthy of support must pass two basic tests. First, it must have admirable objectives that can reasonably be achieved, and second, it must be imposed fairly and equitably.

The Btu tax is aimed at reducing the federal deficit and conserving energy. But the tax bill will not achieve its objectives, and it is anything but equitable.

The tax penalizes lower- and middle-income families, hurts schools and hospitals, increases our dependence on foreign fuel, and hobbles businesses critical to furthering America's recovery.

The bill would tax the Btu—British thermal units, which measure heat content—of coal, gasoline, oil, natural gas, and hydro and nuclear electricity. The end result will be higher costs on virtually all products. The question is, who will pay the bill?

We all will pay but, as is too often the case, those who can least afford it will pay more. Lower-and middle-income families—of which the elderly and minorities are major segments—will pay a higher percentage than will upper-income families. In my home state of Texas, this means a disproportionate number of Mexican-Americans in the Rio Grande area and African-Americans residing on the border of Louisiana will suffer from this regressive tax.

According to the Bureau of Labor Statistics, in 1991, the middle class spent 7 percent of its after-tax income on energy needs, including electricity, heating oil, gasoline, and natural gas. At the same time, the poorest one-fifth of American families paid an average of 22 percent of their income to cover the same energy costs, while the wealthiest one-fifth paid 4 percent of their income on energy needs. The Btu bill will exacerbate this imbalance. This is neither right nor fair.

Is it right or fair to impose a tax that will impede the abilities of our schools and hospitals to perform effectively? While consumers may be able to cut back on home energy use to limit the effects of the Btu tax, schools and hospitals—now already more financially strapped than ever—cannot. Heating, air-conditioning, and lighting are critical budget items of both institutions, as is bus service for our schools. The Btu tax will increase the cost of each of these necessities, forcing schools and hospitals to make unreasonable cutbacks in education and health care delivery.

Nor is it wise to impose a tax that will continue our reliance on foreign fuel. The Administration claims that the Btu tax will lessen our dependence on imported oil, but this is highly unlikely. Common sense dictates that when you discourage discovery of fossil fuel in the US, you discourage production and, thus, place a greater reliance on foreign fuel.

Today, almost 50 percent of the oil used in the US is foreign. Within ten years, foreign oil will comprise well over half of all oil-based energy used in the US. Why, then, should we add a special burden to our oil and gas industries when production is at record lows?

Lastly, the Btu tax bill offers the potential to rob many Americans of jobs. Energy-intensive industries—such as agriculture, mining, manufacturing, and construction—will be hardest hit by the Btu tax. Some businesses will be able to pass on their new Btu tax costs to customers. But many more will not. Add to this the fact that foreign companies will be exempt from paying the Btu tax on their imported goods, putting US companies at a severe disadvantage, especially in highly competitive industries.

I strongly favor President Clinton's program of stimulating the economy by adding jobs in the public sector to improve the infrastructure—which has been sadly neglected in the past dozen years—by repairing roads and bridges, providing water and sanitary facilities, and supplementing the availability of nurses and other personnel in the cities.

But I know that there will be enormous loss of employment if the oil-related energy facilities in Texas are curtailed. Professor Jared E. Hazleton of Texas A&M University estimates that the Btu tax will lead to 54,500 jobs lost in Texas by 1998. These are productive, permanent jobs in the private sector. I doubt there will be that number produced through President Clinton's program of stimulating jobs that are not necessarily productive nor permanent.

If President Clinton favors his jobs program and the Btu tax, this would be no better than a wash at very best.

I have spent 22 years of my active life in the Texas legislature and Congress trying to lower oil prices when I thought them to be too high. But I am not about to advocate higher energy prices by raising them through a Btu tax.

Mr. BURNS. I realize the President has proposed an earned income tax credit that would partially offset some of these costs. This was not done willy-nilly. But let us examine who benefits from it: Poor working parents with children—who should. That is all well and good. It is well deserved. They should.

But let us look at who is not included: Low-income single people, childless couples, and senior citizens. I think the Senator from Mississippi brought that to light.

It is easy to calculate on these utility bills but let us face it, to the American people this is probably the most inflationary tax we can pass. I have often said, out West, the American people buy things. They buy things because they are necessary to their life. They buy things that add to the quality of their life.

Things are made of stuff, and we produce a lot of stuff in the West. It takes energy to produce it, to turn that raw material into a product. Every phase of that, from the growing of a raw product, to its transportation, to its manufacture, to its marketing—in every phase, energy enters into the picture. This is the most inflationary thing we can do to our people, this tax. It cannot be taken lightly. I had a mine close in Troy, MT. It cost over 300 jobs.

This puts people out of work. The direct effect on those families is bad enough, but the ripple effect it has across the Nation is tremendous. We are talking about 1,500 jobs directly lost to the State of Montana if this energy tax goes in. We are talking about a coal trust fund that would be devastated because not only are we an energy user, we are an energy producer. We are the Saudi Arabia of coal, when it comes to producing energy for this great country. I know the Chair understands that because some of our coal produces power for where she is from. And she understands that. We have to keep this coal where it is economically viable.

All the way through this we can see what it does. When you talk about nationally 400,000 jobs lost, what do we do, put 400,000 people on the Government rolls? If we talked about the jobs lost in the energy industry today, especially in the oil and gas fields, we would be alarmed at the jobs that have been lost since 1985. The Senator from Oklahoma understands that, the jobs lost, what we have done to the energy industry. Most of it has been caused by ill-advised and ill-fated Government policy.

So the energy tax is regressive because it eliminates jobs, it raises prices, it fuels inflation, and it weakens the competitiveness of this U.S. economy. It also sets us folks who are remote from the rest of the country—it guarantees we will stay remote from the rest of the country. I do not think we want that.

The Btu tax is unfair, especially unfair to the West, and especially to the States that produce energy and also are high energy users.

Madam President, I thank the Chair.

The PRESIDING OFFICER. The Senator from Utah.

THE BTU TAX

Mr. HATCH. Madam President, I congratulate the Senator from Montana and my colleague from Mississippi and the others speaking on this issue. It is really important. When we start talking about rural States, like my home State of Utah, I can tell you right now if the Btu tax goes through, we have two counties in Utah that are primarily coal-producing counties. If that tax goes through, I have to tell you we are going to lose all kinds of jobs.

It is discriminatory against better coal. In Utah we produce high-moisture low-sulfur high-Btu-content coal. Compared to coal in other sections of the country, ours is going to be taxed at a much higher rate than that of other sections of the country. It is discriminatory and it is going to cost us hundreds of jobs in these small counties where coal mining is basically the way of life.

In addition to that, I look at it from an agricultural standpoint. You are going to find instead of it being $204 a year additional costs, or $17 per month per family, which is what the President originally said, it certainly is going to be somewhere between $600 to $3,500 extra cost per farmer. They simply cannot pass these cuts on to the consumers. They just do not have the capacity to do that. So it means just more added hardship on the backs of farmers all over America.

If you add it on further you are going to find the Btu tax is going to add 5 to 10 percent in cost of almost every good, product, and service in America. It is an inflationary tax. It really does not do what it should do. In the end it is going to cost us hundreds of thousands of jobs, and the amount of money they anticipate they will get in revenue from it just is not going to be there.

You would think we would learn after we passed the luxury tax, which I voted against. You would think we would learn. They passed it saying we are going to get all this revenue from the tax on boats and cars and furs and jewelry, and in the end we actually lost money, people lost jobs, and whole industries were bankrupt.

We have to understand around here, the power to tax is the power to destroy. Frankly, this particular program of our President, though well-intentioned, is long on taxes and very short on deficit reduction. Over a 5-year period you are going to find $5 in tax increases for every $1 in spending reductions. That just is not the way to go to try to get the deficit under control. I am very concerned because I think our country cannot continue to have this type of phony approach to our budgetary problems. Worst of all, such deficit reductions as they are, by and large will be in outyears, which will never occur.

So it is a sad game being played on the American people. I believe the President is sincere. I think he wants to do what is right. I think he really does want to reduce Federal spending. But there is no question he wants to increase taxes as part of trying to reduce the deficit. Yet, day after day, I see new programs here, all well-intentioned, some of them well thought out, but adding more spending programs to the Federal Government mix that makes it much more tough on everybody.

G. FRANK JOKLIK

Mr. HATCH. Madam President, on June 1, a great mining industry leader, G. Frank Joklik, retires as president and chief executive officer of Kennecott Corp. I rise today to salute Mr. Joklik and to thank him for his contributions to the industry and to Utah.

Kennecott is one of the oldest and largest mining companies in the United States, headquartered in Salt Lake City, and one of the premier companies in Utah and in the United States. It has several operations throughout the United States. Many of my colleagues have had the opportunity to meet Frank Joklik during many of his trips to Washington and in recent years at the Senators' Ski Cup in Park City, UT—something he has always supported as a great Utahn.

I would like to take a moment to pay tribute to Frank on his retirement. He is truly one of the most outstanding industry leaders I have had the pleasure to know and work with during the past 17 years. He must be given credit for the rejuvenation of one of Utah's greatest resources, the Bingham Canyon Mine, and for ensuring a financially sound Kennecott, which has benefited not only Utah, but our country as well.

The story of Kennecott's turnaround is the story of an unprecedented revival of a traditional industry. At a time when heavy industry is supposedly on the decline in the United States, Kennecott climbed back from the edge of extinction to become a world leader in mining productivity, cost competitiveness, and environmental protection.

When Frank Joklik became president of Kennecott in 1980, its facilities were aging and production costs were high. At that time, the world copper prices began to decline to historic low levels, and Kennecott's future became uncertain.

Between 1980 and 1989, under Frank Joklik's distinguished leadership, Kennecott increased labor productivity fully 3½ times and cut unit costs of copper production by 75 percent in real terms. Kennecott's Bingham Canyon and concentrating facilities were fully modernized, and the Kennecott mine is now one of the lowest-cost copper producers in the world. Culminating its decade long renewal, Kennecott announced on March 11, 1992, a plan to invest $880 million to build a new copper smelter and modernized copper refinery in Utah. When construction is completed in 1995, Kennecott's Utah copper operation will be the most technologically advanced and cleanest in the world.

The exceptional Bingham Canyon orebody, a productive work force, and the most technologically modern and environmentally sound facilities, ensure that the Utah copper operation is one of the most competitive copper producers in the world. The Utah property, in combination with Kennecott's other mineral interests, have positioned Kennecott to be financially sound and ensure the livelihood of approximately 2,500 high-quality jobs into the next century.

Mr. President, the Salt Lake Tribune printed an editorial last week that briefly summarizes the accomplishments of Frank Joklik as Kennecott's leader during these difficult times. I ask unanimous consent that this editorial be included in the RECORD at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HATCH. I wish Frank, and his dear wife, Pam, great happiness as he retires from Kennecott. Knowing Frank as I do, I know he will continue to be actively involved in the Salt Lake community. As a matter of fact, he has already agreed to be the new chairman of the Salt Lake City Olympic Bid Organizing Committee, which is heading up Salt Lake City's effort to host the 2002 winter Olympics. He will continue to be a giant in our city and a strong presence in the affairs of our State.

I pay tribute to G. Frank Joklik as an outstanding individual, as a great mining industry leader, as a servant to the local community, and as one of my true friends.

He is a great man. His wife is a great woman. They both have given a great deal to our great State and to our great city of Salt Lake City. I just want to personally pay this tribute to them at this time, since he retires next Tuesday, and just say my very best to both of them.

I thank the Chair and yield the floor.

EXHIBIT 1

[From the Salt Lake Tribune, May 23, 1993]

THE MAN WHO REBUILT KENNECOTT

Though their accomplishments were separated by nearly a century, the names of Daniel C. Jackling and G. Frank Joklik deserve mention in the same breath. The former began open cut copper mining in Bingham Canyon in 1906, and the latter saved that operation from ruin in the 1980s.

So, when Kennecott Corp. announced earlier this year that Mr. Joklik would retire June 1 as the company's president and chief executive officer, observers of Utah business were quick to praise him as the savior of one of the state's most prominent businesses.

Fro many years, Kennecott was Utah's largest private employer, a titan of the copper industry. But under the heady spell of American affluence following victory in World War II, management and labor began a dance of death. They enhanced compensation at the expense of plant modernization.

By 1980, when Mr. Joklik took over Kennecott's helm, the Utah copper giant was down for the count. Copper prices were low, production costs high, mining and milling operations antiquated.

The new CEO, an old hand who had joined the firm in 1959, took drastic action. He slashed perquisites and "outplaced" hundreds of managers while maintaining production levels. He oversaw the sale of Utah-based Kennecott to Standard Oil of Ohio and its parent, British Petroleum, persuading the new owners to invest $400 million in a massive modernization effort.

In painful negotiations, he persuaded labor unions to make major wage and benefit concessions in order to foster the modernization. Employment plummeted. It was a bitter pill for many workers, but the operation survived to continue rewarding jobs for those who were able to remain.

Mr. Joklik supervised a subsequent sale to RTZ of London, one of the largest mining concerns in the world. It, in turn, has begun an $880 million project to bring a new, state-of-the-art smelter on line in 1995.

In short, Mr. Joklik literally has rebuilt Kennecott. Today's company employs only a fraction of the workers of yesteryear, but it is one of the most efficient copper operations in the world, well placed to compete in the world marketplace.

What could have become another rusty relic of American industrial decline has emerged instead as a success story, and G. Frank Joklik deserves much of the credit.

Mr. BOREN addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

CONGRESSIONAL SPENDING LIMIT AND ELECTION REFORM ACT OF 1993

The Senate continued with the consideration of the bill.

Mr. BOREN. Madam President, I thank my colleagues for comments that have been made in the last few minutes about the proposed Btu tax. We are getting ready to get back to amendments on the pending bill. Let me plead with my colleagues who have amendments to the pending legislation. We will soon be turning to the amendment of the Senator from Minnesota, Senator WELLSTONE. I hope those who have comments on the Wellstone amendment will come to the floor.

After that, it is my plan we move toward an amendment probably by the Senator from Rhode Island Mr. CHAFEE] or the amendment of the Senator from Massachusetts [Mr. KERRY] in relation to public financing of campaigns.

I see the Senator from Kentucky. Let me yield to him briefly before I complete my remarks. I want to appeal to our colleagues who have amendments or comments on pending amendments to come to the floor and to offer those amendments this afternoon so that we can make progress.

Let me yield the floor just a moment to the Senator from Kentucky.

The PRESIDING OFFICER (Mr. GRAHAM). The Senator from Kentucky.

Mr. MCCONNELL. Let me second what my friend from Oklahoma said. It is my understanding Senator CHAFEE will be offering an amendment, I believe sometime shortly. We know that Senator WELLSTONE has his. It was previously laid aside and I believe it has now been modified. Senator KERRY has also indicated he is ready. So I think we are on track.

Mr. BOREN. Mr. President, I thank my colleague from Kentucky. I do hope we will be moving momentarily to the Wellstone amendment and then to the Chafee and Kerry amendments on the pending legislation.

THE BUDGET ALTERNATIVE

Mr. BOREN. Mr. President, let me say briefly, I heard the comments earlier—I was in the cloakroom—made by the Senator from Michigan [Mr. RIEGLE] about the proposed budget alternative, the bipartisan alternative, that I have offered, along with Senator JOHNSTON, on this side of the aisle, and along with Senator COHEN and Senator DANFORTH on the other side of the aisle.

Mr. President, I have to say with all due respect that I think my colleague from Michigan took several of the proposals out of context. He talked solely about the Social Security COLA change for COLA's on amounts above $600 a month as if it were the only part of the package. This is a favorite tactic of anyone who wants to criticize a package: Let us take part of it; let us not look at the whole of it.

He neglected to talk about the so-called Btu energy tax. I think it is very important that we put the facts about the Btu tax on the table.

Because I happen to be a Senator from the State of Oklahoma, immediately those who do not want to deal with the substance of the argument say, "Oh, the Senator from Oklahoma is against the Btu tax, isn't that a surprise? What is the Btu tax? It is an energy tax. Do they produce oil and gas in Oklahoma? Of course. Well, then, let's close our minds to anything else that the Senator from the State of Oklahoma might have to say because, after all, the Senator from Oklahoma, since he is from a State that produces oil and gas, couldn't possibly have anything to say about the national interest, he couldn't possibly be concerned about what happens to the future of this country."

Let me say, Mr. President, speaking on behalf of my constituents who I think are good, patriotic Americans who do care about the future of this country, we resent that implication because we do feel we have something to say about what is in the national interest. The Btu tax has already been changed. When it started out it was going to be collected at the wellhead from the oil producers. The collection point was then moved. It was moved to the pipelines. Then it was moved, again, to the utilities. Then it was finally moved from the utilities to the consumer. It will be tacked right on to the bill of the consumer.

There are not just consumers in Oklahoma. There are consumers in California. There are consumers in New York. There are consumers in Maine. There are consumers in New York, and there are certainly consumers in Michigan. There is even a cost of energy to the production of automobiles, believe it or not, because you have to run the machines on the assembly line.

Unfortunately, the way the Btu tax is crafted, that additional energy cost, whether it is on the cost of producing chemicals or fertilizers for farmers or automobiles for export to the world marketplace, is not rebatable. That means we are raising the cost of every product produced in this country when we are struggling to save jobs and struggling to fight for market share.

Mr. President, let us be responsible about what we are talking about here. We are not talking about protecting oil companies. We are talking about preserving jobs for Americans, wherever they are. A very reputable study says that 300,000 jobs, at a minimum, are at stake by increasing the price of all of our products in this country into the world marketplace.

So when I talk about needing to make changes to bring back competitiveness in this package, I am not talking about something that is provincial where Oklahoma is concerned. Every State in the Union and every Member of this Senate ought to be concerned about the anticompetitive provisions of this tax bill, which will make it hard to sell any product produced in this country which uses any energy in the production of that product, and that means virtually 100 percent of all products.

Mr. COHEN. Will the Senator yield?

Mr. BOREN. I will be happy to yield.

Mr. COHEN. First for a statement and then an observation.

I have worked with the Senator from Oklahoma for many, many years, and for anyone to suggest that he is motivated simply out of parochial interests, I think, does a great disservice to him. Senator BOREN to my knowledge, is not promoting the oil industry interest, but rather is trying to promote the national interest. The question I have for the Senator from Oklahoma is, under the proposed Btu tax, what is the price of gasoline projected to be at the gas pump?

Mr. BOREN. I beg your pardon.

Mr. COHEN. What are the current projections of the tax that will be registered at the pump for gasoline?

Mr. BOREN. On gasoline, the equivalent is about 8 to 10 cents under the Btu tax.

Mr. COHEN. An 8 to 10 cent increase at the gas pump. What about home heating oil?

Mr. BOREN. I do not have the figure on home heating oil, except that I do have a figure overall, and I was going to cite it in relationship to the Social Security COLA. This was mentioned by the Senator from Michigan. He talked about his great concern for the elderly, and we all have that concern.

When you look at the amount that it will cost the average elderly person to change the COLA on moneys above $600 a month—and generally we are not here talking about poor people; we protect fully the COLA of the first $600 a month—the Energy Committee of the Senate staff has done a study. They found that the impact of changing the COLA at the top end, assuming a rather high level of inflation, will be $48 in a year, whereas the cost for the Btu tax for the average person in a year, average senior citizen, will be $102 per year for the average senior citizen.

By the way, that is a tax that will keep growing and a burden that will keep growing because the Btu tax is indexed for inflationary increases in the cost of energy. What an irony. You have a tax tied to the price of energy. You then index as it goes up, and, of course, it will go up because of the tax. So then you have another automatic tax increase which further drives up the price of energy, which leads to another automatic tax increase. So no one can begin to tell us what the final burden on the elderly or on manufacturing capacity will be.

Mr. COHEN. My concern has been the so-called Btu tax as such is what I would call a stealth. It is spread throughout the economy so that virtually every single product that the consumer has to purchase will see a higher price. It will be a higher cost for a pair of jeans or a pair of athletic shoes or a piece of clothing or any product put out on the market that in fact as a result produced through energy is going to carry a high pricetag and on one can claim, or bear the blame for that because it is not labeled to be a tax. It is simply an increase in the price.

I think that this is not being honest with the American people. This is in fact a deception on the American people. If we really want to talk about raising the kind of revenues necessary to pay for the present program, then we ought to be very specific about this in terms of what level of taxation they are going to bear.

Mr. MITCHELL. Mr. President, will the Senator yield for a question.

The PRESIDING OFFICER. The Senator has yielded to the Senator from Maine for a question.

Mr. MITCHELL. Will the Senator from Maine yield for a question.

Mr. BOREN. I have the floor. I would be happy to yield.

Mr. MITCHELL. Mr. President, I have just checked the clerk's records and apparently at about 12:15 Senator WALLOP raised the question of the Btu tax, and in the 2 hours since then there have been about eight or nine speakers, none of which had anything to do with this bill.

I wonder if I might inquire as to how long it is intended that this discussion will continue and whether or not we can return to the pending bill.

Any Senator can speak on any subject he wants, but the fact is if we are going to spend all of the day debating matters that are unrelated to the bill—there is no amendment pending with respect to these matters—then when we come to 9, 10, 11 o'clock tonight people will ask me, "Well, gee, why are we staying here tonight? What are we doing on this bill." When I say "Well, we spent all afternoon talking about unrelated matters," this will not satisfy too many Senators.

Mr. COHEN. Will the Senator yield.

The PRESIDING OFFICER. The Senator from Oklahoma has the floor. Does the Senator from Oklahoma yield?

Mr. BOREN. Yes, I yield.

Mr. COHEN. I came to the floor to discuss the Wellstone amendment. That is why I am over here. I did not take part in the debate until I arrived and I heard some comments about the Btu tax. And then I simply wanted to pose a couple of questions. I certainly had no intention of going beyond 3 or 4 minutes. If the Senator from Oklahoma is prepared to move to the Wellstone amendment, let us move to the Wellstone amendment.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. BOREN. Mr. President, I will cease my discussion of this matter. As a matter of fact, the Senator from Michigan came to the floor and made some statements that the Senator from Oklahoma took to be directed at him. In fact, he asked the attention of the Senator from Oklahoma because he said he wished to comment about how I was attacking the elderly, because I am for a bipartisan plan that wants to try to cut the deficit by raising taxes less than we cut spending. And because I believe that the Btu tax also hurts the elderly of this country.

The Senator from Oklahoma has now had an opportunity, or was getting ready to have an opportunity to point out to the Senator from Michigan, who raised this subject and who started this discussion, that the Btu tax will cost the average elderly citizen, according to the Energy Committee study, $102 a year as opposed to $48 under the COLA change we propose.

That is all I have to say about the subject. We will get back to the subject at hand. But I do believe that we should get over this kind of geographical attack upon people because of the States that they happen to represent. There are people from the State of Oklahoma who care just as much about this country as the people from Michigan. I think people in Michigan are patriotic. I will stipulate that. And I think people in Oklahoma are patriotic, too. I think people all across this country want it done in a fair and progressive way where people who are able to bear the burden will bear the greatest part of this burden.

But what we do not need is more partisanship and more geographical division in this country. We need to put aside political bickering and deal with the problem.

Now, the problem we need to deal with is trying to reform the way we have financed political campaigns in this country. And that is what we are trying to get to. I will happily yield my time and not respond further to the Senator from Michigan on this occasion—we will do that in the future—and turn to the Senator from Minnesota, whose amendment is pending on this bill and to which the Senator from Maine [Mr. COHEN] has come over to comment. The amendment of the Senator from Minnesota is the pending business and the Senator from Minnesota is entitled to be recognized to discuss the pending business. I do not intend to discuss other matters further at this point.

Mr. RIEGLE. Will the Senator yield before he yields the floor.

Mr. BOREN. I would prefer to yield to the Senator from Minnesota and let him proceed with his amendment if he wishes to.

Mr. RIEGLE. If the Senator will yield for 1 minute, I just want to respond——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield? The Senator from Oklahoma has the floor.

Mr. RIEGLE. If the Senator will yield just briefly, having made some remarks while I was off the floor.

Mr. BOREN. I yield.

The PRESIDING OFFICER. The Senator from Oklahoma yields for a question from the Senator from Michigan.

Mr. RIEGLE. I thank the Senator. I will not be long. I hope the Senator from Minnesota can wait.

The issue that I was raising before had to do with part of the proposal of the Senator from Oklahoma to reduce the COLA for Social Security recipients while the trust fund is in surplus. And to me that is totally separate and apart from the Btu tax. You could be against the Btu tax. You could have 100 ways to fix it. I do not think the way you fix it is by coming in and targeting the COLA on senior citizens on Social Security when it is not the Social Security trust fund that is creating the budget problem.

That is my point. I think it is unfair. I think that is a defect in the plan and ought to be corrected.

Mr. BOREN. Mr. President, I will not prolong the debate any further. I just would say I think it important for us to craft a plan that is fair, craft a plan that will not be anticompetitive and hurt Americans in the world marketplace and come up with a plan that has enough real spending cuts in it that we can say honestly to the American people, yes, we are asking you for more revenues; you are going to have to sacrifice; you are going to have to pay more taxes but first we are going to prove that we can really get spending cut.

That is the way to keep faith with the American people and to get them to, I think, be willing to help us get this deficit down through shared sacrifice.

I will not go back and forth again with the Senator from Michigan. All I would urge is that if this is not a proposal in the way we propose it that he thinks is fair, I hope we can all work together and find other ways and other places in the budget where we can make additional spending cuts and we can draft a package that will have a better balance. Instead of trying to primarily reduce the deficit through taxes, let us try to primarily reduce the deficit through spending cuts. And then I think we will find the American people much more willing to sacrifice in terms of paying some additional taxes at the same time.

So I would really like to return at this point to the amendment of the Senator from Minnesota and let the Senator from Minnesota present his amendment because I believe that we are close to having this amendment worked out. We have the Senator from Massachusetts [Mr. KERRY] here, waiting to offer his amendment to the pending bill, and we also have the Senator from Rhode Island [Mr. CHAFEE] on his way to the floor to offer his amendment.

So if I could, with the possible exception that the Senator from California has, I believe, spoken to the Senator from Minnesota, I would like to get back to the proposal of the Senator from Minnesota.

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. MITCHELL. Will the Senator yield.

Mr. BOREN. I will be happy to yield.

Mr. MITCHELL. I might just say something in hopes we can get back to the bill in question. We are going to get to the reconciliation bill. I hope and expect and am confident that we will have a full and vigorous debate on that subject. I hope and I encourage the Senator from Oklahoma and the Senator from Maine to offer their proposal as an amendment. Let us have a debate and let us have a vote on it. Let every Senator stand up and vote whether he or she does or does not favor that proposal.

Let every Senator who has another proposal offer it. Let us debate on that and vote on that. I hope that happens. I encourage that to happen. But in the meantime, I hope we can get back to this bill and get to work on the bill and not bring up matters that have nothing whatsoever to do with this bill.

We are on the sixth day of consideration of this bill. We do not know—there is no end in sight, so far as I can see. There are some members of this Senate who do not want this bill ever to come to a vote and who may still overtly filibuster. We hope that is not the case. But at the very least, it is clear that we are never going to finish this bill if the debate is on other matters.

So I would like to ask if it is possible—obviously, any Senator can say anything he or she wants. I have no inclination to restrict what Senators say. But with respect to the reconciliation bill, and specifically the proposal offered by the Senators from Oklahoma and Maine, I hope we can do that when we get to the reconciliation bill. I encourage them to offer it as an amendment, and I encourage the Senators to vote on it. Any other Senator who has the proposal, I encourage the very same thing.

I thank the Senator from Oklahoma for now suggesting that we get back to the bill in question.

Mr. BOREN. Mr. President, I thank the majority leader. This Senator was quietly eating lunch when this subject was raised and when another Senator asked for the attention of the Senator from Oklahoma to come to answer questions about the Social Security proposals. That is the only reason the Senator responded, as he was asked by a colleague to respond to remarks made on the floor.

Let me inquire of the Senator from Minnesota if he is willing to grant just a brief moment to the Senator from California, to be followed immediately by the Senator from Minnesota, or if he wishes to proceed immediately? After we have disposed of the Wellstone amendment, we can then turn to the Senator from Massachusetts for his amendment.

Mr. WELLSTONE. Mr. President, I say to my colleague from Oklahoma, since I have been waiting a couple of days, I would be pleased to wait few moments.

ORDER OF PROCEDURE

Mr. BOREN. Mr. President, I ask unanimous consent that the Senator from California then be recognized; and then following her comments, proceeding as if in morning business, that the Senator from Minnesota, who has the pending amendment, be recognized to continue discussion of the pending amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The PRESIDING OFFICER. The Senator from California, under the previous order, is recognized.

Mrs. FEINSTEIN. Thank you very much, Mr. President, I want to thank the Senators from Oklahoma and Minnesota.

(The remarks of Mrs. FEINSTEIN pertaining to the introduction of legislation are located in today's RECORD under "Statements on Introduced Bills and Joint Resolution.")

CONGRESSIONAL SPENDING LIMIT AND ELECTION REFORM ACT OF 1993

The Senate continued with the consideration of the bill.

Mr. WELLSTONE. Mr. President, I will try to be brief and see whether or not there is any agreement on my amendment.

First of all, I send a modification to the desk.

The PRESIDING OFFICER. The Senator modifies the amendment.

The amendment (No. 368), as modified, is as follows:

Strike all after "(b) PROHIBITION" and insert the following:

OF CERTAIN CONTRIBUTIONS BY LOBBYISTS.—Section 315 of FECA (2 U.S.C. 441a), as amended by section 314(b), is amended by adding at the end the following new subsection:

"(m)(1) A lobbyist or a political committee controlled by a lobbyist, shall not make contributions to, or solicit contributions for or on behalf of—

"(A) any member of Congress with whom the lobbyist has, during the preceding 12 months, made a lobbying contact; or

"(B) any authorized committee of the President of the United States if, during the preceding 12 months, the lobbyist has made a lobbying contact with a covered executive branch official.

"(2) A lobbyist who, or a lobbyist whose political committee, has made any contribution to, or solicited contributions for or on behalf of, any member of Congress or candidate for Congress (or any authorized committee of the President) shall not, during the 12 months following such contribution or solicitation, make a lobbying contact with such member or candidate who becomes a member of Congress (or a covered executive branch official).

"(3) If a lobbyist advises or otherwise suggests to a client of the lobbyist (including a client that is the lobbyist's regular employer), or to a political committee that is funded or administered by such a client, that the client or political committee should make a contribution to or solicit a contribution for or on behalf of—

"(A) a member of Congress or candidate for Congress, the making or soliciting of such a contribution is prohibited if the lobbyist has made a lobbying contact with the member of Congress within the preceding 12 months; or

"(B) an authorized committee of the President, the making or soliciting of such a contribution shall be unlawful if the lobbyist has made a lobbying contact with a covered executive branch official within the preceding 12 months.

"(4) For purposes of this subsection—

"(A) the term 'covered executive branch official' means the President, Vice-President, any officer or employee of the executive office of the President other than a clerical or secretarial employee, any officer or employee serving in an Executive Level I, II, III, IV, or V position as designated in statute or Executive order, any officer or employee serving in a senior executive service position (as defined in section 3232(a)(2) of title 5, United States Code), any member of the uniformed services whose pay grade is at or in excess of 0-7 under section 201 of title 37, United States Code, and any officer or employee serving in a position of confidential or policy-determining character under schedule C of the excepted service pursuant to regulations implementing section 2103 of title 5, United States Code;

"(B) the term 'lobbyist' means—

"(i) a person required to register under section 308 of the Federal Regulation of Lobbying Act (2 U.S.C. 267) or the Foreign Agents Registration Act of 1938 (22 U.S.C. 611 et seq.); or

"(ii) a person required under any other law to be registered as a lobbyist (as the term 'lobbyist' may be defined in any such law).

"(C) the term 'lobbying contact'—

"(i) means an oral or written communication with or appearance before a member of Congress or covered executive branch official made by a lobbyist representing an interest of another person with regard to—

"(I) the formulation, modification, or adoption of Federal legislation (including a legislative proposal);

"(II) the formulation, modification, or adoption of a Federal rule, regulation, Executive order, or any other program, policy or position of the United States Government; or

"(III) the administration or execution of a Federal program or policy (including the negotiation, award, or administration of a Federal contract, grant, loan, permit, or license); but

"(ii) does not include a communication that is—

"(I) made by a public official acting in an official capacity;

"(II) made by a representative of a media organization who is primarily engaged in gathering and disseminating news and information to the public;

"(III) made in a speech, article, publication, or other material that is widely distributed to the public or through the media;

"(IV) a request for an appointment, a request for the status of a Federal action, or another similar ministerial contact, if there is no attempt to influence a member of Congress or covered executive branch official at the time of the contact;

"(V) made in the course of participation in an advisory committee subject to the Federal Advisory Committee Act (5 U.S.C. App.);

"(VI) testimony given before a committee, subcommittee, or office of Congress a Federal agency, or submitted for inclusion in the public record of a hearing conducted by the committee, subcommittee, or office;

"(VII) information provided in writing in response to a specific written request from a member of Congress or covered executive branch official;

"(VIII) required by subpoena, civil investigative demand, or otherwise compelled by statute, regulation, or other action of Congress or a Federal agency;

"(IX) made to an agency official with regard to a judicial proceeding, criminal or civil law enforcement inquiry, investigation, or proceeding, or filing required by law;

"(X) made in compliance with written agency procedures regarding an adjudication conducted by the agency under section 554 of title 5, United States Code, or substantially similar provisions;

"(XI) a written comment filed in a public docket and other communication that is made on the record in a public proceeding;

"(XII) a formal petition for agency action, made in writing pursuant to established agency procedures; or

"(XIII) made on behalf of a person with regard to the person's benefits, employment, other personal matters involving only that person, or disclosures pursuant to a whistleblower statute.".

"(5) For purposes of this subsection, a lobbyist shall be considered to make a lobbying contact or communication with a member of Congress if the lobbyist makes a lobbying contact or communication with—

"(i) the member of Congress;

"(ii) any person employed in the office of the member of Congress; or

"(iii) any person employed by a committee, joint committee, or leadership office who, to the knowledge of the lobbyist, was employed at the request of or is employed at the pleasure of, reports primarily to, represents, or acts as the agent of the member of Congress.".

Mr. WELLSTONE. Mr. President, what this amendment does is straightforward. We have been talking about this amendment for a couple of days in negotiation. It strengthens the provisions of this bill which attempt to sever the connection between lobbying and the giving of money, which is one of the things that I think bothers people in the country most about the political process here.

What we are trying to do—and Senator KERRY has spoken with great eloquence about this—is to bring about a series of reforms which we think will make the political process more open and more accountable, and a political process that people can have more confidence and faith in.

Within this bill, Mr. President, is a provision that says that if a lobbyist makes a contribution to a Senator, then there is a 1-year period of time wherein that lobbyist cannot lobby that Senator. This is rather narrowly constructed. Vice versa, if a lobbyist has been lobbying a Senator, there is a 1-year period of time before that lobbyist can make a contribution to that Senator. That is what we are talking about—a 1-year timeframe to attempt to sever this connection.

What we do in this amendment is strengthen this provision of the bill, I think, in several very helpful ways. First of all, as all of us know who serve in the U.S. Senate, quite often the lobbying is with our staffs, it is not so much with us directly. So what we say is that if a lobbyist has made or solicited a contribution, that 1-year prohibition also applies to the lobbying of our staffs.

Another thing that we do in this amendment, which I think is very helpful and strengthens this provision, is we make it clear that in the case of a Senator who has just been elected, again, if a lobbyist has made a contribution, there will be a prohibition during this 1-year period of time from the point of the contribution, wherein the lobbyist cannot lobby that Senator.

Finally, we extend the prohibitions in the bill, to prevent a lobbyist from advising a client, or a political committee controlled by that client, to make a contribution if he has lobbied the Member within a year.

So what we do with these changes is to significantly strengthen this provision. We originally had language which was considered by some to be too broad in its application. Several Senators—Senator LEVIN, Senator BOREN, and Senator FORD—suggested ways to really narrow this provision. So we can bring this amendment back in a way which has generated much more support.

Mr. BOREN. If the Senator will yield for a question, I ask my colleague, one of the areas of concern in the beginning was that we were not only here covering lobbyists about contributions that they could or could not make; we were talking about clients and, therefore, possibly that could be deemed to be employees of a corporation. So, for example, if a corporation, or a labor union, or an association, whatever it happened to be, had a lobbyist, we know that under the terms of the bill and under the terms of the amendment, that lobbyist could not make a contribution if that lobbyist was going to lobby a Member or Member's staff, as the amendment of the Senator from Minnesota says, within a certain period of time, and could not solicit contributions for that candidate from their clients.

What worried me was extending that so far that, let us say you have a corporation that has 100,000 employees, or a union that has many members, or an association with many members, would that be deemed to prohibit those other employees of the company, or members of an association, or whatever it happened to be, from making contributions, even though the company for which they worked might have a lobbyist?

Mr. WELLSTONE. No. The Senator's suggestion has been very helpful in this regard. My amendment, as modified, would not prohibit the employees you described from making a contribution.

Mr. BOREN. The lobbyists, however, could not solicit from the CEO of the company, or from an officer of the corporation, or any other employee of the corporation; that lobbyist could not solicit a contribution for Senator X or candidate Y running for the Senate; is that correct?

Mr. WELLSTONE. That is correct.

Mr. BOREN. If I wanted to ask the CEO of a company that might have a lobbyist, or a secretary working for a company that might have a lobbyist, for a contribution, I could do so; but I could not ask the lobbyist to raise money from that corporation?

Mr. WELLSTONE. That is correct. This applies to a situation where the lobbyist has lobbied you, and the lobbyist turns and suggests to, for example, the officers of that company, that they make a contribution. But that does not preclude the Senator from Oklahoma from directly—whether it be a company, union, or an ideological PAC organization, if in fact that kind of money is permitted—making that kind of request. We have received a tremendous amount of help, and we have tried now to narrowly construct this and to essentially build on the provision in the legislation.

Mr. BOREN. I thank the Senator for his comments. I think he has gone a long way toward clearing up the problem I saw in the original amendment. I am very sympathetic, first, to the provisions that the President urged be put in the bill. I think if the public sees a person who is paid to lobby, a well-paid lobbyist, turn around and make a contribution to a Senator or a candidate for the Senate, whose vote they want on a particular piece of legislation or amendment, there is the perception, at least in the minds of the public, or a possibility raised in their minds, that this contribution is being given in return for the Senator or the candidate's position on a particular issue. I think we want to dispel that kind of problem.

The Senator is one to make sure that new Members of Congress are covered, that staffs of Members of Congress are covered, and that there not be the lobbyist also not be in the position to go around and soliciting contribution from others so if he or she cannot give himself or herself the perception that that lobbyist has done a great financial favor in terms of gathering campaign funds for a Member.

I am very much in sympathy to the basic goal of the amendment. I think the modification the Senator made is helpful in terms of making sure when we fire at the abuse we really hit the target and not some unintended consequences. I think this is improved. I would value the comments. I see both the Senator from Michigan and the Senator from Maine who are the Senator from Michigan chair of the Subcommittee on Government Operations, deals with this matter, the Senator from Maine the ranking member. They both have expertise in this area. I know they also may wish to comment. But from the point of view of this Senator at least as an individual I believe the modifications have gone a long way toward reassuring me in terms of the earlier problems he saw in the amendment.

Mr. WELLSTONE. I would very much appreciate the comments of both Senators. As I say, the initial thrust of this amendment was to try and sever this link and build on this prohibition and make it stronger. Even with this modification, I think we still have a stringent test and we are pleased with the amendment.

Mr. McCONNELL. May I ask the Senator from Minnesota a question?

The PRESIDING OFFICER. The Senator from Minnesota has the floor and yields to the Senator from Kentucky a minute.

Mr. McCONNELL. Did the Senator's revised amendment deal with the issue where a challenger has won an election and there is a period between the challenger's election and the swearing in? Is that covered in the Senator's modification?

Mr. WELLSTONE. From the time of the election?

Mr. McCONNELL. The hypothetical I am driving at is the lobbyist helps raise money for the challenger. Between the time of the challenger's election and swearing in, is that also part of the modification?

Mr. WELLSTONE. The way the modification is crafted it applies from the point of the contribution forward for one year.

Mr. McCONNELL. I thank the Senator.

Mr. LEVIN. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. The Senator yields to the Senator from Michigan for a question.

Mr. LEVIN. Mr. President, the main difficulty that I have with the amendment that was filed by the Senator from Minnesota was that it was so broad as it would cover small business people, farmers, labor unions, local officials, because if in fact they did any lobbying as part of their duties, they then would be in danger of violating the law if they had made even a $5 contribution to a beer bust. I do not think that was the intention of the original amendment.

Mr. WELLSTONE. That is right.

Mr. LEVIN. But the language was broad enough so that it probably covers those people.

My understanding of the modification is that the lobbyists that are covered under this are limited to those persons who are required to register under either existing law or who are required to register under any other law which might come into effect that requires persons to register as lobbyists and that those are the only persons that are covered just as those are the only persons covered in the bill that has a provision that the Senator from Minnesota is closing some loopholes on; is that correct?

Mr. WELLSTONE. Mr. President, the Senator from Michigan is absolutely correct, and I thank him for his help in clarifying that point.

Mr. LEVIN. I thank the Senator from Minnesota.

The PRESIDING OFFICER. Does the Senator from Minnesota yield the floor?

Mr. WELLSTONE. Yes.

The PRESIDING OFFICER. The Senator from Maine.

Mr. COHEN. Mr. President, I was asked to offer some comments about my views on the amendment with, I guess, the thought that somehow I might profess to have some constitutional expertise. I do not. I do not at all make that claim.

But it strikes me that we are coming dangerously close to abridging the first amendment here. Under this amendment, if you contribute to a candidate you lose your right to lobby for a year. You can lobby but you cannot contribute, or you can contribute but you cannot lobby. It seems to me that this amendment is going to present an enormous question for the Supreme Court to examine.

I am not satisfied with the clarification that was just mentioned about lobbyist being defined as someone who is required to register under existing law or who might be required to register under some future law.

I think the Senator from Michigan would concur that under the existing law few are required to register, or if they are in fact required to register, few do. Because there is sufficient ambiguity that exists in the law today, out of the thousands of people who are listed as lobbyists, very few of them in fact register.

It may be that the bill that was sponsored by the Senator from Michigan and myself will become law. We have no way of knowing whether it will or not. But it seems to me that this provision might, in fact, act as some deterrent to the support for our bill.

I am not going to raise a long-winded or serious effort to either defeat this amendment or speak at length on it, but I think we have to go back and reexamine this antipathy that has recently surfaced toward lobbyists. Lobbyists are those paid individuals who act on behalf of a large group of citizens who cannot afford individually to spend the time or the money to come to Washington to lobby or educate Members of Congress about their special interest.

I think we have to admit in this country that we are a collection of special interests. We are a collection of special interests, whether we are talking about farmers who want subsidies for their farm programs, small businessmen and women who would like to have accelerated depreciation for their investments in business equipment, or homeowners, the vast majority of middle-income Americans, who want to maintain their deduction for interest payments on their mortgages. They are all special interests. You can go down through the list of every single special interest and I think in every case you will find that they represent a legitimate point of view for their group.

I think that we are at a point in the history of our politics where suddenly the word politician has a negative connotation. We like to say public servant. Nonetheless, everything we do in this country is political.

If you are talking about reaching a compromise, "my right to swing my fist," as lawyers like to say, "stops where your nose begins." We have to compromise on the individual action. Some would like to drive a little faster than we are allowed to do. So, we have a 55-miles-an-hour limit that has been extended in some places to 65 miles an hour—a compromise between speed and safety.

Everything we do in life is a compromise, because there is more than one of us on this planet, and when you have more than one person you have to reach some accommodation, be it in a political form, in a marriage, or in any other kind of relationship. There are compromises to be made. So everything we do is a political statement of sorts.

So we hire people to make our arguments and work out our compromises for us, and now we paint them as ogres and as those responsible for polluting the political system. I think there is a danger in all of that.

What we have to insist on is full disclosure, as provided for in the Lobbying Disclosure Act. We want lobbyists to register. We want to know who is paying them how much and for what. The public is entitled and has a right to know that. We demand they know that. But full disclosure, it seems to me, gives the American people an opportunity to draw their own conclusion. If lobbyists contribute to the Senators from Minnesota, Kentucky, Oklahoma, or Maine, and we list those contributions, people can judge whether or not we are acting under the interest of our citizens or acting out of some sort of reciprocity to those who have contributed to us.

I would suggest, Mr. President, that the same notion of this nexus between money and pollution of the political process applies to individuals just as much as it applies to lobbyists. For example, if the president of a company should solicit all of his or her employees to contribute to our campaigns and we raise thousands of dollars as a result, and that president comes to our offices to lobby on behalf of his company's interest, is it any less corrupting than when the President alone has contributed and is in our offices urging us to follow a certain procedure? I think it is very much the same.

I think if we are trying to break the public perception that somehow we have been corrupted by the presence or the influence of lobbyists as such we have to reexamine our entire political process. Maybe we should adopt the position that anyone who contributes to us should not be allowed to urge our support or opposition on any given legislation, because the perception is somehow that we are responding to that contribution. So the easy thing to do is no more contributions, or if you contribute you cannot come to that Member's office to lobby.

While I do not know if others share the same concern, it seems to be that we are approaching a very dangerous point in our system where we simply put a label, the mark of Cain, upon the brow of those who are hired to represent people—whether it is senior citizen groups or business groups or labor groups or educational groups. If they are paid to urge a particular position or to provide information, they will now be precluded from either having lobbying contact if they make a contribution, or if they make a contribution, they can make no contact.

It seems to me that we are starting down a path which is going to lead us inevitably to a conclusion that anyone who contributes to our campaigns necessarily should be precluded from making their case on their own behalf.

I think most of my colleagues would suggest that that clearly would be a breach of the first amendment. That clearly is intolerable.

I am having a more difficult time distinguishing cases in which, if you are a lobbyist, you can no longer contribute because the connection will be seen as being undue.

I do not think anyone in this Senate would agree that they have been influenced unduly, or that they pay back the lobbyist or contributor with votes.

I have seen people who contribute to individuals because they feel that that individual best reflects their own philosophy of their own State's interest. I say this with as much candor as I can—I do not really feel I have ever been unduly influenced by anyone who has contributed to me.

If the public feels that way, they will have an opportunity to look down the list of my contributors and know that A, B, C, or D company or individual or lobbyist has contributed to my campaign. Then they have my voting record and they can decide: Was I acting in the interest of my State or was I acting out of some parochial interest in exchange for a contribution?

Mr. President, I assume there are the votes here to pass it. Very few would want to be seen as somehow being sympathetic to a lobbyist because they have become the evil and scourge of our system. If we do this, we will have to come to grips with this issue of the connection between people who contribute and people who do not.

I found myself making a case before the Chamber of Commerce some years ago when the issue of campaign contributions and constituent service arose. It came up in connection with the so-called Keating matter.

I raised a hypothetical to this group. If you asked the general public if they were outraged about the Keating matter, they said, yes, indeed.

Let us suppose a small company from Maine contacts my office and they ask me to please contact the IRS because they have been awaiting a decision from the IRS for a period of several years. They would like to sell their company, but they cannot sell until the IRS makes a decision. All they would like me to do would be to simply write a letter or pick up the phone and call the IRS and say, "Please make a decision one way or the other. You can rule against the company or you can rule for it."

I said, "Would you think, as a Senator, that I have an obligation to respond to that constituent's request that I, at least, should ask the agency to move as expeditiously as they can? This matter has been hanging like a Damoclean sword over the head of those individuals in that company."

The answer automatically was, of course, you should urge the IRS or any other agency to make a decision as quickly as possible.

I said fine. Now what happens if the head of that company had contributed to my campaign? Does that make it different now? Has there been a taint applied to the process? Is it improper if some company, or employees of a company, have contributed to my campaign and they then call upon me to make a call to an agency to urge, not a particular position, but simply expeditious action?

Well, that gets a bit more complicated, because the individuals had contributed to my campaign.

If you follow the line of logic, essentially you come to the conclusion that I could only represent or make a phone call on behalf of people who do not contribute to me.

In that situation I would feel that it was imperative that I take at least some nominal action, but I would be fully aware that someone might later argue undue influence.

We are getting to the point, I think where we are walking a very narrow line. But this amendment seems to me to cause that line to become even that much more narrow, as we are trying to trace what is the appropriate course for us to follow in dealing with the first amendment.

Mr. President, I think we are raising some serious constitutional issues as to whether a registered lobbyist can contribute to a Member of Congress and then lobby that Member at any time during the next year.

He or she is faced with a choice: You can lobby but not contribute, or you can contribute but you cannot lobby. I think that raises a serious constitutional question.

As I stated earlier, I do not intend to vigorously oppose the legislation. It seems to me that there is strong sentiment to go forward as rapidly as we can this afternoon. But I daresay we are inviting a constitutional challenge. I may be wrong on this, but I believe the Court would seriously consider striking it down.

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, as always, my good friend from Maine puts his finger on some very critical issues.

One of the issues that he raises has to do with the vagueness of the current lobbying registration laws. And the reference to those laws in the bill creates a problem not because of what is in the bill but because of the vagueness of the lobbying registration law.

He and I are trying very hard to correct that vagueness and to remedy that and to put some teeth into those lobbying disclosure laws. And that is a bill which the Senate passed a few weeks ago.

But that problem, I think, in all fairness, is a problem which is fundamentally in a law referred to by this amendment and by the bill itself, rather than the problem of the bill or the amendment. It does, again, refer to a vague law, but the origin is in the other law, not here; the origin of the problem.

This amendment does not add any problem in that regard, because it is the bill which makes the reference to the registered lobbyist. And this amendment as modified—as modified, I emphasize—is limited to the same people as are in the bill.

It is the bill now which makes the reference. And, although the original amendment broadened the coverage to persons other than registered lobbyists, this amendment, as modified, is restricted to the same people covered by the bill.

So I do not think that that problem is a problem with this amendment, which is really a technical amendment, I think, now to make the bill more coherent and consistent.

Mr. COHEN. My reference to the ambiguity dealt with existing law.

As you and I know, existing law is quite vague on the thousands of lobbyists who register in the public directory but do not file with Federal officials. They fail to file because of the very ambiguity that you and I have worked to clarify. We want them all to be registered and to fully disclose why they are acting, on behalf of whom, and on what issue. We think that is important to maintain the public confidence and integrity of the system.

But that is only one issue involved in this particular discussion we are having.

Mr. LEVIN. That is issue number one. I think that issue, again, is an issue which exists in existing law and in the bill, but not in this amendment.

Mr. COHEN. Right.

Mr. LEVIN. Because this amendment does not expand that group. It uses the exact same group as is in the bill itself.

Mr. COHEN. If my colleague will yield further, what I was suggesting is that currently the law is virtually ineffective. It governs very few in the way of registering.

What I was suggesting is that you might have a countereffect. If you pass this amendment, you may very well have strong objection being raised, saying, we did not have any objection to the Levin-Cohen effort to clarify existing law, but now you are saying you are going to impose a further restriction. It is not simply registering and disclosing, but also contributing and lobbying.

What I am suggesting is the other body might seriously question whether the two pieces of legislation would in fact be self-defeating in terms of trying to get the lobbying disclosure act passed.

Mr. LEVIN. I think the Senator from Maine is correct. It could work that way. It could work the other way. It could give us additional incentive to pass our clarification since we are now putting even more meaning to that, and there are more implications by being registered or not, because of this bill as clarified by this amendment—it could give a greater incentive to pass that bill, since it has that much even greater significance. So it could cut either way in that regard.

My point here mainly is the problems that are raised by my friend from Maine are not really problems with the amendment any more, since it has been modified. But, really, the problem is with the underlying bill, to the extent there is a problem, and with the other law, the registration law that currently exists.

So I would think, as modified, this amendment makes the bill much more coherent. Because all it does is now say, as modified, that it is intended to cover staff as well as Senators. And it is intended to cover new Senators as well as existing Senators. I think that is the heart of this clarification and I would think now, with the modification, it is acceptable to me because it no longer has the broadening effect that the original amendment had.

So I can support the amendment, and I want to congratulate the Senator from Minnesota for seeking this clarification and improvement in the language of the bill.

I yield the floor.

The PRESIDING OFFICER (Mr. REID). The Senator from Florida.

Mr. GRAHAM. Mr. President, will the Senator from Minnesota yield for a question? I ask the Senator from Minnesota or the Senator from Michigan to yield for a question.

Mr. LEVIN. I yield the floor.

Mr. GRAHAM. I have been listening to this debate, Mr. President. First, with the assistance of the floor staff, I was trying to find the definition of lobbyist in S. 3. We were unable to locate it.

If someone could reference the page where the definition of lobbyist appears in S. 3?

But the definition of lobbyist does appear in this amendment. And the definition which begins on page 3 and carries over to page 4 states:

> 1, a person required to register under section 302 of the Federal Regulation of Lobbying Act—

Et cetera, which is the reference to existing law, "or," and that is in the disjunctive—

> or a person required under any other law to be registered as a lobbyist (as the term lobbyist may be defined in any such law).

Is that the definition of lobbyist that is being utilized for the purposes of this amendment?

Mr. WELLSTONE. The Senator is correct.

Mr. GRAHAM. I cannot comment as to what item 1 means without having access to the United States Code. But as to item 2, "a person required under any other law to be registered," does that mean what it says; "any other law"?

Mr. WELLSTONE. The Senator is correct.

Mr. GRAHAM. So if an ordinance of the city of Detroit has a definition of lobbyist, or the Statutes of the State of Florida have a definition of lobbyist, that would also be incorporated as "any other law" which defines what a lobbyist is?

Mr. WELLSTONE. Mr. President, I think I know where the Senator is heading. We could modify this and talk about, "under Federal law," which I think would deal with the Senator's problem. I think the Senator is making a very helpful suggestion.

Mr. GRAHAM. So it is the intention it only apply to Federal definition of lobbyist?

Mr. WELLSTONE. The Senator is absolutely correct.

Mr. GRAHAM. I think we ought to modify it to that effect and then, if we are going to limit it to Federal definitions, why do we not state in the law, rather than by reference now to unidentified Federal laws, what it is we are talking about? Because we are putting some fairly Draconian standards here, in terms of what American citizens and Federal officials—both executive and legislative—can do. I believe we owe to all of those people the greatest degree of clarity as to who is covered.

Mr. WELLSTONE. Mr. President, I will be more than pleased to defer to the Senator from Michigan.

Mr. LEVIN. I believe this language is the same language as appears in the bill. We will check that out.

Mr. GRAHAM. If there is a definition of lobbyist in the bill, I would appreciate a reference to the page where it appears.

Mr. LEVIN. We are looking for that now. We think it says "or any successor law." But we are going to check that out.

This is printed on page 5851 of the RECORD. It is subsection (V), part (8)(B). I do not know—my friend from Florida has the RECORD? Do you have the page, 5851?

Mr. GRAHAM. No, I have S. 3, as it is printed, on the desk.

Mr. LEVIN. The substitute has the following language:

> * * * a person who is required to register or report its lobbying activities, or a lobbyist whose activities are required to be reported, under section 308 of the Federal Regulation of Lobbying Act * * * the Foreign Agents Registration Act of 1938—

And then it says in the substitute—

> or any successor Federal law requiring a person who is a lobbyist or foreign agent to register or a person to report its lobbying activities—

That is what is already in the substitute. It is my understanding of this amendment, and I specifically asked the sponsor of the amendment, is that intended—is his amendment intended to cover exactly the same people as are covered by the substitute? And his answer was "Yes."

Mr. GRAHAM. Just an inquiry. If that is what the intention is, why is that not the same language? Why do we need a separate definition of lobbyist for this purpose if there already is a definition of lobbyist in the managers' amendment, which is intended to cover the same class of people as for this one?

Mr. WELLSTONE. Mr. President, the answer is because we are still waiting to see whether the Lobby Disclosure Act will be passed, and in what form, and wanted to be as clear as possible in the legislation.

Mr. GRAHAM. But this amendment has its own freestanding definition of lobbyist. It says, on page 3, line 25, "the term lobbyist means," and then it proceeds on page 4 to define what lobbyist means, I assume for purposes of this particular prohibition. That definition is not the same definition as the Senator from Michigan read, as is applicable elsewhere in S. 3, although that definition does not appear in S. 3, as is printed.

All I am saying is we are about to impose some very serious constraints on people's first amendment rights and action. And if we are going to do so, let us at least be very clear as to who it is we are covering so people who want to conduct themselves in an honorable, legal way will have the maximum opportunity to do so.

Mr. WELLSTONE. Mr. President, having heard the brief argument by my good friend from Florida, I would be pleased to modify my amendment and to use the definition that is in the leadership substitute. We will be pleased to make that modification.

I think that would strengthen the amendment.

The PRESIDING OFFICER. The Senator from Florida has yielded the floor. The Senator from Oklahoma.

Mr. BOREN. Mr. President, if I might ask my colleague from Minnesota, I have been having discussions with the Senator from Maine and others, and the Senator from Kentucky. The Senator from Massachusetts is anxious to offer his amendment, to lay down his amendment, which I believe then would go to a vote after discussion by himself and others who will be coming to the floor to debate this matter. There will be others here wanting to speak on that amendment.

I inquire of my colleagues, I think we could do one of two things. The Senator from Maine suggests—I have discussed this with him and the Senator from Kentucky—we could dispose of this amendment with a voice vote, with the understanding if it needs some further modification, that will be done in conference; or, if the Senator wishes to again lay it aside just briefly until we make the modification, we could do so.

Mr. WELLSTONE. If the Senator will yield, Mr. President, I would in a moment simply request a modification with the definition of lobbyist in the leadership substitute. Then I think we will have met the objection. I would like to move forward with this, now, if possible.

The PRESIDING OFFICER. The Senator from Minnesota, of course, has the right to modify his own amendment. The personnel at the desk would have to see what the modification is, though, for purposes of being able to inform the rest of the Senate what the modification is.

The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I suggest the absence of a quorum, so that we can prepare this modification and offer it in just a few minutes.

Mr. BOREN. Mr. President, since the Senator from Massachusetts is anxious to proceed, I wonder if we might be able to do this: If the Senator from Massachusetts could begin explaining his amendment so we do not waste time, perhaps by the end of his explanation, the Senator from Minnesota will be able to bring up the modification and we can dispose of that amendment by voice vote, at which point in time the Senator from Massachusetts can officially send his amendment to the desk and then it would become the pending matter. That way we will not lose time if the Senator from Massachusetts can begin.

We will be willing, when he completes his explanation—and I urge my colleagues to get the modification ready by then—we can take 1 minute to dispose of this amendment by vote and then have the Senator from Massachusetts officially send his amendment to the desk. If he can start his description of it and others speak about it, we can get this all taken care of in due sequence.

The PRESIDING OFFICER. Is that a unanimous-consent request of the Senator from Oklahoma?

Mr. WELLSTONE. Reserving the right to object, and I will not object, I think that would be fine. I know the Senator from Massachusetts is ready to go, and I am very committed to the very important amendment he is about to explain. I will be pleased to do that with the understanding that we would now try to work out this language, and upon working out that language, we could bring this back to the floor and dispense with it.

This amendment is designed to sever the connection between the money and the lobbyist and big contributors' lobbying activity. I consider it to be a very important amendment. I would like to have this amendment agreed to.

Mr. KERRY. Mr. President, reserving the right to object, I inquire of the manager of the bill, is this not a simple enough modification we could take a moment until it is ready, rather than break up the process? If the manager believes it is going to take a fair amount of time, I am happy to proceed.

Mr. BOREN. Mr. President, let me just suggest that we suggest the absence of a quorum. This Senator may be off the floor for just a moment, but if I am off the floor at the time and the Senator from Minnesota will just present his amendment to be disposed of by voice vote—hopefully, if we can get the modification accomplished rapidly—we can do that. Both sides are willing to accept it by voice vote as soon as the modification is made.

Mr. KERRY. If it appears the modification will take longer, I will be happy to commence.

Mr. BOREN. That sounds like a good suggestion. In just a moment, I will suggest the absence of a quorum, after which time if progress is not made in very short order and the Wellstone amendment has not been disposed of, I will ask the Senator from Minnesota then to consider setting it aside so the Senator from Massachusetts may proceed. In order that we may accomplish that, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 368, AS FURTHER MODIFIED, TO AMENDMENT NO. 367

Mr. WELLSTONE. Mr. President, I send the modification to the desk.

The PRESIDING OFFICER. The Senator has a right to modify his amendment. The amendment is modified as per the request of the Senator from Minnesota.

The amendment, as further modified, is as follows:

Strike all after "(b) PROHIBITION" and insert the following:

OF CERTAIN CONTRIBUTIONS BY LOBBYISTS.—Section 315 of FECA (2 U.S.C. 441a), as amended by section 314(b), is amended by adding at the end the following new subsection:

"(m)(1) A lobbyist or a political committee controlled by a lobbyist, shall not make contributions to, or solicit contributions for or on behalf of—

"(A) any member of Congress with whom the lobbyist has, during the preceding 12 months, made a lobbying contact; or

"(B) any authorized committee of the President of the United States if, during the preceding 12 months, the lobbyist has made a lobbying contact with a covered executive branch official.

"(2) A lobbyist who, or a lobbyist whose political committee, has made any contribution to, or solicited contributions for or on behalf of, any member of Congress or candidate for Congress (or any authorized committee of the President) shall not, during the 12 months following such contribution or solicitation, make a lobbying contact with such member or candidate who becomes a member of Congress (or a covered executive branch official).

"(3) If a lobbyist advises or otherwise suggests to a client of the lobbyist (including a client that is the lobbyist's regular employer), or to a political committee that is funded or administered by such a client, that the client or political committee should make a contribution to or solicit a contribution for or on behalf of—

"(A) a member of Congress or candidate for Congress, the making or soliciting of such a contribution is prohibited if the lobbyist has made a lobbying contact with the member of Congress within the preceding 12 months; or

"(B) an authorized committee of the President, the making or soliciting of such a contribution shall be unlawful if the lobbyist has made a lobbying contact with a covered executive branch official within the preceding 12 months.

"(4) For purposes of this subsection—

"(A) the term 'covered executive branch official' means the President, Vice-President, any officer or employee of the executive office of the President other than a clerical or secretarial employee, any officer or employee serving in an Executive Level I, II, III, IV, or V position as designated in statute or Executive order, any officer or employee serving in a senior executive service position (as defined in section 3232(a)(2) of title 5, United States Code), any member of the uniformed services whose pay grade is at or in excess of 0-7 under section 201 of title 37, United States Code, and any officer or employee serving in a position of confidential or policy-determining character under schedule C of the excepted service pursuant to regulations implementing section 2103 of title 5, United States Code;

"(B) the term 'lobbyist' means—

"(i) a person required to register under section 308 of the Federal Regulation of Lobbying Act (2 U.S.C. 267) or the Foreign Agents Registration Act of 1938 (22 U.S.C. 611 et seq.); or

"any successor Federal law requiring a person who is a lobbyist or foreign agent to register or a person to report its lobbying activity or a person required under any other law to be registered as a lobbyist (as the term 'lobbyist' may be defined in any such law).

"(C) the term 'lobbying contact'—

"(i) means an oral or written communication with or appearance before a member of Congress or covered executive branch official made by a lobbyist representing an interest of another person with regard to—

"(I) the formulation, modification, or adoption of Federal legislation (including a legislative proposal);

"(II) the formulation, modification, or adoption of a Federal rule, regulation, Executive order, or any other program, policy or position of the United States Government; or

"(III) the administration or execution of a Federal program or policy (including the negotiation, award, or administration of a Federal contract, grant, loan, permit, or license); but

"(ii) does not include a communication that is—

"(I) made by a public official acting in an official capacity;

"(II) made by a representative of a media organization who is primarily engaged in gathering and disseminating news and information to the public;

"(III) made in a speech, article, publication, or other material that is widely distributed to the public or through the media;

"(IV) a request for an appointment, a request for the status of a Federal action, or another similar ministerial contact, if there is no attempt to influence a member of Congress or covered executive branch official at the time of the contact;

"(V) made in the course of participation in an advisory committee subject to the Federal Advisory Committee Act (5 U.S.C. App.);

"(VI) testimony given before a committee, subcommittee, or office of Congress a Federal agency, or submitted for inclusion in the public record of a hearing conducted by the committee, subcommittee, or office;

"(VII) information provided in writing in response to a specific written request from a member of Congress or covered executive branch official;

"(VIII) required by subpoena, civil investigative demand, or otherwise compelled by statute, regulation, or other action of Congress or a Federal agency;

"(IX) made to an agency official with regard to a judicial proceeding, criminal or civil law enforcement inquiry, investigation, or proceeding, or filing required by law;

"(X) made in compliance with written agency procedures regarding an adjudication conducted by the agency under section 554 of title 5, United States Code, or substantially similar provisions;

"(XI) a written comment filed in a public docket and other communication that is made on the record in a public proceeding;

"(XII) a formal petition for agency action, made in writing pursuant to established agency procedures; or

"(XIII) made on behalf of a person with regard to the person's benefits, employment, other personal matters involving only that person, or disclosures pursuant to a whistleblower statute.".

"(5) For purposes of this subsection, a lobbyist shall be considered to make a lobbying contact or communication with a member of Congress if the lobbyist makes a lobbying contact or communication with—

"(i) the member of Congress;

"(ii) any person employed in the office of the member of Congress; or

"(iii) any person employed by a committee, joint committee, or leadership office who, to the knowledge of the lobbyist, was employed at the request of or is employed at the pleasure of, reports primarily to, rep-

or acts as the agent of the member of Congress.".

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment, as modified.

The amendment (No. 368), as modified, was agreed to.

Mr. BOREN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. WELLSTONE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WELLSTONE. Mr. President, I just would like to thank both the Senator from Oklahoma and the Senator from Kentucky. I would like to thank the Senator from Michigan for his help on the floor and the Senator from Maine for his helpful suggestions.

I want to say one more time to my colleagues, I fully appreciate the discussion that has taken place. It is my own strong view that, to the extent we can break the nexus between the lobbying activity and the giving of money, we must do that. This amendment strengthens considerably the lobbying prohibition in this bill. It represents, I think, a substantial reform. I think it is the kind of step people in this country want us to take, and I am very pleased the Senate has agreed to this amendment.

Mr. BOREN. Mr. President, I understand we have approved the amendment in the second degree. We still need to approve, I assume, the underlying amendment. So we still need to act upon the Wellstone amendment, the underlying amendment, as amended.

The PRESIDING OFFICER. Is there further debate?

Mr. WELLSTONE. Mr. President, I ask unanimous consent to vitiate the yeas and nays.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER. The question now is on agreeing to the first-degree amendment, as amended.

The amendment (No. 367), as amended, was agreed to.

Mr. BOREN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. WELLSTONE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KERRY addressed the Chair.

The PRESIDING OFFICER. The Senator for Massachusetts is recognized.

AMENDMENT NO. 381 TO AMENDMENT NO. 366

(Purpose: Creates a purely voluntary public funding system for eligible candidates)

Mr. KERRY. Mr. President, I send an amendment to the desk and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Massachussets [Mr. KERRY], for himself, Mr. BIDEN, Mr. BRADLEY, Mr. SIMON, Mr. WELLSTONE, Mr. FEINGOLD, and Mrs. BOXER, proposes an amendment numbered 381 to amendment No. 366.

Mr. KERRY. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 17, strike line 22 and all that follows through page 37, line 5, and insert the following:

"(b) AMOUNT OF PAYMENTS.—(1) For purposes of subsection (a)(3), the amounts determined under this subsection are—

"(A) the public financing amount;

"(B) the independent expenditure amount; and

"(C) in the case of an eligible Senate candidate who has an opponent in the general election who receives contributions, or makes (or obligates to make) expenditures, for such election in excess of the general election expenditure limit under section 502(b), the excess expenditure amount.

"(2) For purposes of paragraph (1), the public financing amount is—

"(A) in the case of an eligible candidate who is a major party candidate and who has met the threshold requirement of section 501(e) during the general election period, an amount equal to the general election expenditure limit applicable to the candidate under section 502(b) (without regard to paragraph (4) thereof) reduced by the amount of voter communication vouchers issued to the eligible candidate and the amount of the threshold requirement of section 501(e); and

"(B) in the case of an eligible candidate who is not a major party candidate and who has met the threshold requirement of section 501(e) during the general election period, an amount equal to the amount of contributions received during that period in excess of the threshold requirement under section 501(e) in the aggregate amount of $250 or less, up to 50 percent of the general election spending limit under section 502(b).

"(3) For purposes of paragraph (1), the independent expenditure amount is the total amount of independent expenditures made, or obligated to be made, during the general election period by 1 or more persons in opposition to, or on behalf of an opponent of, an eligible Senate candidate which are required to be reported by such persons under section 304(c) with respect to the general election period and are certified by the Commission under section 304(c).

"(4) For purposes of paragraph (1), the excess expenditure amount is the amount determined as follows:

"(A) In the case of a major party candidate, an amount equal to the sum of—

"(i) if the excess described in paragraph (1)(C) is not greater than 133⅓ percent of the general election expenditure limit under section 502(b), an amount equal to one-third of such limit applicable to the eligible Senate candidate for the election; plus

"(ii) if such excess equals or exceeds 133⅓ percent but is less than 166⅔ percent of such limit, an amount equal to one-third of such limit; plus

"(iii) if such excess equals or exceeds 166⅔ percent of such limit, an amount equal to one-third of such limit.

"(B) In the case of an eligible Senate candidate who is not a major party candidate, an amount equal to the amount of contributions received during that period from individuals residing in the candidate's State in the aggregate amount of $250 or less, up to 50 percent of the general election spending limit under section 502(b).

"(c) VOTER COMMUNICATION VOUCHERS.—(1) The aggregate amount of voter communication vouchers issued to an eligible Senate candidate during a general election period shall be equal to 50 percent of the general election expenditure limit under section 502(b) (25 percent of such limit if such candidate is not a major party candidate).

"(2) Voter communication vouchers shall be used by an eligible Senate candidate—

"(A) to purchase broadcast time during the general election period in the same manner as other broadcast time may be purchased by the candidate, except that any broadcast so purchased must be at least 60 seconds in length;

"(B) to purchase print advertisements during the general election period; or

"(C) to pay for postage expenses incurred during the general election period.

"(d) WAIVER OF EXPENDITURE AND CONTRIBUTION LIMITS.—(1)(A) An eligible Senate candidate who receives payments under subsection (a)(3) which are allocable to the independent expenditure or excess expenditure amounts described in paragraphs (3) and (4) of subsection (b) may make expenditures from such payments to defray expenditures for the general election without regard to the general election expenditure limit under section 502(b).

"(B) In the case of an eligible Senate candidate who is not a major party candidate, the general election expenditure limit under section 502(b) with respect to such candidate shall be increased by the amount (if any) by which the excess described in subsection (b)(1) exceeds the amount determined under subsection (b)(2)(B) with respect to such candidate.

"(2)(A) An eligible Senate candidate who receives benefits under this section may make expenditures for the general election without regard to clause (i) of section 501(c)(1)(D) or subsection (a) or (b) of section 502 if any one of the eligible Senate candidate's opponents who is not an eligible Senate candidate either raises aggregate contributions, or makes or becomes obligated to make aggregate expenditures, for the general election that exceed 200 percent of the general election expenditure limit applicable to the eligible Senate candidate under section 502(b).

"(B) The amount of the expenditures which may be made by reason of subparagraph (A) shall not exceed 100 percent of the general election expenditure limit under section 502(b).

"(3)(A) A candidate who receives benefits under this section may receive contributions for the general election without regard to clause (iii) of section 501(c)(1)(D) if—

"(i) a major party candidate in the same general election is not an eligible Senate candidate; or

"(ii) any other candidate in the same general election who is not an eligible Senate candidate raises aggregate contributions, or makes or becomes obligated to make aggregate expenditures, for the general election that exceed 75 percent of the general election expenditure limit applicable to such other candidate under section 502(b).

"(B) The amount of contributions which may be received by reason of subparagraph (A) shall not exceed 100 percent of the general election expenditure limit under section 502(b).

"(e) USE OF PAYMENTS.—Payments received by a candidate under subsection (a)(3) shall be used to defray expenditures incurred with respect to the general election period for the candidate. Such payments shall not be used—

"(1) except as provided in paragraph (4), to make any payments, directly or indirectly, to such candidate or to any member of the immediate family of such candidate;

"(2) to make any expenditure other than expenditures to further the general election of such candidate;

"(3) to make any expenditures which constitute a violation of any law of the United States or of the State in which the expenditure is made; or

"(4) subject to the provisions of section 315(j), to repay any loan to any person except to the extent the proceeds of such loan were used to further the general election of such candidate.

"SEC. 504. CERTIFICATION BY COMMISSION.

"(a) IN GENERAL.—(1) The Commission shall certify to any candidate meeting the requirements of section 501 that such candidate is an eligible Senate candidate entitled to benefits under this title. The Commission shall revoke such certification if it determines a candidate fails to continue to meet such requirements.

"(2) No later than 48 hours after an eligible Senate candidate files a request with the Secretary of the Senate to receive benefits under section 503, the Commission shall issue a certification stating whether such candidate is eligible for payments under this title from the Senate Election Campaign Fund or to receive voter communication vouchers and the amount of such payments or vouchers to which such candidate is entitled. The request referred to in the preceding sentence shall contain—

"(A) such information and be made in accordance with such procedures as the Commission may provide by regulation; and

"(B) a verification signed by the candidate and the treasurer of the principal campaign committee of such candidate stating that the information furnished in support of the request, to the best of their knowledge, is correct and fully satisfies the requirements of this title.

"(b) DETERMINATIONS BY COMMISSION.—All determinations (including certifications under subsection (a)) made by the Commission under this title shall be final and conclusive, except to the extent that they are subject to examination and audit by the Commission under section 505 and judicial review under section 506.

"SEC. 505. EXAMINATION AND AUDITS; REPAYMENTS; CIVIL PENALTIES.

"(a) EXAMINATION AND AUDITS.—(1) The Commission shall conduct an examination and audit of the candidates' campaign accounts in 10 percent of the elections to seats in the Senate in each general election, and of the candidates' campaign accounts in each special election to a seat in the Senate, to determine, among other things, whether such candidates have complied with the expenditure limits and conditions of eligibility of this title, and other requirements of this Act. Such candidates shall be designated by the Commission through the use of an appropriate statistical method of random selection. If the Commission selects a general election to a Senate seat for examination and audit, the Commission shall examine and audit the campaign activities of all candidates in that general election whose expenditures were equal to or greater than 30 percent of the general election expenditure limit under section 502(b) for that election.

"(2) The Commission may conduct an examination and audit of the campaign accounts of any candidate in a general election for the office of United States Senator if the Commission determines that there exists reason to believe that such candidate may have violated any provision of this title.

"(b) EXCESS PAYMENTS; REVOCATION OF STATUS.—(1) If the Commission determines that payments or vouchers were made to an eligible Senate candidate under this title in excess of the aggregate amounts to which such candidate was entitled, the Commission shall so notify such candidate, and such candidate shall pay an amount equal to the excess.

"(2) If the Commission revokes the certification of a candidate as an eligible Senate candidate under section 504(a)(1), the Commission shall notify the candidate, and the candidate shall pay an amount equal to the payments and vouchers received under this title.

"(c) MISUSE OF BENEFITS.—If the Commission determines that any amount of any benefit made available to an eligible Senate candidate under this title was not used as provided for in this title, the Commission shall so notify such candidate and such candidate shall pay the amount of such benefit.

"(d) EXCESS EXPENDITURES.—If the Commission determines that any eligible Senate candidate who has received benefits under this title has made expenditures which in the aggregate exceed—

"(1) the primary or runoff expenditure limit under section 501(d); or

"(2) the general election expenditure limit under section 502(b),

the Commission shall so notify such candidate and such candidate shall pay an amount equal to the amount of the excess expenditures.

"(e) CIVIL PENALTIES.—(1) If the Commission determines that a candidate has committed a violation described in subsection (c), the Commission may assess a civil penalty against such candidate in an amount not greater than 200 percent of the amount involved.

"(2)(A) LOW AMOUNT OF EXCESS EXPENDITURES.—Any eligible Senate candidate who makes expenditures that exceed any limitation described in paragraph (1) or (2) of subsection (d) by 2.5 percent or less shall pay an amount equal to the amount of the excess expenditures.

"(B) MEDIUM AMOUNT OF EXCESS EXPENDITURES.—Any eligible Senate candidate who makes expenditures that exceed any limitation described in paragraph (1) or (2) of subsection (d) by more than 2.5 percent and less than 5 percent shall pay an amount equal to three times the amount of the excess expenditures.

"(C) LARGE AMOUNT OF EXCESS EXPENDITURES.—Any eligible Senate candidate who makes expenditures that exceed any limitation described in paragraph (1) or (2) of subsection (d) by 5 percent or more shall pay an amount equal to the sum of—

"(i) three times the amount of the excess expenditures plus an additional amount determined by the Commission, plus

"(ii) if the Commission determines such excess expenditures were willful, an amount equal to the benefits the candidate received under this title.

"(f) UNEXPENDED FUNDS.—Any amount received by an eligible Senate candidate under this title and not expended on or before the date of the general election shall be repaid within 30 days of the election, except that a reasonable amount may be retained for a period not exceeding 120 days after the date of the general election for the liquidation of all obligations to pay expenditures for the general election incurred during the general election period. At the end of such 120-day period, any unexpended funds received under this title shall be promptly repaid.

"(g) PAYMENTS RETURNED TO SOURCE.—Any payment, repayment, or civil penalty required by this section shall be paid to the entity from which benefits under this title were paid to the eligible Senate candidate.

"(h) LIMIT ON PERIOD FOR NOTIFICATION.—No notification shall be made by the Commission under this section with respect to an election more than three years after the date of such election.

"SEC. 506. JUDICIAL REVIEW.

"(a) JUDICIAL REVIEW.—Any agency action by the Commission made under the provisions of this title shall be subject to review by the United States Court of Appeals for the District of Columbia Circuit upon petition filed in such court within thirty days after the agency action by the Commission for which review is sought. It shall be the duty of the Court of Appeals, ahead of all matters not filed under this title, to advance on the docket and expeditiously take action on all petitions filed pursuant to this title.

"(b) APPLICATION OF TITLE 5.—The provisions of chapter 7 of title 5, United States Code, shall apply to judicial review of any agency action by the Commission.

"(c) AGENCY ACTION.—For purposes of this section, the term 'agency action' has the meaning given such term by section 551(13) of title 5, United States Code.

"SEC. 507. PARTICIPATION BY COMMISSION IN JUDICIAL PROCEEDINGS.

"(a) APPEARANCES.—The Commission is authorized to appear in and defend against any action instituted under this section and under section 506 either by attorneys employed in its office or by counsel whom it may appoint without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and whose compensation it may fix without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title.

"(b) INSTITUTION OF ACTIONS.—The Commission is authorized, through attorneys and counsel described in subsection (a), to institute actions in the district courts of the United States to seek recovery of any amounts determined under this title to be payable to any entity from which benefits under this title were paid.

"(c) INJUNCTIVE RELIEF.—The Commission is authorized, through attorneys and counsel described in subsection (a), to petition the courts of the United States for such injunctive relief as is appropriate in order to implement any provision of this title.

"(d) APPEALS.—The Commission is authorized on behalf of the United States to appeal from, and to petition the Supreme Court for certiorari to review, judgments or decrees entered with respect to actions in which it appears pursuant to the authority provided in this section.

"SEC. 508. REPORTS TO CONGRESS; REGULATIONS.

"(a) REPORTS.—The Commission shall, as soon as practicable after each election, submit a full report to the Senate setting forth—

"(1) the expenditures (shown in such detail as the Commission determines appropriate) made by each eligible Senate candidate and the authorized committees of such candidate;

"(2) the amounts certified by the Commission under section 504 as benefits available to each eligible Senate candidate;

"(3) the amount of repayments, if any, required under section 505 and the reasons for each repayment required; and

"(4) the balance in the Senate Election Campaign Fund (and any account thereof).

Each report submitted pursuant to this section shall be printed as a Senate document.

"(b) RULES AND REGULATIONS.—The Commission is authorized to prescribe (in accordance with the provisions of subsection (c)) such rules and regulations, to conduct such examinations and investigations, and to require the keeping and submission of such books, records, and information, as it deems necessary to carry out the functions and duties imposed on it by this title.

"(c) STATEMENT TO SENATE.—Thirty days before prescribing any rule or regulation under subsection (b), the Commission shall transmit to the Senate a statement setting forth the proposed rule or regulation and containing a detailed explanation and justification of such rule or regulation.

"SEC. 509. CLOSED CAPTIONING REQUIREMENT FOR TELEVISION COMMERCIALS OF ELIGIBLE SENATE CANDIDATES.

"No eligible Senate candidate may receive amounts under section 503(a)(3) or vouchers under section 503(a)(4) unless such candidate has certified that any television commercial prepared or distributed by the candidate will be prepared in a manner that contains, is accompanied by, or otherwise readily permits closed captioning of the oral content of the commercial to be broadcast by way of line 21 of the vertical blanking interval, or by way of comparable successor technologies.

"SEC. 510. SENATE ELECTION CAMPAIGN FUND.

"(a) ESTABLISHMENT OF CAMPAIGN FUND.—(1) There is hereby established on the books of the Treasury of the United States a special fund to be known as the Senate Election Campaign Fund (hereafter in this section referred to as 'the Fund').

"(2) There are hereby appropriated to the Fund the following amounts:

"(A) Amounts received in the Treasury which are equivalent to the increase in Federal revenues by reason of the disallowance of deductions for lobbying expenditures, but only to the extent that; (i) such amounts do not exceed the amount certified by the Commission as necessary to carry out the purposes of this title; and "(ii) such amounts do not exceed the amount designated by taxpayer on a Federal election campaign checkoff.

"(B) Amounts transferred to the Fund under any provision of this Act.

"(C) Amounts credited to the Fund under paragraph (3).

"(3) The Secretary of the Treasury shall transfer amounts to, and manage, the Fund in the manner provided under subchapter B of chapter 98 of the Internal Revenue Code of 1986.

"(4) Amounts in the Fund shall, subject to the availability of appropriations, be available only for the purposes of—

"(A) providing benefits under this title; and

"(B) making expenditures in connection with the administration of the Fund.

"(5) The Secretary shall maintain such accounts in the Fund as may be required by this title or which the Secretary determines to be necessary to carry out the provisions of this title.

"(b) PAYMENTS UPON CERTIFICATION.—Upon receipt of a certification from the Commission under section 504, except as provided in subsection (d), the Secretary shall, subject to the availability of appropriations, promptly pay the amount certified by the Commission to the candidate out of the Fund.

"(c) VOUCHERS.—Upon receipt of a certification from the Commission under section 504, except as provided in subsection (d), the Secretary of the Treasury shall, subject to the availability of appropriations, issue to an eligible candidate the amount of voter communication vouchers specified in such certification.

"(d) REDUCTIONS IN PAYMENTS IF FUNDS INSUFFICIENT.—(1) If, at the time of a certification by the Commission under section 504 for payment, or issuance of a voucher, to an eligible candidate, the Secretary determines that the monies in the Fund are not, or may not be, sufficient to satisfy the full entitlement of all eligible candidates, the Secretary shall withhold from the amount of such payment or voucher such amount as the Secretary determines to be necessary to assure that each eligible candidate will receive the same pro rata share of such candidate's full entitlement.

"(2) Amounts and vouchers withheld under paragraph (1) shall be paid when the Secretary determines that there are sufficient monies in the Fund to pay all, or a portion thereof, to all eligible candidates from whom amounts have been withheld, except that if only a portion is to be paid, it shall be paid in such manner that each eligible candidate receives an equal pro rata share of such portion.

"(3)(A) Not later than December 31 of any calendar year preceding a calendar year in which there is a regularly scheduled general election, the Secretary, after consultation with the Commission, shall make an estimate of—

"(i) the amount of monies in the Fund which will be available to make payments required by this title in the succeeding calendar year; and

"(ii) the amount of expenditures which will be required under this title in such calendar year.

"(B) If the Secretary determines that there will be insufficient monies in the Fund to make the expenditures required by this title for any calendar year, the Secretary shall notify each candidate on January 1 of such calendar year (or, if later, the date on which an individual becomes a candidate) of the amount which the Secretary estimates will be the pro rata reduction in each eligible candidate's payments (including vouchers) under this subsection. Such notice shall be by registered mail.

"(C) The amount of the eligible candidate's contribution limit under section 501(c)(1)(D)(iii) shall be increased by the amount of the estimated pro rata reduction.

"(4) The Secretary shall notify the Commission and each eligible candidate by registered mail of any actual reduction in the amount of any payment by reason of this subsection. If the amount of the reduction exceeds the amount estimated under paragraph (3), the candidate's contribution limit under section 501(c)(1)(D)(iii) shall be increased by the amount of such excess.".

(b) EFFECTIVE DATES.—(1) Except as provided in this subsection, the amendment made by subsection (a) shall apply to elections occurring after December 31, 1994.

(2) For purposes of any expenditure or contribution limit imposed by the amendment made by subsection (a)—

(A) no expenditure made before January 1, 1994, shall be taken into account, except that there shall be taken into account any such expenditure for goods or services to be provided after such date; and

(B) all cash, cash items, and Government securities on hand as of January 1, 1994, shall be taken into account in determining whether the contribution limit is met, except that there shall not be taken into account amounts used during the 60-day period beginning on January 1, 1994, to pay for expenditures which were incurred (but unpaid) before such date.

(c) EFFECT OF INVALIDITY ON OTHER PROVISIONS OF ACT.—If section 501, 502, or 503 of title V of FECA (as added by this section), or any part thereof, is held to be invalid, all provisions of, and amendments made by, this Act shall be treated as invalid.

SEC. . (c) SENSE OF THE SENATE REGARDING PRESIDENTIAL CHECKOFF.—

It is the sense of the Senate that—

(1) the current Presidential checkoff should be increased to $5.00 and its designation charged to the "Federal Election Campaign Checkoff and individuals should be permitted to contribute an additional $5.00 to the fund in additional taxes if they so desire; and

(2) the Internal Revenue Service and the Federal Election Commission should be required to develop and implement a plan to publicize the fund and the checkoff to increase citizen participation.

Mr. KERRY. Mr. President, we have been engaged in the last few days in a good discussion about how best to reform the process. We have disagreements, obviously, among us as to what that methodology is. Some oppose setting any limits, some oppose any form of public funding, and there are, indeed, other differences on other issues.

But the principal issue of this bill is really whether the U.S. Senate is going to set limits on the arms race of fundraising that takes place. There is not one of us who has not sat at a lunch table or had a private conservation at some point and talked with each other about the absurdity, even the degrading aspects of it, the ways in which we are all subject to the very kinds of questions that the distinguished Senator from Maine [Mr. COHEN] was asking about a moment ago.

We are, indeed, marching down a difficult road here where, in the effort to reform so that we can keep collecting fairly big money, we create a lot of rules that will govern the giving of the big money. We are going to be subject to trying to interpret the rules of the giving of the big money in ways that are probably going to submit a lot of people to some embarrassing and possibly even some more serious consequences.

The Senator from Maine a moment ago, in his colloquy with the Senator from Michigan, asked the question: Maybe the only solution is that we are not accepting contributions because that is the only way to stay pure with respect to the encumbrances that we place on ourselves to try to be pure.

The answer to the question maybe, that is, the only way to stop the problem is not to accept money, is to look at a public system, a system of campaign finance reform where you minimize each individual Senator's or can-exposure to the fundraising process, where you minimize the amount of time that each of us must take up in fundraising, and where you minimize the amount of money that each of us must raise. That is the way you protect each of us the best: Minimize the exposure to money, to time, to amount of money.

So the question is: How do you best minimize the exposure? How do you best minimize the time? How do you best minimize the amount of money you have to go out and raise?

There is a threshold issue, obviously. Yesterday we debated it a little bit. Why are we here debating these reforms? Some Senators come to the floor and complain saying, "I don't like this because it makes us all look like we are on the take or we have a problem." Obviously, none of us like that.

How do you minimize that problem? Because that problem is a direct outgrowth of the fact that we go out and raise a lot of money. It has been going on for years. This is not a problem that arose in 1993.

This is a problem that has been around us for a long time. And as Senator BIDEN said so eloquently, he is tired of having to go home and explain to people the negative side, the fact that he is not on the take; that he is not somebody who is being influenced by money; that he does not want to have his lifetime consumed, as none of us do, in the effort to try to prove that we are not what the public thinks the entire Congress is.

Now, some people want to fight this perception. I just share with my colleagues ancient history. I am not going to try to pick on the present because I am not seeking to find current embarrassments or current problems. But I think we have to acknowledge the reality of what we are confronting right now.

In 1988, U.S. News & World Report did a major analysis of the linkage between money and legislation, a major analysis, if you will, of the downside of the fundraising arms race. It is a problem of perception. A lot of us do not believe we are creating the perception. A lot of us do not believe we are lending to the perception. But for whatever reasons, the fact is the perception is there. It has been there for a number of years. It is growing worse, not better. And each and every one of us in the Congress is subject to all of the negative connotations of those perceptions.

I will very quickly share just a couple of examples with colleagues.

In 1988, U.S. News pointed out how corporations such as LTV, Northrop, Texas Air, Monsanto, had been cited in a whole spate of articles regarding their contributions to the campaign coffers of Senators who were active on key issues pertaining to those corporations. The Senators were not accused of any specific wrongdoing, but the magazine pointed out that this was the implications of the nexus between the contributors, the money, and the officials.

People raised the perception issue about each of these Senators. It was publicly dragged through the newspapers. People were dragged through the accusatory process. And the accusations were that there was a quid pro quo, money-for-influence transaction—the appearance of corruption.

I would suggest that we have all come to the floor and basically acknowledged the appearance of the corruption in the soft money and PAC's; we have outlawed it. So we know there is a connection of money to appearance. And in this article it pointed out how there were specific linkages of legislative action to very large donations.

The LTV Corp. and the Wheeling-Pittsburgh Steel Corp. both lobbied aggressively for legislation that facilitated their claim to $144 million in tax refunds, despite the fact that prohibitions against those refunds existed where a corporation had done what those very corporations had done, which is cut off the pension plan payments to retirees. So they spent $201,304 in very targeted campaign contributions, some of them directed to two key Senators on the very legislative committees pertaining to that legislation. And all those companies that have revoked the pensions for over 100,000 retirees, they were allowed to claim relief under the new law in a special provision put in for them by the committee on which those two legislators sat.

Now, whether or not those two legislators did it, the appearances of impropriety screamed out at everybody so much that newspapers and others made direct allegations of impropriety.

Another example: Northrop Corp. sent well over $250,000 in PAC money to Congress in 1988. And it did so literally at the very moment that the Tacit Rainbow project came up in the Senate. Several thousands dollars were contributed directly to the campaign of a chairman of one of the committees of jurisdiction. And although the antiradar project had failed four flight tests, it had accrued enormous cost overruns, $180 million was budgeted for its continued development and the conflict of interest at the level of appearance once again surfaced in the press.

Now, I can go through a lot of other examples of this—and I am particularly choosing examples of a few years ago because I think we all understand that there is a vulnerability within this institution on the issue.

Without belaboring it, without going back to all of the examples, I come back to the questions I asked a moment ago: How do you get rid of this perception? How do you minimize our exposure? How do you maximize the cleanliness, if you will, of this process?

I am proud to be joined in sending this amendment to the desk by Senator BRADLEY, Senator BIDEN, Senator SIMON, Senator WELLSTONE, Senator BOXER, and Senator FEINGOLD. Each of the cosponsors believe very deeply that the best way to distance us from the possibilities of exposure to the perceptions, and the best way to maximize our time as Senators on legislative work here in Washington, is not to gallivant around the country raising money in places that often have very little relationship to our home States except for the fact that there are rich people there who contribute. The way in which we maximize our shield against the perception of impropriety is to reduce the amount of money that is in the campaign process and to minimize our need to raise it.

So Senator BIDEN, Senator BRADLEY, Senator FEINGOLD, Senator BOXER, Senator WELLSTONE, Senator SIMON, and I are sending to the desk an amendment that is different from the public funding mechanism in the underlying bill.

This amendment requires zero mandatory expenditure of any Federal money. What we are proposing is that through a purely voluntary—and I emphasize voluntary—system by which each American citizen can choose whether to support the campaigns or not, we are proposing that you have the full funding of general election campaigns only by virtue of the money raised through that voluntary donation process.

Now, I would emphasize this amendment does not add to the deficit. It makes no mandatory expenditure of Federal money. To whatever degree Americans choose voluntarily to participate, it is offset by eliminating the deduction for lobbying just as in the Mitchell-Boren bill.

I might add, in the alternative, I support wholeheartedly their proposal. It has very significant campaign reforms in it. I think each sponsor of this amendment feels that way. But it is also our belief that we could do more to provide the distancing I talked about and to facilitate the fundraising process.

Now, we are proposing also to fund whatever offset is necessary, according to the voluntary choice that Americans make by taking money from the campaign, from the lobbying deduction that corporations now have. It is impossible to justify to the average American who feels just as strongly about telephoning their Senator or their Congressman or writing letters, to have an influence in this country, why those telephone calls and those letters or their organizational efforts are not deductible but big corporations and other entities that want to come to Washington, spend a lot of money, pay for a lot of lobbying efforts, gathering a lot of information, can deduct that effort.

So it is highly appropriate that we say we are going to equalize this; that the average citizen deserves their voice to be heard in Washington just as much as any large interest. And the average citizen of this country should not have money coming out of their hard-earned tax dollars supporting lobbyists who are, indeed, lobbying against their very interests, which is what happens today.

So in our amendment we are saying to Americans, if you do not want any of your tax money to fund a campaign, so be it. If you like the current system, where it is big money that deprives you of a voice, if you like the current system where PAC's can give $15,000 but you may only be able to scrounge up $15 of your hard-earned money, then keep it. But if you want your voice restored, if you want to give back to Americans the voice they deserve, then take $5 of your money and check it off just as you do for the Presidential race and allow it to go to campaigns.

That is all this says. Give Americans the choice. Let each citizen in this country decide whether or not they want to fund a campaign and liberate their U.S. Congress from the special interest process.

It is free choice. This is the heart of what we are supposed to have in America in this amendment.

Some Senators will say: Wait a minute, I do not like public funding. This is not mandatory public funding. If you do not like the current bill, then you ought to vote for our amendment because our amendment in fact reduces the amount of mandatory expenditure of Federal money. It leaves it up to Americans how much they want to spend. It respects each citizen's ability to make up their own mind.

And if you are not willing to vote for it, it somehow suggests that you, Mr. Senator, or Madam Senator, know better than the average citizen what they want to do with their tax dollar with respect to the choice about funding campaigns which is different as we know from all the other choices that we make here in the representative democratic process.

We have already enabled this kind of choice, because since the 1970's and Watergate, we have had a system where we fund Presidential races that way.

Americans have chosen to participate in that process. From 1973 to now, on average, 20 percent of Americans have checked off $1, and each year we raise $27, $31, $33, $41, $34, $33, $32 million, because 32 million Americans made the choice.

I respectfully suggest that we ought to have enough respect for the average American to say: You choose whether you want to liberate the Congress now, too, and allow them the opportunity to be free of the special interests. That is the way you answer the question of the Senator from Maine.

How do you guarantee that you are not going to get trapped in this process of deciding? The way you guarantee you are not going to get trapped is not to have to raise those dollars. And the way you guarantee that is by permitting each American to check it off on their tax form.

I have heard the argument made here that somehow this process represents an incumbent protection system. I want to address that for a moment, if I may.

It is very clear, Mr. President, that the current system is the incumbent protection system. The current system is the incumbent protection system. Under the current system, in the last cycle, in 1992, Republican incumbents, of whom there were 12, raised $5,553,000; Democratic challengers to those Republican incumbents only raised $2,500,000, half the amount of money for the challengers versus the incumbents under the current system. Under the current system, Democratic incumbents raised $23,487,000; versus Republican challengers who raised far less than half against them, $1,158,000.

Mr. SIMON. Will my colleague yield just to clarify? He is not talking about the total expenditure. He is talking about the average expenditure per candidate. So when you talk about $5.5 million, you are not saying throughout the Nation. This is per individual candidate.

Mr. KERRY. That is correct. I thank the distinguished Senator from Illinois for helping to clarify this chart. It is a very important point.

We had some individual Senate candidates who spent $20 million apiece for a seat in the U.S. Senate. We had people spending $10, $12, $7 million, each. In my State of Massachusetts, during the last cycle, we had to raise some $8 million to run.

This is the average. But under the average, it is clear the incumbent protection act is the system we have today. If you want to change it and make it fairer, then you say to any person who wins the nomination of a party, or if they are an independent candidate, you have a right to have a fully funded general election just the way our Presidential candidates do. That will minimize the fundraising time. It cuts in half the amount of money you have to raise. And it reduces your exposure.

Most importantly, for those who care about democracy, you are talking about a $5 contribution. Think of what it would mean in this country to have the general election campaigns of the U.S. Senators funded by $5 contributions from anonymous people. You do not know who gave you the money. People who care about liberating their Congress from the special interests are the ones who gave it. But whether they be Democrat, Republican, or Independent, they have given it because they want us to end the charade of pretending we are trying to set up a system that will help challengers, when in fact the current system is so antichallenger it is incredible.

I would like to review a couple of other things of the 1992 cycle. Congressional candidates spent about half-a-billion running for office, and every penny of that was from private interests. I would not complain, I do not think many people would, if all of that money came from the small interests, if it came from the small folks, but the fact is most of that money came from the few who could afford to give $500 or up to $1,000 to politicians, or from PAC's that gave $5,000. That disenfranchises most Americans. What you are really saying to the people is the important money in America is the big money, and we are not going to try to encourage the small money participation.

In 1992, candidates for the Senate received an average of over $1.5 million in big money and PAC contributions; $1.5 million in big money, compared to $650,000 that they received on average from the smaller contributions of $100 or less. And Democrats relied as much on the big money as Republicans did.

By contrast, as I pointed out, there was this enormous difference between the challengers and the incumbents. We know that there are those Senators in opposition to any kind of giving Americans the choice program who try to say that we are not interested in the facts when we are dealing with this issue. But I believe that the facts show without any question that the current system favors incumbents, whereas the system we are proposing would assist people to enter into the process.

One of the big issues we face here on the floor has been the questions of EMILY's List and private fundraising efforts through bundling and so forth. The fact is women candidates, minority candidates, people who do not have access to the corporate board rooms and PAC's have an enormous opportunity to be able to run for office if there is a system that says you only have to raise a small amount of money to get over the threshold. And at some point if Americans want it to be, there is a system that frees you from the special interests and still allows you to be on television and reach Americans.

We hear Senators, and I have heard these arguments in the past, say: Wait a minute. Here come those people. They want to put their hand into the public cookie jar. They want to take public funds.

Here is the answer. There is no taking here; there is a voluntary offering by Americans if they choose to liberate us from the big money.

But second, what is extraordinary to me is the very people who raise that issue have also been some of those who over the years have collected huge amounts of public money running for President of the United States, or supported the program where people get that kind of money. I mean we have candidates here in the U.S. Senate who have run for President, who do not vote for this, but who have personally accepted public money running for President of the United States.

Mr. President, I respectfully suggest that there is not one of our candidates who has run for President for whom the acceptance of public money was an issue when they ran for election or reelection in their Senate races.

Not one was told I am not voting for you because you took public money to run for President. We are asking, in this case, only for a voluntary system that respects the right of Americans to be able to choose.

President Bush, in the course of his running for President of the United States, accepted $125,626,000 of public money. Ronald Reagan accepted $90 million. If you add George Bush to the times he ran with Ronald Reagan, he is over the $200 million mark in accepting public money. Jerry Ford, $26 million. Pat Robertson, $9 million. BOB DOLE, $8 million. Jack Kemp, $5 million. Buchanan, $5 million. Baker, $2 million. There is Senator HOLLINGS from South Carolina; the Senator from Iowa, Senator HARKIN; Senator GORE, now Vice President GORE; and none of them ever heard a word about accepting this money in their races, because it is not an issue.

Americans want a system that is campaign clean and corruption perception free. The way you get that, I believe, is by a voluntary system.

So, Mr. President, there are others who want to speak on this issue. But, in sum, let me say, if we are going to debate this issue, let us debate what we are really proposing. Let us not set up a red herring and then rip it down. Let us debate the real program. We are proposing a voluntary checkoff.

No American citizen who does not want to support this program has to. Only those people who choose to check it off will support it, and to whatever degree Americans choose not to support it, we allow candidates to go out and raise the money up to the $1,000, as they do today, with a year's notice prior to the fact that they are not going to have sufficient funds.

I respectfully submit to my colleagues that, given the participation in the past on this issue, all you need are 10 million Americans to participate—10 million Americans to check it off. We have not even asked Americans to participate since 1974 in this system. And we have certainly not given Americans any great, good cause to feel that they want to do it spontaneously because they think the system is so terrific and is working so well. To whatever degree the participation has trailed off—and it has a little—you can notice that it started right in 1984 or 1983, right when the deficit problem grew the worst, and right about when we introduced Gramm-Rudman-Hollings in an effort to do it.

We all know that was the time when there was a seminal change in this country in the perception of the American voter toward the Congress and the political process.

So I ask my colleagues to examine this. All of the polling data shows that even if you load up a question in the worst way, and even if you load up a question to say to a voter, would you want your money to support a Communist running for office, or somebody of an alternative lifestyle you do not like, the answer is that if that donation would reduce the amount of big interest money, if it would reduce the exposure of the Congress to special interests, they say, yes, we will support it, by 61 percent. If you do not load up the question in some way to get a negative answer, more than 70 percent of Americans will support a voluntary public funding if they are also getting reform in the process.

So, Mr. President, I hope that colleagues this year will say that this is the simplest, easiest, fairest way of opening up our process of eliminating the problem of incumbency protection and, finally, being fair in the process of creating campaign finance reform.

I yield the floor at this time.

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. FEINGOLD. Mr. President, there are plenty of good reasons for campaign finance reform. They include making elections more competitive, reducing the influence of special interests on Congress and, of course, simply helping to restore public trust in Government. But I especially congratulate the junior Senator from Massachusetts and rise to support his amendment for another reason.

There is another glaring need for campaign finance reform. The Senator was talking about this reason in a good part of his comments, and that is the need to reduce the amount of time candidates and officeholders have to spend raising money.

I know there is not a whole lot of sympathy for Senators and Members of the House who have busy schedules and, frankly, there should not be. With all of the long-term problems our country faces, the public should expect the Members of Congress to be working overtime on the issues facing the country. Many of us do work long hours.

As a freshman, I can attest to the very real need for me to spend a great deal of time studying, reading, discussing the ever-changing myriad of issues we consider in the Senate. There is a lot to be done, especially at this time with the bills that are before us. The country is clamoring for us to get things done here.

Unfortunately, today's system of financing campaigns, and the truly obscene amount of money spent on campaigns, makes it extremely difficult for many Members of Congress to really focus on the issues. The average successful Senate candidate spends about $4 million. That works out to about $1,800 every day that needs to be raised over the course of a 6-year term.

Fortunately, I have spent very little time on fundraising in the few months that I have been here. My time has been taken up working on my new job. That ranges from attending Aging Committee hearings on the high cost of pharmaceuticals and the need for long-term health care; it includes early morning briefings from the Congressional Research Service experts on how the archaic Federal milk marketing order system can be changed to help our Wisconsin dairy farmers. I participated in a series of critical Foreign Relations Committee hearings focused on restructuring our foreign assistance programs to reflect the end of the cold war; and I have spent, in really only 4 to 5 months, countless hours poring over budget materials, looking for ways to achieve what I consider to be my overriding goal, and the overriding goal of many of us, which is reducing the Federal deficit.

I have received requests to cosponsor more than 350 bills and resolutions from my Senate colleagues, and I have tried to spend time studying these proposals. I have met with hundreds of Wisconsinites, getting their ideas on how we can make the Federal Government work better and hoping to be more responsive to the needs of the Wisconsin community.

I know as well as anyone—better than most—the daunting struggles as an underfunded challenger. In my campaign in 1992, I had three opponents, two in the primary, a wealthy businessman and a very powerful Member of the House of Representatives. In the final election, I had to face a very well-financed incumbent Senator. Altogether, they spent $12.2 million, compared to the less than $2 million my campaign spent. We were outspent by better than 6 to 1, and I cannot begin to describe the time and effort it took to raise even the relatively modest amount of money my campaign spent.

What I want to say today is a little different. I think an equally serious problem is now fundraising activities can dominate the time of a Member of Congress after the election, after they are sworn in.

During my campaign for the U.S. Senate, I had occasion to visit Washington a few times. During one of those trips in 1990, I had a nice conversation and the opportunity to visit with a distinguished Senator who was up for reelection that year. This Senator was one of the most respected Members of the Senate, but he was exhausted and exasperated from the combined drain of trying to raise millions of dollars and finding time to do the job the voters elected him to do. He was literally sprawled on the couch of his office wondering aloud if it was all worth it.

I know it is hard feeling sorry for a politician, even for a politician; but at that moment, I did. I was even more sorry for the people he represented, because at that moment he simply was not able to give them the kind of representation they deserved and that I know he wanted to deliver.

We ought to have a system which encourages both candidates and incumbents to spend their time working on the issues that the people who vote for them care about, not spending their time asking for campaign donations. There is simply too much money in politics these days. The best way to reduce the influence of money in politics is to reduce the amount of money that can be spent on political campaigns and to provide that public financing, so that both incumbents and challengers do not have to spend so much of their time raising money.

That is why I feel as strongly about this amendment as any amendment I have had the chance to vote on since I have been sworn into the U.S. Senate. I feel this provision of the Senator from Massachusetts would make the tremendous difference that we need to reform not just campaign finance, but to reform the way this Government works.

Until these changes are enacted, the pursuit of campaign contributions will continue to dominate not only election campaigns, but the time, energy and attention of elected officials after they have been sworn in. That is not good for anybody and, in my view, it is a terrible disservice to this country.

So I am delighted with this amendment, and I urge the body very strongly, not only for purposes of campaigns, but for our own ability to perform the jobs that I know all of us want to do, this amendment would make the critical difference.

I yield the floor.

Mr. SIMON. First of all, I agree with our new colleague from Wisconsin, and his remarks illustrate why he has made the impression on so many of us that he is going to be a solid, substantial Member of this body.

I am pleased to rise in support of the amendment offered by our colleague from Massachusetts, Senator KERRY. I would disagree with him on one thing, if my colleague will forgive me for disagreeing with him here. I agree with 95 percent of what he had to say, but he talked about the perceptions of impropriety under the present system.

I say to my friends, it is a lot worse than the perception of impropriety, it is simply impropriety. And it affects all of us. I have never promised anyone a thing for a campaign contribution all my years in politics. But if someone who has raised money for me or made a $1,000 campaign contribution calls, that phone call is more likely to be answered than one from someone from my State who calls and says he or she is out of work and is desperate for help.

What I am willing to say publicly is true for every one of us. We simply cannot, in a State with 12 million people—I forget how many people are in Nevada, the State of the Presiding Officer; or the State of Massachusetts; or the State of New Jersey. But we simply cannot answer every phone call. Whose phone calls do we respond to? Too often, it is those who are generous enough—and from our perspective, wise enough—to contribute to our campaigns.

So the financially articulate have inordinate access to policymakers. That is the reality. We know it, whether we are willing to admit it publicly, or not. Every Member of the Senate knows it. My good friend from Rhode Island, who just walked in, knows this. We all know this. And the public knows it. The public understands how corrosive this system we have of financing campaigns is. There is just no question about it.

The bill that is before us, without this amendment, is a step forward. But I have to say, I think it is a modest step forward. What this does, this amendment says: Let us really face up to the problem. And I think we owe the American people that.

Let me tell you about a measure I am working on right now. It will be debated on the floor before too long, right here on the floor of the U.S. Senate, and that is direct lending for students. It is very clear that almost all the higher education associations are for this. The United States Students Association, the American Council on Education, you name them, are supporting direct lending. It is good for taxpayers. We are going to reduce the student loan default. We will save money we now give to these middlemen in the process. We are going to save billions of dollars, $4.3 billion, if we accept the President's recommendation.

But our friends in the banking industry—and they are our friends—are on the other side. They make more per loan on a student loan where they do not take any risk than they do on the average car loan or real estate loan. They would like to keep this. And our friends in the secondary market, the Student Loan Marketing Association, Sallie Mae—we set this thing out. The President of the United States appoints board members. Do you know what the salary of the chief executive officer of Sallie Mae is? It is $2.1 million, more than twice as much as the chief executive officer of Sears. And yet it is dealing in Government-guaranteed bonds. The number five executive gets $726,000. The President of the United States gets $200,000.

Who is going to be in a situation to contribute more to campaigns; that citizen who is out of work in Illinois, or Massachusetts, or some other State, or the CEO of Sallie Mae?

What you have in this debate, you will have the financial communities overwhelmingly on one side, and the students, their parents, and the taxpayers overwhelmingly benefited on the other side. And in that kind of a debate on a Higher Education Assistance Act—this is not called the Banking Assistance Act or the Sallie Mae Assistance Act—in that kind of debate, it ought to be overwhelming where it is going to come out. But it is going to be close. Why? Because of the way we finance campaigns. There is just no question about it.

So I think our colleague from Massachusetts is right on target. I think we have to recognize we are performing a disservice to the public, and to this country we love, by the way we finance campaigns right now.

I know the odds are against the Kerry amendment passing, but what a great day it would be for the Nation if we summed up enough courage and did what was right.

I am going to support it. I am proud to be a cosponsor. I hope we do the right thing.

I yield the floor.

Mr. KERRY. Mr. President, I would just like to thank the Senator from Illinois for his eloquent comments. I think it takes a lot of courage to come down here and lay it out the way it is, and the way most of us know it is, although some try to avoid it.

I think the Senator said it in very straightforward and important terms. I thank the Senator for his support on this.

Mr. SIMON. Mr. President, I thank the Senator for his generous comments and for offering the amendment. I know the Senator's offering the amendment offends some of our colleagues.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. Mr. President, I rise today in strong support of the amendment offered by Senators KERRY, BRYAN, BRADLEY, SIMON, FEINGOLD, and WELLSTONE, because I believe it provides for the strongest reform of our political system.

The pending amendment is the only proposed reform that will take the money out of general elections. Opponents of this amendment have argued that the price is too high, that the taxpayers will not want to bear the cost.

But, Mr. President, this amendment does not finance reform on the backs of ordinary taxpayers. It is financed by lobbyists, who make millions, and millions, and millions of dollars as a group.

Let me tell you why I think this amendment is important. To run for the U.S. Senate from my home State of

California, candidates need to raise in excess of $10 million. As a matter of fact, Mr. President, they are looking at a gubernatorial race there in 2 years, and candidates are speaking about having to spend $20 million.

But let us consider the $10 million figure, which is what this Senator spent. That means, to mount a successful reelection campaign, an incumbent Senator from California must raise an average of $32,000 per week. That is $4,500 per day, every single day for 6 years.

Now, in the course of debate, the junior Senator from Kentucky has persuasively argued that these staggering numbers are somewhat misleading, because most Senators raise the vast majority of their funds in the final 2 years of their term. So let us consider that scenario. To raise $10 million in 2 years, an incumbent Senator would have to raise over $95,000 every week—$13,700 every single day.

That is a daunting task. But I know that if I tried my best—if I worked really hard at it, and spent hours and hours away from my job, on the phone dialing for dollars, I could raise that money.

But, Mr. President, the people of California elected me to be their U.S. Senator—a legislator, not a fundraiser. I am not running the United Way. I could do a good job running the United Way, and someday maybe I will wind up in a position like that. But right now I want to be the best Senator that I can be. I came to the Senate to fight for what my constituents believe in, not to spend hours on end building up a war chest for my next campaign.

So how do we do it, Mr. President? How do we end the money chase? And why do I believe that full public financing in the general election is the answer?

The Senator from Massachusetts and his coauthors have provided us with a scenario that works. We know it works in Presidential races. I have not seen anyone, during the course of this debate or any other, suggest that we rescind the public financing for Presidential races. We know it works, and we know it will work in the U.S. Senate.

Mr. President, the underlying bill will not end the money chase. Let us be very clear on that. It tinkers around the edges.

Consider this: The spending limit set by S. 3 for the State of California is nearly $9 million. The leadership substitute would provide $1.1 million in publicly financed communication vouchers. That means that successful candidates would need to raise nearly $8 million. So, yes, it is an improvement from the $10 million that I spent, but really, it is still an enormous sum of money.

I have proven that I can raise a lot of money, so my support of this amendment is not selfish. As a matter of fact, it could be detrimental to me, because not many in this country could raise this kind of money. I was fortunate. I was able to raise 90 percent of my contributions from individuals, not PAC's. My average contribution was about $100.

But still, I know how it feels to worry constantly about being able to pay for your campaign, so you can answer the charges of your opponent. You need to be calling people day in and day out.

Mr. President, I have to tell you this: Sometimes I got physically sick at the thought of asking one more person for one more dollar.

I have heard the junior Senator from Kentucky talk about public financing as "food stamps for politicians." And that was a nice sound bite on the radio. We heard that for days—"food stamps for politicians."

Well, I have a question to ask: Was it food stamps for Ronald Reagan? He took public financing and I did not hear the Senator from Kentucky [Mr. McCONNELL] say President Reagan was taking food stamps. Was it food stamps for George Bush? He took public financing; millions of dollars. Was it food stamps for Pat Buchanan? He took 3 cents of every dollar, more than Jerry Brown and more than Paul Tsongas. Pat Buchanan hates food stamps, but he took public financing.

Public financing is not food stamps. It is patriotic, because it frees our nominees to do what they should be doing—studying issues, meeting the people, making visits to schools and hospitals, writing speeches, reading articles, books, newspapers, magazines, and, yes, Mr. President, maybe even having a few short minutes to spend with their families.

I think we need real change, real reform—reform that takes the money out of general elections.

I think this vote is a watershed vote.

Senate elections should be about who has the best ideas, not who can raise the most money. Senate elections should be about who is the best candidate, not who can raise the most money. Senate elections should be about who is the best person—the best person for the job—not about who can raise the most money.

Mr. President, this amendment is very, very important. I say to my colleagues who are undecided on this issue: If you want real reform, this is the reform amendment. I hope and I trust that we will get enough votes to see it become law.

I yield back the floor.

Mr. KERRY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KERRY. Thank you, Mr. President.

Mr. President, I think the Senator from California for her remarks. She obviously understands how extraordinarily complicated it is to raise some of the largest amounts of money in the Senate. She really broke a lot of new ground in doing so, because she had a really remarkable small donor campaign and that witnessed the smaller amounts of money that she raised.

But, notwithstanding that, she articulated the difficulties that it presents us with. So we are delighted to have her additional support as a new Member of the Senate and particularly pleased that she is one of the original cosponsors of the bill. I thank her for her important support of this bill.

I know the Senator from New Jersey was here waiting to speak. I believe he will return.

I yield the floor.

The PRESIDING OFFICER (Mr. ROBB). Who seeks recognition?

Mr. FORD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McCONNELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCONNELL. Mr. President, I do not think we need to belabor the debate on the Kerry amendment very much. Suffice it to say that in terms of direct expenditures on behalf of candidates who qualify, there is about twice as much taxpayer funding of elections in the Kerry amendment as in the underlying amendment.

We already know how the American public feels about taxpayer funding. We have the most comprehensive survey ever taken on any subject and we have it taken annually. Every April 15, taxpayers get to decide how they feel about taxpayer funding of the one election we have at the Federal level funded in that manner currently. Taxpayers get to decide whether they want to check off $1 of taxes they already owe—it does not add to their tax bill—and divert that away from deficit reduction or childhood vaccinations or any other worthwhile subject, to give to the Presidential election campaign fund. And we know that participation has gone from a high of 28 percent in the late 1970's, constantly going downward, as this chart illustrates, to a low of 17.7 percent.

This is the only subject with which I am familiar where we have a total survey of millions of American every year. So you can flash polls until you are blue in your face, the answer to the question is as apparent as the nose on your face; the American taxpayers hate taxpayer funding of elections.

At a time when the President is calling on us to cough up, or ask of taxpayers, the highest tax increase in

American history, it is suggested we should start a new entitlement program for us with tax dollars. Suffice it to say, the American public will be outraged. Ross Perot is against this bill, and those who follow him are against this bill.

It is interesting, there was recent further evidence, if any were needed, about how the public feels about taxpayer funding of elections. It was an interesting piece in the Washington Post in 1991, January 1991, about a focus group that was brought together to take a look at what the public felt about taxpayer funding of elections. There was a story about it in the Washington Post, with a byline by Chuck Babcock. The article said:

> Proponents of spending tax money to reform the much-maligned congressional campaign system will find little to cheer about in a new study of public financing of presidential elections.
>
> When the Federal Election commission sponsored focus groups on the subject at the end of last year, they found the participants so angry—

This was a FEC-sponsored focus group study—

> . . . about politicians in general that the anger overwhelmed any discussion of the presidential checkoff issue.
>
> "It was often difficult to keep the group focused on the subject at hand because of their anger at politicians and a perception of wasteful spending by government," the report to the FEC by Market Decisions Corp. of Portland, OR, said.
>
> Some campaign finance reform advocates in Congress have proposed increasing the voluntary checkoff from the $1 designated for the Presidential fund to $3—

which was the number for the bill in that Congress—

> for congressional races, too.
>
> The FEC hired the Portland firm because it is facing the possibility that the fund, started as a post-Watergate reform in the mid-seventies, won't have enough money to provide matching funds for candidates in the 1992 Presidential primary season. The idea, FEC spokesman Fred Eiland said, was to determine what the public knew about the system so the agency could fashion a program to publicize the problem.
>
> Market Decisions corporation conducted two sessions in Fort Lee, New Jersey, Chattanooga, Tennnessee, and Portland * * * Ray Ashmun, who ran the focus groups, found that participants had little knowledge of how the system worked or how their money was spent if they designated $1 of their taxes to go to the fund.
>
> The study found some focus group participants particularly outraged to learn tax money goes to subsidize the Presidential nominating conventions: "That money is going to conventions?" Well, I don't want any money going to a drunken brawl, a week-long party," the report quoted one Chattanooga resident as saying.
>
> Ashmun, who conducted the focus groups, said in an interview yesterday that participants who didn't contribute to the Presidential fund were the most emotional in denouncing politicians. He added he is among 80 percent of taxpayers who don't use the checkoff. "And now I feel more strongly about it because I'm more informed."

This was the guy who conducted the focus groups, and he said, after listening to the focus groups, he felt even more strongly against taxpayer funding than before. This was the focus group commissioned by the Federal Election Commission to find out, if people were accurately informed of what the checkoff was about, how they felt about taxpayer funding of elections.

So if any of our colleagues want to delude themselves into thinking that taxpayer funding of elections is popular, please go ahead. I guess you can always trot out a poll for whatever your preconceived notions are. But suffice it to say for any of those who may have an open mind on this subject, I will display the public response to the checkoff every April 15.

Recently published polls that I have seen that asked the question in a very balanced way show at least a 20-point spread against taxpayer funding. There is not a doubt in my mind that the American public absolutely hates, detests, and despises taxpayer funding of elections.

Only yesterday, we had a two-vote margin as Senators voted, just barely, that rather than use the lobbying expense deduction to repeal savings strictly for deficit reduction, a new entitlement program for politicians would get first crack at the money. The remaining dollars would then be used for available deficit reduction. Under the Kerry amendment, there would not be much left for deficit reduction.

I think that there is not any question, and I am sure the Senator from Massachusetts would agree with this, that the purpose of his amendment is to have more—that is the whole basis for it, he argued that, that is his point of view—is to have more tax dollars in the general election, to have it largely funded by the taxpayers of America. That is the goal. He believes that is a cleansing process to hermetically seal the Capitol, to separate us from the influence of those folks out there who may want to contribute their money to the candidate of their choice in voluntary and limited amounts.

So I really do not think there is any particular reason to belabor the issue. I did have a couple of questions to ask my colleague from Massachusetts, and then I am prepared to move to a vote, if he is.

I just ask my colleague from Massachusetts: Under your amendment, if a civil rights group, like the NAACP or B'nai B'rith, decided to make independent expenditures in opposition to the Senate candidacy of David Duke in Louisiana and Mr. Duke had agreed to comply with the limits and other eligibility requirements of the bill, would your amendment provide tax dollars for David Duke to respond to the independent expenditures against him or civil rights groups like the NAACP or B'nai B'rith?

Mr. KERRY. The answer to my colleague is, no, it would not be unless you reached the threshold. If you reached the threshold, the same rules would apply as in President Clinton's and in the Mitchell-Boren bill. All we do is change the funding source, but the same other rules would apply.

Mr. McCONNELL. So if the threshold had been achieved, David Duke would get tax dollars to counter B'nai B'rith or NAACP's independent expenditures against him?

Mr. KERRY. Only according to the rules set out in the original bill. They would have dollars only as Americans have chosen to put them in.

Under the current bill—that is the one which we are amending—there is a mandatory expenditure. We do not have a mandatory expenditure, and I think that is the important distinction here; that this provision makes the public certification entirely voluntary and the only available money to adjust for those who would go outside of the limits would be according to the voluntariness of Americans.

I would respond by asking the Senator from Kentucky why he is afraid or would resist allowing any citizen to choose whether or not they would want to support the process? If you do not want to do it in Kentucky, you do not have to. But if I want to do it in Massachusetts, why not permit me the right and permit a citizen in Massachusetts the right to fund an election that way?

Mr. McCONNELL. If the Senator from Massachusetts is asking me if I would like to ask the American people whether they would like for David Duke to get their tax dollars to respond to independent expenditures of the B'nai B'rith or NAACP, I would like to ask the American public that. I think that would be interesting.

Mr. KERRY. That is not what I asked the Senator and that is not what I am asking. What I am asking the Senator from Kentucky is, why will the Senator from Kentucky not allow any citizen in America who wants to make the decision, why does the Senator from Kentucky feel that he knows better than 20 percent of Americans who want to make a choice contributing this way?

Mr. McCONNELL. Does the Senator's amendment allow the taxpayer to add to the tax bill, the $5?

Mr. KERRY. Yes, it does, but that is a supplemental mechanism only. I believe you would prefer only an add-on, is this correct?

Mr. McCONNELL. That would be a real contribution.

The PRESIDING OFFICER. The Chair reminds Senators to direct their questions to the Chair.

Mr. KERRY. Mr. President, my question to the Senator, and I will answer his question to me, no, we do not do it as an add-on. We permit an add-on, but it is supplemental only. It is just like the Presidential but it is offset. There is no addition to the deficit because it is more than paid for by the wealthier taxpayers of America who are deducting their lobbying expenses at the expense of the average citizen who is paying for them to lobby.

What we are saying in this bill is, why should the average, small taxpayer of Kentucky pay money to support big oil interests to come to Washington and lobby against their interests?

So we are saying, we are doing away with that in order to allow those people to make a choice.

But my question, I still ask the Senator from Kentucky, Mr. President, is——

Mr. MCCONNELL. Mr. President, I believe I have the floor.

Mr. KERRY. I think the Senator yielded for a question and asked me one. Why will the Senator not allow a citizen of Kentucky or Massachusetts to make the choice for themselves?

Mr. MCCONNELL. Mr. President, the citizens of Kentucky are making the choice. Only 10 percent of them choose to check off a dollar of taxes they already owe to divert it to the Presidential campaign fund.

We got a little bit off the track here. The fact of the matter is, the Senator from Massachusetts knows, because we have discussed this issue before, whether or not it is contained in his amendment, under the underlying bill, if a civil rights group decided to make an independent expenditure against a Senate candidate, complying Senate candidate like David Duke in Louisiana, in fact, tax dollars would be given to the former Klansman to counter the independent expenditures in opposition to David Duke.

I did have one other hypothetical that I find somewhat confusing. I think this would be the case, not just in Senator KERRY's amendment but also in the underlying amendment, that I thought we might discuss. I understand there is some desire to have a vote at 5 o'clock. I do not want to hold that up because the bottom line with the Kerry amendment is you have twice as many tax dollars being spent on elections as the underlying bill. I think all Senators know if they vote for the Kerry amendment, they are voting to spend even more tax dollars on elections.

There is one other interesting hypothetical that could develop under both the underlying bill and I suspect the Kerry amendment if it were adopted. Let us take a look at this hypothetical.

You have an independent expenditure by a group of people who get together calling themselves Americans for Higher Taxes. They think that is a good idea. They are for it. And this group ran TV ads in the next campaign saying, "Vote for Senator KERRY; he has the courage to vote for higher taxes again and again." Independent group makes an expenditure, let us say, in Massachusetts, in a race in which Senator KERRY is running and they say, "Vote for Senator KERRY; he has the courage to pay for higher taxes again and again."

Now, my question in that hypothetical—I do not know the answer to it. I suspect Senator KERRY does not either, but it will happen repeatedly if this bill passes. Either with or without the Kerry amendment, if this bill passes, this will happen all the time.

In that case, suppose Senator KERRY and his opponent were eligible under the bill. Who would get the independent expenditure response money? Is that an ad for or against the hypothetical Senator in that situation?

The PRESIDING OFFICER. Does the Senator from Massachusetts wish to yield to the Senator from Kentucky to respond to the question?

Mr. KERRY. If I could ask the Senator to repeat the question, I was talking to another Senator——

Mr. MCCONNELL. I am not sure I know the answer to it. I doubt if Senator KERRY does either. It is a hypothetical we are going to see happen repeatedly whether or not his amendment passes. It is one we ought to think about.

Under the underlying bill, let us assume a group got together calling itself Americans for Higher Taxes that really believe we are undertaxed in this country. They go into a Senate race. I picked Massachusetts just as an example. It could be any State. They say vote for Senator KERRY. He has the courage to vote for higher taxes again and again. Independent expenditure in that State. Now, who gets the response money, Senator KERRY, in this hypothetical, or his opponent? In other words, who is being attacked in that ad and how do we make the decision?

Mr. KERRY. I am not sure that I can answer specifically who is being attacked. Let me just make it clear that my amendment does not impact that hypothetical. That hypothetical arises out of the underlying structure of this bill where there are some provisions for independent expenditures. I am happy to address it.

The structure of the underlying bill is such that it seeks to try to address the question of significant amounts of independent expenditures that come in that clearly are calculated to impact the campaign.

I believe there are requirements in the legislation that require the FEC to make a judgment. And the FEC is in this underlying legislation given significantly greater teeth than it has ever had previously because, as we all know, it is a toothless tiger.

Mr. MCCONNELL. I think that is the answer. The FEC would decide who got the money and it would be a tough question, I guess, to decide whether that independent expenditure was in opposition to or in support of the candidate whose name was mentioned.

Mr. GORTON. Mr. President, I wonder——

Mr. MCCONNELL. A very interesting hypothetical.

Mr. GORTON. Mr. President, will the Senator from Kentucky yield for a question?

Mr. MCCONNELL. Yes, I yield to the Senator from Washington.

Mr. GORTON. Mr. President, I have listened to a portion of this debate on the amendment of the Senator from Massachusetts which seems to me to proceed under a set of assumptions this Senator finds curious. He wonders whether or not the Senator from Kentucky agrees with him.

The first of those assumptions resulted from the question why not let the people of Kentucky or the people of Washington or the people of Massachusetts make this determination themselves, whether or not money which they check off on their income tax returns should go into Senate campaigns as well as Presidential campaigns. But is this Senator not correct in that that decision as it is made today with respect to Presidential campaigns and as it would be made under any of the proposals under this bill is not really money which comes out of the pocket of the taxpayer?

Mr. MCCONNELL. The Senator is correct.

Mr. GORTON. It comes out of the general fund of the United States, out of all of the programs for which the Congress has voted. It does not affect the tax status of the person who makes this election whatsoever.

Mr. MCCONNELL. The Senator is absolutely correct. So what is being given to the taxpayer is the authority to divert that dollar away from deficit reduction, childhood immunization or any other worthwhile purpose of Federal Government. It would be truly voluntary, I would say in further response to my friend from Washington, if it added to the tax bill.

Mr. GORTON. That was the next question the Senator from Washington was going to ask. I suspect that the Senator from Kentucky would not object to a program, at least if it were a supplementary program of this sort, if the taxpayer wanted simply to say I want to pay $5 more to the Federal Government which it could distribute.

Mr. MCCONNELL. I would not have objection, provided the taxpayer was given a choice with the additional $5. The taxpayer might want to pay an extra $5 for deficit reduction. He might consider some other worthwhile purpose. But it is interesting to note that in my State at least, only 10 percent of the taxpayers are willing to give a dollar they have already got to pay to the Government for this cause.

Mr. KERRY. Will the Senator yield?

Mr. GORTON. Another element to another question, if the Senator will yield, with respect to an assumption that he heard on the part of the Senator from Massachusetts which this Senator always finds curious and wonders if the Senator from Kentucky does not believe the same thing.

I believe that one of the assumptions here was that at the present time lobbyists, organizations, profitmaking organizations are using taxpayers' money to lobby here in Washington, DC. This Senator has always found it curious that so many people in politics seem to assume that money which is earned by an individual or by a business and which is retained by that individual or business is somehow taxpayers' money which the Government by its good graces allows the taxpayer to keep rather than taxing them at the rate of 100 percent.

Is it the view of the Senator from Kentucky that money earned by an individual really belongs to the Federal Government except for that which the sovereign should somehow allow him to keep?

Mr. MCCONNELL. The Senator from Washington certainly shares the presumption of the Senator from Kentucky that we are allowed in the Government to take that money away from the taxpayer at their sufferance. About the only good thing——

Mr. KERRY. Will the Senator yield.

Mr. MCCONNELL. That could be said about the current checkoff system for the Presidential election is that Americans are telling us what they think. Millions of them every year are telling us how they feel about diverting a dollar of taxes they already owe to the Presidential election campaign fund. So we know how the voters feel about it.

Mr. GORTON. One final question, and I will yield even the ability to ask questions. The proposal which is before us now, which is to be voted on soon, moves to total taxpayer funding of Senate races under very much the same rationale as general elections for the Presidency are now conducted in that fashion.

But is it not the view of the Senator from Kentucky, as it is the view of this Senator, that the first amendment right to communicate political views, to make one's political views known is not going to restrict in any way, in any significant way whatsoever, the ability of citizens of the United States to spend money to cause their views to be known with respect to a political campaign?

And just as the Senator from Kentucky put up his last hypothetical that when an individual is denied the right to contribute anything to a Senate campaign directly, to the Senator from Kentucky, the Senator from Washington, the Senator from Massachusetts, the Constitution simply is not going to be interpreted in such a fashion as to prohibit that individual from going out and spending $1,000 or $10,000, if he wishes to do so, in communicating his own views, quite independently of the candidate's, with respect to the merits of particular candidates for office. So that all we do is to take out of the responsibility of the candidate and place into an amorphous responsibility of whoever wishes to spend money the responsibility for messages which voters are receiving.

In other words, an individual is still going to be able to spend money for a Senate race, is that not correct, and spend it pretty much how they want, except they cannot spend it on their own behalf?

Mr. MCCONNELL. Mr. President, the Senator is quite correct. The first amendment to the Constitution makes it impossible to restrict all kinds of political expression. So what happens—we know this because we have had 15 to 18 years of experience with the Presidential system—if you could envision what would happen when you put a rock on Jell-O, the money simply oozes out to the side in undisclosed and unlimited amounts.

What would happen, with or without the Kerry amendment, is we would not in fact have 90 percent publicly funded elections. There would be money spent in other ways.

Mr. GORTON. Soft money expenditures other than through political parties are not regulated at all by this bill, are they?

Mr. MCCONNELL. The Senator is correct. There is absolutely no provision in either the underlying bill or in the Kerry amendment that would limit or disclose—even disclose—nonparty soft money, the real sewer money in American politics. So it is absolutely certain that there will be an explosion of spending through those uncharted channels—unreported, unlimited, and unknown to the American people—a virtual explosion, as we have seen in the Presidential system, through party soft money and nonparty soft money.

Suffice it to say that spending limits will not work, whether you have 20 percent of the general election funded by the taxpayers, 50 percent of the general election funded by the taxpayers, or 90 percent of the general election funded by the taxpayers. They simply cannot work consistent with the first amendment.

So we know what will happen. We will squander millions of dollars of taxpayers' money. In fact, even though the act of checking off is voluntary, that will divert that tax money away from ways that the 83 percent of the American public that did not check off might have wanted to see that money be spent. In other words, 83 percent of the people who do not check off might want to see that money spent for deficit reduction, but the 17 percent who make the voluntary act of checking off have the power to budget, if you will, to spend, if you will, the money belonging to all of us as a result of taxation.

So what we would do here, I gather, under the Kerry amendment, is raise it to $5. The reason they need to do that is the participation is slowing, sliding down the razorblade of life. So you have to get more money out of fewer and fewer people who have any enthusiasm at all for the notion that tax dollars should be spent on our campaigns.

Mr. GORTON. I thank the Senator.

Mr. MCCONNELL. I thank my friend from Washington.

Mr. KERRY. Mr. President, will the Senator yield?

Mr. MCCONNELL. Mr. President, I have the floor.

The PRESIDING OFFICER. The Senator from Kentucky has the floor.

Mr. MCCONNELL. It is my understanding that a number of Senators would like to vote around 5 o'clock.

Mr. President, I want to further point out, I am trying to get a sense of when a number of Senators over here would like to vote, if that is possible. It might not be achievable. I had suggested to my friend, Senator KERRY, yesterday, in a discussion of other amendments, that it would be possible.

Mr. KERRY. Will the Senator yield for a point of information?

Mr. MCCONNELL. For a point of information only.

Mr. KERRY. In terms of the capacity vote, there are a number of Senators who want to speak here.

Mr. MCCONNELL. It may be impossible.

Mr. President, I retain the floor.

Let me just say that I said to my friend from Massachusetts yesterday, as we were discussing another amendment, I had thought that when the Kerry amendment on so-called full funding of congressional elections was offered, that it would be constitutional. And it could have been made constitutional just like the Presidential system was if it took all the penalty features out.

The reason Ronald Reagan and George Bush, who were opposed to public funding of elections, agreed to accept the money is because the subsidy is very generous. The way the Congress in the midseventies made the Presidential system constitutional was to make it truly voluntary and very generous. You could make this bill constitutional.

I had hoped that my friend from Massachusetts, in his zeal to have full public funding, would at least cure the constitutional problems but, alas, he has not done that. We still have the punitive provisions in where you get punished if you exceed above the spending limit. We have these tax dollars triggered for independent expenditures to counter those. Resumably, the loss of the broadcast discount is still in there.

I had hoped that Senator KERRY would offer an amendment that was constitutional, because as you provide more and more public money, the presumption is that it becomes more enticing. So you do not need to bludgeon people into accepting it.

As the Senator from South Carolina said this morning, in proposing a constitutional amendment, this underlying bill is blatantly unconstitutional. The Senator from South Carolina said that today. He knows it is coercive. Any plain meaning of the bill and the amendment shows that there is nothing voluntary about it.

So I had hoped that I would be able to say to my friend from Massachusetts: You have done a perfectly straightforward thing. You have said that we want to have full public funding, to get the private dollars out of the campaigns, and we want to make it truly voluntary in order to make it constitutional.

But, alas, the Kerry amendment, unfortunately, is twice as expensive and still unconstitutional.

Mr. President, I yield the floor.

Mr. KERRY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KERRY. Mr. President, I just would like to respond very quickly to a couple of comments. First of all, my colleague from Kentucky points to the fact that only 10 percent of the citizens in Kentucky are participating. That is all it takes. If 10 percent of the people of this country participate, this works.

One of the reasons that it has been trailing off—indeed, it has been trailing off—is people hate politicians and politics, and they hate what is happening here. If they thought that there was a valuable reason to contribute to the process, as they did right after Watergate, when there was a sense it was real reform, we are willing to bet that Americans would once again participate.

My question to the Senator from Kentucky remains: Why are he and others afraid to let an American make a choice? If only 10 percent today are making the choice, that is understandable. I am willing to bet that a much higher percentage will make the choice if this is truly explained to them, and if they see they are freeing themselves of the larger interest.

The Senator from Washington says: Why should we take the hard-earned money of these big corporations away from them and make them pay?

The point is, it is not the money they keep; it is the money they get to make because they get a tax deduction, which is a tax expenditure. Every deduction we allow a company to have is money we lose from the Federal revenue. If we give away money to a corporation because it can come to Washington to lobby us, that is money that the taxpayer has to pick up. The citizens of Kentucky are paying more today because the big corporations are getting to deduct their expenses. But the average citizen who comes here does not get to deduct it. The average citizen who picks up the telephone does not get to deduct it.

I simply say to my colleague that what this does, it simply gives the people a choice and evens the playing field.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey [Mr. BRADLEY].

Mr. BRADLEY. Mr. President, I am tempted to begin with kind of a series of questions that get to the question of the metaphor for a rock in Jell-O. But I am going to refrain from that direction, and instead confine my comments to the bill before us. I am cosponsor of this amendment, and I am very pleased to be a cosponsor of this amendment.

We often talk in this body about, really, the States are where the real experimental things are being done on the great national issues; it is the States that are in the forefront of dealing with some of the thorniest problems that confront our political economy.

Over the last decade, States indeed have become great laboratories of democracy. Local governments have tried to come up with innovative solutions to the problems which the Federal Government has been unable to address in any meaningful way.

For example, the State of Oregon has not waited for national health care reform; they have instituted their own. All of us are watching what happens in Oregon very carefully. We want to learn from their experience and perhaps apply some of those lessons on a national level.

And then true education reform is taking place in the States. States as diverse as Indiana and Texas are acting on many problems that we at the Federal level have been talking about, and they are acting in very innovative ways, with programs aimed at dealing with the basic problem, which is how to assure that all of our children get a good, basic education and that our most talented children are challenged at levels that will give them the greatest opportunity for personal growth. These things are happening in the States. In State after State, on issue after issue, there is great innovation.

So, Mr. President, in my State of New Jersey, I would like to talk about innovation that has been going on there for a long while. It is called "public financing of gubernatorial campaigns." Public financing is available in both the primary and the general election in New Jersey, after candidates have raised the threshold amount that qualifies them to receive the matching funds. Even as the distinguished Senators on the other side of the aisle are making the last stand against public financing, we find that three Republican candidates for Governor in New Jersey are running their campaigns, advertising on radio and television, contacting voters today, with public financing in New Jersey, total public financing in a primary, to be followed by public financing in a general election.

At a time when many of us are looking to States to see what has worked, I believe what this body and what this town needs to do is to look for some real-life examples, such as New Jersey, where public financing has worked exceedingly well. How has it worked in New Jersey? Is there competition? You can be sure that there is competition. The system became law in 1974, and since then, we have had four gubernatorial elections under public financing—two Democratic victories, two Republican victories. Opening up the process? Absolutely. While there is a front runner in the gubernatorial nomination, we have four credible candidates, none of whom lack the funding to conduct a dialog on the issue with the people of New Jersey.

After the June 8 primary, there will be a tight and tough race, no question about that. It is going to be hard fought on the airwaves and on the streets and on the ground in the State of New Jersey, but it will be fought on an even playing field. When it is over, no one will doubt that the people of New Jersey made their decision based upon the character of the candidates, their records of public policy, and their programs for the future. It is an even playing field. Both the Republican and Democratic candidate will have spent the same amount of money, and that money will have come from a single interest with the biggest stake in the outcome of this gubernatorial election, and that interest happens to be the people of New Jersey.

I think that most of us believe that is what campaigns should be like—the unregulated competition of ideas and political philosophies that give voters a choice and a voice in their democracy. But this marketplace of ideas does not exist when the resources are so one-sided that only one candidate's programs are discussed and only one set of ideas are debated. It is not always working that way, that the candidate with the most money is going to win, but it works that way the overwhelming majority of the time. There is no question about that.

Well, the Supreme Court has said that in this age of mass communications, money is necessary for political communication. The Supreme Court does not like spending limits on campaigns because these limits inherently restrict the ability of candidates to communicate. In fact, the Supreme Court also sees contributions to candidates as a form of speech. They call it symbolic speech under Buckley versus Valeo. I am not a lawyer, and there are a lot of good lawyers here; the distinguished Senator from Kentucky is one. There are lawyers on both sides of the aisle. Therefore, I am not involved in debating the points of the Supreme Court decisions. But to those of us who are not lawyers—and there are a few of us in this body who are not lawyers—the crux of the problem in our current system seems to be that money buys more freedom and more speech. There is no question about that. The more money you have, the more opportunity you have to get your point of view over to your constituents—on the airwaves, in the mall, in direct voter contact.

Over the past several years, as we have debated the issue of public financing and the issue of campaign finance reform, I have learned that there are more kinds of money involved in campaigns than I would ever have dreamed possible or likely. For example, let us just think about it. Just go down the list of the various kinds of money we have. There is hard money and there is soft money. There are coordinated expenditures and the Federal match. There is bundled money and earmarked money. There is PAC money and individual contributions, and on and on and on.

We already have a system that is complicated and almost incomprehensible to those who do not work full time on campaigns for a living. Thank heavens that is not most of the American people. It is a special class that everybody hires to make sure everything is done properly; it is a special class. No wonder people feel shut out of this system.

The problem with campaign reform as embodied in this bill, and in other bills, absent the amendment we are now considering, is that it stops short of full public financing. The only clean, guaranteed, disinterested money that you will ever find in a campaign, in my view, is public money. Why is that so? Why do I think it is only going to be solved when we have public money that the taxpayers check off, and you get only what they give you? I think it is because we cannot draw distinctions between private moneys in a way that will ever be truly meaningful.

When it is all private money, it is hard to say that some sources are good, and some sources are bad. Individual contributions can come from college roommates, from someone who liked a speech they saw on C-SPAN, from a friend of a friend, from somebody who likes the way you look—it does not come to me too often that way, but it goes to some—from someone who thinks the contribution will gain access, or whatever. It can be perverse, or it can be naive. It can be idealistic, or it can be coldly calculated.

We cannot legislate what is in peoples' hearts out there when they contribute to candidates. That is why there has to be the threshold that says it has to be public financing, because then we do not have to look in people's hearts or attribute motives to people or subject all of us to innuendos because of personal contributions that we know came for one reason, but outside it is subjected to innuendo and it is implied that it came for a different reason.

I do not believe that working our way through the maze of political money and contribution limits would truly reform the political process. Those who want to game the new system will find ways to game the new system, just as with the current system. We would find ourselves back here sooner or later wondering why anti-incumbent sentiment is so hot out there in the country and asking ourselves how can we restore public confidence.

This amendment happens to be the way we restore public confidence. Short of it, we will not. With all due respect to all those who have been a part of this particular bill and who put it together over long hours, this is not the final word. It is not even the best word.

It is not even the best word. It is a step forward. But if we do not go to public finance we are going to be back here in 5 years, 8 years, 10 years when other people have figured a way to game the system, and we are going to be asked the same kind of questions.

The bill that we have introduced I think simplifies the political system and opens up the doors to everybody by funding campaigns equally for challengers and incumbents with what I have said, with the only clean money that exists. That is public financing. At a time when we are looking at the difference between spending and investing, this is clearly an investment not in roads or bridges but in something far more fragile and infinitely more precious, and that is democracy and our future.

I think what we have accomplished with public funding is ensuring that everyone has a voice and feels that they have been heard, everyone participates and everyone benefits when they are engaged in a dialog, it offers voters a real choice, and no one feels shut out of this process.

I have been struck during this debate, when the other side discusses public financing for Senate races they keep talking about "making the American people pay for our political campaigns." I am struck by the presumption of ownership in that particular statement "make the American people pay for our political campaigns"—ours.

Well, I do not think that campaigns for the U.S. Senate are our campaigns any more than these are our seats, our seats in the U.S. Senate. This is not my seat in the U.S. Senate. This Senate seat is a seat representing the people of New Jersey, and I happen to be here for awhile. I am a temporary occupant. I am working on behalf of the real owners, the people of New Jersey. And every 6 years they have an opportunity to decide whether to fire me or rehire me for another term. I get an opportunity to make my case to them. They get an opportunity to say yes or no. When I make my case to them it is not my campaign, it is a campaign that belongs to the voters as surely as this Senate seat belongs to the voters and the people. It is their process to make their decision.

Mr. President, this amendment will go a long way to assuring that it remains, and in a real sense, their process. So I say let us give campaigns back to the people of this country. Let us make sure that everybody feels their voice is heard, and let us make the national interest the loudest voice we hear in our campaigns by passing this amendment. Then we will try to explore in depth the meaning of the rock on the Jell-O.

The PRESIDING OFFICER. (Mr. MATHEWS). The Senator from Massachusetts.

Mr. KERRY. Mr. President, I thank the Senator from New Jersey not just for his support but much more importantly for the quality of his statement.

I think the Senator from New Jersey is one of those few people in the Senate who, by virtue of a combination of hard work and stature and reputation, has the ability to raise more money than anyone else in the Senate.

I think it is fair to say that if you have a Senator who has the easy ability to raise that kind of money and yet comes to the Senate and says "Look I can always out-distance my challengers, but I do not think it is right," I think that is a very significant statement and it underscores the importance of this particular effort.

I thank the Senator from New Jersey for that.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. BOREN. Mr. President, will the Senator yield a moment for a unanimous-consent request.

Mr. DODD. Yes.

Mr. BOREN. Mr. President, I would like to ask my colleague—and we do not need to put time under control or divide it between sides, or anything else—would there be any objection to us, so colleagues can plan, setting a time, say at 6 o'clock on or in relation to the Kerry amendment?

Mr. KERRY. I think it is important to have some sort of understanding on time so that folks who want to speak have an opportunity to speak. If we just have an open-ended effort, one person can obviously talk the whole time and we would not be able to get people a fair opportunity to speak.

Mr. BOREN. Mr. President, I ask unanimous consent that the vote on or in relation to the Kerry amendment occur at the hour of 6 o'clock; that of the time remaining between now and 6 o'clock, 45 minutes, be under the control of the Senator from Massachusetts and 10 minutes under the control of the Senator from Kentucky.

Mr. WIDEN. Mr. President, reserving the right to object, and I will object, I think it can all be done by 6 o'clock. I would ask that we not have a unanimous-consent agreement. I can assure the Senator that I will speak no more than 15 minutes, but I do not want to be in the position that I might not have the opportunity to do that.

Mr. KERRY. Mr. President, I think it is fair to say—I know the Senator from Connecticut only wants 5 minutes. I think the Senator from Minnesota does not have very long. I do not have very long. Why do we not say do it as close to 6 as possible?

Mr. BOREN. Are there any others wishing to come over and speak?

Mr. KERRY. Yes. Senator GLENN was here and left. I think he may want to return. I have confidence we can do it within the vicinity of 6 o'clock.

Mr. BOREN. All right.

I withdraw the request.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, let me commend the Senator from Massachusetts and cosponsors of this amendment.

This may not be perfect at all, but I do not know of a way in which we are going to be able to advance the process of campaign finance reform. The distinguished Senator from Oklahoma is on the floor and he has engaged in a herculean effort over the years, along with the majority leader and others, to put together a campaign finance reform proposal.

My personal hope is, of course, that the proposal of the Senator from South Carolina may one day prevail and we can cut through a lot of this to provide some limitations on campaign expenditures overall. But in the meantime, the only way we are going to be able to inject some degree of sanity in some of this is through the process the Senator from Massachusetts, Senator KERRY, is offering us. I commend him and other cosponsors for their efforts in this regard and lend my support to it.

Mr. President, I ask unanimous consent if I may proceed as if in morning business to discuss another subject.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DODD. Mr. President, I will be brief. I apologize for interrupting this particular debate, but before we adjourn later this evening and tomorrow or several days I wanted to once again raise an issue that I know is extremely important to virtually all of my colleagues. I raised it in the past and will continue to do so.

LOST YOUTH

Mr. DODD. Mr. President, I rise today to again draw my colleagues' attention to the face of America's youth. Specifically today, I want to talk about the waste of individual lives, about those who grow up in the war zones of U.S. cities, without hope, often without love, and with despair a constant companion.

NEW YORK TIMES SERIES

Last month the New York Times ran a series of 10 articles, called children of the shadows, about these youth. I want to first commend the Times for this important series, and I recommend it to my colleagues.

Mr. President, I ask unanimous consent that the April 13 article in the Times series—titled "Fernando, 16, Finds a Sanctuary in Crime"—be printed in the RECORD in its entirety at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. DODD. Mr. President, Fernando's story, as chronicled by the New York Times, is a heartbreaking tale of lost youth. It is the story of hopelessness, of despair. Fernando is from Bridgeport, in my own State of Connecticut. Many think of Connecticut, the State I represents, as a wealthy State. Indeed, we have the highest per capita income of the entire Nation. Yet my State also has some of the poorest cities in the Nation, and with that poverty comes degrading, inhuman conditions for children.

Connecticut is perhaps a quintessential example of the gap that has developed in this country between rich and poor—a gulf that has so divided social classes that social mobility is an impossible dream for many young people.

BRIDGEPORT STATISTICS

"Poverty is the worst form of violence," said Gandhi, and in Bridgeport we see the ravages of this truth. Statistics tell the Bridgeport story, although they do not put a face on it: One in three Bridgeport children live in poverty; 83 percent of public school students are economically disadvantaged; 42 percent of the sheltered homeless in the city of Bridgeport are children.

And it goes on: Nearly one in five Bridgeport births is to a teenager—more than twice the rate for the State as a whole; nearly one in five women giving birth in Bridgeport hospital in 1991, had some level of drugs in her system. One in five Bridgeport victims of homicide is 19 or younger.

Bridgeport is in Fairfield County. Many associate Fairfield County with the communities of Greenwich and Westport and Darien, CT, affluent suburban communities.

Bridgeport, CT, is very much a part of that county and yet the tale of people who were raised in that community is vastly different from the children and families who live in the suburban neighborhoods.

This child, Fernando, the face behind these statistics, was abandoned by his mother when he was just a few months old. Relatives say his mother got tired of being beaten by Fernando's father. Fernando lived with his grandmother until the age of 8 in one of Bridgeport's public housing projects.

Mr. President, I recently toured one of those Bridgeport housing projects, and I cannot begin to describe to you, or my colleagues, the desolution I witnessed in this city in my State.

Walking with the chief of police and other officials, the deals were going down right ahead of us, and right behind us, as we cut a swath of temporary law and order down a street where, police tell me, 15 percent of the murders in the State take place. Garbage was piled everywhere, buildings were boarded up or burned out.

The local elementary school—the Munoz Marin School—has to bus children who live within one-and-a-half blocks of that school because of the danger to their lives. One-and-a-half blocks they have to bus children because of the danger to these young people.

I met with teenagers from that neighborhood—honor students who attend a magnet school in that area—who fall asleep at night to the sound of Uzis and AK–47's. These teens are angry; they are frustrated. They feel the system in many ways, has let them down, and Mr. President, regrettably, I think they are probably right.

One of these honor students, Liany Arroyo, is the same age as Fernando. Liany worries she will not survive to go to college. But the honor student Liany has something drug-dealing Fernando did not get—the concern of consistent, caring adults. Liany has lived her life with a loving mother and grandmother who worry and care about her and have all of her life.

Fernando's grandmother died unfortunately, when he was 8, leaving him to be passed from relative to relative and friend, sometimes living with a father who drank, used drugs, beat and terrorized him, according to relatives. For 5 years of Fernando's young life, his father was in jail. Fernando used to call himself a hand-me-down Raggedy Ann Doll; he used to say, "I'm going to end up like my father."

Asked now where he will be in 5 years, and I will quote him for you from this story, Mr. President, this 16-year-old says, "I will either be dead or in jail."

Shocking though his resignation may be, should it really surprise us? We as a society allow our children to be kicked around, treated like hand-me-downs, exposed to poverty, violence, and drugs—both at home and in the streets—and then we ask why? Why does he, or she, join a gang, why does he, or she, sell drugs, why has he, or she, no ambition for the future? Why are they not trying in school?

Experts have been telling us why for years. Those who study children exposed to chronic danger—war, inner city violence, domestic violence—have been telling us these children develop poor concentration, they daydream, they start having trouble in school at the earliest days. Without intervention and support, they are likely to drop out and end up just as Fernando has predicted—dead or in jail.

The experts say that living in harm's way leads to diminished expectations for the future, so these kids have no stake in what happens to them or to anyone else. Using drugs numbs the pain of living in these circumstances; selling them becomes a short-term solution to poverty and despair. These kids, after all, want what most kids in America want—the latest sneakers advertised on television, the acceptance of their peers.

Gangs become a substitute for family—regretably, sadly—and one can hardly find a more eloquent statement of why a kid like Fernando would join a gang than the Times' quote from Bernardo, a 17-year-old from Manhattan:

> You find togetherness and family and support from a gang * * * your mother * * * ain't giving you that hug and that love. Every human being needs love.

I tell you Fernando's story today to illustrate the complexity of the problems surrounding drugs and violence. Is it any wonder the so-called war on drugs in many ways has failed? We have spent a decade pouring money into this failed effort to limit the supply, and unfortunately have done too little to halt the demand that occurs in our cities and streets.

As we prepare to vote for confirmation of Dr. Lee Brown, one of the Nation's most distinguished law enforcement officials, I am hopeful that, as drug czar, he will bring a new, enlightened perspective to drug control.

I noted, Mr. President, the presence on the floor of the distinguished Senator from Delaware, the chairman of the Judiciary Committee, and his deep commitment to these issues. I hope with his help and that of Dr. Lee Brown we may be able to begin to make changes in this area.

I believe he will be able to work with others in the administration and in Congress who, like Dr. Brown, see the broader picture, who recognize the connection between our appalling lack of prevention and treatment and the staggering toll it has extracted: Not only substance abuse, but mental illness, illiteracy, decreased productivity, juvenile delinquency, criminal incarceration—and a homicide rate that far exceeds that of 21 other industrialized countries.

Although we have passed legislation to treat substance-abusing mothers, to prevent child abuse, to improve Head Start, still these efforts have failed to receive funding adequate to do the job. This malignant neglect of children and families has infested our Nation, and it continues to grow and spread maliciously throughout the country.

We have only begun to see the manifestations of this cancerous growth, but the devastation that is already visible should be a wake-up call to all of us.

The story of this young child, Fernando, and many more like him in this 13-part series the New York Times has given us should make it clear, it is not just data, not just statistics. These are stories about individual people, young children on our city's streets, even in the affluent State that I represent, these problems occur as I speak.

So I am hopeful that we will begin to take note and to engage in the most constructive ways of trying to see it. We cannot turn these statistics and these numbers and point them in a different direction.

If we fail to do that, if we do not take some steps to somehow curb the growth of these problems, if we continue to watch these statistics mount and grow, then I fear that the very democracy that we cherish and enjoy is in jeopardy, Mr. President.

So I share these stories with my colleagues and in the hope that they might, or their staffers might, look and read some of these articles if they missed them so these do not just become statistics, but become faces, so the people will take note and together we might try and find some common solutions so that in the next generation the Fernandos and Bernardos that I talked about here today might enjoy the opportunities of that young Miss Arroyo that I talked about, the honor student with loving and caring parents, and with a future that offers hope, not death or jail as the option.

Mr. President, I yield the floor.

EXHIBIT 1

[From the New York Times, Apr. 13, 1993]

FERNANDO, 16, FINDS A SANCTUARY IN CRIME

(By John Tierney)

BRIDGEPORT, CT.—Fernando Morales was glad to discuss his life as a 16-year-old drug dealer, but he had one stipulation owing to his status as a fugitive. He explained that he had recently escaped from Long Lane School in Middletown, Conn., a state correctional institution that became his home after a police officer caught him with $1,100 worth of the heroin known as P.

"The Five-O caught me right here with the bundles of P," he said, using street slang for the police as he stood in front of a boarded-up house in Bridgeport's East Side. "They sentenced me to 18 months, but I jetted after four. Three of us got out a bathroom window. We ran through the woods and stole a car. Then we got back here and the Five-O's came to my apartment, and I had to jump out the side window on the second floor."

WHAT FUTURE?

Fernando took off in December, and had been on the run for weeks. He still went to the weekly meetings of his gang, but he was afraid to go back to his apartment, afraid even to go to a friend's place to pick up the three guns he had stashed away. "I would love to get my baby Uzi, but it's too hot now."

He knew the police were still looking for him, which was why he made a special request before agreeing to be interviewed.

"Could you bring a photographer here?" he asked. "I want my picture in the newspaper. I'd love to have me holding a bundle right there on the front page so the cops can see it. They're going to bug out."

The other dealers on the corner looked on with a certain admiration. They realized that a publicity campaign might not be the smartest long-term career move for a fugitive drug dealer—"Man, you be the one bugging out," another dealer told him—but they also recognized the logic in Fernando's attitude. He was living his life according to a common assumption on these streets: There is no future.

When you ask the Hispanic teenagers selling drugs here what they expect to be doing in five years, you tend to get a lot of bored shrugs. Occasionally they'll talk about being back in school or being a retired drug dealer in a Porsche. But the most common answer is the one that Fernando gave without hesitation or emotion: "Dead or in jail."

The story of how Fernando got that way is a particularly sad one, but the basic elements are fairly typical in the lives of drug dealers and gang members in any urban ghetto. He has grown up amid tenements, housing projects, torched buildings and abandoned factories. His role models have been adults who used "the city" and "the state" primarily as terms for the different types of welfare checks. His neighborhood is a place where 13-year-olds know by heart the visiting hours at local prisons.

It is also a place where drugs and gangs are always around and parents are often missing. When Fernando and his relatives try to explain what went wrong in his life, they see a cycle over two generations. It began with a father addicted to drugs and alcohol, chronically jobless, prone to battering and abandoning his family. By the time death came, the son was on the street selling the bundles that destroyed the father.

THE FAMILY: A MOTHER LEAVES, A FATHER DRINKS

Fernando Morales was born in Bridgeport on Sept. 16, 1976, and his mother moved out a few months later. Since then he has occasionally run into her on the street. Neither he nor his relatives can say exactly why she left—or why she didn't take Fernando and her other son with her—but the general assumption is that she was tired of being hit by their father.

The father, Bernabe Morales, who was 24 years old and had emigrated from Puerto Rico as a teenager, moved the two boys in with his mother at the P.T. Barnum public housing project. Fernando lived there until the age of 8, when his grandmother died.

"She was the only one who was really there for him, and it was terrible for him when she died," said Camilia Mendez, an older cousin who lived there as well. "At the funeral he was going crazy thinking about one night his uncle came in drunk and started hitting her. Nando tried to stop it. He picked up a pool stick and swung it at his uncle, but it hit her by mistake. At the funeral he kept screaming out her name and saying, 'I'm sorry, I didn't mean to hit you.'"

"VERY BAD LIFE"

After that Fernando and his brother Bernard lived sometimes with their father and his current girlfriend, sometimes with relatives in Bridgeport or Puerto Rico. They eventually settled with their father's cousin, Monserrate Bruno, who already had 10 children living in her two-bedroom apartment.

"Nando's had a very bad life—different parents all the time" said Mrs. Bruno, who is now his legal guardian. "Living with his father was bad for him. The father would get drunk and beat him up. One time Nando came over here crying at 3 in the morning and said his father wanted to cut his penis off with a scissors."

Fernando was reluctant to talk about his father or the traumas of his youth. He said he had fond memories of his grandmother and of his two years in Puerto Rico—"They don't sell there on the streets"—but not much else.

"I used to always bug out," he said. "They had to lock me in my room all the time. One time in school the principal made me bend over and whacked me, so I got mad and picked up a chair and hit him in the head. My father's sister took me in for a little while, but she didn't like me because I used to beat up her kids and make trouble. I used to burn things—if I see a rug, I get some matches."

His relatives say they tried but failed to give him the parental guidance that was missing. He seemed lost and would sometimes refer to himself as a hand-me-down Raggedy Ann doll. When the mood struck he would go to video arcades instead of school. He often dismissed his relatives' warnings or help by saying, "I'm going to end up like my father."

His father, by all accounts, was a charming, generous man when sober but something else altogether when drinking or doing drugs. He was arrested more than two dozen times, usually for fighting or for drugs, and spent five years in jail while Fernando was growing up. He lived on welfare, odd jobs, and money from selling drugs, a trade that was taken up by both his sons.

At times he tried to be conscientious. Fernando's second-grade teacher, Richard Patton, recalls that Fernando's father was one of the few parents who picked up his child every day after school. But then he started showing up drunk for parent-teacher conferences, and before long he was off to jail.

Fernando's brother Bernard, a year older, also traced their problems to their father. "They be saying you can live anywhere and it don't affect you—that's stupid. It would have made a difference if we would have had somebody taking care of us. My father would always say, 'Stay in school, don't drop out, don't drink or do drugs.' But he never did anything about it himself, so what's the use? It's funny how you can learn to memorize those words."

THE INDUSTRY: MOVING UP IN THE DRUG TRADE

Fernando's school days ended two years ago, when he dropped out of ninth grade. "School was corny," he explained, "I was smart, I learned quick but I got bored. I was just learning things when I could be out making money."

Fernando might have found other opportunities—he had relatives working in fast-food restaurants and car repair shops, and one cousin tried to interest him in a job distributing bread that might pay $700 a week—but nothing with such quick rewards as the drug business flourishing on the East Side.

He had friends and relatives in the business, and he started as one of the runners on the street corner making sales or directing buyers to another runner holding the marijuana, cocaine, crack, or heroin. The runners on each block buy their drugs—paying, for instance, $200, for 50 bags of crack that sell for $250—from the block's lieutenant, who supervises them and takes the money to the absentee dealer called the owner of the block.

By this winter Fernando had moved up slightly on the corporate ladder. "I'm not the block lieutenant yet, but I have some runners selling for me," he explained as he sat in a bar near the block. Another teenager came in with money for him, which he proudly added to a thick wad in his pocket. "You see? I make money while they work for me."

Fernando still worked the block himself, too, standing on the corner watching for cars slowing down, shouting out "You want P?" or responding to veteran customers for crack who asked. "Got any slab, man?" Fernando said he usually made between $100 and $300 a day, and that the money usually went as quickly as it came.

He had recently bought a car for $500 and wrecked it making a fast turn into a telephone pole. He spent money on gold chains with crucifixes, rings, Nike sneakers, Timberland boots, an assortment of Russell hooded sweatshirts called hoodies, gang dues, trips to New York City, and his 23-year-old girlfriend.

His dream was to get out of Bridgeport. "I'd be living fat somewhere. I'd go to somewhere hot, Florida or Puerto Rico or somewhere, buy me a house, get six blazing girls with dope bodies." In the meantime, he tried not to think about what his product was doing to his customers.

"Sometimes it bothers me. But me I'm a hustler. I got to look out for myself. I got to be making money. Forget them. If you put that in your head, you're going to be caught out. You going to be a sucker. You going to be like them." He said he had used marijuana, cocaine and angel dust himself, but make a point of never using crack or heroin, the drugs that plagued the last years of his father's life.

At the end, at age 40 the father was living in a rooming house with Donna Strawn, a middle-aged woman who described herself as his fiancée and as a person with her own history of drugs and prison. Ms. Strawn, who had left behind four children in California, said that she had tried to get Fernando's father to intervene as they saw Fernando drop out of school and sell drugs.

"But he'd just throw up his hands and say he didn't know what to do," she said. "Or he might get upset and go take a drink. He felt really guilty because he wasn't the father he should be."

On his final night, last May 23, Fernando's father and Miss Strawn got into an argument about a stereo speaker of hers that he had sold. " He was out of it," she recalled. "His eyes were rotating in his head. He was ramming me in the face with his head. I told him, 'I have no family here and I'm going to let you kill me? I don't think so.' I got a knife and tried to stab him but I stabbed the bed."

The police broke up the fight and arrested Fernando's father, who was taken to police headquarters and charged with third-degree assault and refusing to be fingerprinted. That night be hanged himself in his cell, according to the police and the Medical Examiner. An autopsy found evidence of acute cocaine and ethanol intoxication.

THE GANGS: LIKE A FAMILY OR DRUG DEALERS?

"I cried a little, that's it," was all that Fernando would say about his father's death. But he did allow that it had something to do with his subsequent decision to join a Hispanic gang named Neta. He went with friends to a meeting, answered questions during an initiation ceremony, and began wearing its colors, a necklace of red, white and blue beads.

"It's like family, and you need that if you've lost your own family," he said. "At the meetings we talk about having heart, trust, and all that. We don't disrespect nobody. If we need money, we get it. If I need anything, they're right there to help me."

Neta is allied with Bridgeport's most notorious gang, the Latin Kings, and both claim to be peaceful Hispanic cultural organizations opposed to drug use. But they are financed at least indirectly by the drug trade, because many members like Fernando work independently in drug operations, and the drug dealers' disputes can turn into gang wars.

MANY WAYS TO DISRESPECT

Gang meetings are often devoted to adjudication or avenging acts of disrespect, which is such a central concept on the streets that the language has evolved with a host of synonyms: you can dis someone, play someone, rank someone, try someone, or, when it starts to get violent, beef someone. This can eventually lead to killing someone, which occurred 17 times last year in the 12 blocks of the East Side.

Fernando and the other teen-agers on the street professed to be inured to the violence. They were used to seeing teen-agers in wheelchairs at local night clubs. They casually chatted about gang "missions"—which can range from "beat-downs" of errant members to drive-by shootings—and the proper way to coat a bullet with Teflon so that it would penetrate a bulletproof vest. Fernando lamented that he couldn't yet afford a rocket launcher.

"I like guns, I like stealing cars. I like selling drugs, and I like money," he said. "I got to go to the block. That's where I get my spirit at. When I die, my spirit's going to be at the block, still making money. Booming."

It was hard to tell whether he really believed what he was saying about his life and death. Fernando sounded callous and fatalistic most of the time, but occasionally another side came out. One evening, as he and a friend who was high on angel dust sat in a restaurant laughing about a police car they had stolen, two police officers, appeared at the entrance. The two teen-agers turned quiet and stared uneasily at their plates until the officers left.

Then a waitress, Valerie Mendez, who was married to an older cousin of Fernando's and had known him since childhood, came over to the table. She looked in disgust at him and his gold chain and black stocking cap.

"Are you happy now?" she asked. "That's how its going to be the rest of your life. You did it your way because it was easy, and now you're never going to have a life. You'll always be looking over your shoulder. You were smart enough to know better. Why are you going around like a títere?"

He knew that títere meant hoodlum, and he did not have an answer for her. For a moment he looked like nothing more than an embarrassed, baby-faced 16-year-old. After she went away, he said softly, "No, I don't always want to be a bum. I want to be an actor. That's all I wanted to be since I was young. I always loved cameras and performing in front of people. I like to go on TV.

Man, I be straight, I be so happy, I leave everything on the street."

For a moment, at least, he could imagine a future. But he was not ready to do anything about it.

"I'm chilling now," he said in late January. After the interview he lost touch with this reporter, and the two have not talked since. "I'll be selling till I get my act together," he said. "I'm just a little kid. Nothing runs through my head. All I think about is doing crazy things. But when I be big, I know I need education. If I get caught and do a couple of years, I'll come out and go back to school. But I don't have that in my head yet. I'll have my little fun while I'm out."

OTHER VOICES: YOU DO WHAT YOU HAVE TO DO

The following text was taken from more than 20 hours of discussions with teen-agers from the New York City region. Excerpts appear with each article.

Q. Is there strength in numbers? Do you feel compelled to form a group to survive?

Bernardo Vasquez, 17, Manhattan (A. Philip Randolph High School): If you want to understand gangs look at rap music.. . . There's a group called the Geto Boys. And one of the guys, Scarface, has a song where he's a little kid. And he explains how that little kid found family and togetherness. . . How you find togetherness and family and support from a gang. You know, like your mother's probably whoring around or something like that. She ain't giving you that hug and that love. Every human being needs love.. . . So if you get it from your brothers and you form a gang.

Zaire Graham, 17, Bronx (High School of Fashion Industries): I definitely think there's strength in numbers, whether it's negative or positive.

Barbara Fuentes, 16, Hartford (Hartford Public High School): The Latin Kings and Los Solidos, and Las Solidas, and the Latin Queens, they think they're a family . . . but they hurt people.. . . If you're going to hang with somebody you should hang with them for positive reasons.

Q. But why do kids do that?

Wubnesh Hylton, 19, Brooklyn (Hunter College): Everybody has a crew though. Everybody has a crew they swing with.. . . It's just natural.

Q. There are people who say that the drug dealers in our communities are looked up to.

Zaire. They could say they looked up to the materialistic part, or in the power and respect part. They don't see that his life is in danger.

Q. But at the same time, teen-agers look down on people who work at McDonald's. Why?

Wubnesh. Because it's just cheesy, man. It's just like at the bottom. Flipping greasy burgers. You got to wear those clothes. It's just like the worst.. . . So you do what you have to do to get by. And if that means scamming, that's what you do.

Q. How much are you touched by drugs? How much of a presence do drugs really have?

Zaire. I think right now among teen-agers weed is the biggest thing.

Q. Mostly marijuana?

Wubnesh. It's like drinking a soda, you know. Or smoking a cigarette.

Zaire. You ask people 'why do you smoke weed?' Nobody knows.. . . It's like, 'I don't know. I just do it.'

Q. Does it matter that it's against the law?

Juan Rivera, 18, Brooklyn (Bushwick High School): Around my way when people smoke weed they just walk down the street, they walk right by the precinct with it.. . . And the cops, they don't do anything about it either, you know.

Wubnesh. Everybody sells it.. . . You can grow it on your window sill, you know.

CONGRESSIONAL SPENDING LIMIT AND ELECTION REFORM ACT OF 1993

The Senate continued with the consideration of the bill.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, let me thank Senator DODD from Connecticut for his statement. It was powerful and it was eloquent.

Let me just point out to the Senator, before he leaves, that these children, these families, these communities, I do not imagine that they would be considered, in the language of high finance and politics today, the heavy hitters or the big players. My guess is that you are talking about people without the financial wherewithal to make the huge contributions.

And I will make a direct tie or a direct linkage to the discussion we are now having on public financing. There are a whole lot of people that are left out of this loop. There are a whole lot of people that do not make these big contributions. And there are a whole lot of people, therefore, who are not well represented in the Nation's Capital, and do not feel represented, and unfortunately I think it is very well the majority of people in this country.

We keep talking about, or some on the floor keep talking, about the cost of public financing of a checkoff, a moderate amount of money. They do not talk about the other costs. They do not talk about the interest in money. They do not talk about the cost that Senator DODD just identified of the people in our country, women and children, disproportionate among these people who are not well represented because they do not have the bucks and they do not get well represented in this game of money and politics.

They do not talk about the costs. They do not talk about the costs of people who are disillusioned with this process because they feel like it is nothing but big money and they cannot "play the game."

They do not talk about the cost of all of the people, many of whom Senator DODD was also speaking about, who cannot even grow up in our country even dreaming to run for President of the United States, because their perception—and it is not just a perception—is that in the absence of some commitment to public financing, either, A, you are wealthy and, therefore, you can run on your own money; or, B, you have to be tied in one more time to the people who are "connected," and they are not connected.

Mr. President, we pay a terrible price. Right now it is Government to the highest bidder; it is democracy on the auction block. And now that I have heard Senator DODD speak, I would like to say we have the functional equivalent right now of a poll tax. We really do. Because for those people who cannot make these big contributions, in many, many ways they are disenfranchised, they are faceless, they are voiceless, they are without the lobby, they are without the political clout.

I want to make a connection, if I could, with just one chart. I am very interested in health care, just as Senator DODD for years has been the leader when it comes to caring about children, families, and stopping the violence.

I am new to the Senate. But a big issue to me is something I made a commitment to the people in Minnesota about. It was to try to make a change in health care policy. "U.S. News & World Report, 1990–1992, The Health Care Industry, Broadly Defined, $41.4 million." That figure is worth repeating, $41.4 million. That is soft money, that is PAC money, that is individual money, that is party money. But people know what it is—it is big money.

Is it any wonder at the very time the President and Members of the Senate and the House are trying to push through health care reform for people in the country so they can say to themselves, "Now there will be coverage for ourselves and our children, now we will have some security," so they can say to themselves, "We have a decent package of benefits"—at the very time we try to push through that reform, you have all these frameworks of self-interest and power opposing it?

The tempo of the giving of money is rapidly increasing—$41.4 million by this industry in the last 2 years. And Senators believe that people in this country do not know that they are left out of the loop; that they do not understand this connection between money and politics; between who has access to decisionmaking here, who can block, who can veto, who can do all that?

They know the power of the insurance industry. They know the power of the pharmaceutical industry. And they know the power of a lot of individual people who can make these huge contributions.

I do not see any way we can have a level playing field, a diversity of candidates, an opportunity for challengers to beat incumbents, and any way we can get disinterested money into the political process and interested money out of the political process without moving in this direction.

I think Senator KERRY's amendment is vitally important. I think it is critically important for this country. Quite frankly, you can cut the issue any way you want to—I have heard my colleagues over and over again talk about food stamps for politicians.

As Senator BRADLEY put it, it is not our elections. These are not our seats. This is not our Senate.

When do the elections, and when does this Capitol, and when does this political process belong to people? We are at the point right now in this country where this obscene money chase has undercut the very essence of representative democracy.

I think Senator KERRY'S amendment is a huge step toward restoring democracy to this country.

This debate is a test case over whether or not we are going to have a system of democracy for the many, or democracy for the few. I hope we will support Senator KERRY's amendment. I am proud to be a cosponsor of this amendment because I think that is a vote for democracy for the many.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I must tell my friend and colleague from Massachusetts that I have enjoyed this debate. I have been watching part of it on TV. I further want to thank my friend and colleague from Minnesota, Senator WELLSTONE, for his comments. I just could not disagree more.

When we hear all this discussion about how corrupt the system is and when I think of the results, if the amendment of my colleague would be accepted, of having the taxpayers fully fund campaigns, I almost find it to be absurd.

I think the comments that were made by my colleague——

Mr. KERRY. Will the Senator yield for just a minute? I think it is important just to begin with the accurate premise. It is not fully funding campaigns. It is only the general election, and it is only 90 percent of the general election, because there is a threshold limit, and it is only voluntary.

Mr. NICKLES. Mr. President——

Mr. MCCONNELL. Will the Senator yield just on the voluntary issue before he begins?

Mr. NICKLES. I am happy to yield.

Mr. MCCONNELL. The only thing voluntary about this, I would say to my friend from Oklahoma, is it gives the person who checks off the opportunity to take that dollar away from everybody else. It does not add a dollar to the tax bill. That would be voluntary, if you are willing to add a dollar, or under the Kerry amendment, willing to add $5 to your tax bill. That is a real act of voluntariness. All the Kerry bill does, like the Presidential system and underlying amendments, is to take a dollar away from all the rest of us——

Mr. NICKLES. Of your tax liability.

Mr. MCCONNELL. From all the rest of us who might want to see it spent on deficit reduction or anything else.

Mr. NICKLES. I thank my colleague for his leadership and also for his sense of humor, because this amendment is one of the more humorous amendments we have had offered in the Senate.

To say it is not 100 percent public financing, it is only 90 percent public financing, I find as humorous as well.

I cannot help but look at some of the States. Look at Alabama, the first State on the list, the general election limit is $1.34 million—$1,342,000. In the State of Alabama you can raise 10 percent of that; it is $134,000. After that, the taxpayers are going to pay 90 percent of it, roughly $1.2 million.

So, taxpayers are going to pay $1.2 million. then the eligible candidate is going to get broadcast discounts. They are going to get to buy campaign commercials from the broadcasters, one-half the rate of anybody else in America. I think that is awfully generous when you think about it.

Why should a U.S. Senate candidate get TV time at one-half the rate of the Boy Scouts or anybody else that is trying to do anything in America?

Actually, if you take that $1.2 million of subsidy, you can actually go out and buy $2.4 million worth of commercials with it. Also, an eligible candidate will receive reduced mail accounts. Politicians will get to mail at about one-fourth the rate of anybody else in America. You get matching amounts for, if anybody runs an independent expenditure, or if anybody exceeds the amount of the general election limit. We call all this voluntary but it is not voluntary because if your opponent decides not to participate, Uncle Sam is going to come back in and basically double this amount. As a matter of fact—I used the example of Alabama—If an eligible candidate's opponent did not participate, they could get up to $1.3 million courtesy of the taxpayers again.

So it is a pretty heavy hammer for those who elect and say, no, I do not want to participate, I do not want the taxpayers to pay for my campaign. Uncle Sam is going to come in and give your opponent another $1.3 million. Wait a minute, they have already given him $1.2 million under the proposal of the Senator from Massachusetts; they can buy twice as much media as anybody else in America, so that is worth $2.4 million, and then if your opponent does not participate, we are going to give him another $1.3 million on top of that.

That is 2.4 plus 1.3, we are up to $3.7 million, and I have not even added in the cheap mail. I have not added in the independent expenditure amount. And I have not added in the amounts we are going to have if we have independent candidates. My guess is that we are going to have a whole lot of independent candidates filing if we are going to have the Federal Government paying 90 percent of the cost.

Mr. KERRY. Will the Senator yield?

Mr. NICKLES. No, I will not yield this second. I would like to continue just for a moment.

What we are talking about is not just an entitlement program politician, a grab bag for politicians. We are talking about making enormous sums of Federal money available for anybody who wants to run for public office for the Senate.

I understand this does not include the House. And, when you start adding these figures together, they are astronomical. I have been amazed at the cost of the proposal that is now offered by my friend and colleague on the Democrat side. It is enormously expensive.

I mentioned one State, Mr. President. I just happened to pick Alabama because it is first in the list alphabetically. And the value of the subsidies, plus the broadcast discount subsidy, you add all that, you are in the millions of dollars for one State, an average-sized State, Alabama.

Wait a minute, we have 50 States. We are talking about millions of dollars just for one election. So when you consider all the Senate campaigns, you start totaling it up, and we are talking about millions and millions of dollars. We have calculated the cost not just for the 1996 elections but also for the 1998 elections and for the elections in the year 2000, so we would have a 6-year cycle. For the Senate alone, we were up to $450 million and that was under the previous proposal by our Democratic friends. That is $450 million just for the Senate alone, and that is a conservative assumption, I might tell my colleagues, because we assume no one exceeds the limits. We assume that everybody participates because of the heavyhandedness of this bill. It is not nearly as voluntary as some people would like to make it out to be.

If you have some people who want to be stubborn and say, "I do not want to participate. I am not going to do it. I am going to go ahead and run my campaign. I am not going to take any subsidies. I am not going to take the discounts," the cost even goes up more because you have the Federal taxpayers matching that excess contribution amount. So the cost could explode.

That is $450 million over a 6-year cycle just for the Senators. If you add in the House Members, you are talking about a bill that would cost the taxpayers over $1 billion over a 6-year cycle.

This is not an inexpensive bill. And then when we look at the Kerry amendment, it is even more expensive.

Taxpayers, look out. Taxpayers, the politicians in Washington, DC, are making a raid. There are a lot of people in here who want to get more tax money. They want to have tax money to finance their campaigns, and I think it is really pretty humorous.

I compliment my colleagues, I guess, for being very forthright. They say we want the taxpayers to pay for 90 percent of their general election campaigns. I think it is a ridiculous idea. I think it is one of the worst ideas that we have heard, but at least they are forthright. They are at least being open and saying, "Yes, here is what we want. We want taxpayers to pay for our campaigns."

That does not mean I am not for campaign reform. My colleagues are laughing. We have agreed to abolish PAC's; we could take a lot of the special interest moneys. I heard people say, "Oh, these special interests, they are so terrible." Let us say no one, no group, no entity, period, can contribute over $1,000. I think that would be a significant reform.

I am happy to support that reform. I think we can make a reform that would say Members would have to raise a majority of their money from their home State or home district. I think that would be good reform. I think we can ban soft money. We can do a lot of things that would be really significant reform, but probably the worst thing that we could do is say we want to open up the coffers of the taxpayers to come in and subsidize and pay for campaigns; that we are going to make the broadcasters offer Senate candidates and House candidates rates at one-half the rates of anybody else in America; that we are going to allow politicians to be able to mail at one-fourth the rate of anybody else in America and make either the postal users or the taxpayers pick up that little subsidy, as well.

No, I do not really believe that the American people are knocking down our doors and saying, "Please, we want to finance your campaigns through tax dollars. We really want to see the deficit go up so we can be paying more for your campaigns." I do not really think that is the case.

If they add up the total cost of the amendment of the Senator from Massachusetts, which would easily exceed a billion dollars over the next 6 years, or if they just add up the total cost of the underlying proposal, as originally introduced, the so-called leadership substitute that we will be voting on soon, I think taxpayers will be shocked to see that politicians are getting ready to make a raid on Federal tax dollars. Maybe we should declare Christmas in November and make American taxpayers Santa Claus.

Mr. President, I yield the floor.

Mr. KERRY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KERRY. Mr. President, I think what is neither shocking nor humorous is the fact that the Senator from Oklahoma has given a terrific speech—but not about this amendment, not about my bill. He is talking about $1 billion in costs. There is a fixed cost here, and it has been articulated. This is a classic example of a kind of hysterical response that has no relationship to the reality of this amendment.

I do not know what amendment he is talking about. I do not know what bill he is talking about.

Mr. NICKLES. Will the Senator yield?

Mr. KERRY. No, Mr. President, not right now.

This does not open up the coffers in an unlimited fashion. The fixed cost is based on the general election, and in the general election, you have only the major party candidates or somebody who is qualified in a particular State as an independent. You have a fixed cost there, number one.

Number two, if the Senator had read this legislation, he would know that you can only spend that amount of money that Americans have voluntarily chosen to put into the pool. If there is not sufficient money in the pool, there is not an automatic expenditure that covers everybody. You are notified a year in advance that there will not be sufficient funds, and you raise the money exactly as we raise it today for the difference.

So what we are betting on—and the Senator is unwilling to bet on it; he is unwilling to give to Americans the opportunity to make the choice. Ten percent of the citizens of Kentucky make the choice today. Citizens in Oklahoma make the choice today. Somehow, he thinks that we in Washington have cornered the market on wisdom and good judgment about what citizens who pay taxes want to do with their money. We are simply saying give the American citizen voluntarily the opportunity to decide if they want to put $5 into this effort.

The Senator said this adds to the deficit. Again, he has not listened to the debate. It does not add to the deficit one penny because it is fully offset, more than fully offset, by the giveaway today, the great giveaway that we have in this country that allows big lobbyists to deduct their expenses for coming to Washington to get their special interest legislation.

Before the Senator came to the floor, I gave a long list of all those special interest pieces. We give away billions of dollars in Washington to people who stand in the corridors outside the Ways and Means Committee and the Finance Committee and work their way. You can go back and look at the savings and loan crisis and see what a Congressman from Rhode Island did in the dead of night, taking $40,000 up to $100,000, just to make a few bankers very happy. And now we have the savings and loan crisis for $150 billion plus as a consequence of increased liability in this country. Dark of night; favored legislation; billions of dollars lost to this country because of money, money and politics.

So, Mr. President, I hope my colleagues will debate the right piece of legislation. It certainly would be less humorous.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I appreciate my colleague's explanation. I might mention, he is talking about taking the deniability of deductions for lobbying. That is already in the House tax bill. That is already moving through and may have been voted on. It is part of their deficit reduction plan.

Yes, they are going to raise taxes. They did not say anything about taxpayers paying for campaigns out of the tax bill. I did not know that was part of it. The Senator's amendment says the taxpayers can have a checkoff, but that is not to add $5 to their tax liability; that is to move part of the money that they are going to pay in taxes away from general revenues to finance campaigns, whether it be Presidential campaigns, or now it would be senatorial campaigns. It has an impact.

They are going to go ahead and raise those taxes anyway. Some of us are going to try and stop it. I hope we will be successful in stopping it, not particularly for this section, but there are a lot of provisions in the tax bill that the House is going to probably pass today that will put thousands of people out of work.

My friend from Mississippi made an excellent speech that I hope people had a chance to listen to because he tried to tell people what was in the tax bill. A lot of people are not aware of the facts. They heard people on the TV shows, and so on, talk about the tax bill being a bill that was going about 1 for 1, spending cuts versus tax increases. That is not the case.

The facts are the tax bill that the House is voting on has $291 billion in tax increases and $45 billion in spending cuts; $6.35 in tax increases for every dollar of spending cuts.

So I think we need to talk about facts. That is what is in the reconciliation package. I might mention, the lobbying expenses deduction is part of that package.

The amendment of the Senator from Massachusetts does say you can take $5 of your tax liability, that you have to write a check; the check you would write to Uncle Sam is exactly the same; you have no option in writing that check. You are told: Here is the amount of money you have to pay. Now, if you want to direct $5 of that to go to Senate campaigns, you can do so under his amendment. The net result is the deficit would go up.

Then I want to just touch on the fact that the Senator said, "He obviously does not know his figures." I am looking at the figures on the general election limit. The amendment of the Senator from Massachusetts says that if a candidate raises 10 percent of the funds, he could get 90 percent of the general election amount paid for by taxpayers directly; 90 percent.

I just used the State of Alabama. Let me use the State of Massachusetts. Let me see what is it. Ninety percent of that amount, general election limit, is $1,802,418. So 90 percent of that would be about $1.65 million.

For my State of Oklahoma, for example, our amount would be about $1.2 million; 90 percent of that, a little less than $1.1 million.

Well, that is a check that Uncle Sam is going to give me if I participate. And with that $1.1 million, because of other provisions in the bill, I am able to go out and buy TV time at one-half the rate of anybody else. So, if I get a check for $1.1 million from the taxpayers, I say, Thank you very much, and then I go to the TV stations and say, I'm a very special person. I am a participating candidate, so I want one-half the rate of everyone else. I do not care if you're a church, I do not care if you're a charitable organization, I do not care if the Easter Seals has a little deal and they just have to pay a little bit. I am a participating candidate and I want one-half the rate. I want one-half the lowest rate for anybody because I am special; I am a U.S. Senate candidate. Now, give me one-half the rate. This is great.

So I take my $1.1 million, courtesy of the taxpayers because I qualified. How did I qualify? I raised $100,000. That is not too hard to do. So then I take my $1.1 million and I can go out and buy a couple million dollars' worth of TV advertising.

I did not even mention the cost of the Independent candidates. But I will tell you if this provision passes, you are going to have more Independent candidates than you can dream of, because everybody that has a cause—they are not even going to be serious about becoming a U.S. Senator, but they have a cause, they want to carry their issue. Maybe it is an issue I agree with or I do not agree with. If they find out that Uncle Sam is going to pay 90 percent of the freight and they are going to get one-half the broadcast rate of everyone else, this is going to be a nice little time for them to sell their cause courtesy of somebody else.

Mr. McCONNELL. Will the Senator yield?

Mr. NICKLES. I will be too happy to yield.

Mr. McCONNELL. The Senator makes a very important point. Now the Supreme Court is not going to let the Congress unreasonably deny funds to these Independent candidates that the Senator is talking about. As a matter of fact, we already know that. There is a woman named Lenora Fulani, who has gotten millions of dollars from the taxpayers to run for President. And Lyndon LaRouche, who I think is currently in jail, has gotten over $1 million to run for President from these taxpayers.

Now, if we told the American taxpayers the truth about the current checkoff, there would be revolt in the streets, if we just gave them the straight facts about what was going on with the tax dollars they are already being asked to check off. I think some of them are figuring it out because you see it going down to 17 percent.

The Senator is right on the mark. Every crackpot in America who looked in the mirror some morning and said, "By golly, I think I see a Congressman," is going to reach into that cookie jar and get some of those tax dollars. And they are going to be off to the races, and the poor, beleaguered taxpayer of America is going to have to pay it.

I thank the Senator from Oklahoma for bringing up the Independent candidate issue. It is a very important one.

Mr. KERRY. Will the Senator yield for a moment?

Mr. NICKLES. I will be happy to yield.

Mr. KERRY. Let me explain to the Senator again that, while his point is intriguing and he has put it very well, it does not apply to this bill. The reason it does not apply to this bill is that the definition of majority candidate in this country under the Presidential process is such that it is based on the vote you got in the prior election, as the Senator well knows. So a candidate merely running as an Independent does not qualify for the money. They only qualify for matching, because that is all the law currently allows, unless they have been in a prior election and have received a specific percentage of the vote.

It is only the majority candidates as currently defined under the law in the Presidential races who would qualify for the full funding or the 90 percent funding. So, in effect, we cannot have this draconian consequence that the Senator has talked about.

Mr. NICKLES. Mr. President, I appreciate my friend and colleague's explanation of his side. But I happen to think that once you had a system opened up to where a major party candidate and you qualify, and Uncle Sam is going to pay 90 percent of election limits, a million plus for Alabama—let us see what it would be for Mississippi. Mississippi would be about $1.1 million. When we get into a more expensive State like Texas, you are talking about $3.8 million.

Mr. KERRY. Again, will the Senator yield for a moment?

Mr. NICKLES. California would be $5.5 million. So 90 percent of that is what? In my cost estimates, I will just tell my friend I left off Independent expenditures for the first 2 years. I put in a couple of Independent—or Independent candidates in the last years because I think they would be eligible. I think you would have an Independent candidate who would go to court and say, wait a minute, major party candidates, the Democrats and Republicans, they got a 90-percent subsidy. A $1 million gift from the taxpayers. Because they were—I think they would sue and be successful in court in gaining access to these subsidies.

Mr. McCONNELL. Will the Senator yield?

Mr. NICKLES. I will be happy to yield.

Mr. McCONNELL. The Senator is right on point. The courts will not allow this Congress to unreasonably deny access to public funds to people who are not either Republicans or Democrats. That is how Lenora Fulani has received the money. That is how Lyndon LaRouche received the money. And John Anderson, the first time he ran, got taxpayer money. He would have received more the second time he ran because of his electoral performance. But he was not denied tax money, so the Senator is correct. Independent candidates will be able to get public funding regardless of whether that is in the Kerry amendment or not. The courts are simply not going to allow this body, made up solely of Republicans and Democrats, to deny tax dollars to Independent candidates.

Mr. NICKLES. I thank my friend and colleague.

Mr. President, I yield the floor.

Mr. BIDEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. Mr. President, this debate could be characterized a number of different ways: Rock on Jell-O. I guess you could say that the present system might be characterized as a "bag of golden mud." You could come up with a lot of silly metaphors. It has been characterized as humorous. And maybe there are parts that are humorous.

But one thing is clear. No one misunderstands their self-interest here. That was real obvious. The one thing for certain is no one misunderstands their self-interest. My friend from Oklahoma—he may not have the facts right or he may have them right; I will debate that in a minute. but one thing for sure he has right is his self-interest. He has that part down clear.

One of the problems here, Mr. President, is, it seems to me, that the debate has not changed in a long time. When I first introduced a public financing bill in 1974, one very powerful Senator from Mississippi stood up in a Democratic caucus—he did not even need Republicans to help him then—and said, "I just heard the speech from my young friend from Delaware." He said, "I would like to tell him that if he makes many more speeches like he did, he will be the youngest one-term

Senator in the history of the United States of America."

We walked out of the meeting. One of my senior colleagues in the Democratic cloakroom grabbed me. He said. "Boy, what's the matter with you?" He said, "What are you trying to do with this public funding?" He said, "I've worked for 31 years to build a donor base so I'd scare everybody off. I worked for 31 years. He got me in the corner—it is the God's truth, just like the Senator from Oklahoma will get anybody in the corner in his cloakroom or anywhere else—and he said, "Thirty-one years I worked. I've got it nailed down. No one can raise money in my State against me. What do you want to do, make this even? What's the matter with you, boy?"

That is the God's truth. I will tell you who it was. It was Warren Magnuson. He said, "What are you doing? Are you crazy?" Because the one thing everybody on that side of the aisle knows and a lot of people on this side of the aisle know, if this passes, guess what is going to happen? People with good ideas but no influence are going to have almost as much money to run. And instead of the Senator from Oklahoma, Like the Senator from Delaware, outspending his opponent 3 to 1 last time, he might have to do it on an even playing field. Would that not be tragic. Wow.

I want you all to understand what is going on here. Guys like me, I raise a lot of money. I raised a lot of money the first time because I was the only 29-year-old kid in America running. I was an anomaly. It was kind of fascinating. So, I could attract attention. "Youngest man in history to be elected to the Senate," they said Not true. There was one younger.

The point is I was able to get attention. People listened to my ideas. I was able to start to put together a campaign. I did not raise that much money. I raised $285,000. But I raised money. I was in the race. But if you are not one of the youngest people in history to be running, if you are not the first women or the first black, if you are not something that stands out, allowing you to get attention because of the uniqueness of your candidacy, boy, it is awful hard to raise money at the front end unless you go to people who have a lot of money.

I believe 99 percent, 100 percent of the Senators in here do not sell their votes. They do not go and change their views based on a contribution. But they do get a case of clientitis before it is over. What it does is slows the momentum. It results in silence rather than changed positions. It is a nuance. But, it is real.

My friend from Kentucky outspent his opponent 2 to 1 last time—by the way, I outspent my opponent too. We all know how this works. The one thing we do not want to have happen is the other person having the same amount of money as we have.

I want all of you listeners, all of the people watching this on C-SPAN to understand the reason why we have a hard time passing any public financing. When you strip everything aside, ask any of the people in here, do they want their opponent to have the same amount of money as they have? Do they want their opponent to have the same amount of access that they have to the media? Do they want their opponent to be able to express their ideas and notions to the same degree, to the same audience, with as much frequency as they do? That is democracy. Right?

My friends talk about democracy and the democratization of process and the prostitution of democracy by public funding. Ask them the question. I say to you voters in the 50 States, when you ask your Senators or your Congress persons or your Governors, look them in the eyes and measure the truth of their response. What is the essence of democracy? Equal access to forums, to provide the public an equal opportunity to evaluate your ideas, your character, your positions; to be as exposed to the public as your opponents, and your opponents as much as you are.

If you ask yourself if that is really what we are for, why have we not been able to figure out a way to do that? Do you ever think about that? Why do we not want to put limits on how much we spend?

Forget the Kerry amendment, of which I am a cosponsor, and any portion of public funding. Forget that. As Barry Goldwater would say, in your heart you know I am right. After you ask them, in your heart, make a judgment. My good friends on the Republican side, who are opposed to any form of public financing, I respect their view, who are opposed to any caps on spending, I respect their view, but see if there may not be a pattern here.

Ask yourself the logical question; if you were a juror, is the pattern that you see developing before your eyes one that lends itself to democratization of the process and easy access to the public to know where we all stand? Or, is it self-interest, plain old self-interest? Not corrupt, not immoral, not paid off, not auction-block government, just naked self-interest.

Ask yourself that question.

It is kind of interesting. When I ran for the U.S. Senate, I was 29 years old. I am going to reveal what many of my colleagues already know about me—how stupid I am sometimes and how naive I am sometimes. I will never forget, when I got the nomination, going to the Democratic Party chairman and saying, Mr. Chairman, how do I go about getting the checks for my campaign? It is the God's truth. He looked at me. He said, "I beg your pardon." I said well, I am a nominee now, how do I get the money to run my campaign? There is a Democratic Party and a Republican Party, and we are going to run against each other.

He looked at me, and he said—and I am paraphrasing; I think it is a quote, but I will say paraphrasing—you are 29 years old, are you not?

That's when I found out the naked truth. You had to go out and ask people for money. You could not ask people who did not have money. You had to go ask the people who had the money. You had to go to them and say, hey, will you help me run for office?

All of these people are good people. But if I walked up to somebody and said, I really would like you to help me in my campaign, they would say, "What do you think about taxing millionaires, Joe?" If I said, "Oh, I do not think they pay enough," how many millionaires do you think are going to contribute to me? What do you think? How do you think it would work?

Or, if I went to labor unions, and they said, we want a strikebreaker law, If I said, "I do not think that is a good idea," how many labor unions would say—tell you what, let me get the checkbook now, I want to help you, because you are an honest, decent man who has good ideas?

They did not exist at the time, but let us assume I went to a women's group—they do not have much money—and said, "I really do not think the equal rights amendments makes any sense, but I would like your help." Do you think they would give me money?

If we are lucky, because there is such a panoply of contributors representing all points of view, you do not get corrupted once you are here. What worries me is not once you are here. I really mean that.

I am the powerful chairman of the Judiciary Committee. Everybody here knows that is malarkey. But out there, people are not quite sure. So as the powerful chairman of the Judiciary Committee, I can find people who agree with my view, not me with theirs. They agree with my view because there is such a broad spectrum of them out there. I can raise the money. I do not have to give away a little bit. I do not have to promise anything to anybody about anything. And because, like the Senator from Massachusetts and many Senators on the Republican side, I have had the opportunity, through the good graces of the people of my State to get around this country a lot, I have supporters in a whole bunch of States. I raise a lot of money.

But you know the person who really is hurt, beyond the public, by the way the system works now? It is the earnest, honest, decent, intelligent, woman or man who wants to be involved in public service and says I am going to run for office, whose ideas may be superior to mine or anyone else on this floor, who wants to participate.

Let me tell you what they have to do, especially if they are relatively unknown. They have to do what I did when I was 29. I remembered at the end of my campaign that everyone was surprised except my deceased wife and me. We were neck and neck with a very decent, honorable, popular incumbent man named Caleb Boggs, a fine man who served in public life, when Richard Nixon was winning my State with 65-68 percent of the vote against George McGovern. I remember my friend from Massachusetts was running for another seat in another State at the time. It was not a good year for Democrats. And my radio advertising—I might add there was not one negative ad I ran, nor have I ever run—seemed to be working. I could not afford television.

A group of individuals, all decent men and women, wanted to see me to consider in the last 12 days of the campaign whether they would support me. These were men and women with significant capability, independently wealthy people, decent, honorable people who wanted to know whether they should support me. They asked if they could meet with me over coffee. They clearly had the capacity to contribute at least $20,000. For those who know my State, you know the capacity is significantly greater, and potentially much more, than other States.

My sister was my campaign manager and much younger than I was. I want the record to show she is much, much younger than I am.

My sister was managing my campaign, and my brother, who was in his early 20s was raising my money for me. My brother caught me before I got into the automobile to go to the meeting and said, "Joe, we just got a call from the radio station; we have no money left. All of your advertising comes off of the air in 24 hours." This is a true story. "You have no money left, Joe, and we are perilously close to winning this." So I went to this meeting knowing that if I were able to raise $20,000 to $30,000, I could keep my radio campaign on, which is all I had, and if things continued, I just may win, which I ended up doing.

We sat down, and these very decent and honorable people—which is their right; they were not trying to buy me—said, "JOE, we are thinking of helping, but we have to ask you a question. What is your view on capital gains?" Most of these people were very independently wealthy people, who had a lot of unearned income from an inheritance and investments. Look, I was not very smart then, and I am not sure I am a lot smarter now; but I was not so dumb that I did not know the right answer for $20,000. I knew if I said, "I really think we should lower the capital gains rate even lower"—which was the issue in 1972—that I had a very good chance of those people writing checks for me—legally, honestly, decently—for enough money to keep my radio on the air.

I am not sure what possessed me, but I looked at them and said, "Well, I do not think we should lower it." They were polite and nice and offered me another Coke, a sherry, a glass of wine. So I had my Coke, because I do not drink. Then they said, "thank you very much for coming here"

I got in the automobile and was driving down to my headquarters in the Market Street Building in Wilmington, DE, absolutely convinced that I had lost that election, absolutely convinced that my answer to that question denied me the win—which was their right; they were not doing anything illegal. But I felt that it cost me the election.

(Mrs. FEINSTEIN assumed the chair.)

Mr. BIDEN. After 2 years of blood and sweat—and all of us have run campaigns here, and many people have been involved in them, it is the most intense undertaking other than armed combat, I suspect; and I have never been in armed combat—I remember turning to my brother and I said, "Jimmy, we lost." He looked at me and he said, "Are you sure you feel that way about capital gains? We have time to turn around." I said, "I am sure."

I ended up winning a statewide election by about 3,000 votes. I was lucky, because a lot of things intervened in the last 10 days that were beyond my control that helped me.

I was honest. But the potential for corruption in the system is at the front end, because the ability of the human mind to rationalize behavior is overwhelming. No one but me would have known what I had said—most people do not know what capital gains are. Nobody but me would have known if I said: "I really think you have a point about capital gains." That is the problem with the system.

The truth of the matter is, Mr. President, the Senator from Oklahoma, the Senator from Delaware—meaning Senator BIDEN from Delaware—and the Senator from the State of Kentucky, none of us, in our hearts, really want a level playing field. None of us really want our opponents to be able to have the exact same amount of money.

I do not think you would get 40 votes in here if Ross Perot, God bless him, passed away tomorrow and left in his will a billion dollars, and if in his will he said: Any Senate candidate who will agree to spend absolutely no more money than their opponent, I will pay for the campaigns of both the opponent and the incumbent Senator; they will have the exact amount of money, you do not have to raise any money, and there are no tax dollars involved. I will bet you my life that none of my colleagues would ask for the money. No taxpayers' money, no involvement, nothing to do with the Government. They would not ask for the money, because they know if they got the money—and they do not like fundraising any more than I do—their opponent would get the same exact amount. I will bet you anything that none of them would take the money. No strings attached. The donor would be long gone; no influence; no requirements, other than you agree that your opponent gets the same amount of money from the fund, and neither of you will spend any more.

That is the truth of the matter. I respect that. I understand that. But we should stop the charades. It may be that the proposal of the Senator from Delaware from years past on total public funding, and it may be that this proposal—and I strongly support the Senator from Massachusetts in his proposal—it may be that they are not exactly the right way to do it. I think they are, but maybe they are not. But the public should understand the truth of the matter is not that everybody here is corrupt, not that Government is on the auction block—I reject and resent that accusation and that assertion. But the truth of the matter is that we do not want a fair fight. We do not want our opponents to be able to have as much as we have. That is the truth of the matter. And as long as the system remains the way it is, no one is going to voluntarily do it.

I wonder how many people out there who have run for office set a realistically high enough number with their opponent to say: I will spend no more money if my opponent will spend no more than this.

I am up for reelection, if I run again in 1996, and I am prepared to say that I will spend no more than $1,000 on my race, if my opponent will not.

There is nothing noble about that. I am an incumbent Senator. I can go on television any time I want—not always to my benefit, but I can go on any time I want. I am known by 99 percent of the people in my State. A challenger usually starts out, unless they already hold statewide office, known by no more than 25, 30 percent of the people in their State. So that would be phony of us. But, I wonder if the Senator from Kentucky would say: Next time I run, I promise I will spend no more than $2 million, if my opponent does that.

I bet he might not get that done. I will bet you. By the way, Democrats are the same. Democrats are not anxious to do that either. So I think it is time we have a little bit of—as they used to say in another context when I was in the Banking Committee a thousand years ago and, thank God, I am not anymore—"truth in lending." Let us have a little truth in advertising here.

The truth of the matter is that the core of this debate is an unwillingness of incumbent Senators—any incumbent: women, men, House and Senate, Governors, State legislators—to see that their opponent has the same chance to raise the money, to have the same amount of money as they have to run for public office.

Two more points, Madam President: First, there is a lot of creative accounting. By the way, if I were my friend from Oklahoma representing the State and the party he does—and he represents honorably and notably and does nothing wrong and will do nothing wrong, I am confident—I would not want any of this legislation, would you? Why would you want this? I understand and respect it.

But the truth of the matter is, it seems to me, that we engage in a little creative accounting here. This is all taxpayers' money he says, when he adds up these figures. He gives the figure which is the total amount of taxpayer money that can be received and then the 50 percent deduction, which is not taxpayer money, that the television station has to give a candidate to go on the air. He calculates the cost of that and adds that to the bill and says that is the taxpayer payment. He is a worthy debater and imaginative young man, as I used be, and I can appreciate his debating technique. But, in fact, it is malarkey. We all engage in a little malarkey on the floor on occasion, including the Senator from Delaware. But I hope the public is not misled by it.

The other point I would like to make is my friends who oppose any form of public financing, keep telling me how outrageous the public will view this.

They seem absolutely convinced in that proposition, they are certain of it. Well, great. Then there is nothing to worry about because if the public is that upset about it, of course, they will not take any public financing and then they will run on the grounds that that other politician is the pig in the trough, and it will be a very significant political advantage they will have, and they will win more easily than they now win by outspending their opponents by 5, 6, 7, 8, 9, 10 to 1.

So, what is the worry? If the public wants no part of it, is not going to have anything to do with it, it seems to me it is in your naked political advantage to go ahead and not accept public funding.

I find that same story about Presidential elections, and I find it fascinating that people who could easily raise $24 million or $38 million who ran for President in the recent past chose not to do it and chose to go the route of public financing.

Why did they do that, I wonder? Did they do that because maybe they understand that the public does not like the way we raise money now? Did they do that because they thought it was a political disadvantage to take public funding?

The Senator from Delaware attempted to get the nomination for his party for President of the United States. I was conspicuously ineffective, but prior to getting out of the race I raised more money than anybody except one candidate, qualifying me to get matching funds. I left the race with a deficit. I refused to take the matching funds because I thought it would be immoral when I was no longer in the race. So I took no matching funds, although I was entitled to matching funds.

I wish my campaign manager were here. I think it was somewhere between $900,000 and $2.4 million that I was entitled to. I do not know the exact number, but it was a lot of money. I did not take a penny of it.

But guess what? Does anybody doubt that George Bush could have raised from the Republican money machine somewhere in excess of $30 million on his own? If this was such a liability, why did not George do that and say, "My opponent, the distinguished Governor from the indistinguishable State, the fellow who I do not know knows what he is talking about, is taking all this public money, and I took none"? Why did he not do that? Why did Ronald Reagan not do that? Why did every single Republican candidate, save one, not do that? It is because they know the truth of the assertion that the public is tired of this process.

Let me make a closing argument, Madam President. There will come a day when we will have public financing. It will take another major scandal before we get there, and I predict that it will result as a consequence of our colleagues on this floor concluding that it is too dangerous for their integrity and their reputation to continue to raise money individually on their own. Let me tell you why. Not because it is too dangerous that they will be corrupted, but because in order for the Senator from California to run, you have to raise millions of dollars. For every 1 Delawarean there are about 40 Californians. It is an incredibly expensive proposition.

The Senator from Delaware cannot even know the people individually who contribute to him, as much as he tries. We do not have an FBI that works for us.

So what happens? We find out that we get a contribution for $500 or $1,000 from Charlie Smedlap. In the middle of the campaign we find out that Charlie Smedlap is an ax murderer. Remember this guy Gacy who killed all those people out in Illinois? Remember during Jimmy Carter's Presidential campaign Gacy showed up at a fundraiser? The President had his picture taken with his arm around Gacy. It turns out Gacy is an ax murderer.

We do not have to go that far. How many of you innocently received contributions from people who were in the S&L industry? I do not mean thousands of dollars—I mean $1,000—but then spent $50,000 telling your constituents you did not know the guy was a crook, because you really did not know the guy was a crook.

When I started off, Madam President, I was 29. I was naive. I am now going to reveal that I am still naive. I think this is an honorable profession. There is nothing, save the clergy, that I can think of where you can help or hurt as many people, do as much good or harm as you can do in public service.

Plato allegedly said the penalty good people pay for not being involved in politics is being governed by people worse then themselves.

That is what is happening. Good people are not getting involved because they have to go out there and raise obscene amounts of money. You say, "BIDEN, if it is so obscene, why do you raise it?" I raise it because my opponent is going to raise it. I have no chance of responding to accurate or inaccurate assertions made by my opponent.

The people of this country know how much it costs to put on a 30-second ad. In the fourth expensive media market in America, Philadelphia, it can cost you as much as $30,000 for 30 seconds. God only knows what it is in Los Angeles and New York.

We all know if you cannot get on television, you cannot get your message across. So would you rather we go out and find the wealthiest people in America to contribute to us, or would you rather give us five bucks of our tax dollars so we can tell you who we are and so you can find out whether we are fools, whether we are smart, whether we are corrupt, whether we are honest, whether we are good, whether we are bad?

Madam President, I have no illusions about the ability of my Republican friends to filibuster anything and everything. They are very good at it. They are very, very, very good at it. And I have no illusions that if this amendment passes, as I hope it will, we will face the most interesting filibuster you will ever see.

So I also have no illusions about the likelihood that if this passes, we will be required to get 60 percent of this body to have it become law—because, to their credit, it is against their self-interest to see this pass. And the one thing I hardly ever expect, as naive as I am, is a woman and man in public life to operate against their self-interest. And it is clearly not in the self-interest of the opponents of this legislation to have caps on the amount of money that can be spent and at the same time have the prospect that your opponent will have as much money as you have to run the race.

I hear arguments about free speech. The same people who tell me about the first amendment are the first people that want to clamp down on the first amendment in ways that are outrageous.

But there is the kind of free speech argument that we hear today that translates into, just make sure my opponent does not have as much money as I have because, if they do, I might not have as easy a chance of winning.

This comes from a guy who is as good at raising money as most of you, does not do it badly, and fortunately is in a position like most of us here: we can raise it without being corrupted because we can make sure it is from so many different sources.

But when you are a challenger, when you are starting off, if you are a woman, if you are black, if you are somebody who does not come from an institutional constituency, you have a really hard time getting in the game.

And that is what this is all about. We do not want other people in the game. We think—people in this body think—we own this place. We do not. We do not.

That sounds like what I do not want it to sound like. That sounds moralistic. It is just human nature. Nobody wants the other person to have the same advantages they have in making a case in anything.

But it seems to me the exception should be, in a democracy, where we are supposed to compete over ideas, that the other people get an opportunity to have their ideas as broadly and as widely broadcast as the ideas of those of us who now hold the floor.

And hearing myself say that, I have held the floor now, I realize, longer than I wanted, and I now yield the floor.

I thank my colleagues.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. LOTT. I rise in opposition to this amendment.

I must say, Madam President, that the remarks of the past few minutes have been very interesting, an autobiography, I guess.

I cannot resist, a little bit of that myself. I think back to my experience in campaigns in Mississippi, going back over 20 years, 16 years in the House and now here in this great body.

But one of the things I was thinking about as the distinguished Senator from Delaware was talking is: How many people have ever come up to me in Mississippi and said, "What we need is public financing of campaigns"? Other than newspapers, nobody.

There is nobody in Mississippi or Delaware saying: "Give me public financing of campaigns."

Mr. BIDEN. Will the Senator yield?

Mr. LOTT. I am glad to yield.

Mr. BIDEN. Madam President, has anyone come up to the Senator and said, "Senator, I hope you are not going to take any of that big oil money," or "I hope you are not going to take any of that big labor money or that big PAC money"?

Mr. LOTT. Very few. Most people in Mississippi say, "Senator, because of your past votes, I want to help you."

And, as a matter of fact, the average campaign contribution in my campaign was around $129, and a lot of people gave a lot less than that.

That is what they say. They get involved.

I do not have big oil, as you like to say, in my State. We do not have it. And I do not have big labor support, either.

You were talking about being fair, and truth in packaging, having limits on campaigns, and public financing.

But we left out one little detail. We forgot the part of requiring the reporting of sewer money by a lot of the big people, such as labor, that opposed me.

When I got to the shipyard gate every 2 years when I was in the House, and again in 1988, there were people lined up in front of me handing out my opponent's literature, which they printed up.

I was standing there with one campaign person helping me get my material out. And I had to report what we paid that person who worked with me.

All these cats over here; it was not even reported. No limits on that; not even reported.

Mr. BIDEN. I agree with the Senator.

Mr. LOTT. I am glad you agree.

You talk about fairness, great. Put a limit on what you can spend, then give me public financing. Tell the broadcasters, "Hey, give me free time."

But there is one little detail. You get the advantage; some of your friends, our friends, get the advantage of getting this help, and it is not even reported.

I am not saying cut them out. I think we are insane for limiting the ability of parties to be involved in the process. That is what this bill would do, as I understand it.

But then we have this little group over here that is not covered because it is educational.

All I say is, at least let us get out there on the table who is doing what, what is really happening.

I cannot help but give a little bit of an autobiography, too.

When I ran the first time in 1972 as—guess what?—a Republican in the Fifth Congressional District of Mississippi, I was the first live one they had seen. When I went to Buckatunna, MS, and Poplarville, they said, "There comes one. Come on out here." They had never seen one.

I had the courthouse gang and they were, every one, Democrats. Every one of them lined up against me; as did most of the newspapers, most of the media.

I raised approximately $129,000, in small contributions; probably the average contribution was less than $50. My opponent raised around $169,000. He lost.

Now, that is not a great credit to me. It is a great credit to the system. The system is not so stinky, even though it is made to look that way.

Can we improve it? Sure. I would like to improve it. I wish we could develop a campaign finance bill where both sides get two peremptory strikes. We will strike out two things and you strike out two things, and let us see what we can get together on.

Let me give you another example. It can work the other way.

In 1991, in the Governor's race in Mississippi, an incumbent Democrat Governor had $4 million in Mississippi; 2.6 million people raised $4 million.

His opponent, who never held an elective office, raised $2 million and defeated him; with small money, too, by the way.

Mr. BIDEN. Will the Senator yield?

Mr. LOTT. I am glad to yield.

Mr. BIDEN. The Senator will acknowledge that the exception proves the rule.

Mr. LOTT. I am making the point, Madam President, that whoever raises the most money is not necessarily going to determine who wins.

I also want to make the point that in my own campaign in 1988, for instance, 72 percent of my money was raised from individual contributions; 72 percent. The majority of it was in my own State of Mississippi.

Mr. BENNETT. Will the Senator yield?

Mr. LOTT. I am glad to yield to the Senator from Utah.

Mr. BENNETT. As long as we are all being biographical here, I would like to add a little to this.

Mr. LOTT. We need a Utah input here.

Mr. BENNETT. Madam President, conventional wisdom here in Washington is as the Senator from Delaware enunciated it; that is, the candidate who has the most money or the best consultant always wins.

And that was the conventional wisdom that motivated my primary opponent, who spent $6.2 million in the State of Utah, where we have less than 2 million people.

I see the Senator from California in the chair. My opponent spent more on the Republican Convention in Utah than Mr. Herschensohn spent in California to win the Republican nomination.

He spent ultimately $47 a vote to lose the primary. He outspent me 3 to 1.

The conventional wisdom that we are talking about here, that says, "I am so terrified that my opponent will have more money than I have," has been proven wrong again and again. And I am glad to add to the Senator from Mississippi's store of examples that that is not true.

Mr. BIDEN. Will the Senator yield?

Mr. LOTT. addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi has the floor.

Mr. LOTT. I really like this type of debate, where we actually get involved in a little discussion and exchange; real live debate. I know the Senate is not used to that, so I am delighted to yield to the Senator from Delaware.

Mr. BIDEN. I will not take 30 seconds, Madam President.

I have had the great privilege of serving with the father of the distinguished Senator from Utah [Mr. BENNETT], the elder.

I would suggest the Senator from Utah today has a decisive advantage. There was not 2 percent of the population that did not know the name Bennett, and did not know you all. So that is a mild advantage. It probably took your opponent $2 million just to get his name recognition to where yours was. So I am not sure this was an exception.

I have great respect for the Senator and his father, both of whom I have served with, and I expect they might have won anyway, if they did not have any money.

Mr. BENNETT. If my colleague will yield, I say to the Senator from Delaware, when I filed I looked confidently toward the first poll. When the first poll came out, my opponent was at 56 and I was at 3 and there was a 4-percent margin of error. So there was a possibility that there was less than 1 percent of the people in the State who knew who I was.

When I put up my signs——

Mr. KERRY. That may well be why you got elected.

Mr. BENNETT. When I put up my signs I remember one fellow walking by and looking at it and saying, "Bennett for Senate, Bennett for Senate—I thought he was dead."

I had to spend the money I had to spend when I discovered the people of Utah, after 18 years with Jake Garn as Senator, had forgotten Wallace Bennett. I am glad there are people in this body who still remember him, but I had to spend the money because the name recognition was not there.

Mr. MCCONNELL. Will my colleague yield?

Mr. LOTT. I yield to the distinguished Senator.

Mr. MCCONNELL. I say to the Senator from Mississippi, the Senator from Delaware raises an interesting point about the well-known candidate. Obviously, the people of Utah had forgotten the name Bennett over a period of 18 years, but let us assume a well-known candidate, an astronaut or sports figure. Talk about a candidate who has an unfair advantage when you have spending limits. The unknown candidate is capped. The candidate starts with an enormous disadvantage.

Every time you jury-rig the process, you give somebody an advantage. If there was any one system that would jury-rig the system in favor of the sports figure, it would be this.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. KERRY. Will the Senator yield?

Mr. LOTT. I would like to go forward with my remarks, but I would be glad to yield to the Senator from Massachusetts.

Mr. KERRY. Again, responding to the Senator from Utah, I think we all know that there are situations in many States where an individual like Senator BIDEN, or the Senator from Utah, have run and there are upsets. We all know that. And it is not a rule that the greater amount of money always wins. We have seen that all through politics—the mayoralty race in New York with major expenditures.

But let me just point to the statistics overall. There is not anybody here who can alter the reality that incumbents have won more and challengers have won less, and challengers invariably have less money to spend.

In the last go-around, the Republican incumbents spent 2 to 1 against the challengers. We all know that one Democrat only, Senator Sanford, was upset. And on the Republican side, 2 to 1, the Democratic incumbents had the money, the Republican challengers did not, and again only one person was upset.

So the rate of turnover historically is extraordinarily low. And it is clearly impacted by who has access to the money.

Mr. LOTT. If I could claim my time, I think this bill is an incumbent protection bill in itself. Let us look at these numbers.

Consider a limit for the election cycle in my State or any State—just pick a State. Say you have a limit of $2 million. Then you get the public financing, you get free broadcasting time, and you tell your challenger—OK, come on and take this incumbent on. You have a tremendous advantage. The incumbent has the name ID. We has been in office; there are a lot of things he can do when he is in office. So you are going to limit your challenger to a specific amount of money—It will make it extra difficult to take on an incumbent with that kind of limit. Also, having been one on the outside looking in, with the establishment against you, the news media against you—this is an incumbent protection act.

But let me make a few other points here. The Senator from Delaware suggested you have to go to people and ask them for a contribution. Yes, to raise money to run for office you have to get out and work for it. You have to go out there and talk to people, listen to them. You have to sell them on your candidacy.

What is being proposed here is let us get the people out of this thing. We do not want to have to go to the people and ask for their contributions. Let us just give public financing to the candidates, and then we really will not have to worry the people. We will tell the broadcasters, "Give us free television."

Do you think we are not going to be sitting in Easy Street up here? We are going to have our campaigns paid for with public financing, assuming there is going to be money contributed that will allow public financing of these campaigns. We are going to get free television. This is going to be a great deal.

We are not going to fool the people with this. The American people are not going to buy public financing where we get a free ride, get up here, get our campaigns paid for and do not have to go out and work with the people, identify with the people—campaign. Somebody said you have to ask the people who have the money; you do not want to ask the people who do not have the money. I think it is a good idea to talk to people who work, have a little money they can contribute to the campaign. They are carrying the load for this deal. What is wrong with that?

Also, if there has ever been a case where there is going to be the camel's nose under the tent—people have this figured out, too. Once we start down this road, we will have total, complete, public financing of campaigns. And if, by the way, people do not check off the $1 or the $5, do not worry, believe me, we will get it out of the general Treasury. It will be food stamps for politicians. That is the way it will eventually go.

You say they will check off. Seventeen percent—that is all—check off for the Presidential campaign, and it has been sliding down for years. Do you think with the attitude they have toward Congress they are going to jump in there and say: "Oh, yes, I am going to check off $5?" I would not check off $5. I do not check off $1 for the Presidential campaigns. If I want to contribute to a candidate I am going to contribute to the one of my choice and only that one. I am not going to check off $5. Some of it might go to some of my colleagues here whom I would not want it to. I do not want a nickel to go to some of them. I will choose where the $5 goes that I contribute, whether it is a House race, Senate race, or mayor's race. It is called choice. Let us let the American people choose. They can choose to contribute to the candidate of their choice, not choose to contribute to the Federal Government for public financing of the clowns they are seeing performing.

I will be glad to yield to the distinguished Senator from Kentucky.

Mr. MCCONNELL. My colleague referred to 17 percent of the people nationwide checking it off. He might be interested to know in his State of Mississippi—we have a State-by-State breakdown—only 13 percent of Mississippi taxpayers check off that amount.

Mr. LOTT. An extraordinarily brilliant group of people. I have always felt this. People are not going to buy this.

We have heard a great deal today about this issue and other issues. This is not the solution. There are a lot of things we can do to improve campaigns and, hopefully, get people more involved directly in campaigns, but this, in my opinion, is one more step toward shutting people out. We will not need them. We will just pick up our check—in my case, I guess it will be $1.8 million or whatever it would be—and come on back to the Senate. Let us reject this amendment and get on with killing the bill in its present form.

I yield the floor.

Mr. BOREN. Madam President, have the yeas and nays been ordered on the Kerry amendment?

The PRESIDING OFFICER. They have not been ordered.

Mr. BOREN. Madam President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Is there further debate? There being no further debate, the question is on agreeing to the amendment of the Senator from Massachusetts.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Montana [Mr. BAUCUS], the Senator from North Dakota [Mr. DORGAN], the Senator from Alabama [Mr. HEFLIN], and the Senator from Texas [Mr. KRUEGER] are necessarily absent.

Mr. SIMPSON. I announce that the Senator from Alaska [Mr. MURKOWSKI] is absent on official business.

I further announce that, if present and voting, the Senator from Alaska [Mr. MURKOWSKI] would vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 35, nays 60, as follows:

[Rollcall Vote No. 130 Leg.]

YEAS—35

Akaka
Biden
Bingaman
Boren
Boxer
Bradley
Bumpers
Byrd
Conrad
Daschle
DeConcini
Dodd
Feingold
Glenn
Harkin
Inouye
Kennedy
Kerry
Lautenberg
Leahy
Mathews
Metzenbaum
Mikulski
Mitchell
Moseley-Braun
Moynihan
Pell
Pryor
Reid
Riegle
Sarbanes
Sasser
Simon
Wellstone
Wofford

NAYS—60

Bennett
Bond
Breaux
Brown
Bryan
Burns
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
Danforth
Dole
Domenici
Durenberger
Exon
Faircloth
Feinstein
Ford
Gorton
Graham
Gramm
Grassley
Gregg
Hatch
Hatfield
Helms
Hollings
Jeffords
Johnston
Kassebaum
Kempthorne
Kerrey
Kohl
Levin
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Murray
Nickles
Nunn
Packwood
Pressler
Robb
Rockefeller
Roth
Shelby
Simpson
Smith
Specter
Stevens
Thurmond
Wallop
Warner

NOT VOTING—5

Baucus
Dorgan
Heflin
Krueger
Murkowski

So the amendment (No. 381) was rejected.

Mr. BOREN. Madam President, I move to reconsider the vote.

Mr. MCCONNELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BOREN. Madam President, if I could have the attention of Members, I understand that we have several amendments lined up. There is an amendment by the minority leader, Senator DOLE, there is an amendment then by the Senator from Rhode Island [Mr. CHAFEE], and two amendments that I know of by the Senator from Florida [Mr. GRAHAM].

Many Members have indicated to me that there are things going on; they would like to have about an hour at least if there are any rollcall votes. We do not know how many of these amendments will require rollcall votes. I assume there would be some of these amendments that would require a rollcall vote. I would, just to see if this will work, like to ask unanimous consent that if rollcall votes are ordered on any amendments between now and the hour of 8:15, those rollcall votes occur beginning at 8:15.

The PRESIDING OFFICER. Is there objection?

Mr. MCCAIN. I object.

The PRESIDING OFFICER. There is objection. The Senator from Oklahoma has the floor.

Mr. BOREN. Madam President, let me rephrase this. I would ask if there are any rollcall votes ordered on or in relation to any of the amendments that might be brought up between now and the hour of 8 o'clock, the rollcalls occur beginning at the hour of 8 o'clock.

The PRESIDING OFFICER. Is there objection?

Mr. BOREN. Not occur prior to 8 o'clock.

The PRESIDING OFFICER. There being none, that will be the order.

Mr. BOREN. Madam President, as I indicated, I believe there will be an amendment to the bill by Senator CHAFEE first and then Senator DOLE and then Senator GRAHAM of Florida.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. FORD. Madam President, will the Senator from Rhode Island give me 30 seconds.

The PRESIDING OFFICER. The Senator from Rhode Island yields the Senator from Kentucky 30 seconds.

(The remarks of Mr. FORD pertaining to the introduction of S. 1053 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

AMENDMENT NO. 382

(Purpose: To prohibit out-of-State fundraising more than 2 years prior to the date of a general election)

Mr. CHAFEE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Rhode Island [Mr. CHAFEE], for himself, Mr. COHEN, Mr. JEFFORDS, Mr. MCCAIN, and Mr. DURENBERGER, proposes an amendment numbered 382.

Mr. CHAFEE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER [Mr. DASCHLE]. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place insert the following:

SEC. . OUT-OF-STATE FUNDRAISING.

Title III of FECA, as amended by section , is amended by adding at the end the following new section:

"OUT-OF-STATE FUNDRAISING

"SEC. . A person shall not solicit or accept a contribution from a person that is not a legal resident of the candidate's State of residence prior to the date that is 2 years prior to the date of a general election for a congressional office in which the person seeks to become a candidate.".

Mr. CHAFEE. Mr. President, this is an amendment that I present on behalf of myself, and Senators JEFFORDS, COHEN, MCCAIN, and DURENBERGER.

Let me explain what the amendment is all about. One of the complaints that is made about our current system of campaigning is that we are on a constant money chase. The manager of the bill, the distinguished senior Senator from Oklahoma, has said that the average Senator must raise $2,000 every week of a 6-year term in order to have enough money to finance his reelection efforts.

We hear all the time the campaigns last too long, they start too early. Yet there is nothing in this legislation that addresses this problem. Certainly, I do not want to discourage debate or discussion of issues. But I do think we ought to limit the time in which we conduct our out-of-State fundraising activities.

Mind you, I am stressing out of State. No Senator should be what the Senator from Oklahoma, the manager of this legislation, has referred to as "full-time fundraiser and part-time lawmaker."

So I think we ought to take steps to eliminate the lure of fundraising events that may draw us away from official business.

So what my amendment would do is prohibit candidates from accepting or soliciting contributions from out-of-State donors in any year other than the 2-year cycle that the candidate is up for reelection.

Candidates, as I stress, would still be able to solicit contributions from supporters, residents in their own States, but no Senator would be permitted to engage in fundraising activities around the country throughout his or her entire term of office.

Similarly, a challenger, obviously, would not be permitted to raise funds from out-of-State sources until the 2-year period prior to which the date of election is for that Senator or that challenger.

Again, I want to stress that this has no limitations on fundraising activities within one's own State. This is a very modest amendment, Mr. President. I think it would improve the process if we eliminated the amount of time that was spent on fundraising.

Certainly, the public would prefer to know that we are working hard to solve the Nation's problems rather than to keep our campaign war chest full. So I offer this amendment on behalf of myself, as I mentioned, and Senators JEFFORDS, COHEN, MCCAIN, and DURENBERGER.

Earlier this month, the five of us wrote to President Clinton and the managers of this bill expressing our interest in helping to work out a good, solid campaign reform bill. Our letter included nine fundamentals that we felt were essential to real campaign finance reform. This amendment represents one of those points of concern which we enumerated.

I understand that this is agreeable to the managers of the bill. I am grateful for their help and cooperation.

It is my understanding that one of my cosponsors, Senator COHEN, wishes to address this subject.

Mr. COHEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine.

Mr. COHEN. Mr. President, first, let me command my colleague from Rhode Island and say that I support his amendment, although I do not think it goes far enough.

We have heard many fine speeches made in this Chamber and beyond about how much money is being spent on campaigns both in the congressional races and the Senate races.

I have a somewhat simple view of it. It is easy to clear up without a lot of infringement upon the first amendment and without a great deal of complexity. Perhaps this solution is too simple to be true and too simple to be good.

No. 1, I would say just ban PAC's. There is apparently bipartisan support for this. I have indicated on the floor before that I find no inherent evil lurking in the formation or the activities of PAC's but, nonetheless, the public has come to see them as an evil in the system. So, therefore, we should vote to ban them.

The majority leader has indicated the Democratic majority now supports a ban on PAC's.

No. 1, no PAC's.

No. 2, no bundling of contributions.

I know the Senator from Oklahoma is in support of this provision.

No. 3, there should be no soft money. No soft money by the PAC's certainly, no soft money by parties, and no soft money by any organization should be allowed.

No. 4, we should try to deal with the issue of multimillionaires or millionaires running for office. There should be a limit on what one can contribute to his or her own campaign.

We must enact a reasonable limit on the amount an individual can contribute to his or her campaign so that we eliminate the possibility of millionaires buying into the U.S. Senate or the House of Representatives.

I would prefer a lower limitation on the amount of individual contributions. The Senator from Minnesota proposed a $100 limitation. Perhaps that is too low for some, but nonetheless a limit on individual contributions is necessary.

I would go further than the Senator from Rhode Island in reducing fundraising out of State. I think a majority of funds should be raised from within one's State. I know this will generate a good deal of controversy because the argument will be that there are a lot of poor States in this country. Maine happens to be one of them. There is not a lot of money available in Maine.

Well, that is true, and that, of course, will solve the problem of too much money being spent in campaigns throughout the State of Maine. If candidates are forced to raise most of their funds from within the State, then the people of Maine will receive a scaled-down campaign. Each candidate will be bound by the same rules, in that case.

We will not have this appearance of Members of the Senate or the House boarding planes and taking off and traveling to Florida, New York, Texas, California, Rhode Island, and various other meccas of campaign funding sources. He or she will spend most of his or her time within his or her own State gathering whatever contributions they can. That is as I think it should be. We should have different limitations, as such, for States around the country.

I think the people of Texas are fully capable of judging whether too much money is being raised and spent within that State. I think the people of California are fully capable of judging whether or not too much money is being raised or spent by candidates in that State. I think the people of Maine can make a determination as to whether I or anybody else is raising too much money, or spending too much time raising money, or spending too much money in my State, and vote accordingly.

I do not think we should be raising money when we are not up in that election cycle. I know it is a practice of a number of Members of this body to, from the moment they are elected, start replenishing their coffers and start the fundraising activities. I think we should stop that. I think it is a practice which is too common. Some Members start the process all over again, no sooner having been elected, and are out raising money again to build up the reserves so they can scare off or intimidate potential challengers.

I think it puts a particular burden on congressional candidates who have to go out and try to come up with the same kinds of resources for their campaigns, and there senators are out competing against them for funds. As a general rule, I think we should confine our fundraising activities only to the cycle during which our campaigns are scheduled—during the last 2 years of our terms. The response from some would be: Well, we are going to spend too much time during the final 2 years raising money. I think not.

I think we have an obligation to carry out our responsibilities here. I do not find myself in a situation of spending every third hour, or whatever the calculation is, raising money. As a matter of fact, I do not start raising money, in any significant way, until the final 2 years of my term. That is the way I think it ought to be.

I yield to the Senator from Kentucky.

Mr. MCCONNELL. The Senator is right on the mark. We studied how the money is raised, and 80 percent of the money raised by Senate candidates does come in during that last 2 years of a 6-year cycle.

I think the amendment is an appropriate amendment. Contrary to what has been stated by many on the floor, almost no Senators raise money constantly. Eighty percent comes in during the last 2 years of the cycle.

Mr. COHEN. If that is the case, Mr. President, it will not impose an undue burden to confine Members to fundraising during the last 2 years of their term in office.

I would go further, in the sense that I would insist that we have a majority of the fundraising take place within the State. In the amendment of the Senator from Rhode Island, it would say you must confine your out-of-State fundraising to that last 2 years. I think you should confine your fundraising, primarily, to your own State.

Again, I anticipate the arguments will be: Well, rich States will have much more expensive campaigns than will the poor States. But I think that is a matter that individual constituents can make up their minds on, as to whether they would like to have scaled-down campaigns. Perhaps that is as it should be.

If you want to really stop this merry-go-around of climbing on the horse and riding it out to Los Angeles and back—and many of us do spend time going to various States where there is a great deal of wealth to seek support—a way to change that would be to require the bulk of fundraising be done in your own State. Let each individual State pass judgment as to whether or not the candidate who is running for office is seen as seeking too much money out-of-State versus that from within the State.

That is a view that I have come to adopt, and I think it would solve many of the problems that we currently see as far as campaign spending abuses.

I support the Senator's amendment. I would further, but I am pleased to add my support.

Mr. JEFFORDS. Will the Senator yield?

Mr. CHAFEE. Yes, I yield.

Mr. JEFFORDS. Mr. President, I would like to address the amendment. I want to add my commendation to the Senator from Rhode Island for his participation with the other three or four of us who are dedicated to bringing about meaningful campaign reform. I think this is one of the amendments that will help us along that direction.

I believe very strongly that we must restrict the amount of time that we spend raising money, as pointed out by my colleague from Maine. I also agree with my colleague from Maine that we should do more to restrict the amount of out-of-State money that comes into campaigns. I have made that offer in every one of my campaigns, that we should restrict the money, at least the majority of it, coming from within the State. Nobody has taken me up on that offer yet, but I hope that some day we will be able to get it into law.

I want to run down through some of the areas that the Senator from Maine mentioned. I will accept the ban on PAC's. But I have a serious problem with a ban on PAC's, for the money is going to follow power and will somehow get in there. I would rather have it controlled and limited and exposed and disclosed, rather than getting back to the system of money floating around in individual contributions, and you try to figure out where they are coming from.

I accept the ban here, because I know we have to go into the House. I am more deeply concerned about the problems in the House, which is refusing to at all reduce the amount of money coming from PAC's and to live with existing limits. I am concerned about the ability of the House Members, especially the Republicans, to be able to in any way get any meaningful reform over there.

So I am going to do what I can to try to make sure we end up with a level playing field.

Mr. COHEN. If the Senator will yield, Mr. President, I take it that the Senator from Vermont would insist that whatever rules we adopt for the Senate, he would insist that the same rules be adopted for the House, particularly as they pertain to PAC's?

Mr. JEFFORDS. There is no question about that. I thank the Senator for bringing that up. That is one of my major goals, and it is the goal of the four others with me here. To allow each body to have different rules in these critical areas would make a mockery of trying to come about with constructive reform here.

I am dedicated to the proposition that we must end up that way.

Another very critical area is the matter of soft money. Hopefully, we will be able to work out a solution to that. I am working on it now. In my mind, first of all, we have to disclose all soft money. But unless we have an equal playing field on the ability of utilization of so-called soft money, I cannot go along with a system that allows the unfairness of someone coming in and basically doing a great deal of campaigning on soft money legally, first of all, without disclosing it; and, secondly, leaving other candidates with the inability to be able to compensate for that expenditure of funds in any way, leaving a very unfair playing field.

That is another area which is extremely critical to me and one that we must make sure the rules are the same for the House and Senate and that we have a level playing field with respect to the utilization of soft money or even ban all soft money.

The limits on millionaires I certainly agree with, and I think we are coming about with reasonable limits in that regard. I know Senator McCAIN, from Arizona, will be offering an amendment later, which I will support, in that regard.

I also emphasize again I think it is very important for us to ensure that we try to limit the out-of-State money, and I would certainly join with the Senator from Maine in trying to pursue that area.

But I end up by commending again the Senator from Rhode Island, and I am happy to yield.

Mr. COHEN. Mr. President, I would like to point out that indeed I, like others, have in fact sought funds outside the State of Maine.

If we are to have fundamental reform and uniform rules, it seems to me that is one area where all of us should be willing to agree that we ought to reduce dependence on funding from outside of our State. That may be prevented by the fact that, as I pointed out before, I had a multimillionaire run against me who could write out a check for $1.75 million or $7 million. That puts me or any candidate to a substantial disadvantage. So many times we are forced to seek resources wherever we can.

If we are concerned about appearance and talking about fundamental reform, it seems to me, if we adopt a uniform rule, each candidate would raise the bulk of funds from within their State. I think a great deal of concern raised about what has happened to the funding of our political system would at least be satisfied.

Mr. JEFFORDS. Mr. President, I could not agree more with my friend from Maine.

I also thank the manager of the bill for his cooperation in trying to bring about this kind of meaningful reform, which, hopefully, will lead to our being able to get a bill out of here that will solve many of the problems that the public has with campaign funding.

I want to turn it back to my friend from Rhode Island again and commend him for his efforts in this area.

I yield the floor.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I thank the distinguished Senator from Vermont and distinguished Senator from Maine for their very kind comments.

It is my understanding that the managers of the bill are prepared to accept this.

There is one point that I would like to make, Mr. President, and that is in the bill we say as follows: "A person shall not solicit or accept a contribution from a person that is not a resident of the candidate's State of residence."

By that we mean shall not accept a contribution from someone who is registered to vote outside your State. By residence we mean voting residence. In other words, if I am at home in Rhode Island out of the last 2 years of my cycle, and someone in Rhode Island for the summer wishes to give me a large check, if that person was not registered to vote in Rhode Island I could not accept it. Just the fact that he is physically present in Rhode Island is not enough. He would have to be a registered voter outside of the cycle. Within the cycle, of course, it would be perfectly acceptable.

Mr. COHEN. Does that mean if the Senator from Rhode Island spent August in Maine, he would not be able to contribute to the Senator from Maine?

Mr. CHAFEE. During the off-cycle. Also, it means when the Senator from Rhode Island is vacationing in Maine, he cannot tap those wealthy Mainers up there for a contribution out of cycle, but in cycle obviously we can do everything we possibly can.

I do not want to press my luck any further. If the managers will accept amendment. I would be delighted.

The PRESIDING OFFICER. Is there further debate?

The Senator from Oklahoma.

Mr. BOREN. Mr. President, I am willing to accept the amendment of the Senator from Rhode Island and colleagues. I commend him and the other authors of this amendment for offering it.

As has been indicated by those who offered this amendment, it makes a good product of their work, which singled out one of the item in the letter they wrote to me and wrote to the majority leader and others listing concerns about the current campaign finance reform proposal. We have had very healthy and constructive conversations. I have had conversations among others with the authors of this amendment.

There are other points that have been raised that certainly we are still endeavoring in a very constructive and bipartisan spirit to take action upon as well. I am optimistic we will be able to do that and to make real progress on this bill and do it in a bipartisan way.

I share the desire of the authors of this amendment that more of the funds raised in campaigns come from the home States and the home district of those candidates. I think that is healthy. That helps to return the political process back to the grassroots where it belongs, not only in terms of political activity, but also in terms of fundraising.

So I commend the authors of this amendment, and I not only am willing to accept it, I heartily endorse it and support it fully.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. MCCONNELL. Mr. President, I too have no problem with the amendment of the Senator from Rhode Island. I think it is a good amendment. There is no objection on my part.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment of the Senator from Rhode Island.

The amendment (No. 382) was agreed to.

Mr. BOREN. Mr. President, I move to reconsider the vote.

Mr. MCCONNELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Republican leader.

AMENDMENT NO. 383

Mr. DOLE. Mr. President, I now send an amendment to the desk on behalf of myself, Senator BROWN, and Senator LOTT and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Kansas [Mr. DOLE] for himself, Mr. BROWN, and Mr. LOTT, proposes an amendment numbered 383.

At the appropriate place, add the following:

"It is the sense of the Senate that every employee in the executive or legislative branch of the Federal Government shall follow appropriate officially prescribed procedures in contacts and dealings with the Federal Bureau of Investigation and the Internal Revenue Service."

Mr. DOLE. Mr. President, this is a sense-of-the-Senate resolution, and it follows up on what I think is a very serious allegation that has been made, and we have been looking for serious answers to some troubling questions.

Let us face it. It is serious business when we hear reports about cronyism, and unusual access to the White House by special interests who may be looking for special consideration.

It is serious business when reputations are smeared on national television, without notice of the charges, without any opportunity to respond, and without any conclusive proof that the charges are in fact true—and they may be true. I do not know. But I do know that five of the seven travel office employees have now been unfired.

And, it is very serious indeed when powerful figures in the White House believe they can manipulate the FBI. The FBI is not the Democratic National Committee. It is not a political consulting firm. Yet its integrity was compromised when it was ordered to assist in political damage control.

As more information comes out in the press, more questions are raised.

For example:

On May 13, who authorized White House Associate General Counsel William Kennedy to contact Frederick Verinder, the Deputy Assistant Director of the FBI?

Who at the FBI then authorized Verinder to attend a White House meeting with Kennedy? What role did the FBI play in the so-called Peat Marwick audit, which turned out not to be an audit after all?

Who authorized John Collingwood, the FBI's public affairs officer to attend a White House political strategy session on May 21?

Who at the White House summoned Collingwood to the political strategy session? And what was said at the meeting? Who drafted the FBI press statement that the White House later released to back up its claim of wrongdoing at the Travel Office?

And who within the Justice Department knew about the FBI's involvement? Did Webster Hubbell know? Did the Attorney General know? Should she have known?

Unfortunately, Mr. President, the questions do not end here.

Now, we are told that the White House Chief of Staff has been put in charge of sorting out the very mess that occurred under his watch. And there are press reports stating that three IRS agents appeared last Friday—unannounced and with summonses in hand—at the offices of one of the airline charter companies that did business with the Travel Office.

Who authorized the IRS agents to seize the records of the Charter Co.? Is there a connection between the White House political strategy session and the IRS' actions?

Mr. President, can anyone please tell us, what is going on here?

Mr. President, this past Tuesday, I sent a letter to the chairman of the Judiciary Committee requesting an impartial, bipartisan hearing to get to the bottom of these issues. Senator HATCH, the ranking member on the committee, and seven other Republican Senators have also written to Senator BIDEN making the same request.

We have not yet heard back from Senator BIDEN, but I think it is a serious request. I think it should be taken seriously, and I do also hope with a letter to the FBI Director, Mr. Sessions, and the Attorney General we will have some information from them.

In the Bush administration, Attorney General Bill Barr appointed special counsels in the House bank scandal, and in the BNL and Inslaw cases, so there is plenty of precedent for this approach. And I know that Attorney General Reno herself has expressed deep concerns about the way the FBI was mishandled by the White House handlers.

Let me add, that I want to put this affair behind us, and do it quickly. The American people expect us to deal with the serious problems facing America: Health care reform, creating jobs, reducing the deficit, putting more police on the streets, reforming the welfare system, and giving our kids a chance to attend a quality school.

But the American people also expect us to reassure them that the FBI is still an independent law enforcement agency, and that the appearance of impropriety at the White House is just that—an appearance. But, without some real answers, the American people will continue to lack confidence in a White House that is paralyzed by its own kind of self-inflicted gridlock.

Mr. President, the Washington Post, the New York Times, and the Chicago Tribune published editorials yesterday proving that this is not a partisan matter, but a story of missteps, miscommunication, and potential wrongdoing that should concern all Americans, regardless of party affiliation.

I ask unanimous consent that these editorials be printed in the RECORD immediately after my remarks and I also ask unanimous consent that an essay by William Safire appearing in today's New York Times be printed in the RECORD as well.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New York Times, May 26, 1993]

Myopia at the White House: The FBI Abused

By design or incompetence or a blend of the two, the White House has used a highly vulnerable F.B.I. for unworthy political purposes. Though President Clinton's staff finally admitted yesterday that the process that led to the firing of the seven-member White House travel office was full of mistakes, it exonerated itself of meddling with the F.B.I. But meddle it did.

Last Friday the F.B.I.'s public affairs director, John Collingwood, was summoned to the White House, where to staff members sought his help to get them out of a major political jam.

The press corps was rightly demanding that the White House explain why it had sacked the travel office employees and, with unseemly haste, transferred their duties to aides and cronies of the President. Mr. Clinton's staff extracted what it wanted: authority to say that the F.B.I.'s investigation was criminal in nature, a finding the White House quickly disseminated to the press.

Rarely has the F.B.I. so rapidly confirmed the existence of a criminal investigation. Its usual sluggishness often severs justice by protecting targets who, like the seven cashiered officials, are presumed innocent. This time the White House used the F.B.I.'s obliging speed to further defame the departed employees, who were not allowed to defend themselves before their dismissals.

The White House has now announced that five of the seven are to be kept on administrative leave pending an internal investigation by Thomas McLarty, the chief of staff, and Leon Panetta, the budget director. It will be fascinating to learn what it thinks went wrong. Was it the wholesale dismissals without due process? Was it the assignment of the travel business to a Presidential cousin, and attentiveness to the complaints of a Presidential friend, Harry Thomason, that his friends could not get any White House travel business? Or was it the abuse of the F.B.I., enlisted to dignify political firings by intimating that financial mismanagement might be criminal?

Yesterday's statement by Bernard Nussbaum, the White House counsel whose office is supposed to spare Bill Clinton such ethical grief, amounts to a self-acquittal of any charge of tampering with the F.B.I. Attorney General Reno complained to Mr. Nussbaum that his lawyers had bypassed her when it summoned the bureau. Mr. Nussbaum says he won't do that again but insists he broke no rule.

Technically, Mr. Nussbaum has a point. There's nothing inherently wrong with seeking investigative help if wrongdoing is genuinely suspected. Under rules worked out in response to the Senate Judiciary Committee, the White House is supposed to go to the F.B.I. via the Attorney General's office only in "pending" investigations, not inquiries that the White House itself initiates. But the resort to technical language only underscores the failure of Mr. Nussbaum's office to appreciate the seriousness of its dealings with the F.B.I.

Fortunately, Ms. Reno blew the whistle, acting as an objective public servant while warning all other purported friends of Mr. Clinton to keep their paws off the F.B.I.

[From the Washington Post, May 26, 1993]

The Missing Voice

Now it turns out that three of President Clinton's principal aides, including the White House counsel, caused an FBI official to alter a press release to reflect the White House line in the increasingly smelly affair of the White House travel office. It looks as if the FBI logo was being used by the White House as a political shield. Attorney General Janet Reno, whose confirmation hearing was marked by a promise to keep the bureau and Justice Department generally out of politics, was upset enough to complain about what she regarded as a breach of procedures meant precisely to insulate the bureau. Won't happen again, said the veteran counsel, Bernard Nussbaum. Did Mr. Nussbaum fail to understand that it was happening in the first place? The other senior officials, Director of Communications George Stephanopoulos and Press Secretary Dee Dee Myers, denied any pressure was applied. At the end, the FBI press release was just "clearer," Miss Myers said. You bet it was. And what of the president for whom these people work?

"I had nothing to do with any decision, except to save the taxpayers and the press money," he said when asked about the matter yesterday. "The only thing I know is we made a decision to save the taxpayers and the press money. That's all I know." But it's not all he knows. He knows, even if he himself had no hand in the matter—and there's no evidence he did—that last week seven longtime career employees in the White House travel office, a kind of in-house travel bureau for the press, were summarily fired. At the time, the press secretary said the reasons were "gross mismanagement" and "shoddy accounting practices" found in an examination by the Peat Marwick accounting firm; she added that the matter had been turned over to the FBI. But then it turned out that:

1. The job of running the travel office, which makes millions of dollars of travel arrangements for the press at press expense each year, had been turned over to a cousin of the president who had been an aide in the Clinton campaign and had written a memo in mid-February suggesting she be given the position.

2. An Arkansas travel agency, itself with past connections to the Clinton campaign, had been installed under her. A few days later it was hastily removed lest there be "any possible perception" that it got the business because of its connections.

3. The firings had also been preceded by a complaint from Hollywood producer Harry Thomason, a Clinton friend, that some charter companies had been shut out of the lucrative travel office business; then it was disclosed that Mr. Thomason himself had an interest in one of those.

4. An aide to Mr. Nussbaum had unilaterally called in the FBI in the travel office case before Peat Marwick made its report. His call, too, was in violation of the protective rule that the White House should contact federal law enforcement officials only through the attorney general.

Mr. Clinton knows all this because it's been in the papers, it's been all over television, and it's done his administration no good at a time when it is in desperate need of all the good news it can get and surely no more bad. Nor is it just that; this thing is wrong. We've said before that we have no idea what the fired travel office officials may or may not have been doing (the firing of five was rescinded yesterday in another reversal and tacit admission of error; they were put on administrative leave with pay instead). But it was wrong to smear them in public as wrongdoers in advance of any finding that they have done wrong. If they were fired for unconfessed political reasons, that was wrong, too. And the apparent muscling of the FBI to put a stronger gloss on the case (even as its director fights and is beholden to the White House to keep his job) was wrongest of all.

What does the president think about keeping politics and law enforcement separate? What if anything has he said or is he going to say to his staff about it? Or will this one, too, be left to Miss Reno? We'd like to know.

[From the Chicago Tribune, May 26, 1993]

Clinton Tries To Shake "Travelgate"

Bob Dole has no incentive at the moment to moderate his criticism of President Clinton and every reason to exaggerate.

But it was no exaggeration when the Senate minority leader on Tuesday compared the Clinton administration's use of the FBI last week in the flap over the White House travel office to Richard Nixon's attempt to pervert the agency to political purposes during Watergate. It is an outrage.

Whether because of Dole's comparison or Atty. Gen. Janet Reno's blowing her stack, the gravity of the situation finally seemed to penetrate 1600 Pennsylvania Avenue. Five of the seven travel office firings were re-explained as "leaves"; apologies were issued for the abuse of the FBI, and an investigation by Chief of Staff Thomas McLarty and Budget Director Leon Panetta was announced.

It is unlikely these actions will quiet the calls for congressional investigations or special prosecutors. Those calls may be premature, but they may turn out to be justified.

But the White House actions at least suggest that Clinton has awakened to his staff's inadequacies and to how desperately he needs to act to get his crew into line. His presidency, quite literally, could be at stake.

It was disclosed Monday that the White House called in John Collingwood, chief FBI spokesman, last Friday to participate in a political strategy session on how to soften the public impact of disclosures of cronyism and nepotism in the travel office affair.

Collingwood apparently was persuaded to amend an agency statement on the travel office case to support White House assertions that possible criminal misbehavior by the seven longtime government employees of the office had led to their abrupt dismissals and replacement earlier in the week.

In fact, the evidence points increasingly to a shabby attempt at patronage by the Clinton White House. Harry Thomason * * * from Hollywood, is said to have complained that an air charter company in which he has an interest had been unable to get any White House business. And Catherine Cornelius, a Clinton cousin, had co-written a memo in February urging replacement of the travel office with a company with which she was associated.

It was to blunt the embarrassing impact of those revelations that the White House abused the FBI. Small wonder that Dole discerned a resemblance to Watergate. Small wonder that Reno, who had hoped to dispel 12 years' worth of suspicion about the Justice Department's fairness, was hopping mad over the White House's violation of procedure in bypassing her to contact the FBI independently.

No doubt the White House hoped its actions Tuesday would bring closure to this episode. No doubt Richard Nixon hoped the same thing many times.

[From the New York Times, May 27, 1993]

THE LEMONADE STAND

(By William Safire)

WASHINGTON.—Here's the good news: they're learning.

George Stephanopoulos, 32 going on 50, is no longer cockily expressing amazement that anyone could be interested in a minor shakeup in the White House travel office. On the contrary, he is admitting mistakes, showing contrition, learning. What he needs most is a good synonym for "inappropriate."

"Mack" McLarty, the Clinton chief of staff ever since kindergarten, put five of the dismissed staffers back on payroll. "Mack the Nice" and Leon Panetta will try to see that political patronage and police power do not again get mixed.

White House Counsel Bernard Nussbaum, who served with Hillary Rodham on the House impeachment staff 20 years ago—discovering abuse of the F.B.I. for political purposes by the White House—admitted no wrongdoing in getting the F.B.I. to front for a little nepo-cronyism, but promised Attorney General de jure Janet Reno never to go to the F.B.I. behind her back again.

These three men have properly assumed responsibility for the mishmash of hubris, favors, white lies, inexperience, misunderstandings and ignorances that led to a mini-firestorm—compounded by the $200 haircut, for which they'd better be sure the President paid.

This column would have gone on in this upbeat fashion, anticipating a swing of the pendulum in Clinton's favor, but for two reactions from people who didn't get the word, plus one stonewall.

One was from the fellow playing the piano downstairs, blissfully unaware of what was going on in the rest of the house. "I had nothing to do with any decision," declared Bill Clinton, "except to save the taxpayers and the press money."

Why is his opening song always "Don't Blame Me"? Later, prodded by those who remembered the public reaction to his Waco blame-ducking, he was persuaded to take "ultimate responsibility."

Then Linda Bloodworth-Thomason, standing by her man to a gentle Jim Wooten on ABC's "Good Morning America," adopted the too-rich-to-steal defense: How could any couple who made over $6 million a year, and who had a lousy $25,000 investment in a travel business (pocket change), possibly want to deprive six little people at the White House of their living? "It's sort of the equivalent of taking over a lemonade stand."

Perhaps, to the Clintons' best Hollywood friends, an $8-million-a-year travel operation—which the President's cousin Cathy was eager to run, and the Thomasons' air charter buddies were hungry to profit from—is a mere "lemonade stand," a figure of speech that betrays contempt for the poor slobs with cheaply shorn tresses who voted for Clinton.

And perhaps the White House's application of the full power of the F.B.I. in providing cover to Clinton patronage is all in the imagination of "the incestuous insane asylum" that is the national press, as Mrs. Bloodworth-Thomason charged, which will hardly endear her to mental health workers.

But the craven conduct of the Justice Department in this affair is worth a closer look. On May 12, William Kennedy at the White House summoned F.B.I. agents; they took the data to Thomas Kubic, the White Collar Crime Section chief; he took it on May 14 over to Jerry McDowell, of the Fraud Section of Justice.

The Thomason-triggered probe then went to John Keeney, acting chief of the headless Criminal Division, who reassigned it to Joseph Gangloff, running the Public Integrity Section; on Wednesday, May 19, a two-page "Urgent Report" was forwarded by Keeney by hand to Attorney General Reno, copy to Webster Hubbell. The next day, Stephanopoulos began putting out the word, getting the F.B.I. press agents to strengthen the language.

Not until the following Monday, May 24, when she read a barb in this space about White House abuse of the F.B.I., did Ms. Reno call Nussbaum with her complaint about not being informed of the investigation.

That made her look like the injured party, and caused the Counsel's office to promise never to ignore her again. Ms. Reno will not take a call from me on this; a press aide, Carl Stern, blowing his cool, will say only "Use your sources." It seems that the Attorney General's big problem is with not reading her urgent mail.

Mr. DOLE. Mr. President, this amendment is simple, but goes right to the heart of the whole fiasco. It expresses the sense of the Senate that every employee in the executive or legislative branch must use official procedures when dealing with the Federal Bureau of Investigation or the Internal Revenue Service.

No doubt about it, the American people deserve to have confidence in an FBI and an IRS that can make decisions free of political considerations. If we are going to learn anything from these events it is this: Politics and law enforcement do not, and should not, mix.

I urge my colleagues to support this important principle by supporting this amendment.

Mr. President, I urge my colleagues to support this amendment.

Mr. COHEN. Mr. President, I wish to join with the minority leader in offering this amendment.

I know that it has been very easy to dismiss the allegations surrounding what took place with the calling of the FBI to the White House—that it is simply a case of amateur hour. I would like to respectfully disagree with that characterization.

First of all, I do not think they are amateurs. Mr. Nussbaum, as I indicated yesterday, is not an amateur. He was on the House Judiciary Committee staff when I was a freshman Congressman back in 1972–73. He certainly has been exposed to the kinds of allegations that surround the potential of abuse or misuse of the FBI.

Mr. Collingwood is not an amateur at the FBI. So there are serious questions that have to be raised and answered as to what exactly he was doing, to whom was he reporting, and what sort of authority was he being given to carry out these types of consultations and the rewriting of press releases carrying the stamp of approval of the FBI.

I would like to say, Mr. President, that it is serious business when you involve the FBI to ask them to conduct an inquiry or an investigation, and when you persuade the FBI to say, yes, this warrants a criminal investigation.

If you put a stamp on the brow of an individual that he or she is under investigation by the FBI, in many cases that individual's reputation has been ruined by the allegation alone. The public announcement that you are under investigation by the Federal Bureau of Investigation is enough to tarnish the reputations of most, if not all, people. Even if the allegations are subsequently dismissed, and a disclaimer is filed—"We find no evidence that would warrant further investigation"—that gets lost in the fine print in the press the next day.

We are dealing with the careers, the futures, the livelihoods of seven individuals. I think we all have a right to know whether their reputations and livelihoods have been jeopardized by actions taken by certain individuals within the White House.

No one has suggested that President Clinton knew about this. No one is suggesting that this rises to the level of Watergate, where we saw clear attempts to use the FBI to achieve a political objective. We also saw some attempts during the whole Iran-Contra scandal, when allegations were made that the White House tried to use the FBI.

We know the State Department was called upon during the last election to search out the passport record of then candidate Bill Clinton, and all of us reacted with justifiable outrage that that was a misuse of the State Department for that purpose. The individuals involved were, rightly, either called upon to resign or were fired.

Mr. President, I do not think it is enough to say this is amateur hour; that this is simply a case of young, unskilled individuals being given the levers of power and not knowing what levers to pull, or whether it is appropriate to pull them at all.

If they are amateurs, they do not belong there. If they are amateurs, they do not belong there when they are dealing with the futures and integrity and reputations of seven individuals who have spent a considerable amount of time in that position.

I do not know, Senator DOLE does not know, none of us know whether the allegations surrounding these individuals are in fact true; whether there was misappropriation of funds, whether there was any hint of impropriety, whether there was financial gain involved. We know none of this.

But it seems to me that serious questions are raised when those within a position of power call upon the FBI to give credence to their reasons for immediately dismissing these seven individuals.

So I think this is a sound resolution. I hope it will enjoy the unanimous support of our colleagues.

The PRESIDING OFFICER. Is there further debate?

Mr. NUNN. Mr. President, on behalf of the floor manager of the floor bill, Mr. BOREN, I urge the acceptance of the amendment.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment of the Senator from Kansas [Mr. DOLE].

The amendment (No. 383) was agreed to.

Mr. COHEN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

APPOINTMENT BY THE MAJORITY LEADER

The PRESIDING OFFICER. The Chair, on behalf of the majority leader, after consultation with the Republican leader, pursuant to Public Law 93-415, as amended by Public Law 102-586, announces the appointment of James L. Burgess of Kansas to a 1-year term to the Coordinating Council on Juvenile Justice and Delinquency Prevention.

REPRESENTATIVE FRANK'S PROPOSAL CONCERNING GAY MEN AND LESBIANS IN THE ARMED FORCES

Mr. NUNN. Mr. President, I would like to address tonight the proposal put forth recently by Representative BARNEY FRANK concerning the service of gay men and lesbians in the Armed Forces. I commend Representative FRANK for his interest in addressing this issue in a serious, thoughtful manner. I appreciate his recognition that this is not simply a civil rights issue—it is an issue that involves the delicate balance of military necessity and individual rights.

As I understand Representative FRANK'S proposal—and I get this only from the newspaper reports, so I may not be under the correct impression on all of it—he would not allow gay men and lesbians to openly declare their sexual orientation on military bases, but he would not restrict such homosexual declarations or consensual homosexual conduct off base during off duty hours. In other words, Representative FRANK makes a distinction between the type of behavior that would be acceptable on base and the behavior that would be acceptable off base. On military bases and on duty, members of the Armed Forces could not state that they are gay or lesbian, and could not engage in conduct that is presently prohibited between persons of the same sex by the Uniform Code of Military Justice and DOD regulations. Off military bases and off duty, however, these restrictions would no longer apply, according to the way I understand his proposal.

One of the interesting aspects of Representative FRANK's "on base, off base" proposal is that it is more restrictive than the President's original proposal on base and much less restrictive than the President's original proposal off military bases.

Representative FRANK's proposal is more restrictive than the President's position because his proposal incorporates the view that open homosexuality disrupts the unit cohesion that is essential to the success of our Armed Forces.

I want to hasten to add that I know that Representative FRANK does not personally hold this view. I know he personally regards this fear on unit cohesion and homosexuality as an irrational fear.

There are many people, however—including distinguished scholars, lawyers, and military personnel who appeared before our committee—who disagree. They believe that it is rational for members of the Armed Forces—who must frequently serve under conditions that afford minimal personal privacy—to be concerned about the impact on their units of persons who are sexually attracted to persons of the same sex. This does not mean acceptance of a stereotypical view that every gay or lesbian person is a predator or is attracted to every member of the same sex; rather, it is a rational view that the placement of persons of the same sex but different sexual orientation in the same living environment creates the potential for behavior that is disruptive of good order and discipline.

Representative FRANK's proposal for off base declarations is similar to President Clinton's, however, in that it would permit an open statement as to one's sexual orientation.

I personally believe there is no distinction between on base and off base declarations of homosexuality in terms of its adverse impact on unit cohesion.

If a service member, like Lt. Tracy Thorne, announces on "Nightline" that he is gay, that is likely to have just as significant an effect on his unit than a casual statement on base to a fellow officer. If a first sergeant, in a restaurant downtown, mentions to some of his fellow NCO's that he is gay, that is likely to have just as significant an impact as a statement made around a table at the NCO club.

With respect to off base homosexual conduct, Representative FRANK's proposal is far more permissive than President Clinton has ever indicated he is willing to go.

President Clinton has repeatedly stressed that he does not favor any changes in the current rules of conduct for military members, which apply on base and off base. In his January 29 news conference, he said:

> Military life is fundamentally different from civilian society. It necessarily has a different and stricter code of conduct, even a different code of justice. Nonetheless, individuals who are prepared to accept all necessary restrictions on their behavior, many of which would be intolerable in civilian society, should be able to serve their country honorably and well.

The President reiterated his support for the present code of conduct, which applies on base and off base, in his May 14, 1993, press conference. He was asked during the news conference:

> * * * [y]ou used the word 'conduct' as though it were an absolute and easily definable term. Do you believe, one, that homosexuals should be celibate * * * or could they engage in homosexual activity, consenting, on or off base? Or two, should the Uniform Code be allowed to have any sort of difference between its treatment of homosexuals and heterosexuals?

President Clinton responded:

> I support the present code of conduct, and I am waiting for the Pentagon to give me its recommendations.

Just this morning, in an interview on CBS's "This Morning," President Clinton said:

> I have not called for any change in the Uniform Code of Conduct.

There seems to me to be a real contradiction between the President's "open status, but strict conduct" approach and Representative FRANK's "on base, off base" distinction.

The President seems to be saying that openly gay men and lesbians should be allowed to serve in the military, as long as they do not engage in homosexual conduct. In my view, I think it is impossible to draw a line between open status and conduct. The effect on military units of an open declaration of status and actual conduct would be pretty much the same.

In contrast to the President, however, Representative FRANK's proposal recognizes the concern that open homosexuality is incompatible with military service by recognizing gay men and lesbians should not express their sexual orientation on duty and on base.

I repeat—I think he has made it clear—I do not think this is Representative FRANK's own view but this is a compromise proposal he has offered. But then he goes far beyond the President on the conduct issue by saying there should be no regulation off base/off duty conduct.

Representative FRANK has not provided a detailed analysis of how his proposal would work, but I believe that his on base/off base distinction would establish a very undesirable precedent in military law.

One of the most fundamental distinctions between military life and civilian life is that the military's code of conduct—the Uniform Code of Military Justice and related regulations—is not simply a code of employee behavior. It completely regulates a service member's life, 24 hours a day, from the day a person enlists until the day that person is discharged.

While there are some military members whose particular assignment may approximate a civilian job and civilian living conditions, that is not the norm. Military personnel must be available, at all times, for worldwide deployment to a combat environment. Their conduct is subject to the Uniform Code of Military Justice at all times—on base and off base, on duty and off duty. Readiness, unit cohesion, good order, and discipline are not attributes that can be turned on at the base gate and turned off when one leaves.

There is no requirement in military law that the commission of an offense off base have a specific direct and predictable impact on a specific unit. It is sufficient if the behavior, in itself, violates military law.

A good example is the treatment of drug offenses. Throughout the seventies, as civilian jurisdictions decriminalized drug use offenses and declined to prosecute possession of small amounts of drugs, there was considerable pressure on the Armed Forces to take a hands-off approach to off base/off duty use of drugs by members of the armed forces. In a series of cases during the seventies culminating in *United States* v. *Strangstalien*, 7 M.J. 225 (C.M.A. 1979), the Court of Military Appeals indicated that many off base drug offenses were not subject to military jurisdiction. Few who served during that era in the military—or on the Armed Services Committee—will forget the devastating impact on military morale and discipline.

Fortunately, the Court of Military Appeals reversed this trend in *United States* v. *Trottier*, 9 M.J. 337 (C.M.A. 1980), which rejected the concept of an on base/off base distinction. Citing hearings before the Senate Armed Services Committee, the Court noted: "Without the maintenance of a credible armed force, the United States is at a serious military and geopolitical disadvantage. The need is overwhelming to be prepared to field at a moment's notice a fighting force of finely tuned, physically and mentally fit men and women * * *."

The Court specifically rejected the concept that off base restrictions should apply only in time of war: "Surely, in the present day world, considering the state of communication and transportation arts, there is a fine line * * * between time of peace and time of hostilities. The power to raise and support an army and to maintain a navy and the power to declare war are meaningless unless the reliability and efficiency of the force can be sustained in time of peace." The Court also noted the need to deter off base behavior that could have adverse impact on one's fellow servicemembers: "[O]n some occasions a service person who observes his peers using drugs away from a military installation will be induced to emulate their conduct—but without the care to do so off post."

This is not to suggest that the off base use of drugs is identical to off base sexual conduct; rather, the point is that the military prosecutes off base drug offenses even when the amounts are small and even when there is no specific, direct impact on the unit because the behavior off base can potentially affect an individual military member's behavior and his unit's effectiveness.

In *United States* v. *Solorio*, 483 U.S. 435 (1987), a case involving sexual conduct, the Supreme Court rejected not only the on base/off base distinction, but also reversed an earlier Supreme Court decision, *O'Callahan* v. *Parker*, 395 U.S. 258 (1969), which had required the military to prove that an offense was "service-connected" in order to establish court-martial jurisdiction. The case involved a member of the Coast Guard, who lived off base, and who had sexual conduct with children under age 16 who were the dependents of other members of the Coast Guard.

The trial court in Solorio held that there was no military jurisdiction because the offenses occurred off base, off duty, out of uniform, and there was no specific adverse impact on the morale, discipline, or reputation of the unit. The military appellate courts, however, reversed this ruling and the Supreme Court agreed, ruling that court-martial jurisdiction depends solely on the status of the defendant as a member of the Armed Forces, not on the nature or location of the offense.

My point is not that off base sexual behavior with minors is identical with off base homosexual conduct; rather, it is that the Supreme Court has specifically recognized that conduct by a member of the Armed Forces, whenever and wherever it occurs, is an appropriate concern of the military justice system, even when there is no specific showing that the particular conduct had a direct impact on a specific unit.

Mr. President, Representative FRANK's proposal would create an off base safe haven for homosexual conduct that is not available with respect to other offenses under UCMJ. As I noted earlier, off base drug offenses are prosecuted, even when there is no showing of a direct impact on a specific unit. Off base adultery offenses—an offense involving consensual sexual relations between adults—are prosecuted.

The alleged improper conduct by military members at the Tailhook convention took place off base during off duty time. The alleged conduct took place in a private hotel, and much of it was in private rooms within the private hotel. I do not know anyone who argues that this conduct should not be the subject of military jurisdiction just because it occurred off base during off duty time. The Frank proposal, however, appears to exempt off base homosexual conduct by military personnel from the Code of Conduct in the UCMJ.

Under current DoD regulations, a homosexual act "means bodily contact, actively undertaken or passively permitted, between members of the same sex for purpose of satisfying sexual desires." This not only includes sodomy, which can be prosecuted under article 125 of the UCMJ, but also other forms of sexual contact. This conduct, wherever it occurs, not only can result in an administrative discharge, but can be prosecuted under article 134—conduct that is service-discrediting or prejudicial to good order and discipline—under the prohibition against "indecent acts with another."

It is my understanding that Representative FRANK's proposal is intended to discourage the Armed Forces from aggressively employing investigative resources to actively seek out evidence of off base, private conduct.

This is the point on which I agree with Representative FRANK. I agree that it would be desirable for the military services to develop investigative policies that minimize intrusions into behavior that servicemembers seek to keep private. A rigid on base/off base distinction, however, would appear to go well beyond such policy guidance.

There are a number of questions raised by the proposed on base/off-base distinction:

How would it be applied to off base conduct between servicemembers?

Does the proposal permit a servicemember to solicit another member of the same unit off base?

Does the proposal permit a servicemember to engage in sexual conduct with another member of the same unit off base?

What is the impact on the unit when there is an off base homosexual relationship between two members of the unit?

How would it be applied to open conduct even if it is with a civilian which is observed or becomes known by members of a unit?

What is the impact on the unit when a servicemember sees a fellow member involved in a homosexual relationship off base?

What is the impact on the unit when a junior member sees or learns that his or her superior is involved in a homosexual relationship off base?

Homosexual cases which have been prosecuted in recent years involve a wide variety of circumstances and locations, including consensual and nonconsensual cases, on base and off base. If all off base homosexual conduct is deemed permissible, then there would be a dramatic liberalization of the military standards of conduct—far beyond what President Clinton has talked about. Under a standard that exempted off base conduct from military jurisdiction:

A servicemember could solicit another servicemember off base to commit a homosexual act. Even if the unwilling servicemember reported this to his or her unit commander, the solicitation would be immune from military jurisdiction.

Two servicemembers from the same unit could have an open homosexual relationship which would be immune from military jurisdiction even if well-known to members of the unit.

A first sergeant could have an open homosexual relationship off base, well-known to his fellow NCO's and subordinates, which would be immune to military jurisdiction.

An officer could engage in open sexual conduct off base with a member of the same sex, known to his fellow officers or subordinates, and be immune from military jurisdiction.

A military commander could receive a report that one of his or her subordinates had engaged in a consensual sexual act in violation of State law, but the conduct would not be subject to military jurisdiction .

I do not support the on base/off-base distinction, and I do not believe that President Clinton would support such a dramatic change in the military's Code of Conduct. Nonetheless, I believe that the concept which Representative FRANK has enunciated reflects important concerns about investigative policies. I do not believe we should have sex squads looking for ways to investigate service members' private, consensual behavior.

I have heard concerns expressed that soldiers can or will be punished for activities such as visiting a gay bar, reading a gay magazine, or participating in a gay rights parade. It is my understanding that none of these activities are prohibited by current military law. I recognize that under the limitations on first amendment rights that can be applied in the armed forces, individual commanders can declare specific places off-limits—a prohibition that is frequently applied to locations that discriminate on the basis of race. Likewise, although not frequently used, commanders do have authority to restrict possession of certain forms of literature or participation in certain public political activities. Absent such a restriction, the possession of gay literature or participating in a gay rights march do not constitute military offenses.

I also recognize that there is concern that such activities, and other actions which may raise suspicions about a soldier's sexual behavior, even when not specifically prohibited, may lead to questions about a soldier's sexual behavior. In my judgment, these concerns can generally be addressed by explicitly providing service members with the right to receive a detailed rights warning before any such questioning is initiated, including the privilege against self-incrimination.

I think that is something that our committee and the White House and the Department of Defense—all of us—are going to have to consider together as to how best to carry that out.

It may also be desirable to consider whether guidance should be issued on the investigative relevance of issues which have raised concern in the past, such as presence at gay bars, possession of literature related to gay or lesbian matters, or attendance at gay rights activities. These issues should be considered by the DOD Task Force that has been established by Secretary Aspin at President Clinton's direction. And I hope that they are looking very carefully and will have recommendations on these issues.

What is crucial, in my judgment, is that such guidance be framed in terms of traditional investigative policies, such as establishment of priorities and allocation of resources. It would create intolerable confusion to establish express limitations on investigation of conduct that is relevant to a violation of the Uniform Code of Military Justice.

In summary, Mr. President, the proposal from Representative FRANK recognizes the concern that open homosexuality would have an adverse impact on unit cohesion and military effectiveness. That has been the overwhelming testimony before our committee. However, by permitting homosexual conduct off base, it goes far beyond what President Clinton has talked abut. The President has endorsed the current rules of conduct, which apply on base and off base. The Frank proposal, on the other hand, ignores the serious impact on military units of open, off-base homosexual activity.

In my view, Mr. President, Representative FRANK's proposal is not a compromise between those who want to sustain the current exclusionary policy and the President's "open status, but strict conduct" proposal. It is a compromise between President Clinton's position and those who advocate eliminating all restrictions on consensual homosexual conduct among members of the armed forces. I do not favor this on base—off base distinction.

In closing, I want to commend President Clinton for the tone of his remarks on this issue today on the CBS show "This Morning." In those remarks, President Clinton indicated that he understood that for a great many people in this country, this issue touches on deeply held moral or philosophical beliefs. President Clinton made it clear that any resolution of this debate should not appear to be endorsing any particular lifestyle.

President Clinton also reiterated his view that the military's current Code of Conduct should not be changed. The President's position, as he outlined it this morning, is "if you don't ask and you don't say, and you're not forced to confront it, people should be allowed to serve."

I have not had any discussions with administration officials on the outlines of any proposal on this issue that they may be working on. I understand the Defense Department is winding up their review and will be making their recommendation shortly. I look forward to working with the Defense Department, the President and my colleagues in the Armed Services Commmittee on a satisfactory resolution of this issue in the coming weeks.

I thank the Chair.

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

MULTILATERAL APPROACH TO BOSNIA IS CRUCIAL

Mr. PELL. Mr. President, earlier today, the distinguished Republican leader indicated his intention to introduce a bill to lift unilaterally the arms embargo on the former Yugoslavia. I would like to share with my colleagues a somewhat different perspective on this issue.

Last weekend, Secretary of State Christopher and the Foreign Ministers of France, Russia, Spain, and the United Kingdom announced a Joint Action Program to bring coordinated international action to bear on the conflict in Bosnia-Herzegovina. This administration, and many of us in the Congress, are committed to a multilateral approach, not only with regard to Bosnia, but with regard to other foreign policy challenges in the post-cold-war era. Accordingly, I believe it is important to maintain and build upon the cohesion that has been achieved to date.

At least a portion of the Joint Action Program, calling for the rapid establishment of a war crimes tribunal, has already been implemented. On Tuesday, the U.N. Security Council took action to establish such a tribunal to prosecute persons responsible for the heinous crimes committed in the former Yugoslavia since January 1991.

Other parts of the program are still under discussion. Further U.N. resolutions will be necessary before other measures, such as the establishment of safe areas and the sealing of Bosnia's borders, can come into force. There is still a great deal of work to be done in hammering out the details of the Joint Action Program, but Defense Secretary Les Aspin reported yesterday that he had sensed a general receptivity among NATO foreign ministers to the Joint Action Plan as a first step to helping stopping the killing.

Mr. President, the Joint Action Program does make clear that the allies plan to keep open options for new and tougher measures, none of which is prejudged or excluded from consideration. I believe such flexibility is necessary. However, in my view, it is too early to begin considering further options.

While discussion is continuing on the Joint Action Program itself, I believe it is unwise for the Senate to prejudice the outcome by putting other measures on the table.

The Joint Action Program is the product of a major effort of inter-allied cooperation, with the United States playing a pivotal role. Russian participation is also crucial in helping convince the parties that it is in their interest to support the joint action plan.

Achieving consensus on this issue has not and will not be easy. Despite the best diplomatic efforts of Secretary Christopher earlier this month, the Europeans rejected outright the administration's lift-and-strike proposal. Accordingly, I believe it is unwise to revisit the issue of lifting the arms embargo at this point.

Unilateral United States action at this juncture would have repercussions beyond our policy in Bosnia. There may be a certain frustration with our European allies' response to the tragedy in Bosnia. However, I believe the Clinton administration has had to make a tough judgment call on how far the United States can push the Europeans without doing serious and sustainable damage to our transatlantic partnership, and indeed to the entire concept of a multilateral approach to the problems of the post-cold-war world. Moreover, if the United States were to repudiate a U.N. Security Council Resolution by our own independent action, it would set a dangerous precedent that unfriendly states would be sure to exploit.

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

NEW PLAN FOR ACTION

Mr. FEINGOLD. Mr. President, as the distinguished chairman of the Foreign Relations Committee has indicated, there is a new plan for action in Bosnia which will come before the U.N. Security Council soon. Unlike past proposals, though, this latest plan, in my view, is only intended to stop the fighting and theoretically postpones action on a peace plan. The plan was conceived in large part by Russian Foreign Minister Andrei Kozyrev. I must say, it seems to me to the worst appeasement of the Serbs and abandonment of the Bosnian Muslims proposed thus far.

The plan calls for several things, as the chairman has pointed out: Sealing the borders of Bosnia to enforce the sanctions against the Bosnian Serbs; securing safe areas for Muslims under seige; using United States air power to counterattacking Serbs in the safe areas, but not to actually protect the Muslims; and to establish a war crimes tribunal.

The joint action statement also warns that aggression against the former Yugoslavia, the Republic of Macedonia, would have grave consequences and that we do not support declarations of independence in Serb-controlled Kosova and encourages support for Vance-Owen.

Mr. President, in all of this, there is no mention of Serb retreat from lands they seized through naked aggression. There is no mention of Bosnian sovereignty over its own country. In the words of President Izetbegovic of Bosnia:

> If the international community is not ready to defend the principles that itself has proclaimed and which it proclaims to be its fundaments, if it is ready to recognize the law of force governing international relations, if it prefers to close its eyes before most ruthless violations of human rights and international law, even more to reward the aggression and genocide, let it then say this openly, both to our and its public. Let it proclaim a new code of behavior by which force will be the first and the last argument. Let it proclaim that the U.N. Charter and all the so carefully and patiently built rules of international law are no longer valid.

Those are the sentiments of the President of Bosnia in response to this latest joint action plan.

And a similar reaction came from press around the world as reported by the RFE/RFL Research Institute, the British BBC picked up from the Croatian service, British editorials using expressions such as Chamberlain and greater Serbs is now a reality.

The Chicago Tribune reports from March, by the Director of the U.S. relief operations in Bosnia to the effect that the safe havens would be ghettos and economically nonviable, requiring a massive effort by the international community to keep them alive.

Finally, the semiofficial Croatian Daily on May 24 condemned the five signatories as being "powerless in trying to confront the violence, crime, genocide, and fascism in Bosnia." That same paper on May 25 says the so-called Washington Five "have opted for greater Serbia as a stabilizing factor in the Balkans."

Now, ironically, this is called a joint action program. In my view, this is not action. This is inaction. And it goes even further in the wrong direction than the Vance-Owen plan did.

I think action should be effective. This plan creates an untenable situation where Serbs will have been appeased and Bosnian Muslims will be cordoned off in a safe area resembling more of a reservation or a detention center or a ghetto than a safe haven. What will a safe haven accomplish? How will it bring about a just peace to Bosnia? How will the allies extricate themselves?

I think action should be appropriate. This plan does not offer a viable plan for peace. It sets as policy—as policy—that Serbian aggression will be rewarded and that those who have been left defenseless will really become wards of the international community.

I think action in this area should be moral. This plan flies in the face of those words that we have heard over and over again in recent months: Never again. Never forget.

It is reminiscent of the 1939 appeasement and it does not address the moral challenges posed by this conflict. I return to the position that I still think is the most effective and appropriate and moral action we can take; and that is, to lift the arms embargo that has forced the Bosnian Muslims to be at such a disadvantage.

President Clinton has apparently recognized the value of this since he has tried to persuade our European allies in recent weeks to support lifting the U.N. arms embargo, but the allies have been intransigent.

My resolution, S. Res. 79, would provide for the lifting of the arms embargo, or requesting that the United Nations do it.

The chairman of the Foreign Relations Committee correctly points out that the Republican leader today introduced a bill that would call for lifting the arms embargo, but it does so by using unilateral U.S. action. It does not take into account the fact that the United Nations must lift the embargo that we participated in placing. So the resolution is different from the bill that the Republican leader has mentioned.

In my view, the arms embargo is crucial. Lifting the arms embargo is crucial because it respects the right to self-defense. It levels the playing field, as Secretary Christopher said a couple of months ago, and thereby could possibly enable true negotiations to proceed. It helps protect Bosnia's right to develop as a nation. And I think it is our best protection against ever having to seriously consider introducing ground troops into this situation from the United States.

Finally, it can assist the peace process because it will let the Serbian aggressors know that there is someone there to counter them should they choose to overwhelm more villages.

So, though there is great controversy in this country over what we should do in Bosnia, I maintain that possible a clear consensus—and if not a clear consensus, at least a significant majority in our Government and our country—now believe that lifting the arms embargo for Bosnia would be a very appropriate next step.

The list of supporters of this action is growing. There are cosponsors of two resolutions in this House which express the sense of the Senate that the arms embargo as it applies to Bosnia should be lifted. The list of those cosponsors includes both the majority leader and the Republican leader, and other distinguished foreign policy leaders, such as Senators DECONCINI, LAUTENBERG, SASSER, and LUGAR.

The distinguished chairman of the European Subcommittee of the Foreign

Relations Committee, Senator BIDEN, has long been an advocate of lifting the arms embargo and advocated it even prior to my joining the Senate and getting involved in the issue myself.

Senator NUNN has said:

> The first thing we are going to do for people who are in trouble and being brutalized militarily is that we are going to help them help themselves. We are going to first of all furnish them arms.

Senator LUGAR has said:

> Bosnia is in the final stages of dying. I would support the President in lifting the arms embargo against shipping of arms so that Bosnians could defend themselves.

The Republican leader has said:

> We need to do more, and doing more would be lifting the arms embargo. That would be the first thing we should do.

Numerous editorials across the country agree. On April 18, the New York Times wrote that:

> We should lift the arms embargo against the Bosnian Government so that the Bosnian forces could defend themselves over the longer term.

Former Prime Minister of England Margaret Thatcher has said:

> It is totally and utterly wrong to stop people from defending themselves against a highly armed aggressor.

Numerous Jewish groups around this country, who hearken back to their own experience in World War II, have supported the lifting of the arms embargo.

In an open letter to the New York Times, the American Jewish Congress wrote:

> At least let us not interfere by preventing Bosnian Muslims from defending themselves and the arms embargo now.

So I would like to take this opportunity to express the hope that this body and this Government will go back to trying to convince our European allies to agree to lift the arms embargo.

I urge the President to redouble his efforts to convince our allies to lift their objection, which is the stumbling block in this situation.

Although I have a tremendous regard for the chairman of our committee, and I respect the remarks he has just made, I cannot agree with his assessment of the plan that has been offered by the joint action. This plan shows, once again, that the international community is a paper tiger on Bosnia. Most dangerously, Slobodan Milosevic has recognized this, and according to a New York Times article on Sunday, he withdrew his original offer to allow international monitors along the Bosnian border to ensure that Serbians were not sending arms to the Bosnian Serbs.

And a New York Times headline screamed:

> Exuding Confidence, Serbian Nationalists Act As If War For Bosnia Is Won.

That is where this plan places us.

To conclude, Mr. President, as long as plans are made based upon any kind of promise by Milosevic, as long as they fail to address the real issues—and those real issues are Serb aggression and Bosnian sovereignty—as long as these issues are not addressed, Mr. President, this plan will be outrageously flawed and harmful.

So I call on the President, who has done far more on this issue than the previous administration ever did, to go back to those allies and say it is essential that the arms embargo be lifted now.

I thank the Chair. I yield the floor.

The PRESIDING OFFICER. The Senator from Wisconsin [Mr. FEINGOLD] yields the floor.

CONGRESSIONAL SPENDING LIMIT AND ELECTION REFORM ACT OF 1993

The Senate continued consideration of the bill.

Mr. BINGAMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

AMENDMENT NO. 384

(Purpose: To condemn the intraconstitutional and antidemocratic actions of President Serrano of Guatemala)

Mr. BINGAMAN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

> The Senator from New Mexico [Mr. BINGAMAN], for himself, Mr. HARKIN, Mr. FORD, Mr. KENNEDY, Mr. JEFFORDS, Mr. DOMENICI, Mr. LEAHY, Mr. KERRY, Mr. MITCHELL, and Mr. NUNN, proposes an amendment numbered 384.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment follows:

> At the appropriate place in the bill, insert the following new section:
>
> **SEC. . REGARDING THE EXTRACONSTITUTIONAL ACTIONS OF THE PRESIDENT OF GUATEMALA.**
>
> (a) FINDINGS.—The Congress finds that—
>
> (1) Guatemala has had a democratically elected government since 1985;
>
> (2) President Jorge Serrano and the members of the Guatemalan Congress were freely and fairly elected;
>
> (3) on May 25, 1993, President Serrano seized near-dictatorial powers by partially suspending Guatemala's Constitution, dissolving Congress and the Supreme Court, and ruling by decree;
>
> (4) these events are extraconstitutional and antidemocratic and require immediate international attention and action; and
>
> (5) the Organization of American States agreed in Santiago, Chile, in 1991 to convene an emergency meeting of the Hemisphere's foreign ministers in the event of a coup d'etat in a member country in order to consider joint actions to bring about a return to democracy in that country.
>
> (b) POLICY.—The Congress—
>
> (1) condemns the extraconstitutional and antidemocratic actions of President Serrano of Guatemala and considers those actions a serious blow to democracy in Guatemala and a serious threat to democracy in the Hemisphere;
>
> (2) calls on President Serrano to restore immediately the democratically elected Congress and the judiciary and to ensure full respect for internationally recognized human rights;
>
> (3) commends President Clinton for his rapid and decisive response to the situation in Guatemala, in particular his condemnation of President Serrano's actions and his suspension of disbursements of United States assistance;
>
> (4) calls on the President to suspend the United States assistance program to Guatemala, and to seek to delay approval of any international loans for Guatemala, until constitutional government is restored to Guatemala; and
>
> (5) commends the Organization of American States (OAS) for its plan to send a fact-finding mission headed by the Secretary General to Guatemala and for calling a meeting of the foreign ministers of the OAS member countries, to be held within 10 days.

Mr. BINGAMAN. Mr. President, the amendment that I have sent to the desk is one to express the Senate's concern for Tuesday's action by the President of Guatemala, Jorge Serrano, in which he suspended the constitution of that country and dissolved its congress.

This is the same resolution that I introduced yesterday with Senators HARKIN, FORD, KENNEDY, KERRY, LEAHY, DOMENICI, and JEFFORDS as cosponsors. Senator MITCHELL is also a cosponsor of this amendment, as is Senator NUNN.

In a dawn radio and television broadcast on Tuesday, President Serrano announced that he was seizing near dictatorial powers in that country. The heads of Congress and the Supreme Court and the Attorney General were placed under house arrest.

Mr. President, this is very similar to the announcement made by the President of Peru, Alberto Fujimori, a little over a year ago. Those of us who propose this amendment believe that this is a dangerous precedent for a region that has seen a growing number of democracies emerge in the last few years.

I commend President Clinton for his immediate response to the event. The Assistant Secretary for Inter-American Affairs Bernard Aronson telephoned President Serrano Tuesday morning to express strong U.S. opposition to his moves, and he urged him to reverse those actions. President Clinton stated:

This illegitimate course of action threatens to place Guatemala outside the democratic community of nations. We strongly condemn such efforts to resolve Guatemala's problems through nondemocratic means.

Mr. President, I also want to commend the Organization of American States for immediately convening an emergency permanent council meeting to discuss the situation.

Mr. President, I am also alarmed because Tuesday's action coincided with a summit in Guatemala attended by 50 delegates from around the world representing various indigenous people. This summit had been called by the country's own Rigoberta Menchu, who won the Nobel Peace Prize this last year. Apparently, the conference has been suspended.

The Government of Guatemala has been accused by the U.S. State Department of human rights violations, in particular violations on the rights of indigenous people. In fact, Serrano did not officially recognize Rigoberta Menchu's Nobel Prize for her arduous work on behalf of her people. Many of us here in the Senate recently sent Serrano a letter in which we expressed our concerns for the continued violation of human rights in that country. Serrano's actions Tuesday are another example of those violations.

Mr. President, to conclude my statement here, my colleagues and I who propose this amendment want to express our support for the immediate reversal of President Serrano's actions. We believe that the suspension of the constitution and the dissolution of the congress put in jeopardy the political democratization that has occurred in recent years in that region. This process is particularly fragile due to the recent return of peace in El Salvador. Latin America is ill served by this undemocratic action, and we urge the international community to condemn it and the Senate to go on record with a strong statement against it.

Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

Mr. DODD. Mr. President, I rise in support of the amendment offered by Senator BINGAMAN, which seeks to condemn the extraconstitutional actions taken by President Jorge Serrano of Guatemala on the morning of Tuesday, May 25, 1993.

It goes without saying that we were all outraged and profoundly disappointed by President Jorge Serrano's decision to dissolve the Guatemalan Congress and Supreme Court and to impose censorship upon the press in an effort to hide his actions from the people of Guatemala. Such actions are unconstitutional, antidemocratic and threaten the future of Guatemala's democracy.

President Serrano's decree has been condemned across the political spectrum in Guatemala. The Guatemala Supreme Court has declared the Serrano decree unconstitutional. The Congress has called upon the Guatemala military to restore constitutional order. Even some of Serrano's own ambassadors have resigned in protest. I have a copy of the resignation letter sent by Edmond Mulet, the Guatemala Ambassador to the United States to President Serrano yesterday. I would like to quote from a portion of that letter, "The problems stated by you (Serrano) as a pretext for the coup, while some may be true, exist in every country in the world, but they are faced and solved in a different way." I would ask unanimous consent that at the conclusion of my remarks that this letter be printed in the RECORD.

Even former Guatemalan military dictator, Gen. Jose Efrain Rios Montt has urged Serrano to restore the constitution, arguing that "far from contributing to peace that you preach so much, the breaking of the constitutional order opens the door to subversive activity."

The international community has spoken out as well. On Tuesday evening, the OAS moved forward expeditiously to delegate a fact-finding mission to travel to Guatemala this weekend, and to call for an emergency meeting of OAS Foreign Ministers to pursue the matter further, as envisioned under the 1991 Santiago Declaration.

The OAS is to be commended for its quick response, but its job is far from over. Tough decisions lie ahead. If President Serrano refuses to reverse his decision, members of the OAS must decide on a course of action that will signal their collective determination that the status quo is not acceptable and that it's not going to be business as usual with respect to Guatemala until full democracy has been restored there.

Regrettably, the international community's lack of decisive action in response to the April 5, 1992, coup by Peru's President, Alberto Fujimori made President Serrano's decision all the more likely. Instead of forcefully rejecting Fujimori's antidemocratic measures as would have likely been the response to a military-led coup, the OAS and the United States, as a member of that body, let President Fujimori off the hook and let the people of Peru down.

Clearly, it is not acceptable to once again sweep dictatorial actions under the rug and go on as though all is well in Guatemala. For if we do, I can promise you that this will not be the last coup of its kind. It will become the policy of choice for governments throughout the region every time ruling democratically becomes difficult.

President Clinton has made support for democracy a cornerstone of his foreign policy. I am hopeful that with his leadership, the OAS can recoup from past mistakes and chart a different course than the one it traveled with respect to Peru. An opportunity has now presented itself to the OAS in the case of Guatemala where it can now demonstrate, through decisive collective action, that the auto coup model of governing is not acceptable to the democratic family of nations in our hemisphere.

I think that the Senate of the United States has an obligation to go on record as well saying a resounding "no" to the actions taken by President Serrano and I urge my colleagues to vote in support of the Bingaman amendment.

I ask unanimous consent that the letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CONGRESSIONAL RESEARCH SERVICE,
Washington, DC, May 26, 1993.

Eng. JORGE ANTONIO SERRANO ELIAS,
Presidential Residence, Guatemala City, Guatemala.

DEAR ENGINEER: Through this letter I come to reiterate to you my ideas that were expressed by telephone yesterday, after you arbitrarily and unconstitutionally swept aside Guatemala's democratic institutions.

I deeply regret and strongly condemn the self coup d'etat by means of which you are setting yourself up in a new dictatorship in our country. Your action demolishes the permanent and daily effort which the great majority of us Guatemalans have been making for several years to build a democratic, pluralist and civilian system; this self coup ruins the chances for a peace agreement with the subversion; it limits and restricts Guatemala's economic development; and, among a great many other negative things, it compromises the independence and the integrity of the National Army which, until now, had been the best guarantee of the institutional system.

There is no justification whatever for such an action, which is a step backwards in our institutional process. The problems stated by you as a pretext for the coup, while some may be true, exist in every country in the world, but they are faced and solved in a different way. You still have time to think things over and reconsider your stand and I am sure that you will find many national groups and sectors willing to help you combat our nation's traditional ills, but through dialogue and the search for consensus.

Your argument that the country was becoming ungovernable because of the opposition group's lack of collaboration is not valid. The broad and unlimited support which we opposition leaders gave you in different fields, especially in the Legislative, ofttimes at the expense of our own credibility, is evidence of the willingness of many sectors other than your own political party, to work for national objectives.

As I stated to you verbally, I cannot continue to represent your government, inasmuch as I cannot be the ambassador of a government which is a de facto product of a coup d'etat. Doing so would violate my most fundamental principles and would be contradictory to the effort and the sacrifice of a whole lifetime devoted to struggling to achieve democracy and the respect for human rights in Guatemala.

Thus, I resign my post as Ambassador of your government to the government of the United States of America, and I am setting myself up in this country as the representative of Guatemala's constitutionality, constituted authority and democracy. I hope that in the next few hours you will have enough conscience and responsibility to calculate the dreadful consequences which this coup d'etat is going to have for our country and will decide to return to the democratic course, which, although difficult and stormy, is the best way to avoid polarization and confrontation.

Sincerely yours,

EDMOND MULET,
Ambassador.

Mr. MCCONNELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BOREN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOREN. Mr. President, I have discussed this matter with the minority leader, and I believe this is agreeable to him.

Mr. COATS. Reserving the right to object, Mr. President. I would like to get some clarification.

Mr. BOREN. Mr. President, this amendment is a surprise to the managers of the bill. Of course, it is on a different subject. I know Members are here wanting to get ahead with the votes tonight so they can go on to other plans and other responsibilities, and I just discussed this with the minority leader.

The Senator from Florida [Mr. GRAHAM] has two amendments, and I ask unanimous consent that the pending Bingaman amendment be set aside and that the Senator from Florida be allowed to offer his amendment at this time.

The PRESIDING OFFICER. Is there objection?

Mr. BINGAMAN. Reserving the right to object. Mr. President, would that unanimous consent contemplate that after the Graham amendment is offered, we would come back to the pending Bingaman amendment?

The PRESIDING OFFICER. I would advise the Senator from New Mexico that once the Graham amendment is disposed of, we will return to the Bingaman amendment.

Mr. COHEN. Mr. President, reserving the right to object. Could the Senator from Florida give us an idea of how long he expects to take on each of his amendments, and whether he will be asking for rollcall votes on either or both?

Mr. GRAHAM. I would anticipate that the amendments would take less than 30 minutes, maybe less than 15 minutes each; and if they are going to be accepted, I will not ask for a rollcall vote. If there is going to be a controversy, I will ask for a rollcall.

Mr. BOREN. Mr. President, I am advised by the floor leader on the other side of the aisle that there will be some request for a rollcall vote on probably both of these amendments.

Mr. MCCONNELL. I say to my friend that I am still trying to learn what the second one is about. Clearly, the first one is going to be objectionable and will require a rollcall vote. One, I believe, requires a prior filing or clearance of direct mail pieces.

Mr. BOREN. One requires a prior filing of direct mail pieces, and another that candidates participate in at least one debate. I guess they would both require rollcall votes. I do not know how long they would be required to debate.

Would the Senator be willing to accept 30 minutes, equally divided, on each amendment to be followed by two back-to-back votes?

Mr. GRAHAM. Yes.

UNANIMOUS-CONSENT AGREEMENT

Mr. BOREN. Mr. President, I ask unanimous consent that the Senator from Florida be recognized to offer two amendments, one on the subject of the registration of direct mail pieces, and the other on the subject of debates by congressional candidates; that the time on each of these amendments be 30 minutes each, equally divided; that upon the conclusion of the discussion of both amendments, there be back-to-back rollcall votes on the adoption of the two amendments, and that no second-degree amendments be in order.

Mr. COATS. Mr. President, reserving the right to object, and I do not intend to object. I am glad we are back on the bill and doing amendments.

However, this Senator was under the very distinct impression, after listening to the majority leader, that we would use the time from 7 o'clock to approximately 8 o'clock to offer amendments relevant to the bill that is on the floor. I have been waiting now for 2 days to make a statement on a nonrelated matter. I do not think I necessarily want to, or should even have the right to, impede this bill against the wishes of the Senate.

However, I was surprised to learn that, very quickly, we were off the bill and we were back in morning business, and now we have an amendment on a totally unrelated matter before us.

I guess my question is: Are we going to stay on this bill and amendments to this bill? If we are not, this Senator is going to seek every opportunity he can to speak on another matter?

Mr. BOREN. If the Senator will yield to me, it was the intention of this Senator to do the Graham amendments earlier, and we would have been prepared to vote on them by this time. I do not know exactly what happened. It was not the intention of this Senator to go to extraneous matters. We will have a discussion here during the debate of the amendments to work that out.

May I inquire of the Senator how much time he wishes to have on another matter and the nature of the matter?

Mr. COATS. Mr. President, I think it will probably take me 15 to 20 minutes. I do not really want to delay the work of the Senate, because I do not enjoy being here at 8:30 any more than anybody else does. In fact, I probably enjoy it less than some. I would like to proceed with whatever procedure we can pursue that would allow us to get home at a decent hour in the evening.

Mr. BOREN. I apologize to the Senator for the inconvenience. It was not in our plans. I think if we can go ahead, we have had a unanimous consent that we can go ahead on the Graham amendment, 30 minutes equally divided, and we will try to press on that. I will try to find out if any other amendments on the bill will be offered tonight. In any event, that will at least get these two votes starting at approximately 9:30.

Mr. COATS. I appreciate the efforts of the floor manager of the bill. I have a statement I would like to make before we recess. So if I can get that in at some point—and I do not know the schedule tomorrow. I am willing to wait until tomorrow if we will be here.

Mr. BOREN. I think we will be here tomorrow. If it is more convenient for the Senator to come in the morning and do that in the morning, fine; otherwise, this Senator would be happy to remain and make sure the Senator has the opportunity tonight.

Mr. COATS. I want to make sure it is convenient for the rest of the Senate. I do not want to necessarily hold anybody here.

Mr. BOREN. Mr. President, I ask the Senator from Florida, is it possible to shorten the time to 20 minutes, equally divided, on each amendment?

Mr. GRAHAM. I believe 10 minutes would be adequate for me to explain my position on each of the amendments. So 20 minutes, equally divided, would be fine.

Mr. BOREN. Mr. President, I revise my unanimous-consent request to ask that on two Graham amendments there be 20 minutes, equally divided, on each and that the vote on or in relation to the two amendments occur by rollcall vote at the end of all of that time.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. GRAHAM. Mr. President, I want to make a brief introductory comment, and then I will submit the first of the two amendments.

The focus of the legislation that we have been debating for the past 6 days is to limit the role of money in political campaigns. If the spending limits that are contained in this bill were to have been adopted in 1992, there would have been 148 House candidates and 39 Senate candidates who would have been in excess of the maximum which is provided.

There have been some concerns expressed, Mr. President, that one of the effects of the large amount of money that has been made available has been to increase the level of public interest and knowledge and information about political campaigns, issues and candidates, and therefore, it has contributed to what admittedly, has been a dismal level of voter turnout—that is, without that amount of public information that has been funded by political contributions, and through political campaigns, the level of participation would have been even worse.

Therefore, Mr. President, I think it behooves us to look at the other side of this equation; and that is, as we restrict the amount of money that is going to be available for political campaigns, what do we add as a means of increasing the access of the public to good information upon which to make decisions and to become involved and motivated about the political process.

Therefore, Mr. President, I am going to be offering a series of, actually, four amendments—two this evening, and two at a later point—all of which are aimed at attempting to improve the quality of political campaigns.

The first of the amendments is essentially defensive in nature. It intends to inhibit what I think has been a growing abuse, an evil within the political system. The other three, the first of which will be the second I will offer tonight, intends to increase the public's access to quality information upon which to make good judgments. That will be an amendment which will require debates by candidates who accept the incentives and the voluntary spending limits under this legislation.

AMENDMENT NO. 385

(Purpose: To require contemporaneous notice of the mailing of campaign advertising that refers to an opponent)

Mr. GRAHAM. Mr. President, first, let me turn to the first amendment which I now send to the desk.

The **PRESIDING OFFICER.** The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Florida [Mr. GRAHAM] proposes an amendment numbered 385.

Mr. GRAHAM. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

The amendment is as follows:

At the end of title VII add the following:

SEC. . CAMPAIGN ADVERTISING THAT REFERS TO AN OPPONENT.

Title III of FECA, as amended by section ——, is amended by adding at the end the following new section:

"CAMPAIGN ADVERTISING THAT REFERS TO AN OPPONENT

"SEC. . (a) CANDIDATES.—A candidate or candidate's authorized committee that places in the mail a campaign advertisement or any other communication to the general public that directly or indirectly refers to an opponent or the opponents of the candidate in an election, with or without identifying any opponent in particular, shall file an exact copy of the communication with the Commission and with the Secretary of State of the candidate's State by no later than 12:00 p.m. on the day on which the communication is first placed in the mail to the general public.

"(b) PERSONS OTHER THAN CANDIDATES.—A person other than a candidate or candidate's authorized committee that places in the mail a campaign advertisement or any other communication to the general public that—

"(1) advocates the election of a particular candidate in an election; and

"(2) directly or indirectly refers to an opponent or the opponents of the candidate in the election, with or without identifying any opponent in particular,

shall file an exact copy of the communication with the Commission and with the Secretary of State of the candidate's State by no later than 12:00 p.m. on the day on which the communication is first placed in the mail to the general public.".

Mr. GRAHAM. Mr. President, I believe that political campaigns are a form of public combat. I believe that it is in that field of the contest of ideas and personalities that the public is placed in the position to make a judgment relative to which candidate best represents their views, which candidate can best advance their views as their elected representative.

Unfortunately, that field is not always level and even and gives to the public that opportunity to make a balanced judgment.

There is the opportunity to use stealth, negative advertising which comes in not over the trestle but rather through the post office box in the form of negative mail, mail which is very difficult to know that it is being distributed and then to be able to respond to either on behalf of the candidate or on behalf of others who are in a position to give the public information.

I contrast what is happening in the area of mail with what is increasingly occurring as it relates to television and radio and other open forms of advertising.

In many of our major newspapers, it has now become the practice to critique particularly television ads in the same way that movies would be critiqued. If a candidate overreaches, misrepresents, he is subject to the constraint that that is going to be reported in the newspapers that will cover the same jurisdiction as the television ads.

I believe that has been a very positive development, that the openness with which those ads are now evaluated and where the public is given information upon which to assess how much weight to apply to that ad has contributed to positive political campaigns.

We do not have that opportunity as it relates to direct mail. There is not currently the means by which, first, it is known that such a direct mail campaign has been undertaken, second, to know what the message is, and third, to be able to effectively counteract it either in terms of an opposition candidate counteracting it or the media being able to give a focus of attention toward it.

So, Mr. President, I have offered as the first of the four amendments an amendment which would provide that a candidate or candidate's authorized committee which places in the mail campaign advertisements or any other communication to the general public that directly or indirectly refers to an opponent or opponents in the election shall file an exact copy of the communication with the Commission, the Federal Election Commission, and with the secretary of state in the candidate's State by no later than noon on the day in which the communication is first placed in the mail to the general public.

The same requirement of filing the direct mail with the Commission and with the secretary of state is required of committees, persons who establish an independent campaign which advocates the election of a particular candidate and which directly or indirectly refers to the opponent of that candidate.

Mr. President, the purpose of this amendment is to see that our politics is given the benefit of the sunshine of knowledge of all forms of political communication and that all forms of communication, therefore, are on the battlefield competing with others, that there is no communication which can come in the night, come through the post office slot without the opportunity of knowledge and the ability to respond and the ability of independent observers to comment upon it and place it in context so that the voter can make an informed assessment of how much weight to give to that piece of political communication.

Mr. President, I believe that this is one step in a series of steps that we should take as we both reduce the influence of money and increase the ability of the voter to have access to the best information, information which has been fully disclosed and critiqued and, therefore, be able to render a judgment as to which political candidate, cause, and issue deserves their vote.

Thank you, Mr. President.

The **PRESIDING OFFICER.** The Senator from Kentucky [Mr. MCCONNELL] is recognized.

MCCONNELL. Mr. President, with regard to the first Graham amendment with reference to requiring the candidates to participate in debates, it could be useful for the Senate to know the Constitution protects both the right to speak freely and the right to refrain from speaking at all.

We begin with the proposition that the right of freedom of thought protected by the first amendment against State action includes both the right to speak freely and the right to refrain from speaking at all.

That was West Virginia State Board of Education versus Barnett. The Government may not enter the political marketplace by forcing individuals to subscribe to, or to advance messages dictated by the Government. Further, the Government is prohibited from requiring citizens who object to a position to effectively endorse that position. Mandated speech that a speaker would not otherwise make necessarily alters the contents of that speech.

Mr. President, beyond the constitutional question, I think there is not any question in my mind that the Supreme Court would not allow requiring a candidate to participate in debates, in other words, requiring the candidate to speak when he chose not to speak as a precondition for receiving the public subsidy. I do not think the Court would allow that, but beyond what the Court might or might not allow, there is the practical question that it raises.

Some very outstanding public officials have been poor speakers and not very good at debating. I can remember probably the most famous Senator in the history of my State was a fellow by the name of John Sherman Cooper. He was a very poor speaker. As a matter of fact, some felt that was part of his charm and part of his appeal.

And for us to say to political candidates who exercise the right under the underlying bill to accept public funds that we have to adopt a certain kind of campaign practice, that is, to participate in a debate, as if to fail to participate in a debate is to somehow cheat the voters, raises not only, as I pointed out, serious constitutional questions, but also as a practical matter who is to say that requiring debate is in the best interest of a free and robust discussion of the issues?

Mr. President, that is essentially my argument against Senator GRAHAM's amendment to require candidates who accept public funding to participate in debates. I do not think the Court will allow it. If we do not care about that, I also think it does not make any sense from another point of view, which is that it presumes that all candidates are equally adept at debate and if one is not good at it and seeks to avoid debating his opponent the voters are somehow being cheated about learning what they should learn about the candidate.

Mr. BENNETT. Will the Senator yield?

Mr. McCONNELL. I yield to the Senator from Utah.

Mr. BENNETT. I would ask the Senator if you have the same concern I do about the Federal Government entering into this field and having to give us definitions.

What constitutes a debate? If the two candidates meet on a street corner and exchange views with a reporter standing nearby, is that a debate? Does that meet the terms? Do they have to appear on television? How about radio? What if the debates takes place in the boardroom of a newspaper covered by the editorial board of the newspaper? Would that constitute a debate?

Does the Senator not agree with me that this is micromanagement to the fare-thee-well in a circumstance that should be normally as freewheeling as possible?

Mr. McCONNELL. The Senator raises a very important point.

For example, in my race in 1990, I did want to debate. I challenged my opponent to a debate. But I defined a debate as follows: The two candidates and a moderator; not the two candidates and a panel of four reporters.

So the very question about what is or is not a debate that the Senator from Utah raises is a very good question.

What kind of debate would meet the standard of this requirement of the Senator from Florida?

Maybe this is a question that might well be asked of the Senator from Florida, who has proposed this amendment.

I say to the Senator from Utah, in my view the courts are not going to allow this amendment anyway, but even if the courts did allow it, it does raise the very serious question of definition, I would agree.

Mr. BENNETT. I thank the Senator.

Mr. McCONNELL. Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Kentucky yields the floor.

Who yields time?

Mr. GRAHAM. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Florida has 4 minutes and 40 seconds.

Mr. GRAHAM. Mr. President, I have presented the first amendment, which was the amendment, that relates to the mandatory filing, both with the Election Commission and with the secretary of state in your State of mail which is intended to speak of your opponent and therefore making your definition of your opponent available for public scrutiny and comment.

I did not hear any discussion of that amendment. I am reluctant to conclude the debate on this amendment unless someone would care to speak.

Mr. McCONNELL. I do intend to discuss that amendment. I just have not done it yet.

Mr. GRAHAM. I have no further comments on the first amendment, so I yield the floor.

The PRESIDING OFFICER. Do both sides yield back their time?

Mr. McCONNELL. Mr. President, I reserve the remainder of my time.

How much time do I have remaining?

The PRESIDING OFFICER. The Senator from Kentucky has 4 minutes and 25 seconds remaining.

Mr. McCONNELL. Mr. President, the first observation I would make about the requirement of filing the mail piece in advance is that it is a completely impractical suggestion. It smacks of prior restraint upon the candidate. It seems to me that unduly micromanages and interferes with the conduct of the campaign.

The first amendment implies, if it means nothing else, that we have robust campaigns in this country, freedom of expression, and minimal amount of Government interference in the conduct of campaigns.

Even if it were to be found to be constitutional, which I think is probably unlikely, that you sort of have to profile your speech for approval by some kind of central government agency before you can communicate with the voters in a campaign smacks of big brotherism to me.

We are past 1984. It is 1993. But the thought you would have to sort of preclear your speech with some central government authority to me is completely foreign to the American experience.

I just would say, Mr. President, that even if it were constitutional to kind of preclear your comments, I think it is a completely impractical suggestion.

At the height of the Red scare in this country, some laws were passed in an effort to require registration and disclosure of the procedures of various pamphlets which were deemed to be subversive. The Supreme Court took a very negative view of such requirement, noting that the famous revolutionary piece Common Sense, by Thomas Paine, was originally distributed as an anonymous news pamphlet. Thomas Paine originally distributed it as an anonymous pamphlet.

Direct mail is nothing more than a modern pamphlet. I cannot imagine how the Supreme Court would rule any differently of this issue that it did several decades ago.

Mr. BENNETT. Will the Senator yield?

Mr. McCONNELL. I yield to my friend from Utah.

Mr. BENNETT. Once again I rise to talk about the practicality of this.

It is to be filed with the secretary of state. What is the secretary of state supposed to do with it? What if the secretary of state decides to run an advertisement commenting on it while the secretary of state of another State decides to put it in the wastebasket?

Should there not be accompanied with this, if we are going to micromanage this point, some direction to the secretary of state?

We are just told it has to be filed with him and then it is left up to his discretion.

It is, in my view—and I would ask the Senator if he would agree—an intrusion into a circumstance that starts us down the road of the first requirement that must then be followed by a second requirement of the explanation, it must then be followed by the third requirement and defining what the second requirement is and ultimately producing a stultifying effect.

Does the Senator not agree?

Mr. McCONNELL. I could not agree more with the Senator.

I know they seem to be unconstitutional, and if not unconstitutional, they certainly are unworkable and difficult to define. And it is hard to imagine how they could possibly work in a campaign context without totally interfering with the conduct of the kind of robust campaigns that you are entitled to conduct in this country and free to conduct under the first amendment to the Constitution.

So I thank my friend from Utah for his observations. I think he is right on the mark.

The PRESIDING OFFICER. All time of the Senator from Kentucky has expired.

The Senator from Florida has 3 minutes and 8 seconds remaining.

Mr. GRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. GRAHAM. Mr. President, I think the discussion that has just been conducted by the Senator from Kentucky indicates the very utility of this type of a disclosure of what would otherwise have been an unseen, incapable of responding to mail communication. That is, the opportunity to talk about the facts rather than the myth. The amendment I have has absolutely no quality of preclearance or censorship or any involvement in terms of what the language of the communique will be. It solely requires that the communique be filed—filed in two places: With the Federal Elections Commission, and with the secretary of state of the State in which the election is being conducted.

The purpose of this is not to limit a robust campaign, but to allow a robust campaign to occur, with everyone knowing what statements and representations have been made. This leaves it to individuals, the media, individual citizens, to know what is being said—both what is being said over the airwaves, what is being printed on the page, and what is being said by direct mail. And then have an opportunity to have a robust debate about them.

We all are aware of instances in which information which a candidate or his supporters would have been woefully unwilling to have put into a public forum has been distributed through these kinds of hidden direct mail campaigns. This would just make that information fully available, public, capable of being scrutinized, capable of being commented upon. And then having whatever impact it might on the outcome of the election.

Mr. McCONNELL. Will the Senator yield for a question?

Mr. GRAHAM. Yes, the Senator yields.

Mr. McCONNELL. I ask my friend from Florida, in section (b) of his amendment:

PERSONS OTHER THAN CANDIDATES.—A person other than a candidate or a candidate's authorized committee that places in the mail a campaign advertisement or any other communication to the general public that—(1) advocates the election of a particular candidate in an election; and (2) directly or indirectly refers to an opponent or the opponents of the candidate in the election, with or without identifying any candidate in particular—

It sounds to this Senator like that could also be a letter to the editor.

I was curious as to whether or not that does not sound very much like a letter to the editor to my friend from Florida.

Mr. GRAHAM. It would have to be a statement which is directed towards the general public, meeting two tests: First advocating the election of a particular candidate; and, second, directly or indirectly referring to the opponent. It is the same concept as it relates to an independent organization, that the first paragraph is as it relates to a candidate or the candidate's campaign.

The PRESIDING OFFICER. All time has expired.

The Senator from Florida is recognized to offer a second amendment.

AMENDMENT NO. 386

(Purpose: To make it a condition of eligibility to receive benefits that an eligible Senate candidate agree to participate in debates)

Mr. GRAHAM. Mr. President, I will send to the desk my second amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Florida [Mr. GRAHAM] proposes an amendment numbered 386.

Mr. GRAHAM. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 8, line 2, strike "and".

On page 8, line 4, strike the period and insert "; and".

On page 8, between lines 4 and 5, insert the following:

"(F) the candidate agrees to participate in at least 1 debate, sponsored by a nonpartisan or bipartisan organization, with all other eligible Senate candidates for the seat sought by the candidate.

On page 28, between lines 9 and 10, insert the following:

(f) FAILURE TO PARTICIPATE IN DEBATE.—If the Commission determines that an eligible Senate candidate failed to participate in a debate as agreed under section 501(c)(1)(F) and was responsible at least in part for the failure, the Commission shall so notify the candidate, and the candidate shall pay an amount equal to the payments and vouchers received under this title.

On page 28, line 10, strike "(f)" and insert "(g)".

On page 28, line 20, strike "(g)" and insert "(h)".

On page 28, line 24, strike "(h)" and insert "(i)".

Mr. GRAHAM. Mr. President, just to conclude, in my time on the second amendment, the discussion on the first amendment, the concluding phrase under both the requirement of filing by candidates and the requirement of filing by persons other than candidates, is that this relates to mail to the general public. It does not apply to mail to a specific individual or entity, such as the Senator from Kentucky had suggested, mail directed to a newspaper which the newspaper might choose to print for broadcast circulation.

If the newspaper prints it for broadcast circulation, you do not need this filing because, by definition, it is in the public domain; therefore it is available for the robust debate that we hope to achieve.

Mr. President, the second amendment goes to the question of, if we are going to be providing public incentives and a form of public financing for candidates, what are the obligations the candidates have towards the public?

I believe the purpose of a political campaign is to develop a relationship between the candidate, hoped-to-be officeholder, and the public, so that when that person, if their desire is fulfilled and they are elected—there will be a sense of responsibility, of what the citizens can expect of their officeholder and what the officerholder has a right to expect of the citizens.

I believe one of the important ways in which that relationship can be established is through the forum of open debates between candidates.

Debates have been an important part of our Nation's political history. We have seen this fall the important role that candidates, standing side by side in a variety of forums, can have in terms of both educating and exciting the public about an election. One of the phenomenal things about the debates in the 1992 Presidential election is the fact that the audience grew throughout the fall. More people watched the last debate than watched the first debate. That, to me, is an indication of the level of growing interest in the campaign, which interest was capped out by a voter turnout which reversed a long series of declining public participation in Presidential elections.

It has been suggested that we are doing something here which is unusual. It might even be unconstitutional. It is against the American tradition.

I point out that on page 128 of the bill we are debating, we make this same requirement of candidates for the office of President and Vice President: That they will be required, as a condition of accepting public financing, to participate in debates.

How can we, as the Congress, say that is an appropriate requirement to impose upon candidates for the Presidency and the Vice Presidency, and yet it is not one that, if we elect to secure the benefits of public incentives and public financing, we should not place upon ourselves? I believe we have every right—we, the American people—to condition the acceptance of public assistance in a campaign with the requirement that candidates engage in what has been one of the most effective ways of both educating the public and educating the candidate as to the public's desires.

Mr. President, I believe this is another important step, as we reduced the influence of money, that we would increase the opportunities for the American people, through other means, to secure information which will contribute to a robust, intelligent debate; that will facilitate the American people's ability to participate and shape their democracy.

The PRESIDING OFFICER. The Chair recognizes the Senator from Kentucky [Mr. McCONNELL].

Mr. McCONNELL. Mr. President, finishing my observations on the previous Graham amendment, the plain reading of the amendment—and we know there are a number of articles in the Washington Post recently indicating the Supreme Court is increasingly disinclined to look at legislative history, but rather at the plain meaning of the language.

I respectfully suggest to the Senator from Florida, as well as to the Members of the Senate, the plain meaning of section (b) of the amendment, first amendment of the Senator from Florida, means that letters to the editor in support of a candidate or in opposition to a candidate that a citizen may send would have to be prefiled with the secretary of state.

Mr. President, I think clearly the Supreme Court would consider that prior restraint; unduly interfering with the conduct of a campaign. And I think the same kind of argument would stand against the second Graham amendment, to compel a candidate, as a condition for accepting public money for a political campaign, to participate in a debate.

I simply repeat what I said earlier. I would not repeat it, by the way, if I thought it would get a quicker vote. But it is my understanding, I say to my colleagues, that some have said they to not want to vote until 9:30 because a number of Senators were off the Hill. If it were up to this Senator we would vote on both of these amendments now.

Since that is not possible, let me point out again the Supreme Court has clearly said that mandating speech that a speaker would not otherwise make necessarily alters the content of the speech.

The Supreme Court clearly has said that you cannot compel somebody to speak or to refrain from speaking. That is what the Graham amendment simply does.

So it seems to this Senator that not only are both Graham amendments impractical, both Graham amendments are in all likelihood unconstitutional.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Kentucky has 7 minutes and 45 seconds.

Mr. McCONNELL. Mr. President, I will reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Kentucky reserves the reminder of his time. Who yields the floor?

The Senator from Florida is recognized.

Mr. GRAHAM Mr. President, I reserve the remainder of my time and suggest the absence of a quorum.

The PRESIDING OFFICER. Time will be charged to the Senator from Florida, who suggests the absence of a quorum. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRAHAM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAHAM. Mr. President, if we are not going to vote until 9:30, it is my hope that we could put these two amendments aside until maybe 9:20, and then immediately in advance of the vote be able to conclude the debate with the time we have remaining. If that is acceptable with the manager on the other side, I ask unanimous consent that these two amendments be put aside until 9:20, at which time the remainder of the time for debate would be available, with a vote on the two amendments commencing at 9:30.

The PRESIDING OFFICER. Is there objection?

Mr. McCONNELL. Mr. President, reserving the right to object. I did not hear the request. Could the Chair repeat the unanimous-consent request?

The PRESIDING OFFICER. The unanimous-consent request is to hold these amendments until 9:20.

Mr. McCONNELL. Mr. President, in order to consult with the Republican leader, I suggest the absence of a quorum.

Mr. GRAHAM. Mr. President, I ask unanimous consent that, during the quorum call, time not be judged against either side.

The PRESIDING OFFICER (Mr. BRYAN). Is there objection? Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. MITCHELL. Mr. President, I ask unanimous consent that the distinguished Senator from Indiana be recognized to address the Senate for up to 15 minutes; that following the completion of his remarks, there be 10 minutes for debate on the Graham amendments, equally divided between Senator GRAHAM of Florida and Senator McCONNELL; and that upon the completion or yielding back of time on that debate, the Senate vote on, or in relation to, the Graham amendment No. 385, to be followed immediately, without any intervening action or debate, by a vote on, or in relation to, the Graham amendment No. 386.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. COATS addressed the Chair.

The PRESIDING OFFICER. Pursuant to the unanimous-consent agreement, the Senator from Indiana is recognized for a period of 15 minutes.

FRESH GARLANDS FOR ANCIENT BATTLES

Mr. COATS. Mr. President, it is appropriate that we focus debate on the troublesome situation in Bosnia, and I'm pleased that Members of the Senate have today, even in the middle of the debate on campaign finance reform, continued the efforts to wrestle with the extraordinarily difficult questions related to what role the United States should play in attempting to resolve the issue.

Mr. President, anyone who cares about the Balkans is forced to be an amateur historian, for its people are drunk with history. They search it for bitterness, scar it with crimes and carefully pass its burdens to their children.

In 1389, Serbian knights battled Ottoman Turks on a plain at Kossovo. The Serbs were routed, beginning centuries of Moslem rule. Their leader, Lazar, was executed—beginning a career of martyrdom. The place was called the Field of Black Birds because the bodies of dead Serbs were left to be eaten by them.

In 1988, in anticipation of the 600th anniversary of that battle, Lazar's body was dug from the ground. His coffin was taken on a tour of every village and city of Serbia. Everywhere it went, it was met by huge crowds of wailing mourners dressed in black. In the Balkans, the past has invaded and conquered the present. The offenses of six centuries are as fresh as the first flowers.

"Every Serbian peasant soldier knows what he is fighting for," Journalist John Reed wrote during World War I. "When he was a baby, his mother greeted him, 'hail, little avenger of Kossovo.'"

Historian Robert Kaplan describes a visit to the monument recalling Lazar's defeat:

> I saw . . . a block of grim, blood-colored stone, about 100 feet high, well-socketed on a wind-swept hill overlooking Kossovo. The monument rested on a platform surrounded by bullet-shaped cement towers inscribed with a sword and the numbers "1389–1989." Atop each tower was a fresh laurel wreath.

Fresh laurels for ancient battles. In this part of the world the normal rules of memory don't apply. Nothing that is lost is ever forgotten. Nothing that is gained is ever abandoned. The peoples of the Balkans are bound in the straitjackets of their past. They suffer from a hemophilia of historical memory. The bleeding will not end.

On every side there is much to mourn, and much to hide. It is easy to find a root for every grievance and a cause for every act of violence. The album of Balkan history might easily be the snapshots of a tourist in hell.

After the Macedonia uprising of 1903, Ottoman Turkish soldiers killed nearly 5,000 civilians. In one village, they reportedly raped 150 women and girls; 50 Ottoman soldiers raped 1 girl before finally killing her. They cut off another girl's hands to take her bracelets. A correspondent from the London Daily News at the scene wrote:

> I will try to tell this story calmly. . . . One must tone the horrors down, for in their nakedness they are unprintable.

During the Balkan wars of 1912 and 1913, a Macedonian bishop ordered the assassination of an opposing politician and had his severed head brought back to the church to be photographed.

Assassination has been a traditional tool of public policy in the region. Archduke Ferdinand was murdered by Bosnian Serbs trained by the Serbian Secret Service, protesting against the annexation of Bosnia by Austria. The Catholic Habsburgs reacted by executing hundreds of innocent Serbian peasants.

In 1928, Serbs began assassinating Croatian members of the Yugoslav Parliament. In 1934, the Serbian King Alexander was killed in an open carriage during a trip to France by a Macedonian assassin hired by Croat separatists.

In World War II, Croats allied with the Nazis executed hundreds of thousands of Serbes, Jews, and Gypsies. Croat fascists in Bosnia killed Serbian orthodox women and children by throwing them off cliffs. Croat Catholic priests tried to force conversions from orthodox Serbs minutes before they were slaughtered. Serbian Chetnicks killed large numbers of Croats in revenge.

In recent months, we've seen Serbians commit systematic rape, and return the practice of ethnic cleansing to Europe. One doctor in a Moslem area recently reported, "We get a lot of children with direct hits in the head from snipers. At that range, it can't be an accident."

A Moslem fighter comments, "The land remembers every one, even the murdered babies who have no names." A Serb fighter explains, "Here, yesterday, someone killed our people, and today we have to live with them? Impossible." Those violent yesterdays stretch to centuries. In the Balkans, the dead do not bury the dead. The dead bury the living.

We hear a lot of comparisons to Vietnam, or to the gulf war or to the religious conflicts of the Middle East. But we don't need historical analogies from other places. The region has more than enough history of its own. It nourished the roots of modern terrorism. It witnessed the rise of clerical fanaticism. Its only periods of modern peace have been when repression prevented violence.

This is one of history's open wounds—its ancient hatreds radicalized by modern ideologies. This is the region America is now asked to help pacify. This is the history we are supposed to change with carrots and sticks, with embargoes and airstrikes, with safe havens or the sacrifice of American soldiers.

The conflicts of the past now yield to the crisis of hour. For the first time, we seem to have an interim policy from the Clinton administration and our allies, or at least some of our allies—the protection of safe havens for fleeing Bosnian Moslems. But, at best, this is a short-term response. Lives will be protected for the moment, on what Bosnian Moslems call reservations. Yet the day that U.N. troops pick up and leave, who doubts that the fighting will return?

Safe havens have a humanitarian motivation, but they will also speed the process of ethnic cleansing. Bosnian Moslems who have not already left their homes will have an additional incentive to move into havens—the incentive of safety. The gains of Bosnian Serbs will be consolidated—which explains their enthusiasm for this plan. Safe havens are, in essence, a grand nonconclusion. They will temporarily freeze the fighting, not end the conflict.

It is welcome news that American ground troops will not be involved at this stage. Who knows how Serb militia and artillery will test the resolve of U.N. troops? Will we see an endless war of sniping and attrition? Is this an endless commitment, with no hope of final resolution?

It is unwelcome news that the President has promised military support in the air. Our pilots may be asked to attack Serb militia forces if they threaten U.N. positions. By this pledge, we are assuming risks with little knowledge where they might lead.

A police action protecting safe havens will stop some short-term suffering—but it will answer few long-term questions. After we purchase a temporary peace for fleeing refugees, what is our eventual goal? On this question, the administration is silent.

Our commitment to small, isolated safe havens cannot be permanent. What will happen next? Will fighting break out between Serbia and Croatia? What are Serbian designs on Kossovo and its Moslem population? Will Bosnian Moslems ever be allowed to return to their homes?

We cannot defend safe havens indefinitely. Indefinite national commitments run head-long into limited national will. Every American death will raise questions with more insistence: What is our goal, and when do we leave?

When it comes to that goal, after all our posturing, we are no closer to finding it. What can we really hope to accomplish in this historical maze which seems to have no exit?

First, we can hope for peaceful negotiations to settle old scores and old conflicts. But this is to hope against hope. Bosnian Serbs believe they bought Bosnian soil with their blood. There is no leverage we can apply against the Bosnian Serbs to force concessions. They hold the land they seek. They would laugh at further threats of force. Victors just beginning to enjoy their spoils are not eager to surrender them.

Second, we can attempt to arm the Bosnian Moslems so they can eventually defend themselves and preserve a balance of power in the region. With safe havens at the center of our policy, this approach does not seem possible. If we arm Bosnian Moslems within the havens we've created, it would invite Serbian attacks on U.N. forces, and require an American response from the air. Under these circumstances, safe havens would be transformed into military bases, from which Moslems could launch operations against the Serbs. We would be joining the fighting as a combatant, and we would surely be drawn to its center.

Arming the Bosnian Moslems as an alternative to safe havens avoids some of these problems. It has the appeal of fairness, helping the underdog in an unbalanced fight. If it works as planned, it may contain Serbian aggression nearer its source and provide leverage for the Moslems at the diplomatic bargaining table.

But arming the Bosnian Moslems raises serious questions as well:

Would lifting the embargo actually sustain the suffering by extending the conflict? Moslems, Serbs, and Croats are all capable of revenge and atrocities when they get down to the business of slaughter. The British Defense Minister has noted, "You could not ensure that arms were only used against Serb combatants." Wouldn't we just be restarting the war on more equal terms?

Would escalating this conflict put humanitarian aid efforts at risk and place peacekeepers in a cross-fire?

If the embargo is lifted, where will Moslems get these arms and what level of military technology will they need to balance the Serbs? Bosnian Serbs already have the remnants of a heavily equipped Yugoslav Army. Bosnian Moslems will need more than small arms to be a credible fighting force. Will America provide more sophisticated weapons? Will we also need to provide military advisers to train the Bosnian Moslems to use them? If America does not provide those arms, who will fill the vacuum?

Is it simply too late for this option? Serbs and Croats already hold much of the territory they want. Would the goal be to funnel enough arms to Bosnian Moslems just to defend the little land they have left, or to reconquer territory they've lost?

If lifting the embargo and siding with the Moslems does not work, will we be creating increased momentum toward American intervention on the ground?

A third policy option is to extend our police action to an invasion, enforcing a new division of the region—rolling back the gains of Serbians and Croats and moving populations from place to place. The goal here is to do something fundamental—something beyond cosmetic change. But the price would be high, and the results uncertain.

History provides an interesting parallel. In 1904, after the Macedonian uprising against Ottoman control was brutally crushed, there was a public outcry. As a result, British Prime Minister Balfour, Czar Nicholas II, and Hapsburg Emperor Franz Josef met to approve a program for Macedonia that involved an international peacekeeping force. Russian, Austrian, French, Italian, and British zones were created, with Germans in charge of inspecting the schools. The plan also divided Macedonia into districts based on ethnic divisions. But the proposed settlement failed. According to one historian, "this provision simply gave rise to further battles between armed groups, each attempting to secure control of a district area."

Does that sound familiar? It is precisely what has happened with the well-intentioned Vance-Owen plan. It has given Serbs and Croats an incentive to stake out the areas they've been assigned and rid them of Moslems by force. One British commander said of recent fighting, "everyone says Vance-Owen is to blame."

Realistic estimates on the number of troops required to impose a peace on Bosnia range to 300,000. They may quickly destroy organized opposition—but disorganized opposition can be deadly as well. These soldiers could easily find themselves in a state of perpetual siege.

The testimony of Lt. Gen. Barry McCaffrey before the Armed Services Committee was sobering,

> You are dealing with 23,000 square miles of a country slightly larger than South Vietnam. It is four times bigger than Northern Ireland, with 200,000 armed people in it.

Even if these military objectives can be achieved, the political objective is far more difficult. Will an international tribunal be able to sit down and undo the crimes of history? Will it overcome, with pen and paper, the legacies of the Ottomans and the Austrians, of Fascists and Communists?

There has been a persistent desire in our century to use social engineering, even to adjust the balance of history. Mr. Vance and Mr. Owen shared a sixth-floor suite in the Palace of Nations in Geneva—the former seat of the League of Nations. It is a place haunted by good intentions and meager results. At Versailles, diplomats attempted to create a new world. They created, instead, the causes of another war. Well-intentioned tinkering in ancient conflicts has no record of success in our time.

What option is left to us?

In the region, at some point, American interests are directly threatened by the spread of the conflict. Continued Serbian aggression to the south could involve Albania, Turkey, and Greece, and compromise the structure of NATO. The President needs to determine that point where American interests are triggered and draw a line, he must define a response if that line is crossed, and exert American leadership to enforce it. He must do these things in consultation with our allies, but without accepting an allied veto. And he must communicate the reason for this commitment to the American people. Once that line is drawn—something that has not been done—it cannot be redefined or changed. American credibility hangs in the balance. Another Clinton bluff would be an American disaster.

In this debate over Bosnia, there is much at stake. Our decisions have broader implications than the Balkans. They shape a vision of American interests and responsibilities around the world. They raise a question as weighty as any we face: When are American casualties justified by American aims?

An age of instant communication brings nightmare images of the world's suffering into every living room. Those images could be broadcast today from Bosnia—but also from Armenia, or ethnic cleansing in Tajikistan, or atrocities in Cambodia, or Ruwanda, or India. There is no shortage of irrational cruelty in the world.

An individual with half a heart demands justice. A government shares that outrage, but has a further responsibility. America is bound by justice—but it is also bound by prudence. It cannot end suffering everywhere, because of limits on its will and power, and the sobering cost in lives of its own soldiers. If America ends suffering anywhere, it must make tragic, conflicted but necessary choices.

What is the content of a prudent American foreign policy?

First, we must be committed to defend vital American interests. This is an open-ended pledge, involving whatever force is necessary to meet the objective. Defense of our territory, freedom of the seas, the defense of our allies, access to resources, stability for trade, the safety of Americans abroad—these are traditional commitments of enduring importance.

Second, there is a different standard for sending troops into conflicts that engage only our moral or humanitarian concerns, not our direct national interests. In these cases, we can support intervention, but only when it does not substantially undermine our broader interests. That means, in general, minimal casualties, clear objectives, and a limited timetable.

When we enter the quicksand of a hopeless and endless humanitarian mission, we squander two things. First, we waste American lives, a burden I will not bear. Second, we squander the will of the American public to intervene in the future—even when such interventions are important to our interests. This is one lesson of Vietnam: It is possible to wound our national confidence along with our national power.

Why is this important? Ironically, it is important because we cannot be isolationists. Changing threats will require America to be more active in the world than in the past. Weapons of mass destruction and ballistic missile technology proliferate. American intervention will be essential to avoid a future of blackmail and sudden suffering. If we compromise that mission with misguided conflicts that undercut our credibility and our national willingness to send troops in other situations, we have done nothing for the cause of peace.

American power, prestige, and will today are unparalleled, but not unlimited. We are required by reality to be selective in our attention to the injustices of the world precisely because, as a superpower, we have great responsibilities that must not be undermined.

We have seen a building pressure to do something dramatic in Bosnia—not only to combat an enemy, but to combat our sense of powerlessness. But there is no heroism in a futile gesture—just American frustration and the death of young soldiers.

When our interests are clear, thousands of casualties may not be too high a price. When our goals are uncertain, one death is too many. This is not weakness. It is the careful defense of American power and will, a responsible concern for America's Armed Forces, and a healthy respect for the complexities of history.

Apart from the substance of this debate, we are learning there are ways to compromise our influence that have little to do with Bosnia. They have everything to do with an administration that does not seem to know its mind or know the world.

In the last few months, President Clinton has had a very expensive tutorial on foreign affairs. He promised a policy in Bosnia with a beginning, a middle, and an end. The beginning was utter confusion, blustering, and then retreat. The middle is a policy of safe havens that accepts a defeat and calls it peace. The end is nowhere in sight.

This is on the job training—and it is dangerous. America is rapidly spending its diplomatic capital while President Clinton learns the business of international politics. In the process, two disturbing signals have been sent.

The first signal went to our allies. Just a few weeks ago, President Clinton challenged Europeans to join the United States "quickly and decisively" in taking tougher measures against the Bosnian Serbs. Our Secretary of State flew to Europe to get approval for military steps. But the expectations they purposely raised were undercut, along with American credibility. It looked to Europe like the charge of the lightweight brigade.

The New York Times reported, "The reason Mr. Christopher has so little room to maneuver, officials said, is that Mr. Clinton remained uncertain of his own goals and wanted to keep the maximum flexibility should he decide to amend or abandon his plan." A senior British official commented, "Frankly, he didn't do a very good job of presenting his case. At times, we weren't even sure what his case was." Newsweek reported, "According to allied sources, Christopher stunned his listeners by pressing a vague plan."

Even administration officials were concerned. One commented, "it's not surprising that the Bosnian Serbs concluded we were bluffing * * * We either should have had our ducks in a row before Chris left, or he should have stayed home and hid behind his poker face. As it is, we looked like beggars."

Secretary of Defense Aspin is fond of saying about Bosnia, "All options are bad, some are worse." Among the worst options is the one the President took: To threaten and then surrender.

The explanation of one Clinton advisor was deeply disturbing,

> The President's created a political problem for himself, so he's seeking to get out of it politically, with tactics that have the look and feel of real, muscular action. That's the game now. The morality rhetoric—the Holocaust analogy and all that—will of course continue as the President rallies the country. But as the underlying reason for action, morality takes a back seat to politics.

Issues of peace and war are not just some political game, to be shaped with the message of the week and the poll of the day. The hedging pledges of the campaign trail are not adequate to the defense of American interests and American credibility. President Clinton is quickly finding that when you don't know where you are sailing no wind is favorable.

The second signal was sent to the rest of us. The signal of a President who actually complained how much time he had to spend on international affairs. The signal of a President who made military policy through trial and error. The signal of a President whose vacillations gave strength to our opponents and pause to our friends. These signals have raised a serious concern: Is the foreign policy of the United States in competent hands? It is too early to give an answer. It is too late to avoid the question.

The Balkans are a region where the hand of history is heavy—and there is one analogy of history I can't help but draw. I visited the marines in Beirut following the death of 237 United States servicemen in a terrorist bombing. Those young marines were sent to heal another ethnic and religious conflict, with little specific direction. They were sent out of compassion. They were sent for the highest of motives. And they were sent to their death without good reason. We saw the anguish of innocent people in hopeless conflict, and did nothing but add our suffering to their own.

Gen. John Vessey summarized the lesson of Lebanon which should be engraved on a monument to their sacrifice. "Don't get small units caught between the forces of history."

I have called the parents of sons and daughters from my State who died in service to their country. It is among the hardest things I've ever done. In part, we in the Senate bear the burden of our Nation's choice between war and peace. And that burden is heavier than the weight of good intentions.

CONGRESSIONAL SPENDING LIMIT AND ELECTION REFORM ACT OF 1993

The Senate continued with the consideration of the bill.

Mr. McCONNELL. Mr. President, briefly, as we grind to the end of a long day, with regard to the two Graham amendments, the first one would require citizens to file not only with the Federal Election Commission but also with the secretary of state of their State any communication in support of or in opposition to a candidate. I think Senators should know before casting this vote that under the plan meaning of this amendment, this would clearly cover letters to the editor on behalf of or in opposition to a candidate.

If this person failed to register with the FEC, or the secretary of state, they could, under the amendment, get a $5,000 civil penalty. If a grandmother mails a letter to the editor in support of or in opposition to a candidate and fails to file with the FEC and the secretary of state in their own State, she could conceivable get a $5,000 civil penalty. It also would cover a communication, presumably, through the mail by, say, a union leader, to his friends in the neighborhood, or to any other group defined as being in the general public.

In short, this not only raises serious constitutional questions but also is totally micromangement of campaigns.

With regard to the other Graham amendment requiring debates, what Senator GRAHAM is saying, in effect, with that amendment is that all eligible Senate candidates receiving public funding have to participate in a debate.

That means that Senate candidates across America will have to debate every fringe candidate, as well as their opponent of the major party, who qualifies for Federal funds. In short, not only does it make a candidate participate in debates when he might choose not to, he might have to debate every fringe candidate who also may be stuck with this.

I hope both of these ill-advised amendments will be defeated.

I yield the floor.

Mr. GRAHAM addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Florida.

Mr. GRAHAM. Mr. President, as I said when we commenced this debate, the essential purpose of the legislation before us is to reduce the role of money in political campaigns. I support that.

I believe that the limitation on spending is the central provision of this legislation. But I think there is some credence to the argument that if you are going to limit spending, what is going to be done on the other side of the equation to enhance the quality of public information, so that the public, now with less of the information that is being paid for by these enormous campaign expenditures, will have some other access to, hopefully, better information. It is to that end that these two amendments are offered.

The first is essentially defensive. It says that we should treat direct mail—mail which is sent to the general public—in much the same way that increasingly we are treating broadcast communication to the general public. And that is, let us make it available. We do not censor it. We do not have any free clearance. We just make sure that it is available and that everyone knows about it, so that other candidates can comment on it, can correct it if it is in error, so that third parties, such as the media, can comment on it and bring to the public's attention the context.

This has had, I suggest, a very purifying effect as it relates particularly to television advertisement, that there has been external comment on campaign ads. And it has caused those ads to become less likely to hedge the truth, less likely to launch unsubstantiated attacks against an opponent. We do not have that opportunity today with direct mail.

This amendment would make it available by requiring that direct mail be filed in a public place on the same day that it is mailed to the general public.

The second amendment, Mr. President, is offensive. It says if you are going to accept public money, which is a voluntary act—but if you agree to accept it—you ought to present yourself to the public in at least one public debate with your opponent.

Mr. President, debates have been an important part of the American political tradition since our beginning. We saw last fall the positive effect that debates could have in terms of energizing the public toward candidates and increasing the level of voter participation.

We are requiring in this very legislation that debates become an obligation of Presidential and Vice Presidential candidates who accept public funds. How can we go back to our constituents and say, "We required the President and the Vice President to speak to you in debates, but we were unwilling to apply the same standard to ourselves," when we have accepted public funding for our campaign?

Mr. President, I believe that this legislation that we have before us takes a significant step in terms of reducing the invidious impact of too much money in political campaigns. Now, if we can complement that progress by providing that there will be greater public knowledge of the information and the advocacy that comes to the public in ways that would otherwise be undisclosed, particularly through direct mail, and the requirement that candidates stand up before the voters and present themselves, be subjected to the kind of analysis that comes in a candidate-to-candidate debate, I believe that we will have made a significant step forward in terms of what the people have a right to expect from their democratic political process.

Mr. President, I urge the adoption of both of these amendments.

The PRESIDING OFFICER. The Senator from Kentucky is recognized. I advise there are 35 seconds remaining under the control of the Senator from Oklahoma.

Mr. FORD. I might have that 35 seconds in order to adopt the adjournment resolution.

ADJOURNMENT OF THE TWO HOUSES OVER THE MEMORIAL DAY HOLIDAY

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed to consideration of House Concurrent Resolution 105, the adjournment resolution.

The PRESIDING OFFICER. The clerk will report the concurrent resolution.

The bill clerk read as follows:

A concurrent resolution (H. Con. Res. 105) providing for an adjournment of the House from the legislative day of Thursday, May 27, 1993 to Tuesday, June 8, 1993, and an adjournment or recess of the Senate from Friday, May 28, 1993, until Monday, June 7, 1993.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky?

There being no objection, the Senate proceeded to consider the concurrent resolution.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution (H. Con. Res. 105) was agreed to, as follows:

H. CON. RES. 105

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on the legislative day of Thursday, May 27, 1993, it stand adjourned until noon on Tuesday, June 8, 1993, or until noon on the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution, whichever occurs first; and that when the Senate recesses or adjourns at the close of business on Friday, May 28, 1993, pursuant to a motion made by the majority leader, or his designee, in accordance with this resolution, it stand recessed or adjourned until noon, or until such time as may be specified by the majority leader or his designee in the motion to adjourn or recess, on Monday, June 7, 1993, or until noon on the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution, whichever occurs first.

SEC. 2. The Speaker of the House and the majority leader of the Senate, acting jointly after consultation with the minority leader of the House and the minority leader of the Senate, shall notify the Members of the House and the Senate, respectively, to reassemble whenever, in their opinion, the public interest shall warrant it.

Mr. FORD. Mr. President, I move to reconsider the vote.

Mr. McCONNELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CONGRESSIONAL SPENDING LIMIT AND ELECTION REFORM ACT OF 1993

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. The Senator from Florida is recognized.

AMENDMENT NO. 385 AND AMENDMENT NO. 386

Mr. GRAHAM. Mr. President, I ask unanimous consent that it be in order to request the yeas and nays on the two pending amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAHAM. Mr. President, I ask for the yeas and nays on each of the amendments.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Under the previous order, the question now occurs on amendment No. 385, offered by the Senator from Florida [Mr. GRAHAM].

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Montana [Mr. BAUCUS], the Senator from Nebraska [Mr. EXON], the Senator from Alabama [Mr. HEFLIN], and the Senator from Texas [Mr. KRUEGER] are necessarily absent.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. HELMS], the Senator from Arizona [Mr. McCAIN], the Senator from Alaska [Mr. MURKOWSKI], and the Senator from Pennsylvania [Mr. SPECTER] are necessarily absent.

I further announce that, if present and voting, the Senator from Alaska [Mr. MURKOWSKI] would vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 47, nays 45, as follows:

[Rollcall Vote No. 131 Leg.]

YEAS—47

Akaka
Biden
Bingaman
Boren
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Campbell
Conrad
Daschle
Dodd
Dorgan
Feingold
Feinstein
Glenn
Graham
Harkin
Johnston
Kennedy
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mathews
Metzenbaum
Mikulski
Mitchell
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pryor
Reid
Riegle
Robb
Rockefeller
Sarbanes
Sasser
Simon
Wellstone
Wofford

NAYS—45

Bennett
Bond
Brown
Burns
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
Danforth
DeConcini
Dole
Domenici
Durenberger
Faircloth
Ford
Gorton
Gramm
Grassley
Gregg
Hatch
Hatfield
Hollings
Inouye
Jeffords
Kassebaum
Kempthorne
Kerrey
Lott
Lugar
Mack
McConnell
Nickles
Packwood
Pressler
Roth
Shelby
Simpson
Smith
Stevens
Thurmond
Wallop
Warner

NOT VOTING—8

Baucus
Exon
Heflin
Helms
Krueger
McCain
Murkowski
Specter

So the amendment (No. 385) was agreed to.

Mr. GRAHAM. Mr. President, I move to reconsider the vote.

Mr. BOREN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

VOTE ON AMENDMENT NO. 386

The PRESIDING OFFICER. Under the previous order, the question now occurs on amendment No. 386. The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Montana [Mr. BAUCUS], the Senator from Nebraska [Mr. EXON], the Senator from Alabama [Mr. HEFLIN], and the Senator from Texas [Mr. KRUEGER] are necessarily absent.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. HELMS], the Senator from Arizona [Mr. MCCAIN], the Senator from Alaska [Mr. MURKOWSKI], and the Senator from Pennsylvania [Mr. SPECTER] are necessarily absent.

The PRESIDING OFFICER (Mr. HARKIN). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 42, nays 50, as follows:

[Rollcall Vote No. 132 Leg.]

YEAS—42

Biden
Bradley
Breaux
Brown
Bryan
Byrd
Cohen
Conrad
Daschle
DeConcini
Dorgan
Durenberger
Feingold
Feinstein
Ford
Gorton
Graham
Jeffords
Kennedy
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Mitchell
Moseley-Braun
Moynihan
Murray
Nickles
Nunn
Pell
Reid
Riegle
Robb
Rockefeller
Sarbanes
Simon
Warner
Wellstone
Wofford

NAYS—50

Akaka
Bennett
Bingaman
Bond
Boren
Boxer
Bumpers
Burns
Campbell
Chafee
Coats
Cochran
Coverdell
Craig
D'Amato
Danforth
Dodd
Dole
Domenici
Faircloth
Glenn
Gramm
Grassley
Gregg
Harkin
Hatch
Hatfield
Hollings
Inouye
Johnston
Kassebaum
Kempthorne
Kerrey
Lott
Lugar
Mack
Mathews
McConnell
Metzenbaum
Packwood
Pressler
Pryor
Roth
Sasser
Shelby
Simpson
Smith
Stevens
Thurmond
Wallop

NOT VOTING—8

Baucus
Exon
Heflin
Helms
Krueger
McCain
Murkowski
Specter

So the amendment (No. 386) was rejected.

Mr. MITCHELL. Mr. President, I move to reconsider the vote.

Mr. GRAHAM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MITCHELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, I ask unanimous consent to address the Senate as if in morning business for 7 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

POLITICIZATION OF THE FBI

Mr. GRASSLEY. Mr. President, the White House travel office fiasco is an ethical breach of major significance.

Out of the Watergate scandal, this country learned that the White House must scrupulously avoid political interference with the Justice Department.

At her confirmation hearings, Attorney General Reno assured the Senate Judiciary Committee that the Department's independence would be guarded. In the travel scandal, the White House on several occasions deliberately broke the Department's envelope of independence. First, before any audit occurred, a deputy White House counsel who is a former law partner of Hillary Rodham Clinton, called the Deputy Assistant Director of the FBI to voice concerns about the travel office.

Second, FBI personnel met with White House staff before the seven travel office employees were fired.

The third improper contact came when Clinton advisers summoned an FBI official to what they concede was a political damage control strategy session after news of the firings broke. The purpose of this meeting was to find a way to show that the firings were not the result of preplanned cronyism.

At this meeting, the White House blatantly used the FBI for political purposes. It asked the FBI to draft a statement to back up its claim that the employees were fired for possible criminal violations.

Its virtue already seriously compromised by this point, the FBI agreed. Thinking that the statement would be private, the FBI confirmed the pendency of a criminal investigation into the affairs of the travel office.

Normally, the FBI does not confirm the existence of a criminal investigation. Adding insult to injury, the White House used the FBI statement itself as damage control suggesting that suspected criminal activities formed the basis for the firings. I can only hope that the public release of the statement does not compromise the investigation of the travel office.

Mr. President, in the 1970's Congress passed legislation that was designed to ensure the independence of the FBI. The Director was given a fixed term. He could be fired only for cause. The White House's recent actions represent the most serious political interference with the FBI not only since that statute was enacted, but since Richard Nixon asked the FBI to back off from investigating Watergate.

It may be that in Little Rock, the standard practice when there is a political problem is to have a staff member call somebody to fix it. Since Watergate, we do not do business that way in Washington. There are established channels. There are strict separations. And there are the administrations's own rules.

Monday, Deputy Attorney General nominee Heymann provided a promised written policy on what contact would be allowed to take place between the White House and the Justice Department. The only people at Justice who could be contacted by the White House were the Attorney General, and Deputy and Associate Attorneys General. The ink on that policy was not even dry when the story broke of the Clinton administration's use of the FBI for political purposes. Perhaps we should insist on logging all calls between the White House and the Justice Department. Maybe we should say that only the President among White House officials shall be allowed to contact the Justice Department.

Equally disturbing is the role of Attorney General Reno in all this: No role at all. She was not informed that the White House asked the FBI to review the travel office.

She was not shown the statement that the White House drafted for the FBI. This following on the heels of the White House dealing with the FBI's handling of the Waco incident through Webb Hubbell, not through the Attorney General. At least in that situation, General Reno was allowed to hear one end of a telephone conversation. In this instance, she was completely bypassed. Who is running the Justice Department.

Attorney General Reno should appoint a special counsel to investigate. And the President must make a decision immediately on whether to retain Judge Sessions as head of the FBI. The report issued by the Office of Public Integrity was issued more than 4 months ago. Since then, the administration has been deliberately vague about its plans for Judge Sessions.

As a consequence, the Director and other FBI officials are in the position of acceding to administration requests in hopes of keeping their jobs. This situation makes the FBI at this time exceptionally susceptible to the political interference of the White House.

President Clinton must now make a decision. Either Judge Sessions must be publicly retained or a successor of the highest probity and competence must be named immediately. Perhaps given the administration's sorry record on dealing with the FBI to serve its own selfish purposes, Judge Sessions should be retained to avoid all appearances of improper influence.

Mr. President, President Clinton has been attacked for violating all sorts of campaign promises. The American people may conclude that changing circumstances justify changing position on some of these promises.

But the President's promise that this administration would hold itself to the highest ever ethical standards cannot be violated. The travel scandal shatters this administration's credibility on ethics. Over a period of 70 years, the

FBI has developed a sterling reputation. The use of the FBI as a good housekeeping seal of approval available for political damage control threatens to destroy all that. To paraphrase Judy Garland: President Clinton, I do not think you are in Arkansas any more.

I yield the floor.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The minority leader is recognized.

Mr. DOLE. Mr. President, I wonder if the majority leader would indicate what the program will be for tomorrow and what is the pending amendment.

Mr. MITCHELL. Mr. President, it is my understanding that the pending amendment is the Bingaman amendment. And I ask the Chair if that is correct.

The PRESIDING OFFICER. The majority leader is correct.

Mr. MITCHELL. Mr. President, I believe it is the manager's intention to ask Senator BINGAMAN to lay his amendment aside tomorrow.

Senator DECONCINI has indicated he would be prepared to offer an amendment, the subject of which I believe is lowering the spending caps in the bill.

Senator GRAHAM of Florida has indicated that he has two amendments that he is prepared to offer. I do not know the subject matter of those amendments. I inquire of the manager if he knows the subject matter of these amendments.

Mr. BOREN. Mr. President, the subject matter of one is the publication by States with Federal assistance of informational booklets about elections; the other is States that are certified to mandate the same provisions as the campaign finance reform bill. They would then be certified, and candidates from those States would be qualified for the lowest unit rate for broadcast, as Federal candidates would be qualified under the bill.

That is the subject matter of the two Graham amendments, and then the DeConcini amendment is already described.

Mr. DOLE. Mr. President, I wonder, are we going to rotate amendments or are the Democrats going to have all the amendments? We have today spent 3 hours and 23 minutes on the Kerry amendment, from 3:15 to 6:38; then from about 8 o'clock until after 10, we were on two Graham amendments.

I think there were two Republican amendments in there that were accepted in about 15 or 20 minutes.

Is there going to be one amendment there, or if there is objection to setting aside the Bingaman amendment, will that be disposed of?

Mr. MITCHELL. Mr. President, if I might respond, this is, of course, the fifth day we have been on the bill. Amendments were in order throughout the third, fourth, and fifth days, and any Senator, Republican or Democrat, has had 3 days during which to offer an amendment. If any have chosen not to do so, for reasons of their own, perhaps it was with respect to the preparation of the amendment.

There has been no desire or action on the part of the managers, to my knowledge, to preclude anyone from offering amendments. Further, I am advised that part of the period of time to which the distinguished Republican leader has just referred, we were asked to protect some Senators who were involved in interviews at the time. We did so, so that there would be no disruption to their schedules.

Mr. DOLE. Could we find out how long the majority leader will be in session tomorrow?

Mr. MITCHELL. Mr. President, over a month ago, I wrote to every Senator and stated that we would attempt to have no votes on Fridays after 3 p.m. I stated publicly on several occasions during this week that I expected that we would be in session with votes on Friday. And my expectation, my hope, is that we could complete action on the three amendments to which I have just referred in a very short period of time.

I believe Senator GRAMM indicated he would want no more than 30 minutes on his amendment, and Senator DECONCINI an hour.

If there are other amendments offered by Republican Senators, we would take a short period of time. My hope is we could complete action well prior to the 3 p.m. time which I previously stated both in writing and orally.

Mr. DOLE. We are not prepared to give any time agreement on any amendment. We are not prepared to set aside the Bingaman amendment. We will object to setting aside the Bingaman amendment.

Mr. MITCHELL. I thank the Senator for notifying me of that. Will the Senator be prepared then to permit the vote on the Bingaman amendment.

Mr. DOLE. No. The problem is, if the Bingaman amendment is accepted or adopted, we have an amendment on China MFN on this side, and we are trying to accommodate the Senator from Oklahoma by not getting into foreign policy amendments on this bill.

And the opponent of the Bingaman amendment, I can find out tomorrow morning what Senator HELMS wishes to do. I know he is not prepared to let the amendment go on a voice vote. There was some effort to work out some accommodation. That has not been done yet.

If that is adopted, then the Senator from Maine [Mr. COHEN] would like to offer an amendment on China MFN.

Mr. MITCHELL. So the Senator from Maine is certainly free to offer an amendment.

May I suggest to my colleague that perhaps after we dispose of the DeConcini amendment—we can get an understanding to dispose of the DeConcini and Graham amendments. Senator COHEN could offer his amendment, and anybody else could offer their amendments if they want.

That would appear to be the most sufficient use of our time to enable us to complete action on amendments that are relevant to the bill, and in a relatively short period of time, and then proceed to other matters.

May I inquire if that would be agreeable to the distinguished Republican leader?

Mr. DOLE. Let me check. There is a call in to Senator HELMS.

Mr. JEFFORDS addressed the Chair.

The PRESIDING OFFICER (Mr. ROCKEFELLER). The Senator from Vermont.

ORDER OF PROCEDURE

Mr. COATS. I ask unanimous consent to proceed for a period in morning business for not more than 20 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Vermont is recognized.

Mr. JEFFORDS. I thank the Chair.

(The remarks of Mr. JEFFORDS pertaining to the introduction of S. 1057 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. JEFFORDS. Mr. President, I appreciate the time, I realize it is late.

I yield the floor.

The PRESIDING OFFICER (Mr. MATHEWS). Who seeks recognition?

Mr. MITCHELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONGRESSIONAL SPENDING LIMIT AND ELECTION REFORM ACT OF 1993

The Senate continued with the consideration of the bill.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Wellstone amendment No. 368, which was previously agreed to, be further modified by striking lines 6 to 8 on page 4 of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

JOAN TURNER, DEDICATED CIVIL SERVANT

Mr. SHELBY. Mr. President, I would like to pay tribute today to an outstanding public servant, Mrs. Joan J. Turner.

Mrs. Turner is retiring in June after a 40-year tenure with the Department of Defense. Mrs. Turner began her professional life with the military in 1953 at the Department of the Navy. Her career has been marked by an exemplary work record—a record that has been recognized time and time again by her employer, as is evidenced by the numerous awards and citations which bear her name. Mrs. Turner is also a recipient of the prestigious Exceptional Civilian Service Award, which, as its name suggests, salutes those individuals whose dedication and commitment make them invaluable in the workplace.

Perhaps one of Mrs. Turner's most outstanding accomplishments is the rank she achieved in the Defense Investigative Service. Joan Turner, as regional director for the Southeast, monitors the security practices and programs of defense contractors in Alabama and eight other Southern States. It is Joan Turner's responsibility to make certain that companies working on classified Government contracts are adhering to the regulations and requirements that protect such highly sensitive information. In this capacity, she has helped numerous companies prevent inadvertent breaches of security. Her work has helped to keep this country a safer place. In addition, as one of the highest ranking women in the Defense Investigative Service, Joan Turner has become a role model for young women who want to build a career with the Government.

Joan Turner's professional accomplishments are many. But her dedication and her commitment can just as easily be found in her roles as wife, mother, and grandmother.

On June 1, 1993, this inspiring career comes to an end. And while this is a sad day for the many people who work with and count on Joan at the Defense Investigative Service and for the many friends she has made during her 40 years with the Government, it is also a happy day. I know I join Joan's friends and family in urging her to sit back, for once, and relax. A lifetime of hard work has its rewards and Joan Turner has certainly earned them.

Mrs. Turner will always have the grateful thanks and recognition of her country for a job well done.

IRRESPONSIBLE CONGRESS? HERE IS TODAY'S BOXSCORE

Mr. HELMS. Mr. President, as anyone even remotely familiar with the U.S. Constitution knows, no President can spend a dime of Federal tax money that has not first been approved by Congress, both the House of Representatives and the U.S. Senate.

So when you hear a politician or an editor or a commentator declared that "Reagan ran up the Federal debt" or that "Bush ran it up," bear in mind that it was, and is, the Constitutional duty of Congress to control Federal spending. Congress has failed miserably for about 50 years.

The fiscal irresponsibility of Congress has created a Federal debt which stood at $4,289,997,991,055.52 as of the close of business on Tuesday, May 25. Averaged out, every man, woman, and child in America owes a share of this massive debt, and that per capita share in $16,701.76.

RESPONDING TO EMERGENCY AIRCRAFT LANDING

Mr. MURKOWSKI. Mr. President, today I rise to congratulate and commend the men and women of the Air Force, Navy, Army, and Coast Guard who responded to an in-flight emergency suffered by China Eastern Airlines flight 563—and MD-11 airliner en route to Los Angeles over the North Pacific.

The emergency occurred when the unintended deployment of the aircraft's leading edge wing slats forced the aircraft into a series of three rapid descents. Passengers who were not wearing seatbelts were alternatively slammed against the ceiling and floor as the pilot fought to regain control.

Sadly, 157 passengers were injured in that emergency—two fatally. But the situation would have been far worse if not for the efforts of the Alaskan military and Coast Guard forces who responded with an exceptional degree of skill and resourcefulness in evacuating and caring for the critically wounded.

Imagine yourself as the only doctor on a remote Air Force Base in the Aleutian Islands, being awakened in the middle of the night to be told that a stricken airliner carrying more than 260 people—with many injured—was inbound for an emergency landing. This was the situation faced by Capt. Laura Towne and her staff of three medical technicians on the morning of April 6. It was to turn out to be a very long day.

One of the best descriptions of the events as they unfolded that day on Shemya were contained in an article in the April 23 issue of the Sourdough Sentinel. I ask unanimous consent that the article be inserted at this point in my statement.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SHEMYA AFB, COMMUNITY RESPONDS TO EMERGENCY AIRCRAFT LANDING

(By TSgt. Kenneth A. Slininger and Sgt. William E. Adams)

(EDITOR'S NOTE: Shemya AFB handled the evacuation of more than 155 injured passengers from a China Eastern airliner that made an emergency landing there April 6. The injured were medevaced by the island community to Elmendorf, where they were received and went onto local hospitals for treatment. While Elmendorf received extensive local media coverage of their part in the evacuation, Shemya received little. The *Sourdough Sentinel* takes this opportunity to present the story of how a remote base nicknamed "the rock" some 1,500 miles out in the Bering Sea, awoke in the middle of the night to handle a mass casualty situation out of proportion to the small base's facilities. Here is their story.)

The air traffic control tower at Shemya is usually a quiet place around two in the morning. But on April 6, the tower became a hub of what was to become a very busy day.

At 1:46 a.m. MSgt. Paul Arbogast overheard a conversation between Honolulu and Anchorage air controllers about an aircraft with problems. The chief control tower operator said the decision was made quickly to divert the Los Angeles bound MD-11 China Eastern Flight 563 to Shemya. The airliner declared an inflight emergency at 1:57 a.m. and reported 30 injured and one seriously injured of the more than 260 people on board. It was reported the airliner had experienced severe turbulence.

From that point on, the isolated island community near the end of the Aleutian Island chain rapidly moved into action. Sgt. James R. Shelton at the fire department communications center was one of the first to be notified of the emergency by the control tower. He immediately put the fire department into motion by advising his acting fire chief, MSgt. Charles L. Wheeler, who in turn started a recall of all base firefighters.

Within a half an hour, the entire base was mobilized and preparing to receive the injured and passengers, many of whom could speak little or no English. Col. David E. Storey, 673rd Air Base Group commander at Shemya directed notification of Elmendorf's command post and Adak Naval Station for the possibility of medical evacuation and assistance.

The island's only doctor, Capt. Laura Towne, and three medical technicians, TSgt. Rene Lyles and Staff Sergeants Carl Harvey and Donna Nix swiftly set up a small medical aid station equipped with one critical care room and another three rooms for the 30 reported injuries.

When the Chinese airliner was on final approach, air traffic controller TSgt. Mario Ricoma recalled his attempts to get information on the plane's and passenger's condition from the pilot, "He wouldn't give us a real idea of the problem, we tried to find out if the plane was damaged and what type of injuries the passengers had, he just wanted to get on the ground."

Once the airliner safely touched down at 3:29 a.m., Shemya's medical, fire department and security people boarded the plane to evaluate the situation. "It was a shock to see the inside after seeing the outside, it got worse as we went further into the back," said Sgt. Greg Caldwell, the first firefighter to enter the plane.

"The people started to clap and cheer when we first entered the plane," added rescue crew chief Sgt. Robert Shipman.

Doctor Towne started immediate triage of the passengers and had those without injuries removed from the plane, so there was more room to work on the injuries.

The overall evacuation of passengers took three hours due to the severe destruction of the cabin area, closeness of seating and the discovery of five times more injured than first reported. "People were all over the place, in the aisles, wedged between seats. I'd never seen anything like it," said Lyles.

"Everything we had been trained to do (as medical technicians) was put to use in one way or another," said Nix.

Once the injured had been readied for transportation by Shemya's medical team and fire department, they were moved to hangar 6. Owned by Det. 1, 55th Operations Group, an Air Combat Command tenant unit, the hangar was hastily prepared for triaging and passenger comfort.

After finding more than 155 injured people and one fatality, Colonel Storey asked for medical and transportation help from the Adak NAS commander, Capt. E.A. Caldwell, less than a half an hour after the airliner's landing. The Navy dispatched a P-3 aircraft with three doctors, several medical technicians and much needed medical supplies.

Meanwhile, back on the island, Det. 1, 55th OG, commanded by Lt. Col. Richard L. Wilson, was asked to do many tasks. "They quickly improvised, cutting backboards out of plywood and using light stands for I.V. stands. Their quick ideas really made us work well together," said Lt. Col. John G. Bunch, deputy base commander.

By the time the Navy P-3 from Adak landed, just before 7 a.m., all the injured had been removed from the Chinese airliner and triaged. The Navy medical team was immediately put to work augmenting Shemya's small team of medical staff and fire department emergency medical technicians. With most of the base helping and volunteering, in almost every aspect, most of the island's people saw and felt the magnitude of the incident. "I thought it was an exercise until I walked into the hangar," said Sgt. Michelle Medrow from the precision measurement equipment lab.

"A lot of people think self-aid and buddy care are a waste of time, but after 16 years of military service I'm glad I learned it," commented MSgt. Joe Peace, chief of the test measurement diagnostic equipment section. "It felt real good to be able to help and use what I learned."

The fuels people safely and expeditiously provided services to the Navy, Coast Guard and Air Force aircraft, and helped with patients whenever possible. "We had fuel trucks waiting for each aircraft that came in. Everything was going like clockwork," said fuels NCOIC TSgt. Bob Fruth.

"It looked like a MASH unit inside the hangar. I gained a lot of respect for Dr. Towne, the 'med techs' and fire department," said TSgt. Todd Miller, base supply NCOIC.

SSgt. Steve Beistline, NCOIC of equipment management said everyone just jumped in and did what needed to be done. SSgt. Walter Edwards Jr., added "I was impressed with everyone's attitude of 'what can I do to help?'"

While all the injured were being tended to, the morale and welfare people transformed the gym into a possible 'mini hotel' to accommodate anyone who would have to stay overnight. Communications people set up extra phone lines so the passengers could call their families and loved ones. "After we set up the lines it was difficult (making calls), but after we talked to the Alascom operators and explained the problems they helped us out immediately," said SSgt. Johnny R. Batton, NCOIC, outside plant telephone maintenance.

MWR people and volunteers helped the dining facility staff, "We had to prepare extra food and send more than 350 box lunches to the triage hangar. Without the MWR and volunteers that helped us, we couldn't have had things go so smooth," said TSgt. Earnest Gatewood, shift supervisor.

Simple support like a smile or cup of juice were invaluable. "They were so polite and nice" said MSgt. Sandra Courshon, acting chief of supply. "I was especially glad when one of the ladies spoke the words 'American Air Force so kind' I could have helped for another 24 hours."

The first aircraft to leave with patients was a Det. 1, 55th OG RC-135 assigned to Offut AFB, Neb. It left the island at 8:24 a.m. with 27 critically injured patients. On board were three Det. 1, EMT qualified crew members, two firefighter EMTs, three Adak medical people, and a base switchboard operator to help with the injured. The crew provided continuous care of the patients on their 1,500 mile journey to Elmendorf.

Additionally, a Coast Guard C-130 from Sacramento, temporarily on station, and a Navy C-130 from Adak also took patients to Elmendorf. Each carried some of Shemya's people and Adak's medical people. The last plane to leave Shemya with patients was a C-141 out of McChord AFB, Wash., which was sent from Elmendorf earlier that day.

Once at Elmendorf, the patients were transferred to the base hospital and hospitals in Anchorage. No additional fatalities occurred en route.

The whole evacuation took more than 12 hours after flight 583 had landed and 157 patients were triaged. "We had tremendous support from everybody, a one-hundred percent effort from the whole base," said Bunch.

Mr. MURKOWSKI. Mr. President, literally hundreds of men and women participated in the efforts described in the article I just inserted in the RECORD. If they had not responded so quickly and professionally, many more of the critically injured might have died.

While I cannot give due recognition to the hundreds of individuals who participated in this effort, I would like to recognize and commend the units that made significant contributions:

From Shemya Air Force Base, recently renamed Eareckson Air Force Station in the Aleutians: 673d Air Base Group, and 55th Strategic Wing.

From Elmendorf Air Force Base, AK: Headquarters, 11th Air Force, 3d Wing Staff, 3d Operations Group, 3d Logistics Group, 3d Support Group, 3d Medical Center, and 11th Air Control Wing.

From Adak Naval Air Station, AK: Branch hospital, Adak Operations Department, and Patrol Squadron 40, on rotation from Moffett Field NAS, CA.

From McChord Air Force Base, WA: 62d Airlift Wing.

From Fort Richardson, AK: 106th Military Intelligence Battalion.

And, of course, from Coast Guard elements in Alaska: 17th Coast Guard District Command Center, Juneau, Coast Guard Air Station, Kodiak.

Mr. President, all of those who serve in these units played a role in the response to this emergency. They each deserve our thanks for a job well done.

CHILDREN WITH DISABILITIES AND FEDERAL SCHOOL MEAL PROGRAMS

Mr. DOLE. Mr. President, 2 years ago this month I spoke on the Senate floor about the difficulties many children with disabilities face in participating in our school meal programs. Fortunately, somebody was listening. Today there is a renewed effort underway around the country to make the national school lunch and breakfast programs accessible to children who, because of a disability or chronic illness, are unable to eat what is on the regular menu. I want to take this opportunity to highlight some of the activities that are going on and some additional steps that should be taken.

In my earlier remarks, I noted that while many schools have done a great job of accommodating children with disabilities, others did not know about or failed to comply with Federal requirements on modifying meals. Examples of such modifications include substituting foods for a child with diabetes, or modifying a food's texture for a child with cerebral palsy who has trouble chewing and swallowing. Denying children with disabilities access to modified meals can jeopardize their health, separate them from their peers, and, if they are low-income, place financial burdens on their families.

In response to my comments, the Food and Nutrition Service of the U.S. Department of Agriculture, which administers school meal programs at the Federal level, undertook a number of steps to increase awareness of these requirements. They revised the model letter sent to households at the beginning of the school year to include information on the availability of modified meals for children with disabilities. They also contacted States to reiterate their responsibility to ensure that schools receive the guidance and training necessary to accommodate these children.

As a result, there have been numerous workshops planned or held around the country at the regional, State, and local levels focusing on adapting school meals for special needs children. I was privileged to participate in a national workshop on feeding special needs children sponsored in Kansas City last fall by the National Food Service Management Institute, which I want to commend for taking such an active role on this issue. Efforts are being made in States and communities to link school food service operators with other service providers dealing with children with disabilities. Finally, FNS has established a best-practice award for accommodating special needs children and at the regional level is helping support the creation of state-of-the-art training materials for school personnel.

I deeply appreciated the previous administration's responsiveness to my concerns about the accessibility of school meals, and I am pleased that Secretary Espy has stated that he also considers this issue a priority. The reauthorization of the child nutrition programs in 1994 will provide an opportunity to see how much progress has been made in serving these children and to determine how best we can help school food service workers get the tools they require to provide the necessary accommodations. In the meantime, I urge USDA to move as quickly as possible to issue its updated policy instruction and guidance on serving special-needs children. School food service employees need this information to help ensure that they are in compliance with Federal disability laws and child nutrition program regulations. I also encourage USDA to make sure that the training materials it is involved in producing are made as widely available as possible.

Mr. President, Congress established the National School Lunch Program to serve the nutrition needs of all the Nation's schoolchildren. We are not truly fulfilling this goal unless children with disabilities, too, can participate.

CREATING A WINNING STRATEGY FOR THE WAR ON DRUGS

Mr. MCCAIN. Mr. President, it is all too easy to talk of a war on drugs, involve our military in an antidrug program, pour billions in to the effort, and then disguise a lack of success with reassuring rhetoric. Wars, however, are not political games, they are not exercises in political imagery, and they cannot be won with rhetoric or false measures of success.

I believe that there is a good reason to talk about a war on drugs. It is our children, our disadvantaged, our cities, and our way of life. It is the damage the drug trade does to every American, and to his or her hopes and security. It is the damage that our drug trade does to other nations, particularly Latin America, Asia, and the Middle East.

We cannot stand by and accept defeat or failure. We cannot afford to throw words and money at the problem and simply walk away. This is why I believe we must bring a new strategy and a new honesty to the war on drugs. It is why I believe we must honestly acknowledge that our current effort is not working, wastes taxpayer dollars, and fails to concentrate its efforts and resources where there is a real threat.

I have had my staff investigating the current trends in the war on drugs for over a year. The result has been deeply disturbing. Time and again, it has been clear that no real effort has taken place to gather critical data, to verify the data now used, or to establish overall priorities. Time and again, people have talked about success when, in fact, the cumulative effect of all efforts to seize and interdict smuggled drugs have not reduced supply on the street, or led to higher drug prices.

USING FALSE MEASURE OF SUCCESS

The measures of success that are being made public have virtually no practical meaning. For example efforts to assist seizures are measured in terms of the amount of drugs seized, with no effort to relate such data to the percentage of total drugs that get through, or to whether the seizures have any meaningful impact on the main smuggling networks.

Constant reference is made to the street price of drugs. This seems to be impressive to those in the media who have never bothered to consider the meaning of such data, but law enforcement officers who exaggerate the importance of their seizures by describing the value of their seizures in street prices are indulging in little more than publicity stunts. Smugglers do not pay street prices. They do not measure losses in street prices. In most cases, the major smugglers have paid just a small fraction of the so-called street price for the drugs that are seized, and see such losses as a minor cost of doing business.

Another equally meaningless measure of capability is to report the number of detections, arrests, or intercepts, with no attempt to relate this to the number of successful crossings or actual convictions, or whether such actions have any real effect on the flow of drugs.

Finally, we see references to surveys that indicate a decline in the number of users, and a growing opposition to the use of drugs, but that fail to define the validity of the questions and sampling method, the size of the sample involved, and other key factors that define whether the results are accurate and representative of the problem.

We are, effectively, using only those measures which imply success. Rather than measure the actual cost-effectiveness of our actions, we are using rhetoric and feel-good briefings and analysis. The end result is a war on drugs which bears a disturbing resemblance to the pacification campaign in Vietnam, and to the "Southeast Asia Data Base" the Department used during that conflict. We are winning a war on paper that we are losing on the streets.

SETTING MEANINGFUL GOALS FOR THE USE OF THE MILITARY

These problems are particularly apparent in our use of the military and technology to halt the flow of drugs into the United States. We need to reexamine our current objectives, the methods we use, and our measures of success.

We cannot win a war on drugs if our efforts do not have a material effect on both the supply and demand sides of the equation—on the flow of drugs into the United States, the price of drugs, and the key cartels producing and smuggling them. If our military efforts do not contribute to some coordinated plan toward this end, with tangible measures of success, they are a failure. We simply are not focused on the real threat: smuggling across the land portions of the southwest border.

Let me put this threat in its proper perspective. In a recent letter I received from the Acting Drug Coordinator of the Department of Defense, I was informed that, "70 percent of the South American cocaine entering the U.S. comes across the southwest border," and that "the level of smuggling across the Southwest border by general aviation aircraft is considered low and is not expected to significantly increase in the near future."

The staffs of the El Paso Intelligence Center [EPIC] and Joint Task Force 6 [JTF-6] confirm the estimate of the Acting Drug Coordinator of the Department of Defense that an extremely high percentage of this traffic moves across the Mexican border at regular points of entry by commercial truck, trailer, and privately owned vehicle.

Most of the current military and law enforcement effort has no real impact on this aspect of the flow of drugs into the United States. We have had various estimates of how much of the cocaine traffic crosses our borders without detection, but most range from 90 to 95 percent, and virtually all experts seem to agree that the loss rate is so low that smugglers see it as little more than normal overhead. In fact, this interception rate seems to produce a lower loss rate to the smuggler than the shoplifting losses affecting many downtown retail stores.

Military and law enforcement activities do seem to be somewhat more successful in reducing the flow of drugs into Mexico from South America, and may be slightly more effective in trying to reduce the amount of drugs grown in Latin America. The data we have been provided on such efforts, however, are impressionistic and contradictory and people working in the field seem significantly less optimistic than people working here in Washington. This is another area where rigorous independent analysis and auditing is necessary to determine the true state of effectiveness.

DRIVING DRUGS ACROSS THE SOUTHWEST BORDERS

There are also growing indications that the net effect of the military war on drugs to date may well have been to shift the flow of drugs to channel even more narcotics across the land borders of Arizona, California, New Mexico, and Texas.

The U.S. Navy, other military services, Coast Guard, and Customs have been unable to address the problem of container vessels—which now enter the United States without any effective search procedures. At the same time, they do seem to have reduced the flow of small craft from South America and through the Caribbean. The same is true, to a lesser extent, of small craft movement by sea through the Pacific.

Unfortunately, this military activity has not reduced the flow of drugs into the United States, it has only moved it. While the data involved are ambiguous, the Acting Drug Coordinator of the Department of Defense stated in his letter to me that, "* * * the increased aerial and maritime pressure applied by law enforcement in the Carribean, with assistance provided by military assets, was perceived to be responsible for an expansion in the usage of drug smuggling routes across the Southwest border. * * *" In effect, we have spent a great deal to make drug smugglers change their behavior, rather than reduce their success.

The air interdiction effort has had similar problems. It has had no effect on commercial aircraft or large business jets, and the Department of Defense still believes that the law enforcement community currently assess the noncommercial air and maritime threat to be increasing. At the same time, the air interdiction effort has acted to channel smugglers into using small aircraft to land at various points in Mexico and into supplying Mexican smuggling networks that cross the land borders.

Ironically, many DEA officials believe that the air surveillance effort has actually made the major drug smugglers more efficient. Not overflying U.S. borders has allowed them to use more payload for drugs because they do not need to carry fuel on board, has reduced aircraft losses due to interdiction and exhaustion, and has reduced the loss rate of pilots.

It is difficult to be certain about these trends because neither the Office of National Drug Control Policy [ONDCP] nor the Office of the Secretary of Defense seems to have analyzed such trends in any systematic or quantifiable form, and no Federal agency or organization seems to have a meaningful analytic capability to look at the overall effects of its efforts.

Each of the individual law enforcement agencies, joint task forces, and commands seems to be left to carry out its mission of supporting individual law enforcement efforts in isolation. As a result, insufficient effort seems to be made to seriously and objectively study the extent to which we are really reducing cultivation in Latin America, the flow of drugs into Mexico, or the overall patterns of drug movement and extent to which the flow is being channeled across the Southwest border.

We have been unable to even get answers to relatively simple questions about key parts of the war on drugs. The Air Force, for example, is now supporting the U.S. Customs aerostat effort. No one in the Department, however, is charged with looking at what the aerostats actually accomplish. It is clear that many of the aerostats are down so often that they leave prolonged and predictable gaps in their coverage. It is clear that all of the aerostats are often down for several days at a time, that these down times are often announced over local radio, that they can easily be seen from the ground, and that active aerostats can be easily detected with commercial radar detectors. Further, it is clear from discussions at EPIC and JTF–6 that the aerostats in Arizona have significant and well-known low altitude gaps in their coverage.

The tradeoffs between these disadvantages and the potential advantages gained from deterring some small aircraft and detecting others as they land in Mexico never seems to have been examined in any analytic way. There also seems to be insufficient effort to develop an overall strategy of air interdiction between the use of aircraft and aerostats or to examine the tradeoffs between funding the aerostats and funding improved coverage of the land borders.

In fact, ONDCP seems to lack the ability to show whether or not its overall effort, regardless of what it may do for the rest of the country, has acted to increase the net threat to the State of Arizona.

PUTTING RESOURCES WHERE THE PROBLEM IS

We cannot go on this way. We need to put our resources where the problem is—particularly when we use high-cost assets like those operated by the military.

There may be no effective solution to the use of the military in dealing with key threats—in which case, we should reprogram a major amount of the money now spent to deal with domestic law enforcement and drug treatment within the United States. It is striking, however, that JTF–6 seems to have had remarkably little support in dealing with the land border issue.

Last year, I found that the Department of Defense had made decisions which sharply reduced the Department's ability to use many of its surveillance assets to deal with land threats. It was only after pressure on the Department and legislation in last year's Defense Authorization Act that this situation was changed.

Major problems, however, still remain. The Department has never presented a clear plan to the Congress to make use of its capabilities to secure the land borders. It is still constraining JTF–6 with unrealistic rules of engagement, and its technology effort ignores the most serious single method of cocaine smuggling.

To begin with, it is clear that a serious and coordinated effort needs to be made to examine what can be done to improve surveillance and interdiction of the border outside legal points of entry. It is not clear whether some kind of fence, sensor system, improved check point system, or improved rear area surveillance is needed. What is clear is that simply providing military support to meet the uncoordinated efforts of individual law enforcement agencies is not cost-effective.

Second, a comprehensive reexamination is needed of the present policies, rules, law, and regulations affecting JTF–6. This examination should involve:

The lack of any effective cooperation between JTF–6 and Mexican law enforcement officials.

An all-source review of JTF–6's access to intelligence sensor systems and ability to use them.

Immediate reevaluation of the present rules that (a) JTF–6 can only assist in efforts where there is a detection of the actual movement of drugs across the border, (b) the present constraint that monitoring and communications of movement can only be executed if activity occurs within 25 miles of the border (land) and without 25 miles of and outside the United States (air), and (c) implementation options to broaden the use of air/ground, and water operations throughout the southwest border States without infringing on the limits placed by posse comitas.

Third, a comprehensive and immediate reexamination is needed of the southwest border technology program to determine why it does not contain a significant effort to develop technologies like high energy x rays and pulsed fast neutron scanning that can aid in the nonintrusive search of trucks, trailers, and privately owned vehicles at crossing points and check points.

Experts seem to agree that the inability to rapidly search commercial and private vehicles for drugs, or to search even 5 percent of the vehicles involved, makes other land and air interdiction efforts almost pointless. At this point, however, efforts to use nonintrusive search technology are not properly integrated into the technology plan.

ARPA is some 6 months behind schedule in funding key parts of the development effort, and no effort has been made to use the test facility being built at Tacoma to examine the search of tractor trailers and privately owned vehicles in addition to the containers used on ships.

Fourth, a comprehensive reexamination of the Department's budget priorities is needed to examine the weight of effort assigned to the southwest border. It is axiomatic that military resources should be put where the threat is. Unfortunately, the current allocation of resources seems to be based on putting them where the forces are. This seems to be another major factor in contributing to the funnel effect that is causing increased drug traffic across the Southwest border.

I believe that ONDCP needs to join the Department of Defense in this effort, and broaden it to include the Federal law enforcement agencies and intelligence effort as well. We need to firmly recognize that we accomplish nothing if we can only deter or arrest small-scale smuggling efforts; if we cannot solve the problems posed by container vessels, commercial aircraft, commercial and privately owned vehicles; and if we cannot bring a halt to the near sanctuary status Mexico offers smugglers in the Southwest border area.

SEEKING VICTORY, NOT CLAIMS OF VICTORY

I have written the Director of National Drug Control Policy and the Secretary of Defense, asking them for a formal response to the issues I have just raised, and with specific proposals to reshape our technology effort to provide meaningful coverage of the Southwest border. I sincerely hope that the result will be a recognition that we have institutionalized the wrong approach to the problem, put resources into the wrong mission priorities, and used the wrong measures of effectiveness.

Ideally, the result will be new plans of action and a new honesty about the effectiveness of what we have done to date. If not, I ask all of my colleagues to join me in an effort to get at the real facts, challenge the prevailing approach, and put us on the right track. Anyone can claim victory and do so at the taxpayer's expense. We need real victories that protect both our citizens and the taxpayer's dollar.

Mr. President, I respectfully request that the letters I have sent to the Director of ONDCP and Secretary Aspin be entered into the RECORD at the end of my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, May 5, 1993.

Hon. LES ASPIN,
Secretary of Defense, The Pentagon, Washington, DC.

DEAR SECRETARY ASPIN: As you begin to conduct your "bottom up" review of our future force posture and strategic needs, I believe that it is imperative to consider a fundamentally different approach to the use of the military in the war on drugs, with the goal of fully integrating the military effort into a national effort which produces meaningful results in terms of reduced supply on the street, and higher drug prices.

As you know, the amount the Department of Defense is expending on the war on drugs has grown to over one billion dollars, largely as a result of reallocating military capabilities and resources to support the demands of law enforcement agencies. Unfortunately, there has not been any meaningful attempt to measure the effectiveness of the military in the process. At best, there are anecdotal statements or broad surveys from federal, state, and local law enforcement agencies that indicate they find the military support useful in meeting the needs of dozens of uncoordinated law enforcement efforts.

Some might argue that there are quantifiable measures of effectiveness, but these have virtually no practical meaning. Efforts to assist seizures are measured in terms of the amount of drugs seized, with no effort to relate such data to impacts on street supply or the total flow of drugs; to the street price of drugs, which is often an order of magnitude higher than the price to the smuggler, or to the number of detections or intercepts, with no attempt to relate this to the estimated number of successful crossings or actual convictions.

We are, effectively, using only those measures which imply success. Rather than measure the actual cost-effectiveness of our actions, we are using rhetoric and "feel good" briefings and analysis. The end result is a war on drugs which bears a disturbing resemblance to the pacification campaign in Vietnam, and to the "Southeast Asia Data Base" the Department used during that conflict. We are winning the war on paper that we are losing on the streets.

I do not believe that the Department's efforts are any more uncoordinated, or that the reporting is any more unrealistic, than the efforts of ONDCP. I would be the first to admit that many members of Congress make claims about the success of programs they have sponsored that cannot be sustained by the facts. However, I believe that you have a unique opportunity to redirect the Department's efforts, to give them new direction and methods of measuring their effectiveness, and to resolve a problem that threatens my state, the Southwest border area, and the nation.

SETTING MEANINGFUL GOALS FOR THE USE OF THE MILITARY

The first step in restructuring the Department of Defense effort in the war on drugs is to reexamine the objective, the methods used, and the measures of success.

We cannot "win" a war on drugs if our efforts do not have a material effect on both the supply and demand sides of the equation—on the flow of drugs into the U.S., the price of drugs, and the key cartels producing and smuggling them. If our military efforts do not contribute to some coordinated plan towards this end, with tangible measures of success, they are a failure.

It can be argued that some efforts are valuable regardless of whether we are winning or losing because they deter smuggling and an even grater supply of cheap drugs on the street. Even these arguments, however, must be related to an overall campaign plan, and detailed comparisons of cost-effectiveness.

We do not come close to meeting any of these tests today.

DEALING WITH THE REAL PROBLEMS

The second step in restructuring the Department of Defense effort in the war on drugs is to honestly address the fact that most of this effort has no real impact on the key targets that dominate the flow of drugs into the United States.

I and my staff have been repeatedly informed by the El Paso Intelligence Center, Customs, and the various Joint Task Forces that the primary methods of cocaine and heroin smuggling are container vessels and vehicle traffic across the southwest border—most of which consist of commercial trucks and privately owned vehicles. In fact, I have received letters from the Department stating that more than 70% of the cocaine entering into the U.S. moves by land across the southwestern border.

At present, the military effort does virtually nothing to deal with these threats—container vessels, vehicles crossing at legal points of entry, or commercial vehicles. These threats, which dominate the drug trade, are now being addressed by Customs, DEA, and the Border Patrol.

The most the military can do is to try to reduce the amount of drugs grown in Latin America—an effort which so far seems to be doing little more than shift areas of cultivation; help Mexico deal with transhipments from South America, and reduce the flow of small ships and private aircraft into the U.S. If we cannot use the military to attack the main sources of drugs, then we will inevitably fail.

DRIVING DRUGS ACROSS THE SOUTHWEST BORDERS

The third aspect is to recognize that the net effect of the Department's efforts to date may well have been to shift the flow of drugs to channel even more narcotics across the land borders of Arizona, California, New Mexico, and Texas.

The U.S. Navy and other military services may have been unable to address the problem of container vessels, but they do seem to have reduced the flow of small craft from South America and through the Caribbean. The same is true, to a lesser extent, of movement by sea through the Pacific. While the data involved are ambiguous, part of this flow seems to have been rechanneled to move through Mexico, and across the land borders.

Similarly, the air interdiction effort also acts to channel smugglers into using small aircraft to land at various points in Mexico and into supplying Mexican smuggling networks that cross the land borders. Ironically, many DEA officials believe that this has made the smugglers more efficient. Not overflying U.S. borders has allowed them to use more payload for drugs because they do not need to carry fuel on board, has reduced aircraft losses due to interdiction and exhaustion, and has reduced the loss rate of pilots.

We have never had a satisfactory answer to our questions on this issue from either OSD or ONDCP, but the Department seems to have no overall analytic capability to look at these effects of its efforts. Each of the individual Joint Task Forces and commands seems to be left to carry out its mission of supporting individual law enforcement efforts in isolation. As a result, no effort is being made to seriously study the extent to which the Department is really affecting cultivation in Latin America, the flow of drugs into Mexico, or the overall patterns of drug movement and extent to which the flow is being channeled across the southwest border.

We have been unable to even get answers to relatively simple questions about key parts of this effort. The Air Force, for example, is now supporting the U.S. Customs aerostat effort. No one in the Department, however, is charged with looking at what the aerostats actually accomplish. It is clear that many of the aerostats are down so often that they leave prolonged and predictable gaps in their coverage. It is clear that all of the aerostats are often down for several days at a time, that these down times are often announced over local radio, that they can easily be seen from the ground, and that active aerostats can be easily detected with commercial radar detectors. Further, it is clear from discussions at EPIC and JTF-6 that the aerostats in Arizona have significant and well known low altitude gaps in their coverage.

The trade-offs between these disadvantages and the potential advantages gained from deterring some small aircraft and detecting others as they land in Mexico never seem to have been examined in any analytic way. There also seems to be no effort to develop an overall strategy of air interdiction between the use of aircraft and aerostats or to examine the trade-offs between funding the aerostats and funding improved coverage of the land borders.

In fact, the Department seems to lack the ability to show whether or not its overall effort, regardless of what it may do for the rest of the country, has acted to increase the net threat to the state of Arizona.

PUTTING RESOURCES WHERE THE PROBLEM IS

Fourth, we need to put our resources where the problem is. There may be no effective solution to the use of the military in dealing with key threats—in which case, we should reprogram a major amount of the money now spent to deal with domestic law enforcement and drug treatment within the U.S. It is striking, however, that JTF-6 seems to have had remarkably little support in dealing with the land border issue.

Last year, I found that the Department had made decisions which sharply reduced the Department's ability to use many of its surveillance assets to deal with land threats. It was only after pressure on the Department and legislation in last year's Defense Authorization Act that this situation was changed.

Major problems, however, still remain. The Department has never presented a clear plan to the Congress to make use of its capabilities to secure the land borders. It is still constraining JTF-6 with unrealistic rules of engagement, and its technology effort ignores the most serious single method of cocaine smuggling.

To begin with, it is clear that a serious and coordinated effort needs to be made to examine what can be done to improve surveillance and interdiction of the border outside legal points of entry. It is not clear whether some kind of fence, sensor system, improved check point system, or improved rear area surveillance is needed. What is clear is that simply providing military support to meet the uncoordinated efforts of individual law enforcement agencies is not cost-effective.

Second, a comprehensive reexamination is needed of the present policies, rules, law, and regulations affecting JTF-6. This examination should involve:

The lack of any effective cooperation between JTF-6 and Mexican law enforcement officials.

An all-source review of JTF-6's access to intelligence sensor systems and ability to use them.

Immediate reevaluation of the present rules that (a) JTF-6 can only assist in efforts where there is a detection of the actual movement of drugs across the border, (b) the present constraint that monitoring and communications of movement can only be executed if activity occurs within 25 miles of the border (land) and without 25 miles of land outside the U.S. (air), and (c) implementation options to broaden the use of air, ground, air/ground, and water operations throughout the southwest border states without infringing on the limits place by posse comitas.

Third, a comprehensive and immediate reexamination is needed of the southwest border technology program to determine why it does not contain a significant effort to develop technologies like high energy X-rays and pulsed fast neutron scanning that can aid in the non-intrusive search of trucks, trailers, and privately owned vehicles at crossing points and check points.

Experts seem to agree that the inability to rapidly search commercial and private vehicles for drugs, or to search even 5% of the vehicles involved, makes other land and air interdiction efforts almost pointless. At this point, however, efforts to use non-intrusive search technology are not properly integrated into the technology plan.

Advanced Research Projects Agency is some six months behind schedule in funding key parts of the development effort, and no effort has been made to use the test facility being built at Tacoma to examine the search of tractor trailers and privately owned vehicles in addition to the containers used on ships.

Fourth, a comprehensive reexamination of the Department's budget priorities is needed to examine the weight of effort assigned to the southwest border. It is axiomatic that military resources should be put where the threat is. Unfortunately, the current allocation of resources seems to be based on putting them where the forces are. This seems to be another major factor in contributing to the "funnel effect" that is causing increased drug traffic across the southwest border.

SEEKING VICTORY, NOT CLAIMS OF VICTORY

I apologize for the unusual length and detail in this letter. However, we both know how easy it is to give our military the wrong mission and the wrong measures of effectiveness, and how costly the consequences can be. I believe that we have institutionalized the wrong approach to the problem, the wrong mission, and the wrong measures of effectiveness, and I hope that you will make this the subject of an independent investigation that can get at the facts, challenge the prevailing approach, and put us on the right track.

Sincerely,

JOHN McCAIN,
U.S. Senator.

U.S. SENATE,
Washington, DC, May 12, 1993.

Dr. LEE BROWN,
Director, Office of National Drug Control Policy, Executive Office of the President, Washington, DC.

DEAR DR. BROWN: As I stated in my letter of May 5, 1993, I am very concerned about the continual flow of illicit drugs across the Southwest border of the United States. Drug traffickers continue to take advantage of a wide variety of smuggling opportunities afforded by the extended open land borders and coastal areas.

The yearly traffic of millions of legitimate U.S. commercial and passenger entries along our Southwest border makes it too easy for drug traffickers to blend into the flow. Sorting illegal aliens, smugglers, drugs and other illegal material from the legitimate traffic and commerce entering the U.S. across the Southwest border is one of the more difficult problems facing us today. This is why I believe that an urgent effort is needed to use advanced technology to address these problems.

The core of the necessary effort already exists within the Office of National Drug Control Policy (ONDCP). The infrastructure program approach presented in the ONDCP R&D Blueprint sent to Congress last August provides a major step toward evaluating advanced technology in testbed facilities open to the entire federal, state, and local counterdrug R&D communities. The testbeds will be used to evaluate new technologies and prototype systems to detect contraband hidden in large cargo containers and vehicles. The locations and environments selected for placing the testbeds should closely approximate the operational needs of the law enforcement community for counterdrug operations.

Recently, the Department of Defense, as part of the national counterdrug infrastructure program, opened a Nonintrusive Cargo Inspection Technology Testbed at Tacoma, Washington. This testbed will be used to evaluate new technologies and prototype systems to detect contraband hidden in large cargo containers and vehicles. A nonintrusive testbed configured with advanced inspection and intelligent prescreeening technology along the Southwest border would be a positive step toward improving our ability to more effectively inspect for drugs entering through my region of the country.

Technology could help our inspection personnel in several areas.

Each year our ports and airports are used by thousands of aircraft and vessels and on the order of a hundred million cars, trucks and containers. Progress is needed to intercept shipments of illegal drugs before they reach our streets—without impeding the flow of legitimate commerce. Operational testbed facilities are needed to evaluate prototype technologies before committing to the development or purchase of equipment—especially in quantity.

More effective deterrents are needed along our largely open land borders. The vast majority of the U.S./Mexican border is open; along most of the border markers indicate only the international boundary. The relative ease with which trafficking organizations can bring their drugs into the Southwest is challenged only by the weather and terrain. The solution lies somewhere between a 200 mile fence to a practical electronic border control system.

Information sharing and timely access to central databases among law enforcement agencies needs improvement. Information management projects should be done to enhance information exchange procedures and to provide the operating law enforcement officials with as much information from available databases as possible.

Our law enforcement agents need to be supported by better training and operations support. While the military invests in research to improve their effectiveness, we need to invest to improve our effectiveness along the borders to defeat drug traffickers.

It is my sincere hope that you share my concerns, especially when it comes to the Southwest border, and will take immediate steps to address these issues. I look forward to hearing your views on each of these issues, and I can assure you that I stand ready to provide any support I can.

You have a tremendous challenge facing you, but I am confident that your eminent qualifications and past successes in Atlanta, Houston, and New York afforded you unique insights and skills especially suited for the tasks at hand.

Sincerely,

JOHN McCAIN,
U.S. Senator.

U.S. SENATE,
Washington, DC, May 12, 1993.

Hon. LES ASPIN,
Secretary of Defense, Department of Defense, The Pentagon, Washington, DC.

DEAR SECRETARY ASPIN: As I stated in my letter of May 5, 1993, I am very concerned about the continual flow of illicit drugs across the Southwest border of the United States. Drug traffickers continue to take advantage of a wide variety of smuggling opportunities afforded by the extended open land borders and coastal areas.

The yearly traffic of millions of legitimate U.S. commercial and passenger entries along our Southwest border makes it too easy for drug traffickers to blend into the flow. Sorting illegal aliens, smugglers, drugs and other illegal material from the legitimate traffic and commerce entering the U.S. across the Southwest border is one of the more difficult problems facing us today. This is why I believe that an urgent effort is needed to use advanced technology to address these problems.

The core of the necessary technical effort already exists within the Office of National Drug Control Policy (ONDCP), several of which are being funded and managed by ARPA and the Department of Defense. The infrastructure program approach presented in the ONDCP R&D Blueprint sent to Congress last August provides a major step toward evaluating advanced technology in testbed facilities open to the entire federal, state, and local counterdrug R&D communities. The testbeds will be used to evaluate new technologies and prototype systems to detect contraband hidden in large cargo containers and vehicles. The locations and environments selected for placing the testbeds should closely approximate the operational needs of the law enforcement community for counterdrug operations.

Recently, the Department of Defense, as part of the national counterdrug infrastructure program, opened a Nonintrusive Cargo Inspection Technology Testbed at Tacoma, Washington. This testbed will be used to evaluate new technologies and prototype systems to detect contraband hidden in large cargo containers and vehicles. A similar nonintrusive testbed, configured with advanced inspection and intelligent prescreening technology for use along the Southwest border, would be a positive step toward improving our ability to more effectively inspect for drugs entering through my region of the country.

The kind of technology being developed by ARPA and the Department of Defense could help our inspection personnel in several areas.

Each year our ports and airports are used by thousands of aircraft and vessels and on the order of a hundred million cars, trucks and containers. Progress is needed to intercept shipments of illegal drugs before they reach our streets—without impeding the flow of legitimate commerce. Operational testbed facilities are needed to evaluate prototype technologies before committing to the development or purchase of equipment—especially in quantity.

More effective deterrents are needed along our largely open land borders. The vast majority of the U.S./Mexican border is open; along most of the border markers indicate only the international boundary. The relative ease with which trafficking organizations can bring their drugs into the Southwest is challenged only by the weather and terrain. The solution lies somewhere between a 200 mile fence to a practical electronic border control system.

Information sharing and timely access to central databases among law enforcement agencies needs improvement. Information management projects should be done to enhance information exchange procedures and to provide the operating law enforcement officials with as much information from available databases as possible.

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It is my sincere hope that you share my concerns, especially when it comes to the Southwest border, and will take immediate steps to address these issues. I look forward to hearing your views on each of these issues, and I can assure you that I stand ready to provide any support I can.

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Sincerely,

JOHN MCCAIN,
U.S. Senator.

U.S. SENATE,
Washington, DC, May 5, 1993.

Dr. LEE BROWN,
Director, Office of National Drug Control Policy, Executive Office of the President, Washington, DC.

DEAR DR. BROWN: I believe that the time has come for a fundamentally different and more realistic approach to the war on drugs. One that emphasizes integration of the military and law enforcement effort, detailed analysis of the overall and individual effectiveness of given interdiction and seizure activities, rigorous cost-effectiveness analysis and budget trade-offs to reinforce high priority efforts, and the willingness to honestly distinguish between failure and success.

I have had my staff investigating the current trends in the war on drugs for over a year. The result has been deeply disturbing. Time and again, it has been clear that no real effort has taken place to gather critical data, to verify the data now used, or to establish overall priorities. Time and again, people have talked about success when the cumulative activity of all efforts to seize and interdict smuggled drugs have had no meaningful results in terms of reduced supply on the street, and higher drug prices.

Some might argue that there are quantifiable measures of effectiveness, but these have virtually no practical meaning. For example, efforts to assist seizures are measured in terms of the amount of drugs seized, with no effort to relate such data to impacts on street supply or the total flow of drugs; to the street price of drugs, which is often an order of magnitude higher than the price to the smuggler, or to the number of detections or intercepts, with no attempt to relate this to the estimated number of successful crossings or actual convictions.

We are, effectively, using only those measures which imply success. Rather than measure the actual cost-effectiveness of our actions, we are using rhetoric and "feel good" briefings and analysis. The end result is a war on drugs which bears a disturbing resemblance to the pacification campaign in Vietnam, and to the "Southeast Asia Data Base" the Department used during that conflict. We are winning a war on paper that we are losing on the streets.

I would be the first to admit that members of Congress make claims about the success of programs they have sponsored that cannot be sustained by the facts. However, I believe that you have a unique opportunity to redirect the ONDCP's efforts, to give them new direction and methods of measuring their effectiveness, and to resolve a problem that threatens my state, the Southwest border area, and the nation.

SETTING MEANINGFUL GOALS FOR THE USE OF THE MILITARY

The first step in restructuring the ONDCP effort in the war on drugs is to reexamine the objective, the methods used, and the measures of success.

We cannot "win" a war on drugs if our efforts do not have a material effect on both the supply and demand sides of the equation—on the flow of drugs into the U.S., the price of drugs, and the key cartels producing and smuggling them. If our military efforts do not contribute to some coordinated plan towards this end, with tangible measures of success, they are a failure.

It can be argued that some efforts are valuable regardless of whether we are winning or losing because they deter smuggling and an even greater supply of cheap drugs on the street. Even these arguments, however, must be related to an overall campaign plan, and detailed comparisons of cost-effectiveness.

We do not come close to meeting any of these tests today.

DEALING WITH THE REAL PROBLEMS

The second step in restructuring the ONDCP effort in the war on drugs is to honestly address the fact that most of the current military and law enforcement effort has no real impact on the key targets that dominate the flow of drugs into the United States.

I and my staff have been repeatedly informed by EPIC, Customs, and the various Joint Task Forces that the primary methods of cocaine and heroin smuggling are container vessels and vehicle traffic across the southwest border—most of which consists of commercial trucks and privately owned vehicles. In fact, I have received letters from the Department stating that more than 70% of the cocaine entering into the U.S. moves by land across the southwestern border.

At present, the military and law enforcement can do little to deal with these threats—container vessels, vehicles crossing at legal points of entry, or commercial vehicles. We have had various estimates of how much of the cocaine traffic crosses our borders without detection, but most range from 90% to 95%, and virtually all experts seem to agree that the loss rate is so low that smugglers see it as little more than normal overhead. (In fact, this interception rate produces a lower loss rate to the smuggler lower than the shoplifting losses affecting many downtown retail stores.)

Military and law enforcement activities do seem to be somewhat more successful in reducing the flow of drugs into Mexico from South America, and may be slightly more effective in trying to reduce the amount of drugs grown in Latin America. The data we have been provided on such, however, are impressionistic and contradictory and people working in the field seem significantly less optimistic than people working here in Washington. This is another area where rigorous independent analysis and auditing is necessary to determine the true state of effectiveness.

DRIVING DRUGS ACROSS THE SOUTHWEST BORDERS

The third step is to recognize that the net effect of the war on drugs to date may well have been to shift the flow of drugs to channel even more narcotics across the land borders of Arizona, California, New Mexico, and Texas.

The U.S. Navy, other military services, Coast Guard, and Customs may have been unable to address the problem of container vessels, but they do seem to have reduced the flow of small craft from South America and through the Caribbean. The same is true, to a lesser extent, of movement by sea through the Pacific. While the data involved are ambiguous, part of this flow seems to have been rechanneled to move through Mexico, and across the land borders.

Similarly, the air interdiction effort also acts to channel smugglers into using small aircraft to land at various points in Mexico and into supplying Mexican smuggling net-that cross the land borders. Ironically, many DEA officials believe that this has made the smugglers more efficient. Not overlying U.S. borders has allowed them to use more payload for drugs because they do not need to carry fuel on board, has reduced aircraft losses due to interdiction and exhaustion, and has reduced the loss rate of pilots.

We have never had a satisfactory answer to our questions on this issue from either OSD or ONDCP, and no Agency or organization seems to have an overall analytic capability to look at these effects of its efforts. Each of the individual law enforcement agencies, Joint Task Forces and commands seems to be left to carry out its mission of supporting individual law enforcement efforts in isolation. As a result, no effort is being made to seriously study the extent to which we are really affecting cultivation in Latin America, the flow of drugs into Mexico, or the overall patterns of drug movement and extent to which the flow is being channeled across the southwest border.

We have been unable to even get answers to relatively simple questions about key parts of this effort. The Air Force, for example, is now supporting the U.S. Customs aerostat effort. No one in the Department, however, is charged with looking at what the aerostats actually accomplish. It is clear that many of the aerostats are down so often that they leave prolonged and predictable gaps in their coverage. It is clear that all of the aerostats are often down for several days at a time, that these down times are often announced over local radio, that they can easily be seen from the ground, and that active aerostats can be easily detected with commercial radar detectors. Further, it is clear from discussions at EPIC and JTF-6 that the aerostats in Arizona have significant and well known low altitude gaps in their coverage.

The trade-offs between these disadvantages and the potential advantages gained from deterring some small aircraft and detecting others as they land in Mexico never seem to have been examined in any analytic way. There also seems to be no effort to develop an overall strategy of air interdiction between the use of aircraft and aerostats or to examine the trade-offs between funding the aerostats and funding improved coverage of the land borders.

In fact, ONDCP seems to lack the ability to show whether or not its overall effort, regardless of what it may do for the rest of the country, has acted to increase the net threat to the state of Arizona.

PUTTING RESOURCES WHERE THE PROBLEM IS

The fourth step is to put our resources where the problem is. I have not studied the allocation of resources in civil agencies in depth, but it is all too clear that problems exist within the military effort.

There may be no effective solution to the use of the military in dealing with key threats—in which case, we should reprogram a major amount of the money now spent to deal with domestic law enforcement and drug treatment within the U.S. It is striking, however, that JTF-6 seems to have had remarkably little support in dealing with the land border issue.

Last year, I found that the Department of Defense had made decisions which sharply reduced the Department's ability to use many of its surveillance assets to deal with land threats. It was only after pressure on the Department and legislation in last year's Defense Authorization Act that this situation was changed.

Major problems, however, still remain. The Department has never presented a clear plan to the Congress to make use of its capabilities to secure the land borders. It is still constraining JTF-6 with unrealistic rules of engagement, and its technology effort ignores the most serious single method of cocaine smuggling.

To begin with, it is clear that a serious and coordinated effort needs to be made to examine what can be done to improve surveillance and interdiction of the border outside legal points of entry. It is not clear whether some kind of fence, sensor system, improved check point system, or improved rear area surveillance is needed. What is clear is that simply providing military support to meet the uncoordinated efforts of individual law enforcement agencies is not cost-effective.

Second, a comprehensive reexamination is needed of the present policies, rules, law, and regulations affecting JTF-6. This examination should involve:

The lack of any effective cooperation between JTF-6 and Mexican law enforcement officials.

An all-source review of JTF-6's access to intelligence sensor systems and ability to use them.

Immediate reevaluation of the present rules that (a) JTF-6 can only assist in efforts where there is a detection of the actual movement of drugs across the border, (b) the present constraint that monitoring and communications of movement can only be executed if activity occurs within 25 miles of the border (land) and without 25 miles of and outside the U.S. (air), and (c) implementation options to broaden the use of air, ground, air/ground, and water operations throughout the southwest border states without infringing on the limits place by posse comitas.

Third, a comprehensive and immediate reexamination is needed of the southwest border technology program to determine why it does not contain a significant effort to develop technologies like high energy X-rays and pulsed fast neutron scanning that can aid in the non-intrusive search of trucks, trailers, and privately owned vehicles at crossing points and check points.

Experts seem to agree that the inability to rapidly search commercial and private vehicles for drugs, or to search even 5% of the vehicles involved, makes other land and air interdiction efforts almost pointless. At this point, however, efforts to use non-intrusive search technology are not properly integrated into the technology plan.

ARPA is some six months behind schedule in funding key parts of the development effort, and no effort has been made to use the test facility being built at Tacoma to examine the search of tractor trailers and privately owned vehicles in addition to the containers used on ships.

Fourth, a comprehensive reexamination of the Department's budget priorities is needed to examine the weight of effort assigned to the southwest border. It is axiomatic that military resources should be put where the threat is. Unfortunately, the current allocation of resources seems to be based on putting them where the forces are. This seems to be another major factor in contributing to the "funnel effect" that is causing increased drug traffic across the southwest border.

I believe that ONDCP needs to join the Department of Defense in this effort, and broaden it to include the federal law enforcement agencies and intelligence effort as well. We need to firmly recognize that we accomplish nothing if we can only deter or arrest small scale smuggling efforts; if we cannot solve the problems posed by container vessels, commercial aircraft, commercial and privately owned vehicles; and if we cannot bring a halt to the near sanctuary status Mexico offers smugglers in the southwest border area.

SEEKING VICTORY, NOT CLAIMS OF VICTORY

I apologize for the unusual length and detail in this letter. However, I believe that we have institutionalized the wrong approach to the problem, the wrong mission, and the wrong measures of effectiveness, and I hope that you will make this the subject of an independent investigation that can get at the facts, challenge the prevailing approach, and put us on the right track. Anyone can claim victory and do so at the taxpayer's expense. We need real victories that protect both our citizens and the taxpayer's dollar.

Sincerely,

JOHN MCCAIN,
U.S. Senator.

OFFICE OF THE DEPARTMENT OF DEFENSE COORDINATOR FOR DRUG ENFORCEMENT POLICY AND SUPPORT,
Washington, DC, February 26, 1993.

Hon. JOHN MCCAIN,
U.S. Senate, Washington, DC.

DEAR SENATOR MCCAIN: This is in further response to your July 29, 1992, letter to Secretary Cheney regarding the problem of drug smuggling across the land border between the United States and Mexico.

We have reviewed available drug threat assessments for the Southwest border area and have identified roles the military can and will play in supporting drug law enforcement agencies in their counterdrug efforts in this critical area. The following information is a synopsis of available data provided for your information:

SOUTHWEST BORDER DRUG TRAFFICKING PATTERNS

The Southwest Border is 1,929 miles long and is characterized by tremendous diversity—dense population centers to unpopulated areas, high border fences to no fences, very deep canyons and mountains to flat terrain, and dense vegetation to barren desert.

Similarly, the drug smuggling threat moving across the Southwest Border is just as diverse as the terrain—operating a highly flexible system which continually adapts and varies the trafficking approaches. Smuggling along the Southwest Border is done, to a large extent, by close-knit and well-established family organizations.

Based on current threat assessments and seizure data, it is estimated that 70% of the South American cocaine entering the U.S. comes across the Southwest Border. Although the increased aerial and maritime pressure applied by law enforcement in the Caribbean, with assistance provided by military assets, was perceived to be responsible for an expansion in the usage of drug smuggling routes across the Southwest Border, no hard evidence exists to confirm this perception. The law enforcement community currently assesses the noncommercial air and maritime smuggling threat as increasing. However, the level of smuggling across the Southwest Border by general aviation aircraft is considered low and is not expected to significantly increase in the near future.

Investigations, both in Mexico and the U.S., indicate that most of the cocaine crossing the Southwest Border is transported using traditional overland routes via tractor-trailers and other land vehicles. Arizona and California have had the most seizures recently. This does not necessarily mean more activity.

Cocaine moved across the border through ports of entry is transported in trunks or concealed compartments of automobiles, concealed compartments in trucks or vans, or mingled with legitimate cargo moved in tractor-trailers. Although backpackers, animal pack trains, automobiles, and pickup trucks are used when smuggling cocaine between the ports, it is believed that the majority of the cocaine enters the U.S. through the ports of entry, especially in those areas where the border fence has been upgraded with the installation of steel landing mats.

As persistent and effective pressure is increased against the noncommercial methods of delivery, traffickers will increasingly attempt to exploit the potential of commercial conveyances.

ARIZONA SPECIFIC THREAT DATA

Cocaine is moved across the Arizona border through ports of entry at Douglas, Nogales, and San Luis in large commercial vehicles and smaller vehicles, the latter often fitted with concealed compartments. The most commonly encountered concealments involve inclusion of the cocaine in commercial shipments in tractor-trailer loads of ore, clay tile, or produce and in the trunks and false compartments of automobiles.

Between the ports of entry, backpackers or pack animals carry the cocaine to temporary stash locations north of the border where it is subsequently picked up by vehicles for transportation to stash houses in Tucson or Phoenix.

DOD SOUTHWEST BORDER COUNTERDRUG SUPPORT ROLE STRATEGY

The Department of Defense has and will continue to provide support in countering the flow of illegal drugs into the United States through efforts both outside the United States and at or near the Nation's borders and ports of entry. Additionally, DoD has long recognized the importance of counterdrug support efforts along the Southwest Border and, as demonstrated below, it is our intent to continue to place a high priority on DoD support to this critical geographical area. Our strategy will focus on the following five areas: (1) Increased use of Active, National Guard, land other Reserve resources, (2) Development and implementation of high technology detection equipment, (3) Increased manning of ports of entry and check-points, (4) Increased use of multiagency tactical response teams, and (5) Implementation of border control enhancements, i.e. improved fences and border road construction/improvements. If the efforts of the law enforcement agencies and DoD result in a shift in the drug threat or smuggling activity, we will review our support strategy and provide to the law enforcement agencies the level of support that is within our capability.

DOD COUNTERDRUG SUPPORT EFFORTS

The following recitation of counterdrug efforts undertaken by DoD on the Southwest Border in support of Federal, state, and local drug law enforcement agencies demonstrates our resolve and commitment to this critical area.

DoD has increased significantly the support to the Southwest Border area over the last three fiscal years (FY). Employing units from all the Services, DoD conducted an unprecedented total of 465 counterdrug support missions in FY 92 compared with 279 missions in FY 91 and only 20 missions in FY 90. In addition, the scale of counterdrug support operations has been expanded from squad and platoon size operations to company and battalion size operations of approximately 700 personnel. This expansion resulted in well over 13,000 military personnel participating in counterdrug support operations along the Southwest Border during FY 92 and represents a 1,113% increase in number of personnel over FY 90

The priority of the Commander in Chief, Forces Command (CINCFOR) counterdrug support will continue to be directed toward the Southwest Border and encompasses the following specific types of support operations:

Ground Surveillance Radars/Remotely Monitored Battlefield Area Surveillance System—detect drug traffickers and report suspicious activity to DLEAs at ports of entry.

Air Transportation/Aerial Detection and Monitoring/Aerial Reconnaissance—Provide aerial support to drug interdiction and eradication operations.

Listening Post/Observation Post Training Exercises—Conduct visual/photographic reconnaissance of areas suspected of being used for smuggling operations and report suspicious clandestine activity to DLEAs.

Engineer Support to U.S. Border Fence—Construction upgrade/repair/reinforcing 10 foot high steel fence along the border at suspected drug trafficking corridors.

Tunnel Detection Operations—Locate potential tunnel sites under the U.S./Mexican Border.

The National Guard has also placed priority on Southwest Border support operations. Over 36% of the total funds authorized for the use of National Guard personnel and equipment in support of drug law enforcement agencies, as requested in the state plans submitted by the governors of the 54 states and territories, were allocated to the four Southwest Border states of Arizona, California, New Mexico, and Texas. The types of Southwest Border support provided by the National Guard under this program include the following:

Border surveillance;

Port of Entry vehicle and cargo inspections;

Linguistic/Intelligence Analysts;

Engineer Support—Road Construction/Upgrade;

Aerial Photography;

LEA Liaison Support;

Computer, Logistic, and Maintenance Support;

Ground and Aerial Surveillance;

Training Support for Law Enforcement Agencies;

Communications Support;

Mobile Ground Radar Support.

Title 10 (Active Duty) personnel are constrained by the Posse Comitatus Act from direct involvement in many types of surveillance. Title 32 National Guard personnel, however, are not subject to the Posse Comitatus limitations and have provided and will continue to provide this type of surveillance support to law enforcement agencies along the border. The DLEAs report that this support has greatly enhanced their drug interdiction capability resulting in a significant increase in seizures and arrests.

Recognizing the need for effective communications interoperability among the various organizations involved in counterdrug operations, DoD was directed to integrate U.S. command, control, communications, and intelligence (C3I) assets into an effective communications network. The result of this effort is called the Antidrug Network (ADNET). There are currently over 130 operational ADNET terminals at 56 sites supporting 26 counterdrug organizations with identified requirements for over 150 additional sites. Of this number, 15 ADNET terminals are operating in two of the Southwest Border states—Texas and California—with requests to establish 16 more Southwest Border terminals (one in Arizona). ADNET allows users to access and share information from a variety of DoD/LEA sensor/surveillance resources.

Finally, because of the large volume of drugs that are entering the United States hidden in commercial cargo containers and vehicles and the consequent need to greatly increase the law enforcement drug detection capabilities at our ports of entry, DoD has tasked the Defense Advanced Research Projects Agency to oversee the research, development and testing of non-intrusive inspection devices which can detect the presence of cocaine and heroin in cargo containers, large vessels, vehicles, and other conveyances. The first X-Ray imaging prototype, capable of imaging an entire cargo container without unloading the contents, was recently evaluated at a Houston, Texas, test bed facility; the results were very positive. A second test bed is currently being constructed at Tacamo, Washington, and should be operational by April 1993. This site will include both X-Ray and neutron activation systems to detect drugs in cargo containers. A third test bed will be operational at Otay Mesa, California, in June 1993 and will include an X-Ray system capable of detecting drugs concealed in the numerous empty tractor-trailers crossing the border. When fully developed and fielded, this technology should greatly enhance the drug detection efforts along the Southwest Border while minimizing the disruption to legitimate commercial activity. In the meantime, National Guard personnel will continue to augment U.S. Customs Service personnel in the inspection of cargo at U.S. ports of entry.

We feel that our performance record clearly manifests our support and dedication to the efforts of the Southwest Border law enforcement agencies. As stated above, if we find that the illegal drug threat and the requirements change, we will continue to review and modify our strategy as required and provide the counterdrug support that is consistent with the legal constraints under which we must operate and within our capability.

Thank you again for your continuing support of the counterdrug support efforts of the Department of Defense.

Sincerely,

MICHAEL A. WERMUTH,
Deputy Assistant Secretary for Drug Enforcement Policy (Acting DoD Drug Coordinator).

GOD WASN'T KICKED OUT, AFTER ALL

Mr. HELMS. Mr. President, anybody who has a remaining doubt about the root cause of the moral breakdown of America may find some useful clues in an article in the newspaper published in my hometown on May 12.

I should add parenthetically that the Raleigh, NC, News and Observer itself is not noted for having an understanding of why the moral and spiritual collapse is happening. The truth is, that newspaper, and many other liberal publications like it across America, are a major part of the problem.

In any case, Mr. President, the Raleigh paper reported on May 12 that the principal of East Wake High School in Wendell, NC, ordered the choral society at his school to strike any reference to God from the song, "Irish Blessing," scheduled to be sung at this year's commencement exercises.

The school principal is not particularly to be faulted except in the sense that he probably never raised a ruckus about the unconscionable Supreme Court decisions of the 1960's plus the one of 1992 that banished God from the classrooms.

So what the principal did was to demand that the word God be removed from the lovely song, "Irish Blessing"—which is roughly akin to ordering the draining of the Atlantic Ocean. The precise basis for his decision, the principal explained, was the Supreme Court's 1992 ruling last year in the case Weismann versus Lee.

Then, Mr. President, came the news that the Supreme Court had let stand a Seventh Circuit Court of Appeals decisions prohibiting the voluntary distribution of Gideon Bibles to fifth-graders in an Indiana public school system—even though the fifth-graders voluntarily requested the Bibles.

So, one may conclude, it is permissible to distribute condoms to students in the schools, but not Bibles.

Mr. President, since the Supreme Court's decisions opposing any voluntary religious activity in the public schools began in the 1960's, an entire generation has grown up without the benefit of religious influence in their schools.

My good friend, William Bennett—who knows a thing or two about children and education inasmuch as he served as Secretary of Education under President Reagan—has accumulated statistics and data evaluating the social and moral climate of this country.

This "Index of Leading Cultural Indicators," as Bill Bennett calls it, documents the implications of our Nation's moral decline—a decline which directly coincides with the Supreme Court's outlawing school prayer in the 1960's.

For instance, in 1960, 8 percent of children lived with single mothers; in 1990, 22 percent of children lived with single mothers. The percentage of illegitimate births over the three decade interim has risen sharply from 5.3 to 26.2 percent, while the number of children on welfare has similarly and predictably risen from 3.5 percent in 1960 to nearly 12 percent in 1990. The teenage suicide rate has jumped from 3.6 to 11.3 percent during the same period of time.

Mr. President, Bill Bennett's Index documents what many Americans have been saying all along—that substituting moral relativism for religion, enforced with the counterfeit cries of "separation of church and state"—has been a miserable failure. The "do-it-if-it-feels-good" immorality permeating our society has not led to happier and more productive lives for our children—it has done precisely the opposite.

There is, however, one bright spot to this story. In the days following the News and Observer article to which I alluded earlier, so many parents and teenagers expressed their disapproval of the principal's order that he had no choice but to reverse his decision.

But, before it is too late, we must have the courage to stand up for the role of religion in our society if America is to survive. The students of Wendell, NC, and their families have demonstrated such courage and my hat's off to them.

Mr. President, I ask unanimous consent that William Bennett's article entitled "Quantifying America's Decline" which appeared in the Wall Street Journal on March 15 be included in the RECORD at the conclusion of my remarks, along with articles from the Releigh News and Observer of May 12 and 14; also an article from the Washington Times of May 18.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Raleigh News and Observer, May 12, 1993]

PRINCIPAL PULLS GOD FROM GRADUATION SONG

(By Pamela Babcock)

WENDELL.—East Wake High School singers practiced the song dozens of times and were just getting it right when a single, powerful word got in their way.

Principal Del Burns, citing a U.S. Supreme Court ruling on separation of church and state, objected to a lone reference to God in an Irish hymn that student choirs planned to sing at East Wake's graduation June 5.

The young singers have retooled the tune, "Irish Blessing," yanking the word "God" and replacing it with "love."

But patching up that problem has opened another dispute.

Choir member Kelly Wilcox, a senior who plans to major in biology at N.C. A&T State University, said Burns' decision violates the students' First Amendment right to freedom of speech.

"A lot of us got upset," Wilcox said. "It's just the principle of it. They're making a big deal out of it. I can see if someone is going to go up there and pray and say, 'Amen,' but it's nothing that big."

Burns' veto of the verse—"May the God that loves us all hold you in the palm of his hand"—took Wake school officials to a new level in their struggle to interpret the Supreme Court's ruling that prayer at public school graduations is unconstitutional.

Superintendent Robert Wentz informed parents of graduating seniors last fall that the court's decision forced the Wake schools to stop sponsoring baccalaureates. His action caused sharp resentment among many parents and students, most of them fundamentalist Christians.

Burns, however, said he doesn't think he overreacted this year.

"I'm not playing censor," he said Monday. "I'm making a decision about the Supreme Court decision. My job is to uphold the law."

The students had spent a month rehearsing "Irish Blessing," only to have Burns pull the plug last month when a draft of the graduation program crossed his desk.

Burns, who knows the song, told the choir to drop it entirely or replace the religious reference.

The students rewrote the disputed line to read, "May the love that binds us all hold you in the palm of its hand."

Some members of the Concert Chorus, one of three choirs at East Wake, considered boycotting the ceremony. Other students contemplated raising a sign with the word "God" written on it during the performance.

"We had people crying, just going out with their feelings," Wilcox said. "We just broke down. The subject was so deep."

The song is one of two that students are scheduled to perform when 280 East Wake seniors graduate.

"It's like an inspiration before we go on," Wilcox said. "We're taught in school, in civics, that we have freedom of choice, religion and assembly. Then somewhere in the Constitution it says something about separation of state and religion. I think that's contradictory."

Wilcox, who said she prays and goes to church, said she contacted local ministers and hopes others will take interest in the issue.

"I think everybody's going to grit their teeth and bear it," Wilcox said. "I don't feel right about it, though. It just doesn't feel right taking something like that out."

Olisha Cox, another senior member of the choir, said performing the hymn has lost some meaning because of the change.

"Just knowing the words, it does defeat the purpose of the song to me," she said. "We don't feel inspired singing it. We just don't want to sing it now."

Burns defended his decision.

"It's a benediction, and there can be, according to the Supreme Court, no entanglement between the church and state," he said.

Wentz said Burns did not consult him.

"He did it on his own and properly so," Wentz said.

THE ALTERED LYRIC

The original verse of "Irish Blessing" is:

May the road rise to meet you,
May the wind be always at your back,
May the sun shine warm upon your face,
And the rains fall soft upon your fields,
And until we meet again,
May the God that loves us all
Hold you in the palm of his hand.

The last line, as rewritten by the students, now is:

May the love that binds us all
Hold you in the palm of its hand.

[From the Raleigh News and Observer, May 14, 1993]

PRINCIPAL RESURRECTS GOD IN "IRISH BLESSING"

(By Pamela Babcock)

WENDELL.—God's back at East Wake High School.

School officials, faced with a chorus of opposition to their decision to keep a group of high school students from singing the word "God" at graduation June 5, have changed their minds.

Principal Del Burns announced his decision during a fifth-period class Thursday afternoon, acknowledging that he had been besieged by calls. Students were elated.

"Everybody was excited, everybody's mouth dropped," said Rebecca Humphries, 15, a sophomore from Knightdale. "Lots of people don't listen to you because they say you're just a teenager. But as teenagers we can be positive, set good examples and do good too."

The students, who had argued that the ban violated their First Amendment right to free speech, decided not to practice the song "Irish Blessing" on Thursday afternoon. Instead they listened sympathetically while Burns—a popular principal—struggled to explain how he reached his decision.

"He said he didn't know which way to go with it," senior Kelly Wilcox said. "I respect that and understand that. We're on equal sides now with the principal."

The school's 25-member concert chorus had practiced the Irish hymn for about a month before Burns scotched it, citing a 1992 Supreme Court ruling prohibiting religious programs at school graduations. The singers reworked the lyric—"May the God that loves us all hold you in the palm of his hand"—substituting the word "love" for "God."

School officials said Burns sought school attorneys' legal interpretation of the ruling Wednesday after he received dozens of calls about the issue. Burns could not be reached Thursday.

"He certainly felt strongly about the community being upset," said school board member Linda Johnson, who represents the district that includes East Wake High. "I'm sorry the whole thing ever came up."

It wasn't the first time, the Supreme Court's new "God guidelines" have been put to the test in Wake schools.

Last fall, Superintendent Robert Wentz caused sharp resentment among some parents and students after he announced that the court's ruling would force the schools to stop sponsoring baccalaureates.

Other pressures may have been coming to bear on the principal. Ron Taylor, a conservative activist and director of Operation Save-A-Baby, had contacted the Rutherford Institute, a legal and education organization specializing in the defense of religious freedom. He said lawyers there were ready to sue the school system if the "egregious act" wasn't corrected.

Wilcox, a member of the singing group, said she received calls from more than a dozen backers after she helped bring the issue to light this week.

"I've been getting calls from ministers, lawyers and other people who are supportive," Wilcox said. "I was on the phone since I got home at 4 p.m. until midnight."

Members of the choral group threatened to boycott the ceremony, while others considered hoisting a sign with the word "God" rather than singing the word.

Wentz said he leaves decisions on program content to individual principals, but added that he will encourage principals to consult the school system's attorneys.

Meanwhile, Wilcox said she hopes the efforts of the students won't be forgotten.

"This is not the end," Wilcox said. "Next year, it'll pop up again and somebody might not stand up next time."

[From the Wall Street Journal, Mar. 15, 1993]

QUANTIFYING AMERICA'S DECLINE

(By William J. Bennett)

Is our culture declining? I have tried to quantify the answer to this question with the creation of the Index of Leading Cultural Indicators.

In the early 1960s, the Census Bureau began publishing the Index of Leading Economic Indicators. These 11 measurements, taken together, represent the best means we now have of interpreting current business developments and predicting future economic trends.

The Index of Leading Cultural Indicators, a compilation of the Heritage Foundation and Empower America, attempts to bring a similar kind of data-based analysis to cultural issues. It is a statistical portrait (from 1960 to the present) of the moral, social and behavioral conditions of modern American society—matters that, in our time, often travel under the banner of "values."

Perhaps no one will be surprised to learn that, according to the index, America's cultural condition is far from healthy. What is shocking is just how precipitously American life has declined in the past 30 years, despite the enormous governmental effort to improve it.

Since 1960, the U.S. population has increased 41%; the gross domestic product has nearly tripled; and total social spending by all levels of government (measured in constant 1990 dollars) has risen from $143.73 billion to $787 billion—more than a fivefold increase. Inflation-adjusted spending on welfare has increased by 630%, spending on education by 225%.

But during the same 30-year period there has been a 560% increase in violent crime; a 419% increase in illegitimate births; a quadrupling in divorce rates; a tripling of the percentage of children living in single-parent homes; more than a 200% increase in the teenage suicide rate; and a drop of almost 80 points in SAT scores.

Clearly many modern-day social pathologies have gotten worse. More important, they seem impervious to government's attempts to cure them. Although the Great Society and its many social programs have had some good effects, there is a vast body of evidence suggesting that these "remedies" have reached the limits of their success.

Perhaps more than anything else, America's cultural decline is evidence of a shift in the public's attitude and beliefs. Social scientist James Q. Wilson writes that "the powers exercised by the institutions of social control have been constrained and people, especially young people, have embraced an ethos that values self-expression over self-control." The findings of pollster Daniel Yankelovich seem to confirm this diagnosis. Our society now places less value than before on what we owe to others as a matter of moral obligation; less value on sacrifice as a moral good; less value on social conformity and respectability; and less value or correctness and restraint in matters of physical pleasure and sexuality.

Some writers have spoken eloquently on these matters. When the late Walker Percy was asked what concerned him most about America's future, he answered: "Probably the fear of seeing America, with all its great strength and beauty and freedom . . . gradually subside into decay through default and be defeated, not by the Communist movement, demonstrably a bankrupt system, but from within by weariness, boredom, cynicism, greed and in the end helplessness before its great problems." Alexander Solzhenitsyn, in a speech earlier this year, put it this way: "The West . . . has been undergoing an erosion and obscuring of high moral and ethical ideals. The spiritual axis of life has grown dim." John Updike has written: "The fact that, compared to the inhabitants of Africa and Russia, we still live well cannot ease the pain of feeling we no longer live nobly."

Treatises have been written on why this decline has happened. The hard truth is that in a free society the ultimate responsibility rests with the people themselves. The good news is that what has been self-inflicted can be self-corrected.

There are a number of things we can do to encourage cultural renewal. First, government should heed the old injunction, "Do no harm." Over the years it has often done unintended harm to many of the people it was trying to help. The destructive incentives of the welfare system are perhaps the most glaring example of this.

Second, political leaders can help shape social attitudes through public discourse and through morally defensible social legislation. A thoughtful social agenda today would perhaps include: a more tough-minded criminal justice system, including more prisons; a radical reform of education through national standards and school choice; a system of child-support collection, whereby fathers would be made to take responsibility for their children; a rescinding of no-fault divorce laws for parents with children; and radical reform of the welfare system.

But even if these and other worthwhile efforts are made, we should temper our expectations of what government can do. A greater hope lies elsewhere.

Our social and civic institutions—families, churches, schools, neighborhoods and civic associations—have traditionally taken on the responsibility of providing our children with love, order and discipline—of teaching self-control, compassion, tolerance, civility, honesty and respect for authority. Government, even at its best, can never be more than an auxiliary in the development of character.

The social regression of the past 30 years is due in large part to the enfeebled state of our social institutions and their failure to carry out their critical and time-honored tasks. We desperately need to recover a sense of the fundamental purpose of education, which is to engage in the architecture of souls. When a self-governing society ignores this responsibility, it does so at its peril.

Eight cultural indicators

Average daily TV viewing

	Hours
1960	5:06
1965	5:29
1970	5:56
1975	6:07
1980	6:36
1985	7:07
1990	6:55
1992	7:04

Source: Nielsen Media Research.

Percent of illegitimate births

1960	5.3
1970	10.7
1980	18.4
1990	26.2

Source: National Center for Health Statistics.

Children on welfare

	Percent
1960	3.5
1965	4.5
1970	8.5
1975	11.8
1980	11.5
1985	11.2
1990	11.9

Source: Bureau of the Census; U.S. House of Representatives.

Violent crime rate (per 100,000)

1960	16.1
1965	20.0
1970	36.4
1975	48.8
1980	59.7
1985	53.3
1990	73.2
1991	75.8

Source: F.B.I.

SAT scores

1960	975

1965	969
1970	948
1975	910
1980	890
1985	906
1990	900
1992	899

Source: The College Board.

Children with single mothers

	Percent
1960	8
1970	11
1980	18
1990	22

Sources: Bureau of the Census; Donald Hernandez. The American Child: Resources from Family, Government and the Economy.

Teen Suicide Rate

	Percent
1960	3.6
1965	4.0
1970	5.9
1975	7.6
1980	8.5
1985	10.0
1990	11.3

Source: National Center for Health Statistics.

Median prison sentence[1]

	Days
1954	22.5
1964	12.1
1974	5.5
1984	7.7
1988	8.5
1990	8.0

[1] Serious Crime: murder, rape, robbery, aggravated assault, burglary, larceny/theft and motor vehicle theft.

Source: National Center for Policy Analysis.

[From the Washington Times, May 18, 1993]

JUSTICES BAR BIBLE HANDOUTS AT SCHOOL

The Supreme Court yesterday let stand a ruling that barred the distribution of Gideon Bibles to fifth-graders in an Indiana public school system.

The justices, without comment, rejected arguments by Rensselaer, Ind., school officials, who said the longtime practice did not violate the constitutionally required separation of church and state.

The 7th U.S. Circuit Court of Appeals in January ordered the Rensselaer district to stop the challenged practice, saying, "The distribution of Bibles in Indiana schools offends the First Amendment of the Constitution.

"People are accustomed to finding Gideon Bibles tucked in the drawers of their hotel rooms; much less frequently do they find them stashed in the desks of their public school classrooms," the appeals court said.

School officials in Rensselaer, a rural northwest Indiana county, let Gideons International give Bibles to fifth-graders for more than 30 years. For more than 20 years, representatives from other organizations—the 4-H Club, Boy Scouts and Girl Scouts—have spoken to Rensselaer students and handed out literature.

Allen Berger, whose two children attended Rensselaer schools, sued the school district in 1990. He objected to the distribution of Bibles.

U.S. District Judge Allen Sharp ruled that the practice could continue because halting it would single out religious groups and messages for hostile treatment. But the 7th Circuit court reversed that ruling.

"A public school cannot sanitize an endorsement of religion . . . by also sponsoring non-religious speech," the appeals court said, relying on a Supreme Court decision last June barring official prayers at public school graduations. The ruling "leaves little room for public schools to teach or promote religion, and the distribution of Gideon Bibles cannot fit in these restrictive confines."

Rensselaer school officials said the appeals court ruling erects "an absolute wall of separation between students in state-run schools and religious persons with religious messages and values."

THE WISDOM OF HENRY HYDE

Mr. HELMS. Mr. President, many of us have the pleasure and honor of knowing the Honorable HENRY J. HYDE, who serves across the Capitol as the U.S. Representative from the Sixth District of Illinois.

HENRY has a well-deserved reputation for eloquence and common sense—a combination evident in his recent address to an organization called the Republican Majority Coalition.

HENRY's remarks about the moral issues facing our Nation may discomfort some—but can enlighten all, which is why I commend it to my colleagues.

Mr. President, I ask unanimous consent that the text of Representative HENRY J. HYDE's remarks to the Republican Majority Coalition on May 10, 1993, be printed in the RECORD at the conclusion of my remarks.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS TO REPUBLICAN MAJORITY COALITION, U.S. REPRESENTATIVE HENRY J. HYDE

Thank you for inviting me to meet with you this morning.

Our topic is an urgent one: How can we broaden the base of the Republican Party?

Identifying the concerns and aspirations of our party with the concerns and aspirations of the American people is a goal with which I'm entirely sympathetic. Any party that fritters away the advantages that the Republican Party enjoyed in the late Spring of 1991 has some thinking to do.

So does any party that lets itself get beaten by Bill Clinton: a standard-issue big-government liberal whose masquerade as a "New Democrat" ended abruptly on November 4, 1992: the day after the election, and the day after which we heard no more about tax relief for the middle class, about "ending welfare as we know it," about reforming our decrepit government schools, and about a new era of fiscal responsibility.

A lot of instant mythology has quickly grown up around the 1992 election, and its important for this group, and for all Republicans, to understand just why George Bush lost.

George Bush didn't lose because the American people watched our convention and thought it was a replay of the Rocky Horror Picture Show; our ticket got a 9–15 percent bounce up immediately after the convention. George Bush lost because the Republican Party didn't respond to the Democratic and media caricature of our convention as a sinister event reminiscent of the 1938 Nuremberg rally.

George Bush didn't lose because of our party's plank on abortion; exit polls showed that for those voters who made their voice primarily on the abortion question, our position was a net plus.

The Republican Party lost the presidency because it ran a poor campaign. That campaign failed to articulate a compelling vision of the American future. It didn't expose the passion for social engineering and the environmental radicalism of the Clinton/Gore team. It didn't tap the frustration and anger of the American middle class at the nanny state's endless intrusions into our lives. It let the Democrats define the wedge issue as "the economy, stupid"—an economy, by the way, that was already on the way back.

So what are the lessons of the 1992 campaign?

Lesson No. 1 is that Republicans lose, nationally, when we run as a pale imitation of the Democratic Party. That leaves all the initiative on the other side, and it puts us immediately on the defensive, from which we never seem to escape. "Republican" does not equal "Democrat Lite."

Lesson No. 2 is that Republicans should stop being embarrassed by the New York, Washington, and Hollywood tastemakers. If we worry about how we're playing in Beverly Hills, the Upper East Side, and Cleveland park, and neglect Orlando, Raleigh, Peoria, Phoenix, Richmond, Erie, Orange County, and Indianapolis, we're going to lose, and lose, and lose again. Republicans have got to straighten their spines and understand this: for so long as we defend a free economy, lower taxes, entrepreneurship, a strong national defense, and the values on which this country was built, we're going to be mocked and pilloried by the forces of political correctness. Well, c'est la vie. We'll take our case to the people, and if we present it with conviction and compassion, we'll win.

Lesson No. 3 is that you don't multiply by dividing, and you don't add by subtracting. George Bush lost because many of those who managed his Administration, his campaign, and his national party apparatus were uncomfortable with, even nervous about, perhaps even disdainful of, the key swing vote in America today: the so-called "Reagan Democrats" who won us three landslides in the 1980's, but whom we assiduously ignored in 1992.

Lesson No. 4 is the oldest lesson in politics: you can't beat something with nothing. Put more positively, people support people who believe in something. And that brings me directly to the question of how we can "broaden the base of the Republican Party."

1. We will broaden the base of the Republican Party if we identify our party, now, with the parents' revolt that is picking up steam across the country. Look at school district 24 in Queens; look at the Wisconsin state Superintendent of Education race last month; look at the law suit filed by inner city Chicago parents, charging that the government schools are denying their children the right to a "decent education" guaranteed by our state constitution; look at the school choice initiatives being pressed in states throughout the country. Everywhere, parents are saying, "Enough is enough. Not with our kids, you don't."

This parents' revolt is like the early days of the tax revolt in the 1970's. It's just beginning to pick up steam. The party that aligns itself with this revolt will have a good chance at dominating the politics of the 1990's and beyond, just as the party that aligned itself with the tax revolt of the mid-1970's dominated the politics of the 1980's.

And the key to channeling the parents' revolt into productive reform is to wholeheartedly and unabashedly endorse, as a central plank of the Republican platform, full parental choice in education. Our educational system—and the effective monopoly on public funds enjoyed by government schools—is the greatest single failure of the nanny state. The government schools are run by bureaucrats and their teachers' union allies, for bureaucrats and their teachers' union allies. That system absorbs ever-larger amounts of tax dollars while giving us ever-less return on our investment. The educational establishment is damaging our children's future, and it is damaging our country's future. Everybody is mad at it: parents, employers, students, and teachers who try to buck the system.

The government educational system is beyond self-reform. We now spend almost $275 billion per year on government elementary and secondary schools—more than 4 percent of gross domestic product. That spending has increased by more than 40 percent over the past decade. And the results continue to be, not just disappointing, but disgraceful. The answer isn't more money; the answer is competition. Just as the Postal Service began to reform itself only after consumers got a real choice through Federal Express and fax machines, government schools are only going to reform themselves when their primary consumers—parents and children—get a real choice.

We can argue about whether that choice is best created through vouchers, or tax credits, or some combination of the two. But a Republican Party seeking to broaden its base will identify itself, clearly and unambiguously, with parents' revolt, and with full parental school choice—including the choice for independent schools—as the linchpin issue of the parents' revolt.

2. The Republican party will effectively broaden its base if it challenges the quota mentality that is running riot in the Clinton Administration. Our creed should be Dr. Martin Luther King, Jr.'s creed: we believe in an America where our people are judged on the content of their character, not on the color of their skins—or their gender, their "sexual orientation," or their ethnicity.

The quota mentality, unchecked, will kill the American experiment. It does not help foster the noble virtue of tolerance; it creates anger, resentment, and division. It does not foster genuine pluralism; it creates a Balkanized America, where tribes are at war with each other—sometimes, quite literally—for their preferential place at the governmental trough.

The Republican Party ought to become, again, the party of black aspiration in these United States: not by keeping African Americans chained to the liberal plantation and locked into the vicious cycle of poverty and welfare dependence, but by creating policies that reward responsibility and entrepreneurial energies; that strengthen families and local communities; that give black parents the power to educate their children as they, not the educrats, see fit; and that protect urban communities from gang warfare, thugs, and drug terrorism.

A Republican Party whose only response to African Americans is to get underbid by Democrats in the welfare plantation sweepstakes is a party that has abandoned its birthright.

3. And the Republican Party should expand—that's right, expand—its base by vigorously pressing the "social issues": individual responsibility, the integrity of the traditional family, and maximum feasible legal protection for the unborn.

We've all heard it said that America, today, is in the midst of a culture-war. We may shy away from that imagery, but however we describe the reality, it's there. Either you believe in governmental funding for "performance act" that is, by any civilized standard, degrading and obscene, or you don't. Either you believe that the legal definition of "marriage" should be extended to homosexual couples and to any other configuration of adults sharing living space and access to each other's bodies, or you don't. Either you believe in teaching "Heather Has Two Mommies" to first-graders, or you don't. Either you believe in the "politically correct" restriction of free speech on campus, or you don't. Either you believe in unregulated abortion-on-demand, or you don't.

There is no way to avoid these issues. There is no way to mugwump these issues. The "social issues"—coupled with the parents' revolt—are the politics of the 1990's. And we shouldn't be embarrassed to say so: after all, as Bill Bennet remainds us, take away the "social issues" from Abraham Lincoln, and what have you got?

If press reporting on your group has been even moderately accurate, you believe that the "social issues" are "divisive," that "issues of morality and conscience" should be "excluded" from our party's deliberations, and that pressing "traditional family values" is a political loser.

I believe that you are mistaken.

I believe that all politics is an extension of ethnics. I believe that politics without conscience is a prescription for tyranny, I believe the issue is not whether we can check our moral convictions at the caucus room door—we can't—but rather what moral convictions will shape our party's platform and policies after a reasonable, civil, and democratic debate.

I'll even take it one step farther: I believe that it is possible to debate the "social issues" in ways that deepen our sense of American community, that contribute to a rebirth of genuine freedom, that revivify in our nation a commitment to individual responsibility in personal and public life—and that win elections.

And let me illustrate that conviction by reference to the most intensely debated, even neuralgic, of the "social issues:" the issue of the right-to-life of the unborn.

Twenty years ago, on the day after the Supreme Court handed down Roe v. Wade, The New York Times wrote that the Court had "ended" the abortion controversy in America. Well, on this, as on so many other things, the Times just didn't get it. The abortion controversy isn't over. Moreover—and despite an extraordinary campaign mounted by the prestige press, Hollywood, the Democrats, and feminist groups financed by such dubiously "feminist" organizations as the Playboy Foundation—the American people still do not support abortion on demand. Every poll with which I'm familiar demonstrates that at least 60 percent of the American people reject the resort to abortion as a means of ex-post-facto birth control. Why?

I think there are two reasons why.

First, the American people have a better moral intuition than many members of the American cultural elite. They know that the argument in the abortion debate is not whether the fetus is a human life; that is a medical and biological fact that is beyond reasonable dispute. No reasonable person denies that fetal life is life. And because that fetal life possesses a distinct and unique genetic program, it is a life. Moreover, there is no question that this life is human: allowed to develop, it is not going to turn out to be a golden retriever. Barring natural disaster (as in miscarriage) or lethal interruption (as in abortion), the fetus will grow up to be what any sane person will recognize as a human child. No, the real issue is what is owed to this indisputable human life.

We cannot get around this, hard as we may try. But why should we try? The moral intuition that another human life is always involved in any decision to abort is the intuition that grounds Americans' rejection of abortion as a means of birth control. If we do anything to further coarsen that instinctive moral sense, it will be a dark and sad day for America: not only for the unborn, but for all those Americans—the elderly and the handicapped, in particular—whose lives might someday, be considered "inconvenient."

The American people also sense, intuitively, that Roe v. Wade was not a "liberal" decision; it was a reactionary decision. It did not expand the community of those for whom we accept a common responsibility; it drastically narrowed that community, by declaring an entire class of human beings, the unborn, as beyond the pale of our common concern.

The story of America is the story of an ever-widening and more inclusive community of care and mutual responsibility; we freed the slaves, enfranchised women, created social security, got rid of Jim Crow, made our public spaces accessible to the disabled—all in the name of enlarging the boundaries of the community for which we accepted a common responsibility. That was the storyline of America—until Roe v. Wade.

Thus the Republican defense of the right-to-life of the unborn is, in truth, an extension of our party's historic and originating commitment to human and civil rights. We cannot abandon that position; but we can certainly do a far more effective job of presenting our case. And by working with the governmental and private agencies, we can dramatically increase the visibility and availability of alternatives to abortion for women caught in the dilemma of unwanted or unplanned pregnancy.

In making our case more effectively, we have to challenge the disinformation campaign that has distorted the abortion debate for over twenty-five years. Americans need to know that ours is the most radical abortion regime in the Western world; no other nation—not even Sweden—has any arrangement like ours, in which abortion-on-demand, at any stage of pregnancy, and for any reason an abortionist is willing to construe as involving maternal "health," is considered a basic constitutional right. Americans need to know that "hard case" abortions—in the circumstances of rape, incest, grave fetal deformity, or direct threat to a mother's physical health—account for only 5 percent of the abortions performed in America today. Americans need to know that abortion is a big business—a $500 million/year industry, run primarily by men for their own aggrandizement and profit.

But we need more than arguments; we need to give far more visibility to the tremendous network of voluntary care that already exists to provide services to women in crisis. There are 4,000 crisis pregnancy centers in the United States today. What are we doing to make visible these and other alternatives to abortion? What are we doing to strengthen and extend that network of compassion and care, which is so powerful an expression of what is good about America? Is the best that the Republican Party can say to women in crisis, "Sure, go ahead, abort your child and we'll pay for it?"

I am confident that 1992 will increasingly be viewed as an electoral aberration: an election that was out-of-sync with the long-term course of public opinion. That long-term course is steady, and it is set in a conservative direction. The key planks in the platform of modern liberalism—secularism, the therapeutic society, the welfare state, the quota mentality, and moral license—have failed: and they are known to have failed, once you get beyond the fever swamps of New York, Cambridge, Massachusetts, and Hollywood.

Secularism has not answered the great and abiding questions of human life and purpose. The therapeutic society has blossomed side-by-side with an astonishing rise in criminal behavior. The welfare state has destroyed black communities and far too much of the black family. The quota mentality has set Americans against each other in unprecedented and ugly ways. And a decline in personal moral virtue has fed a decline in public moral responsibility.

The future belongs to those who defend economic freedom and growth; personal virtue, self-reliance, and civil responsibility; limited government; and the national security of a country that the overwhelming majority of Americans still believe is well worth defending. Put another way, the future belongs to conservatism. We must stop being ashamed of being thought of as the "conservative" party in America. Conservatism is the future: a conservatism of compassion and conviction, of strength and responsibility, of growth and prosperity.

One of the biggest straw men in this debate is that of the so-called litmus test—no one should have to take a litmus test to attain standing in the Republican Party, and I don't know of anybody requiring one! On the contrary, it is the Democratic Party that demands conformity to their abortion agenda—their radical pro-abortion platform was implemented by their outrageous undemocratic denial of any opportunity to Pennsylvania Governor Bob Casey to address their convention in New York last summer—because he is pro-life and the delegates could not abide hearing his remarks. I'm sure everyone knows the Democrats have unshamefacedly proclaimed a pro-abortion litmus test for any judicial nominee. At our convention in Houston, Lynn Martin, Nancy Johnson, Governor William Weld—all staunch and outspoken advocates of women's right to choose abortion—were prominently featured addressing us. It is axiomatic that any upwardly mobile Democrat must support the abortion ethic or political ostracism will follow. I say that's sad—and I want room in my party for all points of view—but I want the opportunity to debate my beliefs and advocate them freely in the fullest democratic spirit—and that can happen only in our party.

I'm proud to be a Republican. I'm proud of my party—we express the best that is in the American people—it would be a bitter irony, it would be a historic tragedy if some of us decided to change our party to a road-show version of the party that, in my opinion, has lost its way.

THANKING BARBARA CALABRESE GALLO FOR LONG AND DEDICATED SERVICE

Mr. WARNER. Mr. President, I rise today to thank a long-time staff member for almost 14 years of dedicated and loyal service.

Barbara Calabrese Gallo, a native of New Jersey and a graduate of Fairleigh Dickinson University, worked on my first campaign for the U.S. Senate in 1978. Shortly after I came to the Senate in 1979, Barbara became the first Republican woman Doorkeeper of the Senate. In March 1980, I asked Barbara to join my personal staff to handle all of my front office duties—a position that we all recognize as especially challenging. After 3 years, in February 1983, Barbara was promoted and became the legislative staff assistant to my national security assistant. She performed admirably in that position until October 1987, when she joined the staff of the Senate Armed Services Committee, where I served as ranking Republican member. Since then, Barbara has served as staff assistant to the deputy minority staff director of the committee.

Barbara has now accepted a position as a legislative affairs officer with the United States European Command Headquarters located in Stuttgart, Germany, the first civilian employee to occupy this position. This opportunity will allow Barbara to fulfill a longtime dream of living in Europe, and will permit her to be near her daughter, who recently married and relocated to Spain. It will also permit her to be closer to her beloved Italy, the homeland of her ancestors.

Barbara has long been active in Italian-American circles. She has served as trustee of the International Lodge of the Order of the Sons of Italy in America; as vice-chairman of the National Organization of Italian-American Women; and as a member of the National Italian-American Foundation.

Republicans in Virginia will sorely miss Barbara, for she devoted many of her off-duty hours working for Republican campaigns and the Republican Party. In the past, Barbara served as area chairman of the John Dalton for Governor campaign; area chairman of the FRANK WOLF for Congress campaign; Fairfax County coordinator of my first campaign for the Senate; a member of the Fairfax County Republican Club; the president of the Reston Republican Club; a member of the City of Alexandria Republican Committee; and as a volunteer in the Bush for President campaign.

On top of the long hours in the Senate, her activities with the Italian-American Community, and with the Republican Party, Barbara also found time to participate with the Alexandria Volunteer Bureau, the Art Deco Society, and the Little Theater of Alexandria.

Mr. President, I thank Barbara for her 14 years of dedicated service to the U.S. Senate and to this Senator. I wish her all the best in her new position in Europe, and in all her future endeavors.

BTU TAX IS BAD FOR SMALL BUSINESS AND AGRICULTURE

Mr. PRESSLER. Mr. President, the Btu tax is a b-a-d tax—bad for small business, bad for farmers and ranchers, bad for consumers, bad for States like South Dakota, and bad for the international competitiveness of our country. Mr. President, it's just plain bad.

How many other countries impose Btu taxes on their citizens? None. The reasons why are clear. The Btu tax is an administrative nightmare. It is self-defeating. In fact, some European nations dismissed a Btu tax because they feared it would hurt their international competitiveness.

Mr. President, if enacted, the Btu tax would fall directly on small business owners, farmers, and ranchers. Let me explain.

The Btu tax would make our businesses less competitive. This energy tax would increase operating costs for U.S. producers. As a result, our exports would become more expensive and less competitive. Fewer American goods sold abroad translates into less production at home. That means fewer new jobs and slower economic growth. Small businesses—especially those in the early stages of exporting—would be driven home and could be put out of business altogether.

This "Big Tax on 'U'" is estimated to cost our country as many as 610,000 jobs. The Tax Foundation estimates the job loss in my home State of South Dakota alone would be almost 1,200. There is absolutely no way job losses in small businesses can be avoided if the Btu tax is enacted.

Mr. President, over the years, I have found that one often must go beyond the Washington media to determine what the President is really thinking and saying. Take South Dakota as an example. The Sioux Falls Argus Leader, in an article titled "President Backpedals on Btu Tax," recently reported that President Clinton "is rethinking his proposed Btu tax, acknowledging that he didn't realize the impact it would have on the Nation's farmers." Let me repeat: He did not realize the impact his Btu tax would have on the Nation's farmers. How could the Btu tax not hurt farmers? Mr. President, I ask unanimous consent that two Argus Leader articles, together with a statement by the South Dakota Farmers Union, be printed in the RECORD at the conclusion of my remarks.

The Btu tax would be devastating for agriculture. According to South Dakota Agriculture Secretary Jay Swisher, the proposed Btu tax would cost the average farmer between $2,000 and $3,000. This tax would mean an 8.3 cents per gallon increase for diesel fuel, 2.3 cents per gallon for propane, 7.5 cents per gallon for gasoline, and a few more cents per kilowatt hour for electricity. This tax would come directly off the bottom line for our farmers. It could not be passed on to others.

I hope my colleagues in the Senate and in the House—especially those from farm States—will join us in stripping this tax from the administration's tax package. As South Dakotans and other Americans learn more about this plan and the Btu—which some have dubbed "Beyond Tax Understanding"—tax, they are growing increasingly unhappy. My constituents, as well as those of many of my colleagues, are demanding that we reduce the deficit by cutting spending, not raising taxes—especially unfair taxes like the Btu tax.

In addition, Mr. President, this is a tax on consumers and the middle class. Most families pay more for energy indirectly through goods and services than directly in their utility and fuel bills. Once imposed, the Btu tax would be passed on throughout the production chain. Proponents argue that the Btu tax would be hidden from consumers. Consumers may not see this tax, but they would certainly feel it, from the gas station to the grocery store.

The American people should be aware that the looming danger from this type of stealth tax is immense. It attempts to shield the true costs of government spending from the radar screen. If left undetected, it would allow the tax-and-spend ways of Congress to continue. The Btu tax is indexed for inflation and will increase automatically each year.

Even worse, future hikes in the Btu tax above the indexing could easily be pushed through Congress. After all, hidden taxes are easy to increase. How many more tax increases can our economy withstand? Spending cuts are hard to make, but they are absolutely necessary. We must make tough choices.

As Paul Merski, an economist with Citizens for a Sound Economy has said, "For the majority of American families already stretching their budgets, the higher prices, lower wages, and increased danger of job loss associated with President Clinton's proposed Btu tax would mean a tougher struggle to maintain their standard of living. Imposing new taxes of any kind will only drain the energy from working families and the economy." Mr. Merski is absolutely correct.

Mr. President, I cannot think of a single good thing to say about the Btu tax, with the possible exception that it is unique and creative. As I mentioned, no other country in the world imposes such a tax. However, creativity would be better applied to finding ways to cut Government spending—not creating new ways to pick our taxpayers' pockets. Let us focus our attention in that direction. Let us kill the Btu tax before it kills America's economic growth.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WIESE SAYS OVER-TAXED FARMERS CAN'T AFFORD BTU TAX

HURON.—South Dakota family farmers are already over-taxed and cannot afford the additional burden of President Bill Clinton's proposed Btu tax, according to Acting Farmers Union President Dennis Wiese.

"South Dakota farmers and ranchers have already been hit with huge increases in property taxes," Wiese said. "We simply cannot afford the additional costs now estimated for the Btu tax."

The South Dakota farm leader cited recent estimates that the Btu tax would reduce net farm income by about $2,400 per year on a typical 600-acre farm in southeast South Dakota.

"We are already faced with grain prices that are dramatically reduced from a year ago and continuing adverse weather conditions," Wiese said. Wiese noted that the U.S. Department of Agriculture has estimated 1993 net farm income will be $42 to $48 billion, down from $51 billion in 1992. That is a 17 per cent drop in income combined with an estimated 2 per cent increase in farm input costs.

"President Clinton has spoken again and again on the importance of establishing a more progressive tax system and of creating more tax fairness," Wiese said. "There is simply no way that the Btu tax can be reconciled with that philosophy."

"Like all Americans, South Dakota family farmers and ranchers are willing to participate in shared sacrifice to reduce the federal budget deficit," Wiese said. "However, the key word is shared. The Btu tax asks far more sacrifice from agriculture than from other segments of the economy."

Wiese said he is concerned that the media, government and the public are losing their appreciation for the role of family agriculture within the U.S. economy. "We have to change that," he concluded.

[From the Sioux Falls Argus Leader, Apr. 13, 1993]

ENERGY TAX COULD SOAK FARMERS

(By Randy Hascall)

VERMILLION.—President Clinton's proposed energy tax could cost a typical farmer in southeast South Dakota more than $2,400 a year.

Ron Thaden, Clay County extension agent, said the added cost might force some farmers to quit.

"Eventually, it's going to catch up to them," Thaden said. "I think it will really be serious for a lot of operations. They won't be able to meet costs, and they'll have to quit."

Thaden, South Dakota State University economics professor Don Peterson and Clay-Union Electric Manager Paul Roberts have projected the effect the energy tax would have on a 600-acre farm in Clay County.

The analysis addresses costs for fuel, fertilizer, herbicide, grain drying, utilities, transportation and interest. Clinton's proposal is subject to congressional changes and approval.

Roberts said he believes Clinton wants a fair distribution of taxes, but the energy tax places a heavy burden on farmers.

In addition to increased production costs, farmers could expect lower market prices, Roberts said. He said grain elevators would have to pay higher shipping costs and would pass those expenses on to farmers.

And the analysis doesn't include increases in light bills or irrigation, he said.

The proposed tax is a big concern to Vermillion farmer Robert Gilbertson.

"It's quite an astounding amount," Gilbertson said. "A user tax is tough when your living depends on it."

Gilbertson said he has taken cost-cutting steps in recent years and has reduced tillage.

"We've changed our operation drastically the last five to 10 years." he said. "There's really not an avenue left to change now."

Gilbertson said he can't afford expensive equipment necessary to reduce tillage further.

Extension agent Thaden said that even those farmers who can reduce their tillage would escape only a small portion of the increased costs. Their increase on an acre of corn might be $5.30 instead of $5.88, he said.

Thaden said most farmers don't realize how much the tax plan would cost them in its present form. Clinton wants the tax phased in over several years.

Greg Peton, sales manager of Vermillion Fertilizer, said production costs of ammonia would increase, and they'd be passed on to farmers. Depending on the final plan, farmers could pay from $3.26 to $16 a ton more for ammonia. An average farmer applies about 50 tons of fertilizer to 300 acres of corn and more than 22 tons to 300 acres of soybeans.

"Farmers would be hit twice and that's just with an energy tax." Peton said. Petroleum products in herbicide would boost those costs and tractor fuel costs also would increase.

Vermillion farmer Mark Nelson said the tax isn't fair.

"We've tried to do our share," Nelson said. "There's such a fine line on farming profit as it is. So many costs are predetermined—herbicide, fertilizer, utilities—that there's not much we can do"

ENERGY TAX IMPACT

This is an estimate of the impact the Clinton administration's proposed fuel tax would have in its third year of phase-in on a typical 600-acre farm in southeast South Dakota.

Cost/acre	Corn	Beans	Alfalfa
Fuel	$1.21	$1.00	$1.59
Fertilizer	$1.35	$0.29	$0.72
Herbicide	$1.97	$1.11	$0.17
Drying	$0.67	$1.00	$0.00
Utilities	$0.07	$0.02	$0.02
Interest	$0.42	$0.19	$0.20
Transportation	$0.19	$0.09	$0.40
Impact/acre	$5.88	$2.70	$3.10
Acres	260	285	55
Impact/crop	$1,529	$770	$171

Source: Don Peterson, SDSU; Ron Thaden Clay County Extension Office: Paul Roberts, Clay-Union Electric. Based on yields of: corn, 100 bu.; soybeans, 40 bu.; hay, 5 O.T.

[From the Sioux Falls (SD) Argus Leader, May 12, 1993]

PRESIDENT BACKPEDALS ON BTU TAX

(By David Kranz)

BENSENVILLE, ILL.—President Clinton said Tuesday that he is rethinking his proposed BTU tax, acknowledging that he didn't realize the impact it would have on the nation's farmers.

South Dakota farmers have called the proposed a killer that taxes energy content of oil, coal and electricity based on energy content. They said it could drive them out of business. State farmers say the price for their crops compared with the cost of production would no longer yield a profit.

It would increase the farmer's cost for gasoline, diesel fuel, heating oil, grease and oil.

Clinton also said he was looking at the Indian gaming issue that has brought some controversy in South Dakota and other states, but made no commitments other than to direct a study of the federal laws that govern what is rapidly increasing economic growth for reservation communities.

He said some regulatory changes may be needed, but gave no indication that he was in favor of curtailing or seriously limiting the activity.

The president made the comments during a press conference with five writers from South Dakota and North Dakota, following a speech on education to 2,000 students and guests at Fenton High School in Bensenville.

"What we need to do is look at all elements of this program . . . so this thing does not fall unevenly on anybody," Clinton said.

A solution that could lighten the impact of the BTU tax according to the president, might be changing the expensing provisions of the tax code.

"We had to do something dramatic early to be serious about reducing the deficit. It not only had to work, but it had to be deemed to be working by the financal community to try to get interest rates down," Clinton said.

Three things were necessary in weighing deficit reduction if it were to have credibility, he said. They included specific spending cuts rather than proposed caps; a reversal of the 1980s, where taxes were lowered on wealthy people and raised on the middle class; third, an energy tax because the United States taxes energy at a lower level than other countries.

But Clinton admits that he is worried about the impact to agriculture.

"Now, I'm very concerned about the farmers. I come from a state with a lot of farmers. This issue never came up in this way, believe it or not, even though we had a lot of people sit around the table from farm states before we put this package together," the president said.

He said the carbon tax on the burning of fossil fuel, which would have an impact on power plants, was discarded because they thought that it was unfair to the coal-producing states. Those from northern areas favored a gas tax because of how high gas taxes are in every other country. That was discarded because of the impact on rural people west of the Mississippi, he said.

Clinton said he thought the BTU tax would benefit the nation's environmental policy most with the broadest base.

"I think the thing that missed everybody's attention was that agriculture was exempt from the other energy taxes, primarily the gas tax. So it came as a full hit on agriculture."

Talks have begun with administration officials and rural state congressional delegations about other avenues to explore in place of the BTU tax, Clinton said.

"I'm committed to the whole congressional delegation from both these states, that we continue to work on it. We are going to try to get it intact without having a big session. We are struggling for a way to help agriculture without just creating an exemption and a tax which might cause it to fall because then you have people from other parts of the country that will be saying, 'Give me an exemption.' The last thing we want to do is accelerate the decline of the family farm."

On the gaming issue, Clinton said Bruce Babbitt, his interior secretary, is evaluating the impact of changes in federal laws on Indian gambling. He said there is some support from governors to limit or eliminate the laws.

"A lot of people are quite unhappy and some governors are very concerned," he said.

"The fear is that, if Indian gaming were broadened, they would have no choice but to open up gaming."

The president said he was inclined toward some legislation by Congress to determine what the balance of forces should be.

"Gambling is not an unmixed blessing because it is rooted in the idea that you can get something for nothing, but you can't. As long as it's confined and it's limited and we are all having a lot of fun and nobody is under any illusion, I don't know that it does too much harm to society. But it can never be the central basis for which you build economic self-sufficiency," Clinton said.

He also said gambling does not communicate the right values.

"Philosophically I don't have much objection to some modest expansion of this, but I don't believe that this can or should be seen as a salvation of the Indian tribes."

Clinton admitted that he didn't have a great knowledge about South and North Dakota, but some of the nation's worries, like health care, have a major impact on this region, and he said he would take care not to let them fall through the cracks because of their small population.

CONCERNING THE PAPERS OF ASSOCIATE JUSTICE THURGOOD MARSHALL

Mr. PRESSLER. Mr. President, I have been watching with great interest the news reports this week concerning our Library of Congress and the papers of the late Justice Thurgood Marshall. Although the debate has focused on what some refer to as the Library's abuse of discretion, I think it is time to remind ourselves of the Library's responsibility to its donors and to researchers.

In the first place, the Library has no real discretion regarding the Justice's papers. What the Library has is a contract with the late Justice that must be honored. Although I can understand and sympathize with those who want to protect the late Justice and the Supreme Court of the United States, I cannot believe that anyone would ask the Library to ignore its duty to Justice Marshall in order to save others from possible embarrassment.

In the stories I have seen in the press, there are many who say that they know what Justice Marshall really wanted when he donated his papers to the Library. Although the anecdotes recounted are interesting, they are hardly proof of the Justice's wishes regarding access to his papers. The Library, on the other hand, has provided exhaustive documentary and other evidence of its negotiations with Justice Marshall, as well as the recollections of the Librarian of Congress and two other Library officials who attended the October 1991 meeting at which Justice Marshall agreed to donate his papers to the Library.

Incredibly, a number of the Library's critics also have suggested that Library officials should allow only certain types of researchers to have access to the papers. Who would these approved researchers be? The suggestions of critics do not tell us that; rather, they tell us only what they would not be: journalists and lawyers. Can we ask librarians in the Manuscript Reading Room to decide which citizens will be allowed to consult the papers of Washington, Jefferson, Lincoln, countless former Members of Congress, and Federal judges? Would we in the U.S. Senate approve of our Library making such distinctions? I think not.

I urge my colleagues to think carefully about the issues that have been aired so publicly in the press. This is no time to let our sympathy make us shirk our responsibilities to the right of American citizens to free access to information.

Mr. President, I ask unanimous consent that the following items appear in the RECORD as part of my statement: a factsheet on access to Thurgood Marshall's papers; the instrument of gift whereby Justice Marshall's papers were given to the Library of Congress; a chronology of the accession of Justice Marshall's papers; a summary overview of other Supreme Court papers for which unrestricted access has been permitted; and a statement of the Librarian of Congress yesterday on this entire matter.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FACTSHEET—ACCESS TO THURGOOD MARSHALL'S PAPERS

Five different issues are raised by William Coleman and others who urge the closing of access of Marshall's papers.

1. That the Library is not following typical practice in the administration of these papers.

Fact: We have followed typical practice. The typical practice is to confer with donors to determine their wishes, and incorporate those wishes into the instrument of gift. The result of this practice varies, as individuals have stipulated different types of access. (Attachment 1)

2. That unrestricted access to the papers was not the intention of Marshall.

Fact: Marshall agreed to unrestricted access to researchers after his death, and to limited access, with his permission, during his lifetime. He made his intentions clear at his meeting with Billington, Wigdor and Ham; he reviewed the instrument of gift; he made no revisions and returned this document signed. (Attachment 2)

3. That allowing journalists access to the papers is not consonant with the agreement, because journalists are not "researchers or scholars engaged in serious research."

Fact: "Researchers or scholars" are understood to be those who have a specific research project, often leading to publication. Manuscript Division collections are not open to the general public—e.g., undergraduates and tourists just wanting to look at famous documents. Coleman's position "that no journalist can have a serious purpose is simply untenable. (Attachment 3)

4. That open access by researchers and scholars to the Marshall papers will jeopardize LC's ability to collect the private papers of public figures in the future.

Fact: The Library has no choice but to comply with the terms of the agreement. The fact that LC does comply, in this case as scrupulously as in all other cases despite the unwanted publicity it has caused, is in fact the best possible argument for a donor to feel that his or her wishes will be carried to the letter.

5. That Dr. Billington made assurances to Justice Marshall that only scholars would have access to his papers.

Fact: Neither the Librarian nor any other official from the Library made such an assurance.

INSTRUMENT OF GIFT

I, Thurgood Marshall (hereinafter: Donor), hereby give, grant, convey title in and set over to the United States of America for inclusion in the collections of the Library of Congress (hereinafter: Library), and for administration therein by the authorities thereof, a collection of my personal and professional papers, more particularly described on the attached schedule.

I hereby dedicate to the public all rights, including copyrights throughout the world, that I may possess in the Collection.

The papers constituting this gift shall be subject to the conditions hereinafter enumerated:

1. Access. With the exception that the entire Collection shall be at all times be available to the staff of the Library for administrative purposes, access to the Collection during my lifetime is restricted to me and to others only with my written permission. Thereafter, the Collection shall be made available to the public at the discretion of the Library.

2. Use. Use of the materials constituting this gift shall be limited to private study on the premises of the Library by researchers or scholars engaged in serious research.

3. Reproduction. Persons granted access to the Collection may obtain single-copy reproductions of the unpublished writings contained therein.

4. Additions. Such other and related materials as the Donor may from time to time donate to the United States of America for inclusion in the collections of the Library shall be governed by the terms of this Instrument of Gift or such written amendments as may hereafter be agreed upon between the Donor and the Library.

5. Disposal. It is agreed that should any part of the Collection hereinabove described be found to include material which the Library deems inappropriate for permanent retention with the Collection or for transfer to other collections in the Library, the Library may dispose of those materials in accordance with its procedures for the disposition of materials not needed for the Library's collections.

In witness whereof, I have hereunto set my hand and seal this 24th day of October, 1991, in the city of Washington, DC.

THURGOOD MARSHALL.

Accepted for the United States of America.

JAMES H. BILLINGTON,
The Librarian of Congress.

NOVEMBER 8, 1991.

ACCESSION OF JUSTICE THURGOOD MARSHALL'S PAPERS

CHRONOLOGY

Jan. 29, 1965: First request for Judge Marshall's papers from David Mearns, Chief, Manuscript Division

Feb. 8, 1965: Marshall responds "I have no personal papers. They all remained in the files of the N.A.A.C.P. and the N.A.A.C.P. Legal Defense and Educational Fund, Inc."

Oct. 4, 1977: Another LC Solicitation, from John Broderick, Chief, Manuscript Division says "Mutually acceptable restrictions may, of course, be placed upon the use of a collection."

July 2, 1991: JHB's solicitation after Justice Marshall first announces his retirement

July 22, 1991: Justice Marshall writes JHB "I contemplate leaving my papers to the Library of Congress when I finally retire."

Sept. 4, 1991: JHB writes Marshall thanking him for news of July 22 and inviting him to lunch

Oct. 7, 1991: JHB, D. Wigdor, D. Newman Ham visit Justice Marshall in his chambers. Justice Marshall tells group that his papers will be available with his permission during his lifetime and after his death without restrictions.

Oct. 21, 1991: JHB letter to Marshall forwarding instrument of gift, "we will be happy to discuss any revisions you wish to propose. If it is satisfactory in its current form, simply sign and return. . . ."

Oct. 24, 1991: Justice Marshall signs instrument of gift, with no changes, donating papers to the Library

Dec. 1991-Jan. 1992: Marshall's Papers, initially 147,800 items (eventually 173,700), arrive at Library of Congress

Feb. 27, 1992: JHB letter to Marshall returning the completed Instrument of Gift, thanking him again and saying we "are certain that researchers visiting the Library of Congress to use them through ensuing generations will agree that these papers embody the life and career of an American ceaselessly at work toward his ideal of a just society."

June 3, 1992: Processing begins on Marshall's Papers

June 30, 1992: Hutson letters to Marshall and other justices asking them to review and approve staff essays about their papers for publication in 1991 Acquisitions Report

July 8, 1992: McHale calls Janice Ruth (Manuscript Div) to say Marshall "is pleased with it—no problem—no changes needed"

July 6-15, 1992: Other justices indicate reluctance to Ruth about publication of essays relating to their holdings; Manuscript Division decides not to publish them

Sept. 30, 1992: Processing completed; shortly thereafter, Ham calls McHale to report that papers are ready for use

Jan. 24, 1993: Marshall's death; his papers become available to researchers

Feb. 2, 1993: First researcher uses papers (6 researchers use papers Feb-April; Post researcher begins research May 5)

Feb. 23, 1993: JHB letter to Mrs. Marshall following his attendance at Marshall's funeral, expressing condolences, asking her to visit LC and see how we processed the collection, asking for donation of additional material and enclosing a copy of the Manuscript Div 1991 acquisitions report describing our Marshall holdings

There were no conversations between Library staff and Marshall and his staff between October 7, 1991, and October 21, 1991. The Library staff members who attended the October 7, 1991, meeting with Marshall are very clear that he wanted his papers open to researchers upon his death. We received no requests for access to Justice Marshall's papers during his lifetime. We do not know whether any such requests were directed to the Justice personally.

ACCESS TO THE PAPERS OF SUPREME COURT JUSTICES

COLLECTIONS WITH UNRESTRICTED ACCESS AFTER THE DEATH OF THE JUSTICE

Burton—researchers could have access to his papers during his lifetime with his permission; after death, access became unlimited

Douglas—materials received during his lifetime by the Library where made immediately available to researchers after his death; additions to the collection received through bequest were available without restrictions after five years

Goldberg—access unrestricted from the moment of receipt on deposit by Library, even during Goldberg's life. Goldberg established an automatic conversion to a gift on the first anniversary of the deposit.

Marshall—access to collection with permission during his lifetime; after his death, open access

COLLECTIONS WITH RESTRICTIONS AFTER THE DEATH OF THE JUSTICE

Black—(donated by heirs, 1973) access to "entire collection" and publication with permission of executors (intent seems more to protect intangible rights that to withhold for other reasons)—access to "files of the Supreme Court. . ." until death or retirement, whichever first, of other participating justices or justices active on Court at time case decided

Brennan—access to "legal files" and "correspondence" with permission of the donor, then unrestricted access after his death—"personal annual review of the team's work" closed during his lifetime & the lifetime of the other justices who participated in the decisions

Frankfurter—access closed for 16 years from the date of "each paper"

Jackson—(donated by heirs in 1984)—access with permission for 5 years after the date of the instrument of gift, then unrestricted access

O'Connor—access with permission during her lifetime, then unrestricted, except for case files which are closed as long as any participating justice continues to serve on the Court

Rutledge—(donated by his wife in 1980)—open immediately upon her gift

Stone—(donated by his wife in 1949)—access with permission of his widow or children between 1949 and 1975, then unrestricted

Warren—while papers were on deposit, access was granted with permission of the Justice; the terms of his will stipulated that the papers would be closed for ten years after his death

White—access with his permission during his lifetime; open "to the public" ten years after his death

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STATEMENT BY JAMES H. BILLINGTON, THE LIBRARIAN OF CONGRESS, CONCERNING THE PAPERS OF ASSOCIATE JUSTICE THURGOOD MARSHALL, MAY 26, 1993

We were surprised and distressed by the concerns voiced by the Marshall family, Chief Justice Rehnquist, the Hon. William Coleman, and others over the opening of the papers of the late Thurgood Marshall, Associate Justice of the Supreme Court and a giant figure in the history of the civil rights struggle.

I have met today with the Marshall family, the Chief Justice, and Mr. Coleman to discuss their concerns, review the Library's discussion and correspondence with Justice Marshall, and explain the Library's guiding philosophy on access to its collections.

We have conducted a thorough review of our internal documents and dealings with Justice Marshall. We remain confident that, we are carrying out his exact intentions in opening access to his papers after his death on January 24.

In so doing, we have followed traditional library practice of strict adherence to the donor's explicit instructions. This has been our practice with collections left to the Library by all donors, including twelve other recent justices of the Supreme Court. To do otherwise is a breach of contract and a violation of the trust placed in the Library by the donor.

Requests in the wake of recent articles to impose additional restrictions on Justice Marshall's papers run counter both to this basic principle of custodianship and to Justice Marshall's expressed intentions to us. We have the greatest sympathy for Chief Justice Rehnquist, Justice Marshall's family, and others who have voiced concern. But the Library must honor the expressed wishes of one of our great jurists. Open access to the papers, as called for in Justice Marshall's instrument of gift, must be maintained.

Crucial to a free and democratic society is open access to information, limited only by formal secrecy classification and by specific restrictions laid down by the donors of papers.

In the case of Justice Marshall, following his death, the use of the papers "is limited to private study on the premises of the Library by researchers or scholars engaged in serious research."

One of the concerns that has been raised is that journalists ought not to be considered researchers. The term "researchers," under Library policy, has always referred to adults working on specific research projects, be they authors, journalists, or lawyers. Justice Marshall was aware that journalists used Library manuscript collections; indeed, during our meeting on his papers in October 1991, he mentioned with approval to me a particular book by a journalist on a fellow Supreme Court justice using his papers in the Library.

All who seek to use the Marshall papers—or any other open papers in the Library's manuscript collection—must register, present a photo I.D., state their names, addresses, institutional affiliations, and their research projects. Casual tourists and high school students are turned away. Undergraduates are normally encouraged to go elsewhere, although any adult may use the Library's general collections.

There has been some confusion over the "discretion" allowed to the Library under the terms of Justice Marshall's Instrument of Gift, signed October 24, 1991. As in the case of other collections, the "discretion" sought and obtained by the Library involved only the technical determination by our archival staff of when the papers were organized and ready for use. It is an abuse of such "discretion" to impose restrictions on access other than those proposed by the donor.

Under the Instrument, his papers were to be made available during his lifetime to researchers "only with my written permission." After his death, "the collection shall be made available to the public at the discretion of the Library."

Justice Marshall was quite clear in his meeting with me and other Library specialists earlier that month that he wanted his papers to be opened upon his death. he and we, of course, did not know when that would be.

Justice Marshall had ample opportunity to add restrictions if he so chose. In my letter of October 21 forwarding the Instrument of Gift to Justice Marshall for his signature, I wrote: "We will be happy to discuss any revisions you wish to propose." He proposed none. He signed the Instrument of Gift with no changes on October 24.

The restrictions placed by Supreme Court justices on access to their papers have varied with the individual. Justice Marshall is not the first Justice to ask that his papers be opened immediately following his death. Associate Justice Burton gave unlimited access after his death. Associate Justice Douglas permitted major portions of his papers to be made available immediately on his death. Associate Justice Goldberg allowed his papers to be open during his lifetime (but after he left the Court). Justice White's Instrument of Gift allows access to individual researchers with his permission during his lifetime, then no access for ten years. Chief Justice Warren allowed no access to his papers until 1985.

Some have argued that opening Justice Marshall's papers now threatens the privacy of Supreme Court deliberations. The Library does not hold itself above the law; it obeys Federal document classification edicts and follows the restrictions imposed by donors of papers. We have nothing but respect for the Court and its members. But we cannot serve as the Court's watchdog. In the recent past, as is well known, outside the Library of Congress, both journalists and scholars have gained access to Supreme Court documents and produced articles and books on its deliberations. We are surprised to have the Library of Congress called upon to enforce a tradition of confidentiality which the Court itself has yet clearly to establish.

In the case of Justice Marshall, the Library has sought his papers since 1965, even before he was appointed to the court. On July 2, 1991, after Justice Marshall announced his impending retirement, we again wrote him asking him to donate his papers to the Library of Congress.

In a letter on July 22, 1991, Justice Marshall said he was considering the Library's invitation.

On October 7, 1991, David Wigdor, assistant chief of the Manuscript Division, Debra Newman Ham, the Manuscript Division's specialist in African-American history, and I met with Justice Marshall in his chambers. The Justice set the agenda. He was fully in charge and clearly told us to make his papers accessible after his death. There was no extended discussion of various options or restrictions, although we discussed how restricted access would be provided during his lifetime and how security classified materials from his service as Solicitor General would be protected. The Justice accepted a suggestion by David Wigdor that during Marshall's lifetime the papers would be available to researchers with his written permission—a common provision.

On October 21, I sent Justice Marshall an Instrument of Gift, with a covering letter. In that letter I wrote that we would "be happy to discuss any revisions you wish to propose. If it is satisfactory in its current form, simply sign and return both copies to me."

Justice Marshall proposed no revisions. He signed the Instrument of Gift unchanged on October 24 and sent it back to me.

In December, 1991, we began moving Justice Marshall's papers—173,000 items in all—to the Library. Processing them began in June 1992 and was completed last September. On June 30, 1992, we sent a draft to Justice Marshall of an essay describing his papers—an essay destined for the Library's 1991 Acquisitions Report—asking for comments or corrections. On July 8, 1992, his assistant, Janet McHale, called the Library to say that Justice Marshall was pleased with the essay and welcomed its publication which was in effect an invitation to use his papers.

The Library received no requests to use the Marshall papers during the Justice's lifetime. On January 24, 1993, Justice Marshall died, a towering figure mourned by the nation. Dr. Hamm and I were among those who attended the memorial service in the National Cathedral. In accordance with his wishes, his papers were opened. (By May 5, when a Washington Post reporter arrived, six researchers had already used the collection.) On February 23, 1993, I wrote to Mrs. Marshall, expressing my sympathy, asking her to visit the Library and the Marshall collection.

Restricting or suspending access to the Marshall papers now would cast doubt on the Library's ability to carry out the instructions of a deceased donor. In the public interest, and in accordance with the expressed intent of one of our great jurists, we cannot in good faith suspend or otherwise restrict access to the Marshall papers as some have requested.

We remain confident that we are complying with Justice Marshall's intentions regarding access to his papers. We are deeply concerned that the language of the Instrument of Gift may have been misunderstood by some. I have therefore directed Library staff to develop language for use in subsequent Instruments to reexamine access policies and ensure that future donor's intentions are not subject to any misinterpretation outside the Library.

We are genuinely sorry that we cannot accommodate the desire of many good people to restrict access to his collection. No desire to do so or countervailing view of Justice Marshall's intentions was communicated to the Library before the press articles. We particularly sympathize with the concerns that have since been expressed to me by the family and by many in the judiciary system about what has appeared in the press.

RELEASE OF PAPERS OF ASSOCIATE JUSTICE THURGOOD MARSHALL

Mr. METZENBAUM. Mr. President, I wish to address briefly the controversy which surrounds the release of the papers of the late Justice Thurgood Marshall.

It is regrettable to me personally that the release of this remarkable and historically important collection has caused a dispute between two parties for whom I have the greatest respect and admiration—the members of the Marshall family and the Librarian of Congress, James Billington.

Mr. Billington and the Library have also come under criticism from both Chief Justice Rehnquist and former Chief Justice Burger. Mr. Billington has been accused of bad judgment and flagrant abuse in this instance. I know Jim Billington to be an historian with an impeccable sense of propriety, and a true dedication to the mission of the Library of Congress. I know his actions to be in good faith, and mindful of the concerns expressed by all parties.

Justice Rehnquist and former Justice Burger also contend that making available Justice Marshall's papers at this point in time causes serious damage to the Court and somehow violates the confidentiality of the deliberations. On that point, I take issue with the critics. Indeed, in the cases of Justices Burton, Douglas, and Goldberg, access to their papers was granted immediately upon their deaths. In Goldberg's case, access was unrestricted even during his lifetime.

And, in fact, I believe the Marshall papers reflect well upon the High Court and its Justices. The reports I have read based on the papers inspire confidence in the serious and thoughtful deliberations undertaken by members of the Court and its clerks. They show the Justices to be human beings with strong opinions, great intellect, good humor, and an admirable work ethic. It is my opinion that Americans reading the contents of these papers will come away with a great sense of pride in the highest court in our judicial system.

Any documents which can bring about that result are clearly a benefit to the public interest.

Moreover, in an era in which many of the great public figures of our time have been tarnished by historians and revisionists, the papers serve to reinforce the legacy of one of the true giants of this century—Thurgood Marshall. His private writings do nothing but enhance his statute as a voice for the less fortunate, and as a fighter for social justice. His papers remind me how badly he is missed.

TRIBUTE TO KENNETH S. APFEL, ASSISTANT SECRETARY OF MANAGEMENT AND BUDGET AT THE DEPARTMENT OF HEALTH AND HUMAN SERVICES

Mr. BRADLEY. Mr. President, I rise today to offer my congratulations to Ken Apfel, who was sworn in yesterday as the Assistant Secretary for Management and Budget at the Department of Health and Human Services. I cannot imagine a better choice than Ken to serve President Clinton and the people of this country in that position.

Ken Apfel began his career in the Senate as a staff member of the Senate Budget Committee in 1980. He joined my office in 1982, and as a legislative assistant, and, later, as legislative director, played a key role in shaping legislation in many areas of social policy, including infant mortality, home and community care for the elderly and disabled, welfare reform, child support enforcement, and education.

But, Mr. President, Ken's contributions to my office and this body extend well beyond these initiatives. He has command of the academic literature in terms of social and health policy. He has encyclopedic knowledge of the budget and budget process. He has a sensitive awareness of how laws are passed and how human that process is. He understands how important it is to have relationships of confidence and trust, even with those you may disagree with. And with his pragmatism, genuineness, and keen political judgment, he has engendered trust and respect throughout this institution.

Mr. President, I believe this country is lucky to have Ken Apfel serving in this administration. He is someone who truly embodies the term public servant—someone who derives deep satisfaction from being involved with serving the public through actions of government; from doing something that improves the quality of life for people in this country. He is very dedicated to this mission.

In summary, Mr. President, we will miss Ken—his warmth and good humor, his steadiness, his unerring judgment. But my loss is truly the country's gain. I congratulate Ken, Caroline, Derek, and Dana, and wish them well on their new journey.

BILL ALLEY, EXCEPTIONAL VERMONTER

Mr. LEAHY. Mr. President, one of the advantages of representing a small State is that you get to know so many of the people who make our State special.

I first met Bill Alley on an airplane flying back to Vermont from Washington, and have had the chance of talking with him on numerous occasions, and seeing the results of his genius ranging from artificial limbs to some of the most beautiful fly rods anywhere.

Recently he was profiled by a local newspaper and I ask to include that in the CONGRESSIONAL RECORD so other Senators and those who read the RECORD will know of the kind of exceptional people we have in Vermont.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Free Press, May 17, 1993]

WHETHER THROWING AROUND A JAVELIN OR IDEAS, INVENTOR PUTS OUT OLYMPIC-SIZE EFFORT

(By Andrea Zentz)

A former U.S. Olympian is finding challenges in the world of entrepreneurship as an inventor.

Bill Alley, 56, a member of the 1960 U.S. Olympic Team, doesn't like to dwell on the past. With some prodding, he'll admit, "OK, I was a three-time all-American and set a world record in javelin in track and field." And he is still running strong. But it's not a track that he's traversing. It's the competitive world of business that challenges him. It is the adventure of tomorrow that piques his creative juices.

Ask Alley about the future, and he perks up. He clearly has his sights set on tomorrow.

And why not? As his late father, Francis Alley, told him, "If what you did yesterday seems great, you haven't done much today."

The advice seems to have a grip on Alley. His life has been punctuated with accomplishments.

The Stowe resident, who was Vermont's Businessman of the Year in 1976, has a portfolio of inventions that includes a blood pump used in kidney dialysis machines, an artificial heart, an arrow shaft that set the world record in distance in the mid-'70s, a wind gauge used in Olympic Games since 1968, a giant Polaroid camera, carbon fiber tennis rackets and ski poles. He even invented a graphite bicycle used in the 1975 Olympics, a gaggle of fishing fly rods, a drive shaft and airplane landing gear.

He uses carbon fiber, a lightweight but sturdy material, for most of his inventions. He also uses good old common sense.

He says that he often gets his ideas from the strangest places. For example, take the time he tried designing a fly rod for the president of Union Carbide. He had difficulty with the design and found the solution in a dream. He is never at a loss for ideas.

But Alley tries to remain inconspicuous about his projects and the tedious process of turning theory into reality. He is a quiet mover.

Trish Alley says her husband does not like to draw attention to himself, but he finds a lot of satisfaction in his work.

"I think it's because when he was an athlete, a lot of people wanted to be associated with him because of the things he did, not because of who he is," she said.

Much of his professional inspiration comes from family. Alley takes his father's advice seriously and still is setting goals. "I've always had this desire to make a contribution to medicine," he said. "I'd like to help young people become more mobile through the development of artificial arms and legs."

John Fago of Bethel is the latest beneficiary of Alley's artificial limbs.

"It was the first time since I lost my leg that I didn't need to use a cane, that the leg was really working for me," said Fago, who supplies prostheses to people throughout the world.

Fago can't laud Alley with enough accolades. "He took stuff he learned in redesigning the javelin, fishing poles, truck springs and applied it to a specific problem. . . . He loves a problem. You can tell he's someone who has solved an awful lot of them in his life."

Alley, who has schooling in orthopedic surgery and mechanical engineering, said his academic background nurtured his interest in helping people become mobile. He became attracted to the idea when he was an athlete visiting children's hospitals. His athletic career opened doors, getting him past the "who are you?" hurdles, he said.

"He's a genius when it comes to inventions," said Garry Michaud of Research Engineering. "It's just something working for the guy because he can think up anything and we get to make it, and it's fun."

Michaud said Alley requires perfection and gets it because of the way he treats his eight employees at Research Engineering in Morrisville. Alley also employs two other people at The Fly Rod Shop in Stowe.

"He takes every individual who works for him and he tries to instill in them a little pride," Michaud said.

Alley moved from New Jersey to Vermont in 1969 to start a business. He selected New England because he said business startup costs are lower. "It was an area where you could work hard, and the results of your work would show, whereas in a more populated area you'd be competing with anybody and everybody."

The self-made entrepreneur says the secret to his success is good timing and hard work. "I think that's part of how people get ahead . . . because you walk the extra mile."

Taking that incremental step to business perfection is nowhere more apparent than with his latest inventions. He's building a machine to assemble a miniature part for a hearing aid that will eliminate background noises. He also just designed a walking stick that transfers vibrations from the stick to the fingers of visually impaired people.

THE ALLEY FILE

Name: Bill Alley
Age: 56
Occupation: inventor
Education: master's degree in mechanical engineering, 1961, University of Kansas
Family: wife, Trish Alley; a daughter and a son
Hobbies: sailing, traveling, flying model airplanes, collecting grandfather clocks, building wood furniture

REGARDING AMENDMENT NO. 375

Mr. McCAIN. Mr. President, I would like to elaborate on a discussion the distinguished manager of the bill for the majority and I had regarding my amendment, No. 375, which would prohibit Members from using campaign funds for inherently personal purposes. As I previously noted, the amendment prohibits Members from using campaign contributions for such things as home mortgage loans, rental of living quarters, clothing purchases, noncampaign automobile expenses, country club memberships, and vacations or other trips which are not directly related to the campaign.

The senior Senator from Oklahoma inquired as to whether the term "campaign expense" might include the use of excess campaign funds to enable spouses to accompany certain public events, although the event may not be within the 2-year election cycle?

As I indicated, I believe that when people elect a Member of Congress, they are also electing a spouse, because they are really part of a team. Therefore, I agree with my friend that it would not be inappropriate for campaign funds to be used to enable a spouse to attend certain public events, such as a fundraiser or otherwise campaign-related, even though such an event might not be within the 2-year election cycle.

I want to emphasize, however, that campaign funds could not be used in the kind of abusive manner previously cited, by either the Member or their spouse for vacations or foreign travel, for example. While some Members may be able to contrive a contorted explanation why $327 for dinner in Paris is a campaign expense, I don't think the American people would buy it, and my amendment would not permit it.

My friend also inquired as to whether excess campaign funds could be used for such items as donuts and juice for constituents when they visit a Member's office or for condolence flowers sent to a constituent. While I believe that these are legitimate expenses and within a Member's official responsibilities, thus allowing the use of appropriated funds, nominal expenses such as these for the benefit of constituents would not be prohibited by the amendment.

On the other hand, buying gifts for constituents of more than de minimus value would clearly be impermissible, even though the purchase of such gifts with campaign funds would not inure directly to the personal benefit of the Member. In addition, gifts for friends or relatives are not legitimate and bona fide campaign expenses.

Mr. President, I also wish to clarify the amendment's scope with respect to other items which some Members have sought to use campaign funds on—items which are not in any gray area and which clearly do not constitute legitimate and bona fide campaign purposes or which are for an inherently personal purpose.

In particular, clothing purchases would not be permitted by the amendment. This includes suits, shoes, shirts, ties, bow ties, and tuxedos. Now some might argue that they must wear suits while campaigning, or that they must wear tuxedos to certain black-tie events. While this may be certainly true, it does not address the issue. Many, many Americans must wear suits every day to work, or must purchase or rent evening wear to attend formal occasions, and they do so out of their hard-earned income. Clothing is inherently personal in nature.

Similarly, campaign funds may not be used for country club memberships, or tennis clubs, or health and fitness clubs, or social clubs. Again, these are inherently personal in nature. The fact that a Member may wish to entertain prospective donors at a club does not change the analysis. Such persons may be entertained at public sites, such as restaurants or hotels. Space at a country club may even be rented for a campaign event. But my amendment would not permit campaign funds to be used for personal membership at such institutions.

One area in which there might be some shades of gray is the use of campaign funds on automobiles. For those Members who do not maintain a home in their home State, the use of an automobile for transportation during a campaign cycle would not be inappropriate. Obviously, reasonable limits must be applied. As a general matter, automobile expenses on the order of $20,000 for a 2-year election cycle would be a legitimate and bona fide campaign expense. This would easily permit the lease of a relatively expensive American made car for a 2-year period.

The bottom line, Mr. President, is that Members are already paid an amount which is in the top 1 percent of incomes in the United States, and which clearly allows them to lead a very comfortable life. Moreover, we are already entitled to numerous perquisites which dramatically inflate the overall value of our compensation. We should not, then, be entitled to use the contributions that are given for the purpose of electing us to serve our constituents as a personal slush fund. Any contributed funds that are not used for legitimate and bona fide campaign purposes should be returned to contributors.

If we are to convince the American people that we are serious about cleaning up the campaign finance system, we need to start with our own campaigns. The American people will expect, and deserve, nothing less.

SENATOR McCAIN'S COMMENCEMENT ADDRESS TO THE U.S. NAVAL ACADEMY CLASS OF 1993

Mr. GRAMM. Mr. President, yesterday in Annapolis our colleague, JOHN McCAIN, gave one of the greatest commencement addresses that I have ever read. It is a very moving and powerful address. I thought that our colleagues and the Nation would like to read this address.

I ask unanimous consent that it appear in the RECORD as if given in morning business.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR JOHN McCAIN TO THE U.S. NAVAL ACADEMY CLASS OF 1993, MAY 26, 1993

Thank you, Admiral Lynch, Secretary Dalton, Admiral Kelso, General Mundy, members of the Board of Visitors, members of Congress, fellow midshipmen of the Class of 1958, distinguished guests, families, and friends. And thank you, midshipmen of the Class of 1993.

To say that I am very grateful to be asked to address you is a gross understatement. In my life, I have never known a greater honor . . . nor one so unexpected.

Thirty-five years ago, I sat where you sit today, listening to my Commander-in-Chief, Dwight David Eisenhower. If one of my classmates had suggested then, that I might someday enjoy the same privilege as President Eisenhower, I would have had very grave doubts about his suitability for future command. My old company commander, Captain Hunt, who for four years devoted himself to tracking my nocturnal sojourns outside the walls of the Academy, would have certainly shared my skepticism.

But America is a land of opportunity where *anything* is possible. And my being given this honor proves it. In gratitude, and in memory of that occasion thirty-five years ago, I intend to keep my remarks brief. I suspect you have other plans for the day which you would prefer to commence sooner rather than later.

You have all completed four years of rigorous, difficult instruction, and are about to begin your careers as officers in the United States Navy and Marine Corps. I want to first congratulate all those midshipmen who distinguished themselves as leaders of your class.

Those of you who do not enjoy that distinction deserve congratulations as well. Although academic and other honors may have eluded you, the standards here are such that simply surviving the four years reflects great credit on your ability and dedication. I say that with all sincerity.

My four years here were not notable for individual academic achievement but, rather, for the impressive catalogue of demerits which I managed to accumulate. By my reckoning, at the end of my second class year, I had marched enough extra duty to take me to Baltimore and back seventeen times—which, if not a record, certainly ranks somewhere very near the top.

All of you represent as a class the very best of America's most precious resource—her youth. You have been educated in a tradition which I believe still ranks among the noblest endeavors of humankind. You have been imbued with a sense of duty and honor which is the American ideal, and the premise for much of our enduring legacy to the world.

In 1970, my father stood where I stand today. I would have greatly enjoyed attending that graduation had I not been otherwise engaged at the time. I imagine, however, that he told you in different words what I will tell you today: on your shoulders, America now places our most treasured hopes and our gravest cares.

With your commissions come responsibilities so immense and so important that the lives of all Americans and the welfare of much of the world will be directly affected by how well you discharge them. I have every confidence that you will acquit yourselves with distinction.

My confidence is not an empty conceit for how I first made my own way in the world. But it is rooted in my experiences as the progeny of admirals, as an Academy midshipman, as a naval officer, as a witness to heroism.

My grandfather was an aviator. My father, a submariner. Most of my heroes, the people whom I have admired above all others have made their living at sea in defense of their country's cause. For much of my life, the Navy was the only world I knew. It is still the world I know best and love most.

I know the character of Americans who take up arms to defend our nation's interests and to advance our democratic values. I know of all the battles, all the grim tests of courage and character, that have made a legend of the Navy and Marine Corps' devotion to duty.

When he addressed the Class of 1970, my father, who knew well the price of freedom, observed the noble heritage which the midshipmen were entering by directing their attention to the sacrifices borne by their predecessors.

"The historic battles in which they fought are recorded on both sides of this beautiful stadium," he said.

"Their names are memorialized on plaques on the back of seats now occupied by your families and friends. These officers were imbued with a sense of loyalty and dedication which scorns vacillation and doubt."

I know that the character of which my father spoke is formed from many experiences. But I know also that you here today have been inducted into a tradition where you are expected to hold to the highest standards of honor in every aspect of your life. That is your advantage over other men and women. And that is why your country expects so much of you.

You have been taught much of what is necessary to lead other men and women in war and peace. You will learn much more from your approaching experiences. As ensigns and second lieutenants, the character of the young sailors and marines entrusted to your care will be formed in large part by their appreciation of your character.

You are where leadership begins. You are the models who stand just past the sergeants and chiefs, and those under your command will derive from your behavior the direction of their own lives. Their firm respect for you, on which their lives and our security will depend, will be determined by how faithfully *you* keep, on duty and off, the code you learned here.

This responsibility is yours for every waking minute of every day that you wear an officer's uniform. When you forget your duty, others will suffer,but you will be called to account. If you dishonor yourself, you will dishonor your service.

In other walks of life, human failings may pass unnoticed. In our walk of life, their consequences are almost always devastating.

They may lead to the breakdown of good order and discipline because you disillusioned those who were inclined to follow your example. They may lead to the death of fine young men and women who were obliged to put their faith in your leadership. They may even threaten the trust of the people you are sworn to defend, and undermine the exquisite relationship between civilians and the military in a democratic society.

Such was the case in the recent Tailhook scandal. Such is also the case, when we forget, even momentarily, our requirement to respect and obey our civilian commanders. When the American people elect a leader to govern the affairs of our great nation, our respect for their authority must remain inviolate. For it is that respect from which our profession derives so much of its nobility in a democracy.

Your commanders and instructors have worked hard to impart these lessons to you. Your constant remembrance of them will sustain you through long months at sea, long separations from family and friends; through the terror of combat, through grave injury, cruel imprisonment and even, if so required, unto death.

You know as well as I, that the world in which you take your commissions is an uncertain one. I have always tried to follow the advice of that venerable philosopher Yogi Berra, who said "I never make predictions, especially when they're about the future." But there are a few things I can venture an opinion on with some degree of confidence.

With the collapse of the Soviet Union and Warsaw Pact, we have overcome a single massive threat to our security—a massive threat, but a reasonably predictable one. But the world remains a dangerous place. And you will sail into a world where the threats to our security and our values are more numerous, more varied, more complex, and, at times, much more obscure.

Yours is a world where power projection must become the essence of our national defense. The Navy and the Marine Corps will form the core of that strategy. The United States has exerted military force 240 times since the end of World War II. Eighty percent of those occasions involved the use of sea power. That percentage will almost certainly increase in the future.

We have seen the efficacy of U.S. military power in this new era displayed in Panama, in the Persian Gulf, and in Somalia. But we have also seen conflicts that reveal the limits of that efficacy, and for which we have few, if any, viable military answers. Such is the case in the horribly tragedy of Bosnia.

This will be a difficult world to stabilize, much less pacify. It will be difficult to anticipate the level and direction of threats. It will be difficult at times to distinguish friend from foe. It is a daunting challenge to protect our most vital interests in such a world. It will prove even more difficult to secure the success of liberty amidst the new uncertainties and recurring hostilities of our time.

But be assured, you will be called upon to do both. For we know how important our armed forces have been to advancing the just influence of our values. The Iron Curtain did not collapse by accident. The triumph of freedom in the world today is a direct consequence of the blood shed by those who have gone before you in battles too numerous to mention. Their sacrifices protected more than a narrow definition of our national interest. They served, in Lincoln's words, as "a beacon light of liberty" to the most oppressive societies on earth.

One of the most compelling illustrations of the power of their sacrifice occurred four years ago in a Prague square, when a young Czech worker stood before a million of his countrymen, while two hundred thousand Russian troops occupied his country, and, trembling with emotion, read a manifesto that declared a new day for the peoples of Eastern Europe. But he began that new day with borrowed words when he proclaimed:

"We hold these truths to be self-evident: that all men are created equal and endowed by their Creator with certain unalienable rights, among these life, liberty and the pursuit of happiness."

Now, you are the shield behind which marches the enduring message of our own revolution. As I have said, it will be no easy task. But I trust in your willingness and your ability to undertake it.

I hold that trust in deference to my memories of this place, to the men who preceded me here, and to the men and women who followed me. We all shared with you that sense of duty and honor which, as my father said, scorns vacillation and doubt. Here we learned to dread dishonor above all other temptations.

Soon after I became an involuntary guest of the Democratic Republic of Vietnam, my hosts tried to persuade me to make a tape recording in which I would denounce my country's cause. When I resisted, they entreated me to do so by promising me that no one would know of my disloyalty. I responded, "But I would know. I would know." Virtually all of my comrades who shared my situation responded in the same way.

There may be times in your life when the consequences of your devotion to duty are so dire that you will be tempted to abandon them. There may be times when truly only you will know. But you will resist. I know you will. I know this because I have seen how profoundly human strength is empowered by the standards of our tradition.

You see, I have spent time in the company of heroes. And I was raised on tales of surpassing courage and selfless devotion to duty. I have seen and heard of Americans who overcame extraordinary challenges on behalf of their country in struggles almost mythic in their dimensions.

I have seen aviators hurled off the decks of pitching ships, fly powerfully into grave harm, vastly beyond the bounds of normal human caution.

I know well the gunners' stories of having choked back horror to face bravely the attacking kamikaze.

I have heard the tales of men, fathoms down, blind to the rest of the world, prowling the treacherous battlefields of the ocean depths in combat so terrifying it passes much of human understanding.

I stood on the deck of the carrier Forrestal, and watched the crew of that magnificent ship answer their summons to heroism, as one hundred and thirty four of their number perished while fighting a fire that nearly consumed the ship. They fought all day and well into the next, with the tenacity usually reserved for hand to hand combat, and they saved the Forrestal.

I have seen the swift boats roar into harm's way, vulnerable even to small arms fire, and defenseless save for the quick instincts and steel nerves of their crews.

As an adolescent, I heard men talk in whispered awe of a bleak, frozen terrain where the Marines of the First Division had struggled yard by yard, endured the sharp bite of Siberian winds to smash through seven enemy divisions. Their determined ferocity ranked their retreat from the frozen Chosin in the first order of honored American battles.

I have met the fierce warriors called SEALS, whose desperate fights occur beyond the reach of their nation's artillery, and beyond the limit of human endurance.

I have watched men suffer the anguish of imprisonment, defy appalling human cruelty until further resistance is impossible, break for a moment, then recover inhuman strength to defy their enemies once more.

All these things and more, I have seen. And so will you. I will go to my grave in gratitude to my Creator for allowing me to stand witness to such courage and honor. And so will you.

My time is slipping by. Yours is fast approaching. You will know where your duty lies. You will know.

God bless you. Semper Fi. Fair winds and following seas.

SOUTH AFRICA

Mrs. KASSEBAUM. Mr. President, I rise today to express my strong support for the dramatic changes taking place in South Africa. That troubled country is entering a historic and critical period in its history, one fraught with many dangers and yet unprecedented opportunities.

Next week, 26 parties—including the South African Government, the African National Congress, and Inkatha—will meet to try and reach agreement on the formation of a Transitional Executive Council. This council will govern the country until multiparty, democratic elections are held next year.

If the negotiation process succeeds, I believe that the international community must step forward and offer strong support for South Africa. This is an unique opportunity to assist at a crucial moment in South African history.

Upon the formation of the transitional, multiracial government, the United States should lead the way with five immediate actions:

First, we should repeal all remaining Federal economic and financial sanctions. This would coincide with the call of the African National Congress to lift these restrictions.

Second, State and local governments should terminate their sanctions. These sanctions have inhibited the flow of American investment and trade into South Africa.

As most South Africans realize, the political future of the country is closely intertwined with the economic situation. The South African economy is in dire straits. Unemployment exceeds 40 percent. At the same time, expectations for the new government will be very high. For this reason, it is essential that South Africa reenter the international economy. Investment flows and expanded trade links will generate jobs and help meet the soaring expectations for the new government.

Third, to help the economy, the U.S. Government should aggressively support expanded American business in South Africa through export and investment promotion activities, including Eximbank, OPIC, and the Trade and Development Program.

Fourth, the United States should continue assistance to nongovernmental organizations working in South Africa. Of critical importance are efforts to prepare for elections and put an end to the violence in South Africa.

Finally, the role of multilateral institutions is crucial during this transitional phase. I urge the World Bank particularly to reenter South Africa as soon as possible.

Mr. President, far too often we focus on foreign policy crises—places where starvation is rampant, war has broken out, people are dying in large numbers. I, for one, strongly believe we should spend more time and effort on preventing crises.

South Africa is at a crucial turning point. The country could degenerate into chaos. Undemocratic forces on the right and left are trying to derail the negotiation process. Growing political violence and terrorism threaten the stability of the country.

Alternatively South Africa could proceed down a path which leads to a historic transition to a peaceful, stable, and democratic future. The success of this transition is critical not only for South Africans, but for the stability and development of much of the African Continent.

Mr. President, now is the time to act in support of peaceful and democratic change in South Africa.

UNCLAIMED DEPOSITS AMENDMENTS ACT OF 1993

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 33, H.R. 890, the Unclaimed Deposits Amendments Act of 1993.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 890) to amend the Federal Deposit Insurance Act and the Federal Credit Union Act to improve the procedures for treating unclaimed insured deposits, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

AMENDMENT NO. 387

(Purpose: To amend the Federal Deposit Insurance Act to improve the procedures for treating unclaimed insured deposits, and for other purposes)

Mr. MITCHELL. Mr. President, I send an amendment by Senators RIEGLE and D'AMATO to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Maine [Mr. MITCHELL] for Mr. RIEGLE, for himself, Mr. D'AMATO and Mr. KERRY, proposes an amendment numbered 387.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. AMENDMENTS RELATING TO TREATMENT OF UNCLAIMED DEPOSITS AT INSURED BANKS AND SAVINGS ASSOCIATIONS.

Subsection (e) of section 12 of the Federal Deposit Insurance Act (12 U.S.C. 1822(e)) is amended to read as follows:

"(e) DISPOSITION OF UNCLAIMED DEPOSITS.—

"(1) NOTICES.—

"(A) FIRST NOTICE.—Within 30 days after the initiation of the payment of insured deposits under section 11(f), the Corporation shall provide written notice to all insured depositors that they must claim their deposit from the Corporation, or if the deposit has been transferred to another institution, from the transferee institution.

"(B) SECOND NOTICE.—A second notice containing this information shall be mailed by the Corporation to all insured depositors who have not responded to the first notice, 15 months after the Corporation initiates such payment of insured depositors.

"(C) ADDRESS.—The notices shall be mailed to the last known address of the depositor appearing on the records of the insured depository institution in default.

"(2) TRANSFER TO APPROPRIATE STATE.—If an insured depositor fails to make a claim for his, her, or its insured or transferred deposit within 18 months after the Corporation initiates the payment of insured deposits under section 11(f)—

"(A) any transferee institution shall refund the deposit to the Corporation, and all rights of the depositor against the transferee institution shall be barred; and

"(B) with the exception of United States deposits, the Corporation shall deliver the deposit to the custody of the appropriate State as unclaimed property, unless the appropriate State declines to accept custody. Upon delivery to the appropriate State, all rights of the depositor against the Corporation with respect to the deposit shall be barred and the Corporation shall be deemed to have made payment to the depositor for purposes of section 11(g)(1).

"(3) REFUSAL OF APPROPRIATE STATE TO ACCEPT CUSTODY.—If the appropriate State declines to accept custody of the deposit tendered pursuant to paragraph (2)(B), the deposit shall not be delivered to any State, and the insured depositor shall claim the deposit from the Corporation before the receivership is terminated, or all rights of the depositor with respect to such deposit shall be barred.

"(4) TREATMENT OF UNITED STATES DEPOSITS.—If the deposit is a United States deposit it shall be delivered to the Secretary of the Treasury for deposit in the general fund of the Treasury. Upon delivery to the Secretary of the Treasury, all rights of the depositor against the Corporation with respect to the deposit shall be barred and the Corporation shall be deemed to have made payment to the depositor for purposes of section 11(g)(1).

"(5) REVERSION.—If a depositor does not claim the deposit delivered to the custody of the appropriate State pursuant to paragraph (2)(B) within 10 years of the date of delivery, the deposit shall be immediately refunded to the Corporation and become its property. All rights of the depositor against the appropriate State with respect to such deposit shall be barred as of the date of the refund to the Corporation.

"(6) DEFINITIONS.—For purposes of this subsection—

"(A) the term 'transferee institution' means the insured depository institution in which the Corporation has made available a transferred deposit pursuant to section 11(f)(1);

"(B) the term 'appropriate State' means the State to which notice was mailed under paragraph (1)(C), except that if the notice was not mailed to an address that is within a State it shall mean the State in which the depository institution in default has its main office; and

"(C) the term 'United States deposit' means an insured or transferred deposit for which the deposit records of the depository institution in default disclose that title to the deposit is held by the United States, any department, agency, or instrumentality of the Federal Government, or any officer or employee thereof in such person's official capacity.".

SEC. 2. EFFECTIVE DATE.

(a) IN GENERAL.—The amendments made by section 1 of this Act shall only apply with respect to institutions for which the Corporation has initiated the payment of insured deposits under section 11(f) of the Federal Deposit Insurance Act after the date of enactment of this Act.

(b) SPECIAL RULE FOR RECEIVERSHIPS IN PROGRESS.—Section 12(e) of the Federal Deposit Insurance Act as in effect on the day before the date of enactment of this Act shall apply with respect to insured deposits in depository institutions for which the Corporation was first appointed receiver during the period between January 1, 1989 and the date of enactment of this Act, except that such section 12(e) shall not bar any claim made against the Corporation by an insured depositor for an insured or transferred deposit, so long as such claim is made prior to the termination of the receivership.

(c) INFORMATION TO STATES.—Within 120 days after the date of enactment of this Act, the Corporation shall provide, at the request of and for the sole use of any State, the name and last known address of any insured depositor (as shown on the records of the institution in default) eligible to make a claim against the Corporation solely due to the operation of subsection (b) of this section.

(d) DEFINITION.—For purposes of this section, the term "Corporation" means the Federal Deposit Insurance Corporation, the Resolution Trust Corporation, or the Federal Savings and Loan Insurance Corporation, as appropriate.

Amend the title so as to read: "An Act to amend the Federal Deposit Insurance Act to improve the procedures for treating unclaimed insured deposits, and for other purposes.".

Mr. RIEGLE. Mr. President, this amendment enables depositors who may have inadvertently surrendered their rights to their insured deposits, particularly longer term certificates of deposits, to have a reasonable time period to make claims to receive their money. Additionally, the bill will get the States involved in locating depositors who have not claimed their money. The House has previously passed similar legislation on this matter and the expectation is that the House would accept this bill if passed by the Senate. I would urge the Senate to pass this bill.

I ask unanimous consent that a section-by-section summary be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION SUMMARY—UNCLAIMED DEPOSITS BILL

Section 1. Procedure for Unclaimed Deposits

Under current law, after a depository institution fails, the FDIC or RTC mails a notice to all insured depositors that they must claim their deposit within 18 months. If the deposit is not claimed, it is forfeited to the FDIC or RTC, and the depositor can never recover his or her funds.

The bill provides a new procedure, as follows:

1. The FDIC and RTC are required to mail a notice to all insured depositors within 30 days after the agency begins the process of paying off depositors.
2. After 15 months the FDIC and RTC have to send a second notice to depositors who have not yet claimed their deposit.
3. After 18 months, unclaimed deposits are transferred to the State of the depositor's last known address, or if the address was outside of the U.S., to the state in which the failed institution had its main office.
4. The states may keep the deposit for 10 years. If the depositor is not found after 10 years, the States must refund the unclaimed funds back to the FCIC.
5. If a state refuses to accept a deposit under this procedure, the unclaimed deposit may be claimed from the FDIC beyond the 18 month period, but only until the failed institution is finally resolved and the receivership is terminated.
6. In all cases, unclaimed deposits belonging to the U.S. or any agency or instrumentality of the U.S. are given back to the Treasury.

Section 2. Effective Date and Transition Rule

The changes made by this bill are prospective only. Therefore the new procedures only apply to institutions placed into receivership after the date of enactment.

Depositors in institutions that are in receivership on the date of enactment are given extra time to claim their deposits. These individuals may claim their deposits until the receivership finally terminates, even though this will be longer than 18 months.

The FDIC and RTC are required to provide the States the names and addresses of any insured depositor eligible to make a claim under this transition rule, so that the states can help locate these individuals.

Mr. D'AMATO. Mr. President, today I am joining with Senators RIEGLE and KERRY in sponsoring an amendment, in the nature of a substitute, to H.R. 890. This amendment will provide additional protection to insured depositors of banks and savings association that have failed and been taken over by the FDIC or RTC.

Under current law, when a bank or savings association fails, insured depositors are given only 18 months to claim their deposit. If they do not act within that time limit, their deposit is forfeited to the FDIC or RTC. There is no recourse for the depositor who fails to make a claim within this 18-month period. Thus, even though a depositor may have been sick, incapacitated, or out of the country, their money is lost once this 18-month period expires.

This amendment provides protection for all depositors against this heavy handed treatment. Under this legislation, the FDIC or RTC is required to send two notices to all depositors that they must claim their deposit. The first notice is sent 30 days after the FDIC or RTC begins to payoff insured depositors. A second notice is required after 15 months. If the depositor still does not claim his or her deposit, the FDIC or RTC is required to offer the deposit to the State of the depositor's last known address, to be held by that State for 10 years. During this 10-year period the State will try and locate the depositor and return his or her funds. If, after 10 years the depositor still cannot be located, the money will be returned to the FDIC.

A slightly different procedure applies for institutions that have failed before the bill takes effect, and that are still under FDIC or RTC control. For these institutions the 18 month cutoff date is waived, and depositors will be able to recover their deposits until the institution is totally resolved and the receivership terminated. This could easily take 2 to 4 years, depending upon the complexity of the takeover.

Mr. President, this amendment provides fair treatment for innocent depositors who otherwise could lose thousands of dollars through no fault of their own. I hope that the Senate will approve this legislation, and that we can see it enacted into law in the near future.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 387) was agreed to.

The PRESIDING OFFICER. Are there further amendments to be proposed?

Without objection, the bill is deemed read a third time and is passed.

So the bill (H.R. 890) was deemed read three times and passed.

Mr. MITCHELL. Mr. President, I move to reconsider the vote.

Mr. JEFFORDS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

THE CALENDAR

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed, en bloc, to the immediate consideration of Calendar Nos. 81, 82, 83, and 84, that the joint resolutions be deemed read three times, passed; and the motion to reconsider the passage of these measures be laid upon the table, en bloc; that the preambles be agreed to, en bloc; further that the consideration of these items appear individually in the RECORD; and any statements appear at the appropriate place.

The PRESIDING OFFICER. Without objection, it is so ordered.

EMERGENCY MEDICAL SERVICES WEEK

The joint resolution (S.J. Res. 39) designating the weeks beginning May 23, 1993, and May 15, 1994, as Emergency Medical Services Week was considered, ordered to be engrossed for a third reading, read the third time and passed.

S.J. RES. 39

Whereas emergency medical services is a vital public service;

Whereas access to quality emergency care dramatically improves the survival and recovery rate of those who experience sudden illness or injury;

Whereas efforts to establish emergency medicine as a medical specialty began twenty five years ago with the founding of the American College of Emergency Physicians in 1968;

Whereas the members of emergency medical services teams are ready to provide lifesaving care to those in need twenty four hours a day, seven days a week;

Whereas emergency medical services teams consist of emergency physicians, emergency nurses, emergency medical technicians, paramedics, firefighters, educators, administrators, and others;

Whereas approximately two-thirds of all emergency medical services providers are volunteers;

Whereas the members of emergency medical services teams, whether career or volunteer, engage in thousands of hours of specialized training and continuing education to enhance their lifesaving skills;

Whereas Americans benefit daily from the knowledge and skills of these highly trained individuals;

Whereas it is appropriate to recognize the value and the accomplishments of emergency medical services providers by designating Emergency Medical Services Week; and

Whereas the designation of Emergency Medical Services Week will serve to educate all Americans about injury prevention and how to respond to a medical emergency: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the weeks beginning May 23, 1993, and May 15, 1994, are designated as "Emergency Medical Services Week" and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such weeks with appropriate ceremonies and activities.

MENTAL ILLNESS AWARENESS WEEK

The joint resolution (S.J. Res. 61) to designate the week of October 3, 1993, through October 9, 1993, as "Mental Awareness Week" was considered, ordered to be engrossed for a third reading, read the third time and passed, as follows:

S.J. RES. 61

Whereas mental illness is a problem of grave concern and consequence in the United States and it is widely, but unnecessarily, feared and misunderstood;

Whereas on an annual basis 40,000,000 adults in the United States suffer from clearly diagnosable mental disorders, including mental illness, alcohol abuse, and drug abuse, which create significant disabilities with respect to employment, school attendance, and independent living;

Whereas more than 11,200,000 United States citizens are diagnosed with schizophrenia, manic depressive disorder, and major depression, and these individuals are often disabled for long periods of time;

Whereas 33 percent of homeless persons suffer serious, chronic forms of mental illness;

Whereas mental illness, alcohol abuse, and drug abuse affect almost 22 percent of adults in the United States in any 1-year period;

Whereas mental illness interferes with the development and maturation of at least 12,000,000 of our children;

Whereas a majority of the 30,000 American citizens who commit suicide each year suffer from a mental or an addictive disorder;

Whereas our growing population of elderly persons faces many obstacles to care for mental disorders;

Whereas 20 to 25 percent of persons with AIDS will develop AIDS-related cognitive dysfunction and as many as two-thirds of persons with AIDS will how neuropsychiatric symptoms before they die;

Whereas mental illness, alcohol abuse, and drug abuse result in staggering costs to society, estimated to be in excess of $273,000,000 each year in direct treatment and support and indirect costs to society, including lost productivity;

Whereas the Federal research budget committed to the National Institute of Mental Health, the National Institute of Alcoholism and Alcohol Abuse, and the National Institute of Drug Abuse represents only about 1 percent of the direct treatment and support costs of caring for persons with mental disorders, alcohol addiction, and drug addiction;

Whereas mental illnesses are increasingly treatable disorders with excellent prospects for amelioration when properly recognized;

Whereas persons with mental illness and their families have begun to join self-help groups seeking to combat the unfair stigma of mental illness, to support greater national investment in research, and to advocate an adequate continuum of care from hospital to community;

Whereas in recent years there have been unprecedented major research developments bringing new methods and technology to the sophisticated and objective study of the functioning of the brain and its linkages to both normal and abnormal behavior;

Whereas research in recent decades has led to a wide array of new and more effective modalities of treatment (somatic, psychosocial, and service delivery) for some of the most incapacitating forms of mental illness, including schizophrenia, major affective disorders, phobias, and phobic disorders;

Whereas appropriate treatment of mental illness has been demonstrated to be cost-effective in terms of restored productivity, reduced use of other health services, and lessened social dependence; and

Whereas recent and unparalleled growth in scientific knowledge about mental illness has generated the current emergency of a new threshold of opportunity for future research advances and fruitful application to specific clinical problems: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of October 3, 1993, through October 9, 1993, is designated as "Mental Illness Awareness Week". The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate programs, ceremonies, and activities.

NATIONAL AWARENESS WEEK FOR LIFE-SAVING TECHNIQUES

The joint resolution (S.J. Res. 73) to designate July 12, 1993, as "National Awareness Week for Life-Saving Techniques" was considered, ordered to be engrossed for a third reading, read the third time and passed, as follows:

S.J. RES. 73

Whereas the National Safety Council reported that over 800,000 Americans died in 1991 as a result of accidents and diseases of the heart;

Whereas accidents are the leading cause of death for children and youth ages 1 to 24 years;

Whereas drowning and choking are a leading cause of accidental death in children under the age of 5 years;

Whereas rescue breathing and cardiopulmonary resuscitation, commonly referred to as CPR, are life-saving techniques that significantly reduce the incidence of sudden death due to accidents and diseases of the heart;

Whereas it is critical that more Americans learn such basic life-saving techniques in order to reduce the number of deaths related to accidents and diseases of the heart;

Whereas the opportunity to learn basic life-saving techniques is available to all Americans through the American Red Cross, the American Heart Association, the YMCA, and other national organizations; and

Whereas the death rate due to accidents and diseases of the heart would be greatly reduced if more Americans received training in basic life-saving techniques: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That July 5, 1993, through July 12, 1993, is designated as "National Awareness Week for Life-Saving Techniques". The President is authorized and requested to issue a proclamation calling on the people of the United States to observe the week with appropriate ceremonies and activities designed to encourage training in life-saving techniques for Americans.

NATIONAL NYSP DAY

The joint resolution (S.J. Res. 88) to designate July 1, 1993, "National NYSP Day" was considered, ordered to be engrossed for a third reading, read the third time and passed, as follows:

S.J. RES. 88

Whereas the National Youth Sports Program (hereafter referred to as "NYSP") is a highly effective and comprehensive youth sports and educational instruction program in the United States for economically disadvantaged youth, ages 10 to 16 years old;

Whereas over 69,000 economically disadvantaged young people participated in NYSP last year as United States colleges and universities in 153 cities, 44 States, and the District of Columbia;

Whereas NYSP provides over 70,000 medical and follow-up examinations as well as health instruction by medical professionals to enrolled youth;

Whereas NYSP provides hot United States Department of Agriculture-approved meals and snacks daily to all participating youth;

Whereas the NYSP staff includes professional instructors with undergraduate degrees who offer educational instruction in drug education, AIDS, higher education, nutrition and health, and math and science, and who offer counseling on such topics as career opportunities, teen pregnancy, antigang strategies, and suicide prevention in an effort to promote personal responsibility;

Whereas NYSP is administered by an advisory committee composed of community leaders and college and university personnel, and collaborates with local community action agencies and mayors' offices;

Whereas the NYSP partnership between the public and private sectors ensures that Federal funds are used to provide direct services for youth, that institutions of higher education contribute facilities and personnel and pay the indirect costs of the program, and that public and private businesses donate equipment and supplies; and

Whereas 1993 marks the 25th year that NYSP has provided economically disadvantaged youth with the opportunity to participate in healthy sports activities in order to encourage these youth to build good habits, to direct the competitive urge toward constructive ends, to stimulate the imagination to reach new goals, and to satisfy the human desire to belong: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That July 1, 1993, is designated as "National NYSP Day". The President is authorized and requested to issue a proclamation calling upon State and local jurisdictions, appropriate Federal agencies, and the people of the United States to observe the day with appropriate ceremonies and activities.

EMERGENCY MEDICAL SERVICES WEEK, HOUSE JOINT RESOLUTION 78; NATIONAL TRAUMA AWARENESS MONTH, HOUSE JOINT RESOLUTION 135

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed, en bloc, to the immediate consideration of the following joint resolutions, just received from the House:

House Joint Resolution 78, designating "Emergency Medical Services Week," and House Joint Resolution 135 designating "National Trauma Awareness Month," that the joint resolutions be deemed read three times, passed, and the motion to reconsider laid upon the table, and the preambles agreed to, en bloc; that the consideration of these items appears individually in the RECORD and any statements appear in the appropriate place.

The PRESIDING OFFICER. Is there objection?

Mr. JEFFORDS. No objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the joint resolution (H.J. Res. 78) was deemed read three times and passed.

So the joint resolution (H.J. Res. 135) was deemed read three times and passed.

THE CALENDAR

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed, en bloc, to the immediate consideration of Calendar Nos. 78 and 79, that the resolutions be agreed to; and the motion to reconsider the adoption of these measures be laid upon the table, en bloc; that the preambles be agreed to, en bloc; further that the consideration of these items appear individually in the RECORD; and a statement by Senator MOYNIHAN relative to Calendar No. 79 appear at the appropriate place.

The PRESIDING OFFICER. Is there objection?

Mr. JEFFORDS. No objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONDEMNING NORTH KOREAS PROPOSED WITHDRAWAL FROM THE TREATY ON NON-PROLIFERATION ON NUCLEAR WEAPONS

The resolution (S. Res. 92) condemning the proposed withdrawal of North Korea from the Treaty on the Non-Proliferation of Nuclear Weapons, and for other purposes was considered, and agreed to as follows:

S. RES. 92

Whereas North Korea stated its intention on March 12, 1993, to withdraw from the Treaty on the Non-Proliferation of Nuclear Weapons, done on July 1, 1968;

Whereas North Korea remains obligated under the Treaty for a 90-day period;

Whereas no other country has ever formally withdrawn from the Treaty on the Non-Proliferation of Nuclear Weapons;

Whereas no other country has ever compelled the International Atomic Energy Agency (IAEA) to request a special inspection of its nuclear facilities;

Whereas North Korea refuses to allow a special inspection of suspected nuclear waste sites in violation of the Treaty on the Non-Proliferation of Nuclear Weapons;

Whereas representatives from 35 countries make up the IAEA Board of Governors allowing the Agency to act in an impartial manner;

Whereas the United States withdrew all tactical nuclear weapons from the Korean peninsula in 1991; and

Whereas annual Team Spirit U.S.-Republic of Korea exercises are conducted for defensive purposes and are not a provocative act of war: Now, therefore, be it

Resolved, That (a) the Senate hereby condemns North Korea for its stated intention to withdraw from the Treaty on the Non-Proliferation of Nuclear Weapons.

(b) It is the sense of the Senate that the United States and its international partners should take measured steps to compel North Korea to remain a party to the Treaty and to allow unconditional special inspections of apparent nuclear waste sites and other areas suspected of harboring a nuclear weapons-building program.

URGING THE IMPOSITION OF SANCTIONS AGAINST BURMA

The resolution (S. Res. 112) urging sanctions to be imposed against the Burmese Government, and for other purposes was considered, and agreed to as follows:

S. RES. 112

Whereas the military junta in Burma known as the State Law and Order Restoration Council (in this preamble referred to as the "SLORC") brutally suppressed peaceful democratic demonstrations in September 1988;

Whereas the Senate of the United States has repeatedly condemned and continues its condemnation of the SLORC;

Whereas the SLORC does not represent the people of Burma, since the people of Burma gave the National League for Democracy a clear victory in the election of May 27, 1990;

Whereas the SLORC has held Daw Aung San Suu Kyi, a leader of the National League for Democracy and the winner of the Nobel Peace Prize for 1991, under house arrest since July 1989;

Whereas the United Nations Human Rights Commission unanimously adopted on March 5, 1993, a resolution deploring the human rights situation in Burma and the continued arrest of Daw Aung San Suu Kyi; and

Whereas on March 12, 1992, the Committee on Foreign Relations of the Senate unanimously stated that (1) the SLORC does not represent the Burmese people and should transfer power to the winners of the 1990 elections, (2) United States military attachés should be withdrawn from Burma, and (3) the United States should oppose United Nations Development Program funding for Burma: Now, therefore, be it

Resolved, That it is the sense of the Senate that the President, the Secretary of State, and other United States Government representatives should—

(1) seek the immediate release of Daw Aung San Suu Kyi from arrest and the transfer of power to the winners of the 1990 elections in Burma; and

(2) encourage the adoption by the United Nations Security Council of an arms embargo and other sanctions against the regime of the State Law and Order Restoration Council in Burma.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President and the Secretary of State.

Mr. MOYNIHAN. Mr. President, the Senate today has once more made a most important statement of its contempt for the military junta in Burma. The State Law and Order Restoration Council, or SLORC, is quite simply a collection of criminals. They are the jailers of the people of Burma, and the duly elected leadership of the Burmese people.

Today is the third anniversary of the election in Burma of the National League for Democracy. The NLD won over 80 percent of the seats in that election, only to see the SLORC reject a transfer of power. Elected representatives have been arrested, murdered and exiled.

The true leader of Burma, Daw Aung San Suu Kyi, has been under arrest by the SLROC for near 4 years now. She is the winner of the 1991 Nobel Peace Prize. She is the winner of the 1990 election. She does represent the Burmese people—even if she has been silenced and imprisoned.

But her silence calls to us. And we respond by demanding her freedom. The U.N. Human Rights Commission demands her freedom. Nobel peace laureates tried to go to Rangoon in February to demand her freedom. The SLORC refused them a visa. Can there be any question about the nature of a regime that cowers in front of Nobel Peace Prize laureates?

The Senate today, in a fully bipartisan effort, again demands Aung San Suu Kyi's release and the release of all political prisoners. We ask the President to take action. And we also ask that the Security Council heed the words of the Human Rights Commission. It is past time to impose sanctions on the SLORC. An arms embargo is needed. The President has the support of the Senate on this matter, and we hope that he will pursue it.

The resolution we consider today is cosponsored by Senator SIMON who has worked most diligently on the issue of Burma and who joined me last week in a meeting with Archbishop Desmond Tutu and other members of the Nobel delegation that have sought the release of Aung San Suu Kyi. This resolution is cosponsored by the distinguished chairman and ranking member of the Committee on Foreign Relations, Senators PELL and HELMS. This resolution is cosponsored by Senator MCCONNELL who worked with me last year in fashioning a unanimous position in the Foreign Relations Committee that no U.S. Ambassador could be sent to Burma without appropriate actions taken against the SLORC by the U.S. Government.

I am also pleased to inform the Senate that other Members who have cosponsored this resolution include Senators BIDEN, JEFFORDS, D'AMATO, KERREY, and HATFIELD.

The struggle of the Burmese people is not forgotten by the U.S. Senate, nor is the election of 1990 which repudiated the SLORC. We in the Senate repudiate them also.

REFUGEE ASSISTANCE APPROPRIATIONS AUTHORIZATION

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 2128, a bill to authorize appropriations for refugee assistance, just received from the House, that the bill be deemed read three times, passed and the motion to reconsider laid upon the table.

The PRESIDING OFFICER. Is there objection?

Mr. JEFFORDS. No objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the bill (H.R. 2128) was deemed read three times and passed.

THE CALENDAR

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar Nos. 76, 77, and 80 en bloc; reported out of the Banking Committee today; that the committee amendment where appropriate be agreed to; that the bills be deemed read a third time, passed; that the motion to reconsider be laid upon the table en bloc; that the consideration of each bill appear separately in the RECORD; and that any statements relative to the passage of these items appear at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

JEFFERSON COMMEMORATIVE COIN ACT OF 1993

The bill (S. 50) to require the Secretary of the Treasury to mint coins in commemoration of the 250th anniversary of the birth of Thomas Jefferson was considered, ordered to be engrossed for a third reading, read the third time, and passed; as follows:

S. 50

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Jefferson Commemorative Coin Act of 1993".

SEC. 2. COIN SPECIFICATIONS.

(a) ONE-DOLLAR SILVER COINS.—

(1) ISSUANCE.—The Secretary of the Treasury (hereafter in this Act referred to as the "Secretary") shall issue not more than 600,000 one-dollar coins, which shall weigh 26.73 grams, have a diameter of 1.500 inches, and contain 90 percent silver and 10 percent copper.

(2) DESIGN.—The design of the coins issued under this Act shall be emblematic of a Jefferson profile and frontal view of his home Monticello. On each coin there shall be a designation of the value of the coin, an inscription of the year "1993", and inscriptions of the words "Liberty", "In God We Trust", "United States of America", and "E Pluribus Unum".

(b) LEGAL TENDER.—The coins issued under this Act shall be legal tender, as provided in section 5103 of title 31, United States Code.

SEC. 3. SOURCES OF BULLION.

The Secretary shall obtain silver for the coins minted under this Act only from stockpiles established under the Strategic and Critical Minerals Stock Piling Act (50 U.S.C. 98 et seq.)

SEC. 4. SELECTION OF DESIGN.

Subject to section 2(a)(2), the design for the coins authorized by this Act shall be selected by the Secretary after consultation with the Executive Director of the Thomas Jefferson Memorial Foundation and the Commission of Fine Arts. As required by section 5135 of title 31, United States Code, the design shall also be reviewed by the Citizens Commemorative Advisory Committee.

SEC. 5. ISSUANCE OF COINS.

(a) QUALITY OF COINS.—Coins minted under this Act shall be issued in uncirculated and proof qualities.

(b) MINT FACILITY.—Only 1 facility of the United States Mint may be used to strike any particular quality of the coins minted under this Act.

(c) PERIOD FOR ISSUANCE.—The Secretary may issue coins minted under this Act during the period beginning on July 4, 1993, and ending on July 4, 1994.

SEC. 6. SALE OF COINS.

(a) SALE PRICE.—The coins authorized under this Act shall be sold by the Secretary at a price equal to the sum of the face value of the coins, the surcharge provided in subsection (c) with respect to such coins, and the cost of designing and issuing the coins (including labor, materials, dies, use of machinery, overhead expenses, marketing, and shipping).

(b) PREPAID ORDERS.—The Secretary shall accept prepaid orders for the coins authorized under this Act prior to the issuance of such coins. Sale prices with respect to such prepaid orders shall be at a reasonable discount.

(c) SURCHARGES.—All sales shall include a surcharge of $10 per coin.

SEC. 7. GENERAL WAIVER OF PROCUREMENT REGULATIONS.

No provision of law governing procurement or public contracts shall be applicable to the procurement of goods or services necessary for carrying out the provisions of this Act. Nothing in this section shall relieve any person entering into a contract under the authority of this Act from complying with any law relating to equal employment opportunity.

SEC. 8. DISTRIBUTION OF SURCHARGES.

All surcharges received by the Secretary from the sale of coins issued under this Act shall be promptly paid by the Secretary—

(1) in the case of surcharges received in connection with the sale of the first 500,000 coins issued, to the Jefferson Endowment Fund, to be used—

(A) to establish and maintain an endowment to be a permanent source of support for Monticello and its historic furnishings; and

(B) for the Jefferson Endowment Fund's educational programs, including the International Center for Jefferson Studies; and

(2) in the case of surcharges received in connection with the sale of all other such coins, to the Corporation for Jefferson's Poplar Forest, to be used for the restoration and maintenance of Poplar Forest.

SEC. 9. AUDITS.

The Comptroller General of the United States shall have the right to examine such books, records, documents, and other data of the entities specified in section 8, as may be related to the expenditures of amounts paid under section 8.

SEC. 10. NUMISMATIC PUBLIC ENTERPRISE FUND.

The coins issued under this Act are subject to the provisions of section 5134 of title 31, United States Code, the Numismatic Public Enterprise Fund.

SEC. 11. FINANCIAL ASSURANCES.

It is the sense of the Congress that this coin program shall be self-sustaining, and should be administered to result in no net cost to the Numismatic Public Enterprise Fund.

WORLD UNIVERSITY GAMES COMMEMORATIVE COIN ACT OF 1993

The bill (S. 216) to provide for the minting of coins to commemorate the World University Games was considered, ordered to be engrossed for a third reading, read the third time, and passed; as follows:

S. 216

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "World University Games Commemorative Coin Act of 1993".

SEC. 2. COIN SPECIFICATIONS.

(a) FIVE DOLLAR GOLD COINS.—

(1) ISSUANCE.—The Secretary of the Treasury (hereinafter in this Act referred to as the "Secretary") shall issue not more than 200,000 five-dollar coins which shall—

(A) weigh 8.359 grams;

(B) have a diameter of 0.850 inches; and

(C) contain 90 percent gold and 10 percent alloy.

(2) DESIGN.—The design of such five-dollar coins shall be emblematic of the participation of American athletes in the World University Games. On each such coin there shall be a designation of the value of the coin, an inscription of the year "1993', and inscriptions of the words "Liberty", "In God We Trust", "United States of America", and "E Pluribus Unum".

(b) ONE-DOLLAR SILVER COINS.—

(1) ISSUANCE.—The Secretary shall issue not more than 750,000 one-dollar coins which shall—

(A) weigh 26.73 grams;

(B) have a diameter of 1.500 inches; and

(C) contain 90 percent silver and 10 percent copper.

(2) DESIGN.—The design of such dollar coins shall be emblematic of the participation of American athletes in the World University Games. On each such coin there shall be a designation of the value of the coin, an inscription of the year "1993", and inscriptions of the words "Liberty", "In God We Trust", "United States of America", and "E Pluribus Unum".

(c) LEGAL TENDER.—The coins issued under this Act shall be legal tender, as provided in section 5103 of title 31, United States Code.

SEC. 3. SOURCES OF BULLION.

(a) SILVER BULLION.—The Secretary shall obtain silver for the coins minted under this Act only from stockpiles established under the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98 et seq.).

(b) GOLD BULLION.—The Secretary shall obtain gold for the coins minted under this Act pursuant to the authority of the Secretary under existing law.

SEC. 4. SELECTION OF DESIGN.

The design for each coin authorized by this Act shall be selected by the Secretary, after consultation with the Greater Buffalo Athletic Corporation and the Commission of Fine Arts. As required under section 5135 of title 31, United States Code, the design shall also be reviewed by the Citizens Commemorative Advisory Committee.

SEC. 5. SALE OF THE COINS.

(a) SALE PRICE.—The coins issued under this Act shall be sold by the Secretary at a price equal to the face value, plus the cost of designing and issuing such coins (including labor, materials, dies, use of machinery, and overhead expenses).

(b) BULK SALES.—The Secretary shall make bulk sales at a reasonable discount.

(c) PREPAID ORDERS AT A DISCOUNT.—The Secretary shall accept prepaid orders for the coins prior to the issuance of such coins. Sales under this subsection shall be at a reasonable discount.

(d) SURCHARGE REQUIRED.—All sales shall include a surcharge of $35 per coin for the five-dollar coins and $7 per coin for the one-dollar coins.

SEC. 6. ISSUANCE OF THE COINS.

(a) GOLD COINS.—The five-dollar coins authorized under this Act shall be issued in uncirculated and proof qualities and shall be struck at the United States Bullion Depository at West Point.

(b) SILVER COINS.—The one-dollar coins authorized under this Act may be issued in uncirculated and proof qualities, except that not more than 1 facility of the United States Mint may be used to strike each such quality.

(c) COMMENCEMENT OF ISSUANCE.—The coins authorized and minted under this Act may be issued beginning on July 1, 1993.

(d) TERMINATION OF AUTHORITY.—Coins may not be minted under this Act after June 30, 1994.

SEC. 7. GENERAL WAIVER OF PROCUREMENT REGULATIONS.

No provision of law governing procurement or public contracts shall be applicable to the procurement of goods or services necessary for carrying out the provisions of this Act. Nothing in this section shall relieve any person entering into a contract under the authority of this Act from complying with any law relating to equal employment opportunity.

SEC. 8. DISTRIBUTION OF SURCHARGES.

All surcharges which are received by the Secretary from the sale of coins issued under this Act shall be promptly paid by the Secretary to the Greater Buffalo Athletic Corporation. Such amounts shall be used by the Greater Buffalo Athletic Corporation to support local or community amateur athletic programs, to erect facilities for the use of such athletes, and to underwrite the cost of sponsoring the World University Games.

SEC. 9. AUDITS.

The Comptroller General shall have the right to examine such books, records, documents, and other data of the Greater Buffalo Athletic Corporation as may be related to the expenditures of amounts paid under section 8.

SEC. 10. NUMISMATIC PUBLIC ENTERPRISE FUND.

The coins issued under this Act are subject to the provisions of section 5134 of title 31, United States Code, relating to the Numismatic Public Enterprise Fund.

SEC. 11. FINANCIAL ASSURANCES.

It is the sense of the Congress that this coin program should be self-sustaining and should be administered in a manner that results in no net cost to the Numismatic Public Enterprise Fund.

Mr. D'AMATO. Mr. President, I rise today in support of S. 216, the World University Games Commemorative Coin Act Funding Act.

This legislation provides for the minting of two commemorative coins designed by LeRoy Nieman, the world renown sports artist. These coins will be minted at no cost to the U.S. Government. Proceeds from the sale of the coins will go to support community amateur athletic programs and to help finance the cost of hosting the games.

The World University Games will be held in Buffalo, NY, in July of this year. It is the first time in the Games' 70-year history that they will be held in the United States. Hosting of the games will not only give America an occasion to demonstrate a commitment to the continued growth of amateur sports, but will afford the United States the opportunity to promote the growing spirit of international competition.

Mr. President, the World University Games are expected to draw over 7,000 athletes from 120 countries. The World University Games, open to student-athletes from 17 to 28 years old, are unequivocally the single most important amateur athletics event of 1993. These games are larger than the winter Olympics and second in size only to the summer Olympics. Over the years, the World University Games have always provided an opportunity for university students to gain exposure to valuable cultural as well as academic experiences. The World University Games provide an academic scholarship program that sets this athletic event apart from all others, and symbolizes the successful relationship between academics and athletics.

The games are approaching quickly, Mr. President, and we need to act on this legislation now. The passage of this legislation helps to ensure the games' success and will send a clear message to our Nation's scholar-athletes that we support the hard work and dedication that they put forth every day.

Mr. President, I would also like to thank my colleagues on the Banking Committee for their fast-track consideration of this very important legislation.

RED SKELTON GOLD MEDAL

The Senate proceeded to consider the bill (S. 183) to authorize the President to award a gold medal on behalf of the Congress to Richard "Red" Skelton, and to provide for the production of bronze duplicates of such medal for sale to the public, which had been reported from the Committee on Banking, Housing, and Urban Affairs, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. FINDINGS.

The Congress finds the following:

(1) Richard "Red" Skelton has provided generations with the gift of laughter, driven by his passion to instill happiness in the hearts of others;

(2) Red Skelton, a true patriot, supported the United States Armed Forces during World War II by selling a record number of

United States war bonds, serving as a private in the United States Army, and working arduously to lift the morale of his fellow soldiers; and

(3) Red Skelton, who worked his way from poverty to success, has shared his talent and his wealth with numerous charities, in an effort to help those less fortunate than himself.

SEC. 2. CONGRESSIONAL GOLD MEDAL.

(a) PRESENTATION AUTHORIZED.—The President is authorized to present, on behalf of the Congress, a gold medal of appropriate design to Richard "Red" Skelton in recognition of his exemplary performance as an entertainer and a humanitarian.

(b) DESIGN AND STRIKING.—For the purposes of the presentation referred to in subsection (a), the Secretary of the Treasury (hereafter in this Act referred to as the "Secretary") shall strike a gold medal with suitable emblems, devices, and inscriptions to be determined by the Secretary.

SEC. 3. DUPLICATE MEDALS.

The Secretary may strike and sell duplicates in bronze of the gold medal struck pursuant to section 2 under such regulations as the Secretary may prescribe, and at a price sufficient to cover the costs thereof, including labor, materials, dies, use of machinery, overhead expenses, and the cost of the gold medal.

SEC. 4. NATIONAL MEDALS.

The medals struck pursuant to this Act are national medals for purposes of chapter 51 of title 31, United States Code.

SEC. 5. AUTHORIZATION OF APPROPRIATIONS; PROCEEDS OF SALE.

(a) AUTHORIZATION OF APPROPRIATIONS.—There is hereby authorized to be charged against the Numismatic Public Enterprise Fund an amount not to exceed $30,000 to pay for the cost of the medal.

(b) PROCEEDS OF SALE.—Amounts received from the sales of duplicate bronze medals under section 3 shall be deposited in the Numismatic Public Enterprise Fund.

So the bill (S. 183), as amended, was passed, as follows:

S. 183

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FINDINGS.

The Congress finds the following:

(1) Richard "Red" Skelton has provided generations with the gift of laughter, driven by his passion to instill happiness in the hearts of others;

(2) Red Skelton, a true patriot, supported the United States Armed Forces during World War II by selling a record number of United States war bonds, serving as a private in the United States Army, and working arduously to lift the morale of his fellow soldiers; and

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MESSAGE FROM THE HOUSE

At 1:10 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 2118. An act making supplemental appropriations for the fiscal year ending September 30, 1993, and for other purposes.

H.R. 2244. An act making supplemental appropriations, transfers, and rescissions for the fiscal year ending September 30, 1993, and for other purposes.

At 9:05 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 105. Concurrent resolution providing for an adjournment of the House from the legislative day of Thursday, May 27, 1993 to Tuesday, June 8, 1993 and an adjournment or recess of the Senate from Friday, May 28, 1993 until Monday, June 7, 1993;

The message further announced that the Speaker has signed the following enrolled bill:

H.R. 1723. An act to authorize the establishment of a program under which employees of the Central Intelligence Agency may be offered separation pay to separate from service voluntarily to avoid or minimize the need for involuntary separations due to downsizing, reorganization, transfer of function or other similar action, and for other purposes.

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent, and referred as indicated.

H.R. 2118. An act making supplemental appropriations for the fiscal year ending September 30, 1993, and for other purposes; to the Committee on Appropriations.

H.R. 2244. An act making supplemental appropriations, transfers, and rescissions for the fiscal year ending September 30, 1993, and for other purposes; to the Committee on Appropriations.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, May 27, 1993, he presented to the President of the United States the following bill and joint resolution:

S. 564. An act to establish in the Government Printing Office a means of enhancing electronic public access to a wide range of Federal electronic information.

S.J. Res. 43. Joint resolution designating the week beginning June 6, 1993, and June 5, 1994, "Lyme Disease Awareness Week."

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–856. A communication from the Administrator of the Environmental Protection Agency, transmitting, a draft of proposed legislation to extend the Solid Waste Disposal Act; to the Committee on Environment and Public Works.

EC–857. A communication from the Administrator of the Environmental Protection Agency, transmitting, a draft of proposed legislation to extend certain provisions of the Safe Drinking Water Act, as amended, for two years; to the Committee on Environment and Public Works.

EC–858. A communication from the Administrator of the Environmental Protection Agency, transmitting, a draft of proposed legislation to amend and extend the Federal Water Pollution Control Act, as amended, for two years; to the Committee on Environment and Public Works.

EC–859. A communication from the Administrator of the Environmental Protection Agency, transmitting, a draft of proposed legislation entitled "The Environmental Research, Development, and Demonstration Authorization Act of 1993"; to the Committee on Environment and Public Works.

EC–860. A communication from the Administrator of the Environmental Protection Agency, transmitting, a draft of proposed legislation to amend and extend the Toxic Substances Control Act, as amended, for two years; to the Committee on Environment and Public Works.

EC–861. A communication from the Acting Assistant Secretary of the Army (Civil Works), Department of the Army, transmitting, pursuant to law, a report relative to coastal wetlands restoration projects undertaken in fiscal year 1993; to the Committee on Environment and Public Works.

EC–862. A communication from the Chairman of the Defense Base Closure and Realignment Commission, transmitting, pursuant to law, certain certified materials relative to the Department of the Navy; to the Committee on Armed Services.

EC–863. A communication from the Principal Deputy, Assistant Secretary of the Air Force (Acquisition), Department of the Air Force, transmitting, pursuant to law, notice of plans to conduct a cost comparison of Air Training Command's Base Operating Support function; to the Committee on Armed Services.

EC-864. A communication from the Deputy Secretary of Defense, transmitting, a draft of proposed legislation to amend the Internal Revenue Code of 1986 to postpone the time for the performance of certain acts during contingency operations of the Armed Forces; to the Committee on Finance.

EC-865. A communication from the Acting Director of the U.S. Arms Control and Disarmament Agency, transmitting, a draft of proposed legislation to authorize appropriations of funds for the ACDA for fiscal years 1994 and 1995; to the Committee on Foreign Relations.

EC-866. A communication from the Acting Assistant Secretary (Legislative Affairs), Department of State, transmitting, pursuant to law, notice of the transfer of funds in fiscal year 1993 to the Peacekeeping Operations Account for Enforcement of Sanctions Against Serbia and Montenegro; to the Committee on Foreign Relations.

EC-867. A communication from the Acting General Counsel of the Department of the Treasury, transmitting, a draft of proposed legislation entitled "Special Debt Relief for the Poorest Act of 1993"; to the Committee on Foreign Relations.

EC-868. A communication from the Acting Director of the National Science Foundation, transmitting, a draft of proposed legislation to amend the Program Fraud Civil Remedies Act of 1986 to include the National Science Foundation; to the Committee on Governmental Affairs.

EC-869. A communication from the U.S. International Trade Commission, transmitting, pursuant to law, the semiannual report of the Inspector General for the period October 1, 1992 through March 31, 1993; to the Committee on Governmental Affairs.

EC-870. A communication from the Administrator of the Panama Canal Commission, transmitting, pursuant to law, the annual report under the Freedom of Information Act for calendar year 1992; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PELL, from the Committee on Foreign Relations, without amendment and with a preamble:

S. Res. 92. A resolution condemning the proposed withdrawal of North Korea from the Treaty on the Non-Proliferation of Nuclear Weapons, and for other purposes.

S. Res. 112. A resolution urging sanctions to be imposed against the Burmese government, and for other purposes.

By Mr. RIEGLE, from the Committee on Banking, Housing, and Urban Affairs, without amendment:

S. 50. A bill to require the Secretary of the Treasury to mint coins in commemoration of the 250th anniversary of the birth of Thomas Jefferson.

By Mr. RIEGLE, from the Committee on Banking, Housing, and Urban Affairs, with an amendment in the nature of a substitute:

S. 183. A bill to authorize the President to award a gold medal on behalf of the Congress to Richard "Red" Skelton, and to provide for the production of bronze duplicates of such medal for sale to the public.

By Mr. RIEGLE, from the Committee on Banking, Housing, and Urban Affairs, without amendment:

S. 216. A bill to provide for the minting of coins to commemorate the World University Games.

By Mr. BIDEN, from the Committee on the Judiciary, without amendment and with a preamble:

S.J. Res. 39. A joint resolution designating the weeks beginning May 23, 1993, and May 15, 1994, as "Emergency Medical Services Week."

S.J. Res. 61. A joint resolution to designate the week of October 3, 1993, through October 9, 1993, as "Mental Illness Awareness Week."

S.J. Res. 73. A joint resolution to designate July 5, 1993, through July 12, 1993, as "National Awareness Week for Life-Saving Techniques."

S.J. Res. 88. A joint resolution to designate July 1, 1993, as "National NYSP Day."

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PELL, from the Committee on Foreign Relations:

Joan E. Spero, of New York, to be United States Alternative Governor of the International Bank for Reconstruction and Development for a term of five years; United States Alternative Governor of the Inter-American Development Bank for a term of five years; United States Alternate Governor of the African Development Bank for a term of five years; United States Alternate Governor of the African Development Fund; United States Alternate Governor of the Asian Development Bank; and United States Alternate Governor of the European Bank for Reconstruction and Development.

John Howard Francis Shattuck, of Massachusetts, to be Assistant Secretary of State for Human Rights and Humanitarian Affairs; and

Marilyn McAfee, of Florida, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Guatemala.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Nominee Marilyn McAfee.

Post American Embassy, Guatemala.

Contributions, amount, date, and donee.

1. Self, none.

2. Spouse, Joel William Febel, None.

3. Children and spouses, names, N/A.

4. Parents names, Mary Nolen McAfee, Jesse Stuart McAfee, deceased.

5. Grandparents names, Joseph Robt. Nolen Genevra Shaffer Nolen, Jesse U. McAfee, Anne Reeves McAfee, Deceased.

6. Brothers and spouses names, Robert Stuart McAfee, Ann Coleman McAfee, None.

William Thornton Pryce, of Pennsylvania, a career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Honduras.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Nominee William Thornton Pryce.

Post Honduras.

Contributions, amount, date, and donee.

1. Self, William T. Pryce, none.

2. Spouse, Joan M. Pyrce, None.

3. Children and spouses, names, Kathy E. Pryce, Jeffrey F. Pryce, Scott F. Pryce, none.

4. Parents, names, Roland F. Pyrce, Katharine H. Pryce, deceased.

5. Grandparents names, Harry Pryce, Mary Jane Pryce, Francis Hartman, Edna Lynch Hartman, deceased.

6. Brothers and spouses names, Katharine Pyrce Collins, None.

7. Sisters and spouses names, Katharine Pryce Collins, None.

James Richard Cheek, of Arkansas, a career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Argentina.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, amount, date, and donee.

1. Self and spouse, $200.00 April 1, 1992 Clinton for President, $100.00 October 2, 1992 Clinton/Gore Campaign.

2. Children and spouses names, Leesa Cheek Ferguson, Michael Ferguson $100.00 September 9, 1992, Clinton for President. Forest Cheek, spouse Adrianne, None, Surya Iaman Cheek (minor son) none.

3. Parents, names, Dorothy Cheek (mother) none. Father deceased.

4. Grandparents names, deceased.

5. Brothers and spouses names, Brother deceased.

6. Sisters and spouses names, Sherry Cheek Light and spouse Larry Light, none.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. DECONCINI:

S. 1036. A bill to authorize the Administrator of the General Services Administration to enter into agreements for the construction of border stations on the United States borders with Canada and Mexico, and for other purposes; to the Committee on the Judiciary.

By Mrs. MURRAY:

S. 1037. A bill to amend the Civil Rights Act of 1991 with respect to the application of such Act; to the Committee on Labor and Human Resources.

By Ms. MIKULSKI (for herself and Mr. LEAHY):

S. 1038. A bill to amend chapters 83 and 84 of title 5, United States Code, to extend the civil service retirement provisions of such chapters which are applicable to law enforcement officers, to inspectors of the Immigra-

and Naturalization Service, inspectors and canine enforcement officers of the United States Customs Service, and revenue officers of the Internal Revenue Service; to the Committee on Governmental Affairs.

By Mr. BOND:

S. 1039. A bill to require the use of child restraint systems on commercial aircraft; to the Committee on Commerce, Science, and Transportation.

By Mr. BINGAMAN (for himself, Mr. KENNEDY, Mr. COCHRAN, and Mr. HARKIN):

S. 1040. A bill to support systemic improvement of education and the development of a technologically literate citizenry and internationally competitive work force by establishing a comprehensive system through which appropriate technology-enhanced curriculum, instruction, and administrative support resources and services, that support the National Education Goals and any national education standards that may be developed, are provided to schools throughout the United States; to the Committee on Labor and Human Resources.

By Mr. GREGG:

S. 1041. A bill to amend the Public Health Service Act to promote the immunization of children, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. HATFIELD:

S. 1042. A bill to amend the Public Health Service Act to establish an Ethical Advisory Board, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. GLENN (for himself, Mr. FORD, Mr. MCCONNELL, and Mr. LUGAR):

S. 1043. A bill to extend until January 1, 1998, the existing suspension of duty on certain bicycle parts, and for other purposes; to the Committee on Finance.

By Mr. DOLE (for himself, Mr. LUGAR, Mr. GORTON, Mr. D'AMATO, Mr. WALLOP, and Mr. THURMOND):

S. 1044. A bill terminating the United States arms embargo of the Government of Bosnia-Hercegovina; to the Committee on Foreign Relations.

By Mr. WOFFORD (for himself and Mr. BRADLEY):

S. 1045. A bill to permit States to establish programs using unemployment funds to assist unemployed individuals in becoming self-employed; to the Committee on Labor and Human Resources.

By Mr. MOYNIHAN:

S. 1046. A bill to authorize the Architect of the Capitol to develop and implement a plan to improve the Capitol grounds through the elimination and modification of space allocated for parking; to the Committee on Rules and Administration.

By Mr. MURKOWSKI:

S. 1047. A bill to convey certain real property located in Tongass National Forest to Daniel J. Gross, Sr., and Douglas K. Gross, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. KOHL (for himself and Mr. DANFORTH):

S. 1048. A bill to suspend temporarily the duty on DMAS.; to the Committee on Finance.

By Mr. BINGAMAN (for himself, Mr. DOMENICI, and Mr. DASCHLE):

S. 1049. A bill to protect Lechuguilla Cave and other resources and values in and adjacent to Carlsbad Caverns National Park, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. MITCHELL (for Mr. KRUEGER):

S. 1050. A bill to designate the Federal building located at 525 Griffin Street in Dallas, Texas, as the "A. Maceo Smith Federal Building"; to the Committee on Environment and Public Works.

By Mr. MACK (for himself and Mr. GRAHAM):

S. 1051. A bill to amend title XVIII of the Social Security Act to extend the period during which medicare-dependent, small rural hospitals receive additional payments under the medicare program for the operating costs of inpatient hospital services, to revise the criteria for determining whether hospitals are eligible for such additional payments, and to provide additional payments under the medicare program to other medicare-dependent hospitals; to the Committee on Finance.

By Mr. HOLLINGS (for himself, Mr. STEVENS, and Mr. KERRY):

S. 1052. A bill to authorize appropriations for fiscal years 1994 and 1995 for the Coast Guard, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. FORD (for himself, Mrs. MURRAY, Mr. MATHEWS, Mr. STEVENS, Mr. KRUEGER, Mrs. FEINSTEIN, Mr. INOUYE, and Mr. BRYAN):

S. 1053. A bill to amend the Federal Aviation Act of 1958 to provide emergency relief to the United States airline industry by facilitating financing for investment in new aircraft and by encouraging the retirement of older, noisier, and less efficient aircraft, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. GLENN (for himself, Mr. PELL, Mr. HELMS, and Mr. D'AMATO):

S. 1054. A bill to impose sanctions against any foreign person or United States person that assists a foreign country in acquiring a nuclear explosive device or unsafeguarded nuclear material, and for other purposes; to the Committee on Foreign Relations.

By Mr. GLENN (for himself, Mr. PELL, and Mr. D'AMATO):

S. 1055. A bill to amend the Nuclear Non-Proliferation Act of 1978 and the Atomic Energy Act of 1954 to improve the organization and management of United States nuclear export controls, and for other purposes; to the Committee on Governmental Affairs.

By Mrs. FEINSTEIN (for herself, Mr. LIEBERMAN, Mr. THURMOND, Mr. HOLLINGS, and Mrs. BOXER):

S. 1056. A bill to require that defense reinvestment and economic growth funds be allocated among communities on the basis of the relative levels of reductions in employment experienced in such communities as a result of reduced spending for national defense functions; to the Committee on Governmental Affairs.

By Mr. JEFFORDS:

S. 1057. A bill to provide for the establishment of a nationwide, universal access health coverage program, and for other purposes; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DECONCINI:

S. 1036. A bill to authorize the Administrator of the General Service Administration to enter into agreements for the construction of border stations on the United States borders with Canada and Mexico, and for other purposes; to the Committee on the Judiciary.

BORDER STATION LEGISLATION

• Mr. DECONCINI. Mr. President, I am introducing legislation today which will permit the Federal Government to take advantage of state and local financing of United States-Mexico and United States-Canada border facilities. At a time when the budget deficit is increasing on an annual basis and when limited Federal funds are available to undertake critical Federal construction projects, it makes sense to establish a budget process which permits State and local governments to provide the upfront financing for new and expanded border facilities. Particularly in light of the upcoming North American Free-Trade Agreement.

In 1988 along with my colleague from New Mexico, Senator DOMENICI, I initiated a long-term program for the renovation and improvement of the deteriorated border facilities along the United States-Mexico border. It was called the Southwest Border Capital Improvements Program. This initiative, which is still underway, called for the construction of 40 new and expanded border stations along the United States-Mexico border from California to Texas. It included the expansion of primary inspection booths, secondary, and new commercial lots for virtually all of the ports on the United States-Mexico border to improve passenger processing and ensure the expeditious flow of commercial trade. To date, total funding of $360 million has been provided to the General Services Administration [GSA] to undertake this massive effort on the border.

When we moved forward on the Southwest Border Capital Improvements Program, we had no idea that a free-trade agreement with the United States and Mexico would be forthcoming. The initiative, therefore, only took into consideration the improvements and expansion required to accommodate projected trade demands at that time. Now, with a free-trade pact for the United States, Canada, and Mexico looming, it appears that more facilities and new ports will be required to accommodate the increase in trade which is an expected outcome of the free-trade agreement. Unfortunately, the Federal funds to construct more facilities and the associated infrastructure will be limited due to budgetary constraints.

Up until the enactment of the Omnibus Budget Reconciliation Act of 1990, the Congress could have simply authorized the General Services Administration to enter into lease to purchase or capital lease agreements to acquire Federal facilities. At that time, it was common practice for the Federal Government to contract with the private sector to develop and construct a facility using private capital. However, with the enactment of Public Law 101-508 the Congress agreed to go along with an OMB scoring change which requires all budget authority to be scored against a bill in the first year in which it is made available for the Government's full obligation under a contract for the purchase, lease-purchase, or lease of a capital asset. As a result, even if a State or local government is willing to provide the money, up front, to construct a facility for the Government's long-term use, and to charge the Government a yearly lease payment to recover the initial investment cost, similar to a mortgage, a bill will be scored for the entire long-term costs to the Federal Government up front just as if the Government were financing the direct construction of the project. OMB's justification for this change was that it is more costly for the Federal Government over time to enter into lease-purchase arrangements than for the Federal Government to undertake direct construction.

Mr. President, the same argument can be made for mortgages on a private residence. However, how many Americans would own homes if they had to provide the full amount for the purchase up front? I think, very few. When a private citizen takes out a mortgage, he is more concerned about his ability to cover the monthly mortgage payments. Why shouldn't the same procedure apply to the Federal Government? If we had unlimited Federal funds for constructing buildings and acquiring capital assets, it may make more sense for the full amount to be provided up front. However, this is not the case and I don't see this situation changing anytime soon.

The legislation I am introducing today will reverse the budget scoring practice currently in effect to permit GSA to enter into contracts to acquire, through a purchase, lease purchase, or capital lease, United States-Mexico and United States-Canada border facilities. It will permit those interested State and local governmental entities to provide the up-front capital to construct border facilities which can then be leased back to the Federal Government. It will also permit the Federal Government to respond to the long-term infrastructure needs associated with free trade that most people believe will be a certain outcome of the North American Free-Trade Agreement.

Mr. President, I never supported the scoring change on lease purchases contained in the 1990 Omnibus Budget Reconciliation Act. I didn't believe it made any sense then and I don't now. Today's legislation is an attempt to return rational thinking to the budget process, albeit only for critically needed border facilities.

I ask unanimous consent that the entire text of the bill be inserted into the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1036

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AUTHORIZATION.

The Administrator of the General Services Administration may enter into agreements with State and local governments of the United States for the construction of border stations on the borders of the United States with Canada and Mexico. Agreements under this Act shall be authorized only for facilities—

(1) that meet applicable Federal government requirements for border stations;

(2) that are located on sites approved by the Commissioner of the United States Customs Service, the Commissioner of the Immigration and Naturalization Service, the Secretary of Agriculture, and the Administrator of the General Services Administration; and

(3) which have been approved by the Committees on Appropriations of the House of Representatives and the Senate, the Public Works and Transportation Committee of the House of Representatives, and the Environment and Public Works Committee of the Senate.

SEC. 2. TERMS OF AGREEMENTS.

(a) IN GENERAL.—An agreement entered into under this Act shall provide for the acquisition of land and materials for the construction of border stations.

(b) TERMS AND LIMITATIONS.—

(1) OBLIGATIONS OF FUNDS.—The obligation of the United States under an agreement entered into under this Act shall be limited to the current fiscal year for which payments are due without regard to section 3328(a)(1)(B) of title 31, United States Code.

(2) DURATION OF AGREEMENT.—An agreement entered into under this Act shall provide for lease or installment payments over a period of not to exceed 30 years for the payment of the purchase price and reasonable interest.

(3) VESTING OF TITLE.—An agreement entered into under this Act shall provide for the title to the property and facilities to vest in the United States on or before the expiration of the contract term, on fulfillment of the terms and conditions of the agreement.

SEC. 3. BUDGETARY TREATMENT.

Notwithstanding any other provision of law, or guidelines or regulations issued pursuant thereto, the obligations of the Federal government arising out of an agreement entered into under this Act shall be scored each fiscal year based on the estimated expenditures in the fiscal year.●

By Mrs. MURRAY:

S. 1037. A bill to amend the Civil Rights Act of 1991 with respect to the application of such Act; to the Committee on Labor and Human Resources.

JUSTICE FOR WARDS COVE WORKERS ACT

Mrs. MURRAY. Mr. President, I rise today on behalf of myself and Senators KENNEDY, SIMON, LEVIN, CAMPBELL and AKAKA to introduce the Justice for Wards Cove Workers Act.

The passage of the Civil Rights Act of 1991 was a truly historic occasion. I remember being back in my home State of Washington and applauding Congress for sending a very clear message to the courts and to the Nation—discrimination will not be tolerated.

However, I also remember the press generated a while later in Washington State about one particular line of that act—a line that exempts one employer and one group of employees from coverage. Mr. President, that is why I am here today to introduce this bill.

It is a very simple bill, really. It is designed to ensure that we are all treated equally under the Civil Rights Act of 1991. The bill will remove the provision in the act that exempts the employer and employees involved in the Wards Cove Packing Co. versus Antonio case.

Actually, the legislation reminds me of when I taught the Pledge of Allegiance to my preschool students. The pledge ends with the phrase "with liberty and justice for all." It does not make any exceptions. Mr. President, my students understood this principle and I know the U.S. Congress does too.

As a newcomer to this body, I come to this issue as a matter of fundamental fairness. I know that there is a long drawn-out history with regard to the Wards Cove exemption. I also know that some sort of deal was struck during negotiations for the passage of the Civil Rights Act of 1991. However, in my opinion, this type of injustice cannot stand.

Our actions and votes affect lives. A few words in a large piece of legislation can have a huge impact. Those words in the Civil Rights Act of 1991 exempting the Wards Cove Packing Co. and workers directly affect thousands of people's lives. In a less direct way, those words affect all of us. The Wards Cove exemption violates our most basic notions of justice.

Mr. President, the exemption of any employer or employee from our Federal civil rights laws would cause me great concern. However, the fact that the U.S. Supreme Court's decision in Wards Cove was one of the decisions that prompted Congress to enact the Civil Rights Act of 1991—in the first place—makes the injustice of the Wards Cove exemption all the more glaring.

The Wards Cove case has been in the courts since 1974. For the record, I should mention that it involves claims of discrimination by Asian-Pacific Americans and Native Alaskans in the salmon canning industry in Alaska.

However, I am not going to describe those claims today. The legislation I am introducing is not designed to determine the outcome of that case. It is designed to ensure that we are all treated equally under Civil Rights Act of 1991.

Mr. President, some of my colleagues may be concerned that this legislation will make the Civil Rights Act of 1991 retroactive. I want to emphasize that this bill was carefully drafted so as not to address the issue of retroactivity. The Justice for Wards Cove Workers Act simply will repeal the Wards Cove exemption in the Civil Rights Act of 1991.

The exemption must be removed. President Clinton has pledged his strong support for this legislation, and I believe that this bill should receive the full support of both Houses of Congress. I urge my colleagues to join me in supporting the Justice for Wards Cove Workers Act.

Mr. KENNEDY. Mr. President, it is an honor to join Senator MURRAY and our other colleagues in introducing the Justice for Wards Cove Workers Act.

The Civil Rights Act of 1991 was the culmination of 2 years of intense legislative debate about effective ways to deal with a series of unfortunate Supreme Court decisions, including Wards Cove Packing Co. versus Atonio, that had seriously weakened the civil rights laws.

In October 1991, when the Bush administration finally agreed to accept stronger job discrimination remedies for the future, the administration also sought to assure that the new law would not apply to the thousands of civil rights cases then pending. This position was unacceptable to many of us who were strong supporters of the act, and was contrary to the traditional practice of permitting litigants in pending cases to take advantage of favorable changes in the law.

Compromise language on retroactivity was eventually reached. But several Republican Senators insisted on including a provision specifically stating that the act would not apply to the parties in the Wards Cove case itself, the case that had dominated much of the public debate over the legislation. As a result, section 402(b) was included in the act, which exempts that controversial case from the act's coverage.

The legislation we are introducing today will repeal section 402(b). The applicability of the Civil Rights Act of 1991 to other cases that were pending on the date of enactment is currently before the Supreme Court, and a decision is expected early next year. Our legislation is carefully drafted so that it will not affect the outcome of that litigation.

Whatever the Supreme Court decides should apply to the Wards Cove litigants too. It was unfair for Congress to single out the plaintiffs for adverse treatment. I urge my colleagues to support the Justice for Wards Cove Workers Act.

By Ms. MIKULSKI (for herself and Mr. LEAHY):

S. 1038. A bill to amend chapters 83 and 84 of title 5, United States Code, to extend the civil service retirement provisions of such chapters which are applicable to law enforcement officers, to inspectors of the Immigration and Naturalization Service, inspectors and canine enforcement officers of the U.S. Customs Service, and revenue officers of the Internal Revenue Service; to the Committee on Governmental Affairs.

HAZARDOUS OCCUPATIONS RETIREMENT BENEFITS ACT OF 1993

• Ms. MIKULSKI. Mr. President, I rise today to introduce legislation to permit certain employees of the U.S. Customs Service, Immigration and Naturalization Service, and Internal Revenue Service who are working in hazardous occupations to retire at age 50 with 20 years of Federal service. I have introduced similar legislation in the 100th, 101st, and 102d Congresses.

Under current law, Federal law enforcement officers and firefighters are eligible to retire at age 50 with 20 years of Federal service. This legislation would provide the same retirement benefit to U.S. Customs inspectors and canine enforcement officers, immigration inspectors, and IRS revenue officers. Like law enforcement officers and firefighters, these employees also have very hazardous, physically taxing occupations, and it is in the public's interest to ensure a young and vigorous work force in these jobs.

Customs and Immigration inspectors are our first line of defense against terrorism and the smuggling of illegal drugs. Recently, Customs instituted an antiterrorist program called Border Shield, which put employees on full alert at all border crossings and airports and required inspectors to carry firearms at all times. A clear and constant threat of severe bodily injury means that all Customs inspectors are authorized to carry firearms and must meet one of the highest qualification standards of all law enforcement officers.

In February 1990, a tragic reminder of this threat occurred when Timothy McGaghren, a U.S. Customs inspector, was killed in the line of duty on the Southwest border.

According to an FBI Uniform Crime Report, in 1988 IRS officers suffered more assaults than any law enforcement group in the Federal Government, and Customs and Immigration officers were assaulted at a rate exceeding that experienced by the FBI, U.S. Marshals Service, and the U.S. Secret Service. In addition, between 1984 and 1988, more Customs officers died due to service-related injuries than any other group except DEA and Bureau of Prisons officers.

I urge my colleagues to join me again in this Congress in expressing support for this bill and finally getting it enacted. This bill will improve the effectiveness of our inspector and revenue officer work force to ensure the integrity of our borders and proper collection of the taxes and duties owed to the Federal Government.

Mr. President, I ask unanimous consent that the text of the bill appear in the CONGRESSIONAL RECORD at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1038

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CIVIL SERVICE RETIREMENT SYSTEM.

(a) DEFINITIONS.—Section 8331 of title 5, United States Code, is amended—

(1) by striking out "and" at the end of paragraph (25);

(2) by striking out the period at the end of paragraph (26) and inserting in lieu thereof a semicolon; and

(3) by adding at the end thereof the following new paragraphs:

"(27) 'revenue officer' means an employee of the Internal Revenue Service, the duties of whose position are primarily the collection of delinquent taxes and the securing of delinquent returns, including an employee engaged in this activity who is transferred to a supervisory or administrative position;

"(28) 'customs inspector' means an employee of the United States Customs Service, the duties of whose position are primarily to—

"(A) enforce laws and regulations governing the importing and exporting of merchandise;

"(B) process and control passengers and baggage;

"(C) interdict smuggled merchandise and contraband; and

"(D) apprehend (if warranted) persons involved in violations of customs laws,

including an employee engaged in this activity who is transferred to a supervisory or administrative position;

"(29) 'customs canine enforcement officer' means an employee of the United States Customs Service, the duties of whose position are primarily to work directly with a dog in an effort to—

"(A) enforce laws and regulations governing the importing and exporting of merchandise;

"(B) process and control passengers and baggage;

"(C) interdict smuggled merchandise and contraband; and

"(D) apprehend (if warranted) persons involved in violations of customs laws,

including an employee engaged in this activity who is transferred to a supervisory or administrative position; and

"(30) 'Immigration and Naturalization inspector' means an employee of the Immigration and Naturalization Service, the duties of whose position are primarily the controlling and guarding of the boundaries and borders of the United States against the illegal entry of aliens, including an employee engaged in this activity who is transferred to a supervisory or administrative position.".

(b) DEDUCTIONS, CONTRIBUTIONS, AND DEPOSITS.—Section 8334 of title 5, United States Code, is amended—

(1) in subsection (a)(1), by striking out "a law enforcement officer," and inserting in lieu thereof "a law enforcement officer, a revenue officer, a customs inspector, a customs canine enforcement officer, an Immigration and Naturalization inspector,"; and

(2) in the table in subsection (c), by striking out "and firefighter for firefighter service." and inserting in lieu thereof ", firefighter for firefighter service, revenue officer for revenue officer service, customs inspector for customs inspector service, customs canine enforcement officer for customs canine enforcement officer service, and Immigration and Naturalization inspector for Immigration and Naturalization inspector service".

(c) MANDATORY SEPARATION.—Section 8335(b) of title 5, United States Code, is amended in the second sentence by striking out "law enforcement officer" and inserting in lieu thereof "law enforcement officer, a revenue officer, a customs inspector, a customs canine enforcement officer, or an Immigration and Naturalization inspector".

(d) IMMEDIATE RETIREMENT.—Section 8336(c)(1) of such title is amended by striking out "law enforcement officer or firefighter," and inserting "law enforcement officer, a firefighter, a revenue officer, a customs inspector, a customs canine enforcement officer, or an Immigration and Naturalization inspector,".

SEC. 2. FEDERAL EMPLOYEES RETIREMENT SYSTEM.

(a) DEFINITIONS.—Section 8401 of title 5, United States Code, is amended—

(1) by striking out "and" at the end of paragraph (31);

(2) by striking out the period at the end of paragraph (32) and inserting in lieu thereof a semicolon; and

(3) by adding at the end thereof the following new paragraphs:

"(33) 'revenue officer' means an employee of the Internal Revenue Service, the duties of whose position are primarily the collection of delinquent taxes and the securing of delinquent returns, including an employee engaged in this activity who is transferred to a supervisory or administrative position;

"(34) 'customs inspector' means an employee of the United States Customs Service, the duties of whose position are primarily to—

"(A) enforce laws and regulations governing the importing and exporting of merchandise;

"(B) process and control passengers and baggage;

"(C) interdict smuggled merchandise and contraband; and

"(D) apprehend (if warranted) persons involved in violations of customs laws,

including an employee engaged in this activity who is transferred to a supervisory or administrative position;

"(35) 'customs canine enforcement officer' means an employee of the United States Customs Service, the duties of whose position are primarily to work directly with a dog in an effort to—

"(A) enforce laws and regulations governing the importing and exporting of merchandise;

"(B) process and control passengers and baggage;

"(C) interdict smuggled merchandise and contraband; and

"(D) apprehend (if warranted) persons involved in violations of customs laws,

including an employee engaged in this activity who is transferred to a supervisory or administrative position; and

"(36) 'Immigration and Naturalization inspector' means an employee of the Immigration and Naturalization Service, the duties of whose position are primarily the controlling and guarding of the boundaries and borders of the United States against the illegal entry of aliens, including an employee engaged in this activity who is transferred to a supervisory or administrative position.".

(b) IMMEDIATE RETIREMENT.—Section 8412(a) of title 5, United States Code, is amended—

(1) in paragraph (1) by striking out "or firefighter," and inserting in lieu thereof "firefighter, revenue officer, customs inspector, customs canine enforcement officer, or Immigration and Naturalization inspector,"; and

(2) in paragraph (2) by striking out "or firefighter," and inserting in lieu thereof "firefighter, revenue officer, customs inspector, customs canine enforcement officer, or Immigration and Naturalization inspector,".

(c) COMPUTATION OF BASIC ANNUITY.—Section 8415(g)(2) of title 5, United States Code, is amended in the sentence following subparagraph (B) by inserting "revenue officer, customs inspector, customs canine enforcement officer, Immigration and Naturalization inspector," after "firefighter,".

(d) DEDUCTIONS.—Section 8422(a)(2) of title 5, United States Code, is amended—

(1) in subparagraph (A) by inserting "revenue officer, customs inspector, customs canine enforcement officer, Immigration and Naturalization inspector," after "air traffic controller,"; and

(2) in subparagraph (B) by inserting "revenue officer, customs inspector, customs canine enforcement officer, Immigration and Naturalization inspector," after "air traffic controller,".

(e) GOVERNMENT CONTRIBUTIONS.—Section 8423(a) of title 5, United States Code, is amended—

(1) in paragraph (1)(B)(i) by inserting "revenue officer, customs inspector, customs canine enforcement officer, Immigration and Naturalization inspector," after "law enforcement officer,"; and

(2) in paragraph (3)(A) by inserting "revenue officer, customs inspector, customs canine enforcement officer, Immigration and Naturalization inspector," after "law enforcement officer,".

(f) MANDATORY SEPARATION.—Section 8425(b) of title 5, United States Code, is amended in the second sentence by inserting ", revenue officer, customs inspector, customs canine enforcement officer, or Immigration and Naturalization inspector" after "law enforcement officer".

SEC. 3. ADMINISTRATIVE PROVISIONS.

(a) EMPLOYEE CONTRIBUTIONS.—Any individual who has served as a revenue officer, customs inspector, customs canine enforcement officer, or Immigration and Naturalization inspector before the effective date of this Act, shall have such service credited and annuities determined in accordance with the amendments made by sections 1 and 2 of this Act, if such individual makes payment into the Civil Service Retirement and Disability Fund of an amount, determined by the Office of Personnel Management, which would have been deducted and withheld from the basic pay of such individual (including interest thereon) under chapters 83 and 84 of title 5, United States Code, as if such amendments had been in effect during the periods of such service.

(b) AGENCY CONTRIBUTIONS.—No later than 90 days after a payment made by an individual under subsection (a), the Department of the Treasury or the Department of Justice (as the case may be) shall make a payment into the Civil Service Retirement and Disability Fund of an amount, determined by the Office of Personnel Management, which would have been contributed as a Government contribution (including interest thereon) under chapters 83 and 84 of title 5, United States Code, for the service credited and annuities determined for such individual, as if the amendments made by sections 1 and 2 of this Act had been in effect during the applicable periods of service.

(c) REGULATIONS.—The Office of Personnel Management shall determine the amount of interest to be paid under this section and may promulgate regulations to carry out the provisions of this Act.

SEC. 4. EFFECTIVE DATE.

The provisions of this Act and amendments made by this Act shall take effect on the date occurring 90 days after the date of enactment of this Act.•

By Mr. BINGAMAN (for himself, Mr. KENNEDY, Mr. COCHRAN, and Mr. HARKIN):

S. 1040. A bill to support systemic improvement of education and the development of a technologically literate citizenry and internationally competitive work force by establishing a comprehensive system through which appropriate technology-enhanced curriculum, instruction, and administrative support resources and services, that support the National Education Goals and any national education standards that may be developed, are provided to schools throughout the United States; to the Committee on Labor and Human Resources.

THE TECHNOLOGY FOR EDUCATION ACT OF 1993

• Mr. BINGAMAN. Mr. President, I introduce on behalf of myself, Senators KENNEDY, COCHRAN, and HARKIN, the Technology for Education Act of 1993.

The children in our elementary and secondary schools face the most dynamic and rapidly changing workplace of recent history. While technology is redefining the industries that will employ them, technology is also the key to preparing our children for the complex world ahead.

The bill I am introducing today, the Technology for Education Act of 1993, will facilitate a revolution in the way we teach our children. The goal of this bill is to improve our system of education in order to help Americans become more technologically literate and internationally competitive.

Technology has become a part of just about every aspect of modern life. We deal with technology at home, at work and even at the supermarket. Unfortunately, American classrooms are one of the last areas to gain the advantage of technology. Now, through this legislation we will integrate technology into classrooms throughout the Nation.

Several years ago, the Nation's Governors—including then-Governor Clinton—got together and established ambitious goals for our students, teachers, and schools to strive toward. The Nation, the Congress, and the Clinton administration are committed to achieving the high standards of the National Education Goals. As one of the two U.S. Senators on the National Education Goals Panel, I believe our children can meet these goals if we challenge them and provide them with appropriate resources.

Now that we have challenged our students to meet high standards, we must also try to assist them. With this legislation, the Federal Government can step forward and provide a method to help students, local school districts, and States meet the goals. Educational technology is a powerful, cost-effective tool to help our students meet the National Education Goals by the year 2000.

New Mexico is currently engaged in the revolution. Classrooms of the future are emerging in a cluster of nine small high schools scattered across the plains of rural eastern New Mexico. High school students in San Jon, House, and Grady—some of the most rural communities in New Mexico—are taking advanced classes from a college some 50 miles away. The schools linked with the Clovis Community College through a two-way interactive video system.

Through the application of technology to education, students can participate in a regional classroom, with access to educational resources unavailable in their schools and communities. This pocket of innovation in my State is a simple, but instructive, example of the transition currently taking place in schools across the Nation as we strive to reform our educational system.

But to ensure equity and access to all students, the fair allocation of all educational resources—including technology—must be a goal of our educational reform effort. This bill will help bring equity and access to the distribution of educational technologies.

Creative uses of educational technology—computers, state-of-the-art software, video programming, VCR's, video discs, and telecommunication links—can transport the student into an intellectual Disneyland. Imagine a video journey to exotic locations to learn about geography, history, or current events; or a live link with Shuttle astronauts to discuss scientific experiments. Access to these tools can inspire a generation of youth to become engaged in the educational process.

The Education Technology Act of 1993 would develop a comprehensive strategy to integrate educational technology into the curriculum of every American classroom. Through the bill, the Federal Government will become a catalyst for extending the Nation's technology infrastructure to support learning technologies for elementary and secondary students and teachers.

I know the Clinton administration, under the leadership of Secretaries Riley and Kunin, are committed to the goals of this legislation—enhancing technology in our schools. I would like to thank Senators EDWARD KENNEDY and THAD COCHRAN for their continued support of this bill, and for the dedicated efforts of their staff—Ellen Guiney, Geri Anderson-Nielsen, Doris Dixon, and Ray Ramirez, formerly on my staff. I would like to thank Senator PAUL SIMON for his leadership in providing the library and media resources provisions of this bill, as well as acknowledge the help we received from the educational community, professional associations, and industry.

This legislation attempts to correct the unequitable acquisition and application of technology in education throughout the United States due to several reasons: The absence of Federal leadership; the inability of many State and local education agencies to invest in and support the needed technologies; and the limited availability of appropriate technology-enhanced curriculum, instruction, and administrative support in the education marketplace.

This bill provides leadership and guidance on the equitable and cost-effective use of technology, studies effective ways to apply technological resources to the classroom, and coordinates existing efforts in using educational technologies. Specifically, this legislation:

Establishes an Assistant Secretary for Educational Technology within the Department of Education and a National Commission on Technology in Education to provide leadership in technology education;

Provides Federal funding for education planning, teacher training, equipment purchases by disadvantaged schools, educational technology research, and extends authorization of the Star Schools Program;

Creates a national system for disseminating educational information; and

Supports the development of high quality curriculum-based software, instructional broadcasting, and video programming.

This week, the Labor and Human Resources Committee reported out the Goals 2000: Educate America Act with additional provisions for national skill standards. The legislation establishes a national board to stimulate the development and adoption of a voluntary national system of skill standards, assessment, and certification. In order to enhance work force skills, the national skill standards will increase productivity, economic growth, and American economic competitiveness. The Technology for Education Act of 1993 will better enable the school systems to meet these new standards in preparing today's students for the crucial transition from school to the work force.

This legislation enables our educational system to provide students equal access to high quality instruction in an intellectually stimulating manner, regardless of whether students live in the inner city, the rural countryside, or the suburbs. Educational technology is our ticket to reform and restructure the classroom of today and transform our schoolrooms into the 21st century.

Mr. President, I ask unanimous consent that the text of the bill and an executive summary be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1040

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Technology for Education Act of 1993".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Findings.
Sec. 3. Statement of purpose.
Sec. 4. Definitions.

TITLE I—LEADERSHIP FOR TECHNOLOGY IN EDUCATION

Sec. 101. Office of Educational Technology.
Sec. 102. National Commission on Technology in Education.

TITLE II—SCHOOL TECHNOLOGY SUPPORT

Sec. 201. Statement of purposes.
Sec. 202. State technology planning grants.
Sec. 203. Elementary and secondary school library and media services.
Sec. 204. School technology resource grants and loans.
Sec. 205. Information dissemination.

TITLE III—INFORMATION DISSEMINATION, TECHNOLOGY TRAINING AND TECHNICAL ASSISTANCE

Sec. 301. Statement of purpose.
Sec. 302. Electronic dissemination network.
Sec. 303. Regional implementation and assistance.
Sec. 304. Authorization of appropriations.

TITLE IV—EDUCATIONAL TECHNOLOGY PRODUCT DEVELOPMENT, PRODUCTION, AND DISTRIBUTION

Sec. 401. Statement of purpose.
Sec. 402. Priority in federally supported education programs.
Sec. 403. Classrooms for the future.
Sec. 404. Instructional broadcasting and video instructional programming.
Sec. 405. Star Schools Program.

TITLE V—EDUCATIONAL TECHNOLOGY RESEARCH, DEVELOPMENT AND ASSESSMENT

Sec. 501. Purposes.
Sec. 502. Application of advanced technologies to education.
Sec. 503. High performance educational computing and telecommunications networks.
Sec. 504. Assessment of technology in education.

TITLE VI—MISCELLANEOUS

Sec. 601. Study of systemic funding alternatives.
Sec. 602. Participation of private school children.

SEC. 2. FINDINGS.

The Congress finds that with respect to the use of technology to improve education in America—

(1) the use of technology as a tool in the learning process is essential to the development and maintenance of a technologically literate citizenry and internationally competitive work force;

(2) technology-enhanced curriculum, instruction, and administrative support resources and services that support the National Education Goals and any national education standards that may be developed are needed and can be used for the systemic improvement of all aspects of education;

(3) the acquisition and use of technology in education throughout the United States has

been inhibited by the absence of Federal leadership, the inability of many State and local educational agencies to invest in and support the needed technologies, and the limited availability of appropriate technology-enhanced curriculum, instruction, teacher training, and administrative support resources and services in the educational marketplace;

(4) national educational technology standards and national educational technology application standards should be developed for both hardware and software;

(5) the acquisition and use of technology-enhanced curriculum, instruction, and administrative support resources and services by elementary and secondary schools in the United States must be supported by a comprehensive system which includes—

(A) national leadership with respect to the need for, and the provision of, appropriate technology-enhanced curriculum, instruction, and administrative programs and services for educational institutions in the United States and the schools of the defense dependents' education system;

(B) funding mechanisms which will support development interconnection, implementation, improvement and maintenance of an effective educational technology infrastructure for all learners in the United States;

(C) information dissemination networks to facilitate access to information on effective learning programs, assessment and evaluation of such programs, research findings, and supporting resources (including instructionally based, technology-enhanced programs, research, and resources) by educators throughout the United States;

(D) information regarding curriculum content standards, teacher performance standards, opportunity to learn standards, and assessments and standards for integrating technology into curriculum and instruction;

(E) an extensive variety of opportunities for teacher education, inservice training, and administrator training and technical assistance with respect to effective uses of technologies in education;

(F) consortia for the development, production, distribution, and reuse of technology-enhanced curriculum, instruction and administrative support resources and services with Federal assistance;

(G) building upon, and not duplicating, existing telecommunications infrastructure dedicated to educational purposes;

(H) development and evaluation of new and emerging educational technologies and telecommunications networks; and

(I) assessment data regarding state-of-the-art uses of technologies in United States education upon which businesses, noncommercial telecommunications entities, and governments can rely for decisionmaking about the need for, and provision of, appropriate technologies for education in the United States;

(6) educational equalization concerns and school restructuring needs can be addressed through educational telecommunications and technology by offering universal access to high-quality teaching and programs, particularly in urban and rural areas;

(7) in an increasingly technological world where technology and telecommunications have become an integral part of many households, the disparity between rich and poor students will become even greater, and educational policies must address such disparity;

(8) the increasing use of new technologies and telecommunications systems in business has furthered the gap between schooling and work force preparation; and

(9) improved professional development for teachers requires constant access to updated research in teaching and learning, and telecommunications can be the conduit for ongoing teacher training.

SEC. 3. STATEMENT OF PURPOSE.

It is the purpose of this Act—

(1) to develop and maintain a technologically literate citizenry and internationally competitive work force by encouraging systemic integration of technology and telecommunications in all aspects of education in the United States;

(2) to promote greater equality of educational opportunity and instruction among school districts through the use of technology to improve the academic achievements of all students, in general, and disadvantaged, disabled, and limited-English proficient students, in particular;

(3) to improve educational quality and opportunity by expanding and improving technology in the school, classroom, library, and home;

(4) to develop educational and instructional programming in critical subject areas which address the National Education Goals;

(5) to expand teacher training opportunities for the use of such technology;

(6) to avoid duplication and the development of incompatible systems by strengthening and building upon existing telecommunications infrastructure dedicated to educational purposes;

(7) to establish a National Commission on Technology in Education to periodically assess national requirements, make recommendations with respect to the use of technology and telecommunications in public and private elementary and secondary education throughout the United States, and advise the Congress with respect to funding priorities and needed policies; and

(8) to establish within the Department of Education, a high level office with primary responsibility for—

(A) providing national leadership for universal access to effective uses of telecommunications and educational technologies for teaching and learning;

(B) facilitating access to a broad range of information resources for teachers, learners, and others engaged in education;

(C) establishing technical standards and guidelines for advanced technologies, including software as well as hardware, and instructional software as well as software for operating systems and communications;

(D) establishing funding mechanisms which will support the development and maintenance of an effective educational technology infrastructure for all learners in the United States;

(E) providing for sustained teacher, administrator and other school personnel education and support for using technologies;

(F) supporting development, production, distribution, and reuse of information resources and strategies;

(G) promoting development and evaluation of new and emerging educational technologies;

(H) stimulating private and public partnerships;

(I) stimulating partnerships between—

(i) noncommercial telecommunications entities; and

(ii) public schools, local educational agencies or State educational agencies;

(J) stimulating private sector investment in the development, production, and distribution of technology-enhanced curriculum, instruction, and administrative support resources and services; and

(K) developing and administering a comprehensive system of information dissemination, technical assistance, training, research, and assessment activities which will enable all schools to effectively utilize appropriate technology-enhanced curriculum, instruction, and administrative support resources and services.

SEC. 4. DEFINITIONS.

(a) IN GENERAL.—The terms used in this Act, unless otherwise specified, shall have the same meaning given to such terms by section 1471 of the Elementary and Secondary Education Act of 1965.

(b) ADDITIONAL DEFINITIONS.—For the purpose of this Act—

(1) the term "Assistant Secretary" means the Assistant Secretary for Educational Technology;

(2) the term "Office" means the Office of Educational Technology;

(3) the term "noncommercial telecommunications entity" has the same meaning given to such term by section 397(7) of the Communications Act of 1934; and

(4) the term "technology" includes closed circuit television systems, educational television and radio broadcasting, cable television, satellite, copper and fiber optic transmission, computer, video and audio laser and CD ROM discs, video and audio tapes or other technologies.

TITLE I—LEADERSHIP FOR TECHNOLOGY IN EDUCATION

SEC. 101. OFFICE OF EDUCATIONAL TECHNOLOGY.

(a) AMENDMENT TO THE DEPARTMENT OF EDUCATION ORGANIZATION ACT.—

(1) ASSISTANT SECRETARY.—(A) Section 202 of the Department Organization Act (20 U.S.C. 3412(b)(1)) is amended—

(i) in subparagraph (F), by striking "and" after the semicolon;

(ii) by redesignating subparagraph (G) as subparagraph (H); and

(iii) by adding after subparagraph (F) the following new subparagraph:

"(G) an Assistant Secretary for Educational Technology; and".

(B) Section 5314 of title 5, United States Code, is amended by adding at the end the following new item:

"Assistant Secretary for Educational Technology".

(2) OFFICE OF EDUCATIONAL TECHNOLOGY.—Title II of the Department of Education Organization Act (20 U.S.C. 3411 et seq.) is amended by adding at the end the following new section:

"OFFICE OF EDUCATIONAL TECHNOLOGY

"SEC. 216. (a) There shall be in the Department of Education an Office of Educational Technology, to be administered by the Assistant Secretary for Educational Technology. Such Office shall be established in accordance with section 405A of the General Education Provisions Act.

"(b) The Assistant Secretary for Educational Technology shall have demonstrated expertise and experience in the application of a broad range of technologies for instruction and educational management, and in planning and formulating policy pertaining to technology use, development and application at several levels in the education system but with specific emphasis on experience in the kindergarten through 12th grade.

"(c) There shall be in the Office of Educational Technology a Division of Elementary and Secondary School Library Media Services, to be administered by the Director of the Division. Such Division shall be established in accordance with section 405B of the General Education Provisions Act.".

(b) Amendment to the General Education Provisions Act.—Part A of the General Education Provisions Act (20 U.S.C. 1221e et seq.) is amended by inserting after section 405 the following new section:

"SEC. 405A. OFFICE OF EDUCATIONAL TECHNOLOGY.

"(a) Establishment.—

"(1) Office established.—The Secretary shall establish an Office of Educational Technology (hereafter in this section referred to as the 'Office') within 90 days after the date of enactment of the Technology for Education Act of 1993. The Office shall be the principal technology unit in the Department of Education and shall be responsible for assisting schools in obtaining and utilizing technology.

"(2) Personnel.—

"(A) In general.—The Assistant Secretary for Educational Technology (hereafter in this section referred to as the "Assistant Secretary") may appoint personnel in accordance with title 5 of the United States Code, and may compensate such personnel in accordance with the General Schedule described in section 5332 of title 5, United States Code.

"(B) Experts and consultants.—The Assistant Secretary may procure temporary and intermittent services under section 3019(b) of title 5, United States Code, if the individual performing such services, by virtue of such individual's education or training and experience, is eminently qualified to assist the Office in performing the functions of the Office.

"(3) Administrative support.—To the greatest extent possible, the Assistant Secretary shall utilize existing administrative support services of the Department of Education in accomplishing the functions of the Office. However, the Assistant Secretary is authorized to obtain any or all requisite administrative support services required by the Office through competitive contracting with a private sector enterprise or through noncompetitive, reimbursable service agreements with any other Federal department, agency or governmental entity. The Assistant Secretary shall have sole responsibility for determining whether any or all of the administrative support requirements of the Office may be more efficiently provided by existing administrative support services within the Department of Education, by a private sector enterprise, or by a governmental entity outside the Department of Education.

"(4) Reporting reorganizations.—Any change in the functions or reorganization of the Office as established by this Act shall be reported to the Congress prior to implementation of the change or reorganization.

"(b) Functions of the Office.—The Assistant Secretary, through the Office, shall—

"(1) provide national leadership for policy development and coordinate technology-related education activities within the Department of Education;

"(2) be an advisor within the Department of Education for the design, coordination, and evaluation of any technology-enhanced network or system used for the transfer and dissemination of information through activities and programs such as the education resources information clearinghouses, the National Diffusion Network, the regional mathematics and science education consortia assisted under subpart 2 of part A of title II of the Elementary and Secondary Education Act of 1965, and the National Clearinghouse for Science, Mathematics and Technology Education;

"(3) administer a comprehensive school technology support system of grants, loans, and alternative systemic funding sources to encourage—

"(A) State and local educational agency planning for the use of technology in education;

"(B) the acquisition and use of technology advanced information management resources by public or private elementary and secondary school library media centers, which resources shall build upon existing infrastructure; and

"(C) the acquisition, development and maintenance of technology-enhanced curriculum, instruction, and administrative support resources and services for school classrooms and administrative offices, which resources and services shall build upon existing infrastructure in order to avoid duplication;

"(4) consult, cooperate and coordinate educational technology programs with analogous programs of other Federal departments, agencies and other entities, including the National Science Foundation, the Federal Coordinating Council for Science Engineering and Technology, the Corporation for Public Broadcasting, and Public Telecommunications Facilities Program and, whenever possible, initiate agreements for joint funding of such educational technology and analogous programs;

"(5) support the research, design, development, production, distribution, reuse and evaluation by public or private agencies, nonprofit organizations, colleges and universities, or individuals, or by combinations thereof, of new technology-enhanced curriculum, instruction, and administrative support resources and services which hold promise for improving the effectiveness of education in the United States;

"(6) make recommendations to all Federal departments and agencies for wider application of the use of technology in federally supported education programs within such departments and agencies;

"(7) support and encourage cooperative efforts to resolve issues which have served as impediments to the use of educational technologies, such as State requirements for teacher certification, incompatibility of various technological systems, and lack of access to telecommunications linkages in the classroom;

"(8) establish and administer alternative mechanisms for financing the planning, implementation, and maintenance of a telecommunications and educational technology infrastructure to serve education at all levels;

"(9) regularly convene meetings of educators, policy makers, business leaders and telecommunications and educational technology vendors, and representatives of noncommercial telecommunications entities and service providers in order to—

"(A) support appropriate public and private partnerships for more effective cooperation leading to improvements in the design and development of new technologies for application in education; and

"(B) benefit the effective integration of technologies to enhance and support teaching and learning;

"(10) support research on advanced learning technologies in cooperation with other Federal departments, agencies, and programs, including the Advanced Research Projects Agency (ARPA) of the Department of Defense, the Advanced Technology Program of the Department of Commerce, the Corporation for Public Broadcasting, the Department of Labor, the National Science Foundation, the Department of Energy, the National Aeronautics and Space Administration, and the Department of Defense;

"(11) identify and analyze Federal and State policies' impact on present and future uses of technologies in education;

"(12) support and encourage cooperative efforts to develop standards and guidelines for the use of technology in Federal, State and local education programs;

"(13) promote collaboration among government, business, educational organizations, and other nonprofit organizations and noncommercial telecommunications entities, to expand and improve the use of technology in education;

"(14) support a variety of opportunities for teacher, librarian, administrator and other school personnel education and inservice training regarding the effective uses of educational technologies through institutions of higher education, regional educational laboratories and centers, State and local educational agencies, museums, science centers, noncommercial telecommunications entities or other institutions conducting training;

"(15) annually evaluate the level of implementation of, and the impact on teaching and learning resulting from, programs, projects and activities for which the Office is responsible;

"(16) support inclusion of technology applications, as appropriate, in the development of National Education Goals, reform initiatives, and assessment systems;

"(17) develop criteria that identify programs, projects, and practices that effectively use technologies for national dissemination;

"(18) develop, and update periodically, in cooperation with other Federal, State and regional agencies, and noncommercial telecommunications entities, as appropriate, a long-range strategic plan for implementing telecommunications and educational technologies in all schools;

"(19) assess and determine school technology needs such as development, training and equipment linkages;

"(20) review factors such as cost, dissemination, audience, accessibility, and usage in determining the maximum value of various technologies;

"(21) develop and administer special programs for students who are academically disadvantaged, impaired or limited in their use of the English language, in order to make available affordable infrastructure or appropriate methods of instruction that will improve such students' ability to attain a high level of academic achievement;

"(22) coordinate Federal, State, and local telecommunications franchising authorities for purposes of favorable rate regulations governing educational uses of telecommunications;

"(23) provide leadership for the development of universal connections for educational and information providers to national high performance educational computing and communications networks, including the National Research Education Network and Telstar 401, that will allow educational professionals, students, parents, and the general public to access resources available through such networks;

"(24) support and coordinate the activities of the regional educational technology assistance consortia described in section 304 of the Technology for Education Act of 1993 to enable schools to utilize technology-enhanced curriculum, instruction, and administrative support resources and services; and

"(25) provide an annual report to the Secretary and the Congress, documenting progress toward implementing the provisions of the Technology For Education Act of 1993.

"(c) Additional Office Activities.—The Assistant Secretary shall provide technical support related to the application of educational technologies and the use of telecommunication resources to assist in the dissemination of resources identified for dissemination by the Office of Training Technology Transfer, the education resources information clearinghouses, the National Diffusion Network, and the Assistant Secretary on behalf of the Star Schools Program Assistance Act.

"(d) Authorization of Appropriations.—There are authorized to be appropriated $3,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 through 1998.".

SEC. 102. NATIONAL COMMISSION ON TECHNOLOGY IN EDUCATION.

(a) Establishment.—There is established a commission to be known as the National Commission on Technology in Education (hereafter in this section referred to as the "Commission") which shall advise the President and the Congress with respect to the need for, and the provision of, appropriate national educational technology standards, technology-enhanced curriculum, instruction, and administrative resources and services for educational institutions in the United States.

(b) Membership.—

(1) Appointment of members.—The President shall appoint 15 members to the Commission, of which—

(A) three shall be appointed because of their expertise in State and local government;

(B) three shall be appointed because of their expertise in the governance or supervision of school district operations, in administering State- or district-wide educational technology programs, in administering elementary or secondary schools, or in the development of technology-enhanced curriculum, instruction, or administrative support programs or services;

(C) four shall be appointed because of their expertise in providing instructional services in university, community college, secondary school, elementary school, preschool, and adult and continuing education environments;

(D) two shall be—

(i) a parent of a school age child; or

(ii) a State or local school board member; and

(E) three shall be appointed because of their expertise in the telecommunications industry (including noncommercial communications), the computer hardware or software industry, or the educational technology resources and services industry.

(2) Terms.—

(A) In general.—Except as provided in subparagraph (B), members of the Commission shall be appointed for terms of 4 years. Members of the Commission may be reappointed.

(B) Staggered terms.—As designated by the President at the time of initial appointments under paragraph (1), the terms of 5 members shall expire at the end of 3 years, the terms of 5 members shall expire at the end of 4 years, and the terms of 5 members shall expire at the end of 5 years.

(3) Date.—The appointments of members of the Commission shall be made not later than 90 days after the date of enactment of this Act.

(4) Diversity.—The President shall make appointments to the Commission by providing due consideration to gender and ethnicity in order to obtain members who are broadly representative of the ethnic diversity of the United States.

(5) Limitation on dual appointments.—A member of the Commission may not serve on any other governing or advisory board within—

(A) the Department of Education; or

(B) any other department or agency of the Federal Government.

(6) Confirmation.—Appointments to the Commission shall be effective upon confirmation by the United States Senate.

(7) Selection of chairperson.—The members of the Commission shall elect a Chairperson from among their membership by majority vote of the members of the Commission. The Chairperson shall serve a term of not more than 4 years.

(8) Compensation of members.—Each member of the Commission shall be compensated at a rate equal to the daily equivalent of the annual rate of pay for level IV of the Executive Schedule under section 5316 of title 5, United States Code, for each day (including traveltime) during which such member is engaged in the performance of duties of the Commission, as authorized by the Chairperson of the Commission.

(c) Personnel.—

(1) Administrative and clerical support.—The Commission shall receive administrative support services from the Office.

(2) Executive secretary.—The Assistant Secretary shall serve as the Executive Secretary of the Commission in order to facilitate accomplishment of the Commission's functions.

(d) Meetings of the Commission.—

(1) Applicability of the government in the sunshine act.—The provisions of the Government in the Sunshine Act (5 U.S.C. 552b) shall apply to meetings of the Commission.

(2) Minimum number of meetings; first meeting.—The Commission shall meet at least twice a year, with the first meeting being held within 120 days of the date of enactment of this Act.

(3) Frequency of meetings.—With the approval of the Chairperson of the Commission and subject to the availability of funds appropriated pursuant to the authority of subsection (f), members of the Commission may meet as often as the Commission determines necessary in order to accomplish the functions of the Commission in a timely manner.

(4) Quorum.—A majority of the Commission shall constitute a quorum for the purpose of conducting the business of the Commission.

(e) Functions.—The functions of the Commission are as follows:

(1) Identify national educational technology requirements.—

(A) Technology initiatives.—The Commission shall review Federal, State, and local educational technology initiatives, assess their effectiveness and potential for the improvement of education, and make recommendations to the Secretary and the Congress with respect to what technologies are needed and should be made available to learners in the United States.

(B) Needs.—The Commission shall review the needs of schools and educational institutions for technology, and make Federal policy recommendations for meeting such needs. Such review shall include factors such as equity, accessibility, how many children are reached, cost, quality and demonstrated effectiveness.

(2) Provide recommendations with respect to departmental technology in education programs.—The Commission shall review and make recommendations to the Secretary and the Assistant Secretary with respect to the need for, operation of, effectiveness of, and support and resources available for, educational technology programs and policies throughout the Department of Education and within the Office.

(3) Industry, technology and educational consortia.—The Commission shall encourage the development of consortia consisting of a representative of the telecommunications and technology industries, and the education community, in order to promote the collaborative development and implementation of educational technologies, projects, and practices that allow for the sharing of public and private resources to enhance school achievement.

(4) Make recommendations with respect to the coordination of federal programs.—The Commission shall review support and resources available for educational technologies used in Federal programs operating on the date of enactment of this Act and make recommendations to the Secretary and the Congress with respect to the coordination and resource level required to achieve the most effective Federal support for educational technology needs.

(5) Develop policy recommendations.—The Commission shall consult with persons having an interest in the uses of technology to support teaching and learning in order to ensure that the interests and concerns of all citizens are represented in national policies for the development, implementation and evaluation of the educational technology infrastructure of the United States.

(6) Committee of experts.—The Commission shall appoint a committee of experts representing the telecommunication, computer hardware and software industries, educational software developers, noncommercial telecommunications entities, and the elementary and secondary education community to explore the feasibility and desirability of national education guidelines or standards for educational hardware and software. Such committee shall produce a report which, at a minimum, examines—

(A) standards to ensure that software can be used on the variety of hardware likely to be available in schools;

(B) multimedia standards to allow for the integration of video and audio recordings with text and computer graphics;

(C) user interface standards so that teachers and students will not have to learn totally new techniques for using new software packages;

(D) database interface standards so that students can integrate information from national databases into their work;

(E) communication standards such as those for information exchange and video compression;

(F) interface standards so that educational software and other technology may be integrated together in a way that is easy to use and maintain; and

(G) standards for collecting data about student performance and achievement to guide individual instructional paths and the refinement of curriculum.

(6) Report.—

(A) In general.—The Commission shall prepare and submit to the President, the Secretary and the Congress a report every 2 years on the need for the development and implementation of instructionally based technologies in educational curriculum throughout the United States. At a minimum, the Commission's report shall include recommendations with respect to the status of the implementation of the provisions of this Act.

(B) SUBMISSION.—The report described in subparagraph (A) shall be submitted in accordance with such subparagraph within 2 years of the date of enactment of this Act and every 2 years thereafter.

(f) AUTHORIZATION OF APPROPRIATIONS.—

(1) SALARIES AND EXPENSES.—There are authorized to be appropriated $1,500,000 for each of the fiscal years 1994 through 1998 for the salaries and expenses of the Commission.

(2) FUNCTIONS.—There are authorized to be appropriated $1,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 through 1998, to carry out this section.

TITLE II—SCHOOL TECHNOLOGY SUPPORT

SEC. 201. STATEMENT OF PURPOSES.

It is the purpose of this title to provide Federal assistance in the form of loans, grants, and systemic funding alternatives to support the acquisition, training, use and maintenance in elementary and secondary schools of technology-enhanced curriculum, instruction, and school administration.

SEC. 202. STATE TECHNOLOGY PLANNING GRANTS.

(a) PURPOSE.—It is the purpose of this section to ensure that all States have effective plans for the provision of technology in all schools throughout the State.

(b) GRANTS AUTHORIZED.—

(1) IN GENERAL.—The Assistant Secretary shall award grants to State educational agencies, who in consultation with the Governor and other appropriate State agencies, shall develop a systemic statewide plan to infuse modern technologies into an educational program to enhance student learning and staff development in support of the National Education Goals and State academic standards.

(2) REQUIREMENTS.—Such plan shall—

(A) develop and implement a high speed, statewide, interoperable, wide area communication educational technology infrastructure for all elementary and secondary education institutions within the State; and

(B) emphasize the participation of schools with a high percentage of disadvantaged students.

(c) CONTENT OF PLANS.—At a minimum, each systemic statewide plan described in subsection (b) that is developed in whole or in part, with grant funds under this section, shall—

(1) be developed in collaboration with the Governor, representative of the State legislature, State school boards, other appropriate State agencies, and noncommercial telecommunication entities through a representational process involving input from communities throughout the State;

(2) identify requirements for infusing modern technologies into the classroom to enhance educational curricula;

(3) describe how the application of telecommunications, computer networks, and related advanced technologies in the schools will enhance the curriculum, provide greater access and equity for more students, and help achieve the National Education Goals;

(4) provide for the ongoing training of educational personnel to integrate educational technologies in the classroom and other applications of technology in education;

(5) establish a mechanism for statewide dissemination of exemplary programs and practices;

(6) include an estimate of the funding and resources needed to develop and maintain the requisite educational technology infrastructure identified in the plan, including the appropriate use of other Federal education funds available to the State or local educational agency;

(7) establish a schedule for the development and implementation of the planned educational technology infrastructure;

(8) develop a plan for the coordination and distribution of grants under this section, section 204, and section 405B(b)(1)(B) of the General Education Provisions Act;

(9) describe how the State educational agency will utilize the services and resources of the regional educational technology assistance consortia;

(10) distribute guidelines to all elementary and secondary schools and educational agencies in the State related to the various programs and initiatives assisted under this Act;

(11) describe how the State will assess the level of—

(A) the statewide implementation of such plan;

(B) the increased access by the elementary and secondary schools to technology-enhanced resources assisted under this section; and

(C) the impact of such plan on school achievement;

(12) describe how State and local educational agencies will coordinate and cooperate with business and industry, as well as noncommercial telecommunications entities to implement standards to meet work force training needs;

(13) describe how the State educational agency will promote the purchase of equipment by local school districts and schools that, when placed in operation, will meet the highest level of interoperability and open system design among—

(A) technology hardware and software, either when used on a stand-alone basis or when connected together within a local area network or a wide area network; and

(B) schools within the State;

(14) will utilize existing telecommunications infrastructure and technology resources; and

(15) create a planning process through which such plan is reviewed and updated periodically.

(d) AMOUNT OF GRANTS.—

(1) IN GENERAL.—Except as provided in paragraph (2), the Assistant Secretary shall award grants under this section to each State, in each fiscal year, in an amount which bears the same relationship to the amount appropriated pursuant to the authority of subsection (e) as the amount such State received under chapter 1 of title I of the Elementary and Secondary Education Act of 1965 in such year bears to the amount received under such chapter by all States in such year.

(2) MINIMUM.—No State shall receive a grant under subsection (b) in an amount which is less than $100,000.

(3) STATE MATCHING.—

(A) STATE.—Each State receiving a grant under this section shall provide matching funds in an amount equal to 20 percent of such grant funds.

(B) WAIVER.—The Secretary may waive the State matching requirement described in subparagraph (A) for good cause, as determined by the Secretary.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $10,000,000 for the fiscal year 1994, and such sums as may be necessary for each of the 4 succeeding fiscal years, to carry out this section.

SEC. 203. ELEMENTARY AND SECONDARY SCHOOL LIBRARY AND MEDIA SERVICES.

Title IV of the General Education Provisions Act (20 U.S.C. 1221 et seq.) is further amended by adding after section 405A (as added by section 101(b)) the following new section:

"SEC. 405B. ELEMENTARY AND SECONDARY SCHOOL LIBRARY AND MEDIA SERVICES.

"(a) ESTABLISHMENT.—The Assistant Secretary shall establish a Division of Elementary and Secondary School Library Media Services (hereafter in this section referred to as the 'Division') within the Office of Educational Technology within 90 days of enactment of the Technology for Education Act of 1993. Such division shall consist of a Director, who shall have primary responsibility for the daily operation of the Division, and of such staff as may be needed to carry out the functions described in subsection (b).

"(b) FUNCTIONS.—

"(1) IN GENERAL.—The Division shall—

"(A) provide information and leadership to elementary and secondary school library media specialists, teachers, and school administrators with respect to—

"(i) the effective operation of library media resources;

"(ii) methods of improving educational programs;

"(iii) training of library media personnel; and

"(iv) the development of library media resources, including resources that will encourage students to acquire skills in other languages; and

"(B) develop, implement and administer grant programs, on a competitive basis, for—

"(i) elementary and secondary school library media center resource development, including projects that—

"(I) enable school library media centers to acquire technologically advanced information management resources;

"(II) provide increased student access to library media center resources through the use of modern information resource technologies; and

"(III) assist in the implementation of distance learning via satellite, microwave, fiber, picture telephones and other visual media;

"(ii) elementary and secondary school library media specialist and teacher partnership for innovative education projects that—

"(I) encourage collaboration between elementary and secondary school library media specialists and teachers in order to develop units of instruction that enable students to use a variety of technologically advanced information resources; and

"(II) expand students' information-gathering abilities and cognitive skills of selection, analysis, evaluation, and application; and

"(iii) technology in the classroom projects that are linked to a library media center in order to—

"(I) expand the use of computers and computer networks in the curriculum;

"(II) enable elementary and secondary school library media centers to access information from computerized databases and other technologically advanced methods of access to information; and

"(III) assist in the implementation of distance learning via satellite, microwave, fiber, picture telephones and other visual media.

"(2) SPECIAL RULE.—In awarding grants under paragraph (1)(B) the Assistant Secretary shall—

"(A) award grants to schools with the greatest need for library materials and services; and

"(B) ensure that such grants are awarded on an equitable geographic basis.

"(c) COOPERATIVE AGREEMENTS.—The Director of the Division is authorized to enter into such cooperative agreements with the Department of Education, the National Science Foundation, other Federal departments or agencies, noncommercial telecommunications entities, or nonprofit organizations, as the Director determines is necessary to carry out the provisions of this section.

"(d) CONSTRUCTION.—Nothing in this section shall be construed to interfere with State and local initiative and responsibility in the conduct and support of school library media services, the administration of school library media centers, or the selection of personnel or library books and resources.

"(e) SUPPLEMENTATION.—Funds provided under this section shall be used so as to supplement and not to supplant other Federal, State, or local funds available to carry out the activities and services assisted under this section, including funds made available to elementary and secondary school library media centers under the Technology for Education Act of 1993.

"(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $45,000,000 for fiscal year 1994, and such sums as may be necessary in each succeeding fiscal year, to carry out this section, of which—

"(1) $15,000,000 shall be available in each such fiscal year to carry out subsection (b)(2)(A);

"(2) $15,000,000 shall be available in each such fiscal year to carry out subsection (b)(2)(B); and

"(3) $15,000,000 shall be available in each such fiscal year to carry out subsection (b)(2)(C).".

SEC. 204. SCHOOL TECHNOLOGY RESOURCE GRANTS AND LOANS.

(a) IN GENERAL.—

(1) IN GENERAL.—The Assistant Secretary shall award grants to State educational agencies having a plan approved under section 202 in order to enable such agencies to provide assistance to local educational agencies and schools having highest percentages of children in poverty and showing the greatest need for technology to enable such local educational agencies and schools to purchase quality technology related equipment, technology-enhanced curriculum, instruction, and administrative support resources and services that improve the instructional programs in schools.

(2) AMOUNT.—(A) Except as provided in subparagraph (B), the Secretary shall award grants under this section to each State educational agency in an amount which bears the same relationship to the amount appropriated pursuant to the authority of subsection (b) as the amount such State received under chapter 1 of title I of the Elementary and Secondary Education Act of 1965 bears to the amount received under such chapter by all States.

(B) No State educational agency shall receive a grant pursuant to subparagraph (A) in an amount which is less than $100,000.

(3) LIMITATION ON STATE COSTS.—Not more than 5 percent of grant funds awarded to a State educational agency under this section may be used by the State or State educational agency for administrative costs or technical assistance.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $100,000,000 for fiscal year 1994, and such sums as may be necessary in each succeeding fiscal year, to carry out this section.

(c) LOCAL USES OF GRANT FUNDS.—Each local educational agency or school receiving assistance under this section may use such assistance—

(1) to acquire technology-enhanced education resources and services, such as computer hardware, software, and telecommunications services, for use by teachers and students in the classroom in order to support the instructional program offered by schools to assure that students in such schools will have meaningful access on a regular basis to such resources and services;

(2) for staff development in the integration of quality instructional educational technologies into school curriculum and long-term planning for implementing educational technologies;

(3) to acquire connectivity with wide area networks, such as the INTERNET, for purposes of accessing information and educational programming sources outside the local educational agency or school;

(4) for necessary site preparation for the installation of technology-enhanced curriculum, instruction, and administrative support resources and services, except that such acquisitions may not exceed 25 percent of the amount of the assistance provided under this section;

(5) for ongoing technology training and staff development services, resources, or programs that instruct teachers and administrators in the effective integration of technology in the classroom through ongoing, onsite consultation; and

(6) to establish partnerships consisting of a representative of a local educational agency, a college or university, and any other agency the Assistant Secretary deems appropriate, for development and implementation of preservice education programs to train teachers in the application of instructional-based technologies in the curriculum.

(d) SCHOOL PLANS.—Each local educational agency or school desiring assistance under this section shall submit a plan to the State educational agency at such time and in such manner as such agency may prescribe. Such plan shall—

(1) include a strategic, long-range (3- to 5-year), outcome-based plan that includes—

(A) a process for the ongoing evaluation of how technologies acquired under this section—

(i) are being implemented into the school curriculum; and

(ii) are impacting student achievement; and

(B) a description of how the local educational agency or school has involved parents, business leaders and community leaders in the development of such plan;

(2) describe how the assistance will be used to further access for both teachers and students to best teaching practices and best curriculum resources that are aligned with any national educational standards that may be developed;

(3) describe the type of technologies to be acquired, including specific provisions for interoperability among components of such technologies;

(4) include the projected cost of technologies to be acquired and related expenses needed to implement the plan;

(5) include the projected timetable for implementing the technologies in schools;

(6) include an explanation of how the acquired technologies will be integrated into the curriculum to help the local educational agency or school enhance teaching, training, and student achievement;

(7) describe how the acquired instructionally based technologies will help the local educational agency or school achieve equity in curricular offerings;

(8) describe the supporting resources such as services, software and print resources, which will be acquired to ensure successful and effective use of technologies acquired under this section;

(9) describe how the instructionally based technologies and resources will support any State and national content and teaching educational standards that may be developed;

(10) describe how the local educational agency or school will ensure ongoing, sustained staff development for teachers and administrators in the local educational agency or school regarding the use of technology in the classroom, and contain a list of the source or sources of ongoing training available to such teachers and administrators, such as State technology offices, intermediate educational support units, regional educational laboratories, or institutions of higher education;

(11) describe identifiable, measurable outcome-based levels of achievement in the implementation of the plan that can be used to determine progress and to support decisions to provide additional funds; and

(12) describe how the local educational agency or school will promote the sharing, distribution, and reuse of applications of educational technology that are determined by such agency to be effective in individual schools.

(e) TECHNOLOGY LOANS.—Subsection (a) of section 751 of the Higher Education Act of 1965 (20 U.S.C. 1132f(a)) is amended—

(1) in paragraph (2), by striking "and" after the semicolon;

(2) by redesignating paragraph (3) as paragraph (4);

(3) by adding after paragraph (2) the following new paragraph:

"(3) guarantee, insure or reinsure low-interest, long-term loans to State educational agencies and local educational agencies in order to enable such agencies to obtain resources for distance learning, computer networks and other technology-enhanced curriculum, instruction, and administrative support resources and services that are used in the education process; and"; and

(4) in paragraph (4) (as redesignated by paragraph (2)), by striking "and (2)" and inserting ", (2) and (3)".

SEC. 205. INFORMATION DISSEMINATION.

The Assistant Secretary and National Commission on Technology in Education shall compile and disseminate information on various successful models of integrating technology into education to assist State or local educational agencies, and schools in the development of systemic reform initiatives.

TITLE III—INFORMATION DISSEMINATION, TECHNOLOGY TRAINING AND TECHNICAL ASSISTANCE

SEC. 301. STATEMENT OF PURPOSE.

It is the purpose of this title to ensure that schools have access to all the resources necessary for effectively utilizing technology in the classroom by—

(1) supporting identification and dissemination of information on effective educational programs, resources and services throughout the United States, and, more specifically, to promote information dissemination through electronic means; and

(2) developing a coordinated network of educational technology assistance and training providers, such as universities, regional technology centers, museums, science centers, laboratories supported by the Department of Energy, noncommercial telecommunications entities, other nonprofit organizations, and State and local educational agencies to ensure effective utilization of technology-enhanced curriculum, instruction and educational administrative support resources and services to improve the instructional programs in schools consistent with efforts to achieve the National Education Goals and State academic standards.

SEC. 302. ELECTRONIC DISSEMINATION NETWORK.

The Assistant Secretary, in cooperation with the Federal Communications Commission, the National Science Foundation, the Department of Defense, or any other department or agency of Federal, State and local governments that the Assistant Secretary deems appropriate, shall establish an electronic network for the dissemination of educational information throughout the United States, including information about effective technology-enhanced programs, resources, and services to the extent reasonably possible, the electronic dissemination network should make use of existing networks and networks to be built for other purposes. The electronic dissemination network shall—

(1) provide sufficient staffing and other resources as may be necessary to ensure the effective operation of the Electronic Dissemination Network; and

(2) consult with educators, State and local educational agencies, telecommunications providers, and other stakeholders in the education process throughout the United States to determine information requirements and policies for the effective operation of the Electronic Dissemination Network.

SEC. 303. REGIONAL IMPLEMENTATION AND ASSISTANCE.

(a) PURPOSE.—It is the purpose of this section to establish regional educational technology assistance consortia to facilitate information dissemination, planning, resource development, implementation, and evaluation of educational technology applications by States, regional educational organizations, local educational agencies and schools.

(b) GRANTS AUTHORIZED.—

(1) AUTHORITY.—The Assistant Secretary shall make grants, on a competitive basis, to regional educational technology assistance consortia in accordance with the provisions of this section.

(2) REQUIREMENTS.—Each consortium receiving a grant under this section shall—

(A) serve 1 of the 10 regions of the United States served by a regional educational laboratory supported pursuant to section 405(d)(4)(A)(i) of the General Education Provisions Act;

(B) consist of a consortia of State educational agencies, nonprofit organizations, or a combination thereof; and

(C) in cooperation with State and local education programs, develop a regional plan that addresses staff development, technical assistance, information resource dissemination, and program evaluation and reporting needs of the region regarding educational technology.

(3) SPECIAL RULE.—Each consortium receiving a grant under this section shall use not less than 80 percent of the grant funds to carry out paragraph (3) of subsection (c).

(c) FUNCTIONS.—

(1) TECHNICAL ASSISTANCE.—Each consortia receiving a grant under this section shall—

(A) collaborate with State and local education programs in the development of State technology plans and in particular in the development of strategies for reaching those schools with highest percentages of disadvantaged students with little or no access to technology in the classroom;

(B) provide information to States, local educational agencies, and schools on the types and features of various educational technology equipment and software available, evaluate and make recommendations on equipment and software that is suited for a program's particular needs, and compile and share information on creative applications of technology in the classroom;

(C) collaborate with State educational agencies, local educational agencies, or schools in the tailoring of software programs and other supporting materials to meet State curriculum standards and individual needs of schools and students; and

(D) provide technical assistance to facilitate use of the electronic dissemination network by State and local educational agencies and schools throughout the region;

(2) INFORMATION RESOURCE MANAGEMENT.—Each consortium receiving a grant under this section shall—

(A) assist the Office in the collection and access of information resources produced by the National Clearinghouse for Mathematics and Science Education, the regional mathematics and science consortia, the National Diffusion Network, and other educational organizations that the Assistant Secretary deems appropriate;

(B) assist in the review and documentation of effective educational programs, resources, and services created or utilized within the region;

(C) facilitate coordination and implementation of an electronic dissemination network and the distance learning described in section 907(a)(4)(B)(ii) of the Star Schools Program Assistance Act;

(D) assist the Office in designing and implementing an interactive telecommunications network to link educational agencies within and among consortia for the purpose of transferring educational information resources, including resources that utilize voice, video, data, and resources that are transmitted over satellite, microwave, cable, fiber, and other means; and

(E) establish a coordinated system of distance education involving microwave technology combined with other technology, as appropriate, that can serve to disseminate information and provide interactive staff development related to new research findings, national educational initiatives, funding and program resources, and educational technology developments and resources appropriate to teaching and learning.

(3) STAFF DEVELOPMENT.—Each consortium receiving a grant under this section shall—

(A) develop and implement, in collaboration with State educational agencies, training and technology assistance training that can be offered through site-based intensive summer and school year workshops that utilize the teachers-training-teachers model or accessed through existing and emerging distance educational resources, including—

(i) interactive satellite training telecourses using researchers, educators, and telecommunications personnel who have experience in developing, implementing, or operating educational and instructional technology as a learning tool;

(ii) onsite courses teaching teachers to use educational and instructional technology and to develop their own instructional materials for effectively incorporating technology and programming in their own classrooms;

(iii) methods for successful integration of instructional technology into the curriculum; and

(iv) video conferences and seminars which offer professional development through peer interaction with experts as well as other teachers using technologies in their classrooms;

(B) develop training resources that are—

(i) relevant to the needs of the region and schools within the region; and

(ii) aligned with the needs of educators and administrators in the region, including educators and administrators from public and private schools;

(C) establish a repository of staff development and technical assistance resources;

(D) work with existing agencies in the region to identify and link technical assistance providers to educational agencies, as needed;

(E) provide followup to ensure that training, staff development, and technical assistance meets the needs of educators served by the region; and

(F) assist colleges and universities within the region to develop and apply for funding to implement preservice training programs for students enrolled in teacher education programs.

(3) RESOURCE DEVELOPMENT.—Each consortium receiving a grant under this section shall—

(A) assist educational agencies in the identification and procurement of financial, technological and human resources needed to implement technology plans;

(B) work with the local educational agencies to assist in the development and validation of instructionally based technology education resources;

(C) identify and provide or broker, as appropriate, human and technical resources to assist schools in the application of the resources assisted under this section; and

(D) coordinate activities and establish partnerships with national and State nonprofit professional educational organizations that represent the interests of the region as such interests pertain to the application of technology in teaching, learning, instructional management, dissemination, collection and distribution of educational statistics, and the transfer of student information.

SEC. 304. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated $41,000,000 for the fiscal year 1994, and such sums as may be necessary for each of the 4 succeeding fiscal years, to carry out this title, of which—

(1) $5,000,000 shall be available for the electronic dissemination network described in section 302; and

(2) $50,000,000 shall be available to support the regional educational technology assistance consortia described in section 303.

TITLE IV—EDUCATIONAL TECHNOLOGY PRODUCT DEVELOPMENT, PRODUCTION, AND DISTRIBUTION

SEC. 401. STATEMENT OF PURPOSE.

It is the purpose of this title to support development, production, and distribution of technology-enhanced curriculum, and instruction and administrative support resources and services, by—

(1) establishing as a priority for federally supported education technology programs the development (as opposed to research) of such programs;

(2) authorizing the Assistant Secretary to support the development, production and dis-

tribution of technology-enhanced instructional resources and services under this title;

(3) providing Federal funding for the joint development, production, and distribution of resources and services by consortia of businesses and educational institutions; and

(4) providing direction for the development of the Ready To Learn Act and the Star Schools Program Assistance Act.

SEC. 402. PRIORITY IN FEDERALLY SUPPORTED EDUCATION PROGRAMS.

Notwithstanding any other provision of law, in awarding funds pursuant to any competitively awarded Federal education program administered by the Secretary, the Secretary shall ensure that a high priority is placed on funding projects that utilize technology-enhanced curriculum, instruction and administrative support resources and services.

SEC. 403. CLASSROOMS FOR THE FUTURE.

(a) SHORT TITLE.—This section may be cited as the "Technology for the Classroom Act of 1993".

(b) PURPOSE.—It is the purpose of this section to establish a program to develop and expand the use of high quality computer curriculum-based learning resources using state-of-the-art technologies and techniques which are or can be designed to increase the achievement levels of students in subject areas including mathematics, science, geography, history and language arts.

(c) ACHIEVEMENT GRANTS.—

(1) COMPETITIVE GRANTS.—

(A) IN GENERAL.—The Assistant Secretary shall award grants, on a competitive basis, to eligible consortia to enable such eligible consortia to develop computer-based instructional programs or technology-enhanced systems for complete courses or units of study for a specific subject and grade level, if such programs or systems are commercially unavailable in the local area served by such eligible consortia.

(B) ELIGIBLE CONSORTIUM.—For the purpose of this subsection the term "eligible consortium" means a consortium—

(i) that shall include—

(I) a State or local educational agency; and

(II) a business or industry; and

(ii) that may include—

(I) a public or private nonprofit organization; or

(II) a postsecondary institution.

(2) PRIORITY.—In awarding grants under this subsection, the Assistant Secretary shall give priority to applications describing programs or systems that are developed—

(A) so that the program or system may be adapted and applied nationally at a reasonable cost;

(B) to raise the achievement levels of students, particularly disadvantaged students who are not realizing their potential; and

(C) in consultation with classroom teachers.

(3) DURATION AND AMOUNT.—Each grant made under this subsection shall be awarded for a period not to exceed 3 years and in an amount not to exceed $3,000,000.

(4) MATCHING REQUIREMENT.—The Assistant Secretary shall not make a grant to an eligible consortium under paragraph (1) unless the eligible consortium agrees that, with respect to the costs to be incurred by the eligible consortium in carrying out the program or system for which the grant was awarded, the eligible consortium will make available non-Federal contributions in an amount equal to not less than 25 percent of the Federal funds provided under the grant.

(5) APPLICATION.—

(A) IN GENERAL.—Each eligible consortium desiring a grant under this subsection shall submit an application to the Assistant Secretary at such time, in such manner, and accompanied by such information as the Assistant Secretary may prescribe.

(B) CONTENTS.—Each application submitted pursuant to paragraph (1) shall include—

(i) a description of how the program or system shall improve the achievement levels of students;

(ii) a description of how teachers associated with the program or system will be trained to integrate technology into the classroom;

(iii) an assurance that the program or system shall effectively serve a large number or percentage of economically disadvantaged students; and

(iv) plans for dissemination to a wide audience of learners.

(6) CRITERIA FOR AWARDING GRANTS.—In awarding a grant under this subsection to develop a program or system, the Assistant Secretary shall consider the appropriateness and quality of the following elements of the program or system:

(A) Identification of specific learning objectives and strategies of the proposed course or unit of study, that take into consideration any national education standards that may be developed for various disciplines.

(B) Incorporation in creative ways of a variety of technology-enhanced learning resources, such as computer software, databases, films, transparencies, video and audio discs, telecommunications (including educational radio and television), with print resources.

(C) Design that allows tailoring of the program or system to meet individual needs of students, particularly students at greatest risk of not reaching their educational potential.

(D) Flexibility of use by teachers or local schools.

(E) Methods for updating or revising information and resources.

(F) Programs or resources to train and guide teachers.

(G) Coordination with teacher training programs.

(H) Explanatory resources for students and parents.

(I) Field testing and evaluation in terms of stated learning objectives.

(J) Plans for pricing technology-enhanced resources that are affordable for schools and agencies.

(K) Plans for distribution that ensure access for the poorest schools and school districts.

(L) Demonstration of cost-effectiveness in relation to existing programs and to achieving stated learning objectives.

(d) FEDERAL INTERAGENCY COORDINATION.—The Assistant Secretary shall coordinate and share information regarding curriculum-based educational technology programs assisted under this section with other Federal agencies which administer programs that support the development of such programs, including the National Science Foundation, the Department of Defense, the Office of Technology Assessment, the Corporation for Public Broadcasting, the Department of Energy, and the Department of Agriculture.

(e) CONSUMER REPORT.—The Assistant Secretary shall collect information about products developed pursuant to provisions of this section and the evaluation of such products, and shall disseminate such information in regular reports to State and local educational agencies, and other organizations or individuals that the Assistant Secretary determines to be appropriate.

(f) ROYALTIES.—Notwithstanding any other provision of law, any royalties paid to any State or local educational agency as a result of assistance provided under this section shall be used by such agency for further development of curriculum-based learning resources authorized by this section.

(g) CLOSED CAPTIONING.—Each eligible consortium receiving a grant under this section shall provide closed captioning, where appropriate.

(h) AUTHORIZATION OF FUNDS.—For the purpose of carrying out this section, there are authorized to be appropriated $45,000,000 for the fiscal year 1994 and such sums as may be necessary for each of the 4 succeeding fiscal years.

SEC. 404. INSTRUCTIONAL BROADCASTING AND VIDEO INSTRUCTIONAL PROGRAMMING.

(a) STATEMENT OF PURPOSE.—It is the purpose of this section to support the development of long-term comprehensive instructional programming and associated support resources for elementary and secondary grade core curricula outlined in the National Education Goals so that such resources are distributed electronically to the broadest possible segments of education in the United States and are stored in archival formats that assure maximum access by all educational institutions.

(b) PROGRAM AUTHORIZED.—

(1) IN GENERAL.—(A) The Assistant Secretary is authorized to award grants to or enter into contracts or cooperative agreements with eligible educational telecommunications partnerships to pay the Federal share of the cost of the research, production, and distribution of instructional programming for students, and staff development programming for teachers.

(B) For the purpose of this section the term "programming" means the full range of audio and video text and graphics used for education and instruction which can be distributed through interactive, command and control or passive methods.

(2) DURATION.—The Assistant Secretary shall award grants and enter into contracts or cooperative agreements pursuant to paragraph (1) for a period of not more than 5 years.

(3) LIMITATION.—An eligible educational telecommunications partnership may not receive assistance under this section unless such entity has certified that all educational programming prepared and distributed by such partnership, where appropriate, contains closed captioning of the verbal content of such program to be broadcast by way of line 21 of the vertical blanking interval, or by way of comparable successor technologies, unless the provision of closed captioned broadcasting would cause undue administrative or financial burden.

(4) RENEWALS.—Grants awarded and contracts or cooperative agreements entered into pursuant to paragraph (1) may be renewed to update and expand such resources.

(5) COLLABORATION.—Each eligible educational telecommunications partnership receiving assistance under this section shall collaborate and consult with appropriate education entities in designing the instructional components of programming to ensure that such components are relevant to national and State curriculum frameworks.

(c) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated $15,000,000 for fiscal year 1994, and such sums as may be necessary for each succeeding fiscal year, to carry out this section.

(2) AVAILABILITY.—Funds appropriated pursuant to the authority of paragraph (1) shall remain available until expended.

(d) FEDERAL SHARE.—The Federal share of a grant, contract or cooperative agreement under this section in any fiscal year shall not exceed 75 percent.

(e) COORDINATION.—The Department of Education, the National Science Foundation, the Department of Energy, the Department of Agriculture, the Department of Commerce, the Corporation for Public Broadcasting, the public broadcasting services, and any other Federal agency funding educational programming for children may coordinate with and jointly fund activities assisted under this section.

(f) ELIGIBLE EDUCATION TELECOMMUNICATIONS PARTNERSHIPS.—For the purpose of this section, the term "eligible educational telecommunications partnership" means a partnership consisting of the following entities:

(1) A noncommercial telecommunications entity with a demonstrated record of the production of high quality educational video programming.

(2) A recognized organization knowledgeable about the requirements of implementing within or across a content area a curriculum compatible with proposed or established voluntary national content standards, such as an institution of higher education, national professional organizations, or a scientific laboratory.

(3) An instructional design institution that can integrate student and teacher print resources, related computer resources, interactive multimedia and programming series into a coordinated whole.

(4) A marketing entity capable of distributing all aspects of the products developed under this section.

(g) APPLICATIONS.—

(1) APPLICATION REQUIRED.—Each eligible educational telecommunications partnership which desires to receive a grant or enter into a contract or cooperative agreement under this section shall submit an application to the Assistant Secretary, at such time, in such manner, and containing or accompanied by such information as the Assistant Secretary may reasonably require.

(2) CONTENTS OF THE APPLICATION.—Each application submitted under paragraph (1) shall—

(A) describe the programming and such programming's relevance to the core curricula outlined in the National Education Goals;

(B) describe the professional capabilities for which assistance is sought, including—

(i) the research, design, piloting, production, field testing, and distribution of the products developed under this section; and

(ii) the technical facilities available for developing the programming; and

(C) describe the piloting, teacher training and testing of the programming, print, computer, television, radio and interactive media products.

(h) PROGRAMS RELATED OPERATING FUNDS FOR INSTRUCTIONAL TEACHER TRAINING (PROFIT).—The Assistant Secretary shall allow the eligible educational telecommunications partnership to receive a financial benefit from the distribution of programming assisted under this section. Such benefit shall be used by the eligible educational telecommunications partnership to support more development of curriculum specific programming and to provide greater access to a wider audience of educational programming.

SEC. 405. STAR SCHOOLS PROGRAM.

The Star Schools Program Assistance Act (20 U.S.C. 4081 et seq.) is amended to read as follows:

"SEC. 901. PURPOSE.

"It is the purpose of this title to encourage improved instruction in mathematics, science, and foreign languages as well as other subjects, such as literacy skills and vocational education, and to serve underserved populations, including the disadvantaged, illiterate, limited-English proficient, and disabled, through a star schools program under which grants are made to eligible telecommunication partnerships to enable such partnerships to—

"(1) develop, construct, acquire, maintain and operate telecommunications audio and visual facilities and equipment;

"(2) develop and acquire educational and instructional programming; and

"(3) obtain technical assistance for the use of such facilities and instructional programming.

"SEC. 902. GRANTS AUTHORIZED.

"(a) IN GENERAL.—The Assistant Secretary is authorized, in accordance with the provisions of this title, to make grants to eligible telecommunications partnerships to pay the Federal share of the cost of—

"(1) the development, construction, acquisition, maintenance and operation of telecommunications facilities and equipment;

"(2) the development and acquisition of live, interactive instructional programming;

"(3) the development and acquisition of preservice and inservice teacher training programs based on established research regarding teacher-to-teacher mentoring, effective skill transfer, and ongoing, in-class instruction;

"(4) the establishment of teleconferencing facilities and resources for broadcasting interactive training to teachers;

"(5) obtaining technical assistance; and

"(6) the coordination of the design and connectivity of telecommunications networks to reach greater numbers of schools.

"(b) DURATION.—

"(1) IN GENERAL.—The Assistant Secretary shall award grants pursuant to subsection (a) for a period of 5 years.

"(2) RENEWAL.—Grants awarded pursuant to subsection (a) may be renewed for 1 additional 5-year period.

"(c) AUTHORIZATION OF APPROPRIATIONS.—

"(1) IN GENERAL.—There are authorized to be appropriated $35,000,000 for fiscal year 1994 and such sums as may be necessary for each succeeding fiscal year, to carry out this title.

"(2) AVAILABILITY.—Funds appropriated pursuant to the authority of subsection (a) shall remain available until expended.

"(d) LIMITATIONS.—

"(1) AMOUNT.—A grant made to an eligible telecommunications partnership under this title shall not exceed $4,000,000 in any 1 fiscal year.

"(2) RESERVATIONS.—

"(A) FACILITIES AND EQUIPMENT.—Not less than 25 percent of the funds available to the Assistant Secretary in any fiscal year under this title shall be used for telecommunications facilities and equipment.

"(B) CERTAIN LOCAL EDUCATIONAL AGENCIES.—Not less that 25 percent of the funds available to the Assistant Secretary in any fiscal year under this title shall be used for the cost of facilities, equipment, teacher training or retaining, technical assistance, or programming, for local educational agencies which are eligible to receive assistance under chapter 1 of title I of the Elementary and Secondary Education Act of 1965.

"(e) FEDERAL SHARE.—

"(1) IN GENERAL.—The Federal share for any fiscal year shall be not more than 75 percent.

"(2) WAIVER.—The Assistant Secretary may reduce or waive the requirements of the non-Federal share required under subparagraph (A) for good cause, as determined by the Assistant Secretary.

"(f) COORDINATION.—The Department of Education, the National Science Foundation, the Department of Agriculture, and any other Federal department or agency operating a telecommunications network for educational purposes, shall coordinate the activities assisted under this title with the activities of such department or agency relating to a telecommunications network for educational purposes.

"(g) CLOSED CAPTIONING.—Each entity receiving funds under this title are encouraged to provide closed captioning of the verbal content of such program, where appropriate, to be broadcast by way of line 21 of the vertical blanking interval, or by way of comparable successor technologies.

"SEC. 903. ELIGIBLE TELECOMMUNICATIONS PARTNERSHIPS.

"(a) IN GENERAL.—In order to be eligible for a grant under this title, an eligible telecommunications partnership shall consist of—

"(1) a public agency or corporation established for the purposes of developing and operating telecommunications networks to enhance educational opportunities provided by educational institutions, teacher training centers, and other entities, except that any such agency or corporation shall represent the interest of elementary and secondary schools which are eligible for assistance under chapter 1 of title I of the Elementary and Secondary Education Act of 1965; or

"(2) a partnership that will provide a telecommunications network and which includes 3 or more of the following entities, at least 1 of which shall be an agency described in subparagraph (A) or (B):

"(A) a local educational agency serving a significant number of elementary and secondary schools that are eligible for assistance under chapter 1 of title 1 of the Elementary and Secondary Education Act of 1965 or elementary and secondary schools operated for Indian children by the Department of Interior under section 1005(d) of such Act;

"(B) a State educational agency;

"(C) an institution of higher education or a State higher education agency;

"(D) a teacher training center or academy which—

"(i) provides teacher preservice and inservice training; and

"(ii) receives Federal financial assistance or has been approved by a State agency; or

"(E)(i) a public or private entity with experience and expertise in the planning and operation of a telecommunications network, including entities involved in telecommunications through satellite, cable, telephone or computers; or

"(ii) a public broadcasting entity with such experience.

"(b) SPECIAL RULE.—An eligible telecommunications partnership shall be organized on a statewide or multistate basis.

"SEC. 904. APPLICATIONS.

"(a) APPLICATIONS REQUIRED.—

"(1) IN GENERAL.—Each eligible telecommunications partnership which desires to receive a grant under section 902 shall submit an application to the Assistant Secretary, at such time, in such manner, and containing or accompanied by such information as the Assistant Secretary may reasonably require.

"(2) SPECIAL RULE.—The Assistant Secretary shall permit applicants for assistance under this Act and applicants for assistance under any other Federal program providing educational technology in the classroom to submit a single application for assistance.

"(b) CONTENTS OF THE APPLICATION.—Each application submitted pursuant to subsection (a) shall—

"(1) describe the telecommunications facilities and equipment and technical assistance for which assistance is sought, which may include—

"(A) the design, development, construction, acquisition, maintenance and operation of State or multistate educational telecommunications networks and technology resource centers;

"(B) microwave, fiber optics, cable, and satellite transmission equipment or any combination thereof;

"(C) reception facilities;

"(D) satellite time;

"(E) production facilities;

"(F) other telecommunications equipment capable of serving a wide geographic area;

"(G) the provision of training services to instructors who will be using the facilities and equipment for which assistance is sought, including training in using such facilities and equipment and training in integrating programs into the classroom curriculum; and

"(H) the development of educational programming for use on a telecommunications network;

"(2) in the case of an application for assistance for instructional programming, describe the types of programming which will be developed to enhance instruction and training and provide assurances that such programming will be designed in consultation with professionals who are experts in the applicable subject matter and grade level;

"(3) demonstrate that the eligible telecommunications partnership has engaged in sufficient survey and analysis of the area to be served to ensure that the services offered by the eligible telecommunications partnership will increase the availability of courses of instruction in mathematics, science, and foreign languages, as well as other subjects to be offered;

"(4) describe the training policies for teachers and other school personnel to be implemented to ensure the effective use of telecommunications facilities and equipment for which assistance is sought;

"(5) provide assurances that the financial interest of the United States in the telecommunications facilities and equipment will be protected for the useful life of such facilities and equipment;

"(6) provide assurances that a significant portion of any facilities and equipment, technical assistance, and programming for which assistance is sought for elementary and secondary schools will be made available to schools of local educational agencies which have a high percentage of children eligible to be counted under chapter 1 of title I of the Elementary and Secondary Education Act of 1965;

"(7) describe the manner in which traditionally underserved students, such as students who are disadvantaged, limited-English proficient, disabled, or illiterate will participate in the benefits of the telecommunications facilities, equipment, technical assistance, and programming assisted under this title;

"(8) provide assurances that the applicant will use the funds provided under this title to supplement and not supplant funds otherwise available for the purposes of this title;

"(9) if the applicant is submitting an application for assistance under title II of the Technology for Education Act of 1993, describe how funds received under this title will be coordinated with funds received for educational technology in the classroom under title II of such Act;

"(10) describe the activities or services for which assistance is sought, including activities and services such as—

"(A) providing facilities, equipment, training, services, and technical assistance described in paragraphs (1), (2), (4) and (7);

"(B) making programs accessible to individuals with disabilities through mechanisms such as closed captioning and descriptive video services;

"(C) linking networks together, for example, around an issue of national importance, such as national elections;

"(D) sharing curriculum resources between networks and development of program guides which demonstrate cooperative, cross-network listing of programs for specific curriculum areas;

"(E) providing teacher and student support services including classroom and training support materials which permit student and teacher involvement in the live interactive distance learning telecasts;

"(F) incorporating community resources, such as libraries and museums, into instructional programs;

"(G) providing teacher training to early childhood development and Head Start teachers and staff;

"(H) providing teacher training to vocational education teachers and staff;

"(I) providing teacher training on proposed or established voluntary national content standards in mathematics and science and other disciplines as such standards are developed;

"(J) providing programs for adults at times other than the regular school day in order to maximize the use of telecommunications facilities and equipment; and

"(K) providing parent education programs during and after the regular school day which reinforce the student's course of study and actively involve parents in the learning process; and

"(11) include such additional assurances as the Secretary may reasonably require.

"(c) APPROVAL OF APPLICATION; PRIORITY.—The Assistant Secretary, in approving applications under this title, shall give priority to applications which demonstrate that—

"(1) a concentration and quality of mathematics, science, and foreign languages resources which, by their distribution through the eligible telecommunications partnership, will offer significant new educational opportunities to network participants, particularly to traditionally underserved populations and areas with scarce resources and limited access to courses in mathematics, science, and foreign languages;

"(2) the eligible telecommunications partnership has secured the direct cooperation and involvement of public and private educational institutions, State and local government, and industry in planning the network;

"(3) the eligible telecommunications partnership will serve the broadest range of institutions, including in the case of elementary and secondary schools, those elementary and secondary schools having a significant number of students eligible to be counted under chapter 1 of title I of the Elementary and Secondary Education Act of 1965, programs providing instruction outside of the school setting, institutions of higher education, teacher training centers, research institutes, and private industry;

"(4) a significant number of educational institutions have agreed to participate or will participate in the use of the telecommunications system for which assistance is sought;

"(5) the eligible telecommunications partnership will have substantial academic and teaching capabilities, including the capability of training, retraining, and service upgrading of teaching skills and the capability to provide professional development leading to comprehensive effective instructional strategies, outcomes-based curriculum and parenting practices;

"(6) the eligible telecommunications partnership will—

"(A) provide a comprehensive range of courses for educators with different skill levels to teach instructional strategies for students with different skill levels;

"(B) provide training to participating educators in ways to integrate telecommunications courses into existing school curriculum; and

"(C) include instruction for students, teachers, and parents;

"(7) the eligible telecommunications partnership will serve a multistate area;

"(8) a telecommunications entity (such as a satellite, cable, telephone, computer, or public or private television stations) will participate in the partnership and will donate equipment or in kind services for telecommunications linkages; and

"(9) the eligible telecommunications partnership will, in providing services with assistance under this title, meet the needs of groups of individuals traditionally excluded from careers in mathematics and science because of discrimination, inaccessibility, or economically disadvantaged backgrounds.

"(d) GEOGRAPHIC DISTRIBUTION.—In approving applications under this title, the Assistant Secretary shall assure an equitable geographic distribution of grants under this title.

"SEC. 905. DISSEMINATION OF COURSES AND RESOURCES UNDER THE STAR SCHOOLS PROGRAM.

"(a) REPORT.—Each eligible telecommunications partnership awarded a grant under this title shall report to the Assistant Secretary a listing and description of available courses of instruction and resources to be offered by educational institutions and teacher training centers which will be transmitted over satellite, specifying the satellite on which such transmission will occur and the time of such transmission.

"(b) DISSEMINATION OF COURSES OF INSTRUCTION.—The Assistant Secretary shall compile and prepare for dissemination a listing and description of available courses of instruction and resources to be offered by educational institutions and teacher training centers equipped with satellite transmission capabilities as reported to the Assistant Secretary under subsection (a).

"(c) DISSEMINATION TO STATE EDUCATIONAL AGENCIES.—The Assistant Secretary shall distribute the list required by subsection (b) to all State educational agencies.

"SEC. 906. ADMINISTRATIVE PROVISIONS.

"(a) CONTINUING ELIGIBILITY.—

"(1) IN GENERAL.—In order to be eligible to receive a grant under this title in any fiscal year after the first fiscal year in which an eligible telecommunications partnership receives a grant under this title, such partnership shall demonstrate in the application submitted pursuant to section 904 that such partnership will—

"(A) continue to provide services in the subject areas and geographic areas assisted with funds received under this title in the previous fiscal year; and

"(B) use all such grant funds to provide expanded services by—

"(i) increasing the number of students, schools or school districts served by the courses of instruction assisted under this title in the previous fiscal year;

"(ii) providing new courses of instruction; and

"(iii) serving new populations of underserved individuals, such as children or adults who are disadvantaged, have limited-English proficiency, are disabled, are illiterate, or lack high school diplomas or their equivalent.

"(2) SPECIAL RULES.—Grant funds received pursuant to the application of paragraph (1) shall be used to supplement and not supplant services provided by the recipient under this title in the previous fiscal year.

"(b) EVALUATION.—

"(1) IN GENERAL.—From amounts appropriated pursuant to the authority of subsection (b), the Secretary shall reserve not more than $500,000 or 5 percent of such appropriations, whichever is less, to conduct an independent evaluation by grant, contract, or cooperative agreement, of the program assisted under this title.

"(2) SUBMISSION.—The evaluation required under paragraph (1) shall be submitted to the Congress and the Assistant Secretary not later than June 1, 1995.

"(3) CONTENTS.—The evaluation described in paragraph (1) shall include—

"(A) a review of the effectiveness of eligible telecommunications partnerships and programs assisted under this title after Federal funding under this title ceases;

"(B) an analysis of the effectiveness of non-Federal funds provided under this title, including funds leveraged under this title and the permanency of such funding;

"(C) an analysis of how grant recipients under this title spend funds appropriated to carry out this title;

"(D) a review of the subject matter and success of distance learning through programs assisted under this title;

"(E) a comprehensive review of inservice teacher training programs assisted under this title, including the number of teachers trained, time spent in training programs, and a comparison of the effectiveness of such training and conventional teacher training programs;

"(F) an analysis of programs assisted under this title that focus on teacher certification and other requirements and the resulting effect on the delivery of instructional programming;

"(G) the effects of distance learning on curriculum and staffing patterns at participating schools;

"(H) an analysis of the socioeconomic characteristics of students participating in programs assisted under this title, including a review of the differences and effectiveness of programming and services provided to economically disadvantaged and minority students;

"(I) an analysis of the socioeconomic and geographic characteristics of schools participating in programs assisted under this title, including a review of the variety of programming provided to different schools; and

"(J) the impact of dissemination grants under section 907(a) on the use of technology-enhanced programs in local educational agencies.

"(c) FEDERAL ACTIVITIES.—The Assistant Secretary may assist grant recipients under this title in acquiring satellite time, where appropriate, as economically as possible.

"SEC. 907. OTHER ASSISTANCE.

"(a) DISSEMINATION GRANTS.—

"(1) IN GENERAL.—The Assistant Secretary shall make grants under this subsection to eligible telecommunications partnerships assisted under this title and to eligible entities that enter into an agreement with the Assistant Secretary to provide dissemination and technical assistance to State and local educational agencies not served under this title.

"(2) DEFINITION.—For the purposes of this subsection, the term 'eligible entity' means an organization or institution of higher education that has demonstrated expertise in educational applications of technology and provides comprehensive technical assistance to educators and policymakers at the local level.

"(3) RESERVATION.—The Assistant Secretary shall reserve not less than 5 percent and not more than 10 percent of the amount appropriated pursuant to the authority of subsection (c) in each fiscal year to award grants under this subsection.

"(4) APPLICATIONS.—

"(A) IN GENERAL.—Each eligible telecommunications partnership and eligible entity that desires to receive a grant under this subsection shall submit an application to the Secretary, at such time, in such manner, and containing or accompanied by such information, as the Assistant Secretary may reasonably require.

"(B) CONTENTS.—Each applicant described in paragraph (2) shall contain assurances that the eligible telecommunications partnership or eligible entity shall provide technical assistance to State and local educational agencies in order to enable such agencies to plan and implement technology-enhanced systems, including—

"(i) information regarding successful distance learning resources for States, local educational agencies, and schools;

"(ii) assistance in connecting users of distance learning, regional educational services centers, colleges and universities, the private sector, and other relevant entities;

"(iii) assistance and advice in the design and implementation of systems, including needs assessment and technology design; and

"(iv) support for the identification of possible connections, and cost-sharing arrangements for users of such systems.

"(b) SPECIAL STATEWIDE NETWORK.—

"(1) IN GENERAL.—The Assistant Secretary may provide assistance to a statewide telecommunications network under this subsection if such network—

"(A) provides 2-way interactive video and audio communications;

"(B) links together public colleges and universities and secondary schools throughout the State; and

"(C) meets any other requirements determined appropriate by the Secretary.

"(2) STATE CONTRIBUTION.—A statewide telecommunications network assisted under paragraph (1) shall contribute, either directly or through private contributions, non-Federal funds equal to not less than 50 percent of the cost of such network.

"(c) SPECIAL LOCAL NETWORK.—

"(1) IN GENERAL.—The Assistant Secretary may provide assistance to a local educational agency or consortium thereof to enable such agency or consortium to establish a high technology demonstration program.

"(2) PROGRAM REQUIREMENTS.—A high technology demonstration program assisted under paragraph (1) shall—

"(A) include 2-way full motion interactive video, audio and text communications;

"(B) link together elementary and secondary schools, colleges, and universities;

"(C) provide parent participation and family programs;

"(D) include a staff development program; and

"(E) have a significant contribution and participation from business and industry.

"(3) SPECIAL RULE.—Each high technology demonstration program assisted under paragraph (1) shall be of sufficient size and scope to have an effect on meeting the National Education Goals.

"(4) MATCHING REQUIREMENT.—A local educational agency or consortium receiving a grant under paragraph (1) shall provide, either directly or through private contributions, non-Federal matching funds equal to not less than 50 percent of the amount of the grant.

"SEC. 908. DEFINITIONS.

"As used in this title—

"(1) the term 'educational institution' means an institution of higher education, a local educational agency, or a State educational agency;

"(2) the term 'institution of higher education' has the same meaning given that term by section 1201(a) of the Higher Education Act of 1965;

"(3) the term 'local educational agency' has the same meaning given that term by section 1471(12) of the Elementary and Secondary Education Act of 1965;

"(4) the term 'instructional programming' means courses of instruction, training courses, and resources used in such instruction and training, which have been prepared in audio and visual form on tape, disc, film, live, and presented by means of telecommunications devices;

"(5) the term 'public broadcasting entity' has the same meaning given that term by section 397 of the Communications Act of 1934;

"(6) the term 'Assistant Secretary' means the Assistant Secretary for Educational Technology;

"(7) the term 'State educational agency' has the same meaning given that term under section 1471(23) of the Elementary and Secondary Education Act of 1965; and

"(8) the term 'State' means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, the Republic of Palau, and the Commonwealth of the Northern Mariana Islands.".

TITLE V—EDUCATIONAL TECHNOLOGY RESEARCH, DEVELOPMENT AND ASSESSMENT

SEC. 501. PURPOSES.

It is the purpose of this title—

(1) to provide direction and support for the conduct of developmental research on advanced educational technologies;

(2) to support the design and development of educational access to high performance communications and computing services;

(3) to assess the effectiveness of technology in education programs; and

(4) to make an annual status report available to the public regarding the state-of-the-art uses of technology in United States education which private businesses and governments can rely upon for decisionmaking about the need for, and provision of, appro-

priate technologies for education in the United States.

SEC. 502. APPLICATION OF ADVANCED TECHNOLOGIES TO EDUCATION.

(a) STATEMENT OF PURPOSE.—It is the purpose of this section to provide support for the design and development of long-term comprehensive educational applications of advanced high performance computer and communication technologies and video technologies in support of the core subjects of the National Education Goals. Such advanced technologies include systems identified as interactive multimedia, super computing, virtual reality, advanced digital television, telecomputing, and the networks associated with such systems, including video dial tone access.

(b) GENERAL AUTHORITY.—The Assistant Secretary, in cooperation with other Federal departments and agencies (including the Advanced Research Projects Agency (ARPA) of the Department of Defense, the Advanced Technology Program of the Department of Commerce, the National Science Foundation, all laboratories supported by the Department of Energy, the National Aeronautics and Space Administration, and the Department of Defense) is authorized to support research on advanced learning technologies.

(c) PRIORITIES.—In awarding assistance under this section, the Assistant Secretary shall give the highest priority to research projects which are intended to develop educational applications using advanced technologies which have been used effectively by the Federal Government, or business and industry.

(d) ELIGIBLE APPLICANTS.—Any single developer or partnership that can demonstrate both the technological expertise and educational content and instructional design expertise is eligible to apply for assistance under subsection (b).

(e) APPLICATION REQUIREMENTS.—Each eligible applicant desiring assistance under this section shall submit an application to the Assistant Secretary at such time, in such manner, and accompanied by such information, as the Assistant Secretary may reasonably require. Each such application shall—

(1) define clearly the scope and content of the subject matter of the research and the relevance of the advanced technology to such content;

(2) describe the potential market for both the hardware and software developed under this section;

(3) assess and test the applications of the advanced technology in a way that will validate the technology and content usage by the proposed students;

(4) develop products that are usable by all students, including disabled, limited-English speaking, gifted and talented, and disadvantaged students; and

(5) develop a marketing plan for the transfer of prototype development into mass distribution or marketing that may be used in homes, schools, or workplaces.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $20,000,000 for fiscal year 1994, and such sums as may be necessary for each succeeding fiscal year, to carry out this section.

SEC. 503. HIGH PERFORMANCE EDUCATIONAL COMPUTING AND TELECOMMUNICATIONS NETWORKS.

(a) FINDINGS; STATEMENT OF PURPOSE.—

(1) FINDINGS.—The Congress finds that—

(A) throughout the United States various public and private sector groups are developing high performance computing and telecommunications networks;

(B) by the year 2000, such efforts should result in public access to a variety of information resources;

(C) there needs to be more direct coordination among such efforts and a more explicit consideration of the needs of education in the designs of such efforts; and

(D) support and resources are required to permit schools and libraries to take advantage of the explosive growth in communication capabilities and information access that technology provides.

(2) STATEMENT OF PURPOSE.—It is the purpose of this section to ensure that such high performance computing and telecommunications networks (often identified as "information highways") are developed with due consideration to the needs of elementary and secondary education and that such networks have explicit provisions which facilitate educational uses in order to ensure that the classrooms and libraries in the Nation's elementary and secondary schools have adequate access to the emerging "information highways".

(b) AUTHORITY.—The Assistant Secretary is authorized to—

(1) identify educational high performance computing and telecommunications network requirements;

(2) develop specifications for the implementation of such requirements within any national telecommunications network;

(3) establish prototype operations on existing networks to validate and further develop the educational specifications which will facilitate the use of such networks by kindergarten through twelfth grade students, teachers, administrators, and parents;

(4) represent the needs and interests of elementary and secondary schools in the Federal planning and development of a national information infrastructure; and

(5) identify policy issues, such as communication rate structures and intellectual property rights, that impact upon the ability of the public schools to make effective use of the emerging information highways and make recommendations to the Secretary and the Congress.

(c) TYPES OF GRANTS.—The Assistant Secretary shall award the following types of grants:

(1) REQUIREMENTS GRANTS.—The Assistant Secretary shall solicit proposals for and award grants to 1 or more entities for the identification of educational high performance computing and telecommunications network requirements. The solicitation shall request proposals which—

(A) identify and describe existing and planned educational high performance computing and telecommunications network efforts;

(B) identify and describe current uses of such networks in kindergarten through twelfth grade education throughout the United States;

(C) identify potential uses of such networks in kindergarten through twelfth grade education by schools throughout the United States;

(D) assess impediments to the development of such networks in kindergarten through twelfth grade education (such as technological impediments, availability of technology-enhanced curriculum, instruction, and administrative support resources and services in local schools; and parent, student, teacher and administrator attitudes toward technology-enhanced education);

(E) assess the anticipated costs and benefits to be derived from such network access in kindergarten through twelfth grade education; and

(F) recommend priorities for development of educational access to such networks based on the anticipated cost benefit analysis.

(2) SPECIFICATIONS GRANTS.—The Assistant Secretary shall solicit proposals for and award grants to 1 or more entities for the design and development of educational specifications which may be used to ensure educational access to any national educational high performance computing and telecommunications network. The solicitation shall request proposals which—

(A) incorporate—

(i) the findings of the grant recipients under paragraph (1); and

(ii) the priorities recommended for such networks by the Assistant Secretary with the advice of the National Commission on Technology in Education;

(B) provide for the development of several distinct design alternatives, each with internal design options based on uses of alternative technologies and costs;

(C) provide for the development of specifications for selected design alternatives or of specifications for a composite design;

(D) address technological issues, including—

(i) linkage of schools and communities with each other, with central resource centers, and with Federal and State agencies over existing or planned telecommunications networks, such as INTERNET, the National Research Education Network, and Telstar 401;

(ii) uses of alternative connectivity modes, such as fiber optics, satellites, and land-based broadcasting;

(iii) integrated uses of two-way interactive voice, video, and data communications;

(iv) uses of interactive multimedia;

(v) system capacity, such as maximum telecommunications traffic in a variety of use modes;

(vi) availability of needed technologies;

(vii) availability of support services; and

(viii) assessment of the impact of proposed educational access specifications on existing or planned telecommunications network; and

(E) provide comprehensive specifications which will ensure educational access to any national educational high performance computing and telecommunications network as the primary deliverable product of the specifications grants described in paragraph (1).

(3) PROTOTYPE DEVELOPMENT GRANTS.—The Assistant Secretary shall solicit proposals for and award grants to 1 or more entities for prototype operations on existing networks in order to validate and further develop the educational specifications which will facilitate use of existing or planned educational high performance communicating and telecommunications networks by kindergarten through twelfth grade students, teachers, administrators, and parents. The solicitation shall request proposals which—

(A) incorporate the design limits of the comprehensive educational high performance computing and telecommunications network specifications developed by grant recipients under paragraph (2);

(B) support prototype operations for at least 1 year in a minimum of 5 test sites which are selected to represent a variety of economic, social, urban and rural settings;

(C) provide for inservice training and technical assistance during the period of prototype operations;

(D) provide provisions for the identification and correction of operational problems during the period of prototype operations (including design flaws);

(E) include a comprehensive evaluation of all aspects of the prototype, including—

(i) design flaws;

(ii) training requirements, including resources and strategies for initial and ongoing training;

(iii) technical support requirements;

(iv) financing constraints;

(v) availability and utility of information resources and services accessed during the prototype operations period;

(vi) factors which enhanced or impeded prototype operations; and

(vii) an overall assessment of the impact of such technology on the educational process; and

(F) provide recommended revisions of the Assistant Secretary's educational high performance computing and telecommunications network specifications based on findings of the comprehensive evaluation of prototype operations.

(d) TIMELINE.—The Assistant Secretary shall award grants under this section in accordance with the following:

(1) REQUIREMENT GRANTS.—The Assistant Secretary shall award requirement grants under subsection (c)(1) by January 1, 1995.

(2) DEVELOPMENT OF DESIGN SPECIFICATIONS.—The Assistant Secretary shall award grants under subsection (c)(2) by January 1, 1996.

(3) PROTOTYPE OPERATIONS.—The Assistant Secretary shall award grants under subsection (c)(3) by July 1, 1997.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $2,500,000 for fiscal year 1994, $2,500,000 for fiscal year 1995, and $10,000,000 for fiscal year 1996, to carry out this section.

SEC. 504. ASSESSMENT OF TECHNOLOGY IN EDUCATION.

(a) PURPOSES.—It is the purpose of this section—

(1) to make an annual status report available to the Congress and the public regarding the state-of-the-art uses of technology in State and local educational programs throughout the United States; and

(2) to support research regarding—

(A) the effectiveness of technology-enhanced curriculum instruction;

(B) administrative support resources and services in improving education in the United States; and

(C) school library media center technological support.

(b) AUTHORITY.—The Assistant Secretary, through the Office, shall—

(1) conduct an annual assessment of the uses of technology in State and local educational programs; and

(2) award grants to support research on the effectiveness of technology-enhanced education programs.

(c) ANNUAL ASSESSMENT.—The Assistant Secretary shall conduct the annual assessment described in subsection (b)(1) by obtaining input from a variety of sources, including State and local educational agencies, regional technology centers, university preservice and inservice technology training providers, national survey bureaus, and other departments and agencies of the Federal Government.

(1) TIMING OF THE ASSESSMENTS.—Each assessment shall be conducted during the normal school year at such a time that the data collection will coincide with other data collections and facilitate data interpretation in reference to other routinely collected educational performance data, such as student enrollment and teacher preparation statistics.

(2) INTERAGENCY COOPERATION.—The head of each Federal department or agency that supports an education program shall cooperate with the Assistant Secretary's efforts to assess and report on the utilization of technology-enhanced curriculum, instruction, and administrative support resources and services in federally supported education programs.

(3) USE OF GOVERNMENT RESOURCES; CONTRACTED SERVICES.—The Assistant Secretary shall conduct the assessments using the resources of the Office or the resources of any other Federal department or agency made available to the Assistant Secretary, and by contracting for services from the public, private, or nonprofit sectors.

(4) SUBMISSION.—The Assistant Secretary's annual assessment shall be submitted to the Congress in the fall of each year.

(d) EFFECTIVENESS RESEARCH.—The Assistant Secretary is authorized to provide grants to public or private, nonprofit organizations or institutions for the conduct and dissemination of research on the effectiveness of new technologies for the improvement of education in the United States. In awarding such grants, the Assistant Secretary shall give priority to research projects which focus on—

(1) teaching and learning in the kindergarten through twelfth grade environment;

(2) technology-enhanced curriculum, instruction, and administrative support resources and services developed in whole or in part with Federal funding; or

(3) operational needs of elementary or secondary schools involved in implementing technology-enhanced curriculum, instruction, and administrative support resources and services to achieve the National Education Goals.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $5,000,000 for fiscal year 1994, and such sums as may be necessary in each succeeding fiscal year, to carry out this section.

TITLE VI—MISCELLANEOUS

SEC. 601. STUDY OF SYSTEMIC FUNDING ALTERNATIVES.

(a) IN GENERAL.—The Assistant Secretary shall conduct a study to evaluate, and report to the Congress on, the feasibility of several alternative models for providing systematic funding for schools throughout the United States so that such schools are able to acquire and maintain technology-enhanced curriculum, instruction, and administrative support resources and services.

(b) REPORT.—The report described in subsection (a) shall be presented to the Congress not later than August 1, 1995.

SEC. 602. PARTICIPATION OF PRIVATE SCHOOL CHILDREN.

(a) PARTICIPATION OF PRIVATE SCHOOL CHILDREN.—To the extent consistent with the number of children who are enrolled in private nonprofit elementary or secondary schools served by an entity receiving assistance under this Act, such entity shall, after consultation with appropriate private school representatives, make provision for including services and arrangements for the benefit of such children as will assure the equitable participation of such children in the purposes and benefits of this Act.

(b) WAIVER.—If by reason of any provision of State law an entity receiving assistance under this Act is prohibited from providing for the participation of children from private nonprofit schools as required by subsection (a), or if the Secretary determines that such entity has substantially failed or is unwilling to provide for such participation on an equitable basis, the Secretary shall waive such requirements and shall arrange for the provision of services to such children.

EXECUTIVE SUMMARY—TECHNOLOGY FOR EDUCATION ACT OF 1993

The Bill in five titled sections includes the following:

1. Leadership for Technology in Education.—Establishes an Assistant Secretary of Technology in charge of an Office of Educational Technology in the U.S. Department of Education to provide national leadership with the assistance of a 15-member, Presidential Commission on Educational Technology.

II. School Technology Support.—Provides Federal funding support State technology in education planning and for the acquisition of technologies by the "poorest" school districts in America. Enables all LEAs to obtain guaranteed, long-term, low-interest loans to acquire needed technologies.

III. Information Dissemination, Technology Training, and Technical Assistance.—Creates a national educational information dissemination system consisting of the coordinated resources and activities of existing federally supported networks such as the INTERNET, ERIC and NDN. Establishes regional technical assistance and teacher training consortia throughout the United States.

IV. Educational Technology Product Development, Production and Distribution.—Supports development of high quality curriculum-based software and other supporting materials by consortia of private industry and businesses in partnership with educational institutions. Supports development of instructional broadcasting and video instructional programming and extends authorization of the Star Schools Program.

V. Educational Technology Research, Development and Assessment.—Funds research on advanced technologies for use in education; supports development of high performance educational computing and telecommunications networks; creates assessments of the effectiveness of technology in education; and requires an annual report on the state-of-the art with respect to school uses of technology.

SECTION-BY-SECTION SUMMARY

Section 1. Contents include five sections as follows:

I. Leadership for Technology in Education.
II. School Technology Support.
III. Information Dissemination, Technology Training, and Technical Assistance.
IV. Educational Technology Product Development, Production and Distribution.
V. Educational Technology Research, Development and Assessment.

Section 2. Findings. Bill cites potential uses of technology as a tool in the learning process to improve all aspects of education while creating a technologically literate citizenry and internationally competitive work force.

Findings include that—

Technology-enhanced curriculum, instruction, and administrative support resources and services can be used for the "systemic improvement" of education in America;

The acquisition and use of technology in education throughout the United States has been inhibited by—the absence of Federal leadership; the inability of many State and local education agencies to invest in and support the needed technologies; and the limited availability of appropriate technology-enhanced curriculum, instruction, and administrative support resources and services in the education marketplace; and

The acquisition and use of technology-enhanced curriculum, instruction, and administrative support resources and services by elementary and secondary school in the United States must be supported by a comprehensive educational technology infrastructure.

Section 3. The purpose of the Act is to develop and maintain a technologically literate citizenry and internationally competitive work force by encouraging the systemic integration of technology and telecommunications in all aspects of public and private elementary and secondary education in America.

Title I. Leadership for Technology in Education

Section 101. An Office of Educational Technology is established within the U.S. Department of Education managed by a new Assistant Secretary for Educational Technology.

Authorizes $3 million to establish the Office in FY '94 and such sums as may be needed through FY '98 to fund the activities of the Office which include:

Provide national leadership for policy development for the integration of technology into schools;

Coordinate technology-related education activities, within the Department of Education and, to the extent possible, analogous programs in the Federal Government outside the Department;

Advise on the design, development and use of technology-enhanced networks for information dissemination by the Department of Education (e.g., National Diffusion Network, Office of Training Technology Transfer, and ERIC) and analogous networks in the Federal Government outside the Department;

Manage a new Division of Elementary and Secondary School Library Media Services; and

Administer a new comprehensive school technology support system of grants, loans, and other funding to support:

State and local education technology planning

Development, acquisition and maintenance of technologically advanced information management resources for school libraries and media centers

Staff development programs which emphasize integration of technology into the elementary and secondary curriculum along with technical assistance for schools

Development, acquisition, and maintenance of technology-enhanced curriculum, instruction, and administrative support resources and services.

Promote collaboration among government, business, and educational organizations to expand and improve the use of technology in education.

Section 102. National Commission on Technology in Education. Establishes a 15-member advisory board with members appointed by the President and confirmed by the Senate. [$2.5 million is authorized in FY94 such sums as may be needed in FY95–FY98.]

Responsibilities of the Commission to the President and Congress include:

Identification of national educational technology requirements for schools;

Recommendations with respect to Department of Education technology programs;

Recommendations with respect to coordination of Federal technology programs outside the Department;

Exploring the feasibility of developing guidelines or standards to help teachers and their students concentrate on using modern technology in the learning process instead of trying to figure out how to make the computers and software work;

Encouragement of industry, technology and educational consortia to support the integration of technology in schools;

Production of a bi-annual report.

Title II. School Technology Support

Section 202. State Technology Planning Grants. Authorizes $10 million for planning grants to States to be allocated based on the Chapter 1 formula with no State receiving less than $100,000. Funds will be used by States to develop state-wide plans for—

Integration of technology into all of the classrooms;

Staff development; and

Technical support.

Assessment.

Section 203. Elementary and Secondary School Library and Media Services. Authorizes $45 million in FY '94 to be allocated as follows—

$15 million for library media center resource development;

$15 million for innovative library media specialist and teacher partnership projects;

$15 million for linking classroom and library media center-based technologies to access information from computerized data banks.

Section 204. School Technology Resource Grants and Loans

Grants. Authorizes $100 million to support local education agencies and schools having the highest percentages of children in poverty and which show the greatest need for technology in the classroom. These grants are to provide equity in student access to learning technologies throughout the United States.

Loans. Provides guaranteed low-interest loans for LEAs to acquire education technologies under the "Connie Lee" program which is administered by the College Construction Loan Insurance Association.

Section 205. Systemic Funding Alternative. The Secretary of Education is required to study and recommend alternative funding models to support the technology for education requirements of elementary and secondary schools throughout the United States and to present a report on systemic funding alternatives to the Congress by August 1, 1995.

Title III. Information Dissemination, Technology Training and Technical Assistance

Section 301. Purposes of this title are to:

Disseminate information on effective technology-enhanced curriculum, instruction, and administrative support resources and services; and to

Create regional technical assistance and staff development consortia to ensure that technology resources made available through this Act are used effectively by educators.

Section 302. Electronic Dissemination Network.

Authorizes establishment of a method of accessing information to support the integration of technology in education available in Federal government data bases.

Networks are to make use of existing electronic networks and networks built for other purposes (e.g., INTERNET, NREN, ERIC). [$5 million is authorized for this project in FY '94.]

Section 303. Regional Implementation and Assistance. Provides for competitive grants to establish and maintain a technical assistance and teacher training consortia in each of the 10 regions currently supported by the Department of Education pursuant to section 405(d)(4)(A)(i) of the General Education Provisions Act. [$50 million is authorized for technical assistance and teacher training in FY '94 with the amount of available grants in each region being in the same proportion as students in the region.]

Eligible applicants are consortia of State education agencies, or a non-profit organization, or a combination thereof.

Technical assistance provided to schools, LEAs, and SEAs under this section includes:

Educational technology information dissemination including information on—available computer hardware and software, suitability of technologies to particular school needs; and creative applications of technology in the classroom;

Assistance in identifying technology-enhanced materials to support State curriculum standards and needs of individual schools and students;

Facilitate coordination and use of electronic information networks; and

Assistance in the development of a coordinated system of distance education within the region.

Staff Development. In collaboration with State education agencies, technology in education training is provided through site-based intensive summer and school year workshops that utilize teacher-teaching-teachers model or through existing and emerging distance education resources to integrate the use of technology into the curriculum. Provisions are made for the—delivery of on-site training; development of training resources; linkage of technical assistance providers and users; and follow-up and evaluation of training activities.

Title IV. Educational Technology Product Development, Production and Distribution

Section 401. This title supports development, production, and distribution of technology-enhanced curriculum, instruction, and administrative support resources and services.

Section 402. Priority in Federally Supported Education Programs. Requires the Secretary of Education to give priority in competitive grant programs to those applicants whose proposals utilize technology.

Section 403. "Classrooms for the Future". Authorizes $45 million in FY '94 for the competitive development of high quality curriculum-based software and other supporting materials by consortia of businesses in partnership with educational institutions.

Section 404. Instructional Broadcasting and Video Instructional Programming. Authorizes $15 million in competitive grants to fund research, production, and distribution of television programming which supports the National Education Goals and is targeted to the school-age audience [Applicants must provide at least 25% of the projects funding and the government may not provide more than 75%.]

Section 405. Star Schools Program. Authorizes $35 million in FY '94 and such sums as may be necessary for FY '95 through FY '98 for the purposes of extending the Star Schools program for an additional five years.

Title V. Educational Technology Research, Development, and Assessment

Section 501. The purposes of this title are to—

Provide direction and support for developmental research on advanced educational technologies;

Support the design and development of educational access to high performance communications and computing services;

Assess the effectiveness of technology in education programs; and to

Make an annual status report available to the public regarding the state-of-the-art with respect to uses of technology in schools throughout the United States upon which businesses and governments can rely for decision-making about the need for, and provision of, appropriate technologies for education.

Section 502. Research on Advanced Technologies for Education. Authorizes $20 million for the design and development of long-term comprehensive educational applications of advanced high performance computer and communications technologies in support of the National Education Goals. Priority in awarding assistance under this section is given to those advanced technologies which have been used effectively by the Federal Government, or in business and industry.

Section 503. High Performance Educational Computing and Telecommunications Networks. Authorizes—

"Requirements Grants" of $2.5 million in FY '94 for the identification and documentation of high performance educational computing and telecommunications network requirements;

"Specification Grants" of $2.5 million in FY '95 for the specification of technologies needed to support identified high performance educational computing and telecommunications network requirements identified; and

"Prototype Development Grants" of $10 million in FY '96 for the implementation of high performance educational computing and telecommunications networks for use by elementary and secondary students, teachers, administrators, and parents.

Section 504. Assessment of Technology in Education. Authorizes $5 million to support—

Assessments on the effectiveness of technology in education programs; and

An annual assessment of the state-of-the-art with respect to uses of technology in schools throughout the United States upon which businesses and governments can rely for decision-making about the need for and provision of, appropriate technologies for education.

SUMMARY OF FUND AUTHORIZATIONS

Title, subject to section-topic	Fiscal year 1994 funding (in millions)	Precent of total
I. Leadership for technology in Education	[5.5]	1.7
101—Office/Activities	$3.0	
102—Commission/Activities	$2.5	
Ii. School Technology Support	[155.0]	48.0
202—State Planning	$10.0	
203—El/Sec Lib/Media	$45.0	
204—School Resource Grants	$100.0	
III. Information dissemination, technology training, and technical assistance	[55.0]	17.0
302—electronic dissemination network	$5.0	
303—Regional technical assistance and training consortia	$50.0	
IV. Educational technology product development, production and distribution	[80.0]	24.8
403—Product development	$45.0	
404—Instructional broadcasting	$15.0	
405—Star schools	$35.0	
V. Educational technology research, development and assessment	[27.5]	8.5
502—Research on advanced technologies	$20.0	
503—High performance computing & telecommunications networks	$2.5	
504—Assessment	$5.0	
Total funding requirements	$323	100•

• Mr. COCHRAN. Mr. President, I am pleased to join the distinguished Senator from New Mexico [Mr. BINGAMAN] in introducing the Technology in Education Act of 1993.

The primary objectives of this bill are:

The creation of an Office of Educational Technology in the Department of Education, which would support the use of technology as an educational tool in the classroom and coordinate current and future efforts among Federal agencies to utilize educational technologies;

Establishment of a program to help States develop strategies for integrating technology into classrooms, particularly those with high percentages of disadvantaged students who currently have little or no access to technology-based instructional materials;

A program to emphasize teacher training as part of an overall strategy to make technology effective in the classroom;

Authorization of Federal funding for the development of high-quality curriculum-based software and other supporting materials;

Authorization of a new grant program for States based on their chapter 1 allocation to assist the most disadvantaged schools in purchasing equipment and integrating technology into their curriculum so their students can be exposed to these educational resources; and

Expansion of the national technology infrastructure to link our Nation's elementary and secondary schools for the sharing of ideas among teachers and students and to provide access to the Nation's library resource materials.

This act will provide a national educational technology blueprint to bring our elementary and secondary schools into the 21st century. To keep pace in today's increasingly competitive world, our students must have the advantages that modern technology affords them.

Over the last decade, student performance in the classroom has slipped behind other nations while schools are expected to do more with less and teachers are expected to teach without adequate resources.

Fewer than one out of every five students in grades 4, 8, and 12 show competency in math. About 40 percent of inner-city teachers report that their most serious classroom problem is a lack of basic reading skills among their students. In 1991, 16 percent of all students dropped out of high school. Not liking school and not being able to keep up with schoolwork were the primary reasons given for leaving school.

One way to help is to introduce technology into the classroom. Studies have shown that when educational technologies are integrated into the school curriculum, they have improved the ability of teachers to teach and students to learn.

But the reality is that not many schools—and few students—have the opportunity to enhance their ability to learn with technology because they cannot afford the equipment, and if they can, the teachers aren't trained properly to use it.

The gap between the "haves" and the "have-nots" in the area of technology is one of the most pronounced inequities in our education system. And it is growing every year. The availability of technology for all students is no longer a matter of educational enrichment; it is a matter of economic survival.

The core of education reform should be the principle that all Americans have an opportunity to participate in rich, intellectually challenging courses. The use of modern educational equipment, such as computers, video discs, VCR's, and state-of-the-art software, will not only increase achievement levels, but make learning more fun for students.

The fact is that students who have been exposed to technology in the classroom work harder, score higher than their peers on standardized tests, and have higher attendance rates.

Consider, for example, the Hayes Cooper Center for Math, Science and Technology in the heart of the Mississippi Delta, which brings together 190 students from different social, ethnic, and economic backgrounds in one of the Nation's poorest school districts.

The center provides students with not only a solid science and math background but in all core subjects. Each child has an individualized program tailored to meet his or her learning style or academic needs. An emphasis is placed on a hands-on learning approach, using technology as a learning tool. All students, even kindergartners, are taught computer use, and computer technology is integrated into every academic subject.

Computer software is tailored by the center's teachers to meet State curriculum standards and the national education goals. Parents are given a monthly computer generated report to keep track of their children's progress.

Hayes Cooper contributes a great deal of their success to the 2 weeks of intensive training teachers receive during the summer enabling them to use technology creatively in the classroom. Regular training sessions are also held during the school year. Teachers now have more time to spend with small groups of students, while other students work in teams at one of the classroom's computer terminals. Classrooms are linked by way of computer networks so that teachers can share ideas and participate in team teaching activities with other teachers.

The results have been very encouraging. After 1 year, students reported significant progress over last year's standardized tests scores. Second grade students averaged in the 79th percentile, while the districtwide average was in the 51st percentile. The gap between minority and white students has closed substantially from 25 to around 5 percent. Today, Hayes Center boasts a 99-percent attendance rate. And its 280-member parent association contributes significantly to the school's success.

"This school is harder, but it is a lot more fun," explains one Hayes Cooper sixth grade student.

Through the use of technology, Hayes Cooper has adopted a more rigorous course of study which has produced measurable gains and self-confidence for its students. Teachers at the school are invigorated by the positive learning environment, and the children come to school eager to learn.

Another example of how technology has been used to restructure schools and improve learning is the HOTS [higher order thinking skills] program. HOTS replaces the traditional remedial classes of the Federal Chapter 1 educational assistance program for disadvantaged students with computer-based problem solving exercises that incorporate dramatic settings, Socratic debate, and thinking skill development.

HOTS makes use of the newest technologies and learning theory to produce large student gains in reading, writing, math, and science than other remedial approaches, even though no basic skills are taught. According to the U.S. Department of Education's National Diffusion Network, research results show that HOTS students gained almost twice as much in core subjects as the national average for Chapter 1 students. These students who perform well below their peers in the regular classroom respond positively when they are intellectually challenged and become active participants in the learning process.

After 1 year in HOTS, 36 percent of the chapter 1 students at Mary Dill Elementary School in Alter Valley, AZ made the honor roll. At Hopkins, Minnesota's Katherine Curren Elementary, 10 percent of the children were classified as gifted after 1 year in HOTS and placed in the gifted program.

Another program developed by PBS, MacNeil/Lehrer, and Apple Classrooms of the Future—called media fusion—works with news organizations to integrate technology in the classroom. It encourages middle-school students to use computers to search stories featured on the MacNeil/Lehrer news program. It has the benefit of not only teaching students how to use computers and other technological equipment, but it raises their interest in daily events that will affect their lives.

This legislation can be the cornerstone of a Federal educational technology policy for our Nation's elementary and secondary schools. The United States is regarded as the world's leader in higher education. Ninety out of the top 100 colleges and universities in the world are in the United States. This legislation will help us take our place at the top in elementary and secondary education.●

By Mr. HATFIELD:

S. 1042. A bill to amend the Public Health Service Act to establish an Ethical Advisory Board, and for other purposes; to the Committee on Labor and Human Resources.

ESTABLISHMENT OF BIOMEDICAL ETHICS ADVISORY BOARD

● Mr. HATFIELD. Mr. President, I introduce legislation to establish a national Biomedical Ethics Advisory Board to be housed within the Department of Health and Human Services.

Many of my colleagues are aware of my great concern in the area of biomedical ethics. In each session of Congress since 1987, I have introduced legislation to place a moratorium on allowing the Patent and Trademark Office to issue patents on such living organisms. Until this year, Harvard University received the only such patent for the so-called Harvard Mouse.

Mr. President, I am not here to object to the research that is being conducted using these creatures. My record will show that I am committed to the advancement of scientific research. I believe, however, that the elected members of Government have a solemn duty to ensure that serious social and ethical issues are addressed. For me, the idea of issuing patents on living creatures that have been somehow altered by man raises many serious ethical questions.

Those who have followed the rapidly advancing field of biotechnology know that ethical parameters are very difficult to formulate. The issues became more difficult recently when the National Institutes of Health applied for patents on over 2,000 human DNA gene sequences. Gene sequences bear an intimate relationship to the promising research being conducted by the human genome project at NIH, which I strongly support. But the idea of proprietary patent ownership of these fragments of humanity raise concerns that I believe must be addressed.

The elected officials of the United States bear a large part of the responsibility for seeing that ethical issues such as these are raised, and where appropriate, lines are drawn.

Senators KENNEDY, DECONCINI, and I have requested that the Office of Technology Assessment conduct two reports on this issue. The first report will provide a review of the different governmental approaches to issues of bioethics, including the so-called President's Commission and the defunct Biomedical Ethics Board. Preparation for this included an OTA-sponsored symposium held in December. I attended this symposium where a panel of impressive nationally and internationally known experts discussed the history of biomedical ethics and the prospects for future approaches.

My office has been briefed on the draft version of the first OTA report, which is due out later this summer. The second OTA report will offer a detailed review of the ethical, privacy, environmental, and policy issues involved in different areas of biotechnology. This report should be completed sometime in 1994.

In addition to these reports, both Senators KENNEDY and DECONCINI agreed to hold hearings on this topic. Senator DECONCINI presided over a hearing held September 22, 1992 by the Judiciary Committee's Subcommittee on Patents, Copyrights and Trademarks. I was proud to testify before Senator DECONCINI'S subcommittee and believe that his efforts to shed light on these issues have been quite constructive.

I am presently at work with Senator KENNEDY and his fine staff and hope to be able to announce a Labor Committee hearing date soon. It appears that the hearing will take place later this summer or early fall.

Mr. President, it has been my goal throughout to foster dialogue on the difficult bioethical issues faced by this country. My hope has been that these efforts would result in the establishment of a permanent body assembled to study bioethical policy issues and make recommendations to the administration and Congress.

Today I am pleased to take a step toward these objectives by introducing legislation to establish a national ethics advisory board to be located within the Department of Health and Human Services. The board established in this legislation would be composed of 15 members. Five members of the board will be appointed by the President, five by the Senate and five by the House. No congressional membership is provided for. While located under the umbrella of HHS, the board would report to the administration and to Congress.

The board would be part of the Federal research review process already in place at HHS. It would also take requests for review from Congress and would have the authority to choose issues to review on its own motion, but would have no authority to veto research initiatives. The purpose of such a board would be to promote the dialogue that is lacking on so many ethical issues today. This is dialogue that must take place if we are to have any hope of rational and informed decision making in the field of bioethics.

In closing, let me note that the reestablishment of a permanent commission is not a universally supported idea. Students of this issue know that past attempts have taken place with mixed, and at times dismal results. Let me make it clear that I am not wedded to the idea of a permanent ethics advisory board, although the information I have reviewed leads me to believe it is the best approach. One of my purposes in introducing this legislation today is to provide a tangible proposal to be debated and focused on during the upcoming hearings in the Labor Committee.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1042

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ESTABLISHMENT OF ETHICAL ADVISORY BOARD.

Part G of title IV of the Public Health Service Act (42 U.S.C. 289 et seq.) is amended by inserting after section 492 the following new section:

"CERTAIN PROVISIONS REGARDING REVIEW AND APPROVAL OF PROPOSALS FOR RESEARCH

"SEC. 492A. (a) REVIEW AS PRECONDITION TO RESEARCH.—

"(1) PROTECTION OF HUMAN RESEARCH SUBJECTS.—

"(A) In the case of any application submitted to the Secretary for financial assistance to conduct research, the Secretary may not approve or fund any application that is subject to review under section 491(a) by an Institutional Review Board unless the application has undergone review in accordance with such section and has been recommended for approval by a majority of the members of the Board conducting such review.

"(B) In the case of research that is subject to review under procedures established by the Secretary for the protection of human subjects in clinical research conducted by the National Institutes of Health, the Secretary may not authorize the conduct of the research unless the research has, pursuant to such procedures, been recommended for approval.

"(2) PEER REVIEW.—In the case of any application submitted to the Secretary for financial assistance to conduct research, the Secretary may not approve or fund any application that is subject to technical and scientific peer review under section 492(a) unless the application has undergone peer review in accordance with such section and has been recommended for approval by a majority of the members of the entity conducting such review.

"(b) ETHICAL REVIEW OF RESEARCH.—

"(1) ESTABLISHMENT OF A STANDING ETHICAL ADVISORY BOARD.—

"(A) Not later than 180 days after the date of enactment of this Act, the Secretary, in accordance with subpart B of part 46 of title 45, Code of Federal Regulations, and with the recommendations of the National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research, shall establish a standing Ethical Advisory Board (hereafter referred to in this section as the 'Board').

"(B) The Board shall advise, report on, and make recommendations to the Secretary and the Congress regarding the ethical, legal, and social acceptability of supporting specific biomedical and behavioral research designs, applications, or proposals submitted to it by the Secretary or any Agency Head within the Department, and shall prepare reports and make recommendations concerning ethical policies relating to biomedical and behavioral research referred to it by the Secretary, Agency Heads, or Congressional Committees. With the approval of the Secretary, the Board may develop reports and make recommendations concerning other matters that it considers of major importance to the general public.

"(C)(i) The Board shall be composed of 15 individuals who are not officers or employees of the United States to be appointed as follows:

"(I) Five individuals shall be appointed by the President.

"(II) Five individuals shall be appointed by the Speaker of the House of Representatives in consultation with the Minority Leader.

"(III) Five individuals shall be appointed by the Majority Leader of the Senate in consultation with the Minority Leader.

"(ii) In appointing individuals under clause (i), the appointing authority shall ensure that such individuals possess special qualifications and competence to provide advice and recommendations regarding ethical matters in biomedical and behavioral research. Of the members of the Board—

"(I) at least one shall be an attorney;

"(II) at least one shall be a professional ethicist;

"(III) at least one shall be a practicing physician;

"(IV) at least one shall be a theologian; and

"(V) at least one-third, and no more than one-half, of all such members shall be scientists who have made significant contributions to the advancement of biomedical or behavioral science.

"(D) The terms of service of members of the Board shall be for 3 years. The initial members of the Board shall be appointed to serve staggered terms of 1, 2 or 3 years. If a member does not complete a full term of service, the individual appointed to fill the resulting vacancy shall be appointed for the remainder of the term of the predecessor of the individual. A member may be reappointed to serve no more than two consecutive full terms.

"(E) A member of the Board shall be subject to removal from the Board by the Secretary for neglect of duty, malfeasance, or for other good cause as demonstrated by the Secretary.

"(F) The members of the Board shall select one member to serve as the chairperson of the Board. The chairperson shall serve not more than one consecutive 3-year term.

"(G) In carrying out its responsibilities as described in subparagraph (B), the Board shall hold such inquiries, hold public hearings, enter into contracts the aggregate of which shall not exceed $300,000 per year, and report to the Secretary and to the Congress the results and recommendations that result from its deliberations.

"(H) With respect to information relevant to the duties described in subparagraph (B), the Board shall have access to all such information possessed by the Department of Health and Human Services, or available to the Secretary from other sources.

"(I) With respect to the duties described in subparagraph (B), the members of the Board shall receive compensation for each day they are engaged in carrying out the purposes of the Board, including time engaged in traveling for such purposes. Such compensation may not be provided in an amount in excess of the maximum rate of basic pay accorded for individuals GS-18 of the General Schedule.

"(J) The Secretary, acting through the Director of the National Institutes of Health, shall provide the Board with staff and such other assistance necessary to carrying out the duties of the Board.

"(K) Prior to reconstituting the Board, the Secretary shall, through a statement published in the Federal Register, announce the intention of the Secretary to constitute the Board.

"(L) A statement issued under subparagraph (K) shall include a request that interested parties submit to the Secretary recommendations specifying the particular individuals who should be appointed to the Board. The Secretary shall consider such recommendations in making appointments to the Board.

"(M) The appointments to the Board under subparagraph (C) shall not take effect until the expiration of the 30-day period beginning with the date on which the statement required in subparagraph (K) is made with respect to the Board.

"(2) PROCEDURES REGARDING THE WITHHOLDING OF FUNDS.—

"(A) If research has been recommended for approval for purposes of subsection (a), the Secretary may not withhold funding for the research on ethical grounds unless—

"(i) the Secretary refers the proposal within 30 days to the Board in accordance with paragraph (1) to study the ethical implications of the research; and

"(ii)(I) the majority of the Board recommends that, on ethical grounds, the Secretary withhold funds for the research; or

"(II) the majority of the Board recommends that the Secretary not withhold funds for the research on ethical grounds, but the Secretary determines, on the basis of the report submitted under subparagraph (D) that there is a reasonable basis for overruling the Board's recommendations.

"(B) The limitation established in subparagraph (A) regarding the authority to withhold funds on ethical grounds shall apply without regard to whether the withholding of such funds is characterized as a disapproval, a moratorium, a prohibition, or other description.

"(C) Not later than 180 days after the date on which the matter is referred under subparagraph (A) to the Board, the Board shall submit to the Secretary, and to the Committee on Energy and Commerce of the House of Representatives and the Committee on Labor and Human Resources of the Senate, a report describing the findings of the Board regarding the project of research involved and making a recommendation under subparagraph (A)(ii) of whether the Secretary should or should not withhold funds for the project. The report shall include the information considered in making the findings.".•

By Mr. GLENN (for himself, Mr. FORD, Mr. MCCONNELL, and Mr. LUGAR):

S. 1043. A bill to extend until January 1, 1998, the existing suspension of duty on certain bicycle parts, and for other purposes; to the Committee on Finance.

BICYCLE PARTS DUTY SUSPENSION ACT OF 1993

• Mr. GLENN. Mr. President, today I introduce legislation to amend the Harmonized Tariff Schedule of the United States to suspend the duties on certain bicycle parts until January 1, 1998. I am pleased to have the Senators from Kentucky, Mr. FORD and Mr. MCCONNELL, and the Senator from Indiana, Mr. LUGAR, join me as cosponsors of this bill.

Regular duties on certain bicycle parts not manufactured in the United States have been suspended since 1971. As in the past, this suspension is critical to the competitive health of U.S. bicycle manufacturers, who continue to face intense international competition. Imports have claimed an increasshare of the U.S. bicycle market; 17 percent in 1979, 30 percent in 1986, 55 percent in 1988, and 37 percent today. This recent positive trend is due primarily to exchange rate adjustments with Taiwan, the principal supplier of imported bicycles. Unfortunately this gain is not likely to be sustained due to an anticipated substantial increase in imports from the People's Republic of China.

Suspension of duties on certain imported bicycle parts is necessary for two basic reasons. First, the bicycle parts covered by the duty suspension are not manufactured in the United States. U.S. bicycle manufacturers must, therefore, purchase these parts abroad. A tariff only penalizes the domestic bicycle manufacturer without protecting a U.S. parts manufacturer. Second, duty suspension also addresses, in part, an unfair bias against domestic bicycle manufacturers in the U.S. tariff schedules. Many imported bicycles are dutiable at a lower rate than most bicycle parts. Imported lightweight bicycles with wheels over 25 inches in diameter face a duty rate of 5.5 percent while most imported bicycle parts face a duty of 10 percent. This anomaly, if uncorrected by duty suspension legislation, enables foreign bicycle manufacturers to assemble bicycles abroad with foreign bicycle parts and import the completed product into the United States subject to the lower duty rate for bicycles. In contrast, our domestic manufacturers must first import certain components necessary to complete the manufacture of a bicycle, because these parts are not available domestically, and these parts come in at the higher rate for parts. The higher price our domestic manufacturers must pay for their imported parts places them at an obvious competitive disadvantage vis-a-vis the foreign competition.

The bill I am introducing today enjoys the support of both the domestic bicycle manufacturers and the domestic bicycle parts manufacturers and is, as far as I know, noncontroversial. Nevertheless, it is vitally important to our domestic bicycle industry's ability to compete against vigorous foreign competition.

I urge my colleagues to support this legislation and ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1043

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXTENSION OF EXISTING SUSPENSION OF DUTY ON CERTAIN BICYCLE PARTS.

The following headings of the Harmonized Tariff Schedule of the United States are each amended by striking "12/31/92" and inserting "12/31/97":

(1) Heading 9902.40.11.
(2) Heading 9902.73.12.
(3) Heading 9902.73.15.
(4) Heading 9902.84.79.
(5) Heading 9902.85.12.
(6) Heading 9902.87.14.
(7) Heading 9902.87.15.
(8) Heading 9902.87.16.

SEC. 2. RENEWAL OF EXISTING CUSTOMS EXEMPTION APPLICABLE TO BICYCLE PARTS IN FOREIGN TRADE ZONES.

Section 3(b) of the Act of June 18, 1934 (commonly known as the Foreign Trade Zones Act) (19 U.S.C. 81c(b)) is amended by striking "December 31, 1992" and inserting "December 31, 1997".

SEC. 3. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b), the amendments made by this Act apply with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of the enactment of this Act.

(b) RETROACTIVE PROVISION.—Notwithstanding section 514 of the Tariff Act of 1930 or any other provision of law to the contrary, upon a request filed with the appropriate customs officer before the 195th day after the date of the enactment of this Act, any entry or withdrawal from warehouse for consumption of goods to which any amendment made by this Act applies and that was made—

(1) after December 31, 1992; and

(2) before the 15th day after the date of the enactment of this Act;

and with respect to which there would have been a lower duty if the amendment made by this Act had applied to such entry or withdrawal, shall be liquidated or reliquidated as though the amendments made by sections 1 and 2 applied to such entry or withdrawal.•

By Mr. DOLE (for himself, Mr. LUGAR, Mr. GORTON, Mr. D'AMATO, Mr. WALLOP, and Mr. THURMOND):

S. 1044. A bill terminating the United States arms embargo of the Government of Bosnia-Herzegovina; to the Committee on Foreign Relations.

BOSNIA-HERZEGOVINA SELF-DEFENSE ACT OF 1993

Mr. DOLE. Mr. President, I rise today to introduce the Bosnia-Herzegovina Self-Defense Act of 1993—a bill which terminates the United States arms embargo against the Republic of Bosnia-Herzegovina and authorizes no more than $200 million in military assistance to the Government of Bosnia-Herzegovina. I am pleased to be joined by the distinguished Senator from Indiana, Senator LUGAR, the distinguished Senator from Washington, Senator GORTON, the distinguished Senator from New York, Senator D'AMATO, and the distinguished Senator from Wyoming, Senator WALLOP. This legislation, if adopted would be a big step toward restoring Bosnia-Herzegovina's sovereign rights under the United Nations charter. Moreover, it would provide the Bosnians some means to defend themselves. The issue of lifting the arms embargo against the Bosnian Government, is not just a question of fairness, but of the rights of Bosnia as a state and member of the United Nations. The United States arms embargo dates back to July of 1991, when the United States adopted a policy suspending all licenses and other approvals to export or otherwise transfer defense articles and services to Yugoslavia. On September 25, 1991, at the request of Yugoslavia, the U.N. Security Council adopted resolution 713, imposing a mandatory international embargo on all deliveries of weapons and military equipment to Yugoslavia.

This U.N. Security Council action was taken prior to the independence of Bosnia and Herzegovina, prior to the Republic of Bosnia and Herzegovina's admission into the United Nations, and prior to the first acts of aggression against Bosnia. The fact is that the arms embargo was placed on the former Yugoslavia—a state which no longer exists.

The U.N. Charter's article 2 states, "This organization is based on the principle of the sovereign equality of all its members." The meaning of this language is clear, yet Bosnia and Herzegovina has not enjoyed this equal status with respect to the right of self-defense—a right contained in article 51 of the U.N. Charter.

Article 51 states:

> Nothing in the present Charter shall impair the inherent right of individual or collective self-defence if an armed attack occurs against a member of the United Nations, until the Security Council has taken measures necessary to maintain international peace and security.

Mr. President, it is obvious that the measures taken by the Security Council to date in response to the aggression against Bosnia and Herzegovina have been inadequate to maintain international peace and security. To the contrary, continued application to Bosnia of the arms embargo that was imposed on the former Yugoslavia has impaired and continues to impair Bosnia's right to self-defense, thereby encouraging further aggression. To put it plainly, the arms embargo has rendered Bosnia virtually defenseless against Serbian forces which inherited the vast military resources of the Yugoslav Army. As a result, more than 70 percent of Bosnia is occupied, more than 2 million Bosnians are homeless, and more than 150,000 people have died.

Mr. President, should the United States be tied to an unjust policy in a U.N. Security Council resolution which because of changed circumstances now violates the U.N. Charter? In my view the answer is "No." The arms embargo doesn't make any sense in policy or legal terms.

I know that the President is committed to a multilateral approach—I support this approach. But, it seems that multi-lateralism has become the primary goal and good policy the secondary goal. Is the United States going to pursue multilateralism for multilateralism's sake? Or is the United States as the world's only superpower going to construct the best policy and then work to forge a consensus? In my view, it is no great achievement to get an agreement on a policy which amounts to the lowest common denominator.

In December of last year, the U.N. General Assembly overwhelmingly passed a resolution urging that the arms embargo against Bosnia be lifted—and the United States voted in favor of the option. President Clinton and Secretary of State Christopher maintain that the lifting of the arms embargo against Bosnia remains the "preferred option." Some would argue that we should wait for the Security Council to take action to lift the embargo, but this bill offers an alternative to waiting.

I believe that lifting the arms embargo is the least we can do, and I urge the administration to resume the course it set out on 4 weeks ago. The United States should lead the way in doing what is right. The international community may choose not to follow through on collective defense, but it should not and must not stand in the way of Bosnia's right to self defense.

Mr. President, I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1044

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Bosnia-Hercegovina Self-Defense Act of 1993".

SEC. 2. FINDINGS.

The Congress makes the following findings:

(1) On July 10, 1991, the United States adopted a policy suspending all licenses and other approvals to export or otherwise transfer defense articles and defense services to Yugoslavia.

(2) On September 25, 1991, the United Nations Security Council adopted Resolution 713, which imposed a mandatory international embargo on all deliveries of weapons and military equipment to Yugoslavia.

(3) The United States considered the policy adopted July 10, 1991, to comply fully with Resolution 713 and therefore took no additional action in response to that resolution.

(4) On January 8, 1992, the United Nations Security Council adopted Resolution 727, which decided that the mandatory arms embargo imposed by Resolution 713 should apply to any independent states that might thereafter emerge on the territory of Yugoslavia.

(5) On February 29 and March 1, 1992, the people of Bosnia-Hercegovina voted in a referendum to declare independence from Yugoslavia.

(6) On April 7, 1992, the United States recognized the Government of Bosnia-Hercegovina.

(7) On May 22, 1992, the Government of Bosnia-Hercegovina was admitted to full membership in the United Nations.

(8) Consistent with Resolution 727, the United States has continued to apply the policy adopted July 10, 1991, to independent states that have emerged on the territory of the former Yugoslavia, including Bosnia-Hercegovina.

(9) Subsequent to the adoption of Resolution 727 and Bosnia-Hercegovina's independence referendum, the seige of Sarajevo began and fighting spread to other areas of Bosnia-Hercegovina.

(10) The Government of Serbia intervened directly in the fighting by providing significant military, financial, and political support and direction to Serbian-allied irregular forces in Bosnia-Hercegovina.

(11) In statements dated May 1 and May 12, 1992, the Conference on Security and Cooperation in Europe declared that the Government of Serbia and the Serbian-controlled Yugoslav National Army were committing aggression against the Government of Bosnia-Hercegovina and assigned to them prime responsibility for the escalation of bloodshed and destruction.

(12) On May 30, 1992, the United Nations Security Council adopted Resolution 757, which condemned the Government of Serbia for its continued failure to respect the territorial integrity of Bosnia-Hercegovina.

(13) Serbian-allied irregular forces have, over the last year, occupied approximately 70 percent of the territory of Bosnia-Hercegovina, committed gross violations of human rights in the areas they have occupied, and established a secessionist government committed to eventual unification with Serbia.

(14) The military and other support and direction provided to Serbian-allied irregular forces in Bosnia-Hercegovina constitutes an armed attack on the Government of Bosnia-Hercegovina by the Government of Serbia within the meaning of Article 51 of the United Nations Charter.

(15) Under Article 51, the Government of Bosnia-Hercegovina, as a member of the United Nations, has an inherent right of individual or collective self-defense against the armed attack from the Government of Serbia until the United Nations Security Council has taken measures necessary to maintain international peace and security.

(16) The measures taken by the United Nations Security Council in response to the armed attack on Bosnia-Hercegovina have not been adequate to maintain international peace and security.

(17) Bosnia-Hercegovina has been unable successfully to resist the armed attack from Serbia because it lacks the means to counter heavy weaponry that Serbia obtained from the Yugoslav National Army upon the dissolution of Yugoslavia, and because the mandatory international arms embargo has prevented Bosnia-Hercegovina from obtaining from other countries the means to counter such heavy weaponry.

(18) On December 18, 1992, with the affirmative vote of the United States, the United Nations General Assembly adopted Resolution 47/121, which urged the United Nations Security Council to exempt Bosnia-Hercegovina from the mandatory arms embargo imposed by Resolution 713.

(19) In the absence of adequate measures to maintain international peace and security, continued application to the Government of Bosnia-Hercegovina of the mandatory international arms embargo imposed by the United Nations Security Council prior to the armed attack on Bosnia-Hercegovina undermines that government's right of individual or collective self-defense and therefore contravenes Article 51 of the United Nations Charter.

(20) Bosnia-Hercegovina's right of self-defense under Article 51 of the United Nations Charter includes the right to ask for military assistance from other countries and to receive such assistance if offered.

SEC. 3. UNITED STATES ARMS EMBARGO OF THE GOVERNMENT OF BOSNIA-HERCEGOVINA.

(a) Termination.—The President shall terminate the United States arms embargo of the Government of Bosnia-Hercegovina upon receipt from that government of a request for assistance in exercising its right of self-defense under Article 51 of the United Nations Charter.

(b) Definition.—As used in this section, the term "United States arms embargo of the Government of Bosnia-Hercegovina" means the application to the Government of Bosnia-Hercegovina of—

(1) the policy adopted July 10, 1991, and published in the Federal Register of July 19, 1991 (58 Fed. Reg. 33322) under the heading "Suspension of Munitions Export Licenses to Yugoslavia"; and

(2) any similar policy being applied by the United States Government as of the date of receipt of the request described in subsection (a) pursuant to which approval is routinely denied for transfers of defense articles and defense services to the former Yugoslavia.

SEC. 4. UNITED STATES MILITARY ASSISTANCE FOR BOSNIA-HERCEGOVINA.

(a) Policy.—The President should provide appropriate military assistance to the Government of Bosnia-Hercegovina upon receipt from that government of a request for assistance in exercising its right of self-defense under Article 51 of the United Nations Charter.

(b) Authorization of Military Assistance.—

(1) Drawdown authority.—If the Government of Bosnia-Hercegovina requests United States assistance in exercising its right of self-defense under Article 51 of the United Nations Charter, the President is authorized to direct the drawdown of defense articles from the stocks of the Department of Defense, defense services of the Department of Defense, and military education and training in order to provide assistance to the Government of Bosnia-Hercegovina. Such assistance shall be provided on such terms and conditions as the President may determine.

(2) Limitation on value of transfers.—The aggregate value (as defined in section 664(m) of the Foreign Assistance Act of 1961) of defense articles, defense services, and military education and training provided under this subsection may not exceed $200,000,000.

(3) Expiration of authorization.—The authority provided to the President in paragraph (1) expires at the end of fiscal year 1994.

(4) Limitation on activities.—Members of the United States Armed Forces who perform defense services or provide military education and training outside the United States under this subsection may not perform any duties of a combatant nature, including any duties related to training and advising that may engage them in combat activities.

(5) Reports to congress.—Within 60 days after any exercise of the authority of paragraph (1) and every 60 days thereafter, the President shall report in writing to the Speaker of the House of Representatives and the President pro tempore of the Senate concerning the defense articles, defense services, and military education and training being provided and the use made of such articles, services, and education and training.

(6) Reimbursement.—(A) Defense articles, defense services, and military education and

training provided under this subsection shall be made available without reimbursement to the Department of Defense except to the extent that funds are appropriated pursuant to subparagraph (B).

(B) There are authorized to be appropriated to the President such sums as may be necessary to reimburse the applicable appropriation, fund, or account for the value (as defined in section 664(m) of the Foreign Assistance Act of 1961) of defense articles, defense services, or military education and training provided under this subsection.

By Mr. WOFFORD (for himself and Mr. BRADLEY):

S. 1045. A bill to permit States to establish programs using unemployment funds to assist unemployed individuals in becoming self-employed; to the Committee on Labor and Human Resources.

SELF-EMPLOYMENT OPPORTUNITY ACT

• Mr. WOFFORD. Mr. President, today I am introducing on behalf of myself and Senator BRADLEY the Self-Employment Opportunity Act, which would make self-employment a reemployment option under our unemployment compensation system.

The number of people who are unemployed remains unacceptably high across the country. Our economy is not producing enough new jobs and is losing thousands of high paying jobs. In this time of economic hardship, the Federal-State Unemployment Compensation Program is essential to maintaining the well-being of millions of American families. But it's a system under real stress.

Before coming to the Senate, I served as Pennsylvania's secretary of labor and industry for 4½ years, where one of my responsibilities was to administer our State's unemployment compensation program. So I am well aware of its strengths and weaknesses of this system from the ground up.

It is an important program, a complex program, and a program that can be improved and strengthened.

That's why I introduced the Unemployment Compensation, Reemployment and Fairness Act (S. 320). This legislation includes, among other reforms, a requirement for States to review the reemployment prospects of workers soon after they have lost their jobs so that they can receive necessary services and training before they exhaust their benefits. This reform was enacted into law earlier this year as part of the extended benefits' authorization.

S. 320 also includes a provision to permit States to create self-employment programs. Over the past decade, Canada, Australia, and many Western European nations have put in place programs to make self-employment an alternative for reemployment of unemployed workers.

The Department of Labor is now sponsoring two self-employment State programs in Massachusetts and Washington. The Washington Self-Employment Demonstration Project provides selected entrepreneurial training and business support services. Financial assistance in the Washington program, includes: Waiver of the UI work search test; payment of regular weekly benefits equal to the claimant's regular UI benefits; and, a lump-sum payment equal to the participant's remaining UI entitlement upon satisfying specific milestones in the process of starting a business.

The Massachusetts Program provides business assistance services to participants similar to those offered in the Washington program. The financial component in Massachusetts includes an exemption for participants from the regular UI work search requirement and self-employment allowances are paid in the same form as regular UI benefits. Early indications are that both programs are having positive results.

I believe that a self-employment option should be widely available as part of our country's unemployment compensation system. Many skilled people are now being laid off from large companies, like IBM, Sears, and Boeing, which are downsizing to meet international competition. For these people, self-employment is often a real option and an option the Government should encourage.

The Self-Employment Opportunity Act builds upon my earlier legislation and is identical to that introduced in the House of Representatives by Representative RON WYDEN of Oregon. The Senate passed similar legislation last year as part of H.R. 11, which was ultimately vetoed by the President.

There may be some who argue that we should wait until the Massachusetts and Washington pilot programs are completed. But I believe we should not wait. There is a real need among skilled people being laid off from their jobs—many of whom thought they would have their jobs forever—for whom self-employment may be the only real employment option in the near future.

In addition, there are no budgetary costs of moving forward. This legislation would not mandate States to implement self-employment programs. And even if a State chose to establish a self-employment program, it would not cost the Federal Government any additional funds. The legislation specifically provides that approved State programs cannot result in any cost to the unemployment trust fund in excess of the cost that would be incurred by such State if it had not participated in a self-employment program.

When Franklin Roosevelt and the Congress together created our present Unemployment Compensation System, he wanted a program that would be flexible—a program that would reflect and adjust to changing employer and worker needs and economic circumstances. That is the idea behind this legislation.

Mr. President, I ask unanimous consent that the full text of the Self-Employment Opportunity Act appear in the RECORD following my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1045

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Self-Employment Opportunity Act".

SEC. 2. SELF-EMPLOYMENT PROGRAMS.

(a) IN GENERAL.—Notwithstanding any other provision of law, the Secretary of Labor (hereinafter in this section referred to as the "Secretary") may authorize States to establish and operate self-employment programs that meet the requirements of this section.

(b) REQUIREMENTS.—The Secretary may authorize a State self-employment program, if a State applies to participate in such a program, and the Secretary determines that—

(1) the State program does not result in any cost to the Unemployment Trust Fund (established by section 904(a) of the Social Security Act) in excess of the cost that would be incurred by such State and charged to such Fund if the State had not participated in a self-employment program;

(2) the State program provides unemployment benefits only to individuals who are entitled to unemployment compensation under State law (without regard to any disqualification resulting from self-employment and without regard to any State law relating to availability for work, active search for work, or refusal to accept work);

(3) the State program contains a process to target individuals who have been permanently separated from their jobs or do not expect to be recalled to their jobs;

(4) benefits under the State program are available only to individuals who are likely to receive unemployment compensation for the maximum number of weeks that such compensation is available under the State law during a benefit year; and

(5) the aggregate number of individuals receiving benefits under the State program does not at any time exceed 5 percent of the number of individuals receiving compensation under the State law at such time.

(c) BENEFITS.—If the Secretary authorizes a self-employment program for a State under this section, the State may use the State unemployment fund to provide cash unemployment benefits, exclusive of the expenses of administration, to individuals participating in the program. Such benefits shall be used to assist participating individuals in becoming self-employed.

(d) REPORTS.—

(1) STATE REPORTS.—Any State operating a self-employment program authorized by the Secretary under this section shall report annually to the Secretary on the number of individuals who participate in the program, the number of individuals who are able to develop and sustain businesses, the operating costs of the program, compliance with program requirements, and any other relevant aspects of program operations requested by the Secretary.

(2) REPORTS TO CONGRESS.—Not later than December 31, 1996, based on the reports received from States operating self-employment programs under this section, the Secretary shall report to the Committee on Finance of the Senate and the Committee on

Ways and Means of the House of Representatives with respect to the operation of the State programs. The report shall contain the Secretary's recommendations regarding establishment of a permanent self-employment program as part of the regular unemployment compensation program.

(e) DEFINITIONS.—For purposes of this section, the terms "compensation", "regular compensation", "benefit year", "State", and "State law", have the respective meanings given such terms by section 205 of the Federal-State Extended Unemployment Compensation Act of 1970.

(f) TERMINATION.—The provisions of this section shall not apply after September 30, 1997.

By Mr. MOYNIHAN:

S. 1046. A bill to authorize the Architect of the Capitol to develop and implement a plan to improve the Capitol grounds through the elimination and modification of space allocated for parking; to the Committee on Rules and Administration.

ARC OF PARK CAPITOL GROUNDS IMPROVEMENT ACT OF 1993

Mr. MOYNIHAN. Mr. President, just over 92 years ago, in March 1901, the Senate Committee on the District of Columbia was directed by Senate Resolution to "report to the Senate plans for the development and improvement of the entire park system of the District of Columbia * * * (F)or the purpose of preparing such plans the committee * * * may secure the services of such experts as may be necessary for a proper consideration of the subject."

And secure "such experts" the committee assuredly did. The Committee formed what came to be known as the McMillan Commission, named for committee chairman, Senator James McMillan of Michigan. The Commission's membership was a "who's who" of late 19th and early 20th-century architecture, landscape design, and art: Daniel Burnham, Frederick Law Olmsted, Jr., Charles F. McKim, and Augustus St. Gaudens. The Commission traveled that summer to Rome, Venice, Vienna, Budapest, Paris, and London, studying the landscapes, architecture, and public spaces of the grandest cities in the world. The McMillan Commission returned and fashioned the city of Washington as we now know it.

We are particularly indebted today for the Commission's preservation of the Mall. When the members left for Europe, the Congress had just given the Pennsylvania Railroad a 400-foot wide swath of the Mall for a new station and trackage. It is hard to imagine our city without the uninterrupted stretch of greenery from the Capitol to the Washington Monument, but such would have been the result. Fortunately, when in London, Daniel Burnham was able to convince Pennsylvania Railroad president Cassatt that a site on Massachusetts Avenue would provide a much grander entrance to the city. President Cassatt assented and Daniel Burnham gave us Union Station.

But the focus of the Commission's work was the District's park system. The Commission noted in its report:

> Aside from the pleasure and the positive benefits to health that the people derive from public parks, in a capital city like Washington there is a distinct use of public spaces as the indispensable means of giving dignity to Government buildings and of making suitable connections between the great departments * * * (V)istas and axes; sites for monuments and museums; parks and pleasure gardens; fountains and canals; in a word all that goes to make a city a magnificent and consistent work of art were regarded as essential in the plans made by L'Enfant under the direction of the first President and his Secretary of State.

Washington and Jefferson might be disappointed at the affliction now imposed on much of the Capitol Grounds by the automobile.

Despite the ready and convenient availability of the city's Metrorail system, an extraordinary number of Capitol Hill employees drive to work. No doubt many must. But must we provide free parking? If there is one lesson learned from the Intermodal Surface Transportation Efficiency Act of 1991, it is that free goods are always wasted. Free parking is a most powerful incentive to drive to work when the alternative is to pay for public transportation. Furthermore, much as expenses rise to meet income, newly provided parking spaces are instantly filled. At the foot of Pennsylvania Avenue is a scar of angle-parked cars, in parking spaces made available temporarily during construction of the Thurgood Marshall Federal Judiciary Building. Once completed, spaces in the building's garage would be made available to Senate employees and Pennsylvania Avenue would be restored. Not so. The demand for spaces has simply risen to meet the available supply, and the unit block of the Nation's main street remains a disaster.

Today, I am introducing legislation to improve the Capitol Grounds through the near-complete elimination of surface parking. As the Architect of the Capitol eliminates these unsightly lots, they will be reconstructed as public parks, landscaped in the fashion of the Capitol Grounds. I envision what I call an arc of park sweeping around the Capitol from Second Street, Northeast, around to the Capitol Reflecting Pool, and thence back to First Street, Southeast. Delaware Avenue between Columbus Circle and Constitution Avenue would be closed to traffic and rebuilt as a pedestrian walkway, a grand pathway to the Capitol from Union Station.

Finally, there is still the matter of parking. This legislation authorizes the Architect of the Capitol to construct underground parking facilities, as needed. These facilities, which will undoubtedly be expensive, will be financed simply by charging for the parking. A legitimate user fee.

I ask unanimous consent that the text of this legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1046

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Arc of Park Capitol Grounds Improvement Act of 1993".

SEC. 2. CAPITOL GROUNDS IMPROVEMENT PLAN.

(a) The Architect of the Capitol is authorized to develop and implement a comprehensive plan for the improvement of the grounds of the United States Capitol as described in 40 U.S.C. 193a. Such plan shall be consistent with the 1981 Report on the "Master Plan for the Future Development of the Capitol Grounds and Related Areas" prepared in accordance with Pubic Law 94-59 (July 25, 1975). Such plan shall result in an "arc of park" sweeping from Second Street, Northeast to the Capitol Reflecting Pool to First Street, Southeast, with the Capitol building as its approximate center. Such plan shall provide for, at a minimum:

(1) elimination of all current surface parking areas, excepting those areas which provide on-street parallel parking spaces;

(2) replacement of off-street surface parking areas with public parks. such parks shall be landscaped in a fashion appropriate to the United States Capitol grounds;

(3) reconstruction of Delaware Avenue, Northeast, between Columbus Circle and Constitution Avenue as a thoroughfare available principally to pedestrians as contemplated by the Master Plan;

(4) elimination of all but parallel parking on Pennsylvania Avenue, between First and Third Streets, Northwest;

(5) to the greatest extent practical, continuation of the Pennsylvania avenue tree line onto United States Capitol Grounds and implementation of other appropriate landscaping measures necessary to conform Pennsylvania Avenue between First and Third Streets, Northwest, to the aesthetic guidelines adopted by the Pennsylvania Avenue Development Corporation;

(6) closure of Maryland Avenue to through traffic between First and Third Streets, Southwest, consistent with appropriate access to and visitor parking for the United States Botanic Garden;

(7) construction of additional underground parking facilities, as needed. the cost of construction and operation of such parking facilities shall be defrayed to the greatest extent practical by charging appropriate usage fees, including time-of-day fees. Such parking facilities shall be made available to the general public, with priority given to employees of the Congress.

SEC. 3. APPLICABLE LOCAL LAW.

The construction and operation of any improvements under this Act shall not be subject to any law of the District of Columbia or any State or locality relating to taxes on sales, real estate, personal property, special assessments, uses or any other interest or transaction (including any such law enacted by Congress), nor shall they be subject to any law of the District of Columbia relating to use, occupancy or construction, including without limitation building codes, permits, or inspection requirements (including such laws enacted by Congress); provided, however, that the Architect of the Capitol shall comply with appropriate recognized national life safety and building codes in undertaking such construction and operation.

SEC. 4. RESPONSIBILITIES OF THE ARCHITECT OF THE CAPITOL.

The Architect of the Capitol shall be responsible for the structural, mechanical and custodial care and maintenance of the facilities constructed under the Act and may discharge such responsibilities directly or by contract. The Architect of the Capitol may permit the extension of steam and chilled water from the Capitol Power Plant on a reimbursable basis to any facilities or improvements constructed under this Act as a cost of such improvements.

SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

Ther are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

By Mr. MURKOWSKI:

S. 1047. A bill to convey certain real property located in Tongass National Forest to Daniel J. Gross, Sr., and Douglas K. Gross, and for other purposes; to the Committee on Energy and Natural Resources.

GROSS FAMILY LAND ACT OF 1993

• Mr. MURKOWSKI. Mr. President, I introduce legislation which would convey certain property located in the Tongass National Forest to Mr. Daniel J. Gross, Sr., and to his brother, Mr. Douglas K. Gross.

The legislation I am introducing today is identical to legislation I introduced during the 102d Congress.

Mr. President, in the early 1930's, Mr. and Mrs. William Lee Gross homesteaded 160.8 acres of land at Green Point on the Stikine River in Southeast Alaska. For many years William Lee and his wife Bessie lived on this land raising their family.

Unfortunately, the Gross' legal documentation to their land was destroyed during a fire in the family home in the winter of 1935–36. Without title to their parents land, Doug and Dan Gross have no legal documentation to the land their parents homesteaded. Without this legislation, the Grosses are in danger of losing their homestead forever.

The Forest Service refused to compromise with Doug and Dan Gross, and will not transfer the title of this land. In fact, the Forest Service already informed me they will oppose any legislation conveying title of this land to Doug and Dan Gross.

It is my hope that congressional consideration of this bill will prompt the Forest Service to reconsider their position and an acceptable compromise will be negotiated.

Doug and Dan Gross have been waiting for this issue to be resolved for over 10 years. If the Forest Service will not transfer title of the Gross' land, I will move to correct this injustice with legislation during the 103d Congress.•

By Mr. BINGAMAN (for himself, Mr. DOMENICI, and Mr. DASCHLE):

S. 1049. A bill to protect Lechuguilla Cafe and other resources and values in and adjacent to Carlsbad Caverns National Park, and for other purposes; to the Committee on Energy and Natural Resources.

LECHUGUILLA CAVE PROTECTION ACT OF 1993

• Mr. BINGAMAN. Mr. President, I introduce legislation that will provide needed additional protection to Lechuguilla Cave and other cave resources located in Carlsbad Caverns National Park. The entrance to Lechuguilla Cave is about 2,000 feet south of the northern boundary of Carlsbad Caverns National Park, within the part of that National Park System unit that has been designated as wilderness.

The cave's existence has been known since the early part of this century, but in 1986 a series of digs led to discovery of a passage leading into more than 60 miles of previously undiscovered passageways. Lechuguilla, the deepest known cave in the United States and more extensive than Carlsbad Cavern itself, has many rare features, including gypsum chandeliers that are described as the best examples in the world of such formations, and overall is considered among the best and most important cave resources in the world.

Carlsbad Caverns National Park is closed to mineral exploration and development, but adjacent public lands are not. Geologists are concerned that too-close mineral development activities would risk unintended alteration of cave structures or contamination of Lechuguilla and other caves.

Last week, the House passed legislation to protect Lechuguilla Cave which was the result of a good deal of hard work and compromise. I want to commend my colleagues BRUCE VENTO, chairman of the Parks and Public Lands Subcommittee of the House Natural Resources Committee, the ranking member of the subcommittee, Congressman HANSEN, and Congressman JOE SKEEN of the Second District of New Mexico for their work.

The legislation I am introducing here today, along with my colleague from New Mexico, Senator DOMENICI, and Senator DASCHLE, who has taken an active interest in this matter, is companion legislation to the bill passed in the House.

The Lechuguilla Cave Protection Act of 1993 requires the following:

Withdrawal from multiple use of approximately 6,280 acres of public lands that are within a designated "cave protection area." No new leases for oil, gas, mining, or other activities will be let in this area.

Where there are existing leases, drilling for mineral resources will be suspended for up to 1 year, or until the Dark Canyon Environmental Impact Statement is completed, whichever occurs first. During this time, the Secretary is directed to enter into negotiations with leaseholders, if necessary, for termination of the lease or for other restrictions, as necessary, in order to ensure that the cave resources are protected. The Secretary is directed to take such steps he deems appropriate to protect Lechuguilla Cave and the other significant cave resources of Carlsbad Caverns National Park and the lands within the cave protection area.

The legislation also instructs the Secretary to work with private property owners and the State of New Mexico to secure their cooperation for protection of Lechuguilla Cave and other significant cave resources of Carlsbad Caverns.

Mr. President, this bill provides direct and unambiguous protection for the cave resources, while laying out a clear path for handling of existing mineral leases in the cave resource protection area. I urge my colleagues to support speedy passage of this bill in the Senate.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1049

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Lechuguilla Cave Protection Act of 1993".

SEC. 2. FINDINGS.

Congress finds that Lechuguilla Cave and other significant cave resources of Carlsbad Caverns National Park and adjacent public lands in the cave protection area have internationally significant scientific, environmental, and other values, and should be retained in public ownership and protected against adverse effects of mineral exploration and development and other activities presenting threats to the areas.

SEC. 3. DEFINITIONS.

As used in this Act (except as otherwise specified in this Act):

(1) CAVE PROTECTION AREA.—The term "cave protection area" means the lands within the area depicted on the map referred to in section 4(b).

(2) SECRETARY.—The term "Secretary" means the Secretary of the Interior.

(3) OTHER TERMS.—All other terms, including the term "public lands", shall have the same meaning as the terms have in the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.).

SEC. 4. LAND WITHDRAWAL.

(a) WITHDRAWAL.—Subject to valid existing rights, the approximately 6,280 acres of public lands within the boundaries of the cave protection area that are subject to or may become subject to the operation of the public land laws, are withdrawn from all forms of appropriation or disposal under the public land laws (including the mining and material disposal laws) and from the operation of the mineral leasing and geothermal leasing laws.

(b) LAND DESCRIPTION.—The lands referred to in subsection (a) are the lands generally depicted on the map entitled "Lechuguilla Cave Protection Area" dated April 1993 and filed in accordance with subsection (c).

(c) PUBLICATION, FILING, CORRECTION, AND INSPECTION.—

(1) IN GENERAL.—As soon as is practicable after the date of enactment of this Act, the

Secretary shall publish in the Federal Register a notice containing the legal description of the lands withdrawn under subsection (a) and shall file the legal description and a detailed map of the lands referred to in subsection (a) with the Committee on Natural Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate.

(2) FORCE AND EFFECT.—The map and legal description referred to in paragraph (1) shall have the same force and effect as if included in this Act except that the Secretary may correct clerical and typographical errors in the map and legal description.

(3) INSPECTION.—Copies of the map and legal description referred to in subsection (b) shall be available for public inspection in the offices of the Director and appropriate State Director of the Bureau of Land Management.

(d) MANAGEMENT.—The public lands withdrawn under subsection (a) shall be managed by the Secretary, acting through the Director of the Bureau of Land Management, pursuant to the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.) and other applicable laws, including this Act.

SEC. 5. MANAGEMENT OF EXISTING LEASES.

(a) SUSPENSION OF NEW DRILLING.—

(1) IN GENERAL.—

(A) PROHIBITION.—The Secretary shall not permit any new drilling on or involving any valid mineral or geothermal leases within the lands withdrawn under section 4.

(B) SUSPENSION.—The Secretary shall require the suspension of any activities with respect to mineral or geothermal leases if the Secretary determines that to do so is necessary to prevent an adverse impact on Lechuguilla Cave or other significant cave resources of Carlsbad Caverns National Park and the lands within the cave protection area.

(2) DURATION.—

(A) IN GENERAL.—The prohibition on new drilling imposed by the Secretary under paragraph (1) shall remain in effect until the effective date of a record of decision regarding the proposal to drill is analyzed in the Dark Canyon Environmental Impact Statement, or for 12 months after the date of enactment of this Act, whichever occurs first.

(B) AFTER PROHIBITION PERIOD.—Nothing in this subsection shall be construed to require the Secretary to permit or prohibit new drilling after the period specified in subparagraph (A).

(b) NEGOTIATIONS.—

(1) AGREEMENTS FOR TERMINATION OF LEASES.—During the period specified in subsection (a)(2), the Secretary shall seek the agreement of the holder of a valid existing mineral or geothermal lease on the public lands withdrawn under section 4(a) for the termination of the lease or to such restrictions on activities on lands covered by the lease as the Secretary determines to be appropriate to protect Lechuguilla Cave and the other significant cave resources of Carlsbad Caverns National Park and the lands within the cave protection area. The Secretary shall seek such agreement with due regard to the value of the oil and gas resources which the owners thereof will not be allowed to recover or produce.

(2) NO AGREEMENT.—

(A) IN GENERAL.—With respect to any lease for which no agreement of the type described in paragraph (1) has been reached at the end of the period specified in subsection (a)(2), the Secretary shall take such steps as the Secretary determines to be appropriate to protect Lechuguilla Cave and the other significant cave resources of Carlsbad Caverns National Park and the lands within the cave protection area.

(B) OPTIONS.—The steps referred to in subparagraph (A) may include acquisition of the lands covered by the lease or other interests. In the event of an acquisition, any lands or interests therein acquired by the Secretary shall be managed pursuant to the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.) and other applicable laws, including this Act.

(3) COOPERATION OF OTHER PARTIES.—To the extent the Secretary determines is desirable, the Secretary shall seek the cooperation of the State of New Mexico and any other parties owning lands within the cave protection area with respect to such restrictions on the use of relevant lands owned by the parties as the Secretary may suggest to further the protection of Lechuguilla Cave and the other significant cave resources of Carlsbad Caverns National Park and the lands within the cave protection area.

SEC. 6. ADDITIONAL PROTECTION AND RELATION TO OTHER LAWS.

(a) ADDITIONAL PROTECTION.—

(1) IN GENERAL.—The Secretary shall take additional steps to protect Lechuguilla Cave or the other significant cave resources of Carlsbad Caverns National Park and the lands within the cave protection area, if on the basis of scientific analysis found by the Secretary to be relevant and credible, the Secretary determines it is appropriate to do so.

(2) LIMITATIONS ON ACCESS.—To the extent the Secretary finds appropriate to protect Lechuguilla Cave and the other significant cave resources of Carlsbad Caverns National Park or the lands within the cave protection area, the Secretary may limit or prohibit access to or across lands owned by the United States or prohibit the removal from the lands any mineral, geological, or cave resources except as the Secretary may permit for scientific purposes.

(3) INSUFFICIENT AUTHORITY.—If the Secretary determines that existing law, including this Act, provides the Secretary insufficient authority to take any step the Secretary determines to be desirable to protect Lechuguilla Cave or other significant cave resources of Carlsbad Caverns National Park or the lands within the cave protection area, the Secretary shall inform the Committee on Natural Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate concerning the additional authority the Secretary believes to be necessary.

(b) RELATION TO OTHER LAWS.—Nothing in this Act shall be construed as increasing or diminishing the ability of any party to seek compensation pursuant to any applicable law, including section 1491 of title 28, United States Code (commonly referred to as the "Tucker Act"), or as precluding any defense or claim otherwise available to the United States in connection with any action seeking compensation from the United States.•

• Mr. DOMENICI. Mr. President, I am pleased to join the other Senator from New Mexico, Senator BINGAMAN, who is sponsoring legislation to protect Lechuguilla Cave, a premier cave, and its associated subterranean environment found within southeast New Mexico.

Lechuguilla Cave, is a world class cave that deserves our protection due to it's spectacular features and the length of its system. Even though the area where Lechuguilla Cave is found has other spectacular cave networks such as the impressive Carlsbad Caverns, Lechuguilla Cave is impressive enough in its own right to stand alone as a treasured resource. The cave is a system with over 59 miles of mapped passages.

While the formation of most caves is created by the dissolution of carbonic acid, Lechuguilla Cave was created from the process of sulfuric acid accumulating along natural fractures, dissolving carbonates, carrying them away and creating an opening in the underground strata. The Capitan Reef area is known for its creation of caves and cavern development, which includes Lechuguilla Cave.

This immense cave, as it is known today, is probably but a small portion of what will eventually be discovered and mapped. The volume of air that moves from its passages far exceeds its present known volumetric size, which suggests that the known cave network may only comprise 2 percent of the total suspected network. What additional passages and connectors within Lechuguilla Cave will be found is impossible to predict, but the likelihood of this already impressively large cave to be of even greater magnitude is highly probable.

Apart from its size, Lechuguilla Cave has other outstanding characteristics, such as its formations and environment, which are reason enough for its protection. The evolution to the present cave environment suggests that this process was unique. It is the only cave that subaqueous helectite formations. Many of the more common formations found within the cave are considered some of the best and most impressive examples in the world. But this cave environment is intriguing not only for its internal structural architecture, but also for its biological community. The discovery of the cave has led to the finding of several species of bacteria which oxidize sulfur in order to obtain energy, a chemosynthetic ecosystem. This chemical process of using mineral elements for energy production is an extremely rare physical-biological relationship used by bacteria.

Lechuguilla Cave has been fortunate, for it has been treated gently by those that have entered to learn and enjoy its special attractions. Special effort has been exercised to keep the influences of human intrusion into this environment at a minimum, with man as a mere visitor into one of nature's extraordinary environments. Therefore, we have the opportunity to have a cave ecosystem that is minimally impacted from man, and therefore, available for scientific study of its unique physical and biological interrelationships. The cave offers a rare opportunity which must be protected by controlling future activities in and around the cave.

The local geology of the area produces reservoirs of valuable oil and natural gas. The area is located in the Capitan Reef complex, one of the most exposed and most studied reef complexes in the world. It lies between the northwest shelf and the Delaware Basin of the Permian Basin structure. The geologic stratigraphy and structure around the cave formation have potential for gas production, with gas production leases already within the protection area. Mineral leases have been obtained by holders who obtained these leases before the cave was discovered, with the expectation that they would be allowed to bring these leases into full production.

The potential conflict between cave resources and mining requires detailed environmental information to properly assess whether mining can be carried out consistent with adequate protection of the cave. Obviously, no new leases would be authorized within the protection area. For the existing mineral leases, the Bureau of Land Management is conducting the Dark Canyon environmental impact statement on an area around the cave. The impact statement addresses the compatibility of drilling the present leases within the area. This legislation does not attempt to override agency assessment and subsequent action of the existing leases, but emphasizes the importance of the cave and need for a determination on the compatibility of drilling. The Bureau of Land Management's Dark Canyon environmental impact statement should be completed this fall, when a decision will be made on whether and how to drill on these existing leases. It is important to both the supporters of cave protection and those who hold leases that the Bureau of Land Management's decision on drilling is made based upon the best scientific information available and made expeditiously.

I strongly believe that the Lechuguilla Cave should be protected due to the significance of this cave resource, but I recognize that providing protection may affect valid interests of the mineral leaseholders. It is appropriate that under this bill, the leaseholders will be kept involved in the decision process and that a solution be found that is reasonable and fair to all affected interests.•

By Mr. MITCHELL (for Mr. KRUEGER):

S. 1050. A bill to designate the Federal building located at 525 Griffin Street in Dallas, TX; as the "A. Maceo Smith Federal Building;" to the Committee on Environment and Public Works.

A. MACEO SMITH FEDERAL BUILDING ACT OF 1993

Mr. KRUEGER. Mr. President, I introduce legislation that will result in a long overdue recognition of a great American and great leader in the black community in Texas.

Founder of the Negro Chamber of Commerce in the early 1930's, A. Maceo Smith was a vital force in integrating black Americans into the business and political community for more than 40 years. Through his example and motivation, a generation and more of black Americans have sought an education that might otherwise have passed them by, have pursued careers in commerce and public service that they might never have had access to, and have taken a rising place in the lives of Texas and especially Dallas.

The bill I am introducing designates the building at 525 Griffin Street in Dallas as the A. Maceo Smith Federal Building. Through this bill, Mr. President, A. Maceo Smith will become the first black American to have a Federal building named in his honor in the city of Dallas. This first is a fitting monument to the life of a distinguished and accomplished man who inspired so many hearts and careers.

I ask unanimous consent that following my remarks the full text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1050

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The Federal building located at 525 Griffin Street in Dallas, Texas, is designated as the "A. Maceo Smith Federal Building".

SEC. 2. LEGAL REFERENCES.

Any reference in a law, regulation, document, record, map, or other paper of the United States to the building referred to in section 1 is deemed to be a reference to the "A. Maceo Smith Federal Building".

By Mr. MACK (for himself and Mr. GRAHAM):

S. 1051. A bill to amend title XVIII of the Social Security Act to extend the period during which Medicare-dependent, small rural hospitals receive additional payments under the Medicare Program for the operating costs of inpatient hospital services, to revise the criteria for determining whether hospitals are eligible for such additional payments, and to provide additional payments under the Medicare Program to other Medicare-dependent hospitals; to the Committee on Finance.

HIGH MEDICARE HOSPITAL RELIEF ACT OF 1993

• Mr. MACK. Mr. President, I wanted to bring to the attention of my colleagues a hospital payment issue of critical importance to Medicare's beneficiaries. This issue concerns high-Medicare hospitals, those hospitals with a disproportionate share of their inpatient days devoted to the care of Medicare patients. There are approximately 600 high-Medicare hospitals nationwide, in both urban and rural areas, which continue to struggle financially on a day-to-day basis, while providing quality health care to an ever-growing Medicare patient population.

High-Medicare hospitals are experiencing severely reduced, and in many cases, negative Medicare operating margins. Because of the very nature of these hospitals, there are few privately insured patients to compensate for Medicare losses. They have little or no choice but to either cut back on medical personnel or consider a reduction in services. Additionally, when these hospitals attempt to cost-shift, they become less competitive and risk losing the few non-Medicare payers for whom they provide care.

To address the plight of these high-Medicare hospitals, Senator GRAHAM has joined me in introducing the High Medicare Hospital Relief Act of 1993. This bill provides relief under the prospective payment system [PPS] for urban and large rural high-Medicare hospitals and it continues the relief currently afforded small rural Medicare-dependent hospitals. The legislation extends until March 31, 1996, the relief given to rural Medicare-dependent hospitals under OBRA '89. For urban and large rural high-Medicare hospitals, the bill provides an additional per case payment of 3 percent. The intent of this legislation is to place these Medicare-dependent hospitals on an equal footing with other PPS hospitals. This relief will protect Medicare-dependent hospitals which are most vulnerable to any further reductions in Medicare reimbursements.

Mr. President, this issue is not a question of large States versus small State. It is not a question of urban areas versus rural areas. It is, quite simply, a question of fairness and equity for all hospitals providing health care to America's seniors.

The hospitals which would benefit from this legislation are vital to our Nation's health care system and I urge my colleagues to support this measure.•

• Mr. GRAHAM. Mr. President, today I am reintroducing legislation to provide relief to our Nation's high-Medicare hospitals.

This is the third time in which Senator MACK and I have joined together to sponsor this legislation. In past years we could not solve the problems of struggling hospitals devoting over 65 percent of their inpatient days to the care of Medicare patients. Since 1983, these margins have continued to increase. Thus, each year that we do not assist these hospitals, their financial status worsens.

Over 600 hospitals nationwide are high-Medicare hospitals, and about 50 of these hospitals are located in Florida. These hospitals face constantly escalating pressures under Medicare's hospital prospective payment system [PPS]. Indeed, Medicare data show that high-Medicare hospitals have average Medicare operating margins considerably below that of other facilities. Again, these margins worsen each year.

This trend is disturbing as high-Medicare hospitals are particularly limited in their ability to make up PPS reimbursement shortfalls through non-Medicare payors. In other words, Medicare is the primary source of reimbursement for these hospitals.

Congress did recognize the legitimacy of this problem in 1989 during the enactment of legislation to provide temporary financial relief to certain, small, rural Medicare-dependent hospitals. This measure, however, did not include urban or larger rural hospitals.

The bill we are introducing today utilizes the same philosophy as the Medicare-dependent legislation, but includes urban and larger rural hospitals. In short, the bill would provide a payment adjustment for high-Medicare hospitals to place them in parity with other hospitals reimbursed under PPS.

Mr. President, in the past, ProPAC has acknowledged that operating margins for high-Medicare hospitals are lower than average operating margins for hospitals. ProPAC, however, recommended further review of the issue before supporting a special payment adjustment for high-Medicare hospitals. It is my hope that ongoing work by ProPAC will result in an explanation of this problem and, ultimately, a solution.

In the meantime, we must help the struggling hospitals whose plight worsens each year. I ask my colleagues to support this temporary adjustment during the reconciliation process.●

By Mr. HOLLINGS (for himself, Mr. STEVENS, and Mr. KERRY):

S. 1052. A bill to authorize appropriations for fiscal year 1994 and 1995 for the Coast Guard, and for other purposes; to the Committee on Commerce, Science, and Transportation.

COAST GUARD AUTHORIZATION ACT OF 1993

Mr. HOLLINGS. Mr. President, today I am introducing the Coast Guard Authorization Act of 1993, and I am pleased to be joined in this effort by my colleagues Senators KERRY and STEVENS, who are cosponsors of the bill. This bill provides the core authorization for the Coast Guard for fiscal years 1994 and 1995. The authorization is consistent with the administration's budget request of $3.812 billion for fiscal year 1994, and represents about a 4-percent overall increase from the level appropriated in fiscal year 1993. The authorization levels for fiscal year 1995 reflect current services with modest increases for inflation and to maintain planned procurement schedules.

As in previous years, the Coast Guard budget does not fully reflect the magnitude of duties performed by this branch of the armed services. The funding levels authorized will require the Coast Guard to continue running a tight ship, particularly given its numerous responsibilities. As I have stated before, in 1790, when the Coast Guard was first established, its mission was straightforward—to prevent smuggling and collect tax revenues. Since that time, its responsibilities have been expanded significantly to include search and rescue, fisheries law enforcement, drug interdiction, aids to navigation, marine safety, and marine environmental protection. The proposed funding levels in this bill are the minimums needed by the Coast Guard to carry out its many missions.

Coast Guard budget accounts in the legislation are summarized below. Funding levels for fiscal year 1993 are provided for reference.

[In millions of dollars]

	Enacted fiscal year 1993	Authorization—Fiscal year	
		1994	1995
Operating expenses	2,558	2,610	2,712
Acquis, constr., & improve.	340	414	596
Environmental compliance	22	23	24
Research and development	28	25	26
Retired pay	520	549	580
Alteration of bridges	13	13	13

Over two-thirds of the Coast Guard's budget supports operating expenses. This account provides for the operation and maintenance of the multipurpose vessels, aircraft, and shore vessels used to carry out the Coast Guard's missions.

The authorization for capital improvements in this bill will be used for major improvements such as vessel and aircraft acquisition and rehabilitation, information management, and construction and improvement at shore and offshore facilities. Some major initiatives continuing through the next year are replacement of seagoing and coastal buoy tenders, motor lifeboats, and the icebreaker. Also included is funding for the vessel traffic services [VTS] system, a modern port surveillance system that reduces the risk of collisions and groundings. The funding for VTS responds to a 1992 "Port Needs Study" released by the Coast Guard, which identified high-risk ports that would benefit from VTS implementation.

The bill contains $549 million in fiscal year 1994 and $580 million in fiscal year 1995 for payments to the retired military personnel of the Coast Guard, Coast Guard Reserve, and former lighthouse service members. Other funding authorizations in the bill include environmental compliance and restoration, research and development, and bridge alteration. Spending for environmental compliance is needed to bring current and former Coast Guard facilities into conformance with national environmental standards.

The legislation also contains several provisions which amend existing Coast Guard administrative statutes. These provisions would: First, authorize military strength levels and eliminate the permanent ceiling on commissioned officers; second, bring Coast Guard flag officer personnel management into conformance with other branches of the uniformed services; third, raise the rank of the chief of staff; fourth, provide for long-term lease of housing or condominiums for personnel and of navigation and communications systems sites; fifth, allow the Coast Guard Academy to compete for educational research grants; and sixth, change the definition of unmanned seagoing barges.

Finally, title VI of the Coast Guard Reauthorization Act comprises the Passenger Vessel Safety Act of 1993. Under current law, Coast Guard regulations require documented vessels carrying six or more passengers-for-hire to meet safety standards and be inspected. By contrast, safety standards for private recreational vessels are lower, and no inspection is required. Passenger vessel requirements do not apply to boats chartered without a crew, referred to as bare-boat charters, because the charterer is acting in the capacity of owner. Now, short-term charters, such as a dinner cruise for 100–200 people, are being offered as bare-boat charters, and as a result, inspection and safety requirements are not implicated. This title corrects that potentially dangerous situation.

Mr. President, I commend the Coast Guard for the missions it performs. Whether it is the rescue of Haitian or Cuban migrants, drug interdiction or fisheries law enforcement, vessel safety inspection or search and rescue operations, the Coast Guard steps forward when called. The men and women of the Coast Guard respond with equal dedication during war and during peace time. I ask my colleagues to recognize this service by joining me in supporting Coast Guard authorization legislation.

I ask that the text of the bill I am introducing today be printed in full in the RECORD immediately following my statement.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1052

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Coast Guard Authorization Act of 1993".

TITLE I—AUTHORIZATIONS

SEC. 101. AUTHORIZATION OF APPROPRIATIONS.

(a) FISCAL YEAR 1994.—Funds are authorized to be appropriated for necessary expenses of the Coast Guard for fiscal year 1994, as follows:

(1) For the operation and maintenance of the Coast Guard, $2,609,000, of which—

(A) $25,000,000 shall be derived from the Oil Spill Liability Trust Fund; and

(B) $32,250,000 shall be expended from the Boat Safety Account.

(2) For the acquisition, construction, rebuilding, and improvement of aids to navigation, shore and offshore facilities, vessels, and aircraft, including equipment related

thereto, $414,000,000, to remain available until expended, of which $20,000,000 shall be derived from the Oil Spill Liability Trust Fund.

(3) For research, development, test, and evaluation, $25,000,000, to remain available until expended, of which $4,457,000 shall be derived from the Oil Spill Liability Trust Fund.

(4) For retired pay (including the payment of obligations otherwise chargeable to lapsed appropriations for this purpose), payments under the Retired Serviceman's Family Protection and Survivor Benefit Plans, and payments for medical care of retired personnel and their dependents under chapter 55 of title 10, United States Code, $548,774,000, to remain available until expended.

(5) For alteration or removal of bridges over navigable waters of the United States constituting obstructions to navigation, and for personnel and administrative costs associated with the Bridge Alteration Program, $12,940,000, to remain available until expended.

(6) For environmental compliance and restoration at Coast Guard facilities, $23,057,000, to remain available until expended.

(b) FISCAL YEAR.—Funds are authorized to be appropriated for necessary expenses of the Coast Guard for fiscal year 1995, as follows:

(1) For the operation and maintenance of the Coast Guard, $2,711,762,000, of which—

(A) $26,000,000 shall be derived from the Oil Spill Liability Trust Fund; and

(B) $33,500,000 shall be expended from the Boat Safety Account.

(2) For the acquisition, construction, rebuilding, and improvement of aids to navigation, shore and offshore facilities, vessels, and aircraft, including equipment related thereto, $596,000,000, to remain available until expended, of which $20,500,000 shall be derived from the Oil Spill Liability Trust Fund.

(3) For research, development, test and evaluation, $25,750,000, to remain available until expended, of which $4,600,000 shall be derived from the Oil Spill Liability Trust Fund.

(4) For retired pay (including the payment of obligations otherwise chargeable to lapsed appropriations for this purpose), payments under the Retired Serviceman's Family Protection and Survivor Benefit Plans, and payments for medical care of retired personnel and their dependents under chapter 55 of title 10, United States Code, $579,500,000, to remain available until expended.

(5) For alteration or removal of bridges over navigable waters of the United States constituting obstructions to navigation, and for personnel and administrative costs associated with the Bridge Alteration Program, $13,289,000 to remain available until expended.

(6) For environmental compliance and restoration at Coast Guard Facilities, $23,749,000, to remain available until expended.

SEC. 102. AUTHORIZED LEVELS OF MILITARY STRENGTH AND MILITARY TRAINING.

(a) AUTHORIZED MILITARY STRENGTH LEVEL.—The Coast Guard is authorized an end-of-year strength for active duty personnel of 39,138 as of September 30, 1994 (of which not more than 6,400 shall be commissioned officers), and 39,138 as of September 30, 1995 (of which not more than 6,400 shall be commissioned officers). The authorized strength does not include members of the Ready Reserve called to active duty for special or emergency augmentation of regular Coast Guard forces for periods of 180 days or less.

(b) AUTHORIZED LEVEL OF MILITARY TRAINING.—The Coast Guard is authorized average military training student loads as follows:

(1) For recruit and special training, 1,986 student years for fiscal year 1994 and 1,986 student years for fiscal year 1995.

(2) For flight training, 114 student years for fiscal year 1994 and 114 student years for fiscal year 1995.

(3) For professional training in military and civilian institutions, 338 student years for fiscal year 1994 and 338 student years for fiscal year 1995.

(4) For officer acquisition, 955 student years for fiscal year 1994 and 955 student years for fiscal year 1995.

TITLE II—PERSONNEL MANAGEMENT IMPROVEMENT

SEC. 201. ELIMINATION OF PERMANENT CEILING ON NUMBER OF COMMISSIONED OFFICERS.

(a) ELIMINATION OF CEILING.—Section 42 of title 14, United States Code, is amended by striking subsection (a), and by redesignating subsections (b) through (e) as subsections (a) through (d), respectively.

(b) CONFORMING AMENDMENTS.—(1) Section 42(d) of title 14, United States Code, as redesignated by subsection (a) of this section, is amended by striking "subsection (c)" and inserting in lieu thereof "subsection (b)".

(2) The section heading for section 42 of title 14, United States Code, is amended by striking "Number and distribution" and inserting in lieu thereof "Distribution".

(3) In the analysis for chapter 3 of title 14, United States Code, the time relating to section 42 is amended by striking "Number and distribution" and inserting in lieu thereof "Distribution".

SEC. 202. INCREASED GRADE FOR CHIEF OF STAFF.

(a) AUTHORITY FOR GRADE OF VICE ADMIRAL.—(1) Chapter 3 of title 14, United States Code, is amended by inserting immediately after section 50 the following new section:

"§ 50a. Chief of Staff.

"(a) The President may appoint, by and with the advice and consent of the Senate, a Chief of Staff of the Coast Guard who shall rank next after the area commanders and who shall perform such duties as the Commandant may prescribe. The Chief of Staff shall be appointed from the officers on the active duty promotion list serving above the grade of captain. The Commandant shall make recommendations for such appointment.

"(b) The Chief of Staff shall, while so serving, have the grade of vice admiral with the pay and allowances of that grade. The appointment and grade of the Chief of Staff shall be effective on the date the officer assumes that duty, and shall terminate on the date the officer is detached from that duty, except as provided in section 51(d) of this title.".

(2) The analysis for chapter 3 of title 14, United States Code, is amended by inserting immediately after the item relating to section 50 the following new item:

"50a. Chief of Staff.".

(b) ELIMINATION OF UNNECESSARY SENIORITY EXCEPTION.—Section 41a(b) of title 14, United States Code, is amended by striking ", except that the rear admiral serving as Chief of Staff shall be the senior rear admiral for all purposes other than pay".

(c) CLERICAL AMENDMENTS.—Section 41a of title 14, United States Code, is amended—

(1) in subsection (c), by striking "his" and inserting in lieu thereof "that person's"; and

(2) in subsection (d), by striking "he" and inserting in lieu thereof "that officer", and by striking "his" and inserting in lieu thereof "that officer's".

SEC. 203. CONTINUITY OF GRADE OF ADMIRALS AND VICE ADMIRALS.

(a) RETIREMENT.—(1) Section 51 of title 14, United States Code, is amended by adding at the end the following new subsection:

"(d) An officer serving in the grade of admiral or vice admiral shall continue to hold that grade—

"(1) while being processed for physical disability retirement, beginning on the day of the processing and ending on the day that officer is retired, but not for more than 180 days; and

"(2) while awaiting retirement, beginning on the day that officer is relieved from the position of Commandant, Vice Commandant, Area Commander, or Chief of Staff and ending on the day before the officer's retirement, but not for more than 60 days.".

(2) Section 51 of title 14, United States Code, is further amended—

(1) in subsections (a) and (b), by striking "as Commander, Atlantic Area, or Commander, Pacific Area" each place it appears and inserting in lieu thereof "in the grade of vice admiral"; and

(2) in subsection (c), by striking "his" and inserting in lieu thereof "that officer's".

(b) ELIMINATION OF UNNECESSARY PROVISION FOR CHIEF OF STAFF.—Section 290 of title 14, United States Code, is amended—

(1) in subsection (a), by striking "or in the position of Chief of Staff" in the second sentence; and

(2) in subsection (f), by striking "Chief of Staff or" each place it appears.

(c) CONFORMING AMENDMENT RELATING TO RETIREMENT OF COMMANDANT.—Section 46(a) of title 14, United States Code, is amended by striking "shall, at the expiration of his term, be retired with the grade of admiral." and inserting in lieu thereof "shall be retired with the grade of admiral at the expiration of the appointed term, except as provided in section 51(d) of this title.".

(d) CONFORMING AMENDMENTS RELATING TO RETIREMENT OF VICE COMMANDANT.—(1) Section 47 of title 14, United States Code, is amended—

(A) by striking subsections (b), (c), and (d); and

(B) in subsection (a)—

(i) by striking "(a)" at the beginning; and

(ii) by striking the last sentence and inserting in lieu thereof "The appointment and grade of a Vice Commandant shall be effective on the date the officer assumes that duty, and shall terminate on the date the officer is detached from that duty, except as provided in section 51(d) of this title.".

(2) The section heading for section 47 of title 47, United States Code, is amended by striking "; retirement".

(3) The item relating to section 47 in the analysis for chapter 3 of title 14, United States Code, is amended by striking "; retirement".

(e) CONFORMING AMENDMENTS RELATING TO AREA COMMANDERS.—Section 50 of title 14, United States Code, is amended—

(1) in subsection (a) by striking "his" and inserting in lieu thereof "that area commander's"; and

(2) in subsection (b) by striking the last sentence and inserting in lieu thereof "The appointment and grade of an area commander shall be effective on the date the officer assumes that duty, and shall terminate on the date the officer is detached from that duty, except as provided in section 51(d) of this title.".

SEC. 204. VOLUNTEER SERVICES.

Section 93 of title 14, United States Code, is amended—

(1) by striking "and" at the end of subsection (r);

(2) by striking the period at the end of subsection (s) and inserting in lieu thereof "; and"; and

(3) by adding at the end the following new subsection:

"(t) enter into cooperative agreements with States, local governments, nongovernmental organizations, and individuals, and accept and utilize voluntary services, notwithstanding section 1342 of title 31, United States Code, to provide for the maintenance and improvement of natural and historic resources on, or to benefit natural and historic research on, Coast Guard facilities, subject to the requirement that—

"(1) a person providing voluntary services under this subsection shall not be considered a Federal employee except for purposes of chapter 81 of title 5, United States Code, with respect to compensation for work-related injuries, and chapter 171 of title 28, United States Code, with respect to tort claims; and

"(2) a cooperative agreement under this subsection shall provide for the Commandant and the other party or parties to the agreement to—

"(A) contribute funds on a matching basis to defray the cost of programs, projects, and activities under the agreement; or

"(B) furnish services on a matching basis to carry out such programs, projects, and activities; or

"(C) both contribute funds as described in subparagraph (A) and furnish services as described in subparagraph (B).".

SEC. 205. RESERVE RETENTION BOARDS.

Section 741(a) of title 14, United States Code, is amended by striking "and are not on active duty and not on an approved list of selectees for promotion to the next higher grade" and inserting in lieu thereof "except those officers who are on extended active duty, are on a list of selectees for promotion, will complete 30 years' total commissioned service by 30 June next following the date on which the retention board is convened, or have reached age 59 by the date on which the retention board is convened".

TITLE III—NAVIGATION SAFETY AND WATERWAY SERVICE MANAGEMENT

SEC. 301. NORTH ATLANTIC ROUTES.

Sections 3 and 5 of the Act of June 25, 1936 (46 U.S.C. App. 738b and 738d), are repealed.

SEC. 302. TECHNICAL AMENDMENT FOR BOAT SAFETY ACCOUNT.

Section 9503(c)(4)(A)(ii) of the Internal Revenue Code of 1986 (26 U.S.C. 9503(c)(4)(A)(ii)) is amended—

(1) by striking "No" at the beginning of subclause (II) and inserting in lieu thereof "Subject to subclause (III), no"; and

(2) by adding at the end the following new subclause:

"(III) CALCULATION OF AMOUNT IN ACCOUNT.—Amounts previously appropriated from the Aquatic Resources Trust Fund for carrying out the purposes of section 13106 of title 46, United States Code, but not distributed, shall not be included when calculating whether the Boat Safety Account exceeds the limit established in subclause (II).".

SEC. 303. UNMANNED SEAGOING BARGES.

Section 3302 of title 46, United States Code, is amended by adding at the end the following new subsection:

"(m) A seagoing barge is not subject to inspection under section 3301 of this title if the vessel is—

"(1) unmanned; and

"(2) does not carry oil in bulk or a reportable or harmful quantity of a hazardous material.".

TITLE IV—ENGINEERING AND DEVELOPMENT AMENDMENTS

SEC. 401. COAST GUARD FAMILY HOUSING.

(a) IN GENERAL.—Chapter 17 of title 14, United States Code, is amended by adding at the end the following new section:

"§ 670. Procurement authority for family housing

"(a) The Coast Guard, on behalf of the United States, is authorized, where appropriate—

"(1) subject to the availability of appropriations sufficient to cover its full obligations, to acquire real property or interests therein by purchase, lease for a term not to exceed 5 years, or otherwise, for use as Coast Guard family housing units, including the acquisition of condominium units, which may include the obligation to pay maintenance, repair, and other condominium related fees; and

"(2) for adequate compensation, by sale, lease, or otherwise, to dispose of any real property or interest therein used for Coast Guard family housing units; except that such disposition shall be made by the General Services Administration in accordance with the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.).

"(b) In procuring real property and interests therein under subsection (a) of this section, the Coast Guard may use procedures other than competitive procedures in circumstances which are set forth in section 303(c) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253(c)).

"(c)(1) For the purposes of this section, a multiyear contract is a contract to lease Coast Guard family housing units for more than 1, but not more than 5, fiscal years.

"(2) The Coast Guard may enter into multiyear contracts under subsection (a) of this section whenever the Coast Guard finds that—

"(A) the use of such a contract will promote the efficiency of the Coast Guard family housing program and will result in reduced total costs under the contract; and

"(B) the estimates of both the cost of the contract and the anticipated cost avoidance through the use of a multiyear contract are realistic.

"(3) A multiyear contract authorized under subsection (a) of this section shall contain cancellation and termination provisions to the extent necessary to protect the best interests of the United States, and may include consideration of both recurring and nonrecurring costs. The contract may provide for a cancellation payment to be made. Amounts that were originally obligated for the cost of the contract may be used for cancellation or termination costs.".

"(b) CONFORMING AMENDMENT.—The analysis for chapter 17 of title 14, United States Code, as amended by this title, is further amended by adding at the end the following new item:

"670. Procurement authority for family housing.".

SEC. 402. AIR STATION CAPE COD IMPROVEMENTS.

(a) IN GENERAL.—Chapter 17 of title 14, United States Code, as amended by this title, is further amended by adding at the end the following new section:

"§ 671. Air Station Cape Cod improvements

"The Coast Guard may spend or obligate appropriated funds for the repair, improvement, restoration, or replacement of those federally or non-federally owned support buildings, including appurtenances, which are on leased or permitted real property constituting Coast Guard Air Station Cape Cod, located on Massachusetts Military Reservation, Cape Cod, Massachusetts.".

(b) CONFORMING AMENDMENT.—The analysis for chapter 17 of title 14, United States Code, as amended by this title, is further amended by adding at the end the following new item:

"671. Air Station Cape Cod improvements.".

SEC. 403. LONG-TERM LEASE AUTHORITY FOR AIDS TO NAVIGATION.

(a) IN GENERAL.—Chapter 17 of title 14, United States Code, as amended by this title, is further amended by adding at the end the following new section:

"§ 672. Long-term lease authority for navigation and communications systems sites

"(a) The Coast Guard, on behalf of the United States, is authorized, subject to the availability of appropriations, to enter into lease agreements to acquire real property or interests therein for a term not to exceed 20 years, inclusive of any automatic renewal clauses, for aids-to-navigation sites, vessel traffic service sensor sites, or National Distress System high level antenna sites. The lease agreements shall include cancellation and termination provisions to the extent necessary to protect the best interests of the United States. Cancellation payment provisions may include consideration of both recurring and nonrecurring costs associated with the real property interests under the contract. The lease agreements may provide for a cancellation payment to be made. Amounts that were originally obligated for the cost of the contract may be used for cancellation or termination costs.

"(b) In procuring real property and interests therein under subsection (a) of this section, the Coast Guard may use procedures other than competitive procedures in circumstances which are set forth in section 303(c) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253(c)).

"(c)(1) The Coast Guard may enter into multiyear lease agreements under subsection (a) of this section whenever the Coast Guard finds that—

"(A) the use of such a lease agreement will promote the efficiency of the aids-to-navigation program, vessel traffic service program, or National Distress System program and will result in reduced total costs under the agreement;

"(B) the minimum need for the real property or interest therein to be leased is expected to remain substantially unchanged during the contemplated lease period; and

"(C) the estimates of both the cost of the lease and the anticipated cost avoidance through the use of a multiyear lease are realistic.".

(b) CONFORMING AMENDMENT.—The analysis for chapter 17 of title 14, United States Code, as amended by this title, is further amended by adding at the end the following new item:

"672. Long term lease authority for navigation and communications systems sites.".

TITLE V—EDUCATIONAL RESEARCH

SEC. 501. AUTHORITY FOR EDUCATIONAL RESEARCH GRANTS.

(a) IN GENERAL.—Chapter 9 of title 14, United States Code, is amended by adding at the end the following new section:

"§ 196. Participation in Federal, State, or other educational research grants

"Notwithstanding any other provision of law, the Coast Guard Academy may compete for and accept Federal, State, or other educational research grants, except that no such award may be accepted for the acquisition or construction of facilities, or for the routine functions of the Academy.".

(b) CONFORMING AMENDMENT.—The analysis for chapter 9 of title 14, United States Code, is amended by adding at the end the following new item:

"196. Participation in Federal, State, or other educational research grants.".

TITLE VI—PASSENGER VESSEL SAFETY

SEC. 601. SHORT TITLE.

This title may be cited as the "Passenger Vessel Safety Act of 1993".

SEC. 602. DEFINITION OF PASSENGER.

Section 2101(21) of title 46, United States Code, is amended to read as follows:

"(21) 'passenger'—

"(A) on a vessel, other than a vessel referred to in subclause (B), (C), or (D) of this clause, means an individual carried on the vessel except—

"(i) the owner or an individual representative of the owner or, in the case of a vessel under charter, an individual charterer or individual representative of the charterer;

"(ii) the master; or

"(iii) a member of the crew engaged in the business of the vessel who has not contributed consideration for carriage and who is paid for on board services;

"(B) on an offshore supply vessel, means an individual carried on the vessel except—

"(i) an individual as described in subclause (A)(i), (A)(ii), or (A)(iii) of this clause;

"(ii) an employee of the owner, or of a subcontractor to the owner, engaged in the business of the owner;

"(iii) an employee of the charterer, or of a subcontractor to the charterer, engaged in the business of the charterer; or

"(iv) an individual employed in a phase of exploration, exploitation, or production of offshore mineral or energy resources served by the vessel;

"(C) on a fishing vessel, fish processing vessel, or fish tender vessel, means an individual carried on the vessel except—

"(i) an individual as described in subclause (A)(i), (A)(ii) or (A)(iii) of this clause;

"(ii) a managing operator;

"(iii) an employee of the owner, or of a subcontractor to the owner, engaged in the business of the owner; or

"(iv) an employee of the charterer, or of a subcontractor to the charterer, engaged in the business of the charterer; and

"(D) on a sailing school vessel, means an individual carried on the vessel except—

"(i) an individual as described in subclause (A)(i), (A)(ii), or (A)(iii) of this clause;

"(ii) an employee of the owner of the vessel engaged in the business of the owner, except when the vessel is operating under a demise charter;

"(iii) an employee of the demise charterer of the vessel engaged in the business of the demise charterer; or

"(iv) a sailing school instructor or sailing school student.".

SEC. 603. DEFINITION OF PASSENGER VESSEL.

Section 2101(22) of title 46, United States Code, is amended to read as follows:

"(22) passenger vessel' means a vessel of at least 100 gross tons—

"(A) that is carrying more than 12 passengers, including at least one passenger for hire;

"(B) that is chartered and carrying more than 12 passengers; or

"(C) that is a submersible vessel carrying at least one passenger for hire.".

SEC. 604. DEFINITION OF SMALL PASSENGER VESSEL.

Section 2101(35) of title 46, United States Code, is amended to read as follows:

"(35) 'small passenger vessel' means a vessel of less than 100 gross tons—

"(A) that is carrying more than 6 passengers, including at least one passenger for hire;

"(B) that is chartered, with the crew provided or specified by the owner or the owner's representative, and carrying more than 6 passengers;

"(C) that is chartered, with no crew provided or specified by the owner or the owner's representative, and carrying more than 12 passengers; or

"(D) that is a submersible vessel carrying at least one passenger for hire.".

SEC. 605. DEFINITION OF UNINSPECTED PASSENGER VESSEL.

Section 2101(42) of title 46, United States Code, is amended to read as follows:

"(42) 'uninspected passenger vessel' means an uninspected vessel—

"(A) of at least 100 gross tons—

"(i) that is carrying not more than 12 passengers, including at least one passenger for hire; or

"(ii) that is chartered, with the crew provided or specified by the owner or the owner's representative, and carrying not more than 12 passengers; or

"(B) of less than 100 gross tons—

"(i) that is carrying not more than 6 passengers, including at least one passenger for hire; or

"(ii) that is chartered, with the crew provided or specified by the owner or the owner's representative, and carrying not more than 6 passengers.".

SEC. 606. DEFINITION OF PASSENGER FOR HIRE.

Section 2101 of title 46, United States Code, is amended by inserting immediately after clause (21) the following new clause:

"(21a) 'passenger for hire' means a passenger for whom consideration is contributed as a condition of carriage on the vessel, whether directly or indirectly flowing to the owner, charterer, operator, agent, or any other person having an interest in the vessel.".

SEC. 607. DEFINITION OF CONSIDERATION.

Section 2101 of title 46, United States Code, is amended by inserting immediately after clause (5) the following new clause:

"(5a) 'consideration' means an economic benefit, inducement, right, or profit, including pecuniary payment accruing to an individual, person, or entity, but not including a voluntary sharing of the actual expenses of the voyage by monetary contribution or donation of fuel, food, beverage, or other supplies.".

SEC. 608. DEFINITION OF OFFSHORE SUPPLY VESSEL.

Section 2101(19) of title 46, United States Code, is amended by inserting "individuals in addition to the crew," immediately after "supplies," and by striking "and is not a small passenger vessel".

SEC. 609. DEFINITION OF SAILING SCHOOL VESSEL.

Section 2101(30)(B) of title 46, United States Code, is amended by striking "at least 6" and inserting in lieu thereof "more than 6".

SEC. 610. DEFINITION OF SUBMERSIBLE VESSEL.

Section 2101 of title 46, United States Code, is amended by inserting immediately after clause (37) the following new clause:

"(37a) 'submersible vessel' means a vessel that is capable of operating below the surface of the water.".

SEC. 611. EXEMPTION AUTHORITY.

(a) Section 2113 of title 46, United States Code, is amended to read as follows:

"§ 2113. Authority to exempt certain vessels

"If the Secretary decides that the application of a provision of part B, C, F, or G of this subtitle is not necessary in performing the mission of certain vessels engaged in excursions or an oceanographic research vessel, or not necessary for the safe operation of certain vessels carrying passengers, the Secretary by regulation may—

"(1) for an excursion vessel, issue a special permit specifying the conditions of operation and equipment;

"(2) exempt an oceanographic research vessel from that provision under conditions the Secretary may specify; and

"(3) establish different operating and equipment requirements for uninspected passenger vessels described in section 2101(42)(A) of this title.".

SEC. 612. EQUIPMENT AND STANDARDS FOR UNINSPECTED PASSENGER VESSELS.

Section 4105 of title 46, United States Code, is amended—

(1) by redesignating the existing text as subsection (a); and

(2) by adding at the end the following new subsection:

"(b) Within 24 months after the date of enactment of this subsection, the Secretary shall, by regulation, require certain additional equipment (including liferafts or other lifesaving equipment), or establish construction standards or additional operating standards, for the uninspected passenger vessels described in section 2101(42)(A) of this title.".

SEC. 613. APPLICABILITY DATE FOR REVISED REGULATIONS.

(a) APPLICABILITY DATE FOR CERTAIN CHARTERED VESSELS.—Revised regulations governing small passenger vessels and passenger vessels, as the definitions of those terms in section 2101 of title 46, United States Code, are amended by this Act, shall not apply before May 1, 1994, to such vessels when chartered with no crew provided.

(b) EXTENSION OF PERIOD.—The Secretary of the department in which the Coast Guard is operating may extend for up to 1 additional year the period of inapplicability specified in subsection (a) if the owner of the vessel concerned demonstrates to the satisfaction of the Secretary that a good faith effort, with due diligence and care, has failed to enable compliance with the regulations by May 1, 1994.

Mr. KERRY. Mr. President, as the vice chairman of the Senate's National Ocean Policy Study, I am pleased to cosponsor legislation introduced today by the distinguished chairman of the Commerce Committee and chairman of the National Ocean Policy Study, Senator HOLLINGS, and Senator TED STEVENS, the ranking minority member of the National Ocean Policy Study, which authorizes funding for the Coast Guard for fiscal years 1994 and 1995. This 2-year authorization bill is based upon the administration's request and authorizes necessary Coast Guard operational expenses.

In addition, the provisions of the bill include conforming changes which allow vice admirals and the Commandant of the Coast Guard to temporarily retain their rank while being processed for retirement, similar to the way other armed services' senior officers are treated now. The bill also permits volunteers to maintain, improve, and conduct research on natural and historic resources located on Coast Guard facilities. It allows the Coast Guard to obtain adequate family housing; provides for Air Station Cape Cod facility improvements; and provides authority for the Coast Guard Academy to apply for education grants. Also included in this bill is a passenger vessel safety provision which will improve the Coast Guard's ability to oversee its marine safety program and will be better ensure the safety of passengers aboard charter boats.

The Coast Guard is a vital asset to both my State of Massachusetts and to every State with navigable waters. All of us need to recognize the importance of and urgent need for the United States to focus on issues pertaining to our boundaries from the coast out to our 200-mile exclusive economic zone [EEZ]. We must pay attention to the bigger picture and recognize all of the programs the Coast Guard administers which affect us locally and nationally. More than two-thirds of the total Coast Guard budget funds activities to protect public safety and the marine environment, enforce laws and treaties, maintain aids to navigation, prevent illegal drug trafficking and alien migration, and preserve defense readiness. Clearly, it is our responsibility to ensure the Coast Guard has the resources to achieve its existing mandate and recognize the expanding role the Coast Guard is being asked to play in our navigable waters. I cannot overemphasize my concern about the potential negative effects on vital coastal and ocean activities should we fail to address adequately issues of marine safety, maritime law enforcement, aids to navigation, and environmental protection.

The National Ocean Policy Study held a hearing today on these issues which provided valuable information about the need for the programs addressed by this legislation and the Coast Guard's ability to comply with its legal mandates. In addition, I look forward to receiving comments on the provisions of the bill being introduced today, and continuing to work with the Coast Guard and all others who have interests and concerns about its provisions in order to achieve legislation which increases the Coast Guard's effectiveness and overall efficiency.

By Mr. FORD (for himself, Mrs. MURRAY, Mr. MATHEWS, Mr. STEVENS, Mr. KRUEGER, Mrs. FEINSTEIN, Mr. INOUYE, and Mr. BRYAN):

S. 1053. A bill to amend the Federal Aviation Act of 1958 to provide emergency relief to the U.S. airline industry by facilitating financing for investment in new aircraft and by encouraging the retirement of older, noisier, and less efficient aircraft, and for other purposes; to the Committee on Commerce, Science, and Transportation.

AVIATION REVITALIZATION ACT OF 1993

Mr. FORD. Mr. President, January 7, 1993, when Secretary of Transportation Federico Peña came before the Commerce Committee for confirmation hearings, I first raised the issue of loan guarantees for the airline industry and expressed my intention to pursue legislation in this area.

Today, after many months of work, I believe we have a bill that addresses the concerns of the airlines, aircraft manufacturers, bankers, and aviation experts. And because representatives from each of these industries worked closely with my staff to craft this legislation, each of them has a stake in seeing it passed into law.

Joining me as cosponsors are Senator MURRAY, Senator STEVENS, Senator MATTHEWS, Senator KRUEGER, Senator BRYAN, Senator INOUYE, and Senator FEINSTEIN. Each of these Senators has an important segment of the airline industry in their State and is keenly aware of the troubles facing this industry.

As chairman of the Aviation Subcommittee I have found it frustrating to watch the slow self-destruction of an industry so important not only to this Nation's infrastructure, but to our national security.

And while it often seems that the airlines have signed a mutual suicide pact, there are numerous problems leading to the current state of the industry. The most troublesome aspect of the industry's financial losses, is the difficulty of obtaining capital to purchase much-needed new stage 3 aircraft.

My legislation cuts to the quick of this problem by providing Government loan guarantees for the airlines to purchase new aircraft.

Just this week, Moody's Investors Service annual report on the international airline industry indicated that credit relief for the airline industry is nowhere in sight. In fact, the airlines face a stressful credit environment for several more years.

The report suggests airline credit problems are a result of a change in passenger mix due to a sluggish economy, which has created a predatory fare competition and low yields. While this report encompasses the entire international aviation industry, nowhere is the credit crunch more detrimental than in the United States where airlines face a deadline for conversion to an all stage 3 fleet.

The program set forth in this legislation is patterned after the aircraft purchase program at the Export-Import Bank of the United States. It seems logical to me that if Government efforts are used to promote export aircraft to foreign air carriers, then consideration should be given to loan guarantees for the purchase of aircraft by domestic air carriers.

The Eximbank guarantee program has proven to be a successful model. Since 1957 more than 2,000 aircraft have been financed under this program with few defaults.

The costs of providing loan guarantees to the airlines will be financed by a subsidy fee on each of the airlines participating in the program. This legislation would provide an 85-percent Federal guarantee for certain loans to air carriers to purchase stage 3 aircraft without any cost to the Federal Government. The subsidy for the aircraft guarantees would be the estimated present value of future defaults. In exchange for the loan guarantee, the air carriers would pay a fee equal to the subsidy. Because air carriers will pay fees to cover the Federal cost of this program, the legislation would have no impact on the deficit.

I also wanted to point out to my colleagues that in developing this bill several side issues were raised. As many of you know, I was the author of the Airport Noise and Capacity Act of 1990. This act requires all large commercial aircraft to make the conversion to stage 3 noise certification levels by December 31, 1999. There are varying opinions on the cost of this conversation, but there is no arguing that compliance will be a huge burden to an industry already in difficult financial straights.

In that there is no capacity problem in the cargo industry the bill does not require the 2-for-1 replacement of stage 2 aircraft on cargo carriers. Cargo carriers must modify stage 2 aircraft but there is no requirement to remove stage 2 aircraft from service. I allowed cargo carriers to participate in this program, since these carriers usually fly during the night and early morning hours when it is clearly important to comply with noise abeyance provisions.

For air carriers now in total stage 3 compliance the 2-for-1 replacement requirement does not apply. Stage 3 air carriers are allowed to participate in the loan guarantee program to add stage 3 aircraft to their fleet.

The Federal Aviation Administration, Office of Environment and Energy recently issued a report mapping out the progress of airline compliance to stage 3 fleet. I am attaching two charts which indicate the fleet mix of the U.S. major carriers and the U.S. cargo carriers. While many carriers have exceeded the goals of the FAA in implementing the 1990 Noise Act, there are still quite a few stage 2 aircraft in the system that need to be replaced or converted.

By providing loan guarantees for the purchase of aircraft, not only will airport neighborhoods receive some noise relief, but there are also efficiencies to be gained in fuel consumption and labor costs.

Perhaps one of the most interesting side issues in this legislation is the replacement of two stage 2 aircraft for every stage 3 aircraft purchased under this program. There have been a number of experts who have attributed the financial situation of the airlines to overcapacity. The 2-for-1 provision addresses this problem.

A number of individuals have raised the issue of the size of the aircraft which will be retired. In an effort to spread the benefits throughout the domestic airframe and engine manufacturing industry, the Secretary of Transportation will develop regulations on aircraft size and type.

Finally, Mr. President, the passage of this legislation will mean new jobs throughout the air carrier and manufacturing industry. Because the loan guarantee program will also be available for the purchase of aircraft components contracted separately from the airframe, including new engines and engine hush kits, job creation to meet increased demand will be a direct effect.

This provision was added for the benefit of smaller or more financially distressed airlines. These stage 3 modification guarantees enable operators and owners to convert their equipment to stage 3 for about one-tenth the price of purchasing new aircraft. Without this option many airlines and owners would be left with a fleet of moderately aged assets whose market value would become worthless in the next few years.

The current surplus of available aircraft will ensure the youngest and fittest aircraft candidates for hushkitting and reengining are the ones chosen under this program. Since the availability of the loan guarantee program is limited for new aircraft there will still be a need for hush kits and reengining to meet the stage 3 deadline.

Mr. President, the problems of the aviation industry are not simply being ignored. Earlier this week, the Commission To Ensure a Strong Competitive Airline Industry began their work to explore solutions to the ailing industry.

I am introducing this legislation with the hope the Commission will seriously consider this proposal as a method to get the airline industry financially viable again and meet the 1999 deadline. Several Wall Street analysts have already testified before the Commission about the need for this legislation and I am delighted at the apparent widespread support for this concept.

While I will not hold hearings on this legislation until the Commission has completed its work, I look forward to working with the chairman of this Commission, Governor Baliles, on this issue.

In conclusion, I believe I am offering a bold, new approach to bolstering the aviation industry. And while there are many areas of this legislation I'm sure will change, I'm confident it is an important starting point to construct the best possible program for all concerned.

Mr. President, I ask unanimous consent that the text of the bill and additional material be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1053

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Aviation Revitalization Act of 1993".

SEC. 2. DECLARATION OF POLICY.

Congress finds and declares the following:

(1) The United States commercial airline industry is currently suffering severe financial distress.

(2) Sustained record losses and excessive debt burdens are causing air carriers to cancel new aircraft options and orders which, in turn, is threatening the economic viability of the United States aerospace manufacturing industry.

(3) Many air carriers are increasingly unable to obtain financing at reasonable interest rates for purchasing new equipment.

(4) The inability of many air carriers to acquire new, quieter, more fuel efficient Stage 3 aircraft may jeopardize the planned phase-out of noisier Stage 2 aircraft.

(5) A Federal loan guarantee program should, therefore, be established to support the financing of new aircraft, or new aircraft components, in a way that assures the phasing out of less fuel-efficient, noisier, and older aircraft at the same time.

SEC. 3. AUTHORIZATION TO GUARANTEE FINANCING OF NEW AIRCRAFT.

Title XI of the Federal Aviation Act of 1958 (49 App. U.S.C. 1501 et seq.) is amended by adding at the end the following new section:

"SEC. 1119. FINANCING OF NEW AIRCRAFT.

"(a) AUTHORIZATION OF LOAN GUARANTEE PROGRAM.—The Secretary is authorized to guarantee loans for the financing of new aircraft, or new aircraft components, for use by air carriers that meet the terms and conditions set forth in subsection (b) and that agree to pay (directly if the carrier is the loan guarantee recipient, or indirectly if another person is loan guarantee recipient) subsidy fees assessed under subsection (e). Subject to subsection (b), such guarantees may be made with respect to—

"(1) loans to an air carrier that will use such new aircraft or such new aircraft components; or

"(2) loans to a person purchasing such new aircraft, or such new aircraft components, for lease to and use by an air carrier.

"(b) TERMS AND CONDITIONS.—A loan guarantee under this section shall be subject to the following terms and conditions:

"(1) The loan guarantee must lead to the delivery of new aircraft, or new aircraft components, to an air carrier certificated under part 121 of title 14, Code of Federal Regulations, and such delivery shall occur no later than December 31, 1999.

"(2) The loan guarantee must be made for the purpose of financing the acquisition of new aircraft, or new aircraft components, that comply with Stage 3 noise standards.

"(3) The loan guarantee shall only be available for the purchase of new aircraft, or new aircraft components, from companies that both—

"(A) publish independently audited financial disclosure information and financial results; and

"(B) also are domiciled in countries that comply with all major international agreements governing aerospace trade, including but not limited to the GATT Civil Aircraft Agreement, the GATT Subsidies Code, the United States-European Community bilateral aircraft agreement, the OECD Large Aircraft Sector Understanding and bilateral air services agreements with the United States.

"(4) In the case of any air carrier taking delivery of a new aircraft financed under this section which owns or operates either aging aircraft or Stage 2 aircraft, such air carrier as borrower or lessee must, except as provided in paragraph (5), agree that, after April 1, 1993, it did remove from service, or that no later than the 60th day after the aircraft being financed is placed on the air carrier's operations specifications under part 121 of title 14, Code of Federal Regulations, or December 31, 1999, whichever occurs first, it will remove from service—

"(A) sufficient aging aircraft or Stage 2 aircraft which, at maximum certified capacity, equal or exceed, in the aggregate and pursuant to rules promulgated by the Secretary, 200 percent of the number of seats (or in the case of all-cargo aircraft 200 percent of cargo capacity) of the new aircraft being financed; or

"(B) all of its remaining aging aircraft and Stage 2 aircraft,

whichever number of aircraft is less; except that in the event the maximum capacity of such aircraft removed from service exceeds the number of seats or cargo capacity required under this section, such excess seat or cargo capacity may be carried forward as a credit available to be added to the capacity of other aircraft removed from service for the purpose of complying with this section for subsequent loan guarantees.

"(5) When an air carrier described in paragraph (4) is taking delivery of only all-cargo aircraft, the carrier may, in lieu of removing Stage 2 all-cargo aircraft from service, modify on or after April 15, 1993, such Stage 2 aircraft in order to meet Stage 3 noise standards on the same number of such Stage 2 aircraft that otherwise would have had to be removed from service within the contiguous States of the United States under paragraph (4); except that such modified aircraft must remain configured for all-cargo service and shall not be converted to passenger-cargo combination service.

"(6) Each aircraft removed from service by an air carrier under paragraph (4) shall be taken off the registry of certificated aircraft by the Secretary and may not subsequently be registered in the United States; except that—

"(A) the Secretary may continue to keep an aircraft on the registry of certificated aircraft if such aircraft—

"(i) is not based in any of the several States of the United States and is engaged in common carriage entirely outside the several States; or

"(ii) is used solely outside the contiguous States of the United States; and

"(B) in a case where the aircraft removed from service is owned by a person not affiliated with such air carrier and was operated by such air carrier under lease on or before April 1, 1993, the Secretary may continue to keep such aircraft on the registry of certificated aircraft if such owner brings such aircraft into compliance with Stage 3 noise standards prior to its lease or sale to another air carrier or lessor.

"(7) An air carrier which is to take delivery of a new aircraft, or new aircraft components, financed under this section must warrant that it did not after August 1, 1993, and will not on and after the date of enactment of this section, place in service any aging aircraft or Stage 2 aircraft to its fleet.

"(8) An air carrier's violation of the warranty under paragraph (7) shall constitute a revocation of all outstanding loan guarantees under this section that were made for the purpose of financing delivery of new aircraft, or new aircraft components, to such air carrier.

"(9) The Secretary may not grant a waiver, to any air carrier that takes delivery of a new aircraft, or new aircraft components, financed by a loan guarantee under this section, that would allow such air carrier to operate Stage 2 aircraft beyond December 31, 1999, in interstate air transportation.

"(10) At least 75 percent of any new aircraft, or new aircraft components, financed by a loan guarantee under this section shall be manufactured or produced in the United States.

"(c) REGULATIONS.—No later than 60 days after the date of enactment of this section, the Secretary shall promulgate regulations implementing the loan guarantee program authorized by this section.

"(d) FIDUCIARY DUTIES OF SECRETARY.—

"(1) IN GENERAL.—To implement this section, the Secretary—

"(A) shall apply reasonable and prudent fiduciary standards in determining whether to make any specific loan guarantee, and is authorized to take such action as may be appropriate to enforce any right accruing to the United States or any officer or agency thereof as a result of making loan guarantee under this section;

"(B) shall make loan guarantees on rates, terms, and conditions which, in the judgment of the Secretary, offer reasonable assurance of repayment;

"(C) may require that loans guaranteed under this section be secured by the new aircraft, or new aircraft components being financed, to provide sufficient collateral; and

"(D) may not guarantee a loan amount that is more than 85 percent of the manufacturer's price to the air carrier of the new aircraft, or new aircraft components, being financed.

"(2) SECURITY INTEREST.—If the Secretary requires collateral under paragraph (1)(C)—

"(A) such collateral, to the extent of the guaranteed loan and associated fees, shall be deemed to be subject to a purchase-money equipment security interest in the new aircraft or new aircraft components for purposes of section 1110 of title 11, United States Code; and

"(B) the Secretary may also authorize a security interest in such collateral, on an equal and pro rata basis or as may be otherwise agreed by the Secretary, for persons providing loans that are not guaranteed under this section but that finance any portion of the price of such new aircraft or new aircraft components.

"(e) ASSESSMENT OF FEES.—

"(1) IN GENERAL.—A loan guarantee under this section shall remain in effect only so long as the loan guarantee recipient pays the subsidy fee assessed under paragraph (2).

"(2) SUBSIDY FEE.—For each loan guarantee under this section, the Secretary shall assess and collect a subsidy fee from the loan guarantee recipient that is equal to the cost, as defined by section 502(5) of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a(5)), of such guarantee.

"(f) ANNUAL REPORT.—The Secretary shall, not later than March 1 of each year, submit to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Public Works and Transportation of the House of Representatives a report that—

"(1) descries the progress of the loan guarantee program authorized by this section;

"(2) identifies any problems with such program; and

"(3) describes the loan guarantees made under this section, including the identity of the air carriers and other persons receiving loans to which such guarantees apply.

"(g) DEFINITIONS.—As used in this section, the following definitions apply:

"(1) AGING AIRCRAFT.—The term 'aging aircraft' means one or more airplanes that were placed into service more than 22 years prior to the date of enactment of this section.

"(2) NEW AIRCRAFT.—The term 'new aircraft' means one or more newly manufactured airplanes, including associated spare parts and engines included in the original purchase, that have not been previously registered or placed into service.

"(3) NEW AIRCRAFT COMPONENTS.—The term 'new aircraft components' means components or parts (or both), of an aircraft, that can be financed separately from the body or frame of the aircraft, including jet engines, Administrator-approved Stage 3 hush kits for jet engines, and avionics systems.

"(4) REMOVE FROM SERVICE.—The term 'remove from service' means to—

"(A) eliminate, permanently and irrevocably, aircraft from the fleet of an air carrier on or after April 15, 1993;

"(B) transfer aircraft to another air carrier, after April 1, 1993, but before the date of enactment of this section, for use in common carriage entirely outside the several States of the United States; or

"(C) remove aircraft permanently and entirely from use in common carriage in the United States.

"(5) SECRETARY.—The term 'Secretary' means the Secretary of Transportation.

"(6) STAGE 2 AIRCRAFT.—The term 'Stage 2 aircraft' means one or more airplanes as defined by section 36.1(f)(4) of title 14, Code of Federal Regulations, as in effect on the date of enactment of this section.

"(7) STAGE 3 AIRCRAFT.—The term 'Stage 3 aircraft' means one or more airplanes as defined by section 36.1(f)(6) of title 14, Code of Federal Regulations, as in effect on the date of enactment of this section.".

1992 PROGRESS REPORTS SUMMARY—U.S. CARGO, 4/28/93

Operator name	1992 Base level	1992 Number of stage 2	1992 Number of stage 3	1992 Total fleet	1991 Phase-out (percent)	1992 Phase-out (percent)	1991 Fleet mix phase-in (percent)	1992 Fleet mix (percent)
Airbone Express	65	52	16	68	9.0	80.0	10.0	23.5
Arrow Air	11	12	1	13	111.1	109.0		7.7
Buffalo Airways	7	11		11	157.1	157.1		
Challenge Air Cargo	3	1	3	4	33.3	33.3	66.7	75.0
DHL Corp.	16	13	4	17	81.3	81.3	18.8	23.5
Emery Worldwide [1]	22	16	9	25	100.0	72.7	24.1	36.0
Evergreen Int'l	35	33	4	37	100.0	94.3	7.9	10.8
Federal Express	131	107	92	199	85.5	81.7	40.1	46.2
Southern Air Transp	14	4	19	23	28.6	28.6	83.3	82.6
United Parcel Service	47	48	94	142	100.0	102.1	64.4	66.2
Cargo Total	351	297	242	539	89.8	84.6	39.4	44.9

[1] Initial progress report under review per Emergy's request.

Source: Federal Aviation Administration, May 7, 1993.

1992 PROGRESS REPORTS SUMMARY—U.S. MAJORS, 4/28/93

Operator name	1992 Base level	1992 Number of stage 2	1992 Number of stage 3	1992 Total fleet	1991 Phase-out (percent)	1992 Phase-out (percent) [1]	1991 Fleet mix phase-in (percent)	1992 Fleet mix (percent) [2]
America West	30	23	65	88	96.7	76.7	69.1	73.9
American Airlines	175	142	530	672	92.0	81.1	74.1	78.9
Continental	199	152	161	313	100.0	76.4	48.6	51.4
Delta	224	210	344	554	106.7	93.8	55.5	62.1
Northwest	269	252	120	372	97.9	93.7	34.2	32.3
Southwest	49	49	92	141	100.0	100.0	60.1	65.2
TWA	122	111	71	182	95.9	91.0	40.6	39.0
United	239	193	341	534	89.5	80.8	55.9	63.9
USAir	203	188	247	435	100.0	92.6	57.8	56.8

1992 PROGRESS REPORTS SUMMARY—U.S. MAJORS, 4/28/93—Continued

Operator name	1992 Base level	1992 Number of stage 2	1992 Number of stage 3	1992 Total fleet	1991 Phase-out (percent)	1992 Phase-out (percent)[1]	1991 Fleet mix phase-in (percent)	1992 Fleet mix (percent)[2]
Majors Total	1,510	1,320	1,971	3,291	97.6	87.4	56.1	59.9

[1] Number of Stage 2 divided by base level. Must be 75 percent or below by 12/31/94 to comply under phase out option.
[2] Number of Stage 3 divided by total fleet. Must be 55 percent or more by 12/31/94 to comply under fleet mix option.

Source: Federal Aviation Administration, May 7, 1993.

Subsidizing or bailing out the industry is not our goal.

The costs incurred by the Department of Transportation in administering the loan guarantees created by this legislation will be borne by the domestic airline industry.

This bill does not provide for direct assistance—it establishes loan guarantees.

Those loan guarantees will translate into support for communities. Tennessee has two airline hubs; Northwest in Memphis and American Airlines in Nashville. These two airlines serve important transportation roles both in my State of Tennessee, and across the Nation. The importance of these airlines maintaining healthy operations cannot be overestimated.

We all realize that airports provide substantial support to local tax bases. I would venture to say that any Senator with major airline hubs in his or her State also recognizes the economic importance of keeping these operations up and running.

Of course, the Congress should not be in the habit of interfering with private enterprise. However, an industry which is so important to this Nation, deserves our support in remaining competitive and state-of-the-art. Additionally, we all recognize the need to support failing infrastructure.

The administration has called for the investment. Governors throughout the country have called for the investment. Mr. President, today we are answering that call.

Our airports and airlines are primary components of this Nation's transportation infrastructure. Beyond transporting passengers and goods, our domestic airlines support the needs of the country in times of emergency, providing disaster assistance or troop mobilization.

I have seen the demise of this country's rail industry in my own lifetime, all because of poor planning. We cannot now stand by and allow such a demise to occur in the airline industry, only to realize—too late—our lack of investment and planning after an emergency occurs.

Mr. President, we are all aware of the recent investment in US Air by British Airways. I believe this is symptomatic of the problems our domestic carriers are facing. Unable to keep up with costs, US Air sought outside investment in order to maintain its operations. While I do not seek to condemn this action, or US Air, for exploring outside financial support, I also do not believe that Members of this body want to lose the autonomy of our domestic airlines.

If my fellow Senators join me in that commitment, then I believe they should support this bill.

Mr. President, I believe it is the role of the Federal Government to provide for the needs of the American people. And a healthy transportation industry is one of these needs. Without this support, I fear the country may be in danger of losing more airlines. Allowing that to happen certainly would not be conducive to the economic growth and stability of our Nation. Nor would it serve the American people.

I am proud to be an original cosponsor of the Aviation Revitalization Act of 1993, an act that will serve to reinvigorate an essential transportation industry in this country.

I likewise encourage my colleagues to support this legislation.

Mr. MATHEWS. Mr. President, I am pleased to join Senator FORD today in introducing the Aviation Revitalization Act of 1993.

In this time, when the Senate's attention has been diverted by pseudo-emotional appeals, I believe this is the type of progressive action which Congress should be undertaking.

I hope that our colleagues will join us in supporting quick passage of this legislation. As my friend from Kentucky has noted, the financial burden facing the domestic airline industry has grown to significant proportions.

The Air Transportation Association of America reported that losses continued in 1992 for the third straight year, exceeding $4 billion for scheduled airlines.

Just this past Monday, the National Commission To Ensure a Strong Competitive Airline Industry was convened by President Clinton. The clock is ticking, so to speak, as the commission is charged with reporting back to the administration in 90 days.

I believe the loan guarantee program created by this legislation is exactly the type of action that commission is likely to recommend.

Mr. President, while deregulation was intended to increase competition and serve the consumer, the impact on the domestic airline industry has often been adverse instead of positive.

Last year, Robert Crandall, chief executive officer of American Airlines, testified before the Senate Subcommittee on Aviation about the problems faced by American and other airlines. One of the primary problems noted in that testimony, was the inability to keep up with growing costs—maintenance costs, fuel costs, and others.

The so-called fare wars, designed to benefit consumers and increase traffic, have actually caused additional difficulties for airlines in their efforts to keep a favorable balance between revenues and costs.

While I do not believe the Government should become entangled in the issue of airline regulation, we should seize every effort and opportunity to assist the industry in moving forward. For this is an industry vital to daily commerce, for both passenger and freight services, an industry contributing over $300 billion annually to the U.S. economy.

I believe this legislation is one of the answers to the burdens facing our airline industry. This legislation seeks to create loan guarantees directed specifically at purchases of new aircraft, which are quieter and more fuel efficient, to replace the currently aging and costly aircraft.

By Mr. GLENN (for himself, Mr. PELL, Mr. HELMS, and Mr. D'AMATO):

S. 1054. A bill to impose sanctions against any foreign person or U.S. person that assists a foreign country in acquiring a nuclear explosive device or unsafeguarded nuclear material, and for other purposes; to the Committee on Foreign Relations.

OMNIBUS NUCLEAR PROLIFERATION CONTROL ACT OF 1993

• Mr. GLENN. Mr. President, I introduce legislation designed to strengthen our national effort to prevent the global spread of nuclear weapons. The need for this legislation arises from three quarters. First, proliferation remains a profitmaking activity for all too many people and companies both here and around the world. Second, although the International Atomic Energy Agency is gradually responding to the many new challenges it is facing both from the global plutonium economy and from clandestine bomb programs, America must do more to encourage other nations to support and strengthen the agency as it grapples with these problems in the years ahead. Third, for too long, Congress and the American people have been in the dark about U.S. exports of commodities that can contribute to the ability of other countries to build nuclear explosive devices.

The legislation I am introducing today, the Omnibus Nuclear Proliferation Control Act of 1993—along with another bill that includes some additional measures to deal with these problems—is intended to address these three basic challenges.

BASIC POINTS

First, as I have said before on several occasions, we must do more to take the profits out of proliferation. Specifically, I propose to expand Presidential authority to impose sanctions against companies that engage in illicit sales of nuclear technology and to require new sanctions against countries that traffic specifically in bomb parts or critical bomb design information. The sanctions provisions—which include a ban on Government contracting with firms that materially and knowingly assist other nations to acquire the bomb, and additional severe penalties against nations that traffic in bomb parts or critical bomb design information—are identical to those found in the Omnibus Nuclear Proliferation Control Act of 1992, S. 1128, which passed the Senate by unanimous consent three times in 1992—on April 9, September 18, and October 8.

Second, I am proposing in a sense-of-the-Congress that the United States pursue some 27 reforms to strengthen the implementation of safeguards administered by the International Atomic Energy Agency [IAEA]. I introduced 21 of these reforms on October 17, 1991—see Senate Joint Resolution 216—and am as convinced as ever that this international agency needs the support and cooperation of all nations as it undergoes many reforms in the wake of the lessons of Iraq and the new challenges from growing commercial uses of bomb-usable nuclear materials.

Third, I am proposing a new sunshine provision in our export licensing process that will make public all nonproprietary data concerning U.S. exports of nuclear dual-use goods, nuclear components, and authorizations for exports of U.S. nuclear technology. The present system of nondisclosure has led, especially in the case of goods sent to Iraq, to a crisis in public confidence that America has its own export control house in order. The best way to restore that confidence and to ensure more effective oversight and accountability is to permit greater public scrutiny of the nonproprietary licensing data.

CONCLUSION

I will have more to say about the proposed legislation in the months ahead and look forward to working with the new administration in ensuring its early enactment. These reforms were supported last year by the Bush administration and are now long overdue.

I am pleased and honored to introduce this bill today with the original cosponsorship of the distinguished chairman of the Committee on Foreign Relations, my friend CLAIBORNE PELL, whose steadfast support of this proposed legislation last year was in large measure responsible for its passage not once, but three times, by unanimous consent of the Senate. I am also pleased to announce that the distinguished ranking member of the Committee on Foreign Relations, Senator HELMS, is also an original cosponsor of this bill. In addition, I am pleased to announce that the ranking member of the Banking Committee, Senator D'AMATO, has also agreed to cosponsor this bill—Senator D'AMATO was also an original cosponsor, along with Senators PELL and HELMS, among others of the nuclear sanctions bill I introduced in the last Congress (S. 1128) and I welcome his support and commitment to a strong nonproliferation policy.

Mr. President, I ask unanimous consent that Senators PELL, HELMS, and D'AMATO be designated as original cosponsors of the Omnibus Nuclear Proliferation Control Act of 1993.

I encourage all of my colleagues to join me in this effort to revitalize these key elements of our nonproliferation strategy. Early enactment of both the current bill and my companion bill—which incorporates export control reforms and measures to deal with threats from the global plutonium economy—will make the world a safer place for our country and for future generations.

I ask unanimous consent to insert into the RECORD a more detailed description of the specific sections of this bill.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

OMNIBUS NUCLEAR PROLIFERATION CONTROL ACT OF 1993

A SECTION-BY-SECTION DESCRIPTION

Prepared by Committee on Governmental Affairs, May 27, 1993.

Section 1: Short Title.—The bill is entitled the "Omnibus Nuclear Proliferation Control Act of 1993."

Section 2: Table of Contents.—This section describes the contents of each of the three titles of the bill.

Section 3: Definitions.—This section contains definitions of 12 terms used in this bill. The term "nuclear explosive device" is defined explicitly for the first time in U.S. law. Nations can design nuclear weapons, or improve existing designs, by means of extremely small explosive tests using minute quantities of bomb material—Sweden, for example, reportedly performed such tests in the early 1970's. The definition incorporates terms used during the Eisenhower Administration to distinguish a nuclear from a non-nuclear explosion (for a discussion, see Robert N. Thorn and Donald R. Westervelt, "Hydronuclear Experiments," LA-10902-MS, Los Alamos: Los Alamos National Laboratory, February 1987). The definition is intended as a standard to guide the implementation of nuclear nonproliferation laws and policies and is not intended to foreclose any other definition that may be adopted in the course of the negotiation of any future international agreement limiting the testing of nuclear explosive devices, including a Comprehensive Test Ban Treaty.

The term "unsafeguarded special nuclear material" is defined to include plutonium and other special nuclear materials that are held either in violation of or otherwise outside of International Atomic Energy Agency (IAEA) safeguards; the definition excludes non-sensitive quantities that would qualify for export from the United States under general licensing authority. Material that is explicitly exempted from safeguards pursuant to a safeguards agreement with the IAEA is not included within this definition.

The term "direct-use material" is defined in accordance with current usage of the term by the IAEA (see IAEA Safeguards Glossary, IAEA/SF/INF/1 (Rev. 1), 1987 Edition, Vienna, Austria: IAEA).

TITLE I: REPORTING ON NUCLEAR EXPORTS

Sec. 101: Reports of the President.—Each year, sec. 601 of the Nuclear Nonproliferation Act (NNPA) requires the President to submit an unclassified report to Congress on developments with respect to the global spread of nuclear weapons. Sec. 101 of the current bill would expand this reporting requirement to include nonproprietary details from the export licensing process for nuclear dual-use items (as defined in sec. 3 of the bill), as well as U.S. exports of components of nuclear facilities and authorizations for the export of specific nuclear technology and services; the section also requires the reporting of instances when sanctions have been imposed. In the 102nd Congress, conferees to the bill to reauthorize the Export Administration Act agreed to the text of this reporting requirement, but the House did not approve the conference report. [The Senate approved this language on October 8, 1992, *Congressional Record*, p. S-17948 ff. Also see H.R. 3489, the "Omnibus Export Amendments Act of 1992," and H. Rept. 102-1025.]

TITLE II—SANCTIONS FOR NUCLEAR PROLIFERATION

Section 201: Imposition of Sanctions.

PURPOSE

This section broadens presidential authority to impose sanctions against foreign and domestic persons that the President determines have contributed to the global proliferation of nuclear weapons. Specifically, the sanctions seek to deter illicit exports from the United States or a foreign nation of goods or technology that would assist any individual, group, or non-nuclear-weapon state to acquire a nuclear explosive device or unsafeguarded special nuclear material.

The section establishes explicit presidential authority to ban U.S. government procurements from foreign or domestic firms that have "materially and with requisite knowledge" contributed to the proliferation of nuclear explosive devices or access to unsafeguarded bomb materials. The term "with requisite knowledge" derives from the use of the term "knowing," as defined in the Foreign Corrupt Practices Act of 1977, and "has reason to know," as that term has long been used in existing nuclear export control regulations.

RATIONALE

All Americans recognize that the acquisition by additional nations or groups of nuclear explosives or bomb material would jeopardize vital U.S. interests and world peace. Yet with respect to U.S. government purchases and U.S. imports of goods produced by firms that engage in proliferation-related exports, U.S. statutory sanctions are currently more punitive for missile and chemical and biological weapons proliferation than for illicit activities promoting the global spread of fission or hydrogen bombs.

P.L. 101-510, for example, authorizes the President to ban U.S. government contracts with, and U.S. imports of goods produced by, foreign firms that engage in illicit sales of sensitive missile technology; similar sanctions are now found in legislation (P.L. 102-138 and P.L. 102-182) concerning the proliferation of chemical and biological weapons. Current nuclear sanctions, by contrast, provide for penalties relating to denials of foreign aid and nuclear cooperation—but provide no equivalent statutory penalties for foreign firms that traffic in illicit nuclear weapon-related goods.

The sanctions, triggering procedures, scope of persons affected, foreign government consultations, report, exceptions, waivers, and terms for terminating sanctions used in this section were modeled after the sanctions provisions in previous legislation addressing missile, chemical, and biological weapons proliferation. Sec. 201(b) of the bill authorizes the President to delay the imposition of sanctions in order to permit consultation with foreign governments to halt the prohibited activity. Consistent with a colloquy between Senator Jake Garn and Senator John Glenn on October 8, 1992 (Congressional Record page S-17954), it is also the intention of this legislation that the President may temporarily delay the imposition of sanctions when such a delay is necessary to protect intelligence sources and methods, provided that the delay does not result in a significant risk of additional transfers of sanctionable goods or technology, and that the delay is not used to further any policy other than nonproliferation.

The case for the government procurement sanctions rests on cumulative revelations of the extent that foreign firms have been suppliers of secret nuclear weapons programs around the world. On March 22, 1989, for example, the Washington Post cited a raid by the West German government that discovered 70 German firms that had been active suppliers of Pakistan's nuclear program. In 1991, UN inspectors of Iraq's destroyed nuclear facilities discovered extensive reliance on foreign equipment and technology. Moreover, press accounts have identified a number of foreign commercial enterprises that did extensive business with both the U.S. government and the Iraqi defense establishment.

The denial of foreign aid and nuclear cooperation—once a powerful sanction—may well (with low levels of foreign aid and the continuing stagnation of the nuclear power industry) decline in value as a means to curb proliferation in the 1990's. The sanctions in this section therefore grant the President specific authority to deploy an additional powerful deterrent—the procurement ban—against illicit sales by firms that do extensive business with the federal government. Although import sanctions were originally intended to be included in this bill, they were withdrawn to permit the House to originate this particular sanction in accordance with House rules.

Because there are a variety of circumstances under which a person can "know" a certain fact—and because "material" does not require further definition in law—it is useful to clarify the legislative intent of the term "requisite knowledge" as used in this bill.

United States regulations have for many years (e.g., see 45 Federal Register 43143, June 25, 1980) required U.S. exporters to apply for a validated license prior to the export of goods or technology which the exporter "knows or has reason to know" will be used for purposes related to nuclear weapons or the production of special nuclear material. Under 10 C.F.R. 810, the Department of Energy uses this approach in authorizing U.S. persons to participate in the foreign production of nuclear materials. The Commerce Department has also issued regulations (15 C.F.R. 778.3) requiring exporters to apply for a validated license for technical data and commodities that the exporter "knows or has reason to know" will be used, directly or indirectly, in various nuclear-weapon-related activities.

The evolution of this standard derives from Congress' early concerns about the contributions that dual-use goods can make to a clandestine nuclear explosive program, concerns that have over the years been validated and reaffirmed as a result of the efforts of Pakistan, Iraq, and other nations to acquire such goods for illicit weapons purposes. These efforts, moreover, are continuing today in many nations.

In 1978, Congress established the original statutory basis for dual-use nuclear export controls in sec. 309(c) of the NNPA. Under that section, the President was directed to publish regulations regarding the control by the Department of Commerce over the export of dual-use goods with potential nuclear weapons applications; specifically, the law required controls over a broad category of goods that were described as follows: "*all* export items. . . which *could be, if used* for purposes other than those for which the export is intended, *of significance for* nuclear explosive purposes" (emphasis added). Regulations implementing this section are found in 15 C.F.R. 778.

On March 13, 1991, the Department of Commerce published a proposed rule (56 Federal Register 10765) that attempted to define the specific circumstances under which an exporter "knows" a specific good will be used in a chemical or biological weapons or missile facility. On August 15, 1991, however, the Department issued an interim rule relying instead upon "existing case law and judicial interpretation" for guidance on the definition of the term "know" (56 Federal Register 40495). In publishing this regulation, the Department stated that "the standard in the nuclear controls is not being changed at this time." (p. 40495)

The definition of "requisite knowledge" used in this bill is not intended to support any other knowledge standard used for chemical or biological weapon or missile proliferation controls or any other law. There are, however, many reasons for explicitly incorporating "reason to know" within the broad definition of "knowledge" in this nuclear sanctions bill.

First, Presidents and Congresses have for over 45 years designated the global spread of nuclear weapons as posing unique and potentially grave threats to the national security of the United States. Although the global spread of all weapons of mass destruction jeopardizes U.S. security, nuclear weapons remain to this day the only devices that can obliterate entire cities in an instant. Halting the proliferation of such weapons requires special attention under our law: the "reason to know" standard creates an additional incentive for exporters to familiarize themselves with their customers and the end uses of their products.

Second, the gravity of this threat requires that law enforcement officials have sufficient authority to prevent the export of goods or data from the United States which could help additional nations to acquire the bomb. By its references to the need to control the export of goods that "could be . . . of significance for" nuclear explosive purposes, sec. 309(c) of the NNPA clearly intended such controls to be broad. Similarly, the Nuclear Non-Proliferation Treaty (Article I) obligates the United States . . . not in any way to assist, encourage, or induce any non-nuclear-weapon State to manufacture or otherwise acquire nuclear weapons or other nuclear explosive devices, or control over such weapons or explosive devices.

Although it is impossible to define in positive law all of the conceivable circumstances that would constitute "knowledge" of a specific nuclear weapon development, it is certain that a broad definition is required, given the unambiguously wide scope of America's domestic and international legal obligations not to promote nuclear proliferation.

Third, there is a considerable body of case law and judicial interpretation of the term "reason to know" which provides guidance as to the interpretation of that term. Statutes and regulations ranging from U.S. tort law, the uniform Commercial Code, the International Traffic in Arms Regulations, anti-boycott trade controls, regulations on exports of police or military equipment to South Africa, and even the Migratory Bird Act—all illustrate past judicial and regulatory experience in adjudicating and implementing the "reason to know" standard. A similar standard is found in the Export Administration Act, which requires (in sec. 11(b)(3)) severe penalties against any person who possesses any goods or technology ". . . knowing or having reason to believe" that such items would be exported in violation of sections 5 or 6 of that Act. As used in this bill, the definition of "reason to know" is intended to be fully consistent with the use of the term in 10 C.F.R. 810, 15 C.F.R. 778.3, and existing legal and regulatory precedents.

Subsection (d) of sec. 201 authorizes the Secretary of State to issue advisory opinions to any person seeking to inquire whether a specific activity would subject that person to sanctions under this legislation. It is the intent of this section that any exporter who engages in an activity that is fully consistent with the terms of an advisory opinion issued pursuant to this section should not be subject to sanctions under this legislation. Possession of an advisory opinion, however, does not constitute grounds for failing to comply with the terms of this Act (as, for example, in the case of fraudulent or deceptive requests for opinions). Receipt of an advisory opinion is not, therefore, a license to proliferate.

Sec. 202. Eligibility for Assistance.

PURPOSE

This section (a) amends the Arms Export Control Act to ensure that foreign recipients of U.S. arms exports are not in material breach of their nuclear nonproliferation treaty commitments; (b) amends the Foreign Assistance Act to authorize the President to waive for one year the prohibitions of Section 670(a)(1) concerning illicit transfers of nuclear reprocessing technology and illicit nuclear procurements in the United States; and (c) amends further the Foreign Assistance Act by requiring Pakistan to satisfy the same nuclear standards in the Glenn/Symington amendment (sections 669 and 670 of the Foreign Assistance Act) that are required of all other non-nuclear-weapon states that receive U.S. foreign aid.

RATIONALE

(a) This section creates a strong disincentive for recipients of U.S. arms exports to promote nuclear proliferation, and a strong incentive for such recipients to live up to their nuclear nonproliferation treaty commitments. The section is prospective: it is not intended to punish activities that occurred before enactment of this section.

(b) Current law (Section 670(a)(2) of the Foreign Assistance Act) authorizes the President to waive of any penalties for illicit transfers of nuclear reprocessing technology and for illicit nuclear procurement attempts in the United States. There is no time limitation in the current law constraining how long such a waiver may be issued. The new language would authorize the President to issue a waiver in any specific fiscal year, upon making the certifications that are currently required under that section.

(c) Two of America's most important nuclear sanctions are found in sections 669 and 670 of the Foreign Assistance Act; 669 cuts off aid if a nation traffics in unsafeguarded uranium enrichment technology, while section 670 cuts off aid if a nation transfers or receives nuclear reprocessing technology or (among other activities) illicitly seeks nuclear technology in the U.S.

As originally enacted, sanctions under both sections can be waived by the President under specific circumstances identified in those sections. In 1981, however, President Reagan sought new waiver authority for Pakistan in order tc facilitate U.S. assistance to the Afghan rebels; this new authority was needed because Pakistan could not satisfy the requirements for the existing waiver authority in the Foreign Assistance Act. In short, although Pakistan was indeed engaging in illicit imports of unsafeguarded uranium enrichment technology, and given that Pakistan would not provide "reliable assurances" that it would not acquire the bomb, the Reagan Administration nevertheless wanted to continue aid in order to achieve the goal of expelling the Soviets from Afghanistan.

In 1981, Congress agreed to extend a temporary (six-year) waiver of the uranium enrichment sanctions called for in sec. 669. After this waiver authority expired in 1987, it was renewed for shorter periods of time; this waiver authority officially expires on September 30, 1993. In early 1982, President Reagan issued P.D. 82-7, which waived indefinitely the nuclear reprocessing sanctions required in Sec. 670. In early 1988, President Reagan issued P.D. 88-5 to waive sanctions against a specific attempt by Pakistan to acquire material that ". . .was to be used by Pakistan in the manufacture of a nuclear explosive device."

Thus, Congress has on 5 occasions granted special waiver authority for Pakistan under sec. 669; the President has issued 1 indefinite waiver of the reprocessing provision in sec. 670, and 1 waiver for penalties associated with an illicit effort by Pakistan to violate U.S. nuclear export control laws. Yet despite these special waivers and large-scale U.S. economic and military assistance throughout the 1980's, Pakistan's bomb program continued to move forward. On February 7, 1992, the Washington Post reported that the Parkistani foreign secretary, Shahryar Khan, had stated in an interview that Pakistan now possesses "elements which, if put together, would become a device."

The Soviet withdrawal from Afghanistan, coupled with alarming new developments in Pakistan's nuclear program in recent years (including continuing cooperation with China), now removes all justification for Pakistan's special waivers of nuclear sanctions under the Glenn/Symington amendment. The price of continuing these waivers is greater than any conceivable gain to U.S. nonproliferation objectives.

A new waiver of 669, for example, would under current law permit (assuming Pakistan could meet other nonproliferation conditions under sec. 620E-e) continuation of economic or military aid to Pakistan even if Pakistan later provides Libya or Iran with the complete plans for a uranium enrichment plant. If a waiver were in force for Sec. 670, Pakistan could transfer the plans for a plutonium separation plant to any other country and incur no foreign aid penalty under U.S. law. To reduce such risks, the new section would simply return Pakistan to treatment accorded to every other non-nuclear weapon nation under the Glenn/Symington amendment.

Sec. 203. Role of International Financial Institutions.

PURPOSE

This section requires U.S. directors in international financial institutions to oppose "any direct or indirect use" of institution funds that would assist non-nuclear-weapon nations to acquire nuclear explosive devices or unsafguarded special nuclear material. The section would also require U.S. directors "to consider" the nuclear nonproliferation credentials of the nation that would benefit from funding offered by such agencies.

RATIONALE

Multilateral funding agencies (World Bank, International Development Agency International Finance Corporation, regional development banks, etc.) each year provide billions of dollars for legitimate development projects throughout the world. The purposes of U.S. "development" assistance do not now include—and must never be permitted to include—aid in developing the bomb. By ensuring that no U.S. funds that have been provided to multilateral development agencies will be used either directly or indirectly to promote nuclear proliferation, this section would serve both U.S. national security and foreign policy interests.

This section follows several non-nuclear statutory precedents with respect to the voice and vote U.S. executive directors in such institutions. For example: (1) 22 U.S.C. 262d requires that U.S. directors, in connection with their voice and vote in such institutions, "shall advance the cause of human rights"; (2) in accordance with 22 U.S.C. 262g, U.S. representatives in such institutions "shall oppose any loan or other financial assistance" to promote any foreign exports of palm oil, sugar, or citrus crops if such exports would cause injury to U.S. producers; (3) in 22 U.S.C. 262h, the Secretary of treasury is required to instruct the U.S. directors "to use the voice and vote of the United States to oppose" any assistance that would promote the foreign production of any commodity or mineral whose export would cause substantial injury to U.S. producers; and (4) as required by 22 U.S.C. 262n–2, the Secretary of Treasury shall instruct the U.S. directors to use the "voice and vote" to oppose financing of projects that will produce exports in violation of the General Agreement on Tariffs and Trade.

Sec. 204. Amendment to the International Emergency Economic Powers Act.

PURPOSE

This section ensures that a wide range of options will be available to the President for purposes of imposing economic sanctions against companies that engage in activities that promote the international spread of nuclear explosive devices or unsafeguarded special nuclear material.

RATIONALE

This section specifically extends the grants of authorities provided to the President under sec. 203 of the International Emergency Economic Powers Act to deter firms from engaging in activities relating to the proliferation of nuclear explosive devices. The wide scope of the sanctioning powers under that section will both enhance the credibility of the sanctions and provide the President with some flexibility to apply penalties in specific circumstances when a U.S. government procurement ban would be either inappropriate or ineffective. Such powers would be essential, for example, in the event a company is promoting proliferation yet does not have any contracts with the federal government.

Sec. 205. Amendments to FDIC Improvement Act.

PURPOSE

This section expands the President's authority to apply sanctions against banks and financial institutions that knowingly promote nuclear proliferation.

RATIONALE

Based on evidence (e.g., testimony of David Kay of the International Atomic Energy Agency before the Senate Committee on Foreign Relations on October 17, 1991) that banks played significant roles in assisting Iraq to acquire illicit nuclear technologies, this section amends the Federal Deposit Insurance Corporation Improvement Act of 1991 to mandate a ban on dealings by banks and other financial institutions in U.S. government finance and other restrictions on the operation of such institutions in the United States, if the President determines that they have materially and with requisite knowledge assisted non-nuclear-weapon states to acquire unsafeguarded special nuclear material or nuclear explosive devices. The sanctions under this section contain waiver authority in the event any such sanction would "have a serious adverse effect on the safety and soundness of the domestic or international financial system or on domestic or international payments systems."

Sec. 206. Export-Import Bank.

PURPOSE

Section 206 requires the Secretary of State to report to Congress and to the Board of Directors of the Ex-Im Bank if the Secretary determines that any country "has willfully aided or abetted" a non-nuclear-weapon state to acquire a nuclear explosive device or unsafeguarded special nuclear material. Ex-Im Bank credits would then be suspended, unless the President determines it is in the national interest to continue such credit.

RATIONALE

The Export-Import Bank Act already contains a report requirement along these lines, but the existing law only addresses circumstances in which nations violate IAEA safeguards or a U.S. agreement for nuclear cooperation. The new language expands the scope of the report to a wider range of activities relating to illicit nuclear assistance to other nations.

Sec. 207. Additional Amendments to the Foreign Assistance Act of 1961.

PURPOSE

Section 207 expands sanctions against nations that transfer a nuclear explosive device, design information of such a device, or any important component of a nuclear explosive device to a non-nuclear-weapon state.

RATIONALE

Under Section 670(b)(1) of the Foreign Assistance Act as currently worded, no foreign assistance may be given to any non-nuclear-weapon state that either receives or detonates a nuclear explosive device. The new language would extend this penalty to include receipt of essential bomb parts or bomb design information. Current law would only impose a penalty if a complete bomb were physically transferred to a non-nuclear-weapon state—yet if a recipient of U.S. aid gave Syria or Iran a bomb design, for example, or fabricated components of a bomb or bombs, there would be no explicit penalty under U.S. law. This section would strengthen sanctions to address just such situations.

As a result of an amendment adopted unanimously by the Foreign Relations Committee in last year's bill (S. 1128), the bill includes additional sanctions against countries that the President has determined have violated the prohibitions of Section 670(b)(1). The new sanctions include at a minimum: termination of foreign assistance, arms sales, U.S. government credits, arms sales financing, multilateral development bank assistance, bank loans, and U.S. exports (excluding only agricultural commodities and food). The section exempts from sanctions certain activities undertaken pursuant to Title V of the National Security Act (relating to congressional oversight of intelligence activities).

The intent of this section is to strengthen sanctions against, and thereby to deter, the proliferation of nuclear explosive devices and the most critical design information and components of such devices. Transfers to a non-nuclear-weapon state of design information of nuclear explosive devices or of any components determined by the President to be both known by the transferring country to be intended by the recipient state for use in any such a device, would be treated under U.S. law as though a device itself had been transferred; penalties for such transfers could only be waived in accordance with the limited waiver authority provided in sec. 207(c) of the bill.

Sec. 208. Reward.

PURPOSE

This section authorizes the Secretary of State to pay rewards for information relating to acts substantially contributing to the risk of illicit foreign acquisition of unsafeguarded nuclear material or a nuclear explosive device.

RATIONALE

Under Section 36 of the State Department Basic Authorities Act (P.L. 84-885), the Secretary of State already has authority to pay rewards for information relating to terrorist activities. On July 15, 1991, the State Department's Acting Coordinator for Counterterrorism testified before the Senate Committee on Governmental Affairs that the Department had found this reward authority to be ". . . unequivocally a successful program." As devastating as contemporary terrorism can be, a nuclear explosive can produce terror on a far greater scale—yet under current law, the Secretary of State is not statutorily authorized to pay rewards for information useful in halting nuclear proliferation. The new section would *require* no payments, it would only authorize the Secretary of State to issue such payments should they advance the goals of nuclear nonproliferation.

Sec. 209. Reports.

PURPOSE

Section 209 requires (a) that the ACDA annual report to Congress shall include a section on instances when other nations have failed to comply with their commitments to the United States with respect to nuclear nonproliferation; and (b) that Congress be kept fully and currently informed, in accordance with Executive reporting responsibilities under Section 602(c) of the Nuclear Non-Proliferation Act of 1978, about the status of diplomatic demarches issued on behalf of nuclear nonproliferation objectives.

RATIONALE

(a) Over the last decade, the United States received numerous high-level official commitments from nations around the world concerning their intentions with respect to the nonproliferation of nuclear weapons. Many of these commitments have been registered in treaty form (e.g., there are now over 150 parties to the Nuclear Non-Proliferation Treaty); but others have been provided in official but less formal arenas. Russia is already required to comply with its arms control commitments to the United States, by means of a reporting requirement created in the Defense Authorization Act of 1986 (Sec. 1002). Modeled on that reporting requirement, the new section seeks to underscore the expectation of the United States that nuclear commitments—especially those commitments deemed by the President to constitute a national obligation—must also be kept. The information required in this report concerns *non*compliance—the President is required to report such noncompliance to Congress and steps being taken to respond to such noncompliance.

(b) Diplomatic demarches (defined in the bill) are one of the principal means by which the day-to-day business of nonproliferation is conducted. Yet despite repeated public references to the frequency that the U.S. has issued such demarches, there has never been a systematic assessment of their effectiveness in advancing U.S. nuclear nonproliferation goals. There is some evidence that these demarches have often not proven to be terribly effective: one former U.S. defense official once termed these demarches, "demarche-mallows," while another former German export control official has been widely quoted in the press as saying that these demarches landed in his "waste-paper basket."

The bill states that it is the sense of Congress that developments relating to diplomatic demarches should be included in Executive briefings given the Committees on Foreign Relations and Governmental Affairs in the Senate, and the Committee on Foreign Affairs in the House, in accordance with the reporting responsibilities of sec. 602(c) of the Nuclear Non-Proliferation Act of 1978. In addition, the section also requires the reporting of the numbers of demarches that have been issued by or received by the United States on issues relating to the proliferation of nuclear explosive devices. The report on frequencies of demarches is limited to those that were specifically delivered or received by presidents, vice presidents, Cabinet-level officials, and ambassadors.

Sec. 210. Technical Correction.—Section 210 brings current law up to date with existing U.S. nuclear regulatory and legal standards for ensuring the physical protection of highly enriched uranium (HEU). Under international guidelines to which the U.S. subscribes (INFCIRC/225 and the Convention on Physical Protection of Nuclear Material) the control standard for HEU is 5 kilograms. The amendment is a minor technical change.

TITLE III—INTERNATIONAL ATOMIC ENERGY AGENCY

Sec. 301. Bilateral and Multilateral Initiatives.—This section is a Sense-of-the-Congress identifying 14 recommended measures to maintain and enhance international confidence in the effectiveness of the activities of the International Atomic Energy Agency (IAEA) and other multilateral efforts to halt the global spread of nuclear weapons.

Sec. 302. Reforms in IAEA Safeguards.—This section urges the President to pursue 13 measures specifically with respect to the implementation of IAEA safeguards. The measures seek to incorporate many lessons that the Agency has learned as a consequence of the implementation of safeguards activities in Iraq, North Korea, and at facilities that store or process bomb-usable nuclear materials.

Sec. 303. Reporting Requirement.—This section requires the President to report to Congress on the initiatives taken pursuant to the recommendations of sec. 301 and 302, and on the consequences of these initiatives.•

By Mr. GLENN (for himself, Mr. PELL, and Mr. D'AMATO):

S. 1055. A bill to amend the Nuclear Nonproliferation Act of 1978 and the Atomic Energy Act of 1954 to improve the organization and management of United States nuclear export controls, and for other purposes; to the Committee on Governmental Affairs.

NUCLEAR EXPORT REORGANIZATION ACT OF 1993

• Mr. GLENN. Mr. President, next year I will celebrate the 20th anniversary of my election to the U.S. Senate. I am proud that several of my legislative initiatives—including the Nuclear Nonproliferation Act [or NNPA] and the Glenn-Symington amendment to the Foreign Assistance Act—have established the basic framework for America's efforts to prevent the global spread of nuclear weapons.

ON PROLIFERATION AND LEADERSHIP

Although nuclear nonproliferation requires a collective international effort, I firmly believe that U.S. leadership goes a long way in explaining why there are not more nations with nuclear arsenals today. Unfortunately, the opposite is also true: When United States leadership has faltered, as it did in the case of Pakistan, American policy, or the lack of it, has only helped to make the problem worse. Yet despite such mistakes, I doubt many of the various weapons nonproliferation regimes in the world would exist today if it were not for U.S. leadership—and many of these regimes are maintained largely by means of U.S. monitoring and diplomatic resources. Although America's efforts have not always been successful, we have every reason as a Nation to be proud of this record.

I recall the storm of protest from abroad when the NNPA was enacted. Even some of our close European allies attacked the law's alleged unilateralism. After all, how dare the United States try to interfere with sovereign decisions of other nations: If some countries want to build the bomb, and others wish to help them, then what business is it of ours to interfere with this natural order of things? Even to this day, some observers are still saying that it is better for America to seek to manage the effects of proliferation, than to aim at preventing additional nations from acquiring the bomb or at rolling back existing bomb programs.

The priority found in U.S. law to preventing proliferation has had many positive effects abroad. It is worth recalling that several key features of the NNPA have now been adopted by virtually all the major nuclear suppliers as fundamental requirements for peaceful nuclear commerce. These include the requirements for full-scope international safeguards, for prior consent on future uses, including retransfers, of exported nuclear goods and technology, for controls over the physical security of such exports, and for controls that extend to dual-use goods with potential nuclear weapons applications.

And in April of last year, 27 nations—including virtually all of the world's key suppliers—agreed on export controls on over 60 nuclear dual-use items. This list, and the terms for approving exports of such items, have been used by the United States for years as a result of a requirement found in section 309(c) of the NNPA.

Thus despite the frequent claim that America is in decline, there is still a place for American leadership in the world today. And in the field of nuclear nonproliferation, American leadership has time after time led to the creation of global norms.

Today, more and more people recognize that once a country acts in ways that jeopardize the security of its neighbors or international security as a whole, the behavior of such a country can no longer be dismissed as purely an internal matter. It is equally true that no company has a free and unfettered right to engage in commercial activities of its choosing with complete disregard for the consequences of such activities for society. Even history's top advocates of laissez faire recognized the need for some limits on free trade: Adam Smith wrote over 200 years ago that "defence is more important than opulence," and the British economist and politician, Richard Cobden stressed a century ago, "No free trade in cutting throats."

In the past, most of our nuclear nonproliferation laws have focused on creating strong incentives and disincentives to encourage countries not to acquire, or to help others to acquire, the bomb. Today, these laws must not only to be strengthened, but supplemented with new laws directed not only at countries, but at companies and persons that place their private profits ahead of the collective good.

The business community here and abroad now stands at a crossroad: It can cooperate with governments and international organizations in finding the means to curtail illicit nuclear commerce, or it can seek to frustrate the pursuit of this goal, to the long-term detriment not only of business, but of world order itself. I call today on the business community to choose the path of constructive cooperation rather than destructive opposition to the goal of preventing nations from engaging or further perfecting the bomb. The global challenge ahead is awesome in scope and cooperation from the business community will be essential.

Today, I estimate that about 20 nations that have pursued the bomb, some more successfully than others. There are five countries that are declared nuclear weapon states, three countries that are de facto nuclear weapon states, at least nine countries that either have had or continue to have bomb programs in the basement, and three countries that separated from a nuclear weapon state but that still possess nuclear weapons. This record brings to mind President John Kennedy's famous warning back in 1963 that "15 or 20 or 25 nations may have these weapons" by the 1970's. President Kennedy could well have added to his list hundreds upon hundreds of companies around the world that have done their share to help these countries to acquire bomb-building capabilities.

We cannot afford to roll dice with history on this issue, we must take some new initiatives to prevent the nightmare predicted by President Kennedy from occurring in this or in some future decade.

ONE VITAL MISSION

Before America offers new responses to this global threat, we must clarify what it is we are seeking to accomplish—we should not, in other words, spin our wheels, or engage in what a philosopher once called "redoubling your effort when you have forgotten your aim," his definition of fanaticism. The long-term goal of my efforts has consistently been to prevent—not to manage or selectively encourage—the global spread of such weapons. Although the actions and inactions of various proliferators and defunct administrations have caused me to double and redouble my efforts over the years, I have never forgotten that the basic aim of our policy is prevention.

This goal is not new, but it does need to be reinforced. A few years before the Nuclear Nonproliferation Treaty [NPT] came into existence in 1968, President Johnson assembled a high-level review group under the chairmanship of Roswell Gilpatrick to determine whether nonproliferation should be a key goal of U.S. policy and whether the United States should support a treaty based on that goal. As the international community now prepares to review the future of the NPT, which is up for renewal in 1995, it is well to recall some of the findings of the Gilpatrick Report, which are as valid today as they were when they were issued in January 1965. Though still largely classified, the report concluded that:

> The spread of nuclear weapons poses an increasingly grave threat to the security of the United States. New nuclear capabilities, however primitive and regardless of whether they are held by nations currently friendly to the United States, will add complexity and instability to the deterrent balance . . ., aggravate suspicions and hostility among states neighboring new nuclear powers, place a wasteful economic burden on the aspirations of developing nations, impede the vital task of controlling and reducing weapons around the world, and eventually constitute direct military threats to the United States.

The report also noted that "Major defensive efforts might help substantially to diminish such limited threats, but millions of American lives would always be at risk."

CONTINUITY AND CHANGE

There is surely no silver bullet that will prevent nuclear weapons proliferation, nuclear terrorism, or nuclear war from occurring. But legislation that has helped to prevent or slow down the process of proliferation in the past now needs to be reinforced to meet new challenges that were not fully evident when such legislation was introduced years ago.

For example, as a combined result of the end of the cold war and the chronic decline of the civilian nuclear power industry, there are enormous pressures on specialized companies here and abroad to export sensitive nuclear technology and dual-use goods. These so-called supply-side pressures are eroding the restraints not just of our national legislation but of the entire global nuclear nonproliferation regime—a point that became obvious to all when U.N. inspectors reported what they found in Iraq's secret nuclear weapons facilities. To this day, Saddam refuses to divulge what may well be his most treasured secret: The identity of his foreign suppliers. Without their assistance, Saddam's military threat—maybe even Saddam himself—would not be around to jeopardize world security.

I have seen trade statistics indicating that America may well be the world's largest exporter of nuclear dual-use goods—these are civilian items that also have specific uses in designing or manufacturing the bomb. Over the years, we have sold billions of dollars of such goods to countries we have known are actively engaged in clandestine bomb programs; indeed, some goods even went to specific facilities that are widely known to be engaged in illicit nuclear activities. Many of these goods were approved, moreover, without referral to the Departments of State or Defense, the Arms Control and Disarmament Agency, or the Nuclear Regulatory Commission.

Since sales of these goods have obviously not slowed or reversed these illicit nuclear programs, I can only conclude that the purposes served by approaching such sales were more likely related to producing profits or to cultivating political goodwill from the importing country, than to preventing nuclear proliferation. Yet if America cannot place security ahead of profits or politics, how can we possibly expect other nations to do so?

Many proponents of sales of nuclear dual-use goods would have us all believe that our balance of trade, even our whole economy, depends on sending Pakistan and other such countries krytrons, maraging steel, beryllium metal, supercomputers, isostatic presses, streak cameras, flash x ray equipment, and centrifuge components. Nothing, of course, is farther from the truth. Countries with clandestine bomb programs still constitute a minuscule proportion of the global marketplace for these and other nuclear-related commodities.

Yet when the survivors, if there are any, comb through the radioactive rubble left over from world war III, they will no doubt find abundant supplies of U.S. goods and technology in the world's most secret nuclear establishments. I am reminded of Pogo's comment years ago, "We have met the enemy and he is us."

Mr. President, in light of these new challenges we are facing, I rise today to introduce legislation designed to strengthen our national effort to prevent the global spread of nuclear weapons.

BASIC POINTS

In summary, the bill I am introducing today—the Nuclear Export Reorganization Act of 1993—launches a four-front attack on the problem. The approach combines sanctions, improvements in the international regime, export controls, and measures to face up to the challenge of the global plutonium economy.

First, as I have said before on several occasions, we must do more to take the profits out of proliferation. Specifically, I propose to expand presidential authority to impose sanctions against companies that engage in illicit sales of nuclear technology and to require new sanctions against countries that traffic specifically in bomb parts or critical bomb design information. The sanctions provisions—which include a ban on government contracting with firms the materially and knowingly assist other nations to acquire the bomb, and additional sever penalties against nations that traffic in bomb parts or critical bomb design information are identical to those found in the Omnibus Nuclear Proliferation Control Act of 1992 (S. 1128), which passed the Senate by unanimous consent three times in 1992—on April 9, September 18, and October 8.

Second, I am proposing in a sense-of-the-Congress that the United States pursue some 27 reforms to strengthen the operation of safeguards administered by the International Atomic Energy Agency [IAEA]. I introduced 21 of these reforms on October 17, 1991—see Senate Joint Resolution 216—and am as convinced as ever that this international agency needs the support and cooperation of all nations as it undergoes many reforms in the wake of the lessons of Iraq and the new challenges from growing commercial uses of bomb-usable nuclear materials.

The third front of attack is export controls. My proposal is designed to be responsive both to the legitimate needs of the exporting community for an efficient and effective licensing process and to the compelling interest of all citizens in protecting our national security.

In particular, the expert control reforms would accomplish the following:

First, it would vest authority to issue dual-use export licenses in the Commerce Department, while ensuring that key agencies with national security responsibilities have full rights to review license applications and to oppose approvals when they would be contrary to the country's nuclear nonproliferation interests.

Second, it would establish the interagency Subgroup on Nuclear Export Coordination—which has existed in regulatory form for about a decade—as a formal statutory entity within the National Security Council and would endow it with a clear structure and mission.

Third, it would ensure timely access by relevant agencies to export licensing data and expand information available to the public about dual-use nuclear exports.

Fourth, it would clarify in law the items for denying export licenses by adopting a standard that is now applied by 26 major nuclear supplier nations, not just the United States. And consistent with this multilateral standard, there are no loopholes or special country exemptions in the legislation I am introducing today.

Fifth, it would encourage the basic goal of developing in the United States a domestic industry capable of competing in international markets to sell energy technologies that do not contribute to nuclear weapons proliferation.

Sixth, it would establish a mechanism by which private U.S. industry can assist the Government in identifying foreign competitors that are engaging in illicit nuclear sales, and by so doing, assist in the implementation of appropriate sanctions.

Seventh, it would encourage private firms to adopt voluntary codes of conduct to regulate sales activities without active government intervention.

Eighth, it would upgrade the role of the Department of Defense in reviewing and approving proposed U.S. agreements for nuclear cooperation and proposed exports of U.S. nuclear technology.

Ninth, it would define in law for the first time in U.S. history a term that lies at the heart of all our nuclear nonproliferation efforts, namely, a "nuclear explosive device."

Tenth, it would establish in law specific deadlines on the processing of licenses to export dual-use nuclear items.

Eleventh, it would establish an export control bulletin to address the needs of exporters for more detailed information both about the evolution of U.S. nuclear regulations and the nature of the global threat of nuclear weapons proliferation.

Twelfth, it would provide a means by which potential exporters can obtain advisory opinions from the subgroup with respect to activities that may subject exporters to possible sanctions under existing nuclear export control laws.

The fourth and last front of attack offered in this bill concerns several findings and declarations by the Congress with respect to growing international commercial uses of plutonium, and a requirement for the President to review and modify, as appropriate, a 1981 policy that served to promote such uses. Every since 1981, America has been turning a blind eye toward the global proliferation and environmental risks from large-scale commercial uses of weapons-usable plutonium in Europe, Russia, and Japan. It is time for the policy to be reviewed and bought into line with the high priority our country is supposed to be giving to the goal of reducing the risks of nuclear weapons proliferation.

CONCLUSION

Bernard Baruch once said over 45 years ago that "we are here to make a choice between the quick and the dead." Today, I can say that we have several new choices to make, each one potentially affecting the future of this planet. We must choose between leadership and acquiescence, between quick profits and the defense of our national security interests, and between the rule of law and the law of the jungle. The security threat we must collectively address—both politically here at home and in partnership with other nations—is nuclear war. The eventual goal must be the eventual fulfillment of the U.N. Charter's disarmament objectives, but pending achievement of that goal, we have an obligation to do all we can to prevent all forms of nuclear weapons proliferation, and—as in the recent cases of South Africa and Brazil—to work to roll back existing bomb programs wherever they may be.

Mr. President, I will have more to say about the proposed legislation in the months ahead and look forward to working with the new administration in ensuring its early enactment. These reforms are long overdue. I encourage my colleagues to join me in this effort to revitalize these key elements of our nonproliferation strategy. Mr. President, I ask unanimous consent to insert into the Record a more detailed description of the specific sections of this bill.

Mr. President, I ask unanimous consent to include the chairman of the Foreign Relations Committee as an original cosponsor of the Nuclear Proliferation Control Act of 1993. Largely because of his leadership and commitment to nonproliferation, the Senate passed the nuclear sanctions bill I introduced in the last Congress (S. 1128) on three occasions, each by unanimous consent. I welcome his continuing support for this legislation.

Finally, I am pleased to announce that my colleague from New York, Senator D'Amato, who serves as the ranking member of the Banking Committee, has also agreed to cosponsor this bill. Senator D'Amato was also an original cosponsor of the nuclear sanctions bill (S. 1128) I introduced in the last Congress. His support for the new legislation demonstrates not only his commitment to nonproliferation, but also shows his appreciation of the importance of bipartisan approaches to this issue. Mr. President, I ask unanimous consent to designate Senator D'Amato as an original cosponsor of the Nuclear Proliferation Control Act of 1993.

There being no objection, the material was ordered to be printed in the Record, as follows:

Nuclear Export Reorganization Act of 1993

A SECTION-BY-SECTION DESCRIPTION

(Prepared by Committee on Governmental Affairs, May 27, 1993)

Section 1. Short Title.—The bill is entitled "Nuclear Export Reorganization Act of 1993."

Section 2: Table of Contents.—This section describes the contents of each of the six titles of the bill.

Section 3: Definitions.—This section contains definitions of 13 terms used in this bill. The term "nuclear explosive device" is defined explicitly for the first time in U.S. law. Nations can design nuclear weapons, or improve existing designs, by means of extremely small explosive tests using minute quantities of bomb material—Sweden, for example, reportedly performed such tests in the early 1970's. The definition incorporates terms used during the Eisenhower Administration to distinguish a nuclear from a nonnuclear explosion (for a discussion, see Robert N. Thorn and Donald R. Westervelt, "Hydronuclear Experiments," LA-10902-MS, Los Alamos: Los Alamos National Laboratory, February 1987). The definition is intended as a standard to guide the implementation of nuclear nonproliferation laws and policies and is not intended to foreclose any other definition that may be adopted in the course of the negotiation of any future international agreement limiting the testing of nuclear explosive devices, including a Comprehensive Test Ban Treaty.

The term "unsafeguarded special nuclear material" is defined to include plutonium and other special nuclear materials that are held either in violation of or otherwise outside of International Atomic Energy Agency (IAEA) safeguards; the definition excludes non-sensitive quantities that would qualify for export from the United States under general licensing authority. Material that is explicitly exempted from safeguards pursuant to a safeguards agreement with the IAEA is not included within this definition.

The term "direct-use material" is defined in accordance with current usage of the term by the IAEA (see IAEA Safeguards Glossary, IAEA/SF/INF/1 (Rev. 1), 1987 Edition, Vienna, Austria: IAEA).

Section 4: Findings and Policy.—On January 31, 1992, the United Nations Security Council released a statement following a meeting of Heads of State and Government which concluded that "The proliferation of all weapons of mass destruction constitutes a threat to international peace and security." [UN Security Council Document S/23500, January 31, 1992.] This statement echoes a congressional finding in sec. 2 of the Nuclear Non-Proliferation Act of 1978 (NNPA) that: * * * the proliferation of nuclear explosive devices or of the direct capability to manufacture or otherwise acquire such devices poses a grave threat to the security interests of the United States and to continued international progress toward world peace and development.

Subsection (a) of the current bill builds upon these findings and identifies specific roles that are performed by export controls in addressing the threat of nuclear weapons proliferation. The section also confirms the need for further centralization of the licensing process for certain types of exports.

Subsection (b) states that it is the policy of the U.S. to restrict the export or reexport of goods that would be contrary to U.S. nuclear nonproliferation objectives. The subsection further affirms the need for strengthening sanctions against illicit nuclear suppliers and for clarifying the priority of U.S. national security considerations vis-a-vis commercial concerns in the process of licensing the export of goods and technology that can make atomic and hydrogen bombs. The subsection recognizes the need for the cooperation of other nations and the business community in the implementation of this law and the value of greater public access to information in the nuclear export licensing process.

TITLE I: AMENDMENTS TO THE NNPA

Sec. 101: Report. Each year, sec. 601 of the NNPA requires the President to submit an unclassified report to Congress on developments with respect to global spread of nuclear weapons. Sec. 101 of the current bill would expand this reporting requirement to include nonproprietary details from the export licensing process for nuclear dual-use items (as defined in sec. 3 of the bill), as well as U.S. exports of components of nuclear facilities and authorizations for the export of specific nuclear technology and services; the section also requires the reporting of instances when sanctions have been imposed. In the 102nd Congress, conferees to the bill to reauthorize the Export Administration Act agreed to the text of this reporting requirement, but the House did not approve the conference report. [The Senate approved this language on October 8, 1992, Congressional Record, p. S-17948 ff. Also see H.R. 3489, the "Omnibus Export Amendments Act of 1992," and H.Rept. 102-1025.]

Sec. 102: Creation of the Subgroup. Sec. 309(c) of the NNPA established a requirement for the President to publish procedures regarding control by the Department of Commerce over all export items "* * * which could be, if used for purposes other than those for which the export is intended, of significance for nuclear explosive purposes." The procedures were to provide for prior consultations, as required, by the Department of Commerce with the Department of State, the Arms Control and Disarmament Agency, the Nuclear Regulatory Commission (NRC), the Department of Energy, and the Department of Defense.

On June 7, 1978 procedures were published (43 Federal Register 25326) in accordance with the provisions of sec. 309(c); these procedures were updated (49 Federal Register 20780) on May 16, 1984. These regulations established an Interagency "Subgroup on Nuclear Export Coordination" (Subgroup), subordinate in practice to the National Security Council, and made up of the agencies listed in sec. 309(c) of the NNPA. The Subgroup was given several responsibilities, including the review of licenses for the export of nuclear dual-use items (collectively known as the "Nuclear Referral List," in addition to certain other goods and data), when such licenses are referred to the Subgroup by the Departments of Commerce or Energy; Subgroup was also charged with providing its "advice and recommendations" to the Department of Commerce on these specific license applications. Virtually all of the items on the Nuclear Referral List were, on April 2, 1992, adopted by 26 other exporting nations in a Warsaw meeting of the Nuclear Suppliers Group and are, therefore, no longer under strictly unilateral U.S. export controls. [See International Atomic Energy Agency, Information Circular 254/Rev.1/Part 2, July 1992, hereinafter cited as the "Warsaw guidelines."]

Sec. 102(a) of the bill formally establishes the Subgroup as an entity within the National Security Council. This measure is consistent with the history of the Subgroup as a "subgroup" within the NSC. Moreover, the long-standing definition in U.S. law (see sec. 2 of the NNPA) of nuclear weapons proliferation as a "grave threat to the security interests of the United States" further supports the formal inclusion of the Subgroup within the NSC.

Sec. 102(b) amends the NNPA by establishing two new sections (sections 310 and 311) to structure the implementation of the nuclear dual-use export controls required by sec. 309(c) of that Act.

SUMMARY OF SECTIONS 310 AND 311

The new sec. 310 of the NNPA would establish in law: the composition and functions of the Subgroup; the scope of interagency and public access to export licensing information; and the requirement for the Chairman of the Subgroup to publish an "Export Control Bulletin" (described in further detail below) to inform exporters and the general public about the risks of proliferation and efforts to reduce or eliminate such risks.

Sec. 311 deals with the export licensing process and establishes: a list of controlled nuclear dual-use items; the central administrative role of the Secretary of Commerce for processing all applications to export such items and for record keeping; a licensing denial standard adopted from the Warsaw guidelines of the Nuclear Suppliers Group; expanded review and denial authorities for members of the Subgroup; factors for Subgroup members to consider in reviewing license applications; the schedule for processing export licenses; authority for the President to establish an appeals procedure for license denials issued by the members of the Subgroup; and a procedure for companies to seek court relief from excessive delays in the licensing process.

DESCRIPTION OF LICENSING PROCEDURES

The bill retains the current agency composition of the Subgroup—the six agencies designated in sec. 309(c)—but adds a requirement that the individual members shall have "expertise in the control of exports and the non-proliferation of nuclear explosive devices" [sec. 310(a)]. The functions of the Subgroup [sec. 310(b)] are substantially the same as exist under current regulations, except that the Subgroup will under this legislation have expanded authority to make decisions on license applications and new authority to investigate claims by U.S. companies about illicit sales by foreign competitors, and to recommend sanctions, as appropriate and subject to presidential approval, against such activities.

A new sec. 310(c) of the NNPA will give each member of the Subgroup "full, timely, and equal access" to export licensing data for nuclear dual-use goods and will also permit the Subgroup members to obtain from the Department of Commerce other licensing data that are needed for nuclear nonproliferation purposes. This requirement is necessary in light of substantial, well-documented, and long-standing administrative problems in the interagency dissemination of data on export licenses with implications for nuclear weapons proliferation. See, for example: (a) House of Representatives, Committee on Ways and Means, "Administration and Enforcement of U.S. Export Control Programs," Hearings before the Subcommittee on Oversight, 102nd Congress, First Session, Serial 102-72, April 18 and May 1, 1991; (b) House of Representatives, Committee on Government Operations, "U.S. Government Controls on Sales to Iraq," Hearing before the Commerce, Consumer, and Monetary Affairs Subcommittee, 101st Congress, Second Session, September 27, 1990; and (c) House of Representatives, Committee on Government Operations, "Strengthening the Export Licensing System," 102nd Congress, First Session, H. Rept. 102-137, July 2, 1991.

In addition, certain categories of nonproprietary data would be made available to the public, excluding any proprietary data identifying names of license applicants or dollar values of specific exports.

Sec. 310(d) requires the Chairman of the Subgroup to establish an "Export Control Bulletin" for the purposes of informing the public and the exporting community about the risks of proliferation and efforts to reduce or eliminate such risks. Material to be included in this bulletin will assist both licensing authorities and the exporting community in establishing "reason to know" as this term is used in this legislation.

Although the contents of this bulletin will be determined by the Chairman, in consultation with the members of the Subgroup, the following types of subjects would be among those that would be appropriate to include in the bulletin: (a) notices of export control training seminars offered by agencies of the United States government; (b) notices of judicial or public enforcement actions taken in the United States and in other nations concerning illicit nuclear export; (c) national and multilateral policy declarations with respect to nuclear export controls; (d) descriptions of relevant activities and publications of international organizations; (e) questions and answers concerning the nuclear export licensing process; (f) notices of methods for reporting evidence of illicit nuclear export activities to export control enforcement authorities; (d) advice on approved methods for expediting the processing of license applications; (h) advisory notices of warning signs of potential illicit exports; (i) methods for resolving uncertainties over commodity classifications; (j) addresses and telephone numbers of relevant export control offices; (k) potential abuses of civilian commodities for nuclear explosive purposes; (l) advice on finding background information about foreign importers of nuclear dual-use goods; (m) companies, facilities, installations, or individuals that have been officially designated by other members of the Nuclear Suppliers Group to be unreliable destinations for goods covered by multilateral nuclear export controls; (n) documented case studies involving the diversion of exported goods and technologies for nuclear explosive purposes; and such additional information as the Chairman, in consultation with the Subgroup, may include to enhance the awareness of exporters of the risks of exporting nuclear dual-use goods.

Section 311(a) establishes three types of nuclear dual-use goods requiring special controls under sec. 309(c): specific items with nuclear dual-use applications (the "Nuclear Referral List" or N.R.L.); non-N.R.L. items that are controlled for national security purposes and that are intended for a nuclear-related end-use or end-user; and other goods that the exporter knows or has reason to know will be used directly or indirectly (a term defined in sec. 311(a)(3)(B)) in designated nuclear fuel cycle or nuclear explosive activities. This language closely parallels the same standards used in 15 C.F.R. 778 with respect to the export of such items. The "knowledge" standard is further discussed in the commentary on sec. 401 below. Consistent with the requirements of sec. 309(c), a new sec. 311(b) designates the Secretary of Commerce as responsible for processing all nuclear dual-use license applications and for record keeping.

Sec. 311(c)(1) identifies two fundamental standards that must be met before a nuclear dual-use good can be approved for export. The Subgroup shall review each license to determine if approval would: (1) be contrary to the objective of averting the proliferation of nuclear explosive devices; or (2) pose an unacceptable risk of diversion to a nuclear explosive activity or to an unsafeguarded nuclear fuel cycle. These denial standards have been multilaterally adopted by the members of the Nuclear Suppliers Group under the Warsaw guidelines.

Sec. 311(c)(2) prohibits the Secretary of Commerce from approving any specific license of any nuclear dual-use item if the Subgroup cannot agree that the item has fully satisfied the standards of subsection (c)(1). Sec. 311(c)(3) places into law the "factors to consider" that are currently used by Subgroup agencies pursuant to 15 C.F.R. 778.4 for reviewing exports of nuclear dual-use items destined to non-nuclear-weapon states. The Warsaw guidelines also include the commitment of 26 other countries to apply these factors in reviewing their own license applications.

Sec. 311(d) contains processing deadlines for the Subgroup and procedures for companies to seek judicial relief from excessive delays in the processing of license applications; these criteria are identical to those currently in use by the Subgroup (see 56 *Federal Register* 6701). The section also authorizes any member of the Subgroup to appeal the denial of a license to the President, in accordance with such regulations as the President prescribes to carry out the objectives of this legislation.

Sec. 103. Non-Nuclear Energy Resources.—This section places the Congress on record as supporting the goal of developing a domestic industry in the United States capable of competing on international markets for the sale of energy technologies consistent with the goals of sec. 501(a) of the NNPA (concerning the development of non-nuclear energy resources in developing countries). This section also requires the President to review all federally funded research and development consistent with the goals of sec. 501(a) of the NNPA and to report to Congress the findings of this review with respect to the adequacy of those R&D efforts.

TITLE II—INITIATIVES TO STRENGTHEN COMPLIANCE

Sec. 201.—Although U.S. export controls over dual-use nuclear items are now being coordinated with 26 other nations pursuant to the Warsaw guidelines, U.S. exporters will still be at a commercial disadvantage if their foreign competitors engage in illicit nuclear sales despite these multilateral guidelines. One way to respond to such sales is simply to eliminate U.S. controls so that competition can occur on what some call a "level playing field." Such an approach would amount to a policy of "competition in proliferation," however, and would be totally inconsistent with U.S. domestic and international legal obligations with respect to nuclear nonproliferation.

Instead, sec. 201 establishes a procedure by which any U.S. exporter of a nuclear dual-use item who believes a foreign competitor is engaging in illicit sales—such as sales in violation of the Warsaw guidelines—can bring evidence to the Subgroup and petition for an investigation; if the Subgroup undertakes such an investigation, it may recommend sanctions be imposed against the firm that is engaging in such illicit sales. Sanctions will be imposed against such any such firm with the approval of the President.

Sec. 202.—Subsection (a) directs the Subgroup to prepare guidelines for the adoption of voluntary "codes of conduct" by companies that export nuclear dual-use items. This provision follows recommendations that have been made by segments of the business community to encourage exporters to know their customers and to adopt company guidelines to ensure that exports will not contribute to the proliferation of nuclear explosive devices.

Subsection (b) requires the Subgroup to undertake a review of the circumstances under which nuclear dual-use items could be exported by means other than specific validated export licenses, without jeopardizing nonproliferation objectives. Subsection (c) enables the Subgroup to issue advisory opinions on whether specific export activities would subject the exporter to sanctions under existing legislation. Possession of an advisory opinion, however, does not constitute grounds for failing to comply with the terms of this Act (as, for example, in the case of fraudulent or deceptive requests for opinions). Receipt of an advisory opinion is not, therefore, a license to proliferate. Subsections (d) and (e) are intended to encourage the adoption by the Subgroup of measures to expedite the licensing process.

TITLE III—AMENDMENTS TO THE ATOMIC ENERGY ACT

Sec. 301.—Under this section, the Department of Defense is given the same review and concurrence authorities as the Department of State with respect to authorizations by the Department of Energy for "subsequent arrangements," which set forth the terms and conditions for foreign uses of U.S. nuclear goods and technology after they are exported from the United States. In addition, this section requires that Congress will be informed of the technical basis for the satisfaction of the standard of "timely warning" found in sec. 131 of the Atomic Energy Act.

Sec. 302.—Under this section, the Department of Defense is given the same concurrence authorities as the Department of Energy with respect to approvals of proposed agreements for nuclear cooperation. The sole authority of the Department of State to negotiate such agreements is preserved. This section was added in light of well-documented difficulties that were experienced by the Department of Defense over the last decade in participating in reviews of proposed agreements for nuclear cooperation, in particular with Japan. [See Senate, Committee on Governmental Affairs, "Nonproliferation and U.S. National Security," Hearings 100th Congress, First Session, S. Hrg. 100-88, February 24-25 and March 5, 1987.]

Sec. 303.—Under this section, the Department of Defense is given the same review and concurrence authorities as the Department of State with respect to authorizations for U.S. citizens to work in other countries in activities relating to the production of special nuclear material.

Sec. 304.—This section expands the terms for halting nuclear cooperation under sec. 129 of the Atomic Energy Act to include violations of the Nuclear Export Reorganization Act.

Sec. 305.—Under this section, the Department of Defense is given the same review and concurrence authorities as the Department of State with respect to exports of components of nuclear facilities, as licensed pursuant to sec. 109b. of the Atomic Energy Act.

TITLE IV—SANCTIONS FOR NUCLEAR PROLIFERATION

Section 401: Imposition of Sanctions.

PURPOSE

This section broadens presidential authority to impose sanctions against foreign and domestic persons that the President determines have contributed to the global proliferation of nuclear weapons. Specifically, the sanctions seek to deter illicit exports from the United States or a foreign nation of goods or technology that would assist any individual, group, or non-nuclear-weapon state to acquire a nuclear explosive device or unsafeguarded special nuclear material.

The section establishes explicit presidential authority to ban U.S. government procurements from foreign or domestic firms that have "materially and with requisite knowledge" contributed to the proliferation of nuclear explosive devices or access to unsafeguarded bomb materials. The term "with requisite knowledge" derives from the use of the term "knowing," as defined in the Foreign Corrupt Practices Act of 1977, and "has reason to know," as that term has long been used in existing nuclear export control regulations.

RATIONALE

All Americans recognize that the acquisition by additional nations or groups of nuclear explosives or bomb material would jeopardize vital U.S. interests and world peace. Yet with respect to U.S. government purchases and U.S. imports of goods produced by firms that engage in proliferation-related exports, U.S. statutory sanctions are currently more punitive for missile and chemical biological weapons proliferation than for illicit activities promoting the global spread of fission or hydrogen bombs.

P.L. 101-510, for example, authorizes the President (inter alia) to ban U.S. government contracts with, and U.S. imports of goods produced by, foreign firms that engage in illicit sales of sensitive missile technology; similar sanctions are now found in legislation (P.L. 102-138 and P.L. 102-182) concerning the proliferation of chemical and biological weapons. Current nuclear sanctions, by contrast, provide for penalties relating to denials of foreign aid and nuclear cooperation—but provide no equivalent statutory penalties for foreign firms that traffic in illicit nuclear weapon-related goods.

The sanctions, triggering procedures, scope of persons affected, foreign government consultations, report, exceptions, waivers, and terms for terminating sanctions used in this section were modeled after the sanctions provisions in previous legislation addressing missile, chemical, and biological weapons proliferation. Sec. 401(b) of the bill authorizes the President to delay the imposition of sanctions in order to permit consultations with foreign governments to halt the prohibited activity. Consistent with a colloquy between Senator Jake Garn and Senator John Glenn on October 8, 1992 (Congressional Record, page S-17954), it is the intention of this legislation that the President may also temporarily delay the imposition of sanctions when such a delay is necessary to protect intelligence sources and methods, provided that the delay does not result in a significant risk of additional transfers of sanctionable goods or technology, and that the delay is not used to further any policy other than nonproliferation.

The case for the government procurement sanctions rests on cumulative revelations of the extent that foreign firms have been suppliers of secret nuclear weapons programs around the world. On March 22, 1989, for example, the Washington Post cited a raid by the West German government that discovered 70 German firms that had been active suppliers of Pakistan's nuclear program. In 1991, UN inspectors of Iraq's destroyed nuclear facilities discovered extensive reliance on foreign equipment and technology. Moreover, press accounts have identified a number of foreign commercial enterprises that did extensive business with both the U.S. government and the Iraqi defense establishment.

The denial of foreign aid and nuclear cooperation—once a powerful sanction—may well (with low levels of foreign aid and the continuing stagnation of the nuclear power industry) decline in value as a means to curb proliferation in the 1990's. The sanctions in this section therefore grant the President specific authority to deploy an additional powerful deterrent—the procurement ban—against illicit sales by firms that do extensive business with the federal government. Although import sanctions were originally intended to be included in this bill, they were withdrawn to permit the House to originate this particular sanction in accordance with House rules.

Because there are a variety of circumstances under which a person can "know" a certain fact—and because "material" does not require further definition in law—it is useful to clarify the legislative intent of the term "requisite knowledge" as used in this bill.

United States regulations have for many years (e.g., see 45 Federal Register 43143, June 25, 1980) required U.S. exporters to apply for a validated license prior to the export of goods or technology which the exporter "knows or has reason to know" will be used for purposes related to nuclear weapons or the production of special nuclear material. Under 10 C.F.R. 810, the Department of Energy uses this approach in authorizing U.S. persons to participate in the foreign production of nuclear materials. The Commerce Department has also issued regulations (15 C.F.R. 778.3) requiring exporters to apply for a validated license for technical data and commodities that the exporter "knows or has reason to know" will be used, directly or indirectly, in various nuclear-weapon-related activities.

The evolution of this standard derives from Congress's early concerns about the contributions that dual-use goods can make to a clandestine nuclear weapons program, concerns that have over the years been reaffirmed as a result of the efforts of Pakistan, Iraq, and other nations to acquire such goods for illicit weapons purposes. These efforts, moreover, are continuing today.

In 1978, Congress established the original statutory basis for dual-use nuclear export controls in sec. 309(c) of the NNPA. Under that section, the President was directed to publish regulations regarding the control by the Department of Commerce over the export of dual-use goods with potential nuclear weapons applications; specifically, the law required controls over a broad category of goods that were described as follows: "*all* export items . . . which could be, if used for purposes other than those for which the export is intended, of significance for nuclear explosive purposes" (emphasis added). Regulations implementing this section are found in 15 C.F.R. 778.

On March 13, 1991, the Department of Commerce published a proposed rule (56 Federal Register 10765) that attempted to define the specific circumstances under which an exporter "knows" a specific good will be used in a chemical or biological weapons or missile facility. On August 15, 1991, however, the Department issued an interim rule relying instead upon "existing case law and judicial interpretation" for guidance on the definition of the term "know" (56 Federal Register 40495). In publishing this regulation, the Department stated that "the standard in the nuclear controls is not being changed at this time." (p. 40495)

The definition of "requisite knowledge" used in this bill is not intended to supplant any other knowledge standard used for chemical or biological weapon or missile proliferation controls or any other law. There are, however, many reasons for explicitly incorporating "reason to know" within the broad definition of "knowledge" in this nuclear sanctions bill.

First, Presidents and Congresses have for over 45 years designated the global spread of nuclear weapons as posing unique and potentially grave threats to the national security of the United States. Although the global spread of all weapons of mass destruction jeopardizes U.S. security, nuclear weapons remain to this day the only devices that can obliterate entire cities in an instant. Halting the proliferation of such weapons requires special attention under our law: the "reason to know" standard creates an additional incentive for exporters to familiarize themselves with their customers and the end uses of their products.

Second, the gravity of this threat requires that law enforcement officials have sufficient authority to prevent the export of goods or data from the United States which could help additional nations to acquire the bomb. By its references to the need to control the export of goods that "could be * * * of significance for" nuclear explosive purposes, sec. 309(c) of the NNPA clearly intended such controls to be broad. Similarly, the Nuclear Non-Proliferation Treaty (Article I) obligates the United States: * * * not in any way to assist, encourage, or induce any non-nuclear-weapon State to manufacture or otherwise acquire nuclear weapons or other nuclear explosive devices, or control over such weapons or explosive devices.

Although it is impossible to define in positive law all of the conceivable circumstances that would constitute "knowledge" of a specific nuclear weapon development, it is certain that a broad definition is required, given the unambiguously wide scope of America's domestic and international legal obligations not to promote nuclear proliferation.

Third, there is a considerable body of case law and judicial interpretation of the term "reason to know" which provides guidance as to the interpretation of that term. Statutes and regulations ranging from U.S. tort law, the Uniform Commercial Code, the International Traffic in Arms Regulations, anti-boycott trade controls, regulations on exports of police or military equipment to South Africa, and even the Migratory Bird Act—all illustrate past judicial and regulatory experience in adjudicating and implementing the "reason to know" standard. A similar standard is found in the Export Administration Act, which requires (in sec. 11 (b)(3)) severe penalties against any person who possesses any goods or technology "* * * knowing or having reason to believe" that such items would be exported in violation of sections 5 or 6 of that Act. As used in this bill, the definition of "reason to know" is intended to be fully consistent with the use of the term in 10 C.F.R. 810, 15 C.F.R. 778.3, and existing legal and regulatory precedents.

Subsection (d) of sec. 401 authorizes the Secretary of State to issue advisory opinions to any person seeking to inquire whether a specific activity would subject that person to sanctions under this legislation. It is the intent of this section that any exporter who engages in an activity that is fully consistent with the terms of an advisory opinion issued pursuant to this section, should not be subject to sanctions under this legislation. Possession of an advisory opinion, however, does not constitute grounds for failing to comply with the terms of this Act (as, for example, in the case of fraudulent or deceptive requests for opinions). Receipt of an advisory opinion is not, therefore, a license to proliferate.

Sec. 402. Eligibility for Assistance.

PURPOSE

This section (a) amends the Arms Export Control Act to ensure that foreign recipients of U.S. arms exports are not in material breach of their nuclear nonproliferation treaty commitments; (b) amends the Foreign Assistance Act to authorize the President to waive for one year the prohibitions of Section 670(a)(1) concerning illicit transfers of nuclear reprocessing technology and illicit nuclear procurements in the United States; and (c) amends further the Foreign Assistance Act by requiring Pakistan to satisfy the same nuclear standards in the Glenn/Symington amendment (sections 669 and 670 of the Foreign Assistance Act) that are required of all other non-nuclear-weapon states that receive U.S. foreign aid.

RATIONALE

(a) This section creates a strong disincentive for recipients of U.S. arms exports to promote nuclear proliferation, and a strong incentive for such recipients to live up to their nuclear nonproliferation treaty commitments. The section is prospective: it is not intended to punish activities that occurred before enactment of this section.

(b) Current law (Section 670(a)(2) of the Foreign Assistance Act) authorizes the President to waive of any penalties for illicit transfers of nuclear reprocessing technology and for illicit nuclear procurement attempts in the United States. There is no time limitation in the current law constraining how long such a waiver may be issued. The new language would authorize the President to issue a waiver in any specific fiscal year, upon making the certifications that are currently required under that section.

(c) Two of America's most important nuclear sanctions are found in sections 669 and 670 of the Foreign Assistance Act; 669 cuts off aid if a nation traffics in unsafeguarded uranium enrichment technology, while section 670 cuts off aid if a nation transfers or receives nuclear reprocessing technology or (among other activities) illicitly seeks nuclear technology in the U.S.

As originally enacted, sanctions under both sections can be waived by the President under specific circumstances identified in those sections. In 1981, however, President Reagan sought new waiver authority for Pakistan in order to facilitate U.S. assistance to the Afghan rebels; this new authority was needed because Pakistan could not satisfy the requirements for the existing waiver authority in the Foreign Assistance Act. In short, although Pakistan was indeed engaging in illicit imports of unsafeguarded uranium enrichment technology, and given that Pakistan would not provide "reliable assurances" that it would not acquire the bomb, America nevertheless wanted to continue aid in order to achieve the goal of expelling the Soviets from Afghanistan.

In 1981, Congress agreed to extend a temporary (6 year) waiver of the uranium enrichment sanctions called for in sec. 669. After this waiver authority expired in 1987, it was renewed for shorter periods of time; this waiver authority officially expires on September 30, 1993. In early 1982, President Reagan issued P.D. 82-7, which waived indefinitely the nuclear reprocessing sanctions required in Sec. 670. In early 1988, President Reagan issued P.D. 88-5 to waive sanctions against a specific attempt by Pakistan to acquire material that ". . . was to be used by Pakistan in the manufacture of a nuclear explosive device."

Thus, Congress has on 5 occasions granted special waiver authority for Pakistan under sec. 669; the President has issued 1 indefinite waiver of the reprocessing provision in sec. 670, and 1 waiver for penalties associated with an illicit effort by Pakistan to violate U.S. nuclear export control laws. Yet despite these special waivers and large-scale U.S. economic and military assistance throughout the 1980's, Pakistan's bomb program continued to move forward. On February 7, 1992, the Washington Post reported that the Pakistani foreign secretary, Shahryar Khan, had stated in an interview that Pakistan now possesses "elements which, if put together, would become a device."

The Soviet withdrawal from Afghanistan, coupled with alarming new developments in Pakistan's nuclear program in recent years (including continuing cooperation with China), calls for an end to Pakistan's special waivers of nuclear sanctions under the Glenn/Symington amendment. The price of continuing these waivers is greater than any conceivable gain to U.S. nonproliferation objectives.

A new waiver of 669, for example, would under current law permit (assuming Pakistan could meet other nonproliferation conditions under sec. 620E–e) continuation of economic or military aid to Pakistan even if Pakistan later provides Libya or Iran with the complete plans for a uranium enrichment plant. If a waiver were in force for Sec. 670, Pakistan could transfer the plans for a plutonium separation plant to any other country and incur no foreign aid penalty under U.S. law. To reduce such risks, the new section would simply return Pakistan to treatment accorded to every other non-nuclear-weapon nation under the Glenn/Symington amendment.

Sec. 403. Role of International Financial Institutions.

PURPOSE

This section requires U.S. directors in international financial institutions to oppose "any direct or indirect use" of institution funds that would assist non-nuclear-weapon nations to acquire nuclear explosive devices or unsafeguarded special nuclear material. The section would also require U.S. directors "to consider" the nuclear nonproliferation credentials of the nation that would benefit from funding offered by such agencies.

RATIONALE

Multilateral funding agencies (World Bank, International Development Agency, International Finance Corporation, regional development banks, etc.) each year provide billions of dollars for legitimate development projects throughout the world. The purposes of U.S. "development" assistance do not now include—and must never be permitted to include—aid in developing the bomb. By ensuring that no U.S. funds that have been provided to multilateral development agencies will be used either directly or indirectly to promote nuclear proliferation, this section would serve both U.S. national security and foreign policy interests.

This section follows several non-nuclear statutory precedents with respect to the voice and vote of U.S. executive directors in such institutions. For example: (1) 22 U.S.C. 262d requires that U.S. directors, in connection with their voice and vote in such institutions, "shall advance the cause of human rights"; (2) in accordance with 22 U.S.C. 262g, U.S. representatives in such institutions "shall oppose any loan or other financial assistance" to promote any foreign exports of palm oil, sugar, or citrus crops if such exports would cause injury to U.S. producers; (3) in 22 U.S.C. 262h, the Secretary of Treasury is required to instruct the U.S. directors "to use the voice and vote of the United States to oppose" any assistance that would promote the foreign production of any commodity or mineral whose export would cause substantial injury to U.S. producers; and (4) as required by 22 U.S.C. 262n-2, the Secretary of Treasury shall instruct the U.S. directors to use the "voice and vote" to oppose financing of projects that will produce exports in violation of the General Agreement on Tariffs and Trade.

Sec. 404. Amendment to the International Emergency Economic Powers Act.

PURPOSE

This section ensures that a wide range of options will be available to the President for purposes of imposing economic sanctions against companies that engage in activities that promote the international spread of nuclear explosive devices or unsafeguarded special nuclear material.

RATIONALE

This section specifically extends the grants of authorities provided to the President under sec. 203 of the International Emergency Economic Powers Act to deter firms from engaging in activities relating to the proliferation of nuclear explosive devices. The wide scope of the sanctioning powers under that section will both enhance the credibility of the sanctions and provide the President with some flexibility to apply penalties in specific circumstances when a U.S. government procurement ban would be either inappropriate or ineffective. Such powers would be essential, for example, in the event a company is promoting proliferation yet does not have any contracts with the federal government.

Sec. 405. Amendments to FDIC Improvement Act.

PURPOSE

This section expands the President's authority to apply sanctions against banks and financial institutions that knowingly promote nuclear proliferation.

RATIONALE

Based on evidence (e.g., testimony of David Kay of the International Atomic Energy Agency before the Senate Committee on Foreign Relations on October 17, 1991) that banks played significant roles in assisting Iraq to acquire illicit nuclear technologies, this section amends the Federal Deposit Insurance Corporation Improvement Act of 1991 to mandate a ban on dealings by banks and other financial institutions in U.S. government finance and other restrictions on the operation of such institutions in the United States, if the President determines that they have materially and with requisite knowledge assisted non-nuclear-weapon states to acquire unsafeguarded special nuclear material or nuclear explosive devices. The sanctions under this section contain waiver authority in the event any such sanction would "have a serious adverse effect on the safety and soundness of the domestic or international financial system or on domestic or international payments systems."

Sec. 406. Export-Import Bank.

PURPOSE

Section 406 requires the Secretary of State to report to Congress and to the Board of Directors of the Ex-Im Bank if the Secretary determines that any country "has willfully aided or abetted" a non-nuclear-weapon state to acquire explosive device or unsafeguarded special nuclear material. Ex-Im Bank credits would then be suspended, unless the President determines it is in the national interest to continue such credit.

RATIONALE

The Export-Import Bank Act already contains a report requirement along these lines, but the existing law only addresses circumstances in which nations violate IAEA safeguards or a U.S. agreement for nuclear cooperation. The new language expands the scope of the report to a wider range of activities relating to illicit nuclear assistance to other nations.

Sec. 407. Additional Amendments to the Foreign Assistance Act of 1961.

PURPOSE

Section 407 expands sanctions against nations that transfer a nuclear explosive device, design information of such a device, or any important component of a nuclear explosive device to a non-nuclear-weapon state.

RATIONALE

Under Section 670(b)(1) of the Foreign Assistance Act as currently worded, no foreign assistance may be given to any non-nuclear-weapon state that either receives or detonates a nuclear explosive device. The new language would extend this penalty to include receipt of essential bomb parts or bomb design information. Current law would only impose a penalty if a complete bomb were physically transferred to a non-nuclear-weapon state—yet if a recipient of U.S. aid gave Syria or Iraq a bomb design, for example, or fabricated components of a bomb or bombs, there would be no explicit penalty under U.S. law. This section would strengthen sanctions to address just such situations.

As a result of an amendment adopted unanimously by the Foreign Relations Committee in last year's bill (S. 1128), the bill includes additional sanctions against countries that the President has determined have violated the prohibitions of Section 670(b)(1). The new sanctions include at a minimum: termination of foreign assistance, arms sales, U.S. government credits, arms sales financing, multilateral development bank assistance, bank loans, and U.S. exports (excluding only agricultural commodities and food). The section exempts from sanctions certain activities undertaken pursuant to Title V of the National Security Act (relating to congressional oversight of intelligence activities).

The intent of this section is to strengthen sanctions against, and thereby to deter, the proliferation of nuclear explosive devices and the most critical design information and components of such devices. Transfers to a non-nuclear-weapon state of design information of nuclear explosive devices or of any components determined by the President to be both known by the transferring country to be intended by the recipient state for use in any such a device, would be treated under U.S. law as though a device itself had been transferred; penalties for such transfers could only be waived in accordance with the limited waiver authority provided in sec. 407(c) of the bill.

Sec. 408. Reward.

PURPOSE

This section authorizes the Secretary of State to pay rewards for information relating to acts substantially contributing to the risk of illicit foreign acquisition of unsafeguarded nuclear material or a nuclear explosive device.

RATIONALE

Under Section 36 of the State Department Basic Authorities Act (P.L. 84-885), the Secretary of State already has authority to pay rewards for information relating to terrorist activities. On July 15, 1991, the State Department's Acting Coordinator for Counterterrorism testified before the Senate Committee on Governmental Affairs that the Department had found this reward authority to be ". . . unequivocally a successful program." As devastating as contemporary terrorism can be, a nuclear explosive can produce terror on a far greater scale—yet under current law, the Secretary of State is not statutorily authorized to pay rewards for information useful in halting nuclear proliferation. The new section would require no payments, it would only authorize the Secretary of State to issue such payments should they advance the goals of nuclear nonproliferation.

Sec. 409. Reports.

PURPOSE

Section 409 requires (a) that the ACDA annual report to Congress shall include a section on instances when other nations have failed to comply with their commitments to the United States with respect to nuclear nonproliferation; and (b) that Congress be kept fully and currently informed, in accordance with Executive reporting responsibilities under Section 602(c) of the Nuclear Non-Proliferation Act of 1978, about the status of diplomatic demarches issued on behalf of nuclear nonproliferation objectives.

RATIONALE

(a) Over the last decade, the United States received numerous high-level official commitments from nations around the world concerning their intentions with respect to the nonproliferation of nuclear weapons. Many of these commitments have been registered in treaty form (e.g., there are now over 150 parties to the Nuclear Non-Proliferation Treaty); but others have been provided in official but less formal arenas. Russia is already required to comply with its arms control commitments to the United States, by means of a reporting requirement created in the Defense Authorization Act of 1986 (Sec. 1002). Modeled on that reporting requirement, the new section seeks to underscore the expectation of the United States that nuclear commitments—especially those commitments deemed by the President to constitute a national obligation—must also be kept. The information required in this report concerns noncompliance—the President is required to report such noncompliance to Congress and steps being taken to respond to such noncompliance.

(b) Diplomatic demarches (defined in the bill) are one of the principal means by which the day-to-day business of nonproliferation is conducted. Yet despite repeated public references to the frequency that the U.S. has issued such demarches, there has never been a systematic assessment of their effectiveness in advancing U.S. nuclear nonproliferation goals. There is some evidence that these demarches have often not proven to be terribly effective: one former U.S. defense official once termed these demarches, "demarche-mallows," while another former German export control official has been widely quoted in the press as saying that these demarches landed in his "waste-paper basket." The bill states that it is the sense of Congress that developments relating to diplomatic demarches should be included in Executive briefings given to the Committees on Foreign Relations and Governmental Affairs in the Senate, and the Committee on Foreign Affairs in the House, in accordance with the reporting responsibilities of sec. 602(c) of the Nuclear Non-Proliferation Act of 1978.

Sec. 410. Technical Correction.—Section 410 brings current law up to date with existing U.S. nuclear regulatory and legal standards for ensuring the physical protection of highly enriched uranium (HEU). Under international guidelines to which the U.S. subscribes (INFCIRC/225) and the Convention on Physical Protection of Nuclear Material) the control standard for HEU is 5 kilograms. The amendment is a minor technical change.

TITLE V—INTERNATIONAL ATOMIC ENERGY AGENCY

Sec. 501. Bilateral and Multilateral Initiatives.—This section is a Sense-of-the-Congress identifying 14 recommended measures to maintain and enhance international confidence in the effectiveness of the activities of the International Atomic Energy Agency (IAEA) and other multilateral efforts to halt the global spread of nuclear weapons.

Sec. 502. Reforms in IAEA Safeguards.—This section urges the President to pursue 13 measures specifically with respect to the implementation of IAEA safeguards. The measures seek to incorporate many lessons that the Agency has learned as a consequences of the implementation of safeguards activities in Iraq, North Korea, and at facilities that make large-scale commercial uses of bomb-usable nuclear materials.

Sec. 503. Reporting Requirement.—This section requires the President to report to Congress on the initiatives taken pursuant to the recommendations of sec. 501 and 502, and on the consequences of these initiatives.

TITLE VI—REVIEW OF PLUTONIUM USE POLICY

Sec. 601. Findings and Declarations.—This section contains 13 congressional findings with respect to the alarming rise in international commercial uses of bomb-usable nuclear material, much of which is of U.S. origin or subject to U.S. consent rights.

Sec. 602. Report.—This section requires the President to reexamine a 1981 U.S. policy with respect to foreign uses of U.S.-controlled plutonium, to modify that policy as appropriate, and to report to Congress on the results of the review of U.S. policy.●

By Mrs. FEINSTEIN (for herself, Mr. LIEBERMAN, Mr. THURMOND, Mr. HOLLINGS, and Mrs. BOXER):

S. 1056. A bill to require that defense reinvestment and economic growth funds be allocated among communities on the basis of the relative levels of reductions in employment experienced in such communities as a result of reduced spending for national defense functions; to the Committee on Governmental Affairs.

DEFENSE

Mrs. FEINSTEIN. Mr. President, I rise today to introduce legislation to target defense conversion funds to areas of greatest need. I am joined in this effort by Senators LIEBERMAN, THURMOND, HOLLINGS, and my own colleague and friend from California, Senator BOXER.

Mr. President, I am very concerned. I applaud the President for his presentation of a program of defense conversion totaling about $20 billion. But, Mr. President, in real life, all of this money can go to areas of this Nation that do not have the need that is precipitated and developed by the enormous downsizing of defense and by base closures.

I believe that this Senate ought to take that into consideration because the purpose of defense conversion money is to be able to transition employees who lose their jobs from defense industry into peacetime commercial industry and to target dollars to enable defense-related companies to transition into peaceful commercial types of technological manufacturing.

I agree with that. Why shouldn't the United States of America lead the world in the manufacture of the hardware and software connected with transportation? Why shouldn't we make the magnetic levitation vehicles, the bullet trains, and the hybrid cars of the future? Indeed, I think we should.

Mr. President, under the present circumstances, thought, there is no guarantee that these funds are going to be able to aid people who are moving out of defense and want to go into peaceful commercial manufacturing, both in defense downsizing as well as in base closures.

Mr. President, I want to speak just for a moment to a little bit of each. With respect to base closures, as soon as a base is scheduled for closure, businesses put up the for sale signs, the real estate prices drop, and the banks stop lending. This uncertainty dampens confidence necessary to move this economy out of recession into economic productivity.

Let me give you an example in California. In Alameda County in northern California, the Alameda Naval Air Station is the largest single employer in the country. The average worker is in his or her early forties, has worked there for more than a decade, with an average salary of $38,000 a year. More than half are minorities. they generally tend to be married, they own their own homes, and they have children in schools.

The closure of this base without substitute employment condemns these workers to either lower wages or long unemployment lines.

Alameda Naval Air Station is just 1 of 12 bases in California considered for closure. This is on top of the 17 bases already slated for closure or closed. So it is a lose-lose situation.

If Alameda Naval Air Station closes, it is estimated that the school district alone loses 20 percent of its enrollment—20 percent.

Base closures are not just bad for those who leave. They are bad for those who stay. Property values decline, communities are disrupted, lives are shattered.

The defense conversion program can help remedy that, stabilize the community, help workers, and reduce the pain.

Defense downsizing. In Santa Ana, CA, more than 70,000 jobs have been lost in the last 5 years just due to defense downsizing. Of the 10,000 small businesses, in Santa Ana, 75 percent are involved in the aerospace industry. This is truly a defense-dependent community. The businesses are trying to convert to peacetime uses, but it is not easy. Conversion funds to help businesses move into commercial and dual use product lines would provide enormous opportunities. They would not only benefit Santa Ana and Alameda, but California and the Nation as whole.

Let me share a story with you. A former campaign staff member and her family have been devastated by the impact of defense downsizing in southern California. Her stepfather and mother built a home together in the San Fernando Valley where they had expected to retire. He has been a machinist for the same defense contractor for 18 years. As a consequence of defense downsizing, he sees people all around him losing their jobs, and his hours have been cut dramatically. They could not afford to live in their house. They have had to sell it. They have moved to an outlying area. Today, he commutes 3 hours to work and back for a part-time job because it is better than no job at all.

The mother has developed cancer. Now her stepfather must worry about keeping his health insurance as well as his job. So this has been an emotionally wrenching time. And this family is not alone. It is happening all across this Nation. It is one of the true life stories in America about the end of the cold war.

Mr. President, for this program of defense conversion to be effective, I believe the funds must be targeted.

If a child cuts her knee, you would not place a bandage on her elbow. The same is true for defense conversion. Target it effectively, and the funds can bring hope, jobs, and transition where they are needed.

More than 250,000 jobs have been lost in my State alone due to defense downsizing in the past 2 years. This is one-half of all of the jobs that the President's stimulus program would have provided to the entire Nation.

By 1998, the job loss in California is expected to reach 650,000 from defense downsizing and base closures. California is not the only State to suffer. The State of the Presiding Officer, Florida, and Connecticut, Massachusetts, South Carolina, Texas, and many, many others, are undergoing this difficult adjustment.

The legislation I am introducing today, along with the Senators I have named, would require defense conversion funds to be allocated fairly and efficiently. This legislation would require the Cabinet secretary or agency head responsible for implementing the President's various defense conversion programs to develop and apply a formula to allocate defense conversion funds, based on the employment impact of defense downsizing or base closures and realignments.

I am very pleased to have these Senators join in this legislation. I am hopeful that there will be others as well.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD at the conclusion of my remarks.

Again, I thank the Senator from Oklahoma and the Senator from Minnesota for yielding.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1056

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ALLOCATION OF DEFENSE CONVERSION FUNDS ON THE BASIS OF JOB LOSSES.

(a) ALLOCATION REQUIREMENT.—(1) Notwithstanding any other provision of law, funds available for providing assistance under a program referred to in subsection (b) to or in communities adversely affected by conditions described in paragraph (2) shall be allocated among such communities on the basis of the relative levels of reductions in employment experienced in such communities as a result of such conditions. On that basis, communities experiencing higher levels of such reductions in employment than are experienced by other communities shall be allocated a commensurately higher level of funding than is allocated to such other communities.

(2) The conditions referred to in paragraph (1) are as follows:

(A) A significant reduction in Federal spending levels for national defense functions.

(B) A significant reduction in the size of the Armed Forces of the United States.

(C) A base closure or realignment by the Department of Defense.

(b) PROGRAMS COVERED.—This section applies to each Federal program providing any of the following assistance:

(1) Job training assistance or other employment adjustment assistance.

(2) Economic planning, development, or conversion assistance.

(3) Assistance for developing and applying new technologies for nondefense commercial purposes.

(c) ALLOCATION RESPONSIBILITIES.—The head of the department or agency of the Federal Government responsible for the administration of a program described in subsection (b) shall develop for, and apply in, the administration of such program an allocation formula that meets the requirements of this section.

By Mr. JEFFORDS:

S. 1057. A bill to provide for the establishment of a nationwide, universal access health coverage program, and for other purposes; to the Committee on Finance.

THE MEDICORE HEALTH ACT

Mr. JEFFORDS. Mr. President, today the administration and Congress are moving toward a reform of the American system of health care that is likely to be as sweeping and historic as the Social Security revolution of the 1930's. The deliberations and planning are producing the seeds of vast change. I know we all hope that in the near future, every citizen of this country will be guaranteed access to some basic package of health care benefits. It is an idea whose time has come and, as Franklin Delano Roosevelt put it some 60 years ago, "The country needs and, unless I mistake its temper, the country demands bold, persistent experimentation."

Around us we see the symptoms of a health care system greatly in need of reform. Rapidly, care is becoming unaffordable for the Nation and an increasing number of its citizens. While we have the finest technology in the world, we have some of the industrialized world's worst health care indicators.

Nationally, we spend almost $2,600 a year per capita on health care. As this chart indicates, we spend 1.5 times more than Canada, 1.7 times more than West Germany, and 2.6 times more than Britain. The impact of this spending on the Federal deficit is ever increasing. This year we are expected to spend $912 billion in health care, about $310 billion of which is Federal money. CBO projections indicate that if we keep today's health care system in place, by the year 2000 Federal expenditures will be about $600 billion. The longer we take to rein in the costs of health care, the greater an effect it will have on the deficit. And, the costs to small business, which today bear the brunt of increasing health care expenses, are large enough that they pose a threat to their well-being and even their very existence.

The time for change is upon us. Daily I receive calls and letters from constituents asking me for help; I see the toll it takes on families as they struggle to keep ahead of the mounting costs. Certainly today these demands for change have not been lost on Congress. Virtually every Member of the House and the Senate has ideas about how to solve this national crisis. The administration's task force, under the leadership of Mrs. Clinton, is moving toward its own comprehensive plan for reform.

Standing here today I look for consensus in the goals and premises which shape our efforts and characterize our proposals. In an effort to bring forth a bill which will satisfy the many conflicting policy and political demands, I have worked hard for the past 3 years in the development of a bill which can help us reach that consensus. I am reintroducing a bill very similar to the one I introduced last year.

The MediCORE proposal which I present to this body demonstrates that these goals can be met within the established hopes, expectations and guidelines of the day. It is valuable, I believe, to look at the processes which have guided all our work and which have led to my proposal, and I hope that seeing this will help members and the public better understand the complexities of finding a consensus—and therefore a solution—to today's health care problems, while showing that it is not impossible, philosophically, practically, or politically.

Through my conversations with the many people who have involved themselves in this issue, some of the common and major goals have become clear. The country needs a health care system that provides cost-effective, efficient, quality health care to all Americans, with a special emphasis on preventive care and an equitable burden for all citizens.

To achieve these goals, my plan—like those of Senator CHAFEE and the White House—follows these basic guidelines:

First, it has an independent Federal board that designs a basic care package to be offered to all citizens—families, individuals, the elderly, and the poor;

Second, preventive and primary care are emphasized; and

Third, it takes into account the economic effects of the program—especially on tax equity, small business, the deficit, and U.S. international competitiveness.

In addition, in my own proposal, I have paid special attention to the following three factors: State flexibility, financing, and effective cost-control. The solutions that my bill proposes respond to some of the tougher questions that have become both economic and political sticking points in this issue. Not only does it provide realistic answers, but it offers a viable option for all parties: It works well to combine the most important aspects of different reform models and also to provide affordable, quality health care to all Americans.

Throughout the development of this bill, I have kept the views of many sides in mind—both liberals and conservatives. To simplify: Liberals want universal access at any cost, and conservatives lean toward independent management, trying to keep it out of the Federal bureaucracy. MediCORE has evolved from the premises of managed competition, where consumers can join together in purchasing cooperatives to take advantage of group buying power and economies of scale so that they can spread risk and keep insurance costs low.

However, in our planning, one of the things we quickly realized was that not every State could take advantage of managed competition. MediCORE authorizes an independent Federal board to oversee the country's system, but leaves to the States the decision on how to design their delivery systems.

I think we should keep the administration at the local level because I believe that the closer the manager is to the providers and consumers, the more involved each will be and the more efficient will be the control over costs. State managers will have a much better idea of what is happening to the people who are most closely affected. In fact, one of the unique features of MediCORE is that while it encourages managed competition plans, it allows state choice.

I feel it is imperative that States have this flexibility to design whatever system meets their geographic and demographic needs. Under MediCORE, each State would be free to come up with the method that best meets its needs, we can be assured that both urban and rural areas will be able to work within the kind of system that is best for them, which is a primary concern in our efforts to simplify and unify the country's health care system. While California may well choose a managed competition system, it might be better for Vermont to work within the boundaries of a single payer program.

We recognize that there are political difficulties in changing the present health care system, which is one of the reasons it has taken so long to enact change—a change that will only help the country and its people. We are used to, and many of us are comfortable with, the current employer-based health care system, which results in tax-free income for employees. Yet the high cost of health care has driven many of the small businesses in our economy up against a wall. Faced with rapidly increasing insurance costs and employees in need, for many it has become too costly to insure employees, and so they must make a difficult choice: No insurance for their employees or go out of business.

Politically, one of the most difficult parts of designing a new health care system is financing it; how you pay for it. I laid it out for my constituents in my proposal last Congress and the response has been surprisingly positive. People don't mind paying for health care in a rational, above-board fashion. But only recently has the national debate started to wrestle with this issue.

The reason is that if we move to a progressive system for financing, most people will pay less. The reasons are simple. Cost shifting adds a tremendous premium to health care costs. By eliminating cost shifting, and broadening the funding base, we can provide for comprehensive health care at a lower cost for most Americans.

It is for this reason that I think we should cast a wide net in our health care reform efforts. My proposal seeks to fold the Medicaid and Medicare programs into MediCORE. The result will be better care at lower cost. This is obviously true for the Medicaid Program, but also true for Medicare, given the size of the out-of-pocket costs for senior citizens.

Obviously, the money must come from somewhere. What I propose is that the Federal Government essentially assume the costs of private insurance today, and transmit those revenues to the State MediCORE programs. It would do this through a 6-percent premium on adjusted gross income, or AGI. Most people would satisfy this AGI premium through their payroll. The bill would set up a 6-percent payroll premium which would be credited against the AGI liability. Of the payroll premium, 4 percent would be paid by the employer, 2 percent by the employee.

Basing health care coverage on income is much more fair for employees than essentially levying a head tax on employment. Moreover, it is a fair way to help businesses cope with the astronomical health care costs.

As you can see in this chart, it saves a great deal of money for small businesses. MediCORE aims to remove the responsibility for health care from the employment sector. Using the Department of Labor and Commerce estimates, MediCORE could save companies with fewer than 20 employees $41,000; those with 20–90 employees up to $132,000; and for those with 100–500 employees approximately $634,000. I can't think of a company that would not enjoy that kind of savings.

And as we all know, many employees already pay for their health benefits. To control business costs, many companies have been increasing employee cost-sharing through rising deductibles and higher premiums. Overall, the 2-percent tax will save money for most employees. While the businesses save money, too, I hope that these extra savings could be put toward employee pensions to insuring for a more secure retirement.

I would also like to stress that in my plan, the Federal Government would collect all the money and redistribute it to the States, readjusting the funds based on a per capita amount. In no event would a State get back less than what it puts in through AGI and payroll premiums.

A 6-percent premium may not seem like a lot to pay for good health care for the entire country. But the administration agrees that not much more money than that needs to be added to cover the total expenses of universal care. It is also clear that we must eliminate the cost shifting that occurs presently in the system, to allow the costs of health care provision to be more equitable to all. Cost-shifting within Federal programs has led to chronic underfunding which, in turn, has contributed to the sharply escalating premiums we all face.

By guaranteeing that every person is insured, we can guarantee that every person's care is being paid for by prearranged groups, which is in turn being paid for out of employer and employee wages. No longer will costs of the uninsured be shifted onto others; the costs for services will be more equitable for all and each individual will have a stake in the system.

A global budget is one of the reasons that cost-control is so important in MediCORE. The bill concentrates especially on finding a way to level off national health care spending. The $912 billion we are expected to finance health care for all Americans. We must live within current health care expenditures. States using market force principles are more likely to accomplish this task than the Federal Government. However, the Federal Government must remain an active participant in health care reform.

One of the distinguishing factors of my MediCORE proposal is that a strict cap on health care spending is coupled with a national board empowered to enforce the limits of the global budget through changes in a national benefits package. This is important because of its impact on the Federal budget. Already $1 out of every $7 spent by the Government is spent on health care. Without strict cost containment, this number will only continue to increase.

MediCORE begins with the establishment of this global budget because it makes sure we are not just putting a Band-Aid on a broken limb, especially at the Federal level where the increasing costs in health care are at least one-half of our deficit problem and will contribute to more problems in the future. MediCORE establishes the goal of freezing health care expenditures at the 1993 level of $912 billion, in real dollars plus revenue growth. This chart shows that analysis based on figures from HCFA and CBO indicate that we will be able to maintain spending at current levels and by the middle of the next decade save over $1.52 trillion by limiting the growth of health care spending to the growth in our economy.

Along these lines, the MediCORE plan encourages States to initiate malpractice reform to cut down on the costs of defensive medicine. Because MediCORE makes preventive care available to all, people are healthier and spend less money on care in the long run. It would set up information centers that would collect data about cost, procedures, and outcomes to help administrators streamline their systems and make them more cost- and quality-effective. And, overhauling the system to make a level playing field for consumers will force insurers to become more competitive by reducing the waste inherent in fraud, double-billing, and excess utilization.

There is little, if any, disagreement on the need for fundamental reform of our health care system to provide comprehensive coverage to all. We are challenged to create a system which looks out for all individuals and provides them with good care. This change will not be painless, nor will it be without cost. But Americans have earned the right to health care—a right consistent with the promises of an equality sounded by the founding fathers.

The time to act is now. We need to move into the 21st century on firm, healthy footing. As Americans, we need and demand bold steps to take us there.

I also commend the Clinton administration. We have been working with them in cooperation to try and design a program, and I am pleased that they are taking and looking seriously at the MediCORE plan and already have adopted many of its provisions. We are hoping that when we get to the even more difficult tasks they will continue and we will continue to work with them to try to work towards a consensus package.

ADDITIONAL COSPONSORS

S. 176

At the request of Mr. DORGAN, his name was added as a cosponsor of S. 176, a bill to amend title XVIII of the Social Security Act with respect to essential access community hospitals, the rural transition grant program, regional referral centers, medicare-dependent small rural hospitals, interpretation of electrocardiograms, payment for new physicians and practitioners, prohibitions on carrier forum shopping, treatment of nebulizers and aspirators, and rural hospital demonstrations.

S. 257

At the request of Mr. BUMPERS, the names of the Senator from Massachusetts [Mr. KERRY] and the Senator from Connecticut [Mr. DODD] were added as cosponsors of S. 257, a bill to modify the requirements applicable to locatable minerals on public domain lands, consistent with the principles of self-initiation of mining claims, and for other purposes.

S. 473

At the request of Mr. JOHNSTON, the names of the Senator from Mississippi [Mr. LOTT] and the Senator from Tennessee [Mr. SASSER] were added as cosponsors of S. 473, a bill to promote the industrial competitiveness and economic growth of the United States by strengthening the linkages between the laboratories of the Department of Energy and the private sector and by supporting the development and application of technologies critical to the economic, scientific and technological competitiveness of the United States, and for other purposes.

S. 676

At the request of Mr. WOFFORD, the names of the Senator from New Jersey [Mr. BRADLEY], the Senator from Arkansas [Mr. PRYOR], and the Senator from Hawaii [Mr. INOUYE] were added as cosponsors of S. 676, a bill to amend certain education laws to provide for service-learning and to strengthen the skills of teachers and improve instruction in service-learning, and for other purposes.

S. 726

At the request of Mr. DASCHLE, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 726, a bill to amend the Social Security Act to create a new program to update and maintain the infrastructure requirements of our Nation's essential urban and rural safety net health care facilities, and for other purposes.

S. 775

At the request of Mr. WALLOP, the name of the Senator from Mississippi [Mr. LOTT] was added as a cosponsor of S. 775, a bill to modify the requirements applicable to locatable minerals on public lands, consistent with the principles of self-initiation of mining claims, and for other purposes.

S. 833

At the request of Mr. GRASSLEY, the name of the Senator from North Dakota [Mr. DORGAN] was added as a cosponsor of S. 833, a bill to amend title XVIII of the Social Security Act to provide for increased medicare reimbursement for nurse practitioners, clinical nurse specialists, and certified nurse midwives, to increase the delivery of health services in health professional shortage areas, and for other purposes.

S. 834

At the request of Mr. GRASSLEY, the name of the Senator from North Dakota [Mr. DORGAN] was added as a cosponsor of S. 834, a bill to amend title XVIII of the Social Security Act to provide for increased medicare reimbursement for physician assistants, to increase the delivery of health services in health professional shortage areas, and for other purposes.

S. 1021

At the request of Mr. INOUYE, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of S. 1021, a bill to assure religious freedom to Native Americans.

SENATE JOINT RESOLUTION 88

At the request of Mr. DECONCINI, the names of the Senator from Ohio [Mr. METZENBAUM], the Senator from North Carolina [Mr. HELMS], the Senator from North Dakota [Mr. CONRAD], and the Senator from Pennsylvania [Mr. WOFFORD] were added as cosponsors of Senate Joint Resolution 88, a joint resolution to designate July 1, 1993, as "National NYSP Day".

SENATE JOINT RESOLUTION 94

At the request of Mr. DOLE, the names of the Senator from New York [Mr. D'AMATO], the Senator from Hawaii [Mr. INOUYE], the Senator from Tennessee [Mr. MATHEWS], and the Senator from Alaska [Mr. STEVENS] were added as cosponsors of Senate Joint Resolution 94, a joint resolution to designate the week of October 3, 1993, through October 9, 1993, as "National Customer Service Week".

SENATE JOINT RESOLUTION 95

At the request of Mr. PELL, the names of the Senator from Alabama [Mr. SHELBY] and the Senator from Minnesota [Mr. WELLSTONE] were added as cosponsors of Senate Joint Resolution 95, a joint resolution to designate October 1993 as "National Breast Cancer Awareness Month".

SENATE CONCURRENT RESOLUTION 16

At the request of Mr. SHELBY, the name of the Senator from Wisconsin [Mr. KOHL] was added as a cosponsor of Senate Concurrent Resolution 16, a concurrent resolution expressing the sense of Congress that equitable mental health care benefits must be included in any health care reform legislation passed by Congress.

SENATE RESOLUTION 92

At the request of Mr. ROBB, the name of the Senator from Tennessee [Mr. MATHEWS] was added as a cosponsor of Senate Resolution 92, a resolution condemning the proposed withdrawal of North Korea from the Treaty on the Non-Proliferation of Nuclear Weapons, and for other purposes.

At the request of Mr. WOFFORD, his name was added as a cosponsor of Senate Resolution 92, supra.

SENATE RESOLUTION 113

At the request of Mr. MITCHELL, his name was added as a cosponsor of Senate Resolution 113, A resolution condemning the extraconstitutional and antidemocratic actions of President Serrano of Guatemala.

AMENDMENTS SUBMITTED

CONGRESSIONAL CAMPAIGN SPENDING LIMIT AND ELECTION REFORM ACT OF 1993

KERRY (AND OTHERS) AMENDMENT NO. 381

Mr. KERRY (for himself, Mr. BIDEN, Mr. BRADLEY, Mr. SIMON, Mr. WELLSTONE, Mr. FEINGOLD, and Mrs. BOXER) proposed an amendment to amendment No. 366 (in the nature of a substitute) to the bill (S. 3) entitled the "Congressional Spending Limit and Election Reform Act of 1993," as follows:

On page 17, strike line 22 and all that follows through page 37, line 5, and insert the following:

"(b) AMOUNT OF PAYMENTS.—(1) For purposes of subsection (a)(3), the amounts determined under this subsection are—

"(A) the public financing amount;

"(B) the independent expenditure amount; and

"(C) in the case of an eligible Senate candidate who has an opponent in the general election who receives contributions, or makes (or obligates to make) expenditures, for such election in excess of the general election expenditure limit under section 502(b), the excess expenditure amount.

"(2) For purposes of paragraph (1), the public financing amount is—

"(A) in the case of an eligible candidate who is a major party candidate and who has met the threshold requirement of section 501(e) during the general election period, an amount equal to the general election expenditure limit applicable to the candidate under section 502(b) (without regard to paragraph (4) thereof) reduced by the amount of voter communication vouchers issued to the eligible candidate and the amount of the threshold requirement of section 501(e); and

"(B) in the case of an eligible candidate who is not a major party candidate and who has met the threshold requirement of section 501(e) during the general election period, an amount equal to the amount of contributions received during that period in excess of the threshold requirement under section 501(e) in the aggregate amount of $250 or less, up to 50 percent of the general election spending limit under section 502(b).

"(3) For purposes of paragraph (1), the independent expenditure amount is the total amount of independent expenditures made, or obligated to be made, during the general election period by 1 or more persons in opposition to, or on behalf of an opponent of, an eligible Senate candidate which are required to be reported by such persons under section 304(c) with respect to the general election period and are certified by the Commission under section 304(c).

"(4) For purposes of paragraph (1), the excess expenditure amount is the amount determined as follows:

"(A) In the case of a major party candidate, an amount equal to the sum of—

"(i) if the excess described in paragraph (1)(C) is not greater than 133⅓ percent of the general election expenditure limit under section 502(b), an amount equal to one-third of such limit applicable to the eligible Senate candidate for the election; plus

"(ii) if such excess equals or exceeds 133⅓ percent but is less than 166⅔ percent of such limit, an amount equal to one-third of such limit; plus

"(iii) if such excess equals or exceeds 166⅔ percent of such limit, an amount equal to one-third of such limit.

"(B) In the case of an eligible Senate candidate who is not a major party candidate, an amount equal to the amount of contributions received during that period from individuals residing in the candidate's State in the aggregate amount of $250 or less, up to 50 percent of the general election spending limit under section 502(b).

"(c) VOTER COMMUNICATION VOUCHERS.—(1) The aggregate amount of voter communication vouchers issued to an eligible Senate candidate during a general election period shall be equal to 50 percent of the general election expenditure limit under section 502(b) (25 percent of such limit if such candidate is not a major party candidate).

"(2) Voter communication vouchers shall be used by an eligible Senate candidate—

"(A) to purchase broadcast time during the general election period in the same manner as other broadcast time may be purchased by the candidate, except that any broadcast so purchased must be at least 60 seconds in length;

"(B) to purchase print advertisements during the general election period; or

"(C) to pay for postage expenses incurred during the general election period.

"(d) WAIVER OF EXPENDITURE AND CONTRIBUTION LIMITS.—(1)(A) An eligible Senate candidate who receives payments under subsection (a)(3) which are allocable to the independent expenditure or excess expenditure amounts described in paragraphs (3) and (4) of subsection (b) may make expenditures from such payments to defray expenditures for the general election without regard to the general election expenditure limit under section 502(b).

"(B) In the case of an eligible Senate candidate who is not a major party candidate, the general election expenditure limit under section 502(b) with respect to such candidate shall be increased by the amount (if any) by which the excess described in subsection (b)(1) exceeds the amount determined under subsection (b)(2)(B) with respect to such candidate.

"(2)(A) An eligible Senate candidate who receives benefits under this section may make expenditures for the general election without regard to clause (i) of section 501(c)(1)(D) or subsection (a) or (b) of section 502 if any one of the eligible Senate candidate's opponents who is not an eligible Senate candidate either raises aggregate contributions, or makes or becomes obligated to make aggregate expenditures, for the general election that exceed 200 percent of the general election expenditure limit applicable to the eligible Senate candidate under section 502(b).

"(B) The amount of the expenditures which may be made by reason of subparagraph (A) shall not exceed 100 percent of the general election expenditure limit under section 502(b).

"(3)(A) A candidate who receives benefits under this section may receive contributions for the general election without regard to clause (iii) of section 501(c)(1)(D) if—

"(i) a major party candidate in the same general election is not an eligible Senate candidate; or

"(ii) any other candidate in the same general election who is not an eligible Senate candidate raises aggregate contributions, or makes or becomes obligated to make aggregate expenditures, for the general election that exceed 75 percent of the general election expenditure limit applicable to such other candidate under section 502(b).

"(B) The amount of contributions which may be received by reason of subparagraph (A) shall not exceed 100 percent of the general election expenditure limit under section 502(b).

"(e) USE OF PAYMENTS.—Payments received by a candidate under subsection (a)(3) shall be used to defray expenditures incurred with respect to the general election period for the candidate. Such payments shall not be used—

"(1) except as provided in paragraph (4), to make any payments, directly or indirectly, to such candidate or to any member of the immediate family of such candidate;

"(2) to make any expenditure other than expenditures to further the general election of such candidate;

"(3) to make any expenditures which constitute a violation of any law of the United States or of the State in which the expenditure is made; or

"(4) subject to the provisions of section 315(j), to repay any loan to any person except to the extent the proceeds of such loan were used to further the general election of such candidate.

"SEC. 504. CERTIFICATION BY COMMISSION.

"(a) IN GENERAL.—(1) The Commission shall certify to any candidate meeting the requirements of section 501 that such candidate is an eligible Senate candidate entitled to benefits under this title. The Commission shall revoke such certification if it determines a candidate fails to continue to meet such requirements.

"(2) No later than 48 hours after an eligible Senate candidate files a request with the Secretary of the Senate to receive benefits under section 503, the Commission shall issue a certification stating whether such candidate is eligible for payments under this title from the Senate Election Campaign Fund or to receive voter communication vouchers and the amount of such payments or vouchers to which such candidate is entitled. The request referred to in the preceding sentence shall contain—

"(A) such information and be made in accordance with such procedures as the Commission may provide by regulation; and

"(B) a verification signed by the candidate and the treasurer of the principal campaign committee of such candidate stating that the information furnished in support of the request, to the best of their knowledge, is correct and fully satisfies the requirements of this title.

"(b) DETERMINATIONS BY COMMISSION.—All determinations (including certifications under subsection (a)) made by the Commission under this title shall be final and conclusive, except to the extent that they are subject to examination and audit by the Commission under section 505 and judicial review under section 506.

"SEC. 505. EXAMINATION AND AUDITS; REPAYMENTS; CIVIL PENALTIES.

"(a) EXAMINATION AND AUDITS.—(1) The Commission shall conduct an examination and audit of the candidates' campaign accounts in 10 percent of the elections to seats in the Senate in each general election, and of the candidates' campaign accounts in each special election to a seat in the Senate, to determine, among other things, whether such candidates have complied with the expenditure limits and conditions of eligibility of this title, and other requirements of this Act. Such candidates shall be designated by the Commission through the use of an appropriate statistical method of random selection. If the Commission selects a general election to a Senate seat for examination and audit, the Commission shall examine and audit the campaign activities of all candidates in that general election whose expenditures were equal to or greater than 30 percent of the general election expenditure limit under section 502(b) for that election.

"(2) The Commission may conduct an examination and audit of the campaign accounts of any candidate in a general election for the office of United States Senator if the Commission determines that there exists reason to believe that such candidate may have violated any provision of this title.

"(b) EXCESS PAYMENTS; REVOCATION OF STATUS.—(1) If the Commission determines that payments or vouchers were made to an eligible Senate candidate under this title in excess of the aggregate amounts to which such candidate was entitled, the Commission shall so notify such candidate, and such candidate shall pay an amount equal to the excess.

"(2) If the Commission revokes the certification of a candidate as an eligible Senate candidate under section 504(a)(1), the Commission shall notify the candidate, and the candidate shall pay an amount equal to the payments and vouchers received under this title.

"(c) MISUSE OF BENEFITS.—If the Commission determines that any amount of any benefit made available to an eligible Senate candidate under this title was not used as provided for in this title, the Commission shall so notify such candidate and such candidate shall pay the amount of such benefit.

"(d) EXCESS EXPENDITURES.—If the Commission determines that any eligible Senate candidate who has received benefits under this title has made expenditures which in the aggregate exceed—

"(1) the primary or runoff expenditure limit under section 501(d); or

"(2) the general election expenditure limit under section 502(b), the Commission shall so notify such candidate and such candidate shall pay an amount equal to the amount of the excess expenditures.

"(e) Civil Penalties.—(1) If the Commission determines that a candidate has committed a violation described in subsection (c), the Commission may assess a civil penalty against such candidate in an amount not greater than 200 percent of the amount involved.

"(2)(A) Low amount of excess expenditures.—Any eligible Senate candidate who makes expenditures that exceed any limitation described in paragraph (1) or (2) of subsection (d) by 2.5 percent or less shall pay an amount equal to the amount of the excess expenditures.

"(B) Medium amount of excess expenditures.—Any eligible Senate candidate who makes expenditures that exceed any limitation described in paragraph (1) or (2) of subsection (d) by more than 2.5 percent and less than 5 percent shall pay an amount equal to three times the amount of the excess expenditures.

"(C) Large amount of excess expenditures.—Any eligible Senate candidate who makes expenditures that exceed any limitation described in paragraph (1) or (2) of subsection (d) by 5 percent or more shall pay an amount equal to the sum of—

"(i) three times the amount of the excess expenditures plus an additional amount determined by the Commission, plus

"(ii) if the Commission determines such excess expenditures were willful, an amount equal to the benefits the candidate received under this title.

"(f) Unexpended Funds.—Any amount received by an eligible Senate candidate under this title and not expended on or before the date of the general election shall be repaid within 30 days of the election, except that a reasonable amount may be retained for a period not exceeding 120 days after the date of the general election for the liquidation of all obligations to pay expenditures for the general election incurred during the general election period. At the end of such 120-day period, any unexpended funds received under this title shall be promptly repaid.

"(g) Payments Returned to Source.—Any payment, repayment, or civil penalty required by this section shall be paid to the entity from which benefits under this title were paid to the eligible Senate candidate.

"(h) Limit on Period for Notification.—No notification shall be made by the Commission under this section with respect to an election more than three years after the date of such election.

"SEC. 506. JUDICIAL REVIEW.

"(a) Judicial Review.—Any agency action by the Commission made under the provisions of this title shall be subject to review by the United States Court of Appeals for the District of Columbia Circuit upon petition filed in such court within thirty days after the agency action by the Commission for which review is sought. It shall be the duty of the Court of Appeals, ahead of all matters not filed under this title, to advance on the docket and expeditiously take action on all petitions filed pursuant to this title.

"(b) Application of Title 5.—The provisions of chapter 7 of title 5, United States Code, shall apply to judicial review of any agency action by the Commission.

"(c) Agency Action.—For purposes of this section, the term 'agency action' has the meaning given such term by section 551(13) of title 5, United States Code.

"SEC. 507. PARTICIPATION BY COMMISSION IN JUDICIAL PROCEEDINGS.

"(a) Appearances.—The Commission is authorized to appear in and defend against any action instituted under this section and under section 506 either by attorneys employed in its office or by counsel whom it may appoint without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and whose compensation it may fix without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title.

"(b) Institution of Actions.—The Commission is authorized, through attorneys and counsel described in subsection (a), to institute actions in the district courts of the United States to seek recovery of any amounts determined under this title to be payable to any entity from which benefits under this title were paid.

"(c) Injunctive Relief.—The Commission is authorized, through attorneys and counsel described in subsection (a), to petition the courts of the United States for such injunctive relief as is appropriate in order to implement any provision of this title.

"(d) Appeals.—The Commission is authorized on behalf of the United States to appeal from, and to petition the Supreme Court for certiorari to review, judgments or decrees entered with respect to actions in which it appears pursuant to the authority provided in this section.

"SEC. 508. REPORTS TO CONGRESS; REGULATIONS.

"(a) Reports.—The Commission shall, as soon as practicable after each election, submit a full report to the Senate setting forth—

"(1) the expenditures (shown in such detail as the Commission determines appropriate) made by each eligible Senate candidate and the authorized committees of such candidate;

"(2) the amounts certified by the Commission under section 504 as benefits available to each eligible Senate candidate;

"(3) the amount of repayments, if any, required under section 505 and the reasons for each repayment required; and

"(4) the balance in the Senate Election Campaign Fund (and any account thereof).

Each report submitted pursuant to this section shall be printed as a Senate document.

"(b) Rules and Regulations.—The Commission is authorized to prescribe (in accordance with the provisions of subsection (c)) such rules and regulations, to conduct such examinations and investigations, and to require the keeping and submission of such books, records, and information, as it deems necessary to carry out the functions and duties imposed on it by this title.

"(c) Statement to Senate.—Thirty days before prescribing any rule or regulation under subsection (b), the Commission shall transmit to the Senate a statement setting forth the proposed rule or regulation and containing a detailed explanation and justification of such rule or regulation.

"SEC. 509. CLOSED CAPTIONING REQUIREMENT FOR TELEVISION COMMERCIALS OF ELIGIBLE SENATE CANDIDATES.

"No eligible Senate candidate may receive amounts under section 503(a)(3) or vouchers under section 503(a)(4) unless such candidate has certified that any television commercial prepared or distributed by the candidate will be prepared in a manner that contains, is accompanied by, or otherwise readily permits closed captioning of the oral content of the commercial to be broadcast by way of line 21 of the vertical blanking interval, or by way of comparable successor technologies.

"SEC. 510. SENATE ELECTION CAMPAIGN FUND.

"(a) Establishment of Campaign Fund.—(1) There is hereby established on the books of the Treasury of the United States a special fund to be known as the Senate Election Campaign Fund (hereafter in this section referred to as 'the Fund').

"(2) There are hereby appropriated to the Fund the following amounts:

"(A) Amounts received in the Treasury which are equivalent to the increase in Federal revenues by reason of the disallowance of deductions for lobbying expenditures, but only to the extent that: "(i) such amounts do not exceed the amount certified by the Commission as necessary to carry out the purposes of this title; and "(ii) such amounts do not exceed the amount designated by taxpayers on a Federal election campaign checkoff.

"(B) Amounts transferred to the Fund under any provision of this Act.

"(C) Amounts credited to the Fund under paragraph (3).

"(3) The Secretary of the Treasury shall transfer amounts to, and manage, the Fund in the manner provided under subchapter B of chapter 98 of the Internal Revenue Code of 1986.

"(4) Amounts in the Fund shall, subject to the availability of appropriations, be available only for the purposes of—

"(A) providing benefits under this title; and

"(B) making expenditures in connection with the administration of the Fund.

"(5) The Secretary shall maintain such accounts in the Fund as may be required by this title or which the Secretary determines to be necessary to carry out the provisions of this title.

"(b) Payments Upon Certification.—Upon receipt of a certification from the Commission under section 504, except as provided in subsection (d), the Secretary shall, subject to the availability of appropriations, promptly pay the amount certified by the Commission to the candidate out of the Fund.

"(c) Vouchers.—Upon receipt of a certification from the Commission under section 504, except as provided in subsection (d), the Secretary of the Treasury shall, subject to the availability of appropriations, issue to an eligible candidate the amount of voter communication vouchers specified in such certification.

"(d) Reductions in Payments if Funds Insufficient.—(1) If, at the time of a certification by the Commission under section 504 for payment, or issuance of a voucher, to an eligible candidate, the Secretary determines that the monies in the Fund are not, or may not be, sufficient to satisfy the full entitlement of all eligible candidates, the Secretary shall withhold from the amount of such payment or voucher such amount as the Secretary determines to be necessary to assure that each eligible candidate will receive the same pro rata share of such candidate's full entitlement.

"(2) Amounts and vouchers withheld under paragraph (1) shall be paid when the Secretary determines that there are sufficient monies in the Fund to pay all, or a portion thereof, to all eligible candidates from whom amounts have been withheld, except that if only a portion is to be paid, it shall be paid in such manner that each eligible candidate receives an equal pro rata share of such portion.

"(3)(A) Not later than December 31 of any calendar year preceding a calendar year in which there is a regularly scheduled general election, the Secretary, after consultation with the Commission, shall make an estimate of—

"(i) the amount of monies in the Fund which will be available to make payments required by this title in the succeeding calendar year; and

"(ii) the amount of expenditures which will be required under this title in such calendar year.

"(B) If the Secretary determines that there will be insufficient monies in the Fund to make the expenditures required by this title for any calendar year, the Secretary shall notify each candidate on January 1 of such calendar year (or, if later, the date on which an individual becomes a candidate) of the amount which the Secretary estimates will be the pro rata reduction in each eligible candidate's payments (including vouchers) under this subsection. Such notice shall be by registered mail.

"(C) The amount of the eligible candidate's contribution limit under section 501(c)(1)(D)(iii) shall be increased by the amount of the estimated pro rata reduction.

"(4) The Secretary shall notify the Commission and each eligible candidate by registered mail of any actual reduction in the amount of any payment by reason of this subsection. If the amount of the reduction exceeds the amount estimated under paragraph (3), the candidate's contribution limit under section 501(c)(1)(D)(iii) shall be increased by the amount of such excess.".

(b) EFFECTIVE DATES.—(1) Except as provided in this subsection, the amendment made by subsection (a) shall apply to elections occurring after December 31, 1994.

(2) For purposes of any expenditure or contribution limit imposed by the amendment made by subsection (a)—

(A) no expenditure made before January 1, 1994, shall be taken into account, except that there shall be taken into account any such expenditure for goods or services to be provided after such date; and

(B) all cash, cash items, and Government securities on hand as of January 1, 1994, shall be taken into account in determining whether the contribution limit is met, except that there shall not be taken into account amounts used during the 60-day period beginning on January 1, 1994, to pay for expenditures which were incurred (but unpaid) before such date.

(c) EFFECT OF INVALIDITY ON OTHER PROVISIONS OF ACT.—If section 501, 502, or 503 of title V of FECA (as added by this section), or any part thereof, is held to be invalid, all provisions of, and amendments made by, this Act shall be treated as invalid.

SEC. . (c) SENSE OF THE SENATE REGARDING PRESIDENTIAL CHECKOFF.—

It is the sense of the Senate that—

(1) the current Presidential checkoff should be increased to $5.00 and its designation charged to the "Federal Election Campaign Checkoff and individuals should be permitted to contribute an additional $5.00 to the fund in additional taxes if they so desire; and

(2) the Internal Revenue Service and the Federal Election Commission should be required to develop and implement a plan to publicize the fund and the checkoff to increase citizen participation.

CHAFEE (AND OTHERS) AMENDMENT NO. 382

Mr. CHAFEE (for himself, Mr. COHEN, Mr. JEFFORDS, Mr. MCCAIN, and Mr. DURENBERGER) proposed an amendment to amendment No. 366 (in the nature of a substitute) to the bill, S. 3, supra, as follows:

At the appropriate place insert the following:

SEC. . OUT-OF-STATE FUNDRAISING.

Title III of FECA, as amended by section , is amended by adding at the end the following new section:

"OUT-OF-STATE FUNDRAISING

"SEC. . A person shall not solicit or accept a contribution from a person that is not a legal resident of the candidate's State of residence prior to the date that is 2 years prior to the date of a general election for a Congressional office in which the person seeks to become a candidate.".

DOLE (AND OTHERS) AMENDMENT NO. 383

Mr. DOLE (for himself, Mr. BROWN, and Mr. LOTT) proposed an amendment to amendment No. 366 (in the nature of a substitute) to the bill, S. 3, supra, as follows:

It is the sense of the Senate that every employee in the executive or legislative branch of the Federal Government shall follow appropriate officially prescribed procedures in contacts and dealings with the Federal Bureau of Investigation and the Internal Revenue Service.

BINGAMAN (AND OTHERS) AMENDMENT NO. 384

Mr. BINGAMAN (for himself, Mr. HARKIN, Mr. FORD, Mr. KENNEDY, Mr. JEFFORDS, Mr. DOMENICI, Mr. LEAHY, Mr. KERRY, Mr. MITCHELL, and Mr. NUNN) proposed an amendment to amendment No. 366 (in the nature of a substitute) to the bill, S. 3, supra, as follows:

At the appropriate place in the bill, insert the following new section:

SEC. . REGARDING THE EXTRACONSTITUTIONAL ACTIONS OF THE PRESIDENT OF GUATEMALA.

(a) FINDINGS.—The Congress finds that—

(1) Guatemala has had a democratically elected government since 1985;

(2) President Jorge Serrano and the members of the Guatemalan Congress were freely and fairly elected;

(3) on May 25, 1993, President Serrano seized near-dictatorial powers by partially suspending Guatemala's Constitution, dissolving Congress and the Supreme Court, and ruling by decree;

(4) these events are extraconstitutional and antidemocratic and require immediate international attention and action; and

(5) the Organization of American States agreed in Santiago, Chile, in 1991 to convene an emergency meeting of the Hemisphere's foreign ministers in the event of a coup d'etat in a member country in order to consider joint actions to bring about a return to democracy in that country.

(b) POLICY.—The Congress—

(1) condemns the extraconstitutional and anti-democratic actions of President Serrano of Guatemala and considers those actions a serious blow to democracy in Guatemala and a serious threat to democracy in the Hemisphere;

(2) calls on President Serrano to restore immediately the democratically elected Congress and the judiciary and to ensure full respect for internationally recognized human rights;

(3) commends President Clinton for his rapid and decisive response to the situation in Guatemala, in particular his condemnation of President Serrano's actions and his suspension of disbursements of United States assistance;

(4) calls on the President to suspend the United States assistance program to Guatemala, and to seek to delay approval of any international loans for Guatemala, until constitutional government is restored to Guatemala; and

(5) commends the Organization of American States (OAS) for its plan to send a fact-finding mission headed by the Secretary General to Guatemala and for calling a meeting of the foreign ministers of the OAS member countries, to be held within 10 days.

GRAHAM AMENDMENTS NOS. 385–386

Mr. GRAHAM proposed two amendments to amendment No. 366 (in the nature of a substitute) to the bill, S. 3, supra, as follows:

AMENDMENT NO. 385

At the end of title VII add the following:

SEC. ___. CAMPAIGN ADVERTISING THAT REFERS TO AN OPPONENT.

Title III of FECA, as amended by section ___, is amended by adding at the end the following new section:

"CAMPAIGN ADVERTISING THAT REFERS TO AN OPPONENT

"SEC. ___. (a) CANDIDATES.—A candidate or candidate's authorized committee that places in the mail a campaign advertisement or any other communication to the general public that directly or indirectly refers to an opponent or the opponents of the candidate in an election, with or without identifying any opponent in particular, shall file an exact copy of the communication with the Commission and with the Secretary of State of the candidate's State by no later than 12:00 p.m. on the day on which the communication is first placed in the mail to the general public.

"(b) PERSONS OTHER THAN CANDIDATES.—A person other than a candidate or candidate's authorized committee that places in the mail a campaign advertisement or any other communication to the general public that—

"(1) advocates the election of a particular candidate in an election; and

"(2) directly or indirectly refers to an opponent or the opponents of the candidate in the election, with or without identifying any opponent in particular,

shall file an exact copy of the communication with the Commission and with the Secretary of State of the candidate's State by no later than 12:00 p.m. on the day on which the communication is first placed in the mail to the general public.".

AMENDMENT NO. 386

On page 8, line 2, strike "and".

On page 8, line 4, strike the period and insert "; and".

On page 8, between lines 4 and 5, insert the following:

"(F) the candidate agrees to participate in at least 1 debate, sponsored by a nonpartisan or bipartisan organization, with all other eligible Senate candidates for the seat sought by the candidate.".

On page 28, between lines 9 and 10, insert the following:

"(f) FAILURE TO PARTICIPATE IN DEBATE.—If the Commission determines that an eligible Senate candidate failed to participate in a debate as agreed under section 501(c)(1)(F) and was responsible at least in part for the failure, the Commission shall so notify the candidate, and the candidate shall pay an amount equal to the payments and vouchers received under this title.".

On page 28, line 10, strike "(f)" and insert "(g)".

On page 28, line 20, strike "(g)" and insert "(h)".

On page 28, line 24, strike "(h)" and insert "(i)".

UNCLAIMED DEPOSITS AMENDMENTS ACT OF 1993

RIEGLE AMENDMENT NO. 387

Mr. MITCHELL (for Mr. Riegle, Mr. D'Amato, and Mr. Kerry) proposed an amendment to the bill (H.R. 890) to amend the Federal Deposit Insurance Act to provide for extended periods of time for claims on insured deposits, as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. AMENDMENTS RELATING TO TREATMENT OF UNCLAIMED DEPOSITS AT INSURED BANKS AND SAVINGS ASSOCIATIONS.

Subsection (e) of section 12 of the Federal Deposit Insurance Act (12 U.S.C. 1822(e)) is amended to read as follows:

"(e) Disposition of Unclaimed Deposits.—

"(1) Notices.—

"(A) First notice.—Within 30 days after the initiation of the payment of insured deposits under section 11(f), the Corporation shall provide written notice to all insured depositors that they must claim their deposit from the Corporation, or if the deposit has been transferred to another institution, from the transferee institution.

"(B) Second notice.—A second notice containing this information shall be mailed by the Corporation to all insured depositors who have not responded to the first notice, 15 months after the Corporation initiates such payment of insured depositors.

"(C) Address.—The notices shall be mailed to the last known address of the depositor appearing on the records of the insured depository institution in default.

"(2) Transfer to appropriate state.—If an insured depositor fails to make a claim for his, her, or its insured or transferred deposit within 18 months after the Corporation initiates the payment of insured deposits under section 11(f)—

"(A) any transferee institution shall refund the deposit to the Corporation, and all rights of the depositor against the transferee institution shall be barred; and

"(B) with the exception of United States deposits, the Corporation shall deliver the deposit to the custody of the appropriate State as unclaimed property, unless the appropriate State declines to accept custody. Upon delivery to the appropriate State, all rights of the depositor against the Corporation with respect to the deposit shall be barred and the Corporation shall be deemed to have made payment to the depositor for purposes of section 11(g)(1).

"(3) Refusal of appropriate state to accept custody.—If the appropriate State declines to accept custody of the deposit tendered pursuant to paragraph (2)(B), the deposit shall not be delivered to any State, and the insured depositor shall claim the deposit from the Corporation before the receivership is terminated, or all rights of the depositor with respect to such deposit shall be barred.

"(4) Treatment of united states deposits.—If the deposit is a United States deposit it shall be delivered to the Secretary of the Treasury for deposit in the general fund of the Treasury. Upon delivery to the Secretary of the Treasury, all rights of the depositor against the Corporation with respect to the deposit shall be barred and the Corporation shall be deemed to have made payment to the depositor for purposes of section 11(g)(1).

"(5) Reversion.—If a depositor does not claim the deposit delivered to the custody of the appropriate State pursuant to paragraph (2)(B) within 10 years of the date of delivery, the deposit shall be immediately refunded to the Corporation and become its property. All rights of the depositor against the appropriate State with respect to such deposit shall be barred as of the date of the refund to the Corporation.

"(6) Definitions.—For purposes of this subsection—

"(A) the term 'transferee institution' means the insured depository institution in which the Corporation has made available a transferred deposit pursuant to section 11(f)(1);

"(B) the term 'appropriate State' means the State to which notice was mailed under paragraph (1)(C), except that if the notice was not mailed to an address that is within a State it shall mean the State in which the depository institution in default has its main office; and

"(C) the term 'United States deposit' means an insured or transferred deposit for which the deposit records of the depository institution in default disclose that title to the deposit is held by the United States, any department, agency, or instrumentality of the Federal Government, or any officer or employee thereof in such person's official capacity.".

SEC. 2. EFFECTIVE DATE.

(a) In General.—The amendments made by section 1 of this Act shall only apply with respect to institutions for which the Corporation has initiated the payment of insured deposits under section 11(f) of the Federal Deposit Insurance Act after the date of enactment of this Act.

(b) Special Rule for Receiverships in Progress.—Section 12(e) of the Federal Deposit Insurance Act as in effect on the day before the date of enactment of this Act shall apply with respect to insured deposits in depository institutions for which the Corporation was first appointed receiver during the period between January 1, 1989 and the date of enactment of this Act, except that such section 12(e) shall not bar any claim made against the Corporation by an insured depositor for an insured or transferred deposit, so long as such claim is made prior to the termination of the receivership.

(c) Information to States.—Within 120 days after the date of enactment of this Act, the Corporation shall provide, at the request of and for the sole use of any State, the name and last known address of any insured depositor (as shown on the records of the institution in default) eligible to make a claim against the Corporation solely due to the operation of subsection (b) of this section.

(d) Definition.—For purposes of this section, the term "Corporation" means the Federal Deposit Insurance Corporation, the Resolution Trust Corporation, or the Federal Savings and Loan Insurance Corporation, as appropriate.

Amend the title so as to read: "An Act to amend the Federal Deposit Insurance Act to improve the procedures for treating unclaimed insured deposits, and for other purposes.".

NOTICES OF HEARINGS

COMMITTEE ON RULES AND ADMINISTRATION

Senator FORD. Mr. President, I wish to announce that the Committee on Rules and Administration will meet in SR–301, Russell Senate Office Building, on Thursday, June 24, 1993, at 9:30 a.m., to receive testimony on S. 716, to require that all Federal lithographic printing be performed using ink made from vegetable oil.

Individuals and organizations who wish to submit a statement for the hearing record are requested to contact Bob Harris of the Rules Committee staff on 202–224–0285.

For further information regarding this hearing, please contact Mr. Harris.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. BUMPERS. Mr. President, I would like to announce that a hearing has been scheduled before the Subcommittee on Public Lands, National Parks and Forests of the Committee on Energy and Natural Resources.

The hearing will take place on Thursday, June 10, 1993, beginning at 2:30 p.m. in Room SD–366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of the hearing is to receive testimony on the following bills currently before the subcommittee. The bills are:

S. 294, to authorize the Secretary of the Interior to formulate a program for the research, interpretation, and preservation of various aspects of colonial New Mexico history, and for other purposes;.

S. 310, to amend title V of public law 96–550, designating the Chaco Cultural Archeological Protection Sites, and for other purposes;.

S. 313, to amend the San Juan Basin Wilderness Protection Act of 1984 to designate additional lands as wilderness and to establish the Fossil Forest Research Natural Area, and for other purposes;.

S. 643 and H.R. 38, to establish the Jemez National Recreation Area in the State of New Mexico, and for other purposes;.

S. 836, to amend the National Trails System Act to provide for a study of El Camino Real de Tierra Adentro, the Royal Road of the Interior Lands, and for other purposes.

S. 983, to amend the National Trails System Act to direct the Secretary of the Interior to study the El Camino Real Para Los Texas for potential addition to the National Trails System, and for other purposes.

H.R. 698, to protect Lechuguilla Cave and other resources and values in and adjacent to Carlsbad Caverns National Park; and.

H.R. 843, to withdraw certain lands located in the Coronado National Forest from the mining and mineral leasing laws of the United States, and for other purposes

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, anyone wishing to submit a written statement is welcome to do so by sending two copies to the Subcommittee on Public Lands, National Parks and Forests, Committee on Energy and Natural Resources, 304 Dirksen Senate Office Building, Washington, DC 20510.

For further information regarding the hearing, please contact David Brooks of the subcommittee staff at 202-224-7145.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. BUMPERS. Mr. President, I would like to announce that a hearing has been scheduled before the Subcommittee on Public Lands, National Parks and Forests of the Committee on Energy and Natural Resources.

The hearing will take place on Thursday, June 17, 1993, beginning at 2 p.m. in room SD-366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of the hearing is to receive testimony on the following bills currently pending before the subcommittee. The bills are:

S. 273, to remove certain restrictions from a parcel of land owned by the city of North Charleston, SC, in order to permit a land exchange, and for other purposes;

S. 472, to improve the administration and management of public lands, national forests, units of the National Park System, and related areas by improving the availability of adequate, appropriate, affordable, and cost effective housing for employees needed to effectively manage the public lands;

S. 742, to amend the National Parks and Recreation Act of 1978 to establish the Friends of Kaloko-Honokohau, an advisory commission for the Kaloko-Honokohau National Historical Park, and for other purposes;

S. 752, to modify the boundary of Hot Springs National Park, and for other purposes;

S. 851, to establish the Carl Garner Federal Lands Cleanup Day, and for other purposes;

S. 971, to increase the authorizations for the War in the Pacific National Historical Park, Guam, and the American Memorial Park, Saipan, and for other purposes; and

H.R. 236, to establish the Snake River Birds of Prey National Conservation Area in the State of Idaho, and for other purposes.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, anyone wishing to submit a written statement is welcome to do so by sending two copies to the Subcommittee on Public Lands, National Parks and Forests, Committee on Energy and Natural Resources, 304 Dirksen Senate Office Building, Washington, DC 20510.

For further information regarding the hearing, please contact David Brooks of the subcommittee staff at 202-224-7145.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON INDIAN AFFAIRS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Indian Affairs be authorized to meet on Thursday, May 27, 1993, beginning at 2 p.m., in 485 Russell Senate Office Building, on the President's budget request for Indian programs for fiscal year 1994 for the Indian Health Service and Indian Programs within the Environmental Protection Agency.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON INTERNATIONAL ECONOMIC POLICY, TRADE, OCEANS AND ENVIRONMENT

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on International Economic Policy, Trade, Oceans and Environment of the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, May 27 at 2 p.m. to continue hearings on the fiscal year 1994 foreign assistance authorization: policies and programs for economic development.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON AVIATION

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Aviation Subcommittee of the Committee on Commerce, Science, and Transportation be authorized to meet on Thursday, May 27, 1993, at 9 a.m. on the FAA/NTSB regulatory policy.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON SCIENCE, TECHNOLOGY AND SPACE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Science, Technology and Space Subcommittee of the Committee on Commerce, Science, and Transportation be authorized to meet on May 27, 1993, at 10 a.m. on uses of advanced materials for civil infrastructure.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to hold a business meeting during the session of the Senate on Thursday, May 27, 1993, at 11 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, May 27, 1993, at 11:30 a.m. to hold a business meeting.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, May 27, 1993, at 10 a.m. to hold nomination hearings for ambassadorial appointments: Marilyn McAfee, to be Ambassador to Guatemala; William Pryce, to be Ambassador to Honduras; and James Cheek, to be Ambassador to Argentina.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be authorized to meet during the session of the Senate on Thursday, May 27, 1993, beginning at 10 a.m. to conduct a hearing on environmental issues associated with closing military bases.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate Thursday, May 27, 1993, at 9:45 a.m. to mark up reconciliation; S. 422, the Government Securities Act Amendments; S. 50, the Jefferson Commemorative Coin Act; S. 183, the Red Skelton Gold Medal; S. 216, the World University Games Commemorative Coin Act. This markup will be immediately followed by a full committee hearing on S. 783, the Consumer Report Reform Act of 1993.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate, 9:30 a.m., May 27, 1993, to receive testimony on S. 991, the Lower Mississippi Delta Initiative of 1993.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Thursday, May 27, 1993, at 2:30 p.m. to hold a closed hearing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON DEFENSE TECHNOLOGY, ACQUISITION, AND INDUSTRIAL BASE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Defense Technology, Acquisition, and Industrial Base of the Senate Armed Services Committee be authorized to meet on Thursday, May 27, 1993, at 2:30 p.m. in open session to review the fiscal year 1994 Advanced Research Projects Agency [ARPA] program and the science and technology programs of the services associated with the Defense Authorization request for fiscal year 1994 and the future years defense program.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON INDIAN AFFAIRS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Indian Affairs be authorized to meet on Thursday, May 27, 1993, beginning at 9:30 a.m., in 485 Russell Senate Office Building, on the Native American Grave Protection and Repatriation Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

BLUMENTHAL ON BOSNIA

• Mr. BIDEN. Mr. President, the most recent edition of New Yorker magazine, dated May 31, carries an excellent analysis, written by Washington editor Sidney Blumenthal, of the problems that have plagued American policy in Bosnia.

I urge my colleagues and the administration to consider the author's conclusion:

> Clinton's mandate is to be a domestic-policy President, but if he falters in foreign policy his Presidency will be fatally undermined. There are few things more dangerous to a President's and a nation's credibility than the suggestion of commitment without putting force behind it.

I ask that this important article appear in today's RECORD.

The article follows:

LONESOME HAWK

(By Sidney Blumenthal)

Bill Clinton's leadership in the first great foreign-policy crisis of his Presidency is a study in purpose without power. His moment of decision regarding Bosnia, if there was one, came on Saturday, May 8th, when Secretary of State Warren Christopher arrived at the White House to report to the President on his canvass of the European allies. After learning of their rejection of his initiative, known as "lift and strike"—lifting the arms embargo on the Bosnians and striking the Serbs with air power—the President found himself unarmed.

Clinton had understood the events from the beginning, but he treated their complexities as matters of ratiocination. He gave what he decided were the correct answers to the questions, like a straight-A student, rather than instructing others. His consultations verged on deference. His approach was to grope for a safe path out of the darkness. He knew where his analysis led him, but he would not act on it. His position amounted to public speculation about what he would do, if he could. Grappling with contending visions of the past, he would not define history for his own use. He encountered a cacophony in Congress, which he decided not to quell. And he met with a sophisticated cynicism in Europe, which prevailed in the absence of decisive American leadership.

The debate over Bosnia is enveloped in layers of historical metaphor. For some, it is the Holocaust: never again, they say, should the Western conscience abandon a scorned minority in Europe to genocide. For others, the most resonant past is the period leading up to the Second World War, when America was riven by isolationists and interventionists. In either of these contexts, diplomacy without force takes on the appearance of appeasement. For still others, the reigning metaphor comes from a more recent war: Vietnam. In their view, intervention in any foreign land threatens to be a quagmire, and any use of force short of immediately overwhelming power that achieves total victory must be scrupulously avoided.

But the nation's political alignments, which rigidly held for a generation, magnetically polarized by Vietnam, have been released by the ending of the Cold War. The Bosnian conflict did not re-create them. On the contrary, hawks sprouted the plumage of doves and doves grew sharp talons. (The preeminent hawk on Bosnia in the Senate is Joseph Biden, Democrat of Delaware, a onetime sixties idealist; among the leading doves is John McCain, Republican of Arizona, who piloted a bomber and was taken prisoner by the North Vietnamese.) Bemedalled generals spent part of their days arguing that gays would destroy military discipline and another part resisting intervention like dedicated pacifists. And a President who had marched against the Vietnam War contemplated bombing in the Balkans.

In Serbia, historical metaphor has had an even more mesmerizing effect. Yugoslavia was an artificial state imposed on hostile religious and national groups: Croatian Catholics, Serbian Eastern Orthodox, and Bosnian Muslims. Many of the Muslims are more Westernized than their Serb counterparts, and there is no ethnic difference between the two groups. The Muslims are not Turks or Arabs but Europeans, whose ancestors became converts during the Ottoman Empire. Most are secular. Bosnia is like a city-state, centered on cosmopolitan Sarajevo, which was the only place in Yugoslavia where pluralist tolerance and civility truly prevailed.

When Slobodan Milosevic staged a coup in Belgrade, in 1987, he jettisoned the decrepit Communism he had loyally served for a resurgent nationalism. His rise, a symptom of disintegration, accelerated the process. First, Slovenia and Croatia seceded; then Macedonia. Serbia and Croatia were already at war. When that conflict faded, Milosevic's drive for Greater Serbia pushed into Bosnia. Bosnia had been formally organized as a multiethnic democracy precisely to escape Milosevic's tyranny. The Bosnian Serbs, however, envisioned themselves linked by a blood connection to Greater Serbia and pledged to refight the ancient battle against "the Turks," who were in reality their neighbors. In this holy war, the Bosnians suffered an immense disadvantage. The United Nations had imposed an arms embargo against Milosevic's Yugoslavia; yet, despite this, his Army was easily able to supply the Bosnian Serb rebels with weapons. But the Bosnians, lacking a supplier, remained virtually defenseless. All Bosnian men have long been subjected to a year of military training, and their numbers exceeded those of the Bosnian Serb army. But the embargo, while ostensibly universal, was punitive only against those on the defensive: the Bosnians.

The war invaded the American consciousness in the summer of 1992, with reports of concentration camps and televised scenes of murdered babies. These disquieting images happened to fall into the middle of the Presidential campaign. President Bush adopted a policy of studied indifference. The last thing Bush's campaign strategists wanted was for their candidate to immerse himself in foreign turmoil where American stakes would have to be carefully and lucidly explained. On July 26th, Governor Bill Clinton sought to outflank Bush on foreign policy and dispel the suspicion that he was in the grip of an incapacitating Vietnam syndrome, which Republicans had charged for years was at the core of the Democrats' weakness. Air strikes against the Serbs, Clinton declared, were in order. His stand on Bosnia gave him a novel way to insulate himself against a burdensome political legacy. On October 11th, while he was being assailed as a Vietnam-era "draft dodger," Clinton said he would "consider" lifting the arms embargo on the Bosnians, "since they are in no way in a fair fight with a heavily armed opponent bent on 'ethnic cleansing.'" He added, "We can't get involved in the quagmire, but we must do what we can."

After Clinton's election, the Serbian leadership shrewdly maneuvered to undermine a policy they anticipated would be tougher. They agreed to discuss further the peace plan designed by former Secretary of State Cyrus Vance and former British Foreign Minister David Owen—Vance representing the United Nations, Owen the European Community. The Vance-Owen plan would divide Bosnia into ten virtually autonomous provinces, in which the contending parties would be isolated. The tenuous multiethnic Bosnian democracy would disappear; what would remain of the central government would have hardly any powers. So the Serbs were in Geneva to bicker over squiggles on the map. At the same time, they continued the offensive for Greater Serbia, since they believed that in the end the map would reflect the facts on the ground.

Clinton was horrified at the prospect of ratifying the carnage. Then he discovered that the Europeans resolutely opposed the suggestions he had made as a candidate: lifting the arms embargo an initiating air strikes. Thus the President embarked on a meandering journey. In his first statement on the subject as Chief Executive, on February 5th, he expressed his reluctance to embrace the Vance-Owen plan, on the ground that it "might work to the immediate and to the long-term further disadvantage of the Bosnian Muslims." A week later, Clinton worried that "the terrible principle of 'ethnic cleansing' will be validated; that one ethnic group can butcher another if they're strong enough." But the end of the month, stymied by the European resistance to new initiatives, he was encouraging the Bosnians to "engage in negotiations within the Vance-Owen framework." And on March 1st, frustrated by Serbian aggression, Clinton began a large-scale airdrop of food into beleaguered eastern Bosnia. When, on March 5th, Clinton remarked that the United States "cannot proceed here unilaterally," he was describing at once the necessary condition for action and the principal obstacle to it.

On March 24th, he said, "I am appalled by what has happened there; I am saddened; I am sickened." The next day, under United States pressure, the Bosnians signed the Vance-Owen plan, and Clinton promulgated a no-fly zone over Bosnia. About three weeks later, with the Bosnian town of Srebrenica about to fall to Serbian forces, and with bloody pictures again flooding the network news, Clinton was "outraged" that the Serbs had not signed Vance-Owen. He spoke of a larger danger. "If you look at the turmoil all through the Balkans, if you look at the other places where this could play itself out in other parts of the world, this is not just about Bosnia. On the other hand, there is reason to be humble when approaching anything dealing with the former Yugoslavia." But ten days after that, on April 26th, the President appeared determined to surmount obstacles, declaring, "It is now, I think, clear that the United States and our allies need to move forward with a stronger policy in Bosnia, and I will be announcing the course that I hope we can take in the next several days." Action seemed imminent.

"It's sort of a no-brainer," a senior Administration official remarked to me about how to reach the solution to the problem. Clinton's plan was now the same as the one he had suggested during the campaign: lift and strike. Clinton had gone through the intellectual process more intensively than he had during the hurried campaign. Once again he had cracked the conundrum that stumped others.

"I don't know of any peace settlements that didn't ratify what existed on the ground," the official said. "So much is at stake. We don't want to lose. We must have achievable goals. The advantages of lifting the embargo are that it's something we can do: it's a clear goal. And we can succeed in delivering the weapons." If the Croats skim off some of them, so be it: "Making the argument that this would increase violence allows the aggressor to continue 'ethnic cleansing' against an outgunned victim." This axiom of European diplomacy is "exquisite condescension," the official said. "There is the right of a recognized government to defend itself. The embargo was imposed before recognition of Bosnia." The Bosnian Serb army, moreover, is not a formidable force—not the fabled partisans of the Second World War but a motley assemblage of thugs, many of whom are usually drunk, and who have taken few casualties. Under the plan, air power would give the Bosnians time to get armed and would also give cover to allied troops, who could easily be armed with superior weaponry themselves. Much of the Serbian artillery could be knocked out. The Bosnian Serbs, even though buttressed by regular Army units, might wilt quickly. They are far below Iraqi standards. There would be no United States ground troops; the Bosnians would do the fighting. "But it's not going to be successful as Americans see success," the official warned. Good won't unconditionally triumph over evil, even if one side should be all good and the other all evil. But a new "balance of power" could be achieved, which would roll back the dream of Greater Serbia. It was this plan that Clinton subscribed to in early May.

First, Clinton turned to Congress. Senator Biden had just returned from a trip on which he had met with Milosevic and with Bosnian leaders, and on April 19th, as chairman of the Subcommittee on European Affairs of the Foreign Relations Committee, he had filed a report that was read closely, according to a top official, by the Secretary of State and the President. "Every Bosnian I encountered, government official and common citizen alike, was convinced that they could succeed in defending their country if given the means and supported by airstrikes against Serb artillery," Biden wrote. "However well intentioned, the presence of U.N. relief personnel and peacekeeping forces, by inhibiting stronger Western action, now constitutes more an obstacle than a contribution to the humanitarian relief they were deployed to provide."

On April 27th, ten leaders from the House of Representatives and eight senators sat around a long table in the White House for three and a half hours. Clinton listed options, from doing nothing to sending in ground troops. "I want to see what you think," he said. According to a well-informed source, each of the eighteen was asked his opinion, in order of seniority. The House Speaker, Thomas Foley, said that whatever was done should receive the consent of Congress. The Senate Majority Leader, George Mitchell, agreed that now was the time for action. No, it was not the time, Lee Hamilton, the chairman of the House Foreign Affairs Committee, insisted. Perhaps action would be called for at a later date, he said, but now it would only inspire the Serbs to more violence. In any case, Milosevic seemed genuinely interested in making peace. Biden countered that Milosevic was a war criminal, who couldn't be trusted. He urged lifting the embargo and conducting air strikes—the Administration's desired course. Senator John Warner, Republican from Virginia and the constant sidekick of Sam Nunn, the chairman of the Senate Armed Services Committee, warned that air strikes would not work. Nothing less than invading with five hundred thousand troops would do, and it would still be a quagmire. Ronald Dellums, the chairman of the House Armed Services Committee and a left-wing voice from Berkeley, spoke vaguely about defining goals and broader contexts, and then simply said, "Vietnam." Representative John P. ("The 'P' is for Power") Murtha, Democrat from Pennsylvania and a former marine, vehemently opposed action, time and again invoking Vietnam. But Senator Richard Lugar, who had been the chairman of the Foreign Relations Committee when the Republicans were in the majority, argued for force. If "lift and strike" did not produce the desired outcome, he said, then we would have to be prepared to send in troops; once begun, the operation could not be permitted to fail. Then Bob Dole made his contribution: he was for lifting the embargo, for air strikes, and, if that didn't work, for whatever force it took. While seeming to support Clinton, he was also laying down a political marker. Dole, after all, is not just Clinton's nemesis in Congress; he might well be the 1996 G.O.P. Presidential nominee. Those present were keenly aware of the subtext when Dole said to the President, "America's prestige could not tolerate it not working. It would cost you very dearly." Though Dole and Mitchell agreed that if the President requested it they would co-sponsor a joint resolution for force, the meeting ended without the consensus Clinton had hoped for.

A week later, Clinton met with Senator Dale Bumpers, his old friend from Arkansas, who had just returned from the former Yugoslavia. "The chances of getting a resolution through here right now are point-blank zero," Bumpers says he told the President. "The American people know nothing about Bosnia. In the ordinary American mind the Vietnam corollary is almost total." Indeed, a CNN/"USA Today"/Gallup poll published on April 27th showed that sixty-two per cent of the American people were against any United States military action.

Clinton faced another obstacle in the chairman of the Joint Chiefs of Staff. Members of Congress who were briefed by Colin Powell were hardly galvanized; rather, they were given cause for discouragement. Repeatedly sent out to make Clinton's case, Powell repeatedly justified his opposition. When he tried to state the Administration's position, he was questioned about his own well-advertised dissent. "I haven't changed my views," he boldly told one group of House members. At a meeting of NATO's military committee, also on April 27th, Powell participated in a meeting that condemned any policy of further action. The committee chairman, Field Marshal Sir Richard Vincent, of Great Britain, reflecting his government's position, told a press conference in Brussels, "I am healthily skeptical." The chairman of the Joint Chiefs, a Vietnam veteran, in fact opposed intervention unless it followed his precept of "invincible force." Perhaps more than anyone else, the nation's most powerful general was stricken with the Vietnam syndrome. He had been against the buildup of Operation Desert Shield, precisely because he feared that it would not meet his criterion. Before Clinton was inaugurated, Powell volunteered to him that a Bosnian intervention short of five hundred thousand men would fail and that even such a force might not succeed. Clinton had no stomach for confronting Powell, who is the most popular black public official in the country, and whose term, in any case, expires in September. "We all understand what's going on. He's got the President mousetrapped," a Senate aide said. "Powell is being very coy, and he's full of political egotism. I can't remember when a President has been in such a situation." As it happens, Admiral Jeremy M. Boorda, who is in charge of the NATO forces in Southern Europe, does not share Powell's view of military capabilities and prospects, according to the Senate aide, who has spoken to Boorda at length on several occasions. But Boorda expresses his assessment only privately, to United States officials, following strict lines of authority, and declines to be interviewed. Powell's mystique shadows any military enterprise. One senior White House staffer has worried that if anything went wrong in a Bosnian intervention Powell might actually plot to use it politically to damage the President.

In early May, unable to forge a consensus at home, Clinton sent his Secretary of State abroad. Warren Christopher's own position had gyrated over the months, and his oscillations had contributed to a State Department revolt. In the beginning, on February 10th, Christopher had said that the Bosnian crisis "tests what wisdom we have gathered from this bloody century, and it measures our resolve to take early concerted action." Six weeks later, he cast the situation as a waking nightmare that could not be made to disappear. "It's almost terrifying, and it's centuries old," he said. "That really is a problem from hell. And I think that the United States is doing all we can to try to deal with that problem." When Margaret Thatcher called for decisive military intervention, Christopher dismissed her statement as "an emotional response to an emotional problem," as though it were a menstrual cramp. But the problem would not return to the netherworld from whence it came. In April, twelve State Department experts wrote Christopher a letter, which was leaked to the

"Times." "We are only attempting to end the genocide through political and economic pressures such as sanctions and intense diplomatic engagement," the letter read. "In effect, the result of this course has been Western capitulation to Serbian aggression."

The consistent hawks within the Administration councils were the director of the National Security Council, Anthony Lake; his deputy, Sandy Berger; and Vice-President Al Gore. As Clinton had moved in favor of force, so had Christopher. But when the President dispatched Christopher to feel out European opinion, which was already obvious, he did not empower him to compel adherence. (It is hard to imagine James Baker undertaking a mission without power.) On May 2nd, when Christopher arrived in London, his first stop, he was met with the news that the Bosnian Serb leader, Radovan Karadzic, had agreed to the Vance-Owen plan. Christopher, according to a State Department official, was skeptical about the Serbs' intent. But throughout Europe the signing was greeted with immense relief, as though the crisis were about to end in a flurry of diplomacy. None of the allies agreed with Clinton's options, nor were they particularly eager to discuss them. While Christopher travelled, Slobodan Milosevic addressed the self-styled Bosnian Serb parliament to argue that it should support Vance-Owen because doing so would codify a Greater Serbia victory. "One should not gamble away what one has already gained," he admonished. But the parliament decided to consign the plan to a referendum, thus dooming it to certain rejection. The fact of the referendum, however, provided grounds for more European temporizing. There could be no decisions, they told Christopher, until they knew the referendum's outcome; give Milosevic a chance.

So the Secretary reported to the President. Clinton listened to Christopher, as Christopher had listened to the Europeans. Christopher urged him to "stay the course," and so did Anthony Lake, according to someone privy to the discussion. The President did not recant on his stated desire to lift the embargo and order air strikes. But, facing ambivalence, confusion, and reluctance, here and abroad, he decided he would not go to war on all fronts. By professing a position that had become merely an academic opinion, the President sided with the forces of inertia. Already dressed in his golf clothes, he headed for the links.

On the day before Christopher returned, Haris Silajdzic, the Bosnian Foreign Minister, decided to tour the new Holocaust Museum in Washington. Silajdic, a forty-eight-year-old former diplomatic historian, is operating alone out of a hotel on the edge of Georgetown. His wife and six-year-old son live shielded outside Bosnia; he has not seen them in two months. "Europeans think we are not proper Europeans, because we are Muslim, and the Muslims think we are not proper Muslims, because we are European," he ways. "Bosnia it's so exotic."

He is escorted into the museum ahead of the morning crowd—a group consisting mostly of senior citizens and students, in a line that snakes around the building. Inside the dim, industrial environment, Silajdzic walks slowly from exhibit to exhibit, drawing comparisons. "People don't believe you. It couldn't be happening. But it's not over." He points to Bosnia on a map of Europe. "The virus is there," he says. "There are those who say we should not be reminded. It is better to walk through a museum than a concentration camp."

He stops to gaze at a poster promoting "Grosdeutschland, Ja!," and he notes the parallel to Greater Serbia. Then he pauses at a display about Munich: "Our people have lived together for hundreds of years," he says. "These savages say we can't live together. These savages try to build walls. In Europe they seem to prefer tribal chiefs to democracy. Easy decisions can be taken by anyone. Europe is silent, a chain of Chamberlains. In fifty years they will condemn it."

Silajdzic sees all the awful pictures and artifacts of systematic death. But what arouses and upsets him most is a quotation he discovers in a section devoted to the negligent role of American policymakers. The words that rivet him were written by Assistant Secretary of War John McCloy, who became the epitome of the postwar establishment. It was McCloy who advised against sending Allied bombers to destroy Auschwitz. The bombing, McCloy wrote, "might provoke even more vindictive action by the Germans." Silajdzic repeats the line over and over. "So history does not repeat itself," he says, assuming the mantle of the historian he was in easier times. "But we repeat the same mistakes."

The diplomatic scurrying continues. In a ritual washing of hands, Christopher told the House Foreign Affairs Committee on May 18th that Bosnia was, after all, "a morass," and that ethnic cleansing bore no resemblance to genocide: "It's been easy to analogize this to the Holocaust, but I never heard of any genocide by the Jews against the German people."

The small crisis is over, but not the larger one. It seems implausible that without force the Vance-Owen plan in its pristine form can be put into effect: it would reduce the Serb share of Bosnia to forty-three per cent, but seventy per cent has already been grabbed. The logic of war always dominates the logic of diplomacy. Low-intensity warfare may go on, but the conquest, barring a radical intervention, belongs to Milosevic. He has won his Greater Serbia, leaving some enclaves in which the Muslims can huddle. While the West frets about containing Serbia, preventing its expansion into Macedonia and Kosovo, the next war may instead be the next round in the Serbs' continuing war with Croatia—settling borders by fighting over bits and pieces of Bosnia.

The ragged—Balkanized, in fact—nature of this episode masks its importance. Bosnia has not been just about Bosnia. If NATO had any mission after the Cold War, it was to maintain European stability; it has now been revealed to be without purpose. The Europeans, dealing through various international agencies, made gestures of coping, which naturally failed. Ultimately, what they wanted from the United States was partnership in blame. Without the United States to direct it, the Western alliance is little more than an armored vehicle bearing relief. Clinton's post-Bosnian foreign policy confronts the ruin of NATO.

The triumph of Milosevic may mark the true beginning of the post-Communist era. Just as the breakup of Yugoslavia foretold that of the Soviet Union and Czechoslovakia, so may the ascent of the Serbian strongman be a harbinger. Milosevic, not Havel, may be the New Man. A tradition more deeply rooted in the region than democracy may be stirring. If it comes alive, politics will be ruled by demogogic nationalist appeals and by fear and loathing of others. Democracy will be a façade. The Bosnian crisis has already illuminated the West's complacency about its incapacity to act. Authoritarian populism—Le Pen in France, the Republicans in Germany, Perot in America—is on the rise. Such movements may not necessarily gain power, but they consume democratic politics with efforts to placate and contain them.

In the crisis, the role of master was played not by the American Secretary of State or by the President but by an authoritarian in Belgrade. Clinton sought support for a policy he was not prepared to fight for. His intentions were well meaning, but, finding himself amid political difficulties, he would not take the leap into the unknown. He wished for consensus in a situation that could work only by coercion. Clinton's mandate is to be a domestic-policy President, but if he falters in foreign policy his Presidency will be fatally undermined. There are few things more dangerous to a President's and a nation's credibility than the suggestion of commitment without putting force behind it. "By prestige I mean the shadow cast by power, which is of great deterrent importance," Dean Acheson, Truman's Secretary of State, wrote in his memoir, "Present at the Creation." Without power, of course, there is not even a shadow.●

ANOTHER GOOD MOVE ON CONTRACTORS

● Mr. PRYOR. Mr. President, I rise today to again commend the administration for its leadership in addressing the Federal Government's long-standing problems with its private contractors. Soon after taking office, President Clinton took administrative action to modestly reduce spending on contractors and consultants. Then, OMB Director Leon Panetta, at my urging, mandated a Governmentwide review of the $103 billion that is spent on service contracts.

Today, I want to commend the Secretary of Energy, Hazel O'Leary, for achieving $1.5 billion in savings over the next 5 years by enacting a 1-year salary freeze for employees of DOE's management and operating contractors. It is my understanding that this is an unprecedented, and in my opinion, a long overdue action.

Mr. President, that may seem like a small step to my colleagues, but I can assure you that it is actually a giant step forward for the Federal Government. For over a decade I have examined and sought to reform the Government's use of consultants and contractors. Without much public debate, we have created a large, shadow government of contractors that form a private bureaucracy that mirrors our public one.

While there are numerous problems that arise when the Government contracts out much of its basic work, problems like potential conflicts of interest and the loss of internal capability, one issue that has always been of concern to me is the drastic difference between the treatment of the public and private work force at the agencies. While Federal employees are always subject to uncertainty over their pay increases, private contractors continue receiving their salaries at rates from 20 to 50 percent higher than Federal workers. I have always wondered about the morale of the Federal employee working side by side with a highly paid private contractor.

Mr. President, now Federal employees at the Department of Energy will know that in these tough budgetary times the private contractors will not escape unscathed. Secretary O'Leary's strong action sends a powerful message that I hope all other agencies will hear.•

AFTER 219 YEARS, HARTFORD PUBLIC LIBRARY CELEBRATES 100TH ANNIVERSARY

• Mr. LIEBERMAN. In 1774, a group of local people formed the Hartford Library Co. to purchase "a collection of useful and religious books for the benefit of themselves and families, and the promotion of virtue and useful knowledge." Thus began what we know today as the Hartford Public Library. On May 9, 1893, the Connecticut General Assembly passed a special act which gave the library its current name.

On Thursday, May 6, 1993, the library held a reception to celebrate its first 100 years, and those who attended had an opportunity to see some of the famed Hartford collection, a large collection of priceless books, publications, letters and other memorabilia.

The Hartford collection was officially begun in 1945 by head librarian Magnus K. Kristoffersen. However, its true creation dates back much earlier. The library's original collection was begun in 1774 by the Library Co., increasing greatly a century later under the leadership of Caroline M. Hewins, when the library was known as the Hartford Young Men's Institute.

The nucleus of the Hartford collection is the personal library of Howard K. Bradstreet, former director of the Hartford Bureau of Adult Education and local historian, which was bequeathed to the library in 1937. Other notables include 18th and 19th century political and religious pamphlets donated by Noah Webster; the Geer collection of city directories from 1828 to 1927; music scores by Dudley Buck and John Spencer Camp; papers and pictures collected by former feature writer for the Hartford Courant Herbert Stoeckel; the Horace Wells collection, the Gwen Reed black history collection, the Bulkeley collection of over 500 children's books printed in Hartford; and the Lydia Huntley Sigourney collection of books and correspondence.

This unique collection serves as a permanent record of the history of Hartford, further enhancing the reputation of a city already associated with such literacy figures as Mark Twain, Noah Webster, Harriet Beecher Stowe, Wallace Stevens, and Charlotte Perkins Gilman, among others.•

TRIBUTE TO AMY CURTIS

• Mr. McCONNELL. Mr. President, I rise today to pay tribute to a Kentucky citizen who has distinguished herself as a leader in providing assistance to struggling families in Russia.

Two years ago, Mrs. Amy Curtis of Madisonville was moved by television images of long lines and food shortages in Russia, and decided to try to help. Wanting to find a way she could make a difference to a specific family, she contacted churches, government officials, television stations, and whoever else would listen to find a way to sponsor a Russian family. Finally, she was able to arrange an interview with the former Soviet news agency Tass, which would be seen by others throughout the Soviet Union.

After the story ran, some 200 letters from real Russian families arrived at the Curtis home. This was the beginning of a massive effort to provide direct private assistance to Russian families. Within 2 years, her organization, Family to Family, had linked over 1,600 American families with Russian counterparts. She collected donated goods from United States homes and sent them directly to specific Russian families. After learning of her work, the non-profit Fund for Democracy and Development began helping her ship goods. Seven tractor trailer loads of supplies have been shipped so far. Supplies include shoes, hearing aids, clothing, medicine, and even a mammography machine.

With a grant from the State Department, Mrs. Curtis will be traveling to Chelyabinsk, Russia, in June to set up a thrift shop where families can receive clothing and supplies. Chelyabinsk is a village about one thousand miles east of Moscow that has faced many problems, including radioactive disasters in the 1950's and 1960's. Most of her relief deliveries have gone there. Working with a Russian partner at the receiving end of her shipments, Mrs. Curtis hopes to quickly establish this enterprise to better distribute the donations she receives.

I applaud Amy Curtis' efforts and wish her luck on her trip. Her perseverance and dedication to a project that she could never have imagined would grow this large is inspiring. In this difficult transition the Russians are now going through to implement a market economy, I am delighted that a fellow Kentuckian is leading efforts of private citizens to assist them in their struggle for reform.•

REFORM OF OUR IMMIGRATION SYSTEM

• Mr. BRYAN. Mr. President, as we are all aware, the problem of illegal immigration is not new. For years, hundreds of thousands have attempted to pass through our porous borders, and our attempts to control this influx have been weak at best. Yet, recent events have focused our attention on one specific loophole in our immigration policy—our system of political asylum. The stories are shocking—and call for us, in Washington, to take urgent steps to put a stop to the flaunting of our immigration law that is now occurring.

The United States has always prided itself on its acceptance of those who are not safe in their home countries—those who face torture and death in their homelands. Even today, the United States has no law limiting the number of refugees we will accept from any country. However, the unfortunate reality is that many foreigners have used our generosity to exploit our overburdened immigration system. Unscrupulous aliens have sought to use loopholes in our immigration laws to illegally enter and live in the United States at a high cost to our society, and to legitimate refugees.

Nowhere is this abuse more evident than in our system of granting political asylum. Thousands of aliens have learned that once they arrive at an American port of entry such as the Kennedy Airport in New York, simply by uttering the words "political asylum," they are virtually assured of an extended stay in the United States.

Recent events have shocked the country into recognizing a horrible consequence of this breakdown in immigration control—acts of terrorism within U.S. borders made possible by lapses in our immigration law, particularly our system of adjudicating political asylum cases.

The Nation was jarred into the reality of terrorism by the pictures of chaos and destruction resulting from a bomb placed in the heart of New York's business district. During the followup investigation, it soon became clear that most of the suspects in the bombing has used our chaotic immigration system to enter and remain in the United States illegally.

The New York Times recently characterized two of the suspects in the World Trade Center bombing. One, named Mohammad Ajaj, was apprehended and put into custody when arriving at Kennedy International Airport because of a fraudulent passport. He arrived at the airport carrying in his suitcase instructions on how to place land mines, videotapes on suicide car bombing, and how to make TNT. Unfortunately, the capture and detainment of Mr. Ajaj is the exception.

Another suspect in the bombing who arrived on the same plane, Ramzi Yousef, was not put into custody. Mr. Yousef uttered the magic words "political asylum," which immediately entitled him to stay in the United States until his hearing date, well over 1 year. During the interim, Mr. Yousef was released from detention because of the lack of space. Mr. Yousef is still at large.

Another individual, Mir Aimal Kansi, responsible for the tragic walk-by shootings outside the CIA facility here in the DC area, also used the claim of political asylum to stay in the United States and even received a work authorization. According to a Washington Post article quoting INS officials on February 18, 1993, Kansi's application cemented his stay in the United States because Federal law prohibits the INS from deporting immigrants whose requests are pending. After receiving a work authorization, Kansi was able to receive a job as a courier and a driver's license, enabling him to purchase the assault rifle later used with such horrible effect.

For many years, we here in America have lived under the illusion that we are safe and secure within our borders. Terrorist incidents that splashed across the newspapers always occurred overseas, in the Middle East, in Northern Ireland, in England.

This security blanket was suddenly and violently ripped wide open as a result of these two recent events, that have shocked Americans out of complacency and made us more aware of the everyday dangers of terrorism. A bomb exploding in the business center of our Nation's largest city. A lone gunman walking with impunity shooting at innocent civilians outside the CIA headquarters.

Mr. President, we should not need a tragedy to cause us to act. However, with these recent events, there is now absolutely no excuse for inaction in the face of this serious problem faced everyday by Immigration and Naturalization Officers at points of entry into the United States.

Both of the recent incidents may have been prevented if a more effective immigration screening process had been put into place.

Under the current system, all those who enter the United States, even those with no documents, or blatantly fraudulent documents, are given a full hearing once they claim political asylum. Because of the dramatic increase in the number of aliens claiming political asylum, the current backlog for hearings may be as long as 14 months.

In the meantime, large ports of entry have severe shortages of detention space, and the overflow of aliens are simply let free, on the condition that they will return for a hearing. As you can guess, Mr. President, those with legitimate political asylum claims may actually show up at the hearing, but recent statistics out of New York show that almost 60 percent of those who are released are never heard from again.

Mr. President, the evidence is now overwhelming that foreigners have developed a systematic method of entering and staying in the United States that completely circumvents our immigration law. The statistics are alarming. While in 1980, only 500 aliens applied for political asylum, in 1992, that number had increased to over 103,000.

Currently, almost a quarter of a million asylum cases are waiting to be decided. Yet, in 1992, fewer than 12,000 claims were processed. There can be no question that reform to this system is urgently needed.

I have signed on as a cosponsor to legislation introduced by Senator SIMPSON called the Port of Entry Inspections Improvement Act of 1993. While not a final solution to this problem, this bill would take important steps to expedite the exclusion of aliens who are blatantly attempting to exploit loopholes in our immigration regulations.

Under this bill, those who attempt to use fraudulent documents to enter the United States, or those who produce documents when departing a foreign nation, but destroy them en route, will immediately go before a special immigration officer who will determine if the alien has a credible fear of persecution in their country of departure. Those who have a credible fear will be given a full hearing under our current political asylum laws. However, those without a credible claim of political asylum will be immediately excluded from entering the United States.

Mr. President, the time to change the system is now, before we face another tragedy. I ask Senator BIDEN, chairman of the Judiciary Committee, to pass this bill quickly through committee.•

COMMENDING SAUL AND ELAINE SCHREIBER

• Mr. McCAIN. Mr. President, I was extremely pleased to hear that Dr. and Mrs. Saul Schreiber have received the National Distinguished Service Award from the Orthodox Union. I would like to congratulate them on this outstanding achievement.

Mr. President, as residents of Arizona, the Schreibers have set a fine example throughout our State for their dedication and commitment to community service. They have served as model citizens, and this prestigious award is a fitting tribute to their efforts.

Mr. President, I am pleased to bring Saul and Elaine Schreiber to the attention of the Senate, and I wish them both continued success in their future endeavors.•

TRIBUTE TO HORSE CAVE

• Mr. McCONNELL. Mr. President, I rise today to pay tribute to the town of Horse Cave in Hart County.

Horse Cave is a small town in the southern part of the State near Mammoth Cave National Park. As the name implies, Horse Cave has a cave located in the middle of town.

In the early decades of this century, crowds of visitors came to Horse Cave to tour the cave and stay in town overnight. Horse Cave bustled with department stores, groceries, and a fancy inn known as the Owens Hotel. However, by the 1940's, the cave had become polluted. The pollution ended the cave tours and also killed the blind cave fish that dwelled in an underground stream. The crowds disappeared, and with the tourism gone, Horse Cave struggled with the ills that plague a small town. Farmers started having trouble and the businesses that catered to them struggled too.

In 1989, a new sewer system was installed in the city, stopping the flow of pollution into the downtown cave. The blind cave fish and the tourists started to return, and the city began making its comeback. Investors have started to come into Horse Cave. A 28-store Mammoth Cave Factory Outlet opened in 1991 and a new 100-bed skilled nursing home is under construction. The American Cave and Karst Center just opened its museum on caves in the city, and the 343-seat Horse Cave Theater is undergoing an expansion and renovation. Horse Cave is well on its way of reaching its potential.

I applaud Horse Cave on overcoming its difficulties and moving toward a very prosperous future, making it one of Kentucky's finest towns.

Mr. President, I ask that a recent article from Louisville's Courier-Journal be submitted in today's RECORD.

The article follows:

[From the Louisville Courier-Journal, May 10, 1993]

HORSE CAVE

(By Cynthia Crossley)

As you might imagine, there is a cave in Horse Cave, right smack in the middle of town. And as the fortunes of the cave, which yawns open on Main Street, rose and fell, so went the fortunes of Horse Cave

In 1867, naturalist John Muir said the cave served as a "magnificent fan," cooling "crowds of people" who sat in the shade of trees by its entrance.

"It seems like a noble gateway to the birthplace of springs and fountains and the dark treasures of the mineral kingdom," Muir wrote in his book, "Thousand Mile Walk to the Gulf."

The crowds continued into the early decades of this century. Visitors arrived, first by the trainload, and later in traffic jams miles long to tour the cave and stay in town overnight. Horse Cave bustled with department stores, five groceries and a fancy inn known as the Owens Hotel, the kind of place people want to have Sunday dinner if they weren't already staying there.

But by the 1940s, the cave had turned into a smelly sewer. Pollution ruined a source of drinking water for the town and killed off the cave tours as well as critters such as the blind cave fish that dwelled in an underground stream. Worse, during hot summer days in the 1970s, the odor drifted into town.

The crowds evaporated, and the cave seemed condemned to a fate of sewage, litter and weeds. The hotel closed and fell into ruin. Interstate 65 took over from U.S. 31W as the main north-south artery; travelers could avoid Horse Cave completely.

With tourism gone, Horse Cave struggled with the ills that plague small towns. Agriculture, a major part of the local economy, weakened as farmers retired or went broke.

"There's been a lot of dairy farmers go out of this business in the last 10 years . . . and the dairy farm numbers have really declined," said Nick Gunn, president of the Hart County Creamery, a cheese processor that is one of Horse Cave's oldest businesses. ("Unless you count bootlegging," joked City Clerk Ann Matera.)

Gunn's family had located the business to take advantage of a top dairy-producing region. But because of the decreasing supply in Kentucky, "we're now buying raw milk out of Tennessee and North Carolina," Gunn said.

Tobacco farmers haven't been immune to the downturn, thanks to the anti-smoking campaign. During McCubbin Motors' recent annual "Customer Appreciation Day," a customer munching on the farm machinery dealer's free barbecue told a reporter, "You should tell them we don't want any more cigarette taxes here."

As farmers struggled, Horse Cave businesses that catered to them struggled too. The lure of regional malls and a large Wal-Mart in Glasgow didn't help. Some downtown stores closed.

"The thing I remember the most was going to the Ben Franklin department store, a five-and-dime, when I was 12 to 15 years old, and getting a cherry Coke," said Tommy Bale, who manages his family's tobacco farms near Horse Cave, Glasgow and Greensburg. "When those (kinds of) stores move out, the town history goes with it."

But now the status of the cave has changed. A new sewer system in 1989 stopped the flow of pollution into Hidden River, the underground stream that flows through the downtown cave. Over the last few years, the stream has revived to the point where even the blind cave fish have returned.

As Hidden River Cave began making its comeback, so, too, did the town.

Now "there's so much exciting stuff going on here it's not like a little town at all," said Horse Cave Mayor Sandra Wilson. "We are (one of the) largest burley tobacco markets, and for a city our size we have some pretty good industries."

Added Matera, the city clerk, "Our goal is getting to a balance of agriculture, tourism and industry."

But "right now, tourism is getting a special focus," Wilson said.

A visitor driving down Horse Cave's Main Street will see a renovated and expanded Horse Cave Theater. The American Cave and Karst Center just opened its museum on caves. (Karst is a type of topography characterized by caves, sinkholes and underground streams flowing through limestone. An official "grand opening" of the center is planned for this summer.)

Visitors strolling Main Street can see a newly landscaped entrance to the cleaned-up Hidden River Cave.

Investment has come to other parts of the community. Next to the Caverna Memorial Hospital, a new, 100-bed, skilled-care nursing home is under construction. West of the interstate is the 28-store Mammoth Cave Factory Outlet Mall that opened in 1991 and continues to expand. On the east side of the interstate is a popular private attraction called Kentucky Down Under. The name is a play on the caves as well as owners Bill and Judy Austin's decision to exhibit animals from her native Australia.

The Austins, in fact, have had a big impact on Horse Cave, even though they have been controversial at times, as they themselves acknowledge.

"People saw us coming downtown, doing things, and perceived it as being dictated to, and resented it," Judy Austin said. "Our time for initiating things is over, I think."

It was Bill Austin, back in 1975, who convinced Warren Hammack to start Horse Cave Theater as a resident professional repertory company. And it was Austin who urged the American Cave Conservation Association to pull up stakes in Richmond, VA., and establish a new national headquarters in Horse Cave. Austin's offers included rent-free buildings to help the theater and the cave group get established.

Hammack, who had been doing stage work in Los Angeles, recalled that selling him on a move to Horse Cave took a little work because "I didn't really see an urgent need to do theater in Horse Cave."

But Hammack, a native of Sturgis, Ky., came back and after some tough years got the theater off the ground. Last week, construction workers put the final touches on the 343-seat theater's $1.3 million expansion and renovation that includes: a new entrance, complete with a lobby featuring windows designed and built by Kentucky craftspeople; a new rehearsal hall and a costume shop; and expanded dressing rooms.

The changes mean the theater will offer 168 performances a year, instead of 99, and a season that will eventually run from March to December.

The theater draws supporters from the region. In the off season, staff members offer classes in acting and play writing.

Equally impressive is the new cave and karst center next door, with its mockup of a cave interior and exhibits on cave history, groundwater and the local cave wars, in which privately operated caves competed fiercely for the tourist dollar.

The American Cave Conservation Association, which will run the center, raised more than $1 million to create it. Although the museum is open, association director Dave Foster said his organization still needs to raise about $500,000 to complete the exhibits. They include a computer program on how to fly blind like a bat and displays that explain cave biology and geology.

The cave association, a national organization, hopes that revenues from the center will fund cave cleanup and conservation efforts around the country. A prime example of what can be done sits beside the museum building—the Hidden River Cave of downtown Horse Cave. Volunteers have cleaned up the cave and built new steps and landings so that museum visitors can take a 30-minute tour that goes right down to Hidden River and some of the turn-of-the-century waterworks still there.

Sue Bunnell, president of Horse Cave State Bank, said that of all the things going on in Horse Cave, the revival of the cave probably excited her the most.

"For 34 years, you could not walk down to the mouth of the cave. All you could do was walk to the fence and look over," she said.

As finishing touches were applied to one block of Main Street, the community turned to another Horse Cave landmark. A few weeks ago, said Mayor Wilson, a woman bought the old Owens Hotel with the intention of restoring it to its former glory.

It is too early to tell if she will succeed, and there is skepticism about whether the building can be saved at all. The second-floor porch fell long ago, some windows are nothing more than openings in the brick, and the roof is gone over parts of the building.

"It's an awful eyesore and I had had hopes at one time that it could be restored," said Gunn, "but to restore it and all the additional costs associated with complying with regulations . . ."

Gunn shook his head.

"It may be cheaper to rebuild. But then we would lose a little of the character we once had."

Big employers (Horse Cave, 1993): Dart Container Corp., 290; Mammoth Cave Factory Outlets, 185; Caverna Independent Schools, 158; Ken Deg Inc., 110; Caverna Memorial Hospital, 78.

Media: Newspapers—Hart County News-Herald (weekly). Television—Cable available.

Education: Caverna Independent Schools, 957 students.

Transportation: Air—Glasgow's Moore Field, a 4,000-foot paved runway, is 11 miles south of Horse Cave; the nearest scheduled service is at Louisville's Standford Field, about 80 miles north of Horse Cave. Rail—CSX Transportation's main line between Louisville and Nashville runs through Horse Cave, Truck—24 common carriers serve Hart County.

Population (1990): Horse Cave, 2,284; Hart County 14,890.

Per capita income (Hart County, 1990): $10,985, or $3,980 under the state average.

Topography: The region's terrain is marked by rolling hills, underground streams, sinkholes and caves, including nearby Mammoth Cave National Park.

FAMOUS FACTS AND FIGURES

Horse Cave is one of three towns that make up the "caveland" east of Mammoth Cave National Park. The others are in Barren County; Cave City, which lies just south of Horse Cave on U.S. 31W, and Park City, a few miles south of Cave City. Once operating as competitors for the tourist dollar, they now work together to lure tourists.

Paris-based abstract painter Joe Downing is an internationally known artist whose work has been exhibited in Europe, North America and Australia. But he frequently goes home to Horse Cave and says it influences his painting. His brother is former Western Kentucky University President Dero Downing.

So how did Horse Cave get its name? According to city clerk Ann Matera, the short answer is that nobody knows, Matera advances the theory that "horse" was used to reflect the large size of the opening to Hidden River Cave. There's also a legend that a settler's horse fell into a sinkhole and several days later was found roaming the caverns under the settlement.

At one point, Horse Cave was also known as Caverna. Although the area had been on maps as Horse Cave since the late 1700s, city leaders opted in 1888 for the Caverna name because it was "more sophisticated." However, the L&N Railroad was bound to call its downtown station "Horse Cave." After 11 years of confusion, city leaders in 1879 voted to change the name back to Horse Cave. Caverna, however, lives on in the name of the consolidated school district and the local hospital.

Drivers headed east out of Horse Cave on Ky. 218 travel the Charles Moran Memorial Highway, honoring the college football coach and baseball umpire who considered Horse Cave his home. Among Moran's achievements; coaching Centre College to its 6-0 victory over Harvard in 1921 and umpiring the 1927, 1929, 1933 and 1939 World Series.

INDIAN GAMING REGULATORY ACT OF 1988

• Mr. INOUYE. Mr. President, I rise today in response to calls that I have been receiving from some of my colleagues in the House and Senate in an effort to clarify some apparent misconceptions that resulted from remarks made in a press conference that was held yesterday in the Senate television gallery announcing the introduction of a bill to amend the Indian Gaming Regulatory Act of 1988.

While I was not present at the press conference yesterday afternoon in which Members of the Congress announced the introduction of a bill that is titled, the Gaming Integrity and State Law Enforcement Act of 1993, I have now reviewed the proceedings of the conference, and because there were certain statements made that might be misconstrued by those that may be less familiar with the provisions of the Indian Gaming Regulatory Act [IGRA], I welcome this opportunity to clarify the intent of the act and its provisions.

It seems to me that the concerns expressed by my colleagues in the House and Senate yesterday are centered in two major areas: First, a concern that the State and tribal governments are not providing the kind of regulation of class III gaming that is provided in the States of Nevada and New Jersey; and second, a concern that States don't have the means to determine the scope of gaming that will be conducted within each State.

Before addressing each of these concerns and some of the other points that were raised yesterday, I believe it is helpful to review the basic structure of the act as it relates to these concerns.

The Indian Gaming Regulatory Act of 1988 classifies all gaming activities into three classes: First, class I consists of social games that are conducted solely for prizes of minimal value of traditional forms of Indian gaming engaged in as part of or in connection with tribal ceremonies or celebrations; second, class II consists of games of chance commonly known as bingo, including pull-tabs, lotto, punch board, and tip jars; and third, class III consists of all other games not classified in class II.

Class II games are regulated by tribal governments with the oversight of the National Indian Gaming Commission, a Federal agency. Class III games are to be regulated jointly by State and tribal governments pursuant to a tribal-State compact, freely entered into by the State and tribal governments. Under the act, the Department of Justice retains its responsibility to enforce violations of any Federal law associated with the conduct of gaming activities on Indian lands.

I take the time to outline the structure of the act and the respective jurisdiction of tribal, State, and Federal governments, because I believe that there may be some misunderstanding in this area.

My colleagues have expressed when I believe to be a sincerely-held concern that the State and tribal governments are not providing the kind of regulation of class III Indian gaming that is provided by the States of Nevada and New Jersey. They base their concern on discussions they have had with States' attorneys general and with Governors.

I would make two observations in this regard. When the Indian Gaming Regulatory Act was originally under consideration in the Senate, we had proposed that the Federal Government bear the responsibility for the regulation of all Indian gaming, in conjunction with the tribal governments. We took this approach first, because the U.S. Constitution vests plenary authority over the conduct of relations with the Indian nations—not in the States—but in the Federal Government—specifically, in the legislative branch of the U.S. Government. Thus, it was logical to charge the Federal Government with the responsibility for regulating gaming activities on Indian lands.

Second, we took this approach based on an over 200-year history of government-to-government relations between the United States and Indian tribal governments—a relationship that has minimized the involvement of the States in the provision of programs and services to Indian communities, because it was the Federal government that entered into treaties with the Indian Nations and it was the Federal government that has traditionally been viewed as having a trust responsibility for Indian lands and resources.

Our Federal regulatory approach was also premised upon the body of Federal-Indian law and rulings by the Supreme Court over the last 150 years which have clearly established that State laws do not apply on Indian land unless the Congress acts to explicitly provide for the extension of State jurisdiction on Indian lands.

However, during the process of the Congress' deliberations, the States asserted their interest in having some role to play in the regulation of Indian gaming, and the States of Nevada and New Jersey were direct and honest about their desire not to see Federal regulation of Indian gaming activities for fear of the precedent it might set for the Federal regulation of all gaming activities. This view, as reiterated by Congressman BILBRAY of Nevada yesterday, has apparently not changed.

And so, while in our judgment we would have had a Federal regulatory system that would have provided for greater consistency in regulation, with nationwide standards for the conduct of Indian gaming and Federal law enforcement, we acquiesced in the position of the several States, and provided that class III Indian gaming would be regulated by the State and tribal governments.

Now, my colleagues are suggesting that the State and tribal governments are not up to the task, and that the act must be amended to provide a stronger regulatory and law enforcement system that will prevent the infiltration of organized crime in Indian gaming. And, because they are clearly still opposed to any involvement of the Federal Government in this effort, they seem to be suggesting that what the State and tribal governments are charged with doing jointly will be better performed if the States have exclusive authority for the regulation and enforcement of class III gaming.

As chairman of the Committee on Indian Affairs, I do not have any quarrel with the need to assure that a comprehensive regulatory and law enforcement framework is in place at all times to assure the integrity of gaming activities, and I do not believe there is any tribal government in the country that would disagree.

In fact, Vice Chairman MCCAIN and I are currently engaged in a process of dialogue with governors, attorneys general, tribal government leaders, and representatives of the Federal agencies charged with responsibilities under the Indian Gaming Regulatory Act, and I can assure my colleagues that this is one area in which there is strong consensus.

However, having met with nine Governors representing the National Governors Association just last week, I would also note that in several States, the Governors believe that there is a good working relationship between State and tribal law enforcement, as well as in the area of regulation. Thus, while I share my colleagues' concern, I think we are finding more out about the specific needs and concerns of the State and tribal governments in this process, and accordingly, we will be better able to fashion legislation to address those needs.

I have not abandoned the view that there is a role for the Federal Government to serve in the regulation and law enforcement of Indian gaming and, indeed, a few of the Governors have indicated their desire to have Federal involvement because their States are not interested in providing regulation of Indian gaming or law enforcement on Indian lands. It is clear that the Federal law will need to accommodate these variations amongst the States, and that the act can be amended to so provide—not because we as Federal lawmakers impose our judgment on the State and tribal governments, but as a result of the active participation of the State and tribal and Federal governments in developing workable solutions to the regulatory and law enforcement challenges that confront them.

I would make one other observation in this area because of comments that were made yesterday about the number of people involved in regulation and law enforcement in the States of Nevada and New Jersey.

For instance, when one of our colleagues remarked yesterday that the Federal Government has 8 inspectors to regulate gaming in 24 States, while the State of New Jersey has over 1,000 inspectors to regulate gaming in just one State—it might be inferred that we are talking about Federal Government regulation of the kind of class III gaming that is conducted in Nevada and New Jersey. In fact, as I have outlined, the regulation of class III tribal gaming is vested in the States and the tribes, not the Federal Government. So, of course, there are not 1,000 Federal inspectors in each of the 24 States, because the act doesn't vest the Federal Government with authority to regulate class III gaming. As I have indicated, this arrangement—of State and tribal government regulation of class III gaming—was put in the act at the request of the States.

The second concern voiced by my colleagues yesterday had to do with the interaction of State law and the Federal Indian gaming law—a concern that somehow the Federal law has preempted what State law determines to be the scope gaming that is authorized or allowed under State law—a concern that seems to be premised on recent court rulings rather than on the actual words of the statute.

A number of the Members of the Congress yesterday expressed their understanding of the act at the time of its passage; namely, that State law would determine which class III games could be conducted by tribal governments resident in a State. These Members are correct in their understanding of the act's provisions. State law controls and determines which games are conducted in a State by all gaming operators—be they Indian or non-Indian. If States are opposed to the proliferation of any particular type of game, they retain their sovereign authority to amend State law to criminally prohibit the conduct of any specific game. Some States, such as Arizona and Wisconsin, have taken precisely this action in amending their laws and/or State constitution.

The Indian Gaming Regulatory Act does not impose upon any State a requirement that the State must allow tribal governments to conduct a type of game that the State law criminally prohibits. The States are in full control in this area—you don't have to be a lawyer to read and understand the plain language of the statute. State law governs the conduct of class III tribal gaming; it is that simple.

It is also true that the Indian Gaming Regulatory Act authorizes tribal governments to engage in the same kinds of gaming activities that are conducted by others in a State. State laws vary widely in this respect. Some States authorize the conduct of so-called casino nights for charitable purposes—and they authorize the conduct of whatever games they include within that definition—365 days a year—1 day for each different charity.

Other State laws don't authorize certain types of games, but the knowingly look the other way when these games are being conducted in Moose Clubs and Elks Clubs and by police officers' associations. Other States authorize the conduct of some games only for social purposes, but in both instances anyone can see that these games are being actively engaged in—year round—and yet, these same States would take the position that the tribal governments cannot engage in the same activity, because State law either doesn't authorize these games at all or doesn't authorize them for commercial purposes.

These are the difficult areas that we are in the process of tackling in our dialog with State and tribal and Federal officials. I have observed, on more than one occasion, that when Indian people see these games being played by everyone else in the State, we would be hard-pressed to tell them that there is or should be a different rule when it comes to tribal operation of the same games. So we must sort this out within the context of each State's laws.

I also know that there has been much concern about the interpretation some courts have placed on the laws in three of the States, and one court ruling interpreting the law of the State of Wisconsin has become the broad brush with which all state law have been painted. Many States now authorize State lotteries, but not all States authorize other types of class III game; indeed some States have carefully craved out an authorization for a State lottery while criminally prohibiting other class III activities. So just because a State has authorized a lottery clearly does not determine whether other forms of class III gaming will be allowed. This is a determination that is made on a State-by-State basis by the citizens of each State.

Finally, Mr. President, I want to address the statements of my colleagues that suggested that if action isn't taken immediately, there will be a proliferation of gaming in 49 of the 50 States and wall-to-wall gaming from coast to coast.

The Indian Gaming Regulatory Act authorizes gaming activities to be conducted on Indian lands. Indian lands are located in approximately 28 of the 50 States. For Indian gaming to be conducted in any other State, land would have to be taken into trust for the purpose. The act provides that before land can be taken into trust for gaming purposes outside of an Indian reservation, the Governor of the State must concur in the decision to take land into trust for the purpose. Here again, the States are in control.

And so I would suggest to my colleagues that the notion that Indian gaming will soon be found in almost every State of the Union if the Congress doesn't act immediately is in fact a trend that will be largely determined by the citizens of each State, not by the Federal Government or the Indian tribal governments.

Mr. President, I want to commend my colleagues in the House and Senate for the action they announced yesterday. They have added their thoughts to this debate, and thereby have contributed in a more specific way to our understanding of their concerns.

For my part, I intend to reserve judgment on the merits of their proposal pending completion of the process of dialog amongst the State and tribal and Federal governments in which we are now engaged, and after hearing from all interested parties, including other Members of this body and of the House of Representatives.

I thank you, Mr. President, for the appointment to share their views with my esteemed colleagues.●

● Mr. D'AMATO. Mr. President, I would like to commend the President and Secretary Cisneros on the fine team they are assembling at the Department of Housing and Urban Development, and reiterate my strong support for Ms. Aida Alvarez to be Director of the Office of Federal Housing Oversight, Ms. Marilynn Davis for Assistant Secretary of Administration, Mr. Joseph Shuldiner for Assistant Secretary of Public and Indian Housing, Mr. Michael Stegman for Assistant Secretary of Policy Development and Research, and Mr. Andrew Cuomo for Assistant Secretary of Community Planning and Development.

The nominees that we are voting on today bring a wealth of experience and knowledge to the Department. I hope that they will each bring the king of management expertise and innovation that can really make a difference. We must find creative ways to address the problems and needs of our nation's communities and create an environment of success within the Department and for those it serves. I look forward to working with each of the nominees in bringing about the kind of leadership that we so desperately need.

Mr. President, there are enormous challenges lying ahead of the nominees as they undertake to try and meet the current needs of our Nation's communities with limited resources. The individuals that we are voting on today have exemplary records in their fields and exhibit the energy and commitment to play leadership roles in the Department of Housing and Urban Development. I congratulate each of the nominees on their nominations and look forward to working with each of them in the future.●

THE CLEAN FUELS PROGRAM MEANS JOBS AND ECONOMIC DEVELOPMENT IN ADDITION TO ENHANCED AIR QUALITY

• Mr. DASCHLE. Mr. President, economic revitalization and the creation of stable, quality jobs for American workers is the focus of the new administration's legislative agenda. Few disagree with the importance of this objective. Attaining it, however, presents a host of difficult policy and political challenges, as the current debate over the President's economic program clearly demonstrates.

One prerequisite for job creation is the existence of a market. Without a market for the products that workers will produce, the job base cannot be sustained.

One of the world's largest markets is the 120 billion gallons of gasoline sold in the United States each year. The year-round reformulated gasoline [RFG] provisions in title II of the Clean Air Act Amendments of 1990 have set in motion a major transformation of this huge market. By mandating the use of clean-burning alternative fuels, commonly known as oxygenates, Congress has created an opportunity for the Clinton administration to strengthen its economic revitalization program by putting people back to work in environmentally clean, alternative fuel facilities across the country.

Demand for clean burning fuels has already resulted in significant private sector investment in oxygenate manufacturing facilities. These new oxygenated additives range from ethanol produced from corn to MTBE and CNG produced from natural gas. They represent cutting-edge technologies that utilize American raw materials, employ American workers, and pay State and Federal taxes.

These facilities produce domestic fuel additives that not only improve air quality, but also reduce U.S. payments for imported oil and petroleum products, thus leaving more dollars at home for further investment in job creating activity. The program clearly has a positive impact on the entire national economy, not just on the States and communities where physical plants are located.

Establishing incentives sufficient to encourage further private sector investment in these clean fuels production plants will not be easy. We have come a long way in the last 10 years, however, and the foundations that have been laid in new technologies and increased motorist acceptance of the new fuels will allow even faster progress in the years to come.

I was pleased to read in a recent Wall Street Journal article that the Clinton administration is looking to this potential as a means of job creation. On April 13, the Journal reported that, Ms. Laura Tyson, chair of the President's Council of Economic Advisers, "agrees with Mr. GORE that 'on some environmental issues we have underestimated the benefits,' such as new jobs in clean-air technologies."

Other administration officials have also acknowledged the interrelationship between job creation, environmental protection, trade deficit reduction, and economic revitalization. A recent article entitled, "Putting Energy Into America's Economic Recovery," written by several EPA officials led by Mr. Charles L. Gray, Jr., Director of Regulatory Programs and Technology at EPA's Office of Mobile Systems, offers additional insight as to how important this linkage is to the national economic restructuring now underway.

Mr. Gray and his colleagues argue that "one of the major problems facing the United States today is the burgeoning trade deficit" * * * and that "the greatest single contributor to America's trade deficit is its excessive dependence on imported oil, now at 45 percent of U.S. usage." They further note that, "since 1972, the United States has exported $1.3 trillion (in today's dollars) for imported oil, thus accounting almost single-handedly for America's accumulated trade deficit."

While this is indeed a shocking statistic, projections for the future are even more worrisome. The Department of Energy's projections of oil imports and prices indicate that the United States will be paying from $200 to $250 billion per year for imported crude oil and petroleum products, unless we do something to change our course.

Mr. Gray and his coauthors argue that the United States should set the objective of reducing oil imports by 50 percent by the year 2010. They suggest that, "with a permanent commitment to investing in domestic alternatives, money that would otherwise have been exported for imported oil would instead be spent on fuels 'made in the USA,' generating domestic economic growth and employment. Achieving this goal would create and sustain 4-5 million new high quality jobs in the United States."

But the best attribute of an alternative liquid fuels program is its impact on national investment patterns and capital formation. Because alternative fuels like ethanol, methanol, ETBE and MTBE displace imported oil, investments in their production pay rich dividends. According to Mr. Gray, "the most compelling feature of a national investment in domestic fuels is that it can utilize capital that would otherwise be exported and therefore create incremental jobs for the American economy. Even if $1 billion of investment in domestic fuels resulted in just $2 billion less being exported for imported oil, then this would provide twice as much capital and twice as many jobs as an alternative $1 billion expenditure."

As important as this theory is, the reality is even more impressive. Due to the multiplier effect, these investments in domestic transportation fuel alternatives actually ripple through the economy at a benefit ratio estimated by Mr. Gray to be 7 to 1. He writes that "our analyses project a $1 billion investment in domestic transportation fuels will 'save' about $7 billion in payments for imported oil. There are several domestic transportation fuels that can be competitive at low oil prices on a sustainable basis once initial capital investments are made. Thus, such investments can be projected to produce seven times more jobs than traditional government spending" In other words, a $1 billion investment in domestic ethanol, methanol and their ether plants will actually save $7 billion in payments for imported oil.

There are few better ways to spend our dollars when measured in "national return on investment." The result will be cleaner air, an improved balance of payments, new domestic jobs and a reduced national dependence on imported oil.

EPA already estimates that the title II provision of the Clean Air Act could reduce oil imports by at least 500,000 barrels per day by 1995. At an average $20 per barrel, that amounts to over $10 million per day, or over $3.5 billion per year.

The pursuit of cost-effective means of stimulating clean fuel alternatives should be a national policy priority. I ask that Mr. Gray's article be printed in its entirety at the close of my remarks, and I strongly urge my colleagues to carefully consider its message.

The article follows:

PUTTING ENERGY INTO AMERICA'S ECONOMIC RECOVERY

(By Charles L. Gray, Jr., Jeffrey A. Alson, Katherine J. Gold)

Is the American Dream stuck in reverse? The latest news on the American economy continues to give mixed signals. Positive signs such as improved consumer confidence are offset by an increasing federal budget deficit and continued layoffs at many Fortune 500 companies. But underlying these day-to-day pronouncements is the very real possibility that the U.S. economy is in the midst of a historical restructuring. Absent bold leadership and fundamental change, it may be difficult, if not impossible, for the U.S. ever to regain the economic growth of the 1950s and 1960s. Indeed, it is possible that no American generation will ever again achieve a higher standard of living than the preceding one.

There is direct and compelling evidence that a large percentage of the American people have indeed been suffering, long before the recent recession. Since 1972, the average weekly paycheck for nonsupervisory workers has actually declined by 15 percent in real dollars (Figure 1). By comparison, from 1952 through 1972, the real earnings for such workers increased by 40 percent. Had these workers been able to sustain the earnings growth of the earlier period, they would be earning about 50 percent more today than they are.

Despite falling wages for many, most Americans have not perceived a significant loss in their standard of living thanks to a combination of factors. One is simply that, over time, inflation tends to mask reductions in real wages. This effect was particularly pronounced in the high inflation of the late 1970s.

A second factor is that real median family incomes have actually continued to rise, though very modestly, due to a much higher percentage of women in the labor force. The addition of a second worker helped many families to compensate for falling wages. With most women already in the work force, however, a continued drop in real wages will clearly lead to reductions in family incomes and standards of living for millions of Americans.

Finally, and most important, the U.S. financed increased consumption in this period of falling wages and very modest family income growth by going on an unprecedented borrowing binge from the rest of the world. In 1982, the U.S. stood as the largest creditor in the world; i.e., based on historical costs, Americans owned $152 billion more assets in the rest of the world than the rest of the world owned in the U.S.

There was a nearly one-trillion-dollar reversal of this critical measure over the next decade, as by the end of 1990 foreign assets in the U.S. were $757 billion larger than American assets in the rest of the world (by way of comparison, the value of all farmland and farm buildings in the U.S. is estimated to be about $600 billion). In just a few years the U.S. had gone from the world's largest creditor nation to the largest debtor nation. America is mortgaging and selling off its assets to subsidize current consumption.

This unprecedented transfer of wealth overseas is reflected in international trade. The U.S. merchandise trade balance is the annual difference between the value of all U.S. goods exports minus the value of all U.S. goods imports. The current account balance is a broader annual measure that includes the relative value of goods along with that of services, military sales, unilateral transfers, and investment income. Beginning in the late 1970s for merchandise trade and in the early 1980s for the current account, the U.S. began running huge and consistent deficits (Figure 2). By the mid-1980s, both of these deficits were consistently exceeding $100 billion per year.

The general prescription for a country with large trade deficits is currency devaluation. Indeed, in the mid-1980s many economists believed that a weaker dollar would cure the trade deficits. But the trade deficits dropped only slightly in the late 1980s, even as the value of the dollar fell by 35 percent relative to other currencies on a trade-weighted basis. It appears that, absent additional measures, the dollar would have to be considerably weaker to overcome these trade deficits. Yet another significant devaluation of the dollar would have a major negative impact on the American standard of living and would invite foreign investors to take over even more American assets.

The outlook for future U.S. trade deficits appears very bleak. It is unlikely that the deficits will be reduced through productivity improvements or monetary policy. Productivity cannot be expected to significantly improve, given the low levels of savings and investment in the American economy. There would be strong opposition to weakening the dollar even more. Any type of economic recovery, no matter how minor or temporary, will likely send the deficits to record heights as Americans will have increased purchasing power for imports.

The long-term implications of huge, structural trade deficits for the U.S. economy are ominous. "Business as usual" will mean continuing to try to live off the rest of the world by borrowing capital or selling domestic assets. Of course, these trends accelerate the trade deficit (through interest paid on past loans and profits foregone on sold assets) but maintain current consumption. But this situation cannot continue indefinitely.

At some point, foreign lenders will stop financing U.S. consumption, either because they no longer trust the American economy to be profitable or because they wish to consume rather than invest. At this point, the "other shoe drops." When foreign funds dry up, the U.S. will have less money with which to consume and less money with which to invest. The U.S. standard of living would clearly decline, and the potential exists for an economic downturn with impacts on employment and poverty that would dwarf those of recent recessions.

The question is: Why doesn't America do something about the trade deficit while it still has control over its economic destiny? The only solution to falling industrial wages and the transfer of American wealth overseas is to develop new domestic industries that can provide high-quality jobs and at the same time compete with products that are currently imported. The most obvious place to begin is producing domestic transportation fuels to replace imported oil.

It's no secret that one of the major problems facing the United States today is the burgeoning trade deficit. This issue was stressed during the recent presidential campaign, along with the problems of a weak economy, job creation, and health care.

The greatest single contributor to America's trade deficit is its excessive dependence on imported oil, now at 45 percent of U.S. usage. Expenditures for imported oil have been a major trade burden since the mid-1970s, generally accounting for $40 billion to $80 billion per year. Since 1972, the U.S. has exported $1.3 trillion (in today's dollars) for imported oil, thus accounting almost single-handedly for America's accumulated trade deficit.

Concern about oil supply in the U.S. is a relatively recent phenomenon. The oil industry was born in America; oil fueled the remarkable post-World War II industrial expansion in the U.S.; and in the form of gasoline and diesel, it provided Americans the greatest personal mobility the world has ever seen. Not until the OPEC oil embargo of 1973–74 did the American public become concerned about oil supplies or prices. The reductions of supply from Iran in 1979–80 and from Kuwait and Iraq in 1991, and the resulting price volatilities, have reminded Americans of the risks involved with reliance on a very unstable part of the world for our critical energy needs.

Absent a change in energy or economic policies, U.S. oil import dependence will increase significantly in the future. The U.S. domestic oil industry is shrinking. Domestic production is at its lowest level in more than 30 years. Domestic exploration efforts have dropped sharply—the number of active rigs are down over 80 percent since 1981—and some U.S.-based oil companies now spend more for exploration overseas than they do at home. According to the American Petroleum Institute, total employment in the domestic oil industry has fallen by approximately 400,000 jobs since 1981.

Oil consumption in the U.S. has been relatively flat for several years but will begin to increase again as the economy grows. Transportation accounts for 63 percent of all oil use in the U.S., and Americans continue to buy more cars and drive those cars more miles every year. New car fuel economy in the U.S., which nearly doubled from the mid-1970s to the mid-1980s, has flattened out, and there is strong political opposition to new increases.

The combination of increased consumption and reduced domestic production means that U.S. oil imports will rise significantly in the 1990s. The Department of Energy's National Energy Strategy (NES) projects the U.S. will be importing 55 to 60 percent of its oil by 2000 and nearly two-thirds by 2010. Using NES projections of oil imports and prices, it is expected that the U.S. will be paying about $200 billion per year (in today's dollars) for imported oil by 2010. If one assumes that all this imported oil is refined offshore, a trend which is expected to accelerate, the bill could rise to $250 billion per year.

FUELS FOR AMERICA: REINVESTING IN AMERICA'S FUTURE

Bold action is needed if the U.S. is to avert this potential economic catastrophe. The leadership for change must come from the federal government, as public concern about oil import dependence is at its lowest level in 20 years. While some states, most notably California, have done innovative work in transportation fuels, major policy must emanate from Washington.

Unfortunately, the recent national energy legislation, while containing some admirable provisions, basically ignores import oil dependence—which is, by any measure, more important to the long-term well-being of the American economy than all other energy issues combined. Based on past experience, it is possible that there will be no further serious consideration of energy policy at the federal level until the next embargo, the next price shock, or the next war.

The U.S. should consider the simple and powerful goal of a 50 percent reduction in oil imports by 2010. If this were achieved, the benefits to the American economy would be staggering. With a permanent commitment to investing in domestic alternatives, money that would otherwise have been exported for imported oil would instead be spent on fuels "made in the USA," generating domestic economic growth and employment. Achieving this goal would create and sustain 4–5 million new high-quality jobs in the U.S.—ten times more jobs than have been lost in the oil industry since 1981.

Investment in domestic motor fuel production offers tremendous opportunities for economic growth and job creation based on the simple fact that a dollar spent to produce domestic fuel leads directly to investment and jobs in the U.S., while a dollar spent for imported oil or imported gasoline is not available for investment or jobs creation in the U.S.

While traditional expenditures and investment in the private and public sectors generate employment, the reality is that, other things being equal, increased expenditures in one area mean that there are less funds available for investments in other areas, and the net effect on overall investment or jobs is minimal. The key question always must be: Where do the funds for investment come from?

For example, consider investment in infrastructure such as roads, bridges, water systems, etc. Monies spent on public works projects clearly provide direct employment. But while such investment may make sense from a longterm perspective because of the potential for improving national productivity, it would not likely lead to a significant increase in net national employment. Funds for such programs are typically raised through higher taxes, additional borrowing, or reductions in other spending, all of which decrease the monies available for job creation elsewhere in the economy. But if the funds for this investment were dollars that would have otherwise left the American economy (i.e., monies that would have been spent on imported products), then there would be both more capital and more jobs in the U.S.

The most compelling feature of a national investment in domestic fuels is that it can utilize capital that would otherwise be exported and therefore create incremental jobs for the American economy. Even if $1 billion of investment in domestic fuels resulted in just $2 billion less being exported for imported oil, then this would provide twice as much capital and twice as many jobs as an alternative $1-billion expenditure.

The reality is actually much more promising. Our analyses project that a $1-billion investment in domestic transportation fuels will "save" about $7 billion in payments for imported oil. There are several domestic transportation fuels that can be competitive at low oil prices on a sustainable basis once initial capital investments are made. Thus, such investments can be projected to produce seven times more jobs than traditional government spending (Figure 3)! These jobs would occur throughout the American economy: directly in oil and natural gas exploration and production and the construction and operation of alternative fuel production plants; indirectly as a result of goods and services used in construction and operation of these facilities; and induced employment through spending of salaries in the local economy, i.e., the "multiplier effect." What alternative investment could possible produce such a "national return on investment?"

WHAT WOULD REPLACE IMPORTED OIL?

The United States is in a stronger position than any other oil-importing country to develop domestic fuel alternatives to imported oil. It is extremely ironic that the U.S. has become so dependent on imported energy. In reality, the U.S. is an energy-rich country with abundant and diverse energy resources, both fossil (oil, natural gas, coal, shale) and non-fossil (hydropower, wind, solar, and probably the largest and most productive agricultural base in the world).

Contary to public perception, the U.S. has never had an "energy crisis." Rather, the nation has a "transportation fuel crisis," given that oil is the only energy commodity imported to any significant degree, that all crude oil is refined to produce transportation fuels, and that transportation is the only oil-consuming sector for which American consumers have no practical alternatives.

The most immediate and clear response to a national program to reduce oil imports would be a revitalization of the U.S. domestic oil industry. The impetus would be provided for both large and small oil companies to resume major exploration efforts in the U.S. and to advance oil recovery techniques. Owners of smaller oil fields and stripper wells would be motivated to maximize oil production as well.

Increased domestic oil production would yield new investment and jobs in the major oil-producing regions of the U.S., such as Texas, Oklahoma, Louisiana, Wyoming, Colorado, California, and Alaska, as well as in industrial cities that provide hardware and materials for oil exploration and production.

Of course, as petroleum is a finite resource, over time the price of petroleum would be expected to rise, and there would be a strong market impetus for the development of alternative fuels produced from domestic feedstocks. There are a number of excellent transportation fuels that can be made from abundant energy resources such as ethanol, methanol, natural gas, electricity, and hydrogen. The subsequent development of a domestic alternative fuels industry would create new investment and employment throughout the country, initially concentrated in the corn fields of the Midwest and at the natural gas wells and coal mines in the Middle Atlantic, Midwest, South, and Mountain regions.

In the past, the insurmountable barrier to U.S. commercialization of new motor fuels has been the simple fact that as long as the entire transportation infrastructure is designed and optimized for petroleum fuels, there is no practical opportunity for new fuels to prove themselves in the marketplace. No investor could possibly consider substantial investment for a new transportation fuel production process, given the reality that oil can still be found and pumped in the Middle East for a few dollars per barrel. Any long-term investment could be driven to bankruptcy by a short-term drop in world oil prices by OPEC.

One of the most attractive features of a national commitment to a U.S. motor fuels industry is that a clear signal would be sent to investors that there will be a market for those alternative fuels that can compete with new domestic oil, and that investors need not fear future price manipulation by OPEC.

So how would the competition between these new fuels and gasoline from U.S. oil supplies play out? Of course, it is impossible to predict this with certainty. Clearly, because of transition costs that will be incurred with new fuels, initial investment would be targeted toward increased utilization of domestic oil. The critical issue is the incremental new oil price at which investments in alternative fuels will be considered.

Whether or not American consumers would be faced with higher motor fuel prices depends on the design of the implementation program. If investment costs were internalized in the price of motor fuel, there would likely be a small fuel price increase.

Studies by a number of public and private researchers have projected that domestic alternative fuels from fossil feedstocks could be competitive with oil prices at about $25/bbl. In the worst case, assuming alternatives cost the equivalent of $5/bbl more than imported oil, the average price of all transportation fuels to consumers would increase by less than five cents per gallon in the year 2000 and by less than ten cents per gallon when the program was fully phased in. As fuel cost is only a small portion of the total cost of owning and operating a car in the U.S., this would add less than $100 to the typical American family's annual fuel bill. Inflation-adjusted fuel cost per mile is lower for American consumers today than ever before. A slight increase in fuel cost is a small "price to pay" for a program that can help put the American economy on the road to long-term recovery.

(Endnote: The views expressed herein are those of the authors and do not necessarily represent the views of the U.S. Environmental Protection Agency.)•

A GRATEFUL NATION REMEMBERS

• Mr. D'AMATO. Mr. President I rise today, just before Memorial Day, to stand and remember a special group of Americans who fought for freedom in World War II and are still fighting today. Mr. President, I am talking about the Tuskegee airmen. A group of my constituents will be remembering and honoring the Tuskegee airmen at a reunion of its members and supporters on Saturday, June 12, at 12 noon at the 56th Fighter Group Restaurant.

The Tuskegee Airmen were the Nation's first African-American fighter squadron that broke the military segregation barrier some 50 years ago. During World War II nearly 1,000 black military aviators were trained at an isolated training complex near the town of Tuskegee, AL, and at the Tuskegee Institute. Four hundred and fifty black fighter pilots under the command of Col. Benjamin O. Davis, Jr., fought in the aerial war over North Africa, Sicily, and Europe. They flew P-40, P-39, P-47, and P-51 fighters. These airmen came home with 150 Distinguished Flying Crosses, Legions of Merit, and the Red Star of Yugoslavia.

Our remembrance includes our fallen veterans and the many pilots who distinguished themselves during World War II. Events, such as the reunion of the Tuskegee airmen, offer our Nation the opportunity to say "a grateful nation remembers." It is important that we remember the sacrifices our veterans made 50 years ago. Such sacrifices have helped lead us to victory; a victory that will always be remembered.

Today, the Tuskegee Airmen organization has established a nonprofit national organization with a primary mission of motivating and inspiring young Americans to become full participants in the political, social, and economic mainstreams of American society. The group also sponsors a scholarship program for young people.

Mr. President, I ask my colleagues to join me in honoring this very special group of Americans as they come together to reminisce and remember.•

EVENTS IN GUATEMALA

• Mr. GRASSLEY. Mr. President, 2 days ago, the powerful movement toward democracy in Central and Latin America took a step backwards as the President of Guatemala, Jorge Antonio Serrano Elias, took it upon himself to dissolve the Congress and the Supreme Court of Guatemala, and suspend such basic freedoms as the right of free speech and assembly.

I am speaking today to encourage President Clinton to take action to help return Guatemala to the democratic process and reverse the coup which President Serrano has perpetrated upon his people. In addition, I encourage President Serrano to recognize his mistake and reverse his action.

It is my understanding that the newspapers in Guatemala are not being published and the buildings are surrounded by government troops. In addition, the radio and television media are being gagged by the Guatemalan authorities.

Furthermore, according to news reports, the homes of the Attorney General and the leaders of the Congress and Supreme Court have been surrounded by security forces. In addition, police have surrounded other key institutions, the telephone company, the homes of congressional leaders, and Guatemala's human rights ombudsman, who is a frequent critic of the government.

I am moved by the fact that despite this harsh effort to gag and limit the freedoms of individuals, many in Guatemala, at great risk to themselves, continue to fight for a return to democracy, constitutional law, and respect for human rights.

One such example of this is the Center for the Defense of the Constitution. This center was founded by Guatemalans last August as a private, academic, nonprofit, nonpartisan organization for the sole purpose of defending the democratic and constitutional traditions of Guatemala. The organization is made up of the best legal and constitutional minds in Guatemala and has representation from many different political ideologies. Many former Foreign Ministers of Guatemala and Ambassadors from Guatemala to the United States, United Nations and the Organization of American States are serving on this organization's board of directors.

Just hours after the coup, the Center for the Defense of the Constitution in Guatemala issued a declaration that President Serrano was wrong in his assertion that his actions were consistent with the Constitution and that President Serrano must take responsibility for violating the fundamental law of the State, the Constitution. Apparently, the Guatemalan Bar Association has issued a similar statement. Furthermore, in its last act before being abolished by President Serrano and surrounded by military forces, the Constitutional Court declared that the actions of President Serrano were unconstitutional.

It is my understanding that the Organization of American States is sending a delegation to Guatemala in the next few days. This delegation should express in the strongest terms that this coup shall not be allowed to stand and that it is in President Serrano's best interest to change the course he has embarked upon.

Mr. President, we must not let these brave Guatemalan freedom fighter voices be unheard. We must take action to help steer Guatemala back toward the community of free and democratic nations.•

PEABODY AWARD TO KNME-TV AND INSTITUTE OF AMERICAN INDIAN ARTS FOR SURVIVING "COLUMBUS" DOCUMENTARY

• Mr. BINGAMAN. Mr. President, I rise with great pride today to commend two exceptional institutions in my home State of New Mexico: the Institute of American Indian Arts in Santa Fe and KNME-TV in Albuquerque. Earlier this month, IAIA and KNME-TV received the prestigious George Foster Peabody Award for their collaborative work on "Surviving Columbus," a unique and insightful documentary marking the arrival of Christopher Columbus in the Americas and the subsequent impact of European involvement in Indian culture. Told from the perspective of the Pueblo Indian people, "Surviving Columbus" is, in the words of the 1992 Peabody judges, "simultaneously an important local document and an instructional film for future generations."

This remarkable recounting of 15th and 16th-century history—and 450 years of contact—illustrates the dramatic changes in Pueblo society and the unyielding endurance of the Pueblo people and their culture. The program, which relies heavily on oral tradition and generations of stories told by Indians throughout Arizona and New Mexico, also focuses attention on Pueblo culture today, illustrating the long-term impact of the Europeans upon these peoples and the impassioned pride which keeps their traditions alive.

I am proud of this documentary for several reasons. First, "Surviving Columbus" marks the cooperative production efforts of two important and unique New Mexico institutions devoted to the art. By pooling resources, KNME-TV and IAIA were able to use narratives of Pueblo elders, interviews with Pueblo scholars and leaders, archival photographs, and historical accounts to illustrate the story of the Pueblo Indian's survival and struggle to control their own destiny. With funding provided by the New Mexico Endowment for the Humanities, the Corporation for Public Broadcasting, the Public Broadcasting Service, the Rockefeller Foundation, and the Native American Public Broadcasting Consortium, KNME-TV and IAIA were able to tell the emotional story of the Pueblo survival through turmoil and conquest.

Second, I recognize the cooperation and participation of the Pueblo Indians of New Mexico. As with most of Pueblo history, accounts of the Spanish arrival and European influence are primarily collected as an oral history. "Surviving Columbus" focuses on the Southwestern Pueblo Indians because, of all North American Indians, they have had the longest continuous contact with Europeans. the documentary not only tells a story of the past, but looks at the Pueblo peoples of today, their continuing struggle to determine their own lives, and the strength they draw from their long history of challenge and perseverance. From this illustration of the Pueblo peoples' strength, we discovered the importance of living a life in balance, one which recognizes the need for simplicity and our connection with the earth and time.

Finally, I am proud that these two New Mexico institutions, KNME-TV and IAIA, had the courage to challenge the conventional interpretation of American history and the impact of Columbus. Our traditional school textbooks speak of an uncivilized land which Columbus discovered and explored. However, the Indians tell a much different story, one of conquest and enslavement. "History is always told from the standpoint of the conquerors," author, anthropologist, and San Juan Pueblo Indian Alfonso Ortiz points out. "Hence, people who are conquered can't trust history. It's not their history; it's the history of their conquerors." In keeping with their oral traditions, the program is visually and audibly poetic. The story is finally told in the voice of the Pueblo peoples. Interestingly, "Surviving Columbus" points out that many of the troubles facing the Pueblo Indians during the 16th century still plaque them today—economics, land, religion, sovereignty, and self-determination.

Last year, we marked the 500th anniversary of Columbus' arrival in the New World. This year, I encourage everyone to explore new perspectives of this event. As script consultant and Santa Clara Pueblo native Rina Swintzell expressed,

> There are many worlds that exist in the universe and the Pueblo Indian world was a world that was very different from the Europeans in terms of values and lifestyle. I think we need to be aware that human beings do have alternatives in ways of thinking, in ways of living.

KNME-TV and the Institute of American Indian Arts should be commended for presenting the public with an alternative perspective of New Mexican history. Throughout the State, citizens can be proud of this cooperative effort. "Surviving Columbus"' is a work that leaves a lasting impression on all those who view it. Congratulations to all those involved with the project, a job well done.•

FOREIGN RELATIONS COMMITTEE HEARINGS ON NORTHERN IRELAND

• Mr. DODD. Mr. President, about 2 months ago, on St. Patrick's Day, I sent a letter to the distinguished chairman of the Foreign Relations Committee, Senator PELL, and the distinguished chairman of the European Affairs Subcommittee, Senator BIDEN.

The purpose of this letter which was signed by six of my Senate colleagues, was to request that the Foreign Relations Committee set aside some time this year to examine the conflict in Northern Ireland.

This issue is one in which I have long held an interest and one that, in my view, demands our immediate and lasting attention. Since 1969, the 6 counties of Northern Ireland have been the site of a bloody and protracted conflict that has claimed over 3,000 lives and left more than 30,000 people injured. This tragic state of affairs is only the latest stage in an age-old conflict that is rooted in centuries of ethnic, political, and religious hostility.

Mr. President, I have long believed that as we seek to build a new international order in the wake of the cold war, we must find a way to address regional conflicts like the one in Northern Ireland. For this reason, I was greatly pleased with both the timeliness and the manner in which my St. Patrick's Day inquiry was answered. On that very afternoon I joined both Senator PELL and Senator BIDEN in announcing that for the first time since the outbreak of the troubles in 1969—indeed for the first time since Northern Ireland came into existence more than 70 years ago—the Foreign Relations Committee will hold hearings on this very important issue.

Mr. President, the conflict in Northern Ireland has taken an extensive and lasting toll on participant and bystander alike. But among the innocent victims of this conflict, honesty and open discussion surely must rank as casualties as well. Regrettably, most of what we know about Northern Ireland is summed up only by stark headlines and barren statistics; our own lack of initiative and the clamorous rhetoric of both sides conspire to deny us a deeper understanding of the truth.

In its present form, the conflict in Northern Ireland is a highly complicated affair, shaped and repeatedly fueled by a widespread collection of forces. Clandestine paramilitary organizations like the IRA carelessly murder innocent civilians in their bloody and relentless war against British rule. Loyalist paramilitary groups carry out violent vigilante attacks against suspected IRA supporters, allegedly with the covert support of the British Government. Human rights violations on the part of British security forces defy the sanctity of justice and due process. And a stagnant and inequitable rate of unemployment fans the flames of cynicism and hostility.

Mr. President, in the past several weeks a number of individuals and organizations have contacted my office to inquire as to when these hearings will begin. Ultimately this is a decision that will be made by the chairman of the Foreign Relations Committee, Senator PELL, and the chairman of the European Affairs Subcommittee, Senator BIDEN. But in my view, this is a matter that cannot and must not be hurried.

In fact, given the many items pressing for time on the committee's agenda, it seems to me the best time for those hearings may prove to be at some point after the August break. In the meantime, I would welcome the comments and suggestions of all those who have a special interest in these hearings, keeping in mind that the goal is to educate the public, not proselytize it.

Mr. President, this is a historic time. Not once in the history of Northern Ireland has the Foreign Relations Committee held hearings on this tragic and long-running conflict. My hope is that these hearings will advance our understanding and debate on this unfolding story and the many issues surrounding it—and perhaps in some small measure even hasten the day when the two communities of Northern Ireland can find common ground.

Mr. President, I ask that the text of the letter I sent on St. Patrick's Day, cosigned by six other Senators, be placed in the RECORD at this time.

The letter follows:

U.S. SENATE,
Washington, DC, March 17, 1993.

Hon. CLAIBORNE PELL,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: We are writing to request that the Senate Foreign Relations Committee hold hearings on the issue of Northern Ireland.

Ever since its creation in 1922, Northern Ireland has been torn between two powerful opposing forces: a Protestant population that mainly favors political unification with Great Britain and a Catholic population that generally favors political ties with the Irish Republic. The most recent phase of violence erupted in 1969, when British troops were sent to Northern Ireland, and peaked in 1972, the year direct rule was imposed by London. In all, over 3,000 people have lost their lives in "the Troubles."

Today the challenges facing the people of Northern Ireland are enormous. Clandestine paramilitary organizations like the IRA wage a bloody and relentless war against British rule. Loyalist paramilitary groups carry out vigilante attacks against suspected IRA supporters. Economic stagnation and a high rate of unemployment continue to fan the flames of hostility and resentment. And human rights violations on the part of British security forces weaken the local populace's faith in the abiding sanctity of justice and due process.

If the rule of law and the sanctity of human rights are to be the building blocks for a new international order, then the United States can no longer turn a blind eye toward this conflict. And yet the proper role of the United States is today a subject for wide-ranging debate. Various observers have suggested several ways in which we could contribute, ranging from personal diplomacy to the sending of a peace envoy to the enforcement of the MacBride Principles. Senate hearings would help us evaluate the relative merit of these and other recommendations.

In our view, hearings would hold an additional—and perhaps more important—purpose: to help our nation come to grips with the epidemic of violence and hatred that has plagued the people of Ulster for the better part of a century. Such an undertaking can only strengthen our sense of the world we live in and the many disparate forces that shape it. And it would be a further step toward building a common understanding of the role of human rights and equal justice in this new international order.

In this time of dramatic and unprecedented change about the globe, the continuing difficulties of a political settlement in Northern Ireland merit our attention. Accordingly, we mark the occasion of this year's St. Patrick's Day by respectfully asking that the Foreign Relations Committee hold hearings on the subject of Northern Ireland. We appreciate your attention to this request and we look forward to the benefit of your reply.

Sincerely,

Dennis DeConcini, Alfonse M. D'Amato, Harris Wofford, Carol Moseley-Braun, Christopher J. Dodd, Paul Wellstone, Donald W. Riegle, Jr.•

FEDERAL MANDATES RELIEF ACT

• Mr. GRASSLEY. Mr. President, too often in the past Congress has seen fit to pass broad-ranging legislative mandates. These mandates acquire a life of their own as they filter through the system of regulation and implementation. But in the end they fall upon our local elected officials, those officials who are closest to the people. And when they fall to the local level for implementation, they take with them the heavy financial burden that often accompanies Federal mandates.

In response to this problem, I have joined with my colleague Senator GREGG, in cosponsoring S. 648, the Federal Mandates Relief Act of 1993.

I do not claim that the Federal Government has no role to play in setting national standards, nor do I claim that there is never a need for Federal regulation. What I question is the lack of direct accountability that has grown in the system. When Congress feels compelled to force a mandate upon the Governors and mayors and local county officials of our Nation, we should feel just as compelled to provide the funding to implement the mandate. For if we, as a Congress, feel that regulations are essential enough to mandate, then surely it follows that they are essential enough to pay for. I would also hope that meeting these financial obligations might make Congress think twice before legislating expensive new mandates.

Mr. President, for too long, we have enjoyed our cake and eaten it too * * * at the expense of local officials. We have satisfied those interests who have called for new legislation while trying to avoid the wrath of the American taxpayer by shifting the costs of implementation to the State and local level.

Today we face severe budget deficits, due in large part to the fact that Congress has been unwilling to make the difficult choices in regard to Federal spending. However, it is not an acceptable answer to shift the financial burden for our decisions to others. I urge my colleagues support for this important legislation.•

THE CENTENNIAL CELEBRATION OF EDER CORPORATION

• Mr. KOHL. Mr. President, the Eder Corp. in Milwaukee, WI, is celebrating its 100th anniversary this year. When people reach their 100th birthday, they try to get Willard Scott to mention their names and show their pictures on the "Today Show." Some brief remarks in the CONGRESSIONAL RECORD are, I fear, a poor substitute for that kind of recognition, but it is the best I can do.

The Eder Corp. of Milwaukee, WI, is celebrating its 100th anniversary as an ongoing enterprise. More than that, they are celebrating 100 years of family ownership and operation.

One of the things the Eder Corp. is doing to celebrate this centennial is providing people with American flags at a reduced cost when they bring in an older flag to be retired. That is typical of the kind of spirit displayed by the company, its owners, and its employees. They see their business as part of the community, part of the country. They want to share their success with the people who have made it possible. That spirit is sure to guarantee that the Eder Corp. will be around to celebrate its 200th anniversary in 2093.•

TRIBUTE TO BARRY R. FIERST

• Mr. METZENBAUM. Mr. President, I rise today to say a few words in behalf of a man who has committed his career to serving adults with disabilities, Barry R. Fierst.

Mr. Fierst has served for the past 9 years as the executive director of the Jewish Foundation for Group Homes in Rockville, MD. Established in 1983, the Jewish Foundation for Group Homes is a community residential program serving adults with developmental disabilities and chronic mental illness. Now, 13 group homes, an apartment program, and more than 100 residents later, Mr. Fierst is leaving the foundation. I am certain he will be missed because he believed that dignity is the birthright of every individual regardless of disability. His leadership enabled residents, staff members, and volunteers of the Jewish Foundation to flourish beyond their own expectations and the expectations of those around them. Mr. Fierst's integrity and commitment built a unique and vibrant service system for individuals with disabilities throughout the Washington community. Under his exceptional leadership, the Jewish Foundation for Group Homes became a nationally renowned model for serving individuals with disabilities as dignified, integrated, and valued members of the community.

As Mr. Fierst leaves the Jewish Foundation for Group Homes, I commend him for his wonderful work and wish him every success for the future.•

MEMORIAL DAY TRIBUTE TO THE HMONG

• Mr. KOHL. Mr. President, on Memorial Day, when the United States honors those Americans who gave their lives in the defense of freedom, it is fitting that we also honor our allies who supported the efforts of the United States during the Vietnam war.

The Hmong, as a people, originated more than 4,000 years ago in the central part of what today is China. They lived in a prosperous country, the Kingdom of the Yellow River, established on the sides of the Hoang Ho River. However, as a result of invasion, war, and persecution by the dominant society, the Hmong chose to live in isolation and poverty in order to preserve their 1,000-year-old traditions. They became a hill tribe known in Southeast Asia and the world over.

At the beginning of the 19th century, the Hmong migrated from China into Laos and, over the years, became one of the three main pillars of the Laotian nation.

During the American war in Indochina, the Hmong joined forces with the United States to combat the Communist North Vietnamese forces. In addition, the Hmong soldiers were a vital component of the secret war in Laos, 1962–75. Because of their association with the United States Government, tens of thousands of Hmong were forced to leave Laos after the takeover of Indochina by the Communists in 1975. And in 1993, out of the approximately 130,000 Hmong refugees who have been resettled in the United States, 26,000 reside in my home State of Wisconsin.

The Hmong suffered severe losses during the war and received little recognition for their bravery and support. They are the forgotten soldiers, and their struggle continues today here and throughout the world. These individuals paid a great price and they deserve our honor and respect on this Memorial Day.•

MINING LAW REFORM

• Mr. DECONCINI. Mr. President, Tuesday night the Senate agreed by unanimous consent to pass S. 775, Senator CRAIG'S Hardrock Mining Reform Act of 1993. I rise today to speak on the economic importance of the mining industry to the State of Arizona and the importance of balancing environmental interests with maintaining the economic viability of the industry during the House-Senate conference committee deliberations on mining law reform.

For a number of years both the House and the Senate have held hearings and debated the merits of reforming the 1872 mining law. S. 775, the bill that was passed by the Senate, will fundamentally change the regulations governing mining on public lands. It will institute a 2-percent minemouth, or a form of net royalty, and require certain planning and reclamation standards, among other provisions.

This bill represents some significant reforms in the 1872 mining law. There are also other mining law reform proposals that have been introduced in the House by Congressman RAHALL and in the Senate by Senator BUMPERS that would make even further, more drastic changes to the present mining law. Senator JOHNSTON, chairman of the Energy and Natural Resources Committee, has indicated that S. 775, the Craig bill, will only be a vehicle to facilitate a conference on mining law reform. Therefore, Mr. President, the House-Senate conference committee is likely to negotiate an agreement somewhere in between the widely divergent views presented in the Craig bill and the Bumpers and Rahall bills. The nature and extent of the changes the conference may agree to beyond Senator CRAIG'S proposals could have a potentially severe impact on thousands of jobs in Arizona. Arizona was the second-largest producer of nonfuel minerals in the Nation in 1992, with an estimated value of more than $2.8 billion.

On numerous occasions, President Clinton has emphasized that the economy and jobs are of enormous importance to the future of this country. I could not agree with the President more. In Arizona, and throughout the West, a strong mining industry is essential to achieving the President's goals of stimulating the economy and maintaining the job base. The President has also spoken of equitably balancing the competing interests of the environmental community and industry regarding the use of public lands. Again, I agree with the President that balance is the key to resolving this issue fairly and achieving economic stability for future generations.

During consideration of the budget resolution, the President agreed with Western Democrats that mining law reform could not be dealt with in the context of revenues and deserved a much more thoughtful, comprehensive approach. I would hope that the conferees will keep this in mind during negotiations on this reform.

Mr. President, Arizona and this Nation have a large stake in the outcome of reform of the 1872 mining law. Arizona produces 60 percent of the Nation's copper, which is of strategic importance, and is the second-largest mineral producer in the United States. Drastic reforms in the mining law that do not take into account maintaining the economic viability of the industry and that may inhibit future mineral production will have impacts that reach far beyond Arizona. In Arizona, many communities, like Douglas and Morenci, depend on jobs directly and indirectly related to the mining industry and industry payments to local governments for their existence. The following statistics reflect the vital nature of the mining industry to Arizona's economy:

Over 14,000 people are directly employed in Arizona by the mining industry. Copper mining employs 12,100 people.

Over 70,000 Arizona residents have jobs as a result of the combined direct and indirect contributions from mining to personal, business, and government income in Arizona. This includes retail sales, government, construction, and teaching jobs.

State and local governments in Arizona received more than $400 million in revenues either directly or indirectly from the mining industry in 1992. More than 7,000 government employees received their salaries because of taxes paid by the industry—over 4,000 of which were teachers.

The mining industry in Arizona had a $6.6 billion impact on Arizona's economy in 1992.

Federal revenues from Arizona copper totaled $88 million. This is a return of over $500 an acre each year for Federal lands in Arizona converted to mine ownership and utilized under the 1872 mining law.

Arizona producers exported 454 million dollars' worth of various copper products overseas, mostly to Japan and the Pacific rim.

Mr. President, as these facts illustrate, the mining industry is of paramount importance to the country as well as the people of Arizona. We must take these vital economic factors into account in negotiating mining law reforms or we risk putting people out of work, closing schools, and uprooting families.

Options under consideration vary widely but certain provisions of S. 257, Senator BUMPER's bill, would create major problems for the mining industry. Title II of S. 257 would create a regulatory environment of such enormous proportions and unachievable requirements that new mines would no longer be able to pass the regulatory standards established by title II. In addition, title II may require many existing mines to shut down due to their inability to meet the regulatory standards called for under the bill. This does not represent a practical approach to dealing with the mining issue. A balance between environmental interests and mining interests can and must be achieved. Responsible reform is possible—I believe in it and I support it—but it is necessary to be aware of all sides of the issue as negotiations begin.

Careful and skillful crafting of mining law reform will ensure that jobs and the environment are protected. When the final mining legislation is developed, the social impact on communities and families must be minimized, positive steps for the environment must be achieved, and economic issues must be considered. If this is not achieved, then this body has failed an important test—that of developing legislation which has positive impacts on jobs and the environment.

Mr. President, I know this sounds like an impossible task in light of the overwhelming concerns of groups on all sides of the issue. However, today I am issuing a challenge to the members of the conference to achieve the necessary balance, between protecting jobs and protecting the environment. The goals of maintaining jobs related to the mining industry and protecting the environment are not mutually exclusive.

Mr. President, I urge my colleagues to take into account all sides of the tough issue of reforming the 1872 mining law. The livelihoods of thousands of people in the West are dependent on the decisions that we make.•

PRECISION TECHNOLOGY INC.

• Mr. McCAIN. Mr. President, I was extremely pleased to hear from the U.S. Small Business Administration about the selection of Precision Technology Inc. as Regional Small Business Subcontractor of the Year. I would like to congratulate them on being chosen.

Mr. President, this is an outstanding achievement for an Arizona company, Precision Technology Inc., and one that I believe the Senate should take note of. Precision Technology's commitment to excellence sets a fine example and a goal for all businesses to achieve.

Again Mr. President, I would like to extend heartfelt congratulations to Precision Technology for receiving this most prestigious award, and my best wishes for their continued success.•

REFORMING AMERICA'S FOOD SAFETY INSPECTION SYSTEM

• Mr. DURENBERGER. Mr. President, I rise today to call attention to what is becoming an increasingly dangerous threat to the Nation's health—America's antiquated and inadequate food inspection system.

I ask that an article printed in the May 24 issue of the Washington Post regarding an outbreak of food-born illness in Ohio be printed in the RECORD. Over the past 10 days, more than 300 diners at a Dayton, OH, restaurant have contracted symptoms of food poisoning, and a 7-year-old child remains hospitalized.

This incident is only the latest in what has become a series of injuries to the public health due to unsafe food. Americans are losing confidence in the Federal food safety inspection systems that are expected to prevent these kinds of tragedies. The Federal food safety and inspection systems are failing in their established goals because the divided system of inspection between USDA, FDA, Commerce, and EPA wastes scarce resources.

As the GAO reports in their June 1992 report "Food Safety and Quality", "* * * as a result of the inconsistent and duplicative nature of the Federal food safety inspection system * * * foods that pose similar health risks to the public are subject to significantly different inspection approaches, and resources cannot be reallocated among agencies to improve the consistency of inspections of food products or processes. Furthermore, the agencies' actions to protect their own interests prevent the coordination needed to address public health concerns associated with emerging food safety issues and the public's changing consumption patterns."

When the Senate returns from the Memorial Day recess, I will introduce a comprehensive plan to bring the country's food safety inspection system into the 21st century. By consolidating all food safety inspection duties in an independent food safety inspection agency, we can replace today's jumble of conflicting regulations, low standards, and institutional infighting with a streamlined, efficient system that will restore consumers' confidence in the quality of the American food supply.

This bill, the Food Safety and Inspection Agency Act of 1993 would be good for farmers, food processors, and consumers. I urge my colleagues to cosponsor this legislation when I introduce it.

The article follows:

PIZZA PATRONS STRICKEN

DAYTON, OH.—More than 300 patrons of a pizza restaurant have been stricken with symptoms of food poisoning over the last 10 days and five went to the hospital, a health official said.

One 7-year-old boy remained hospitalized. The other victims were admitted for up to two days, said Bill Wharton, a spokesman for the Montgomery County health district.

At least 324 customers of Milano's Pizzeria, situated near the University of Dayton, have reported suffering symptoms including diarrhea, cramps and vomiting from May 14 onward, Wharton said.

Owner Ron Woods closed the restaurant Friday and agreed not to reopen until officials get back results of tests on food and employees, Wharton said.

The restaurant has been cleaned and all food in it has been destroyed, Wharton said.•

A BREAKTHROUGH ON CYSTIC FIBROSIS

• Mr. KOHL. Mr. President, all of us have spent a good deal of time thinking and talking about health care reform. We do not spend nearly as much time learning about advances in health care, about the results of research, about the kind of treatment that might be provided under a reformed health care system. That, of course, is not entirely our fault: Most of us are not scientists and the popular press does not carry many detailed reports on medical research.

But recently there was an article in Newsweek magazine by Geoffrey Cowley describing new advances in the treatment of cystic fibrosis, a disease that affects over 30,000 young Americans. The article describes a new method of treatment which may actually constitute a cure for the disease. Beyond the specific discussion of the new treatment method, the article makes another point which I would call to the attention of my colleagues. The article illustrates the relationship between research and practical results; it also makes it clear that the Federal Government plays an important role in supporting research—research which may ultimately result in cures for diseases which now plague too many people.

Mr. President, I commend this article to my colleagues and ask that the text of the article, "Closing In on Cystic Fibrosis," appear in the RECORD at the conclusion of these remarks.

The article follows:

[From Newsweek, May 3, 1993]

CLOSING IN ON CYSTIC FIBROSIS

The world marveled four years ago when a team of Canadian and American gene hunters announced they'd pinpointed the mutation responsible for the West's most devastating hereditary disease. The discovery of the cystic-fibrosis gene gave doctors a powerful new tool for diagnosing the fatal respiratory disorder, even in developing embryos. And it raised the prospect of better treatments for the nation's 30,000 young sufferers. This month that prospect started panning out. On Saturday morning, April 17, a 23-year-old man with advanced cystic fibrosis became the first patient to receive a treatment aimed at correcting the disorder at its source. In an audacious experiment, doctors at the National Heart, Lung and Blood Institute (NHLBI) in Bethesda, Md., tried to install a therapeutic gene in the cells of the young man's lungs. The patient received only a trial dose of the gene-based therapy, too little to profoundly affect his condition. But if the experiment goes as planned, it could very well herald a cure. "For the first time, we're not just treating symptoms," says Dr. Robert Beall, the Cystic Fibrosis Foundation's vice president for medical affairs. "We're getting at the root cause of the disease."

In the United States, deaths due to hereditary illness takes a greater toll than CF. One in 2,500 newborns is afflicted, and most die before turning 30. Some 12 million Americans—5 percent of the population—carry a single copy of the culpable gene, but only those with two copies develop the disease. The dynamics of cystic fibrosis are no mystery. In healthy people, a protein called CFTR provides a channel by which chloride (a component of salt) can pass in and out of cells. CF sufferers have a defective copy of the gene that normally enables cells to construct that channel (the so-called CFTR gene). As a result, salt accumulates in the cells lining the lungs and digestive tissues, turning the surrounding mucus into a sticky, suffocating paste. Slapping and pounding can help dislodge mucus from blocked airways, and antibiotics can cantrol the incessant respiratory infections. But nothing stops the gradual destruction of the victims' lungs.

Until 1989, the prospects for arresting this process seemed dim, but the discovery of the mutation responsible for cystic fibrosis raised a tantalizing possibility: if someone could synthesize normal copies of the CFTR gene and transfer them into a patient's wayward cells, then the cells might start functioning properly.

In 1990, two scientific teams showed that the process worked in a test tube. In concurrent experiments, Dr. James Wilson of the University of Michigan and Dr. Michael Welsh of the University of Iowa succeeded at splicing the normal CFTR gene into disabled cold viruses. The viruses were essential sterile and theoretically incapable of causing illness. But they made ideal delivery vehicles, for they retained their ability to glom onto respiratory cells and deposit their genetic material inside. As everyone had hoped, defective cells turned healthy when infected in a test tube. And when other lab studies showed that the treatment was safe in rats and monkeys, researchers started seeking government approval for a human trial.

Last December, a National Institutes of Health advisory panel endorsed proposals from three teams—Wilson's, Welsh's, and one led by Dr. Ronald Crystal of the NHLBI—and this month Crystal became the first to treat a patient. The initial volunteer received just over four teaspoons of medication through nose drops and a bronchoscope. A second patient started the same regimen last week, and Crystal plans to treat eight more.

Along the way, he hopes to answer several basis questions. The most pressing is whether the treatment is safe; he needs to prove that the virus won't somehow cause disease or inflammation and that it won't spread its cargo beyond the respiratory system. In addition, he wants to determine how readily patient's cells will respond to the treatment, and for how long. If the treatment works, cells that acquire the new gene will manufacture their own chloride channels and start excreting salt normally. But no one knows what dose of virus is needed to infect a given number of cells or just how long the therapeutic effect will last. Because the cells that line the tissues are continually replaced, the effect will not be permanent. But Crystal hopes that at high doses, each round of treatment will bring a couple of months' relief. There's also a danger that after repeated exposures, patients' immune systems will learn to foil the virus before it can do its job. That problem hasn't surfaced in animal studies, and Crystal believes that he can administer the virus in large enough doses to survive even a robust immune reaction.

In a sense, this bold experiment will succeed even if it fails. Scientists have already shown that CF sufferers' cells will respond to gene therapy. The challenge is simply to find a practical way of applying it. "I chose this virus because it's been studied," Crystal says, "but it's not the only possible system." Scientists are already conducting lab studies with other delivery vehicles—some based not on viruses but on microscopic fat capsules known as liposomes—and optimism abounds. "What we're doing now may be very different from what we'll be doing a couple of years from now," says Beall of the Cystic Fibrosis Foundation. If the past few years are any indication, that's putting it mildly.•

ORDER OF BUSINESS

Mr. MITCHELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR TOMORROW

Mr. MITCHELL. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 8:45 a.m. on Friday, May 28; that following the prayer, the Journal of proceedings be approved to date and the time for the two leaders be reserved for their use later in the day; that there then be a period for morning business, not to extend beyond 10 a.m., with Senators permitted to speak therein for up to 5 minutes, with the following Senators recognized for the time limits specified: Senators GRASSLEY, MURRAY, and GRAMM of Texas for up to 10 minutes, with Senator LOTT recognized for up to 45 minutes, and Senator LIEBERMAN for up to 5 minutes; and that at 10 a.m., the Senate resume consideration of S. 3.

The PRESIDING OFFICER. Is there objection?

Mr. JEFFORDS. No objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 8:45 A.M. TOMORROW

Mr. MITCHELL. Mr. President, if there is no further business to come before the Senate today, I ask unanimous consent that the Senate stand in recess, as previously ordered.

There being no objection, the Senate, at 11:02 p.m., recessed until Friday, May 28, 1993, at 8:45 a.m.

HOUSE OF REPRESENTATIVES—*Thursday, May 27, 1993*

The House met at 11 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

With gratitude and with obligation, we express thanks for this day and for the opportunity to accept the responsibilities that are given us. In spite of contention and conflict, we earnestly pray that we will be worthy of the high calling we have received to do the works of justice, to be faithful in service to others, and to earnestly and honestly seek to be the people You would have us be. May Your blessing, O gracious God, that is with us in all the moments of life, be with us this day and all our days. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. MCNULTY. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the noes appeared to have it.

Mr. MCNULTY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electric device, and there were—yeas 244, nays 160, answered "present" 1, not voting 27, as follows:

[Roll No. 194]

YEAS—244

Abercrombie
Ackerman
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Applegate
Archer
Bacchus (FL)
Baesler
Barcia
Barlow
Barrett (WI)
Bateman
Becerra
Beilenson
Berman
Bevill
Bilbray
Bishop
Blackwell
Bonior
Borski
Boucher
Brewster
Brooks
Browder
Brown (FL)
Brown (OH)
Bryant
Byrne
Cantwell
Cardin
Carr
Castle
Chapman
Clement
Coleman
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Cooper
Coppersmith
Costello
Coyne
Cramer
Danner
Darden
de la Garza
Deal
DeFazio
DeLauro
Derrick
Deutsch
Dicks
Dingell
Dixon
Dooley
Durbin
Edwards (CA)
Edwards (TX)
English (AZ)
English (OK)
Eshoo
Evans
Fazio
Fields (LA)
Filner
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Geren
Gibbons
Gillmor
Gilman
Glickman
Gonzalez
Gordon
Green
Gutierrez
Hall (TX)
Hamburg
Hamilton
Harman
Hastings
Hayes
Hefner
Hilliard
Hinchey
Hoagland
Hochbrueckner
Holden
Houghton
Hoyer
Hughes
Hutto
Inglis
Jefferson
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kleczka
Klein
Klink
Kreidler
LaFalce
Lancaster
Lantos
LaRocco
Laughlin
Lehman
Levin
Lewis (GA)
Lipinski
Lloyd
Long
Lowey
Maloney
Mann
Manton
Margolies-Mezvinsky
Markey
Matsui
Mazzoli
McCloskey
McCollum
McCurdy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Miller (FL)
Mineta
Minge
Mink
Moakley
Mollohan
Montgomery
Moorhead
Moran
Murtha
Myers
Nadler
Natcher
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Parker
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Pomeroy
Poshard
Price (NC)
Rahall
Reed
Reynolds
Richardson
Roemer
Rostenkowski
Roth
Rowland
Roybal-Allard
Rush
Sangmeister
Sarpalius
Sawyer
Schenk
Schumer
Scott
Serrano
Sharp
Sisisky
Skaggs
Skelton
Slattery
Slaughter
Smith (IA)
Spratt
Stark
Stenholm
Stokes
Strickland
Studds
Stupak
Swett
Swift
Tanner
Tauzin
Tejeda
Thornton
Thurman
Torres
Torricelli
Towns
Traficant
Tucker
Unsoeld
Valentine
Velazquez
Vento
Visclosky
Volkmer
Washington
Waters
Watt
Waxman
Wilson
Wise
Woolsey
Wyden
Wynn
Yates

NAYS—160

Allard
Armey
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Barrett (NE)
Bartlett
Barton
Bentley
Bereuter
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bunning
Burton
Callahan
Calvert
Camp
Canady
Clay
Clinger
Coble
Collins (GA)
Cox
Crapo
Cunningham
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Emerson
Everett
Fawell
Fields (TX)
Fowler
Franks (CT)
Franks (NJ)
Gallegly
Gallo
Gekas
Gilchrest
Gingrich
Goodlatte
Goodling
Goss
Grams
Grandy
Greenwood
Gunderson
Hancock
Hansen
Hastert
Hefley
Herger
Hobson
Hoekstra
Hoke
Horn
Huffington
Hunter
Hutchinson
Hyde
Inhofe
Istook
Jacobs
Johnson (CT)
Johnson, Sam
Kim
King
Kingston
Klug
Knollenberg
Kolbe
Kyl
Lazio
Levy
Lewis (CA)
Lewis (FL)
Lightfoot
Linder
Machtley
Manzullo
McCandless
McCrery
McDade
McHugh
McInnis
McKeon
McMillan
Meyers
Mica
Michel
Molinari
Morella
Murphy
Nussle
Oxley
Packard
Paxon
Petri
Pombo
Porter
Portman
Pryce (OH)
Quillen
Quinn
Ramstad
Ravenel
Regula
Ridge
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Santorum
Saxton
Schaefer
Schiff
Schroeder
Sensenbrenner
Shaw
Shays
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Stearns
Stump
Sundquist
Talent
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (WY)
Torkildsen
Upton
Vucanovich
Walker
Walsh
Weldon
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

ANSWERED "PRESENT"—1

Ewing

NOT VOTING—27

Brown (CA)
Buyer
Clayton
Clyburn
Crane
Dellums
Engel
Fingerhut
Hall (OH)
Henry
Inslee
Kopetski
Lambert
Leach
Livingston
Martinez
Neal (NC)
Rangel
Rose
Sabo
Sanders
Shepherd
Synar
Thompson
Wheat
Whitten
Williams

☐ 1124

Mr. TEJEDA changed his vote from "nay" to "yea."

So the Journal was approved.

The result of the vote was announced as above recorded.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore (Mr. MCNULTY). Will the gentleman from Texas [Mr. BONILLA] kindly come forward and lead the House in the Pledge of Allegiance to our flag.

Mr. BONILLA led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 1723. An act to authorize the establishment of a program under which employees of the Central Intelligence Agency may be offered separation pay to separate from service voluntarily to avoid or minimize the need for involuntary separations due to downsizing, reorganization, transfer of function, or other similar action, and for other purposes.

TOUGH CHOICES

(Mr. FAZIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FAZIO. Mr. Speaker, leadership is about making tough choices. The eyes of the Nation are on the House of Representatives today to see if the change that people demanded last fall is actually going to take place. When the President came to office just 4 months ago the deficit had been out of control for 12 long years. In less than a month the President presented this Congress and the American people with a $500 billion deficit reduction plan, the largest of its kind in the history of our country.

The President's plan has over 200 specific spending cuts, including $100 billion reduction in entitlements. The Congress has added an additional $63 billion in spending cuts. Three out of four new tax dollars come from the richest 6 percent of our Nation's people.

It is time for us to give this new President a chance to get our country out of the ditch and back on the road to a recovery that promises new jobs and economic growth.

Give our new President the opportunity to lead this country back from the deficits of the last decade. He deserves our help.

HOLLYWOOD MAKEUP JOB CANNOT HIDE TAX INCREASE

(Mr. HASTERT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HASTERT. Mr. Speaker, apparently President Clinton's handlers have finally located their makeup person.

Once again, President Clinton has tried to change the face of the largest tax increase in American history with something called voluntary spending caps. In other words, instead of this Congress acting, we are going to simply ask the bureaucrats to please not spend as much of our money. Good luck.

Mr. Speaker, for President Clinton to tell the American people he is getting our financial house in order when his budget plan would add more than $2 trillion to the national debt should be enough to make him blush, even through the best Hollywood makeup job.

A MOMENT OF TRUTH

(Mr. TORRICELLI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TORRICELLI. Mr. Speaker, for a decade we have talked about the Federal deficit, we have debated the Federal deficit, we have done everything but deal with the Federal deficit. Today is a moment of truth for this institution, for this Congress, for this country, because courage is not measured in words. It is a question of deeds.

Either all those speeches and all those press releases about the deficit meant something, or they did not. Today we are going to find out. We are about to discover whether the profligate 1980's were simply an aberration, a time of loss of fiscal discipline, or a permanent change in the ability of this country and this Congress to govern ourselves.

□ 1130

The only means of restoring confidence in this Congress, giving discipline again to our fiscal affairs, and giving meaning to all those speeches about dealing with the deficit, and confidence in this institution is to deal with the President's plan and to vote for it, and once again bring discipline to our fiscal affairs.

FEAR OF DAWN

(Mr. EVERETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EVERETT. Mr. Speaker, most Americans thought the days of smoke-filled rooms and closed-door, backroom deals were a part of our political history. We were to be living in a time of political openness and inclusion—an end to gridlock. This was to be the new covenant by which all our politicians would live.

Unfortunately, that is not the case. The Democrats still remain in darkness, striking bargains and making deals behind the closed doors of the Ways and Means Committee.

Fearing the certain storm of protest from hard-working taxpayers, Democrats turned out the lights on the ugly process of raising taxes when they shut out Republicans by voting against every Republican proposal with a party line vote.

Mr. Speaker, it is time to help Bill Clinton keep his campaign promises by substituting his tax increases on the working poor with more spending cuts. To do this, we needed an open rule on reconciliation. To do this, we needed some sunshine allowed in on the process.

The losers of Bill Clinton's broken covenant, Mr. Speaker, will be hard-working taxpayers. And, I think those taxpayers will remember who voted for higher taxes and who voted against the largest tax increase in this Nation's history.

BILL CLINTON MADE THE TOUGH CHOICES

(Mr. VISCLOSKY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VISCLOSKY. Mr. Speaker, when Ronald Reagan was sworn into office, the national debt was $908 billion. When George Bush left office the national debt had exploded to $4 trillion.

Bill Clinton was elected to change this Republican policy of let the kids pay.

President Clinton has met the challenge and has presented the House with a historic opportunity to attack the deficit through reduced spending.

That is why those who produce milk will be paid $320 million less during the next 5 years.

That is why tobacco growers will be assessed more in the future.

That is why military retirees will have their COLA's delayed by 4 months.

That is why hospitals and physicians will have their payments under Medicare frozen for the next 2 years.

And that is why the Treasury Postal Subcommittee on Appropriations yesterday voted to eliminate all funding for two agencies of Government.

The decisions about these spending cuts weren't easy. These spending cuts aren't popular. But these spending cuts need to be made.

Bill Clinton has made the tough spending choices. Today we must join him.

LARGEST TAX INCREASE IN AMERICAN HISTORY

(Mr. KIM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KIM. Mr. Speaker, I will be voting today against the budget bill, because it is the largest tax increase in American history.

Every sector of society is hit and hit hard.

This new tax will cost about $226 per month for millions of retirees on fixed incomes. This is a tremendous burden.

Rather than enjoy their retirement, these senior citizens are being forced into the poorhouse. Under this bill, 85 percent of Social Security benefits will be taxed to raise $32 billion to pay for waste and gross fiscal mismanagement by this Government.

This is outrageous. Our senior citizens did not create this financial mess.

They have been working hard all their lives contributing revenue.

I urge my colleagues to vote against this dangerous tax bill.

TODAY IS THE DAY THE RUBBER MEETS THE ROAD

(Mr. WISE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WISE. Mr. Speaker, today is the day where the rubber meets the road. It decides whether or not this country has an economic plan or continues economic drift. It is about deficit reduction, real deficit reduction and real economic growth, a bill that, after you strip all of the hoopla out of it, has $250 billion in cuts, more dollars in cuts than tax increases.

It is a bill, yes, about tax increases and two-thirds of those falling on those making over $200,000. And yes, there is a Btu tax, and if you are making somewhere around $30,000 to $40,000, it will amount, after 3 years, to about 50 cents a day, about the price of a cup of coffee. And yes, there are taxes that affect our industries, but, for instance, in aluminum and coal and natural gas and the barge fees, we were able to get those significantly adjusted.

Real spending cuts, Mr. Speaker, a fair tax burden basically on the upper incomes, a deficit reduction account that guarantees tax increases go for deficit reduction, not for new spending.

It is time, Mr. Speaker, to get this economy moving and to pass this bill.

NEED FOR STRONGER TRUCK-LOAD RESTRAINT REGULATIONS

(Mr. QUINN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. QUINN. Mr. Speaker, I rise today not to talk about taxes or spending, although these are very important issues.

Instead, I rise to speak about issues that are even more important, the issues of life and death.

There is a dangerous problem on our Nation's highways, a problem that risks peoples' lives, a problem that cost four people their lives in Buffalo, NY, last year.

On October 5, 1992, during the morning rush hour, a flatbed trailer truck, traveling on the New York State Thruway, struck the median divider, snapping the chains which secured its load of four giant coils of steel.

The steel coils—weighing 20 tons each—flew off the trailer, crushing three cars, killing four people.

Since that tragedy last October, 7 months ago, heavy metal coils have fallen off trucks on three other occasions in western New York, and statistics indicate similar problems are occurring across the country.

Luckily, no one else has been hurt or killed.

But will we be so lucky next time?

Before another person is killed, we need to improve the way truckers are required to secure their loads; we need to protect motorists on our highways.

I will go to the Federal Highway Administration to ask for stronger load restraint regulations.

Mr. SHUSTER, the ranking member on the Public Works and Transportation Committee, has offered to help.

And, Mr. Speaker, I ask for the help of all my colleagues, so that we can avoid another deadly tragedy on our highways.

IT'S SHOWTIME

(Mr. MILLER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MILLER of California. Mr. Speaker, as they said in the movie, "Chorus Line," it's showtime. It is showtime for the Congress of the United States, for the President of the United States, and for the people of the United States.

Today we will determine whether or not we fully understand what the American people said to us in November, and that is that they no longer wanted a President who talked about balanced budgets and then sent phony budgets to the Hill. No longer did they want a Congress that cooked the numbers and moved spending from one fiscal year to another, one gimmick after another, and the deficit got larger and larger.

People in this country said what they wanted was a change. And President Clinton has presented us with an economic plan to provide for that change.

That change since the election has brought about the lowest interest rates in the last 20 years in this country. Those low interest rates for the first time have allowed people to buy a home, to refinance an existing home, to better be able to afford their children's education, to buy an automobile and put an autoworker back to work. That is real change, not symbolic change, not the rhetoric that we have had over the last 12 years as the Republicans have continued to talk about lower deficits but only sent us larger and larger deficits.

Today the numbers are real. The deficit reduction is real and the benefit to the American people is real.

It's showtime.

□ 1140

HANG TOGETHER?

(Ms. PRYCE of Ohio asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. PRYCE of Ohio. Mr. Speaker, President Clinton is urging his Democratic colleagues to unite in voting for the largest tax increase in history.

He uses the old Ben Franklin adage: We must hang together, or we will all hang separately.

Actually, Mr. Speaker, if your Democrat colleagues hang together to pass the largest tax increase in history, they will certainly hang separately in the next election.

Face it, my friends. The American people do not want to pay any more taxes. They feel they pay enough taxes, and they are right. We need to cut spending first.

The votes we take today will not be soon forgotten by the American voters. Both votes on the rule and on final passage will lead to more taxes, higher inflation, and slower economic growth.

Mr. Speaker, there is no reason to hang with the President. He is dead wrong. Cut spending first.

LISTEN TO THE PEOPLE, NOT THE LOBBYISTS

(Mrs. MEEK asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. MEEK. Mr. Speaker, on Tuesday, the results of the latest consumer confidence poll were released, and I was not surprised. The American people see the gridlock in Washington and know that the economy is in trouble.

The economic mess was created over the last 12 years and it will not be corrected without causing some pain. There are games being played with the lives of the people we were sent to represent. It is the vain hope of some to destroy President Clinton so that they can regain the White House.

They are willing to destroy the economic lives of millions of Americans in their lust for power.

Americans thought that the decade of greed had been ended last November, but they were wrong. The purveyors of greed have counterattacked and are willing to bring down the American economy to preserve their ill gotten gains.

We will never know how many tens of millions of dollars are being spent to defeat the President's program. We have heard that advertisements have been prepared to flow from Washington to certain congressional districts. The names of the front groups will sound like ice cream and apple pie, but the money comes from the purveyors of greed. Their identities will be hidden and their financial interests will never reach the light of day.

Is it any wonder that the American consumer has lost confidence?

I will stand up for the American consumer. I will oppose the purveyors of greed and their army of mercenaries.

I will vote for the President's program. I will vote for the American people and against the purveyors of greed.

TRAVEL AND TAXES

(Mr. LINDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LINDER. Mr. Speaker, well, it looks like Travelgate has become the big story on the Nation's headlines. President Clinton has decided to have his chief of staff investigate what really happened.

I wish the White House would spend more time investigating what their tax package will do to American families. They should examine how the Btu tax will hit poor and middle class families the hardest.

They should reconsider how their Social Security tax will hurt senior citizens. They should ask themselves why they haven't listened to American public opinion, and cut spending first.

When the President gets his travel office back together, he should consider a trip to middle America. There, the people will tell him to cut spending first.

I urge my colleagues to vote against the reconciliation rule and the final bill. We do not need more taxes or more spending.

JUST SAY NO TO SPECIAL INTERESTS

(Mr. KREIDLER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KREIDLER. Mr. Speaker, as we prepare to vote on the deficit reduction package, a rightwing group is targeting some of us with a campaign of distortions.

The group is called Citizens for a Sound Economy, and it is running ads in my district opposing the Btu tax.

People in my State know this group well, because 2 years ago it bankrolled a term limit initiative that was so extreme the voters rejected it.

Most of its money comes from the Koch brothers, two of the world's richest men, who have a big interest in—guess what—big oil.

The chairman of Citizens for a Sound Economy is Jim Miller, who doubled the national debt when he was Ronald Reagan's budget director.

Taking advice on deficit reduction from Jim Miller and the Koch brothers is like taking tax advice from Leona Helmsley.

I do not like the Btu tax, and neither do a lot of my constituents. We would not need that tax if Jim Miller and his friends had done their jobs when they were in charge.

But now we can either do nothing, and let the deficit get worse, or we can start fixing it.

I came to Congress to fix the mess.

And I do not need billionaire special interests telling me how to do that.

YES, IT IS SHOWTIME

(Mr. DOOLITTLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DOOLITTLE. Mr. Speaker, yes it's showtime: massive tax increases on senior citizens and on the middle class; an energy tax that cost 600,000 jobs; new Federal social welfare spending programs; $1 trillion in additional cumulative debt; gimmicks, glitz, and let the good times roll.

Yes, it's showtime.

LET US PASS THE PLAN

(Mr. TUCKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TUCKER. Mr. Speaker, yes, it is showtime, and guess who gave us the original showtime. Well, let us see, what Hollywood actor ascended to the Presidency?

I think it was the Republican Party that was the original creator of showtime in the 1980's. That is right, Mr. Speaker, they showed us how the rich could get richer and the poor could get poorer. But guess what, now the real showtime has got to come to bear, and that is the time we find that the rich are going to have to ante up, because in this plan, Mr. Speaker, 66 percent of all the taxes are on those people making $200,000 a year or more, 75 percent of all new revenues are going to go on those persons making $100,000 a year or more.

It is showtime, all right, and it is time to fish or cut bait, because the Republicans want you to believe that this plan is only about the greatest tax increase in this country.

But guess what, this plan is also the greatest deficit reduction plan that we have ever seen in history. They do not want you to know about that.

But guess what, that is what it is, and that is what I am going to vote on today, Mr. Speaker, and we are going to pass the plan.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. MCNULTY). The Chair would remind our guests in the gallery that we are delighted to have you with us, but you are to refrain from responding either positively or negatively to statements made by Members on the floor.

CUT SPENDING FIRST

(Mr. DUNCAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DUNCAN. Mr. Speaker, today we will vote on the largest tax increase in American history. The Congressional Budget Office, which is controlled by the Democrats, estimates these tax increases at $322 billion. This comes to over $1,200 per person.

Anyone who thinks only the wealthy will pay is living in a dream world. Taxes always come back to the middle and lower middle income people.

The President said during his campaign that he was going to raise taxes only on those making over $200,000 a year. The truth is these taxes are going to hit everybody regardless of income, because prices will go up on everything.

A newscaster for channel 5 here this morning said the so-called midnight compromise from last night is really just a face-saving measure for conservative Democrats. He said it is really meaningless. He said no one knows what the proposed spending targets really mean. It is a charade, a hoax. The President's package has no spending cuts, and, in fact, increases spending during the first 2 years.

The cuts in years 4 and 5 will never see the light of day until and unless more conservatives are elected to the Congress.

People in my district, Democrats, Republicans, and Independents, are saying cut spending first.

A HISTORIC CHANGE

(Mr. SLATTERY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SLATTERY. Mr. Speaker, nearly 50 cents of every dollar that the American taxpayers send to Washington is spent on entitlement programs, and anyone who knows anything about the arithmetic of our budget understands that we are not going to solve our deficit problem until we get these entitlement programs under control.

This part of our deficit has been on autopilot for 20 years, and last night, about 1 o'clock in the morning, we were able to come to a very difficult compromise on an effort to cap entitlement spending for the first time in our Nation's history.

I believe this to be a historic change in our budget process. Our colleagues, the gentleman from Minnesota [Mr. PENNY], and the gentleman from Texas [Mr. STENHOLM], and the gentleman from South Carolina [Mr. SPRATT], deserve a lot of credit for negotiating the toughest entitlement cap that we can possibly get through this Congress.

I think this particular provision in the package is definitely worthy of everyone's support, and I urge my colleagues to support the reconciliation package today.

Please, look at the entitlement cap and understand what a historic change this is. We are taking entitlements off of autopilot, and it is worthy of our support.

BUDGET RECONCILIATION A HARD SELL

(Mr. POMBO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. POMBO. Mr. Speaker, as a farmer, I know that the budget reconciliation is going to be hard to sell, especially to our Nation's farmers.

The plain, simple truth is that the budget reconciliation cuts nearly $3 billion from farm programs while, at the same time, increases and expands the Food Stamp Program by over $7 billion. Those are the facts that the supporters of this budget need to explain.

For me, it is easy. I voted against the budget. I wanted to see that needed cuts were made, but made fairly, rather than by heaping the burden even higher on farmers.

For my Democrat colleagues, however, I can only wish you luck. I want to see you go and visit a farmer in your district, put your foot up on the bumper of his truck, and tell him why the money being cut from crop insurance is better spent by expanding the Food Stamp Program. Or explain to him the equity of the Btu or estate taxes. I would like to be there when you try. But let me give you a word of warning: Do not do it near a running combine.

□ 1150

SUPPORTING THE RECONCILIATION ACT

(Mr. BISHOP asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BISHOP. Mr. Speaker, the Budget Reconciliation Act is about hard choices. It's hard to ignore our sagging economy and the Federal deficit. It's also hard to leave our children with little or no means to accessible, affordable health care, and hundreds of thousands of Americans without jobs. And it's hard to support an energy tax that would raise production costs on our farmers, and we've cut the burden in half by exempting on-farm use of gasoline and diesel from the energy tax. But it's time to face the hard facts. We must put American back to work.

We cannot continue to wait, and hope, that change will come. This plan is the largest deficit-reduction package in the history of the Republic. It reduces our Federal deficit by $496 billion over the next 5 years. It helps fund jobs programs and job training for our citizens, and assumes full funding for Head Start, a very important educational program for our children. And it does cut spending.

There is no easy way out, Mr. Speaker. It's time to make the tough decisions. Let's jumpstart our economy and let's make the right choice by voting for the Budget Reconciliation Act.

THE CLINTON TAX PLAN

(Mr. GOODLATTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GOODLATTE. Mr. Speaker, today is the day we answer a fundamental question: Are American families and businesses undertaxed? Or, does the Federal Government just spend too much? I think we all know the answer to this question.

Day after day, I talk to folks across my Sixth District of Virginia and they tell me how the tax burden is eating into their already tight family budgets. A vote for President Clinton's $360 billion tax boondoggle is a slap in the face to every one of these families. They work hard to earn a living, to buy the groceries, pay for new school clothes for the kids, and cover the insurance payments and mortgage. They deserve better.

I ask each Member of the House to ask himself or herself a question: Will our Nation be better off in 4 years if we pass these huge new tax increases?

I heard the President calling this a deficit-reduction tax increase. That's like a spring snowstorm. You can see it coming down, but it just does not stick. This money that President Clinton is trying to dig out of the pockets of America's families and businesses will be wasted on expensive new Government pork-barrel programs which do nothing more than provide jobs for Washington, DC, bureaucrats. The President likes to create a Government program to solve every problem but as former President Reagan put it so well, "Government does not solve problems. It subsidizes them."

PASS THE RECONCILIATION BILL

(Mr. RICHARDSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RICHARDSON. Mr. Speaker, this is the biggest vote of the decade. Are we going to vote simply as Democrats or Republicans, or as Americans wanting to give the President a chance to govern?

This economic plan has pain for everyone. There are hundreds of reasons to vote against it. But fundamentally it is not about spending cuts or deficit reduction; it is about whether we as a nation can govern and eliminate the gridlock of the last 12 years.

Mr. Speaker, this is it. Today we will vote on and pass the President's reconciliation bill—a bill that cuts the deficit, restores faith and fairness in Government, and sets a positive course for this country.

Let me restate some of the facts:

This plan is the most aggressive deficit-cutting plan we have ever seen. It cuts the deficit by $500 billion over 5 years.

This plan is fair—the heaviest burden is shouldered by those who can and should pay—the wealthiest of Americans. In fact, the vast majority of the tax increase will be paid by those making over $200,000 per year.

This plan reminds us of the reason America voted for Bill Clinton. It calls for shared sacrifice and is based on honesty—not the smoke and mirrors of the last 12 years. Most of all, it demonstrates the courage needed to make the tough cuts.

Mr. Speaker, this is our moment of truth, our time to stand and deliver for the American people. Today America will see—gridlock is dead.

THE BILL CLINTON TAX BILL: GIVING CREDIT WHERE CREDIT IS DUE

(Mr. BONILLA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BONILLA. Mr. Speaker, Americans naturally take pride in what they make. When Henry Ford started his car company he named it after himself. When a man named Amos perfected his cookie recipe, he named his treat after himself, "Famous Amos."

Hard-working people all over this great country take pride in their work and want their names on it. Craftsmen and artists autograph their creations. Lawmakers put their names on bills. If you take pride in your work you should take credit.

And if the President takes pride in his work he should put his name on his creation. If his tax proposal passes it should be passed on as the Bill Clinton tax. So, when struggling families open their utility bill they can see clearly the Bill Clinton energy tax added to the statement.

Or when that elderly couple receives a smaller Social Security check, they will know that it was the Bill Clinton Social Security tax that will force them to do with less.

If the President truly believes in his proposals he should proudly name the taxes after himself. Even Dr. Frankenstein had his monster.

IT'S ABOUT JOBS, CONGRESS, NOT ABOUT TAXES

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, another 5-year plan for America, new record taxes on American workers and American companies. Meanwhile, American subsidiaries overseas once again escape the Tax Code. Now figure this out: If you stay in America, you are taxed; if you move overseas, you get tax breaks.

I am opposed to this madness.

In addition, we are going to open up the borders with Mexico—wow. I predict jobs and investment going to Mexico like Olympic sprinters. In return, we will get a used Ford pickup, 2 tons of heroin, and 3 baseball players, to be named later.

I am voting "no," dammit; it is about jobs, Congress, not about taxes.

The American people are taxed-off.

THE LARGEST TAX INCREASE IN HISTORY, AND NO AMENDMENTS ARE ALLOWED

(Mr. McCOLLUM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCOLLUM. Mr. Speaker, early this morning the Democrat leadership exhibited the arrogance of power which makes congressional term limits such a compelling cause. They decided to make a deal in order to pass the largest tax increase in history, and the deal was over a rule that will come out here today that will not allow us to offer amendments or even their Members to offer amendments that would alter the face of the energy tax or remove it, et cetera. Only one substitute is allowed; ours granted by only one. I think that kind of arrogance is going to get to them. The fact of the matter is that we are dealing with not only the largest tax increase in history but we are dealing with the fact that this bill out here today will not have any reductions in spending for the first 2 years. And when we get down the pike, assuming that it works—and I do not believe the math will work—assuming it does, at the end of 5 years we will have added $1 trillion to the debt, from $4.5 trillion to $5.5 trillion, and still have $200 billion in deficits; nowhere near a balanced budget.

I submit, my colleagues, what the American people will understand more after the pain than they do even now—and I think they understand now—the way to solve the problem of the deficits and get to a balanced budget is to cut the spending, not increase the taxes.

THE BUDGET RESOLUTION

(Mr. CLYBURN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CLYBURN. Mr. Speaker, today, Mr. Speaker, we will vote on the President's 1994 budget.

The action we take today will have a resounding effect on the lives of the American people regardless of the outcome.

The passage of this budget will begin a road toward economic stability, healthier and better nourished children, and more meaningful job opportunities, to name just a few of its benefits.

For the last week or so the word entitlement has been brandished about as though it were some Fascist buzz word to warn those in support of the programs that our lives would be held in bondage if those services were not capped.

Well, for me, the world entitlement means to enable, qualify, and allow.

The provisions in this budget will enable Americans to gain more control of their lives.

It will qualify them for resources needed to become more productive citizens.

It will instill in our people dignity and pride in a government that works for them and not against them.

And that, Mr. Speaker, is something to which we all are entitled, and President Clinton's budget will start that process.

REBELLION IS A GOOD THING

(Mr. BAKER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BAKER of California. Mr. Speaker, President Clinton admires Thomas Jefferson. Well, Jefferson said "a little rebellion now and then is a good thing." And today, it's an especially good thing for the American taxpayers.

Because right now, President Clinton has a rebellion on his hands. Not just Republicans, but members of his own Democrat Party, are saying the liberal Clinton program of tax and spend is unpopular among the people and a recipe for economic disaster in this country. The energy tax will cost our recovering economy 500,000 jobs; the tax on Social Security benefits will bring pain to America's seniors; the income tax bill will steal capital needed to create jobs and expand business.

A rebellion against the Clinton program of tax increases and new spending is a good thing, Mr. Speaker. It is a good thing for the country and good for the American taxpayer.

Cut spending first.

□ 1200

IN SUPPORT OF PRESIDENT'S DEFICIT REDUCTION PACKAGE

(Ms. McKINNEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. McKINNEY. Mr. Speaker, I rise in support of this deficit reduction package. This package addresses the twin deficits that plague the people of Georgia's 11th Congressional District.

This package reduces the budget deficit that threatens the future of our children. Children are especially spared cuts in entitlement spending. Spending is shifted to essential programs for children and families, groups that lost ground during the last 12 years. Full funding of Head Start, full funding of the Mickey Leland Hunger Prevention Act, full funding of WIC, full funding of childhood immunizations.

The earned income tax credit assures that this country's children of working parents will not be raised in poverty. Georgia families received a total of $425 million from the earned income tax credit last year. We expect to receive an additional $282 million from the expanded earned income tax credit.

The budget is not just a political document. It is also a moral statement of our national priorities.

Our President's budget says that government should no longer serve the needs of a few of us at the expense of the rest of us.

Mr. Speaker, President Clinton's budget is good and it is good for Georgia. It is good for this country.

NO TRUST AND CONFIDENCE IN PRESIDENT

(Mr. ROTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROTH. Mr. Speaker, around the country people are asking why is the Clinton administration such a disaster after only 130 days. His negatives are higher than his positives.

Well, as a previous speaker said, everyone looks at Thomas Jefferson in the Clinton administration. Thomas Jefferson said that a President can only be successful if the people have trust and confidence in him.

Well, here is what President Clinton said about Social Security, which is being taxed in this bill today, 9½ million Social Security recipients are being taxed to the tune of $29 billion.

Here is what Clinton said in September of last year:

> We are not going to fool with Social Security. It is sound and I am going to keep it that way. You can take it to the bank.

That was his quote.

Today we are voting on a $29 billion tax on senior citizens.

You see, there is no trust and confidence. Another broken campaign promise.

You cannot go around and tell people whatever they want to hear and then when you are in office do whatever you feel like and break every promise. That is why this country is in trouble and that is why the Clinton administration is in trouble. There is no trust and confidence in this administration, and rightly so.

GIVE THE PRESIDENT A CHANCE

(Mr. GLICKMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GLICKMAN. Mr. Speaker, in 1981 as a third term Member of Congress, I listened to Ronald Reagan ask the American people and this Congress to give him a chance, to give his program, which I might add was very complicated and very controversial, a chance. I voted for his tax reduction bill. I was one of about 50 Democratic Members of Congress who voted for Reagan's tax bill, not because it was perfect; but because it offered a chance and he, the new President asked for it.

Now our new President has asked us for the same chance, a chance to reduce the deficit dramatically and to do it with fairness, equity, growth, and jobs.

Yes, it is controversial. Yes, it may have some problems with it, as did the Reagan program, but he has asked for our help. He has asked us to give him a chance.

Americans do not like excessive partisanship. I am sorry that no Republican in the House, like nearly 50 Democrats in 1981, but not one Republican chooses to give our President the same chance that I and the nearly one-fifth of the Democrats of the House did for President Reagan in 1981.

Mr. Speaker, I believe Americans are fair and I believe that today they will applaud our efforts to give Bill Clinton a chance to make America a better place.

THE PRESIDENT'S TAX DEAL

(Mr. SAM JOHNSON of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SAM JOHNSON of Texas. Mr. Speaker, when the American people got up this morning, they turned on the news to hear that the President had finally made a "deal" with the Congress on his middle-class tax increase.

The American people need to know that this deal was struck at 4 a.m. this morning behind closed doors, and the only deal made was how big the tax increase is going to be on working Americans.

This is not a good deal for American taxpayers. It is a raw deal.

It is still $322 billion of tax increases over 5 years with no real deficit reduction.

It contains 20 times tax increases as spending cuts in the first year, and six times tax increases over spending cuts over the next 5 years.

Where is the fiscal responsibility that Mr. Clinton claimed to have during his campaign?

Mr. Speaker, I hope the people across this Nation watching right now will call their Representatives in Washington and tell them to vote no on this middle-of-the-night thievery.

EXCELLENCE IN EDUCATION IN KENTUCKY

(Mr. MAZZOLI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MAZZOLI. Mr. Speaker, there are many good-faith differences among and between us on how best to restore America's economic health and these will be debated today, but there is no difference among us or between us on revering and honoring States and localities and schools which distinguish themselves in education programs and which achieve excellence in those programs.

In a few moments I will be joining Louisville Mayor Jerry Abramson and county judge executive of Jefferson County, David Armstrong, at ceremonies in which the city of Louisville and the county of Jefferson will be jointly honored as a community of excellence in education.

On tomorrow the Federal Department of Education will announce that six Kentucky schools, including two from my district, St. Xavier High School, my alma mater, and Assumption Academy, will be designated as blue ribbon schools, schools of high achievement in education.

Mr. Speaker, in Kentucky, in Louisville, in Jefferson County, education is important. Education is put on a high pedestal, and education in our communities is marked by excellence.

TARPON SPRINGS WAR MEMORIAL

(Mr. BILIRAKIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BILIRAKIS. Mr. Speaker, several years ago, two Vietnam veterans, Robert Renneke and Dr. Fred Roever, in my district proposed building a memorial to honor those killed, or yet missing in action, who hailed from the local area. Like so many other memorial projects, this one was ridiculed by some who contended it was a waste of time and money. However, I am pleased to say that the monument's supporters persevered and in 1992, the city of Tarpon Springs, FL, held a dedication ceremony for this important memorial. Although the memorial started with the purpose of recognizing our great Vietnam veterans, it soon expanded to include those from the area who served and gave their lives in all wars.

And so I take to the floor today to salute Messrs. Renneke and Roever and the community as a whole who made the Tarpon Springs war memorial possible. In this way we might always remember how blessed we are in the modern world to live in a free society, nor forget that this blessing is due to the sacrifices of our friends, relatives, neighbors, and countrymen who served us all when duty called.

STOCK MARKET SUPPORTS DEFICIT REDUCTION

(Mr. KOPETSKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KOPETSKI. Mr. Speaker, the number one problem facing the United States today is the Federal deficit, $4 trillion, $3 trillion of which has grown in the last 12 years under the Republican rule in the White House.

This is a tough political vote today, no doubt about it, but I do not understand why you folks do not admit there is $250 billion of spending cuts.

Yes, there are tax increases there, and we asked the wealthiest in this country to pay a little bit more. We asked the top corporations in this country to pay a little bit more.

Republicans like to say this is bad for business. On the eve of this vote, the stock market had its greatest record level in the history of this country. You want good evidence of how good this is for business? Ask the stock market. Do not ask the self-proclaimed business experts on the Republican side of the aisle. Ask those who are involved with the economy at the stock market. Record highs at the stock market on the eve of this vote.

Right now the market is up. The market is up and that is because they understand this is a true deficit reduction package which means lower interest rates for this country, which will put money into the pockets of every business person, money into the pockets of every consumer in this Nation, record highs at the stock market. That is the best evidence that this is good for business in America.

□ 1210

WHAT WAS BILL THINKING?

(Mr. INHOFE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. INHOFE. Mr. Speaker, in the last 2 weeks, we have all asked ourselves the question, "What was Bill thinking?", when we read about Travelgate and Hair Force One. Well, I think we need to ask that question again.

On May 20, the White House announced that the President has named his former Tennessee campaign chairman, Jim Hall, to replace Christopher Hart on the National Transportation Safety Board. Mr. Hall is a lawyer and a real estate developer and has worked on the staffs of former Senators Albert Gore, Sr. and Edmund Muskie as well as Clinton's Tennessee campaign manager.

What makes this all the more troubling, is that Mr. Hall will be replacing an extremely well-qualified board member, Chris Hart.

Mr. Hart is an instrument-rated pilot with certificates in commercial, single- and multi-engine aircraft. He has a master's degree in aerospace engineering and has conducted research on helicopters.

A magna cum laude graduate of Princeton University with a juris doctor degree from Harvard Law School, Chris Hart is exactly the kind of person we need on the safety board.

But I have got to ask "what was Bill thinking" when he decided to replace an aerospace engineer with a real estate developer on the National Transportation Safety Board? Why, Mr. President, would you remove the most qualified person from the safety board? Oh, by the way, Chris Hart, the most qualified member of the NTSB who President Clinton has replaced is an African-American.

SETTING THE RECORD STRAIGHT ON THE RECONCILIATION BILL

(Mr. LEVIN asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. LEVIN. Mr. Speaker, the debate today has just begun, and already the air is filled with misstatements.

The largest tax increase in history? That is simply wrong. In 1993 dollars, the TEFRA bill of 1982 was $58 billion larger than this. That is the fact. The 1982 bill was supported actively by Senator DOLE and signed by President Reagan. That is right, it was $58 billion larger than this one.

Second, they say this is six times taxes versus cuts. That is simply not true. This bill cuts spending first, and we guarantee it.

Mr. Speaker, those Members who come after me whose policies created most of the national debt of $4.5 trillion have no standing to lecture America about deficit reduction.

A RETURN TO OLD-FASHIONED BACK ROOM POLITICS

(Mr. BUNNING asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BUNNING. Mr. Speaker, I'm mad enough to fight and anyone who believes in democracy ought to be just as angry.

What is going on today isn't the democratic process at all. This is a rollback to old fashioned, back room politics.

Nobody really knows what happened last night at 2 a.m. But it sure looks like deals were cut.

In the dark of night, in a back room outside the Rules Committee, away from the cameras and the public, the power brokers of the Democratic Party got together and cut just enough deals to buy just enough votes to save Bill Clinton's tax plan.

Look at the rule. It magically enacts seven amendments that will never have to be debated in the light of day. But it denies the Republicans the opportunity to offer or debate, in public, any amendments except for one substitute.

That is not Democracy.

That is the arrogance of the Democrat majority.

GERMANY TURNS TO CAPITALISM WHILE THE UNITED STATES LEANS TOWARD BIGGER GOVERNMENT

(Mr. WALSH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WALSH. Mr. Speaker, two great nations are at the crossroads of their economic future. We all know how flat our economic growth is in the United States. The Clinton administration has chosen the path of increasing individual and business taxes, increasing energy taxes, increased Government spending.

Germany, on the other hand, faced with higher inflation, higher wage rates, higher unemployment, and the assimilation of the former Socialist East Germany has chosen instead to slash government spending, cut business taxes, and reduce regulations. I think the Germans have got it right. They have decided to turn their economy loose and allow the genius of capitalism to work. We on the other hand are headed toward bigger government, bigger deficits, and bigger problems down the road.

THE CLINTON ADMINISTRATION'S FRIGHTENING NUMBERS

(Mr. SMITH of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Texas. Mr. Speaker, the Clinton administration has been racking up some pretty frightening numbers lately. According to Tuesday's USA Today/CNN Gallup Poll only 23 percent of Americans are saying that the Clinton administration's economic plan should be passed as is, while 68 percent—over two-thirds of Americans—say that the plan should either be greatly modified or rejected.

As bad as President Clinton's numbers are, they ain't nothing compared to the tax and spending numbers he is inflicting on the American people. Numbers like $43 billion in new taxes next year, $322 billion in new taxes over the next 5 years, 600,000 in lost jobs from an energy tax that will cost every family $475, and an increase in Social Security benefits that will be taxed.

No wonder that with tax numbers like those, President Clinton sets another new low with every poll taken. I urge my Democrat colleagues to pay attention to the American people and reject more taxing and spending or they may see another frightening number: 1994.

THE SAGA OF A SUMMER JOB

(Mr. KINGSTON asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. KINGSTON. Mr. Speaker, we spent a lot of time in the past couple of days talking about jobs, particularly summer jobs. Here is an interesting story about a summer job and our help-the-little-man Government. It is a story about 14-year-old Tommy McCoy from Savannah, GA.

Tommy was the batboy for the Savannah Cardinals. He was competent, he did a great job, and he was a hustler. He was popular with the members of the team, and everyone liked him. He did such a good job that the newspaper wrote an article specifically about Tommy.

Well, what happened? Among the thousands of readers was a Department of Labor employee who did the bureaucratic thing and turned Tommy in for violating section 570.35 of the child labor laws which says that 14-year-olds cannot work past 9 p.m. even if their parents say it is OK, even if their grades are good, even if they are out of school for the summer.

So Tommy McCoy got fired by this compassionate Government of ours.

Mr. Speaker, I have written to Labor Secretary Reich and asked him to reexamine this rigid, unreasonable rule, and I ask the Members of the House to join me in this effort and ask the Department of Labor to make a waiver for kids who are doing the right thing, who are showing initiative, and who have a summer job which was not provided by the Government.

Mr. Speaker, I think if we do that, we will be doing something for summer jobs.

SURVEYS SHOW PUBLIC OPPOSITION TO THE BTU TAX

(Mr. HUTCHINSON asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. HUTCHINSON. Mr. Speaker, the proposed Btu tax is both hidden and regressive.

This stealth tax is deliberately hidden, and it will be passed on to hardworking Americans through higher prices on everything from lettuce to Levis, and since middle America spends a greater percentage of their income on food, clothes, and haircuts than the wealthy, then a greater percentage of their income will go to this stealth energy tax.

Mr. Speaker, the energy tax was designed in this hidden manner because they do not want people to see it, but I guarantee they will feel it. A recent Wall Street Journal poll indicated that more than 60 percent of the public opposes the proposed energy tax. It is riddled with exemptions, and before all the deals are cut, it is going to resemble a lace doily.

Mr. Speaker, I urge my colleagues to defend their constituents from this huge tax increase.

THE MIDDLE CLASS ENERGY TAX WILL HURT AMERICA

(Mr. TORKILDSEN asked and was given permission to address the House for 1 minute.)

Mr. TORKILDSEN. Mr. Speaker, I rise today in opposition to the proposed Btu tax which President Clinton wants to impose on the American people.

During the campaign, candidate Clinton promised not to make the middle class pay for his programs. Well, this Btu tax will make the middle class pay and pay and pay. The energy tax will cost $70 billion, mostly from the middle class.

And the middle class will pay more than just the tax on gasoline and other energy. Everyone will pay more, even the poor, when the price of a loaf of bread and a gallon of milk goes up.

I applaud the bipartisan effort in the Senate to remove the middle-class energy tax. The Senate knows that we need to cut spending first and the American people want us to cut spending first. Hopefully the House of Representatives will get the message, too.

Mr. President, $400 a year in new energy taxes may only be a couple of haircuts for you, but to a family in America it means a whole lot more.

□ 1220

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. MCNULTY). Members are reminded that they should address their remarks to the Chair.

HOPE FOR A REPUBLICAN CONTROLLED HOUSE

(Mr. GRAMS asked and was given permission to address the House for 1 minute.)

Mr. GRAMS. Mr. Speaker, it's been so long since the Republicans have controlled this House that many people may have given up hope that it would ever happen.

Well, Mr. Speaker, there is hope again. And we can thank President Clinton, and the Democratic leadership.

After all, just think how angry the American people are going to be when House Democrats vote today to stick them with the largest tax increase in American history.

Think of how angry they will be when they discover that Congress found it easier to rob taxpayers pocketbooks than cut Government spending.

And think how they are going to react when they get stuck with a $500 per year energy tax.

Now, I know my Democratic colleagues don't think that is a lot of money. After all, $500 only buy two Clinton haircuts.

But for average Americans, today's Btu tax alone will be devastating. And it will be especially devastating to the 600,000 Americans that are going to lose their jobs because of it.

Mr. Speaker, I remind my Democratic colleagues that the voters won't forget. Ask George Bush who agreed to a tax hike in 1990.

If you think you are going to have a tough time explaining this vote to your fellow Democrats in the Senate, just think how tough a time you are going to have with your own constituents in November 1994.

VACATING OF SPECIAL ORDER AND REINSTATEMENT OF SPECIAL ORDER

Mr. DORNAN. Mr. Speaker, I ask unanimous consent to vacate my 60-minute special order tonight and, in lieu thereof, be permitted to address the House for 5 minutes so I can address El Presidente's problem with our military culture and why he is in the face of our military to speak at West Point over the weekend. Some Members have used the term, they are not pronouncing it correctly, it is called showtime. And this is showtime.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

BROKEN CAMPAIGN PROMISES

(Mr. DORNAN asked and was given permission to address the House for 1 minute.)

Mr. DORNAN. Mr. Speaker, I would like to discuss the rhetorical question asked, with all America listening by the gentleman from Kansas, DAN GLICKMAN, my good friend.

The gentleman asks why there are no Republicans supporting the Clinton tax hike when 50 Democrats, including the gentleman from Kansas, supported Ronald Reagan in his first year?

It is simply this: President Ronald Reagan was keeping every one of his campaign promises, and Presidente Clinton is breaking every one of his campaign promises. Anybody have any trouble with that analysis? It is very simple. Indeed, doesn't anybody else find it amusing that we will soon be debating a reconciliation bill that cannot be reconciled with any of Clinton's campaign promises?

Here is the hottest document on the Hill. It is called the Clinton tax bill, updated resource materials for Republican Members. I urge all Americans to get a copy so they can get the facts. They certainly won't get them from the other side of the aisle.

Contrary to the remarks of a previous speaker, this is not showtime today. This is the same old thing: More taxes, more spending, more regulations, more deficit, more debt, both personal and Federal, interest rates going up, inflation going up.

I will trail off on what is going down: Investment going down, productivity going down, hard work going down, savings going down.

THOUGHTS ON THE RECONCILIATION BILL

(Mr. SCHIFF asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHIFF. Mr. Speaker, we have heard a great deal of good-sounding rhetoric, particularly from the other side of the aisle, that the purpose of today's bill is indeed to address the deficit. But normally, over the last number of weeks, we have heard the administration's plan, their plan has been to address the deficit "and."

And words have always been added after "address the deficit," and they have always been good-sounding words like "get the economy moving again" or "increase the number of jobs."

But the word "and" is their euphemism for new spending ideas. After all, the very first proposal from the administration to reach Congress was for the more deficit spending.

Now they tell us that we can have confidence that this bill will indeed raise revenue to go to the deficit. What do they provide?

They provide such things like a trust fund to address the deficit, a trust fund.

Do my colleagues know we already have a trust fund for the excessive revenues received from Social Security? And where is that money today? Is that money down the street in a bank? Of course, it is not. That money has been spent by the Congress, and Congress has returned, in its place, an IOU, a giant Treasury bill.

That is exactly what can happen with the revenue raised through increased taxes in a deficit trust fund.

Congress puts it in the books, borrows it, spends it, and it is not there any more.

I suggest we should not have confidence that there will be any differences here.

TERM LIMITS

(Mr. HUFFINGTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUFFINGTON. Mr. Speaker, this bill is a sham. According to the Congressional Monitor, this $343 billion measure would bring in $275 billion in new revenues, that is, taxes, and mandate $68 billion in spending cuts, $4 of taxes, $1 of cuts. There is not $1 of real deficit reduction. None at all. There are no net spending cuts in the first 2 years. All potential savings are in the third year and beyond. What is the solution to this travesty? Term limits—pure and simple. Until we get rid of the professional politicians, we will never be able to stop the spenders.

On this very day, the Democratic Congress will pass the largest tax increase in history, the front page headline in Roll Call stated "Foley to Sue to Try and Kill Term Limits". Mr. Speaker, the American people are voting for term limits—2 to 1. Mr. Speaker, it's time to listen to what the American people want, citizen politicians not professional politicians.

THINK ABOUT YOUR VOTE

(Ms. DUNN asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. DUNN. Mr. Speaker, no politician has ever lost an election by voting against a tax increase. But plenty have lost by voting to raise taxes.

I hope my friends on the other side of the aisle keep that in mind as we vote on the reconciliation rule. A vote for the reconciliation rule is a vote for the largest tax increase in history.

The President and his allies in the House complained endlessly about how bad the last 12 years have been. Well, Mr. Speaker, during the Reagan-Bush era, our country enjoyed an economic boom unprecedented in our history. We whipped inflation and we tamed interest rates. The era came to an end because the Democratic Congress forced President Bush to raise taxes. The recession from that tax increase lingers still today.

And now, the Democrats, led by President Clinton, want to raise even more taxes. This is like pulling the plug on a patient who is slowly making a recovery.

Mr. Speaker, I urge my Democratic colleagues to think clearly about their vote on the reconciliation rule and on final passage. It just may be the most important vote of your career.

A FLAWED VISION OF CHANGE

(Mr. HOKE asked and was given permission to address the House for 1 minute.)

Mr. HOKE. Mr. Speaker, this budget reconciliation that we are being asked to support today and to vote on reflects the deeply flawed vision of change for America that President Clinton has. He clearly has misunderstood and completely misinterpreted what the people want.

I had the opportunity last weekend to listen to the people of northeastern Ohio and find out what they want.

What they want is not bigger Government. They want less Government. They do not want higher taxes. They want lower taxes. They do not want less freedom. They want more freedom. That is what they are asking for.

Mr. Speaker, they want change, absolutely, but they want the kind of change that the President was elected for. They want the kind of change that the President promised.

In my town meetings last week, they said, "Cut spending first; don't raise taxes."

What is the bottom line here. The bottom line is that the President gets everything that he asked for. He will increase the national debt by over $1 trillion in the next 4 years.

Just for everyone's information, that is the same amount of money that the debt increased during Ronald Reagan's first term, the same amount that the debt increased during Ronald Reagan's second term, the same amount that the debt increased during George Bush's 4 years in office.

Nothing has changed.

IN SUPPORT OF PRESIDENT CLINTON'S BUDGET RECONCILIATION AMENDMENT

(Mr. RUSH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUSH. Mr. Speaker, I rise this morning to urge my colleagues in the House to have courage. The courage to lead.

When you get right down to it, the fundamental issue we are confronted with today is: Will the Democrats have the courage, and the guts, to govern this country? Are we fit to lead?

I say emphatically that we can govern effectively. And our vote today in support of the President's plan will demonstrate that.

When I cast my vote for this bill today I will be adding my voice in support of the President's economic agenda. That agenda puts a sizeable dent in the Republican-generated deficit. The working poor are helped, the middle class are given a break, and it begins to right the wrong-headed policies of failed Republican Presidents which have left thousands of hard-working men, women, and young people suffering for too long.

Let us give the President we helped to put in office the chance to lead this country.

□ 1230

ENERGY TAX DESTRUCTIVE TO WESTERN PENNSYLVANIA

(Mr. SANTORUM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SANTORUM. Mr. Speaker, I heard the gentleman from Ohio [Mr. TRAFICANT] come up and talk. His district is very much like mine. It is a blue collar, working class, heavy manufacturing district where we are very concerned about the manufacturing sector of our economy.

The President said he was going to take a laser beam to the economy. He certainly did. He took a laser beam and the photon torpedoes and he just blasted the Mon Valley in my district, and a lot of blue collar workers in western Pennsylvania who rely on manufacturing and production jobs to be able to earn a living and put food on the table. That is what this energy tax is going to do. That is what the inland waterway user tax is going to do to the Mon Valley and the Mon River communities that I represent.

This is wrong, Mr. President. Mr. President, you came to the Mon Valley during your election, you came to McKeesport. You stood in John F. Kennedy Square, and the throngs said they wanted some change. They did not want you to destroy their town. They did not want you to ruin their neighborhoods.

When you come back next time, Mr. President, to John F. Kennedy Square, there will not be anybody there.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. MCNULTY). Members are reminded to address their remarks to the Chair.

TODAY THE CLINTON PICKPOCKETING BEGINS

(Mr. SMITH of New Jersey asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of New Jersey. Mr. Speaker, the Democratic leadership has done it again. The rule we will consider today precludes the consideration of several significant amendments, including a vital amendment to protect Social Security recipients.

Last night, I joined the gentleman from Wisconsin [Mr. ROTH] and the gentleman from Illinois [Mr. HASTERT] in asking the Committee on Rules to permit consideration of an amendment to strike the provision in the bill which imposes a new onerous tax on our older Americans. The Roth amendment is fair, and it would have given each and every one of us a chance to protect older Americans. Now more than 9 million seniors are going to get whacked.

Mr. Speaker, Mr. Clinton made many promises during the campaign. Sadly, he has broken many of those promises, and the trust deficit, as David Broder has coined it, is so bad that we do not know from one day to the next whether or not Mr. Clinton is going to keep this promise or keep that promise, he has broken so many.

Instead of a tax cut for the middle class, the middle class is going to get a tax increase. Make no mistake about it, Mr. Speaker, the tax hike Mr. Clinton wants to impose on all Americans, especially the middle class, will hurt hard-working families and will cripple jobs.

Mr. Bush had said during the campaign, "Watch out, he is coming for your wallet." Today the Clinton pickpocketing begins.

THE BTU TAX WOULD HIT ALASKA HARDEST

(Mr. YOUNG of Alaska asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. YOUNG of Alaska. Mr. Speaker, virtually all Alaskans agree that the Federal deficit and national debt are major problems which must be addressed immediately.

It is our job, and the President's job, to focus on how we can best solve the problem.

President Clinton has chosen to address the issue with a tax and spend program.

I disagree with this approach because it will not accomplish what he has promised.

Today, we are considering a plan to establish a Btu tax, a new tax which is not only unfair, but also unwise.

My main concern is that this new tax would be extremely unfair to Alaskans as we will be taxed more per capita than any other State in the Nation.

This is not an equitable tax, it is the equivalent of a sin tax on Alaskans because we live in the coldest climate and we have a major reliance on air and sea transportation because of our location and great size.

I have reviewed studies which estimate the national average cost of the Btu tax to be $471 for a family of four.

This is a large tax for any family.

But it gets worse. The studies also estimate the average cost of the Btu tax for an Alaskan family will be over $1,500, almost 400 percent higher than the national average.

Because of this gross inequity and my firm opposition to continued efforts by the President to raise taxes, I will not support this proposal.

This is not good government, just more government fueled by increased taxes.

We should be cutting Government spending, not creating a Btu tax.

Mr. Speaker, I urge my colleagues to join me in opposing this ill-conceived proposal.

THE CLINTON TAX AND SPEND PACKAGE

(Mr. ZELIFF asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ZELIFF. Mr. Speaker, money does not grow on trees. Jobs do not grow on trees, either. The House decided in its wisdom last night to take away money from our valuable SBA Program, and it approved $14 million for a tree planting program. When needed programs like the Small Business Administration section 7a loan program has been without funding for several weeks, this House ends up wanting to plant trees. That money could have leveraged almost $300 million in additional lending to job-creating small businesses throughout the 7a loan program, and yet we end up wanting to plant trees.

Mr. Speaker, where are our priorities? The President told us reducing the deficit was a top priority, but he offers the American people a plan and imposes the largest tax increase in the history of our country, and then increases our debt from $4.1 trillion to over $6 trillion in the next 5 years.

The President says he wants to create jobs, but he offers the American people a plan that guts their defense budget and puts millions of Americans out of work. The President's Btu tax proposal will impose $71 billion in new taxes on the American people over the next 5 years, and eliminates 400,000 to 600,000 jobs in the process.

In New Hampshire alone, the National Tax Foundation in my district says that we will lose 1,047 jobs and in the Second District 1,060 jobs, a total of 2,107 jobs.

This is bad business. We ought to cut spending first, and have less taxes and smaller government. That is the way we do it in New Hampshire. That is the way we ought to do it in the United States.

THE BTU TAX TARGET: RURAL AMERICA

(Mr. CLINGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CLINGER. Mr. Speaker, I rise today in strong and adamant opposition to the proposed Btu energy tax.

Since President Clinton unveiled his program in February, countless letters have flooded my office from rural constituents opposed to the energy tax. Working poor constituents and elderly folks on fixed incomes have written me, scared that the Btu tax will eat up their disposable income. I've spent hours meeting with farmers, small businessmen, and residents from rural Pennsylvania who have related how this energy tax would adversely affect them.

After reading articles and white papers, hearing testimony from experts, and listening to my constituents, there's no doubt in my mind that this ill-conceived tax is a threat to the well-being of individual taxpayers, employers, and the economy as a whole. While yielding little significant environmental benefit, this broad-based energy tax will act as a drag on our sluggish economy, forcing more people out of work and actually reducing tax revenues—the opposite of what the tax is intended to do.

In my congressional district, the tax will weaken the rural area's tenuous economic base. Spanning 17 counties, my district is the approximate geographic size of Connecticut with a very low population density. Farming, which is very energy intensive, remains a integral part of the local economy. Small businesses—whose profit margins are slim—provide most of the area's job growth as is the case nationwide. But the bread and butter high wage, high skill jobs are in manufacturing which is already overburdened by excessive State and Federal taxes. The antigrowth Btu tax will kill jobs in all of these industries, leaving our rural economy even more unstable.

On top of this, because of the tax's regressiveness and my district's demographic and geographic characteristics, my constituents will be hit unusually hard by Btu tax. As one Pennsylvanian told me, "The Btu tax has the Fifth Congressional District in its crosshairs" and President Clinton is ready to pull the trigger.

The Clinton administration has insisted that the Btu tax is regionally fair, but nothing could be further from the truth. Just because a more onerous inequitable tax could have been devised does not mean this one is fair. No one can deny that this tax will fall heaviest on rural America. Rural residents must travel greater distances to work, school, the grocery store, and the doctor's office. They are entirely dependent on automobiles since they do not have the luxury of opting for mass transit like their urban counterparts. In day-to-day activities, rural residents are forced to consume more energy, and the energy tax will penalize them on the basis of where they live.

Mr. Speaker, President Clinton's Btu tax will be devastating to rural economies across America, and I urge my colleagues to join me in opposing this destructive tax.

AMERICA REJECTS TAX-AND-SPEND AGENDA

(Mr. MILLER of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MILLER of Florida. Mr. Speaker, in the 1992 election cycle, the American people thought they were voting for change. Candidate Clinton promised real spending cuts, real deficit reduction, and a middle-class tax cut. Candidate Clinton promised to grow the economy and create new jobs.

Unfortunately, something crucial was lost in the transition from campaigning to governing. Instead of honest change, President Clinton is offering the American people more of the same—tax, borrow, and spend.

Instead of honest spending cuts, the President is proposing $172 billion in higher spending. Instead of halving the deficit over 4 years, the President's plan will create $1 trillion in new debt. Instead of a middle-class tax cut, the President is proposing the largest tax increase in history, totaling $273 billion. Instead of growing the economy, the President's plan will grow the Federal Government and destroy American jobs.

Despite the President's appealing rhetoric of downsizing Government and cutting waste, there is very little in terms of real spending restraint in the Clinton program.

The American people have looked beyond the President's appealing rhetoric of change to find more of the same—higher taxes, higher spending, and higher deficits. This frustration is reflected in a new CNN/USA Today poll. The President's job approval rating has hit a new low, with 44 percent approving his job performance and 46 percent disapproving.

The message is clear. The people want the Congress to reject the President's tax-and-spend agenda, and to cut spending first. And they are watching.

□ 1240

VOTE "NO" ON BUDGET RECONCILIATION

(Mr. CUNNINGHAM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CUNNINGHAM. Mr. Speaker, no nation in history has ever taxed itself into economic recovery. In 1990, only 33 Republicans voted for President Bush's tax increase, and most of them are sorry for that today.

With an 82-vote advantage in the House, something is wrong when the other side of the aisle cannot pass it. On the plane, several of my colleagues from the other side of the aisle said their constituents in townhall meetings, Democratic constituents, said, "Don't raise our taxes or you're not coming back."

Two minutes ago in the aisle another Democratic Member friend of mine said, "DUKE, I've got a call from AL GORE four different times trying to pressure me to vote for this thing."

If you have to whip it that hard in the House, something is wrong.

In 1986 there was a flat tax, Gramm-Rudman which did not solve the problem. In 1990 caps were supposed to have started. Since 1940, spending has increased $1.59.

The American people do not believe if you increase taxes and cut later that it is going to work. The President says that there is no tax on the middle class. Well, Mr. Speaker, you have the Btu tax, the gas tax, sales tax, and people do not believe it.

I would ask my colleagues on the other side not to support the budget.

PASS THE LARGEST BUDGET DEFICIT REDUCTION IN HISTORY

(Mr. DERRICK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DERRICK. Mr. Speaker, in 1980 the annual Federal deficit of this country was around $74 billion. By 1986 it had risen to over $200 billion, and by the end of the 12 years of the Reagan-Bush administrations it was over $300 billion.

In 1980 the entire national indebtedness of this country that was accumulated over a 200-year period was approximately $1 trillion. At the end of the Reagan-Bush era it was $4 trillion, $3 trillion more than when it started out.

This Congress during that period, only with one exception, voted less of a deficit than was sent over by the administration.

Ladies and gentlemen, the deficit figures during the 1980's are the proof of the pudding as to why we find ourselves in this tight financial position today. We now have a President who has advocated and pushed forward the largest budget deficit reduction in the history of the country. We must support it.

AMERICAN PEOPLE ARE LOSERS WITH PASSAGE OF TAX INCREASES

(Mr. MACHTLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MACHTLEY. Mr. Speaker, here is what bothers me about this tax-and-pain which we are going to address today: If the President's tax bill wins, the ultimate loser will be the American people.

One of the worst aspects of this proposal is the new energy, Btu tax that will especially hit those on lower incomes and those people on fixed incomes.

The bottom line is that this energy, Btu tax fails the basic test of good government, the test of fairness. That was the President's test.

We will all pay more taxes to help reduce our deficit, but those who can least afford to pay more money are going to be asked to pay more under this test.

The Bureau of Labor Statistics reports that the middle class spent 7 percent of their income on energy in 1991. At the same time, the poorest one-fifth of Americans spent 22 percent of their income on energy expenses. To make this imbalance even greater is neither fair nor right.

Moreover, the energy tax has an adverse impact on areas of this country that is unfair. In my State it will cost each family an additional $300.

Let us ax this tax and make this country fair.

BUDGET RECONCILIATION

(Ms. DELAURO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Ms. DELAURO. Mr. Speaker, today we will cast the most important vote of this Congress. This vote will not simply define this Congress. It will define this country. On this vote hangs our future, and on this vote we will stake our reputation. It will be the measure of our courage and the greatest test of our will.

For 12 years our Nation's leaders have run from our problems. The day has finally come when we show the American people that we will not continue to turn our backs on the challenges before us—that we will stand and fight. And if we do not show them that we can govern, that we will make the tough choices to fix what is wrong, then the American people—will turn their backs on us.

Without public confidence in the integrity of Government we cannot govern. If the people lose faith in democracy—and they are dangerously close—then all we stand for is lost. That is the choice we make here today.

The choices we are being asked to make are painful. No one wants to raise taxes, and I have fought hard against them, but this package asks the wealthy to pay their fair share, and provides half a trillion dollars in deficit reduction, half a trillion dollars to ease the mortgage on our children's future.

Mr. Speaker, I urge my colleagues to strengthen this body, to show that we can govern, to look to the future. I urge them to vote for this bill.

SETTLEMENT OF PENDING TRADE CASES ON FLAT-ROLLED STEEL PRODUCTS

(Mr. REGULA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REGULA. Mr. Speaker, today the majority party is prepared to pass the President's Btu tax. This tax will cost Ohio 24,000 jobs and $1.3 billion in economic activity. The tax will be devastating to the quality of opportunity for Ohio citizens. Also I want to discuss another subject that threatens steel and steel-related jobs in Ohio and throughout the United States.

Ten foreign governments have filed proposals to the U.S. Department of Commerce requesting a settlement of 34 pending trade cases on flat-rolled steel products. The cases are part of a total of 84 actions now pending before Commerce and the ITC involving over $2.2 billion in product value. It is the largest legal action ever taken under U.S. trade law.

If successful in obtaining the proposed suspension agreements, our trading partners and their companies, will be able to trade an admission of guilt for a suspension agreement that exempts them from punitive duties that would otherwise be leveled on the unfairly traded products. The agreements would essentially create steel quotas which we found were largely unsuccessful in the 1980s for stopping subsidies and dumping.

Quotas do not work and neither will the suspension agreements. The problem with world steel trade is structural overcapacity. This problem can only be resolved through the use of our trade laws to address the immediate symptoms, which are dumping and subsidies. A permanent resolution will be found in the successful conclusion of the multilateral steel accord and GATT Uruguay round.

I encourage the administration to let the process go forward and refuse outside settlements. To do otherwise will further diminish the effectiveness of these laws and compromise ongoing negotiations for an international agreement on steel trade set to resume next month in Geneva.

CUTTING SPENDING

(Mr. McDERMOTT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McDERMOTT. Mr. Speaker, on February 17 the President came into this Hall and told the American people we have to do three things: stimulate the economy; increase revenues; and cut government spending.

On March 19, this body approved the stimulus package.

Today, after 12 years of deep and painful reductions which cut the muscle out of many Federal programs, we are considering legislation to cut spending even further.

In many of the programs we'll cut today, there is precious little left to cut. Presidents Reagan and Bush already cut them to the bone.

But we'll cut them because we know we have to bite the bullet and reduce the deficit.

Now, some of us progressive Democrats have probably made a mistake, here. We haven't made enough noise about the real cuts being made today.

We've allowed those on the other side to clamor on and on about revenue increases as if there weren't any significant cuts in this bill. But there are lots of them.

In our desire to be responsible, we are making cuts in this legislation which the American people are really going to feel, especially when the appropriations bills move out of here over the next 3 months.

The $50 billion we're cutting out of Medicare in this bill today is going to have an impact on senior citizens, and on small and large businesses.

The Federal Government will save $50 billion, but we are shifting—make no mistake about it, that's what we're doing—we are simply shifting that cost onto the private sector. They are going to pay for that.

Every Member of this body will see these kinds of cuts, not just across the Nation, but back home in their own district. In my area we'll see cuts in the Bonneville Power Administration, cuts in electric power that are going to be devastating to our economy.

These are real and painful cuts, and they are being made despite 12 years of cuts that in many instances have already gone too deep.

Those on the other side completely ignore this fact.

They ignore or minimize the cuts made by this bill. Instead, they pretend this is a bill that only raises revenues.

Not only are they wrong, Mr. Speaker, but I will predict that within a month, those on the other side who argue today that the cuts in this bill don't go far enough will be back here complaining that they go too deep.

They'll be back up here in about a month to say they didn't favor these cuts. They didn't think these cuts were going to be made in that area.

IMPACT OF THE ENERGY TAX

(Mr. ROYCE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROYCE. Mr. Speaker, I just received an estimate from the Tax Foundation on the effects of President Clinton's tax plan on California. According to Dr. Arthur Hall, the senior economist at the Tax Foundation, he says that if the President's new energy tax is enacted it will cost the Nation 463,000 jobs. For California alone, the job loss will be 54,000 jobs.

Mr. Speaker, the President is promoting this plan as a job creation, economic stimulus plan. But according to the Tax Foundation, it will be a job-destroying plan.

Mr. Speaker, we cannot afford this kind of help. This new tax attacks the very engine on economic growth in our economy. It attacks small business and it attacks the consumer.

□ 1250

Past experience shows that it will just go to fuel new Government spending. That is the one thing that Congress always increases, spending. New social spending goes up every year, year after year.

I ask my colleagues to vote "no" on this bill.

NOW IS THE TIME TO MAKE HARD CHOICES

(Ms. HARMAN asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. HARMAN. Mr. Speaker, I conditioned my support of this rule and the reconciliation package on the addition of effective enforcement mechanisms to assure all revenues go directly and only to deficit reduction.

This bill includes the deficit reduction trust fund and a hard freeze on all discretionary spending for 5 years. This bill will achieve the largest deficit reduction in history.

Getting the deficit monster under control is critical to retain and build high-skilled, high-wage jobs. We must free up the vital capital that is being siphoned away by deficit spending so that the market can invest in new industries and new growth. That is our children's future.

When I got elected to Congress, I vowed to listen to my constituents and then to lead. I have spent months listening in public forums, in front of markets and shipping malls, in my office, and to the intelligent ideas in my mail box.

Now is the time to lead, to make the hard choices I was elected to make.

I rise in support of this rule and this package which provide the real and substantial deficit reduction my constituents and our country are demanding.

LET US GET ON WITH JOBS FOR YOUNG AMERICANS

(Ms. PELOSI asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. PELOSI. Mr. Speaker, this past weekend I had the opportunity to attend my own daughter's graduation from law school. I have another getting her master's degree. This is a mother bragging up here this year.

But our colleagues will be attending graduations in the weeks ahead, either personally or in their official capacities, and when they do, they will see a new phenomenon that I do not think I saw present in graduations in years gone by, and that is there is almost a lever of despair among these graduates because of the lack of prospects for jobs when they get out of school.

We all know that graduations are called commencements. We were told when we were in school commencement that it was the beginning. It may have seemed like the end to our education, formal education, but it was the commencement of the new life, the new beginning as we went out into the world.

For these graduates, graduating in May and June 1993, the new beginning is a dismal one, and for their families it is as well, because we have been having what is called the jobless recovery in our country.

How much is it going to take? When will the Republicans get the message that we need to reduce the deficit, reduce the cost of capital, so that small businesses can create jobs and give hope to these new graduates? I urge my colleagues to support the President's package today so that we can get on with the jobs for young Americans. It is about reducing the deficit. It is about governing our country.

CLINTON'S BUDGET IS A LOSE-LOSE PROPOSITION

(Mr. BACHUS of Alabama asked and was given permission to address the House for 1 minute.)

Mr. BACHUS of Alabama. Mr. Speaker, I have a new silver dollar in my hand, and this new silver dollar has two sides to it.

At the start of a Southeastern Conference football game, this coin is tossed in the air, and the referee says, "Heads, you win; tails, you lose." Like this two-sided coin, the Clinton budget bill has two sides. One side is a tax increase—the largest tax increase in the world, and most Americans know that.

But the other side of this coin—of the Clinton budget plan is something else, and it's not spending cuts; it's spending increases: $165 billion in new domestic spending, adding $1.2 trillion to the deficit, growing Government by 20 percent over the next 4 years, all charged to our children and grandchildren.

Mr. Speaker, with most coins it is: Heads, you win; tails, you lose; but with the Clinton budget bill it is: Tax increases, the American people lose; spending increases, the American people lose.

There is something new about this coin, but there is absolutely nothing new about the Clinton proposal. It is tax and spend: Heads, you lose; tails, you lose.

SUPPORT THE PRESIDENT'S ECONOMIC PLAN

(Mr. JOHNSON of South Dakota asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JOHNSON of South Dakota. Mr. Speaker, there are components of the Clinton plan which are not acceptable to me, but based on the rhetoric this morning, I think we need to put some things in perspective.

There is one alternative before us put together by the minority in the House of Representatives. For all the crocodile tears about protecting the middle class, oddly enough, over 75 percent of the tax benefits of that plan goes to the very wealthy and to corporations while, at the same time, reducing the deficit $140 billion less than what President Clinton's plan does, and while at the same time not itemizing where those cuts would be. It is one of those feel-good kinds of proposals that we have had the political demagogs talking about too often in the past.

At least you could say this for President Clinton: He is specific about his plan. It reduces the deficit more than any other plan in American history, and he is dealing with the American public as adults.

The other proposal we hear about is the Ross Perot proposal. It has some positive qualities, but $62 billion more in taxes than what President Clinton is talking about.

If you do not like a 7.5-cent gas tax, try a 50-cent gas tax while at the same time reducing the deficit less than President Clinton's plan does.

We have always had a lot of people sitting in the bleachers complaining about the people on the floor who are actually playing the game. It is time to get down and play the game ourselves with bipartisan support instead of this kind of wrangling.

MANY AMERICANS RICH UNDER PRESIDENT'S DEFINITION

(Mr. HERGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HERGER. Mr. Speaker, in just 6 months the President has managed to make the whole country rich. No, he has not changed the Nation's living standards one iota, but he has changed the definition of "rich." In last year's campaign, only the rich were going to pay candidate Clinton's new taxes; the rich were defined as making $200,000. President-elect Clinton still said only the rich would pay his taxes, but the rich only had to make $100,000.

Now in office, President Bill Clinton says people making as little as $25,000 are rich enough to pay his Social Security tax. But $25,000 still excluded too many people from being rich enough to pay President Clinton's taxes, so he decided that everyone who has the money to buy a gallon of gas, a 40-watt light bulb, a lump of coal, or a kilowatt of electricity is rich enough to pay his energy tax. Regrettably, this whole charade just goes to prove that when President Clinton soaks the rich everyone takes a bath.

□ 1300

REPUBLICANS OFFER THE SAME OLD PROMISES

(Mr. OBEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OBEY. Mr. Speaker, what we are hearing from this side of the aisle today is what I call the SOS message, or same old stuff; or the SOP message, same old promises. This is the same crowd who told us in 1981 that if we just adopted President Reagan's budget, that somehow we would get to zero deficits in 4 years. Instead, we wound up with $200 billion deficits as far as the eye can see. This is the same crowd that followed economic policies which doubled the income of the rich from $300,000 a year on average to $600,000, while everybody else in the country was losing ground. After 12 long years of failed promises, missed targets, protecting the rich, is it not finally time that we depart from that message of the past and give this President a chance to bring this economy back to its senses and to produce the kind of economic growth we need to give people a chance to make a decent living in this country again?

The President deserves this chance; stand aside and give it to him.

BUDGET RECONCILIATION BILL

(Mr. RAMSTAD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RAMSTAD. Mr. Speaker, I rise in strong support of the Kasich Republican plan. The two choices today are clear.

The Republican plan cuts spending first—the Democrat plan taxes people first.

The Democrat plan imposes the largest tax increase in American history—$355 billion over 5 years. Tax increases represent 81 percent of the Democrat package, which will raise the national debt $1.5 trillion over the next 5 years—according to their own figures.

The Democrat plan will increase the deficit, destroy jobs, and stifle the economy just as it is struggling to recover.

The energy tax alone will cost 8,500 jobs in my home State of Minnesota, and almost 1,000 jobs in my Third District; 610,000 jobs will be lost nationally because of the energy tax, according to the National Association of Manufacturers [NAM]. And the energy tax will cut gross domestic product [GDP] by at least $30 billion each year, according to the independent economic consulting firm DRI/McGraw-Hill.

In addition, Northwest Airlines and its 24,000 Minnesota jobs will be put in serious jeopardy by the new energy tax.

The energy tax is a big hit on the middle class. The average family of four will see its energy bill go up by $425 a year, according to the nonpartisan Tax Foundation.

Middle-income families will be hit the hardest—just because the President and Congress refuse to cut spending.

Mr. Speaker, we need to cut spending first, and that's exactly what the Kasich Republican plan does. It reduces the budget deficit by $352 billion in spending cuts over the next 5 years—without increasing taxes.

Congress must say "no" to the largest tax increase in American history and say "no" to the energy tax which will kill American jobs.

Congress must cut spending first. Say "yes" to the Kasich substitute.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. McNULTY). The Chair announces that by mutual agreement with the leadership on both sides of the aisle, the Chair will limit to 13 the additional 1-minutes on each side.

LOWER INTEREST RATES MEAN LOWERED DEFICITS

(Mr. SKAGGS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SKAGGS. Mr. Speaker, I have only been here 6 years before this one. I feel like I am living a Lewis Carroll novel. If it had not been for the sham, the fraud budgets submitted to this body in the preceding 12 years, we would not be in the fix we are in right now.

Let us look at the hard economics of just one little piece of this proposition: There is $14 trillion in debt held publicly and privately in this country. If you assume only four-tenths of 1 percent in interest rate drop because of finally getting serious about the deficit, we will more than cover all of the tax increases by savings in interest over the next 5 years.

But that four-tenths is one-half, one-half of what we have already realized in interest rate reductions because this country is counting, finally, on something serious being done on the deficit.

That is our responsibility today.

LET US DEFEAT THE RULE ON RECONCILIATION

(Mr. SOLOMON asked and was given permission to address the House for 1 minute.)

Mr. SOLOMON. Mr. Speaker and my Democratic colleagues, during a marathon Rules meeting last evening, 17 hours and ending at 4 a.m., this morning, if I look a little tired, scores and scores of Democrats and Republicans pleaded, pleaded for the right to come to this floor and offer amendments that would knock out the Btu tax, would knock out the Social Security tax. And, my colleagues, you were gagged, all of you, by your Speaker and your Rules Committee. You cannot offer any.

Members, you can spit out that gag, you can come to this floor, and you can do what this organization says, the National Committee to Preserve Social Security, it urges you to come to the floor and defeat the previous question, and you can then vote for that amendment you paraded upstairs and asked for.

The U.S. Chamber of Commerce urges you to defeat the previous question so that you can come to this floor and vote for your amendment wipe out that onerous Btu tax.

The Wall Street Journal goes on to say,

> The point is that Members shouldn't be able to claim that they oppose parts of the tax bill but were helpless to amend it. A vote for the closed rule is a vote for the largest tax increase in American history.

Be men and women, come down to this floor and stand up for your 585,000 constituents and vote "no" on the rule.

Let us do what the American people want us to do.

WE HAVE MADE THE TOUGH CHOICES

(Mrs. KENNELLY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. KENNELLY. Mr. Speaker, this women has come down to the floor and, like the gentleman before me, she is part of the process. The President made a plan, he made the tough choices, be presented the plan to us.

That plan went to the Committee on the Budget, where the tough choices were made.

Then the budget resolution, some thought that was a tough vote, but they had to make it, and they made it.

Now we are here in the budget reconciliation; many choices having been made, the process has reached the point where we can take a vote so that we can go forward in this country.

It is deficit reduction, it is investment in the country. The Btu, none of us likes to raise taxes; but the Btu, across the board, is as fair a tax as many we looked at; the carbon tax, the hydro tax, the oil import tax; much fairer.

Does any of us like taxes? No. But we are here today to break gridlock, to go forward, to show that we in the Congress can govern with the President.

TIME FOR A REAL CHANGE, CUT SPENDING, DON'T RAISE TAXES

(Mr. STEARNS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STEARNS. Mr. Speaker, President Clinton is trying to sell the American people the largest tax increase in our Nation's history by telling them someone else will pay the bill.

He has used the phony family economic income standard which counts employer health care coverage and pension contributions and the infamous imputed rent on the family home as income, to magically turn middle-class Americans into wealthy Americans.

Then, he claims that these newly wealthy Americans will bear the brunt of his tax increase—75 percent according to the distinguished majority leader this week.

The Democrats changed the formula used presently to compute wealth so they can issue the fallacious statement on the House floor in this debate. In fact, middle-income people will be considered rich and are going to be taxed.

The vote today creates new entitlements, does not eliminate a single Federal program, and places an extremely regressive Btu tax on every American.

History has shown that for $1 in new taxes, Congress spends $1.59, $2.37 in 1990. We will never tax our way out of the deficit. We have to cut spending first or we will never break out of the cycle of debt.

WE CAN LOWER THE DEFICIT BY VOTING FOR THE PRESIDENT'S PLAN

(Mr. PASTOR asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PASTOR. Mr. Speaker, when I voted against the balanced budget amendment, there were Republicans in my congressional district who criticized me, that I was not for reducing the deficit.

When I voted against the line-item veto, there were Republicans in my district who criticized me, that I was not doing enough to lower the deficit.

When I voted against the expanded rescission, again I was criticized because I was not doing enough to lower the deficit.

Well Mr. Speaker, today I am very proud to tell you I kept my promise, and I am going to lower the deficit by voting for this plan. For the first time, for the first time in 12 years, we are going to do something about the deficit. Today you will hear some of my colleagues on this side argue against, because they are still in the same plan of 12 years ago: line-item veto, balanced budget amendment—all rhetoric.

If they really want to do something about this deficit, they should join us and support this plan.

□ 1310

AMERICAN PEOPLE WANT SPENDING CUT FIRST

(Mr. PORTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PORTER. Mr. Speaker, the American people have sent a loud, clear message: Cut spending first, but if you are going to make us pay more taxes, at the very least, guarantee to us that every penny we pay goes to reduce the deficit, not for increased spending.

But, Mr. Speaker, you just do not get it. Your budget reconciliation package does just the opposite. It raises $2 of new taxes for every $1 in spending cuts, meaning that most of the new tax revenue will, in fact, go for new spending, not deficit reduction.

I offered a taxpayer protection amendment that would require that each year the deficit come down by an amount not less than the new taxes collected or the taxes are repealed, automatically and immediately.

No deficit reduction, no new taxes. But, your Rules Committee refused to allow the House to vote on this sensible amendment.

Mr. Speaker, you have sent a message back to the American people and I hope they are hearing it loud and clear: You are going to be saddled with huge permanent tax increases and 4 years from now the deficit will be larger than ever.

FIRST TIME IN 12 YEARS CONGRESS WILL REDUCE DEFICIT

(Mr. WYNN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WYNN. Mr. Speaker, for 12 years we have heard talk about deficit reduction and now for the first time we actually have an opportunity to do it. And what happens? My colleagues on the other side of the aisle want to find every reason possible why we ought not do it. They want to confuse the issue and talk about there are too many taxes and not enough spending cuts.

But the fact remains, Mr. Speaker, that this is the first time in 12 years that this Congress will reduce the deficit, and that is what is important. We will reduce the drag on our economy and we will begin to move forward on cutting both spending and the size of Government.

Another element that is significant in this package is tax fairness. Tax fairness, no matter how much they rant and rave about taxes on the other side of the aisle, the fact remains that most of the taxes in this package will be paid by the wealthy. Seventy percent of the taxes will be paid by the 6 percent who are the wealthiest in this country.

And do you know what? That is a change. That is called tax fairness.

We accomplish something very significant with this package. We reduce the deficit. We lower long-term interest rates, and that is what puts people back to work, because housing is stimulated, the economy is stimulated. We have already seen the bond market respond favorably to this package, the anticipation that this will pass.

We have had 12 years of stagnation and 12 years of rhetoric. I think it is great we are about to have a first year of movement, a first year of innovation and a first year of deficit reduction.

RONALD REAGAN KEPT HIS CAMPAIGN PROMISES

(Mr. DREIER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DREIER. Mr. Speaker, I have been fascinated by some of the 1 minutes that have been delivered by our colleagues on the other side of the aisle.

The gentleman from Kansas [Mr. GLICKMAN] and the gentleman from Wisconsin [Mr. OBEY] talked about the fact that Democrats supported Ronald Reagan's economic growth package in 1981. Fifty of them came over and did that.

The gentleman from Kansas [Mr. GLICKMAN] said "what we should be doing is that Republicans should be giving President Clinton that same level of support.

"We have got to remember something, Mr. Speaker. Ronald Reagan was keeping his campaign promise. I never saw in that volume, Putting People First," a plan to increase the Btu tax. I never saw him putting people first a plan to increase the Social Security tax on retired Americans.

We want to support a plan that President Clinton will bring forward if it would in any way look like the campaign pledges he made to the American people last fall.

TODAY IS THE DAY TO PUT OUR VOTES WHERE OUR RHETORIC HAS BEEN

(Mr. SWIFT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SWIFT. Mr. Speaker, one of the phrases that has become a clique in this country, when you talk about the deficit, is we have to bite the bullet. We have got to make the tough choices.

What we are being asked today is not popular. It would not be a tough choice if it were popular by definition.

We have to provide investment in this country which has been neglected for over a decade. We have to deal with the deficit, and that requires spending cuts which are only popular in the aggregate. The individual spending cuts are unpopular, and it involves taxes which is unpopular.

But it is very interesting to see the number of people who have used that rhetoric about biting the bullet and making the tough choices who are now finding all kinds of reasons to say today is not the day, this is not the vehicle.

This is a proposal that is more specific, more complete, more effective than anything that has been offered in the last 12 years.

Today is the day, this is the bullet, and it is time to put our votes where our rhetoric has been.

DO WE OWN GOVERNMENT OR DOES IT OWN US?

(Mr. GOSS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GOSS. Mr. Speaker, I wonder what Americans expect to own for $17,000? You might think you could put a downpayment on a home, buy a car, invest for your retirement, or finance part of a college education. Certainly for most Americans $17,000 is a great deal of money. But today, every American man, woman, and child already owes that $17,000 to pay their share of our national debt. By the time we have lived with the Clinton tax plan for 5 years, that share of debt will have increased to more than $20,000 for each person.

And what do we get for all that money? Even after all the sacrifice, we will still own an annual national budget deficit of several hundred billion dollars. And we will still own several hundred billion dollars of annual Government waste and pork that Democrats will not let us chop out.

The question is, do the American people own Government or does their Government own them? Sadly, the answer seems to be that American taxpayers have been bought, but not paid for.

OPPOSE BLIND-SIDE ECONOMICS

(Mr. ROHRABACHER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROHRABACHER. Mr. Speaker, I rise in strong opposition to the Clinton tax increase, the largest tax increase in American history, which will hit the middle class, bring our economy to a standstill and in the end increase the deficit.

My friends on the other side of the aisle have characterized this plan as an attack on the deficit. Pure Clintonese.

I remember in this body in 1990 when they claimed that the 1990 tax increase would bring down the deficit. Instead, we got higher taxes and a higher deficit and that is exactly what this tax increase will do as well.

This proposal will not reduce the deficit because it does not eliminate one Federal domestic program. Get that.

The American people are being expected to suffer $300 billion in higher taxes, but they could not find even one little domestic program to eliminate, saying that they could not find one little program.

This plan will sock it to the middle class. If you take the Robin Hood rhetoric aside, the average American is going to pay considerably higher taxes after being promised a middle-class tax cut.

Well, Mr. Speaker, this is not supply-side economics. This is blind-side economics. The American people are going to wake up on April 15 next year and feel like they were hit by a truck from Arkansas.

AN OPPORTUNITY TO SAVE TAXPAYER MONEY

(Mr. BOEHLERT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BOEHLERT. Mr. Speaker, it is very obvious there is deep division within this House and differences of opinion today as we undertake this very important responsibility.

The one thing that unites us is our desire to find those items in the budget that we can declare unnecessary so that we can cut Federal spending.

I think there is strong agreement on that proposition on both sides of the aisle.

Well, I am here to help you with that very difficult process today, because within hours the General Accounting Office has just released testimony indicating that the price tag for the superconducting super collider, the single most expensive piece of scientific equipment ever contemplated for purchase in the history of man, has gone up another $4 billion.

Keep in mind a project that started out with a projected cost of $4.4 billion is now certified by the General Accounting Office to cost at least $11 billion.

Also keep in mind that we, this House, by an overwhelming vote approved a project if there was foreign participation of at least 20 percent of the total cost.

To date, Mr. Speaker, we do not have foreign participation, not the first yen from the Japanese. We are supposed to have $1.7 billion. We have got $15 million.

Here is an opportunity to save money, to get serious about priorities. Help us defeat the superconducting super collider.

DO THE REPUBLICANS REALLY SUPPORT BUDGET CUTS?

(Mr. KLECZKA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KLECZKA. Mr. Speaker, regarding the super collider superconductor, I support the gentleman's comments. I will be joining him in voting to cut out this funding, but I also challenge those who are listening today to check the rollcall for the Republicans. It seems that they come to the floor, they are for cutting all the programs, but when it comes to star wars, when it comes to the collider, well that is not spending. That is not deficit reduction, and they choose not to support those cuts.

It seems that ever since the Republicans lost the White House, they have magically found something in this country called the middle class. That same middle class that for 12 years they shunned, they raised taxes on and they have nothing to do with.

□ 1320

But now, after the George Bush defeat, they have all of a sudden found something in their district called the middle class. Well, here is a sampling of some of the tax cuts in the bill we are going to be taking up later this afternoon: A surcharge is imposed on increases over $250,000 a year. Is that middle class? Business club dues and lobby deductions eliminated. How many business class people are affected by that?

Mr. Speaker, it is a balanced package, and I ask the House to support it.

THE DR. KEVORKIAN PLAN FOR OUR ECONOMY

(Mr. COX asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COX. Mr. Speaker, I listened with interest as one of my colleagues praised the Clinton tax increase plan because it is going to produce $200 billion deficits as far as the eye can see. That is, in fact, what it does, and the so-called deficit reduction is the result mostly of tax increases quantified, according to our official estimators, at about one-third trillion dollars. The trouble is that one-third trillion dollars in projected revenues will not be there because that is not the way tax rate increases and new taxes work. Higher taxes on individuals will mean less work, less savings, and less investment. Higher taxes on working senior citizens with incomes as low as $25,000 will mean less senior citizens working and being productive. Higher taxes on energy, we are told with authority, will cost over one-half million jobs in America.

Mr. Speaker, it is no wonder they call it biting the bullet. This is really the Dr. Kevorkian plan for our economy. It will kill jobs, kill businesses, and yes, kill even the higher tax revenues that these suicidal tax increasers hope to gain.

SOME DEMOCRATS SELL OUT FOR PEANUTS

(Mr. BOEHNER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BOEHNER. Mr. Speaker and my colleagues, we all know that President Clinton and his allies here on Capitol Hill are doing everything they can, twisting arms, bending arms, to try to find enough votes to pass this bill today. They are making promises left and right to pick up the necessary votes they do not yet have.

And what promise was made late last night to pick up the votes of six or seven Democrat colleagues from the South? My colleagues will not believe it, Mr. Speaker. It was peanuts. Apparently last night the President offered to limit the amount of peanuts coming into this country to drive up the price of domestically produced peanuts. Not only are the Democrats today going to stick the American people with the largest increase in the history of this world, but they are going to stick it to every kid and their parents in this country who buys candy bars and peanut butter and jelly sandwiches.

Mr. Speaker, it is incredible, absolutely incredible, that six or seven of my colleagues have sold out for peanuts.

INTRODUCTION OF THE MICROENTERPRISE OPPORTUNITY EXPANSION ACT

(Mrs. COLLINS of Illinois asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. COLLINS of Illinois. Mr. Speaker, today, I am introducing the Microenterprise Opportunity Expansion Act with a great sense of satisfaction and accomplishment over the prospects for microenterprises across the country.

In 1988, when I first began preparing microenterprise legislation, very few people in Government with whom I spoke were at all familiar with the concept of microenterprise development. In 1990, when I introduced the first bill in Congress to promote microenterprise in the United States, there were still only a few Members of Congress or congressional staff that were familiar with microenterprise programs and their benefits.

Now, in 1993, the landscape has been overhauled. Today, we have a President who vocally and frequently touts the virtues of promoting microenterprises. Additionally, a number of other Members of Congress have initiated other efforts on this subject including, most notably, H.R. 455, the Microenterprise and Asset Development Act, introduced by Representative TONY HALL, of which I am pleased to be a lead cosponsor. Finally, the public, the Congress, and the administration have come to recognize the value of helping people help themselves and the importance of Government policies which tangibly assist these individuals.

Microenterprises are the very smallest businesses, having five or fewer employees, at least one of whom owns it. Often, microenterprises have no employees beyond the owner-operator(s), which is the reason that self-employment is often an issue. It is frequently seen as a road out of reliance on public assistance, although startup help is regularly needed.

Two examples from the Chicago-based Women's Self-Employment Project [WSEP] demonstrate the value of microenterprise programs and the need for this legislation.

Ms. Lynn Hardy was on welfare when she joined one of WSEP's programs in 1990. She used her first $1,500 loan to begin a graphic arts business known as Lynn's Designs. At first, Ms. Hardy limited her services to business cards and signs. Within 18 months, however, she expanded her services to calendars, posters, airbrushed T-shirts, and day care murals. Ms. Hardy borrowed from the loan fund a second time, using $3,500 to purchase supplies. Through her own strength, the support of other new entrepreneurs at the program, and WSEP capital, Ms. Hardy now supports herself and her three children. "Believe me," she wrote, "* * * it will be a success story for all low-income women—letting them know with trust in God, having a vision, and WSEP you can make it."

In contrast with Lynn Hardy's success, Ms. Bernice Jackson met Government-imposed obstacles that she simply could not hurdle. In 1987, she joined a different one of WSEP's programs and participated in the self-employment training. She then started her own cleaning business which she operated for 1 year. Ms. Jackson was forced to shut down her business because it generated too much money to allow her to keep her AFDC benefits, yet not enough money to replace the necessary health and child care benefits that she was receiving from AFDC. Fortunately, for Ms. Jackson, having benefited from the training she received at WSEP, she was able to find a full-time job and work her way off of welfare. Yet, according to Ms. Jackson, "If I had been allowed to continue receiving some of my public aid benefits, that would have given me a better chance to stay in business, and by now I think I would have reached my goal."

There are people like Lynn Hardy and Bernice Jackson all over the country, trying to start a microenterprise, trying to become self-sufficient, trying to get ahead. Often, however, they cannot find those first few dollars to start their company or the basic business training they need to maintain it. Many who do find the money and training are then running into governmental brick walls which block their progress.

Dedication and skill are in abundance. Unfortunately it takes more than that to succeed in the face of obstacles and shortages of assistance.

The most common type of help that is needed is a loan. Microenterprise programs which lend startup capital are now scattered across the country. They are most often nonprofit or local-government-run establishments and commonly disburse loans in amounts up to $10,000. Most of these microlenders also offer or require varying degrees of business training, continuing technical assistance and other means of support to ensure the success of the venture.

As a result, microenterprises have a very high rate of growth and the loan repayment rate overall is around 95 percent. In the case of the WSEP, their two programs have loan repayment rates of 95 and 100 percent. Even when the venture does not succeed over the long run, the training that the entrepreneurs receive helps them find employment and advance their careers otherwise, as happened with Bernice Jackson.

The Microenterprise Opportunity Expansion Act, which I am introducing today, aims both to eliminate Federal obstacles which stand in the way of success in this area and to increase the flow of capital to microlenders and microenterprises. The bill seeks to accomplish these goals through a variety of mechanisms.

First, it would distinguish between business and personal assets for purposes of AFDC so that business assets, including loans, would not be counted toward the eligibility requirement asset limitations of AFDC.

Second, it would exclude, for purposes of AFDC, income derived from a microenterprise for 2 years, so that aid continues during a transition period, unlike as in the case of Ms. Bernice Jackson.

Third, persons who are otherwise eligible to receive unemployment compensation payments would be able to continue to receive them even though they are starting up a microenterprise, and such payments could be combined in one lump sum payment at the start of the benefit period.

Fourth, to encourage banks to provide capital for these purposes, the bill would enable banks to receive credit under the Community Reinvestment Act for certain loans and grants that they make to microlenders and microenterprises.

Fifth, the legislation would enable thrift savings associations to receive credit toward their qualified thrift lending investment requirements under the Home Owners' Loan Act for loans made for these activities.

Sixth, it would clarify that CDBG funds could be used for administrative and operating costs of microlenders who offer training and technical assistance to their borrowers.

Seventh, the bill would create a Micro-Enteprise Technical and Operations Office [ME-TOO] in the Federal Reserve and the FDIC to function as a clearinghouse of information relating to microenterprises to encourage banks to provide funds for these purposes.

Finally, the bill calls for a study to be conducted to analyze the loan needs to enterprises that are larger than microenterprises yet smaller than small businesses.

Mr. Speaker, these measures, taken together, would open many avenues for individuals to begin their own businesses and, in many cases, elevate themselves from public assistance. It would also facilitate the efforts of groups, organizations, and lenders who are already working hard to lend a hand to these Americans.

In short, microenterprise is a good investment. It helps local communities, the economy as a whole, and, most importantly, Americans who have both needs and answers but insufficient resources. I encourage my colleagues to support this bill.

THE ROBIN HOOD DEMOCRAT PARTY

(Mr. FRANKS of Connecticut asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FRANKS of Connecticut. Mr. Speaker, as we consider the budget reconciliation vote today, I cannot help but reflect back to a comment made by one of my high school constituents. He called the Democrat Party the Robin Hood Party because they would like to take from the rich to give to the poor.

Now the redistribution of wealth question is a serious issue, and it should not be belittled. However maybe the Robin Hood Democrat Party comparison has some merit to it, except our President and the Democrats would believe that anyone earning over $34,000 a year is rich.

Yes, Mr. Speaker, the Democrats would want to take from these individuals and give more money to Government programs and social welfare like spending programs.

Tax and spend? Robin Hood Party? Democrat Party? Maybe this youngster was not too far off. But someone please tell that $34,000 a year blue-collar worker that he is rich.

LET'S GET THE JOB DONE

(Mr. HOAGLAND asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HOAGLAND. Mr. Speaker and my colleagues, as you know, the time has come to be responsible, and the time has come to do what we have to do. The time has come to be nonpartisan, and the time has come to do what is best for the country.

Mr. Speaker, the bill that we are going to vote on today has $500 billion in deficit reduction. Over $245 billion of that is in cuts.

I would like more cuts. Most of us would like more cuts. And I think we can achieve more cuts later this year.

But what is before us right now is $500 billion in deficit reduction, and all of us acknowledge that is the most important economic item on our agenda, to bring the deficit down.

As my colleagues know, we have been ducking these decisions for 12 years, and the deficit, the debt, has gone from $900 billion to over $4 trillion, and we simply have got to do something about it.

I like very few parts of the plan. I deplore tax increases. They are awful. But we all know that we cannot effectively deal with the deficit without both revenue increases and cuts.

Colleagues, we have no choice. I mean we have got to turn the corner on the deficit and on the debt issue.

This is our opportunity to do it. Let us do it and get the job done.

THE DIFFERENCE IS CLEAR

(Mr. HOEKSTRA asked and was given permission to address the House for 1 minute.)

Mr. HOEKSTRA. Mr. Speaker, today I applaud my Democrat colleagues on the floor of the House. Congratulations on breaking gridlock, and, most importantly, I say, "Thank you for clarifying the differences between the Democratic and Republican approaches to government."

Mr. Speaker, after the vote today the American people will know what the Democratic Party stands for: for more taxes, for more spending and, perhaps most importantly, the philosophical belief that problems can be solved in Washington rather than by empowering people at the local level. In 1994 the crucial decisions will be made because at that point in time voters will be able to hold the people of this House accountable for the decisions that I have heard described as the most important decision of this House.

□ 1330

The differences are clear. There will be no differences between hollow campaign promises, but the decisions will be made on the decisions we make here.

PUT SPENDING CUTS FIRST

(Mr. SMITH of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Michigan. Mr. Speaker, yesterday, I appeared before the House Rules Committee, along with many of our Republican colleagues, to argue for the right to offer amendments to today's tax bill. With one exception, my colleagues and I were denied.

In examining the rule passed out of the Rules Committee, I must say that I am offended.

It allows for only 2 hours of debate on the most important bill of this decade. Too short a time for such an important and far-reaching measure.

Worse, the rule contains seven so-called self-executing provisions that are political payoffs to special interests to gain support for the bill.

Finally, a deal that was reached early this morning to curb entitlements is a sham.

As reported, although the details have not yet truly surfaced, all the entitlement cap does is call for Congress and the President to either raise taxes or cut spending when the caps are breached. This is nothing and fails to address the central problem.

Mr. Speaker, the American people want spending cuts first, before they are asked to give more of their hard-earned money to the Government to spend.

PIED PIPER LEADING MEMBERS DOWN WRONG ROAD

(Mr. BURTON of Indiana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BURTON of Indiana. Mr. Speaker, Abraham Lincoln said you could fool all the people some of the time and some of the people all of the time, but you cannot fool all the people all the time. I would just say to my Democrat colleagues, if you look in the paper this morning you found that President Clinton's approval rating is now at 42 percent and his disapproval rating is at 48 percent, 48 percent. Do you know what? That is the largest in history, the largest in history.

Mr. Speaker, do you know why? It is because the American people have caught on to this President, who has broken every single promise he has made in his first 100 days in office.

And what is he doing? Like the Pied Piper, he is leading you down the path to political ruin. Now, make no mistake about it: if you vote for the largest tax increase in U.S. history, and you do not make the spending cuts that you should, many of you dear friends, whom I love so much, will not be back in 2 years. So think about that. Please do not follow this misled Pied Piper down the wrong road. It is going to ruin you. Do not do it. It is a big mistake.

ENOUGH IS ENOUGH

(Mr. BLUTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BLUTE. Mr. Speaker, today the House will cast one of the most important votes of the year. We will vote on President Clinton's $340 billion tax and spend plan. I want my colleagues and constituents to know that I plan to vote "no" on that plan.

On the campaign trail the President said that he would put forth a plan that would cut spending $2 for every $1 raised in taxes. Shortly after being sworn in, that became a 1 to 1 ratio. But the plan that will come before us later today will raise $4 of taxes for every $1 in spending cuts.

Since I came to Congress, the people back home have been sending me a message which I have received loud and clear: Cut spending first. But that message apparently has not gotten through to the White House or to many Members of Congress.

Mr. Speaker, what these taxes will do is cause the American people to rebel against Washington. I live in the State of the Boston Tea Party, an earlier tax revolt. But this plan will cause an American Tea Party, from sea to shining sea, sending a message to Washington, enough is enough.

TIME TO TAKE ACTION

(Mrs. LOWEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. LOWEY. Mr. Speaker, I have heard a lot of talk this morning, and I think that is exactly what the American people are sick and tired of. They are tired of doublespeak, they are tired of rhetoric, and they are tired of people saying just sweep it under the rug. They are tired of people saying it is morning in America, everything is going to be fine tomorrow.

Mr. Speaker, when you go to a doctor's office they give you the medicine, and then they give you the lollipop. What we have going on around here is just handing out lollipops.

This is a President who wants to lead. We are a Congress that has to govern. It is time for the talk to be over.

This is the biggest deficit reduction package in history, $500 billion in deficit reduction, over $200 billion in specific cuts. Yes, we hear about Ross Perot's plan, this one's plan, that one's plan. But if you actually look at the plans if those plans were ever brought to the floor, no one else would vote on them.

Mr. Speaker, I do not like everything about this plan, but at some point the debate is over. That is our democratic way. We have to take action, we have to lead, and we have to vote. I hope my good friends on both sides of the aisle will join us and give this President a chance to lead.

PRESIDENT'S BUDGET PENALIZES MIDDLE-INCOME AMERICA

(Mr. ARCHER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ARCHER. Mr. Speaker, with President Clinton's clear dislike for the oil industry, it is understandable that he would present a plan that punishes Texas, that costs Texas 37,000 jobs through his energy tax. But why does he have to punish the rest of the Nation?

The Tax Foundation has just issued a list of job losses for every single State in the United States of America that will result from this misguided tax. No other country in the world taxes its raw energy, because the industries in those countries must consume that energy to produce those products, and that must be passed on in higher prices.

Why does he penalize middle-income Americans $471 per year per family in the products that they buy that include energy? Why does he insist on this tax that will cost jobs, reduce the tax base of this country, and prevent us from gaining the extra revenue that we need to balance the budget?

AMERICA IS FOR ALL PEOPLE

(Mr. REYNOLDS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REYNOLDS. Mr. Speaker, I rise today to let the American people know that for the first time in a long time in this body there is going to be some courage shown today and that we are not going to fall prey to the scare tactics from the other side of the aisle, telling people about what they are going to lose if they vote a certain way.

When I was running for office this past November, the Republican Party put out a saying that I was going to lose to my Republican opponent, that he had a real chance of beating me, because I was wrong on the issues. I got over 80 percent of the vote.

The fact of the matter is that for 12 years this body has done nothing but lapse behind. It is time for us to move forward and have some courage and include all Americans in our plan, not just the rich people, not just the people that have it made already. We have to expand this country and help people in this country, the middle class, the people who are less fortunate, to have a stake in this society. We have to believe that America is for everybody, not just for a few.

WASHINGTON POST EDITORIALS SUPPORT PRESIDENT

(Mr. MENENDEZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MENENDEZ. Mr. Speaker, the last two editorials of the Washington Post say it all: Bill Clinton is right. The deficits that were allowed to accumulate over the past 12 years are one fiscal and the other social. Today the House Democrats have an opportunity to begin to reduce them both. Not quite to restore the Nation's fiscal health, but at least to put it on the path to restoration, and by providing the means to provide the ability to govern as well. Either they vote to do this, or they vote to let the country continue to drift irresponsibly and to think as before. That is their choice, the only choice.

The House Republicans are going to sit on their hands. They always do at budget time. They used to vote no even on their own President's budget. Look, Ma, no fingerprints, that is their ideal fiscal policy.

This President, elected with only 43 percent of the vote, has courageously done what his predecessors notoriously did not: he has proposed a restoration of fiscal discipline.

It may not be a perfect program, but what is? It is a solid one, and balanced. It would do what it says it would. His opponents have made no such proposal, not one that can pass, yes or no, with the country's well-being at stake. That is the question before the House. Yes is the vote they should stand and deliver.

□ 1340

IN SUPPORT OF THE RECONCILIATION PACKAGE

(Mr. JACOBS asked and was given permission to address the House for 1 minute.)

Mr. JACOBS. Mr. Speaker, it is the style of the day to give one another the devil for his or her honest opinions. I do not think we need to do that. There is so much, as they say, good in the worst of us and bad in the best of us that it hardly becomes any of us to say very much about the rest of us.

Whatever happens today should be done with civility. There are honest differences of opinion. This is why I intend to support this reconciliation package.

First of all, 70 percent of the tax increases, as has been said, are on the people who enjoyed the largest tax cuts during the 1980's.

Second, I have two little boys, and I am not going to push this burden off on to them.

ELECTION OF MEMBERS TO CERTAIN STANDING COMMITTEES OF THE HOUSE

Mr. MICHEL. Mr. Speaker, I offer a privileged resolution (H. Res. 187) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 187

Resolved, That the following named Members be, and they are hereby, elected to the following standing committees of the House of Representatives:

Committee on agriculture: Mr. Smith of Michigan; and Mr. Everett of Alabama; and the

Committee on Merchant Marine and Fisheries: Mrs. Bentley of Maryland; and Mr. Taylor of North Carolina; and Mr. Torkildsen of Massachusetts; and the

Committee on Veterans' Affairs: Mr. Stearns of Florida; and Mr. King of New York.

The resolution was agreed to.

A motion to reconsider was laid on the table.

OMNIBUS BUDGET RECONCILIATION ACT OF 1993

Mr. DERRICK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 186 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 186

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 2264) to provide for reconciliation pursuant to section 7 of the concurrent resolution on the budget for fiscal year 1994. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived. General debate shall be confined to the bill and the amendments made in order by this resolution and shall not exceed two hours equally divided and controlled by the chairman and ranking minority member of the Committee on the Budget. After general debate the bill shall be considered for amendment under the five-minute rule and shall be considered as read. The modifications to the bill printed in part 1 of the report of the Committee on Rules accompanying this resolution shall be considered as adopted in the House and in the Committee of the Whole. All points of order against the bill, as modified, are waived. No amendment to the bill, as modified, shall be in order except the amendment in the nature of a substitute printed in part 2 of the report. The amendment in the nature of a substitute may be offered only by Representative Kasich of Ohio or his designee, shall be considered as read, shall be debatable for one hour equally divided and controlled by the proponent and an opponent, and shall not be subject to amendment. All points of order against the amendment in the nature of a substitute are waived. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill, as modified, to the House with such amendment as may have been adopted. The previous question shall be considered as ordered on the bill and amendment thereto to final passage without intervening motion except one motion to recommit, which may not include instructions.

POINT OF ORDER

Mr. SOLOMON. Mr. Speaker, I rise to a point of order.

The SPEAKER pro tempore (Mr. McNULTY). The gentleman will state his point of order.

Mr. SOLOMON. Mr. Speaker, respectfully, I make a point of order against House Resolution 186 on the grounds that it is in violation of House rule XI, clause 4(d).

Mr. Speaker, House rule XI, clause 4(d) provides that, and I quote,

> Whenever the Committee on Rules reports a resolution repealing or amending any of the rules of the House of Representatives or part thereof it shall include in its report or in an accompanying document, number one, the text of any part of the rules of the House of Representatives which is proposed to be repealed and, number two, a comparative print of any part of the resolution making such an amendment, and any part of the rules of the House of Representatives to be amended, showing by an appropriate typographical device the omissions and insertions proposed to be made.

Mr. Speaker, House Resolution 186 provides that upon its adoption "Modifications to H.R. 2264, printed in part 1 of the report of the Committee on Rules accompanying this resolution, shall be considered as adopted in the House and in the Committee of the Whole."

One of those modifications, Mr. Speaker, contained in the Committee on Rules report, adds a totally new title XV to the bill entitled "Budget Process."

Subtitle B of that title in the report is entitled "Amendment to the Congressional Budget and Impoundment Control Act of 1974; Conforming Amendments."

Section 15211 of that subtitle is entitled "Conforming Amendments to the rules of the House of Representatives." The section includes six separate, permanent, not temporary but permanent, amendments to the House Rules which amend: rule X, clause 4(g); rule XI, clause 2(L)(3)(B); rule XI, clause 2(L)(6); rule XI, clause 7; rule XXIII, clause 8; and rule XLIX, clause 2.

And yet, despite the fact that this resolution, upon its adoption, amends House rules in those six different parts, nowhere in the report of the Committee on Rules for this resolution is there any kind of comparative print showing the changes being made from the existing rules as is required in House rule XI, clause 4(d), which I cited earlier today.

Mr. Speaker, it will not do to argue that this change is being made in an order of business resolution. House rule XI does not differentiate between special rules and other resolutions reported from the Committee on Rules. It only refers to "a resolution repealing or amending any rule of the House" whenever it is reported by the Committee on Rules.

Mr. Speaker, the resolution clearly makes such changes, and the report must, therefore, include a comparative print showing those changes. Otherwise, I can assure my colleagues, Mr. Speaker, as I look at all of these changes, which I have here now, 90 percent of the Members of this House have never seen this document that I have in my hand here. I know almost 100 percent on our side, and I am sure only those who might have been active last night between the hours of 2 a.m. and 4 a.m. have any idea what is in here.

So it just is not right. If we had these comparatives showing the differences of what is being changed or repealed or added, at least we could make some kind of a fair judgment.

I, therefore, urge that my point of order be sustained.

The SPEAKER pro tempore. Does the gentleman from South Carolina [Mr. DERRICK] wish to be heard on the point of order?

Mr. DERRICK. Mr. Speaker, I wish to be heard on the point of order.

The gentleman from New York [Mr. SOLOMON] makes the point of order that the rule violates clause 4(D) of rule XI. This clause requires the Rules Committee to include a comparative print displaying changes to the rules of the House when the committee reports a resolution repealing or amending any rule.

House Resolution 186 modifies the text of the reconciliation bill. The bill as modified amends House rules. But the resolution under consideration does not, in itself, repeal or amend any rule of the House.

Mr. Speaker, I urge you to overrule the point of order.

Mr. SOLOMON. Mr. Speaker, if I might, I would like to be heard additionally on the point of order.

The SPEAKER pro tempore. The Chair recognizes the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. Mr. Speaker, with all due respect to my colleague on the Committee on Rules, the gentleman from South Carolina, I guess what he has just said, that these are not really changes, in other words, this bill is going, once everybody votes for it, we vote for these huge tax increases and really nebulous spending cuts, this thing is going to go over to the Senate and nothing is really going to happen to it. It will come back here in a conference report, and it never becomes law. That is really what I was afraid of. That is why I wanted to raise the point of order, because I was sure that really this whole document is absolutely going nowhere and will never really reach the President's desk.

Mr. WALKER. Mr. Speaker, I wish to be heard on the point of order.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Speaker, it seems to me what I hear the gentleman from South Carolina saying is that the resolution does not so state these rules changes and so, therefore, they will not really take place. And the House should not have to fear them.

Understand, what he is suggesting is that the self-enacting amendments that the resolution makes in order are not directly spelled out in the resolution and so, therefore, should not have to be considered in all of this, because two of the self-enacting amendments are what the gentleman refers to in the changes in text.

□ 1350

We now have this rather strange situation on the floor where the Committee on Rules can come down, violate the fundamental rules of the House with self-enacting provisions, and claim that somehow these are not a part of their rule. They can go up and make deals in the dead of night behind closed doors, come out into the Committee on Rules, effect those deals, make them into self-enacting amendments where nobody has seen the text of them, and then come to the floor later on and claim that somehow these do not have any real effect. That simply is not the way in which the House should proceed.

Mr. Speaker, I would suggest that the gentleman from New York [Mr. SOLOMON] is absolutely correct. They are coming to the floor with an intention to change the rules of the House of Representatives. When we adopt this rule, we will adopt self-enacting provisions which, if finally adopted, will change the rules of the House and we will have no comparison between the two.

This would be an appalling precedent to set in the House, that what we are doing is trampling on the rules of the House without the proper procedures. It would certainly go along with how this budget resolution has been brought forward. The Chair, in all fairness, should sustain the point of order and should not simply take the majority party's opinion on this that is trying to ram through something extralegally.

Mr. DERRICK. Mr. Speaker, may I be heard additionally?

The SPEAKER pro tempore (Mr. McNULTY). The gentleman from South Carolina [Mr. DERRICK] is recognized further.

Mr. DERRICK. Mr. Speaker, the gentleman, unfortunately, completely misunderstood what I said. What I said was that the changes do not effect until the reconciliation is passed.

The SPEAKER pro tempore (Mr. McNULTY). The Chair is prepared to rule.

Clause 4(d) of rule XI requires the Committee on Rules to provide a comparative print of proposals to change the rules whenever it reports "a resolution repealing or amending any of the Rules of the House."

The jurisdiction of the Committee on Rules is not confined to the rules, however. It extends also to the order of business of the House. Thus, the committee is authorized to report a resolution providing a special order of business.

House Resolution 186 provides a special order of business. Its adoption would modify the text of H.R. 2264 to include certain changes in the rules, and would provide for the consideration of the bill, as modified, by the House. But House Resolution 186 does not, itself, repeal or amend any rule of the House. Only the bill—H.R. 2264—would, if enacted into law, amend House rules. Consequently, the requirement of clause 4(d) of rule XI is not applicable.

Consistent with the precedent of February 24, 1993, the point of order is overruled.

Mr. SOLOMON. Mr. Speaker, I will not appeal the ruling of the Chair, out of comity, and we want to continue here, but I want to make it perfectly clear that we on this side do not accept the findings of the Speaker, and we would like that to show that for the RECORD. However, we will not appeal the Chair's ruling.

The SPEAKER pro tempore. The gentleman from South Carolina [Mr. DERRICK] is recognized for 1 hour.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from New York [Mr. SOLOMON], pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, House Resolution 186 makes in order consideration of H.R. 2264, the omnibus budget reconciliation bill. The rule provides for 2 hours of general debate equally divided and controlled by the chairman and ranking minority member of the Committee on the Budget. All points of order against consideration of the bill are waived. The modifications in part 1 of the report to accompany the rule will be considered as adopted in the House and in the Committee of the Whole. The rule waives all points of order against the bill, as modified.

The modifications consist of several technical amendments settling jurisdictional disputes or correcting the text and two new titles related to budget enforcement. The first title extends the caps and amends the Congressional Budget Act. The second title puts in place a tough, new procedure to ensure that we contain the explosive growth of entitlements.

No amendment is in order except the Kasich substitute printed in part 2 of the report, debatable for 1 hour and not subject to amendment. All points of order are waived against the substitute. Finally, the rule provides one motion to recommit which may not contain instructions.

Mr. Speaker, last November the American people sent us a signal that they wanted change. The people wanted change from the borrow-and-spend policies of the 1980's. The people are tired of government policies that lead to high interest rates, high unemployment, and a stagnant economy.

President Clinton offered our people hope for the future in the form of a plan to begin the process of restoring the American dream for us and our children. Last March, this Congress approved, in record time, a budget resolution embodying the blueprint of the President's economic plan.

That resolution called for deficit reduction of $500 billion over 5 years through a combination of spending cuts and tax increases, and instructed 13 House committees to write legislation cutting spending and raising taxes to achieve those savings.

Mr. Speaker, H.R. 2264 is the fruit of that effort and the centerpiece of the President's economic plan, which is the largest deficit reduction plan ever considered in our history. This one piece of legislation will cut spending, increase revenues, and reduce the deficit by $343 billion over the next 5 years. The remainder of the nearly $500 billion in savings proposed by the President will come through cuts in discretionary programs and reduced borrowing costs.

Mr. Speaker, the people want us to hold the line on spending, and this plan holds the line on spending. For starters, the bill contains tough spending caps limiting discretionary spending to the 1993 level in each of the next 5 years. That's a hard freeze on domestic discretionary spending, at current levels, for the next 5 years. Never have we frozen so much spending for so long a period of time.

The people want us to cut entitlements. This bill cuts entitlements by $97 billion over 5 years. These cuts include:

$56 billion in Medicare and Medicaid cuts, on providers only;

$10.8 billion in the Federal employee retirement program;

$5 billion in reforms to education programs;

$3 billion in agriculture programs; and

$2.6 billion in various veterans programs, to name a few.

This legislation also requires businesses and individuals to contribute additional revenues to deficit reduction in an amount totaling $246 billion over 5 years.

For individuals, over 75 percent of the taxes in this bill will fall on households with incomes over $100,000—the top 6 percent of all families. Fully 63 percent of the individual taxes will come from households with incomes over $200,000.

The bill imposes a new 36 percent rate on taxable incomes above $115,000 for singles and $140,000 for couples. Families whose taxable incomes fall below those figures have absolutely nothing to fear from increased income taxes in this bill. For people with taxable incomes over $250,000, the bill imposes a 10-percent income surtax. These individual tax rates will help restore progressivity and fairness to the Tax Code.

The bill also requires the wealthiest Social Security beneficiaries, who now pay taxes on up to one-half of their benefits, to pay taxes on up to 85 percent of their benefits. This change will more closely conform the tax treatment of Social Security benefits to that of other contributory pensions. I would emphasize that even with the change, only those beneficiaries who already pay taxes on their benefits will be affected—fewer than one quarter of all beneficiaries. Moreover, even with the change, a retired couple making $60,000, including $13,000 in benefits, will pay less than two-thirds of the taxes paid by a working couple with that same amount of income.

Mr. Speaker, the only tax in this bill which will affect the overwhelming majority of American families is the energy tax. But this tax, which raises nearly $71.5 billion and is phased in over 3 years, is quite modest.

In 1994, a family earning $40,000 per year will pay energy taxes totaling about $1 per month. In 1995, that will rise to $7 per month, and in 1996 to $17 per month, according to both the Treasury Department and the Congressional Budget Office. Lower income households are shielded from increases by an expansion of the earned-income tax credit and increased energy assistance.

In addition to raising revenues, the energy tax will promote desirable public-policy goals. Among these are energy conservation, reducing our dependence on foreign oil, cleaning our air and water, and encouraging development of cleaner alternatives to oil. Reducing oil imports will help our worldwide balance of payments. Even with the tax, America will still have the cheapest energy of any of the world's top seven industrialized nations.

Mr. Speaker, this legislation also requires the business community to contribute to deficit reduction. The bill raises the corporate tax rate by 1 percentage point, to 35 percent, for corporations with taxable income over $10 million. The legislation closes loopholes by capping the executive pay deduction at $1 million and denying the deduction for lobbying expenses. In addition, the bill includes provisions intended to increase taxes paid by foreign firms on income from their U.S. operations.

At the same time, this legislation contains numerous tax breaks for businesses designed to spur investment and create jobs. Among them are many provisions for small businesses, including an increased expensing allowance, targeted capital-gains incentives new start-ups, passive-loss reform, repeal of luxury taxes, and permanent extension of the targeted-jobs tax credit.

Mr. Speaker, this legislation has garnered the support of many of America's largest corporations, whose taxes would be increased, including General Motors, General Electric, General Mills, Procter & Gamble, IBM, Owens-Corning Fiberglas, Phillip Morris, Quaker Oats, Sara Lee, Disney, Westinghouse, Colgate-Palmolive, and Kellogg.

The bill has won the support of such diverse labor unions, trade associations, and citizen-watchdog organizations as the American Federation of Teachers, the Consumer Federation of America, the Child Welfare League, Families USA, the National Association of Homebuilders, the National Association of Realtors, the National Council of Senior Citizens, the United Auto Workers, the National Audubon Society, and the League of Conservation Voters.

Evidently these corporations and other organizations share the President's commitment to putting our economy and our country back on track, and are willing to help make that effort a reality.

Mr. Speaker, the reconciliation bill before this House is the centerpiece of the most ambitious, serious, and credible deficit-reduction proposal ever offered by a President. The question before this House today is quite simple. Will we have the courage to change direction, to move away from the borrow-and-spend policies of the last decade, in which we quadrupled our national debt, failed to invest in our country, and left our people's incomes stagnated, their futures imperiled, and their trust eroded? Or will we succumb to the special interests seeking to preserve the status quo, which is obviously not serving us well?

At last we have a President willing to lead this Nation out of the deficit wilderness. He has proposed tough medicine, to be sure. It is bitter medicine. But the choice is ours. Either we pass this landmark deficit-reduction bill today, and keep this process moving forward, or we abandon any chance for meaningful progress against the deficit for the foreseeable future. It is that simple.

Mr. Speaker, House Resolution 186 is a good rule, which will let us consider the President's plan and the principal Republican alternative to it, to be offered by the gentleman from Ohio. It is a fair rule and I urge my colleagues to support the rule and the bill.

Mr. Speaker, I reserve the balance of my time.

□ 1400

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to make it very clear right up front what we intend to do on this rule. Right now this is virtually a gag rule permitting just one Republican substitute but no separate votes on three critical areas.

I am, therefore, urging Members to defeat the previous question so that I can offer an amendment to the rule that makes in order just three additional amendments, subject to 1 hour of debate each.

First, the Michel-Snowe amendment to strike the Btu, middle-class energy tax and replace it with real spending cuts;

Second, an Archer amendment to strike the tax increase on seniors' Social Security benefits; and

Third, a Stenholm substitute amendment for title XVI to provide entitlement caps with a real hammer enforcement mechanism.

That is all my amendment would do, as much as we would like to make in order all of the amendments presented to the Rules Committee. I think it is far better that we keep this previous question vote as simple as possible so that there is no mistake what your vote means.

To quote from this morning's Wall Street Journal editorial:

> The point is that Members shouldn't be able to claim they opposed parts of the tax bill but were helpless to amend it. A vote for the closed rule is a vote for the largest tax increase in American history.

Mr. Speaker, if you told the average constituent in my district that this week we are voting on a reconciliation bill, you would probably draw a blank look. That is inside-the-beltway budgetary jargon.

But if you tell that same constituent that we are considering the President's tax bill—the largest tax increase in history—there would be a look of instant recognition, shock, and outrage.

When the President first unveiled his tax program, I thought the President might just get away with the so-called Btu tax, because it was beyond the comprehension of most of the Btu might as well have stood for beyond taxpayer understanding.

But the public didn't take long to catch on to the Btu tax. In my district the people know it is going to hit them in the pocketbook at every turn—from the gas station, to the supermarket, to State and local taxes, to the home.

Today Btu is well understood to stand for, bleed taxpayers unconscious. It is a middle-class tax increase, plain and simple.

The same goes for the President's senior citizen tax increase. Try as the President may to depict this as a tax on upper income individuals, the seniors in my district who make $25,000 a year as individuals or $32,000 a year as couples hardly consider themselves wealthy. It's another tax on middle-class taxpayers—only in this case on those who are retired on fixed incomes.

Mr. Speaker, the purpose of a reconciliation bill is supposedly to bring our actual spending decisions into line with what we can afford-to reconcile our appetites with our incomes.

The problem is, as everyone knows, that the Government has a voracious appetite that can never be satisfied. And so, instead of curbing our appetite to match our income, we are being asked to increase that income to feed that Government appetite for more and more spending and more and more Government programs.

Unfortunately, the Government is not a self-supporting creature that has any income-producing, earning capacity. It must therefore depend on the incomes of others to satisfy its insatiable appetites.

And the others it must depend on most heavily are the great mass of middle-income workers who are barely getting by now on what they earn.

Yet they are being told by the President that they must sacrifice more for the good of their Government.

It is hard to believe that this is the same President who a few short months ago promised middle class taxpayers a tax cut, not a tax increase. You may recall this little campaign book put out by Governor Clinton and Senator GORE, entitled "Putting People First: How We Can All Change America."

On page 15 of that book there is a paragraph entitled "Middle Class Tax Fairness," in which coauthors Clinton and GORE promised, and I quote:

> We will lower the tax burden on middle-class Americans by asking the very wealthy to pay their fair share.

And it goes on:

> Middle-class taxpayers will have a choice between a children's tax credit or a significant reduction in their income tax rate.

Mr. Speaker, in the interests of truth in political advertising and labeling, I think the President and Vice President should publish a revised edition of their campaign book that reconciles their campaign promises with the reality of their record. This book should be entitled "Putting Taxes First: How We Will Shortchange America."

That is just what is happening in this so-called reconciliation bill. Instead of getting a tax break, middle-class Americans are getting shortchanged.

Well, Mr. Speaker, that is not the kind of change my constituents voted for. They did not send us here to raise their taxes. They sent us here to cut Government spending.

And that is why it is so important for us to change this unfair gag rule and make in order amendments that will do just that—take out the taxes on the middle-class and replace them with deeper spending cuts.

They want us to be able to offer amendments to strike the middle-class energy tax and the middle-class seniors tax, and replace them with spending cuts.

And yet the Democrat majority leadership, through its wholly owned subsidiary, the Rules Committee, has said no to the American people and to these amendments.

Once again they have shut the people out of their own House for the sake of cramming the President's tax increases down the throats of middle-class taxpayers.

Mr. Speaker, the time has come for this House to do the right thing and say no to this antidemocratic and anti-middle-class rule.

I urge my colleagues to vote down the previous question so that we can offer a substitute rule that will allow for separate votes to strike the middle-class energy tax and the senior citizens tax and substitute spending cuts for them.

Vote down the previous question and for a rule that will allow us to offer responsible alternatives. That will take the tax burden off the backs of the middle-class, and put the deficit reduction burden back on the Congress by mandating spending cuts. That is what the American people want us to do.

This is one of the most critical and important votes you will cast in this session. Make no mistake about it, the people will not be fooled by any attempt to paint this as a procedural vote.

This is your vote on whether to tax or not to tax; to cut spending or not to cut spending. Vote "no" on the previous question and for our substitute rule. And, failing that, vote "no" on the rule.

SUMMARY OF SOLOMON AMENDMENT TO THE RECONCILIATION RULE (H. RES. 186)

The rule is identical to the rule reported by the Committee on Rules, but, in addition to the Kasich substitute already made in order by the rule, the following three additional amendments are made in order:

1. The Michel Amendment striking the Btu energy tax and providing off-setting spending cuts;

2. The Archer Amendment striking the tax increase on Social Security benefits and providing off-setting spending cuts; and

3. The Stenholm Amendment capping entitlements with a "real hammer" enforcement mechanism.

Like the Kasich substitute already made in order, each additional amendment is subject to one-hour of debate, is not subject to further amendment, and all points of order against the amendment are waived.

H. RES. 186

An amendment offered by Mr. SOLOMON of New York:

On page 2, strike all after the period at line 13 through the period at line 22 and insert in lieu thereof the following: "No amendment to the bill, as modified, shall be in order except: (1) an amendment relating to the Btu energy tax by Representative Michel of Illinois printed in the Congressional Record of May 26, 1993; (2) an amendment relating to the tax increase on Social Security tax benefits by Representative Archer of Texas printed in the Congressional Record of May 26, 1993; (3) a substitute amendment to Title XVI relating to entitlement caps by Representative Stenholm of Texas; and (4) an amendment in the nature of a substitute printed in part 2 of the Rules Committee report by Representative Kasich of Ohio. Said amendments may only be offered in the order specified and by the Member designated, or a designee, shall not be subject to amendment but shall be debatable for not to exceed one hour each, to be equally divided and controlled by the proponent or a Member opposed thereto, and all points of order against said amendments are hereby waived."

ROLL CALL VOTES IN THE RULES COMMITTEE ON AMENDMENTS TO THE RULE FOR THE RECONCILIATION BILL, THURSDAY, MAY 27, 1993

The following motions were offered to the rule:

Motion number and subject:

1. Open-rule-plus substitute rule: Three hours of general debate, providing special consideration of designated amendments relating to Btu energy tax, Social Security tax, budget process reforms, waiving all points of order, and requiring pre-printing. Other amendments in Record. Other amendments subject to amendment under five-minute rule with no waivers. Kasich substitute in order at end of process amendable only by amendments previously adopted to bill, if applicable (but not subject to further debate).

Rejected: 3-8. Yeas: Solomon, Dreier and Goss. Nays: Moakley, Derrick, Beilenson, Frost, Bonior, Wheat, Gordon and Slaughter.

2. Michel or Snowe amendment striking Btu tax with offsets.

Rejected: 3-8. Yeas: Solomon, Dreier and Goss. Nays: Moakley, Derrick, Beilenson, Frost, Bonior, Wheat, Gordon and Slaughter.

3. Archer amendment striking to Social Security tax with offsets.

Rejected: 3-8. Yeas: Solomon, Dreier and Goss. Nays: Moakley, Derrick, Beilenson, Frost, Bonior, Wheat, Gordon and Slaughter.

4. Goss amendment deleting Btu and Social Security taxes with offsetting spending cuts.

Rejected: 3-8. Yeas: Solomon, Dreier and Goss. Nays: Moakley, Derrick, Beilenson, Frost, Bonior, Wheat, Gordon and Slaughter.

5. En bloc motion for following amendments:

Thomas of California amendments (a) to self-execute out provision delaying indexation of tax rates; (b) to strike the provision and off-set by denying tax-exempt status to non-profits.

Kasich amendment making several budget process reforms.

Clinger amendment to clarify "emergency" designations under BEA.

McCandless amendment to replace deficit reduction account with Public Debt Reduction Trust Fund under Taxpayer Debt Buy-down Act (H.R. 429, Rep. Walker).

Rejected: 3-8. Yeas: Solomon, Dreier and Goss. Nays: Moakley, Derrick, Beilenson, Frost, Bonior, Wheat, Gordon and Slaughter.

6. Porter amendment to repeal taxes if deficit reduction does not occur under new deficit reduction account.

Rejected: 3-8. Yeas: Solomon, Dreier and Goss. Nays: Moakley, Derrick, Beilenson, Frost, Bonior, Wheat, Gordon and Slaughter.

7. En bloc motion for following amendments:

McMillan amendment relating to entitlement caps.

Kyl amendment to ratchet down federal spending to 19% of GDP by fiscal 1996.

Gekas amendment to reduce deficit to 0 by year 2000 setting deficit targets for each year.

Smith of Texas amendment to set aside 5% of salaries and expense accounts each year over 5-years, which would be rescinded if Congress takes no action to restore or alter.

Rejected: 3-8. Yeas: Solomon, Dreier and Goss. Nays: Moakley, Derrick, Beilenson, Frost, Bonior, Wheat, Gordon and Slaughter.

8. McCrery amendment to change effective dates of individual and corporate tax increases from Dec. 31, 1992 to Dec. 31, 1993, with offsets.

Rejected: 3-8. Yeas: Solomon, Dreier and Goss. Nays: Moakley, Derrick, Beilenson, Frost, Bonior, Wheat, Gordon and Slaughter.

9. Knollenberg amendment to hold income tax rate at 31% if engaged in small business activity.

Rejected: 3-8. Yeas: Solomon, Dreier and Goss. Nays: Moakley, Derrick, Beilenson, Frost, Bonior, Wheat, Gordon and Slaughter.

10. Houghton amendment to require payment of Social Security tax on domestic help if paid more than $800 a year.

Rejected: 3-8. Yeas: Solomon, Dreier and Goss. Nays: Moakley, Derrick, Beilenson, Frost, Bonior, Wheat, Gordon and Slaughter.

11. En bloc motion for following amendments:

Camp amendment to substitute immunization provisions which would focus on children in public welfare programs.

Johnson of CT amendments: (a) providing R&D tax credit for aerospace; (b) elective to withhold Federal taxes for unemployment compensation; permit states to opt for "select" Medicare programs; (e) exempt states and cities from Btu tax.

Torkildsen amendment to lower tax rate for individuals in S corporations from 39.6% to corporate rate of 35%.

Rejected: 3-8. Yeas: Solomon, Dreier and Goss. Nays: Moakley, Derrick, Beilenson, Frost, Bonior, Wheat, Gordon and Slaughter.

12. Gingrich amendments: (a) to increase amount of creditable wages under Targeted Jobs Tax Credit from maximum of $3,000 to $3,500 and expand the age of affected youth in program from 16–17 year olds to 14–21 year olds; (b) to eliminate so-called "marriage penalty" in the income tax; and (c) to eliminate marriage penalty in social security benefits.

Rejected: 3-8. Yeas: Solomon, Dreier and Goss. Nays: Moakley, Derrick, Beilenson, Frost, Bonior, Wheat, Gordon and Slaughter.

13. En bloc motion for following amendments:

Smith of Michigan amendments to index depreciable equipment for inflation, repeal onerous sections of minimum tax and reduce earlier depreciation deductions.

Collins of Georgia amendment to mandate loss of benefits if children of recipients drop out of school.

Roth amendment to eliminate Social Security tax with no offsets.

Allard amendment to cap the irrigation surtax.

Cox amendments on budget process reforms: (1) Fixed sum appropriations for entitlements; (2) require joint budget resolutions; and (3) prohibit "baseline" budgeting.

Rejected: 3-8. Yeas: Solomon, Dreier and Goss. Nays: Moakley, Derrick, Beilenson, Frost, Bonior, Wheat, Gordon and Slaughter.

14. Baesler amendment to eliminate Btu tax and offset with spending cuts.

Rejected: 3-8. Yeas: Solomon, Dreier and Goss. Nays: Moakley, Derrick, Beilenson, Frost, Bonior, Wheat, Gordon and Slaughter.

15. Stenholm amendments to establish entitlement caps and enforcement mechanisms for acting on over-runs.

Rejected: 3-8. Yeas: Solomon, Dreier and Goss. Nays: Moakley, Derrick, Beilenson, Frost, Bonior, Wheat, Gordon and Slaughter.

16. Strike prohibition in rule on motion to recommit with instructions.

Rejected: 3–8. Yeas: Solomon, Dreier and Goss. Nays: Moakley, Derrick, Beilenson, Frost, Bonior, Wheat, Gordon and Slaughter.

17. Adoption of rule: Modified closed rule, allowing two-hours of general debate, waiving points of order, self-executing seven amendments into bill by adoption of rule, making in order one substitute by Kasich subject to one-hour of debate; motion to recommit may not contain instructions.

Adopted: 8–3. Yeas: Moakley, Derrick, Beilenson, Frost, Bonior, Wheat, Gordon and Slaughter. Nays: Solomon, Dreier and Goss.

OPEN VERSUS RESTRICTIVE RULES—95TH–103D CONGRESSES

Congress (years)	Total rules granted[1]	Open rules[2]	Numbers percent	Restrictive rules[3]	Numbers percent
95th (1977–78)	211	179	85	32	15
96th (1979–80)	214	161	75	53	25
97th (1981–82)	120	90	75	30	25
98th (1983–84)	155	105	68	50	32
99th (1985–86)	115	65	57	50	43
100th (1987–88)	123	66	54	57	46
101st (1989–90)	104	47	45	57	55
102d (1991–92)	109	37	34	72	66
103d (1993–94)	16	4	25	12	75

[1] Total rules counted are all order of business resolutions reported from the Rules Committee which provide for the initial consideration of legislation, except rules on appropriations bills which only waive points of order. original jurisdiction measures reported as privileged are also not counted.

[2] Open rules are those which permit any Member to offer any germane amendment to a measure so long as it is otherwise in compliance with the rules of the House. The parenthetical percentages are open rules as a percent of total rules granted.

[3] Restrictive rules are those which limit the number of amendments which can be offered, and include so-called modified open and modified closed rules, as well as completely closed rules, and rules providing for consideration in the House as opposed to the Committee of the Whole. The parenthetical percentages are restrictive rules as a percent of total rules granted.

Sources: Rules Committee Calendars & Surveys of Activities, 95th–102d Congresses; "Notices of Action Taken," Committee on Rules, 103rd Congress, through May 27, 1993.

OPEN VERSUS RESTRICTIVE RULES—103D CONGRESS

Rule number and date reported	Rule type	Bill number and subject	Amendments submitted	Amendments allowed	Disposition of rule and date
H. Res. 58—Feb. 2, 1993	MC	H.R. 1: Family and medical leave	30 (D–5; R–25)	3 (D–0; R–3)	PQ: 246–176 A: 259–164 (2/3/93)
H. Res. 59—Feb. 3, 1993	MC	H.R. 2: National Voter Registration Act	19 (D–1; R–18)	1 (D–0; R–1)	PQ: 248–171 A: 249–170 (2/4/93)
H. Res. 103—Feb. 23, 1993	C	H.R. 920: Unemployment compensation	7 (D–2; R–5)	0 (D–0; R–0)	PQ: 243–172 A: 237–178 (2/24/93)
H. Res. 106—Mar. 2, 1993	MC	H.R. 20: Hatch Act amendments	9 (D–1; R–8)	3 (D–0; R–3)	PQ: 248–166 A: 249–163 (3/3/93)
H. Res. 119—Mar. 9, 1993	MC	H.R. 4: NIH Revitalization Act of 1993	13 (D–4; R–9)	8 (D–3; R–5)	PQ: 247–170 A: 248–170 (3/10/93)
H. Res. 132—Mar. 9, 1993	MC	H.R. 1335: Emergency supplemental approps.	37 (D–8; R–29)	1 (not submitted) (D–1; R–0)	A: 240–185 (3/18/93)
H. Res. 133—Mar. 17, 1993	MC	H. Con. Res. 64: Budget resolution	14 (D–2; R–12)	4 (1–D not submitted) (D–2; R–2)	PQ: 250–172 A: 251–172 (3/18/93)
H. Res. 138—Mar. 23, 1993	MC	H.R. 670: Family planning amendments	20 (D–8; R–12)	9 (D–4; R–5)	PQ: 252–164 A: 247–169 (3/24/93)
H. Res. 147—Mar. 31, 1993	C	H.R. 1430: Increase public debt limit	6 (D–1; R–5)	0 (D–0; R–0)	PQ: 244–168 A: 242–170 (4/1/93)
H. Res. 149—Apr. 1, 1993	MC	H.R. 1578: Expedited Rescission Act of 1993.	8 (D–1; R–7)	3 (D–1; R–2)	A: 212–208 (4/28/93)
H. Res. 164—May 4, 1993	O	H.R. 820: Natl. Competitiveness Act	N/A	N/A	A: Voice Vote (5/5/93)
H. Res. 171—May 18, 1993	O	H.R. 873: Gallatin Range Act of 1993	N/A	N/A	A: Voice Vote (5/20/93)
H. Res. 172—May 18, 1993	O	H.R. 1159: Passenger Vessel Safety Act	N/A	N/A	A: Voice Vote (5/24/93)
H. Res. 173—May 18, 1993	MC	S.J. Res. 45: U.S. forces in Somalia	6 (D–1; R–5)	6 (D–1; R–5)	A: Voice Vote (5/20/93)
H. Res. 183—May 25, 1993	O	H.R. 2244: 2d Supplemental Approps.	N/A	N/A	A: 251–174 (5/26/93)
H. Res. 186—May 27, 1993	MC	H.R. 2264: Omnibus budget reconciliation	51 (D–19; R–32)	8 (D–7; R–1)	

Code: C-Closed; MC-Modified closed; MO-Modified open; O-Open; D-Democrat; R-Republican; PQ: Previous question; A-Adopted; F-Failed.

□ 1410

Mr. Speaker, I reserve the balance of my time.

Mr. DERRICK. Mr. Speaker, I yield myself such time as I may consume.

I would suggest that people back home want to do away with the deficit, and that is what we are trying to do.

Mr. Speaker, for purposes of debate only, I yield 2 minutes to the gentleman from Texas [Mr. FROST].

Mr. FROST. Mr. Speaker, as a Democrat from an oil producing State, I rise in support of this rule and in support of the budget reconciliation bill.

For those of us from States like Texas, the easy vote would be to vote "no." Energy taxes are never popular in our part of the country, and the Btu tax has drawn a significant amount of criticism from oil and gas producing areas.

However, opposition to the President's program simply because it contains a controversial energy tax would be the wrong thing for this country.

The rule before us provides a fair framework to consider legitimate deficit reduction legislation.

And it is time that we considered legitimate deficit reduction legislation.

For 12 years, Ronald Reagan and George Bush paid lipservice to the deficit, but that is all. In the form of tax breaks for the wealthy, they served up spoons of sugar and told the American public it was strong medicine. Meanwhile, our budget deficit has grown out of control and our economy has become dangerously ill.

We now have a President with the guts to prescribe more than a placebo.

President Clinton has proposed a deficit reduction plan that lays out specific spending cuts and specific revenue sources. He has the courage to tell the American public that all is not well—that we can't expect our economy to get better taking the easy road or by doing nothing at all.

Yes the choices are tough. And, of course, today's vote will be hard. But, those of us in this body must join the President in telling the American public the truth.

The Btu tax proposed by the President spreads the burden of deficit reduction broadly, and in a fair and equitable fashion. It is part of an economic program that will result in substantially stronger economic growth due to declines in long-term interest rates, investments in education, and incentives for business investments. In the long run these positive economic factors will more than offset the burden of a Btu tax and will give working people in my State, and across this Nation, renewed hope and real opportunity.

Alternatives, such as an increase in the tax on gasoline or a reduction in Social Security benefits would hit my State much harder than a Btu tax. Those alternatives would once again place the biggest burden of deficit reduction on the backs of the poor, the elderly and middle-income working Americans.

And, of course doing nothing is not an alternative, it is forfeiting our responsibility to the American public. We can't wink and make the deficit go away. We can't talk it down or smile it into submission. We have to tell the American public the truth and make tough choices.

We now have a President with the guts to lead the way. Those of us in Congress need to join him or get out of the way.

□ 1420

Mr. SOLOMON. Mr. Speaker, I yield such time as he may consume to the gentleman from Nebraska [Mr. BARRETT].

Mr. BARRETT of Nebraska. I thank the gentleman for yielding time to me.

Mr. Speaker, I rise in opposition to the rule and to the budget reconciliation.

Mr. Speaker, sometimes it is hard to tell just where to start; today it is nearly impossible.

Do I use by time to talk about irresponsible parliamentary procedure, or the failed budget process that brings us here to debate spending and taxing plans under which $300 billion deficits are acceptable and considered progress?

Do I use my time to talk about the disastrous Btu tax, or the fact that, taken as a whole, we are considering the largest tax increase in history? Or, I could start on whether the legislation before us is fair. It is not.

Again and again over the years, this urban-dominated body has not dealt fairly with rural America. Today, you are again asking the most productive sector of the economy—agriculture—to ante up more than its fair share.

We are debating perhaps the most important piece of legislation of this Congress, and we have only a total of 4 hours, after which we have only two choices: Take the majority's huge, comprehensive bill or take the minority's.

No chance to fine tune. No chance to individually amend any of the major provisions. No chance to balance and make more equitable the sacrifices that are inevitable with any real deficit reduction effort.

No. It is just up or down. Take it or leave. And then make sure you get on your plane this evening for Memorial Day recess. No wonder the country has such little faith in its Congress.

I could spend a couple of hours alone on my objections to farm spending cuts and the energy tax. I don't have time to also explain my opposition to the direct loan program, to the deficit reduction trust fund, to the Social Security provision, and so forth. And that's before we even get to the fine print, to such thing buried deep in the bill as irrigation surcharges.

Mr. Speaker, because time is so limited, I will sum up at this point by simply saying that I will be voting "no" today—"no" across the board. I will then more fully explain to my rural constituents why this is the vote that best represents their interests.

On taxes and agriculture, the majority's bill will impose a $72 billion energy tax and cut $3 billion from agriculture, more than enough to sap the energy out of farming. With the energy tax, farmers will ante up nearly $1 billion per year in out-of-pocket costs, despite the fact that agriculture got a partial exemption from the full effects of the energy tax. But ask any farmer what it is like to be partially exempted and you will hear that it is like being partially pregnant.

The fact is, nearly 10 percent of the energy tax will be shouldered by farmers and ranchers, who constitute less than 2 percent of the population.

Farmers, who will have to pay the full energy tax on fertilizers, electricity, and pesticides, and who will have to pay the full energy tax for transporting their products to market, will now have to compete on a playing field with foreign producers made even more unlevel by the Btu tax. The energy tax will destroy the $16 billion-plus agriculture trade surplus.

Moreover, because the bill increases the Inland Waterways Fuel Tax by 250 percent, transportation costs on the Mississippi Basin will increase, further exacerbating our competitiveness, and driving down domestic prices at the county elevator.

For Nebraska, which is the No. 1 agriculture exporting State per capita in the Nation, the Btu taxes and the 250-percent increase in the inland waterway fuel tax are nothing short of disaster.

On cuts in farm spending, I have serious concerns about the adverse economic impact on our agriculture producers of taking more than $3 billion out of their programs over the next 5 years. Both the majority's bill and the minority's ask agriculture to sacrifice more than its share.

I cannot find the equity or fairness in these spending cuts to an industry that has already taken, on average, a 9 percent cut each year since 1985. These cuts will come directly out of farm income and will further weaken the economic condition of many farmers.

And, Mr. Speaker, your bill asks us to swallow this at the same time we're expected to agree to more than a $7 billion increase in food stamp spending, a program that has more than doubled in cost in the last 10 years. Maybe your logic is that once you put the farmers out of business, they will swell the welfare roles.

My major objection to the majority's reconciliation package for agriculture is the 5 percent increase in the unpaid flex, or triple base acres, for a cut in farm spending of nearly $2 billion. This reduction comes on the heels of the 1990 budget reconciliation provision that just 2 years ago stripped the farmers of 15 percent of their cropland benefits.

And the bill increases flex acres without any corresponding reduction in conservation compliance requirements on those acres. This is simply not fair or sound policy.

According to the Food and Agricultural Research Policy Institute at the University of Missouri, a 5-percent increase in flex acres will reduce payments almost dollar for dollar from net farm income. For example, the study projects corn farmers' returns will decline around $3 per acre; wheat farmers' returns will fall by $1–$1.50 per acre; and cotton and rice returns will drop by $3–$5 per acre under this package.

How can we continue to ask for more and give less? This concept does not work in the business world, and it is not going to work through another Government program. This philosophy of reducing farm program spending and increasing mandates, is putting agricultural policy on a collision course with disaster.

I also have concerns about the proposal in the majority's bill to save $500 million by reorganizing the local USDA offices into single Farm Service Agencies. What happened to the top-to-bottom approach of reorganization? What happened to streamlining Washington and regional offices before cutting farmers' direct services.

Concerning the direct loan proposal as outlined in the majority's bill, I register my strong opposition. I find it somewhat ironic that included in a deficit reduction bill is a new direct loan program whose savings are, at best, dubious.

I had hoped that the gentleman from Tennessee [Mr. GORDON] could have offered an amendment to replace the direct loan provisions with those from H.R. 2219. H.R. 2219 would achieve the necessary budget savings by making changes in the current student loan system, rather than making a wholesale change to a direct loan system.

Direct loans, we are told, will miraculously save roughly $4.3 billion, yet we do not know for sure if direct loans will actually save that money. This is an entirely new program—untested.

H.R. 2219, on the other hand, would make real cuts in spending and provides real revenue to the Government from the current student loan system. This alternative would not force the Government to borrow $20 billion a year for the next 20 years, which is the case under the direct loan proposal.

H.R. 2219 would allow the $500 million-plus direct loan demonstration project, which Congress agreed to just last year, to continue. And, if this demonstration program proves that real savings to the Federal Government can be achieved and still provide loans to students, then I will be more than happy to join the proponents of direct loans in shelving the current program.

But alas, we will not have an opportunity to vote on H.R. 2219's provisions because Mr. GORDON decided not to try his amendment to the budget reconciliation bill, knowing of course that the script was already written for a closed rule. I only hope that Members from the other body will have the vision to replace the direct loan program with sensible and money saving changes in the current guaranteed student loan system.

Concerning the fine print, buried deep in the majority's bill is something rather innocuously known as the irrigation surcharge. Now, the word "surcharge" makes me believe that someone is aware that those who use water from Bureau of Reclamation facilities are already paying for this water—and I hope they know that these users are also paying for original construction costs and for the maintenance of these facilities.

And I hope they realize that a 50- or 75-cent charge for an acre-foot of water translates into dollars per acre of land. But my concerns about this surcharge go beyond the expenses this package would impose upon our Nation's agricultural producers. I am also concerned that this is so open ended—it comes with floors but no ceilings—and also that as we try today to put the budget in order we are creating another new spending program, one with no clearly specified goal.

In this instance we are not asking the Nation's irrigators to pitch in to help solve our budget problems. We are not asking for 50 or 75 cents to help retire the debt. We are not even asking them to help the gentleman from Wyoming finally fix the Buffalo Bill Dam.

So if it is not for these things, then I must ask just what it is for—why are we demanding that they choke up $67 million over the next 5 years? Not deficit reduction? Not improvements to reclamation projects that so many Americans enjoy for so many reasons? And what are these new unspecified spending programs? Is it really mitigation for unspecified environmental damages? I invite my colleagues to vacation Nebraska this summer and show me the damage.

Mr. Speaker, this is not reconciliation, this is punitive.

You know, try as we might, these big bulky pieces of paper we call budgets often do not do as they are told.

And I wonder what happens when this particular program fails to do as it is told—what if it fails to bring in the $10 or $15 million it is expected to raise each year? What happens in the wet years—farmers will take it from the sky when they can get it—will the Bureau double the charge to make up for water not used? And the dry years? Farmers already pay for water that might not be there in the summer—will the farmer be penalized for not using enough water?

And for every irrigator for whom this is the last straw, does that pass the cost along to whoever's left?

Mr. Speaker, the so-called irrigation surcharge adds more uncertainty to an uncertain business. Agriculture is not unique in being an uncertain business, but it has gotten to the point where the Nation's agricultural producers are not asking for us to give them a break—they are only asking that we stop piling up.

It is late in the month but early in the year—at least that is what a lot of us were thinking as we sat here until 11:30 last night. Let us take the time to think about the consequences of this package now, not in 2 years when we cannot find anyone who will admit to voting for it.

Mr. SOLOMON. Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio [Mr. REGULA].

Mr. REGULA. Mr. Speaker, I rise in strong opposition to the bill. This will cost Ohio 24,000 jobs, $1.3 billion in economic activity, and will depress our ability to compete in the world marketplace.

Mr. Speaker, I rise in opposition to this bill and want specifically to address my comments to the proposed energy tax. Most Americans probably have not focused on this issue, but they should.

This is a tax that will hit and hurt everyone in this country. It will increase the cost of energy in your home, it will increase the cost to produce and buy consumer goods and services, and will reduce our competitiveness in a global economy—that is, this tax will cost American jobs.

This tax is inequitable for a number of reasons, not the least of which is the geographic imbalance. It could prove devastating to the industrial Midwest, a region of the country which has yet to feel the full brunt of the recently enacted Clean Air Act amendments. Ohio is already poised to take a hit from the substantial expense of complying with the Clean Air Act. Compliance costs will actually peak in the 1997–2000 period, precisely the time the Btu tax burden reaches its peak.

Ohio, for example, ranks third in terms of total energy consumption and electricity consumption. Accordingly any energy tax will have a substantial impact on Ohio consumers both residential and industrial.

A broad-based energy tax is counterproductive to the President's goals, which I share, of improving economic growth and employment opportunities. In fact I believe it will result in slowed growth and cost American jobs by making our goods and services less competitive in the global market place.

Ohio and the Midwest in general, have been leaders in the Nation's economic resurgence. Manufacturing and exporting have been at the heart of the economic turnaround. The energy tax poses a substantial threat to some of the most successful and competitive elements of the Ohio economy and for many other regions dependent on heavy industry, manufacturing and exports.

Just a cursory review of the estimated impacts in Ohio alone are cause for concern. The Btu tax would take $1.3 billion from Ohio consumers and businesses, representing a 6.3 percent increase in the State's total energy costs. Three out of every ten manufacturing jobs in Ohio are in energy-intensive industries, 25 percent more than the national average. One out of every six Ohio manufacturing jobs is tied to exports, 10 percent more than the national average. The Btu tax would hit imported oil—but not energy-intensive imported products like cars, trucks, steel, and so forth, which would take jobs away from Ohio.

As a major industrial, energy-intensive State, Ohio would pay nearly 6 percent—three times its share—of the estimated $22 billion raised yearly by the energy tax.

The proposed Btu tax is estimated to cost 24,200 jobs in Ohio alone and 400,000–600,000 nationally adding about a one-half percent to the unemployment rate. Revenue estimates for this tax have not factored in added costs such as the attendant unemployment costs. An analysis by the Ohio Inter-Agency Task Force on the energy tax concluded that Ohio could lose six times as many jobs under an energy tax as it would under equivalent levels of reduced Government spending.

Energy costs are a key component in the cost of manufacturing and, one advantage U.S. industries currently enjoy over virtually all of their foreign competition, is lower energy prices. Despite increases in U.S. commercial-industrial electricity rates during the last 2 years, U.S. rates remain among the least expensive compared to rates in industrialized countries worldwide according to a survey by National Utility Service. If we are to strengthen the economy it will come in large measure through improving our competitive position in the global market place.

In recognition of this, other nations are now starting to reduce energy taxes. Sweden, for example, has lowered its energy tax on manufacturing companies by 85 percent.

Other nations also enjoy other competitive advantages. For example, we burden U.S. industries with costs related to such matters as OSHA, workers' compensation, EPA regulations, product liability and so on, that many of our foreign competitors do not have to contend with. Raising the cost of energy in the United States will deprive U.S. industry of one of its few advantages and place our global competitiveness in further jeopardy.

In general, the energy tax harms the economy nationwide by reducing the overall level of business activity—especially new investments that are critical for growth. Taxing the sectors of the economy that need to grow will only stifle economic growth.

The Btu tax will place most U.S. industries at a substantial competitive disadvantage in world markets. Access to reasonably priced energy resources is one of the United States' competitive edges in the global market. Increasing energy costs would disadvantage companies that export their products to foreign markets. The export will become American jobs as industrial production moves overseas to avoid higher overall costs in the U.S. imposed through the energy tax.

The Ohio Governor's Task Force concluded that reduced Government spending is more balanced and does far less damage to the economy, while providing the same deficit reduction benefits. If Ohio is any barometer the American people want us to take a harder look at the spending side of the equation before we act to impose the largest new tax burden in the Nation's history.

Additional spending cuts, fewer regulations, and business incentives should all be explored before imposing this potentially devastating new tax. We should consider incentives for growth in productivity, industrial investment, and exports—the true sources of job growth in a world economy. We should also explore incentives for energy efficiency and environmental improvements that directly support the environmental goals of the administration's proposals without incurring their inherent economic risks.

Mr. SOLOMON. Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois [Mr. MICHEL], our very distinguished Republican leader.

Mr. MICHEL. I thank the distinguished gentleman, the ranking member of the Committee on Rules, for yielding this time to me.

Mr. Speaker, I rise today in opposition to this rule.

A vote against this rule is a vote for giving every Member of the House a chance to do what we would like to do, vote up or down on the energy tax and possibly several other significant amendments that have broad-based support on both sides of the aisle.

I know Members of the other side have been under intense pressure to become Clinton clones. I know there have been little consciousness-raising sessions to stampede you toward the biggest tax rise in history, like lemmings headed over a cliff.

You have been told this is a procedural vote, some of you more junior Members; that it is only a parliamentary question. But make no mistake about it, this is not a procedural vote, it is a substantive vote that denies us the opportunity to open up the rule, to get at the Clinton energy tax.

And as I indicated, there would be those who would have other amendments to offer.

I went to the Committee on Rules and testified, along with Ms. SNOWE, on behalf of the amendment that we jointly sponsored to eliminate the energy tax.

Think for a moment about what the Clinton energy tax really means. It is not only a whopping $72 billion tax out of the pockets of all Americans over the next 5 years; it also represents a broken promise, as was so well stated by the gentleman from New York [Mr. SOLOMON].

Candidate Clinton promised middle-income Americans a tax cut, and President Clinton, now, wants to thrust on middle-income Americans an enormous tax increase in the form of the energy tax. And make no mistake about it, it cuts right across the board to each and all. So much so, recognized by the administration, that they have in there an item for an increase in earned income tax credit of something like $28 billion, an increase of the Food Stamp Program of over $7 billion now bringing that program to a total of $32 billion, to make up for the losses of lower income Americans who would suffer from the energy tax.

At exactly the same time in American history when the American people are sickened to death of political cynicism can we in all conscience vote for a rule which in effect ratifies a broken promise? Make no mistake about it, I will tell you there is not one job created by this energy tax; it is a job loser.

And I might say to the gentleman who just preceded me in the well, if the Tax Foundation's figures are correct, he loses roughly 1,008 jobs by the enactment of the energy tax in his district. In my district the job loss would be 1,146. If those on the other side of the aisle vote for this rule, you may please your leadership today and the White House may be grateful to you tomorrow, but what about your constituents who are going to have to live with the effects of your vote in the weeks and months after today and tomorrow?

Day after day, tomorrow after tomorrow, in every purchase they make, every trip they take, in every school, in every church, in every workplace, in every home, in ways that they may not even be aware of, the Clinton energy tax will be a silent, greedy destroyer of their family budget. And they will remember who set loose this dreadful virus into the economic bloodstream of our Nation.

Let us face it, the Clinton White House is out of touch, it is out of sync, it is out of ideas, it is out of excuses, and out of control. The American people are out of patience. And if you vote for this rule, you will put them permanently out of pocket and out of work.

I urge you to vote against the previous question and against the rule. Vote against government by broken promises; vote against the most insidious, invidious, pestiferous, omnivorous, depressive, regressive, voracious, and audacious tax in American history.

I urge you to vote "no" on the rule.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 2 minutes to the gentleman from Oklahoma [Mr. SYNAR].

Mr. SYNAR. Mr. Speaker, there is a cancer growing in our Nation's fiscal body and that cancer is the bulging Federal deficit. The choice the House faces today is between whether we embark on a bold yet painful course of treatment for the cancer or whether we further delay while the cancer grows and festers and continues to eat away at the economic vitality of our Nation. The choice will determine whether our Nation returns to fiscal health and the lives of our citizens become more fruitful and productive or whether we continue to slowly deteriorate as a Nation that lacks the discipline, leadership, and self-sacrifice to correct its profligate ways.

The President was elected to treat this cancer and he has courageously done so by proposing a balanced, disciplined treatment plan that is expected to reduce the deficit by more than $500 billion over the next 5 years. It is the largest deficit reduction plan ever proposed and it relies on both spending cuts and tax increases for deficit savings.

The President's plan is not perfect. If it is enacted the budget deficit 5 years from now will still be high. But without the President's plan, the deficit will be more than 40-percent higher than it is today. The President's plan does include large tax increases and there has never been any such thing as a good tax.

The Btu tax, which constitutes the core of the President's revenue raising proposals, will be especially tough for Oklahoma with its heavy reliance on energy production and energy intensive industries. But the Btu tax is preferable to any other proposed tax—it is the best of a bad lot. A carbon tax, a gasoline tax, an ad valorem tax, and an oil import fee all have significant problems that make them worse for industry and our national energy policy. There is simply no other attractive alternative that raises the revenues needed for meaningful deficit reduction.

In addition, the impact of the Btu tax on the families in my district will be relatively modest. The Congressional Budget Office estimates that a family earning $40,000 annually will pay a dollar a month for the Btu tax in 1994, $7 a month in 1995 and $10 dollars a month when the tax is fully phased in by 1996. The impact of the Btu tax on families earning less than $25,000 a year will be more than offset by the proposed expansion of the earned income tax credit. In fact, the accounting firm of Arthur Anderson has found that taxes will actually decrease for a family of three earning less than $25,000.

The taxes in the President's plan are only acceptable, and only worth the pain they will cause for my constituents and our Nation, if they are matched by spending cuts that will double the impact of this plan on the deficit cancer. The President's plan does this. The plan before us today provides for $246 billion in spending cuts. These cuts are largely achieved by freezing discretionary spending at current levels from now until 1998. The plan also contains significant spending cuts in the major entitlement programs such as Medicare, Medicaid, and agriculture, plus reductions in costs for Federal personnel. The $246 billion in spending cuts represents real, substantial spending reductions that will take direct aim at curing our stifling deficit malady.

This bill also provides for budget enforcement mechanisms to ensure that revenue increases and spending cuts are devoted to deficit reduction. The entitlement review process, the trust fund, and the pay-as-you-go rule will help strengthen those in Congress who may otherwise lack the discipline to cut the deficit during the coming years.

We in the House, especially Democrats, were also elected to attack the deficit cancer. This plan gives us that chance. Today we have the opportunity to fulfill the promises we made last November. This plan isn't perfect. But it's honest, balanced, real deficit reduction that deserves enactment.

There are always a thousand reasons to say no. The Continental Congress could have postponed consideration of the Declaration of Independence to explore alternatives. Lincoln could have returned the historic envelope for further staff work and not delivered a speech at Gettysburg. Churchill could have delayed the sailing of the rescue fleet to the British Army trapped at Dunkirk until he was quite sure he had the optimal mixture of boats. Wellington at Waterloo could have delayed attacking Napoleon until all the options had been thoroughly reviewed.

In each case the consequences of inaction in a vain attempt to clutch at something even better would have been disaster. This is also such an occasion. We are about to tell the world whether we can grasp our economic destiny or we let the hopes for our future slip between our fingers.

As Shakespeare said, "there is a tide in the affairs of men which taken at the flood leads on to fortune; omitted, all the voyage of their life is bound in shallows and in miseries * * *"

This is such a crossroads. I urge a vote for this bold initiative, and let us begin to cure the cancer.

Mr. SOLOMON. Mr. Speaker, I yield 2 minutes to the very distinguished chairman of the Republican conference, the gentleman from Texas [Mr. ARMEY].

Mr. ARMEY. I thank the gentleman from New York for yielding this time to me.

Mr. Speaker, in order to put this bill in perspective, we must see its real impact on the real lives of the real people in our real home districts.

For example, despite all the allegations of job creation for this process that the President has introduced, the Tax Foundation has concluded that the energy tax alone will kill 734 jobs in the district of the gentleman from Oklahoma [Mr. SYNAR], who just spoke. In my district in Texas, if this is passed, it will kill 1,463 jobs.

□ 1430

We cannot afford to lose those jobs. This package was put together by the Democrats without inclusion or participation by the Republicans.

We will have many, many Members of Congress who will go home and say to their districts, "I would like to have had a separate vote on the energy tax or the Social Security tax increase or any number of other things, but the rules would not allow it."

Let us be clear about this today. If you vote "yes" on the moving of the previous question and "yes" on this rule, you vote for a rule that does not allow a separate vote on the energy tax.

The American people cannot run away from that tax if it is imposed on them, and the Members of Congress cannot run away from the vote that makes that tax an essential part of the only vote you get.

This fact is recognized by such public interest groups as the Americans for Tax Reform, the National Federation of Independent Business, National Taxpayers Union, Citizens Against Government Waste, National Association of Wholesale Groceries, the National Association of Manufacturers, and they will grade this vote as a vote to keep the tax package intact and not allow a separate vote on egregious, harmful, job-destroying taxes. You better understand that.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 1 minute to the gentleman from Kansas [Mr. SLATTERY].

Mr. SLATTERY. Mr. Speaker, in the 1 minute that I have, I want to focus on the effect the Btu tax will have on agriculture.

Based on the information I have from Kansas State University, the Btu tax, when fully implemented, would cost the average family farm in eastern Kansas about $520 a year. That is just part of the story.

The other side of the story has not been focused on, and that is the increase in the ability of farmers to expense depreciable assets. If they only take advantage of $5,000 of the additional expensing available, it will more than offset the negative effect of the Btu tax.

Specifically, it will save them $132 on their income taxes if you assume the lowest tax rate of 15 percent.

It will also save them $750 on the self-employment tax that they are not going to pay on the $5,000 of additional depreciable items that they will be able to expense; $132 plus $750 equals $882.

This bill also contains the extension of the 25-percent deduction for health care. That is worth $112 to them.

Add it up, $994, and if you want to go on, if they are making $20,000 a year, if they have two children at home, they will save $1,025 on the earned income tax credit.

So, Mr. Speaker, I urge my friends who are concerned about how this tax bill will affect agriculture to take the whole package into consideration. The Btu tax is not good for agriculture, but other provisions in this bill are good for agriculture.

Mr. SOLOMON. Mr. Speaker, I yield 2 minutes to the very fine gentleman from Sanibel, FL, Mr. GOSS, a member of the Committee on Rules.

Mr. GOSS. Mr. Speaker, according to the Tax Foundation, the energy tax will kill 911 jobs in the district of the Member who just spoke. In my district we will lose 907 jobs that we cannot afford to lose.

The American people are all too familiar with the dangerous mischief that happens when deals are made late at night, behind closed doors in this House. Tragedy has struck again. The President promises the biggest deficit reduction in history. The reality is that this will be the biggest letdown in history. The certainty is that taxes are going up—that is one thing you can believe. And those taxes will bite hard on the elderly and middle class, not just the rich, 10 million seniors—many on fixed incomes—and every family will feel this bite.

More dismaying, this tax is retroactive—the Democrats have secretly been running the meter since December 1992 and now they are sending us the bill. Do not forget that the $100 billion health plan is on the way and the White House tells us it is to be paid for with still more other new taxes.

Why do I not believe all the promises made by the President and the Democrat leadership about the supposed good news in this bill? For starters, I am skeptical because, with one exception, the Democrat leaders would not allow a vote on any amendments to replace taxes with spending cuts. They would not allow proposals to cut waste despite well-thought-out ideas from both sides of the aisle. Not a promising way to debate what the Democrats are labeling the most important vote to date in this Congress. I am skeptical because when the spin doctors' spin spins down, what is left is the stark harsh reality that there is no plan to balance the budget.

I am skeptical because, after 5 years of sacrifice, the national debt under this plan will be 25 percent higher—another trillion dollars we just do not have. I am skeptical because this plan breaks the faith with every American who has ever paid into Social Security by redirecting those funds to non-Social Security programs. And I am skeptical because all the taxes come first under this plan, and all the spending cuts are promised for later, much later.

The vote on this rule is a vote on whether to raise taxes on all Americans or whether to cut spending first. It is not a partisan question.

The Rules Committee heard hours of testimony from Democrats about the dangers of President Clinton's taxes; 27 amendments went down in flames in the Rules Committee about 4 o'clock this morning because the Democrat leaders know the new taxes can not withstand open scrutiny. Yes, I and many Americans are skeptical about the promises, outraged about the gagging process in the Rules Committee, and deeply anxious about the results.

Mr. Speaker, we have got to defeat this rule. We have got to go back and do better. Americans deserve better. Vote "no" on the rule.

Americans are making themselves heard. One Washington State couple said it best:

> When a few elected Representatives, sitting as a committee, can completely control what action will be allowed on the floor of the full House of Representatives . . . certainly the vast majority of the citizens of this country have absolutely no representation in the proceedings of the Federal Government. This is unbelievable and must be stopped. It approaches dictatorship.

Mr. Speaker, these are your constituents. Vote "no" on this rule because Americans want to cut waste, not raise taxes.

PARLIAMENTARY INQUIRY

Mr. SOLOMON. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore (Mr. McNULTY). The gentleman will state it.

Mr. SOLOMON. Mr. Speaker, I note a number of Members have been seeking to ask Members to yield and, of course, everyone knows that we are hard pressed for time. We have very little time. Even our speakers have 1 minute each.

Would it be in order to ask unanimous consent to extend this 1-hour debate for an additional half hour? If so, we on this side will be more than happy to yield to any speaker who would request it of us.

The SPEAKER pro tempore (Mr. McNULTY). The gentleman from South Carolina has not yielded to anyone for that purpose.

Mr. SOLOMON. Then, Mr. Speaker, I would just say to the gentleman from South Carolina, if he wishes to propound that unanimous-consent request, we would be glad to yield to the gentleman from Kansas [Mr. SLATTERY], a respected Member, or anyone else, if we could expect reciprocal treatment from the other side.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 3 minutes to the gentleman from Georgia [Mr. LEWIS].

Mr. LEWIS of Georgia. Mr. Speaker, I want to thank my good friend for yielding this time to me.

Mr. Speaker, I rise today in support of the rule. We have the opportunity to put our economic house in order. Today, we have an opportunity to add greater fairness to our tax system. With this new administration and thi

Congress, we have an opportunity to begin anew.

If we fail to pass this legislation, we will send the message to the American people that we cannot govern. The American people will surely lose faith in us all.

We must give this President a chance. We must give his economic plan an opportunity to work. During the past 12 years, we have had to live with economic policies that have steered us in the wrong direction.

The Ways and Means Committee, under the leadership of a great chairman, has put together a real proposal—not gimmicks. It is a very real bill and it is the essence of President Clinton's plan.

This plan is not a cure-all, but it will be a significant step down the long and difficult road of economic reform. This plan truly puts us on the right track of deficit reduction.

Mr. Speaker, I am sick and tired of the naysayers and Nervous Nellies who are saying there are not enough cuts. This proposal is fair. No one has told us that it would be easy. We must pass the plan now because there is no better opportunity and no better plan.

We must keep in mind that our economic problems did not happen overnight. The economic problems will not be solved with one vote nor will they be solved with a wave of a magic wand. We must make it clear that when we cast our vote, there will be no free lunch. The time has come for those who can most afford it to pay their fair share.

We are all in this together. We must act now because time is not on our side. The clock is ticking and the people are watching.

What we do today is not just good for this generation of Americans. It will be good for unborn generations. It redefines our priorities because we will shift emphasis to investment in basic human needs and deficit reduction.

If we do not pass this plan, we will not be able to do much to create jobs or provide comprehensive health care for all of our people.

We must build together a new economic order. By ratifying the budget reconciliation plan, we will build a more solid foundation for the economy.

In supporting this plan, we will put gridlock behind us. We will help make ours a better and more humane Nation. And we will create a greater sense of community.

It was 25-years ago when Senator Robert F. Kennedy said, "Some men see things as they are and say why. I dream of things that never were and say why not."

So today, Mr. Speaker, I urge my colleagues to dream dreams—to have a vision for a different America—for a better America—for a new America.

□ 1440

Mr. SOLOMON. Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan [Mr. CAMP].

Mr. CAMP. Mr. Speaker, yesterday myself, Mr. KLUG, and Mr. GREENWOOD went before the Rules Committee to offer an amendment that gives the President's child immunization plan a needed shot in the arm and saves taxpayers a billion dollars.

Guess what? President Clinton's immunization proposal in the majority's reconciliation bill creates a new entitlement program. I have only been here one term, but I thought the idea of a reconciliation bill was to control spending, not explode spending. It is inappropriate and irresponsible.

But that is not the half of it. The problem is the President and the majority's immunization plan does nothing to see that kids get vaccines. Sure, it will buy vaccines and put them on the shelves, but what about seeing to it that parents get their children the shots they need to protect them from life threatening diseases—132 kids died from measles alone over a 3-year period.

But the reason these kids don't get their immunizations is not because there aren't enough vaccines; 5,000 public health clinics across America offer free immunizations to any, and let me emphasize this, any kid that walks through their front door.

The problem is parental responsibility. My proposed amendment is a comprehensive plan that promotes parental responsibility by motivating parents with discretionary State government incentives, improvements in the delivery system, and making sure kids who need shots get them.

But the Democrat majority would not let us offer this amendment on the floor today. Even though the studies show it works; the Department of Health and Human Services likes it; and, President Clinton said in endorsing this approach, "I thought that was a good idea."

Mr. Speaker, without this amendment taxpayers will be having more of their hard earned money spent on an entitlement program that will not work.

But even sadder yet is that kids across America will suffer because this House has not taken a stand to protect them.

Mr. SOLOMON. Mr. Speaker, I yield 2 minutes to the distinguished ranking member of the Committee on Government Operations, the gentleman from the Commonwealth of Pennsylvania [Mr. CLINGER].

Mr. CLINGER. Mr. Speaker, at the outset let me just note that according to the Tax Foundation, the energy tax will kill 2,218 jobs in the district of the Member who just spoke. In my district will lose 934 jobs that we cannot afford to lose.

Mr. Speaker, I have a great recommendation for the Joint Committee on the Reorganization of Congress—abolish committees. Of course, Mr. Speaker, I am being facetious, but this rule and the tax increase bill pending before the House today shows why my recommendation is not that ridiculous.

The rule pending before the House self-executes the recommendations of seven House committees. In the case of the budget process reforms, none—I repeat—none of the recommendations were ever debated in the committee of jurisdiction, the Government Operations Committee. The committee held only a brief hearing, and let me mention that OMB Director Panetta canceled his appearance at this hearing just hours before it began. The bill was withdrawn by the chairman before it could be marked up by Members elected by the American people. Instead, unelected Democratic committee staff simply sent legislative language directly to the Rules Committee.

Despite the nearly one dozen amendments prepared by minority members, no opportunity was given to members from either side of the aisle to amend these budget reform recommendations. Ironically, in the letter transmitting the budget process recommendations to the Rules Committee, the chairman urged that no other budget process amendments be made in order because they would not have proceeded through proper committee consideration. Had that principle been applied to this bill, perhaps we would be considering a meaningful entitlement cap, discretionary spending constraints which would result in a smaller deficit, and a deficit reduction trust fund with real teeth.

I have always argued that when the appropriate committee of jurisdiction is not given the opportunity to amend legislation heading to the full House, it is critical that the Rules Committee provide as open an opportunity as possible to amend the bill once it reaches the floor. Unfortunately, in the world's most democratic body, neither the majority nor the minority will have the opportunity to fully debate and amend this far-reaching legislation either in a committee or on the House floor.

Had we had the opportunity in committee, we would have offered meaningful amendments which would, first, have eliminated baseline budgeting, second, strengthened the definition of the term "emergency" to ensure that supplemental spending bills cannot be considered every time the President or Congress needs to pay off some special interest group, third replace the phony trust fund which Alice Rivlin described as a "display device" with a meaningful fund which would have actually reduced the deficit, and fourth, imposed strong spending caps which would have limited spending to a percentage of the gross domestic product. Our list goes on and on.

Mr. Speaker, reject this rule and send the bill back to the committee of jurisdiction where it belongs.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 1 minute to the gentleman from Pennsylvania [Mr. FOGLIETTA].

Mr. FOGLIETTA. Mr. Speaker, I rise today in support of this rule and the President's reconciliation package.

I would say to my colleagues that today is the day for us to stand up and be counted.

In last year's election, we all had to apply for our jobs. Those of us who returned, came with a clear mandate. Make the tough choices. Cast tough votes. Make change. Do something. I remind my colleagues about one of our former colleagues, Jim Florio. Jim, after being elected Governor of New Jersey, had to make some tough decisions to turn his State around. Maybe he was not always as diplomatic as he should have been. But he was a leader. He made change in New Jersey.

This month Jim Florio received the Profile in Courage Award from the John F. Kennedy Library. Bill Clinton is also taking those same courageous positions.

The question today is: How many profiles in courage sit in the well of this House? How many of us will stand up and be counted? Show courage. Vote for the budget reconciliation package.

Mr. SOLOMON. Mr. Speaker, I regret that I only have 2 minutes to yield to the gentleman from California [Mr. THOMAS], one of the very distinguished Members of this body.

Mr. THOMAS of California. Mr. Speaker, I do thank the gentleman from New York [Mr. SOLOMON] for yielding this time to me, and the gentleman who just spoke, the gentleman from Pennsylvania [Mr. FOGLIETTA] loses 1,000 jobs in his district with the decision that he has made.

I want to speak to my conservative Democratic colleagues who have been told and promised a number of things, told to just go ahead and vote for the bill. The old "trust me". I want to know if they know a term we thought had been put to rest has been resurrected in this bill. It is called bracket creep.

Mr. Speaker, the red line my colleagues see in front of them is what happens to the 36-percent bracket. It starts January 1, 1993, but all of 1994, and all of 1995 the dollar amount is subject to inflation. I say to my colleagues, "That is stealing from the American people just as if you used a mask and a gun."

Now why, Mr. Speaker, do my colleagues not know that this is in the bill? It is very simple. The President's green book on page 34 said, "As under current law, the bracket will be indexed."

The Joint Committee on Taxation analysis of March 8 said, if my colleagues will notice, "The individual income tax brackets are indexed for inflation."

The Committee on Ways and Means' markup sheet said, "They are indexed," and I asked the chairman, "Since we had had this happen to us in the past, was there anything not written down that's going to happen in this bill?" The chairman told me no.

I have to tell my colleagues, "When they promise you something won't happen, and it does somebody would call that lying. Others would call it business as usual. I said that it's like stealing from the American people as though you used a mask and a gun. Others would say, "No, bracket creep was present when Carter was President, it made money."

Bracket creep has returned with President Clinton. Around here a mask is called a Democrat, and a gun is called majority rule. Some would say it's still stealing.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 1 minute to the distinguished gentleman from West Virginia [Mr. WISE].

Mr. WISE. Mr. Speaker, the gentleman who preceded me, the gentleman from California [Mr. THOMAS], has just delivered an eloquent statement in behalf of all those who make $140,000 and more, and I say to my colleague, before you quote the thousandsome jobs that an obscure tax foundation predicts West Virginia will lose, let me just say what the policies of the last 12 years from this side of the aisle, my opposition, has produced: The no hands, no guts, no policy and no jobs of the last 12 years. The real figure is 40,000 lost manufacturing jobs in West Virginia, 30,000 lost coal mining jobs, thousands in the natural gas industry. Don't talk to me about predictions. Tell me what you have done.

The fact is that for middle-income working Americans in West Virginia today the income tax rate increases do not apply to middle Americans. Indeed they apply to those married couples over $140,000 a year. The average American household will pay less than $20 per month when this is fully implemented over a several-year period, about the price of a cup of coffee. I think they are will to pay that for a sound fiscal economy with the deficit reduction and with all the other measures in here.

Mr. SOLOMON. Mr. Speaker, I yield such time as he may consume to the gentleman from Kansas [Mr. ROBERTS].

Mr. ROBERTS. Mr. Speaker, I rise in opposition to the rule.

Mr. Speaker, the Treasury Department has sent to a select group of Members this letter from Michael Levy, Assistant Secretary that says the Clinton budget package will be good for farmers, ranchers, and agriculture.

Now, as the ranking Republican on the Agriculture Committee, I did not receive a letter but I sure got the message. And the message was from a group of farmers who brought the 12-page summary from Treasury to me, said, "Can you believe this," and asked to have the record set straight.

Mr. Speaker, this letter is a hoax. It is full of distortions and deception. It ignores the weight of the permanent tax increases of farmers and softens the impact of the Btu and inland waterways fuels taxes by focusing on the phase in period for the taxes.

The farm-type examples—one in Kansas—one in Wisconsin and one in the upper Midwest—ignore irrigated acres and cotton and rice farms. Worse, with the selected examples, this document underestimated the impact of the Btu tax by 300 to 400 percent and ignored the price reduction impact for commodities that use the inland waterways.

Even the benefits are not benefits. The administration tries to claim the retention of the 25 percent deductability for farmer paid health insurance premiums. That is counting what is already on the books and everyone familiar with health care knows that deductability should be 100 percent.

They count as a benefit the expanded earned income tax credit, totally ignoring off-farm income and the lack of minor children on many farms.

But, my favorite is the attempt of Treasury to claim credit for the decline in interest rates since November as a benefit of the Clinton plan for farmers. Not one single piece of budget legislation has gone to this President for signature and the administration's own budget projections do not assume that this plan will result in reduced interest rates.

How on Earth the biggest tax hike in history, more spending and a trillion dollars of increased debt over 5 years will result in falling interest rates, I don't know.

This summary claims farm income will increase from $150 to $800 under the Clinton plan. Let us set the record straight. An analysis derived from the Food and Agriculture Policy Research Institute and from a dairy farm analysis prepared National Milk Producers Federation shows the example farms in Kansas, Wisconsin, and the upper Midwest will have farm income cut $750 to $2,000.

This document is not accurate. Up is not down, east is not west, and farmers will not be able to reconcile the Clinton administration's reconciliation.

DEPARTMENT OF THE TREASURY,
Washington, May 26, 1993.

Hon. JACK KINGSTON,
U.S. House of Representatives,
Washington, DC.

DEAR MR. KINGSTON: Enclosed is a Department of the Treasury analysis documenting that the Administration's program will improve the economic status of farm families.

Several studies have been widely circulated recently which explore the impact of Administration proposals on families in particular. They have examined the proposals in isolation rather than comprehensively and they do not necessarily reflect the provisions modified during the Ways and Means Committee markup.

The Treasury analysis adopts the same starting point as the study of a farm family in the upper mid-west, but the shortcomings are remedied in the Treasury analysis. It evaluates the full range of Administration proposals in their current form and the results reveal that the combined economic gain from investment expensing, lower interest rates, the Earned Income Tax Credit and health care changes considerably exceed the taxes. The typical farm family in the analysis will enjoy a $144 net gain from the Administration's proposals.

If you have any questions, please call me or George Tyler on my staff at 622-1930.

Sincerely,

MICHAEL LEVY,
Assistant Secretary (Legislative Affairs).

ECONOMIC IMPACT OF THE ADMINISTRATION'S PLAN ON AGRICULTURE

[Example of a Kansas Farmer]

This example illustrates the economic impact of the President's economic plan on a north-eastern Kansas farm family. The example is that of a family with income of $18,700. They have $155,000 of debt, and net worth of $275,000 (close to the regional average). The farm consists of 650 acres, producing five crops: 115 acres of wheat, 150 acres of corn, 95 acres of sorghum, 200 acres of soybeans, and 90 acres of alfalfa hay.

Over the 1994–1997 period, the family income will increase on average by $1,745 as a result of lower interest rates, the benefits of the expanded earned income tax credit (EITC), more generous investment incentives, and extension of the health insurance deduction for self-employed workers. The family will lose $953 on average from reductions in farm program benefits and the proposed Btu energy tax. The cost of the increase in the inland waterways fuel tax on the Kansas farm is estimated to be small, but difficult to quantify with precision. As described in the following pages, the proposed programs phase in over time. The benefits of the EITC shown take into account that not all farm families will qualify for the EITC, and that the benefits depend upon the number of children in the family. It is anticipated that benefits at least as generous as the proposed extension of the deduction for self-employed health insurance payments will be provided over the period. For the facts assumed in the example, the net result will be an average increase in the farm family's income of $792 (a gain of 4.2 percent) under the Administration's economic plan, as shown below.

Economic impact

Average 1994–97 benefits:	
Equipment expensing (present value)	$132
Reduced interest rates	1,318
Self-employed health insurance deduction	112
Expanded EITC	183
Total benefits	1,745
Average 1994–97 costs:	
Btu energy tax	235
Cuts in farm programs	718
Total costs	953

COSTS AND BENEFITS OF THE ADMINISTRATION'S PLAN ON FARMING

The Administration's economic plan seeks to accomplish the combined national goals of reducing the federal budget deficit, increasing investment, and restoring long term economic growth. Increased growth helps people and businesses by increasing our standard of living.

The plan requires a shared contribution from all Americans to achieve its goals, but on balance, all Americans, including farmers, will benefit. They will receive new incentives to invest in more productive equipment. Lower interest rates, resulting from deficit reduction, will lighten existing debt burdens and will spur rural economic growth. The nation will see a reform proposal designed to control the rising cost of health care. The Administration's plan will also assist low-income earners by expanding the earned income tax credit. This will ensure that all families with two children earning at least the minimum wage will not live in poverty.

Increased expensing

As modified by the House Ways and Means Committee, the plan will encourage Americans to invest in new equipment, commencing in 1993. Specifically, it increases the level of capital investments allowed to be expensed from $10,000 to $25,000. These investments would, in general, otherwise have to be depreciated over 7 years. Farmers as described in the example are anticipated to invest, over the 1994–1997 period, an average of $15,000 each year in new and used equipment and machinery, special structures, motor vehicles, and farm and land improvements. The present value (at an 8 percent discount rate) of the increased reduction in tax liability (at a 15 percent tax rate), attributable to the expensing of the additional $5,000 of allowed investment, is $132.

Reduced interest rates

Financial markets view the Administration's program very favorably, calling it the first true deficit reduction program in twelve years. As a result, market interest rates have declined significantly since the November election. These lower rates should stimulate new investment, and should, over time, allow existing debtors to refinance their high interest rate debt at more favorable levels. Based on Farm Credit System data, which indicate an 85 basis point decline in interest rates from December 1992 to May 1993, this decline is assumed in the example.

Extending small-issue agricultural bonds

Some farmers receive low-cost interest loans from state, county, or local governments. These governments are able to raise lower-cost funds through small-issue agricultural bonds, since the bondholders' interest is exempted from federal tax. The government requires that at least 95 percent of gross proceeds must be used to purchase agricultural land or equipment, and the size of an issuance cannot exceed $1 million. The Administration's plan proposes to extend the rights of state and local governments to issue these agricultural bonds.

Extension of the health insurance deduction

Farmers need comprehensive affordable health insurance, yet many can no longer afford it. The Administration is addressing this issue in two ways. First, the plan extends the 25 percent deduction for health insurance costs of self-employed workers and their families through at least December 31, 1993. Second, the Administration initiated a task force to examine ways to reform the health care industry. The health care task force seeks to control exploding costs and to expand coverage to ensure all Americans receive some form of coverage.

The example shows the tax savings generated from extending the 25 percent deduction for self-employed health insurance, based on an assumed premium of $3,000 (which is anticipated to be about the average 1994–1997 cost of such family policy) and a 15 percent tax rate.

Expansion of the earned income tax credit (EITC)

The Administration is committed to "making work pay." The President's plan would expand the earned income tax credit to allow a credit of up to 39.7 percent of income for families with two or more children. Depending on a farmer's income level, a family with two children can receive up to $1,373 in additional annual assistance in 1995 and later years (the maximum additional benefit is $687 in 1994). The increased benefit is reduced for families earning more than $11,000 (as is the case in the example), and is fully phased-out for two-children families earning more than $28,000. Increased benefits of up to $224 are available to a family with one child, and up to $306 to taxpayers with no children. The example assumes that 20 percent of farm families will qualify for the extra benefits that are available to a family with two or more children earning $18,700.

Phased-in Btu energy tax

To reduce the budget deficit, encourage greater energy conservation, and stimulate development of less environmentally damaging processes, the Administration proposes to impose an excise tax on fossil fuels, as well as hydro- and nuclear-generated electricity. Petroleum-based fuels would generally be taxed at a higher rate. The Ways and Means Committee, however, exempted motor fuels used on farms from the higher rate. The rates will be phased in at one-third the full rate beginning July 1, 1994, and at two-thirds the full rates beginning July 1, 1995. The full rates will be effective in July 1, 1996.

In the example, the average increased production cost for the farm specified is $176, assuming that 80 percent of the increased cost is borne by the farmer. Farmers are likely to adjust both their crop mix and farming practices, as they have done in the past in response to higher oil prices, and this, together with market price changes, will shift a portion of the cost from the farmer. Adding an additional $59 for the family's average household energy consumption accounts for the $235 cost noted.

Inland waterways fuel tax increase

Farmers will experience a small increase in freight costs for their crops due to the proposed increase in inland waterways fuel taxes (as modified by the Ways and Means Committee) of 5 cents per gallon in 1994, 20 cents per gallon in 1995, 35 cents per gallon in 1996, and 50 cents per gallon in 1997 and later years. These waterways are currently the most heavily subsidized mode of transportation in the United States and the only Army Corps of Engineers program that is still dependent on federal operating funds. The Administration plans to move this system of intercoastal waterways towards self-sufficiency by increasing the tax on diesel fuel for barges. The increased cost is expected to depend upon the amount of grain and oilseeds shipped by barge, and competing rail freight costs are assumed to also increase somewhat. These increased transportation costs are expected to lead to some reduction in the prices that would otherwise be received by the farmer, but increased deficiency payments are assumed to help offset the lower prices. Because the direct effect of the increased waterways tax on the Kansas farm is found to be quite small, it is difficult to quantify with any accuracy the indirect effect of increased rail fares. For this reason, neither the direct nor indirect effect of the increased waterways tax are included in the example.

Farm program cuts

The Administration's economic plan calls for a reduction in some farm programs over the next four years. The overall reductions have been modified by the House Agriculture Committee. The example includes the effects of the estimated reduction in deficiency payments for wheat, corn, and sorghum for the farm specified, taking into account the timing of the deficiency payments for the specific crops over the 1994–1997 period.

ECONOMIC IMPACT OF THE ADMINISTRATION'S PLAN ON AGRICULTURE

[Example of a Washington Farmer]

This example illustrates the economic impact of the President's economic plan on a

Wisconsin farm family. The example is that of a family with income of $21,000. They have $65,000 of debt, and a net worth of $300,000 (close to the regional average). The farm consists of 250 acres, on which they raise 55 head of dairy cows: 110 acres of corn, 80 acres of hay, 20 acres of oats, and 40 acres of pasture.

Over the 1994-1997 period, the family income will increase on average by $936 as a result of lower interest rates, the benefits of the expanded earned income tax credit (EITC), more generous investment incentives, and extension of the health insurance deduction for self-employed workers. The family will lose $503 on average from reductions in farm program benefits and the proposed Btu energy tax. The cost of the increase in the inland waterways fuel tax on the Wisconsin farm is estimated to be small, but difficult to quantify with precision. As described in the following pages, the proposed programs phase in over time. The benefits of the EITC should take into account that not all farm families will qualify for the EITC, and that the benefits depend upon the number of children in the family. It is anticipated that benefits at least as generous as the proposed extension of the deduction for self-employed health insurance payments will be provided over the period. For the facts assumed in the example, the net result will be an average increase in the farm family's income of $443 (a gain of 2.1 percent) under the Administration's economic pan, as shown below.

Economic impact

Average 1994–97 benefits:	
Equipment expensing (present value)	$132
Reduced interest rates	553
Self-employed health insurance deduction	112
Expanded EITC	139
Total benefits	936
Average 1994–97 costs:	
Btu energy tax	286
Cuts in farm programs	217
Total costs	503

COSTS AND BENEFITS OF THE ADMINISTRATION'S PLAN ON FARMING

The Administration's economic plan seeks to accomplish the combined national goals of reducing the federal budget deficit, increasing investment, and restoring long term economic growth. Increased growth helps people and businesses by increasing our standard of living.

The plan requires a shared contribution form all Americans to achieve its goal, but on balance, all Americans, including farmers, will benefit. They will receive new incentives to invest in more productive equipment. Lower interest rates, resulting from deficit reduction, will lighten existing debt burdens and will spur rural economic growth. The nation will see a reform proposal designed to control the rising cost of health care. The Administration's plan will also assist low-income earners by expanding the earned income tax credit. This will ensure that all families with two children earning at least the minimum wage will not live in poverty.

Increased expensing

As modified by the House Ways and Means Committee, the plan will encourage Americans to invest in new equipment, commencing in 1993. Specifically, it increases the level of capital investments allowed to be expended from $10,000 to $25,000. These investments would, in general, otherwise have to be depreciated over 7 years. Farmers as described in the example are anticipated to invest, over the 1994–1997 period, an average of $15,000 each year in new and used equipment and machinery, special structures, motor vehicles, and farm and land improvements. The present value (at an 8 percent discount rate) of the increased reduction in tax liability (at a 15 percent tax), attributable to the expending of the additional $5,000 of allowed investment, is $132.

Reduced interest rates

Financial markets view the Administration's program very favorably, calling it the first true deficit reduction program in twelve years. As a result, market interest rates have declined significantly since the November election. These lower rates should stimulate new investment, and should, over time, allow existing debtors to refinance their high interest rate debt at more favorable levels. Based on Farm Credit System data, which indicates an 85 basis point decline in interest rates from December 1992 to May 1993, this decline is assumed in the example.

Extending small-issue agricultural bonds

Some farmers receive low-cost interest loans from state, county, or local governments. These governments are able to raise lower-cost funds through small-issue agricultural bonds, since the bondholders'-interest is exempted from federal tax. The government requires that at least 95 percent of gross proceeds must be used to purchase agricultural land or equipment, and the size of the issuance cannot exceed $1 million. The Administration's plan proposes to extend the rights of state and local governments to issue these agricultural bonds.

Extension of the health insurance deduction

Farmers need comprehensive affordable health insurance, yet many can no longer afford it. The Administration is addressing this issue in two ways. First, the plan extends the 25 percent deduction for health insurance costs of self-employed workers and their families through at least December 31, 1993. Second, the Administration initiated a task force to examine ways to reform the health care industry. The health care task force seeks to control exploding costs and to expand coverage to ensure all Americans receive some form of coverage.

The example shows the tax savings generated from extending the 25 percent deduction for self-employed health insurance, based on an assumed premium of $3,000 (which is anticipated to be about the average 1994–1997 cost of such family policy) and a 15 percent tax rate.

Expansion of the earned income tax credit (EITC)

The Administration is committed to "making work pay." The President's plan would expand the earned income tax credit to allow a credit of up to 39.7 percent of income for families with two or more children. Depending on a farmer's income level, a family with two children can receive up to $1,373 in additional annual assistance in 1995 and later years (the maximum additional benefit is $687 in 1994). The increased benefit is reduced for families earning more than $11,000 (as is the case in the example), and is fully phased-out for two-children families earning more than $28,000. Increased benefits of up to $224 are available to a family with one child, and up to $306 to taxpayers with no children. The example assumes that 20 percent of farm families will qualify for the extra benefits that are available to a family with two or more children earning $21,000.

Phased-in Btu energy tax

To reduce the budget deficit, encourage greater energy conservation, and stimulate development of less environmentally damaging processes, the Administration proposes to impose an excise tax on fossil fuels, as well as hydro- and nuclear-generated electricity. Petroleum-based fuels would generally be taxed at a higher rate. The Ways and Means Committee, however, exempted motor fuels used on farms from the higher rate. The rates will be phased in at one-third the full rate beginning July 1, 1994, and at two-thirds the full rates beginning July 1, 1995. The full rates will be effective in July 1, 1996.

In the example, the average increased production cost for the farm specified is $277, assuming that 80 percent of the increased cost is borne by the farmer. Farmers are likely to adjust both their crop mix and farming practices, as they have done in the past in response to higher oil prices, and this, together with market price changes, will shift a portion of the cost from the farmer. Adding an additional $59 for the family's average household energy consumption accounts for the $286 cost noted.

Inland waterways fuel tax increase

Farmers will experience a small increase in freight costs for their crops due to the proposed increase in inland waterways fuel taxes (as modified by the Ways and Means Committee) of 5 cents per gallon in 1994, 20 cents per gallon in 1995, 35 cents per gallon in 1996, and 50 cents per gallon in 1997 and later years. These waterways are currently the most heavily subsidized mode of transportation in the United States and the only Army Corps of Engineers program that is still dependent on federal operating funds. The Administration plans to move this system of intercoastal waterways toward self-sufficiency by increasing the tax on diesel fuel for barges. The increased cost is expected to depend upon the amount of grain and oilseeds shipped by barge, and competing rail freight costs are assumed to also increase somewhat. These increased transportation costs are expected to lead to some reduction in the prices that would otherwise be received by the farmer, but increased deficiency payments are assumed to help offset the lower prices. Because the direct effect of the increased waterways tax on the Wisconsin farm is found to be quite small, it is difficult to quantify with any accuracy the indirect effect of increased rail fares. For this reason, neither the direct nor indirect effect of the increased waterways tax are included in the example.

Farm program cuts

The Administration's economic plan calls for a reduction in some farm programs over the next four years. The overall reductions have been modified by the House Agriculture Committee. The example includes the effects of the estimated reduction in deficiency payments for corn and milk production for the farm specified, taking into account the timing of the deficiency payments for the specific commodities over the 1994–1997 period.

ECONOMIC IMPACT OF THE ADMINISTRATION'S PLAN ON AGRICULTURE

[Example of an Upper Mid-Western Farmer]

This example illustrates the economic impact of the President's economic plan on an upper mid-western farm family. The example is that of a farm family with income of $17,600. They have $107,000 of debt and a net worth of $500,000 (close to the regional average). The farm consists of 1,250 acres, producing four crops: 610 acres of wheat, 180 acres of barley, 50 acres of oats, and 160 acres of sunflowers, with 250 acres fallow.

This farm family will benefit under the President's economic plan, as currently modified by the Congress. Over the 1994–1997 period, the family income will increase on average by $1,345 as a result of lower interest rates, the benefits of the expanded earned income tax credit (EITC), extension of the health insurance deduction of self-employed workers, and more generous investment incentives. The family will lose $1,201 on average from reductions in farm program benefits, the proposed Btu energy tax, and the increase in the inland waterways fuel tax. As described in the following pages, the proposed programs phase in over time, [and it will also take some time for the benefits of the decline in interest rates to be fully realized by the family]. The benefits of the EITC shown take into account that not all farm families will qualify for the EITC, and that the benefits depend upon the number of children in the family. It is anticipated that benefits at least as generous as the proposed extension of the deduction for self-employed health insurance payments will be provided over the period. For the facts assumed in the example, the net result will be an average increase in the farm family's income of $144 (a gain of 0.8 percent) under the Administration's economic plan, as shown below.

Economic impact

Average 1994–97 benefits:	
Equipment expensing (present value)	$132
Reduced interest rates	909
Self-employed health insurance deduction	112
Expanded EITC	192
Total benefits	1,345
Average 1994–97 costs:	
Btu energy tax	203
Increased inland waterways fuel tax	128
Cuts in farm programs	870
Total costs	1,201

COSTS AND BENEFITS OF THE ADMINISTRATION'S PLAN ON FARMING

The Administration's economic plan seeks to accomplish the combined national goals of reducing the federal budget deficit, increasing investment, and restoring long term economic growth. Increased growth helps people and businesses by increasing our standard of living.

The plan requires a shared contribution from all Americans to achieve its goals, but on balance, all Americans, including farmers, will benefit. They will receive new incentives to invest in more productive equipment. Lower interest rates, resulting from deficit reduction, will lighten existing debt burdens and will spur rural economic growth. The nation will see a reform proposal designed to control the rising cost of health care. The Administration's plan will also assist low-income earners by expanding the earned income tax credit. This will ensure that all families with two children earning at least the minimum wage will not live in poverty.

Increased expensing

As modified by the House Ways and Means Committee, the plan will encourage Americans to invest in new equipment, commencing in 1993. Specifically, it increases the level of capital investments allowed to be expensed from $10,000 to $25,000. These investments would, in general, otherwise have to be depreciated over 7 years. Farmers as described in the example are anticipated to invest, over the 1994–1997 period, an average of $15,000 each year in new and used equipment and machinery, special structures, motor vehicles, and farm and land improvements. The present value (at an 8 percent discount rate) of the increased reduction in tax liability (at a 15 percent tax rate), attributable to the expensing of the additional $5,000 of allowed investment, is $132.

Reduced interest rates

Financial markets view the Administration's program very favorably, calling it the first true deficit reduction program in twelve years. As a result, market interest rates have declined significantly since the November election. These lower rates should stimulate new investment, and should, over time, allow existing debtors to refinance their high interest rate debt at more favorable levels. Based on Farm Credit System data, which indicate an 85 basis point decline in interest rates from December 1992 to May 1993, this decline is assumed in the example.

Extending small-issue agricultural bonds

Some farmers receive low-cost interest loans from state, county, or local governments. These governments are able to raise lower-cost funds through small-issue agricultural bonds, since the bondholders' interest is exempted from federal tax. The government requires that at least 95 percent of gross proceeds must be used to purchase agricultural land or equipment, and the size of an issuance cannot exceed $1 million. The Administration's plan proposes to extend the rights of state and local governments to issue these agricultural bonds.

Extension of the health insurance deduction

Farmers need comprehensive affordable health insurance, yet many can no longer afford it. The Administration is addressing this issue in two ways. First, the plan extends the 25 percent deduction for health insurance costs of self-employed workers and their families through at least December 31, 1993. Second, the Administration initiated a task force to examine ways to reform the health care industry. The health care task force seeks to control exploding costs and to expand coverage to ensure all Americans receive some form of coverage.

The example shows the tax savings generated from extending the 25 percent deduction for self-employed health insurance, based on an assumed premium of $3,000 (which is anticipated to be about the average 1994–1997 cost of such family policy) and a 15 percent tax rate.

Expansion of the earned income tax credit (EITC)

The Administration is committed to "making work pay." The President's plan would expand the earned income tax credit to allow a credit of up to 39.7 percent of income for families with two or more children. Depending on a farmer's income level, a family with two children can receive up to $1,373 in additional annual assistance in 1995 and later years (the maximum additional benefit is $687 in 1994). The increased benefit is reduced for families earning more than $11,000 (as is the case in the example), and is fully phased-out for two-children families earning more than $28,000. Increased benefits of up to $224 are available to a family with one child, and up to $306 to taxpayers with no children. The example assumes that 20 percent of farm families will qualify for the extra benefits that are available to a family with two or more children earning $17,600.

Phased-in Btu energy tax

To reduce the budget deficit, encourage greater energy conservation, and stimulate development of less environmentally damaging processes, the Administration proposes to impose an excise tax on fossil fuels, as well as hydro- and nuclear-generated electricity. Petroleum-based fuels would generally be taxed at a higher rate. The Ways and Means Committee, however, exempted diesel fuel and gasoline used on farms from the higher rate. The rates will be phased in at one-third the full rate beginning July 1, 1994, and at two-thirds the full rates beginning July 1, 1995. The full rates will be effective on July 1, 1996.

In the example, the average increased production cost for the farm specified is $144, assuming that 80 percent of the increased cost is borne by the farmer. Farmers are likely to adjust both their crop mix and farming practices, as they have done in the past in response to higher oil prices, and this, together with market price changes, will shift a portion of the cost from the farmer. Adding an additional $59 for the family's average household energy consumption accounts for the $203 cost noted.

Inland waterways fuel tax increase

Farmers will experience a small increase in freight costs for their crops due to the proposed increase in inland waterways fuel taxes (as modified by the Ways and Means Committee) of 5 cents per gallon in 1994, 20 cents per gallon in 1995, 35 cents per gallon in 1996, and 50 cents per gallon in 1997 and later years. These waterways are currently the most heavily subsidized mode of transportation in the United States and the only Army Corp of Engineers program that is still dependent on federal operating funds. The Administration plans to move this system of intercoastal waterways towards self-sufficiency by increasing the tax on diesel fuel for barges. The increased cost is expected to depend upon the amount of grain and oilseeds shipped by barge, and competing rail freight costs are assumed to also increase somewhat. These increased transportation costs are expected to lead to some reduction in the prices that would otherwise be received by the farmer, but increased deficiency payments are assumed to help offset the lower prices. In the example, the average 1994–1997 cost, after taking these effects into account, is estimated to be $128.

Farm program cuts

The Administration's economic plan calls for a reduction in some farm programs over the next four years. The overall reductions have been modified by the House Agriculture Committee. The example includes the effects of the estimated reduction in deficiency payments for wheat and barley for the farm specified, assuming that 45 percent of the full cutback will be felt in 1994, and 90 percent in 1995.

A Response to the Treasury Claims on the Farm Impacts of the Clinton Reconciliation Package

On May 26, the Treasury Department sent Members of Congress an "analysis" of the farm impacts of the Clinton Reconciliation package. This "analysis" is so full of deceptions and distortions that it merits a response to correct the record. The Treasury document outlines three "typical" farms: a grain farm in northeast Kansas, a dairy farm in Wisconsin, and a grain farm in the upper Midwest. They then break down the effects of the Reconciliation package by several categories as additional costs and expected benefits.

BTU ENERGY TAX

The Administration continually seeks to underestimate the negative impact of its BTU tax on farming. Farmers will not be able to pass through the costs of these added production costs. And, to understand the true effect of this new tax it must be calculated on the basis of its permanent effect, not the short-term cost during the brief phase-in, as Treasury attempts to calculate it.

Farm type	Treasury estimate	Real cost to farmers
NE Kansas grain	$235	[1] $850
Wisconsin dairy	286	[2] $650
Upper Midwest grain	203	[3] $600

[1] derived from farm impact analysis prepared by Food and Agriculture Policy Research Institute (FAPRI) plus a conservative $100 for added personal living expenses.

[2] from dairy farm analysis prepared by the National Milk Producers Federation (NMPF) plus a conservative $100 in added personal living expenses.

[3] derived from farm impact analysis prepared by FAPRI plus a conservative $100 for added personal living expenses.

In addition to distorting the analyses of the described farms, the Administration conveniently omits irrigated farms and cotton and rice farms where BTU added costs will be double or even triple the examples used. The BTU tax, even after the adjustments made in the Ways and Means Committee consideration, will be a devastating blow to farmers already suffering from low prices and a weak economy.

INLAND WATERWAYS FUEL TAX

Even after reducing the Clinton-proposed increase by half, the inland waterways tax will be increased by 250 percent, one of the largest percentage increases ever proposed. Since 40 percent of all grain moves on the inland waterways, the impact of this tax increase will reduce prices received by farmers all over the country. Once again, the Treasury analysts attempt to minimize the effect by showing the costs during the phasing period, rather than looking at the true costs of the permanent increase.

Using the analysis prepared by the Food and Agriculture Policy Research Institute and applying it to crops affected by movement on the waterways, the true cost of this tax increase would be $385 annually for the Kansas grain farmer and $638 annually for the Upper Midwest grain farmer. [Since the dairy farmer would use his production on-farm, it is assumed there is no effect on him.] Overall, it is expected that the national return to farmers will drop from one to two cents on each bushel of the billions of bushels produced annually.

SELF-EMPLOYED HEALTH INSURANCE DEDUCTION

The Administration also attempts to list benefits to be derived from the Clinton plan. In one of the most bizarre items listed, the Administration takes credit for "allowing" farmers to keep the inadequate 25 percent tax deduction for health insurance premiums. They completely ignore their refusal to provide some equity for farmers by allowing them the 100 percent deductibility farmers requested. It is ludicrous to count as a "benefit" something that farmers already have.

EXPANDED EITC

In another interesting move, the Administration has chosen to analyze farms at an income level that would be eligible for the proposed increase in the Earned Income Tax Credit. This assumes no off-farm income which almost all farms of this size would have. They only make passing reference to the fact that the EITC is based largely on families with minor children. This ignores the fact that the average farmer is now over 50 years old and does not have children in residence to give the family eligibility. At best, only a handful of farmers would have access to this "benefit", unless the Administration intends to drive farmers' income so low that all of them will be eligible even without minor children.

REDUCED INTEREST RATES

Most deceptive of all is the claim of reduced interest rates. The Administration's own budget assumptions of only three months ago clearly indicated no assumed interest rate reduction from the President's package. Now, desperate for perceived "benefits", they have decided to claim credit for the slight decline in interest rates that has occurred since November before any of the Clinton plans are in place. Rather than assuming interest rate reductions, they should assume increases in interest rates. It is difficult to imagine how tens of billions in new spending and $250 billion in new taxes can have a positive economic effect, especially when the Clinton Administration's own analysis assumes nearly $1 trillion in new federal debt at the end of this five-year plan. In any case, this self-serving assumption cannot be counted as a "benefit" for farmers of this plan.

ADDING IT ALL UP

When the deceptions and distortions are discarded and the real facts are analyzed, how do farmers fare under the Clinton plan?

Farm type	Treasury estimate	Real effect on farmers.
NE Kansas grain	+$792	−$1821
Wisconsin dairy	+433	−735
Upper Midwest grain	+144	[4] −1976

[4] BTU tax costs + inland waterway tax costs + cuts in farm programs − equipment expensing = real effect on farmers.

Even though these examples are economically disastrous, it must be remembered that even more devastating farm losses will be found in the types of farms that the Administration studiously avoided analyzing (for example, irrigated acreage, cotton and rice farms). Because of the discriminatory Clinton tax proposals and the cuts required in farm programs, there is no doubt that farmers are among the primary victims of the President's tax and spend strategy. Despite the Treasury Department's feeble attempt to cover up the facts, farmers can never be reconciled to the Clinton Reconciliation package.

Mr. SOLOMON. Mr. Speaker, I yield 2 minutes to the distinguished gentlewoman from Maine [Ms. SNOWE], a classmate of mine who came here in 1978 and who is a real effective member on the Committee on Foreign Affairs.

Ms. SNOWE. Mr. Speaker, I oppose this restrictive rule. The bill before us is 1,500 pages long, and as unbelievable as it may seem, the rule does not allow us to debate and amend its most important components.

The minority leader, Mr. MICHEL, from Illinois, and I attempted to offer an amendment which would replace the President's Btu tax with spending cuts. The spending cuts we proposed were all fully justifiable and would not have a large impact on the delivery of services to those who truly need them. Because it contained spending cuts, and eliminated President Clinton's proposed spending increases, our amendment did not increase the deficit.

The decision to report out a closed rule is not about the merits of my amendment. Rather, it is about fairness and democracy. Throughout this session, the majority party has relied on closed rules to avoid tough votes. This practice is wrong and it should stop.

It is not the majority's prerogative to stifle debate or to isolate the legislative process from public view. Nor is it the majority's prerogative to evade tough votes by manipulating the rules under which this body operates. The decision to allow amendments should be limited to a single question: is my amendment sufficiently substantive and important that it deserves to be debated before the American people in the full House? On that there can be no question.

Long ago Chief Justice John Marshall stated that the power to tax is the power to destroy. The energy tax is a major component of the President's economic package. It accounts for almost $72 billion, or over 25 percent, of the $275 billion in new taxes raised by this legislation. Yet this legislation was debated in closed session in the Committee on Ways and Means. The public was totally excluded from this process. Since my amendment was not made in order, the public will be denied any chance to see how its representatives stand on this important component of the bill.

I have heard much talk to the effect that the minority's sole purpose is to stalemate the President and deny him the mandate his supporters claim from the election. This rationale has been used to justify excluding us, and our constituents, from participation in the formation of policy. This rationale misses the point.

We have serious and legitimate policy differences with the approach of this bill. It is disturbing that, at a time when every other area of the world is moving toward the free market, using our country's history as an example, this document moves us toward more dependence on government. But our policy differences do not void our right to challenge the ground on which the majority supports the components of this bill. We should be allowed to try and improve it. And the American people have the right to hear the rationale for the new taxes that the Democrats are demanding of them.

In this case, we have asked for two amendments, one to repeal the energy tax and the other to repeal the Social Security tax. Each amendment addresses a major component of the President's legislation and fully complies with the rules of the House. I cannot believe that the majority would tell the American people that these issues are not worth 2 hours of debate, 1 on each amendment.

There is no question that my amendment is a legitimate one. It offers sufficient offsets to pay for the revenues lost by striking out the President's energy tax. Roughly half of these savings are achieved by eliminating increases in spending contained elsewhere in the bill. My amendment does not increase the deficit. It merely substitutes spending cuts for some of the tax increases recommended by the President. Nor is the issue raised by my amendment a minor one. Unless the full House is to cede all of its power to committees comprising only a portion of its membership, it must be willing to debate amendments to the major components of the legislation reported out by these committees.

The energy tax will affect every single household and business in this country. Overnight, it will make some sectors of the economy instant winners while other sectors face severe structural transitions. There are serious questions about whether the tax is worth the cost of these impacts and whether a better means of reducing the deficit is available. I find it disturbing that this body could make such an important decision without publicly debating and voting on the issue in either the committee or the full House.

I understand many members of the Democratic majority will differ with me over the relative merits of tax increases and spending cuts. It does not bother me that those who disagree with me will vote against my amendment. But it does bother me that my amendment was not even made in order because the House leadership does not want to embarrass its members. I seriously question the wisdom of any law whose supporters are embarrassed to have a specific vote on its merits.

I hope that in the future, the leadership will give serious consideration to increasing the openness of this institution. Our Government is built on the tenet that the best policy is arrived at through the clash of different views in open debate. Our founders believed that any attempt to close debate or constrain competition between philosophies would produce worse, not better, public laws. The House Rules Committee, with its ability to carefully structure debate on the floor, should have acted in accordance with this tenet.

□ 1450

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 1 minute to the gentlewoman from North Carolina [Mrs. CLAYTON], the president of the freshman class.

Mrs. CLAYTON. Mr. Speaker, I rise to support the rule. I rise to support the rule because the plan before us, the reconciliation plan, is the President's package which speaks first to the accountability of the budget. It indeed does address the Federal deficit. It indeed does address investment in people.

This package, whether we like it or not, does reduce $250 billion in spending across the board. There are those who would say it is only about raising taxes. It is $250 billion that will affect programs in my area, affect programs that affect the people that I know need them very much. It means all the people will suffer, but it means all the people will share in this.

Mr. Speaker, it therefore not only is raising taxes, but it will affect farming, yes; it will affect Medicaid and Medicare, yes; it will affect the poor, yes. But it also means that it will give opportunity to address the fiscal condition of our country.

Mr. Speaker, it also will provide for investment. Those words mean taxes. They mean revenues must be raised. Those revenues will be addressed to deficit spending. Those revenue increases are fair. Those revenue increases indeed do affect the wealthy first.

Mr. Speaker, I support this plan. I urge that we support the rule which allows this plan to move forward.

Before my opponents on the other side tell me how many jobs this will affect, let me tell you that people have been employed for many months and years due to the failed procedures already at hand.

Mr. SOLOMON. Mr. Speaker, I yield such time as he may consume to the gentleman from Wisconsin [Mr. SENSENBRENNER].

Mr. SENSENBRENNER. Mr. Speaker, I rise in opposition to the rule and against the inflationary Btu tax which will increase debt service costs and reduce deficit reduction.

Mr. Speaker, the President spent a great deal of his campaign discussing the way in which he felt others' pain. He must be a glutton for punishment because the pain his $300 billion tax hike will create is as real as his promises of deficit reduction are false.

The President's plan to raise the taxable portion of Social Security will increase by 3 years the payback time for seniors in the 31 percent tax bracket. The average retiree will die before recovering their investment under the President's proposal. The President seeks to break our contract with elderly Americans by diverting revenue out of Social Security into the general revenue fund.

The energy tax is regressive and inflationary, it hits poor and middle class Americans the hardest. The President's Btu tax focuses like a laser beam on employee-intensive industries and is expected to eliminate up to 600,000 jobs by 1998. A typical family of four will pay $500 a year under the proposal. The impact of the energy tax will be felt most by the very middle-class families candidate Clinton promised a significant reduction in their income tax rate.

The new Democrat is recycled old Democrat and that's why the administration's approval ratings are plummeting. The President's budget proposal flies in the face of the American people's demand that spending be cut before taxes are increased. The discomfort Democrats are experiencing is understandable. The White House is embattled as it attempts to explain away the promises that brought it to power and its congressional supporters are walking the plank on the President's behalf. In the words of the President, to those inclined to support the largest tax increase in history, "I feel your pain."

Mr. SOLOMON. Mr. Speaker, I yield 2 minutes to the very distinguished gentleman from Illinois [Mr. HASTERT], who has led the fight to take the onerous tax off of Social Security benefits.

Mr. HASTERT. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I want to let the distinguished gentlewoman from North Carolina [Mrs. CLAYTON] know, since she asked, that her district will have an additional 799 jobs lost because of the Btu tax. We call the Btu tax the big time unemployment tax. My district will lose 1,039 jobs because of the Btu tax, the big time unemployment tax. It is onerous, it is wrong, but it is moving through this Congress.

There is another tax in this package, a tax on Social Security, a tax that should be called the granny tax, because it will tax every widowed grandmother in this country that earns $25,000 a year.

In fact, if that widowed grandmother has to earn wages to make ends meet and she earns over $10,500, she will have a marginal tax rate of 103.5 percent. Mr. Speaker, that is shameful.

If you also happen to be in my district and you happen to be a farmer or commodity producer, the barge tax in this bill will also add another 20-cents per bushel to the cost of producing crops and marketing those crops.

Mr. Speaker, it is very simple: if you want to make a difference, if you want to take away these taxes, if you want to have amendments made in order, then vote against this rule. Then you can vote against the taxes that are in this bill.

Mr. Speaker, it is time for the people of this House to stand up and be heard.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 1 minute to the distinguished gentleman from Massachusetts [Mr. FRANK], an official member of the truth squad.

Mr. FRANK of Massachusetts. Mr. Speaker, it does not pay very well.

Mr. Speaker, we have heard a lot about the gag rule. Well, I was reading a book the other day about how things are done, and it talked about how to become a sword swallower. You have to learn how to master your gag reflex and suppress it.

But my colleagues on the other side have gone it one better: they have a gag reflex they can turn on and off. Sometimes they can swallow easily, sometimes they cannot.

I have been here since 1981. We had the Gramm-Latta bill which cut Social Security and other benefits. They said no amendments. They all voted for no amendments. We had the NAFTA fast track. They were for no amendments. We had the 1983 Social Security bill which raised taxes on working people and cut Social Security benefits, and they overwhelmingly voted for no amendments. We had the 1982 Reagan tax increase, which was a very big one, and they voted for no amendments.

They have consistently voted against any amendments on a tax bill, until Bill Clinton became President. And one of his great accomplishments is he has converted the Republican Party to democracy. They were never for it before, but now they are for it.

Mr. SOLOMON. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Louisiana [Mr. MCCRERY], a member of the Committee on Ways and Means and of the Committee on the Budget.

Mr. MCCRERY. Mr. Speaker, according to the Tax Foundation, the energy tax will kill 1,710 jobs in the district of the gentleman from Massachusetts [Mr. FRANK]. In my district it will cost 11,500 jobs, that we cannot afford to lose.

Mr. Speaker, there is a nasty little secret lurking in this bill. Listen.

My colleague from Iowa, Mr. GRANDY, and I appeared yesterday before the Rules Committee to ask that we be allowed to offer one simple, but crucial, amendment. Simple because it would merely make the tax increases in the plan prospective, not retroactive. Crucial because, without our amendment, no one who votes for this program today can honestly claim to have complied with the demand of people all across this Nation to cut spending first. In fact, without our amendment, which, under the terms of this closed rule, cannot be offered, anyone who votes for the President's program today will be voting for exactly the opposite—they will be voting for tax increases first, and a promise of spending cuts later.

Now, I'm sure there are some Americans listening to this debate—maybe even some Members of Congress—who are thinking right now, "What does this guy McCrery mean—retroactive tax increases?" Well, it's a well kept secret, but it's very simple. If this bill we're voting on today becomes law, the increase in personal income taxes, corporate taxes, and inheritance taxes will take effect as of January 1, 1993. That's right, this bill will increase taxes on income that's already earned. It will mean that individuals, and small businesses taxed as individuals, have not been withholding enough to pay their tax bill for this year. It means that many taxpayers will be surprised next April when they discover that they owe the Government more money. Now folks, I don't care how you cut it—raising taxes on income already earned is just not fair.

As far as my research has been able to determine, there has only been one other time that taxes have been raised retroactively—during the Vietnam war. And, according to published congressional reports, the reason for such a radical action was to slow down the economy. I submit, Mr. Speaker, that these retroactive tax increases are not only unfair, will not only preclude the possibility of cutting spending first, but will have the effect of slowing job creation and economic growth.

I urge the American people to call their Representatives and, if this stinker passes today, call their Senators to tell them that retroactive tax increases are both unfair and unwise. Put simply—cut spending first.

□ 1500

The SPEAKER pro tempore (Mr. MCNULTY). The Chair would advise the Members that the gentleman from New York [Mr. SOLOMON] has 1 minute remaining, and the gentleman from South Carolina [Mr. DERRICK] has 3 minutes remaining.

The gentleman from South Carolina [Mr. DERRICK] has the right to close.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 1 minute to the distinguished gentleman from New York [Mr. SCHUMER].

Mr. SCHUMER. Mr. Speaker, today I address my remarks to our side of the aisle. I wish I could to the other side, but it was clear that the other side made up their minds they were not voting with us no matter what was in the package.

I say to my colleagues, we must vote for this package for 3 reasons:

First, for our President. If we do not vote for it, we cut him off at the knees early in his term. We cannot do that, none of us.

Second, for our party. We must show the country that we can govern and govern we can. We must show the country that we are a different Democratic Party that cares about deficit reduction and cares about our future.

Third, for our country, most importantly of all. For 12 years the politicians have misled the people and fed them Pablum and not told them the truth. Today we must look the American people in the eye and say, "For our future, not only 20 years from now but a year from now, that we will vote for this package to set America right, to stop eating our young and to get our country back on track."

We must vote for this package. We have no choice. I urge everybody to vote "yes" on our side of the aisle.

Mr. DERRICK. Mr. Speaker, I reserve the right to close.

Mr. SOLOMON. Mr. Speaker, we have 21 additional speakers but only 1 minute left. Mr. Speaker, I yield the balance of my time to the distinguished member of the Committee on Rules, the gentleman from California [Mr. DREIER].

The SPEAKER pro tempore. The gentleman from California [Mr. DREIER] is recognized for 1 minute.

Mr. DREIER. Mr. Speaker, I thank the gentleman from Glens Falls for yielding time to me.

Mr. Speaker, my dear friend from New York will kill 609 jobs in his district, if he votes for this, according to the Tax Foundation. I will lose 1,319 in my Los Angeles County District. We cannot afford to lose those jobs, neither of us can.

There are many Members who have tried to argue that this is a fait accompli, the deal is done. We have got these alternatives. Baloney. That is not true, Mr. Speaker.

We have a chance right now to repeal the Btu tax, to repeal the Social Security tax and to put into place the true entitlement caps that were proposed in the original Stenholm program.

How do we do that? By voting "no" on the previous question. If my colleagues really want to do those things which their constituents want them to do, join with us, vote "no." Let us bring back a rule that will give us an opportunity to address those issues.

Mr. DERRICK. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I might point out that in the State of California, this package creates 28,382 new jobs, and in New York, it creates right at 20,000 new jobs.

Let me tell those of my colleagues who have not been here a long time, there is nothing new about this debate. The Republicans voted against their own President's budget in the Senate in 1982. In 1983, they did not bring it up. They voted against it in 1984. They did not bring it up in 1985. They voted against it in 1986. They voted against it in 1987.

They did not bring it up in 1988. They did not bring it up in 1989. They voted against it in 1991, most of them did. So there is nothing new about that.

They do not vote for any budget. They do not even vote for their own budgets. They do not vote for their own President's budgets.

What they are really telling is they do not want to accept the responsibility for governing in the United States of America. That is what this exercise is all about.

We are the majority party, and we have that responsibility. We have a President who has come to us and said, "We are ready to deal with the fiscal problems of this country. We are willing to reduce the budget deficit. we are willing to create jobs. We are willing to move ahead and get the economic affairs of this country back on track." And, thank goodness, we have a Democratic party that is willing to govern, willing to vote for budgets, and we have a President who is willing to lead.

I suggest to my colleagues that this is a very fair rule, and I suggest to my colleagues that we must vote yes on the previous question and pass the rule.

Mr. Speaker, I include for the RECORD an estimate of the increases in 1994 in personal income and jobs from the President's program, by State.

These figures suggest this package will create 194,608 new jobs in the United States next year.

ESTIMATES OF INCREASES IN STATE PERSONAL INCOME AND JOBS OF THE PRESIDENT'S PROGRAM IN 1994, BY STATE

[In millions of dollars]

State	Personal income	Jobs (numbers)
United States	$9,925	194,608
Alabama	92	1,804
Alaska	28	347
Arizona	103	2,020
Arkansas	43	551
California	1,447	28,382
Colorado	137	2,690
Connecticut	237	4,652
Delaware	32	632
District of Columbia	38	737
Florida	516	10,121
Georgia	209	4,094
Hawaii	55	1,094
Idaho	22	441
Illinois	544	10,658
Indiana	170	3,335
Iowa	88	1,693
Kansas	89	1,748
Kentucky	85	1,675
Louisiana	85	1,690
Maine	39	766
Maryland	262	5,145
Massachusetts	347	6,798
Michigan	349	6,851
Minnesota	175	3,437
Mississippi	32	619
Missouri	175	3,427
Montana	10	359
Nebraska	52	1,025
Nevada	55	1,075
New Hamshire	57	1,124
New Jersey	546	10,711
New Mexico	28	558
New York	999	19,581
North Carolina	194	3,803
North Dakota	15	285
Ohio	262	7,101
Oklahoma	72	1,407
Oregon	94	1,846
Pennsylvania	483	9,466
Rhode Island	40	788
South Carolina	79	1,554
South Dakota	18	347
Tennessee	134	2,628
Texas	530	10,399
Utah	32	635
Vermont	19	380
Virginia	277	5,426
Washington	207	4,055
West Virginia	30	302
Wisconsin	168	3,294
Wyoming	14	265

Mr. Speaker, I move the previous question on the resolution.

The SPEAKER pro tempore. The question is on ordering the previous question.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. SOLOMON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 252, nays 178, not voting 2, as follows:

[Roll No. 195]

YEAS—252

Abercrombie
Ackerman
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Applegate
Bacchus (FL)
Baesler
Barcia
Barlow
Barrett (WI)
Becerra
Beilenson
Berman
Bevill
Bilbray
Bishop
Blackwell
Bonior
Borski
Boucher
Brewster
Brooks
Browder
Brown (FL)
Brown (OH)
Bryant
Byrne
Cantwell
Cardin
Carr
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Cooper
Coppersmith
Costello
Coyne
Cramer
Danner
Darden
de la Garza
Deal
DeFazio
DeLauro
Dellums
Derrick
Deutsch
Dicks
Dingell
Dixon
Dooley
Durbin
Edwards (CA)
Edwards (TX)
Engel
English (AZ)
English (OK)
Eshoo
Evans
Fazio
Fields (LA)
Filner
Fingerhut
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Geren
Gibbons
Glickman
Gonzalez
Gordon
Green
Gutierrez
Hall (OH)
Hall (TX)
Hamburg
Harman
Hastings
Hayes
Hefner
Hilliard
Hinchey
Hoagland
Hochbrueckner
Holden
Hoyer
Hughes
Hutto
Inslee
Jefferson
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Klein
Klink
Kopetski
Kreidler
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lehman
Levin
Lewis (GA)
Lipinski
Lloyd
Long
Lowey
Maloney
Mann
Manton
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCloskey
McCurdy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Mineta
Minge
Mink
Moakley
Mollohan
Montgomery
Moran
Murphy
Murtha
Nadler
Natcher
Neal (MA)
Neal (NC)
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Parker
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reed
Reynolds
Richardson
Roemer
Rose
Rostenkowski
Rowland
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Sawyer
Schenk
Schroeder
Schumer
Scott
Serrano
Sharp
Shepherd
Sisisky
Skaggs
Skelton
Slattery
Slaughter
Smith (IA)
Spratt
Stark
Stenholm
Stokes
Strickland
Studds
Stupak
Swett
Swift
Synar
Tanner
Tauzin
Taylor (MS)
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Traficant
Tucker
Unsoeld
Valentine
Velazquez
Vento
Visclosky
Volkmer
Washington
Waters
Watt
Waxman
Wheat
Whitten
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Yates

NAYS—178

Allard
Archer
Armey
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Barrett (NE)
Bartlett
Barton
Bateman
Bentley
Bereuter
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Clinger
Coble
Collins (GA)
Combest
Cox
Crane
Crapo
Cunningham
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Emerson
Everett
Ewing
Fawell
Fields (TX)
Fish
Fowler
Franks (CT)
Franks (NJ)
Gallegly
Gallo
Gekas
Gilchrest
Gillmor
Gilman
Gingrich
Goodlatte
Goodling
Goss
Grams
Grandy
Greenwood
Gunderson
Hamilton
Hancock
Hansen
Hastert
Hefley
Herger
Hobson
Hoekstra
Hoke
Horn
Houghton
Huffington
Hunter
Hutchinson
Hyde
Inglis
Inhofe
Istook
Jacobs
Johnson (CT)
Johnson, Sam
Kasich
Kim
King
Kingston
Klug
Knollenberg
Kolbe
Kyl
Lazio
Leach
Levy
Lewis (CA)
Lewis (FL)
Lightfoot
Linder
Livingston
Machtley
Manzullo
McCandless
McCollum
McCrery
McDade
McHugh
McInnis
McKeon
McMillan
Meyers
Mica
Michel
Miller (FL)
Molinari
Moorhead
Morella
Myers
Nussle
Oxley
Packard
Paxon
Petri
Pombo
Porter
Portman
Pryce (OH)
Quillen
Quinn
Ramstad
Ravenel
Regula
Ridge
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Santorum
Sarpalius
Saxton
Schaefer
Schiff
Sensenbrenner
Shaw
Shays
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Stearns
Stump
Sundquist
Talent
Taylor (NC)
Thomas (CA)
Thomas (WY)
Torkildsen
Upton
Vucanovich
Walker
Walsh
Weldon
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—2

Brown (CA)
Henry

□ 1526

Mr. SMITH of Michigan and Mr. HOKE changed their vote from "yea" to "nay."

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. McNULTY). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. DERRICK. Mr. Speaker, I demanded a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 236, noes 194, not voting 2 as follows:

[Roll No. 196]

AYES—236

Abercrombie
Ackerman
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Applegate
Bacchus (FL)
Baesler
Barlow
Barrett (WI)
Becerra
Beilenson
Berman
Bevill
Bilbray
Bishop
Blackwell
Bonior
Borski
Boucher
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Byrne
Cardin
Carr
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Coppersmith
Costello
Coyne
Cramer
Danner
Darden
de la Garza
DeFazio
DeLauro
Dellums
Derrick
Deutsch
Dicks
Dingell
Dixon
Dooley
Durbin
Edwards (CA)
Edwards (TX)
Engel
English (AZ)
Eshoo
Evans
Fazio
Fields (LA)
Filner
Fingerhut
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Geren
Gibbons
Glickman
Gonzalez
Gordon
Green
Gutierrez
Hall (OH)
Hamburg
Harman
Hastings
Hefner
Hilliard
Hinchey
Hoagland
Hochbrueckner
Hoyer
Hutto
Inslee
Jefferson
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Klein
Klink
Kopetski
Kreidler
LaFalce
Lancaster
Lantos
LaRocco
Laughlin
Levin
Lewis (GA)
Lipinski
Long
Lowey
Maloney
Mann
Manton
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCloskey
McDermott
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Mineta
Minge
Mink
Moakley
Mollohan
Montgomery
Moran
Murphy
Murtha
Nadler
Natcher
Neal (MA)
Neal (NC)
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (FL)
Pickett
Pickle
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reed
Reynolds
Richardson
Roemer
Rose
Rostenkowski
Rowland
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Sawyer
Schenk
Schroeder
Schumer
Scott
Serrano
Sharp
Shepherd
Sisisky
Skaggs
Skelton
Slattery
Slaughter
Smith (IA)
Spratt
Stark
Stenholm
Stokes
Strickland
Studds
Stupak
Swett
Swift
Synar
Tanner
Taylor (MS)
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Traficant
Tucker
Unsoeld
Valentine
Velazquez
Vento
Visclosky
Volkmer
Washington
Waters
Watt
Waxman
Wheat
Whitten
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Yates

NOES—194

Allard
Archer
Armey
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barrett (NE)
Bartlett
Barton
Bateman
Bentley
Bereuter
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cantwell
Castle
Clinger
Coble
Collins (GA)
Combest
Cooper
Cox
Crane
Crapo
Cunningham
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Emerson
English (OK)
Everett
Ewing
Fawell
Fields (TX)
Fish
Fowler
Franks (CT)
Franks (NJ)
Gallegly
Gallo
Gekas
Gilchrest
Gillmor
Gilman
Gingrich
Goodlatte
Goodling
Goss
Grams
Grandy
Greenwood
Gunderson
Hall (TX)
Hamilton
Hancock
Hansen
Hastert
Hefley
Herger
Hobson
Hoekstra
Hoke
Holden
Horn
Houghton
Huffington
Hughes
Hunter
Hutchinson
Hyde
Inglis
Inhofe
Istook
Jacobs
Johnson (CT)
Johnson, Sam
Kasich
Kim
King
Kingston
Klug
Knollenberg
Kolbe
Kyl
Lambert
Lazio
Leach
Lehman
Levy
Lewis (CA)
Lewis (FL)
Lightfoot
Linder
Livingston
Lloyd
Machtley
Manzullo
McCandless
McCollum
McCrery
McCurdy
McDade
McHale
McHugh
McInnis
McKeon
McMillan
Meyers
Mica
Michel
Miller (FL)
Molinari
Moorhead
Morella
Myers
Nussle
Oxley
Packard
Parker
Paxon
Peterson (MN)
Petri
Pombo
Porter
Portman
Pryce (OH)
Quillen
Quinn
Ramstad
Ravenel
Regula
Ridge
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Santorum
Sarpalius
Saxton
Schaefer
Schiff
Sensenbrenner
Shaw
Shays
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Stearns
Stump
Sundquist
Talent
Tauzin
Taylor (NC)
Thomas (CA)
Thomas (WY)
Torkildsen
Upton
Vucanovich
Walker
Walsh
Weldon
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—2

Hayes
Henry

☐ 1542

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore (Mr. MCNULTY). Pursuant to House Resolution 186 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 2264.

☐ 1543

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2264) to provide for reconciliation pursuant to section 7 of the concurrent resolution on the budget for fiscal year 1994 with Mr. MURTHA in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Minnesota [Mr. SABO] will be recognized for 1 hour, and the gentleman from Ohio [Mr. KASICH] will be recognized for 1 hour.

The Chair recognizes the gentleman from Minnesota [Mr. SABO].

Mr. SABO. Mr. Chairman, November 1992, a new President was elected, a new House was elected. We were elected for a very fundamental purpose, to get our economy back on track, and we are here today to continue that process.

That process began when we passed the budget resolution, which set spending targets for discretionary spending at levels below those of 1993 for the next 5 years.

We continue that process today with the reconciliation bill which concludes a process of passing in the House the President's economic program, a program of $500 billion of deficit reduction, of reordering priorities in this country and making sure we lay the foundation for getting our economy moving again.

Let me be clear: The package we have today is a $500 billion deficit reduction package over the next 5 years. Over one-half of the cuts come from cuts in spending, half from revenues; 70 percent of the revenues coming from people—those revenues coming primarily from the most affluent in our society; 66 percent from those people making incomes over $200,000 a year, over 70 percent from those making over $100,000 a year.

At the same time as we have significant deficit reduction, this program also deals with the people who are working-poor in this country to make sure that a family working full-time has income above the poverty level.

As we deal with this package and as we come to this conclusion today, there are some who say do this a little differently, do something here a little differently, and, "I might vote 'yes'."

Well, my friends in the House, that is what we call gridlock, endless debate, endless quibbling.

We are faced today with a fundamental alternative that will change the basic course of this country, and this is by far the best package that this Congress can consider.

Let me say to my friends on the Republican side, I do not expect your votes; you are in the minority. Even when you had your own President, you rarely voted for a President's budget.

So, my friends on the Democratic side, it is our responsibility to produce the 218 votes. We need to do it because it is a vote fundamentally for the future of our country. It is a vote for the largest deficit reduction package this Congress has ever seen. It is a vote to end gridlock. It is a vote to do the things the people sent us to do here, to reduce the deficit, cut spending, reorder our priorities for the investment in the future and in human resources for our people.

It is time to get our economy back on track. My fellow Democrats, we have that responsibility today. It is that simple; we simply need to vote "yes."

□ 1550

Mr. KASICH. Mr. Chairman, I yield myself 4 minutes.

Mr. Chairman, this is a very, very sad saga today, starting all the way back when President Clinton came to Capitol Hill and made his State of the Union speech and said, "If you don't like my program, please give me your specifics."

We just listened to the distinguished chairman of the Budget Committee, who the Tax Foundation argues there will be 732 jobs killed in his district. In my district it will be 1,239 jobs that will be lost as a result of the tax and spend program of the administration.

President Clinton came here and he said, "If you don't like my taxes, if you don't like my tax and spend policy, give me your specific recommendations to reduce spending."

And of course, we developed them. We went to the Budget Committee and we said to the Budget Committee, "We want to cut spending first and reduce the job-killing taxes, the job-killing bureaucrats who will create regulation, that will further slow down this economy."

We went to the Budget Committee and we offered a substitute that was more specific than your substitute. We said that we wanted to cut spending first. We offered a full substitute. You rejected it on party line votes.

Then we came through 10 hours' worth of amendments, where we tried to substitute specific spending cuts in exchange for the job-killing tax increases that you have in your bill, and you defeated us hour after hour on a party-line vote. We were the subject of gridlock, and the American people are going to be subject to unemployment because of this tax and spend policy that the President and the majority is inflicting on us today.

Then we go to reconciliation and we are told, "Develop $345 billion in cuts if you want to offset our tax increases."

By the way, their tax and spending cuts, $4 in taxes to every dollar in spending cuts.

Then we go into reconciliation, into the markup yesterday morning and the Rules Committee. We go in with $352 billion in deficit reduction with no tax increases, and you folks have to meet at 2 o'clock in the morning behind closed doors to figure out how to change the rules after we beat you then also.

You see, every time you set a standard, we meet it. Every time you say tax and spend, we have to tax and spend, and we give you specific spending cuts that shrinks the size of government and reforms the bureaucracy in the United States, every time we give you the specifics to meet the goal you set, you change the rules.

And do you want to know why? Because you cannot resist anything but tax and spend.

You put the record on. We are getting tired of it. It is just tax and spend, tax and spend, tax and spend. We want to take the record off. We want to give you these specific cuts, and all you want to do is gridlock the Republicans.

And why do we want to shrink the Government? Why do we want to cut the spending? Why do we want to eliminate the taxes? Because your economic program is a job killer. Your tax increases on the energy in this country will affect people from the automobile to the schoolhouse to the grocery shelves.

Your energy tax is going to put people out of work.

Your Social Security tax is abominable when you promised people a tax cut. You turn around after the election, not even 6 months after the election and you raise their taxes.

Well, do you know what the Republicans want to do? We want to cut spending first. We want to downsize the Government, because we believe the answer lies in the individual in this country with more incentives and less government and less job-killing regulation and none of these taxes that feed the Federal monster.

We should do everything we can today. I hope the people across this country will flood your offices and say, "Go with the Republicans. Cut spending first, Stay out of my wallet. No more bureaucracy. No more regulation. Please don't kill my job. Cut spending first. Support the Republicans. Defeat the President's tax and spend plan."

Mr. SABO. Mr. Chairman, I yield 6 minutes to the gentleman from Texas [Mr. STENHOLM].

As I yield to the gentleman, I want to pay special recognition to him for his leadership in adding a provision which deals with budget review and also recognize two other Members, gentleman from Minnesota [Mr. PENNY] who worked very closely with the gentleman from Texas [Mr. STENHOLM], and the gentleman from South Carolina [Mr. SPRATT], who was absolutely essential in arriving at this agreement.

Mr. STENHOLM. Mr. Chairman, I rise in support of this reconciliation bill. I do so confidently but I did not come to this point lightly. My confidence is based on the addition of historic entitlement spending discipline, combined with an unprecedented freeze in discretionary spending. My hesitation was largely founded on grave concerns about the Btu tax included in the bill. I want to make perfectly clear from the outset that my vote for moving this process forward is predicated on the belief that improvements in the Btu tax will be forthcoming as the bill proceeds to the Senate. I will reserve my ultimate commitment to this legislation until hose improvements appear in the final conference report.

Days after President Clinton was sworn in as President on these Capitol steps, he offered a State of the Union Address in which he outlined an ambitious plan for our country which I wholeheartedly endorsed. One of the promises our President made at that time was a commitment to reducing our enormous Federal deficit. The budget which President Clinton proposed followed up that promise of deficit reduction with a concrete proposal.

The Budget resolution subsequently passed by the Congress established the game plan, calling for $496 billion in deficit reduction over the next 5 years and bringing the deficit below $200 billion by fiscal year 1998. The budget resolution provided for a hard freeze in discretionary spending, meaning that actual discretionary spending in 1998 would be no more than it was in 1993. Be assured that freezing discretionary spending will have a major impact on business-as-usual around here by forcing us to make tough choices and set priorities. One need only compare a hard freeze to the discretionary spending which occurred during the first 5 years of the Reagan Presidency to understand just how different business will be.

Total discretionary spending:
1982–$326.2 billion.
1983–$353.4 billion.
1984–$379.6 billion.
1985–$416.2 billion.
1986–$439.0 billion.

I have stated repeatedly throughout the budget process that any deficit reduction package must be accompanied by enforcement mechanisms to guarantee the promises of our president's and our own budget. This bill meets that test.

In addition to the discretionary caps which enforce the freeze on discretionary spending, this bill will establish entitlement spending targets at the levels provided in the reconciliation bill. If in the future entitlement spending is projected to exceed the cap by more than one-half of 1 percent, Congress and the President will be required to respond to the projected excess. First, the President will be required to submit a package to deal with the excess by proposing spending cuts, tax increases or increasing the targets. The President's direct spending message will be introduced as a concurrent resolution by the chairman of the House Budget Committee. The Budget Committee will be required to include a separate title within the House budget resolution that provides reconciliation directives to the appropriate committees, recommending changes in laws within their jurisdictions to reduce outlays or increase revenues by amounts equal to or greater than the President's recommendations. If the Budget Committee recommends an increase in the entitlement targets, there must be a separate vote on the raising of the targets. A budget resolution conference report will not be in order unless it deals with the overage in one of the ways I just outlined. A budget resolution that does not deal with the overage will not be in order. If Congress does not pass a budget resolution conference report that deals with the overage, it will not be in order to consider any general appropriation bills, unless a resolution devoted solely to the subject of waiving this requirement is first passed.

These procedures will take entitlement spending off of autopilot and force the President and Congress to take concrete actions dealing with increases in entitlement spending. The underlying premise of this enforcement mechanism is accountability on the part of Congress and the President. Having enacted a package which guarantees deficit reduction, we must stand behind our promise. If entitlement spending exceeds the targets, we must vote to take action in response. If we vote to raise the targets, or vote to avoid action by waiving these procedures, all of us here will be held accountable for those votes. If there are legitimate reasons why we choose not to cut spending or raise taxes to respond to the breech, we should be honest about that, admit we are not holding to our deficit reduction, and have the opportunity to explain why. If we are honest with the public, they will decide, based on good information, whether or not they agree with our decisions.

It is important to realize that even with these caps, there still will be an increase of $260 billion in entitlement programs over the next 5 years. I must say that I would prefer to do far better than that in deficit reduction. Nonetheless, the impact of taking entitlement spending off of its autopilot path for the first time ever is an accomplishment not to be minimized.

Mr. Chairman, I include the following charts:

Fiscal years	Reagan admin.	Reconciliation bill
Base year	308.1–1981	547.9–1993
Year 1	326.2–1982	538.8–1994
Year 2	353.5–1983	541.3–1995
Year 3	379.6–1984	547–1996
Year 4	416.2–1985	547–1997
Year 5	439–1986	548–1998

□ 1600

And we found that that created some real problems for us, so we looked for compromise. Our entire effort in this has been to try and find 218 votes to reduce the deficit.

One can make the commonly heard argument that these entitlement caps would be detrimental to the poor and underprivileged only if one believes that the President and Congress' budget is detrimental to the poor and underprivileged, because these caps enforce our budget. I do not believe that our budget is harmful to the poor and so I reject that argument.

I also reject the argument that this is not real. Eventually, sooner or later, and I know we have bipartisan support on this concept, we unfortunately will not have bipartisan support for the vote today, but I know the concept that we set in place today on the entitlement cap side will lay the groundwork for doing that which we must eventually do if we get the deficit down.

I encourage my colleagues to vote for this bill. It is not perfect. We will hear all of the things that are wrong with it. But remember these charts about what is right with it. A discretionary freeze and caps on entitlements that force us to take entitlements off of autopilot are a significant step forward for deficit reduction.

To those who criticize all of it, Mr. Chairman, I ask them to take a sincere look at the good sides of this and to recognize that there are good, and there are bad, recognize that getting the deficit down, to this Member, far outweighs the negatives associated with the problems of the bill.

I encourage the support of this bill today.

Mr. KASICH. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, it is very easy to get a flat line on discretionary spending when you cut defense by $219 billion and throw 2 million people out of work. That is essentially what happened here under this proposal.

I say to my colleagues, "You're not only going to throw them out of work by raising the energy tax," and for the people that are watching this debate today and are worried about whether they are going to have base closings, I tell them one thing: "You ain't seen nothing yet. Wait until this kicks in."

Mr. Chairman, I yield 3 minutes to the gentleman from North Carolina [Mr. MCMILLAN].

Mr. MCMILLAN. Mr. Chairman, according to the Tax Foundation, the energy tax will kill 1,445 jobs in the district of the gentleman from Texas [Mr. STENHOLM] who just spoke, and my district, it is estimated, will lose 1,181 jobs, and I do not think either one of us looks forward to that prospect.

But further, we have an opportunity today to make a choice that can meet the expectations of the American people to balance the budget, stimulate the economy, and hold the line on taxes. Unfortunately, Mr. Chairman, we will not do that because President Clinton's tax-and-spend plan does not cut it, and the right alternative is not on the table. The Committee on Rules ruled that out.

So, Mr. Chairman, we are left with Clinton's proposals, the largest tax and spending increase in history, and the son of Kasich with two times the spending reduction of the Democrat plan and no new taxes. Neither go far enough in reducing spending. If nothing is done today, we will add another $1½ trillion to the debt over 5 years with the annual baseline deficit going from $286 billion in 1994 to $359 billion in 1998.

The President's proposal, Mr. Chairman, will add $273 billion in new taxes, reduce spending by only $152 billion for total deficit reduction to $425 billion, and son of Kasich reduces the deficit with no new taxes over 5 years by $352 billion. The fact is that neither plan will reduce the annual deficit below $225 billion a year, and in fact what we are all only reducing is not the actual amount of spending, but reducing projected increases in spending that we have previously enacted or allowed to happen by doing nothing.

All of this, my colleagues, is before health care reform, which could be expensive. The President is talking about maybe as much as $30 to $150 billion a year. But both plans fail to adequately address health care costs that are out of control. Medicare and Medicaid are increasing at 12.4 percent per year. There is no deficit reduction plan that would be effective that does not hold the increases in entitlement programs to the cost of living plus the population increase.

Mr. Chairman, I made a proposal which was disallowed before the Committee on Rules to do just that. It is labeled H.R. 2172, and, if Congress and the President could stick within the targets set forth therein, that is, limiting entitlement growth to the increase in inflation plus population growth, or otherwise it would have to find the revenues to pay for the excess, the baseline would be frozen. It would also do away with baseline budgeting, our Achilles heel. My plan would bring the deficit down to $150 billion in 1998 and balance it by 2002 without a tax increase.

The gentleman from Texas [Mr. STENHOLM] and the Democrat plan talk about caps, but they do not set the caps any lower than the unacceptable rate that is already in the baseline budget, and that is a 12½-percent increase per year. That is simply not good enough. We cannot accept Medicare and Medicaid increasing at a rate of 12½ percent a year, and, if the Congress will roll up its sleeve, we can address the things that are driving up those costs, which is exactly what the authorizing process should be.

My colleagues, let us recycle this hazardous waste of legislation and come back to the kind of change the American people are prepared to sacrifice for that truly maximizes spending cuts and promises a balanced budget.

Mr. SABO. Mr. Chairman, I yield 5 minutes to the distinguished chairman of the Committee on Energy and Commerce, the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Chairman, I thank the distinguished gentleman from Minnesota [Mr. SABO] for yielding this time to me.

Mr. Chairman, I rise first for purposes of a colloquy with my very able friend, chairman of the Committee on Post Office and Civil Service, the distinguished gentleman from Missouri [Mr. CLAY], and I would like to clarify one matter if I could have the attention of my distinguished friend.

Mr. Chairman, various congressional investigations of contracting by Federal agencies, particularly the Environmental Protection Agency and the Department of Energy, have revealed waste and abuse by contractor employees. Many agencies have lost the core staff capability needed to supervise various contractor functions, contractors are performing inherently governmental functions, and contractors are often performing tasks that could be more efficiently performed in-house.

I say to the gentleman from Missouri [Mr. CLAY] in view of these serious problems, I wanted to clarify that the reconciliation provisions reported by the Post Office Committee, section 10004(e), do not require equal percentage cuts in the work force of each executive agency. In other words, I think we should assure the House that these provisions would allow adjustments in the in-house work force of particular agencies to ensure adequate contract auditing and contract administration and to address the overreliance on contractor employees which has caused so many problems in terms of waste, fraud and abuse in these areas.

Mr. CLAY. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Missouri.

Mr. CLAY. Mr. Chairman, I thank the gentleman from Michigan [Mr. DINGELL] for yielding to me, and I say to him that he is correct in his interpretation. The provisions reported by our committee specify limits on the average total number of civilian employees in the executive branch but do not establish agency-by-agency limits.

Mr. DINGELL. Mr. Chairman, I thank my distinguished friend, the gentleman from Missouri [Mr. CLAY]. I am sure my good friend, the gentleman from Minnesota, agrees with those interpretations.

Mr. SABO. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Minnesota.

Mr. SABO. Mr. Chairman, I agree with the interpretation, and I must also note that in contrast to some of the allegations from across the aisle this is another indication of real cuts that are in this budget reconciliation bill.

Mr. DINGELL. Mr. Chairman, I thank the gentleman from Minnesota [Mr. SABO].

Mr. Chairman, this is a good bill. It is going to hurt. It is going to cost people who are the beneficiaries of important programs like Medicaid and Medicare. It is going to hurt in a significant way the people who have the least. It is going to call upon those who have the most to begin to move toward picking up their fair share of the burden.

The legislation has many worthwhile provisions. President Clinton is prepared to lead. He is prepared to resolve the biggest single problem that this country has economically, and that is the budget which is out of control. This will begin to reduce Federal expenditures and get us in line where we can now look forward toward a period of economic development and growth uninhibited by the kind of excessive debt that we have seen triggered over the last 12 years of wildly inflated Federal budgets.

The President's program is a good one. The provisions by our committee do a number of things which are important. First, they cut Medicare and Medicaid by $50 billion. Second, they include the Emergency Telecommunications Technology Act which will make available 200 megahertz of spectrum which will see to it that is auctioned off among would-be spectrum users in a way that conforms with a broad public interest.

□ 1610

I would like to talk a little bit about the Btu tax. One of the great blessings of this country is cheap energy. One of the great curses is cheap energy. It is one of the things which contributes constantly to the unpreparedness of this country to meet the problems of another oil shutoff. Europeans who have maintained their oil prices high are able to address oil shutoffs without expecting wild and crazy swings in their economies occasioned by wild price increases triggered by the events which occur, unfortunately, all too often in the Middle East.

Gasoline today is cheaper than bottled water. Energy efficiency, energy economy in these areas, becomes virtually impossible.

While I do not like tax increases, while I do not like increases in the cost of energy, it must be recognized that this is a package in which about one-half is cuts in programs and about one-half is taxes, which will be raised almost entirely on those most able to pay.

This is the proposal which is going to require real courage by the Members. It has real deficit reduction. Real deficit reductions hurt. Real deficit reductions demand courage, and they demand the ability and the willingness to accept risk.

I heard many of my colleagues during the last campaign on both sides of the aisle speak about how it is needed to end gridlock, how it is needed for this country to set about making the country go. We will have a chance to see how much those Members meant what they said and whether they will have the courage to address perhaps the greatest single problem this country has known in its history, and that is a budget lobby out of control, by supporting President Clinton as he sets about trying to restore balance to the American economy and to the American budgeting process.

Mr. KASICH. Mr. Chairman, I yield 2½ minutes to the gentleman from Ohio [Mr. HOKE].

Mr. HOKE. Mr. Chairman, 218 to 16. Two hundred eighteen to sixteen. Those are the number of calls that we have received in our district office and in my Washington congressional office today. Two hundred eighteen calls from citizens, taxpayers, voters of the 10th District, against 16, encouraging me to vote for this plan. Two hundred eighteen to sixteen.

What does this plan do? It reflects the President's deeply flawed vision of change for America. It reflects a complete misunderstanding and misinterpretation of the mandate for change which was laid upon the President by the American people in November.

What is it that the people really want? They want smaller Government, not bigger Government. They want lower taxes, not higher taxes. They want less regulation, not more regulation. They want more freedom, not less freedom.

Two hundred eighteen to sixteen. And, Mr. Chairman, this is in a district in northeastern Ohio that is 2 to 1 Democrat to Republican in registration, that has had for 16 years representation by a Member of the other party.

Two hundred eighteen to sixteen.

Mr. Chairman, what will the effect be on average Americans? Four hundred seventy-one dollars for the average family in additional taxes due to the Btu tax. Four hundred eighty-three dollars in additional taxes to the average senior for Social Security taxes. Nine hundred fifty dollars for the average senior citizen in America in additional taxes as a combined result of the Btu tax and the Social Security tax.

Mr. Chairman, 218 to 16 against my voting for passage of this plan.

The CHAIRMAN. The gentleman from Minnesota [Mr. SABO] has 44½ minutes remaining, and the gentleman from Ohio [Mr. KASICH] has 49½ minutes remaining.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the very distinguished gentleman from Illinois [Mr. HYDE].

Mr. HYDE. Mr. Chairman, I just want to say a couple of things: The first is that I am amazed at the reliance on the ignorance of the public that many in the majority party exercise when they talk about the Reagan deficits and the Bush deficits, as though Congress did not authorize and appropriate every single penny of those deficits.

There is plenty of blame for Congress, dominated by the Democratic Party, to assume.

But look, we have in front of us the very onerous tax called an energy tax. It hits everybody: the poor, the middle class, the wealthy, the farmer, the worker. Everybody is going to be hit by this odious, onerous tax. It is going to help crush the economy.

In addition, you have a tax on Social Security, on older people who have been prudent enough to save a few dollars. And if a single person on Social Security has $25,000 in income, up go his taxes through the roof. For a couple, slightly more. Up go their taxes.

Both of those should not be in this program, but they are there, and there is no opportunity to get them out, because the majority party has used its powers to gag us so we cannot debate nor offer amendments on those topics. So voting for the substitute offered by the gentleman from Ohio [Mr. KASICH] is the only way to get rid of those disastrous, onerous taxes.

Certainly the Kasich substitute is not perfect. There are many things in it that many of us would want to change. But yet it is the only response to a terrible package that the Clinton people are bringing forward that means economic disaster.

So the only way to get rid of the energy tax, which is a killer, and the only way to get rid of that unfair Social Security tax, is to support the gentleman from Ohio [Mr. KASICH].

Mr. SABO. Mr. Chairman, I yield myself such time as I may consume to respond to the gentleman from Illinois [Mr. HYDE].

Mr. Chairman, the gentleman from Illinois should read "The Public Confessions of David Stockman: The Triumphs of Politics." Stockman's quote:

> Kemp-Roth was always a Trojan horse to bring down the top rate. It is kind of hard to sell trickle-down, so the supply-side formula was the only way to get a tax policy that was really trickle-down. Supply-side is a trickle-down theory.

He also explained how they developed their numbers in Gramm-Latta, down to 31 billion, by hook or crook. "Mostly the latter," was Mr. Stockman's response.

Mr. Chairman, I yield such time as he may consume to the gentleman from Missouri [Mr. VOLKMER].

Mr. VOLKMER. Mr. Chairman, on behalf of my five grandchildren, I rise in support of H.R. 2264.

Mr. SABO. Mr. Chairman, I yield 3 minutes to the gentleman from Missouri [Mr. CLAY].

Mr. EDWARDS of California. Mr. Chairman, will the gentleman yield?

Mr. CLAY. I yield to the gentleman from California.

Mr. EDWARDS of California. Mr. Chairman, I thank the distinguished chairman of the Committee on Post Office and Civil Service for yielding.

Mr. Chairman, I rise in support of this bill.

Mr. Chairman, the gentleman from Missouri [Mr. CLAY] and I were here in 1981 when President Reagan had been recently elected on the promise that he would make change in the country. When he came in July before the Congress, before the House of Representatives with his tax plan, which was the heart of his changed plan for America, he got 133 Democratic votes.

If the gentleman from Missouri [Mr. CLAY] remembers, this was joined with 190 Republican votes and the bill was passed.

Mr. Chairman, I speak to my colleagues on this side of the aisle: every single Republican except one voted with their President, giving him a chance to put his plans into effect. I hope we all remember that today when we vote for this very good bill.

I will just take a moment, but there is a point I want to make that I would encourage my colleagues to consider.

In 1981, when Ronald Reagan became our President, the heart of his economic plan was his tax package. President Reagan was elected on a promise to make major changes in the tax system, and in the summer of that year the Congress had before it the President's tax plan.

Although many Democrats had reservations about the President's plan, 133 Democrats joined with 190 Republicans in voting on July 29 to approve the package.

Those Democrats felt that the newly elected President should have a chance to put his programs in place.

To my friends on the other side of the aisle, I say now we have another President who has been elected on a platform of change—a plan to reduce the deficit and revitalize our economy. The bill before us today is a key component of President Clinton's economic plan. Let's give the President a chance to make the changes the voters elected him to make.

To my friends on this side of the Chamber, let me note that in 1981 only one Republican did not support President Reagan on the 1981 tax package.

President Clinton is our President. We must support him. This is a good package. It is the largest deficit reduction package in U.S. history. Let's help our President fulfill the promises he made to the American people. I urge the adoption of the bill before us today.

Mr. CLAY. Mr. Chairman, reclaiming my time, under the provisions of the budget resolution, the Committee on Post Office and Civil Service was instructed to cut direct spending by $10 billion over fiscal year 1994 through 1998, and to reduce discretionary spending by $28.7 billion over the same 5 fiscal years.

□ 1620

While the committee fully complied with those instructions, the committee's budget reductions were not achieved without a good deal of effort and anguish.

Given the committee's limited jurisdiction over entitlement programs, the budget resolution put the committee in a very difficult and unenviable position. I doubt any committee was asked to come up with so much from so few.

The 4½ million Federal employees and retirees were asked to absorb over $39 billion in pay, benefits, and program cuts. That figure represents 16 percent of all the spending cuts contained in this reconciliation bill.

Nevertheless, the committee did not duck its responsibility. Rather, the committee worked very hard to ensure that the required spending reductions were made in the fairest and most responsible manner. When the budget process began back in February, I was determined to have the committee explore every possible alternative source of savings available to us.

I am generally satisfied that we have met our goal, Mr. Chairman. Locality pay was preserved. Benefit cuts for younger retirees were rejected. The committee refused to reduce survivor benefits for dependent children and surviving spouses, as was proposed.

Mr. Chairman, I know of no other group in this country that is being asked to suffer a greater reduction in their standard of living. But as they have in the past, the Federal workers will rise to the occasion, because it is in the best interest of the Nation.

Mr. Chairman, we must reduce the deficit and yet continue to provide essential government services. This bill does that, and I recommend a "yes" vote.

Mr. Chairman, under the provisions of the budget resolution, the Post Office and Civil Service Committee was instructed to cut direct spending by $10.6 billion over fiscal years 1994 through 1998 and to reduce discretionary spending by $28.7 billion over the same 5 fiscal years. While the committee's recommendations to the Budget Committee fully complied with those instructions, the committee's budget reductions were not achieved without a great deal of effort and anguish.

Given this committee's limited jurisdiction over entitlement programs, the budget resolution put the committee in a very difficult and unenviable position. Only two other committees of the House were required to produce more savings. I doubt any committee was asked to come up with so much from so few.

President Clinton and the Congress are asking the 4½ million Federal employees and retirees to absorb over $39 billion in pay, benefits, and program cuts. That figure represents 16 percent of all the spending cuts contained in the reconciliation bill. A disproportionate share of the sacrifices Americans are being asked to make will be borne by Federal employees and retirees. Nevertheless, the committee did not duck its responsibility under the budget resolution. Rather, the committee worked very hard to ensure that the required spending reductions were made in the fairest and most responsible manner.

On May 13, 1993, the committee completed action on reconciliation recommendations that preserved the locality pay system for Federal workers, avoided reducing survivor annuities and averted a multibillion dollar shift in health benefit costs to Federal workers and retirees.

The changes in Federal pay will produce the largest spending reductions. The reconciliation bill will freeze Federal pay in 1994 by eliminating the January 1 2.2-percent pay adjustment. The bill also reduced the pay adjustments for calendar years 1995 through 1997 by 1 percent and changes the effective date of annual pay adjustments from January 1 to July 1 in calendar years 1995 through 2003. Because the pay adjustments for Member of Congress, Federal judges, and employees in positions under the executive schedule are linked to the pay system for Federal employees, the effect of these changes in pay adjustments is the same for these Federal officials as it is for Federal employees.

The committee's recommendations preserve the system for locality pay established by the Federal Employees Pay Comparability Act of 1990. The President had proposed a 1-year delay, followed by a substantial revision of the methodology for determining pay adjustments. Instead, the committee will implement locality based pay adjustments in 1994, just as the act had provided, although the effective date of the adjustments will be delayed 6 months to July 1. The reconciliation bill also establishes overall limits on locality-based payments to be made in 1994 through 1998. In order to meet these caps, the administration will have the authority to reduce locality payments otherwise authorized.

The reconciliation bill would delay by 3 months the cost-of-living adjustments under the Federal employee retirement systems in fiscal year 1994, 1995, and 1996. Under existing law, COLA's are effective December 1 of each year. Under this proposal, COLA's would not take effect until March 1 in the 3 fiscal years. The COLA delay would apply to all annuities payable under the civil service retirement system, the Federal employees' retirement system, and the Foreign Service and CIA retirement systems.

The reconciliation bill would repeal the lump-sum retirement benefit for all employees retiring on or after December 31, 1993, except for employees who have a life-threatening affliction or other critical medical condition. The lump-sum option has been suspended for 5 years under the Omnibus Budget Reconciliation Act of 1990 for all employees except this same group and involuntary retirees. This change in lump-sum benefits applies to the Federal employee, Foreign Service, and CIA Retirement Systems.

The reconciliation bill will extend for 5 years the formula for determining the Government's contribution under the Federal Employees Health Benefits Program. The formula, which was established in 1989 when Aetna withdrew from the program, will expire this year. Unless Congress extends it, the Government's share of health premiums would be reduced by $688 million in 1994; enrollee costs would increase by an average of 23 percent per month, an amount in addition to the expected 8- 9-percent increase in enrollees' premiums resulting from the overall increase in health care costs.

Other program cuts include a reduction in the total number of civilian employees in the executive branch by 1998 by 149,300, which is 10,000 more than the President proposed and assumed in the budget resolution. The reconciliation bill provides that to the maximum extent practicable, these reductions are to be achieved through attrition or other voluntary measures. In addition, the bill suspends cash awards to Federal workers and executives for fiscal years 1994 through 1998 and eliminates the current exemption from the limits on the accumulation of unused annual leave for members of the Senior Executive Service. The bill also would apply, beginning in 1995, the Medicare part B limits on physicians' services to health benefits program annuitants who are 65 or older and do not participate in Medicare part B.

In the postal area, while the committee prefers that the Congress fully fund revenue forgone appropriations to support nonprofit mailers, the budget realities preclude such action. Therefore, the recommendation will reform rate making for nonprofit mail. Except for appropriations to cover free-for-the-blind and overseas voting rights mailings, this reform will eliminate the need for revenue forgone appropriations. The reform represents a delicate compromise between nonprofit and commercial mailers. It raises rates for nonprofit mailers over 6 years, eventually 23 percent for fund raising letters and 12 percent for publications. The reform also eliminates commercial uses for nonprofit mail so that nonprofit mailers cannot use reduced rates to compete with profitmaking businesses. The bill authorizes $29 million per year for 42 years in appropriations to reimburse the Postal Service for phasing-in nonprofit rate increase and for revenue forgone losses in 1991, 1992, and 1993.

The recommendation also includes payments totaling $1.041 billion by the Postal Service to the civil service retirement and disability fund and the employees health benefits fund for past retiree COLA's and health benefits. The payments will be made in three equal annual installments beginning in fiscal year 1995. The committee believed that Postal Service payments required by the Omnibus Budget Reconciliation Act of 1990 ended any further Postal Service liability for past retiree COLA's and health benefit. These additional payments in the bill correct calculation errors and, the committee believes, represent the final chapter on this issue.

When the budget process began back in February, I was determined to have the committee explore every possible alternative source of savings within our jurisdiction in an effort to achieve the fairest and most responsible spending reductions. I am generally satisfied that we have met our goal. Locality pay was preserved. Benefit cuts for younger retirees were rejected. The committee refused to reduce survivor benefit for dependent children and surviving spouses, as the administration had proposed.

Federal workers and retirees are affected a great deal by this budget reconciliation bill. I know of no other group in this country that is being asked to suffer a greater reduction in their standard of living. As they have in the past, Federal workers will rise to the occasion to do their part for the greater good.

In conclusion, I commend the President and the Congress for confronting the No. 1 public policy problem facing the Government, namely, the Federal budget deficit. It has sapped our strength. It has made us as a nation timid in our commitment to solving the social problems facing out youth, the sick, and the poor. Our problems are too great for the faint hearted.

This is the first time in 12 years that we have confronted the deficit issue head on. If we succeed here, we will be in a better position to do great things, as a country and as a congress.

To their great credit, President Clinton and the Congress boldly propose to reduce Government spending by over $246 billion over 5 years. This bill will reduce the Federal deficit by a total of $496 billion over the same 5 years. Approving this reconciliation bill is the first step toward creating the economic prosperity that will create jobs and improve the standard of living of all American workers. The Democratic Party is the party of prosperity and equality. Without a strong economy, we will never have either fully. President Clinton and this Congress were elected to restore economic prosperity to our Nation. To vote for this bill is to do what the American people sent us you here to do.

Mr. KASICH. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Chairman, change is not enough. What good is change without progress?

I am a Democrat. I challenge any Democrat to match my record pointblank. But I am not a lemming. When the interest of the Democrat Party conflicts with the interests of my constituents, it is an easy vote for me. I will always vote for the interests of my constituents.

I have lost jobs over the years, and I am not going to vote to lose another damn job, whether it is a Republican plan or a Democratic plan.

Bottom line: This is the biggest tax increase in our history. And what bothers me is it has been drafted by the same Members, a small few select Members that have given us the Tax Code that rewards imports, kills our exports, kills our jobs and allows an IRS to feast on our own constituents, afraid of our shadow.

Why do we not cut some foreign aid, folks? What about all the billions going to defend Japan and Germany? What is it with a Congress that will shut down the bases in Philadelphia, all over America, but will not shut down the bases overseas that say, "Yankee go home."

No one worked harder to elect Bill Clinton than me, and I support him. His heart is in the right place. But I am not for this damn plan. And I say, as a Democrat, shove this big tax increase up your compromise.

We have had a number of compromises. We have had a number of compromises, and we are compromised out. I did not come here to associate with Monty Hall.

Let me say one last thing. We do have race wars in America. We have age wars in America, gender wars in America. Now what do we have? A class war. Just jump on the rich, folks.

Let me tell my colleagues what, my district is one of the poorest and those so-called rich people I want to hire my people. I do not want them to have to leave our country.

We have put them up to here with the IRS, Social Security, unemployment comp, banking regulations, security regulations. Why the hell invest in America, Congress? They have not left because they are not patriots. Congress has not done their jobs. We have chased American jobs the hell out of here, and I will have no part of it.

I am going to vote today for my people. This will cost me 1,000 jobs, and I will be damned if I am going to lose another job, whether it has a Republican name or a Democrat name.

Mr. Chairman, I thank the gentleman for yielding time to me.

The CHAIRMAN. The Chair would admonish the gentleman from Ohio not to use profane language in his speeches.

Mr. SABO. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Chairman, I rise in support of the legislation. Mr. Chairman, as they said in the movie, "All That Jazz," "It's show time."

For 12 years, we had Presidents who pontificated about balancing the budget. But year after year, they asked Congress to enact budgets with bigger and bigger deficits.

For 12 years, red ink flooded our national finances because no President had the courage to come before the American people and the Congress and say what we need to do to get our fiscal house back in order.

Last November, the American people voted for change.

Not for easy change; not for symbolic change. But for real change, beginning with the budget and with deficit control.

Bill Clinton has responded to that mandate with the equitable, effective, and enforceable deficit reduction package that is before us today.

It's show time, for Congress, for the press, and for the American people.

Let us make a real stab at being honest with the Nation. There is no alternative to the Clinton deficit reduction plan.

The Republicans, who quadrupled the debt to $4 trillion in just 12 years, have no alternative; they have rhetoric. And if rhetoric could reduce the deficit, we would have had a balanced budget years ago.

The Senate has no alternative: The naysayers are offering a plan that protects energy companies by impoverishing millions of elderly citizens. And everyone knows that plan cannot pass.

And Ross Perot? Can we get serious here? Mr. Perot's regressive plan calls upon the middle class, whose taxes rose to pay for the Reagan-Bush tax and spend frenzy of the 1980's, to carry the greatest tax burden now. That is exactly the reverse of the Clinton plan. I guess it isn't all that simple.

I know this budget plan is difficult for many Members, and that they worry about voter retribution. Let me assure you: Whatever voter anger you confront as a result of voting for this bill will pale in comparison to the voter outrage, press condemnation, and financial collapse that would surely, and justifiably, result from the failure of this bill.

COMMITTEE ON NATURAL RESOURCES

The Committee on Natural Resources, which I am honored to chair, has contributed to this deficit reduction effort by introducing greater equity, accountability, and managerial improvements to the Departments of the Interior and Energy.

Fees. Rather than raise admission and useage fees for national parks and forests across the board, the Committee on Natural Resources equalized our fee structure by imposing fees on commercial users of public facilities, by bringing certain fees up to fair market value, and by only then raising certain fees to individuals that had previously been excluded from the fee system.

Mining holding fee. We have continued the $100 annual fee for claim location and maintenance of mining claims, which makes permanent a policy imposed previously through the appropriations process.

Nuclear Regulatory Commission fees. We extend current law to require the NRC to collect fees sufficient to pay for the cost of administering its programs.

Mineral receipts sharing. In the past, the Federal Government has paid for the entire cost of administering the onshore mineral production program on Federal lands, and shared half of all receipts with the States. This bill would share the costs of administration on a 50–50 basis with the States.

Irrigation surcharge. Water provided by Federal water projects in the west has been traditionally and notoriously subsidized, resulting in overplanting of many crops and serious environmental problems attributable to drainage and diversions. Last year, with the enactment of Public Law 102–575, the Congress imposed a substantial fee on California irrigators to pay for the costs of fish and wildlife restoration programs. This bill imposes a modest surcharge sufficient to yield at least $10 million annually for 3 years, and $15 million thereafter, to finance a restoration fund in other States.

Grants for insular areas. Lastly, we impose several qualifications on the provision of additional grant assistance to the Commonwealth of the Northern Mariana Islands. Current law provides that the United States provide nearly $28 million to the CNMI annually. This bill provides that for fiscal year 1994, only $3 million will go to the CNMI for the purpose of completing a memorial to those who served in the Pacific during World War II, with the remaining $19 million available for distribution to other territories based on applications for capital improvement grant approved by the Secretary of the Interior. Further funding for CNMI, which has been wracked by serious scandals involving immigration policy, tax policy, enforcement of labor standards, and abuse of immigrant workers, would await passage of a future joint resolution. In the meantime, several different agencies, including the GAO, the inspector general of the Department of the Interior, and the Department of Justice, are directed to investigate and report upon the record of the CNMI government in improving these violations of law and other serious problems.

Mr. Chairman, our Committee also directs the Secretaries of the Interior and Energy to undertake thorough studies of the fees that are charged for services, to modify those fees to assure that all costs are fully covered by the fees, and to impose fees where none exist to reduce costs to the Government.

Lastly, our bill instructs that the President's annual budget submission include, in the future, an estimate of the unfunded liabilities of the Federal Government. Most Americans, including many in this Chamber, are unaware of the tens of billions of dollars in liabilities that our Government may well face as a result of obligations to clean up toxic waste sites, abandoned mines and oil wells, contaminated fish and wildlife habitats and many other costs that are, or could become, the responsibilities of taxpayers because those who caused the damage are unable, unwilling, or unavailable to do it themselves.

Mr. Chairman, that concludes the deficit reduction package approved by the Committee on Natural Resources.

I want to stress that many members of this committee cast tough votes for this package, and I want to acknowledge their courage and their dedication to deficit reduction, even at risk to their own political careers. They have demonstrated an unwavering commitment to fiscal responsibility, and I deeply appreciate their support of this important bill.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the gentlewoman from the District of Columbia [Ms. NORTON].

Ms. NORTON. Mr. Chairman, I have an unusual array of participants to thank today—Chairman CLAY, Chairman HOYER, Chairman SABO, Director Panetta, the organizations representing Federal employees, and as well, the CBO, OMB, OPM, and GAO for hard work that has led to a remarkable result. With their help, my Post Office and Civil Service Subcommittee on Compensation and Employee Benefits has met the President's requirement that we bring in $39 billion in documented savings, including two-thirds of his total discretionary cuts, all without extracting an intolerable burden from Federal employees.

To marry our mandate with concern for employees, we found alternatives to those originally proposed. The most important was keeping the long sought promise of locality pay to begin closing the average 30-percent gap between Federal and private sector employees doing comparable work. Proceeding toward this reform is especially necessary next year when Federal employees will have their pay frozen and will get sharply reduced annual increases for the next 3 years. At least beginning the 9-year process of closing the unconscionable gap avoids mass demoralization of the Federal work force and irretrievable losses in hiring and maintaining skilled employees.

From two dozen suggestions, we have found solid alternatives to avoid $700 million in new health care costs for Federal workers, a reduction in survivor benefits, a limit on the child survivor annuity, and a COLA cap and a COLA reduction on retirees below age 62.

Mr. Speaker, even with alternatives that replace more painful ones, Federal employees will absorb far greater sacrifices than other Americans. Thanks to a collegial problem-solving effort involving the subcommittee with other Members, employee organizations, Government agencies, and tireless staff work the pain will be far easier to bear.

Mr. KASICH. Mr. Chairman, how much time remains on each side?

The CHAIRMAN. The gentleman from Ohio [Mr. KASICH] has 44½ minutes remaining, and the gentleman from Minnesota [Mr. SABO] has 39 minutes remaining.

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. HERGER], a member of the committee.

Mr. HERGER. Mr. Chairman, according to the Tax Foundation, the energy tax alone will destroy 1,121 jobs in my district alone, jobs that we cannot afford to lose. Mr. Chairman, to tax or not to tax—that is the question we are deciding today. Do we cut spending first, by adopting the Republican alternative, which cuts the deficit by $352 billion over the next 5 years?

Or do we impose the largest tax increase in American history on middle-class Americans and senior citizens and force the average American family to turn over another $500 to the Government in taxes each year?

Moreover, if we do impose this $355 billion tax increase, will that money do anything to reduce the deficit, or will it simply be squandered on new spending programs?

Under the Democrat's proposal, our national debt will not only not be reduced, but will actually be increased by 50 percent from $4.1 to $6.2 trillion over the next 5 years. Why? Because the Democrat plan does not control spending.

Once the floodgates are open and the new tax money comes pouring in, do we really believe a cardboard deficit reduction trust fund is going to keep Congress from squandering the money? President Clinton's Deputy Director of OMB doesn't think so. Alice Rivlin said the trust fund won't change anything.

Mr. Chairman, if the Democrat plan was a credible means of reducing our deficit, there would be no doubt about its passage. There would be no need for the barrage of deal-cutting going on last night, whose total cost to the taxpayers is still unknown.

The Kasich amendment is the only plan that does what our constituents want us to do—it does not raise taxes on the middle-class or senior citizens. It cuts spending first.

□ 1630

Mr. KASICH. Mr. Chairman, I yield 3 minutes to the gentleman from Oklahoma [Mr. INHOFE].

Mr. INHOFE. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, there are many reasons to oppose the reconciliation measure. I am sure you are very excited about going home for the Memorial Day recess and facing the senior citizens who have just found out that you have voted for a 35-percent increase in the Social Security tax, which hits middle-income Americans hard. The Btu tax that masqueraded behind that nebulous title for several weeks is now out in the open and middle-income Americans now know there is a major tax increase on them. You have heard many speakers talk about these taxes, but there are many more hidden within this package that you may think you can cram down the throats of America with little or no notice.

Let me point out one tax that has not been talked about, but will affect 250,000 of your most enthusiastic single-issue citizens—the aircraft pilots of America.

Contrary to what some would have you believe, GA pilots are not fat cats. They are single-issue people who eat, sleep, and breathe aviation. In many cases, flying is the one thing these people enjoy and for many of them an additional $40 is a lot of money. You have probably been led to believe that GA pilots currently pay only nominal fees. In fact, the average GA pilot with a basic four-place aircraft pays at minimum $2,320 in federally mandated fees. This does not include fuel taxes or State imposed fees. So do not fool yourselves, what you are voting on today is not, as proponents would have you believe, a reasonable user's fee on a segment that pays little to nothing, but is in fact an additional burden on an industry that is already heavily taxed.

Aviation is not just a dying industry but is one that is almost dead. In 1979 we manufactured about 19,000 aircraft in America. In 1992, U.S. manufactured aircraft was 608. In less than 20 years, a world-class industry has been decimated. Although the lion's share of the blame for the decline of aviation probably belongs to the American trial lawyers for blocking meaningful product liability reform, today we are being asked to finish the job by taxing the industry out of existence.

Proponents of the tax increase argue that GA does not pay its fair share. First, it is important to recognize that GA pilots only use a small percentage of a system that has been designed and maintained primarily for airlines. Our airspace system is the most sophisticated in the world but because it was designed for commercial traffic, it offers services far in excess of what most GA pilots need or want.

Second, GA does pay its fair share in the form of Federal taxes on noncommercial aviation fuel—currently at 15 cents per gallon on avgas and 17.5 cents on jet fuel. This of course does not include the increased burden of the Btu tax which could amount to an additional $500 million over 5 years.

Third, GA's contribution to aerospace technology is irrefutable. Time and time again, GA—not the commercial sector—has developed and tested the technology that is used in state-of-the-art aeronautics. Breakthroughs like lamiter-flow wings, honeycomb construction, weeping wings, NACA scoops, and advances in avionics, are some of the many contributions GA has made to the aerospace industry.

What happens to aeronautical innovation if we push GA out of business? Well, recent history has shown that it stops. Since the decline of GA manufacturing in this country, innovative technological developments have moved overseas and cutting edge American technology is limited. In an industry where we once led the world in development, we are falling behind and will shortly not be a significant player.

Before imposing this new tax, we should ask how much it will cost to collect. Unfortunately, it is rather difficult to say at this point. However best estimates from the FAA appear to suggest the following: $28 to register the aircraft, $16 for renewal, $12 for a pilot certificate, and $12 for renewal. The proposal calls for a $12 triennial pilot certificate; thus, the $12 pilot certificate fee will not generate any revenue.

According to estimates, 80 percent of GA aircraft are less than 3,500 pounds and therefore are eligible to pay the lower $40 registration fee. That means that it will cost $5,774,944 to collect $8,249,920 in revenue in that category. Hardly effective. One has to wonder if we would be better off saving the $5,774,944 in collection costs.

Finally, before you vote on this tax, consider the entire package. By that I mean, the amount that an individual with a small airplane will pay is not just $40. It is going to be $40 plus the triennial pilot certificate fee of $12; plus additional fuel costs due to the Btu at 100 gallons per month that would be $100 per year; plus increased medical examination cost because medical examiners are going to pass on their $500 license fee to their patients; plus a $200 title and recording fee when you trade your aircraft. Instead of $40, we are conservatively talking an additional tax burden of $500 per year.

I was flying my plane back to Washington 2 weeks ago and I stopped at my normal halfway point, Owensboro, KY, partly because their gas is a few cents cheaper. I can remember stopping at that airport in the years past. The airport bustling with activity and enthusiasm, airplanes taxiing back and forth—a major industry in action. As I taxied up to the gas pump, 2 weeks ago, I was the only aircraft on the field with a prop turning. You could have fired an AK-47 360 degrees and have not hit a soul. The aviation industry is near death today. These discriminating fees and taxes imposed upon the 250,000 remaining aviation enthusiasts will not go unnoticed. I am sure the President thinks that this number is too small to be concerned with.

Democratic Senator, PATRICK MOYNIHAN, chairman of the Senate Finance Committee, characterized the Clinton increases that you are being asked to vote on today as "the largest tax increase of the history of public finance in America or anywhere else in the world." The 250,000 pilots of America will not forget this.

Mr. SABO. Mr. Chairman, I yield such time as he may consume to the gentleman from Michigan [Mr. FORD], the distinguished chairman of the Committee on Education and Labor.

Mr. FORD of Michigan. Mr. Chairman, I rise in support of the Omnibus Reconciliation Act and in opposition to the Kasich substitute.

Mr. Chairman, as its part of the bill before us, the title reported by the Committee on Education and Labor would provide nearly $6 billion in savings over the next 5 years, according to the Congressional Budget Office.

The committee's reconciliation recommendations include three distinct items proposed by the President: replacing the guaranteed student loan program with a new direct loan program, requiring States whose student loan default rates are excessive to pay part of the cost, and amending the Employee Retirement Income Security Act of 1974 to permit the identification and allocation of third-party liability with respect to Medicare and Medicaid coverage under health plans.

I want to focus on the direct loan proposal for several reasons: It provides the biggest portion of savings, it is a terribly important reform for young people and their families struggling to pay college tuition bills, and it has been the target of a full-court lobbying effort replete with misinformation and misrepresentation.

Direct lending is based on the current pilot program. Simply put, direct lending would phase out subsidies to private lenders and split the savings between taxpayers and students, who would receive reduced interest rates and fees.

Students pay, on average, 6.5 percent of their loan in origination fees and insurance premiums—an amount which is deducted from the loan. Under direct loans, the origination fee would drop to 3.65 percent by 1998. In addition, the loan interest rate would be about 0.6 percent below the guaranteed program. Direct loans also would allow students a range of flexible repayment options, including income-contingent repayment. And students would benefit from a simpler process of obtaining and repaying loans.

Like the guaranteed loan system, the Direct Loan Program would be an entitlement. The mandatory spending would include all aspects of the program: the loan capital and administrative and servicing costs. There would be no gap in access to loans. Even so, the new program would save the Government $4.3 billion through 1998 and $2 billion per year after that compared to guaranteed loans.

The proposal would sweep away the system of 7,800 lenders, 46 guaranty agencies, and numerous servicers and secondary markets. In this complex setup, students go to a bank or other qualified lender, the loans are insured by a guaranty agency, reinsured by the Education Department and frequently resold in secondary markets. Under direct loans, students would obtain loans from their school. Most would receive all their financial aid through a single application at their school's financial aid office.

Qualified institutions could originate loans, receiving an administrative fee for each, but no institution would be required to do so. For those schools that decline to originate loans, alternate institutions or contractors, competitively selected, would handle loan paperwork. Either way, students would deal only with their school.

The committee recommendation is the result of careful study over several years by CBO, GAO, CRS, OMB, the Department of Education, and other public and private organizations. During the committee's deliberations on the reauthorization of the Higher Education Act last year, direct loans were discussed by 24 witnesses in 13 different hearings in Washington and around the Nation. The reauthorization, as reported by the committee, contained a phased-in direct loan program.

Nevertheless, Mr. Chairman, the special interests who benefit from the status quo continue to push a number of arguments against this proposal.

First, they charge that schools are not prepared to originate student loans. The fact is, three out of four students never see the inside of a bank to get their loans, they go to the school. As I stated, no school would be required to originate loans.

Similarly, opponents cite their own surveys indicating that institutions oppose direct lending. The surveyors, however, provide misleading descriptions of the direct loan proposal. They told college administrators they would be required to service the loans. Obviously, they did not reveal details of the direct loan proposal.

Next, opponents contend that the Department of Education is incapable of administering the program. It is a point familiar to those of us who watched the Reagan administration attempt to destroy agencies to support their argument that Government was the problem. One of Ronald Reagan's campaign pledges was to abolish the Department of Education. The Bush administration continued to starve the Department of adequate resources to execute its responsibilities and to use it as a dumping ground for political patronage.

Despite this dubious record, the Department successfully administered a direct loan program, the Perkins loans, with a portfolio of nearly $19 billion.

More importantly, we have a new President, a new Secretary, and a revitalized Department committed to the success of this program and the other education initiatives this country so sorely needs.

Furthermore, the Department will not have the full load of direct lending dumped on it in October, when the legislation would take effect. The legislation would phase in the program, beginning with 4 percent in the first year, roughly the size of the current pilot program. The proportion would increase over the next 4 years, and the Department would report regularly to Congress on its progress. We will be watching that progress.

That leads me to the next argument—that the advent of direct loans will mean the sudden end of guaranteed loans. This is not true either. According to CBO, even after the direct loan program is fully phased in, and outstanding guaranteed loan portfolio in excess of $90 billion will yield profits to lenders well past the year 2010.

Having made these arguments over the last several weeks, special interests—the lenders, led by Sallie Mae—contend that only they can maintain the viability of the student loan system.

To their credit, the student loan industry recently has been peddling alternatives to protect the status quo.

I want to address the only alternative scored as meeting the required CBO estimate, a bill introduced by our colleague, BART GORDON. I understand my friend decided not to present his bill as a substitute to the committee recommendation. Nevertheless, I think it is appropriate to examine his bill, H.R. 2219, for my colleagues who believe it represents a fair and credible alternative.

H.R. 2219 would meet the reconciliation target by swiftly slashing Federal subsidies to banks, guaranty agencies, and secondary markets. Unfortunately, the proposal has distinct disadvantages.

First, by cutting bank subsidies, H.R. 2219 likely would spur a massive withdrawal of lenders from the program and the collapse of many guarantors and secondary markets. This would immediately put at risk the availability of loans to the 6 million students who borrow annually.

Second, H.R. 2219 leaves in place the guaranteed loan system, universally criticized for its unnecessary use of middlemen and vulnerability to fraud. The Department's inspector general and the GAO investigated lenders who systematically over billed the Federal Government, students who defaulted because they did not know who held their loans, and guarantors who failed to ensure due diligence in collections by lenders. These abuses have resulted in the loss to the treasury of billions of dollars.

Third, H.R. 2219 provides no relief for student borrowers, only for the Government. Students would get no reduction in interest rates or fees, nor would they have the flexible repayment option of the committee's recommendation. For the last 12 years, the budget has been hard on students. They have been forced to bear the origination fee. They have had their loan checks delayed for 30 days as a savings gimmick. Their burden deserves relief.

Fourth, H.R. 2219 would provide $1 billion in annual savings beyond 1997, only half the savings of direct loans., It would do so by making cuts that have not been examined by the authorizing committee, education and labor.

I believe my colleague, Mr. GORDON, has tried to offer a good-faith alternative. I wish I could say the same about the industry that pushes it and others. Instead, we have witnessed a number of alleged grassroots campaigns that have turned out to be fronts for the banks and guaranty agencies who stand to lose the gravy train long provided by the current system.

This week, a number of our colleagues—led by Senator PAUL SIMON, Representatives TOM PETRI and ROB ANDREWS of our committee, and Education Deputy Secretary Madeleine Kunin—cast light on a number of these fronts.

One is an organization called Ohio Students for Loan Reform, which is actually run by the Student Loan Funding Corp., a secondary market for student loans. This front group ran ads in student newspapers, advertised a 1-800 telephone number that students could call to receive anti-direct-lending materials, and ran a drive to get students to send postcards to their Senators opposing direct loans.

We also learned of activities by the National Council of Higher Education Loan Programs, an organization of student-loan businesses. The council organized a panel of students purporting to represent the U.S. Student Association to appear at the council's expense at a council conference this week in San Francisco and enforce its anti-direct-loan position.

The fact is, the U.S. Student Association, which represents 3.5 million students at 350 member schools and State student associations, overwhelmingly endorsed direct loans at its convention in August 1991 and supported the direct loan pilot program that the Committee on Education and Labor included in the 1992 Higher Education Act reauthorization. The council obviously attempted to misrepresent the student association's position to further its political ends. It reluctantly announced at its conference that the panel it had recruited had no connection with the student association.

In Washington, Sallie Mae and the banks with a stake in the status quo have spared no expense to lobby Members of Congress to defeat the direct loan proposal. They have hired many of the most powerful lobbying firms in town.

It is unfortunate that the interest of banks have become so intertwined with the supposed interest of students, because this issue is not about banks, guaranty agencies, and secondary markets. It is about students and families and the best deal we can give them to help them pay for their educations.

As Deputy Secretary Kunin said in her statement on May 26 to the Senate Labor and Human Resources Committee:

> One might well ask when we have such an opportunity to make government work better, who could argue with a plan to provide better benefits to students while significantly reducing federal costs and creating more efficiency? The answer is obvious: those who are enjoying substantial benefits from the present system—the banks, guaranty agencies, Sallie Mae, state secondary markets, and others.

Everyone in this town is talking about the need to cut spending and reduce the deficit. Under this proposal, we will do that, and we will reduce the cost of getting an education for millions of young Americans. Increasing opportunity and making college affordable is the purpose of the student loan program. It is one of the reasons why I was attracted to the Committee on Education and Labor. At least as far as student loans are concerned, we are not here necessarily to help the banking industry continue a profitable line of business.

Mr. Chairman, I hope my colleagues will join the committee in supporting this important legislation.

Mr. SABO. Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from Kentucky [Mr. MAZZOLI].

Mr. MAZZOLI. Mr. Chairman, I rise in support of final passage of the reconciliation bill, and against the offering of the gentleman from Ohio [Mr. KASICH].

Mr. SABO. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Washington [Mrs. UNSOELD].

Mrs. UNSOELD. Mr. Chairman, on behalf of the country, I rise in strong support of the reconciliation bill coming from the President and the House, and against the Kasich amendment.

Mr. Chairman, after 12 years of Republican spend and borrow, after 12 years of Republicans driving us to the brink of bankruptcy, this Nation is engaged in a struggle to restore economic health and fiscal sanity to our country.

I rise in support of President Clinton's deficit reduction package. Listening to the guardians of gridlock, you could not guess that we will be voting on the largest deficit reduction package in the history of this Nation—$500 billion over 5 years.

On the heels of a decade where we doubled defense spending, tripled the Federal deficit and saw our national debt balloon toward $4 trillion, this President is engaging in real deficit reduction. Over 5 years there would be approximately $117 billion less in domestic spending, $110 billion less in defense spending, $90 billion in cuts to entitlement programs, and $3 billion in cuts to foreign aid programs. For every new dollar in new investments, there will be $3 in cuts.

This President is also restoring tax fairness; 75 percent of the tax increases will be on families with income over $100,000. Every tax dollar in the bill will go toward deficit reduction. The relatively small additional energy tax to be paid by middle and lower income families will be offset by lower interest rates and an expansion of the earned income tax credit.

The President is asking more from those who can afford it the most. Under the legislation the richest 1 percent of American families will give back many of the tax breaks they got during the 1980's.

Besides leading us through the tough decisions to shrink the deficit, the President is tackling our economic problems. He is asking for help to restore hope for the 7 million people in this country who would rather earn a paycheck than a welfare check. He wants to invest in people again. I look at our State and see double-digit unemployment rates in many areas; I look at Skamania County and see almost 33 percent of the people out of work.

This bill includes $75 billion in tax incentives for investment, jobs, and encouragement of work effort, aimed at small business and at communities and individuals currently suffering from low incomes. That will mean more real jobs in the private sector.

By seriously addressing our Nation's deficit problems, cutting spending, and reprioritizing current spending patterns which aren't effectively addressing the needs of the American people, President Clinton is trying to build a strong foundation for our Nation's future. His plan is bold, serious, comprehensive, and revolutionary in its deficit reduction goals.

You will hear increasingly shrill cries that the President's deficit reduction package is only tax-and-spend. There is little credibility in those cries coming from the same forces who brought this country to the brink of bankruptcy and want to protect the wealthiest Americans. They are trying every trick in the political book to prevent the President from enacting his platform. They are fighting for the status quo of borrow-and-spend.

Make no mistake about it. This is a deadly serious battle. Our Nation's very future depends on it.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from North Carolina [Mr. VALENTINE].

Mr. VALENTINE. Mr. Chairman, I thank the gentleman for yielding time to me.

For the last several days, many of our offices have been inundated with calls from constituents concerned about this bill. The concerns voiced varied widely, but the clear message I have received is that the people expect responsibility from this Congress and our President.

Taking responsibility for our Federal spending habits is not going to come easily, or cheaply. This reconciliation bill contains many provisions that I, frankly, do not like and would not support if considered separately. It offers more than enough pain to go around—pain for the citizens we represent and political pain for us.

But, the medicine we are taking, bitter as it may be, is the only cure available today for the deficit disease that afflicts us and that will ravage our economy if not treated. For years, we have chosen Band-Aids and aspirin to mask the symptoms. But it is time to seek the cure. We cannot afford to wait for some magic bullet that might be developed tomorrow or next year.

The reconciliation bill that we consider today represents a victory for moderate Democrats who have asked for, begged for, spending restraint and deficit reduction for more than a decade. For the first time in political memory, we are restraining all Federal spending. We are taking some of our spending off of autopilot—before we crash headlong into the mountain of debt.

It also represents a victory for middle-class Americans who have too long borne the weight of uncontrolled spending, spiraling deficits, and ever-mounting debt.

Finally, it represents a victory for the President. Despite his initial opposition to entitlement caps, he has proved that he is willing to listen. Unlike the last two administrations, this one is willing to confront our most dangerous economic problem honestly and directly.

Mr. Chairman, many of us could once again choose the short term political benefit of voting against this bill. It is tempting—very tempting. But, I believe there comes a time when we must act—a time to cut spending and to take real steps to reduce the deficit. As tough as it is, it is time to do the right thing.

I urge my colleagues to support this reconciliation bill.

Mr. KASICH. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Texas [Mr. DELAY].

Mr. DELAY. Mr. Chairman, according to the Tax Foundation, the energy tax will kill over 3,000 jobs in the districts of the four Members that just spoke. In my district we will lose about 1,876 jobs. I think that is a very conservative figure, since I represent a lot of petrochemical plants.

Mr. Chairman, what we are witnessing here today, and it is amazing, as I watch it, reminds me of cartoons on Saturday morning: A lot of fantasy, and just the plot changes to fit the audience.

The Democrats start out by blaming all these problems and the deficits on the last 12 years on the last two Republican Presidents. But the same people, the same leadership, controlled this House over the last 12 years. The last election was supposed to bring change. Well, we got it. We started out this year with the Democrats wanting a big stimulus package, which was actually new spending, new deficit spending. The American people rejected it. They wanted spending cuts first.

Then we went from there to yesterday. The Democrats passed two new supplemental spending bills, with new spending adding to the deficit. Then the Democrats bring to the floor today a tax package that will cost jobs. I defy anybody to show me a tax increase of this magnitude that does not cost jobs and stall the economy.

Right now the economy is stalled just talking about all this. The President of the United States has not passed anything yet except those bills that were vetoed by previous Presidents, and just talking about this kind of economic theory, this economic package, the economy has stalled, and promise all the spending cuts later.

What we have brought the Members for their consideration is $430 billion in new spending cuts and no taxes and no gimmicks. I respect the gentleman from Texas, who is trying to hold spending down on entitlements, but I say to the gentleman from Texas, if he had come over to this aisle he would not have had to compromise with gimmicks. He would have had real spending restraint.

Americans have asked us to change and not have fantasies with new plots. If the Members really want to be honest, why would they not wait for spending cuts first? Why did they not wait to go through the entire appropriations process, where we could get at spending cuts? Instead, they started off by raising spending, they followed that by raising taxes, and we are promised spending cuts in the distant future. The spending cuts will never happen. They never have.

The American family is already paying over 53 percent of their income on the cost of government from the local, State, and Federal levels. They cannot afford any more taxes.

What you are doing is putting American families out of jobs, then raising their taxes. This tax package is a cartoon of horror.

□ 1640

Mr. SABO. Mr. Chairman, I yield 1 minute to the gentleman from North Carolina [Mr. HEFNER].

Mr. HEFNER. Mr. Chairman, my good friend from Texas sort of rewrites history. If he will look back, up until 1986 the Republicans controlled the other body, and through the support of the Democrats in the House here had a working majority with the Ronald Reagan administration. So I would say since 1986 that the $3 trillion, in excess of $3 trillion that we are now having in this country has been far, far more responsible for the loss of jobs in North Carolina and in Texas than anything that is going to be in this bill.

And the gentleman makes the point, and we had a little confrontation about this before, we have appropriated money, but we cannot spend one dime unless the President of the United States signs the appropriations bills, and I do not care what arguments you make, the facts are the facts. Facts do not lie, but liars figure.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. FAZIO].

Mr. FAZIO. Mr. Chairman, I would love to address the ladies and gentlemen of the whole House of Representatives, but I have a feeling that it is pretty evident by now that the Republicans here today are in an opposition mode. I have a feeling there is a certain amount of denial going on, not only about the results of the election, but about 12 years of public policy in this country.

But I think it is obvious to all that the Democratic Party is taking responsibility for all of that today. We have been elected. Our President was elected. We have majorities in the Congress and we are about to do the things that have been put off for so long because of the blame game, and the gridlock, and the inability to have a consistent view on how we fix this economy.

It is painful. Nobody enjoys it. Nobody really wants to put up with the details of deficit reduction. Everybody is for it, in general, of course. Ross Perot can develop his positive swell in the polls by being an advocate for deficit reduction. But when he gets to the details of what he advocates, his popularity plummets.

Nobody wants to really go on the line and cut spending the way we have in domestic discretionary spending, the way we have in entitlements. And nobody ever wants to raise taxes. Nobody wants to pay them.

But this is a country that needs an economic agenda. It needs a future. It needs leadership, and it has a President who is not into playing a waiting game until his second 4 years, but who is willing to put it on the line in his first term.

Yet, what kind of response do we get? It is not the kind of bipartisan response that this party in some measure gave to President Reagan 12 years ago. No, we get unalterable opposition from the Republicans. We get the burden placed totally on the Democrats.

Frankly, I am proud of the fact that we are about to pick it up, and we are about to implement a plan, and we are about to take our future in our hands and see whether or not we can change the direction of this country.

This party takes responsibility. I think in the long term the American people will reward us for our leadership.

BILL IS PAST DUE

Judgment Day has arrived. The richest in our Nation had a great party during the last 12 years and now the bill is due. President Clinton is stuck with the tab and the Nation's credit line is overdrawn.

CHANGE PRIORITIES

A primal scream reverberated through the Nation last fall—change our priorities—but most of all, the American people want us to perform, end our individual quarrels and put our country above all. Today the Nation is tuning in to see if we heard them.

LARGEST DEFICIT REDUCTION EVER

The President presented the American people with a $500 billion deficit reduction plan—the largest deficit reduction plan in the history of our country.

THE 200 SPENDING CUTS

The President's plan has over 200 specific spending cuts including $100 billion in entitlement cuts.

CONGRESS ADDS $63 BILLION IN CUTS

The Democratic Congress added an additional $63 billion in spending cuts.

THREE OF FOUR NEW TAX DOLLARS ON THE RICHEST

This plan balances the tax burden on Americans—the rich will pay their fair share. No income tax increases on those who make under $115,000. Families who make less than $30,000 will not have any new taxes—period.

Three of four new tax dollars come from the top 6 percent in our country—the richest in our Nation.

LEND THE PRESIDENT A SHOULDER

It is time for us to lend our President a shoulder to get our country out of the ditch and back on the economic road of a recovery that promises new jobs and economic growth.

FOR CALIFORNIA $10 BILLION

By passing the President's economic plan we will lower the deficit and the drain on private savings, stimulate private investment and long-term productivity. In my home State of California, the lower interest rates, resulting from deficit reduction, are estimated to stimulate an additional $10 billion increase in California's gross State output.

FISCAL DISCIPLINE

With this plan we will begin to restore fiscal discipline.

GIVE OUR PRESIDENT SUPPORT

Give our new President the opportunity to lead this country back from the deficits of the last decade. He deserves our help.

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. COX], a member of the Committee on the Budget.

Mr. COX. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, I just note for the RECORD that according to the Tax Foundation, the energy tax will cost my colleague from California [Mr. FAZIO] over 500 jobs in his own district.

It is time that we pierce the populist fog and look at the truth about taxation and economic growth.

This bill raises taxes. Of that we can be certain. It is in fact the largest tax increase in American history.

It does not cut spending. Of that we can be certain. In fact, let me quote the outlay figures. From $1.4 trillion in 1993, this budget will increase spending to $1.5 trillion in 1994, $1.6 trillion in 1997, $1.753 trillion in 1998, for a total of outlays over and above the Republican substitute, which really does cut spending, of one-quarter trillion dollars of brand new deficit spending. That is what this Clinton plan is all about.

You cannot fix the deficit by raising taxes and increasing deficit spending.

Now, let us revisit this canard about the 1980's. We are told that we had this awful 12 years. Well, we had economic growth throughout most of the decade of the 1980's. The recession started after the 1990 tax increase on the backs of some of the seeds that were sown in that awful 1986 tax increase.

But look what happened during the 1980's. Between 1980 and 1990, revenue to the Federal Government increased from $517 billion to over $1 trillion.

The problem was not that we did not generate revenues through moderate tax policies that created economic growth. The problem was that for every new dollar in revenue that Washington collected, this Congress spent an additional $1.59.

It is deficit spending that is the problem, pure and simple.

Let us consider what happened during the longest peacetime economic expansion in American history. Over 21 million new jobs were created, poverty and unemployment of African-Americans, which increased under Jimmy Carter, fell under Ronald Reagan.

Mr. Chairman, the lesson is that you cannot reduce the deficit by tax increases, only by bona fide spending reductions.

The further lesson is that government maximizes its revenue not by a tax system designed to punish success, but by a tax system that provides incentives to reward success.

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from New Jersey [Mr. FRANKS], a member of the Committee on the Budget.

Mr. FRANKS of New Jersey. Mr. Chairman, President Clinton claims that his budget is a bold, new initiative that will finally let us tackle the Federal deficit and the growing national debt. Well, I come from New Jersey, and I want to tell you that President Clinton's program is not really new. His prescription of higher taxes and new spending has already been tried in my home State and I want to share the results of that experiment with all of you today.

In 1990, our Governor imposed the largest tax increase in the history of our State. And let me tell you, the New Jersey economy is still reeling from the shock. Today, my State's unemployment rate is over 9 percent—the worst among all of America's industrialized States.

Mr. Chairman, this reconciliation bill we are considering today—all 1,500 pages of it—would take this country down the same road that New Jersey has been on for the past 3 years. For the citizens of my State, the Clinton tax program would mean an additional annual tax burden of almost $3 billion. Over $1 billion of that amount would be from the Btu tax that would hit New Jersey citizens especially hard. Mr. Chairman, my constituents cannot afford another $3 billion in taxes.

Those new taxes would be a knockout punch to a State economy that is not yet on its feet.

Moreover, the program the President is calling for will not work. It will not create more jobs and it will not reduce our deficit. According to the President's own numbers, in 5 years we will have racked up another trillion dollars in the national debt because, for all the talk of spending cuts, this bill fails to eliminate even one Federal program.

And the case against these new taxes goes beyond the fact they will not work. They are also fundamentally unfair. The energy tax will erode the economic strength of anyone making more than $30,000; the proposed increase on Social Security taxes will hit all those seniors making more than $25,000.

So much for the easy campaign talk of taxing just the millionaires to pay for deficit reduction and new Government spending.

Mr. Chairman, faced with the unfairness and economic dangers of these proposed new taxes, let us cut spending first.

Mr. SABO. Mr. Chairman, I yield the balance of my time under general debate to the distinguished gentleman from Illinois [Mr. ROSTENKOWSKI], chairman of the Committee on Ways and Means, and I ask unanimous consent that he be permitted to yield blocks of time.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. KASICH. Mr. Chairman, I yield such time as she may consume to the gentlewoman from New Jersey [Mrs. ROUKEMA].

Mrs. ROUKEMA. Mr. Chairman, I want to associate myself with the remarks of my colleague the gentleman from New Jersey [Mr. FRANKS].

Mr. Chairman, I rise in opposition to H.R. 2264, the omnibus reconciliation of 1993. And I do so with great frustration because I recognize the need to take strong action to reduce the budget deficit now. Unfortunately, this bill, as the cornerstone of President Clinton's flawed economic and budget plan, takes us down the wrong path.

THE DANGEROUS DEFICIT

Clearly, the budget deficit and our declining position in the global economy require firm action and determined leadership. The accumulating national debt poses a real and growing danger to our economic well-being. The billions of dollars we spend on interest on that national debt is money that is not available to create one job, repair one bridge, pay one medical bill, provide one student loan, or train one young American. Indeed, interest payments are slowly strangling economic growth.

THE SPENDING SPIRAL

In structuring a credible deficit reduction and economic growth package, we must first attack the spending spiral. We must significantly cut Government spending before we ask Americans to shoulder a higher tax burden.

This is exactly where President Clinton's plan fails. Despite the earnest pledges of OMB Director Panetta earlier this year that any deficit reduction plan would contain $2 in spending cuts for every $1 in new taxes, the opposite is true. The legislation we are being asked to approve today contains over $3 in increased taxes and fees for every $1 in spending cuts. In fact, of the $343 billion in reconciled reductions, only $70 billion is not from higher taxes.

If that is not bad enough, I take strong exception to the ongoing expansion of the Federal bureaucracy. In fact, not one program, not one, is eliminated here. Not even the now-famous wool and mohair subsidy or the honey support program. And this legislation contains $38 billion in new or expanded entitlement spending. I am astounded that anyone would even consider such new levels of spending on new programs before reaching tangible deficit reduction targets.

This is just more of the same—continuing a dangerous tradition of profligate spending without regard to the long-term consequences.

DIRECT LOANS

A prime example—the ill-conceived, ill-advised more in this legislation to get the U.S. Government into the direct student loan business.

There can be no doubt that the Guaranteed Student Loan Program has had its problems over the years. As a member of the Education and Labor Committee, I have led the charge for years in fighting for new taxpayer protections—measures that will sharply curtail the $3 billion a year loan default crisis.

I would go further with our reforms. But to take our current GSL system, and replace it with a direct loan program, run by the Federal Government with all its bureaucracies and inefficiencies, unsought and unwelcome by many of the institutions it will serve, seems to be the height of recklessness. We are opening up a budgetary Pandora's box here. CBO claims we will save over $4 billion following this route. I submit that when all the administrative costs are stacked up, when we add the cost to the taxpayers of capitalizing this system, and when we throw in the inevitable inefficiencies of creating another Federal bureaucracy, the taxpayers will pay for our haste.

MEDICARE AND MEDICAID

I am also deeply troubled by the deep cuts we are proposing in Medicare and Medicaid. Once more, we are trying to tell our aging Americans that all we have to do is ratchet down on waste, fraud, and abuse, and cut the fees of those rich doctors and expensive hospitals, and we will be able to cut costs and maintain quality health care. Experience shows us this is just not so.

Already, the Medicare Program is losing its ability to attract and maintain the participation of quality providers. Foremost, it is our senior citizens who shoulder the burden of these broad cuts. The last time we enacted cuts as deep as these in Medicare, beneficiaries saw their services and benefits decreased while their financial contributions increased.

In 1990, seniors' premiums jumped almost 20 percent, and deductibles were increased by a full one-third. New limitations and restrictions on services and shorter hospital stays have made seniors pay more and get less. That is, of course, when they were able to find a doctor willing to see a Medicare patient, let alone accept the fee that the government pays. The plain fact is that fewer and fewer doctors can afford to accept assignment, and more and more of our seniors are feeling the bite of ever-increasing copayments, premiums, and deductibles.

Are we supposed to think that these deep slashes in reimbursement will help this problem?

What we are doing here is in fact fanning the flames of the health care fire for everyone who is not serviced by Medicare, and cost-shifting $48 billion onto the backs of hard-working, insured, Americans.

It seems that once again, the sheer size of Medicare has made it an easy target for Draconian cuts driven by budget considerations instead of health care policy.

CHILD IMMUNIZATION

The committee has also failed to take responsible action on childhood immunization. Without any hearings or any legislative input, the committee has included more than $2 billion for childhood immunization activities. We all share the President's goal of immunizing our Nation's children—it is a disgraceful indictment of our Nation that our child immunization standards rank with Third World countries. But in simply throwing money at the problem, the committee has failed to address the root causes of this failure. Either through ignorance or apathy, too many parents—especially in rural areas and our inner cities—are failing to have their children immunized.

As long as it is the children who suffer from this failure, I continue to push the committee and the administration to hold parents to responsible, enforceable standards. I have proposed that we tie welfare benefits to child immunization: as a condition of receiving her AFDC check, a parent must certify that her child is up to date on immunizations. This model works. Historically, when we have told parents that their children absolutely will not start school without proper immunization, lo and behold, the parents get their children the shots. Our success rate is upwards of 90 to 95 percent.

It is so painfully clear that we have here the opportunity to take something that works and make it work better, that I cannot understand the logic of the committee in rejecting any such attempt. This action does not start to end welfare as we know it—indeed, I propose that it sets us back further. The immunization of our children is truly preventive medicine, and a cost-saver. Medical evidence shows that every $1 invested in child immunization saves $10 in future health care costs. If we are looking to get our fiscal house in order and make prudent health policy, this is the way to do it.

Mr. Chairman, we have heard a great deal of discussion these past few days regarding entitlement caps. Yes, we need to control the explosive growth of entitlements. But no pledge, no promise, no good faith effort will get the job done. We need credible, tough enforcement mechanisms.

Mr. Chairman, we must cut spending, halt the introduction of new programs and develop a Save and Invest in America Program of tax incentives—targeted capital gains tax cut, investment tax credit, expansion of IRA's, et cetera—that will encourage U.S. business to invest in new plants and equipment to become more competitive in the ongoing global economic wars.

This is the blueprint that starts us down the road toward genuine deficit reduction and economic growth. We owe it to the American people to take these important steps to regain our national economic footing.

Mr. KASICH. Mr. Chairman, I yield such time as he may consume to the gentleman from Missouri [Mr. EMERSON].

Mr. EMERSON. Mr. Chairman, I rise in opposition to this giant act of subterfuge being perpetrated on the taxpaying American public.

Mr. Chairman, I rise in opposition to this giant act of subterfuge that is being perpetrated on the taxpaying American public. This bill is a job-killer—the Btu tax, the barge fuel tax and the Social Security tax are regressive, ill-conceived and oppressive.

No other nation in the industrialized world taxes its basic energy sources. The 250-percent increase in the barge fuel tax is confiscatory. The Social Security tax—levied on people with very fixed incomes—is cruel and mean.

President Clinton campaigned on promises of reduced taxes on the middle class. He promised $2 of real spending cuts for every $1 of new taxes. This measure gives us at least $3 in new taxes for every $1 of spending cuts. No wonder the public is disillusioned. People campaign and get elected on one set of rhetoric and then govern by a different set of principles.

This is the largest tax increase in American history. Since the end of World War II Congress has managed to spend $1.59 for every $1 of new revenue. We must cut spending to control the deficit. The history of the last 45 years proves that is the only way to cut the deficit.

☐ 1650

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Oregon [Mr. SMITH].

Mr. SMITH of Oregon. Mr. Chairman I rise today to speak on behalf of rural Oregon in opposition to higher taxes and more Government spending.

First, I want to express my general opposition to this plan, then explain why this plan will thrust the Pacific Northwest into an economic tailspin.

Congress has tried this scheme before. This is no different than the 1990 budget agreement. Tax first to raise revenues, and we'll balance the budget later. Gramm-Rudman I, II, and III were the same too—champion the deficit reduction plan when it passes, and find a way to wiggle out of it later.

The message I am receiving from Oregonians is that they don't trust us with their tax dollars. They do not want new taxes, they want us to cut spending first.

Much of our discussion this week has centered around very large numbers. Hundreds of billions in new taxes, trillions in debt and, sadly, considerably less in spending cuts.

However, I would like to frame this decision in a more local context. I would like to present my colleagues with an analysis of this package and its impact on a typical wheat farm in Oregon.

The Oregon Wheat Growers League is fortunate to have as a recent past president, Dr. Clinton Reeder. Dr. Reeder has a Ph.D. in economics, and he may be unique in his line of work because he actually gives simple answers to straight questions.

I have relied heavily on his work for my own examination of this package and I would like to share some of my conclusions with you.

Raising flex acres from 15 to 20 percent costs this typical farm $6,041 next year.

The Btu taxes on fuel, lubricants, and barge or rail transportation, even taking the so-called farm exemption into account, will cost this same farm $3,243 per year.

The costs of pesticides, fertilizers, and other chemicals will go up by $1,641 as a result of the new Btu tax.

The 250-percent increase in the inland waterway user fee costs this farmer $599. I might mention here that this is a cut from the originally proposed 500-percent increase, which some of my colleagues are proud of for some reason.

The Port of Portland, the largest port in Oregon, has told me that between the inland waterways user fee increase and the energy tax, the cost of water transportation on the Columbia River will increase 25 percent. How will industry manage this 25-percent increase? They will cut other costs, which inevitably means lost jobs.

Additional irrigation costs as a result of a 50 cent per acre surcharge on Bureau of Reclamation water and the Btu tax will cut this farm's income by $2,250.

Through a combination of all of these surcharges, program cuts, user fees, and energy taxes on fuel, chemicals, and fertilizers, the Clinton proposal will add $13,744 in additional costs to a typical 2,500-acre wheat farm in Oregon.

This same farm currently earns $50,849 before taxes. A $13,744 cost increase means this farm family will incur a 27-percent reduction in taxable income as a result of the Clinton plan.

That does not mean you skip your vacation this year. That means you let your hired man go. It means your child will not go to college. It means bankruptcy.

I have a chart which outlines these dollar costs, and I encourage my colleagues to review it, and consider its human costs, before voting.

Mr. Chairman, no matter how you look at it, a 27-percent hit on pretax income is outrageous. That is not sacrifice, that is robbery, and I will not be a party to it.

Finally, I want to discuss the aluminum industry. It is one thing to tax companies who can absorb the additional costs or pass them along to consumers. It is quite another to tax an industry, like the aluminum companies in Oregon and Washington, that already operate on thin margins dictated by world market prices. It chips away at their competitiveness.

For example, Northwest Aluminum of The Dalles, OR, in my district, will probably be forced to export 500 jobs to Canada. The energy tax, even with the so-called exemption granted by the Ways and Means Committee, will cost Northwest Aluminum $2 million annually, which must come straight out of operating expenses.

With the aluminum industry, we are talking about 40,000 jobs in the Northwest that depend either directly or indirectly on our nine aluminum plants. Speaker FOLEY knows what I am talking about: The largest employer in his district is the aluminum industry.

Mr. Chairman, this plan is backward. New taxes have never bolstered a dragging economy. Instead of taxing first and cutting spending later, we should cut spending first. That's what the American people want us to do.

The Agriculture Committee reported out reconciliation instructions the week before last. Ironically, the Democratic majority reduced spending for farm programs by $3 billion and added to the deficit at the same time.

How? While they cut farm programs by $3 billion, they voted to expand the $25 billion Food Stamp Program by an additional $7.3 billion.

Why? To help offset the adverse impacts of the largest tax increase in history. That is worse than ridiculous, it is tragically irresponsible.

The primary victims of this plan will be our Nation's farmers. The secondary victims will be Members of Congress who vote for the plan.

I urge my colleagues to reject the President's tax and spend plan.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 2 minutes to the gentleman from Oklahoma [Mr. BREWSTER].

Mr. BREWSTER. Mr. Chairman, it is an opportunity today, an opportunity for this House.

I want to talk just a moment not about Democrats, not about Republicans, because both have been responsible for the last 12 years, getting us in the shape we are in, but this deficit and this debt are the most serious thing that this Nation faces.

The deficit feeds the debt which means more interest that our country has to pay.

In 1980 this Nation's entire debt was $800 billion. Today it is $4.2 trillion. We cannot continue that.

Now, gentlemen, you keep talking about the tax-exempt foundation that says so many jobs will be lost. You can find economists to develop whatever numbers you want.

I am from an energy State. I have a background in energy policy and understand energy policy.

This will mean positive things for Oklahoma. It will mean additional jobs in the natural gas industry. There are very positive things for this Nation in this bill.

In America today we have the lowest total energy cost of any country in the world, and we will have after this tax is passed as well.

The deficit reduction trust means every penny raised through taxes, every spending cut goes into the trust and has to be used for deficit reduction. None of it can be spent for new programs.

The entitlement caps are very important, but most of all, if you vote no today, do not say you are for deficit reduction.

You have an opportunity to start today. This bill is not everything I want, not everything you want, but if you vote no and go out here and tell your constituents you are for deficit reduction, you are not being truthful to them.

I would encourage my colleagues to step forward, do the right thing, vote yes, and start this country on a turnaround to addressing the deficit and the debt that we have.

Mr. KASICH. Mr. Chairman, I ask unanimous consent to yield the balance of my time to the gentleman from Texas [Mr. ARCHER], and, further, I request that he be permitted to yield blocks of time as he sees fit.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. ARCHER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I have listened carefully to the debate, and I believe that there is sincerity on both sides.

This country faces a massive deficit. We need to move ahead to reduce it, and we need to do so now. But there is a vast difference between our two approaches.

I have heard from the other side that it only takes courage to vote for tax increases, as if it takes no courage to vote for spending reductions. That is far from the case.

I have heard from the other side that only the Clinton Democrat proposal shrinks the deficit, and that is not the case. But the Clinton Democrat proposal is so remindful of what occurred under Gramm-Rudman and particularly what occurred under the 1990 budget agreement.

The 1990 budget agreement, in fact, is so very similar to the Clinton Democrat budget agreement that I am surprised by it, because in the negotiations in 1990—and I was there every minute of the meetings at Andrews AFB and the other places they were held—the Democrats insisted on taxes on the rich. Those taxes were put in up front, and they are still with us today. The spending cuts were to occur, yes, you know it, Mr. Chairman, in the third, fourth, and particularly the fifth years. As in Gramm-Rudman, the spending cuts were very small in the first 2 years, but we were going to get big spending cuts in the third, fourth, and particularly the fifth year.

In 1990 the Congress refused to let the Gramm-Rudman spending cuts take effect, replacing Gramm-Rudman with the 1990 budget agreement, and now that we are at the threshold where we should get the big spending cuts from the 1990 budget agreement, this President will not let them go into effect. So we start over again with the Democrat budget from the President which cuts no net spending in the first 2 years. In fact, there is a slight increase in net spending in the first 2 years.

But, yes, again there will be taxes on the rich up front, and that is supposed to get the deficit down. But the deficit did not come down as a result of the 1990 budget agreement, and now in addition, we have major new taxes on middle-income and job-creating activities that are part of this new Clinton Democrat budget proposal.

What can the American people expect? In the Kasich budget, there is $86 billion of spending reductions in the first 2 years. In the Clinton Democrat budget proposal, there is over $90 billion of new tax increases in the first 2 years, and as I said earlier, no spending reductions on a net basis.

Oh, yes, there are some so-called spending reductions, but they are offset by the President's proposals for new increased spending programs in the first 2 years.

Why should we try 1990 all over again when it did not work? Why do we not really try change, something new, with the Kasich alternative which gets the deficit reduction totally from spending cuts?

Second, will the approach be good for the country or not? You heard our colleague, the gentleman from Ohio [Mr. TRAFICANT], who really hit the nerve center of this debate. Will this change improve the conditions of the country economically?

A program like the energy tax clearly costs jobs. it will make American industry noncompetitive in the world marketplace, because no other country in the world taxes its Btu's or its raw energy. Every product produced overseas from energy is going to be sold in the world marketplace at a price cheaper than our products.

I predict there will be no new refineries built in the United States in the future, no new petrochemical industries, no aluminum industry plants, glass plants, other types of manufacturing that uses a lot of energy. That result must surely cost jobs across this country—high paying manufacturing jobs.

□ 1700

I have not heard from the Democrat side, Look at all of the job creation in our program, because it is not there. It is the other way around. Americans should understand that as you reduce jobs, you reduce the tax base, the productive private sector that generates revenue for the Federal Government.

It is clearly the wrong path. Let us try something new that the American people have cried out for: cut spending and cut it in the first 2 years and cut it again more in the third, fourth, and fifth years.

That is what Kasich alternative would do.

I urge my colleagues to have the courage to vote for spending cuts instead of massive tax increases that will destroy jobs, that always destroy jobs which are essential to improving our standard of living, our productivity and our competitiveness in the world marketplace.

Mr. Chairman, I reserve the balance of my time.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 2 minutes to the gentleman from Virginia [Mr. PAYNE].

Mr. PAYNE of Virginia. Mr. Chairman, I rise in strong support of H.R. 2264, the Omnibus Reconciliation Act of 1993.

This vote will be a very difficult vote for many of us, in part, because the public's attention has been shifted away from exactly what it is we are doing here today.

The fact is, by voting "yes" for this bill we are saying to our constituents that a majority in the House is willing to reduce the Federal budget deficit by nearly one-half trillion dollars over the next 5 years.

By voting "yes" we are saying to our constituents that Congress and the President are finally going to take responsibility for controlling the growth of entitlement spending.

And by voting "yes" for this bill, we are saying to our constituents that we are serious about keeping interest rates low and helping to create jobs—good jobs—all across America.

None of us really looks to voting for a bill that will both raise taxes and reduce spending on programs which are popular with millions of Americans. But this is the only way we will accomplish the goal of significantly reducing the deficit and its crippling effects on our economy.

By reducing the Federal budget deficit by nearly one-half trillion dollars over the next 5 years, we will increase the capital available to businesses—large and small—to expand and grow and hire new workers.

By reducing the Federal budget deficit by nearly one-half trillion dollars over the next 5 years, we will reduce the long-term cost of borrowing money for every business in America.

Mr. Chairman, we can not fail here today. For the price of failure for our economy, for our Government, and for our constituents is too high.

I urge my colleagues to vote "yes."

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 1 minute to the gentleman from California. [Mr. MATSUI].

Mr. MATSUI. I thank the chairman for yielding.

The gentleman on the other side of the aisle have talked about the fact that there is going to be massive tax increases to the American public. That just is not so.

We are trying to increase taxes and reduce the budget deficit because we want long-term growth in the economy.

The fact is there has been a lot of misinformation given: 78 percent of the senior citizens in America do not pay taxes now, and under this proposal 78 percent of the seniors will not be paying taxes after the bill passes and becomes law.

In addition to that, two-thirds of all the tax increases in this proposal over the next 5 years will be paid by families making $200,000 or more a year. Now, I wonder who we are trying to protect here. Are we trying to protect the wealthy? In fact, those people who make $20,000 per year actually have a tax decrease in this particular budget.

So this proposal protects middle-income people and reduces the budget deficit in the future.

Mr. ARCHER. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. CRANE], a member of the committee.

Mr. CRANE. I thank the gentleman for yielding to me.

Mr. Chairman, according to the Tax Foundation, the energy tax will kill over 1,000 jobs in each of the previous two speakers districts. And in my own district it is calculated to kill over a thousand jobs, too. I thought I would pass that on as just a little frame of reference.

Mr. Chairman, Harry Hopkins was probably the most brilliant political adviser in the history of mankind. Back in the thirties he taught our colleagues on the Democratic side the formula for success: Tax, tax, tax; spend, spend, spend; elect, elect, elect.

And it is brilliant, and they are still engaged in it with a vengeance.

At the rate we have gone in past history, they can anticipate another 60-odd years of virtually uninterrupted control of the Congress, and now they have the White House, too. They come at us this time with the largest tax increase in the history of this Nation, the largest tax increase in the history of civilization, as a formula for trying to get economic growth and create jobs? There is not an economist on the face of this Earth either liberal or conservative who has ever attempted to suggest that tax increases create wealth in the economy, create growth in the economy, create new job formation and create new jobs. The fact of the matter is it is counterproductive and as destructive as it could be.

Second, however, the components of this bill, especially with that Btu tax in there, imposes the most regressive form of taxation imaginable.

In committee, I proposed, since there was an independent foundation study showing Btu tax input on health care is a cost of over $4 billion a year, an amendment to spare the health care industry. Yet in committee, it was shot down on a straight party-line vote.

For goodness sakes, why don't we exempt health care, why don't we exempt food? Whenever we pass sales taxes, we traditionally exempt food and medical prescriptions at the checkout counter. You do not want to hammer those people who arc hanging on by their fingernails when it comes to the necessities of life. Yet that is what we are doing in that tax. I submit to my colleagues this is a mistake, let us go back to the drawing boards.

Mr. Chairman, given my time constraints, I would like to submit my full and complete statement on the Clinton package following these remarks.

Mr. Chairman, I rise to express my opposition in the strongest terms to the legislation before us today.

The Omnibus Budget Reconciliation Act of 1993, otherwise known as the Clinton tax bill, will be an economic disaster for the economy and the taxpayers. This is a tax increase which is not only the largest in the history of this country, but is the largest in the history of civilization. Let me emphasize—nothing in the history of taxes rivals the bill we have before us today. Yes, Bill Clinton is certainly out to make his mark on history.

Mr. Clinton's tax bill does violence to anyone who is trying to work for a living, save money for retirement, or start and maintain a small business. In addition, this bill will hurt American companies in their efforts to compete with foreign companies around the world, a fact which means one thing—lost American jobs.

But these are general observations, let me recite some specifics, for as Ross Perot is apparently fond of saying, "The Devil is in the details."

CLINTON ENERGY TAX

Perhaps the most damaging provision of the entire bill is Mr. Clinton's $72 billion energy tax.

This tax is regressive—that is, it hurts the poor and middle income family because they will pay a disproportionate share of this tax. Unlike sales taxes, Clinton's energy tax does not exclude basic necessities like food, medicine and clothing—it hits literally every product and service you can imagine.

This tax is hidden—unlike a sales tax, the American consumer will not see a line item on their bill identifying what portion of their expenditure is a result of the Clinton energy tax.

This tax is anti-competitive—it raises the cost of American products and hurts our ability to compete abroad.

This tax will significantly increase the cost of health care in this country. One estimate suggests that it could cost our health care providers over $4 billion per year. I offered an amendment in the Ways and Means Committee to provide a tax credit to health care providers to reimburse them for increased costs attributable to the energy tax. In short, this was an effort to keep health care costs from rising anymore than they already have. My amendment was defeated on a straight party line vote. All 14 Republicans supported my amendment and all 24 Democrats opposed it.

Did candidate Clinton not say he wanted to hold down the cost of health care? Did candidate Clinton not say he was going to give low- and middle-income families a tax break? Did not candidate Clinton say he wanted to increase our competitiveness and create jobs? What was Mr. Clinton thinking when he proposed this massive energy tax? Apparently all his statements last year were simply meaningless campaign rhetoric.

TAX ON SOCIAL SECURITY RECIPIENTS

Taxes on Social Security—this bill dramatically increases the taxes on Social Security recipients. In other words if you have saved for your retirement you are penalized for your thrift. Retirees will be doubly hit by this tax increase and the Clinton energy tax. How does Mr. Clinton propose that seniors cope with increasing taxes on fixed incomes?

TAXES ON SMALL BUSINESSES

Small businesses will be hurt by this package. Not only will the Clinton energy tax drive up the cost of providing goods and services, but this legislation directly hits the small business community and their employees in other ways. For example, Mr. Clinton proposes to cut the deduction for business meals nearly in half. Does Mr. Clinton understand the effect this will have on restaurants and their employees? What will Mr. Clinton tell the waitress or waiter who losses his job because of this provision? Moreover, does Mr. Clinton appreciate the fact that small businesses who do not have the huge advertising budgets of large companies, use the business lunch as a vital tool to bring in new customers and clients? Does Mr. Clinton care about those of you out there who want to pass your businesses on to your sons and daughters when you die? Apparently not, because Mr. Clinton has proposed raising Federal estate tax rates as well. No, even in death you cannot escape Mr. Clinton's taxes.

IMPACT ON THE ECONOMY AS A WHOLE

Finally, and most importantly, how is our economy supposed to grow and create jobs when roughly $300 billion is taken out of the private sector to be consumed by the Federal Government? How does taking $300 billion from the American people prompt consumers to spend more money on goods and services—consumption that stimulates economic expansion? How does Mr. Clinton think small businesses are supposed to get their hands on capital to expand, when the pool from which to draw that capital has just been diminished by billions of dollars?

MORE TO COME

Amazingly Mr. Clinton is not done. The $322 billion in new taxes in this bill does not include the billions of dollars in new taxes that the Clintons propose to raise to finance their health care proposals. Does Mr. Clinton think that the pockets of the American taxpayers are bottomless? Does he not understand that the American people are not undertaxed? Does he not understand that the problem is spending?

Perhaps Mr. Clinton is not familiar with the facts. Let me recite the facts for him. In 1980, revenues to the Federal Treasury were $500 billion. By 1992, revenues had more than doubled to $1.1 trillion. Yet our deficits continued to grow, which means spending grew at an even more alarming rate. No, Mr. Clinton, the Federal Government does not need more taxpayer dollars, and candidate Clinton was right when he said that what Americans need is tax relief. Unfortunately Mr. Clinton's ability to keep promises is apparently rather limited.

LESSONS FROM HISTORY

I should not have to remind my colleagues, but as a former history professor, let me, once again, recite some very recent history—the 1990 budget deal. Mr. Clinton's budget proposal sounds a lot like the budget deal of 1990—except on a much grander scale. In 1990 the Democrats promised President Bush that if he supported tax increases, Congress would cut spending. Well, we got the tax increases, but we never saw the promised spending cuts. In fact, for every $1 increase in taxes due to the 1990 budget deal, we actually got a $2.37 increase in spending in return. Indeed, historically for every $1 increase in taxes, Congress has increased spending by $1.59.

Are we doomed to repeat the mistakes of the past? How many times do we have to fall for Mr. Clinton's line—the line that says "I'll give you tax increases today for spending cuts tomorrow?"

CONCLUSION

Mr. Chairman, my constituents have been telling me to cut spending first. To that end I supported the budget proposal offered by Republicans which proposed real spending cuts in order to reduce the deficit. Mr. Clinton has proposed to increase taxes first, and his spending proposals promised for later are anemic at best. I will not be a party to this effort to repeat the mistakes of our past. In my view, the leadership of the other party wants to follow Mr. Clinton like lemmings over a cliff. If they were doing so at the expense of only themselves that would be one thing—unfortunately, if they follow Mr. Clinton's lead it will be at the expense of the American taxpayer and the economic prosperity of this country.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 1 minute to the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Chairman, I want to take this time to respond to the wacko study on job loss that has just been quoted on this side of the aisle. What that study by the Tax Foundation does is stitch together two separate economic studies, one by DRI, which runs six scenarios. They use the worst possible scenario, make no adjustment whatever for lower interest rates, and somehow come up with the conclusion that there is a job loss in everybody's district.

DRI very specifically said they have not authorized the use of their study in that manner; they have run no studies of the Btu tax by congressional district. It is a phony use of it, as far as I am concerned.

Then they stitched together a second study done by—guess who—the American Electric Power Company. Now, if you think that is an independent analysis to determine job growth, I have got a bridge I will sell you.

The stock market, in contrast, is voting on this package, second day in a row, new record highs. They are betting this program will succeed; we should, too.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 2 minutes to the gentleman from Louisiana [Mr. JEFFERSON].

Mr. JEFFERSON. Mr. Chairman, I am privileged to serve as a member of the Committee on Ways and Means and a Member of this House of Representatives at this time which is so critical to the fiscal and economic future of our country. We, my colleagues, are all privileged. For the time rarely comes in public service that a singular enactment—act—can literally change the course of our country for years to come.

The arguments against reconciliation are broadly mischaracterized. In my State of Louisiana, an energy State, the effect of the administration's program is not a net loss due to new taxes, but actually a net gain of $528 million dollars in economic growth when the benefits of the overall plan are figured in.

It is important that we recognize the solemnity of our decision here today and that we posit the right question.

While the discussion has focused principally on the drawbacks of the choices placed before us today, the larger question is not what will happen if we do act, it is what will happen to our country should we fail to act at this crucial hour.

If we fail to act today to cut $496 billion over the next 4 years, we will add $4,000 in public debt to each of 106 million households in our country over that period.

If we fail to act, we will see interest rates grow, costing a middle-class family in our country far more to buy a car or a home than the modest tax increases involved in this Budget Reconciliation Act.

If we fail to act, we will miss the fresh opportunity offered by this bill to small businesses, to real estate investors, and to the larger corporate community to create jobs and grow our economy.

It is hard to think of this messy, complicated deficit reduction package as having historic and heroic dimensions, but it does. And it's hard to think of some of our Members who are making tough and politically risky votes for it as heroes or heroines, but they are.

By how we see our work today, will we define our future. Let us see the proposition and the duty that now lies before us. Let us rise to the call for action as this House and our institutions of government have managed to do over the life of our great country. It is our time. This is our moment. Let us not fail to seize it. I urge my colleagues to vote "yes."

□ 1710

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. LEVIN].

Mr. LEVIN. Mr. Chairman, it has been said here by the ranking minority Member that there is a vast difference here. There is. It is not between those who support taxes and those who do not. It is a difference between real stuff and rhetoric.

There has been much talk on this floor about jobs. A key to jobs is deficit reduction, and I stand up and proudly say that as someone coming from the industrial heartland.

The plan before us is the best, indeed the only hope for deficit reduction. There will have to be a deficit reduction II relating to health care. When you look at the figures in the seventies, Medicare and Medicaid, the growth in them were less than 20 percent of the total growth in entitlements that went up in the eighties to 45 percent. It is estimated that in the mid and late 1990's, unless there is a change, it would represent two-thirds of the growth in entitlements. We took a step toward controlling that with the provision in here relating to entitlements. We are going to have to go further in deficit reduction II reforming the health system of this country.

We have a chance now to pass deficit reduction I. Let us do it and do it proudly.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. ANDREWS].

Mr. ANDREWS of Texas. Mr. Chairman, today we take a hard step toward reducing the bloated Federal budget deficit, a $500 billion reduction, half of that coming from hard spending cuts.

On the discretionary side, a freeze for 5 years at 1993 levels. No increased spending.

On the entitlement side, for the first time a hard discipline, forcing the President and the Congress to act to keep spending within the budget that was just enacted by the House.

Second, the Btu tax has been modified. Changes have been made in that tax and further changes will be made to ensure that our energy industry can compete in an international marketplace.

Let me mention one aspect of this reconciliation bill that is important, important to the real estate industry, in my part of the country, in the southwest, and in New England, areas that have been hard hit by a recession and a lagging economy. The real estate industry was singled out in the late eighties and hit very, very hard in the Tax Code and in the marketplace.

What we have done in reconciliation is to allow real estate professionals to offset their losses from their gains, like any other professional business.

In addition, we are allowing real estate professionals with debt service to pay that out over time as opposed to being forced into foreclosure and forced to walk away from properties, an act that is happening over and over again in my part of the country.

This is an important step. Yes, you can run, but you cannot hide from this budget deficit. Today is an important day to make a first step. It is not fun. It is going to be harder before we are there. To get to a balanced budget, we have got to cut spending and we have got to raise reasonable revenue.

Mr. ARCHER. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. THOMAS], a member of the committee.

Mr. THOMAS of California. Mr. Chairman, I would just tell my friends on the other side of the aisle who preceded me that, according to the study by the Tax Foundation, about 4,500 jobs would be lost; but let us agree that the study was somewhat flawed. Let us cut it in half, that 2,000 people are going to lose those jobs. I still believe those should be retained.

Let me tell you, what you do not know can hurt you. I told you earlier today that despite all of my searching through all the language written down on the administration's position, on the joint tax position, and on the committee's position, that those rate increases were going to be indexed. They all said it.

In response to a question, the chairman said, "What is written down is what will be done."

I showed you, and this bill shows you that in fact bracket creep is back with us, that what was said cannot be believed.

Now, let me tell you, for those of you who have not read every page, let me tell you what is in this bill, and especially for those of you on this side of the aisle who are my friends who were called by the chairman of the Health Subcommittee crackers for health care, and who might have an interest in a managed competition concept that we are going to be dealing with in a few short months, and who do not believe that this is Armageddon and everything has to be done today or not at all, I invite you to look at title XIII, chapter 3, in sections 13-521 to 13-530. If you believe managed competition is an idea that will meet some of our health care needs, if you believe that professionals organized together in various associational groups will help us solve our problem, as I believe the First Lady's task force does, then you should not vote for this bill.

A simple example. Under the 1993 open enrollment plan for all members in the Federal Government, were this bill to be law, of the 14 plans available to you, 9 would no longer be available.

The one plan available to all members—a Governmentwide plan—Blue Cross and Blue Shield, would not be available.

The plans open to all, six of them not available.

The BACE plan, which I think most of you are in, the Beneficial Association of Capitol Employees, would not be available.

You could, in terms of those plans open to specific groups, belong to the Panama Canal area plan. You could belong to the Secret Service plan.

You are going to have very few plans available; 9 of the 14 plans currently offered are not going to be available if the health care section becomes law.

Believe me, what you do not know in this bill can hurt you.

Then of course, what you thought you knew can hurt you also, because they simply are not honest.

Mr. Chairman, I have a very personal reason for opposing this tax bill: It puts thousands of jobs in my district at risk. In fact, anyone voting for this bill is voting to put people out of work and curtail oil production in Kern County, CA. When the administration is saying our goal should be increasing employment and competitiveness, the bill clearly goes in the wrong direction.

The administration would like people to believe that the bill has addressed the most important Kern County production problems by taking the Btu tax off natural gas used for enhanced oil recovery and by allowing producers to burn their own crude oil tax free. Let me assure you, the administration's so-called Kern County fix does not fix anything at all. In the very real, competitive world of oil production, the Btu tax will put many producers out of business.

To put the situation in perspective, Kern County produces over 600,000 of the nearly 850,000 barrels of oil California produces every day. The bulk of Kern County's production is heavy oil, defined as 20 degrees API gravity or less. The average yield of residual fuel oil on Kern County heavy oil is 65 percent, meaning that refiners' and producers' survival depends on sales of a low-value product. Refiners cannot avoid producing residual fuel oil. They can invest in new equipment that might alter the amount of residual refining yields, but such equipment is expensive and many California refiners are already having to make difficult investment choices just to meet Federal and State environmental laws.

Residual fuel oil, oddly enough, has a high Btu content; the bill before us reflects that by assigning residual fuel oil the highest Btu factor 6.486 of any refined petroleum product. The Btu tax on residual fuel oil, $3.95 per barrel, is 25 percent to 28 percent of current price of resid. Bluntly, the Btu tax in this bill threatens all those people who work in and depend on this industry.

In spite of changes in the President's Btu tax made by the Ways and Means Committee, Kern County oil producers and refiners will still have a problem selling residual fuel oil. Under the bill before us today, utilities will collect tax on electricity based on the fuels each utility uses. Taxes will be determined on a utility-by-utility basis. Rates will be set monthly. Because residual fuel would carry a high tax rate, $3.95 per barrel, utilities would be discouraged from buying it even though the utilities get to pass the tax through to consumers.

The consequences of this tax will be drastic for California oil producers, refiners, and their employees. This tax will clearly cut California oil production by 81,000 to 127,000 barrels a day in the first 5 years. In total, anywhere from 150,000 to 300,000 barrels a day would be shut in in the decade following the tax's full implementation.

Those production losses mean lost jobs in California. One estimate shows a loss of 6,154 to 11,529 jobs 5 years after the tax takes effect, and 9,244 to 16,955 in 10 years. Between 40 percent and 50 percent of the impact will fall in Kern County. Other estimates show the job loss could be anywhere from 16,000 to 22,000 jobs.

These are good jobs. The average salary in the industry is $45,000. If this bill passes, California will ultimately lose anywhere from $200 million to $400 million in wages every year. That is a tough burden to bear in a State like California where unemployment is over 9 percent and especially in Kern County where unemployment is almost 2½ times the national rate.

I cannot support a bill with such serious implications for people in my district.

Mr. Chairman, I have a procedural reason for opposing the bill, one that should concern every Member of the House. This bill contains a provision that is not before us as a result of appropriate procedure. Every Member of the House should be outraged at its appearance in the bill because the process through which it was included threatens every Member's ability to protect his or her constituents by relying on the procedures of the House.

The section I am concerned about says that indexing the President's two new tax rates to protect taxpayers from inflation-induced bracket-creep will not begin until 1995—2 years after those rates go into effect on January 1, 1993. The delay, which takes another $636 million from Americans, is hardly insignificant. Its use is also totally inappropriate for anyone who believes in truly representative Government.

I can assure you that this indexing delay was never discussed when Ways and Means reported the tax bill May 13. It was not revealed in the documents presented to Members. Staff did not mention it in their explanation of those documents. When I specifically asked the chairman of the Committee on Ways and Means if the documents lacked anything that would appear in the actual bill language, I was assured they did not. The only possible way this provision should be in the bill is to accept a disingenuous explanation that the indexing delay, which was never revealed prior to the committee's vote to report the bill, was a technical change staff was given permission to make after the bill was adopted to ensure Members' intent was realized.

No one can realistically claim that $636 million is a small sum or that a significant change in the effective dates on a key tax provision is somehow technical. Yesterday, I asked the Rules Committee to address this impropriety by striking the provision from the bill. As a result of the Rules Committee's failure to do so, none of us can guarantee our constituents that their rights have been protected through the procedures upon which every Member of this House relies. Every Member should put aside the politics involved in this bill and consider just what accepting the indexing provision will mean: It would be sanctioning procedures that allow Members to be incorrectly informed about key components of a bill which they are asked to address in the name of the people in their districts. The procedure used here is unacceptable to me and it should be to my colleagues as well.

Even Members who are willing to pass the biggest tax bill in history, who are willing to distort U.S. energy production and cause chaos throughout industry, should be concerned about this matter. What some would term a minor provision is in fact a threat to the processes our constituents expect us to employ in their interests. The bill is worth rejecting on that basis.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 1 minute to the gentleman from Maryland [Mr. CARDIN].

Mr. CARDIN. Mr. Chairman, the time to act is now. The bill before us is a good bill. It is a bill that will be real in deficit reduction. It is balanced, half in real spending cuts, half in revenues, all calling for deficit reduction, and it is fair.

Despite the emphasis that my colleagues are putting on the Btu tax, what impact that will have, the Btu tax will raise revenue for deficit reduction. It will help us in energy conservation.

When the tax is fully implemented in 1998, including the Btu tax, for an individual whose income is $50,000 or less on average, will pay an extra $23 a month.

For those at $200,000 or more, $1935 a month more.

It is a fair, balanced package.

My constituents want action. I urge my colleagues to support the bill.

Mr. Chairman, I rise in support of the reconciliation bill. It represents the most honest, serious plan for deficit reduction that we have ever considered in the House of Representatives.

For the past dozen years, Republican administrations and Democratic Congresses talked about the deficit, but nobody did anything about it.

This bill marks the end of the talking, and the start of doing something. It's about time.

Over the past dozen years, the Federal budget deficit has risen steadily from under $100 billion, to $200 billion by the middle of the decade, to over $300 billion by the end of the decade.

The deficit in fiscal year 1994 will be $300 billion if we do nothing, if we just go on talking about the deficit. This reconciliation bill chops $500 billion off the deficit total over the next 5 years. Along with the limits on appropriations, it will reduce the deficit in the fiscal year that starts in October by $42 billion.

In the fifth year of this bill, it will reduce the deficit by more than $160 billion. If you want to cut the deficit, if you want to put an end to the growth of Government borrowing, if you like low interest rates, if you want to make more capital available for private investment, you should act now and support this program. The amount of deficit reduction in this bill will, in the opinion of two Nobel Prize-winning economists, make room for a 40 percent increase in spending on capital equipment, financed by private saving that otherwise would get consumed by Government borrowing.

This plan cuts spending. It cuts $87 billion in net direct spending. It includes enforcement provisions that will cut another $102 billion through appropriations process. It will achieve savings of $55 billion in interest costs.

The spending cuts are real, and tough, and they will hurt. The plan cuts $59 billion just in

Medicare and Medicaid. It doesn't make promises, it makes cuts.

The bill includes another $28 billion in entitlement cuts, in agriculture, education, housing, natural resources, veterans, and Federal employee and retiree benefits. This is strong medicine, to get the job done.

In addition to the program spending cuts, the package will reduce Federal borrowing costs by $55 billion over the 5-year period. For too long, interest payments on the national debt have been the fastest rising area of Federal spending. These payments don't buy a single scholarship, feed a single child, repair a single highway, or meet any other Federal policy priority. Under this plan, we start to turn things around, and slow the growth of interest payments.

Actually, the bill reduces interest payments in two ways. First, by reducing the deficit, it will lower our outstanding indebtedness, on which we pay interest. Second, and more important for the economy, the bill sends the clear signal to the bond markets that we are serious about deficit reduction, which encourages the market to keep interest rates low.

In addition, the bill includes the enforcement provisions that will freeze discretionary spending at current levels for the next 5 years. This provision will save $102 billion over the next 5 years.

The other half of the deficit reduction comes from taxes. The tax increases included in the bill are imposed overwhelmingly on the wealthiest 2 percent of Americans and corporations with incomes greater than $10 million.

Over 95 percent of American families will have no increase in their income taxes. After the Btu tax is fully phased in, in 1998, the monthly tax increase from the President's entire package, including the Btu tax, on a family with income under $50,000 will be less than $23 a month. Those with incomes above $200,000 will pay an additional $1,935 a month.

Mr. Chairman, this program is real. The spending cuts and new revenues go for deficit reduction. The program is balanced. New revenues are matched by spending cuts. The program is fair. It puts the tax increases on those who can most afford to pay. And the program will work. It puts our country on the road to fiscal stability and economic growth. I support it, and I urge its passage.

Mr. SPENCE. Mr. Chairman, in this debate on whether to pass the largest tax increase in our Nation's history, I'm appalled by some of the arguments my colleagues on the other side are utilizing. Several of my Democrat colleagues have said that we need to pass this bill in order to cut the deficit that Presidents Bush and Reagan produced.

Excuse me? Presidents Bush and Reagan increased the deficit with their budgets? Mr. Speaker, unless there have been some constitutional changes of which no one has been apprised, it is the responsibility of Congress to enact and pass the annual budget. Regardless of whether a budget comes before us from a Democrat or Republican White House, Congress deliberates and amends that proposal, and the product that is sent to the White House is the handiwork of the House and Senate.

Mr. Chairman, we have an enormous national debt. I don't think you'll hear anyone questioning that fact. But it appears to me that placing the blame on the shoulders of past Presidents is not only dubious rhetoric, it is arrogance. Do my colleagues on the other side actually believe that the American people are so gullible as to believe that Congress has no say in how Federal funds are spent? Does the majority leadership actually believe that their strained attempt at shifting blame will assuage the public's genuine concern over our fiscal problems? To even suggest such is an insult to the intelligence of the American people.

Mr. Chairman, a few months ago, we heard about a new era dawning in Washington, a new approach to government, a call to national service. According to what I have heard in these hours of debate, I would have to agree there's a new approach all right. It's called the contribution and denial approach; Congress will require the American taxpayer to contribute more, and then Congress will deny it ever asked for it.

Mr. FIELDS. Mr. Chairman, I rise today to voice my opposition to the proposed Btu tax, and my support of the Kasich amendment as a Representative from Texas and as a member of the House Committees on Energy and Commerce, and Merchant Marine and Fisheries, I have spent considerable time on energy related issues.

First of all, as a revenue raiser, this proposed tax fails to pass a critical test: the test of fiscal responsibility. Since the tax was first proposed, various interest groups have chipped away at the package until the revenues that the tax would raise are considerably lower than expected. Originally, the tax was expected to raise $25 billion annually by 1997. But, according to the Institute for Research on the Economics of Taxation, $20 billion of those revenues will be needed to offset proposed credits, assistance to those on low incomes, and reduced revenues from other sources due to depressed economic activity. We are being asked to vote for an energy tax that will cost this country more than 400,000 jobs, and that will raise just $5 billion? If we pass this misguided tax, never in our Nation's history will so many have sacrificed so much for so little.

Another argument for the energy tax, that we have heard from the administration, is that the tax is environmentally friendly—that Americans will become more energy efficient and move toward greater use of clean fuels. I believe that this is another argument that fails to pass an important test: the reality test. While shutting down 26 refineries may improve the environment in this country, what will it do to the global environment as refineries are built in countries with less stringent environmental regulations? What will increased tanker traffic do to our coastal communities? How many more oil spills will we have? How will the country get its supply of reformulated gas and other mandated clean fuels? What impact will increased imports have on our trade deficit? What about national security? About the only positive environmental impact this tax package will produce is that in destroying 400,000 American jobs, there will be fewer commuters driving their cars to work each day!

Between the Clean Air Act and this proposed tax, this country will lose almost 20 percent of its refinery capacity by the end of the decade. In addition to the refinery problem, the tax is punitive to clean fuels, providing little incentives for industries to switch to more environmentally sound fuels like natural gas.

Third, the administration has argued that the reason it proposed a Btu energy tax is that it is fair to every region of the country. If this tax is so fair, why will Texans be paying 75 times more in energy taxes than people who live in Vermont by the year 1996? The national average for energy use per capita in 1989, was 330 million Btu's, in Texas it was 495 million Btu's. Texas residents and industries are major consumers of energy as well as major producers. It is ludicrous to assume that they will pay equal taxes as other parts of the country. A study by Texas A&M University predicts that the State will lose $3.089 billion per year by 1998, in gross State product [GSP]. The energy tax will reduce personal income by $3.26 billion in Texas, with the average family of four paying an additional $708 a year in energy taxes. This increase is more than twice what the administration is predicting for the rest of the country.

But Texas is not alone. Other States that are highly energy-intensive and whose residents travel long distances will also feel a much greater impact from the proposed tax than currently predicted by the administration. So, this proposed tax fails to pass another test: the fairness test.

The proposed Btu tax which, at best, will raise $71.5 billion through fiscal year 1998, but, at worst, will cost more than 400,000 Americans their jobs—will also, lower our gross domestic product [GDP], make it difficult for senior citizens and others living on fixed incomes to afford the energy they need, and will continue the decline of our domestic energy industry. There are other less costly ways to decrease the deficit, improve the environment, and become more energy efficient.

Many Members have put forward proposals to achieve deficit reduction without this onerous energy tax and other proposed taxes. I wrote to President Clinton on March 8 of this year, with a list of spending cuts and freezes that would result in a savings of $384 billion over a 5-year period. This could be accomplished without imposing even 1 cent in new or increased taxes.

Congress has passed two major laws in the last 3 years that will improve our energy efficiency and our environment. The Clean Air Act Amendments of 1990, and the National Energy Policy Act of 1992 provide additional programs and incentives to use environmentally friendly fuels, cut back on many air pollutants, switch to cleaner fuels, and so forth. Why don't we give these laws a chance to work before inflicting even greater financial pain on the consumer and the energy industry for very few, if any, benefits?

Mr. Chairman, generally when someone or something fails to pass the test, it is time to go back to the drawing board, to relearn, or reinvent. I believe that this is what we need to do with this reconciliation bill, especially the proposed Btu tax. That is why I urge my colleagues to support the Kasich amendment to reduce the deficit in a fiscally responsible, fair, and real way.

Ms. LAMBERT. Mr. Chairman, voting against this deficit-reducing package would raise an impassable stop sign on our road toward economic recovery. Our $4 trillion deficit did not sprout up overnight and we cannot cut it down in 1 day either. But this package offers us the first real attempt at deficit reduction that this Nation has seen in 12 years. The entitlement caps and deficit reduction trust fund that this legislation provides are key to getting our Nation back on track.

President Clinton's plan is a real step toward reducing the deficit and it's a step which the American public has repeatedly cried out for in the last year. Within 5 years, this plan will reduce the deficit from nearly 5 percent of our gross domestic product to 2.6 percent of the GDP. The deficit trust fund offers the American people a legally binding promise that spending cuts and tax increases will go toward reducing the deficit.

The people of the First District of Arkansas have called for spending cuts and we have answered by freezing discretionary spending at 1993 levels for 5 years. This will save $102 billion.

The proposed tax increases and spending cuts are not easy to swallow. But they present a sincere effort at reigning in the feel-good spending of the last 12 years, under which our national debt grew. I am especially pleased with the addition of entitlement caps that will sound an alarm to be heard by Congress and the President if entitlement spending goes too high. These caps will force Congress to come together and vote before allowing spending to exceed the caps.

As a representative of the agriculture-intensive First District of Arkansas, I have shared our farmers' concern over the proposed Btu tax. I have stood at this very podium and spoken on radio and TV against the Btu tax because I believe it will place an unfair burden on farmers who cannot pass added costs on to consumers. But Senator BOREN's alternative to the Btu tax would cut Social Security. And no one from the First District of Arkansas has called asking me to cut Social Security spending.

I continue to oppose the Btu tax, but I feel confident from the commitments I received in phone calls this morning that the Btu tax will be reduced or eliminated in the Senate or in conference committee. Today's vote does not flash a green light for the Btu tax, and I urge the farmers in Arkansas to be patient with Congress as we work over the next few months to eliminate this tax.

In conclusion, having talked to Arkansans who have repeatedly asked for spending cuts and deficit reduction, I cannot in good conscience vote against this package which goes so far toward fulfilling their request. Therefore, I stand in support of this legislation under the blinking yellow light of caution. I will continue to work toward necessary changes in the Btu tax, but I firmly believe the remainder of this proposal puts us in the express lane toward economic recovery.

Mr. PENNY. Mr. Chairman, the public debate raging in this country about the role of Government, the responsiveness of public institutions, and the size of our Federal debt, are joined in the debate on the budget reconciliation measure before us today. The American people have been rightly critical of the inability of the Congress and the President to responsibly resolve the budget deficit in recent years. While gridlock gripped Washington, the American people have struggled with the consequences of our inaction.

The 1992 election brought a new President dedicated to making Government work—dedicated also to reducing the budget deficit. While we can be critical of his handling of this measure, I believe the President has not been given sufficient credit for putting before the country the very real and painful choices that are necessary to reduce the budget deficit.

Some here do not like the President's priorities and have suggested alternatives, others among us continue to talk about deficit reduction as if solutions will appear out of thin air. Well, the choices are tough—very tough. I doubt if any Member of Congress truly likes this measure; there are no cheerleaders for higher taxes and program cuts for their own sake. But eliminating the deficit requires taxes and cuts. Those are the choices—and they are difficult for all of us.

I had hoped this bill would contain more cuts, less taxes, and more deficit reduction. But, as Benjamin Franklin once said, "He that lives upon hope will die fasting." At some point, consensus among the alternatives must be reached. And what we have before is not perfect, but it is the best we can do at this time, and it is certainly preferable to doing nothing.

Let me just speak briefly to the bill because there are a number of important provisions. The entitlement cap in this bill, which I helped to negotiate, is unprecedented. For the first time, a process is established for reviewing the growth of mandatory spending programs, which together represent almost one-half of all Federal outlays. For too long, one half of all spending has been on automatic pilot, unrestrained by the annual budget process. With the passage of this bill, that will change. Both the President and the Congress will now be forced to propose changes to entitlement programs to rein in their growth. That is a very important reform. It will lead, I believe, to real long-term deficit reduction. It will force the Congress in the future to face the deficit issue squarely and honestly.

The extension of the discretionary budget caps in this measure—the only real brake on the growth of Federal spending since 1990—is also an important reform.

This measure contains nearly $500 billion in real deficit reduction over the next 5 years. With tough enforcement on entitlement and discretionary spending, real long-term deficit reduction will occur.

Someone once said: "It is natural for man to shut his eyes against a painful truth. * * *" Today, we open our eyes and make a few tough decisions. I urge my colleagues to join me in supporting this measure.

Mr. ARCHER. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana [Mr. BURTON].

Mr. BURTON of Indiana. Mr. Chairman. I thank the gentleman for yielding this time to me.

I just would like to say that my colleague, the gentleman from Maryland [Mr. CARDIN] who just spoke, if this bill passes it is going to cost his district 1,219 jobs, and I hope he thinks about that.

□ 1720

Now, many of my colleagues on the other side of the aisle said they were going to control entitlements. Let me tell America about an entitlement that they have not talked about. They put a new entitlement in here for emergency health care for immigrants costing $300 million, a new entitlement, not an old one.

Now why are they doing that? Because they want to help some of those States that have illegal aliens coming in that are having children.

But let us look at what has been going on. In California they have a program called the MediCal Program, and I want to read to my colleagues from a brochure from California about what they are doing.

They say that the law has changed and the new law will help you if you are going to have a baby even if you are an illegal alien or if you are here under an amnesty program. Will it affect my amnesty? No. If I am here illegally, will it be reported? No. And finally they say: Remember the information you give to the worker is confidential. It will not be reported to immigration.

Last year in Los Angeles County alone, and get this, America, there were 37,000 illegal alien babies born, and each one can get AFDC totaling $620 a month. That is $25 million a month that is being paid out for AFDC for illegal alien children.

And what are they doing about it? They are adding a new entitlement for $300 million to help pay the State's portion of that cost. Up until now the State paid half of it. But now they are going to pay all of it from the taxes from around the country.

They say this is a responsible budget. It is going to cost more in taxes, the largest tax increase in history. It is going to cost jobs. It is going to hurt the economy.

And what else are they going to do? They are inviting illegal aliens from Latin America and Mexico to come to this country to have babies that our constituents are going to pay for with AFDC payments, and they are going to be American citizens. I say, "We shouldn't be doing this. It's a mistake. It's a new entitlement, and they are putting it on your backs."

Mr. ROSTENKOWSKI. Mr. Chairman, I yield myself 4½ minutes.

Mr. Chairman, I rise in strong support of the President's economic plan for reducing the deficit and revitalizing the economy. The 103d Congress is about to be tested, and the entire country will be watching.

Taxpayers all across America are tired of the constant bickering in Congress and demand action to reduce the deficit. And our constituents want to know if we have the fortitude to take a tough vote to improve the economy.

We cannot shrink from this challenge, even through our Republican colleagues will not, by choice, join us in making the difficult decisions necessary to govern our great Nation.

Mr. Chairman, when we passed the budget resolution conference report 2 months ago, the Committee on Ways and Means faced an ambitious task: approve nearly $300 billion in deficit reduction. I am proud to stand here today and report that the committee was on time and on target. We approved the President's plan, with some modifications, to ensure that those taxpayers with the ability to pay fulfill their responsibilities and that program cuts are fair and protect the needy.

Some claim this bill includes the biggest net tax increase ever. The are wrong. The tax bill that Ronald Reagan signed in 1982, measured in 1993 dollars, was over $50 billion bigger.

What we do face, however, is the biggest deficit in history—three times as large as it was in 1982. It is not a small problem, and it will not be cured by small talk and political posturing. It demands a vigorous yet fair response. This bill provides that response.

I want to be clear—this bill requires sacrifice. But the sacrifice is small compared to the price of continuing on our present course, risking our fiscal integrity and the standard of living for ourselves, our children, and our grandchildren.

THE REVENUE INCREASES IN THE LEGISLATION ARE FOCUSED ON UPPER-INCOME TAXPAYERS

About two-thirds of the revenues in the legislation will come from persons making over $200,000. And even for these persons, the increases are modest. The bill creates a new 36-percent bracket for married couples with taxable income over $140,000 and a 10-percent surtax on incomes over $250,000. These new rates are still well below the top rates that had been in effect prior to tax reform in 1986.

Business, as well as individuals, are required to contribute to deficit reduction. The bill provides for a 1-percent increase in the corporate tax rate for taxable income over $10 million—a prudent increase, large enough to be meaningful but not so large as to be disruptive to economic recovery, competitiveness and job development.

THE BROAD-BASED ENERGY TAX IS A POWERFUL ENGINE FOR DEFICIT REDUCTION

It raises over $70 billion over the budget period. But it also serves other goals. It is fair to taxpayers in all regions of the country. It encourages use of clean fuels and renewable, and it encourages conservation.

But the impact on U.S. households is modest—an average of about 17 dollars a month, counting all direct and indirect costs, beginning in July, 1996, when the tax is fully phased in. To ensure that this burden does not fall on those least able to pay, low-income families will benefit from increases in the earned income tax credit, and other programs.

The Committee on Ways and Means, working closely with the administration, has attempted to ensure that no one is unduly burdened by the energy tax.

Under the bill as modified in committee, a partial exemption for hearing oil cushions the effects of the tax on regions of the country that rely extensively on heating oil. Similarly, a partial exemption for on-farm diesel and gasoline use protects farmers who consume large amounts of energy in farm operations. Adjustments are also made for industries that use energy as feedstocks, such as the fertilizer and aluminum industries, to ensure that they are not unfairly taxed. A border adjustment for imports of energy-intensive products ensures that domestic manufacturers are not placed at a competitive disadvantage in our domestic markets.

THE BILL CREATES WORK INCENTIVES AND JOBS

Under this bill, through expansion and simplification of the earned income tax credit, no American family with a full-time worker need live below the poverty line.

Furthermore, the bill promotes opportunities for jobs and enhanced skills by permanently extending the targeted jobs tax credit and expanding it to include a new school-to-work program. The employer-provided educational assistance program would be extended permanently.

Also included is a $5.3 billion investment in enterprise and empowerment zones designed to help rebuild America's distressed cities and rural areas.

In addition, the bill increases opportunities to find affordable housing by permanently extending the low-income housing tax credit and enhancing its availability in the 110 empowerment zones and enterprise communities that will be designated under this legislation.

THIS BILL CREATES JOBS FOR AMERICAN BUSINESS

To free up cash-flow for small businesses, the bill allows immediate expensing of $25,000 in depreciable assets—well above the current $10,000 limit.

In addition, the legislation provides small businesses with greater access to tax-exempt financing and provides incentives for people to invest in specialized small business companies, to make it easier for these companies to attract much-needed equity capital.

The bill also provides needed assistance to the real estate industry by providing relief from the passive loss rules for business men and women who materially participate in real estate businesses. It provides a boost to local real estate markets by providing tax relief for the restructuring of business debt secured by real property. To encourage the construction of additional housing for low-income families, the bill extends the low-income housing credit and mortgage revenue bonds program permanently.

The bill extends the 25-percent deduction for health insurance premiums paid by self-employed business men and women.

THE BILL WILL HELP US COMPETE IN THE GLOBAL MARKET

It extends permanently the research and development credit and ends years of uncertainty by providing a permanent 50-percent research and development allocation rule for U.S. multinational companies. These changes will enhance incentives for domestic companies that conduct long-range research and development in this country.

The bill also encourages U.S.-controlled foreign corporations to repatriate amounts that are earned abroad and that are not re-invested in an active business. However, in response to concerns about harming U.S. competitiveness abroad, the Ways and Means Committee agreed not to include the administration's proposal to increase taxes on royalty income earned abroad by U.S. companies.

Foreign persons doing business in the United States are also required to pay their fair share of tax, through changes in transfer pricing rules and changes in the so-called earnings stripping rules.

It also extends the generalized system of preferences. Known as "GSP," these tariff suspensions for non-sensitive imports foster economic development and overseas markets for U.S. exports to developing countries. They also provide leverage to reduce barriers and enhance protection of intellectual property rights in those countries, and they lower input costs for U.S. manufacturing. A 3-year extension of the Trade Adjustment Assistance Program for workers is also included to insure continued retraining and income support for workers dislocated by foreign competition.

The bill extends, as well, the "fast-track" negotiating authority or the Uruguay round of multilateral trade negotiations. President Clinton has indicated that, assuming he is granted this authority, he will bring these negotiations to a close by the end of this year on terms favorable to the United States. A conclusion of the Uruguay round should provide a much-needed boost to world economic growth.

The bill also includes a 3-year extension of the authority to impose customs user fees to offset the costs of U.S. Customs Services, and 2-year authorizations of appropriations for the U.S. Customs Service, the Office of the U.S. Trade Representative, and the U.S. International Trade Commission.

THE BILL ALSO PROVIDES NEEDED BROAD-BASED TAX INCENTIVES THAT HAVE CONSENSUS SUPPORT IN THE HOUSE

The bill promotes capital investment by providing more generous depreciation schedules for companies subject to the alternative minimum tax.

The legislation repeals the luxury tax on boats, airplanes, jewelry, and furs, and indexes for inflation the $30,000 threshold for cars.

The bill encourages gifts of appreciated property to universities, museums, and charities by reinstating the minimum tax benefits for gifts of tangible personal property and expanding it to cover other types of property.

This bill delivers on the President's commitment to meet basic needs while controlling spending.

It authorizes $1.5 billion in spending on family preservation programs that can help families avoid foster care, and it creates a $2.1 billion trust fund to finance childhood immunizations for Medicaid-eligible children and those without health insurance coverage for immunizations.

We take steps to control Medicare costs, by approving interim controls on reimbursements, pending the passage of health care reform. Together, the Medicare reductions total $50.4 billion over 5 years.

The bill would extend several expiring programs that provide assistance to rural and inner-city hospitals. These include continuation of special payments for small, rural Medicare-dependent hospitals and regional referral centers through fiscal year 1994. Authorization for the Essential Access Community Hospital Program and the Rural Health Transition Grant Program would also be extended. In addition, the separate Medicare reimbursement for the reading of electrocardiograms would be restored.

The bill would also extend the current physician ownership and referral prohibition beyond public health programs and to additional services and payers. The exceptions in current law to the general ban on referrals would be continued with a series of modifications.

In addition, the bill contains a 2-year extension of the existing 0.2 percentage point Federal unemployment surtax. This surtax was first passed in 1976. It has been extended three times, in 1987, 1990, and 1991. The administration asked for this extension as part of the President's additional proposals to help the committee meet its deficit reduction target and to help refinance the extended benefits program. With this extension, the extended benefits program is projected to be nearly fully funded by the end of 1998.

Mr. Chairman, I would also like to make technical comments on two provisions of the bill:

First, in permanently extending the research credit, the Committee on Ways and Means affirmed congressional intent that neither the enacting of the credit in 1981 nor the targeting modifications to the credit in 1986 affected the definition of "research or experimental expenditures" for purposes of section 174. The reasons for passing H.R. 1137 in 1954 were to provide certainty with respect to the tax treatment of R&D expenditures and to encourage taxpayers to carry on research and experimentation. Those reasons for enacting section 174 are even more important today given the increasing global market competition our industries now face.

Toward this end, the newly proposed Treasury regulations under section 174 contain modifications to clarify the broad scope of the section by pointing out that research and experimental expenditures are the costs related to activities intended to obtain data needed to eliminate uncertainty concerning the development or improvement of a product. I believe this action underscores and clarifies that it is Congress' intent that expenditures for the applied engineering required to develop a commercially feasible product and create U.S. jobs are deductible under code section 174.

Second, the bill provides an exemption for the feedstock portion of electricity used in electrolytic processes. Electrolytic processes are used to produce aluminum, chlor-alkali products, copper, magnesium, sodium, zinc, and other products. This exemption only covers the portion of electrical energy incorporated into the manufactured product. For example, in the case of aluminum smelting, it is my understanding that approximately half of the direct current electricity provided as an input to the electrolytic cell is incorporated in aluminum. I understand that approximately 70 percent of the direct current electricity is incorporated in the chlorine, caustic soda and hydrogen produced in the electrolytic process. It is also my understanding that the Secretary of the Treasury may determine a different percentage to be appropriate based upon review of the processes involved.

Mr. Chairman, this is the first reconciliation bill I have processed through my committee under a Democratic President. It wasn't easy—writing legislation to raise taxes and cut spending never is.

Mr. Chairman, I say to my colleagues that the President's revenue package calls for vigorous deficit reduction, but it is fairly apportioned among taxpayers in our society who have the ability to pay. There is no credible alternative.

We have but one choice—to lead. Our constituents, our country and the President rightfully expect us to place the good of the country first—I urge my colleagues to support the President and to vote for this bill.

If we cannot govern, if we do not have the strength to vote for positive, significant change, then we do not deserve to represent our great Nation.

Mr. Chairman, I firmly believe that this bill is necessary to begin to set straight our economic house. My belief has been reinforced by the reaction of hundreds of business leaders and associations from across the land who support this package before us today.

Many of them will pay increased taxes under the bill. They do not support this bill as a result of altruism; rather they know that their economic well-being, and that of the Nation, depends on our efforts to reduce the Federal budget deficit.

Mr. Speaker, I would like to include in the RECORD a small sampling of the many letters of support I have received in favor of this bill.

MAY 25, 1993.

Hon. DAN ROSTENKOWSKI,
Chairman, Committee on Ways and Means, Washington, DC.

DEAR MR. CHAIRMAN: The undersigned companies commend you and your Committee for recent actions which improve the tax provisions of the reconciliation bill. We expect better economic results and better employment prospects to follow from the reported bill. We support the tax bill as restructured and reported by the Committee.

AFLAC Incorporated, AlliedSignal Inc., Ameritech Corp., Anheuser-Busch Companies, Inc., Associated Financial Corp.

Avon Products, Inc., Beneficial Corporation, B. P. America, Colgate-Palmolive Company, Delta Air Lines, Inc.

Dow Corning Corporation, Electronic Data Systems, Emerson Electric Co., The GAP, Inc., GenCorp Inc.

General Electric Company, General Mills, Inc., General Motors Corporation, General Signal Corporation, Hallmark Cards, Inc.

Honeywell Inc., Hughes Aircraft Company, IBM, Jim Walter Corporation, Kellogg Company.

Levi Strauss & Co., 3M, Marriott Corporation, Mars Inc., Mercantile Stores Co., Inc.

Owens-Corning Fiberglas Corporation, Philip Morris Companies, Inc., PLY GEM Industries, Inc., Premark International, Inc., The Procter & Gamble Company.

Puget Power Corp., The Quaker Oats Company, Ryder System, Inc., Sara Lee Corporation, Service Merchandise Co., Inc.

Southern California Edison Co., Southern California Gas Co., Southland Corp., Southwest Airlines Co., Tektronix, Inc.

Tenneco Inc., Time Warner, Inc., Valero Energy Corporation, The Walt Disney Company, Westinghouse Electric Corporation.

WHAT CORPORATE EXECUTIVES ARE SAYING

"The Ways and Means Committee significantly improved the corporate provisions of the President's tax proposal, and we, therefore strongly support H.R. 2141, the bill reported by the Committee. Although business will pay several billion dollars more under H.R. 2141, the tax structure is far better than the original proposal for investment and job creation."—E.L. Artz, Chairman of the Board and Chief Executive Officer, The Procter & Gamble Company.

"By eliminating the investment tax credit and reducing the proposed corporate rate, the Ways and Means Committee substantially improved the corporate tax provisions in the reported bill. Their actions keep those provisions much closer to the bedrock principles of tax reform—the broadest possible base with the lowest possible rates—than did the original proposal and, therefore, we support H.R. 2141."—Bruce Atwater, Chairman of the Board and Chief Executive Officer, General Mills, Inc.

"The tax bill, as modified by the Ways and Means Committee, improves the prospects for better economic growth and international competition."—Warren L. Batts, Chairman of the Board and Chief Executive Officer, Premark International, Inc.

"I strongly support passage of the House budget reconciliation bill. The defeat of the package would mean chaos in the financial markets and would lead to an increase in interest rates. This, in turn, would slow economic growth and job creation."—Clark Matthews, President and Chief Executive Officer, Southland Corp.

"The tax elements which were recently reported by the House Ways and Means Committee and supported by President Clinton represent a reasonable balance between the need to increase revenues, stimulate investment, and ensure the fairness of the tax system.—Michael Walsh, Chairman and Chief Executive Officer, Tenneco Inc.

"To create jobs and growth, the U.S. tax system should have the lowest possible uniform rates and no special preferences. By eliminating the investment tax credit and mitigating the increase in corporate rates, the Ways and Means Committee tax bill moves us in that direction and is worthy of support. However, we also believe that meaningful deficit reduction cannot be achieved without real spending cuts."—John F. Welch, Jr., Chairman and Chief Executive Officer, General Electric Co.

MAY 25, 1993.

House of Representatives, Washington, DC.

DEAR CHAIRMAN ROSTENKOWSKI: The undersigned 90 groups and the millions of Americans they represent support the President's plan as reflected in the budget reconciliation.

We support President Clinton's objectives of creating new jobs, encouraging growth and investment and reducing the deficit. We believe this package is a requisite first step in achieving our mutual goals and objectives.

We urge you to support the budget reconciliation and to vote in favor of its passage.

Sincerely yours,

AFSCME.
AIDS Action Council.
American Agricultural Movement.
American Association of Museums.
American Council on Education.
American Education Association.
American Federation of Government Employees.
American Federation of Teachers.
American Insurance Association.
American Planning Association.
American Resort Development Association.
American Seniors Housing Association.
Americans for Democratic Action.
Association of Local Housing Finance Agencies.
Bread for the World.
Brotherhood of Maintenance of Way Employes.
Center for Community Change.
Child Welfare League of America.
Coalition on Human Needs.
Coalition to Preserve the Low Income Housing Tax Credit.
College and University Personnel Association.
Communications Workers of America.
Consumer Federation of America.
Council for a Livable World.
Council for Rural Housing and Development.
Council on Research and Technology (CORETECH).
Defenders of Wildlife.
Direct Selling Association.
Environmental Action.
Environmental and Energy Study Institute.
Families USA.
Friends of the Earth.
Human Rights Campaign Fund.
Institute for Responsible Housing Preservation.
International Ladies' Garment Workers Union.
International Union of Electronic, Electrical and Furniture Workers, IUE–AFL–CIO.
Jim Walter Corporation.
League of Conservation Voters.
Manufactured Housing Institute.
National Apartment Association.
National Assisted Housing Management Association.
National Association of Childrens' Hospitals and Related Institutions.
National Association of College and University Business Officers.
National Association of Community Health Centers.
National Association of Home Builders.
National Association of Homes & Services for Children.
National Association of Independent Colleges and Universities.
National Association of Life Underwriters.
National Association of Real Estate Investment Trusts.
National Association of REALTORS.
National Association of Retail Druggists.
National Association of Social Workers.
National Association of Targeted Jobs Companies, NATCO.
National Audubon Society.
National Coalition for the Homeless.
National Consumers League.
National Council of La Raza.
National Council of Senior Citizens.
National Council of State Housing Agencies.
National Council on Independent Living.
National Education Association.
National Employment Opportunities Network, NEON.
National Housing and Rehabilitation Association.
National Housing Conference.
National Leased Housing Association.
National Marine Manufacturers Association.
National Multi Housing Council.
National Neighborhood Coalition.
National Realty Committee.
National Urban League.
National Wildlife Federation.
National Women's Law Center.
Natural Resources Defense Council.
NETWORK: A National Catholic Social Justice Lobby.
NHP, Inc.
NRG Bariers/Saco Maine.
Nuclear Information and Resource Service.
Office of Management and Budget Watch.
Parent Action.
Peace Action.
Physicians for Social Responsibility.
Ryder Systems, Inc.
Truck Renting and Leasing Association.
United Auto Workers.
United Methodist Church, General Board of Church and Society.
United Transportation Union.
Valero Energy.
Women Strike for Peace.
Woman's Action for New Direction.
YWCA of the USA.

SALOMON, INC.,
New York, NY, May 25, 1993.

Hon. DAN ROSTENKOWSKI,
Chairman on Ways and Means, Washington, DC.

Dear MR. CHAIRMAN: As one of the original corporate Chief Executives who endorsed the President's economic program, I want to commend you and your committee for recent actions which improve the tax provisions of the Reconciliation Bill. With the reduction of the deficit accompanied by the decline in long-term interest rates, we anticipate better long-term economic results to follow from the passage of the reported legislation.

I support the efforts of the President to achieve deficit reduction and the efforts you and the other members of your committee made to perfect this important legislation. I am taking the liberty of enclosing a copy of the op-ed piece I wrote in support of the President's program.

Sincerely,

ROBERT E. DENHAM,
Chairman and CEO.

HUMAN CAPITAL INVESTMENT IN THE PRESIDENT'S ECONOMIC PACKAGE: DANCING WITH THE ONE WHO BRUNG YOU

(By Robert E. Denham, Chairman and Chief Executive Officer, Salomon Inc.)

The deficit-reducing impact of President Clinton's economic package, and the bond market's resulting display of confidence, have received abundant attention from financial commentators. In the long run, however, the most important economic impact of the package may be its shifting of funds toward production-enchancing human capital investments and away from military spending and other production-consuming activities.

Anyone who hires significant numbers of employees in skilled positions knows that many Americans are ill-prepared for the increasingly complex jobs that are being created. Meanwhile, layoffs occurring principally in less-skilled jobs or in jobs requiring obsolete skills are creating a growing pool of the hard-to-employ. In Salomon's businesses, which include securities and commodities trading, investment banking and oil refining, we have seen a steady migration toward jobs that demand increasingly complex skill sets. On our trading floors we need people with advanced math and economics degrees, not high school graduates who develop a "feel" for the markets. In administration and finance, we need advanced computing, accounting and mathematical analysis skills, not bookkeepers.

The same story, in different words, could be told by company after company across the United States, yet educational institutions and company training programs have responded slowly and ineffectively to the higher standards required by today's jobs. A recent study of illiteracy among young American adults found 38.5% unable to read at an 11th grade level and 20.2% unable to read at an eighth grade level. Schools have often been so swamped by the social needs of children growing up underfed, ill-housed and in the midst of drugs and violence that they have been unable to respond to their need for an increasingly complex education. Corporations have generally not taken on the responsibility for basic skills training, preferring to invest in more advanced and job-specific training for people who already have substantial basic skills. The realities of a cold war economy created a paradox that was becoming a trap: defense expenditures impaired our ability to afford human capital investments, while the failure to make these investments impaired our long-term security. Increasingly, we are living off the diminishing returns from past waves of human capital investments.

President Clinton's economic plan carries out a dramatic shift from expenditure to investment, particularly in the critical area of human capital. The human capital investment increases over four years include $8 billion for Head Start, $2.6 billion for the women, infants and children program, $7.4 billion for a national service program that will fund college education, $4.6 billion for work re-employment and training assistance, and $1.2 billion for apprenticeship programs. At the same time he proposes dramatic decreases in defense spending and other decreases in non-productive expenditures such as agricultural subsidies. Besides accomplishing the deficit reduction for which the President's program has been justly praised, these changes also make a meaningful start on the investments in human beings that are essential for our long-term economic security.

President Clinton has recognized that with the end of the Cold War it is possible to replace government programs driven by fear with programs that are inspired by hope. Governor Clinton became President Clinton by enunciating a vision of an America that demonstrates belief in its future by willingness to invest in that future today. During the remaining years of his Presidency there will be many events to distract him from this vision. As a guide to making the necessary choices about priorities, he needs only to remember the old country adage: "Dance with the one who brung you."

SMALL BUSINESS
LEGISLATIVE COUNCIL,
Washington, DC, May 27, 1993.

Hon. DAN ROSTENKOWSKI,
Chairman, Committee on Ways and Means, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: On the day of this critical vote, I wish to again affirm the significance of the increase in the direct expensing provision from $10,000 to $25,000 for small business. We want to commend you and the President for championing this important revision.

As you know, the investment tax credit in the original proposal did not live up to the expectations of the small business community. Because of the many limitations imposed upon it, its effective rate was far lower than the publicized nominal rate.

The direct expensing increase from $10,000 to $25,000 is a clean, simple alternative. Many small businesses wanted it. (The small business delegates to both the 1980 and 1986 White House Conferences on Small Business made it a high priority.) Many small businesses can use it. We know some 11 million businesses took a depreciation deduction based on the last available data. Most of those businesses will be candidates for taking advantage of the $25,000 first year write-off.

We were pleased to to work with you in 1981 when you first introduced the concept of direct expending, and we are pleased to be allied with you and the President in making this dramatic improvement to the budget reconciliation bill. The President must be given credit for recognizing the need to strengthen the bill's value to small business.

I must note we are heartened by reports that the House may take further steps to rein in federal spending, particularly in entitlement programs. It surely is no secret that small business will take every dollar of spending cuts that can be wrung out of federal entitlement programs.

In the months ahead, we look for small businesses, as they lead the nation to economic recovery, to avail themselves of the full $25,000 direct expensing deduction. It would certainly be a good sign for the economy.

Sincerely,

JOHN S. SATAGAJ,
President.

AMERITECH,
Chicago, IL, May 5, 1993.

Hon. DAN ROSTENKOWSKI,
Chairman, Committee on Ways and Means, Washington, DC.

DEAR DAN: It is my understanding that the Committee on Ways and Means will soon be addressing budget reconciliation legislation. On behalf of Ameritech, I want to applaud and encourage your efforts to achieve meaningful deficit reduction.

As a capital intensive company with a very large Federal income tax liability, Ameritech would have preferred to see capital incentive proposals, such as an Investment Tax Credit, that could achieve the goal of genuine capital formation and job creation for business. Unfortunately, the Investment Tax Credit as proposed would not help Ameritech and most large employers reach this goal. We are realistic enough to understand that a more meaningful capital incentive package is not doable at this time given the primary goal of deficit reduction.

We strongly encourage your efforts to minimize any increase in the federal corporate tax rate through the elimination of the proposed Investment Tax Credit. We look forward to working with you and other Members of Congress in passing a pro-growth reconciliation bill that will result in real deficit reduction without burdening the business community with a large increase in the corporate rate.

Sincerely,

WILLIAM L. WEISS,
Chairman and CEO.

MARS, INC.,
Chicago, IL, May 6, 1993.

Hon. DAN ROSTENKOWSKI,
Chairman, Committee on Ways and Means, Washington, DC.

DEAR MR. CHAIRMAN: The Tax Reform Act of 1986 made a fundamental change in this country's income tax policy. President Clinton's tax package threatens to reverse that change, and that would be a serious error. I urge you to lessen the adverse effects on the overall tax increase package by holding the line on the corporate tax rate and setting aside the proposed investment credit proposals.

For decades, high tax rates were imposed on businesses while a series of special rules enabled many industries to avoid those rates by making certain investment decisions. In that environment, far too many business decisions were based on tax planning rather than on economic and financial common sense.

It is doubtful that the combination of high rates plus offsetting investment credits and other preferences were ever very beneficial to the economy overall. But the President's package clearly offers little "stimulus" for business investment. A temporary credit of seven percent on incremental investments will not make any difference to my company's investment decisions.

But a two percentage point increase in the corporate tax rate will make a difference—an adverse difference. That is a permanent rate increase which will affect the return on our past and future investments for years to come, while the investment credit will be of use only with respect to a modest amount of our investments during the next two years.

I understand that the cost of the credit proposals is about equal to the higher revenues from the rate increase. Given the limited value of the credit and the ill effects from the rate increase, the tradeoff does not seem rational. Why not delete both from the package?

Your leadership role on the 1986 legislation was critical to its enactment. I understand that you are committed to the proposition that a low rate broad-based income tax is the best way to limit the effects of taxes on business decisions. I urge you to help retain that policy by setting aside both the rate increase and the investment credit provisions in the President's package.

Sincerely,

W.B. HELLEGAS,
President.

AMERITECH,
Chicago, IL, May 24, 1993.

Hon DAN ROSTENKOWSKI,
Chairman, Committee on Ways and Means, Washington, DC.

DEAR DAN: We recently joined a group of companies in commending you and your Committee for recent actions which improve the tax provisions of the reconciliation bill. We expect better economic results and better employment prospects to follow from the reported bill. We support the tax bill as restructured and reported by the Committee on Ways and Means.

We believe that deficit reduction efforts are critical to a robust economy that will allow Ameritech and other companies to compete successfully at home and abroad. We continue to applaud your hard work to achieve real deficit reduction for the country.

Sincerely,

WILLIAM L. WEISS,
Chairman and CEO.

Mr. ARCHER. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Florida [Mrs. FOWLER].

Mrs. FOWLER. Mr. Chairman, I rise in strong opposition to the bill.

The people of my district in Florida sent me here last fall to do three very important things: Cut spending, keep their taxes down, and promote an environment that will allow jobs to be created.

This bill will not do any of these.

The tax and spend package before us today will increase taxes on all Americans, it will delay any real spending cuts to some future date uncertain, and—worst of all—it will cost Americans their jobs.

According to the Tax Foundation, the Btu tax alone will send more than 1,000 of my constituents to the unemployment office. They will be joined there by nearly 20,000 other Floridians who will lose their jobs just so this Congress can increase the pool of money it can spend.

And let's be clear. When nearly half a million Americans lose their jobs due to this tax increase, it will not result in the kind of deficit reduction the other side claims. In the very first year of this plan, for every $20 in tax increases, there will be just $1 in spending cuts.

Mr. Chairman, the American people want us to cut spending first. Instead, they are now facing huge tax increases, many of which are retroactive to the first of this year. Mr. Clinton may very well be the first President who found a way to raise taxes on the American people even before his inauguration.

And who will pay those taxes? Everyone. Not just the rich. Under President Clinton's bill, a middle-income senior couple will see the taxes on their Social Security increase about $370.

Even more disturbing is the fact that this money will not go to the Social Security trust fund.

It is unfair to raise revenues on the backs of middle-class senior citizens and it is irresponsible to put that money in the general fund.

Finally, Mr. Chairman, as we debate the largest tax increase in American history I am reminded of a line I read that said, "If you tax everything that moves, things tend to stop moving," and that includes this economy.

I urge my colleagues to vote "no."

Mr. ARCHER. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. DORNAN].

Mr. DORNAN. Mr. Chairman, I rise in support of the words of every Republican spoken today and to associate myself with the remarks of a fighting, commonsense Democrat, the gentleman from Ohio [Mr. TRAFICANT].

Mr. Chairman, with all the White House has been doing over the last couple of weeks, the American people are justified in asking, what in blazes is going on with the Clinton administration? And specifically, what is up with his budget? While the concern is real, the focus may be a little off. Indeed, many things are going up with the Clinton budget we are considering today, but the worst things about it are what things are going down. I want to bring my colleagues attention to both the ups and the downs of the so-called plan.

Needless to say, Mr. Chairman, spending is up. Despite OMB Director Leon Panetta's comments earlier this year that the administration's budget would contain $2 in spending for every $1 in new taxes, this reconciliation bill reverses this plan. It actually contains $6 in taxes and fees for every $1 in spending reductions—and it is a 20-to-1 ratio over the first 2 years. Call me a cynic, but that is more in line with what some of us expected.

Indeed, whether spending reductions will ever occur is open to question. But one thing is clear: The President and the majority Democrats in Congress are interested only in paying lip service to spending cuts. In its exhaustive search for domestic programs that don't work and are no longer needed, the administration came up with only 11 programs totaling less than $3 billion out of the $1.427 trillion in nondefense outlays in 1997. And of the $343 billion this bill contains in reconciled reductions, less than $70 billion is not arrived at by higher taxes. Overall, this budget adds nearly $38 billion in new or expanded entitlement programs, which have, after all, been the problem with this budget all along. While the administration has been forced into negotiating with Congress over entitlement caps, little has been said about the entitlement programs the budget creates. Even though half a dozen human resources provisions were cut by $1.2 billion over 5 years, incredibly, 20 other programs were expanded by $1.9 billion, creating a spending increase of $700 million. So what did the Ways and Means Committee do? Characteristically, it added new taxes, including extending the Federal unemployment tax [FUCA], which now enjoys permanent status as a temporary tax. Only in Washington.

The new immunization program is a good example of how the Democrats pass up opportunities to reform social services and simply resort to throwing dollars at problems. Despite evidence that Government-provided immunizations will have no impact on the immunization rate, the Democrats passed on a Republican plan to allow States to use rewards and punishments to encourage welfare recipients to immunize their children, thereby adding another $2 billion to the cost of this bill.

There is not even a pretense that the regressive energy tax portion of this tax bill will not be used for more spending. The White House has stated that the energy tax will help reduce the deficit and put the Government on a pay-as-you-go basis for needed public programs. That's more spending, folks. And it is interesting to see how the Democrats have tried to hide the tax's regressivity, by robbing one class of taxpayers to pay off another. This budget spends at least one-half of the $71.5 billion expected to be raised over 5 years on low-income families and individuals, including a $28 billion increase in the earned income tax credit [EITC], $7 billion in additional food stamp payments, and $1 billion for Low-Income Home Energy Assistance Program [LIHEAP] payments. This forces middle-income families—hardly our Nation's richest taxpayers—to pay an excessive share of the administration's revenue goal. And as the energy tax increases yearly, it is impossible for the middle class to know the size of the bag it is left holding. It truly is a stealth tax.

Which brings me to the next item that is up with the Clinton budget—taxes. All of this increased spending will require passage of the most massive tax hike in history. It calls for $332 billion in tax increases over the next 5 years, and adding the various hidden increases, the tax bite will grow even larger in later years. It creates a new individual income tax rate brackets at the 36 and 39.6 percent levels which reach even lower down the income scale than now. These new tax rates are supposed to raise $31 billion of the $39 billion in deficit reduction for 1994 under this plan. Gone, at least, from this reconciliation bill is all pretense of a millionaire surtax. The White House no longer pretends that it is anything more than another rate bracket, with millionaires defined now as those earning more than $250,000. And of course, this tax is retroactive to the beginning of 1993.

Even families with incomes under $20,000, contrary to the President's claims, will bear the burden every time they pay their heating bills, fill their gas tanks, or make a purchase of almost any kind. The Clinton energy tax alone will cost every American family $471 a year.

Individuals with adjusted gross incomes over $150,000 who pay estimated taxes must, under the Clinton budget, pay 110 percent of current year taxes as next year's estimated taxes to qualify for a safe harbor. So individuals with no increase in income or tax liability during that year are effectually giving the Government an interest-free loan. This is outrageous, but it is even worse for corporations. Even though this bill sets the maximum corporate tax rate at 35 percent, large corporations which pay estimated taxes must pay a full 100 percent estimation, rather than the 97 percent under current law. This reduces the margin of error in computing estimated taxes, and virtually assures the assessment of penalties. The administration hopes to gain $2.7 billion from this unfair, illusory deficit reduction provision which will only speed up the payment of corporate taxes by a few months, and make a cheap profit from hard-to-follow rules which are broken.

There is a hidden rate bracket increase in this reconciliation bill on small businesses and family farms, the biggest job creators throughout the 1980's. The bill would phaseout the permanent personal exemption, limiting itemized deductions, and removing the cap on wages subject to the health insurance tax. There is also a new maximum marginal tax rate of nearly 44 percent. As my colleagues know, the maximum marginal tax rate—currently almost 32 percent—represents the true incentive for entrepreneurs to earn extra money. So once a person pays the highest stated tax rate of 39.6 percent, adds in a Medicare tax for self-employed individuals of 2.9 percent, and tacks on an itemized deduction limit at about 1.2 percent, tell me what is the incentive for him or her to engage in the type of economic activity our economy needs? This new marginal rate is a 37 percent increase in the current rate. Before 1986, the rate was 50 percent. Goodbye tax reform.

So what else is up with the Clinton budget? How about Government regulations and bureaucratic redtape. What would the Carter II administration be without this? We should not be surprised, as we have come to see one of the most radical environmentalists in Congress elevated to second-in-command. But in case there was any doubt, this budget reconciliation is a validation of Mr. Clinton's commitment to big government.

Contrary to its own wishes, it will not be possible for the Clinton administration to reach the environmental goals of the Rio Earth Summit by the use of the new energy tax alone—though for some in the administration it is the first step. Still, the $71 billion energy tax is the largest regulatory intrusion by big government we have seen in a long time. In effect, administration of the energy tax has been unilaterally ceded to the U.S. Treasury Department, which will have complete and arbitrary control over its regulation.

The Treasury Department will have the power to not only change the tax rate on various energy products, but also to expand or contract the list of products subject to the tax in instances where such exemption is warranted. This is very wide authority. As well, even though the Internal Revenue Code would, under this bill, set forth the relevant Btu contents of specific fuels—ostensibly the measure of this energy tax—it also will permit the Treasury Secretary to override the statutory language by regulation. The Treasury Department could modify Btu contents enumerated by the statute if it determines they do not properly reflect the Btu content per unit, and it could also prescribe Btu content, and therefore the tax rate, for any energy product not prescribed. Thus, if the Treasury Secretary concludes that the tax statute rate is wrong, he or she could change it unilaterally, rather than by legislation.

But even outside of the energy tax, this reconciliation bill also extends wide regulatory latitude to the Treasury Department on other tax matters. For instance, the Secretary may reduce the types of investments that would normally qualify for capital gains treatment. The implications of this item under a Democrat regime hostile to capital gains are simply staggering.

The point, of course, is that the administration is overstepping its bounds. It is one thing for the executive branch to request regulatory discretion in an administrative matter. But the power the Clinton administration is asking for, Mr. Chairman, should only be entrusted to the people's representatives in Congress.

Increased interference by the Federal Government means more bureaucracy. The President's energy tax will require companies to establish new types of recordkeeping. It will also force the Federal Government to hire and train new agents, and both companies and Government will spend increased resources on enforcement and compliance.

The investment tax credit for small business contained in this bill requires nearly 19 pages of statutory language providing endless detail on gross receipts of the businesses to see if they are small and to list the kinds of property which qualify. All of this for a tax credit that will provide at most $8,000 in benefit to the largest qualifying business and far less for the average small business.

Capital gains is singled out for an enormous complexity penalty, again, at the sole discretion of the Treasury Secretary. Effectively, 75 years of settled tax law on the treatment of capital asset sales will be thrown out the window.

And there are numerous bureaucratic time bombs in this reconciliation bill, including retroactive tax rates and schedules. None of this will make our economy more competitive, or reduce our deficit. Not to mention the national debt—which is also up. The Clinton administration's own figures show that his spending and taxing plan will raise the national debt by over $1 trillion over 4 years. And the energy tax will simply allow the administration to spend more—regardless of any deficit reduction trust fund gimmick the President puts forward.

It stands to reason that if the President succeeds in his budget plans, inflation will also be up. A recent NFIB survey of more than 2,200 small firms reflected declining sales expectations, a flattened employment outlook, tighter credit conditions, and yes, inflation. The survey picked up hints that inflationary pressures could be on the rise among small firms hoping to take advantage of what little strength is in the economy to improve profit margins.

The energy tax in particular will raise the cost of practically all goods and services. The President's chairman of the Council of Economic Advisors recently testified that the energy tax alone could result in an overall inflation increase of 0.3 percent—a 10 percent increase in last year's rate. And recent data indicates that inflation is beginning to resurface. So shouldn't the administration be taking steps to prevent it rather than exacerbate it?

As inflation rises, another indicator of a return to the Carter presidency will go up too—unemployment. Rising energy costs will make American workers less productive and encourage the transfer of energy-intensive manufacturing overseas. It will kill jobs. My home State of California will rank No. 1 in job loss due to the energy tax, with 54,400 thrown out of work, almost 1,200 of them in my district alone. One study estimates that 600,000 jobs will be lost because of the energy tax alone.

So as we contemplate the ups and downs of the Clinton budget, it is fair to ask, what's going down?

Productivity. Many economists are increasingly pessimistic on the U.S. economy in light of the Clinton tax and health plan prospects. Indeed, why should Americans be more productive when the cost of being productive will increase by 35 percent or more? Some have estimated that the President's energy tax alone will lower economic growth by $35–50 billion each year. Many companies will face increased costs far in excess of the administration's 3–4 percent estimate for energy-intensive products. And even small increases will irreparably harm companies producing low-margin, price sensitive goods, particularly those that compete in foreign markets, and which will also not be able to pass along the costs. So as U.S.-manufactured products will bear the brunt of the energy tax, while foreign products will not, it is not surprising that the National Association of Manufacturers predicts that GDP will be $38 billion lower than it would without the Clinton plan. Add to this the new taxation of international operations, and it is clear that American businesses will be at a competitive disadvantage.

Investment and personal savings will also be on the decline if this reconciliation passes. In the above-mentioned NFIB survey, only one-third of small businesses tallied said they plan to make capital outlays in the next 6 months, although nearly two-thirds of those same firms spent money on their businesses in the previous quarter.

As for individuals, the future under Mr. Clinton's budget is just as bleak. Tax rates on investment earnings will definitely increase by 35 percent or more, slashing incentives to contribute to pensions for retirement. Many retirees will be subject to a 52 percent marginal tax rate on interest, dividends, and pension income. If a senior citizen is unlucky enough to be caught in the earnings limitation trap, their marginal tax rate could be over 90 percent. And an increase in the estate tax rate punishes lifetime savings even further. It seems that the President would make the Government the greatest beneficiary of an individual's lifetime work.

And the savings of seniors will not be all that are hit. The one benefit every senior American can, at least for now, count on receiving upon retirement is Social Security. Every person must pay in, but everyone receives benefits. And now, most seniors will pay taxes on those benefits.

The Clinton budget plans to extract $32 billion over 5 years from Social Security recipients in what is a near doubling of Social Security taxes. Under current law, single and disabled Social Security recipients with incomes over $25,000 a year, and married beneficiaries with incomes over $32,000 a year pay taxes on up to 50 percent of their benefits. This reconciliation bill will move that figure up to 85 percent.

What does this mean in real terms? The American Association of Retired Persons says that 6 million families will see a significant increase in their Social Security benefits being taxed, while another 1 million families will have their Social Security benefits taxed for the first time ever. The Congressional Budget Office estimates are more dire. They say that 23 percent of all Social Security recipients—10 million of them—will be affected in 1994 alone, while 30 percent, or 14 million will be hit by 1998. And the percentage goes higher every year after that. You will be astounded to see how big a problem this Social Security tax becomes.

And that is not all. Under this budget, the rules on requiring that benefit taxes be used to shore up the Social Security trust fund are abrogated. This should serve as a warning to those who think the administration is sincere about his deficit reduction trust fund. The plain truth is that this is revenue recovery. Indeed, the administration has been playing fast and loose with the facts on this tax all along. Mr. Clinton originally attempted to portray this tax as a spending reduction, arguing that it was because it was a cut in benefits. The administration now publicly acknowledges that it is a tax. Yet they still cannot bring themselves to include it among the budget's revenue proposals.

And what is the justification? The President says that Social Security benefits must be taxed more like regular pensions, meaning only 15 percent of the benefits escape taxation. But what he ignores is that many Social Security recipients are already taxed on their contributions when they are made and then again when the benefits are distributed. This is double taxation, pure and simple. So much for savings. In short, many retirees will see a bigger tax hike and a higher marginal tax rate than the so-called rich who make over $140,000. So much for socking it to the rich and leaving the rest of America alone.

All of this means, of course, that revenues will actually decrease under this plan, despite whatever the White House intends. Revenues, Mr. Chairman, are what the President is trying to collect. But the Clinton package restores all of the old incentives to seek tax shelters, which Congress did away with in 1986. And it won't be the poor who take advantage of those. Upper-income individuals will defer income, buy tax-free bonds or low-dividend stocks, take more tax-free fringe benefits than before, increase their home mortgage interest deductions, or simply work less. It's a vicious cycle, this taxing the economy out of productivity.

Economist Martin Feldstein explained this cycle very well in a recent Wall Street Journal editorial which I will submit for the RECORD following my remarks. The Clinton plan makes that same mistake tax and spend Democrats always make—it assumes people will go about their business as usual, no matter how the Government chooses to involve itself with their checkbooks. The raise in the marginal tax rate raise will produce little or no additional revenue, but it will weaken the economy and waste scarce investment dollars. A couple making $180,000 taxable could easily choose to cut their income by only 5 percent, and Treasury would actually collect less revenue under the Clinton plan than today. If these people reduce their income by 10 percent, Feldstein concludes that virtually all of the President's projected revenues would disappear. No revenue equals no deficit reduction. Yet the spending, like the Energizer rabbit, just keeps going, and going, and going.

Mr. Chairman, as George Snydor of the National Association of Wholesaler-Distributors recently pointed out, there is no example in history of a country successfully taxing its way to job growth and prosperity. Prosperity comes from a productive workforce with a sustainable tax base to cover the necessary government functions. But a confiscatory tax policy will drive lower any incentive for increased productivity. Even the draconian bureaucratic control of the failed Soviet system couldn't confiscate enough of its own earnings to finance its monolithic spending needs. The President's package attacks the philosophical underpinnings of 1986 tax reform, returning us to days of loopholes, shelters, and preferences. The resulting Tax Code could stifle any economic recovery, and make debt reduction a pipedream.

Let's look at the direct lending portion of this bill. While I believe we need to reform the current student loan system in order to produce savings and reach the neediest students, I strongly oppose the Clinton administration's proposal to replace the guaranteed student loan system with federally administered direct lending. It is an untested program that will not only result in disaster for students needing college loans, but it will also end up costing the Government more money, not less.

The Clinton administration's estimates of cost savings under direct lending are misleading. Indeed, the $4.3 billion in savings over 5 years claimed by OMB and CBO and included in the budget resolution will never materialize. Both the OMB and CBO analyses rely on budget gimmicks that ignore the significant costs of converting to a direct lending program. The Congressional Research Service has determined direct lending would actually cost an additional $200 million in the first 2 years.

Moreover, since when is the Federal Government, in particular the Department of Education, qualified to handle the administration of such a complex program? A recent study by the Congressional Research Service shows there are a number of administrative and financial risks associated with direct lending and that such a program is likely to increase budget outlays and reduce national income. The result? An increase in the deficit. The General Accounting Office agreed, finding that "the inventory of known problems in the [Education] Department's administration of guaranteed student loans raises questions about its ability to adequately manage a direct lending program." Even the Department's own inspector general has judged the Department incapable of administering this program.

With all this in mind, it is beyond me that Congress and the President would get the current loan system as well as the direct lending pilot program in order to put on the fast track such a dubious program that will further burden a Government whose excessive borrowing has left us with a $4 trillion debt.

At a time when we are supposed to be reducing the deficit, direct lending is a program that this country can ill-afford. Furthermore, the Federal Government is simply incapable of administering such a complex program without hurting students ability to receive loans. If Congress is to improve the current program of student loans, it should focus on reducing defaults, reducing lender subsidies, improving guarantee agency financial stability, and increasing guaranteed student loan accountability for all program recipients. By carrying out reforms in this manner, we will be able to run this program more efficiently so that needy students receive the financial assistance they deserve.

Finally, Mr. Chairman, it should occur to the President that his one unrecoupable loss is the public trust. This is already down. Way down. For weeks, we have been insulted by the arrogance with which this President has attempted to operate in a policy vacuum, taking on such pressing issues as incorporating homosexuals into our armed services and cutting the White House travel office. His public trust hasn't been helped by these fiascos, and now his budget plan is lowering it further.

Mr. Clinton promised the middle class a tax cut. Instead, he handed them a massive tax increase in the form of an energy tax. And this political maneuvering to sneak his energy tax barely past Congress doesn't play in Peoria. The American public will still be saddled with a huge tax increase, all across the board. And now, to regain their support, Mr. Clinton vaguely talks about a middle-class tax cut at a late date. We're supposed to trust him. Yeah, right.

His latest gimmick, intended as the sugar for the medicine, is the creation of a deficit reduction trust fund. Give me a break. Mr. Chairman, are there any naive Americans left over the age of 40 who still believe the creation of a trust fund guarantees funds designated for a particular purpose will be used for such? Ask any senior citizen how they think the Social Security trust fund has been handled.

And the administration knows this. CBO Director Robert Reischauer recently testified that the purpose is "to assure the public that the tax increases and spending cuts * * * would actually reduce the deficit." Good public relations. He also admitted, quite frankly I think, that claiming deficit reduction has occurred is very different from actually achieving any certain deficit targets. It is clear that Mr. Clinton's new deficit reduction trust fund proposal is really nothing more than a cheap accounting gimmick more capable of boosting the Clinton trust deficit rather than our Nation's deficit trust.

So there you have the ups and downs of the Clinton budget. And the question now becomes, what's going on here? As we meet to debate a budget reconciliation bill, Mr. Chairman, I can't help but notice that nothing in this bill can be reconciled with the promises Bill Clinton made during the campaign. I've heard the Democrats talk a lot about the need for bold, new ideas. But all I hear them offer is bold, old ideas. The Clinton administration is going the way of the last failed Democratic Presidency. Bill Clinton simply doesn't understand. As I said before, there are no examples of a country taxing itself into prosperity yet taxes are quickly becoming the defining feature of the Clinton administration. I urge my colleagues to vote against this truly disastrous budget reconciliation. Think of this as merely the first installment—just wait until health care reform.

And here, Mr. Chairman, follows the solid article by Prof. Martin Feldstein.

CLINTON'S PATH TO WIDER DEFICITS

(By Martin Feldstein)

As someone who has been urging deficit reduction for more than a decade, I was initially pleased by President Clinton's seeming emphasis on cutting the deficit and his call for tough medicine to achieve that goal. Unfortunately, careful analysis of his plan shows that it would not shrink the deficit's share of national income. The projected increases in spending on social programs would far outweigh the proposed changes that reduce spending or raise revenue, leaving the nation with a wider deficit four years from now.

Even under the optimistic calculations of the Clinton team, there is virtually no reduction of the relative deficit over the next four years. If every tax and spending change called for in the plan occurs and the economy returns to "full employment" in 1997, the Clinton calculations place the budget deficit at 2.7% of gross domestic product. Back in 1990, when the economy was last at full employment, the deficit (net of deposit insurance outlays) was 2.9% of GDP.

With a deficit of 2.7% of GDP, the government would be borrowing about half of the net savings generated by households, businesses, and state and local governments. The remaining savings would be too low to finance enough investment to keep up with the growth of the labor force. And the ratio of the national debt to GDP, now more than 50%, would still be rising.

FAR TOO OPTIMISTIC

Those gloomy figures are actually far too optimistic, because there is no possibility that the Clinton plan will produce the deficit reduction that it projects.

Consider first the tax increase that is the centerpiece of the deficit reduction plan. For 1994, the plan projects deficit reduction of $39 billion, $31 billion of which is supposed to come from raising the personal income tax rates on individuals with taxable incomes exceeding $140,000 and from adding a 2.9% Medicare payroll tax to all incomes exceeding $135,000.

The Clinton revenue estimates are based on the fallacious assumption that taxpayers will not change their behavior in response to a 37% jump in their marginal tax rates (from 31% today to the 42.5% that results from the new 36% rate plus the 10% surcharge and the 2.9% Medicare tax). In reality, taxpayers will find ways of converting taxable income into nontaxable income. Tax shelters and deferred compensation will become more prevalent, and some individuals, especially in two-earner households, will opt to work less.

If the higher marginal tax rate causes these taxpayers to reduce their taxable incomes by 10%, virtually all of the president's projected revenue gain would disappear. For a taxpayer with $400,000 of taxable income, the rate hike would produce $26,085 of additional revenue if there were no behavioral response. But if taxable income is reduced to $360,000, the additional revenue would be only $7,935.

The effects on Treasury revenue are even more startling for those with slightly lower incomes. At $180,000 of taxable income, the marginal tax rate would rise by 25%. Even a very small 5% reduction in taxable income (to $171,000) for such individuals would mean a net reduction in total taxes paid: Although the Treasury would collect $2,594 of additional taxes on the income up to $171,000, it would lose $2,790 by not taxing the remaining $9,000 at the current 31% rate. The net effect would be a revenue loss of $196 instead of the projected revenue gain of $3,305. With a 10% reduction in taxable income (to $162,000), the higher rates would actually cost the Treasury $3,697 for a couple with $180,000 of current taxable income.

According to the Clinton plan document, half of all taxpayers with incomes over $140,000 have incomes under $180,000. Thus even a 5% reduction in taxable incomes in response to the 25% marginal tax rate increase would reduce the taxes paid by the majority of those who faced higher rates. It's all pain for them with no revenue gain to the Treasury and therefore no deficit reduction.

The second implausible feature of the plan is the assumption that Congress will cut real defense outlays by a massive 25% over the next four years. Defense outlays in the current fiscal year will be $294 billion, or 4.8% of GDP—down sharply from the 5.9% of GDP in 1989 before the fall of the Berlin Wall and the collapse of the Soviet Union. Maintaining the present real level would require $328 billion of defense outlays in 1997 even if inflation averages the very modest 2.8% a year projected by the Congressional Budget Office.

The Clinton plan's projected $249 billion in 1997 defense outlays is thus 25% below the amount needed to maintain today's real spending level and 33% below the amount needed to maintain our current 4.8% of GDP spending on defense. Mr. Clinton would reduce defense spending to 3.3% of GDP, lower than in any year since 1940 and less than a third of its share in 1959, when John F. Kennedy warned that we were spending too little on defense.

Although the Clinton defense outlays in 1997 are projected at $79 billion less than the $328 billion needed to maintain the current real level, the Clinton documents claim his "proposed policy changes" cut 1997 defense outlays by "only" $37 billion. This budgetary sleight of hand is achieved by reducing the "baseline" from which the Clinton defense cuts are calculated.

Instead of taking as a standard the level of 1997 spending needed to maintain today's real defense outlays, the Clinton budget assumes that the $22 billion of cuts agreed to in the Omnibus Budget Reconciliation Act and the additional $20 billion cuts subsequently proposed by President Bush have already been made. Subtracting these two cuts from the $328 billion gives President Clinton a 1997 "starting" point of $286 billion. His additional projected cuts of $37 billion result in projected defense outlays of $249 billion.

But playing games with the baseline doesn't change the results. At a time of increasing military uncertainty and conflict around the world and a new proliferation of nuclear arms and ballistic missiles, there is good reason to doubt Congress' willingness to accept such drastic cuts.

The third piece of implausible budgeting is the projected domestic spending cuts. By President Clinton's reckoning, nondefense spending in 1997 would be cut by $61 billion (before taking into account his plans for new spending of $55 billion on "investments and incentives"—a label that is divorced of all meaning by extending it to every type of social program and income redistribution). Just how likely is the $61 billion of projected spending cuts?

About half the "spending cuts" are really revenue increases. Raising the tax on Social Security benefits for retirees with more than $32,000 of income would raise $7 billion in 1997. A wide range of user fees would produce $9 billion. Higher Medicare premiums would yield $4 billion if Congress goes along. A variety of changes in hospital reimbursement rules for Medicare and Medicaid would shift $6 billion of costs from the government to private insurers and therefore eventually to wage earners. Add the $4 billion that the government hopes to save by betting that financial markets are wrong and shortening the maturity of the debt and you have a total of $30 billion of 1997 "spending cuts" achieved without a single dollar's worth of benefit cuts or activity reduction.

The Clinton team's extensive search for programs that "don't work or are no longer needed" came up with less than $3 billion out of the $1.427 trillion in nondefense outlays in 1997—0.25%. Much of the remaining $28 billion of projected "spending cuts" are the kinds of wishful-thinking numbers that traditionally help budgeteers project narrower deficits but don't actually produce any savings. In the language of the Clinton plan, there are 1997 savings of $3.3 billion from "streamlining government." $6 billion from unspecified "administrative efficiencies," and more than a billion dollars from better management of particular programs.

ADVICE IGNORED

It is unfortunate that President Clinton did not take the advice of his own budget officials, Leon Panetta and Alice Rivlin, when they called for a much broader framework for deficit reduction. The president's decision to avoid real cuts in nondefense spending and to adopt a counter-productive structure of higher tax rates leaves us with no credible reduction in the deficit. His plans to increase nondefense spending labeled "investments and incentives" by $160 billion over the next four years and by $55 billion in 1997 alone virtually ensures that the Clinton plan would produce a sizable increase in the share of national income absorbed by the budget deficit. What makes this particularly disturbing is that the president either does not understand this or is not leveling with the American people.

Mr. ARCHER. Mr. Chairman, I yield 2 minutes to the gentleman from Tennessee [Mr. SUNDQUIST].

Mr. SUNDQUIST. Mr. Chairman, I want to address my remarks to my colleagues on the Democratic side of aisle.

I know this is a tough vote for some of you, a choice between voting your conscience or standing by your President. I have been there.

In 1986, I voted against my President, Ronald Reagan, on tax reform. And in 1990, I voted against my President, George Bush, on the budget agreement. I didn't enjoy doing that, but I'll tell you, those are two of the smartest votes I have cast here.

George Bush promised the voters he would not raise taxes, went back on his word, and lost. Many of you got elected last fall promising to come to Washington and cut spending first.

Do not make the mistake of believing that your constituents will let you break your commitment to them without cost.

This package contains the biggest tax increase in U.S. history, and the taxes are retroactive to the first of this year.

This package punishes the elderly who have saved and invested for retirement, and those who choose to keep working beyond age 65, by making 70 percent more of their Social Security benefits subject to tax. And, because the income thresholds for this tax are not indeed for inflation, the number of seniors subject to the tax could double in just a few years.

This package has Btu tax that will increase the cost of virtually everything produced in America, fueling inflation and destroying jobs.

Your constituents want you to cut spending first. This package raises taxes first and promises that someday, someday, we will make some cuts.

Your constituents want deficit reduction. But under this package, in 1997—despite $332 billion in new taxes—the deficit will be only $50 billion less than it is today.

My colleagues, this is not what you campaigned for back home. And you are kidding yourselves if you think your constituents do not know that.

Sometimes doing the right thing for the country means saying no to your President. It is not pleasant. It is not easy. But in this case, it is the right thing to do.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Illinois [Mrs. COLLINS].

Mrs. COLLINS of Illinois. Mr. Chairman, today, I rise in support of H.R. 2264, the Omnibus Budget Reconciliation Act of 1993. Supporting this legislation is by no means easy for this Member. It includes many provisions which are not perfect and will require tremendous sacrifice on the part of my constituents, both rich, poor and middle class. But, in spite of all its challenges, this reconciliation package has been constructed fairly, with balance so that no one group is extraordinarily burdened.

Today, we must accomplish what the people of this country sent us here to do and that is to make difficult choices. Obviously, in a time of decreased resources, many of our decisions will result in some pain, but we must all pony up to the table for the good of the country and that is precisely what this bill accomplishes.

Much has been made of the unpopular taxes which are raised in this package, and certainly we are all called to some sacrifice, but the sacrifice requested occurs in a progressive way, with 75 percent of the burden falling on taxpayers making over $100,000 a year.

The authors of this bill have made a special point of ensuring that low-income workers receive some relief by expanding the earned income tax credit. In my city of Chicago, approximately 150,000 working families will benefit from the expansion of this credit. In many ways this measure will be the strongest antipoverty, prowork measure that we have passed in a long, long time.

Left out of the statements by critics of this bill are all of the important tax measures which will not only stimulate the economy but will ensure that the average workers, as well as the poorest of, us are not unduly hurt. These include the following programs which will be permanently extended under this legislation:

First, the Low-Income Housing Tax Credit Program which has already increased the number of units of affordable housing around the country. In Chicago it has been responsible for nearly 6,200 units of low-income housing.

Second, the Mortgage Revenue Bond Program, which has been especially successful at granting the dream of home ownership to many middle-income families. In the past decade, the State of Illinois has made over 2,700 loans to first-time buyers in my city of Chicago through this program.

Third, the Targeted Jobs Credit Program which has proven to be good for business and is certainly good for the poor unskilled youth of our communities has been tremendously effective at getting youth into private sector jobs. It has been lauded by most companies which have used it and by the communities where it has been put into practice.

Fourth, the Small Issue Industrial Development Bonds Program which has been an important source of jobs by providing low-interest loans for industrial expansion and extension.

Permanently extending these four prudent, successful programs is not only good for business, it is clearly good for America. They help create jobs and thereby stimulate the economy.

This omnibus reconciliation bill includes other initiatives which should bear mention, including the empowerment zones proposal which will be extremely important to communities like Garfield Park, Lawndale, and Austin on Chicago's west side as we try to encourage economic development.

Of course this bill is not without its problems. I myself am concerned about several of the cuts in funding proposed in the Medicare and Medicaid Programs. A particular one that I hope we can resolve is the formula provided for payment to hospitals which have a disproportionate share of indigent patients. The provision currently included in the bill could have a profoundly negative affect on the Cook County Hospital system which provides health care to myriad of Chicagoans. As this measure proceeds along the legislative path, I would like to enlist the help of my colleagues in working to alleviate other possible problems.

Mr. Chairman we can all find plenty of small reasons not to support this bill. Sure it probably causes all of us reason for pause, but as the people charged with making the tough decisions on what is best for not only our individual constituencies, but of the Nation, we must take a broad view. This package requires that we all pony up to the table. The American people are counting on us. I urge my colleagues to do the right thing and vote for H.R. 2264, the Omnibus Reconciliation Act.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield such time as she may consume to the gentlewoman from California [Ms. ESHOO].

Ms. ESHOO. Mr. Chairman, I rise in strong support of this deficit reduction reconciliation.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. COYNE].

Mr. COYNE. Mr. Chairman, I rise in strong support of the Budget Reconciliation Act and President Clinton's plan to reduce the deficit and promote economic growth and increased job opportunities.

This budget plan will reduce the Federal deficit by a record $496 billion over 5 years. Equally important, this legislation sets a new investment-oriented direction for Federal spending. This shift from consumption to investment is vital for the creation of new good paying jobs and an expanding economy.

House passage of the Clinton administration's budget plan is essential to show Wall Street and the American people that Congress is serious about stemming the flow of the red ink. No one likes raising taxes, but the deficit cannot be reduced without a balanced program of both new taxes and spending cuts. This fact is recognized by over 100 major U.S. companies, including General Motors, General Electric, IBM, Delta Airlines, and Westinghouse Electric. This plan is also supported by numerous organizations representing U.S. workers, including the AFL–CIO.

The House Budget Reconciliation Act provides for more than 100 specific cuts in Federal spending. Unnecessary programs are being eliminated, such as redundant commissions, special purpose HUD grants, and the current and outdated student loan program. Over $4.6 billion is saved solely by abolishing the old student loan program in favor of a direct student loan program.

President Clinton has stated plainly and honestly that tax increases must play a role in deficit reduction. He recognizes that $496 billion in deficit reduction over 5 years cannot be achieved fairly by asking only some to sacrifice through Federal spending cuts while those who benefited most economically from the policies of the 1980's sit on the sidelines.

The key point to remember is that President Clinton has insisted that tax fairness be the first priority during consideration of new taxes. The administration's recommended tax proposals place the heaviest burden on those who can most afford it—individuals who benefited from upper income tax cuts in the past decade. The Congressional Budget Office reports that 75 percent of the taxes raised under the administration's plan fall on the top 6.5 percent well-off families—those making over $100,000.

The Clinton administration has called for a Btu excise tax based on the heat content of energy sources. The Btu excise tax is a broad-based tax which has the added benefit of promoting energy conservation. Although a lot of attention has been focused on the Btu energy tax, its impact on middle-class and low-income families will be limited or nonexistent. The Btu energy tax will not be fully effective until 1996. In 1994, a family making $40,000 will pay only $1 a month more. In 1995, the same family would pay only $7 more a month, and then only $17 dollars a month when the tax is fully phased in.

Most middle-class families can expect any additional cost from the administration's tax proposals to be compensated for through lower interest rates which are at a 20-year low. A family who refinances their 10 percent $100,000 mortgage at 7.5 percent saves $175 a month or $2,100 a year. Lower interest rates also allow businesses to borrow money more easily for expanding their operations or hiring new employees.

Low-income families will be fully insulated from the Btu tax and other tax proposals through increased funding for programs like the earned income tax credit for poor working families and the Low-Income Home Energy Assistance Program. The expanded earned income tax credit will benefit working families with incomes below $28,000. In my own State of Pennsylvania, total earned income tax credit benefits will be increased by $240 million next year above the $363 million in EITC benefits received in Pennsylvania during 1992.

While attention is rightly focused on the record deficit reduction achieved under the Clinton administration's plan, it is vital that the economic growth benefits of this legislation not be forgotten. The Budget Reconciliation Act before the House provides targeted investment incentives for private business and shifts Federal spending toward programs that will strengthen the ability of our country to compete internationally.

This budget resolution provides an economic strategy that will put the average American first once again. Increased investment is intended to put an end to the stagnation in the real incomes of the average American family. This resolution also seeks to reverse the trend of increased poverty rates and greater inequality of income and wealth which arose during the 1980's.

The House Ways and Means Committee has reported budget reconciliation provisions which will promote public and private investment in the Nation's productive resources. This plan provides for an increase in the business equipment expensing allowance, an extended research and development tax credit, the targeted jobs tax credit, mortgage revenue bonds, and industrial development bonds.

A number of the Clinton administration's tax proposals are intended to promote small business growth in particular. A key example is a targeted capital gains tax break for long-term investment in a small business. President Clinton understands that small businesses are a key engine for economic growth and historically have been responsible for most new job creation.

Finally, I am pleased that the House Budget Reconciliation Act would extend permanently the Industrial Development Bond Program. On February 4, 1993, I introduced legislation to extend permanently the Industrial Development Bond Program which provides low-cost loans to small manufacturers planning to create new jobs, expand their facilities or build new plants.

IDB's are a proven program for creating jobs. Pennsylvania, for example, has used Industrial Development Bonds to create 8,975 new jobs and helped retain 17,724 jobs that might have otherwise been lost between 1987 and 1992. Nationwide, IDB's have created an estimated 182,000 new manufacturing jobs and facilitated the retention of 169,000 jobs through the financing of roughly 3,800 projects.

Mr. Chairman, I urge my colleagues to vote for this Budget Reconciliation Act and to support President Clinton's efforts to cut the Federal deficit. The overall impact of this deficit reduction and investment plan will be to make the U.S. economy stronger and provide more opportunities for American families. It deserves the support of the House.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey [Mr. TORRICELLI].

Mr. TORRICELLI. Mr. Chairman, every generation that has come to this Congress has made a contribution to the power and wealth of America. This generation has been different. We have presided for a decade over the slow but steady decline in the power and wealth of this country. Either these massive debts and this eroding power were an aberration of an unfortunate decade, or they are permanent change in our ability to govern ourselves.

To reverse it it is said that we need courage, that it is difficult. Courage is not coming to this Congress and voting for what you know is right. Courage has been generations in this country that have fought, people that have sent their children to war, people who have paid high prices.

All you are asked to do is respond to the truth that every one of you know, truth that there is one plan before this Congress that will reduce debts that are consuming us, specific plans to reduce spending that is overwhelming us.

What you are asked to do is to respond as you said you were going to do, to keep a basic commitment, and that is to deal with a debt that is consuming this country every single day.

Mr. Chairman, that is the basic choice. I ask every Member of this House to put aside what you said you were going to do after the election. You said we were going to have one President; that the election had concluded and you were going to give him a chance.

This is that chance. Democrat and Republican alike, do what you know is right: Give Bill Clinton the chance to govern and prove that the eighties are over.

Mr. ARCHER. Mr. Chairman, I yield 2 minutes to the gentleman from Florida [Mr. SHAW], a member of the committee.

Mr. SHAW. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I would like to point out to the gentleman from New Jersey [Mr. TORRICELLI] that according to the Tax Foundation, the energy tax will kill 1,833 jobs in his district. I might say, Mr. Chairman, that it will cost us 1.069 jobs in my district, and those are 1,069 jobs that I cannot afford to lose.

The Clinton administration has promised us a budget that would cut $2 in spending for every dollar in new taxes. But what this House is voting on today is a budget that would raise over $3 in taxes for every dollar in spending cuts.

It is, practically every American has heard, the largest tax increase in American history, $332 billion in tax increases. The Clinton administration promised us a budget that would cut the deficit in half in 4 years and put us on a continuing path toward a balanced budget. But what the House is voting on today is a budget that would still leave incredibly overtaxed Americans with a $200 billion budget deficit in 1998, and a deficit, which according to estimates, will reverse the course and increase in years after that.

The Clinton administration promised us a budget that would not raise taxes on middle-class Americans. But what the House is voting on today is a budget that would slap Americans, rich and poor alike, with over $70 billion in new energy taxes alone, that would raise taxes on Social Security benefits on a senior who makes only just over $25,000 a year, and would slash legitimate business deductions for the small businessman struggling to make a living.

Mr. Chairman, I encountered a Member on the floor today from the other side of the aisle, a Democrat, who said he has only had one call today in favor of this tax and told him to vote in favor of this tax. I said to him, "That was your next opponent calling."

Mr. Chairman, please, let us defeat this tax, it is a bad bill, and let us work together to do some honest deficit cutting.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 30 seconds to the gentleman from North Carolina [Mr. HEFNER].

Mr. HEFNER. Mr. Chairman, I am just curious, my dear friend the gentleman from Tennessee [Mr. SUNDQUIST], who is running for Governor, made a statement on the floor a while ago and said that senior citizens' taxes would be doubled. I just think the gentleman would certainly want to correct that, because nowhere in this legislation would senior citizens' taxes be doubled.

Would the gentleman agree to that?

Mr. SUNDQUIST. Mr. Chairman, will the gentleman yield?

Mr. HEFNER. I yield to the gentleman from Tennessee.

Mr. SUNDQUIST. Mr. Chairman, on the margin, they are. It is absolutely correct.

Mr. HEFNER. It goes from 50 percent to 80 percent counted income. That is the only place in this package.

Mr. SUNDQUIST. I stand by my remarks.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 1 minute to the gentlewoman from Connecticut [Mrs. KENNELLY].

Mrs. KENNELLY. Mr. Chairman, I rise in support of the budget reconciliation and to talk about the Btu tax.

Raising taxes is never easy because every American, if asked, would say that he or she already pays his or her fair share. But as a nation, we have made a decision to cut the deficit and that means a package that includes taxes.

The President has presented an economic package that reduces the deficit and makes critical investments in the Nation's future. The President's plan contains approximately $500 billion in deficit reduction over 5 years including $250 billion in taxes, and $87 billion in entitlement cuts, and $102 billion in cuts in discretionary spending. The taxes and the entitlement cuts are contained in this bill while the discretionary cuts are automatic in that they translate into lower spending caps for the Appropriations Committee.

There are many things in this bill but as so often happens, the debate on this bill seems to have centered on the Btu tax. Remember where we were as a nation only a few short months ago. The Nation was anxiously awaiting President Clinton's economic plan. The President, I believe correctly, laid out a plan to the American people that called for deficit reduction and critical investments in our Nation's future.

I think one of the things that has been lost in this debate about the Btu tax is that the President and the administration looked at the alternatives and came up with the Btu tax because it was the fairest possible energy tax.

They looked at a carbon tax and discarded it because it would devastate the coal producing regions of our Nation.

They looked at a gasoline tax and discarded it because it would unduly burden those Americans who live in rural areas and must drive long distances. And to my colleagues who insist on pushing a gasoline tax as an alternative, let me remind you that the Ways and Means Committee reported a 5 cent a gallon gasoline tax a few years ago to pay for the highway bill and we could not pass it on the floor.

The administration looked at a tax on imported oil and thankfully rejected it because it would have devastated New England and my home State of Connecticut.

So the President did examine the alternatives. However, even the President would admit that the Btu tax was not perfect, so he worked with us in the Ways and Means Committee to improve it.

To make the tax fairer to those Americans who have no choice but to heat their homes, the President agreed to exempt heating oil from the supplemental tax.

To make the tax fairer to farmers, the President agreed to exempt farmers from the supplemental tax on oil.

To make sure that critical industries were not put at a competitive disadvantage, the President agreed to an energy border adjustment. This means that industries like steel won't be undercut by imports. The Btu tax will be collected at the border on these critical products. This makes the tax more fair.

And to make sure that American products can compete here and abroad, the President agreed to expanded feedstock exemptions. This means that where energy is used as a raw material as opposed to an energy source, such as in the production of plastics and petrochemicals, it is exempt from the tax.

The Btu tax, as reported by the Ways and Means Committee, is the fairest possible way to raise $71.5 billion for deficit reduction. So I would ask my colleagues who oppose the Btu tax, if not this, then what? We have already looked and rejected the other options. I would contend that it is better for all Americans to pay a small amount—$1 per month in 1994; $7 per month in 1995 and $17 per month in 1996—than to select one of the other options which would require some regions of the country to pay much more than this so another region could escape a tax. That would not be fair and it does not make much sense either.

So I would say to my colleagues that while it may be difficult to support the Btu tax, it is both fair and necessary. Support deficit reduction and pass reconciliation.

Mr. ARCHER. Mr. Chairman, I yield 2 minutes to the gentleman from Kentucky [Mr. BUNNING], a member of the committee.

Mr. BUNNING. Mr. Chairman, I rise in opposition to this tax monstrosity.

This bill is a lot like President Clinton's hair cut—it is a lot more expensive than it looks.

This thing is a world record. It is the world's largest tax increase ever.

And yet, it does not reduce the deficit. Even the President's own figures admit that.

If everything in this bill works the way the President wants it to, we will still add over $1 trillion to the deficit over the next 5 years. That is if everything works.

But we know, going in, that it is not going to happen. We know that $322 billion in new taxes will slow the economy down. We know that people will lose their jobs because of this bill.

We know that the deficit will get worse—not better. Recessions always make the deficit worse. And this bill is a prescription for recession.

Calling this monstrosity a deficit reduction bill is like calling derby pie—a diet snack. It doesn't put the Federal Government on a diet at all. It just force feeds the Federal Government $300 billion more of taxpayers money.

It is a bad bill. It should be defeated.

I keep hearing my colleagues saying, "Bill Clinton won the election. He deserves a chance to put his program into effect."

That's garbage. Bill Clinton was elected on promises—promises to cut the deficit in half in 4 years. Promises to cut taxes for the middle class. Promises to enact the line-item veto.

This bill today is not what Bill Clinton promised the American people.

Yes, indeed, Bill Clinton deserves a chance. He deserves a chance to live up to his own promises. And when he does that, then, I will give his program a chance and vote that way.

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Mr. ROSTENKOWSKI. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Arkansas [Ms. LAMBERT].

Ms. LAMBERT. Mr. Chairman, I rise in support of this strong Democratic bill.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. RANGEL].

Mr. RANGEL. Mr. Chairman, the previous speakers have indicated that President Clinton won because of his promises. I think it is abundantly clear that he won because people wanted a change. And they did not expect that people, because they are Republican or Democrat, would decide that their party affiliation was more important than what affected the Nation and that we have one President at a time.

No matter what anyone thought about the Reagan and Bush budgets, he depended on bipartisan support. And by God, he has got it.

Any time we can find that we have an issue before this Congress and every Republican, to the man and woman, has decided that they would rather gridlock than to give the President a fair chance, then it means that this is a terrible day in our Nation's history and a terrible day in this Congress.

Can we believe that just because a Member is a Republican that they do not want to help the working poor, that just because they are Republican that they do not want to have people have jobs?

No, I think what it amounts to is that they cannot tax the rich and refuse to ignore the oil barons.

The CHAIRMAN. The gentleman from Illinois [Mr. ROSTENKOWSKI] has 11½ minutes remaining, and the gentleman from Texas [Mr. ARCHER] has 11 minutes remaining.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 1 minute to the gentlewoman from New York [Ms. SLAUGHTER].

Ms. SLAUGHTER. Mr. Chairman, the adoption of this Reconciliation Act is critical to the economic future of our Nation. The American people understand the need for Federal deficit reduction and they want an end to the politics of denial that drove our prosperous Nation deeper and deeper into debt.

Mr. Chairman, there is no perfect solution; there are no easy answers. No matter how long committees deliberate, no matter how many speeches we hear today, perfect agreement on each and every provision in a reconciliation bill of this magnitude will elude us.

The debate today is not about getting everything we want—to protect the special interests of one group, one congressional district or one State. This debate is about courage and sacrifice.

We must have the courage to put the interests of America first. And we must accept the harsh reality that real deficit reduction will require real sacrifice.

But over the last few months, we have heard a distorted view of the sacrifices contained in this package. Let us set the record straight:

During the 1980's, when the wealthiest Americans saw their tax rates cut 20 percent, the middle class saw no tax relief at all. This deficit reduction plan restores fairness to the Tax Code.

Remember, 73 percent of all of the tax revenues will be paid by the top 5 percent of the highest income earners. Most Americans will experience no increase in their income tax rates. In fact, a family of three making $25,000 would see their taxes fall by several hundred dollars.

Those senior citizens who currently pay no taxes on their Social Security will still pay no taxes on those benefits. But even those that do pay will still pay less than the working family in their bracket.

The Btu tax contained in this package will be phased in over three years and will cost the average American family only $1 a month more in 1994, only $7 the year after and then only $17 a month when it is fully phased in.

And there has been little recognition that this reconciliation bill contains $75 billion in tax cuts, tax credits, and tax exemptions. These tax changes will lift working families out of poverty through an expanded earned income tax credit, boost small business expansion, and stimulate the real estate industry all hard hit by years of slow economic growth.

This reconciliation bill contains serious deficit reduction that will lower our Federal debt by a half a trillion dollars over 5 years. It mandates that:

Discretionary spending will be frozen at 1993 levels for 5 years; Federal spending will be cut $50 billion more than the President originally proposed; a trust fund will be established to insure that all revenues raised will go to reduce the deficit; and for the first time entitlement spending, the major cause of our budget shortfalls, will be capped.

The deficit cannot be eliminated by shielding the wealthy and the big oil companies from higher taxes and once again shifting the enormous burden of deficit reduction to the poor, the elderly and the middle class.

The American people need to know that there will be a substantial cost if we fail to pass this reconciliation bill. Failure to enact this deficit reduction bill, today, will increase the public debt by nearly $4,000 per American family over 5 years. Our obligation to reduce the deficit for the sake of future generations, for the sake of economic growth, will not disappear. In short, the rhetoric of just say no, just will not do.

It is time we face our obligation. We have seen what 12 years of ignoring the escalating Federal deficit has wrought. Last November, the American people voted for change. Let us make the choice for change. Let us give this President a chance to pursue his economic plan for this country, a plan of deficit reduction, investment, and fairness.

I urge my colleagues to vote in favor of the Budget Reconciliation Act.

Mr. ARCHER. Mr. Chairman, I yield such time as he may consume to the gentleman from Indiana [Mr. BUYER].

Mr. BUYER. Mr. Chairman, I thank the gentleman from Texas for yielding time to me.

Mr. Chairman, I represent a rural district in Indiana, all or part of 20 counties. I urge my colleagues to say "no" to the Omnibus Budget Reconciliation Act of 1993.

This proposal is merely a shift in spending priorities to redistribute the wealth while including a tax increase disguised as a reduction in Government spending. We cannot continue this reckless fiscal policy. In my view we must limit Government spending to control the deficit before we consider raising taxes. This budget proposal is the largest tax increase in history that includes energy taxes and new taxes on Social Security.

The Btu tax sets out to raise $71 billion in additional revenue for new spending. There is no need for this erroneous new tax. In fact, I can identify four items that could be cut to produce the same amount of revenue. Phase out funding for the National Endowment for the Arts—$5.2 billion; privatize the Tennessee Valley Authority—$2.8 billion; freeze the annual growth and overhead of executive agencies of the Government beginning with fiscal year 1995—$36.8 billion; eliminate the proposed budget's increase in the earned income tax credit $28.3 billion, which is included only to counter the negative effects of the Btu tax; and eliminate the proposed budget increase in food stamps by $7.3 billion. Total budget savings of $80.4 billion. We do not need the energy tax as a source of revenue.

The energy tax is a regressive tax that would be devastating to our economy. It would hurt Indiana's economy by decreasing productivity, and decreasing the infusion of dollars in the local economy while increasing unemployment. The effects upon the business, manufacturing, and agriculture communities would be enormous and cause the economy in rural America, that is crawling on its knees, to fall flat on its face.

The energy tax would mean the loss of tens of thousands of jobs in rural Indiana and over a half million jobs in the country. This tax will reduce output, reduce employment, and reduce investment at a time when we need to adopt policies that encourage sustained and long-term economic growth.

Studies of my district alone show that the impact of the proposed energy tax on farmers with regard to corn, soybeans, and wheat using 1992 yields will cost over $12 million. Three counties in particular will be impacted over $1 million each.

As you well know farmers do not set the price of their commodity and must take what the market gives them. Farmers have no way to pass these expenses to the consumer like other industries do. A local farmer from Rensselaer, IN, who farms 1,200 acres of corn, soybeans, and wheat, projects the costs to him annually would be over $1,600 alone as well as another $600 in additional living expenses.

The reason we have a deficit problem is not because the American people are taxed too little, but that Government spends too much. It is not possible to tax a nation into prosperity, we must cut spending first.

Mr. ARCHER. Mr. Chairman, I yield such time as he may consume to the gentleman from Minnesota [Mr. RAMSTAD].

Mr. RAMSTAD. Mr. Chairman, I rise in support of the KASICH substitute to cut spending first.

Mr. Chairman, I rise today in strong support of the Kasich Republican plan.

The Republican plan cuts spending first—the Democrat plan taxes people first.

The Democrat plan imposes the largest tax increase in American history—$355 billion over 5 years. Tax increases represent 81 percent of the Democrat package, which will raise the national debt $1.5 trillion over the next 5 years—according to their own figures.

The Democrat plan will increase the deficit, destroy jobs, and stifle the economy just as it is struggling to recover.

The energy tax alone will cost 8,500 jobs in my home State of Minnesota, and almost 1,000 jobs in my Third District. As many as 610,000 jobs will be lost nationally because of the energy tax, according to the National Association of Manufacturers [NAM]. And the energy tax will cut gross domestic product [GDP] by at least $30 billion each year, according to the independent economic consulting firm DRI/McGraw-Hill.

In addition, Northwest Airlines and its 24,000 Minnesota jobs, will be put in serious jeopardy by the new energy tax.

The energy tax is a big hit on the middle class. The average family of four will see its energy bill go up by $425 a year, according to the nonpartisan Tax Foundation.

Middle-income families will be hit the hardest—just because the President and Congress refuse to cut spending.

Mr. Chairman, we need to cut spending first, and that is exactly what the Kasich Republican plan does. It reduces the budget deficit by $352 billion in spending cuts over the next 5 years—and without increasing taxes.

Congress must say no to the largest tax increase in American history and say no to the energy tax which will kill American jobs.

Congress must cut spending first. Say "yes" to the Kasich substitute.

Mr. ARCHER. Mr. Chairman, I yield such time as he may consume to the gentleman from Arizona [Mr. STUMP].

Mr. STUMP. Mr. Chairman, I rise in strong opposition to this bill.

Mr. Chairman, I rise in strong opposition to H.R. 2264, the Omnibus Budget Reconciliation Act of 1993. This so-called deficit reduction measure foists the largest tax increase in U.S. history on the American people and fails to eliminate even one Federal program. It is part of an economic plan which will see the national debt increase by $1 billion—from $4 to $5 billion—over the next 4 years. Why? because it ignores the real cause of the deficit: Too much spending.

I also rise in strong opposition to this measure for what it does to the veterans of this Nation. America's veterans have a deserved expectation that, in return for military service to their country, sufficient resources would be provided to ensure that the benefits they have earned can be delivered. Unfortunately, such resources are not being provided.

Federal spending on veterans' programs in inflation-adjusted dollars has not increased in more than a decade and its overall share of the Federal budget has been steadily decreasing. Spending in constant dollars for all Federal social programs has increased by 361 percent since 1965, while spending for veterans programs increased by only 36 percent. Since fiscal year 1988, discretionary spending on veterans' health care has been inadequate to maintain current services.

Over recent years of runaway Federal spending and budget crises, and despite chronic underfunding of veterans programs, veterans have expressed a willingness to participate in deficit reduction efforts. However, veterans have also stated the belief that they should not bear a disproportionate share of that burden.

Yet, it is veterans, including military retirees and active duty military personnel—the people most responsible for winning the cold war—who are bearing the brunt of the President's deficit reduction efforts. Veterans programs are being cut by $2.6 billion over 5 years in this reconciliation bill—despite chronic underfunding. Military retirees' COLA's are being reduced and delayed. And, military pay is frozen in fiscal year 1994 and future raises are limited. It is not unreasonable for these people to ask "Where's the peace dividend?"

If it is true that to the victor goes the spoils, then the victors of the cold war must be food stamp recipients who will get an extra $7 billion over 5 years, even though there has been no reform of the welfare system. It must also be the illegal immigrants who will receive health care paid for by the $300 million in new spending put in the bill. In fact, the President's budget proposes $180 billion in new spending over 5 years—virtually none of which benefits veterans. One thing is for sure, for veterans and the military, winning the cold war has been a hollow, costly victory.

This Nation has no greater obligation than to deliver on its commitments to its veterans. This reconciliation bill fails in meeting this obligation. I urge my colleagues to vote against this bill.

Mr. ARCHER. Mr. Chairman, I yield 2 minutes to the gentlewoman from Connecticut [Mrs. JOHNSON], a member of the committee.

Mrs. JOHNSON of Connecticut. Mr. Chairman, I have only one interest, jobs. The people in my district care only about jobs. They expect me not to vote as a Democrat or a Republican but on the basis of whether this bill will or will not create jobs.

This bill is a massive tax shift from the investing sector to the consuming sector. Through all the years I have sat on the Committee on Ways and Means, everyone has testified that we should encourage savings. We should encourage investing. And best of all, we should encourage long-term investing.

Yet this bill takes more money than we have ever taken at any one time from the very sector that creates jobs, that invests in America. Have we lost our senses?

In a period of prolonged economic weakness, why would we want to give to Government the very dollars that create jobs? Small business, the bone and marrow of job creating, is holding on by its fingertips in my State of Connecticut, and those very small businesses that are the job creators in America are going to pay more energy taxes, not once, not twice, but three times: once to the Federal Government, once to the State government, and once to offset the increase in the local property taxes, because those taxes are going to rise as we pay more to heat every school building throughout the cities and towns of our Nation.

And Medicare, every small business is going to pay higher Medicare taxes. Why? Because the majority would not even allow me to bring to the floor a bill that would have reduced Medicare expenditures responsibly. In the private sector, all but 5 percent belong to managed care plans. In Medicare, only 5 percent belong to managed care plans. And yet there was no support, not even the right to debate on the floor to bring that kind of cost-saving proposal to Medicare.

Instead, raise our taxes and particularly get those small businesses, because they are the job creators of America.

I am sorry that the two preceding speakers will lose 2,886 jobs as the result of the energy tax, and my district will lose 873.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 1 minute to the gentlewoman from California [Ms. PELOSI].

Ms. PELOSI. Mr. Chairman, I thank the chairman of the committee for yielding time to me.

He, and the gentleman from Minnesota [Mr. SABO] and the President deserve a great deal of credit for giving us this opportunity today to vote for legislation, this Budget Reconciliation Act for jobs and for change.

Contrary to the suggestions of our Republican colleagues, this will be a job creation bill: 185,000 jobs will be created in our country. Over 28,000 of those in my State of California, and I know the gentleman from Illinois [Mr. CRANE], who was concerned about jobs, will be pleased to know that there will be over 10,000 new jobs created in Illinois; the gentleman from Florida [Mr. SHAW], who is concerned about jobs, over 10,000 jobs created in Florida.

These jobs will be created mostly because of deficit reduction, which will reduce the cost of capital to business, thereby allowing business to expand and create jobs.

It will also reduce the deficit by a quarter of a trillion dollars.

In closing, Mr. Chairman, may I ask that at this graduation season, let us give our graduates this present of jobs and of a brighter future.

Mr. ARCHER. Mr. Chairman, will the gentlewoman yield?

Ms. PELOSI. I yield to the gentleman from Texas.

Mr. ARCHER. Mr. Chairman, what is the source of the gentlewoman's figures that she has just read from?

Ms. PELOSI. Mr. Chairman, I would be pleased to share the information with the gentleman.

Mr. ARCHER. Mr. Chairman, if the gentlewoman will continue to yield, will she share it with the House?

Ms. PELOSI. Mr. Chairman, the information is the information of the Treasury Department, and I will stand by the figures.

Mr. ARCHER. Mr. Chairman, I yield 2 minutes to the gentleman from Iowa [Mr. GRANDY], a member of the committee.

Mr. GRANDY. Mr. Chairman, according to the Tax Foundation, the energy tax will kill 2,364 jobs in the district of the Member who just spoke, and in my district, we will lose 880 jobs that we cannot afford.

But of course, this is rhetoric, and we will have none of this. Next we will be listening to the gentleman from Ohio [Mr. TRAFICANT].

What we should be doing is buttressing our diatribe with some detail or, as the gentleman from Michigan [Mr. LEVIN] said, also a member of the committee, "We should have the real stuff."

So here is some real stuff.

□ 1750

The top rate is going to go to 36 percent in this bill, except if you are not just a rich person, if you are a small business, a sole proprietorship, someone who cannot go out and buy a lawyer to get under the rate. Then you will find that you will pay considerably more, and particularly if you make money.

If you make $250,000, in other words, a millionaire, you will pay another 10 percent, which will bring your rate to 39.6 percent. If you are self-employed, you double your Medicare taxes, which will go another 2.9 percent, and raise your rate to 42.5 percent.

Finally, the personal exemption phase-out and the Pease deduction formula left over from the last deficit reduction plan in 1990 effectively raise your rate to 44.5 percent. Remember, I am talking about people who cannot get under the rate, Mom and Pop, small businesses, sole proprietorships; in other words, the people the President was trying to empower when he stood in this well in his State of the Union address in January.

Do not forget, by the way, these folks cannot pay the corporate rate. No corporate break for them. G.E. will pay 35 percent. These people will pay 36 plus. Do not forget also when we talk about small businesses, Mr. Chairman, we are talking about earnings, held-over inventory, inventory that is not sold because the economy has gone sour. And that inventory you purchase for the Christmas sale which does not materialize are taxes to you.

In other words, if you are a dress shop owner and you prepare for a Christmas rush and buy $200,000 worth of clothing, and it is a lousy year because the tax bill has passed, and you have $120,000 in inventory still sitting on your shelves, after the holidays let us say you pay yourself a $20,000 salary, you only hit the 15 percent rate. Add to that the $120,000 of leftover inventory, you are paying a 36 percent rate. Unfortunately, you are not rich. The new tax bill just says you are.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 1 minute to the gentleman from Indiana [Mr. SHARP].

Mr. SHARP. Mr. Chairman, there is not a person in this country that does not understand that we have to seriously reduce the deficit, and by and large the political leadership in this country, both in the private and public sector, have been ignoring that responsibility.

However, we can and must do something about it today. We know that in this legislation one quarter of a trillion dollars in spending cuts will occur. Of the taxes that will be increased, 75 percent will be paid by the top 5 percent of the wealthy in this country, and most of those people will still pay less taxes than they did in the 1960's, when we had good, solid economic growth.

Today, what is at contention here is that energy tax that is being wildly distorted, as if it were going to break the backs of every family and every industry in this country. Baloney. The fact is, Ross Perot is going around this country advocating an energy tax that is more than twice as heavy on our industries and our families as what is in this bill today, twice as heavy.

Mr. Chairman, I strongly support this effort to curb excessive Government borrowing which is a drag on our economy, costs jobs and places an unfair burden on our children and their children. This package represents a monumental achievement, a $½ trillion deficit reduction, the largest in history.

For the past 12 years, the President and Congress have grappled with reducing Government spending, have consistently fallen short of any kind of success. The truth is that we have been living off a credit card, and we have to stop. It is not an easy process. Anyone that says it should be easy is not telling it straight. We have to work together to implement this package, take the good with the bad, and actively participate in this effort to turn our economy around.

Any one of us would choose different ways to reach this goal. The reality is we have a viable package before us. The hard political reality is that not one of us would have written the plan as it is before us, but now is the time to put aside our differences on details to get the job done. The benefits of deficit reduction far outweigh the discomfort that elements of this package will cause us.

Lower interest rates that will result from a lower deficit will benefit everyone, from manufacturers, to farmers, to small business owners to families looking to buy new cars and homes. Since December 1992, interest rates in this country have dropped almost 1 percent. A farmer or small business owner with $100,000 in short-term debt who refinances a 10-year loan at this lower rate would save $576 a year. Someone looking to refinance a $50,000 mortgage on their home which is currently at 10 percent might refinance at 7.5 percent and save $89 a month.

This bill presented here today contains over 200 spending cuts that will result in $1¼ trillion in deficit reduction over the next 5 years. It includes: $100 billion in savings from cuts in entitlement programs; a reduction in the Federal work force of 100,000 people; more than $13 billion in cuts in benefits and pay for Federal employees; essential provisions that will force additional actions to contain unanticipated growth in spending for entitlement programs.

The proposal also includes provisions to raise revenues and increase some taxes, the most controversial part of the package. While all Americans will be asked to pay a little more, the overwhelming majority of the revenue burden will fall on the most well-off. The Congressional Budget Office estimates that 75 percent of the revenue raised in the package will come from the wealthiest 5 percent of all Americans—the people who got the biggest tax breaks in the 1980's.

Taken as a whole, I am willing to vote for and defend this program as the largest step ever taken to reduce spending. And yet we must do more and make more spending cuts. Congress must commit to making additional spending cuts during the appropriations process.

One of the items that concerns me and other most directly is the Btu, or energy tax. The Btu tax is justified only as part of an overall package to reduce spending. It will affect all citizens. But adjustments have been made to cushion the impact for the most affected people, and more adjustments will be made in the Senate.

We have worked to make the Btu tax fair; many changes have been made to protect jobs and industries sensitive to international competition: It is a broad based tax that does not disadvantage any region or part of the country. North, South, East, and West all will pay less than 0.6 percent of their income for this tax; our trading partners, who are also our competitors, pay energy prices higher than U.S. industry, sometimes more than 100 percent higher; it does not, even with the oil supplement, unduly disadvantage or advantage any particular fuel. The energy production shares of various fuels and domestic energy production are projected to be virtually unchanged as a result of the tax; it will also help us use energy more efficiently and encourage us to help our environment as well. It is estimated that we will reduce oil imports by 400,000 barrels of oil per day by the year 2000—a savings of about $20 billion that will stay in our domestic economy; because the energy tax will be phased in over 3 years, we will have a chance to monitor the impact, and change course if necessary; and industries and households can even make inexpensive choices to reduce energy consumption, and thus reduce the effect of the tax.

Some of the most important changes in the energy tax were made to help farmers and energy intensive industries so they will not be disadvantaged in international competition.

It is the deficit that is strangling the economy and our competitiveness, our jobs and our future—I ask my colleagues to make the tough decision to vote to reduce Government spending, against the special interests, and for a healthy economic future for this country.

Mr. ARCHER. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. HOUGHTON], a member of the committee.

Mr. HOUGHTON. Mr. Chairman, I feel we are in a bit of a rut. We can close our eyes and we can tell who is a Democrat, and who is a Republican, from what they are saying.

Frankly, I think it is too bad to handle one of the biggest issues, maybe of our decade, this particular way. I have probably about 1½ minutes to talk. What I would like to do is to talk not about myself, but I would like to talk to the freshmen, the great reform class, 25 percent of this whole body, and particularly the Democratic freshmen, if I may have the opportunity.

I really have two things to say. First, I have to believe this, having been in business many years. I think the President is getting bad advice. I know he is getting bad advice on the handling of the debt, and as the Members know, 70 percent of our debt is in 5-year or less short-term bonds, and they are even shortening it. That is bad.

On the operating side, what he says is, "Please grow, and please invest, and please reemploy," but when we throw this tax in, and another one, which involves the health care on top of an economy that is trying to get off its knees, what does it do? It is paralyzed. It does not move.

If the economy does not move and the volume drops, no amount of tax increases or cost cuts are going to make up any difference in the deficit, but that is my own view. It may not be the view of the Democrats, and particularly the freshmen Democrats. What is right for them may be different than what is right for me.

However, I implore them to vote their own conscience. I had to when I came here as a freshman in 1987. I voted against aid to the Contras, I voted against my President. I was called to the White House. The Vice President, the Secretary of State, my party leaders asked me. I did what I thought was right.

The thing I ask the Members to do is to do what they think is right, absent the pressure they get from some of the political leaders.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. REYNOLDS].

Mr. REYNOLDS. Mr. Chairman, I am one of those freshmen.

Mr. Chairman, the Omnibus Reconciliation Act of 1993 provides a great opportunity for deficit reduction while at the same time, the bill provides great leadership in helping our urban communities.

This bill facilitates first-time employment for thousands of young adults who live in our cities, and promotes opportunities for enhanced job skills and employment because it extends the targeted jobs tax credit permanently and expands the credit to include participants in school-to-work programs and residents of certain distressed areas.

The bill increases opportunities for low-income residents of our cities to find decent and affordable housing because it permanently extends the low-income housing tax credit. It also expands this valuable program to increase its availability in the empowerment zones and enterprise communities that will be designated.

The bill ensures that no American family with a full-time worker would be below the poverty line because it expands and simplifies the earned income tax credit significantly.

This bill provides tax incentives for people to invest in specialized small businesses. This will help companies attract much-needed equity capital so that they can play a greater role in revitalizing the inner-city economy.

The bill provides for the establishment of empowerment zones and enterprise communities in our Nation's most distressed areas, and targets tax incentives for businesses to locate in, and hire residents of, these areas. This is a critical step toward revitalizing our Nation's most economically distressed urban neighborhoods and offers hope to our residents.

And last, Mr. Chairman, this bill provides a credit for contributions to 10 community development corporations that will be selected. This, too, will promote employment and business opportunities for residents of our distressed communities.

Mr. Chairman, I urge my colleagues to stop the retreat from fairness and stand up for all Americans.

Mr. ARCHER. Mr. Chairman, I yield 2 minutes to the gentleman from Missouri [Mr. HANCOCK], a member of the committee.

Mr. HANCOCK. Mr. Chairman, according to the Tax Foundation, the energy tax will kill 1,358 jobs in the district of the Member who just spoke. In my district we will lose 1,029 jobs that we cannot afford.

Mr. Chairman, the way to reduce the deficit, is to reduce spending and create jobs. If we grow the private sector job base, we grow the tax base.

And the way to create those jobs is by encouraging small business and investment.

President Clinton has said as much, but this plan does exactly the opposite.

President Clinton has never created a private sector job in his life. That is becoming all too obvious. He has never run a business. Most Members of this House have never run a business or created a real job.

Well, I have. I built a small business from scratch.

And I can tell you, from personal experience, this tax bill will stifle investment, clobber small business, and destroy jobs. But don't believe me. Listen to what other business owners across the country have to say.

I have a letter here from a California company saying:

> The proposal to increase the top rate * * * has caused us to defer * * * our previously planned expansions for 1993.

An Illinois company writes:

> As a direct result of the increase of taxes * * * we are freezing all future expansion plans.

A Maryland company says:

> I have instructed my managers to put off [expansion plans] because of the potential impact of the economic plan.

A New York company writes:

> At this point we have no choice other than to cancel altogether my company's plans for some $1.2 million of new investment * * * Instead of creating opportunities, this money will go to the payment of increased income taxes * * *

Those are the words of real small business owners. I have a stack of letters like these. They are the people who create jobs in our country—not the people in this Chamber, not the President and his staff.

So just what we will get in exchange for all these lost jobs—all these higher taxes—all this sacrifice by the American people?

As a businessman, I've got to look at the bottom line, and the bottom line of the Clinton plan, according to his own figures, is that the national debt will increase by over $1 million in the next 5 years.

You do not have to be a businessman to know that is not a good deal.

Mr. Chairman, a government, like a family, can for 1 year or 2 spend more than it earns, but a continuance of that habit means the poorhouse.

□ 1800

Mr. ROSTENKOWSKI. Mr. Chairman, I yield such time as he may consume to the gentleman from Arkansas [Mr. THORNTON].

Mr. THORNTON. Mr. Chairman, I rise in support of the measure.

Mr. Chairman, in 1979, when I left Congress to return to Arkansas, our national debt was less than $1 trillion; today it is 4 times that large, and has become a stumbling block for our Nation's efforts to educate and train our work force, to provide good jobs for our people, and to provide the highest standard of living and quality of life in the world.

This proposal addresses those issues. It freezes discretionary spending, sets caps on entitlements, and reduces our deficit by 496 billion.

Personally, I would prefer that some things be approached in a different way. I argued strongly for a tax on imported oil rather than the Btu tax, however, either of those alternatives is far better than the gasoline tax.

A gasoline tax has much support in the north and east, but would have a devastating effect on Arkansas, where people drive long distances to work.

More significantly, the proposal contains some significant benefits to the people of my congressional district:

It assumes funding for innovative education and lifetime learning programs, provides for highway construction, and for transforming our welfare programs into jobs.

It provides for earned income tax credit which rewards low-income people for working.

It provides for early childhood education and immunization.

Most significantly, it does these things by making cuts in other programs and by restoring fairness.

For example, an average second district farmer with up to 400 acres of land, or a few chicken houses, will pay less in taxes under this bill than under the existing laws. Earned income tax credits, new self-employment benefits, more rapid depreciation, and other provisions will save the average farmer more than $600 per year, after the energy tax has been applied.

The median family income in Arkansas is $25,395. For the 50 percent of Arkansas families with two children who are below this level of income, the new proposal will actually result in a tax savings of a few dollars each month.

Mr. Chairman, this proposal gets our deficit under control, provides a foundation for better jobs, better education, and a higher quality of life, and will provide real benefits to the people of Arkansas. I urge my colleagues to support this budget proposal.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 1 minute to the gentleman from Minnesota [Mr. VENTO].

Mr. VENTO. Mr. Chairman, I rise in strong support of the bill that is before us. It speaks to change. It speaks to investment in American's future, and the total bill, taken as a whole, increases 200,000 jobs in 1994.

One Republican Member seemed to say that the Reagan-Bush economic record had produced low unemployment and poverty. That is a hollow praise, another revision of economic history. In 1991, the number of poor Americans hit its highest level in more than 20 years; 2.1 million Americans were added to the poverty rolls, nearly 1 in 7, 35.7 million Americans. The poverty increase for children is 1 in 4 today, and it is a national disgrace. And the poverty rate for members of the black community, the African-American community, was at 32.5 percent in 1980 and in 1991 it was at 32.7 percent. And throughout the 1980's it was over 30 percent.

Twelve years of Republican trickle-down economic policy has meant a dead end for both poor Americans and for working Americans. We need to pass the Clinton Budget Pact for a downpayment on America's future.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. PICKLE].

Mr. PICKLE. Mr. Chairman, the only way we are ever going to reduce our national deficit is by raising new revenue and cutting spending. That is the bottom line. I think we all agree to that.

You cannot do it by cutting spending alone. It has to be a combination, and it must be in balance.

Unless we pass this kind of bill with this kind of a good balance to reduce the national deficit, the American public has the right to hold us accountable. But if we can put this bold program into effect, we have got a chance to do something about the national deficit. That is my concern. That is my appeal to the Members of this body.

I hope we do not continue to be so partisan that we will chastise each other to the very end of the road. We have got a national problem. We must reduce this deficit. I think the only way to do it is with a balance of cuts and spending, and I hope we can do that.

Mr. ARCHER. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. SANTORUM], a member of the committee.

Mr. SANTORUM. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, according to the Tax Foundation, the energy tax will kill 1,234 jobs in the district of the Member who just spoke.

Mr. Chairman, President Clinton came into Allegheny County and to McKeesport in my district where there is 70-percent Democrat registration, and I was the first Republican elected to that area since 1954, and he claimed that what we are going to do there is that we are going to reclaim the manufacturing base of this country and we are going to build jobs and we are going to create a productive manufacturing sector again in this economy.

Under his plan, Allegheny County loses 3,000 jobs, most of them in the manufacturing sector, because of the Btu tax. There used to be over 100,000 steel jobs in the Mon Valley which I represent, and there are now about 15,000, and this bill will be another neutron bomb on Allegheny County and manufacturing in Allegheny County.

But, unfortunately, it is only part of the problem. We have an inland waterway user fee, and that is a long name for a tax on diesel fuel used by barges to shift goods up and down our inland waterways. Pittsburgh is the largest inland port in the country, and we happen to ship a lot of our raw materials for our manufacturing on those waterways. So not only is the manufacturing base in the Pittsburgh area going to get hit with a Btu tax, they are going to get hit with a barge tax right up on top of that, and that barge tax is going to collect roughly $230 million annually on top of the close to $40 billion that the inland waterway users will have to pay for Btu tax. That is a burden that is just going to kill manufacturing in an area of the country that has been struggling for the past 12 to 15 years and does not need these kinds of taxes to keep us down.

Mr. President, do not come back to McKeesport next time around and say you want to build manufacturing jobs in the Mon Valley when you propose plans that are going to destroy the manufacturing base of this country. And I might add also out in the county there happens to be an airline, US Air, which has the biggest hub in the country and is in Allegheny County, and those jobs are going to be hurt too.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 1 minute to the gentleman from Nebraska [Mr. HOAGLAND].

Mr. HOAGLAND. Mr. Chairman, a number of our colleagues from farm States are rightfully concerned about the impact the reconciliation bill would have on the agricultural sector. Let me attempt to address those concerns.

Unfortunately, the bill modestly increases the amount of taxes paid by most farmers. But after 12 years of avoiding the tough decisions, and a national debt increasing from $900 billion to over $4 trillion, the party is over. We simply must have additional revenues if we are to turn the corner on the deficit.

Unfortunately, as we all know, we cannot do it with cuts alone, although I certainly favor making more cuts than we are making and will fight for those. But revenues are inevitably necessary. What is important is that the burden be shared fairly by all Americans. That way we can spread it out. The average American will be taxed less than 75 cents per day by the energy tax.

But farmers are high energy users. Farm operations, unlike many other businesses, do not have the ability to pass on the increased costs resulting from the energy tax. The Ways and Means Committee began moving the bill in a direction to assure that the energy tax does not fall disproportionately upon the farm sector.

The reconciliation bill contains a number of provisions intended to ensure that farmers are treated fairly.

Partial relief from energy tax. The bill would exempt farmers from payment of the oil supplement on gasoline and diesel fuel used on the farm. This would reduce the energy tax paid by farmers on such fuels by 57 percent. Congressman DAN GLICKMAN deserves the credit for bringing this idea to the Ways and Means Committee with the necessary supporting data, a study entitled "Impact of a Btu Tax on Whole Farm and Enterprise Production Costs in Kansas" prepared by Jeffery R. Williams and Fredrick D. DeLano, two economists from Kansas State University. We are hopeful the Senate will complete the exemption.

Feedstock exemption. The bill would provide for a feedstock exemption for nonfuel uses of energy sources. By way of example, natural gas used as a feedstock to make fertilizer would be exempt from the energy tax.

Increase in earned income tax credit. The EITC is available to farmers with lower incomes. The reconciliation bill would increase the EITC in part to offset the energy tax paid by low-income farmers.

Deduction of health insurance premiums. The bill would extend the 25-percent deduction for health insurance premiums paid by self-employed farmers.

Expensing. The bill would allow farmers to annually expense $25,000 in depreciable assets—a $15,000 increase over the current $10,000 expensing cap. The $15,000 increase would free up cashflow for farmers.

Tax-exempt bonds. The reconciliation bill would permanently extend the issuance of aggie bonds. Aggie bonds are tax-exempt bonds issued for the purpose of extending low-interest loans to beginning farmers. Through March 31, 1992, loans in the following amounts were made to beginning farmers: Nebraska—$55 million; Colorado—$17.8 million; Illinois—$132.14 million; Iowa—$106.87 million; Kansas—$13.67 million; and North Dakota—$36.72 million. Additional low-interest aggie loans were made in other agricultural States.

Barge tax. The bill would cut the proposed increase in the inland waterways fuel tax by one-half to 50 cents per gallon. The decrease would reduce the costs to farmers of shipping their grains to market and of shipping commodities, such as fertilizer, to farmers.

What is most important to consider is that low-interest rates will cancel the effect of the energy tax on farmers. In the study requested by Representative GLICKMAN, Kansas State University economists Jeffery Williams and Fredrick DeLano, in a thorough analysis, stated their conclusion:

> If the [Btu] tax is used for debt reduction such that interest rates for borrowed funds fall, the average farm will benefit from lower interest rates. For the average Kansas farm a 2% reduction in the rate of interest paid on the average farm debt would offset the increased cost of the Btu taxes.

So you see, the most important thing we can do for America is deal honestly and effectively with the deficit by achieving as much deficit reduction as is politically possible in this bill. That will calm the markets, keep interest rates low, make up for the cost of this modest energy tax, and benefit all of America.

I believe that the above provisions, all of which are contained in the reconciliation bill, go a long way toward ensuring that the taxes which would be levied on the farm sector are fair in relationship to the taxes imposed on the remainder of Americans.

The reconciliation bill also includes provisions reported by the Agriculture Committee that would reduce farm programs and save $3 billion over the next 5 years. That includes increasing the triple-base acreage on which crops would not be eligible for deficiency payments, as well as savings from the Rural Electrification Administration, which the President singled out in his address to the Congress earlier this year.

The bottom line is that this bill is tough but fair. I strongly encourage you to support the reconciliation bill.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 1 minute to the gentleman from Michigan [Mr. CONYERS].

Mr. CONYERS. Mr. Chairman, late last night, the Committee on Government Operations, Budget, the House leadership, and others reached an historic compromise that sets all Federal spending, including spending for entitlements, subject to stronger congressional and Presidential review. I believe these enforcement mechanisms are critical to ensure success of the most ambitious deficit reduction package in American history before us here today.

The package today includes in its base text the extension of the enforcement provisions which President Bush and the congressional leadership negotiated in the Budget Enforcement Act in 1990. But it also does more. It creates a single cap for appropriations spending and extends the pay-go rules for policy changes in entitlements and taxes. In addition the pay-go scorecard is reflected to ensure that savings not obligated for investment must go to deficit reduction. The creation of a trust fund also helps ensure that.

Late last night, we also reached an important compromise on how to control the explosion in entitlement spending. We create new entitlement targets, the baseline for which is pegged to the 5-year budget resolution numbers and is adjustable depending on changes in the beneficiary populations. In the event of a breach of that baseline, the President is required to submit to Congress a plan which is automatically discharged from the Budget Committee unless the Budget Committee addresses the overage in the budget resolution.

Further, if the budget resolution does not address the entire overage through savings in spending or revenues, then there is a requirement for a separate vote to increase the cap. The basic purpose here is to force Members to specifically vote on what to do as a result of the overage.

Finally, there are points of order against budget resolution conference agreements that do not fully address the overage, in order to ensure that the Senate also addresses the entirety of the overage, and against appropriations bills in the event there is no budget resolution and this process is thereby not triggered.

This is an important step to controlling entitlement spending. It requires us in the event that entitlements exceed their targets, to say how we are going to address the problem—by achieving offsetting savings in spending or revenues, or voting to increase the caps and thus increase the deficit.

This maintains total flexibility, but requires action and accountability. It is sensible reform, will ensure success of the most meaningful deficit reduction ever enacted, and Members should support it.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 1 minute to the gentlewoman from Washington [Mrs. UNSOELD].

Mrs. UNSOELD. Mr. Chairman, after 12 years of Republican spend-and-borrow; after 12 years of Republicans driving us to the brink of bankruptcy; now is the time for Democrats to lift this country back on track.

Having lost the White House, the Republicans are determined to deny this President his programs—no matter at what cost to the Nation.

Let us—Democrats strong—turn back the filibustering Philistines and let us throw out the guardians of gridlock.

This Nation is engaged in a struggle to restore economic health and fiscal sanity to our country.

You will hear increasingly shrill cries that the President's deficit reduction package is only tax-and-spend. There is little credibility in those cries coming from the same forces who brought this country to the brink of bankruptcy and want to protect the wealthiest Americans. They are trying every trick in the political book to prevent the President from enacting his platform. They are fighting for the status quo of borrow-and-spend.

Make no mistake about it. This is a deadly serious battle. Our Nation's very future depends on it.

Mr. ARCHER. Mr. Chairman, I yield such time as he may consume to the gentleman from Oklahoma [Mr. ISTOOK].

Mr. ISTOOK. Mr. Chairman, I simply would like to state my opposition to this massive job-killing tax bill and the associated charade.

Mr. Chairman. Voting against H.R. 2264 is one of the proudest votes of my life. This bill is a job-killing charade, and it's especially sad to see how many of the Democrat freshmen were seduced by the siren song of tax now and cut later.

This slams the door and throws away the key on the President's campaign promises of tax relief for the middle class. This hits Americans with the biggest tax increase in U.S. history. That won't stimulate the economy, it will drive up inflation and unemployment.

The energy taxes will cost Oklahoma 11,000 jobs. Nationwide, it will cost between 600,000 and a million jobs. That's enough to make Americans stop thinking about the President's hair—and start thinking about his scalp.

The new taxes are bad enough. but I'm not only angry at the massive tax increases, I'm angry at the fakery in the bill. It tries to fool people into thinking it's some kind of serious deficit reduction plan. But the make-believe entitlement caps are as phony as the promises we heard the last time taxes went up. The taxes hit now; the spending cuts never arrive. The so-called deficit trust fund Mr. Clinton promises is a joke, only the joke's on the taxpayer.

We were promised tax cuts, instead we got haircuts. And the unkindest cut of all is just that, when it comes to Federal spending, Clinton's plan just doesn't cut it.

Mr. ARCHER. Mr. Chairman, I yield 1 minute to the gentleman from Michigan [Mr. CAMP].

Mr. CAMP. Mr. Chairman, the President's taxes are the largest in American history. They are not going to help the economy. They are not going to create jobs and they are certainly not going to control Government spending.

Farm families are going to be especially hard hit by the energy tax.

The energy taxes are indexed for inflation, which means they'll keep going up, up, and up.

But it is not just the tax, it is how complicated it will be when many farmers will have to deal with different tax levels on fuels they use. Between fuel dying and different tanks, the costs and complexity will be incredible.

Why are we going to do this to American farm families?

Why are we going to do this to American agriculture which is our leading U.S. export?

The energy tax is a tax on everyone and not everyone can afford it. In November, the people spoke—they want us to cut spending but the administration has proposed adding another trillion dollars to the debt.

Mr. Chairman, the facts speak for themselves on the President's tax plan and America cannot afford it.

The energy tax would kill 742 jobs in the district of the speaker before me, Mrs. UNSOELD. The Fourth Congressional District of Michigan would lose nearly 1,000 jobs that we cannot afford to lose.

Mr. Chairman, the President's taxes are the largest in American history. They are not going to help the economy, they are not going to create jobs and they are certainly not going to control Government spending.

The tax increases are retroactive, but the spending cuts don't start for 2 years. We were promised $2 in spending cuts for every $1 in new taxes. But this tax bill is $4 in new taxes for every $1 in spending cuts. And, it increases the national debt by over $1 trillion.

One of the reasons for this is the devastating energy tax in the President's plan which will cost the U.S. economy over 600,000 jobs.

In my home State of Michigan a family of four would pay about $800 a year in energy taxes for home heating fuel and other goods and services they purchase.

Further, the energy taxes are indexed for inflation, which means they'll keep going up, and up, and up.

Farm families are going to be especially hard hit by the energy tax.

The energy taxes are indexed for inflation which means they'll keep going up, and up, and up.

But it's not just the tax, it's how complicated it will be when many farmers will be having to deal with five different tax levels on fuels they use. Between fuel dying and different tanks, the costs and complexity will be incredible.

On average there would be $1,600 in energy-related costs to an individual farmer producing about 400 acres of corn in the midwest.

Why are we going to do this to American farm families? Why are we going to do this to American agriculture which is our leading U.S. export?

The energy tax is a tax on everyone and not everyone can afford it. In November, the people spoke—they want us to cut spending, but the administration has proposed adding another trillion dollars to the national debt.

The President pledged he would cut Federal spending and cut taxes for middle-income tax payers. Now we're voting on his increased spending and tax increases which are the largest in American history.

Mr. Speaker, the facts speak for themselves on the President's tax plan and America can't afford it.

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Mr. ROSTENKOWSKI. Mr. Chairman, I yield 30 seconds to the gentleman from Texas [Mr. COLEMAN].

Mr. COLEMAN. Mr. Chairman, I think it is important to point out that at this stage of the proceedings some of us are receiving missives, faxes, from oil companies in our own State.

It is interesting that I notice that those missives did not go to the Republicans in the other body during the time we were considering a jobs bill. So it is really interesting to be treated today, right here on this floor, to the spectacle of a whole bunch of people up here citing how many jobs are going to be lost.

They did not cite about how many jobs were going to be created if we passed the President's stimulus package, did they? You cannot come here and have it both ways.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield such time as he may consume to the gentleman from Texas [Mr. DE LA GARZA].

Mr. DE LA GARZA. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise in support of this legislation.

Mr. Chairman, this is a very difficult vote for all of us here in the House. This is an especially difficult vote for those of us who represent rural districts around the country.

In this bill we have yet another round of budget cuts in our vital farm and rural programs. Then there is this energy-Btu tax which will be felt by practically every person and every business across rural America.

It would be easy for a Member from a rural district to vote "no" on this bill. Voting against tax increases is always popular back home. There are groups who always give you an award for voting against any tax increases—even while they tell Congress to reduce the deficit.

Voting for budget cuts in programs is always popular back home too—as long as you also vigorously defend the programs that matter most to your district's interests. Some of the taxpayer groups give out awards for being a pork-buster.

But nobody gives you an award for raising taxes and cutting spending—even if it may be in our Nation's best interests at this time.

Some are going to argue that Democrats in Congress cut farm programs to increase food stamp spending. Nothing could be further from the truth.

The budget resolution stipulated $2.95 billion in reductions in mandatory agriculture spending and $627 million in authorization reductions over the next 5 years.

Some of the other side will claim the Agriculture Committee could have reduced the food stamp funding increase by $3 billion and that would have eliminated the need for any farm program cuts.

That will sound good back home. But it is not true.

The food stamp provisions are not scored as mandatory spending. If that Republican amendment would have been adopted, it would have resulted in no budget savings by the House Agriculture Committee. The House would have imposed budget cuts on agriculture.

We met the budget resolution targets in this reconciliation bill. As long as I am chairman, the Committee on Agriculture will fight the good fight on budget priorities, but we will always respect and abide by the final decision of the Congress on the budget resolution.

Another misleading argument put out by the other side is that this $2.95 billion reduction in agriculture programs will cripple the farm economy. Let there be no question, it will be painful.

But I recall that Republican administrations for the past 12 years wanted to decimate agriculture programs. They asked Congress in 1990 to slash agriculture spending by more than $22 billion between fiscal 1991–95.

Let us set the record straight. The Kasich substitute—the Republican substitute—will cut farm programs by half again as much as the Democratic bill. The Kasich substitute will reduce farm program spending by $4.5 billion over 5 years.

H.R. 2264 represents a reduction of less than 6 percent from baseline farm program spending. It's the best deal farm country has gotten in more than 12 years.

None of us want to vote for a tax increase. However, the package represented by the bill before the House today gives the opportunity to reverse the path of annual deficit increases in a fair and evenhanded way. The table below was prepared by the Congressional Budget Office and demonstrates that, taken as a whole, H.R. 2264 fairly spreads the burden of deficit reduction.

DISTRIBUTION OF RECONCILIATION TAX CHANGES INCLUDING INCREASES IN EITC, LIHEAP, AND FOOD STAMPS

Households by dollar Income	Dollar change in all taxes	Change in after-tax income	Percent share of total households	Share of total tax change
Less than $10,000	−120	+2.2	15	−3.6
$10,000 to $20,000	−59	.4	19	−2.2
$20,000 to $30,000	24	−.1	17	.8
$30,000 to $40,000	161	−.6	13	4.4
$40,000 to $50,000	270	−.8	10	5.8
$50,000 to $75,000	368	−.8	15	12.4
$75,000 to $100,000	491	−.8	6	7.2
$100,000 to $200,000	765	−.8	4	8.5
$200,000 or more	23,217	−.6	1	66.1
All	463	−1.4	100	100.0

Source: Congressional Budget Office.

The good news is that this House Democratic reconciliation bill at least exempts farmers from nearly 60 percent of the total Btu tax. Under this bill, on-farm use of diesel and gasoline is exempted entirely from the higher supplemental tax on petroleum products.

I want to thank the chairman of the Ways and Means Committee, Chairman ROSTENKOWSKI, and his committee members for listening to our concerns and attempting to ease the impact on farmers in what they felt was a fair manner. This represents a substantial improvement relative to the President's original proposal.

Given that agriculture uses energy with more intensity than many other industries, this modification—combined with the benefits contained in other parts in the bill—helps to ensure that the important task of reducing the deficit is carried out fairly.

The following table—also prepared by CBO—helps to demonstrate the overall fairness of distribution of the Btu tax's burden:

DISTRIBUTION OF THE BTU TAX EITC, FOOD STAMPS, AND LIHEAP OFFSETS, FULLY PHASED-IN 1994 INCOME LEVELS

Households	Dollar burdens	Percent change in after-tax income
All	$83	−0.2
Less than $10,000	−116	2.1
$10,000 to $20,000	−61	.5
$20,000 to $30,000	2	.0
$30,000 to $40,000	117	−.4
$40,000 to $50,000	179	−.5
$50,000 to $75,000	213	−.5
$75,000 to $100,000	267	−.4
$100,000 to $200,000	274	−.3
$200,000 and over	700	−.2

Source: Congressional Budget Office.

Mr. Chairman, other provisions of the bill will also help ease the burden of deficit reduction on the rural economy. There are a number of Tax Code amendments in the bill that will benefit agriculture in particular and rural America in general.

The bill allows farmers to expense up to $25,000 of depreciable assets per year without regard to normal depreciation schedules—that's a $15,000 increase from current levels.

It permanently extends first-time farmer bonds.

It extends the 25-percent deduction for health insurance premiums paid by self-employed farmers.

It simplifies the rules for filing estimated taxes.

Investors are given tax incentives to encourage them to provide equity capital to productive small businesses.

Small businesses in the real estate field will benefit from the relaxation of passive loss rules that allow for increased deductibility.

This bill also provides for the establishment of empowerment zones to help the most distressed rural communities across the country by providing tax incentives for businesses to invest.

In addition, the bill provides for crop insurance improvements and REA changes that will benefit rural America—and save taxpayers money.

We must do more to cut spending. We must bring sanity to the growth of entitlements—and I am encouraged by this new agreement on entitlement discipline. I am for that. But in the end, we will still probably need some tax increases to help close the budget gap.

Let me close by saying that there are a lot of good things for our country in this bill. There are a lot of good things for farmers and rural residents in this bill that is being drowned out in this debate over the Btu tax.

This is the largest deficit-reduction package in history. If we bring down the Federal deficit, we can restore confidence in our economy and we can help keep interest rates down. That's good for farmers, for business, and for home buyers.

I understand the pressures my colleagues are feeling from both the special interests here in Washington and from some of their constituents back home. Boy, I'm hearing it too.

What we must decide here today is whether this House is willing to confront the Nation's problems and make the difficult decisions as our President has done. This whole bill is about exercising the leadership, the courage and the vision to do what is good for our country.

This is not a perfect package, but it has been improved considerably. I am sure further refinements will be made by the other body. This is just the beginning of a long process.

Let there be no misunderstanding of the message we will send out today by the votes we make. Our constituents are watching, the financial markets are watching, the world is watching. If we vote down this bill today, we will be admitting to the world our inability to make the hard choices to put our financial house in order. If we fail to act, the benefits we have seen in the gains in the stock market, declining unemployment, and the lower interest rates over the past few months will evaporate. Resulting increases in interest rates will be the cruelest tax of all.

Mr. Chairman, I don't like the medicine, but I will take it. We must and we will continue to look for other ways to revive our Nation's economy and ensure a better future for our children. But for now this budget reconciliation package is our best hope, and I strongly urge my colleagues to support this bill.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 1 minute to the gentleman from Washington [Mr. SWIFT].

Mr. SWIFT. Mr. Chairman, it has been fascinating the amount of rhetoric that has gone on in this institution for the last several years about "We have got to bite the bullet; we have to make the tough choices."

This would not be a tough choice if it was popular. We have to make very difficult decisions about cutting spending which is popular only in the aggregate and gets very painful in the specific. We have to make very difficult choices about raising taxes to provide the revenue to deal with the investments that we have neglected for the last 10 years.

Mr. Chairman, this is not a popular bill, and by definition, the tough choices are not made on popular bills. This is what we have to do. This is what we have to do to get a handle on the deficit.

Today is the day. This is the bullet. This is what we have to bite, and it is about time we put our votes where our rhetoric has been.

Mr. BACCHUS of Florida. Mr. Chairman, I rise in strong support of H.R. 2264, the Omnibus Budget Reconciliation Act. After 12 irresponsible years of borrow and spend, this plan charts a new course toward fiscal responsibility and economic growth. This plan is good for business, good for families, and good for America.

No, this plan isn't perfect. Like many of my colleagues, I would like to see more spending cuts and more incentives for business such as a generous investment tax credit and deeper and broader cuts in the capital gains tax.

But this plan is a good start. It makes 200 cuts in spending programs to produce $250 billion in deficit reduction. Altogether, this plan will prevent $0.5 trillion in deficit spending in the next 5 years. It will cut in half the amount of the gross national product going to deficit spending.

This plan is fair. Three-fourths of the tax increases will be paid by the most well-off Americans—those families earning more than $100,000 a year. And the benefits of new jobs, economic growth, and lower interest rates will be shared by everyone.

This plan is especially good for business. By reducing the budget deficit, this plan will bring down interest rates and that in turn will spur economic growth. That will help us preserve and create more jobs in Florida and throughout America.

High interest rates are the biggest obstacle to business investment and economic growth. There is no surer sign of this plan's effectiveness than the fact that in anticipation of its passage, long-term interest rates already have fallen to their lowest level in 20 years. As the deficit falls, interest rates and the cost of capital will continue to fall as well, and jobs and growth will result.

There is much more in the plan for business. Not just big business, but the service station of the Eau Gallie Causeway and the coffee shop in downtown Titusville in my district.

We increase from $10,000 to $25,000 the amount a small business can deduct in full each year for new equipment. This will inspire capital investments by growing businesses.

We provide a targeted capital gains exclusion for investors in qualified small businesses who hold their stock for at least 5 years. This will provide much-needed venture capital for promising enterprises.

We repeal the luxury tax that has so decimated boat-building and other vital industries.

We make permanent the 20-percent tax credit for new expenditures on research and experimentation. This will stimulate growth of many of the high-technology firms that are so important to my district and to the future of America.

We do much to bolster the real estate industry, which has led our country out of recession eight times since World War II. This bill includes passive loss relief, permanent extension of the low-income housing tax credit, permanent extension of the Mortgage Revenue Bond Program, provisions to facilitate pension fund investment in real estate, and debt restructuring to give taxpayers a greater opportunity to work out loans and avoid bankruptcy. All these will help rekindle the real estate markets.

We make permanent the targeted jobs tax credit to help businesses move hard-to-place workers from the welfare rolls to the work rolls. Likewise, we make permanent the exclusion for employer-provided educational assistance.

No wonder this plan has the support of organizations such as the National Association of Home Builders, the National Association of Realtors, the National Marine Manufacturers Association, the International Council of Shopping Centers, and many other business organizations and businesses. They know this plan is good for business.

This plan is good for families, too. The lowest-income families will profit from this plan. And the minimal tax impact of middle-income families will be more than offset by the expansion of the earned income tax credit and by reductions in interest rates on home mortgages, automobile loans, student loans, and other credit purchases. Take, for example, a family that refinances their 10-percent mortgage at 7.5 percent. They will save $175 a month or $2,100 a year on that alone.

Yes, we need even more deficit reduction. We need a balanced budget amendment and a real line-item veto for the President. We need comprehensive health care reform later this year to address the single fastest-growing element of our Federal budget and the Federal budget deficit.

Yet this plan is a foundation on which to build. This plan is a good start.

Mr. BARCIA. Mr. Chairman, I rise in reluctant support of the Omnibus Budget Reconciliation Act. I definitely do not support every specific detail in it. I do not support the Btu tax in its present form. I am concerned that it may be asking too much from individuals who are living on moderate incomes.

Today's vote is not the final one that sends this package to the White House. The proposal still needs approval by the Senate, and then we will have to again vote on a final version that resolves the differences between this proposal and the Senate version.

I am very concerned that if we do not accept this package we are guilty of the very gridlock we swore to end in Washington. It is easy to say no. It takes very little courage to stand up to people who say "save my program, and don't ask me to pay for it." It takes a great deal of courage to say enough is enough and it is time that we deal with the budget honestly. We all know that spending cuts alone will not solve the deficit problem, unless Americans are willing to accept a wholesale abandonment of entire agencies, let alone programs. Some taxes will need to be changed, maybe because they were changed too much in the 1980's. But unless we get both our spending and our revenue in order, we will never solve the deficit problem that my constituents tell me they want solved.

I am casting a "yes" vote on reconciliation because I want to see our budget deficit controlled and this process to move forward. I consider my vote procedural, and it is not an endorsement of the details of this package. We all know that modifications will be made in this bill by the Senate. They will take care of many of the problems I have with the Btu tax and other issues. But if the Senate fails to properly resolve these matters, I reserve the right to vote "no" on the conference agreement. We are not sending this bill to the President, so today's vote is not as critical as the one that will come later in the summer on the conference report.

People have been led to believe that this bill will be a horrendous burden on them. It should not. It is balanced with spending cuts and tax increases of equal amounts. The revenues raised and the savings from reduced expenditures will be placed into a special deficit reduction trust fund, locking in the nearly $0.5 trillion in deficit reduction for only deficit reduction. It now will have enforceable restrictions on the growth in entitlements. Either the growth is paid for or voted for. Either way, the Government is accountable, not allowed to hide behind automatic increases. The tax burden falls on those with the largest incomes. Sixty-two percent of all taxes would fall on the richest one percent of Americans. Only those Americans who have incomes in excess of $145,000 for a couple or $115,000 for an individual will have their income tax rise. In fact, according to the Congressional Budget Office, those with incomes of $20,000 to $30,000 will pay only $3 more per month in taxes under this plan, and those with incomes of $30,000 to $40,000 will pay $14 more per month. Those making over $200,000 will pay $1,935 more. There is no doubt as to who is affected by the taxes in this bill.

If we are concerned about our Nation's fiscal health and our Nation's wealth, we must deal with the deficit. When expenses go up in our families, we devote more funds to necessities and less to other items. This bill does that. It shifts spending from less important to more important items. It makes its big cuts in discretionary spending, which will hurt. We are making our choices to protect our long-term interests, at the expense of short-term comforts.

My district's single largest employer, General Motors, supports this plan. They do not like every single component of it, but they recognize that it may be the best total package for the long run. They recognize that the energy consequences of the Btu tax may mean that at long last we can get away from the

CAFE standard that hampers our auto industry. This will allow our auto industry to move forward, and gives us the ability to keep auto jobs in Michigan. The bill extends the health benefit tax deduction that farmers tell me they want. It expands the earned income tax credit. It increases expensing. It extends small issue agricultural bonds. It extends the ability of a hospital in my district to receive Medicaid payments for constituents served by this facility. There are good provisions in this bill. We are asking the President to understand some of the problems that we face in my congressional district with some of the provisions in this bill. If we want him to understand our needs, then it is only fair that we understand the problems that has forced him to suggest other provisions in this bill.

Mr. Speaker, I supported more spending cuts in the budget resolution, and we won. I joined with 19 of my freshmen colleagues in signing a letter to the President asking for more spending reductions in this reconciliation bill, and we have already had success with the additional enforcement provisions on setting priorities with entitlements. The budget deficit problem was not created by one bill, nor will it be solved by one bill. The process will extend to each and every authorization bill, each and every appropriation bill, and each and every reconciliation bill for years to come. My eye is on the future. My goal is to get our fiscal house in order. This multistep process begins today, not in a way which I would heartily endorse, but it does begin today. I support this bill to break the gridlock symbolized by a "no" vote. I support this bill to move toward our ultimate goal, and to let the American people know that we are serious about dealing with our problems by keeping the process moving.

While I am willing to give the process a chance, I advise my friends and neighbors in Michigan's Fifth Congressional District, my colleagues in Congress, and our President, however, that I will not vote for final passage of the reconciliation bill unless I can tell our citizens that we have made even more progress in this process that I vote to extend today.

Mr. HUGHES. Mr. Chairman, I rise today in support of H.R. 2264, the Omnibus Reconciliation Act. As America looks to build a stronger economy, deficit reduction must be our top priority. I am hopeful that the adoption of this bill will mark the beginning of the end of deficit spending and the beginning of the long awaited deficit reduction process that makes that possible.

At the outset, let me be clear about my position. I'm not happy with the options presented to me today. That is why I voted against the rule. It's disgraceful that we do not have the opportunity to work our will on the Btu tax and other provisions which I, and so many others do not support.

This measure does represent a comprehensive deficit reduction plan which will significantly reduce the deficit—which is strangling our economy—by $496 billion over the next 5 years. Deficit reduction will facilitate long term economic growth and productivity, so that our children may inherit an America that is fiscally sound and capable of maintaining her position as the world's leader in what is rapidly becoming a global economy.

The problems we are now facing are, in large part, a result of the past 12 years of misplaced priorities and failed fiscal policy. I believe that the reconciliation bill is a break from this harmful trend.

Unlike the 1990 budget agreement which relied too heavily on tax increases and not enough on spending cuts; and unlike the massive tax bill of 1981 which provided a plethora of tax cuts which drained our Treasury of more than $2 trillion and increased the Federal budget deficit by more than five times over, the reconciliation bill offers real solutions to the very serious problems that have been plaguing our economy for far too many years.

There is one element missing from the plan before us today, that I will not miss—namely, the phony economic assumptions and other irresponsible accounting gimmicks that the past two administrations have used to mask and sugar-coat the very serious economic problems our country faces. I am confident that the sound, straightforward, and overall fiscal policy set forth in the reconciliation package will help chart the course for our economic recovery.

I certainly do not agree with every single detail of this package. In particular the Btu tax gives me heartburn. I have been able to secure assurances from the administration that it was not the intent of the feedstock exemption to provide any undue competitive advantage for any industry. Even with that, I question the wisdom of this particular tax and will continue to work for its elimination.

I could pick apart a number of other provisions I do not support. But there are dozens of provisions I do support. Besides, no one has come forward with a package that will pass. So what is the bottom line—no bill—stalemate—larger deficits and higher interest rates? That is not a viable option.

On the other hand, I am pleased that the reconciliation bill addresses all aspects of the budget including discretionary spending, entitlement payments to individuals as well as the—even unpopular—revenue side of the ledger.

This bill provides for some $246 billion in spending cuts, representing one-half of the total deficit reduction.

Moreover, this measure recognizes that cutting discretionary spending alone will not be enough to achieve our long-term goals. In this regard, the bill establishes important provisions to slow the rate of growth of entitlement programs and control spending which accounts for more than one-half of the national budget, and is growing much faster than the economy as a whole.

Although I am pleased to see that this bill includes some 200 cuts in spending programs, I wanted to see even more cuts in such programs as the $30 billion space station, the $10 billion superconducting super collider and other programs in the discretionary as well as the entitlement areas of the budget.

Certainly, I do not want to see any increases in taxes—no one does. However, I do think it is time that we require the most affluent individuals and corporations—especially foreign-owned corporations—to start paying their fair share. These groups have had a relatively free ride through the 1980's while the middle class has borne the brunt of the tax burden. I am glad that the reconciliation package includes tax reforms which will restore equity to our tax system.

Certainly, supporting an economic reform package which generates any increased taxes is the hallmark example of the politically unpopular decision. For example, I have particular concerns about increasing the tax on the taxable portion of Social Security benefits from the current 50 percent to 80 percent. In today's economy retired couples earning $32,000 and who are receiving Social Security benefits are certainly not the more affluent of society—and I think it is ridiculous to classify them as such.

None of the decisions we have to make are really going to be easy. I submit that any such cost in political capital pales in comparison to the price being paid by our children and grandchildren from the past years of inept fiscal policy. Our country is facing a grave financial crisis which calls for our forthright, aggressive, and timely action. I am encouraged that the reconciliation bill contains key provisions which will assist in our economic recovery by establishing key investment incentives.

There are other reasons why a "no" vote on the package is problematic. By not supporting the measure we will also be rejecting other very worthwhile provisions. For example, I am pleased that this bill will finally repeal the onerous luxury tax on boats, which has wreaked havoc on the entire American boat-building industry. Everyday that this tax is in effect, more boat-building companies are forced to close, costing thousands of hard-working Americans their livelihoods. My colleagues may recall that we have twice voted for the repeal of this tax, only to have these initiatives vetoed by former-President Bush.

I am painfully aware of the debilitating effect of this tax; indeed my own State of New Jersey has been hardest hit with employment in the boat-building industry dropping nearly 90 percent since its enactment. This is similarly reflected on a national scale with companies that build boats in the luxury tax range having dropping in employment by approximately 73 percent. I am very gratified that the reconciliation bill will, once and for all, see that this ill-advised tax is repealed.

Furthermore, the reconciliation bill modifies the passive loss rules for taxpayers who materially participate in rental real estate activities. This provision alone, will breath life back into the real estate industry which has been struggling to recover. Likewise, this bill establishes targeted capital gains provisions which will allow investors to exclude one-half of the capital gains earned from long-term investment in small business. We know from experience that small businesses create the lions-investment in such valuable business ventures.

Furthermore, this bill will extend, permanently, the targeted jobs tax credit [TJTC], the low-income home tax credit as well as the mortgage revenue bond and small-issue development bond programs. These credits have proven to be a tremendous benefit to the economy and I am very pleased that the reconciliation bill includes these worthwhile provisions.

So while this package is far from perfect, I do believe that, overall, this is a plan that will put us on the right course for achieving our goals of deficit reduction and economic growth. We are facing an economic crisis which requires our immediate attention. The decisions to be made will not be easy, yet they are critically necessary.

We will have a chance by advancing this bill to the Senate to correct the deficiencies I have noted so that the conference report will be in a more acceptable form. If that does not occur, I will then have an opportunity to vote against it in its final form.

A rejection today denies us that option and presents us with the serious risk that the next reconciliation effort could be even more unacceptable—if we can find one that will get 218 votes. No, moving this process along is the only responsible vote.

Therefore, I urge my colleagues to join me in supporting the Omnibus Reconciliation Act.

Mr. ORTON. Mr. Chairman, I support and commend the President and the House leadership for developing and supporting this bill to cut $500 billion from Federal spending. It is notable that the Republican alternative cuts spending by $141 billion less than this reconciliation bill does. The Democratic Party is clearly the party that truly cares about cutting deficit spending and is willing to move forward with real deficit reduction.

President Clinton has changed the debate in this country from whether we would ever reduce the deficit to how we will reduce the deficit.

It is certain to me that we will pass a budget reconciliation bill which implements the President's budget and actually reduces the deficit by approximately $500 billion in the next 5 years. What is at issue today, therefore, is not whether we will pass the bill but what goes into the package.

We have taken the President's proposal which contained many good provisions and made it better.

We have extended the pay-as-you-go provisions of the 1990 budget agreement which requires that any new spending must be paid for through cuts in other spending or in new taxes.

We have included the President's deficit reduction trust fund to guarantee that all taxes raised in this package will actually reduce the deficit and cannot be used to pay for new spending programs.

The 5-year freeze on discretionary spending in the budget is a first and puts Congress on record that it will not allow optional spending to rise. I worked hard in the Budget Committee to freeze discretionary spending and applaud the committee chairman for working with us to accomplish this. That measure alone will save Americans almost $90 billion over the next 5 years.

Late last night this legislation was improved further. We were able to push through needed revisions that help control entitlement, or "mandatory," spending. Are these limits on uncontrolled increases in entitlement spending enough? No. I urge the Congress to adopt comprehensive budget process reform similar to what I have proposed in H.R. 1138.

But these controls do for the first time limit growth in the largest and fastest growing part of our budget. We cannot abdicate our responsibility in this area, as we have up until now. Without dealing with mandatory spending we cannot control the deficit. I thank the White House and the leadership for recognizing this need and for addressing it in this bill. It helps meet our commitment to the American people to get Federal spending under control. Without such a measure, runaway entitlement spending could add as much as $200 billion extra to the Federal debt over the next 5 years.

I am therefore positive about this bill in many ways.

I do have concerns over what's in the bill, however, and will vote against it due to its inclusion of the energy and Social Security tax increases.

The Btu tax is a left jab to the chin of middle-income Americans, and the tax increase in Social Security is an uppercut to the midsection of the elderly. It strikes especially hard at energy-producing States like my own State of Utah. Even with some exemptions for certain energy-related purchases, this tax will hit farmers, persons who drive long distances, coal producers and steel producers, and their employees in Utah.

I am not willing to subject my district and State to a tax that will hit middle-income Americans so directly, and will hit my constituents harder than most other districts and States. Spending cuts must, in fact, come first.

The Btu tax in particular is almost certain to be removed from the package or significantly altered before final passage.

The administration and the House leadership have acknowledged that the bill will undergo substantial changes before reaching the President's desk. It is unfortunate that this House was not able to resolve the problems with the energy tax, increase in the Social Security tax, and the entitlement cuts prior to sending it on to the Senate.

I support our President and want to pass reconciliation.

The question before us today, therefore, is not whether we will or will not send the President a budget reconciliation bill. We will. The question is, "What will be in it?" I am committed to keeping our promises to middle-income Americans and keeping our focus on the larger goal of economic recovery.

I urge the Congress to work together with the President to perfect this bill by lowering taxes and increasing the spending cuts in this reconciliation package.

Ms. NORTON. Mr. Chairman, may I thank Post Office and Civil Service Committee Chairman BILL CLAY and his staff for their strong support of our efforts to develop the alternative savings proposals now contained in the budget reconciliation package. Thanks also is especially due to Chairman STENY HOYER and his staff, for Representative HOYER played a major role in the solution reached by our subcommittee. Further, we would not have prevailed without the flexibility, cooperation, and hard work of Chairman SABO and Director Panetta, and the work of OMB, OPM, GAO, and CBO.

We have adopted a set of alternatives that meet President Clinton's assignment of $39 million in savings to the committee. As a result, great sacrifice is extracted from Federal employees, but preservation of some benefits is achieved and wholesale demoralization of the Federal work force is avoided.

Perhaps most important, the national implementation of locality pay adjustments for Federal workers in 1994 would proceed as intended by Congress. Locality pay, which is intended to close the gap between Federal and private sector pay estimated to be an average of 30 percent, was mandated under the Federal Employees Pay Comparability Act of 1990. This is a critical element in a comprehensive system for pay reform designed to stem the Government's diminishing ability to attract and retain a skilled work force for vital public service functions.

Our efforts to preserve locality pay began after President Clinton announced his deficit reduction program on February 17, 1993. Proposals for substantial contributions from Federal workers were included: a pay freeze in 1994 followed by a 1-percent reduction in the amount of the annual raise for 1995 through 1997; a 1-year delay of nationwide locality pay; reduced benefits for the survivors of Federal workers; and the transfer of almost $700 million in Federal Employee Health Benefits Program premium costs from the Government to program enrollees. All of this was in addition to the contributions being asked of all Americans.

As Chair of the Subcommittee on Compensation and Employee Benefits, I immediately decided to hold early hearings on the President's proposals to see if alternatives could be developed. The first, on March 3, 1993, was a field hearing in the District of Columbia where Federal employees from across the region and the national Federal employee organizations responded favorably to my request to list the proposals which they found most objectionable and to offer alternative proposals for reducing the cost of Government. At a second hearing on March 10, we received testimony about the details of the President's program from CBO, OMB, OPM, and GAO.

We subsequently compiled a list of over two dozen alternative proposals for reducing the cost of Government that were submitted to the subcommittee by witnesses, Members of Congress, and the public. We then sent them to CBO, OMB, OPM, and GAO for analysis and estimates that would assist us in evaluating their relative merit and capacity to generate real savings as measured by CBO standards. We invited the Federal employee organizations to comment on them as well.

Our objective throughout this process was to engage Federal employee organizations and these agencies in a collegial problem solving process which would develop alternative savings proposals. We asked employees and employee organizations to indicate which of the President's proposals were most burdensome. They indicated: first, the delay in the implementation of locality pay; second, the transfer of $700 million in health care costs from the Government to employees; and third, the reduction of the survivor annuity benefit.

Prior to the House action on the budget resolution, I had the opportunity to discuss the disproportionate impact of the President's program on Federal employees with OMB Director Leon Panetta, and he indicated some willingness to work with the subcommittee to address this issue. Shortly thereafter, Chairman CLAY, Chairman HOYER, Chairman SABO, and I agreed to include language in the report on the House budget resolution indicating that the administration and the Budget Committee would work with the appropriate authorizing and appropriating committees to "find acceptable alternative methods for achieving budget savings so that locality pay shall be implemented in fiscal year 1994." This language, which was retained in the conference report, provided the mandate to develop major parts of the plan now contained in the reconciliation bill before us today.

This plan contains several provisions which produced enough discretionary spending savings to cover the cost of locality pay: first, payment of the locality pay adjustment is delayed each year for 6 months until July 1; second, the annual national pay adjustment is delayed 6 months until July; third, caps are set on the amount that can be spent for locality pay in each of the next 5 years; fourth, cash awards for employees are suspended for 5 years; fifth, the accumulation of annual leave by members of the senior executive service is capped; and, sixth, an additional 10,000 civilian positions are eliminated through attrition.

Mr. Chairman, I am gratified that the committee was also able to find direct spending alternatives which enabled us to avoid reducing the survivor annuity, limiting the child survivor annuity, and imposing a COLA cap and COLA reduction on retirees below the age of 62. Finally, the committee prevented a transfer to employees of $700 million of the Government's contribution to Federal employee health insurance premiums by reauthorizing the "proxy premium."

Even with these adjustments, our provision requires Federal workers to contribute considerably more sacrifices and savings than other Americans, including a pay freeze in 1994 and reduced raises for 3 years thereafter. A Herculian effort made by an unusual array of participants, however, has considerably relieved the burden.

The final package adopted by the Post Office and Civil Service Committee was the product of a model collective effort, with employee organizations, Government officials, and Members of Congress working closely together to help reorient the original proposals while achieving the large savings the President requested. It was a worthy goal. I am especially grateful for the cooperation that surrounded it and am proud of the participants who together produced the final product.

Mr. SPRATT. Mr. Chairman, this bill contains more spending cuts and more deficit-reduction than the American public appreciates. The bill also contains new budget process provisions that I suppose we should not expect anyone outside this institution to understand unless he or she happens to follow Congress and our budget process constantly. In 1991, as part of the Budget Enforcement Act, we capped discretionary spending through fiscal year 1995. Those caps have worked; Congress has kept discretionary spending beneath them. In the Budget Enforcement Act, we also set up so-called pay-as-you-go rules, which require that the expansion of benefits has to be paid for with new revenues or offsetting cuts; and that tax cuts must be revenue-neutral. Those rules have worked, and they are extended through 1998 by this bill. Over the next 5 fiscal years, discretionary spending will not exceed the level it reaches this year, and the cap on discretionary accounts will stop over $100 billion in spending that would otherwise occur.

In addition to carrying those rules forward, this bill plows new ground. Neither in Gramm-Rudman-Hollings, nor in the Budget Enforcement Act, did we try to cap entitlements. Entitlements are the source of the problem; the gaping hole in our budget process; the missing piece is the whole puzzle of the deficit.

My colleague, Mr. STENHOLM, and I set out to correct that omission. We began with provisions of a bill that Leon Paneta authored and filed last year. His bill established a baseline for entitlement spending and required Congress to reconcile to that baseline every year. I first modified that plan with a plan of my own that allowed for the baseline to be corrected each year for actual inflation and for actual growth in the beneficiary population. But I retained sequestration as a back-up to ensure compliance. What we have finally settled upon as a compromise in this bill is less than we set out to do, but it is significant. Because of the amendment we offered, this bill sets entitlement spending targets for fiscal year 1994–97, and it forces the President and the Congress to face up to the need for adjustments in direct spending if actual or projected spending exceeds the targets.

Here essentially is how the provisions work:

It budgets targets for entitlement spending, or direct spending for fiscal year 1994 through 1997. The targets come from the path OMB projects direct spending to follow from fiscal year 1994–97 as a result of this Reconciliation Act.

After each fiscal year, OMB will adjust the targets for legislated changes that conform to the pay-as-you-go rules and for changes in beneficiaries above the levels assumed. OMB will then determine how actual spending compares to the adjusted baseline. If actual spending exceeds targeted spending by more than 0.5 percent, the President has to recommend full, partial, or no reconciliation of the coverage, but he must make his case for less than full reconciliation.

The Budget Commission must then report by April 15 a budget resolution with a title addressing any overage reported by the President. if the President recommends reconciliation, the resolution must reduce outlays or increase revenues by at least as much as the President recommends. If the Budget Committee fails by April 15 to report a budget resolution with reconciliation for at least as much as the President recommends, any Member may move to consider the President's budget message.

If the budget resolution does not reconcile the entire overage, it must direct the Government Operations Committee to report a bill increasing the direct spending targets. The House must hold a recorded vote to increase the direct spending targets, and the House cannot consider the budget resolution until it has voted to increase the direct spending targets.

The House may not consider the conference report on the budget resolution unless the conference report fully addresses the coverages by raising the targets or reconciling the overages. The House also may not consider appropriations bills unless Congress has adopted a budget resolution conference report that deals with direct spending overages.

The goal of these provisions is greater visibility and accountability for entitlement spending. The accomplish these goals by budgeting entitlements by establishing spending targets, or a direct spending baseline; making the President and Congress face the need for entitlements reconciliation every year in the budget process; holding Congress accountable for how excesses in entitlement spending are dealt with by requiring a recorded vote on any action less than full reconciliation.

Mr. KLECZKA. Mr. Chairman, today the House will consider the President's deficit reduction plan and will make the most important vote of the year. We all are clearly aware the last election was about the economy, and that we need to act to put it back on the right track. Our future, and the futures of our children and grandchildren, are at stake.

The President has taken the lead in making deficit reduction and economic investment a priority, and House committees have approved and enhanced the President's recommendations. This reconciliation bill makes almost half a trillion dollars in deficit reduction in 5 years, the largest debt reduction legislation in history. The $496 billion in deficit reduction amounts to $1,984 in debt retirement for every man, woman, and child in the Nation. It begins to pay our bills. It improves our financial-standing.

We have heard much from opponents about the tax provisions in the bill, but spending cuts make up half of the deficit reduction achieved in the proposal. There are spending cuts in entitlements, including Medicare and Medicaid, Federal employee compensation, and agriculture. There is budget enforcement which requires that discretionary spending will be cut back below fiscal year 1993 levels, and then frozen at those levels each year for the next 5 years. This cuts spending by $102 billion, and spending cuts begin this year, not years down the road.

Mr. Chairman, taxes are never pleasant. Nobody like them, myself included, but you cannot help cut the debt fairly without them. The taxes in this package are fair. Wealthy individuals are finally asked to pay their share. Seventy-five percent of such new revenues will be paid by the top 6 percent of households. While tax rates for the well-to-do are increased, middle-class tax rates are untouched. Business perks, like deductions for club dues, are eliminated. Foreign corporations will pay their fair share of U.S. taxes. The Btu energy tax will affect many of us, but it is much more fair to each region of the country, and Wisconsin in particular, than a large gasoline tax. However, families with incomes below $30,000 would not be burdened by the Btu tax, since offsets from enhancing the earned income tax credit and other items would compensate for these costs. Again, this is a fair, balanced approach.

Also contained in this legislation are some important investment initiatives. Housing opportunities are improved with the mortgage revenue bond and low-income housing tax credit provisions. Job opportunities are available under the targeted jobs credit and the empowerment zones hiring incentives, and workers can upgrade skills under the exclusion for employer-provided education assistance provision. Small business incentives for capital formation include a capital gains incentive for new, long-term investment in small business stock, and an expensing provision to help small firms acquire equipment and improve cash flow.

The progress on debt reduction made by this bill will be insured by tough enforcement mechanisms. Caps on discretionary spending are extended though, 1998 pay-as-you-go rules prevent new legislation from increasing the deficit, new provisions require action if mandatory spending exceeds estimates, and a new trust fund ensures all savings from this bill must only be used for deficit reduction.

Mr. Chairman, this package takes on the special interests and puts the Nation's best interest first. It breaks the gridlock and moves us forward. It does something, instead of just standing there. It will help put our economy back on the right track. Support the Budget Reconciliation Act.

Mr. LEWIS of Florida. Mr. Chairman, I rise in strong opposition to this tax-and-spend plan, which contains so many fundamental flaws I almost don't know where to begin.

It taxes too much, and it spends too much. Worse, the taxes, like the energy and social security taxes, are unfair. They will slow the economy and create unemployment. In this plan, BTU stands for Big Time Unemployment.

The spending is also wrong. Not one government program—no matter how small—is eliminated. Finally, although there are claims of cuts, this bill raises the debt ceiling to almost $5 billion to pay for its spending over just the next 2 years.

This year, this body temporarily raised the debt ceiling. At the time, a senior Democrat made a statement that summarizes the philosophy in the tax bill. He said, and I quote, "Mr. Speaker, the bills have come due. It is time to raise the debt limit."

Well, the bills have come due. I think it is time to cut spending and pay them.

Defeat this tax and spend plan.

Mr. VENTO. Mr. Chairman, I rise in support of H.R. 2264, the Omnibus Budget Reconciliation Act.

This Budget Reconciliation Act is about making hard decisions. This Budget Reconciliation Act is about leadership, cutting the deficit, and getting the economy back on track. It is about reducing the budget deficit by $500 billion over 5 years. It is about the Congress and the President working together to tackle the tough problems, realizing that these are not "no-sweat" solutions as some try to term and trivialize the issue.

The sacrifice being asked of the people is for long-term gain instead of short-term political advantage. The vote today will have tangible real impacts. This Clinton budget pact is a specific and detailed plan to reduce the deficit and increase investment in American workers and families. It will only succeed in the final analysis with the support of the American people and Congress.

This budget law offers significant reforms and provides a sound policy path to establish new national priorities, restore greater tax fairness, invest in people, and reduce the deficit. It is clearly a radical departure and different from the tired, tried and failed borrow-and-spend policies of the past 12 years. The bill will freeze discretionary spending at the current fiscal year 1993 level, create an important new entitlement review mechanism, and establish a new deficit reduction trust fund. Half of the deficit reduction is to be achieved through spending cuts and the remaining half is to be achieved through revenue increases, all of which will be placed in the trust fund and pledged for deficit reduction.

The restoration of tax fairness is essential to restore credibility for the national government and the overwhelming majority of the taxes fall on those most able to bear the burden. The Congressional Budget Office found that 75 percent of the proposed taxes would fall on the 6 percent of the families that make over $100,000. Families making under $30,000 are, on the whole, untouched after the tax benefits and program improvements are calculated. In addition, vital programs whose extension has been long awaited are part of this bill, including the low-income housing tax credit, mortgage revenue bonds, targeted jobs tax credit, small issue industrial development bonds, among others. The bill also revises the passive loss rules, repeals luxury taxes, and increases deductions for small business equipment purchases. These and other strong provisions will have meaningful effects for our struggling economy.

Mr. Speaker, each committee has carefully examined and provided reconciliation actions for revenue increases, cuts in entitlements and other direct spending programs. Each of the committees on which I serve worked hard to meet our goals and make the tough choices in fees, premiums, and cuts. We need to pass this bill and move the process along to bring in line our skyrocketing fiscal deficit and to turn back the tide on the rising human deficit that we created simultaneously throughout the last 12 years.

I urge my colleagues to vote for this bill to pull us out of the doldrums of seemingly terminal gridlock here in Washington, DC; to put our economic house In order; and to move our Nation forward to a bright future, a future of hope, making the national government relevant and involved in addressing the problems facing the American people we represent.

Mr. SANDERS. Mr. Chairman, as the only Independent in Congress, I will vote today for the President's economic package, but with mixed feelings. It is not anywhere near as good as the program that I have fought for but, in terms of the needs of working people, elderly people, children, the poor, and veterans, it is far superior to what the Republicans are offering.

As most Vermonters know, I am opposed to the energy tax because ultimately it is a regressive tax which falls too heavily on those least able to pay higher taxes. I am also opposed to the tax increase that some middle-income Social Security recipients will be seeing as a result of Clinton's proposal. I have fought hard against both of these tax increases and, as the process continues on to the Senate, into conference committee, and back to the House, I will continue to fight to eliminate these regressive tax increases.

The truth of the matter is, however, that after 12 years of Reaganomics, a $4 trillion national debt, a $260 billion deficit, and a declining standard of living for middle-income and working people, something must be done to move this country toward a balanced budget and a fairer tax system. While very far from perfect, the President's budget proposal does this.

Here are the key points of the proposal:

First, the budget deficit will be cut by $500 billion over the next 5 years. The U.S. Government cannot continue to burden our children and grandchildren with an enormous national debt which will choke economic growth, continue exorbitant interest payments, and drive up interest rates. We must act to control the deficit, and the President's plan makes a serious effort to do that.

Second, while I have deep concerns about the regressivity of the energy tax and the increase in taxes on the top 20 percent of Social Security recipients, most of the President's tax raising proposal is, in fact, progressive. Given the reality that during the 1980's the rich became richer and saw a decline in their tax rates, it is absolutely appropriate that 70 percent of the tax increase falls on families earning more than $100,000 a year, and more than 60 percent falls on those earning more than $200,000 a year. I would go further, but there is no denying that this approach has a strong element of progressivity. According to figures that I have seen, those families with incomes from $40,000 to $50,000 would see a combined increase in taxes of about $275 a year. Those in the lower income categories would see a smaller increase.

Third, one of the most positive aspects of the President's proposal is a significant increase in the earned income tax credit, which will be helpful to all low-income workers—especially those with children. Given the fact that the United States today has the highest rate of poverty in the industrialized world for its children, this could be a very important step forward in improving that situation. Under Clinton's proposal, even with the energy tax, most low-income families with children will end up better off financially, with more disposable income. In other words, the earned income tax credit will more than offset the energy tax—making those families better off.

Fourth, also of importance, the low-income housing tax credit and mortgage revenue bond programs, which are responsible for creating hundreds of thousands of units of affordable housing, will be renewed. Small business people and farmers who buy their own health insurance will again be able to deduct from their taxes a portion of their health insurance premiums. The Food Stamp Program is being expanded to assist the million of Americans who have been hurt by the recession. Access to childhood immunizations will be greatly expanded. The assessment on dairy farmers is being lowered from 11.5 cents to 10 cents per hundredweight. And finally, this proposal protects disabled veterans from cuts in their disability compensation.

To my mind, the major weakness in Clinton's proposal is that he did not go far enough in raising taxes on the wealthy, cutting back in military spending, or eliminating various boondoggle projects such as the superconducting super collider, the space station and star wars. If he had, he could have created the revenues and savings to offset the need for the energy tax and the increased taxes on Social Security recipients.

The Republican alternative offered today would have been far worse for middle-income and working people. Under the Republican proposal, there would have been no tax increases on the wealthy, which means that there would have been massive cutbacks in programs desperately needed by middle-income people, veterans, the poor, children, and the elderly. Under the Republican proposal, Medicare and Medicaid would have been savaged, causing enormous pain and suffering for the elderly and the poor. Social Security COLA's could well have been eliminated. Federal aid to education would have been slashed, raising property taxes and other State taxes. Food stamps, environmental protection funds, grants to college students and programs for low-income people would have been cut.

In other words, after 12 years of Reaganomics in which the rich got richer at everybody's expense, the Republican proposal would have balanced the budget on the backs of those people least able to afford it. That would not be acceptable to me or, I believe, the vast majority of Vermonters. And finally, despite all the Republican hype about deficit reduction, their proposal actually lowers the deficit significantly less than President Clinton's does.

Mr. ORTON. Mr. Chairman, I would like to take this opportunity to express my disappointment that the Rules Committee did not allow the amendment submitted by Representatives COOPER, McCURDY, and myself dealing with amortization of intangibles.

Over the last few months, a number of Members including myself have tried to call attention to the negative impact of adopting a uniform 14-year amortization treatment of intangible assets. We have publicly acknowledged the intent of this legislative proposal, which is to provide clarification to an area that has been the subject of a great deal of dispute and litigation. We recognize the benefits of eliminating the need for costly appraisals, of ending disputes between taxpayers and the IRS, and of providing greater certainty for potential acquirers of businesses with substantial levels of intangible assets.

At the same time, we have been very concerned about the impact of this sea change in tax policy. For the first time, the tax code would allow deductions for goodwill. The purpose of allowing amortization of any asset is to properly match depreciating assets against revenues. Goodwill, however, typically does not depreciate—and certainly does not disappear over a 14-year period in the great majority of cases. At the same time, the 14-year period represents a significantly longer period than is appropriate for assets in many industries. In short, the change is significant and for many taxpayers inequitable.

Our concerns go beyond a mere distaste for accounting mismatches. Although this change does accomplish tax simplification, it also has significant implications in terms of economic policy. As currently drafted, the bill is inconsistent with the goals of the Clinton economic package. It provides tax incentives for paper transactions of large corporations, at the potential expense of small business development, job creation, and home ownership.

Before we enact tax incentives which could have a substantial effect on business decisonmaking, we should remember the economic climate of the last decade. Throughout the 1980's, we witnessed hundreds of billions of dollars of tax shelters and LBO's, transactions that were encouraged by tax policies in effect at that time.

In the case of amortization of goodwill, we could again set the stage for transactions designed to "game" the system through inventive allocations between tangible and intangible assets. The opportunity for this type of gamesmanship is very high in large, complex transactions.

Beyond these concerns, I also believe that lumping all assets into a 14-year life for tax purposes creates a framework that is simple, but not necessarily equitable as good tax policy. We should acknowledge that this change creates a number of winners and losers. The obvious winners are large corporations with substantial amounts of goodwill. Obvious losers include potential homeowners, many small businesses, computer software developers, and insurance agents. By significantly increasing amortization lives for assets in these industries, we are simply raising taxes, without having any real debate on the policy behind these changes.

This is why I am not happy that this matter was not considered either in committee or on the floor of the House. Amortization of intangibles was not a part of the President's economic package. It has consistently been represented as revenue neutral tax simplification. It was inserted in the reconciliation bill without fanfare. Due in part to the Newark Morning Ledger case, it has suddenly become a revenue raiser, in the amount of $2.1 billion over 5 years, according to the Joint Committee on Taxation.

I believe this should have been subject to greater debate and more careful consideration. Nevertheless, the practical reality was that this provision was going to be included in the reconciliation bill. Therefore, we have developed a compromise amendment which retains the benefits of tax simplification, provides a measure of equity for affected businesses, and averts the risk of reigniting a new round of leveraged transactions.

Our amendment includes a number of provisions. First, it provides for a shorter, 7 year amortization period for small business transactions. These are defined as any transaction under $5 million. I believe that this approach is a far more accurate treatment of the lives of intangibles created in small business transactions. Generally, anyone who purchases a small company does not expect the value of any premium they pay in excess of tangible assets to extend for a period as long as 14 years. Unlike conglomerates with brand names or huge advertising budgets, goodwill and other intangibles in a small business are usually depleted over a more rapid period.

Our amendment would also exclude purchase mortgage servicing rights from 14-year treatment. By increasing the amortization period for these rights, the reconciliation bill is in effect a hidden tax on homeowners. Since servicing fees are a component of mortgage rates, tax increases on servicing rights will probably be passed along to the homeowners in the form of higher mortgage rates. Furthermore, this restoration to current law treatment is eminently fair, since the value of the right to service any mortgage is clearly worthless once the mortgage has been paid off. Historical experiences of hundreds of billions of dollars of mortgages clearly establishes that average lives are in the range of 7 to 10 years, as opposed to 14 years.

Our amendment also restores fair amortization treatment for software product lines which are sold in a corporate acquisition. The average product life of software is closer to 2 years, and in current practice is generally amortized over a period of from 3 to 5 years. Fourteen year amortization is an extreme distortion which will tend to discourage the development and acquisition of promising new software applications. In cases where our domestic software firms are competing with foreign firms for the purchase of exciting new software products, we will be driving these technologies into the hands of foreign competitors. This would be tragic, especially since software has been one area in which this country has excelled.

Finally, our amendment would exclude customer lists of insurance agency/brokerage sales from 14-year amortization. Insurance in force has a fairly clearly identifiable average life, which is much shorter than 14 years. Our amendment would treat this asset more fairly, and provide safe harbors for allocation and useful lives to avoid costly appraisals and litigation with the IRS.

While these changes obviously provide for more favorable tax treatment for various industries, we realized that our proposed changes must be made in a way that does not lose revenues. Therefore, our amendment pays for these changes by providing a 28 year amortization period for all intangibles acquired in a transaction of $50 million or greater. This is only fair since many of these transactions will still enjoy favorable tax treatment arising from newly created amortization of goodwill. This longer life treatment would also remove a significant portion of the tax incentive for more leveraged buyouts.

I am not wedded to the specific details of this approach. Adjustments would be made to thresholds, and in fact should be made if they are necessary to maintain revenue neutrality. However, I believe that adoption of this amendment would represent a significant enhancement of the existing intangibles provision found in the reconciliation bill. I urge the Congress to take a careful look at this issue and ultimately to adopt our amendment or any reasonable alternative.

AMENDMENT TO H.R. , THE OMNIBUS BUDGET RECONCILIATION ACT OF 1993 AS REPORTED BY THE BUDGET COMMITTEE

Page 1396, line 10, strike "14-year" and insert the following: "amortization"

Page 1396, after line 16 insert the following new subsection (and redesignate subsequent subsections and any references to such subsections):

"(c) AMORTIZATION PERIOD.—For purposes of subsection (a), the term 'amortization period' means—

"(1) 28 years if the aggregate purchase price paid in the transaction (or a series of related transactions) in which the intangible is acquired is more than $50,000,000,

"(2) 14 years if such aggregate purchase price is more than $5,000,000 but not more than $50,000,000, and

"(3) 7 years if such aggregate purchase price is not more than $5,000,000.

Page 1400, line 18, after "other computer software", insert the following: "and related rights"

Page 1400, after line 22, insert the following new subsection:

"(iii) exclusive rights to software developed as a product line which are acquired in a transaction (or series or related transactions) involving the acquisition of assets constituting a trade or business that regularly licenses, rents, or sells computer software in the ordinary course of business to customers.

Page 1401, line 2, before the period insert the following: ", and the documentation required to describe and maintain those programs

Page 1402, after line 19, insert the following new subsections:

"(8) MORTGAGE SERVICING.—Any right to service indebtedness which is secured by residential real property unless such right is acquired in a transaction (or series of related transactions) involving the acquisition of assets (other than rights described in this paragraph) constituting a trade or business or substantial portion thereof.

(9) INSURANCE IN FORCE AND INSURANCE EXPIRATIONS.—Any list of all insurance policy holders and any list of the expiration dates of insurance policies. In the case of the acquisition of a business the principal activity of which is the sale or brokerage of insurance policies, an allocation of basis to the items referred to in the preceding sentence shall be treated as meeting the requirements of this title if the basis allocated to such items does not exceed 75 percent of the basis allocable to the sum of such items plus all section 197 intangibles acquired in such transaction. The Secretary's regulatory authority under this subsection includes the authority to promulgate safe harbor recovery periods for useful lives consistent with industry practice and experience.

Page 1406, strike lines 20 and all that follows through line 10 on page 1407, and insert the following:

"(i) the taxpayer acquired such intangible from a related person who held such intangible on the date of enactment of this section and at all times thereafter before the acquisition of the intangible by the taxpayer,

"(ii) the intangible was acquired from a person who held such intangible on such date of enactment, and, as part of the transaction, the user of such intangible does not change, or

"(iii) the taxpayer grants the right to use such intangible to a person (or a person related to such person) who held or used such intangible on such date of enactment.

Page 1414, strike lines 17 and all that follows through line 4 on page 1416 [and redesignate the subsequent paragraph]

Mr. ENGEL. Mr. Chairman, I rise today in support of the Budget Reconciliation Act. The President has given us the opportunity to change our lives and the lives of our children for the better with a realistic and responsible economic plan. Change is never easy but we know where the Republican economic policies of the past 12 years have led us. Under the Republican Presidents we have had a crumbling economy, joblessness, an increased budget deficit, and a growing sense of despair felt by the majority of American citizens. We know that trickle-down economics do not work. We know you can not have something for nothing. Let us find the courage to make a change.

Getting the budget deficit down must be our top priority. Otherwise we are mortgaging away the futures of our children and grandchildren. Those who grandstand here and yell only for budget cuts, only want someone else's program to be cut. The fact of the matter is there are no easy answers and the deficit will not be reduced overnight. We have the opportunity to change our Nation's future tonight. We have a responsible and realistic program before us that asks the wealthiest Americans to pay their fair share, asserts that the working Americans should not live below the poverty line, and significantly reduces the Federal deficit, freeing up capital for investment in our Nation and the world.

Some people say this a difficult vote to take, but the Congress can no longer void the tough decisions that must be made to get our economic house in order. I am willing to take a tough vote in order to secure a better future for my constituents and our children. I urge my colleagues to vote for this bill.

Mr. FRANKS of Connecticut. Mr. Chairman, today the advocates of a government-run economy will try to make history by approving the largest tax increase our country has ever seen. Remember that the deficit was created largely by the Democrat-controlled Congress. My colleagues on the other side of the aisle have dominated House of Representatives longer than Castro has dominated Cuba. Now they intend to pay off their spending by taking $273 billion in additional taxes from the American people.

Back in 1990, then-President Bush took a ill-advised risk and supported some tax increases as a way to reduce the deficit. Congress took that new revenue and spent some more. I don't see any reason why this won't happen again. The same old spenders are still entrenched in Congress.

The Clinton plan, of course, is riddled with tax increases designed to lower the living standards of just about everyone. However, the worst two tax increases are the energy tax and the tax on Social Security benefits. The energy tax will cost the typical middle-income family about $450 a year. Of course, Americans will never be able to figure out which $450 it was, because the ripples from the energy tax are hidden in everything that we pay, not just heating fuel and gasoline. The energy tax will destroy 600,000 jobs over the next 5 years. Thousands of those jobs will unfortunately be lost in my district of Connecticut. While President Clinton talks about job creation, he supports Government actions which will put more Americans on unemployment.

President Carter was the last President to institute an energy tax. President Clinton, sitting in the Governor's chair in Little Rock, probably never had to sit in a gas line for hours. However, he must have had his savings eroded by the rampant inflation of the time. Why does the President commit himself to making the same mistake again today? Stop listening to the academics and actors, Mr. President, and start listening to the people who are doing something more productive for our country.

The President also sees an opportunity to take some money from his elders, and he's taking the opportunity. Nine and a half million senior citizens will pay an average of $483 a year more in taxes as a result of President Clinton's vision of change. Senior citizens did not give to the Government when they were younger assuming they would give more to the Government when they were older.

My constituents in Connecticut are expressing their dismay today about this budget. They do not believe that they will benefit from receiving less money in their paycheck. They do not believe that a bigger government can solve their problems. In fact, they see that government is going to make things worse. My constituents tell me that, at the very least, congress should "cut spending first." They know that the Clinton plan includes no net reduction in spending in fiscal 1993 or fiscal 1994. In fact, in its current form, not one government program is eliminated from the budget, not even the honey program. President Clinton has chosen to make all of his cuts in defense. He promotes military weakness abroad even as he promotes economic weakness at home.

I think my constituents would find their desire for deficit reduction satisfied if congress just cut spending. For this reason, and for reasons of common sense, I support the Kasich substitute to the President's budget. It achieves $394 billion in deficit reduction with real, specific cuts and no tax increases.

The advocates of the Clinton tax plan are complaining that the minority party here in Congress is not playing fair. After all, many of the Clinton budget supporters today crossed party lines to support President Reagan's budget in 1981. Well, President Clinton would have received a lot more support if he had introduced a budget plan that agreed with what he had campaigned on. Deceit never earned any friends.

I urge my colleagues to take a second look at the Kasich alternative. It is truly the right approach to deficit reduction. The other approach will result in unemployment, inflation, and recession.

Mr. BONILLA. Mr. Chairman, I rise in defense of the working men and women of Texas, especially the people of the 23rd District.

As we prepare to vote on the President's budget reconciliation package I must plead with my colleagues to look at the severe consequences of only one of the many tax components of the budget—the Btu tax. If passed, it could destroy up to 600,000 jobs nationwide; 37,693 in Texas; and 1,955 in the 23d District alone. And if that is not enough, this regressive tax will continue to hurt those low-income families who do not lose their jobs, but still have to pay extra taxes to drive to work, light their homes and buy their food.

Mr. Chairman, the 23d District of Texas cannot afford to lose close to 2,000 jobs. It cannot afford to lose two jobs. For this reason, I will urge my colleagues to put partisan politics aside and vote for the substitute budget which eliminates the Btu tax along with the other Clinton tax hikes. Although I do not agree with all the elements of the Kasich plan, I do agree with the basic premise of the plan: Cut Spending First and Quit Taxing Americans. Although it's clear this plan probably won't get the support it needs to pass, let's send a message to our colleagues in the Senate to have Government serve the American people and stop this effort to have people serve the Government.

Ms. VELÁZQUEZ. Mr. Chairman, I rise in support of this budget reconciliation bill and in support of President Clinton's plan for the future of America.

I have been listening to the debate on the floor and in particular to the Republican rhetoric about how this plan will drive this country to ruin. Well, guess who got us where we are today? Under Republican rule, this Government cut taxes on the rich, eliminated investments in our cities and our people, and what did it get us—spiralling crime rates, millions of homeless Americans, ravaged communities and a loss of faith in the Government's ability to serve its citizens. And, in addition to this social deficit, their plan prompted an explosion of the budget deficit and the Federal debt. So today, President Clinton and the Democratic party offer a tough and balanced package to clean up 12 long, painful years of failed supply-side economics.

We have also heard our Republican colleagues complain about the tax provisions of this bill. What they have forgotten to mention is that 73 percent of the net tax increase in the legislation will fall on households with incomes over $100,000. We have heard our Republican colleagues gripe about the wasted spending in this bill. What they have forgotten to mention is that the bill includes $75 billion in tax incentives for investment and jobs.

There certainly are parts of this legislation that I do not like. But, we must consider this reconciliation bill as a package, an investment package that carefully balances the needs and ambitions of our country for jobs, housing, education, and economic development with the reality of the bloated deficit. Therefore, we must come together and prove to the American people that we, as a Congress, can govern.

Mr. Chairman, I urge my Republican colleagues, if you are going to talk the deficit reduction talk, then walk the deficit reduction walk and support H.R. 2264, the largest deficit reduction package and most ambitious investment plan this country has ever seen.

Mr. STOKES. Mr. Chairman, I rise today in strong support of H.R. 2264, the Omnibus Budget Reconciliation Act of 1993. This legislation is the largest deficit reduction package in the entire history of the United States. H.R. 2264 includes measures which will help reduce the deficit by $500 billion over the next 5 years, balanced equally between spending cuts and revenue increases.

The American people have clamored for years for the Federal Government to end the gridlock; to end the war of words; to end the self-congratulatory political posturing on the issue of deficit reduction, and take serious action to address the problem.

Here we stand today debating legislation that, for the first time, will answer the calls of the American people, and enact responsible cuts in spending and raise additional revenues by restoring fairness to our Nation's tax system. Here we stand, just a few months after the inauguration of a new President, who embodies the spirit of change demanded by the American people, and who represents a new generation of leadership. Here we stand, before the American people, with the duty to enact a real deficit reduction bill, which contains a comprehensive plan of reasonable revenue increases, and spending cuts.

H.R. 2264, President Clinton's proposal, is the only responsible plan which has been introduced, and the only plan which will actually reduce the deficit.

Passage of H.R. 2264 will meet the basic goal set in President Clinton's economic agenda submitted in February, and in the congressional budget resolution adopted in April—deficit reduction of roughly $500 billion over a 5-year period. The legislation contains entitlement spending cuts, establishment of discretionary spending caps, savings realized from improvements in government debt management policies, and tax increases which fall predominantly on the wealthiest Americans and corporations. Also, the bill includes investment provisions to encourage long-term investments in small businesses, the prime engines of economic growth in our Nation. In addition, H.R. 2264 expands the earned income tax credit for low-income families to offset the effect of the new energy tax, and provides tax incentives for economically distressed areas to increase business activity and create jobs.

Mr. Chairman, I stand here today, representing the people of the 11th District of Ohio, the residents of the city of Cleveland, and suburban areas of Cuyahoga County. I know what my duty is to the men and women who sent me to the U.S. Congress to represent their interests. President Bill Clinton was elected by the American people because he promised a change from the failed policies, empty promises, and cynical rhetoric of the last dozen years. We all stand here today with the opportunity to fulfill the people's desire for change. I urge all my colleagues to stand with the President, to stand with the American people, and vote in favor of H.R. 2264, the Omnibus Budget Reconciliation Act of 1993.

Ms. E.B. JOHNSON of Texas. Mr. Chairman, the legislation we will vote on today is probably one of most important and crucial tests we will face this year. I am ready for that challenge. We must be prepared to make the tough choices that are demanded of us. President Clinton has put together an economic package which will stimulate the economy and also bring down the deficit.

The American public endorsed the President's plan by electing him to office. They voted for a change in the way we are managing our Government's bank account.

This measure includes $75 billion in tax incentives to encourage investment in small businesses which we all concede is the best mechanism for creating new jobs. Many of these jobs would be in communities where individuals have low incomes. Overall the State of Texas would add approximately 10,399 new jobs in 1994. Personal income would also grow by $530 million in this same year if this package is passed.

I am from an energy-producing State, and I can tell you there are a lot of misconceptions about the impact of the Btu tax upon families. When the tax is fully implemented, the cost will be approximately $10 per person per month. The expansion of the earned income tax credit will more than offset this impact for low-income families. The structure of the Btu tax is fully consistent with a more progressive tax code.

The final results of the Btu tax will be to reduce energy consumption nationally by 7 percent, and reduce our dependence on foreign sources of oil in the year 2000 by more than 400,000 barrels per day. Even once the Btu tax is fully phased in, U.S. energy prices will remain the lowest in the G–7 countries.

I know critics of this bill will tell you that the Democrats are at it again. They want to tax you to death. What they will not tell you is that the majority of new taxes will be paid by families with $200,000 and over a year incomes.

Enactment of this bill will cut the deficit by $250 billion over the next 5 years. More importantly, it will be achieved through equal spending cuts and revenue increases.

I ask my colleagues to join with me in supporting the President in his valiant efforts to get our country moving once again because the entire country would reap the same benefits in job and income growth as the State of Texas.

Mr. KYL. Mr. Chairman, this tax bill does represent change: It is bigger than any other tax increase in the Nation's history—$332 billion in gross receipts over the next 5 years. Beyond that, it is business as usual.

Mr. Chairman, no Nation has ever taxed itself into prosperity. Higher taxes are merely part of a vicious cycle that leads to more Federal spending, higher deficits, more borrowing and higher debt, increased interest costs, and then higher taxes again. In the meantime, the economy suffers.

There is only one way to break the cycle: cut spending.

When George Bush agreed to the last tax increase in 1990, I thought he erred, and I said so. I did not go along for partisan reasons, and I do not believe partisanship should be the deciding factor on today's bill.

The American people want Congress and the President to do something about the Federal budget deficit. But, just as the first rule for a physician, when treating his or her patient, is to do no harm, so too should Congress avoid passing something, simply to demonstrate action, if it harms the American people in the process.

This tax increase will cause real and lasting harm. According to the nonpartisan Tax Foundation, the Btu tax included in this bill will put an estimated 969 people in my congressional district alone out of work. More than 6,300 Arizonans will lose their jobs as a result of the new Btu tax; 463,000 people will be added to the unemployment rolls nationwide as a result of this one tax increase alone.

And, the negative impact does not end with job losses alone. The Btu tax is estimated to cost the average family another $500 a year. That may not be significant for a President who pays $200 for a single haircut, but it is significant for millions of American families who are already struggling just to put food on the table, pay the rent, or save for their children's education.

This bill will increase taxes for nearly 10 million Social Security recipients, and that number will rise to nearly 14 million by 1998. The average senior citizen will pay an extra $483 the first year the Clinton tax increase takes effect. And, that is on top of the additional costs imposed by the Btu tax.

Overall, the Tax Foundation estimates that the average family will pay just over $900 in additional taxes a year under the Clinton plan.

The bill raises taxes on job-creating companies, including thousands of independent small businesses. The higher income tax rates will discourage work, investment and savings, an encourage wasteful tax-sheltering activities. Companies cannot create jobs or pay better wages when money must be used to pay the tax collector.

When all of these new taxes ultimately choke off economic recovery, less revenue will flow to the Treasury than projected, and we will be confronted again in a year or two with calls for yet another tax increase. When will Congress learn to just say "no" to new taxes?

President Clinton assures us that the American people are willing to pay higher taxes if they can be sure the additional money will be used for deficit reduction. A lack of revenue is not the problem.

The deficit does not exist because the people are taxed too little, but rather because Government spends too much.

Let us take a look at just what is in this bill besides tax increases: $7.29 billion in additional spending for food stamps; establishment of a new $300 million annual entitlement program for emergency immigrant health services; COLA's, albeit reduced COLA's, for Members of Congress between 1995 and 1997; and $28.3 billion for expanded earned income tax credits.

There is more than a bit of irony in significant amounts of new spending in a deficit reduction bill.

In all, the ratio of net tax increases to net spending cuts in the bill is about four-to-one. That turns the President's promise of $2 in spending cuts for every $1 in tax increases on its head. And, it is questionable whether or not even the modest spending cuts in this bill will ever materialize. Ninety-three percent of the spending cuts in the President's budget are slated to occur, not now, but 4 or 5 years from now.

By now, the American people must be thinking that they have heard it all before, and they have. The bill is loaded with the same kinds of gimmicks that have appeared in deficit-reduction bills which have failed to do the job in the past.

For example, $8.8 billion in claimed savings from ending lump-sum payments for Federal retirees is achieved by shifting costs to future years.

Maybe it is because of a lack of confidence in all of the gimmicks that sponsors of the bill have also included provisions to increase the public debt limit to $4.9 trillion. That is an increase of $530 billion from the current limit of $4.37 trillion, and is expected to accommodate spending just long enough to last through the 1994 elections.

There are some good things in this bill, including passive loss reform, repeal of the luxury tax for most industries—it should be repealed for all industries—extension of the targeted jobs tax credit, the exclusion for employer-provided educational assistance, and small-issue manufacturing bond authority, to name a few.

But, the bad far outweighs the good, and the overall impact of the plan will be economic stagnation.

Mr. Chairman, I had sought from the Rules Committee the right to offer an amendment which would have attacked the deficit problem head on. It would have ratcheted down Federal spending levels as a share of gross domestic product, and enforced those spending limits with across-the-board spending cuts similar to those established by the Gramm-Rudman-Hollings law from a few years ago. No new taxes would be required to balance the budget in just 4 years.

Unfortunately, the Rules Committee chose not to make my amendment in order, and a majority of House Members went along with the Committee in adopting a rule that precludes virtually all amendments. That means no chance to improve a bill which, by the Clinton administration's own figures, will lead to a deficit of $400 billion by the year 2000.

Mr. Chairman, this bill is a prescription for bigger, not smaller, deficits as well as economic decline. The solution is less spending, not more taxes. I urge my colleagues to vote against this business-as-usual tax bill.

Mr. LIGHTFOOT. Mr. Chairman, I rise today to voice my strong opposition to this tax-and-spend package.

I have heard my Democratic colleagues say that it is showtime for President Clinton's tax-and-spend package. But I beg to differ with them. I think it is show and tell time. It is time for the Democrats to tell the truth about what is in this package and the effect it will have on the middle class, farmers, the deficit, and job creation.

My constituents are smart enough to see the truth. They have bombarded my office to express their thoughts on this tax package. At a rate of 15 to 1, they have sent a clear message: No more taxes—cut spending first.

President Clinton has tried to sell this fairytale tax package as a reasonable mix of tax increases and spending cuts. But there are $6.35 in new taxes for every $1 in spending cuts. The tax increases start immediately, some retroactive to January 1, 1993. The spending cuts will not take place for another 2 years. It is the same refrain: Tax now, spend now, cut later.

Particularly onerous is the energy tax which will cost 857 jobs in my district alone. Consumers will pay more for gas at the pump, more for the home heating costs, and more for utility bills. Because energy is needed for all goods and services produced in the economy, the energy tax will result in higher prices for everything we buy and will fuel the fire of inflation.

The energy tax will also have a devastating impact on agriculture production. This comes on top of a reduction of $2.9 billion in USDA farm programs. In their generosity, fuels used for farming has been allowed a partial exemption. However, ethanol, a clean burning, abundant, and largely renewable energy source which was previously exempted, is to be taxed at the top rate. What the right hand giveth, the left hand taketh away.

Last year, candidate Clinton said he was committed to putting people first. However, President Clinton's actions show that he is committed to taxing people first.

Mr. SMITH of New Jersey. Mr. Speaker, I am united with the Republican Members of the New Jersey Congressional Delegation in opposition to the Clinton tax package.

Today, I will be voting against the Omnibus Budget Reconciliation Act of 1993, since it contains a whopping $327 billion gross tax hike and a net $273 billion tax increase over the next 5 years. This will be the largest tax increase in the history of this Nation.

According to the Tax Foundation, New Jersey will be the second hardest hit State in the entire Nation—suffering a gross tax increase of $412 per capita annually. Of the promised deficit reduction, 87 percent comes from tax hikes, only 13 percent is spending cuts. Next year, taxes will increase by $35 billion but spending cuts will be less than $2 billion. That is $20.70 in taxes for every $1 in spending cuts.

This bill is front-loaded with tax increases. All the spending cuts, however, come in the out years. These may end up being phantom spending cuts that never materialize. Given the administration's practice of transforming its position on issues, the taxpayer had good reason to doubt the legitimacy of these future cuts.

In stark contrast to his ill-fated campaign promises, Mr. Speaker, the middle class will pay these new levies. The energy tax will add at least 8 cents per gallon of gasoline and raise the cost of nearly every product purchased. Middle-class seniors will see their Social Security tax jump from 50 percent to 85 percent and face an increase in the estate tax which will rob their heirs. Sadly, Social Security payback will now take longer than the average recipient's life span.

The energy tax increases will also have a devastating impact on our fragile economy. DRI/McGraw Hill estimates that the energy tax will cost 400,000 jobs by 1998. The National Association of Manufacturers has an even gloomier estimate, they predict 610,000 jobs will be lost and $38 billion in economic output will dry up. For New Jersey alone, the Tax Foundation estimates that we will witness the elimination of 14,206 jobs through 1998.

Mr. Speaker, in another abdication of financial responsibility, the tax increases are retroactive to January 1, 1993, yet the vast majority of the spending cuts are delayed into future years. Tax today, cut tomorrow, is the wrong philosophy. We cannot accept today's tax increases on the promise that spending cuts will materialize down the road.

In short, Mr. Speaker, the Clinton plan will entrench our economic problems, harm middle-class taxpayers, and further burden senior citizens. It must be defeated.

Mrs. MEYERS of Kansas. Mr. Chairman, today the House of Representatives will vote on the largest tax increase proposal in history—$332 billion over the next 5 years. I will not support this proposal, and I urge my colleagues to reject these tax increases which will only exacerbate our economic problems.

While the economy was on the upswing at the end of 1992—it expanded at a strong annual rate of 4 percent from July to December—since January we have experienced a slowdown. The latest bad news was the March merchandise trade deficit, which at $10.2 billion was the largest shortfall in almost 4 years.

The legislation we are presented with includes a new border tax on imported products that the Secretary of Treasury determines have an energy content of 2 percent or more. In an effort to offset the effects of the Btu tax on American business, the Ways and Means

Committee added this tax on imported goods to roughly match U.S. manufacturers' increased energy costs. But our trading partners will retaliate, and assuming that tariffs will be proportional, American business can expect to have about $1 billion in new tariffs slapped on American goods sold overseas. This tax, along with the Btu tax, will have a significant impact on American competitiveness—especially in the small business community. With our current trade deficits, we should be taking positive steps to help American businesses boost exports, and instead we are being asked to increase taxes.

I am also concerned with the increase in the regular individual income tax rate brackets to 36 percent and 39 percent, the surtax rate on incomes over $250,000. These increases fall not only on high-income individuals, but on many small businesses. Over 16 million of the Nation's 20-million small enterprises are organized as sole partnerships, partnerships, and subchapter S corporations. They pay individual, not corporate, tax rates. These higher rates will quash any planned expansion or the hiring of additional employees. Just yesterday I received a letter from a small businessman who said: "As an S corporation all profits are passed to me for taxation. This raises me personally to a higher bracket although most of the money I receive is put back into the company for operations. Higher taxes mean less profit for saving and investment and reduces my ability to withstand tough competition from the larger firms. Untimely, I would be forced to lay off employees."

Finally, we are forgetting history, where the lesson is clear. While I could cite other budget agreements, I will just mention one. The 1990 Omnibus Budget Reconciliation Act included a $164 billion tax hike and promised $500 billion in deficit reduction over 5 years. CBO now estimates a 5-year deficit total of $1.4 trillion, or $875 billion higher than promised.

Let us listen to the people. They want substantial spending cuts—before any taxes are increased. And, how many times do we have to learn the OBRA lesson? The Clinton offer of $332 billion in new taxes and promised spending cuts means we are walking down the same path taken in 1990. My constituents are saying it is time to change direction.

Mr. DREIER. Mr. Chairman, in addition to the largest tax increase in American history, I oppose the budget reconciliation bill because it will penalize nonprofit volunteer organizations. Nonprofit organizations care for our sick and homeless, and our young and old, saving taxpayers thousands of dollars each year in services that the Government might otherwise be forced to provide. Yet the budget reconciliation act contains a provision to increase the postage rate for nonprofit organizations by 28 percent over 6 years. This measure will have a devastating effect on nonprofit organizations. We need to consider the real world implications of our actions before we strike this blow to the volunteer organizations of America.

For example, the Los Angeles Mission cares for the hungry and homeless in downtown Los Angeles. This postage increase would raise their postage costs by an additional $483,783 each year. This amount would pay for 308,142 meals for the homeless, as well as 12 months of live-in rehabilitation for almost 100 people—including counseling, physical education, classroom study, job training, and recovery from addiction. What it all boils down to is that this postage rate increase means that a few more homeless individuals will have to go without food and shelter.

We need to craft an alternative that will not hit the volunteer community and their beneficiaries so hard. I urge my colleagues to vote against the budget reconciliation bill and work for a more reasonable alternative that will not devastate nonprofit volunteer groups.

Mr. DEFAZIO. Mr. Chairman, I will give my qualified support to the President's budget plan. There is a lot to recommend it. It represents the first honest attempt at deficit reduction we've seen in 12 years. It marks the end of Ronald Reagan's legacy of borrow-and-borrow, spend-and-spend.

The President has made a serious effort to grapple with the Nation's crippling debt. He has made an important first step in restoring fairness to the tax code by raising rates on the wealthiest taxpayers who saw their taxes slashed during the 1980's. In fact, 75 percent of the taxes in this bill will be paid by the wealthiest 6 percent of American families.

As I said, this is an honest attempt to reduce the deficit. But it contains a number of provisions that are very troubling to me. I've spoken with the President about my concerns and he has promised to work with me to address them. He knows that if my concerns are not satisfied, I will vote against final passage of this budget plan.

The most burdensome provision in this bill is the new tax on energy. It not only falls most heavily on working and retired people, it is especially hard on the Pacific Northwest. It taxes hydroelectric power, which provides about two-thirds of the Northwest's electricity, at the same rate as it taxes nuclear or coal-fired power. Hydro may not be the most environmentally sound energy source, conservation is clearly much better, but to equate hydro with nuclear power is ludicrous. I do not support the energy tax.

I am also very dubious about the need to increase the tax on Social Security benefits for retired couples earning more than $32,000 and individuals earning more than $25,000. Why are we raising taxes on Social Security beneficiaries when we refuse to make meaningful cuts at the Pentagon? Just yesterday, a majority of my colleagues voted to add $1.2 billion to the deficit in the form of brand new spending for the Pentagon at a time when the generals over there are sitting on a $50 billion bank account that they haven't spent.

I will work in the coming weeks to reduce this new burden on retired Americans.

My support for this bill is weak, Mr. Speaker, but on balance I believe we need to move beyond gridlock and begin the hard work of getting this Nation's fiscal house in order. I see no alternative but to move forward with this far-less-than-perfect beginning.

Mr. LEVY. Mr. Chairman, the tax increases in this legislation mean fewer jobs, higher prices and poorer taxpayers. This is not what the American people expect from their Government.

The proposed energy taxes will mean over 1,000 lost jobs in my district alone and over 31,000 lost jobs throughout New York State.

The energy tax will cost the average Long Island family almost $200 in direct costs. New York State businesses face $200 million in additional taxes which mean higher prices for consumers.

Adding insult to injury, the energy tax is indexed for inflation to guarantee higher taxes on businesses and families each year.

Mr. Speaker, the American people cannot afford more taxes. Our national economy, already weakened by years of recession, cannot be saddled with tax increases which will eliminate more jobs and take more money from taxpayers to pay for more Government spending.

I urge my colleagues to join me in opposing this measure.

Mr. BALLENGER. Mr. Chairman, the Clinton proposal raises over $355 billion in new taxes, the largest tax increase in U.S. history, as part of a plan to reduce the Federal budget deficit. The President and the Democrats raise new taxes without eliminating a single Federal program in the first few years of the plan. The plan includes a $71 billion energy tax and $32 billion in taxes on senior citizens.

According to several studies, the energy tax will cost the U.S. economy almost 600,000 jobs by 1998, and it will lower economic growth by $35 to $50 billion. The energy tax will raise the cost of practically every good and service that Americans produce, resulting in higher prices for consumers and making American workers and companies less competitive in the world market.

The average American family of four will pay an additional $500 per year in energy costs as a result of the energy tax, according to a study by the American Petroleum Institute. This is in addition to the $2,150 that the average household already pays each year in energy costs. A study by the Affordable Energy Alliance shows that a large number of the States' high-paying industries—mining, manufacturing, construction, and agriculture—use a lot of energy and will be the ones hardest hit by the tax. If the Clinton tax had been in effect in 1990, North Carolina residents and industries would have paid $714.8 million in additional energy taxes. The Alliance notes that a tax burden this large will slow the economy of the State, cost jobs, and make goods and services produced in North Carolina less competitive in world markets.

Consider for example the case of a company in my district, called the Timken Co. The Timken Co. is a leading international manufacturer of highly engineered bearings and alloy steels. If the proposed energy tax becomes effective, the direct cost impact on the company resulting from higher energy needs will be $5.6 million. To put that in perspective, the company's net income from worldwide operations amounted to only $4.5 milion in 1992. The energy tax will cost manufacturing jobs, and diminish the ability of energy-intensive industries like the Timken Co. to compete in the international market.

Clinton's plan will also raise taxes on Social Security recipients. Under current law, older Americans with a modest income, $25,000 for singles and $32,000 for couples, pay income taxes on up to 50 percent of their Social Security benefits. But under the Clinton proposal, seniors will pay taxes on up to 85 percent of their benefits. This increase will raise $32 billion over 5 years. A study by a senior advocacy group shows that the average senior citizen will pay $483 a year in new taxes.

Finally, the President's plan will have a devastating effect on small businesses. According to information from the National Federation of Independent Business [NFIB], 80 percent of businesses in America pay taxes as individuals; not as corporate entities. The Tax Code also taxes the profits of a business, not what the owner takes home. This means that business owners are taxed on the money they reinvest back into their business. As a result, the Clinton tax plan will increase taxes for individuals, increase the tax burden on small business owners, and hurt economic growth and expansion.

Consider the following example:

A SMALL MANUFACTURER

Mr. Williams owns a manufacturing business. At the beginning of 1992, he decided to buy a new piece of machinery to expand his company's manufacturing capacity. In 1992, his business earns $1.5 million, and he purchased a new $500,000 machine.

This is how Mr. Williams spent the $1.5 million his company earned in 1992—

New machinery	$500,000
Other expenses and labor	890,000
Salary for Mr. Williams	110,000
Total expenses	1,500,000

The Tax Code requires business owners who purchase more than $10,000 worth of equipment to depreciate the cost of the equipment over a number of years. As a result, Mr. Williams will only be able to deduct part of the cost of his new machine in 1992. The rest of the cost of the machine will be included in his income. In 1992, Mr. Williams will pay tax on approximately $410,000 (his salary plus the cost of the machinery that is not deductible in 1992). This is how the President's proposed changes to the tax code would affect Mr. Williams:

Tax change	*Extra tax paid*
Increase in top rate from 31% to 36% (assuming he is married)	$13,500
Elimination of the HI wage cap	7,830
Limitation on personal exemption and itemized deduction	3,400
Income surtax	5,760
Total tax increase	30,490

Please note that the example I just cited does not include the burdensome impact of the energy tax.

The Kasich plan/Republican substitute offers an alternative vision for America. The plan reduces the deficit by $352 billion over the next 5 years and does not increase taxes or touch Social Security benefits. The Republican plan is based on the premise that the proper solution to spiraling deficits is to cut Federal spending. The Republican plan accepts certain fundamental ideas: that Federal resources are limited, that we must make the tough choices on spending priorities, and that unaccountable spending can not go unchecked.

The Republican plan makes tough choices and needed changes. Last year the American people made it clear that they wanted change. President Clinton has defined change as more taxes and more Government spending. House Republicans define change as cutting spending first, working to lower the tax burden on Americans, and eliminating outdated and wasteful spending programs. The Kasich plan deserves everyone's support.

Mr. WAXMAN. Mr. Chairman, there are many reasons to vote for this legislation, many of which have been noted by my colleagues this afternoon. I would like to call the House's attention to some provisions that have received less attention.

In my view, one of the most hopeful features of this budget package is the childhood immunization initiative. The Clinton administration has come forward with proposals to assure universal access for all American children to vaccine against such dreaded illnesses as polio, measles, and diphtheria.

This proposal will require that all insurance plans continue their coverage of vaccines and will provide free vaccine to children who have no insurance coverage. In addition, this will provide free vaccine to children who are Medicaid beneficiaries or who are Indians.

This initiative is essential for a number of reasons. The first and most obvious is to end any financial disincentives to immunization that parents may have. The cost of full immunization has risen dramatically over the past years because of a combination of new vaccines, excise taxes, and price increases. Indeed, in other parts of this bill, the House will be approving a necessary reinstatement of the excise tax which could prove a significant expense to some low-income parents. This part of the bill will allay that expense for many people. For whatever reason, parents have to dig deeper to get full immunization for their children.

Second is to eliminate incentives for the growing problem of private-to-public shifts for immunization. There are widespread reports of doctors in private practice sending their patients to public clinics to receive free vaccines. This practice has two disadvantages. It adds to the problems of short-funded and overwhelmed public clinics and it sometimes results in children falling between the cracks and who are not getting their shots at the appropriate time.

And third is to free up some Federal and State immunization dollars to be used for the infrastructure of services: more accessible clinics, longer clinic hours, more school nurses, more public health outreach workers, and so on. Without these services, no matter how low the cost of vaccines may be, immunization rates will never reach the desired levels. In addition to these freed-up funds, this bill also authorizes significant increases for these infrastructure services.

This package of immunization programs is the right place for us to start health reform. It starts with children, it starts with health reform, and it starts with universal access. I urge my colleagues to support this effort.

Ms. ROYBAL-ALLARD. Mr. Chairman, I rise in support of the reconciliation bill.

The vote that we must cast today in support of the bill is not an easy one. Each of us is being called upon to make concessions and compromises we would prefer not to make. But it is the right thing to do. It is also what our constituents elected us to do. To make the tough decisions.

Our Nation is at a critical cross-road in its political and economic history. The deficit, which has grown at unprecedented levels over the past 12 years, must be controlled if we are to move toward the much-needed economic recovery. This bill provides a vehicle for that deficit reduction through targeted spending cuts and revenue increases.

More importantly, however, we need to send a clear message that we are moving in a new direction. We must prove to the public and the business investment community that we are willing to look to the future and abandon business as usual. This bill sends that message.

The reconciliation bill does not, and cannot, address all of our needs and concerns. But it is a positive first step forward that deserves your support. It is time for each of us to demonstrate the same courage and leadership as President Clinton in meeting this important challenge.

Mr. KENNEDY. My fellow Democrats, I am proud to rise to support President Clinton's deficit reduction plan.

First of all, President Clinton has presented to us the first credible plan to attack the deficit in the past 12 years. His plan will cut the deficit by $500 billion, split evenly between taxes and spending.

It is the most serious effort to attack the basic and fundamental problem facing our economy since I have come to Washington.

Nonetheless, we have heard that old saw trotted out by the opponents of the President—"tax and spend."

I offer no apologies for the taxes in this plan. Make no mistake about it, the wealthy—those who have found their incomes rising and their taxes shrinking in the 80s—will pay the vast majority of the taxes in this bill—75 percent of all the taxes will be paid by families making more than $100,000. This is absolutely fair, and I look forward to these changes.

We also do ask middle income Americans to pay some taxes. They will pay about $10 per month in energy taxes. Of course, this is tough. We all wish it was unnecessary. I do not want a tax on energy, either.

But the fact is, the deficit is a much more severe tax. It hurts our ability to compete, to invest, and to create good jobs. And our constituents have told us repeatedly they are willing to pay more, if the money goes to deficit reduction. And it will—the deficit trust fund ensures that.

The energy tax is broad-based and geographically fair. It will reduce our dependence on foreign oil, spur development of energy efficient technologies, and encourage conservation.

I agree with many of my colleagues who would like additional spending cuts included in this package.

But let's not get trapped by empty Republican rhetoric, here. There are lots of tough cuts in this package—$100 billion in discretionary cuts and $90 million in entitlement cuts. Discretionary spending will be frozen at 1993 levels for the next 5 years. Absolutely frozen.

This will bite and bite hard on education programs, job retraining programs, trade adjustment assistance, and a host of other programs important to many of us.

But the deficit must be brought under control.

The fact is, the Republicans have no credibility on the deficit. They created the problem.

They try to blame Congress. But the Congress spent billions of dollars less than two Republican Presidents requested.

The Republicans love the position they're in—without the White House in Republican hands, they don't even try to act responsibly. They can do what they like doing best—obstruct progress, throw stones, build roadblocks.

But we must move forward.

We cannot oppose this plan because we do not agree with every provision.

We cannot vote "no" because the plan is not perfect.

No vote to raise taxes and cut spending is an easy vote. But it is a vote we must cast if we want to get the deficit under control and the economy on the road to building high-paying, high-value added jobs.

Mr. SPENCE. Mr. Chairman, I rise in opposition to the Omnibus Reconciliation Act of 1993 for many reasons that will be articulated by my Republican and Democrat colleagues today—the largest tax increase in history, severe defense cuts, and continued growth in domestic spending and entitlements.

As the ranking Republican on the Armed Services Committee, I rise in specific opposition to the legislation because of the unfair and damaging burden it places on the military community—military personnel, families and retirees.

Last year, candidate Clinton declared, "First let's provide for a strong defense. Then we can talk about defense savings." Now, under the questionable notion of treating all Federal civil servants equally in the name of deficit reduction, it's clear to me that a strong defense and concerns for military personnel are not high on the President's priority list.

First the President, then the Budget resolution, endorsed a military pay freeze in fiscal year 1994, a reduction of military COLA's in the outyears, and a reduction in military retiree COLA's. Republicans on the Armed Services Committee unanimously rejected the Budget Committee's approach to military pay and retiree COLA's, and I do not imagine that the position most of my Republicans colleagues adopt today will be any different.

First, unlike the President, and many of my colleagues who voted for the Budget resolution, I do not consider military personnel the same as all other Federal civil servants. The military is not a 9 to 5 job. It's a 24-hour-a-day, go anywhere at a moment's notice lifestyle that demands daily sacrifice of all who serve, and their families as well. Therefore, I disagree with the notion that they ought to share my deficit reduction burden equally with other Federal civil servants. Who here honestly believes that military personnel and their families do not already share in the pain? For the doubters, let me give you a few specific examples from the hundreds that come across my desk:

There is the marine staff sergeant who is married with two children. In less than 4 years, he has spent 759 days deployed away from his family.

Next is the Army captain. He is also married with two children. In the 18 months, this family has been forced to move three times: From Germany to Oklahoma to New York. Due to moving expenses not reimbursed by the Government, family finances are drained. His wife is unable to find work at the new duty station. The captain is frequently away on training deployments. Both the captain and his wife are now in marriage counseling. Recently the captain learned that he had been passed over for promotion and faces an unexpected separation from service.

Or then there is another marine staff sergeant. He's married with three children. The sergeant has been deployed away from home 21 of last 40 months. He's missed 21 major holidays, 5 birthdays and 2 Christmases with his family. He says, "One thing is for certain—returning from a deployment, hugging your kids and having them cry because they don't know you tears your heart out, and makes you wonder if it's all worth it."

Second, even if I agreed that the President's idea of shared sacrifice by all Federal civil servants was logical, I contend that defense is the only component of the Federal budget that has been, and under this administration will continue to be, contributing to deficit reduction.

For example, under the fiscal year 1994 Budget resolution, non-defense discretionary spending actually grows by $30 billion over the next 5 years above and beyond the rate of inflation. From essentially the same inflation-adjusted baseline, defense spending will be reduced by over $180 billion. These Clinton cuts follow 8 consecutive years of real decline in defense spending under Presidents Reagan and Bush. How the disconnect between these numbers can be construed as an equitable sharing of deficit reduction efforts is beyond me.

Third, I believe that to cut military pay and tamper with retiree COLAs is to meddle with critically important recruiting and retention incentives. As noted in press reports yesterday, all the military services are already experiencing difficulty attracting quality recruits. For example:

Army recruit quality recently hit a 10-year low. On average, recruit quality for all services is the lowest in 3 years.

Even during a time of relatively high unemployment, the number of young people who say they are likely to join the military services has declined to its lowest levels in several years.

As the Army Personnel Chief recently told the Armed Services Committee regarding recruiting, "I see no good news on the horizon."

Fourth, in terms of pay, most military members are ordinary, middle-class citizens—a group Candidate Clinton promised to protect. For example: 70–80 percent of all enlisted people earn less than $30,000 per year; 50 percent of enlisted people in the Army, 46 percent in the Marine Corps, 26 percent in the Navy and 18 percent in the Air Force earn less than $20,000 per year. Of these, 118,000 are minorities, 112,000 have families and 6,500 are single parents.

Therefore, the Clinton pay cuts in this omnibus reconciliation bill break faith with the military and with America.

Fifth, military pay already lags behind inflation and civilian wages. In the past 10 years, military pay has fallen 7.8 percent behind inflation and 11.7 percent behind civilian pay. If this reconciliation bill is enacted, military pay will lag 21 percent behind the civil sector. I remind my colleagues that in the late 1970s inadequate pay—coupled with increasing duty requirements—caused quality people to quit the military, or not to join at all. The force became hollow. It took over a decade to build the All Volunteer Force we all saw perform so well in the Persian Gulf following the apathy of the late 1970s. We ought to learn from our costly mistakes of the past.

Finally, reducing the retired pay of military personnel while simultaneously forcing early retirements due to the on-going defense builddown imposes a double penalty on dedicated service personnel. Thus, any claims of savings attributable to savings in retired pay will be more than offset by costs incurred in human terms.

I urge my colleagues to reject this bill. If my words do not persuade you, perhaps those of a Marine Corps sergeant will. According to the sergeant:

> For 2 years, 1988–1990, I spent only 35 days in port with my family. Then, I deployed, to Saudi Arabia. Deployments to Panama, Okinawa and Somalia followed. Of the year 1992, I was only home 4 months. I am a stranger in my own home. My children know me by pictures on the wall. The Marine Corps is my life. The Corps and my family are all I have in this world.

Mr. Chairman, this dedication and sacrifice ought not be penalized. I believe that the legislation before us today breaks faith with military men and women, past and present. I strongly urge my colleagues to vote "No" on final passage.

Mr. GALLO. Mr. Speaker, I rise today in protest of the proposed tax hike on senior citizens. The system was designed to protect retirees from unfortunate economic circumstances that could shatter their later years. Citizens pay taxes into a trust fund during their working years and they, or members of their family, later receive monthly benefits. The system was designed to provide a safety net guaranteeing an additional source of income for citizens who retire or become disabled.

I am dismayed that President Clinton recommended, and the House Committee on Ways and Means approved, a measure to raise taxes on 10 million seniors by taxing up to 85 percent of Social Security benefits—a 70 percent increase in the amount subject to tax. In effect, this tax increase eliminates the 3 percent cost-of-living adjustment for those seniors who have saved and planned for the retirement.

It is especially outrageous that taxes which come from this increase are going directly into the general fund—not into the Social Security trust fund as has always been the case in the past. This raid on the Social Security trust fund and disproportionate tax on senior citizens is unconscionable. We are creating a system that is unfairly burdening the seniors by expecting them to disproportionately sacrifice to balance the Nation's budget.

Mr. Speaker, these are very difficult times for all Americans, and our seniors in particular are feeling the squeeze. This additional tax on seniors, that will be spent by Treasury on other unnamed programs, will raise $32 billion—nearly 10 percent of the total $330 billion in new taxes Mr. Clinton wants.

And it doesn't end there, Mr. Speaker. The ever-increasing tax, coupled with recent cuts in Medicare and Medicaid, threatens the viability of insuring even a nominally decent standard of living for our elderly and disabled.

Mr. Speaker, let's protect our seniors—vote no on this bill.

Mr. HORN. Mr. Chairman, I rise in opposition to the passage of the largest tax bill in American history. Besides the plethora of taxes which are about to be levied by the majority party on millions of American citizens, perhaps the most onerous on the average citizen is the so-called Btu or energy tax.

Today's issue of the Los Angeles Times has an excellent article by Times staff writer James Risen entitled "Energy Tax Foes Cite Its Impact on Middle Class." I commend this article to my colleagues and to taxpayers generally. For the average driving Californian, some of whom drive 130 miles or more a day to get to and from work, the full impact of this energy tax in mid-1996 will raise the price of gasoline about 8 cents a gallon.

Attached is Mr. Risen's analysis. Equally fascinating is the list of those interests excluded from the full impact of the tax. The working Californian is not among them.

[From the Los Angeles Times, May 27, 1993]

ENERGY TAX FOES CITE ITS IMPACT ON MIDDLE CLASS

(By James Risen)

WASHINGTON.—When President Clinton took to the radio waves last weekend to attack the critics of his energy tax, he argued that his foes—including members of his own party—were tools of the "big oil lobby."

Seeking to regain his populist footing, Clinton complained that oil producers were "trying to wiggle out of their contribution to deficit reduction" by seeking to strip the energy tax from his budget plan.

But a close look at the proposed energy tax—now at the center of the congressional debate over Clinton's program—shows that it was not designed by the Administration to soak Big Oil, but to hit consumers.

Without doubt, Big Oil wants to kill the tax. After all, if Americans pay higher taxes on energy, then they will eventually consume less, and that would mean less demand for the oil, gasoline and other products that the industry sells. "This tax is very threatening to the supply side of the energy industry, because you will see less consumption," says Jim Wolf, executive director of the Alliance to Save Energy.

Yet spreading opposition to the tax in Congress demonstrates not only the skills of a handful of oil lobbyists, but also the realization by moderate Democrats that the energy levy packs the single biggest wallop on the middle class of any of Clinton's tax proposals.

Congress estimates that the tax will raise $71.5 billion over five years, and even the Administration's own conservative projections show that it will add more than $200 a year to the tax bills of a family earning $40,000 annually.

As a result, anxious lawmakers know that the energy tax more than any other element of Clinton's program represents a repudiation of the President's campaign promise not to raise taxes on the middle class to pay for his agenda.

Given that background, centrist Democrats from Midwestern states and other areas with little interest in the oil industry have joined with oil state legislators to form a coalition against the provision.

Clinton Administration officials always knew the energy tax, also known as the BTU tax, would be the most difficult sell of their economic package. Privately, officials concede that one reason they chose an energy tax was that it was less visible, and less understandable, to the average consumer.

"One of my colleagues said that he is trying to convince people that it is a tax on the British," quipped Sen. John B. Breaux (D-La.), a key moderate on the tax-writing Senate Finance Committee, where the energy tax will face its greatest legislative challenge. BTU stands for British thermal unit, which measures the energy content of various fuels.

But now, congressional critics say, voters have figured the tax out, especially since Clinton agreed under congressional pressure to allow utilities to automatically include the federal energy tax as a line on home heating bills. To avoid such high visibility for the tax, the Administration had originally proposed that utilities would have to win approval from state regulatory agencies before they could include the tax on consumers' bills.

"The problem many people have with it is political," Breaux said. "I think the original idea was most people wouldn't know what a BTU tax was, so you could get it passed.

"Everybody knows what a gas tax is; you can see it. But when people start realizing that a BTU tax is a gas tax, and when they realize that they are going to see it on their utility bill every month, and when they realize they are going to see it in everything they buy, I would suggest that it's not the best way to go."

Now that voters think of the tax in those terms, the Administration is finding that its populist attacks on its opponents ring hollow—much as Clinton's gibes at Republicans over the Administration's economic stimulus package earlier this year failed to garner much grass-roots support for the program.

Instead, many voters believed that the stimulus was pork; now many believe the energy tax will not result in real deficit reduction.

The Administration "didn't listen to us with the stimulus package—they said take no prisoners, no compromise and they went right down to the final cup of Kool-Aid," says Sen. J. Bennett Johnston, (D-La.), chairman of the Senate Energy and Commerce Committee and a leading opponent of the energy tax.

House Minority Whip Newt Gingrich (R-Ga.) said Wednesday that moderate Democrats rebelling against their President are "responding to people back home who are calling them and saying: 'Don't raise the tax on energy; don't raise the tax on driving to work; don't raise the tax on heating and air conditioning; don't raise the tax on agriculture.' This is a grass-roots, back-home effort by real people."

What's worse for the Administration, the White House itself has been in the vanguard of wheeling and dealing with industry lobbyists on the energy tax since February, offering a costly series of exemptions and other changes to gain critical support.

Those deals became so pervasive that the basic tax rate on consumers had to be raised in the tax-writing House Ways and Means Committee to make up for the lost revenues. For example, the Administration's original proposal would have raised the gasoline tax at the pump by 7.5 cents a gallon by 1996; now the tax increase will peak at 7.6 cents.

The Administration had all but invited lobbyists to seek further exemptions and other changes in April, when Treasury Secretary Lloyd Bentsen said that the energy tax was being structured to ensure that it ultimately would be borne by the consumer, rather than the energy producer. "The Administration," Bentsen wrote at the time, "is continuing to explore methods of assuring that the tax is in fact passed through to those who use the energy."

But Bentsen's willingness to deal on the energy tax led to more and more dealing in the House and Senate; now even House Speaker Thomas S. Foley (D-Wash.), who must lead the fight for the tax today in the House, has won a special exemption for aluminum producers who use hydroelectric power in the Pacific Northwest.

Other exemptions were given for ethanol and for fuels used to power farm equipment, although farmers were denied other exemptions they sought. A tax on heating oil was reduced in an effort to shore up support among lawmakers from the Northeast, where many homes use the fuel in winter.

"The BTU tax has become a textbook example of special interest politics at work," wrote Doug Bandow, a tax analyst with the Citizens for a Sound Economy, a conservative Washington think tank.

Those loopholes have eroded the ability of the Administration and the congressional leadership to argue for the tax on populist grounds.

TAX BILL WOULD HIT BIG INCOMES, ENERGY-USERS

A summary of the deficit-reduction bill that will be considered today by the House:

INDIVIDUAL TAXES

Income taxes: Raise the 31 percent top tax rate to 36 percent and add a 10 percent surtax for taxable income above $250,000. Retain current 28 percent maximum tax on capital gains. Tax up to 85 percent of Social Security benefits of single people with total income over $25,000 and couples over $32,000.

Medicare tax: Subject all wages to the 1.45 percent Medicare tax; none above $135,000 is taxed now.

Energy tax: Tax most fuels on basis of heat content. When fully effective in mid-1996, this would raise gasoline about 8 cents a gallon and a typical home electric bill by $2.25 a month.

Low-income families: Expand the earned-income tax credit, which now benefits poorer working families with children, and allow some benefit to childless couples, to offset the energy tax.

Luxury taxes: Repeal the special levy on expensive planes, furs, yachts and jewelry. Keep the 10 percent tax on high-price cars but each year raise the $30,000 threshold above which it applies.

BUSINESS TAXES

Corporate rate: Raise 34 percent top corporate rate to 35 percent for taxable income above $10 million.

Deductions: Prohibit deduction of most club dues and lobbying expenses and half of business meals and entertainment. Bar a corporation from deducting pay above $1 million for an executive.

New machinery: Allow small businesses to write off in one year up to $25,000 of machinery purchases.

SPENDING RESTRAINTS

Medicare reductions: Save about $50 billion, largely by trimming reimbursements to doctors and hospitals.

Medicaid: $8 billion in cuts.

Federal retirees: $11 billion in lowered benefits for federal retirees.

Student loans: Save $4.3 billion by having government make direct loans to students instead of funneling money through banks.

SPENDING INITIATIVES

Food stamps: Boosts program by $7 billion.

Immunizations: Provides $2.1 billion for immunizations for poor children.

Mr. GALLO. Mr. Chairman, the budget reconciliation bill that has been reported to the House will, if enacted, devastate the American economy and frustrate the American people—the people who want change in Washington, not change left in their pockets.

The message I have been getting loud and clear from my constituents—and I am sure most of you have been hearing the same thing—is cut spending first.

Instead, we are presented with a reconciliation bill that guarantees to raise taxes first, and only promises modest spending cuts later—2 years later. We've been down this path before, where we promise the overburdened taxpayers a rose garden, but in the end, they just get stuck.

I would invite my colleagues who are considering voting for this record tax increase to take a look at an on-going experiment that is taking place less than 150 miles from here—in the State of New Jersey.

In early 1990, Governor Florio proposed what was, at that time, the largest State tax increase in the history of the Union—$2.8 billion in new taxes. The Governor claimed that this was tough—but necessary—medicine, designed to put the State's financial house in order and promote prosperity throughout New Jersey.

The Governor's Democratic colleagues in the State legislature—in control of both houses—followed the Governor's lead and enacted the record-setting Florio tax hike. They claimed they were striking a profile in courage and that history would prove them right.

Well, Mr. Chairman, history has taught them a valuable lesson, but it is not the one they wanted to learn.

The New Jersey economy, already troubled, was sent into a tail spin. Jobs started to flee New Jersey and they continue to hemorrhage. My State's unemployment rate has risen to 9.1 percent, more than doubling under the weight of the Florio tax hikes. New Jersey's unemployment rate is the highest of the 11 leading industrial States. While New Jersey continues to bleed jobs, our neighbors—who did not resort to courageous take hikes—continue to add jobs.

The people of New Jersey took advantage of every opportunity available to them to let their State representatives know exactly how they felt, culminating in an election day rout that turned Democratic control in both houses into veto-proof Republican majorities.

This House, Mr. Chairman, does not have to repeat the mistakes made in New Jersey. We have direct evidence that the tired old policy of tax and spend does not work. It did not work there and it will not work here.

What we need to do, Mr. Chairman, is cut spending first. The Republicans, under the able leadership of my hard-working colleague from Ohio, presented an alternative to the President's plan that does just that. Let's compare the two:

Our plan does not raise taxes—his raises a record $332 billion in new taxes;

Our plan does not include any new spending—his contains $172 billion in new spending;

Our plan has $394 billion in net spending cuts—his has barely more than a third of that;

Our plan does not increase taxes on Social Security benefits—his does to unprecedented levels and, for the first time ever, diverts the revenue to the general fund, not the Social Security trust fund;

Our plan achieves $476 billion in deficit reduction, without raising taxes or raiding Social Security;

Our plan responds to the American people's call to cut spending first—his breaks faith with the people who want change, not more tax and spend, tax and spend.

Mr. Chairman, I urge my colleagues in the strongest possible terms—resist this invitation to nationwide economic disaster. Oppose the budget reconciliation bill.

Mr. KING. Mr. Chairman, I rise today to once again voice my opposition to the Clinton economic plan. It is my strong conviction that this economic package, with its recordbreaking tax hike and its unheard of new levels of Government spending, will spell disaster for the economy.

The President's package is nothing but a return to discredited, liberal Democrat tax-and-spend policies. These policies have been proven by history to be ineffective, wasteful, and deleterious. There is not a single instance in recorded history of a tax hike spurring economic growth. Those who do not learn from history are condemned to repeat it.

The President won election masquerading in the guise of a new Democrat. Over recent weeks, layer after layer of his disguise has fallen away as the voting public got a closer look at President Clinton's economic package. President Clinton is no new Democrat—he appears addicted to that party's old-fashioned creed of big government, big taxes, and big spending.

What are we being offered? Huge tax increases, a new Btu-based energy tax that will tighten the tax grip on middle—income families, stealth deficit reduction, and phantom spending cuts.

Those of us in the House who are opposed to the President's plan, because we understand how hard it will hit the taxpayers and how it will ruin our economy, have been accused of promoting gridlock in our effort to stop this disastrous plan. We are standing up for the American taxpayer and for what we know to be the right course of action.

The President's jetset, Hollywood crowd may be enamored of big tax hikes and big spending, but the hard-working people of my Long Island district certainly are not. The other night, a constituent from the village of Manhasset, in my Third Congressional District, phoned to voice his opinion on today's vote. All he said was, "don't do it." I don't intend to.

Mr. PENNY. Mr. Chairman, the public debate raging in this country about the role of Government, the responsiveness of public institutions, and the size of our Federal debt, are joined in the debate on the budget reconciliation measure before us today. The American people have been rightly critical of the inability of the Congress and the President to responsibly resolve the deficit in recent years. While gridlock gripped Washington, the American people struggled with the consequence of our inaction.

1992 brought a new President dedicated to making Government work—dedicated also to reducing the budget deficit. While we can be critical of his handling of this measure, I believe the President has not been given sufficient credit for putting before the country the very real and painful choices that are necessary to reduce the budget deficit.

Some here do not like the President's priorities and have suggested alternatives. Others among us continue to talk about deficit reduction as if solutions will appear out of thin air. Well, the choices are tough, very tough. I doubt if any Member of Congress truly likes this measure; there are no cheerleaders for higher taxes and program cuts for their own sake. But eliminating the deficit requires taxes and cuts. Those are the choices—and they are difficult for all of us.

I had hoped this bill would contain more cuts, less taxes, and more deficit reduction. But, as Benjamin Franklin once said, "He that lives upon hope will die fasting." At some point, consensus among the alternatives must be reached. And what we have before is not perfect, but it is the best we can do at this time and it is certainly preferable to doing nothing.

Let me just speak briefly to the bill because there are a number of important provisions. The entitlement cap in this bill, which I helped to negotiate, is unprecedented. For the first time, a process is established for reviewing the growth of mandatory spending programs, which together represent almost one-half of all Federal outlays. For too long, one-half of all spending has been on automatic pilot, unrestrained by the annual budget process. With the passage of this bill, that will change. Both the President and the Congress will now be forced to propose changes to entitlement programs to rein in their growth. That is a very important reform. It will lead, I believe, to real long-term deficit reduction. It will force the Congress in the future to face the deficit issue squarely and honestly.

The extension of the discretionary budget caps in this measure—the only real brake on the growth of Federal spending since 1990—is also an important reform.

This measure contains nearly $500 billion in real deficit reduction over the next 5 years. With tough enforcement provisions on entitlement and discretionary spending law, real long-term deficit reduction will occur.

Someone once said "It is natural for man to shut his eyes against a painful truth * * *." Today, we open our eyes and make a few tough decisions. I urge my colleagues to join me in supporting this measure.

Mr. MONTGOMERY. Mr. Chairman, the budget resolution instructed the Committee on Veterans' Affairs to recommend savings totaling $2.58 billion over the next 5 fiscal years. Title XII of the bill we are considering today contains the provisions proposed by our committee. In brief, these provisions would make the following changes in laws under our committee's jurisdiction:

No COLA in fiscal year 1994 for old law DIC recipients. The CBO baseline assumes a 3 percent COLA. This proposal would commit the Congress to maintaining for 1 year the old law DIC rates at the level they were at when the DIC reform bill took effect on January 1, 1993.

Pensions—Medicaid nursing homes. Current law authorizing VA to reduce the pension of a single veteran who is eligible for Medicaid benefits for the cost of nursing home care expires on September 30, 1997. This change would extend the expiration date through September 30, 1998.

Pension income verification. Current law authorizing VA to verify through IRS income reported by veterans for means-tested benefit programs expires on September 30, 1997. This change would extend the expiration date for an additional year.

Reduce 1994 MGIB COLA by 1 percent. The COLA is expected to be 3 percent. This change would reduce it to 2 percent.

Chapter 35 dependents restriction. This provision would terminate eligibility of persons who are not the natural or adopted children of the veteran as of October 1, 1993, and who have not previously received benefits under this chapter.

Medical care reimbursement. This provision would extend the August 1, 1994, expiration date on VA's authority to collect from service-connected veterans for their non-service-connected care to September 30, 1998.

Bill for service-connected care. This change would authorize VA to bill third parties, principally insurers, for treatment of a veteran's service-connected disability through September 30, 1998.

Drug and other copayments. This provision would extend the September 30, 1997, sunset date on the authority to collect the $2 prescription copayment and other per diem charges for higher income veterans for an additional year.

Home loan fees. This change would, generally, increase home loan fees by three-fourths of 1 percent on new guaranteed loans through September 30, 1998.

Include anticipated resale losses in no-bid formula. This provision would extend the change in the no-bid formula enacted as part of the VA's appropriation act last year through September 30, 1998. This change increases the number of no bids by requiring VA to take into account the average loss on the resale of a property.

Should this bill be enacted into law, savings in veterans programs would total $2 billion, $591 million during the next 5 years.

Mr. Chairman, our committee has been targeted for savings under all reconciliation bills and has never failed to comply with the instructions of the House and Senate. It has been difficult at times to do so. All of the so-called easy cuts were made years ago. The reductions contained in this bill will be felt by many veterans and they won't like it. At the same time, some Members are saying that the reductions contained in this bill are not enough. Veterans do not feel that way nor do those affected by other cuts contained in this bill.

Some veterans organizations have expressed their opposition to certain savings contained in this bill, especially the provision that would authorize VA to bill third-party payers for care of service-connected conditions provided to veterans who have insurance.

As I said before, there is no easy way to achieve $2.6 billion in savings. Any veterans program we cut, or any fee we impose, will be objectionable to some veterans. We have done the best we can to achieve savings where it would have the least adverse effect.

Under current law, VA is authorized to collect from insurance companies for care provided to veterans for nonservice-connected disabilities. That authority was granted in a previous reconciliation bill and since its enactment the VA has collected almost $1 billion. Section 12003 of the reconciliation bill would expand VA's authority by permitting third-party collections for the care and treatment of any disability. The VA would have the right to recover or collect the reasonable cost of such care or services from a third party to the extent that the veteran or a private health care provider would be eligible to receive payment for such care or services. The veteran would not be required to pay anything.

It should also be noted that we are not requiring insurance companies to provide coverage for service-connected disabilities. This provision would only affect cases where the insurer covers a veteran for care of service-connected conditions.

Under current law, VA is mandated to provide hospital care to service-connected veterans and low-income veterans for any disability. Let's be clear on one thing. Benefits and services for veterans with service-connected disabilities remain a national priority. This provision does not alter our commitment to those veterans in any way.

Government-provided health care for veterans' service-connected disabilities is the most fundamental basis for the VA health care system. However, our proposed amendments do not in any way disturb that basic tenet or the commitment to the service-connected veteran. That point is made very clearly in the report language on this measure. More significantly, an extraordinary body of law—title 38 of the United States Code—makes clear this Nation's obligation, moral and legal, to the service-connected veteran.

Absent good alternatives, we had to ask whether the objections to this provision were sufficiently compelling to adopt instead other far more onerous savings provisions.

The primary objection to this provision appears to be that it breaches the principle that the Government has an obligation to provide care to veterans with service-connected disabilities. In fact, that principle remains inviolate. There would be no change to existing law which makes it clear that whether or not a veteran is insured has no bearing on the Government's obligation to provide care. VA makes no distinction between veterans with insurance and those without in providing care, and is barred under law from doing so.

A related objection charges that this provision shifts the cost—and thus the obligation—from the Government to the private sector. The Government's obligation is, and remains, to provide care to veterans. Nothing in the proposed amendments changes that obligation. The only question is whether, under circumstances where there exists third-party coverage, that third party should be freed of a risk it undertook to bear. In the past fiscal year, VA collected $378 million from third parties for care provided to insured veterans. In the instance where an insured veteran chooses VA care, I believe the taxpayer, veteran and non-veteran alike, presented with the facts, would want the Government to collect from whatever coverage the veteran has just as if the care had been furnished in the private sector. It is difficult to understand why it is acceptable for VA to recover the cost of statutorily mandated hospitalization for the nonservice-connected care of a 100-percent service-connected veteran but unacceptable to recover for discretionary nursing home care, for example, for another veteran's service-connected condition. VA bears the cost of both veterans' care, and appropriately so. Any recoveries do not subsidize VA's cost of care-delivery since those moneys, other than the cost of collections, must be returned to the Treasury. But to the extent the Government is unable to collect as any other provider can, VA in effect subsidizes insurance.

A final objection asserts that this provision will lead to premium increases for insured service-connected veterans. This is not a concern that should be glibly dismissed. But this concern is entirely speculative, and runs counter to the general experience with the way most health insurance is written and risk spread. The reality is that most service-connected veterans do not obtain care from VA; insurance companies are paying for that care. Yet there is no evidence that those companies charge service-connected veterans higher premiums today.

I want to thank all members of the Veterans' Affairs Committee for their cooperation and understanding. Achieving real savings totaling almost $2.6 billion over the next 5 years is a difficult task. But getting control of the budget deficit is a high priority of the President and both Houses of the Congress and everyone must share part of the burden if we are to bring the deficit down.

Mr. HOBSON. Mr. Chairman, despite all the rhetoric that has transpired today in this chamber, the whole argument boils down to this: The American people have asked Congress, first, to control runaway spending, and second, to do it by cutting spending first.

The President has tried to respond to runaway spending and he has offered to reduce the deficit. But through his tax and budget proposal, he intends to do it and give taxpayers the bill. Taxpayers aren't at fault here. It's time government learns to live within its means.

There are two clear choices we face today: Do we reduce the deficit through the single largest tax increase in history—the President's package. Or do we reduce the deficit by cutting spending first without tax increases—the Kasich budget alternative. We have a choice. But the Kasich alternative is what the American people want and what they have asked for.

Our vote today should be easy. We can turn our backs on the people out there at home we represent. Or we can join the American taxpayer in a fight against runaway Government spending.

I am siding with the American taxpayer to cut spending. I am supporting the Kasich alternative.

Mr. GOODLING. Mr. Speaker, I rise to express my concern about two issues which have been included in this legislation from my Committee on Education and Labor: The Direct Student Loan Program and various Employee Retirement Income Security Act [ERISA] provisions.

It has long been known that the Guaranteed Student Loan Program is in need of serious program reform and I sincerely commend the President for placing this issue at the top of his agenda. However, I have to disagree with administration's reform proposal as contained in this reconciliation bill for several reasons.

First, these provisions make major policy changes outside of the ordinary reauthorization process, changes this Congress specifically did not adopt in last year's reauthorization of the Higher Education Act due to lack of support.

Second, this proposal would abandon the direct loan demonstration program enacted into law only 10 months ago before it even begins. Until direct loans are tested, they are just a concept. Given the number of students and families that rely on the student loan program, I believe that it makes far more sense to test direct loans first, to make sure they are a better alternative to the current system.

Third, the proposal, which makes sweeping changes to the student loan program is essentially devoid of specifics and instead relies on broad grants of discretion to the Secretary of Education leaving many aspects of the new program unclear.

Fourth, I have extremely serious questions about the savings estimates associated with direct loans. CBO Director, Robert Reischauer, stated in a recent letter to me that because of accounting rules under credit reform, "the administrative costs associated with the administration's proposed direct loan program are not evenly divided over the life of the loan. Rather, the administrative costs are disproportionately associated with the collection of interest and principal payments and this collection does not begin until the student has left school, often several years after receiving the loan. For this reason, the administrative costs included in [CBO's] estimate for the first years of a direct loan program are much lower than the full administrative costs of a direct loan program."

Fifth, I have serious doubts over whether or not the Department of Education can efficiently manage this program. If they fail to run it properly—and all of the evidence suggests that the Department will not suddenly develop the administrative finesse that they have lacked for so long—it will be students and schools that will suffer.

Sixth, despite the claims of some direct lending proponents who would have us believe otherwise, there is far from uniform support on our Nation's campuses for a move to direct lending until it can be carefully evaluated. There is a great deal of anxiety among schools in my district that full implementation of direct loans does not allow for an honest assessment of the feasibility of direct loans or a financial safety net for students during the implementation period.

And finally, I think we really need to ask ourselves whether or not the Federal Government ought to be borrowing $20 billion a year to finance this program. The goal of reconciliation is to save money not further bloat the federal budget debt.

The President is right, we do need reform of Federal student loans, but his chief objectives: Flexible repayment and budget savings can be found by reforming the current program. Direct lending may or may not work. In my view, it makes far more sense to let the pilot run its course before throwing away the existing program in favor of a huge new Federal student loan bureaucracy.

On a second front, after several years of not having to confront serious employee benefit policy matters which are not germane to budget reconciliation, I am again compelled to express my reservations in regard to the extraneous ERISA amendments included in the budget reconciliation instructions reported by the Committee on Education and Labor and the Committee on Ways and Means.

The direct and indirect changes made to ERISA in sections 4202, 4203, and 13420 are contentious and involve ERISA and health policy matters which do not appear to be legitimate issues for inclusion in budget reconciliation. These provisions include several significant changes to ERISA which will affect the private health plans now operating under our voluntary employment-based system.

Many of my committee colleagues and I are concerned that important health policy issues, whether involving a continuation of coverage for immunization or any other form of health benefit, be fully debated and considered in the regular order.

Also falling into this category are proposed exemptions for ERISA preemption for various portions of the health care laws of four states—Hawaii, Maryland, Minnesota, and New York. The role that the States should play in achieving overall health care reform is an extremely important subject to be resolved in the context of the national debate. Even though a 2-year "sunset" would apply to these four exceptions under section 4203, the substance and merits of these proposals should be considered beyond a single perfunctory hearing.

These ERISA provisions are contentious, lack germaneness, and therefore should not be considered as part of the reconciliation process in the House.

Thank you, Mr. Chairman. I ask my colleagues to examine these issues carefully as they review and make their decisions on this extensive legislation.

Mr. HEFLEY. Mr. Chairman, the question I want answered today is this: Does anybody remember the 1990 budget agreement?

In case your memory needs refreshing, the 1990 budget agreement was going to cut the deficit by $500 billion over 5 years through a combination of the world's largest tax increase and future, unspecified spending cuts.

So what happened?

The taxes failed to raise as much as expected, the spending cuts never materialized, and the deficit, instead of decreasing, climbed to three successive record levels.

In the meantime, the economy ground to a halt, unemployment rose, and we wound up with a new president whose campaign headquarters held a sign reading, "It's the economy, stupid."

Apparently, Bill Clinton the campaigner learned a lesson that Bill Clinton the President forgot, because today we're confronted with a budget plan that claims to cut the deficit by $500 billion over 5 years through a combination of the world's largest tax increase and future, unspecified spending cuts.

Sound familiar?

Why are we repeating a massive failure that's only 3 years old?

Keep in mind that in 1990, the deficit was $123 billion, or $217 billion less than next year's anticipated deficit!

At the time of the budget agreement, the gross domestic product had reached almost $5 trillion (1987 dollars) and unemployment was at only 5.4 percent. Since then, the economy has grown only 2 percent (in 30 months) while unemployment has risen to 6.9 percent.

And what about all those new tax revenues? Well, the budget agreement called for over $150 billion in new taxes to cut the deficit. The actual revenues have been much less. (Some taxes, like the luxury tax, actually cost the Government money.)

That's the legacy of the 1990 budget agreement.

Confronted with a growing deficit and a soft economy, George Bush elected to raise taxes. Confronted with a remarkably similar situation, Bill Clinton has elected to do the same.

Unfortunately, there's reason to expect the Clinton package will have a worse impact on the economy than the 1990 budget agreement. In every way, the Clinton package is a more potent poison.

Instead of $150 billion in new taxes, the Clinton plan calls for $332 billion.

Instead of creating one new income tax bracket, the Clinton package creates two.

Instead of spreading the pain around, the Clinton plan targets small businesses and other job producers.

According to the Center for Policy Analysis, over the 5 years the Clinton package will: Lower capital investment by $1.8 trillion; lower gross national product by $1 trillion; lower job creation by 1.4 million; cut the deficit by only $108 billion.

In other words, the Clinton package proposes to lower our national income by almost $2 trillion in order to cut $108 billion from the deficit.

In 1990, I predicted that raising taxes would hurt the economy, increase government spending, and result in a higher (not lower) deficit.

Well—I told you so.

Today, I'm making the same prediction about the Clinton tax increases. This plan will damage the economy, increase Government spending, and fail to cut the deficit by anything near $500 billion.

It's a bad plan and we should reject it.

Mrs. VUCANOVICH. Mr. Chairman, Candidate Clinton promised tax cuts—President Clinton promises the largest tax increase in American history. Taxes that will harm each and every citizen of this country and I am strongly opposed to his plan.

Mr. Chairman, we are discussing today legislation that will have great impact on this country. I oppose it for many reasons—it is a bad bill that harms many people—but I oppose it most because it raises taxes without so much as trying to cut spending. It's been said many times, and the people of Nevada keep telling me, they are not taxed too little—Government spends too much. It's that simple.

Over this past week. we've heard much about the energy tax and I definitely believe it is wrong. But there are many other parts of this budget that are equally wrong.

Bill Clinton is raising taxes on our senior citizens—he's cutting health care benefits to veterans—he's delaying COLA's to Federal and military retirees.

He's also attacking jobs in my State of Nevada by reducing the business tax deduction from 80 percent to 50 percent. America loves to visit Nevada and business America makes Nevada home to numerous conventions and expositions each year. Bill Clinton said he wanted to create jobs—reducing the business deduction will eliminate jobs in my State and thousands nationwide. How regressive, how unfair.

Bill Clinton is raising taxes on us all—it's a change we don't need. Let's cut government spending now.

Mr. PACKARD. Mr. Chairman, the Clinton tax package before us today heaps taxes on Americans already struggling to provide a decent standard of living for themselves and their families. Rather than making Americans pay their fair share, the Clinton tax plan will ensure that Americans will be sharing most of their income with the Federal Government.

Last night in the middle of the night, the Administration cut a deal with the Democrat leaders of the House, and may have sealed America's economic fate. In order to wring enough votes from rank and file Democrats to pass this bill which spells economic disaster for America, they came up with a new gimmick: phony "entitlement targets."

Now, when the Democrats who voted for Clinton's tax package go back to their constituents who are screaming about their higher taxes, Democrats can say they made "tough spending choices" to curb the growth of Social Security, Medicare and dozens of other entitlements programs that make up over half of the federal budget.

In reality, ladies and gentlemen, these so called entitlement targets do not guarantee that spending will be restrained. Instead, when a spending target is exceeded, President Clinton or Congress, merely has to propose more taxes to pay for the excess, more spending cuts, or more borrowing so that Congress can simply add to the deficit. The Rules Committee can also waive these targets whenever it wants.

Given the recent history of the Congress, controlled by the Democrats since 1954, what do you think it would vote to do if the spending targets were exceeded? Cut spending? Absolutely not. The tax burden on hard working Americans will either be increased, or Congress will add to the deficit. These entitlement targets are a sham—they will prevent Congress from raising taxes for about as long as President Clinton prevented planes from landing at LAX while he got his hair cut: a couple of hours.

Three parts of this budget represent a particularly onerous tax burden that will affect the middle class, seniors, and anyone else in America who breathes: The energy tax, the Social Security tax and a surprising new entitlement program which seriously undercuts the President's rhetoric that this package will help working Americans.

First, the energy tax. The Clinton energy tax is regressive, inflationary and will counter the economic recovery already underway in this country.

Because a larger proportion of the lower and middle class' income goes toward keeping a roof over their head and transportation costs, this tax is inherently regressive.

Because the Clinton energy tax would increase the cost of manufactured goods in plants around the Nation, business and industry will simply pass these costs on to the consumer. Every step of a manufacturing process requires energy, as well as the energy required to transport the finished goods. The Clinton energy tax is therefore inflationary and will escalate the already spiralling tax burden on American families.

Finally, the energy tax will stifle the economic recovery we see occurring right now. According to the Tax Foundation, it is estimated that throughout the Nation, half a million jobs will be lost because of the Clinton energy tax. His energy tax will result in 54,399 job losses in my State of California. In my district in southern California alone, almost 1,000 jobs will be lost. Behind every number, there is a human face, a family, someone who can blame their unemployment on Clinton's tax package.

Next, the tax on Social Security benefits, or if you listen to the President: a "spending cut." Seniors will be penalized for working and saving for their retirement under the Clinton tax plan. Even though in his manifesto, "Putting People First," candidate Clinton promised to protect the integrity of the Social Security Trust Fund, he has decided to balance the budget on backs of seniors.

Clinton's proposal would affect seniors with incomes of over $25,000 or couples with incomes over $32,000 by increasing the tax on 85 percent of their Social Security benefits. The tax revenues generated by this new tax on seniors will then be used to fund other programs, rather than going into the Social Security trust fund. The President should not wonder, as he pillages senior's benefits to pay for other programs, why in addition to the budget deficit, he also must contend with the trust deficit.

The $29 billion Clinton hopes to raise at the expense of our seniors could easily be achieved by implementing just a handful of waste-cutting recommendations that have been put before him. Seniors should be appalled that a President who was not even born while many of them were fighting in world wars to make the world safe for democracy, and working to feed their families, is now trying to pick their pockets to pay for his new spending programs.

And speaking of new spending programs, Mr. Speaker, I'd like to call my colleagues' attention to a new entitlement program contained in President Clinton's budget reconciliation bill. And I single it out as a vibrant example of the hypocrisy contained in this bill.

Most of the meager spending cuts in this package come from cuts in Medicare reimbursements to doctors and hospitals, Federal retirees' benefits and Medicaid. So, essentially the President is cutting medical benefits to the poor and elderly and cutting the benefits of those who worked for the Federal Government. Meanwhile, the President has created a brand new entitlement program. Do you know who the new entitlement program is for? It is for illegal immigrants who break the law to enter our country. What happened to the President's promise to help working Americans?

Three hundred million dollars has been found to provide money to hospitals who deliver the babies of mothers who cross the border to give birth. This new entitlement for illegals is a 100 percent Federal payment of the Medicaid costs incurred by States hit by illegal immigration. So, while the Clinton tax package cuts medical benefits for working American citizens, it generously provides for 100 percent payment of illegal immigrants' medical costs. This is absolute hypocrisy.

I would close by saying, Mr. Speaker, that Mr. Clinton appears to have forgotten about the real needs of the American people and the economic welfare of this Nation. Indeed, he has not focused his formidable political skills like a laser beam on the economy. He has focused on the magical number of 218. Because 218 votes is what he needs to ramrod his tax bill through the House. And no compromise or deal cut was too shameful or outrageous if it meant that 218 Members would vote for this package. The American people will remember this as they watch more and more of their paycheck go toward Federal taxes.

President Clinton portrays this tax package as change for America, saying that it is time the rich pay their fair share. However, President Clinton is robbing everyone in America to pay for the Congress' insatiable appetite for spending.

Mr. HASTERT. Mr. Speaker, the BTU in the Btu tax in this reconciliation bill stands for Big Time Unemployment. According to some estimates, the Btu tax alone will destroy approximately 22,000 jobs in Illinois, killing more than 600,000 nationally.

In touting his energy tax the President has stated that it will reduce the deficit, increase energy conservation and have significant environmental effects. Let me address each of these arguments and then get into the impact of the Btu tax on my home State of Illinois.

A DRI/McGraw-Hill study shows that by 1998, the depressed economic activity caused by the Btu tax will increase Federal Government expenditures for unemployment compensation and other economy-related payments while decreasing Federal income tax revenues. DRI estimates that these effects will offset nearly 40 percent of the direct revenues raised by the Btu tax. Thus, although gross energy tax collections are predicted by the administration to about $30 billion annually by 1998, DRI predicts the Federal deficit will only fall by $19 billion.

But proposed welfare increases will take much of the rest. The Clinton administration, recognizing the regressive nature of the energy tax, plans to offset the real economic pain of the Btu tax on lower-income Americans by proposing increases in the Earned Income Tax Credit—$7 billion by 1998—Food Stamps—$3 billion by 1998—and Low Income

Home Energy Assistance—$1 billion by 1998. Thus, of the $19 billion a year the energy tax will actually net to the Treasury, these linked increases in Federal assistance payments will take $11 billion a year. Not much deficit reduction for a tax that collects about $30 billion annually for consumers.

The tax will also have surprisingly little effect on energy conservation. Clinton justifies the 34.2 cents per million Btu's surcharge on oil—about $2 per barrel—in part as assisting in energy conservation. The administration originally claimed projected imports of oil will be reduced by 350,000 barrels a day by the year 2000. But the tax's increase in the price of oil will discourage domestic production in favor of cheaper imported oil. The much touted energy conservation gains will vanish as domestic production is backed out and we find our Nation in a perilous energy security position.

I want to commend my colleagues on the House Ways and Means Committee for making several changes to the President's original proposal. But, Mr. Speaker, those changes amount to nothing more than rearranging the deck chairs on the Titanic.

I. AGRICULTURE

Let me give you an example of how the specific proposals President Clinton has introduced will affect Illinois agriculture.

One of America's most energy intense industries is agriculture. The total Clinton tax is expected to cost American farmers more than $1 billion annually for 5 years. The changes made by the Ways and Means Committee would only slightly reduce that burden.

Here's how the proposed Btu tax would affect the average Illinois farmer who raises 500 acres of corn.

FACT SHEET ON EFFECTS OF PROPOSED BTU TAX ON ILLINOIS FARMERS—(REVISED AS OF MAY 18, 1993)

Here's how a proposed Btu tax would affect the average Illinois farmer who raises 500 acres of corn:

Product	Average annual usage	Btu tax
Ammonia fertilizer	40 tons	$150.00
Diesel fuel	4,500 gallons	166.50
Propane for drying	12,500 gallons	300.00
Total impact		616.50

Illinois Farm Bureau estimates are based on the following assumptions: a 26.8 cent/million Btu tax rate on on-farm diesel, gasoline and natural gas, a feedstock exemption, and 150 bu/acre average corn yield.

Here's the per unit rate of the proposed Btu tax on selected farm inputs:

Product	Btu Tax/unit
Ammonia fertilizer	$3.75/ton
Diesel fuel	3.7 cents/gallon
Propane fuel	2.4 cents/gallon

If approved by Congress, the Btu energy tax would be fully phased in by October 1, 1995.

II. ETHANOL

On the ethanol front, the good news is that the Clinton Administration is moving ahead with plans to include ethanol in the reformulated gasoline program required under the Clean Air Act. Clinton also exempted ethanol from the energy tax in an earlier incarnation of his economic package. The bad news is that the Ways and Means Committee has restored the top rate for ethanol, 61 cents per million Btus.

I know the Clinton Administration supports ethanol and I am encouraged when I hear Secretary Espy say the corn-based fuel "reduces pollution and creates more jobs," and is "something I know our President supports." But if that were the case I would argue that the inclusion of ethanol under the Btu tax would work against the President's stated policy of promoting renewable and alternative sources of energy.

Taxing ethanol under the proposed Btu tax would also add insult to injury, since it would tax one of farmers' outputs in addition to the inputs already proposed for new taxes. In other words, President Clinton proposes to levy much of his taxes on the backs of the American farmer and then tax their very products into oblivion.

Inclusion of ethanol under the Btu tax would also cast a pale of uncertainty over the ethanol industry and among farmers. It is important that President Clinton complete the review of reformulated gasoline regulation and exempt ethanol from the Btu tax as quickly as possible to ensure that the stability of the ethanol industry and the livelihoods of American farmers are not adversely affected.

III. INLAND WATERWAY FUEL USER FEES

President Clinton proposed increasing barge fuel user fees on the Inland Waterways by over 500 percent. Speaking as a representative from a grain producing State for which barge traffic along our rivers is important, I can say that this user fee will decimate the domestic barge and export grain industries.

The House Ways and Means Committee decided that the President's tax was just too high and halved it. But these taxes are still increased a whopping 250 percent!

Currently, barge operators pay a tax of 17 cents a gallon on diesel fuel into the Inland Waterway trust fund. This money goes toward the rehabilitation and construction of the Inland Waterway system. President Clinton proposed incrementally increasing this tax to $1.19 by 1997. As if that were not enough, the Clinton Btu tax added another 5 cents on top of that, for a total of $1.24 per gallon tax.

At present waterway fuel costs about 60-cents a gallon. The National Grain and Feed Association estimates that a $1 increase in the inland waterway fuel tax would cause losses in annual farm income of up to $431 million due to decreased cash prices for grain paid to farmers. This figure does not include the decrease in farm income which will result from higher prices for fertilizer which is also transported by barge. The $431 million does not include the impact of the proposed BTU tax.

According to University of Illinois research, one-third of Illinois corn production is shipped by barge to export markets. The impact of the barge fuel tax is expected to total at least 3.5 cents/bushel for Illinois producers. Using the example of 500 acres of corn production, the impact of the proposed barge fuel tax would total $875.

Barge transportation is so valuable because it is so economical. My district is not only blessed with some of the most productive acres in the country, but also it is situated near the Illinois River and thus access to the world markets. The corn and soybean farmers in my district fetch some of the best prices for their crops due to this transportation premium. The proposed Clinton inland waterway tax not only erodes this market advantage, but also in the case of export grain, passes increases in transportation costs on to farmers'.

Consumers would bear the direct impact of President Clinton's proposal. Increases of the magnitude that President Clinton has proposed would be felt immediately in the marketplace. This is because river barges move such huge volumes of raw materials, fuels and farm crops; coal for electricity, tractor fuel, fertilizer, grain, industrial chemicals, metallic ores, and cement.

IV. RATE SHOCK

The Illinois Commerce Commission [ICC] has released a study indicating that the Clinton Btu tax will have a disproportionate impact on the utility bills of low-income Illinois households and that the administration's announced funding increases for an energy lifeline services program.

The report found that the average residential utility customer will pay about $60 a year in Btu taxes whereas, the low income customer will end up paying about $40 more as a result of the tax. In Illinois, over 600,000 households qualify as low income, that is those households with annual incomes below 125 percent of the national poverty level of $13,000. What we know about the energy consumption patterns of the poor is that because they tend to live in older, less insulated, less modern homes, with less efficient appliances, they also tend to get about 17 percent less energy for every dollar they pay in electricity costs than middle-class people. Couple that with the fact that on average, low-income people pay a much higher percentage of their income for utility bills than do higher income earners and the unfairness of this regressive tax becomes apparent.

As I mentioned earlier, to mitigate the rate shock of the Btu tax on low-income people the Clinton Administration has proposed increased funding for the Low Income Home Energy Assistance Program [LIHEAP]. Unfortunately, most of the increase is eaten-up by the Btu tax with only a relatively small amount going to alleviating the Btu tax's rate shock effect. Worse yet, those eligible for LIHEAP assistance but still unable to participate because of the effects of the tax will still be liable to pay the whole tax.

V. INFLATION

The Btu tax would restart the Democrat's inflation machine. Taxing energy raises the cost of production for manufacturers, processors, transporters and all other commercial users. Consumers get stuck with the final bill. Once imposed, the Btu tax would be scattered throughout the production chain and largely hidden from the consumer. The looming danger from this type of hidden tax is immense because it masks the true cost of government spending and allows for future hikes at little risk.

While reducing the Federal deficit is one of my top priorities, I believe deficit reduction efforts should focus on cutting government spending—not raising taxes. For this reason I will vote against the President's Btu tax. You see, I oppose efforts to deprive middle-class, working Americans of their hard-earned dollars to pay for a bloated, wasteful Federal bureaucracy.

And what will the American taxpayer get for these new taxes?

According to some estimates, the energy tax alone will destroy approximately 22,000 jobs in Illinois, killing more than 600,000 jobs nationally. The energy tax will raise gasoline taxes by at least 8 cents per gallon, increase inflation, and reduce our Nation's economic output by $34 billion annually. Energy taxes are unfair because they disproportionately impact low- and middle-income families who must use a higher proportion of their income to buy basic goods. Americans will be hit with energy taxes that will result in higher prices for everything from groceries to clothing. Virtually everything that requires energy to be produced will cost more. Energy taxes will dampen our modest economic recovery hurt our ability to compete and expand in a global market, and eliminate jobs.

And the Federal deficit will continue to grow.

The American people deserve better. Instead, we must take action by giving the President and Congress the tools to reduce the deficit. We must begin by giving the President the line-item veto, a power almost all state governors have. We must also force Congress to adopt the balanced budget amendment. It's time to require the Federal Government to live within its means.

In conclusion, the Clinton Btu tax has very little to do with deficit reduction or energy conservation and a lot to do with putting people out of work.

Mr. ANDREWS of Texas. Mr. Chairman, I rise to clarify an issue regarding the definition of feedstock in the bill under consideration, H.R. 2264. The administration's bill, H.R. 1960, did not define feedstock, but provided a tax refund for "any qualified nonfuel use." Secretary of the Treasury Lloyd Bentsen testified before the Senate Committee on Finance with respect to the administration's position on what was intended to be excluded for feedstock use in H.R. 1960 as introduced, and in his testimony, the Secretary explained why certain processes that require significant inputs of electricity did not qualify as a tax exempt use of energy under the Treasury's bill.

It would appear that the concept of tax exempt feedstock use in H.R. 2264 is more restrictive than either the administration's initial bill or the basic chemical industry concept that feedstocks are raw materials for the manufacturing or production process, or which participate in a chemical reaction.

However, my understanding is that the Committee on Ways and Means did not intend to modify the Treasury's position on this issue. The language in the reported bill blends the original tax-exempt concept in H.R. 1960 with the intent expressed by the Secretary before the Senate Committee on Finance. Under the reported bill, a percentage of qualified feedstock use would now be exempt from tax. The tax exempt percentage is the percentage—determined on the basis of chemical structure—of the taxable refined petroleum product, natural gas, coal, or electricity which is incorporated into the substance manufactured or produced.

The definition in H.R. 2264 now focuses on that portion of raw materials that survives in a final or manufactured product. Unfortunately, that percentage in chemical manufacturing could and does vary significantly on a daily basis depending upon a number of conditions. Most importantly, the manufacturer could now be liable for tax on substances that are not used as a fuel in the manufacture of petrochemicals or other products.

Mr. Chairman, I hope the administration will be willing to clarify the feedstock exemption when this legislation is before the Senate Committee on Finance. This is particularly important to the efficient administration of the Btu tax. Registered chemical manufacturers must certify their tax-exempt qualified feedstock use on receipt. H.R. 2264 also provides a backup use tax if tax-exempt feedstock raw materials are converted to a taxable use, for example, use as fuel. Since the collection of tax revenues is protected, there is no need to unduly restrict the feedstock definition.

Under these circumstances, the definition of a tax-exempt feedstock should be modified to track basic industry usage that a feedstock is a raw material which is used in the manufacturing or production process, or which participates in a chemical reaction.

Mr. HASTERT. Mr. Chairman, I rise in support of the Energy and Commerce Committee's reconciliation provisions dealing with spectrum auctions. As an original cosponsor of H.R. 857, I believe auctions should replace the outdated, and often unfair, lottery process. Indeed, if our goal is to produce additional revenues aggregating to $7.2 billion over 5 years with auctions, we need to make sure that all qualified bidders will have the opportunity to participate in this new process. That is why I was pleased that Chairmen DINGELL and MARKEY worked with me to add the words "and competition" to section 309(j)(3)(B) of chapter 1. This language will ensure that the FCC promotes competition during this new lottery procedure, thereby giving all potential bidders the opportunity to procure spectrum at auctions.

On another issue, I also support the committee's recommendations on regulatory parity. It is important that all commercial mobile services be regulated under the same set of requirements by the FCC.

Mr. SMITH of Michigan. Mr. Chairman, over the past several weeks, I have read in the newspapers and heard from several members that the President's budget plan would add $1 trillion to the public debt over the next 5 years. This is incorrect. Over 5 years, the cash-flow deficit would be $1.2 trillion, but the increase in the public debt would be $1.8 trillion. From today through 1998, the President's plan would increase the public debt an additional $2 trillion for a total debt of $6.2 trillion.

Public debt includes amounts borrowed from the Government trust funds such as Social Security and Medicare, as well as moneys borrowed from Federal civilian and military pensions, highway, aviation, housing, and other Government funds. All of these borrowed funds should be considered debt.

Page 4 of the conference report of the concurrent resolution on the budget clearly increases the public debt to $6.2 trillion by 1998. We must address not only our cash-flow deficit, but the growth in the public debt. Excessive Government borrowing and the resulting IOU's undermine our financial security, as well as put persons who depend on these future funds, such as retirees, in the predicament of having to go without.

Much has been made about how the public debt increased from $1 trillion to $4 trillion in the past 12 years. The President's plan would increase the public debt by $2 trillion in just over 5 years.

In the concurrent budget resolution, the public debt is increased $372.3 billion, $366 billion, $355.8 billion, $359.1 billion, and $369.7 billion, respectively, over the next 5 years. This is an average debt increase of $365 billion per year. From 1988 through 1992, the average debt increase was only $328 billion per year.

Americans have been led to believe the reconciliation bill reduces spending and reduces growth of the public debt. However, Federal spending would increase from $1.5 trillion in fiscal year 1994 to $1.8 trillion by fiscal year 1998 and the public debt would increase exactly $1 billion per day for the next 5 years, an increase over the daily increase of the past 5 years.

We must do better.

Our deficit reduction efforts have not gone far enough. We are fooling ourselves if we think the Clinton plan adds only $1.2 trillion of debt. In 1998, if everything goes as planned, we will be talking about our $6.2 trillion debt.

The CHAIRMAN. All time for general debate has expired. Pursuant to the rule, the bill is considered as having been read for amendment under the 5-minute rule.

The modifications to the bill printed in part 1 of House Report 103-112 are considered adopted.

The text of H.R. 2264, as modified, is as follows:

H.R. 2264

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Omnibus Budget Reconciliation Act of 1993".

SEC. 2. TABLE OF CONTENTS.

The table of contents is as follows:

TITLE I—COMMITTEE ON AGRICULTURE

TITLE II—COMMITTEE ON ARMED SERVICES

TITLE III—COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS

TITLE IV—COMMITTEE ON EDUCATION AND LABOR

TITLE V—COMMITTEE ON ENERGY AND COMMERCE

TITLE VI—COMMITTEE ON FOREIGN AFFAIRS

TITLE VII—COMMITTEE ON THE JUDICIARY

TITLE VIII—COMMITTEE ON MERCHANT MARINE AND FISHERIES
TITLE IX—COMMITTEE ON NATURAL RESOURCES
TITLE X—COMMITTEE ON POST OFFICE AND CIVIL SERVICE
TITLE XI—COMMITTEE ON PUBLIC WORKS
TITLE XII—COMMITTEE ON VETERANS' AFFAIRS
TITLE XIII—COMMITTEE ON WAYS AND MEANS—SAVINGS
TITLE XIV—COMMITTEE ON WAYS AND MEANS—REVENUES
TITLE XV—BUDGET PROCESS

TITLE I—COMMITTEE ON AGRICULTURE

SEC. 1001. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This title may be cited as the "Agricultural Reconciliation Act of 1993".

(b) TABLE OF CONTENTS.—The table of contents of this title is as follows:

Sec. 1001. Short title and table of contents.

Subtitle A—Commodity Programs

Sec. 1101. Wheat program.
Sec. 1102. Feed grain program.
Sec. 1103. Upland cotton program.
Sec. 1104. Rice program.
Sec. 1105. Dairy program.
Sec. 1106. Tobacco program.
Sec. 1107. Sugar program.
Sec. 1108. Oilseeds program.
Sec. 1109. Peanut program.
Sec. 1110. Honey program.
Sec. 1111. Wool and mohair program.
Sec. 1112. Conforming amendments to continue deficit reduction activities in crop years after 1995.

Subtitle B—Restructuring of Loan Programs

Sec. 1201. Restructuring of certain loan programs.
Sec. 1202. Reorganization of rural development functions.

Subtitle C—Food Stamp Program

Sec. 1301. Short title.
Sec. 1302. References to the Act.

CHAPTER 1—ENSURING ADEQUATE FOOD ASSISTANCE

Sec. 1311. Maximum benefit level.
Sec. 1312. Helping low-income high school students.
Sec. 1313. Families with high shelter expenses.
Sec. 1314. Resource exclusion for earned income tax credits.
Sec. 1315. Homeless families in transitional housing.
Sec. 1316. Households benefiting from general assistance vendor payments.
Sec. 1317. Continuing benefits to eligible households.
Sec. 1318. Improving the nutritional status of children in Puerto Rico.

CHAPTER 2—PROMOTING SELF SUFFICIENCY

Sec. 1321. Income exclusion for education assistance.
Sec. 1322. Child support payments to nonhousehold members.
Sec. 1323. Child support exclusion.
Sec. 1324. Improving access to employment and training activities.
Sec. 1325. Vehicles needed to seek and continue employment and for household transportation.
Sec. 1326. Vehicles necessary to carry fuel or water.
Sec. 1327. Demonstration projects testing resource accumulation.

CHAPTER 3—SIMPLIFYING THE PROVISION OF FOOD ASSISTANCE

Sec. 1331. Simplifying the household definition for households with children and others.
Sec. 1332. Eligibility of children of parents participating in drug or alcohol treatment programs.
Sec. 1333. Resources of households with disabled members.
Sec. 1334. Ensuring adequate funding for the food stamp program.

CHAPTER 4—IMPROVING PROGRAM INTEGRITY

Sec. 1341. Use and disclosure of information provided by retail food stores and wholesale food concerns.
Sec. 1342. Additional means of claims collection.
Sec. 1343. Demonstration projects testing activities directed at street trafficking in coupons.

CHAPTER 5—IMPROVING FOOD STAMP PROGRAM MANAGEMENT

Sec. 1351. Clarification of categorical eligibility.
Sec. 1352. Technical amendments related to electronic benefit transfer.
Sec. 1353. Disqualification of recipients for trading firearms, ammunition, explosives, or controlled substances for coupons.
Sec. 1354. Uncapped civil money penalty for trafficking in coupons.
Sec. 1355. Uncapped civil money penalty for selling firearms, ammunition, explosives, or controlled substances for coupons.
Sec. 1356. Modifying the food stamp quality control system.

CHAPTER 6—UNIFORM REIMBURSEMENT RATES

Sec. 1361. Uniform reimbursement rates.

CHAPTER 7—IMPLEMENTATION AND EFFECTIVE DATES

Sec. 1371. Implementation and effective dates.

Subtitle D—Miscellaneous Provisions

Sec. 1401. Maximum expenditures under market promotion program for fiscal years 1994 through 1998.
Sec. 1402. Admission, entrance, and recreation fees.
Sec. 1403. Additional program changes to meet reconciliation requirements.
Sec. 1404. Environmental conservation acreage reserve program amendments.
Sec. 1405. Levels of insurance coverage under the Federal Crop Insurance Act.

Subtitle A—Commodity Programs

SEC. 1101. WHEAT PROGRAM.

(a) FIVE PERCENT REDUCTION IN PAYMENT ACRES.—

(1) REDUCTION.—Subsection (c)(1)(C)(ii) of section 107B of the Agricultural Act of 1949 (7 U.S.C. 1445b-3a) is amended by striking "85 percent" and inserting "80 percent".

(2) APPLICATION OF AMENDMENT.—The amendment made by paragraph (1) shall apply beginning with the 1994 crop of wheat.

(b) CONTINUATION OF DEFICIT REDUCTION ACTIVITIES IN CROP YEARS AFTER 1995.—

(1) AGRICULTURAL ACT OF 1949.—Section 107B of the Agricultural Act of 1949 (7 U.S.C. 1445b-3a) is further amended—

(A) in the section heading, by striking "1995" and inserting "1998";

(B) in subsections (a)(1), (a)(4)(C), (b)(1), (c)(1)(A), (c)(1)(B)(iii), (e)(1)(G), (e)(3)(A), (e)(3)(C)(iii), (f)(1), and (q), by striking "1995" each place it appears and inserting "1998";

(C) in the heading of subsection (c)(1)(B)(ii), by striking "AND 1995" and inserting "THROUGH 1998";

(D) in subsection (c)(1)(B)(ii), by striking "and 1995" and inserting "through 1998"; and

(E) in the heading of subsection (e)(1)(G), by striking "1995" and inserting "1998"; and

(F) in subsection (g)(1), by striking "and 1995" and inserting "through 1998".

(2) FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT OF 1990.—Title III of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-624; 104 Stat. 3382) is amended—

(A) in section 302 (7 U.S.C. 1379d note), by striking "May 31, 1996" and inserting "May 31, 1999";

(B) in section 303 (7 U.S.C. 1331 note), by striking "1995" and inserting "1998";

(C) in section 304 (7 U.S.C. 1340 note), by striking "1995" and inserting "1998"; and

(D) in section 305 (7 U.S.C. 1445a note)—

(i) in the section heading, by striking "1995" and inserting "1998"; and

(ii) by striking "1995" and inserting "1998".

(3) FOOD SECURITY WHEAT RESERVE.—Section 302(i) of the Food Security Wheat Reserve Act of 1980 (7 U.S.C. 1736f-1(i)) is amended by striking "1995" both places it appears and inserting "1998".

SEC. 1102. FEED GRAIN PROGRAM.

(a) FIVE PERCENT REDUCTION IN PAYMENT ACRES.—

(1) REDUCTION.—Subsection (c)(1)(C)(ii) of section 105B of the Agricultural Act of 1949 (7 U.S.C. 1444f) is amended by striking "85 percent" and inserting "80 percent".

(2) APPLICATION OF AMENDMENT.—The amendment made by paragraph (1) shall apply beginning with the 1994 crop of feed grains.

(b) CONTINUATION OF DEFICIT REDUCTION ACTIVITIES IN CROP YEARS AFTER 1995.—

(1) AGRICULTURAL ACT OF 1949.—Section 105B of the Agricultural Act of 1949 (7 U.S.C. 1444f) is further amended—

(A) in the section heading, by striking "1995" and inserting "1998";

(B) in subsections (a)(1), (a)(4)(C), (a)(6), (b)(1), (c)(1)(A), (c)(1)(B)(iii)(I), (c)(1)(B)(iii)(III), (e)(1)(G), (e)(1)(H), (e)(2)(H), (e)(3)(A), (e)(3)(C)(iii), (f)(1), (p)(1), (q)(1), and (r), by striking "1995" each place it appears and inserting "1998";

(C) in the heading of subsection (c)(1)(B)(ii), by striking "AND 1995" and inserting "THROUGH 1998";

(D) in subsection (c)(1)(B)(ii), by striking "and 1995" and inserting "through 1998";

(E) in the headings of subsections (e)(1)(G) and (e)(1)(H), by striking "1995" both places it appears and inserting "1998"; and

(F) in subsection (g)(1), by striking "and 1995" and inserting "through 1998".

(2) FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT OF 1990.—Section 402 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1444b note) is amended—

(A) in the section heading, by striking "**1995**" and inserting "**1998**"; and

(B) by striking "1995" and inserting "1998".

(3) RECOURSE LOAN PROGRAM FOR SILAGE.—Section 403 of the Food Security Act of 1985 (7 U.S.C. 1444e-1) is amended by striking "1996" and inserting "1999".

SEC. 1103. UPLAND COTTON PROGRAM.

(a) FIVE PERCENT REDUCTION IN PAYMENT ACRES.—

(1) REDUCTION.—Subsection (c)(1)(C)(ii) of section 103B of the Agricultural Act of 1949 (7 U.S.C. 1444-2) is amended by striking "85 percent" and inserting "80 percent".

(2) APPLICATION OF AMENDMENT.—The amendment made by paragraph (1) shall

apply beginning with the 1994 crop of upland cotton.

(b) CONTINUATION OF DEFICIT REDUCTION ACTIVITIES IN CROP YEARS AFTER 1995.—

(1) AGRICULTURAL ACT OF 1949.—(A) Section 103(h)(16) of the Agricultural Act of 1949 (7 U.S.C. 1444(h)(16)) is amended by striking "1996" and inserting "1999".

(B) Section 103B of such Act (7 U.S.C. 1444–2) is further amended—

(i) in the section heading, by striking "1995" and inserting "1998";

(ii) in subsections (a)(1), (b)(1), (c)(1)(A), (c)(1)(B)(ii), (e)(3)(A), (f)(1), and (o), by striking "1995" each place it appears and inserting "1998"; and

(iii) in subparagraphs (B)(i), (D)(i), (E)(i), and (F)(i) of subsection (a)(5), by striking "1996" each place it appears and inserting "1999".

(C) Section 203(b) of such Act (7 U.S.C. 1446d(b)) is amended by striking "1995" and inserting "1998".

(2) AGRICULTURAL ADJUSTMENT ACT OF 1938.—Section 374(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1374(a)) is amended by striking "1995" each place it appears and inserting "1998".

(3) FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT OF 1990.—Title V of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 104 Stat. 3421) is amended—

(A) in section 502 (7 U.S.C. 1342 note), by striking "1995" and inserting "1998";

(B) in section 503 (7 U.S.C. 1444 note), by striking "1995" and inserting "1998"; and

(C) in section 505 (7 U.S.C. 1342 note)—

(i) in the section heading, by striking "1996" and inserting "1999"; and

(ii) by striking "1996" and inserting "1999".

SEC. 1104. RICE PROGRAM.

(a) FIVE PERCENT REDUCTION IN PAYMENT ACRES.—

(1) REDUCTION.—Subsection (c)(1)(C)(ii) of section 101B of the Agricultural Act of 1949 (7 U.S.C. 1441–2) is amended by striking "85 percent" and inserting "80 percent".

(2) APPLICATION OF AMENDMENT.—The amendment made by paragraph (1) shall apply beginning with the 1994 crop of rice.

(b) CONTINUATION OF DEFICIT REDUCTION ACTIVITIES IN CROP YEARS AFTER 1995.—Such section is further amended—

(1) in the section heading, by striking "1995" and inserting "1998";

(2) in subsections (a)(1), (a)(3), (b)(1), (c)(1)(A), (c)(1)(B)(iii), (e)(3)(A), (f)(1), and (n), by striking "1995" each place it appears and inserting "1998";

(3) in subsection (a)(5)(D)(i), by striking "1996" and inserting "1999";

(4) in the heading of subsection (c)(1)(B)(ii), by striking "AND 1995" and inserting "THROUGH 1998"; and

(5) in subsection (c)(1)(B)(ii), by striking "and 1995" and inserting "through 1998".

SEC. 1105. DAIRY PROGRAM.

(a) ALLOCATION OF PURCHASE PRICES FOR BUTTER AND NONFAT DRY MILK.—

(1) IN GENERAL.—Subsection (c)(3) of section 204 of the Agricultural Act of 1949 (7 U.S.C. 1446e) is amended—

(A) in the first sentence of subparagraph (A), by striking "The Secretary" and inserting "Subject to subparagraph (B), the Secretary";

(B) by redesignating subparagraph (B) as subparagraph (C); and

(C) by inserting after subparagraph (A) the following new subparagraph:

"(B) GUIDELINES.—In allocating the rate of price support between the purchase prices of butter and nonfat dry milk under this paragraph, the Secretary may not—

"(i) offer to purchase butter for more than $0.65 per pound; or

"(ii) offer to purchase nonfat dry milk for less than $1.034 per pound.".

(2) APPLICATION OF AMENDMENTS.—The amendments made by paragraph (1) shall apply with respect to purchases of butter and nonfat dry milk that are made by the Secretary of Agriculture under section 204 of the Agricultural Act of 1949 (7 U.S.C. 1446e) on or after the date of the enactment of this Act.

(b) REDUCTION IN PRICE RECEIVED.—Subsection (h)(2) of such section is amended—

(1) by striking "and" at the end of subparagraph (A);

(2) by striking the period at the end of subparagraph (B) and inserting "; and"; and

(3) by adding at the end the following new subparagraph:

"(C) during each of the calendar years 1996 through 1998, 10 cents per hundredweight of milk marketed, which rate shall be adjusted on or before May 1 of each of the calendar years 1996 through 1998 in the manner provided in subparagraph (B).".

(c) CONTINUATION OF DEFICIT REDUCTION ACTIVITIES IN FISCAL YEARS AFTER 1995.—

(1) IN GENERAL.—Section 204 of the Agricultural Act of 1949 (7 U.S.C. 1446e) is further amended—

(A) in the section heading, by striking "1995" and inserting "1998";

(B) in subsections (a), (b), (d)(1)(A), (d)(2)(A), (d)(3), (f), (g)(1), and (k), by striking "1995" each place it appears and inserting "1998"; and

(C) in subsection (g)(2), by striking "1994" and inserting "1997".

(2) TRANSFER TO MILITARY AND VETERANS HOSPITALS.—Subsections (a) and (b) of section 202 of such Act (7 U.S.C. 1446a) are amended by striking "1995" both places it appears and inserting "1998".

(3) FEDERAL MILK MARKETING ORDERS.—Section 101(b) of the Agriculture and Food Act of 1981 (7 U.S.C. 608c note) is amended by striking "1995" and inserting "1998".

(4) DAIRY INDEMNITY PROGRAM.—Section 3 of Public Law 90–484 (7 U.S.C. 4501) is amended by striking "1995" and inserting "1998".

(5) FOOD SECURITY ACT OF 1985.—The Food Security Act of 1985 is amended—

(A) in section 153 (15 U.S.C. 713a–14), by striking "1995" and inserting "1998"; and

(B) in section 1163 (7 U.S.C. 1731 note), by striking "1995" each place it appears and inserting "1998".

SEC. 1106. TOBACCO PROGRAM.

(a) TEN PERCENT INCREASE IN MARKETING ASSESSMENT.—Subsection (g)(1) of section 106 of the Agricultural Act of 1949 (7 U.S.C. 1445) is amended by striking "equal to" and all that follows through the period and inserting the following: "equal to—

"(A) in the case of the 1991 through 1993 crops of tobacco, .5 percent of the national average price support level for each such crop as otherwise provided for in this section; and

"(B) in the case of the 1994 through 1998 crops of tobacco, .55 percent of the national average price support level for each such crop as otherwise provided for in this section.".

(b) CONTINUATION OF DEFICIT REDUCTION ACTIVITIES IN FISCAL YEARS AFTER 1995.—Such subsection is further amended by striking "1995" and inserting "1998".

(c) ACREAGE-POUNDAGE QUOTAS FOR TOBACCO.—

(1) DEFINITIONS.—Subsection (a) of section 317 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314c) is amended—

(A) by inserting "DEFINITIONS.—" after "(a)"; and

(B) by striking paragraphs (2), (3), (4), (5), (6), (7), and (8) and inserting the following new paragraphs:

"(2) FARM ACREAGE ALLOTMENT.—The term 'farm acreage allotment' for a tobacco farm, other than a new tobacco farm, means the acreage allotment determined by dividing the farm marketing quota by the farm yield.

"(3) FARM YIELD.—The term 'farm yield' means the yield per acre for a farm determined according to regulations issued by the Secretary and which would be expected to result in a quality of tobacco acceptable to the tobacco trade.

"(4) FARM MARKETING QUOTA.—

"(A) IN GENERAL.—The term 'farm marketing quota' for a farm for a marketing year means a number that is equal to the number of pounds of tobacco determined by multiplying—

"(i) the farm marketing quota for the farm for the previous marketing year (prior to any adjustment for undermarketing or overmarketing); by

"(ii) the national factor.

"(B) ADJUSTMENT.—The farm marketing quota determined under subparagraph (A) for a marketing year shall be increased for undermarketing or decreased for overmarketing by the number of pounds by which marketings of tobacco from the farm during the immediate preceding marketing year (if marketing quotas were in effect for that year under the program established by this section) is less than or exceeds the farm marketing quota for such year. Notwithstanding the preceding sentence, the farm marketing quota for a marketing year shall not be increased under this subparagraph for undermarketing by an amount in excess of the farm marketing quota determined for the farm for the immediately preceding year prior to any increase for undermarketing or decrease for overmarketing. If due to excess marketing in the preceding marketing year the farm marketing quota for the marketing year is reduced to zero pounds without reflecting the entire reduction required, the additional reduction shall be made for the subsequent marketing year or years.

"(5) NATIONAL FACTOR.—The term 'national factor' for a marketing year means a number obtained by dividing—

"(A) the national marketing quota (less the reserve provided for under subsection (e)); by

"(B) the sum of the farm marketing quotas (prior to any adjustments for undermarketing or overmarketing) for the immediate preceding marketing year for all farms for which marketing quotas for the kind of tobacco involved will be determined for such succeeding marketing year.".

(2) CONFORMING AMENDMENTS.—Such section is further amended—

(A) in the first sentence of subsection (b), by striking "and the national acreage allotment and national average yield goal for the 1965 crop of Flue-cured tobacco,";

(B) in the first sentence of subsection (c), by striking "and at the same time announce the national acreage allotment and national average yield goal";

(C) in subsection (d)—

(i) in the sixth sentence, by striking ", national acreage allotment, and national average yield goal";

(ii) in the eighth sentence, by striking ", national acreage allotment and national average yield goal"; and

(iii) in the ninth sentence, by striking ", national acreage allotment, and national average goal are" and inserting "is";

(D) in subsection (e)—

(i) in the first sentence, by striking "No farm acreage allotment or farm yield shall be established" and inserting "A farm marketing quota and farm yield shall not be established";

(ii) in the second sentence, by striking "acreage allotment" both places it appears and inserting "marketing quota";

(iii) in the second sentence, by striking "acreage allotments" both places it appears and inserting "marketing quotas"; and

(iv) in the last sentence, by striking "acreage allotment" and inserting "marketing quota"; and

(E) in subsection (g)—

(i) in paragraph (1), by striking "paragraph (a)(8)" and inserting "subsection (a)(4)"; and

(ii) in paragraph (3), by striking "subsection (a)(8)" and inserting "subsection (a)(4)".

(3) Farm Marketing Quota Reductions.—Subsection (f) of such section is amended to read as follows:

"(f) Causes for Farm Marketing Quota Reductions.—(1) When an acreage-poundage program is in effect for any kind of tobacco under this section, the farm marketing quota next established for a farm shall be reduced by the amount of such kind of tobacco produced on the farm—

"(A) which was marketed as having been produced on a different farm;

"(B) for which proof of disposition is not furnished as required by the Secretary;

"(C) on acreage equal to the difference between the acreage reported by the farm operator or a duly authorized representative and the determined acreage for the farm; and

"(D) as to which any producer on the farm files, or aids, or acquiesces, in the filing of any false report with respect to the production or marketing of tobacco.

"(2) If the Secretary, through the local committee, finds that no person connected with a farm caused, aided, or acquiesced in any irregularity described in paragraph (1), the next established farm marketing quota shall not be reduced under this subsection.

"(3) The reduction required under this subsection shall be in addition to any other adjustments made pursuant to this section.

"(4) In establishing farm marketing quotas for other farms owned by the owner displaced by acquisition of the owner's land by any agency, as provided in section 378 of this Act, increases or decreases in such farm marketing quotas as provided in this section shall be made on account of marketings below or in excess of the farm marketing quota for the farm acquired by the agency.

"(5) Acreage allotments and farm marketing quotas determined under this section may (except in the case of kinds of tobacco not subject to section 316) be leased and sold under the terms and conditions in section 316 of this Act, except that any credit for undermarketing or charge for overmarketing shall be attributed to the farm to which transferred.".

SEC. 1107. SUGAR PROGRAM.

(a) Ten Percent Increase in Marketing Assessment.—Subsection (i) of section 206 of the Agricultural Act of 1949 (7 U.S.C. 1446g) is amended—

(1) in paragraph (1), by striking "equal to" and all that follows through the period and inserting the following: "equal to—

"(A) in the case of marketings during fiscal years 1992 through 1994, .18 cents per pound of raw cane sugar, processed by the processor from domestically produced sugarcane or sugarcane molasses, that has been marketed (including the transfer or delivery of the sugar to a refinery for further processing or marketing); and

"(B) in the case of marketings during fiscal years 1995 through 1999, .198 cents per pound of raw cane sugar, processed by the processor from domestically produced sugarcane or sugarcane molasses, that has been marketed (including the transfer or delivery of the sugar to a refinery for further processing or marketing)."; and

(2) in paragraph (2), by striking "equal to" and all that follows through the period and inserting the following: "equal to—

"(A) in the case of marketings during fiscal years 1992 through 1994, .193 cents per pound of beet sugar, processed by the processor from domestically produced sugar beets or sugar beet molasses, that has been marketed; and

"(B) in the case of marketings during fiscal years 1995 through 1999, .2123 cents per pound of beet sugar, processed by the processor from domestically produced sugar beets or sugar beet molasses, that has been marketed.".

(b) Continuation of Deficit Reduction Activities in Crop Years After 1995.—

(1) Agricultural Act of 1949.—Section 206 of the Agricultural Act of 1949 (7 U.S.C. 1446g) is further amended—

(A) in the section heading, by striking "1995" and inserting "1998";

(B) in subsections (a), (c), (d)(1), and (j), by striking "1995" each place it appears and inserting "1998"; and

(C) in paragraphs (1) and (2) of subsection (i), as amended by subsection (a), by striking "1996" both places it appears and inserting "1999".

(2) Agricultural Adjustment Act of 1938.—Section 359b(a)(1) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359bb(a)(1)) is amended by striking "1996" and inserting "1999".

SEC. 1108. OILSEEDS PROGRAM.

(a) Continuation of Deficit Reduction Activities in Crop Years After 1995.—Section 205 of the Agricultural Act of 1949 (7 U.S.C. 1446f) is amended—

(1) in the section heading, by striking "1995" and inserting "1998"; and

(2) in subsections (b), (c), (e)(1), and (n), by striking "1995" each place it appears and inserting "1998".

SEC. 1109. PEANUT PROGRAM.

(a) Assessment to Cover Unanticipated Losses in Administering the Program.—

(1) Additional assessment.—Section 108B of the Agricultural Act of 1949 (7 U.S.C. 1445c-3) is amended—

(A) by redesignating subsection (h) as subsection (i); and

(B) by inserting after subsection (g) the following new subsection:

"(h) Additional Marketing Assessment.—

"(1) Two percent assessment.—In addition to the marketing assessment required by subsection (g), the Secretary shall also provide for a nonrefundable marketing assessment applicable to each of the 1993 through 1998 crops of peanuts and collected and paid in accordance with this subsection. The assessment shall be on a per pound basis in an amount equal to 2 percent of the national average quota or additional peanut support rate per pound, as applicable, for the applicable crop. No peanuts shall be assessed more than 2 percent of the applicable support rate under this subsection.

"(2) First purchasers.—Except as provided under paragraphs (3) and (4), the first purchaser of peanuts shall—

"(A) collect from the producer a marketing assessment equal to 1 percent of the applicable national average support rate times the quantity of peanuts acquired;

"(B) pay, in addition to the amount collected under subparagraph (A), a marketing assessment in an amount equal to 1 percent of the applicable national average support rate times the quantity of peanuts acquired; and

"(C) remit the amounts required under subparagraphs (A) and (B) to the Commodity Credit Corporation in a manner specified by the Secretary.

"(3) Other private marketings.—In the case of a private marketing by a producer directly to a consumer through a retail or wholesale outlet or in the case of a marketing by the producer outside of the continental United States, the producer shall be responsible for the full amount of the assessment under this subsection and shall remit the assessment by such time as is specified by the Secretary.

"(4) Loan peanuts.—In the case of peanuts that are pledged as collateral for a price support loan made under this section, ½ of the assessment under this subsection shall be deducted from the proceeds of the loan. The remainder of the assessment shall be paid by the first purchaser of the peanuts as provided in subparagraph (B) of paragraph (2). For purposes of computing net gains on peanuts under this section, the reduction in loan proceeds under this subsection shall be treated as having been paid to the producer.

"(5) Reserve account.—

"(A) Establishment.—The Secretary shall establish in the Commodity Credit Corporation a reserve account to be administered by the Secretary for purposes of this section. There shall be deposited in the reserve account for each crop of peanuts an amount equal to—

"(i) the total amount remitted to the Commodity Credit Corporation under paragraphs (2) and (3) as the payment of the marketing assessment applicable to that crop of peanuts under this subsection; and

"(ii) the total amount deducted from the proceeds of a price support loan or paid by first purchasers under paragraph (4) as the payment of the marketing assessment applicable to that crop of peanuts under this subsection.

"(B) Use of reserve account.—The Secretary shall use amounts in the reserve account established in this paragraph to cover losses incurred by the Commodity Credit Corporation on the sale or disposal of peanuts for which price support has been provided under this section. Funds in the reserve account shall be made available until expended.

"(6) Application of other provisions.—Paragraphs (2)(B), (5), and (6) of subsection (g) shall apply with respect to the marketing assessment required by this subsection.".

(2) Effective date.—The amendments made by paragraph (1) shall take effect 15 days after the date of the enactment of this Act.

(b) Continuation of Deficit Reduction Activities in Crop Years After 1995.—

(1) Agricultural Act of 1949.—Section 108B of the Agricultural Act of 1949 (7 U.S.C. 1445c-3) is further amended—

(A) in the section heading, by striking "1995" and inserting "1998";

(B) in subsections (a)(1), (a)(2), (b)(1), and (g)(1), by striking "1995" each place it appears and inserting "1998"; and

(C) in subsection (i) (as redesignated by subsection (a)(1)(A)), by striking "1995" and inserting "1998".

(2) Agricultural Adjustment Act of 1938.—Part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 is amended—

(A) in section 358-1 (7 U.S.C. 1358-1)—

(i) in the section heading, by striking "1995" and inserting "1998";

(ii) in subsections (a)(1), (b)(1)(A), (b)(1)(B), (b)(2)(A), (b)(2)(C), (b)(3), and (f), by striking "1995" each place it appears and inserting "1998"; and

(iii) in subsection (d)(1), by inserting after "5 calendar years" the following: ", or such other period as the Secretary considers to be appropriate in the case of a referendum held after 1995,";

(B) in section 358b (7 U.S.C. 1358b)—

(i) in the section heading, by striking "1995" and inserting "1998"; and

(ii) in subsection (c), by striking "1995" and inserting "1998";

(C) in section 358c(d) (7 U.S.C. 1358c(d)), by striking "1995" and inserting "1998"; and

(D) in section 358e (7 U.S.C. 1359a)—

(i) in the section heading, by striking "1995" and inserting "1998"; and

(ii) in subsection (i), by striking "1995" and inserting "1998".

(3) Food, Agriculture, Conservation, and Trade Act of 1990.—Title VIII of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-624; 104 Stat. 3459) is amended—

(A) in section 801 (104 Stat. 3459), by striking "1995" and inserting "1998";

(B) in section 807 (104 Stat. 3478), by striking "1995" and inserting "1998"; and

(C) in section 808 (7 U.S.C. 1441 note), by striking "1995" and inserting "1998".

(c) Assessment Under Peanut Marketing Agreement.—Section 8b(b)(1) of the Agricultural Adjustment Act (7 U.S.C. 608b(b)(1)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended—

(1) by striking "and" at the end of subparagraph (A);

(2) by striking the period at the end of subparagraph (B) and inserting "; and"; and

(3) by adding at the end the following new subparagraph:

"(C) any assessment imposed under such agreement shall apply to peanut handlers (as that term is defined by the Secretary) who have not entered into such an agreement with the Secretary in addition to those handlers who have entered into such agreement.".

SEC. 1110. HONEY PROGRAM.

(a) Reduced Support Rate.—Subsection (a) of section 207 of the Agricultural Act of 1949 (7 U.S.C. 1446h) is amended by striking than "53.8 cents" and inserting "than—

"(1) 53.8 cents per pound for the 1991 through 1993 crop years; and

"(2) 50 cents per pound for the 1994 through 1998 crop years.".

(b) Payment Limitations.—Subsection (e)(1) of such section is amended—

(1) by striking "and" at the end of subparagraph (C);

(2) by striking subparagraph (D); and

(3) by adding at the end the following new subparagraphs:

"(D) $125,000 in the 1994 crop year;

"(E) $100,000 in the 1995 crop year;

"(F) $75,000 in the 1996 crop year; and

"(G) $50,000 in each of the 1997 and subsequent crop years.".

(c) Continuation of Deficit Reduction Activities.—Subsections (a), (c)(1), and (j) of such section are amended by striking "1995" each place it appears and inserting "1998".

(d) Termination of Assessment.—Subsection (i)(1) of such section is amended by striking "1995" and inserting "1993".

SEC. 1111. WOOL AND MOHAIR PROGRAM.

(a) Payment Limitations.—Section 704(b)(1) of the National Wool Act of 1954 (7 U.S.C. 1783(b)(1)) is amended—

(1) by striking "and" at the end of subparagraph (C);

(2) by striking subparagraph (D); and

(3) by adding at the end the following new subparagraphs:

"(D) $125,000 for the 1994 marketing year;

"(E) $100,000 for the 1995 marketing year;

"(F) $75,000 for 1996 marketing year; and

"(G) $50,000 for each of the 1997 and subsequent marketing years.".

(b) Marketing Charges.—Section 706 of National Wool Act of 1954 (7 U.S.C. 1785) is amended by inserting after the second sentence the following new sentence: "In determining the net sales proceeds and national payment rates for shorn wool and shorn mohair the Secretary shall not deduct marketing charges for commissions, coring, or grading.".

(c) Continuation of Deficit Reduction Activities in Crop Years After 1995.—Subsections (a) and (b)(2) of section 703 of the National Wool Act of 1954 (7 U.S.C. 1782) are amended by striking "1995" both places it appears and inserting "1998".

(d) Termination of Marketing Assessment.—Section 704(c) of the National Wool Act of 1954 (7 U.S.C. 1783(c)) is amended by striking "1995" and inserting "1992".

(e) Technical and Conforming Amendments.—

(1) Policy of congress.—Section 702 of the National Wool Act of 1954 (7 U.S.C. 1781) is amended—

(A) by striking ", strategic," in the first sentence; and

(B) by striking "as a measure of national security and to promote" and inserting "that as a method to promote".

(2) Elimination of obsolete provision.—Section 703(b) of the National Wool Act of 1954 (7 U.S.C. 1782(b)) is amended—

(A) in paragraph (1), by striking "paragraphs (2) and (3)" and inserting "paragraph (2)";

(B) in paragraph (2), by striking "Except as provided in paragraph (3), for" and inserting "For"; and

(C) by striking paragraph (3).

(3) Advertising and sales promotion programs.—Section 708 of the National Wool Act of 1954 (7 U.S.C. 1787) is amended—

(A) by inserting "(a)" after "Sec. 708."; and

(B) by adding at the end the following new subsection:

"(b)(1) Except as provided in paragraph (2), to the extent that the Secretary determines that the amount of funds that would otherwise be made available under subsection (a) in any marketing year for agreements entered into under such subsection is less than the amount made available under such subsection in the previous marketing year, the difference in such amounts shall be provided from amounts available to support the prices of wool and mohair under section 703 of this title. Any amount provided under this subsection shall be considered to be an expenditure made in connection with payments to producers under this title for purposes of section 705 of this title.

"(2) Paragraph (1) shall not apply if the Secretary determines that any portion of the difference between the amounts made available under subsection (a) between two consecutive marketing years is the result of a per unit reduction in the amount of the assessment imposed under the agreements entered into under such subsection.".

SEC. 1112. CONFORMING AMENDMENTS TO CONTINUE DEFICIT REDUCTION ACTIVITIES IN CROP YEARS AFTER 1995.

(a) Supplemental Set-Aside and Acreage Limitation Authority.—Section 113 of the Agricultural Act of 1949 (7 U.S.C. 1445h) is amended by striking "1995" and inserting "1998".

(b) Deficiency and Land Diversion Payments.—Subsections (a)(1), (b), and (c) of section 114 of the Agricultural Act of 1949 (7 U.S.C. 1445j) are amended by striking "1995" each place it appears and inserting "1998".

(c) Disaster Payments.—Section 208 of the Agricultural Act of 1949 (7 U.S.C. 1446i) is amended—

(1) in the section heading, by striking "1995" and inserting "1998";

(2) in subsection (d), by striking "1995" and inserting "1998".

(d) Miscellaneous.—Title IV of the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) is amended—

(1) in section 402(b) (7 U.S.C. 1422(b)), by striking "1995" and inserting "1998";

(2) in section 403(c) (7 U.S.C. 1423(c)), by striking "1995" and inserting "1998";

(3) in section 406(b) (7 U.S.C. 1426(b))—

(A) by striking "1995" each place it appears and inserting "1998"; and

(B) by striking "1996" each place it appears and inserting "1999"; and

(4) in section 408(k)(3) (7 U.S.C. 1428(k)(3)), by striking "1995" and inserting "1998".

(e) Acreage Base and Yield System.—Title V of the Agricultural Act of 1949 (7 U.S.C. 1461 et seq.) is amended—

(1) in subsections (c)(3) and (h)(2)(A) of section 503 (7 U.S.C. 1463), by striking "1995" each place it appears and inserting "1998";

(2) in subsections (b)(1) and (b)(2) of section 505 (7 U.S.C. 1465), by striking "1995" each place it appears and inserting "1998"; and

(3) in section 509 (7 U.S.C. 1469), by striking "1995" and inserting "1998".

(f) Normally Planted Acreage.—Section 1001 of the Food and Agriculture Act of 1977 (7 U.S.C. 1309) is amended in subsections (a), (b)(1), and (c) by striking "1995" each place it appears and inserting "1998".

(g) Agriculture and Food Act of 1981.—Section 1014 of the Agriculture and Food Act of 1981 (7 U.S.C. 4110) is amended by striking "1995" and inserting "1998".

(h) Food Security Act of 1985.—The Food Security Act of 1985 (Public Law 99-198; 99 Stat. 1354) is amended—

(1) in section 902(c)(2)(A) (7 U.S.C. 1446 note), by striking "1995" and inserting "1998";

(2) in paragraphs (1)(A), (1)(B), and (2)(A) of section 1001 (7 U.S.C. 1308), by striking "1995" each place it appears and inserting "1998";

(3) in section 1001C(a) (7 U.S.C. 1308-3(a)), by striking "1995" both places it appears and inserting "1998";

(4) in section 1017(b) (7 U.S.C. 1385 note), by striking "1995" and inserting "1998"; and

(5) in section 1019 (7 U.S.C. 1310a), by striking "1995" and inserting "1998".

(i) Options Pilot Program.—The Options Pilot Program Act of 1990 (subtitle E of title XI of Public Law 101-624; 104 Stat. 3518; 7 U.S.C. 1421 note) is amended—

(1) in subsections (a) and (b) of section 1153, by striking "1995" each place it appears and inserting "1998"; and

(2) in section 1154(b)(1)(A), by striking "1995" both places it appears and inserting "1998".

(j) Readjustment of Support Levels.—Section 1302 of the Agricultural Reconciliation Act of 1990 (7 U.S.C. 1421 note) is amended in subsections (b)(1), (b)(3), and (d)(1)(C) by striking "1995" each place it appears and inserting "1998".

Subtitle B—Restructuring of Loan Programs

SEC. 1201. RESTRUCTURING OF CERTAIN LOAN PROGRAMS.

(a) Loan Programs Under the Rural Electrification Act of 1936.—

(1) Insured loan programs.—Section 305 of the Rural Electrification Act of 1936 (7 U.S.C. 935) is amended—

(A) by striking subsections (b) and (d);

(B) by redesignating subsection (c) as subsection (b); and

(C) by inserting after subsection (b) (as so redesignated) the following:

"(c) Insured Electric Loans.—

"(1) Hardship loans.—

"(A) In general.—The Administrator shall make insured electric loans at an interest rate of 5 percent per annum to any applicant therefor who meets each of the following requirements:

"(i) The average revenue per kilowatt-hour sold by the applicant is not less than 120 percent of the average revenue per kilowatt-hour sold by all utilities in the State in which the borrower provides service.

"(ii) The average residential revenue per kilowatt-hour sold by the applicant is not less than 120 percent of the average residential revenue per kilowatt-hour sold by all utilities in the State in which the borrower provides service.

"(iii) The average per capita income of the residents receiving electric service from the applicant is less than the average per capita income of the residents of the State in which the applicant provides service, or the median household income of the households receiving electric service from the applicant is less than the median household income of the households in the State.

"(B) Severe hardship loans.—The Administrator may make an insured electric loan at an interest rate of 5 percent per annum to an applicant therefor if, in the sole discretion of the Administrator, the applicant has experienced a severe hardship.

"(C) Limitation.—The Administrator may not make a loan under this paragraph to an applicant for the purpose of furnishing or improving electric service to a consumer located in an urban or urbanized area (as defined by the Bureau of the Census) if the average number of consumers per mile of line of the total electric system of the applicant exceeds 17.

"(2) Municipal rate loans.—

"(A) In general.—The Administrator shall make insured electric loans, to the extent of qualifying applications therefor, at the interest rate described in subparagraph (B) for the term or terms selected by the applicant pursuant to subparagraph (C).

"(B) Interest rate.—

"(i) In general.—Subject to clause (ii), the interest rate described in this subparagraph on a loan to a qualifying applicant shall be—

"(I) the interest rate determined by the Administrator to be equal to the current market yield on outstanding municipal obligations with remaining periods to maturity similar to the term selected by the applicant pursuant to subparagraph (C), but not greater than the rate determined under section 307(a)(3)(A) of the Consolidated Farm and Rural Development Act which is based on the current market yield on outstanding municipal obligations; plus

"(II) if the applicant for the loan makes an election pursuant to subparagraph (D) to include in the loan agreement the right of the applicant to prepay the loan, a rate equal to the amount by which—

"(aa) the interest rate on commercial loans for a similar period that afford the borrower such a right; exceeds

"(bb) the interest rate on commercial loans for such period that do not afford the borrower such a right.

"(ii) Maximum rate.—The interest rate described in this subparagraph on a loan to an applicant therefor shall not exceed 7 percent if—

"(I) the average number of consumers per mile of line of the total electric system of the applicant is less than 5.50; or

"(II)(aa) the average revenue per kilowatt-hour sold by the applicant is more than the average revenue per kilowatt-hour sold by all utilities in the State in which the borrower provides service; and

"(bb) the average per capita income of the residents receiving electric service from the applicant is less than the average per capita income of the residents of the State in which the applicant provides service, or the median household income of the households receiving electric service from the applicant is less than the median household income of the households in the State.

"(iii) Exception.—Clause (ii) shall not apply to a loan to be made to an applicant for the purpose of furnishing or improving electric service to consumers located in an urban or urbanized area (as defined by the Bureau of the Census) if the average number of consumers per mile of line of the total electric system of the applicant exceeds 17.

"(C) Loan term.—

"(i) In general.—Subject to clause (ii), the applicant for a loan under this paragraph may select the term during which the loan is to be repaid, and, at the end of such term (and any succeeding term selected by the applicant under this subparagraph), may renew the loan for another term selected by the applicant.

"(ii) Maximum term.—Notwithstanding clause (i), the applicant may not select a term that ends more than 35 years after the beginning of the 1st term the applicant selects under clause (i).

"(D) Call provision.—The Administrator shall offer any applicant for a loan under this paragraph the option to include in the loan agreement the right of the applicant to prepay the loan on terms consistent with similar provisions of commercial loans.

"(3) Other source of credit not required in certain cases.—The Administrator may not require any applicant for a loan made under this subsection who is eligible for a loan under paragraph (1) to obtain a loan from another source as a condition of approving the application for the loan or advancing any amount under the loan.

"(d) Insured Telephone Loans.—

"(1) Hardship loans.—

"(A) In general.—The Administrator shall make insured telephone loans, to the extent of qualifying applications therefor, at an interest rate of 5 percent per annum, to any applicant who meets each of the following requirements:

"(i) The average number of subscribers per mile of line in the service area of the applicant is not more than 4.

"(ii) The applicant is capable of producing net income or margins, before interest payments on the loan applied for, of not less than 100 percent (but not more than 300 percent) of the interest requirements on all of the outstanding and proposed loans of the applicant.

"(iii) The Administrator has approved a telecommunications modernization plan for the State under paragraph (3), and, if the plan was developed by telephone borrowers under this title, the applicant is a participant in the plan.

"(B) Authority to waive tier requirement.—The Administrator may waive the requirement of subparagraph (A)(ii) in any case in which the Administrator determines (and sets forth the reasons therefor in writing) that the requirement would prevent emergency restoration of the telephone system of the applicant or result in severe hardship to the applicant.

"(C) Effect of lack of funds.—On request of any applicant who is eligible for a loan under this paragraph for which funds are not available, the applicant shall be considered to have applied for a loan under title IV.

"(2) Cost-of-money loans.—

"(A) In general.—The Administrator may make insured telephone loans for the purchase and installation of telephone lines, systems, and facilities (other than buildings used primarily for administrative purposes, vehicles not used primarily in construction, and personal customer premise equipment) directly related to the furnishing, improvement, or extension of rural telecommunications service or the acquisition of a rural telecommunications capability, at an interest rate equal to the then cost of money to the Government of the United States for loans of similar maturity, but not more than 7 percent per annum, to any applicant therefor who meets the following requirements:

"(i) The average number of subscribers per mile of line in the service area of the applicant is not more than 15.

"(ii) The applicant is capable of producing net income or margins, before interest payments on the loan applied for, of not less than 100 percent (but not more than 500 percent) of the interest requirements on all of the outstanding and proposed loans of the applicant.

"(iii) The Administrator has approved a telecommunications modernization plan for the State under paragraph (3), and, if the plan was developed by telephone borrowers under this title, the applicant is a participant in the plan.

"(B) Call provision.—The Administrator shall offer any applicant for a loan under this paragraph the option to include in the loan agreement the right of the applicant to prepay the loan.

"(C) Concurrent loan authority.—On request of any applicant for a loan under this paragraph during any fiscal year, the Administrator shall—

"(i) consider the application to be for a loan under this paragraph and a loan under section 408; and

"(ii) if the applicant is eligible therefor, make a loan to the applicant under this paragraph in an amount equal to the amount that bears the same ratio to the total amount of loans for which the applicant is eligible under this paragraph and under section 408, as the amount made available for loans under this paragraph for the fiscal year bears to the total amount made available for loans under this paragraph and under section 408 for the fiscal year.

"(D) Effect of lack of funds.—On request of any applicant who is eligible for a loan under this paragraph for which funds are not available, the applicant shall be considered to have applied for a loan guarantee under section 306.

"(3) State telecommunications modernization plans.—

"(A) Approval.—If, within 6 months after final regulations are promulgated to carry out this paragraph, the public utility commission of any State develops a telecommunications modernization plan that meets the requirements of subparagraph (B), then the Administrator shall approve the plan for the State. Otherwise, the Administrator shall approve any telecommunications modernization plan for the State that meets such requirements, which is developed by a majority of the borrowers of telephone loans made under this title who are located in the State.

"(B) REQUIREMENTS.—A telecommunications modernization plan must, at a minimum, meet the following objectives:

"(i) The plan must provide for the elimination of party line service.

"(ii) The plan must provide for the availability of telecommunications services for improved business, educational, and medical services.

"(iii) The plan must encourage and improve computer networks and information highways for subscribers in rural areas.

"(iv) The plan must provide for—

"(I) subscribers in rural areas to be able to receive through telephone lines—

"(aa) multiple voices;

"(bb) video images; and

"(cc) data at a rate of at least 1,000,000 bits of information per second; and

"(II) the proper routing of information to subscribers.

"(v) The plan must provide for uniform deployment schedules to ensure that advanced services are deployed at the same time in rural and nonrural areas.

"(C) FINALITY OF APPROVAL.—A telecommunications modernization plan approved under subparagraph (A) may not subsequently be disapproved.".

(2) RURAL TELEPHONE BANK LOAN PROGRAM.—Section 408 of the Rural Electrification Act of 1936 (7 U.S.C. 948) is amended—

(A) in subsection (a)—

(i) by striking ", (1)" and all that follows through "(3)" and inserting "(1) for the purchase and installation of telephone lines, systems, and facilities (other than buildings used primarily for administrative purposes, vehicles not used primarily in construction, and personal customer premise equipment) directly related to the furnishing, improvement, or extension of rural telecommunications service or the acquisition of a rural telecommunications capability, and (2)"; and

(ii) by striking "(2) hereof" and inserting "clause (1)";

(B) in subsection (b)—

(i) by amending paragraph (4) to read as follows:

"(4)(A) The Governor of the telephone bank may make a loan under this section only to an applicant therefor who meets the following requirements:

"(i) The average number of subscribers per mile of line in the service area of the applicant is not more than 15.

"(ii) The applicant is capable of producing net income or margins, before interest payments on the loan applied for, of not less than 100 percent (but not more than 500 percent) of the interest requirements on all of the outstanding and proposed loans of the applicant.

"(iii) The Administrator has approved, under section 305(d)(3), a telecommunications modernization plan for the State in which the applicant is located, and, if the plan was developed by telephone borrowers under title III, the applicant is a participant in the plan.";

(ii) in paragraph (8)—

(I) by inserting "(A)" after "(8)";

(II) by striking "if such prepayment is not made later than September 30, 1988" and inserting "except for any prepayment penalty provided for in a loan agreement entered into before the date of the enactment of the Omnibus Budget Reconciliation Act of 1993"; and

(III) by adding at the end the following:

"(B) If a borrower prepays part or all of a loan made under this section, then, notwithstanding section 407(b), the Governor of the telephone bank shall—

"(i) use the full amount of the prepayment to repay obligations of the telephone bank issued pursuant to section 407(b) before October 1, 1991, to the extent any such obligations are outstanding; and

"(ii) in repaying such obligations, first repay the advances bearing the greatest rate of interest."; and

(iii) by adding at the end the following:

"(9) On request of any applicant for a loan under this section during any fiscal year, the Governor of the telephone bank shall—

"(A) consider the application to be for a loan under this section and a loan under section 305(d)(2); and

"(B) if the applicant is eligible therefor, make a loan to the applicant under this section in an amount equal to the amount that bears the same ratio to the total amount of loans for which the applicant is eligible under this section and under section 305(d)(2), as the amount made available for loans under this section for the fiscal year bears to the total amount made available for loans under this section and under section 305(d)(2) for the fiscal year.

"(10) On request of any applicant who is eligible for a loan under this section for which funds are not available, the applicant shall be considered to have applied for a loan under section 305(d)(2)."; and

(C) by adding at the end the following:

"(e) Loans and advances made under this section on or after November 5, 1990, shall bear interest at a rate determined under this section, taking into account all assets and liabilities of the telephone bank. This subsection shall not apply to loans obligated before the date of the enactment of this subsection.".

(3) FUNDING.—Section 314 of such Act (7 U.S.C. 940d) is amended to read as follows:

"SEC. 314. LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.

"(a) IN GENERAL.—There are authorized to be appropriated to the Administrator such sums as may be necessary for the cost of loans in the following amounts, for the following purposes and periods of time:

"(1) ELECTRIC HARDSHIP LOANS.—For loans under section 305(c)(1)—

"(A) for fiscal year 1994, $125,000,000; and

"(B) for each of fiscal years 1995 through 1998, $125,000,000, increased by the adjustment percentage for the fiscal year.

"(2) ELECTRIC MUNICIPAL RATE LOANS.—For loans under section 305(c)(2)—

"(A) for fiscal year 1994, $600,000,000; and

"(B) for each of fiscal years 1995 through 1998, $600,000,000, increased by the adjustment percentage for the fiscal year.

"(3) TELEPHONE HARDSHIP LOANS.—For loans under section 305(d)(1)—

"(A) for fiscal year 1994, $125,000,000; and

"(B) for each of fiscal years 1995 through 1998, $125,000,000, increased by the adjustment percentage for the fiscal year.

"(4) TELEPHONE COST-OF-MONEY LOANS.—For loans under section 305(d)(2)—

"(A) for fiscal year 1994, $198,000,000; and

"(B) for each of fiscal years 1995 through 1998, $198,000,000, increased by the adjustment percentage for the fiscal year.

"(b) ADJUSTMENT PERCENTAGE DEFINED.—As used in subsection (a), the term 'adjustment percentage' means, with respect to a fiscal year, the percentage (if any) by which—

"(1) the average of the Consumer Price Index (as defined in section 1(f)(5) of the Internal Revenue Code of 1986) for the 12-month period ending on July 31 of the immediately preceding fiscal year; exceeds

"(2) the average of the Consumer Price Index (as so defined) for the 12-month period ending on July 31, 1993.

"(c) MANDATORY LEVELS.—The Administrator shall make insured loans under this title from the Rural Electrification and Telephone Revolving Fund established under section 301, for the purposes, in the amounts, and for the periods of time specified in subsection (a), as provided in advance in appropriations Acts.

"(d) AVAILABILITY OF FUNDS FOR INSURED LOANS.—Amounts made available for loans under section 305 are authorized to remain available until expended.".

(4) RULE OF INTERPRETATION.—Section 309(a) of such Act (7 U.S.C. 939(a)) is amended by adding at the end the following: "The preceding sentence shall not be construed to make section 408(b)(2) or 412 applicable to this title.".

(5) MISCELLANEOUS AMENDMENTS.—

(A) Section 2 of such Act (7 U.S.C. 902) is amended—

(i) by inserting "(a)" before "The Administrator";

(ii) by striking "telephone service in rural areas, as hereinafter provided;" and inserting "electric and telephone service in rural areas, as provided in this Act, and for the purpose of assisting electric borrowers to implement demand side management and energy conservation programs"; and

(iii) by adding at the end the following:

"(b) Not later than January 1, 1994, the Administrator shall issue interim regulations to implement the authority contained in subsection (a) to make loans for the purpose of assisting electric borrowers to implement demand side management and energy conservation programs. If such regulations are not issued by such date, the Administrator shall consider any demand side management program which is approved by a State agency to be eligible for such loans."

(B) Section 4 of such Act (7 U.S.C. 904) is amended by inserting "and for the furnishing and improving of electric service to persons in rural areas, including by assisting electric borrowers to implement demand side management and energy conservation programs" after "central station service".

(C) Section 7 of such Act (7 U.S.C. 907) is amended—

(i) by inserting "(a)" before "The Administrator is";

(ii) by designating the 2nd undesignated paragraph as subsection (b); and

(iii) by adding at the end the following:

"(c) Section 306(b) of the Consolidated Farm and Rural Development Act shall apply to a borrower of a loan under this Act in the same manner in which such section applies to an association referred to in such section.".

(D) Section 13 of such Act (7 U.S.C. 913) is amended—

(i) by inserting ", except as provided in section 203(b)," before "shall be deemed to mean any area"; and

(ii) by striking "city, village, or borough having a population in excess of fifteen hundred inhabitants" and inserting "urban or urbanized area, as defined by the Bureau of the Census".

(E) Section 203(b) of such Act (7 U.S.C. 923(b)) is amended by striking "one thousand five hundred" and inserting "5,000".

(F) Section 307 of such Act (7 U.S.C. 937) is amended by adding at the end the following: "The Administrator may not request any applicant for an electric loan under this Act to apply for and accept a loan in an amount exceeding 30 percent of the credit needs of the applicant.".

(G) Section 406 of such Act (7 U.S.C. 946) is amended by adding at the end the following:

"(i) The Governor of the telephone bank may invest in obligations of the United States the amounts in the account in the Treasury of the United States numbered 12X8139 (known as 'the RTB Equity Fund').".

(H) Section 18 of such Act (7 U.S.C. 918) is amended—

(i) by inserting "(a) No Consideration of Borrower's Level of General Funds.—" before "The Administrator"; and

(ii) by adding at the end the following:

"(b) No Loan Origination Fees.—The Administrator and the Governor of the telephone bank may not charge any fee or charge not expressly provided in this Act in connection with any loan under this Act.".

(I) Title III of such Act (7 U.S.C. 931–940d) is amended by inserting after section 306B the following:

"SEC. 306C. ELIGIBILITY OF DISTRIBUTION BORROWERS FOR LOANS, LOAN GUARANTEES, AND LIEN ACCOMMODATIONS.

"A distribution borrower not in default on the repayment of any loan made or guaranteed under this Act shall be eligible for a loan, loan guarantee, or lien accommodation under this title. For the purpose of determining such eligibility, a default by a borrower from which a distribution borrower purchases wholesale power shall not be considered a default by the distribution borrower.

"SEC. 306D. ADMINISTRATIVE PROHIBITIONS APPLICABLE TO ELECTRIC BORROWERS.

"The Administrator may not require prior approval of, impose any requirement, restriction, or prohibition with respect to the operations of, or deny or delay the granting of a lien accommodation to, any electric borrower under this Act whose net worth exceeds 110 percent of the outstanding principal balance on all loans made or guaranteed to the borrower by the Administrator.".

(b) Expanded Eligibility for Loans for Water and Waste Disposal Facilities.—Section 306(a)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(1)) is amended by inserting after the 1st sentence the following: "The Secretary may also make loans to any borrower to whom a loan has been made under the Rural Electrification Act of 1936, for the conservation, development, use, and control of water, and the installation of drainage or waste disposal facilities, primarily serving farmers, ranchers, farm tenants, farm laborers, rural businesses, and other rural residents.".

(c) Regulations.—Not later than October 1, 1993, the Administrator of the Rural Development Administration shall issue interim final rules to implement the amendments made by this section.

SEC. 1202. REORGANIZATION OF RURAL DEVELOPMENT FUNCTIONS.

(a) Administration of Rural Electrification Act of 1936 Transferred to the Rural Development Administration.—

(1) In general.—The Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.) is amended by striking all after the enacting clause that precedes section 2 and inserting the following:

"SECTION 1. SHORT TITLE; ADMINISTRATION OF ACT.

"(a) Short Title.—This Act may be cited as the 'Rural Electrification Act of 1936'.

"(b) Administration of Act.—The Administrator of the Rural Development Administration (in this Act referred to as the 'Administrator') shall carry out this Act under the general direction and supervision of the Secretary of Agriculture.".

(2) Conforming amendments.—

(A) Section 3(a) of such Act (7 U.S.C. 903(a)) is amended by striking "appointed pursuant to the provisions of this Act".

(B) Section 8 of such Act (7 U.S.C. 908) is amended—

(i) by striking "authorized to be appointed by this Act"; and

(ii) by striking "Rural Electrification Administration created by this Act" and inserting "Rural Development Administration".

(C) Each of the following provisions of such Act is amended by striking "Rural Electrification Administration" and inserting "Rural Development Administration":

(i) Section 306A(b) (7 U.S.C. 936a(b)).

(ii) Section 403(b) (7 U.S.C. 943(b)).

(iii) Section 404 (7 U.S.C. 944).

(iv) Section 406(c) (7 U.S.C. 946(c)).

(v) Section 410(a)(1) (7 U.S.C. 950(a)(1)).

(b) Other Functions of the Rural Electrification Administration Transferred to the Rural Development Administration.—Section 364 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2006f) is amended by adding at the end the following:

"(g) Transfer of Functions of the Rural Electrification Administration to the Rural Development Administration.—

"(1) In general.—All rights, interests, obligations, and duties of the Administrator of the Rural Electrification Administration arising before the date of the enactment of this subsection, from any loan made, insured, or guaranteed by, or other action of, the Rural Electrification Administration shall be vested in the Administrator of the Rural Development Administration.

"(2) References.—Any reference in any law, regulation, or order in effect immediately before the date of the enactment of this subsection to the Rural Electrification Administration or to the Administrator of the Rural Electrification Administration, is deemed to be a reference to the Rural Development Administration or to the Administrator of the Rural Development Administration, respectively.

"(3) Effect on pending proceedings and parties to such proceedings.—

"(A) Nonabatement of proceedings.—This subsection shall not be construed to abate any proceeding commenced by or against the Rural Electrification Administration or the Administrator of the Rural Electrification Administration.

"(B) Effect on parties.—If an officer of the Rural Electrification Administration, in the official capacity of such officer, is a party to a proceeding pending on the date of the enactment of this subsection, then such action shall be continued with the Administrator, or other appropriate officer, of the Rural Development Administration substituted or added as a party.

"(4) Incidental transfers.—The Secretary shall transfer all personnel from the Rural Electrification Administration to the Rural Development Administration, and shall make such determinations as may be appropriate to carry out this subsection.".

(c) Structure of the Rural Development Administration.—Such section 364 (7 U.S.C. 2006f), as amended by subsection (b) of this section, is amended by adding at the end the following:

"(h) Structure of the Rural Development Administration.—

"(1) Deputy administrator for rural utilities.—The Administrator of the Rural Development Administration shall appoint a Deputy Administrator for Rural Utilities who shall administer—

"(A) the programs authorized by the Rural Electrification Act of 1936; and

"(B) the rural water and waste disposal programs administered by the Rural Development Administration.

"(2) Assistant administrators.—The Administrator of the Rural Development Administration may appoint—

"(A) an Assistant Administrator for the electric programs authorized by the Rural Electrification Act of 1936;

"(B) an Assistant Administrator for the telephone programs authorized by such Act;

"(C) an Assistant Administrator who shall be responsible for—

"(i) rural utility technical engineering standards and specifications; and

"(ii) other utility management and accounting functions assigned by the Administrator; and

"(D) an Assistant Administrator for water and sewer programs.".

(d) Rural Economic Development.—

(1) In general.—Such section 364 (7 U.S.C. 2006f), as amended by subsections (b) and (c) of this section, is amended by adding at the end the following:

"(i) Rural Economic Development.—A borrower of a loan or loan guarantee under the Rural Electrification Act of 1936 shall be eligible for assistance under all programs administered by the Rural Development Administration, and the Administrator of the Rural Development Administration shall encourage and facilitate the full participation of such a borrower in such programs.

"(j) Technical Assistance Unit.—The Administrator of the Rural Development Administration shall establish a technical assistance unit to provide to borrowers under the programs administered by the Rural Development Administration advice and guidance on community and economic development activities.".

(2) Conforming repeal.—Section 11A of the Rural Electrification Act of 1936 (7 U.S.C. 911a) is hereby repealed.

(e) Regulations.—Not later than January 1, 1994, the Administrator of the Rural Development Administration shall issue interim final rules to implement the amendments made by this section.

Subtitle C—Food Stamp Program

SEC. 1301. SHORT TITLE.

This subtitle may be cited as the "Mickey Leland Childhood Hunger Relief Act".

SEC. 1302. REFERENCES TO THE ACT.

Except as otherwise provided in this subtitle, references in this subtitle to "the Act" and sections of the Act shall be deemed to be references to the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) and the sections of such Act.

CHAPTER 1—ENSURING ADEQUATE FOOD ASSISTANCE

SEC. 1311. MAXIMUM BENEFIT LEVEL.

Section 3(o) of the Act (7 U.S.C. 2012(o)) is amended by striking "(4) through" and all that follows through the end of the subsection, and inserting the following: "and (4) on October 1, 1993, and each October 1 thereafter, adjust the cost of such diet to reflect 104 percent of the cost of the thrifty food plan in the preceding June (without regard to adjustments made to such costs in any previous year), as determined by the Secretary, and round the result to the nearest lower dollar increment for each household size.".

SEC. 1312. HELPING LOW-INCOME HIGH SCHOOL STUDENTS.

Section 5(d)(7) of the Act (7 U.S.C. 2014(d)(7)) is amended by striking "who is a student, and who has not attained his eighteenth birthday" and inserting "who is an elementary or secondary school student, and who is 21 years of age or younger".

SEC. 1313. FAMILIES WITH HIGH SHELTER EXPENSES.

(a) COMPUTATION.—Section 5(e) of the Act (7 U.S.C. 2014(e)) is amended—

(1) in the fourth sentence by striking ": *Provided*, That the amount" and all that follows through "June 30"; and

(2) in the fifth sentence by striking "under clause (2) of the preceding sentence".

(b) LIMITATIONS.—

(1) FISCAL YEAR 1994.—Effective on the date of enactment of this Act, section 5(e) of the Act (7 U.S.C. 2014(e)) is amended by inserting after the fourth sentence the following:

"In the 12-month period ending September 30, 1994, such excess shelter expense deduction shall not exceed $214 a month in the 48 contiguous States and the District of Columbia, and shall not exceed, in Alaska, Hawaii, Guam, and the Virgin Islands of the United States, $372, $305, $259, and $158 a month, respectively.".

(2) REMOVAL OF CAP.—Effective October 1, 1994, section 5(e) of the Act (7 U.S.C. 2014(e)), as amended by paragraph (1), is amended by striking the fifth sentence.

SEC. 1314. RESOURCE EXCLUSION FOR EARNED INCOME TAX CREDITS.

Section 5(g)(3) of the Act (7 U.S.C. 2014(g)(3)) is amended by adding at the end the following:

"The Secretary shall also exclude from financial resources any earned income tax credits received by any member of the household for a period of 12 months from receipt if such member was participating in the food stamp program at the time the credits were received and participated in such program continuously during the twelve-month period.".

SEC. 1315. HOMELESS FAMILIES IN TRANSITIONAL HOUSING.

Section 5(k)(2)(F) of the Act (7 U.S.C. 2014(k)(2)(F)) is amended to read as follows:

"(F) housing assistance payments made to a third party on behalf of the household residing in transitional housing for the homeless;".

SEC. 1316. HOUSEHOLDS BENEFITING FROM GENERAL ASSISTANCE VENDOR PAYMENTS.

Section 5(k)(1)(B) of the Act (7 U.S.C. 2014(k)(1)(B)) is amended by striking "living expenses" and inserting "housing expenses, not including energy or utility-cost assistance,".

SEC. 1317. CONTINUING BENEFITS TO ELIGIBLE HOUSEHOLDS.

Section 8(c)(2)(B) of the Act (7 U.S.C. 2017(c)(2)(B)) is amended by inserting "of more than one month in" after "following any period".

SEC. 1318. IMPROVING THE NUTRITIONAL STATUS OF CHILDREN IN PUERTO RICO.

Section 19(a)(1)(A) of the Act (7 U.S.C. 2028(a)(1)(A)) is amended by—

(1) striking "$1,091,000,000" and inserting "$1,111,000,000"; and

(2) striking "$1,133,000,000" and inserting "$1,158,000,000".

CHAPTER 2—PROMOTING SELF SUFFICIENCY

SEC. 1321. INCOME EXCLUSION FOR EDUCATION ASSISTANCE.

Section 5 of the Act (7 U.S.C. 2014) is amended by—

(1) amending subsection (d)(3) to read as follows:

"(3) all educational loans on which payment is deferred (including any loan origination fees or insurance premiums associated with such loans), grants, scholarships, fellowships, veterans' educational benefits, and the like awarded to a household member enrolled at a recognized institution of post-secondary education, at a school for the handicapped, in a vocational education program, or in a program that provides for completion of a secondary school diploma or obtaining the equivalent thereof,";

(2) striking ", and no portion" and all that follows through "for living expenses," in subsection (d)(5); and

(3) striking subsection (k)(3).

SEC. 1322. CHILD SUPPORT PAYMENTS TO NON-HOUSEHOLD MEMBERS.

Section 5(d)(6) of the Act (7 U.S.C. 2014(d)6)) is amended by striking the comma at the end and inserting the following—

": *Provided*, That child support payments made by a household member to or for a person who is not a member of the household shall be excluded from the income of the household of the person making such payments if such household member was legally obligated to make such payments: Provided further, That the Secretary is authorized to prescribe by regulation the method(s), which may include calculation on a retrospective basis, that State agencies may use to determine the amount of child support excluded,".

SEC. 1323. CHILD SUPPORT EXCLUSION.

Section 5 of the Act (7 U.S.C. 2014) is amended—

(1) in subsection (d)(13)—

(A) by striking "at the option" and all that follows through "subsection (m)," and inserting "(A)"; and

(B) by adding at the end "or (B) the first $50 of any child support payment in the month received if such payment was made by the absent parent in the month when due,"; and

(2) by striking subsection (m).

SEC. 1324. IMPROVING ACCESS TO EMPLOYMENT AND TRAINING ACTIVITIES.

(a) DEPENDENT CARE DEDUCTION.—Section 5(e) of the Act (7 U.S.C. 2014(e)) is amended in clause (1) of the fourth sentence by—

(1) striking "$160 a month for each dependent" and inserting "$200 a month for a dependent child under 2 years of age and $175 a month for any other dependent"; and

(2) striking ", regardless of the dependent's age,".

(b) REIMBURSEMENTS TO PARTICIPANTS IN EMPLOYMENT AND TRAINING PROGRAMS.—

(1) COSTS OTHER THAN COSTS OF DEPENDENT CARE.—Section 6(d)(4)(I)(i)(I) of the Act (7 U.S.C. 2015(d)(4)(I)(i)(I)) is amended by striking ", except that" and all that follows through "per month" and inserting the following—

"(which may include reimbursements for costs of any supportive services of the kinds provided or reimbursed under the State's plan under part F of title IV of the Social Security Act (42 U.S.C. 681 et seq.)), except that State agencies may establish limits on reimbursements to participants for such costs, which limits may not be less than $25 per month".

(2) COSTS OF DEPENDENT CARE.—Section 6(d)(4)(I)(i)(II) of the Act (7 U.S.C. 2015(d)(4)(I)(i)(II)) is amended to read as follows—

"(II) the actual costs of such dependent care expenses that are determined by the State agency to be necessary for the participation of an individual in the program (other than an individual who is the caretaker relative of a dependent in a family receiving benefits under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) in a local area where an employment, training, or education program under title IV of such Act is in operation, or was in operation, on the date of enactment of the Hunger Prevention Act of 1988) up to any limit set by the State agency (which limit shall not be less than the limit for the dependent care deduction under section 5(e)), but in no event shall such payment or reimbursements exceed the applicable local market rate as determined by procedures consistent with any such determination under the Social Security Act. Individuals subject to the program under this paragraph may not be required to participate if dependent costs exceed the limit established by the State agency under this subclause or other actual costs exceed any limit established under subclause (I).".

(c) CONFORMING AMENDMENTS.—Section 16(h)(3) of the Act (7 U.S.C. 2025(h)(3)) is amended by—

(1) striking "$25" and all that follows through "dependent care costs)", and inserting "the payment made under section 6(d)(4)(I)(i)(I) and subject to any limits the State has established under such section"; and

(2) striking "representing $160 per month per dependent" and inserting "equal to the payment made under section 6(d)(4)(I)(i)(II) but not more than the applicable local market rate,".

SEC. 1325. VEHICLES NEEDED TO SEEK AND CONTINUE EMPLOYMENT AND FOR HOUSEHOLD TRANSPORTATION.

Section 5(g)(2) of the Act (7 U.S.C. 2014(g)(2)) is amended by striking "$4,500" and inserting the following:

"a level set by the Secretary, which shall be $5,500 through September 30, 1994, and which shall be adjusted on each October 1 thereafter to reflect changes in the new car component of the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics for the 12-month period ending on June 30 preceding the date of such adjustment and rounded to the nearest $50".

SEC. 1326. VEHICLES NECESSARY TO CARRY FUEL OR WATER.

Section 5(g)(2) of the Act (7 U.S.C. 2014(g)(2)) is amended by adding at the end the following:

"The Secretary shall exclude from financial resources the value of a vehicle that a household depends upon to carry fuel for heating or water for home use when such transported fuel or water is the primary source of fuel or water for the household.".

SEC. 1327. DEMONSTRATION PROJECTS TESTING RESOURCE ACCUMULATION.

Section 17 of the Act (7 U.S.C. 2026) is amended by adding at the end the following:

"(k) The Secretary may conduct, under such terms and conditions as the Secretary may prescribe, for a period not to exceed 4 years, demonstration projects to test allowing eligible households to accumulate resources up to $10,000 for later expenditure for a purpose directly related to improving the education, training, or employability (including self employment) of household members, for the purchase of a home for the household, for a change of the household's residence, or for making major repairs to the household's home. The Secretary is authorized to pay up to $100,000,000 in food stamp benefits to households participating in such demonstration projects during the period in which such projects are in operation.".

CHAPTER 3—SIMPLIFYING THE PROVISION OF FOOD ASSISTANCE

SEC. 1331. SIMPLIFYING THE HOUSEHOLD DEFINITION FOR HOUSEHOLDS WITH CHILDREN AND OTHERS.

Section 3(i) of the Act (7 U.S.C. 2012(i)) is amended—

(1) in the first sentence—

(A) by striking "(2)" and inserting "or (2)";

(B) by striking ", or (3) a parent of minor children and that parent's children" and all that follows through "parents and children, or siblings, who live together", and inserting the following:

". Spouses who live together, parents and their children 21 years of age or younger (who are not themselves parents living with their children or married living with their spouses) who live together, and children (excluding foster children) under 18 years of age who live with and are under the parental control of a person other than their parent together with the person exercising parental control"; and

(C) striking ", unless one of " and all that follows through "disabled member"; and

(2) in the second sentence by striking "clause (1) of the preceding sentence" and inserting "the preceding sentences".

SEC. 1332. ELIGIBILITY OF CHILDREN OF PARENTS PARTICIPATING IN DRUG OR ALCOHOL ABUSE TREATMENT PROGRAMS.

Section 3 of the Act (7 U.S.C. 2012) is amended—

(1) in the last sentence of subsection (i) by inserting ", together with their children," after "narcotics addicts or alcoholics"; and

(2) in subsection (g)(5) by inserting ", and their children," after "or alcoholics".

SEC. 1333. RESOURCES OF HOUSEHOLDS WITH DISABLED MEMBERS.

Section 5(g)(1) of the Act (7 U.S.C. 2014(g)(1)) is amended by striking "a member who is 60 years of age or older," and inserting "an elderly or disabled member,".

SEC. 1334. ENSURING ADEQUATE FUNDING FOR THE FOOD STAMP PROGRAM.

Section 18 of the Act (7 U.S.C. 2027) is amended by—

(1) striking the third and fourth sentences of subsection (a)(1) and inserting the following—

"The Secretary shall, once every 3 months, submit a report to the Committee on Agriculture of the House of Representatives and to the Committee on Agriculture, Forestry, and Nutrition of the Senate setting forth the Secretary's best estimate of the preceding quarter's expenditure, including administrative costs, as well as the cumulative totals for the fiscal year. In each quarterly report, the Secretary shall also state whether there is reason to believe that supplemental appropriations will be needed to support the operation of the program through the end of the fiscal year."; and

(2) striking subsections (b), (c), and (d) and redesignating subsections (e) and (f) as subsections (b) and (c), respectively.

CHAPTER 4—IMPROVING PROGRAM INTEGRITY

SEC. 1341. USE AND DISCLOSURE OF INFORMATION PROVIDED BY RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS.

Section 9(c) of the Act (7 U.S.C. 2018(c)) is amended—

(1) in the second sentence by inserting after "disclosed to and used by" the following:

"State and Federal law enforcement and investigative agencies for the purposes of administering or enforcing the provisions of this Act or any other Federal or State law and the regulations issued under this Act or such law, and";

(2) by inserting after the second sentence the following:

"An officer or employee of an agency described in the preceding sentence who publishes, divulges, discloses, or makes known in any manner or to any extent not authorized by Federal law any information obtained under the authority granted by this subsection shall be subject to section 1905 of title 18 of the United States Code."; and

(3) in the last sentence by striking "Such purposes shall not exclude" and inserting the following—

"Such regulations shall establish the criteria to be used by the Secretary to determine that such information is needed. Such regulations shall not prohibit".

SEC. 1342. ADDITIONAL MEANS OF CLAIMS COLLECTION.

(a) SAFEGUARDS.—Section 11(e)(8) of the Act (7 U.S.C. 2020(e)(8)) is amended by—

(1) striking "and (B)" and inserting "(B)"; and

(2) striking the semi-colon at the end and inserting the following:

", and (C) such safeguards shall not prevent the use by, or disclosure of such information, to agencies of the Federal Government (including the United States Postal Service) for purposes of collecting the amount of an overissuance of coupons, as determined under section 13(b) of this Act and excluding claims arising from an error of the State agency, that has not been recovered pursuant to such section, from refunds of Federal taxes as authorized pursuant to section 3720A of title 31 of the United States Code, or from Federal pay (including salaries and pensions) as authorized pursuant to section 5514 of title 5 of the United States Code;".

(b) RECOVERY.—Section 13 of the Act (7 U.S.C. 2022) is amended by adding the following:

"(d) The amount of an overissuance of coupons (as determined under subsection (b) and except for claims arising from an error of the State agency) that has not been recovered pursuant to such subsection may be recovered from refunds of Federal taxes, as authorized pursuant to section 3720A of title 31 of the United States Code, or from Federal pay (including salaries and pensions) as authorized by section 5514 of title 5 of the United States Code.".

SEC. 1343. DEMONSTRATION PROJECTS TESTING ACTIVITIES DIRECTED AT STREET TRAFFICKING IN COUPONS.

Section 17 of the Act (7 U.S.C. 2026) is amended by adding a new subsection (l) at the end thereof as follows—

"(l) The Secretary may use up to $4 million of funds provided in advance in appropriations Acts for projects authorized by this section in Fiscal Year 1994 to conduct projects in which State or local food stamp agencies test innovative ideas for working with State or local law enforcement agencies to investigate and prosecute coupon street trafficking by recipients, buyers, and authorized retail stores.".

CHAPTER 5—IMPROVING FOOD STAMP PROGRAM MANAGEMENT

SEC. 1351. CLARIFICATION OF CATEGORICAL ELIGIBILITY.

Effective on the date of enactment of this Act, section 5 of the Act (7 U.S.C. 2014) is amended by—

(1) striking "and the third sentence of section 3(i)" each place it appears in subsection (a) and inserting the ", the third sentence of section 3(i), and section 20(f)"; and

(2) striking "II," in subsection (j).

SEC. 1352. TECHNICAL AMENDMENTS RELATED TO ELECTRONIC BENEFIT TRANSFER.

(a) ELIGIBILITY DISQUALIFICATION OF INDIVIDUALS.—Section 6(b)(1)(B) of the Act (7 U.S.C. 2015(b)(1)(B)) is amended by striking "or authorization cards" and inserting ", authorization cards, or access devices".

(b) ELIGIBILITY DISQUALIFICATION OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS.—Section 12(b)(3)(B) of the Act (7 U.S.C. 2021(b)(3)(B)) is amended by—

(1) striking "or authorization cards" and inserting ", authorization cards, or access devices"; and

(2) striking "or cards" and inserting ", cards, or devices".

SEC. 1353. DISQUALIFICATION OF RECIPIENTS FOR TRADING FIREARMS, AMMUNITION, EXPLOSIVES, OR CONTROLLED SUBSTANCES FOR COUPONS.

Section 6(b)(1) of the Act (7 U.S.C. 2015(b)(1)) is amended by striking subdivisions (ii) and (iii) and inserting the following:

"(ii) for a period of 1 year upon—

"(I) the second occasion of any such determination; or

"(II) the first occasion of a finding of the trading of a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)); and

"(iii) permanently upon—

"(I) the third occasion of any such determination;

"(II) the second occasion of a finding of the trading of a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)) for coupons; or

"(III) the first occasion of a finding of the trading of firearms, ammunition, or explosives for coupons.".

SEC. 1354. UNCAPPED CIVIL MONEY PENALTY FOR TRAFFICKING IN COUPONS.

Effective on the date of enactment of this Act, section 12(b)(3)(B) of the Act (7 U.S.C. 2021(b)(3)(B)) is amended by striking "(except" and all that follows through ") in", and inserting "in".

SEC. 1355. UNCAPPED CIVIL MONEY PENALTY FOR SELLING FIREARMS, AMMUNITION, EXPLOSIVES, OR CONTROLLED SUBSTANCES FOR COUPONS.

Effective on the date of enactment of this Act, section 12(b)(3)(C) of the Act (7 U.S.C. 2021(b)(3)(C)) is amended—

(1) by striking "substances (as the term is" and inserting "substance (as"; and

(2) by striking "(except" and all that follows through ") in", and inserting "in".

SEC. 1356. MODIFYING THE FOOD STAMP QUALITY CONTROL SYSTEM.

(a) AMENDMENTS.—Section 16(c) of the Act (7 U.S.C. 2025(c)) is amended—

(1) in paragraph (1)(C)—

(A) by striking "payment error tolerance level" and inserting "national performance measure"; and

(B) by striking "equal to" and all that follows through the period at the end, and inserting the following:

"equal to—

"(i) the product of—

"(I) the value of all allotments issued by the State agency in the fiscal year; times

"(II) the lesser of—

"(aa) the ratio of—

"(1) the amount by which the State agency's payment error rate for the fiscal year exceeds the national performance measure for the fiscal year, to

"(2) the national performance measure for the fiscal year; or "(bb) one; times

"(III) the amount by which the State agency's payment error rate for the fiscal year exceeds the national performance measure for the fiscal year.

"(ii) The amount of liability shall not be affected by corrective action under subparagraph (B).";

(2) in paragraph (3)(A) by striking "60 days (or 90 days at the discretion of the Secretary)" and inserting "120 days"; and

(3) in paragraph (6) by striking "shall be used" and all that follows through "level" the last place it appears.

(b) STUDY BY THE OFFICE OF TECHNOLOGY ASSESSMENT.—The Office of Technology Assessment shall undertake a study of measurement error, any bias in penalty amounts, extreme value bias, regression formula, and of geographical and temporal uniformity of measurements, in the food stamp program quality control system, and shall report the results and recommendations of such study to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate not later than 12 months after the date of enactment of this Act.

(c) STUDY BY THE SECRETARY OF AGRICULTURE.—The Secretary of Agriculture shall conduct a study of major causal factors which contribute to the payment error rate. The Secretary shall also conduct controlled experiments under which various reviewers review identical cases, with the objective of determining the degree of uniformity in quality control error-rate measurements and the extent to which different levels of investment of resources in the review process affect measurement error. The Secretary shall report the results and recommendations (including recommendations as to what measures would best reduce measurement error and increase uniformity of quality control error-rate measurements at reasonable cost) of such study to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate not later than 2 years after the date of enactment of this Act.

CHAPTER 6—UNIFORM REIMBURSEMENT RATES

SEC. 1361. UNIFORM REIMBURSEMENT RATES.

(a) AMENDMENTS.—Section 16 of the Act (7 U.S.C. 2025) is amended—

(1) in subsection (a)—

(A) by striking "and (5)" and inserting "(5)";

(B) by inserting before the colon the following—

", (6) automated data processing and information retrieval systems subject to the conditions set forth in subsection (g), (7) food stamp program investigations and prosecutions, and (8) implementing and operating the immigration status verification system under section 1137(d) of the Social Security Act (42 U.S.C. 1320b-7(d))"; and

(C) in the proviso by inserting after "75 per centum" the following:

"through June 30, 1994, 70 percent for the 1-year period beginning July 1, 1994, 60 percent for the 1-year period beginning July 1, 1995, and 50 percent for any subsequent period,";

(2) in subsection (g)—

(A) by inserting "through June 30, 1995, equal to 60 percent for the 1-year period beginning July 1, 1995, and 50 percent effective July 1, 1996," after "1991,"; and

(B) by striking "automatic" and inserting "automated"; and

(3) in subsection (j) by inserting after "100 per centum" the following:

"through June 30, 1994, 70 percent for the 1-year period beginning July 1, 1994, 60 percent for the 1-year period beginning July 1, 1995, and 50 percent for any subsequent period,".

(b) APPLICATION OF AMENDMENTS.—The reductions in enhanced Federal match rates for administration resulting from the amendments made by subsection (a) shall apply to payments to States for expenditures incurred only after—

(1) the end of the State fiscal year that ends during 1994; or

(2) in the case of a State with a State legislature which is not scheduled to have a regular legislative session in 1994, the end of the State fiscal year that ends during 1995;

without regard to whether or not final regulations to carry out such amendments have been promulgated by the Secretary before the end of either of such State fiscal years.

CHAPTER 7—IMPLEMENTATION AND EFFECTIVE DATES

SEC. 1371. IMPLEMENTATION AND EFFECTIVE DATES.

(a) GENERAL EFFECTIVE DATE AND IMPLEMENTATION.—Except as otherwise provided in this subtitle, this subtitle and the amendments made by this subtitle shall take effect, and shall be implemented beginning on, October 1, 1993.

(b) SPECIAL EFFECTIVE DATES AND IMPLEMENTATION.—(1) Sections 1312, 1315, 1316, 1317, 1322, 1323, 1326, 1331, 1333, and 1353 and the amendments made by such sections shall take effect, and shall be implemented beginning on, July 1, 1994.

(2) Paragraphs (1) and (3) of section 1356(a) and the amendments made by such paragraphs shall take effect, and shall be implemented beginning on, October 1, 1991.

(3) Paragraph (2) of section 1356(a) and the amendment made by such paragraph shall take effect, and shall be implemented beginning on, October 1, 1992.

Subtitle D—Miscellaneous Provisions

SEC. 1401. MAXIMUM EXPENDITURES UNDER MARKET PROMOTION PROGRAM FOR FISCAL YEARS 1994 THROUGH 1998.

(a) LIMITATION.—Section 211(c)(1) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641(c)) is amended by striking "not less than $200,000,000 for each of the fiscal years 1991 through 1995" and inserting "an amount equal to $147,734,000 for each of the fiscal years 1991 through 1998".

(b) APPLICATION OF AMENDMENTS.—The amendment made by this section shall apply with respect to fiscal years beginning after September 30, 1993.

SEC. 1402. ADMISSION, ENTRANCE, AND RECREATION FEES.

(a) AUTHORITY TO IMPOSE FEES.—

(1) ENTRANCE AND ADMISSION FEES.—The Secretary of Agriculture may charge admission or entrance fees at National Monuments, National Volcanic Monuments, National Scenic Areas, and areas of concentrated public use administered by the Secretary.

(2) RECREATION USE FEES.—The Secretary may charge recreation use fees at lands administered by the Secretary in connection with the use of specialized outdoor recreation sites, equipment, services, or facilities, including visitors' centers, picnic tables, boat launching facilities, or campgrounds.

(b) AMOUNT OF FEES.—The amount of the admission, entrance, and recreation fees authorized to be imposed under this section shall be determined by the Secretary.

(c) DEFINITIONS.—For purposes of this section:

(1) The term "area of concentrated public use" means an area administered by the Secretary that meets each of the following criteria:

(A) The area is managed primarily for outdoor recreation purposes.

(B) Facilities and services necessary to accommodate heavy public use are provided in the area.

(C) The area contains at least one major recreation attraction.

(D) Public access to the area is provided in such a manner that admission fees can be efficiently collected at one or more centralized locations.

(2) The term "boat launching facility" includes any boat launching facility regardless of whether specialized facilities or services, such as mechanical or hydraulic boat lifts or facilities, are provided.

(3) The term "campground" means any campground where a majority of the following amenities are provided, as determined by the Secretary:

(A) Tent or trailer spaces.

(B) Drinking water.

(C) An access road.

(D) Refuse containers.

(E) Toilet facilities.

(F) The personal collection of recreation use fees by an employee or agent of the Secretary.

(G) Reasonable visitor protection.

(H) If campfires are permitted in the campground, simple devices for containing the fires.

(4) The term "Secretary" means the Secretary of Agriculture.

SEC. 1403. ADDITIONAL PROGRAM CHANGES TO MEET RECONCILIATION REQUIREMENTS.

The Secretary of Agriculture shall consolidate personnel and field, regional, and national offices of agencies within the Department of Agriculture in order to reduce personnel and duplicative overhead expenses as a result of the consolidation such that Department expenditures are reduced by—

(1) $90,000,000 in fiscal year 1995;

(2) $97,000,000 in fiscal year 1996;

(3) $135,000,000 in fiscal year 1997; and

(4) $178,000,000 in fiscal year 1998.

SEC. 1404. ENVIRONMENTAL CONSERVATION ACREAGE RESERVE PROGRAM AMENDMENTS.

(a) ENROLLMENT REQUIREMENT.—

(1) CONSERVATION RESERVE PROGRAM.—

(A) IN GENERAL.—Section 1231(d) of the Food Security Act of 1985 (16 U.S.C. 3831(d)) is amended—

(ii) by striking "the amount of acres specified in section 1230(b)" and inserting "a total of 38,000,000 acres during the 1986 through 1995 calendar years"; and

(iii) by striking "each of calendar years 1994 and 1995" and inserting "the 1995 calendar year".

(B) CONFORMING AMENDMENT.—Section 1230(b) of such Act (16 U.S.C. 3830(b)) is amended by striking "to place in" and all that follows through "acres".

(2) WETLANDS RESERVE PROGRAM.—

(A) IN GENERAL.—Section 1237(b) of such Act (16 U.S.C. 3837(b)) is amended to read as follows:

"(b) MINIMUM ENROLLMENT.—The Secretary shall enroll into the wetlands reserve program—

"(1) a total of not less than 330,000 acres by the end of the 1995 calendar year; and

"(2) a total of not less than 975,000 acres during the 1991 through 2000 calendar years.".

(B) CONFORMING AMENDMENT.—Section 1237(c) of such Act (16 U.S.C. 3837(c)) is amended by striking "1995" and inserting "2000".

(b) Use of Commodity Credit Corporation.—Section 1241 of such Act (16 U.S.C. 3841) is amended—

(1) in subsection (a)—

(A) by striking "(a)(1) During each of the fiscal years ending September 30, 1986, and September 30, 1987" and inserting "(a) During each of the fiscal years 1994 through 2000"; and

(B) by striking paragraph (2); and

(2) in subsection (b), by striking "(A) through (E)" and inserting "A through E".

SEC. 1405. LEVELS OF INSURANCE COVERAGE UNDER THE FEDERAL CROP INSURANCE ACT.

(a) Conversion of Program to Four Levels of Coverage.—The Federal Crop Insurance Act is amended—

(1) in subsection (a) of section 508 (7 U.S.C. 1508)—

(A) in the first sentence, by striking "If sufficient actuarial data are available, as determined by the Board," and inserting "Subject to section 508B, based on the actuarial and underwriting data available to the Board,"; and

(B) by striking the fifth, sixth, seventh, eighth, ninth, tenth, fourteenth, fifteenth, and sixteenth sentences; and

(2) by inserting after section 508A (7 U.S.C. 1508a) the following new section:

"SEC. 508B. FOUR LEVELS OF CROP INSURANCE COVERAGE.

"(a) Four Levels of Coverage.—In making crop insurance available under section 508 to producers of agricultural commodities grown in the United States, the Corporation shall make available four levels of insurance coverage against losses in yields of the insured commodity:

"(1) Level I.—Coverage level I shall be available only to those producers who do not purchase insurance at coverage levels II, III, or IV and shall provide for the indemnification of those producers for losses in yield to the extent that such losses exceed 65 percent of the determined yield of the commodity for the farm, as established under subsection (b).

"(2) Levels II, III, and IV.—Coverage levels II, III, and IV shall provide for the indemnification of producers for those losses in yield to the extent that such losses exceed 50, 35, and 25 percent, respectively, of—

"(A) the average proven yield on the farm for a representative period based on the actual production history of the farm, as determined from the producer's records; or

"(B) if such records are not available or are insufficient, the recorded or appraised average yield of the commodity on the farm for a representative period, subject to such adjustments as the Board may prescribe to ensure that the average yield for farms in the same area, which are subject to the same conditions, are fair and just.

"(b) Determined Yield.—For purposes of subsection (a)(1), the determined yield for a commodity shall be equal to—

"(1) in the case of a crop of any commodity for which the Agricultural Stabilization and Conservation Service establishes a yield for the farm, the yield so established; and

"(2) in the case of a crop of any other commodity, the recorded or appraised average yield of the commodity on the farm for a representative period, subject to such adjustments as the Board may prescribe to ensure that the average yield for farms in the same area, which are subject to the same conditions, are fair and just.

"(c) Use of ASCS Yield.—If the Agricultural Stabilization and Conservation Service has established a yield for a crop of a commodity for a farm and such yield is higher than the yield determined for the farm under subsection (a)(2) for coverage levels II, III, or IV, the producer may elect to use such higher yield for purpose of coverage levels II, III, and IV. Use of such higher yield shall be subject to an additional premium for the coverage at such a rate as the Board determines appropriate to accurately reflect the increased risk involved and that the Board determines to be actuarially sufficient to cover claims for losses on such insurance and to establish a reasonable reserve against unforeseen losses. No premium subsidy or administrative subsidy may be provided by the Corporation in connection with any additional coverage provided under this subsection.

"(d) Price Elections.—The Corporation shall establish a high and low price election for each agricultural commodity for which insurance is available under this title. The high price shall not be less than the projected market price of the commodity. Coverage levels II, III, and IV shall be available to producers at any price election that is equal to or less than the high price election and shall be quoted in terms of dollars per acre coverage that may be purchased. Coverage level I shall be offered only at the low price election.

"(e) Coverage and Price Information.—The Corporation shall ensure that each producer is provided accurate and adequate information at the time of application regarding the amount of coverage available at each level of coverage for the commodity to be insured and the cost to the producer for such coverage.

"(f) Annual Report.—The Corporation shall report annually to the Congress the results of its operations regarding each commodity for which insurance is available under this title. The report shall include for each insured commodity a description of operations under this section at each level of coverage.".

(b) Premium Payment.—Subsection (e)(3) of section 508 of the Federal Crop Insurance Act (7 U.S.C. 1508) is amended to read as follows:

"(3) For the purpose of encouraging the broadest possible participation in the crop insurance program, the Corporation shall pay—

"(A) with respect to each policy providing for coverage level I, the full amount of the premium for such coverage; and

"(B) with respect to each policy providing for coverage level II, III, or IV, the portion of the premium that is equal to the amount that would have been paid under subparagraph (A) if the producer had elected coverage level I.".

(c) Reinsurance.—Subsection (h) of section 508 of the Federal Crop Insurance Act (7 U.S.C. 1508) is amended to read as follows:

"(h) Reinsurance.—The Corporation shall provide reinsurance, to the maximum extent practicable, upon such terms and conditions as the Board may determine to be consistent with subsections (a) and (b) and with sound reinsurance principles promulgated pursuant to the Office of Federal Procurement Policy Act (41 U.S.C. 401, et seq.), which the Board shall modify as necessary to conform to the purposes of this Act, taking into account the expenses of the Corporation paid on its own policies of insurance. Reinsurance shall be provided to insurers including private insurance companies or pools of such companies, reinsurers of such companies, or State or local governmental entities, including any political subdivisions thereof, that insure producers of any agricultural commodity under a plan or plans acceptable to the Corporation. However, in the case of the sale of coverage level I policies only (but not for the processing and adjustment of claims on those policies), contractors of the Corporation shall be paid only $50 per policy, of which $25.50 shall be paid by the policyholder at the time of application and $24.50 shall be paid by the Corporation. Whenever the Corporation provides reinsurance under this subsection to any such insurers, the Corporation shall pay (as provided in subsection (e)) the portion of the producer's premium for such insurance so reinsured. Insurers of policies on which reinsurance is provided shall make use of licensed private insurance agents and brokers on the same basis as provided for policies of the Corporation under section 507(c)(3) of this title, except that the provisions for compensating agents and brokers from premiums paid by the insured shall not apply. The Corporation shall periodically revise its reinsurance agreement with the reinsured companies to provide for the reinsured companies to bear an increased share of any potential loss under such agreement, in cases in which the financial conditions of the reinsured companies and the availability of private reinsurance so permits.".

(d) Application of Amendments.—The amendments made by this section shall apply beginning with crops to be harvested in 1995.

TITLE II—COMMITTEE ON ARMED SERVICES

SEC. 2001. LIMITATION ON COST-OF-LIVING ADJUSTMENTS FOR MILITARY RETIREES.

Paragraph (2) of section 1401a(b) of title 10, United States Code, is amended to read as follows:

"(2) Pre-August 1, 1986 Members.—

"(A) General Rule.—The Secretary shall increase the retired pay of each member and former member who first became a member of a uniformed service before August 1, 1986, by the percent (adjusted to the nearest one-tenth of 1 percent) by which—

"(i) the price index for the base quarter of that year, exceeds

"(ii) the base index.

"(B) Special Rule for Fiscal Years 1994 through 1998.—In the case of the increases in retired pay that, pursuant to paragraph (1), become effective on December 1 of each of fiscal years 1994, 1995, 1996, 1997, and 1998, the initial month for which each such increase is payable as part of such retired pay shall (notwithstanding such December 1 effective date) be as set forth in the following table:

"Fiscal year:	**First month for which increase is payable:**
1994	April 1994.
1995	July 1995.
1996	October 1996.
1997	January 1998.
1998	April 1999.

"(C) Exclusion of Disability Retirees from Rolling COLA.—Subparagraph (B) does not apply with respect to the retired pay of a member retired under chapter 61 of this title.".

SEC. 2002. ELIMINATION OF MILITARY PAY RAISE FOR FISCAL YEAR 1994 AND REDUCTION IN THE AMOUNT OF THE RAISE FOR FISCAL YEARS 1995 THROUGH 1998.

(a) Fiscal Year 1994.—During fiscal year 1994, no increase in the rates of basic pay, basic allowance for quarters, or basic allowance for subsistence of members of the uniformed services shall be made or take effect pursuant to section 1009 of title 37, United States Code.

(b) One Percent Reduction in Subsequent Fiscal Years.—If the General Schedule of compensation for Federal classified employees is increased under section 5303 of title 5, United States Code, as amended by title X of this Act, during fiscal year 1995, 1996, 1997, or 1998, the elements of compensation of members of the uniformed services shall likewise be increased during that fiscal year in the manner provided in section 1009 of title 37, United States Code, based on the corresponding increase under section 5303 of title 5, United States Code (as so amended).

(c) Effective Date of Raises.—Notwithstanding subsections (a) and (b)(1) of section 1009 of title 37, United States Code, during the 10-year period beginning on January 1, 1994, any increase in the elements of compensation of members of the uniformed services that is required to be made under such section during a fiscal year shall take effect on January 1 of that year rather than on the date the corresponding increase under section 5303 of title 5, United States Code, as amended by title X of this Act, takes effect.

TITLE III—COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS

SEC. 3001. NATIONAL DEPOSITOR PREFERENCE.

(a) In General.—Section 11(d)(11) of the Federal Deposit Insurance Act (12 U.S.C. 1821(d)(11)) is amended to read as follows:

"(11) Depositor preference.—

"(A) In general.—Subject to section 5(e)(2)(C), amounts realized from the liquidation or other resolution of any insured depository institution by any receiver appointed for such institution shall be distributed to pay claims (other than secured claims to the extent of any such security) in the following order of priority:

"(i) Administrative expenses of the receiver.

"(ii) Any deposit liability of the institution.

"(iii) Any claim of an employee of the institution, other than a senior executive officer (as defined by the Corporation pursuant to section 32(f)), for pay accrued but unpaid as of the date the receiver was appointed for the institution.

"(iv) Any other general or senior liability of the institution (which is not a liability described in clause (v) or (vi)).

"(v) Any obligation subordinated to depositors or other general creditors (which is not an obligation described in clause (vi)).

"(vi) Any obligation to shareholders arising as a result of their status as shareholders (including any depository institution holding company or any shareholder or creditor of such company).

"(B) Effect on state law.—

"(i) In general.—The provisions of subparagraph (A) shall not supersede the law of any State except to the extent such law is inconsistent with the provisions of such subparagraph, and then only to the extent of the inconsistency.

"(ii) Procedure for determination of inconsistency.—Upon the Corporation's own motion or upon the request of any person with a claim described in subparagraph (A)(i) or any State which is submitted to the Corporation in accordance with procedures which the Corporation shall prescribe, the Corporation shall determine whether any provision of the law of any State is inconsistent with any provision of subparagraph (A) and the extent of any such inconsistency.

"(iii) Judicial review.—The final determination of the Corporation under clause (ii) shall be subject to judicial review under chapter 7 of title 5, United States Code.

"(C) Accounting report.—Any distribution by the Corporation in connection with any claim described in subparagraph (A)(vi) shall be accompanied by the accounting report required under paragraph (15)(B).".

(b) Technical and Conforming Amendments.—

(1) Section 11(c)(13) of the Federal Deposit Insurance Act (12 U.S.C. 1821(c)(13)) is amended—

(A) in subparagraph (A), by striking "subject to subparagraph (B),";

(B) in inserting "and" after the semicolon at the end of subparagraph (A);

(C) by striking subparagraph (B); and

(D) by redesignating subparagraph (C) as subparagraph (B).

(2) Section 11(g)(4) of the Federal Deposit Insurance Act (12 U.S.C. 1921(g)(4)) is amended by striking "If the Corporation" and inserting "Subject to subsection (d)(11), if the Corporation".

(c) Effective Date.—The amendments made by this section shall apply with respect to insured depository institutions for which a receiver is appointed after the date of the enactment of this Act.

SEC. 3002. TRANSFER OF FEDERAL RESERVE SURPLUSES.

(a) In General.—The 1st undesignated paragraph of section 7 of the Federal Reserve Act (12 U.S.C. 289) is amended to read as follows:

"(a) Dividends and Surplus Funds of Reserve Banks.—

"(1) Stockholder dividends.—

"(A) In general.—After all necessary expenses of a Federal reserve bank have been paid or provided for, the stockholders of the bank shall be entitled to receive an annual dividend of 6 percent on paid-in capital stock.

"(B) Dividend cumulative.—The entitlement to dividends under subparagraph shall be cumulative.

"(2) Deposit of net earnings in surplus fund.—That portion of net earnings of each Federal reserve bank which remains after dividend claims under subparagraph (A) have been fully met shall be deposited in the surplus fund of the bank.

"(3) Payment to treasury.—During fiscal years 1994 through 1998, any amount in the surplus fund of any Federal reserve bank in the excess of the amount equal to 3 percent of the total paid-in capital and surplus of the member banks of such bank shall be transferred to the Board for transfer to the Secretary of the Treasury for deposit in the general fund of the Treasury.".

(b) Additional Transfers for Fiscal Years 1997 and 1998.—

(1) In general.—In addition to the amounts required to be transferred from the surplus funds of the Federal reserve banks pursuant to section 7(a)(3) of the Federal Reserve Act, the Federal reserve banks shall transfer from such surplus funds to the Board of Governors of the Federal Reserve System for transfer to the Secretary of the Treasury for deposit in the general fund of the Treasury, a total amount of $106,000,000 in fiscal year 1997 and a total amount of $107,000,000 in fiscal year 1998.

(2) Allocation by fed.—Of the total amount required to be paid by the Federal reserve banks under paragraph (1) for fiscal year 1997 or 1998, the Board of Governors of the Federal Reserve System shall determine the amount each such bank shall pay in such fiscal year.

(3) Replenishment of surplus fund prohibited.—No Federal reserve bank may replenish such bank's surplus fund by the amount of any transfer by such bank under paragraph (1) during the fiscal year for which such transfer is made.

(c) Technical and Conforming Amendments.—

(1) The penultimate undesignated paragraph of section 7 of the Federal Reserve Act (12 U.S.C. 290) is amended by striking "The net earnings derived" and inserting "(b) Use of Earnings Transferred to the Treasury.—The net earnings derived".

(2) The last undesignated paragraph of section 7 of the Federal Reserve Act (12 U.S.C. 531) is amended by striking "Federal reserve banks" and inserting "(c) Exemption From Taxation.—Federal reserve banks".

SEC. 3003. USE OF RETURN DATA FOR INCOME VERIFICATION UNDER CERTAIN HOUSING ASSISTANCE PROGRAMS.

Section 904 of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (42 U.S.C. 3544) is amended as follows:

(1) Consent forms.—In subsection (b)—

(A) in the matter preceding paragraph (1), by inserting "(including the Indian housing program under title II of the United States Housing Act of 1937)" before the 1st comma;

(B) in paragraph (1), by striking "and" at the end;

(C) in paragraph (2), by striking the period at the end and inserting "; and";

(D) by inserting after paragraph (2) the following new paragraph:

"(3) sign a consent from approved by the Secretary authorizing the Secretary to request the Commissioner of Social Security and the Secretary of the Treasury to release information pursuant to section 6103(l)(7)(D)(ix) of the Internal Revenue Code of 1986 with respect to such applicant or participant for the sole purpose of the Secretary verifying income information pertinent to the applicant's or participant's eligibility or level of benefits."; and

(E) in the last sentence, by striking "This" and inserting the following: "Except as provided in this subsection, this".

(2) Applicant and participant protections.—In subsection (c)(2)—

(A) in subparagraph (A)—

(i) in the matter preceding clause (i)—

(I) by inserting after "compensation law" the following: "or pursuant to section 6103(i)(7)(D)(ix) of the Internal Revenue Code of 1986 from the Commissioner of Social Security or the Secretary of the Treasury"; and

(II) by inserting "(in the case of information obtained pursuant to such section 303(i))" before "representatives"; and

(ii) in clause (ii), by inserting "or public housing agency" after "owner" each place it appears;

(B) in subparagraph (B), by inserting after "wages" each place it appears the following: ", other earnings or income,"; and

(C) in subparagraph (C), by inserting before the second comma the following: "at a hearing that provides the basic elements of due process".

(3) Penalty.—In subsection (c)(3)—

(A) in subparagraph (A), by inserting "or section 6103(l)(7)(D)(ix) of the Internal Revenue Code of 1986" after "Social Security Act"; and

(B) in the first sentence of subparagraph (B)—

(i) by striking clause (i) and inserting the following: "(i) a negligent or knowing disclosure of information referred to in this section, section 303(i) of the Social Security Act, or section 6103(l)(7)(D)(ix) of the Internal Revenue Code of 1986 about such person by an officer or employee of any public housing agency or owner (or employee thereof), which disclosure is not authorized by this section, such section 303(i), such section

6103(l)(7)(D)(ix), or any regulation implementing this section, such section 303(i), or such section 6103(l)(7)(D)(ix), or''; and

(ii) in clause (ii), by inserting "such 6103(l)(7)(D)(ix)," after "303(i),".

(4) CONFORMING AMENDMENT.—The heading of subsection (c) of section 904 of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 is amended by striking "STATE EMPLOYMENT".

SEC. 3004. GNMA REMIC GUARANTEE FEES.

Section 306(g)(3) of the National Housing Act (12 U.S.C. 1721(g)(3)) is amended by adding at the end the following new subparagraph:

"(E)(i) Notwithstanding subparagraphs (A) through (D), fees charged for the guaranty of, or commitment to guaranty, multiclass securities backed by a trust or pool of securities or notes guaranteed by the Association under this subsection and other related fees shall be charged by the Association in an amount not to exceed the value, as determined by the Association, of the guarantee or commitment to guarantee. The Association shall take such action as may be necessary to reasonably assure that such portion of the value of the guaranties or commitments to guaranty as the Association determines is appropriate accrues to the benefit of mortgagors under mortgages executed after the date of the enactment of this subparagraph by or upon which such securities or notes are backed.

"(ii) For each Federal fiscal year, the Association shall submit a report to the Congress describing any activities of the Association with respect to guarantying and making commitments to guaranty multiclass securities described in clause (i). The report shall be submitted not later than 90 days after the end of the fiscal year for which the report is made and shall identify the extent of such activities during the fiscal year, the size of each transaction closed during the fiscal year involving such securities, the number of mortgages involved in each such transaction, the amount of the fees charged and earned by the Association for such transactions, and any persons receiving payments for any services provided with respect to any such transactions and the amounts of such payments, and shall include an estimate of the portion of the value of the guarantee or commitment to guarantee accruing to the benefit of mortgagors and a description of any action taken by the Association to ensure such accrual.

"(iii) The Association shall provide for the initial implementation of the program for which fees are charged under the first sentence of clause (i) by notice published in the Federal Register. The notice shall be effective upon publication and shall provide an opportunity for public comment. Not later than 12 months after publication of the notice, the Association shall issue regulations for such program based on the notice, comments received, and the experience of the Association in carrying out the program during such period.".

SEC. 3005. MUTUAL MORTGAGE INSURANCE FUND PREMIUMS.

To improve the actuarial soundness of the Mutual Mortgage Insurance Fund under the National Housing Act, the Secretary of Housing and Urban Development shall increase the rate at which the Secretary earns the single premium payment collected at the time of insurance of a mortgage that is an obligation of such Fund (with respect to the rate in effect on the date of the enactment of this Act). In establishing such increased rate, the Secretary shall consider any current audit findings and reserve analyses and information regarding the expected average duration of mortgages that are obligations of such Fund and may consider any other information that the Secretary determines to be appropriate.

TITLE IV—EDUCATION AND LABOR

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TITLE IV—EDUCATION AND LABOR

Sec. 4000. Table of contents.

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Subtitle A—Federal Direct Loan Program

CHAPTER 1—AMENDMENTS TO PART D OF TITLE IV OF THE HIGHER EDUCATION ACT OF 1965

SEC. 4001. SHORT TITLE; REFERENCES.

(a) SHORT TITLE.—This subtitle may be cited as the "Student Loan Reform Act of 1993".

(b) REFERENCES.—References in this subtitle to "the Act" are references to the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.).

SEC. 4002. FEDERAL DIRECT STUDENT LOAN PROGRAM.

Part D of title IV of the Act (20 U.S.C. 1087a et seq.) is amended to read as follows:

"PART D—FEDERAL DIRECT STUDENT LOAN PROGRAM

"SEC. 451. PURPOSE; PROGRAM AUTHORIZATION.

"(a) PURPOSE.—It is the purpose of this part—

"(1) to simplify the delivery of student loans to borrowers and eliminate borrower confusion;

"(2) to provide a variety of repayment plans, including income contingent repayment through the EXCEL Account, to borrowers so that they have flexibility in managing their student loan repayment obligations, and so that those obligations do not foreclose community service-oriented career choices for those borrowers;

"(3) to replace, through an orderly transition, the Federal Family Education Loan Program under part B of this title with the Federal Direct Student Loan Program under this part;

"(4) to avoid the unnecessary cost, to taxpayers and borrowers, and administrative complexity associated with the Federal Family Education Loan Program under part B of this title through the use of a direct student loan program; and

"(5) to create a more streamlined student loan program that can be managed more effectively at the Federal level.

"(b) PROGRAM AUTHORITY.—There are hereby made available, in accordance with the provisions of this part, such sums as may be necessary to make loans to all eligible students in attendance at participating institutions of higher education selected by the Secretary (and the eligible parents of such students), to enable such students to pursue their courses of study at such institutions during the period beginning July 1, 1994. Such loans shall be made by participating institutions that have agreements with the Secretary to originate loans, or by alternative originators designated by the Secretary to make loans for students in attendance at participating institutions (and their parents).

"SEC. 452. FUNDS FOR ORIGINATION OF DIRECT STUDENT LOANS.

"(a) IN GENERAL.—The Secretary shall provide, on the basis of the need and the eligibility of students at each participating institution, and parents of such students, for such loans, funds for student and parent loans under this part—

"(1) directly to an institution of higher education that has an agreement with the Secretary under section 454(a) to participate in the direct student loan programs under this part and that also has an agreement with the Secretary under section 454(b) to originate loans under this part, or

"(2) through an alternative originator designated by the Secretary to students and parents of students attending institutions of higher education that have an agreement with the Secretary under section 454(a) but that do not have an agreement with the Secretary under section 454(b).

"(b) FEES FOR ORIGINATION SERVICES.—

"(1) FEES FOR INSTITUTIONS.—The Secretary shall pay fees to institutions of higher education (or a consortium of such institutions) with agreements under section 454(b), in an amount established by the Secretary, to assist in meeting the costs of loan origination. Such fees—

"(A) shall be paid by the Secretary based on all the loans made under this part to a particular borrower in the same academic year;

"(B) shall be subject to a sliding scale that decreases the amount of such fees as the number of borrowers increases; and

"(C)(i) for academic year 1994–1995, shall not exceed a program-wide average of $10 per borrower for all the loans made under this part in the same academic year; and

"(ii) for succeeding academic years, shall not exceed such average fee as the Secretary shall establish in regulations.

"(2) FEES FOR ALTERNATIVE ORIGINATORS.—The Secretary shall pay fees for loan origination services to alternative originators of loans made under this part in an amount established by the Secretary in accordance with the terms of the contract between the Secretary and each such alternative originator.

"(c) NO ENTITLEMENT TO PARTICIPATE OR ORIGINATE.—No institution of higher education shall have a right to participate in the programs authorized by this part, to originate loans, or to perform any program function under this part. Nothing in this subsection shall be construed so as to limit the entitlement of an eligible student attending a participating institution (or the eligible parent of such student) to borrow under this part.

"SEC. 453. SELECTION OF INSTITUTIONS FOR PARTICIPATION AND ORIGINATION.

"(a) PHASE-IN OF PROGRAM.—

"(1) GENERAL AUTHORITY.—The Secretary shall enter into agreements pursuant to section 454(a) with institutions of higher education to participate in the direct student loan programs under this part, and agreements pursuant to section 454(b) with institutions of higher education to originate loans in such programs, for academic years beginning on or after July 1, 1994. Alternative origination services, through which an entity other than the participating institution at which the student is in attendance originates the loan, shall be provided by the Secretary, through one or more contracts under section 456 or such other means as the Secretary may provide, for students attending participating institutions that do not originate direct student loans under this part. Such agreements for the first year of the program shall, to the extent feasible, be entered into not later than January 1, 1994.

"(2) TRANSITION PROVISIONS.—In order to ensure an expeditious but orderly transition from the loan programs under part B of this title to the direct student loan programs under this part, the Secretary shall, in the exercise of his or her discretion, determine the number of institutions with which he or she shall enter into agreements under sections 454 (a) and (b) for any academic year, except that the Secretary shall exercise such discretion so as to achieve the following goals:

"(A) for academic year 1994–1995, loans made under this part shall represent 4 percent of the sum of new student loan volume under this part and part B of this title;

"(B) for academic year 1995–1996, loans made under this part shall represent 25 percent of the sum of new student loan volume under this part and part B of this title;

"(C) for academic year 1996–1997, loans made under this part shall represent 60 percent of the sum of new student loan volume under this part and part B of this title; and

"(D) for academic year 1997–1998, loans made under this part shall represent 100 percent of the sum of new student loan volume under this part and part B of this title.

"(3) CASH MANAGEMENT.—The requirements of the Cash Management Improvement Act of 1990 (Public Law 101–453) shall apply to the program under this part only to the extent specified in a schedule established by the Secretaries of Education and the Treasury, except that such schedule shall provide for the application of all such requirements not later than July 1, 1998.

"(b) SELECTION CRITERIA FOR PARTICIPATION.—

"(1) APPLICATION.—Each institution of higher education desiring to participate in the direct student loan program under this part shall submit an application satisfactory to the Secretary containing such information and assurances as the Secretary may require.

"(2) AGREEMENT.—When the program authorized under this part is fully implemented, the Secretary shall enter into agreements under section 454(a) with institutions that submit applications in accordance with paragraph (1).

"(3) TRANSITION SELECTION CRITERIA.—Until such full implementation, the Secretary shall select institutions for participation in the direct student loan program under this part, and shall enter into agreements with them under section 454(a), from among those institutions that submit the applications described in paragraph (1), and meet such other eligibility requirements as the Secretary may prescribe, by—

"(A)(i) categorizing such institutions according to anticipated loan volume, length of academic program, and control of the institution; and

"(ii) selecting institutions that are reasonably representative of the respective categories; and

"(B) if needed to carry out the purposes of this part, selecting additional institutions.

"(c) SELECTION CRITERIA FOR ORIGINATION.—

"(1) IN GENERAL.—The Secretary may enter into a supplemental agreement with an institution (or a consortium of such institutions) that—

"(A) has an agreement under subsection 454(a);

"(B) desires to originate loans under this part; and

"(C) meets the criteria specified in paragraph (2).

"(2) TRANSITION SELECTION CRITERIA.—For academic year 1994–1995, the Secretary may approve an institution to originate loans only if such institution—

"(A) made loans under part E of this title in academic year 1993–1994 and did not exceed the applicable maximum default rate under section 464(g) for the most recent fiscal year for which data are available;

"(B) is not on the reimbursement system of payment for any of the programs under subpart 1 or 3 of part A, part C, or part E;

"(C) is not overdue on program or financial reports or audits required under this title;

"(D) is not subject to an emergency action, or a limitation, suspension, or termination under section 428(b)(1)(T), 432(h), or 487(c);

"(E) in the opinion of the Secretary, has not had significant deficiencies identified by the State postsecondary review entity under subpart 1 of part H of this title;

"(F) in the opinion of the Secretary, has not had severe performance deficiencies for any of the programs under this title, including those demonstrated by audits or program reviews submitted or conducted during the 5 calendar years immediately preceding the date of application;

"(G) provides an assurance that it has no delinquent outstanding debts to the United States, unless such debts are being repaid under or in accordance with a repayment arrangement satisfactory to the United States, or the Secretary in his or her discretion determines that the existence or amount of such debts has not been finally determined by the cognizant Federal agency or agencies; and

"(H) meets such other criteria as the Secretary may establish to protect the financial interest of the United States and to promote the purposes of this part.

"(3) REGULATIONS GOVERNING APPROVAL AFTER TRANSITION.—For academic year 1995–1996 and subsequent academic years, the Secretary shall publish regulations governing the approval of institutions to originate loans.

"(d) CONSORTIA.—Subject to such requirements as the Secretary may prescribe, eligible institutions of higher education with agreements under section 454(a) may apply as consortia to originate loans under this part for students in attendance at such institutions. Such institutions shall each be required to meet the requirements of subsection (c) with respect to loan origination.

"SEC. 454. AGREEMENTS WITH INSTITUTIONS.

"(a) PARTICIPATION AGREEMENTS.—An agreement with any institution of higher education for participation in the direct student loan program under this part shall—

"(1) provide for the establishment and maintenance of a direct student loan program at the institution under which the institution will—

"(A) identify eligible students who seek student financial assistance at such institution in accordance with section 484;

"(B) estimate the need of each such student as required by part F of this title for an academic year, provided that any loan obtained by a student under this part with the same terms (except as otherwise provided in this part) as loans made under section 428A or 428H, or a loan obtained by a parent under this part with the same terms (except as otherwise provided in this part) as loans made under section 428B, or obtained under any State-sponsored or private loan program, may be used to offset the expected family contribution of the student for that year;

"(C) provide a statement that certifies the eligibility of any student to receive a loan under this part that is not in excess of the annual or aggregate limit applicable to the amount of such loan, except that the institution may, in exceptional circumstances specified in regulations prescribed by the Secretary, refuse to certify a statement that permits a student to receive a loan under this part, or certify a loan amount that is less than the student's determination of need (as determined under part F of this title), if the reason for such action is documented and provided in written form to such student;

"(D) set forth a schedule for disbursement of the proceeds of the loan in installments, consistent with the requirements of section 428G (other than subsection (b)(1) of such section); and

"(E) provide timely and accurate information—

"(i) concerning the status of student borrowers (and students on whose behalf parents borrow under this part) while such students are in attendance at the institution and concerning any new information of which the institution becomes aware for such students (or their parents) after they leave the institution, to the Secretary for the servicing and collecting of loans made under this part; and

"(ii) if the institution does not have an agreement with the Secretary under subsection (b), concerning student eligibility and need, as determined under subparagraphs (A) and (B), to the Secretary as needed for the alternative origination of loans to eligible students and parents in accordance with this part;

"(2) provide assurances that the institution will comply with requirements established by the Secretary relating to student loan information with respect to loans made under this part;

"(3) provide that the institution accepts responsibility and financial liability stemming from its failure to perform its functions pursuant to the agreement;

"(4) provide that students at the institution and their parents (with respect to such students) will not be eligible to participate in the programs under part B of this title for the period during which such institution participates in the direct student loan program under this part;

"(5) provide for the implementation of a quality assurance system, as established by the Secretary, to ensure that the institution is complying with program requirements and meeting program objectives;

"(6) provide that the institution will not charge any fees of any kind, however described, to student or parent borrowers for origination activities or the provision of any information necessary for a student or parent to receive a loan under this part, or any benefits associated with such loan; and

"(7) include such other provisions as the Secretary determines are necessary to protect the interests of the United States and to promote the purposes of this part.

"(b) ORIGINATION.—An agreement with any institution of higher education for the origination of loans under this part shall—

"(1) supplement the agreement entered into in accordance with subsection (a);

"(2) include provisions established by the Secretary that are similar to the participation agreement provisions described in paragraphs (1)(E)(ii), (2), (3), (4), (5), (6), and (7) of subsection (a), as modified to relate to the origination of loans by the institution;

"(3) provide that the institution will originate loans to eligible students and parents in accordance with this part; and

"(4) provide that the note or evidence of obligation on the loan shall be the property of the Secretary.

"(c) WITHDRAWAL AND TERMINATION PROCEDURES.—The Secretary shall establish procedures by which institutions may withdraw or be terminated from the program under this part.

"SEC. 455. TERMS AND CONDITIONS OF LOANS.

"(a) IN GENERAL.—

"(1) PARALLEL TERMS, CONDITIONS, BENEFITS, AND AMOUNTS.—Unless otherwise specified in this part, loans made to borrowers under this part shall have the same terms, conditions, and benefits, and be available in the same amounts, as loans made to borrowers under sections 428, 428A, 428B, and 428H of this title.

"(2) DESIGNATION OF LOANS.—Loans made to borrowers under this part that, except as otherwise specified in this part, have the same terms, conditions, and benefits as loans made to borrowers under—

"(A) section 428 shall be known as 'Federal Direct Student Loans';

"(B) section 428A shall be known as 'Federal Direct Supplemental Loans for Students';

"(C) section 428B shall be known as 'Federal Direct PLUS Loans'; and

"(D) section 428H shall be known as 'Federal Direct Unsubsidized Student Loans'.

"(b) INTEREST RATES.—

"(1) RATES FOR FDSL AND FDUSL.—(A) For Federal Direct Student Loans and Federal Direct Unsubsidized Student Loans made before July 1, 1997, the applicable rate of interest shall, during any 12-month period beginning on July 1 and ending on June 30, be determined on the preceding June 1 and be equal to—

"(i) the bond equivalent rate of 91-day Treasury bills auctioned at the final auction held prior to such June 1; plus

"(ii) 3.1 percent,

except that such rate shall not exceed 9 percent.

"(B) For Federal Direct Student Loans and Federal Direct Unsubsidized Student Loans made on or after July 1, 1997, the applicable rate of interest shall, during any 12-month period beginning on July 1 and ending on June 30, be determined on the preceding June 1 for all such loans and be equal to—

"(i) the bond equivalent rate of the security with a comparable maturity as established by the Secretary; plus

"(ii) 1 percent,

except that such rate shall not exceed 9 percent.

"(2) RATES FOR FDSLS.—(A) For Federal Direct Supplemental Loans for Students made before July 1, 1997, the applicable rate of interest shall, during any 12-month period beginning on July 1 and ending on June 30, be determined on the preceding June 1 and be equal to—

"(i) the bond equivalent rate of 52-week Treasury bills auctioned at the final auction held prior to such June 1; plus

"(ii) 3.1 percent,

except that such rate shall not exceed 11 percent.

"(B) For Federal Direct Supplemental Loans for Students made on or after July 1, 1997, the applicable rate of interest shall, during any 12-month period beginning on July 1 and ending on June 30, be determined on the preceding June 1 for all such loans and be equal to—

"(i) the bond equivalent rate of the security with a comparable maturity as established by the Secretary; plus

"(ii) 1.5 percent,

except that such rate shall not exceed 11 percent.

"(3) RATES FOR FDPLUS.—(A) For Federal Direct PLUS loans made before July 1, 1997, the applicable rate of interest shall, during any 12-month period beginning on July 1 and ending on June 30, be determined on the preceding June 1 for loans and be equal to—

"(i) the bond equivalent rate of 52-week Treasury bills auctioned at the final auction held prior to such June 1; plus

"(ii) 3.1 percent,

except that such rate shall not exceed 10 percent.

"(B) For Federal Direct PLUS loans made on or after July 1, 1997, the applicable rate of interest shall, during any 12-month period beginning on July 1 and ending on June 30, be determined on the preceding June 1 for all such loans and be equal to—

"(i) the bond equivalent rate of the security with a comparable maturity as established by the Secretary; plus

"(ii) 2.1 percent,

except that such rate shall not exceed 10 percent.

"(4) PUBLICATION.—The Secretary shall determine the applicable rates of interest under this subsection after consultation with the Secretary of Treasury and shall publish such rate in the Federal Register as soon as practicable after the date of determination.

"(c) LOAN FEE.—For academic years 1994–1995, 1995–1996, and 1996–1997, the Secretary shall charge the borrower of a loan made under this part a loan fee of 5 percent of the principal amount of the loan. For academic years 1997–1998 and succeeding academic years, the Secretary shall charge the borrower of a loan made under this part a loan fee of 3.65 percent of the principal amount of the loan.

"(d) REPAYMENT PLANS.—

"(1) DESIGN AND SELECTION.—Consistent with criteria established by the Secretary, the Secretary shall offer to a borrower of a loan made under this part a variety of plans for repayment of such loan, including principal and interest on the loan. The borrower shall be entitled to accelerate, without penalty, repayment on his or her loans. The borrower may choose—

"(A) a standard repayment plan, with a fixed annual repayment amount paid over a fixed period of time, consistent with subsection (a)(1) of this section;

"(B) an extended repayment plan, with a fixed annual repayment amount paid over an extended period of time, provided that the borrower annually repays a minimum amount determined by the Secretary, consistent with the requirements of section 428(b)(1)(L);

"(C) a graduated repayment plan, with annual repayment amounts established at two or more graduated levels and paid over a fixed or extended period of time, provided that any of the borrower's scheduled payments shall not be less than 50 percent, nor more than 150 percent, of what the amortized payment on the amount owed would be if the loan were repaid under the standard repayment plan; and

"(D) except for the borrower of a Federal Direct PLUS Loan, an income contingent repayment plan known as the 'EXCEL Account,' with varying annual repayment amounts based on the income of the borrower, paid over an extended period of time, not to exceed a maximum length of time determined by the Secretary.

"(2) SELECTION BY SECRETARY.—If a borrower of a loan made under this part does not select a repayment plan described in paragraph (1), the Secretary may provide the borrower with a repayment plan described in subparagraph (A), (B), or (C) of paragraph (1).

"(3) CHANGES IN SELECTIONS.—The borrower of a loan made under this part may change his or her selection of a repayment plan under paragraph (1), or the Secretary's selection of a plan for the borrower under paragraph (2), as the case may be, under such terms and conditions as may be established by the Secretary.

"(4) ALTERNATIVE REPAYMENT PLANS.—The Secretary may provide, on a case-by-case basis, an alternative repayment plan to a borrower of a loan under this part who demonstrates to the satisfaction of the Secretary that the terms and conditions of the repayment plans available under paragraph (1) are not adequate to accommodate the borrower's exceptional circumstances. In designing such alternative repayment plans, the Secretary shall ensure that such plans do not exceed the cost to the Federal Government, as determined on the basis of the present value of future payments by such borrowers, of loans made using the plans available under paragraph (1).

"(5) REPAYMENT AFTER DEFAULT.—The Secretary may require any borrower who has defaulted on a loan made under this part to—

"(A) pay all reasonable collection costs associated with such loan; and

"(B) repay the loan pursuant to an EXCEL Account in accordance with subsection (e).

"(e) REPAYMENT THROUGH EXCEL ACCOUNTS.—

"(1) INFORMATION AND PROCEDURES.—The Secretary may obtain such information as is reasonably necessary regarding the income of a borrower (and the borrower's spouse, if applicable) of a loan made under this part that is, or may be, repaid pursuant to an EXCEL Account for the purpose of determining the annual repayment obligation of the borrower. Return and return information (as defined in section 6103 of the Internal Revenue Code of 1986) may be obtained under the preceding sentence only to the extent authorized by section 6103(l)(13) of such Code. The Secretary shall establish procedures for determining the borrower's repayment obligation on that loan for such year, and such other procedures as are necessary to implement effectively repayment pursuant to an EXCEL Account.

"(2) REPAYMENT BASED ON ADJUSTED GROSS INCOME.—A repayment schedule for a loan made under this part and repaid pursuant to an EXCEL Account shall be based on adjusted gross income (as defined in section 62 of the Internal Revenue Code of 1986, 26 U.S.C. 62) of the borrower or, if the borrower is married and files a Federal income tax return jointly with his or her spouse, on adjusted gross income of the borrower and his or her spouse.

"(3) ADDITIONAL DOCUMENTS.—A borrower who chooses, or is required, to repay a loan made under this part pursuant to an EXCEL Account, and for whom adjusted gross income is unavailable or does not reasonably reflect his or her current income, shall provide to the Secretary other documentation of income satisfactory to the Secretary, which documentation the Secretary may use to determine an appropriate repayment schedule.

"(4) REPAYMENT SCHEDULES.—EXCEL Account repayment schedules shall be established by the Secretary through regulations and shall require payments measured as a percentage of the appropriate portion of the annual income of the borrower (and the borrower's spouse, if applicable) as determined by the Secretary.

"(5) CALCULATION OF BALANCE DUE.—The balance due on a loan made under this part that is repaid pursuant to an EXCEL Account shall equal the unpaid principal amount of the loan, any accrued interest, and any fees, such as late charges, assessed on such loan. The Secretary may limit by regulation the amount of interest that may be capitalized on such loan, and the timing of any such capitalization.

"(6) NOTIFICATION TO BORROWERS.—The Secretary shall establish procedures under which a borrower of a loan made under this part who chooses or is required to repay such loan pursuant to an EXCEL Account is notified of the terms and conditions of such plan, including notification of such borrower—

"(A) that the Internal Revenue Service will disclose to the Secretary tax return information as authorized under section 6103(l)(13) of the Internal Revenue Code of 1986; and

"(B) that if a borrower considers that special circumstances, such as a loss of employment by the borrower or his or her spouse, warrant an adjustment in the borrower's loan repayment as determined using the information described in subparagraph (A), or the alternative documentation described in paragraph (3), the borrower may contact the Secretary, who shall determine whether such adjustment is appropriate, in accordance with criteria established by the Secretary.

"(f) DEFERMENT.—

"(1) EFFECT ON PRINCIPAL AND INTEREST.—A borrower of a loan made under this part who meets the requirements described in paragraph (2) shall be eligible for a deferment, during which periodic installments of principal need not be paid, and interest—

"(A) shall not accrue, in the case of a Federal Direct Student Loan or a Federal Direct Consolidation Loan that consolidated only Federal Direct Student Loans, or a combination of such loans and Federal Student Loans for which the student borrower received an interest subsidy under section 428; or

"(B) shall accrue and be capitalized or paid by the borrower, in the case of a Federal Direct Supplemental Loan for Students loan, a Federal Direct PLUS Loan, a Federal Direct Unsubsidized Student Loan, or a Federal Direct Consolidation Loan other than those described in subparagraph (A).

"(2) ELIGIBILITY.—A borrower of a loan made under this part shall be eligible for a deferment during any period—

"(A) during which the borrower—

"(i) is pursuing at least a half-time course of study at an eligible institution, as determined by such institution; or

"(ii) is pursuing a course of study pursuant to a graduate fellowship program approved by the Secretary, or pursuant to a rehabilitation training program for individuals with disabilities approved by the Secretary,

except that no borrower shall be eligible for a deferment under this subparagraph, or a loan made under this part (other than a Federal Direct PLUS Loan, or a Federal Direct Consolidation Loan), while serving in a medical internship or residency program;

"(B) not in excess of 3 years during which the borrower is seeking and unable to find full-time employment; or

"(C) not in excess of 3 years during which the Secretary determines, in accordance with regulations prescribed under section 435(o), that the borrower has experienced or will experience an economic hardship, regardless of the reason for such hardship.

"(g) FEDERAL DIRECT CONSOLIDATION LOANS.—A borrower of a loan made under this part may consolidate such loan with the loans described in subsections (a)(4) and (d)(1)(C) of section 428C only under the terms and conditions established by the Secretary under this part. Loans made under this subsection shall be known as 'Federal Direct Consolidation Loans'.

"(h) BORROWER DEFENSES.—Notwithstanding any other provision of State or Federal law, the Secretary shall specify in regulations (except as authorized under section 458(a)) which acts or omissions of an institution of higher education a borrower may assert as a defense to repayment of a loan made under this part, except that in no event may a borrower recover from the Secretary, in any action arising from or relating to a loan made under this part, an amount in excess of the amount such borrower has repaid on such loan.

"(i) NONDISCHARGEABILITY IN BANKRUPTCY.—Notwithstanding any other provision of law, a loan made under this part shall not be dischargeable in bankruptcy.

"SEC. 456. CONTRACTS.

"(a) CONTRACTS FOR SUPPLIES AND SERVICES.—

"(1) IN GENERAL.—The Secretary may award one or more contracts for services and supplies under subsection (b). The entities with which the Secretary may enter into such contracts may include, but are not limited to, agencies with agreements with the Secretary under sections 428(b) and (c), if such agencies are otherwise qualified and comply with the procedures applicable to the award of such contracts.

"(2) EXEMPTION.—(A) The Secretary may, through June 30, 1998, award contracts under this section without regard to the requirements in section 303 of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253), section 18 of the Office of Federal Procurement Policy Act (41 U.S.C. 416), and section 8(e) of the Small Business Act (15 U.S.C. 637(e)) and the corresponding requirements of the Federal Acquisition Regulations if the Secretary—

"(i) determines in writing, on a case-by-case basis, that the Government's need for the services and supplies to be provided under the contract is of such an unusual and compelling urgency that sources from which the Secretary solicits bids or proposals must be limited; and

"(ii) notifies the Congress in writing of that determination not more than 30 days after the award of the contract.

"(B) The Secretary may make the determination described in subparagraph (A)(i) if the Secretary determines that exemption from the requirements described in subparagraph (A) is in the public interest and necessary for the orderly transition from the loan programs under part B to the direct student loan programs under this part.

"(C) On and after July 1, 1998, all statutory and regulatory requirements described in subparagraph (A) shall apply to the award of a contract under this section.

"(b) CONTRACTS FOR ORIGINATION, SERVICING, AND DATA SYSTEMS.—The Secretary may enter into one or more contracts for—

"(1) the alternative origination of loans to students attending institutions with agreements to participate in the program under this part (or their parents), if such institutions do not have agreements with the Secretary under section 454(b);

"(2) the servicing and collection of loans made under this part;

"(3) the establishment and operation of one or more data systems for the maintenance of records on all loans made under this part;

"(4) services to assist in the orderly transition from the loan programs under part B to the direct student loan programs under this part; and

"(5) such other aspects of the direct student loan programs as the Secretary determines are necessary to ensure the successful operation of the programs.

"SEC. 457. REPORTS.

"(a) ANNUAL REPORTS.—The Secretary shall submit to the Congress not later than July 1, 1993, and each July 1 for the 5 succeeding years an annual report describing the progress and status of the loan program under this part.

"(b) RESEARCH, DEMONSTRATION, AND EVALUATION.—The Secretary may use a portion of the funds described in section 459 for research on, or the demonstration or evaluation of, any aspects of the program authorized by this part, including flexible repayment plans.

"SEC. 458. REGULATORY ACTIVITIES.

"(a) NOTICE IN LIEU OF REGULATIONS FOR FIRST YEAR OF PROGRAM.—The Secretary shall publish in the Federal Register whatever standards, criteria, and procedures, consistent with the provisions of this part, the Secretary determines are reasonable and necessary to the successful implementation of the first year of the direct student loan program authorized by this part. Section 431 of the General Education Provisions Act shall not apply to the publication of such standards, criteria, and procedures.

"(b) CLOSING DATE FOR APPLICATIONS FROM INSTITUTIONS.—The Secretary shall establish a date not later than October 1, 1993, as the closing date for receiving applications from institutions of higher education desiring to participate in the first year of the direct loan program under this part.

"(c) PUBLICATION OF LIST OF PARTICIPATING INSTITUTIONS AND CONTROL GROUP.—Not later than January 1, 1994, the Secretary shall publish in the Federal Register a list of the institutions of higher education selected to participate in the first year of the direct loan program under this part.

"SEC. 459. FUNDS FOR ADMINISTRATIVE EXPENSES.

"Each fiscal year, there shall be available to the Secretary of Education from funds not otherwise appropriated, funds to be obligated for administrative costs under this part, including the costs of the transition from the loan programs under part B to the direct student loan programs under this part and transition support for the expenses of guaranty agencies in servicing outstanding loans in their portfolios and in guaranteeing new loans, not to exceed $261,000,000 in fiscal year 1994, $346,000,000 in fiscal year 1995, $552,000,000 in fiscal year 1996, $596,000,000 in fiscal year 1997, and $749,000,000 in fiscal year 1998. If in any fiscal year, the Secretary determines that additional funds for administrative expenses are needed as a result of such transition, or the expansion of the direct student loan programs under this part, the Secretary is authorized to use funds available under this section for a subsequent fiscal year for such expenses, except that the total expenditures by the Secretary shall not exceed $2,504,000,000 in fiscal years 1994 through 1998. The Secretary is also authorized to carry over funds available under this section to a subsequent fiscal year.".

CHAPTER 2—CONFORMING AMENDMENTS

SEC. 4021. PRESERVING LOAN ACCESS.

(a) PURPOSE.—It is the purpose of the amendments made by this section to provide the Secretary with flexible authority as needed to preserve access to student and parent loans under part B of title IV of the Act during the transition from the Federal Family Education Loan Program under such part to the Federal Direct Student Loan Program under part D of such title.

(b) ADVANCES TO GUARANTY AGENCIES FOR LENDER-OF-LAST-RESORT SERVICES.—

(1) AMENDMENT.—Section 428(j) of the Act is amended by adding at the end thereof the following new paragraph:

"(4) ADVANCES TO GUARANTY AGENCIES FOR LENDER-OF-LAST-RESORT SERVICES DURING TRANSITION TO DIRECT LENDING.—(A) In order to ensure the availability of loan capital during the transition from the Federal Family Education Loan program under this part to the Federal Direct Student Loan program under part D of this title, the Secretary is authorized to provide a guaranty agency with additional advance funds in accordance with section 422(c)(7), with such restrictions on the use of such funds as are determined appropriate by the Secretary, in order to ensure that the guaranty agency will make loans as the lender-of-last-resort. Such agency shall make such loans in accordance with this subsection and the requirements of the Secretary.

"(B) Notwithstanding any other provision of this part, a guaranty agency serving as a lender-of-last-resort under this paragraph shall be paid a fee, established by the Secretary, for making such loans in lieu of interest and special allowance subsidies, and shall be required to assign such loans to the Secretary on demand. Upon such assignment, the portion of the advance represented by the loans assigned shall be considered repaid by such guaranty agency.".

(2) CONFORMING AMENDMENT.—Section 422(c)(7) of the Act is amended by striking "to a guaranty agency" through the end thereof and inserting the following: "to a guaranty agency—

"(A) in accordance with section 428(j), in order to ensure that the guaranty agency shall make loans as the lender-of-last-resort during the transition from the Federal Family Education Loan Program under this part to the Federal Direct Student Loan Program under part D of this title; or

"(B) if the Secretary is seeking to terminate the guaranty agency's agreement, or assuming the guaranty agency's functions, in accordance with section 428(c)(10)(F)(v), in order to assist the agency in meeting its immediate cash needs, ensure the uninterrupted payment of claims, or ensure that the guaranty agency shall make loans as described in subparagraph (A);".

(c) LENDER REFERRAL SERVICES.—Section 428(e) of the Act is amended—

(1) in paragraph (1)—

(A) by amending the paragraph heading to read as follows: "IN GENERAL; AGREEMENTS WITH GUARANTY AGENCIES.—";

(B) by inserting the subparagraph designation "(A)" immediately after the paragraph heading;

(C) by striking "in any State" and inserting "with which the Secretary has an agreement under subparagraph (B)"; and

(D) by adding at the end thereof the following new subparagraph:

"(B)(i) The Secretary may enter into agreements with guaranty agencies that meet standards established by the Secretary to provide lender referral services in geographic areas specified by the Secretary. Such guaranty agencies shall be paid in accordance with paragraph (3) for such services.

"(ii) The Secretary shall publish in the Federal Register whatever standards, criteria, and procedures consistent with the provisions of this part and part D of this title, the Secretary determines are reasonable and necessary to provide lender referral services under this subsection and ensure loan access to student and parent borrowers during the transition from the loan programs under this part to the direct student loan programs under part D of this title. Section 431 of the General Education Provisions Act shall not apply to the publication of such standards, criteria, and procedures.";

(2) in paragraph (2)—

(A) in the matter preceding subparagraph (A), by striking "in a State" and inserting "with which the Secretary has an agreement under paragraph (1)(B)";

(B) by amending subparagraph (A) to read as follows:

"(A) such student is either a resident of, or is accepted for enrollment in, or is attending, an eligible institution located in a geographic area for which the Secretary (I) determines that loans are not available to all eligible students, and (II) has entered into an agreement with a guaranty agency under paragraph (1)(B) to provide lender referral services; and";

(4) in paragraph (3), by striking "The" and inserting "From funds available for costs of transition under section 459 of the Act, the"; and

(5) by striking paragraph (5).

(d) STUDENT LOAN MARKETING ASSOCIATION.—Section 439(q) of the Act is amended—

(1) in paragraph (1)(A)—

(A) in the first sentence, by striking "the Association or its designated agency may begin making loans" and inserting "the Association or its designated agent shall, subject to the limitations in section 428(j)(3), begin making loans to such eligible borrowers"; and

(B) by striking the second sentence;

(2) in paragraph (2)(A), by striking "the Association or its designated agent may" and inserting "the Association or its designated agent shall, subject to the limitations in section 428(j)(3),"; and

(3) in paragraph (3), by striking "that—" through the end thereof and inserting the following: "that the conditions that caused the implementation of this subsection have ceased to exist.".

SEC. 4022. GUARANTY AGENCY RESERVES.

Section 422 of the Act is amended by adding at the end thereof the following new subsection:

"(g) PRESERVATION OF GUARANTY AGENCY RESERVES.—

"(1) AUTHORITY TO RECOVER FUNDS.—Notwithstanding any other provision of law, the reserve funds of the guaranty agencies, and any assets purchased with such reserve funds, regardless of who holds or controls the reserves or assets, shall be considered to be the property of the United States to be used in the operation of the program authorized by this part or the program authorized by part D of this title. However, the Secretary may not require the return of all of a guaranty agency reserve funds to the Secretary unless he or she determines that such return is essential to the operation of the program authorized by this part or the program authorized by part D of this title, or to ensure the orderly termination of the guaranty agency's operations and the liquidation of its assets. The reserves shall be maintained by each guaranty agency to pay program expenses and contingent liabilities, as authorized by the Secretary, except that the Secretary may—

"(A) direct a guaranty agency to return to the Secretary a portion of its reserve fund which the Secretary determines is unnecessary to pay the program expenses and contingent liabilities of the guaranty agency; and

"(B) direct the guaranty agency to require the return, to the guaranty agency or to the Secretary, of any reserve funds or assets held by, or under the control of, any other entity, which the Secretary determines are necessary to pay the program expenses and contingent liabilities of the guaranty agency, or which are required for the orderly termination of the guaranty agency's operations and the liquidation of its assets.

"(2) TERMINATION PROVISIONS IN CONTRACTS.—To ensure that the funds and assets of the guaranty agency are preserved, any contract with respect to the administration of a guaranty agency's reserve funds, or the administration of any assets purchased or acquired with the reserve funds of the guaranty agency, that is entered into or extended by the guaranty agency, or any other party on behalf of or with the concurrence of the guaranty agency, after the effective date of this provision shall provide that the contract is terminable by the Secretary upon 30 days notice to the contracting parties if the Secretary determines that such contract includes an impermissible transfer of the reserve funds or assets, or is otherwise inconsistent with the terms or purposes of this section.".

SEC. 4023. TERMS OF LOANS.

Section 428 of the Act is amended—

(1) in subsection (b)(1)(D), by striking "be subject to" through the end thereof and inserting the following: "be subject to income contingent repayment in accordance with subsection (m);"; and

(2) in subsection (m)—

(A) by amending paragraph (1) to read as follows:

"(1) AUTHORITY OF SECRETARY TO REQUIRE.—The Secretary may require any borrower who has defaulted on a loan made under this part that is assigned to the Secretary under subsection (c)(8) to repay that loan under an income contingent repayment plan, the terms and conditions of which shall be established by the Secretary and the same as, or similar to, the EXCEL Account established for purposes of part D of this title."; and

(B) by striking paragraphs (2) through (4) and inserting the following:

"(2) LOANS FOR WHICH INCOME CONTINGENT REPAYMENT MAY BE REQUIRED.—A loan made under this part may be required to be repaid under this subsection if the note or other evidence of the loan has been assigned to the Secretary pursuant to subsection (c)(8).".

SEC. 4024. ASSIGNMENT OF LOANS.

Section 428(c)(8) of the Act is amended by—

(1) inserting the subparagraph designation "(A)" after the paragraph heading;

(2) striking the second and third sentences; and

(3) adding at the end thereof the following new subparagraph:

"(B) An orderly transition from the Federal Family Education Loan program under this part to the Federal Direct Student Loan program under part D of this title shall be deemed to be in the Federal fiscal interest, and a guaranty agency shall promptly assign loans to the Secretary under this paragraph upon his or her request.".

SEC. 4025. TERMINATION OF GUARANTY AGENCY AGREEMENTS; ASSUMPTION OF GUARANTY AGENCY FUNCTIONS BY THE SECRETARY.

Section 428(c)(10) of the Act is amended—

(1) in subparagraph (C), by inserting a comma and "as appropriate," immediately after "the Secretary shall";

(2) in subparagraph (D)—

(A) by inserting the clause designation "(i)" after "(D)";

(B) by striking "Each" and inserting "If the Secretary is not seeking to terminate the guaranty agency's agreement under subparagraph (E), or assuming the guaranty agency's functions under subparagraph (F), a";

(C) by adding at the end thereof the following new clause:

"(ii) If the Secretary is seeking to terminate the guaranty agency's agreement under subparagraph (E), or assuming the guaranty agency's functions under subparagraph (F), a management plan described in subparagraph (C) shall include the means by which the Secretary and the guaranty agency shall work together to ensure the orderly termination of the operations, and liquidation of the assets of, the guaranty agency.";

(3) in subparagraph (E)—

(A) in clause (ii), by striking "or" at the end thereof;

(B) in clause (iii), by striking the period at the end thereof and inserting a semicolon; and

(C) by adding at the end thereof the following new clauses:

"(iv) the Secretary determines that such action is necessary to protect the Federal fiscal interest;

"(v) the Secretary determines that such action is necessary to ensure the continued availability of loans to student or parent borrowers; or

"(vi) the Secretary determines that such action is necessary to ensure an orderly transition from the loan programs under this part to the direct student loan programs under part D of this title.";

(4) in subparagraph (F)—

(A) in the matter preceding clause (i), by striking "Except as provided in subparagraph (G), if" and inserting "If";

(B) by amending clause (v) to read as follows:

"(v) provide the guaranty agency with additional advance funds in accordance with section 422(c)(7), with such restrictions on the use of such funds as is determined appropriate by the Secretary, in order to—

"(I) meet the immediate cash needs of the guaranty agency;

"(II) ensure the uninterrupted payment of claims; or

"(III) ensure that the guaranty agency will make loans as the lender-of-last-resort, in accordance with subsection (j)(4);";

(C) in clause (vi)—

(i) by striking "and to avoid" and inserting "to avoid";

(ii) by striking the period at the end thereof and inserting ", and to ensure an orderly transition from the loan programs under this part to the direct student loan programs under part D of this title."; and

(iii) by redesignating such clause as clause (vii); and

(D) by inserting after clause (v) the following new clause:

"(vi) use all funds and assets of the guaranty agency to assist in the activities undertaken in accordance with this subparagraph and take appropriate action to require the return, to the guaranty agency or the Secretary, of any funds or assets provided by the guaranty agency, under contract or otherwise, to any person or organization; or";

(5) by striking subparagraph (G);

(6) by redesignating subparagraphs (H), (I), and (J) as subparagraphs (I), (J), and (K), respectively;

(7) by inserting after subparagraph (F) the following new subparagraphs:

"(G) Notwithstanding any other provision of Federal or State law, if the Secretary has terminated or is seeking to terminate a guaranty agency's agreement under subparagraph (E), or has assumed a guaranty agency's functions under subparagraph (F)—

"(i) such guaranty agency may not file for bankruptcy;

"(ii) no State court may issue any order affecting the Secretary's actions with respect to such guaranty agency;

"(iii) any contract with respect to the administration of a guaranty agency's reserve funds, or the administration of any assets purchased or acquired with the reserve funds of the guaranty agency, that is entered into or extended by the guaranty agency, or any other party on behalf of or with the concurrence of the guaranty agency, after the effective date of this provision shall provide that the contract is terminable by the Secretary upon 30 days notice to the contracting parties if the Secretary determines that such contract includes an impermissible transfer of the reserve funds or assets, or is otherwise inconsistent with the terms or purposes of this section; and

"(iv) no provision of State law shall apply to the actions of the Secretary in terminating the operations of a guaranty agency.

"(H) Notwithstanding any other provision of law, the Secretary's liability for any outstanding liabilities of a guaranty agency (other than outstanding student loan guarantees under this part), the functions of which the Secretary has assumed, shall not exceed the fair market value of the reserves of the guaranty agency, minus any necessary liquidation or other administrative costs."; and

(8) in subparagraph (K) (as redesignated by paragraph (6)), by striking "system, together" through the end thereof and inserting the following: "system and the progress of the transition from the loan programs under this part to the direct student loan programs under part D of this title.".

SEC. 4026. ADMINISTRATIVE COST ALLOWANCE.

Section 428(f)(1) of the Act is amended—

(1) in subparagraph (A), by striking "The Secretary" and inserting "For a fiscal year prior to fiscal year 1994, the Secretary"; and

(2) in subparagraph (B), by inserting "prior to fiscal year 1994" after "any fiscal year".

SEC. 4027. CONSOLIDATION LOANS.

Section 428C of the Act is amended—

(1) by amending subsection (a)(3)(A) to read as follows:

"(3) DEFINITION OF ELIGIBLE BORROWERS.—(A) For the purpose of this section, the term 'eligible borrower' means a borrower who, at the time of application for a consolidation loan is in repayment status, or in a grace period preceding repayment, or is a delinquent or defaulted borrower who will reenter repayment through loan consolidation.";

(2) in subsection (b)—

(A) in paragraph (1)—

(i) in subparagraph (A)(ii), by inserting "with income-sensitive repayment terms" after "obtain a consolidation loan";

(ii) by redesignating subparagraph (E) as subparagraph (F); and

(iii) by inserting after subparagraph (D) the following new subparagraph:

"(E) that the lender shall offer an income-sensitive repayment schedule, established by the lender in accordance with the regulations of the Secretary, to the borrower of any consolidation loan made by the lender on or after July 1, 1994; and";

(B) in paragraph (4), by amending subparagraph (C) to read as follows:

"(C)(i) provides that periodic installments of principal need not be paid, but interest shall accrue and be paid in accordance with clause (ii), during any period for which the borrower would be eligible for a deferral under section 428(b)(1)(M), and that any such period shall not be included in determining the repayment period pursuant to subsection (c)(2) of this section; and

"(ii) provides that interest shall accrue and be paid—

"(I) by the Secretary, in the case of a consolidation loan that consolidated only Federal Stafford Loans for which the student borrower received an interest subsidy under section 428; or

"(II) by the borrower, or capitalized, in the case of a consolidation loan other than one described in subclause (I);"; and

(C) by adding at the end thereof the following new paragraph:

"(5) DIRECT LOANS.—In the event that a borrower is unable to obtain a consolidation loan with income-sensitive repayment terms acceptable to the borrower from a lender with an agreement under subsection (a)(1), the Secretary shall offer any such borrower who applies for it, a direct consolidation loan to be repaid pursuant to an EXCEL Account under part D of this title, except that the Secretary shall not offer such loans if, in his or her judgment, the Department does not yet have the necessary origination and servicing arrangements in place for such loans."; and

(3) in subsection (c)—

(A) in paragraph (1), by amending subparagraphs (B) and (C) to read as follows:

"(B) A consolidation loan made before July 1, 1994, shall bear interest at an annual rate on the unpaid principal balance of the loan that is equal to the greater of—

"(i) the weighted average of the interest rates on the loans consolidated, rounded to the nearest whole percent; or

"(ii) 9 percent.

"(C) A consolidation loan made on or after July 1, 1994, shall bear interest at an annual rate on the unpaid principal balance of the loan that is equal to the weighted average of the interest rates on the loans consolidated, rounded upward to the nearest whole percent.";

(B) in paragraph (2)(A)—

(i) in the matter preceding clause (i), by striking out "income sensitive repayment schedules. Such repayment terms" and inserting in lieu thereof "income sensitive repayment schedules, established by the lender in accordance with the regulations of the Secretary. Except as required by such income sensitive repayment schedules, or by the terms of repayment pursuant to an EXCEL Account offered by the Secretary under subsection (b)(5), such repayment terms";

(ii) by redesignating clauses (i), (ii), (iii), (iv), and (v) as clauses (ii), (iii), (iv), (v), and (vi), respectively;

(iii) by inserting immediately preceding clause (ii) (as redesignated by clause (ii)) the following new clause:

"(i) is less than $7,500, then such consolidation loan shall be repaid in not more than 10 years;"; and

(iv) by adding a period at the end of clause (vi) (as redesignated by clause (ii));

(C) by striking out suparagraph (B) of paragraph (2); and

(D) by redesignating subparagraph (C) of paragraph (2) as subparagraph (B); and

(E) in paragraph (3)(A), by inserting after the subparagraph designation the following: "except as required by the terms of repayment pursuant to an EXCEL Account offered by the Secretary under subsection (b)(5),".

SEC. 4028. STUDENT LOAN MARKETING ASSOCIATION.

Section 439 of the Act is further amended by adding at the end thereof the following new subsection:

"(s) Transition Study.—The Secretaries of Education and the Treasury shall prepare a study, to be completed within 6 months of the enactment of this provision, which shall examine alternatives concerning the status, operations, and purposes of the Association during and after the transition from the Federal Family Education Loan program to the Federal Direct Student Loan program. Such study shall—

"(1) consider how best to meet the needs of students and taxpayers;

"(2) reflect the need for the Association to maintain liquidity and perform other functions for the Federal Family Education Loan program during the transition from such program to the Federal Direct Student Loan program under part D of this title, including additional duties as specified by the Secretary of Education or the Secretary of the Treasury;

"(3) consider any appropriate change to part D of title VII, relating to the College Construction Loan Insurance Association; and

"(4) be considered by the Secretaries of Education and the Treasury in developing any legislative proposals concerning any changes to the status of the Association as a Government-sponsored enterprise or its duties under the Federal Family Education Loan program.".

SEC. 4029. AMENDMENT TO THE BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT OF 1985.

The Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) in section 252(c)(1)(B), by striking "guaranteed";

(2) in section 256(b)—

(A) by striking the subsection designation and heading and inserting the following:

"(b) Effect of Orders on Student Loan Programs.—

"(1) Federal family education loan program.—(A)";

(B) by redesignating paragraphs (2) and (3) as subparagraphs (B) and (C), respectively, and by indenting such subparagraphs by an additional 2 ems spaces;

(C) in paragraph (1)(A) (as redesignated in subparagraph (B)), by striking "described in paragraphs (2) and (3)" and inserting "described in subparagraphs (B) and (C)";

(D) in paragraph (1)(B) (as redesignated in subparagraph (C)), by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively; and

(E) by adding at the end thereof the following new paragraph:

"(2) Federal direct student loan program.—(A) Any reductions that are required to be achieved from the Federal Direct Student Loan program operated under part D of title IV of the Higher Education Act of 1965 as a consequence of an order issued pursuant to section 254, shall be achieved only by the application of the measures described in subparagraph (B).

"(B) For any loan made during the period beginning on the date that an order issued under section 254 takes effect with respect to a fiscal year, and ending at the close of such fiscal year, the loan fee that is authorized to be collected pursuant to section 456(c) of such Act shall be increased by 0.50 percent.".

CHAPTER 3—EFFECTIVE DATES; STUDY

SEC. 4031. EFFECTIVE DATES.

(a) In General.—Except as otherwise provided in this section, the amendments made by this subtitle shall be effective upon enactment.

(b) Income Contingent Repayment.—The amendments made by section 4023 of this Act shall be effective for loans made in accordance with section 428 for periods of instruction beginning on or after July 1, 1993, or made on or after July 1, 1993, in the case of loans made in accordance with section 428A, 428B, or 428C of the Act.

(c) Administrative Cost Allowance.—The amendments made by section 4026 of this Act shall be effective on October 1, 1994.

(d) Consolidation Loans.—The amendments made by section 4027 of this Act (other than the amendment made by section 4027(2)(B)) shall be effective for loans made in accordance with section 428C of the Act or after July 1, 1994.

SEC. 4032. STUDY OF INTERNAL REVENUE SERVICE COLLECTION OF STUDENT LOANS.

(a) General Rule.—The Secretary of Education, in consultation with the Secretary of the Treasury, shall conduct a study of the feasibility of implementing a system for the repayment of Federal student loans through wage withholding or other means involving the Internal Revenue Service. Such study shall include an examination of—

(1) whether the Internal Revenue Service could implement such a system within its current resources and without adversely affecting the ability of the Internal Revenue Service to collect tax revenues,

(2) the cumulative impact on voluntary compliance with the tax system of increased disclosure of tax return information and increased Internal Revenue Service involvement in nontax collection activities,

(3) the anticipated effect on the management of Federal student loan collections and on borrower repayment of such loans, and

(4) the ability of the Internal Revenue Service to effectively service student loans.

(b) Recommendations.—Not later than the date 6 months after the date of the enactment of this Act, the Secretary of Education shall submit to the Congress a report on the study conducted under subsection (a), together with such legislative recommendations as such Secretary may deem advisable.

SEC. 4033. PREFERENCE OF COMMITTEE FOR IRS COLLECTION MECHANISM.

It is the sense of the Committee on Education and Labor that—

(1) the Committee may not, consistent with its jurisdiction under the Rules of the House of Representatives, amend this Act to include provisions providing for the collection of student loans pursuant to the Internal Revenue Code of 1986 using the Internal Revenue Service of the Department of the Treasury;

(2) the Committee would support the amendment of this Act to include such provisions, as well as amendments to the Higher Education Act of 1965, in the manner proposed by H.R. ______ as introduced on May 11, 1993; and

(3) the Committee recommends that the House of Representatives consider and adopt such amendments.

Subtitle B—Cost Sharing by States

SEC. 4101. COST SHARING BY STATES.

(a) Amendment.—Section 428 of the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.) is amended by adding at the end thereof the following new subsection:

"(n) State Share of Default Costs.—(1) In the case of any State in which there are located any institutions of higher education with cohort default rates that exceed 20 percent, such State shall pay to the Secretary an amount equal to—

"(A) the new loan volume attributable to all institutions in the State for the current fiscal year, multiplied by

"(B) the percentage specified in paragraph (2), multiplied by

"(C) the quotient of—

"(i) the sum of the amounts calculated under paragraph (3) for each such institution in the State, divided by

"(ii) the total amount of loan volume attributable to current and former students of institutions located in that State entering repayment in the period used to calculate the cohort default rate.

"(2) For purposes of paragraph (1)(B), the percentage used shall be—

"(A) 12.5 percent for fiscal year 1995;

"(B) 20 percent for fiscal year 1996; and

"(C) 50 percent for fiscal year 1997 and succeeding fiscal years.

"(3) For purposes of paragraph (1)(C)(i), the amount shall be determined by calculating for each institution the amount by which—

"(A) the amount of the loans received for attendance by its current and former students who (i) enter repayment during the fiscal year used for the calculation of the cohort default rate, and (ii) default before the end of the following fiscal year; exceeds

"(B) 20 percent of the loans received for attendance by all the current and former students who enter repayment during the fiscal year used for the calculation of the cohort default rate.

"(4) A State may charge a fee to an institution of higher education that participates in the program under this part and is located in that State according to a fee structure, approved by the Secretary, that is based on the institution's cohort default rate and the State's risk of loss under this subsection. Such fee structure shall include a process by which an institution with a high cohort default rate is exempt from any fees under this paragraph if such institution demonstrates to the satisfaction of the State that exceptional mitigating circumstances, as determined by the State and approved by the Secretary, contributed to its cohort default rate.".

(b) EFFECTIVE DATE.—The amendment made by this section shall be effective on October 1, 1994.

Subtitle C—ERISA Amendments Relating to Group Health Plans

SEC. 4201. COORDINATION OF ERISA PREEMPTION RULES WITH TITLE XIX PROVISIONS PROVIDING FOR LIABILITY OF THIRD PARTIES.

(a) IN GENERAL.—Paragraph (8) of section 514(b) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1144(b)(8)) is amended to read as follows:

"(8)(A) Subsection (a) of this section shall not apply to any State law to the extent necessary to permit the State to comply with the following requirements for the receipt of Federal financial assistance under title XIX of the Social Security Act:

"(i) subparagraphs (A), (B), and (H) of section 1902(a)(25) of such Act (relating to third-party liability) and section 1903(o) of such Act (relating to medicaid as secondary payor), as in effect on October 1, 1993; and

"(ii) sections 1902(a)(45) and 1912 of such Act (relating to assignment of rights of payment), as in effect on May 12, 1993.

"(B) Paragraph (2)(B) shall not apply to any State law to the extent necessary to permit the compliance of the State with any of the requirements described in subparagraph (A).".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect October 1, 1993.

SEC. 4202. CONTINUED COVERAGE OF COSTS OF A PEDIATRIC VACCINE UNDER GROUP HEALTH PLANS.

(a) IN GENERAL.—Part 6 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1161 et seq.) is amended by adding at the end the following new section:

"SEC. 609. CONTINUED COVERAGE OF COSTS OF A PEDIATRIC VACCINE UNDER GROUP HEALTH PLANS.

"A group health plan may not reduce its coverage of the costs of pediatric vaccines (as defined under section 2162 of the Public Health Service Act) below the coverage it provided as of May 1, 1993.".

(b) CONFORMING AMENDMENT.—The table of contents in section 1 of such Act is amended by adding after the item relating to section 608 the following new item:

"Sec. 609. Continued coverage of costs of a pediatric vaccine under group health plans.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to plan years beginning after the date of the enactment of this Act.

SEC. 4203. TEMPORARY RULES GOVERNING PREEMPTION OF CERTAIN STATE LAWS.

Paragraph (5) of section 514(b) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1144(b)(5)) is amended to read as follows:

"(5)(A)(i) Except as provided in clauses (ii) and (iii), subsection (a) shall not apply to the Hawaii Prepaid Health Care Act (Haw. Rev. Stat. §§393-1 through 393-51).

"(ii) Nothing in clause (i) shall be construed to exempt from subsection (a) any State tax law relating to employee benefit plans.

"(iii) Notwithstanding clause (i), parts 1 and 4 of this subtitle, and the preceding sections of this part to the extent they govern matters which are governed by the provisions of such parts 1 and 4, shall supersede the Hawaii Prepaid Health Care Act (as in effect on or after January 14, 1983), but the Secretary may enter into cooperative arrangements under this subparagraph and section 506 with officials of the State of Hawaii to assist them in effectuating the policies of provisions of such Act which are superseded by such parts 1 and 4 and the preceding sections of this part.

"(B)(i) Except as provided in clauses (ii) and (iii), subsection (a) shall not apply to subtitle 2 of title 19 of the Annotated Code of Maryland (relating to the Health Services Cost Review Commission).

"(ii) Nothing in clause (i) shall be construed to exempt from subsection (a)—

"(I) any State tax law relating to employee benefit plans, or

"(II) any amendment of the provision referred to in clause (i) enacted on or after May 12, 1993, to the extent it provides for more than the effective administration of such Act as in effect on such date.

"(iii) Notwithstanding clause (i), parts 1 and 4 of this subtitle, and the preceding sections of this part to the extent they govern matters which are governed by the provisions of such parts 1 and 4, shall supersede the provision referred to in clause (i) (as in effect on or after May 12, 1993), but the Secretary may enter into cooperative arrangements under this subparagraph and section 506 with officials of the State of Maryland to assist them in effectuating the policies of such provision which are superseded by such parts 1 and 4 and the preceding sections of this part.

"(C)(i) Except as provided in clauses (ii) and (iii), subsection (a) shall not apply to the following provisions of the law of the State of Minnesota:

"(I) section 295.52, Minnesota Statutes, as amended in May 1993 by House File 1178 (relating to receipts tax on providers);

"(II) section 19 of article 9 of the Minnesota Health Right Act, as amended in May 1993 by House File 1178 (relating to pass-through of 2 percent gross receipts tax on providers); and

"(III) subdivision 2 of section 3 of article 1 of such Act, article 7 of such Act, and section 1 of article 3 of Minnesota House File 1178 and section 4 and all that follows through the end of such article 3, as enacted in May 1993 (relating to data collection).

"(ii) Nothing in clause (i) shall be construed to exempt from subsection (a)—

"(I) any State tax law relating to employee benefit plans (other than a provision described in clause (i)), and

"(II) any amendment of any provision referred to in clause (i) enacted on or after May 12, 1993, to the extent it provides for more than the effective administration of such provision as in effect on such date.

"(iii) Notwithstanding clause (i), parts 1 and 4 of this subtitle, and the preceding sections of this part to the extent they govern matters which are governed by the provisions of such parts 1 and 4, shall supersede the provisions described in clause (i) (as in effect on or after May 12, 1993), but the Secretary may enter into cooperative arrangements under this subparagraph and section 506 with officials of the State of Minnesota to assist them in effectuating the policies of such provisions which are superseded by such parts 1 and 4 and the preceding sections of this part.

"(D)(i) Except as provided in clauses (ii), (iv), (v), and (vii), subsection (a) shall not apply to the following provisions of the law of the State of New York:

"(I) subdivisions 1(b) and 4(e) of section 2807–c of the Public Health Law (relating to 13 percent surcharge);

"(II) subdivision 1(c) of section 2807–c of the Public Health Law (relating to uniform hospital charges);

"(III) subdivision 2–a of section 2807–c of the Public Health Law (relating to the variable surcharge for HMOs);

"(IV) subdivision 14 of section 2807–c of the Public Health Law (relating to basic percentage allowances for bad debt and charity care);

"(V) subdivision 14–b of section 2807–c of the Public Health Law (relating to health care services allowances);

"(VI) subdivision 14–c of section 2807–c of the Public Health Law (relating to further allowances for financially distressed hospitals); and

"(VII) section 18 of chapter 266 of the laws of 1986, as amended (relating to excess malpractice insurance adjustments).

"(ii) Except as provided in clause (iii), nothing in clause (i) shall be construed to exempt from subsection (a)—

"(I) any State tax law relating to employee benefit plans, or

"(II) any provision referred to in clause (i) to the extent that any law of the State of New York appropriates amounts based on amounts collected by the State under such provision for any purpose other than carrying out the programs established under the provisions described in clause (i).

"(iii) Notwithstanding clause (ii), subsection (a) shall not apply to any provision of the law of the State of New York to the extent that such provision constitutes—

"(I) an HMO surcharge of the type provided for under subdivision 2–a of such section 2807–c (as in effect on February 2, 1993), or

"(II) an allowance, of the type provided for under the provisions referred to in clause (i) (as so in effect), for bad debts, charity care, health care services, or excess malpractice insurance,

but only if the law of such State appropriates amounts based on and equivalent to amounts collected by the State under such provision solely for the purpose of carrying out one or more programs established under the provisions described in clause (i).

"(iv) Subsection (a) shall apply to any provision of the law of the State of New York to the extent that such provision constitutes a surcharge of the type provided for under subdivisions 1(b) and 4(e) of section 2807–c of the Public Health Law of the State of New York (as in effect on February 2, 1993) unless such provision provides for use of amounts collected under such provision solely for the purpose of carrying out one or more programs established under the provisions described in clause (i).

"(v) Nothing in clause (i) shall be construed to exempt from subsection (a) any amendment of any provision referred to in clause (i) enacted on or after February 2, 1993, to the extent it provides for more than the effective administration of such provisions as in effect on such date, unless such amendment constitutes only a change in the methodology of determining payments to hospitals and would result in—

"(I) a surcharge described in clause (iii)(I) of not more than 9 percent with respect to which the requirements of clause (iii) are met,

"(II) an allowance described in clause (iii)(II) which does not exceed in the aggregate a Statewide average of not more than 10 percent and with respect to which the requirements of clause (iii) are met, or

"(III) a surcharge described in clause (iv) of not more than 13 percent with respect to which the requirements of clause (iv) are met.

"(vi) Subsection (a) shall not apply to any amendment to chapter 2 of the laws of 1988 of the State of New York, as amended, to the extent that such amendment extends the period for which the provisions referred to in clause (i) are in effect.

"(vii) Notwithstanding clause (i), parts 1 and 4 of this subtitle, and the preceding sections of this part to the extent they govern matters which are governed by the provisions of such parts 1 and 4, shall supersede the provisions described in clause (i) (as in effect on or after February 2, 1993), but the Secretary may enter into cooperative arrangements under this subparagraph and section 506 with officials of the State of New York to assist them in effectuating the policies of such provisions which are superseded by such parts 1 and 4 and the preceding sections of this part.

"(viii) The provisions of this subparagraph shall be effective as of February 2, 1993.

"(E) This paragraph shall cease to be effective as of May 12, 1995.".

TITLE V—COMMITTEE ON ENERGY AND COMMERCE

Subtitle A—Medicare Program

SEC. 5000. REFERENCES IN SUBTITLE; TABLE OF CONTENTS OF SUBTITLE.

(a) AMENDMENTS TO SOCIAL SECURITY ACT.—Except as otherwise specifically provided, whenever in this subtitle an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.

(b) REFERENCES TO OBRA.—In this subtitle, the terms "OBRA-1986", "OBRA-1987", "OBRA-1989", and "OBRA-1990" refer to the Omnibus Budget Reconciliation Act of 1986 (Public Law 99-509), the Omnibus Budget Reconciliation Act of 1987 (Public Law 100-203), the Omnibus Budget Reconciliation Act of 1989 (Public Law 101-239), and the Omnibus Budget Reconciliation Act of 1990 (Public Law 101-508), respectively.

(c) TABLE OF CONTENTS OF SUBTITLE.—The table of contents of this subtitle is as follows:

Sec. 5000. References in subtitle; table of contents of subtitle.

CHAPTER 1—PROVISIONS RELATING TO PART B

SUBCHAPTER A—PHYSICIANS' SERVICES

Sec. 5001. Reduction in default update for conversion factor for 1994.
Sec. 5002. Reduction in performance standard rate of increase and increase in maximum reduction permitted in default update.
Sec. 5003. Classification of primary care services as a separate category of services.
Sec. 5004. Phased-in reduction in practice expense relative value units for certain services.
Sec. 5005. Limitation on payment for the anesthesia care team.
Sec. 5006. Basing payments for anesthesia services on actual time.
Sec. 5007. Separate payment for interpretation of electrocardiograms.
Sec. 5008. Payments for new physicians and practitioners.
Sec. 5009. Geographic adjustment factors for medicare physicians' services.
Sec. 5010. Extra-billing limits.
Sec. 5011. Relative values for pediatric services.
Sec. 5012. Antigens under physician fee schedule.
Sec. 5013. Administration of claims relating to physicians' services.
Sec. 5014. Miscellaneous and technical corrections.

SUBCHAPTER B—OUTPATIENT HOSPITAL SERVICES AND AMBULATORY SURGICAL SERVICES

Sec. 5021. Extension of 10 percent reduction in payments for capital-related costs of outpatient hospital services.
Sec. 5022. Extension of current reduction in payments for other costs of outpatient hospital services.
Sec. 5023. 1-year freeze in ambulatory surgery rates.
Sec. 5024. Eye or eye and ear hospitals.
Sec. 5025. Extension of cap on payments for intraocular lenses.
Sec. 5026. Miscellaneous and technical corrections.

SUBCHAPTER C—DURABLE MEDICAL EQUIPMENT

Sec. 5031. Revisions to payment rules for durable medical equipment.
Sec. 5032. Payment for parenteral and enteral nutrients, supplies, and equipment during 1994.
Sec. 5033. Treatment of nebulizers and aspirators.
Sec. 5034. Certification of suppliers.
Sec. 5035. Prohibition against carrier forum shopping.
Sec. 5036. Restrictions on certain marketing and sales activities.
Sec. 5037. Kickback clarification.
Sec. 5038. Beneficiary liability for noncovered services.
Sec. 5039. Adjustments for inherent reasonableness.
Sec. 5040. Payment for surgical dressings.
Sec. 5041. Payments for tens devices.
Sec. 5042. Miscellaneous and technical corrections.

SUBCHAPTER D—PART B PREMIUM

Sec. 5051. Part B premium.

SUBCHAPTER E—OTHER PROVISIONS

Sec. 5061. Payments for clinical diagnostic laboratory tests.
Sec. 5062. Treatment of inpatients and provision of diagnostic and therapeutic X-ray services by rural health clinics and Federally qualified health centers.
Sec. 5063. Application of mammography certification requirements.
Sec. 5064. Extension of Alzheimer's disease demonstration.
Sec. 5065. Oral cancer drugs.
Sec. 5066. Extension of municipal health service demonstration projects.
Sec. 5067. Treatment of certain Indian health programs and facilities as Federally-qualified health centers.
Sec. 5068. Interest payments.
Sec. 5069. Clarification of coverage of certified nurse-midwife services performed outside the maternity cycle.
Sec. 5069A. Increase in, and study of, annual cap on amount of medicare payment for outpatient physical therapy and occupational therapy services.
Sec. 5070. Miscellaneous and technical corrections.

CHAPTER 2—PROVISIONS RELATING TO PARTS A AND B

Sec. 5071. Elimination of add-on for overhead of hospital-based home health agencies.
Sec. 5072. Study and report on medicare GME payments.
Sec. 5073. Medicare as secondary payer.
Sec. 5074. Extension of self-referral ban to additional specified services.
Sec. 5075. Reduction in payment for erythropoietin.
Sec. 5076. Medicare hospital agreements with organ procurement organizations.
Sec. 5077. Extension of waiver for Watts Health Foundation.
Sec. 5078. Improved outreach for qualified medicare beneficiaries.
Sec. 5079. Social health maintenance organizations.
Sec. 5080. Peer review organizations.
Sec. 5081. Hospice information to home health beneficiaries.
Sec. 5082. Health maintenance organizations.
Sec. 5083. Miscellaneous and technical corrections.

CHAPTER 3—PROVISIONS RELATING TO MEDICARE SUPPLEMENTAL INSURANCE POLICIES

Sec. 5091. Standards for medicare supplemental insurance policies.

CHAPTER 1—PROVISIONS RELATING TO PART B

Subchapter A—Physicians' Services

SEC. 5001. REDUCTION IN DEFAULT UPDATE FOR CONVERSION FACTOR FOR 1994.

Section 1848(d)(3)(A) (42 U.S.C. 1395w-4(d)(3)(A)) is amended—

(1) in clause (i), by striking "clause (iii)" and inserting "clauses (iii) and (iv)", and

(2) by adding at the end the following new clause:

"(iv) ADJUSTMENT IN PERCENTAGE INCREASE FOR 1994.—In applying clause (i) for services (other than primary care services) furnished in 1994, the percentage increase in the appropriate update index shall be reduced by—

"(I) 3 percentage points for surgical services (as defined for purposes of subsection (j)(1)), and

"(II) 2 percentage points for other services.".

SEC. 5002. REDUCTION IN PERFORMANCE STANDARD RATE OF INCREASE AND INCREASE IN MAXIMUM REDUCTION PERMITTED IN DEFAULT UPDATE.

(a) REDUCTION IN PERFORMANCE STANDARD FACTOR.—Section 1848(f)(2)(B) (42 U.S.C. 1395w-4(f)(2)(B)) is amended—

(1) by striking "and" at the end of clause (ii), and

(2) by striking clause (iii) and inserting the following:

"(iii) for 1993 is 2 percentage points,

"(iv) for 1994 is 3½ percentage points, and

"(v) for each succeeding year is 4 percentage points.".

(b) INCREASE IN MAXIMUM REDUCTION PERMITTED IN DEFAULT UPDATE.—Section 1848(d)(3)(B)(ii) (42 U.S.C. 1395w-4(d)(3)(B)(ii)) is amended—

(1) in subclause (II), by striking "or 1995", and

(2) in subclause (III), by striking "3" and inserting "5".

SEC. 5003. CLASSIFICATION OF PRIMARY CARE SERVICES AS A SEPARATE CATEGORY OF SERVICES.

(a) IN GENERAL.—Section 1848(j)(1) (42 U.S.C. 1395w-4(j)(1)) is amended by inserting

", primary care services (as defined in section 1842(i)(4))," after "Secretary)".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply—

(1) to volume performance standard rates of increase established under section 1848(f) of the Social Security Act for fiscal years beginning with fiscal year 1994, and

(2) to updates in the conversion factors for physicians' services established under section 1848(d) of such Act for physicians' services to be furnished in calendar years beginning with 1996.

SEC. 5004. PHASED-IN REDUCTION IN PRACTICE EXPENSE RELATIVE VALUE UNITS FOR CERTAIN SERVICES.

(a) IN GENERAL.—Section 1848(c)(2) (42 U.S.C. 1395w-4(c)(2)) is amended by adding at the end the following new subparagraph:

"(E) REDUCTION IN PRACTICE EXPENSE RELATIVE VALUE UNITS FOR CERTAIN SERVICES.—

"(i) IN GENERAL.—Subject to clause (ii), the Secretary shall reduce the practice expense relative value units applied to services described in clause (iii) furnished in—

"(I) 1994, by 25 percent of the number by which the number of practice expense relative value units (determined for 1994 without regard to this subparagraph) exceeds the number of work relative value units determined for 1994,

"(II) 1995, by an additional 25 percent of such excess, and

"(III) 1996 and subsequent years, by an additional 25 percent of such excess.

"(ii) FLOOR ON REDUCTIONS.—The practice expense relative value units for a physicians' service shall not be reduced under this subparagraph to a number less than 110 percent of the number of work relative value units.

"(iii) SERVICES COVERED.—For purposes of clause (i), the services described in this clause are physicians' services that are not described in clause (iv) and for which—

"(I) there are work relative value units, and

"(II) the number of practice expense relative value units (determined for 1994) exceeds 110 percent of the number of work relative value units (determined for such year).

"(iv) EXCLUDED SERVICES.—For purposes of clause (iii), the services described in this clause are—

"(I) anesthesia services,

"(II) radiology services, and

"(III) services which the Secretary determines at least 75 percent of which are provided under this title in an office setting.".

(b) DEVELOPMENT OF RESOURCE-BASED METHODOLOGY FOR PRACTICE EXPENSES.—

(1) The Secretary of Health and Human Services shall develop a methodology for implementing in 1997 a resource-based system for determining practice expense relative value units for each physician's service.

(2) The Secretary shall transmit a report by June 30, 1996, on the methodology developed under paragraph (1) to the Committees on Ways and Means and Energy and Commerce of the House of Representatives and the Committee on Finance of the Senate. The report shall include a presentation of data utilized in developing the methodology and an explanation of the methodology.

SEC. 5005. LIMITATION ON PAYMENT FOR THE ANESTHESIA CARE TEAM.

(a) LIMIT ON PAYMENT TO A PHYSICIAN FOR MEDICAL DIRECTION.—

(1) IN GENERAL.—Section 1848(a) (42 U.S.C. 1395w-4(a)), as amended by section 5008(a)(1), is amended by adding at the end the following new paragraph:

"(4) SPECIAL RULE FOR MEDICAL DIRECTION.—

"(A) IN GENERAL.—With respect to physicians' services furnished on or after January 1, 1994, and consisting of medical direction of two, three, or four concurrent anesthesia cases, the fee schedule amount to be applied shall not exceed one-half of the amount described in subparagraph (B).

"(B) AMOUNT.—The amount described in this subparagraph, for a physician's medical direction of the performance of anesthesia services, is the following percentage of the fee schedule amount otherwise applicable under this section if the anesthesia services were personally performed by the physician alone:

"(i) For services furnished during 1994, 120 percent.

"(ii) For services furnished during 1995, 115 percent.

"(iii) For services furnished during 1996, 110 percent.

"(iv) For services furnished during 1997, 105 percent.

"(v) For services furnished after 1997, 100 percent.".

(2) ELIMINATION OF REDUCTION FOR MEDICAL DIRECTION OF MULTIPLE NURSE ANESTHETISTS.—Section 1842(b) (42 U.S.C. 1395u(b)) is amended by striking paragraph (13).

(b) PAYMENT TO A CERTIFIED REGISTERED NURSE ANESTHETIST FOR MEDICALLY DIRECTED SERVICES.—Subparagraph (B) of section 1833(l)(4) (42 U.S.C. 1395l(l)(4)) is amended—

(1) in clause (i), by inserting "and before January 1, 1994," after "1991,";

(2) in clause (ii)—

(A) by adding "and" at the end of subclause (II),

(B) by striking the comma at the end of subclause (III) and inserting a period, and

(C) by striking subclauses (IV) through (VII); and

(3) by adding at the end the following new clause:

"(iii) In the case of services of a certified registered nurse anesthetist who is medically directed by a physician and that are furnished on or after January 1, 1994, the fee schedule amount shall be one-half of the amount described in section 1848(a)(4)(B) with respect to the physician.".

SEC. 5006. BASING PAYMENTS FOR ANESTHESIA SERVICES ON ACTUAL TIME.

(a) PHYSICIANS' SERVICES.—Section 1848(b)(2)(B) (42 U.S.C. 1395w-4(b)(2)(B)) is amended by adding at the end the following: "For anesthesia services furnished on or after January 1, 1994, the Secretary may not modify the methodology in effect as of January 1, 1993, for determining the amount of time that may be billed for such services under this section.".

(b) SERVICES OF CERTIFIED REGISTERED NURSE ANESTHETISTS.—Section 1833(l)(1)(B) (42 U.S.C. 1395l(l)(1)(B)) is amended by adding at the end the following: "For anesthesia services furnished on or after January 1, 1994, the Secretary may not modify the methodology in effect as of January 1, 1993, for determining the amount of time that may be billed for such services under this section.".

SEC. 5007. SEPARATE PAYMENT FOR INTERPRETATION OF ELECTROCARDIOGRAMS.

(a) IN GENERAL.—Paragraph (3) of section 1848(b) (42 U.S.C. 1395w-4(b)) is amended to read as follows:

"(3) TREATMENT OF INTERPRETATION OF ELECTROCARDIOGRAMS.—The Secretary—

"(A) shall make separate payment under this section for the interpretation of electrocardiograms performed or ordered to be performed as part of or in conjunction with a visit to or a consultation with a physician, and

"(B) shall adjust the relative values established for visits and consultations under subsection (c) so as not to include relative value units for interpretations of electrocardiograms in the relative value for visits and consultations.".

(b) ASSURING BUDGET NEUTRALITY.—Section 1848(c)(2) (42 U.S.C. 1395w-4(c)(2)), as amended by section 5004(a), is amended by adding at the end the following new subparagraph:

"(F) BUDGET NEUTRALITY ADJUSTMENTS.—The Secretary—

"(i) shall reduce the relative values for all services (other than anesthesia services) established under this paragraph (and, in the case of anesthesia services, the conversion factor established by the Secretary for such services) by such percentage as the Secretary determines to be necessary so that, beginning in 1996, the amendment made by section 5007(a) of the Omnibus Budget Reconciliation Act of 1993 would not result in expenditures under this section that exceed the amount of such expenditures that would have been made if such amendment had not been made, and

"(ii) shall reduce the amounts determined under subsection (a)(2)(B)(ii)(I) by such percentage as the Secretary determines to be required to assure that, taking into account the reductions made under clause (i), the amendment made by section 5007(a) of the Omnibus Budget Reconciliation Act of 1993 would not result in expenditures under this section in 1994 that exceed the amount of such expenditures that would have been made if such amendment had not been made.".

(c) CONFORMING AMENDMENTS.—Section 1848 (42 U.S.C. 1395w-4) is amended—

(1) in subsection (a)(2)(B)(ii)(I), by inserting "and as adjusted under subsection (c)(2)(F)(ii)" after "for 1994";

(2) in subsection (c)(2)(A)(i), by adding at the end the following: "Such relative values are subject to adjustment under subparagraph (F)(i)."; and

(3) in subsection (i)(1)(B), by adding at the end "including adjustments under subsection (c)(2)(F),".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to services furnished on or after January 1, 1994.

SEC. 5008. PAYMENTS FOR NEW PHYSICIANS AND PRACTITIONERS.

(a) EQUAL TREATMENT OF NEW PHYSICIANS AND PRACTITIONERS.—(1) Section 1848(a) (42 U.S.C. 1395w-4(a)) is amended by striking paragraph (4).

(2) Section 1842(b)(4) (42 U.S.C. 1395u(b)(4)) is amended by striking subparagraph (F).

(b) BUDGET NEUTRALITY ADJUSTMENT.—Notwithstanding any other provision of law, the Secretary of Health and Human Services shall reduce the following values and amounts for 1994 (to be applied for that year and subsequent years) by such uniform percentage as the Secretary determines to be required to assure that the amendments made by subsection (a) will not result in expenditures under part B of title XVIII of the Social Security Act in 1994 that exceed the amount of such expenditures that would have been made if such amendments had not been made:

(1) The relative values established under section 1848(c) of such Act for services (other than anesthesia services) and, in the case of anesthesia services, the conversion factor established under section 1848 of such Act for such services.

(2) The amounts determined under section 1848(a)(2)(B)(ii)(I) of such Act.

(3) The prevailing charges or fee schedule amounts to be applied under such part for services of a health care practitioner (as defined in section 1842(b)(4)(F)(ii)(I) of such Act, as in effect before the date of the enactment of this Act).

(c) Conforming Amendments.—Section 1848 (42 U.S.C. 1395w-4), as amended by section 5007(c), is amended—

(1) in subsection (a)(2)(B)(ii)(I), by inserting "and section 5008(b) of the Omnibus Budget Reconciliation Act of 1993" after "(c)(2)(F)(ii)";

(2) in subsection (c)(2)(A)(i), by inserting "and section 5008(b) of the Omnibus Budget Reconciliation Act of 1993" after "under subparagraph (F)(i)"; and

(3) in subsection (i)(1)(B), by inserting "and section 5008(b) of the Omnibus Budget Reconciliation Act of 1993" after "under subsection (c)(2)(F)".

(d) Effective Date.—The amendments made by subsection (a) shall apply to services furnished on or after January 1, 1994.

SEC. 5009. GEOGRAPHIC ADJUSTMENT FACTORS FOR MEDICARE PHYSICIANS' SERVICES.

(a) Requiring Consultation with Representatives of Physicians in Reviewing Geographic Adjustment Factors.—Section 1848(e)(1)(C) (42 U.S.C. 1395w-4(e)(1)(C)) is amended by striking "shall review" and inserting "shall, in consultation with appropriate representatives of physicians, review".

(b) Use of Most Recent Data In Geographic Adjustment.—Section 1848(e)(1) (42 U.S.C. 1395w-4(e)(1)) is amended by adding at the end the following new subparagraph:

"(D) Use of recent data.—In establishing indices and index values under this paragraph, the Secretary shall use the most recent data available relating to practice expenses, malpractice expenses, and physician work effort in different fee schedule areas.".

(c) Deadline for Initial Review and Revision.—The Secretary of Health and Human Services shall first review and revise geographic adjustment factors under section 1848(e)(1)(C) of the Social Security Act by not later than January 1, 1995.

(d) Report on Review Process.—Not later than 1 year after the date of the enactment of this Act, the Secretary of Health and Human Services shall study and report to the Committee on Finance of the Senate and the Committee on Ways and Means and the Committee on Energy and Commerce of the House of Representatives on—

(1) the data necessary to review and revise the indices established under section 1848(e)(1)(A) of the Social Security Act, including—

(A) the shares allocated to physicians' work effort, practice expenses (other than malpractice expenses), and malpractice expenses;

(B) the weights assigned to the input components of such shares; and

(C) the index values assigned to such components;

(2) any limitations on the availability of data necessary to review and revise such indices at least every three years;

(3) ways of addressing such limitations, with particular attention to the development of alternative data sources for input components for which current index values are based on data collected less frequently than every three years; and

(4) the costs of developing more accurate and timely data.

SEC. 5010. EXTRA-BILLING LIMITS.

(a) Enforcement and Uniform Application.—

(1) Enforcement.—Paragraph (1) of section 1848(g) (42 U.S.C. 1395w-4(g)) is amended to read as follows:

"(1) Limitation on actual charges.—

"(A) In general.—In the case of a nonparticipating physician or nonparticipating supplier or other person (as defined in section 1842(i)(2)) who does not accept payment on an assignment-related basis for a physician's service furnished with respect to an individual enrolled under this part, the following rules apply:

"(i) Application of limiting charge.—No person may bill or collect an actual charge for the service in excess of the limiting charge described in paragraph (2) for such service.

"(ii) No liability for excess charges.—No person is liable for payment of any amounts billed for the service in excess of such limiting charge.

"(iii) Correction of excess charges.—If such a physician, supplier, or other person bills, but does not collect, an actual charge for a service in violation of clause (i), the physician, supplier, or other person shall reduce on a timely basis the actual charge billed for the service to an amount not to exceed the limiting charge for the service.

"(iv) Refund of excess collections.—If such a physician, supplier, or other person collects an actual charge for a service in violation of clause (i), the physician, supplier, or other person shall provide on a timely basis a refund to the individual charged in the amount by which the amount collected exceeded the limiting charge for the service. The amount of such a refund shall be reduced to the extent the individual has an outstanding balance owed by the individual to the physician.

"(B) Sanctions.—If a physician, supplier, or other person—

"(i) knowingly and willfully bills or collects for services in violation of subparagraph (A)(i) on a repeated basis, or

"(ii) fails to comply with clause (iii) or (iv) of subparagraph (A) on a timely basis,

the Secretary may apply sanctions against the physician, supplier, or other person in accordance with paragraph (2) of section 1842(j). In applying this subparagraph, paragraph (4) of such section applies in the same manner as such paragraph applies to such section and any reference in such section to a physician is deemed also to include a reference to a supplier or other person under this subparagraph.

"(C) Timely basis.—For purposes of this paragraph, a correction of a bill for an excess charge or refund of an amount with respect to a violation of subparagraph (A)(i) in the case of a service is considered to be provided 'on a timely basis', if the reduction or refund is made not later than 30 days after the date the physician, supplier, or other person is notified by the carrier under this part of such violation and of the requirements of subparagraph (A).".

(2) Uniform application of extra-billing limits to physicians' services.—

(A) In general.—Section 1848(g)(2)(C) (42 U.S.C. 1395w-4(g)(2)(C)) is amended by inserting "or for nonparticipating suppliers or other persons" after "nonparticipating physicians".

(B) Conforming definition.—Section 1842(i)(2) (42 U.S.C. 1395u(i)(2)) is amended—

(i) by striking ", and the term" and inserting "; the term", and

(ii) by inserting before the period at the end the following: "; and the term 'nonparticipating supplier or other person' means a supplier or other person (excluding a provider of services) that is not a participating physician or supplier (as defined in subsection (h)(1))".

(3) Additional conforming amendments.—Section 1848 (42 U.S.C. 1395w-4) is amended—

(A) in subsection (a)(3)—

(i) by inserting "AND SUPPLIERS" after "PHYSICIANS",

(ii) by inserting "or a nonparticipating supplier or other person" after "nonparticipating physician", and

(iii) by adding at the end the following: "In the case of physicians' services (including services which the Secretary excludes pursuant to subsection (j)(3)) of a nonparticipating physician, supplier, or other person for which payment is made under this part on a basis other than the fee schedule amount, the payment shall be based on 95 percent of the payment basis for such services furnished by a participating physician, supplier, or other person.";

(B) in subsection (g)(1)(A), as amended by subsection (a), in the matter before clause (i), by inserting "(including services which the Secretary excludes pursuant to subsection (j)(3))" after "a physician's service";

(C) in subsection (g)(2)(D), by inserting "(or, if payment under this part is made on a basis other than the fee schedule under this section, 95 percent of the other payment basis)" after "subsection (a)";

(D) in subsection (g)(3)(B)—

(i) by inserting after the first sentence the following: "No person is liable for payment of any amounts billed for such a service in violation of the previous sentence.", and

(ii) in the last sentence, by striking "previous sentence" and inserting "first sentence";

(E) in subsection (h)—

(i) by inserting "or nonparticipating supplier or other person furnishing physicians' services (as defined in section 1848(j)(3))" after "physician" the first place it appears,

(ii) by inserting ", supplier, or other person" after "physician" the second place it appears, and

(iii) by inserting ", suppliers, and other persons" after "physicians" the second place it appears; and

(F) in subsection (j)(3), by inserting ", except for purposes of subsections (a)(3), (g), and (h)" after "tests and".

(b) Clarification of Mandatory Assignment Rules for Certain Practitioners.—

(1) In general.—Section 1842(b) (42 U.S.C. 1395u(b)), as amended by section 5014(e), is amended by adding at the end the following new paragraph:

"(18)(A) Payment for any service furnished by a practitioner described in subparagraph (C) and for which payment may be made under this part on a reasonable charge or fee schedule basis may only be made under this part on an assignment-related basis.

"(B) A practitioner described in subparagraph (C) or other person may not bill (or collect any amount from) the individual or another person for any service described in subparagraph (A), except for deductible and coinsurance amounts applicable under this part. No person is liable for payment of any amounts billed for such a service in violation of the previous sentence. If a practitioner or other person knowingly and willfully bills (or collects an amount) for such a service in violation of such sentence, the Secretary may apply sanctions against the practitioner or other person in the same manner as the Secretary may apply sanctions against a physician in accordance with section 1842(j)(2) in the same manner as such section applies with respect to a physician. Paragraph (4) of section 1842(j) shall apply in this subparagraph in the same manner as such paragraph applies to such section.

"(C) A practitioner described in this subparagraph is any of the following:

"(i) A physician assistant, nurse practitioner, or clinical nurse specialist (as defined in section 1861(aa)(5)).

"(ii) A certified registered nurse anesthetist (as defined in section 1861(bb)(2)).

"(iii) A certified nurse-midwife (as defined in section 1861(gg)(2)).

"(iv) A clinical social worker (as defined in section 1861(hh)(1)).

"(v) A clinical psychologist (as defined by the Secretary for purposes of section 1861(ii)).

"(D) For purposes of this paragraph, a service furnished by a practitioner described in subparagraph (C) includes any services and supplies furnished as incident to the service as would otherwise be covered under this part if furnished by a physician or as incident to a physician's service.".

(2) Conforming amendments.—

(A) Section 1833 (42 U.S.C. 1395l) is amended—

(i) in subsection (l)(5), by striking subparagraph (B) and redesignating subparagraph (C) as subparagraph (B);

(ii) by striking subsection (p); and

(iii) in subsection (r), by striking paragraph (3) and redesignating paragraph (4) as paragraph (3).

(B) Section 1842(b)(12) (42 U.S.C. 1395u(b)(12)) is amended by striking subparagraph (C).

(c) Information on Extra-Billing Limits.—

(1) Part of explanation of medicare benefits.—Section 1842(h)(7) (42 U.S.C. 1395u(h)(7)) is amended—

(A) by striking "and" at the end of subparagraph (B),

(B) in subparagraph (C), by striking "shall include",

(C) in subparagraph (C), by striking the period at the end and inserting ", and", and

(D) by adding at the end the following new subparagraph:

"(D) in the case of services for which the billed amount exceeds the limiting charge imposed under section 1848(g), information regarding such applicable limiting charge (including information concerning the right to a refund under section 1848(g)(1)(A)(iv)).".

(2) Determinations by carriers.—Subparagraph (G) of section 1842(b)(3) (42 U.S.C. 1395u(b)(3)) is amended to read as follows:

"(G) will, for a service that is furnished with respect to an individual enrolled under this part, that is not paid on an assignment-related basis, and that is subject to a limiting charge under section 1848(g)—

"(i) determine, prior to making payment, whether the amount billed for such service exceeds the limiting charge applicable under section 1848(g)(2);

"(ii) notify the physician, supplier, or other person periodically (but not less often than once every 30 days) of determinations that amounts billed exceeded such applicable limiting charges; and

"(iii) provide for prompt response to inquiries of physicians, suppliers, and other persons concerning the accuracy of such limiting charges for their services;".

(d) Report on Charges in Excess of Limiting Charge.—Section 1848(g)(6)(B) (42 U.S.C. 1395w–4(g)(6)(B)) is amended by inserting "the extent to which actual charges exceed limiting charges, the number and types of services involved, and the average amount of excess charges and" after "report to the Congress".

(e) Miscellaneous and Technical Amendments.—Section 1833 (42 U.S.C. 1395l) is amended—

(1) in subsection (a)(1), as amended by section 5070(e)(2)—

(A) by striking "and" before "(O)", and

(B) by inserting before the semicolon at the end the following: ", and (P) with respect to services described in clauses (i), (ii) and (iv) of section 1861(s)(2)(K), the amounts paid are subject to the provisions of section 1842(b)(12)"; and

(2) in subsection (h)(5)(D)—

(A) by striking "paragraphs (2) and (3)" and by inserting "paragraph (2)", and

(B) by adding at the end the following: "Paragraph (4) of such section shall apply in this subparagraph in the same manner as such paragraph applies to such section.".

(f) Effective Dates.—

(1) Enforcement and uniform application; miscellaneous and technical amendments.—The amendments made by subsections (a) and (e) shall apply to services furnished on or after the date of the enactment of this Act; except that the amendments made by subsection (a) shall not apply to services of a nonparticipating supplier or other person furnished before January 1, 1994.

(2) Practitioners.—The amendments made by subsection (b) shall apply to services furnished on or after January 1, 1994.

(3) EOMBs.—The amendments made by subsection (c)(1) shall apply to explanations of benefits provided on or after January 1, 1994.

(4) Carrier determinations.—The amendments made by subsection (c)(2) shall apply to contracts as of January 1, 1994.

(5) Report.—The amendment made by subsection (d) shall apply to reports for years beginning with 1994.

SEC. 5011. RELATIVE VALUES FOR PEDIATRIC SERVICES.

(a) In General.—The Secretary of Health and Human Services shall fully develop, by not later than July 1, 1994, relative values for the full range of pediatric physicians' services which are consistent with the relative values developed for other physicians' services under section 1848(c) of the Social Security Act. In developing such values, the Secretary shall conduct such refinements as may be necessary to produce appropriate estimates for such relative values.

(b) Study.—

(1) In general.—The Secretary shall conduct a study of the relative values for pediatric and other services to determine whether there are significant variations in the resources used in providing similar services to different populations. In conducting such study, the Secretary shall consult with appropriate organizations representing pediatricians and other physicians and physical and occupational therapists.

(2) Report.—Not later than July 1, 1994, the Secretary shall submit to Congress a report on the study conducted under paragraph (1). Such report shall include any appropriate recommendations regarding needed changes in coding or other payment policies to ensure that payments for pediatric services appropriately reflect the resources required to provide these services.

SEC. 5012. ANTIGENS UNDER PHYSICIAN FEE SCHEDULE.

(a) In General.—Section 1848(j)(3) (42 U.S.C. 1395w–4(j)(3)) is amended by inserting "(2)(G)," after "(2)(D),".

(b) Effective Date.—The amendment made by subsection (a) shall apply to services furnished on or after January 1, 1994.

SEC. 5013. ADMINISTRATION OF CLAIMS RELATING TO PHYSICIANS' SERVICES.

(a) Limitation on Carrier User Fees.—Section 1842(c) (42 U.S.C. 1395u(c)) is amended by adding at the end the following new paragraph:

"(4) Neither a carrier nor the Secretary may impose a fee under this title—

"(A) for the filing of claims related to physicians' services,

"(B) for an error in filing a claim relating to physicians' services or for such a claim which is denied,

"(C) for any appeal under this title with respect to physicians' services,

"(D) for applying for (or obtaining) a unique identifier under subsection (r), or

"(E) for responding to inquiries respecting physicians' services or for providing information with respect to medical review of such services.".

(b) Clarification of Permissible Substitute Billing Arrangements.—

(1) In general.—Clause (D) of section 1842(b)(6) (42 U.S.C. 1395u(b)(6)) is amended to read as follows: "(D) payment may be made to a physician for physicians' services (and services furnished incident to such services) furnished by a second physician to patients of the first physician if (i) the first physician is unavailable to provide the services; (ii) the services are furnished pursuant to an arrangement between the two physicians that (I) is informal and reciprocal, or (II) involves per diem or other fee-for-time compensation for such services; (iii) the services are not provided by the second physician over a continuous period of more than 60 days; and (iv) the claim form submitted to the carrier for such services includes the second physician's unique identifier (provided under the system established under subsection (r)) and indicates that the claim meets the requirements of this clause for payment to the first physician".

(2) Effective date.—The amendment made by paragraph (1) shall apply to services furnished on or after the first day of the first month beginning more than 60 days after the date of the enactment of this Act.

SEC. 5014. MISCELLANEOUS AND TECHNICAL CORRECTIONS.

(a) Overvalued Procedures (Section 4101 of OBRA–1990).—(1) Section 1842(b)(16)(B)(iii) (42 U.S.C. 1395u(b)(16)(B)(iii)) is amended—

(A) by striking ", simple and subcutaneous",

(B) by striking "; small" and inserting "and small",

(C) by striking "treatments;" the first place it appears and inserting "and",

(D) by striking "lobectomy;",

(E) by striking "enterectomy; colectomy; cholecystectomy;",

(F) by striking "; transurerethral resection" and inserting "and resection", and

(G) by striking "sacral laminectomy;".

(2) Section 4101(b)(2) of OBRA–1990 is amended—

(A) in the matter before subparagraph (A), by striking "1842(b)(16)" and inserting "1842(b)(16)(B)", and

(B) in subparagraph (B)—

(i) by striking ", simple and subcutaneous",

(ii) by striking "(HCPCS codes 19160 and 19162)" and inserting "(HCPCS code 19160)", and

(iii) by striking all that follows "(HCPCS codes 92250" and inserting "and 92260).".

(b) Radiology Services (Section 4102 of OBRA–1990).—(1) Section 1834(b)(4) (42 U.S.C. 1395m(b)(4)) is amended by redesignating subparagraphs (E) and (F) as subparagraphs (F) and (G), respectively.

(2) Section 1834(b)(4)(D) (42 U.S.C. 1395m(b)(4)(D)) is amended—

(A) in the matter before clause (i), by striking "shall be determined as follows:" and inserting "shall, subject to clause (vii), be reduced to the adjusted conversion factor for the locality determined as follows:",

(B) in clause (iv), by striking "Local adjustment.—Subject to clause (vii), the conversion factor to be applied to" and inserting "Adjusted conversion factor.—The adjusted conversion factor for",

(C) in clause (vii), by striking "under this subparagraph", and

(D) in clause (vii), by inserting "reduced under this subparagraph by" after "shall not be".

(3) Section 4102(c)(2) of OBRA–1990 is amended by striking "radiology services" and all that follows and inserting "nuclear medicine services.".

(4) Section 4102(d) of OBRA–1990 is amended by striking "new paragraph" and inserting "new subparagraph".

(5) Section 1834(b)(4)(E) (42 U.S.C. 1395m(b)(4)(E)) is amended by inserting "Rule for certain scanning services.—" after "(E)".

(6) Section 1848(a)(2)(D)(iii) (42 U.S.C. 1395w–4(a)(2)(D)(iii)) is amended by striking "that are subject to section 6105(b) of the Omnibus Budget Reconciliation Act of 1989" and by striking "provided under such section" and inserting "provided under section 6105(b) of the Omnibus Budget Reconciliation Act of 1989".

(c) Anesthesia Services (Section 4103 of OBRA–1990).—(1) Section 4103(a) of OBRA–1990 is amended by striking "Reduction in Fee Schedule" and inserting "Reduction in Prevailing Charges".

(2) Section 1842(q)(1)(B) (42 U.S.C. 1395u(q)(1)(B)) is amended—

(A) in the matter before clause (i), by striking "shall be determined as follows:" and inserting "shall, subject to clause (iv), be reduced to the adjusted prevailing charge conversion factor for the locality determined as follows:", and

(B) in clause (iii), by striking "Subject to clause (iv), the prevailing charge conversion factor to be applied in" and inserting "The adjusted prevailing charge conversion factor for".

(d) Assistants at Surgery (Section 4107 of OBRA–1990).—(1) Section 4107(c) of OBRA–1990 is amended by inserting "(a)(1)" after "subsection".

(2) Section 4107(a)(2) of OBRA–1990 is amended by adding at the end the following: "In applying section 1848(g)(2)(D) of the Social Security Act for services of an assistant-at-surgery furnished during 1991, the recognized payment amount shall not exceed the maximum amount specified under section 1848(i)(2)(A) of such Act (as applied under this paragraph in such year).".

(e) Technical Components of Diagnostic Services (Section 4108 of OBRA–1990).—Section 1842(b) (42 U.S.C. 1395u(b)) is amended by redesignating paragraph (18), as added by section 4108(a) of OBRA–1990, as paragraph (17) and, in such paragraph, by inserting ", tests specified in paragraph (14)(C)(i)," after "diagnostic laboratory tests".

(f) Statewide Fee Schedules (Section 4117 of OBRA–1990).—Section 4117 of OBRA–1990 is amended—

(1) in subsection (a)—

(A) by striking "(a) In General.—", and

(B) by striking ", if the" and all that follows through "1991, "; and

(2) by striking subsections (b), (c), and (d).

(g) Study of Aggregation Rule for Claims of Similar Physician Services (Section 4113 of OBRA–1990).—Section 4113 of OBRA–1990 is amended—

(1) by inserting "of the Social Security Act" after "1869(b)(2)"; and

(2) by striking "December 31, 1992" and inserting "December 31, 1993".

(h) Other Miscellaneous and Technical Amendments.—(1) The heading of section 1834(f) (42 U.S.C. 1395m(f)) is amended by striking "Fiscal Year".

(2)(A) Section 4105(b) of OBRA–1990 is amended—

(i) in paragraph (2), by striking "amendments" and inserting "amendment", and

(ii) in paragraph (3), by striking "amendments made by paragraphs (1) and (2)" and inserting "amendment made by paragraph (1)".

(B) Section 1848(f)(2)(C) (42 U.S.C. 1395w–4(f)(2)(C)) is amended by inserting "Performance standard rates of increase for fiscal year 1991.—" after "(C)".

(C) Section 4105(d) of OBRA–1990 is amended by inserting "Publication of Performance Standard Rates.—" after "(d)".

(3) Section 1842(b)(4)(F) (42 U.S.C. 1395u(b)(4)(F)) is amended—

(A) in clause (i), by striking "prevailing charge" the first place it appears and inserting "customary charge"; and

(B) in clause (ii)(III), by striking "second, third, and fourth" and inserting "first, second, and third".

(4) Section 1842(b)(4)(F)(ii)(I) (42 U.S.C. 1395u(b)(4)(F)(ii)(I)) is amended by striking "respiratory therapist,".

(5) Section 4106(c) of OBRA–1990 is amended by inserting "of the Social Security Act" after "1848(d)(1)(B)".

(6) Section 4114 of OBRA–1990 is amended by striking "patients" the second place it appears.

(7) Section 1848(e)(1)(C) (42 U.S.C. 1395w–4(e)(1)(C)) is amended by inserting "date of the" after "since the".

(8) Section 4118(f)(1)(D) of OBRA–1990 is amended by striking "is amended".

(9) Section 4118(f)(1)(N)(ii) of OBRA–1990 is amended by striking "subsection (f)(5)(A)" and inserting "subsection (f)(5)(A))".

(10) Section 1845(e) (42 U.S.C. 1395w–1(e)) is amended—

(A) by striking paragraph (2); and

(B) by redesignating paragraphs (3), (4), and (5) as paragraphs (2), (3), and (4).

(11) Section 4118(j)(2) of OBRA–1990 is amended by striking "In section" and inserting "Section".

(12)(A) Section 1848(i)(3) (42 U.S.C. 1395w–4(i)(3)) is amended by striking the space before the period at the end.

(B) Section 1834(a)(10)(B) (42 U.S.C. 1395m(a)(10)(B)) is amended by striking "as such provisions apply to physicians' services and physicians and a reasonable charge under section 1842(b)".

(i) Other Corrections.—(1) Effective on the date of the enactment of this Act, section 6102(d)(4) of OBRA–1989 is amended by striking all that follows the first sentence.

(2) Effective for payments for fiscal years beginning with fiscal year 1994, section 1842(c)(1) (42 U.S.C. 1395u(c)(1)) is amended—

(A) in subparagraph (A), by striking "(A) Any contract" and inserting "Any contract"; and

(B) by striking subparagraph (B).

(j) Effective Date.—Except as provided in subsection (i), the amendments made by this section and the provisions of this section shall take effect as if included in the enactment of OBRA–1990.

Subchapter B—Outpatient Hospital Services and Ambulatory Surgical Services

SEC. 5021. EXTENSION OF 10 PERCENT REDUCTION IN PAYMENTS FOR CAPITAL-RELATED COSTS OF OUTPATIENT HOSPITAL SERVICES.

Section 1861(v)(1)(S)(ii)(I) (42 U.S.C. 1395x(v)(1)(S)(ii)(I)) is amended by striking "fiscal year 1992, 1993, 1994, or 1995" and inserting "fiscal years 1992 through 1998".

SEC. 5022. EXTENSION OF CURRENT REDUCTION IN PAYMENTS FOR OTHER COSTS OF OUTPATIENT HOSPITAL SERVICES.

Section 1861(v)(1)(S)(ii)(II) (42 U.S.C. 1395x(v)(1)(S)(ii)(II)) is amended by striking "1991" and all that follows and inserting "1991 through 1998.".

SEC. 5023. 1-YEAR FREEZE IN AMBULATORY SURGERY RATES.

The Secretary of Health and Human Services shall not provide for any update in the amounts of payment described in paragraphs (2)(A) and (2)(B) of section 1833(i)(2) of the Social Security Act that otherwise would occur in fiscal year 1994.

SEC. 5024. EYE OR EYE AND EAR HOSPITALS.

(a) In General.—Section 1833(i) (42 U.S.C. 1395l(i)) is amended—

(1) in paragraph (3)(B)(ii)—

(A) by striking "the last sentence of this clause" and inserting "paragraph (4)", and

(B) by striking the last sentence; and

(2) by inserting after paragraph (3) the following new paragraph:

"(4)(A) In the case of a hospital that—

"(i) makes application to the Secretary and demonstrates that it specializes in eye services or eye and ear services (as determined by the Secretary),

"(ii) receives more than 30 percent of its total revenues from outpatient services, and

"(iii) on October 1, 1987—

"(I) was an eye specialty hospital or an eye and ear specialty hospital, or

"(II) was operated as an eye or eye and ear unit (as defined in subparagraph (B)) of a general acute care hospital which, on the date of the application described in clause (i), operates less than 20 percent of the beds that the hospital operated on October 1, 1987, and has sold or otherwise disposed of a substantial portion of the hospital's other acute care operations,

the cost proportion and ASC proportion in effect under subclauses (I) and (II) of paragraph (3)(B)(ii) for cost reporting periods beginning in fiscal year 1988 shall remain in effect for cost reporting periods beginning on or after October 1, 1988, and before January 1, 1995.

"(B) For purposes of this subparagraph (A)(iii)(II), the term 'eye or eye and ear unit' means a physically separate or distinct unit containing separate surgical suites devoted solely to eye or eye and ear services.".

(b) Effective Date.—The amendments made by subsection (a) shall apply to portions of cost reporting periods beginning on or after January 1, 1994.

SEC. 5025. EXTENSION OF CAP ON PAYMENTS FOR INTRAOCULAR LENSES.

(a) In General.—Section 4151(c)(3) of OBRA–1990 is amended by striking "December 31, 1992" and inserting "December 31, 1994".

(b) Effective Date.—The amendment made by subsection (a) shall be effective as if included in the enactment of OBRA–1990.

SEC. 5026. MISCELLANEOUS AND TECHNICAL CORRECTIONS.

(a) Payment Amounts for Services Furnished in Ambulatory Surgical Centers.—(1)(A) Section 1833(i)(2)(A)(i) (42 U.S.C. 1395l(i)(2)(A)(i)) is amended by striking the comma at the end and inserting the following: ", as determined in accordance with a survey (based upon a representative sample of procedures and facilities) taken not later than January 1, 1995, and every 5 years thereafter, of the actual audited costs incurred by such centers in providing such services,".

(B) Section 1833(i)(2) (42 U.S.C. 1395l(i)(2)) is amended—

(i) in the second sentence of subparagraph (A) and the second sentence of subparagraph (B), by striking "and may be adjusted by the Secretary, when appropriate,"; and

(ii) by adding at the end the following new subparagraph:

"(C) Notwithstanding the second sentence of subparagraph (A) or the second sentence of subparagraph (B), if the Secretary has not updated amounts established under such subparagraphs with respect to facility services furnished during a fiscal year (beginning with fiscal year 1996), such amounts shall be increased by the percentage increase in the consumer price index for all urban consumers (U.S. city average) as estimated by the Secretary for the 12-month period ending with the midpoint of the fiscal year involved.".

(C) The second sentence of section 1833(i)(1) (42 U.S.C. 1395l(i)(1)) is amended by striking the period and inserting the following: ", in consultation with appropriate trade and professional organizations.".

(2) Section 4151(c)(3) of OBRA-1990 is amended by striking "for the insertion of an intraocular lens" and inserting "for an intraocular lens inserted".

(b) Adjustments to Payment Amounts for New Technology Intraocular Lenses.—(1) Not later than 1 year after the date of the enactment of this Act, the Secretary of Health and Human Services (in this subsection referred to as the "Secretary") shall develop and implement a process under which interested parties may request review by the Secretary of the appropriateness of the reimbursement amount provided under section 1833(i)(2)(A)(iii) of the Social Security Act with respect to a class of new technology intraocular lenses. For purposes of the preceding sentence, an intraocular lens may not be treated as a new technology lens unless it has been approved by the Food and Drug Administration.

(2) In determining whether to provide an adjustment of payment with respect to a particular lens under paragraph (1), the Secretary shall take into account whether use of the lens is likely to result in reduced risk of intraoperative or postoperative complication or trauma, accelerated postoperative recovery, reduced induced astigmatism, improved postoperative visual acuity, more stable postoperative vision, or other comparable clinical advantages.

(3) The Secretary shall publish notice in the Federal Register from time to time (but no less often than once each year) of a list of the requests that the Secretary has received for review under this subsection, and shall provide for a 30-day comment period on the lenses that are the subjects of the requests contained in such notice. The Secretary shall publish a notice of his determinations with respect to intraocular lenses listed in the notice within 90 days after the close of the comment period.

(4) Any adjustment of a payment amount (or payment limit) made under this subsection shall become effective not later than 30 days after the date on which the notice with respect to the adjustment is published under paragraph (3).

Subchapter C—Durable Medical Equipment

SEC. 5031. REVISIONS TO PAYMENT RULES FOR DURABLE MEDICAL EQUIPMENT.

(a) Basing National Payment Limits on Median of Local Payment Amounts.—

(1) Inexpensive and routinely purchased items; items requiring frequent and substantial servicing.—(A) Paragraphs (2)(C)(i)(II) and (3)(C)(i)(II) of section 1834(a) (42 U.S.C. 1395m(a)) are each amended—

(i) by striking "1992" the first place it appears and inserting "1992, 1993, and 1994"; and

(ii) by striking "1992" the second place it appears and inserting "the year".

(B) Paragraphs (2)(C)(ii) and (3)(C)(ii) of section 1834(a) (42 U.S.C. 1395m(a)) are each amended—

(i) by striking "and" at the end of subclause (I);

(ii) by redesignating subclause (II) as (IV); and

(iii) by inserting after subclause (I) the following new subclauses:

"(II) for 1992 and 1993, the amount determined under this clause for the preceding year increased by the covered item update for such subsequent year,

"(III) for 1994, the local payment amount determined under clause (i) for such item or device for that year, except that the national limited payment amount may not exceed 100 percent of the median of all local payment amounts determined under such clause for such item for that year and may not be less than 85 percent of the median of all local payment amounts determined under such clause for such item or device for that year, and".

(2) Miscellaneous devices and items.—Section 1834(a)(8) (42 U.S.C. 1395m(a)(8)) is amended—

(A) in subparagraph (A)(ii)(III), by striking "1992" and inserting "1992, 1993, and 1994"; and

(B) in subparagraph (B)—

(i) by striking "and" at the end of clause (i),

(ii) by redesignating clause (ii) as (iv), and

(iii) by inserting after clause (i) the following new clauses:

"(ii) for 1992 and 1993, the amount determined under this subparagraph for the preceding year increased by the covered item update for such subsequent year;

"(iii) for 1994, the local purchase price computed under subparagraph (A)(ii) for the item for the year, except that such national limited purchase price may not exceed 100 percent of the median of all local purchase prices computed for the item under such subparagraph for the year and may not be less than 85 percent of the median of all local purchase prices computed under such subparagraph for the item for the year; and".

(3) Oxygen and oxygen equipment.—Section 1834(a)(9) (42 U.S.C. 1395m(a)(9)) is amended—

(A) in subparagraph (A)(ii)(II), by striking "1991 and 1992" and inserting "1991, 1992, 1993, and 1994"; and

(B) in subparagraph (B)—

(i) by striking "and" at the end of clause (i),

(ii) by redesignating clause (ii) as (iv), and

(iii) by inserting after clause (i) the following new clauses:

"(ii) for 1992 and 1993, the amount determined under this subparagraph for the preceding year increased by the covered item update for such subsequent year;

"(iii) for 1994, the local monthly payment rate computed under subparagraph (A)(ii) for the item for the year, except that such national limited monthly payment rate may not exceed 100 percent of the median of all local monthly payment rates computed for the item under such subparagraph for the year and may not be less than 85 percent of the median of all local monthly payment rates computed for the item under such subparagraph for the year; and".

(b) Payment for Prosthetic Devices and Orthotics and Prosthetics.—

(1) In general.—Section 1834(h)(2) (42 U.S.C. 1395m(h)(2)) is amended—

(A) in subparagraph (A)(ii)(II), by striking "1992 or 1993" and inserting "1992, 1993, or 1994";

(B) in subparagraph (B)(ii), by striking "each subsequent year" and inserting "1993";

(C) in subparagraph (C)(iv), by striking "regional purchase price computed under subparagraph (B)" and inserting "national limited purchase price computed under subparagraph (E)";

(D) in subparagraph (D)(ii), by striking "a subsequent year" and inserting "1993"; and

(E) by adding at the end the following new subparagraph:

"(E) Computation of national limited purchase price.—With respect to the furnishing of a particular item in a year, the Secretary shall compute a national limited purchase price—

"(i) for 1994, equal to the local purchase price computed under subparagraph (A)(ii)(II) for the item for the year, except that such national limited purchase price may not exceed 100 percent of the median of all local purchase prices for the item computed under such subparagraph for the year, and may not be less than 85 percent of the median of all local purchase prices for the item computed under such subparagraph for the year; and

"(ii) for each subsequent year, equal to the amount determined under this subparagraph for the preceding year increased by the applicable percentage increase for such subsequent year.".

(2) Exception for certain items.—Section 1834(h) (42 U.S.C. 1395m(h)), as amended by paragraph (1), is further amended—

(A) in paragraph (1)(B), by striking "subparagraph (C)," and inserting "subparagraphs (C) and (F),"; and

(B) by adding at the end of paragraph (2) the following new subparagraph:

"(F) Exception for certain items.—Payment for ostomy supplies, tracheostomy supplies, and urologicals shall be made in accordance with subparagraphs (B) and (C) of section 1834(a)(2).".

(c) Effective Date.—The amendments made by this section shall apply to items furnished on or after January 1, 1994.

SEC. 5032. PAYMENT FOR PARENTERAL AND ENTERAL NUTRIENTS, SUPPLIES, AND EQUIPMENT DURING 1994.

In determining the amount of payment under part B of title XVIII of the Social Security Act during 1994, the charges determined to be reasonable with respect to parenteral and enteral nutrients, supplies, and equipment may not exceed the charges determined to be reasonable with respect to such nutrients, supplies, and equipment during 1993.

SEC. 5033. TREATMENT OF NEBULIZERS AND ASPIRATORS.

(a) In General.—Section 1834(a)(3)(A) (42 U.S.C. 1395m(a)(3)(A)) is amended by striking "ventilators, aspirators, IPPB machines, and nebulizers" and inserting "ventilators and IPPB machines".

(b) Payment for Accessories Relating to Nebulizers and Aspirators.—Section 1834(a)(2)(A) (42 U.S.C. 1395m(a)) is amended—

(1) by striking "or" at the end of clause (i),

(2) by adding "or" at the end of clause (ii), and

(3) by inserting after clause (ii) the following new clause:

"(iii) which is an accessory used in conjunction with a nebulizer or aspirator,".

(c) Effective Date.—The amendments made by this section shall apply to items furnished on or after January 1, 1994.

SEC. 5034. CERTIFICATION OF SUPPLIERS.

(a) Requirements.—

(1) In general.—Section 1834 (42 U.S.C. 1395m) is amended by adding at the end the following new subsection:

"(i) Requirements for Suppliers of Medical Equipment and Supplies.—

"(1) Issuance and renewal of supplier number.—

"(A) Payment.—Except as provided in subparagraph (C), no payment may be made under this part after October 1, 1994, for items furnished by a supplier of medical equipment and supplies unless such supplier obtains (and renews at such intervals as the Secretary may require) a supplier number.

"(B) Standards for possessing a supplier number.—A supplier may not obtain a supplier number unless—

"(i) for medical equipment and supplies furnished on or after October 1, 1994, and before January 1, 1996, the supplier meets standards prescribed by the Secretary; and

"(ii) for medical equipment and supplies furnished on or after January 1, 1996, the supplier meets revised standards prescribed by the Secretary (in consultation with representatives of suppliers of medical equipment and supplies, carriers, and consumers) that shall include requirements that the supplier—

"(I) comply with all applicable State and Federal licensure and regulatory requirements;

"(II) maintain a physical facility on an appropriate site;

"(III) have proof of appropriate liability insurance; and

"(IV) meet such other requirements as the Secretary may specify.

"(C) Exception for items furnished as incident to a physician's service.—Subparagraph (A) shall not apply with respect to medical equipment and supplies furnished as an incident to a physician's service.

"(D) Prohibition against multiple supplier numbers.—The Secretary may not issue more than one supplier number to any supplier of medical equipment and supplies unless the issuance of more than one number is appropriate to identify subsidiary or regional entities under the supplier's ownership or control.

"(E) Prohibition against delegation of supplier determinations.—The Secretary may not delegate (other than by contract under section 1842) the responsibility to determine whether suppliers meet the standards necessary to obtain a supplier number.

"(2) Certificates of medical necessity.—

"(A) Standardized certificates.—Not later than October 1, 1994, the Secretary shall, in consultation with carriers under this part, develop one or more standardized certificates of medical necessity (as defined in subparagraph (C)) for medical equipment and supplies for which the Secretary determines that such a certificate is necessary.

"(B) Prohibition against distribution by suppliers of certificates of medical necessity.—

"(i) In general.—Except as provided in clause (ii), a supplier of medical equipment and supplies may not distribute to physicians or to individuals entitled to benefits under this part for commercial purposes any completed or partially completed certificates of medical necessity on or after October 1, 1994.

"(ii) Exception for certain billing information.—Clause (i) shall not apply with respect to a certificate of medical necessity for any item that is not contained on the list of potentially overused items developed by the Secretary under subsection (a)(15)(A) to the extent that such certificate contains only information completed by the supplier of medical equipment and supplies identifying such supplier and the beneficiary to whom such medical equipment and supplies are furnished, a description of such medical equipment and supplies, any product code identifying such medical equipment and supplies, and any other administrative information (other than information relating to the beneficiary's medical condition) identified by the Secretary. In the event a supplier provides a certificate of medical necessity containing information permitted under this clause, such certificate shall also contain the fee schedule amount and the supplier's charge for the medical equipment or supplies being furnished prior to distribution of such certificate to the physician.

"(iii) Penalty.—Any supplier of medical equipment and supplies who knowingly and willfully distributes a certificate of medical necessity in violation of clause (i) is subject to a civil money penalty in an amount not to exceed $1,000 for each such certificate of medical necessity so distributed. The provisions of section 1128A (other than subsections (a) and (b)) shall apply to civil money penalties under this subparagraph in the same manner as they apply to a penalty or proceeding under section 1128A(a).

"(C) Definition.—For purposes of this paragraph, the term 'certificate of medical necessity' means a form or other document containing information required by the Secretary to be submitted to show that a covered item is reasonable and necessary for the diagnosis or treatment of illness or injury or to improve the functioning of a malformed body member.

"(3) Coverage and review criteria.—

"(A) Development and establishment.—Not later than January 1, 1996, the Secretary, in consultation with representatives of suppliers of medical equipment and supplies, individuals enrolled under this part, and appropriate medical specialty societies, shall develop and establish uniform national coverage and utilization review criteria for 200 items of medical equipment and supplies selected in accordance with the standards described in subparagraph (B). The Secretary shall publish the criteria as part of the instructions provided to fiscal intermediaries and carriers under this part and no further publication, including publication in the Federal Register, shall be required.

"(B) Standards for selecting items subject to criteria.—The Secretary may select an item for coverage under the criteria developed and established under subparagraph (A) if the Secretary finds that—

"(i) the item is frequently purchased or rented by beneficiaries;

"(ii) the item is frequently subject to a determination that such item is not medically necessary; or

"(iii) the coverage or utilization criteria applied to the item (as of the date of the enactment of this subsection) is not consistent among carriers.

"(C) Annual review and expansion of items subject to criteria.—The Secretary shall annually review the coverage and utilization of items of medical equipment and supplies to determine whether items not included among the items selected under subparagraph (A) should be made subject to uniform national coverage and utilization review criteria, and, if appropriate, shall develop and apply such criteria to such additional items.

"(4) Definition.—The term 'medical equipment and supplies' means—

"(A) durable medical equipment (as defined in section 1861(n));

"(B) prosthetic devices (as described in section 1861(s)(8));

"(C) orthotics and prosthetics (as described in section 1861(s)(9));

"(D) surgical dressings (as described in section 1861(s)(5));

"(E) such other items as the Secretary may determine; and

"(F) for purposes of paragraphs (1) and (3)—

"(i) home dialysis supplies and equipment (as described in section 1861(s)(2)(F)), and

"(ii) immunosuppressive drugs (as described in section 1861(s)(2)(J)).".

(2) Conforming amendment.—Effective October 1, 1994, paragraph (16) of section 1834(a) (42 U.S.C. 1395m(a)) is repealed.

(b) Report on Effect of Uniform Criteria on Utilization of Items.—Not later than July 1, 1996, the Secretary shall submit a report to the Committee on Ways and Means and the Committee on Energy and Commerce of the House of Representatives and the Committee on Finance of the Senate analyzing the impact of the uniform criteria established under section 1834(i)(3)(A) of the Social Security Act (as added by subsection (a)) on the utilization of items of medical equipment and supplies by individuals enrolled under part B of the medicare program.

(c) Use of Covered Items by Disabled Beneficiaries.—

(1) In general.—The Secretary of Health and Human Services, in consultation with representatives of suppliers of durable medical equipment under part B of the medicare program and individuals entitled to benefits under such program on the basis of disability, shall conduct a study of the effects of the methodology for determining payments for items of such equipment under such part on the ability of such individuals to obtain items of such equipment, including customized items.

(2) Report.—Not later than one year after the date of the enactment of this Act, the Secretary shall submit a report to Congress on the study conducted under paragraph (1), and shall include in the report such recommendations as the Secretary considers appropriate to assure that disabled medicare beneficiaries have access to items of durable medical equipment.

(d) Criteria for Treatment of Items as Prosthetics Devices or Orthotics and Prosthetics.—Not later than one year after the date of the enactment of this Act, the Secretary of Health and Human Services shall submit a report to the Committees on Ways and Means and Energy and Commerce of the House of Representatives and the Committee on Finance of the Senate describing prosthetic devices or orthotics and prosthetics covered under part B of the medicare program that do not require individualized or custom fitting and adjustment to be used by a patient. Such report shall include recommendations for an appropriate methodology for determining the amount of payment for such items under such program.

SEC. 5035. PROHIBITION AGAINST CARRIER FORUM SHOPPING.

(a) IN GENERAL.—Section 1834(a)(12) (42 U.S.C. 1395m(a)(12)) is amended to read as follows:

"(12) USE OF CARRIERS TO PROCESS CLAIMS.—

"(A) DESIGNATION OF REGIONAL CARRIERS.—The Secretary may designate, by regulation under section 1842, one carrier for one or more entire regions to process all claims within the region for covered items under this section.

"(B) PROHIBITION AGAINST CARRIER SHOPPING.—(i) No supplier of a covered item may present or cause to be presented a claim for payment under this part unless such claim is presented to the appropriate regional carrier (as designated by the Secretary).

"(ii) For purposes of clause (i), the term 'appropriate regional carrier' means the carrier having jurisdiction over the geographic area that includes the permanent residence of the patient to whom the item is furnished.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to items furnished on or after October 1, 1993.

(c) CLARIFICATION OF AUTHORITY TO DESIGNATE CARRIERS FOR OTHER ITEMS AND SERVICES.—Nothing in this subsection or the amendment made by this subsection may be construed to restrict the authority of the Secretary of Health and Human Services to designate regional carriers or modify claims jurisdiction rules with respect to items or services under part B of the medicare program that are not covered items under section 1834(a) of the Social Security Act or prosthetic devices or orthotics and prosthetics under section 1834(h) of such Act.

SEC. 5036. RESTRICTIONS ON CERTAIN MARKETING AND SALES ACTIVITIES.

(a) PROHIBITING UNSOLICITED TELEPHONE CONTACTS FROM SUPPLIERS OF DURABLE MEDICAL EQUIPMENT TO MEDICARE BENEFICIARIES.—

(1) IN GENERAL.—Section 1834(a) (42 U.S.C. 1395m(a)) is amended by adding at the end the following new paragraph:

"(17) PROHIBITION AGAINST UNSOLICITED TELEPHONE CONTACTS BY SUPPLIERS.—

"(A) IN GENERAL.—A supplier of a covered item under this subsection may not contact an individual enrolled under this part by telephone regarding the furnishing of a covered item to the individual (other than a covered item the supplier has already furnished to the individual) unless—

"(i) the individual gives permission to the supplier to make contact by telephone for such purpose; or

"(ii) the supplier has furnished a covered item under this subsection to the individual during the 15-month period preceding the date on which the supplier contacts the individual for such purpose.

"(B) PROHIBITING PAYMENT FOR ITEMS FURNISHED SUBSEQUENT TO UNSOLICITED CONTACTS.—If a supplier knowingly contacts an individual in violation of subparagraph (A), no payment may be made under this part for any item subsequently furnished to the individual by the supplier.

"(C) EXCLUSION FROM PROGRAM FOR SUPPLIERS ENGAGING IN PATTERN OF UNSOLICITED CONTACTS.—If a supplier knowingly contacts individuals in violation of subparagraph (A) to such an extent that the supplier's conduct establishes a pattern of contacts in violation of such subparagraph, the Secretary shall exclude the supplier from participation in the programs under this Act, in accordance with the procedures set forth in subsections (c), (f), and (g) of section 1128.".

(2) REQUIRING REFUND OF AMOUNTS COLLECTED FOR DISALLOWED ITEMS.—Section 1834(a) (42 U.S.C. 1395m(a)), as amended by paragraph (1), is amended by adding at the end the following new paragraph:

"(18) REFUND OF AMOUNTS COLLECTED FOR CERTAIN DISALLOWED ITEMS.—

"(A) IN GENERAL.—If a nonparticipating supplier furnishes to an individual enrolled under this part a covered item for which no payment may be made under this part by reason of paragraph (17)(B), the supplier shall refund on a timely basis to the patient (and shall be liable to the patient for) any amounts collected from the patient for the item, unless—

"(i) the supplier establishes that the supplier did not know and could not reasonably have been expected to know that payment may not be made for the item by reason of paragraph (17)(B), or

"(ii) before the item was furnished, the patient was informed that payment under this part may not be made for that item and the patient has agreed to pay for that item.

"(B) SANCTIONS.—If a supplier knowingly and willfully fails to make refunds in violation of subparagraph (A), the Secretary may apply sanctions against the supplier in accordance with section 1842(j)(2).

"(C) NOTICE.—Each carrier with a contract in effect under this part with respect to suppliers of covered items shall send any notice of denial of payment for covered items by reason of paragraph (17)(B) and for which payment is not requested on an assignment-related basis to the supplier and the patient involved.

"(D) TIMELY BASIS DEFINED.—A refund under subparagraph (A) is considered to be on a timely basis only if—

"(i) in the case of a supplier who does not request reconsideration or seek appeal on a timely basis, the refund is made within 30 days after the date the supplier receives a denial notice under subparagraph (C), or

"(ii) in the case in which such a reconsideration or appeal is taken, the refund is made within 15 days after the date the supplier receives notice of an adverse determination on reconsideration or appeal.".

(b) CONFORMING AMENDMENT.—Section 1834(h)(3) (42 U.S.C. 1395m(h)(3)) is amended by striking "Paragraph (12)" and inserting "Paragraphs (12) and (17)".

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall apply to items furnished after the expiration of the 60-day period that begins on the date of the enactment of this Act.

SEC. 5037. KICKBACK CLARIFICATION.

(a) IN GENERAL.—Section 1128B(b)(3)(B) (42 U.S.C. 1320a–7b(b)(3)(B)) is amended by inserting before the semicolon the following: "(except that in the case of a contract supply arrangement between any entity and a supplier of medical supplies and equipment (as defined in section 1834(i)(4), but not including items described in subparagraph (F) of such section), such employment shall not be considered bona fide to the extent that it includes tasks of a clerical and cataloging nature in transmitting to suppliers assignment rights of individuals eligible for benefits under part B of title XVIII, or performance of warehousing or stock inventory functions)".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to services furnished on or after the first day of the first month that begins after the expiration of the 60-day period beginning on the date of the enactment of this Act.

SEC. 5038. BENEFICIARY LIABILITY FOR NONCOVERED SERVICES.

(a) UNASSIGNED CLAIMS.—

(1) IN GENERAL.—Section 1834(i) (42 U.S.C. 1395m(i)), as added by section 5034(a)(1), is amended—

(A) by redesignating paragraph (4) as paragraph (5), and

(B) by inserting after paragraph (3) the following new paragraph:

"(4) LIMITATION ON PATIENT LIABILITY.—If a supplier of medical equipment and supplies (as defined in paragraph (5))—

"(A) furnishes an item or service to a beneficiary for which no payment may be made by reason of paragraph (1);

"(B) furnishes an item or service to a beneficiary for which payment is denied in advance under subsection (a)(15); or

"(C) furnishes an item or service to a beneficiary for which payment is denied under section 1862(a)(1);

any expenses incurred for items and services furnished to an individual by such a supplier not on an assigned basis shall be the responsibility of such supplier. The individual shall have no financial responsibility for such expenses and the supplier shall refund on a timely basis to the individual (and shall be liable to the individual for) any amounts collected from the individual for such items or services. The provisions of subsection (a)(18) shall apply to refunds required under the previous sentence in the same manner as such provisions apply to refunds under such subsection.".

(2) CONFORMING AMENDMENT.—Section 1128B(b)(3)(B) (42 U.S.C. 1320a–7b(b)(3)(B)), as amended by section 5037(a), is amended by striking "1834(i)(4)" and inserting "1834(i)(5)".

(b) ASSIGNED CLAIMS.—Section 1879 (42 U.S.C. 1395pp) is amended by adding at the end the following new subsection:

"(h) If a supplier of medical equipment and supplies (as defined in section 1834(i)(4))—

"(1) furnishes an item or service to a beneficiary for which no payment may be made by reason of section 1834(i)(1); or

"(2) furnishes an item or service to a beneficiary for which payment is denied in advance under section 1834(a)(15);

any expenses incurred for items and services furnished to an individual by such a supplier on an assignment-related basis shall be the responsibility of such supplier. The individual shall have no financial responsibility for such expenses and the supplier shall refund on a timely basis to the individual (and shall be liable to the individual for) any amounts collected from the individual for such items or services. The provisions of section 1834(a)(18) shall apply to refunds required under the previous sentence in the same manner as such provisions apply to refunds under such section.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to items or services furnished on or after October 1, 1994.

SEC. 5039. ADJUSTMENTS FOR INHERENT REASONABLENESS.

(a) ADJUSTMENTS MADE TO FINAL PAYMENT AMOUNTS.—

(1) IN GENERAL.—Section 1834(a)(10)(B) (42 U.S.C. 1395m(a)(10)(B)) is amended by adding at the end the following: "In applying such provisions to payments for an item under this subsection, the Secretary shall make adjustments to the payment basis for the item described in paragraph (1)(B) if the Secretary determines (in accordance with such provisions and on the basis of prices and costs applicable at the time the item is furnished) that such payment basis is not inherently reasonable.".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect on the date of the enactment of this Act.

(b) ADJUSTMENT REQUIRED FOR CERTAIN ITEMS.—

(1) IN GENERAL.—In accordance with section 1834(a)(10)(B) of the Social Security Act (as amended by subsection (a)), the Secretary of Health and Human Services shall determine whether the payment amounts for the items described in paragraph (2) are not inherently reasonable, and shall adjust such amounts in accordance with such section if the amounts are not inherently reasonable.

(2) ITEMS DESCRIBED.—The items referred to in paragraph (1) are decubitus care equipment, transcutaneous electrical nerve stimulators, and any other items considered appropriate by the Secretary.

SEC. 5040. PAYMENT FOR SURGICAL DRESSINGS.

(a) IN GENERAL.—Section 1834 (42 U.S.C. 1395m), as amended by section 5034(a)(1), is amended by adding at the end the following new subsection:

"(j) PAYMENT FOR SURGICAL DRESSINGS.—

"(1) IN GENERAL.—Payment under this subsection for surgical dressings (described in section 1861(s)(5)) shall be made in a lump sum amount for the purchase of the item in an amount equal to 80 percent of the lesser of—

"(A) the actual charge for the item; or

"(B) a payment amount determined in accordance with the methodology described in subparagraphs (B) and (C) of subsection (a)(2) (except that in applying such methodology, the national limited payment amount referred to in such subparagraphs shall be initially computed based on local payment amounts using average reasonable charges for the 12-month period ending December 31, 1992, increased by the covered item updates described in such subsection for 1993 and 1994)

"(2) EXCEPTIONS.—Paragraph (1) shall not apply to surgical dressings that are—

"(A) furnished as an incident to a physician's professional service; or

"(B) furnished by a home health agency.".

(b) CONFORMING AMENDMENT.—Section 1833(a)(1) (42 U.S.C. 1395l(a)(1)), as amended by sections 5070(e)(2) and 5010(e)(1), is amended—

(1) by striking "and" before "(P)", and

(2) by inserting before the semicolon at the end the following: ", and (Q) with respect to surgical dressings, the amounts paid shall be the amounts determined under section 1834(j)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to items furnished on or after January 1, 1994.

SEC. 5041. PAYMENTS FOR TENS DEVICES.

(a) IN GENERAL.—Section 1834(a)(1)(D) (42 U.S.C. 1395m(a)(1)(D)) is amended by striking "15 percent" the second place it appears and inserting "45 percent".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to items furnished on or after January 1, 1994.

SEC. 5042. MISCELLANEOUS AND TECHNICAL CORRECTIONS.

(a) UPDATES TO PAYMENT AMOUNTS.—Subparagraph (A) of section 1834(a)(14) (42 U.S.C. 1395m(a)(14)) is amended to read as follows:

"(A) for 1991 and 1992, the percentage increase in the consumer price index for all urban consumers (U.S. city average) for the 12-month period ending with June of the previous year reduced by 1 percentage point; and".

(b) TREATMENT OF POTENTIALLY OVERUSED ITEMS AND ADVANCED DETERMINATIONS OF COVERAGE.—(1) Effective on the date of the enactment of this Act, section 1834(a)(15) (42 U.S.C. 1395m(a)(15)) is amended to read as follows:

"(15) SPECIAL TREATMENT FOR POTENTIALLY OVERUSED ITEMS.—

"(A) DEVELOPMENT OF LIST OF ITEMS BY SECRETARY.—The Secretary shall develop and periodically update a list of items for which payment may be made under this subsection that are potentially overused, and shall include in such list seat-lift mechanisms, transcutaneous electrical nerve stimulators, motorized scooters, decubitus care mattresses, and any such other item determined by the Secretary to be potentially overused on the basis of any of the following criteria—

"(i) the item is marketed directly to potential patients;

"(ii) the item is marketed with an offer to potential patients to waive the costs of coinsurance associated with the item or is marketed as being available at no cost to policyholders of a medicare supplemental policy (as defined in section 1882(g)(1));

"(iii) the item has been subject to a consistent pattern of overutilization; or

"(iv) a high proportion of claims for payment for such item under this part may not be made because of the application of section 1862(a)(1).

"(B) ITEMS SUBJECT TO SPECIAL CARRIER SCRUTINY.—Payment may not be made under this part for any item contained in the list developed by the Secretary under subparagraph (A) unless the carrier has subjected the claim for payment for the item to special scrutiny or has followed the procedures described in paragraph (11)(C) with respect to the item.".

(2) Effective January 1, 1994, section 1834(a)(11) (42 U.S.C. 1395m(a)) is amended by adding at the end the following new subparagraph:

"(C) CARRIER DETERMINATIONS FOR CERTAIN ITEMS IN ADVANCE.—A carrier shall determine in advance whether payment for an item may not be made under this subsection because of the application of section 1862(a)(1) if—

"(i) the item is a customized item (other than inexpensive items specified by the Secretary); or

"(ii) the item is a specified covered item under subparagraph (B).".

(3) Effective for standards applied for contract years beginning after the date of the enactment of this Act, section 1842(c) (42 U.S.C. 1395u(c)), as amended by section 5013(a), is amended by adding at the end the following new paragraph:

"(5) Each contract under this section which provides for the disbursement of funds, as described in subsection (a)(1)(B), shall require the carrier to meet criteria developed by the Secretary to measure the timeliness of carrier responses to requests for payment of items described in section 1834(a)(11)(C).".

(4) Section 1834(h)(3) (42 U.S.C. 1395m(h)(3)) is amended by striking "paragraph (10) and paragraph (11)" and inserting "paragraphs (10) and (11)".

(c) STUDY OF VARIATIONS IN DURABLE MEDICAL EQUIPMENT SUPPLIER COSTS.—

(1) COLLECTION AND ANALYSIS OF SUPPLIER COST DATA.—The Administrator of the Health Care Financing Administration shall, in consultation with appropriate organizations, collect data on supplier costs of durable medical equipment for which payment may be made under part B of the medicare program, and shall analyze such data to determine the proportions of such costs attributable to the service and product components of furnishing such equipment and the extent to which such proportions vary by type of equipment and by the geographic region in which the supplier is located.

(2) DEVELOPMENT OF GEOGRAPHIC ADJUSTMENT INDEX; REPORTS.—Not later than January 1, 1995—

(A) the Administrator shall submit a report to the Committees on Energy and Commerce and Ways and Means of the House of Representatives and the Committee on Finance of the Senate on the data collected and the analysis conducted under paragraph (1), and shall include in such report the Administrator's recommendations for a geographic cost adjustment index for suppliers of durable medical equipment under the medicare program and an analysis of the impact of such proposed index on payments under the medicare program; and

(B) the Comptroller General shall submit a report to the Committees on Energy and Commerce and Ways and Means of the House of Representatives and the Committee on Finance of the Senate analyzing on a geographic basis the supplier costs of durable medical equipment under the medicare program.

(d) OXYGEN RETESTING.—Section 1834(a)(5)(E) (42 U.S.C. 1395m(a)(5)(E)) is amended by striking "55" and inserting "56".

(e) OTHER MISCELLANEOUS AND TECHNICAL AMENDMENTS.—(1) Section 4152(a)(3) of OBRA–1990 is amended by striking "amendment made by subsection (a)" and inserting "amendments made by this subsection".

(2) Section 4152(c)(2) of OBRA–1990 is amended by striking "1395m(a)(7)(A)" and inserting "1395m(a)(7)".

(3) Section 1834(a)(7)(A)(iii)(II) (42 U.S.C. 1395m(a)(7)(A)(iii)(II)) is amended by striking "clause (v)" and inserting "clause (vi)".

(4) Section 1834(a)(7)(C)(i) (42 U.S.C. 1395m(a)(7)(C)(i)) is amended by striking "or paragraph (3)".

(5) Section 1834(a)(3) (42 U.S.C. 1395m(a)(3)) is amended by striking subparagraph (D).

(6) Section 4153(c)(1) of OBRA–1990 is amended by striking "1834(a)" and inserting "1834(h)".

(7) Section 4153(d)(2) of OBRA–1990 is amended by striking "Reconiliation" and inserting "Reconciliation".

(8)(A) Section 1834(a) (42 U.S.C. 1395m(a)) is amended by striking paragraph (6).

(B) Section 1834(a) (42 U.S.C. 1395m(a)) is amended—

(i) in subparagraphs (A) and (B) of paragraph (1), by striking "(2) through (7)" each place it appears and inserting "(2) through (5) and (7)";

(ii) in paragraph (7), by striking "(2) through (6)" and inserting "(2) through (5)";

(iii) in paragraph (8), by striking "paragraphs (6) and (7)" each place it appears in the matter preceding subparagraph (A) and in subparagraph (C) and inserting "paragraph (7)"; and

(iv) in paragraph (8)(A)(i), by striking "described—" and all that follows and inserting "described in paragraph (7) equal to the average of the purchase prices on the claims submitted on an assignment-related basis for the unused item supplied during the 6-month period ending with December 1986.".

(9) The amendments made by this subsection shall take effect as if included in the enactment of OBRA–1990.

Subchapter D—Part B Premium

SEC. 5051. PART B PREMIUM.

Section 1839(e) (42 U.S.C. 1395r(e)) is amended—

(1) in paragraph (1)(A), by inserting "and for each month in 1996 and 1997" after "January 1991", and

(2) in paragraph (2), by striking "1991" and inserting "1998".

Subchapter E—Other Provisions

SEC. 5061. PAYMENTS FOR CLINICAL DIAGNOSTIC LABORATORY TESTS.

(a) LOWER CAP.—Section 1833(h)(4)(B) (42 U.S.C. 1395l(h)(4)(B)) is amended—

(1) by striking "and" at the end of clause (iii),

(2) in clause (iv), by inserting "and before January 1, 1994," after "1990,",

(3) by striking the period at the end of clause (iv) and inserting ", and", and

(4) by adding at the end the following:

"(v) after December 31, 1993, is equal to 76 percent of the median of all the fee schedules established for that test for that laboratory setting under paragraph (1).".

(b) TWO PERCENT UPDATE FOR 1994 THROUGH 1998.—Section 1833(h)(2)(A)(ii)(III) (42 U.S.C. 1395l(h)(2)(A)(ii)(III)) is amended by striking "1991, 1992, and 1993" and inserting "1991 through 1998".

SEC. 5062. TREATMENT OF INPATIENTS AND PROVISION OF DIAGNOSTIC AND THERAPEUTIC X-RAY SERVICES BY RURAL HEALTH CLINICS AND FEDERALLY QUALIFIED HEALTH CENTERS.

(a) TREATMENT OF INPATIENTS.—Section 1861(aa) (42 U.S.C. 1395x(aa)) is amended—

(1) in paragraph (1), in the matter following subparagraph (C), by striking "as an outpatient" and inserting "as a patient";

(2) in paragraph (2)(A), by striking "furnishing to outpatients" and inserting "furnishing to patients"; and

(3) in paragraph (3), in the matter following subparagraph (B), by striking "as an outpatient" and inserting "as a patient".

(b) TREATMENT OF DIAGNOSTIC AND THERAPEUTIC X-RAY SERVICES.—Section 1861(aa) (42 U.S.C. 1395x(aa)) is further amended—

(1) in paragraph (1)(A), by inserting "(i)" after "(A)" and by adding at the end the following: "and (ii) diagnostic and therapeutic x-ray services,", and

(2) in paragraph (2)(A), by striking "(A)" and inserting "(A)(i)".

(c) CONFORMING AMENDMENT.—Section 1862(a)(14) (42 U.S.C. 1395y(a)(14)) is amended by striking "and services of a certified registered nurse anesthetist" and inserting "services of a certified registered nurse anesthetist, rural health clinic services, and Federally-qualified health center services".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1994, and shall apply to services furnished on or after such date.

SEC. 5063. APPLICATION OF MAMMOGRAPHY CERTIFICATION REQUIREMENTS.

(a) SCREENING MAMMOGRAPHY.—Section 1834(c) (42 U.S.C. 1395m(c)) is amended—

(1) in paragraph (1)(B), by striking "meets the quality standards established under paragraph (3)" and inserting "is conducted by a facility that has a certificate (or provisional certificate) issued under section 354 of the Public Health Service Act";

(2) in paragraph (1)(C)(iii), by striking "paragraph (4)" and inserting "paragraph (3)";

(3) by striking paragraph (3); and

(4) by redesignating paragraphs (4) and (5) as paragraphs (3) and (4).

(b) DIAGNOSTIC MAMMOGRAPHY.—Section 1861(s)(3) (42 U.S.C. 1395x(s)(3)) is amended by inserting "and including diagnostic mammography if conducted by a facility that has a certificate (or provisional certificate) issued under section 354 of the Public Health Service Act" after "necessary".

(c) CONFORMING AMENDMENTS.—(1) Section 1862(a)(1)(F) (42 U.S.C. 1395y(a)(1)(F)) is amended by striking "or which does not meet the standards established under section 1834(c)(3)" and inserting "or which is not conducted by a facility described in section 1834(c)(1)(B)".

(2) Section 1863 (42 U.S.C. 1395z) is amended by striking "or whether screening mammography meets the standards established under section 1834(c)(3),".

(3) The first sentence of section 1864(a) (42 U.S.C. 1395aa(a)) is amended by striking ", or whether screening mammography meets the standards established under section 1834(c)(3)".

(4) The third sentence of section 1865(a) (42 U.S.C. 1395bb(a)) is amended by striking "1834(c)(3),".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to mammography furnished by a facility on and after the first date that the certificate requirements of section 354(b) of the Public Health Service Act apply to such mammography conducted by such facility.

SEC. 5064. EXTENSION OF ALZHEIMER'S DISEASE DEMONSTRATION.

Section 9342 of OBRA–1986, as amended by section 4164(a)(2) of OBRA–1990, is amended—

(1) in subsection (c)(1), by striking "4 years" and inserting "5 years"; and

(2) in subsection (f)—

(A) by striking "$55,000,000" and inserting "$60,000,000", and

(B) by striking "$3,000,000" and inserting "$5,000,000".

SEC. 5065. ORAL CANCER DRUGS.

(a) COVERAGE OF CERTAIN SELF-ADMINISTERED ANTICANCER DRUGS.—Section 1861(s)(2) (42 U.S.C. 1395(s)(2)), as amended by section 5070(f)(7)(B), is amended—

(1) by striking "and" at the end of subparagraph (N);

(2) by adding "and" at the end of subparagraph (O); and

(3) by adding at the end the following new subparagraph:

"(P) an oral drug (which is approved by the Federal Food and Drug Administration) prescribed for use as an anticancer chemotherapeutic agent for a given indication, and containing an active ingredient (or ingredients), which is the same indication and active ingredient (or ingredients) as a drug which the carrier determines would be covered pursuant to subparagraph (A) or (B) if the drug could not be self-administered;".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to items furnished on or after January 1, 1994.

SEC. 5066. EXTENSION OF MUNICIPAL HEALTH SERVICE DEMONSTRATION PROJECTS.

Section 9215 of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended by section 6135 of OBRA–1989, is amended—

(1) by striking "December 31, 1993" and inserting "December 31, 1997", and

(2) in the second sentence, by inserting after "beneficiary costs," the following: "costs to the medicaid program and other payors, access to care, outcomes, beneficiary satisfaction, utilization differences among the different populations served by the projects,".

SEC. 5067. TREATMENT OF CERTAIN INDIAN HEALTH PROGRAMS AND FACILITIES AS FEDERALLY-QUALIFIED HEALTH CENTERS.

(a) IN GENERAL.—Section 1861(aa)(4) (42 U.S.C. 1395x(aa)(4)) is amended—

(1) by striking "or" at the end of subparagraph (B);

(2) by striking the period at the end of subparagraph (C) and inserting "; or"; and

(3) by adding at the end the following new subparagraph:

"(D) is an outpatient health program or facility operated by a tribe or tribal organization under the Indian Self-Determination Act or by an urban Indian organization receiving funds under title V of the Indian Health Care Improvement Act.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect as if included in the enactment of section 4161(a)(2)(C) of OBRA–1990.

SEC. 5068. INTEREST PAYMENTS.

(a) IN GENERAL.—Section 1842(c)(2)(B)(ii)(IV) of the Social Security Act shall be applied with respect to paper claims received in the 9-month period beginning January 1, 1993, by substituting "27 calendar days" for "24 calendar days" and "17 calendar days".

(b) PROHIBITING PAYMENT OF INTEREST DURING MANDATORY PAYMENT DELAY PERIOD.—Section 1842(c)(2)(C) (42 U.S.C. 1395u(c)(2)(C)) is amended by adding at the end the following: "Notwithstanding any other provision of law, no interest may be paid with respect to a claim pursuant to the preceding sentence within any period following the submission of the claim during which no payment may be issued, mailed, or otherwise transmitted with respect to the claim.".

SEC. 5069. CLARIFICATION OF COVERAGE OF CERTIFIED NURSE-MIDWIFE SERVICES PERFORMED OUTSIDE THE MATERNITY CYCLE.

(a) IN GENERAL.—Section 1861(gg)(2) (42 U.S.C. 1395x(gg)(2)) is amended by striking ", and performs services" and all that follows and inserting a period.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to services furnished on or after January 1, 1994.

SEC. 5069A. INCREASE IN, AND STUDY OF, ANNUAL CAP ON AMOUNT OF MEDICARE PAYMENT FOR OUTPATIENT PHYSICAL THERAPY AND OCCUPATIONAL THERAPY SERVICES.

(a) INCREASE IN ANNUAL LIMITATION.—Section 1833(g) (42 U.S.C. 1395l(g)) is amended by striking "$750" and inserting "$900" each place it appears.

(b) STUDY.—(1) The Physician Payment Review Commission shall conduct a study of the appropriateness of continuing an annual limitation on the amount of payment for outpatient services of independently practicing physical and occupational therapists under the medicare program.

(2) By not later than January 1, 1995, the Commission shall submit to the Committees on Energy and Commerce and Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report on the study conducted under paragraph (1). Such report shall include such recommendations for changes in such annual limitation as the Commission finds appropriate.

(c) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to services furnished on or after January 1, 1994.

SEC. 5070. MISCELLANEOUS AND TECHNICAL CORRECTIONS.

(a) REVISION OF INFORMATION ON PART B CLAIMS FORMS.—Section 1833(q)(1) (42 U.S.C. 1395l(q)(1)) is amended—

(1) by striking "provider number" and inserting "unique physician identification number"; and

(2) by striking "and indicate whether or not the referring physician is an interested investor (within the meaning of section 1877(h)(5))".

(b) CONSULTATION FOR SOCIAL WORKERS.—Effective with respect to services furnished on or after January 1, 1991, section 6113(c) of OBRA–1989 is amended—

(1) by inserting "and clinical social worker services" after "psychologist services"; and

(2) by striking "psychologist" the second and third place it appears and inserting "psychologist or clinical social worker".

(c) REPORTS ON HOSPITAL OUTPATIENT PAYMENT.—(1) OBRA–1989 is amended by striking section 6137.

(2) Section 1135(d) (42 U.S.C. 1320b–5(d)) is amended—

(A) by striking paragraph (6); and

(B) in paragraph (7)—

(i) by striking "systems" each place it appears and inserting "system"; and

(ii) by striking "paragraphs (1) and (6)" and inserting "paragraph (1)".

(d) RADIOLOGY AND DIAGNOSTIC SERVICES PROVIDED IN HOSPITAL OUTPATIENT DEPARTMENTS.—(1) Effective as if included in the enactment of OBRA–1989, section 1833(n)(1)(B)(i)(II) (42 U.S.C. 1395l(n)(1)(B)(i)(II)) is amended—

(A) by inserting "and for services described in subsection (a)(2)(E)(ii) furnished on or after January 1, 1992" after "1989"; and

(B) by striking "1842(b)" and inserting "1842(b) (or, in the case of services furnished on or after January 1, 1992, under section 1848)".

(2) Effective as if included in the enactment of OBRA–1989, section 1833(n)(1)(B)(i)(II) (42 U.S.C. 1395l(n)(1)(B)(i)(II)) is amended by striking "January 1," and inserting "April 1,".

(e) PAYMENTS TO NURSE PRACTITIONERS IN RURAL AREAS (SECTION 4155 OF OBRA–1990).—(1) Section 1861(s)(2)(K)(iii) (42 U.S.C. 1395x(s)(2)(K)(iii)) is amended—

(A) by striking "subsection (aa)(3)" and inserting "subsection (aa)(5)"; and

(B) by striking "subsection (aa)(4)" and inserting "subsection (aa)(6)".

(2) Section 1833(a)(1) (42 U.S.C. 1395l(a)(1)) is amended—

(A) by striking "and" before "(N)"; and

(B) with respect to the matter inserted by section 4155(b)(2)(B) of OBRA–1990—

(i) by striking "(M)" and inserting ", and (O)", and

(ii) by transferring and inserting it (as amended) immediately before the semicolon at the end.

(3) Section 1833(r)(1) (42 U.S.C. 1395l(r)(1)) is amended—

(A) by striking "ambulatory" each place it appears and inserting "or ambulatory"; and

(B) by striking "center," and inserting "center".

(4) Section 1833(r)(2)(A) (42 U.S.C. 1395l(r)(2)(A)) is amended by striking "subsection (a)(1)(M)" and inserting "subsection (a)(1)(O)".

(5) Section 1861(b)(4) (42 U.S.C. 1395x(b)(4)) is amended by striking "subsection (s)(2)(K)(i)" and inserting "clauses (i) or (iii) of subsection (s)(2)(K)".

(6) Section 1861(aa)(5) (42 U.S.C. 1395x(aa)(5)) is amended by striking "this Act" and inserting "this title".

(7) Section 1862(a)(14) (42 U.S.C. 1395y(a)(14)) is amended by striking "1861(s)(2)(K)(i)" and inserting "1861(s)(2)(K)(i) or 1861(s)(2)(K)(iii)".

(8) Section 1866(a)(1)(H) (42 U.S.C. 1395cc(a)(1)(H)) is amended by striking "1861(s)(2)(K)(i)" and inserting "1861(s)(2)(K)(i) or 1861(s)(2)(K)(iii)".

(f) OTHER MISCELLANEOUS AND TECHNICAL AMENDMENTS.—

(1) IMMEDIATE ENROLLMENT IN PART B BY INDIVIDUALS COVERED BY AN EMPLOYMENT-BASED PLAN.—(A) Subparagraphs (A) and (B) of section 1837(i)(3) (42 U.S.C. 1395p(i)(3)) are each amended—

(i) by striking "beginning with the first day of the first month in which the individual is no longer enrolled" and inserting "including each month during any part of which the individual is enrolled"; and

(ii) by striking "and ending seven months later" and inserting "ending with the last day of the eighth consecutive month in which the individual is at no time so enrolled".

(B) Paragraphs (1) and (2) of section 1838(e) (42 U.S.C. 1395q(e)) are amended to read as follows:

"(1) in any month of the special enrollment period in which the individual is at any time enrolled in a plan (specified in subparagraph (A) or (B), as applicable, of section 1837(i)(3)) or in the first month following such a month, the coverage period shall begin on the first day of the month in which the individual so enrolls (or, at the option of the individual, on the first day of any of the following three months), or

"(2) in any other month of the special enrollment period, the coverage period shall begin on the first day of the month following the month in which the individual so enrolls.".

(C) The amendments made by subparagraphs (A) and (B) shall take effect on the first day of the first month that begins after the expiration of the 120-day period that begins on the date of the enactment of this Act.

(2) BLEND AMOUNTS FOR AMBULATORY SURGICAL CENTER PAYMENTS.—Subclauses (I) and (II) of section 1833(i)(3)(B)(ii) (42 U.S.C. 1395l(i)(3)(B)(ii)) are each amended—

(A) by striking "for reporting" and inserting "for portions of cost reporting"; and

(B) by striking "and on or before" and inserting "and ending on or before".

(3) CLINICAL DIAGNOSTIC LABORATORY TESTS (SECTION 4154 OF OBRA–1990).—Section 4154(e)(5) of OBRA–1990 is amended by striking "(1)(A)" and inserting "(1)(A),".

(4) SEPARATE PAYMENT UNDER PART B FOR CERTAIN SERVICES (SECTION 4157 OF OBRA–1990).—Section 4157(a) of OBRA–1990 is amended by striking "(a) SERVICES OF" and all that follows through "Section" and inserting "(a) TREATMENT OF SERVICES OF CERTAIN HEALTH PRACTITIONERS.—Section".

(5) COMMUNITY HEALTH CENTERS AND RURAL HEALTH CLINICS (SECTION 4161 OF OBRA–1990).—(A) The fourth sentence of section 1861(aa)(2) (42 U.S.C. 1395x(aa)(2)) is amended—

(i) by striking "certification" the first place it appears and inserting "approval"; and

(ii) by striking "the Secretary's approval or disapproval of the certification" and inserting "Secretary's approval or disapproval".

(B) Section 4161(a)(7)(B) of OBRA–1990 is amended by inserting "and to the Committee on Finance of the Senate" after "Representatives".

(6) SCREENING MAMMOGRAPHY (SECTION 4163 OF OBRA–1990).—Section 4163 of OBRA–1990 is amended—

(A) by adding at the end of subsection (d) the following new paragraph:

"(3) The amendment made by paragraph (2)(A)(iv) shall apply to screening pap smears performed on or after July 1, 1990."; and

(B) in subsection (e), by striking "The amendments" and inserting "Except as provided in subsection (d)(3), the amendments".

(7) INJECTABLE DRUGS FOR TREATMENT OF OSTEOPOROSIS.—

(A) CLARIFICATION OF DRUGS COVERED.—The section 1861(jj) (42 U.S.C. 1395x(jj)) inserted by section 4156(a)(2) of OBRA–1990 is amended—

(i) in the matter preceding paragraph (1), by striking "a bone fracture related to"; and

(ii) in paragraph (1), by striking "patient" and inserting "individual has suffered a bone fracture related to post-menopausal osteoporosis and that the individual".

(B) LIMITING COVERAGE TO DRUGS PROVIDED BY HOME HEALTH AGENCIES.—(i) The section 1861(jj) (42 U.S.C. 1395x(jj)) inserted by section 4156(a)(2) of OBRA–1990 is amended by striking "if" and inserting "by a home health agency if".

(ii) Section 1861(m)(5) (42 U.S.C. 1395x(m)(5)) is amended by striking "but excluding" and inserting "and a covered osteoporosis drug (as defined in subsection (kk), but excluding other".

(iii) Section 1861(s)(2) (42 U.S.C. 1395x(s)(2)) is amended—

(I) by adding "and" at the end of subparagraph (N), and

(II) by striking subparagraph (O) and redesignating subparagraph (P) as subparagraph (O).

(C) PAYMENT BASED ON REASONABLE COST.—Section 1833(a)(2) (42 U.S.C. 1395l(a)(2)) is amended—

(i) in subparagraph (A), by striking "health services" and inserting "health services (other than covered osteoporosis drug (as defined in section 1861(kk)))";

(ii) by striking "and" at the end of subparagraph (D);

(iii) by striking the semicolon at the end and inserting "; and"; and

(iv) by adding at the end the following new subparagraph:

"(F) with respect to covered osteoporosis drug (as defined in section 1861(kk)) furnished by a home health agency, 80 percent of the reasonable cost of such service, as determined under section 1861(v);".

(D) APPLICATION OF PART B DEDUCTIBLE.—Section 1833(b)(2) (42 U.S.C. 1395l(b)(2)) is amended by striking "services" and inserting "services (other than covered osteoporosis drug (as defined in section 1861(kk)))".

(E) COVERED OSTEOPOROSIS DRUG (SECTION 4156 OF OBRA–1990).—Section 1861 (42 U.S.C. 1395x) is amended, in the subsection (jj) inserted by section 4156(a)(2) of OBRA–1990, by striking "(jj) The term" and inserting "(kk) The term".

(8) OTHER MISCELLANEOUS AND TECHNICAL CORRECTIONS (SECTION 4164 OF OBRA–1990).—

(A) OWNERSHIP DISCLOSURE REQUIREMENTS.—(i) Section 1124A(a)(2)(A) (42 U.S.C. 1320a–3a(a)(2)(A)) is amended by striking "of the Social Security Act".

(ii) Section 4164(b)(4) of OBRA–1990 is amended by striking "paragraph" and inserting "paragraphs".

(B) DIRECTORY OF UNIQUE PHYSICIAN IDENTIFIER NUMBERS.—Section 4164(c) of OBRA–1990 is amended by striking "publish" and inserting "publish, and shall periodically update,".

(g) EFFECTIVE DATE.—Except as otherwise provided in this section, the amendments made by this section shall take effect as if included in the enactment of OBRA–1990.

CHAPTER 2—PROVISIONS RELATING TO PARTS A AND B

SEC. 5071. ELIMINATION OF ADD-ON FOR OVERHEAD OF HOSPITAL-BASED HOME HEALTH AGENCIES.

(a) GENERAL RULE.—The first sentence of section 1861(v)(1)(L)(ii) (42 U.S.C. 1395x(v)(1)(L)(ii)) is amended by striking ", with appropriate adjustment for administrative and general costs of hospital-based agencies''.

(b) Effective Date.—The amendment made by subsection (a) applies to cost reporting periods beginning after fiscal year 1993.

SEC. 5072. STUDY AND REPORT ON MEDICARE GME PAYMENTS.

(a) Study.—The Secretary of Health and Human Services shall conduct a study of the methodology used to determine payments to hospitals under the medicare program for the costs of medical residency training programs and shall include in the study an analysis of the causes of variation among such programs in the per resident costs of direct graduate medical education, including the extent of support for such programs from non-hospital sources.

(b) Report.—Not later than 1 year after the date of the enactment of this Act, the Secretary shall submit a report to Congress on the study conducted under subsection (a), and shall include in the report any recommendations considered appropriate by the Secretary for modifications to the methodology used to determine payments to hospitals under the medicare program for the costs of medical residency training programs that will encourage greater uniformity among medical residency training programs in the per resident costs of direct graduate medical education.

SEC. 5073. MEDICARE AS SECONDARY PAYER.

(a) Extension of Data Match Program.—Section 1862(b)(5)(C)(iii) (42 U.S.C. 1395y(b)(5)(C)(iii)) is amended by striking ''1995'' and inserting ''1998''.

(b) Permanent Application to Disabled Individuals.—Section 1862(b)(1)(B) (42 U.S.C. 1395y(b)(1)(B)) is amended by striking clause (iii).

(c) Application of ESRD Rules to Certain Aged and Disabled Beneficiaries and Extension of Application of 18-Month Rule.—

(1) Subparagraphs (A)(iv) and (B)(ii) of section 1862(b)(1) (42 U.S.C. 1395y(b)(1)) are each amended—

(A) by striking ''Clause (i) shall not apply'' and inserting ''Subparagraph (C) shall apply instead of clause (i)'', and

(B) by inserting ''(without regard to entitlement under section 226)'' after ''or'' the second place it appears.

(2) The second sentence of section 1862(b)(1)(C) is amended by striking ''on or before January 1, 1996'' and inserting ''before October 1, 1998''.

(d) Uniform Rules for Size of Employer.—

(1) In general.—Section 1862(b)(1) (42 U.S.C. 1395y(b)(1)) is amended by adding at the end the following:

''(E) General provisions.—

''(i) Exclusion of group health plan of a small employer.—Subparagraphs (A) through (C) do not apply to a group health plan unless the plan is a plan of, or contributed to by, an employer or employee organization that has 20 or more individuals in current employment status for each working day in each of 20 or more calendar weeks in the current calendar year or the preceding calendar year.

''(ii) Exception for small employers in multiemployer or multiple employer group health plans.—Subparagraphs (A) through (C) also do not apply with respect to individuals enrolled in a multiemployer or multiple employer group health plan if the coverage of the individuals under the plan is by virtue of current employment status with an employer that does not have 20 or more individuals in current employment status for each working day in each of 20 or more calendar weeks in the current calendar year and the preceding calendar year; but the exception provided in this clause applies only if the plan elects treatment under this clause.

''(iii) Application of controlled group rules.—For purposes of clauses (i) and (ii)—

''(I) all employees of corporations which are members of a controlled group of corporations (within the meaning of section 1563(a) of the Internal Revenue Code of 1986, determined without regard to subsection (a)(4) or (e)(3)(C)), shall be treated as employed by a single employer,

''(II) all employees of trades or businesses (whether or not incorporated) which are under common control (under regulations prescribed by the Secretary of the Treasury under section 414(c) of that Code) shall be treated as employed by a single employer,

''(III) all employees of the members of an affiliated service group (as defined in section 414(m) of that Code) shall be treated as employed by a single employer, and

''(IV) leased employees (as defined in section 414(n)(2) of that Code) shall be treated as employees of the person for whom they perform services to the extent they are so treated under section 414(n) of that Code.

In applying sections of the Internal Revenue Code of 1986 under this clause, the Secretary shall rely upon the regulations and decisions of the Secretary of the Treasury respecting such sections.

''(iv) Group health plan defined.—For purposes of this subsection, the term 'group health plan' has the meaning given such term in section 5000(b) of the Internal Revenue Code of 1986, without regard to section 5000(d) of such Code.

''(v) Current employment status defined.—For purposes of this subsection, an individual has 'current employment status' with an employer if the individual is an employee, is the employer, or is associated with the employer in a business relationship.

''(vi) Treatment of self-employed persons as employers.—For purposes of this subsection, the term 'employer' includes a self-employed person.''.

(2) Conforming amendments for working aged.—Section 1862(b)(1)(A) (42 U.S.C. 1395y(b)(1)(A)) is amended—

(A) by amending subclauses (I) and (II) of clause (i) to read as follows:

''(I) may not take into account that an individual (or the individual's spouse) who is covered under the plan by virtue of the individual's current employment status with an employer is entitled to benefits under this title under section 226(a), and

''(II) shall provide that any individual age 65 or over (and the individual's spouse age 65 or older) who is covered under the plan by virtue of the individual's current employment status with an employer shall be entitled to the same benefits under the plan under the same conditions as any such individual (or spouse) under age 65.'';

(B) by striking clauses (ii), (iii), and (v), and

(C) by redesignating clause (iv) as clause (ii).

(3) Amendments for disabled individuals.—Section 1862(b) (42 U.S.C. 1395y(b)) is amended—

(A) by amending the heading and clause (i) of paragraph (1)(B) to read as follows:

''(B) Disabled individuals under group health plans.—

''(i) In general.—A group health plan may not take into account that an individual (or a member of the individual's family) who is covered under the plan by virtue of the individual's current employment status with an employer is entitled to benefits under this title under section 226(b).'';

(B) by striking clause (iv) of paragraph (1)(B); and

(C) in the second sentence of paragraph (2)(A), by striking ''or large group health plan''.

(4) Amendments for individuals with ESRD.—Section 1862(b)(1)(C) (42 U.S.C. 1395y(b)(1)(C)) is amended—

(A) in the matter preceding clause (i), by striking ''(as defined in subparagraph (A)(v))'',

(B) by striking ''solely'' each place it appears,

(C) by striking ''by reason of'' and inserting ''under'' each place it appears, and

(D) by inserting ''or eligible for'' after ''entitled to'' each place it appears.

(e) Secondary Payer Exemption for Members of Religious Orders.—Effective as if included in the enactment of OBRA–1989, section 6202(e)(2) of such Act is amended by adding at the end the following: ''Such amendment also shall apply to items and services furnished before such date with respect to secondary payer cases which the Secretary of Health and Human Services had not identified as of such date.''.

(f) Improving Identification of Medicare Secondary Payer Situations.—

(1) Survey of beneficiaries.—

(A) In general.—Section 1862(b)(5) (42 U.S.C. 1395y(b)(5)) is amended by adding at the end the following new subparagraph:

''(D) Obtaining information from beneficiaries.—Before an individual applies for benefits under part A or enrolls under part B, the Administrator shall mail the individual a questionnaire to obtain information on whether the individual is covered under a primary plan and the nature of the coverage provided under the plan, including the name, address, and identifying number of the plan.''.

(B) Distribution of questionnaire by contractor.—The Secretary of Health and Human Services shall enter into an agreement with an entity not later than April 1, 1994, to distribute the questionnaire described in section 1862(b)(5)(D) of the Social Security Act (as added by subparagraph (A)).

(C) No medicare secondary payer denial based on failure to complete questionnaire.—Section 1862(b)(2) (42 U.S.C. 1395y(b)(2)) is amended by adding at the end the following new subparagraph:

''(C) Treatment of questionnaires.—The Secretary may not fail to make payment under subparagraph (A) solely on the ground that an individual failed to complete a questionnaire concerning the existence of a primary plan.''.

(2) Mandatory screening by providers and suppliers under part B.—

(A) In general.—Section 1862(b) (42 U.S.C. 1395y(b)) is amended by adding at the end the following new paragraph:

''(6) Screening requirements for providers and suppliers.—

''(A) In general.—Notwithstanding any other provision of this title, no payment may be made for any item or service furnished under part B unless the entity furnishing such item or service completes (to the best of its knowledge and on the basis of information obtained from the individual to whom the item or service is furnished) the portion of the claim form relating to the availability of other health benefit plans.

''(B) Penalties.—An entity that knowingly, willfully, and repeatedly fails to complete a claim form in accordance with subparagraph (A) or provides inaccurate information relating to the availability of other health benefit plans on a claim form under such subparagraph shall be subject to a civil money penalty of not to exceed $2,000 for each such incident. The provisions of section 1128A (other than subsections (a) and (b)) shall apply to a civil money penalty under the previous sentence in the same manner as such provisions apply to a penalty or proceeding under section 1128A(a).".

(B) EFFECTIVE DATE.—The amendment made by subparagraph (A) shall apply with respect to items and services furnished on or after January 1, 1994.

(g) IMPROVEMENTS IN RECOVERY OF PAYMENTS FROM PRIMARY PAYERS.—

(1) SUBMISSION OF REPORTS ON EFFORTS TO RECOVER ERRONEOUS PAYMENTS.—Section 1842(b)(3) (42 U.S.C. 1395u(b)(3)) is amended—

(A) by striking "and" at the end of subparagraph (H); and

(B) by inserting after subparagraph (H) the following new subparagraph:

"(I) will submit annual reports to the Secretary describing the steps taken to recover payments made under this part for items or services for which payment has been or could be made under a primary plan (as defined in section 1862(b)(2)(A)).".

(2) REQUIREMENTS UNDER CARRIER PERFORMANCE EVALUATION PROGRAM.—Section 1842(b)(2) (42 U.S.C. 1395u(b)(2)) is amended by adding at the end the following new subparagraph:

"(D) In addition to any other standards and criteria established by the Secretary for evaluating carrier performance under this paragraph relating to avoiding erroneous payments, the Secretary shall establish standards and criteria relating to the carrier's success in recovering payments made under this part for items or services for which payment has been or could be made under a primary plan (as defined in section 1862(b)(2)(A)).".

(3) DEADLINE FOR REIMBURSEMENT BY PRIMARY PLANS.—

(A) IN GENERAL.—Section 1862(b)(2)(B)(i) (42 U.S.C. 1395y(b)(2)(B)(i)) is amended by adding at the end the following sentence: "If reimbursement is not made to the appropriate Trust Fund before the expiration of the 60-day period that begins on the date such notice or other information is received, the Secretary may charge interest (beginning with the date on which the notice or other information is received) on the amount of the reimbursement until reimbursement is made (at a rate determined by the Secretary in accordance with regulations of the Secretary of the Treasury applicable to charges for late payments).".

(B) CONFORMING AMENDMENT.—The heading of clause (i) of section 1862(b)(2)(B) is amended to read as follows: "REPAYMENT REQUIRED.—".

(C) EFFECTIVE DATE.—The amendments made by this paragraph shall apply to payments for items and services furnished on or after the date of the enactment of this Act.

(4) EFFECTIVE DATE.—The amendments made by paragraphs (1) and (2) shall apply to contracts with fiscal intermediaries and carriers under title XVIII of the Social Security Act for years beginning with 1994.

(h) MISCELLANEOUS AND TECHNICAL CORRECTIONS.—

(1) The sentence in section 1862(b)(1)(C) added by section 4203(c)(1)(B) of OBRA–1990 is amended by striking "clauses (i) and (ii)" and inserting "this subparagraph".

(2) Effective as if included in the enactment of OBRA–1989, section 1862(b)(1) is amended—

(A) in subparagraphs (A)(v) and (B)(iv)(II), by inserting ", without regard to section 5000(d) of such Code" before the period at the end of each subparagraph;

(B) in subparagraph (A)(iii), by striking "current calendar year or the preceding calendar year" and inserting "current calendar year and the preceding calendar year"; and

(C) in the matter in subparagraph (C) after clause (ii), by striking "taking into account that" and inserting "paying benefits secondary to this title when".

(3) Section 1862(b)(5)(C)(i) (42 U.S.C. 1395y(b)(5)(C)(i)) is amended by striking "6103(l)(12)(D)(iii)" and inserting "6103(l)(12)(E)(iii)".

(4) Section 4203(c)(2) of OBRA–1990 is amended—

(A) by striking "the application of clause (iii)" and inserting "the second sentence";

(B) by striking "on individuals" and all that follows through "section 226A of such Act";

(C) in clause (ii), by striking "clause" and inserting "sentence";

(D) in clause (v), by adding "and" at the end; and

(E) in clause (vi)—

(i) by inserting "of such Act" after "1862(b)(1)(C)", and

(ii) by striking the period at the end and inserting the following: ", without regard to the number of employees covered by such plans.".

(5) Section 4203(d) of OBRA–1990 is amended by striking "this subsection" and inserting "this section".

(6) Except as provided in paragraph (2), the amendments made by this subsection shall be effective as if included in the enactment of OBRA–1990 and shall be executed before the amendments made by subsections (a) through (d) of this section.

(i) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this section, the amendments made by this section shall take effect on the date of the enactment of this Act.

(2) ESRD AND UNIFORM SIZE RULES.—The amendments made by subsections (c) and (d) apply to items and services furnished on or after January 1, 1994.

SEC. 5074. EXTENSION OF SELF-REFERRAL BAN TO ADDITIONAL SPECIFIED SERVICES.

(a) EXTENSION TO DESIGNATED HEALTH SERVICES.—

(1) IN GENERAL.—Section 1877 (42 U.S.C. 1395nn) is amended—

(A) by striking "clinical laboratory services" and "CLINICAL LABORATORY SERVICES" and inserting "designated health services" and "DESIGNATED HEALTH SERVICES", respectively, each place either appears in subsections (a)(1), (b)(2)(A)(ii), (b)(4), (d)(1), and (d)(3); and

(B) by adding at the end the following new subsection:

"(i) DESIGNATED HEALTH SERVICES DEFINED.—In this section, the term 'designated health services' means—

"(1) clinical laboratory services;

"(2) physical or occupational therapy services;

"(3) radiology or other diagnostic services;

"(4) radiation therapy services;

"(5) the furnishing of durable medical equipment;

"(6) the furnishing of parenteral and enteral nutrition nutrients, supplies, and equipment;

"(7) home health services; and

"(8) home infusion therapy services.".

(2) CONFORMING AMENDMENTS.—Section 1877 is further amended—

(A) in subsection (g)(1), by striking "clinical laboratory service" and inserting "designated health service", and

(B) in subsection (h)(7)(B), by striking "clinical laboratory service" and inserting "designated health service".

(b) MULTIPLE LOCATIONS FOR GROUP PRACTICES.—Section 1877(b)(2)(A)(ii)(II) (42 U.S.C. 1395nn(b)(2)(A)(ii)(II)) is amended by striking "centralized provision" and inserting "provision of some or all".

(c) TREATMENT OF COMPENSATION ARRANGEMENTS.—

(1) RENTAL OF OFFICE SPACE AND EQUIPMENT.—Paragraph (1) of section 1877(e) (42 U.S.C. 1395nn(e)) is amended to read as follows:

"(1) RENTAL OF OFFICE SPACE; RENTAL OF EQUIPMENT.—

"(A) OFFICE SPACE.—Payments made by a lessee to a lessor for the use of premises if—

"(i) the lease is set out in writing, signed by the parties, and specifies the premises covered by the lease,

"(ii) the aggregate space rented or leased is reasonable and necessary for the legitimate business purposes of the lease or rental and is used exclusively by the lessee when being used by the lessee,

"(iii) the lease provides for a term of rental or lease for at least one year,

"(iv) the rental charges over the term of the lease are set in advance, are consistent with fair market value, and are not determined in a manner that takes into account the volume or value of any referrals or other business generated between the parties,

"(v) the lease would be commercially reasonable even if no referrals were made between the parties,

"(vi) the lease covers all of the premises leased between the parties for the period of the lease, and

"(vii) the compensation arrangement meets such other requirements as the Secretary may impose by regulation as needed to protect against program or patient abuse.

"(B) EQUIPMENT.—Payments made by a lessee of equipment to the lessor of the equipment for the use of the equipment if—

"(i) the lease is set out in writing, signed by the parties, and specifies the equipment covered by the lease,

"(ii) the equipment rented or leased is reasonable and necessary for the legitimate business purposes of the lease or rental and is used exclusively by the lessee when being used by the lessee,

"(iii) the lease provides for a term of rental or lease of at least one year,

"(iv) the rental charges over the term of the lease are set in advance, are consistent with fair market value, and are not determined in a manner that takes into account the volume or value of any referrals or other business generated between the parties,

"(v) the lease would be commercially reasonable even if no referrals were made between the parties,

"(vi) the lease covers all of the equipment leased between the parties for the period of the lease, and

"(vii) the compensation arrangement meets such other requirements as the Secretary may impose by regulation as needed to protect against program or patient abuse.".

(2) BONA FIDE EMPLOYMENT RELATIONSHIPS.—Section 1877(e)(2) (42 U.S.C. 1395nn(e)(2)) is amended—

(A) by striking "AND SERVICE" and "WITH HOSPITALS";

(B) by striking "An arrangement" and all that follows through "if" and inserting "Any amount paid by an employer to a physician (or immediate family member) who has a bona fide employment relationship with the employer for the provision of services if";

(C) in subparagraphs (A), (B), and (D), by striking "arrangement" and inserting "employment";

(D) in subparagraph (C), by striking "to the hospital"; and

(E) by adding at the end the following: "Subparagraph (B)(ii) shall not be construed as prohibiting the payment of remuneration in the form of shares of overall profits or in the form of a productivity bonus based on services performed personally by the physician or member, if the amount of the remuneration is not determined in a manner that takes into account directly the volume or value of any referrals by the referring physician.".

(3) PERSONAL SERVICE ARRANGEMENTS.—Section 1877(e) is further amended by adding at the end the following new paragraph:

"(7) PERSONAL SERVICE ARRANGEMENTS.—Remuneration from an entity under an arrangement if—

"(A) the arrangement is set out in writing, signed by the parties, and specifies the services covered by the arrangement,

"(B) the arrangement covers all of the services to be provided,

"(C) the aggregate services contracted for do not exceed those that are reasonable and necessary for the legitimate business purposes of the arrangement,

"(D) the term of the arrangement is for at least one year,

"(E) the compensation to be paid over the term of the arrangement is set in advance, does not exceed fair market value, and is not determined in a manner that takes into account the volume or value of any referrals or other business generated between the parties,

"(F) the services to be performed under the arrangement do not involve the counseling or promotion of a business arrangement of other activity that violates any State or Federal law, and

"(G) the arrangement meets such other requirements as the Secretary may impose by regulation as needed to protect against program or patient abuse.".

(4) ADDITIONAL EXCEPTIONS.—Section 1877(e) is further amended by adding at the end the following new paragraphs:

"(8) PAYMENTS BY A PHYSICIAN FOR ITEMS AND SERVICES.—Payments made by a physician—

"(A) to a laboratory in exchange for the provision of clinical laboratory services, or

"(B) to an entity as compensation for other items or services if the items or services are furnished at a price that is consistent with fair market value.

"(9) PAYMENTS FOR PATHOLOGY SERVICES OF A GROUP PRACTICE.—Payments made to a group practice for pathology services under an agreement if—

"(A) the agreement is set out in writing and specifies the services to be provided by the parties and the compensation for services provided under the agreement,

"(B) the compensation paid over the term of the agreement is consistent with fair market value and is not determined in a manner that takes into account the volume or value of any referrals or other business generated between the parties,

"(C) the compensation is provided pursuant to an agreement which would be commercially reasonable even if no referrals were made to the entity, and

"(D) the compensation arrangement between the parties meets such other requirements as the Secretary may impose by regulation as needed to protect against program or patient abuse.".

(4) REFERRING PHYSICIANS.—Section 1877(h)(7)(C) (42 U.S.C. 1395nn(h)(7)(C)) is amended—

(A) by inserting "a request by a radiologist for diagnostic radiology services, and a request by a radiation oncologist for radiation therapy," after "examination services,", and

(B) by inserting ", radiologist, or radiation oncologist" after "pathologist" the second place it appears.

(d) TREATMENT OF GROUP PRACTICES.—

(1) USE OF BILLING NUMBERS, ETC.—Section 1877 is amended—

(A) in subsection (b)(2)(B), by inserting "under a billing number assigned to the group practice" after "member",

(B) in subsection (h)(4)(B), by inserting "and under a billing number assigned to the group" after "in the name of the group", and

(C) in subsection (h)(4)(C), by striking "by members of the group".

(2) TREATMENT OF SERVICES UNDER ARRANGEMENTS BETWEEN HOSPITALS AND GROUP PRACTICES.—

(A) IN GENERAL.—Section 1877(h)(4) (42 U.S.C. 1395nn(h)(4)) is amended—

(i) in subparagraph (B) (as amended by paragraph (1)(B)), by inserting "(or are billed in the name of a hospital for which the group provides designated health services pursuant to an arrangement that meets the requirements of subparagraph (B))" after "assigned to the group";

(ii) by redesignating subparagraphs (A) through (D) as clauses (i) through (iv), respectively;

(iii) by inserting "(A)" after ".—"; and

(iv) by adding at the end the following new subparagraph:

"(B) The requirements of this subparagraph, with respect to an arrangement for designated health services provided by the group and billed in the name of a hospital, are that—

"(i) with respect to services provided to an inpatient of the hospital, the arrangement is pursuant to the provision of inpatient hospital services under section 1861(b)(3);

"(ii) the arrangement began before December 19, 1989, and has continued in effect without interruption since such date;

"(iii) the group provides substantially all of the designated health services to the hospital's patients;

"(iv) the arrangement is pursuant to an agreement that is set out in writing and that specifies the services to be provided by the parties and the compensation for services provided under the agreement;

"(v) the compensation paid over the term of the agreement is consistent with fair market value and the compensation per unit of services is fixed in advance and is not determined in a manner that takes into account the volume or value of any referrals or other business generated between the parties;

"(vi) the compensation is provided pursuant to an agreement which would be commercially reasonable even if no referrals were made to the entity; and

"(vii) the arrangement between the parties meets such other requirements as the Secretary may impose by regulation as needed to protect against program or patient abuse.".

(B) CONFORMING AMENDMENT.—Section 1877(b)(2)(B) (42 U.S.C. 1395nn(b)(2)(B)) is amended by inserting "(or by a hospital for which such a group practice provides designated health services pursuant to an arrangement that meets the requirements of subsection (h)(4)(B))" before ", or by an entity".

(3) TREATMENT OF CERTAIN FACULTY PRACTICE PLANS.—The last sentence of section 1877(h)(4)(A) (42 U.S.C. 1395nn(h)(4)(A)), as redesignated by paragraph (2)(A), is amended by inserting ", institution of higher education, or medical school" after "hospital".

(e) EXPANDING RURAL PROVIDER EXCEPTION TO COVER COMPENSATION ARRANGEMENTS.—

(1) IN GENERAL.—Section 1877(b) (42 U.S.C. 1395nn(b)) is amended—

(A) by redesignating paragraph (5) as paragraph (7), and

(B) by inserting after paragraph (4) the following new paragraph:

"(5) RURAL PROVIDERS.—In the case of designated services if—

"(A) the entity furnishing the services is in a rural area (as defined in section 1886(d)(2)(D)), and

"(B) substantially all of the services furnished by the entity to individuals entitled to benefits under this title are furnished to such individuals who reside in such a rural area.".

(2) CONFORMING AMENDMENTS.—Section 1877(d) (42 U.S.C. 1395nn(d)) is amended—

(A) by striking paragraph (2), and

(B) by redesignating paragraph (3) as paragraph (2).

(f) EXCEPTION FOR SHARED FACILITY LABORATORY SERVICES.—

(1) IN GENERAL.—Section 1877 is amended—

(A) in subsection (b), as amended by subsection (e)(1), by inserting after paragraph (5) the following new paragraph:

"(6) SHARED FACILITY LABORATORY SERVICES.—

"(A) IN GENERAL.—In the case of shared facility laboratory services of a shared facility—

"(i) that are furnished—

"(I) personally by the referring physician who is a shared facility physician or personally by an individual supervised by such a physician or by another shared facility physician and employed under the shared facility arrangement,

"(II) by a shared facility in a building in which the referring physician furnishes physician's services unrelated to the furnishing of shared facility laboratory services, and

"(III) to a patient of a shared facility physician; and

"(ii) that are billed by the referring physician or by an entity that is wholly owned by such physician.

"(B) LIMITATION.—The exception under this paragraph shall only apply to a shared facility only if the facility and the shared facility arrangement were established as of June 26, 1992."; and

(B) in subsection (h), by adding at the end the following new paragraph:

"(8) SHARED FACILITY RELATED DEFINITIONS.—

"(A) SHARED FACILITY LABORATORY SERVICES.—The term 'shared facility laboratory services' means, with respect to a shared facility, clinical laboratory services furnished by the facility to patients of shared facility physicians.

"(B) SHARED FACILITY.—The term 'shared facility' means an entity that furnishes shared facility laboratory services under a shared facility arrangement.

"(C) SHARED FACILITY PHYSICIAN.—The term 'shared facility physician' means, with respect to a shared facility, a physician who has a financial relationship under a shared facility arrangement with the facility.

"(D) SHARED FACILITY ARRANGEMENT.—The term 'shared facility arrangement' means, with respect to the provision of shared facility laboratory services in a building, a financial arrangement—

"(i) which is only between physicians who are providing services (unrelated to shared facility laboratory services) in the same building,

"(ii) in which the overhead expenses of the facility are shared, in accordance with methods previously determined by the physicians in the arrangement, among the physicians in the arrangement, and

"(iii) which, in the case of a corporation, is wholly owned and controlled by shared facility physicians.".

(2) GAO STUDY OF SHARED FACILITY ARRANGEMENTS.—

(A) IN GENERAL.—The Comptroller General shall analyze the effect on the utilization of health services of shared facility arrangements for which an exception is provided under the amendments made by paragraph (1). The analysis shall include a review of the effect of the limitation, described in section 1877(b)(6)(B) of the Social Security Act (as added by paragraph (1)), with respect to such exception and on the availability of services (including hematology services).

(B) REPORT.—Not later than January 1, 1995, the Comptroller General shall submit a report to Congress on the analysis conducted under subparagraph (A). The report shall include recommendations with respect to changing the limitation.

(g) EXEMPTION OF COMPENSATION ARRANGEMENTS INVOLVING CERTAIN TYPES OF REMUNERATION.—Section 1877(h)(1) (42 U.S.C. 1395nn(h)(1)) is amended—

(1) by striking subparagraph (B);

(2) in subparagraph (A), by inserting before the period the following: "(other than an arrangement involving only remuneration described in subparagraph (B))"; and

(3) by adding at the end the following new subparagraph:

"(B) Remuneration described in this subparagraph is any remuneration consisting of any of the following:

"(i) The forgiveness of amounts owed for inaccurate tests or procedures, mistakenly performed tests or procedures, or the correction of minor billing errors.

"(ii) The provision of items, devices, or supplies that are used solely to—

"(I) collect, transport, process, or store specimens for the entity providing the item, device, or supply, or

"(II) communicate the results of tests or procedures for such entity.".

(h) EXCEPTION FOR PUBLICLY-TRADED SECURITIES.—Section 1877(c)(2) (42 U.S.C. 1395nn(d)(2)) is amended by striking "total assets exceeding $100,000,000" and inserting "stockholder equity exceeding $75,000,000".

(i) MISCELLANEOUS AND TECHNICAL CORRECTIONS.—Section 1877 (42 U.S.C. 1395nn) is amended—

(1) in subsection (b)(2)(A)(i), in subparagraph (A)(i), by striking "who are employed by such physician or group practice and who are personally" and inserting "who are directly";

(2) in the fourth sentence of subsection (f)—

(A) by striking "provided" and inserting "furnished", and

(B) by striking "provides" and inserting "furnish";

(3) in the fifth sentence of subsection (f)—

(A) by striking "providing" each place it appears and inserting "furnishing",

(B) by striking "with respect to the providers" and inserting "with respect to the entities", and

(C) by striking "diagnostic imaging services of any type" and inserting "magnetic resonance imaging, computerized axial tomography scans, and ultrasound services"; and

(4) in subsection (a)(2)(B), by striking "subsection (h)(1)(A)" and inserting "subsection (h)(1)".

(j) EFFECTIVE DATES.—

(1) The amendments made by subsection (a) apply with respect to a referral by a physician for designated health services (as described in section 1877(i) of the Social Security Act) made after December 31, 1994.

(2) The amendments made by this section (other than subsection (a)) shall apply to referrals made on or after January 1, 1992.

SEC. 5075. REDUCTION IN PAYMENT FOR ERYTHROPOIETIN.

(a) IN GENERAL.—Section 1881(b)(11)(B)(ii)(I) (42 U.S.C. 1395rr(b)(11)(B)(ii)(I)) is amended—

(1) by striking "1991" and inserting "1994", and

(2) by striking "$11" and inserting "$10".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) apply to erythropoietin furnished after 1993.

SEC. 5076. MEDICARE HOSPITAL AGREEMENTS WITH ORGAN PROCUREMENT ORGANIZATIONS.

(a) IN GENERAL.—Section 1138(a)(1) (42 U.S.C. 1320b–8(a)(1)) is amended—

(1) by striking "and" at the end of subparagraph (A),

(2) by striking the period at the end of subparagraph (B) and inserting "; and", and

(3) by adding at the end the following new subparagraph:

"(C) in the case of a hospital or rural primary care hospital that has in effect an agreement (described in section 371(b)(3)(A) of the Public Health Service Act) with an organ procurement organization, the agreement is with such organization for the service area in which the hospital is located (as established under such section).".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to hospitals participating in the programs under titles XVIII and XIX of the Social Security Act as of January 1, 1994.

SEC. 5077. EXTENSION OF WAIVER FOR WATTS HEALTH FOUNDATION.

Section 9312(c)(3)(D) of OBRA–1986, as added by section 4018(d) of OBRA–1987 and as amended by section 6212(a)(1) of OBRA–1989, is amended by striking "1994" and inserting "1996".

SEC. 5078. IMPROVED OUTREACH FOR QUALIFIED MEDICARE BENEFICIARIES.

The Secretary of Health and Human Services shall establish and implement a method for obtaining information from newly eligible medicare beneficiaries that may be used to determine whether such beneficiaries may be eligible for medical assistance for medicare cost-sharing under State medicaid plans as qualified medicare beneficiaries, and for transmitting such information to the State in which such a beneficiary resides.

SEC. 5079. SOCIAL HEALTH MAINTENANCE ORGANIZATIONS.

(a) EXTENSION OF CURRENT WAIVERS.—Section 4018(b) of OBRA–1987, as amended by section 4207(b)(4) of OBRA–1990, is amended—

(1) in paragraph (1) by striking "December 31, 1995" and inserting "December 31, 1997"; and

(2) in paragraph (4) by striking "March 31, 1996" and inserting "March 31, 1998".

(b) EXPANSION OF DEMONSTRATIONS.—Section 2355 of the Deficit Reduction Act of 1984, as amended by section 4207(b)(4)(B) of OBRA–1990, is amended—

(1) in the last sentence of subsection (a) by striking "12 months" and inserting "36 months"; and

(2) in subsection (b)(1)(B)—

(A) by striking "or" at the end of clause (iii), and

(B) by redesignating clause (iv) as clause (v) and inserting after clause (iii) the following new clause:

"(iv) integrating acute and chronic care management for patients with end-stage renal disease through expanded community care case management services (and for purposes of a demonstration project conducted under this clause, any requirement under a waiver granted under this section that a project disenroll individuals who develop end-stage renal disease shall not apply); or".

(c) EXPANSION OF NUMBER OF MEMBERS PER SITE.—The Secretary of Health and Human Services may not impose a limit of less than 12,000 on the number of individuals that may participate in a project conducted under section 2355 of the Deficit Reduction Act of 1984.

(d) MISCELLANEOUS AND TECHNICAL CORRECTIONS.—

(1) The section following section 4206 of OBRA–1990 is amended by striking "SEC. 4027." and inserting "SEC. 4207.", and in this subtitle is referred to as section 4207 of OBRA–1990.

(2) Section 2355(b)(1)(B) of the Deficit Reduction Act of 1984, as amended by section 4207(b)(4)(B)(ii) of OBRA–1990, is amended—

(A) by striking "12907(c)(4)(A)" and inserting "4207(b)(4)(B)(i)", and

(B) by striking "feasibilitly" and inserting "feasibility".

(3) Section 4207(b)(4)(B)(iii)(III) of OBRA–1990 is amended by striking the period at the end and inserting a semicolon.

(4) Subsections (c)(3) and (e) of section 2355 of the Deficit Reduction Act of 1984, as amended by section 4207(b)(4)(B) of OBRA–1990, are each amended by striking "12907(c)(4)(A)" each place it appears and inserting "4207(b)(4)(B)".

(5) Section 4207(c)(2) of OBRA–1990 is amended by striking "the Committee on Ways and Means" each place it appears and inserting "the Committees on Ways and Means and Energy and Commerce".

(6) Section 4207(d) of OBRA–1990 is amended by redesignating the second paragraph (3) (relating to effective date) as paragraph (4).

(7) Section 4207(i)(2) of OBRA–1990 is amended—

(A) by striking the period at the end of clause (iii) and inserting a semicolon, and

(B) in clause (v), by striking "residents" and inserting "patients".

(8) Section 4207(j) of OBRA–1990 is amended by striking "title" each place it appears and inserting "subtitle".

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of OBRA–1990.

SEC. 5080. PEER REVIEW ORGANIZATIONS.

(a) REPEAL OF PRO PRECERTIFICATION REQUIREMENT FOR CERTAIN SURGICAL PROCEDURES.—

(1) IN GENERAL.—Section 1164 (42 U.S.C. 1320c–13) is repealed.

(2) CONFORMING AMENDMENTS.—

(A) Section 1154 (42 U.S.C. 1320c–3) is amended—

(i) in subsection (a), by striking paragraph (12), and

(ii) in subsection (d), by striking "(and except as provided in section 1164)".

(B) Section 1833 (42 U.S.C. 1395l) is amended—

(i) in subsection (a)(1)(D)(i), by striking ", or for tests furnished in connection with obtaining a second opinion required under section 1164(c)(2) (or a third opinion, if the second opinion was in disagreement with the first opinion)";

(ii) in subsection (a)(1), by striking clause (G);

(iii) in subsection (a)(2)(A), by striking "to items and services (other than clinical diagnostic laboratory tests) furnished in connection with obtaining a second opinion required under section 1164(c)(2) (or a third opinion, if the second opinion was in disagreement with the first opinion),";

(iv) in subsection (a)(2)(D)(i)—

(I) by striking "related basis," and inserting "related basis or", and

(II) by striking ", or for tests furnished in connection with obtaining a second opinion required under section 1164(c)(2) (or a third opinion, if the second opinion was in disagreement with the first opinion)";

(v) in subsection (a)(3), by striking "and for items and services furnished in connection with obtaining a second opinion required under section 1164(c)(2), or a third opinion, if the second opinion was in disagreement with the first opinion)"; and

(vi) in the first sentence of subsection (b), by striking "(4)" and all that follows through "and (5)" and inserting "and (4)".

(C) Section 1834(g)(1)(B) (42 U.S.C. 1395m(g)(1)(B)) is amended by striking "and for items and services furnished in connection with obtaining a second opinion required under section 1164(c)(2), or a third opinion, if the second opinion was in disagreement with the first opinion)".

(D) Section 1862(a) (42 U.S.C. 1395y(a)) is amended—

(i) by adding "or" at the end of paragraph (14),

(ii) by striking "; or" at the end of paragraph (15) and inserting a period, and

(iii) by striking paragraph (16).

(E) The third sentence of section 1866(a)(2)(A) (42 U.S.C. 1395w(a)(2)(A)) is amended by striking ", with respect to items and services furnished in connection with obtaining a second opinion required under section 1164(c)(2) (or a third opinion, if the second opinion was in disagreement with the first opinion),".

(3) Effective date.—The amendments made by this subsection shall apply to services provided on or after the date of the enactment of this Act.

(b) Miscellaneous and Technical Corrections.—(1) The third sentence of section 1156(b)(1) (42 U.S.C. 1320c-5(b)(1)) is amended by striking "whehter" and inserting "whether".

(2)(A) Subparagraph (B) of section 1154(a)(9) (42 U.S.C. 1320c-3(a)(9)) is amended to read as follows:

"(B) If the organization finds, after reasonable notice and opportunity for discussion with the physician or practitioner concerned, that the physician or practitioner has furnished services in violation of section 1156(a), the organization shall notify the State board or boards responsible for the licensing or disciplining of the physician or practitioner of its finding and of any action taken as a result of the finding.".

(B) Subparagraph (D) of section 1160(b)(1) (42 U.S.C. 1320c-9(b)(1)) is amended to read as follows:

"(D) to provide notice in accordance with section 1154(a)(9)(B);".

(3) Section 4205(d)(2)(B) of OBRA-1990 is amended by striking "amendments" and inserting "amendment".

(4) Section 1160(d) (42 U.S.C. 1320c-9(d)) is amended by striking "subpena" and inserting "subpoena".

(5) Section 4205(e)(2) of OBRA-1990 is amended by striking "amendments" and inserting "amendment" and by striking "all".

(6)(A) Except as provided in subparagraph (B), the amendments made by this subsection shall take effect as if included in the enactment of OBRA-1990.

(B) The amendments made by paragraph (2) (relating to the requirement on reporting of information to State boards) shall take effect on the date of the enactment of this Act.

SEC. 5081. HOSPICE INFORMATION TO HOME HEALTH BENEFICIARIES.

(a) In General.—Section 1891(a)(1) (42 U.S.C. 1395bbb(a)(1)) is amended by adding at the end the following new subparagraph:

"(H) The right, in the case of a resident who is entitled to benefits under this title, to be fully informed orally and in writing (at the time of coming under the care of the agency) of the entitlement of individuals to hospice care under section 1812(a)(4) (unless there is no hospice program providing hospice care for which payment may be made under this title within the geographic area of the facility and it is not the common practice of the agency to refer patients to hospice programs located outside such geographic area).".

(b) Effective Date.—The amendment made by subsection (a) shall apply to services furnished on or after the first day of the first month beginning more than one year after the date of the enactment of this Act.

SEC. 5082. HEALTH MAINTENANCE ORGANIZATIONS.

(a) Adjustment In Medicare Capitation Payments To Account For Regional Variations In Application of Secondary Payer Provisions.—

(1) In general.—Section 1876(a)(4) (42 U.S.C. 1395mm(a)(4)) is amended by adding at the end the following new sentence: "In establishing the adjusted average per capita cost for a geographic area, the Secretary shall take into account the differences between the proportion of individuals in the area with respect to whom there is a group health plan that is a primary plan (within the meaning of section 1862(b)(2)(A)) compared to the proportion of all such individuals with respect to whom there is such a group health plan.".

(2) Effective date.—The amendment made by paragraph (1) shall apply to contracts entered into for years beginning with 1994.

(b) Revisions in the Payment Methodology for Risk Contractors.—Section 4204(b) of OBRA-1990 is amended to read as follows:

"(b) Revisions in the Payment Methodology for Risk Contractors.—(1)(A) Not later than January 1, 1995, the Secretary of Health and Human Services (in this subsection referred to as the "Secretary") shall submit a proposal to the Congress that provides for revisions to the payment method to be applied in years beginning with 1996 for organizations with a risk-sharing contract under section 1876(g) of the Social Security Act.

"(B) In proposing the revisions required under subparagraph (A) the Secretary shall consider—

"(i) the difference in costs associated with medicare beneficiaries with differing health status and demographic characteristics; and

"(ii) the effects of using alternative geographic classifications on the determinations of costs associated with beneficiaries residing in different areas.

"(2) Not later than 3 months after the date of submittal of the proposal made pursuant to paragraph (1), the Comptroller General shall review the proposal and shall report to Congress on the appropriateness of the proposed modifications.".

(c) Miscellaneous and Technical Corrections.—(1) Section 1876(a)(3) (42 U.S.C. 1395mm(a)(3)) is amended by striking "subsection (c)(7)" and inserting "subsections (c)(2)(B)(ii) and (c)(7)".

(2) Section 4204(c)(3) of OBRA-1990 is amended by striking "for 1991" and inserting "for years beginning with 1991".

(3) Section 4204(d)(2) of OBRA-1990 is amended by striking "amendment" and inserting "amendments".

(4) Section 1876(a)(1)(E)(ii)(I) (42 U.S.C. 1395mm(a)(1)(E)(ii)(I)) is amended by striking the comma after "contributed to".

(5) Section 4204(e)(2) of OBRA-1990 is amended by striking "(which has a risk-sharing contract under section 1876 of the Social Security Act)".

(6) Section 4204(f)(4) of OBRA-1990 is amended by striking "final".

(7) Section 1862(b)(3)(C) (42 U.S.C. 1395y(b)(3)(C)) is amended—

(A) in the heading, by striking "PLAN" and inserting "PLAN OR A LARGE GROUP HEALTH PLAN";

(B) by striking "group health plan" and inserting "group health plan or a large group health plan";

(C) by striking ", unless such incentive is also offered to all individuals who are eligible for coverage under the plan"; and

(D) by striking "the first sentence of subsection (a) and other than subsection (b)" and inserting "subsections (a) and (b)".

(8) The amendments made by this subsection shall take effect as if included in the enactment of OBRA-1990.

SEC. 5083. MISCELLANEOUS AND TECHNICAL CORRECTIONS.

(a) Survey and Certification Requirements.—(1) Section 1864 (42 U.S.C. 1395aa) is amended—

(A) in subsection (e), by striking "title" and inserting "title (other than any fee relating to section 353 of the Public Health Service Act)"; and

(B) in the first sentence of subsection (a), by striking "1861(s) or" and all that follows through "Service Act," and inserting "1861(s),".

(2) An agreement made by the Secretary of Health and Human Services with a State under section 1864(a) of the Social Security Act may include an agreement that the services of the State health agency or other appropriate State agency (or the appropriate local agencies) will be utilized by the Secretary for the purpose of determining whether a laboratory meets the requirements of section 353 of the Public Health Service Act.

(b) Other Miscellaneous and Technical Provisions.—(1) Section 1833 (42 U.S.C. 1395l) is amended by redesignating the subsection (r) added by section 4206(b)(2) of OBRA-1990 as subsection (s).

(2) Section 1866(f)(1) (42 U.S.C. 1395cc(f)(1)) is amended by striking "1833(r)" and inserting "1833(s)".

(3) Section 1861(s)(2) (42 U.S.C. 1395x(s)(2)) is amended by moving subparagraph (O), as redesignated by section 5070(f)(7)(B)(iii)(II) of this subtitle, two ems to the left.

(4) Section 1881(b)(1)(C) (42 U.S.C. 1395rr(b)(1)(C)) is amended by striking "1861(s)(2)(Q)" and inserting "1861(s)(2)(P)".

(5) Section 4201(d)(2) of OBRA-1990 is amended by striking "(B) by striking", "(C)

by striking", and "(3) by adding" and inserting "(i) by striking", "(ii) by striking", and "(B) by adding", respectively.

(6)(A) Section 4207(a)(1) of OBRA–1990 is amended by adding closing quotation marks and a period after "such review.".

(B) Section 4207(a)(4) of OBRA–1990 is amended by striking "this subsection" and inserting "paragraphs (2) and (3)".

(C) Section 4207(b)(1) of OBRA–1990 is amended by striking "section 3(7)" and inserting "section 601(a)(1)".

(7) Section 4202 of OBRA–1990 is amended—

(A) in subsection (b)(1)(A), by striking "home hemodialysis staff assistant" and inserting "qualified home hemodialysis staff assistant (as described in subsection (d))";

(B) in subsection (b)(2)(B)(ii)(I), by striking "(as adjusted to reflect differences in area wage levels)";

(C) in subsection (c)(1)(A), by striking "skilled"; and

(D) in subsection (c)(1)(E), by striking "(b)(4)" and inserting "(b)(2)".

(c) Effective Date.—The amendments made by this section shall take effect as if included in the enactment of OBRA–1990.

CHAPTER 3—PROVISIONS RELATING TO MEDICARE SUPPLEMENTAL INSURANCE POLICIES

SEC. 5091. STANDARDS FOR MEDICARE SUPPLEMENTAL INSURANCE POLICIES.

(a) Simplification of Medicare Supplemental Policies.—

(1) Section 4351 of OBRA–1990 is amended by striking "(a) In General.—".

(2) Section 1882(p) (42 U.S.C. 1395ss(p)) is amended—

(A) in paragraph (1)(A)—

(i) by striking "promulgates" and inserting "changes the revised NAIC Model Regulation (described in subsection (m)) to incorporate",

(ii) by striking "(such limitations, language, definitions, format, and standards referred to collectively in this subsection as 'NAIC standards'),", and

(iii) by striking "included a reference to the NAIC standards" and inserting "were a reference to the revised NAIC Model Regulation as changed under this subparagraph (such changed regulation referred to in this section as the '1991 NAIC Model Regulation')";

(B) in paragraph (1)(B)—

(i) by striking "promulgate NAIC standards" and inserting "make the changes in the revised NAIC Model Regulation",

(ii) by striking "limitations, language, definitions, format, and standards described in clauses (i) through (iv) of such subparagraph (in this subsection referred to collectively as 'Federal standards')" and inserting "a regulation", and

(iii) by striking "included a reference to the Federal standards" and inserting "were a reference to the revised NAIC Model Regulation as changed by the Secretary under this subparagraph (such changed regulation referred to in this section as the '1991 Federal Regulation')";

(C) in paragraph (1)(C)(i), by striking "NAIC standards or the Federal standards" and inserting "1991 NAIC Model Regulation or 1991 Federal Regulation";

(D) in paragraphs (1)(C)(ii)(I), (1)(E), (2), and (9)(B), by striking "NAIC or Federal standards" and inserting "1991 NAIC Model Regulation or 1991 Federal Regulation";

(E) in paragraph (2)(C), by striking "(5)(B)" and inserting "(4)(B)";

(F) in paragraph (4)(A)(i), by inserting "or paragraph (6)" after "(B)";

(G) in paragraph (4), by striking "applicable standards" each place it appears and inserting "applicable 1991 NAIC Model Regulation or 1991 Federal Regulation";

(H) in paragraph (6), by striking "in regard to the limitation of benefits described in paragraph (4)" and inserting "described in clauses (i) through (iii) of paragraph (1)(A)";

(I) in paragraph (7), by striking "policyholder" and inserting "policyholders";

(J) in paragraph (8), by striking "after the effective date of the NAIC or Federal standards with respect to the policy, in violation of the previous requirements of this subsection" and inserting "on and after the effective date specified in paragraph (1)(C) (but subject to paragraph (10)), in violation of the applicable 1991 NAIC Model Regulation or 1991 Federal Regulation insofar as such regulation relates to the requirements of subsection (o) or (q) or clause (i), (ii), or (iii) of paragraph (1)(A)";

(K) in paragraph (9), by adding at the end the following new subparagraph:

"(D) Subject to paragraph (10), this paragraph shall apply to sales of policies occurring on or after the effective date specified in paragraph (1)(C)."; and

(L) in paragraph (10), by striking "this subsection" and inserting "paragraph (1)(A)(i)".

(b) Guaranteed Renewability.—Section 1882(q) (42 U.S.C. 1395ss(q)) is amended—

(1) in paragraph (2), by striking "paragraph (2)" and inserting "paragraph (4)", and

(2) in paragraph (4), by striking "the succeeding issuer" and inserting "issuer of the replacement policy".

(c) Enforcement of Standards.—

(1) Section 1882(a)(2) (42 U.S.C. 1395ss(a)(2)) is amended—

(A) in subparagraph (A), by striking "NAIC standards or the Federal standards" and inserting "1991 NAIC Model Regulation or 1991 Federal Regulation", and

(B) by striking "after the effective date of the NAIC or Federal standards with respect to the policy" and inserting "on and after the effective date specified in subsection (p)(1)(C)".

(2) The sentence in section 1882(b)(1) added by section 4353(c)(5) of OBRA–1990 is amended—

(A) by striking "The report" and inserting "Each report",

(B) by inserting "and requirements" after "standards",

(C) by striking "and" after "compliance,", and

(D) by striking the comma after "Commissioners".

(3) Section 1882(g)(2)(B) (42 U.S.C. 1395ss(g)(2)(B)) is amended by striking "Panel" and inserting "Secretary".

(4) Section 1882(b)(1) (42 U.S.C. 1395ss(b)(1)) is amended by striking "the the Secretary" and inserting "the Secretary".

(d) Preventing Duplication.—

(1) Section 1882(d)(3)(A) (42 U.S.C. 1395ss(d)(3)(A)) is amended—

(A) by amending the first sentence to read as follows:

"(i) It is unlawful for a person to sell or issue to an individual entitled to benefits under part A or enrolled under part B of this title—

"(I) a health insurance policy with knowledge that the policy duplicates health benefits to which the individual is otherwise entitled under this title or title XIX,

"(II) a medicare supplemental policy with knowledge that the individual is entitled to benefits under another medicare supplemental policy, or

"(III) a health insurance policy (other than a medicare supplemental policy) with knowledge that the policy duplicates health benefits to which the individual is otherwise entitled, other than benefits to which the individual is entitled under a requirement of State or Federal law.";

(B) by designating the second sentence as clause (ii) and, in such clause, by striking "the previous sentence" and inserting "clause (i)";

(C) by designating the third sentence as clause (iii) and, in such clause—

(i) by striking "the previous sentence" and inserting "clause (i) with respect to the sale of a medicare supplemental policy", and

(ii) by striking "and the statement" and all that follows up to the period at the end; and

(D) by striking the last sentence.

(2) Section 1882(d)(3)(B) (42 U.S.C. 1395ss(d)(3)(B)) is amended—

(A) in clause (ii)(II), by striking "65 years of age or older",

(B) in clause (iii)(I), by striking "another medicare" and inserting "a medicare",

(C) in clause (iii)(I), by striking "such a policy" and inserting "a medicare supplemental policy",

(D) in clause (iii)(II), by striking "another policy" and inserting "a medicare supplemental policy", and

(E) by amending subclause (III) of clause (iii) to read as follows:

"(III) If the statement required by clause (i) is obtained and indicates that the individual is entitled to any medical assistance under title XIX, the sale of the policy is not in violation of clause (i) (insofar as such clause relates to such medical assistance), if a State medicaid plan under such title pays the premiums for the policy, or, in the case of a qualified medicare beneficiary described in section 1905(p)(1), if the State pays less than the full amount of medicare cost-sharing as described in subparagraphs (B), (C), and (D) of section 1905(p)(3) for such individual.".

(3)(A) Section 1882(d)(3)(C) (42 U.S.C. 1395ss(d)(3)(C)) is amended—

(i) by striking "the selling" and inserting "(i) the sale or issuance", and

(ii) by inserting before the period at the end the following: ", (ii) the sale or issuance of a policy or plan described in subparagraph (A)(i)(I) (other than a medicare supplemental policy to an individual entitled to any medical assistance under title XIX) under which all the benefits are fully payable directly to or on behalf of the individual without regard to other health benefit coverage of the individual but only if (for policies sold or issued more than 60 days after the date the statements are published or promulgated under subparagraph (D)) there is disclosed in a prominent manner as part of (or together with) the application the applicable statement (specified under subparagraph (D)) of the extent to which benefits payable under the policy or plan duplicate benefits under this title, or (iii) the sale or issuance of a policy or plan described in subparagraph (A)(i)(III) under which all the benefits are fully payable directly to or on behalf of the individual without regard to other health benefit coverage of the individual".

(B) Section 1882(d)(3) (42 U.S.C. 1395ss(d)(3)) is amended by adding at the end the following:

"(D)(i) If—

"(I) within the 90-day period beginning on the date of the enactment of this subparagraph, the National Association of Insurance Commissioners develops (after consultation with consumer and insurance industry representatives) and submits to the Secretary a statement for each of the types of health insurance policies (other than medicare supplemental policies and including, as separate types of policies, policies paying directly to the beneficiary fixed, cash benefits) which are sold to persons entitled to health benefits under this title, of the extent to which benefits payable under the policy or plan duplicate benefits under this title, and

"(II) the Secretary approves all the statements submitted as meeting the requirements of subclause (I),

each such statement shall be (for purposes of subparagraph (C)) the statement specified under this subparagraph for the type of policy involved. The Secretary shall review and approve (or disapprove) all the statements submitted under subclause (I) within 30 days after the date of their submittal. Upon approval of such statements, the Secretary shall publish such statements.

"(ii) If the Secretary does not approve the statements under clause (i) or the statements are not submitted within the 90-day period specified in such clause, the Secretary shall promulgate (after consultation with consumer and insurance industry representatives and not later than 90 days after the date of disapproval or the end of such 90-day period (as the case may be)) a statement for each of the types of health insurance policies (other than medicare supplemental policies and including, as separate types of policies, policies paying directly to the beneficiary fixed, cash benefits) which are sold to persons entitled to health benefits under this title, of the extent to which benefits payable under the policy or plan duplicate benefits under this title, and each such statement shall be (for purposes of subparagraph (C)) the statement specified under this subparagraph for the type of policy involved.".

(C) The requirement of a disclosure under section 1882(d)(3)(C)(ii) of the Social Security Act shall not apply to an application made for a policy or plan before 60 days after the date of the Secretary of Health and Human Services publishes or promulgates all the statements under section 1882(d)(3)(D) of such Act.

(4) Subparagraphs (A) and (B) of section 1882(q)(5) (42 U.S.C. 1395ss(q)(5)(A)) are amended by striking "of the Social Security Act".

(e) LOSS RATIOS AND REFUNDS OF PREMIUMS.—

(1) Section 1882(r) (42 U.S.C. 1395ss(r)) is amended—

(A) in paragraph (1), by striking "or sold" and inserting "or renewed (or otherwise provide coverage after the date described in subsection (p)(1)(C))";

(B) in paragraph (1)(A), by inserting "for periods after the effective date of these provisions" after "the policy can be expected";

(C) in paragraph (1)(A), by striking "Commissioners," and inserting "Commissioners)";

(D) in paragraph (1)(B), by inserting before the period at the end the following: ", treating policies of the same type as a single policy for each standard package";

(E) by adding at the end of paragraph (1) the following: "For the purpose of calculating the refund or credit required under paragraph (1)(B) for a policy issued before the date specified in subsection (p)(1)(C), the refund or credit calculation shall be based on the aggregate benefits provided and premiums collected under all such policies issued by an insurer in a State (separated as to individual and group policies) and shall be based only on aggregate benefits provided and premiums collected under such policies after the date specified in section 5091(m)(4) of the Omnibus Budget Reconciliation Act of 1993.";

(F) in the first sentence of paragraph (2)(A), by striking "by policy number" and inserting "by standard package";

(G) by striking the second sentence of paragraph (2)(A) and inserting the following: "Paragraph (1)(B) shall not apply to a policy until 12 months following issue.";

(H) in the last sentence of paragraph (2)(A), by striking "in order" and all that follows through "are effective";

(I) by adding at the end of paragraph (2)(A), the following new sentence: "In the case of a policy issued before the date specified in subsection (p)(1)(C), paragraph (1)(B) shall not apply until 1 year after the date specified in section 5091(m)(4) of the Omnibus Budget Reconciliation Act of 1993.";

(J) in paragraph (2), by striking "policy year" each place it appears and inserting "calendar year";

(K) in paragraph (4), by striking "February", "disllowance", "loss-ratios" each place it appears, and "loss-ratio" and inserting "October", "disallowance", "loss ratios", and "loss ratio", respectively;

(L) in paragraph (6)(A), by striking "issues a policy in violation of the loss ratio requirements of this subsection" and "such violation" and inserting "fails to provide refunds or credits as required in paragraph (1)(B)" and "policy issued for which such failure occurred", respectively; and

(M) in paragraph (6)(B), by striking "to policyholders" and inserting "to the policyholder or, in the case of a group policy, to the certificate holder".

(2) Section 1882(b)(1) (42 U.S.C. 1395ss(b)(1)) is amended, in the matter after subparagraph (H), by striking "subsection (F)" and inserting "subparagraph (F)".

(3) Section 4355(d) of OBRA–1990 is amended by striking "sold or issued" and all that follows and inserting "issued or renewed (or otherwise providing coverage after the date described in section 1882(p)(1)(C) of the Social Security Act) on or after the date specified in section 1882(p)(1)(C) of such Act.".

(f) TREATMENT OF HMO'S.—

(1) Section 1882(g)(1) (42 U.S.C. 1395ss(g)(1)) is amended by striking "a health maintenance organization or other direct service organization" and all that follows through "1833" and inserting "an eligible organization (as defined in section 1876(b)) if the policy or plan provides benefits pursuant to a contract under section 1876 or an approved demonstration project described in section 603(c) of the Social Security Amendments of 1983, section 2355 of the Deficit Reduction Act of 1984, or section 9412(b) of the Omnibus Budget Reconciliation Act of 1986 or, during the period beginning on the date specified in subsection (p)(1)(C) and ending on December 31, 1994, a policy or plan of an organization if the policy or plan provides benefits pursuant to an agreement under section 1833(a)(1)(A)".

(2) Section 4356(b) of OBRA–1990 is amended by striking "on the date of the enactment of this Act" and inserting "on the date specified in section 1882(p)(1)(C) of the Social Security Act".

(g) PRE-EXISTING CONDITION LIMITATIONS.—Section 1882(s) (42 U.S.C. 1395ss(s)) is amended—

(1) in paragraph (2)(A), by striking "for which an application is submitted" and inserting "in the case of an individual for whom an application is submitted prior to or",

(2) in paragraph (2)(A), by striking "in which the individual (who is 65 years of age or older) first is enrolled for benefits under part B" and inserting "as of the first day on which the individual is 65 years of age or older and is enrolled for benefits under part B", and

(3) in paragraph (2)(B), by striking "before it" and inserting "before the policy".

(h) MEDICARE SELECT POLICIES.—

(1) Section 1882(t) (42 U.S.C. 1395ss(t)) is amended—

(A) in paragraph (1), by inserting "medicare supplemental" after "If a",

(B) in paragraph (1), by striking "NAIC Model Standards" and inserting "1991 NAIC Model Regulation or 1991 Federal Regulation",

(C) in paragraph (1)(A), by inserting "or agreements" after "contracts",

(D) in subparagraphs (E)(i) and (F) of paragraph (1), by striking "NAIC standards" and inserting "standards in the 1991 NAIC Model Regulation or 1991 Federal Regulation", and

(E) in paragraph (2), by inserting "the issuer" before "is subject to a civil money penalty".

(2) Section 1154(a)(4)(B) (42 U.S.C. 1320c–3(a)(4)(B)) is amended—

(A) by inserting "that is" after "(or", and

(B) by striking "1882(t)" and inserting "1882(t)(3)".

(i) HEALTH INSURANCE COUNSELING.—Section 4360 of OBRA–1990 is amended—

(1) in subsection (b)(2)(A)(ii), by striking "Act" and inserting "Act)";

(2) in subsection (b)(2)(D), by striking "services" and inserting "counseling";

(3) in subsection (b)(2)(I), by striking "assistance" and inserting "referrals";

(4) in subsection (c)(1), by striking "and that such activities will continue to be maintained at such level";

(5) in subsection (d)(3), by striking "to the rural areas" and inserting "eligible individuals residing in rural areas";

(6) in subsection (e)—

(A) by striking "subsection (c) or (d)" and inserting "this section",

(B) by striking "and annually thereafter, issue an annual report" and inserting "and annually thereafter during the period of the grant, issue a report", and

(C) in paragraph (1), by striking "Statewide;",

(7) in subsection (f), by striking paragraph (2) and by redesignating paragraphs (3) through (5) as paragraphs (2) through (4), respectively; and

(8) by redesignating the second subsection (f) (relating to authorization of appropriations for grants) as subsection (g).

(j) TELEPHONE INFORMATION SYSTEM.—

(1) Section 1804 (42 U.S.C. 1395b–2) is amended—

(A) by adding at the end of the heading the following: "; MEDICARE AND MEDIGAP INFORMATION",

(B) by inserting "(a)" after "1804.", and

(C) by adding at the end the following new subsection:

"(b) The Secretary shall provide information via a toll-free telephone number on the programs under this title.".

(2) Section 1882(f) (42 U.S.C. 1395ss(f)) is amended by adding at the end the following new paragraph:

"(3) The Secretary shall provide information via a toll-free telephone number on medicare supplemental policies (including the relationship of State programs under title XIX to such policies).".

(3) Section 1889 (42 U.S.C. 1395zz) is repealed.

(k) MAILING OF POLICIES.—Section 1882(d)(4) (42 U.S.C. 1395ss(d)(4)) is amended—

(1) in subparagraph (D), by striking ", if such policy" and all that follows up to the period at the end, and

(2) by adding at the end the following new subparagraph:

"(E) Subparagraph (A) shall not apply in the case of an issuer who mails or causes to be mailed a policy, certificate, or other matter solely to comply with the requirements of subsection (q).".

(l) EFFECTIVE DATE.—The amendments made by this section shall be effective as if included in the enactment of OBRA-1990; except that—

(1) the amendments made by subsection (d)(1) shall take effect on the date of the enactment of this Act, but no penalty shall be imposed under section 1882(d)(3)(A) of the Social Security Act (for an action occurring after the effective date of the amendments made by section 4354 of OBRA-1990 and before the date of the enactment of this Act) with respect to the sale or issuance of a policy which is not unlawful under section 1882(d)(3)(A)(i)(II) of the Social Security Act (as amended by this section);

(2) the amendments made by subsection (d)(2)(A) and by subparagraphs (A), (B), and (E) of subsection (e)(1) shall be effective on the date specified in subsection (m)(4); and

(3) the amendment made by subsection (g)(2) shall take effect on January 1, 1994, and shall apply to individuals who attain 65 years of age or older on or after the effective date of section 1882(s)(2) of the Social Security Act (and, in the case of individuals who attained 65 years of age after such effective date and before January 1, 1994, and who were not covered under such section before January 1, 1994, the 6-month period specified in that section shall begin January 1, 1994).

(m) TRANSITION PROVISIONS.—

(1) IN GENERAL.—If the Secretary of Health and Human Services identifies a State as requiring a change to its statutes or regulations to conform its regulatory program to the changes made by this section, the State regulatory program shall not be considered to be out of compliance with the requirements of section 1882 of the Social Security Act due solely to failure to make such change until the date specified in paragraph (4).

(2) NAIC STANDARDS.—If, within 6 months after the date of the enactment of this Act, the National Association of Insurance Commissioners (in this subsection referred to as the "NAIC") modifies its 1991 NAIC Model Regulation (adopted in July 1991) to conform to the amendments made by this section and to delete from section 15C the exception which begins with "unless", such modifications shall be considered to be part of that Regulation for the purposes of section 1882 of the Social Security Act.

(3) SECRETARY STANDARDS.—If the NAIC does not make the modifications described in paragraph (2) within the period specified in such paragraph, the Secretary of Health and Human Services shall make the modifications described in such paragraph and such modifications shall be considered to be part of that Regulation for the purposes of section 1882 of the Social Security Act.

(4) DATE SPECIFIED.—

(A) IN GENERAL.—Subject to subparagraph (B), the date specified in this paragraph for a State is the earlier of—

(i) the date the State changes its statutes or regulations to conform its regulatory program to the changes made by this section, or

(ii) 1 year after the date the NAIC or the Secretary first makes the modifications under paragraph (2) or (3), respectively.

(B) ADDITIONAL LEGISLATIVE ACTION REQUIRED.—In the case of a State which the Secretary identifies as—

(i) requiring State legislation (other than legislation appropriating funds) to conform its regulatory program to the changes made in this section, but

(ii) having a legislature which is not scheduled to meet in 1994 in a legislative session in which such legislation may be considered,

the date specified in this paragraph is the first day of the first calendar quarter beginning after the close of the first legislative session of the State legislature that begins on or after January 1, 1994. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

Subtitle B—Medicaid Program and Other Health Care Provisions

SEC. 5100. REFERENCES IN SUBTITLE; TABLE OF CONTENTS OF SUBTITLE.

(a) AMENDMENTS TO SOCIAL SECURITY ACT.—Except as otherwise specifically provided, whenever in this subtitle an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.

(b) REFERENCES TO OBRA.—In this subtitle, the terms "OBRA-1986", "OBRA-1987", "OBRA-1989", and "OBRA-1990" refer to the Omnibus Budget Reconciliation Act of 1986 (Public Law 99-509), the Omnibus Budget Reconciliation Act of 1987 (Public Law 100-203), the Omnibus Budget Reconciliation Act of 1989 (Public Law 101-239), and the Omnibus Budget Reconciliation Act of 1990 (Public Law 101-508), respectively.

(c) TABLE OF CONTENTS OF SUBTITLE.—The table of contents of this subtitle is as follows:

Subtitle B—Medicaid Program and Other Health Care Provisions

Sec. 5100. References in subtitle; table of contents of subtitle.

CHAPTER 1—MEDICAID PROGRAM

SUBCHAPTER A—PROGRAM SAVINGS PROVISIONS

PART I—REPEAL OF MANDATE

Sec. 5101. Personal care services furnished outside the home as optional benefit.

PART II—OUTPATIENT PRESCRIPTION DRUGS

Sec. 5106. Permitting prescription drug formularies under State plans.

Sec. 5107. Elimination of special exemption from prior authorization for new drugs.

Sec. 5108. Technical corrections relating to section 4401 of OBRA-1990.

PART III—RESTRICTIONS ON DIVESTITURE OF ASSETS AND ESTATE RECOVERY

Sec. 5111. Transfer of assets.

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CHAPTER 1—MEDICAID PROGRAM

Subchapter A—Program Savings Provisions

PART I—REPEAL OF MANDATE

SEC. 5101. PERSONAL CARE SERVICES FURNISHED OUTSIDE THE HOME AS OPTIONAL BENEFIT.

(a) IN GENERAL.—Section 1905(a) (42 U.S.C. 1396d(a)), as amended by section 5174(c)(1), is further amended—

(1) in paragraph (7), by striking "including personal care services" and all that follows through "nursing facility";

(2) in paragraph (23), by striking "and" at the end;

(3) by redesignating paragraph (24) as paragraph (25); and

(4) by inserting after paragraph (23) the following new paragraph:

"(24) personal care services furnished to an individual who is not an inpatient or resident of a nursing facility that are (A) authorized by a physician for the individual in accordance with a plan of treatment, (B) provided by an individual who is qualified to provide such services and who is not a member of the individual's family, (C) supervised by a registered nurse, and (D) furnished in a home or other location; and".

(b) CONFORMING AMENDMENTS.—(1) Section 1902(a)(10)(C)(iv) (42 U.S.C. 1396a(a)(10)(C)(iv)), as amended by section 5174(c)(2)(A), is amended by striking "through (23)" and inserting "through (24)".

(2) Section 1902(j) (42 U.S.C. 1396a(j)), as amended by section 5174(c)(2)(B), is amended by striking "through (24)" and inserting "through (25)".

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect as if included in the enactment of section 4721(a) of OBRA–90.

PART II—OUTPATIENT PRESCRIPTION DRUGS

SEC. 5106. PERMITTING PRESCRIPTION DRUG FORMULARIES UNDER STATE PLANS.

(a) ELIMINATION OF PROHIBITION AGAINST USE OF FORMULARIES.—Paragraph (54) of section 1902(a)(54) (42 U.S.C. 1396a(a)(54)) is amended to read as follows:

"(54) in the case of a State plan that provides medical assistance for covered outpatient drugs (as defined in section 1927(k)), comply with the applicable requirements of section 1927;".

(b) STANDARDS FOR FORMULARIES.—Section 1927(d) (42 U.S.C. 1396r–8(d)), as amended by sections 5107(a) and 5108(b)(4)(A)(iii), is amended—

(1) by adding at the end of paragraph (1) the following new subparagraph:

"(C) In the case of a State that establishes a formulary in accordance with paragraph (5), the State may exclude coverage of a covered outpatient drug that is not included in the formulary."; and

(2) by inserting after paragraph (4) the following new paragraph:

"(5) REQUIREMENTS FOR FORMULARIES.—A State may establish a formulary only if the following requirements are met:

"(A) The formulary is established by a committee consisting of physicians, pharmacists, and other appropriate individuals appointed by the Governor of the State (or, at the option of the State, the State's drug use review board established under subsection (g)(3)).

"(B) Except as provided in subparagraph (C), the formulary includes the covered outpatient drugs of any manufacturer which has entered into and complies with an agreement under subsection (a).

"(C) The committee may exclude a covered outpatient drug with respect to the treatment of a specific disease or condition for an identified population (if any) only if the committee finds, based on the drug's labeling (or, in the case of a drug whose prescribed use is not approved under the Federal Food, Drug, and Cosmetic Act but is a medically accepted indication, based on information from the appropriate compendia described in subsection (k)(6)), that the excluded drug does not have a significant, clinically meaningful therapeutic advantage in terms of safety, effectiveness, or clinical outcome of such treatment for such population over other drugs included in the formulary.

"(D) With respect to a decision to exclude a covered outpatient drug from the formulary or a prescribed use of such a drug, the committee issues a written explanation of its decision that is available to the public, unless the decision was made at a meeting of the committee which was open to the public.

"(E) The manufacturer of the drug, and any person affected by the decision, may obtain a reversal of the committee's decision to exclude a covered outpatient drug from the formulary under subparagraph (C) on the ground that the decision was arbitrary and capricious, in accordance with an appeals process that is established by the State and that provides an opportunity for judicial review of such decision.

"(F) The State plan permits coverage of a drug excluded from the formulary pursuant to a prior authorization program that is consistent with paragraph (4).

"(G) The formulary meets such other requirements as the Secretary may impose.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to calendar quarters beginning on or after October 1, 1993, without regard to whether or not regulations to carry out such amendments have been promulgated by such date.

SEC. 5107. ELIMINATION OF SPECIAL EXEMPTION FROM PRIOR AUTHORIZATION FOR NEW DRUGS.

(a) IN GENERAL.—Section 1927(d) (42 U.S.C. 1396r–8(d)), as amended by section 5108(b)(4)(A)(iii), is amended by striking paragraph (5).

(b) CONFORMING AMENDMENT.—Section 1927(d)(3) (42 U.S.C. 1396r–8(d)(3)) is amended by striking "(except with respect" and all that follows through "of this paragraph)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to calendar quarters beginning on or after October 1, 1993, without regard to whether or not regulations to carry out such amendments have been promulgated by such date.

SEC. 5108. TECHNICAL CORRECTIONS RELATING TO SECTION 4401 OF OBRA–1990.

(a) SECTION 1903, SSA.—Paragraph (10) of section 1903(i), as inserted by section 4401(a)(1)(B) of OBRA–1990, is amended to read as follows:

"(10) with respect to covered outpatient drugs unless there is a rebate agreement in effect under section 1927 with respect to such drugs or unless section 1927(a)(3) applies;".

(b) SECTION 1927, SSA.—(1) Section 1927(a) (42 U.S.C. 1396r–8(a)) is amended—

(A) in paragraph (1)—

(i) by amending the second sentence to read as follows: "Any such agreement entered into prior to April 1, 1991, shall be deemed to have been entered into on January 1, 1991, and the amount of the rebate under such agreement shall be calculated as if the agreement had been entered into on January 1, 1991.", and

(ii) in the third sentence, by striking "March" and inserting "April";

(B) in paragraph (2)—

(i) by striking "first", and

(ii) by striking the period at the end and inserting the following: ", except that such paragraph (and section 1903(i)(10)(A)) shall not apply to the dispensing of such a drug before April 1, 1991, if the Secretary determines that there were extenuating circumstances with respect to the first calendar quarter of 1991.";

(C) in paragraph (3), by striking "single source" and all that follows and inserting the following: "covered outpatient drugs if—

"(A) based on information provided by a beneficiary's physician, the State has made a determination that the availability of the drug is essential to the health of the beneficiary under the State plan, and the Secretary has reviewed and approved such determination; and

"(B) the drug has been given a rating of 1–A by the Food and Drug Administration.";

(D) in paragraph (4)—

(i) by striking "in compliance with" and inserting "in effect under", and

(ii) by striking "coverage of the manufacturer's drugs" and inserting "ingredient costs of the manufacturer's covered outpatient drugs covered"; and

(E) by adding at the end the following new paragraph:

"(5) APPLICATION IN CERTAIN STATES AND TERRITORIES.—

"(A) APPLICATION IN STATES OPERATING UNDER DEMONSTRATION PROJECTS.—In the case of any State which is providing medical assistance to its residents under a waiver granted under section 1115, the Secretary shall require the State to meet the requirements of section 1902(a)(54) and of this section in the same manner as the State would be required to meet such requirements if the State had in effect a plan approved under this title.

"(B) NO APPLICATION IN COMMONWEALTHS AND TERRITORIES.—This section, and sections 1902(a)(54) and 1903(i)(10), shall only apply to a State that is one of the 50 States or the District of Columbia.".

(2) Section 1927(b) (42 U.S.C. 1396r–8(b)) is amended—

(A) in paragraph (1)(A)—

(i) by striking "(or periodically in accordance with a schedule specified by the Secretary)" and inserting "(or other period specified by the Secretary)", and

(ii) by inserting "after December 31, 1990, for which payment was made" after "dispensed";

(B) in paragraph (2)(A)—

(i) by striking "calendar quarter" and "the quarter" and inserting "rebate period" and "the period", respectively,

(ii) by striking "dosage units" and inserting "units of each dosage form and strength", and

(iii) by inserting "after December 31, 1990, for which payment was made" after "dispensed";

(C) in paragraph (3)(A)—

(i) in clause (i), by striking "quarter" each place it appears and inserting "calendar quarter or other rebate period under the agreement",

(ii) in clause (i), by striking the open parenthesis before "for" and the close parenthesis after "drugs",

(iii) in clause (i), by striking "subsection (c)(2)(B)) for covered outpatient drugs" and inserting "subsection (c)(1)(C) for each covered outpatient drug", and

(iv) in clause (ii), by inserting a comma after "this section" and after "1990";

(D) in paragraph (3)(B)—

(i) by striking "$100,000" and inserting "$10,000",

(ii) by striking "if the wholesaler" and inserting "for each instance in which the wholesaler",

(iii) by inserting "in response to such a request" after "false information", and

(iv) by striking "(with respect to amounts of penalties or additional assessments)";

(E) in paragraph (3)(C)—

(i) in clause (i), by striking "the penalty" and inserting "the rebate next required to be paid",

(ii) in clause (i), by striking "and such amount shall be paid to the Treasury, and, if" and inserting ". If",

(iii) in clause (ii), by inserting "under subparagraph (A)" after "provides false information", and

(iv) in clause (ii), by striking "Such civil money penalties are" and inserting "Any such civil money penalty shall be";

(F) in paragraph (3)(D), by striking "wholesaler," the first place it appears and inserting "wholesaler or the"; and

(G) in paragraph (4)(B)(iii), by adding at the end the following: "In the case of such a termination, a State may terminate coverage of the drugs affected by such termination as of the effective date of such termination without providing any advance notice otherwise required by regulation.".

(3) Section 1927(c) (42 U.S.C. 1396r–8(c)) is amended—

(A) in paragraph (1) in the matter preceding subparagraph (A)—

(i) by striking the first sentence,

(ii) in the second sentence, by striking "Except as otherwise provided" and all that follows through "the Secretary)" and inserting the following: "For purposes of this section, the amount of the rebate under this subsection for a rebate period", and

(iii) by inserting "(except as provided in subsection (b)(3)(C) and paragraph (2))" after "drugs shall";

(B) in paragraph (1)(A), by striking "the quarter (or other period)" and inserting "the rebate period";

(C) in subparagraph (C)—

(i) by striking "For purposes of this paragraph" and inserting "BEST PRICE DEFINED.—For purposes of this section",

(ii) by inserting "provider," after "retailer,", and

(iii) by striking the semicolon at the end and inserting a period; and

(D) by striking subparagraph (D) and inserting the following:

"(D) USE OF ESTIMATED BEST PRICES DURING INITIAL YEAR OF AVAILABILITY OF DRUG.—If the Secretary determines that a manufacturer cannot determine the best price for rebate periods during the first year in which an agreement is in effect until after the end of the year, as part of the agreement the Secretary may require the manufacturer to estimate the best price for rebate periods during the year and provide an adjustment to the rebate paid to the State to take into account the difference (if any) between the best price and the estimated best price.".

(4)(A) Section 1927(d) (42 U.S.C. 1396r–8(d)) is amended—

(i) in paragraph (2)—

(I) in subparagraph (A), by inserting "or loss" after "gain",

(II) by striking subparagraph (I), and

(III) by redesignating subparagraphs (J) and (K) as subparagraphs (I) and (J);

(ii) in paragraph (3)—

(I) by striking "described in paragraph (2)", and

(II) by inserting "described in paragraph (2)" after "classes of drugs,";

(iii) by striking paragraph (4) and by redesignating paragraphs (5) through (7) as paragraphs (4) through (6);

(iv) in paragraph (6), as so redesignated, by striking "provided" and inserting "if"; and

(v) by striking the second sentence of paragraph (6), as so redesignated, and paragraph (8) and inserting the following:

"(7) CONSTRUCTION WITH RESPECT TO FRAUD AND ABUSE.—Nothing in this section shall be construed to restrict the authority of a State to apply sanctions under this Act against any person for fraud or abuse.".

(B) Section 1927(d)(4), as redesignated by subparagraph (A)(iii), shall first apply to drugs dispensed on or after July 1, 1991.

(5)(A) Section 1927(f) (42 U.S.C. 1396r–8(f)) is amended to read as follows:

"(f) NO REDUCTIONS IN PHARMACY REIMBURSEMENT LIMITS.—

"(1) IN GENERAL.—During the period beginning on November 5, 1990, and ending on December 31, 1994—

"(A) a State may not reduce the amount paid by the State under this title with respect to the ingredient cost of a covered outpatient drug or the dispensing fee for such a drug below the amount in effect as of November 5, 1990, and

"(B) the Secretary may not change the regulations in effect on November 5, 1990, governing the amounts described in subparagraph (A) which are eligible for Federal financial participation, to reduce the reimbursement limits described in such regulations.

"(2) Construction.—If the Secretary notified a State before November 5, 1990, that its payment amounts under this title with respect to the ingredient cost of a covered outpatient drug or the dispensing fee for such a drug were in excess of those permitted under regulations in effect on such date, paragraph (1)(B) shall not be construed as preventing a State from reducing payment amounts or dispensing fee in order to comply with such regulations.".

(B) Not later than April 1, 1994, the Secretary of Health and Human Services shall establish an upper limit on the amount of payment which is eligible for Federal financial participation under title XIX of the Social Security Act for each multiple source drug (as defined in section 1927(k)(7)(A)(i) of such Act) for which the Food and Drug Administration has rated at least 3 formulations of such drug as therapeutically and pharmaceutically equivalent, regardless of whether all the formulations of such drug are rated as so equivalent. In establishing such a limit for a drug, the Secretary shall take into account only those formulations of the drug which the Food and Drug Administration has rated as therapeutically and pharmaceutically equivalent.

(6) Section 1927(g) (42 U.S.C. 1396r–8(g)) is amended—

(A) by amending paragraph (1) to read as follows:

"(1) Requirement for drug use review program.—Each State shall provide, by not later than January 1, 1993, for a drug use review program for covered outpatient drugs (other than drugs dispensed to residents of nursing facilities) that—

"(A) meets the requirements of paragraph (2), and

"(B) is intended to assure that prescriptions for such drugs are appropriate, medically necessary, and not likely to lead to adverse medical results.";

(B) in paragraph (2)—

(i) by amending the matter before subparagraph (A) to read as follows:

"(2) Requirements.—",

(ii) by amending subparagraph (A) to read as follows:

"(A) Prospective drug use review.—Each drug use review program shall provide for a review of drug therapy before each prescription is filled or delivered to an individual receiving benefits under this title (including counseling by pharmacists) consistent with standards established by the Secretary. Nothing in this paragraph shall be construed as requiring a pharmacist to provide consultation when an individual receiving benefits under this title or caregiver of such individual refuses such consultation.",

(iii) in subparagraph (C)—

(I) by striking "Application of standards.—" and inserting "Standards.—(i)",

(II) by striking "and literature referred to in subsection (1)(B)" and inserting "described in clause (ii)",

(III) by striking "including but not limited to" and inserting ". Such assessment shall include",

(IV) by striking "abuse/misuse and, as necessary, introduce remedial strategies," and inserting "abuse or misuse and introduce remedial strategies", and

(V) by adding at the end the following new clause:

"(ii) The compendia described in this clause are the American Hospital Formulary Service Drug Information, the United States Pharmacopeia-Drug Information, and the American Medical Association Drug Evaluations.", and

(iv) by amending subparagraph (D) to read as follows:

"(D) Educational program.—The program shall educate (directly or by contract) pharmacists, physicians, and other individuals prescribing or dispensing covered outpatient drugs under the State plan on common drug therapy problems in order to improve prescribing or dispensing practices.";

(C) in paragraph (3)—

(i) in subparagraph (A), by striking "(hereinafter" and all that follows and inserting "(in this paragraph referred to as the 'DUR Board').",

(ii) in subparagraph (B), by striking "51 percent" and all that follows and inserting "50 percent licensed and actively practicing physicians and at least ⅓ but not more than 50 percent licensed and actively practicing pharmacists.",

(iii) by amending subparagraph (C) to read as follows:

"(C) Responsibilities.—The responsibilities of the DUR Board shall include the following:

"(i) Carrying out retrospective drug use review pursuant to paragraph (2)(B).

"(ii) Establishing and applying standards for drug use review described in paragraph (2)(C).

"(iii) Implementing educational programs described in paragraph (2)(D).

"(iv) Conducting ongoing evaluations of the effectiveness of its programs and activities in improving the quality and safety of drug therapy for individuals receiving benefits under the State plan."; and

(D) by amending subparagraph (D) to read as follows:

"(4) Annual report.—Each State shall submit a report each year to the Secretary on the nature and scope of the drug use review program under this subsection. Such report shall include an estimate of cost savings resulting from operation of such program.".

(7) Section 1927(h) (42 U.S.C. 1396r–8(h)) is amended to read as follows:

"(h) Encouraging Electronic Claims Management.—The Secretary shall encourage each single State agency under this title to establish, as its principal means of processing claims for covered outpatient drugs, a point-of-sale electronic claims management system for the purpose of verifying eligibility, transmitting data on claims, and assisting pharmacists and other authorized persons in applying for and receiving payment under the State plan.".

(8) Section 1927(i) (42 U.S.C. 1396r–8(i)) is amended to read as follows:

"(i) Annual Report on Rebate Program.—Not later than May 1 of each year, the Secretary shall submit to the Committee on Finance of the Senate, the Committee on Energy and Commerce of the House of Representatives, and the Committee on Aging of the Senate a report on the operation of the rebate agreements required for covered outpatient drugs under this section in the preceding fiscal year, and shall include in the report such information in addition to the information required to be reported under section 601(d) of the Veterans Health Care Act of 1992 as the Secretary considers appropriate.".

(9) Section 1927(j) (42 U.S.C. 1396r–8(j)) is amended to read as follows:

"(j) Exemption From Certain Requirements for Certain Health Maintenance Organizations and Hospitals.—

"(1) Certain health maintenance organizations and pharmacies.—The requirements of subsections (g) and (h) shall not apply with respect to covered outpatient drugs dispensed by—

"(A) an entity which receives payment under a prepaid capitation basis or under any other risk basis in accordance with section 1903(m)(2)(A) for services provided under the State plan; or

"(B) a pharmacy that is owned or operated by a qualified health maintenance organization (as defined in section 1310(d) of the Public Health Service Act) that operates its own prospective drug use review program.

"(2) Hospitals with independent formulary systems.—

"(A) In general.—The requirements of subsections (g) and (h) shall not apply with respect to covered outpatient drugs dispensed by a hospital providing medical assistance under the State plan that dispenses such drugs under a drug formulary system.

"(B) Application of state formulary.—Nothing in subparagraph (A) shall be construed to permit payment to be made under the State plan for a covered outpatient drug that is included in a drug formulary but that is not included in the State formulary under subsection (d)(5).

"(3) Construction in determining best price.—Nothing in this subsection shall be construed to exclude any covered outpatient drugs subject to the provisions of this subsection from the determination of the best price (as defined in subsection (c)(1)(C)) for such drugs.".

(10) Section 1927(k) (42 U.S.C. 1396r–8(k)) is amended—

(A) in paragraph (1), by striking "calendar quarter" and inserting "rebate period";

(B) in paragraph (2)—

(i) in the matter before clause (i) of subparagraph (A), by striking "paragraph (5)" and inserting "subparagraph (D)",

(ii) by striking ", and" at the end of subparagraph (A),

(iii) by striking the period at the end of subparagraph (C) and inserting "; and", and

(iv) by adding at the end the following new subparagraph:

"(D) a drug which may be sold without a prescription (commonly referred to as an 'over-the-counter drug'), if the drug is prescribed by a physician (or other person authorized to prescribe under State law).";

(C) in paragraph (3)—

(i) in subparagraph (E), by striking "**** emergency room visits",

(ii) in subparagraph (F), by striking "sevices" and inserting "services", and

(iii) in subparagraph (H), by inserting "services" after "dialysis";

(D) by striking paragraph (4);

(E) by amending paragraph (5) to read as follows:

"(5) Manufacturer.—The term 'manufacturer' means, with respect to a covered outpatient drug,—

"(A) the entity (if any) that both manufactures and distributes the drug, or

"(B) if no such entity exists, the entity that distributes the drug.

Such term does not include a wholesale distributor of the drug that does not hold a National Drug Code number for the drug or a retail pharmacy licensed under State law.";

(F) in paragraph (6), by striking ", which appears" and all that follows and inserting "which is accepted by any of the compendia described in subsection (g)(2)(C)(ii).";

(G) in paragraph (7)—

(i) in subparagraph (A)(i), by striking "calendar quarter" and inserting "rebate period",

(ii) in subparagraph (A)(i), by striking "paragraph (5)" and inserting "paragraph (2)(D)",

(iii) in subparagraph (A)(ii), by inserting "or product licensing application" after "application",

(iv) in subparagraph (C)(i), by striking "pharmaceuutically" and inserting "pharmaceutically", and

(v) in subparagraph (C)(iii), by striking ", provided that" and inserting "and"; and

(H) by redesignating paragraph (8) as paragraph (9) and by inserting after paragraph (7) the following new paragraph:

"(8) REBATE PERIOD.—The term 'rebate period' means, with respect to an agreement under subsection (a), a calendar quarter or other period specified with respect to the agreement under subsection (b)(1)(A) for the payment of rebates.".

(d) FUNDING.—Section 4401(b)(2) of OBRA–1990 is amended by striking "75 percent," and all that follows and inserting "75 percent.".

(e) DEMONSTRATION PROJECTS.—Section 4401(c)(1) of OBRA–1990 is amended—

(A) in subparagraph (A), by striking "10" and inserting "5"; and

(B) in subparagraph (C), by striking "regiment" and inserting "regimen".

(f) STUDIES.—Section 4401(d) of OBRA–1990 is amended—

(1) in paragraph (1)(A), by striking "other institutional facilities, and managed care plans" and inserting "nursing facilities, intermediate care facilities for the mentally retarded, and health maintenance organizations";

(2) in paragraph (1)(B), by striking "under this subsection" and inserting "under this paragraph";

(3) in paragraph (1)(B)(i), by striking "under this section" and inserting "under section 1927 of the Social Security Act";

(4) in paragraph (1)(B)(ii)—

(A) by striking "drug use review" the second place it appears and inserting "the type of drug use review that is", and

(B) by striking "under this section" and inserting "under such section";

(5) in paragraph (1)(B)(iii), by striking "under this title" and inserting "under title XIX of the Social Security Act";

(6) in paragraph (1)(C)—

(A) by striking "May 1, 1991" and inserting "May 1, 1992", and

(B) by striking "hereafter";

(7) in paragraph (2), by striking "the Committees on Aging of the Senate and House of Representatives an annual report" and inserting "the Committee on Aging of the Senate a report";

(8) in paragraph (3)—

(A) in subparagraph (A), by striking ", acting in consultation with the Comptroller General,", and

(B) in subparagraph (B)—

(i) by striking "December 31, 1991, the Secretary and the Comptroller General" and inserting "June 1, 1993, the Secretary", and

(ii) by striking "the Committees on Aging of the Senate and the House of Representatives" and inserting "the Committee on Aging of the Senate";

(9) in paragraph (4)(A), by striking "each" and by striking the semicolon and inserting a comma; and

(10) by striking paragraphs (5) and (6).

PART III—RESTRICTIONS ON DIVESTITURE OF ASSETS AND ESTATE RECOVERY

SEC. 5111. TRANSFER OF ASSETS.

(a) PERIOD OF INELIGIBILITY.—

(1) EXTENDING LOOK-BACK PERIOD TO 36 MONTHS.—Section 1917(c)(1) (42 U.S.C. 1396p(c)(1)) is amended by striking "30-month period" and inserting "36-month period".

(2) ELIMINATING 30-MONTH LIMIT ON PERIOD OF INELIGIBILITY.—The second sentence of such section is amended by striking "equal to" and all that follows and inserting the following: "equal to—

"(A) the total uncompensated value of the resources so transferred; divided by

"(B) the average monthly cost, to a private patient at the time of the application, of nursing facility services in the State or, at State option, in the community in which the individual is institutionalized.".

(3) CUMULATIVE PERIODS OF INELIGIBILITY IN THE CASE OF MULTIPLE TRANSFERS.—Such sentence is further amended by inserting "(or, in the case of a transfer which occurs during a period of ineligibility attributable to a previous transfer, the first month after the end of all periods of ineligibility attributable to any previous transfer)" after "shall begin with the month in which such resources were transferred".

(b) CRITERIA FOR UNDUE HARDSHIP EXCEPTION.—Section 1917(c)(2)(D) (42 U.S.C. 1396p(c)(2)(D)) is amended to read as follows:

"(D) the State agency determines, under procedures established by the State (in accordance with standards specified by the Secretary) that the denial of eligibility would work an undue hardship (in accordance with criteria established by the Secretary).".

(c) TREATMENT OF JOINTLY HELD ASSETS.—Section 1917(c) (42 U.S.C. 1936p(c)) is further amended by adding at the end the following new paragraph:

"(6) For purposes of this subsection, in the case of an asset held by an individual in common with another person or persons in a joint tenancy or a similar arrangement, the asset (or the affected portion thereof) shall be considered to be transferred by such individual when any action is taken, either by such individual or by any other person, that reduces or eliminates such individual's ownership or control of such asset.".

(d) MEDICAID QUALIFYING TRUSTS.—Section 1902(k) (42 U.S.C. 1396a(k)) is amended to read as follows:

"(k) TREATMENT OF TRUST AMOUNTS.—

"(1) IN GENERAL.—For purposes of determining an individual's eligibility for or amount of benefits under a State plan under this title, subject to paragraph (4), the following rules shall apply to a trust (which term includes, for purposes of this subsection, any similar legal instrument or device, such as an annuity) established by such individual:

"(A) REVOCABLE TRUSTS.—In the case of a revocable trust—

"(i) the corpus of the trust shall be considered resources available to the individual,

"(ii) payments from the trust to or for the benefit of the individual shall be considered income of the individual, and

"(iii) any other payments from the trust shall be considered a transfer of assets by the individual subject to section 1917(c).

"(B) IRREVOCABLE TRUSTS WHICH MAY BENEFIT GRANTOR.—In the case of an irrevocable trust, if there are any circumstances under which payment from the trust could be made to or for the benefit of the individual—

"(i) the corpus of the trust (or that portion of the corpus from which, or from the increase whereof, payment to the individual could be made) shall be considered resources available to the individual, and payments from that portion of the corpus (or increase)—

"(I) to or for the benefit of the individual, shall be considered income of the individual, and

"(II) for any other purpose, shall be considered a transfer of assets by the individual subject to the provisions of section 1917(c); and

"(ii) any portion of the trust from which (or from the income whereof) no payment could under any circumstances be made to the individual shall be considered, as of the date of establishment of the trust (or, if later, the date on which payment to the individual was foreclosed), a transfer of assets by the individual subject to section 1917(c), and payments from such portion of the trust after such date shall be disregarded.

"(C) IRREVOCABLE TRUSTS WHICH CANNOT BENEFIT GRANTOR.—In the case of an irrevocable trust, if no payment may be made from the trust under any circumstances to or for the benefit of the individual—

"(i) the corpus of the trust shall be considered, as of the date of establishment of the trust (or, if later, the date on which payment to the individual was foreclosed), a transfer of assets subject to section 1917(c), and

"(ii) payments from the trust after the date specified in clause (i) shall be disregarded.

"(2) DETERMINATION OF GRANTOR.—

"(A) TREATMENT OF ACTS BY INDIVIDUAL AND OTHERS.—For purposes of this subsection, an individual shall be considered to have established a trust if—

"(i) the individual (or the individual's spouse), or a person (including a court or administrative body) with legal authority to act in place of or on behalf of such individual (or spouse), or any person (including any court or administrative body) acting at the direction or upon the request of such individual (or spouse), established (other than by will) such a trust, and

"(ii) assets of the individual (as defined in subparagraph (B)) were used to form all or part of the corpus of such trust.

"(B) ASSETS.—For purposes of this paragraph, assets of an individual include all income and resources of the individual and of the individual's spouse, including any income or resources which the individual (or spouse) is entitled to but does not receive because of action by the individual (or spouse), by a person (including a court or administrative body) with legal authority to act in place of or on behalf of such individual (or spouse), or by any person (including any court or administrative body) acting at the direction or upon the request of such individual (or spouse).

"(C) TRUSTS CONTAINING ASSETS OF MORE THAN ONE INDIVIDUAL.—In the case of a trust whose corpus includes assets of an individual (as determined pursuant to subparagraph (A)) and assets of any other person or persons, the provisions of this subsection shall apply to the portion of the trust attributable to the assets of the individual.

"(3) APPLICATION; RELATION TO OTHER PROVISIONS.—Subject to paragraph (4), this subsection shall apply without regard to—

"(A) the purposes for which the trust is established,

"(B) whether the trustees have or exercise any discretion under the trust,

"(C) any restrictions on when or whether distributions may be made from the trust, or

"(D) any restrictions on the use of distributions from the trust.

"(4) EXCEPTIONS AND HARDSHIP WAIVER.—

"(A) EXCEPTION FOR CERTAIN TRUSTS.—This subsection shall not apply to any of the following trusts:

"(i) A trust established for the benefit of a disabled individual (as determined under section 1614(a)(3)) by a parent, grandparent, or other representative payee of the individual.

"(ii) A trust established in a State for the benefit of an individual if—

"(I) the trust is composed only of pension, Social Security, and other income to the individual (and accumulated income in the trust),

"(II) the State will receive any amounts remaining in the trust upon the death of the individual, and

"(III) the State makes medical assistance available to individuals described in section 1902(a)(10)(A)(ii)(V), but does not make such assistance available to any group of individuals under section 1902(a)(10)(C).

"(B) SPECIAL TREATMENT OF ANNUITIES.—In this subsection, the term 'trust' includes an annuity only to such extent and in such manner as the Secretary specifies.

"(C) HARDSHIP WAIVER.—The State agency shall establish procedures (in accordance with standards specified by the Secretary) under which the agency waives the application of this subsection with respect to an individual if the individual establishes (under criteria established by the Secretary) that such application would work an undue hardship on the individual.".

(e) EFFECTIVE DATE.—(1) The amendments made by this section shall apply, except as provided in this subsection, to payments under title XIX of the Social Security Act for calendar quarters beginning on or after October 1, 1993, without regard to whether or not final regulations to carry out such amendments have been promulgated by such date.

(2) The amendments made by this section shall not apply—

(A) to medical assistance provided for services furnished before October 1, 1993,

(B) with respect to resources disposed of before May 11, 1993,

(C) with respect to trusts established before May 11, 1993, or

(D) with respect to inter-spousal transfers.

SEC. 5112. MEDICAID ESTATE RECOVERIES.

(a) REQUIRING ESTABLISHMENT OF ESTATE RECOVERY PROGRAMS.—

(1) IN GENERAL.—Section 1902(a)(51) (42 U.S.C. 1396a(a)(51)) is amended by striking "and (B)" and inserting "(B) provide for an estate recovery program that meets the requirements of section 1917(b)(1), and (C)".

(2) REQUIREMENTS FOR ESTATE RECOVERY PROGRAMS.—Section 1917(b) (42 U.S.C. 1396p(b)) is amended—

(A) in paragraph (1)—

(i) by striking "(b)(1)" and inserting "(2)", and

(ii) by striking "(a)(1)(B)" and inserting "(a)(1)(B)(i)";

(B) in paragraph (2), by striking "(2) Any adjustment or recovery under" and inserting "(3) Any adjustment or recovery under an estate recovery program under"; and

(C) by inserting before paragraph (2), as designated by subparagraph (A), the following:

"(b)(1) For purposes of section 1902(a)(51)(B), the requirements for an estate recovery program of a State are as follows:

"(A) The program provides for identifying and tracking (and, at the option of the State, preserving) resources (whether excluded or not) of individuals who are furnished any of the following long-term care services for which medical assistance is provided under this title:

"(i) Nursing facility services.

"(ii) Home and community-based services (as defined in section 1915(d)(5)(C)(i)).

"(iii) Services described in section 1905(a)(14) (relating to services in an institution for mental diseases).

"(iv) Home and community care provided under section 1929.

"(v) Community supported living arrangements services provided under section 1930.

"(B) The program provides for promptly ascertaining—

"(i) when such an individual dies;

"(ii) in the case of such an individual who was married at the time of death, when the surviving spouse dies; and

"(iii) at the option of the State, cases in which adjustment or recovery may not be made at the time of death because of the application of paragraph (3)(A) or paragraph (3)(B).

"(C)(i) The program provides for the collection consistent with paragraph (3) of an amount (not to exceed the amount described in clause (ii)) from—

"(I) the estate of the individual;

"(II) in the case of an individual described in subparagraph (B)(ii), from the estate of the surviving spouse; or

"(III) at the option of the State, in a case described in subparagraph (B)(iii), from the appropriate person.

"(ii) The amount described in this clause is the amount of medical assistance correctly paid under this title for long-term care services described in subparagraph (A) furnished on behalf of the individual.".

(b) HARDSHIP WAIVER.—Section 1917(b) (42 U.S.C. 1396p(b)) is further amended by adding at the end the following new paragraph:

"(4) The State agency shall establish procedures (in accordance with standards specified by the Secretary) under which the agency waives the application of this subsection if such application would work an undue hardship (in accordance with criteria established by the Secretary).".

(c) DEFINITION OF ESTATE.—Section 1917(b) (42 U.S.C. 1396(b)) is further amended by adding at the end the following new paragraph:

"(5) For purposes of this section, the term 'estate', with respect to a deceased individual, includes all real and personal property and other assets in which the individual had any legally cognizable title or interest at the time of his death, including such assets conveyed to a survivor, heir, or assign of the deceased individual through joint tenancy, survivorship, life estate, living trust, or other arrangement.".

(d) EFFECTIVE DATE.—

(1)(A) The amendments made by subsections (a) and (b) apply (except as provided under subparagraph (B)) to payments under title XIX of the Social Security Act for calendar quarters beginning on or after October 1, 1993, without regard to whether or not final regulations or standards to carry out such amendments have been promulgated by such date.

(B) In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order for the plan to meet the additional requirements imposed by the amendments made by subsections (a) and (b), the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

(2) The amendments made by this section shall not apply to individuals who died before October 1, 1993.

SEC. 5113. CLOSING LOOPHOLE PERMITTING WEALTHY INDIVIDUALS TO QUALIFY FOR MEDICAID.

(a) IN GENERAL.—Section 1902(r)(2) (42 U.S.C. 1396a(r)(2)) is amended by adding at the end the following:

"(C)(i) Notwithstanding subparagraph (A), except as provided in clause (ii), a State plan may not provide pursuant to this paragraph for disregarding any assets—

"(I) to the extent that payments are made under a long-term care insurance policy; or

"(II) because an individual has received (or is entitled to receive) benefits for a specified period of time under a long-term care insurance policy.

"(ii) Clause (i) shall not apply to State plan provisions that are approved as of May 14, 1993.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act.

PART IV—IMPROVEMENT IN IDENTIFICATION AND COLLECTION OF THIRD PARTY PAYMENTS

SEC. 5116. LIABILITY OF THIRD PARTIES TO PAY FOR CARE AND SERVICES.

(a) LIABILITY OF ERISA PLANS.—(1) Section 1902(a)(25)(A) (42 U.S.C. 1396a(a)(25)(A)) is amended by striking "insurers)" and inserting "insurers and group health plans (as defined in section 607(1) of the Employee Retirement Income Security Act of 1974) and including a service benefit plan and a health maintenance organization)".

(2) Section 1903(o) of such Act (42 U.S.C. 1396b(o)) is amended by striking "regulation)" and inserting "regulation and including a group health plan (as defined in section 607(1) of the Employee Retirement Income Security Act of 1974)), a service benefit plan, and a health maintenance organization".

(b) REQUIRING STATE TO PROHIBIT INSURERS FROM TAKING MEDICAID STATUS INTO ACCOUNT.—Section 1902(a)(25) (42 U.S.C. 1396a(a)(25)) is amended—

(1) by striking "and" at the end of subparagraph (F);

(2) by adding "and" at the end of subparagraph (G); and

(3) by adding after subparagraph (G) the following new subparagraph:

"(H) that the State prohibits any health insurer (including a group health plan, as defined in section 607(1) of the Employee Retirement Income Security Act of 1974, a service benefit plan, and a health maintenance organization), in enrolling an individual or in making any payments for benefits to the individual or on the individual's behalf, from taking into account that the individual is eligible for or is provided medical assistance under a State plan;".

(c) STATE RIGHT TO SUBROGATION.—Section 1902(a)(25) (42 U.S.C. 1396a(a)(25)), as amended by subsection (b), is further amended—

(1) by striking "and" at the end of subparagraph (G);

(2) by adding "and" at the end of subparagraph (H); and

(3) by adding after subparagraph (H) the following new subparagraph:

"(I) that to the extent that payment has been made under the State plan for medical assistance in any case where a third party has a legal liability to make payment for such assistance, the State is subrogated to the right of any other party to payment for such assistance;".

(d) EFFECTIVE DATE.—(1) Except as provided in paragraph (2), the amendments made by subsections (a)(1), (b), and (c) shall apply to calendar quarters beginning on or after October 1, 1993, without regard to whether or not final regulations to carry out such amendments have been promulgated by such date.

(2) In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order for the plan to meet the additional requirements imposed by the amendments made by subsections (a) and (b), the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

(3) The amendment made by subsection (a)(2) shall apply to items and services furnished on or after October 1, 1993.

SEC. 5117. HEALTH COVERAGE CLEARINGHOUSE.

(a) IN GENERAL.—The Social Security Act is amended by adding at the end the following new title:

"TITLE XXI—HEALTH COVERAGE CLEARINGHOUSE

"ESTABLISHMENT OF CLEARINGHOUSE

"SEC. 2101. (a) IN GENERAL.—The Secretary shall establish and operate a Health Coverage Clearinghouse (in this title referred to as the 'Clearinghouse') for the purpose of identifying, for beneficiaries of a covered health program (as defined in subsection (c)), third parties (which may include a covered health program) which may be liable for payment for health care items and services furnished to such beneficiaries under such program.

"(b) DIRECTOR.—The Clearinghouse shall be headed by a Director (in this title referred to as the 'Director') appointed by the Secretary.

"(c) COVERED HEALTH PROGRAM DEFINED.—In this title, the term 'covered health program' means any of the following under which payment is made for health care items or services furnished to a beneficiary:

"(1) The medicare program under title XVIII.

"(2) A State plan for medical assistance under title XIX (including a State plan operating under a Statewide waiver under section 1115).

"(3) The Indian Health Service and any program under the Indian Health Care Improvement Act.

"(4) A State program under title V that provides payment for items or services.

"(d) OTHER DEFINITIONS.—In this title:

"(1) The term 'administrator' means, with respect to the covered health program described in—

"(A) subsection (c)(1), the Administrator of the Health Care Financing Administration;

"(B) subsection (c)(2), the single State agency referred to in section 1902(a)(5);

"(C) subsection (c)(3), the Director of the Indian Health Service; and

"(D) subsection (c)(4), the State agency receiving funds under title V.

"(2) The term 'group health plan' has the meaning given such term in section 6103(l)(12)(E)(ii) of such Code.

"(3) The term 'qualified employer' has the meaning given such term in section 6103(l)(12)(E)(iii) of the Internal Revenue Code of 1986.

"PROVISION OF INFORMATION

"SEC. 2102. (a) REQUEST FOR INFORMATION.—An administrator of a covered health program may request from the Director information concerning the employment and group health coverage of a program beneficiary, the beneficiary's spouse, and (if the beneficiary is a dependent child) the beneficiary's parents. The Director shall provide such information if the request—

"(1) is in such form and manner and at such a time as the Director may require, and

"(2) specifies the name and tax identification number of the beneficiary.

"(b) DATA MATCHING PROGRAM.—

"(1) REQUEST BY DIRECTOR.—The Director shall, at such intervals as the Director finds appropriate, transmit to the Secretary of the Treasury the names and tax identification numbers of beneficiaries with respect to whom a request has been made pursuant to subsection (a), and request that such Secretary disclose to the Commissioner of Social Security the following information:

"(A) Whether the beneficiary is married and, if so, the name of the spouse and such spouse's tax identification number.

"(B) If the beneficiary is a dependent child, the name of and tax identification numbers of the beneficiary's parents.

"(2) INFORMATION FROM COMMISSIONER OF SOCIAL SECURITY.—The Secretary, acting through the Commissioner of Social Security, shall, upon written request from the Director, disclose to the Director, the following information:

"(A) For each individual who is identified as having received wages (as defined in section 3401(a) of the Internal Revenue Code of 1986) from, and as having available coverage under a group health plan of, an employer in a previous year—

"(i) the name and taxpayer identification number of the individual;

"(ii) the name, address, and taxpayer identification number of the employer, and whether such employer is a qualified employer; and

"(iii) whether the employer has made available a group health plan to the employee and the plan coverage provided (if any) with respect to the employee and family members of the employee under the group health plan.

"(B) For each individual who is identified as married and whose spouse is identified as having received wages (as defined in section 3401(a) of the Internal Revenue Code of 1986) from, and as having available coverage under a group health plan of, an employer in a previous year—

"(i) the name and taxpayer identification number of the individual and of the individual's spouse;

"(ii) the name, address, and taxpayer identification number of the spouse's employer, and whether such employer is a qualified employer; and

"(iii) whether the spouse's employer has made available a group health plan to the spouse and the plan coverage provided (if any) with respect to the spouse and family members of the spouse under the group health plan.

"(C) For each individual who is identified as a dependent child and whose parent is identified as having received wages (as defined in section 3401(a) of the Internal Revenue Code of 1986) from, and as having available coverage under a group health plan of, an employer in a previous year—

"(i) the name and taxpayer identification number of the individual and of the individual's parent;

"(ii) the name, address, and taxpayer identification number of the parent's employer, and whether such employer is a qualified employer; and

"(iii) whether the parent's employer has made available a group health plan to the parent and the plan coverage provided (if any) with respect to the parent and dependent children of the parent under the group health plan.

"(3) INFORMATION FROM EMPLOYERS.—The Director shall—

"(A) request, from the employer of each individual (including each spouse) with respect to whom information was received from the Commissioner of Social Security pursuant to paragraph (2), specific information concerning coverage of such individual (and of the individual's spouse and dependent children) under the employer's group health plan (including the period and nature of the coverage, and the name, address, and identifying number of the plan), and

"(B) furnish the information received in response to such request with respect to an individual (or such individual's spouse or dependent children) to the administrator requesting such information pursuant to subsection (a).

"REQUIREMENT THAT EMPLOYERS FURNISH INFORMATION

"SEC. 2103. (a) IN GENERAL.—An employer shall furnish to the Director the information requested pursuant to section 2102(b)(3) within 30 days after receipt of such a request.

"(b) SUNSET ON REQUIREMENT.—Subsection (a) shall not apply to inquiries made after September 30, 1998.

"(c) CIVIL MONEY PENALTY FOR FAILURE TO COOPERATE.—

"(1) IN GENERAL.—An employer (other than a Federal or other governmental entity) who willfully or repeatedly fails to provide timely and accurate response to a request for information pursuant to section 2102(b)(3) shall be subject, in addition to any other penalties that may be prescribed by law, to a civil money penalty of not to exceed $1,000 for each individual with respect to whom such a request is made.

"(2) ENFORCEMENT AUTHORITY.—In cases of failure to respond to the Director in accordance with subsection (a) to inquiries relating to requests pursuant to section 2102, the provisions of section 1128A (other than subsections (a) and (b)) shall apply to civil money penalties under paragraph (1) in the same manner as such provisions apply to penalties or proceedings under section 1128A(a).

"DATA BANK

"SEC. 2104. (a) MAINTENANCE OF INFORMATION.—The Clearinghouse shall maintain a data bank, containing information on individuals obtained pursuant to this title. Individual information in the data bank shall be retained for not less than one year after the date the information was obtained.

"(b) DISCLOSURE OF INFORMATION IN DATA BANK.—

"(1) IN GENERAL.—The Director is authorized (subject to paragraph (2)) to disclose any information in the data bank established pursuant to subsection (a) with respect to an individual (or an individual's spouse or parent)—

"(A) to the Commissioner of Social Security, the Secretary of the Treasury, administrators, employers, and insurers, to the extent necessary to assist such administrators;

"(B) to Federal and State law enforcement officials responsible for enforcement of civil or criminal laws, in connection with investigations or administrative or judicial law enforcement proceedings relating to a covered health program; and

"(C) for research or statistical purposes.

"(2) Restrictions on disclosure.—Information in the data bank may be disclosed under this subsection only for purposes of, and to the extent necessary in, determining the extent to which an individual is covered under any group health plan.

"(c) Use of Contractors.—The responsibilities of the Clearinghouse under this section may be carried out by contract.

"(d) Fees.—The Clearinghouse shall—

"(1) establish fees for services under this section designed to cover the full costs to the Clearinghouse of providing such services, and

"(2) require the payment of such fees to provide such services.".

(b) Conforming Medicare Amendments.—Section 1862(b)(5) (42 U.S.C. 1395y(b)(5)) is amended—

(1) in subparagraph (A)(i)—

(A) by striking "Secretary of the Treasury" and inserting "Director of the Health Coverage Clearinghouse",

(B) by striking "(as defined in section 6103(l)(12) of the Internal Revenue Code of 1986)" and inserting "(as defined in clause (iii))", and

(C) by striking "and request" and all that follows and inserting a period;

(2) in subparagraph (A)(ii)—

(A) by striking "the Commissioner of the Social Security Administration" and all that follows and inserting "the Director of the Health Coverage Clearinghouse to obtain and disclose to the Administrator, pursuant to section 2102(b) and to subparagraph (C) of section 6103(l)(12) of the Internal Revenue Code of 1986, the information described in section 2102(b) and subparagraph (B) of such section 6103(l)(12).", and

(B) by inserting ", pursuant to section 1144(c)," after "disclose to the Administrator"; and

(3) by striking subparagraph (C).

(c) Medicaid Use of Clearinghouse.—Section 1902(a)(25)(A) (42 U.S.C. 1396a(a)(25)(A)) is amended by inserting "(including making appropriate requests to the Director of the Health Coverage Clearinghouse under section 2102)" after "all reasonable measures".

(d) Collection of Third Party Payments Under Maternal and Child Health Block Grant Program.—Section 505(a) (42 U.S.C. 705(a)) is amended—

(1) by striking "and" at the end of paragraph (4),

(2) by striking the period at the end of paragraph (5) and inserting "; and", and

(3) by inserting after paragraph (5) the following new paragraph:

"(6) provides for an entity providing health services with assistance from the State under this title taking all reasonable steps—

"(A) to ascertain the legal liability of third parties to pay for such services, and

"(B) where such liability is found to exist, to seek reimbursement for such services.".

(e) Effective Dates.—

(1) The amendments made by subsections (a), (b), and (d) shall take effect on April 1, 1995.

(2) The amendments made by subsection (c) shall apply to allotments for years beginning with fiscal year 1994.

SEC. 5118. MEDICAL CHILD SUPPORT.

(a) State Plan Requirement.—Section 1902(a)(45) (42 U.S.C. 1396a(a)(45)) is amended by striking "owed to recipients" and inserting "and have in effect laws relating to medical child support".

(b) Medical Child Support Laws.—Section 1912 of such Act (42 U.S.C. 1396k) is amended—

(1) by adding at the end of the heading the following: "; REQUIRED LAWS RELATING TO MEDICAL CHILD SUPPORT"; and

(2) by adding at the end the following new subsection:

"(c) The laws relating to medical child support, which a State is required to have in effect under section 1902(a)(45), are as follows:

"(1) A law that prohibits an insurer from denying enrollment of a child under the health coverage of the child's parent on the ground that the child was born out of wedlock, on the ground that the child may not be claimed as a dependent on the parent's Federal income tax return, or on the ground that the child does not reside with the parent or in the insurer's service area. In this subsection, the term 'insurer' includes a group health plan, as defined in section 607(1) of the Employee Retirement Income Security Act of 1974, a health maintenance organization, and an entity offering a service benefit plan.

"(2) A law that requires an insurer, in any case in which a parent is required by court or administrative order to provide health coverage for a child and the parent is eligible for family health coverage through the insurer—

"(A) to permit such parent, upon application and without regard to any enrollment season restrictions, to enroll the parent and such child under such family coverage;

"(B) if such a parent is enrolled but fails to make application to obtain coverage of such child, to enroll such child under such family coverage upon application by the child's other parent or by the State agency administering the program under this title or part D of title IV; and

"(C) not to disenroll (or eliminate coverage of) such a child unless the insurer is provided satisfactory written evidence that—

"(i) such court or administrative order is no longer in effect, or

"(ii) the child is or will be enrolled in comparable health coverage through another insurer which will take effect not later than the effective date of such disenrollment.

"(3) A law that requires an employer doing business in the State, in the case of health coverage offered through employment with the employer and providing coverage of a child of an employee pursuant to a court or administrative order, to withhold from such employee's compensation the employee's share (if any) of premiums for health coverage (to the maximum amount permitted under section 303(b) of the Consumer Credit Protection Act) and to pay such share of premiums to the insurer.

"(4) A law that prohibits an insurer from imposing requirements upon a State agency, which is acting as an agent or subrogee of an individual eligible for medical assistance under this title and covered for health benefits from the insurer, that are different from requirements applicable to an agent or subrogee of any other individual so covered.

"(5) A law that requires an insurer, in any case in which a child has health coverage through the insurer of a noncustodial parent—

"(A) to provide such information to the custodial parent as may be necessary for the child to obtain benefits through such coverage;

"(B) to permit the custodial parent (or provider, with the custodial parent's approval) to submit claims for covered services without the approval of the noncustodial parent; and

"(C) to make payment on claims submitted in accordance with subparagraph (B) directly to the custodial parent or the provider.

"(6) A law that requires the State agency under this title to garnish the wages, salary, or other employment income of, and to withhold amounts from State tax refunds to, any person who—

"(A) is required by court or administrative order to provide coverage of the costs of health services to a child who is eligible for medical assistance under this title,

"(B) has received payment from a third party for the costs of such services to such child, but

"(C) has not used such payments to reimburse, as appropriate, either the other parent or guardian of such child or the provider of such services,

to the extent necessary to reimburse the State agency for expenditures for such costs under its plan under this title, but any claims for current or past-due child support shall take priority over any such claims for the costs of such services.".

(c) Effective Date.—(1) Except as provided in paragraph (2), the amendments made by this section apply to calendar quarters beginning on or after April 1, 1994, without regard to whether or not final regulations to carry out such amendments have been promulgated by such date.

(2) In the case of a State plan under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation in order for the plan to meet the additional requirements imposed by the amendments made by this section, the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

PART V—ASSURING PROPER PAYMENTS TO DISPROPORTIONATE SHARE HOSPITALS

SEC. 5121. ASSURING PROPER PAYMENTS TO DISPROPORTIONATE SHARE HOSPITALS.

(a) Disproportionate Share Hospitals Required to Provide Minimum Level of Services to Medicaid Patients.—Section 1923 (42 U.S.C. 1396r–4) is amended—

(1) in subsection (a)(1)(A), by striking "requirement" and inserting "requirements";

(2) in subsection (b)(1), by striking "requirement" and inserting "requirements";

(3) in the heading to subsection (d), by striking "REQUIREMENT" and inserting "REQUIREMENTS";

(4) by adding at the end of subsection (d) the following new paragraph:

"(3) No hospital may be defined or deemed as a disproportionate share hospital under a State plan under this title or under subsection (b) or (e) of this section unless the hospital has a medicaid inpatient utilization rate (as defined in subsection (b)(2)) of not less than 1 percent.";

(5) in subsection (e)(1)—

(A) by striking "and" before "(B)", and

(B) by inserting before the period at the end the following: ", and (C) the plan meets the requirement of subsection (d)(3) and such payment adjustments are made consistent with the fourth sentence of subsection (c)"; and

(6) in subsection (e)(2)—

(A) in subparagraph (A), by inserting "(other than the fourth sentence of subsection (c))" after "(c)",

(B) by striking "and" at the end of subparagraph (A),

(C) by striking the period at the end of subparagraph (B) and inserting ", and", and

(D) by adding at the end the following new subparagraph:

"(C) subsection (d)(3) shall apply.".

(b) LIMITING AMOUNT OF PAYMENT ADJUSTMENTS FOR STATE OR COUNTY HOSPITALS TO UNCOVERED COSTS.—Subsection (c) of such section is amended by adding at the end the following: "A payment adjustment during a year is not considered to be consistent with this subsection with respect to a hospital owned or operated by a State (or by an instrumentality of or a unit of government within a State) if the payment adjustment exceeds the costs of furnishing hospital services (as determined by the Secretary and net of payments under this title, other than under this section, and by uninsured patients) by the hospital to individuals who either are eligible for medical assistance under the State plan or have no health insurance (or other source of third party payment) for such services during the year. For purposes of the preceding sentence, payments made to a hospital for services provided to indigent patients made by a State or a unit of local government within a State shall not be considered to be a source of third party payment.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to payments to States under section 1903(a) of the Social Security Act for payments to hospitals made under State plans after—

(1) the end of the State fiscal year that ends during 1994, or

(2) in the case of a State with a State legislature which is not scheduled to have a regular legislative session in 1994, the end of the State fiscal year that ends during 1995;

without regard to whether or not final regulations to carry out such amendments have been promulgated by either such date.

Subchapter B—Miscellaneous Provisions

PART I—ANTI-FRAUD AND ABUSE PROVISIONS

SEC. 5131. APPLICATION OF MEDICARE RULES LIMITING CERTAIN PHYSICIAN REFERRALS.

(a) IN GENERAL.—Section 1903(i) (42 U.S.C. 1396b(i)), as amended by section 5174(b), is amended—

(A) in paragraph (12), by striking or at the end,

(B) in paragraph (13), by striking the period at the end and inserting "; or", and

(C) by inserting after paragraph (13) the following new paragraph:

"(14) with respect to any amount expended for an item or service for which payment would be denied under section 1877(g)(1) if the item or service were furnished to an individual entitled to benefits under title XVIII.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to items and services furnished on or after October 1, 1993.

SEC. 5132. INTERMEDIATE SANCTIONS FOR KICKBACK VIOLATIONS.

(a) PENALTY FOR KICKBACKS.—Section 1128A(a) (42 U.S.C. 1320a–7a(a)) is amended—

(1) by striking "or" at the end of paragraphs (1) and (2);

(2) by adding "or" at the end of paragraph (3);

(3) by inserting after paragraph (3) the following new paragraph:

"(4) carries out any activity in violation of paragraph (1) or (2) of section 1128B(b);";

(4) by striking "given)." at the end of the first sentence and inserting "given or, in cases under paragraph (4), $50,000 for each such violation).";

(5) in the second sentence, by inserting "in cases under paragraphs (1), (2), and (3)," after "In addition,"; and

(6) by inserting after the second sentence, the following new sentence: "In cases under paragraph (4), such a person shall be subject to an assessment of not more than twice the total amount of the remuneration offered, paid, solicited, or received in violation of section 1128B(b), determined without regard to whether a portion of such remuneration was offered, paid, solicited, or received for a lawful purpose.".

(b) AUTHORIZATION TO ACT.—The first sentence of section 1128A(c)(1) (42 U.S.C. 1320a–7a(c)(1)) is amended by striking all that follows "(b)" and inserting the following: "unless, within one year after the date the Secretary presents a case to the Attorney General for consideration, the Attorney General brings an action in a district court of the United States.".

(c) EFFECTIVE DATES.—

(1) The amendments made by subsection (a) shall apply to remuneration offered, paid, solicited, or received before, on, or after the date of the enactment of this Act.

(2) The amendment made by subsection (b) shall apply to cases presented by the Secretary of Health and Human Services for consideration on or after the date of the enactment of this Act.

SEC. 5133. REQUIRING MAINTENANCE OF EFFORT FOR STATE MEDICAID FRAUD CONTROL UNITS.

(a) IN GENERAL.—Section 1902(a)(49) (42 U.S.C. 1396a(a)(49)) is amended—

(1) by inserting "(A)" after "(49)", and

(2) by adding at the end the following new subparagraph:

"(B) provide that the State will expend for its medicaid fraud and abuse control unit (as defined in section 1903(q)), for each State fiscal year, an amount that is not less than the amount expended for such unit in the State fiscal year that ended in 1992 adjusted to reflect the percentage increase in total expenditures under the State plan between such State fiscal year and the State fiscal year involved;".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to State fiscal years ending after 1993.

PART II—MANAGED CARE PROVISIONS

SEC. 5135. MEDICAID MANAGED CARE ANTI-FRAUD PROVISIONS.

(a) PROHIBITING AFFILIATIONS WITH INDIVIDUALS DEBARRED BY FEDERAL AGENCIES.—

(1) IN GENERAL.—Section 1903(m) (42 U.S.C. 1396b(m)) is amended—

(A) in paragraph (2)(A)—

(i) by striking "and" at the end of clause (x),

(ii) by striking the period at the end of clause (xi) and inserting "; and", and

(iii) by adding at the end the following new clause:

"(xii) the entity complies with the requirements of paragraph (3) (relating to certain protections against fraud and abuse).";

(B) in paragraph (2)(B), as amended by section 5158(b), by striking "clause (ix)" and inserting "clauses (ix) and (xii)"; and

(C) by inserting after paragraph (2) the following new paragraph:

"(3)(A)(i) A health maintenance organization may not have a person described in clause (iv) as a director, officer, partner, or person with beneficial ownership of more than 5 percent of organization's equity.

"(ii) A health maintenance organization may not have an employment, consulting, or other agreement with a person described in clause (iv) for the provision of goods and services that are significant and material to the organization's obligations under its contract with the State described in paragraph (2)(A)(iii).

"(iii) If a health maintenance organization is not in compliance with clause (i) or clause (ii)—

"(I) a State may continue an existing agreement with the organization unless the Secretary (in consultation with the Inspector General of the Department of Health and Human Services) directs otherwise; and

"(II) a State may not renew or otherwise extend the duration of an existing agreement with the organization unless the Secretary (in consultation with the Inspector General of the Department of Health and Human Services) provides a written statement describing compelling reasons that exist for renewing or extending the agreement.

"(iv) A person described in this clause is a person that—

"(I) is debarred or suspended by the Federal Government, pursuant to the Federal acquisition regulation, from Government contracting and subcontracting, or

"(II) is an affiliate (within the meaning of the Federal acquisition regulation) of a person described in subclause (I).".

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall apply to agreements between a State and an entity under section 1903(m) of the Social Security Act entered into or renewed on or after October 1, 1993, without regard to whether regulations to carry out such amendments are promulgated by such date.

(b) REQUIREMENT FOR STATE CONFLICT-OF-INTEREST SAFEGUARDS IN MEDICAID RISK CONTRACTING.—

(1) IN GENERAL.—Section 1903(m)(2)(A) (42 U.S.C. 1396b(m)(2)(A)), as amended by subsection (a)(1)(C), is amended—

(A) by striking "and" at the end of clause (xi),

(B) by striking the period at the end of clause (xii) and inserting "; and", and

(C) by adding at the end the following new clause:

"(xiii) the State certifies to the Secretary that it has in effect conflict-of-interest safeguards with respect to officers and employees of the State with responsibility with respect to contracts with organizations under this subsection that are at least as effective as the Federal safeguards, provided under section 27 of the Office of Federal Procurement Policy Act (41 U.S.C. 423), against conflicts of interest that apply with respect to Federal procurement officials with comparable responsibilities with respect to such contracts.".

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall apply as of July 1, 1994, without regard to whether regulations to carry out such amendments are promulgated by such date.

(c) REQUIRING DISCLOSURE OF FINANCIAL INFORMATION.—

(1) IN GENERAL.—Section 1903(m)(3), as inserted by subsection (a)(1)(C), is amended by adding at the end the following new subparagraph:

"(B) The contract between the State and an entity referred to in paragraph (2)(A)(iii) shall provide that—

"(i) the entity agrees to report to the State such financial information as the Secretary or the State may require to demonstrate that the entity has a fiscally sound operation; and

"(ii) the entity agrees to make available to its enrollees upon reasonable request—

"(I) the information reported under paragraph (1),

"(II) the information required to be disclosed under sections 1124 and 1126, and

"(III) a description of each transaction, described in subparagraphs (A) through (C) of section 1318(a)(3) of the Public Health Service Act, between the entity and a party in interest (as defined in section 1318(b) of such Act).".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to contract years beginning on or after October 1, 1993, without regard to whether regulations to carry out such amendments are promulgated by such date, with respect to information reported or required to be disclosed, or transactions occurring, before, on, or after such date.

(d) PROHIBITING MARKETING FRAUD.—

(1) IN GENERAL.—Section 1903(m)(3), as inserted by subsection (a)(1) and as amended by subsection (c)(1), is amended by adding at the end the following new subparagraph:

"(C) The contract between the State and an entity referred to in paragraph (2)(A)(iii) shall provide that the entity agrees to comply with such procedures and conditions as the Secretary prescribes in order to ensure that, before an individual is enrolled with the entity, the individual is provided accurate and sufficient information to make an informed decision whether or not to enroll.".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to contract years that begin on or after October 1, 1993, without regard to whether regulations to carry out such amendment are promulgated by such date.

(e) REQUIRING ADEQUATE EQUITY FOR FOR-PROFIT ENTITIES.—

(1) IN GENERAL.—Section 1903(m)(3), as previously amended by this section, is further amended by adding at the end the following new subparagraph:

"(D)(i) The contract between the State and an entity referred to in paragraph (2)(A)(iii) shall require, in the case of a for-profit entity, that the entity shall maintain an average ratio of—

"(I) equity capital to

"(II) payments made by the State to the entity under the contract on a capitation basis or any other risk basis,

of not less than such minimum ratio as the Secretary shall specify.

"(ii) The contract between the State and a non-profit entity referred to in paragraph (2)(A)(iii) shall require that no payment shall be made directly or indirectly under an agreement between the non-profit entity and a related for-profit entity (as defined by the Secretary) unless the for-profit entity maintains an average ratio of equity capital to payments under such agreement of not less than such ratio as the Secretary shall specify.".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to contract years beginning on or after July 1, 1994, without regard to whether regulations to carry out such amendment are promulgated by such date.

(f) REQUIRING ADEQUATE PROVISION AGAINST RISK OF INSOLVENCY.—

(1) IN GENERAL.—Section 1903(m)(1)(A)(ii) (42 U.S.C. 1396b(m)(1)(A)(ii)) is amended by inserting ", which meets such standards as the Secretary shall prescribe" after "satisfactory to the State".

(2) EFFECTIVE DATE AND TRANSITION.—(A) The amendment made by paragraph (1) shall apply to contract years beginning on or after July 1, 1994, without regard to whether regulations to carry out such amendments are promulgated by such date.

(B) If the Secretary of Health and Human Services has not promulgated standards to carry out the amendment made by paragraph (1) by July 1, 1994, until such standards have been promulgated a provision of a health maintenance organization against the risk of insolvency shall not be considered to meet standards prescribed by the Secretary, for purposes of section 1903(m)(1)(A)(ii) of the Social Security Act, unless such provision has been found satisfactory by the Secretary under section 1876(b)(2)(E) of such Act.

(g) REQUIRING REPORT ON NET EARNINGS AND ADDITIONAL BENEFITS.—

(1) IN GENERAL.—Section 1903(m)(3), as previously amended by this section, is amended by adding at the end the following new subparagraph:

"(E) The contract between the State and an entity referred to in paragraph (2)(A)(iii) shall provide that the entity shall submit a report to the State and the Secretary not later than 12 months after the close of a contract year containing—

"(i) a financial statement of the entity's net earnings under the contract during the contract year, which statement has been audited using auditing standards established by the Secretary in consultation with the States; and

"(ii) a description of any benefits that are in addition to the benefits required to be provided under the contract that were provided during the contract year to members enrolled with the entity and entitled to medical assistance under the plan.".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to contract years beginning on or after October 1, 1993, without regard to whether regulations to carry out such amendments are promulgated by such date.

(h) REPORT ON NET EARNINGS OF CONTRACTORS.—Not later than 6 months after the date of the enactment of this Act, the Secretary of Health and Human Services shall submit a report to Congress on the earnings of organizations with contracts to receive payment for providing medical assistance under title XIX of the Social Security Act on a prepaid capitation or any other risk basis. The report shall include the Secretary's recommendations on options for requiring such organizations, as a condition of participation under such title, to dedicate a portion of such earnings to the provision of additional benefits to individuals enrolled with the organization.

SEC. 5136. CLARIFICATION OF TREATMENT OF HMO ENROLLEES IN COMPUTING THE MEDICAID INPATIENT UTILIZATION RATE IN QUALIFYING HOSPITALS AS DISPROPORTIONATE SHARE HOSPITALS.

(a) IN GENERAL.—Section 1923(b)(2) (42 U.S.C. 1396r–4(b)(2)) is amended by inserting before the period at the end the following: "and whether or not the individual is enrolled with an entity contracting with the State on a prepaid capitation basis or other risk basis under section 1903(m)".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to payments to States under section 1903(a) of the Social Security Act for payments to hospitals made under State plans on and after the first day of the first calendar quarter beginning after the date of the enactment of this Act.

SEC. 5137. EXTENSION OF PERIOD OF APPLICABILITY OF ENROLLMENT MIX REQUIREMENT TO CERTAIN HEALTH MAINTENANCE ORGANIZATIONS PROVIDING SERVICES UNDER DAYTON AREA HEALTH PLAN.

Section 2 of Public Law 102–276 is amended by striking "January 31, 1994" and inserting "December 31, 1995".

SEC. 5138. EXTENSION OF MEDICAID WAIVER FOR TENNESSEE PRIMARY CARE NETWORK.

Section 6411(f) of the Omnibus Budget Reconciliation Act of 1989, as amended by section 1 of Public Law 102–317, is amended by striking "January 31, 1994" and inserting "December 31, 1995".

SEC. 5139. WAIVER OF APPLICATION OF MEDICAID ENROLLMENT MIX REQUIREMENT TO DISTRICT OF COLUMBIA CHARTERED HEALTH PLAN, INC.

(a) IN GENERAL.—The Secretary of Health and Human Services shall waive the application of the requirement described in section 1903(m)(2)(A)(ii) of the Social Security Act to the entity known as the District of Columbia Chartered Health Plan, Inc., for the period described in subsection (b), if the Secretary determines that the entity is making continuous efforts and progress toward achieving compliance with such requirement.

(b) PERIOD OF APPLICABILITY.—The period referred to in subsection (a) is the period that begins on October 1, 1992, and ends on December 31, 1995.

SEC. 5140. EXTENSION OF MINNESOTA PREPAID MEDICAID DEMONSTRATION PROJECT.

(a) IN GENERAL.—Section 507 of the Family Support Act of 1988, as amended by section 6411(j) of OBRA–1989 and by section 4733 of OBRA–1990, is amended by striking "1996" and inserting "1998".

(b) AUTHORITY TO IMPOSE PREMIUM.—

(1) IN GENERAL.—Notwithstanding section 1916 of the Social Security Act and subject to paragraph (2), the State of Minnesota may impose a premium on individuals receiving medical assistance under the Minnesota Prepaid Demonstration Project operated under a waiver granted by the Secretary of Health and Human Services under section 1115(a) of the Social Security Act and other individuals eligible under the State's plan for medical assistance under title XIX of such Act.

(2) LIMITATION ON AMOUNT OF PREMIUM.—In no case may the amount of any premium imposed on an individual receiving medical assistance under the State plan or under the Demonstration Project described in paragraph (1) exceed 10 percent of the amount by which the family income (less expenses for the care of a dependent child) of the individual exceeds 110 percent of the income official poverty line (as defined by the Office of Management and Budget), and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981) applicable to a family of the size involved.

PART III—EMERGENCY SERVICES TO UNDOCUMENTED ALIENS

SEC. 5141. INCREASE IN FEDERAL FINANCIAL PARTICIPATION FOR EMERGENCY MEDICAL ASSISTANCE TO UNDOCUMENTED ALIENS.

(a) IN GENERAL.—Section 1905(b) (42 U.S.C. 1396d(b)) is amended by adding at the end the following: "Notwithstanding the first sentence of this section, subject to 1903(v)(4), the Federal medical assistance percentage shall be 100 per centum with respect to amounts expended by an eligible State in a covered fiscal year (as defined in section 1903(v)(4)(C)) as medical assistance for care and services described in section 1903(v)(2) to aliens described in section 1903(v)(1).".

(b) LIMITATION.—Section 1903(v) (42 U.S.C. 1396b(v)) is amended by adding at the end the following new paragraphs:

"(4)(A) With respect to any eligible State (as defined in subparagraph (C)(i)), the amount of the increase in payments to a State under subsection (a) in a covered fiscal year (as defined in subparagraph (C)(ii)), resulting from the increase in the Federal medical assistance percentage under the fourth sentence of section 1905(b), shall not exceed the State's allotment determined under subparagraph (B).

"(B)(i) The total of the allotments to all States for a covered fiscal year under this paragraph shall be $300,000,000.

"(ii) From the total allotment under clause (i) for a covered fiscal year, the Secretary shall determine the amount of the allotment for each eligible State. Subject to clause (iii), the amount of such allotment for such a fiscal year shall bear the same ratio to the total amount specified in clause (i) for the fiscal year as the ratio of—

"(I) the allotment to the State for fiscal year 1993 under section 204 of the Immigration Reform and Control Act of 1986, to

"(II) the total of such allotments for all such eligible States for fiscal year 1993.

"(iii) In the case of an eligible State which notifies the Secretary that an amount of its allotment will not be used by the State under this paragraph, the State's allotment shall be reduced by such amount and such amount shall be redistributed among the other eligible States in proportion to the amount otherwise allotted to such State under clause (ii).

"(C) For purposes of this paragraph and the fourth sentence of section 1905(b):

"(i) The term 'eligible State' means a State—

"(I) with a plan approved under this title (including a State which is providing medical assistance to its residents under a statewide waiver granted under section 1115), and

"(II) for which its allotment for fiscal year 1993 under section 204 of the Immigration Reform and Control Act of 1986 is at least 1 percent of the total of such allotments for all the States for fiscal year 1993.

"(ii) The term 'covered fiscal year' means only fiscal year 1994.

"(D) Nothing in this paragraph or the fourth sentence of section 1905(b) shall be construed as establishing entitlement authority (within the meaning of section 3(9) of the Congressional Budget Act of 1974) for any fiscal year other than a covered fiscal year.".

SEC. 5142. LIMITING FEDERAL MEDICAID MATCHING PAYMENT TO BONA FIDE EMERGENCY SERVICES FOR UNDOCUMENTED ALIENS.

(a) IN GENERAL.—Section 1903(v)(2) (42 U.S.C. 1396b(v)(2)) is amended—

(1) by striking "and" at the end of subparagraph (A),

(2) by striking the period at the end of subparagraph (B) and inserting ", and", and

(3) by adding at the end the following new subparagraph:

"(C) such care and services are not related to an organ transplant procedure.".

(b) EFFECTIVE DATE.—(1) Subject to paragraph (2), the amendments made by subsection (a) shall apply as if included in the enactment of OBRA–1986.

(2) The Secretary of Health and Human Services shall not disallow expenditures made for the care and services described in section 1903(v)(2)(C) of the Social Security Act, as added by subsection (a), furnished before the date of the enactment of this Act.

PART IV—MISCELLANEOUS PROVISIONS

SEC. 5144. INCREASE IN LIMIT ON FEDERAL MEDICAID MATCHING PAYMENTS TO PUERTO RICO AND OTHER TERRITORIES.

(a) IN GENERAL.—Paragraphs (1) through (5) of section 1108(c) (42 U.S.C. 1308(c)) are amended to read as follows:

"(1) Puerto Rico shall not exceed (A) $104,000,000 for fiscal year 1994 and (B) for each succeeding fiscal year the amount provided in this paragraph for the preceding fiscal year increased by the percentage increase in the medical care component of the consumer price index for all urban consumers (as published by the Bureau of Labor Statistics) for the twelve-month period ending in March preceding the beginning of the fiscal year, rounded to the nearest $100,000;

"(2) the Virgin Islands shall not exceed (A) $3,425,000 for fiscal year 1994, and (B) for each succeeding fiscal year the amount provided in this paragraph for the preceding fiscal year increased by the percentage increase referred to in paragraph (1)(B), rounded to the nearest $10,000;

"(3) Guam shall not exceed (A) $3,290,000 for fiscal year 1994, and (B) for each succeeding fiscal year the amount provided in this paragraph for the preceding fiscal year increased by the percentage increase referred to in paragraph (1)(B), rounded to the nearest $10,000;

"(4) Northern Mariana Islands shall not exceed (A) $990,000 for fiscal year 1994, and (B) for each succeeding fiscal year the amount provided in this paragraph for the preceding fiscal year increased by the percentage increase referred to in paragraph (1)(B), rounded to the nearest $10,000; and

"(5) American Samoa shall not exceed (A) $1,910,000 for fiscal year 1994, and (B) for each succeeding fiscal year the amount provided in this paragraph for the preceding fiscal year increased by the percentage increase referred to in paragraph (1)(B), rounded to the nearest $10,000.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply beginning with fiscal year 1994.

SEC. 5145. CRITERIA FOR MAKING DETERMINATIONS OF DENIAL OF FEDERAL MEDICAID MATCHING PAYMENTS TO STATES.

(a) IN GENERAL.—Section 1903 (42 U.S.C. 1396b) is amended by adding at the end the following new subsection:

"(x)(1) In any case in which the Secretary proposes to disallow under section 1116(d) a claim by a State under this section and the State exercises its right of reconsideration under section 1116(d), the Departmental Appeals Board established in the Department of Health and Human Services shall, if such Board upholds the basis for the disallowance, determine whether the amount of the disallowance should be reduced. In making this determination, the Board shall take into account (to the extent the State makes a showing) factors which shall include—

"(A) the nature of the basis for the disallowance;

"(B) whether the amount of the disallowance is proportionate to the error or deficiency on which the disallowance is based;

"(C) whether the basis of the disallowance constitutes noncompliance that prevented or materially affected the provision of appropriate services to individuals eligible under this title; or

"(D) whether Federal guidance with respect to the action that is the basis for the proposed disallowance was insufficient and the State made good faith efforts to conform its action to the intent of the applicable Federal statute or regulation.

"(2) No disallowance shall be taken or upheld if the action of the State on which the disallowance would be based is consistent with its approved State plan.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to disallowances made after the date of the enactment of this Act and shall take effect without regard to the promulgation of implementing regulations.

SEC. 5146. RENEWAL OF UNFUNDED DEMONSTRATION PROJECT FOR LOW-INCOME PREGNANT WOMEN AND CHILDREN.

(a) IN GENERAL.—Section 6407 of OBRA–89 is amended—

(1) in subsection (d), by striking "3 years" and inserting "5 years";

(2) in subsection (f), by striking "$10,000,000 in each of fiscal years 1990, 1991, and 1992" and inserting "$30,000,000"; and

(3) in subsection (g)(2), by striking "January 1, 1994" and inserting "one year after the termination of the demonstration projects".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect as if included in the enactment of OBRA–89.

SEC. 5147. OPTIONAL MEDICAID COVERAGE OF TB-RELATED SERVICES FOR CERTAIN TB-INFECTED INDIVIDUALS.

(a) COVERAGE AS OPTIONAL, CATEGORICALLY NEEDY GROUP.—Section 1902(a)(10)(A)(ii) (42 U.S.C. 1396a(a)(10)(A)(ii)) is amended—

(1) by striking "or" at the end of subclause (X),

(2) by adding "or" at the end of subclause (XI), and

(3) by adding at the end the following new subclause:

"(XII) who are described in subsection (z)(1) (relating to certain TB-infected individuals);".

(b) GROUP AND BENEFIT DESCRIBED.—Section 1902 is amended by adding at the end the following new subsection:

"(z)(1) Individuals described in this paragraph are individuals not described in subsection (a)(10)(A)(i)—

"(A) who have tested positively to be infected with tuberculosis;

"(B) whose income (as determined under the State plan under this title with respect to disabled individuals) does not exceed the maximum amount of income a disabled individual described in subsection (a)(10)(A)(i) may have and obtain medical assistance under the plan; and

"(C) whose resources (as determined under the State plan under this title with respect to disabled individuals) do not exceed the maximum amount of resources a disabled individual described in subsection (a)(10)(A)(i) may have and obtain medical assistance under the plan.

"(2) For purposes of subsection (a)(10), the term 'TB-related services' means each of the following services relating to treatment of infection with tuberculosis:

"(A) Prescribed drugs.

"(B) Physicians' services and services described in section 1905(a)(2).

"(C) Laboratory and X-ray services.

"(D) Clinic services and Federally-qualified health center services.

"(E) Case management services (as defined in section 1915(g)(2)).

"(F) Services (other than room and board) designed to encourage completion of regimens of prescribed drugs by outpatients, including services to observe directly the intake of prescribed drugs.".

(c) Limitation on Benefits.—Section 1902(a)(10), as amended by section 5162(a), is amended, in the matter following subparagraph (F)—

(1) by striking ", and (XII)" and inserting ", (XII)", and

(2) by inserting before the semicolon at the end the following: ", and (XIII) the medical assistance made available to an individual described in subsection (z)(1) who is eligible for medical assistance only because of subparagraph (A)(ii)(XII) shall be limited to medical assistance for TB-related services (as defined in subsection (z)(2))".

(d) Conforming Expansion of Case Management Services Option.—Section 1915(g)(1) (42 U.S.C. 1396n(g)(1)) is amended by inserting "or to individuals described in section 1902(z)(1)(A)," after "or with either,".

(e) Conforming Amendment.—Section 1905(a) (42 U.S.C. 1396d(a)) is amended—

(1) by striking "or" at the end of clause (ix),

(2) by adding "or" at the end of clause (x),

(3) by inserting after clause (x) the following new clause:

"(xi) individuals described in section 1902(z)(1),", and

(4) by amending paragraph (19) to read as follows:

"(19) case management services (as defined in section 1915(g)(2)) and TB-related services described in section 1902(z)(2)(F);".

(f) Effective Date.—The amendments made by this section shall apply to medical assistance furnished on or after January 1, 1994, without regard to whether or not final regulations to carry out such amendments have been promulgated by such date.

SEC. 5148. APPLICATION OF MAMMOGRAPHY CERTIFICATION REQUIREMENTS UNDER THE MEDICAID PROGRAM.

(a) In General.—Section 1902(a)(9) (42 U.S.C. 1396a(a)(9)) is amended—

(1) by striking "and" at the end of subparagraph (B),

(2) by striking the semicolon at the end of subparagraph (C) and inserting ", and", and

(3) by adding at the end the following new subparagraph:

"(D) that any mammography paid for under such plan must be conducted by a facility that has a certificate (or provisional certificate) issued under section 354 of the Public Health Service Act;".

(b) Effective Date.—(1) Except as provided in paragraph (2), the amendments made by subsection (a) shall apply to mammography furnished by a facility during calendar quarters beginning on or after the first date that the certificate requirements of section 354(b) of the Public Health Service Act apply to such mammography conducted by such facility, without regard to whether or not final regulations to carry out such amendments have been promulgated by such date.

(2) In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order for the plan to meet the additional requirement imposed by the amendment made by subsection (a)(3), the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet this additional requirement before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

SEC. 5149. REMOVAL OF SUNSET ON EXTENSION OF ELIGIBILITY FOR WORKING FAMILIES.

Subsection (f) of section 1925 (42 U.S.C. 1396r-6) is repealed.

SEC. 5150. EXTENSION OF MORATORIUM ON TREATMENT OF CERTAIN FACILITIES AS INSTITUTIONS FOR MENTAL DISEASES.

Effective as if included in the enactment of OBRA-1989, section 6408(a)(3) of such Act is amended by striking "180 days" and all that follows and inserting "December 31, 1995.".

SEC. 5150A. TREATMENT OF CERTAIN CLINICS AS FEDERALLY-QUALIFIED HEALTH CENTERS.

(a) In General.—Section 1905(l)(2)(B) (42 U.S.C. 1396d(l)(2)(B)), as amended by section 5158(c), is amended—

(1) by striking "or" at the end of clause (ii)(II),

(2) by adding "or" at the end of clause (iii), and

(3) by inserting after clause (iii) the following new clause:

"(iv) was treated by the Secretary, for purposes of part B of title XVIII, as a comprehensive Federally funded health center as of January 1, 1990;".

(b) Effective Date.—The amendments made by subsection (a) shall apply to calendar quarters beginning on or after July 1, 1993.

SEC. 5150B. NURSING HOME REFORM.

(a) Suspension of Decertification of Nurse Aide Training and Competency Evaluation Programs Based on Extended Surveys.—

(1) In general.—Section 1919(f)(2)(B)(iii)(I)(b) (42 U.S.C. 1396r(f)(2)(B)(iii)(I)(b)) is amended by striking the semicolon and inserting the following: ", unless the survey shows that the facility is in compliance with the requirements of subsections (b), (c), and (d) of this section;".

(2) Effective date.—The amendment made by paragraph (1) shall take effect as included in the enactment of OBRA-1990.

(b) Requirements for Consultants Conducting Reviews of use of Drugs.—

(1) In general.—Section 1919(c)(1)(D) (42 U.S.C. 1396r(c)(1)(D)) is amended by adding at the end the following sentence: "In determining whether such a consultant is qualified to conduct reviews under the previous sentence, the Secretary shall take into account the needs of nursing facilities under this title to have access to the services of such a consultant on a timely basis.".

(2) Effective date.—The amendment made by paragraph (1) shall take effect as included in the enactment of OBRA-1987.

(c) Increase in Minimum Amount Required for Separate Deposit of Personal Funds.—

(1) In general.—Section 1919(c)(6)(B)(i) (42 U.S.C. 1396r(c)(6)(B)(i)) is amended by striking "$50" and inserting "$100".

(2) Effective date.—The amendment made by paragraph (1) shall take effect October 1, 1993.

(d) Due Process Protections for Nurse Aides.—

(1) Prohibiting state from including undocumented allegations in nurse aide registry.—Section 1919(e)(2)(B) (42 U.S.C. 1396r(e)(2)(B)) is amended by striking the period at the end of the first sentence and inserting the following: ", but shall not include any allegations of resident abuse or neglect or misappropriation of resident property that are not specifically documented by the State under such subsection.".

(2) Due process requirements for rebutting allegations.—Section 1919(g)(1)(C) (42 U.S.C. 1396r(g)(1)(C)) is amended by striking the second sentence and inserting the following: "The State shall, after providing the individual involved with a written notice of the allegations (including a statement of the availability of a hearing for the individual to rebut the allegations) and the opportunity for a hearing on the record, make a written finding as to the accuracy of the allegations.".

(3) Effective date.—The amendments made by this subsection shall take effect October 1, 1993.

Subchapter C—Miscellaneous and Technical Corrections Relating to OBRA-1990

SEC. 5151. EFFECTIVE DATE.

Except as otherwise provided, the amendments made by this subchapter shall take effect as if included in the enactment of OBRA-1990.

SEC. 5152. CORRECTIONS RELATING TO SECTION 4402 (ENROLLMENT UNDER GROUP HEALTH PLANS).

Section 4402(b) of OBRA-1990 is amended by striking "1903(u)(1)(C)(iv) (42 U.S.C. 1396b(u)(1)(C)(iv))" and inserting "1903(u)(1)(D)(iv) (42 U.S.C. 1396b(u)(1)(D)(iv))".

SEC. 5153. CORRECTIONS RELATING TO SECTION 4501 (LOW-INCOME MEDICARE BENEFICIARIES).

(a) Section 1902(a)(10)(E)(iii), as added by section 4501(b)(3) of OBRA-1990, is amended by striking "cost sharing" and inserting "cost-sharing".

(b) Section 1905(p)(4)(B), as amended by section 4501(c)(1) of OBRA-1990, is amended by striking "1902(a)(10)(E)(iii)" and inserting "section 1902(a)(10)(E)(iii)".

SEC. 5154. CORRECTIONS RELATING TO SECTION 4601 (CHILD HEALTH).

(a) Section 1902(a)(10)(A)(i)(VII), as added by section 4601(a)(10)(A)(iii) of OBRA-1990, is amended by striking "family;" and inserting "family; and".

(b) Section 1902(l), as amended by section 4601(a)(1)(C) of OBRA-1990, is amended—

(1) in paragraph (1)(C), by striking "children" after "(C)";

(2) in paragraph (3), by striking "(a)(10)(A)(i)(VII),," and inserting "(a)(10)(A)(i)(VII),"; and

(3) in paragraph (4)(B), by inserting a comma before "(a)(10)(A)(i)(VI),".

(c) Subsections (a)(3)(C) and (b)(3)(C)(i) of section 1925, as amended by section 4601(a) of OBRA-1990, are each amended by striking "(i)(VI)" and inserting "(i)(VI),".

SEC. 5155. CORRECTIONS RELATING TO SECTION 4602 (OUTREACH LOCATIONS).

(a) Section 1902(a)(55), as added by section 4602(a)(3) of OBRA-1990, is amended—

(1) in the matter preceding subparagraph (A)—

(A) by striking "subsection" and inserting "paragraph", and

(B) by striking "(a)" each place it appears; and

(2) in subparagraph (A), by striking "1905(1)(2)(B)" and inserting "1905(l)(2)(B)".

(b) Section 1902(l)(1) is amended by striking "who are not described in any of subclauses (I) through (III) of subsection (a)(10)(A)(i) and".

SEC. 5156. CORRECTIONS RELATING TO SECTION 4604 (PAYMENT FOR HOSPITAL SERVICES FOR CHILDREN UNDER 6 YEARS OF AGE).

(a) Section 1902(a)(10) is amended in clause (X) in the matter following subparagraph (F) by striking "under one year of age" and inserting "under 6 years of age".

(b) Section 1902(s), as added by section 4604(a) of OBRA–1990, is amended to read as follows:

"(s) In order to meet the requirements of subsection (a)(56), the State plan must provide that payments to hospitals under the plan for inpatient services furnished to infants who have not attained the age of 1 year (or, in the case of such an individual who is an inpatient on his first birthday, until such individual is discharged) shall—

"(1) if made on a prospective basis (whether per diem, per case, or otherwise) provide for an outlier adjustment in payment amounts for medically necessary inpatient hospital services involving exceptionally high costs or exceptionally long lengths of stay;

"(2) not be limited by the imposition of day limits; and

"(3) not be limited by the imposition of dollar limits (other than dollar limits resulting from prospective payments as adjusted pursuant to paragraph (1)).".

(c) Section 1923(a)(2)(C) is amended by striking "provided on or after July 1, 1989," and all that follows and inserting the following: "involving exceptionally high costs or exceptionally long lengths of stay—

"(i) for individuals under 1 year of age, in the case of services provided on or after July 1, 1989, and on or before June 30, 1991; and

"(ii) for individuals under 6 years of age, in the case of services provided on or after July 1, 1991.".

SEC. 5157. CORRECTIONS RELATING TO SECTION 4703 (PAYMENT ADJUSTMENTS FOR DISPROPORTIONATE SHARE HOSPITALS).

(a) Section 1923(c) is amended—

(1) in paragraph (2), by striking "paragraph (b)(3)" and inserting "subsection (b)(3)";

(2) by striking the period at the end of paragraph (3)(B) and inserting a comma; and

(3) in the third sentence, by striking "the payment adjustment described in paragraph (2)" and inserting "a payment adjustment described in paragraph (2) or (3)".

(b) Effective December 22, 1987, section 1923(d)(2)(A)(ii) is amended by striking "the date of the enactment of this Act" and inserting "December 22, 1987".

(c) Section 4703(d) of OBRA–1990 is amended by striking "412(a)(2)" and inserting "4112(a)(2)".

SEC. 5158. CORRECTIONS RELATING TO SECTION 4704 (FEDERALLY-QUALIFIED HEALTH CENTERS).

(a) Clause (ix) of section 1903(m)(2)(A), as added by section 4704(b)(1)(C) of OBRA–1990, is amended—

(1) by striking "of such center" the first place it appears;

(2) by striking "federally qualified" and inserting "Federally-qualified";

(3) by inserting "section" before "1905(a)(2)(C)"; and

(4) by moving such clause 2 ems to the left.

(b) Section 1903(m)(2)(B), as amended by section 4704(b)(2) of OBRA–1990, is amended by striking "except with respect to clause (ix) of subparagraph (A)," and inserting "(except with respect to clause (ix) of such subparagraph)".

(c) Section 1905(l)(2), as amended by section 4704(c) of OBRA–1990, is amended—

(1) in subparagraph (A)—

(A) by striking "Federally-qualififed" and inserting "Federally-qualified", and

(B) by striking "an patient" and inserting "a patient"; and

(2) in subparagraph (B)—

(A) in the matter preceding clause (i), by striking "a entity" and inserting "an entity",

(B) by striking "or" at the end of clause (i),

(C) by striking the semicolon at the end of clause (ii)(II) and inserting ", or",

(D) by moving clause (ii) 4 ems to the left, and

(E) in the last sentence, by striking "clause (ii)" and inserting "clause (iii)".

SEC. 5159. CORRECTIONS RELATING TO SECTION 4708 (SUBSTITUTE PHYSICIANS).

Section 1902(a)(32)(C), as added by section 4708(a)(3) of OBRA–1990, is amended to read as follows:

"(C) payment may be made to a physician for physicians' services (and services furnished incident to such services) furnished by a second physician to patients of the first physician if (i) the first physician is unavailable to provide the services; (ii) the services are furnished pursuant to an arrangement between the two physicians that (I) is informal and reciprocal, or (II) involves per diem or other fee-for-time compensation for such services; (iii) the services are not provided by the second physician over a continuous period of more than 60 days; and (iv) the claim form submitted to the carrier for such services includes the second physician's unique identifier (provided under the system established under subsection (x)) and indicates that the claim meets the requirements of this clause for payment to the first physician.".

SEC. 5160. CORRECTIONS RELATING TO SECTION 4711 (HOME AND COMMUNITY CARE FOR FRAIL ELDERLY).

(a) Section 1929, as added by section 4711(b) of OBRA–1990, is amended—

(1) in subsection (c)(2)(F), by moving the second sentence 2 ems to the right;

(2) in subsection (d)(2)(F)(ii), by striking "they manage" and inserting "it manages";

(3) in subsection (d)(2)(F)(iii), by inserting "the agency or organization" after "(iii)";

(4) in subsection (e)(2)(B), by striking "fiscal year 1989" and inserting "fiscal year 1990";

(5) in subsection (f)(1), by striking "Community care" and inserting "community care";

(6) in subsection (g)(1)—

(A) by striking "SETTINGS" and inserting "SETTING", and

(B) in subparagraph (B), by striking "setting." and inserting "setting in which home and community care under this section is provided.";

(7) in subsection (g)(2), by striking "community care" the second, third, and fourth places it appears and inserting "home and community care";

(8) in subsection (h)(1)—

(A) by striking "more than 8" each place it appears and inserting "8 or more", and

(B) in subparagraph (B), by inserting "(other than merely board)" after "personal services";

(9) in subsection (h)(2), by striking "community care" the second and third places it appears and inserting "home and community care";

(10) in subsection (j)(1)—

(A) in subparagraph (B)(ii), by striking "1990" and inserting "1991", and

(B) by adding at the end the following new subparagraph:

"(C) APPLICABILITY TO COMMUNITY CARE SETTINGS.—Subparagraphs (A) and (B) shall apply to community care settings in the same manner as such subparagraphs apply to providers of home or community care.";

(11) in subsection (j)(2), by adding at the end the following new subparagraph:

"(D) APPLICABILITY TO COMMUNITY CARE SETTINGS.—Subparagraphs (A), (B), and (C) shall apply to community care settings in the same manner as such subparagraphs apply to providers of home or community care.";

(12) in subsection (k)(1)(A)(i)—

(A) by striking "(d)(2)(E)" and inserting "(d)(2)", and

(B) by striking "settings," and inserting "settings),";

(13) in subsection (l), by striking "State wideness" and inserting "Statewideness";

(14) in subsection (m)—

(A) in paragraph (2), by striking "Individual Community Care Plan" and inserting "individual community care plan",

(B) in paragraph (3), by striking "and need for services" and inserting "need for services, and income",

(C) in the second sentence in paragraph (4), by striking "elderly individuals" and all that follows and inserting "individuals receiving home and community care under this section who reside in such State in relation to the total number of individuals receiving home and community care under this section.", and

(D) by adding at the end the following new paragraph:

"(5) NOTICE TO STATES OF AMOUNTS AVAILABLE FOR ASSISTANCE.—

"(A) NOTICE TO SECRETARY.—In order to receive Federal medical assistance for expenditures for home and community care under this section for a fiscal year (beginning with fiscal year 1994), a State shall submit a notice to the Secretary of its intention to provide such care under this section not later than 3 months before the beginning of the fiscal year.

"(B) NOTICE TO STATES.—Not later than 2 months before the beginning of each fiscal year (beginning with fiscal year 1994), the Secretary shall notify each State that has submitted a notice to the Secretary under subparagraph (A) for the fiscal year of the amount of Federal medical assistance that will be available to the State for the fiscal year (as established under paragraph (4))."; and

(15) by adding at the end the following new subsection:

"(n) COMMUNITY CARE SETTING DEFINED.—In this section, the term 'community care setting' means a small community care setting (as defined in subsection (g)(1)) or a large community care setting (as defined in subsection (h)(1)).".

(b) Section 1905(r)(5) is amended by striking "1905(a)" and inserting "subsection (a) (other than services described in paragraph (22) or (23) of such subsection)".

(c) Section 4711(f) of OBRA–1990 is amended by striking "Act" each place it appears and inserting "section".

SEC. 5161. CORRECTIONS RELATING TO SECTION 4712 (COMMUNITY SUPPORTED LIVING ARRANGEMENTS SERVICES).

(a) Section 1930, as added by section 4712(b)(2) of OBRA–1990, is amended—

(1) in subsection (b)—

(A) by striking "title the term," and inserting "title, the term",

(B) by striking "guardian" and inserting "guardian or", and

(C) by striking "3 other" and inserting "3";

(2) in subsection (d)—

(A) in the matter preceding paragraph (1), by striking "program," and inserting "program", and

(B) in the second sentence, by striking "plan" each place it appears and inserting "program"; and

(3) in subsection (i), by striking "FUNDS" and inserting "Funds".

(b) Section 4712(c) of OBRA–1990 is amended—

(1) in paragraph (1), by inserting "of section 1930 of the Social Security Act" after "subsection (h)"; and

(2) in paragraph (2), by striking "this section" and inserting "such section".

SEC. 5162. CORRECTION RELATING TO SECTION 4713 (COBRA CONTINUATION COVERAGE).

(a) Section 1902(a)(10) is amended in the matter following subparagraph (F)—

(1) by striking "; and (XI)" and inserting ", (XI)";

(2) by striking "individuals, and (XI)" and inserting "individuals, and (XII)"; and

(3) by striking "COBRA continuation premiums" and inserting "COBRA premiums".

(b) Section 1902(u)(3), as added by section 4713(a)(2) of OBRA–1990, is amended by striking "title VI" and inserting "part 6 of subtitle B of title I".

SEC. 5163. CORRECTION RELATING TO SECTION 4716 (MEDICAID TRANSITION FOR FAMILY ASSISTANCE).

Section 4716(a) of OBRA–1990 is amended by striking "AMENDMENTS.—Subsection (f) of section" and inserting "IN GENERAL.—Section".

SEC. 5164. CORRECTIONS RELATING TO SECTION 4723 (MEDICAID SPENDDOWN OPTION).

Section 1903(f)(2), as amended by section 4723(a) of OBRA–1990, is amended—

(1) by striking "(A)" after "(2)";

(2) by striking "or, (B)" and inserting ". There shall also be excluded,";

(3) by striking "to the State, provided that" and inserting "to the State if"; and

(4) by striking "pursuant to this subparagraph." and inserting "pursuant to the previous sentence".

SEC. 5165. CORRECTIONS RELATING TO SECTION 4724 (OPTIONAL STATE DISABILITY DETERMINATIONS).

Section 1902(v), as added by section 4724 of OBRA–1990, is amended—

(1) by striking "(v)(1)" and inserting "(v)"; and

(2) by striking "of the Social Security Act".

SEC. 5166. CORRECTION RELATING TO SECTION 4732 (SPECIAL RULES FOR HEALTH MAINTENANCE ORGANIZATIONS).

Section 1903(m)(2)(F)(i), as amended by section 4732(b)(2)(B) of OBRA–1990, is amended by striking "or" before "with an eligible organization".

SEC. 5167. CORRECTIONS RELATING TO SECTION 4741 (HOME AND COMMUNITY-BASED WAIVERS).

The first sentence of section 1915(d)(3) is amended by striking the period at the end and inserting the following: ", and a waiver of the requirements of section 1902(a)(23) (relating to choice of providers) insofar as such requirements relate to the provision of case management services and the State provides assurances satisfactory to the Secretary that a waiver of such requirements will not substantially limit access to such services)."

SEC. 5168. CORRECTIONS RELATING TO SECTION 4744 (FRAIL ELDERLY WAIVERS).

(a) Section 1924(a)(5), as added by section 4744(b)(1) of OBRA–1990, is amended by striking "1986." and inserting "1986 or a waiver under section 603(c) of the Social Security Amendments of 1983.".

(b) Section 603(c) of the Social Security Amendments of 1983 is amended—

(1) by striking "(c)" and inserting "(c)(1)";

(2) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B); and

(3) by adding at the end the following new paragraph:

"(2) Section 1924 of the Social Security Act shall apply to any individual receiving services from an organization receiving a waiver under this subsection.".

SEC. 5169. CORRECTIONS RELATING TO SECTION 4747 (COVERAGE OF HIV-POSITIVE INDIVIDUALS).

Section 4747 of OBRA–1990 is amended—

(1) in subsection (a), by striking "subsection (c)" and inserting "subsection (b)";

(2) in subsection (b)(2)—

(A) by striking "preventative" each place it appears and inserting "preventive", and

(B) by adding a period at the end of subparagraph (J);

(3) in subsection (c)(1)—

(A) by striking "subsection (c)" and inserting "subsection (b)", and

(B) by striking "paragraphs (1) and (2) of"; and

(4) in subsection (d)—

(A) by striking "paragraph (3)" and inserting "subsection (b)", and

(B) by striking "paragraph (1)" and inserting "subsection (a)".

SEC. 5170. CORRECTION RELATING TO SECTION 4751 (ADVANCE DIRECTIVES).

Section 1903(m)(1)(A), as amended by section 4751(b)(1) of OBRA–1990, is amended—

(1) by striking "1902(w)" and inserting "1902(w) and"; and

(2) by striking "1902(a)" and inserting "1902(w)".

SEC. 5171. CORRECTIONS RELATING TO SECTION 4752 (PHYSICIANS' SERVICES).

(a) The paragraph (58) of section 1902(a) added by section 4752(c)(1)(C) of OBRA–1990 is amended by striking "subsection (v)" and inserting "subsection (x)".

(b) Subparagraphs (A) and (B) of the paragraph (14) of section 1903(i) added by section 4752(e)(2) of OBRA–1990 are each amended—

(1) by striking "or" at the end of clause (v);

(2) by redesignating clause (vi) as clause (vii); and

(3) by inserting after clause (v) the following new clause:

"(vi) delivers such services in the emergency department of a hospital participating in the state plan approved under this title, or".

SEC. 5172. CORRECTIONS RELATING TO SECTION 4801 (NURSING HOME REFORM).

(a) Section 1919(b)(3)(C)(i)(I), as amended by section 4801(e)(3) of OBRA–1990, is amended by striking "no later than" before "not to exceed 14 days".

(b) Section 1919(b)(5)(D), as amended by section 4801(a)(4) of OBRA–1990, is amended by striking the comma before "or a new competency evaluation program.".

(c) Section 1919(b)(5)(G) is amended by striking "or licensed or certified social worker" and inserting "licensed or certified social worker, registered respiratory therapist, or certified respiratory therapy technician".

(d) Section 1919(f)(2)(B)(i) is amended by striking "facilities," and inserting "facilities (subject to clause (iii)),".

(e) Section 1919(f)(2)(B)(iii)(I)(c) is amended by striking "clauses" each place it appears and inserting "clause".

(f) Section 1919(g)(5)(B) is amended by striking "paragraphs" and inserting "paragraph".

(g) Section 4801(a)(6)(B) of OBRA–1990 is amended—

(1) by striking "The amendments" and inserting "(i) The amendments";

(2) by redesignating clauses (i) through (v) as subclauses (I) through (V); and

(3) by adding at the end the following new clause:

"(ii) Notwithstanding clause (i) and subject to section 1919(f)(2)(B)(iii) of the Social Security Act (as amended by subparagraph (A)), a State may approve a training and competency evaluation program or a competency evaluation program offered by or in a nursing facility described in clause (i) if, during the previous 2 years, none of the subclauses of clause (i) applied to the facility.".

SEC. 5173. OTHER TECHNICAL CORRECTIONS.

(a) Section 1905(o)(1)(A) is amended—

(1) in the first sentence, by striking "intermediate care facility services" and inserting "for nursing facility services or intermediate care facility services for the mentally retarded"; and

(2) in the second sentence, by striking "or intermediate care facility" and inserting "(for purposes of title XVIII), a nursing facility, or an intermediate care facility for the mentally retarded".

(b) Section 1915(d) is amended—

(1) by striking "skilled nursing facility or intermediate care facility" each place it appears in paragraphs (1), (2)(B), and (2)(C) and inserting "nursing facility";

(2) in paragraph (2)(B)(i), by striking "skilled nursing or intermediate care facility" and inserting "nursing facility";

(3) in paragraph (5)(A), by striking "under" the second place it appears and inserting "(or, in the case of waiver years beginning on or after October 1, 1990, with respect to nursing facility services and home and community-based services) under"; and

(4) in paragraph (5)(B)—

(A) in clause (i), by striking "furnished" and inserting "(or, with respect to waiver years beginning on or after October 1, 1990, for nursing facility services) furnished"; and

(B) in clause (iii)(I), by striking "(regardless" and inserting "(or, with respect to waiver years beginning on or after October 1, 1990, which comprise nursing facility services) (regardless".

SEC. 5174. CORRECTIONS TO DESIGNATIONS OF NEW PROVISIONS.

(a) PARAGRAPHS ADDED TO SECTION 1902(a).—Section 1902(a) is amended—

(1) by striking "and" at the end of paragraph (54);

(2) in the paragraph (55) inserted by section 4602(a)(3) of OBRA–1990, by striking the period at the end and inserting a semicolon;

(3) by redesignating the paragraph (55) inserted by section 4604(b)(3) of OBRA–1990 as paragraph (56), by transferring and inserting it after the paragraph (55) inserted by section 4602(a)(3) of such Act, and by striking the period at the end and inserting a semicolon;

(4) by placing paragraphs (57) and (58), inserted by section 4751(a)(1)(C) of OBRA–1990, immediately after paragraph (56), as redesignated by paragraph (3);

(5) in the paragraph (58) inserted by section 4751(a)(1)(C) of OBRA–1990, by striking the period at the end and inserting "; and"; and

(6) by redesignating the paragraph (58) inserted by section 4752(c)(1)(C) of OBRA–1990

as paragraph (59) and by transferring and inserting it after the paragraph (58) inserted by section 4751(a)(1)(C) of such Act.

(b) PARAGRAPHS ADDED TO SECTION 1903(i).—Section 1903(i), as amended by section 2(b)(2) of the Medicaid Voluntary Contribution and Provider-Specific Tax Amendments of 1991, is amended—

(1) in the paragraph (10) inserted by section 4401(a)(1)(B) of OBRA–1990, by striking all that follows "1927(g)" and inserting a semicolon;

(2) by redesignating the paragraph (12) inserted by section 4752(a)(2) of OBRA–1990 as paragraph (11), by transferring and inserting it after the paragraph (10) inserted by section 4401(a)(1)(B) of OBRA–1990, and by striking the period at the end and inserting a semicolon;

(3) by redesignating the paragraph (14) inserted by section 4752(e) of OBRA–1990 as paragraph (12), by transferring and inserting it after paragraph (11), as redesignated by paragraph (2), and by striking the period at the end and inserting "; or"; and

(4) by redesignating the paragraph (11) inserted by section 4801(e)(16)(A) of OBRA–1990 as paragraph (13) and by transferring and inserting it after paragraph (12), as redesignated by paragraph (3).

(c) PARAGRAPHS ADDED TO SECTION 1905(a).—

(1) IN GENERAL.—Section 1905(a) is amended—

(A) by striking "and" at the end of paragraph (21);

(B) in paragraph (24), by striking the period at the end and inserting "; and"; and

(C) by redesignating paragraphs (22), (23), and (24) as paragraphs (24), (22), and (23), respectively, and by transferring and inserting paragraph (24) after paragraph (23), as so redesignated.

(2) CONFORMING AMENDMENTS.—(A) Effective July 1, 1991, section 1902(a)(10)(C)(iv), as amended by section 4755(c)(1)(A) of OBRA–1990, is amended by striking "through (21)" and inserting "through (23)".

(B) Effective July 1, 1991, section 1902(j), as amended by section 4711(d)(1) of OBRA–1990, is amended by striking "through (22)" and inserting "through (24)".

(d) FINAL SECTIONS.—Section 1928, as redesignated by section 4401(a)(3) of OBRA–1990, is amended—

(1) by transferring such section to the end of title XIX of the Social Security Act; and

(2) by redesignating such section as section 1931.

CHAPTER 2—UNIVERSAL ACCESS TO CHILDHOOD IMMUNIZATIONS

SEC. 5181. ESTABLISHMENT OF ENTITLEMENT AND MONITORING PROGRAMS WITH RESPECT TO CHILDHOOD IMMUNIZATIONS.

(a) IN GENERAL.—Title XXI of the Public Health Service Act (42 U.S.C. 300aa–1 et seq.) is amended by adding at the end the following subtitle:

"Subtitle 3—Entitlement and Monitoring Programs With Respect to Childhood Immunizations

"PART A—ENTITLEMENT PROGRAM

"SEC. 2151. DELIVERY TO STATES OF SUFFICIENT QUANTITIES OF PEDIATRIC VACCINES.

"(a) IN GENERAL.—In the case of any State that submits to the Secretary an application in accordance with section 2157, the Secretary, acting through the Director of the Centers for Disease Control and Prevention, shall provide for the purchase and delivery on behalf of the State of such quantities of pediatric vaccines as may be necessary for the immunization of each eligible child in the State. The preceding sentence is subject to sections 2152(d) and 2159(a).

"(b) ELIGIBLE CHILDREN.—For purposes of this part, the term 'eligible child' means an individual 18 years of age or younger who—

"(1) with respect to the State involved, is entitled to medical assistance under the plan approved for the State under title XIX of the Social Security Act (including a State operating under a statewide waiver under section 1115 of such Act);

"(2)(A) is uninsured with respect to health insurance policies or plans (including group health plans or prepaid health plans and including employee welfare benefit plans under the Employee Retirement Income Security Act of 1974); or

"(B) is covered under such a policy or plan, but under the policy or plan benefits are not available with respect to immunizations; or

"(3) is an Indian.

"SEC. 2152. ENTITLEMENTS.

"(a) ENTITLEMENT OF STATES.—Subject to subsection (d), in the case of any State that submits to the Secretary an application in accordance with section 2157, the State is entitled to have the Secretary provide for the purchase and delivery on behalf of the State of pediatric vaccines under section 2151. The preceding sentence constitutes budget authority in advance of appropriations Acts, and represents the obligation of the Federal Government to provide for the purchase and delivery to the State of the vaccines.

"(b) ENTITLEMENTS OF CHILDREN AND HEALTH CARE PROVIDERS.—Subject to subsection (d), the Secretary may provide for the purchase and delivery of pediatric vaccines under section 2151 on behalf of a State only if the State agrees as follows:

"(1) Each eligible child in the State, in receiving an immunization with a pediatric vaccine from a program-registered provider (as defined in section 2153(a)), is entitled to receive the immunization without charge for the cost of such vaccine.

"(2) Each program-registered provider in the State who administers a pediatric vaccine to an eligible child in the State is entitled to receive such vaccine from the State without charge.

"(3) The State will carry out a program to administer the entitlements established pursuant to paragraphs (1) and (2).

"(c) ENFORCEMENT OF PROVIDER RIGHTS BY ELIGIBLE CHILDREN.—With respect to the obligation of a State under the entitlement established in subsection (b)(2), an eligible child (or representative of the child) may enforce the rights of the provider under such paragraph if—

"(1) the provider administered a pediatric vaccine to the child notwithstanding the failure of the State to carry out such obligation with respect to the vaccine; or

"(2) an immunization with the vaccine was sought for the child by a parent of the child, but the provider, on the basis of such failure of the State, did not administer the vaccine to the child.

"(d) CERTAIN CONDITIONS.—

"(1) IN GENERAL.—This part does not apply with respect to any vaccine administered before October 1, 1994.

"(2) RELATIONSHIP TO PURCHASE CONTRACTS WITH MANUFACTURERS.—With respect to a pediatric vaccine, the obligation of the Federal Government pursuant to subsection (a), and the obligations of the State pursuant to subsection (b), are effective only to the extent that there is in effect a contract under section 2158 for the purchase and delivery of the vaccine.

"(3) SUBMISSION OF APPLICATION.—

"(A) Subject to subparagraph (C), the entitlements established pursuant to subsections (a) and (b) are established with respect to a State upon the State submitting to the Secretary an application in accordance with section 2157.

"(B) An application submitted to the Secretary under section 2157 is deemed to have been submitted in accordance with such section unless the Secretary, not later than 30 days after the date on which the application is submitted, notifies the State that the application is not in accordance with such section.

"(C) In the case of a State whose application submitted under section 2157 is not submitted in accordance with such section, the Secretary may, upon the submission by the State of an application that is in accordance with such section, provide that the entitlements established pursuant to such submission are deemed to have been established on the date on which the State first submitted the application.

"SEC. 2153. VOLUNTARY PARTICIPATION OF HEALTH CARE PROVIDERS.

"(a) IN GENERAL.—

"(1) REQUEST FOR PARTICIPATION; REQUIRED APPROVAL.—The Secretary may provide for the purchase and delivery of pediatric vaccines under section 2151 on behalf of a State only if the State agrees that federally-supplied pediatric vaccines will not be distributed to a health care provider unless—

"(A) the provider submits to the State a written request to participate in the program established by the State pursuant to section 2152(b)(3);

"(B) the request is in such form and is made in such manner as the Secretary may require; and

"(C) the provider makes the agreements described in this section.

"(2) PROGRAM-REGISTERED PROVIDERS.—For purposes of this part, the term 'program-registered provider' means a health care provider that meets the conditions specified in subparagraphs (A) through (C) of paragraph (1).

"(b) ELIGIBILITY OF CHILDREN.—

"(1) IN GENERAL.—An agreement for a health care provider under subsection (a) is that the provider—

"(A) before administering a pediatric vaccine to a child, will ask a parent of the child such questions as are necessary to determine whether the child is an eligible child;

"(B) will, for a period of time specified by the Secretary, maintain records of responses made to the questions; and

"(C) will, upon request, make such records available to the State involved and to the Secretary, subject to paragraph (2).

"(2) RESTRICTION ON USE OF INFORMATION.—Records provided to a State or to the Secretary under paragraph (1)(C) may be used only for purposes of audit of the program carried out under section 2152(b)(3) by the State.

"(c) CHARGES FOR VACCINES.—

"(1) VACCINES PER SE.—An agreement for a health care provider under subsection (a) is that, in administering a federally-supplied pediatric vaccine to an eligible child, the provider will not impose a charge for the cost of the vaccine.

"(2) ADMINISTRATION OF VACCINES.—With respect to compliance with an agreement under paragraph (1), a program-registered provider may impose a charge for the administration of a federally-supplied pediatric vaccine, subject to an agreement by the provider that the provider will not impose such charge with respect to a child if a parent of the child certifies to the provider that the parent is unable to pay the charge.

"(d) RULES OF CONSTRUCTION.—

"(1) EXTENT OF PARTICIPATION.—This section may not be construed as requiring that a program-registered provider administer a federally-supplied pediatric vaccine to each eligible child for whom an immunization with the vaccine is sought from the provider.

"(2) VERIFICATION OF INFORMATION.—With respect to compliance with agreements under subsections (b) and (c), such agreements may not be construed as requiring a program-registered provider to verify independently the information provided to the provider by a parent pursuant to such subsections.

"SEC. 2154. INTRASTATE DISTRIBUTION OF PEDIATRIC VACCINES.

"(a) IN GENERAL.—Not later than 180 days after the date of the enactment of the Omnibus Budget Reconciliation Act of 1993, the Secretary shall, through publication in the Federal Register, establish criteria for the delivery on behalf of the States of federally-supplied pediatric vaccines to program-registered providers in the State.

"(b) INVOLVEMENT OF CERTAIN PROVIDERS.—

"(1) IN GENERAL.—In establishing criteria under subsection (a), the Secretary shall establish criteria with respect to encouraging the entities described in paragraph (2) to become program-registered providers.

"(2) RELEVANT PROVIDERS.—The entities referred to in paragraph (1) are—

"(A) private health care providers; and

"(B)(i) health care providers that receive funds under title V of the Indian Health Care Improvement Act;

"(ii) the Indian Health Service; and

"(iii) health programs or facilities operated by Indian tribes or tribal organizations.

"(c) CULTURAL CONTEXT OF SERVICES.—In establishing criteria under subsection (a), the Secretary shall require that, in providing a federally-supplied pediatric vaccine to any population of eligible children a substantial portion of whose parents have a limited ability to speak the English language, a State have in effect a reasonable plan to administer the vaccines through program-registered providers who are able to communicate with the population involved in the language and cultural context that is most appropriate.

"(d) COMPLIANCE BY STATES.—The Secretary may provide for the purchase and delivery of pediatric vaccines under section 2151 on behalf of a State only if the State agrees to maintain compliance with the criteria established under subsection (a).

"SEC. 2155. GENERAL PROVISIONS.

"(a) FEDERAL STANDARDS ON ACCOUNTABILITY.—

"(1) ESTABLISHMENT OF STANDARDS.—Not later than 180 days after the date of the enactment of the Omnibus Budget Reconciliation Act of 1993, the Secretary shall, through publication in the Federal Register, establish standards with respect to determining the extent to which States and program-registered providers are in compliance with the agreements made under this part.

"(2) COMPLIANCE BY STATES.— The Secretary may provide for the purchase and delivery of pediatric vaccines under section 2151 on behalf of a State only if the State agrees to maintain compliance with the standards established under subsection (a).

"(b) STATE MAINTENANCE OF IMMUNIZATION LAWS.—The Secretary may provide for the purchase and delivery of vaccines under section 2151 on behalf of a State only if the State certifies to the Secretary that, if it had in effect as of May 1, 1993, a law that requires some or all health insurance policies or plans to provide some coverage with respect to a pediatric vaccine, the State has not modified or repealed such law in a manner that reduces the amount of coverage so required.

"(c) PARTICIPATION IN NATIONAL MONITORING SYSTEM.—On and after January 1, 1998, the Secretary may provide for the purchase and delivery of vaccines under section 2151 on behalf of a State only if the State certifies to the Secretary that the State is operating a registry in accordance with part B.

"SEC. 2156. STATE OPTION REGARDING IMMUNIZATION OF ADDITIONAL CATEGORIES OF CHILDREN.

"(a) STATE PURCHASES.—Subject to subsections (b) and (c), for the purpose of administering a pediatric vaccine to children in addition to eligible children, any participating State under section 2151 may, pursuant to section 2158(a)(2), purchase the vaccine from a manufacturer of the vaccine at the price in effect under section 2158.

"(b) REQUIREMENTS.—A State may purchase pediatric vaccines pursuant to subsection (a) only if the following conditions are met:

"(1) The State agrees that the vaccines will be used to provide immunizations for children who are not eligible children.

"(2) The State designates the particular categories of children who are to receive the immunizations, and submits to the Secretary a description of the categories so designated.

"(3) The State provides to the Secretary such information as the Secretary determines to be necessary to provide for quantities of pediatric vaccines for the State to purchase pursuant to section 2158(a)(2).

"(4) The State agrees, subject to subsection (c), that the program established by the State pursuant to section 2152(b)(3) applies to children designated under paragraph (2) to the same extent and in the same manner as the program applies to eligible children (except for the State being the purchaser of the pediatric vaccines involved).

"(c) CERTAIN LIMITATIONS.—A State may purchase pediatric vaccines pursuant to subsection (a) only if the State agrees as follows:

"(1) The authorization established in such subsection with respect to a pediatric vaccine is subject to the quantity of the vaccine that, on behalf of the State, the Secretary provides for under section 2158(a)(2).

"(2) In any case in which multiple contracts are in effect under section 2158 with respect to such a vaccine and the State elects to purchase the vaccine pursuant to subsection (a), the Secretary will determine which of such contracts will be applicable to the purchase.

"SEC. 2157. STATE APPLICATION FOR VACCINES.

"(a) IN GENERAL.—An application by a State for pediatric vaccines under section 2151(a) is in accordance with this section if the application—

"(1) is submitted not later than the date specified by the Secretary;

"(2) contains each agreement required in this part (including the agreements required in section 2156, if the State is electing to purchase pediatric vaccines pursuant to such section);

"(3) contains any information required in this part to be submitted to the Secretary (including the information required in section 2156, if the State is electing to purchase pediatric vaccines pursuant to such section);

"(4) contains the certification required in subsection (b) of section 2155 and, as applicable, the certification required in subsection (c) of such section; and

"(5) is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out this part.

"(b) FAILURE TO APPLY.—

"(1) IN GENERAL.—If, as of January 1, 1998, a State is not receiving pediatric vaccines under section 2151 and carrying out a program pursuant to section 2152(b)(3), the Secretary shall, subject to paragraph (2), terminate payments to the State under part A of title XIX.

"(2) EXCEPTIONS.—Paragraph (1) does not apply in the case of a State described in such paragraph that—

"(A) is, through all willing health care providers, providing for the immunization of eligible children with pediatric vaccines, and is not imposing a charge on such providers or children for the costs of the vaccines; or

"(B) meets or exceeds the objectives established by the Secretary for the year 2000 for the immunization status of children in the United States who are 2 years of age.

"SEC. 2158. CONTRACTS WITH MANUFACTURERS OF PEDIATRIC VACCINES.

"(a) IN GENERAL.—Subject to the provisions of this section, the Secretary shall periodically enter into negotiations with manufacturers of pediatric vaccines for the purpose of maintaining contracts under which—

"(1) the Secretary provides for the purchase of quantities of pediatric vaccines necessary for carrying out section 2151, and provides for the delivery of the vaccines to participating States under such section; and

"(2) each participating State, at the option of the State under section 2156, is permitted to obtain additional quantities of pediatric vaccines (subject to limits in such contracts regarding quantities) through purchasing the vaccines from the manufacturers at the price negotiated by the Secretary for the quantities specified in paragraph (1).

The Secretary shall enter into the initial negotiations under the preceding sentence not later than 180 days after the date of the enactment of the Omnibus Budget Reconciliation Act of 1993.

"(b) NEGOTIATION OF PURCHASE PRICE.—

"(1) IN GENERAL.—In negotiating the prices at which pediatric vaccines will be purchased from a manufacturer under subsection (a), the Secretary shall negotiate a price that provides a reasonable profit for the manufacturer.

"(2) CERTAIN FACTORS.—

"(A) In determining a reasonable profit for a manufacturer under paragraph (1), the Secretary shall consider the following factors:

"(i) The costs of the manufacturer in researching, developing, and producing the pediatric vaccine involved.

"(ii) The costs of the manufacturer in researching and developing new or improved vaccines (pediatric or otherwise).

"(iii) The costs of shipping and handling pediatric vaccines in compliance with the agreement under subsection (c).

"(iv) Such other factors as the Secretary determines to be appropriate.

"(B) With respect to factors considered under subparagraph (A), the Secretary may enter into a contract under subsection (a) only if the manufacturer involved provides to the Secretary such information regarding the factors as the Secretary determines to be appropriate.

"(3) CONFIDENTIALITY.—With respect to information provided to the Secretary by a manufacturer under paragraph (2), the following applies:

"(A) The Secretary shall maintain the confidentiality of the information, with provision for reasonable disclosures.

"(B) For purposes of section 552(b)(4) of title 5, United States Code, the information shall be considered to be trade secrets and commercial or financial information obtained from a person and privileged or confidential.

"(C) Section 1905 of title 18, United States Code, applies to information maintained confidentially under subparagraph (A).

"(c) CHARGES FOR SHIPPING AND HANDLING.—The Secretary may enter into a contract under subsection (a) only if the manufacturer involved agrees that the manufacturer will provide for delivering the vaccines on behalf of the States in accordance with the programs established by the States pursuant to section 2152(b)(3), and will not impose any charges for the costs of such delivery (except to the extent such costs are provided for in the price negotiated under subsection (b)).

"(d) QUANTITY OF VACCINES.—For the purpose of ensuring that the Federal Government has the ability to carry out section 2151, the Secretary, in negotiations under subsection (a), shall negotiate for maintaining a supply of pediatric vaccines to meet unanticipated needs for the vaccines. For purposes of the preceding sentence, the Secretary shall negotiate for a 6-month supply of vaccines in addition to the quantity that the Secretary otherwise would provide for in such negotiations. In carrying out this paragraph, the Secretary shall consider the potential for outbreaks of the diseases with respect to which the vaccines have been developed.

"(e) NEGOTIATING AUTHORITY OF SECRETARY.—In carrying out subsection (a), the Secretary, to the extent determined by the Secretary to be appropriate, may enter into contracts described in such subsection, may decline to enter into such contracts, and with the consent of the manufacturers involved, may modify such agreements and may extend such agreements.

"(f) CERTAIN CONTRACT PROVISIONS.—

"(1) DURATION.—A contract entered into by the Secretary under subsection (a) is effective for such period as the Secretary and the manufacturer involved may agree in the contract.

"(2) ADVANCE FUNDING.—The Secretary may, pursuant to section 2152(a), enter into contracts under subsection (a) under which the Federal Government is obligated to make outlays, the budget authority for which is not provided for in advance in appropriations Acts.

"(g) REPORTS TO SECRETARY.—The Secretary may enter into a contract under subsection (a) only if the manufacturer involved agrees to submit to the Secretary such reports as the Secretary determines to be appropriate with respect to compliance with the contract. For purposes of paragraph (3) of subsection (b), such reports shall be considered to be information provided by the manufacturer to the Secretary under paragraph (2) of such subsection.

"(h) MULTIPLE SUPPLIERS.—

"(1) IN GENERAL.—In the case of the pediatric vaccine involved, the Secretary shall, as appropriate, enter into a contract under subsection (a) with each manufacturer of the vaccine that meets the terms and conditions of the Secretary for an award of such a contract (including terms and conditions regarding safety, quality, and price).

"(2) RULE OF CONSTRUCTION.—With respect to multiple contracts entered into pursuant to paragraph (1), such paragraph may not be construed as prohibiting the Secretary from having in effect different prices under each of such contracts.

"SEC. 2159. CERTAIN ADMINISTRATIVE VARIATIONS.

"(a) TRIBES AND TRIBAL ORGANIZATIONS.—

"(1) IN GENERAL.—Subject to paragraph (2), the Secretary shall provide for the purchase and delivery on behalf of each Indian tribe and each tribal organization of such quantities of pediatric vaccines as may be necessary for the immunization of each Indian child in the State in which the tribe or organization (as the case may be) is located.

"(2) ENTITLEMENTS; ADMINISTERING PROGRAM.—The Secretary may provide for the purchase and delivery of pediatric vaccines under paragraph (1) on behalf of an Indian tribe or tribal organization only if the tribe or organization (as the case may be) agrees that this part applies to the tribe or organization (in relation to Indian children) to the same extent and in the manner as such part applies to States (in relation to eligible children).

"(b) STATE AS MANUFACTURER.—

"(1) PAYMENTS IN LIEU OF VACCINES.—In the case of a participating State under section 2151 that manufactures a pediatric vaccine and is not receiving the vaccine under such section, if the Secretary determines that the program of the State under 2152(b)(3) is carried out with respect to the vaccine, the Secretary shall provide to the State an amount equal to the value of the quantity of such vaccine that otherwise would have been delivered to the State under section 2151, subject to the provisions of this subsection.

"(2) DETERMINATION OF VALUE.—In determining the amount to pay a State under paragraph (1) with respect to a pediatric vaccine, the value of the quantity of vaccine shall be determined on the basis of the price in effect for the vaccine under contracts under section 2158. If more than 1 such contract is in effect, the Secretary shall determine such value on the basis of the average of the prices under the contracts, after weighting each such price in relation to the quantity of vaccine under the contract involved.

"(3) USE OF PAYMENTS.—A State may expend payments received under paragraph (1) only for purposes relating to pediatric vaccines.

"SEC. 2160. LIST OF PEDIATRIC VACCINES; SCHEDULE FOR ADMINISTRATION.

"(a) RECOMMENDED PEDIATRIC VACCINES.—

"(1) IN GENERAL.—The Secretary shall establish a list of the vaccines that the Secretary recommends for administration to all children for the purpose of immunizing the children, subject to such contraindications for particular medical categories of children as the Secretary may establish under subsection (b)(1)(D). The Secretary shall periodically review the list, and shall revise the list as appropriate.

"(2) RULE OF CONSTRUCTION.—

"(A) The list of vaccines specified in subparagraph (B) is deemed to be the list of vaccines maintained under paragraph (1).

"(B) The list of vaccines specified in this subparagraph is the list of vaccines that, for purposes of paragraph (1), is established (and periodically reviewed and as appropriate revised) by the Advisory Committee on Immunization Practices, an advisory committee established by the Secretary, acting through the Director of the Centers for Disease Control and Prevention.

"(b) RECOMMENDED SCHEDULE FOR ADMINISTRATION.—

"(1) IN GENERAL.—Subject to paragraph (2), in the case of a pediatric vaccine, the Secretary shall establish (and periodically review and as appropriate revise) a schedule of nonbinding recommendations for the following:

"(A) The number of immunizations with the vaccine that children should receive.

"(B) The ages at which children should receive the immunizations.

"(C) The dosage of vaccine that should be administered in the immunizations.

"(D) Any contraindications regarding administration of the vaccine to particular medical categories of children.

"(E) Such other guidelines as the Secretary determines to be appropriate with respect to administering the vaccine to children.

"(2) VARIATIONS IN MEDICAL PRACTICE.—In establishing and revising a schedule under paragraph (1), the Secretary shall ensure that, in the case of the pediatric vaccine involved, the schedule provides for the full range of variations in medical judgment regarding the administration of the vaccine, subject to remaining within medical norms.

"(3) RULE OF CONSTRUCTION.—

"(A) The schedule specified in subparagraph (B) is deemed to be the schedule maintained under paragraph (1).

"(B) The schedule specified in this subparagraph is the schedule that, for purposes of paragraph (1), is established (and periodically reviewed and as appropriate revised) by the advisory committee specified in subsection (a)(2)(B).

"(c) GENERALLY APPLICABLE RULES OF CONSTRUCTION.—

"(1) IN GENERAL.—The list established under subsection (a) and the schedules established under subsection (b) do not constitute guidelines, standards, performance measures, or review criteria for purposes of the program carried out by the Administrator for Health Care Policy and Research under part B of title IX or under section 1142 of the Social Security Act.

"(2) STATE LAWS.—This section does not supersede any State law on requirements with respect to receiving immunizations (including any such law relating to religious exemptions or medical exemptions).

"(d) ISSUANCE OF LIST AND SCHEDULES.—Not later than 180 days after the date of the enactment of the Omnibus Budget Reconciliation Act of 1993, the Secretary shall establish the initial list required in subsection (a) and the schedule required in subsection (b).

"SEC. 2161. CHILDHOOD IMMUNIZATION TRUST FUND.

"(a) ESTABLISHMENT OF FUND.—There is established in the Treasury of the United States a fund to be known as the National Childhood Immunization Trust Fund (in this section referred to as the 'Fund'). The Fund shall consist of such amounts as may be appropriated to the Fund in appropriations Acts, in the Internal Revenue Code of 1986, or in subsection (c)(3). Amounts appropriated to the Fund shall remain available until expended.

"(b) EXPENDITURES FROM FUND.—Amounts in the Fund are available to the Secretary for the purpose of carrying out this part. Payments under the program under this part, and the costs of carrying out such program, shall be exempt from reduction under any order issued under part C of the Balanced Budget and Emergency Deficit Control Act of 1985.

"(c) INVESTMENT.—

"(1) IN GENERAL.—The Secretary of the Treasury shall invest such amounts of the Fund as such Secretary determines are not required to meet current withdrawals from the Fund. Such investments may be made only in interest-bearing obligations of the United States. For such purpose, such obligations may be acquired on original issue at the issue price, or by purchase of outstanding obligations at the market price.

"(2) SALE OF OBLIGATIONS.—Any obligation acquired by the Fund may be sold by the Secretary of the Treasury at the market price.

"(3) AVAILABILITY OF INCOME.—Any interest derived from obligations acquired by the Fund, and proceeds from any sale or redemption of such obligations, are hereby appropriated to the Fund.

"SEC. 2162. DEFINITIONS.

"For purposes of this subtitle:

"(1) The term 'eligible child' has the meaning given such term in section 2151(b).

"(2) The term 'federally-supplied', with respect to a pediatric vaccine, means that such vaccine is purchased and delivered on behalf of a State under section 2151(a).

"(3) The term 'health care provider', with respect to the administration of vaccines to children, means an entity that is licensed or otherwise authorized for such administration under the law of the State in which the entity administers the vaccine, subject to section 333(e).

"(4) The term 'immunization' means an immunization against a vaccine-preventable disease.

"(5) Each of the terms 'Indian', 'Indian tribe', and 'tribal organization' has the meaning given such term in section 4 of the Indian Health Care Improvement Act.

"(6) The term 'Indian child' means an Indian who is 18 years of age or younger.

"(7) The term 'manufacturer' means any corporation, organization, or institution, whether public or private (including Federal, State, and local departments, agencies, and instrumentalities), which manufactures, imports, processes, or distributes under its label any pediatric vaccine. The term 'manufacture' means to manufacture, import, process, or distribute a vaccine.

"(8) The term 'parent', with respect to a child, means a legal guardian of the child.

"(9) The term 'participating State under section 2151' means a State that has submitted to the Secretary an application in accordance with section 2157.

"(10) The term 'pediatric vaccine' means a vaccine included on the list established under section 2160(a).

"(11) The term 'program-registered provider' has the meaning given such term in 2153(a)(2).

"SEC. 2163. TERMINATION OF PROGRAM.

This part shall cease to be in effect beginning on such date as may be prescribed in Federal law providing for immunization services for all children as part of a broad-based reform of the national health care system.

"PART B—NATIONAL SYSTEM FOR MONITORING IMMUNIZATION STATUS OF CHILDREN

"SEC. 2171. FORMULA GRANTS FOR STATE REGISTRIES WITH RESPECT TO MONITORING.

"(a) IN GENERAL.—For the purpose described in subsection (b), the Secretary, acting through the Director of the Centers for Disease Control and Prevention, shall make an allotment each fiscal year for each State in an amount determined in accordance with section 2175. The Secretary shall make a grant to the State of the allotment made for the State for the fiscal year if the State submits to the Secretary an application in accordance with section 2174.

"(b) AUTHORIZED ACTIVITIES.—The Secretary may make a grant under subsection (a) only if the State agrees to expend the grant for the purpose of—

"(1) collecting the data described in section 2172;

"(2) operating registries to maintain the data (and establishing such registries, in the case of a State that is not operating such a registry);

"(3) utilizing the data to monitor the extent to which children have received immunizations in accordance with the schedule established under section 2160(b);

"(4) notifying parents if children have not received immunizations in accordance with such schedule; and

"(5) such other activities as the Secretary may authorize with respect to achieving the objectives established by the Secretary for the year 2000 for the immunization status of children in the United States.

"(c) REQUIREMENT REGARDING STATE LAWS.—

"(1) IN GENERAL.—The Secretary may make a grant under subsection (a) only if the State involved—

"(A) provides assurances satisfactory to the Secretary that, not later than October 1, 1996, the State will be operating a registry in accordance with this part, including having in effect such laws and regulations as may be necessary to so operate such a registry; and

"(B) agrees that, prior to such date, the State will make such efforts to operate a registry in accordance with this part as may be authorized in the law and regulations of the State.

"(2) RULES OF CONSTRUCTION.—

"(A) With respect to the agreements made by a State under this part, other than the agreement under paragraph (1)(B), the Secretary may require compliance with the agreements only to the extent consistent with such paragraph.

"(B) This part does not authorize the Secretary, as a condition of the receipt of a grant under subsection (a) by a State, to prohibit the State from providing any parent, upon the request of the parent, with an exemption from the requirements established by the State pursuant to this part for the collection of data regarding any child of the parent.

"SEC. 2172. REGISTRY DATA.

"(a) IN GENERAL.—For purposes of section 2171(b)(1), the data described in this section are the data described in subsection (b) and the data described in subsection (c). This section applies to data regarding a child without regard to whether the child is an eligible child as defined in section 2162.

"(b) DATA REGARDING BIRTH OF CHILD.—With respect to the birth of a child, the data described in this subsection is as follows:

"(1) The name of each child born in the State involved on or after October 1, 1993.

"(2) Demographic data on the child.

"(3) The name of one or both of the parents of the child.

"(4) The address, as of the date of the birth of the child, of each parent whose name is received in the registry pursuant to paragraph (3).

"(c) DATA REGARDING INDIVIDUAL IMMUNIZATIONS.—With respect to a child to whom a pediatric vaccine is administered in the State involved, the data described in this subsection is as follows:

"(1) The name, age, and address of the child.

"(2) The date on which the vaccine was administered to the child.

"(3) The name and business address of the health care provider that administered the vaccine.

"(4) The address of the facility at which the vaccine was administered.

"(5) The name and address of one or both parents of the child as of the date on which the vaccine was administered, if such information is available to the health care provider.

"(6) The type of vaccine.

"(7) The number or other information identifying the particular manufacturing batch of the vaccine, if such information appears on the container or packaging for the vaccine or is otherwise readily accessible to the health care provider.

"(8) The dosage of vaccine that was administered.

"(9) A description of any adverse medical reactions that the child experienced in relation to the vaccine and of which the health care provider is aware.

"(10) Any other contraindications noted by the health care provider with respect to administration of the vaccine to the child.

"(11) Such other data regarding immunizations for the child, including identifying data, as the Secretary may require consistent with applicable law (including social security account numbers furnished pursuant to section 205(c)(2)(E) of the Social Security Act).

"(d) DATE CERTAIN FOR SUBMISSION TO REGISTRY.—The Secretary may make a grant under section 2171 only if the State involved agrees to ensure that, with respect to a child—

"(1) the data described in subsection (b) are submitted to the registry under such section not later than 6 weeks after the date on which the child is born; and

"(2) the data described in subsection (c) with respect to a vaccine are submitted to such registry not later than 6 weeks after the date on which the vaccine is administered to the child.

"SEC. 2173. GENERAL PROVISIONS.

"(a) FEDERAL STANDARDS ON CONFIDENTIALITY.—The Secretary shall by regulation establish standards providing for maintaining the confidentiality of the identity of individuals with respect to whom data are maintained in registries under section 2171. Such standards shall, with respect to a State, provide that the State is to have in effect laws regarding such confidentiality, including appropriate penalties for violation of the laws. The Secretary may make a grant under such section only if the State involved agrees to comply with the standards.

"(b) USE OF SOCIAL SECURITY ACCOUNT NUMBERS.—Any usage or disclosure of data in registries under section 2171 that consists of social security account numbers and related information which is otherwise permitted under this part may be exercised only to the extent permitted under section 205(c)(2)(E) of the Social Security Act. For purposes of the preceding sentence, the term 'related information' has the meaning given such term in clause (iv)(II) of such section.

"(c) UNIFORMITY IN METHODOLOGIES.—The Secretary shall establish standards regarding the methodologies used in establishing and operating registries under section 2171, and may make a grant under such section only if the State agrees to comply with the standards. The Secretary shall provide for a reasonable degree of uniformity among the States in such methodologies for the purpose of ensuring the utility, comparability, and exchange of the data maintained in such registries.

"(d) COORDINATION AMONG STATES.—The Secretary may make a grant under section 2171 to a State only if, with respect to the operation of the registry of the State under such section, the State agrees to cooperate with the Secretary and with other States in carrying out activities with respect to achieving the objectives established by the Secretary for the year 2000 for the immunization status of children in the United States.

"(e) REPORTS TO SECRETARY.—The Secretary may make a grant under section 2171 only if the State involved agrees to submit to the Secretary such reports as the Secretary determines to be appropriate with respect to the activities of the State under this part.

"SEC. 2174. APPLICATION FOR GRANT.

"An application by a State for a grant under section 2171 is in accordance with this section if the application—

"(1) is submitted not later than the date specified by the Secretary;

"(2) contains each agreement required in this part;

"(3) contains any information required in this part to be submitted to the Secretary; and

"(4) is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out this part.

"SEC. 2175. DETERMINATION OF AMOUNT OF ALLOTMENT.

"The Secretary shall determine the amount of the allotments required in section 2171 for States for a fiscal year in accordance with a formula established by the Secretary that allots the amounts appropriated under section 2177 for the fiscal year on the basis of the costs of the States in establishing and operating registries under section 2171.

"SEC. 2176. DEFINITIONS.

"For purposes of this part, each of the terms 'health care provider,' 'pediatric vaccine' and 'parent' has the meaning given the term in section 2162.

"SEC. 2177. AUTHORIZATION OF APPROPRIATIONS.

"For the purpose of carrying out this part, there are authorized to be appropriated $50,000,000, for fiscal year 1994, $152,000,000 for fiscal year 1995, $125,000,000 for fiscal year 1996, and $35,000,000 for each of the fiscal years 1997 through 1999.

"PART C—FUNDING FOR OTHER PURPOSES REGARDING CHILDHOOD IMMUNIZATIONS

"SEC. 2181. GRANTS REGARDING YEAR 2000 HEALTH OBJECTIVES.

"(a) IN GENERAL.—The Secretary, acting through the Director of the Centers for Disease Control and Prevention, may make grants to States for the purpose of carrying out activities with respect to achieving the objectives established by the Secretary for the year 2000 for the immunization status of children in the United States, other than providing for the purchase and delivery on behalf of the State of any pediatric vaccine (as defined in section 2162).

"(b) CERTAIN ACTIVITIES.—Subject to subsection (a), the purposes for which a grant under such subsection may be expended include the following:

"(1) Research into the prevention and control of diseases that may be prevented through vaccination.

"(2) Demonstration projects for the prevention and control of such diseases.

"(3) Public information and education programs for the prevention and control of such diseases.

"(4) Education, training, and clinical skills improvement activities in the prevention and control of such diseases for health professionals (including allied health personnel).

"(5) Such other activities as the Secretary determines to be appropriate.

"(c) APPLICATION FOR GRANT.—The Secretary may make a grant under subsection (a) only if an application for the grant is submitted to the Secretary and the application is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out this section.

"(d) SUPPLIES AND SERVICES IN LIEU OF GRANT FUNDS.— The Secretary, at the request of a recipient of a grant under subsection (a), may reduce the amount of such grant by—

"(1) the fair market value of any supplies or equipment furnished the grant recipient, and

"(2) the amount of the pay, allowances, and travel expenses of any officer or employee of the Federal Government when detailed to the grant recipient and the amount of any other costs incurred in connection with the detail of such officer or employee.

When the furnishing of such supplies or equipment or the detail of such an officer or employee is for the convenience of and at the request of such grant recipient and for the purpose of carrying out a program with respect to which the grant under subsection (a) is made. The amount by which any such grant is so reduced shall be available for payment by the Secretary of the costs incurred in furnishing the supplies or equipment, or in detailing the personnel, on which the reduction of such grant is based, and such amount shall be deemed as part of the grant and shall be deemed to have been paid to the grant recipient.

"(e) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this part, there are authorized to be appropriated $580,000,000 for fiscal year 1993, $680,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 through 1999.".

(b) AUTHORITY TO USE SOCIAL SECURITY ACCOUNT NUMBERS.—Section 205(c)(2) of the Social Security Act (42 U.S.C. 405(c)(2)) is amended—

(1) by redesignating subparagraphs (E) and (F) as subparagraphs (F) and (G), respectively; and

(2) by inserting after subparagraph (D) the following new subparagraph:

"(E)(i) The Secretary and each State receiving grants under section 2171(a) of the Public Health Service Act may utilize social security account numbers issued by the Secretary under this subsection for purposes of—

"(I) operating registries under such section to maintain information including such numbers (and establishing such registries, in the case of a State that is not operating such a registry),

"(II) utilizing such numbers to monitor the extent to which children have received immunizations in accordance with the schedule established under section 2160(b) of the Public Health Service Act, and

"(III) notifying parents if children have not received immunizations in accordance with such schedule.

"(ii) Disclosure by individuals of social security account numbers may be required by a State for purposes of identification of children in a registry operated pursuant to a grant referred to in clause (i), except that such disclosure may be required to be made only to persons specifically authorized in regulations of the Secretary prescribed under part B of subtitle 3 of title XXI of the Public Health Service Act. The Secretary shall take such actions as are necessary to restrict access to information consisting of such numbers and related information only to such authorized persons whose duties or responsibilities require access for the purposes described in clause (i). The Secretary shall issue regulations governing the use, maintenance, and disclosure by any holder of such information, including appropriate administrative, technical, and physical safeguards, to ensure that only such authorized persons have access to such information. Any use or disclosure of such information in violation of such regulations shall be deemed a disclosure in violation of subparagraph (C)(vii).

"(iii) The Secretary shall submit a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate not later than January 1, 1996, and biennially thereafter, on the operation of this subparagraph.

"(iv) For purposes of this subparagraph—

"(I) the term 'State' has the meaning provided such term under section 2(f) of the Public Health Service Act, and

"(II) the term 'related information' means any record, list, or compilation which indicates, directly or indirectly, the identity of any individual with respect to whom a social security account number is maintained pursuant to this subparagraph and part B of subtitle 3 of title XXI of the Public Health Service Act.".

(c) RELATIONSHIP OF NEW PROGRAM OF IMMUNIZATION GRANTS TO CURRENT PROGRAM.—

(1) STRIKING OF CURRENT PROGRAM.—Section 317 of the Public Health Service Act (42 U.S.C. 247b) is amended—

(A) in subsection (j)—

(i) by striking paragraph (1); and

(ii) by striking the remaining paragraph designation; and

(B) in subsection (k)—

(i) by striking paragraph (1); and

(ii) by redesignating paragraphs (2) through (5) as paragraphs (1) through (4), respectively.

(2) TRANSITIONAL AUTHORITY UNDER NEW PROGRAM.—With respect to activities that the Secretary of Health and Human Services was authorized to carry out pursuant to section 317(j)(1) of the Public Health Service Act (as in effect on the day before the date of the enactment of this Act), the Secretary may, for fiscal year 1994, carry out any such activity under section 2181 of the Public Health Service Act (as added by subsection (a) of this section), notwithstanding the provisions of such section 2181. The authority established in the preceding sentence includes the authority to purchase vaccines.

(d) CONTINUED COVERAGE OF COSTS OF A PEDIATRIC VACCINE UNDER GROUP HEALTH PLANS.—

(1) REQUIREMENT.—The requirement of this paragraph, with respect to a group health plan for plan years beginning after the date of the enactment of this Act, is that the group health plan not reduce its coverage of the costs of pediatric vaccines (as defined under section 2162 of the Public Health Service Act) below the coverage it provided as of May 1, 1993.

(2) ENFORCEMENT.—

(A) For purposes of section 2207 of the Public Health Service Act, the requirement of paragraph (1) is deemed a requirement of title XXII of such Act.

(B) For purposes of subsections (a) through (e) of section 4980B of the Internal Revenue Code of 1986, paragraph (1) is deemed a requirement of subsection (f) of such section.

SEC. 5182. NATIONAL VACCINE INJURY COMPENSATION PROGRAM AMENDMENTS.

(a) USE OF VACCINE INJURY COMPENSATION TRUST FUND.—Section 6601(r) of the Omnibus Budget Reconciliation Act of 1989 is amended by striking "$2,500,000 for each of fiscal years 1991 and 1992" each place it appears and inserting "$3,000,000 for fiscal year 1994 and each fiscal year thereafter" (in three places).

(b) AMENDMENT OF VACCINE INJURY TABLE.—Section 2116(b) of the Public Health Service Act (42 U.S.C. 300aa–16(b)) is amended by striking "such person may file" and inserting "or to significantly increase the likelihood of obtaining compensation, such person may, notwithstanding section 2111(b)(2), file".

(c) EXTENSION OF TIME FOR DECISION.—Section 2112(d)(3)(D) of such Act (42 U.S.C. 300aa–12(d)(3)(D)) is amended by striking "540 days" and inserting "30 months (but for no more than 6 months at a time)".

(d) SIMPLIFICATION OF VACCINE INFORMATION MATERIALS.—

(1) Section 2126(b) of such Act (42 U.S.C. 300aa–26(b)) is amended—

(A) by striking "by rule" in the matter preceding paragraph (1);

(B) by striking, in paragraph (1), ", opportunity for a public hearing, and 90" and inserting "and 30"; and

(C) by striking, in paragraph (2), ", appropriate health care providers and parent organizations".

(2) Section 2126(c) of such Act (42 U.S.C. 300aa–26(c)) is amended—

(A) by inserting "shall be based on available data and information," after "such materials" in the matter preceding paragraph (1), and

(B) by striking paragraphs (1) through (10) and inserting the following:

"(1) a concise description of the benefits of the vaccine,

"(2) a concise description of the risks associated with the vaccine,

"(3) a statement of the availability of the National Vaccine Injury Compensation Program, and

"(4) such other relevant information as may be determined by the Secretary.".

(3) Subsections (a) and (d) of section 2126 of such Act (42 U.S.C. 300aa–26) are each amended by inserting "or to any other individual" after "to the legal representatives of any child".

(4) Subsection (d) of section 2126 of such Act (42 U.S.C. 300aa–26) is amended—

(A) by striking all after "subsection (a)," the second place it appears in the first sentence and inserting "supplemented with visual presentations or oral explanations, in appropriate cases.", and

(B) by striking "or other information" in the last sentence.

SEC. 5183. MEDICAID IMMUNIZATION PROVISIONS.

(a) OUTREACH AND EDUCATION.—

(1) IMMUNIZATION OUTREACH THROUGH EPSDT PROGRAM.—Section 1902(a)(43)(A) (42 U.S.C. 1396a(a)(43)(A)) is amended by inserting before the comma at the end the following: "and the need for age-appropriate immunizations against vaccine-preventable diseases".

(2) COORDINATION WITH MATERNAL AND CHILD HEALTH BLOCK GRANT PROGRAMS AND WIC PROGRAMS.—Section 1902(a)(11) (42 U.S.C. 1396a(a)(11)) is amended—

(A) in clause (B)—

(i) by striking "effective July 1, 1969,",

(ii) by striking "and" before "(ii)", and

(iii) by striking "to him under section 1903" and inserting "to the individual under section 1903, and (iii) providing for coordination of information and education on childhood vaccinations and delivery of immunization services"; and

(B) in clause (C), by inserting "(including the provision of information and education on childhood vaccinations and the delivery of immunization services)" after "operations under this title".

(3) COVERAGE OF PUBLIC HOUSING HEALTH CENTERS AS FEDERALLY-QUALIFIED HEALTH CENTERS.—Section 1905(l)(2)(B) (42 U.S.C. 1396d(l)(2)(B)) is amended by striking "or 340" each place it appears and inserting "340, or 340A".

(4) EFFECTIVE DATE.—(A) Except as provided in subparagraph (B), the amendments made by this subsection shall apply to calendar quarters beginning on or after October 1, 1993, without regard to whether or not final regulations to carry out such amendments have been promulgated by such date.

(B) In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order for the plan to meet the additional requirements imposed by the amendments made by this subsection, the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

(b) SCHEDULE OF IMMUNIZATIONS UNDER EPSDT.—

(1) IN GENERAL.—Section 1905(r)(1) (42 U.S.C. 1396d(r)(1)) is amended—

(A) in subparagraph (A)(i), by inserting "and, with respect to immunizations under subparagraph (B)(iii), in accordance with the schedule recommended by the Secretary under section 2160 of the Public Health Service Act" after "child health care"; and

(B) in subparagraph (B)(iii), by inserting "(according to the schedule recommended by the Secretary under section 2160 of the Public Health Service Act)" after "appropriate immunizations".

(2) EFFECTIVE DATE.—The amendments made by subparagraphs (A) and (B) of paragraph (1) shall first apply 90 days after the date the Secretary of Health and Human Services first issues the recommended schedule referred to in subparagraphs (A)(i) and subparagraph (B)(iii) of section 1905(r)(1) of the Social Security Act (as amended by such respective subparagraphs).

(c) ASSURING ADEQUATE PAYMENT RATES FOR ADMINISTRATION OF VACCINES TO CHILDREN.—

(1) PAYMENT RATES.—Section 1926(a)(4)(B) (42 U.S.C. 1396r–7(a)(4)(B)) is amended by inserting "(including the administration of vaccines)" after "means services".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to the plan amendment required to be submitted under section 1926(a)(2) of the Social Security Act by not later than April 1, 1994.

(d) DENIAL OF FEDERAL FINANCIAL PARTICIPATION FOR INAPPROPRIATE ADMINISTRATION OF SINGLE-ANTIGEN VACCINE.—

(1) IN GENERAL.—Section 1903(i) (42 U.S.C. 1396b(i)), as amended by sections 5174(b) and 5131(a), is amended—

(A) in paragraph (13), by striking "or" at the end,

(B) in paragraph (14), by striking the period at the end and inserting "; or", and

(C) by inserting after paragraph (14) the following new paragraph:

"(15) with respect to any amount expended for a single-antigen vaccine and its administration in any case in which the administration of a combined-antigen vaccine was medically appropriate (as determined by the Secretary).".

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall apply to amounts expended for vaccines administered on or after October 1, 1993.

(e) REQUIRING MEDICAID MANAGED CARE PLANS TO COMPLY WITH IMMUNIZATION AND OTHER EPSDT REQUIREMENTS.—

(1) IN GENERAL.—Section 1903(m) (42 U.S.C. 1396b(m)) is amended—

(A) in paragraph (2)(A), as amended by subsections (a)(1) and (b)(1) of section 5135—

(i) by striking "and" at the end of clause (xii),

(ii) by striking the period at the end of clause (xiii) and inserting "; and", and

(iii) by adding at the end the following new clause:

"(xiv) the entity complies with the requirements of paragraph (7) (relating to EPSDT compliance)."; and

(B) by adding at the end the following new paragraph:

"(7) The contract between the State and an entity referred to in paragraph (2)(A)(iii) shall—

"(A) specify which early and periodic screening, diagnostic, and treatment services are to be provided under the contract to individuals under age 21 enrolled with the entity;

"(B) in the case of such services which are not to be so provided, specify the steps the entity will take (through referrals or other arrangements) to assure that such individuals will receive such services; and

"(C) require the entity to submit such periodic reports as may be necessary to enable the State to prepare and submit timely reports under section 1902(a)(43)(D) and section 506(a)(2).".

(2) APPLICATION OF INTERMEDIATE SANCTIONS FOR FAILURE TO PROVIDE IMMUNIZATIONS AND OTHER EPSDT SERVICES.—Section 1903(m)(5)(A) (42 U.S.C. 1396b(m)(5)(A)) is amended—

(A) by striking ", or" at the end of clause (iv) and inserting a semicolon,

(B) by striking the comma at the end of clause (v) and inserting "; or", and

(C) by inserting after clause (v) the following new clause:

"(vi) fails substantially to provide early and periodic screening, diagnostic, and treatment services to the extent specified in the contract under paragraph (7)(A);".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to contract years beginning on or after October 1, 1993, without regard to whether or not final regulations to carry out such amendments have been promulgated by such date.

(f) TRANSITION RULE.—

(1) MEDICAID USE OF CDC CONTRACT PRICE.—The Secretary of Health and Human Services shall not, on or after the date of the enactment of this Act, enter into a contract for

the purchase by the Centers for Disease Control and Prevention of pediatric vaccines for distribution (as provided for in section 317 or section 2181 of the Public Health Service Act) unless such contract provides that the charge for such vaccines, for which medical assistance is provided under a State plan under title XIX of the Social Security Act, will not exceed the price negotiated under the contract. The previous sentence shall not apply, with respect to a vaccine for which medical assistance is provided by a State, on and after such date as the State becomes entitled to have the Secretary provide for the purchase and delivery on behalf of the State of that vaccine under section 2151 of the Public Health Service Act.

(2) OPTIONAL USE BY STATES OF CDC CONTRACT PRICE.—Nothing in paragraph (1) shall be construed as limiting the Federal financial participation available to States, under title XIX of the Social Security Act, for the cost of a pediatric vaccine to the contract price described in such paragraph for the vaccine.

SEC. 5184. AVAILABILITY OF MEDICAID PAYMENTS FOR CHILDHOOD VACCINE REPLACEMENT PROGRAMS.

(a) IN GENERAL.—Section 1902(a)(32) (42 U.S.C. 1396a(a)(32)) is amended—

(1) by striking "and" at the end of subparagraph (B),

(2) by striking the period at the end of subparagraph (C) and inserting "; and", and

(3) by adding at the end the following new subparagraph:

"(D) in the case of payment for a childhood vaccine administered to individuals entitled to medical assistance under the State plan, the State plan may make payment directly to the manufacturer of the vaccine under a voluntary replacement program agreed to by the State pursuant to which the manufacturer (i) supplies doses of the vaccine to providers administering the vaccine, (ii) periodically replaces the supply of the vaccine, and (iii) charges the State the manufacturer's bid price to the Centers for Disease Control and Prevention for the vaccine so administered plus a reasonable premium to cover shipping and the handling of returns;".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act.

SEC. 5185. HEALTHY START FOR INFANTS.

(a) IN GENERAL.—Part D of title III of the Public Health Service Act (42 U.S.C. 254b et seq.) is amended by inserting after section 330 the following section:

"HEALTHY START FOR INFANTS

"SEC. 330A. (a) GRANTS FOR COMPREHENSIVE SERVICES.—

"(1) IN GENERAL.—The Secretary may make grants for the operation of not more than 21 demonstration projects to provide the services described in subsection (b) for the purpose of reducing, in the geographic areas in which the projects are carried out—

"(A) the incidence of infant mortality and morbidity;

"(B) the incidence of fetal deaths;

"(C) the incidence of maternal mortality;

"(D) the incidence of fetal alcohol syndrome; and

"(E) the incidence of low-birthweight births.

"(2) ACHIEVEMENT OF YEAR 2000 HEALTH STATUS OBJECTIVES.—With respect to the objectives established by the Secretary for the health status of the population of the United States for the year 2000, the Secretary shall, in providing for a demonstration project under paragraph (1) in a geographic area, seek to meet the objectives that are applicable to the purpose described in such paragraph and the populations served by the project.

"(b) AUTHORIZED SERVICES.—

"(1) IN GENERAL.—Subject to subsection (h), the services referred to in this subsection are comprehensive services (including preventive and primary health services for pregnant women and infants and childhood immunizations in accordance with the schedule recommended by the Secretary under section 2160) for carrying out the purpose described in subsection (a), including services other than health services.

"(2) CERTAIN PROVIDERS.—The Secretary may make a grant under subsection (a) only if the applicant involved agrees that, in making any arrangements under which other entities provide authorized services in the demonstration project involved, the applicant will include among the entities with which the arrangements are made grantees under any of sections 329, 330, 340, and 340A, if such grantees are providing services in the service area of such project and the grantees are willing to make such arrangements with the applicant.

"(c) ELIGIBLE GEOGRAPHIC AREAS.—The Secretary may make a grant under subsection (a) only if—

"(1) the applicant for the grant specifies the geographic area in which the demonstration project under such subsection is to be carried out and agrees that the project will not be carried out in other areas; and

"(2) the rate of infant mortality in the geographic area equals or exceeds 150 percent of the national average in the United States of such rates.

"(d) MINIMUM QUALIFICATIONS OF GRANTEES.—

"(1) PUBLIC OR NONPROFIT PRIVATE ENTITIES.—The Secretary may make a grant under subsection (a) only if the applicant for the grant is a State or local department of health, or other public or nonprofit private entity, or a consortium of public or nonprofit private entities.

"(2) APPROVAL OF POLITICAL SUBDIVISIONS.—With respect to a proposed demonstration project under subsection (a), the Secretary may make a grant under such subsection only if—

"(A) the chief executive officer of each political subdivision in the service area of such project approves the applicant for the grant as being qualified to carry out the project; and

"(B) the leadership of any Indian tribe or tribal organization with jurisdiction over any portion of such area so approves the applicant.

"(3) STATUS AS MEDICAID PROVIDER.—

"(A) In the case of any service described in subsection (b) that is available pursuant to the State plan approved under title XIX of the Social Security Act for a State in which a demonstration project under subsection (a) is carried out, the Secretary may make a grant under such subsection for the project only if, subject to subparagraph (B)—

"(i) the applicant for the grant will provide the service directly, and the applicant has entered into a participation agreement under the State plan and is qualified to receive payments under such plan; or

"(ii) the applicant will enter into an agreement with a public or private entity under which the entity will provide the service, and the entity has entered into such a participation agreement under the State plan and is qualified to receive such payments.

"(B)(i) In the case of an entity making an agreement pursuant to subparagraph (A)(ii) regarding the provision of services, the requirement established in such subparagraph regarding a participation agreement shall be waived by the Secretary if the entity does not, in providing health care services, impose a charge or accept reimbursement available from any third-party payor, including reimbursement under any insurance policy or under any Federal or State health benefits plan.

"(ii) A determination by the Secretary of whether an entity referred to in clause (i) meets the criteria for a waiver under such clause shall be made without regard to whether the entity accepts voluntary donations regarding the provision of services to the public.

"(e) STATE APPROVAL OF PROJECT.—With respect to a proposed demonstration project under subsection (a), the Secretary may make a grant under such subsection to the applicant involved only if—

"(1) the chief executive officer of the State in which the project is to be carried out approves the proposal of the applicant for carrying out the project; and

"(2) the leadership of any Indian tribe or tribal organization with jurisdiction over any portion of the service area of the project so approves the proposal.

"(f) ELIGIBILITY FOR SERVICES PROVIDED WITH GRANT FUNDS.—

"(1) IN GENERAL.—With respect to any authorized service under subsection (b), if the service is a service that States are required or authorized to provide under title XIX of the Social Security Act, the Secretary may make a grant under subsection (a) only if the applicant involved agrees that the grant will not be expended to provide the service to any individual to whom States are required or authorized under such title to provide the service. The Secretary may not make a grant under subsection (a) unless the State involved agrees that the grant will not be expended to make payment for any item or service to the extent that payment has been made, or can reasonably be expected to be made, with respect to such item or service—

"(A) under a health insurance policy or plan (including a group health plan or a prepaid health plan),

"(B) under any Federal or State health benefits program, including any program under title V, XVIII, or XIX of the Social Security Act, or

"(C) under subpart 2 of part B of title XIX of this Act.

"(2) RULES OF CONSTRUCTION.—For purposes of paragraph (1):

"(A) Individuals to whom States are authorized to provide services under title XIX of the Social Security Act include, pursuant to section 1902(l) of such title, pregnant women, infants, and children with an income level not less than 133 percent, and not more than 185 percent, of the official poverty line.

"(B) Authorized services under subsection (b) that are authorized to be provided under title XIX of such Act include, pursuant to section 1920 of such title, ambulatory prenatal services during a period of presumptive eligibility.

"(C) Authorized services under subsection (b) that are required to be provided under title XIX of such Act include, pursuant to section 1905(a)(4)(B) of such title, early and periodic screening, diagnostic, and treatment services for children under the age of 21.

"(D) Authorized services under subsection (b) that are authorized to be provided under title XIX of such Act include, pursuant to section 1905(a)(19) of such title, case-management services.

"(g) MAINTENANCE OF EFFORT.—

"(1) GRANTEE.—With respect to authorized services under subsection (b), the Secretary may make a grant under subsection (a) only if the applicant involved agrees to maintain expenditures of non-Federal amounts for such services at a level that is not less than the level of such expenditures maintained by the applicant for fiscal year 1991.

"(2) RELEVANT POLITICAL SUBDIVISIONS.—With respect to authorized services under subsection (b), the Secretary may make a grant under subsection (a) only if each political subdivision in the service area of the demonstration project involved agrees to maintain expenditures of non-Federal amounts for such services at a level that is not less than the level of such expenditures maintained by the political subdivision for fiscal year 1991.

"(h) RESTRICTIONS ON EXPENDITURE OF GRANT.—

"(1) IN GENERAL.—Except as provided in paragraph (3), the Secretary may make a grant under subsection (a) only if the applicant involved agrees that the grant will not be expended—

"(A) to provide inpatient services, except with respect to residential treatment for substance abuse provided in settings other than hospitals;

"(B) to make cash payments to intended recipients of health services or mental health services; or

"(C) to purchase or improve real property (other than minor remodeling of existing improvements to real property) or to purchase major medical equipment (other than mobile medical units for providing ambulatory prenatal services).

"(2) ADMINISTRATIVE EXPENSES; DATA COLLECTION.—The Secretary may make a grant under subsection (a) only if the applicant involved agrees that not more than an aggregate 10 percent of the grant will be expended for administering the grant and the collection and analysis of data.

"(3) WAIVER.—If the Secretary finds that the purpose described in subsection (a) cannot otherwise be carried out, the Secretary may, with respect to an otherwise qualified applicant, waive the restriction established in paragraph (1)(C).

"(i) DETERMINATION OF CAUSE OF INFANT DEATHS.—The Secretary may make a grant under subsection (a) only if the applicant involved—

"(1) agrees to provide for a determination of the cause of each infant death in the service area of the demonstration project involved; and

"(2) the applicant has made such arrangements with public entities as may be necessary to carry out paragraph (1).

"(j) ANNUAL REPORTS TO SECRETARY.—The Secretary may make a grant under subsection (a) only if the applicant involved agrees that, for each fiscal year for which the applicant operates a demonstration project under such subsection the applicant will, not later than April 1 of the subsequent fiscal year, submit to the Secretary a report providing the following information with respect to the project:

"(1) The number of individuals that received authorized services, and the demographic characteristics of the population of such individuals.

"(2) The types of authorized services provided, including the types of ambulatory prenatal services provided and the trimester of the pregnancy in which the services were provided.

"(3) The sources of payment for the authorized services provided.

"(4) The extent to which children under age 2 receiving authorized services have received the appropriate number and variety of immunizations against vaccine-preventable diseases.

"(5) An analysis of the causes of death determined under subsection (i).

"(6) The extent of progress being made toward meeting the health status objectives specified in subsection (a)(2).

"(7) The extent to which, in the service area involved, progress is being made toward meeting the participation goals established for the State by the Secretary under section 1905(r) of the Social Security Act (relating to early periodic screening, diagnostic, and treatment services for children under the age of 21).

"(k) COMMUNITY PARTICIPATION.—The Secretary may make a grant under subsection (a) only if the applicant involved agrees that, in preparing the proposal of the applicant for the demonstration project involved, and in the operation of the project, the applicant will consult with the residents of the service area for the project and with public and nonprofit private entities that provide authorized services to such residents.

"(l) APPLICATION FOR GRANT.—The Secretary may make a grant under subsection (a) only if an application for the grant is submitted to the Secretary and the application is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out this subsection.

"(m) REPORT TO CONGRESS.—Not later than February 1, 1998, the Secretary shall submit to the Committee on Energy and Commerce of the House of Representatives, and the Committee on Labor and Human Resources of the Senate, a report—

"(1) summarizing the reports received by the Secretary under subsection (j);

"(2) describing the extent to which demonstration projects under subsection (a) have been cost effective; and

"(3) describing the extent to which the Secretary has, in the service areas of such projects, been successful in meeting the health status objectives specified in subsection (a)(2).

"(n) LIMITATION ON CERTAIN EXPENSES OF SECRETARY.—Of the amounts appropriated under subsection (o) for a fiscal year, the Secretary may not obligate more than an aggregate 5 percent for the administrative costs of the Secretary in carrying out this section, for the provision of technical assistance regarding demonstration projects under subsection (a), and for evaluations of such projects.

"(o) DEFINITIONS.—For purposes of this section:

"(1) The term 'authorized services' means the services specified in subsection (b).

"(2) The terms 'Indian tribe' and 'tribal organization' have the meaning given such terms in section 4(b) and section 4(c) of the Indian Self-Determination and Education Assistance Act.

"(3) The term 'service area', with respect to a demonstration project under subsection (a), means the geographic area specified in subsection (c).

"(p) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated for each of the fiscal years 1994 through 1997 such sums as may be necessary.

"(q) SUNSET.—Effective October 1, 1997, this section is repealed.".

(b) REPORT FOR FISCAL YEAR 1993.—With respect to grants under section 330A of the Public Health Service Act, as added by subsection (a) of this section, the Secretary of Health and Human Services may make a grant under such section for fiscal year 1994 only if the applicant for the grant agrees to submit to the Secretary, not later than April 1 of such year, a report on any federally-supported project of the applicant that is substantially similar to the demonstration projects authorized in such section 330A, which report provides, to the extent practicable, the information described in subsection (j) of such section.

(c) SAVINGS PROVISION.—With respect to grants under section 330A of the Public Health Service Act, as added by subsection (a) of this section and in effect for the fiscal years 1994 through 1997, such grants remain available for obligation and expenditure in accordance with the terms upon which the grants were made, notwithstanding the repeal of such section 330A pursuant to subsection (q) of such section.

(d) USE OF GENERAL AUTHORITY UNDER PUBLIC HEALTH SERVICE ACT.—With respect to the program established in section 330A of the Public Health Service Act, as added by subsection (a) of this section, section 301 of the Public Health Service Act may not be construed as providing to the Secretary of Health and Human Services any authority to carry out, during any fiscal year in which such program is in operation, any demonstration project to provide any of the services specified in subsection (b) of such section 330A.

SEC. 5186. INCREASE IN AUTHORIZATION OF APPROPRIATIONS FOR THE MATERNAL AND CHILD HEALTH SERVICES BLOCK GRANT PROGRAM.

Section 501(a) (42 U.S.C. 701(a)) is amended by striking "$686,000,000 for fiscal year 1990" and inserting "$705,000,000 for fiscal year 1994".

SEC. 5187. MISCELLANEOUS TECHNICAL CORRECTIONS TO PUBLIC HEALTH SERVICE ACT PROVISIONS.

(a) COMPENSATION FOR MEMBERS OF NATIONAL ADVISORY COUNCIL ON NATIONAL HEALTH SERVICE CORPS.—

(1) IN GENERAL.—Section 337(b)(2) of the Public Health Service Act (42 U.S.C. 254j(b)(2)) is amended—

(A) by inserting after "so serving" the following: "compensation at a rate fixed by the Secretary (but not to exceed", and

(B) by striking "Schedule;" and inserting "Schedule);".

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect on the date of the enactment of this Act.

(b) LIABILITY PROTECTIONS FOR INDIVIDUALS PROVIDING SERVICES AT CERTAIN CLINICS.—

(1) CLARIFICATION OF VOLUNTARY PARTICIPATION BY CERTAIN ENTITIES.—(A) Section 224(g) of the Public Health Service Act (42 U.S.C. 133(g)(1)), as added by section 2(a) of the Federally Supported Health Centers Assistance Act of 1992, is amended—

(i) in paragraph (4), by striking "An entity" and inserting "Except as provided in paragraph (6), an entity", and

(ii) by adding at the end the following new paragraph:

"(6) An entity may elect not to be treated as being described in paragraph (4) if the entity establishes that on a continuous basis since October 24, 1992, the entity has been a participant in, and partial owner of, a nonprofit risk retention group which offers malpractice and other liability coverage to the entity.".

(B) Section 224(k)(2) of such Act (42 U.S.C. 233(k)(2)), as added by section 4 of the Federally Supported Health Centers Assistance

Act of 1992, is amended by striking "entities receiving funds" and all that follows through "subsection (g)" and inserting the following: "entities described in subsection (g)(4) and receiving funds under each of the grant programs described in such subsection".

(2) CLARIFICATION OF COVERAGE OF OFFICERS AND EMPLOYEES OF CLINICS.—The first sentence of section 224(g)(1) of the Public Health Service Act (42 U.S.C. 233(g)(1)) is amended by striking "officer, employee, or contractor" and inserting the following: "officer or employee of such an entity, and any contractor".

(3) COVERAGE FOR SERVICES FURNISHED TO INDIVIDUALS OTHER THAN PATIENTS OF CLINIC.—Section 224(g) of such Act (42 U.S.C. 233(g)(1)), as amended by paragraph (1), is amended—

(A) in the first sentence of paragraph (1), by inserting after "Service" the following: "with respect to services provided to patients of the entity and (subject to paragraph (7)) to certain other individuals"; and

(B) by adding at the end the following new paragraph:

"(7) For purposes of paragraph (1), an officer, employee, or contractor described in such paragraph may be deemed to be an employee of the Public Health Service with respect to services provided to individuals who are not patients of an entity described in paragraph (4) only if the Secretary determines—

"(A) that the provision of the services to such individuals is necessary to assure the treatment of patients of such an entity; or

"(B) that such services are otherwise required to be provided to such individuals under an employment contract (or other similar arrangement) between the individual and the entity.".

(4) DETERMINING COMPLIANCE OF ENTITY WITH REQUIREMENTS FOR COVERAGE.—Section 224(h) of such Act (42 U.S.C. 233(h)), as added by section 2(b) of the Federally Supported Health Centers Assistance Act of 1992, is amended by striking "the entity—" and inserting the following: "the Secretary, after receiving such assurances and conducting such investigation as the Secretary considers necessary, finds that the entity—".

(5) EFFECTIVE DATE.—The amendments made by this subsection shall take effect as if included in the enactment of the Federally Supported Health Centers Assistance Act of 1992.

(c) ELIMINATION OF DUPLICATE WAIVER AUTHORITY FOR PARTICIPANTS IN NATIONAL HEALTH SERVICE CORPS.—Section 338E(c) of the Public Health Service Act (42 U.S.C. 254o(c)) is amended by striking paragraph (3) and redesignating paragraph (4) as paragraph (3).

(d) CLARIFICATION OF PROHIBITION AGAINST RESALE OF DRUGS UNDER DRUG REBATE AGREEMENTS.—Section 340B(a)(5)(B) of the Public Health Service Act (42 U.S.C. 256b(a)(5)(B)), as added by section 602(a) of the Veterans Health Care of 1992, is amended by striking "entity." and inserting "covered entity.".

Subtitle C—Communications Licensing Improvement

SEC. 5200. TABLE OF CONTENTS.

The table of contents is as follows:

Subtitle C—Communications Licensing Improvement

Sec. 5200. Table of contents.

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Sec. 5202. Findings.
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Sec. 5204. Conforming amendments.
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Sec. 5221. Short title.
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CHAPTER 3—COMMUNICATIONS TECHNICAL AMENDMENTS

Sec. 5241. Clerical corrections.
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Sec. 5243. Elimination of expired and outdated provisions.
Sec. 5244. Stylistic consistency.

CHAPTER 1—COMPETITIVE BIDDING AUTHORITY

SEC. 5201. SHORT TITLE.

This chapter may be cited as the "Licensing Improvement Act of 1993".

SEC. 5202. FINDINGS.

The Congress finds that—

(1) current licensing procedures often delay delivery of services to the public and can result in the unjust enrichment of applicants on the basis of the value of the public airwaves;

(2) if licensees are engaged in reselling the use of the public airwaves to subscribers for a fee, the licensee should pay reasonable compensation to the public for those public resources;

(3) a carefully designed system to obtain competitive bids from competing qualified applicants can speed delivery of services, promote efficient and intensive use of the electromagnetic spectrum, prevent unjust enrichment, and produce revenues to compensate the public for the use of the public airwaves; and

(4) therefore, the Federal Communications Commission should have the authority to differentiate among multiple qualified applicants for a single license using a system of competitive bids.

SEC. 5203. AUTHORITY TO USE COMPETITIVE BIDDING.

Section 309 of the Communications Act of 1934 (47 U.S.C. 309) is amended by adding at the end the following new subsection:

"(j) USE OF COMPETITIVE BIDDING.—

"(1) GENERAL AUTHORITY.—If mutually exclusive applications are filed for any initial license or construction permit which will involve a use of the electromagnetic spectrum described in paragraph (2), then the Commission shall have the authority to grant such license or permit to a qualified applicant through the use of a system of competitive bidding that meets the requirements of this subsection.

"(2) USES TO WHICH BIDDING MAY APPLY.—A use of the electromagnetic spectrum is described in this paragraph if the Commission determines that—

"(A) the principal use of such spectrum will involve, or is reasonably likely to involve, the licensee receiving compensation from subscribers in return—

"(i) for the licensee enabling those subscribers to receive communications signals that are transmitted utilizing frequencies on which the licensee is licensed to operate; or

"(ii) for the licensee enabling those subscribers to transmit directly communications signals utilizing frequencies on which the licensee is licensed to operate; and

"(B) a system of competitive bidding will promote the objectives described in paragraph (3).

"(3) DESIGN OF SYSTEMS OF COMPETITIVE BIDDING.—For each license or permit, or class of licenses or permits, that the Commission grants through the use of a competitive bidding system, the Commission shall, by rule, establish a competitive bidding methodology. The Commission shall seek to design and test multiple alternative methodologies under appropriate circumstances. In identifying licenses and permits to be issued by competitive bidding, in specifying eligibility and other characteristics of such licenses and permits, and in designing the methodologies for use under this subsection, the Commission shall seek to promote the purposes specified in section 1 of this Act and the following objectives:

"(A) the development and rapid deployment of new technologies, products, and services for the benefit of the public, including those residing in rural areas, without administrative or judicial delays;

"(B) promoting economic opportunity and competition and ensuring that new and innovative technologies are readily accessible to the American people by avoiding excessive concentration of licenses and by disseminating licenses among a wide variety of applicants, including small businesses and businesses owned by members of minority groups and women;

"(C) recovery for the public of a portion of the value of the public spectrum resource made available for commercial use and avoidance of unjust enrichment through the methods employed to award uses of that resource; and

"(D) efficient and intensive use of the electromagnetic spectrum.

"(4) CONTENTS OF REGULATIONS.—In prescribing rules pursuant to paragraph (3), the Commission shall—

"(A) consider alternative payment schedules and methods of calculation, including initial lump sums, installment or royalty payments, guaranteed annual minimum payments, or other schedules or methods that promote the objectives described in paragraph (3)(B), and combinations of such schedules and methods;

"(B) include performance requirements, such as appropriate deadlines and penalties for performance failures, to ensure prompt delivery of service to rural areas, to prevent stockpiling or warehousing of spectrum by licensees or permittees, and to promote investment in and rapid deployment of new technologies and services;

"(C) consistent with the public interest, convenience, and necessity, the purposes of this Act, and the characteristics of the proposed service, prescribe area designations and bandwidth assignments that promote (i) an equitable distribution of licenses and services among geographic areas, (ii) economic opportunity for a wide variety of applicants, including small businesses and businesses owned by members of minority groups and women, and (iii) investment in and rapid deployment of new technologies and services; and

"(D) require such transfer disclosures and antitrafficking restrictions and payment schedules as may be necessary to prevent unjust enrichment as a result of the methods employed to issue licenses and permits.

"(5) BIDDER AND LICENSEE QUALIFICATION.—No person shall be permitted to participate in a system of competitive bidding pursuant to this subsection unless such bidder submits such information and assurances as the Commission may require to demonstrate that such bidder's application is acceptable for filing. No license shall be granted to an applicant selected pursuant to this subsection unless the Commission determines that the applicant is qualified pursuant to subsection (a) and sections 308(b) and 310. Consistent with the objectives described in paragraph (3), the Commission shall, by rule, prescribe expedited procedures consistent with the procedures authorized by subsection (i)(2) for the resolution of any substantial and material issues of fact concerning qualifications.

"(6) RULES OF CONSTRUCTION.—Nothing in this subsection, or in the use of competitive bidding, shall—

"(A) limit or otherwise affect the requirements of subsection (h) of this section, section 301, 304, 307, 310, or 706, or any other provision of this Act (other than subsections (d)(2) and (e) of this section);

"(B) be construed to convey any rights, including any expectation of renewal of a license, that differ from the rights that apply to other licenses within the same service that were not issued pursuant to this subsection; or

"(C) be construed to prohibit the Commission from issuing nationwide licenses or permits.

"(7) LIMITATION OF EFFECT ON ALLOCATION DECISIONS.—In making a decision pursuant to section 303(c) to assign a band of frequencies to a use for which licenses or permits will be issued pursuant to this subsection, and in prescribing regulations pursuant to paragraph (4)(A) and (4)(C) of this subsection, the Commission may not base a finding of public interest, convenience, and necessity solely or predominantly on the expectation of Federal revenues from the use of a system of competitive bidding under this subsection.

"(8) TREATMENT OF REVENUES.—All proceeds from the use of a competitive bidding system under this subsection shall be deposited in the Treasury in accordance with chapter 33 of title 31, United States Code. A license or permit issued by the Commission under this section shall not be treated as the property of the licensee for tax purposes by any State or local government entity.

"(9) TERMINATION; EVALUATION.—The authority of the Commission to grant a license or permit under this subsection shall expire September 30, 1998. Not later than September 30, 1997, the Commission shall conduct a public inquiry and submit to the Congress a report—

"(A) describing the methodologies established by the Commission pursuant to paragraphs (3) and (4);

"(B) comparing the relative advantages and disadvantages of such methodologies in terms of attaining the objectives described in such paragraphs;

"(C) evaluating the extent to which such methodologies have secured prompt delivery of service to rural areas; and

"(D) containing a statement of the revenues obtained, and a projection of the future revenues, from the use of competitive bidding systems under this subsection.".

SEC. 5204. CONFORMING AMENDMENTS.

Section 309 of the Communications Act of 1934 is further amended—

(1) by striking subsection (i)(1) and inserting the following:

"(i) RANDOM SELECTION.—

"(1) GENERAL AUTHORITY.—If—

"(A) there is more than one application for any initial license or construction permit which will involve a use of the electromagnetic spectrum; and

"(B) the Commission has determined that the use is not described in subsection (j)(2)(A);

then the Commission shall have the authority to grant such license or permit to a qualified applicant through the use of a system of random selection.";

(2) in paragraph (2)—

(A) by indenting paragraph (2), including subparagraphs (A) through (C), by an additional 2 em spaces; and

(B) by inserting "DETERMINATIONS OF QUALIFICATIONS.—" after "(2)";

(3) in paragraph (3)—

(A) by indenting subparagraphs (A) and (B), and so much of subparagraph (C) as precedes clause (i), by an additional 2 em spaces;

(B) by indenting clauses (i) and (ii) of subparagraph (C) by an additional 4 em spaces; and

(C) by inserting "PREFERENCES; DIVERSITY.—" after "(3)";

(4) in paragraph (4)—

(A) by indenting subparagraphs (A) and (B) of such paragraph by an additional 2 em spaces;

(B) by inserting "RULEMAKING SCHEDULE AND AUTHORITY.—" after "(4)"; and

(C) by adding at the end the following new subparagraph:

"(C) Not later than 180 days after the date of enactment of this subparagraph, the Commission shall prescribe such transfer disclosures and antitrafficking restrictions and payment schedules as are necessary to prevent the unjust enrichment of recipients of licenses or permits as a result of the methods employed to issue licenses under this subsection.".

SEC. 5205. REGULATORY PARITY.

(a) AMENDMENT.—Section 332 of the Communications Act of 1934 (47 U.S.C. 332) is amended—

(1) by striking "PRIVATE LAND" from the heading of the section; and

(2) by amending striking subsection (c) and inserting the following:

"(c) REGULATORY TREATMENT OF MOBILE SERVICES.—

"(1) COMMON CARRIER TREATMENT OF COMMERCIAL MOBILE SERVICES.—(A) A person engaged in the provision of commercial mobile services shall, insofar as such person is so engaged, be treated as a common carrier for purposes of this Act, except for such provisions of title II as the Commission may, consistent with the public interest, specify as inapplicable by rule. In prescribing any such rule, the Commission may not specify section 201, 202, or 208, or any other provision that the Commission determines to be necessary in order to ensure that the charges, practices, classifications, or regulations for or in connection with commercial mobile services are just and reasonable and are not unjustly or unreasonably discriminatory or is otherwise in the public interest.

"(B) Upon reasonable request of any person providing commercial mobile service, the Commission shall order a common carrier to establish physical connections with such service pursuant to the provisions of section 201 of this Act. Except to the extent that the Commission is required to respond to such a request, this subparagraph shall not be construed as a limitation or expansion of the Commission's authority to order interconnection pursuant to this Act.

"(2) NONCOMMON CARRIER TREATMENT OF PRIVATE LAND MOBILE SERVICES.—A person engaged in private land mobile service shall not, insofar as such person is so engaged, be treated as a common carrier for any purpose under this Act. A common carrier (other than a person that was treated as provider of private land mobile services prior to the enactment of the Licensing Improvement Act of 1993) shall not provide any dispatch service on any frequency allocated for common carrier service, except to the extent such dispatch service is provided on stations licensed in the domestic public land mobile radio service before January 1, 1982. The Commission may by regulation terminate, in whole or in part, the prohibition contained in the preceding sentence if the Commission determines that such termination will serve the public interest.

"(3) STATE AUTHORITY TO REGULATE.—(A) Notwithstanding sections 2(b) and 221(b), no State or local government shall have any authority to impose any rate or entry regulation upon any commercial mobile service or any private land mobile service, except that this paragraph shall not prohibit a State from regulating the other terms and conditions of commercial mobile services.

"(B) Notwithstanding subparagraph (A), a State may petition the Commission for authority to regulate the rates for any commercial mobile service and the Commission shall grant such petition if such State demonstrates that (i) such service is a substitute for land line telephone exchange service for a substantial portion of the public within such State, or (ii) market conditions with respect to such services fail to protect subscribers adequately from unjust and unreasonable rates or rates that are unjustly or unreasonably discriminatory. The Commission shall provide reasonable opportunity for public comment in response to such petition, and shall, within 9 months after the date of its submission, grant or deny such petition. If the Commission grants such petition, the Commission shall authorize the State to exercise under State law such authority over rates, for such periods of time, as the Commission deems necessary to ensure that such rates are just and reasonable and not unjustly or unreasonably discriminatory.

"(4) REGULATORY TREATMENT OF COMMUNICATIONS SATELLITE CORPORATION.—Nothing in this subsection shall be construed to alter or affect the regulatory treatment required by title IV of the Communications Satellite of 1962 of the corporation authorized by title III of such Act.

"(d) DEFINITIONS.—For purposes of this section—

"(1) the term 'commercial mobile service' means all mobile services (as defined in section 3(n)) that—

"(A) are provided for profit (i) to the public, (ii) on an indiscriminate basis, or (iii) to such broad classes of eligible users as to be effectively available to a substantial portion of the public; and

"(B) are interconnected (or have requested interconnection pursuant to paragraph (1)(B)) with the public switched network (as such terms are defined by regulation by the Commission); and

"(2) the term 'private mobile service' means any mobile service (as defined in section 3(n)) that is not a commercial mobile service.".

(b) CONFORMING AMENDMENTS.—

(1) AMENDMENTS TO DEFINITIONS.—Section 3 of the Communications Act of 1934 (47 U.S.C. 153) is amended—

(A) in subsection (n)—

(i) by inserting "(1)" after "and includes"; and

(ii) by inserting before the period at the end the following: ", (2) a mobile service which provides a regularly interacting group of base, mobile, portable, and associated control and relay stations (whether licensed on an individual, cooperative, or multiple basis) for private one-way or two-way land mobile radio communications by eligible users over designated areas of operation, and (3) any service for which a license is required in a personal communications service established pursuant to the proceeding entitled 'Amendment of the Commission's Rules to Establish New Personal Communications Services' (GEN Docket No. 90–314; ET Docket No. 92–100), or any successor proceeding"; and

(B) by striking subsection (gg).

(2) CONFORMING AMENDMENTS TO SECTION 332.—Section 332 of such Act is further amended—

(A) in subsection (a), by inserting after "(a)" the following: "MANAGEMENT OF PRIVATE LAND MOBILE FREQUENCIES.—";

(B) in subsection (b)—

(i) by indenting the margin of paragraphs (2) through (4) by 2 em spaces;

(ii) by striking "(b)(1)" and inserting the following:

"(b) USE OF ADVISORY COMMITTEE.—

"(1) COORDINATION OF FREQUENCY ASSIGNMENT.—";

(iii) by inserting "EXEMPTION.—" after "(2)";

(iv) by inserting "NONEMPLOYEE STATUS.—" after "(3)"; and

(v) by inserting "APPLICATION OF FEDERAL ADVISORY COMMITTEE ACT.—" after "(4).

SEC. 5206. EFFECTIVE DATES; DEADLINES FOR COMMISSION ACTION.

(a) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this chapter are effective on the date of enactment of this Act.

(2) EFFECTIVE DATE OF MOBILE SERVICE AMENDMENTS.—The amendments made by section 5205 shall be effective 1 year after such date of enactment, except that any person that provides private land mobile services before such date of enactment shall continue to be treated as a provider of private land mobile service until 3 years after such date of enactment.

(b) DEADLINES FOR COMMISSION ACTION.—

(1) GENERAL RULEMAKING.—The Federal Communications Commission shall prescribe rules to implement section 309(j) of the Communications Act of 1934 (as added by this chapter) within 210 days after the date of enactment of this Act.

(2) PCS ORDERS AND LICENSING.—The Commission shall—

(A) within 180 days after such date of enactment, issue a final report and order (i) in the matter entitled "Redevelopment of Spectrum to Encourage Innovation in the Use of New Telecommunications Technologies" (ET Docket No. 92–9); and (ii) in the matter entitled "Amendment of the Commission's Rules to Establish New Personal Communications Services" (GEN Docket No. 90–314; ET Docket No. 92–100); and

(B) within 270 days after such date of enactment, commence issuing licenses and permits in the personal communications service.

(3) MOBILE SERVICE RULEMAKING REQUIRED.—Within 1 year after the date of enactment of this Act, the Federal Communications Commission shall—

(A) issue such modifications or terminations of its regulations concerning private land mobile services as are necessary to implement the amendments made by section 5205;

(B) make such other modifications of such regulations as may be necessary to equalize the regulatory treatment of providers of all commercial mobile services that offer services that are substantially similar; and

(C) include in such modifications and terminations such provisions as are necessary to provide for an orderly transition to the regulatory treatment required by such amendments.

(c) SPECIAL RULE.—The Federal Communications Commission shall not issue any license or permit pursuant to section 309(i) of the Communications Act of 1934 after the date of enactment of this Act unless the Commission has made the determination required by paragraph (1)(B) of such section (as added by this chapter).

CHAPTER 2—EMERGING TELECOMMUNICATIONS TECHNOLOGIES

SEC. 5221. SHORT TITLE.

This chapter may be cited as the "Emerging Telecommunications Technologies Act of 1993".

SEC. 5222. AMENDMENT TO THE NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION ORGANIZATION ACT.

The National Telecommunications and Information Administration Organization Act is amended—

(1) by striking the heading of part B and inserting the following:

"PART D—SPECIAL AND TEMPORARY PROVISIONS";

(2) by redesignating sections 131 through 135 as sections 151 through 155, respectively; and

(3) by inserting after part A the following new part:

"PART B—EMERGING TELECOMMUNICATIONS TECHNOLOGIES

"SEC. 111. FINDINGS.

"The Congress finds that—

"(1) the Federal Government currently reserves for its own use, or has priority of access to, approximately 40 percent of the electromagnetic spectrum that is assigned for use pursuant to the Communications Act of 1934;

"(2) many of such frequencies are underutilized by Federal Government licensees;

"(3) the public interest requires that many of such frequencies be utilized more efficiently by Federal Government and non-Federal licensees;

"(4) additional frequencies are assigned for services that could be obtained more efficiently from commercial carriers or other vendors;

"(5) scarcity of assignable frequencies for licensing by the Commission can and will—

"(A) impede the development and commercialization of new telecommunications products and services;

"(B) limit the capacity and efficiency of the United States telecommunications systems;

"(C) prevent some State and local police, fire, and emergency services from obtaining urgently needed radio channels; and

"(D) adversely affect the productive capacity and international competitiveness of the United States economy;

"(6) a reassignment of these frequencies can produce significant economic returns; and

"(7) the Secretary of Commerce, the President, and the Federal Communications Commission should be directed to take appropriate steps to correct these deficiencies.

"SEC. 112. NATIONAL SPECTRUM PLANNING.

"(a) PLANNING ACTIVITIES.—The Assistant Secretary and the Chairman of the Commission shall meet, at least biannually, to conduct joint spectrum planning with respect to the following issues—

"(1) the future spectrum requirements for public and private uses, including State and local government public safety agencies;

"(2) the spectrum allocation actions necessary to accommodate those uses; and

"(3) actions necessary to promote the efficient use of the spectrum, including spectrum management techniques to promote increased shared use of the spectrum that does not cause harmful interference as a means of increasing commercial access.

"(b) REPORTS.—The Assistant Secretary and the Chairman of the Commission shall submit a joint annual report to the Committee on Energy and Commerce of the House of Representatives, the Committee on Commerce, Science, and Transportation of the Senate, the Secretary, and the Commission on the joint spectrum planning activities conducted under subsection (a) and recommendations for action developed pursuant to such activities.

"(c) REPORTING REQUIREMENTS.—The first annual report submitted after the date of the report by the advisory committee under section 113(d)(4) shall—

"(1) include an analysis of and response to that committee report; and

"(2) include an analysis of the effect on spectrum efficiency and the cost of equipment to Federal spectrum users of maintaining separate allocations for Federal Government and non-Federal Government licensees for the same or similar services.

"SEC. 113. IDENTIFICATION OF REALLOCABLE FREQUENCIES.

"(a) IDENTIFICATION REQUIRED.—The Secretary shall, within 24 months after the date of the enactment of this part, prepare and submit to the President and the Congress a report identifying bands of frequencies that—

"(1) are allocated on a primary basis for Federal Government use and eligible for licensing pursuant to section 305(a) of the Act (47 U.S.C. 305(a));

"(2) are not required for the present or identifiable future needs of the Federal Government;

"(3) can feasibly be made available, as of the date of submission of the report or at any time during the next 15 years, for use under the Act (other than for Federal Government stations under such section 305);

"(4) will not result in costs to the Federal Government, or losses of services or benefits to the public, that are excessive in relation to the benefits that may be obtained by non-Federal licensees; and

"(5) are most likely to have the greatest potential for productive uses and public benefits under the Act.

"(b) MINIMUM AMOUNT OF SPECTRUM RECOMMENDED.—

"(1) IN GENERAL.—Based on the report required by subsection (a), the Secretary shall recommend for reallocation, for use other than by Federal Government stations under section 305 of the Act (47 U.S.C. 305), bands of frequencies that span a total of not less than 200 megahertz, that are located below 6 gigahertz, and that meet the criteria specified in paragraphs (1) through (4) of subsection (a). The Secretary may not include, in such 200 megahertz, bands of frequencies that span more than 20 megahertz and that are located between 5 and 6 gigahertz. If the report identifies (as meeting such criteria) bands of frequencies spanning more than 200 megahertz, the report shall identify and recommend for reallocation those bands (spanning not less than 200 megahertz) that meet the criteria specified in paragraph (5) of such subsection.

"(2) MIXED USES PERMITTED TO BE COUNTED.—Bands of frequencies which the Secretary's report recommends be partially retained for use by Federal Government stations, but which are also recommended to be reallocated to be made available under the Act for use by non-Federal stations, may be counted toward the minimum spectrum required by paragraph (1) of this subsection, except that—

"(A) the bands of frequencies counted under this paragraph may not count toward more than one-half of the minimum required by paragraph (1) of this subsection;

"(B) a band of frequencies may not be counted under this paragraph unless the assignments of the band to Federal Government stations under section 305 of the Act (47 U.S.C. 305) are limited by geographic area, by time, or by other means so as to guarantee that the potential use to be made by such Federal Government stations is substantially less (as measured by geographic area, time, or otherwise) than the potential use to be made by non-Federal stations; and

"(C) the operational sharing permitted under this paragraph shall be subject to coordination procedures which the Commission shall establish and implement to ensure against harmful interference.

"(c) CRITERIA FOR IDENTIFICATION.—

"(1) NEEDS OF THE FEDERAL GOVERNMENT.—In determining whether a band of frequencies meets the criteria specified in subsection (a)(2), the Secretary shall—

"(A) consider whether the band of frequencies is used to provide a communications service that is or could be available from a commercial carrier or other vendor;

"(B) seek to promote—

"(i) the maximum practicable reliance on commercially available substitutes;

"(ii) the sharing of frequencies (as permitted under subsection (b)(2));

"(iii) the development and use of new communications technologies; and

"(iv) the use of nonradiating communications systems where practicable; and

"(C) seek to avoid—

"(i) serious degradation of Federal Government services and operations; and

"(ii) excessive costs to the Federal Government and users of Federal Government services.

"(2) FEASIBILITY OF USE.—In determining whether a frequency band meets the criteria specified in subsection (a)(3), the Secretary shall—

"(A) assume such frequencies will be assigned by the Commission under section 303 of the Act (47 U.S.C. 303) over the course of not less than 15 years;

"(B) assume reasonable rates of scientific progress and growth of demand for telecommunications services;

"(C) determine the extent to which the reallocation or reassignment will relieve actual or potential scarcity of frequencies available for licensing by the Commission for non-Federal use;

"(D) seek to include frequencies which can be used to stimulate the development of new technologies; and

"(E) consider the immediate and recurring costs to reestablish services displaced by the reallocation of spectrum.

"(3) ANALYSIS OF BENEFITS.—In determining whether a band of frequencies meets the criteria specified in subsection (a)(4), the Secretary shall consider—

"(A) the extent to which equipment is or will be available that is capable of utilizing the band;

"(B) the proximity of frequencies that are already assigned for commercial or other non-Federal use; and

"(C) the activities of foreign governments in making frequencies available for experimentation or commercial assignments in order to support their domestic manufacturers of equipment.

"(4) POWER AGENCY FREQUENCIES.—

"(A) ELIGIBLE FOR MIXED USE ONLY.—The frequencies assigned to any Federal power agency may only be eligible for mixed use under subsection (b)(2) in geographically separate areas and shall not be recommended for the purposes of withdrawing that assignment. In any case where a frequency is to be shared by an affected Federal power agency and a non-Federal user, such use by the non-Federal user shall, consistent with the procedures established under subsection (b)(2)(C), not cause harmful interference to the affected Federal power agency or adversely affect the reliability of its power system.

"(B) DEFINITION.—As used in this paragraph, the term 'Federal power agency' means the Tennessee Valley Authority, the Bonneville Power Administration, the Western Area Power Administration, or the Southwestern Power Administration.

"(d) PROCEDURE FOR IDENTIFICATION OF REALLOCABLE BANDS OF FREQUENCIES.—

"(1) SUBMISSION OF PRELIMINARY IDENTIFICATION TO CONGRESS.—Within 12 months after the date of the enactment of this part, the Secretary shall prepare and submit to the Congress a report which makes a preliminary identification of reallocable bands of frequencies which meet the criteria established by this section.

"(2) CONVENING OF ADVISORY COMMITTEE.—Not later than the date the Secretary submits the report required by paragraph (1), the Secretary shall convene an advisory committee to—

"(A) review the bands of frequencies identified in such report;

"(B) advise the Secretary with respect to (i) the bands of frequencies which should be included in the final report required by subsection (a), and (ii) the effective dates which should be established under subsection (e) with respect to such frequencies;

"(C) receive public comment on the Secretary's report and on the final report; and

"(D) prepare and submit the report required by paragraph (4).

The advisory committee shall meet at least monthly until each of the actions required by section 114(a) have taken place.

"(3) COMPOSITION OF COMMITTEE; CHAIRMAN.—The advisory committee shall include—

"(A) the Chairman of the Commission and the Assistant Secretary, and one other representative of the Federal Government as designated by the Secretary; and

"(B) representatives of—

"(i) United States manufacturers of spectrum-dependent telecommunications equipment;

"(ii) commercial carriers;

"(iii) other users of the electromagnetic spectrum, including radio and television broadcast licensees, State and local public safety agencies, and the aviation industry; and

"(iv) other interested members of the public who are knowledgeable about the uses of the electromagnetic spectrum.

A majority of the members of the committee shall be members described in subparagraph (B), and one of such members shall be designated as chairman by the Secretary.

"(4) RECOMMENDATIONS ON SPECTRUM ALLOCATION PROCEDURES.—The advisory committee shall, not later than 36 months after the date of the enactment of this part, submit to the Secretary, the Commission, the Committee on Energy and Commerce of the House of Representatives, and the Committee on Commerce, Science, and Transportation of the Senate, a report containing such recommendations as the advisory committee considers appropriate for the reform of the process of allocating the electromagnetic spectrum between Federal and non-Federal use, and any dissenting views thereon.

"(e) TIMETABLE FOR REALLOCATION AND LIMITATION.—

"(1) TIMETABLE REQUIRED.—The Secretary shall, as part of the report required by subsection (a), include a timetable that recommends immediate and delayed effective dates by which the President shall withdraw or limit assignments on the frequencies specified in the report.

"(2) EXPEDITED REALLOCATION OF INITIAL 30 MHZ PERMITTED.—The Secretary may prepare and submit to the President a report which specifically identifies an initial 30 megahertz of spectrum that meets the criteria described in subsection (a) and that can be made available for reallocation immediately upon issuance of the report required by this section.

"(3) DELAYED EFFECTIVE DATE.—The recommended delayed effective dates shall—

"(A) permit the earliest possible reallocation of the frequency bands, taking into account the requirements of section 115(1);

"(B) be based on the useful remaining life of equipment that has been purchased or contracted for to operate on identified frequencies;

"(C) be based on the need to coordinate frequency use with other nations; and

"(D) take into account the relationship between the costs to the Federal Government of changing to different frequencies and the benefits that may be obtained from commercial and other non-Federal uses of the reassigned frequencies.

"SEC. 114. WITHDRAWAL OF ASSIGNMENT TO FEDERAL GOVERNMENT STATIONS.

"(a) IN GENERAL.—The President shall—

"(1) within 6 months after receipt of the Secretary's report under section 113(a), withdraw the assignment to a Federal Government station of any frequency which the report recommends for immediate reallocation;

"(2) within such 6-month period, limit the assignment to a Federal Government station of any frequency which the report recommends be made immediately available for mixed use under section 113(b)(2);

"(3) by the delayed effective date recommended by the Secretary under section 113(e) (except as provided in subsection (b)(4) of this section), withdraw or limit the assignment to a Federal Government station of any frequency which the report recommends be reallocated or made available for mixed use on such delayed effective date;

"(4) assign or reassign other frequencies to Federal Government stations as necessary to adjust to such withdrawal or limitation of assignments; and

"(5) transmit a notice and description to the Commission and each House of Congress of the actions taken under this subsection.

"(b) EXCEPTIONS.—

"(1) AUTHORITY TO SUBSTITUTE.—If the President determines that a circumstance described in paragraph (2) exists, the President—

"(A) may substitute an alternative frequency or band of frequencies for the frequency or band that is subject to such determination and withdraw (or limit) the assignment of that alternative frequency or band in the manner required by subsection (a); and

"(B) shall submit a statement of the reasons for taking the action described in subparagraph (A) to the Committee on Energy and Commerce of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate.

"(2) GROUNDS FOR SUBSTITUTION.—For purposes of paragraph (1), the following circumstances are described in this paragraph:

"(A) the reassignment would seriously jeopardize the national defense interests of the United States;

"(B) the frequency proposed for reassignment is uniquely suited to meeting important governmental needs;

"(C) the reassignment would seriously jeopardize public health or safety; or

"(D) the reassignment will result in costs to the Federal Government that are excessive in relation to the benefits that may be obtained from commercial or other non-Federal uses of the reassigned frequency.

"(3) CRITERIA FOR SUBSTITUTED FREQUENCIES.—For purposes of paragraph (1), a frequency may not be substituted for a frequency identified by the report of the Secretary under section 113(a) unless the substituted frequency also meets each of the criteria specified by section 113(a).

"(4) DELAYS IN IMPLEMENTATION.—If the President determines that any action cannot be completed by the delayed effective date recommended by the Secretary pursuant to section 113(e), or that such an action by such date would result in a frequency being unused as a consequence of the Commission's plan under section 115, the President may—

"(A) withdraw or limit the assignment to Federal Government stations on a later date that is consistent with such plan, except that the President shall notify each committee specified in paragraph (1)(B) and the Commission of the reason that withdrawal or limitation at a later date is required; or

"(B) substitute alternative frequencies pursuant to the provisions of this subsection.

"(c) LIMITATION ON DELEGATION.—Notwithstanding any other provision of law, the authorities and duties established by this section may not be delegated.

"SEC. 115. DISTRIBUTION OF FREQUENCIES BY THE COMMISSION.

"Not later than 1 year after the President notifies the Commission pursuant to section 114(a)(5), the Commission shall prepare, in consultation with the Assistant Secretary when necessary, and submit to the President and the Congress, a plan for the distribution under the Act of the frequency bands reallocated pursuant to the requirements of this part. Such plan shall—

"(1) not propose the immediate distribution of all such frequencies, but, taking into account the timetable recommended by the Secretary pursuant to section 113(e), shall propose—

"(A) gradually to distribute the frequencies remaining, after making the reservation required by subparagraph (B), over the course of a period of not less than 10 years beginning on the date of submission of such plan; and

"(B) to reserve a significant portion of such frequencies for distribution beginning after the end of such 10-year period;

"(2) contain appropriate provisions to ensure—

"(A) the availability of frequencies for new technologies and services in accordance with the policies of section 7 of the Act (47 U.S.C. 157); and

"(B) the availability of frequencies to stimulate the development of such technologies;

"(3) address (A) the feasibility of reallocating spectrum from current commercial and other non-Federal uses to provide for more efficient use of the spectrum, and (B) innovation and marketplace developments that may affect the relative efficiencies of different spectrum allocations; and

"(4) not prevent the Commission from allocating bands of frequencies for specific uses in future rulemaking proceedings.

"SEC. 116. AUTHORITY TO RECOVER REASSIGNED FREQUENCIES.

"(a) AUTHORITY OF PRESIDENT.—Subsequent to the withdrawal of assignment to Federal Government stations pursuant to section 114, the President may reclaim reassigned frequencies for reassignment to Federal Government stations in accordance with this section.

"(b) PROCEDURE FOR RECLAIMING FREQUENCIES.—

"(1) UNALLOCATED FREQUENCIES.—If the frequencies to be reclaimed have not been allocated or assigned by the Commission pursuant to the Act, the President shall follow the procedures for substitution of frequencies established by section 114(b) of this part.

"(2) ALLOCATED FREQUENCIES.—If the frequencies to be reclaimed have been allocated or assigned by the Commission, the President shall follow the procedures for substitution of frequencies established by section 114(b) of this part, except that the notification required by section 114(b)(1)(A) shall include—

"(A) a timetable to accommodate an orderly transition for licensees to obtain new frequencies and equipment necessary for its utilization; and

"(B) an estimate of the cost of displacing spectrum users licensed by the Commission.

"(c) COSTS OF RECLAIMING FREQUENCIES; APPROPRIATIONS AUTHORIZED.—The Federal Government shall bear all costs of reclaiming frequencies pursuant to this section, including the cost of equipment which is rendered unusable, the cost of relocating operations to a different frequency band, and any other costs that are directly attributable to the reclaiming of the frequency pursuant to this section. There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this section.

"(d) EFFECTIVE DATE OF RECLAIMED FREQUENCIES.—The Commission shall not withdraw licenses for any reclaimed frequencies until the end of the fiscal year following the fiscal year in which the President's notification is received.

"(e) EFFECT ON OTHER LAW.—Nothing in this section shall be construed to limit or otherwise affect the authority of the President under sections 305 and 706 of the Act (47 U.S.C. 305, 606).

"SEC. 117. DEFINITIONS.

"As used in this part:

"(1) The term 'allocation' means an entry in the National Table of Frequency Allocations of a given frequency band for the purpose of its use by one or more radiocommunication services.

"(2) The term 'assignment' means an authorization given to a station licensee to use specific frequencies or channels.

"(3) The term 'commercial carrier' means any entity that uses a facility licensed by the Federal Communications Commission pursuant to the Communications Act of 1934 for hire or for its own use, but does not include Federal Government stations licensed pursuant to section 305 of the Act (47 U.S.C. 305).

"(4) The term 'the Act' means the Communications Act of 1934 (47 U.S.C. 151 et seq.).".

CHAPTER 3—COMMUNICATIONS TECHNICAL AMENDMENTS

SEC. 5241. CLERICAL CORRECTIONS.

(a) AMENDMENTS TO THE COMMUNICATIONS ACT OF 1934.—The Communications Act of 1934 is amended—

(1) in section 4(f)(3), by striking "overtime exceeds beyond" and inserting "overtime extends beyond";

(2) in section 5, by redesignating subsection (f) as subsection (e);

(3) in section 220(b), by striking "clasess" and inserting "classes";

(4) in section 223(b)(3), by striking "defendant restrict access" and inserting "defendant restricted access";

(5) in section 226(d), by striking paragraph (2) and redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively;

(6) in section 227(e)(2), by striking "national datebase" and inserting "national database";

(7) in section 228(c)(6)(D), by striking "conservation" and inserting "conversation";

(8) in section 308(c), by striking "May 24, 1921" and inserting "May 27, 1921";

(9) in section 331, by amending the heading of such section to read as follows:

"VERY HIGH FREQUENCY STATIONS AND AM RADIO STATIONS";

(10) in section 358, by striking "(a)";

(11) in part III of title III—

(A) by inserting before section 381 the following heading:

"VESSELS TRANSPORTING MORE THAN SIX PASSENGERS FOR HIRE REQUIRED TO BE EQUIPPED WITH RADIO TELEPHONE";

(B) by inserting before section 382 the following heading:

"VESSELS EXCEPTED FROM RADIO TELEPHONE REQUIREMENT";

(C) by inserting before section 383 the following heading:

"EXEMPTIONS BY COMMISSION";

(D) by inserting before section 384 the following heading:

"AUTHORITY OF COMMISSION; OPERATIONS, INSTALLATIONS, AND ADDITIONAL EQUIPMENT";

(E) by inserting before section 385 the following heading:

"INSPECTIONS"; and

(F) by inserting before section 386 the following heading:

"FORFEITURES";

(12) in section 410(c), by striking ", as referred to in sections 202(b) and 205(f) of the Interstate Commerce Act,";

(13) in section 705(e)(3)(A), by striking "paragraph (4) of subsection (d)" and inserting "paragraph (4) of this subsection";

(14) in section 705, by redesignating subsections (f) and (g) (as added by Public Law 100–667) as subsections (g) and (h); and

(15) in section 705(h) (as so redesignated), by striking "subsection (f)" and inserting "subsection (g)".

(b) AMENDMENTS TO THE COMMUNICATIONS SATELLITE ACT OF 1962.—The Communications Satellite Act of 1962 is amended—

(1) in section 303(a)—

(A) by striking "section 27(d)" and inserting "section 327(d)";

(B) by striking "sec. 29–911(d)" and inserting "sec. 29–327(d)";

(C) by striking "section 36" and inserting "section 336"; and

(D) by striking "sec. 29-916d" and inserting "sec. 29-336(d)";

(2) in section 304(d), by striking "paragraphs (1), (2), (3), (4), and (5) of section 310(a)" and inserting "subsection (a) and paragraphs (1) through (4) of subsection (b) of section 310"; and

(3) in section 304(e)—

(A) by striking "section 45(b)" and inserting "section 345(b)"; and

(B) by striking "sec. 29-920(b)" and inserting "sec. 29-345(b)"; and

(4) in sections 502(b) and 503(a)(1), by striking "Communications Satellite Corporation" and inserting "communications satellite corporation established pursuant to title III of this Act".

(c) CONFORMING AMENDMENT.—Section 1253 of the Omnibus Budget Reconciliation Act of 1981 is repealed.

SEC. 5242. TRANSFER OF PROVISIONS OF LAW CONCERNING PUBLIC TELECOMMUNICATIONS FACILITIES, CHILDREN'S EDUCATIONAL TELEVISION, AND TELECOMMUNICATIONS DEMONSTRATION PROGRAM.

(a) AMENDMENTS.—The Communications Act of 1934 (hereinafter in this section referred to as "the 1934 Act") and the National Telecommunications and Information Administration Organization Act (hereinafter in this section referred to as "the NTIAO Act") are amended as follows:

(1) The NTIAO Act is amended by inserting after part B (as added by chapter 2 of this subtitle) a new part C, the heading of which shall be as follows:

"PART C—ASSISTANCE FOR PUBLIC TELECOMMUNICATIONS FACILITIES; CHILDREN'S EDUCATIONAL TELEVISION; TELECOMMUNICATIONS DEMONSTRATIONS";

(2) Sections 390, 391, 392, 393, 393A, 394, and 395 of the 1934 Act are transferred to such new part C of the NTIAO Act and are redesignated as sections 121, 122, 123, 124, 125, 131, and 135, respectively, of the NTIAO Act.

(3) Such new part C of the NTIAO Act is amended—

(A) by inserting before section 121 the following:

"Subpart 1—Assistance for Public Telecommunications Facilities" and;

(B) by inserting before section 131 the following:

"Subpart 2—National Endowment for Children's Television" and;

(C) by inserting before section 135 the following:

"Subpart 3—Telecommunications Demonstrations".

(4) Section 125 of the NTIAO Act (as added by paragraph (2) of this subsection) is amended by striking "section 390" and inserting "section 121".

(5) Each of such sections 121 through 135 is amended so that the section designation and section heading of each such shall be in the form and typeface of the section designation and section heading of this section.

(b) CONFORMING AMENDMENT TO COMMUNICATIONS ACT OF 1934.—Part IV of title III of the 1934 Act is amended by striking out subparts A, B, and C.

(c) REFERENCES IN OTHER LAWS AND DOCUMENTS.—Any reference to any section or other provision of subpart A, B, or C of part IV of title III of the 1934 Act in any law, rule, regulation, certificate, directive, instruction, or other official paper in force on the date of enactment of this section shall be deemed to refer to the section or other provision of subpart 1, 2, or 3 of part C of the NTIAO Act to which such section or other provision is transferred by this section.

SEC. 5243. ELIMINATION OF EXPIRED AND OUTDATED PROVISIONS.

(a) AMENDMENTS TO THE COMMUNICATIONS ACT OF 1934.—The Communications Act of 1934 is amended—

(1) in section 7(b), by striking "or twelve months after the date of the enactment of this section, if later" both places it appears;

(2) in section 212, by striking "After sixty days from the enactment of this Act it shall" and inserting "It shall";

(3) in section 213, by striking subsection (g) and redesignating subsection (h) as subsection (g);

(4) in section 214(a), by striking "section 221 or 222" and inserting "section 221";

(5) in section 220(b), by striking ", as soon as practicable,";

(6) in section 222—

(A) by striking paragraph (1) of subsection (a);

(B) by redesignating paragraphs (2) and (3) of such subsection as paragraphs (1) and (2), respectively;

(C) by striking paragraph (2) of subsection (b);

(D) by redesignating subsection (b)(1) as subsection (b); and

(E) by striking subsections (c), (d), and (e);

(7) in section 224(b)(2), by striking "Within 180 days from the date of enactment of this section the Commission" and inserting "The Commission";

(8) in 226(e)(1), by striking ", within 9 months after the date of enactment of this section,";

(9) in section 309(i)(4)(A), by striking "The commission, not later than 180 days after the date of the enactment of the Communications Technical Amendments Act of 1982, shall," and inserting "The Commission shall,";

(10) by striking section 328;

(11) in section 331(b), by striking the last sentence;

(12) in section 413, by striking ", within sixty days after the taking effect of this Act,";

(13) in section 624(d)(2)—

(A) by striking out "(A)";

(B) by inserting "of" after "restrict the viewing"; and

(C) by striking subparagraph (B);

(14) by striking sections 702 and 703;

(15) in section 704—

(A) by striking subsections (b) and (d); and

(B) by redesignating subsection (c) as subsection (b);

(16) in section 705(g) (as redesignated by section 5211(15)), by striking "Within 6 months after the date of enactment of the Satellite Home Viewer Act of 1988, the Federal Communications Commission" and inserting "The Commission";

(16) in section 710(f)—

(A) by striking the first and second sentences; and

(B) in the third sentence, by striking "Thereafter, the Commission" and inserting "The Commission";

(17) in section 712(a), by striking ", within 120 days after the effective date of the Satellite Home Viewer Act of 1988,"; and

(18) by striking section 713.

(b) AMENDMENTS TO THE COMMUNICATIONS SATELLITE ACT OF 1962.—The Communications Satellite Act of 1962 is amended—

(1) in section 201(a)(1), by striking "as expeditiously as possible,";

(2) by striking sections 301 and 302 and inserting the following:

"SEC. 301. CREATION OF CORPORATION.

"There is authorized to be created a communications satellite corporation for profit which will not be an agency or establishment of the United States Government.

"SEC. 302. APPLICABLE LAWS.

"The corporation shall be subject to the provisions of this Act and, to the extent consistent with this Act, to the District of Columbia Business Corporation Act. The right to repeal, alter, or amend this Act at any time is expressly reserved.";

(3) in section 304(a), by striking "at a price not in excess of $100 for each share and";

(4) in section 404—

(A) by striking subsections (a) and (c); and

(B) by striking "(b)" at the beginning of subsection (b);

(5) in section 503—

(A) by striking paragraph (2) of subsection (a); and

(B) by redesignating paragraph (3) of subsection (a) as paragraph (2) of such subsection;

(C) by striking subsection (b);

(D) in subsection (g)—

(i) by striking "subsection (c)(3)" and inserting "subsection (b)(3)"; and

(ii) by striking the last sentence; and

(E) by redesignating subsections (c) through (h) as subsections (b) through (g), respectively;

(5) by striking sections 505, 506, and 507; and

(6) by redesignating section 508 as section 505.

SEC. 5244. STYLISTIC CONSISTENCY.

The Communications Act of 1934 and the Communications Satellite Act of 1962 are amended so that the section designation and section heading of each section of such Acts shall be in the form and typeface of the section designation and heading of this section.

Subtitle D—Energy Programs

SEC. 5301. NUCLEAR REGULATORY COMMISSION ANNUAL CHARGES.

Section 6101(a)(3) of the Omnibus Budget Reconciliation Act of 1990 (42 U.S.C. 2214(a)(3)) is amended by striking "September 30, 1995" and inserting "September 30, 1998".

TITLE VI—COMMITTEE ON FOREIGN AFFAIRS

In order to implement its reconciliation instructions, the Committee on Foreign Affairs recommends changes in law that are also recommended by the Committee on Post Office and Civil Service. These changes in law, which are contained in title X of this Act, would reduce direct spending under the Foreign Service Retirement and Disability Fund and the Foreign Service Pension System by requiring a 3-month delay in cost-of-living adjustments in each of the fiscal years 1994, 1995, and 1996.

TITLE VII—COMMITTEE ON THE JUDICIARY

SEC. 7001. PATENT AND TRADEMARK FEES.

Section 10101 of the Omnibus Budget Reconciliation Act of 1990 (35 U.S.C. 41 note) is amended—

(1) in subsection (a) by striking "1995" and inserting "1998";

(2) in subsection (b)(2) by striking "1995" and inserting "1998"; and

(3) in subsection (c)—

(A) by striking "through 1995" and inserting "through 1998"; and

(B) by adding at the end the following:

"(6) $111,000,000 in fiscal year 1996.

"(7) $115,000,000 in fiscal year 1997.

"(8) $119,000,000 in fiscal year 1998.".

TITLE VIII—COMMITTEE ON MERCHANT MARINE AND FISHERIES

SEC. 8001. EXTENSION OF VESSEL TONNAGE DUTIES.

(a) EXTENSION OF DUTIES.—Section 36 of the Act of August 5, 1909 (36 Stat. 111; 46 App. U.S.C. 121), is amended by—

(1) striking "and 1995," each place it appears and inserting "1995, 1996, 1997, 1998,";

(2) striking "place," and inserting "place;"; and

(3) striking "port, not, however, to include vessels in distress or not engaged in trade" and inserting "port. However, neither duty shall be imposed on vessels in distress or not engaged in trade".

(b) CONFORMING AMENDMENT.—The Act of March 8, 1910 (36 Stat. 234; 46 App. U.S.C. 132), is amended by striking "and 1995," and inserting "1995, 1996, 1997, and 1998,".

(c) TECHNICAL CORRECTION.—

(1) CORRECTION.—Section 10402(a) of the Omnibus Budget Reconciliation Act of 1990 (104 Stat. 1388-398) is amended by striking "in the second paragraph".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall be effective on and after November 5, 1990.

SEC. 8002. SENSE OF THE CONGRESS ON THE INLAND WATERWAYS FUEL TAX.

(a) FINDINGS.—The Congress finds the following:

(1) The Administration has proposed to increase the tax on inland barge fuels from $0.19 to $1.19 per gallon by 1997, which represents an increase of 525 percent.

(2) The General Accounting Office has recently identified 117 forms of Federal fees, taxes, and assessments, not including customs duties, which raise some $2,000,000,000 in Federal revenues each year.

(3) Barge transportation is one of the most competitive, efficient, safe, and environmentally friendly modes of transportation.

(4) Barges transport 15 percent of our Nation's commerce and provide jobs to some 180,000 Americans.

(5) The Administration's proposed increase would add $420,000,000 in new taxes for operators on inland waterways, which is more than their pretax profits.

(6) This increase would cause barge rates to skyrocket, increasing costs to consumers and devastating industries dependent upon the commercial use of barges such as coal, agriculture, and petrochemicals, and would add to our unfavorable balance of trade payments by hurting the competitiveness of United States exports.

(7) Because the price of certain agricultural commodities, such as grain, are set in the world marketplace, increased inland barge fuel taxes could not be passed on to consumers and would largely be borne by our Nation's farmers.

(8) The Senate on March 18, 1993, voted 88 to 12 to reject any further increase in inland barge fuel taxes.

(9) This huge tax increase would cause many barge companies to go out of business, would result in thousands of lost American jobs, and would further burden the already beleaguered United States maritime industry.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that the inland waterways fuel tax should not be further increased beyond those increases already mandated by law.

TITLE IX—COMMITTEE ON NATURAL RESOURCES

SEC. 9001. ANNUAL DIRECT GRANT ASSISTANCE.

(a) REPEAL.—Sections 3 and 4 of the Act of March 24, 1976 entitled "a Joint Resolution to approve the 'Covenant To Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America', and for other purposes" (90 Stat. 263 and following; 48 U.S.C. 1681 note) are repealed, effective on October 1, 1993.

(b) DEFINITIONS.—As used in this section:

(1) COMMITTEES.—The term "committees" means the Committee on Natural Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate.

(2) RECOMMENDATIONS.—The term "Recommendations" means the document executed December 17, 1992, between the special representative of the President of the United States and the special representatives of the Governor of the Commonwealth of the Northern Mariana Islands relating to future federal assistance for the Northern Mariana Islands.

(3) REPORTING DATE.—The term "reporting date" means the date on which the budget of the President for the fiscal year 1995 is required to be submitted to the Congress under section 1105 of title 31, United States Code.

(c) ASSISTANCE.—

(1) AMOUNTS.—Except as otherwise provided under this section, enactment of this section shall constitute a commitment and pledge of the full faith and credit of the United States for the payment of the following amounts:

(A) In fulfillment of the United States obligation under P.L. 94-241 and the authorization in P.L. 95-348, $3,000,000 for fiscal year 1994, which shall be available only for the American Memorial Park, located at Tanapag Harbor Reservation, Saipan, to be expended in accordance with section 5 of the Act entitled "An Act to authorize appropriations for certain insular areas of the United States, and for other purposes", approved August 18, 1978 (92 Stat. 492), for the primary purpose of constructing an appropriate monument honoring the dead in the World War II Mariana Islands campaign.

(B) $19,000,000 for fiscal year 1994, to be held in trust in a special account by the Secretary of the Interior for American Samoa, the Commonwealth of the Northern Mariana Islands, Guam, the Trust Territory of the Pacific Islands, and the Virgin Islands, and to be disbursed by the Secretary during fiscal year 1994 for essential capital improvement projects. Such disbursements shall be made by the Secretary for projects described in plans submitted to the Secretary by the governments of American Samoa, the Commonwealth of the Northern Mariana Islands, Guam, the Trust Territory of the Pacific Islands, and the Virgin Islands. No such disbursements shall be made pursuant to any such plan until after the expiration of a period of 60 days after such plan has been submitted to the committees. No such disbursements shall be made to the Commonwealth of the Northern Mariana Islands during fiscal year 1994 pursuant to any such plan until the committees have received the reports required under subsection (d)(3) and a Joint Resolution has been adopted expressing the sense of Congress that disbursements are appropriate. The Inspector General of the Department of the Interior shall (i) monitor the expenditure of such funds to determine whether such funds are expended in accordance with applicable law, and (ii) submit a report of the findings to the committees not later than January 1, 1995.

(C) Subject to paragraphs (2), (3), and (4) and subject to subsection (d), not more than $98,000,000 for the 6-year period beginning October 1, 1994, for the government of the Commonwealth of the Northern Mariana Islands, for capital improvement projects, at annual amounts that shall not exceed those specified for the Federal contribution within the general funding schedule contained in the Recommendations.

(2) MATCHING RATIO AND INTEREST EARNINGS.—Nothing in this section shall be construed to—

(A) modify the matching ratio requirement specified in the funding schedule contained in the Recommendations; or

(B) modify the terms of the Recommendations as to the availability of interest earnings on funds contributed under Public Law 99-396 upon meeting the terms of the grant pledge agreements entered into under Public Law 99-396.

(3) ROTA, TINIAN, AND SAIPAN.—No less than ⅛th share of the funds made available under subsection (c)(1)(C) shall be expended in the islands of Rota and Tinian and no less than ¼th share shall be expended in Saipan.

(4) APPLICABILITY OF GRANT REGULATIONS.—The Federal assistance provided under this section shall be subject to the applicable Federal grant regulations set forth in the Common Rule (43 C.F.R. 12a, OMB Circular A-102, and OMB Circular A-128).

(d) CONDITION ON MULTI-YEAR ASSISTANCE.—

(1) JOINT RESOLUTION.—Amounts under subsection (c)(1)(C) for fiscal years 1995 through 2000 shall be as determined by the Congress by joint resolution. It is the intent of the Congress that the committees report such a joint resolution after considering the plan referred to in paragraph (2) and reports required by this subsection.

(2) CAPITAL IMPROVEMENT PROJECTS PLAN.—The plan referred to in paragraph (1) is a plan developed and submitted by the Governor of the Commonwealth of the Northern Mariana Islands to the Secretary of the Interior as approved by the legislature of the Commonwealth for new and reconstructed capital infrastructure projects, indicating the order of priority, together with cost estimates for each project and identification of sources of financing for each project. The Secretary of the Interior shall submit the plan, together with his recommendations, to the committees not later than the reporting date.

(3) REPORTS.—Each of the following reports shall be submitted to the committees not later than the reporting date as follows:

(A) REVENUE BURDEN.—The Comptroller General of the United States, after consultation with the government of the Northern Mariana Islands, shall submit a report describing the effective revenue burden (including all taxes and fees) imposed by the government of the Commonwealth of the Northern Mariana Islands. The report shall—

(i) address whether revenues raised are sufficient to meet the infrastructure needs of the Commonwealth; and

(ii) compare the revenue burden of the Commonwealth with that of Guam.

(B) COMPLIANCE WITH AUDIT RECOMMENDATIONS.—The Inspector General of the Department of the Interior shall submit a report on (i) compliance by the government of the Commonwealth of the Northern Mariana Islands with recommendations made by the Inspector General pursuant to audits of the government of the Commonwealth, and (ii) on all unfulfilled commitments made by the government of the Commonwealth in response to those recommendations.

(C) ASSESSMENT OF MINIMUM WAGE.—The Secretary of Labor, after consultation with the government of the Commonwealth of the Northern Mariana Islands, shall submit a report which assesses whether—

(i) the minimum wage policies of the Commonwealth are sufficient for the maintenance of the minimum standard of living necessary for health, efficiency, and general well-being of workers in the Commonwealth;

(ii) the prevailing wages paid in the Commonwealth are effectively reduced by the immigration policy of the Commonwealth; and

(iii) the wage rate in the Commonwealth gives industries in the Commonwealth a competitive advantage over industries in the United States outside of the Commonwealth.

(D) IMMIGRATION POLICY AND BURDEN ON INFRASTRUCTURE.—(i) The Attorney General of the United States, after consultation with the government of the Commonwealth of the Northern Mariana Islands, shall submit a report which assesses—

(I) whether the immigration laws of the Commonwealth are appropriate in light of the social and economic situation in the Commonwealth;

(II) the extent to which the Commonwealth is relying on temporary alien workers to meet the Commonwealth's permanent labor needs;

(III) whether the Commonwealth has taken steps to reduce its dependence on temporary alien workers; and

(IV) the political and civil rights of the alien population as compared to the resident population.

(ii) The Comptroller General of the United States shall submit a report to the Congress which analyzes the socioeconomic impact of the immigration policy of the Commonwealth of the Northern Mariana Islands, including the financial burden imposed by the alien population on the infrastructure.

(E) ENVIRONMENTAL LAWS.—The Secretary of the Interior and the Administrator of the Environmental Protection Agency shall each submit a report to the Congress on the compliance by the Commonwealth of the Northern Mariana Islands with United States environmental laws, including (but not limited to) the National Environmental Policy Act of 1969, the Endangered Species Act of 1973, and the Federal Water Pollution Control Act.

SEC. 9002. NET RECEIPTS SHARING.

Section 35 of the Mineral Leasing Act is amended as follows:

(1) Strike the last sentence.

(2) Insert "(a) IN GENERAL.—" after "SEC. 35."

(3) Insert "and, subject to subsection (b)," between "United States;" and "50 percentum".

(4) Add the following new subsection at the end thereof:

"(b) ADMINISTRATIVE COSTS.—(1) In calculating the amount to be paid to each State during any fiscal year under this section and under other provisions of law requiring payment to a State of any revenues derived from the leasing of any other onshore lands or interest in land owned by the United States for the production of the same types of minerals as are leasable under this Act or for the production of geothermal steam, prior to the division and distribution of such leasing receipts between the States and the United States, the Secretary shall deduct 50 percent of the portion of the enacted appropriations of the Department of the Interior and of other departments and agencies of the United States for the preceding fiscal year allocable to the administration and enforcement of this Act and such other provisions of law. Such deduction shall be in approximately equal amounts each month (subject to paragraph (3)).

"(2) The proportion of the deduction required under paragraph (1) which is allocable to each State shall be a percentage of the total deduction allocable to all States. The percentage shall be determined by dividing—

"(A) the monies disbursed to the State during the preceding fiscal year under the provisions of this section and the other provisions of law referred to in paragraph (1), by

"(B) the total money disbursed to all States during that fiscal year under such provisions.

"(3) If the amount otherwise deductible under this subsection in any month from the portion of revenues to be distributed to a State exceeds the amount payable to the State during that month, any amount exceeding the amount payable shall be carried forward and deducted from amounts payable to the State in subsequent months.

"(4) All amounts deducted under this subsection from monies otherwise payable to a State shall be credited to miscellaneous receipts in the Treasury.".

SEC. 9003. HARD ROCK MINING CLAIM MAINTENANCE AND LOCATION FEES.

(a) CLAIM MAINTENANCE AND LOCATION FEES.—

(1) CLAIM MAINTENANCE FEES.—The holder of each unpatented mining claim, mill or tunnel site located pursuant to the Mining Laws of the United States (whether located before or after enactment of this Act) shall pay to the Secretary of the Interior or his designee for each assessment year a flat claim maintenance fee of not less than $100 per claim. Such claim maintenance fee shall be in lieu of the assessment work requirement contained in the Mining Law of 1872 (30 U.S.C. 28-28e) and the related filing requirements contained in section 314 (a) and (c) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1744 (a) and (c)).

(2) LOCATION FEE.—For each mining claim, mill or tunnel site located pursuant to the Mining Laws of the United States after the date of enactment of this Act, the claimant shall pay the Secretary a location fee of $25.

(b) TIME OF PAYMENT.—The claim maintenance fee payable under subsection (a)(1) for any assessment year shall be paid before the commencement of the assessment year, except that for the initial assessment year in which the location is made, the locator shall pay the claim maintenance fee at the time the location notice is recorded with the Bureau of Land Management. The location fee imposed under subsection (a)(2) shall be payable not later than 90 days after the date of location.

(c) DEPOSIT IN TREASURY.—The Secretary shall deposit monies received under this Act as miscellaneous receipts in the Treasury.

(d) CO-OWNERSHIP.—The co-ownership provisions of section 2324 of the Mining Law of 1872 (30 U.S.C. 28) shall remain in effect with respect to mining claims subject to such provisions except that the annual claim maintenance fee, where applicable, shall be paid in lieu of applicable assessment requirements and expenditures.

(e) FORFEITURE.—Failure to make the annual payment of any claim maintenance or location fee required with respect to any unpatented mining claim, mill, or tunnel site required by subsection (a) shall conclusively constitute a forfeiture by the holder of the unpatented mining claim, mill or tunnel site, effective at noon on the date the payment is due.

(f) FLPMA FILING REQUIREMENTS.—Nothing in this Act shall change or modify the requirements of section 314(b) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1744(b)) or the requirements of section 314(c) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1744(c)) related to filings required by such section 314(b). Such requirements shall remain in effect with respect to claims, and mill or tunnel sites for which fees are required to be paid under this section.

(g) RULES AND REGULATIONS.—The Secretary of the Interior shall promulgate rules and regulations to carry out the purposes of this section as soon as practicable after the date of enactment of this Act.

(h) PURCHASING POWER ADJUSTMENT.—Every 5 years following the date of enactment of this Act, or more frequently if the Secretary determines a more frequent adjustment to be reasonable, the Secretary of the Interior shall adjust the fees specified in subsection (a) to reflect changes in the purchasing power of the dollar. The Secretary shall use the Consumer Price Index for all urban consumers published by the Department of Labor as the basis for adjustment, rounding according to the adjustment process of conditions of the Federal Civil Penalties Inflation Adjustment Act of 1990 (104 Stat. 890). The Secretary shall provide claimants notice of any adjustment made under this subsection not later than July 1 of any year in which the adjustment is made. A fee adjustment under this paragraph shall begin to apply the first assessment which begins after the adjustment is made.

(i) OIL SHALE CLAIMS SUBJECT TO CLAIM MAINTENANCE FEES UNDER ENERGY POLICY ACT OF 1992.—This section shall not apply to any oil shale claims for which a fee is required to be paid under section 2511(e)(2) of the Energy Policy Act of 1992 (Public Law 102-486; 106 Stat. 3111; 30 U.S.C. 242).

(j) EXCEPTION FOR HOLDERS OF FEWER THAN 50 CLAIMS.—

(1) ELIGIBILITY.—In accordance with paragraph (3), a claimant may be eligible for a waiver or reduction of the claim maintenance fees imposed under this section if the claimant certifies in writing to the Secretary that on the date the payment was due, the claimant and all related parties—

(A) held not more than 50 mining claims, mill sites, or tunnel sites, or any combination thereof, on public lands; and

(B) have performed assessment work sufficient to maintain the mining claims held by the claimant and such related parties for the assessment year ending on noon of September 1 of the calendar year in which payment of the claim maintenance fee was due; except that such performance of assessment work shall not be required by reason of section 5 of Public Law 94-429, commonly known as the Mining in the Parks Act, or such other laws that before the date of the enactment of this Act removed the applicability of the assessment work requirement of the general mining laws for any claim subject to such laws.

(2) HOLDER.—For purposes of paragraph (1), with respect to any claimant, the term "related parties" means—

(A) the spouse and dependent children (as defined in section 152 of the Internal Revenue Code of 1986), of the claimant; and

(B) a person affiliated with the claimant, including—

(i) a person controlled by, controlling, or under common control with the claimant; and

(ii) a subsidiary or parent company or corporation of the claimant.

(3) Waived or reduced maintenance fees.—

(A) 10 or fewer claims.—The Secretary of the Interior may waive the claim maintenance fee imposed under this section in its entirety for 10 or fewer claims held by a claimant eligible under paragraph (1).

(B) 11 or more claims.—

(i) In general.—Subject to clause (ii), for a claimant eligible under paragraph (1), the Secretary may reduce the claim maintenance fee imposed under this section to $25 per claim for each claim in excess of 10.

(ii) Limitation.—The reduction provided for in this subparagraph shall be available for no more than 50 claims held by a claimant who is eligible under paragraph (1).

(4) Payment in lieu of annual labor requirements.—The third sentence of section 2324 of the Revised Statutes (30 U.S.C. 28) is amended by inserting after "On each claim located after the tenth day of May, eighteen hundred and seventy-two," the following: "for which a waiver of the maintenance fee, or a reduced maintenance fee, under section 9003 of the Omnibus Budget Reconciliation Act of 1993 has been granted under subsection (j) of that section,".

(5) Filing requirements.—The holder of any unpatented mining claim for which a waiver of the maintenance fee, or a reduced maintenance fee, has been granted pursuant to this subsection shall continue to be subject to the filing requirements contained in sections 314 (a) and (c) of the Federal Land Policy Management Act of 1976 (43 U.S.C. 1744(a) and (c)).

(k) Effective Date.—This section shall take effect with respect to assessment years beginning after August 31, 1994.

SEC. 9004. FEDERAL IRRIGATION WATER SURCHARGE.

(a) Findings and Purposes.—

(1) Findings.—The Congress finds that—

(A) the construction and operation of Federal reclamation projects have contributed to the depletion of streams, the alteration of riparian habitat, and the degradation of water quality;

(B) such impacts have had adverse impacts on fish and wildlife resources; and

(C) the restoration of fish and wildlife and related habitat affected by the construction or operation of Federal reclamation projects is a continuing responsibility of the beneficiaries of such projects.

(2) Purposes.—The purposes of this section are to—

(A) incorporate the restoration of fish and wildlife resources and related habitat affected by the construction or operation of Federal reclamation projects into the annual operation and maintenance requirements of such projects;

(B) establish a fair and equitable mechanism for securing timely payments from the beneficiaries of such projects for the implementation, operation, and maintenance of fish and wildlife restoration measures;

(C) accelerate the rate of restoration and recovery of depleted populations of indigenous fish and wildlife; and

(D) encourage more efficient use of water resources by the beneficiaries of Federal reclamation projects.

(b) Operational Charges.—

(1) In general.—Individuals or non-Federal entities that receive delivery of water (including by exchange) which is stored in or transported through Federal reclamation projects or project facilities or projects or project facilities constructed by the Secretary of the Army that meet the conditions specified in paragraph (1) or (2) of section 212(a) of the Reclamation Reform Act of 1982 (Public Law 97–293, 43 U.S.C. 390ll), except for facilities of the Central Valley Project, California (as that project is defined by title XXXIV of Public Law 102–575), shall, pursuant to such terms, conditions, and procedures as the Secretary of the Interior may prescribe, pay to the United States an operation and maintenance charge sufficient to yield at least $10,000,000 (January 1993 price levels) annually in the years 1994, 1995, and 1996 and at least $15,000,000 (January 1993 price levels) annually in 1997 and each year thereafter.

(2) Payments.—Payments required by paragraph (1) shall be made without reduction or deferral by the Secretary under any provision of reclamation law and without regard to whether an individual or entity has discharged its repayment obligation within the meaning of the first section of the Act of July 2, 1956 (70 Stat. 483; 43 U.S.C. 485h–1), section 213 of the Reclamation Reform Act of 1982 (Public Law 97–293, 43 U.S.C. 390mm), or any other provision of Federal Reclamation law. The payments shall be in addition to any other repayments owed or made to the United States and shall not be applied or credited to an individual's or entity's repayment of project construction costs, payment of other annual project operation and maintenance costs, payment of interest, or reduction of any contractual obligation the individual or entity may have with the United States.

(c) Natural Resources Restoration Fund.—There is hereby established in the Treasury of the United States a fund to be known as the "Natural Resources Restoration Fund" (hereafter in this section referred to as the "Fund"). All payments of the operation and maintenance charges authorized in subsection (b) shall be deposited in the Fund, and shall be available in the fiscal year following deposit and thereafter, to such extent or in such amounts as are provided in advance in appropriation Acts, for expenditures by the Secretary of the Interior for the benefit of fish and wildlife resources, including habitat, affected by construction or operation of the projects referred to in this section.

(d) Indian Land Owners.—For the purposes of this section, Indian tribes or individual Indian beneficial owners of land held in trust by the United States or subject to a restriction against alienation by the United States shall be considered to be Federal entities.

(e) Federal Reclamation Law.—This section shall constitute an amendment of and a supplement to the Federal Reclamation laws (the Reclamation Act of 1902, 32 Stat. 388, and Acts amendatory thereof and supplementary thereto).

SEC. 9005. RECREATION USER FEES.

(a) Land and Water Conservation Fund Act of 1965.—

(1) In general.—The first sentence of section 4(b) of the Land and Water Conservation Fund Act of 1965 (relating to recreation use fees) is amended by striking out "picnic tables, or boat ramps" and all that follows down through the period at the end thereof and inserting the following: "or picnic tables, and in no event shall there be any charge for the use of any campground not having a majority of the following: tent or trailer spaces, drinking water, access road, refuse containers, toilet facilities, fee collection by an employee or agent of the Federal agency operating the facility, reasonable visitor protection, and simple devices for containing a campfire (where campfires are permitted). For purposes of this subsection, the term 'specialized outdoor recreation site' includes but shall not be limited to campgrounds, swimming sites, boat launch facilities, and managed parking lots.". The second sentence of such section 4(b) is hereby repealed.

(2) Conforming amendment.—Section 210 of Public Law 90–483 (82 Stat. 746; 16 U.S.C. 460d–3) is repealed.

(b) Costs of Collection.—Section 4(i) of the Land and Water Conservation Fund Act of 1965 (relating to special accounts for fees collected) is amended by inserting "(A)" after "(1)" and by adding the following at the end of paragraph (1):

"(B) Notwithstanding subparagraph (A), in any fiscal year, the Secretary of Agriculture and the Secretary of the Interior may withhold from the special account established under subparagraph (A) such portion of all receipts the fees collected in that fiscal year under this section as such Secretary determines to be equal to the additional fee collection costs for that fiscal year. The amounts so withheld shall be retained by the Secretary of Agriculture or the Secretary of the Interior and shall be available, without further appropriation, for expenditure by the Secretary concerned in the fiscal year in which collected to cover such additional fee collection costs. The Secretary concerned shall deposit in the special account established pursuant to subparagraph (A) any amounts so retained which remain unexpended and unobligated at the end of such fiscal year. For the purposes of this subparagraph, for any fiscal year, the term 'additional fee collection costs' means those costs for personnel and infrastructure directly associated with the collection of fees imposed under this section which exceed the costs for personnel and infrastructure directly associated with the collection of such fees during fiscal year 1993.".

(c) Golden Age Passport.—The second sentence of section 4(a)(4) of the Land and Water Conservation Fund Act of 1965 (relating to Golden Age Passports) is amended to read as follows: "Such permit shall be nontransferable, shall be issued for a charge of $10, and shall entitle the permittee and the permittee's spouse accompanying the permittee to general admission into any area designated pursuant to this section.".

(d) User Fees for Rights-of-Way.—In each fiscal year after the enactment of this Act, the Secretary of the Interior shall impose and collect an annual fee for the use and occupancy of any right-of-way through any national park system unit for which a permit has been issued by the Secretary pursuant to any general or specific statutory right-of-way authority (whether issued before or after the enactment of this Act) or for any other right-of-way allowed as of the date of the enactment of this Act. The amount of such annual fee shall be equal to the fair market rental value, as determined by the Secretary, of such use and occupancy for the fiscal year concerned. The fair market value shall be reviewed (and revised if necessary) not less frequently than every 3 years. The Secretary shall deposit all fees collected under this subsection in the special account established under section 4(i) of the Land and Water Conservation Fund Act of 1965.

(e) Commercial Tour Use Fees.—(1) In the case of each unit of the National Park System for which an admission fee is charged under section 4 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460l–4), the Secretary of the Interior shall establish, by October 1, 1993, a commercial tour use fee to be imposed on each vehicle or aircraft entering the unit (or the airspace of the unit) for the purpose of providing commercial tour services within (or within the air space of) the unit. Fee revenue derived from such commercial tour use fees shall be deposited into the special account established under section 4(i) of the Land and Water Conservation Fund Act of 1965.

(2) The Secretary shall establish the amount of fee to be imposed under this subsection per entry. The fee shall not be less than—

(A) $25 per vehicle or aircraft with a passenger capacity of 25 persons or less,

(B) $50 per vehicle or aircraft with a passenger capacity of 26 to 99 persons, and

(C) $100 per vehicle or aircraft with a passenger capacity of 100 to 299 persons.

The Secretary may periodically increase the fee imposed under this subsection as he deems necessary and justifiable.

(3) The commercial tour use fee imposed under this subsection shall not apply to either of the following:

(A) Any vehicle or aircraft transporting organized school groups or outings conducted for educational purposes by schools or other bona fide educational institutions.

(B) Any vehicle or aircraft entering a park system unit pursuant to a contract issued under the Act of October 9, 1965 (16 U.S.C. 20–20g) entitled "An Act relating to the establishment of concession policies in the areas administered by the National Park Service and for other purposes".

(f) FAIR MARKET VALUE FOR COMMUNICATION SITE FEES.—No permit or other authorization for the use of any area of the public lands of the United States for purposes of commercial telephone transmission facilities shall remain in force and effect after January 1, 1994 unless, before that date, and before January 1 of each year thereafter, the holder of such permit or other authorization pays to Secretary of the Department having administrative jurisdiction over such lands an amount equal to the fair market value, as determined by such Secretary, of the right to use and occupy such area for such purposes. For purposes of this subsection, the term "public lands of the United States" means lands owned by the United States and administered by the Secretary of the Interior (other than lands held for the benefit of Indians, Aleuts, and Eskimos) and lands within the National Forest System.

SEC. 9006. NUCLEAR REGULATORY COMMISSION ANNUAL CHARGES.

Section 6101(a)(3) of the Omnibus Budget Reconciliation Act of 1990 (42 U.S.C. 2214(a)(3)) is amended by striking "September 30, 1995" and inserting "September 30, 1998".

SEC. 9007. RECOVERING THE COST FOR GOVERNMENT SERVICES.

(a) REPORT.—Not later than January 1, 1994, the Secretary of the Interior and the Secretary of Energy shall each submit a report identifying fees, penalties, and other charges to the Committee on Natural Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate. Each report shall—

(1) identify all fees, penalties, and other charges imposed by the respective Secretary for the provision of services;

(2) include the procedures for adjusting such fees to recover the cost of providing those services; and

(3) identify those services for which no fee is currently charged and make recommendations for a fee appropriate to cover the cost of providing each service.

(b) ADJUSTMENT OF FEES.—Except as provided in subsection (d), for fiscal year 1995 and each fiscal year thereafter, the Secretary of the Interior and the Secretary of Energy shall adjust each fee, penalty, and other charge for the provision of services identified pursuant to subsection (a)(1). Each such fee, penalty, and charge shall be adjusted in accordance with the procedures identified pursuant to subsection (a)(2).

(c) IMPLEMENTATION OF FEES FOR SERVICES NOT COVERED.—Beginning with fiscal year 1995, the Secretary of the Interior and the Secretary of Energy shall charge fees for each of the services identified pursuant to subsection (a)(3) in an amount sufficient to recover the cost of providing the service. For each fiscal year thereafter, the fee shall be adjusted in the same manner as adjustments are made pursuant to subsection (b), using fiscal year 1995 as the base year.

(d) CERTAIN FEES, PENALTIES AND CHARGES NOT COVERED.—Subsection (b) shall not apply to any fee, penalty, or charge the amount of which is expressly specified in any statute or contract.

SEC. 9008. UNFUNDED LIABILITIES OF THE FEDERAL GOVERNMENT.

Section 1105 of title 31, United States Code, is amended by adding the following subsection at the end thereof:

"(g) The President shall transmit with materials related to each budget an estimate of unfunded future liabilities of the Federal Government that are not accounted for in the budget itself. Such estimate shall include (but not be limited to) liabilities for future remediation of environmental and natural resources damage, and cleaning up waste sites, on Federal lands. Sources of liabilities shall include (but not be limited to) active, inactive, or abandoned mines or oil or gas wells, irrigation waste water impacts, decommissioning of nuclear power plants, and uranium mining and processing activities (without regard to the location of such mining or processing activities) affecting the health of Native Americans and carried out pursuant to a program administered by the United States.".

TITLE X—COMMITTEE ON POST OFFICE AND CIVIL SERVICE

Subtitle A—Civil Service

SEC. 10001. DELAY IN COST-OF-LIVING ADJUSTMENTS IN FEDERAL EMPLOYEE RETIREMENT BENEFITS DURING FISCAL YEARS 1994, 1995, AND 1996.

(a) APPLICABILITY.—This section shall apply with respect to any cost-of-living increase scheduled to take effect, during fiscal year 1994, 1995, or 1996, under—

(1) section 8340(b) or 8462(b) of title 5, United States Code;

(2) section 826 or 858 of the Foreign Service Act of 1980; or

(3) section 291 of the Central Intelligence Agency Retirement Act (50 U.S.C. 2131), as set forth in section 802 of the CIARDS Technical Corrections Act of 1992 (Public Law 102–496; 106 Stat. 3196).

(b) DELAY IN EFFECTIVE DATE OF ADJUSTMENTS.—A cost-of-living increase described in subsection (a) shall not take effect until the first day of the third calendar month after the date such increase would otherwise take effect.

(c) RULE OF CONSTRUCTION.—Nothing in this section shall be considered to affect any determination relating to eligibility for an annuity increase or the amount of the first increase in an annuity under section 8340(b) or (c) or section 8462(b) or (c) of title 5, United States Code, or comparable provisions of law.

SEC. 10002. PERMANENT ELIMINATION OF THE ALTERNATIVE-FORM-OF-ANNUITY OPTION EXCEPT FOR INDIVIDUALS WITH A CRITICAL MEDICAL CONDITION.

(a) CIVIL SERVICE RETIREMENT SYSTEM; FEDERAL EMPLOYEES' RETIREMENT SYSTEM.—Sections 8343a and 8420a of title 5, United States Code, are each amended—

(1) in subsection (a) by striking "an employee or Member may," and inserting "any employee or Member who has a life-threatening affliction or other critical medical condition may,"; and

(2) by striking subsection (f).

(b) FOREIGN SERVICE RETIREMENT AND DISABILITY SYSTEM.—Section 807(e)(1) of the Foreign Service Act of 1980 (22 U.S.C. 4047(e)(1)) is amended by striking "a participant may," and inserting "any participant who has a life-threatening affliction or other critical medical condition may,".

(c) CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM.—Section 294(a) of the Central Intelligence Agency Retirement Act (50 U.S.C. 2143(a)), as set forth in section 802 of the CIARDS Technical Corrections Act of 1992 (Public Law 102–496; 106 Stat. 3196), is amended by striking "a participant may," and inserting "any participant who has a life-threatening affliction or other critical medical condition may,".

(d) EFFECTIVE DATE.—The amendments made by this section shall become effective on January 1, 1994, and shall apply with respect to any annuity commencing on or after that date.

SEC. 10003. PAY LIMITATIONS.

(a) ELIMINATION OF THE 1994 ANNUAL PAY ADJUSTMENT.—

(1) STATUTORY PAY SYSTEMS.—Notwithstanding section 633 of the Treasury, Postal Service and General Government Appropriations Act, 1991 (5 U.S.C. 5303 note) or any other provision of law, the adjustment in rates of basic pay that is scheduled to take effect in 1994 under section 5303 of title 5, United States Code, shall not take effect.

(2) OTHER PAY SYSTEMS.—

(A) IN GENERAL.—Notwithstanding any other provision of law, any general pay adjustment, similar to the adjustment referred to in paragraph (1), which is scheduled to take effect in 1994 with respect to any civilian officers or employees in the executive branch (other than those affected by paragraph (1)) shall not take effect.

(B) EXCEPTIONS.—Subparagraph (A) shall not apply with respect to—

(i) any pay adjustment required under the terms of a contract, as in effect before the date of the enactment of this Act; or

(ii) any alien or noncitizen of the United States who occupies a position outside the United States.

(C) REGULATIONS.—The Office of Personnel Management may prescribe any regulations it considers necessary for the administration of this paragraph.

(b) MODIFICATION IN FORMULA FOR COMPUTING ANNUAL PAY ADJUSTMENTS FOR 1995, 1996, AND 1997.—

(1) STATUTORY PAY SYSTEMS.—Section 5303(a) of title 5, United States Code, is amended—

(A) by striking "(a)" and inserting "(a)(1)"; and

(B) by adding at the end the following:

"(2) Notwithstanding section 633 of the Treasury, Postal Service and General Government Appropriations Act, 1991 or any other provision of law, for purposes of any adjustment scheduled to take effect under this section in 1995, 1996, or 1997, paragraph (1) shall be deemed to be amended by striking 'equal to' through 'less than' and inserting 'equal to one and one-half percentage points less than'.".

(2) OTHER PAY SYSTEMS.—Section 704(a)(1) of the Ethics Reform Act of 1989 (5 U.S.C. 5318 note) is amended by adding at the end the following:

"(C) SPECIAL RULE.—For purposes of any pay adjustment scheduled to take effect in 1995, 1996, or 1997, subparagraph (B) shall be deemed to be amended by striking 'one-half of 1 percent' and inserting 'one and one-half percent'.".

SEC. 10004. PROVISIONS RELATING TO LOCALITY-BASED COMPARABILITY PAYMENTS.

(a) LOCALITY-BASED COMPARABILITY PAYMENTS.—

(1) CHANGE IN EFFECTIVE DATE OF PAYMENTS.—Section 5304(d)(2) of title 5, United States Code, is amended by striking "January 1" and inserting "July 1".

(2) LIMITATION RELATING TO AGGREGATE AMOUNT PAYABLE DURING CERTAIN PERIODS.—Section 5304 of title 5, United States Code, is amended—

(A) by redesignating subsection (i) as subsection (j); and

(B) by inserting after subsection (h) the following:

"(i)(1) Notwithstanding any other provision of this section, comparability payments may not be established or adjusted under this section in a manner that would cause the resulting estimated total amount payable under this section during the period which—

"(A) begins on July 1, 1994, and ends on June 30, 1995, to exceed $1,800,000,000;

"(B) begins on July 1, 1995, and ends on June 30, 1996, to exceed $2,500,000,000;

"(C) begins on July 1, 1996, and ends on June 30, 1997, to exceed $3,300,000,000;

"(D) begins on July 1, 1997, and ends on June 30, 1998, to exceed $4,200,000,000; or

"(E) begins on July 1, 1998, and ends on September 30, 1998, to exceed $1,747,000,000.

"(2) If necessary in order to achieve compliance with any of the respective limitations under paragraph (1), the President may, in carrying out subsection (d)(2), specify levels of comparability payments less than the minimum which would otherwise be required under subsection (a)(3).

"(3) The pay agent shall develop and include in the appropriate reports under subsection (d)(1) the methodology for making any estimates under this subsection, and any such estimate shall be made in accordance with the methodology so included in the then most recent report.

"(4) Whenever any authority under this subsection is exercised, the President shall so indicate in his next report under subsection (d)(3), including specific information as to how such authority was exercised and the reasons why it was so exercised.".

(b) TEMPORARY CHANGE IN EFFECTIVE DATE OF ANNUAL PAY ADJUSTMENTS UNDER SECTION 5303 OF TITLE 5, UNITED STATES CODE.—Section 5303(a) of title 5, United States Code (as amended by section 10003(b)(1)), is further amended by adding after paragraph (2) of such section 5303(a) (as so amended) the following:

"(3) Effective for the period beginning on January 1, 1995, and ending on December 31, 2003, paragraph (1) shall be deemed to be amended by striking 'January 1' and inserting 'July 1'.".

(c) REPEAL OF THE PROVISION EXCLUDING SENIOR EXECUTIVES FROM THE LIMITATION GENERALLY APPLICABLE ON THE ACCUMULATION OF ANNUAL LEAVE.—

(1) IN GENERAL.—Section 6304(f) of title 5, United States Code, is repealed, effective as of January 1, 1994.

(2) SAVINGS PROVISION.—

(A) APPLICABILITY.—This paragraph shall apply with respect to an individual—

(i) who, as of December 31, 1993, has more than 30 days of annual leave to such individual's credit (or more than 45 days, if the individual would be subject to section 6304(b) of such title) which were accrued in any position described in section 6304(f) of title 5, United States Code (as in effect on the date of the enactment of this Act); and

(ii) only for so long as such individual remains continuously employed in any such position (disregarding any break in service of 3 days or less).

(B) STATEMENT OF THE RULE.—For purposes of administering section 6304 of title 5, United States Code, with respect to any individual to whom this paragraph applies—

(i) subsection (a) of such section shall be deemed amended by striking "30" and inserting the number corresponding to the number of days determined for such individual under subparagraph (A)(i); and

(ii) subsection (b) of such section shall be deemed amended by striking "45" and inserting the number corresponding to the number of days determined for such individual under subparagraph (A)(i).

(3) CONFORMING AMENDMENT.—Section 6304(a) of title 5, United States Code, is amended by striking "(d), (e), (f), and (g)" and inserting "(d) and (e)".

(d) NO CASH AWARDS BETWEEN FISCAL YEARS 1994 THROUGH 1998.—

(1) DEFINITION.—For the purpose of this subsection, the term "cash award" means any cash award, performance award, rank, or other form of recognition entitling the recipient to any monetary payment under subchapter I of chapter 45 of title 5, United States Code, or section 5384, 5406, or 5407 of such title.

(2) RESTRICTION.—Notwithstanding any other provision of law, no cash award may be awarded during the period beginning on October 1, 1993, and ending on September 30, 1998.

(e) REDUCTION OF FEDERAL WORKFORCE BY 150,000.—

(1) DEFINITION.—For the purpose of this subsection, the term "civilian employees in the executive branch" means all civilian employees within the executive branch of the Government (other than in the United States Postal Service or the Postal Rate Commission).

(2) LIMITATIONS.—The average total number of civilian employees in the executive branch may not exceed—

(A) 2,095,200 in fiscal year 1994;

(B) 2,044,100 in fiscal year 1995;

(C) 2,010,100 in fiscal year 1996;

(D) 1,998,500 in fiscal year 1997; or

(E) 1,996,700 in fiscal year 1998.

(3) AVERAGING.—The average total number of civilian employees in the executive branch in a fiscal year shall, for purposes of this subsection, be the average number in such fiscal year, as determined under regulations prescribed under paragraph (5). Any such average shall be determined on a "full-time equivalent" basis.

(4) VOLUNTARY MEASURES.—To the extent practicable, any reductions necessary to achieve compliance with any limitation under paragraph (2) shall be effected through attrition or other voluntary measures.

(5) REGULATIONS.—The President shall prescribe regulations to carry out this subsection.

(f) PAY-LIMITATION PROVISIONS MADE APPLICABLE TO CERTAIN EMPLOYEES IN THE JUDICIAL BRANCH.—The Director of the Administrative Office of the United States Courts shall take such measures as may be necessary to ensure that the purposes of subsections (a) and (b) of section 10003 and subsections (a)(1) (if applicable) and (b) of this section are carried out with respect to employees who are subject to the personnel management system established by the Director under section 3 of Public Law 101–474 (28 U.S.C. 602 note).

SEC. 10005. APPLICATION OF MEDICARE PART B LIMITS TO PHYSICIANS' SERVICES FURNISHED TO FEDERAL EMPLOYEE HEALTH BENEFITS ENROLLEES AGE 65 OR OLDER.

(a) IN GENERAL.—Section 8904(b) of title 5, United States Code, is amended—

(1) in paragraph (1) by inserting "(A)" after "(b)(1)" and by adding at the end the following:

"(B)(i) A plan, other than a prepayment plan described in section 8903(4), may not provide benefits, in the case of any retired enrolled individual who is age 65 or older and is not entitled to Medicare supplementary medical insurance benefits under part B of title XVIII of the Social Security Act (42 U.S.C. 1395j et seq.), to pay a charge imposed for physicians' services (as defined in section 1848(j) of such Act, 42 U.S.C. 1395w–4(j)) which are covered for purposes of benefit payments under this chapter and under such part, to the extent that such charge exceeds the fee schedule amount under section 1848(a) of such Act (42 U.S.C. 1395w–4(a)).

"(ii) Physicians and suppliers who have in force participation agreements with the Secretary of Health and Human Services consistent with section 1842(h)(1) of such Act (42 U.S.C. 1395u(h)(1)), whereby the participating provider accepts Medicare benefits (including allowable deductible and coinsurance amounts) as full payment for covered items and services shall accept equivalent benefit and enrollee cost-sharing under this chapter as full payment for services described in clause (i). Physicians and suppliers who are nonparticipating physicians and suppliers for purposes of part B of title XVIII of such Act shall not impose charges that exceed the limiting charge under section 1848(g) of such Act (42 U.S.C. 1395w–4(g)) with respect to services described in clause (i) provided to enrollees described in such clause. The Office of Personnel Management shall notify a physician or supplier who is found to have violated this clause and inform them of the requirements of this clause and sanctions for such a violation. The Office of Personnel Management shall notify the Secretary of Health and Human Services if a physician or supplier is found to knowingly and willfully violate this clause on a repeated basis and the Secretary of Health and Human Services may invoke appropriate sanctions in accordance with sections 1128A(a) and section 1848(g)(1) of such Act (42 U.S.C. 1320a–7a(a), 1395w–4(g)(1)) and applicable regulations.

"(C) If the Secretary of Health and Human Services determines that a violation of this subsection warrants excluding a provider from participation for a specified period under title XVIII of the Social Security Act, the Office shall enforce a corresponding exclusion of such provider for purposes of this chapter.";

(2) in paragraph (3)(B)—

(A) by inserting "(i)" after "includes"; and

(B) by inserting before the period at the end the following: ", and (ii) the fee schedule amounts and limiting charges for physicians' services established under section 1848 of such Act (42 U.S.C. 1395w-4) and the identity of participating physicians and suppliers who have in force agreements with such Secretary under section 1842(h) of such Act (42 U.S.C. 1395u(h))"; and

(3) by adding at the end the following:

"(4) The Director of the Office of Personnel Management shall certify, before the first day of the fifth month that begins before each contract year, that there is in effect an arrangement with the Secretary of Health and Human Services under which, before the beginning of the contract year—

"(A) physicians and suppliers (whether or not participating) under the Medicare program will be notified of the requirements of paragraph (1)(B);

"(B) enforcement procedures will be in place to carry out such paragraph (including enforcement of protections against overcharging of beneficiaries); and

"(C) Medicare program information described in paragraph (3)(B)(ii) will be supplied to carriers under paragraph (3)(A).".

(b) Effective Date.—The amendments made by subsection (a) shall apply with respect to contract years beginning on or after January 1, 1995.

SEC. 10006. TEMPORARY EXTENSION OF METHOD FOR DETERMINING GOVERNMENT CONTRIBUTIONS UNDER FEHBP IN THE ABSENCE OF A GOVERNMENT-WIDE INDEMNITY BENEFIT PLAN.

(a) In General.—Public Law 101-76 (5 U.S.C. 8906 note) is amended in subsection (a)(1) by striking "1993" and inserting "1998".

(b) Sense of Congress.—It is the sense of the Congress that nothing in this section should be considered to reflect any view on the appropriateness, merits, or timing, or any other aspect of any comprehensive health care reform legislation.

Subtitle B—Postal Service

SEC. 10101. PAYMENTS TO BE MADE BY THE UNITED STATES POSTAL SERVICE.

(a) Relating to Corrected Calculations for Past Retirement COLAs.—In addition to any other payments required under section 8348(m) of title 5, United States Code, or any other provision of law, the United States Postal Service shall pay into the Civil Service Retirement and Disability Fund a total of $693,000,000, of which—

(1) at least one-third shall be paid not later than September 30, 1995;

(2) at least two-thirds shall be paid not later than September 30, 1996; and

(3) any remaining balance shall be paid not later than September 30, 1997.

(b) Relating to Corrected Calculations for Past Health Benefits.—In addition to any other payments required under section 8906(g)(2) of title 5, United States Code, or any other provision of law, the United States Postal Service shall pay into the Employees Health Benefits Fund a total of $348,000,000, of which—

(1) at least one-third shall be paid not later than September 30, 1995;

(2) at least two-thirds shall be paid not later than September 30, 1996; and

(3) any remaining balance shall be paid not later than September 30, 1997.

Subtitle C—Revenue Forgone Reform

SEC. 10201. SHORT TITLE; TABLE OF CONTENTS.

(a) Short Title.—This subtitle may be cited as the "Revenue Forgone Reform Act".

(b) Table of Contents.—The table of contents for this subtitle is as follows:

Sec. 10201. Short title; table of contents.
Sec. 10202. References.
Sec. 10203. Repeal of authorization of appropriations for mail sent at reduced rates of postage.
Sec. 10204. Establishing reduced rates of postage.
Sec. 10205. Eligibility of certain mailings for reduced rates of postage.
Sec. 10206. Provisions relating to rates for books and certain other materials.
Sec. 10207. Sense of Congress.
Sec. 10208. Technical corrections.

SEC. 10202. REFERENCES.

Except as otherwise expressly provided, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 39, United States Code.

SEC. 10203. REPEAL OF AUTHORIZATION OF APPROPRIATIONS FOR MAIL SENT AT REDUCED RATES OF POSTAGE.

(a) In General.—Section 2401(c) is amended—

(1) in the first sentence—

(A) by striking "if sections" through "had not been enacted" and inserting "if sections 3217 and 3403-3406 had not been enacted"; and

(B) by striking "such sections and Acts." and inserting "such sections."; and

(2) in the second sentence—

(A) by striking "(i)"; and

(B) by striking "volume;" through "schedules." and inserting "volume.".

(b) Applicability.—The amendments made by subsection (a) shall apply with respect to appropriations for fiscal years beginning after September 30, 1993.

SEC. 10204. ESTABLISHING REDUCED RATES OF POSTAGE.

(a) Rates.—

(1) In general.—Section 3626(a) is amended to read as follows:

"(a)(1) For the purpose of this subsection—

"(A) the term 'costs attributable', as used with respect to a class of mail or kind of mailer, means the direct and indirect postal costs attributable to such class of mail or kind of mailer (excluding any other costs of the Postal Service);

"(B) the term 'regular-rate category' means any class of mail or kind of mailer, other than a class or kind referred to in paragraph (2)(A) or section 2401(c); and

"(C) the term 'institutional-costs contribution', as used with respect to a class of mail or kind of mailer, means that portion of the estimated revenues to the Postal Service from such class of mail or kind of mailer which remains after subtracting an amount equal to the estimated costs attributable to such class of mail or kind of mailer.

"(2)(A) Except as provided in paragraph (3) or (4), rates of postage for a class of mail or kind of mailer under former section 4358, 4452(b), 4452(c), 4554(b), or 4554(c) of this title shall be established in a manner such that the estimated revenues to be received by the Postal Service from such class of mail or kind of mailer shall be equal to the sum of—

"(i) the estimated costs attributable to such class of mail or kind of mailer; and

"(ii) the product derived by multiplying the estimated costs referred to in clause (i) by the applicable percentage under subparagraph (B).

"(B) The applicable percentage for any class of mail or kind of mailer referred to in subparagraph (A) shall be the product derived by multiplying—

"(i) the percentage which, for the most closely corresponding regular-rate category, the institutional-costs contribution for such category represents relative to the estimated costs attributable to such category of mail, times

"(ii)(I) one-twelfth, for fiscal year 1994;

"(II) one-sixth, for fiscal year 1995;

"(III) one-fourth, for fiscal year 1996;

"(IV) one-third, for fiscal year 1997;

"(V) five-twelfths, for fiscal year 1998; and

"(VI) one-half, for any fiscal year after fiscal year 1998.

"(C) For temporary special authority to permit the timely implementation of the preceding provisions of this paragraph, see section 3642.

"(D) For purposes of establishing rates of postage under this subchapter for any of the classes of mail or kinds of mailers referred to in subparagraph (A), subclauses (I) through (V) of subparagraph (B)(ii) shall be deemed amended by striking the fraction specified in each such subclause and inserting 'one-half'.

"(3) The rates for the advertising portion of any mail matter under former section 4358(d) or 4358(e) of this title shall be equal to the rates for the advertising portion of the most closely corresponding regular-rate category of mail, except that if the advertising portion does not exceed 10 percent of the issue of the publication involved, the advertising portion shall be subject to the same rates as apply to the nonadvertising portion.

"(4) The rates for any advertising under former section 4358(f) of this title shall be equal to 75 percent of the rates for advertising contained in the most closely corresponding regular-rate category of mail.".

(2) Special authority.—Subchapter III of chapter 36 is amended by adding at the end the following:

"§ 3642. Special authority relating to reduced-rate categories of mail

"(a) In order to permit the timely implementation of section 3626(a)(2), the Postal Service may establish temporary rates of postage for any class of mail or kind of mailer referred to in section 3626(a)(2)(A).

"(b) Any exercise of authority under this section shall be in conformance with the requirements of section 3626(a), subject to the following:

"(1) All 'attributable costs' and 'institutional-costs contributions' assumed shall be the same as those which were assumed for purposes of the then most recent proceedings under subchapter II pursuant to which rates of postage for the class of mail or kind of mailer involved were last adjusted.

"(2) Any temporary rate established under this section shall take effect upon such date as the Postal Service may determine, except that—

"(A) such a rate may take effect only after 10 days' notice in the Federal Register; and

"(B) no such rate may take effect after September 30, 1998.

"(3) A temporary rate under this section may remain in effect no longer than the last day of the fiscal year in which it first takes effect.

"(4) Authority under this section may not be exercised in a manner that would result in more than 1 change taking effect under this section, during the same fiscal year, in the rates of postage for a particular class of mail or kind of mailer, except as provided in paragraph (5).

"(5) Nothing in paragraph (4) shall prevent an adjustment under this section in rates for a class of mail or kind of mailer with respect to which any rates took effect under this section earlier in the same fiscal year if—

"(A) the rates established for such class of mail or kind of mailer by the earlier adjustment are superseded by new rates established under subchapter II; and

"(B) authority under this paragraph has not previously been exercised with respect to such class of mail or kind of mailer based on the new rates referred to in subparagraph (A).

"(c) The Postal Service may prescribe any regulations which may be necessary to carry out this section, including provisions governing the coordination of adjustments under this section with any other adjustments under this title.".

(3) TECHNICAL AND CONFORMING AMENDMENTS.—

(A) SECTION 3626.—Section 3626(i) is repealed.

(B) SECTION 3627.—

(i) IN GENERAL.—Section 3627 is amended—

(I) by striking "sent at a free or reduced rate under section 3217, 3403–3406, or 3626 of this title," and inserting "sent free of postage under section 3217 or 3403–3406"; and

(II) in the section heading by striking **"and reduced"**.

(ii) TABLE OF CONTENTS.—The table of contents for chapter 36 is amended—

(I) by striking the item relating to section 3627 and inserting the following:

"3627. Adjusting free rates.";

and

(II) by inserting after the item relating to section 3641 the following:

"3642. Special authority relating to reduced-rate categories of mail.".

(b) AUTHORIZATION.—

(1) IN GENERAL.—Section 2401 is amended—

(A) by striking subsections (d) through (f);

(B) by redesignating subsections (g) through (i) as subsections (e) through (g), respectively;

(C) in subsection (f) (as so redesignated by subparagraph (B)) by striking the second sentence;

(D) in subsection (g) (as so redesignated by subparagraph (B)) by striking "subsections (b) and (d) of this section" and inserting "subsection (b)"; and

(E) by inserting after subsection (c) the following:

"(d) As reimbursement to the Postal Service for losses which it incurred as a result of insufficient amounts appropriated under section 2401(c) for fiscal years 1991 through 1993, and to compensate for the additional revenues it is estimated the Postal Service would have received under the provisions of section 3626(a), for the period beginning on October 1, 1993, and ending on September 30, 1998, if the fraction specified in subclause (VI) of section 3626(a)(2)(B)(ii) were applied with respect to such period (instead of the respective fractions specified in subclauses (I) through (V) thereof), there are authorized to be appropriated to the Postal Service $29,000,000 for each of fiscal years 1994 through 2035.".

(2) RATEMAKING LIMITATIONS.—

(A) IN GENERAL.—Except as provided in subparagraph (B), rates of postage may not be established, under subchapter II of chapter 36 of title 39, United States Code, in a manner designed to allow the United States Postal Service to receive through revenues any portion of the additional revenues (referred to in section 2401(d) of such title, as amended by paragraph (1)(E)) for which amounts are authorized to be appropriated under such section 2401(d).

(B) EXCEPTION.—If Congress fails to appropriate an amount authorized under section 2401(d) of title 39, United States Code (as amended by paragraph (1)(E)), rates for the various classes of mail may be adjusted in accordance with the provisions of subchapter II of chapter 36 of such title (excluding section 3627 thereof) such that the resulting increase in revenues will equal the amount that Congress so failed to appropriate.

(c) APPLICABILITY.—

(1) RATES.—The amendments made by subsection (a) shall apply with respect to rates for mail sent after September 30, 1993.

(2) AUTHORIZATION.—The amendments made by subsection (b) shall apply with respect to appropriations for fiscal years beginning after September 30, 1993.

SEC. 10205. ELIGIBILITY OF CERTAIN MAILINGS FOR REDUCED RATES OF POSTAGE.

(a) ADVERTISING.—Section 3626(j)(1) is amended—

(1) in subparagraph (B) by striking "or" after the semicolon;

(2) in subparagraph (C) by striking the period and inserting "; or"; and

(3) by adding at the end the following:

"(D) any product or service (other than any to which subparagraph (A), (B), or (C) relates), if—

"(i) the sale of such product or the providing of such service is not substantially related (aside from the need, on the part of the organization promoting such product or service, for income or funds or the use it makes of the profits derived) to the exercise or performance by the organization of one or more of the purposes constituting the basis for the organization's authorization to mail at such rates; or

"(ii) the mail matter involved is part of a cooperative mailing (as defined under regulations of the Postal Service) with any person or organization not authorized to mail at the rates for mail under former section 4452(b) or 4452(c) of this title;

except that—

"(I) any determination under clause (i) that a product or service is not substantially related to a particular purpose shall be made under regulations which shall be prescribed by the Postal Service based on subsections (a) and (c) of section 513 of the Internal Revenue Code of 1986; and

"(II) clause (i) shall not apply if the product involved is a periodical publication described in subsection (m)(2) (including a subscription to receive any such publication).".

(b) PRODUCTS.—Section 3626 is amended by adding at the end the following:

"(m)(1) In the administration of this section, the rates for mail under former section 4452(b) or 4452(c) of this title shall not apply to mail consisting of products, unless such products—

"(A) were received by the organization as gifts or contributions; or

"(B) are low cost articles (as defined by section 513(h)(2) of the Internal Revenue Code of 1986).

"(2) Paragraph (1) shall not apply with respect to a periodical publication of a qualified nonprofit organization.".

(c) CERTIFICATION; VERIFICATION.—Section 3626(j)(3) is amended—

(1) by striking "(3)" and inserting "(3)(A)"; and

(2) by adding at the end the following:

"(B) The Postal Service shall establish procedures to carry out this paragraph, including procedures for mailer certification of compliance with the conditions specified in paragraph (1)(D) or subsection (m), as applicable, and verification of such compliance.".

(d) APPLICABILITY.—The amendments made by this section shall apply with respect to mail sent, and the rates for mail sent, after September 30, 1993.

SEC. 10206. PROVISIONS RELATING TO RATES FOR BOOKS AND CERTAIN OTHER MATERIALS.

(a) IN GENERAL.—Section 3683(b) is amended to read as follows:

"(b) The rates of postage under former section 4554(b)(1) of this title shall not be effective except with respect to mailings which—

"(1) constitute materials specified in former section 4554(b)(2) of this title; and

"(2) are sent between—

"(A) an institution, organization, or association listed in subparagraph (A) or (B) of such former section 4554(b)(1) and any other such institution, organization, or association;

"(B) an institution, organization, or association referred to in subparagraph (A) and any individual (other than an individual having a financial interest in the sale, promotion, or distribution of the materials involved); or

"(C) an institution, organization, or association referred to in subparagraph (A) and a qualified nonprofit organization (as defined in former section 4452(d) of this title) that is not such an institution, organization, or association.".

(b) APPLICABILITY.—The amendment made by subsection (a) shall apply with respect to mail sent after September 30, 1993.

SEC. 10207. SENSE OF CONGRESS.

It is the sense of the Congress that any legislation, enacted after September 30, 1994, which would have the effect of expanding the classes of mail or kinds of mailers eligible for reduced rates of postage should provide for sufficient funding to ensure that neither any losses to the United States Postal Service nor any increase in the rates of postage for any of the other classes of mail or kinds of mailers will result.

SEC. 10208. TECHNICAL CORRECTIONS.

(a) SECTION 410.—Section 410(b) is amended—

(1) in paragraph (8) by striking "and" after the semicolon;

(2) in the first paragraph (9) by striking "Chapter" and inserting "chapter", and by striking the period and inserting "; and"; and

(3) by designating the second paragraph (9) as paragraph (10).

(b) SECTION 3202.—Section 3202(a) is amended—

(1) in paragraph (3) by adding "and" after the semicolon; and

(2) in paragraph (4) by striking "; and" and inserting a period.

(c) SECTION 3210.—The provisions of section 318(3) of Public Law 101–163 (103 Stat. 1068), which amended section 3210 of title 39, United States Code, shall be treated as if, as enacted, the reference in such provisions to "subparagraph (c)" had instead read "subparagraph (C)".

(d) SECTION 3601.—Section 3601(a) is amended by striking "concent" and inserting "consent".

(e) SECTION 3625.—Section 3625(d) is amended by striking "section 3268" and inserting "section 3628".

(f) SECTION 3626.—Section 3626 is amended by redesignating the second subsection (k) as subsection (l).

TITLE XI—COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

SEC. 11001. AVIATION FEES FOR SERVICES.

(a) IN GENERAL.—Section 313(f) of the Federal Aviation Act of 1958 (49 U.S.C. App. 1354(f)) is amended to read as follows:

"(f) FEES FOR SERVICES.—

"(1) IMPOSITION AND COLLECTION.—The following fees are imposed and shall be collected for services rendered:

"(A) Aircraft registration fees.—

"(i) General rule.—For registration of an aircraft, the fee to be collected from the owner of the aircraft in each fiscal year beginning after September 30, 1993, shall be determined under the following table:

If the maximum certificated gross weight of the aircraft is:	Amount of fee is:
Not over 3,500 pounds	$40.00
Over 3,500 lbs. but not over 6,500 lbs	$175.00
Over 6,500 lbs. but not over 10,000 lbs	$500.00
Over 10,000 lbs. but not over 100,000 lbs	$1,000.00
Over 100,000 lbs.	$2,000.00.

If the ownership of the aircraft is also transferred in such fiscal year, the fee to be collected for registration of the aircraft in such fiscal year under this subparagraph, as determined from the table, shall be increased by such amount as the Administrator shall determine so that the average amount of the increase for all aircraft collected under this sentence in such fiscal year will be approximately $200.00.

"(ii) Exemptions.—No fee shall be collected under this subparagraph for registration of an aircraft in a fiscal year if the aircraft—

"(I) is owned or operated by an air carrier exclusively to provide air transportation;

"(II) is owned by, or operated exclusively by or for, the United States Government;

"(III) is registered under a dealer's aircraft registration certificate issued under section 505 of this Act;

"(IV) is not originally certificated with an engine driven electrical system or has not subsequently been certified by the Administrator with such a system installed; or

"(V) is a balloon or glider.

"(B) Designation as aviation medical examiners.—For designation of a person as an aviation medical examiner, the fee to be collected from such person in each fiscal year beginning after September 30, 1993, shall be $500.

"(C) Issuance of certificates to pilots.—After September 30, 1993, the fee to be collected for issuance or renewal of an airman's certificate to a pilot shall be $12. The fee shall be collected from each pilot at least once every 3 fiscal years.

"(2) Continuation of fee for processing of forms for major fuel tank alterations.—

"(A) Establishment and collection.—The Administrator may establish such fees as may be necessary to cover the costs associated with processing of forms for major repairs and alterations of fuel tanks and fuel systems of aircraft.

"(B) Maximum amount.—The amount of any fee under this subsection with respect to processing of a form for a major repair or alternation of a fuel tank or fuel system of an aircraft may not exceed $7.50. Such maximum amount shall be adjusted annually by the Administrator for changes in the Consumer Price Index of All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor.

"(3) Collection and deposit in trust fund.—The amounts of all fees established by or under this subsection shall be collected by the Administrator, or the Secretary of the Treasury for the Administrator, and shall be deposited in the Airport and Airway Trust Fund.".

(b) Conforming Amendment.—The portion of the table of contents contained in the first section of such Act relating to section 313 is amended by striking

"(f) Processing fees.".

and inserting

"(f) Fees for services.".

SEC. 11002. RECREATIONAL USER FEES.

(a) In General.—Section 210 of the Flood Control Act of 1968 (16 U.S.C. 460d-3) is amended—

(1) by striking "Sec. 210. No entrance" and inserting the following:

"**SEC. 210. RECREATIONAL USER FEES.**

"(a) Prohibition on Admissions Fees.—No entrance";

(2) by striking the second sentence; and

(3) by adding at the end the following new subsection:

"(b) Fees for Use of Developed Recreation Sites and Facilities.—

"(1) Establishment and collection.—Notwithstanding section 4(b) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460l-6a(b)), the Secretary of the Army is authorized, subject to paragraphs (2) and (3), to establish and collect fees for the use of developed recreation sites and facilities, including campsites, swimming beaches, and boat launching ramps.

"(2) Exemption of certain facilities.—The Secretary shall not establish or collect fees under this subsection for the use or provision of drinking water, wayside exhibits, general purpose roads, overlook sites, picnic tables, toilet facilities, surface water areas, undeveloped or lightly developed shoreland, or general visitor information.

"(3) Per vehicle limit.—The fee under this subsection for use of a site or facility (other than an overnight camping site or facility or any other site or facility at which a fee is charged for use of the site or facility as of the date of the enactment of this paragraph) for persons entering the site or facility by private, noncommercial vehicle shall not exceed $3 per day per vehicle. Such maximum amount may be adjusted annually by the Secretary for changes in the Consumer Price Index of All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor.

"(4) Deposit into treasury account.—All fees collected under this subsection shall be deposited into the Treasury account for the Corps of Engineers established by section 4(i) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460l-6a(i)).".

(b) Conforming Amendment for Campsites.—Section 4(b) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460l-6a(b)) is amended by striking the next to the last sentence.

TITLE XII—COMMITTEE ON VETERANS AFFAIRS

SEC. 12001. SHORT TITLE.

This title may be cited as the "Veterans Reconciliation Act of 1993".

SEC. 12002. EXTENSION OF AUTHORITY TO REQUIRE THAT CERTAIN VETERANS AGREE TO MAKE COPAYMENTS IN EXCHANGE FOR RECEIVING HEALTH-CARE BENEFITS.

(a) Hospital and Medical Care.—Section 8013(e) of the Omnibus Budget Reconciliation Act of 1990 (Public Law 101-508; 38 U.S.C. 1710 note) is amended—

(1) by striking out "September 30, 1992" in the first sentence and inserting in lieu thereof "September 30, 1998"; and

(2) by striking out the second sentence.

(b) Outpatient Medications.—Section 1722A(c) of title 38, United States Code, is amended—

(1) by striking out "September 30, 1992" in the first sentence and inserting in lieu thereof "September 30, 1998"; and

(2) by striking out the second sentence.

SEC. 12003. EXTENSION OF AUTHORITY FOR MEDICAL CARE COST RECOVERY.

(a) In General.—Section 1729(a) of title 38, United States Code, is amended—

(1) in paragraph (1), by striking out "non-service-connected"; and

(2) in paragraph (2)—

(A) by inserting "disability and, during the period before October 1, 1998, to a service-connected" after "non-service-connected" in the matter preceding subparagraph (A); and

(B) by striking out "before August 1, 1994," in subparagraph (E) and inserting in lieu thereof "before October 1, 1998,".

(b) Effective Date.—The amendments made by subsection (a) shall apply with respect to care and services furnished under chapter 17 of title 38, United States Code, after September 30, 1993.

SEC. 12004. EXTENSION OF AUTHORITY FOR CERTAIN INCOME VERIFICATION PROVISIONS UNDER THE OMNIBUS BUDGET RECONCILIATION ACT OF 1990.

(a) Authority for Secretary of Veterans Affairs To Obtain Information.—Section 5317(g) of title 38, United States Code, is amended by striking out "September 30, 1997" and inserting in lieu thereof "September 30, 1998".

(b) Authority for Secretary of Treasury To Provide Information.—Subparagraph (D) of section 6103(l)(7) of the Internal Revenue Code of 1986 is amended by striking out "September 30, 1997" in the last sentence and inserting in lieu thereof "September 30, 1998".

SEC. 12005. EXTENSION OF LIMITATION ON PENSION FOR CERTAIN RECIPIENTS OF MEDICAID-COVERED NURSING HOME CARE.

Section 5503(f)(7) of title 38, United States Code, is amended by striking out "September 30, 1997" and inserting in lieu thereof "September 30, 1998".

SEC. 12006. DENIAL OF FISCAL YEAR 1994 COST-OF-LIVING ADJUSTMENT FOR CERTAIN DIC RECIPIENTS.

During fiscal year 1994, no increase may be provided in the rates of dependency and indemnity compensation in effect under section 1311(a)(3) of title 38, United States Code.

SEC. 12007. EXTENSION OF PROCEDURES APPLICABLE TO LIQUIDATION SALES ON DEFAULTED HOME LOANS GUARANTEED BY THE DEPARTMENT OF VETERANS AFFAIRS.

(a) Inclusion of Losses.—Section 3732(c) of title 38, United States Code, is amended—

(1) in paragraph (1)(C), by striking out "resale," and inserting in lieu thereof "resale (including losses sustained on the resale of the property),"; and

(2) in paragraph (11), by striking out "December 31, 1992" and inserting in lieu thereof "September 30, 1998".

(b) Effective Date.—The amendment made by subsection (a)(1) shall apply to all liquidation sales occurring on or after October 1, 1993.

SEC. 12008. INCREASE IN HOME LOAN FEES.

Paragraph (6) of section 3729(a) of title 38, United States Code, is amended to read as follows:

"(6) With respect to a loan closed after September 30, 1993, and before October 1, 1998, for which a fee is collected under paragraph (1), the amount of such fee, as computed under paragraph (2), shall be increased by 0.75 percent of the total loan amount other than in the case of a loan described in subparagraph (A), (D)(ii), or (E) of paragraph (2).".

SEC. 12009. REDUCTION OF FISCAL YEAR 1994 COST-OF-LIVING ADJUSTMENT FOR MONTGOMERY GI BILL BENEFITS.

(a) Benefits Payable Under Chapter 30.—Section 3015(g)(1) of title 38, United States Code, is amended by inserting "less one percentage point" after "June 30, 1993,".

(b) Benefits Payable Under Selected Reserve Program.—Section 2131(b)(2)(A) of title 10, United States Code, is amended by inserting "less one percentage point" after "June 30, 1993,".

(c) Technical Amendments.—(1) Section 301(c) of Public Law 102–568 (106 Stat. 4326) is amended by striking out "Section 3015(f)" and inserting in lieu thereof "Section 3015(g) (as redesignated by section 307(a)(1))".

(2) Section 307(a) of such Public Law (106 Stat. 4328) is amended by striking out "(as amended by section 301)".

(3) The amendments made by paragraphs (1) and (2) shall apply as if included in the enactment of Public Law 102–568.

SEC. 12010. LIMITATION ON CHILDREN ELIGIBLE FOR SURVIVORS' AND DEPENDENTS' EDUCATIONAL ASSISTANCE.

(a) Revision in Definition of Children Eligible.—Section 3501(a)(2) of title 38, United States Code, is amended by inserting ", but does not include an individual who is not the natural or legally adopted child of the parent from whom eligibility under this chapter is derived" before the period at the end.

(b) Effective Date.—The amendment made by subsection (a) does not apply with respect to any individual who, before October 1, 1993, files an original application for educational assistance under chapter 35 of title 38, United States Code.

TITLE XIII—COMMITTEE ON WAYS AND MEANS—SAVINGS

Subtitle A—Old-Age, Survivors, and Disability Insurance Program

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SEC. 13001. EXPLICIT REQUIREMENTS FOR MAINTENANCE OF TELEPHONE ACCESS TO LOCAL OFFICES OF THE SOCIAL SECURITY ADMINISTRATION.

(a) Maintenance of Service to Local Offices.—

(1) In general.—Section 5110(a) of the Omnibus Budget Reconciliation Act of 1990 (104 Stat. 1388-272) is amended by adding at the end the following new sentence: "In carrying out the requirements of the preceding sentence, the Secretary shall reestablish and maintain in service at least the same number of telephone lines to each such local office as was in place as of such date, including telephone sets for connections to such lines.".

(2) Effective date.—The Secretary of Health and Human Services shall ensure that the requirements of the amendment made by paragraph (1) are carried out no later than 90 days after the date of the enactment of this Act.

(3) GAO report.—The Comptroller General of the United States shall make an independent determination of the number of telephone lines to each local office of the Social Security Administration which are in place as of 90 days after the enactment of this Act and shall report his findings to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate no later than 150 days after the date of the enactment of this Act.

(b) Maintenance of Toll-Free Telephone Number Service.—The Secretary of Health and Human Services shall ensure that toll-free telephone service provided by the Social Security Administration is maintained at a level which is at least equal to that in effect on the date of the enactment of this Act.

SEC. 13002. EXPANSION OF STATE OPTION TO EXCLUDE SERVICE OF ELECTION OFFICIALS OR ELECTION WORKERS FROM COVERAGE.

(a) Limitation on Mandatory Coverage of State Election Officials and Election Workers Without State Retirement System.—

(1) Amendment to social security act.—Section 210(a)(7)(F)(iv) of the Social Security Act (42 U.S.C. 410(a)(7)(F)(iv)) (as amended by section 11332(a) of the Omnibus Budget Reconciliation Act of 1990) is amended by striking "$100" and inserting "$1,000 with respect to service performed during 1994, and the adjusted amount determined under section 218(c)(8)(B) for any subsequent year with respect to service performed during such subsequent year".

(2) Amendment to FICA.—Section 3121(b)(7)(F)(iv) of the Internal Revenue Code of 1986 (as amended by section 11332(b) of the Omnibus Budget Reconciliation Act of 1990) is amended by striking "$100" and inserting "$1,000 with respect to service performed during 1994, and the adjusted amount determined under section 218(c)(8)(B) of the Social Security Act for any subsequent year with respect to service performed during such subsequent year".

(b) Conforming Amendments Relating to Medicare Qualified Government Employment.—

(1) Amendment to social security act.—Section 210(p)(2)(E) of the Social Security Act (42 U.S.C. 410(p)(2)(E)) is amended by striking "$100" and inserting "$1,000 with respect to service performed during 1994, and the adjusted amount determined under section 218(c)(8)(B) for any subsequent year with respect to service performed during such subsequent year".

(2) Amendment to FICA.—Section 3121(u)(2)(B)(ii)(V) of the Internal Revenue Code of 1986 is amended by striking "$100" and inserting "$1,000 with respect to service performed during 1994, and the adjusted amount determined under section 218(c)(8)(B) of the Social Security Act for any subsequent year with respect to service performed during such subsequent year".

(c) Authority for States To Modify Coverage Agreements With Respect to Election Officials and Election Workers.—Section 218(c)(8) of the Social Security Act (42 U.S.C. 418(c)(8)) is amended—

(1) by striking "on or after January 1, 1968," and inserting "at any time";

(2) by striking "$100" and inserting "$1,000 with respect to service performed during 1994, and the adjusted amount determined under subparagraph (B) for any subsequent year with respect to service performed during such subsequent year"; and

(3) by striking the last sentence and inserting the following new sentence: "Any modification of an agreement pursuant to this paragraph shall be effective with respect to services performed in and after the calendar year in which the modification is mailed or delivered by other means to the Secretary.".

(d) Indexation of Exempt Amount.—Section 218(c)(8) of such Act (as amended by subsection (c)) is further amended—

(1) by inserting "(A)" after "(8)"; and

(2) by adding at the end the following new subparagraph:

"(B) For each year after 1994, the Secretary shall adjust the amount referred to in subparagraph (A) at the same time and in the same manner as is provided under section 215(a)(1)(B)(ii) with respect to the amounts referred to in section 215(a)(1)(B)(i), except that—

"(i) for purposes of this subparagraph, 1992 shall be substituted for the calendar year referred to in section 215(a)(1)(B)(ii)(II), and

"(ii) such amount as so adjusted, if not a multiple of $100, shall be rounded to the next higher multiple of $100 where such amount is a multiple of $50 and to the nearest multiple of $100 in any other case.

The Secretary shall determine and publish in the Federal Register each adjusted amount determined under this subparagraph not later than November 1 preceding the year for which the adjustment is made.".

(e) Effective Date.—The amendments made by subsections (a), (b), and (c) shall apply with respect to service performed on or after January 1, 1994.

SEC. 13003. USE OF SOCIAL SECURITY NUMBERS BY STATES AND LOCAL GOVERNMENTS AND FEDERAL DISTRICT COURTS FOR JURY SELECTION PURPOSES.

(a) IN GENERAL.—Section 205(c)(2) of the Social Security Act (42 U.S.C. 405(c)(2)) is amended—

(1) in subparagraph (B)(i), by striking "(E)" in the matter preceding subclause (I) and inserting "(F)";

(2) by redesignating subparagraphs (E) and (F) as subparagraphs (F) and (G), respectively; and

(3) by inserting after subparagraph (D) the following:

"(E)(i) It is the policy of the United States that—

"(I) any State (or any political subdivision of a State) may utilize the social security account numbers issued by the Secretary for the additional purposes described in clause (ii) if such numbers have been collected and are otherwise utilized by such State (or political subdivision) in accordance with applicable law, and

"(II) any district court of the United States may use, for such additional purposes, any such social security account numbers which have been so collected and are so utilized by any State.

"(ii) The additional purposes described in this clause are the following:

"(I) identifying duplicate names of individuals on master lists used for jury selection purposes, and

"(II) identifying on such master lists those individuals who are ineligible to serve on a jury by reason of their conviction of a felony.

"(iii) To the extent that any provision of Federal law enacted before the date of the enactment of this subparagraph is inconsistent with the policy set forth in clause (i), such provision shall, on and after that date, be null, void, and of no effect.

"(iv) For purposes of this subparagraph, the term 'State' has the meaning such term has in subparagraph (D).".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act.

SEC. 13004. AUTHORIZATION FOR ALL STATES TO EXTEND COVERAGE TO STATE AND LOCAL POLICEMEN AND FIREMEN UNDER EXISTING COVERAGE AGREEMENTS.

(a) IN GENERAL.—Section 218(l) of the Social Security Act (42 U.S.C. 418(l)) is amended—

(1) in paragraph (1), by striking "(1)" after "(l)", and by striking "the State of" and all that follows through "prior to the date of enactment of this subsection" and inserting "a State entered into pursuant to this section"; and

(2) by striking paragraph (2).

(b) CONFORMING AMENDMENT.—Section 218(d)(8)(D) of such Act (42 U.S.C. 418(d)(8)(D)) is amended by striking "agreements with the States named in" and inserting "State agreements modified as provided in".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to modifications filed by States after the date of the enactment of this Act.

SEC. 13005. LIMITED EXEMPTION FOR CANADIAN MINISTERS FROM CERTAIN SELF-EMPLOYMENT TAX LIABILITY.

(a) IN GENERAL.—Notwithstanding any other provision of law, if—

(1) an individual performed services described in section 1402(c)(4) of the Internal Revenue Code of 1986 which are subject to tax under section 1401 of such Code,

(2) such services were performed in Canada at a time when no agreement between the United States and Canada pursuant to section 233 of the Social Security Act was in effect, and

(3) such individual was required to pay contributions on the earnings from such services under the social insurance system of Canada, then such individual may file a certificate under this section in such form and manner, and with such official, as may be prescribed in regulations issued under chapter 2 of such Code. Upon the filing of such certificate, notwithstanding any judgment which has been entered to the contrary, such individual shall be exempt from payment of such tax with respect to services described in paragraphs (1) and (2) and from any penalties or interest for failure to pay such tax or to file a self-employment tax return as required under section 6017 of such Code.

(b) PERIOD FOR FILING.—A certificate referred to in subsection (a) may be filed only during the 180-day period commencing with the date on which the regulations referred to in subsection (a) are issued.

(c) TAXABLE YEARS AFFECTED BY CERTIFICATE.—A certificate referred to in subsection (a) shall be effective for taxable years ending after December 31, 1978, and before January 1, 1985.

(d) RESTRICTION ON CREDITING OF EXEMPT SELF-EMPLOYMENT INCOME.—In any case in which an individual is exempt under this section from paying a tax imposed under section 1401 of the Internal Revenue Code of 1986, any income on which such tax would have been imposed but for such exemption shall not constitute self-employment income under section 211(b) of the Social Security Act (42 U.S.C. 411(b)), and, if such individual's primary insurance amount has been determined under section 215 of such Act (42 U.S.C. 415), notwithstanding section 215(f)(1) of such Act, the Secretary of Health and Human Services shall recompute such primary insurance amount so as to take into account the provisions of this subsection. The recomputation under this subsection shall be effective with respect to benefits for months following approval of the certificate of exemption.

SEC. 13006. EXCLUSION OF TOTALIZATION BENEFITS FROM THE APPLICATION OF THE WINDFALL ELIMINATION PROVISION.

(a) IN GENERAL.—Section 215(a)(7) of the Social Security Act (42 U.S.C. 415(a)(7)) is amended—

(1) in subparagraph (A), by striking "but excluding" and all that follows through "1937" and inserting "but excluding (I) a payment under the Railroad Retirement Act of 1974 or 1937, and (II) a payment by a social security system of a foreign country based on an agreement concluded between the United States and such foreign country pursuant to section 233"; and

(2) in subparagraph (E), by inserting after "in the case of an individual" the following: "whose eligibility for old-age or disability insurance benefits is based on an agreement concluded pursuant to section 233 or an individual".

(b) CONFORMING AMENDMENT RELATING TO BENEFITS UNDER 1939 ACT.—Section 215(d)(3) of such Act (42 U.S.C. 415(d)(3)) is amended by striking "but excluding" and all that follows through "1937" and inserting "but excluding (I) a payment under the Railroad Retirement Act of 1974 or 1937, and (II) a payment by a social security system of a foreign country based on an agreement concluded between the United States and such foreign country pursuant to section 233".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply (notwithstanding section 215(f)(1) of the Social Security Act (42 U.S.C. 415(f)(1))) with respect to benefits payable for months after October 1993.

SEC. 13007. EXCLUSION OF MILITARY RESERVISTS FROM APPLICATION OF THE GOVERNMENT PENSION OFFSET AND WINDFALL ELIMINATION PROVISIONS.

(a) EXCLUSION FROM GOVERNMENT PENSION OFFSET PROVISIONS.—Subsections (b)(4), (c)(2), (e)(7), (f)(2), and (g)(4) of section 202 of the Social Security Act (42 U.S.C. 402 (b)(4), (c)(2), (e)(7), (f)(2), and (g)(4)) are each amended—

(1) in subparagraph (A)(ii), by striking "unless subparagraph (B) applies.";

(2) in subparagraph (A), by striking "The" in the matter following clause (ii) and inserting "unless subparagraph (B) applies. The"; and

(3) in subparagraph (B), by redesignating the existing matter as clause (ii), and by inserting before such clause (ii) (as so redesignated) the following:

"(B)(i) Subparagraph (A)(i) shall not apply with respect to monthly periodic benefits based wholly on service as a member of a uniformed service (as defined in section 210(m)).".

(b) EXCLUSION FROM WINDFALL ELIMINATION PROVISIONS.—Section 215(a)(7)(A) of such Act (as amended by section 13006(a) of this Act) and section 215(d)(3) of such Act (as amended by section 13006(b) of this Act) are each further amended—

(1) by striking "and" before "(II)"; and

(2) by striking "section 233" and inserting "section 233, and (III) a payment based wholly on service as a member of a uniformed service (as defined in section 210(m))".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply (notwithstanding section 215(f) of the Social Security Act) with respect to benefits payable for months after October 1993.

SEC. 13008. REPEAL OF THE FACILITY-OF-PAYMENT PROVISION.

(a) REPEAL OF RULE PRECLUDING REDISTRIBUTION UNDER FAMILY MAXIMUM.—Section 203(i) of the Social Security Act (42 U.S.C. 403(i)) is repealed.

(b) COORDINATION UNDER FAMILY MAXIMUM OF REDUCTION IN BENEFICIARY'S AUXILIARY BENEFITS WITH SUSPENSION OF AUXILIARY BENEFITS OF OTHER BENEFICIARY UNDER EARNINGS TEST.—Section 203(a)(4) of such Act (42 U.S.C. 403(a)(4)) is amended by striking "section 222(b). Whenever" and inserting the following: "section 222(b). Notwithstanding the preceding sentence, any reduction under this subsection in the case of an individual who is entitled to a benefit under subsection (b), (c), (d), (e), (f), (g), or (h) of section 202 for any month on the basis of the same wages and self-employment income as another person—

"(A) who also is entitled to a benefit under subsection (b), (c), (d), (e), (f), (g), or (h) of section 202 for such month,

"(B) who does not live in the same household as such individual, and

"(C) whose benefit for such month is suspended (in whole or in part) pursuant to subsection (h)(3) of this section,

shall be made before the suspension under subsection (h)(3). Whenever".

(c) CONFORMING AMENDMENT APPLYING EARNINGS REPORTING REQUIREMENT DESPITE SUSPENSION OF BENEFITS.—The third sentence of section 203(h)(1)(A) of such Act (42 U.S.C. 403(h)(1)(A)) is amended by striking

"Such report need not be made" and all that follows through "The Secretary may grant" and inserting the following: "Such report need not be made for any taxable year—

"(i) beginning with or after the month in which such individual attained age 70, or

"(ii) if benefit payments for all months (in such taxable year) in which such individual is under age 70 have been suspended under the provisions of the first sentence of paragraph (3) of this subsection, unless—

"(I) such individual is entitled to benefits under subsection (b), (c), (d), (e), (f), (g), or (h) of section 202,

"(II) such benefits are reduced under subsection (a) of this section for any month in such taxable year, and

"(III) in any such month there is another person who also is entitled to benefits under subsection (b), (c), (d), (e), (f), (g), or (h) of section 202 on the basis of the same wages and self-employment income and who does not live in the same household as such individual.

The Secretary may grant".

(d) Conforming Amendment Deleting Special Income Tax Treatment of Benefits No Longer Required by Reason of Repeal.—Section 86(d)(1) of the Internal Revenue Code of 1986 (relating to income tax on social security benefits) is amended by striking the last sentence.

(e) Effective Dates.—

(1) The amendments made by subsections (a), (b), and (c) shall apply with respect to benefits payable for months after December 1994.

(2) The amendment made by subsection (d) shall apply with respect to benefits received after December 31, 1994, in taxable years ending after such date.

SEC. 13009. MAXIMUM FAMILY BENEFITS IN GUARANTEE CASES.

(a) In General.—Section 203(a) of the Social Security Act (42 U.S.C. 403(a)) is amended by adding at the end the following new paragraph:

"(10)(A) Subject to subparagraphs (B) and (C)—

"(i) the total monthly benefits to which beneficiaries may be entitled under sections 202 and 223 for a month on the basis of the wages and self- employment income of an individual whose primary insurance amount is computed under section 215(a)(2)(B)(i) shall equal the total monthly benefits which were authorized by this section with respect to such individual's primary insurance amount for the last month of his prior entitlement to disability insurance benefits, increased for this purpose by the general benefit increases and other increases under section 215(i) that would have applied to such total monthly benefits had the individual remained entitled to disability insurance benefits until the month in which he became entitled to old-age insurance benefits or reentitled to disability insurance benefits or died, and

"(ii) the total monthly benefits to which beneficiaries may be entitled under sections 202 and 223 for a month on the basis of the wages and self- employment income of an individual whose primary insurance amount is computed under section 215(a)(2)(C) shall equal the total monthly benefits which were authorized by this section with respect to such individual's primary insurance amount for the last month of his prior entitlement to disability insurance benefits.

"(B) In any case in which—

"(i) the total monthly benefits with respect to such individual's primary insurance amount for the last month of his prior entitlement to disability insurance benefits was computed under paragraph (6), and

"(ii) the individual's primary insurance amount is computed under subparagraph (B)(i) or (C) of section 215(a)(2) by reason of the individual's entitlement to old-age insurance benefits or death,

the total monthly benefits shall equal the total monthly benefits that would have been authorized with respect to the primary insurance amount for the last month of his prior entitlement to disability insurance benefits if such total monthly benefits had been computed without regard to paragraph (6).

"(C) This paragraph shall apply before the application of paragraph (3)(A), and before the application of section 203(a)(1) of this Act as in effect in December 1978.".

(b) Conforming Amendment.—Section 203(a)(8) of such Act (42 U.S.C. 403(a)(8)) is amended by striking "Subject to paragraph (7)," and inserting "Subject to paragraph (7) and except as otherwise provided in paragraph (10)(C),".

(c) Effective Date.—The amendments made by this section shall apply for the purpose of determining the total monthly benefits to which beneficiaries may be entitled under sections 202 and 223 of the Social Security Act based on the wages and self-employment income of an individual who—

(1) becomes entitled to an old-age insurance benefit under section 202(a) of such Act,

(2) becomes reentitled to a disability insurance benefit under section 223 of such Act, or

(3) dies,

after October 1993.

SEC. 13010. AUTHORIZATION FOR DISCLOSURE BY THE SECRETARY OF HEALTH AND HUMAN SERVICES OF INFORMATION FOR PURPOSES OF PUBLIC OR PRIVATE EPIDEMIOLOGICAL AND SIMILAR RESEARCH.

(a) In General.—Section 1106 of the Social Security Act (42 U.S.C. 1306) is amended—

(1) by redesignating subsections (d) and (e) as subsections (e) and (f), respectively;

(2) in subsection (f) (as so redesignated), by striking "subsection (d)" and inserting "subsection (e)"; and

(3) by inserting after subsection (c) the following new subsection:

"(d) Notwithstanding any other provision of this section, in any case in which—

"(1) information regarding whether an individual is shown on the records of the Secretary as being alive or deceased is requested from the Secretary for purposes of epidemiological or similar research which the Secretary finds may reasonably be expected to contribute to a national health interest, and

"(2) the requester agrees to reimburse the Secretary for providing such information and to comply with limitations on safeguarding and rerelease or redisclosure of such information as may be specified by the Secretary,

the Secretary shall comply with such request, except to the extent that compliance with such request would constitute a violation of the terms of any contract entered into under section 205(r).".

(b) Availability of Information Returns Regarding Wages Paid Employees.—Section 6103(l)(5) of the Internal Revenue Code of 1986 (relating to disclosure of returns and return information to the Department of Health and Human Services for purposes other than tax administration) is amended—

(1) by striking "for the purpose of" and inserting "for the purpose of—";

(2) by striking "carrying out, in accordance with an agreement" and inserting the following:

"(A) carrying out, in accordance with an agreement";

(3) by striking "program." and inserting "program; or"; and

(4) by adding at the end the following new subparagraph:

"(B) providing information regarding the mortality status of individuals for epidemiological and similar research in accordance with section 1106(d) of the Social Security Act.".

(c) Effective Date.—The amendments made by this section shall apply with respect to requests for information made after the date of the enactment of this Act.

SEC. 13011. IMPROVEMENT AND CLARIFICATION OF PROVISIONS PROHIBITING MISUSE OF SYMBOLS, EMBLEMS, OR NAMES IN REFERENCE TO SOCIAL SECURITY PROGRAMS AND AGENCIES.

(a) Prohibition of Unauthorized Reproduction, Reprinting, or Distribution for Fee of Certain Official Publications.—Section 1140(a) of the Social Security Act (42 U.S.C. 1320b–10(a)) is amended—

(1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(2) by inserting "(1)" after "(a)"; and

(3) by adding at the end the following new paragraph:

"(2) No person may, for a fee, reproduce, reprint, or distribute any item consisting of a form, application, or other publication of the Social Security Administration unless such person has obtained specific, written authorization for such activity in accordance with regulations which the Secretary shall prescribe.".

(b) Addition to Prohibited Words, Letters, Symbols, and Emblems.—Paragraph (1) of section 1140(a) of such Act (as redesignated by subsection (a)) is further amended—

(1) in subparagraph (A) (as redesignated), by striking "Administration', the letters 'SSA' or 'HCFA'," and inserting "Administration', 'Department of Health and Human Services', 'Health and Human Services', 'Supplemental Security Income Program', or 'Medicaid', the letters 'SSA', 'HCFA', 'DHHS', 'HHS', or 'SSI',"; and

(2) in subparagraph (B) (as redesignated), by striking "Social Security Administration" each place it appears and inserting "Social Security Administration, Health Care Financing Administration, or Department of Health and Human Services", and by striking "or of the Health Care Financing Administration".

(c) Exemption for Use of Words, Letters, Symbols, and Emblems of State and Local Government Agencies by Such Agencies.—Paragraph (1) of section 1140(a) of such Act (as redesignated by subsection (a)) is further amended by adding at the end the following new sentence: "The preceding provisions of this subsection shall not apply with respect to the use by any agency or instrumentality of a State or political subdivision of a State of any words or letters which identify an agency or instrumentality of such State or of a political subdivision of such State or the use by any such agency or instrumentality of any symbol or emblem of an agency or instrumentality of such State or a political subdivision of such State.".

(d) Inclusion of Reasonableness Standard.—Section 1140(a)(1) of such Act (as amended by the preceding provisions of this section) is further amended, in the matter following subparagraph (B) (as redesignated), by striking "convey" and inserting "convey, or in a manner which reasonably could be interpreted or construed as conveying,".

(e) Ineffectiveness of Disclaimers.—Subsection (a) of section 1140 of such Act (as amended by the preceding provisions of this section) is further amended by adding at the end the following new paragraph:

"(3) Any determination of whether the use of one or more words, letters, symbols, or emblems (or any combination or variation thereof) in connection with an item described in paragraph (1) or the reproduction, reprinting, or distribution of an item described in paragraph (2) is a violation of this subsection shall be made without regard to any inclusion in such item (or any so reproduced, reprinted, or distributed copy thereof) of a disclaimer of affiliation with the United States Government or any particular agency or instrumentality thereof.".

(f) VIOLATIONS WITH RESPECT TO INDIVIDUAL ITEMS.—Section 1140(b)(1) of such Act (42 U.S.C. 1320b-10(b)(1)) is amended by adding at the end the following new sentence: "In the case of any items referred to in subsection (a)(1) consisting of pieces of mail, each such piece of mail which contains one or more words, letters, symbols, or emblems in violation of subsection (a) shall represent a separate violation. In the case of any item referred to in subsection (a)(2), the reproduction, reprinting, or distribution of such item shall be treated as a separate violation with respect to each copy thereof so reproduced, reprinted, or distributed.".

(g) ELIMINATION OF CAP ON AGGREGATE LIABILITY AMOUNT.—

(1) REPEAL.—Paragraph (2) of section 1140(b) of such Act (42 U.S.C. 1320b-10(b)(2)) is repealed.

(2) CONFORMING AMENDMENTS.—Section 1140(b) of such Act is further amended—

(A) by striking "(1) Subject to paragraph (2), the" and inserting "The";

(B) by redesignating subparagraphs (A) and (B) as paragraphs (1) and (2), respectively; and

(C) in paragraph (1) (as redesignated), by striking "subparagraph (B)" and inserting "paragraph (2)".

(h) REMOVAL OF FORMAL DECLINATION REQUIREMENT.—Section 1140(c)(1) of such Act (42 U.S.C. 1320b-10(c)(1)) is amended by inserting "and the first sentence of subsection (c)" after "and (i)".

(i) PENALTIES RELATING TO SOCIAL SECURITY ADMINISTRATION DEPOSITED IN OASI TRUST FUND.—Section 1140(c)(2) of such Act (42 U.S.C. 1320b-10(c)(2)) is amended in the second sentence by striking "United States." and inserting "United States, except that, to the extent that such amounts are recovered under this section as penalties imposed for misuse of words, letters, symbols, or emblems relating to the Social Security Administration, such amounts shall be deposited into the Federal Old-Age and Survivor's Insurance Trust Fund.".

(j) ENFORCEMENT.—Section 1140 of such Act (42 U.S.C. 1320b-10) is amended by adding at the end the following new subsection:

"(d) The preceding provisions of this section shall be enforced through the Office of Inspector General of the Department of Health and Human Services.".

(k) ANNUAL REPORTS.—Section 1140 of such Act (as amended by the preceding provisions of this section) is further amended by adding at the end the following new subsection:

"(e) The Secretary shall include in the annual report submitted pursuant to section 704 a report on the operation of this section during the year covered by such annual report. Such report shall specify—

"(1) the number of complaints of violations of this section received by the Social Security Administration during the year,

"(2) the number of cases in which a notice of violation of this section was sent by the Social Security Administration during the year requesting that an individual cease activities in violation of this section,

"(3) the number of complaints of violations of this section referred by the Social Security Administration to the Inspector General in the Department of Health and Human Services during the year,

"(4) the number of investigations of violations of this section undertaken by the Inspector General during the year,

"(5) the number of cases in which a demand letter was sent during the year assessing a civil money penalty under this section,

"(6) the total amount of civil money penalties assessed under this section during the year,

"(7) the number of requests for hearings filed during the year pursuant to subsection (c)(1) of this section and section 1128A(c)(2),

"(8) the disposition during such year of hearings filed pursuant to sections 1140(c)(1) and 1128A(c)(2), and

"(9) the total amount of civil money penalties under this section deposited into the Federal Old-Age and Survivors Insurance Trust Fund during the year.".

(l) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to violations occurring after the date of the enactment of this Act.

SEC. 13012. INCREASED PENALTIES FOR UNAUTHORIZED DISCLOSURE OF SOCIAL SECURITY INFORMATION.

(a) UNAUTHORIZED DISCLOSURE.—Section 1106(a) of the Social Security Act (42 U.S.C. 1306(a)) is amended—

(1) by striking "misdemeanor" and inserting "felony";

(2) by striking "$1,000" and inserting "$10,000 for each occurrence of a violation"; and

(3) by striking "one year" and inserting "5 years".

(b) UNAUTHORIZED DISCLOSURE BY FRAUD.—Section 1107(b) of such Act (42 U.S.C. 1307(b)) is amended—

(1) by inserting "social security account number," after "information as to the";

(2) by striking "misdemeanor" and inserting "felony";

(3) by striking "$1,000" and inserting "$10,000 for each occurrence of a violation"; and

(4) by striking "one year" and inserting "5 years".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to violations occurring on or after the date of the enactment of this Act.

SEC. 13013. SIMPLIFICATION OF EMPLOYMENT TAXES ON DOMESTIC SERVICES.

(a) COORDINATION OF COLLECTION OF DOMESTIC SERVICE EMPLOYMENT WITH COLLECTION OF INCOME TAXES.—

(1) IN GENERAL.—Chapter 25 of the Internal Revenue Code of 1986 (relating to general provisions relating to employment taxes) is amended by adding at the end thereof the following new section:

"SEC. 3510. COORDINATION OF COLLECTION OF DOMESTIC SERVICE EMPLOYMENT TAXES WITH COLLECTION OF INCOME TAXES.

"(a) GENERAL RULE.—Except as otherwise provided in this section—

"(1) returns with respect to domestic service employment taxes shall be made on a calendar year basis,

"(2) any such return for any calendar year shall be filed on or before the 15th day of the fourth month following the close of the employer's taxable year which begins in such calendar year, and

"(3) no requirement to make deposits (or to pay installments under section 6157) shall apply with respect to such taxes.

"(b) DOMESTIC SERVICE EMPLOYMENT TAXES SUBJECT TO ESTIMATED TAX PROVISIONS.—

"(1) IN GENERAL.—Solely for purposes of section 6654, domestic service employment taxes imposed with respect to any calendar year shall be treated as a tax imposed by chapter 2 for the taxable year of the employer which begins in such calendar year.

"(2) ANNUALIZATION.—Under regulations prescribed by the Secretary, appropriate adjustments shall be made in the application of section 6654(d)(2) in respect of the amount treated as tax under paragraph (1).

"(3) TRANSITIONAL RULE.—For purposes of applying section 6654 to a taxable year beginning in 1993, the amount referred to in clause (ii) of section 6654(d)(1)(B) shall be increased by 90 percent of the amount treated as tax under paragraph (1) for such taxable year.

"(c) DOMESTIC SERVICE EMPLOYMENT TAXES.—For purposes of this section, the term 'domestic service employment taxes' means—

"(1) any taxes imposed by chapter 21 or 23 on remuneration paid for domestic service in a private home of the employer, and

"(2) any amount withheld from such remuneration pursuant to an agreement under section 3402(p).

For purposes of this subsection, the term 'domestic service in a private home of the employer' does not include service described in section 3121(g)(5).

"(d) EXCEPTION WHERE EMPLOYER LIABLE FOR OTHER EMPLOYMENT TAXES.—To the extent provided in regulations prescribed by the Secretary, this section shall not apply to any employer for any calendar year if such employer is liable for any tax under this subtitle with respect to remuneration for services other than domestic service in a private home of the employer.

"(e) GENERAL REGULATORY AUTHORITY.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section. Such regulations may treat domestic service employment taxes as taxes imposed by chapter 1 for purposes of coordinating the assessment and collection of such employment taxes with the assessment and collection of domestic employers' income taxes.

"(f) AUTHORITY TO ENTER INTO AGREEMENTS TO COLLECT STATE UNEMPLOYMENT TAXES.—

"(1) IN GENERAL.—The Secretary is hereby authorized to enter into an agreement with any State to collect, as the agent of such State, such State's unemployment taxes imposed on remuneration paid for domestic service in a private home of the employer. Any taxes to be collected by the Secretary pursuant to such an agreement shall be treated as domestic service employment taxes for purposes of this section.

"(2) TRANSFERS TO STATE ACCOUNT.—Any amount collected under an agreement referred to in paragraph (1) shall be transferred by the Secretary to the account of the State in the Unemployment Trust Fund.

"(3) SUBTITLE F MADE APPLICABLE.—For purposes of subtitle F, any amount required to be collected under an agreement under paragraph (1) shall be treated as a tax imposed by chapter 23.

"(4) STATE.—For purposes of this subsection, the term 'State' has the meaning given such term by section 3306(j)(1)."

(2) CLERICAL AMENDMENT.—The table of sections for chapter 25 of such Code is amended by adding at the end thereof the following:

"Sec. 3510. Coordination of collection of domestic service employment taxes with collection of income taxes."

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to remuneration paid in calendar years beginning after December 31, 1993.

(4) EXPANDED INFORMATION TO EMPLOYERS.—The Secretary of the Treasury or his delegate shall prepare and make available information on the Federal tax obligations of employers with respect to employees performing domestic service in a private home of the employer. Such information shall also include a statement that such employers may have obligations with respect to such employees under State laws relating to unemployment insurance and workers compensation.

(b) THRESHOLD REQUIREMENT FOR SOCIAL SECURITY TAXES.—

(1) AMENDMENTS OF INTERNAL REVENUE CODE.—

(A) Subparagraph (B) of section 3121(a)(7) of the Internal Revenue Code of 1986 (defining wages) is amended to read as follows:

"(B) cash remuneration paid by an employer in any calendar year to an employee for domestic service in a private home of the employer (within the meaning of subsection (y)), if the cash remuneration paid in such year by the employer to the employee for such service is less than the applicable dollar threshold (as defined in subsection (y)) for such year;".

(B) Section 3121 of such Code is amended by adding at the end thereof the following new subsection:

"(y) DOMESTIC SERVICE IN A PRIVATE HOME.—For purposes of subsection (a)(7)(B)—

"(1) EXCLUSION FOR CERTAIN FARM SERVICE.—The term 'domestic service in a private home of the employer' does not include service described in subsection (g)(5).

"(2) APPLICABLE DOLLAR THRESHOLD.—The term 'applicable dollar threshold' means $1,800. In the case of calendar years after 1994, the Secretary of Health and Human Services shall adjust such $1,800 amount at the same time and in the same manner as under section 215(a)(1)(B)(ii) of the Social Security Act with respect to the amounts referred to in section 215(a)(1)(B)(i) of such Act, except that, for purposes of this subparagraph, 1992 shall be substituted for the calendar year referred to in section 215(a)(1)(B)(ii)(II) of such Act. If the amount determined under the preceding sentence is not a multiple of $50, such amount shall be rounded to the nearest multiple of $50."

(C) The second sentence of section 3102(a) of such Code is amended—

(i) by striking "calendar quarter" each place it appears and inserting "calendar year", and

(ii) by striking "$50" and inserting "the applicable dollar threshold (as defined in section 3121(y)(2)) for such year".

(2) AMENDMENT OF SOCIAL SECURITY ACT.—Subparagraph (B) of section 209(a)(6) of the Social Security Act (42 U.S.C. 409(a)(6)(B)) is amended to read as follows:

"(B) Cash remuneration paid by an employer in any calendar year to an employee for domestic service in a private home of the employer, if the cash remuneration paid in such year by the employer to the employee for such service is less than the applicable dollar threshold (as defined in section 3121(y)(2) of the Internal Revenue Code of 1986) for such year. As used in this subparagraph, the term 'domestic service in a private home of the employer' does not include service described in section 210(f)(5)."

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to remuneration paid in calendar years beginning after December 31, 1993.

(4) RELIEF FROM LIABILITY FOR CERTAIN UNDERPAYMENT AMOUNTS.—

(A) IN GENERAL.—On and after the date of the enactment of this Act, an underpayment to which this paragraph applies (and any penalty, addition to tax, and interest with respect to such underpayment) shall not be assessed (or, if assessed, shall not be collected).

(B) UNDERPAYMENTS TO WHICH PARAGRAPH APPLIES.—This paragraph shall apply to an underpayment to the extent of the amount thereof which would not be an underpayment if—

(i) the amendments made by paragraph (1) had applied to all calendar years after 1950 and before 1994, and

(ii) the applicable dollar threshold for any such calendar year were the amount determined under the following table:

In the case of calendar year:	**The applicable dollar threshold is:**
1951, 1952, or 1953	$ 200
1954, 1955, 1956, or 1957	250
1958, 1959, 1960, 1961, or 1962	300
1963, 1964, 1965, or 1966	350
1967, 1968, 1969	400
1970	450
1971, 1972, or 1973	500
1974 or 1975	600
1976	650
1977	700
1978	750
1979	800
1980	850
1981	900
1982	1,000
1983	1,100
1984	1,200
1985	1,250
1986	1,300
1987	1,350
1988	1,400
1989	1,500
1990	1,550
1991	1,600
1992	1,700
1993	1,750

SEC. 13014. INCREASE IN AUTHORIZED PERIOD FOR EXTENSION OF TIME TO FILE ANNUAL EARNINGS REPORT.

(a) IN GENERAL.—Section 203(h)(1)(A) of the Social Security Act (42 U.S.C. 403(h)(1)(A)) is amended in the last sentence by striking "three months" and inserting "four months".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to reports of earnings for taxable years ending on or after December 31, 1993.

SEC. 13015. ALLOCATIONS TO FEDERAL DISABILITY INSURANCE TRUST FUND.

(a) ALLOCATION WITH RESPECT TO WAGES.—Section 201(b)(1) of the Social Security Act (42 U.S.C. 401(b)(1)) is amended to read as follows:

"(1) 1.75 percent of the wages (as defined in section 3121 of the Internal Revenue Code of 1986) paid after December 31, 1992, and reported to the Secretary of the Treasury or his delegate pursuant to subtitle F of the Internal Revenue Code of 1986, which wages shall be certified by the Secretary of Health and Human Services on the basis of the records of wages established and maintained by such Secretary in accordance with such reports; and".

(b) ALLOCATION WITH RESPECT TO SELF-EMPLOYMENT INCOME.—Section 201(b)(2) of such Act (42 U.S.C. 401(b)(2)) is amended to read as follows:

"(2) 1.75 percent of the self-employment income (as defined in section 1402 of the Internal Revenue Code of 1986) reported to the Secretary of the Treasury or his delegate on tax returns under subtitle F of the Internal Revenue Code of 1986 for any taxable year beginning after December 31, 1992, which self-employment income shall be certified by the Secretary of Health and Human Services on the basis of the records of self-employment income established and maintained by the Secretary of Health and Human Services in accordance with such returns.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to wages paid after December 31, 1992, and self-employment income for taxable years beginning after such date.

(d) STUDY ON RISING COSTS OF DISABILITY BENEFITS.—

(1) IN GENERAL.—As soon as practicable after the date of the enactment of this Act, the Secretary of Health and Human Services shall conduct a comprehensive study of the reasons for rising costs payable from the Federal Disability Insurance Trust Fund.

(2) MATTERS TO BE INCLUDED IN STUDY.—In conducting the study under this subsection, the Secretary shall—

(A) determine the relative importance of the following factors in increasing the costs payable from the Trust Fund:

(i) increased numbers of applications for benefits;

(ii) higher rates of benefit allowances; and

(iii) decreased rates of benefit terminations; and

(B) identify, to the extent possible, underlying social, economic, demographic, programmatic, and other trends responsible for changes in disability benefit applications, allowances, and terminations.

(3) REPORT.—Not later than December 31, 1995, the Secretary shall transmit a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate setting forth the results of the study conducted under this subsection, together with any recommendations for legislative changes which the Secretary determines appropriate.

SEC. 13016. EXTENSION OF DISABILITY INSURANCE PROGRAM DEMONSTRATION PROJECT AUTHORITY.

(a) IN GENERAL.—Section 505 of the Social Security Disability Amendments of 1980 (Public Law 96-265), as amended by section 12101 of the Consolidated Omnibus Budget Reconciliation Act of 1985 (Public Law 99-272), section 10103 of the Omnibus Budget Reconciliation Act of 1989 (Public Law 101-239), and section 5120 of the Omnibus Budget Reconciliation Act of 1990 (Public Law 101-508) is further amended—

(1) in paragraph (3) of subsection (a), by striking "June 10, 1993" and inserting "June 10, 1996";

(2) in paragraph (4) of subsection (a), by striking "1992" and inserting "1995"; and

(3) in subsection (c), by striking "October 1, 1993" and inserting "June 9, 1996".

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 13017. TECHNICAL AND CLERICAL AMENDMENTS.

(a) AMENDMENTS TO TITLE II OF THE SOCIAL SECURITY ACT.—

(1) Section 201(a) of the Social Security Act (42 U.S.C. 401(a)) is amended, in the matter following clause (4), by striking "and and" and inserting "and".

(2) Section 202(d)(8)(D)(ii) of such Act (42 U.S.C. 402(d)(8)(D)(ii)) is amended by adding a period at the end and by adjusting the left hand margination thereof so as to align with section 202(d)(8)(D)(i) of such Act.

(3) Section 202(q)(1)(A) of such Act (42 U.S.C. 402(q)(1)(A)) is amended by striking the dash at the end.

(4) Section 202(q)(9) of such Act (42 U.S.C. 402(q)(9)) is amended, in the matter preceding subparagraph (A), by striking "parargaph" and inserting "paragraph".

(5) Section 202(t)(4)(D) of such Act (42 U.S.C. 402(t)(4)(D)) is amended by inserting "if the" before "Secretary" the second and third places it appears.

(6) Clauses (i) and (ii) of section 203(f)(5)(C) of such Act (42 U.S.C. 403(f)(5)(C)) are amended by adjusting the left-hand margination thereof so as to align with clauses (i) and (ii) of section 203(f)(5)(B) of such Act.

(7) Paragraph (3)(A) and paragraph (3)(B) of section 205(b) of such Act (42 U.S.C. 405(b)) are amended by adjusting the left-hand margination thereof so as to align with the matter following section 205(b)(2)(C) of such Act.

(8) Section 205(c)(2)(B)(iii) of such Act (42 U.S.C. 405(c)(2)(B)(iii)) is amended by striking "non-public" and inserting "nonpublic".

(9) Section 205(c)(2)(C) of such Act (42 U.S.C. 405(c)(2)(C)) is amended—

(A) by striking the clause (vii) added by section 2201(c) of Public Law 101–624; and

(B) by redesignating the clause (iii) added by section 2201(b)(3) of Public Law 101–624, clause (iv), clause (v), clause (vi), and the clause (vii) added by section 1735(b) of Public Law 101–624 as clause (iv), clause (v), clause (vi), clause (vii), and clause (viii), respectively;

(C) in clause (v) (as redesignated), by striking "subclause (I) of", and by striking "subclause (II) of clause (i)" and inserting "clause (ii)"; and

(D) in clause (viii)(IV) (as redesignated), by inserting "a social security account number or" before "a request for".

(10) The heading for section 205(j) of such Act (42 U.S.C. 405(j)) is amended to read as follows:

"Representative Payees".

(11) The heading for section 205(s) of such Act (42 U.S.C. 405(s)) is amended to read as follows:

"Notice Requirements".

(12) Section 208(c) of such Act (42 U.S.C. 408(c)) is amended by striking "subsection (g)" and inserting "subsection (a)(7)".

(13) Section 210(a)(5)(B)(i)(V) of such Act (42 U.S.C. 410(a)(5)(B)(i)(V)) is amended by striking "section 105(e)(2)" and inserting "section 104(e)(2)".

(14) Section 211(a) of such Act (42 U.S.C. 411(a)) is amended—

(A) in paragraph (13), by striking "and" at the end; and

(B) in paragraph (14), by striking the period and inserting "; and".

(15) Section 213(c) of such Act (42 U.S.C. 413(c)) is amended by striking "section" the first place it appears and inserting "sections".

(16) Section 215(a)(5)(B)(i) of such Act (42 U.S.C. 415(a)(5)(B)(i)) is amended by striking "subsection" the second place it appears and inserting "subsections".

(17) Section 215(f)(7) of such Act (42 U.S.C. 415(f)(7)) is amended by inserting a period after "1990".

(18) Subparagraph (F) of section 218(c)(6) of such Act (42 U.S.C. 418(c)(6)) is amended by adjusting the left-hand margination thereof so as to align with section 218(c)(6)(E) of such Act.

(19) Section 223(i) of such Act (42 U.S.C. 423(i)) is amended by adding at the beginning the following heading:

"Limitation on Payments to Prisoners".

(b) Related Amendments.—

(1) Section 603(b)(5)(A) of Public Law 101–649 (amending section 202(n)(1) of the Social Security Act) (104 Stat. 5085) is amended by inserting "under" before "paragraph (1)," and by striking "(17), or (18)" and inserting "(17), (18), or (19)", effective as if this paragraph were included in such section 603(b)(5)(A).

(2) Section 10208(b)(1) of Public Law 101–239 (amending section 230(b)(2)(A) of the Social Security Act) (103 Stat. 2477) is amended by striking "230(b)(2)(A)" and "430(b)(2)(A)" and inserting "230(b)(2)" and "430(b)(2)", respectively, effective as if this paragraph were included in such section 10208(b)(1).

(c) Conforming, Clerical Amendments Updating, Without Substantive Change, References in Title II of the Social Security Act to the Internal Revenue Code.—

(1)(A) Section 201(a) of such Act (42 U.S.C. 401(a)) is amended—

(i) by striking clauses (1) and (2);

(ii) in clause (3), by striking "(3) the taxes imposed" and all that follows through "December 31, 1954," and inserting "(1) the taxes imposed by chapter 21 (other than sections 3101(b) and 3111(b)) of the Internal Revenue Code of 1986 with respect to wages (as defined in section 3121 of such Code) reported to the Secretary of the Treasury or his delegate pursuant to subtitle F of such Code,", and by striking "subchapter or";

(iii) in clause (4), by striking "(4) the taxes imposed" and all that follows through "such Code," and inserting "(2) the taxes imposed by chapter 2 (other than section 1401(b)) of the Internal Revenue Code of 1986 with respect to self-employment income (as defined in section 1402 of such Code) reported to the Secretary of the Treasury or his delegate on tax returns under subtitle F of such Code,", and by striking "subchapter or chapter" and inserting "chapter"; and

(iv) in the matter following the clauses amended by this subparagraph, by striking "clauses (3) and (4)" each place it appears and inserting "clauses (1) and (2)".

(B) The amendments made by subparagraph (A) shall apply only with respect to taxes imposed with respect to wages paid on or after January 1, 1993, or with respect to self-employment income for taxable years beginning on or after such date.

(2)(A)(i) Section 201(g)(1) of such Act (42 U.S.C. 401(g)(1)) is amended—

(I) in subparagraph (A)(i), by striking "and subchapter E" and all that follows through "1954" and inserting "and chapters 2 and 21 of the Internal Revenue Code of 1986";

(II) in subparagraph (A)(ii), by striking "1954" and inserting "1986";

(III) in the matter in subparagraph (A) following clause (ii), by striking "subchapter E" and all that follows through "1954." and inserting "chapters 2 and 21 of the Internal Revenue Code of 1986.", and by striking "1954 other" and inserting "1986 other"; and

(IV) in subparagraph (B), by striking "1954" each place it appears and inserting "1986".

(ii) The amendments made by clause (i) shall apply only with respect to periods beginning on or after the date of the enactment of this Act.

(B)(i) Section 201(g)(2) of such Act (42 U.S.C. 401(g)(2)) is amended by striking "section 3101(a)" and all that follows through "1950." and inserting "section 3101(a) of the Internal Revenue Code of 1986 which are subject to refund under section 6413(c) of such Code with respect to wages (as defined in section 3121 of such Code).", and by striking "wages reported" and all that follows through "1954," and inserting "wages reported to the Secretary of the Treasury or his delegate pursuant to subtitle F of such Code,".

(ii) The amendments made by clause (i) shall apply only with respect to wages paid on or after January 1, 1993.

(C) Section 201(g)(4) of such Act (42 U.S.C. 401(g)(4)) is amended—

(i) by striking "The Board of Trustees shall prescribe before January 1, 1981, the method" and inserting "If at any time or times the Boards of Trustees of such Trust Funds deem such action advisable, they may modify the method prescribed by such Boards";

(ii) by striking "1954" and inserting "1986"; and

(iii) by striking the last sentence.

(3) Section 202(v) of such Act (42 U.S.C. 402(v)) is amended—

(A) in paragraph (1), by striking "1954" and inserting "1986"; and

(B) in paragraph (3)(A), by inserting "of the Internal Revenue Code of 1986" after "3127".

(4) Section 205(c)(5)(F)(i) of such Act (42 U.S.C. 405(c)(5)(F)(i)) is amended by inserting "or the Internal Revenue Code of 1986" after "1954".

(5)(A) Section 208(a)(1) of such Act (42 U.S.C. 408(a)(1)) is amended—

(i) in the matter preceding subparagraph (A), by striking "subchapter E" and all that follows through "1954" and inserting "chapter 2 or 21 or subtitle F of the Internal Revenue Code of 1986";

(ii) in subparagraph (A), by inserting "of 1986" after "Internal Revenue Code"; and

(iii) in subparagraph (B), by inserting "of 1986" after "Internal Revenue Code".

(B) The amendments made by subparagraph (A) shall apply only with respect to violations occurring on or after the date of the enactment of this Act.

(6)(A) Section 209(a)(4)(A) of such Act (42 U.S.C. 409(a)(4)(A)) is amended by inserting "or the Internal Revenue Code of 1986" after "Internal Revenue Code of 1954".

(B) Section 209(a) of such Act (42 U.S.C. 409(a)) is amended—

(i) in subparagraphs (C) and (E) of paragraph (4),

(ii) in paragraph (5)(A),

(iii) in subparagraphs (A) and (B) of paragraph (14),

(iv) in paragraph (15),

(v) in paragraph (16), and

(vi) in paragraph (17),

by striking "1954" each place it appears and inserting "1986".

(C) Subsections (b), (f), (g), (i)(1), and (j) of section 209 of such Act (42 U.S.C. 409) are amended by striking "1954" each place it appears and inserting "1986".

(7) Section 211(a)(15) of such Act (42 U.S.C. 411(a)(15)) is amended by inserting "of the Internal Revenue Code of 1986" after "section 162(m)".

(8) Title II of such Act is further amended—

(A) in subsections (f)(5)(B)(ii) and (k) of section 203 (42 U.S.C. 403),

(B) in section 205(c)(1)(D)(i) (42 U.S.C. 405(c)(1)(D)(i)),

(C) in the matter in section 210(a) (42 U.S.C. 410(a)) preceding paragraph (1) and in paragraphs (8), (9), and (10) of section 210(a),

(D) in subsections (p)(4) and (q) of section 210 (42 U.S.C. 410),

(E) in the matter in section 211(a) (42 U.S.C. 411(a)) preceding paragraph (1) and in paragraphs (3), (4), (6), (10), (11), and (12) and clauses (iii) and (iv) of section 211(a),

(F) in the matter in section 211(c) (42 U.S.C. 411(c)) preceding paragraph (1), in paragraphs (3) and (6) of section 211(c), and in the matter following paragraph (6) of section 211(c),

(G) in subsections (d), (e), and (h)(1)(B) of section 211 (42 U.S.C. 411),

(H) in section 216(j) (42 U.S.C. 416(j)),

(I) in section 218(e)(3) (42 U.S.C. 418(e)(3)),

(J) in section 229(b) (42 U.S.C. 429(b)),

(K) in section 230(c) (42 U.S.C. 430(c)), and

(L) in section 232 (42 U.S.C. 432),

by striking "1954" each place it appears and inserting "1986".

(d) RULES OF CONSTRUCTION.—

(1) The preceding provisions of this section shall be construed only as technical and clerical corrections and as reflecting the original intent of the provisions amended thereby.

(2) Any reference in title II of the Social Security Act to the Internal Revenue Code of 1986 shall be construed to include a reference to the Internal Revenue Code of 1954 to the extent necessary to carry out the provisions of paragraph (1).

(e) UTILIZATION OF NATIONAL AVERAGE WAGE INDEX FOR WAGE-BASED ADJUSTMENTS.—

(1) DEFINITION OF NATIONAL AVERAGE WAGE INDEX.—Section 209(k) of the Social Security Act (42 U.S.C. 409(k)) is amended—

(A) by redesignating paragraph (2) as paragraph (3);

(B) in paragraph (3) (as redesignated), by striking "paragraph (1)" and inserting "this subsection"; and

(C) by striking paragraph (1) and inserting the following new paragraphs:

"(k)(1) For purposes of sections 203(f)(8)(B)(ii), 213(d)(2)(B), 215(a)(1)(B)(ii), 215(a)(1)(C)(ii), 215(a)(1)(D), 215(b)(3)(A)(ii), 215(i)(1)(E), 215(i)(2)(C)(ii), 224(f)(2)(B), and 230(b)(2) (and 230(b)(2) as in effect immediately prior to the enactment of the Social Security Amendments of 1977), the term 'national average wage index' for any particular calendar year means, subject to regulations of the Secretary under paragraph (2), the average of the total wages for such particular calendar year.

"(2) The Secretary shall prescribe regulations under which the national average wage index for any calendar year shall be computed—

"(A) on the basis of amounts reported to the Secretary of the Treasury or his delegate for such year,

"(B) by disregarding the limitation on wages specified in subsection (a)(1),

"(C) with respect to calendar years after 1990, by incorporating deferred compensation amounts and factoring in for such years the rate of change from year to year in such amounts, in a manner consistent with the requirements of section 10208 of the Omnibus Budget Reconciliation Act of 1989, and

"(D) with respect to calendar years before 1978, in a manner consistent with the manner in which the average of the total wages for each of such calendar years was determined as provided by applicable law as in effect for such years.".

(2) CONFORMING AMENDMENTS.—

(A) Section 203(f)(8)(B)(ii) of such Act (42 U.S.C. 403(f)(8)(B)(ii)) is amended by striking "deemed average total wages" each place it appears and inserting "national average wage index".

(B) Section 213(d)(2)(B) of such Act (42 U.S.C. 413(d)(2)(B)) is amended by striking "deemed average total wages" and inserting "national average wage index", and by striking "the average of the total wages" and all that follows and inserting "the national average wage index (as so defined) for 1976,".

(C) Section 215(a)(1)(B)(ii) of such Act (42 U.S.C. 415(a)(1)(B)(ii)) is amended—

(i) in subclause (I), by striking "deemed average total wages" and inserting "national average wage index"; and

(ii) in subclause (II), by striking "the average of the total wages" and all that follows and inserting "the national average wage index (as so defined) for 1977.".

(D) Section 215(a)(1)(C)(ii) of such Act (42 U.S.C. 415(a)(1)(C)(ii)) is amended by striking "deemed average total wages" and inserting "national average wage index".

(E) Section 215(a)(1)(D) of such Act (42 U.S.C. 415(a)(1)(D)) is amended—

(i) by striking "after 1978";

(ii) by striking "and the average of the total wages (as described in subparagraph (B)(ii)(I))" and inserting "and the national average wage index (as defined in section 209(k)(1))"; and

(iii) by striking the last sentence.

(F) Section 215(b)(3)(A)(ii) of such Act (42 U.S.C. 415(b)(3)(A)(ii)) is amended by striking "deemed average total wages" each place it appears and inserting "national average wage index".

(G) Section 215(i)(1) of such Act (42 U.S.C. 415(i)(1)) is amended—

(i) in subparagraph (E), by striking "SSA average wage index" and inserting "national average wage index (as defined in section 209(k)(1))"; and

(ii) by striking subparagraph (G) and redesignating subparagraph (H) as subparagraph (G).

(H) Section 215(i)(2)(C)(ii) of such Act (42 U.S.C. 415(i)(1)(C)(ii)) is amended to read as follows:

"(ii) The Secretary shall determine and promulgate the OASDI fund ratio for the current calendar year on or before November 1 of the current calendar year, based upon the most recent data then available. The Secretary shall include a statement of the fund ratio and the national average wage index (as defined in section 209(k)(1)) and a statement of the effect such ratio and the level of such index may have upon benefit increases under this subsection in any notification made under clause (i) and any determination published under subparagraph (D).".

(I) Section 224(f)(2) of such Act (42 U.S.C. 424a(f)(2)) is amended—

(i) in subparagraph (A), by adding "and" at the end;

(ii) by striking subparagraph (C); and

(iii) by striking subparagraph (B) and inserting the following:

"(B) the ratio of (i) the national average wage index (as defined in section 209(k)(1)) for the calendar year before the year in which such redetermination is made to (ii) the national average wage index (as so defined) for the calendar year before the year in which the reduction was first computed (but not counting any reduction made in benefits for a previous period of disability).".

(J) Section 230(b)(2) of such Act (42 U.S.C. 430(b)(2)) is amended by striking "deemed average total wages" each place it appears and inserting "national average wage index".

(K) Section 230(d) of such Act (42 U.S.C. 430(d)) is amended by striking "deemed average total wage" and inserting "national average wage index".

SEC. 13018. CROSS-MATCHING OF SOCIAL SECURITY ACCOUNT NUMBER INFORMATION AND EMPLOYER IDENTIFICATION NUMBER INFORMATION MAINTAINED BY THE DEPARTMENT OF AGRICULTURE.

(a) SOCIAL SECURITY ACCOUNT NUMBER INFORMATION.—Clause (iii) of section 205(c)(2)(C) of the Social Security Act (42 U.S.C. 405(c)(2)(C)) (as added by section 1735(a)(3) of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-624; 104 Stat. 3791)) is amended—

(1) by inserting "(I)" after "(iii)"; and

(2) by striking "The Secretary of Agriculture shall restrict" and all that follows and inserting the following:

"(II) The Secretary of Agriculture may share any information contained in any list referred to in subclause (I) with any other agency or instrumentality of the United States which otherwise has access to social security account numbers in accordance with this subsection or other applicable Federal law, except that the Secretary of Agriculture may share such information only to the extent that such Secretary determines such sharing would assist in verifying and matching such information against information maintained by such other agency or instrumentality. Any such information shared pursuant to this subclause may be used by such other agency or instrumentality only for the purpose of effective administration and enforcement of the Food Stamp Act of 1977 or for the purpose of investigation of violations of other Federal laws or enforcement of such laws.

"(III) The Secretary of Agriculture, and the head of any other agency or instrumentality referred to in this subclause, shall restrict, to the satisfaction of the Secretary of Health and Human Services, access to social security account numbers obtained pursuant to this clause only to officers and employees of the United States whose duties or responsibilities require access for the purposes described in subclause (II).

"(IV) The Secretary of Agriculture, and the head of any agency or instrumentality with which information is shared pursuant to clause (II), shall provide such other safeguards as the Secretary of Health and Human Services determines to be necessary or appropriate to protect the confidentiality of the social security account numbers.".

(b) EMPLOYER IDENTIFICATION NUMBER INFORMATION.—Subsection (f) of section 6109 of the Internal Revenue Code of 1986 (as added by section 1735(c) of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-624; 104 Stat. 3792)) (relating to access to employer identification numbers by Secretary of Agriculture for purposes of Food Stamp Act of 1977) is amended—

(1) by striking paragraph (2) and inserting the following:

"(2) SHARING OF INFORMATION AND SAFEGUARDS.—

"(A) SHARING OF INFORMATION.—The Secretary of Agriculture may share any information contained in any list referred to in paragraph (1) with any other agency or instrumentality of the United States which otherwise has access to employer identification numbers in accordance with this section or other applicable Federal law, except that the Secretary of Agriculture may share such information only to the extent that such Secretary determines such sharing would assist in verifying and matching such information against information maintained by such other agency or instrumentality. Any such information shared pursuant to this subparagraph may be used by such other agency or instrumentality only for the purpose of effective administration and enforcement of the Food Stamp Act of 1977 or for the purpose of investigation of violations of other Federal laws or enforcement of such laws.

"(B) SAFEGUARDS.—The Secretary of Agriculture, and the head of any other agency or instrumentality referred to in subparagraph (A), shall restrict, to the satisfaction of the Secretary of the Treasury, access to employer identification numbers obtained pursuant to this subsection only to officers and employees of the United States whose duties or responsibilities require access for the purposes described in subparagraph (A). The Secretary of Agriculture, and the head of any agency or instrumentality with which information is shared pursuant to subparagraph (A), shall provide such other safeguards as the Secretary of the Treasury determines to be necessary or appropriate to protect the confidentiality of the employer identification numbers.";

(2) in paragraph (3), by striking "by the Secretary of Agriculture pursuant to this subsection" and inserting "pursuant to this subsection by the Secretary of Agriculture or the head of any agency or instrumentality with which information is shared pursuant to paragraph (2)", and by striking "social security account numbers" and inserting "employer identification numbers"; and

(3) in paragraph (4), by striking "by the Secretary of Agriculture pursuant to this subsection" and inserting "pursuant to this subsection by the Secretary of Agriculture or any agency or instrumentality with which information is shared pursuant to paragraph (2)".

SEC. 13019. PROHIBITION OF MISUSE OF DEPARTMENT OF THE TREASURY NAMES, SYMBOLS, ETC.

(a) GENERAL RULE.—Subchapter II of chapter 3 of title 31, United States Code, is amended by adding at the end thereof the following new section:

"§ 333. Prohibition of misuse of Department of the Treasury names, symbols, etc.

"(a) GENERAL RULE.—No person may use, in connection with, or as a part of, any advertisement, solicitation, business activity, or product, whether alone or with other words, letters, symbols, or emblems—

"(1) the words 'Department of the Treasury', or the name of any service, bureau, office, or other subdivision of the Department of the Treasury,

"(2) the titles 'Secretary of the Treasury' or 'Treasurer of the United States' or the title of any other officer or employee of the Department of the Treasury,

"(3) the abbreviations or initials of any entity referred to in paragraph (1),

"(4) the words 'United States Savings Bond' or the name of any other obligation issued by the Department of the Treasury,

"(5) any symbol or emblem of an entity referred to in paragraph (1) (including the design of any envelope or stationary used by such an entity), and

"(6) any colorable imitation of any such words, titles, abbreviations, initials, symbols, or emblems,

in a manner which could reasonably be interpreted or construed as conveying the false impression that such advertisement, solicitation, business activity, or product is in any manner approved, endorsed, sponsored, or authorized by, or associated with, the Department of the Treasury or any entity referred to in paragraph (1) or any officer or employee thereof.

"(b) TREATMENT OF DISCLAIMERS.—Any determination of whether a person has violated the provisions of subsection (a) shall be made without regard to any use of a disclaimer of affiliation with the United States Government or any particular agency or instrumentality thereof.

"(c) CIVIL PENALTY.—

"(1) IN GENERAL.—The Secretary of the Treasury may impose a civil penalty on any person who violates the provisions of subsection (a).

"(2) AMOUNT OF PENALTY.—The amount of the civil penalty imposed by paragraph (1) shall not exceed $5,000 for each use of any material in violation of subsection (a). If such use is in a broadcast or telecast, the preceding sentence shall be applied by substituting '$25,000' for '$5,000'.

"(3) TIME LIMITATIONS.—

"(A) ASSESSMENTS.—The Secretary of the Treasury may assess any civil penalty under paragraph (1) at any time before the end of the 3-year period beginning on the date of the violation with respect to which such penalty is imposed.

"(B) CIVIL ACTION.—The Secretary of the Treasury may commence a civil action to recover any penalty imposed under this subsection at any time before the end of the 2-year period beginning on the date on which such penalty was assessed.

"(4) COORDINATION WITH SUBSECTION (d).—No penalty may be assessed under this subsection with respect to any violation after a criminal proceeding with respect to such violation has been commenced under subsection (d).

"(d) CRIMINAL PENALTY.—

"(1) IN GENERAL.—If any person knowingly violates subsection (a), such person shall, upon conviction thereof, be fined not more than $10,000 for each such use or imprisoned not more than 1 year, or both. If such use is in a broadcast or telecast, the preceding sentence shall be applied by substituting '$50,000' for '$10,000'.

"(2) TIME LIMITATIONS.—No person may be prosecuted, tried, or punished under paragraph (1) for any violation of subsection (a) unless the indictment is found or the information instituted during the 3-year period beginning on the date of the violation.

"(3) COORDINATION WITH SUBSECTION (c).—No criminal proceeding may be commenced under this subsection with respect to any violation if a civil penalty has previously been assessed under subsection (c) with respect to such violation."

(b) CLERICAL AMENDMENT.—The analysis for chapter 3 of title 31, United States Code, is amended by adding after the item relating to section 332 the following new item:

"333. Prohibition of misuse of Department of the Treasury names, symbols, etc.".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

(d) REPORT.—Not later than May 1, 1995, the Secretary of the Treasury shall submit a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate on the implementation of the amendments made by this section. Such report shall include the number of cases in which the Secretary has notified persons of violations of section 333 of title 31, United States Code (as added by subsection (a)), the number of prosecutions commenced under such section, and the total amount of the penalties collected in such prosecutions.

SEC. 13020. AVAILABILITY AND USE OF DEATH INFORMATION UNDER THE OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE PROGRAM.

(a) IMPROVEMENTS IN PROGRAM FOR USE OF DEATH CERTIFICATES TO CORRECT PROGRAM INFORMATION.—

(1) ELIMINATION OF STATE RESTRICTIONS ON USE OF INFORMATION.—Section 205(r)(1) of the Social Security Act (42 U.S.C. 405(r)(1)) is amended by adding at the end, after and below subparagraph (B), the following new sentence:

"Any contract entered into pursuant to subparagraph (A) shall not include any restriction on the use of information obtained by the Secretary pursuant to such contract, except to the extent that such use may be restricted under paragraph (6).".

(2) INFORMATION PROVIDED TO STATE AGENCIES FREE OF CHARGE.—

(A) IN GENERAL.—Section 205(r)(4) of such Act (42 U.S.C. 405(r)(4)) is amended to read as follows:

"(4)(A) In the case of individuals with respect to whom federally funded benefits are provided by (or through) a State agency other than under this Act, the Secretary shall to the extent feasible provide such information free of charge through a cooperative arrangement with such agency, for ensuring proper payment of those benefits with respect to such individuals, if such arrangement does not conflict with the duties of the Secretary under paragraph (1).

"(B) The Secretary may enter into similar agreements with States to provide information free of charge for their use in programs wholly funded by the States if such arrangement does not conflict with the duties of the Secretary under paragraph (1).".

(B) CONFORMING AMENDMENT.—Section 205(r)(3) of such Act (42 U.S.C. 405(r)(3)) is amended by striking "or State".

(3) USE BY STATES OF SOCIAL SECURITY ACCOUNT NUMBERS CONTINGENT UPON PARTICIPATION IN PROGRAM.—Section 205(r)(2) of such Act (42 U.S.C. 405(r)(2)) is amended—

(A) by inserting "(A)" after "(2)"; and

(B) by adding at the end the following new subparagraph:

"(B) Notwithstanding section 7(a)(2)(B) of the Privacy Act of 1974 and clauses (i) and (v) of subsection (c)(2)(C) of this section, any State which is not a party to a contract with the Secretary meeting the requirements of paragraph (1) (and any political subdivision thereof) may not utilize an individual's social security account number in the administration of any driver's license or motor vehicle registration law.".

(b) STUDY REGARDING IMPROVEMENTS IN GATHERING AND REPORTING OF DEATH INFORMATION.

(1) IN GENERAL.—As soon as practicable after the date of the enactment of this Act, the Secretary of Health and Human Services shall conduct a study of possible improvements in the current methods of gathering and reporting death information by the Federal, State, and local governments which would result in more efficient and expeditious handling of such information.

(2) SPECIFIC MATTERS TO BE STUDIED.—In carrying out the study required under this subsection, the Secretary shall—

(A) ascertain the delays in the receipt of death information which are currently encountered by the Social Security Administration and other agencies in need of such information on a regular basis,

(B) analyze the causes of such delays,

(C) develop alternative options for improving Federal, State, and local agency cooperation in reducing such delays, and

(D) evaluate the costs and benefits associated with the options referred to in subparagraph (C).

(3) REPORT.—Not later than June 1, 1994, the Secretary shall submit a written report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate setting forth the results of the study conducted pursuant to this subsection, together with such administrative and legislative recommendations as the Secretary may consider appropriate.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by subsection (a) shall take effect 1 year after the date of the enactment of this Act.

(2) PROMOTION OF ENTRY INTO NEW CONTRACTS.—As soon as practicable after the date of the enactment of this Act, the Secretary of Health and Human Services shall take such actions as are necessary and appropriate to promote entry into contracts under section 205(r) of the Social Security Act which are in compliance with the requirements of the amendments made by subsection (a).

Subtitle B—Human Resources Amendments

SEC. 13201. TABLE OF CONTENTS.

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SEC. 13202. REFERENCES.

Except as otherwise expressly provided, wherever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Social Security Act.

CHAPTER 1—CHILD WELFARE SERVICES, FOSTER CARE, AND ADOPTION ASSISTANCE

SEC. 13211. ENTITLEMENT FUNDING FOR SERVICES DESIGNED TO STRENGTHEN AND PRESERVE FAMILIES.

(a) IN GENERAL.—Part B of title IV (42 U.S.C. 620-628) is amended—

(1) by striking the heading and inserting the following:

"PART B—CHILD AND FAMILY SERVICES

"Subpart 1—Child Welfare Services"; and

(2) by adding at the end the following:

"Subpart 2—Family Preservation and Support Services

"SEC. 430. PURPOSES; LIMITATIONS ON AUTHORIZATIONS OF APPROPRIATIONS; RESERVATION OF CERTAIN AMOUNTS.

"(a) PURPOSES; LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—For the purpose of encouraging and enabling each State to develop and establish, or expand, and to operate a program of family preservation services and community-based family support services, there are authorized to be appropriated to the Secretary—

"(1) $60,000,000 for fiscal year 1994;

"(2) $135,000,000 for fiscal year 1995;

"(3) $240,000,000 for fiscal year 1996;

"(4) $360,000,000 for fiscal year 1997; and

"(5) $600,000,000 for fiscal year 1998.

"(b) RESERVATION OF CERTAIN AMOUNTS.—

"(1) EVALUATION, RESEARCH, TRAINING, AND TECHNICAL ASSISTANCE.—The Secretary shall reserve 1 percent of the amount appropriated pursuant to subsection (a) for each fiscal year, for expenditure by the Secretary for evaluation, research, training, and technical assistance related to the program under this subpart.

"(2) STATE COURT ASSESSMENTS.—The Secretary shall reserve $5,000,000 of the amount appropriated pursuant to subsection (a) for fiscal year 1995, and $10,000,000 of the amount so appropriated for each of fiscal years 1996, 1997, and 1998, for grants under section 13212 of the Omnibus Budget Reconciliation Act of 1993.

"(3) INDIAN TRIBES.—The Secretary shall reserve 1 percent of the amount appropriated pursuant to subsection (a) for each fiscal year, for allotment to Indian tribes in accordance with section 433(a).

"SEC. 431. DEFINITIONS.

"(a) IN GENERAL.—As used in this subpart:

"(1) FAMILY PRESERVATION SERVICES.—The term 'family preservation services' means services for children and families designed to help families (including adoptive and extended families) at risk or in crisis, including—

"(A) service programs designed to help children—

"(i) where appropriate, return to families from which they have been removed; or "(ii) be placed for adoption, with a legal guardian, or, if adoption or legal guardianship is determined not to be appropriate for a child, in some other planned, permanent living arrangement;

"(B) preplacement preventive services programs, such as intensive family preservation programs, designed to help children at risk of foster care placement remain with their families;

"(C) service programs designed to provide followup care to families to whom a child has been returned after a foster care placement;

"(D) respite care of children to provide temporary relief for parents and other caregivers (including foster parents); and

"(E) services designed to improve parenting skills (by reinforcing parents' confidence in their strengths, and helping them to identify where improvement is needed and to obtain assistance in improving those skills) with respect to matters such as child development, family budgeting, coping with stress, health, and nutrition.

"(2) FAMILY SUPPORT SERVICES.—The term 'family support services' means community-based services to promote the well-being of children and families designed to increase the strength and stability of families (including adoptive, foster, and extended families), to increase parents' confidence and competence in their parenting abilities, to afford children a stable and supportive family environment, and otherwise to enhance child development, including—

"(A) services described in paragraph (1)(E);

"(B) respite care of children to provide temporary relief for parents and other caregivers;

"(C) structured activities involving parents and children to strengthen the parent-child relationship;

"(D) drop-in centers to afford families opportunities for informal interaction with other families and with program staff;

"(E) information and referral services to afford families access to other community services, including child care, health care, nutrition programs, adult education and literacy programs, and counseling and mentoring services; and

"(F) early developmental screening of children to assess the needs of such children, and assistance to families in securing specific services to meet these needs.

"(3) STATE AGENCY.—The term 'State agency' means the State agency responsible for administering the program under subpart 1.

"(4) STATE.—The term 'State' includes an Indian tribe or tribal organization, in addition to the meaning given such term for purposes of subpart 1.

"(5) TRIBAL ORGANIZATION.—The term 'tribal organization' means the recognized governing body of any Indian tribe.

"(6) INDIAN TRIBE.—The term 'Indian tribe' means any Indian tribe (as defined in section 482(i)(5)) and any Alaska Native organization (as defined in section 482(i)(7)(A)).

"(b) OTHER TERMS.—For other definitions of other terms used in this subpart, see section 475.

"SEC. 432. STATE PLANS.

"(a) PLAN REQUIREMENTS.—A State plan meets the requirements of this subsection if the plan—

"(1) provides that the State agency shall administer, or supervise the administration of, the State program under this subpart;

"(2)(A)(i) sets forth the goals intended to be accomplished under the plan by the end of the 5th fiscal year in which the plan is in operation in the State, and (ii) is updated periodically to set forth the goals intended to be accomplished under the plan by the end of each 5th fiscal year thereafter;

"(B) describes the methods to be used in measuring progress toward accomplishment of the goals;

"(C) contains a commitment that the State—

"(i) after the end of each of the 1st 4 fiscal years covered by a set of goals, will perform an interim review of progress toward accomplishment of the goals, and on the basis of the interim review will revise the statement of goals in the plan, if necessary, to reflect changed circumstances; and

"(ii) after the end of the last fiscal year covered by a set of goals, will perform a final review of progress toward accomplishment of the goals, and on the basis of the final review (I) will prepare, transmit to the Secretary, and make available to the public a final report on progress toward accomplishment of the goals, and (II) will develop (in consultation with the entities required to be consulted pursuant to subsection (b)) and add to the plan a statement of the goals intended to be accomplished by the end of the 5th succeeding fiscal year;

"(3) provides for coordination, to the extent feasible and appropriate, of the provision of services under the plan and the provision of services or benefits under other Federal or federally assisted programs serving the same populations;

"(4) contains assurances that not less than 90 percent of expenditures under the plan for any fiscal year with respect to which the State is eligible for payment under section 433 for the fiscal year shall be for services for children and families, and that significant portions of such 90 percent shall be expended—

"(A) for family preservation services; and

"(B) for community-based family support services;

"(5) provides that, by the beginning of the 6th fiscal year during which the plan is in effect, programs under the plan shall be available on a statewide basis, to the extent feasible and appropriate;

"(6) contains assurances that the State will—

"(A) annually prepare, furnish to the Secretary, and make available to the public a description (including separate descriptions with respect to family preservation services and community-based family support services) of—

"(i) the service programs to be made available under the plan in the immediately succeeding fiscal year;

"(ii) the populations which the programs will serve; and

"(iii) the geographic areas in the State in which the services will be available; and

"(B) perform the activities described in subparagraph (A)—

"(i) in the case of the 1st fiscal year under the plan, at the time the State submits its initial plan; and

"(ii) in the case of each succeeding fiscal year, by the end of the 3rd quarter of the immediately preceding fiscal year;

"(7) provides for such methods of administration as the Secretary finds to be necessary for the proper and efficient operation of the plan;

"(8)(A) contains assurances that Federal funds provided to the State under this subpart will not be used to supplant Federal or non-Federal funds for existing services and activities which promote the purposes of this subpart; and

"(B) provides that the State will furnish reports to the Secretary, at such times, in such format, and containing such information as the Secretary may require, that demonstrate the State's compliance with the prohibition contained in subparagraph (A); and

"(9) provides that the State agency will furnish such reports, containing such information, and participate in such evaluations, as the Secretary may require.

"(b) APPROVAL OF PLANS.—

"(1) IN GENERAL.—The Secretary shall approve a plan that meets the requirements of subsection (a) only if the plan was developed jointly by the Secretary and the State, after consultation by the State agency with appropriate public and nonprofit private agencies and community-based organizations with experience in administering programs of services for children and families (including family preservation and family support services).

"(2) PLANS OF INDIAN TRIBES EXEMPTED FROM INAPPROPRIATE REQUIREMENTS.—The Secretary may exempt a plan submitted by an Indian tribe from any requirement of this section that the Secretary determines would be inappropriate to apply to the Indian tribe, taking into account the resources, needs, and other circumstances of the Indian tribe.

"SEC. 433. ALLOTMENTS TO STATES.

"(a) INDIAN TRIBES.—

"(1) IN GENERAL.—From the amount reserved pursuant to section 430(b)(3), the Secretary shall allot to each Indian tribe with a plan approved under this subpart (except as provided in paragraph (2) of this subsection) an amount that bears the same ratio to such reserved amount as the number of children in the Indian tribe bears to the total number of children in all Indian tribes with State plans so approved, as determined by the Secretary on the basis of the most current and reliable information available to the Secretary.

"(2) SPECIAL RULE.—The Secretary may not allot funds to an Indian tribe with a plan approved under this subpart whose allotment (but for this paragraph) would be less than $10,000 if allotments were made under paragraph (1) to all Indian tribes with plans approved under this subpart with the same or larger numbers of children.

"(b) TERRITORIES.—From the amount appropriated pursuant to section 430 that remains after applying section 430(b) for each fiscal year, the Secretary shall allot to each of the jurisdictions of Puerto Rico, Guam, the Virgin Islands, the Northern Mariana Islands, and American Samoa an amount determined in the same manner as the allotment to each of such jurisdictions is determined under section 421.

"(c) OTHER STATES.—

"(1) IN GENERAL.—From the amount appropriated pursuant to section 430 that remains after applying section 430(b) and subsection (b) of this section for each fiscal year, the Secretary shall allot to each State (other than an Indian tribe) which is not specified in subsection (b) of this section an amount equal to such remaining amount multiplied by the food stamp percentage of the State for the fiscal year.

"(2) FOOD STAMP PERCENTAGE DEFINED.—

"(A) IN GENERAL.—As used in paragraph (1) of this subsection, the term 'food stamp percentage' means, with respect to a State and a fiscal year, the average monthly number of children receiving food stamp benefits in the State for months in the 3 fiscal years referred to in subparagraph (B) of this paragraph, as determined from sample surveys made under section 16(c) of the Food Stamp Act of 1977, expressed as a percentage of the average monthly number of children receiving food stamp benefits in the States described in such paragraph (1) for months in such 3 fiscal years, as so determined.

"(B) FISCAL YEARS USED IN CALCULATION.—For purposes of the calculation pursuant to subparagraph (A), the Secretary shall use data for the 3 most recent fiscal years, preceding the fiscal year for which the State's allotment is calculated under this subsection, for which such data are available to the Secretary.

"SEC. 434. PAYMENTS TO STATES.

"(a) ENTITLEMENT.—

"(1) GENERAL RULE.—Except as provided in paragraph (2) of this subsection, each State which has a plan approved under this subpart shall be entitled to payment of the lesser of—

"(A) 75 percent of the total cost of activities under the plan during the fiscal year or the immediately succeeding fiscal year; or

"(B) the allotment of the State under section 433 for the fiscal year.

"(2) SPECIAL RULE.—Upon submission by a State to the Secretary during fiscal year 1994 of an application in such form and containing such information as the Secretary may require (including, if the State is seeking payment of an amount pursuant to subparagraph (B) of this paragraph, a description of the services to be provided with the amount), the State shall be entitled to payment of an amount equal to the sum of—

"(A) such amount not exceeding $1,000,000 as the State may require to develop and submit a plan for approval under section 432; and

"(B) an amount equal to the lesser of—

"(i) 75 percent of the cost of State services to children and families provided in accordance with section 432(a)(4); or

"(ii) the allotment of the State under section 433 for fiscal year 1994, reduced by any amount paid to the State pursuant to subparagraph (A) of this paragraph.

"(b) PROHIBITIONS.—

"(1) NO USE OF OTHER FEDERAL FUNDS FOR STATE MATCH.—Each State receiving an amount paid under paragraph (1) or (2)(B) of subsection (a) may not expend any Federal funds to meet the costs of services described in this subpart not covered by the amount so paid.

"(2) AVAILABILITY OF FUNDS.—

"(A) IN GENERAL.—A State may not expend any amount paid under subsection (a)(1) for any fiscal year after the end of the immediately succeeding fiscal year.

"(B) PLAN DEVELOPMENT.—A State may not expend any amount paid under subsection (a)(2) after the end of fiscal year 1994.

"(c) DIRECT PAYMENTS TO TRIBAL ORGANIZATIONS OF INDIAN TRIBES.—The Secretary shall pay any amount to which an Indian tribe is entitled under this section directly to the tribal organization of the Indian tribe.

"SEC. 435. EVALUATIONS; REPORT.

"(a) EVALUATIONS.—

"(1) IN GENERAL.—The Secretary shall evaluate the effectiveness of the programs carried out pursuant to this subpart in accomplishing the purposes of this subpart, in accordance with criteria established in accordance with paragraph (2).

"(2) CRITERIA TO BE USED.—In developing the criteria to be used in evaluations under paragraph (1), the Secretary shall consult with appropriate parties, such as—

"(A) State agencies administering programs under this part and part E;

"(B) persons administering child and family services programs (including family preservation and family support programs) for private, nonprofit organizations with an interest in child welfare; and

"(C) other persons with recognized expertise in the evaluation of child and family services programs (including family preservation and family support programs) or other related programs.

"(b) REPORT TO THE CONGRESS.—Not later than December 31, 1997, the Secretary shall submit to the Congress a report containing findings with respect to the evaluations required by subsection (a).

"(c) COORDINATION OF EVALUATIONS.—The Secretary shall develop procedures to coordinate evaluations under this section, to the extent feasible, with evaluations by the States of the effectiveness of programs under this subpart.".

(b) CONFORMING AMENDMENTS.—

(1) Section 422 (42 U.S.C. 622) is amended—

(A) in subsection (a), by striking "this part" and inserting "this subpart";

(B) in subsection (b), by striking "this part" each place such term appears and inserting "this subpart"; and

(C) in subsection (b)(2), by inserting "under the State plan approved under subpart 2 of this part," after "part A of this title,".

(2) Section 423(a) (42 U.S.C. 623(a)) is amended by striking "this part" and inserting "this subpart".

(3) Section 428(a) (42 U.S.C. 628(a)) is amended by striking "this part" each place such term appears and inserting "this subpart".

(4) Section 471(a)(2) (42 U.S.C. 671(a)(2)) is amended by inserting "subpart 1 of" before "part B".

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective with respect to calendar quarters beginning on or after October 1, 1993.

SEC. 13212. GRANTS FOR STATE COURTS TO ASSESS AND IMPROVE HANDLING OF PROCEEDINGS RELATING TO FOSTER CARE AND ADOPTION.

(a) IN GENERAL.—The Secretary shall make grants, in accordance with this section, to the highest State courts in States participating in the program under part E of title IV of the Social Security Act, for the purpose of enabling such courts—

(1) to conduct assessments, in accordance with subsection (b), of the role, responsibilities, and effectiveness of State courts in carrying out State laws requiring proceedings (conducted by or under the supervision of the courts)—

(A) to determine the advisability or appropriateness of foster care placement;

(B) to determine whether to terminate parental rights; and

(C) to legally recognize the adoption of a child; and

(2) to implement changes deemed necessary as a result of the assessments.

(b) ASSESSMENTS.—Each assessment conducted with funds provided under this section shall—

(1) identify the requirements imposed on State courts with respect to proceedings described in subsection (a), addressing separately—

(A) rules, standards, and criteria imposed pursuant to State laws (including laws implementing parts B and E of title IV of the Social Security Act, laws relating to child abuse and neglect, or any other laws on related matters) to be applied in determinations with respect to placement of a child, or with respect to related matters concerning the parent-child relationship and the welfare of the child, including determinations—

(i) whether to remove a child from or return a child to the home of the child;

(ii) whether to place a child in foster care or to continue a foster care placement;

(iii) whether to terminate parental rights;

(iv) whether to place a child for adoption or in another permanent arrangement; and

(v) whether to set aside or to finalize an adoption; and

(B) rules and procedures, established by or under State law or adopted by the State court system on its own initiative, with respect to the conduct of such proceedings, that address matters such as—

(i) whether a proceeding should be judicial or administrative;

(ii) timetables for such proceedings, and determinations of the priority of such proceedings relative to other matters under the jurisdiction of the State courts;

(iii) procedural safeguards of the rights of parents (including foster and adoptive parents), guardians, and children, such as provisions for legal representation and for guardians ad litem; and

(iv) rules for conduct of the proceeding with respect to matters such as admissible evidence, opportunity to present witnesses, and time limits on the presentation of evidence and the making of arguments;

(2) evaluate the performance of the State courts in implementing the requirements identified under paragraph (1), by assessing—

(A) the extent to which particular practices or procedures have been successful in facilitating compliance with such requirements;

(B) the frequency of failures to comply with any such requirements, and patterns with respect to the circumstances of and factors contributing to the failures; and

(C) the extent to which caseload size and resource limitations contribute to the failures identified pursuant to subparagraph (B);

(3) determine the extent to which the rules and practices identified under paragraph (1) or (2) are in accord with recommended standards of national organizations concerned with permanent placement for foster children;

(4) determine, from the standpoint of the State courts, the extent to which particular requirements under paragraph (1)—

(A) are facilitating or impeding achievement of the purposes of such parts B and E, including the goal of appropriate permanent placement for each child; and

(B) are imposing significant administrative burdens on the State court system; and

(5) make specific recommendations for improvement, based on the conclusions reached as a result of activities described in paragraphs (1) through (4), including recommendations for—

(A) changes in Federal or State laws, regulations, or policies;

(B) changes in procedures and practices of the State courts and of the State agencies administering foster care, adoption, child welfare, and child protective services programs;

(C) additional education or training of State court judges, or of personnel of the judicial system or of the State agencies described in subparagraph (B);

(D) collection or dissemination of additional data or information for purposes of increasing the understanding of personnel of State courts and State agencies of matters relating to case review proceedings in general, or to specific case review proceedings; and

(E) increases in manpower, reductions in the number of case reviews, or other changes needed to enable the State courts to better manage their caseloads with respect to such proceedings.

(c) Applications.—In order to be eligible for a grant under this section, a highest State court shall submit to the Secretary, at such time and in such form as the Secretary may require, an application containing—

(1) a timetable for conducting and completing the assessment;

(2) a budget for the assessment;

(3) a description of the methods to be used to select State courts for inclusion in, and to conduct, the assessment;

(4) certifications by the head of the State agency administering the State program under such part E, and by the State foster care citizen review board or State organization of such review boards (if any), that such entities have had an opportunity to review and comment on a draft of the application before its submission, and a copy of such comments;

(5) a description of the process to be used by the court to consult with the entities referred to in paragraph (4) of this subsection in conducting the assessment under subsection (b);

(6) an assurance that, to the extent funds provided under this section are not necessary to complete the assessment under subsection (b), the court will use such funds to implement, to the extent feasible, recommendations made pursuant to subsection (b)(5);

(7) an assurance that funds provided under this section will not be used to supplant State or local funds which would otherwise be used for similar purposes;

(8) a commitment to furnish to the Secretary—

(A) an interim report following the end of the 2nd year of assessment activities under this section; and

(B) a final report following the completion of the assessment; and

(9) any other information the Secretary may require.

(d) Allotments.—

(1) In general.—Each highest State court which has an application approved under subsection (c), and is conducting assessment activities in accordance with this section, shall be entitled to payment, for each of fiscal years 1995 through 1998, from amounts reserved pursuant to section 430(b)(2) of the Social Security Act, of an amount equal to the sum of—

(A) for fiscal year 1995, $75,000 plus the amount described in paragraph (2) for fiscal year 1995; and

(B) for each of fiscal years 1996 through 1998, $85,000 plus the amount described in paragraph (2) for each of such fiscal years.

(2) Formula.—The amount described in this paragraph for any fiscal year is the amount that bears the same ratio to the amount reserved pursuant to section 430(b)(2) of the Social Security Act for the fiscal year (reduced by the dollar amount specified in paragraph (1) of this subsection for the fiscal year) as the number of individuals in the State who have not attained 21 years of age bears to the total number of such individuals in all States the highest State courts of which have approved applications under subsection (c).

(e) Use of Grant Funds.—Each highest State court which receives funds paid under this section may use such funds to pay—

(1) any or all costs of activities under this section in fiscal year 1995; and

(2) not more than 75 percent of the cost of activities under this section in each of fiscal years 1996, 1997, and 1998.

SEC. 13213. REQUIRED PROTECTIONS FOR FOSTER CHILDREN.

(a) In General.—Section 422(b) (42 U.S.C. 622(b)) is amended—

(1) by striking "and" at the end of paragraph (7);

(2) by striking the period at the end of paragraph (8) and inserting "; and"; and

(3) by adding at the end the following:

"(9) provide assurances that the State—

"(A) since June 17, 1980, has completed an inventory of all children who, before the inventory, had been in foster care under the responsibility of the State for 6 months or more, which determined—

"(i) the appropriateness of, and necessity for, the foster care placement;

"(ii) whether the child could or should be returned to the parents of the child or should be freed for adoption or other permanent placement; and

"(iii) the services necessary to facilitate the return of the child or the placement of the child for adoption or legal guardianship;

"(B) is operating, to the satisfaction of the Secretary—

"(i) a statewide information system from which can be readily determined the status, demographic characteristics, location, and goals for the placement of every child who is (or, within the immediately preceding 12 months, has been) in foster care;

"(ii) a case review system (as defined in section 475(5)) for each child receiving foster care under the supervision of the State;

"(iii) a service program designed to help children—

"(I) where appropriate, return to families from which they have been removed; or

"(II) be placed for adoption, with a legal guardian, or, if adoption or legal guardianship is determined not to be appropriate for a child, in some other planned, permanent living arrangement; and

"(iv) a preplacement preventive services program designed to help children at risk of foster care placement remain with their families; and

"(C)(i) has reviewed (or within 12 months after the date of the enactment of this paragraph will review) State laws and administrative and judicial procedures in effect for children abandoned at or shortly after birth (including laws and procedures providing for legal representation of such children); and

"(ii) has enacted and is implementing (or within 24 months after the date of the enactment of this paragraph will enact and implement) such laws and procedures as the State determines, on the basis of the review described in clause (i), to be necessary to enable permanent decisions to be made expeditiously with respect to the placement of such children.".

(b) Restriction on Reallotment.—Section 424 (42 U.S.C. 624) is amended—

(1) in the 1st sentence, by striking "The amount" and inserting the following:

"(a) In General.—Subject to subsection (b), the amount"; and

(2) by adding at the end the following:

"(b) Exception Relating to Foster Child Protections.—The Secretary shall not reallot under subsection (a) of this section any amount that is withheld or recovered from a State due to the failure of the State to comply with section 422(b)(9).".

(c) Repeal.—Section 427 (42 U.S.C. 627) is hereby repealed.

(d) Conforming Amendments.—

(1) Section 423(a) (42 U.S.C. 623(a)) is amended by striking "and in section 427".

(2) Section 425(a)(2) (42 U.S.C. 625(a)(2)) is amended by striking "the statistical report required by section" and inserting "with section 422(b)(9) or".

(3) Section 472(d) (42 U.S.C. 672(d)) is amended by striking "427(b)" and inserting "422(b)(9)".

(e) Effective Date.—The amendments and repeal made by this section shall be effective for fiscal years beginning on or after October 1, 1994.

(f) Construction of Section.—This section and the amendments and repeal made by this section shall not be construed to permit any State to interrupt the provision of the foster care protections described in section 427 of the Social Security Act, as in effect on the effective date of such amendments and repeal.

SEC. 13214. STATES REQUIRED TO REPORT ON MEASURES TAKEN TO COMPLY WITH THE INDIAN CHILD WELFARE ACT.

(a) State Plan Requirement.—Section 422(b) (42 U.S.C. 622(b)), as amended by section 13213(a) of this Act, is amended—

(1) by striking "and" at the end of paragraph (8);

(2) by striking the period at the end of paragraph (9) and inserting "; and"; and

(3) by adding at the end the following:

"(10) contain a description, developed after consultation with tribal organizations (as defined in section 4 of the Indian Self-Determination and Education Assistance Act) in the State, of the specific measures taken by the State to comply with the Indian Child Welfare Act.".

(b) Effective Date.—The amendments made by subsection (a) shall be effective with respect to calendar quarters beginning on or after October 1, 1994.

SEC. 13215. CHILD WELFARE TRAINEESHIPS.

(a) In General.—Part B of title IV (42 U.S.C. 620–628) is amended by inserting after section 428 the following:

"SEC. 429. CHILD WELFARE TRAINEESHIPS.

"The Secretary may approve an application for a grant to a public or nonprofit institution for higher learning to provide traineeships with stipends under section 426(a)(1)(C) only if the application—

"(1) provides assurances that each individual who receives a stipend with such traineeship (in this section referred to as a 'recipient') will enter into an agreement with the institution under which the recipient agrees—

"(A) to participate in training at a public or private nonprofit child welfare agency on a regular basis (as determined by the Secretary) for the period of the traineeship;

"(B) to be employed for a period of years equivalent to the period of the traineeship, in a public or private nonprofit child welfare agency in any State, within a period of time (determined by the Secretary in accordance with regulations) after completing the postsecondary education for which the traineeship was awarded;

"(C) to furnish to the institution and the Secretary evidence of compliance with subparagraphs (A) and (B); and

"(D) if the recipient fails to comply with subparagraph (A) or (B) and does not qualify for any exception to this subparagraph which the Secretary may prescribe in regulations, to repay to the Secretary all (or an appropriately prorated part) of the amount of the stipend, plus interest, and, if applicable, reasonable collection fees (in accordance with regulations promulgated by the Secretary);

"(2) provides assurances that the institution will—

"(A) enter into agreements with child welfare agencies for onsite training of recipients;

"(B) permit an individual who is employed in the field of child welfare services to apply for a traineeship with a stipend if the traineeship furthers the progress of the individual toward the completion of degree requirements; and

"(C) develop and implement a system that, for the 3-year period that begins on the date any student completes a child welfare services program of study, tracks the employment record of the student, for the purpose of determining the percentage of students who secure employment in the field of child welfare services and remain employed in the field.".

(b) Conforming Amendment.—Section 426(a)(1)(C) (42 U.S.C. 626(a)(1)(C)) is amended by inserting "described in section 429" after "including traineeships".

(c) Applicability.—The amendments made by this section shall apply to grants awarded on or after April 1, 1994.

SEC. 13216. DISSOLVED ADOPTIONS.

(a) Eligibility for Foster Care Maintenance Payments.—Section 472 (42 U.S.C. 672) is amended—

(1) in subsection (b), by inserting "or (i)" after "subsection (a)"; and

(2) by adding at the end the following:

"(i) Any State with a plan approved under this part may make foster care maintenance payments under this part on behalf of a child—

"(1) with respect to whom such payments were previously made;

"(2) whose adoption has been set aside by a court;

"(3) who meets the requirements of paragraphs (1), (2), and (3) of subsection (a); and

"(4) who fails to meet the requirements of subsection (a)(4) but would meet such requirements if—

"(A) the child were treated as if the child were in the same financial and other circumstances the child was in the last time the child was determined eligible for such payments; and

"(B) the adoption were treated as having never occurred.".

(b) Effective Date.—The amendments made by this section shall apply to payments under part E of title IV of the Social Security Act in fiscal years beginning on or after October 1, 1995.

SEC. 13217. TIME FRAME FOR JUDICIAL DETERMINATIONS ON VOLUNTARY PLACEMENTS.

(a) In General.—Section 472(e) (42 U.S.C. 672(e)) is amended—

(1) by striking "No" and inserting "(1) Except as provided in paragraph (2), no"; and

(2) by adding at the end the following:

"(2) If the judicial determination referred to in paragraph (1) is made after the 180-day period described therein, the payments referred to therein may not be made for the period that begins at the end of the 180-day period and ends 180 days after the date of the judicial determination, but shall (unless otherwise prohibited) be made for periods thereafter.".

(b) Effective Date.—The amendments made by subsection (a) shall be effective with respect to foster care maintenance payments made, under State plans in fiscal year 1996 and succeeding fiscal years, on behalf of children placed in foster care on or after October 1, 1995.

SEC. 13218. STUDY OF REASONABLE EFFORTS.

(a) In General.—The Secretary of Health and Human Services shall conduct a study of the implementation by the States of section 471(a)(15) of the Social Security Act, giving particular attention to—

(1) standards used by States in determining what action to take, and whether and for how long to continue efforts—

(A) before the placement of a child in foster care, to prevent or eliminate the need for removal of the child from the home of the child; and

(B) to return a child home rather than to seek some other planned, permanent placement; and

(2) the responses of the courts to the State actions described in paragraph (1) of this subsection, including whether such responses facilitate or impede the achievement by State agencies of the objectives of such section 471(a)(15).

(b) Report and Recommendations.—Within 18 months after the date of the enactment of this Act, the Secretary of Health and Human Services shall submit to the Congress a report, with such recommendations as the Secretary finds appropriate, based on the results of the study required by subsection (a) of this section, which describes State practices that the Secretary has found effective in achieving the objectives of section 471(a)(15) of the Social Security Act, and, if appropriate, shall set forth model practices for consideration by the States.

SEC. 13219. ENHANCED MATCH FOR AUTOMATED DATA SYSTEMS.

(a) Payments to States.—

(1) In general.—Section 474(a)(3) (42 U.S.C. 674(a)(3)) is amended—

(A) by striking "and" at the end of subparagraph (B);

(B) by redesignating subparagraph (C) as subparagraph (E); and

(C) by inserting after subparagraph (B) the following:

"(C) 90 percent of so much of such expenditures as are for the planning, design, development, or installation of statewide mechanized data collection and information retrieval systems (including 90 percent of the full amount of expenditures for hardware components for such systems) but only to the extent that such systems—

"(i) meet the requirements imposed by regulations promulgated pursuant to section 479(b)(2);

"(ii) to the extent practicable, are capable of interfacing with the State data collection system that collects information relating to child abuse and neglect;

"(iii) to the extent practicable, have the capability of interfacing with, and retrieving information from, the State data collection system that collects information relating to the eligibility of individuals under part A (for the purposes of facilitating verification of eligibility of foster children); and

"(iv) are determined by the Secretary to be likely to provide more efficient, economical, and effective administration of the programs carried out under a State plan approved under part B or this part; and

"(D) 50 percent of so much of such expenditures as are for the operation of the statewide mechanized data collection and information retrieval systems referred to in subparagraph (C); and".

(2) Treatment of state expenditures for data collection and information retrieval systems.—Section 474 (42 U.S.C. 674), as amended by section 13224 of this Act, is amended by adding at the end the following:

"(c) Automated Data Collection Expenditures.—The Secretary shall treat as necessary for the proper and efficient administration of the State plan all expenditures of a State necessary in order for the State to plan, design, develop, install, and operate data collection and information retrieval systems described in subsection (a)(3)(C), without regard to whether the systems may be used with respect to foster or adoptive children other than those on behalf of whom foster care maintenance payments or adoption assistance payments may be made under this part.".

(3) Effective date.—The amendments made by this subsection shall apply to expenditures during fiscal years 1994, 1995, and 1996.

(b) Termination of Enhanced Match.—

(1) In general.—Section 474(a)(3)(C) (42 U.S.C. 674(a)(3)(C)), as amended by subsection (a) of this section, is amended by striking "90 percent" each place such term appears and inserting "50 percent".

(2) Effective date.—The amendment made by paragraph (1) shall apply to expenditures during fiscal years beginning on or after October 1, 1996.

SEC. 13220. PERIODIC REEVALUATION OF FOSTER CARE MAINTENANCE PAYMENTS.

(a) In General.—Section 471(a)(11) (42 U.S.C. 671(a)(11)) is amended—

(1) by inserting "(A)" after "(11)";

(2) by striking "and amounts paid as foster care maintenance payments and adoption assistance"; and

(3) by adding at the end the following:

"(B) provides that, at least once every 3 years, the State agency will review the amount paid as foster care maintenance payments and adoption assistance payments to ensure their continuing appropriateness, and will submit to the Secretary (and make available to the public) a report on the results of the review, in such form and manner as the Secretary may by regulation require, which contains, at a minimum—

"(i) a statement of the manner in which the foster care maintenance payment level is determined, including information on the cost of foster care with respect to which such payments are made;

"(ii) information on the amount of the basic foster care maintenance payment level, and as to whether such payment level includes an amount to cover the cost of clothing, and whether such payment level varies by the type of care or the special needs or age of the child, and, if so, the payment levels for each special needs, care, or age category;

"(iii) if such payments are not made at a different rate for children who test positive for human immunodeficiency virus, have acquired immune deficiency syndrome, are addicted to drugs, suffer from complications due to exposure to drugs or alcohol, or have other severe special needs, the reasons therefor; and

"(iv) information on any limitations imposed by the State on adoption assistance payment levels;".

(b) Effective Date.—The amendment made by this section shall be effective with respect to calendar quarters beginning on or after October 1, 1994.

SEC. 13221. DISPOSITIONAL HEARING.

Section 475(5)(C) (42 U.S.C. 675(5)(C)) is amended by striking "periodically" and inserting "not less frequently than every 12 months".

SEC. 13222. HEALTH CARE PLANS FOR FOSTER CHILDREN.

(a) In General.—Section 475(1)(C) (42 U.S.C. 675(1)(C)) is amended—

(1) in clause (vii), by striking "and"; and

(2) by redesignating clause (viii) as clause (ix) and inserting after clause (vii) the following:

"(viii) a record indicating that the child's foster care provider was advised (where appropriate) of the child's eligibility for early and periodic screening, diagnostic, and treatment services under title XIX; and".

(b) Effective Date.—The amendments made by this section shall apply to case plans established or reviewed on or after January 1, 1994.

SEC. 13223. INDEPENDENT LIVING.

(a) TREATMENT OF ASSETS OF PARTICIPATING YOUTHS.—Section 477 (42 U.S.C. 677) is amended—

(1) by redesignating subsection (i) as subsection (j); and

(2) by inserting after subsection (h) the following:

"(i) Notwithstanding any other provision of this title, with respect to a child who is included in a program established by a State agency under subsection (a), an amount of the assets of the child which would otherwise be regarded as resources for purposes of determining eligibility for benefits under this title may be disregarded for the purpose of allowing the child to establish a household, pursue education, or otherwise complete the transition to independent living. The amount disregarded may not exceed an amount determined by the State agency to be reasonable for such purposes.".

(b) PERMANENT EXTENSION OF PROGRAM.—Section 477 (42 U.S.C. 677) is amended—

(1) in subsection (a)(1), by striking the 3rd sentence;

(2) in subsection (c), by striking "of the fiscal years 1988 through 1992" and inserting "succeeding fiscal year";

(3) in subsection (e)(1)(A), by striking "each of the fiscal years 1987 through 1992" and inserting "fiscal year 1987 and any succeeding fiscal year";

(4) in subsection (e)(1)(B), by striking "fiscal years 1991 and 1992" and inserting "fiscal year 1991 and any succeeding fiscal year"; and

(5) in subsection (e)(1)(C)(ii), by striking "fiscal year 1992" and inserting "any succeeding fiscal year".

(c) EFFECTIVE DATES.—

(1) TREATMENT OF ASSETS OF PARTICIPATING YOUTHS.—The amendments made by subsection (a) shall apply to activities in fiscal years beginning on or after October 1, 1995.

(2) PERMANENT EXTENSION OF PROGRAM.—The amendments made by subsection (b) shall apply to activities engaged in on or after October 1, 1992.

SEC. 13224. ELIMINATION OF FOSTER CARE CEILINGS AND OF AUTHORITY TO TRANSFER UNUSED FOSTER CARE FUNDS TO CHILD WELFARE SERVICES PROGRAMS.

(a) REPEAL.—Subsections (b) and (c) of section 474 (42 U.S.C. 674(b) and (c)) are hereby repealed.

(b) CONFORMING AMENDMENTS.—Section 474 (42 U.S.C. 674) is amended—

(1) in subsection (d)(1)—

(A) by striking "subsections (a), (b), and (c)" and inserting "subsection (a)"; and

(B) by striking "the provisions of such subsections" and inserting "subsection (a)"; and

(2) by redesignating subsection (d) as subsection (b).

(c) EFFECTIVE DATE.—The amendments and repeal made by this section shall apply to payments for calendar quarters beginning on or after October 1, 1993.

SEC. 13225. TRAINING OF AGENCY STAFF AND FOSTER AND ADOPTIVE PARENTS.

(a) IN GENERAL.—Section 8006(b) of the Omnibus Budget Reconciliation Act of 1989 (42 U.S.C. 674 note) is amended by striking ", and before October 1, 1992".

(b) RETROACTIVE APPLICABILITY.—The Social Security Act shall be applied and administered as if the amendment made by subsection (a) had been made on October 1, 1992.

SEC. 13226. ON-SITE REVIEWS AND AUDITS OF STATE CLAIMS FOR FOSTER CARE AND ADOPTION ASSISTANCE.

(a) ON-SITE REVIEWS AND AUDITS OF STATE CLAIMS.—Section 474 (42 U.S.C. 674), as amended by sections 13224 and 13219(a)(2) of this Act, is amended—

(1) by redesignating subsection (c) as subsection (d); and

(2) by inserting after subsection (b) the following:

"(c) ON-SITE REVIEWS AND AUDITS OF STATE CLAIMS FOR PAYMENT.—

"(1) REGULATIONS SPECIFYING REVIEW STANDARDS.—The Secretary shall promulgate regulations applicable to on-site reviews and audits of State expenditures for foster care maintenance payments and adoption assistance payments under this part, which specify—

"(A) the criteria to be used to determine the appropriateness of expenditures identified in sampled case files;

"(B) the criteria to be used to determine the appropriateness of expenditures for child placement services and plan administration; and

"(C) the types of erroneous expenditures which will be disregarded for purposes of determining the appropriateness of payments under this part (including erroneous payments resulting from the State's reliance upon and correct use of formal written statements of Federal law or policy provided to the State by the Secretary).

"(2) DEVELOPMENT AND PUBLICATION OF WRITTEN STANDARDS AND PROCEDURES.—The Secretary, after consultation with organizations representing State and local governmental agencies with responsibility for foster care and adoption services and other relevant agencies and organizations, shall develop and furnish to State agencies a written description of the methods and procedures to be used in the on-site audits and reviews referred to in paragraph (1), which specify—

"(A) the methods and procedures to be used to select a sample of case files for review or audit;

"(B) the procedures to be used in reviewing or auditing sampled case files to determine erroneous expenditures;

"(C) the procedures to be used to review or audit State expenditures for child placement services and plan administration; and

"(D) the methodology to be used to extrapolate from review or audit findings to all expenditures under the State plan.

"(3) ADVANCE NOTICE TO STATES.—The Secretary shall not, in a review or audit of State expenditures during a fiscal year, use any criterion specified pursuant to paragraph (1), or any procedure or methodology specified pursuant to paragraph (2), which was not published in final regulations or furnished in writing to the State (as applicable) at least 3 months before the beginning of the fiscal year.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to expenditures in fiscal years beginning on or after October 1, 1994.

SEC. 13227. CONFORMITY REVIEWS.

(a) IN GENERAL.—Part A of title XI (42 U.S.C. 1301–1320b–13) is amended by inserting after section 1122 the following:

"SEC. 1123. REVIEWS OF CHILD AND FAMILY SERVICES PROGRAMS, AND OF FOSTER CARE AND ADOPTION ASSISTANCE PROGRAMS, FOR COMPLIANCE WITH STATE PLAN REQUIREMENTS.

"(a) IN GENERAL.—The Secretary shall not impose a financial penalty on any State for any failure of the State programs under parts B and E of title IV to comply with any requirement of any State plan approved under such part B or E, except pursuant to final regulations, developed after consultation with State agencies administering such programs, which meet the requirements of this section.

"(b) ELEMENTS OF REVIEW SYSTEM.—The regulations referred to in subsection (a) shall—

"(1) specify the timetable for compliance reviews of State programs, which—

"(A) shall provide for annual reviews of each State program during the 1st 2 years of operation;

"(B) shall provide for review of a State program not later than 1 year following a review in which the State program was found not to be in substantial compliance with plan requirements; and

"(C) may provide for less frequent reviews of State programs which have been found to be in substantial compliance with plan requirements, but shall permit the Secretary to reinstate more frequent reviews based on information which indicates that the State program may not be in compliance with plan requirements;

"(2) specify the plan requirements subject to review, and the criteria to be used to measure compliance with such requirements and to determine whether there is a substantial failure to comply with a plan requirement;

"(3) specify the method to be used to determine the financial penalty to be imposed (subject to paragraph (4)) for a failure to comply with plan requirements, which ensures that—

"(A) a financial penalty will not be imposed with respect to a program, unless it is determined that the program fails substantially to so comply;

"(B) a financial penalty will not be imposed for a failure to so comply resulting from the State's reliance upon and correct use of formal written statements of Federal law or policy provided to the State by the Secretary; and

"(C) the amount of financial penalty is related to the extent of the noncompliance; and

"(4) require the Secretary, with respect to any State found to have failed substantially to comply with plan requirements—

"(A) to afford the State an opportunity to adopt and implement a corrective action plan, approved by the Secretary, designed to end the noncompliance;

"(B) to make technical assistance available to the State to the extent necessary to enable the State to develop and implement such a corrective action plan;

"(C) to suspend the imposition of any penalty under this section while such a corrective action plan is in effect; and

"(D) to rescind any such penalty if the noncompliance is ended by successful completion of such a corrective action plan.

"(c) PROVISIONS FOR ADMINISTRATIVE AND JUDICIAL REVIEW.—The regulations referred to in subsection (a) shall—

"(1) require the Secretary, not later than 10 days after a determination that a program of the State is not in compliance with applicable plan requirements, to notify the State of—

"(A) the basis for the determination; and

"(B) the amount of the financial penalty (if any) imposed on the State;

"(2) afford the State an opportunity to appeal the determination to the Departmental Appeals Board within 60 days after receipt of the notice described in paragraph (1) (or, if later, after failure to continue or to complete a corrective action plan); and

"(3) afford the State an opportunity to obtain judicial review of an adverse decision of the Board, within 60 days after the State receives notice of the decision of the Board, by appeal to the district court of the United States for the judicial district in which the principal or headquarters office of the agency responsible for administering the program is located.".

(b) CONFORMING AMENDMENT.—Section 471(b) (42 U.S.C. 671(b)) is amended by striking all that follows the 1st sentence.

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect on the date of the enactment of this Act.

(d) CONSTRUCTION.—This section shall not be construed to prevent the Secretary, before the effective date of final regulations meeting the requirements of section 1123 of the Social Security Act, from conducting compliance reviews of State programs under parts B and E of such Act for the purpose of providing information and technical assistance to States concerning corrective actions needed in order to comply with plan requirements applicable to such programs.

SEC. 13228. REPEAL OF ANNUAL REPORT ON VOLUNTARY PLACEMENT.

Section 102(e) of the Adoption Assistance and Child Welfare Act of 1980 (42 U.S.C. 672 note) is hereby repealed.

SEC. 13229. DEMONSTRATION PROJECTS.

Part A of title XI (42 U.S.C. 1301–1320b–13) is amended by inserting after section 1128B the following:

"SEC. 1129. DEMONSTRATION PROJECTS.

"(a) IN GENERAL.—The Secretary may authorize not more than 10 States to conduct demonstration projects pursuant to this section which the Secretary finds are likely to promote the objectives of part B or E of title IV.

"(b) WAIVER AUTHORITY.—The Secretary may waive compliance with any requirement of part B or E of title IV which (if applied) would prevent a State from carrying out a demonstration project under this section or prevent the State from effectively achieving the purpose of such a project, except that the Secretary may not waive—

"(1) any provision of section 427 (as in effect before October 1, 1994), section 422(b)(9) (as in effect after such date), or section 479; or

"(2) any provision of such part E, to the extent that the waiver would impair the entitlement of any qualified child or family to benefits under a State plan approved under such part E.

"(c) TREATMENT AS PROGRAM EXPENDITURES.—For purposes of parts B and E of title IV, the Secretary shall consider the expenditures of any State to conduct a demonstration project under this section to be expenditures under subpart 1 or 2 of such part B, or under such part E, as the State may elect.

"(d) DURATION OF DEMONSTRATION.—A demonstration project under this section may be conducted for not more than 5 years.

"(e) APPLICATION.—Any State seeking to conduct a demonstration project under this section shall submit to the Secretary an application, in such form as the Secretary may require, which includes—

"(1) a description of the proposed project, the geographic area in which the proposed project would be conducted, the children or families who would be served by the proposed project, and the services which would be provided by the proposed project (which shall provide, where appropriate, for random assignment of children and families to groups served under the project and to control groups);

"(2) a statement of the period during which the proposed project would be conducted;

"(3) a discussion of the benefits that are expected from the proposed project (compared to a continuation of activities under the approved plan or plans of the State);

"(4) an estimate of the costs or savings of the proposed project;

"(5) a statement of program requirements for which waivers would be needed to permit the proposed project to be conducted;

"(6) a description of the proposed evaluation design; and

"(7) such additional information as the Secretary may require.

"(f) EVALUATIONS; REPORT.—Each State authorized to conduct a demonstration project under this section shall—

"(1) obtain an evaluation by an independent contractor of the effectiveness of the project, using an evaluation design approved by the Secretary which provides for—

"(A) comparison of methods of service delivery under the project, and such methods under a State plan or plans, with respect to efficiency, economy, and any other appropriate measures of program management;

"(B) comparison of outcomes for children and families (and groups of children and families) under the project, and such outcomes under a State plan or plans, for purposes of assessing the effectiveness of the project in achieving program goals; and

"(C) any other information that the Secretary may require; and

"(2) provide interim and final evaluation reports to the Secretary, at such times and in such manner as the Secretary may require.

"(g) COST NEUTRALITY.—The Secretary may not authorize a State to conduct a demonstration project under this section unless the Secretary determines that the total amount of Federal funds that will be expended under (or by reason of) the project over its approved term (or such portion thereof or other period as the Secretary may find appropriate) will not exceed the amount of such funds that would be expended by the State under the State plans approved under parts B and E of title IV if the project were not conducted.".

SEC. 13230. PLACEMENT ACCOUNTABILITY.

(a) CASE PLAN REQUIREMENTS.—Section 475(5)(A) (42 U.S.C. 675(5)(A)) is amended by adding at the end the following: "which—

"(i) if the child has been placed in a foster family home or child-care institution a substantial distance from the home of the parents of the child, or in a State different from the State in which the home is located, sets forth the reasons why such placement is in the best interests of the child, and

"(ii) if the child has been placed in foster care outside the State, requires that, at least every 6 months, a caseworker on the staff of the State agency of the State in which the home of the parents of the child is located, or of the State in which the child has been placed, visit such child in such home or institution and submit a report on such visit to the State agency of the State in which the home of the parents of the child is located,".

(b) DISPOSITIONAL HEARING.—Section 475(5)(C) (42 U.S.C. 675(5)(C)) is amended by inserting "and, in the case of a child described in subparagraph (A)(ii), whether the out-of-State placement continues to be appropriate and in the best interests of the child," after "long-term basis)".

(c) DATA COLLECTION.—Section 479(c)(3)(C) (42 U.S.C. 679(c)(3)(C)) is amended—

(1) by striking "and" at the end of clause (i); and

(2) by adding at the end the following:

"(iii) children placed in foster care outside the State, and".

(d) EFFECTIVE DATES.—The amendments made by subsections (a), (b), and (c) shall be effective with respect to fiscal years beginning on and after October 1, 1994.

SEC. 13231. PAYMENTS OF STATE CLAIMS FOR FOSTER CARE AND ADOPTION ASSISTANCE.

Section 474(b) (42 U.S.C. 674(b)), as so redesignated by section 13239(b)(2) of this Act, is amended by adding at the end the following:

"(4)(A) Within 60 days after receipt of a State claim for expenditures pursuant to subsection (a), the Secretary shall allow, disallow, or defer such claim.

"(B) Within 15 days after a decision to defer such a State claim, the Secretary shall notify the State of the reasons for the deferral and of the additional information necessary to determine the allowability of the claim.

"(C) Within 90 days after receiving such necessary information (in readily reviewable form), the Secretary shall—

"(i) disallow the claim, if able to complete the review and determine that the claim is not allowable, or

"(ii) in any other case, allow the claim, subject to disallowance (as necessary)—

"(I) upon completion of the review, if it is determined that the claim is not allowable; or

"(II) on the basis of findings of an audit or financial management review.".

SEC. 13232. MORATORIUM ON COLLECTION OF DISALLOWANCES.

The Secretary of Health and Human Services shall not—

(1) before October 1, 1994, reduce any payment to, withhold any payment from, or seek any repayment from any State under part B or E of title IV of the Social Security Act by reason of a determination made in connection with a review of State compliance with section 427 of such Act for any Federal fiscal year before fiscal year 1995; or

(2) reduce any payment to, withhold any payment from, or seek any repayment from any State under such part E by reason of a determination made in connection with any on-site Federal financial review, or any audit conducted by the Inspector General using similar methodologies.

SEC. 13233. BORDER REGION CHILD WELFARE WORKER TRAINING DEMONSTRATION.

(a) IN GENERAL.—The Secretary shall make grants to not more than 5 eligible institutions to train individuals to deliver culturally sensitive and bilingual child welfare services in areas of the United States that border on Mexico, 1 of which grants shall be for training to deliver child welfare services to historically unserved or underserved populations in an urban center with a high concentration of such populations.

(b) APPLICATIONS.—The Secretary shall approve an application of an institution for a grant under this section only if the application—

(1) demonstrates to the satisfaction of the Secretary that the institution has a history of, or a plan for, training students to deliver culturally sensitive and bilingual child welfare services in a border county;

(2) provides assurances that the institution will develop and implement, in consultation with the child welfare agency of the State in which the institution is located, a curriculum in the field of child welfare services which—

(A) is sensitive to the culture of—

(i) the areas of the United States that border on Mexico; or

(ii) in the case of the institution which receives the urban center grant described in subsection (a), the historically unserved or underserved populations in the urban center; and

(B) includes training for identification of health problems of children and their families and of child abuse and neglect;

(3) provides assurances that each individual who receives a stipend with such training will enter into an agreement with the institution under which the individual agrees—

(A) to be employed for a period of years equivalent to the period of such training, in a public or private nonprofit family assistance agency that provides services directly to residents of—

(i) the border county in which the agency is located; or

(ii) in the case of the institution which receives the urban center grant described in subsection (a), the urban center in which the agency is located; and

(B) if the individual fails to be so employed for such period, to repay to the Secretary, in accordance with such conditions as the Secretary may prescribe, all or part of the amount of the stipend, plus interest, and, if applicable, reasonable collection fees; and

(4) provides that each agreement entered into with an individual pursuant to paragraph (3) will fully disclose the terms and conditions under which the stipend is to be provided.

(c) EVALUATIONS.—Each institution that receives a grant under this section shall develop and carry out a plan for evaluating the effects of the training provided under the grant, and shall submit to the Secretary a report on the evaluation.

(d) DEFINITIONS.—As used in this section:

(1) FAMILY ASSISTANCE AGENCY.—The term "family assistance agency" means a child welfare agency, family planning agency, hospital, clinic, community mental health facility, or drug and alcohol treatment program.

(2) ELIGIBLE INSTITUTION.—The term "eligible institution" means a public or private nonprofit institution of higher learning that is located in a State that contains a border county.

(3) BORDER COUNTY.—The term "border county" means—

(A) a United States county that borders on Mexico; and

(B) a United States county that borders on a county described in subparagraph (A).

(4) URBAN CENTER.—The term "urban center" means an area in a metropolitan statistical area, as designated by the Office of Management and Budget, which has a high incidence of individuals in historically unserved or underserved populations who are in need of social services, as determined by the Secretary using the most recent and best available information.

(5) HISTORICALLY UNSERVED OR UNDERSERVED POPULATIONS.—The term "historically unserved or underserved populations" includes—

(A) socially and economically disadvantaged populations;

(B) persons with limited English proficiency;

(C) populations residing in urban areas and exhibiting a high incidence of child abuse, neglect, or abandonment, as determined by the Secretary;

(D) homeless persons (within the meaning of section 103 of the Stewart B. McKinney Homeless Assistance Act);

(E) persons who are, or are in danger of becoming, infected with the human immunodeficiency virus; and

(F) persons who abuse alcohol or drugs.

(6) SECRETARY.—The term "Secretary" means the Secretary of Health and Human Services.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this section.

SEC. 13234. EFFECT OF FAILURE TO CARRY OUT STATE PLAN.

(a) IN GENERAL.—Part A of title XI (42 U.S.C. 1301–1320b–13), as amended by section 13229 of this Act, is amended by inserting after section 1129 the following:

"SEC. 1130. EFFECT OF FAILURE TO CARRY OUT STATE PLAN.

"In an action brought to enforce a provision of the Social Security Act, such provision is not to be deemed unenforceable because of its inclusion in a section of the Act requiring a State plan or specifying the required contents of a State plan. This section is not intended to limit or expand the grounds for determining the availability of private actions to enforce State plan requirements other than by overturning any such grounds applied in Suter v. Artist M., 112 S. Ct. 1360 (1992), but not applied in prior Supreme Court decisions respecting such enforceability: *Provided, however*, That this section is not intended to alter the holding in Suter v. Artist M. that section 471(a)(15) of the Act is not enforceable in a private right of action.".

(b) APPLICABILITY.—The amendment made by subsection (a) shall apply to actions pending on the date of the enactment of this Act and to actions brought on or after such date of enactment.

CHAPTER 2—CHILD SUPPORT ENFORCEMENT

SEC. 13241. STATE PATERNITY ESTABLISHMENT PROGRAMS.

(a) PERFORMANCE STANDARDS.—Section 452(g) (42 U.S.C. 652(g)) is amended—

(1) in paragraph (1)—

(A) by striking "1991" and inserting "1994";

(B) by inserting "is based on reliable data and" before "equals or exceeds"; and

(C) by striking subparagraphs (A), (B), and (C) and inserting the following:

"(A) 75 percent;

"(B) for a State with a paternity establishment percentage of not less than 50 percent but less than 75 percent for the fiscal year, the paternity establishment percentage of the State for the immediately preceding year plus 3 percentage points; or

"(C) for a State with a paternity establishment percentage of less than 50 percent for such fiscal year, the paternity establishment percentage of the State for the immediately preceding year plus 6 percentage points."; and

(2) in paragraph (2)—

(A) by striking "(or under all such plans)" each place such term appears;

(B) by inserting "or part E" after "under part A" each place such term appears;

(C) by amending subparagraph (B) to read as follows:

"(B) the term 'reliable data' means the most recent data available which are found by the Secretary to be reliable for purposes of this section.";

(D) by inserting "unless paternity is established for such child" after "the death of a parent";

(E) by striking "parent or" and inserting "parent,"; and

(F) by inserting ", or any child with respect to whom the State agency administering the plan under part E determines (as provided in section 454(4)(B)) that it is against the best interest of such child to do so" after "cooperate under section 402(a)(26)".

(b) STATE PLAN REQUIREMENTS.—

(1) REQUIRED PROCEDURES.—Section 466(a) (42 U.S.C. 666(a)) is amended—

(A) in paragraph (2)—

(i) by striking "at the option of the State,"; and

(ii) by inserting "and paternity establishment" after "support order issuance and enforcement";

(B) in paragraph (5), by adding at the end the following:

"(C) Procedures for a simple civil process for voluntarily acknowledging paternity under which the State must explain the rights and responsibilities of acknowledging paternity, and afford due process safeguards. Such procedures must include (i) a hospital-based program for the voluntary acknowledgment of paternity during the period immediately before or after the birth of a child, and (ii) the inclusion of signature lines on applications for official birth certificates which, once signed by the father and the mother, are considered a voluntary acknowledgment of paternity.

"(D) Procedures under which the voluntary acknowledgment of paternity of a child by an individual in the manner described in subparagraph (C)(ii) creates a rebuttable or, at the option of the State, conclusive presumption that the individual is the father of the child, and under which such a voluntary acknowledgment is admissible as evidence of paternity.

"(E) Procedures under which a voluntary acknowledgment of paternity in the manner described in subparagraph (C)(ii) must be recognized as a basis for seeking a support order without first requiring any further proceedings to establish paternity.

"(F) Procedures requiring that (i) any objection to genetic testing results be made in writing within a specified number of days before any hearing at which such results may be introduced into evidence, and (ii) if no objection is made, the test results be admissible as evidence of paternity without the need for foundation testimony or other proof of authenticity or accuracy.

"(G) Procedures which create a rebuttable or, at the option of the State, conclusive presumption of paternity of a child, upon genetic testing results indicating a threshold probability of the alleged father being the father of the child.

"(H) Procedures requiring a default order to be entered in a paternity case upon a showing that process has been served on the defendant and any additional showing required by State law."; and

(C) by inserting after paragraph (10) the following:

"(11) Procedures under which a State must give full faith and credit to a determination of paternity made by any other State, whether established through voluntary acknowledgment or through administrative or judicial processes.".

(2) FURNISHING OF SOCIAL SECURITY NUMBERS.—

(A) IN GENERAL.—Section 466(a) (42 U.S.C. 666(a)), as amended by paragraph (1)(C) of this subsection, is amended by inserting after paragraph (11) the following:

"(12)(A) Procedures under which, in the administration of any law involving the issuance, reissuance, or amendment of a birth certificate, the State shall require each parent to furnish to the State, or any agency or political subdivision thereof having administrative responsibility for the law involved, the social security account number (or numbers, if the parent has more than 1 such number) issued to the parent, unless the State (in accordance with regulations prescribed by the Secretary) finds good cause for not requiring the furnishing of the number.

"(B) Procedures under which any number furnished under subparagraph (A) shall be made available to the agency administering the State plan under this part, in accordance with Federal or State law or regulation.

"(C) Procedures under which—

"(i) any number furnished under subparagraph (A) shall not be recorded on the birth certificate; and

"(ii) any social security account number, obtained with respect to the issuance by the State of any birth certificate, shall not be used for other than child support purposes, unless section 7(a) of the Privacy Act of 1974 does not prohibit the State from requiring the disclosure of the number, by reason of the State having adopted, before January 1, 1975, a statute or regulation requiring such disclosure.".

(B) Conforming Amendments.—Section 205(c)(2)(C)(ii) (42 U.S.C. 405(c)(2)(C)(ii)) is amended—

(i) by striking "(ii) In the administration of any law involving the issuance" and inserting "(ii) In the administration of any law involving the issuance, reissuance, or amendment"; and

(ii) by striking "any purpose other than for the enforcement of child support orders in effect in the State" and inserting "other than child support purposes".

(c) Conforming Repeal.—Section 468 (42 U.S.C. 668) is hereby repealed.

(d) Effective Date.—The amendments and repeal made by this section shall become effective with respect to a State—

(1) on October 1, 1993, or, if later

(2) upon enactment by the legislature of the State of all laws required by such amendments,

but in no event later than the 1st day of the 1st calendar quarter beginning after the close of the 1st regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the preceding sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

SEC. 13242. ENFORCEMENT OF HEALTH INSURANCE SUPPORT.

(a) State Plan Requirements.—Section 454(a) (42 U.S.C. 654(a)) is amended—

(1) by striking "and" at the end of paragraph (23);

(2) by striking the period at the end of paragraph (24) and inserting "; and"; and

(3) by inserting after paragraph (24) the following:

"(25) provide assurances satisfactory to the Secretary that the State has in effect laws applicable to health insurers and insurance policies or programs subject to the laws of the State that—

"(A) prohibit insurers' consideration, in determining an individual's eligibility for or coverage under any such policy or program, of such individual's eligibility for or coverage under the plan of any State under title XIX;

"(B) provide that, where an individual assigns rights to any State in accordance with section 1912, that State is subrogated, to the extent of medical assistance furnished, to the individual's rights under any health insurance policy or program;

"(C) prohibit insurers from applying, to State agencies administering programs under title XIX and acting as agents or subrogees (for purposes of insurance policies or programs of such insurers) of individuals receiving medical assistance under such State programs, requirements (with respect to deadlines for filing claims or any other matters) different from requirements applicable to any other applicant, beneficiary, agent, or subrogee;

"(D) prohibit insurers from denying enrollment of a child under the health insurance coverage of the child's parent on grounds that—

"(i) the child does not reside with the parent, or

"(ii) the child was born out of wedlock;

"(E) in any case where a parent is required by court or administrative order to provide health insurance coverage for a child, require insurers, without regard to otherwise applicable enrollment season restrictions—

"(i) to permit such parent, upon application, to enroll in family coverage (if otherwise eligible and not already so enrolled), and to enroll such child under such family coverage, and

"(ii) where such a parent who is enrolled in family coverage fails to make application, to enroll such child under such family coverage upon application by the child's other parent or by the State agency administering the program under this part or title XIX; and

"(F) in any case where a child is covered under the health insurance of a noncustodial parent, require insurers—

"(i) to permit the custodial parent (or service provider, with the custodial parent's approval), or any State agency administering a program under title XIX, to submit claims for covered services without the approval of the noncustodial parent, and

"(ii) to make payment on claims submitted in accordance with clause (i) directly to the custodial parent, service provider, or State agency submitting such claim;

"(26) provide assurances satisfactory to the Secretary that the State has in effect laws requiring employers doing business in the State—

"(A) upon notice of a court or administrative order requiring an employee to provide health insurance coverage for the employee's child, and upon application by such employee (or, where such employee fails to make application, by the child's other parent or the State agency administering the program under this part or title XIX), to permit enrollment of such child at any time as a dependent of the employee under the employer's group health insurance;

"(B) to permit disenrollment from such group health insurance by such employee, or elimination of coverage of such child, only upon receipt of satisfactory evidence, in writing, that—

"(i) such court or administrative order is no longer in effect, or

"(ii) the employee has enrolled or will enroll in alternative health insurance covering such child which will take effect immediately upon the effective date of such disenrollment; and

"(C) to withhold from such employee's compensation the employee's share (if any) of premiums for such health insurance, and to pay such share of premiums to the insurer;

"(27) provide assurances satisfactory to the Secretary that the State has in effect laws requiring the State agency to garnish the wages, salary, or other employment income of, and to withhold amounts from State tax refunds to, any person who—

"(A) is required by court or administrative order to provide coverage of the costs of medical services to an individual eligible for medical assistance under title XIX,

"(B) has received payment from a third party for the costs of medical services to such individual, and

"(C) has not used such payments to reimburse, as appropriate, either such individual or the provider of such services,

to the extent necessary to reimburse the State agency for expenditures for such costs under its plan under title XIX, but any claims for current or past-due child support shall take priority over any such claims for the costs of medical services.".

(b) Effective Date.—

(1) In general.—The amendments made by subsection (a) apply to calendar quarters beginning on or after April 1, 1994, except as provided in paragraph (2).

(2) Extension for state law amendment.—In the case of a State plan under part D of title IV of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation in order for the plan to meet the additional requirements imposed by the amendments made by subsection (a), the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the 1st day of the 1st calendar quarter beginning after the close of the 1st regular session of the State legislature that begins after the date of enactment of this Act. For purposes of the preceding sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

SEC. 13243. REPORTS TO CREDIT BUREAUS ON PERSONS DELINQUENT IN CHILD SUPPORT PAYMENTS.

(a) In General.—Section 466(a)(7) (42 U.S.C. 666(a)(7)) is amended—

(1) by striking "upon the request of such agency" and inserting ", and procedures which require the State to periodically report to any such agency the name of any parent who owes overdue support and is at least 2 months delinquent in the payment of such support and the amount of such delinquency unless the agency requests not to receive such information"; and

(2) by striking "(C) a fee" and all that follows through "by the State" and inserting ", and (C) such information shall not be made available to (i) a consumer reporting agency which the State determines does not have sufficient capability to systematically and timely make accurate use of such information, or (ii) an entity which has not furnished evidence satisfactory to the State that the entity is a consumer reporting agency".

(b) Effective Date.—

(1) In general.—Except as provided in paragraph (2), the amendments made by subsection (a) shall take effect on October 1, 1994.

(2) Exception.—If the Secretary of Health and Human Services determines that a State is unable to comply with the amendments made by subsection (a), such State shall be exempt from compliance with such amendments until the State establishes an automated data processing and information retrieval system under section 454(24) of the Social Security Act, or October 1, 1995, whichever occurs earlier.

CHAPTER 3—SUPPLEMENTAL SECURITY INCOME

SEC. 13251. FEES FOR FEDERAL ADMINISTRATION OF STATE SUPPLEMENTARY PAYMENTS.

(a) In General.—

(1) OPTIONAL STATE SUPPLEMENTARY PAYMENTS.—Section 1616(d) (42 U.S.C. 1382e(d)) is amended—

(A) by inserting "(1)" after "(d)";

(B) by inserting ", plus an administration fee assessed in accordance with paragraph (2) and any additional services fee charged in accordance with paragraph (3)" before the period; and

(C) by adding after and below the end the following:

"(2)(A) The Secretary shall assess each State an administration fee in an amount equal to—

"(i) the number of supplementary payments made by the Secretary on behalf of the State under this section for any month in a fiscal year; multiplied by

"(ii) the applicable rate for the fiscal year.

"(B) As used in subparagraph (A), the term 'applicable rate' means—

"(i) for fiscal year 1994, $1.67;

"(ii) for fiscal year 1995, $3.33;

"(iii) for fiscal year 1996, $5.00; and

"(iv) for fiscal year 1997 and each succeeding fiscal year, $5.00, or such different rate as the Secretary determines pursuant to criteria established in regulations is appropriate for the State, taking into account the complexity of the State's supplementary payment program.

"(C) All fees collected pursuant to this paragraph shall be transferred to the United States at the same time that amounts for such supplementary payments are required to be so transferred.

"(3)(A) The Secretary shall charge a State an additional services fee if, at the request of the State, the Secretary provides additional services beyond the level customarily provided, in the administration of State supplementary payments pursuant to this section.

"(B) The additional services fee shall be in an amount that the Secretary determines is necessary to cover all costs (including indirect costs) incurred by the Federal Government in furnishing the additional services referred to in subparagraph (A).

"(C) The additional services fee shall be payable in advance or by way of reimbursement.

"(4) All administration fees and additional services fees collected pursuant to this subsection shall be deposited in the general fund of the Treasury of the United States as miscellaneous receipts.".

(2) MANDATORY STATE SUPPLEMENTARY PAYMENTS.—Section 212(b)(3) of Public Law 93–66 (42 U.S.C. 1382 note) is amended—

(A) by inserting "(A)" after "(3)";

(B) by inserting ", plus an administration fee assessed in accordance with subparagraph (B) and any additional services fee charged in accordance with subparagraph (C)" before the period; and

(C) by adding after and below the end the following:

"(B)(i) The Secretary shall assess each State an administration fee in an amount equal to—

"(I) the number of supplementary payments made by the Secretary on behalf of the State under this subsection for any month in a fiscal year; multiplied by

"(II) the applicable rate for the fiscal year.

"(ii) As used in clause (i), the term 'applicable rate' means—

"(I) for fiscal year 1994, $1.67;

"(II) for fiscal year 1995, $3.33;

"(III) for fiscal year 1996, $5.00; and

"(IV) for fiscal year 1997 and each succeeding fiscal year, $5.00, or such different rate as the Secretary determines pursuant to regulations established in regulations is appropriate for the State, taking into account the complexity of the State's supplementary payment program.

"(iii) All fees collected pursuant to this subparagraph shall be transferred to the United States at the same time that amounts for such supplementary payments are required to be so transferred.

"(C)(i) The Secretary shall charge a State an additional services fee if, at the request of the State, the Secretary provides additional services beyond the level customarily provided, in the administration of State supplementary payments pursuant to this subsection.

"(ii) The additional services fee shall be in an amount that the Secretary determines is necessary to cover all costs (including indirect costs) incurred by the Federal Government in furnishing the additional services referred to in clause (i).

"(iii) The additional services fee shall be payable in advance or by way of reimbursement.

"(D) All administration fees and additional services fees collected pursuant to this paragraph shall be deposited in the general fund of the Treasury of the United States as miscellaneous receipts.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to supplementary payments made pursuant to section 1616(a) of the Social Security Act or section 212(a) of Public Law 93–66 for any calendar month beginning after September 30, 1993, and to services furnished after such date, regardless of whether regulations to implement such amendments have been promulgated by such date, or whether any agreement entered into under such section 1616(a) or such section 212(a) has been modified.

SEC. 13252. EXCLUSION FROM INCOME OF STATE RELOCATION ASSISTANCE.

Section 5035(c) of the Omnibus Budget Reconciliation Act of 1990 (42 U.S.C. 1382a note; 104 Stat. 1388–225) is amended—

(1) by striking "The amendments made by this section" and inserting "(1) The amendments made by subsection (b)"; and

(2) by adding at the end the following:

"(2) The amendments made by subsection (a) shall apply with respect to benefits for calendar months beginning on or after May 1, 1991.".

SEC. 13253. PREVENTION OF ADVERSE EFFECTS ON ELIGIBILITY FOR, AND AMOUNT OF, BENEFITS WHEN SPOUSE OR PARENT OF BENEFICIARY IS ABSENT FROM THE HOUSEHOLD DUE TO ACTIVE MILITARY SERVICE.

(a) ABSENT PERSON GENERALLY DEEMED TO BE LIVING IN THE HOUSEHOLD.—Section 1614(f) (42 U.S.C. 1382c(f)) is amended by adding at the end the following:

"(4) For purposes of paragraphs (1) and (2), a spouse or parent (or spouse of such a parent) who is absent from the household in which the individual lives due solely to a duty assignment as a member of the Armed Forces on active duty shall, in the absence of evidence to the contrary, be deemed to be living in the same household as the individual.".

(b) EXCLUSION FROM INCOME OF HAZARDOUS DUTY PAY RECEIVED WHILE IN ACTIVE MILITARY SERVICE.—Section 1612(b) (42 U.S.C. 1382a(b)) is amended—

(1) in paragraph (18), by striking "and" the 2nd place such term appears;

(2) in paragraph (19), by striking the period and inserting "; and"; and

(3) by adding at the end the following:

"(20) special pay received pursuant to section 310 of title 37, United States Code.".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the 1st day of the 2nd month that begins after the date of the enactment of this Act.

SEC. 13254. ELIGIBILITY FOR CHILDREN OF ARMED FORCES PERSONNEL RESIDING OUTSIDE THE UNITED STATES OTHER THAN IN FOREIGN COUNTRIES.

(a) IN GENERAL.—Section 1614(a)(1)(B)(ii) (42 U.S.C. 1382c(a)(1)(B)(ii)) is amended by striking "the District of Columbia" and all that follows to the period and inserting "and who, for the month before the parent reported for such assignment, received a benefit under this title".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 1993.

SEC. 13255. DEFINITION OF DISABILITY FOR CHILDREN UNDER AGE 18 APPLIED TO ALL INDIVIDUALS UNDER AGE 18.

(a) IN GENERAL.—Section 1614(a)(3)(A) (42 U.S.C. 1382c(a)(3)(A)) is amended by striking "a child" and inserting "an individual".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to determinations made on or after the date of the enactment of this Act.

SEC. 13256. VALUATION OF CERTAIN IN-KIND SUPPORT AND MAINTENANCE WHEN THERE IS A COST OF LIVING ADJUSTMENT IN BENEFITS.

(a) IN GENERAL.—Section 1611(c) (42 U.S.C. 1382(c)) is amended—

(1) in paragraph (1), by striking "and (5)" and inserting "(5), and (6)"; and

(2) by redesignating paragraphs (6) and (7) as paragraphs (7) and (8), respectively; and

(3) by inserting after paragraph (5) the following:

"(6) The dollar amount in effect under subsection (b) as a result of any increase in benefits under this title by reason of section 1617 shall be used to determine the value of any in-kind support and maintenance required to be taken into account in determining the benefit payable under this title to an individual (and the eligible spouse, if any, of the individual) for the 1st 2 months for which the increase in benefits applies.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to benefits paid for months after the calendar year 1993.

SEC. 13257. EXCLUSION FROM INCOME OF CERTAIN AMOUNTS RECEIVED BY INDIANS FROM INTERESTS HELD IN TRUST.

(a) IN GENERAL.—Section 8 of the Act of October 19, 1973, (25 U.S.C. 1408) is amended by inserting ", and the first $2,000 per year of income received by individual Indians that is derived from such interests shall not be considered income," after "resource".

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on January 1, 1993.

CHAPTER 4—AID TO FAMILIES WITH DEPENDENT CHILDREN

SEC. 13261. 50 PERCENT FEDERAL MATCH OF STATE ADMINISTRATIVE COSTS.

(a) IN GENERAL.—Section 403(a)(3) (42 U.S.C. 603(a)(3)) is amended by striking "the sum of" and all that follows through the end of subparagraph (D) and inserting "50 percent of the total amounts expended during such quarter as the Secretary has found necessary for the proper and efficient administration of the State plan (including any amounts expended by the State to carry out initial evaluations under section 486(a)).".

(b) OPTIONAL USE OF CERTAIN PROCEDURES TO VERIFY IMMIGRATION STATUS OF AFDC APPLICANTS.—Section 1137(d) (42 U.S.C. 1320b–7(d)) is amended—

(1) in each of paragraphs (3) and (4)(B)(i), by inserting "(or, in the case of the program specified in subsection (b)(1), may)" after "shall"; and

(2) in paragraph (4), by inserting "(if required)" after "verified".

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to payments made for calendar quarters beginning on or after April 1, 1994.

(2) DELAYED APPLICABILITY TO CERTAIN STATES.—

(A) IN GENERAL.—The Secretary of Health and Human Services may delay the applicability to a qualified State of the amendments made by subsection (a) until the 1st calendar quarter that begins after the close of the 1st regular session of the State legislature that begins after the date of the enactment of this section.

(B) QUALIFIED STATE DEFINED.—As used in subparagraph (A), the term "qualified State" means a State that meets such criteria as the Secretary shall establish and apply uniformly, including whether the State legislature meets biennially and does not have a regular session scheduled in calendar year 1994.

SEC. 13262. DELAY IN EFFECTIVE DATE OF PENALTY FOR FAILURE TO MEET REQUIRED PARTICIPATION RATE FOR UNEMPLOYED PARENTS IN THE JOBS PROGRAM.

Section 403(l)(4)(B) (42 U.S.C. 603(l)(4)(B)) is amended—

(1) in clause (i), by striking "1994" and inserting "1995";

(2) in clause (ii), by striking "1995" and inserting "1996";

(3) in clause (iii), by striking "1996" and inserting "1997"; and

(4) in clause (iv), by striking "1997 and 1998" and inserting "1998 and 1999".

SEC. 13263. REPORT TO THE CONGRESS WITH RESPECT TO PERFORMANCE STANDARDS IN THE JOBS PROGRAM.

Section 487(a) (42 U.S.C. 687(a)) is amended—

(1) by striking "3" and inserting "4";

(2) in paragraph (1), by inserting "criteria for" after "develop";

(3) in paragraph (2), by striking "for" and inserting "with respect to"; and

(4) in the 2nd sentence, by striking "under this subsection" and inserting "with respect to the program under this part".

SEC. 13264. MEASUREMENT AND REPORTING OF WELFARE PARTICIPATION.

(a) CONGRESSIONAL POLICY.—The Congress hereby declares that—

(1) it is the policy and responsibility of the Federal Government to reduce the rate at which, and the degree to which, families depend on income from welfare programs, and the duration of welfare participation, to assist families toward self-sufficiency, and to increase the living standards of low-income families, consistent with other essential national goals;

(2) it is the policy of the United States to strengthen families and improve the life prospects of their children, to ensure that children grow up in families that are economically self-sufficient, and to underscore the responsibility of parents to support their children;

(3) the Federal Government should help welfare recipients as well as individuals at risk of welfare participation to improve their education and job skills, to obtain access to high quality child care and other necessary support services, and to take such other steps as may assist them to meet their responsibilities to become financially independent; and

(4) it is the purpose of this section to provide the public with generally accepted measures of welfare participation so that the public can track such participation over time and determine whether progress is being made in reducing the rate at which, and the degree to which, families depend on income from welfare programs, and the duration of welfare participation.

(b) DEVELOPMENT OF WELFARE PARTICIPATION MEASURES AND PREDICTORS.—

(1) IN GENERAL.—The Secretary of Health and Human Services (in this section referred to as the "Secretary") in consultation with the Secretary of Agriculture shall develop—

(A) measures of—

(i) the rate at which, and the degree to which, families depend on income from welfare programs; and

(ii) the duration of welfare participation; and

(B) predictors of welfare participation.

(2) INTERIM REPORT.—Not later than 2 years after the date of the enactment of this section, the Secretary shall provide an interim report containing conclusions resulting from such development, to—

(A) the Committee on Ways and Means of the House of Representatives;

(B) the Committee on Education and Labor of the House of Representatives;

(C) the Committee on Agriculture of the House of Representatives;

(D) the Committee on Energy and Commerce of the House of Representatives;

(E) the Committee on Finance of the Senate;

(F) the Committee on Labor and Human Resources of the Senate; and

(G) the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(c) ADVISORY BOARD ON WELFARE PARTICIPATION.—

(1) ESTABLISHMENT.—There is established an Advisory Board on Welfare Participation (in this section referred to as the "Board").

(2) COMPOSITION.—The Board shall be composed of 12 members with equal numbers to be appointed by the House of Representatives, the Senate, and the President. The Board shall be composed of experts in the fields of welfare research and statistical methodology, representatives of State and local welfare agencies, and organizations concerned with welfare issues.

(3) VACANCIES.—Any vacancy occurring in the membership of the Board shall be filled in the same manner as the original appointment for the position being vacated. The vacancy shall not affect the power of the remaining members to execute the duties of the Board.

(4) DUTIES.—Duties of the Board shall include—

(A) providing advice and recommendations to the Secretary on the development of measures of the rate at which, and the degree to which, families depend on income from welfare programs, and the duration of welfare participation; and

(B) providing advice on the development and presentation of the report required by subsection (d).

(5) TRAVEL EXPENSES.—Members of the Board shall not be compensated, but shall receive travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, for each day the member is engaged in the performance of duties away from the home or regular place of business of the member.

(6) DETAIL OF FEDERAL EMPLOYEES.—The Secretary shall detail, without reimbursement, any of the personnel of the Department of Health and Human Services to the Board to assist the Board in carrying out its duties. Any detail shall not interrupt or otherwise affect the civil service status or privileges of the Federal employee.

(7) VOLUNTARY SERVICE.—Notwithstanding section 1342 of title 31, United States Code, the Board may accept the voluntary services provided by a member of the Board.

(8) TERMINATION OF BOARD.—The Board shall be terminated at such time as the Secretary determines the duties described in subsection (c)(4) have been completed, but in any case prior to the submission of the 1st report required by subsection (d).

(d) ANNUAL WELFARE PARTICIPATION REPORTS.—

(1) PREPARATION.—The Secretary shall prepare annual reports on welfare participation in the United States.

(2) COVERAGE.—The report shall include analysis of families and individuals receiving assistance under means-tested benefit programs, including the program of aid to families with dependent children under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), the food stamp program under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), and the supplemental security income program under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.), or as general assistance under programs administered by State and local governments.

(3) CONTENTS.—Each such report shall set forth, for each means-tested benefit program described in paragraph (2)—

(A) measures of—

(i) the rate at which, and the degree to which, families depend on income from welfare programs; and

(ii) the duration of welfare participation;

(B) trends in the measures;

(C) predictors of welfare participation;

(D) the causes of welfare participation;

(E) patterns of multiple program participation;

(F) such other information as the Secretary deems relevant; and

(G) such recommendations for legislation, which shall not include proposals to reduce eligibility levels or impose barriers to program access, as the Secretary may determine to be necessary or desirable to reduce—

(i) the rate at which, and the degree to which, families depend on income from welfare programs; and

(ii) the duration of welfare participation.

(4) SUBMISSION.—The Secretary shall submit such reports not later than 3 years after the date of the enactment of this section, and annually thereafter, to the committees specified in subsection (b)(2). Each such report shall be transmitted during the 1st 60 days of each regular session of the Congress.

SEC. 13265. NEW HOPE DEMONSTRATION PROJECT.

(a) IN GENERAL.—The Secretary of Health and Human Services (in this section referred to as the "Secretary") shall provide for a demonstration project for a qualified program to be conducted in Milwaukee, Wisconsin, in accordance with this section.

(b) PAYMENTS.—For each calendar quarter in which there is a qualified program approved under this subsection, the Secretary shall pay to the operator of the qualified program, for no more than 20 calendar quarters, an amount equal to the aggregate amount that would otherwise have been payable to the State with respect to participants in the program for such calendar quarter, in the absence of the program, for cash assistance and child care under part A of title IV of the Social Security Act and for administrative expenses related to such assistance. In calculating the amount of such payment, the expenses of the program incurred in evaluating the effects of the program may be treated as amounts necessary for the proper and efficient administration of the program, for purposes of part A of title IV of such Act.

(c) DEMONSTRATION PROJECT DESCRIBED.—For purposes of this section, the term "qualified program" means a program operated—

(1) by The New Hope Project, Inc., a private, not-for-profit corporation incorporated under the laws of the State of Wisconsin (in this section referred to as the "operator"), which offers low-income residents of Milwaukee, Wisconsin, employment, wage supplements, child care, health care, and counseling and training for job retention or advancement; and

(2) in accordance with an application submitted by the operator of the program and approved by the Secretary based on the Secretary's determination that the application satisfies the requirements of subsection (d).

(d) CONTENTS OF APPLICATION.—The operator of the qualified program shall provide, in its application to conduct a demonstration project for the program, that the following terms and conditions will be met:

(1) The operator will develop and implement an evaluation plan designed to provide reliable information on the impact and implementation of the program. The evaluation plan will include adequately sized groups of project participants and control groups assigned at random.

(2) The operator will develop and implement a plan addressing the services and assistance to be provided by the program, the timing and determination of payments from the Secretary to the operator of the program, and the roles and responsibilities of the Secretary and the operator with respect to meeting the requirements of this paragraph.

(3) The operator will specify a methodology for determining expenditures to be paid to the operator by the Secretary, with assistance from the Secretary in calculating the amount that would otherwise have been payable to the State in the absence of the program, pursuant to subsection (b).

(4) The operator will issue an interim and final report on the results of the evaluation described in paragraph (1) to the Secretary at such times as required by the Secretary.

(e) EFFECTIVE DATE.—This section shall take effect on the 1st day of the 1st calendar quarter that begins after the date of enactment of this Act.

SEC. 13266. DELAY IN REQUIREMENT THAT OUTLYING AREAS OPERATE AN AFDC-UP PROGRAM.

Section 401(g)(2) of the Family Support Act of 1988 (42 U.S.C. 602 note; 102 Stat. 2396) is amended by striking "October 1, 1992" and inserting "the date of the repeal of the limitations contained in section 1108(a) of the Social Security Act on payments to such jurisdictions for purposes of making maintenance payments under parts A and E of title IV of such Act".

SEC. 13267. ADULT IN FAMILY OR HOUSEHOLD ALLOWED TO ATTEST TO CITIZENSHIP STATUS OF FAMILY OR HOUSEHOLD MEMBERS.

(a) IN GENERAL.—Section 1137(d)(1)(A) (42 U.S.C. 1320b-7(d)(1)(A)) is amended—

(1) by inserting "(i)" after "(1)(A)";

(2) by inserting "(other than the aid to families with dependent children program under part A of title IV of this Act)" after "any program listed in subsection (b)"; and

(3) by adding at the end the following:

"(ii) The State shall require, as a condition of an individual's eligibility for benefits under the aid to families with dependent children program under part A of title IV of this Act, a declaration in writing, under penalty of perjury—

"(I) in the case of an individual who is an adult member of a family or household applying for or receiving such benefits, by such individual or another adult member of such family or household on such individual's behalf;

"(II) in the case of an individual who is a child, by an adult on the individual's behalf; or

"(III) in the case of an individual born into a family or household receiving such benefits, by an adult member of such individual's family or household on the individual's behalf no later than the next redetermination of eligibility of such family or household following the birth of such individual,

stating whether the individual is a citizen or national of the United States, and, if that individual is not a citizen or national of the United States, that the individual is in a satisfactory immigration status.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall become effective with respect to benefits provided on or after October 1, 1993.

SEC. 13268. INCREASE IN STEPPARENT INCOME DISREGARD.

(a) IN GENERAL.—Section 402(a)(31) (42 U.S.C. 602(a)(31)) is amended by striking "$75" and inserting "$90".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 1993, and shall apply to payments under part A of title IV of the Social Security Act for fiscal year 1994 and such payments for succeeding fiscal years.

SEC. 13269. EXTENSION OF NEW YORK STATE CHILD SUPPORT DEMONSTRATION PROGRAM.

Section 9122(g)(1) of the Omnibus Budget Reconciliation Act of 1987 (42 U.S.C. 602 note; 101 Stat. 1330-312) is amended by striking "five" and inserting "10".

SEC. 13270. EARLY CHILDHOOD DEVELOPMENT PROJECTS.

Section 501(a) of the Family Support Act of 1988 (42 U.S.C. 1315 note; 102 Stat. 2400) is amended by adding at the end the following:

"(4) For grants to States to conduct demonstration projects under this subsection, there are authorized to be appropriated not to exceed $3,000,000 for each of the fiscal years 1994 through 1998.".

CHAPTER 5—UNEMPLOYMENT INSURANCE

SEC. 13271. TREATMENT OF SHORT-TIME COMPENSATION PROGRAMS.

(a) GENERAL RULE.—Section 3306 of the Internal Revenue Code of 1986 is amended by adding at the end thereof the following new subsection:

"(t) SHORT-TIME COMPENSATION PROGRAM.—For purposes of this chapter, the term 'short-time compensation program' means a program under which—

"(1) individuals whose workweeks have been reduced by at least 10 percent are eligible for unemployment compensation;

"(2) the amount of unemployment compensation payable to any such individual is a pro rata portion of the unemployment compensation which would be payable to the individual if the individual were totally unemployed;

"(3) eligible employees are not required to meet the availability for work or work search test requirements while collecting short-time compensation benefits, but are required to be available for their normal workweek;

"(4) eligible employees may participate in an employer-sponsored training program to enhance jobs skills if such program has been approved by the State agency;

"(5) there is a reduction in the number of hours worked by employees in lieu of temporary layoffs;

"(6) there is a plan of an employer (or an employers association which is party to a collective bargaining agreement) approved by the State agency consisting of factors in this subsection or other factors as the Secretary of Labor may find relevant; and

"(7) the employer continues to provide health benefits and pension benefits under a pension plan (as defined in section 3(35) of the Employee Retirement Income Security Act of 1974) to any employee whose workweek is reduced under such plan.

A short-time compensation program may also contain such other factors as the Secretary of Labor finds relevant.".

(b) CONFORMING AMENDMENTS.—

(1) Subparagraph (E) of section 3304(a)(4) of such Code is amended to read as follows:

"(E) amounts may be withdrawn for the payment of short-time compensation under a short-time compensation program approved by the Secretary of Labor;".

(2) Paragraph (4) of section 3306(f) of such Code is amended to read as follows:

"(4) amounts may be withdrawn for the payment of short-time compensation under a short-time compensation program approved by the Secretary of Labor.".

(3) Section 303(a)(5) of the Social Security Act is amended by striking "the payment of short-time compensation under a plan approved by the Secretary of Labor" and inserting "the payment of short-time compensation under a short-time compensation program (as defined in section 3306(t) of the Internal Revenue Code of 1986) approved by the Secretary of Labor".

SEC. 13272. TECHNICAL AMENDMENT TO UNEMPLOYMENT TRUST FUND.

Paragraph (1) of section 905(b) of the Social Security Act is amended to read as follows:

"(b)(1) Except as provided in paragraph (3), the Secretary of the Treasury shall transfer (as of the close of each month), from the employment security administration account to the extended unemployment compensation account established by subsection (a), an amount equal to 20 percent of the amount by which—

"(A) the transfers to such account pursuant to section 901(b)(2) during such month, exceed

"(B) the payments during such month from the employment security administration account pursuant to section 901(b)(3) and (d).

If for any month the payments referred to in subparagraph (B) exceed the transfers referred to in subparagraph (A), proper adjustments shall be made in the amounts subsequently transferred.".

SEC. 13273. EXTENSION OF REPORTING DATE FOR ADVISORY COUNCIL.

In the case of the first Advisory Council on Unemployment Compensation established under section 908 of the Social Security Act, subsection (f) of such section 908 shall be applied—

(1) by substituting "3rd year" for "2d year" in paragraph (1), and

(2) by substituting "February 1, 1995" for "February 1, 1994" in paragraph (2).

SEC. 13274. CLARIFICATION OF EMERGENCY UNEMPLOYMENT BENEFITS PROVISIONS.

(a) In General.—Subclauses (II) and (III) of section 102(b)(2)(A)(v) of the Emergency Unemployment Compensation Act of 1991 are amended to read as follows:

"(II) The requirements of this subclause are met for any week if the national rate of total unemployment (seasonally adjusted) for each of the 2 most recent calendar months (not averaged) for which data are published before the close of such week is less than 7 percent, and if the requirements of subclause (III) are not met for such week.

"(III) The requirements of this subclause are met for any week if the national rate of total unemployment (seasonally adjusted) for each of the 2 most recent calendar months (not averaged) for which data are published before the close of such week is less than 6.8 percent.".

(b) Effective Date.—The amendment made by subsection (a) shall apply as if included in the amendments made by section 101(b) of the Unemployment Compensation Amendments of 1992.

SEC. 13275. MODIFICATIONS TO EXTENDED UNEMPLOYMENT PROGRAM.

(a) Increase in Reimbursement Rate.—Subsection (a) of section 204 of the Federal-State Extended Unemployment Compensation Act of 1970 is amended by striking "one-half" and inserting "75 percent".

(b) Repeal of Special Eligibility Requirements.—Subsection (a) of section 202 of such Act is amended—

(1) by striking paragraphs (3), (4), and (7),

(2) by redesignating paragraphs (5) and (6) as paragraphs (3) and (4), respectively, and

(3) by striking "paragraphs (3), (4), and (5)" in paragraph (4) (as redesignated by paragraph (1) of this subsection) and inserting "paragraph (3)".

(c) Effective Date.—

(1) In general.—The amendments made by this section shall apply to weeks beginning after October 2, 1993.

(2) Special rule.—In the case of any State the legislature of which has not been in session for at least 30 calendar days (whether or not successive) between the date of the enactment of this Act and October 1, 1993, the amendment made by subsection (b) shall not be a requirement of the State law of such State before the date 30 calendar days after the 1st day on which such legislature is in session on or after October 1, 1993.

SEC. 13276. EXTENSION OF CURRENT FEDERAL UNEMPLOYMENT RATE.

Section 3301 of the Internal Revenue Code of 1986 is amended—

(1) by striking "1996" in paragraph (1) and inserting "1998", and

(2) by striking "1997" in paragraph (2) and inserting "1999".

SEC. 13277. DISCLOSURE OF INFORMATION TO RAILROAD RETIREMENT BOARD.

Section 6103(l)(1)(C) of the Internal Revenue Code of 1986 is amended to read as follows:

"(C) taxes imposed by chapters 22 and 23A, to the Railroad Retirement Board for purposes of its administration of the Railroad Retirement and Railroad Unemployment Insurance Acts.".

CHAPTER 6—TECHNICAL PROVISIONS

SEC. 13281. CORRECTIONS RELATED TO THE INCOME SECURITY AND HUMAN RESOURCES PROVISIONS OF THE OMNIBUS BUDGET RECONCILIATION ACT OF 1990.

(a) Amendment Related to Section 5035(a)(2).—Section 5035(a)(2) of the Omnibus Budget Reconciliation Act of 1990 (Public Law 101-508) is amended by striking "a semicolon" and inserting "'; and'".

(b) Repeal of Provision Inadvertently Included.—Section 5057 of the Omnibus Budget Reconciliation Act of 1990 (Public Law 101-508), and the amendment made by such section, are hereby repealed, and section 1139(d) of the Social Security Act shall be applied and administered as if such section 5057 had never been enacted.

(c) Amendment Related to Section 5105(d)(1)(B).—Section 5105(d)(1)(B) of the Omnibus Budget Reconciliation Act of 1990 (Public Law 101-508; 104 Stat. 1388-266) is amended to read as follows:

"(B) Title XVI.—Section 1631(a)(2)(F) (42 U.S.C. 1383(a)(2)(F)), as so redesignated by subsection (c)(2) of this section, is amended to read as follows:

"'(F) The Secretary shall include as a part of the annual report required under section 704 information with respect to the implementation of the preceding provisions of this paragraph, including—

"'(i) the number of cases in which the representative payee was changed;

"'(ii) the number of cases discovered where there has been a misuse of funds;

"'(iii) how any such cases were dealt with by the Secretary;

"'(iv) the final disposition of such cases (including any criminal penalties imposed); and

"'(v) such other information as the Secretary determines to be appropriate.'.".

(d) Amendment Related to Section 5105(a)(1)(B).—The 2nd paragraph of section 1631(a) (42 U.S.C. 1383(a)) is amended by striking "(A)(i) Payments" and inserting "(2)(A)(i) Payments".

(e) Amendments Related to Section 5105(b).—Section 1631(a)(2)(C) (42 U.S.C. 1383(a)(2)(C)) is amended—

(1) by striking clause (ii);

(2) by redesignating clauses (iii), (iv), and (v) as clauses (ii), (iii), and (iv), respectively; and

(3) in clause (iv) (as so redesignated), by striking "(iii), and (iv)" and inserting "and (iii)".

(f) Amendments Related to Section 5107(a)(2)(B).—Section 1631(c)(1)(B) (42 U.S.C. 1383(c)(1)(B)) is amended by striking "paragraph (1)" each place such term appears and inserting "subparagraph (A)".

(g) Amendment Related to Section 5109(a)(2).—Section 1631 (42 U.S.C. 1383) is amended by redesignating the subsection (n) added by section 5109(a)(2) of the Omnibus Budget Reconciliation Act of 1990, as subsection (o).

(h) Amendments Related to Section 11115(b)(2).—Section 11115(b)(2) of the Omnibus Budget Reconciliation Act of 1990 (Public Law 101-508) is amended—

(1) in subparagraph (A), by striking "paragraph (8)" and inserting "paragraph (9)";

(2) in subparagraph (B), by striking "paragraph (9)" and inserting "paragraph (10)"; and

(3) in subparagraph (C), by redesignating the new paragraph added thereby as paragraph (11).

(i) Amendment Related to Section 13101(d)(2).—Section 256(k)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) by striking "—" the 2nd place it appears and all that follows through "(I)"; and

(2) by striking "; or" and all that follows through "(II)" and inserting ", except that a State may not be allotted an amount under this subparagraph that exceeds".

(j) Effective Date.—Each amendment made by this section shall take effect as if included in the provision of the Omnibus Budget Reconciliation Act of 1990 to which the amendment relates at the time such provision became law.

SEC. 13282. TECHNICAL CORRECTIONS RELATED TO THE HUMAN RESOURCE AND INCOME SECURITY PROVISIONS OF THE OMNIBUS BUDGET RECONCILIATION ACT OF 1989.

(a) Amendment Relating to Section 8004(a).—Section 408(m)(2)(A) (42 U.S.C. 608(m)(2)(A)) is amended by striking "a fiscal" and inserting "the fiscal".

(b) Amendment Relating to Section 8006(a).—Section 473(a)(6)(B) (42 U.S.C. 673(a)(6)(B)) is amended by striking "474(a)(3)(B)" and inserting "474(a)(3)(C)".

(c) Amendment Relating to Section 8007(b)(3).—Subparagraph (D) of section 475(5) (42 U.S.C. 675(5)(D)) is amended by moving such subparagraph 2 ems to the right so that the left margin of such subparagraph is aligned with the left margin of subparagraph (C) of such section.

(d) Effective Date.—Each amendment made by this section shall take effect as if the amendment had been included in the provision of the Omnibus Budget Reconciliation Act of 1989 to which the amendment relates, at the time the provision became law.

SEC. 13283. ELIMINATION OF OBSOLETE PROVISIONS RELATING TO TREATMENT OF THE EARNED INCOME TAX CREDIT.

(a) Treatment of EITC as Earned Income.—Section 1612(a)(1) (42 U.S.C. 1382a(a)(1)) is amended by striking subparagraph (C) and by redesignating subparagraphs (D) and (E) as subparagraphs (C) and (D), respectively.

(b) Adjustment of Benefits Due to Treatment of EITC as Earned Income.—Section 1631(b) (42 U.S.C. 1383(b)) is amended by striking paragraph (3) and by redesignating paragraphs (4) and (5) as paragraphs (3) and (4), respectively.

SEC. 13284. REDESIGNATION OF CERTAIN PROVISIONS.

Section 1631(e)(6) (42 U.S.C. 1383(e)(6)) is amended by redesignating subparagraphs (1) and (2) as subparagraphs (A) and (B), respectively.

Subtitle C—Medicare Program

SEC. 13400. REFERENCES IN SUBTITLE; TABLE OF CONTENTS OF SUBTITLE.

(a) Amendments to Social Security Act.—Except as otherwise specifically provided, whenever in this subtitle an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.

(b) References to OBRA.—In this subtitle, the terms "OBRA-1986", "OBRA-1987", "OBRA-1989", and "OBRA-1990" refer to the Omnibus Budget Reconciliation Act of 1986 (Public Law 99-509), the Omnibus Budget Reconciliation Act of 1987 (Public Law 100-203), the Omnibus Budget Reconciliation Act of 1989 (Public Law 101-239), and the Omnibus Budget Reconciliation Act of 1990 (Public Law 101-508), respectively.

(c) Table of Contents of Subtitle.—The table of contents of this subtitle is as follows:

Subtitle C—Medicare Program
Sec. 13400. References in subtitle; table of contents of subtitle.
Chapter 1—Provisions Relating to Part A
SUBCHAPTER A—ELIMINATION OF INFLATION UPDATE FOR SERVICES PROVIDED UNDER PART A
Sec. 13401. Inpatient hospital services and hospice care.

Sec. 13402. Limits on per diem routine service costs for extended care services.

SUBCHAPTER B—OTHER PROVISIONS RELATING TO PART A

Sec. 13411. Wage index provisions.
Sec. 13412. Transition for hospital outlier thresholds.
Sec. 13413. Essential access community hospital (EACH) amendments.
Sec. 13414. Rural health transition grant program extension.
Sec. 13415. Regional referral center extension.
Sec. 13416. Medicare-dependent, small rural hospital payment extension.
Sec. 13417. Extension of regional floor.
Sec. 13418. Extension of rural hospital demonstration.
Sec. 13419. Hemophilia pass-through extension.
Sec. 13420. State hospital payment programs.
Sec. 13421. Psychology services in hospitals.
Sec. 13422. Graduate medical education payments in hospital-owned community health centers.
Sec. 13423. Treatment of certain military facilities.
Sec. 13424. Epilepsy DRG.
Sec. 13425. Skilled nursing facility wage index.
Sec. 13426. Hospice notification to beneficiaries.
Sec. 13427. Reduction in part A premium for certain individuals with 30 or more quarters of Social Security coverage.
Sec. 13428. Periodic updates to salary equivalency guidelines for physical therapy and respiratory therapy services.
Sec. 13429. Extension of deadline for application for geographic classification for certain reclassified hospitals.
Sec. 13430. Clarification of DRG payment window expansion; miscellaneous and technical corrections.

CHAPTER 2—PROVISIONS RELATING TO PART B

SUBCHAPTER A—ELIMINATION OF INFLATION UPDATE

Sec. 13431. Elimination of inflation update for physician and related professional services.
Sec. 13432. Elimination of cost-of-living adjustments for certain items and services.
Sec. 13433. Ambulatory surgical center services.
Sec. 13434. Other items and services under part B.

SUBCHAPTER B—PHYSICIANS' SERVICES

Sec. 13441. Reinstating separate payment for the interpretation of electrocardiograms (EKGs).
Sec. 13442. Payments for new physicians and practitioners.
Sec. 13443. Retaining payment for actual anesthesia time.
Sec. 13444. Geographic cost of practice index refinements.
Sec. 13445. Extra-billing.
Sec. 13446. Relative values for pediatric services.
Sec. 13447. Antigens under physician fee schedule.
Sec. 13448. Administration of claims relating to physicians' services.
Sec. 13449. Miscellaneous and technical corrections.

SUBCHAPTER C—AMBULATORY SURGICAL CENTER SERVICES

Sec. 13451. Designation of certain hospitals as eye or eye and ear hospitals.
Sec. 13452. Treatment of intraocular lenses.
Sec. 13453. Technical amendments.

SUBCHAPTER D—DURABLE MEDICAL EQUIPMENT

Sec. 13461. Certification of suppliers.
Sec. 13462. Prohibition against carrier forum shopping.
Sec. 13463. Restrictions on certain marketing and sales activities.
Sec. 13464. Anti-kickback clarification.
Sec. 13465. Limitations on beneficiary liability for noncovered services.
Sec. 13466. Adjustments for inherent reasonableness.
Sec. 13467. Treatment of nebulizers and aspirators.
Sec. 13468. Payment for ostomy supplies and other supplies.
Sec. 13469. Miscellaneous and technical corrections.

SUBCHAPTER E—OTHER PROVISIONS

Sec. 13471. Clarifying payments for medically directed certified registered nurse anesthetist services.
Sec. 13472. Extension of Alzheimer's disease demonstration projects.
Sec. 13473. Oral cancer drugs.
Sec. 13474. Part B premium payments for late enrollment.
Sec. 13475. Coverage of services of speech-language pathologists and audiologists.
Sec. 13476. Extension of municipal health service demonstration projects.
Sec. 13477. Treatment of certain Indian health programs and facilities as Federally-qualified health centers.
Sec. 13478. Miscellaneous and technical corrections.

SUBCHAPTER F—PART B PREMIUM

Sec. 13481. Part B premium.

CHAPTER 3—PROVISIONS RELATING TO PARTS A AND B

SUBCHAPTER A—ELIMINATION OF UPDATES

Sec. 13501. Elimination of cost-of-living update in per resident amounts for direct medical education.
Sec. 13502. Elimination of inflation update in cost limits for home health services.

SUBCHAPTER B—MEDICARE SECONDARY PAYER PROVISIONS

Sec. 13511. Extension of transfer of data.
Sec. 13512. 3-year extension of medicare secondary payer to disabled beneficiaries.
Sec. 13513. 3-year extension of 18-month rule for ESRD beneficiaries.
Sec. 13514. Medicare secondary payer reforms.

SUBCHAPTER C—PHYSICIAN OWNERSHIP AND REFERRAL

Sec. 13521. Application of medicare ban on self-referrals to all payers.
Sec. 13522. Extension of self-referral ban to additional specified services.
Sec. 13523. Exceptions for both ownership and compensation arrangements.
Sec. 13524. Exceptions related only to ownership or investment.
Sec. 13525. Exceptions related only to compensation arrangements.
Sec. 13526. Clarification concerning civil money penalty sanctions.
Sec. 13527. Requirements for group practice.
Sec. 13528. No Federal preemption of more restrictive State laws.
Sec. 13529. Miscellaneous provisions.
Sec. 13530. Effective dates.

SUBCHAPTER D—OTHER PROVISIONS

Sec. 13551. Direct graduate medical education.
Sec. 13552. Immunosuppressive drug therapy.
Sec. 13553. Reduction in payments for erythropoietin.
Sec. 13554. Qualified medicare beneficiary outreach.
Sec. 13555. Extension of social health maintenance organization demonstrations.
Sec. 13556. Hospice notification to home health beneficiaries.
Sec. 13557. Interest payments.
Sec. 13558. Peer review organizations.
Sec. 13559. Health maintenance organizations.
Sec. 13560. Medicare administration budget process.
Sec. 13561. Other provisions.

CHAPTER 4—MEDICARE SUPPLEMENTAL INSURANCE POLICIES

Sec. 13571. Standards for medicare supplemental insurance policies.

CHAPTER 5—TREATMENT OF CERTAIN STATE HEALTH CARE PROGRAMS

Sec. 13581. Treatment of certain State health care programs.

CHAPTER 1—PROVISIONS RELATING TO PART A

Subchapter A—Elimination of Inflation Update for Services Provided Under Part A

SEC. 13401. INPATIENT HOSPITAL SERVICES AND HOSPICE CARE.

Section 1886(b)(3)(B)(iii) (42 U.S.C. 1395ww(b)(3)(B)(iii)) is amended—

(1) by striking "(iii) For purposes of this subparagraph" and inserting "(iii)(I) Except as provided in subclause (II), for purposes of this subparagraph", and

(2) by adding at the end the following new subclause:

"(II) For purposes of this subparagraph and section 1814(i)(1)(C)(ii), the 'market basket percentage increase', with respect to cost reporting periods and discharges occurring in fiscal year 1994 or 1995, is 0 percent.".

SEC. 13402. LIMITS ON PER DIEM ROUTINE SERVICE COSTS FOR EXTENDED CARE SERVICES.

The Secretary of Health and Human Services shall not provide for any increase, on the basis of inflation or changes in the cost of goods and services, in the limits on per diem routine service costs for extended care services under section 1888 of the Social Security Act for cost reporting periods beginning during fiscal year 1994 or fiscal year 1995.

Subchapter B—Other Provisions Relating to Part A

SEC. 13411. WAGE INDEX PROVISIONS.

(a) WAGE INDEX HOLD HARMLESS PROTECTION.—

(1) IN GENERAL.—Section 1886(d)(8)(C) (42 U.S.C. 1395ww(d)(8)(C)) is amended by adding at the end the following new clause:

"(iv) The application of subparagraph (B) or a decision of the Medicare Geographic Classification Review Board or the Secretary under paragraph (1) may not result in a reduction in an urban area's wage index if—

"(I) the urban area has a wage index below the wage index for rural areas in the State in which it is located; or

"(II) the urban area is located in a State that is composed of a single urban area.".

(2) NO STANDARDIZED AMOUNT ADJUSTMENT.—The Secretary of Health and Human Services shall not revise the fiscal year 1992 or fiscal year 1993 standardized amounts pursuant to subsections (d)(3)(B) and (d)(8)(D) of section 1886 of the Social Security Act to account for the amendment made by paragraph (1).

(3) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to discharges occurring—

(A) on or after October 1, 1991, in the case of hospitals located in an urban area described in section 1886(d)(8)(C)(iv)(I) of the Social Security Act (as added by paragraph (1)); and

(B) on or after the date of the enactment of this Act, in the case of hospitals located in an urban area described in section 1886(d)(8)(C)(iv)(II) of the Social Security Act (as added by paragraph (1)).

(b) UPDATING STANDARDS FOR TREATING RURAL COUNTIES AS URBAN COUNTIES BASED ON RATES OF COMMUTATION.—

(1) IN GENERAL.—Section 1886(d)(8)(B) (42 U.S.C. 1395ww(d)(8)(B)) is amended—

(A) by striking "standards" each place it appears and inserting "standards most recently used", and

(B) by striking "published in the Federal Register on January 3, 1980".

(2) HOLD HARMLESS FOR COUNTIES CURRENTLY TREATED AS URBAN.—Any hospital that is treated as being located in an urban metropolitan statistical area pursuant to section 1886(d)(8)(B) of the Social Security Act as of September 30, 1992, shall continue to be so treated notwithstanding the amendments made by paragraph (1).

(3) EFFECTIVE DATE.—The amendments made by paragraph (1) shall be effective on October 1, 1993.

(c) USE OF OCCUPATIONAL MIX IN GUIDELINES.—

(1) IN GENERAL.—Section 1886(d)(10)(D)(i)(I) (42 U.S.C. 1395ww(d)(10)(D)(i)(I)) is amended by inserting "(to the extent the Secretary determines appropriate)" after "taking into account".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect as if included in the enactment of OBRA-1989.

SEC. 13412. TRANSITION FOR HOSPITAL OUTLIER THRESHOLDS.

Section 1886(d)(5)(A) (42 U.S.C. 1395ww(d)(5)(A)) is amended—

(1) in clause (i), by striking "The Secretary" and inserting "For discharges occurring during fiscal years ending on or before September 30, 1997, the Secretary"; and

(2) by adding at the end the following new clauses:

"(v) The Secretary shall provide that—

"(I) the day outlier percentage for fiscal year 1995 shall be 75 percent of the day outlier percentage for fiscal year 1994;

"(II) the day outlier percentage for fiscal year 1996 shall be 50 percent of the day outlier percentage for fiscal year 1994; and

"(III) the day outlier percentage for fiscal year 1997 shall be 25 percent of the day outlier percentage for fiscal year 1994.

"(vi) For purposes of this subparagraph, the term 'day outlier percentage' means, for a fiscal year, the percentage of the total additional payments made by the Secretary under this subparagraph for discharges in that fiscal year which are additional payments under clause (i).".

SEC. 13413. ESSENTIAL ACCESS COMMUNITY HOSPITAL (EACH) AMENDMENTS.

(a) INCREASING NUMBER OF PARTICIPATING STATES.—Section 1820(a)(1) (42 U.S.C. 1395i-4(a)(1)) is amended by striking "7" and inserting "9".

(b) TREATMENT OF INPATIENT HOSPITAL SERVICES PROVIDED IN RURAL PRIMARY CARE HOSPITALS.—

(1) IN GENERAL.—Section 1820(f)(1)(F) (42 U.S.C. 1395i-4(f)(1)(F)) is amended to read as follows:

"(F) subject to paragraph (4), provides not more than 6 inpatient beds (meeting such conditions as the Secretary may establish) for providing inpatient care to patients requiring stabilization before discharge or transfer to a hospital, except that the facility may not provide any inpatient hospital services—

"(i) to any patient whose attending physician does not certify that the patient may reasonably be expected to be discharged or transferred to a hospital within 72 hours of admission to the facility; or

"(ii) consisting of surgery or any other service requiring the use of general anesthesia (other than surgical procedures specified by the Secretary under section 1833(i)(1)(A)), unless the attending physician certifies that the risk associated with transferring the patient to a hospital for such services outweighs the benefits of transferring the patient to a hospital for such services.".

(2) LIMITATION ON AVERAGE LENGTH OF STAY.—Section 1820(f) (42 U.S.C. 1395i-4(f)) is amended by adding at the end the following new paragraph:

"(4) LIMITATION ON AVERAGE LENGTH OF INPATIENT STAYS.—The Secretary may terminate a designation of a rural primary care hospital under paragraph (1) if the Secretary finds that the average length of stay for inpatients at the facility during the previous year in which the designation was in effect exceeded 72 hours. In determining the compliance of a facility with the requirement of the previous sentence, there shall not be taken into account periods of stay of inpatients in excess of 72 hours to the extent such periods exceed 72 hours because transfer to a hospital is precluded because of inclement weather or other emergency conditions.".

(3) CONFORMING AMENDMENT.—Section 1814(a)(8) (42 U.S.C. 1395f(a)(8)) is amended by striking "such services" and all that follows and inserting "the individual may reasonably be expected to be discharged or transferred to a hospital within 72 hours after admission to the rural primary care hospital.".

(4) GAO REPORTS.—Not later than 2 years after the date of the enactment of this Act, the Comptroller General shall submit reports to Congress on—

(A) the application of the requirements under section 1820(f) of the Social Security Act (as amended by this subsection) that rural primary care hospitals provide inpatient care only to those individuals whose attending physicians certify may reasonably be expected to be discharged within 72 hours after admission and maintain an average length of inpatient stay during a year that does not exceed 72 hours; and

(B) the extent to which such requirements have resulted in such hospitals providing inpatient care beyond their capabilities or have limited the ability of such hospitals to provide needed services.

(c) DESIGNATION OF HOSPITALS.—

(1) PERMITTING DESIGNATION OF HOSPITALS LOCATED IN URBAN AREAS.—

(A) IN GENERAL.—Section 1820 (42 U.S.C. 1395i-4) is amended—

(i) by striking paragraph (1) of subsection (e) and redesignating paragraphs (2) through (6) as paragraphs (1) through (5); and

(ii) in subsection (e)(1)(A) (as redesignated by subparagraph (A))—

(I) by striking "is located" and inserting "except in the case of a hospital located in an urban area, is located",

(II) by striking ", (ii)" and inserting "or (ii)",

(III) by striking "or (iii)" and all that follows through "section,", and

(IV) in subsection (i)(1)(B), by striking "paragraph (3)" and inserting "paragraph (2)".

(B) NO CHANGE IN MEDICARE PROSPECTIVE PAYMENT.—Section 1886(d)(5)(D) (42 U.S.C. 1395ww(d)(5)(D)) is amended—

(i) in clause (iii)(III), by inserting "located in a rural area and" after "that is", and

(ii) in clause (v), by inserting "located in a rural area and" after "in the case of a hospital".

(2) PERMITTING HOSPITALS LOCATED IN ADJOINING STATES TO PARTICIPATE IN STATE PROGRAM.—

(A) IN GENERAL.—Section 1820 (42 U.S.C. 1395i-4) is amended—

(i) by redesignating subsection (k) as subsection (l); and

(ii) by inserting after subsection (j) the following new subsection:

"(k) ELIGIBILITY OF HOSPITALS NOT LOCATED IN PARTICIPATING STATES.—Notwithstanding any other provision of this section—

"(1) for purposes of including a hospital or facility as a member institution of a rural health network, a State may designate a hospital or facility that is not located in the State as an essential access community hospital or a rural primary care hospital if the hospital or facility is located in an adjoining State and is otherwise eligible for designation as such a hospital;

"(2) the Secretary may designate a hospital or facility that is not located in a State receiving a grant under subsection (a)(1) as an essential access community hospital or a rural primary care hospital if the hospital or facility is a member institution of a rural health network of a State receiving a grant under such subsection; and

"(3) a hospital or facility designated pursuant to this subsection shall be eligible to receive a grant under subsection (a)(2).".

(B) CONFORMING AMENDMENTS.—(i) Section 1820(c)(1) (42 U.S.C. 1395i-4(c)(1)) is amended by striking "paragraph (3)" and inserting "paragraph (3) or subsection (k)".

(ii) Paragraphs (1)(A) and (2)(A) of section 1820(i) (42 U.S.C. 1395i-4(i)) are each amended—

(I) in clause (i), by striking "(a)(1)" and inserting "(a)(1) (except as provided in subsection (k))", and

(II) in clause (ii), by striking "subparagraph (B)" and inserting "subparagraph (B) or subsection (k)".

(d) SKILLED NURSING SERVICES IN RURAL PRIMARY CARE HOSPITALS.—Section 1820(f)(3) (42 U.S.C. 1395i-4(f)(3)) is amended by striking "because the facility" and all that follows and inserting the following: "because, at the time the facility applies to the State for designation as a rural primary care hospital, there is in effect an agreement between the facility and the Secretary under section 1883 under which the facility's inpatient hospital facilities are used for the furnishing of extended care services, except that the number of beds used for the furnishing of such services may not exceed the total number of licensed inpatient beds at the time the facility applies to the State for such designation (minus the number of inpatient beds used for providing inpatient care pursuant to paragraph (1)(F)). For purposes of the previous sentence, the number of beds of the facility used for the furnishing of extended care services shall not include any beds of a unit of the facility that is licensed as a distinct-part skilled nursing facility at the time the facility applies to the State for designation as a rural primary care hospital.".

(e) PAYMENT FOR OUTPATIENT RURAL PRIMARY CARE HOSPITAL SERVICES.—

(1) IMPLEMENTATION OF PROSPECTIVE PAYMENT SYSTEM.—Section 1834(g) (42 U.S.C. 1395m(g)) is amended—

(A) in paragraph (1), by striking "during a year before 1993" and inserting "during a year before the prospective payment system described in paragraph (2) is in effect"; and

(B) in paragraph (2), by striking "January 1, 1993," and inserting "January 1, 1996,".

(2) NO USE OF CUSTOMARY CHARGE IN DETERMINING PAYMENT.—Section 1834(g)(1) (42 U.S.C. 1395m(g)(1)) is amended by adding at the end the following:

"The amount of payment shall be determined under either method without regard to the amount of the customary or other charge.".

(f) CLARIFICATION OF PHYSICIAN STAFFING REQUIREMENT FOR RURAL PRIMARY CARE HOSPITALS.—Section 1820(f)(1)(H) (42 U.S.C. 1395i–4(f)(1)(H)) is amended by striking the period and inserting the following: ", except that in determining whether a facility meets the requirements of this subparagraph, subparagraphs (E) and (F) of that paragraph shall be applied as if any reference to a 'physician' is a reference to a physician as defined in section 1861(r)(1).".

(g) TECHNICAL AMENDMENTS RELATING TO PART A DEDUCTIBLE, COINSURANCE, AND SPELL OF ILLNESS.—(1) Section 1812(a)(1) (42 U.S.C. 1395d(a)(1)) is amended—

(A) by striking "inpatient hospital services" the first place it appears and inserting "inpatient hospital services or inpatient rural primary care hospital services";

(B) by striking "inpatient hospital services" the second place it appears and inserting "such services"; and

(C) by striking "and inpatient rural primary care hospital services".

(2) Sections 1813(a) and 1813(b)(3)(A) (42 U.S.C. 1395e(a), 1395e(b)(3)(A)) are each amended by striking "inpatient hospital services" each place it appears and inserting "inpatient hospital services or inpatient rural primary care hospital services".

(3) Section 1813(b)(3)(B) (42 U.S.C. 1395e(b)(3)(B)) is amended by striking "inpatient hospital services" and inserting "inpatient hospital services, inpatient rural primary care hospital services".

(4) Section 1861(a) (42 U.S.C. 1395x(a)) is amended—

(A) in paragraphs (1), by striking "inpatient hospital services" and inserting "inpatient hospital services, inpatient rural primary care hospital services"; and

(B) in paragraph (2), by striking "hospital" and inserting "hospital or rural primary care hospital".

(h) AUTHORIZATION OF APPROPRIATIONS.—Section 1820(k) (42 U.S.C. 1395i–4(k)) is amended by striking "1990, 1991, and 1992" and inserting "1990 through 1995".

(i) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 13414. RURAL HEALTH TRANSITION GRANT PROGRAM EXTENSION.

Section 4005(e)(9) of OBRA–1987 is amended—

(1) by striking "1989 and" and inserting "1989,"; and

(2) by striking "1992" and inserting "1992 and $30,000,000 for each of fiscal years 1993 through 1997".

SEC. 13415. REGIONAL REFERRAL CENTER EXTENSION.

(a) EXTENSION OF CLASSIFICATION THROUGH FISCAL YEAR 1994.—Effective on the date of the enactment of this Act, section 6003(d) of such Act (42 U.S.C. 1395ww note) is amended by striking "October 1, 1992" and inserting "October 1, 1994".

(b) PERMITTING HOSPITALS TO DECLINE RECLASSIFICATION.—If any hospital fails to qualify as a rural referral center under section 1886(d)(5)(C) of the Social Security Act as a result of a decision by the Medicare Geographic Classification Review Board under section 1886(d)(10) of such Act to reclassify the hospital as being located in an urban area for fiscal year 1993 or fiscal year 1994, the Secretary of Health and Human Services shall—

(1) notify such hospital of such failure to qualify,

(2) provide an opportunity for such hospital to decline such reclassification, and

(3) if the hospital declines such reclassification, administer the Social Security Act (other than section 1886(d)(8)(D)) for such fiscal year as if the decision by the Review Board had not occurred.

(c) REQUIRING LUMP-SUM RETROACTIVE PAYMENT FOR HOSPITALS LOSING CLASSIFICATION.—

(1) IN GENERAL.—In the case of an affected regional referral center (as described in paragraph (2)), the Secretary of Health and Human Services shall make a lump sum payment to the center equal to the difference between the aggregate payment made to the center under section 1886 of such Act (excluding outlier payments under subsection (d)(5)(A) of such section) during the period of applicability described in paragraph (3) and the aggregate payment that would have been made to the center under such section if, during the period of applicability, the center was classified a regional referral center under section 1886(d)(5)(C) of such Act.

(2) AFFECTED CENTERS DESCRIBED.—In paragraph (1), an "affected regional referral center" is a hospital classified as regional referral center under section 1886(d)(5)(C) of the Social Security Act as of September 30, 1992, that was not classified as such a center after such date but would have been so classified if the reference in section 6003(d) of OBRA–1989 to "October 1, 1992," had been deemed a reference to "October 1, 1994,".

(3) PERIOD OF APPLICABILITY.—In paragraph (1), the "period of applicability" is the period that begins on October 1, 1992, and ends on the date of the enactment of this Act.

SEC. 13416. MEDICARE-DEPENDENT, SMALL RURAL HOSPITAL PAYMENT EXTENSION.

(a) EXTENSION OF ADDITIONAL PAYMENTS.—Effective on the date of the enactment of this Act, section 1886(d)(5)(G) (42 U.S.C. 1395ww(d)(5)(G)) is amended—

(1) in clause (i) in the matter preceding subclause (I)—

(A) by inserting "(or portion thereof)" after "cost reporting period", and

(B) by striking "March 31, 1993," and all that follows and inserting the following: "September 30, 1994, in the case of a subsection (d) hospital which is a medicare-dependent, small rural hospital, payment under paragraph (1)(A) shall be equal to the sum of the amount determined under clause (ii) and the amount determined under paragraph (1)(A)(iii).";

(2) by redesignating clauses (ii) and (iii) as clauses (iii) and (iv); and

(3) by inserting after clause (i) the following new clause:

"(ii) The amount determined under this clause is—

"(I) for discharges occurring during the first 3 12-month cost reporting periods that begin on or after April 1, 1990, the amount by which the hospital's target amount for the cost reporting period (as defined in subsection (b)(3)(D)) exceeds the amount determined under paragraph (1)(A)(iii); and

"(II) for discharges occurring during any subsequent cost reporting period (or portion thereof), 50 percent of the amount by which the hospital's target amount for the cost reporting period (as defined in subsection (b)(3)(D)) exceeds the amount determined under paragraph (1)(A)(iii).".

(b) PERMITTING HOSPITALS TO DECLINE RECLASSIFICATION.—If any hospital fails to qualify as a medicare-dependent, small rural hospital under section 1886(d)(5)(G)(i) of the Social Security Act as a result of a decision by the Medicare Geographic Classification Review Board under section 1886(d)(10) of such Act to reclassify the hospital as being located in an urban area for fiscal year 1993 or fiscal year 1994, the Secretary of Health and Human Services shall—

(1) notify such hospital of such failure to qualify,

(2) provide an opportunity for such hospital to decline such reclassification, and

(3) if the hospital declines such reclassification, administer the Social Security Act (other than section 1886(d)(8)(D)) for such fiscal year as if the decision by the Review Board had not occurred.

(c) REQUIRING LUMP-SUM RETROACTIVE PAYMENT.—

(1) IN GENERAL.—In the case of a hospital treated as a medicare dependent, small rural hospital under section 1886(d)(5)(G) of the Social Security Act, the Secretary of Health and Human Services shall make a lump sum payment to the hospital equal to the difference between the aggregate payment made to the hospital under section 1886 of such Act (excluding outlier payments under subsection (d)(5)(A) of such section) during the period of applicability described in paragraph (2) and the aggregate payment that would have been made to the hospital under such section if, during the period of applicability, section 1886(d)(5)(G) of such Act had been applied as if—

(A) the reference in clause (i) to "March 31, 1993," had been deemed a reference to "September 30, 1994,"; and

(B) the amendments made by subsection (a) had been in effect.

(2) PERIOD OF APPLICABILITY.—In paragraph (1), the "period of applicability" is, with respect to a hospital, the period that begins on the first day of the hospital's first 12-month cost reporting period that begins after April 1, 1992, and ends on the date of the enactment of this Act.

SEC. 13417. EXTENSION OF REGIONAL FLOOR.

Section 1886(d)(1)(A)(iii) (42 U.S.C. 1395ww(d)(1)(A)(iii)) is amended by striking "September 30, 1993" and inserting "September 30, 1996".

SEC. 13418. EXTENSION OF RURAL HOSPITAL DEMONSTRATION.

Section 4008(i)(1) of OBRA–1990 is amended by adding at the end the following new sentence: "The Secretary shall continue any such demonstration project until at least December 31, 1995.".

SEC. 13419. HEMOPHILIA PASS-THROUGH EXTENSION.

Effective as if included in the enactment of OBRA–1989, section 6011(d) of such Act is amended by striking "2 years after the date of enactment of this Act" and inserting "September 30, 1994".

SEC. 13420. STATE HOSPITAL PAYMENT PROGRAMS.

In the case of a State hospital reimbursement system that meets the requirements of section 1814(b)(3) of the Social Security Act, no other provision of law shall be construed as preventing the system from providing that payment for services covered under the system be made on the basis of rates provided for under the system.

SEC. 13421. PSYCHOLOGY SERVICES IN HOSPITALS.

Section 1861(e)(4) (42 U.S.C. 1395x(e)(4)) is amended by striking "physician;" and inserting "physician, except that a patient receiving qualified psychologist services (as defined in subsection (ii)) may be under the care of a clinical psychologist with respect to such services to the extent permitted under State law;".

SEC. 13422. GRADUATE MEDICAL EDUCATION PAYMENTS IN HOSPITAL-OWNED COMMUNITY HEALTH CENTERS.

Section 1886(d)(5)(B)(iv) (42 U.S.C. 1395ww(d)(5)(B)(iv)) is amended by inserting after "the hospital" the following: "or providing services at any entity receiving a grant under section 330 of the Public Health Service Act that is under the ownership or control of the hospital (if the hospital incurs all, or substantially all, of the costs of the services furnished to the hospital by such interns and residents)".

SEC. 13423. TREATMENT OF CERTAIN MILITARY FACILITIES.

(a) COVERAGE OF SERVICES PROVIDED IN CERTAIN UNIFORMED SERVICES TREATMENT FACILITIES.—

(1) IN GENERAL.—The Secretary of Health and Human Services may not take any recoupment action to recover amounts that were paid by the United States under title XVIII of the Social Security Act to the facilities described in paragraph (2) (or to other individuals or entities with whom such facilities had entered into agreements to provide services under such title) for services provided during the period beginning October 1, 1986, and ending December 31, 1989, except to the extent that funds were obligated to the Uniformed Services Treatment Facilities program to fulfill such an action pursuant to title VI of the Department of Defense Appropriations Act, 1993.

(2) FACILITIES DESCRIBED.—The facilities referred to in paragraph (1) are the hospitals described in section 248c of title 42, United States Code, that are located in Boston, Massachusetts; Baltimore, Maryland; and Seattle, Washington.

(b) STUDY OF JOINT MEDICAL FACILITIES.—

(1) STUDY.—The Secretary of Health and Human Services, in consultation with the Secretary of Defense and the Secretary of Veterans Affairs, shall conduct a study of the feasibility and desirability of establishing joint medical facilities among the Department of Defense, the Department of Veterans' Affairs, and other public and private entities, and shall include in such study an analysis of the need to make changes in the medicare and medicaid programs (including facility certification standards under such programs) in order to facilitate the establishment of such joint medical facilities.

(2) REPORT.—Not later than October 1, 1993, the Secretary of Health and Human Services shall submit a report to Congress on the study conducted under paragraph (1).

SEC. 13424. EPILEPSY DRG.

(a) IN GENERAL.—The Secretary of Health and Human Services shall review the diagnosis-related groups established pursuant to section 1886(d)(4) of the Social Security Act that are assigned to discharges of patients with intractable epilepsy, including patients whose admissions involve intensive neurodiagnostic monitoring, and shall revise, for discharges occurring on or after October 1, 1994, the assignment of discharges to such groups as the Secretary considers appropriate to account for the resource requirements of such patients.

(b) CONSULTATION REQUIREMENTS.—In carrying out subsection (a), the Secretary shall consult with the Prospective Payment Assessment Commission and national organizations representing individuals with epilepsy or individuals and entities providing specialized medical services to such individuals related to the treatment of epilepsy.

SEC. 13425. SKILLED NURSING FACILITY WAGE INDEX.

(a) IN GENERAL.—Not later than 1 year after the date of the enactment of this Act, the Secretary of Health and Human Services shall begin to collect data on employee compensation and paid hours of employment in skilled nursing facilities for the purpose of constructing a skilled nursing facility wage index adjustment to the routine service cost limits required under section 1888(a)(4) of the Social Security Act.

(b) PROPAC REPORT.—The Prospective Payment Assessment Commission shall, by March 1, 1994, study and report to the Congress on the impact of applying routine per diem cost limits for skilled nursing facilities on a regional basis.

SEC. 13426. HOSPICE NOTIFICATION TO BENEFICIARIES.

(a) HOSPITALS.—Section 1861(ee)(2)(D) (42 U.S.C. 1395x(ee)(2)(D)) is amended by inserting ", including hospice services," after "post-hospital services".

(b) NURSING FACILITIES.—Section 1819(c)(1)(B) (42 U.S.C. 1395i-3(c)(1)(B)) is amended—

(1) by striking "and" at the end of clause (ii);

(2) by striking the period at the end of clause (iii) and inserting "; and"; and

(3) by inserting after clause (iii) the following new clause:

"(iv) inform each resident who is entitled to benefits under this title, orally and in writing at the time of admission to the facility, of the entitlement of individuals to hospice care under section 1812(a)(4) (unless there is no hospice program providing hospice care for which payment may be made under this title within the geographic area of the facility and it is not the common practice of the facility to refer patients to hospice programs located outside such geographic area).".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to services furnished on or after the first day of the first month beginning more than one year after the date of the enactment of this Act.

SEC. 13427. REDUCTION IN PART A PREMIUM FOR CERTAIN INDIVIDUALS WITH 30 OR MORE QUARTERS OF SOCIAL SECURITY COVERAGE.

(a) IN GENERAL.—Section 1818(d) (42 U.S.C. 1395i-2(d)) is amended—

(1) in the second sentence of paragraph (2), by striking "Such amount" and inserting "Subject to paragraph (4), the amount of an individual's monthly premium under this section"; and

(2) by adding at the end the following new paragraph:

"(4)(A) In the case of an individual described in subparagraph (B), the monthly premium for a month shall be reduced by the applicable reduction percent specified in the following table:

"For a month in:	**The applicable reduction percent is:**
1994	25
1995	30
1996	35
1997	40
1998 or subsequent year	45

"(B) An individual described in this subparagraph with respect to a month is an individual who establishes to the satisfaction of the Secretary that, as of the last day of the previous month, the individual—

"(i) had at least 30 quarters of coverage under title II;

"(ii) was married (and had been married for the previous 1 year period) to an individual who had at least 30 quarters of coverage under such title;

"(iii) had been married to an individual for a period of at least 1 year (at the time of the individual's death) if at such time the individual had at least 30 quarters of coverage under such title; and

"(iv) is divorced from an individual and had been married to the individual for a period of at least 10 years (at the time of the divorce) if at such time the individual had at least 30 quarters of coverage under such title.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to monthly premiums under section 1818 of the Social Security Act for months beginning with January 1, 1994.

SEC. 13428. PERIODIC UPDATES TO SALARY EQUIVALENCY GUIDELINES FOR PHYSICAL THERAPY AND RESPIRATORY THERAPY SERVICES.

(a) IN GENERAL.—Section 1861(v)(5) (42 U.S.C. 1395x(v)(5)) is amended by adding at the end the following new subparagraph:

"(C) Using the most recent available data, the Secretary shall update, not less often than every 3 years, the salary equivalency guidelines used under subparagraph (A) with respect to physical therapy and respiratory therapy services.".

(b) EFFECTIVE DATE.—The Secretary of Health and Human Services shall first update the salary equivalency guidelines, under the amendment made by subsection (a), by not later than December 31, 1993. Such updated guidelines shall apply to cost reporting periods beginning on or after July 1, 1993.

SEC. 13429. EXTENSION OF DEADLINE FOR APPLICATION FOR GEOGRAPHIC CLASSIFICATION FOR CERTAIN RECLASSIFIED HOSPITALS.

Notwithstanding section 1886(d)(10)(C)(ii) of the Social Security Act, a hospital may submit an application to the Medicare Geographic Classification Review Board requesting a change in geographic classification for fiscal year 1994 after the first day of fiscal year 1993 if—

(1) the hospital's geographic classification for fiscal year 1994 was changed from urban to rural as a result of the issuance of the Revised Statistical Definitions for Metropolitan Areas established by the Office of Management and Budget on December 28, 1992 (pursuant to OMB Bulletin No. 93-05); and

(2) the hospital submits the application not later than 60 days after the date of the enactment of this Act.

SEC. 13430. CLARIFICATION OF DRG PAYMENT WINDOW EXPANSION; MISCELLANEOUS AND TECHNICAL CORRECTIONS.

(a) CLARIFICATION OF DRG PAYMENT WINDOW EXPANSION.—The first sentence of section 1886(a)(4) (42 U.S.C. 1395ww(a)(4)) is further amended by striking "and includes" and inserting "and (in the case of a subsection (d) hospital) includes".

(b) TECHNICAL CORRECTION RELATING TO RESIDENT ASSESSMENT IN NURSING HOMES.—

Section 1819(b)(3)(C)(i)(I) (42 U.S.C. 1395i-3(b)(3)(C)(i)(I)) is amended by striking "not later than" before "14 days".

(c) CLERICAL CORRECTIONS.—(1) Section 1814(i)(1)(C)(i) (42 U.S.C. 1395f(i)(1)(C)(i)) is amended by striking "1990,," and inserting "1990,".

(2) Section 1816(f)(2)(A)(ii) (42 U.S.C. 1396h(f)(2)(A)(ii)) is amended by striking "such agency" and inserting "such agency's".

(3) Section 1886(d)(1)(A)(iii) (42 U.S.C. 1395ww(d)(1)(A)(iii)) is amended by striking ", the sum of" and inserting "is equal to the sum of".

CHAPTER 2—PROVISIONS RELATING TO PART B

Subchapter A—Elimination of Inflation Update

SEC. 13431. ELIMINATION OF INFLATION UPDATE FOR PHYSICIAN AND RELATED PROFESSIONAL SERVICES.

(a) NO INCREASE IN INDEX.—Section 1848(d)(3)(A) (42 U.S.C. 1395w-4(d)(3)(A)) is amended—

(1) in clause (i), by striking "clause (iii)" and inserting "clauses (iii) and (iv)", and

(2) by adding at the end the following new clause:

"(iv) NO INCREASE IN INDEX FOR 1994 OR 1995.—In applying clause (i) for services furnished on or after January 1, 1994, the percentage increase in the appropriate update index for each of 1994 and 1995 shall be 0 percent.".

(b) NO INCREASE IN MEI FOR 1994 AND 1995.—Section 1842(b)(4)(E) (42 U.S.C. 1395u(b)(4)(E)) is amended by adding at the end the following new clause:

"(vi) For purposes of this part for items and services furnished in 1994 or 1995, the percentage increase in the MEI is 0 percent.".

SEC. 13432. ELIMINATION OF COST-OF-LIVING ADJUSTMENTS FOR CERTAIN ITEMS AND SERVICES.

(a) CLINICAL LABORATORY SERVICES.—Section 1833(h)(2)(A)(ii) (42 U.S.C. 1395l(h)(2)(A)(ii)) is amended—

(1) by striking "and" at the end of subclause (II),

(2) by striking the period at the end of subclause (III) and inserting ", and", and

(3) by adding at the end the following new subclause:

"(IV) the annual adjustment in the fee schedules determined under clause (i) for each of the years 1994 and 1995 shall be 0 percent.".

(b) DURABLE MEDICAL EQUIPMENT.—Section 1834(a)(14) (42 U.S.C. 1395m(a)(14)) is amended—

(1) in subparagraph (A), as amended by 13469(a), by striking "and" at the end;

(2) in subparagraph (B)—

(A) by striking "a subsequent year" and inserting "1993", and

(B) by striking "June of the previous year." and inserting "June 1992,"; and

(3) by adding at the end the following new subparagraphs:

"(C) for 1994 and 1995, no percentage change, and

"(D) for a subsequent year, the percentage increase in the consumer price index for all urban consumers (U.S. city average) for the 12-month period ending with June of the previous year.".

(c) ORTHOTICS AND PROSTHETICS.—Section 1834(h)(4)(A) (42 U.S.C. 1395m(h)(4)(A)) is amended—

(1) in clause (i), by striking "and";

(2) in clause (ii), by striking "a subsequent year" and inserting "1992 and 1993"; and

(3) by adding at the end the following new clauses:

"(iii) for 1994 and 1995, 0 percent, and

"(iv) for a subsequent year, the percentage increase in the consumer price index for all urban consumers (United States city average) for the 12-month period ending with June of the previous year;".

(d) REASONABLE CHARGE LIMITS FOR ENTERAL AND PARENTERAL NUTRIENTS, SUPPLIES AND EQUIPMENT.—In determining the amount of payment under part B of title XVIII of the Social Security Act during 1994 and 1995, the charges determined to be reasonable with respect to parenteral and enteral nutrients, supplies, and equipment may not exceed the charges determined to be reasonable with respect to such nutrients, supplies, and equipment during 1993.

SEC. 13433. AMBULATORY SURGICAL CENTER SERVICES.

(a) ELIMINATION OF INFLATION UPDATE.—The Secretary of Health and Human Services shall not provide for any inflation update in the payment amounts under subparagraphs (A) and (B) of section 1833(i)(2) of the Social Security Act for fiscal year 1994 or for fiscal year 1995.

(b) CONFORMING AMENDMENT.—Section 1833(i)(2)(C) (42 U.S.C. 1395l(i)(2)(C)), as added by section 13453(a)(2)(B), is amended by striking "fiscal year 1995" and inserting "fiscal year 1996".

SEC. 13434. OTHER ITEMS AND SERVICES UNDER PART B.

(a) RURAL HEALTH CLINIC SERVICES; FEDERALLY-QUALIFIED HEALTH CENTER SERVICES; COMPREHENSIVE OUTPATIENT REHABILITATION FACILITY SERVICES.—In determining the amount of payment made for rural health clinic services, Federally qualified health center services, or comprehensive outpatient rehabilitation facility services furnished under part B of title XVIII of the Social Security Act for services furnished on or after January 1, 1994, the Secretary of Health and Human Services shall provide that any inflation update, in the applicable limits used to determine the costs which are reasonable and related to the cost of furnishing such services under section 1833(a)(3) of such Act, that would otherwise have applied for 1994 or for 1995 shall be deemed to be 0 percent.

(b) DIALYSIS SERVICES.—In determining the amount of payment made for dialysis services furnished under part B of title XVIII of the Social Security Act on or after January 1, 1994, the Secretary of Health and Human Services shall provide that any inflation update, in the payment amounts determined under section 1881(b)(2)(B) of such Act or the rates determined under section 1881(b)(7) of such Act, that would otherwise have applied for 1994 or for 1995 shall be deemed to be 0 percent.

(c) OTHER PART B ITEMS AND SERVICES.—In determining the amount of payment made for an item or service furnished under part B of title XVIII of the Social Security Act on or after January 1, 1994, other than an item or service to which a preceding provision of (or amendment made by) this subchapter applies, the Secretary of Health and Human Services shall provide that any inflation update in the fee schedule amount for the item or service established under such part B of such title, or (if applicable) any applicable limit used to determine the actual charge, reasonable charge, or reasonable cost for the item or service under such part, that would otherwise have applied for 1994 or for 1995 shall be deemed to be 0 percent.

Subchapter B—Physicians' Services

SEC. 13441. REINSTATING SEPARATE PAYMENT FOR THE INTERPRETATION OF ELECTROCARDIOGRAMS (EKGS).

(a) IN GENERAL.—Paragraph (3) of section 1848(b) (42 U.S.C. 1395w-4(b)) is amended to read as follows:

"(3) TREATMENT OF INTERPRETATION OF ELECTROCARDIOGRAMS.—The Secretary—

"(A) shall make separate payment under this section for the interpretation of electrocardiograms performed or ordered to be performed as part of or in conjunction with a visit to or a consultation with a physician, and

"(B) shall adjust the relative values established for visits and consultations under subsection (c) so as not to include relative value units for interpretations of electrocardiograms in the relative value for visits and consultations.".

(b) ASSURING BUDGET NEUTRALITY.—Section 1848(c)(2) (42 U.S.C. 1395w-4(c)(2)) is amended by adding at the end the following new subparagraph:

"(E) BUDGET NEUTRALITY ADJUSTMENTS.—The Secretary—

"(i) shall reduce the relative values for all services (other than anesthesia services) established under this paragraph (and, in the case of anesthesia services, the conversion factor established by the Secretary for such services) by such percentage as the Secretary determines to be necessary so that, beginning in 1996, the amendment made by section 13441(a) of the Omnibus Budget Reconciliation Act of 1993 would not result in expenditures under this section that exceed the amount of such expenditures that would have been made if such amendment had not been made, and

"(ii) shall reduce the amounts determined under subsection (a)(2)(B)(i)(I) by such percentage as the Secretary determines to be required to assure that, taking into account the reductions made under clause (i), the amendment made by section 13441(a) of the Omnibus Budget Reconciliation Act of 1993 would not result in expenditures under this section in 1993 that exceed the amount of such expenditures that would have been made if such amendment had not been made.".

(c) CONFORMING AMENDMENTS.—Section 1848 (42 U.S.C. 1395w-4) is amended—

(1) in subsection (a)(2)(B)(i)(I), by inserting "and as adjusted under subsection (c)(2)(E)(ii)" after "for 1993";

(2) in subsection (c)(2)(A)(i), by adding at the end the following: "Such relative values are subject to adjustment under subparagraph (E)(i)."; and

(3) in subsection (i)(1)(B), by adding at the end "including adjustments under subsection (c)(2)(E),".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to services furnished on or after January 1, 1994.

SEC. 13442. PAYMENTS FOR NEW PHYSICIANS AND PRACTITIONERS.

(a) EQUAL TREATMENT OF NEW PHYSICIANS AND PRACTITIONERS.—(1) Section 1848(a) (42 U.S.C. 1395w-4(a)) is amended by striking paragraph (4).

(2) Section 1842(b)(4) (42 U.S.C. 1395u(b)(4)) is amended by striking subparagraph (F).

(b) BUDGET NEUTRALITY ADJUSTMENT.—Notwithstanding any other provision of law, the Secretary of Health and Human Services shall reduce the following values and amounts for 1993 (to be applied for that year and subsequent years) by such uniform percentage as the Secretary determines to be required to assure that the amendments made by subsection (a) will not result in expenditures under part B of title XVIII of the Social Security Act in 1993 that exceed the amount of such expenditures that would have been made if such amendments had not been made:

(1) The relative values established under section 1848(c) of such Act for services (other than anesthesia services) and, in the case of anesthesia services, the conversion factor established under section 1848 of such Act for such services.

(2) The amounts determined under section 1848(a)(2)(B)(i)(I) of such Act.

(3) The prevailing charges or fee schedule amounts to be applied under such part for services of a health care practitioner (as defined in section 1842(b)(4)(F)(ii)(I) of such Act, as in effect before the date of the enactment of this Act).

(c) Conforming Amendments.—Section 1848 (42 U.S.C. 1395w-4), as amended by section 13441(c), is amended—

(1) in subsection (a)(2)(B)(i)(I), by inserting "and section 13442(b) of the Omnibus Budget Reconciliation Act of 1993" after "(c)(2)(E)(ii)" after "for 1993";

(2) in subsection (c)(2)(A)(i), by inserting "and section 13442(b) of the Omnibus Budget Reconciliation Act of 1993" after "under subparagraph (E)(i)"; and

(3) in subsection (i)(1)(B), by inserting "and section 13442(b) of the Omnibus Budget Reconciliation Act of 1993" after "under subsection (c)(2)(E)".

(d) Effective Date.—The amendments made by subsection (a) shall apply to services furnished on or after January 1, 1994.

SEC. 13443. RETAINING PAYMENT FOR ACTUAL ANESTHESIA TIME.

(a) Physicians' Services.—Section 1848(b)(2)(B) (42 U.S.C. 1395w-4(b)(2)(B)) is amended by adding at the end the following: "The Secretary may not modify the methodology in effect as of January 1, 1992, for determining the amount of time that may be billed for such services under this section.".

(b) Services of Certified Registered Nurse Anesthetists.—Section 1833(l)(1)(B) (42 U.S.C. 1395l(l)(1)(B)) is amended by adding at the end the following: "The Secretary may not modify the methodology in effect as of January 1, 1992, for determining the amount of time that may be billed for such services under this section.".

(c) Effective Date.—The amendments made by this section shall take apply to services furnished on or after the date of the enactment of this Act.

SEC. 13444. GEOGRAPHIC COST OF PRACTICE INDEX REFINEMENTS.

(a) Requiring Consultation with Representatives of Physicians in Reviewing Geographic Adjustment Factors.—Section 1848(e)(1)(C) (42 U.S.C. 1395w-4(e)(1)(C)) is amended by striking "shall review" and inserting "shall, in consultation with appropriate representatives of physicians, review".

(b) Use of Most Recent Data In Geographic Adjustment.—Section 1848(e)(1) (42 U.S.C. 1395w-4(e)(1)) is amended by adding at the end the following new subparagraph:

"(D) Use of recent data.—In establishing indices and index values under this paragraph, the Secretary shall use the most recent data available relating to practice expenses, malpractice expenses, and physician work effort in different fee schedule areas.".

(c) Deadline for Initial Review and Revision.—The Secretary of Health and Human Services shall first review and revise geographic adjustment factors under section 1848(e)(1)(C) of the Social Security Act by not later than January 1, 1995. Not later than April 1, 1994, the Secretary shall study and report to report to the Committee on Finance of the Senate and the Committee on Ways and Means and the Committee on Energy and Commerce of the House of Representatives on the construction of the geographic cost of practice index under section 1848(e)(1)(A)(i) of such Act.

(d) Report on Review Process.—Not later than 1 year after the date of the enactment of this Act, the Secretary of Health and Human Services shall study and report to the Committee on Finance of the Senate and the Committee on Ways and Means and the Committee on Energy and Commerce of the House of Representatives on—

(1) the data necessary to review and revise the indices established under section 1848(e)(1)(A) of the Social Security Act, including—

(A) the shares allocated to physicians' work effort, practice expenses (other than malpractice expenses), and malpractice expenses;

(B) the weights assigned to the input components of such shares; and

(C) the index values assigned to such components;

(2) any limitations on the availability of data necessary to review and revise such indices at least every three years;

(3) ways of addressing such limitations, with particular attention to the development of alternative data sources for input components for which current index values are based on data collected less frequently than every three years; and

(4) the costs of developing more accurate and timely data.

(e) Development of Criteria for Use in Determining Payment Localities.—The Physician Payment Review Commission shall conduct a study to develop criteria that would be used to refine the fee schedule areas that are used within States, in applying geographic adjustment factors for computing payment amounts, under section 1848 of the Social Security Act. The Commission shall include a report on such study in its recommendations submitted to the Congress under section 1845(b) of such Act in 1994.

SEC. 13445. EXTRA-BILLING.

(a) Enforcement and Uniform Application.—

(1) Enforcement.—Paragraph (1) of section 1848(g) (42 U.S.C. 1395w-4(g)) is amended to read as follows:

"(1) Limitation on actual charges.—

"(A) In general.—In the case of a nonparticipating physician or nonparticipating supplier or other person (as defined in section 1842(i)(2)) who does not accept payment on an assignment-related basis for a physician's service furnished with respect to an individual enrolled under this part, the following rules apply:

"(i) Application of limiting charge.—No person may bill or collect an actual charge for the service in excess of the limiting charge described in paragraph (2) for such service.

"(ii) No liability for excess charges.—No person is liable for payment of any amounts billed for the service in excess of such limiting charge.

"(iii) Correction of excess charges.—If such a physician, supplier, or other person bills, but does not collect, an actual charge for a service in violation of clause (i), the physician, supplier, or other person shall reduce on a timely basis the actual charge billed for the service to an amount not to exceed the limiting charge for the service.

"(iv) Refund of excess collections.—If such a physician, supplier, or other person collects an actual charge for a service in violation of clause (i), the physician, supplier, or other person shall provide on a timely basis a refund to the individual charged in the amount by which the amount collected exceeded the limiting charge for the service. The amount of such a refund shall be reduced to the extent the individual has an outstanding balance owed by the individual to the physician.

"(B) Sanctions.—If a physician, supplier, or other person—

"(i) knowingly and willfully bills or collects for services in violation of subparagraph (A)(i) on a repeated basis, or

"(ii) fails to comply with clause (iii) or (iv) of subparagraph (A) on a timely basis,

the Secretary may apply sanctions against the physician, supplier, or other person in accordance with paragraph (2) of section 1842(j). In applying this subparagraph, paragraph (4) of such section applies in the same manner as such paragraph applies to such section and any reference in such section to a physician is deemed also to include a reference to a supplier or other person under this subparagraph.

"(C) Timely basis.—For purposes of this paragraph, a correction of a bill for an excess charge or refund of an amount with respect to a violation of subparagraph (A)(i) in the case of a service is considered to be provided 'on a timely basis', if the reduction or refund is made not later than 30 days after the date the physician, supplier, or other person is notified by the carrier under this part of such violation and of the requirements of subparagraph (A).".

(2) Uniform application of extra-billing limits to physicians' services.—

(A) In general.—Section 1848(g)(2)(C) (42 U.S.C. 1395w-4(g)(2)(C)) is amended by inserting "or for nonparticipating suppliers or other persons" after "nonparticipating physicians".

(B) Conforming definition.—Section 1842(i)(2) (42 U.S.C. 1395u(i)(2)) is amended—

(i) by striking ", and the term" and inserting "; the term", and

(ii) by inserting before the period at the end the following: "; and the term 'nonparticipating supplier or other person' means a supplier or other person (excluding a provider of services) that is not a participating physician or supplier (as defined in subsection (h)(1))".

(b) Pre-Payment Screening of Claims.—Subparagraph (G) of section 1842(b)(3) (42 U.S.C. 1395u(b)(3)) is amended to read as follows:

"(G) will, for a service that is furnished with respect to an individual enrolled under this part, that is not paid on an assignment-related basis, and that is subject to a limiting charge under section 1848(g)—

"(i) determine, prior to making payment, whether the amount billed for such service exceeds the limiting charge applicable under section 1848(g)(2);

"(ii) notify the physician, supplier, or other person periodically (but not less often than once every 30 days) of determinations that amounts billed exceeded such applicable limiting charges; and

"(iii) provide for prompt response to inquiries of physicians, suppliers, and other persons concerning the accuracy of such limiting charges for their services;".

(c) Information on Extra-Billing Limits.—

(1) Part of explanation of medicare benefits.—Section 1842(h)(7) (42 U.S.C. 1395u(h)(7)) is amended—

(A) by striking "and" at the end of subparagraph (B),

(B) in subparagraph (C), by striking "shall include" and by striking the period at the end and inserting ", and", and

(C) by adding at the end the following new subparagraph:

"(D) in the case of services for which the billed amount exceeds the limiting charge imposed under section 1848(g), information regarding such applicable limiting charge (including information concerning the right to a refund under section 1848(g)(1)(A)(iv)).".

(2) REPORT ON CHARGES IN EXCESS OF LIMITING CHARGE.—Section 1848(g)(6)(B) (42 U.S.C. 1395w–4(g)(6)(B)) is amended by inserting "the extent to which actual charges exceed limiting charges, the number and types of services involved, and the average amount of excess charges and" after "report to the Congress".

(d) APPLYING THE LIMITING CHARGE TO NONPHYSICIAN SERVICES PROVIDED UNDER THE PHYSICIAN FEE SCHEDULE.—Section 1848 (42 U.S.C. 1395w–4) is amended—

(1) in subsection (a)(3), by inserting "AND SUPPLIERS" after "PHYSICIANS", and by inserting "or a nonparticipating supplier or other person" after "nonparticipating physician" and by adding at the end the following: "In the case of physicians' services (including services which the Secretary excludes pursuant to subsection (j)(3)) of a nonparticipating physician, supplier, or other person for which payment is made under this part on a basis other than the fee schedule amount, the payment shall be based on 95 percent of the payment basis for such services furnished by a participating physician, supplier, or other person.";

(2) in subsection (g)(1)(A), as amended by subsection (a), in the matter before clause (i), by inserting "(including services which the Secretary excludes pursuant to subsection (j)(3))" after "a physician's service";

(3) in subsection (g)(2)(D), by inserting "(or, if payment under this part is made on a basis other than the fee schedule under this section, 95 percent of the other payment basis)" after "subsection (a)";

(4) in subsection (g)(3)(B)—

(A) by inserting after the first sentence the following: "No person is liable for payment of any amounts billed for such a service in violation of the previous sentence.", and

(B) in the last sentence, by striking "previous sentence" and inserting "first sentence";

(5) in subsection (h)—

(A) by inserting "or nonparticipating supplier or other person furnishing physicians' services (as defined in section 1848(j)(3))" after "physician" the first place it appears,

(B) by inserting ", supplier, or other person" after "physician" the second place it appears, and

(C) by inserting ", suppliers, and other persons" after "physicians" the second place it appears; and

(6) in subsection (j)(3), by inserting ", except for purposes of subsections (a)(3), (g), and (h)" after "tests and".

(e) CLARIFICATION OF MANDATORY ASSIGNMENT RULES FOR CERTAIN PRACTITIONERS.—

(1) IN GENERAL.—Section 1842(b) (42 U.S.C. 1395u(b)), as amended by section 13449(e), is amended by adding at the end the following new paragraph:

"(18)(A) Payment for any service furnished by a practitioner described in subparagraph (C) and for which payment may be made under this part on a reasonable charge or fee schedule basis may only be made under this part on an assignment-related basis.

"(B) A practitioner described in subparagraph (C) or other person may not bill (or collect any amount from) the individual or another person for any service described in subparagraph (A), except for deductible and coinsurance amounts applicable under this part. No person is liable for payment of any amounts billed for such a service in violation of the previous sentence. If a practitioner or other person knowingly and willfully bills (or collects an amount) for such a service in violation of such sentence, the Secretary may apply sanctions against the practitioner or other person in the same manner as the Secretary may apply sanctions against a physician in accordance with section 1842(j)(2) in the same manner as such section applies with respect to a physician. Paragraph (4) of section 1842(j) shall apply in this subparagraph in the same manner as such paragraph applies to such section.

"(C) A practitioner described in this subparagraph is any of the following:

"(i) A physician assistant, nurse practitioner, or clinical nurse specialist (as defined in section 1861(aa)(5)).

"(ii) A certified registered nurse anesthetist (as defined in section 1861(bb)(2)).

"(iii) A certified nurse-midwife (as defined in section 1861(gg)(2)).

"(iv) A clinical social worker (as defined in section 1861(hh)(1)).

"(v) A clinical psychologist (as defined by the Secretary for purposes of section 1861(ii)).

"(D) For purposes of this paragraph, a service furnished by a practitioner described in subparagraph (C) includes any services and supplies furnished as incident to the service as would otherwise be covered under this part if furnished by a physician or as incident to a physician's service.".

(2) CONFORMING AMENDMENTS.—

(A) Section 1833 (42 U.S.C. 1395l) is amended—

(i) in subsection (l)(5), by striking subparagraph (B) and redesignating subparagraph (C) as subparagraph (B);

(ii) by striking subsection (p); and

(iii) in subsection (r), by striking paragraph (3) and redesignating paragraph (4) as paragraph (3).

(B) Section 1842(b)(12) (42 U.S.C. 1395u(b)(12)) is amended by striking subparagraph (C).

(f) MISCELLANEOUS AND TECHNICAL AMENDMENTS.—Section 1833 (42 U.S.C. 1395l) is amended—

(1) in subsection (a)(1), as amended by section 13479(e)(2)—

(A) by striking "and" before "(O)", and

(B) by inserting before the semicolon at the end the following: ", and (P) with respect to services described in clauses (i), (ii) and (iv) of section 1861(s)(2)(K), the amounts paid are subject to the provisions of section 1842(b)(12)"; and

(2) in subsection (h)(5)(D)—

(A) by striking "paragraphs (2) and (3)" and by inserting "paragraph (2)", and

(B) by adding at the end the following: "Paragraph (4) of such section shall apply in this subparagraph in the same manner as such paragraph applies to such section.".

(g) EFFECTIVE DATES.—

(1) ENFORCEMENT AND UNIFORM APPLICATION; MISCELLANEOUS AND TECHNICAL AMENDMENTS.—The amendments made by subsections (a), (d), and (f) shall apply to services furnished on or after the date of the enactment of this Act; except that such amendments made by subsections (a) and (d) shall not apply to services of a nonparticipating supplier or other person furnished before January 1, 1994.

(2) CARRIER DETERMINATIONS.—The amendments made by subsection (b) shall apply to contracts as of January 1, 1994.

(3) EOMBS.—The amendments made by subsection (c)(1) shall apply to explanations of benefits provided on or after January 1, 1994.

(4) REPORT.—The amendment made by subsection (c)(2) shall apply to reports for years beginning with 1994.

(5) PRACTITIONERS.—The amendments made by subsection (e) shall apply to services furnished on or after January 1, 1994.

SEC. 13446. RELATIVE VALUES FOR PEDIATRIC SERVICES.

(a) IN GENERAL.—The Secretary of Health and Human Services shall fully develop, by not later than July 1, 1994, relative values for the full range of pediatric physicians' services which are consistent with the relative values developed for other physicians' services under section 1848(c) of the Social Security Act. In developing such values, the Secretary shall conduct such refinements as may be necessary to produce appropriate estimates for such relative values.

(b) STUDY.—

(1) IN GENERAL.—The Secretary shall conduct a study of the relative values for pediatric and other services to determine whether there are significant variations in the resources used in providing similar services to different populations. In conducting such study, the Secretary shall consult with appropriate organizations representing pediatricians and other physicians.

(2) REPORT.—Not later than July 1, 1994, the Secretary shall submit to Congress a report on the study conducted under paragraph (1). Such report shall include any appropriate recommendations regarding needed changes in coding or other payment policies to ensure that payments for pediatric services appropriately reflect the resources required to provide these services.

SEC. 13447. ANTIGENS UNDER PHYSICIAN FEE SCHEDULE.

(a) IN GENERAL.—Section 1848(j)(3) (42 U.S.C. 1395w–4(j)(3)) is amended by inserting "(2)(G)," after "(2)(D),".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to services furnished on or after January 1, 1995.

SEC. 13448. ADMINISTRATION OF CLAIMS RELATING TO PHYSICIANS' SERVICES.

(a) LIMITATION ON CARRIER USER FEES.—Section 1842(c) (42 U.S.C. 1395u(c)) is amended by adding at the end the following new paragraph:

"(4) Neither a carrier nor the Secretary may impose a fee under this title—

"(A) for the filing of claims related to physicians' services,

"(B) for an error in filing a claim relating to physicians' services or for such a claim which is denied,

"(C) for any appeal under this title with respect to physicians' services,

"(D) for applying for (or obtaining) a unique identifier under subsection (r), or

"(E) for responding to inquiries respecting physicians' services or for providing information with respect to medical review of such services.".

(b) CLARIFICATION OF PERMISSIBLE SUBSTITUTE BILLING ARRANGEMENTS.—

(1) IN GENERAL.—Clause (D) of section 1842(b)(6) (42 U.S.C. 1395u(b)(6)), as amended by section 13449(f), is amended to read as follows: "(D) payment may be made to a physician for physicians' services (and services furnished incident to such services) furnished by a second physician to patients of the first physician if (i) the first physician is

unavailable to provide the services; (ii) the services are furnished pursuant to an arrangement between the two physicians that (I) is informal and reciprocal, or (II) involves per diem or other fee-for-time compensation for such services; (iii) the services are not provided by the second physician over a continuous period of more than 60 days; and (iv) the claim form submitted to the carrier for such services includes the second physician's unique identifier (provided under the system established under subsection (r)) and indicates that the claim meets the requirements of this clause for payment to the first physician".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to services furnished on or after the first day of the first month beginning more than 60 days after the date of the enactment of this Act.

SEC. 13449. MISCELLANEOUS AND TECHNICAL CORRECTIONS.

(a) OVERVALUED PROCEDURES (SECTION 4101 OF OBRA-1990).—(1) Section 1842(b)(16)(B)(iii) (42 U.S.C. 1395u(b)(16)(B)(iii)) is amended—

(A) by striking ", simple and subcutaneous",

(B) by striking "; small" and inserting "and small",

(C) by striking "treatments;" the first place it appears and inserting "and",

(D) by striking "lobectomy;",

(E) by striking "enterectomy; colectomy; cholecystectomy;",

(F) by striking "; transurerethral resection" and inserting "and resection", and

(G) by striking "sacral laminectomy;".

(2) Section 4101(b)(2) of OBRA-1990 is amended—

(A) in the matter before subparagraph (A), by striking "1842(b)(16)" and inserting "1842(b)(16)(B)", and

(B) in subparagraph (B)—

(i) by striking ", simple and subcutaneous",

(ii) by striking "(HCPCS codes 19160 and 19162)" and inserting "(HCPCS code 19160)", and

(iii) by striking all that follows "(HCPCS codes 92250" and inserting "and 92260).".

(b) RADIOLOGY SERVICES (SECTION 4102 OF OBRA-1990).—(1) Section 1834(b)(4) (42 U.S.C. 1395m(b)(4)) is amended by redesignating subparagraphs (E) and (F) as subparagraphs (F) and (G), respectively.

(2) Section 1834(b)(4)(D) (42 U.S.C. 1395m(b)(4)(D)) is amended—

(A) in the matter before clause (i), by striking "shall be determined as follows:" and inserting "shall, subject to clause (vii), be reduced to the adjusted conversion factor for the locality determined as follows:",

(B) in clause (iv), by striking "LOCAL ADJUSTMENT.—Subject to clause (vii), the conversion factor to be applied to" and inserting "ADJUSTED CONVERSION FACTOR.—The adjusted conversion factor for",

(C) in clause (vii), by striking "under this subparagraph", and

(D) in clause (vii), by inserting "reduced under this subparagraph by" after "shall not be".

(3) Section 4102(c)(2) of OBRA-1990 is amended by striking "radiology services" and all that follows and inserting "nuclear medicine services.".

(4) Section 4102(d) of OBRA-1990 is amended by striking "new paragraph" and inserting "new subparagraph".

(5) Section 1834(b)(4)(E) (42 U.S.C. 1395m(b)(4)(E)) is amended by inserting "RULE FOR CERTAIN SCANNING SERVICES.—" after "(E)".

(6) Section 1848(a)(2)(D)(iii) (42 U.S.C. 1395w-4(a)(2)(D)(iii)) is amended by striking "that are subject to section 6105(b) of the Omnibus Budget Reconciliation Act of 1989" and by striking "provided under such section" and inserting "provided under section 6105(b) of the Omnibus Budget Reconciliation Act of 1989".

(c) ANESTHESIA SERVICES (SECTION 4103 OF OBRA-1990).—(1) Section 4103(a) of OBRA-1990 is amended by striking "REDUCTION IN FEE SCHEDULE" and inserting "REDUCTION IN PREVAILING CHARGES".

(2) Section 1842(q)(1)(B) (42 U.S.C. 1395u(q)(1)(B)) is amended—

(A) in the matter before clause (i), by striking "shall be determined as follows:" and inserting "shall, subject to clause (iv), be reduced to the adjusted prevailing charge conversion factor for the locality determined as follows:", and

(B) in clause (iii), by striking "Subject to clause (iv), the prevailing charge conversion factor to be applied in" and inserting "The adjusted prevailing charge conversion factor for".

(d) ASSISTANTS AT SURGERY (SECTION 4107 OF OBRA-1990).—(1) Section 4107(c) of OBRA-1990 is amended by inserting "(a)(1)" after "subsection".

(2) Section 4107(a)(2) of OBRA-1990 is amended by adding at the end the following: "In applying section 1848(g)(2)(D) of the Social Security Act for services of an assistant-at-surgery furnished during 1991, the recognized payment amount shall not exceed the maximum amount specified under section 1848(i)(2)(A) of such Act (as applied under this paragraph in such year).".

(e) TECHNICAL COMPONENTS OF DIAGNOSTIC SERVICES (SECTION 4108 OF OBRA-1990).—Section 1842(b) (42 U.S.C. 1395u(b)) is amended by redesignating paragraph (18), as added by section 4108(a) of OBRA-1990, as paragraph (17) and, in such paragraph, by inserting ", tests specified in paragraph (14)(C)(i)," after "diagnostic laboratory tests".

(f) RECIPROCAL BILLING ARRANGEMENTS (SECTION 4110 OF OBRA-1990).—Section 1842(b)(6)(D) (42 U.S.C. 1395u(b)(6)(D)) is amended—

(1) by striking "visit services (including emergency visits and related services)" and inserting "physicians' services (and services furnished incident to such services)";

(2) by striking "on an occasional, reciprocal basis" and inserting "under an arrangement that is informal and reciprocal or involves per diem or other fee-for-time compensation for services";

(3) by striking "visit" in subclauses (i), (ii), and (iv); and

(4) in subclause (iii), by striking "the claim" and all that follows through the comma at the end and inserting "the claim meets the requirements of this clause for payment to the first physician".

(g) STUDY OF AGGREGATION RULE FOR CLAIMS OF SIMILAR PHYSICIAN SERVICES (SECTION 4113 OF OBRA-1990).—Section 4113 of OBRA-1990 is amended—

(1) by inserting "of the Social Security Act" after "1869(b)(2)"; and

(2) by striking "December 31, 1992" and inserting "December 31, 1993".

(h) STATEWIDE FEE SCHEDULES (SECTION 4117 OF OBRA-1990).—Section 4117 of OBRA-1990 is amended—

(1) in subsection (a)—

(A) by striking "IN GENERAL.—", and

(B) by striking ", if the" and all that follows through "1991, "; and

(2) by striking subsections (b), (c), and (d).

(i) OTHER MISCELLANEOUS AND TECHNICAL AMENDMENTS.—(1) The heading of section 1834(f) (42 U.S.C. 1395m(f)) is amended by striking "FISCAL YEAR".

(2)(A) Section 4105(b) of OBRA-1990 is amended—

(i) in paragraph (2), by striking "amendments" and inserting "amendment", and

(ii) in paragraph (3), by striking "amendments made by paragraphs (1) and (2)" and inserting "amendment made by paragraph (1)".

(B) Section 1848(f)(2)(C) (42 U.S.C. 1395w-4(f)(2)(C)) is amended by inserting "PERFORMANCE STANDARD RATES OF INCREASE FOR FISCAL YEAR 1991.—" after "(C)".

(C) Section 4105(d) of OBRA-1990 is amended by inserting "PUBLICATION OF PERFORMANCE STANDARD RATES.—" after "(d)".

(3) Section 1842(b)(4)(F) (42 U.S.C. 1395u(b)(4)(F)) is amended—

(A) in clause (i), by striking "prevailing charge" the first place it appears and inserting "customary charge"; and

(B) in clause (ii)(III), by striking "second, third, and fourth" and inserting "first, second, and third".

(4) Section 1842(b)(4)(F)(ii)(I) (42 U.S.C. 1395u(b)(4)(F)(ii)(I)) is amended by striking "respiratory therapist,".

(5) Section 4106(c) of OBRA-1990 is amended by inserting "of the Social Security Act" after "1848(d)(1)(B)".

(6) Section 4114 of OBRA-1990 is amended by striking "patients" the second place it appears.

(7) Section 1848(e)(1)(C) (42 U.S.C. 1395w-4(e)(1)(C)) is amended by inserting "date of the" after "since the".

(8) Section 4118(f)(1)(D) of OBRA-1990 is amended by striking "is amended".

(9) Section 4118(f)(1)(N)(ii) of OBRA-1990 is amended by striking "subsection (f)(5)(A)" and inserting "subsection (f)(5)(A))".

(10) Section 1845(e) (42 U.S.C. 1395w-1(e)) is amended—

(A) by striking paragraph (2); and

(B) by redesignating paragraphs (3), (4), and (5) as paragraphs (2), (3), and (4).

(11) Section 4118(j)(2) of OBRA-1990 is amended by striking "In section" and inserting "Section".

(12)(A) Section 1848(i)(3) (42 U.S.C. 1395w-4(i)(3)) is amended by striking the space before the period at the end.

(B) Section 1834(a)(10)(B) (42 U.S.C. 1395m(a)(10)(B)) is amended—

(i) by striking "apply to" and inserting "would otherwise apply to", and

(ii) by inserting before the period at the end "but for the application of section 1848(i)(3)".

(j) EFFECTIVE DATE.—The amendments made by this section and the provisions of this section shall take effect as if included in the enactment of OBRA-1990.

Subchapter C—Ambulatory Surgical Center Services

SEC. 13451. DESIGNATION OF CERTAIN HOSPITALS AS EYE OR EYE AND EAR HOSPITALS.

(a) IN GENERAL.—Section 1833(i) (42 U.S.C. 1395l(i)) is amended—

(1) in subparagraph (B)(ii)—

(A) by striking "the last sentence of this clause" and inserting "paragraph (4)", and

(B) by striking the last sentence; and

(2) by inserting after paragraph (3) the following new paragraph:

"(4)(A) In the case of a hospital that—

"(i) makes application to the Secretary and demonstrates that it specializes in eye services or eye and ear services (as determined by the Secretary),

"(ii) receives more than 30 percent of its total revenues from outpatient services, and

"(iii) on October 1, 1987—

"(I) was an eye specialty hospital or an eye and ear specialty hospital, or

"(II) was operated as an eye or eye and ear unit (as defined in subparagraph (B)) of a general acute care hospital which, on the date of the application described in clause (i), operates less than 20 percent of the beds that the hospital operated on October 1, 1987, and has sold or otherwise disposed of a substantial portion of the hospital's other acute care operations,

the cost proportion and ASC proportion in effect under subclauses (I) and (II) of paragraph (2)(B)(ii) for cost reporting periods beginning in fiscal year 1988 shall remain in effect for cost reporting periods beginning on or after October 1, 1988, and before January 1, 1995.

"(B) For purposes of this subparagraph (A)(iii)(II), the term 'eye or eye and ear unit' means a physically separate or distinct unit containing separate surgical suites devoted solely to eye or eye and ear services.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to portions of cost reporting periods beginning on or after January 1, 1994.

SEC. 13452. TREATMENT OF INTRAOCULAR LENSES.

(a) EXTENSION OF CAP ON PAYMENTS THROUGH 1994.—

(1) IN GENERAL.—Section 4151(c)(3) of OBRA-1990 is amended by striking "December 31, 1992" and inserting "December 31, 1994".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) this subsection shall be effective as if included in the enactment of OBRA-1990.

(b) STUDY OF COSTS OF INTRAOCULAR LENSES.—

(1) STUDY.—The Secretary of Health and Human Services shall conduct a study, based on recent data, of the acquisition costs to providers of intraocular lenses provided to individuals enrolled under part B of the medicare program and shall include in the study an analysis of the impact of the availability of new technology lenses on such costs.

(2) REPORT.—Not later than 1 year after the date of the enactment of this Act, the Secretary shall submit a report on the study conducted under paragraph (1) to the Committee on Finance of the Senate and the Committees on Ways and Means and Energy and Commerce of the House of Representatives, and shall include in the report any recommendations the Secretary considers appropriate regarding the determination of payment amounts for intraocular lenses under part B of the medicare program.

SEC. 13453. TECHNICAL AMENDMENTS.

(a) PAYMENT AMOUNTS FOR SERVICES FURNISHED IN AMBULATORY SURGICAL CENTERS.—

(1) USE OF SURVEY TO DETERMINE INCURRED COSTS.—Section 1833(i)(2)(A)(i) (42 U.S.C. 1395l(i)(2)(A)(i)) is amended by striking the comma at the end and inserting the following: ", as determined in accordance with a survey (based upon a representative sample of procedures and facilities) taken not later than January 1, 1994, and every 5 years thereafter, of the actual audited costs incurred by such centers in providing such services,".

(2) AUTOMATIC APPLICATION OF INFLATION ADJUSTMENT.—Section 1833(i)(2) (42 U.S.C. 1395l(i)(2)) is amended—

(A) in the second sentence of subparagraph (A) and the second sentence of subparagraph (B), by striking "and may be adjusted by the Secretary, when appropriate,"; and

(B) by adding at the end the following new subparagraph:

"(C) Notwithstanding the second sentence of subparagraph (A) or the second sentence of subparagraph (B), if the Secretary has not updated amounts established under such subparagraphs with respect to facility services furnished during a fiscal year (beginning with fiscal year 1995), such amounts shall be increased by the percentage increase in the consumer price index for all urban consumers (U.S. city average) for the 12-month period ending with March of the preceding fiscal year.".

(3) CONSULTATION REQUIREMENT.—The second sentence of section 1833(i)(1) (42 U.S.C. 1395l(i)(1)) is amended by striking the period and inserting the following: ", in consultation with appropriate trade and professional organizations.".

(b) ADJUSTMENTS TO PAYMENT AMOUNTS FOR NEW TECHNOLOGY INTRAOCULAR LENSES.—

(1) ESTABLISHMENT OF PROCESS FOR REVIEW OF AMOUNTS.—Not later than 1 year after the date of the enactment of this Act, the Secretary of Health and Human Services (in this subsection referred to as the "Secretary") shall develop and implement a process under which interested parties may request review by the Secretary of the appropriateness of the reimbursement amount provided under section 1833(i)(2)(A)(iii) of the Social Security Act with respect to a class of new technology intraocular lenses. For purposes of the preceding sentence, an intraocular lens may not be treated as a new technology lens unless it has been approved by the Food and Drug Administration.

(2) FACTORS CONSIDERED.—In determining whether to provide an adjustment of payment with respect to a particular lens under paragraph (1), the Secretary shall take into account whether use of the lens is likely to result in reduced risk of intraoperative or postoperative complication or trauma, accelerated postoperative recovery, reduced induced astigmatism, improved postoperative visual acuity, more stable postoperative vision, or other comparable clinical advantages.

(3) NOTICE AND COMMENT.—The Secretary shall publish notice in the Federal Register from time to time (but no less often than once each year) of a list of the requests that the Secretary has received for review under this subsection, and shall provide for a 30-day comment period on the lenses that are the subjects of the requests contained in such notice. The Secretary shall publish a notice of his determinations with respect to intraocular lenses listed in the notice within 90 days after the close of the comment period.

(4) EFFECTIVE DATE OF ADJUSTMENT.—Any adjustment of a payment amount (or payment limit) made under this subsection shall become effective not later than 30 days after the date on which the notice with respect to the adjustment is published under paragraph (3).

(c) TECHNICAL CORRECTION RELATING TO BLEND AMOUNTS FOR AMBULATORY SURGICAL CENTER PAYMENTS.—

(1) IN GENERAL.—Subclauses (I) and (II) of section 1833(i)(3)(B)(ii) (42 U.S.C. 1395l(i)(3)(B)(ii)) are each amended—

(A) by striking "for reporting" and inserting "for portions of cost reporting"; and

(B) by striking "and on or before" and inserting "and ending on or before".

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect as if included in the enactment of OBRA-1990.

(d) TECHNICAL CORRECTION RELATED TO CATARACT SURGERY.—Effective as if included in the enactment of OBRA-1990, section 4151(c)(3) of such Act is amended by striking "for the insertion of an intraocular lens" and inserting "for an intraocular lens inserted".

Subchapter D—Durable Medical Equipment

SEC. 13461. CERTIFICATION OF SUPPLIERS.

(a) REQUIREMENTS.—

(1) IN GENERAL.—Section 1834 (42 U.S.C. 1395m) is amended by adding at the end the following new subsection:

"(i) REQUIREMENTS FOR SUPPLIERS OF MEDICAL EQUIPMENT AND SUPPLIES.—

"(1) ISSUANCE AND RENEWAL OF SUPPLIER NUMBER.—

"(A) PAYMENT.—Except as provided in subparagraph (C), no payment may be made under this part after October 1, 1993, for items furnished by a supplier of medical equipment and supplies unless such supplier obtains (and renews at such intervals as the Secretary may require) a supplier number.

"(B) STANDARDS FOR POSSESSING A SUPPLIER NUMBER.—A supplier may not obtain a supplier number unless—

"(i) for medical equipment and supplies furnished on or after October 1, 1993, and on or before December 31, 1994, the supplier meets standards prescribed by the Secretary; and

"(ii) for medical equipment and supplies furnished on or after January 1, 1995, the supplier meets revised standards prescribed by the Secretary (in consultation with representatives of suppliers of medical equipment and supplies, carriers, and consumers) that shall include requirements that the supplier—

"(I) comply with all applicable State and Federal licensure and regulatory requirements;

"(II) maintain a physical facility on an appropriate site;

"(III) have proof of appropriate liability insurance; and

"(IV) meet such other requirements as the Secretary may specify.

"(C) EXCEPTION FOR ITEMS FURNISHED AS INCIDENT TO A PHYSICIAN'S SERVICE.—Subparagraph (A) shall not apply with respect to medical equipment and supplies furnished as an incident to a physician's service.

"(D) PROHIBITION AGAINST MULTIPLE SUPPLIER NUMBERS.—The Secretary may not issue more than one supplier number to any supplier of medical equipment and supplies unless the issuance of more than one number is appropriate to identify subsidiary or regional entities under the supplier's ownership or control.

"(E) PROHIBITION AGAINST DELEGATION OF SUPPLIER DETERMINATIONS.—The Secretary may not delegate (other than by contract under section 1842) the responsibility to determine whether suppliers meet the standards necessary to obtain a supplier number.

"(2) CERTIFICATES OF MEDICAL NECESSITY.—

"(A) STANDARDIZED CERTIFICATES.—Not later than October 1, 1993, the Secretary shall, in consultation with carriers under this part, develop one or more standardized certificates of medical necessity (as defined in subparagraph (C)) for medical equipment and supplies for which the Secretary determines that such a certificate is necessary.

"(B) PROHIBITION AGAINST DISTRIBUTION BY SUPPLIERS OF CERTIFICATES OF MEDICAL NECESSITY.—

"(i) IN GENERAL.—Except as provided in clause (ii), a supplier of medical equipment and supplies may not distribute to physicians or to individuals entitled to benefits under this part for commercial purposes any completed or partially completed certificates of medical necessity on or after October 1, 1993.

"(ii) EXCEPTION FOR CERTAIN BILLING INFORMATION.—Clause (i) shall not apply with respect to a certificate of medical necessity for any item that is not contained on the list of potentially overused items developed by the Secretary under subsection (a)(15)(A) to the extent that such certificate contains only information completed by the supplier of medical equipment and supplies identifying such supplier and the beneficiary to whom such medical equipment and supplies are furnished, a description of such medical equipment and supplies, any product code identifying such medical equipment and supplies, and any other administrative information (other than information relating to the beneficiary's medical condition) identified by the Secretary. In the event a supplier provides a certificate of medical necessity containing information permitted under this clause, such certificate shall also contain the fee schedule amount and the supplier's charge for the medical equipment or supplies being furnished prior to distribution of such certificate to the physician.

"(iii) PENALTY.—Any supplier of medical equipment and supplies who knowingly and willfully distributes a certificate of medical necessity in violation of clause (i) is subject to a civil money penalty in an amount not to exceed $1,000 for each such certificate of medical necessity so distributed. The provisions of section 1128A (other than subsections (a) and (b)) shall apply to civil money penalties under this subparagraph in the same manner as they apply to a penalty or proceeding under section 1128A(a).

"(C) DEFINITION.—For purposes of this paragraph, the term 'certificate of medical necessity' means a form or other document containing information required by the Secretary to be submitted to show that a covered item is reasonable and necessary for the diagnosis or treatment of illness or injury or to improve the functioning of a malformed body member.

"(3) COVERAGE AND REVIEW CRITERIA.—

"(A) DEVELOPMENT AND ESTABLISHMENT.—Not later than January 1, 1995, the Secretary, in consultation with representatives of suppliers of medical equipment and supplies, individuals enrolled under this part, and appropriate medical specialty societies, shall develop and establish uniform national coverage and utilization review criteria for 200 items of medical equipment and supplies selected in accordance with the standards described in subparagraph (B). The Secretary shall publish the criteria as part of the instructions provided to fiscal intermediaries and carriers under this part and no further publication, including publication in the Federal Register, shall be required.

"(B) STANDARDS FOR SELECTING ITEMS SUBJECT TO CRITERIA.—The Secretary may select an item for coverage under the criteria developed and established under subparagraph (A) if the Secretary finds that—

"(i) the item is frequently purchased or rented by beneficiaries;

"(ii) the item is frequently subject to a determination that such item is not medically necessary; or

"(iii) the coverage or utilization criteria applied to the item (as of the date of the enactment of this subsection) is not consistent among carriers.

"(C) ANNUAL REVIEW AND EXPANSION OF ITEMS SUBJECT TO CRITERIA.—The Secretary shall annually review the coverage and utilization of items of medical equipment and supplies to determine whether items not included among the items selected under subparagraph (A) should be made subject to uniform national coverage and utilization review criteria, and, if appropriate, shall develop and apply such criteria to such additional items.

"(4) DEFINITION.—The term 'medical equipment and supplies" means—

"(A) durable medical equipment (as defined in section 1861(n));

"(B) prosthetic devices (as described in section 1861(s)(8));

"(C) orthotics and prosthetics (as described in section 1861(s)(9));

"(D) surgical dressings (as described in section 1861(s)(5));

"(E) such other items as the Secretary may determine; and

"(F) for purposes of paragraphs (1) and (3)—

"(i) home dialysis supplies and equipment (as described in section 1861(s)(2)(F)), and

"(ii) immunosuppressive drugs (as described in section 1861(s)(2)(J)).".

(2) CONFORMING AMENDMENT.—Effective October 1, 1993, paragraph (16) of section 1834(a) (42 U.S.C. 1395m(a)) is repealed.

(b) REPORT ON EFFECT OF UNIFORM CRITERIA ON UTILIZATION OF ITEMS.—Not later than July 1, 1995, the Secretary shall submit a report to the Committee on Ways and Means and the Committee on Energy and Commerce of the House of Representatives and the Committee on Finance of the Senate analyzing the impact of the uniform criteria established under section 1834(i)(3)(A) of the Social Security Act (as added by subsection (a)) on the utilization of items of medical equipment and supplies by individuals enrolled under part B of the medicare program.

(c) USE OF COVERED ITEMS BY DISABLED BENEFICIARIES.—

(1) IN GENERAL.—The Secretary of Health and Human Services in consultation with representatives of suppliers of durable medical equipment under part B of the medicare program and individuals entitled to benefits under such program on the basis of disability, shall conduct a study of the effects of the methodology for determining payments for items of such equipment under such part on the ability of such individuals to obtain items of such equipment, including customized items.

(2) REPORT.—Not later than May 1, 1994, the Secretary shall submit a report to Congress on the study conducted under paragraph (1), and shall include in the report such recommendations as the Secretary considers appropriate to assure that disabled medicare beneficiaries have access to items of durable medical equipment.

(d) CRITERIA FOR TREATMENT OF ITEMS AS PROSTHETICS DEVICES OR ORTHOTICS AND PROSTHETICS.—Not later than July 1, 1994, the Secretary of Health and Human Services shall submit a report to the Committees on Ways and Means and Energy and Commerce of the House of Representatives and the Committee on Finance of the Senate describing prosthetic devices or orthotics and prosthetics covered under part B of the medicare program that do not require individualized or custom fitting and adjustment to be used by a patient. Such report shall include recommendations for an appropriate methodology for determining the amount of payment for such items under such program.

SEC. 13462. PROHIBITION AGAINST CARRIER FORUM SHOPPING.

(a) IN GENERAL.—Section 1834(a)(12) (42 U.S.C. 1395m(a)(12)) is amended to read as follows:

"(12) USE OF CARRIERS TO PROCESS CLAIMS.—

"(A) DESIGNATION OF REGIONAL CARRIERS.—The Secretary may designate, by regulation under section 1842, one carrier for one or more entire regions to process all claims within the region for covered items under this section.

"(B) PROHIBITION AGAINST CARRIER SHOPPING.—(i) No supplier of a covered item may present or cause to be presented a claim for payment under this part unless such claim is presented to the appropriate regional carrier (as designated by the Secretary).

"(ii) For purposes of clause (i), the term 'appropriate regional carrier' means the carrier having jurisdiction over the geographic area that includes the permanent residence of the patient to whom the item is furnished.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to items furnished on or after October 1, 1993.

(c) CLARIFICATION OF AUTHORITY TO DESIGNATE CARRIERS FOR OTHER ITEMS AND SERVICES.—Nothing in this subsection or the amendment made by this subsection may be construed to restrict the authority of the Secretary of Health and Human Services to designate regional carriers or modify claims jurisdiction rules with respect to items or services under part B of the medicare program that are not covered items under section 1834(a) of the Social Security Act or prosthetic devices or orthotics and prosthetics under section 1834(h) of such Act.

SEC. 13463. RESTRICTIONS ON CERTAIN MARKETING AND SALES ACTIVITIES.

(a) PROHIBITING UNSOLICITED TELEPHONE CONTACTS FROM SUPPLIERS OF DURABLE MEDICAL EQUIPMENT TO MEDICARE BENEFICIARIES.—

(1) IN GENERAL.—Section 1834(a) (42 U.S.C. 1395m(a)) is amended by adding at the end the following new paragraph:

"(17) PROHIBITION AGAINST UNSOLICITED TELEPHONE CONTACTS BY SUPPLIERS.—

"(A) IN GENERAL.—A supplier of a covered item under this subsection may not contact an individual enrolled under this part by telephone regarding the furnishing of a covered item to the individual (other than a covered item the supplier has already furnished to the individual) unless—

"(i) the individual gives permission to the supplier to make contact by telephone for such purpose; or

"(ii) the supplier has furnished a covered item under this subsection to the individual during the 15-month period preceding the date on which the supplier contacts the individual for such purpose.

"(B) PROHIBITING PAYMENT FOR ITEMS FURNISHED SUBSEQUENT TO UNSOLICITED CONTACTS.—If a supplier knowingly contacts an individual in violation of subparagraph (A), no payment may be made under this part for any item subsequently furnished to the individual by the supplier.

"(C) EXCLUSION FROM PROGRAM FOR SUPPLIERS ENGAGING IN PATTERN OF UNSOLICITED CONTACTS.—If a supplier knowingly contacts individuals in violation of subparagraph (A) to such an extent that the supplier's conduct establishes a pattern of contacts in violation of such subparagraph, the Secretary shall exclude the supplier from participation in the programs under this Act, in accordance with the procedures set forth in subsections (c), (f), and (g) of section 1128.".

(2) REQUIRING REFUND OF AMOUNTS COLLECTED FOR DISALLOWED ITEMS.—Section 1834(a) (42 U.S.C. 1395m(a)), as amended by paragraph (1), is amended by adding at the end the following new paragraph:

"(18) REFUND OF AMOUNTS COLLECTED FOR CERTAIN DISALLOWED ITEMS.—

"(A) IN GENERAL.—If a nonparticipating supplier furnishes to an individual enrolled under this part a covered item for which no payment may be made under this part by reason of paragraph (17)(B), the supplier shall refund on a timely basis to the patient (and shall be liable to the patient for) any amounts collected from the patient for the item, unless—

"(i) the supplier establishes that the supplier did not know and could not reasonably have been expected to know that payment may not be made for the item by reason of paragraph (17)(B), or

"(ii) before the item was furnished, the patient was informed that payment under this part may not be made for that item and the patient has agreed to pay for that item.

"(B) Sanctions.—If a supplier knowingly and willfully fails to make refunds in violation of subparagraph (A), the Secretary may apply sanctions against the supplier in accordance with section 1842(j)(2).

"(C) Notice.—Each carrier with a contract in effect under this part with respect to suppliers of covered items shall send any notice of denial of payment for covered items by reason of paragraph (17)(B) and for which payment is not requested on an assignment-related basis to the supplier and the patient involved.

"(D) Timely basis defined.—A refund under subparagraph (A) is considered to be on a timely basis only if—

"(i) in the case of a supplier who does not request reconsideration or seek appeal on a timely basis, the refund is made within 30 days after the date the supplier receives a denial notice under subparagraph (C), or

"(ii) in the case in which such a reconsideration or appeal is taken, the refund is made within 15 days after the date the supplier receives notice of an adverse determination on reconsideration or appeal.".

(b) Conforming Amendment.—Section 1834(h)(3) (42 U.S.C. 1395m(h)(3)) is amended by striking "Paragraph (12)" and inserting "Paragraphs (12) and (17)".

(c) Effective Date.—The amendments made by subsections (a) and (b) shall apply to items furnished after the expiration of the 60-day period that begins on the date of the enactment of this Act.

SEC. 13464. ANTI-KICKBACK CLARIFICATION.

(a) In General.—Section 1128B(b)(3)(B) (42 U.S.C. 1320a–7b(b)(3)(B)) is amended by inserting before the semicolon "(except that in the case of a contract supply arrangement between any entity and a supplier of medical supplies and equipment (as defined in section 1834(i)(4), but not including items described in subparagraph (F) of such section), such employment shall not be considered bona fide to the extent that it includes tasks of a clerical and cataloging nature in transmitting to suppliers assignment rights of individuals eligible for benefits under part B of title XVIII, or performance of warehousing or stock inventory functions)".

(b) Effective Date.—The amendment made by subsection (a) shall apply with respect to services furnished on or after the first day of the first month that begins after the expiration of the 60-day period beginning on the date of the enactment of this Act.

SEC. 13465. LIMITATIONS ON BENEFICIARY LIABILITY FOR NONCOVERED SERVICES.

(a) In General.—Section 1834(i) (42 U.S.C. 1395m(i)), as added by section 13461(a)(1), is amended—

(1) by redesignating paragraph (4) as paragraph (5), and

(2) by inserting after paragraph (3) the following new paragraph:

"(4) Limitation on patient liability.—If a supplier of medical equipment and supplies (as defined in paragraph (5))—

"(A) furnishes an item or service to a beneficiary for which no payment may be made by reason of paragraph (1);

"(B) furnishes an item or service to a beneficiary for which payment is denied in advance under subsection (a)(15); or

"(C) furnishes an item or service to a beneficiary for which payment is denied under section 1862(a)(1);

any expenses incurred for items and services furnished to an individual by such a supplier not on an assigned basis shall be the responsibility of such supplier. The individual shall have no financial responsibility for such expenses and the supplier shall refund on a timely basis to the individual (and shall be liable to the individual for) any amounts collected from the individual for such items or services. The provisions of subsection (a)(18) shall apply to refunds required under the previous sentence in the same manner as such provisions apply to refunds under such subsection.".

(2) Conforming amendment.—Section 1128B(b)(3)(B) (42 U.S.C. 1320a–7b(b)(3)(B)), as amended by section 13464(a), is amended by striking "1834(i)(4)" and inserting "1834(i)(5)".

(b) Effective Date.—The amendments made by subsection (a) shall apply to items or services furnished on or after October 1, 1993.

SEC. 13466. ADJUSTMENTS FOR INHERENT REASONABLENESS.

(a) Adjustments Made to Final Payment Amounts.—

(1) In general.—Section 1834(a)(10)(B) (42 U.S.C. 1395m(a)(10)(B)) is amended by adding at the end the following: "In applying such provisions to payments for an item under this subsection, the Secretary shall make adjustments to the payment basis for the item described in paragraph (1)(B) if the Secretary determines (in accordance with such provisions and on the basis of prices and costs applicable at the time the item is furnished) that such payment basis is not inherently reasonable.".

(2) Effective date.—The amendment made by paragraph (1) shall take effect on the date of the enactment of this Act.

(b) Adjustment Required for Certain Items.—

(1) In general.—In accordance with section 1834(a)(10)(B) of the Social Security Act (as amended by subsection (a)), the Secretary of Health and Human Services shall determine whether the payment amounts for the items described in paragraph (2) are not inherently reasonable, and shall adjust such amounts in accordance with such section if the amounts are not inherently reasonable.

(2) Items described.—The items referred to in paragraph (1) are decubitus care equipment, transcutaneous electrical nerve stimulators, and any other items considered appropriate by the Secretary.

SEC. 13467. TREATMENT OF NEBULIZERS AND ASPIRATORS.

(a) In General.—Section 1834(a)(3)(A) (42 U.S.C. 1395m(a)(3)(A)) is amended by striking "ventilators, aspirators, IPPB machines, and nebulizers" and inserting "ventilators and IPPB machines".

(b) Payment for Accessories Relating to Nebulizers and Aspirators.—Section 1834(a)(2)(A) (42 U.S.C. 1395m(a)) is amended—

(1) by striking "or" at the end of clause (i),

(2) by adding "or" at the end of clause (ii), and

(3) by inserting after clause (ii) the following new clause:

"(iii) which is an accessory used in conjunction with a nebulizer or aspirator,".

(c) Effective Date.—The amendments made by this section shall apply to items furnished on or after January 1, 1994.

SEC. 13468. PAYMENT FOR OSTOMY SUPPLIES AND OTHER SUPPLIES.

(a) Ostomy Supplies, Tracheostomy Supplies, and Urologicals.—

(1) In general.—Section 1834(h)(1) (42 U.S.C. 1395m(h)(1)) is amended by adding at the end the following new subparagraph:

"(E) Exception for certain items.—Payment for ostomy supplies, tracheostomy supplies, and urologicals shall be made in accordance with subparagraphs (B) and (C) of section 1834(a)(2).".

(2) Conforming amendment.—Section 1834(h)(1)(B) (42 U.S.C. 1395m(h)(1)(B)) is amended by striking "subparagraph (C)," and inserting "subparagraphs (C) and (E),".

(3) Effective date.—The amendments made by this subsection shall apply to items furnished on or after January 1, 1994.

(b) Surgical Dressings.—

(1) In general.—Section 1834 (42 U.S.C. 1395m), as amended by section 13461(a), is amended by adding at the end the following new subsection:

"(j) Payment for Surgical Dressings.—

"(1) In general.—Payment under this subsection for surgical dressings (described in section 1861(s)(5)) shall be made in a lump sum amount for the purchase of the item in an amount equal to 80 percent of the lesser of—

"(A) the actual charge for the item; or

"(B) a payment amount determined in accordance with the methodology described in subparagraphs (B) and (C) of subsection (a)(2) (except that in applying such methodology, the national limited payment amount referred to in such subparagraphs shall be initially computed based on local payment amounts using average reasonable charges for the 12-month period ending December 31, 1992, increased by the covered item updates described in such subsection for 1993 and 1994).

"(2) Exceptions.—Paragraph (1) shall not apply to surgical dressings that are—

"(A) furnished as an incident to a physician's professional service; or

"(B) furnished by a home health agency.".

(2) Conforming amendment.—Section 1833(a)(1) (42 U.S.C. 1395l(a)(1)), as amended by sections 13478(e)(2) and 13445(e)(1), is amended—

(A) by striking "and" before "(P)", and

(B) by inserting before the semicolon at the end the following: ", and (Q) with respect to surgical dressings, the amounts paid shall be the amounts determined under section 1834(j);".

(3) Effective date.—The amendments made by this subsection shall apply to items furnished on or after January 1, 1994.

(c) Reduction in Payments for TENS Devices.—

(1) In general.—Section 1834(a)(1)(D) (42 U.S.C. 1395m(a)(1)(D)) is amended by striking "15 percent" the second place it appears and inserting "45 percent".

(2) Effective date.—The amendment made by paragraph (1) shall apply to items furnished on or after January 1, 1994.

SEC. 13469. MISCELLANEOUS AND TECHNICAL CORRECTIONS.

(a) Updates to Payment Amounts.—Subparagraph (A) of section 1834(a)(14) (42 U.S.C. 1395m(a)(14)) is amended to read as follows:

"(A) for 1991 and 1992, the percentage increase in the consumer price index for all urban consumers (U.S. city average) for the

12-month period ending with June of the previous year reduced by 1 percentage point; and".

(b) TREATMENT OF POTENTIALLY OVERUSED ITEMS AND ADVANCED DETERMINATIONS OF COVERAGE.—

(1) IN GENERAL.—Effective on the date of the enactment of this Act, section 1834(a)(15) (42 U.S.C. 1395m(a)(15)) is amended to read as follows:

"(15) SPECIAL TREATMENT FOR POTENTIALLY OVERUSED ITEMS.—

"(A) DEVELOPMENT OF LIST OF ITEMS BY SECRETARY.—The Secretary shall develop and periodically update a list of items for which payment may be made under this subsection that are potentially overused, and shall include in such list seat-lift mechanisms, transcutaneous electrical nerve stimulators, motorized scooters, decubitus care mattresses, and any such other item determined by the Secretary to be potentially overused on the basis of any of the following criteria—

"(i) the item is marketed directly to potential patients;

"(ii) the item is marketed with an offer to potential patients to waive the costs of coinsurance associated with the item or is marketed as being available at no cost to policyholders of a medicare supplemental policy (as defined in section 1882(g)(1));

"(iii) the item has been subject to a consistent pattern of overutilization; or

"(iv) a high proportion of claims for payment for such item under this part may not be made because of the application of section 1862(a)(1).

"(B) ITEMS SUBJECT TO SPECIAL CARRIER SCRUTINY.—Payment may not be made under this part for any item contained in the list developed by the Secretary under subparagraph (A) unless the carrier has subjected the claim for payment for the item to special scrutiny or has followed the procedures described in paragraph (11)(C) with respect to the item.".

(2) ADVANCE DETERMINATION BY CARRIERS.—Effective January 1, 1994, section 1834(a)(11) (42 U.S.C. 1395m(a)) is amended by adding at the end the following new subparagraph:

"(C) CARRIER DETERMINATIONS FOR CERTAIN ITEMS IN ADVANCE.—A carrier shall determine in advance whether payment for an item may not be made under this subsection because of the application of section 1862(a)(1) if—

"(i) the item is a customized item (other than inexpensive items specified by the Secretary); or

"(ii) the item is a specified covered item under subparagraph (B).".

(3) INCLUSION IN CARRIER PERFORMANCE EVALUATIONS.—Effective for standards applied for contract years beginning after the date of the enactment of this Act, section 1842(c) (42 U.S.C. 1395u(c)), as amended by section 13448(a), is amended by adding at the end the following new paragraph:

"(5) Each contract under this section which provides for the disbursement of funds, as described in subsection (a)(1)(B), shall require the carrier to meet criteria developed by the Secretary to measure the timeliness of carrier responses to requests for payment of items described in section 1834(a)(11)(C).".

(4) APPLICATION TO PROSTHETIC DEVICES AND ORTHOTICS AND PROSTHETICS.—Section 1834(h)(3) (42 U.S.C. 1395m(h)(3)) is amended by striking "paragraph (10) and paragraph (11)" and inserting "paragraphs (10) and (11)".

(c) STUDY OF VARIATIONS IN DURABLE MEDICAL EQUIPMENT SUPPLIER COSTS.—

(1) COLLECTION AND ANALYSIS OF SUPPLIER COST DATA.—The Administration of the Health Care Financing Administration shall, in consultation with appropriate organizations, collect data on supplier costs of durable medical equipment for which payment may be made under part B of the medicare program, and shall analyze such data to determine the proportions of such costs attributable to the service and product components of furnishing such equipment and the extent to which such proportions vary by type of equipment and by the geographic region in which the supplier is located.

(2) DEVELOPMENT OF GEOGRAPHIC ADJUSTMENT INDEX; REPORTS.—Not later than January 1, 1995—

(A) the Administrator shall submit a report to the Committees on Energy and Commerce and Ways and Means of the House of Representatives and the Committee on Finance of the Senate on the data collected and the analysis conducted under paragraph (1), and shall include in such report the Administrator's recommendations for a geographic cost adjustment index for suppliers of durable medical equipment under the medicare program and an analysis of the impact of such proposed index on payments under the medicare program; and

(B) the Comptroller General shall submit a report to the Committees on Energy and Commerce and Ways and Means of the House of Representatives and the Committee on Finance of the Senate analyzing on a geographic basis the supplier costs of durable medical equipment under the medicare program.

(d) OXYGEN RETESTING.—Section 1834(a)(5)(E) (42 U.S.C. 1395m(a)(5)(E)) is amended by striking "55" and inserting "56".

(e) OTHER MISCELLANEOUS AND TECHNICAL AMENDMENTS.—(1) Section 4152(a)(3) of OBRA–1990 is amended by striking "amendment made by subsection (a)" and inserting "amendments made by this subsection".

(2) Section 4152(c)(2) of OBRA–1990 is amended by striking "1395m(a)(7)(A)" and inserting "1395m(a)(7)".

(3) Section 1834(a)(7)(A)(iii)(II) (42 U.S.C. 1395m(a)(7)(A)(iii)(II)) is amended by striking "clause (v)" and inserting "clause (vi)".

(4) Section 1834(a)(7)(C)(i) (42 U.S.C. 1395m(a)(7)(C)(i)) is amended by striking "or paragraph (3)".

(5) Section 1834(a)(3) (42 U.S.C. 1395m(a)(3)) is amended by striking subparagraph (D).

(6) Section 4153(c)(1) of OBRA–1990 is amended by striking "1834(a)" and inserting "1834(h)".

(7) Section 4153(d)(2) of OBRA–1990 is amended by striking "Reconiliation" and inserting "Reconciliation".

(8)(A) Section 1834(a) (42 U.S.C. 1395m(a)) is amended by striking paragraph (6).

(B) Section 1834(a) (42 U.S.C. 1395m(a)) is amended—

(i) in subparagraphs (A) and (B) of paragraph (1), by striking "(2) through (7)" each place it appears and inserting "(2) through (5) and (7)";

(ii) in paragraph (7), by striking "(2) through (6)" and inserting "(2) through (5)";

(iii) in paragraph (8), by striking "paragraphs (6) and (7)" each place it appears in the matter preceding subparagraph (A) and in subparagraph (C) and inserting "paragraph (7)"; and

(iv) in paragraph (8)(A)(i), by striking "described—" and all that follows and inserting "described in paragraph (7) equal to the average of the purchase prices on the claims submitted on an assignment-related basis for the unused item supplied during the 6-month period ending with December 1986.".

(9) The amendments made by this subsection shall take effect as if included in the enactment of OBRA–1990.

Subchapter E—Other Provisions

SEC. 13471. CLARIFYING PAYMENTS FOR MEDICALLY DIRECTED CERTIFIED REGISTERED NURSE ANESTHETIST SERVICES.

(a) IN GENERAL.—Section 1833(l)(4)(B) (42 U.S.C. 1395l(l)(4)(B)) is amended to read as follows:

"(B) Except as provided in subparagraph (D), the conversion factor used to determine the amount paid under the fee schedule under this subsection for services furnished by a certified registered nurse anesthetist who is medically directed—

"(i) in a year after 1993 and before 1997, shall be $10.75, or

"(ii) in a subsequent calendar year, shall be the previous year's conversion factor increased by the update determined under section 1848(d)(3) for physician anesthesia services for that year.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to services furnished on or after January 1, 1994.

SEC. 13472. EXTENSION OF ALZHEIMER'S DISEASE DEMONSTRATION PROJECTS.

Section 9342 of OBRA–1986, as amended by section 4164(a)(2) of OBRA–1990, is amended—

(1) in subsection (c)(1), by striking "4 years" and inserting "5 years"; and

(2) in subsection (f), —

(A) by striking "$55,000,000" and inserting "$58,000,000", and

(B) by striking "$3,000,000" and inserting "$5,000,000".

SEC. 13473. ORAL CANCER DRUGS.

(a) NEW COVERAGE OF CERTAIN SELF-ADMINISTERED ANTICANCER DRUGS.—Section 1861(s)(2) (42 U.S.C. 1395(s)(2)), as amended by section 13478(f)(8)(B), is amended—

(1) by striking "and" at the end of subparagraph (N);

(2) by adding "and" at the end of subparagraph (O); and

(3) by adding at the end the following new subparagraph:

"(P) an oral drug (which is approved by the Federal Food and Drug Administration) prescribed for use as an anticancer chemotherapeutic agent for a given indication, and containing an active ingredient (or ingredients), which is the same indication and active ingredient (or ingredients) as a drug which the carrier determines would be covered pursuant to subparagraph (A) or (B) if the drug could not be self-administered;".

(b) UNIFORM COVERAGE OF "OFF-LABEL" ANTICANCER DRUGS.—Section 1861(t) (42 U.S.C. 1395x(t)) is amended—

(1) by inserting "(1)" after "(t)";

(2) by striking "(m)(5) of this section" and inserting "(m)(5) and paragraph (2)"; and

(3) by adding at the end the following new paragraph:

"(2)(A) For purposes of paragraph (1), the term 'drugs' also includes any drugs or biologicals used in an anticancer chemotherapeutic regimen for a medically accepted indication (as described in subparagraph (B)).

"(B) In subparagraph (A), the term 'medically accepted indication', with respect to the use of a drug, includes any use which has been approved by the Food and Drug Administration for the drug, and includes another use of the drug if—

"(i) the drug has been approved by the Food and Drug Administration, and

"(ii) the carrier involved determines, based upon guidance provided by the Secretary to carriers for determining medically accepted uses of drugs, that the use is medically accepted taking into account the uses of such drug which are—

"(I) included (or approved for inclusion) in one or more of the following compendia: the American Hospital Formulary Service-Drug Information, the American Medical Association Drug Evaluations, and the United States Pharmacopoeia-Drug Information; or

"(II) supported by clinical evidence in peer reviewed medical literature appearing in publications which have been specifically approved for purposes of this paragraph by the Secretary.".

(c) STUDY OF MEDICARE COVERAGE OF PATIENT CARE COSTS ASSOCIATED WITH CLINICAL TRIALS OF NEW CANCER THERAPIES.—

(1) STUDY.—The Secretary of Health and Human Services shall conduct a study of the effects of expressly covering under the medicare program the patient care costs for beneficiaries enrolled in clinical trials of new cancer therapies, where the protocol for the trial has been approved by the National Cancer Institute or meets similar scientific and ethical standards, including approval by an institutional review board. The study shall include—

(A) an estimate of the cost of such coverage, taking into account the extent to which medicare currently pays for such patient care costs in practice;

(B) an assessment of the extent to which such clinical trials represent the best available treatment for the patients involved and of the effects of participation in the trials on the health of such patients;

(C) an assessment of whether progress in developing new anticancer therapies would be assisted by medicare coverage of such patient care costs; and

(D) an evaluation of whether there should be special criteria for the admission of medicare beneficiaries (on account of their age or physical condition) to clinical trials for which medicare would pay the patient care costs.

(2) REPORT.—Not later than 2 years after the date of the enactment of this Act, the Secretary of Health and Human Services shall submit a report on the study conducted under paragraph (1) to the Committee on Ways and Means and the Committee on Energy and Commerce of the House of Representatives and the Committee on Finance of the Senate. Such report shall include recommendations as to the coverage under the medicare program of patient care costs of beneficiaries enrolled in clinical trials of new cancer therapies.

(d) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall apply to items furnished on or after January 1, 1994.

SEC. 13474. PART B PREMIUM PAYMENTS FOR LATE ENROLLMENT.

(a) LIMITATION ON MEDICARE PART B LATE ENROLLMENT PENALTY.—

(1) IN GENERAL.—Section 1839 (42 U.S.C. 1395r) is amended by adding at the end the following new subsection:

"(g) The percent increase in premiums under subsection (b) due to late enrollment under this part shall not exceed 25 percent in the case of an individual who is an annuitant described in subparagraph (A) or (B) of section 8901(3) of title 5, United States Code (including an individual or survivor described in section 8906(g)(2)(A) of such title) for a month if—

"(1) during the individual's initial enrollment period under section 1837(d)—

"(A) the individual was enrolled in a group health plan (as defined in section 1862(b)(1)(A)(v)) that provided coverage of items and services for which payment may be made under this part, and

"(B) the individual elected not to enroll (or to be deemed enrolled) under this section; and

"(2) due to a change of coverage under such plan, there is no coverage during the month under such plan with respect to items and services for which payment may be made under this part unless the individual is enrolled under this part.".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to premiums for months beginning with January 1992.

(b) PAYMENT OF PART B PREMIUM LATE ENROLLMENT PENALTIES BY STATES.—Section 1839 (42 U.S.C. 1395r), as amended by subsection (a), is further amended by adding at the end the following new subsection:

"(h)(1) Upon the request of a State, the Secretary may enter into an agreement with the State under which the State agrees to pay on a quarterly or other periodic basis to the Secretary (to be deposited in the Treasury to the credit of the Federal Supplementary Medical Insurance Trust Fund) an amount equal to the amount of the part B late enrollment premium increases with respect to the premiums for eligible individuals (as defined in paragraph (3)(A)).

"(2) No part B late enrollment premium increase shall apply to an eligible individual for premiums for months for which the amount of such an increase is payable under an agreement under paragraph (1).

"(3) In this subsection:

"(A) The term 'eligible individual' means an individual who is enrolled under this part B and who is within a class of individuals specified in the agreement under paragraph (1).

"(B) The term 'part B late enrollment premium increase' means any increase in a premium as a result of the application of subsection (b).".

SEC. 13475. COVERAGE OF SERVICES OF SPEECH-LANGUAGE PATHOLOGISTS AND AUDIOLOGISTS.

(a) SERVICES DEFINED.—Section 1861 (42 U.S.C. 1395x), as amended by section 13478(f)(8)(E), is amended by inserting after subsection (kk) the following new subsection:

"Speech-Language Pathology Services;
Audiology Services

"(ll)(1) The term 'speech-language pathology services' means such speech, language, and related function assessment and rehabilitation services furnished by a qualified speech-language pathologist as the speech-language pathologist is legally authorized to perform under State law (or the State regulatory mechanism provided by State law) as would otherwise be covered if furnished by a physician.

"(2) The term 'audiology services' means such hearing and balance assessment services furnished by a qualified audiologist as the audiologist is legally authorized to perform under State law (or the State regulatory mechanism provided by State law).

"(3) In this subsection:

"(A) The term 'qualified speech-language pathologist' means an individual with a master's or doctoral degree in speech-language pathology who has performed not less than 9 months of supervised full-time speech-language pathology services after obtaining such degree and who—

"(i) is licensed (or is otherwise certified) as a speech-language pathologist by the State in which the individual furnishes such services, or

"(ii) in the case of an individual who furnishes services in a State which does not provide for the licensing (or other form of certification) of speech-language pathologists, has successfully completed a national clinical competency examination in speech-language pathology approved by the Secretary.

"(B) The term 'qualified audiologist' means an individual with a master's or doctoral degree in audiology who has performed not less than 9 months of supervised full-time audiology services after obtaining such degree and who—

"(i) is licensed (or is otherwise certified) as an audiologist by the State in which the individual furnishes such services, or

"(ii) in the case of an individual who furnishes services in a State which does not provide for the licensing (or other form of certification) of audiologists, has successfully completed a national clinical competency examination in audiology approved by the Secretary.".

(b) CONFORMING AMENDMENTS RELATING TO MEDICARE TREATMENT OF SPEECH AND LANGUAGE SERVICES.—

(1) EXTENDED CARE SERVICES.—Section 1861(h)(3) (42 U.S.C. 1395x(h)(3)) is amended by striking ", occupational, or speech therapy" and inserting "or occupational therapy or speech-language pathology services".

(2) HOME HEALTH SERVICES.—Section 1861(m)(2) (42 U.S.C. 1395x(m)(2)) is amended by striking ", occupational, or speech therapy" and inserting "or occupational therapy or speech-language pathology services".

(3) OUTPATIENT PHYSICAL THERAPY SERVICES.—The fourth sentence of section 1861(p) (42 U.S.C. 1395x(p)) is amended by striking "speech pathology services" and inserting "speech-language pathology services".

(4) COMPREHENSIVE OUTPATIENT REHABILITATION FACILITY SERVICES.—Section 1861(cc)(1)(B) (42 U.S.C. 1395x(cc)(1)(B)) is amended by striking "speech pathology services" and inserting "speech-language pathology services".

(5) HOSPICE CARE.—Section 1861(dd)(1)(B) (42 U.S.C. 1395x(dd)(1)(B)) is amended by striking "therapy or speech-language pathology" and inserting "therapy, or speech-language pathology services".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1994.

SEC. 13476. EXTENSION OF MUNICIPAL HEALTH SERVICE DEMONSTRATION PROJECTS.

Section 9215 of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended by section 6135 of OBRA–1989, is amended—

(1) by striking "December 31, 1993" and inserting "December 31, 1997", and

(2) in the second sentence, by inserting after "beneficiary costs," the following: "costs to the medicaid program and other payers, access to care, outcomes, beneficiary satisfaction, utilization differences among the different populations served by the projects,".

SEC. 13477. TREATMENT OF CERTAIN INDIAN HEALTH PROGRAMS AND FACILITIES AS FEDERALLY-QUALIFIED HEALTH CENTERS.

(a) IN GENERAL.—Section 1861(aa)(4) (42 U.S.C. 1395x(aa)(4)) is amended—

(1) by striking "or" at the end of subparagraph (B);

(2) by striking the period at the end of subparagraph (C) and inserting "; or"; and

(3) by adding at the end the following new subparagraph:

"(D) is an outpatient health program or facility operated by a tribe or tribal organization under the Indian Self-Determination Act or by an urban Indian organization receiving funds under title V of the Indian Health Care Improvement Act.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to services furnished on or after January 1, 1994.

SEC. 13478. MISCELLANEOUS AND TECHNICAL CORRECTIONS.

(a) REVISION OF INFORMATION ON PART B CLAIMS FORMS.—Section 1833(q)(1) (42 U.S.C. 1395l(q)(1)) is amended—

(1) by striking "provider number" and inserting "unique physician identification number"; and

(2) by striking "and indicate whether or not the referring physician is an interested investor (within the meaning of section 1877(h)(5))".

(b) CONSULTATION FOR SOCIAL WORKERS.—Effective with respect to services furnished on or after January 1, 1991, section 6113(c) of OBRA–1989 is amended—

(1) by inserting "and clinical social worker services" after "psychologist services"; and

(2) by striking "psychologist" the second and third place it appears and inserting "psychologist or clinical social worker".

(c) REPORTS ON HOSPITAL OUTPATIENT PAYMENT.—(1) OBRA–1989 is amended by striking section 6137.

(2) Section 1135(d) (42 U.S.C. 1320b–5(d)) is amended—

(A) by striking paragraph (6); and

(B) in paragraph (7)—

(i) by striking "systems" each place it appears and inserting "system"; and

(ii) by striking "paragraphs (1) and (6)" and inserting "paragraph (1)".

(d) RADIOLOGY AND DIAGNOSTIC SERVICES PROVIDED IN HOSPITAL OUTPATIENT DEPARTMENTS.—(1) Effective as if included in the enactment of OBRA–1989, section 1833(n)(1)(B)(i)(II) (42 U.S.C. 1395l(n)(1)(B)(i)(II)) is amended—

(A) by inserting "and for services described in subsection (a)(2)(E)(ii) furnished on or after January 1, 1992" after "1989"; and

(B) by striking "1842(b)" and inserting "1842(b) (or, in the case of services furnished on or after January 1, 1992, under section 1848)".

(2) Effective as if included in the enactment of OBRA–1989, section 1833(n)(1)(B)(i)(II) (42 U.S.C. 1395l(n)(1)(B)(i)(II)) is amended by striking "January 1, 1989" and inserting "April 1, 1989".

(e) PAYMENTS TO NURSE PRACTITIONERS IN RURAL AREAS (SECTION 4155 OF OBRA–1990).—(1) Section 1861(s)(2)(K)(iii) (42 U.S.C. 1395x(s)(2)(K)(iii)) is amended—

(A) by striking "subsection (aa)(3)" and inserting "subsection (aa)(5)"; and

(B) by striking "subsection (aa)(4)" and inserting "subsection (aa)(6)".

(2) Section 1833(a)(1) (42 U.S.C. 1395l(a)(1)) is amended—

(A) by striking "and" before "(N)"; and

(B) with respect to the matter inserted by section 4155(b)(2)(B) of OBRA–1990—

(i) by striking "(M)" and inserting ", and (O)", and

(ii) by transferring and inserting it (as amended) immediately before the semicolon at the end.

(3) Section 1833(r)(1) (42 U.S.C. 1395l(r)(1)) is amended—

(A) by striking "ambulatory" each place it appears and inserting "or ambulatory"; and

(B) by striking "center," and inserting "center".

(4) Section 1833(r)(2)(A) (42 U.S.C. 1395l(r)(2)(A)) is amended by striking "subsection (a)(1)(M)" and inserting "subsection (a)(1)(O)".

(5) Section 1861(b)(4) (42 U.S.C. 1395x(b)(4)) is amended by striking "subsection (s)(2)(K)(i)" and inserting "clauses (i) or (iii) of subsection (s)(2)(K)".

(6) Section 1861(aa)(5) (42 U.S.C. 1395x(aa)(5)) is amended by striking "this Act" and inserting "this title".

(7) Section 1862(a)(14) (42 U.S.C. 1395y(a)(14)) is amended by striking "1861(s)(2)(K)(i)" and inserting "1861(s)(2)(K)(i) or 1861(s)(2)(K)(iii)".

(8) Section 1866(a)(1)(H) (42 U.S.C. 1395cc(a)(1)(H)) is amended by striking "1861(s)(2)(K)(i)" and inserting "1861(s)(2)(K)(i) or 1861(s)(2)(K)(iii)".

(f) OTHER MISCELLANEOUS AND TECHNICAL AMENDMENTS.—

(1) IMMEDIATE ENROLLMENT IN PART B BY INDIVIDUALS COVERED BY AN EMPLOYMENT-BASED PLAN.—(A) Subparagraphs (A) and (B) of section 1837(i)(3) (42 U.S.C. 1395p(i)(3)) are each amended—

(i) by striking "beginning with the first day of the first month in which the individual is no longer enrolled" and inserting "including each month during any part of which the individual is enrolled"; and

(ii) by striking "and ending seven months later" and inserting "ending with the last day of the eighth consecutive month in which the individual is at no time so enrolled".

(B) Paragraphs (1) and (2) of section 1838(e) (42 U.S.C. 1395q(e)) are amended to read as follows:

"(1) in any month of the special enrollment period in which the individual is at any time enrolled in a plan (specified in subparagraph (A) or (B), as applicable, of section 1837(i)(3)) or in the first month following such a month, the coverage period shall begin on the first day of the month in which the individual so enrolls (or, at the option of the individual, on the first day of any of the following three months), or

"(2) in any other month of the special enrollment period, the coverage period shall begin on the first day of the month following the month in which the individual so enrolls.".

(C) The amendments made by subparagraphs (A) and (B) shall take effect on the first day of the first month that begins after the expiration of the 120-day period that begins on the date of the enactment of this Act.

(2) BLEND AMOUNTS FOR AMBULATORY SURGICAL CENTER PAYMENTS.—Subclauses (I) and (II) of section 1833(i)(3)(B)(ii) (42 U.S.C. 1395l(i)(3)(B)(ii)) are each amended—

(A) by striking "for reporting" and inserting "for portions of cost reporting"; and

(B) by striking "and on or before" and inserting "and ending on or before".

(3) CLINICAL DIAGNOSTIC LABORATORY TESTS (SECTION 4154 OF OBRA–1990).—Section 4154(e)(5) of OBRA–1990 is amended by striking "(1)(A)" and inserting "(1)(A),".

(4) SEPARATE PAYMENT UNDER PART B FOR CERTAIN SERVICES (SECTION 4157 OF OBRA–1990).—Section 4157(a) of OBRA–1990 is amended by striking "(a) SERVICES OF" and all that follows through "Section" and inserting "(a) TREATMENT OF SERVICES OF CERTAIN HEALTH PRACTITIONERS.—Section".

(5) CERTIFIED REGISTERED NURSE ANESTHETISTS (SECTION 4160 OF OBRA–1990).—Section 1833(l)(4)(B)(ii)(VII) (42 U.S.C. 1395l(l)(4)(B)(ii)(VII)) is amended by striking "1997" and inserting "1996".

(6) COMMUNITY HEALTH CENTERS AND RURAL HEALTH CLINICS (SECTION 4161 OF OBRA–1990).—(A) The fourth sentence of section 1861(aa)(2) (42 U.S.C. 1395x(aa)(2)) is amended—

(i) by striking "certification" the first place it appears and inserting "approval"; and

(ii) by striking "the Secretary's approval or disapproval of the certification" and inserting "Secretary's approval or disapproval".

(B) Section 4161(a)(7)(B) of OBRA–1990 is amended by inserting "and to the Committee on Finance of the Senate" after "Representatives".

(7) SCREENING MAMMOGRAPHY (SECTION 4163 OF OBRA–1990).—Section 4163 of OBRA–1990 is amended—

(A) by adding at the end of subsection (d) the following new paragraph:

"(3) The amendment made by paragraph (2)(A)(iv) shall apply to screening pap smears performed on or after July 1, 1990."; and

(B) in subsection (e), by striking "The amendments" and inserting "Except as provided in subsection (d)(3), the amendments".

(8) INJECTABLE DRUGS FOR TREATMENT OF OSTEOPOROSIS.—

(A) CLARIFICATION OF DRUGS COVERED.—The section 1861(jj) (42 U.S.C. 1395x(jj)) inserted by section 4156(a)(2) of OBRA–1990 is amended—

(i) in the matter preceding paragraph (1), by striking "a bone fracture related to"; and

(ii) in paragraph (1), by striking "patient" and inserting "individual has suffered a bone fracture related to post-menopausal osteoporosis and that the individual".

(B) LIMITING COVERAGE TO DRUGS PROVIDED BY HOME HEALTH AGENCIES.—(i) The section 1861(jj) (42 U.S.C. 1395x(jj)) inserted by section 4156(a)(2) of OBRA–1990 is amended by striking "if" and inserting "by a home health agency if".

(ii) Section 1861(m)(5) (42 U.S.C. 1395x(m)(5)) is amended by striking "but excluding" and inserting "and a covered osteoporosis drug (as defined in subsection (kk), but excluding other".

(iii) Section 1861(s)(2) (42 U.S.C. 1395x(s)(2)) is amended—

(I) by adding "and" at the end of subparagraph (N), and

(II) by striking subparagraph (O) and redesignating subparagraph (P) as subparagraph (O).

(C) PAYMENT BASED ON REASONABLE COST.—Section 1833(a)(2) (42 U.S.C. 1395l(a)(2)) is amended—

(i) in subparagraph (A), by striking "health services" and inserting "health services (other than covered osteoporosis drug (as defined in section 1861(kk)))";

(ii) by striking "and" at the end of subparagraph (D);

(iii) by striking the semicolon at the end and inserting "; and"; and

(iv) by adding at the end the following new subparagraph:

"(F) with respect to covered osteoporosis drug (as defined in section 1861(kk)) furnished by a home health agency, 80 percent of the reasonable cost of such service, as determined under section 1861(v);".

(D) APPLICATION OF PART B DEDUCTIBLE.—Section 1833(b)(2) (42 U.S.C. 1395l(b)(2)) is amended by striking "services" and inserting "services (other than covered osteoporosis drug (as defined in section 1861(kk)))".

(E) COVERED OSTEOPOROSIS DRUG (SECTION 4156 OF OBRA–1990).—Section 1861 (42 U.S.C. 1395x) is amended, in the subsection (jj) inserted by section 4156(a)(2) of OBRA–1990, by striking "(jj) The term" and inserting "(kk) The term".

(9) OTHER MISCELLANEOUS AND TECHNICAL CORRECTIONS (SECTION 4164 OF OBRA–1990).—

(A) OWNERSHIP DISCLOSURE REQUIREMENTS.—(i) Section 1124A(a)(2)(A) (42 U.S.C. 1320a–3a(a)(2)(A)) is amended by striking "of the Social Security Act".

(ii) Section 4164(b)(4) of OBRA–1990 is amended by striking "paragraph" and inserting "paragraphs".

(B) DIRECTORY OF UNIQUE PHYSICIAN IDENTIFIER NUMBERS.—Section 4164(c) of OBRA–1990 is amended by striking "publish" and inserting "publish, and shall periodically update,".

(g) EFFECTIVE DATE.—Except as otherwise provided in this section, the amendments made by this section shall take effect as if included in the enactment of OBRA–1990.

Subchapter F—Part B Premium

SEC. 13481. PART B PREMIUM.

Section 1839(e) (42 U.S.C. 1395r(e)) is amended—

(1) in paragraph (1)(A), by inserting "and for each month in 1996 and 1997" after "January 1991", and

(2) in paragraph (2), by striking "1991" and inserting "1998".

CHAPTER 3—PROVISIONS RELATING TO PARTS A AND B

Subchapter A—Elimination of Updates

SEC. 13501. ELIMINATION OF COST-OF-LIVING UPDATE IN PER RESIDENT AMOUNTS FOR DIRECT MEDICAL EDUCATION.

Section 1886(h)(2)(D) (42 U.S.C. 1395ww(h)(2)(D)) is amended by inserting "(other than in the case of cost reporting periods beginning during fiscal year 1994 or fiscal year 1995)" after "updated".

SEC. 13502. ELIMINATION OF INFLATION UPDATE IN COST LIMITS FOR HOME HEALTH SERVICES.

The Secretary of Health and Human Services shall not provide for any increase, on the basis of inflation or changes in the cost of goods and services, in the per visit cost limits for home health services under section 1861(v)(1)(L) of the Social Security Act for cost reporting periods beginning during fiscal year 1994 or fiscal year 1995.

Subchapter B—Medicare Secondary Payer Provisions

SEC. 13511. EXTENSION OF TRANSFER OF DATA.

(a) EXTENSION OF DATA MATCH PROGRAM.—

(1) Section 1862(b)(5)(C)(iii) of the Social Security Act (42 U.S.C. 1395y(b)(5)(C)(iii)) is amended by striking "1995" and inserting "1998".

(2) Section 6103(l)(12)(F) of the Internal Revenue Code of 1986 is amended—

(A) in clause (i), by striking "1995" and inserting "1998",

(B) in clause (ii)(I), by striking "1994" and inserting "1997", and

(C) in clause (ii)(II), by striking "1995" and inserting "1998".

(b) SECONDARY PAYER EXEMPTION FOR MEMBERS OF RELIGIOUS ORDERS.—Effective as if included in the enactment of OBRA–1989, section 6202(e)(2) of such Act is amended by adding at the end the following: "Such amendment also shall apply to items and services furnished before such date with respect to secondary payer cases which the Secretary of Health and Human Services had not identified as of such date.".

(c) PERMITTING THE USE OF MINIMUM INCOME THRESHOLDS.—

(1) Section 6103(l)(12)(B)(i) of the Internal Revenue Code of 1986 is amended by inserting ", above an amount (if any) specified by the Secretary of Health and Human Services," after "section 3401(a))".

(2) The matter in section 6103(l)(12)(B)(ii) of such Code preceding subclause (I) is amended by inserting ", above an amount (if any) specified by the Secretary of Health and Human Services," after "wages".

(3) The heading to section 6103(l)(12) of such Code is amended by striking "TAXPAYER IDENTITY" and inserting "RETURN".

SEC. 13512. 3-YEAR EXTENSION OF MEDICARE SECONDARY PAYER TO DISABLED BENEFICIARIES.

Section 1862(b)(1)(B)(iii) (42 U.S.C. 1395y(b)(1)(B)(iii)) is amended by striking "1995" and inserting "1998".

SEC. 13513. 3-YEAR EXTENSION OF 18-MONTH RULE FOR ESRD BENEFICIARIES.

Section 1862(b)(1)(C) (42 U.S.C. 1395y(b)(1)(C)) is amended by striking "1996" and inserting "1999".

SEC. 13514. MEDICARE SECONDARY PAYER REFORMS.

(a) IMPROVING IDENTIFICATION OF MEDICARE SECONDARY PAYER SITUATIONS.—

(1) SURVEY OF BENEFICIARIES.—

(A) IN GENERAL.—Section 1862(b)(5) (42 U.S.C. 1395y(b)(5)) is amended by adding at the end the following new subparagraph:

"(D) OBTAINING INFORMATION FROM BENEFICIARIES.—Before an individual applies for benefits under part A or enrolls under part B, the Administrator shall mail the individual a questionnaire to obtain information on whether the individual is covered under a primary plan and the nature of the coverage provided under the plan, including the name, address, and identifying number of the plan.".

(B) DISTRIBUTION OF QUESTIONNAIRE BY CONTRACTOR.—The Secretary of Health and Human Services shall enter into an agreement with an entity not later than November 1, 1993, to distribute the questionnaire described in section 1862(b)(5)(D) of the Social Security Act (as added by subparagraph (A)).

(C) NO MEDICARE SECONDARY PAYER DENIAL BASED ON FAILURE TO COMPLETE QUESTIONNAIRE.—Section 1862(b)(2) (42 U.S.C. 1395y(b)(2)) is amended by adding at the end the following new subparagraph:

"(C) TREATMENT OF QUESTIONNAIRES.—The Secretary may not fail to make payment under subparagraph (A) solely on the ground that an individual failed to complete a questionnaire concerning the existence of a primary plan.".

(2) MANDATORY SCREENING BY PROVIDERS AND SUPPLIERS UNDER PART B.—

(A) IN GENERAL.—Section 1862(b) (42 U.S.C. 1395y(b)) is amended by adding at the end the following new paragraph:

"(6) SCREENING REQUIREMENTS FOR PROVIDERS AND SUPPLIERS.—

"(A) IN GENERAL.—Notwithstanding any other provision of this title, no payment may be made for any item or service furnished under part B unless the entity furnishing such item or service completes (to the best of its knowledge and on the basis of information obtained from the individual to whom the item or service is furnished) the portion of the claim form relating to the availability of other health benefit plans.

"(B) PENALTIES.—An entity that knowingly, willfully, and repeatedly fails to complete a claim form in accordance with subparagraph (A) or provides inaccurate information relating to the availability of other health benefit plans on a claim form under such subparagraph shall be subject to a civil money penalty of not to exceed $2,000 for each such incident. The provisions of section 1128A (other than subsections (a) and (b)) shall apply to a civil money penalty under the previous sentence in the same manner as such provisions apply to a penalty or proceeding under section 1128A(a).".

(B) EFFECTIVE DATE.—The amendment made by subparagraph (A) shall apply with respect to items and services furnished on or after January 1, 1994.

(b) IMPROVEMENTS IN RECOVERY OF PAYMENTS FROM PRIMARY PAYERS.—

(1) SUBMISSION OF REPORTS ON EFFORTS TO RECOVER ERRONEOUS PAYMENTS.—

(A) FISCAL INTERMEDIARIES UNDER PART A.—Section 1816 (42 U.S.C. 1396h) is amended by adding at the end the following new subsection:

"(k) An agreement with an agency or organization under this section shall require that such agency or organization submit an annual report to the Secretary describing the steps taken to recover payments made for items or services for which payment has been or could be made under a primary plan (as defined in section 1862(b)(2)(A)).".

(B) CARRIERS UNDER PART B.—Section 1842(b)(3) (42 U.S.C. 1395u(b)(3)) is amended—

(i) by striking "and" at the end of subparagraph (H); and

(ii) by inserting after subparagraph (H) the following new subparagraph:

"(I) will submit annual reports to the Secretary describing the steps taken to recover payments made under this part for items or services for which payment has been or could be made under a primary plan (as defined in section 1862(b)(2)(A)).".

(2) REQUIREMENTS UNDER CARRIER PERFORMANCE EVALUATION PROGRAM.—

(A) FISCAL INTERMEDIARIES UNDER PART A.—Section 1816(f)(1)(A) (42 U.S.C. 1396h(f)(1)(A)) is amended by striking "processing" and inserting "processing (including the agency's or organization's success in recovering payments made under this title for services for which payment has been or could be made under a primary plan (as defined in section 1862(b)(2)(A)))".

(B) CARRIERS UNDER PART B.—Section 1842(b)(2) (42 U.S.C. 1395u(b)(2)) is amended by adding at the end the following new subparagraph:

"(D) In addition to any other standards and criteria established by the Secretary for evaluating carrier performance under this paragraph relating to avoiding erroneous payments, the Secretary shall establish standards and criteria relating to the carrier's success in recovering payments made under this part for items or services for which payment has been or could be made under a primary plan (as defined in section 1862(b)(2)(A)).".

(3) DEADLINE FOR REIMBURSEMENT BY PRIMARY PLANS.—

(A) IN GENERAL.—Section 1862(b)(2)(B)(i) (42 U.S.C. 1395y(b)(2)(B)(i)) is amended by adding at the end the following sentence: "If reimbursement is not made to the appropriate Trust Fund before the expiration of the 60-day period that begins on the date such notice or other information is received, the Secretary may charge interest (beginning with the date on which the notice or other information is received) on the amount of the reimbursement until reimbursement is made (at a rate determined by the Secretary in accordance with regulations of the Secretary of the Treasury applicable to charges for late payments).".

(B) CONFORMING AMENDMENT.—The heading of clause (i) of section 1862(b)(2)(B) is amended to read as follows: "REPAYMENT REQUIRED.—".

(C) EFFECTIVE DATE.—The amendments made by this paragraph shall apply to payments for items and services furnished on or after the date of the enactment of this Act.

(4) EFFECTIVE DATE.—The amendments made by paragraphs (1) and (2) shall apply to contracts with fiscal intermediaries and carriers under title XVIII of the Social Security Act for years beginning with 1994.

(c) APPLICATION OF AGGREGATION RULES.—

(1) WORKING AGED.—Section 1862(b)(1)(A) (42 U.S.C. 1395y(b)(1)(A)) is amended by adding at the end the following new clause:

"(vi) APPLICATION OF AGGREGATION RULES.—All employers treated as a single employer under subsection (a) or (b) of section 52 of the Internal Revenue Code of 1986 shall be treated as a single employer for purposes of this subparagraph.".

(2) DISABLED INDIVIDUALS.—Section 5000(b)(2) of the Internal Revenue Code of 1986 (relating to large group health plans) is amended by adding at the end the following: "All employers treated as a single employer under subsection (a) or (b) of section 52 shall be treated as a single employer for purposes of this paragraph.".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect 90 days after the date of the enactment of this Act.

(d) APPLICATION OF EXCISE TAX TO FAILURE TO REIMBURSE FEDERAL GOVERNMENT.—

(1) IN GENERAL.—Section 5000(c) of the Internal Revenue Code of 1986 (relating to nonconforming group health plans) is amended by striking "of section 1862(b)(1)" and inserting "of paragraph (1), or with the requirements of paragraph (2), of section 1862(b)".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to demands for repayment issued after the date of the enactment of this Act.

(e) MISCELLANEOUS AND TECHNICAL CORRECTIONS.—

(1) The sentence in section 1862(b)(1)(C) added by section 4203(c)(1)(B) of OBRA–1990 is amended—

(A) by striking "on or before" and inserting "before", and

(B) by striking "clauses (i) and (ii)" and inserting "this subparagraph".

(2) Effective as if included in the enactment of OBRA–1989, section 1862(b)(1) is amended—

(A) in subparagraphs (A)(v) and (B)(iv)(II), by inserting ", without regard to section 5000(d) of such Code" before the period at the end of each subparagraph;

(B) in subparagraph (A)(iii), by striking "current calendar year or the preceding calendar year" and inserting "current calendar year and the preceding calendar year"; and

(C) in the matter in subparagraph (C) after clause (ii), by striking "taking into account that" and inserting "paying benefits secondary to this title when".

(3) Effective as if included in the enactment of OBRA–1989, section 1862(b)(5)(C)(i) (42 U.S.C. 1395y(b)(5)(C)(i)) is amended by striking "6103(l)(12)(D)(iii)" and inserting "6103(l)(12)(E)(iii)".

(4) Section 4203(c)(2) of OBRA–1990 is amended—

(A) by striking "the application of clause (iii)" and inserting "the second sentence";

(B) by striking "on individuals" and all that follows through "section 226A of such Act";

(C) in clause (ii), by striking "clause" and inserting "sentence";

(D) in clause (v), by adding "and" at the end; and

(E) in clause (vi)—

(i) by inserting "of such Act" after "1862(b)(1)(C)", and

(ii) by striking the period at the end and inserting the following: ", without regard to the number of employees covered by such plans.".

(5) Section 4203(d) of OBRA–1990 is amended by striking "this subsection" and inserting "this section".

(6) Except as provided in paragraphs (2) and (3), the amendments made by this subsection shall be effective as if included in the enactment of OBRA–1990.

Subchapter C—Physician Ownership and Referral

SEC. 13521. APPLICATION OF MEDICARE BAN ON SELF-REFERRALS TO ALL PAYERS.

(a) IN GENERAL.—Section 1877 (42 U.S.C. 1395nn) is amended—

(1) in subsection (a)—

(A) in paragraph (1)(A), by striking "for which payment otherwise may be made under this title" and inserting "for which a charge is imposed", and

(B) in paragraph (1)(B), by striking "under this title";

(2) by amending paragraph (1) of subsection (g) to read as follows:

"(1) DENIAL OF PAYMENT.—No payment may be made under this title, under another Federal health care program, or under a State health care program (as defined in section 1128(h)) for a designated health service for which a claim is presented in violation of subsection (a)(1)(B). No individual, third party payer, or other entity is liable for payment for designated health services for which a claim is presented in violation of such subsection."; and

(3) in subsection (g)(3), by striking "for which payment may not be made under paragraph (1)" and inserting "for which such a claim may not be presented under subsection (a)(1)".

(b) CONFORMING AMENDMENT TO REPORTING REQUIREMENT.—Section 1877(f) (42 U.S.C. 1395nn(f)) is amended—

(1) by striking "for which payment may be made under this title" each place it appears and inserting "for which a charge is imposed", and

(2) by striking the third sentence.

SEC. 13522. EXTENSION OF SELF-REFERRAL BAN TO ADDITIONAL SPECIFIED SERVICES.

Section 1877 (42 U.S.C. 1395nn) is amended—

(1) by striking "clinical laboratory service", "clinical laboratory services", and "CLINICAL LABORATORY SERVICES" and inserting "designated health service", "designated health services", and "DESIGNATED HEALTH SERVICES", respectively, each place each appears in subsections (a)(1), (b)(2)(A)(ii), (b)(4), (d)(1), (d)(2), (d)(3), (f), (g)(1), and (h)(7)(B); and

(2) by adding at the end the following new subsection:

"(i) DESIGNATED HEALTH SERVICES DEFINED.—In this section, the term 'designated health services' means any of the following items or services:

"(1) clinical laboratory services;

"(2) physical and occupational therapy services;

"(3) radiology services, including magnetic resonance imaging, computerized axial tomography scans, and ultrasound services;

"(4) radiation therapy services;

"(5) durable medical equipment;

"(6) parenteral and enteral nutrition equipment and supplies;

"(7) prosthetic devices and orthotics and prosthetics;

"(8) outpatient prescription drugs;

"(9) home infusion therapy services, home dialysis, and home health services;

"(10) ambulance services;

"(11) inpatient and outpatient hospital services;

"(12) comprehensive outpatient rehabilitation facility services;

"(13) contact lenses and eyeglasses; and

"(14) hearing aids.".

SEC. 13523. EXCEPTIONS FOR BOTH OWNERSHIP AND COMPENSATION ARRANGEMENTS.

(a) MODIFICATION TO EXCEPTION FOR IN-OFFICE ANCILLARY SERVICES.—Section 1877(b)(2) (42 U.S.C. 1395nn(b)(2)) is amended—

(1) by inserting "(other than durable medical equipment, parenteral and enteral nutrition equipment and supplies, and ambulance services)" after "services" the first place it appears, and

(2) in subparagraph (A)(ii)(II), by striking "centralized provision" and inserting "provision of some or all".

(b) MODIFICATION OF RURAL PROVIDER EXCEPTION.—

(1) IN GENERAL.—Section 1877(b) (42 U.S.C. 1395nn(b)) is amended—

(A) by redesignating paragraph (5) as paragraph (6), and

(B) by inserting after paragraph (4) the following new paragraph:

"(5) RURAL PROVIDERS.—In the case of designated health services if—

"(A) the entity furnishing the services is in a rural area (as defined in section 1886(d)(2)(D)), and

"(B) substantially all of the services (as defined by the Secretary) furnished by the entity are furnished to individuals who reside in such a rural area.".

(2) CONFORMING AMENDMENTS.—Section 1877(d) (42 U.S.C. 1395nn(d)) is amended—

(A) by striking paragraph (2), and

(B) by redesignating paragraph (3) as paragraph (2).

SEC. 13524. EXCEPTIONS RELATED ONLY TO OWNERSHIP OR INVESTMENT.

(a) PUBLICLY-TRADED SECURITIES.—Section 1877(c)(2) (42 U.S.C. 1395nn(c)(2)) is amended by striking "total assets" and inserting "stockholder equity".

(b) RURAL PROVIDERS.—For amendment to exception relation to rural providers, see section 13523(b).

SEC. 13525. EXCEPTIONS RELATED ONLY TO COMPENSATION ARRANGEMENTS.

(a) RENTAL OF OFFICE SPACE AND EQUIPMENT.—

(1) IN GENERAL.—Paragraph (1) of section 1877(e) (42 U.S.C. 1395nn(e)) is amended to read as follows:

"(1) RENTAL OF OFFICE SPACE; RENTAL OF EQUIPMENT.—

"(A) OFFICE SPACE.—Payments made by a lessee to a lessor for the use of premises if—

"(i) the lease is set out in writing, signed by the parties, and specifies the premises covered by the lease,

"(ii) the aggregate space rented or leased does not exceed that which is reasonable and necessary for the legitimate business purposes of the lease or rental and is used exclusively by the lessee when being used by the lessee,

"(iii) the lease provides for a term of rental or lease for at least one year,

"(iv) the aggregate rental charges over the term of the lease are set in advance, are consistent with fair market value, and are not determined in a manner that takes into account the volume or value of any referrals or other business generated between the parties,

"(v) the lease would be commercially reasonable even if no referrals were made between the parties, "(vi) the lease covers all of the premises leased between the parties for the period of the lease, and

"(vii) the compensation arrangement meets such other requirements as the Secretary may impose by regulation as needed to protect against program or patient abuse.

"(B) Equipment.—Payments made by a lessee of equipment to the lessor of the equipment for the use of the equipment if—

"(i) the lease is set out in writing, signed by the parties, and specifies the equipment covered by the lease,

"(ii) the equipment rented or leased does not exceed that which is reasonable and necessary for the legitimate business purposes of the lease or rental and is used exclusively by the lessee when being used by the lessee,

"(iii) the lease provides for a term of rental or lease of at least one year,

"(iv) the aggregate rental charges over the term of the lease are set in advance, are consistent with fair market value, and are not determined in a manner that takes into account the volume or value of any referrals or other business generated between the parties,

"(v) the lease would be commercially reasonable even if no referrals were made between the parties,

"(vi) the lease covers all of the equipment leased between the parties for the period of the lease, and

"(vii) the compensation arrangement meets such other requirements as the Secretary may impose by regulation as needed to protect against program or patient abuse.".

(2) Conforming amendment.—Section 1877(h) (42 U.S.C. 1395nn(h)) is amended by striking paragraphs (5) and (6).

(b) Bona Fide Employment Relationships.—Section 1877(e) (42 U.S.C. 1395nn(e)) is amended—

(1) in paragraph (2)—

(A) by striking "Employment" and all that follows through "if" and inserting "Bona fide employment relationships.—Any amount paid by an employer to a physician (or immediate family member) who has a bona fide employment relationship with the employer for the provision of services if";

(B) in subparagraphs (A), (B), and (D), by striking "arrangement" and inserting "employment";

(C) in subparagraph (C), by striking "to the hospital"; and

(D) by adding at the end the following: "Subparagraph (B)(ii) shall not be construed as prohibiting the payment of remuneration in the form of shares of overall profits or in the form of a productivity bonus based on services performed personally by the physician or family member, if the amount of the remuneration is not determined in a manner that takes into account directly the volume or value of any referrals by the referring physician."; and

(2) in paragraph (5)(A), by striking "in the same manner as they apply to a hospital".

(c) Personal Service Arrangements.—

(1) In general.—Paragraph (3) of section 1877(e) (42 U.S.C. 1395nn(e)) is amended to read as follows:

"(3) Personal service arrangements.—Remuneration from an entity under an arrangement if—

"(A) the arrangement is set out in writing, signed by the parties, and specifies the services covered by the arrangement,

"(B) the arrangement covers all of the services to be provided by the physician (or family member) to the entity,

"(C) the aggregate services contracted for do not exceed those that are reasonable and necessary for the legitimate business purposes of the arrangement,

"(D) the term of the arrangement is for at least one year,

"(E) the compensation to be paid over the term of the arrangement is set in advance, does not exceed fair market value, and is not determined in a manner that takes into account directly or indirectly the volume or value of any referrals or other business generated between the parties,

"(F) the services to be performed under the arrangement do not involve the counseling or promotion of a business arrangement or other activity that violates any State or Federal law, and

"(G) the arrangement meets such other requirements as the Secretary may impose by regulation as needed to protect against program or patient abuse.".

(2) Health services furnished under certain hospital arrangements.—Section 1877(e) (42 U.S.C. 1395nn(e)) is amended by adding at the end the following new paragraph:

"(7) Certain group practice arrangements with a hospital.—

"(A) In general.—An arrangement between a hospital and a group for the provision of designated health services by the group but billed in the name of the hospital if—

"(i) the group would be a group practice, but for the fact that it bills for such services in the name of the hospital;

"(ii) with respect to services provided to an inpatient of the hospital, the arrangement is pursuant to the provision of inpatient hospital services under section 1861(b)(3);

"(iii) the arrangement began before December 19, 1989, and has continued in effect without interruption since such date;

"(iv) the group provides substantially all of the designated health services furnished under the arrangement to the hospital's patients;

"(v) the arrangement is pursuant to an agreement that is set out in writing and that specifies the services to be provided by the parties and the compensation for services provided under the agreement;

"(vi) the compensation paid over the term of the agreement is consistent with fair market value and the compensation per unit of services is fixed in advance and is not determined in a manner that takes into account the volume or value of any referrals or other business generated between the parties;

"(vii) the compensation is provided pursuant to an agreement which would be commercially reasonable even if no referrals were made to the entity; and

"(viii) the arrangement between the parties meets such other requirements as the Secretary may impose by regulation as needed to protect against program or patient abuse.".

(d) Physician Recruitment.—Section 1877(e)(4) (42 U.S.C. 1395nn(e)(4)) is amended—

(1) by redesignating subparagraphs (A) through (C) as subparagraph (B) through (D), and

(2) by inserting before subparagraph (B), as so redesignated, the following new subparagraph:

"(A) the remuneration arrangement is set out in writing, signed by the parties, and specifies the benefits provided by the hospital, the terms under which the benefits are to be provided, and the obligations of the parties,".

(e) Isolated Transactions.—Section 1877(e)(5) (42 U.S.C. 1395nn(e)(5)) is amended—

(1) by striking "Isolated" and inserting "One-time",

(2) by striking "isolated" and inserting "one-time", and

(3) by inserting "or practice" after "one-time sale of property".

(f) New Exception for Payments by Physician.—Section 1877(e) (42 U.S.C. 1395nn(e)), as amended by subsection (c)(2), is further amended by adding at the end the following new paragraph:

"(8) Payments by a physician for items and services.—Payments made by a physician—

"(A) to a laboratory in exchange for the provision of clinical laboratory services, or

"(B) to an entity as compensation for other items or services if the items or services are furnished at a price that is consistent with fair market value.".

SEC. 13526. CLARIFICATION CONCERNING CIVIL MONEY PENALTY SANCTIONS.

Section 1877(g)(3) (42 U.S.C. 1395nn(g)(3)) is amended by inserting "(including a referring physician)" after "Any person".

SEC. 13527. REQUIREMENTS FOR GROUP PRACTICE.

(a) Additional Requirements.—Section 1877(h)(4) (42 U.S.C. 1395nn(h)(4)) is amended—

(1) by striking "and" at the end of subparagraph (C);

(2) by redesignating subparagraphs (A), (B), (C), and (D) as clauses (i), (ii), (iii), and (vii), respectively;

(3) by inserting "(A)" after ".—";

(4) by inserting after clause (iii), as so redesignated, the following:

"(iv) subject to subparagraph (B), no physician who is a member of the group receives compensation based on the volume or value of referrals by the physician;

"(v) there are no less than, on average, 5 physicians for each office location (as defined in subparagraph (C)), except where there is only a single office location for the entire group practice;

"(vi) members of the group personally conduct no less than 75 percent of the physician-patient encounters of the group practice; and"; and

(5) by adding at the end the following new subparagraphs:

"(B) A physician in a group practice may be paid a share of overall profits of the group or a productivity bonus (based on services personally performed or personally supervised by the physician or by another physician in the group) so long as the share or bonus is not determined in any manner which is directly related to the volume or value of referrals by that physician.

"(C)(i) Except as provided in clauses (ii) through (iv), the term 'office location' means an office where physician services are offered to patients.

"(ii) Such term does not include a location consisting solely of a diagnostic facility, nursing facility, or treatment facility (such as a physical or occupational therapy center), or administrative services affiliated with the group practice.

"(iii) Any office location which is located immediately adjacent to another office location shall be treated as the same office location.

"(iv) The term 'office location' does not include an office located in a rural area (as defined in section 1886(d)(2)(D)) if at least 85 percent of the physician services at the location are provided to individuals who reside in such a rural area.".

(b) Use of Billing Numbers, Etc.—Section 1877 (42 U.S.C. 1395nn) is amended—

(1) in subsection (b)(2)(B), by inserting "under a billing number assigned to the group practice" after "member",

(2) in subsection (h)(4)(A)(ii), as redesignated by subsection (a)(2), by inserting "and under a billing number assigned to the group" after "in the name of the group", and

(3) in subsection (h)(4)(A)(iii), as redesignated by subsection (a)(2), by striking "by members of the group".

(c) TREATMENT OF CERTAIN FACULTY PRACTICE PLANS.—The last sentence of section 1877(h)(4)(A) (42 U.S.C. 1395nn(h)(4)(A)), as redesignated by subsection (a)(2), is amended by inserting ", institution of higher education, or medical school" after "hospital".

SEC. 13528. NO FEDERAL PREEMPTION OF MORE RESTRICTIVE STATE LAWS.

Section 1877 (42 U.S.C. 1395nn), as amended by section 13522(2), is amended by adding at the end the following new subsection:

"(j) NO FEDERAL PREEMPTION OF MORE RESTRICTIVE STATE LAWS.—Nothing in this section shall preempt provisions of State law—

"(1) that relate to referrals not covered by this section, or

"(2) that relate to referrals covered by this section and are more restrictive with respect to such referrals than the provisions of this section.".

SEC. 13529. MISCELLANEOUS PROVISIONS.

(a) INDIRECT FINANCIAL RELATIONSHIPS.—The last sentence of section 1877(a)(2) (42 U.S.C. 1395nn(a)(2)) is amended by inserting before the period the following: "and includes an interest in an entity that holds an ownership or investment in another entity".

(b) MINOR REMUNERATION.—Section 1877(h)(1) (42 U.S.C. 1395nn(h)(1)) is amended—

(1) in subparagraph (A), by inserting before the period at the end the following: "(other than an arrangement involving only remuneration described in subparagraph (C))", and

(2) by adding at the end the following new subparagraph:

"(C) Remuneration described in this subparagraph is any remuneration consisting of any of the following:

"(i) The forgiveness of amounts owed for inaccurate tests or procedures, mistakenly performed tests or procedures, or the correction of minor billing errors.

"(ii) The provision of items, devices, or supplies that are used solely to—

"(I) collect, transport, process, or store specimens for the entity providing the item, device, or supply, or

"(II) communicate the results of tests or procedures for such entity.".

(c) REFERRING PHYSICIAN.—Section 1877(h)(7)(C) (42 U.S.C. 1395nn(h)(7)(C)) is amended—

(1) by inserting "a request by a radiologist for diagnostic radiology services, and a request by a radiation oncologist for radiation therapy," after "examination services,", and

(2) by inserting ", radiologist, or radiation oncologist" after "pathologist" the second place it appears.

(d) MISCELLANEOUS AND TECHNICAL CORRECTIONS.—Section 1877 (42 U.S.C. 1395nn) is further amended—

(1) in the next to last sentence of subsection (f)—

(A) by striking "provided" and inserting "furnished", and

(B) by striking "provides" and inserting "furnish";

(2) in the last sentence of subsection (f)—

(A) by striking "providing" each place it appears and inserting "furnishing",

(B) by striking "with respect to the providers" and inserting "with respect to the entities", and

(C) by striking "diagnostic imaging services of any type" and inserting "magnetic resonance imaging, computerized axial tomography scans, and ultrasound services"; and

(3) in subsection (a)(2)(B), by striking "subsection (h)(1)(A)" and inserting "subsection (h)(1)".

SEC. 13530. EFFECTIVE DATES.

(a) EXPANSION OF PAYERS AND SERVICES.—The amendments made by sections 13521 and 13522 shall apply with respect to a referral by a physician made on or after December 31, 1994.

(b) OTHER PROVISIONS.—

(1) IN GENERAL.—Except as provided in this subsection, the amendments made by sections 13523 through 13529 shall apply to referrals made on or after January 1, 1992.

(2) DELAY IN EFFECTIVENESS FOR MORE RESTRICTIVE PROVISIONS.—The amendments made by the following sections shall apply with respect to a referral by a physician made on or after December 31, 1994:

(A) Section 13523(b) (relating to the rural provider exception).

(B) Section 13524(a) (relating to publicly-traded securities).

(C)(i) Section 13525(a) (relating to an exception for office rental and equipment), other than the exception relating to equipment.

(ii) Section 13525(c)(1) (relating to exception for personal services arrangements).

(iii) Section 13525(d) (relating to physician recruitment).

(D) Section 13526 (relating to civil money penalty).

(E) Section 13527 (relating to requirements for group practices), other than subsection (c) (relating to faculty plans).

(F) Section 13528 (relating to non-preemption).

(G) Section 13529(a) (relating to indirect financial relationships).

Subchapter D—Other Provisions

SEC. 13551. DIRECT GRADUATE MEDICAL EDUCATION.

(a) ADJUSTMENT IN GME BASE-YEAR COSTS OF FEDERAL INSURANCE CONTRIBUTIONS ACT.—

(1) IN GENERAL.—In determining the amount of payment to be made under section 1886(h) of the Social Security Act in the case of a hospital described in paragraph (2) for cost reporting periods beginning on or after October 1, 1992, the Secretary of Health and Human Services shall redetermine the approved FTE resident amount to reflect the amount that would have been paid the hospital if, during the hospital's base cost reporting period, the hospital had been liable for FICA taxes or for contributions to the retirement system of a State, a political subdivision of a State, or an instrumentality of such a State or political subdivision with respect to interns and residents in its medical residency training program.

(2) HOSPITALS AFFECTED.—A hospital described in this paragraph is a hospital that did not pay FICA taxes with respect to interns and residents in its medical residency training program during the hospital's base cost reporting period, but is required to pay FICA taxes or make contributions to a retirement system described in paragraph (1) with respect to such interns and residents because of the amendments made by section 11332(b) of OBRA-1990.

(3) DEFINITIONS.—In this subsection:

(A) The "base cost reporting period" for a hospital is the hospital's cost reporting period that began during fiscal year 1984.

(B) The term "FICA taxes" means, with respect to a hospital, the taxes under section 3111 of the Internal Revenue Code of 1986.

(b) PUBLICLY-FUNDED FAMILY PRACTICE RESIDENCY PROGRAMS.—

(1) IN GENERAL.—Section 1886(h)(5) (42 U.S.C. 1395ww(h)(5)) is amended by adding at the end the following new subparagraph:

"(I) ADJUSTMENTS FOR CERTAIN FAMILY PRACTICE RESIDENCY PROGRAMS.—

"(i) IN GENERAL.—In the case of an approved medical residency training program (meeting the requirements of clause (ii)) of a hospital which received payments from the United States, a State, or a political subdivision of a State or an instrumentality of such a State or political subdivision (other than payments under this title or a State plan under title XIX) for the program during the cost reporting period that began during fiscal year 1984, the Secretary shall—

"(I) provide for an average amount under paragraph (2)(A) that takes into account the Secretary's estimate of the amount that would have been recognized as reasonable under this title if the hospital had not received such payments, and

"(II) reduce the payment amount otherwise provided under this subsection in an amount equal to the proportion of such program payments during the cost reporting period involved that is allocable to this title.

"(ii) ADDITIONAL REQUIREMENTS.—A hospital's approved medical residency program meets the requirements of this clause if—

"(I) the program is limited to training for family and community medicine;

"(II) the program is the only approved medical residency program of the hospital; and

"(III) the average amount determined under paragraph (2)(A) for the hospital (as determined without regard to the increase in such amount described in clause (i)(I)) does not exceed $10,000.".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to payments under section 1886(h) of the Social Security Act for cost reporting periods beginning on or after October 1, 1990.

(c) PREVENTIVE CARE RESIDENCIES.—

(1) ELIGIBILITY OF PREVENTIVE CARE RESIDENCY PROGRAMS FOR EXPANDED INITIAL RESIDENCY PERIODS.—Section 1886(h)(5)(F)(ii) (42 U.S.C. 1395ww(h)(5)(F)(ii)) is amended by inserting after "fellowship program" the following: "or a preventive care residency or fellowship program".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to cost reporting periods beginning on or after October 1, 1993.

SEC. 13552. IMMUNOSUPPRESSIVE DRUG THERAPY.

Section 1861(s)(2)(J) (42 U.S.C. 1395x(s)(2)(J)) is amended by striking "title, within" and all that follows and inserting the following: "title, but only in the case of drugs furnished—

"(i) before 1994, within 12 months after the date of the transplant procedure,

"(ii) during 1994, within 18 months after the date of the transplant procedure,

"(iii) during 1995, within 24 months after the date of the transplant procedure,

"(iv) during 1996, within 30 months after the date of the transplant procedure, and

"(v) during any year after 1997, within 36 months after the date of the transplant procedure;".

SEC. 13553. REDUCTION IN PAYMENTS FOR ERYTHROPOIETIN.

(a) IN GENERAL.—Section 1881(b)(11)(B)(ii)(I) (42 U.S.C. 1395rr(b)(11)(B)(ii)(I)) is amended—

(1) by striking "1991" and inserting "1994"; and

(2) by striking "$11" and inserting "$10".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to erythropoietin furnished on or after January 1, 1994.

SEC. 13554. QUALIFIED MEDICARE BENEFICIARY OUTREACH.

The Secretary of Health and Human Services shall establish and implement a method for obtaining information from newly eligible medicare beneficiaries that may be used to determine whether such beneficiaries may be eligible for medical assistance for medicare cost-sharing under State medicaid plans as qualified medicare beneficiaries, and for transmitting such information to the State in which such a beneficiary resides.

SEC. 13555. EXTENSION OF SOCIAL HEALTH MAINTENANCE ORGANIZATION DEMONSTRATIONS.

(a) Extension of Current Waivers.—Section 4018(b) of OBRA–1987, as amended by section 4207(b)(4)(B) of OBRA–1990, is amended—

(1) in paragraph (1) by striking "December 31, 1995" and inserting "December 31, 1997"; and

(2) in paragraph (4) by striking "March 31, 1996" and inserting "March 31, 1998".

(b) Expansion of Demonstrations.—Section 2355 of the Deficit Reduction Act of 1984 is amended—

(1) in the last sentence of subsection (a) by striking "12 months" and inserting "36 months"; and

(2) in subsection (b)(1)(B)—

(A) by striking "or" at the end of clause (iii); and

(B) by redesignating clause (iv) as clause (v) and inserting after clause (iii) the following new clause:

"(iv) integrating acute and chronic care management for patients with end-stage renal disease through expanded community care case management services (and for purposes of a demonstration project conducted under this clause, any requirement under a waiver granted under this section that a project disenroll individuals who develop end-stage renal disease shall not apply); or".

(c) Expansion of Number of Members Per Site.—The Secretary of Health and Human Services may not impose a limit of less than 12,000 on the number of individuals that may participate in a project conducted under section 2355 of the Deficit Reduction Act of 1984.

(d) Miscellaneous and Technical Corrections.—

(1) The section following section 4206 of OBRA–1990 is amended by striking "Sec. 4027." and inserting "Sec. 4207.", and in this subtitle is referred to as section 4207 of OBRA–1990.

(2) Section 2355(b)(1)(B) of the Deficit Reduction Act of 1984, as amended by section 4207(b)(4)(B)(ii) of OBRA–1990, is amended—

(A) by striking "12907(c)(4)(A)" and inserting "4207(b)(4)(B)(i)", and

(B) by striking "feasibilitly" and inserting "feasibility".

(3) Section 4207(b)(4)(B)(iii)(III) of OBRA–1990 is amended by striking the period at the end and inserting a semicolon.

(4) Subsections (c)(3) and (e) of section 2355 of the Deficit Reduction Act of 1984, as amended by section 4207(b)(4)(B) of OBRA–1990, are each amended by striking "12907(c)(4)(A)" each place it appears and inserting "4207(b)(4)(B)".

(5) Section 4207(c)(2) of OBRA–1990 is amended by striking "the Committee on Ways and Means" each place it appears and inserting "the Committees on Ways and Means and Energy and Commerce".

(6) Section 4207(d) of OBRA–1990 is amended by redesignating the second paragraph (3) (relating to effective date) as paragraph (4).

(7) Section 4207(i)(2) of OBRA–1990 is amended—

(A) by striking the period at the end of clause (iii) and inserting a semicolon, and

(B) in clause (v), by striking "residents" and inserting "patients".

(8) Section 4207(j) of OBRA–1990 is amended by striking "title" each place it appears and inserting "subtitle".

(e) Effective Date.—The amendments made by this section shall take effect as if included in the enactment of OBRA–90.

SEC. 13556. HOSPICE NOTIFICATION TO HOME HEALTH BENEFICIARIES.

(a) In General.—Section 1891(a)(1) (42 U.S.C. 1395bbb(a)(1)) is amended by adding at the end the following new subparagraph:

"(H) The right, in the case of a resident who is entitled to benefits under this title, to be fully informed orally and in writing (at the time of coming under the care of the agency) of the entitlement of individuals to hospice care under section 1812(a)(4) (unless there is no hospice program providing hospice care for which payment may be made under this title within the geographic area of the facility and it is not the common practice of the agency to refer patients to hospice programs located outside such geographic area).".

(b) Effective Date.—The amendment made by subsection (a) shall apply to services furnished on or after the first day of the first month beginning more than one year after the date of the enactment of this Act.

SEC. 13557. INTEREST PAYMENTS.

(a) In General.—Sections 1816(c)(2)(B)(ii)(IV) and 1842(c)(2)(B)(ii)(IV) of the Social Security Act shall be applied with respect to claims received in the 12-month period beginning October 1, 1992, by substituting "30 calendar days" for "24 calendar days" and "17 calendar days".

(b) Effective Date.—Subsection (a) shall be in effect during the period that begins on the date of the enactment of this Act and ends on September 30, 1993.

SEC. 13558. PEER REVIEW ORGANIZATIONS.

(a) Repeal of PRO Precertification Requirement for Certain Surgical Procedures.—

(1) In general.—Section 1164 (42 U.S.C. 1320c–13) is repealed.

(2) Conforming amendments.—

(A) Section 1154 (42 U.S.C. 1320c–3) is amended—

(i) in subsection (a), by striking paragraph (12), and

(ii) in subsection (d), by striking "(and except as provided in section 1164)".

(B) Section 1833 (42 U.S.C. 1395l) is amended—

(i) in subsection (a)(1)(D)(i), by striking ", or for tests furnished in connection with obtaining a second opinion required under section 1164(c)(2) (or a third opinion, if the second opinion was in disagreement with the first opinion)";

(ii) in subsection (a)(1), by striking clause (G);

(iii) in subsection (a)(2)(A), by striking ", to items and services (other than clinical diagnostic laboratory tests) furnished in connection with obtaining a second opinion required under section 1164(c)(2) (or a third opinion, if the second opinion was in disagreement with the first opinion),";

(iv) in subsection (a)(2)(D)(i)—

(I) by striking "basis," and inserting "basis or", and

(II) by striking ", or for tests furnished in connection with obtaining a second opinion required under section 1164(c)(2) (or a third opinion, if the second opinion was in disagreement with the first opinion)";

(v) in subsection (a)(3), by striking "and for items and services furnished in connection with obtaining a second opinion required under section 1164(c)(2), or a third opinion, if the second opinion was in disagreement with the first opinion)"; and

(vi) in the first sentence of subsection (b), by striking "(4)" and all that follows through "and (5)" and inserting "and (4)".

(C) Section 1834(g)(1)(B) (42 U.S.C. 1395m(g)(1)(B)) is amended by striking "and for items and services furnished in connection with obtaining a second opinion required under section 1164(c)(2), or a third opinion, if the second opinion was in disagreement with the first opinion)".

(D) Section 1862(a) (42 U.S.C. 1395y(a)) is amended—

(i) by adding "or" at the end of paragraph (14),

(ii) by striking "; or" at the end of paragraph (15) and inserting a period, and

(iii) by striking paragraph (16).

(E) The third sentence of section 1866(a)(2)(A) (42 U.S.C. 1395w(a)(2)(A)) is amended by striking ", with respect to items and services furnished in connection with obtaining a second opinion required under section 1164(c)(2) (or a third opinion, if the second opinion was in disagreement with the first opinion),".

(3) Effective date.—The amendments made by this subsection shall apply to services provided on or after the date of the enactment of this Act.

(b) Miscellaneous and Technical Corrections.—(1) The third sentence of section 1156(b)(1) (42 U.S.C. 1320c–5(b)(1)) is amended by striking "whehter" and inserting "whether".

(2) Section 1154(a)(9)(B) (42 U.S.C. 1320c–3(a)(9)(B)) is amended by striking "this subsection" and inserting "section 1156(a)".

(3) Section 4205(d)(2)(B) of OBRA–1990 is amended by striking "amendments" and inserting "amendment".

(4) Section 1160(d) (42 U.S.C. 1320c–9(d)) is amended by striking "subpena" and inserting "subpoena".

(5) Section 4205(e)(2) of OBRA–1990 is amended by striking "amendments" and inserting "amendment" and by striking "all".

(6)(A) Except as provided in subparagraph (B), the amendments made by this subsection shall take effect as if included in the enactment of OBRA–1990.

(B) The amendment made by paragraph (2) (relating to the requirement on reporting of information to State licensing boards) shall take effect on the date of the enactment of this Act.

SEC. 13559. HEALTH MAINTENANCE ORGANIZATIONS.

(a) Adjustment in Medicare Capitation Payments to Account for Regional Variations in Application of Secondary Payer Provisions.—

(1) In general.—Section 1876(a)(4) (42 U.S.C. 1395mm(a)(4)) is amended by adding at the end the following new sentence: "In establishing the adjusted average per capita cost for a geographic area, the Secretary shall take into account the differences between the proportion of individuals in the area with respect to whom there is a group health plan that is a primary plan (within the meaning of section 1862(b)(2)(A)) compared to the proportion of all such individuals with respect to whom there is such a group health plan.".

(2) Effective date.—The amendment made by paragraph (1) shall apply to contracts entered into for years beginning with 1994.

(b) REVISIONS IN THE PAYMENT METHODOLOGY FOR RISK CONTRACTORS.—Section 4204(b) of OBRA-1990 is amended to read as follows:

"(b) REVISIONS IN THE PAYMENT METHODOLOGY FOR RISK CONTRACTORS.—(1)(A) Not later than October 1, 1993, the Secretary of Health and Human Services (in this subsection referred to as the 'Secretary') shall submit a proposal to the Congress that provides for revisions to the payment method to be applied in years beginning with 1995 for organizations with a risk-sharing contract under section 1876(g) of the Social Security Act.

"(B) In proposing the revisions required under subparagraph (A) the Secretary shall consider—

"(i) the difference in costs associated with medicare beneficiaries with differing health status and demographic characteristics; and

"(ii) the effects of using alternative geographic classifications on the determinations of costs associated with beneficiaries residing in different areas.

"(2) Not later than 3 months after the date of submittal of the proposal under paragraph (1), the Comptroller General shall review the proposal and shall report to Congress on the appropriateness of the proposed modifications.".

(c) MISCELLANEOUS AND TECHNICAL CORRECTIONS.—(1) Section 1876(a)(3) (42 U.S.C. 1395mm(a)(3)) is amended by striking "subsection (c)(7)" and inserting "subsections (c)(2)(B)(ii) and (c)(7)".

(2) Section 4204(c)(3) of OBRA-1990 is amended by striking "for 1991" and inserting "for years beginning with 1991".

(3) Section 4204(d)(2) of OBRA-1990 is amended by striking "amendment" and inserting "amendments".

(4) Section 1876(a)(1)(E)(ii)(I) (42 U.S.C. 1395mm(a)(1)(E)(ii)(I)) is amended by striking the comma after "contributed to".

(5) Section 4204(e)(2) of OBRA-1990 is amended by striking "(which has a risk-sharing contract under section 1876 of the Social Security Act)".

(6) Section 4204(f)(4) of OBRA-1990 is amended by striking "final".

(7) Section 1862(b)(3)(C) (42 U.S.C. 1395y(b)(3)(C)) is amended—

(A) in the heading, by striking "PLAN" and inserting "PLAN OR A LARGE GROUP HEALTH PLAN";

(B) by striking "group health plan" and inserting "group health plan or a large group health plan";

(C) by striking ", unless such incentive is also offered to all individuals who are eligible for coverage under the plan"; and

(D) by striking "the first sentence of subsection (a) and other than subsection (b)" and inserting "subsections (a) and (b)".

(8) The amendments made by this subsection shall take effect as if included in the enactment of OBRA-1990.

SEC. 13560. MEDICARE ADMINISTRATION BUDGET PROCESS.

(a) ADJUSTMENTS.—Section 251(b)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by redesignating subparagraphs (E) and (F) as subparagraphs (F) and (G), respectively, and by inserting after subparagraph (D) the following new subparagraph:

"(E) MEDICARE ADMINISTRATIVE COSTS.—To the extent that appropriations are enacted that provide additional new budget authority (as compared with a base level of $1,526,000,000 for new budget authority) for the administration of the Medicare program by fiscal intermediaries and carriers pursuant to sections 1816 and 1842(a) of title XVIII of the Social Security Act, the adjustment for that year shall be that amount, but shall not exceed—

"(i) for fiscal year 1994, $198,000,000 in new budget authority and $198,000,000 in outlays; and

"(ii) for fiscal year 1995, $220,000,000 in new budget authority and $220,000,000 in outlays; and

the prior-year outlays resulting from these appropriations of budget authority and additional adjustments equal to the sum of the maximum adjustments that could have been made in preceding fiscal years under this subparagraph.".

(b) CONFORMING AMENDMENTS.—

(1) Section 603(a) of the Congressional Budget Act of 1974 is amended by striking "section 251(b)(2)(E)(i)" and inserting "section 251(b)(2)(F)(i)".

(2) Section 606(d) of the Congressional Budget Act of 1974 is amended—

(A) in paragraph (1)(A) by striking "section 251(b)(2)(E)(i)" and inserting "section 251(b)(2)(F)(i)"; and

(B) in paragraph (2), by inserting "251(b)(2)(E)," after "251(b)(2)(D),".

SEC. 13561. OTHER PROVISIONS.

(a) SURVEY AND CERTIFICATION REQUIREMENTS.—(1) Section 1864 (42 U.S.C. 1395aa) is amended—

(A) in subsection (e), by striking "title" and inserting "title (other than any fee relating to section 353 of the Public Health Service Act)"; and

(B) in the first sentence of subsection (a), by striking "1861(s) or" and all that follows through "Service Act," and inserting "1861(s),".

(2) An agreement made by the Secretary of Health and Human Services with a State under section 1864(a) of the Social Security Act may include an agreement that the services of the State health agency or other appropriate State agency (or the appropriate local agencies) will be utilized by the Secretary for the purpose of determining whether a laboratory meets the requirements of section 353 of the Public Health Service Act.

(b) HOME DIALYSIS DEMONSTRATION TECHNICAL CORRECTION.—Section 4202 of OBRA-1990 is amended—

(1) in subsection (b)(1)(A), by striking "home hemodialysis staff assistant" and inserting "qualified home hemodialysis staff assistant (as described in subsection (d))";

(2) in subsection (b)(2)(B)(ii)(I), by striking "(as adjusted to reflect differences in area wage levels);

(3) in subsection (c)(1)(A), by striking "skilled"; and

(4) in subsection (c)(1)(E), by striking "(b)(4)" and inserting "(b)(2)".

(c) OTHER TECHNICAL AMENDMENTS.—(1) Section 1833 (42 U.S.C. 1395l) is amended by redesignating the subsection (r) added by section 4206(b)(2) of OBRA-1990 as subsection (s).

(2) Section 1866(f)(1) (42 U.S.C. 1395cc(f)(1)) is amended by striking "1833(r)" and inserting "1833(s)".

(3) Section 1861(s)(2) (42 U.S.C. 1395x(s)(2)) is amended by moving subparagraph (O), as redesignated by section 13478(f)(8)(B)(iii)(II) of this title, two ems to the left.

(4) Section 1881(b)(1)(C) (42 U.S.C. 1395rr(b)(1)(C)) is amended by striking "1861(s)(2)(Q)" and inserting "1861(s)(2)(P)".

(5) Section 4201(d)(2) of OBRA-1990 is amended by striking "(B) by striking", "(C) by striking", and "(3) by adding" and inserting "(i) by striking", "(ii) by striking", and "(B) by adding", respectively.

(6)(A) Section 4207(a)(1) of OBRA-1990 is amended by adding closing quotation marks and a period after "such review.".

(B) Section 4207(a)(4) of OBRA-1990 is amended by striking "this subsection" and inserting "paragraphs (2) and (3)".

(C) Section 4207(b)(1) of OBRA-1990 is amended by striking "section 3(7)" and inserting "section 601(a)(1)".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of OBRA-1990.

CHAPTER 4—MEDICARE SUPPLEMENTAL INSURANCE POLICIES

SEC. 13571. STANDARDS FOR MEDICARE SUPPLEMENTAL INSURANCE POLICIES.

(a) SIMPLIFICATION OF MEDICARE SUPPLEMENTAL POLICIES.—

(1) Section 4351 of OBRA-1990 is amended by striking "(a) IN GENERAL.—".

(2) Section 1882(p) (42 U.S.C. 1395ss(p)) is amended—

(A) in paragraph (1)(A)—

(i) by striking "promulgates" and inserting "changes the revised NAIC Model Regulation (described in subsection (m)) to incorporate",

(ii) by striking "(such limitations, language, definitions, format, and standards referred to collectively in this subsection as 'NAIC standards'),', and

(iii) by striking "included a reference to the NAIC standards" and inserting "were a reference to the revised NAIC Model Regulation as changed under this subparagraph (such changed regulation referred to in this section as the '1991 NAIC Model Regulation')";

(B) in paragraph (1)(B)—

(i) by striking "promulgate NAIC standards" and inserting "make the changes in the revised NAIC Model Regulation",

(ii) by striking "limitations, language, definitions, format, and standards described in clauses (i) through (iv) of such subparagraph (in this subsection referred to collectively as 'Federal standards')" and inserting "a regulation", and

(iii) by striking "included a reference to the Federal standards" and inserting "were a reference to the revised NAIC Model Regulation as changed by the Secretary under this subparagraph (such changed regulation referred to in this section as the '1991 Federal Regulation')";

(C) in paragraph (1)(C)(i), by striking "NAIC standards or the Federal standards" and inserting "1991 NAIC Model Regulation or 1991 Federal Regulation";

(D) in paragraphs (1)(C)(ii)(I), (1)(E), (2), and (9)(B), by striking "NAIC or Federal standards" and inserting "1991 NAIC Model Regulation or 1991 Federal Regulation";

(E) in paragraph (2)(C), by striking "(5)(B)" and inserting "(4)(B)";

(F) in paragraph (4)(A)(i), by inserting "or paragraph (6)" after "(B)";

(G) in paragraph (4), by striking "applicable standards" each place it appears and inserting "applicable 1991 NAIC Model Regulation or 1991 Federal Regulation";

(H) in paragraph (6), by striking "in regard to the limitation of benefits described in paragraph (4)" and inserting "described in clauses (i) through (iii) of paragraph (1)(A)";

(I) in paragraph (7), by striking "policyholder" and inserting "policyholders";

(J) in paragraph (8), by striking "after the effective date of the NAIC or Federal standards with respect to the policy, in violation of the previous requirements of this subsection" and inserting "on and after the effective date specified in paragraph (1)(C) (but subject to paragraph (10)), in violation of the applicable 1991 NAIC Model Regulation or 1991 Federal Regulation insofar as such regulation relates to the requirements of subsection (o) or (q) or clause (i), (ii), or (iii) of paragraph (1)(A)";

(K) in paragraph (9), by adding at the end the following new subparagraph:

"(D) Subject to paragraph (10), this paragraph shall apply to sales of policies occurring on or after the effective date specified in paragraph (1)(C)."; and

(L) in paragraph (10), by striking "this subsection" and inserting "paragraph (1)(A)(i)".

(b) GUARANTEED RENEWABILITY.—Section 1882(q) (42 U.S.C. 1395ss(q)) is amended—

(1) in paragraph (2), by striking "paragraph (2)" and inserting "paragraph (4)", and

(2) in paragraph (4), by striking "the succeeding issuer" and inserting "issuer of the replacement policy".

(c) ENFORCEMENT OF STANDARDS.—

(1) Section 1882(a)(2) (42 U.S.C. 1395ss(a)(2)) is amended—

(A) in subparagraph (A), by striking "NAIC standards or the Federal standards" and inserting "1991 NAIC Model Regulation or 1991 Federal Regulation", and

(B) by striking "after the effective date of the NAIC or Federal standards with respect to the policy" and inserting "on and after the effective date specified in subsection (p)(1)(C)".

(2) The sentence in section 1882(b)(1) added by section 4353(c)(5) of OBRA-1990 is amended—

(A) by striking "The report" and inserting "Each report",

(B) by inserting "and requirements" after "standards",

(C) by striking "and" after "compliance,", and

(D) by striking the comma after "Commissioners".

(3) Section 1882(g)(2)(B) (42 U.S.C. 1395ss(g)(2)(B)) is amended by striking "Panel" and inserting "Secretary".

(4) Section 1882(b)(1) (42 U.S.C. 1395ss(b)(1)) is amended by striking "the the Secretary" and inserting "the Secretary".

(d) PREVENTING DUPLICATION.—

(1) Section 1882(d)(3)(A) (42 U.S.C. 1395ss(d)(3)(A)) is amended—

(A) by amending the first sentence to read as follows:

"(i) It is unlawful for a person to sell or issue to an individual entitled to benefits under part A or enrolled under part B of this title—

"(I) a health insurance policy with knowledge that the policy duplicates health benefits to which the individual is otherwise entitled under this title or title XIX,

"(II) a medicare supplemental policy with knowledge that the individual is entitled to benefits under another medicare supplemental policy, or

"(III) a health insurance policy (other than a medicare supplemental policy) with knowledge that the policy duplicates health benefits to which the individual is otherwise entitled, other than benefits to which the individual is entitled under a requirement of State or Federal law.";

(B) by designating the second sentence as clause (ii) and, in such clause, by striking "the previous sentence" and inserting "clause (i)";

(C) by designating the third sentence as clause (iii) and, in such clause—

(i) by striking "the previous sentence" and inserting "clause (i) with respect to the sale of a medicare supplemental policy", and

(ii) by striking "and the statement" and all that follows up to the period at the end; and

(D) by striking the last sentence.

(2) Section 1882(d)(3)(B) (42 U.S.C. 1395ss(d)(3)(B)) is amended—

(A) in clause (ii)(II), by striking "65 years of age or older",

(B) in clause (iii)(I), by striking "another medicare" and inserting "a medicare",

(C) in clause (iii)(I), by striking "such a policy" and inserting "a medicare supplemental policy",

(D) in clause (iii)(II), by striking "another policy" and inserting "a medicare supplemental policy", and

(E) by amending subclause (III) of clause (iii) to read as follows:

"(III) If the statement required by clause (i) is obtained and indicates that the individual is entitled to any medical assistance under title XIX, the sale of the policy is not in violation of clause (i) (insofar as such clause relates to such medical assistance), if a State medicaid plan under such title pays the premiums for the policy, or, in the case of a qualified medicare beneficiary described in section 1905(p)(1), if the State pays less than the full amount of medicare cost-sharing as described in subparagraphs (B), (C), and (D) of section 1905(p)(3) for such individual.".

(3)(A) Section 1882(d)(3)(C) (42 U.S.C. 1395ss(d)(3)(C)) is amended—

(i) by striking "the selling" and inserting "(i) the sale or issuance", and

(ii) by inserting before the period at the end the following: ", (ii) the sale or issuance of a policy or plan described in subparagraph (A)(i)(I) (other than a medicare supplemental policy to an individual entitled to any medical assistance under title XIX) under which all the benefits are fully payable directly to or on behalf of the individual without regard to other health benefit coverage of the individual but only if (for policies sold or issued more than 60 days after the date the statements are published or promulgated under subparagraph (D)) there is disclosed in a prominent manner as part of (or together with) the application the applicable statement (specified under subparagraph (D)) of the extent to which benefits payable under the policy or plan duplicate benefits under this title, or (iii) the sale or issuance of a policy or plan described in subparagraph (A)(i)(III) under which all the benefits are fully payable directly to or on behalf of the individual without regard to other health benefit coverage of the individual".

(B) Section 1882(d)(3) (42 U.S.C. 1395ss(d)(3)) is amended by adding at the end the following:

"(D)(i) If—

"(I) within the 90-day period beginning on the date of the enactment of this subparagraph, the National Association of Insurance Commissioners develops (after consultation with consumer and insurance industry representatives) and submits to the Secretary a statement for each of the types of health insurance policies (other than medicare supplemental policies and including, as separate types of policies, policies paying directly to the beneficiary fixed, cash benefits) which are sold to persons entitled to health benefits under this title, of the extent to which benefits payable under the policy or plan duplicate benefits under this title, and

"(II) the Secretary approves all the statements submitted as meeting the requirements of subclause (I),

each such statement shall be (for purposes of subparagraph (C)) the statement specified under this subparagraph for the type of policy involved. The Secretary shall review and approve (or disapprove) all the statements submitted under subclause (I) within 30 days after the date of their submittal. Upon approval of such statements, the Secretary shall publish such statements.

"(ii) If the Secretary does not approve the statements under clause (i) or the statements are not submitted within the 90-day period specified in such clause, the Secretary shall promulgate (after consultation with consumer and insurance industry representatives and not later than 90 days after the date of disapproval or the end of such 90-day period (as the case may be)) a statement for each of the types of health insurance policies (other than medicare supplemental policies and including, as separate types of policies, policies paying directly to the beneficiary fixed, cash benefits) which are sold to persons entitled to health benefits under this title, of the extent to which benefits payable under the policy or plan duplicate benefits under this title, and each such statement shall be (for purposes of subparagraph (C)) the statement specified under this subparagraph for the type of policy involved.".

(C) The requirement of a disclosure under section 1882(d)(3)(C)(ii) of the Social Security Act shall not apply to an application made for a policy or plan before 60 days after the date of the Secretary of Health and Human Services publishes or promulgates all the statements under section 1882(d)(3)(D) of such Act.

(4) Subparagraphs (A) and (B) of section 1882(q)(5) are amended by striking "of the Social Security Act".

(e) LOSS RATIOS AND REFUNDS OF PREMIUMS.—

(1) Section 1882(r) (42 U.S.C. 1395ss(r)) is amended—

(A) in paragraph (1), by striking "or sold" and inserting "or renewed (or otherwise provide coverage after the date described in subsection (p)(1)(C))";

(B) in paragraph (1)(A), by inserting "for periods after the effective date of these provisions" after "the policy can be expected";

(C) in paragraph (1)(A), by striking "Commissioners," and inserting "Commissioners)";

(D) in paragraph (1)(B), by inserting before the period at the end the following: ", treating policies of the same type as a single policy for each standard package";

(E) by adding at the end of paragraph (1) the following: "For the purpose of calculating the refund or credit required under paragraph (1)(B) for a policy issued before the date specified in subsection (p)(1)(C), the refund or credit calculation shall be based on the aggregate benefits provided and premiums collected under all such policies issued by an insurer in a State (separated as to individual and group policies) and shall be based only on aggregate benefits provided and premiums collected under such policies after the date specified in section 13571(m)(4) of the Omnibus Budget Reconciliation Act of 1993.";

(F) in the first sentence of paragraph (2)(A), by striking "by policy number" and inserting "by standard package";

(G) by striking the second sentence of paragraph (2)(A) and inserting the following: "Paragraph (1)(B) shall not apply to a policy until 12 months following issue.";

(H) in the last sentence of paragraph (2)(A), by striking "in order" and all that follows through "are effective";

(I) by adding at the end of paragraph (2)(A), the following new sentence: "In the case of a policy issued before the date specified in subsection (p)(1)(C), paragraph (1)(B) shall not apply until 1 year after the date specified in section 13571(m)(4) of the Omnibus Budget Reconciliation Act of 1993.";

(J) in paragraph (2), by striking "policy year" each place it appears and inserting "calendar year";

(K) in paragraph (4), by striking "February", "disllowance", "loss-ratios" each place it appears, and "loss-ratio" and inserting "October", "disallowance", "loss ratios", and "loss ratio", respectively;

(L) in paragraph (6)(A), by striking "issues a policy in violation of the loss ratio requirements of this subsection" and "such violation" and inserting "fails to provide refunds or credits as required in paragraph (1)(B)" and "policy issued for which such failure occurred", respectively; and

(M) in paragraph (6)(B), by striking "to policyholders" and inserting "to the policyholder or, in the case of a group policy, to the certificate holder".

(2) Section 1882(b)(1) (42 U.S.C. 1395ss(b)(1)) is amended, in the matter after subparagraph (H), by striking "subsection (F)" and inserting "subparagraph (F)".

(3) Section 4355(d) of OBRA–1990 is amended by striking "sold or issued" and all that follows and inserting "issued or renewed (or otherwise providing coverage after the date described in section 1882(p)(1)(C) of the Social Security Act) on or after the date specified in section 1882(p)(1)(C) of such Act.".

(f) TREATMENT OF HMO'S.—

(1) Section 1882(g)(1) (42 U.S.C. 1395ss(g)(1)) is amended by striking "a health maintenance organization or other direct service organization" and all that follows through "1833" and inserting "an eligible organization (as defined in section 1876(b)) if the policy or plan provides benefits pursuant to a contract under section 1876 or an approved demonstration project described in section 603(c) of the Social Security Amendments of 1983, section 2355 of the Deficit Reduction Act of 1984, or section 9412(b) of the Omnibus Budget Reconciliation Act of 1986 or, during the period beginning on the date specified in subsection (p)(1)(C) and ending on December 31, 1994, a policy or plan of an organization if the policy or plan provides benefits pursuant to an agreement under section 1833(a)(1)(A)".

(2) Section 4356(b) of OBRA–1990 is amended by striking "on the date of the enactment of this Act" and inserting "on the date specified in section 1882(p)(1)(C) of the Social Security Act".

(g) PRE-EXISTING CONDITION LIMITATIONS.—Section 1882(s) (42 U.S.C. 1395ss(s)) is amended—

(1) in paragraph (2)(A), by striking "for which an application is submitted" and inserting "in the case of an individual for whom an application is submitted prior to or",

(2) in paragraph (2)(A), by striking "in which the individual (who is 65 years of age or older) first is enrolled for benefits under part B" and inserting "as of the first day on which the individual is 65 years of age or older and is enrolled for benefits under part B", and

(3) in paragraph (2)(B), by striking "before it" and inserting "before the policy".

(h) MEDICARE SELECT POLICIES.—

(1) Section 1882(t) (42 U.S.C. 1395ss(t)) is amended—

(A) in paragraph (1), by inserting "medicare supplemental" after "If a",

(B) in paragraph (1), by striking "NAIC Model Standards" and inserting "1991 NAIC Model Regulation or 1991 Federal Regulation",

(C) in paragraph (1)(A), by inserting "or agreements" after "contracts",

(D) in subparagraphs (E)(i) and (F) of paragraph (1), by striking "NAIC standards" and inserting "standards in the 1991 NAIC Model Regulation or 1991 Federal Regulation", and

(E) in paragraph (2), by inserting "the issuer" before "is subject to a civil money penalty".

(2) Section 1154(a)(4)(B) (42 U.S.C. 1320c-3(a)(4)(B)) is amended—

(A) by inserting "that is" after "(or", and

(B) by striking "1882(t)" and inserting "1882(t)(3)".

(i) HEALTH INSURANCE COUNSELING.—Section 4360 of OBRA–1990 is amended—

(1) in subsection (b)(2)(A)(ii), by striking "Act" and inserting "Act)";

(2) in subsection (b)(2)(D), by striking "services" and inserting "counseling";

(3) in subsection (b)(2)(I), by striking "assistance" and inserting "referrals";

(4) in subsection (c)(1), by striking "and that such activities will continue to be maintained at such level";

(5) in subsection (d)(3), by striking "to the rural areas" and inserting "eligible individuals residing in rural areas";

(6) in subsection (e)—

(A) by striking "subsection (c) or (d)" and inserting "this section",

(B) by striking "and annually thereafter, issue an annual report" and inserting "and annually thereafter during the period of the grant, issue a report", and

(C) in paragraph (1), by striking "Statewide";

(7) in subsection (f), by striking paragraph (2) and by redesignating paragraphs (3) through (5) as paragraphs (2) through (4), respectively; and

(8) by redesignating the second subsection (f) (relating to authorization of appropriations for grants) as subsection (g).

(j) TELEPHONE INFORMATION SYSTEM.—

(1) Section 1804 (42 U.S.C. 1395b-2) is amended—

(A) by adding at the end of the heading the following: "; MEDICARE AND MEDIGAP INFORMATION",

(B) by inserting "(a)" after "1804.", and

(C) by adding at the end the following new subsection:

"(b) The Secretary shall provide information via a toll-free telephone number on the programs under this title.".

(2) Section 1882(f) (42 U.S.C. 1395ss(f)) is amended by adding at the end the following new paragraph:

"(3) The Secretary shall provide information via a toll-free telephone number on medicare supplemental policies (including the relationship of State programs under title XIX to such policies).".

(3) Section 1889 is repealed.

(k) MAILING OF POLICIES.—Section 1882(d)(4) (42 U.S.C. 1395ss(d)(4)) is amended—

(1) in subparagraph (D), by striking ", if such policy" and all that follows up to the period at the end, and

(2) by adding at the end the following new subparagraph:

"(E) Subparagraph (A) shall not apply in the case of an issuer who mails or causes to be mailed a policy, certificate, or other matter solely to comply with the requirements of subsection (q).".

(l) EFFECTIVE DATE.—The amendments made by this section shall be effective as if included in the enactment of OBRA–1990; except that—

(1) the amendments made by subsection (d)(1) shall take effect on the date of the enactment of this Act, but no penalty shall be imposed under section 1882(d)(3)(A) of the Social Security Act (for an action occurring after the effective date of the amendments made by section 4354 of OBRA–1990 and before the date of the enactment of this Act) with respect to the sale or issuance of a policy which is not unlawful under section 1882(d)(3)(A)(i)(II) of the Social Security Act (as amended by this section);

(2) the amendments made by subsection (d)(2)(A) and by subparagraphs (A), (B), and (E) of subsection (e)(1) shall be effective on the date specified in subsection (m)(4); and

(3) the amendment made by subsection (g)(2) shall take effect on January 1, 1994, and shall apply to individuals who attain 65 years of age or older on or after the effective date of section 1882(s)(2) of the Social Security Act (and, in the case of individuals who attained 65 years of age after such effective date and before January 1, 1994, and who were not covered under such section before January 1, 1994, the 6-month period specified in that section shall begin January 1, 1994).

(m) TRANSITION PROVISIONS.—

(1) IN GENERAL.—If the Secretary of Health and Human Services identifies a State as requiring a change to its statutes or regulations to conform its regulatory program to the changes made by this section, the State regulatory program shall not be considered to be out of compliance with the requirements of section 1882 of the Social Security Act due solely to failure to make such change until the date specified in paragraph (4).

(2) NAIC STANDARDS.—If, within 6 months after the date of the enactment of this Act, the National Association of Insurance Commissioners (in this subsection referred to as the "NAIC") modifies its 1991 NAIC Model Regulation (adopted in July 1991) to conform to the amendments made by this section and to delete from section 15C the exception which begins with "unless", such modifications shall be considered to be part of that Regulation for the purposes of section 1882 of the Social Security Act.

(3) SECRETARY STANDARDS.—If the NAIC does not make the modifications described in paragraph (2) within the period specified in such paragraph, the Secretary of Health and Human Services shall make the modifications described in such paragraph and such modifications shall be considered to be part of that Regulation for the purposes of section 1882 of the Social Security Act.

(4) DATE SPECIFIED.—

(A) IN GENERAL.—Subject to subparagraph (B), the date specified in this paragraph for a State is the earlier of—

(i) the date the State changes its statutes or regulations to conform its regulatory program to the changes made by this section, or

(ii) 1 year after the date the NAIC or the Secretary first makes the modifications under paragraph (2) or (3), respectively.

(B) ADDITIONAL LEGISLATIVE ACTION REQUIRED.—In the case of a State which the Secretary identifies as—

(i) requiring State legislation (other than legislation appropriating funds) to conform its regulatory program to the changes made in this section, but

(ii) having a legislature which is not scheduled to meet in 1994 in a legislative session in which such legislation may be considered,

the date specified in this paragraph is the first day of the first calendar quarter beginning after the close of the first legislative session of the State legislature that begins on or after January 1, 1994. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

Subtitle D—Customs and Trade Provisions

SEC. 13601. CUSTOMS AND TRADE AGENCY AUTHORIZATIONS FOR FISCAL YEARS 1994 AND 1995.

(a) United States International Trade Commission.—Section 330(e)(2) of the Tariff Act of 1930 (19 U.S.C. 1330(e)(2)) is amended to read as follows:

"(2)(A) There are authorized to be appropriated to the Commission for necessary expenses (including the rental of conference rooms in the District of Columbia and elsewhere) not to exceed the following:

"(i) $45,416,000 for fiscal year 1994.

"(ii) $45,974,000 for fiscal year 1995.

"(B) Not to exceed $2,500 of the amount authorized to be appropriated for any fiscal year under subparagraph (A) may be used, subject to the approval of the Chairman of the Commission, for reception and entertainment expenses.

"(C) No part of any sum that is appropriated under the authority of subparagraph (A) may be used by the Commission in the making of any special study, investigation, or report that is requested by any agency of the executive branch unless that agency reimburses the Commission for the cost thereof.".

(b) United States Customs Service.—Section 301(b) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)) is amended to read as follows:

"(b) Authorization of Appropriations.—

"(1) For noncommercial operations.—There are authorized to be appropriated for the salaries and expenses of the Customs Service that are incurred in noncommercial operations not to exceed the following:

"(A) $540,783,000 for fiscal year 1994.

"(B) $527,000,000 for fiscal year 1995.

"(2) For commercial operations.—(A) There are authorized to be appropriated for the salaries and expenses of the Customs Service that are incurred in commercial operations not less than the following:

"(i) $771,036,000 for fiscal year 1994.

"(ii) $748,000,000 for fiscal year 1995.

"(B) The monies authorized to be appropriated under subparagraph (A) for any fiscal year, except for such sums as may be necessary for the salaries and expenses of the Customs Service that are incurred in connection with the processing of merchandise that is exempt from the fees imposed under section 13031(a) (9) and (10) of the Consolidated Omnibus Budget Reconciliation Act of 1985, shall be appropriated from the Customs User Fee Account.

"(3) For air and marine interdiction.—There are authorized to be appropriated for the operation (including salaries and expenses) and maintenance of the air and marine interdiction programs of the Customs Service not to exceed the following:

"(A) $95,156,000 for fiscal year 1994.

"(B) $128,000,000 for fiscal year 1995.".

(c) Office of the United States Trade Representative.—Section 141(g)(1) of the Trade Act of 1974 (19 U.S.C. 2171(g)(1)) is amended to read as follows:

"(g)(1)(A) There are authorized to be appropriated to the Office for the purposes of carrying out its functions not to exceed the following:

"(i) $20,143,000 for fiscal year 1994.

"(ii) $20,419,000 for fiscal year 1995.

"(B) Of the amounts authorized to be appropriated under subparagraph (A) for any fiscal year—

"(i) not to exceed $98,000 may be used for entertainment and representation expenses of the Office; and

"(ii) not to exceed $2,500,000 shall remain available until expended.".

SEC. 13602. EXTENSION OF AUTHORITY TO LEVY CUSTOMS USER FEES.

Section 13031(j)(3) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(j)(3)) is amended by striking out "1995" and inserting "1998".

SEC. 13603. GENERALIZED SYSTEM OF PREFERENCES.

(a) Treatment of Countries Formerly Within the Union of Soviet Socialist Republics.—The table in section 502(b) of the Trade Act of 1974 (19 U.S.C. 2462(b)) is amended by striking out "Union of Soviet Socialist Republics".

(b) Extension of Duty-Free Treatment Under System.—

(1) In general.—Section 505(a) of the Trade Act of 1974 (19 U.S.C. 2465(a)) is amended by striking out "July 4, 1993" and inserting "September 30, 1994".

(2) Retroactive application for certain liquidations and reliquidations.—Notwithstanding section 514 of the Tariff Act of 1930 or any other provision of law, upon proper request filed with the appropriate customs officer within 180 days after the date of the enactment of this Act, the entry—

(A) of any article to which duty-free treatment under title V of the Trade Act of 1974 would have applied if the entry had been made on July 4, 1993, and

(B) that was made after July 4, 1993, and before such date of enactment,

shall be liquidated or reliquidated as free of duty, and the Secretary of the Treasury shall refund any duty paid with respect to such entry. As used in this paragraph, the term "entry" includes a withdrawal from warehouse for consumption.

SEC. 13604. EXTENSION OF, AND AUTHORIZATION OF APPROPRIATIONS FOR, THE WORKER TRADE ADJUSTMENT ASSISTANCE PROGRAM.

(a) Extension.—Section 285 of the Trade Act of 1974 (19 U.S.C. note preceding 2271) is amended—

(1) by striking out "No" and all that follows thereafter down through "chapter 2, no" in subsection (b) and inserting "No"; and

(2) by adding at the end the following new subsection:

"(c) No assistance, vouchers, allowances, or other payments may be provided under chapter 2 after September 30, 1996.".

(b) Authorization of Appropriations.—Section 245 of the Trade Act of 1974 (19 U.S.C. 2317) is amended by striking out "and 1993," and inserting "1993, 1994, 1995, and 1996,".

SEC. 13605. EXTENSION OF URUGUAY ROUND TRADE AGREEMENT NEGOTIATING AND PROCLAMATION AUTHORITY AND OF "FAST TRACK" PROCEDURES TO IMPLEMENTING LEGISLATION.

Section 1102 of the Omnibus Trade and Competitiveness Act of 1988 (19 U.S.C. 2902) is amended by inserting at the end the following new subsection:

"(e) Special Provisions Regarding Uruguay Round Trade Negotiations.—

"(1) In general.—Notwithstanding the time limitations in subsections (a) and (b), if the Uruguay Round of multilateral trade negotiations under the auspices of the General Agreement on Tariffs and Trade has not resulted in trade agreements by May 31, 1993, the President may, during the period after May 31, 1993, and before April 16, 1994, enter into, under subsections (a) and (b), trade agreements resulting from such negotiations.

"(2) Application of tariff proclamation authority.—No proclamation under subsection (a) to carry out the provisions regarding tariff barriers of a trade agreement that is entered into pursuant to paragraph (1) may take effect before the effective date of a bill that implements the provisions regarding nontariff barriers of a trade agreement that is entered into under such paragraph.

"(3) Application of implementing and 'fast track' procedures.—Section 1103 applies to any trade agreement negotiated under subsection (b) pursuant to paragraph (1), except that—

"(A) in applying subsection (a)(1)(A) of section 1103 to any such agreement, the phrase 'at least 120 calendar days before the day on which he enters into the trade agreement (but not later than December 15, 1993),' shall be substituted for the phrase 'at least 90 calendar days before the day on which he enters into the trade agreement; and

"(B) no provision of subsection (b) of section 1103 other than paragraph (1)(A) applies to any such agreement and in applying such paragraph, 'April 16, 1994;' shall be substituted for 'June 1, 1991;'.

"(4) Advisory committee reports.—The report required under section 135(e)(1) of the Trade Act of 1974 regarding any trade agreement provided for under paragraph (1) shall be provided to the President, the Congress, and the United States Trade Representative not later than 30 days after the date on which the President notifies the Congress under section 1103(a)(1)(A) of his intention to enter into the agreement (but before January 15, 1994).".

SEC. 13606. REPEAL OF EAST-WEST TRADE STATISTICS MONITORING SYSTEM.

(a) Repeal.—Section 410 of the Trade Act of 1974 (19 U.S.C. 2440) is repealed.

(b) Conforming Amendment.—The table of contents for such Act of 1974 is amended by striking out the following:

"Sec. 410. East-West Trade Statistics Monitoring System.".

Subtitle E—Customs Officer Pay Reform

SEC. 13701. OVERTIME AND PREMIUM PAY FOR CUSTOMS OFFICERS.

(a) In General.—Section 5 of the Act of February 13, 1911 (19 U.S.C. 261 and 267) is amended to read as follows:

"SEC. 5. OVERTIME AND PREMIUM PAY FOR CUSTOMS OFFICERS.

"(a) Overtime Pay.—

"(1) In general.—Subject to paragraph (2) and subsection (c), a customs officer who is officially assigned to perform work in excess of 40 hours in the administrative workweek of the officer or in excess of 8 hours in a day shall be compensated for that work at an hourly rate of pay that is equal to 2 times the hourly rate of the basic pay of the officer. For purposes of this paragraph, the hourly rate of basic pay for a customs officer does not include any premium pay provided for under subsection (b).

"(2) Special provisions relating to overtime work on callback basis.—

"(A) Minimum duration.—Any work for which compensation is authorized under paragraph (1) and for which the customs officer is required to return to the officer's place of work shall be treated as being not less than 2 hours in duration; but only if such work begins at least 1 hour after the end of any previous regularly scheduled work assignment and ends at least 1 hour before the beginning of the following regularly scheduled work assignment.

"(B) Compensation for commuting time.—

"(i) In general.—Except as provided in clause (ii), in addition to the compensation authorized under paragraph (1) for work to which subparagraph (A) applies, the customs officer is entitled to be paid, as compensation for commuting time, an amount equal to 3 times the hourly rate of basic pay of the officer.

"(ii) EXCEPTION.—Compensation for commuting time is not payable under clause (i) if the work for which compensation is authorized under paragraph (1)—

"(I) does not commence within 16 hours of the customs officer's last regularly scheduled work assignment, or

"(II) commences within 2 hours of the next regularly scheduled work assignment of the customs officer.

"(b) PREMIUM PAY FOR CUSTOMS OFFICERS.—

"(1) NIGHT WORK DIFFERENTIAL.—

"(A) 3 P.M. TO MIDNIGHT SHIFTWORK.—If the majority of the hours of regularly scheduled work of a customs officer occur during the period beginning at 3 p.m. and ending at 12 a.m., the officer is entitled to pay for work during such period (except for work to which paragraph (2) or (3) applies) at the officer's hourly rate of basic pay plus premium pay amounting to 15 percent of that basic rate.

"(B) 11 P.M. TO 8 A.M. SHIFTWORK.—If the majority of the hours of regularly scheduled work of a customs officer occur during the period beginning at 11 p.m. and ending at 8 a.m., the officer is entitled to pay for work during such period (except for work to which paragraph (2) or (3) applies) at the officer's hourly rate of basic pay plus premium pay amounting to 20 percent of that basic rate.

"(C) 7:30 P.M. TO 3:30 A.M. SHIFTWORK.—If the regularly scheduled work assignment of a customs officer is 7:30 p.m. to 3:30 a.m., the officer is entitled to pay for work during such period (except for work to which paragraph (2) or (3) applies) at the officer's hourly rate of basic pay plus premium pay amounting to 15 percent of that basic rate for the period from 7:30 p.m. to 11:30 p.m. and at the officer's hourly rate of basic pay plus premium pay amounting to 20 percent of that basic rate for the period from 11:30 p.m. to 3:30 a.m.

"(2) SUNDAY DIFFERENTIAL.—A customs officer who performs any regularly scheduled work on a Sunday that is not a holiday is entitled to pay for that work at the officer's hourly rate of basic pay plus premium pay amounting to 50 percent of that basic rate.

"(3) HOLIDAY DIFFERENTIAL.—A customs officer who performs any regularly scheduled work on a holiday is entitled to pay for that work at the officer's hourly rate of basic pay plus premium pay amounting to 100 percent of that basic rate.

"(4) TREATMENT OF PREMIUM PAY.—Premium pay provided for under this subsection may not be treated as being overtime pay or compensation for any purpose.

"(c) LIMITATIONS.—

"(1) FISCAL YEAR CAP.—The aggregate of overtime pay under subsection (a) (including commuting compensation under subsection (a)(2)(B)) and premium pay under subsection (b) that a customs officer may be paid in any fiscal year may not exceed $25,000; except that the Commissioner of Customs or his designee may waive this limitation in individual cases in order to prevent excessive costs or to meet emergency requirements of the Customs Service.

"(2) EXCLUSIVITY OF PAY UNDER THIS SECTION.—A customs officer who receives overtime pay under subsection (a) or premium pay under subsection (b) for time worked may not receive pay or other compensation for that work under any other provision of law.

"(d) REGULATIONS.—The Secretary of the Treasury shall prescribe such regulations as are necessary or appropriate to carry out this section, including regulations—

"(1) to ensure that callback work assignments are commensurate with the overtime pay authorized for such work; and

"(2) to prevent the disproportionate assignment of overtime work to customs officers who are near to retirement.

"(e) DEFINITIONS.—As used in this section:

"(1) The term 'customs officer' means an individual performing those functions specified by regulation by the Secretary of the Treasury for a customs inspector or canine enforcement officer. Such functions shall be consistent with such applicable standards as may be promulgated by the Office of Personnel Management.

"(2) The term 'holiday' means any day designated as a holiday under a Federal statute or Executive order.".

(b) CONFORMING AMENDMENTS.—

(1) Section 2 of the Act of June 3, 1944 (19 U.S.C. 1451a), is repealed.

(2) Section 450 of the Tariff Act of 1930 (19 U.S.C. 1450) is amended—

(A) by striking out "at night" in the section heading and inserting "during overtime hours";

(B) by striking out "at night" and inserting "during overtime hours"; and

(C) by inserting "aircraft," immediately before "vessel".

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) apply to customs inspectional services provided on or after October 1, 1993.

SEC. 13702. FOREIGN LANGUAGE PROFICIENCY AWARDS FOR CUSTOMS OFFICERS.

Cash awards for foreign language proficiency may, under regulations prescribed by the Secretary of the Treasury, be paid to customs officers (as referred to in section 5(e)(1) of the Act of February 13, 1911) to the same extent and in the same manner as would be allowable under subchapter III of chapter 45 of title 5, United States Code, with respect to law enforcement officers (as defined by section 4521 of such title).

SEC. 13703. APPROPRIATIONS REIMBURSEMENTS FROM THE CUSTOMS USER FEE ACCOUNT.

Section 13031(f)(3) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(f)(3)) is amended—

(1) by amending clause (i) of subparagraph (A) to read as follows: "(i) in—

"(I) paying overtime compensation under section 5(a) of the Act of February 13, 1911,

"(II) paying premium pay under section 5(b) of the Act of February 13, 1911, but the amount for which reimbursement may be made under this subclause may not, for any fiscal year, exceed the difference between the cost of the premium pay for that year calculated under such section 5(b) as amended by section 13701 of the Omnibus Budget Reconciliation Act of 1993 and the cost of such pay calculated under subchapter V of chapter 55 of title 5, United States Code,

"(III) paying agency contributions to the Civil Service Retirement and Disability Fund to match deductions from the overtime compensation paid under subclause (I), and

"(IV) providing all preclearance services for which the recipients of such services are not required to reimburse the Secretary of the Treasury, and";

(2) by inserting before the flush sentence appearing after clause (ii) of subparagraph (A) the following sentence: "The transfer of funds required under subparagraph (C)(iii) has priority over reimbursements under this subparagraph to carry out subclauses (II), (III), and (IV) of clause (i).";

(3) by striking out "except for costs described in subparagraph (A)(i) (I) and (II)," in subparagraph (B)(i); and

(4) by amending subparagraph (C)—

(A) by striking out "to fully reimburse inspectional overtime and preclearance costs" in clause (i) and inserting "to reimburse costs described in subparagraph (A)(i)"; and

(B) by inserting after clause (ii) of subparagraph (C) the following:

"(iii) For each fiscal year, the Secretary of the Treasury shall calculate the difference between—

"(I) the estimated cost for overtime compensation that would have been incurred during that fiscal year for inspectional services if section 5 of the Act of February 13, 1911 (19 U.S.C. 261 and 267), as in effect before the enactment of section 13701 of the Omnibus Budget Reconciliation Act of 1993, had governed such costs, and

"(II) the actual cost for overtime compensation, premium pay, and agency retirement contributions that is incurred during that fiscal year in regard to such services under section 5 of the Act of February 13, 1991, as amended by section 13701 of the Omnibus Budget Reconciliation Act of 1993, and under section 8331(3) of title 5, United States Code, as amended by section 13704 of such Act of 1993,

and shall transfer from the Customs User Fee Account to the General Fund of the Treasury an amount equal to the difference calculated under this clause, or $18,000,000, whichever amount is less. Transfers shall be made under this clause at least quarterly and on the basis of estimates to the same extent as are reimbursements under subparagraph (B)(iii).".

SEC. 13704. TREATMENT OF CERTAIN PAY OF CUSTOMS OFFICERS FOR RETIREMENT PURPOSES.

(a) IN GENERAL.—Section 8331(3) of title 5, United States Code, is amended—

(1) by striking out "and" at the end of subparagraph (C);

(2) by striking out the semicolon at the end of subparagraph (D) and inserting "; and";

(3) by adding after subparagraph (D) the following:

"(E) with respect to a customs officer (referred to in subsection (e)(1) of section 5 of the Act of February 13, 1911), compensation for overtime inspectional services provided for under subsection (a) of such section 5, but not to exceed 50 percent of any statutory maximum in overtime pay for customs officers which is in effect for the year involved;"; and

(4) by striking out "subparagraphs (B), (C), and (D) of this paragraph," and inserting "subparagraphs (B), (C), (D), and (E) of this paragraph".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) take effect on the date of the enactment of this Act and apply only with respect to service performed on or after such date.

SEC. 13705. REPORTS.

(a) CUSTOMS USER FEE ACCOUNT REPORTS.—Subparagraph (D) of section 13031(f)(3) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(f)(3)(D)) is amended to read as follows:

"(D) At the close of each fiscal year, the Secretary of the Treasury shall submit a report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives—

"(i) containing a detailed accounting of all expenditures from the Customs User Fee Account during such year, including a summary of the expenditures, on a port-by-port basis, for which reimbursement has been provided under subparagraph (A)(ii);

"(ii) containing a listing of all callback assignments of customs officers for which overtime compensation was paid under section 5(a) of the Act of February 13, 1911, and that were less than 1 hour in duration; and

"(iii) containing a listing of all customs officers who were paid $25,000 or more under subsections 5(a) and 5(b) of the Act of February 13, 1911, including a listing of the total compensation paid to each of those customs officers under all other statutory authority.".

(b) OTHER REPORTS.—

(1) GAO REPORT.—The Comptroller General of the United States shall undertake—

(A) an evaluation of the appropriateness and efficiency of the customs user fee laws for financing the provision of customs inspectional services; and

(B) a study to determine whether cost savings in the provision of overtime inspectional services could be realized by the United States Customs Service through the use of additional inspectors as opposed to continuing the current practice of relying on overtime pay.

The Comptroller General shall submit a report on the evaluation and study required under this subsection to the Committees by no later than the 1st anniversary of the date of the enactment of this Act.

(2) TREASURY RECOMMENDATION.—On the day that the President submits the budget for the United States Government for fiscal year 1995 to the Congress under section 1105(a) of title 31, United States Code, the Secretary of the Treasury shall submit to the Committees recommended legislative proposals for improving the operation of customs user fee laws in financing the provision of customs inspectional services.

(3) DEFINITION OF COMMITTEES.—For purposes of this subsection, the term "Committees" means the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.

TITLE XIV—REVENUE PROVISIONS

SEC. 14001. SHORT TITLE; ETC.

(a) SHORT TITLE.—This title may be cited as the "Revenue Reconciliation Act of 1993".

(b) AMENDMENT TO 1986 CODE.—Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) SECTION 15 NOT TO APPLY.—Except in the case of the amendments made by section 14221 (relating to corporate rate increase), no amendment made by this title shall be treated as a change in a rate of tax for purposes of section 15 of the Internal Revenue Code of 1986.

(d) WAIVER OF ESTIMATED TAX PENALTIES.—No addition to tax shall be made under section 6654 or 6655 of the Internal Revenue Code of 1986 for any period before April 16, 1994 (March 16, 1994, in the case of a corporation), with respect to any underpayment to the extent such underpayment was created or increased by any provision of this title.

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Subtitle A—Training and Investment Incentives

PART I—PROVISIONS RELATING TO EDUCATION AND TRAINING

SEC. 14101. EMPLOYER-PROVIDED EDUCATIONAL ASSISTANCE.

(a) PERMANENT EXTENSION OF EXCLUSION.—

(1) IN GENERAL.—Section 127 (relating to educational assistance programs) is amended by striking subsection (d) and by redesignating subsection (e) as subsection (d).

(2) CONFORMING AMENDMENT.—Paragraph (2) of section 103(a) of the Tax Extension Act of 1991 is hereby repealed.

(b) COORDINATION WITH SECTION 132.—Paragraph (8) of section 132(i) is amended to read as follows:

"(8) APPLICATION OF SECTION TO OTHERWISE TAXABLE EDUCATIONAL OR TRAINING BENEFITS.—Amounts paid or expenses incurred by the employer for education or training provided to the employee which are not excludable from gross income under section 127 shall be excluded from gross income under this section if (and only if) such amounts or expenses are a working condition fringe."

(c) EFFECTIVE DATES.—

(1) SUBSECTION (a).—The amendments made by subsection (a) shall apply to taxable years ending after June 30, 1992.

(2) SUBSECTION (b).—The amendment made by subsection (b) shall apply to taxable years beginning after December 31, 1988.

(d) TRANSITION RULES.—

(1) WAIVER OF INTEREST AND PENALTIES.—No interest, penalty, or addition to tax shall be imposed or required to be paid solely by reason of a failure, before the date of the enactment of this Act, to treat educational assistance in a manner consistent with the provisions of section 103(a) of the Tax Extension Act of 1991 (as in effect before the amendments made by subsection (a)).

(2) SPECIAL RULES FOR 1992.—

(A) EMPLOYMENT TAXES.—If—

(i) an employer provided an employee with educational assistance during the period beginning on July 1, 1992, and ending on December 31, 1992,

(ii) consistent with the provisions of section 103(a) of the Tax Extension Act of 1991 (as so in effect), such employer treated such assistance as taxable for purposes of any employment tax and as a result of such treatment there was an increase in taxable wages for purposes of such tax,

(iii) on or after the date of the enactment of this Act and before January 1, 1994, such employer pays such employee amounts which are taxable wages for purposes of such tax and which equal or exceed the increase referred to in clause (ii), and

(iv) such employee did not treat such assistance for purposes of such employment tax (or for purposes of chapter 1 of the Internal Revenue Code of 1986 in the case of employment tax imposed by chapter 24 of such Code) in a manner inconsistent with the employer's treatment of such assistance,

the amendments made by subsection (a) shall not apply to such educational assistance for purposes of such employment tax, but, for purposes of applying such employment tax (and for purposes of the reporting requirements imposed by chapter 61 of such Code), the taxable wages of the employee referred to in clause (iii) shall be reduced by the amount of the increase referred to in clause (ii). For purposes of clause (iv), an employer may assume that the employee treated the assistance in a manner consistent with the employer's treatment unless such employer has actual knowledge to the contrary.

(B) REPORTING REQUIREMENT.—An employer shall separately report the amounts of any reduction under subparagraph (A) as nontaxable income on any returns or receipts required under chapter 61 of such Code for calendar year 1993.

(C) DEFINITIONS.—For purposes of this paragraph—

(i) EMPLOYMENT TAX.—The term "employment tax" means any tax imposed by subtitle C of such Code.

(ii) TAXABLE WAGES.—The term "taxable wages"means—

(I) wages (as defined in section 3121(a) of such Code) in the case of the taxes imposed by chapter 21 of such Code,

(II) compensation (as defined in section 3231(e) of such Code) in the case of the taxes imposed by chapter 22 of such Code,

(III) wages (as defined in section 3306(b) of such Code) in the case of the taxes imposed by chapter 23 of such Code, and

(IV) wages (as defined in section 3401(a) of such Code) in the case of the taxes imposed by chapter 24 of such Code.

(3) INCOME TAX TREATMENT.—If—

(A) subparagraph (A) of paragraph (2) applies to any educational assistance referred to in such paragraph provided to any employee, and

(B) such employee included such assistance in his taxable income for purposes of the tax imposed by chapter 1 of such Code,

the amendments made by subsection (a) shall not apply to such assistance for purposes of such chapter 1, but the amount included in the gross income of such employee by reason of wages received from the employer referred to in subparagraph (A) of paragraph (2) during 1993 shall be reduced in the manner provided in such subparagraph (A).

SEC. 14102. TARGETED JOBS CREDIT.

(a) PERMANENT EXTENSION OF CREDIT.—

(1) IN GENERAL.—Subsection (c) of section 51 (relating to amount of targeted jobs credit) is amended by striking paragraph (4).

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to individuals who begin work for the employer after June 30, 1992.

(b) Credit for Participants in Approved School-To-Work Programs.—

(1) In general.—Subparagraph (I) of section 51(d)(1) (defining members of targeted group) is amended to read as follows:

"(I) a qualified participant in an approved school-to-work program, or".

(2) Qualified participant in an approved school-to-work program.—Paragraph (10) of section 51(d) is amended to read as follows:

"(10) Qualified participant in an approved school-to-work program defined.—

"(A) In general.—Except as otherwise provided in this paragraph, the term 'qualified participant in an approved school-to-work program' means any individual who is certified under an approved school-to-work program as—

"(i) having attained age 16 but not having attained age 21, and

"(ii) being enrolled in and making satisfactory progress in completing such approved school-to-work program.

"(B) Limitation on number of participants.—

"(i) In general.—Any individual who begins work for the employer during any calendar year shall not be treated as a qualified participant in an approved school-to-work program unless the individual is certified under such program as an eligible participant with respect to such calendar year.

"(ii) Limitation on certifications.—The aggregate number of individuals certified under an approved school-to-work program as eligible participants with respect to any calendar year shall not exceed the portion of the national school-to-work program limitation for such calendar year allocated under subsection (l) to such program.

"(C) Approved school-to-work program.—The term 'approved school-to-work program' means any program which—

"(i) is a planned program of structured job training designed to integrate academic instruction provided by an educational institution and work-based learning provided by an employer, and

"(ii) is approved by the Secretaries of Labor and Education.

"(D) Limitation on amount of wages taken into account.—For purposes of applying this subpart to wages paid or incurred to any qualified participant in an approved school-to-work program, subsection (b)(3) shall be applied by substituting '$3,000' for '$6,000'.

"(E) Wages.—In the case of remuneration attributable to services performed while the individual meets the requirements of subparagraph (A), wages, and unemployment insurance wages, shall be determined without regard to section 3306(c)(10)(C)."

(3) Overall limitations.—Section 51 is amended by adding at the end thereof the following new subsection:

"(l) Overall Limitation on Approved School-To-Work Program Participants.—

"(1) In general.—For purposes of subsection (d)(10), the national school-to-work program limitation—

"(A) for calendar year 1994 is 125,000,

"(B) for calendar year 1995 is 140,000,

"(C) for calendar year 1996 is 160,000,

"(D) for calendar year 1997 is 180,000, and

"(E) for calendar year 1998 and any subsequent calendar year is 200,000.

"(2) Allocation to States.—The national school-to-work program limitation for any calendar year shall be allocated among the States in proportion to the number of their eligible participants that are estimated to be served in approved school-to-work programs for that year. Such estimates shall be published by the Secretaries of Labor and Education before the beginning of the calendar year to which the allocation applies.

"(3) Allocation to approved school-to-work programs.—The portion of the national school-to-work program limitation for any calendar year which is allocated to any State shall be allocated among the approved school-to-work programs in such State in such manner as the Secretaries of Labor and Education shall prescribe."

(4) Effective date.—The amendments made by this subsection shall apply in the case of individuals who begin work for the employer after December 31, 1993.

PART II—INVESTMENT INCENTIVES

Subpart A—Research Credit

SEC. 14111. PERMANENT EXTENSION OF RESEARCH CREDIT.

(a) In General.—Section 41 (relating to credit for increasing research activities) is amended by striking subsection (h).

(b) Conforming Amendment.—Paragraph (1) of section 28(b) is amended by striking subparagraph (D).

(c) Effective Date.—The amendments made by this section shall apply to taxable years ending after June 30, 1992.

SEC. 14112. MODIFICATION OF FIXED BASE PERCENTAGE FOR STARTUP COMPANIES.

(a) General Rule.—Clause (ii) of section 41(c)(3)(B) is amended to read as follows:

"(ii) Fixed-base percentage.—In a case to which this subparagraph applies, the fixed-base percentage is—

"(I) 3 percent for each of the taxpayer's 1st 5 taxable years beginning after December 31, 1993, for which the taxpayer has qualified research expenses,

"(II) in the case of the taxpayer's 6th such taxable year, 1/6 of the percentage which the aggregate qualified research expenses of the taxpayer for the 4th and 5th such taxable years is of the aggregate gross receipts of the taxpayer for such years,

"(III) in the case of the taxpayer's 7th such taxable year, 1/3 of the percentage which the aggregate qualified research expenses of the taxpayer for the 5th and 6th such taxable years is of the aggregate gross receipts of the taxpayer for such years,

"(IV) in the case of the taxpayer's 8th such taxable year, 1/2 of the percentage which the aggregate qualified research expenses of the taxpayer for the 5th, 6th, and 7th such taxable years is of the aggregate gross receipts of the taxpayer for such years,

"(V) in the case of the taxpayer's 9th such taxable year, 2/3 of the percentage which the aggregate qualified research expenses of the taxpayer for the 5th, 6th, 7th, and 8th such taxable years is of the aggregate gross receipts of the taxpayer for such years,

"(VI) in the case of the taxpayer's 10th such taxable year, 5/6 of the percentage which the aggregate qualified research expenses of the taxpayer for the 5th, 6th, 7th, 8th, and 9th such taxable years is of the aggregate gross receipts of the taxpayer for such years, and

"(VII) for taxable years thereafter, the percentage which the aggregate qualified research expenses for any 5 taxable years selected by the taxpayer from among the 5th through the 10th such taxable years is of the aggregate gross receipts of the taxpayer for such selected years.".

(b) Conforming Amendments.—

(1) Clause (iii) of section 41(c)(3)(B) is amended by striking "clause (i)" and inserting "clauses (i) and (ii)".

(2) Subparagraph (D) of section 41(c)(3) is amended by striking "subparagraph (A)" and inserting "subparagraphs (A) and (B)(ii)".

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 1993.

Subpart B—Capital Gain Provisions

SEC. 14113. 50-PERCENT EXCLUSION FOR GAIN FROM CERTAIN SMALL BUSINESS STOCK.

(a) General Rule.—Part I of subchapter P of chapter 1 (relating to capital gains and losses) is amended by adding at the end thereof the following new section:

"SEC. 1202. 50-PERCENT EXCLUSION FOR GAIN FROM CERTAIN SMALL BUSINESS STOCK.

"(a) 50-Percent Exclusion.—In the case of a taxpayer other than a corporation, gross income shall not include 50 percent of any gain from the sale or exchange of qualified small business stock held for more than 5 years.

"(b) Per-Issuer Limitation on Taxpayer's Eligible Gain.—

"(1) In general.—If the taxpayer has eligible gain for the taxable year from 1 or more dispositions of stock issued by any corporation, the aggregate amount of such gain from dispositions of stock issued by such corporation which may be taken into account under subsection (a) for the taxable year shall not exceed the greater of—

"(A) $10,000,000 reduced by the aggregate amount of eligible gain taken into account under subsection (a) for prior taxable years and attributable to dispositions of stock issued by such corporation, or

"(B) 10 times the aggregate adjusted bases of qualified small business stock issued by such corporation and disposed of by the taxpayer during the taxable year.

For purposes of subparagraph (B), the adjusted basis of any stock shall be determined without regard to any addition to basis after the date on which such stock was originally issued.

"(2) Eligible gain.—For purposes of this subsection, the term 'eligible gain' means any gain from the sale or exchange of qualified small business stock held for more than 5 years.

"(3) Treatment of married individuals.—

"(A) Separate returns.—In the case of a separate return by a married individual, paragraph (1)(A) shall be applied by substituting '$5,000,000' for '$10,000,000'.

"(B) Allocation of exclusion.—In the case of any joint return, the amount of gain taken into account under subsection (a) shall be allocated equally between the spouses for purposes of applying this subsection to subsequent taxable years.

"(C) Marital status.—For purposes of this subsection, marital status shall be determined under section 7703.

"(c) Qualified Small Business Stock.—For purposes of this section—

"(1) In general.—Except as otherwise provided in this section, the term 'qualified small business stock' means any stock in a C corporation which is originally issued after December 31, 1992, if—

"(A) as of the date of issuance, such corporation is a qualified small business, and

"(B) except as provided in subsections (f) and (h), such stock is acquired by the taxpayer at its original issue (directly or through an underwriter)—

"(i) in exchange for money or other property (not including stock), or

"(ii) as compensation for services provided to such corporation (other than services performed as an underwriter of such stock).

"(2) Active business requirement; etc.—

"(A) In general.—Stock in a corporation shall not be treated as qualified small business stock unless, during substantially all of the taxpayer's holding period for such stock, such corporation meets the active business requirements of subsection (e) and such corporation is a C corporation.

"(B) SPECIAL RULE FOR CERTAIN SMALL BUSINESS INVESTMENT COMPANIES.—

"(i) WAIVER OF ACTIVE BUSINESS REQUIREMENT.—Notwithstanding any provision of subsection (e), a corporation shall be treated as meeting the active business requirements of such subsection for any period during which such corporation qualifies as a specialized small business investment company.

"(ii) SPECIALIZED SMALL BUSINESS INVESTMENT COMPANY.—For purposes of clause (i), the term 'specialized small business investment company' means any eligible corporation (as defined in subsection (e)(4)) which is licensed to operate under section 301(d) of the Small Business Investment Act of 1958 (as in effect on May 13, 1993).

"(3) CERTAIN PURCHASES BY CORPORATION OF ITS OWN STOCK.—

"(A) REDEMPTIONS FROM TAXPAYER OR RELATED PERSON.—Stock acquired by the taxpayer shall not be treated as qualified small business stock if, at any time during the 4-year period beginning on the date 2 years before the issuance of such stock, the corporation issuing such stock purchased (directly or indirectly) any of its stock from the taxpayer or from a person related (within the meaning of section 267(b) or 707(b)) to the taxpayer.

"(B) SIGNIFICANT REDEMPTIONS.—Stock issued by a corporation shall not be treated as qualified business stock if, during the 2-year period beginning on the date 1 year before the issuance of such stock, such corporation made 1 or more purchases of its stock with an aggregate value (as of the time of the respective purchases) exceeding 5 percent of the aggregate value of all of its stock as of the beginning of such 2-year period.

"(C) ACQUISITIONS BY RELATED PERSONS.—For purposes of this paragraph, the purchase by any person related (within the meaning of section 267(b) or 707(b)) to the issuing corporation of any stock in the issuing corporation shall be treated as a purchase by the issuing corporation.

"(d) QUALIFIED SMALL BUSINESS.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified small business' means any domestic corporation which is a C corporation if—

"(A) the aggregate capitalization of such corporation (or any predecessor thereof) at all times on or after January 1, 1993, and before the issuance did not exceed $50,000,000,

"(B) the aggregate capitalization of such corporation immediately after the issuance (determined by taking into account amounts received in the issuance) does not exceed $50,000,000, and

"(C) such corporation agrees to submit such reports to the Secretary and to shareholders as the Secretary may require to carry out the purposes of this section.

"(2) AGGREGATE CAPITALIZATION.—For purposes of paragraph (1), the term 'aggregate capitalization' means the excess of—

"(A) the amount of cash and the aggregate adjusted bases of other property held by the corporation, over

"(B) the aggregate amount of the short-term indebtedness of the corporation.

For purposes of the preceding sentence, the term 'short-term indebtedness' means any indebtedness which, when incurred, did not have a term in excess of 1 year.

"(3) LOOK-THRU IN CASE OF SUBSIDIARIES.—In determining whether a corporation meets the requirements of this subsection—

"(A) stock and debt of any subsidiary (as defined in subsection (e)(5)(C)) held by such corporation shall be disregarded, and

"(B) such corporation shall be treated as holding its ratable share of the assets of such subsidiary and as being liable for its ratable share of the indebtedness of such subsidiary.

"(e) ACTIVE BUSINESS REQUIREMENT.—

"(1) IN GENERAL.—For purposes of subsection (c)(2), the requirements of this subsection are met by a corporation for any period if during such period—

"(A) at least 80 percent (by value) of the assets of such corporation are used by such corporation in the active conduct of a qualified trade or business, and

"(B) such corporation is an eligible corporation.

"(2) SPECIAL RULE FOR CERTAIN ACTIVITIES.—For purposes of paragraph (1), if, in connection with any future qualified trade or business, a corporation is engaged in—

"(A) start-up activities described in section 195(c)(1)(A),

"(B) activities resulting in the payment or incurring of expenditures which may be treated as research and experimental expenditures under section 174, or

"(C) activities with respect to in-house research expenses described in section 41(b)(4), assets used in such activities shall be treated as used in the active conduct of a qualified trade or business. Any determination under this paragraph shall be made without regard to whether a corporation has any gross income from such activities at the time of the determination.

"(3) QUALIFIED TRADE OR BUSINESS.—For purposes of this subsection, the term 'qualified trade or business' means any trade or business other than—

"(A) any trade or business involving the performance of services in the fields of health, law, engineering, architecture, accounting, actuarial science, performing arts, consulting, athletics, financial services, brokerage services, or any other trade or business where the principal asset of such trade or business is the reputation or skill of 1 or more of its employees,

"(B) any banking, insurance, financing, leasing, investing, or similar business,

"(C) any farming business (including the business of raising or harvesting trees),

"(D) any business involving the production or extraction of products of a character with respect to which a deduction is allowable under section 613 or 613A, and

"(E) any business of operating a hotel, motel, restaurant, or similar business.

"(4) ELIGIBLE CORPORATION.—For purposes of this subsection, the term 'eligible corporation' means any domestic corporation; except that such term shall not include—

"(A) a DISC or former DISC,

"(B) a corporation with respect to which an election under section 936 is in effect,

"(C) a regulated investment company, real estate investment trust, or REMIC, and

"(D) a cooperative.

"(5) STOCK IN OTHER CORPORATIONS.—

"(A) LOOK-THRU IN CASE OF SUBSIDIARIES.—For purposes of this subsection, stock and debt in any subsidiary corporation shall be disregarded and the parent corporation shall be deemed to own its ratable share of the subsidiary's assets, and to conduct its ratable share of the subsidiary's activities.

"(B) PORTFOLIO STOCK OR SECURITIES.—A corporation shall be treated as failing to meet the requirements of paragraph (1) for any period during which more than 10 percent of the value of its assets (in excess of liabilities) consists of stock or securities in other corporations which are not subsidiaries of such corporation (other than assets described in paragraph (6)).

"(C) SUBSIDIARY.—For purposes of this paragraph, a corporation shall be considered a subsidiary if the parent owns more than 50 percent of the combined voting power of all classes of stock entitled to vote, or more than 50 percent in value of all outstanding stock, of such corporation.

"(6) WORKING CAPITAL.—For purposes of paragraph (1)(A), any assets which—

"(A) are held as a part of the reasonably required working capital needs of a qualified trade or business of the corporation, or

"(B) are held for investment and are reasonably expected to be used within 2 years to finance future research and experimentation in a qualified trade or business or increases in working capital needs of a qualified trade or business,

shall be treated as used in the active conduct of a qualified trade or business. For periods after the corporation has been in existence for at least 2 years, in no event may more than 50 percent of the assets of the corporation qualify as used in the active conduct of a qualified trade or business by reason of this paragraph.

"(7) MAXIMUM REAL ESTATE HOLDINGS.—A corporation shall not be treated as meeting the requirements of paragraph (1) for any period during which more than 10 percent of the total value of its assets consists of real property which is not used in the active conduct of a qualified trade or business. For purposes of the preceding sentence, the ownership of, dealing in, or renting of real property shall not be treated as the active conduct of a qualified trade or business.

"(8) COMPUTER SOFTWARE ROYALTIES.—For purposes of paragraph (1), rights to computer software which produces active business computer software royalties (within the meaning of section 543(d)(1)) shall be treated as an asset used in the active conduct of a trade or business.

"(f) STOCK ACQUIRED ON CONVERSION OF PREFERRED STOCK.—If any stock in a corporation is acquired solely through the conversion of other stock in such corporation which is qualified small business stock in the hands of the taxpayer—

"(1) the stock so acquired shall be treated as qualified small business stock in the hands of the taxpayer, and

"(2) the stock so acquired shall be treated as having been held during the period during which the converted stock was held.

"(g) TREATMENT OF PASS-THRU ENTITIES.—

"(1) IN GENERAL.—If any amount included in gross income by reason of holding an interest in a pass-thru entity meets the requirements of paragraph (2)—

"(A) such amount shall be treated as gain described in subsection (a), and

"(B) for purposes of applying subsection (b), such amount shall be treated as gain from a disposition of stock in the corporation issuing the stock disposed of by the pass-thru entity and the taxpayer's proportionate share of the adjusted basis of the pass-thru entity in such stock shall be taken into account.

"(2) REQUIREMENTS.—An amount meets the requirements of this paragraph if—

"(A) such amount is attributable to gain on the sale or exchange by the pass-thru entity of stock which is qualified small business stock in the hands of such entity (determined by treating such entity as an individual) and which was held by such entity for more than 5 years, and

"(B) such amount is includible in the gross income of the taxpayer by reason of the holding of an interest in such entity which was held by the taxpayer on the date on which such pass-thru entity acquired such stock and at all times thereafter before the disposition of such stock by such pass-thru entity.

"(3) Limitation based on interest originally held by taxpayer.—Paragraph (1) shall not apply to any amount to the extent such amount exceeds the amount to which paragraph (1) would have applied if such amount were determined by reference to the interest the taxpayer held in the pass-thru entity on the date the qualified small business stock was acquired.

"(4) Pass-thru entity.—For purposes of this subsection, the term 'pass-thru entity' means—

"(A) any partnership,

"(B) any S corporation,

"(C) any regulated investment company, and

"(D) any common trust fund.

"(h) Certain Tax-Free and Other Transfers.—For purposes of this section—

"(1) In general.—In the case of a transfer described in paragraph (2), the transferee shall be treated as—

"(A) having acquired such stock in the same manner as the transferor, and

"(B) having held such stock during any continuous period immediately preceding the transfer during which it was held (or treated as held under this subsection) by the transferor.

"(2) Description of transfers.—A transfer is described in this subsection if such transfer is—

"(A) by gift,

"(B) at death, or

"(C) from a partnership to a partner of stock with respect to which requirements similar to the requirements of subsection (g) are met at the time of the transfer (without regard to the 5-year holding period requirement).

"(3) Certain rules made applicable.—Rules similar to the rules of section 1244(d)(2) shall apply for purposes of this section.

"(4) Incorporations and reorganizations involving nonqualified stock.—

"(A) In general.—In the case of a transaction described in section 351 or a reorganization described in section 368, if qualified small business stock is exchanged for other stock which would not qualify as qualified small business stock but for this subparagraph, such other stock shall be treated as qualified small business stock acquired on the date on which the exchanged stock was acquired.

"(B) Limitation.—This section shall apply to gain from the sale or exchange of stock treated as qualified small business stock by reason of subparagraph (A) only to the extent of the gain which would have been recognized at the time of the transfer described in subparagraph (A) if section 351 or 368 had not applied at such time.

"(C) Successive application.—For purposes of this paragraph, stock treated as qualified small business stock under subparagraph (A) shall be so treated for subsequent transactions or reorganizations, except that the limitation of subparagraph (B) shall be applied as of the time of the first transfer to which subparagraph (A) applied.

"(D) Control test.—Except in the case of a transaction described in section 368, this paragraph shall apply only if, immediately after the transaction, the corporation issuing the stock owns directly or indirectly stock representing control (within the meaning of section 368(c)) of the corporation whose stock was exchanged.

"(i) Basis Rules.—For purposes of this section—

"(1) Stock exchanged for property.—In the case where the taxpayer transfers property (other than money or stock) to a corporation in exchange for stock in such corporation—

"(A) such stock shall be treated as having been acquired by the taxpayer on the date of such exchange, and

"(B) the basis of such stock in the hands of the taxpayer shall in no event be less than the fair market value of the property exchanged.

"(2) Treatment of contributions to capital.—If the adjusted basis of any qualified small business stock is adjusted by reason of any contribution to capital after the date on which such stock was originally issued, in determining the amount of the adjustment by reason of such contribution, the basis of the contributed property shall in no event be treated as less than its fair market value on the date of the contribution.

"(j) Treatment of Certain Short Positions.—

"(1) In general.—If the taxpayer has an offsetting short position with respect to any qualified small business stock, subsection (a) shall not apply to any gain from the sale or exchange of such stock unless—

"(A) such stock was held by the taxpayer for more than 5 years as of the first day on which there was such a short position, and

"(B) the taxpayer elects to recognize gain as if such stock were sold on such first day for its fair market value.

"(2) Offsetting short position.—For purposes of paragraph (1), the taxpayer shall be treated as having an offsetting short position with respect to any qualified small business stock if—

"(A) the taxpayer has made a short sale of substantially identical property,

"(B) the taxpayer has acquired an option to sell substantially identical property at a fixed price, or

"(C) to the extent provided in regulations, the taxpayer has entered into any other transaction which substantially reduces the risk of loss from holding such qualified small business stock.

For purposes of the preceding sentence, any reference to the taxpayer shall be treated as including a reference to any person who is related (within the meaning of section 267(b) or 707(b)) to the taxpayer.

"(k) Regulations.—The Secretary shall prescribe such regulations as may be appropriate to carry out the purposes of this section, including regulations to prevent the avoidance of the purposes of this section through split-ups, shell corporations, partnerships, or otherwise."

(b) One-Half of Exclusion Treated as Preference for Minimum Tax.—

(1) In general.—Subsection (a) of section 57 (relating to items of tax preference) is amended by adding at the end thereof the following new paragraph:

"(8) Exclusion for gains on sale of certain small business stock.—An amount equal to one-half of the amount excluded from gross income for the taxable year under section 1202."

(2) Conforming amendment.—Subclause (II) of section 53(d)(1)(B)(ii) is amended by striking "and (6)" and inserting "(6), and (8)".

(c) Penalty for Failure To Comply With Reporting Requirements.—Section 6652 is amended by inserting before the last subsection thereof the following new subsection:

"(k) Failure To Make Reports Required Under Section 1202.—In the case of a failure to make a report required under section 1202(d)(1)(C) which contains the information required by such section on the date prescribed therefor (determined with regard to any extension of time for filing), there shall be paid (on notice and demand by the Secretary and in the same manner as tax) by the person failing to make such report, an amount equal to $50 for each report with respect to which there was such a failure. In the case of any failure due to negligence or intentional disregard, the preceding sentence shall be applied by substituting '$100' for '$50'. In the case of a report covering periods in 2 or more years, the penalty determined under preceding provisions of this subsection shall be multiplied by the number of such years."

(d) Conforming Amendments.—

(1)(A) Section 172(d)(2) (relating to modifications with respect to net operating loss deduction) is amended to read as follows:

"(2) Capital gains and losses of taxpayers other than corporations.—In the case of a taxpayer other than a corporation—

"(A) the amount deductible on account of losses from sales or exchanges of capital assets shall not exceed the amount includable on account of gains from sales or exchanges of capital assets; and

"(B) the exclusion provided by section 1202 shall not be allowed."

(B) Subparagraph (B) of section 172(d)(4) is amended by inserting ", (2)(B)," after "paragraph (1)".

(2) Paragraph (4) of section 642(c) is amended to read as follows:

"(4) Adjustments.—To the extent that the amount otherwise allowable as a deduction under this subsection consists of gain described in section 1202(a), proper adjustment shall be made for any exclusion allowable to the estate or trust under section 1202. In the case of a trust, the deduction allowed by this subsection shall be subject to section 681 (relating to unrelated business income)."

(3) Paragraph (3) of section 643(a) is amended by adding at the end thereof the following new sentence: "The exclusion under section 1202 shall not be taken into account.".

(4) Paragraph (4) of section 691(c) is amended by striking "1201, and 1211" and inserting "1201, 1202, and 1211".

(5) The second sentence of paragraph (2) of section 871(a) is amended by inserting "such gains and losses shall be determined without regard to section 1202 and" after "except that".

(6) The table of sections for part I of subchapter P of chapter 1 is amended by adding after the item relating to section 1201 the following new item:

"Sec. 1202. 50-percent exclusion for gain from
certain small business stock."

(e) Effective Date.—The amendments made by this section shall apply to stock issued after December 31, 1992.

SEC. 14114. ROLLOVER OF GAIN FROM SALE OF PUBLICLY TRADED SECURITIES INTO SPECIALIZED SMALL BUSINESS INVESTMENT COMPANIES.

(a) In General.—Part III of subchapter O of chapter 1 (relating to common nontaxable exchanges) is amended by adding at the end the following new section:

"SEC. 1044. ROLLOVER OF PUBLICLY TRADED SECURITIES GAIN INTO SPECIALIZED SMALL BUSINESS INVESTMENT COMPANIES.

"(a) Nonrecognition of Gain.—In the case of the sale of any publicly traded securities with respect to which the taxpayer elects the application of this section, gain from such sale shall be recognized only to the extent that the amount realized on such sale exceeds—

"(1) the cost of any common stock or partnership interest in a specialized small business investment company purchased by the taxpayer during the 60-day period beginning on the date of such sale, reduced by

"(2) any portion of such cost previously taken into account under this section.

This section shall not apply to any gain which is treated as ordinary income for purposes of this subtitle.

"(b) Limitations.—

"(1) Limitation on individuals.—In the case of an individual, the amount of gain which may be excluded under subsection (a) for any taxable year shall not exceed the lesser of—

"(A) $50,000, or

"(B) $500,000, reduced by the amount of gain excluded under subsection (a) for all preceding taxable years.

"(2) Limitation on C corporations.—In the case of a C corporation, the amount of gain which may be excluded under subsection (a) for any taxable year shall not exceed the lesser of—

"(A) $250,000, or

"(B) $1,000,000, reduced by the amount of gain excluded under subsection (a) for all preceding taxable years.

"(3) Special rules for married individuals.—For purposes of this subsection—

"(A) Separate returns.—In the case of a separate return by a married individual, paragraph (1) shall be applied by substituting '$25,000' for '$50,000' and '$250,000' for '$500,000'.

"(B) Allocation of gain.—In the case of any joint return, the amount of gain excluded under subsection (a) for any taxable year shall be allocated equally between the spouses for purposes of applying this subsection to subsequent taxable years.

"(C) Marital status.—For purposes of this subsection, marital status shall be determined under section 7703.

"(4) Special rules for C corporation.—For purposes of this subsection—

"(A) all corporations which are members of the same controlled group of corporations (within the meaning of section 52(a)) shall be treated as 1 taxpayer, and

"(B) any gain excluded under subsection (a) by a predecessor of any C corporation shall be treated as having been excluded by such C corporation.

"(c) Definitions and Special Rules.—For purposes of this section—

"(1) Publicly traded securities.—The term 'publicly traded securities' means securities which are traded on an established securities market.

"(2) Purchase.—The term 'purchase' has the meaning given such term by section 1043(b)(4).

"(3) Specialized small business investment company.—The term 'specialized small business investment company' means any partnership or corporation which is licensed by the Small Business Administration under section 301(d) of the Small Business Investment Act of 1958 (as in effect on May 13, 1993).

"(4) Certain entities not eligible.—This section shall not apply to any estate, trust, partnership, or S corporation.

"(d) Basis Adjustments.—If gain from any sale is not recognized by reason of subsection (a), such gain shall be applied to reduce (in the order acquired) the basis for determining gain or loss of any common stock or partnership interest in any specialized small business investment company which is purchased by the taxpayer during the 60-day period described in subsection (a). This subsection shall not apply for purposes of section 1202."

(b) Conforming Amendment.—Paragraph (24) of section 1016(a) is amended—

(1) by striking "section 1043" and inserting "section 1043 or 1044", and

(2) by striking "section 1043(c)" and inserting "section 1043(c) or 1044(d), as the case may be".

(c) Clerical Amendment.—The table of sections for part III of subchapter O of chapter 1 is amended by adding at the end the following new item:

"Sec. 1044. Rollover of publicly traded securities gain into specialized small business investment companies."

(d) Effective Date.—The amendments made by this section shall apply to sales on and after the date of the enactment of this Act, in taxable years ending on and after such date.

Subpart C—Modifications to Minimum Tax Depreciation Rules

SEC. 14115. MODIFICATION TO MINIMUM TAX DEPRECIATION RULES.

(a) General Rule.—Paragraph (1) of section 56(a) (relating to depreciation) is amended by redesignating subparagraphs (B), (C), and (D) as subparagraphs (C), (D), and (E), respectively, and by inserting after subparagraph (A) the following new subparagraph:

"(B) Treatment of certain personal property placed in service after 1993.—

"(i) In general.—In the case of any property to which this subparagraph applies, the depreciation deduction allowable under section 167 shall be determined as provided in section 168(a), except that the method of depreciation used shall be—

"(I) the 120 percent declining balance method switching to the straight line method for the 1st taxable year for which using the straight line method with respect to the adjusted basis as of the beginning of the year will yield a higher allowance, or

"(II) the straight line method in the case of property for which the applicable depreciation method under section 168(a) is the straight line method.

"(ii) Property to which subparagraph applies.—This subparagraph shall apply to any tangible property placed in service after December 31, 1993, except that this subparagraph shall not apply to—

"(I) any residential rental property or nonresidential real property (within the meaning of section 168(e)), and

"(II) any other property for which the depreciation deduction provided by section 167(a) for purposes of the regular tax is computed under the alternative depreciation system of section 168(g).

"(iii) Coordination with subparagraph (A).—Subparagraph (A) shall not apply to any property to which this subparagraph applies."

(b) Elimination of ACE Depreciation Adjustment.—Clause (i) of section 56(g)(4)(A) (relating to depreciation adjustments for computing adjusted current earnings) is amended by adding at the end thereof the following new sentence: "The preceding sentence shall not apply to any property to which subsection (a)(1)(B) applies, and the depreciation deduction with respect to such property shall be determined under the rules of subsection (a)(1)(B).".

(c) Conforming Amendments.—

(1) Paragraph (2) of section 168(b) is amended to read as follows:

"(2) Special rule for declining balance method in certain cases.—

"(A) 150 percent method for certain property.—Paragraph (1) shall be applied by substituting '150 percent' for '200 percent' in the case of—

"(i) any 15-year or 20-year property, or

"(ii) any property used in a farming business (within the meaning of section 263A(e)(4)).

"(B) Election to use minimum tax method.—In the case of any property (other than property described in paragraph (3)) with respect to which the taxpayer elects under paragraph (5) to have the provisions of this subparagraph apply, paragraph (1) shall be applied by substituting '120 percent' for '200 percent' (and subparagraph (A) of this paragraph shall not apply)."

(2) Paragraph (5) of section 168(b) is amended by striking "paragraph (2)(C)" and inserting "paragraph (2)(B)".

(3) Subsection (c) of section 168 is amended—

(A) by striking paragraph (2), and

(B) by striking so much of such subsection as precedes the table contained in paragraph (1) and inserting the following:

"(c) Applicable Recovery Period.—For purposes of this section, the applicable recovery period shall be determined in accordance with the following table:".

(d) Effective Dates.—

(1) In general.—Except as provided in paragraph (2), the amendments made by this section shall apply to property placed in service after December 31, 1993.

(2) Coordination with transitional rules.—The amendments made by this section shall not apply to any property to which paragraph (1) of section 56(a) of the Internal Revenue Code of 1986 does not apply by reason of subparagraph (D)(i) thereof (as redesignated by subsection (a) of this section).

Subpart D—Increase in Expense Treatment for Small Businesses

SEC. 14116. INCREASE IN EXPENSE TREATMENT FOR SMALL BUSINESSES.

(a) General Rule.—Paragraph (1) of section 179(b) (relating to dollar limitation) is amended by striking "$10,000" and inserting "$25,000".

(b) Effective Date.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1992.

PART III—TAX-EXEMPT BOND PROVISIONS

SEC. 14121. HIGH-SPEED INTERCITY RAIL FACILITY BONDS EXEMPT FROM STATE VOLUME CAP.

(a) In General.—Paragraph (4) of section 146(g) (relating to exemption for certain bonds) is amended by striking "75 percent of".

(b) Effective Date.—The amendment made by subsection (a) shall apply to bonds issued after December 31, 1993.

SEC. 14122. PERMANENT EXTENSION OF QUALIFIED SMALL ISSUE BONDS.

(a) In General.—Subparagraph (B) of section 144(a)(12) is amended to read as follows:

"(B) Bonds issued to finance manufacturing facilities and farm property.—Subparagraph (A) shall not apply to any bond issued as part of an issue 95 percent or more of the net proceeds of which are to be used to provide—

"(i) any manufacturing facility, or

"(ii) any land or property in accordance with section 147(c)(2).".

(b) Effective Date.—The amendment made by subsection (a) shall apply to bonds issued after June 30, 1992.

PART IV—EXPANSION AND SIMPLIFICATION OF EARNED INCOME TAX CREDIT

SEC. 14131. EXPANSION AND SIMPLIFICATION OF EARNED INCOME TAX CREDIT.

(a) General Rule.—Section 32 (relating to earned income credit) is amended by striking subsections (a) and (b) and inserting the following:

"(a) Allowance of Credit.—

"(1) In general.—In the case of an eligible individual, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to the credit percentage of so much of the taxpayer's earned income for the taxable year as does not exceed the earned income amount.

"(2) Limitation.—The amount of the credit allowable to a taxpayer under paragraph (1) for any taxable year shall not exceed the excess (if any) of—

"(A) the credit percentage of the earned income amount, over

"(B) the phaseout percentage of so much of the adjusted gross income (or, if greater, the earned income) of the taxpayer for the taxable year as exceeds the phaseout amount.

"(b) Percentages and Amounts.—For purposes of subsection (a)—

"(1) Percentages.—The credit percentage and the phaseout percentage shall be determined as follows:

"(A) In general.—In the case of taxable years beginning after 1994:

In the case of an eligible individual with:	The credit percentage is:	The phaseout percentage is:
1 qualifying child	34.37	16.16
2 or more qualifying children	39.66	19.83
No qualifying children	7.65	7.65

"(B) Transitional percentages.—In the case of a taxable year beginning in 1994:

In the case of an eligible individual with:	The credit percentage is:	The phaseout percentage is:
1 qualifying child	26.60	16.16
2 or more qualifying children	31.59	15.79
No qualifying children	7.65	7.65

"(2) Amounts.—The earned income amount and the phaseout amount shall be determined as follows:

"(A) In general.—In the case of taxable years beginning after 1994:

In the case of an eligible individual with:	The earned income amount is:	The phaseout amount is:
1 qualifying child	$6,000	$11,000
2 or more qualifying children	$8,500	$11,000
No qualifying children	$4,000	$5,000

"(B) Transitional amounts.—In the case of a taxable year beginning in 1994:

In the case of an eligible individual with:	The earned income amount is:	The phaseout amount is:
1 qualifying child	$7,750	$11,000
2 or more qualifying children	$8,500	$11,000
No qualifying children	$4,000	$5,000".

(b) Eligible Individual.—Subparagraph (A) of section 32(c)(1) (defining eligible individual) is amended to read as follows:

"(A) In general.—The term 'eligible individual' means—

"(i) any individual who has a qualifying child for the taxable year, or

"(ii) any other individual who does not have a qualifying child for the taxable year, if—

"(I) such individual's principal place of abode is in the United States for more than one-half of such taxable year,

"(II) such individual (or, if the individual is married, the individual's spouse) has attained age 22 before the close of the taxable year, and

"(III) such individual (or, if the individual is married, the individual's spouse) is not a dependent for whom a deduction is allowable under section 151 to another taxpayer for any taxable year beginning in the same calendar year as such taxable year."

(c) Inflation Adjustments.—Section 32(i) (relating to inflation adjustments) is amended—

(1) by striking paragraphs (1) and (2) and inserting the following new paragraph:

"(1) In general.—In the case of any taxable year beginning after 1994, each dollar amount contained in subsection (b)(2)(A) shall be increased by an amount equal to—

"(A) such dollar amount, multiplied by

"(B) the cost-of-living adjustment determined under section 1(f)(3), for the calendar year in which the taxable year begins, by substituting 'calendar year 1993' for 'calendar year 1992'.", and

(2) by redesignating paragraph (3) as paragraph (2).

(d) Conforming Amendments.—

(1) Subparagraph (D) of section 32(c)(3) is amended—

(A) by striking "clause (i) or (ii)" in clause (iii) and inserting "clause (i)",

(B) by striking clause (ii), and

(C) by redesignating clause (iii) as clause (ii).

(2) Paragraph (3) of section 162(l) is amended to read as follows:

"(3) Coordination with medical deduction.—Any amount paid by a taxpayer for insurance to which paragraph (1) applies shall not be taken into account in computing the amount allowable to the taxpayer as a deduction under section 213(a)."

(3) Section 213 is amended by striking subsection (f).

(4) Subsection (b) of section 3507 is amended by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively, and by inserting after paragraph (1) the following new paragraph:

"(2) certifies that the employee has 1 or more qualifying children (within the meaning of section 32(c)(3)) for such taxable year,".

(5) Subparagraph (B) of section 3507(c)(2) is amended by striking clauses (i) and (ii) and inserting the following:

"(i) of not more than the credit percentage in effect under section 32(b)(1) for an eligible individual with 1 qualifying child and with earned income not in excess of the earned income amount in effect under section 32(b)(2) for such an eligible individual, which

"(ii) phases out at the phaseout percentage in effect under section 32(b)(1) for such an eligible individual between the phaseout amount in effect under section 32(b)(2) for such an eligible individual and the amount of earned income at which the credit under section 32(a) phases out for such an eligible individual, or".

(e) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 1993.

PART V—INCENTIVES FOR INVESTMENT IN REAL ESTATE

Subpart A—Extension of Qualified Mortgage Bonds and Low-Income Housing Credit

SEC. 14141. PERMANENT EXTENSION OF QUALIFIED MORTGAGE BONDS.

(a) In General.—Paragraph (1) of section 143(a) (defining qualified mortgage bond) is amended to read as follows:

"(1) Qualified mortgage bond defined.—For purposes of this title, the term 'qualified mortgage bond' means a bond which is issued as part of a qualified mortgage issue."

(b) Mortgage Credit Certificates.—Section 25 is amended by striking subsection (h) and by redesignating subsections (i) and (j) as subsections (h) and (i), respectively.

(c) Effective Dates.—

(1) Bonds.—The amendment made by subsection (a) shall apply to bonds issued after June 30, 1992.

(2) Certificates.—The amendment made by subsection (b) shall apply to elections for periods after June 30, 1992.

SEC. 14142. PERMANENT EXTENSION OF LOW-INCOME HOUSING CREDIT.

(a) In General.—Section 42 (relating to low-income housing credit) is amended by striking subsection (o).

(b) HOME Assistance Not To Result in Certain Buildings Being Federally Subsidized.—Paragraph (2) of section 42(i) (relating to determination of whether building is federally subsidized) is amended by adding at the end thereof the following new subparagraph:

"(E) Buildings receiving home assistance.—Assistance provided under the HOME Investment Partnerships Act (as in effect on the date of the enactment of this subparagraph) with respect to any building shall not be taken under subparagraph (D) if 40 percent or more of the residential units in the building are occupied by individuals whose income is 50 percent or less of area median gross income. Subsection (d)(5)(C) shall not apply to any building to which the preceding sentence applies.".

(c) Effective Dates.—

(1) The amendment made by subsection (a) shall apply to periods after June 30, 1992.

(2) The amendment made by subsection (b) shall apply to periods after the date of the enactment of this Act.

Subpart B—Modification of Passive Loss Rules

SEC. 14143. APPLICATION OF PASSIVE LOSS RULES TO RENTAL REAL ESTATE ACTIVITIES.

(a) Rental Real Estate Activities of Persons in Real Property Business Not Automatically Treated as Passive Activities.—Subsection (c) of section 469 (defining passive activity) is amended by adding at the end thereof the following new paragraph:

"(7) Special rules for taxpayers in real property business—

"(A) In general.—If this paragraph applies to any taxpayer for a taxable year—

"(i) paragraph (2) shall not apply to any rental real estate activity of such taxpayer for such taxable year, and

"(ii) this section shall be applied as if each interest of the taxpayer in rental real estate were a separate activity.

Notwithstanding clause (ii), a taxpayer may elect to treat all interests in rental real estate as one activity. Nothing in the preceding provisions of this subparagraph shall be construed as affecting the determination of whether the taxpayer materially participates with respect to any interest in a limited partnership as a limited partner.

"(B) Taxpayers to whom paragraph applies.—This paragraph shall apply to a taxpayer for a taxable year if more than one-half of the personal services performed in trades or businesses by the taxpayer during such taxable year are performed in real property trades or businesses in which the taxpayer materially participates.

"(C) Real property trade or business.—For purposes of this paragraph, the term 'real property trade or business' means any real property development, redevelopment, construction, reconstruction, acquisition, conversion, rental, operation, management, leasing, or brokerage trade or business.

"(D) SPECIAL RULES FOR SUBPARAGRAPH (B).—

"(i) CLOSELY HELD C CORPORATIONS.—In the case of a closely held C corporation, the requirements of subparagraph (B) shall be treated as met for any taxable year if more than 50 percent of the gross receipts of such corporation for such taxable year are derived from real property trades or businesses in which the corporation materially participates.

"(ii) PERSONAL SERVICES AS AN EMPLOYEE.—For purposes of subparagraph (B), personal services performed as an employee shall not be treated as performed in real property trades or businesses. The preceding sentence shall not apply if such employee is a 5-percent owner (as defined in section 416(i)(1)(B)) in the employer."

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (2) of section 469(c) is amended by striking "The" and inserting "Except as provided in paragraph (7), the".

(2) Clause (iv) of section 469(i)(3)(E) is amended by inserting "or any loss allowable by reason of subsection (c)(7)" after "loss".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1993.

Subpart C—Provisions Relating to Real Estate Investments by Pension Funds

SEC. 14144. REAL ESTATE PROPERTY ACQUIRED BY A QUALIFIED ORGANIZATION.

(a) MODIFICATIONS OF EXCEPTIONS.—Paragraph (9) of section 514(c) (relating to real property acquired by a qualified organization) is amended by adding at the end thereof the following new subparagraphs:

"(G) SPECIAL RULES FOR PURPOSES OF THE EXCEPTIONS.—Except as otherwise provided by regulations—

"(i) SMALL LEASES DISREGARDED.—For purposes of clauses (iii) and (iv) of subparagraph (B), a lease to a person described in such clause (iii) or (iv) shall be disregarded if no more than 25 percent of the leasable floor space in a building (or complex of buildings) is covered by the lease and if the lease is on commercially reasonable terms.

"(ii) COMMERCIALLY REASONABLE FINANCING.—Clause (v) of subparagraph (B) shall not apply if the financing is on commercially reasonable terms.

"(H) QUALIFYING SALES BY FINANCIAL INSTITUTIONS.—

"(i) IN GENERAL.—In the case of a qualifying sale by a financial institution, except as provided in regulations, clauses (i) and (ii) of subparagraph (B) shall not apply with respect to financing provided by such institution for such sale.

"(ii) QUALIFYING SALE.—For purposes of this clause, there is a qualifying sale by a financial institution if—

"(I) a qualified organization acquires property described in clause (iii) from a financial institution and any gain recognized by the financial institution with respect to the property is ordinary income,

"(II) the stated principal amount of the financing provided by the financial institution does not exceed the amount of the outstanding indebtedness (including accrued but unpaid interest) of the financial institution with respect to the property described in clause (iii) immediately before the acquisition referred to in clause (iii) or (v), whichever is applicable, and

"(III) the present value (determined as of the time of the sale and by using the applicable Federal rate determined under section 1274(d)) of the maximum amount payable pursuant to the financing that is determined by reference to the revenue, income, or profits derived from the property cannot exceed 30 percent of the total purchase price of the property (including the contingent payments).

"(iii) PROPERTY TO WHICH SUBPARAGRAPH APPLIES.—Property is described in this clause if such property is foreclosure property, or is real property which—

"(I) was acquired by the qualified organization from a financial institution which is in conservatorship or receivership, or from the conservator or receiver of such an institution, and

"(II) was held by the financial institution at the time it entered into conservatorship or receivership.

"(iv) FINANCIAL INSTITUTION.—For purposes of this subparagraph, the term 'financial institution' means—

"(I) any financial institution described in section 581 or 591(a),

"(II) any other corporation which is a direct or indirect subsidiary of an institution referred to in subclause (I) but only if, by virtue of being affiliated with such institution, such other corporation is subject to supervision and examination by a Federal or State agency which regulates institutions referred to in subclause (I), and

"(III) any person acting as a conservator or receiver of an entity referred to in subclause (I) or (II) (or any government agency or corporation succeeding to the rights or interest of such person).

"(v) FORECLOSURE PROPERTY.—For purposes of this subparagraph, the term 'foreclosure property' means any real property acquired by the financial institution as the result of having bid on such property at foreclosure, or by operation of an agreement or process of law, after there was a default (or a default was imminent) on indebtedness which such property secured.".

(b) CONFORMING AMENDMENT.—Paragraph (9) of section 514(c) is amended—

(1) by adding the following new sentence at the end of subparagraph (A): "For purposes of this paragraph, an interest in a mortgage shall in no event be treated as real property.", and

(2) by striking the last sentence of subparagraph (B).

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to acquisitions on or after January 1, 1994.

(2) SMALL LEASES.—The provisions of section 514(c)(9)(G)(i) of the Internal Revenue Code of 1986 shall, in addition to any leases to which the provisions apply by reason of paragraph (1), apply to leases entered into on or after January 1, 1994.

SEC. 14145. REPEAL OF SPECIAL TREATMENT OF PUBLICLY TREATED PARTNERSHIPS.

(a) GENERAL RULE.—Subsection (c) of section 512 is amended—

(1) by striking paragraph (2),

(2) by redesignating paragraph (3) as paragraph (2), and

(3) by striking "paragraph (1) or (2)" in paragraph (2) (as so redesignated) and inserting "paragraph (1)".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to partnership years beginning on or after January 1, 1994.

SEC. 14146. TITLE-HOLDING COMPANIES PERMITTED TO RECEIVE SMALL AMOUNTS OF UNRELATED BUSINESS TAXABLE INCOME.

(a) GENERAL RULE.—Paragraph (25) of section 501(c) is amended by adding at the end thereof the following new subparagraph:

"(G)(i) An organization shall not be treated as failing to be described in this paragraph merely by reason of the receipt of any otherwise disqualifying income which is incidentally derived from the holding of real property.

"(ii) Clause (i) shall not apply if the amount of gross income described in such clause exceeds 10 percent of the organization's gross income for the taxable year unless the organization establishes to the satisfaction of the Secretary that the receipt of gross income described in clause (i) in excess of such limitation was inadvertent and reasonable steps are being taken to correct the circumstances giving rise to such income."

(b) CONFORMING AMENDMENT.—Paragraph (2) of section 501(c) is amended by adding at the end thereof the following new sentence: "Rules similar to the rules of subparagraph (G) of paragraph (25) shall apply for purposes of this paragraph."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning on or after January 1, 1994.

SEC. 14147. EXCLUSION FROM UNRELATED BUSINESS TAX OF GAINS FROM CERTAIN PROPERTY.

(a) GENERAL RULE.—Subsection (b) of section 512 (relating to modifications) is amended by adding at the end thereof the following new paragraph:

"(16)(A) Notwithstanding paragraph (5)(B), there shall be excluded all gains or losses from the sale, exchange, or other disposition of any real property described in subparagraph (B) if—

"(i) such property was acquired by the organization from—

"(I) a financial institution described in section 581 or 591(a) which is in conservatorship or receivership, or

"(II) the conservator or receiver of such an institution (or any government agency or corporation succeeding to the rights or interests of the conservator or receiver),

"(ii) such property is designated by the organization within the 9-month period beginning on the date of its acquisition as property held for sale, except that not more than one-half (by value determined as of such date) of property acquired in a single transaction may be so designated,

"(iii) such sale, exchange, or disposition occurs before the later of—

"(I) the date which is 30 months after the date of the acquisition of such property, or

"(II) the date specified by the Secretary in order to assure an orderly disposition of property held by persons described in subparagraph (A), and

"(iv) while such property was held by the organization, the aggregate expenditures on improvements and development activities included in the basis of the property are (or were) not in excess of 20 percent of the net selling price of such property.

"(B) Property is described in this subparagraph if it is real property which—

"(i) was held by the financial institution at the time it entered into conservatorship or receivership, or

"(ii) was foreclosure property (as defined in section 514(c)(9)(H)(v)) which secured indebtedness held by the financial institution at such time.

For purposes of this subparagraph, real property includes an interest in a mortgage."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to property acquired on or after January 1, 1994.

SEC. 14148. EXCLUSION FROM UNRELATED BUSINESS TAX OF CERTAIN FEES AND OPTION PREMIUMS.

(a) LOAN COMMITMENT FEES.—Paragraph (1) of section 512(b) (relating to modifications) is amended by inserting "amounts received or accrued as consideration for entering into agreements to make loans," before "and annuities".

(b) OPTION PREMIUMS.—The second sentence of section 512(b)(5) is amended—

(1) by striking "all gains on" and inserting "all gains or losses recognized, in connection with the organization's investment activities, from",

(2) by striking ", written by the organization in connection with its investment activities," and

(3) by inserting "or real property and all gains or losses from the forfeiture of good-faith deposits (that are consistent with established business practice) for the purchase, sale, or lease of real property in connection with the organization's investment activities" before the period.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts received on or after January 1, 1994.

SEC. 14149. TREATMENT OF PENSION FUND INVESTMENTS IN REAL ESTATE INVESTMENT TRUSTS.

(a) GENERAL RULE.—Subsection (h) of section 856 (relating to closely held determinations) is amended by adding at the end thereof the following new paragraph:

"(3) TREATMENT OF TRUSTS DESCRIBED IN SECTION 401(a).—

"(A) LOOK-THRU TREATMENT.—

"(i) IN GENERAL.—Except as provided in clause (ii), in determining whether the stock ownership requirement of section 542(a)(2) is met for purposes of paragraph (1)(A), any stock held by a qualified trust shall be treated as held directly by its beneficiaries in proportion to their actuarial interests in such trust and shall not be treated as held by such trust.

"(ii) CERTAIN RELATED TRUSTS NOT ELIGIBLE.—Clause (i) shall not apply to any qualified trust if one or more disqualified persons (as defined in section 4975(e)(2), without regard to subparagraphs (B) and (I) thereof) with respect to such qualified trust hold in the aggregate 5 percent or more in value of the interests in the real estate investment trust and such real estate investment trust has accumulated earnings and profits attributable to any period for which it did not qualify as a real estate investment trust.

"(B) COORDINATION WITH PERSONAL HOLDING COMPANY RULES.—If any entity qualifies as a real estate investment trust for any taxable year by reason of subparagraph (A), such entity shall not be treated as a personal holding company for such taxable year for purposes of part II of subchapter G of this chapter.

"(C) TREATMENT FOR PURPOSES OF UNRELATED BUSINESS TAX.—If any qualified trust holds more than 10 percent (by value) of the interests in any pension-held REIT at any time during a taxable year, the trust shall be treated as having for such taxable year gross income from an unrelated trade or business in an amount which bears the same ratio to the aggregate dividends paid (or treated as paid) by the REIT to the trust for the taxable year of the REIT with or within which the taxable year of the trust ends (the 'REIT year') as—

"(i) the gross income (less direct expenses related thereto) of the REIT for the REIT year from unrelated trades or businesses (determined as if the REIT were a qualified trust), bears to

"(ii) the gross income (less direct expenses related thereto) of the REIT for the REIT year.

This subparagraph shall apply only if the ratio determined under the preceding sentence is at least 5 percent.

"(D) PENSION-HELD REIT.—The purposes of subparagraph (C)—

"(i) IN GENERAL.—A real estate investment trust is a pension-held REIT if such trust would not have qualified as a real estate investment trust but for the provisions of this paragraph and if such trust is predominantly held by qualified trusts.

"(ii) PREDOMINANTLY HELD.—For purposes of clause (i), a real estate investment trust is predominantly held by qualified trusts if—

"(I) at least 1 qualified trust holds more than 25 percent (by value) of the interests in such real estate investment trust, or

"(II) 1 or more qualified trusts (each of whom own more than 10 percent by value of the interests in such real estate investment trust) hold in the aggregate more than 50 percent (by value) of the interests in such real estate investment trust.

"(E) QUALIFIED TRUST.—For purposes of this paragraph, the term 'qualified trust' means any trust described in section 401(a) and exempt from tax under section 501(a)."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1993.

Subpart D—Discharge of Indebtedness

SEC. 14150. EXCLUSION FROM GROSS INCOME FOR INCOME FROM DISCHARGE OF QUALIFIED REAL PROPERTY BUSINESS INDEBTEDNESS.

(a) IN GENERAL.—Paragraph (1) of section 108(a) (relating to income from discharge of indebtedness) is amended by striking "or" at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting ", or", and by adding at the end the following new subparagraph:

"(D) in the case of a taxpayer other than a C corporation, the indebtedness discharged is qualified real property business indebtedness."

(b) QUALIFIED REAL PROPERTY BUSINESS INDEBTEDNESS.—Section 108 is amended by inserting after subsection (b) the following new subsection:

"(c) TREATMENT OF DISCHARGE OF QUALIFIED REAL PROPERTY BUSINESS INDEBTEDNESS.—

"(1) BASIS REDUCTION.—

"(A) IN GENERAL.—The amount excluded from gross income under subparagraph (D) of subsection (a)(1) shall be applied to reduce the basis of the depreciable real property of the taxpayer.

"(B) CROSS REFERENCE.—For provisions making the reduction described in subparagraph (A), see section 1017.

"(2) LIMITATIONS.—

"(A) INDEBTEDNESS IN EXCESS OF VALUE.—The amount excluded under subparagraph (D) of subsection (a)(1) with respect to any qualified real property business indebtedness shall not exceed the excess (if any) of—

"(i) the outstanding principal amount of such indebtedness (immediately before the discharge), over

"(ii) the fair market value of the real property described in paragraph (3)(A) (as of such time), reduced by the outstanding principal amount of any other qualified real property business indebtedness secured by such property (as of such time).

"(B) OVERALL LIMITATION.—The amount excluded under subparagraph (D) of subsection (a)(1) shall not exceed the aggregate adjusted bases of depreciable real property (determined after any reductions under subsections (b) and (g)) held by the taxpayer immediately before the discharge (other than depreciable real property acquired in contemplation of such discharge).

"(3) QUALIFIED REAL PROPERTY BUSINESS INDEBTEDNESS.—The term 'qualified real property business indebtedness' means indebtedness which—

"(A) was incurred or assumed by the taxpayer in connection with real property used in a trade or business and is secured by such real property,

"(B) was incurred or assumed before January 1, 1993, or if incurred or assumed on or after such date, is qualified acquisition indebtedness, and

"(C) with respect to which such taxpayer makes an election to have this paragraph apply.

Such term shall not include qualified farm indebtedness. Indebtedness under subparagraph (B) shall include indebtedness resulting from the refinancing of indebtedness under subparagraph (B) (or this sentence), but only to the extent it does not exceed the amount of the indebtedness being refinanced.

"(4) QUALIFIED ACQUISITION INDEBTEDNESS.—For purposes of paragraph (3)(B), the term 'qualified acquisition indebtedness' means, with respect to any real property described in paragraph (3)(A), indebtedness incurred or assumed to acquire, construct, reconstruct, or substantially improve such property.

"(5) REGULATIONS.—The Secretary shall issue such regulations as are necessary to carry out this subsection, including regulations preventing the abuse of this subsection through cross-collateralization or other means."

(c) TECHNICAL AMENDMENTS.—

(1) Subparagraph (A) of section 108(a)(2) is amended by striking "and (C)" and inserting ", (C), and (D)".

(2) Subparagraph (B) of section 108(a)(2) is amended to read as follows:

"(B) INSOLVENCY EXCLUSION TAKES PRECEDENCE OVER QUALIFIED FARM EXCLUSION AND QUALIFIED REAL PROPERTY BUSINESS EXCLUSION.—Subparagraphs (C) and (D) of paragraph (1) shall not apply to a discharge to the extent the taxpayer is insolvent."

(3) Subsection (d) of section 108 is amended—

(A) by striking "subsections (a), (b), and (g)" in paragraphs (6) and (7)(A) and inserting "subsections (a), (b), (c), and (g)",

(B) by striking "SUBSECTIONS (a), (b), AND (g)" in the subsection heading and inserting "CERTAIN PROVISIONS", and

(C) by striking "SUBSECTIONS (a), (b), AND (g)" in the headings of paragraphs (6) and (7)(A) and inserting "CERTAIN PROVISIONS".

(4) Subparagraph (B) of section 108(d)(7) is amended by adding at the end thereof the following new sentence:"The preceding sentence shall not apply to any discharge to the extent that subsection (a)(1)(D) applies to such discharge."

(5) Subparagraph (A) of section 108(d)(9) is amended by inserting "or under paragraph (3)(B) of subsection (c)" after "subsection (b)".

(6) Paragraph (2) of section 1017(a) is amended by striking "or (b)(5)" and inserting ", (b)(5), or (c)(1)".

(7) Subparagraph (A) of section 1017(b)(3) is amended by inserting "or (c)(1)" after "subsection (b)(5)".

(8) Section 1017(b)(3) is amended by adding at the end the following new subparagraph:

"(F) SPECIAL RULES FOR QUALIFIED REAL PROPERTY BUSINESS INDEBTEDNESS.—In the case of any amount which under section 108(c)(1) is to be applied to reduce basis—

"(i) depreciable property shall only include depreciable real property for purposes of subparagraphs (A) and (C),

"(ii) subparagraph (E) shall not apply, and

"(iii) in the case of property taken into account under section 108(c)(2)(B), the reduction with respect to such property shall be made as of the time immediately before disposition if earlier than the time under subsection (a)."

(9) Paragraph (1) of section 703(b) is amended by striking "subsection (b)(5)" and inserting "subsection (b)(5) or (c)(3)".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to discharges after December 31, 1992, in taxable years ending after such date.

Subpart E—Increase in Recovery Period for Nonresidential Real Property

SEC. 14151. INCREASE IN RECOVERY PERIOD FOR NONRESIDENTIAL REAL PROPERTY.

(a) GENERAL RULE.—Paragraph (1) of section 168(c) (relating to applicable recovery period) is amended by striking the item relating to nonresidential real property and inserting the following:

"Nonresidential real property ...39 years.".

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendment made by subsection (a) shall apply to property placed in service by the taxpayer on or after February 25, 1993.

(2) EXCEPTION.—The amendments made by this section shall not apply to property placed in service by the taxpayer before January 1, 1994, if—

(A) the taxpayer or a qualified person entered into a binding written contract to purchase or construct such property before February 25, 1993, or

(B) the construction of such property was commenced by or for the taxpayer or a qualified person before February 25, 1993.

For purposes of this paragraph, the term "qualified person" means any person who transfers his rights in such a contract or such property to the taxpayer but only if the property is not placed in service by such person before such rights are transferred to the taxpayer.

PART VI—LUXURY TAX

SEC. 14161. REPEAL OF LUXURY EXCISE TAXES OTHER THAN ON PASSENGER VEHICLES.

(a) IN GENERAL.—Subchapter A of chapter 31 (relating to retail excise taxes) is amended to read as follows:

"Subchapter A—Luxury Passenger Automobiles

"Sec. 4001. Imposition of tax.
"Sec. 4002. 1st retail sale; uses, etc. treated as sales; determination of price.
"Sec. 4003. Special rules.

"SEC. 4001. IMPOSITION OF TAX.

"(a) IMPOSITION OF TAX.—There is hereby imposed on the 1st retail sale of any passenger vehicle a tax equal to 10 percent of the price for which so sold to the extent such price exceeds $30,000.

"(b) PASSENGER VEHICLE.—

"(1) IN GENERAL.—For purposes of this subchapter, the term 'passenger vehicle' means any 4-wheeled vehicle—

"(A) which is manufactured primarily for use on public streets, roads, and highways, and

"(B) which is rated at 6,000 pounds unloaded gross vehicle weight or less.

"(2) SPECIAL RULES.—

"(A) TRUCKS AND VANS.—In the case of a truck or van, paragraph (1)(B) shall be applied by substituting 'gross vehicle weight' for 'unloaded gross vehicle weight'.

"(B) LIMOUSINES.—In the case of a limousine, paragraph (1) shall be applied without regard to subparagraph (B) thereof.

"(c) EXCEPTIONS FOR TAXICABS, ETC.—The tax imposed by this section shall not apply to the sale of any passenger vehicle for use by the purchaser exclusively in the active conduct of a trade or business of transporting persons or property for compensation or hire.

"(d) EXEMPTION FOR LAW ENFORCEMENT USES, ETC.—No tax shall be imposed by this section on the sale of any passenger vehicle—

"(1) to the Federal Government, or a State or local government, for use exclusively in police, firefighting, search and rescue, or other law enforcement or public safety activities, or in public works activities, or

"(2) to any person for use exclusively in providing emergency medical services.

"(e) INFLATION ADJUSTMENT.—

"(1) IN GENERAL.—In the case of any calendar year after 1992, the $30,000 amount in subsection (a) and section 4003(a) shall be increased by an amount equal to—

"(A) $30,000, multiplied by

"(B) the cost-of-living adjustment under section 1(f)(3) for such calendar year, determined by substituting 'calendar year 1990' for 'calendar year 1992' in subparagraph (B) thereof.

"(2) ROUNDING.—If any amount as adjusted under paragraph (1) is not a multiple of $100, such amount shall be rounded to the nearest multiple of $100 (or, if such amount is a multiple of $50 and not of $100, such amount shall be rounded to the next highest multiple of $100).

"(f) TERMINATION.—The tax imposed by this section shall not apply to any sale or use after December 31, 1999.

"SEC. 4002. 1ST RETAIL SALE; USES, ETC. TREATED AS SALES; DETERMINATION OF PRICE.

"(a) 1ST RETAIL SALE.—For purposes of this subchapter, the term '1st retail sale' means the 1st sale, for a purpose other than resale, after manufacture, production, or importation.

"(b) USE TREATED AS SALE.—

"(1) IN GENERAL.—If any person uses a passenger vehicle (including any use after importation) before the 1st retail sale of such vehicle, then such person shall be liable for tax under this subchapter in the same manner as if such vehicle were sold at retail by him.

"(2) EXEMPTION FOR FURTHER MANUFACTURE.—Paragraph (1) shall not apply to use of a vehicle as material in the manufacture or production of, or as a component part of, another vehicle taxable under this subchapter to be manufactured or produced by him.

"(3) EXEMPTION FOR DEMONSTRATION USE.—Paragraph (1) shall not apply to any use of a passenger vehicle as a demonstrator.

"(4) EXCEPTION FOR USE AFTER IMPORTATION OF CERTAIN VEHICLES.—Paragraph (1) shall not apply to the use of a vehicle after importation if the user or importer establishes to the satisfaction of the Secretary that the 1st use of the vehicle occurred before January 1, 1991, outside the United States.

"(5) COMPUTATION OF TAX.—In the case of any person made liable for tax by paragraph (1), the tax shall be computed on the price at which similar vehicles are sold at retail in the ordinary course of trade, as determined by the Secretary.

"(c) LEASES CONSIDERED AS SALES.—For purposes of this subchapter—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, the lease of a vehicle (including any renewal or any extension of a lease or any subsequent lease of such vehicle) by any person shall be considered a sale of such vehicle at retail.

"(2) SPECIAL RULES FOR LONG-TERM LEASES.—

"(A) TAX NOT IMPOSED ON SALE FOR LEASING IN A QUALIFIED LEASE.—The sale of a passenger vehicle to a person engaged in a passenger vehicle leasing or rental trade or business for leasing by such person in a long-term lease shall not be treated as the 1st retail sale of such vehicle.

"(B) LONG-TERM LEASE.—For purposes of subparagraph (A), the term 'long-term lease' means any long-term lease (as defined in section 4052).

"(C) SPECIAL RULES.—In the case of a long-term lease of a vehicle which is treated as the 1st retail sale of such vehicle—

"(i) DETERMINATION OF PRICE.—The tax under this subchapter shall be computed on the lowest price for which the vehicle is sold by retailers in the ordinary course of trade.

"(ii) PAYMENT OF TAX.—Rules similar to the rules of section 4217(e)(2) shall apply.

"(iii) NO TAX WHERE EXEMPT USE BY LESSEE.—No tax shall be imposed on any lease payment under a long-term lease if the lessee's use of the vehicle under such lease is an exempt use (as defined in section 4003(b)) of such vehicle.

"(d) DETERMINATION OF PRICE.—

"(1) IN GENERAL.—In determining price for purposes of this subchapter—

"(A) there shall be included any charge incident to placing the article in condition ready for use,

"(B) there shall be excluded—

"(i) the amount of the tax imposed by this subchapter,

"(ii) if stated as a separate charge, the amount of any retail sales tax imposed by any State or political subdivision thereof or the District of Columbia, whether the liability for such tax is imposed on the vendor or vendee, and

"(iii) the value of any component of such article if—

"(I) such component is furnished by the 1st user of such article, and

"(II) such component has been used before such furnishing, and

"(C) the price shall be determined without regard to any trade-in.

"(2) OTHER RULES.—Rules similar to the rules of paragraphs (2) and (4) of section 4052(b) shall apply for purposes of this subchapter.

"SEC. 4003. SPECIAL RULES.

"(a) SEPARATE PURCHASE OF VEHICLE AND PARTS AND ACCESSORIES THEREFOR.—Under regulations prescribed by the Secretary—

"(1) IN GENERAL.—Except as provided in paragraph (2), if—

"(A) the owner, lessee, or operator of any passenger vehicle installs (or causes to be installed) any part or accessory on such vehicle, and

"(B) such installation is not later than the date 6 months after the date the vehicle was 1st placed in service,

then there is hereby imposed on such installation a tax equal to 10 percent of the price of such part or accessory and its installation.

"(2) LIMITATION.—The tax imposed by paragraph (1) on the installation of any part or accessory shall not exceed 10 percent of the excess (if any) of—

"(A) the sum of—

"(i) the price of such part or accessory and its installation,

"(ii) the aggregate price of the parts and accessories (and their installation) installed before such part or accessory, plus

"(iii) the price for which the passenger vehicle was sold, over

"(B) $30,000.

"(3) EXCEPTIONS.—Paragraph (1) shall not apply if—

"(A) the part or accessory installed is a replacement part or accessory,

"(B) the part or accessory is installed to enable or assist an individual with a disability to operate the vehicle, or to enter or exit the vehicle, by compensating for the effect of such disability, or

"(C) the aggregate price of the parts and accessories (and their installation) described in paragraph (1) with respect to the vehicle does not exceed $200 (or such other amount or amounts as the Secretary may by regulation prescribe).

The price of any part or accessory (and its installation) to which paragraph (1) does not apply by reason of this paragraph shall not be taken into account under paragraph (2)(A).

"(4) INSTALLERS SECONDARILY LIABLE FOR TAX.—The owners of the trade or business installing the parts or accessories shall be secondarily liable for the tax imposed by this subsection.

"(b) IMPOSITION OF TAX ON SALES, ETC., WITHIN 2 YEARS OF VEHICLES PURCHASED TAX-FREE.—

"(1) IN GENERAL.—If—

"(A) no tax was imposed under this subchapter on the 1st retail sale of any passenger vehicle by reason of its exempt use, and

"(B) within 2 years after the date of such 1st retail sale, such vehicle is resold by the purchaser or such purchaser makes a substantial nonexempt use of such vehicle,

then such sale or use of such vehicle by such purchaser shall be treated as the 1st retail sale of such vehicle for a price equal to its fair market value at the time of such sale or use.

"(2) EXEMPT USE.—For purposes of this subsection, the term 'exempt use' means any use of a vehicle if the 1st retail sale of such vehicle is not taxable under this subchapter by reason of such use.

"(c) PARTS AND ACCESSORIES SOLD WITH TAXABLE ARTICLE.—Parts and accessories sold on, in connection with, or with the sale of any passenger vehicle shall be treated as part of the vehicle.

"(d) PARTIAL PAYMENTS, ETC.—In the case of a contract, sale, or arrangement described in paragraph (2), (3), or (4) of section 4216(c), rules similar to the rules of section 4217(e)(2) shall apply for purposes of this subchapter."

(b) TECHNICAL AMENDMENTS.—

(1) Subsection (c) of section 4221 is amended by striking "4002(b), 4003(c), 4004(a)" and inserting "4001(d)".

(2) Subsection (d) of section 4222 is amended by striking "4002(b), 4003(c), 4004(a)" and inserting "4001(d)".

(3) The table of subchapters for chapter 31 is amended by striking the item relating to subchapter A and inserting the following:

"Subchapter A. Luxury passenger vehicles."

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1993.

SEC. 14162. EXEMPTION FROM LUXURY EXCISE TAX FOR CERTAIN EQUIPMENT INSTALLED ON PASSENGER VEHICLES FOR USE BY DISABLED INDIVIDUALS.

(a) IN GENERAL.—Paragraph (3) of section 4004(b) (relating to separate purchase of article and parts and accessories therefor), as in effect on the day before the date of the enactment of this Act, is amended—

(1) by striking "or" at the end of subparagraph (A),

(2) by redesignating subparagraph (B) as subparagraph (C),

(3) by inserting after subparagraph (A) the following new subparagraph:

"(B) the part or accessory is installed on a passenger vehicle to enable or assist an individual with a disability to operate the vehicle, or to enter or exit the vehicle, by compensating for the effect of such disability, or", and

(4) by inserting after subparagraph (C) the following flush sentence:

"The price of any part or accessory (and its installation) to which paragraph (1) does not apply by reason of this paragraph shall not be taken into account under paragraph (2)(A)."

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the amendments made by section 11221(a) of the Omnibus Budget Reconciliation Act of 1990.

(c) PERIOD FOR FILING CLAIMS.—If refund or credit of any overpayment of tax resulting from the application of the amendments made by this section is prevented at any time before the close of the 1-year period beginning on the date of the enactment of this Act by the operation of any law or rule of law (including res judicata), refund or credit of such overpayment (to the extent attributable to such amendments) may, nevertheless, be made or allowed if claim therefor is filed before the close of such 1-year period.

SEC. 14163. TAX ON DIESEL FUEL USED IN NONCOMMERCIAL BOATS.

(a) GENERAL RULE.—

(1) Paragraph (2) of section 4092(a) (defining diesel fuel) is amended by striking "or a diesel-powered train" and inserting ", a diesel-powered train, or a diesel-powered boat".

(2) Paragraph (1) of section 4041(a) is amended—

(A) by striking "diesel-powered highway vehicle" each place it appears and inserting "diesel-powered highway vehicle or diesel-powered boat", and

(B) by striking "such vehicle" and inserting "such vehicle or boat".

(3) Subparagraph (B) of section 4092(b)(1) is amended by striking "commercial and noncommercial vessels" each place it appears and inserting "vessels for use in an off-highway business use (as defined in section 6421(e)(2)(B))".

(b) EXEMPTION FOR USE IN FISHERIES OR COMMERCIAL NAVIGATION.—Subparagraph (B) of section 6421(e)(2) is amended to read as follows:

"(B) USES IN BOATS.—The term 'off-highway business use' does not include any use in a motorboat; except that such term shall include any use in—

"(i) a vessel employed in the fisheries or in the whaling business, and

"(ii) in the case of diesel fuel, a boat in the active conduct of—

"(I) a trade or business of commercial fishing or transporting persons or property for compensation or hire, or

"(II) any other trade or business unless the boat is used predominantly in any activity which is of a type generally considered to constitute entertainment, amusement or recreation."

(c) RETENTION OF TAXES IN GENERAL FUND.—

(1) TAXES IMPOSED AT HIGHWAY TRUST FUND FINANCING RATE.—Paragraph (4) of section 9503(b) (relating to transfers to Highway Trust Fund) is amended—

(A) by striking "and" at the end of subparagraph (A),

(B) by striking the period at the end of subparagraph (B) and inserting ", and", and

(C) by adding at the end thereof the following new subparagraph:

"(C) there shall not be taken into account the taxes imposed by sections 4041 and 4091 on diesel fuel sold for use or used as fuel in a diesel-powered boat."

(2) TAXES IMPOSED AT LEAKING UNDERGROUND STORAGE TANK TRUST FUND FINANCING RATE.—Subsection (b) of section 9508 (relating to transfers to Leaking Underground Storage Tank Trust Fund) is amended by adding at the end thereof the following new sentence: "For purposes of this subsection, there shall not be taken into account the taxes imposed by sections 4041 and 4091 on diesel fuel sold for use or used as fuel in a diesel-powered boat."

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1994.

PART VII—OTHER CHANGES

SEC. 14171. ALTERNATIVE MINIMUM TAX TREATMENT OF CONTRIBUTIONS OF APPRECIATED PROPERTY.

(a) REPEAL OF TAX PREFERENCE.—Subsection (a) of section 57 (as amended by section 14113) is amended by striking paragraph (6) (relating to appreciated property charitable deduction) and by redesignating paragraphs (7) and (8) as paragraphs (6) and (7), respectively.

(b) EFFECT ON ADJUSTED CURRENT EARNINGS.—Paragraph (4) of section 56(g) is amended by adding at the end thereof the following new subparagraph:

"(J) TREATMENT OF CHARITABLE CONTRIBUTIONS.—Notwithstanding subparagraphs (B) and (C), no adjustment related to the earnings and profits effects of any charitable contribution shall be made in computing adjusted current earnings."

(c) CONFORMING AMENDMENT.—Subclause (II) of section 53(d)(1)(B)(ii) (as amended by section 14113) is amended by striking "(5), (6), and (8)" and inserting "(5), and (7)".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions made after June 30, 1992, except that in the case of any contribution of capital gain property which is not tangible personal property, such amendments shall apply only if the contribution is made after December 31, 1992.

(e) REPORT ON ADVANCE DETERMINATION OF VALUE OF CHARITABLE GIFTS.—Not later than 1 year after the date of the enactment of this Act, the Secretary of the Treasury shall report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives on the development of a procedure under which taxpayers may elect to seek an agreement with the Secretary as to the value of tangible personal property prior to the donation of such property to a qualifying charitable organization if the time limits for the donation and other conditions contained in the agreement are satisfied. Such report shall address the setting of possible threshold amounts for claimed value (and the payment of fees) by a taxpayer in order to seek agreement under the procedure, possible limitations on applying the procedure only to items with significant artistic or cultural value, and recommendations for legislative action needed to implement the proposed procedure.

SEC. 14172. CERTAIN TRANSFERS TO RAILROAD RETIREMENT ACCOUNT MADE PERMANENT.

Subsection (c)(1)(A) of section 224 of the Railroad Retirement Solvency Act of 1983 (relating to section 72(r) revenue increase transferred to certain railroad accounts) is amended by striking "with respect to benefits received before October 1, 1992".

SEC. 14173. TEMPORARY EXTENSION OF DEDUCTION FOR HEALTH INSURANCE COSTS OF SELF-EMPLOYED INDIVIDUALS.

(a) In General.—

(1) Extension.—Paragraph (6) of section 162(l) (relating to special rules for health insurance costs of self-employed individuals) is amended by striking "June 30, 1992" and inserting "December 31, 1993".

(2) Conforming Amendment.—Paragraph (2) of section 110(a) of the Tax Extension Act of 1991 is hereby repealed.

(3) Effective Date.—The amendments made by this subsection shall apply to taxable years ending after June 30, 1992.

(b) Determination of Eligibility for Employer-Sponsored Health Plan.—

(1) In general.—Paragraph (2)(B) of section 162(l) is amended to read as follows:

"(B) Other coverage.—Paragraph (1) shall not apply to any taxpayer for any calendar month for which the taxpayer is eligible to participate in any subsidized health plan maintained by any employer of the taxpayer or of the spouse of the taxpayer."

(2) Effective date.—The amendment made by paragraph (1) shall apply to taxable years beginning after December 31, 1992.

Subtitle B—Revenue Increases

PART I—PROVISIONS AFFECTING INDIVIDUALS

Subpart A—Rate Increases

SEC. 14201. INCREASE IN TOP MARGINAL RATE UNDER SECTION 1.

(a) General Rule.—Section 1 (relating to tax imposed) is amended by striking subsections (a) through (e) and inserting the following:

"(a) Married Individuals Filing Joint Returns and Surviving Spouses.—There is hereby imposed on the taxable income of—

"(1) every married individual (as defined in section 7703) who makes a single return jointly with his spouse under section 6013, and

"(2) every surviving spouse (as defined in section 2(a)),

a tax determined in accordance with the following table:

"If taxable income is:	The tax is:
Not over $36,900	15% of taxable income.
Over $36,900 but not over $89,150.	$5,535, plus 28% of the excess over $36,900.
Over $89,150 but not over $140,000.	$20,165, plus 31% of the excess over $89,150.
Over $140,000	$35,928.50, plus 36% of the excess over $140,000.

"(b) Heads of Households.—There is hereby imposed on the taxable income of every head of a household (as defined in section 2(b)) a tax determined in accordance with the following table:

"If taxable income is:	The tax is:
Not over $29,600	15% of taxable income.
Over $29,600 but not over $76,400.	$4,440, plus 28% of the excess over $29,600.
Over $76,400 but not over $127,500.	$17,544, plus 31% of the excess over $76,400.
Over $127,500	$33,385, plus 36% of the excess over $127,500.

"(c) Unmarried Individuals (Other Than Surviving Spouses and Heads of Households).—There is hereby imposed on the taxable income of every individual (other than a surviving spouse as defined in section 2(a) or the head of a household as defined in section 2(b)) who is not a married individual (as defined in section 7703) a tax determined in accordance with the following table:

"If taxable income is:	The tax is:
Not over $22,100	15% of taxable income.
Over $22,100 but not over $53,500.	$3,315, plus 28% of the excess over $22,100.
Over $53,500 but not over $115,000.	$12,107, plus 31% of the excess over $53,500.
Over $115,000	$31,172, plus 36% of the excess over $115,000.

"(d) Married Individuals Filing Separate Returns.—There is hereby imposed on the taxable income of every married individual (as defined in section 7703) who does not make a single return jointly with his spouse under section 6013, a tax determined in accordance with the following table:

"If taxable income is:	The tax is:
Not over $18,450	15% of taxable income.
Over $18,450 but not over $44,575.	$2,767.50, plus 28% of the excess over $18,450.
Over $44,575 but not over $70,000.	$10,082.50, plus 31% of the excess over $44,575.
Over $70,000	$17,964.25, plus 36% of the excess over $70,000.

"(e) Estates and Trusts.—There is hereby imposed on the taxable income of—

"(1) every estate, and

"(2) every trust,

taxable under this subsection a tax determined in accordance with the following table:

"If taxable income is:	The tax is:
Not over $1,500	15% of taxable income.
Over $1,500 but not over $3,500.	$225, plus 28% of the excess over $1,500.
Over $3,500 but not over $5,500.	$785, plus 31% of the excess over $3,500.
Over $5,500	$1,405, plus 36% of the excess over $5,500."

(b) Conforming Amendments.—

(1) Section 531 is amended by striking "28 percent" and inserting "36 percent".

(2) Section 541 is amended by striking "28 percent" and inserting "36 percent".

(3)(A) Subsection (f) of section 1 is amended—

(i) by striking "1990" in paragraph (1) and inserting"1993", and

(ii) by striking "1989" in paragraph (3)(B) and inserting "1992".

(B) Subsection (f) of section 1 is amended by adding at the end thereof the following new paragraph:

"(7) Special rule for certain brackets.—

"(A) Calendar year 1994.—In prescribing the tables under paragraph (1) which apply with respect to taxable years beginning in calendar year 1994, the Secretary shall make no adjustment to the dollar amounts at which the 36 percent rate bracket begins or at which the 39.6 percent rate begins under any table contained in subsection (a), (b), (c), (d), or (e).

"(B) Later calendar years.—In prescribing tables under paragraph (1) which apply with respect to taxable years beginning in a calendar year after 1994, the cost-of-living adjustment used in making adjustments to the dollar amounts referred to in subparagraph (A) shall be determined under paragraph (3) by substituting '1993' for '1992'."

(C) Subparagraph (C) of section 41(e)(5) is amended by striking "1989" each place it appears and inserting "1992".

(D) Subparagraph (B) of section 63(c)(4) is amended by striking "1989" and inserting "1992".

(E) Subparagraph (B) of section 68(b)(2) is amended by striking "1989" and inserting "1992".

(F) Subparagraph (B) of section 132(f)(6) is amended by striking ", determined by substituting" and all that follows down through the period at the end thereof and inserting a period.

(G) Subparagraphs (A)(ii) and (B)(ii) of section 151(d)(4) are each amended by striking "1989" and inserting "1992".

(H) Clause (ii) of section 513(h)(2)(C) is amended by striking "1989" and inserting "1992".

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 1992.

SEC. 14202. SURTAX ON HIGH-INCOME TAXPAYERS.

(a) General Rule.—

(1) Subsection (a) of section 1 (as amended by section 14201) is amended by striking the last item in the table contained therein and inserting the following:

Over $140,000 but not over $250,000.	$35,928.50, plus 36% of the excess over $140,000.
Over $250,000	$75,528.50, plus 39.6% of the excess over $250,000."

(2) Subsection (b) of section 1 (as so amended) is amended by striking the last item in the table contained therein and inserting the following:

Over $127,500 but not over $250,000.	$33,385, plus 36% of the excess over $127,500.
Over $250,000	$77,485, plus 39.6% of the excess over $250,000."

(3) Subsection (c) of section 1 (as so amended) is amended by striking the last item in the table contained therein and inserting the following:

Over $115,000 but not over $250,000.	$31,172, plus 36% of the excess over $115,000.
Over $250,000	$79,772, plus 39.6% of the excess over $250,000."

(4) Subsection (d) of section 1 (as so amended) is amended by striking the last item in the table contained therein and inserting the following:

Over $70,000 but not over $125,000.	$17,964.25, plus 36% of the excess over $70,000.
Over $125,000	$37,764.25, plus 39.6% of the excess over $125,000."

(5) Subsection (e) of section 1 (as so amended) is amended by striking the last item in the table contained therein and inserting the following:

Over $5,500 but not over $7,500.	$1,405, plus 36% of the excess over $5,500.
Over $7,500	$2,125, plus 39.6% of the excess over $7,500."

(b) Technical Amendment.—Sections 531 and 541 (as amended by section 1420) are each amended by striking "36 percent" and inserting "39.6 percent".

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 1992.

SEC. 14203. MODIFICATIONS TO ALTERNATIVE MINIMUM TAX RATES AND EXEMPTION AMOUNTS.

(a) Increase in Rate.—Paragraph (1) of section 55(b) (defining tentative minimum tax) is amended to read as follows:

"(1) Amount of tentative tax.—

"(A) Noncorporate taxpayers.—

"(i) In general.—In the case of a taxpayer other than a corporation, the tentative minimum tax for the taxable year is the sum of—

"(I) 26 percent of so much of the taxable excess as does not exceed $175,000, plus

"(II) 28 percent of so much of the taxable excess as exceeds $175,000.

The amount determined under the preceding sentence shall be reduced by the alternative minimum tax foreign tax credit for the taxable year.

"(ii) Taxable excess.—For purposes of clause (i), the term 'taxable excess' means so much of the alternative minimum taxable income for the taxable year as exceeds the exemption amount.

"(iii) Married individual filing separate return.—In the case of a married individual filing a separate return, clause (i) shall be applied by substituting '$87,500' for '$175,000' each place it appears. For purposes of the preceding sentence, marital status shall be determined under section 7703.

"(B) Corporations.—In the case of a corporation, the tentative minimum tax for the taxable year is—

"(i) 20 percent of so much of the alternative minimum taxable income for the taxable year as exceeds the exemption amount, reduced by

"(ii) the alternative minimum tax foreign tax credit for the taxable year."

(b) Increase in Exemption Amounts.—Paragraph (1) of section 55(d) (defining exemption amount) is amended—

(1) by striking "$40,000" in subparagraph (A) and inserting "$45,000",

(2) by striking "$30,000" in subparagraph (B) and inserting "$33,750", and

(3) by striking "$20,000" in subparagraph (C) and inserting "$22,500".

(c) Conforming Amendments.—

(1) The last sentence of section 55(d)(3) is amended by striking "$155,000 or (ii) $20,000" and inserting "$165,000 or (ii) $22,500".

(2)(A) Subparagraph (A) of section 897(a)(2) is amended by striking "the amount determined under section 55(b)(1)(A) shall not be less than 21 percent of" and inserting "the taxable excess for purposes of section 55(b)(1)(A) shall not be less than".

(B) The heading for paragraph (2) of section 897(a) is amended by striking "21-Percent".

(d) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 1992.

SEC. 14204. OVERALL LIMITATION ON ITEMIZED DEDUCTIONS FOR HIGH-INCOME TAXPAYERS MADE PERMANENT.

Subsection (f) of section 68 (relating to overall limitation on itemized deductions) is hereby repealed.

SEC. 14205. PHASEOUT OF PERSONAL EXEMPTION OF HIGH-INCOME TAXPAYERS MADE PERMANENT.

Section 151(d)(3) (relating to phaseout of personal exemption) is amended by striking subparagraph (E).

SEC. 14206. PROVISIONS TO PREVENT CONVERSION OF ORDINARY INCOME TO CAPITAL GAIN.

(a) Interest Embedded in Financial Transactions.—

(1) In general.—Part IV of subchapter P of chapter 1 (relating to special rules for determining capital gains and losses) is amended by adding at the end thereof the following new section:

"SEC. 1258. RECHARACTERIZATION OF GAIN FROM CERTAIN FINANCIAL TRANSACTIONS.

"(a) General Rule.—In the case of any gain—

"(1) which (but for this section) would be treated as gain from the sale or exchange of a capital asset, and

"(2) which is recognized on the disposition of any property which was held as part of a conversion transaction,

such gain (to the extent such gain does not exceed the applicable imputed income amount) shall be treated as ordinary income.

"(b) Applicable Imputed Income Amount.—For purposes of subsection (a), the term 'applicable imputed income amount' means, with respect to any disposition referred to in subsection (a), an amount equal to—

"(1) the amount of interest which would have accrued on the taxpayer's net investment in the conversion transaction for the period ending on the date of such disposition (or, if earlier, the date on which the requirements of subsection (c) ceased to be satisfied) at a rate equal to 120 percent of the applicable rate, reduced by

"(2) the amount treated as ordinary income under subsection (a) with respect to any prior disposition of property which was held as a part of such transaction.

The Secretary shall by regulations provide for such reductions in the applicable imputed income amount as may be appropriate by reason of amounts capitalized under section 263(g), ordinary income received, or otherwise.

"(c) Conversion Transaction.—For purposes of this section, the term 'conversion transaction' means any of the following where substantially all of the taxpayer's expected return from the transaction is attributable to the time value of the taxpayer's net investment in such transaction:

"(1) The holding of any property (whether or not actively traded), and the entering into a contract to sell such property (or substantially identical property) at a price determined in accordance with such contract, but only if such property was acquired and such contract was entered into on a substantially contemporaneous basis.

"(2) Any applicable straddle.

"(3) Any other transaction which is marketed or sold as producing capital gains.

"(4) Any other transaction specified in regulations prescribed by the Secretary.

"(d) Definitions and Special Rules.—For purposes of this section—

"(1) Applicable straddle.—The term 'applicable straddle' means any straddle (within the meaning of section 1092(c)); except that the term 'personal property' shall include stock.

"(2) Applicable rate.—The term 'applicable rate' means—

"(A) the applicable Federal rate determined under section 1274(d) (compounded semiannually) as if the conversion transaction were a debt instrument, or

"(B) if the term of the conversion transaction is indefinite, the Federal short-term rates in effect under section 6621(b) during the period of the conversion transaction (compounded daily).

"(3) Treatment of property with built-in loss.—

"(A) In general.—If any property with a built-in loss becomes part of a conversion transaction—

"(i) for purposes of applying this subtitle to such property for periods after such property becomes part of such transaction, the adjusted basis of such property shall be its fair market value as of the time it became part of such transaction, except that

"(ii) upon the disposition of such property in a transaction in which gain or loss is recognized, such built-in loss shall be recognized and shall have a character determined without regard to this section.

"(B) Built-in loss.—For purposes of subparagraph (A), the term 'built-in loss' means the excess (if any) of the adjusted basis of any property over its fair market value (determined as of the date on which such property became part of such transaction).

"(4) Property taken into account at fair market value.—In determining the taxpayer's net investment in any conversion transaction, there shall be included the fair market value of any property which becomes part of such transaction (determined as of the date on which such property became part of such transaction)."

(2) Clerical amendment.—The table of sections for part IV of subchapter P of chapter 1 is amended by adding at the end thereof the following new item:

"Sec. 1258. Recharacterization of gain from certain financial transactions."

(3) Effective date.—The amendments made by this section shall apply to conversion transactions entered into after April 30, 1993.

(b) Repeal of Certain Exceptions to Market Discount Rules.—

(1) Market discount bonds issued on or before July 18, 1984.—The following provisions are hereby repealed:

(A) Section 1276(e).

(B) Section 1277(d).

(2) Tax-exempt obligations.—

(A) In general.—Paragraph (1) of section 1278(a) (defining market discount bond) is amended—

(i) by striking clause (ii) of subparagraph (B) and redesignating subclauses (iii) and (iv) of such subparagraph as clauses (ii) and (iii), respectively,

(ii) by redesignating subparagraph (C) as subparagraph (D), and

(iii) by inserting after subparagraph (B) the following new subparagraph:

"(C) Section 1277 not applicable to tax-exempt obligations.—For purposes of section 1277, the term 'market discount bond' shall not include any tax-exempt obligation (as defined in section 1275(a)(3))."

(B) Conforming amendment.—Sections 1276(a)(4) and 1278(b)(1) are each amended by striking "sections 871(a)" and inserting "sections 103, 871(a),".

(3) Effective date.—The amendments made by this section shall apply to obligations purchased (within the meaning of section 1272(d)(1) of the Internal Revenue Code of 1986) after April 30, 1993.

(c) Treatment of Stripped Preferred Stock.—

(1) In general.—Section 305 is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following new subsection:

"(e) Treatment of Purchaser of Stripped Preferred Stock.—

"(1) In general.—If any person purchases after April 30, 1993 any stripped preferred stock, then such person, while holding such stock, shall include in gross income amounts equal to the amounts which would have been so includible if such stripped preferred stock were a bond issued on the purchase date and having original issue discount equal to the excess, if any, of—

"(A) the redemption price for such stock, over

"(B) the price at which such person purchased such stock.

The preceding sentence shall also apply in the case of any person whose basis in such stock is determined by reference to the basis in the hands of such purchaser.

"(2) Basis adjustments.—Appropriate adjustments to basis shall be made for amounts includible in gross income under paragraph (1).

"(3) Tax treatment of person stripping stock.—If any person strips the rights to 1 or more dividends from any stock described in paragraph (5)(B) and after April 30, 1993 disposes of such dividend rights, for purposes of paragraph (1), such person shall be treated as having purchased the stripped preferred stock on the date of such disposition for a purchase price equal to such person's adjusted basis in such stripped preferred stock.

"(4) AMOUNTS TREATED AS ORDINARY INCOME.—Any amount included in gross income under paragraph (1) shall be treated as ordinary income.

"(5) STRIPPED PREFERRED STOCK.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'stripped preferred stock' means any stock described in subparagraph (B) if there has been a separation in ownership between such stock and any dividend on such stock which has not become payable.

"(B) DESCRIPTION OF STOCK.—Stock is described in this subsection if such stock—

"(i) is limited and preferred as to dividends and does not participate in corporate growth to any significant extent, and

"(ii) has a fixed redemption price.

"(6) PURCHASE.—For purposes of this subsection, the term 'purchase' means—

"(A) any acquisition of stock, where

"(B) the basis of such stock is not determined in whole or in part by the reference to the adjusted basis of such stock in the hands of the person from whom acquired."

(2) COORDINATION WITH SECTION 167(e).—Paragraph (2) of section 167(e) is amended to read as follows:

"(2) COORDINATION WITH OTHER PROVISIONS.—

"(A) SECTION 273.—This subsection shall not apply to any term interest to which section 273 applies.

"(B) SECTION 305(e).—This subsection shall not apply to the holder of the dividend rights which were separated from any stripped preferred stock to which section 305(e)(1) applies."

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on April 30, 1993.

(d) TREATMENT OF CAPITAL GAIN UNDER LIMITATION ON INVESTMENT INTEREST.—

(1) IN GENERAL.—Subparagraph (B) of section 163(d)(4) (defining investment income) is amended to read as follows:

"(B) INVESTMENT INCOME.—The term 'investment income' means the sum of—

"(i) gross income from property held for investment (other than any gain taken into account under clause (ii)(I)),

"(ii) the excess (if any) of—

"(I) the net gain attributable to the disposition of property held for investment, over

"(II) the net capital gain determined by only taking into account gains and losses from dispositions of property held for investment, plus

"(iii) so much of the net capital gain referred to in clause (ii)(II) (or, if lesser, the net gain referred to in clause (ii)(I)) as the taxpayer elects to take into account under this clause."

(2) COORDINATION WITH SPECIAL CAPITAL GAINS RATE.—Subsection (h) of section 1 is amended by adding at the end thereof the following new sentence:

"For purposes of the preceding sentence, the net capital gain for any taxable year shall be reduced (but not below zero) by the amount which the taxpayer elects to take into account as investment income for the taxable year under section 163(d)(4)(B)(iii)."

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 1992.

(e) TREATMENT OF CERTAIN APPRECIATED INVENTORY.—

(1) Paragraph (1) of section 751(d) is amended to read as follows:

"(1) SUBSTANTIAL APPRECIATION.—

"(A) IN GENERAL.—Inventory items of the partnership shall be considered to have appreciated substantially in value if their fair market value exceeds 120 percent of the adjusted basis to the partnership of such property.

"(B) CERTAIN PROPERTY EXCLUDED.—For purposes of subparagraph (A), there shall be excluded any inventory property if a principal purpose for acquiring such property was to avoid the provisions of this section relating to inventory items."

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to sales, exchanges, and distributions after April 30, 1993.

Subpart B—Other Provisions

SEC. 14207. REPEAL OF LIMITATION ON AMOUNT OF WAGES SUBJECT TO HEALTH INSURANCE EMPLOYMENT TAX.

(a) HOSPITAL INSURANCE TAX.—

(1) Paragraph (1) of section 3121(a) (defining wages) is amended—

(A) by inserting "in the case of the taxes imposed by sections 3101(a) and 3111(a)" after "(1)",

(B) by striking "applicable contribution base (as determined under subsection (x))" each place it appears and inserting "contribution and benefit base (as determined under section 230 of the Social Security Act)", and

(C) by striking "such applicable contribution base" and inserting "such contribution and benefit base".

(2) Section 3121 is amended by striking subsection (x).

(b) SELF-EMPLOYMENT TAX.—

(1) Subsection (b) of section 1402 is amended—

(A) by striking "that part of the net" in paragraph (1) and inserting "in the case of the tax imposed by section 1401(a), that part of the net",

(B) by striking "applicable contribution base (as determined under subsection (k))" in paragraph (1) and inserting "contribution and benefit base (as determined under section 230 of the Social Security Act)",

(C) by inserting "and" after "section 3121(b),", and

(D) by striking "and (C) includes" and all that follows through "3111(b)".

(2) Section 1402 is amended by striking subsection (k).

(c) RAILROAD RETIREMENT TAX.—

(1) Subparagraph (A) of section 3231(e)(2) is amended by adding at the end thereof the following new clause:

"(iii) HOSPITAL INSURANCE TAXES.—Clause (i) shall not apply to—

"(I) so much of the rate applicable under section 3201(a) or 3221(a) as does not exceed the rate of tax in effect under section 3101(b), and

"(II) so much of the rate applicable under section 3211(a)(1) as does not exceed the rate of tax in effect under section 1402(b)."

(2) Clause (i) of section 3231(e)(2)(B) is amended to read as follows:

"(i) TIER 1 TAXES.—Except as provided in clause (ii), the term 'applicable base' means for any calendar year the contribution and benefit base determined under section 230 of the Social Security Act for such calendar year."

(d) TECHNICAL AMENDMENTS.—

(1) Paragraph (1) of section 6413(c) is amended by striking "section 3101 or section 3201" and inserting "section 3101(a) or section 3201(a) (to the extent the rate applicable under section 3201(a) as does not exceed the rate of tax in effect under section 3101(a))".

(2) Subparagraphs (B) and (C) of section 6413(c)(2) are each amended by striking "section 3101" each place it appears and inserting "section 3101(a)".

(3) Subsection (c) of section 6413 is amended by striking paragraph (3).

(4) Sections 3122 and 3125 of such Code are each amended by striking "applicable contribution base limitation" and inserting "contribution and benefit base limitation".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to 1994 and later calendar years.

SEC. 14208. TOP ESTATE AND GIFT TAX RATES MADE PERMANENT.

(a) GENERAL RULE.—The table contained in paragraph (1) of section 2001(c) is amended by striking the last item and inserting the following new items:

"Over $2,500,000 but not over $3,000,000.	$1,025,800, plus 53% of the excess over $2,500,000.
Over $3,000,000	$1,290,800, plus 55% of the excess over $3,000,000."

(b) CONFORMING AMENDMENTS.—

(1) Subsection (c) of section 2001 is amended by striking paragraph (2) and by redesignating paragraph (3) as paragraph (2).

(2) Paragraph (2) of section 2001(c), as redesignated by paragraph (1), is amended by striking "($18,340,000 in the case of decedents dying, and gifts made, after 1992)".

(3) The last sentence of section 2101(b) is amended by striking "section 2001(c)(3)" and inserting "section 2001(c)(2)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply in the case of decedents dying, and gifts made, after December 31, 1992.

SEC. 14209. REDUCTION IN DEDUCTIBLE PORTION OF BUSINESS MEALS AND ENTERTAINMENT.

(a) GENERAL RULE.—Paragraph (1) of section 274(n) (relating to only 80 percent of meal and entertainment expenses allowed as deduction) is amended by striking "80 percent" and inserting "50 percent".

(b) CONFORMING AMENDMENT.—The subsection heading for section 274(n) is amended by striking "80" and inserting "50".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1993.

SEC. 14210. ELIMINATION OF DEDUCTION FOR CLUB MEMBERSHIP FEES.

(a) IN GENERAL.—Subsection (a) of section 274 (relating to disallowance of certain entertainment, etc., expenses) is amended by adding at the end thereof the following new paragraph:

"(3) DENIAL OF DEDUCTION FOR CLUB DUES.—Notwithstanding the preceding provisions of this subsection, no deduction shall be allowed under this chapter for amounts paid or incurred for membership in any club organized for business, pleasure, recreation, or other social purpose. The preceding sentence shall not apply in the case of an airline or hotel club."

(b) EXCEPTION FOR EMPLOYEE RECREATIONAL EXPENSES NOT TO APPLY.—Paragraph (4) of section 274(e) is amended by adding at the end thereof the following: "This paragraph shall not apply for purposes of subsection (a)(3)."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred after December 31, 1993.

SEC. 14211. DISALLOWANCE OF DEDUCTION FOR CERTAIN EMPLOYEE REMUNERATION IN EXCESS OF $1,000,000.

(a) GENERAL RULE.—Section 162 (relating to trade or business expenses) is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

"(m) CERTAIN EXCESSIVE EMPLOYEE REMUNERATION.—

"(1) IN GENERAL.—In the case of any publicly held corporation, no deduction shall be allowed under this chapter for applicable employee remuneration with respect to any covered employee to the extent that the amount of such remuneration for the taxable year with respect to such employee exceeds $1,000,000.

"(2) PUBLICLY HELD CORPORATION.—For purposes of this subsection, the term 'publicly held corporation' means any corporation issuing any class of common equity securities required to be registered under section 12 of the Securities Exchange Act of 1934.

"(3) COVERED EMPLOYEE.—For purposes of this subsection, the term 'covered employee' means any employee of the taxpayer if—

"(A) as of the close of the taxable year, such employee is the chief executive officer of the taxpayer or an individual acting in such a capacity, or

"(B) the total compensation for the taxable year of such employee is required to be reported to shareholders under the Securities Exchange Act of 1934 by reason of such employee being among the 4 highest compensated officers for the taxable year (other than the chief executive officer).

"(4) APPLICABLE EMPLOYEE REMUNERATION.—For purposes of this subsection—

"(A) IN GENERAL.—Except as otherwise provided in this paragraph, the term 'applicable employee remuneration' means, with respect to any covered employee for any taxable year, the aggregate amount allowable as a deduction under this chapter for such taxable year (determined without regard to this subsection) for remuneration for services performed by such employee (whether or not during the taxable year).

"(B) EXCEPTION FOR REMUNERATION PAYABLE ON COMMISSION BASIS.—The term 'applicable employee remuneration' shall not include any remuneration payable on a commission basis solely on account of income generated directly by the individual performance of the individual to whom such remuneration is payable.

"(C) OTHER PERFORMANCE-BASED COMPENSATION.—The term 'applicable employee remuneration' shall not include any remuneration payable solely on account of the attainment of one or more performance goals but only if—

"(i) the performance goals are determined by a compensation committee of the board of directors of the taxpayer which is comprised solely of 2 or more independent directors,

"(ii) the material terms under which the remuneration is to be paid, including the performance goals, are disclosed to shareholders and approved by a majority of the vote in a separate shareholder vote before the payment of such remuneration, and

"(iii) before any payment of such remuneration, the compensation committee referred to in clause (i) certifies that the performance goals and any other material terms were in fact satisfied.

"(D) EXCEPTION FOR EXISTING BINDING CONTRACTS.—The term 'applicable employee remuneration' shall not include any remuneration payable under a written binding contract which was in effect on February 17, 1993, and which was not modified thereafter in any material respect before such remuneration is paid.

"(E) REMUNERATION.—For purposes of this paragraph, the term 'remuneration' includes any remuneration (including benefits) in any medium other than cash, but shall not include—

"(i) any payment referred to in so much of section 3121(a)(5) as precedes subparagraph (E) thereof, and

"(ii) any benefit provided to or on behalf of an employee if at the time such benefit is provided it is reasonable to believe that the employee will be able to exclude such benefit from gross income under this chapter.

For purposes of clause (i), section 3121(a)(5) shall be applied without regard to section 3121(v)(1).

"(F) COORDINATION WITH DISALLOWED GOLDEN PARACHUTE PAYMENTS.—The dollar limitation contained in paragraph (1) shall be reduced (but not below zero) by the amount (if any) which would have been included in the applicable employee remuneration of the covered employee for the taxable year but for being disallowed under section 280G."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to amounts which would otherwise be deductible for taxable years beginning on or after January 1, 1994.

SEC. 14212. REDUCTION IN COMPENSATION TAKEN INTO ACCOUNT IN DETERMINING CONTRIBUTIONS AND BENEFITS UNDER QUALIFIED RETIREMENT PLANS.

(a) IN GENERAL.—Sections 401(a)(17), 404(l), and 505(b)(7) are each amended—

(1) by striking "$200,000" in the first sentence and inserting "$150,000", and

(2) by striking the second sentence and inserting "In the case of years beginning after 1994, the Secretary shall adjust the $150,000 amount at the same time and in the same manner as under section 415(d), except that the base period for purposes of section 415(d)(1)(A) shall be the calendar quarter beginning October 1, 1994."

(b) SIMPLIFIED EMPLOYEE PENSIONS.—

(1) IN GENERAL.—Paragraphs (3)(C) and (6)(D)(ii) of section 408(k) are each amended by striking "$200,000" and inserting "$150,000".

(2) COST-OF-LIVING.—Paragraph (8) of section 408(k) is amended to read as follows:

"(8) COST-OF-LIVING ADJUSTMENT.—The Secretary shall adjust the $300 amount in paragraph (2)(C) at the same time and in the same manner as under section 415(d) and shall adjust the $150,000 amount in paragraphs (3)(C) and (6)(D)(ii) at the same time and by the same amount as the adjustment to the $150,000 amount in section 401(a)(17)."

(c) CONFORMING AMENDMENT.—The heading for section 505(b)(7) is amended by striking "$200,000".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to benefits accruing in plan years beginning after December 31, 1993.

SEC. 14213. MODIFICATION TO DEDUCTION FOR CERTAIN MOVING EXPENSES.

(a) REPEAL OF DEDUCTION FOR QUALIFIED RESIDENCE SALE, ETC., EXPENSES.—

(1) IN GENERAL.—Paragraph (1) of section 217(b) (defining moving expenses) is amended by inserting "or" at the end of subparagraph (C), by striking ", or" at the end of subparagraph (D) and inserting a period, and by striking subparagraph (E).

(2) CONFORMING AMENDMENTS.—

(A) Subsection (b) of section 217 is amended by striking paragraph (2) and redesignating paragraph (3) as paragraph (2).

(B) Paragraph (2) of section 217(b) (as redesignated by subparagraph (A)) is amended—

(i) by striking the last sentence of subparagraph (A), and

(ii) by striking ", and by" in subparagraph (B) and all that follows down through the period at the end of subparagraph (B) and inserting a period.

(C) Paragraph (1) of section 217(h) is amended by striking subparagraphs (B) and (C) and inserting the following:

"(B) subsection (b)(2)(A) shall be applied by substituting '$4,500' for '$1,500', and

"(C) subsection (b)(2)(B) shall be applied as if the last sentence of such subsection read as follows: 'In the case of a husband and wife filing separate returns, subparagraph (A) shall be applied by substituting "$2,250" for "$4,500".' "

(D) Section 217 is amended by striking subsection (e).

(b) DEDUCTION DISALLOWED FOR MEAL EXPENSES.—Paragraph (1) of section 217(b) is amended—

(1) by striking "meals and lodging" in subparagraphs (B), (C) and (D) and inserting "lodging", and

(2) by adding at the end thereof the following new sentence:

"Such term shall not include any expenses for meals.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to expenses incurred after December 31, 1993.

SEC. 14214. SIMPLIFICATION OF INDIVIDUAL ESTIMATED TAX SAFE HARBOR BASED ON LAST YEAR'S TAX.

(a) IN GENERAL.—Paragraph (1) of section 6654(d) (relating to amount of required estimated tax installments) is amended by striking subparagraphs (C), (D), (E), and (F) and by inserting the following new subparagraph:

"(C) LIMITATION ON USE OF PRECEDING YEAR'S TAX.—

"(i) IN GENERAL.—If the adjusted gross income shown on the return of the individual for the preceding taxable year exceeds $150,000, clause (ii) of subparagraph (B) shall be applied by substituting '110 percent' for '100 percent'.

"(ii) SEPARATE RETURNS.—In the case of a married individual (within the meaning of section 7703) who files a separate return for the taxable year for which the amount of the installment is being determined, clause (i) shall be applied by substituting '$75,000' for '$150,000'.

"(iii) SPECIAL RULE.—In the case of an estate or trust, adjusted gross income shall be determined as provided in section 67(e)."

(b) CONFORMING AMENDMENTS.—

(1) Subparagraph (A) of section 6654(j)(3) is amended by striking "and subsection (d)(1)(C)(iii) shall not apply".

(2) Paragraph (4) of section 6654(l) is amended by striking "paragraphs (1)(C)(iv) and (2)(B)(i) of subsection (d)" and inserting "subsection (d)(2)(B)(i)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1993.

SEC. 14215. SOCIAL SECURITY AND TIER 1 RAILROAD RETIREMENT BENEFITS.

(a) IN GENERAL.—Subsections (a) (1) and (2) of section 86 (relating to social security and tier 1 railroad retirement benefits) are each amended by striking "one-half" and inserting "85 percent".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1993.

(c) ADDITIONAL RECEIPTS RETAINED IN GENERAL FUND.—

(1) Subsection (e) of section 121 of the Social Security Amendments of 1983 is amended by adding at the end the following new paragraph:

"(5) CERTAIN INCREASED RECEIPTS RETAINED IN GENERAL FUND.—In determining the amount appropriated to any payor fund under paragraph (1), there shall be excluded any increase in tax liability to the extent such increase is attributable to the amendments made to section 86 of the Internal Revenue Code of 1986 by the Revenue Reconciliation Act of 1993.".

(2) Paragraph (4) of subsection (e) of such section 121 is amended by redesignating sub-

paragraphs (A) and (B) as subparagraphs (B) and (C) and by inserting before subparagraph (B) (as so redesignated) the following new subparagraph:

"(A) the total aggregate increase in tax liability under chapter 1 of the Internal Revenue Code of 1986 which is attributable to the application of sections 86 and 871(a)(3) of such Code,".

PART II—PROVISIONS AFFECTING BUSINESSES

SEC. 14221. INCREASE IN TOP MARGINAL RATE UNDER SECTION 11.

(a) GENERAL RULE.—Paragraph (1) of section 11(b) (relating to amount of tax) is amended—

(1) by striking "and" at the end of subparagraph (B),

(2) by striking subparagraph (C) and inserting the following:

"(C) 34 percent of so much of the taxable income as exceeds $75,000 but does not exceed $10,000,000, and

"(D) 35 percent of so much of the taxable income as exceeds $10,000,000.", and

(3) by adding at the end thereof the following new sentence: "In the case of a corporation which has taxable income in excess of $15,000,000, the amount of the tax determined under the foregoing provisions of this paragraph shall be increased by an additional amount equal to the lesser of (i) 3 percent of such excess, or (ii) $100,000.".

(b) CERTAIN PERSONAL SERVICE CORPORATIONS.—Paragraph (2) of section 11(b) is amended by striking "34 percent" and inserting "35 percent".

(c) CONFORMING AMENDMENTS.—

(1) Clause (iii) of section 852(b)(3)(D) is amended by striking "66 percent" and inserting "65 percent".

(2) Subsection (a) of section 1201 is amended by striking "34 percent" each place it appears and inserting "35 percent".

(3) Paragraphs (1) and (2) of section 1445(e) are each amended by striking "34 percent" and inserting "35 percent".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning on or after January 1, 1993; except that the amendment made by subsection (c)(3) shall take effect on the date of the enactment of this Act.

SEC. 14222. DENIAL OF DEDUCTION FOR LOBBYING EXPENSES.

(a) DISALLOWANCE OF DEDUCTION.—Section 162(e) (relating to appearances, etc., with respect to legislation) is amended to read as follows:

"(e) DENIAL OF DEDUCTION FOR CERTAIN LOBBYING AND POLITICAL EXPENDITURES.—

"(1) IN GENERAL.—No deduction shall be allowed under subsection (a) for any amount paid or incurred—

"(A) in connection with influencing legislation,

"(B) for participation in, or intervention in, any political campaign on behalf of (or in opposition to) any candidate for public office, or

"(C) in connection with any attempt to influence the general public, or segments thereof, with respect to elections.

"(2) APPLICATION TO DUES.—

"(A) IN GENERAL.—No deduction shall be allowed under subsection (a) for the portion of dues or other similar amounts (paid by the taxpayer with respect to an organization) which is allocable to the expenditures described in paragraph (1).

"(B) ALLOCATION.—

"(i) IN GENERAL.—For purposes of subparagraph (A), expenditures described in paragraph (1) shall be treated as paid out of dues or other similar amounts.

"(ii) CARRYOVER OF LOBBYING EXPENDITURES IN EXCESS OF DUES.—For purposes of this paragraph, if expenditures described in paragraph (1) exceed the dues or other similar amounts for any calendar year, such excess shall be treated as expenditures described in paragraph (1) which are paid or incurred by the organization during the following calendar year.

"(3) INFLUENCING LEGISLATION.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'influencing legislation' means—

"(i) any attempt to influence the general public, or segments thereof, with respect to legislation, and

"(ii) any attempt to influence any legislation through communication with any member or employee of the legislative body, or with any government official or employee who may participate in the formulation of the legislation.

"(B) EXCEPTION FOR CERTAIN TECHNICAL ADVICE.—The term 'influencing legislation' shall not include the providing of technical advice or assistance to a governmental body or to a committee or other subdivision thereof in response to a specific written request by such governmental entity to the taxpayer which specifies the nature of the advice or assistance requested.

"(C) LEGISLATION.—The term 'legislation' has the meaning given such term by section 4911(e)(2).

"(4) EXCEPTION FOR CERTAIN TAXPAYERS.—In the case of any taxpayer engaged in the trade or business of conducting activities described in paragraph (1), paragraph (1) shall not apply to expenditures of the taxpayer in conducting such activities on behalf of another person (but shall apply to payments by such other person to the taxpayer for conducting such activities).

"(5) CROSS REFERENCE.—

"For reporting requirements related to this subsection, see section 6050O."

(b) REPORTING REQUIREMENTS.—

(1) IN GENERAL.—Subpart B of part III of subchapter A of chapter 61 (relating to information concerning transactions with other persons) is amended by adding at the end the following new section:

"SEC. 6050O. RETURNS RELATING TO LOBBYING EXPENDITURES OF CERTAIN ORGANIZATIONS.

"(a) REQUIREMENT OF REPORTING.—Each organization referred to in section 162(e)(2) shall make a return, according to the forms or regulations prescribed by the Secretary, setting forth the names and addresses of persons paying dues to the organization, the amount of the dues paid by such person, and the portion of such dues which is nondeductible under section 162(e)(2).

"(b) STATEMENTS TO BE FURNISHED TO PERSONS WITH RESPECT TO WHOM INFORMATION IS FURNISHED.—Any organization required to make a return under subsection (a) shall furnish to each person whose name is required to be set forth in such return a written statement showing—

"(1) the name and address of the organization, and

"(2) the dues paid by the person during the calendar year and the portion of such dues which is nondeductible under section 162(e)(2).

The written statement required under the preceding sentence shall be furnished (either in person or in a statement mailing by first-class mail which includes adequate notice that the statement is enclosed) to the persons on or before January 31 of the year following the calendar year for which the return under subsection (a) was made and shall be in such form as the Secretary may prescribe by regulations.

"(c) WAIVER.—The Secretary may waive the reporting requirements of this section with respect to any organization or class of organizations if the Secretary determines that such reporting is not necessary to carry out the purposes of section 162(e).

"(d) DUES.—For purposes of this section, the term 'dues' includes other similar amounts."

(2) PENALTIES.—

(A) RETURNS.—Subparagraph (A) of section 6724(d)(1) (defining information return) is amended by striking "or" at the end of clause (xi), by striking the period at the end of the clause (xii) relating to section 4101(d) and inserting a comma, by redesignating the clause (xii) relating to section 338(h)(10) as clause (xiii), by striking the period at the end of clause (xiii) (as so redesignated) and inserting ", or", and by adding at the end the following new clause:

"(xiv) section 6050O(a) (relating to information on nondeductible lobbying expenditures)."

(B) PAYEE STATEMENTS.—Paragraph (2) of section 6724(d) (defining payee statement) is amended by striking "or" at the end of subparagraph (R), by striking the period at the end of subparagraph (S) and inserting ", or", and by adding at the end the following new subparagraph:

"(T) section 6050O(b) (relating to returns on nondeductible lobbying expenditures)."

(C) EXCESSIVE UNDERREPORTING.—Section 6721 (relating to failure to file correct information returns) is amended by adding at the end the following new subsection:

"(f) PENALTY IN CASE OF EXCESSIVE UNDERREPORTING ON NONDEDUCTIBLE DUES.—If the aggregate amount of nondeductible dues which is reported on the return required to be filed under section 6050O(a) for any calendar year is less than 75 percent of the aggregate amount required to be so reported—

"(1) subsections (b), (c), and (d) shall not apply, and

"(2) the penalty imposed under subsection (a) shall be equal to the product of—

"(A) the amount required to be reported which was not so reported, and

"(B) the highest rate of tax imposed by section 11 for taxable years beginning in such calendar year."

(3) CONFORMING AMENDMENT.—The table of sections for subpart B of part III of subchapter A of chapter 61 is amended by adding at the end the following new item:

"Sec. 6050O. Returns relating to lobbying expenditures of certain organizations."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred after December 31, 1993.

SEC. 14223. MARK TO MARKET ACCOUNTING METHOD FOR SECURITIES DEALERS.

(a) GENERAL RULE.—Subpart D of part II of subchapter E of chapter 1 (relating to inventories) is amended by adding at the end thereof the following new section:

"SEC. 475. MARK TO MARKET ACCOUNTING METHOD FOR DEALERS IN SECURITIES.

"(a) GENERAL RULE.—Notwithstanding any other provision of this subpart, the following rules shall apply to securities held by a dealer in securities:

"(1) Any security which is inventory in the hands of the dealer shall be included in inventory at its fair market value.

"(2) In the case of any security which is not inventory in the hands of the dealer and which is held at the close of any taxable year—

"(A) the dealer shall recognize gain or loss as if such security were sold for its fair market value on the last business day of such taxable year, and

"(B) any gain or loss shall be taken into account for such taxable year.

Proper adjustment shall be made in the amount of any gain or loss subsequently realized for gain or loss taken into account under the preceding sentence. The Secretary may provide by regulations for the application of this paragraph at times other than the times provided in this paragraph.

"(b) EXCEPTIONS.—

"(1) IN GENERAL.—Subsection (a) shall not apply to—

"(A) any security held for investment,

"(B)(i) any security described in subsection (c)(2)(C) which is acquired (including originated) by the taxpayer in the ordinary course of a trade or business of the taxpayer and which is not held for sale, and (ii) any obligation to acquire a security described in clause (i) if such obligation is entered into in the ordinary course of such trade or business and is not held for sale, and

"(C) any security which is a hedge with respect to—

"(i) a security to which subsection (a) does not apply, or

"(ii) a position, right to income, or a liability which is not a security in the hands of the taxpayer.

To the extent provided in regulations, subparagraph (C) shall not apply to any security held by a person in its capacity as a dealer in securities.

"(2) IDENTIFICATION REQUIRED.—A security shall not be treated as described in subparagraph (A), (B), or (C) of paragraph (1), as the case may be, unless such security is clearly identified in the dealer's records as being described in such subparagraph before the close of the day on which it was acquired, originated, or entered into (or such other time as the Secretary may by regulations prescribe).

"(3) SECURITIES SUBSEQUENTLY NOT EXEMPT.—If a security ceases to be described in paragraph (1) at any time after it was identified as such under paragraph (2), subsection (a) shall apply to any changes in value of the security occurring after the cessation.

"(4) SPECIAL RULE FOR PROPERTY HELD FOR INVESTMENT.—To the extent provided in regulations, subparagraph (A) of paragraph (1) shall not apply to any security described in subparagraph (D) or (E) of subsection (c)(2) which is held by a dealer in such securities.

"(c) DEFINITIONS.—For purposes of this section—

"(1) DEALER IN SECURITIES DEFINED.—The term 'dealer in securities' means a taxpayer who—

"(A) regularly purchases securities from or sells securities to customers in the ordinary course of a trade or business; or

"(B) regularly offers to enter into, assume, offset, assign or otherwise terminate positions in securities with customers in the ordinary course of a trade or business.

"(2) SECURITY DEFINED.—The term 'security' means any—

"(A) share of stock in a corporation;

"(B) partnership or beneficial ownership interest in a widely held or publicly traded partnership or trust;

"(C) note, bond, debenture, or other evidence of indebtedness;

"(D) interest rate, currency, or equity notional principal contract;

"(E) evidence of an interest in, or a derivative financial instrument in, any security described in subparagraph (A), (B), (C), or (D), or any currency, including any option, forward contract, short position, and any similar financial instrument in such a security or currency; and

"(F) position which—

"(i) is not a security described in subparagraph (A), (B), (C), (D), or (E),

"(ii) is a hedge with respect to such a security, and

"(iii) is clearly identified in the dealer's records as being described in this subparagraph before the close of the day on which it was acquired or entered into (or such other time as the Secretary may by regulations prescribe).

Subparagraph (E) shall not include any contract to which section 1256(a) applies.

"(3) HEDGE.—The term 'hedge' means any position which reduces the dealer's risk of interest rate or price changes or currency fluctuations, including any position which is reasonably expected to become a hedge within 60 days after the acquisition of the position.

"(d) SPECIAL RULES.—For purposes of this section—

"(1) COORDINATION WITH CERTAIN RULES.—The rules of sections 263(g), 263A, and 1256(a) shall not apply to securities to which subsection (a) applies, and section 1091 shall not apply (and section 1092 shall apply) to any loss recognized under subsection (a).

"(2) IMPROPER IDENTIFICATION.—If a taxpayer—

"(A) identifies any security under subsection (b)(2) as being described in subsection (b)(1) and such security is not so described, or

"(B) fails under subsection (c)(2)(F)(iii) to identify any position which is described in subsection (c)(2)(F) (without regard to clause (iii) thereof) at the time such identification is required,

the provisions of subsection (a) shall apply to such security or position, except that any loss under this section prior to the disposition of the security or position shall be recognized only to the extent of gain previously recognized under this section (and not previously taken into account under this paragraph) with respect to such security or position.

"(3) CHARACTER OF GAIN OR LOSS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B) or section 1236(b)—

"(i) IN GENERAL.—Any gain or loss with respect to a security under subsection (a)(2) shall be treated as ordinary income or loss.

"(ii) SPECIAL RULE FOR DISPOSITIONS.—If—

"(I) gain or loss is recognized with respect to a security before the close of the taxable year, and

"(II) subsection (a)(2) would have applied if the security were held as of the close of the taxable year,

such gain or loss shall be treated as ordinary income or loss.

"(B) EXCEPTION.—Subparagraph (A) shall not apply to any gain or loss which is allocable to a period during which—

"(i) the security is described in subsection (b)(1)(C) (without regard to subsection (b)(2)),

"(ii) the security is held by a person other than in connection with its activities as a dealer in securities, or

"(iii) the security is improperly identified (within the meaning of subparagraph (A) or (B) of paragraph (2)).

"(e) REGULATORY AUTHORITY.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section, including rules—

"(1) to prevent the use of year-end transfers, related parties, or other arrangements to avoid the provisions of this section, and

"(2) to provide for the application of this section to any security which is a hedge which cannot be identified with a specific security, position, right to income, or liability."

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (1) of section 988(d) is amended—

(A) by striking "section 1256" and inserting "section 475 or 1256", and

(B) by striking "1092 and 1256" and inserting "475, 1092, and 1256".

(2) The table of sections for subpart D of part II of subchapter E of chapter 1 is amended by adding at the end thereof the following new item:

"Sec. 475. Mark to market accounting method for dealers in securities."

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to all taxable years ending on or after December 31, 1993.

(2) CHANGE IN METHOD OF ACCOUNTING.—In the case of any taxpayer required by this section to change its method of accounting for any taxable year—

(A) such change shall be treated as initiated by the taxpayer,

(B) such change shall be treated as made with the consent of the Secretary, and

(C) except as provided in paragraph (3), the net amount of the adjustments required to be taken into account by the taxpayer under section 481 of the Internal Revenue Code of 1986 shall be taken into account ratably over the 5-taxable year period beginning with the first taxable year ending on or after December 31, 1993.

(3) SPECIAL RULE FOR FLOOR SPECIALISTS AND MARKET MAKERS.—

(A) IN GENERAL.—If—

(i) a taxpayer used the last-in first-out (LIFO) method of accounting with respect to any qualified securities for its last taxable year ending before December 31, 1993, and

(ii) any portion of the net amount described in paragraph (2)(C) is attributable to the use of such method of accounting,

then paragraph (2)(C) shall be applied by taking such portion into account ratably over the 20-taxable year period beginning with the first taxable year ending on or after December 31, 1993 (or, if shorter, the period of taxable years equal to the greater of 5 years or the number of taxable years before such first taxable year for which the taxpayer (or any predecessor) used such method of accounting).

(B) QUALIFIED SECURITY.—For purposes of this paragraph, the term "qualified security" means any security acquired—

(i) by a floor specialist (as defined in section 1236(d)(2) of the Internal Revenue Code of 1986) in connection with the specialist's duties as a specialist on an exchange, but only if the security is one in which the specialist is registered with the exchange, or

(ii) by a taxpayer who is a market maker in connection with the taxpayer's duties as a market maker, but only if—

(I) the security is included on the National Association of Security Dealers Automated Quotation System,

(II) the taxpayer is registered as a market maker in such security with the National Association of Security Dealers, and

(III) as of the last day of the taxable year preceding the taxpayer's first taxable year ending on or after December 31, 1993, the taxpayer (or any predecessor) has been actively and regularly engaged as a market maker in such security for the 2-year period ending on such date (or, if shorter, the period beginning 61 days after the security was listed in such quotation system and ending on such date).

SEC. 14224. CLARIFICATION OF TREATMENT OF CERTAIN FSLIC FINANCIAL ASSISTANCE.

(a) GENERAL RULE.—For purposes of chapter 1 of the Internal Revenue Code of 1986—

(1) any FSLIC assistance with respect to any loss of principal, capital, or similar amount upon the disposition of any asset shall be taken into account as compensation for such loss for purposes of section 165 of such Code, and

(2) any FSLIC assistance with respect to any debt shall be taken into account for purposes of section 166, 585, or 593 of such Code in determining whether such debt is worthless (or the extent to which such debt is worthless) and in determining the amount of any addition to a reserve for bad debts arising from the worthlessness or partial worthlessness of such debts.

(b) FSLIC ASSISTANCE.—For purposes of this section, the term "FSLIC assistance" means any assistance (or right to assistance) with respect to a domestic building and loan association (as defined in section 7701(a)(19) of such Code without regard to subparagraph (C) thereof) under section 406(f) of the National Housing Act or section 21A of the Federal Home Loan Bank Act (or under any similar provision of law).

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection—

(A) The provisions of this section shall apply to taxable years ending on or after March 4, 1991, but only with respect to FSLIC assistance not credited before March 4, 1991.

(B) If any FSLIC assistance not credited before March 4, 1991, is with respect to a loss sustained or charge-off in a taxable year ending before March 4, 1991, for purposes of determining the amount of any net operating loss carryover to a taxable year ending on or after March 4, 1991, the provisions of this section shall apply to such assistance for purposes of determining the amount of the net operating loss for the taxable year in which such loss was sustained or debt written off. Except as provided in the preceding sentence, this section shall not apply to any FSLIC assistance with respect to a loss sustained or charge-off in a taxable year ending before March 4, 1991.

(2) EXCEPTIONS.—The provisions of this section shall not apply to any assistance to which the amendments made by section 1401(a)(3) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 apply.

SEC. 14225. MODIFICATION OF CORPORATE ESTIMATED TAX RULES.

(a) INCREASE IN REQUIRED INSTALLMENT BASED ON CURRENT YEAR TAX.—

(1) IN GENERAL.—Clause (i) of section 6655(d)(1)(B) (relating to amount of required installment) is amended by striking "91 percent" each place it appears and inserting "100 percent".

(2) CONFORMING AMENDMENTS.—

(A) Subsection (d) of section 6655 is amended—

(i) by striking paragraph (3), and

(ii) by striking "91 PERCENT" in the paragraph heading of paragraph (2) and inserting "100 PERCENT".

(B) Clause (ii) of section 6655(e)(2)(B) is amended by striking the table contained therein and inserting the following:

"In the case of the following required installments:	**The applicable percentage is:**
1st	25
2nd	50
3rd	75
4th	100."

(C) Clause (i) of section 6655(e)(3)(A) is amended by striking "91 percent" and inserting "100 percent".

(b) MODIFICATION OF PERIODS FOR APPLYING ANNUALIZATION.—

(1) Clause (i) of section 6655(e)(2)(A) is amended—

(A) by striking "or for the first 5 months" in subclause (II),

(B) by striking "or for the first 8 months" in subclause (III), and

(C) by striking "or for the first 11 months" in subclause (IV).

(2) Paragraph (2) of section 6655(e) is amended by adding at the end thereof the following new subparagraph:

"(C) ELECTION FOR DIFFERENT ANNUALIZATION PERIODS.—

"(i) If the taxpayer makes an election under this clause—

"(I) subclause (I) of subparagraph (A)(i) shall be applied by substituting '2 months' for '3 months',

"(II) subclause (II) of subparagraph (A)(i) shall be applied by substituting '4 months' for '3 months',

"(III) subclause (III) of subparagraph (A)(i) shall be applied by substituting '7 months' for '6 months', and

"(IV) subclause (IV) of subparagraph (A)(i) shall be applied by substituting '10 months' for '9 months'.

"(ii) If the taxpayer makes an election under this clause—

"(I) subclause (II) of subparagraph (A)(i) shall be applied by substituting '5 months' for '3 months',

"(II) subclause (III) of subparagraph (A)(i) shall be applied by substituting '8 months' for '6 months', and

"(III) subclause (IV) of subparagraph (A)(i) shall be applied by substituting '11 months' for '9 months'.

"(iii) An election under clause (i) or (ii) shall apply to the taxable year for which made and such an election shall be effective only if made on or before the date required for the payment of the first required installment for such taxable year."

(3) The last sentence of section 6655(f)(3)(A) is amended by striking "and subsection (e)(2)(A)" and inserting "and, except in the case of an election under subsection (e)(2)(C), subsection (e)(2)(A)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1993.

SEC. 14226. LIMITATION ON SECTION 936 CREDIT.

(a) GENERAL RULE.—Subsection (a) of section 936 (relating to Puerto Rico and possession tax credit) is amended—

(1) by striking "as provided in paragraph (3)" in paragraph (1) and inserting "as otherwise provided in this section";

(2) by adding at the end thereof the following new paragraph:

"(4) LIMITATIONS ON CREDIT.—

"(A) CREDIT FOR ACTIVE BUSINESS INCOME.—The amount of the credit determined under paragraph (1)(A) for any taxable year shall not exceed 60 percent of the aggregate amount of the possession corporation's qualified possession wages for such taxable year.

"(B) CREDIT FOR INVESTMENT INCOME.—

"(i) IN GENERAL.—If—

"(I) the QPSII assets of the possession corporation for any taxable year, exceed

"(II) 80 percent of such possession corporation's qualified tangible business investment for such taxable year,

the credit determined under paragraph (1)(B) for such taxable year shall be reduced by the amount determined under clause (ii).

"(ii) AMOUNT OF REDUCTION.—The reduction determined under this clause for any taxable year is an amount which bears the same ratio to the credit determined under paragraph (1)(B) for such taxable year (determined without regard to this subparagraph) as—

"(I) the excess determined under clause (i), bears to

"(II) the QPSII assets of the possession corporation for such taxable year.

"(C) CROSS REFERENCE.—

"For definitions and special rules applicable to this paragraph, see subsection (i)."

(b) DEFINITIONS AND SPECIAL RULES.—Section 936 is amended by adding at the end thereof the following new subsection:

"(i) DEFINITIONS AND SPECIAL RULES RELATING TO LIMITATIONS OF SUBSECTION (a)(4).—

"(1) QUALIFIED POSSESSION WAGES.—For purposes of this section—

"(A) IN GENERAL.—The term 'qualified possession wages' means wages paid or incurred by the possession corporation during the taxable year to any employee for services performed in a possession of the United States, but only if such services are performed while the principal place of employment of such employee is within such possession.

"(B) LIMITATION ON AMOUNT OF WAGES TAKEN INTO ACCOUNT.—

"(i) IN GENERAL.—The amount of wages which may be taken into account under subparagraph (A) with respect to any employee for any taxable year shall not exceed the contribution and benefit base determined under section 230 of the Social Security Act for the calendar year in which such taxable year begins.

"(ii) TREATMENT OF PART-TIME EMPLOYEES, ETC.—If—

"(I) any employee is not employed by the possession corporation on a substantially full-time basis at all times during the taxable year,or

"(II) the principal place of employment of any employee with the possession corporation is not within a possession at all times during the taxable year,

the limitation applicable under clause (i) with respect to such employee shall be the appropriate portion (as determined by the Secretary) of the limitation which would otherwise be in effect under clause (i).

"(C) TREATMENT OF CERTAIN EMPLOYEES.—The term 'qualified possession wages' shall not include any wages paid to employees who are assigned by the employer to perform services for another person, unless the principal trade or business of the employer is to make employees available for temporary periods to other persons in return for compensation. All possession corporations treated as 1 corporation under paragraph (4) shall be treated as 1 employer for purposes of the preceding sentence.

"(D) WAGES.—

"(i) IN GENERAL.—Except as provided in clause (ii), the term 'wages' has the meaning given to such term by subsection (b) of section 3306 (determined without regard to any dollar limitation contained in such section). For purposes of the preceding sentence, such subsection (b) shall be applied as if the term 'United States' included all possessions of the United States.

"(ii) SPECIAL RULE FOR AGRICULTURAL LABOR AND RAILWAY LABOR.—In any case to which subparagraph (A) or (B) of paragraph (1) of section 51(h) applies, the term 'wages' has the meaning given to such term by section 51(h)(2).

"(2) QPSII ASSETS.—For purposes of this section—

"(A) IN GENERAL.—The QPSII assets of a possession corporation for any taxable year is the average of the amounts of the possession corporation's qualified investment assets as of the close of each quarter of such taxable year.

"(B) QUALIFIED INVESTMENT ASSETS.—The term 'qualified investment assets' means the aggregate adjusted bases of the assets which are held by the possession corporation and the income from which qualifies as qualified possession source investment income. For purposes of the preceding sentence, the adjusted basis of any asset shall be its adjusted basis as determined for purposes of computing earnings and profits.

"(3) QUALIFIED TANGIBLE BUSINESS INVESTMENT.—For purposes of this section—

"(A) IN GENERAL.—The qualified tangible business investment of any possession corporation for any taxable year is the average of the amounts of the possession corporation's qualified possession investments as of the close of each quarter of such taxable year.

"(B) QUALIFIED POSSESSION INVESTMENTS.—The term 'qualified possession investments' means the aggregate adjusted bases of tangible property used by the possession corporation in a possession of the United States in the active conduct of a trade or business within such possession. For purposes of the preceding sentence, the adjusted basis of any property shall be its adjusted basis as determined for purposes of computing earnings and profits.

"(4) RELOCATED BUSINESSES.—

"(A) IN GENERAL.—In determining—

"(i) the possession corporation's qualified possession wages for any taxable year, and

"(ii) the possession corporation's qualified tangible business investment for such taxable year,

there shall be excluded all wages and all qualified possession investments which are allocable to a disqualified relocated business.

"(B) DISQUALIFIED RELOCATED BUSINESS.—For purposes of subparagraph (A), the term 'disqualified relocated business' means any trade or business commenced by the possession corporation after May 13, 1993, or any addition after such date to an existing trade or business of such possession corporation unless—

"(i) the possession corporation certifies that the commencement of such trade or business or such addition will not result in a decrease in employment at an existing business operation located in the United States, and

"(ii) there is no reason to believe that such commencement or addition was done with the intention of closing down operations of an existing business located in the United States.

"(5) ELECTION TO COMPUTE CREDIT ON CONSOLIDATED BASIS.—

"(A) IN GENERAL.—Any affiliated group may elect to treat all possession corporations which would be members of such group but for section 1504(b)(4) as 1 corporation for purposes of this section. The credit determined under this section with respect to such 1 corporation shall be allocated among such possession corporations in such manner as the Secretary may prescribe.

"(B) ELECTION.—An election under subparagraph (A) shall apply to the taxable year for which made and all succeeding taxable years unless revoked with the consent of the Secretary.

"(6) TREATMENT OF CERTAIN TAXES.—Notwithstanding subsection (c), if—

"(A) the credit determined under subsection (a)(1) for any taxable year is limited under subsection (a)(4), and

"(B) the possession corporation has paid or accrued any taxes of a possession of the United States for such taxable year which are treated as not being income, war profits, or excess profits taxes paid or accrued to a possession of the United States by reason of subsection (c),

such possession corporation shall be allowed a deduction for such taxable year equal to the portion of such taxes which are allocable (on a pro rata basis) to taxable income of the possession corporation the tax on which is not offset by reason of the limitations of subsection (a)(4). In determining the credit under subsection (a) and in applying the preceding sentence, taxable income shall be determined without regard to the preceding sentence.

"(7) POSSESSION CORPORATION.—The term 'possession corporation' means a domestic corporation for which the election provided in subsection (a) is in effect.

"(8) TRANSITIONAL RULE.—If any possession corporation elects the benefits of this paragraph for any taxable year beginning in 1994 or 1995—

"(A) subsection (a)(4) shall not apply to such taxable year, and

"(B) the credit determined under subsection (a)(1) for such taxable year shall be the following percentage of the credit which would otherwise have been determined under such subsection:

"(i) 80 percent in the case of a taxable year beginning in 1994.

"(ii) 60 percent in the case of a taxable year beginning in 1995.

A possession corporation which elects the benefits of this paragraph shall be entitled to the benefits of paragraph (6) for taxes allocable to taxable income the tax on which is not offset by reason of this paragraph."

(c) MINIMUM TAX TREATMENT.—

(1) IN GENERAL.—Clause (ii) of section 56(g)(4)(C) (relating to treatment of special rule for certain dividends) is amended by striking "sections 936 and 921" and inserting "sections 936 (including subsection (a)(4) thereof) and 921".

(2) TREATMENT OF FOREIGN TAXES.—Clause (iii) of section 56(g)(4)(C) is amended by adding at the end thereof the following subclauses:

"(IV) SEPARATE APPLICATION OF FOREIGN TAX CREDIT LIMITATIONS.—In determining the alternative minimum foreign tax credit, section 904(d) shall be applied as if dividends from a corporation eligible for the credit provided by section 936 were a separate category of income referred to in a subparagraph of section 904(d)(1).

"(V) COORDINATION WITH LIMITATION ON 936 CREDIT.—Any reference in this clause to a dividend received from a corporation eligible for the credit provided by section 936 shall be treated as a reference to the portion of any such dividend for which the dividends received deduction is disallowed under clause (i) after the application of clause (ii)(I)."

(d) CONFORMING AMENDMENT.—Paragraph (4) of section 904(b) is amended by inserting before the period at the end thereof the following: "(without regard to subsection (a)(4) thereof)".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1993.

SEC. 14227. MODIFICATION TO LIMITATION ON DEDUCTION FOR CERTAIN INTEREST.

(a) GENERAL RULE.—Paragraph (3) of section 163(j) (defining disqualified interest) is amended to read as follows:

"(3) DISQUALIFIED INTEREST.—For purposes of this subsection, the term 'disqualified interest' means—

"(A) any interest paid or accrued by the taxpayer (directly or indirectly) to a related person if no tax is imposed by this subtitle with respect to such interest, and

"(B) any interest paid or accrued by the taxpayer with respect to any indebtedness to a person who is not a related person if—

"(i) there is a disqualified guarantee of such indebtedness, and

"(ii) no gross basis tax is imposed by this subtitle with respect to such interest."

(b) DEFINITIONS.—Paragraph (6) of section 163(j) is amended by adding at the end thereof the following new subparagraphs:

"(D) DISQUALIFIED GUARANTEE.—

"(i) IN GENERAL.—Except as provided in clause (ii), the term 'disqualified guarantee' means any guarantee by a related person which is—

"(I) an organization exempt from taxation under this subtitle, or

"(II) a foreign person.

"(ii) EXCEPTIONS.—The term 'disqualified guarantee' shall not include a guarantee—

"(I) in any circumstances identified by the Secretary by regulation, where the interest on the indebtedness would have been subject to a net basis tax if the interest had been paid to the guarantor, or

"(II) if the taxpayer owns a controlling interest in the guarantor.

For purposes of subclause (II), except as provided in regulations, the term 'a controlling interest' means direct or indirect ownership of at least 80 percent of the total voting power and value of all classes of stock of a corporation, or 80 percent of the profit and capital interests in any other entity. For purposes of the preceding sentence, the rules of paragraphs (1) and (5) of section 267(c) shall apply; except that such rules shall also apply to interest in entities other than corporations.

"(iii) GUARANTEE.—Except as provided in regulations, the term 'guarantee' includes any arrangement under which a person (directly or indirectly through an entity or otherwise) assures, on a conditional or unconditional basis, the payment of another person's obligation under any indebtedness.

"(E) GROSS BASIS AND NET BASIS TAXATION.—

"(i) GROSS BASIS TAX.—The term 'gross basis tax' means any tax imposed by this subtitle which is determined by reference to the gross amount of any item of income without any reduction for any deduction allowed by this subtitle.

"(ii) NET BASIS TAX.—The term 'net basis tax' means any tax imposed by this subtitle which is a not a gross basis tax."

(c) CONFORMING AMENDMENT.—Subparagraph (B) of section 163(j)(5) is amended by striking "to a related person".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to interest paid or accrued in taxable years beginning after December 31, 1993.

PART III—FOREIGN TAX PROVISIONS

Subpart A—Current Taxation of Certain Earnings of Controlled Foreign Corporations

SEC. 14231. EARNINGS INVESTED IN EXCESS PASSIVE ASSETS.

(a) GENERAL RULE.—Paragraph (1) of section 951(a) (relating to amounts included in gross income of United States shareholders) is amended by striking "and" at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting "; and", and by adding at the end thereof the following new subparagraph:

"(C) the amount determined under section 956A with respect to such shareholder for such year (but only to the extent not excluded from gross income under section 959(a)(3))."

(b) AMOUNT OF INCLUSION.—Subpart F of part III of subchapter N of chapter 1 is amended by inserting after section 956 the following new section:

"SEC. 956A. EARNINGS INVESTED IN EXCESS PASSIVE ASSETS.

"(a) GENERAL RULE.—In the case of any controlled foreign corporation, the amount determined under this section with respect to any United States shareholder for any taxable year is the lesser of—

"(1) the excess (if any) of—

"(A) such shareholder's pro rata share of the amount of the controlled foreign corporation's excess passive assets for such taxable year, over

"(B) the amount of earnings and profits described in section 959(c)(1)(B) with respect to such shareholder, or

"(2) such shareholder's pro rata share of the applicable earnings of such controlled foreign corporation determined after the application of section 951(a)(1)(B).

"(b) APPLICABLE EARNINGS.—For purposes of this section, the term 'applicable earnings' means, with respect to any controlled foreign corporation, the amounts referred to in sections 316(a)(1) and 316(a)(2) (but reduced by distributions made during the taxable year), reduced by the earnings and profits described in section 959(c)(1).

"(c) EXCESS PASSIVE ASSETS.—For purposes of this section—

"(1) IN GENERAL.—The excess passive assets of any controlled foreign corporation for any taxable year is the excess (if any) of—

"(A) the average of the amounts of passive assets held by such corporation as of the close of each quarter of such taxable year, over

"(B) 25 percent of the average of the amounts of total assets held by such corporation as of the close of each quarter of such taxable year.

For purposes of the preceding sentence, the amount taken into account with respect to any asset shall be its adjusted basis as determined for purposes of computing earnings and profits.

"(2) PASSIVE ASSET.—

"(A) IN GENERAL.—Except as otherwise provided in this section, the term 'passive asset' means any asset held by the controlled foreign corporation which produces passive income (as defined in section 1296(b)) or is held for the production of such income.

"(B) COORDINATION WITH SECTION 956.—The term 'passive asset' shall not include any United States property (as defined in section 956).

"(3) LOOK-THRU RULES MADE APPLICABLE.—For purposes of this subsection, the rules of section 1296(c) shall apply.

"(4) LEASING RULES MADE APPLICABLE.—For purposes of this subsection, the rules of section 1297(d) shall apply.

"(d) SPECIAL RULE WHERE CORPORATION CEASES TO BE CONTROLLED FOREIGN CORPORATION DURING TAXABLE YEAR.—If any foreign corporation ceases to be a controlled foreign corporation during any taxable year—

"(1) the determination of any United States shareholder's pro rata share shall be made on the basis of stock owned (within the meaning of section 958(a)) by such shareholder on the last day during the taxable year on which the foreign corporation is a controlled foreign corporation, and

"(2) the amount of such corporation's excess passive assets for such taxable year shall be determined by only taking into account quarters ending on or before such last day, and

"(3) in determining applicable earnings, the amount taken into account by reason of being described in paragraph (2) of section 316(a) shall be the portion of the amount so described which is allocable (on a pro rata basis) to the part of such year during which the corporation is a controlled foreign corporation.

"(e) TRANSITION RULE.—In the case of any taxable year of a controlled foreign corporation beginning after September 30, 1993, and before October 1, 1997, the amount determined under subsection (a) shall be the applicable percentage (determined under the following table) of the amount which would otherwise be determined under such subsection:

"In the case of a taxable year beginning during the 1-year period beginning on:	**The applicable percentage is:**
October 1, 1993	20
October 1, 1994	25
October 1, 1995	35
October 1, 1996	50.

"(f) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section, including regulations to prevent the avoidance of the provisions of this section through reorganizations or otherwise."

(c) PREVIOUSLY TAXED INCOME RULES.—

(1) IN GENERAL.—Subsection (a) of section 959 (relating to exclusion from gross income of previously taxed earnings and profits) is amended by striking "or" at the end of paragraph (1), by adding "or" at the end of paragraph (2), and by inserting after paragraph (2) the following new paragraph:

"(3) such amounts would, but for this subsection, be included under section 951(a)(1)(C) in the gross income of,".

(2) ALLOCATION RULES.—

(A) Subsection (a) of section 959 is amended by adding at the end thereof the following new sentence: "The rules of subsection (c) shall apply for purposes of paragraph (1) of this subsection and the rules of subsection (f) shall apply for purposes of paragraphs (2) and (3) of this subsection.".

(B) Section 959 is amended by adding at the end thereof the following new subsection:

"(f) ALLOCATION RULES FOR CERTAIN INCLUSIONS.—

"(1) IN GENERAL.—For purposes of this section, amounts that would be included under subparagraph (B) or (C) of section 951(a)(1) (determined without regard to this section) shall be treated as attributable first to earnings described in subsection (c)(2), and then to earnings described in subsection (c)(3).

"(2) TREATMENT OF DISTRIBUTIONS.—In applying this section, actual distributions shall be taken into account before amounts that would be included under subparagraphs (B) and (C) of section 951(a)(1) (determined without regard to this section)."

(C) Paragraph (1) of section 959(c) is amended to read as follows:

"(1) first to the aggregate of—

"(A) earnings and profits attributable to amounts included in gross income under section 951(a)(1)(B) (or which would have been included except for subsection (a)(2) of this section), and

"(B) earnings and profits attributable to amounts included in gross income under section 951(a)(1)(C) (or which would have been included except for subsection (a)(3) of this section),

with any distribution being allocated between earnings and profits described in subparagraph (A) and earnings and profits described in subparagraph (B) proportionately on the basis of the respective amounts of such earnings and profits,".

(3) CONFORMING AMENDMENTS.—

(A) Subsections (a) and (b) of section 959 are each amended by striking "earnings and profits for a taxable year" and inserting "earnings and profits".

(B) Paragraph (2) of section 959(c) is amended to read as follows:

"(2) then to earnings and profits attributable to amounts included in gross income under section 951(a)(1)(A) (but reduced by amounts not included under subparagraph (B) or (C) of section 951(a)(1) because of the exclusions in paragraphs (2) and (3) of subsection (a) of this section), and"

(C) Subsection (b) of section 989 is amended by striking "section 951(a)(1)(B)" and inserting "subparagraph (B) or (C) of section 951(a)(1)".

(d) MODIFICATIONS TO PASSIVE FOREIGN INVESTMENT COMPANY RULES.—

(1) ADJUSTED BASIS USED IN CERTAIN DETERMINATIONS.—Subsection (a) of section 1296 is amended by striking the material following paragraph (2) and inserting the following:

"In the case of a controlled foreign corporation (or any other foreign corporation if such corporation so elects), the determination under paragraph (2) shall be based on the adjusted bases (as determined for purposes of computing earnings and profits) of its assets in lieu of their value. Such an election, once made, may be revoked only with the consent of the Secretary."

(2) TREATMENT OF CERTAIN SUBPART F INCLUSIONS.—Subsection (b) of section 1297 is amended by adding at the end thereof the following new paragraph:

"(9) TREATMENT OF CERTAIN SUBPART F INCLUSIONS.—Any amount included in gross income under subparagraph (B) or (C) of section 951(a)(1) shall be treated as a distribution received with respect to the stock."

(3) TREATMENT OF CERTAIN DEALERS IN SECURITIES.—Subsection (b) of section 1296 is amended by adding at the end thereof the following new paragraph:

"(3) TREATMENT OF CERTAIN DEALERS IN SECURITIES.—

"(A) IN GENERAL.—In the case of any foreign corporation which is a controlled foreign corporation (as defined in section 957(a)), the term 'passive income' does not include any income derived in the active conduct of a securities business by such corporation if such corporation is registered as a securities broker or dealer under section 15(a) of the Securities Exchange Act of 1934 or is registered as a Government securities broker or dealer under section 15C(a) of such Act. To the extent provided in regulations, such term shall not include any income derived in the active conduct of a securities business by a controlled foreign corporation which is not so registered.

"(B) APPLICATION OF LOOK-THRU RULES.—For purposes of paragraph (2)(C), rules similar to the rules of subparagraph (A) shall apply in determining whether any income of a related person (whether or not a corporation) is passive income.

"(C) LIMITATION.—The preceding provisions of this paragraph shall only apply in the case of persons who are United States shareholders (as defined in section 951(b)) in the controlled foreign corporation."

(4) LEASING RULES.—Section 1297 is amended by redesignating subsection (d) as subsection (e) and by inserting after subsection (c) the following new subsection:

"(d) TREATMENT OF CERTAIN LEASED PROPERTY.—For purposes of this part:

"(1) IN GENERAL.—Any tangible personal property with respect to which a foreign corporation is the lessee under a lease with a term of at least 12 months shall be treated as an asset actually held by such corporation.

"(2) DETERMINATION OF ADJUSTED BASIS.—

"(A) IN GENERAL.—The adjusted basis of any asset to which paragraph (1) applies shall be the unamortized portion (as determined under regulations prescribed by the Secretary) of the present value of the payments under the lease for the use of such property.

"(B) PRESENT VALUE.—For purposes of subparagraph (A), the present value of payments described in subparagraph (A) shall be determined in the manner provided in regulations prescribed by the Secretary—

"(i) as of the beginning of the lease term, and

"(ii) except as provided in such regulations, by using a discount rate equal to the applicable Federal rate determined under section 1274(d)—

"(I) by substituting the lease term for the term of the debt instrument, and

"(II) without regard to paragraph (2) or (3) thereof.

"(3) EXCEPTIONS.—This subsection shall not apply in any case where—

"(A) the lessor is a related person (as defined in section 954(d)(3)) with respect to the foreign corporation, or

"(B) a principal purpose of leasing the property was to avoid the provisions of this section."

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years of foreign corporations beginning after September 30, 1993, and to taxable years of United States shareholders in which or with which such taxable years of foreign corporations end.

SEC. 14232. MODIFICATION TO TAXATION OF INVESTMENT IN UNITED STATES PROPERTY.

(a) GENERAL RULE.—Section 956 (relating to investment of earnings in United States property) is amended—

(1) by redesignating subsections (b) and (c) as subsections (c) and (d), respectively, and

(2) by striking subsection (a) and inserting the following:

"(a) GENERAL RULE.—In the case of any controlled foreign corporation, the amount determined under this section with respect to any United States shareholder for any taxable year is the lesser of—

"(1) the excess (if any) of—

"(A) such shareholder's pro rata share of the average of the amounts of United States property held (directly or indirectly) by the controlled foreign corporation as of the close of each quarter of such taxable year, over

"(B) the amount of earnings and profits described in section 959(c)(1)(A) with respect to such shareholder, or

"(2) such shareholder's pro rata share of the applicable earnings of such controlled foreign corporation.

The amount taken into account under paragraph (1) with respect to any property shall be its adjusted basis as determined for purposes of computing earnings and profits, reduced by any liability to which the property is subject.

"(b) ADJUSTMENTS FOR CERTAIN DISTRIBUTIONS; OTHER SPECIAL RULES.—

"(1) APPLICABLE EARNINGS.—For purposes of this section, the term 'applicable earnings' has the meaning given to such term by section 956A(b).

"(2) SPECIAL RULE WHERE CORPORATION CEASES TO BE CONTROLLED FOREIGN CORPORATION.—Rules similar to the rules of section 956A(d) shall apply for purposes of this section."

(b) CONFORMING AMENDMENTS.—

(1) Subparagraph (B) of section 951(a)(1) is amended to read as follows:

"(B) the amount determined under section 956 with respect to such shareholder for such year (but only to the extent not excluded from gross income under section 959(a)(2)); and"

(2) Subsection (a) of section 951 is amended by striking paragraph (4).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years of controlled foreign corporations beginning after September 30, 1993, and to taxable years of United States shareholders in which or with which such taxable years of controlled foreign corporations end.

(d) STUDY OF INVESTMENTS BY CONTROLLED FOREIGN CORPORATIONS IN UNITED STATES PROPERTY.—

(1) IN GENERAL.—The Secretary of the Treasury shall conduct a study of the tax treatment of investments by controlled foreign corporations in obligations of United States persons other than corporations. Such study shall include the Secretary's views as to whether the treatment of such investments should be changed, along with a discussion of the merits and consequences of any such change.

(2) REPORT.—Not later than December 31, 1993, the Secretary of the Treasury shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report on the study conducted under this subsection, together with such recommendations as he may deem advisable.

SEC. 14233. OTHER MODIFICATIONS TO SUB PART F.

(a) SAME COUNTRY EXCEPTION NOT TO APPLY TO CERTAIN DIVIDENDS.—

(1) IN GENERAL.—Paragraph (3) of section 954(c) (relating to certain income received from related persons) is amended by adding at the end thereof the following new subparagraph:

"(C) EXCEPTION FOR CERTAIN DIVIDENDS.—Subparagraph (A)(i) shall not apply to any dividend with respect to any stock which is attributable to earnings and profits of the distributing corporation accumulated during any period during which the person receiving such dividend did not hold such stock."

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to taxable years of controlled foreign corporations beginning after September 30, 1993, and to taxable years of United States shareholders in which or with which such taxable years of controlled foreign corporations end.

(b) SIMPLIFICATION OF SECTION 960(b).—

(1) IN GENERAL.—Subsection (b) of section 960 is amended—

(A) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively, and

(B) by striking paragraphs (1) and (2) and inserting the following new paragraphs:

"(1) INCREASE IN SECTION 904 LIMITATION.—In the case of any taxpayer who—

"(A) either (i) chose to have the benefits of subpart A of this part for a taxable year beginning after September 30, 1993, in which he was required under section 951(a) to include any amount in his gross income, or (ii) did not pay or accrue for such taxable year any income, war profits, or excess profits taxes to any foreign country or to any possession of the United States,

"(B) chooses to have the benefits of subpart A of this part for any taxable year in which he receives 1 or more distributions or amounts which are excludable from gross income under section 959(a) and which are attributable to amounts included in his gross income for taxable years referred to in subparagraph (A), and

"(C) for the taxable year in which such distributions or amounts are received, pays, or is deemed to have paid, or accrues income, war profits, or excess profits taxes to a foreign country or to any possession of the United States with respect to such distributions or amounts,

the limitation under section 904 for the taxable year in which such distributions or amounts are received shall be increased by the lesser of the amount of such taxes paid, or deemed paid, or accrued with respect to such distributions or amounts or the amount in the excess limitation account as of the beginning of such taxable year.

"(2) EXCESS LIMITATION ACCOUNT.—

"(A) ESTABLISHMENT OF ACCOUNT.—Each taxpayer meeting the requirements of paragraph (1)(A) shall establish an excess limitation account. The opening balance of such account shall be zero.

"(B) INCREASES IN ACCOUNT.—For each taxable year beginning after September 30, 1993, the taxpayer shall increase the amount in the excess limitation account by the excess (if any) of—

"(i) the amount by which the limitation under section 904(a) for such taxable year was increased by reason of the total amount of the inclusions in gross income under section 951(a) for such taxable year, over

"(ii) the amount of any income, war profits, and excess profits taxes paid, or deemed paid, or accrued to any foreign country or possession of the United States which were allowable as a credit under section 901 for such taxable year and which would not have been allowable but for the inclusions in gross income described in clause (i).

Proper reductions in the amount added to the account under the preceding sentence for any taxable year shall be made for any increase in the credit allowable under section 901 for such taxable year by reason of a carryback if such increase would not have been allowable but for the inclusions in gross income described in clause (i).

"(C) DECREASES IN ACCOUNT.—For each taxable year beginning after September 30, 1993, for which the limitation under section 904 was increased under paragraph (1), the taxpayer shall reduce the amount in the excess limitation account by the amount of such increase.

"(3) DISTRIBUTIONS OF INCOME PREVIOUSLY TAXED IN YEARS BEGINNING BEFORE OCTOBER 1, 1993.—If the taxpayer receives a distribution or amount in a taxable year beginning after September 30, 1993, which is excluded from gross income under section 959(a) and is attributable to any amount included in gross income under section 951(a) for a taxable year beginning before October 1, 1993, the limitation under section 904 for the taxable year in which such amount or distribution is received shall be increased by the amount determined under this subsection as in effect on the day before the date of the enactment of the Revenue Reconcilation Act of 1993."

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to taxable years beginning after September 30, 1993.

Subpart B—Allocation of Research and Experimental Expenditures

SEC. 14234. ALLOCATION OF RESEARCH AND EXPERIMENTAL EXPENDITURES.

(a) GENERAL RULE.—Subparagraph (B) of section 864(f)(1) (relating to allocation of research and experimental expenditures) is amended by striking "64 percent" each place it appears and inserting "50 percent".

(b) CONFORMING AMENDMENTS.—

(1) Subsection (f) of section 864 is amended by striking paragraph (5) and inserting the following:

"(5) REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to carry out the purposes of this subsection, including regulations relating to the determination of whether any expenses are attributable to activities conducted in the United States or outside the United States and regulations providing such adjustments to the provisions of this subsection as may be appropriate in the case of cost-sharing arrangements and contract research."

(2) Subparagraph (D) of section 864(f)(4) is amended by striking "subparagraph (C)" and inserting "subparagraph (B) or (C)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act; except that such amendments shall not apply in the case of any taxable year to which Revenue Procedure 92-56 applies or would apply if the taxpayer elected the benefits of such Revenue Procedure.

Subpart C—Other Provisions

SEC. 14235. REPEAL OF CERTAIN EXCEPTIONS FOR WORKING CAPITAL.

(a) PROVISIONS RELATING TO OIL AND GAS INCOME.—

(1) AMENDMENTS TO SECTION 907.—

(A) Paragraph (1) of section 907(c) is amended by adding at the end thereof the following new flush sentence:

"Such term does not include any dividend or interest income which is passive income (as defined in section 904(d)(2)(A)).".

(B) Paragraph (2) of section 907(c) is amended by adding at the end thereof the following new flush sentence:

"Such term does not include any dividend or interest income which is passive income (as defined in section 904(d)(2)(A)).".

(2) SEPARATE APPLICATION OF FOREIGN TAX CREDIT.—Clause (iii) of section 904(d)(2)(A) is amended by inserting "and" at the end of subclause (II), by striking ", and" at the end of subclause (III) and inserting a period, and by striking subclause (IV).

(3) TREATMENT UNDER SUBPART F.—

(A) Paragraph (1) of section 954(g) is amended by adding at the end thereof the following new flush sentence:

Such term shall not include any foreign personal holding company income (as defined in subsection (c)).".

(B) Paragraph (8) of section 954(b) is amended by striking "(1),".

(b) TREATMENT OF SHIPPING INCOME.—Subsection (f) of section 954 is amended by adding at the end thereof the following new sentence: "Such term shall not include any dividend or interest income which is foreign personal holding company income (as defined in subsection (c)).".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1992.

SEC. 14236. MODIFICATIONS OF ACCURACY-RELATED PENALTY.

(a) THRESHOLD REQUIREMENT.—Clause (ii) of section 6662(e)(1)(B) (relating to substantial valuation misstatement under chapter 1) is amended to read as follows:

"(ii) the net section 482 transfer price adjustment for the taxable year exceeds the lesser of $5,000,000 or 10 percent of the taxpayer's gross receipts."

(b) CERTAIN ADJUSTMENTS EXCLUDED IN DETERMINING THRESHOLD.—Subparagraph (B) of section 6662(e)(3) is amended to read as follows:

"(B) CERTAIN ADJUSTMENTS EXCLUDED IN DETERMINING THRESHOLD.—For purposes of determining whether the threshold requirements of paragraph (1)(B)(ii) are met, the following shall be excluded:

"(i) Any portion of the net increase in taxable income referred to in subparagraph (A) which is attributable to any redetermination of a price if—

"(I) it is established that the taxpayer determined such price in accordance with a specific pricing method set forth in the regulations prescribed under section 482 and that the taxpayer's use of such method was reasonable,

"(II) the taxpayer has documentation (which was in existence as of the time of filing the return) which sets forth the determination of such price in accordance with such a method and which establishes that the use of such method was reasonable, and

"(III) the taxpayer provides such documentation to the Secretary within 30 days of a request for such documentation.

"(ii) Any portion of the net increase in taxable income referred to in subparagraph (A) which is attributable to a redetermination of price where such price was not determined in accordance with such a specific pricing method if—

"(I) the taxpayer establishes that none of such pricing methods was likely to result in a price that would clearly reflect income, the taxpayer used another pricing method to determine such price, and such other pricing method was likely to result in a price that would clearly reflect income,

"(II) the taxpayer has documentation (which was in existence as of the time of filing the return) which sets forth the determination of such price in accordance with such other method and which establishes that the requirements of subclause (I) were satisfied, and

"(III) the taxpayer provides such documentation to the Secretary within 30 days of request for such documentation.

"(iii) Any portion of such net increase which is attributable to any transaction solely between foreign corporations unless, in the case of any such corporations, the treatment of such transaction affects the determination of income from sources within the United States or taxable income effectively connected with the conduct of a trade or business within the United States."

(b) COORDINATION WITH REASONABLE CAUSE EXCEPTION.—Paragraph (3) of section 6662(e) is amended by adding at the end thereof the following new subparagraph:

"(D) COORDINATION WITH REASONABLE CAUSE EXCEPTION.—For purposes of section 6664(c) the taxpayer shall not be treated as having reasonable cause for any portion of an underpayment attributable to a net section 482 transfer price adjustment unless such taxpayer meets the requirements of clause (i), (ii), or (iii) of subparagraph (B) with respect to such portion."

(c) CONFORMING AMENDMENT.—Clause (iii) of section 6662(h)(2)(A) is amended to read as follows:

"(iii) in paragraph (1)(B)(ii)—

"(I) '$20,000,000' for '$5,000,000', and

"(II) '20 percent' for '10 percent'."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1993.

SEC. 14237. DENIAL OF PORTFOLIO INTEREST EXEMPTION FOR CONTINGENT INTEREST.

(a) GENERAL RULE.—

(1) Subsection (h) of section 871 (relating to repeal of tax on interest of nonresident alien individuals received from certain portfolio debt investments) is amended by redesignating paragraphs (4), (5), and (6) as paragraphs (5), (6), and (7), respectively, and by inserting after paragraph (3) the following new paragraph:

"(4) PORTFOLIO INTEREST NOT TO INCLUDE CERTAIN CONTINGENT INTEREST.—For purposes of this subsection—

"(A) IN GENERAL.—Except as otherwise provided in this paragraph, the term 'portfolio interest' shall not include—

"(i) any interest if the amount of such interest is determined by reference to—

"(I) any receipts, sales or other cash flow of the debtor or a related person,

"(II) any income or profits of the debtor or a related person,

"(III) any change in value of any property of the debtor or a related person, or

"(IV) any dividend, partnership distributions, or similar payments made by the debtor or a related person, or

"(ii) any other type of contingent interest that is identified by the Secretary by regulation, where a denial of the portfolio interest exemption is necessary or appropriate to prevent avoidance of Federal income tax.

"(B) RELATED PERSON.—The term 'related person' means any person who is related to the debtor within the meaning of section 267(b) or 707(b)(1), or who is a party to any arrangement undertaken for a purpose of avoiding the application of this paragraph.

"(C) EXCEPTIONS.—Subparagraph (A)(i) shall not apply to—

"(i) any amount of interest solely by reason of the fact that the timing of any interest or principal payment is subject to a contingency,

"(ii) any amount of interest solely by reason of the fact that the interest is paid with respect to nonrecourse or limited recourse indebtedness,

"(iii) any amount of interest all or substantially all of which is determined by reference to any other amount of interest not described in subparagraph (A) (or by reference to the principal amount of indebtedness on which such other interest is paid),

"(iv) any amount of interest solely by reason of the fact that the debtor or a related person enters into a hedging transaction to reduce the risk of interest rate or currency fluctuations with respect to such interest,

"(v) any amount of interest determined by reference to—

"(I) changes in the value of property (including stock) that is actively traded (within the meaning of section 1092(d)) other than property described in section 897(c)(1) or (g),

"(II) the yield on property described in subclause (I), other than a debt instrument that pays interest described in subparagraph

(A), or stock or other property that represents a beneficial interest in the debtor or a related person, or

"(III) changes in any index of the value of property described in subclause (I) or of the yield on property described in subclause (II), and

"(vi) any other type of interest identified by the Secretary by regulation.

"(D) EXCEPTION FOR CERTAIN EXISTING INDEBTEDNESS.—Subparagraph (A) shall not apply to any interest paid or accrued with respect to any indebtedness with a fixed term—

"(i) which was issued on or before April 7, 1993, or

"(ii) which was issued after such date pursuant to a written binding contract in effect on such date and at all times thereafter before such indebtedness was issued."

(2) Subsection (c) of section 881 is amended by redesignating paragraphs (4), (5), and (6) as paragraphs (5), (6), and (7), respectively, and by inserting after paragraph (3) the following new paragraph:

"(4) PORTFOLIO INTEREST NOT TO INCLUDE CERTAIN CONTINGENT INTEREST.—For purposes of this subsection, the term 'portfolio interest' shall not include any interest which is treated as not being portfolio interest under the rules of section 871(h)(4)."

(b) CONFORMING AMENDMENTS.—

(1) Clause (ii) of section 871(h)(2)(B) is amended by striking "paragraph (4)" and inserting "paragraph (5)".

(2) Clause (ii) of section 881(c)(2)(B) is amended by striking "section 871(h)(4)" and inserting "section 871(h)(5)".

(3) Paragraph (6) of section 881(c) (as redesignated by subsection (a)) is amended by striking "section 871(h)(5)" each place it appears and inserting "section 871(h)(6)".

(4) Paragraph (9) of section 1441(c) is amended by striking "section 871(h)(3)" and inserting "section 871(h)(3) or (4)".

(5) Subsection (a) of section 1442 is amended—

(A) by striking "871(h)(3)" and inserting "871(h)(3) or (4)", and

(B) by striking "881(c)(3)" and inserting "881(c)(3) or (4)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to interest received after December 31, 1993.

SEC. 14238. REGULATIONS DEALING WITH CONDUIT ARRANGEMENTS.

Section 7701 is amended by redesignating subsection (l) as subsection (m) and by inserting after subsection (k) the following new subsection:

"(l) REGULATIONS RELATING TO CONDUIT ARRANGEMENTS.—The Secretary may prescribe regulations recharacterizing any multiple-party financing transaction as a transaction directly among any 2 or more of such parties where the Secretary determines that such recharacterization is appropriate to prevent avoidance of any tax imposed by this title."

PART IV—ENERGY TAX PROVISIONS

Subpart A—Energy Tax Based on Btu Content

SEC. 14241. IMPOSITION OF ENERGY TAX BASED ON BTU CONTENT.

(a) IN GENERAL.—Chapter 36 (relating to other excise taxes) is amended by redesignating subchapters A and B as subchapters B and C, respectively, and by inserting before subchapter B (as so redesignated) the following new subchapter:

"SUBCHAPTER A—ENERGY TAXES

"Part I. Imposition of tax on refined petroleum products.

"Part II. Imposition of taxes on natural gas, coal, and electricity.

"Part III. Tax rates.

"Part IV. Use taxes; floor stocks taxes; administrative provisions; definitions and special rules.

"Part V. Tax on imported products with high embedded energy costs.

"PART I—IMPOSITION OF TAX ON REFINED PETROLEUM PRODUCTS

"Sec. 4441. Taxable refined petroleum products.

"Sec. 4442. Tax-free transfers and uses; refunds for certain sales and uses.

"SEC. 4441. TAXABLE REFINED PETROLEUM PRODUCTS.

"(a) IMPOSITION OF TAX.—

"(1) IN GENERAL.—There is hereby imposed a tax on any taxable refined petroleum product—

"(A) removed from any refinery in the United States,

"(B) removed from any terminal in the United States,

"(C) entered into the United States for consumption, use, or warehousing, and

"(D) sold to any person who is not registered under section 4453(d).

No tax shall be imposed by subparagraph (D) if there was a prior taxable removal or entry under subparagraph (A), (B), or (C).

"(2) EXCEPTION FOR BULK TRANSFERS TO REGISTERED REFINERIES OR TERMINALS.—The tax imposed by paragraph (1) shall not apply to any removal or entry of any taxable refined petroleum product transferred in bulk to a refinery or terminal if the person removing or entering such product and the operator of such refinery or terminal are registered under section 4453(d).

"(b) RATE OF TAX.—

"(1) IN GENERAL.—The amount of the tax imposed by subsection (a) on each barrel of any taxable refined petroleum product shall be the sum of—

"(A) the base rate, and

"(B) the supplemental rate,

multiplied by the applicable per unit Btu factor for such product.

"(2) ONLY BASE RATE APPLIES TO QUALIFIED HEATING OIL, DIESEL FUEL USED ON FARMS, AND LIQUEFIED PETROLEUM GASES.—

"(A) IN GENERAL.—Subparagraph (B) of paragraph (1) shall not apply to—

"(i) qualified heating oil,

"(ii) qualified farm diesel fuel, and

"(iii) any liquefied petroleum gas.

"(B) QUALIFIED HEATING OIL.—For purposes of subparagraph (A), the term 'qualified heating oil' means No. 2 distillate fuel oil (including any kerosene in a mixture with such oil) which—

"(i) is indelibly dyed (or dyed and marked) in accordance with regulations that the Secretary shall prescribe, and

"(ii) is delivered (or is to be delivered) to any building to heat the building.

"(C) QUALIFIED FARM DIESEL FUEL.—For purposes of subparagraph (A), the term 'qualified farm diesel fuel' means any diesel fuel which—

"(i) is indelibly dyed (or dyed and marked) in accordance with regulations that the Secretary shall prescribe, and

"(ii) is used (or to be used) on a farm for farming purposes (determined under section 6420(c)).

"(c) LIABILITY FOR TAX.—The determination of who is liable for the tax imposed by subsection (a) shall be made under the rules applicable in determining liability for the tax imposed by section 4081. Section 4103 shall apply to the tax imposed by subsection (a) in the same manner as it applies to the tax imposed by section 4081.

"(d) TAXABLE REFINED PETROLEUM PRODUCT.—For purposes of this subchapter, the term 'taxable refined petroleum product' means—

"(1) aviation gasoline,

"(2) motor gasoline (including blending components of gasoline),

"(3) kerosene-type jet fuel,

"(4) naphtha-type jet fuel,

"(5) distillate fuel oil,

"(6) kerosene,

"(7) residual fuel oil,

"(8) petroleum coke,

"(9) butane,

"(10) propane,

"(11) ethanol,

"(12) methanol, and

"(13) to the extent provided in regulations prescribed by the Secretary, any other refined petroleum product.

"(e) APPLICABLE PER UNIT BTU FACTOR.—For purposes of this subchapter—

"(1) IN GENERAL.—

"In the case of:	**The applicable per unit Btu factor is the following amount per barrel:**
Aviation gasoline ..	5.048
Motor gasoline (including blending components of gasoline)	5.267
Kerosene-type jet fuel	5.670
Naphtha-type jet fuel	5.355
Distillate fuel oil ...	5.852
Kerosene	5.670
Residual fuel oil	6.486
Petroleum coke	6.024
Ethanol	3.500
Methanol	3.500
Butane	4.326
Propane	3.836

"(2) MIXTURES.—Any mixture which includes a taxable refined petroleum product shall be treated as specified in paragraph (1) and—

"(A) if more than 1 such product is included in such mixture, the applicable per unit Btu factor shall be the weighted average of the applicable per unit Btu factors for the taxable refined petroleum products included in the mixture, and

"(B) if any substance is included in the mixture which is not a taxable refined petroleum product, the applicable per unit Btu factor for the portion of such mixture's volume which is attributable to such substance shall be zero.

"(3) CROSS REFERENCE.—

"For authority to adjust per unit Btu amounts, see section 4453(e).

"(f) OTHER DEFINITIONS.—For purposes of this subchapter—

"(1) REFINERY.—The term 'refinery' means any facility—

"(A) at which crude oil or any petroleum product is refined,

"(B) which is a natural gas processing or fractionation plant, or

"(C) at which ethanol or methanol is produced for use as a fuel.

"(2) BLENDING COMPONENTS.—The term 'blending components' does not include ethanol or methanol.

"(3) ETHANOL AND METHANOL.—The terms 'ethanol' and 'methanol' include ether derivatives of ethanol and methanol, respectively.

"(4) BARREL.—The term 'barrel' means 42 United States gallons determined with such temperature adjustments as the Secretary may prescribe. In the case of a taxable refined petroleum product which is not a liquid, the term 'barrel' means a volume determined under regulations prescribed by the Secretary on the basis of an equivalence to a barrel of oil.

"(g) REFUNDS IN CERTAIN CASES.—Under regulations prescribed by the Secretary, if any person who paid the tax imposed by this section with respect to any taxable refined petroleum product establishes to the satisfaction of the Secretary that a prior tax was paid (and not credited or refunded) with respect to such product, then an amount equal to the tax paid by such person shall be allowed as a refund (without interest) to such person in the same manner as if it were an overpayment of tax imposed by this section.

"SEC. 4442. TAX-FREE TRANSFERS AND USES; REFUNDS FOR CERTAIN SALES AND USES.

"(a) TAX-FREE SALES, ETC.—

"(1) IN GENERAL.—No tax shall be imposed by section 4441—

"(A) on any taxable refined petroleum product which is used in an exempt use by the person otherwise liable for such tax, or

"(B) by reason of a removal, entry, or sale of such product for an exempt use by the person receiving the product.

"(2) EXEMPT USE.—For purposes of this subsection, the term 'exempt use' means—

"(A) export,

"(B) any use in the generation of electricity,

"(C) any qualified feedstock use, and

"(D) any use in the manufacture or production of synthetic natural gas or any other synthetic fuel specified in regulations prescribed by the Secretary.

"(3) QUALIFIED FEEDSTOCK USE.—For purposes of this subsection—

"(A) IN GENERAL.—In the case of any qualified feedstock use, only the exempt percentage of any taxable refined petroleum product shall be exempt from tax under paragraph (1).

"(B) QUALIFIED FEEDSTOCK USE.—The term 'qualified feedstock use' means use of any taxable refined petroleum product in the manufacture or production of any substance.

"(C) EXEMPT PERCENTAGE.—For purposes of subparagraph (A), the term 'exempt percentage' means the percentage (determined on the basis of chemical structure) of the taxable refined petroleum product which is incorporated into the substance manufactured or produced.

"(4) REGISTRATION REQUIREMENTS.—To the extent provided by the Secretary, paragraph (1) shall not apply to any taxable event unless—

"(A) such persons with respect to such event as the Secretary may specify are registered under section 4453(d), and

"(B) in the case of a sale, the purchaser's name and address, and the purchaser's registration number for purposes of this subchapter, are provided to the seller.

"(5) REFUNDS OF PRODUCTS PURCHASED TAX-PAID.—If tax was imposed under section 4441 with respect to any taxable refined petroleum product and such product is used by any person in an exempt use, the Secretary shall pay to such person an amount equal to the tax so imposed (or, in the case of a qualified feedstock use, the exempt percentage of the tax so imposed).

"(6) CROSS REFERENCE.—

"For tax on fuel used to produce steam at facility which also generates electricity, see section 4451(e).

"(b) REFUNDS TO ULTIMATE VENDORS IN CERTAIN CASES.—Under regulations prescribed by the Secretary—

"(1) HEATING OIL.—If the supplemental rate of tax was imposed under section 4441 with respect to any No. 2 distillate fuel oil (including any kerosene in a mixture with such oil) and such fuel oil is delivered to any building to heat the building, the Secretary shall pay to the ultimate vendor of such fuel oil an amount equal to the product of the supplemental rate and the applicable per unit Btu factor per barrel of the fuel oil (and kerosene) so delivered.

"(2) INTERNATIONAL COMMERCIAL TRANSPORTATION.—

"(A) IN GENERAL.—If tax was imposed under section 4441 with respect to any taxable refined petroleum product and such product is sold for use or used by the purchaser for international commercial transportation, the Secretary shall pay to the ultimate vendor of such product an amount equal to the tax so imposed.

"(B) INTERNATIONAL COMMERCIAL TRANSPORTATION.—For purposes of subparagraph (A), the term 'international commercial transportation' means transportation in the trade or business of transporting persons or property for hire—

"(i) by any vessel actually engaged in foreign trade or trade between the United States and any of its possessions, or

"(ii) by aircraft from a point within the United States to a point outside the United States and outside the 225-mile zone (as defined in section 4262(c)(2)).

"(3) VENDOR REQUIREMENTS.—A payment may be made under this subsection to a vendor only if the vendor establishes that such vendor—

"(A)(i) has not included the tax in the price of the product, and

"(ii) has not collected the tax from the purchaser of such product, or

"(B) has agreed to repay the tax to the purchaser.

"(c) PRODUCTION OF CALCINED COKE.—If tax was imposed under section 4441 with respect to any petroleum product and such product is used by any person to produce calcined coke, the Secretary shall pay to such person an amount equal to the sum of the base rate and the supplemental rate for each million Btu's of the actual Btu content of the coke produced.

"(d) CROSS REFERENCE.—

"For refunds of gasoline and diesel fuel used on farms, see sections 6420(a) and 6427(m).

"PART II—IMPOSITION OF TAXES ON NATURAL GAS, COAL, AND ELECTRICITY

"Sec. 4444. Natural gas.

"Sec. 4445. Coal.

"Sec. 4446. Electricity.

"SEC. 4444. NATURAL GAS.

"(a) IMPOSITION OF TAX.—

"(1) IN GENERAL.—There is hereby imposed a tax on natural gas—

"(A) removed from any pipeline in the United States,

"(B) entered into the United States for consumption, use, or warehousing, and

"(C) entered into any pipeline the operator of which is not registered under section 4453(d).

"(2) EXCEPTION FOR TRANSFERS TO REGISTERED PIPELINES.—

"(A) PIPELINE TO PIPELINE TRANSFERS.—The tax imposed by paragraph (1) shall not apply to any removal from a pipeline to another pipeline if the operators of both pipelines are registered under section 4453(d).

"(B) ENTRY INTO UNITED STATES TO PIPELINE TRANSFERS.—The tax imposed by paragraph (1) shall not apply to any entry into the United States if—

"(i) pursuant to such entry the natural gas is entered into any pipeline, and

"(ii) the operator of such pipeline is registered under section 4453(d).

"(b) RATE OF TAX.—

"(1) IN GENERAL.—The amount of the tax imposed by subsection (a) on each MCF of natural gas shall be the base rate multiplied by the applicable per unit Btu factor.

"(2) AUTHORITY TO USE ACTUAL BTU CONTENT.—To the extent provided in regulations prescribed by the Secretary, the amount of the tax imposed by subsection (a) shall be the base rate for each million Btu's of the actual Btu content of the natural gas.

"(c) LIABILITY FOR, AND COLLECTION OF, TAX.—

"(1) IN GENERAL.—The tax imposed by subsection (a)(1)(A)—

"(A) shall be paid by the person receiving the natural gas, and

"(B) shall be collected by the operator of the pipeline.

"(2) IMPORTATION.—The tax imposed by subsection (a)(1)(B) shall be paid by the person entering the natural gas into the United States for consumption, use, or warehousing.

"(3) ENTRY INTO UNREGISTERED PIPELINES.—The tax imposed by subsection (a)(1)(C) shall be paid by the person entering the natural gas.

"(4) COLLECTION OF TAX.—

"(A) IN GENERAL.—In the case of natural gas removed from a local distribution system, the operator shall also be liable for any tax imposed by subsection (a) which is not collected from the person receiving the natural gas.

"(B) EXCEPTION FOR LARGE USERS FROM LOCAL DISTRIBUTION SYSTEMS.—Subparagraph (A) shall not apply to natural gas received by any person during any month from a local distribution system if the value (exclusive of taxes) of the natural gas received by such person from such system during the 12-month period ending before such month exceeded $3,500,000.

"(d) DEFINITIONS.—For purposes of this subchapter—

"(1) APPLICABLE PER UNIT BTU FACTOR.—

"(A) IN GENERAL.—The applicable per unit Btu factor with respect to natural gas is 1.031 per MCF.

"(B) CROSS REFERENCE.—

"For authority to adjust per unit Btu amounts, see section 4453(e).

"(2) PIPELINE.—The term 'pipeline' includes a local distribution system. To the extent provided in regulations prescribed by the Secretary, such term includes a gathering system.

"(3) NATURAL GAS.—The term 'natural gas' includes synthetic natural gas produced from coal or from any petroleum product.

"(4) MCF.—The term 'MCF' means 1,000 cubic feet of natural gas measured at a pressure of 14.73 pounds per square inch (absolute) and a temperature of 60 degrees Fahrenheit.

"(e) EXEMPTION FROM TAX FOR CERTAIN USES.—

"(1) IN GENERAL.—No tax shall be imposed by subparagraph (A) or (B) of subsection (a)(1)—

"(A) on any natural gas which is used in an exempt natural gas use by the person otherwise liable for such tax, or

"(B) by reason of a removal or entry of natural gas for an exempt natural gas use by the person receiving the natural gas.

"(2) EXEMPT NATURAL GAS USE.—For purposes of this subsection, the term 'exempt natural gas use' means—

"(A) use in the generation of electricity, "(B) any qualified feedstock use, or

"(C) use in enhanced heavy oil recovery.

"(3) QUALIFIED FEEDSTOCK USE.—For purposes of this subsection—

"(A) IN GENERAL.—In the case of any qualified feedstock use, only the exempt percentage of the natural gas shall be exempt from tax under paragraph (1).

"(B) QUALIFIED FEEDSTOCK USE; EXEMPT PERCENTAGE.—The terms 'qualified feedstock use' and 'exempt percentage' have the respective meanings given such terms by section 4442(a)(3) determined by substituting 'natural gas' for 'taxable refined petroleum product' each place it appears.

"(4) ENHANCED HEAVY OIL RECOVERY.—For purposes of this subsection—

"(A) IN GENERAL.—Natural gas shall be treated as used in enhanced heavy oil recovery if such gas is used in an enhanced oil recovery project in the United States for the recovery of oil having a weighted average gravity of 20 degrees API or less (corrected to 60 degrees Fahrenheit).

"(B) ENHANCED OIL RECOVERY PROJECT.—For purposes of subparagraph (A), the term 'enhanced oil recovery project' means any project which involves the application (in accordance with sound engineering principles) of 1 or more tertiary recovery methods (as defined in section 193(b)(3)) which can reasonably be expected to result in more than an insignificant increase in the amount of crude oil which will ultimately be recovered.

"(5) REGISTRATION REQUIREMENTS.—To the extent provided by the Secretary, paragraph (1) shall not apply to any taxable event unless the requirements of section 4442(a)(4) are met with respect to such event.

"(6) REFUNDS OF NATURAL GAS PURCHASED TAX-PAID.—If tax was imposed by this section with respect to any natural gas and such gas is used by any person in an exempt natural gas use, the Secretary shall pay to such person an amount equal to the tax so imposed (or, in the case of a qualified feedstock use, the exempt percentage of the tax so imposed).

"(7) CROSS REFERENCE.—

"For tax on fuel used to produce steam at facility which also generates electricity, see section 4451(e).

"(f) METHANE RECOVERED FROM BIOMASS OR COAL MINING.—

"(1) IN GENERAL.—If—

"(A) methane is recovered from biomass or in conjunction with room and pillar or long wall coal mining operations, and

"(B) such methane is entered into any natural gas pipeline,

the Secretary shall pay to the person so entering such methane an amount equal to the amount of tax which would be imposed under this section on such methane if such entry were a taxable event under such section.

"(2) RECAPTURE OF CREDIT FOR METHANE RECOVERED FROM COAL MINING IN CERTAIN CASES.—

"(A) IN GENERAL.—If—

"(i) the Secretary has made a payment under paragraph (1) to any person with respect to methane recovered from coal mining operations before the date the actual mining commences, and

"(ii)(I) such person disposes of his interest in such coal mining operations, or

"(II) the actual mining commences more than 10 years after the date such methane was first recovered,

then the tax under chapter 1 of such person for the taxable year in which such disposition occurs (or, in a case to which clause (ii)(II) applies, such 10th year ends) shall be increased by the aggregate of such payments to such person plus interest at the underpayment rate under section 6621 for the periods beginning on the dates such payments were made.

"(B) NO FURTHER PAYMENTS UNTIL MINING COMMENCES.—If there is an increase in tax under subparagraph (A) with respect to any payments for methane recovered from any site, no further payments shall be made under this subsection with respect to methane recovered from such site until actual mining commences at such site.

"(C) NO CREDITS AGAINST TAX, ETC.—Any increase in tax under this paragraph shall not be taken into account in determining the amount of any credit allowable under part IV of subchapter A of chapter 1 or in determining the amount of the tax imposed by section 55.

"(D) CHANGES IN FORM OF BUSINESS DISREGARDED.—A person shall not be treated as disposing of an interest in coal mining operations by reason of a mere change in the form of conducting the trade or business so long as the coal mining operations are retained in such trade or business and the taxpayer retains a substantial interest in such trade or business.

"(g) REFUNDS IN CERTAIN CASES.—A rule similar to the rule of section 4441(g) shall apply to the tax imposed by this section.

"SEC. 4445. COAL.

"(a) GENERAL RULE.—There is hereby imposed a tax on coal received at any facility in the United States for use as a fuel at such facility.

"(b) RATE OF TAX.—The amount of the tax imposed by subsection (a) shall be the base rate for each million Btu's of the actual Btu content of the coal. For purposes of the preceding sentence, the actual Btu content of any coal shall be determined under procedures prescribed by the Secretary.

"(c) LIABILITY FOR TAX.—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, the tax imposed by subsection (a) shall be paid by the operator of the facility.

"(2) COAL RECEIVED AT SMALL FACILITIES.—If the ultimate vendor of coal received at a facility receives a certificate from the operator of such facility (or otherwise determines) that such facility received less than 1,000 tons of coal during the preceding calendar year, the tax imposed by subsection (a) shall be paid by the ultimate vendor.

"(3) RESIDENTIAL PROPERTY.—

"(A) IN GENERAL.—In the case of coal received at a residential property, the tax imposed by subsection (a) shall be paid by the ultimate vendor.

"(B) RESIDENTIAL PROPERTY.—For purposes of this paragraph, the term 'residential property' means any building which contains 1 or more dwelling units used for residential purposes other than on a transient basis.

"(d) EXEMPTION FROM TAX FOR CERTAIN USES.—

"(1) IN GENERAL.—No tax shall be imposed by subsection (a) on coal received for—

"(A) use in the generation of electricity,

"(B) any qualified feedstock use,

"(C) use in enhanced heavy oil recovery (as determined under section 4444(e)(4) by substituting 'coal' for 'natural gas'),

"(D) use in the manufacture or production of synthetic natural gas or any other synthetic fuel specified in regulations prescribed by the Secretary, or

"(E) any use in a vessel used in international commercial transportation (as defined in section 4442(b)(2)(B)(i)).

"(2) QUALIFIED FEEDSTOCK USE.—For purposes of this subsection—

"(A) IN GENERAL.—In the case of any qualified feedstock use, only the exempt percentage of the coal shall be exempt from tax under paragraph (1).

"(B) QUALIFIED FEEDSTOCK USE; EXEMPT PERCENTAGE.—The terms 'qualified feedstock use' and 'exempt percentage' have the respective meanings given such terms by section 4442(a)(3) determined by substituting 'coal' for 'taxable refined petroleum product' each place it appears.

"(3) CROSS REFERENCE.—

"For tax on fuel used to produce steam at facility which also generates electricity, see section 4451(e).

"(e) PRODUCTION OF COKE FOR STEEL.—If tax was imposed under this subchapter with respect to any coal and such coal is used by any person to produce coke for use in the reduction of iron-bearing ores in the iron and steel process, the Secretary shall pay to such person an amount equal to the base rate for each million Btu's of the actual Btu content of the coke produced.

"SEC. 4446. ELECTRICITY.

"(a) GENERAL RULE.—There is hereby imposed a tax on—

"(1) the sale of electricity to ultimate users in the United States, and

"(2) the use of electricity in the United States which was not subject to tax under paragraph (1).

"(b) RATE OF TAX.—The amount of the tax imposed by subsection (a) on each kilowatt hour of electricity sold or used during any month shall be the deemed Btu tax per kilowatt hour applicable for such month—

"(1) to the seller in the case of the tax imposed by subsection (a)(1), and

"(2) to the user in the case of the tax imposed by subsection (a)(2).

"(c) LIABILITY FOR, AND COLLECTION OF, TAX.—

"(1) SALES.—The tax imposed by subsection (a)(1)—

"(A) shall be paid by the person to whom the electricity is sold, and

"(B) shall be collected by the seller.

"(2) USES.—The tax imposed by subsection (a)(2) shall be paid by the person using the electricity.

"(3) COLLECTION OF TAX.—

"(A) IN GENERAL.—The seller shall also be liable for the tax imposed by subsection (a)(1) which is not collected from the person to whom the electricity is sold.

"(B) EXCEPTION FOR LARGE USERS.—Subparagraph (A) shall not apply to electricity sold to any person during any month by the seller if the amount paid by such person for electricity (exclusive of taxes) sold by such seller during the 12-month period ending before such month exceeded $3,500,000.

"(d) DEEMED BTU TAXES.—For purposes of this section—

"(1) IN GENERAL.—The deemed Btu taxes per kilowatt hour of electricity applicable to any person for any month shall be the weighted average of—

"(A) the deemed Btu taxes per kilowatt hour of electricity generated at each facility of the person during the base period, and

"(B) the deemed Btu taxes per kilowatt hour of electricity purchased by such person during the base period.

For purposes of this paragraph, the term 'base period' means, with respect to any month, the 2d month preceding such month.

"(2) DEEMED BTU TAXES PER FACILITY.—The deemed Btu taxes per kilowatt hour of electricity generated at any facility during any month shall be determined by dividing—

"(A) the deemed Btu taxes on fuels used at such facility to generate electricity during such month by

"(B) the aggregate kilowatt hours of electricity generated at such facility during such month.

"(3) DEEMED BTU TAXES.—

"(A) IN GENERAL.—Except as otherwise provided in this paragraph, the term 'deemed Btu taxes' means, with respect to electricity, the aggregate taxes which would have been imposed by this subchapter on the fuels used to generate such electricity—

"(i) but for the exemption of such fuels from such taxes, and

"(ii) determined as of the month for which the rate of the tax imposed by subsection (a) is being determined.

"(B) ELECTRICITY GENERATED BY HYDROPOWER OR NUCLEAR POWER.—The deemed Btu taxes per kilowatt hour of electricity generated by hydropower or nuclear power shall be equal to the base rate multiplied by a fraction the numerator of which is 10,335 and the denominator of which is 1,000,000.

"(C) IMPORTED ELECTRICITY.—

"(i) IN GENERAL.—Except as provided in clause (ii), the deemed Btu taxes per kilowatt hour of electricity transmitted into the United States shall be determined as if such electricity were generated by hydropower.

"(ii) LOWER DEEMED BTU TAX MAY BE ESTABLISHED.—If the importer establishes to the satisfaction of the Secretary the amount which would be the deemed Btu taxes per kilowatt hour of the electricity if the electricity were generated in the United States, such amount shall be used in lieu of the amount under clause (i).

"(D) ELECTRICITY GENERATED BY RENEWABLE SOURCES.—The deemed Btu taxes per kilowatt hour of electricity generated from any renewable source shall be zero. For purposes of the preceding sentence, the term 'renewable source' means solar energy, wind energy, any geothermal deposit, biomass, municipal solid waste, and tires.

"(4) SELLERS TO SPECIFY DEEMED BTU TAXES.—

"(A) IN GENERAL.—In the case of electricity which is sold other than to the ultimate user, the seller shall certify to the purchaser the deemed Btu taxes per kilowatt hour of the electricity sold.

"(B) FAILURE TO CERTIFY.—If the seller fails to so certify—

"(i) the tax imposed by subsection (a) shall apply to such sale at the rate specified in subparagraph (C),

"(ii) the tax imposed by subsection (a) shall apply to any subsequent sale or use without regard to clause (i), and

"(iii) the rate specified in subparagraph (C) shall be the deemed Btu taxes per kilowatt hour of such electricity for purposes of determining the tax imposed by subsection (a) on any subsequent sale or use of such electricity.

"(C) RATE.—The rate specified in this subparagraph is, for each kilowatt hour, the product of—

"(i) the sum of the base rate and the supplemental rate, multiplied by

"(ii) a fraction the numerator of which is 10,335 and the denominator of which is 1,000,000.

"(5) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out this subsection, including regulations—

"(A) prescribing a base period to be used by any person not in existence during the base period, and

"(B) prescribing such other modifications to the application of this subsection as are necessary to carry out the purposes of this subsection.

"(e) EXCEPTIONS.—

"(1) ELECTRICITY USED IN CERTAIN ELECTROLYTIC PROCESSES.—

"(A) IN GENERAL.—In the case of electricity used in any electrolytic process, the tax imposed by this section shall not apply to the feedstock portion of such electricity.

"(B) FEEDSTOCK PORTION.—For purposes of subparagraph (A), the feedstock portion of electricity is the portion of the electrical energy which is incorporated into the manufactured product.

"(2) ELECTRICITY USED TO GENERATE PUMPED STORAGE, ETC.—The tax imposed by this section shall not apply to electricity used in the United States to create any hydropower source to generate electricity. The electricity generated by such hydropower source shall be disregarded in determining the deemed Btu taxes of the electricity.

"(3) USE TAX EXCEPTION.—The Secretary may provide by regulations that the tax imposed by subsection (a)(2) shall not apply in cases where the Secretary determines that such an exception is warranted, after taking into account the protection of revenues to the United States from this subchapter and the ease of administration for both taxpayers and the Secretary.

"PART III—TAX RATES

"Sec. 4448. Tax rates.

"SEC. 4448. TAX RATES.

"(a) BASE RATE.—For purposes of this subchapter—

"(1) PHASE-IN RATES.—Effective during—

"(A) the 1-year period beginning on July 1, 1994, the base rate is 8.9 cents, and

"(B) the 1-year period beginning on July 1, 1995, the base rate is 17.9 cents.

"(2) PERMANENT UNINDEXED RATE.—Effective on and after July 1, 1996, the base rate is 26.8 cents.

"(3) INDEXED RATES.—

"(A) IN GENERAL.—Effective during any calendar year after 1997, the base rate under paragraph (2) shall be increased by an amount equal to—

"(i) 26.8 cents, multiplied by

"(ii) the inflation adjustment for such calendar year.

"(B) INFLATION ADJUSTMENT.—For purposes of subparagraph (A), the inflation adjustment for any calendar year is the percentage (if any) by which—

"(i) the GDP deflator for the preceding calendar year, exceeds

"(ii) the GDP deflator for 1996.

"(C) GDP DEFLATOR FOR CALENDAR YEAR.—For purposes of subparagraph (B), the GDP deflator for any calendar year is the GDP deflator for the second calendar quarter of such year.

"(D) GDP DEFLATOR.—For purposes of subparagraph (C), the term 'GDP deflator' means the most recent revision of the implicit price deflator for the gross domestic product as computed and published by the Department of Commerce before November 15 of the calendar year referred to in subparagraph (B)(i).

"(b) SUPPLEMENTAL RATE.—For purposes of this subchapter—

"(1) PHASE-IN RATES.—Effective during—

"(A) the 1-year period beginning on July 1, 1994, the supplemental rate is 11.4 cents, and

"(B) the 1-year period beginning on July 1, 1995, the supplemental rate is 22.8 cents.

"(2) PERMANENT UNINDEXED RATE.—Effective on and after July 1, 1996, the supplemental rate is 34.2 cents.

"(3) INDEXED RATES.—Effective during any calendar year after 1997, the supplemental rate under paragraph (2) shall be increased by an amount equal to—

"(A) 34.2 cents, multiplied by

"(B) the inflation adjustment for such calendar year determined under subsection (a)(3)(B).

"(c) ROUNDING.—If any increase determined under subsection (a)(3) or (b)(3) is not a multiple of 0.1 cent, such increase shall be rounded to the nearest multiple of 0.1 cent.

"PART IV—USE TAXES; FLOOR STOCKS TAXES; ADMINISTRATIVE PROVISIONS; DEFINITIONS AND SPECIAL RULES

"Sec. 4451. Tax on certain uses.

"Sec. 4452. Floor stocks taxes.

"Sec. 4453. Administrative provisions.

"Sec. 4454. Definitions and special rules.

"SEC. 4451. TAX ON CERTAIN USES.

"(a) GENERAL RULE.—There is hereby imposed a tax on the use of any fossil fuel—

"(1) in the manufacture or production in the United States of a fuel other than at a refinery, or

"(2) as a fuel.

The preceding sentence shall not apply if tax was imposed under this subchapter before such use and such tax is not credited or refunded.

"(b) RATE OF TAX.—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, the amount of tax imposed by subsection (a) shall be the amount which would be imposed under the appropriate section of part I or II if such use were a taxable event under such section.

"(2) CRUDE OIL AND OTHER PRODUCTS NOT TAXED ON REMOVAL OR IMPORTATION.—The amount of the tax imposed by subsection (a) on crude oil or other product not subject to tax under part I or II shall be the base rate (increased by the supplemental rate in the case of crude oil or any petroleum product other than any liquefied petroleum gas, isopentane, and natural gasoline) for each million Btu's of the Btu content of such oil or product.

"(3) AUTHORITY TO PRESCRIBE APPLICABLE PER UNIT BTU FACTORS.—In the case of crude oil or any other product for which an applicable per unit Btu factor is not prescribed for purposes of part I or II, the Secretary may prescribe such a factor, and, if so prescribed, such factor shall apply for purposes of paragraph (2).

"(c) LIABILITY FOR TAX.—The taxes imposed by subsection (a) shall be paid by the person using the fuel.

"(d) EXCEPTIONS.—

"(1) IN GENERAL.—Except as provided in subsection (e), the tax imposed by this section shall not apply to—

"(A) any use to which section 4442, section 4444(e), or subsection (d) or (e) of section 4445 applies, or

"(B) any use of methane described in section 4444(f)(1)(A).

"(2) USE ON PRODUCTION PREMISES.—The tax imposed by this section shall not apply to any use of crude oil or natural gas for producing crude oil or natural gas if—

"(A) in the case of crude oil, it is used before entry at the lease automatic custody transfer point (or its manual equivalent), and

"(B) in the case of natural gas, it is used before entry into an interstate or intrastate transmission pipeline.

"(3) CRUDE OIL USED AT REFINERY, ETC.—The tax imposed by this section shall not apply to—

"(A) any use of crude oil at a facility at which crude oil is refined or any use at such facility of any product produced at such facility,

"(B) any use of natural gas at a natural gas processing or fractionation plant or any use at such plant of any product produced at such plant, or

"(C) any use of ethanol at a facility at which ethanol is produced for use as a fuel.

"(4) OTHERWISE TAXABLE EVENT OCCURRING BEFORE EFFECTIVE DATE.—The tax imposed by this section shall not apply to any use if no tax would be imposed by this section on such use were this subchapter in effect for all periods before July 1, 1994.

"(e) GENERATION OF STEAM AND ELECTRICITY.—

"(1) IN GENERAL.—In the case of a facility which uses any taxable refined petroleum product, natural gas, or coal—

"(A) to generate electricity, and

"(B) to produce steam which is used or which is furnished or sold in the trade or business of the furnishing or sale of steam,

the tax imposed by subsection (a) shall apply to the use of such product, gas, or coal at such facility to the extent such use is attributable (determined on the basis of the proportionate Btu content of the electricity and the steam) to the production of steam which is so used, furnished, or sold.

"(2) EXCEPTIONS.—Paragraph (1) shall not apply to steam used for any purpose if tax would not be imposed under this subchapter on the fuel used to produce the steam had such fuel been used directly for such purpose.

"(f) TREATMENT OF NATURAL GAS LOST IN TRANSMISSION.—For purposes of this section, natural gas lost in transmission by a pipeline shall be treated as used as a fuel for such pipeline.

"SEC. 4452. FLOOR STOCKS TAXES.

"(a) IMPOSITION OF TAX.—There is hereby imposed a tax on any taxable fuel which on any tax-increase date is held in the United States by any person.

"(b) AMOUNT OF TAX.—The amount of the tax imposed by subsection (a) on any taxable fuel with respect to any tax-increase date shall be equal to the excess (if any) of—

"(1) the amount of tax which would be imposed under part I or II if a taxable event with respect to such fuel had occurred on such date, over

"(2) the prior tax (if any) imposed by this subchapter on such fuel.

"(c) LIABILITY FOR TAX.—The person holding the taxable fuel on any tax-increase date shall pay the tax imposed by subsection (a).

"(d) EXCEPTIONS.—The tax imposed by subsection (a) shall not apply to—

"(1) any taxable fuel held before the point where it would otherwise be subject to tax under part I or II, or

"(2) any taxable fuel held by any person exclusively for any use by such person to the extent a credit or refund (or other payment) of the tax imposed by this section would be allowable or payable if such tax were imposed by part I or II.

"(e) CREDIT AGAINST TAX.—

"(1) IN GENERAL.—Each person shall be allowed $200 as a credit against the taxes imposed by subsection (a) with respect to each tax-increase date. Such credit shall not exceed the amount of taxes imposed by subsection (a) for which such person is liable with respect to such date.

"(2) CONTROLLED GROUPS.—For purposes of paragraph (1)—

"(A) all persons who are treated as a single employer under subsection (a) or (b) of section 52 shall be treated as 1 taxpayer, and

"(B) the $200 amount specified in paragraph (1) shall be apportioned among such persons under regulations prescribed by the Secretary.

"(f) DEFINITIONS.—For purposes of this section—

"(1) TAXABLE FUEL.—The term 'taxable fuel' means any taxable refined petroleum product, natural gas, or coal.

"(2) TAX-INCREASE DATE.—The term 'tax-increase date' means—

"(A) July 1, 1994,

"(B) July 1, 1995,

"(C) July 1, 1996, and

"(D) January 1 of each calendar year for which there is an increase in a rate of tax by reason of subsection (a)(3) or (b)(3) of section 4448 (relating to inflation adjustment).

"(g) DUE DATE.—The tax imposed by subsection (a) shall be paid on or before the close of the 7-month period beginning on the tax-increase date.

"SEC. 4453. ADMINISTRATIVE PROVISIONS.

"(a) RULES RELATING TO REFUNDS FOR EXEMPT AND OTHER USES.—

"(1) PERIOD FOR FILING CLAIMS.—No payment shall be made under section 4442, 4444(f), or 4445(e) unless, within 2 years after the date that the event occurs giving rise to a right to such payment, a claim therefor is filed by the person entitled to such payment.

"(2) DENIAL OF INTEREST.—Except as provided in paragraph (3), no interest shall be paid on claims for payments under section 4442, 4444(f), or 4445(e).

"(3) MINIMUM AMOUNTS AND PERIODS.—In the case of persons who meet such requirements as the Secretary may prescribe, if—

"(A) a claim for payment is filed under section 4442, 4444(f), or 4445(e) for any period for which more than $1,000 is payable and which is not less than 1 week, and

"(B) the Secretary has not paid such claim within 20 days after the date the claim was filed,

such claim shall be paid with interest from such date using the overpayment rate and method under section 6621. The preceding sentence shall not apply to a claim filed under section 4442(b)(1). Nothing in section 6611(e) shall bar interest payable under this paragraph.

"(4) HEATING OIL.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), not more than 1 claim may be filed under section 4442(b)(1) by any person with respect to fuel oil sold by such person during any calendar year.

"(B) EXCEPTION.—If $1,000 or more is payable under section 4442(b)(1) to any person with respect to fuel oil sold during any of the 1st 3 quarters of the calendar year, a claim may be filed under section 4442(b)(1) with respect to fuel oil sold during such quarter. No claim filed under this subparagraph shall be allowed unless filed on or before the last day of the 1st quarter following the quarter for which the claim is filed.

"(5) APPLICABLE LAWS.—

"(A) IN GENERAL.—All provisions of law, including penalties, applicable in respect of the tax imposed by this subchapter shall, insofar as applicable and not inconsistent with this subsection and section 4442, 4444(f), or 4445(e), apply in respect of payments provided for in such section to the same extent as if such payments constituted refunds of overpayments of the tax so imposed.

"(B) EXAMINATION OF BOOKS AND WITNESSES.—For the purpose of ascertaining the correctness of any claim made under section 4442, 4444(f), or 4445(e), or the correctness of any payment made in respect of such claim, the Secretary shall have the authority granted by paragraphs (1), (2), and (3) of section 7602(a) (relating to examination of books and witnesses) as if the claimant were the person liable for tax.

"(b) PAYMENT OF TAX TO PERSONS REQUIRED TO COLLECT TAX.—

"(1) PAYMENT WITHIN 30 DAYS.—In the case of the taxes imposed by sections 4444 and 4446 which are required to be collected by another person, the person liable for such tax shall remit the tax to such other person within 30 days after the date of the taxable event.

"(2) RELIEF FROM PENALTY FOR CERTAIN FAILURES TO COLLECT TAX.—No penalty shall be imposed under this title on the failure of any person to collect the taxes referred to in paragraph (1) if—

"(A) during the 30-day period referred to in paragraph (1), such person exercises due diligence in attempting to collect such tax, and

"(B) such person notifies the Secretary, within 15 days after the close of the month in which such 30-day period ends, of the failure to collect such tax and provides such other information as the Secretary may require.

"(3) EXCEPTION FOR PERSONS WITH SECONDARY LIABILITY.—Paragraphs (1) and (2) shall not apply if the person required to collect the tax is required to pay any portion of such tax which is not paid by the person primarily liable for such tax.

"(c) INFORMATION REPORTING.—The Secretary may require—

"(1) information reporting by each remitter of tax imposed by this subchapter, and

"(2) information reporting by, and registration of, such other persons as the Secretary deems necessary to carry out this subchapter.

"(d) REGISTRATION.—

"(1) IN GENERAL.—Every person required by the Secretary to register under this subsection with respect to any tax imposed by this subchapter shall register with the Secretary at such time, in such form and manner, and subject to such terms and conditions, as the Secretary may by regulations prescribe. A registration under this subsection may be used only in accordance with regulations prescribed under this section.

"(2) OTHER RULES.—Rules similar to the rules of section 4101(b) and 4222(c) shall apply for purposes of this subsection.

"(e) ADJUSTMENTS TO PER UNIT BTU FACTORS.—

"(1) IN GENERAL.—If the Secretary determines that the applicable per unit Btu factor then in effect for any taxable refined petroleum product or natural gas does not, when multiplied by 1,000,000, properly reflect the Btu content per unit for such substance (in the circumstances where taxable events under this subchapter occur with respect to such substance), the Secretary may modify the applicable per unit Btu factor for such substance. Any such modification shall be effective as of the date prescribed by the Secretary.

"(2) MODIFICATION OF LIST OF REFINED PETROLEUM PRODUCTS.—The Secretary may modify, as appropriate, the list of refined petroleum products in section 4441 for which applicable per unit Btu factors are separately determined.

"SEC. 4454. DEFINITIONS AND SPECIAL RULES.

"(a) DEFINITIONS.—For purposes of this subchapter—

"(1) FOSSIL FUEL.—The term 'fossil fuel' means crude oil, any petroleum product, natural gas, any natural gas product, and coal.

"(2) CRUDE OIL.—The term 'crude oil' includes condensates from crude oil.

"(3) COAL.—The term 'coal' includes lignite.

"(4) UNITED STATES.—The term 'United States' means the 50 States, the District of Columbia, and the foreign trade zones of the United States.

"(5) PERSON.—The term 'person' includes the United States, any State or political subdivision thereof, the District of Columbia, and any agency or instrumentality of any of the foregoing.

"(c) FRACTIONAL PART OF UNIT.—In the case of a fraction of a unit, the tax imposed by this subchapter shall be the same fraction of the amount of such tax imposed on a whole unit.

"(d) SPECIAL RULES RELATING TO PUERTO RICO AND THE VIRGIN ISLANDS.—

"(1) LIKE TAX ON ARTICLES BROUGHT INTO THE UNITED STATES FROM PUERTO RICO OR THE VIRGIN ISLANDS.—For purposes of this subchapter, articles brought into the United States from the Commonwealth of Puerto Rico or the Virgin Islands shall be treated as entered into the United States at the time brought into the United States.

"(2) DISPOSITION OF REVENUES.—The provisions of subsections (a)(3) and (b)(3) of section 7652 shall not apply to any tax imposed by this subchapter.

"(e) NO EXEMPTION FROM TAX.—No person shall be exempt from any tax imposed by this subchapter except to the extent provided in this subchapter or in any provision of law enacted after the date of the enactment of this subchapter which grants a specific exemption, by reference to this subchapter, from a tax imposed by this subchapter.

"PART V—TAX ON IMPORTED HIGH-ENERGY PRODUCTS

"Sec. 4456. Imposition of tax.

"Sec. 4457. Definitions and special rules.

"SEC. 4456. IMPOSITION OF TAX.

"(a) GENERAL RULE.—There is hereby imposed a tax on any taxable high-energy product entered into the United States for consumption, use, or warehousing.

"(b) AMOUNT OF TAX.—The amount of the tax imposed by subsection (a) on any taxable high-energy product shall be the imputed Btu tax with respect to such product.

"(c) LIABILITY FOR TAX.—The tax imposed by subsection (a) shall be paid by the person entering the product for consumption, use, or warehousing.

"SEC. 4457. DEFINITIONS AND SPECIAL RULES.

"(a) TAXABLE HIGH-ENERGY PRODUCT.—For purposes of this part—

"(1) IN GENERAL.—The term 'taxable high-energy product' means any product which, at the time entered into the United States for consumption, use, or warehousing, is listed as a taxable high-energy product by the Secretary.

"(2) DETERMINATION OF PRODUCTS ON LIST.—A product shall be listed under paragraph (1) if the product is produced in an industry identified (using 4-digit SIC codes) in the most recent census of manufacturing as producing products which on average have more than 2 percent of their value attributable to direct energy inputs (exclusive of the tax imposed by parts I and II) of taxable energy sources.

"(3) TAXABLE ENERGY SOURCE.—The term 'taxable energy source' means any taxable refined petroleum product, natural gas, coal, and electricity.

"(b) IMPUTED BTU TAX.—For purposes of this part—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, the term 'imputed Btu tax' means, with respect to any taxable high-energy product, the amount of tax which would have been imposed by parts I and II on taxable energy sources directly used in the manufacture or production of the product if—

"(A) such product were manufactured or produced using the predominant method of manufacture or production of such product in the United States, and

"(B) such taxable energy sources had been subject to tax under such parts on the date of the entry of the product into the United States for consumption, use, or warehousing.

"(2) TAX WHERE INFORMATION FURNISHED.—If the person liable for the tax imposed by section 4456 with respect to any product furnishes to the Secretary (at such time and in such manner as the Secretary shall prescribe) sufficient information to determine the imputed Btu tax with respect to such product, the imputed Btu tax determined using such information shall apply in lieu of the amount determined under paragraph (1).

"(c) REQUESTS TO CHANGE LIST.—If any importer or producer of any product requests that the Secretary determine whether—

"(1) such product should be listed as a taxable high-energy product under subsection (a)(1) or be removed from such listing, or

"(2) the imputed Btu tax for such product under subsection (b)(1),

the Secretary shall make such determination within 180 days after the date the request was filed."

(b) REFUNDS FOR FARM USE OF GASOLINE AND DIESEL FUEL.—

(1) GASOLINE.—

(A) Subsection (a) of section 6420 is amended by adding at the end thereof the following new flush sentence:

"If the supplemental rate of the tax imposed by section 4441 was imposed on such gasoline, the Secretary shall also pay (without interest) to such ultimate purchaser an amount equal to the product of such supplemental rate and the applicable per unit Btu factor per barrel (determined under section 4441) of the gasoline so used."

(B) Subsection (h) of section 6420 is amended by inserting "and taxes imposed by section 4441" after "financing rate".

(2) DIESEL FUEL.—

(A) Section 6427 is amended by redesignating subsections (m) through (r) as subsections (n) through (s), respectively, and by inserting after subsection (l) the following new subsection:

"(m) REFUNDS OF SUPPLEMENTAL RATE OF BTU TAX ON FARM USE OF DIESEL FUEL.—Except as provided in subsection (k), if the supplemental rate of the tax imposed by section 4441 was imposed on diesel fuel used on a farm for farming purposes (within the meaning of section 6420(c)), the Secretary shall pay (without interest) to the ultimate purchaser of such fuel an amount equal to the product of such supplemental rate and the applicable per unit Btu factor per barrel (determined under section 4441) of the diesel fuel so used."

(B) Paragraph (1) of section 6427(i) is amended by inserting "(m)," after "(l),".

(C) Paragraph (4) of section 6427(i), as amended by subpart B, is amended—

(i) by striking "OR 4091" in the paragraph heading and inserting ", 4091, OR 4441", and

(ii) by striking "subsection (l)" each place it appears and inserting "subsections (l) and (m)".

(c) CIVIL PENALTY FOR USING REDUCED-RATE FUEL FOR TAXABLE USE.—

(1) IN GENERAL.—Part I of subchapter B of chapter 68 (relating to assessable penalties) is amended by adding at the end thereof the following new section:

"SEC. 6714. DYED FUEL SOLD FOR USE OR USED IN TAXABLE USE.

"(a) IMPOSITION OF PENALTY.—If any dyed fuel—

"(1) is sold by any person for any use which such person knows or has reason to know is not a reduced-tax use of such fuel, or

"(2) is used by any person for a use other than a reduced-tax use and such person knew, or had reason to know, that such fuel was so dyed,

then, in addition to the tax, such person shall pay a penalty on such sale or use.

"(b) AMOUNT OF PENALTY.—The amount of the penalty under subsection (a) on any sale or use shall be the greater of—

"(1) $1,000, or

"(2) an amount equal to twice the excess of the aggregate taxes which should have been imposed under section 4441 on the fuel so sold or used over the prior taxes (if any) imposed on such fuel under such section which have not been credited or refunded.

"(c) DEFINITIONS.—For purposes of this section—

"(1) DYED FUEL.—The term 'dyed fuel' means—

"(A) qualified heating oil (as defined in section 4441(b)(2)(B)), and

"(B) diesel fuel dyed in accordance with section 4441(b)(2)(C).

"(2) REDUCED-TAX USE.—The term 'reduced-tax use' means, with respect to any fuel, the use for which such fuel was dyed."

(2) CLERICAL AMENDMENT.—The table of sections for such part I is amended by adding at the end thereof the following new item:

"Sec. 6714. Dyed fuel sold for use or used in taxable use."

(d) TECHNICAL AMENDMENTS.—

(1)(A) Subsection (a) of section 6675 is amended by inserting "section 4442 (relating to refunds of petroleum tax for certain sales and uses), section 4444(f) (relating to methane recovered from biomass or coal mining), section 4445(e) (relating to coal used in production of coke for steel)," before "section 6420".

(B) Subsection (b) of section 6675 is amended by inserting "4442, 4444(f), 4445(e)," before "6420".

(2) Section 6206 is amended—

(A) by inserting "(a) FUEL TAXES.—" before "Any portion of", and

(B) by adding at the end thereof the following new subsection:

"(b) BTU TAXES.—Any portion of a payment made under section 4442, 4444(f), or 4445(e) which constitutes an excessive amount (as defined in section 6675(b)), and any civil penalty provided by section 6675, may be assessed and collected as if it were a tax imposed by subchapter A of chapter 36 and as if the person who made the claim were liable for such tax. The period for assessing any such portion, and for assessing any such penalty, shall be 3 years from the last day prescribed for filing a claim under section 4442, 4444(f), or 4445(e)."

(3)(A) The section heading for section 6206 is amended by striking "UNDER SECTIONS 6420, 6421, AND 6427" and inserting "FOR CERTAIN FUELS TAX REFUNDS AND ENERGY TAX REFUNDS".

(B) The item relating to section 6206 in the table of sections for subchapter A of chapter 63 is amended by striking "under sections 6420, 6421, and 6427" and inserting "for certain fuels tax refunds and energy tax refunds".

(4) Subparagraph (B) of section 6724(d)(1) is amended—

(A) by striking "or" at the end of clause (xi),

(B) by striking the period at the end of the clause (xii) relating to section 4101(d) and inserting a comma,

(C) by redesignating the clause (xii) relating to section 338(h)(10)(C) as clause (xiii) and by striking the period at the end thereof and inserting ", or", and

(D) by inserting after clause (xiii), as so redesignated, the following new clause:

"(xiv) section 4453(c) (relating to information reporting with respect to energy taxes)."

(5) Sections 7210, section 7603, subsections (b) and (c)(2) of section 7604, section 7605, and 7610(c) are each amended by inserting "4453(a)(5)(B)," before "6420(e)(2)" each place it appears.

(6) Subparagraph (A) of section 9505(c)(3) is amended by striking "subchapter A" and inserting "subchapter B".

(7) The table of subchapters for chapter 36 is amended by striking the items relating to subchapters A and B and inserting the following:

"Subchapter A. Energy taxes.

"Subchapter B. Harbor maintenance tax.

"Subchapter C. Transportation by water."

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on July 1, 1994.

Subpart B—Modifications to Tax on Diesel Fuel

SEC. 14242. MODIFICATIONS TO TAX ON DIESEL FUEL.

(a) IN GENERAL.—Subparts A and B of part III of subchapter A of chapter 32 (relating to manufacturers excise taxes) are amended to read as follows:

"Subpart A—Gasoline and Diesel Fuel

"Sec. 4081. Imposition of tax.

"Sec. 4082. Exemptions for diesel fuel.

"Sec. 4083. Definitions and special rule.

"Sec. 4084. Cross references.

"SEC. 4081. IMPOSITION OF TAX.

"(a) TAX IMPOSED.—

"(1) TAX ON REMOVAL, ENTRY, OR SALE.—

"(A) IN GENERAL.—There is hereby imposed a tax at the rate specified in paragraph (2) on—

"(i) the removal of a taxable fuel from any refinery,

"(ii) the removal of a taxable fuel from any terminal,

"(iii) the entry into the United States of any taxable fuel for consumption, use, or warehousing, and

"(iv) the sale of a taxable fuel to any person who is not registered under section 4101 unless there was a prior taxable removal or entry of such fuel under clause (i), (ii), or (iii).

"(B) EXEMPTION FOR BULK TRANSFERS TO REGISTERED TERMINALS.—The tax imposed by this paragraph shall not apply to any removal or entry of a taxable fuel transferred in bulk to a terminal if the person removing or entering the taxable fuel and the operator of such terminal are registered under section 4101.

"(2) RATES OF TAX.—

"(A) IN GENERAL.—The rate of the tax imposed by this section is the sum of—

"(i) the Highway Trust Fund financing rate,

"(ii) the Leaking Underground Storage Tank Trust Fund financing rate, and

"(iii) the deficit reduction rate.

"(B) RATES.—For purposes of subparagraph (A)—

"(i) the Highway Trust Fund financing rate is—

"(I) 11.5 cents per gallon in the case of gasoline, and

"(II) 17.5 cents per gallon in the case of diesel fuel,

"(ii) the Leaking Underground Storage Tank Trust Fund financing rate is 0.1 cent per gallon, and

"(iii) the deficit reduction rate is 2.5 cents per gallon.

"(b) TREATMENT OF REMOVAL OR SUBSEQUENT SALE BY BLENDER.—

"(1) IN GENERAL.—There is hereby imposed a tax at the rate specified in subsection (a) on taxable fuel removed or sold by the blender thereof.

"(2) CREDIT FOR TAX PREVIOUSLY PAID.—If—

"(A) tax is imposed on the removal or sale of a taxable fuel by reason of paragraph (1), and

"(B) the blender establishes the amount of the tax paid with respect to such fuel by reason of subsection (a),

the amount of the tax so paid shall be allowed as a credit against the tax imposed by reason of paragraph (1).

"(c) TAXABLE FUELS MIXED WITH ALCOHOL AT REFINERY, ETC.—

"(1) REDUCED RATES.—

"(A) IN GENERAL.—Under regulations prescribed by the Secretary, subsection (a) shall be applied by substituting rates which are the applicable fraction of the otherwise applicable rates in the case of the removal or entry of any taxable fuel for use in producing at the time of such removal or entry a qualified alcohol mixture. Subject to such terms and conditions as the Secretary may prescribe (including the application of section 4101), the treatment under the preceding sentence also shall apply to use in producing such a mixture after the time of such removal or entry.

"(B) APPLICABLE FRACTION.—For purposes of subparagraph (A), the applicable fraction is—

"(i) in the case of a qualified alcohol mixture which contains gasoline, the fraction the numerator of which is 10 and the denominator of which is—

"(I) 9 in the case of 10 percent gasohol,

"(II) 9.23 in the case of 7.7 percent gasohol, and

"(III) 9.43 in the case of 5.7 percent gasohol, and

"(ii) in the case of a qualified alcohol mixture which does not contain gasoline, $^{10}/_{9}$.

"(2) LATER SEPARATION OF FUEL FROM QUALIFIED ALCOHOL MIXTURE.—If any person separates the taxable fuel from a qualified alcohol mixture on which tax was imposed under subsection (a) at the otherwise applicable Highway Trust Fund financing rate (or its equivalent) by reason of this subsection (or with respect to which a credit or payment was allowed or made by reason of section 6427(f)(1)), such person shall be treated as the refiner of such taxable fuel. The amount of tax imposed on any removal of such fuel by such person shall be reduced by the amount of tax imposed (and not credited or refunded) on any prior removal or entry of such fuel.

"(3) ALCOHOL; QUALIFIED ALCOHOL MIXTURE.—For purposes of this subsection—

"(A) ALCOHOL.—The term 'alcohol' includes methanol and ethanol but does not include alcohol produced from petroleum, natural gas, or coal (including peat). Such term does not include alcohol with a proof of less than 190 (determined without regard to any added denaturants).

"(B) QUALIFIED ALCOHOL MIXTURE.—The term 'qualified alcohol mixture' means—

"(i) any mixture of gasoline with alcohol if at least 5.7 percent of such mixture is alcohol, and

"(ii) any mixture of diesel fuel with alcohol if at least 10 percent of such mixture is alcohol.

"(4) OTHERWISE APPLICABLE RATES FOR GASOLINE MIXTURES.—For purposes of this subsection—

"(A) IN GENERAL.—In the case of the Highway Trust Fund financing rate, the otherwise applicable rate for gasoline in a qualified alcohol mixture is—

"(i) 6.1 cents a gallon for 10 percent gasohol,

"(ii) 7.342 cents a gallon for 7.7 percent gasohol, and

"(iii) 8.422 cents a gallon for 5.7 percent gasohol.

In the case of a mixture none of the alcohol in which consists of ethanol, clauses (i), (ii), and (iii) shall be applied by substituting '5.5 cents' for '6.1 cents', '6.88 cents' for '7.342 cents', and '8.08 cents' for '8.422 cents'.

"(B) 10 PERCENT GASOHOL.—The term '10 percent gasohol' means any mixture of gasoline with alcohol if at least 10 percent of such mixture is alcohol.

"(C) 7.7 PERCENT GASOHOL.—The term '7.7 percent gasohol' means any mixture of gasoline with alcohol if at least 7.7 percent, but not 10 percent or more, of such mixture is alcohol.

"(D) 5.7 PERCENT GASOHOL.—The term '5.7 percent gasohol' means any mixture of gasoline with alcohol if at least 5.7 percent, but not 7.7 percent or more, of such mixture is alcohol.

"(5) OTHERWISE APPLICABLE RATES FOR DIESEL FUEL MIXTURES.—For purposes of this subsection, in the case of the Highway Trust Fund financing rate, the otherwise applicable rate for diesel fuel in a qualified alcohol mixture is 12.1 cents per gallon (11.5 cents per gallon in the case of a qualified alcohol mixture none of the alcohol in which consists of ethanol).

"(6) TERMINATION.—Paragraph (1) shall not apply to any removal or sale after September 30, 2000.

"(d) TERMINATION.—

"(1) HIGHWAY TRUST FUND FINANCING RATE.—On and after October 1, 1999, the Highway Trust Fund financing rate under subsection (a)(2) shall not apply.

"(2) LEAKING UNDERGROUND STORAGE TANK TRUST FUND FINANCING RATE.—The Leaking Underground Storage Tank Trust Fund financing rate under subsection (a)(2) shall not apply after December 31, 1995.

"(3) DEFICIT REDUCTION RATE.—On and after October 1, 1995, the deficit reduction rate under subsection (a)(2) shall not apply.

"(e) REFUNDS IN CERTAIN CASES.—Under regulations prescribed by the Secretary, if any person who paid the tax imposed by this section with respect to any taxable fuel establishes to the satisfaction of the Secretary that a prior tax was paid (and not credited or refunded) with respect to such taxable fuel, then an amount equal to the tax paid by such person shall be allowed as a refund (without interest) to such person in the same manner as if it were an overpayment of tax imposed by this section.

"SEC. 4082. EXEMPTIONS FOR DIESEL FUEL.

"(a) IN GENERAL.—The tax imposed by section 4081 shall not apply to diesel fuel—

"(1) which the Secretary determines is destined for a nontaxable use,

"(2) which is indelibly dyed in accordance with regulations which the Secretary shall prescribe, and

"(3) which meets such marking requirements (if any) as may be prescribed by the Secretary in regulations.

"(b) NONTAXABLE USE.—For purposes of this section, the term 'nontaxable use' means—

"(1) any use which is exempt from the tax imposed by section 4041(a)(1) other than by reason of the imposition of tax on any sale thereof, "(2) any use in a train, and

"(3) any use described in section 6427(b)(1).

"(c) Regulations.—The Secretary shall prescribe such regulations as may be necessary to carry out this section, including regulations requiring the conspicuous labeling of retail diesel fuel pumps and other delivery facilities to assure that persons are aware of which fuel is available only for nontaxable uses.

"(d) Cross Reference.—

"For tax on train, motorboat, and certain bus uses of fuel purchased tax-free, see section 4041(a)(1).

"SEC. 4083. DEFINITIONS AND SPECIAL RULE.

"(a) Taxable Fuel.—For purposes of this subpart—

"(1) In general.—The term 'taxable fuel' means—

"(A) gasoline, and

"(B) diesel fuel.

"(2) Gasoline.—The term 'gasoline' includes, to the extent prescribed in regulations—

"(A) gasoline blend stocks, and

"(B) products commonly used as additives in gasoline.

For purposes of subparagraph (A), the term 'gasoline blend stock' means any petroleum product component of gasoline.

"(3) Diesel fuel.—The term 'diesel fuel' means any liquid (other than gasoline) which is suitable for use as a fuel in a diesel-powered highway vehicle, a diesel-powered train, or a diesel-powered boat.

"(b) Certain Uses Defined as Removal.—If any person uses taxable fuel (other than in the production of gasoline, diesel fuel, or special fuels referred to in section 4041), such use shall for the purposes of this chapter be considered a removal.

"SEC. 4084. CROSS REFERENCES.

"(1) For provisions to relieve farmers from excise tax in the case of gasoline used on the farm for farming purposes, see section 6420.

"(2) For provisions to relieve purchasers of gasoline from excise tax in the case of gasoline used for certain nonhighway purposes, used by local transit systems, or sold for certain exempt purposes, see section 6421.

"(3) For provisions to relieve purchasers from excise tax in the case of taxable fuel not used for taxable purposes, see section 6427.

"Subpart B—Aviation Fuel

"Sec. 4091. Imposition of tax.

"Sec. 4092. Exemptions.

"Sec. 4093. Definitions.

"SEC. 4091. IMPOSITION OF TAX.

"(a) In General.—There is hereby imposed a tax on the sale of aviation fuel by the producer or the importer thereof or by any producer of aviation fuel.

"(b) Rate of Tax.—

"(1) In general.—The rate of the tax imposed by subsection (a) shall be the sum of—

"(A) the Airport and Airway Trust Fund financing rate, and

"(B) the Leaking Underground Storage Tank Trust Fund financing rate.

"(2) Airport and airway trust fund financing rate.—For purposes of paragraph (1), the Airport and Airway Trust Fund financing rate is 17.5 cents per gallon.

"(3) Leaking underground storage tank trust fund financing rate.—For purposes of paragraph (1), the Leaking Underground Storage Tank Trust Fund financing rate is 0.1 cent per gallon.

"(4) Termination of rates.—

"(A) The Airport and Airway Trust Fund financing rate shall not apply on and after January 1, 1996.

"(B) The Leaking Underground Storage Tank Trust Fund financing rate shall not apply during any period during which the Leaking Underground Storage Tank Trust Fund financing rate under section 4081 does not apply.

"(c) Reduced Rate of Tax for Aviation Fuel in Alcohol Mixture, Etc.—

"(1) In general.—The Airport and Airway Trust Fund financing rate shall be—

"(A) 4.1 cents per gallon in the case of the sale of any mixture of aviation fuel if—

"(i) at least 10 percent of such mixture consists of alcohol (as defined in section 4081(c)(3)), and

"(ii) the aviation fuel in such mixture was not taxed under subparagraph (B), and

"(B) 4.56 cents per gallon in the case of the sale of aviation fuel for use (at the time of such sale) in producing a mixture described in subparagraph (A).

In the case of a sale described in subparagraph (B), the Leaking Underground Storage Tank Trust Fund financing rate shall be 1/9 cent per gallon.

"(2) Later separation.—If any person separates the aviation fuel from a mixture of the aviation fuel and alcohol on which tax was imposed under subsection (a) at the Airport and Airway Trust Fund financing rate equivalent to 4.1 cents per gallon by reason of this subsection (or with respect to which a credit or payment was allowed or made by reason of section 6427(f)(1)), such person shall be treated as the producer of such aviation fuel. The amount of tax imposed on any sale of such aviation fuel by such person shall be reduced by the amount of tax imposed (and not credited or refunded) on any prior sale of such fuel.

"(3) Termination.—Paragraph (1) shall not apply to any sale after September 30, 2000.

"(d) Lower Rates of Tax on Alcohol Mixtures Not Made From Ethanol.—In the case of a mixture described in subsection (c)(1)(A)(i) none of the alcohol in which is ethanol—

"(1) subsections (c)(1)(A) and (c)(2) shall each be applied by substituting rates which are 0.6 cents less than the rates contained therein, and

"(2) subsection (c)(1)(B) shall be applied by substituting rates which are 10/9 of the rates determined under paragraph (1).

"SEC. 4092. EXEMPTIONS.

"(a) Nontaxable Uses.—The Airport and Airway Trust Fund financing rate under section 4091 shall not apply to aviation fuel sold by a producer or importer for use by the purchaser in a nontaxable use (as defined in section 6427(l)(2)(B)).

"(b) Sales to Producer.—Under regulations prescribed by the Secretary, the tax imposed by section 4091 shall not apply to aviation fuel sold to a producer of such fuel.

"(c) Supplies for Vessels and Aircraft.—Under regulations prescribed by the Secretary, the Leaking Underground Storage Tank Trust Fund financing rate under section 4091 shall not apply to aviation fuel sold for use or used as supplies for vessels or aircraft (within the meaning of section 4221(d)(3)).

"SEC. 4093. DEFINITIONS.

"(a) Aviation Fuel.—For purposes of this subpart, the term 'aviation fuel' means any liquid (other than any product taxable under section 4081) which is suitable for use as a fuel in an aircraft.

"(b) Producer.—For purposes of this subpart—

"(1) Certain persons treated as producers.—

"(A) In general.—The term 'producer' includes any person described in subparagraph (B) and registered under section 4101 with respect to the tax imposed by section 4091.

"(B) Persons described.—A person is described in this subparagraph if such person is—

"(i) a refiner, blender, or wholesale distributor of aviation fuel, or

"(ii) a dealer selling aviation fuel exclusively to producers of aviation fuel.

"(C) Reduced rate purchasers treated as producers.—Any person to whom aviation fuel is sold at a reduced rate under this subpart shall be treated as the producer of such fuel.

"(2) Wholesale distributor.—For purposes of paragraph (1), the term 'wholesale distributor' includes any person who sells aviation fuel to producers, retailers, or to users who purchase in bulk quantities and deliver into bulk storage tanks. Such term does not include any person who (excluding the term 'wholesale distributor' from paragraph (1)) is a producer or importer."

(b) Civil Penalty For Using Reduced-Rate Fuel For Taxable Use.—

(1) Paragraph (1) of section 6714(c), as added by subpart A, is amended by striking "and" at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting ", and", and by adding at the end thereof the following new subparagraph:

"(C) diesel fuel dyed in accordance with section 4082."

(2) Paragraph (2) of section 6714(b), as added by subpart A, is amended by striking "section 4441" and inserting "sections 4081 and 4441" and by striking "such section" and inserting "such sections".

(c) Technical and Conforming Amendments.—

(1) Subsection (c) of section 40 is amended by striking ", section 4081(c), or section 4091(c)" and inserting "or section 4081(c)".

(2) Subsection (a) of section 4101 is amended by striking "4081" and inserting "4041(a)(1), 4081,".

(3) Section 4102 is amended by striking "gasoline" and inserting "any taxable fuel (as defined in section 4083)".

(4) Paragraph (1) of section 4041(a) is amended to read as follows:

"(1) Tax on diesel fuel in certain cases.—

"(A) In general.—There is hereby imposed a tax on any liquid other than gasoline (as defined in section 4083)—

"(i) sold by any person to an owner, lessee, or other operator of a diesel-powered highway vehicle, a diesel-powered train, or a diesel-powered boat for use as a fuel in such vehicle, train, or boat, or

"(ii) used by any person as a fuel in a diesel-powered highway vehicle, a diesel-powered train, or a diesel-powered boat unless there was a taxable sale of such fuel under clause (i).

"(B) Exemption for previously taxed fuel.—No tax shall be imposed by this paragraph on the sale or use of diesel fuel if there was a taxable sale of such fuel under section 4081 and the tax thereon was not credited or refunded.

"(C) Rate of tax.—

"(i) In general.—Except as otherwise provided in this subparagraph, the rate of the tax imposed by this paragraph shall be the sum of the Highway Trust Fund financing rate on diesel fuel and the deficit reduction rate in effect under section 4081 at the time of such sale or use.

"(ii) Highway rate not to apply to trains.—The Highway Trust Fund financing rate shall not apply to any sale for use, or use, of fuel in a train.

"(iii) CERTAIN BUS USES.—If the limitation in section 6427(b)(2)(A) applies to fuel sold for use or used in an automobile bus, the Highway Trust Fund financing rate shall be 3 cents per gallon and the deficit reduction rate shall not apply."

(5) Paragraph (2) of section 4041(a) is amended by striking "or paragraph (1) of this subsection" and by inserting "on gasoline" after "Highway Trust Fund financing rate".

(6) Paragraph (2) of section 4041(c) is amended by striking "any product taxable under section 4081" and inserting "gasoline (as defined in section 4083)".

(7) Paragraph (2) of section 4041(d) is amended—

(A) by striking "(other than a product taxable under section 4081)" and inserting "(other than gasoline (as defined in section 4083))", and

(B) by striking "section 4091" and inserting "section 4081".

(8) Paragraph (3) of section 4041(d) is amended by striking "(other than any product taxable under section 4081)" and inserting "(other than gasoline (as defined in section 4083))".

(9) Subparagraph (A) of section 4041(k)(1) is amended by striking "sections 4081(c) and 4091(c), as the case may be" and inserting "section 4081(c)".

(10) Subparagraph (B) of section 4041(m)(1) is amended by striking "section 4091(d)(1)" and inserting "section 4091(c)(1)".

(11) Section 6206 is amended by striking "4041 or 4091" and inserting "4041, 4081, or 4091".

(12) Paragraph (1) of section 6302(f) is amended by inserting "on gasoline" after "section 4081" and after "such tax".

(13) Paragraph (1) of section 6412(a) is amended by striking "gasoline" each place it appears (including the heading) and inserting "taxable fuel".

(14)(A) Subparagraph (A) of section 6416(a)(4) is amended by striking "product" each place it appears and inserting "gasoline".

(B) Subparagraph (B) of section 6416(a)(4) is amended by striking all that follows "substituting" and inserting "'any gasoline taxable under section 4081' for 'aviation fuel' therein)."

(15) Sections 6420(c)(5) and 6421(e)(1) are each amended by striking "section 4082(b)" and inserting "section 4083(a)".

(16) Subsection (b) of section 6427 is amended—

(A) by striking "if any fuel" in paragraph (1) and inserting "if any diesel fuel (as defined in section 4083(a))", and

(B) by striking "4091" each place it appears and inserting "4081".

(17)(A) Paragraph (1) of section 6427(f) is amended by striking "4091(c)(1)(A), or 4091(d)(1)(A)" and inserting "or 4091(c)(1)(A)".

(B) Paragraph (2) of section 6427(f) is amended to read as follows:

"(2) DEFINITIONS.—For purposes of paragraph (1)—

"(A) REGULAR TAX RATE.—The term 'regular tax rate' means—

"(i) in the case of gasoline or diesel fuel, the aggregate rate of tax imposed by section 4081 determined without regard to subsection (c) thereof, and

"(ii) in the case of aviation fuel, the aggregate rate of tax imposed by section 4091 determined without regard to subsection (c) thereof.

"(B) INCENTIVE TAX RATE.—The term 'incentive tax rate' means—

"(i) in the case of gasoline or diesel fuel, the aggregate rate of tax imposed by section 4081 with respect to fuel described in subsection (c)(1) thereof, and

"(ii) in the case of aviation fuel, the aggregate rate of tax imposed by section 4091 with respect to fuel described in subsection (c)(1)(B) thereof."

(18) Subsection (h) of section 6427 is amended by striking "section 4082(b)" and inserting "section 4083(a)(2)".

(19) Paragraph (3) of section 6427(i) is amended—

(A) by striking "GASOHOL" in the heading and inserting "ALCOHOL MIXTURE", and

(B) by striking "gasoline used to produce gasohol (as defined in section 4081(c)(1))" in subparagraph (A) and inserting "gasoline or diesel fuel used to produce a qualified alcohol mixture (as defined in section 4081(c)(3))".

(20) The heading of paragraph (4) of section 6427(i) is amended by inserting "4081 OR" before "4091".

(21) Subsection (l) of section 6427 is amended to read as follows:

"(l) NONTAXABLE USES OF DIESEL FUEL AND AVIATION FUEL.—

"(1) IN GENERAL.—Except as provided in subsection (k) and in paragraphs (3) and (4) of this subsection, if—

"(A) any diesel fuel on which tax has been imposed by section 4081, or

"(B) any aviation fuel on which tax has been imposed by section 4091,

is used by any person in a nontaxable use, the Secretary shall pay (without interest) to the ultimate purchaser of such fuel an amount equal to the aggregate amount of tax imposed on such fuel under section 4081 or 4091, as the case may be.

"(2) NONTAXABLE USE.—For purposes of this subsection, the term 'nontaxable use' means—

"(A) in the case of diesel fuel, any use which is exempt from the tax imposed by section 4041(a)(1) other than by reason of the imposition of tax on any sale thereof, and

"(B) in the case of aviation fuel, any use which is exempt from the tax imposed by section 4041(c)(1) other than by reason of the imposition of tax on any sale thereof.

"(3) LIMIT ON REFUND OF LEAKING UNDERGROUND STORAGE TANK TRUST FUND FINANCING RATE.—Paragraph (1) shall not apply to so much of the tax imposed by section 4081 or 4091 as is attributable to the Leaking Underground Storage Tank Trust Fund financing rate imposed by such section in the case of—

"(A) fuel used in a diesel-powered train, and

"(B) fuel used in any aircraft (other than as supplies for vessels or aircraft, within the meaning of section 4221(d)(3)).

"(4) NO REFUND OF DEFICIT REDUCTION TAX ON FUEL USED IN TRAINS.—Fuel used in a diesel-powered train shall be treated as a nontaxable use for purposes of this section, except that paragraph (1) shall not apply to so much of the tax imposed by section 4081 as is attributable to the deficit reduction rate imposed by such section unless such fuel was used by a State or any political subdivision thereof."

(22) Paragraph (1) of section 9503(b) is amended—

(A) by striking "gasoline)," in subparagraph (E) and inserting "gasoline and diesel fuel), and",

(B) by striking subparagraph (F), and

(C) by redesignating subparagraph (G) as subparagraph (F).

(23)(A) Subparagraph (B) of section 9503(b)(4) is amended by striking ", 4081, and 4091" and inserting "and 4081".

(B) Subparagraph (C) of section 9503(b)(4), as amended by subtitle A, is amended by striking "4091" and inserting "4081".

(24) Subparagraph (D) of section 9503(c)(6) is amended by striking ", 4081, and 4091" and inserting "and 4081".

(25) Paragraph (2) of section 9503(e) is amended—

(A) by striking ", 4081, and 4091" and inserting "and 4081", and

(B) by striking ", 4081, or 4091" and inserting "or 4081".

(26) Subsection (b) of section 9508 is amended—

(A) by inserting "and diesel fuel" after "gasoline" in paragraph (2),

(B) by striking "diesel fuel and" in paragraph (3), and

(C) by striking "4091" in the last sentence, as added by subtitle A, and inserting "4081".

(27) The table of subparts for part III of subchapter A of chapter 32 is amended by striking the items relating to subparts A and B and inserting the following new items:

"Subpart A. Gasoline and diesel fuel.

"Subpart B. Aviation fuel."

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on April 1, 1994.

SEC. 14243. FLOOR STOCKS TAX.

(a) IN GENERAL.—There is hereby imposed a floor stocks tax on diesel fuel held by any person on April 1, 1994, if—

(1) no tax was imposed on such fuel under section 4041(a) or 4091 of the Internal Revenue Code of 1986 as in effect on the day before the date of the enactment of this Act, and

(2) tax would have been imposed by section 4081 of such Code, as amended by this Act, on any prior removal, entry, or sale of such fuel had such section 4081 applied to all prior removals, entries, and sales of such fuel.

(b) RATE OF TAX.—The rate of the tax imposed by subsection (a) shall be the amount of tax which would be imposed under section 4081 of the Internal Revenue Code of 1986 if there were a taxable sale of such fuel on such date.

(c) LIABILITY AND PAYMENT OF TAX.—

(1) LIABILITY FOR TAX.—A person holding the diesel fuel on April 1, 1994, to which the tax imposed by this section applies shall be liable for such tax.

(2) METHOD OF PAYMENT.—The tax imposed by this section shall be paid in such manner as the Secretary shall prescribe.

(3) TIME FOR PAYMENT.—The tax imposed by this section shall be paid on or before January 31, 1995.

(d) DEFINITIONS.—For purposes of this section—

(1) DIESEL FUEL.—The term "diesel fuel" has the meaning given such term by section 4083(a) of such Code.

(2) SECRETARY.—The term "Secretary" means the Secretary of the Treasury or his delegate.

(e) EXCEPTIONS.—

(1) PERSONS ENTITLED TO CREDIT OR REFUND.—The tax imposed by this section shall not apply to fuel held by any person exclusively for any use to the extent a credit or refund of the tax imposed by section 4081 is allowable for such use.

(2) COMPLIANCE WITH DYEING REQUIRED.—Paragraph (1) shall not apply to the holder of any fuel if the holder of such fuel fails to comply with any requirement imposed by the Secretary with respect to dyeing and marking such fuel.

(f) Other Laws Applicable.—All provisions of law, including penalties, applicable with respect to the taxes imposed by section 4081 of such Code shall, insofar as applicable and not inconsistent with the provisions of this section, apply with respect to the floor stock taxes imposed by this section to the same extent as if such taxes were imposed by such section 4081.

Subpart C—Extension of Motor Fuel Tax Rates; Increased Deposits Into Highway Trust Fund

SEC. 14244. EXTENSION OF MOTOR FUEL TAX RATES; INCREASED DEPOSITS INTO HIGHWAY TRUST FUND.

(a) In General.—Clause (i) of section 4081(a)(2)(B), as amended by subpart B, is amended—

(1) by striking "11.5 cents" and inserting "14 cents", and

(2) by striking "17.5 cents" and inserting "20 cents".

(b) Conforming Amendments.—

(1) Subparagraph (A) of section 4081(c)(4), as so amended, is amended to read as follows:

"(A) In general.—In the case of the Highway Trust Fund financing rate, the otherwise applicable rate for gasoline in a qualified alcohol mixture is—

"(i) 8.6 cents a gallon for 10 percent gasohol,

"(ii) 9.842 cents a gallon for 7.7 percent gasohol, and

"(iii) 10.922 cents a gallon for 5.7 percent gasohol.

In the case of a mixture none of the alcohol in which consists of ethanol, clauses (i), (ii), and (iii) shall be applied by substituting '8.0 cents' for '8.6 cents', '9.38 cents' for '9.842 cents', and '10.58 cents' for '10.922'."

(2) Paragraph (5) of section 4081(c), as so amended, is amended—

(A) by striking "12.1 cents" and inserting "14.6 cents", and

(B) by striking "11.5 cents" and inserting "14.0".

(3) Subparagraph (A) of section 4041(m)(1) is amended to read as follows:

"(A) under subsection (a)(2) the Highway Trust Fund financing shall be 7 cents per gallon, and".

(4) Paragraph (4) of section 6427(l), as amended by subpart B, is amended—

(A) by striking "the deficit reduction rate" and inserting "2.5 cents per gallon of the Highway Trust Fund financing rate", and

(B) by striking "DEFICIT REDUCTION TAX" in the heading and inserting "PORTION OF TAX".

(5) Subsection (b) of section 9503 is amended by adding at the end thereof the following new paragraph:

"(6) Retention of certain taxes in general fund.—

"(A) In general.—There shall not be taken into account under paragraphs (1) and (2)—

"(i) the tax imposed by section 4081 on diesel fuel used in any train, and

"(ii) so much of the following taxes as are attributable to 2.5 cents of the Highway Trust Fund financing rate:

"(I) Motorboat fuel taxes (as defined in subsection (c)(4)(D)).

"(II) Small-engine fuel taxes (as defined in subsection (c)(5)(B)).

"(III) Nonhighway recreational fuel taxes (as defined in subsection (c)(6)(D)).

"(B) Transfers from highway trust fund.—For purposes of determining the amount paid from the Highway Trust Fund under paragraphs (4), (5), and (6) of subsection (c), the Highway Trust Fund financing rates shall be treated as being 2.5 cents less than the otherwise applicable rates."

(c) Increase in Deposits in Mass Transit Account.—Paragraph (2) of section 9503(e) is amended by striking "1.5 cents" and inserting "2 cents".

(d) Repeal of Expired Provisions.—

(1) Subparagraph (A) of section 4081(a)(2) (relating to rate of tax), as amended by subpart B, is amended—

(A) by adding "and" at the end of clause (i),

(B) by striking ", and" at the end of clause (ii) and inserting a period, and

(C) by striking clause (iii).

(2) Subparagraph (B) of section 4081(a)(2), as so amended, is amended—

(A) by adding "and" at the end of clause (i),

(B) by striking ", and" at the end of clause (ii) and inserting a period, and

(C) by striking clause (iii).

(3) Subsection (d) of section 4081, as so amended, is amended by striking paragraph (3).

(4) Paragraphs (1) and (2) of section 4041(a) (as so amended), and paragraph (3) of section 4041(c), are each amended by striking "the sum of the Highway Trust Fund financing rate and the diesel fuel deficit reduction rate" and by inserting "the Highway Trust Fund financing rate".

(5) Clause (ii) of section 4041(a)(1)(C), as so amended, is amended—

(A) by striking "The Highway Trust Fund financing rate" and inserting "So much of the Highway Trust Fund financing rate as exceeds 2.5 cents per gallon", and

(B) by striking "Highway rate" in the heading and inserting "Portion of highway rate".

(6) Clause (iii) of section 4041(a)(1)(C), as so amended, is amended by striking "and the deficit reduction rate shall not apply".

(e) Effective Date.—The amendments made by this section shall take effect October 1, 1995, but the amendment made by subsection (c) shall apply only to amounts attributable to taxes imposed on or after such date.

PART V—COMPLIANCE PROVISIONS

SEC. 14251. REPORTING REQUIRED FOR CERTAIN PAYMENTS TO CORPORATIONS.

(a) Section 6041.—Section 6041 (relating to information at source) is amended by adding at the end thereof the following new subsection:

"(f) Special Rules for Payments for Services.—No payment for the performance of services shall be exempt from the requirements of this section merely because it is a payment to a corporation."

(b) Section 6041A(a).—Subsection (a) of section 6041A is amended by adding at the end thereof the following new sentence: "A payment shall not be exempt from the requirements of this subsection merely because it is a payment to a corporation.".

(c) Effective Date.—The amendments made by this section shall apply to payments made after December 31, 1993.

SEC. 14252. MODIFICATIONS TO SUBSTANTIAL UNDERSTATEMENT AND RETURN-PREPARER PENALTIES.

(a) Reasonable Basis Required.—

(1) Substantial understatement penalty.—Clause (ii) of section 6662(d)(2)(B) (relating to reduction for understatement due to position of taxpayer or disclosed item) is amended to read as follows:

"(ii) any item if—

"(I) the relevant facts affecting the item's tax treatment are adequately disclosed in the return or in a statement attached to the return, and

"(II) there is a reasonable basis for the tax treatment of such item by the taxpayer."

(2) Return preparer penalty.—Paragraph (3) of section 6694(a) (relating to understatement of taxpayer's liability by income tax return preparer) is amended to read as follows:

"(3) the requirements of subclauses (I) and (II) of section 6662(d)(2)(B)(ii) are not satisfied with respect to such position,".

(b) Special Tax Shelter Rule.—Subclause (II) of section 6662(d)(2)(C)(i) (relating to special rules for tax shelters) is amended by inserting before the period at the end thereof the following: "and the reasonably anticipated after-tax benefits from the taxpayer's investment in such shelter do not significantly exceed the reasonably anticipated pre-tax economic profit or loss from such investment".

(c) Reasonable Cause Exception.—Paragraph (1) of section 6664(c) is revised by striking "this part" and inserting "section 6662".

(d) Effective Date.—The amendments made by this section shall apply to returns the due dates for which (determined without regard to extensions) are after December 31, 1993.

SEC. 14253. RETURNS RELATING TO THE CANCELLATION OF INDEBTEDNESS BY CERTAIN FINANCIAL ENTITIES.

(a) In General.—Subpart B of part III of subchapter A of chapter 61 (relating to information concerning transactions with other persons) is amended by adding at the end thereof the following new section:

"SEC. 6050P. RETURNS RELATING TO THE CANCELLATION OF INDEBTEDNESS BY CERTAIN FINANCIAL ENTITIES.

"(a) In General.—Any applicable financial entity which discharges (in whole or in part) the indebtedness of any person during any calendar year shall make a return (at such time and in such form as the Secretary may by regulations prescribe) setting forth—

"(1) the name, address, and TIN of each person whose indebtedness was discharged during such calendar year,

"(2) the date of the discharge and the amount of the indebtedness discharged, and

"(3) such other information as the Secretary may prescribe.

"(b) Exception.—Subsection (a) shall not apply to any discharge of less than $600.

"(c) Definitions and Special Rules.—For purposes of this section—

"(1) Applicable financial entity.—The term 'applicable financial entity' means—

"(A) any financial institution described in section 581 or 591(a) and any credit union,

"(B) the Federal Deposit Insurance Corporation, the Resolution Trust Corporation, and the National Credit Union Administration, and any successor or subunit of any of the foregoing, and

"(C) any other corporation which is a direct or indirect subsidiary of an entity referred to in subparagraph (A) but only if, by virtue of being affiliated with such entity, such other corporation is subject to supervision and examination by a Federal or State agency which regulates entities referred to in subparagraph (A).

"(2) Governmental units.—In the case of an entity described in paragraph (1)(B), any return under this section shall be made by the officer or employee appropriately designated for the purpose of making such return.

"(d) Statements To Be Furnished to Persons With Respect to Whom Information Is Required To Be Furnished.—Every applicable financial entity required to make a return under subsection (a) shall furnish to each person whose name is required to be set forth in such return a written statement showing—

"(1) the name and address of the entity required to make such return, and

"(2) the information required to be shown on the return with respect to such person.

The written statement required under the preceding sentence shall be furnished to the person on or before January 31 of the year following the calendar year for which the return under subsection (a) was made."

(b) PENALTIES.—

(1) RETURNS.—Subparagraph (B) of section 6724(d)(1) is amended by redesignating clauses (viii) through (xv) as clauses (ix) through (xvi), respectively, and by inserting after clause (vii) the following new clause:

"(viii) section 6050P (relating to returns relating to the cancellation of indebtedness by certain financial entities),".

(2) STATEMENTS.—Paragraph (2) of section 6724(d) is amended by redesignating subparagraphs (P) through (S) as subparagraphs (Q) through (T), respectively, and by inserting after subparagraph (O) the following new subparagraph:

"(P) section 6050P(d) (relating to returns relating to the cancellation of indebtedness by certain financial entities),".

(c) CLERICAL AMENDMENT.—The table of sections for subpart B of part III of subchapter A of chapter 61 is amended by adding at the end thereof the following new item:

"Sec. 6050P. Returns relating to the cancellation of indebtedness by certain financial entities."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to discharges of indebtedness after the date of the enactment of this Act.

PART VI—TREATMENT OF INTANGIBLES

SEC. 14261. AMORTIZATION OF GOODWILL AND CERTAIN OTHER INTANGIBLES.

(a) GENERAL RULE.—Part VI of subchapter B of chapter 1 (relating to itemized deductions for individuals and corporations) is amended by adding at the end thereof the following new section:

"SEC. 197. AMORTIZATION OF GOODWILL AND CERTAIN OTHER INTANGIBLES.

"(a) GENERAL RULE.—A taxpayer shall be entitled to an amortization deduction with respect to any amortizable section 197 intangible. The amount of such deduction shall be determined by amortizing the adjusted basis (for purposes of determining gain) of such intangible ratably over the 14-year period beginning with the month in which such intangible was acquired.

"(b) NO OTHER DEPRECIATION OR AMORTIZATION DEDUCTION ALLOWABLE.—Except as provided in subsection (a), no depreciation or amortization deduction shall be allowable with respect to any amortizable section 197 intangible.

"(c) AMORTIZABLE SECTION 197 INTANGIBLE.—For purposes of this section—

"(1) IN GENERAL.—Except as otherwise provided in this section, the term 'amortizable section 197 intangible' means any section 197 intangible—

"(A) which is acquired by the taxpayer after the date of the enactment of this section, and

"(B) which is held in connection with the conduct of a trade or business or an activity described in section 212.

"(2) EXCLUSION OF SELF-CREATED INTANGIBLES, ETC.—The term 'amortizable section 197 intangible' shall not include any section 197 intangible—

"(A) which is not described in subparagraph (D), (E), or (F) of subsection (d)(1), and

"(B) which is created by the taxpayer.

This paragraph shall not apply if the intangible is created in connection with a transaction (or series of related transactions) involving the acquisition of assets constituting a trade or business or substantial portion thereof.

"(3) ANTI-CHURNING RULES.—

"For exclusion of intangibles acquired in certain transactions, see subsection (f)(9).

"(d) SECTION 197 INTANGIBLE.—For purposes of this section—

"(1) IN GENERAL.—Except as otherwise provided in this section, the term 'section 197 intangible' means—

"(A) goodwill,

"(B) going concern value,

"(C) any of the following intangible items:

"(i) workforce in place including its composition and terms and conditions (contractual or otherwise) of its employment,

"(ii) business books and records, operating systems, or any other information base (including lists or other information with respect to current or prospective customers),

"(iii) any patent, copyright, formula, process, design, pattern, knowhow, format, or other similar item,

"(iv) any customer-based intangible,

"(v) any supplier-based intangible, and

"(vi) any other similar item,

"(D) any license, permit, or other right granted by a governmental unit or an agency or instrumentality thereof,

"(E) any covenant not to compete (or other arrangement to the extent such arrangement has substantially the same effect as a covenant not to compete) entered into in connection with an acquisition (directly or indirectly) of an interest in a trade or business or substantial portion thereof, and

"(F) any franchise, trademark, or trade name.

"(2) CUSTOMER-BASED INTANGIBLE.—

"(A) IN GENERAL.—The term 'customer-based intangible' means—

"(i) composition of market,

"(ii) market share, and

"(iii) any other value resulting from future provision of goods or services pursuant to relationships (contractual or otherwise) in the ordinary course of business with customers.

"(B) SPECIAL RULE FOR FINANCIAL INSTITUTIONS.—In the case of a financial institution, the term 'customer-based intangible' includes deposit base and similar items.

"(3) SUPPLIER-BASED INTANGIBLE.—The term 'supplier-based intangible' means any value resulting from future acquisitions of goods or services pursuant to relationships (contractual or otherwise) in the ordinary course of business with suppliers of goods or services to be used or sold by the taxpayer.

"(e) EXCEPTIONS.—For purposes of this section, the term 'section 197 intangible' shall not include any of the following:

"(1) FINANCIAL INTERESTS.—Any interest—

"(A) in a corporation, partnership, trust, or estate, or

"(B) under an existing futures contract, foreign currency contract, notional principal contract, or other similar financial contract.

"(2) LAND.—Any interest in land.

"(3) COMPUTER SOFTWARE.—

"(A) IN GENERAL.—Any—

"(i) computer software which is readily available for purchase by the general public, is subject to a nonexclusive license, and has not been substantially modified, and

"(ii) other computer software which is not acquired in a transaction (or series of related transactions) involving the acquisition of assets constituting a trade or business or substantial portion thereof.

"(B) COMPUTER SOFTWARE DEFINED.—For purposes of subparagraph (A), the term 'computer software' means any program designed to cause a computer to perform a desired function. Such term shall not include any data base or similar item unless the data base or item is in the public domain and is incidental to the operation of otherwise qualifying computer software.

"(4) CERTAIN INTERESTS OR RIGHTS ACQUIRED SEPARATELY.—Any of the following not acquired in a transaction (or series of related transactions) involving the acquisition of assets constituting a trade business or substantial portion thereof:

"(A) Any interest in a film, sound recording, video tape, book, or similar property.

"(B) Any right to receive tangible property or services under a contract or granted by a governmental unit or agency or instrumentality thereof.

"(C) Any interest in a patent or copyright.

"(D) To the extent provided in regulations, any right under a contract (or granted by a governmental unit or an agency or instrumentality thereof) if such right—

"(i) has a fixed duration of less than 14 years, or

"(ii) is fixed as to amount and, without regard to this section, would be recoverable under a method similar to the unit-of-production method.

"(5) INTERESTS UNDER LEASES AND DEBT INSTRUMENTS.—Any interest under—

"(A) an existing lease of tangible property, or

"(B) except as provided in subsection (d)(2)(B), any existing indebtedness.

"(6) TREATMENT OF SPORTS FRANCHISES.—A franchise to engage in professional football, basketball, baseball, or other professional sport, and any item acquired in connection with such a franchise.

"(7) CERTAIN TRANSACTION COSTS.—Any fees for professional services, and any transaction costs, incurred by parties to a transaction with respect to which any portion of the gain or loss is not recognized under part III of subchapter C.

"(f) SPECIAL RULES.—

"(1) TREATMENT OF CERTAIN DISPOSITIONS, ETC.—If there is a disposition of any amortizable section 197 intangible acquired in a transaction or series of related transactions (or any such intangible becomes worthless) and one or more other amortizable section 197 intangibles acquired in such transaction or series of related transactions are retained—

"(A) no loss shall be recognized by reason of such disposition (or such worthlessness), and

"(B) appropriate adjustments to the adjusted bases of such retained intangibles shall be made for any loss not recognized under subparagraph (A).

All persons treated as a single taxpayer under section 41(f)(1) shall be so treated for purposes of the preceding sentence.

"(2) TREATMENT OF CERTAIN TRANSFERS.—

"(A) IN GENERAL.—In the case of any section 197 intangible transferred in a transaction described in subparagraph (B), the transferee shall be treated as the transferor for purposes of applying this section with respect to so much of the adjusted basis in the hands of the transferee as does not exceed the adjusted basis in the hands of the transferor.

"(B) TRANSACTIONS COVERED.—The transactions described in this subparagraph are—

"(i) any transaction described in section 332, 351, 361, 721, 731, 1031, or 1033, and

"(ii) any transaction between members of the same affiliated group during any taxable year for which a consolidated return is made by such group.

"(3) TREATMENT OF AMOUNTS PAID PURSUANT TO COVENANTS NOT TO COMPETE, ETC.—Any amount paid or incurred pursuant to a covenant or arrangement referred to in subsection (d)(1)(E) shall be treated as an amount chargeable to capital account.

"(4) TREATMENT OF FRANCHISES, ETC.—

"(A) FRANCHISE.—The term 'franchise' has the meaning given to such term by section 1253(b)(1).

"(B) TREATMENT OF RENEWALS.—Any renewal of a franchise, trademark, or trade name (or of a license, a permit, or other right referred to in subsection (d)(1)(D)) shall be treated as an acquisition. The preceding sentence shall only apply with respect to costs incurred in connection with such renewal.

"(C) CERTAIN AMOUNTS NOT TAKEN INTO ACCOUNT.—Any amount to which section 1253(d)(1) applies shall not be taken into account under this section.

"(5) TREATMENT OF CERTAIN REINSURANCE TRANSACTIONS.—In the case of any amortizable section 197 intangible resulting from an assumption reinsurance transaction, the amount taken into account as the adjusted basis of such intangible under this section shall be the excess of—

"(A) the amount paid or incurred by the acquirer under the assumption reinsurance transaction, over

"(B) the amount required to be capitalized under section 848 in connection with such transaction.

Subsection (b) shall not apply to any amount required to be capitalized under section 848.

"(6) TREATMENT OF CERTAIN SUBLEASES.—For purposes of this section, a sublease shall be treated in the same manner as a lease of the underlying property involved.

"(7) TREATMENT AS DEPRECIABLE.—For purposes of this chapter, any amortizable section 197 intangible shall be treated as property which is of a character subject to the allowance for depreciation provided in section 167.

"(8) TREATMENT OF CERTAIN INCREMENTS IN VALUE.—This section shall not apply to any increment in value if, without regard to this section, such increment is properly taken into account in determining the cost of property which is not a section 197 intangible.

"(9) ANTI-CHURNING RULES.—For purposes of this section—

"(A) IN GENERAL.—The term 'amortizable section 197 intangible' shall not include any section 197 intangible which is described in subparagraph (A) or (B) of subsection (d)(1) (or for which depreciation or amortization would not have been allowable but for this section) and which is acquired by the taxpayer after the date of the enactment of this section, if—

"(i) the intangible was held or used at any time on or after July 25, 1991, and on or before such date of enactment by the taxpayer or a related person,

"(ii) the intangible was acquired from a person who held such intangible at any time on or after July 25, 1991, and on or before such date of enactment, and, as part of the transaction, the user of such intangible does not change, or

"(iii) the taxpayer grants the right to use such intangible to a person (or a person related to such person) who held or used such intangible at any time on or after July 25, 1991, and on or before such date of enactment.

For purposes of this subparagraph, the determination of whether the user of property changes as part of a transaction shall be determined in accordance with regulations prescribed by the Secretary. For purposes of this subparagraph, deductions allowable under section 1253(d) shall be treated as deductions allowable for amortization.

"(B) EXCEPTION WHERE GAIN RECOGNIZED.—If—

"(i) subparagraph (A) would not apply to an intangible acquired by the taxpayer but for the last sentence of subparagraph (C)(i), and

"(ii) the person from whom the taxpayer acquired the intangible elects, notwithstanding any other provision of this title—

"(I) to recognize gain on the disposition of the intangible, and

"(II) to pay a tax on such gain which, when added to any other income tax on such gain under this title, equals such gain multiplied by the highest rate of income tax applicable to such person under this title,

then subparagraph (A) shall apply to the intangible only to the extent that the taxpayer's adjusted basis in the intangible exceeds the gain recognized under clause (ii)(I).

"(C) RELATED PERSON DEFINED.—For purposes of this paragraph—

"(i) RELATED PERSON.—A person (hereinafter in this paragraph referred to as the 'related person') is related to any person if—

"(I) the related person bears a relationship to such person specified in section 267(b) or section 707(b)(1), or

"(II) the related person and such person are engaged in trades or businesses under common control (within the meaning of subparagraphs (A) and (B) of section 41(f)(1)).

For purposes of subclause (I), in applying section 267(b) or 707(b)(1), '20 percent' shall be substituted for '50 percent'.

"(ii) TIME FOR MAKING DETERMINATION.—A person shall be treated as related to another person if such relationship exists immediately before or immediately after the acquisition of the intangible involved.

"(D) ACQUISITIONS BY REASON OF DEATH.—Subparagraph (A) shall not apply to the acquisition of any property by the taxpayer if the basis of the property in the hands of the taxpayer is determined under section 1014(a).

"(E) SPECIAL RULE FOR PARTNERSHIPS.—With respect to any increase in the basis of partnership property under section 732, 734, or 743, determinations under this paragraph shall be made at the partner level and each partner shall be treated as having owned and used such partner's proportionate share of the partnership assets.

"(F) ANTI-ABUSE RULES.—The term 'amortizable section 197 intangible' does not include any section 197 intangible acquired in a transaction, one of the principal purposes of which is to avoid the requirement of subsection (c)(1) that the intangible be acquired after the date of the enactment of this section or to avoid the provisions of subparagraph (A).

"(g) REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to carry out the purposes of this section, including such regulations as may be appropriate to prevent avoidance of the purposes of this section through related persons or otherwise."

(b) MODIFICATIONS TO DEPRECIATION RULES.—

(1) TREATMENT OF CERTAIN PROPERTY EXCLUDED FROM SECTION 197.—Section 167 (relating to depreciation deduction) is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

"(f) TREATMENT OF CERTAIN PROPERTY EXCLUDED FROM SECTION 197.—

"(1) COMPUTER SOFTWARE.—

"(A) IN GENERAL.—If a depreciation deduction is allowable under subsection (a) with respect to any computer software, such deduction shall be computed by using the straight line method and a useful life of 36 months.

"(B) COMPUTER SOFTWARE.—For purposes of this section, the term 'computer software' has the meaning given to such term by section 197(e)(3)(B); except that such term shall not include any such software which is an amortizable section 197 intangible.

"(2) CERTAIN INTERESTS OR RIGHTS ACQUIRED SEPARATELY.—If a depreciation deduction is allowable under subsection (a) with respect to any property described in subparagraph (B), (C), or (D) of section 197(e)(4), such deduction shall be computed in accordance with regulations prescribed by the Secretary."

(2) ALLOCATION OF BASIS IN CASE OF LEASED PROPERTY.—Subsection (c) of section 167 is amended to read as follows:

"(c) BASIS FOR DEPRECIATION.—

"(1) IN GENERAL.—The basis on which exhaustion, wear and tear, and obsolescence are to be allowed in respect of any property shall be the adjusted basis provided in section 1011, for the purpose of determining the gain on the sale or other disposition of such property.

"(2) SPECIAL RULE FOR PROPERTY SUBJECT TO LEASE.—If any property is acquired subject to a lease—

"(A) no portion of the adjusted basis shall be allocated to the leasehold interest, and

"(B) the entire adjusted basis shall be taken into account in determining the depreciation deduction (if any) with respect to the property subject to the lease."

(c) AMENDMENTS TO SECTION 1253.—Subsection (d) of section 1253 is amended by striking paragraphs (2), (3), (4), and (5) and inserting the following:

"(2) OTHER PAYMENTS.—Any amount paid or incurred on account of a transfer, sale, or other disposition of a franchise, trademark, or trade name to which paragraph (1) does not apply shall be treated as an amount chargeable to capital account.

"(3) RENEWALS, ETC.—For purposes of determining the term of a transfer agreement under this section, there shall be taken into account all renewal options (and any other period for which the parties reasonably expect the agreement to be renewed)."

(d) AMENDMENT TO SECTION 848.—Subsection (g) of section 848 is amended by striking "this section" and inserting "this section or section 197".

(e) AMENDMENTS TO SECTION 1060.—

(1) Paragraph (1) of section 1060(b) is amended by striking "goodwill or going concern value" and inserting "section 197 intangibles".

(2) Paragraph (1) of section 1060(d) is amended by striking "goodwill or going concern value (or similar items)" and inserting "section 197 intangibles".

(f) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Subsection (g) of section 167 (as redesignated by subsection (b)) is amended to read as follows:

"(g) CROSS REFERENCES.—

"(1) For additional rule applicable to depreciation of improvements in the case of mines, oil and gas wells, other natural deposits, and timber, see section 611.

"(2) For amortization of goodwill and certain other intangibles, see section 197."

(2) Subsection (f) of section 642 is amended by striking "section 169" and inserting "sections 169 and 197".

(3) Subsection (a) of section 1016 is amended by striking paragraph (19) and by redesignating the following paragraphs accordingly.

(4) Subparagraph (C) of section 1245(a)(2) is amended by striking "193, or 1253(d) (2) or (3)" and inserting "or 193".

(5) Paragraph (3) of section 1245(a) is amended by striking "section 185 or 1253(d) (2) or (3)".

(6) The table of sections for part VI of subchapter B of chapter 1 is amended by adding at the end thereof the following new item:

"Sec. 197. Amortization of goodwill and certain other intangibles.".

(g) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply with respect to property acquired after the date of the enactment of this Act.

(2) ELECTION TO HAVE AMENDMENTS APPLY TO PROPERTY ACQUIRED AFTER JULY 25, 1991.—

(A) IN GENERAL.—If an election under this paragraph applies to the taxpayer—

(i) the amendments made by this section shall apply to property acquired by the taxpayer after July 25, 1991,

(ii) subsection (c)(1)(A) of section 197 of the Internal Revenue Code of 1986 (as added by this section) (and so much of subsection (f)(9)(A) of such section 197 as precedes clause (i) thereof) shall be applied with respect to the taxpayer by treating July 25, 1991, as the date of the enactment of such section, and

(iii) in applying subsection (f)(9) of such section, with respect to any property acquired by the taxpayer on or before the date of the enactment of this Act, only holding or use on July 25, 1991, shall be taken into account.

(B) ELECTION.—An election under this paragraph shall be made at such time and in such manner as the Secretary of the Treasury or his delegate may prescribe. Such an election by any taxpayer, once made—

(i) may be revoked only with the consent of the Secretary, and

(ii) shall apply to the taxpayer making such election and any other taxpayer under common control with the taxpayer (within the meaning of subparagraphs (A) and (B) of section 41(f)(1) of such Code) at any time after November 22, 1991, and on or before the date on which such election is made.

(3) ELECTIVE BINDING CONTRACT EXCEPTION.—

(A) IN GENERAL.—The amendments made by this section shall not apply to any acquisition of property by the taxpayer if—

(i) such acquisition is pursuant to a written binding contract in effect on the date of the enactment of this Act and at all times thereafter before such acquisition,

(ii) an election under paragraph (2) does not apply to the taxpayer, and

(iii) the taxpayer makes an election under this paragraph with respect to such contract.

(B) ELECTION.—An election under this paragraph shall be made at such time and in such manner as the Secretary of the Treasury or his delegate shall prescribe. Such an election, once made—

(i) may be revoked only with the consent of the Secretary, and

(ii) shall apply to all property acquired pursuant to the contract with respect to which such election was made.

(h) ANNUAL REPORTS.—The Secretary of the Treasury shall submit annual reports to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate on the implementation and effects of the amendments made by this section, including the effects of such amendments on merger and acquisition activities. The first such annual report shall be submitted on or before December 31, 1994.

(i) ANNUAL REPORTS ON OUTSTANDING CASES.—The Secretary of the Treasury shall submit annual reports to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate regarding the volume of cases still outstanding that involve disputes regarding the amortization of intangibles, progress made in resolving such cases, efforts made to coordinate settlement proceedings, and factors inhibiting the resolution of such cases. The report shall also address the impact of the amendments made by this section on the volume of disputes regarding the amortization of intangibles. The first such annual report shall be submitted on or before December 31, 1994.

SEC. 14262. TREATMENT OF CERTAIN PAYMENTS TO RETIRED OR DECEASED PARTNER.

(a) SECTION 736(b) NOT TO APPLY IN CERTAIN CASES.—Subsection (b) of section 736 (relating to payments for interest in partnership) is amended by adding at the end thereof the following new paragraph:

"(3) LIMITATION ON APPLICATION OF PARAGRAPH (2).—Paragraph (2) shall apply only if—

"(A) capital is not a material income-producing factor for the partnership, and

"(B) the retiring or deceased partner was a general partner in the partnership."

(b) LIMITATION ON DEFINITION OF UNREALIZED RECEIVABLES.—

(1) IN GENERAL.—Subsection (c) of section 751 (defining unrealized receivables) is amended—

(A) by striking "sections 731, 736, and 741" each place they appear and inserting ", sections 731 and 741 (but not for purposes of section 736)", and

(B) by striking "section 731, 736, or 741" each place it appears and inserting "section 731 or 741".

(2) TECHNICAL AMENDMENTS.—

(A) Subsection (e) of section 751 is amended by striking "sections 731, 736, and 741" and inserting "sections 731 and 741".

(B) Section 736 is amended by striking subsection (c).

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply in the case of partners retiring or dying on or after January 5, 1993.

(2) BINDING CONTRACT EXCEPTION.—The amendments made by this section shall not apply to any partner retiring on or after January 5, 1993, if a written contract to purchase such partner's interest in the partnership was binding on January 4, 1993, and at all times thereafter before such purchase.

PART VII—MISCELLANEOUS PROVISIONS

SEC. 14271. SUBSTANTIATION REQUIREMENT FOR DEDUCTION OF CERTAIN CHARITABLE CONTRIBUTIONS.

(a) SUBSTANTIATION REQUIREMENT.—Section 170(f) (providing special rules relating to the deduction of charitable contributions and gifts) is amended by adding at the end the following new paragraph:

"(8) SUBSTANTIATION REQUIREMENT FOR CERTAIN CONTRIBUTIONS.—

"(A) GENERAL RULE.—No deduction shall be allowed under subsection (a) for any contribution of $750 or more unless the taxpayer substantiates the contribution by a contemporaneous written acknowledgment of the contribution by the donee organization that meets the requirements of subparagraph (B).

"(B) CONTENT OF ACKNOWLEDGMENT.—An acknowledgment meets the requirements of this subparagraph if it provides information sufficient to substantiate the amount of the deductible contribution. If the contribution was made by means of a payment part of which constituted consideration for goods or services provided by the donee organization, the acknowledgment must provide a good faith estimate of the value of such goods or services.

"(C) CONTEMPORANEOUS.—For purposes of subparagraph (A), an acknowledgment shall be considered to be contemporaneous if the taxpayer obtains the acknowledgment on or before the earlier of—

"(i) the date on which the taxpayer files a return for the taxable year in which the contribution was made, or

"(ii) the due date (including extensions) for filing such return.

"(D) SUBSTANTIATION NOT REQUIRED FOR CONTRIBUTIONS REPORTED BY THE DONEE ORGANIZATION.—Subparagraph (A) shall not apply to a contribution if the donee organization files a return, on such form and in accordance with such regulations as the Secretary may prescribe, which includes the information described in subparagraph (B) with respect to the contribution.

"(E) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this paragraph, including regulations that may provide that some or all of the requirements of this paragraph do not apply in appropriate cases."

(b) EFFECTIVE DATE.—The provisions of this section shall apply to contributions made on or after January 1, 1994.

SEC. 14272. DISCLOSURE RELATED TO QUID PRO QUO CONTRIBUTIONS.

(a) DISCLOSURE REQUIREMENT.—Subchapter B of chapter 61 (relating to information and returns) is amended by redesignating section 6115 as section 6116 and by inserting after section 6114 the following new section:

"SEC. 6115. DISCLOSURE RELATED TO QUID PRO QUO CONTRIBUTIONS.

"(a) DISCLOSURE REQUIREMENT.—If an organization described in section 170(c) (other than paragraph (1) thereof) receives a quid pro quo contribution, the organization shall, in connection with the solicitation or receipt of the contribution—

"(1) inform the donor that the amount of the contribution that is deductible for Federal income tax purposes is limited to the excess of the amount of any money and the value of any property other than money contributed by the donor over the value of the goods or services provided by the organization, and

"(2) provide the donor with a good faith estimate of the value of such goods or services.

"(b) QUID PRO QUO CONTRIBUTION.—For purposes of this section, the term 'quid pro quo contribution' means a payment made partly as a contribution and partly in consideration for goods or services provided to the payor by the donee organization."

(b) PENALTY FOR FAILURE TO DISCLOSE.—Part I of subchapter B of chapter 68 (relating to assessable penalties) is amended by inserting after section 6713 the following new section:

"SEC. 6714. FAILURE TO MEET DISCLOSURE REQUIREMENTS APPLICABLE TO QUID PRO QUO CONTRIBUTIONS.

"(a) IMPOSITION OF PENALTY.—If an organization fails to meet the disclosure requirement of section 6115 with respect to a quid pro quo contribution, such organization shall pay a penalty of $10 for each contribution in respect of which the organization fails to make the required disclosure, except that the total penalty imposed by this subsection with respect to a particular fundraising event or mailing shall not exceed $5,000.

"(b) REASONABLE CAUSE EXCEPTION.—No penalty shall be imposed under this section with respect to any failure if it is shown that such failure is due to reasonable cause."

(c) CLERICAL AMENDMENTS.—

(1) The table for subchapter B of chapter 61 is amended by striking the item relating to section 6115 and inserting the following new item:

"Sec. 6115. Disclosure related to quid pro quo contributions.

"Sec. 6116. Cross reference."

(2) The table for part I of subchapter B of chapter 68 is amended by inserting after the item for section 6713 the following new item:

"Sec. 6714. Failure to meet disclosure requirements applicable to quid pro quo contributions."

(d) EFFECTIVE DATE.—The provisions of this section shall apply to quid pro quo contributions made on or after January 1, 1994.

SEC. 14273. DISALLOWANCE OF INTEREST ON CERTAIN OVERPAYMENTS OF TAX.

(a) GENERAL RULE.—Subsection (e) of section 6611 is amended to read as follows:

"(e) DISALLOWANCE OF INTEREST ON CERTAIN OVERPAYMENTS.—

"(1) REFUNDS WITHIN 45 DAYS AFTER RETURN IS FILED.—If any overpayment of tax imposed by this title is refunded within 45 days after the last day prescribed for filing the return of such tax (determined without regard to any extension of time for filing the return) or, in the case of a return filed after such last date, is refunded within 45 days after the date the return is filed, no interest shall be allowed under subsection (a) on such overpayment.

"(2) REFUNDS AFTER CLAIM FOR CREDIT OR REFUND.—If—

"(A) the taxpayer files a claim for a credit or refund for any overpayment of tax imposed by this title, and

"(B) such overpayment is refunded within 45 days after such claim is filed,

no interest shall be allowed on such overpayment from the date the claim is filed until the day the refund is made.

"(3) IRS INITIATED ADJUSTMENTS.—If an adjustment initiated by the Secretary, results in a refund or credit of an overpayment, interest on such overpayment shall be computed by subtracting 45 days from the number of days interest would otherwise be allowed with respect to such overpayment."

(b) EFFECTIVE DATES.—

(1) Paragraph (1) of section 6611(e) of the Internal Revenue Code of 1986 (as amended by subsection (a)) shall apply in the case of returns the due date for which (determined without regard to extensions) is on or after January 1, 1994.

(2) Paragraph (2) of section 6611(e) of such Code (as so amended) shall apply in the case of claims for credit or refund of any overpayment filed on or after January 1, 1995, regardless of the taxable period to which such refund relates.

(3) Paragraph (3) of section 6611(e) of such Code (as so amended) shall apply in the case of any refund paid on or after January 1, 1995, regardless of the taxable period to which such refund relates.

SEC. 14274. DENIAL OF DEDUCTION RELATING TO TRAVEL EXPENSES.

(a) IN GENERAL.—Section 274(m) (relating to additional limitations on travel expenses) is amended by adding at the end thereof the following new paragraph:

"(3) TRAVEL EXPENSES OF SPOUSE, DEPENDENT, OR OTHERS.—No deduction shall be allowed under this chapter (other than section 217) for travel expenses paid or incurred with respect to a spouse, dependent, or other individual accompanying the taxpayer (or an officer or employee of the taxpayer) on business travel, unless—

"(A) the spouse, dependent, or other individual is an employee of the taxpayer,

"(B) the travel of the spouse, dependent, or other individual is for a bona fide business purpose, and

"(C) such expenses would otherwise be deductible by the spouse, dependent, or other individual."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to amounts paid or incurred after December 31, 1993.

SEC. 14275. INCREASE IN WITHHOLDING FROM SUPPLEMENTAL WAGE PAYMENTS.

If an employer elects under Treasury Regulation 31.3402 (g)-1 to determine the amount to be deducted and withheld from any supplemental wage payment by using a flat percentage rate, the rate to be used in determining the amount to be so deducted and withheld shall not be less than 28 percent. The preceding sentence shall apply to payments made after December 31, 1993.

Subtitle C—Empowerment Zones and Enterprise Communities, Etc.

PART I—EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES

SEC. 14301. DESIGNATION AND TREATMENT OF EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES.

(a) IN GENERAL.—Chapter 1 (relating to normal taxes and surtaxes) is amended by inserting after subchapter T the following new subchapter:

"Subchapter U—Designation and Treatment of Empowerment Zones and Enterprise Communities

"Part I. Designation.

"Part II. Incentives for empowerment zones and enterprise communities.

"Part III. Additional incentives for empowerment zones.

"Part IV. Regulations.

"PART I—DESIGNATION

"Sec. 1391. Designation procedure.

"Sec. 1392. Eligibility criteria.

"Sec. 1393. Definitions and special rules.

"SEC. 1391. DESIGNATION PROCEDURE.

"(a) IN GENERAL.—From among the areas nominated for designation under this section, the appropriate Secretaries may, in consultation with the Enterprise Board, designate empowerment zones and enterprise communities.

"(b) NUMBER OF DESIGNATIONS.—

"(1) ENTERPRISE COMMUNITIES.—The appropriate Secretaries may designate in the aggregate 100 nominated areas as enterprise communities under this section, subject to the availability of eligible nominated areas. Of that number, not more than 65 may be designated in urban areas, not more than 30 may be designated in rural areas, and not more than 5 may be designated by the Secretary of the Interior in Indian reservations.

"(2) EMPOWERMENT ZONES.—The appropriate Secretaries may designate in the aggregate 10 nominated areas as empowerment zones under this section, subject to the availability of eligible nominated areas. Of that number, not more than 6 may be designated in urban areas, not more than 3 may be designated in rural areas, and not more than 1 may be designated by the Secretary of the Interior in an Indian reservation. If 6 empowerment zones are designated in urban areas, no less than 1 shall be designated in an urban area the most populous city of which has a population of 500,000 or less. The Secretary of Housing and Urban Development shall designate empowerment zones located in urban areas in such a manner that the aggregate population of all such zones does not exceed 750,000.

"(c) PERIOD DESIGNATIONS MAY BE MADE.—A designation may be made under this section only after 1993 and before 1996.

"(d) PERIOD FOR WHICH DESIGNATION IS IN EFFECT.—

"(1) IN GENERAL.—Any designation under this section shall remain in effect during the period beginning on the date of the designation and ending on the earliest of—

"(A) the close of the 10th calendar year beginning on or after such date of designation,

"(B) the termination date designated by the State and local governments as provided for in their nomination, or

"(C) the date the appropriate Secretary revokes the designation.

"(2) REVOCATION OF DESIGNATION.—

"(A) IN GENERAL.—The appropriate Secretary, in consultation with the Enterprise Board, may revoke the designation under this section of an area if such Secretary determines that the local government or the State in which it is located—

"(i) has modified the boundaries of the area, or

"(ii) is not complying substantially with, or fails to make progress in achieving the benchmarks set forth in, the strategic plan under subsection (f)(2).

"(B) APPLICABLE PROCEDURES.—A designation may be revoked by the appropriate Secretary under subparagraph (A) only after a hearing on the record involving officials of the State or local government involved.

"(e) LIMITATIONS ON DESIGNATIONS.—An area may be designated under subsection (a) only if—

"(1) the area is nominated by 1 or more local governments and the State or States in which it is located for designation under this section,

"(2) such State or States and the local governments have the authority—

"(A) to nominate the area for designation under this section, and

"(B) to provide the assurances described in paragraph (3),

"(3) such State or States and the local governments provide written assurances satisfactory to the appropriate Secretary that the strategic plan described in the application under subsection (f)(2) for such area will be implemented,

"(4) the appropriate Secretary determines that any information furnished is reasonably accurate, and

"(5) such State or States and local governments certify that no portion of the area nominated is already included in an empowerment zone or in an enterprise community or in an area otherwise nominated to be designated under this section.

"(f) APPLICATION.—An application for designation as an empowerment zone or as an enterprise community shall—

"(1) demonstrate that the nominated area satisfies the eligibility criteria described in section 1392,

"(2) include a strategic plan for accomplishing the purposes of this subchapter that—

"(A) describes the coordinated economic, human, community, and physical development plan and related activities proposed for the nominated area,

"(B) describes the process by which the affected community is a full partner in the process of developing and implementing the plan and the extent to which local institutions and organizations have contributed to the planning process,

"(C) identifies the amount of State, local, and private resources that will be available in the nominated area and the private/public partnerships to be used, which may include participation by, and cooperation with, universities, medical centers, and other private and public entities,

"(D) identifies the funding requested under any Federal program in support of the proposed economic, human, community, and physical development and related activities,

"(E) identifies baselines, methods, and benchmarks for measuring the success of carrying out the strategic plan, including the extent to which poor persons and families will be empowered to become economically self-sufficient, and

"(F) does not include any action to assist any establishment in relocating from one area outside the nominated area to the nominated area, except that assistance for the expansion of an existing business entity through the establishment of a new branch, affiliate, or subsidiary is permitted if—

"(i) the establishment of the new branch, affiliate, or subsidiary will not result in a decrease in employment in the area of original location or in any other area where the existing business entity conducts business operations, and

"(ii) there is no reason to believe that the new branch, affiliate, or subsidiary is being established with the intention of closing down the operations of the existing business entity in the area of its original location or in any other area where the existing business entity conducts business operation, and

"(3) include such other information as may be required by the appropriate Secretary or the Enterprise Board.

"SEC. 1392. ELIGIBILITY CRITERIA.

"(a) IN GENERAL.—A nominated area shall be eligible for designation under section 1391 only if it meets the following criteria:

"(1) POPULATION.—The nominated area has a maximum population of—

"(A) in the case of an urban area, the lesser of—

"(i) 200,000, or

"(ii) the greater of 50,000 or 10 percent of the population of the most populous city located within the nominated area, and

"(B) in the case of a rural area, 30,000.

"(2) DISTRESS.—The nominated area is one of pervasive poverty, unemployment, and general distress.

"(3) SIZE.—The nominated area—

"(A) does not exceed 20 square miles if an urban area or 1,000 square miles if a rural area or an Indian reservation,

"(B) has a boundary which is continuous, or, except in the case of a rural area located in more than 1 State, consists of not more than 3 noncontiguous parcels,

"(C)(i) in the case of an urban area, is located entirely within no more than 2 contiguous States, and

"(ii) in the case of a rural area, is located entirely within no more than 3 contiguous States, and

"(D) does not include any portion of a central business district (as such term is used for purposes of the most recent Census of Retail Trade) unless the poverty rate for each population census tract in such district is not less than 35 percent (30 percent in the case of an enterprise community).

"(4) POVERTY RATE.—The poverty rate—

"(A) for each population census tract within the nominated area is not less than 20 percent,

"(B) for at least 90 percent of the population census tracts within the nominated area is not less than 25 percent, and

"(C) for at least 50 percent of the population census tracts within the nominated area is not less than 35 percent.

"(b) SPECIAL RULES RELATING TO DETERMINATION OF POVERTY RATE.—For purposes of subsection (a)(4)—

"(1) TREATMENT OF CENSUS TRACTS WITH SMALL POPULATIONS.—

"(A) TRACTS WITH NO POPULATION.—In the case of a population census tract with no population—

"(i) such tract shall be treated as having a poverty rate which meets the requirements of subparagraphs (A) and (B) of subsection (a)(4), but

"(ii) such tract shall be treated as having a zero poverty rate for purposes of applying subparagraph (C) thereof.

"(B) TRACTS WITH POPULATIONS OF LESS THAN 2,000.—A population census tract with a population of less than 2,000 shall be treated as having a poverty rate which meets the requirements of subparagraphs (A) and (B) of subsection (a)(4) if more than 75 percent of such tract is zoned for commercial or industrial use.

"(2) DISCRETION TO ADJUST REQUIREMENTS.—Where necessary to carry out the purposes of this subchapter, the appropriate Secretary may reduce by 5 percentage points one of the following thresholds for not more than 10 percent of the population census tracts (or, if fewer, 5 population census tracts) in the nominated area:

"(A) The 20 percent threshold in subsection (a)(4)(A).

"(B) The 25 percent threshold in subsection (a)(4)(B).

"(C) The 35 percent threshold in subsection (a)(4)(C).

If the appropriate Secretary elects to reduce the threshold under subparagraph (C) for an enterprise community, such Secretary may (in lieu of applying the preceding sentence) reduce by 10 percentage points the threshold under subparagraph (C) for 3 population census tracts.

"(3) EACH NONCONTIGUOUS AREA MUST SATISFY POVERTY RATE RULE.—A nominated area may not include a noncontiguous parcel unless such parcel separately meets (subject to paragraphs (1) and (2)) the criteria set forth in subsection (a)(4).

"(4) AREAS NOT WITHIN CENSUS TRACTS.—In the case of an area which is not tracted for population census tracts, the equivalent county divisions (as defined by the Bureau of the Census for purposes of defining poverty areas) shall be used for purposes of determining poverty rates.

"(c) FACTORS TO CONSIDER.—From among the nominated areas eligible for designation under section 1391 by the appropriate Secretary, such appropriate Secretary shall make designations of empowerment zones and enterprise communities on the basis of—

"(1) the effectiveness of the strategic plan submitted pursuant to section 1391(f)(2) and the assurances made pursuant to section 1391(e)(3), and

"(2) criteria specified by the Enterprise Board.

"SEC. 1393. DEFINITIONS AND SPECIAL RULES.

"(a) IN GENERAL.—For purposes of this subchapter—

"(1) APPROPRIATE SECRETARY.—The term 'appropriate Secretary' means—

"(A) the Secretary of Housing and Urban Development in the case of any nominated area which is located in an urban area,

"(B) the Secretary of Agriculture in the case of any nominated area which is located in a rural area, and

"(C) the Secretary of the Interior in the case of any nominated area which is located in an Indian reservation.

"(2) ENTERPRISE BOARD.—The term 'Enterprise Board' means any board hereafter established and designated for purposes of this subchapter as the 'Enterprise Board'.

"(3) RURAL AREA.—The term 'rural area' means any area which is—

"(A) outside of a metropolitan statistical area (within the meaning of section 143(k)(2)(B)), or

"(B) determined by the Secretary of Agriculture, after consultation with the Secretary of Commerce, to be a rural area.

"(4) URBAN AREA.—The term 'urban area' means an area which is not a rural area.

"(5) INDIAN RESERVATION.—

"(A) IN GENERAL.—The term 'Indian reservation' means a reservation as defined in—

"(i) section 3(d) of the Indian Financing Act of 1974 (25 U.S.C. 1452(d)), or

"(ii) section 4(10) of the Indian Child Welfare Act of 1978 (25 U.S.C. 1903(10)).

"(B) GOVERNMENTS.—In the case of an area in an Indian reservation, the reservation governing body (as determined by the Secretary of the Interior) shall be deemed to be both the State and local governments with respect to such area.

"(6) LOCAL GOVERNMENT.—The term 'local government' means—

"(A) any county, city, town, township, parish, village, or other general purpose political subdivision of a State, and

"(B) any combination of political subdivisions described in subparagraph (A) recognized by the appropriate Secretary.

"(7) NOMINATED AREA.—The term 'nominated area' means an area which is nominated by 1 or more local governments and the State or States in which it is located for designation under section 1391.

"(8) GOVERNMENTS.—If more than 1 State or local government seeks to nominate an area as a tax enterprise zone, any reference to, or requirement of, this subchapter shall apply to all such governments.

"(9) SPECIAL RULE.—An area shall be treated as nominated by a State and a local government if it is nominated by such other entity as may be specified by the Enterprise Board.

"(10) USE OF CENSUS DATA.—Population and poverty rate shall be determined by the most recent decennial census data available.

"(b) EMPOWERMENT ZONE; ENTERPRISE COMMUNITY.—For purposes of this title, the terms 'empowerment zone' and 'enterprise community' mean areas designated as such under section 1391.

"PART II—INCENTIVES FOR EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES

"Sec. 1394. Incentives.

"SEC. 1394. INCENTIVES.

"(a) INCREASE IN LOW INCOME HOUSING CREDIT.—For purposes of section 42(d)(5)(C), a building shall be treated as located in a qualified census tract if—

"(1) such building is located in a census tract having a poverty rate of at least 30 percent (determined in accordance with section 1393(a)(10)), and

"(2) such building is located in an empowerment zone or an enterprise community.

“(b) TAX EXEMPT ENTERPRISE ZONE FACILITY BONDS.—

“(1) IN GENERAL.—For purposes of part IV of subchapter B of chapter 1 (relating to tax exemption requirements for State and local bonds), the term ‘exempt facility bond’ includes any bond issued as part of an issue 95 percent or more of the net proceeds (as defined in section 150(a)(3)) of which are to be used to provide any enterprise zone facility.

“(2) ENTERPRISE ZONE FACILITY.—For purposes of this subsection—

“(A) IN GENERAL.—The term ‘enterprise zone facility’ means any qualified zone property the principal user of which is an enterprise zone business (as defined in section 1397D), and any land which is functionally related and subordinate to such property.

“(B) QUALIFIED ZONE PROPERTY.—The term ‘qualified zone property’ has the meaning given such term by section 1397B(c); except that—

“(i) section 1397B(c)(3) shall not apply, and

“(ii) the references to empowerment zones shall be treated as including references to enterprise communities.

“(3) LIMITATION ON AMOUNT OF BONDS.—

“(A) IN GENERAL.—Paragraph (1) shall not apply to any issue if the aggregate amount of outstanding enterprise zone facility bonds allocable to any enterprise zone business (taking into account such issue) exceeds—

“(i) $3,000,000 with respect to any 1 empowerment zone or enterprise community, or

“(ii) $20,000,000 with respect to all empowerment zones and enterprise communities.

“(B) AGGREGATE ENTERPRISE ZONE FACILITY BOND BENEFIT.—For purposes of subparagraph (A), the aggregate amount of outstanding enterprise zone facility bonds allocable to any business shall be determined under rules similar to the rules of section 144(a)(10), taking into account only bonds to which paragraph (1) applies.

“(4) ACQUISITION OF LAND AND EXISTING PROPERTY PERMITTED.—The requirements of sections 147(c)(1)(A) and 147(d) shall not apply to any bond described in paragraph (1).

“(5) PARTIAL EXEMPTION FROM VOLUME CAP.—Only for purposes of section 146, the term ‘private activity bond’ shall not include 50 percent of any bond issued as part of an issue described in paragraph (1).

“(6) PENALTY FOR CEASING TO MEET REQUIREMENTS.—

“(A) FAILURES CORRECTED.—An issue which fails to meet 1 or more of the requirements of paragraphs (1) and (2) shall be treated as meeting such requirements if—

“(i) the issuer and any principal user in good faith attempted to meet such requirements, and

“(ii) any failure to meet such requirements is corrected within a reasonable period after such failure is first discovered.

“(B) LOSS OF DEDUCTIONS WHERE FACILITY CEASES TO BE QUALIFIED.—No deduction shall be allowed under this chapter for interest on any financing provided from any bond to which paragraph (1) applies with respect to any facility to the extent such interest accrues during the period beginning on the first day of the calendar year which includes the date on which—

“(i) substantially all of the facility with respect to which the financing was provided ceases to be used in an empowerment zone or enterprise community, or

“(ii) the principal user of such facility ceases to be an enterprise zone business (as defined in section 1397D, but treating references to empowerment zones as including references to enterprise communities).

“(C) EXCEPTION IF ZONE CEASES.—Subparagraphs (A) and (B) shall not apply solely by reason of the termination or revocation of a designation as an empowerment zone or an enterprise community.

“(D) EXCEPTION FOR BANKRUPTCY.—Subparagraphs (A) and (B) shall not apply to any cessation resulting from bankruptcy.

“(c) ENTERPRISE ZONE FACILITY BONDS NOT SUBJECT TO INTEREST DEDUCTION LIMITATIONS ON FINANCIAL INSTITUTIONS.—Any tax-exempt bond described in subsection (b)(1)—

“(1) shall be treated as acquired before August 8, 1986, for purposes of sections 265(b) and 291(e)(1)(B), and

“(2) shall not be taken into account in determining whether any issuer is a qualified small issuer for purposes of section 265(b).

“(d) ADDITIONAL LOW-INCOME HOUSING CREDIT AMOUNT.—

“(1) IN GENERAL.—Each State which includes any empowerment zone or enterprise community shall receive an additional State housing credit ceiling amount for purposes of section 42 of $818,000 for each such zone or community.

“(2) ADDITIONAL AMOUNT MUST BE ALLOCATED TO BUILDINGS IN DESIGNATED AREAS.—

“(A) IN GENERAL.—The portion of the additional amount received under paragraph (1) by reason of any empowerment zone or enterprise community which may be applied to increase the State housing credit ceiling for any calendar year shall not exceed the lesser of—

“(i) the unused portion of such additional amount with respect to such zone or community, or

“(ii) the aggregate housing credit dollar amount allocated from such ceiling for such year to buildings located in such zone or community.

“(B) UNUSED PORTION.—For purposes of subparagraph (A), the unused portion for any calendar year of the additional amount received under paragraph (1) is the amount equal to the excess of—

“(i) the additional amount received under paragraph (1) by the State by reason of the zone or community, over

“(ii) the aggregate of the increases in the State housing credit ceiling by reason of such amount for all prior calendar years.

“(3) AVAILABILITY OF ADDITIONAL AMOUNT.—None of the additional amount received under paragraph (1) may be applied after 1996.

“(4) AREAS LOCATED IN MORE THAN 1 STATE.—In the case of an empowerment zone or enterprise community which is located in more than 1 State, the $818,000 amount shall be allocated among such States in proportion to the population of such zone or community which is within each such State.

“(5) ZONES LOCATED IN CONSTITUTIONAL HOME RULE CITIES.—If any empowerment zone or enterprise community is located in a constitutional home rule city (as defined in section 42(h)(4)(E)), the additional amount received under paragraph (1) shall be allocated to such city and shall not be taken into account in determining such city's share of the State housing credit ceiling under section 42(h)(4)(E).

“PART III—ADDITIONAL INCENTIVES FOR EMPOWERMENT ZONES

“SUBPART A. Empowerment zone employment credit.

“SUBPART B. Zone resident empowerment savings credit.

“SUBPART C. Depreciation and other incentives.

“Subpart A—Empowerment Zone Employment Credit

“Sec. 1396. Empowerment zone employment credit.

“Sec. 1397. Other definitions and special rules.

“SEC. 1396. EMPOWERMENT ZONE EMPLOYMENT CREDIT.

“(a) AMOUNT OF CREDIT.—For purposes of section 38, the amount of the empowerment zone employment credit determined under this section with respect to any employer for any taxable year is the applicable percentage of the qualified zone wages paid or incurred during the calendar year which ends with or within such taxable year.

“(b) APPLICABLE PERCENTAGE.—For purposes of this section, the term ‘applicable percentage’ means the percentage determined in accordance with the following table:

“In the case of wages paid or incurred during calendar year:	The applicable percentage is:
1994 through 2000	25
2001	20
2002	15
2003	10
2004	5

“(c) QUALIFIED ZONE WAGES.—

“(1) IN GENERAL.—For purposes of this section, the term ‘qualified zone wages’ means any wages paid or incurred by an employer for services performed by an employee while such employee is a qualified zone employee.

“(2) ONLY FIRST $20,000 OF WAGES PER YEAR TAKEN INTO ACCOUNT.—With respect to each qualified zone employee, the amount of qualified zone wages which may be taken into account for a calendar year shall not exceed $20,000.

“(3) COORDINATION WITH TARGETED JOBS CREDIT.—

“(A) IN GENERAL.—The term ‘qualified zone wages’ shall not include wages taken into account in determining the credit under section 51.

“(B) COORDINATION WITH PARAGRAPH (2).—The $20,000 amount in paragraph (2) shall be reduced for any calendar year by the amount of wages paid or incurred during such year which are taken into account in determining the credit under section 51.

“(d) QUALIFIED ZONE EMPLOYEE.—For purposes of this section—

“(1) IN GENERAL.—Except as otherwise provided in this subsection, the term ‘qualified zone employee’ means, with respect to any period, any employee of an employer if—

“(A) substantially all of the services performed during such period by such employee for such employer are performed within an empowerment zone in a trade or business of the employer, and

“(B) the principal place of abode of such employee while performing such services is within such empowerment zone.

“(2) CERTAIN INDIVIDUALS NOT ELIGIBLE.—The term ‘qualified zone employee’ shall not include—

“(A) any individual described in subparagraph (A), (B), or (C) of section 51(i)(1),

“(B) any 5-percent owner (as defined in section 416(i)(1)(B)),

“(C) any individual employed by the employer for less than 90 days,

“(D) any individual employed by the employer at any facility described in section 144(c)(6)(B), and

“(E) any individual employed by the employer in a trade or business the principal activity of which is farming (within the meaning of subparagraphs (A) or (B) of section 2032A(e)(5)), but only if, as of the close of the taxable year, the sum of—

"(i) the aggregate unadjusted bases (or, if greater, the fair market value) of the assets owned by the employer which are used in such a trade or business, and

"(ii) the aggregate value of assets leased by the employer which are used in such a trade or business (as determined under regulations prescribed by the Secretary), exceeds $500,000.

"(3) SPECIAL RULES RELATED TO TERMINATION OF EMPLOYMENT.—

"(A) IN GENERAL.—Paragraph (2)(C) shall not apply to—

"(i) a termination of employment of an individual who before the close of the period referred to in paragraph (2)(C) becomes disabled to perform the services of such employment unless such disability is removed before the close of such period and the taxpayer fails to offer reemployment to such individual, or

"(ii) a termination of employment of an individual if it is determined under the applicable State unemployment compensation law that the termination was due to the misconduct of such individual.

"(B) CHANGES IN FORM OF BUSINESS.—For purposes of paragraph (2)(C), the employment relationship between the taxpayer and an employee shall not be treated as terminated—

"(i) by a transaction to which section 381(a) applies if the employee continues to be employed by the acquiring corporation, or

"(ii) by reason of a mere change in the form of conducting the trade or business of the taxpayer if the employee continues to be employed in such trade or business and the taxpayer retains a substantial interest in such trade or business.

"SEC. 1397. OTHER DEFINITIONS AND SPECIAL RULES.

"(a) WAGES.—For purposes of this subpart—

"(1) IN GENERAL.—The term 'wages' has the same meaning as when used in section 51.

"(2) CERTAIN TRAINING AND EDUCATIONAL BENEFITS.—

"(A) IN GENERAL.—The following amounts shall be treated as wages paid to an employee:

"(i) Any amount paid or incurred by an employer which is excludable from the gross income of an employee under section 127, but only to the extent paid or incurred to a person not related to the employer.

"(ii) In the case of an employee who has not attained the age of 19, any amount paid or incurred by an employer for any youth training program operated by such employer in conjunction with local education officials.

"(B) RELATED PERSON.—A person is related to any other person if the person bears a relationship to such other person specified in section 267(b) or 707(b)(1), or such person and such other person are engaged in trades or businesses under common control (within the meaning of subsections (a) and (b) of section 52). For purposes of the preceding sentence, in applying section 267(b) or 707(b)(1), '10 percent' shall be substituted for '50 percent'.

"(b) CONTROLLED GROUPS.—For purposes of this subpart—

"(1) all employers treated as a single employer under subsection (a) or (b) of section 52 shall be treated as a single employer for purposes of this subpart, and

"(2) the credit (if any) determined under section 1396 with respect to each such employer shall be its proportionate share of the wages giving rise to such credit.

"(c) CERTAIN OTHER RULES MADE APPLICABLE.—For purposes of this subpart, rules similar to the rules of section 51(k) and subsections (c), (d), and (e) of section 52 shall apply.

"(d) NOTICE OF AVAILABILITY OF ADVANCE PAYMENT OF EARNED INCOME CREDIT.—Each employer shall take reasonable steps to notify all qualified zone employees of the availability to eligible individuals of receiving advanced payments of the credit under section 32 (relating to the earned income credit).

"Subpart B—Zone Resident Empowerment Savings Credit

"Sec. 1397A. Zone resident empowerment savings credit.

"SEC. 1397A. ZONE RESIDENT EMPOWERMENT SAVINGS CREDIT.

"(a) GENERAL RULE.—For purposes of section 38, the amount of the zone resident empowerment savings credit determined under this section with respect to any employer for any taxable year is 50 percent of the qualified savings contributions for the taxable year.

"(b) QUALIFIED SAVINGS CONTRIBUTIONS.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified savings contribution' means any contribution by an employer to a defined contribution plan—

"(A) which is made on behalf of an employee in connection with services performed by such employee while such employee is a qualified zone employee, and

"(B) with respect to which the employee has a nonforfeitable right.

"(2) LIMITATION BASED ON COMPENSATION.—

"(A) IN GENERAL.—The qualified savings contributions taken into account with respect to any qualified zone employee for any taxable year shall not exceed an amount equal to 2 percent of so much of the employee's compensation (as defined in section 414(s)) as does not exceed $35,000.

"(B) ZONE DESIGNATION IN EFFECT FOR PARTIAL YEAR.—If a designation of an area as an empowerment zone is in effect for less than the entire taxable year, the $35,000 amount under subparagraph (A) shall be ratably reduced to reflect the portion of the year such designation is not in effect.

"(3) CERTAIN CONTRIBUTIONS EXCLUDED.—The term 'qualified savings contribution' shall not include any contribution—

"(A) to a plan subject to the funding requirements of section 412,

"(B) to a tax credit employee stock ownership plan (as defined in section 409(a)) or to an employee stock ownership plan (as defined in section 4975(e)(7)),

"(C) to a stock bonus plan, or

"(D) which is an elective deferral (within the meaning of section 402(g)(3)).

"(4) SIMPLIFIED EMPLOYEE PENSION.—A contribution to an individual savings plan pursuant to a simplified employee pension (as defined in section 408(k)) shall be treated as a contribution to a defined contribution plan.

"(c) EMPLOYER REQUIREMENTS.—This section shall apply to an employer for any taxable year only if—

"(1) the employer elects the application of this section, and

"(2) the plan pursuant to which any qualified savings contribution is made provides that any contribution to such plan (whether or not a qualified savings contribution) may be withdrawn by a qualified zone employee as described in section 72(t)(2) (B) or (D).

"(d) DEFINITIONS.—For purposes of this section—

"(1) QUALIFIED ZONE EMPLOYEE.—The term 'qualified zone employee' has the meaning given such term by section 1396(d).

"(2) DEFINED CONTRIBUTION PLAN.—The term 'defined contribution plan' means a defined contribution plan (as defined in section 414(i)) which is described in section 401(a) and includes a trust exempt from tax under section 501(a).

"(e) TREATMENT OF PLANS.—A plan shall not be treated as failing to meet any requirement of part I of subchapter D of chapter 1 by reason of permitting withdrawals required to be permitted under subsection (c)(2).

"Subpart C—Depreciation and Other Incentives

"Sec. 1397B. Depreciation benefits.

"Sec. 1397C. Additional exclusion from volume cap for certain enterprise zone facility bonds.

"Sec. 1397D. Enterprise zone business.

"SEC. 1397B. DEPRECIATION BENEFITS.

"(a) INCREASE IN EXPENSING UNDER SECTION 179.—

"(1) IN GENERAL.—In the case of an enterprise zone business, for purposes of section 179—

"(A) qualified zone property shall be treated as section 179 property,

"(B) the limitation under section 179(b)(1) shall be increased by the lesser of—

"(i) $50,000, or

"(ii) the cost of qualified zone property placed in service during the taxable year, and

"(C) section 179(b)(2) shall be applied by substituting 'by one-half of the amount by which the cost of qualified zone property (other than real property) and other section 179 property' for 'by the amount by which the cost of section 179 property'.

"(b) ACCELERATED DEPRECIATION.—

"(1) IN GENERAL.—For purposes of section 168(a), with respect to qualified zone property of an enterprise zone business, the applicable recovery period shall be determined in accordance with the table contained in paragraph (2) in lieu of the table contained in section 168(c).

"(2) APPLICABLE RECOVERY PERIOD FOR QUALIFIED ZONE PROPERTY.—For purposes of paragraph (1)—

"In the case of:	The applicable recovery period is:
3-year property	2 years
5-year property	3 years
7-year property	4 years
10-year property	6 years
15-year property	9 years
20-year property	12 years
Nonresidential real property	22 years.

"(3) DEDUCTION ALLOWED IN COMPUTING MINIMUM TAX.—Paragraph (1) shall apply for purposes of determining alternative minimum taxable income under section 55.

"(c) QUALIFIED ZONE PROPERTY.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified zone property' means any property to which section 168 applies (or would apply but for section 179) if—

"(A) such property was acquired by the taxpayer by purchase (as defined in section 179(d)(2)) after the date on which the designation of the empowerment zone took effect,

"(B) the original use of which in an empowerment zone commences with the taxpayer, and

"(C) substantially all of the use of which is in an empowerment zone and is in the active conduct of a trade or business by the taxpayer in such zone.

"(2) SPECIAL RULE FOR SUBSTANTIAL RENOVATIONS.—In the case of any property which is substantially renovated by the taxpayer, the requirements of subparagraphs (A) and (B) of paragraph (1) shall be treated as satisfied. For purposes of the preceding sentence, property shall be treated as substantially renovated by the taxpayer if, during any 24-month period beginning after the date on which the designation of the empowerment zone took effect, additions to basis with respect to such property in the hands of the taxpayer exceed the greater of (i) an amount equal to the adjusted basis at the beginning of such 24-month period in the hands of the taxpayer, or (ii) $5,000.

"(3) EXCEPTION FOR ALTERNATIVE DEPRECIATION PROPERTY.—The term 'qualified zone property' does not include any property to which the alternative depreciation system under section 168(g) applies, determined—

"(A) without regard to section 168(g)(7) (relating to election to use alternative depreciation system), and

"(B) after the application of section 280F(b) (relating to listed property with limited business use).

"(d) SPECIAL RULES FOR SALE-LEASEBACKS.—For purposes of subsection (c)(1)(B), if property is sold and leased back by the taxpayer within 3 months after the date such property was originally placed in service, such property shall be treated as originally placed in service not earlier than the date on which such property is used under the leaseback.

"(e) RECAPTURE.—Rules similar to the rules under section 179(d)(10) shall apply with respect to any qualified zone property of any business which ceases to be an enterprise zone business.

"SEC. 1397C. ADDITIONAL EXCLUSION FROM VOLUME CAP FOR CERTAIN ENTERPRISE ZONE FACILITY BONDS.

"(a) IN GENERAL.—Section 1394(b)(5) shall be applied by substituting '75 percent' for '50 percent' in the case of any bond described in section 1394(b)(1) issued as part of an issue 95 percent or more of the net proceeds (as defined in section 150(a)(3)) of which are used to provide qualified zone property the principal user of which is any enterprise zone business if the ownership requirements of subsection (b) are met with respect to such business.

"(b) OWNERSHIP REQUIREMENTS.—The ownership requirements of this subsection are met with respect to an enterprise zone business if—

"(1) in the case of a sole proprietorship, the principal place of abode of the proprietor is in an empowerment zone,

"(2) in the case of a corporation, more than 50 percent of the stock (by vote and value) in the corporation is owned (directly or indirectly) by individuals whose principal place of abode is in an empowerment zone, and

"(3) in the case of a partnership, more than 50 percent of the capital and profits interests in the partnership is owned (directly or indirectly) by individuals whose principal place of abode is in an empowerment zone.

"SEC. 1397D. ENTERPRISE ZONE BUSINESS DEFINED.

"(a) IN GENERAL.—For purposes of this subpart, the term 'enterprise zone business' means—

"(1) any qualified business entity, and

"(2) any qualified proprietorship.

"(b) QUALIFIED BUSINESS ENTITY.—For purposes of this section, the term 'qualified business entity' means, with respect to any taxable year, any corporation or partnership if for such year—

"(1) every trade or business of such entity is the active conduct of a qualified business within an empowerment zone,

"(2) at least 80 percent of the total gross income of such entity is derived from the active conduct of such business,

"(3) substantially all of the use of the tangible property of such entity (whether owned or leased) is within an empowerment zone,

"(4) substantially all of the intangible property of such entity is used in, and exclusively related to, the active conduct of any such business,

"(5) substantially all of the services performed for such entity by its employees are performed in an empowerment zone,

"(6) at least 35 percent of its employees are residents of an empowerment zone,

"(7) less than 5 percent of the average of the aggregate unadjusted bases of the property of such entity is attributable to collectibles (as defined in section 408(m)(2)) other than collectibles that are held primarily for sale to customers in the ordinary course of such business, and

"(8) less than 5 percent of the average of the aggregate unadjusted bases of the property of such entity is attributable to nonqualified financial property.

"(c) QUALIFIED PROPRIETORSHIP.—For purposes of this section, the term 'qualified proprietorship' means, with respect to any taxable year, any qualified business carried on by an individual as a proprietorship if for such year—

"(1) at least 80 percent of the total gross income of such individual from such business is derived from the active conduct of such business in an empowerment zone,

"(2) substantially all of the use of the tangible property of such individual in such business (whether owned or leased) is within an empowerment zone,

"(3) substantially all of the intangible property of such business is used in, and exclusively related to, the active conduct of such business,

"(4) substantially all of the services performed for such individual in such business by employees of such business are performed in an empowerment zone,

"(5) at least 35 percent of such employees are residents of an empowerment zone,

"(6) less than 5 percent of the average of the aggregate unadjusted bases of the property of such individual which is used in such business is attributable to collectibles (as defined in section 408(m)(2)) other than collectibles that are held primarily for sale to customers in the ordinary course of such business, and

"(7) less than 5 percent of the average of the aggregate unadjusted bases of the property of such individual which is used in such business is attributable to nonqualified financial property.

For purposes of this subsection, the term 'employee' includes the proprietor.

"(d) QUALIFIED BUSINESS.—For purposes of this section—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, the term 'qualified business' means any trade or business.

"(2) RENTAL OF REAL PROPERTY.—The rental to others of real property located in an empowerment zone shall be treated as a qualified business if and only if—

"(A) the property is not residential rental property (as defined in section 168(e)(2)), and

"(B) at least 50 percent of the gross rental income from the real property is from enterprise zone businesses.

"(3) RENTAL OF TANGIBLE PERSONAL PROPERTY.—The rental to others of tangible personal property shall be treated as a qualified business if and only if substantially all of the rental of such property is by enterprise zone businesses or by residents of an empowerment zone.

"(4) TREATMENT OF BUSINESS HOLDING INTANGIBLES.—The term 'qualified business' shall not include any trade or business consisting predominantly of the development or holding of intangibles for sale or license.

"(5) CERTAIN BUSINESSES EXCLUDED.—The term 'qualified business' shall not include—

"(A) any trade or business consisting of the operation of any facility described in section 144(c)(6)(B), and

"(B) any trade or business the principal activity of which is farming (within the meaning of subparagraphs (A) or (B) of section 2032A(e)(5)), but only if, as of the close of the preceding taxable year, the sum of—

"(i) the aggregate unadjusted bases (or, if greater, the fair market value) of the assets owned by the taxpayer which are used in such a trade or business, and

"(ii) the aggregate value of assets leased by the taxpayer which are used in such a trade or business, exceeds $500,000.

For purposes of subparagraph (B), rules similar to the rules of section 1397(b) shall apply.

"(e) NONQUALIFIED FINANCIAL PROPERTY.—For purposes of this section, the term 'nonqualified financial property' means debt, stock, partnership interests, options, futures contracts, forward contracts, warrants, notional principal contracts, annuities, and other similar property specified in regulations; except that such term shall not include—

"(1) reasonable amounts of working capital held in cash, cash equivalents, or debt instruments with a term of 18 months or less, or

"(2) debt instruments described in section 1221(4).

"PART IV—REGULATIONS

"Sec. 1397E. Regulations.

"SEC. 1397E. REGULATIONS.

"The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of parts II and III, including—

"(1) regulations limiting the benefit of parts II and III in circumstances where such benefits, in combination with benefits provided under other Federal programs, would result in an activity being 100 percent or more subsidized by the Federal Government,

"(2) regulations preventing abuse of the provisions of parts II and III, and

"(3) regulations dealing with inadvertent failures of entities to be enterprise zone businesses."

(b) CLERICAL AMENDMENT.—The table of subchapters for chapter 1 is amended by inserting after the item relating to subchapter T the following new item:

"Subchapter U. Designation and treatment of empowerment zones and enterprise communities."

SEC. 14302. EXPANSION OF TARGETED JOBS CREDIT.

(a) ALLOWANCE OF CREDIT FOR HIRING EMPOWERMENT ZONE RESIDENT.—Paragraph (1) of section 51(d) (defining members of targeted groups) is amended by striking "or" at the end of subparagraph (I), by striking the period at the end of subparagraph (J) and inserting ", or", and by adding at the end the following new subparagraph:

"(K) an economically disadvantaged empowerment zone resident."

(b) ECONOMICALLY DISADVANTAGED EMPOWERMENT ZONE RESIDENT.—Section 51(d) is amended by redesignating paragraphs (13) through (16) as paragraphs (14) through (17), respectively, and by inserting after paragraph (12) the following new paragraph:

"(13) ECONOMICALLY DISADVANTAGED EMPOWERMENT ZONE RESIDENT.—The term 'economically disadvantaged empowerment zone resident' means an individual—

"(A) whose principal place of abode while performing services for the employer is within an empowerment zone, and

"(B) who is certified by the designated local agency as being a member of an economically disadvantaged family (as determined under paragraph (11)).

Such term shall not include a qualified zone employee (as defined in section 1396(d) without regard to paragraph (2) thereof)."

(c) CONFORMING AMENDMENT.—Subparagraph (C) of section 51(d)(12) is amended by striking "paragraph (14)" and inserting "paragraph (15)".

SEC. 14303. TECHNICAL AND CONFORMING AMENDMENTS.

(a) CERTAIN CREDITS PART OF GENERAL BUSINESS CREDIT.—

(1) Subsection (b) of section 38 (relating to current year business credit) is amended by striking "plus" at the end of paragraph (7), by striking the period at the end of paragraph (8) and inserting a comma, and by adding at the end the following new paragraphs:

"(9) the empowerment zone employment credit determined under section 1396(a), plus

"(10) the zone resident empowerment savings credit determined under section 1397A."

(2) Subsection (d) of section 39 is amended by adding at the end the following new paragraph:

"(4) ENTERPRISE ZONE CREDITS.—No portion of the unused business credit which is attributable to the credit determined under section 1396 (relating to empowerment zone employment credit) or section 1397A (relating to zone resident empowerment savings credit) may be carried to any taxable year ending before January 1, 1994."

(b) DENIAL OF DEDUCTION FOR PORTION OF WAGES EQUAL TO EMPOWERMENT ZONE EMPLOYMENT CREDIT.—

(1) Subsection (a) of section 280C (relating to rule for targeted jobs credit) is amended—

(A) by striking "the amount of the credit determined for the taxable year under section 51(a)" and inserting "the sum of the credits determined for the taxable year under sections 51(a) and 1396(a)", and

(B) by striking "TARGETED JOBS CREDIT" in the subsection heading and inserting "EMPLOYMENT CREDITS".

(2) Subsection (c) of section 196 (relating to deduction for certain unused business credits) is amended by striking "and" at the end of paragraph (4), by striking the period at the end of paragraph (5) and inserting ", and", and by adding at the end the following new paragraph:

"(6) the empowerment zone employment credit determined under section 1396(a)."

(c) EMPLOYMENT AND SAVINGS CREDITS MAY OFFSET 25 PERCENT OF MINIMUM TAX.—

(1) IN GENERAL.—Section 38(c) (relating to limitation based on amount of tax) is amended by redesignating paragraph (2) as paragraph (3) and by inserting after paragraph (1) the following new paragraph:

"(2) EMPOWERMENT ZONE CREDITS MAY OFFSET 25 PERCENT OF MINIMUM TAX.—

"(A) IN GENERAL.—In the case of the empowerment zone credits—

"(i) this section and section 39 shall be applied separately with respect to such credits, and

"(ii) for purposes of applying paragraph (1) to such credits—

"(I) 75 percent of the tentative minimum tax shall be substituted for the tentative minimum tax under subparagraph (A) thereof, and

"(II) the limitation under paragraph (1) (as modified by subclause (I)) shall be reduced by the credit allowed under subsection (a) for the taxable year (other than the empowerment zone credits).

"(B) EMPOWERMENT ZONE CREDITS.—For purposes of this paragraph, the term 'empowerment zone credits' means the portion of the credit under subsection (a) which is attributable to the credits determined under section 1396 (relating to empowerment zone employment credit) and section 1397A (relating to zone resident empowerment savings credit)."

(d) CHANGES RELATING TO EMPOWERMENT ZONE RESIDENT EMPOWERMENT SAVINGS CREDIT.—

(1) DISALLOWANCE OF DEDUCTION.—Section 404 (relating to deduction for certain employer contributions) is amended by adding at the end the following new subsection:

"(m) COORDINATION WITH EMPOWERMENT ZONE CREDIT.—No deduction shall be allowed under this section for any qualified employer contribution taken into account in computing the credit determined under section 1397A."

(2) PENALTY-FREE DISTRIBUTIONS.—

(A) IN GENERAL.—Paragraph (2) of section 72(t) (relating to exceptions to 10-percent additional tax on early distributions from qualified retirement plans) is amended by adding at the end thereof the following new subparagraph:

"(D) DISTRIBUTIONS FROM CERTAIN PLANS FOR FIRST HOME PURCHASES OR EDUCATIONAL EXPENSES.—

"(i) IN GENERAL.—Distributions to an individual from a qualified retirement plan—

"(I) which are qualified first-time homebuyer distributions (as defined in paragraph (6)),

"(II) to the extent such distributions do not exceed the qualified higher education expenses (as defined in paragraph (7)) of the taxpayer for the taxable year, or

"(III) to the extent such distributions do not exceed an amount equal to the aggregate investment made by the taxpayer during the taxable year in any enterprise zone business (as defined in section 1397D) that meets the ownership requirements of section 1397C(b).

"(ii) LIMITATION.—Clause (i) shall not apply to the extent that the aggregate amount of the distributions described in clause (i) is greater than the excess of—

"(I) the qualified savings contributions (as defined in section 1397A(b)) of the taxpayer, and any earnings thereon, over

"(II) the aggregate amounts to which clause (i) and the last sentence of paragraph (3)(A) applied for preceding taxable years."

(B) DEFINITIONS.—Section 72(t) is amended by adding at the end thereof the following new paragraphs:

"(6) QUALIFIED FIRST-TIME HOMEBUYER DISTRIBUTIONS.—For purposes of paragraph (2)(D)(i)(I)—

"(A) IN GENERAL.—The term 'qualified first-time homebuyer distribution' means any payment or distribution received by an individual to the extent such payment or distribution is used by the individual before the close of the 60th day after the day on which such payment or distribution is received to pay qualified acquisition costs with respect to a principal residence of a first-time homebuyer who is such individual or the spouse of such individual.

"(B) QUALIFIED ACQUISITION COSTS.—For purposes of this paragraph, the term 'qualified acquisition costs' means the costs of acquiring, constructing, or reconstructing a residence. Such term includes any usual or reasonable settlement, financing, or other closing costs.

"(C) FIRST-TIME HOMEBUYER; OTHER DEFINITIONS.—For purposes of this paragraph—

"(i) FIRST-TIME HOMEBUYER.—The term 'first-time homebuyer' means any individual if—

"(I) such individual (and if married, such individual's spouse) had no present ownership interest in a principal residence during the 3-year period ending on the date of acquisition of the principal residence to which this paragraph applies, and

"(II) subsection (a)(6), (h), or (k) of section 1034 did not suspend the running of any period of time specified in section 1034 with respect to such individual on the day before the date the distribution is applied pursuant to subparagraph (A)(ii).

"(ii) PRINCIPAL RESIDENCE.—The term 'principal residence' has the same meaning as when used in section 1034.

"(iii) DATE OF ACQUISITION.—The term 'date of acquisition' means the date—

"(I) on which a binding contract to acquire the principal residence to which subparagraph (A) applies is entered into, or

"(II) on which construction or reconstruction of such a principal residence is commenced.

"(D) SPECIAL RULE WHERE DELAY IN ACQUISITION.—If any distribution from any qualified retirement plan fails to meet the requirements of subparagraph (A) solely by reason of a delay or cancellation of the purchase or construction of the residence, the amount of the distribution may be recontributed to the plan from which it was distributed within 120 days after the date of such distribution.

"(7) QUALIFIED HIGHER EDUCATION EXPENSES.—For purposes of paragraph (2)(D)(ii)(II)—

"(A) IN GENERAL.—The term 'qualified higher education expenses' means tuition, fees, books, supplies, and equipment required for the enrollment or attendance of—

"(i) the taxpayer,

"(ii) the taxpayer's spouse, or

"(iii) the taxpayer's child (as defined in section 151(c)(3)) or grandchild,

at an eligible educational institution (as defined in section 135(c)(3)).

"(B) COORDINATION WITH SAVINGS BOND PROVISIONS.—The amount of qualified higher education expenses for any taxable year shall be reduced by any amount excludable from gross income under section 135."

(C) CONFORMING AMENDMENTS.—

(i) Subparagraph (B) of section 72(t)(2) is amended by striking "or (C)" and inserting ", (C), or (D)".

(ii) Section 401(k)(2)(B)(i) is amended by striking "or" at the end of subclause (III), by striking "and" at the end of subclause (IV) and inserting "or", and by inserting after subclause (IV) the following new subclause:

"(V) subject to the limitation of section 72(t)(2)(D)(ii), the date on which qualified first-time homebuyer distributions (as defined in section 72(t)(6)), distributions for qualified higher education expenses (as defined in section 72(t)(7)), or distributions for investments described in section 72(t)(2)(D)(i)(III) are made, and".

(e) AMENDMENT OF TARGETED JOBS CREDIT.—Subparagraph (A) of section 51(i)(1) is amended by inserting ", or, if the taxpayer is an entity other than a corporation, to any individual who owns, directly or indirectly, more than 50 percent of the capital and profits interests in the entity," after "of the corporation".

(f) CARRYOVERS.—Subsection (c) of section 381 (relating to carryovers in certain corporate acquisitions) is amended by adding at the end the following new paragraph:

"(26) ENTERPRISE ZONE PROVISIONS.—The acquiring corporation shall take into account (to the extent proper to carry out the purposes of this section and subchapter U, and under such regulations as may be prescribed by the Secretary) the items required to be taken into account for purposes of subchapter U in respect of the distributor or transferor corporation."

SEC. 14304. EFFECTIVE DATE.

The amendments made by this part shall take effect on the date of the enactment of this Act.

PART II—CREDIT FOR CONTRIBUTIONS TO CERTAIN COMMUNITY DEVELOPMENT CORPORATIONS

SEC. 14311. CREDIT FOR CONTRIBUTIONS TO CERTAIN COMMUNITY DEVELOPMENT CORPORATIONS.

(a) IN GENERAL.—For purposes of section 38 of the Internal Revenue Code of 1986, the current year business credit shall include the credit determined under this section.

(b) DETERMINATION OF CREDIT.—The credit determined under this section for each taxable year in the credit period with respect to any qualified CDC contribution made by the taxpayer is an amount equal to 5 percent of such contribution.

(c) CREDIT PERIOD.—For purposes of this section, the credit period with respect to any qualified CDC contribution is the period of 10 taxable years beginning with the taxable year during which such contribution was made.

(d) QUALIFIED CDC CONTRIBUTION.—For purposes of this section—

(1) IN GENERAL.—The term "qualified CDC contribution" means any transfer of cash—

(A) which is made to a selected community development corporation during the 5-year period beginning on the date such corporation was selected for purposes of this section,

(B) the amount of which is available for use by such corporation for at least 10 years,

(C) which is to be used by such corporation for qualified low-income assistance within its operational area, and

(D) which is designated by such corporation for purposes of this section.

(2) LIMITATIONS ON AMOUNT DESIGNATED.—The aggregate amount of contributions to a selected community development corporation which may be designated by such corporation shall not exceed $4,000,000.

(e) SELECTED COMMUNITY DEVELOPMENT CORPORATIONS.—

(1) IN GENERAL.—For purposes of this section, the term "selected community development corporation" means any corporation—

(A) which is described in section 501(c)(3) of such Code and exempt from tax under section 501(a) of such Code,

(B) the principal purposes of which include promoting employment of, and business opportunities for, low-income individuals who are residents of the operational area, and

(C) which is selected by the Secretary of Housing and Urban Development for purposes of this section.

(2) ONLY 10 CORPORATIONS MAY BE SELECTED.—

(A) IN GENERAL.—The Secretary of Housing and Urban Development may select 10 corporations for purposes of this section, subject to the availability of eligible corporations. Such selections may be made only before July 1, 1994. At least 4 of the operational areas of the corporations selected must be rural areas (as defined by section 1393(a)(3) of such Code).

(B) PRIORITY OF DESIGNATIONS.—In selecting corporations for purposes of this section, such Secretary shall give priority to corporations with a demonstrated record of performance in administering community development programs which target at least 75 percent of the jobs emanating from their investment funds to low income or unemployed individuals.

(3) OPERATIONAL AREAS MUST HAVE CERTAIN CHARACTERISTICS.—A corporation may be selected for purposes of this section only if its operational area meets the following criteria:

(A) The area meets the size requirements under section 1392(a)(3).

(B) The unemployment rate (as determined by the appropriate available data) is not less than the national unemployment rate.

(C) The median family income of residents of such area does not exceed 80 percent of the median gross income of residents of the jurisdiction of the local government which includes such area.

(f) QUALIFIED LOW-INCOME ASSISTANCE.—For purposes of this section, the term "qualified low-income assistance" means assistance—

(1) which is designed to provide employment of, and business opportunities for, low-income individuals who are residents of the operational area of the community development corporation, and

(2) which is approved by the Secretary of Housing and Urban Development.

Subtitle D—Other Provisions

PART I—DISCLOSURE PROVISIONS

SEC. 14401. DISCLOSURE OF RETURN INFORMATION FOR ADMINISTRATION OF CERTAIN VETERANS PROGRAMS.

(a) GENERAL RULE.—Subparagraph (D) of section 6103(l)(7) (relating to disclosure of return information to Federal, State, and local agencies administering certain programs) is amended by striking "September 30, 1997" in the second sentence following clause (viii) and inserting "September 30, 1998".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act.

SEC. 14402. DISCLOSURE OF RETURN INFORMATION TO CARRY OUT INCOME CONTINGENT REPAYMENT OF STUDENT LOANS.

(a) GENERAL RULE.—Subsection (l) of section 6103 (relating to confidentiality and disclosure of returns and return information) is amended by adding at the end thereof the following new paragraph:

"(13) DISCLOSURE OF RETURN INFORMATION TO CARRY OUT INCOME CONTINGENT REPAYMENT OF STUDENT LOANS.—

"(A) IN GENERAL.—The Secretary may, upon written request from the Secretary of Education, disclose to officers and employees of the Department of Education return information with respect to a taxpayer who has received an applicable student loan and whose loan repayment amounts are based in whole or in part on the taxpayer's income. Such return information shall be limited to—

"(i) taxpayer identity information with respect to such taxpayer,

"(ii) the filing status of such taxpayer, and

"(iii) the adjusted gross income of such taxpayer.

"(B) RESTRICTION ON USE OF DISCLOSED INFORMATION.—Return information disclosed under subparagraph (A) may be used by officers and employees of the Department of Education only for the purposes of, and to the extent necessary in, establishing the appropriate income contingent repayment amount for an applicable student loan.

"(C) APPLICABLE STUDENT LOAN.—For purposes of this paragraph, the term 'applicable student loan' means—

"(i) any loan made under the program authorized under part D of title IV of the Higher Education Act of 1965, and

"(ii) any loan made under part B or E of title IV of the Higher Education Act of 1965 which is in default and has been assigned to the Department of Education.

"(D) TERMINATION.—This paragraph shall not apply to any request made after September 30, 1998."

(b) CONFORMING AMENDMENTS.—

(1) So much of paragraph (4) of section 6103(m) as precedes subparagraph (B) thereof is amended to read as follows:

"(4) INDIVIDUALS WHO OWE AN OVERPAYMENT OF FEDERAL PELL GRANTS OR WHO HAVE DEFAULTED ON STUDENT LOANS ADMINISTERED BY THE DEPARTMENT OF EDUCATION.—

"(A) IN GENERAL.—Upon written request by the Secretary of Education, the Secretary may disclose the mailing address of any taxpayer—

"(i) who owes an overpayment of a grant awarded to such taxpayer under subpart 1 of part A of title IV of the Higher Education Act of 1965, or

"(ii) who has defaulted on a loan—

"(I) made under part B, D, or E of title IV of the Higher Education Act of 1965, or

"(II) made pursuant to section 3(a)(1) of the Migration and Refugee Assistance Act of 1962 to a student at an institution of higher education,

for use only by officers, employees, or agents of the Department of Education for purposes of locating such taxpayer for purposes of collecting such overpayment or loan ."

(2) Subparagraph (B) of section 6103(m)(4) is amended—

(A) in clause (i), by striking "under part B" and inserting "under part B or D"; and

(B) in clause (ii), by striking "under part E" and inserting "under subpart 1 of part A, or part D or E,";

(3) Section 6103(p) is amended—

(A) in paragraph (3)(A), by striking "(11), or (12), (m)" and inserting "(11), (12), or (13), (m)";

(B) in paragraph (4)—

(i) in the matter preceding subparagraph (A), by striking out "(10), or (11)," and inserting "(10), (11), or (13),", and

(ii) in subparagraph (F)(ii), by striking "(11), or (12)," and inserting "(11), (12), or (13),".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

(d) STUDY OF INTERNAL REVENUE SERVICE COLLECTION OF STUDENT LOANS.—

(1) GENERAL RULE.—The Secretary of the Treasury, in consultation with the Secretary of Education, shall conduct a study for the feasibility of implementing a system for the repayment of Federal student loans through wage withholding or other means involving the Internal Revenue Service. Such study shall include an examination of—

(A) whether the Internal Revenue Service could implement such a system within its current resources and without adversely affecting the ability of the Internal Revenue Service to collect tax revenues,

(B) the cumulative impact on voluntary compliance with the tax system of increased disclosure of tax return information and increased Internal Revenue Service involvement in nontax collection activities,

(C) the anticipated effect on the management of Federal student loan collections and on borrower repayment of such loans, and

(D) the ability of the Internal Revenue Service to effectively service student loans.

(2) RECOMMENDATIONS.—Not later than the date 6 months after the date of the enactment of this Act, the Secretary of the Treasury shall submit to the Congress a report on the study conducted under paragraph (1) (together with such legislative recommendations as such Secretary may deem advisable).

SEC. 14403. USE OF RETURN INFORMATION FOR INCOME VERIFICATION UNDER CERTAIN HOUSING ASSISTANCE PROGRAMS.

(a) IN GENERAL.—Subparagraph (D) of section 6103(l)(7) (relating to the disclosure of return information to Federal, State, and local agencies administering certain programs) is amended—

(1) in clause (vii), by striking "and" at the end;

(2) in clause (viii), by striking the period at the end and inserting "; and";

(3) by inserting after clause (viii) the following new clause:

"(ix) any housing assistance program administered by the Department of Housing and Urban Development that involves initial and periodic review of an applicant's or participant's income, except that return information may be disclosed under this clause only on written request by the Secretary of Housing and Urban Development and only for use by officers and employees of the Department of Housing and Urban Development with respect to applicants for and participants in such programs."; and

(4) by adding at the end thereof the following: "Clause (ix) shall not apply after September 30, 1998."

(b) CONFORMING AMENDMENT.—The heading of paragraph (7) of section 6103(l) is amended by inserting after "CODE" the following: ", OR CERTAIN HOUSING ASSISTANCE PROGRAMS".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

(d) STUDY.—The Secretary of the Treasury or his delegate, in consultation with the Secretary of Housing and Urban Development, shall conduct a study on—

(1) whether the information provided under section 6103(l)(7)(D)(ix) of the Internal Revenue Code of 1986 is being used effectively by the Department of Housing and Urban Development,

(2) such Department's compliance with the requirements of section 6103(p) of such Code, and

(3) the impact on the privacy rights of applicants for and participants in housing assistance programs administered by the Department of Housing and Urban Development.

The report of such study shall be submitted before January 1, 1998, to the Congress.

PART II—USER FEE PROVISIONS

SEC. 14411. FEES FOR APPLICATIONS FOR ALCOHOL LABELING AND FORMULA REVIEWS.

(a) IN GENERAL.—The Secretary of the Treasury or his delegate (hereinafter in this section referred to as the 'Secretary') shall establish a program requiring the payment of user fees for—

(1) requests for each certificate of alcohol label approval required under the Federal Alcohol Administration Act (27 U.S.C. 201 et seq.) and for each request for exemption from such requirement, and

(2) requests for each formula review, and requests for each statement of process (including laboratory tests and analyses), under such Act or under chapter 51 of the Internal Revenue Code of 1986.

(b) PROGRAM CRITERIA.—

(1) IN GENERAL.—The fees charged under the program required by subsection (a) shall be determined such that the Secretary estimates that the aggregate of such fees received during any fiscal year will be $5,000,000.

(2) MINIMUM FEES.—The fee charged under the program required by subsection (a) shall not be less than—

(A) $50 for each request referred to in subsection (a)(1), and

(B) $250 for each request referred to in subsection (a)(2).

(c) APPLICATION OF SECTION.—Subsection (a) shall apply to requests made on or after the 90th day after the date of the enactment of this Act.

(d) DEPOSIT AND CREDIT AS OFFSETTING RECEIPTS.—The amounts collected by the Secretary under the program required by subsection (a) (to the extent such amounts do not exceed $5,000,000) shall be deposited into the Treasury as offsetting receipts and ascribed to the alcohol compliance program of the Bureau of Alcohol, Tobacco, and Firearms.

SEC. 14412. USE OF HARBOR MAINTENANCE TRUST FUND AMOUNTS FOR ADMINISTRATIVE EXPENSES.

(a) IN GENERAL.—Paragraph (3) of section 9505(c) (relating to expenditures from Harbor Maintenance Trust Fund) is amended to read as follows:

"(3) for the payment of all expenses of administration incurred by the Department of the Treasury in administering subchapter A of chapter 36 (relating to harbor maintenance tax), but not in excess of $5,000,000 for any fiscal year."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to fiscal years beginning after the date of the enactment of this Act.

SEC. 14413. INCREASE IN TAX ON FUEL USED IN COMMERCIAL TRANSPORTATION ON INLAND WATERWAYS.

(a) IN GENERAL.—The table contained in section 4042(a)(2)(A) is amended to read as follows:

"If the use occurs during:	**The tax per gallon is:**
1994	24 cents
1995	40 cents
1996	55 cents
1997 or thereafter	70 cents."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on January 1, 1994.

PART III—PUBLIC DEBT LIMIT

SEC. 14421. INCREASE IN PUBLIC DEBT LIMIT.

(a) GENERAL RULE.—Subsection (b) of section 3101 of title 31, United States Code, is amended by striking out the dollar limitation contained in such subsection and inserting in lieu thereof "$4,900,000,000,000".

(b) REPEAL OF TEMPORARY INCREASE.—Effective on and after the date of the enactment of this Act, section 1 of Public Law 103–12 is hereby repealed.

PART IV—VACCINE PROVISIONS

SEC. 14431. EXCISE TAX ON CERTAIN VACCINES MADE PERMANENT.

(a) TAX.—Subsection (c) of section 4131 (relating to tax on certain vaccines) is amended to read as follows:

"(c) APPLICATION OF SECTION.—The tax imposed by this section shall apply—

"(1) after December 31, 1987, and before January 1, 1993, and

"(2) during periods after the date of the enactment of this subsection."

(b) TRUST FUND.—Paragraph (1) of section 9510(c) (relating to expenditures from Vaccine Injury Compensation Trust Fund) is amended by striking "and before October 1, 1992,".

(c) STUDY.—The Secretary of the Treasury, in consultation with the Secretary of Health and Human Services, shall conduct a study of—

(1) the estimated amount that will be paid from the Vaccine Injury Compensation Trust Fund with respect to vaccines administered after September 30, 1988,

(2) the rates of vaccine-related injury or death with respect to the various types of such vaccines,

(3) new vaccines and immunization practices being developed or used for which amounts may be paid from such Trust Fund,

(4) whether additional vaccines should be included in the vaccine injury compensation program, and

(5) the appropriate treatment of vaccines produced by State governmental entities.

The report of such study shall be submitted not later than 1 year after the date of the enactment of this Act, to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.

(d) FLOOR STOCKS TAX.—

(1) IMPOSITION OF TAX.—On any taxable vaccine—

(A) which was sold by the manufacturer, producer, or importer before the date of the enactment of this Act,

(B) on which no tax was imposed by section 4131 of the Internal Revenue Code of 1986 (or, if such tax was imposed, was credited or refunded), and

(C) which is held on such date by any person for sale or use,

there is hereby imposed a tax in the amount determined under section 4131(b) of such Code.

(2) LIABILITY FOR TAX AND METHOD OF PAYMENT.—

(A) LIABILITY FOR TAX.—The person holding any taxable vaccine to which the tax imposed by paragraph (1) applies shall be liable for such tax.

(B) METHOD OF PAYMENT.—The tax imposed by paragraph (1) shall be paid in such manner as the Secretary shall prescribe by regulations.

(C) TIME FOR PAYMENT.—The tax imposed by paragraph (1) shall be paid on or before the last day of the 6th month beginning after the date of the enactment of this Act.

(3) DEFINITIONS.—For purposes of this subsection, terms used in this subsection which are also used in section 4131 of such Code shall have the respective meanings such terms have in such section.

(4) OTHER LAWS APPLICABLE.—All provisions of law, including penalties, applicable with respect to the taxes imposed by section 4131 of such Code shall, insofar as applicable and not inconsistent with the provisions of this subsection, apply to the floor stocks taxes imposed by paragraph (1), to the same extent as if such taxes were imposed by such section 4131.

SEC. 14432. CONTINUATION COVERAGE UNDER GROUP HEALTH PLANS OF COSTS OF PEDIATRIC VACCINES.

(a) IN GENERAL.—Paragraph (1) of section 4980B(f) is amended by inserting "the coverage of the costs of pediatric vaccines (as defined under section 2162 of the Public Health Service Act) is not reduced below the coverage provided by the plan as of May 1, 1993, and only if" after "only if".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to plan years beginning after the date of the enactment of this Act.

SEC. 14433. CHILDHOOD IMMUNIZATION TRUST FUND.

(a) IN GENERAL.—Subchapter A of chapter 98 (relating to trust fund code) is amended by adding at the end thereof the following new section:

"SEC. 9512. CHILDHOOD IMMUNIZATION TRUST FUND.

"(a) CREATION OF TRUST FUND.—There is established in the Treasury of the United States a trust fund to be known as the 'Childhood Immunization Trust Fund', consisting of such amounts as may be appropriated or credited to such Trust Fund as provided in this section or section 9602(b).

"(b) TRANSFERS TO TRUST FUND.—There are hereby appropriated to the Childhood Immunization Trust Fund amounts equivalent to the taxes received in the Treasury under any tax hereafter specified by law for purposes of this subsection.

"(c) EXPENDITURES FROM TRUST FUND.—Amounts in the Childhood Immunization Trust Fund shall be available, as provided in appropriation Acts, only for purposes of making expenditures to carry out part A of subtitle 3 of title XXI of the Public Health Service Act."

(b) CLERICAL AMENDMENT.—The table of sections for such subchapter A is amended by adding at the end thereof the following new item:

"Sec. 9512. Childhood Immunization Trust Fund."

TITLE XV—BUDGET PROCESS

SEC. 15001. PURPOSE.

The purposes of this title are to extend through fiscal year 1998 the enforcement of budget legislation by discretionary caps and the pay-as-you-go requirement; to make simplifications and technical corrections to those methods of budget enforcement; to conform congressional budget enforcement to those methods of budget enforcement to the extent possible; and to make permanent the requirement for 5-year, enforceable budget resolutions.

Subtitle A—Budget Enforcement Act of 1993

SEC. 15100. SHORT TITLE; REFERENCES.

(a) SHORT TITLE.—This subtitle may be cited as the "Budget Enforcement Act of 1993".

(b) REFERENCES.—Except as otherwise expressly provided, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Balanced Budget and Emergency Deficit Control Act of 1985.

SEC. 15101. DEFINITIONS.

Section 250 is amended as follows:

(1) Strike "**; statement of budget enforcement through sequestration;**" in the section heading and insert "**and**".

(2) Strike subsection (a) and insert the following new subsection:

(a) TABLE OF CONTENTS.—

"Sec. 250. Table of contents and definitions.
"Sec. 251. Discretionary limits.
"Sec. 252. Pay-as-you-go.
"Sec. 253. Enforcing deficit targets.
"Sec. 254. Reports and orders.
"Sec. 255. Exempt programs and activities.
"Sec. 256. General and special sequestration rules.
"Sec. 257. The baseline.
"Sec. 258. Suspension in the event of war or low growth.
"Sec. 258A. Modification of Presidential order.
"Sec. 258B. Alternative defense sequestration.
"Sec. 258C. Special reconciliation process.".

(3) Strike subsections (b) and (c) and insert after subsection (a) the following new subsection:

"(b) DEFINITIONS AND TREATMENTS.—

"As used in this Act:

"(1) The terms 'budget authority', 'new budget authority', 'outlays', and 'deficit' have the meanings given to such terms in section 3 of the Congressional Budget and Impoundment Control Act of 1974 and the term 'receipts' shall be treated as a synonym for the term 'revenues' as it is used in that Act.

"(2) The terms 'sequester' and 'sequestration' refer to or mean the cancellation of budget authority provided by discretionary appropriations or direct spending law.

"(3) The term 'breach' means, for any fiscal year, the amount (if any) by which the baseline level of discretionary new budget authority or outlays for that year exceeds the discretionary limit on new budget authority or outlays for that year.

"(4) The term 'baseline' or 'current policy baseline' means the projection (described in section 257) of current-year levels of new budget authority, outlays, receipts, and the surplus or deficit into the budget year and the outyears.

"(5) The term 'discretionary limits' refers to the limits on discretionary new budget authority and outlays set forth in section 601 of the Congressional Budget Act of 1974, as adjusted under section 251(b).

"(6) The term 'discretionary' refers to programs (except direct-spending programs) for which new budget authority is provided in appropriation Acts. If an appropriation Act alters the level of direct spending, that effect shall be treated as a discretionary appropriation.

"(7) The term 'direct spending' means budget authority provided by a law other than an appropriation Act or by a law that determines amounts needed to fund mandatory appropriations (including the food stamp program). If a law other than an appropriation Act alters the level of discretionary appropriations, that effect shall be treated as direct spending.

"(8) As used in this Act, all references to mandatory appropriations shall include the list of mandatory appropriations included in the joint explanatory statement of managers accompanying the conference report on the Omnibus Budget Reconciliation Act of 1993.

"(9) The term 'current' means, with respect to OMB estimates included with a budget submission under section 1105(a) of title 31, United States Code, the estimates consistent with the economic and technical assumptions underlying that budget and with respect to estimates that are not included with a budget submission, estimates consistent with the economic and technical assumptions underlying the most recently submitted President's budget, except to the extent that clerical errors are corrected in the midsession review as required by section 1106 of title 31, United States Code.

"(10) The term 'real economic growth', with respect to any fiscal year, means the growth in the gross domestic product during such fiscal year, adjusted for inflation, consistent with Department of Commerce definitions.

"(11) The term 'account' means an item for which appropriations are made in any appropriation Act and, for items not provided for in appropriation Acts, an item for which there is a designated budget account identification code number in the President's budget.

"(12) The term 'budget year' means, with respect to a session of Congress, the fiscal year of the Government that starts on October 1 of the calendar year in which that session begins.

"(13) The term 'current year' means, with respect to a budget year, the fiscal year that immediately precedes that budget year.

"(14) The term 'outyear' means, with respect to a budget year, any of the fiscal years that follow the budget year, through fiscal year 1998 in the case of discretionary programs and through 2002 in the case of direct spending and receipts.

"(15) The term 'OMB' means the Director of the Office of Management and Budget.

"(16) The term 'CBO' means the Director of the Congressional Budget Office.

"(17) The term 'deposit insurance' refers to the expenses of the Federal Deposit Insurance Corporation and the funds it incorporates, the Resolution Trust Corporation, the National Credit Union Administration and the funds it incorporates, the Office of Thrift Supervision, the Comptroller of the Currency Assessment Fund, and the RTC Office of Inspector General.

"(18) The term 'composite discretionary outlay rate' means the percent of new budget authority that is converted to outlays in the fiscal year for which the budget authority is provided and subsequent fiscal years, as follows: 60 percent for the first year, 25 percent for the second year, 7 percent for the third year, and 3 percent for the fourth year.

"(19) The term 'asset sale' means the sale by the Government to the public of a nonloan asset.

"(20) Notwithstanding any other provision of law, the receipts and disbursements of the Hospital Insurance Trust Fund shall be included in all calculations required by this Act.".

SEC. 15102. DISCRETIONARY LIMITS.

Section 251 is amended to read as follows:

"SEC. 251. DISCRETIONARY LIMITS.

"(a) INITIAL AMOUNTS.—Subject to adjustments under subsection (b), the discretionary limits are as set forth in section 601 of the Congressional Budget Act of 1974.

"(b) ADJUSTMENTS TO LIMITS.—Whenever appropriate, adjustments to the discretionary limits (as they exist at the time of the adjustment) for one or more fiscal years shall be made as follows:

"(1) CHANGES IN ACCOUNTING CONCEPTS.—For any fiscal year, the discretionary limits shall be adjusted to reflect any change in budget accounting concepts (including scorekeeping conventions, budget classifications, and definitions), which change shall equal the baseline levels of new budget authority and outlays using up-to-date concepts minus those levels using the concepts in effect before the change.

"(2) CHANGES IN INFLATION.—(A) For the budget year and each outyear, the discretionary limit on new budget authority for each such year shall be multiplied by the inflation adjustment factor (for the fiscal year immediately preceding the current year) calculated under subparagraph (B). The discretionary limit on outlays for each such year shall be adjusted by applying the composite discretionary outlay rate to the change in the limits on new budget authority under the preceding sentence.

"(B) The inflation adjustment factor shall be the ratio of (i) the level of year-over-year inflation measured for the fiscal year immediately preceding the current year, and (ii) the applicable estimated level for that year set forth below:

For 1993, 1.030
For 1994, 1.027
For 1995, 1.026

For 1996, 1.025.

Inflation shall be measured by the average of the estimated fixed-weight gross domestic product price index for a fiscal year divided by the average index for the prior fiscal year.

"(3) IMF Funding.—If for any fiscal year an appropriation is enacted to provide to the International Monetary Fund the dollar equivalent, in terms of Special Drawing Rights, of the increase in the United States quota, the limit on discretionary new budget authority shall be increased by the amount of that appropriation.

"(4) IRS Funding.—To the extent discretionary appropriations are enacted for fiscal year 1994 or 1995 that provide new budget authority or result in outlays greater than the amount in the CBO baseline of June 1990 for the IRS compliance initiative, the discretionary limits shall be adjusted upward by those amounts, but not to exceed $187,000,000 in new budget authority and $183,000,000 in outlays for fiscal year 1994 and $188,000,000 in new budget authority and outlays for fiscal year 1995.

"(5) Net Guarantee Costs.—The discretionary limits for each fiscal year shall be adjusted by the net costs for that year of the appropriation made under section 601 of Public Law 102-391.

"(6) Expiring housing contracts.—For any fiscal year, the adjustment shall be the amounts by which the costs of renewing expiring multiyear subsidized housing contracts or providing contracts to replace units lost due to prepayments differ from the amounts in OMB's baseline of February 1993.

"(7) Emergencies.—If for any fiscal year discretionary appropriations are enacted that are designated as emergency requirements by statute, the adjustment shall be the amount of those appropriations that the President also designates in writing as emergency requirements and the outlays estimated to flow therefrom in each fiscal year. If any amount previously designated as an emergency requirement is rescinded, the adjustment shall be the amount of that rescission and the outlays estimated to be saved thereby in each fiscal year.

"(8) Technical estimating differences.—

"(A) If for any fiscal year the amount of discretionary new budget authority provided in appropriation Acts exceeds the discretionary limit on new budget authority due to technical estimates made by OMB, the adjustment is the amount of the excess, but not to exceed 1/10 of 1 percent of that limit.

"(B) If for any fiscal year discretionary outlays exceed the discretionary limit on outlays but discretionary new budget authority does not exceed its limit (after application of a sequestration under subsection (d)(1)(A), if necessary), the adjustment in outlays is the amount of that excess; but the adjustment in any fiscal year shall not exceed the lesser of (i) $6,500,000,000 less the outlay adjustments made under section 251(b)(2)(E) of the Balanced Budget and Emergency Deficit Control Act of 1985 as in effect immediately before the enactment of this Act (or that would have been made under that subparagraph if that Act had applied through fiscal year 1998, with adjustments in new budget authority occurring through fiscal year 1995 and in outlays through fiscal year 1998), or (ii) 1 percent of the discretionary limit on outlays for that year.

"(c) Discretionary Scorecard: 1994–1998.—

"(1) Establishment of scorecard.—Starting for budget year 1994 and ending for fiscal year 1998, there shall be a scorecard upon which shall be entered the amount of discretionary new budget authority and outlays enacted into law for the budget year and the current year (except current year 1993). Entries shall be made separately for each fiscal year. Discretionary new budget authority and outlays for the budget year resulting from the enactment of a law in a previous session shall be attributed to the corresponding law enacted in the current session. Reductions in new budget authority and outlays through the imposition of a sequestration under this section shall also be entered upon the scorecard. Amounts shall be entered on the scorecard within 5 days after the enactment of each such law or the imposition of any sequestration, shall equal the amounts contained in the bill cost reports under section 254(e), and may not thereafter be altered except to correct clerical errors or errors in the application of this Act. The entry for each such law or sequestration shall be displayed separately.

"(2) Lookback.—(A) If after June 30 any discretionary appropriation is enacted that would breach the discretionary limit on new budget authority or outlays for the current year, then that breach shall be entered on the scorecard as a cost under the column for the budget year.

"(B) If any discretionary appropriation is enacted after June 30, 1993, that would have breached a discretionary spending limit for fiscal year 1993 (under this Act and title VI of the Congressional Budget Act of 1974 as in effect immediately before the date of enactment of the Budget Enforcement Act of 1993), then that breach shall be entered on the scorecard as a cost under the column for the budget year.

"(d) Enforcing Discretionary Limits.—

"(1) Sequestration.—Within 15 days after Congress adjourns to end a session there shall be a sequestration to reduce the amount of nonexempt discretionary budget authority in the current policy baseline for the budget year of that session by—

"(A) the amount needed to eliminate a breach of the discretionary limit on new budget authority for that year, and

"(B) if any breach of the discretionary limit on outlays remains, the amount needed to eliminate that breach for that year,

as measured under subsection (c), unless the total amount under subparagraphs (A) and (B) is less than $50,000,000.

"(2) Uniform reduction.—Each nonexempt account (or activity within an account) shall be reduced by a dollar amount calculated by multiplying the baseline level of nonexempt gross discretionary budget authority for that account or activity by the uniform percent necessary to reduce net new budget authority by the amount in paragraph (1), except that the health programs set forth in section 256(e) shall not be reduced more than 2 percent and the uniform percent applicable to all other programs shall be increased (if necessary) to a level sufficient to achieve the amount in paragraph (1).

"(3) Military personnel.—If the President uses the authority under section 255(f) to exempt any amounts appropriated for military personnel from sequestration, all remaining nonexempt discretionary budget authority within subfunction 051 shall be further reduced by the uniform percent needed to fully offset the reduction in the amount sequestered resulting from that exemption.

"(4) Part-year appropriations.—If, on the date of a sequestration under paragraph (1), there is in effect an Act making or continuing appropriations for part of a fiscal year for any budget account, then the dollar reduction calculated for that account under paragraphs (2) and (3) shall be applied to—

"(A) the annualized amount otherwise available by law in that account under that or a subsequent part-year appropriation; and

"(B) when a full-year appropriation for that account is enacted, from the amount otherwise provided by that appropriation.

"(e) Within-Session Enforcement.—If, after Congress adjourns to end the session for a budget year but before July 1 of that fiscal year, an appropriation for that fiscal year is enacted that causes a discretionary limit to be breached, within 15 days after there shall be a sequestration to eliminate that breach, following the rules and procedures set forth in subsection (d).".

SEC. 15103. PAY-AS-YOU-GO.

Section 252 is amended to read as follows:

"SEC. 252. PAY-AS-YOU-GO.

"(a) Pay-As-You-Go Scorecard.—

"(1) Establishment of Scorecard: 1994–2002.—There shall be a scorecard for each fiscal year through 2002 upon which shall be entered the 5-year estimated increase or decrease in the deficit (relative to the current policy baseline described in section 257) for the budget year and each outyear, as calculated under this subsection, resulting from—

"(A) the enactment, after the date of enactment of this Act and before October 1, 1998, of any direct spending or receipts law, or

"(B) the change in the baseline from the application of section 257(b)(3), which relates to certain expiring provisions of law and to veterans' compensation.

Entries under the preceding sentence shall exclude resulting debt service changes and any incidental changes in intragovernmental receipts of Federal retirement trust funds. Amounts shall be entered on the scorecard within 5 days after the enactment of each such law and may not thereafter be altered except to correct clerical errors or errors in the application of this Act. Each entry shall be displayed separately.

"(2) Rolling 5-year scorekeeping.—Amounts entered on the scorecard established by paragraph (1) shall equal the amounts contained in the bill cost reports under section 254(e) for the budget year and the 4 subsequent fiscal years (except for budget years after 1998), plus any amount required by the lookback provision of paragraph (3).

"(3) Lookback.—If in any session a law is enacted affecting the current-year level of direct spending or receipts, the amount of that current-year effect shall be entered on the scorecard under the column for the budget year (except for budget years after 1998).

"(4) Emergencies.—If after the enactment of this Act a provision of direct spending or receipts legislation is enacted that is designated as an emergency requirement by statute and that the President also designates, in writing, as an emergency requirement, then no entries related to that provision shall be made on the scorecard.

"(5) Deposit insurance.—Provisions of law that provide full funding of, and continuation of, the deposit insurance commitment in effect on September 30, 1993, shall not have their estimated effects entered on the scorecard.

"(b) Enforcing Pay-As-You-Go.—

"(1) Sequestration.—Within 15 calendar days after Congress adjourns to end a session, there shall be a sequestration to offset the amount of any net deficit increase recorded on the pay-as-you-go scorecard under subsection (a) for the budget year, unless that amount is less than $50,000,000.

"(2) Eliminating a Deficit Increase.—The amount required to be sequestered in a fiscal year under paragraph (1) shall be obtained from non-exempt direct spending accounts (which are assumed to be at the level in the baseline) by sequestration actions taken in the following order:

"(A) The maximum reductions in automatic spending increases permissible under section 256(b) shall be made.

"(B) If additional reductions in direct spending accounts are required to be made, the maximum reductions permissible under section 256(c) (foster care and adoption assistance) shall be made.

"(C) If additional reductions in direct spending accounts are required to be made, each remaining nonexempt direct spending account shall be reduced by the uniform percent necessary to make the reductions in direct spending required by paragraph (1); except that the medicare programs specified in section 256(d) shall not be reduced by more than 4 percent and the uniform percent applicable to all other direct spending programs under this subparagraph shall be increased (if necessary) to a level sufficient to achieve the required reduction in direct spending.

"(3) UNIFORM PERCENT.—The uniform percent under paragraph (2) shall be calculated so that the total amount estimated to be saved in all fiscal years by the budget-year or other sequestrations under section 256 shall equal the amount required to be saved under paragraph (1). The total amount estimated to be saved shall exclude resulting debt service changes and any incidental changes in intragovernmental receipts of Federal retirement trust funds.".

SEC. 15104. CONFORMING AMENDMENTS TO SECTION 253.

Section 253 is amended as follows:

(1) In subsection (a), strike "(other" and all that follows through "252,".

(2) In subsection (b)(2), strike "252(e)" and insert "252(a)(4)".

(3) In subsection (d), strike "251(a)(3)" and insert "251(d)(3)".

(4) In subsection (e)(1), strike "256(a)" and insert "256(b)".

(5) In subsection (e)(2), strike "sections 256(b) (guaranteed student loans) and" and insert "section".

(6) In subsection (e)(3), strike "(A)", strike subparagraph (B), and redesignate clauses (i) and (ii) as subparagraphs (A) and (B).

(7) In subsection (g)(1)(B), strike the last sentence.

(8) In subsection (g)(2)(B)(i), strike "252(b)" and insert "254(e)".

SEC. 15105. REPORTS AND ORDERS.

Section 254 is amended to read as follows:

"SEC. 254. REPORTS AND ORDERS.

"(a) TIMETABLE.—The timetable with respect to this part for any budget year is as follows:

Date:	Action to be completed:
5 days before the President's budget submission.	CBO sequestration preview report.
The President's budget submission.	OMB sequestration preview report.
August 10	Notification regarding military personnel.
Weekly, starting the 2d Wednesday in September.	Scorecard reports.
10 days after end of session.	CBO final sequestration report.
15 days after end of session.	OMB final sequestration report; Presidential order.
30 days later	GAO compliance report.

"(b) SUBMISSION AND AVAILABILITY OF REPORTS AND ORDERS.—Each report or order required by this section (except bill cost reports under subsection (e) and scorecard reports under subsection (f)) shall be submitted, in the case of CBO, to the House of Representatives, the Senate and OMB and, in the case of OMB, to the House of Representatives, the Senate, and the President on the day it is issued. On the following day a notice of the report shall be printed in the Federal Register.

"(c) SEQUESTRATION PREVIEW REPORTS.—

"(1) REPORTING REQUIREMENT.—On the dates specified in subsection (a), OMB and CBO shall issue a preview report regarding discretionary, pay-as-you-go, and deficit sequestration based on laws enacted through those dates.

"(2) DISCRETIONARY SEQUESTRATION REPORT.—The preview reports shall set forth estimates for the current year and each subsequent year through 1998 of the applicable discretionary limits and an explanation of any adjustments in such limits under section 251. It shall also set forth for the current year and the budget year the estimated discretionary new budget authority and outlays and the amounts remaining under the applicable discretionary limits.

"(3) PAY-AS-YOU-GO SEQUESTRATION REPORTS.—The preview reports shall set forth for the budget year and each outyear estimates for each of the following:

"(A) The amount of net deficit increase or decrease, if any, calculated under subsection 252.

"(B) The pay-as-you-go scorecard as of that date, itemizing the entries that add to the net deficit increase or decrease shown under subparagraph (A).

"(C) The sequestration percentage or (if the required sequestration percentage is greater than the maximum allowable percentage for medicare) percentages necessary to eliminate a deficit increase under section 252 at the end of the budget-year session.

"(4) DEFICIT SEQUESTRATION REPORTS.—The preview reports shall set forth for the budget year estimates for each of the following:

"(A) The maximum deficit amount, the estimated deficit calculated under section 253(b), the excess deficit, and the margin.

"(B) The amount of reductions required under section 252, the excess deficit remaining after those reductions have been made, and the amount of reductions required under section 253 from defense accounts and from nondefense accounts.

"(C) The sequestration percentage necessary to achieve the required reduction in defense accounts under section 253(d).

"(D) The reductions required under sections 253(e)(1) and 253(e)(2).

"(E) The sequestration percentage necessary to achieve the required reduction in nondefense accounts under section 253(e)(3).

The CBO report need not set forth the items other than the maximum deficit amount for fiscal year 1992, 1993, or any fiscal year for which the President notifies the House of Representatives and the Senate that he will adjust the maximum deficit amount under the option under section 253(g)(1)(B).

"(5) EXPLANATION OF DIFFERENCES.—The OMB reports shall thoroughly explain the differences between OMB and CBO estimates for each item set forth in this subsection.

"(d) NOTIFICATION REGARDING MILITARY PERSONNEL.—On or before the date specified in subsection (a), the President shall notify the Congress of the manner in which he intends to exercise flexibility with respect to military personnel accounts under section 255(f).

"(e) BILL COST REPORTS.—As soon as practicable after Congress completes action on any discretionary appropriation or legislation affecting direct spending or receipts, and after consultation with the committees on the Budget of the House and Senate, CBO shall provide OMB with an estimate of the entry or entries to be made on the appropriate scorecard as a result of that legislation. Within 5 calendar days after the enactment of any such legislation (enacted after the date of enactment of this Act) OMB shall transmit a report to the House of Representatives and the Senate containing the CBO estimate of the scorecard entry or entries for that legislation, OMB's estimate for the same legislation, and a thorough explanation of any difference between the 2 estimates. CBO and OMB shall prepare estimates under this subsection in conformance with the baseline rules under subsection 257, the scorecard rules under section 251 or 252 as applicable, and scorekeeping guidelines determined after consultation among the House and Senate Committees on the Budget, CBO, and OMB.

"(f) SCORECARD REPORTS.—On or before the date specified in subsection (a) and weekly thereafter through the adjournment of Congress, OMB shall transmit a report to the House of Representatives and the Senate containing the discretionary and the pay-as-you-go scorecards prepared by CBO and OMB, each updated to reflect all bill cost reports issued under subsection (e).

"(g) FINAL SEQUESTRATION REPORTS.—

"(1) REPORTING REQUIREMENT.—On or before the dates specified in subsection (a), OMB and CBO shall issue a final sequestration report, updated to reflect laws enacted through those dates.

"(2) DISCRETIONARY SEQUESTRATION REPORTS.—The final reports shall set forth estimates for each of the following:

"(A) For the current fiscal year and each subsequent year through 1998 the applicable discretionary limits and an explanation of any adjustments in such limits under section 251(b).

"(B) For the current year and the budget year the estimated discretionary new budget authority and outlays and the budget-year breach, if any.

"(C) The sequestration percentages necessary to achieve the required reduction.

"(D) For the budget year, for each account to be sequestered, estimates of the baseline level of nonexempt budget authority and resulting outlays and the amount of nonexempt budget authority to be sequestered and resulting outlay reductions.

"(3) PAY-AS-YOU-GO AND DEFICIT SEQUESTRATION REPORTS.—The final reports shall contain all the information required in the pay-as-you-go and deficit sequestration preview reports. In addition, these reports shall contain, for the budget year, for each account to be sequestered, estimates of the baseline level of outlays for nonexempt direct spending programs and the amount to be sequestered. The reports shall also contain estimates of the outlay effects in each outyear resulting from the sequestration.

"(4) EXPLANATION OF DIFFERENCES.—The OMB report shall explain any differences between OMB and CBO estimates of the amount of any net deficit change calculated under section 252(a), any excess deficit, any breach, and any required sequestration percentage. The OMB report shall also explain differences in the amount of sequestrable resources for any budget account to be reduced if that difference is greater than $5,000,000.

"(h) WITHIN-SESSION SEQUESTRATION REPORTS.—If a within-session sequestration is required under section 251(e), 10 days later

CBO shall issue a report containing the information required in subsection (g)(2). Fifteen days after enactment, OMB shall issue a report containing the information required in subsections (g)(2) and (4).

"(i) Presidential Order.—On the day OMB issues a report under subsection (g) or (h), if in that report OMB estimates that any sequestration is required, the President shall issue an order fully implementing without change all sequestrations required by the OMB calculations set forth in that report. The order shall be effective on issuance.

"(j) GAO Compliance Report.—On the date specified in subsection (a), the Comptroller General shall submit to the Congress and the President a report on—

"(1) the extent to which each order issued by the President under this section complies with all of the requirements contained in this Act, either certifying that the order fully and accurately complies with such requirements or indicating the respects in which it does not; and

"(2) the extent to which each report issued by OMB or CBO under this section complies with all of the requirements contained in this Act, either certifying that the report fully and accurately complies with such requirements or indicating the respects in which it does not.

"(k) Low-Growth Report.—At any time, CBO shall notify the Congress if—

"(1) during the period consisting of the quarter during which such notification is given, the quarter preceding such notification, and the 4 quarters following such notification, CBO or OMB has determined that real economic growth is projected or estimated to be less than zero with respect to each of any 2 consecutive quarters within such period; or

"(2) the most recent of the Department of Commerce's advance preliminary or final reports of actual real economic growth indicate that the rate of real economic growth for each of the most recently reported quarters and the immediately preceding quarter is less than one percent.

"(l) OMB's Estimating Assumptions.—In all reports required by this section, OMB shall use current economic and technical assumptions.".

SEC. 15106. EXEMPT PROGRAMS AND ACTIVITIES.

Section 255 is amended to read as follows:

"SEC. 255. EXEMPT PROGRAMS AND ACTIVITIES.

"(a) Social Security Benefits and Tier I Railroad Retirement Benefits.—Benefits payable under the old-age, survivors, and disability insurance program established under title II of the Social Security Act, and benefits payable under section 3(a), 3(f)(3), 4(a), or 4(f) of the Railroad Retirement Act of 1974, shall be exempt from reduction under any order issued under this Act.

"(b) Veterans Programs.—The following programs shall be exempt from reduction under any order issued under this Act:

"National Service Life Insurance Fund (36–8132–0–7–701);

"Service-Disabled Veterans Insurance Fund (36–4012–0–3–701);

"Veterans Special Life Insurance Fund (36–8455–0–8–701);

"Veterans Reopened Insurance Fund (36–4010–0–3–701);

"United States Government Life Insurance Fund (36–8150–0–7–701);

"Veterans Insurance and Indemnities (36–0120–0–1–701);

"Special Therapeutic and Rehabilitation Activities Fund (36–4048–0–3–703);

"Canteen Service Revolving Fund (36–4014–0–3–705);

"Benefits under chapter 21 of title 38, United States Code, relating to specially adapted housing and mortgage-protection life insurance for certain veterans with service-connected disabilities (36–0120–0–1–701);

"Benefits under section 907 of title 38, United States Code, relating to burial benefits for veterans who die as a result of service-connected disability (36–0155–0–1–701);

"Benefits under chapter 39 of title 38, United States Code, relating to automobiles and adaptive equipment for certain disabled veterans and members of the Armed Forces (36–0137–0–1–702);

"Compensation (36–0153–0–1–701); and

"Pensions (36–0154–0–1–701).

"(c) Net Interest.—No reduction of payments for net interest (all of major functional category 900) shall be made under any order issued under this Act.

"(d) Earned Income Tax Credit.—Payments to individuals made pursuant to section 32 of the Internal Revenue Code of 1954 shall be exempt from reduction under any order issued under this Act.

"(e) Non-defense Unobligated Balances.—Unobligated balances of budget authority carried over from prior fiscal years, except balances in the defense function, shall be exempt from reduction under any order issued under this Act.

"(f) Optional Exemption of Military Personnel.—

"(1) The President may, with respect to any military personnel account, exempt that account from sequestration or provide for a lower uniform percentage reduction than would otherwise apply.

"(2) The President may not use the authority provided by paragraph (1) unless he notifies the Congress of the manner in which such authority will be exercised on or before the date specified in section 254(d) for the budget year.

"(g) Other Programs and Activities.—

"(1)(A) The following budget accounts and activities shall be exempt from reduction under any order issued under this Act:

"Activities resulting from private donations, bequests, or voluntary contributions to the Government;

"Administration of Territories, Northern Mariana Islands Covenant grants (14–0412–0–1–808);

"Alaska Power Administration, Operation and maintenance (89–0304–0–1–271);

"Appropriations for the District of Columbia (to the extent they are appropriations of locally raised funds);

"Bonneville Power Administration fund and borrowing authority established pursuant to section 13 of Public Law 93–454 (1974), as amended (89–4045–0–3–271);

"Bureau of Indian Affairs, Indian land and water claim settlements and miscellaneous payments to Indians (14–2303–0–1–452);

"Bureau of Indian Affairs, Miscellaneous trust funds (14–9973–0–7–999);

"Claims, defense (97–0102–0–1–051);

"Claims, judgments, and relief acts (20–1895–0–1–808);

"Coinage profit fund (20–5811–0–2–803);

"Compact of Free Association, (14–0415–0–1–808);

"Compensation of the President (11–0001–0–1–802);

"Conservation Reserve Program (12-3319-0-1-302)

"Credit liquidating and financing accounts;

"Customs Service, miscellaneous permanent appropriations (20–9922–0–2–806);

"Comptroller of the Currency, Assessment funds (20–8413–0–8–373);

"Dual benefits payments account (60–0111–0–1–601);

"Exchange stabilization fund (20–4444–0–3–155);

"Federal Deposit Insurance Corporation, Bank Insurance Fund (51–4064–0–3–373);

"Federal Deposit Insurance Corporation, FSLIC Resolution Fund (51–4065–0–3–373);

"Federal Deposit Insurance Corporation, Savings Association Insurance Fund (51–4066–0–3–373);

"Federal Housing Finance Board (95–4039–0–3–371);

"Federal payment to the railroad retirement accounts (60–0113–0–1–601);

"Foreign military sales trust fund (11–8242–0–7–155);

"Health professions graduate student loan insurance program account (Health Education Assistance Loan Program) (75–0340–0–1–552);

"Higher education facilities loans (91–0240–01–502);

"Internal Revenue collections for Puerto Rico (20–5737–0–2–806);

"Intragovernmental funds, including those from which the outlays are derived primarily from resources paid in from other government accounts, except to the extent such funds are augmented by direct appropriations for the fiscal year during which an order is in effect;

"Panama Canal Commission, Panama Canal Revolving Fund (95–4061–0–3–403);

"Medical facilities guarantee and loan fund, Federal interest subsidies for medical facilities (75–9931–0–3–550);

"National Credit Union Administration operating fund (25–4056–0–3–373);

"National Credit Union Administration, Central liquidity facility (25–4470–0–3–373);

"National Credit Union Administration, Credit union share insurance fund (25–4468–0–3–373);

"Office of Thrift Supervision (20–4108–0–3–373);

"Payment of Vietnam and USS 'Pueblo' prisoner-of-war claims (15–0104–0–1–153);

"Payment to civil service retirement and disability fund (24–0200–0–1–805);

"Payment to Judiciary Trust Funds (10–0941–0–1–752);

"Payments to copyright owners (03–5175–0–2–376);

"Payments to health care trust funds (75–0580–0–1–571);

"Payment to military retirement fund (97–0040–0–1–054);

"Payments to social security trust funds (75–0404–0–1–651);

"Payments to the foreign service retirement and disability fund (11–1036–0–1–153 and 19–0540–0–1–153);

"Payments to trust funds from excise taxes or other receipts properly creditable to such trust funds;

"Payments to the United States territories, fiscal assistance (14–0418–0–1–806);

"Payments to widows and heirs of deceased Members of Congress (00–0215–0–1–801);

"Postal service fund (18–4020–0–3–372);

"Resolution Trust Corporation Revolving Fund (22–4055–0–3–373);

"Salaries of Article III judges;

"Soldiers' and Airmen's Home, payments of claims (84–8930–0–7–705);

"Southeastern Power Administration, Operation and maintenance (89–0302–0–1–271);

"Southwestern Power Administration, Operation and maintenance (89–0303–0–1–271);

"Tennessee Valley Authority fund, except non-power programs and activities (64–4110–0–3–999);

"Thrift Savings Fund;

"United States Enrichment Corporation Fund (95-4054-0-3-271);

"Vaccine Injury Compensation (75-0320-0-1-551);

"Vaccine Injury Compensation Program Trust Fund (20-8175-0-7-551);

"Washington Metropolitan Area Transit Authority, interest payments (46-0300-0-1-401);

"Western Area Power Administration, Construction, rehabilitation, operation, and maintenance (89-5068-0-2-271); and

"Western Area Power Administration, Colorado River basins power marketing fund (89-4452-0-3-271).

"(B) The following Federal retirement and disability accounts and activities shall be exempt from reduction under any order issued under this Act:

"Black Lung Disability Trust Fund (20-8144-0-7-601);

"Central Intelligence Agency retirement and disability system fund (56-3400-0-1-054);

"Civil service retirement and disability fund (24-8135-0-7-602);

"Comptrollers general retirement system (05-0107-0-1-801);

"Foreign service retirement and disability fund (19-8186-0-7-602);

"Judicial survivors' annuities fund (10-8110-0-7-602);

"Judicial Officers' Retirement Fund (10-8122-0-7-602);

"Claims Court Judges' Retirement Fund (10-8124-0-7-602);

"Special workers compensation expenses (Longshoremen's and harborworkers' compensation benefits) (16-9971-0-7-601);

"Military retirement fund (97-8097-0-7-602);

"National Oceanic and Atmospheric Administration retirement (13-1450-0-1-306);

"Pensions for former Presidents (47-0105-0-1-802);

"Rail Industry Pension Fund (60-8011-0-7-601);

"Railroad supplemental annuity pension fund (60-8012-0-7-602);

"Retired pay, Coast Guard (69-0241-0-1-403);

"Retirement pay and medical benefits for commissioned officers, Public Health Service (75-0379-0-1-551);

"Special benefits (Federal Employees' Compensation Act) (16-1521-0-1-600);

"Special benefits for disabled coal miners (75-0409-0-1-601); and

"Tax Court judges survivors annuity fund (23-8115-0-7-602).

"(2) Prior legal obligations of the Government in the following budget accounts and activities shall be exempt from any order issued under this Act:

"Biomass energy development (20-0114-0-1-271);

"United States Treasury check forgery insurance fund (20-4109-0-3-803);

"Employees life insurance fund (24-8424-0-8-602);

"Energy security reserve (Synthetic Fuels Corporation) (20-0112-0-1-271);

"Federal Aviation Administration, Aviation insurance revolving fund (69-4120-0-3-402);

"Federal Crop Insurance Corporation fund (12-4085-0-3-351);

"Federal Emergency Management Agency, National flood insurance fund (58-4236-0-3-453);

"Federal Emergency Management Agency, National insurance development fund (58-4235-0-3-451);

"Geothermal resources development fund (89-0206-0-1-271);

"Homeowners assistance fund, Defense (97-4090-0-3-051);

"International Trade Administration, Operations and administration (13-1250-0-1-376);

"Low-rent public housing, Loans and other expenses (86-4098-0-3-604);

"Maritime Administration, War-risk insurance revolving fund (69-4302-0-3-403);

"Overseas Private Investment Corporation (71-4030-0-3-151);

"Pension Benefit Guaranty Corporation fund (16-4204-0-3-601);

"Rail service assistance (69-0122-0-1-401);

"Department of Veterans Affairs, Servicemen's group life insurance fund (36-4009-0-3-701).

"(h) Low-Income Programs.—The following programs shall be exempt from reduction under any order issued under this Act:

"Aid to families with dependent children (75-1501-0-1-609);

"Child nutrition (12-3539-0-1-605);

"Commodity supplemental food program (12-3512-0-1-605);

"Food stamp programs (12-3505-0-1-605 and 12-3550-0-1-605);

"Grants to States for Medicaid (75-0512-0-1-551);

"Supplemental Security Income Program (75-0406-0-1-609); and

"Women, infants, and children program (12-3510-0-1-605).

"(i) Identification of Programs.—For purposes of subsections (b), (g), and (h), each account is identified by the designated budget account identification code number set forth in the Budget of the United States Government, 1994—Appendix, and an activity within an account is designated by the name of the activity and the identification code number of the account.".

SEC. 15107. GENERAL AND SPECIAL SEQUESTRATION RULES.

Section 256 is amended as follows:

(1) Strike the section heading and insert the following new section heading:

"SEC. 256. GENERAL AND SPECIAL SEQUESTRATION RULES.".

(2) Subsection (a) is amended by striking "part" and inserting "Act".

(3) Subsection (b) is repealed and subsection (a) is redesignated as subsection (b).

(4) A new subsection (a) is inserted, as follows:

"(a) Budget-Year Sequestration.—For each direct spending program subject to sequestration under this Act, a sequestration shall apply for the period starting on the date the sequestration order under section 254 is issued and ending on the last day of the budget year, unless a different period is specified in this section. For purposes of section 253, the amount estimated to be saved in all fiscal years by a budget-year sequestration under section 252 or 253 shall be considered to have been saved in the budget year.".

(5) Subsection (e)(1) is amended by striking "be—" and all that follows through "subsequent fiscal year" and inserting "be 2 percent".

(6) Subsection (h)(4) is amended by striking "(D) Office of Thrift Supervision." and "(H) Resolution Funding Corporation." and redesignating the remaining subparagraphs accordingly.

(7) Subsection (j) is amended by striking "joint resolution" and inserting "Act" each place it appears and by amending paragraph (5) to read as follows:

"(5) Dairy program.—Notwithstanding other provisions of this subsection, as the sole means of achieving any reduction in outlays under the milk price support program, the Secretary of Agriculture shall provide for a reduction to be made in the price received by producers for all milk produced in the United States and marketed by producers for commercial use. That price reduction (measured in cents per hundredweight of milk marketed) shall occur under subparagraph (A) of section 201(d)(2) of the Agricultural Act of 1949 (7 U.S.C. 1446(d)(2)(A)), shall begin on the day any sequestration order is issued under section 254, and shall not exceed the aggregate amount of the reduction in outlays under the milk price support program that otherwise would have been achieved by reducing payments for the purchase of milk or the products of milk under this subsection during the applicable fiscal year.".

(8) Subsection (k)(2) is amended by striking the dash the second place it appears and all that follows through "(I)"; and by striking "; or" and all that follows through "(II)" and inserting ", except that a State may not be allotted an amount under this subparagraph that exceeds".

(9) Subsection (l) is redesignated as subsection (m) and is amended by striking paragraph (4) and by redesignating paragraphs (5) and (6) as paragraphs (4) and (5), respectively".

(12) After subsection (k) add the following new subsection:

"(l) Student Loans.—For all student loans under part B or D of title IV of the Higher Education Act of 1965 made during the period when a sequestration order under section 254 is in effect, origination fees under sections 438(c)(2) and 456(c) of that Act shall be increased by a uniform percentage sufficient to produce the dollar savings in student loan programs (as a result of that sequestration order) required by section 252 or 253, as applicable.".

SEC. 15108. THE BASELINE.

Section 257 is amended as follows:

(1) In subsection (a), insert ", and discretionary regulations promulgated as final by," after "through".

(2) In subsection (b), strike "budget year" and insert "current year, the budget year,".

(3) Amend subsection (b)(1) to read as follows:

"(1) In general.—Laws providing or creating direct spending and receipts are assumed to operate in the manner specified in those laws for each such year, funding for mandatory appropriations is assumed to be adequate to make all payments required by those mandates, and regulations over which the President has discretion are assumed to remain in effect as they were at the time the baseline for the budget year was first completed.".

(4) Amend subsection (b)(2)(A) to read as follows:

"(A) No program with estimated current-year gross new budget authority greater than $50,000,000 is assumed to expire in the budget year or outyears. In carrying out the preceding sentence, expiring programs funded by mandatory appropriations or by indefinite budget authority are assumed to continue under the direct spending law in effect just prior to their expiration, and other expiring programs are assumed to continue with new budget authority projected as under subsection (c)(4).".

(5) In subsection (b)(2)(B), insert "percentage" before "increase".

(6) Amend subsection (b)(3) to read as follows:

"(3) Cutoff date.—Programs or taxes that expire on or before December 31 and that have not been reauthorized by the date of the final sequestration report are assumed to expire. If an increase in veterans compensation for the budget year has not been enacted by the date of the final sequestration report, it is not assumed.".

(7) In subsection (c), strike "budget year" and insert "current year, the budget year," and strike "all amounts other than those covered by subsection (b)" and insert "discretionary programs".

(8) Paragraphs (1) and (2) of subsection (c) are amended to read as follows:

"(1) INFLATION OF CURRENT-YEAR APPROPRIATIONS.—

"(A) Gross new budget authority shall be at the level provided for that fiscal year in appropriation Acts and discretionary offsetting collections shall be at the estimated level required by existing law (assuming the baseline level of gross new budget authority).

"(B) If for any account an appropriation has not yet been enacted, gross new budget authority is assumed to be at the level available in the current year, adjusted for expiring housing contracts as specified in paragraph (2), for social insurance administrative expenses as specified in paragraph (3), for inflation as specified in paragraph (4), and to account for changes required by law in the level of agency payments for personnel benefits other than pay.

"(2) EXPIRING HOUSING CONTRACTS.—New budget authority to renew expiring multiyear subsidized housing contracts or provide contracts to replace units lost due to prepayments shall be adjusted to reflect the difference in the number of such contracts that are estimated to expire or be prepaid in that fiscal year and the number expiring or being prepaid in the current year.".

(9) In subsection (c)(3), strike "Budgetary" and insert "New budgetary", insert "or number of claims, as applicable," after "population", and insert "the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund," after the colon.

(10) In subsection (c), strike paragraph (4) and redesignate paragraphs (5) and (6) as (4) and (5), respectively.

(11) Amend the first sentence of subsection (c)(4) to read as follows: "The inflator to adjust new budget authority relating to civilian personnel is the percent by which the average rate of basic pay for the general schedule pay system, calculated as specified in sections 5303(a) and 5304 of title 5, United States Code, for that fiscal year exceeds the average rate of basic pay for the current year. The inflator for military personnel is the percent by which the average rate of basic pay, as specified in section 1009 of title 37, United States Code, for that fiscal year exceeds the average rate of basic pay for the current year.".

(12) In the second sentence of subsection (c)(4), strike "used in paragraph (1)" and strike "national" and insert "domestic".

(13) Amend the side heading and first sentence of subsection (c)(5) to read as follows: "PART-YEAR APPROPRIATIONS; PERMISSIVE TRANSFERS.—If, for any account, a continuing appropriation is in effect for less than an entire fiscal year, then the amount available for that fiscal year is assumed to equal the amount that would be available if that continuing appropriation covered the entire fiscal year.".

(14) In the second sentence of subsection (c)(5), insert "or midsession review" after "original budget".

(15) Amend subsection (e) to read as follows:

"(e) ASSET SALES.—Amounts realized from new asset sales shall not be counted for purposes of this section. Asset sales shall not be considered new if the authority to make those sales was enacted in a prior session of Congress or is a reauthorization of routine, ongoing asset sales at levels consistent with agency operations in fiscal year 1993.".

SEC. 15109. FAST-TRACK PROCEDURES.

(a) REPEALER.—The first section 258 (relating to modification of Presidential orders) is repealed.

(b) CONFORMING AMENDMENT.—In the second section 258, strike "254(j)" each time it appears and insert "254(k)"; strike "310(d)" and insert "310(c)"; and in subsection (a)(4)(A) strike "discharged pursuant" and insert "discharged in the Senate pursuant".

(c) CONFORMING AMENDMENT.—In section 258A(b)(6), strike ", IV, and VI" and insert "and IV".

(d) CONFORMING AMENDMENT.—In section 258B(k), strike "306, and 401(b)(1)" and insert "and 306".

(e) CONFORMING AMENDMENT.—In section 258C(a)(1), strike "sequestration update" and insert "scorecard" and strike "or 253".

SEC. 15110. JUDICIAL REVIEW.

Section 274 is amended as follows:

(1) Strike "252" or "252(b)" each place it occurs and insert "254".

(2) In subsection (d)(1)(A), strike "257(l) to the extent that" and insert "256(b) if", strike the parenthetical phrase, and at the end insert "or".

(3) In subsection (d)(1)(B), strike "new budget" and all that follows through "spending authority" and insert "budgetary resources" and strike "or" after the comma.

(4) Strike subsection (d)(1)(C).

(5) Strike subsection (f) and redesignate subsections (g) and (h) as subsections (f) and (g), respectively.

(6) Amend subsection (g) to read as follows:

"(g) ECONOMIC DATA, ASSUMPTIONS, AND METHODOLOGIES.—The economic data and economic assumptions used by the Director of OMB in preparing the budget of the United States Government, or in making calculations under this Act, shall not be subject to review in any judicial or administrative proceeding.".

SEC. 15111. EFFECTIVE DATE.

(a) EXPIRATION.—Section 275(b) is amended to read as follows:

"(b) EXPIRATION.—(1) Except as provided by paragraph (2), part C of this Act shall expire on September 30, 2002.

"(2) Sections 251, 257, and 258B of this Act and sections 1105(f) and 1106(c) of title 31, United States Code, shall expire on September 30, 1998, and section 253 of this Act shall expire on September 30, 1995.".

(b) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this subtitle shall be effective upon enactment for fiscal year 1994 and subsequent fiscal years.

(2) SPECIAL RULE FOR FISCAL YEAR 1993.—For fiscal year 1993, the Balanced Budget and Emergency Deficit Control Act of 1985 and title VI of the Congressional Budget Act of 1974 shall be applied and administered as if this title had not been enacted.

SEC. 15112. DEFICIT REDUCTION TRUST FUND.

(a) A trust fund known as the "Deficit Reduction Trust Fund" (the "Fund") shall be established for the purposes of guaranteeing that the net deficit reduction required by the Omnibus Budget Reconciliation Act of 1993 is fully achieved.

(b) The Fund shall consist only of amounts equal to the net deficit reduction, calculated pursuant to the procedures set forth in subsection (c), that is estimated to result from the Omnibus Budget Reconciliation Act of 1993. Such amounts shall be transferred to the Fund as specified in subsection (c).

(c) Within 10 days of enactment of the Omnibus Budget Reconciliation Act of 1993—

(1) the Director of the Office of Management and Budget shall determine the sum of the net deficit reduction that results from the enactment of the Omnibus Budget Deficit Reduction Act of 1993; and

(2) there shall be transferred from the general fund to the Fund an amount equal to the sum determined in paragraph (1).

(d) Notwithstanding any other provision of law, the amounts in the Fund shall not be available, in any fiscal year, for appropriation, obligation, expenditure, or transfer.

(e) Amounts in the Fund, as determined by the Director of the Office of Management and Budget, that result from the net total of direct spending and receipts provisions calculated according to the provisions of section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended (the "Act"), shall be excluded from, and shall not be counted for purposes of, the totals under section 252 and sections 254(d)(3) and 254(g)(3) of the Act.

(f) Establishment of and transfers to the Fund as authorized by this section shall not affect trust fund transfers that may be authorized or required by provisions of the Omnibus Reconciliation Act of 1993 other than this section.

(g) Section 1105(a) of title 31, United States Code, is amended by adding at the end thereof:

"(27) information about, and a separate statement of amounts in, the Deficit Reduction Trust Fund.".

Subtitle B—Amendments to the Congressional Budget and Impoundment Control Act of 1974; Conforming Amendments

SEC. 15201. DEFINITIONS.

Section 3 of the Congressional Budget and Impoundment Control Act of 1974 is amended as follows:

(1) Repeal the first paragraph (2).

(2) Amend the second paragraph (2) to read as follows:

"(2) BUDGET AUTHORITY AND NEW BUDGET AUTHORITY.—

"(A) IN GENERAL.—The term 'budget authority' means the authority provided by Federal law to incur financial obligations, as follows:

"(i) provisions of law that make funds available for obligation and expenditure (other than borrowing authority), including the authority to obligate and expend the proceeds of offsetting receipts and collections;

"(ii) borrowing authority, which means authority granted to a Federal entity to borrow, obligate, and expend the borrowed funds, including through the issuance of promissory notes or other monetary credits;

"(iii) contract authority, which means the making of funds available for obligation but not for expenditure; or

"(iv) offsetting receipts and collections as negative budget authority, and the reduction thereof as positive budget authority.

"(B) LIMITATIONS ON BUDGET AUTHORITY.—Any amount that is precluded from obligation in a fiscal year by a provision of law (such as a limitation or a benefit formula) shall not be budget authority in that year.

"(C) LOAN COSTS.—The term 'budget authority' includes the cost for direct loan and loan guarantee programs, as those terms are defined by title V.

"(D) DIRECT SPENDING.—The term 'direct spending' means budget authority provided by law other than an appropriation Act or by a law that determines amounts needed to fund mandatory appropriations (including the food stamp program), but such term does not include salary or basic pay funded through an appropriation Act.

"(E) NEW BUDGET AUTHORITY.—The term 'new budget authority' means, with respect to a fiscal year—

"(i) budget authority that first becomes available for obligation in that year, including budget authority that becomes available in that year as a result of a reappropriation; or

"(ii) a change in any account in the availability of unobligated balances of budget authority carried over from a prior year, resulting from a provision of law first effective in that year.

New budget authority, with respect to a fiscal year, includes a change in the estimated level of the authority to incur obligations in an account that, under existing law, has authority to obligate indefinite amounts, if the change results from a change in law.".

(3) Repeal paragraph (9), redesignate paragraphs (3) through (8) as paragraphs (4) through (9), and insert after paragraph (2) the following new paragraph:

"(3) DEFICIT IMPACT NUMBER (OR SURPLUS IMPACT NUMBER).—The term 'deficit impact number' (or 'surplus impact number') means, with respect to a fiscal year, the change in the deficit (or surplus) that may be caused by any combination of increases or decreases in direct spending and revenue assumed by the most recently agreed to concurrent resolution to be enacted in the current session of Congress and allocated to a committee. An impact number greater than zero increases the deficit (or decreases the surplus) and an impact number less than zero decreases the deficit (or increases the surplus).".

(4) Amend paragraph (6) (as redesignated) by inserting before the period the following: ", and the term 'appropriation measure' means a general or supplemental appropriation bill or a joint resolution making continuing appropriations, but not yet enacted into law".

(5) At the end, add the following new paragraph:

"(11) The term 'new credit authority' means credit authority not provided by law as of February 1, 1986, including any increase in or addition to credit authority provided by law on such date.".

SEC. 15202. CONGRESSIONAL BUDGET OFFICE.

Title II of the Congressional Budget Act of 1974 is amended as follows:

(1) The first section 201(g) is amended by striking "(g)" and inserting "(f)".

(2) The side heading of section 202(f) is amended by striking "TO BUDGET COMMITTEES".

(3) Section 202(f)(1) is amended by striking "On or before February 15 of each year" and inserting "Within 20 days after the President's budget submission".

(4) Section 202(f) is amended by adding at the end the following new paragraphs:

"(4) As soon as practicable after the beginning of each fiscal year, the Director shall issue a report projecting for the period of 5 fiscal years beginning with such fiscal year—

"(A) total new budget authority and total budget outlays for each fiscal year in such period;

"(B) revenues to be received and the major sources thereof, and the surplus or deficit, if any, for each fiscal year in such period; and

"(C) tax expenditures for each fiscal year in such period.

"(5)(A) The Director shall, to the extent practicable, prepare for each bill or joint resolution reported by any committee of the House of Representatives or the Senate (except the Committee on Appropriations of each House), and submit to such committee—

"(i) an estimate of the costs which would be incurred in carrying out such bill or joint resolution in the fiscal year in which it is to become effective and in each of the 4 fiscal years following such fiscal year, together with the basis for each such estimate;

"(ii) an estimate of the cost which would be incurred by State and local governments in carrying out or complying with any significant bill or joint resolution in the fiscal year in which it is to become effective and in each of the four fiscal years following such fiscal year, together with the basis for each such estimate; and

"(iii) a comparison of the estimates of costs described in clauses (i) and (ii), with any available estimates of costs made by such committee or by any Federal agency.

The estimates, comparison, and description so submitted shall be included in the report accompanying such bill or joint resolution if timely submitted to such committee before such report is filed.

"(B) For purposes of subparagraph (A)(ii), the term 'local government' has the same meaning as in section 103 of the Intergovernmental Cooperation Act of 1968.

"(C) For purposes of subparagraph (A)(ii), the term 'significant bill or joint resolution' is defined as any bill or joint resolution which in the judgment of the Director of the Congressional Budget Office is likely to result in an annual cost to State and local governments of $200,000,000 or more, or is likely to have exceptional fiscal consequences for a geographic region or a particular level of government.".

(5) Section 202(h) is amended by striking "budget outlays, credit authority," and insert "various forms of spending programs, including grants and loans,".

SEC. 15203. CONGRESSIONAL BUDGET PROCESS.

Title III of the Congressional Budget Act of 1974 is amended to read as follows:

"TITLE III—CONGRESSIONAL BUDGET PROCESS

"SEC. 300. TIMETABLE.

"The timetable with respect to the congressional budget process for any fiscal year is as follows:

On or before:	Action to be completed:
First Monday in February.	President submits the budget.
Six weeks after President's budget submission.	Committees submit views and estimates to Budget Committees.
April 1	Senate Budget Committee reports concurrent resolution on the budget.
April 15	Congress completes action on concurrent resolution on the budget.
May 15	House committees report bills authorizing new budget authority.
June 10	House Appropriations Committee reports last annual appropriation bill.
June 30	House completes action on annual appropriation bills and (if required) a reconciliation bill.
October 1	Fiscal year begins.

"SEC. 301. ANNUAL ADOPTION OF CONCURRENT RESOLUTION ON THE BUDGET.

"(a) CONTENT OF CONCURRENT RESOLUTION ON THE BUDGET.—On or before April 15 of each year, the Congress shall complete action on a concurrent resolution on the budget. The concurrent resolution shall set forth appropriate levels for the fiscal year beginning on October 1 of such year and for each of the 4 ensuing fiscal years, for the following—

"(1) totals of new budget authority and budget outlays;

"(2) total Federal revenues and the amount, if any, by which the aggregate level of Federal revenues should be increased or decreased by bills and resolutions to be reported by the appropriate committees;

"(3) the surplus or deficit in the budget;

"(4) new budget authority and budget outlays for each major functional category, based on allocations of the total levels set forth pursuant to paragraph (1);

"(5) the public debt;

"(6) for purposes of Senate enforcement under this title, outlays of the old-age, survivors, and disability insurance program established under title II of the Social Security Act for the fiscal year of the resolution and for each of the 4 succeeding fiscal years; and

"(7) for purposes of Senate enforcement under this title, revenues of the old-age, survivors, and disability insurance program established under title II of the Social Security Act (and the related provisions of the Internal Revenue Code of 1986) for the fiscal year of the resolution and for each of the 4 succeeding fiscal years.

Except to the extent required by paragraphs (6) and (7), the concurrent resolution shall not include the outlays and revenue totals of the old age, survivors, and disability insurance program established under title II of the Social Security Act or the related provisions of the Internal Revenue Code of 1986 in the surplus or deficit totals required by this subsection or in any other surplus or deficit totals required by this title. Notwithstanding any other provision of law, the receipts and disbursements of the Hospital Insurance Trust Fund shall be included in the computations required by paragraphs (1) through (5), and no separate display of Hospital Insurance Trust Fund receipts or alternative displays of budget totals excluding Hospital insurance receipts and disbursements are required to be included in any concurrent resolution on the budget.

"(b) ADDITIONAL MATTERS IN CONCURRENT RESOLUTION.—The concurrent resolution on the budget may—

"(1) set forth, if required by subsection (f), the calendar year in which, in the opinion of the Congress, the goals for reducing unemployment set forth in section 4(b) of the Employment Act of 1946 should be achieved;

"(2) include reconciliation directives described in section 310;

"(3) set forth the appropriate level of the public debt for purposes of rule XLIX of the Rules of the House of Representatives; and

"(4) set forth such other matters, and require such other procedures, relating to the budget, as may be appropriate to carry out the purposes of this Act.

"(c) CONSIDERATION OF PROCEDURES OR MATTERS WHICH HAVE THE EFFECT OF CHANGING ANY RULE OF THE HOUSE OF REPRESENTATIVES.—If the Committee on the Budget of the House of Representatives reports any concurrent resolution on the budget which includes any procedure or matter which has the effect of changing any rule of the House of Representatives, such concurrent resolution shall then be referred to the Committee on Rules with instructions to report it within five calendar days (not counting any day on which the House is not in session). The Committee on Rules shall have jurisdiction to report any concurrent resolution referred to it under this paragraph with an amendment or amendments changing or striking out any such procedure or matter.

"(d) Views and Estimates of Other Committees.—Within 6 weeks after the President submits a budget under section 1105(a) of title 31, United States Code, each committee of the House of Representatives having legislative jurisdiction may submit to the Committee on the Budget of the House and each committee of the Senate having legislative jurisdiction may submit to the Committee on the Budget of the Senate its views and estimates (as determined by the committee making such submission) with respect to all matters set forth in subsections (a) and (b) which relate to matters within the jurisdiction or functions of such committee. The Joint Economic Committee shall submit to the Committees on the Budget of both Houses its recommendations as to the fiscal policy appropriate to the goals of the Employment Act of 1946. Any other committee of the House of Representatives or the Senate may submit to the Committee on the Budget of its House, and any joint committee of the Congress may submit to the Committees on the Budget of both Houses, its views and estimates with respect to all matters set forth in subsections (a) and (b) which relate to matters within its jurisdiction or functions.

"(e) Hearings and Report.—In developing the concurrent resolution on the budget referred to in subsection (a) for each fiscal year, the Committee on the Budget of each House shall hold hearings and shall receive testimony from Members of Congress and such appropriate representatives of Federal departments and agencies, the general public, and national organizations as the committee deems desirable. Each of the recommendations as to short-term and medium-term goals set forth in the report submitted by the members of the Joint Economic Committee under subsection (d) may be considered by the Committee on the Budget of each House as part of its consideration of such concurrent resolution, and its report may reflect its views thereon, including its views on how the estimates of revenues and total levels of new budget authority and outlays set forth in such concurrent resolution are designed to achieve any economic goals it is recommending. The report accompanying such concurrent resolution shall include, but not be limited to—

"(1) a comparison of revenues estimated by the committee with those estimated in the budget submitted by the President;

"(2) a comparison of the appropriate levels of total budget outlays and total new budget authority as set forth in such concurrent resolution with those estimated or requested in the budget submitted by the President;

"(3) with respect to each major functional category, an estimate of budget outlays and an appropriate level of new budget authority for all proposed programs and for all existing programs (including renewals thereof), with the estimate and level for existing programs being divided between permanent authority and funds provided in appropriation Acts, and with each such division being subdivided between controllable amounts and all other amounts;

"(4) an allocation of the level of Federal revenues recommended in the concurrent resolution among the major sources of such revenues;

"(5) the economic assumptions and objectives which underlie each of the matters set forth in such concurrent resolution and any alternative economic assumptions and objectives which the committee considered;

"(6) the estimated levels of tax expenditures (the tax expenditures budget) by major functional categories;

"(7) a statement of any significant changes in the proposed levels of Federal assistance to State and local governments;

"(8) information, data, and comparisons indicating the manner in which, and the basis on which, the committee determined each of the matters set forth in the concurrent resolution; and

"(9) allocations described in sections 302(a) and 311(a).

"(f) Achievement of Goals for Reducing Unemployment.—

"(1) If, pursuant to section 4(c) of the Employment Act of 1946, the President recommends in the Economic Report that the goals for reducing unemployment set forth in section 4(b) of such Act be achieved in a year after the close of the five-year period prescribed by such subsection, the concurrent resolution on the budget for the fiscal year beginning after the date on which such Economic Report is received by the Congress may set forth the year in which, in the opinion of the Congress, such goals can be achieved.

"(2) After the Congress has expressed its opinion pursuant to paragraph (1) as to the year in which the goals for reducing unemployment set forth in section 4(b) of the Employment Act of 1946 can be achieved, if, pursuant to section 4(e) of such Act, the President recommends in the Economic Report that such goals be achieved in a year which is different from the year in which the Congress has expressed its opinion that such goals should be achieved, either in its action pursuant to paragraph (1) or in its most recent action pursuant to this paragraph, the concurrent resolution on the budget for the fiscal year beginning after the date on which such Economic Report is received by the Congress may set forth the year in which, in the opinion of the Congress, such goals can be achieved.

"(g) Economic Assumptions.—

"(1) It shall not be in order in the Senate to consider any concurrent resolution on the budget for a fiscal year, or any amendment thereto, or any conference report thereon, that sets forth amounts and levels that are determined on the basis of more than one set of economic and technical assumptions.

"(2) The joint explanatory statement accompanying a conference report on a concurrent resolution on the budget shall set forth the common economic assumptions upon which such joint statement and conference report are based, or upon which any amendment contained in the joint explanatory statement to be proposed by the conferees in the case of technical disagreement, is based.

"(3) Determinations by the Committee on the Budget of the House of Representatives or the Senate, as the case may be, under titles III and IV of the Congressional Budget Act of 1974 shall be based upon such common economic and technical assumptions.

"(h) Budget Committees Consultation With Committees.—The Committee on the Budget of the House of Representatives shall consult with the committees of its House having legislative jurisdiction during the preparation, consideration, and enforcement of the concurrent resolution on the budget with respect to all matters which relate to the jurisdiction or functions of such committees. The Committee on the Budget of the House of Representatives may not report a concurrent resolution on the budget containing the matter referred to in subsection (b)(3) except after consultation with the Committee on Ways and Means about that matter.

"(i) Social Security Point of Order in the Senate.—It shall not be in order in the Senate to consider any concurrent resolution on the budget as reported to the Senate or any amendment thereto that would decrease the excess of social security revenues over social security outlays in any of the fiscal years covered by the concurrent resolution. No change in chapter 1 of the Internal Revenue Code of 1986 shall be treated as affecting the amount of social security revenues unless such provision changes the income tax treatment of social security benefits.

"SEC. 302. APPROPRIATION COMMITTEE ALLOCATIONS AND ENFORCEMENT.

"(a) Committee Spending Allocations.—The joint explanatory statement accompanying a conference report on a budget resolution shall include an allocation, consistent with the resolution recommended in the conference report, of the appropriate levels (for the budget year covered by that resolution) of total new budget authority and total outlays for the Committee on Appropriations of each House. The amounts so allocated shall be further divided between discretionary and mandatory amounts, as appropriate.

"(b) Subdivisions by Appropriations Committees.—As soon as practicable after a budget resolution is agreed to, the Committee on Appropriations of each House shall subdivide each amount allocated to it for the budget year under subsection (a) among its subcommittees. Each Committee on Appropriations shall promptly report to its House subdivisions made or revised under this subsection.

"(c) Point of Order.—It shall not be in order in the House of Representatives or the Senate to consider any appropriation measure, or amendment thereto, or motion or conference report thereon, unless and until the Committee on Appropriations of that House reports subdivisions required by subsection (b) consistent with the most recently agreed to concurrent resolution on the budget.

"(d) Subsequent Concurrent Resolutions.—In the case of a concurrent resolution on the budget referred to in section 304, the allocations under subsection (a) and the subdivisions under subsection (b) shall be required only to the extent necessary to take into account revisions made in the most recently agreed to concurrent resolution on the budget.

"(e) Alteration of Subdivisions.—At any time after the Committee on Appropriations of either House reports the subdivisions required to be made under subsection (b), that committee may report to its House an alteration of such subdivisions. Any alteration of such subdivisions must be consistent with any actions already taken by its House on measures within that committee's jurisdiction.

"(f) Legislation Subject to Point of Order.—(1) It shall not be in order in the House of Representatives or the Senate to consider any appropriation measure or amendment thereto or motion or conference report thereon, if the new budget authority provided in that measure when added to already enacted levels of new budget authority would cause—

"(A) any allocation of new budget authority made pursuant to subsection (a) under the most recently agreed to concurrent resolution on the budget to be exceeded; or

"(B) any subdivision of new budget authority made pursuant to subsection (b) under the most recently agreed to concurrent resolution on the budget to be exceeded except for a supplemental appropriation for the current fiscal year.

“(2) An appropriation measure, amendment, or conference report shall be considered to violate paragraph (1) only if—

“(A) the enactment of such appropriation measure in the form it will be considered as original text for purposes of amendment;

“(B) the amendment is not an amendment considered as original text for purposes of amendment and the adoption of such amendment and enactment of that measure as so amended; or

“(C) the enactment of such measure in the form recommended in such conference report,

would cause such a violation.

“(g) DETERMINATIONS BY BUDGET COMMITTEES.—For purposes of this section, the levels of new budget authority shall be determined on the basis of estimates made by the Committee on the Budget of the House of Representatives or the Senate, as the case may be.

“(h) ADJUSTMENTS OF ALLOCATIONS OF DISCRETIONARY SPENDING.—(1) If a concurrent resolution on the budget is not adopted by April 30, the chairman of the Committee on the Budget of the House of Representatives shall submit to the House, on the first legislative day following April 30, an allocation under subsection (a) to the Committee on Appropriations consistent with the discretionary spending limits contained in the most recent budget submitted by the President under section 1105(a) of title 31, United States Code.

“(2) As soon as practicable after an allocation under paragraph (1) is submitted to the House, the Committee on Appropriations shall make subdivisions and promptly report those subdivisions to the House of Representatives.

“(3) Allocations and subdivisions made under this subsection shall, for all purposes of this title, be deemed to be allocations and subdivisions made under subsections (a) and (b), until superseded by allocations and subdivisions made under those sections for the same fiscal year.

“SEC. 303. LEGISLATION PROVIDING NEW BUDGET AUTHORITY OR CHANGES IN REVENUES OR THE PUBLIC DEBT LIMIT MAY ONLY DO SO FOR YEARS COVERED BY MOST RECENT BUDGET RESOLUTION.

“(a) IN GENERAL.—(1) It shall not be in order in the House of Representatives or the Senate to consider any bill, joint resolution, amendment, motion, or conference report which contains a provision that—

“(A) increases new budget authority;

“(B) decreases revenues; or

“(C) increases or decreases the public debt limit,

first effective in the last fiscal year covered by the most recently agreed to concurrent resolution on the budget or any subsequent fiscal year.

“(2) A bill, joint resolution, amendment, or conference report shall be considered to violate paragraph (1) only if—

“(A) the enactment of such bill or resolution in the form it will be considered as original text for purposes of amendment;

“(B) the amendment is not an amendment considered as original text for purposes of amendment and the adoption of such amendment and enactment of the bill or joint resolution as so amended; or

“(C) the enactment of such bill or resolution in the form recommended in such conference report,

would cause such a violation.

“(b) WAIVER IN THE SENATE.—

“(1) The committee of the Senate which reports any bill or resolution (or amendment thereto) to which subsection (a) applies may at or after the time it reports such bill or resolution (or amendment), report a resolution to the Senate (A) providing for the waiver of subsection (a) with respect to such bill or resolution (or amendment), and (B) stating the reasons why the waiver is necessary. The resolution shall then be referred to the Committee on the Budget of the Senate. That committee shall report the resolution to the Senate within 10 days after the resolution is referred to it (not counting any day on which the Senate is not in session) beginning with the day following the day on which it is so referred, accompanied by that committee's recommendations and reasons for such recommendations with respect to the resolution. If the committee does not report the resolution within such 10-day period, it shall automatically be discharged from further consideration of the resolution and the resolution shall be placed on the calendar.

“(2) During the consideration of any such resolution, debate shall be limited to one hour, to be equally divided between, and controlled by, the majority leader and minority leader or their designees, and the time on any debatable motion or appeal shall be limited to twenty minutes, to be equally divided between, and controlled by, the mover and the manager of the resolution. In the event the manager of the resolution is in favor of any such motion or appeal, the time in opposition thereto shall be controlled by the minority leader or his designee. Such leaders, or either of them, may, from the time under their control on the passage of such resolution, allot additional time to any Senator during the consideration of any debatable motion or appeal. No amendment to the resolution is in order.

“(3) If, after the Committee on the Budget has reported (or been discharged from further consideration of) the resolution, the Senate agrees to the resolution, then subsection (a) shall not apply with respect to the bill or resolution (or amendment thereto) to which the resolution so agreed to applies.

“SEC. 304. PERMISSIBLE REVISIONS OF CONCURRENT RESOLUTIONS ON THE BUDGET.

“The two Houses may adopt a concurrent resolution on the budget which revises or reaffirms the concurrent resolution on the budget most recently agreed to and which satisfies the requirements of section 301.

“SEC. 305. PROVISIONS RELATING TO THE CONSIDERATION OF CONCURRENT RESOLUTIONS ON THE BUDGET.

“(a) PROCEDURE IN HOUSE OF REPRESENTATIVES AFTER REPORT OF COMMITTEE; DEBATE.—

“(1) When the Committee on the Budget of the House of Representatives has reported any concurrent resolution on the budget, it is in order subject to clause (2)(l)(6) of rule XI of the Rules of the House of Representatives to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the concurrent resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to. A motion to resolve into the Committee of the Whole may be made even though a previous motion has been disagreed to.

“(2) General debate on any concurrent resolution on the budget in the House of Representatives shall be limited to not more than 10 hours, which shall be divided equally between the majority and minority parties, and such additional hours of debate as are consumed pursuant to paragraph (3). A motion further to limit debate is not debatable.

“(3) Following the presentation of opening statements on the concurrent resolution on the budget for a fiscal year by the chairman and ranking minority member of the Committee on the Budget of the House, there shall be a period of up to four hours for debate on economic goals and policies.

“(4) Only if a concurrent resolution on the budget reported by the Committee on the Budget of the House sets forth the economic goals (as described in sections 3(a)(2) and (4)(b) of the Full Employment Act of 1946) which the estimates, amounts, and levels (as described in section 301(a)) set forth in such resolution are designed to achieve, shall it be in order to offer to such resolution an amendment relating to such goals, and such amendment shall be in order only if it also proposes to alter such estimates, amounts, and levels in germane fashion in order to be consistent with the goals proposed in such amendment.

“(5) Consideration of any concurrent resolution on the budget by the House of Representatives shall be in the Committee of the Whole, and the resolution shall be considered for amendment under the five-minute rule in accordance with the applicable provisions of rule XXIII of the Rules of the House of Representatives. After the Committee rises and finally reports the resolution back to the House, the previous question shall be considered as ordered on the resolution and any amendments thereto to final passage without intervening motion; except that it shall be in order at any time prior to final passage (notwithstanding any other rule or provision of law) to consider an amendment (or a series of amendments) changing any figure or figures in the resolution as so reported to the extent necessary solely to achieve mathematical consistency. The concurrent resolution is not divisible in the House or in the Committee of the Whole. A motion to recommit the concurrent resolution is not in order, and it is not in order to move to reconsider the vote by which the concurrent resolution is agreed to or disagreed to.

“(6) Debate in the House of Representatives on a conference report on a concurrent resolution on the budget shall be limited to not more than 5 hours, which shall be divided equally between the majority and minority parties. A motion further to limit debate is not debatable. A motion to recommit the conference report is not in order, and it is not in order to move to reconsider the vote by which the conference report is agreed to or disagreed to.

“(7) Appeals from decisions of the Chair relating to the application of the Rules of the House of Representatives to the procedure relating to any concurrent resolution on the budget shall be decided without debate.

“(b) PROCEDURE IN SENATE AFTER REPORT OF COMMITTEE; DEBATE; AMENDMENTS.—

“(1) Debate in the Senate on any concurrent resolution on the budget, and all amendments thereto and debatable motions and appeals in connection therewith, shall be limited to not more than 50 hours, except that with respect to any concurrent resolution referred to in section 304(a) all such debate shall be limited to not more than 15 hours. The time shall be equally divided between, and controlled by, the majority leader and the minority leader or their designees.

"(2) Debate in the Senate on any amendment to a concurrent resolution on the budget shall be limited to 2 hours, to be equally divided between, and controlled by, the mover and the manager of the concurrent resolution, and debate on any amendment to an amendment, debatable motion, or appeal shall be limited to 1 hour, to be equally divided between, and controlled by, the mover and the manager of the concurrent resolution, except that in the event the manager of the concurrent resolution is in favor of any such amendment, motion, or appeal, the time in opposition thereto shall be controlled by the minority leader or his designee. No amendment that is not germane to the provisions of such concurrent resolution shall be received. Such leaders, or either of them, may, from the time under their control on the passage of the concurrent resolution, allot additional time to any Senator during the consideration of any amendment, debatable motion, or appeal.

"(3) Following the presentation of opening statements on the concurrent resolution on the budget for a fiscal year by the chairman and ranking minority member of the Committee on the Budget of the Senate, there shall be a period of up to four hours for debate on economic goals and policies.

"(4) Subject to the other limitations of this Act, only if a concurrent resolution on the budget reported by the Committee on the Budget of the Senate sets forth the economic goals (as described in sections 3(a)(2) and 4(b) of the Employment Act of 1946) which the estimates, amounts, and levels (as described in section 301(a)) set forth in such resolution are designed to achieve, shall it be in order to offer to such resolution an amendment relating to such goals, and such amendment shall be in order only if it also proposes to alter such estimates, amounts, and levels in germane fashion in order to be consistent with the goals proposed in such amendment.

"(5) A motion to further limit debate is not debatable. A motion to recommit (except a motion to recommit with instructions to report back within a specified number of days, not to exceed 3, not counting any day on which the Senate is not in session) is not in order. Debate on any such motion to recommit shall be limited to 1 hour, to be equally divided between, and controlled by, the mover and the manager of the concurrent resolution.

"(6) Notwithstanding any other rule, an amendment or series of amendments to a concurrent resolution on the budget proposed in the Senate shall always be in order if such amendment or series of amendments proposes to change any figure or figures then contained in such concurrent resolution so as to make such concurrent resolution mathematically consistent or so as to maintain such consistency.

"(c) ACTION ON CONFERENCE REPORTS IN THE SENATE.—

"(1) A motion to proceed to the consideration of the conference report on any concurrent resolution on the budget (or a reconciliation bill or resolution) may be made even though a previous motion to the same effect has been disagreed to.

"(2) During the consideration in the Senate of the conference report (or a message between Houses) on any concurrent resolution on the budget, and all amendments in disagreement, and all amendments thereto, and debatable motions and appeals in connection therewith, debate shall be limited to 10 hours, to be equally divided between, and controlled by, the majority leader and minority leader or their designees. Debate on any debatable motion or appeal related to the conference report (or a message between Houses) shall be limited to 1 hour, to be equally divided between, and controlled by, the mover and the manager of the conference report (or a message between Houses).

"(3) Should the conference report be defeated, debate on any request for a new conference and the appointment of conferees shall be limited to 1 hour, to be equally divided between, and controlled by, the manager of the conference report and the minority leader or his designee, and should any motion be made to instruct the conferees before the conferees are named, debate on such motion shall be limited to one-half hour, to be equally divided between, and controlled by, the mover and the manager of the conference report. Debate on any amendment to any such instructions shall be limited to 20 minutes, to be equally divided between and controlled by the mover and the manager of the conference report. In all cases when the manager of the conference report is in favor of any motion, appeal, or amendment, the time in opposition shall be under the control of the minority leader or his designee.

"(4) In any case in which there are amendments in disagreement, time on each amendment shall be limited to 30 minutes, to be equally divided between, and controlled by, the manager of the conference report and the minority leader or his designee. No amendment that is not germane to the provisions of such amendments shall be received.

"(d) CONCURRENT RESOLUTION MUST BE CONSISTENT IN THE SENATE.—It shall not be in order in the Senate to vote on the question of agreeing to—

"(1) a concurrent resolution on the budget unless the figures then contained in such resolution are mathematically consistent; or

"(2) a conference report on a concurrent resolution on the budget unless the figures contained in such resolution, as recommended in such conference report, are mathematically consistent.

"SEC. 306. LEGISLATION DEALING WITH CONGRESSIONAL BUDGET MUST BE HANDLED BY BUDGET COMMITTEES.

"No bill, resolution, amendment, motion, or conference report dealing with any matter which is within the jurisdiction of the Committee on the Budget of either House shall be considered in that House unless it is a bill or resolution which has been reported by the Committee on the Budget of that House (or from the consideration of which such committee has been discharged) or unless it is an amendment to such a bill or resolution.

"SEC. 307. HOUSE COMMITTEE ACTION ON ALL APPROPRIATION BILLS TO BE COMPLETED BY JUNE 10.

"On or before June 10 of each year, the Committee on Appropriations of the House of Representatives shall report annual appropriation bills providing new budget authority under the jurisdiction of all of its subcommittees for the fiscal year which begins on October 1 of that year.

"SEC. 308. REPORTS, SUMMARIES, AND PROJECTIONS OF CONGRESSIONAL BUDGET ACTIONS.

"(a) REPORTS ON LEGISLATION PROVIDING NEW BUDGET AUTHORITY OR PROVIDING AN INCREASE OR DECREASE IN REVENUES OR TAX EXPENDITURES.—

"(1) Whenever a committee of either House reports to its House a bill or joint resolution providing new budget authority (other than continuing appropriations) or providing an increase or decrease in revenues or tax expenditures for a fiscal year (or fiscal years), the report accompanying that bill or joint resolution shall contain—

"(A) a cost statement comparing the levels in such measure as recommended by that committee to the appropriate allocations and subdivisions submitted under subsections (a) and (b) of section 302 or the appropriate allocation pursuant to section 311(a) for the most recently agreed to concurrent resolution on the budget; or

"(B) the Congressional Budget Office cost estimate required in section 202(f)(5), if timely submitted before such report is filed.

"(2) Whenever a conference report is filed in either House and such conference report or any amendment reported in disagreement or any motion printed in the joint statement of managers to dispose of such amendment on such bill or resolution provides new budget authority (other than continuing appropriations) or provides an increase or decrease in revenues for a fiscal year (or fiscal years), the statement of managers accompanying such conference report shall contain the information required by paragraph (1), if available on a timely basis. If such information is not available when the conference report is filed, the committee shall make such information available to Members as soon as practicable.

"(b) UP-TO-DATE TABULATIONS OF CONGRESSIONAL BUDGET ACTION.—

"(1) The Director of the Congressional Budget Office shall issue to the committees of the House of Representatives and the Senate reports on at least a monthly basis detailing and tabulating the progress of congressional action on bills and resolutions providing new budget authority or providing an increase or decrease in revenues or tax expenditures for each fiscal year covered by a concurrent resolution on the budget. Such reports shall include but are not limited to an up-to-date tabulation comparing the appropriate aggregate and functional levels (including outlays) included in the most recently adopted concurrent resolution on the budget with the levels provided in bills and resolutions reported by committees or adopted by either House or by the Congress, and with the levels provided by law for the fiscal year preceding the first fiscal year covered by the appropriate concurrent resolution.

"(2) The Committee on the Budget of each House shall make available to Members of its House summary budget scorekeeping reports. Such reports—

"(A) shall be made available on at least a monthly basis, but in any case frequently enough to provide Members of each House an accurate representation of the current status of congressional consideration of revenue and spending measures;

"(B) shall include, but are not limited to summaries of tabulations provided under subsection (b)(1); and

"(C) shall be based on information provided under subsection (b)(1) without substantive revision.

The chairman of the Committee on the Budget of the House of Representatives shall submit such reports to the Speaker and such reports shall be printed in the Congressional Record.

"SEC. 309. HOUSE APPROVAL OF REGULAR APPROPRIATION BILLS.

"In order that all annual appropriation bills may be considered and approved by the House of Representatives by June 30, bills authorizing budget authority contained in those appropriation bills should be reported to the House of Representatives by May 15.

"SEC. 310. RECONCILIATION.

"(a) INCLUSION OF RECONCILIATION DIRECTIVES IN CONCURRENT RESOLUTIONS ON THE BUDGET.—A concurrent resolution on the budget for any fiscal year, to the extent necessary to effectuate the provisions and requirements of such resolution, shall—

"(1) specify the total amount by which direct spending contained in laws within the jurisdiction of a committee is to be increased or decreased and direct that committee to determine and recommend changes to accomplish a change of such total amount;

"(2) specify the total amount by which revenues are to be increased or decreased and direct that the committees having jurisdiction to determine and recommend changes in the revenue laws to accomplish a change of such total amount;

"(3) specify the amounts by which the statutory limit on the public debt is to be increased or decreased and direct the committee having jurisdiction to recommend such change; or

"(4) specify and direct any combination of the matters described in paragraphs (1), (2), and (3) (including a direction to achieve deficit reduction).

"(b) LEGISLATIVE PROCEDURE.—If a concurrent resolution containing directives to one or more committees to determine and recommend changes in laws is agreed to in accordance with subsection (a) and—

"(1) only one committee of the House or the Senate is directed to determine and recommend changes, that committee shall promptly make such determination and recommendations and report to its House reconciliation measure containing such recommendations; or

"(2) more than one committee of the House or the Senate is directed to determine and recommend changes, each such committee so directed shall promptly make such determination and recommendations and submit such recommendations to the Committee on the Budget of its House, which upon receiving all such recommendations, shall report to its House a reconciliation measure carrying out all such recommendations without any substantive revision.

"(c) AMENDMENTS TO RECONCILIATION BILLS.—

"(1) It shall not be in order in the House of Representatives to consider any amendment to a reconciliation bill if such amendment would have the effect of increasing direct spending above the level of such direct spending provided in the bill (for the fiscal years covered by the reconciliation instructions set forth in the most recently agreed to concurrent resolution on the budget), or would have the effect of reducing any specific Federal revenues below the level of such revenues provided in the bill (for such fiscal years), unless such amendment makes at least an equivalent reduction in other direct spending, an equivalent increase in other specific Federal revenues, or an equivalent combination thereof (for such fiscal years). A motion to strike a provision providing new budget authority may be in order.

"(2) It shall not be in order in the Senate to consider any amendment to a reconciliation bill if such amendment would have the effect of decreasing any direct spending reductions below the level of such direct spending reductions provided (for the fiscal years covered) in the reconciliation instructions which relate to such bill set forth in a resolution providing for reconciliation, or would have the effect of reducing Federal revenue increases below the level of such revenue increases provided (for such fiscal years) in such instructions relating to such bill, unless such amendment makes a reduction in other direct spending, an increase in other specific Federal revenues, or a combination thereof (for such fiscal years) at least equivalent to any increase in direct spending or decrease in revenues provided by such amendment, except that a motion to strike a provision shall always be in order.

"(3) Paragraphs (1) and (2) shall not apply if a declaration of war by the Congress is in effect.

"(4) For purposes of this section, the levels of direct spending and Federal revenues for a fiscal year shall be determined on the basis of estimates made by the Committee on the Budget of either House, as the case may be.

"(5) If a committee or committees of the House fail to meet its directive in recommended changes it has submitted to its Committee on the Budget pursuant to its instruction, the Committee on Rules of the House of Representatives may recommend that the House make in order amendments to achieve changes specified by reconciliation directives contained in a concurrent resolution on the budget.

"(d) PROCEDURE IN THE SENATE.—

"(1) Except as provided in paragraph (2), the provisions of section 305 for the consideration in the Senate of concurrent resolutions on the budget and conference reports thereon shall also apply to the consideration in the Senate of reconciliation bills reported under subsection (b) and conference reports thereon.

"(2) Debate in the Senate on any reconciliation bill reported under subsection (b), and all amendments thereto and debatable motions and appeals in connection therewith, shall be limited to not more than 20 hours.

"(e) LIMITATION ON CHANGES TO THE SOCIAL SECURITY ACT.—Notwithstanding any other provision of law, it shall not be in order in the Senate or the House of Representatives to consider any reconciliation bill reported pursuant to a concurrent resolution on the budget agreed to under section 301 or 304, or any amendment thereto or conference report thereon, that contains recommendations to reduce benefits under the old-age, survivors, and disability insurance program established under title II of the Social Security Act.

"SEC. 311. DIRECT SPENDING AND REVENUE LEGISLATION MUST BE WITHIN APPROPRIATE LEVELS.

"(a) COMMITTEE ALLOCATIONS.—The joint explanatory statement accompanying a conference report on a budget resolution shall include an allocation, consistent with the resolution recommended in the conference report, of the appropriate deficit impact number (or surplus impact number) for the budget year and a total for all fiscal years covered by that resolution for each committee of each House of Congress, except for the Committees on Appropriations. Any item assumed in an allocation to one committee may not be assumed in an allocation to another committee of the same House.

"(b) DISPLAY ALLOCATIONS.—The joint explanatory statement accompanying a conference report on a budget resolution may include an allocation for display purposes only, consistent with the resolution recommended in the conference report, of the total amount of direct spending and revenue under existing law within the jurisdiction of each committee.

"(c) LEGISLATION SUBJECT TO POINT OF ORDER.—(1) It shall not be in order in the House of Representatives or the Senate to consider any bill or joint resolution or amendment increasing the deficit (or lowering the surplus) in any fiscal year covered by the most recently agreed to concurrent resolution on the budget, or any motion or conference report on any such bill or joint resolution, if it would produce a higher deficit (or lower surplus) than an appropriate impact number allocated pursuant to subsection (a).

"(2) A bill, joint resolution, amendment, or conference report shall be considered to exceed an appropriate impact number only if—

"(A) the enactment of such bill or resolution in the form it will be considered as original text for purposes of amendment;

"(B) the amendment is not an amendment considered as original text for purposes of amendment and the adoption of such amendment and enactment of the bill or joint resolution as so amended; or

"(C) the enactment of such bill or resolution in the form recommended in such conference report,

would cause an appropriate impact number allocated pursuant to subsection (a) to be exceeded.

"(d) DETERMINATIONS BY BUDGET COMMITTEES.—For purposes of this section, impact numbers shall be determined on the basis of estimates made by the Committee on the Budget of either House, as the case may be.

"SEC. 312. EFFECTS OF POINTS OF ORDER.

"(a) POINTS OF ORDER IN THE SENATE AGAINST AMENDMENTS BETWEEN THE HOUSES.—Each provision of this Act that establishes a point of order against an amendment also establishes a point of order in the Senate against an amendment between the Houses. If a point of order under this Act is raised in the Senate against an amendment between the Houses, and the Presiding Officer sustains the point of order, the effect shall be the same as if the Senate had disagreed to the amendment.

"(b) EFFECT OF A POINT OF ORDER ON A BILL IN THE SENATE.—In the Senate, if the Chair sustains a point of order under this Act against a bill, the Chair shall then send the bill to the committee of appropriate jurisdiction for further consideration.

"SEC. 313. EXTRANEOUS MATTER IN RECONCILIATION LEGISLATION.

"(a) IN GENERAL.—When the Senate is considering a reconciliation bill or a reconciliation resolution pursuant to section 310 (whether that bill or resolution originated in the Senate or the House) or section 258C of the Balanced Budget and Emergency Deficit Control Act of 1985, upon a point of order being made by any Senator against material extraneous to the instructions to a committee which is contained in any title or provision of the bill or resolution or offered as an amendment to the bill or resolution, and the point of order is sustained by the Chair, any part of said title or provision that contains material extraneous to the instructions to said Committee as defined in subsection (b) shall be deemed stricken from the bill and may not be offered as an amendment from the floor.

"(b) EXTRANEOUS PROVISIONS.—(1)(A) Except as provided in paragraph (2), a provision of a reconciliation bill or reconciliation resolution considered pursuant to section 310 shall be considered extraneous if such provision does not produce a change in outlays or revenue, including changes in outlays and revenues brought about by changes in the terms and conditions under which outlays are made or revenues are required to be collected (but a provision in which outlay decreases or revenue increases exactly offset outlay increases or revenue decreases shall not be considered extraneous by virtue of this subparagraph); (B) any provision producing an increase in outlays or decrease in revenues shall be considered extraneous if the net effect of provisions reported by the Committee reporting the title containing the provision is that the Committee fails to achieve its reconciliation instructions; (C) a provision that is not in the jurisdiction of the Committee with jurisdiction over said title or provision shall be considered extraneous; (D) a provision shall be considered extraneous if it produces changes in outlays or revenues which are merely incidental to the non-budgetary components of the provision; (E) a provision shall be considered to be extraneous if it increases, or would increase, net outlays, or if it decreases, or would decrease, revenues during a fiscal year after the fiscal years covered by such reconciliation bill or reconciliation resolution, and such increases or decreases are greater than outlay reductions or revenue increases resulting from other provisions in such title in such year; and (F) a provision shall be considered extraneous if it violates section 310(e).

"(2) A Senate-originated provision shall not be considered extraneous under paragraph (1)(A) if the Chairman and Ranking Minority Member of the Committee on the Budget and the Chairman and Ranking Minority Member of the Committee which reported the provision certify that: (A) the provision mitigates direct effects clearly attributable to a provision changing outlays or revenue and both provisions together produce a net reduction in the deficit; (B) the provision will result in a substantial reduction in outlays or a substantial increase in revenues during fiscal years after the fiscal years covered by the reconciliation bill or reconciliation resolution; (C) a reduction of outlays or an increase in revenues is likely to occur as a result of the provision, in the event of new regulations authorized by the provision or likely to be proposed, court rulings on pending litigation, or relationships between economic indices and stipulated statutory triggers pertaining to the provision, other than the regulations, court rulings or relationships currently projected by the Congressional Budget Office for scorekeeping purposes; or (D) such provision will be likely to produce a significant reduction in outlays or increase in revenues but, due to insufficient data, such reduction or increase cannot be reliably estimated.

"(3) A provision reported by a committee shall not be considered extraneous under paragraph (1)(C) if (A) the provision is an integral part of a provision or title, which if introduced as a bill or resolution would be referred to such committee, and the provision sets forth the procedure to carry out or implement the substantive provisions that were reported and which fall within the jurisdiction of such committee; or (B) the provision states an exception to, or a special application of, the general provision or title of which it is a part and such general provision or title if introduced as a bill or resolution would be referred to such committee.

"(c) EXTRANEOUS MATERIALS.—Upon the reporting or discharge of a reconciliation bill or resolution pursuant to section 310 in the Senate, and again upon the submission of a conference report on such a reconciliation bill or resolution, the Committee on the Budget of the Senate shall submit for the record a list of material considered to be extraneous under subsections (b)(1)(A), (b)(1)(B), and (b)(1)(E) of this section to the instructions of a committee as provided in this section. The inclusion or exclusion of a provision shall not constitute a determination of extraneousness by the Presiding Officer of the Senate.

"(d) CONSIDERATION OF CONFERENCE REPORTS.—When the Senate is considering a conference report on, or an amendment between the Houses in relation to, a reconciliation bill or reconciliation resolution pursuant to section 310, upon—

"(1) a point of order being made by any Senator against extraneous material meeting the definition of subsections (b)(1)(A), (b)(1)(B), (b)(1)(D), (b)(1)(E), or (b)(1)(F), and

"(2) such point of order being sustained,

such material contained in such conference report or amendment shall be deemed stricken, and the Senate shall proceed, without intervening action or motion, to consider the question of whether the Senate shall recede from its amendment and concur with a further amendment, or concur in the House amendment with a further amendment, as the case may be, which further amendment shall consist of only that portion of the conference report or House amendment, as the case may be, not so stricken. Any such motion in the Senate shall be debatable for two hours. In any case in which such point of order is sustained against a conference report (or Senate amendment derived from such conference report by operation of this subsection), no further amendment shall be in order.

"(e) GENERAL POINT OF ORDER.—Notwithstanding any other law or rule of the Senate, it shall be in order for a Senator to raise a single point of order that several provisions of a bill, resolution, amendment, motion, or conference report violate this section. The Presiding Officer may sustain the point of order as to some or all of the provisions against which the Senator raised the point of order. If the Presiding Officer so sustains the point of order as to some of the provisions (including provisions of an amendment, motion, or conference report) against which the Senator raised the point of order, then only those provisions (including provisions of an amendment, motion, or conference report) against which the Presiding Officer sustains the point of order shall be deemed stricken pursuant to this section. Before the Presiding Officer rules on such a point of order, any Senator may move to waive such a point of order as it applies to some or all of the provisions against which the point of order was raised. Such a motion to waive is amendable in accordance with the rules and precedents of the Senate. After the Presiding Officer rules on such a point of order, any Senator may appeal the ruling of the Presiding Officer on such a point of order as it applies to some or all of the provisions on which the Presiding Officer ruled.

"(f) DETERMINATION OF LEVELS.—For purposes of this section, the levels of new budget authority, budget outlays, new entitlement authority, and revenues for a fiscal year shall be determined on the basis of estimates made by the Committee on the Budget of the Senate.".

SEC. 15204. CONTROL OF BACKDOOR SPENDING.

Title IV of the Congressional Budget Act of 1974 is amended to read as follows:

"TITLE IV—CONTROL OF BACKDOOR SPENDING.

"SEC. 401. BILLS PROVIDING NEW SPENDING AUTHORITY.

"(a) CONTROLS ON LEGISLATION PROVIDING SPENDING AUTHORITY.—(1) It shall not be in order in the House of Representatives or the Senate to consider any bill, joint resolution, amendment, motion, or conference report which provides contract or borrowing authority, unless that bill, resolution, conference report, or amendment also provides that such contract or borrowing authority is to be effective for any fiscal year only to such extent or in such amounts as are provided in advance in appropriation Acts.

"(2) A bill, joint resolution, amendment, or conference report shall be considered to violate paragraph (1) only if—

"(A) the enactment of such bill or resolution in the form it will be considered as original text for purposes of amendment;

"(B) the amendment is not an amendment considered as original text for purposes of amendment and the adoption of such amendment and enactment of the bill or joint resolution as so amended; or

"(C) the enactment of such bill or resolution in the form recommended in such conference report;

would cause such a violation.

"(b) EXCEPTIONS.—

"(1) Subsection (a) shall not apply to contract or borrowing authority if that authority is derived—

"(A) from a trust fund established by the Social Security Act (as in effect on the date of the enactment of this Act); or

"(B) from any other trust fund, 90 percent or more of the noninterest receipts of which consist or will consist of amounts (transferred from the general fund of the Treasury) equivalent to amounts of taxes (related to the purposes for which such outlays are or will be made) received in the Treasury under specified provisions of the Internal Revenue Code of 1954.

"(2) Subsection (a) shall not apply to contract or borrowing authority to the extent that—

"(A) the outlays resulting therefrom are made by an organization which is (i) a mixed-ownership Government corporation (as defined in section 201 of the Government Corporation Control Act), or (ii) a wholly owned Government corporation (as defined in section 101 of such Act) which is specifically exempted by law from compliance with any or all of the provisions of that Act, as of the date of enactment of the Budget Enforcement Act of 1993; or

"(B) the outlays resulting therefrom consist exclusively of the proceeds of gifts or bequests made to the United States for a specific purpose.

"SEC. 402. LEGISLATION PROVIDING NEW CREDIT AUTHORITY.

"(a) POINT OF ORDER.—It shall not be in order in the House of Representatives or the Senate to consider any bill, joint resolution, amendment, motion, or conference report which provides new credit authority, unless that bill, resolution, conference report, or amendment also provides that such new credit authority is to be effective for any fiscal year only to such extent or in such amounts as are provided in appropriation Acts in accordance with section 504.

"(b) APPLICABILITY.—A bill, joint resolution, amendment, or conference report shall be considered to violate subsection (a) only if—

"(1) the enactment of such bill or resolution in the form it will be considered as original text for purposes of amendment;

"(2) the amendment is not an amendment considered as original text for purposes of amendment and the adoption of such amendment and enactment of the bill or joint resolution as so amended; or

"(3) the enactment of such bill or resolution in the form recommended in such conference report;

would cause such a violation.

"SEC. 403. OFF-BUDGET AGENCIES, PROGRAMS, AND ACTIVITIES.

"(a) Notwithstanding any other provision of law, budget authority, credit authority, and estimates of outlays and receipts for activities of the Federal budget which are off-budget immediately prior to the date of enactment of the Balanced Budget and Emergency Deficit Control Act of 1985, not including activities of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds and the United States Postal Service, shall be included in a budget submitted pursuant to section 1105 of title 31, United States Code, and in a concurrent resolution on the budget reported pursuant to section 301 or section 304 of this Act and shall be considered, for purposes of this Act, budget authority, outlays, and spending authority in accordance with definitions set forth in this Act.

"(b) All receipts and disbursements of the Federal Financing Bank with respect to any obligations which are issued, sold, or guaranteed by a Federal agency shall be treated as a means of financing such agency for purposes of section 1105 of title 31, United States Code, and for purposes of this Act.

"(c) Notwithstanding any other provision of law, receipts and disbursements of the Hospital Insurance Trust Fund shall be included in all calculations required by this Act.".

SEC. 15205. TITLE V OF THE CONGRESSIONAL BUDGET ACT OF 1974.

(a) SECTION 502.—Section 502 of the Congressional Budget Act of 1974 is amended—

(1) in paragraph (5)(A), by inserting "or a modification thereof" after "loan guarantee";

(2) in paragraph (5)(B), by striking "recoveries." and inserting the following: "recoveries, and routine work-outs of troubled loans or loans in imminent danger of default when those work-outs are to maximize repayments to the Government; and shall include anticipated changes in loan terms resulting from the exercise by the borrower of an option included in the loan contract.";

(3) in paragraph (5)(C), by striking ", and" at the end of clause (i), by striking the period at the end of clause (ii) and inserting "; and" and by inserting at the end the following:

"(iii) routine work-outs of troubled loans or loans in imminent danger of default when those work-outs are to minimize claims against the Government; and shall include anticipated changes in loan terms resulting from the exercise by the borrower of an option included in the loan contract.";

(4) by striking subparagraph (D) and inserting the following new subparagraph:

"(D) The cost of modification of a direct loan, a direct loan obligation, a loan guarantee, or a loan guarantee commitment shall be the net present value, at the time of the modification, of the change in cash flows estimated to occur as a result of that modification.";

(5) in paragraph (8), is amended by inserting at the end the following new sentence: "Transactions between any financing account and any liquidating account shall be considered non-budgetary."; and

(6) by redesignating paragraph (9) as paragraph (10) and by inserting after paragraph (8) the following:

"(9) The term 'modification' means any Government action resulting from new legislation or from the exercise of administrative options under existing law that directly or indirectly alters the expected cash flows associated with an outstanding direct loan, direct loan obligation, loan guarantee, or loan guarantee commitment. Modifications include the sale (with or without recourse) of loan assets held by the Government and the purchase by the Government of guaranteed loans. Modifications do not include amounts for routine work-outs of troubled loans or loans in imminent danger of default, or changes in loan terms from the exercise by the borrower of an option included in the loan contract."

(b) SECTION 504.—Section 504 of the Congressional Budget Act of 1974 is amended—

(1) in subsection (b)(1), by striking "appropriations of" and inserting "new", by striking "are made" and inserting "is provided", and by inserting "in appropriation Acts" before the semicolon;

(2) in subsection (b)(2), by striking "enacted" and inserting "provided in an appropriation Act";

(3) in subsection (d)(1), by striking "costs of outstanding direct loans and loan guarantees" and inserting "costs of outstanding direct loans (or direct loan obligations) or loan guarantees (or loan guarantee commitments)"; and

(4) in subsection (e), by striking "A direct loan obligation or loan guarantee commitment" and inserting "An outstanding direct loan (or direct loan obligation) or loan guarantee (or loan guarantee commitment)", by inserting "new" before "budget authority", by striking the comma after "appropriated", and by striking "or from other budgetary resources".

(c) SECTION 505.—Section 505 of the Congressional Budget Act of 1974 is amended—

(1) in the side heading of subsection (b), by inserting "AND LIQUIDATING" before "ACCOUNTS";

(2) in subsection (c), by inserting at the end of the second sentence, before the period, the following: ", except that the rate of interest charged by the secretary on lending to financing accounts (including amounts treated as lending to financing accounts by the Federal Financing Bank (the Bank) pursuant to section 403(b) of the Congressional Budget Act of 1974) and the rate of interest paid to financing accounts on uninvested balances in financing accounts shall be the same as the rate determined pursuant to section 502(5)(E). For guaranteed loans financed by the Bank and treated as direct loans by a Federal agency pursuant to section 403(b) of the Congressional Budget Act of 1974, any fee or interest surcharge (the amount by which the interest rate charged exceeds the rate determined pursuant to section 502(5)(E)) that the Bank charges to a private borrower pursuant to section 6(c) of the Federal Financing Bank Act of 1973 shall be considered a cash flow to the Government for the purposes of determining the cost of the direct loan pursuant to section 502(5) of this Act. All such amounts shall be credited to the appropriate financing account. The Bank is authorized to require reimbursement from a Federal agency to cover the administrative expenses of the Bank that are attributable to the direct loans financed for that agency. All such payments by an agency shall be considered administrative expenses subject to section 504(g).";

(3) at the end of subsection (c), by inserting the following: "This subsection shall apply to transactions related to direct loan obligations or loan guarantee commitments made on or after October 1, 1991."; and

(4) in subsection (d), by striking "If funds in liquidating accounts are insufficient to satisfy the obligations and commitments of said accounts, there" and inserting "There" and by striking "such obligations and commitments" and inserting "the obligations and commitments of liquidating accounts".

(d) SECTION 506.—Section 506 of the Congressional Budget Act of 1974 is repealed.

(e) SECTION 507.—Section 507 of the Congressional Budget Act of 1974 is redesignated as section 506 and is amended to read as follows:

"SEC. 506. EFFECT ON OTHER LAWS.

"(a) EFFECT ON OTHER LAWS.—This title shall supersede, modify, or repeal any provision of law enacted prior to the date of enactment of this title to the extent such provision is inconsistent with this title, except that nothing in this title shall be construed (1) to alter the terms or conditions authorized to be included in loan or guarantee contracts or the rights and responsibilities of the Government and the recipients of loans or guarantees under those contracts or the laws that authorize them, or (2) to establish a credit limitation on any Federal loan or loan guarantee program.

"(b) CREDITING OF COLLECTIONS.—Collections resulting from direct loans obligated or loan guarantees committed prior to October 1, 1991, shall be credited to the liquidating accounts of Federal agencies. Periodically and as appropriate, amounts so credited shall be transferred to the Federal Financing Bank to repay those debt obligations held by the Bank that were created to finance the loan being repaid, and all amounts not transferred to the Bank shall be transferred to the general fund of the Treasury. All intragovernmental debt owed to the Treasury by Federal agencies (but not by the public) as a result of loans or guarantees made before October 1, 1991, is hereby canceled and all prepayment penalties are waived. The provisions of this subsection shall not diminish any rights or responsibilities guaranteed by subsection (a).".

SEC. 15206. DISCRETIONARY SPENDING LIMITS.

Title VI of the Congressional Budget Act of 1974 is amended to read as follows:

"TITLE VI—DISCRETIONARY SPENDING LIMITS

"SEC. 601. DISCRETIONARY SPENDING LIMITS.

"As used in this title and for purposes of the Budget Enforcement Act of 1993, discretionary spending limits, measured in terms of new budget authority and outlays, are as follows:

Fiscal Year	Limits (in millions of dollars)	
	New budget authority	Outlays
1994	500,964	538,688
1995	506,287	541,137
1996	519,142	547,263
1997	528,079	547,346
1998	530,639	547,870

"SEC. 602. EFFECT OF ADJUSTMENTS ON CONSIDERATION OF CERTAIN LEGISLATION IN EITHER HOUSE OF CONGRESS.

"For purposes of congressional consideration of legislation containing any provision subject to any of paragraphs (3) through (7) of section 251(b) or to section 252(a)(4) of the Balanced Budget and Emergency Deficit Control Act of 1985, determinations under titles III and IV shall not take into account any new budget authority, outlays, receipts, or deficit effects in any fiscal year of that provision.".

SEC. 15207. CONTINUING STUDY OF BUDGET REFORM PROPOSALS.

Title VII of the Congressional Budget Act of 1974 is amended by repealing sections 701 and 702 and by redesignating section 703 as section 701.

SEC. 15208. SOCIAL SECURITY PROTECTION.

(a) REDESIGNATIONS.—Sections 13301(a) and 13302 of the Budget Enforcement Act of 1990 are redesignated as sections 801 and 802 of the Congressional Budget Act of 1974.

(b) CHANGE OF TITLE VIII'S HEADING.—The heading of title VIII of the Congressional Budget Act of 1974 is amended to read as follows:

"TITLE VIII—SOCIAL SECURITY PROTECTION".

SEC. 15209. RULEMAKING POWER.

(a) SECTION 904.—Section 904(a) of the Congressional Budget Act of 1974 is amended by striking "V, and VI (except section 601(a))" and inserting "V, and VIII" and by striking "701, 703," and inserting "602, 703,".

SEC. 15210. CONFORMING AMENDMENTS TO THE CONGRESSIONAL BUDGET AND IMPOUNDMENT CONTROL ACT OF 1974.

(a) TITLE III.—Section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by striking the items relating to title III and inserting the following new items:

"TITLE III—CONGRESSIONAL BUDGET PROCESS

"Sec. 300. Timetable.
"Sec. 301. Annual adoption of concurrent resolution on the budget.
"Sec. 302. Appropriation committee allocations and enforcement.
"Sec. 303. Legislation providing new budget authority or changes in revenues or the public debt limit may only do so for years covered by most recent budget resolution.
"Sec. 304. Permissible revisions of concurrent resolutions on the budget.
"Sec. 305. Provisions relating to the consideration of concurrent resolutions on the budget.
"Sec. 306. Legislation dealing with congressional budget must be handled by budget committees.
"Sec. 307. House committee action on all appropriation bills to be completed by June 10.
"Sec. 308. Reports, summaries, and projections of congressional budget actions.
"Sec. 309. House approval of regular appropriation bills.
"Sec. 310. Reconciliation.
"Sec. 311. Direct spending and revenue legislation must be within appropriate levels.
"Sec. 312. Effects of points of order.
"Sec. 313. Extraneous matter in reconciliation legislation.

(b) TITLE IV.—Section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by striking the items relating to title IV and inserting the following new items:

"TITLE IV—CONTROL OF BACKDOOR SPENDING

"Sec. 401. Bills providing new spending authority.
"Sec. 402. Legislation providing new credit authority.
"Sec. 403. Off-budget agencies, programs, and activities.

(c) TITLE VI.—Section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by striking the items relating to title VI and inserting the following new items:

"TITLE VI—DISCRETIONARY SPENDING LIMITS

"Sec. 601. Discretionary spending limits.
"Sec. 602. Effect of adjustments on consideration of certain legislation in either House of Congress.

(d) TITLE VIII.—Section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by striking the items relating to title VIII and inserting the following new items:

"TITLE VIII—SOCIAL SECURITY PROTECTION

"Sec. 801. Off-budget status of OASDI trust funds.
"Sec. 802. Protection of OASDI trust funds in the House of Representatives.

SEC. 15211. CONFORMING AMENDMENTS TO THE RULES OF THE HOUSE OF REPRESENTATIVES.

The Rules of the House of Representatives are amended as follows:

(1) The first sentence of clause 4(g) of rule X is amended by striking "February 25 of each year" and inserting "six weeks after the President's budget submission".

(2) Clause 2(l)(3)(B) of rule XI is amended by striking "section 308(a)(1)" and inserting "section 308(a)(1)(A)".

(3) The first sentence of clause 2(l)(6) of rule XI is amended by striking ", or as provided by section 305(a)(1) of the Congressional Budget Act of 1974 in the case of a concurrent resolution on the budget".

(4) Rule XI is amended by adding at the end the following new clause:

"Amendments may not increase deficit

"7. Before any amendments are offered to a measure under consideration by a standing committee or when a standing committee is adopting written rules governing its procedures, the chairman may entertain a motion requiring that any amendment to a measure or matter before the committee not have the effect of increasing any direct spending above the level of such direct spending provided in such measure or matter or have the effect of reducing any revenues below the level of such revenues provided in the measure or matter, unless such amendment makes at least an equivalent reduction in other direct spending, an equivalent increase in other revenues, or an equivalent combination thereof. A majority of the members of the committee shall be present to adopt such a motion.".

(5) Clause 8 of rule XXIII is amended to read as follows:

"8. At the conclusion of general debate in a Committee of the Whole on a concurrent resolution on the budget within the meaning of the Congressional Budget Act of 1974, the concurrent resolution shall be considered as read for amendment. It shall not be in order in the House or in a Committee of the Whole to consider an amendment to a concurrent resolution on the budget, or an amendment to an amendment, unless the concurrent resolution as amended by such amendment or amendments (1) would be mathematically consistent (subject to the third sentence of this clause); and (2) would contain all the matter set forth in paragraphs (1) through (5) of section 301(a) of the Congressional Budget Act of 1974. It shall not be in order in the House or in a Committee of the Whole to consider an amendment to such a concurrent resolution on the budget, or an amendment to an amendment, that would change the amount set forth as the appropriate level of the public debt, except that an amendment to achieve mathematical consistency as permitted under section 305(a)(5) of the Congressional Budget Act of 1974, if offered at the direction of the Committee on the Budget, may include an appropriate adjustment of that amount to reflect any changes made in other amounts in the resolution.".

(6) Rule XLIX is amended—

(A) in clause 2, by striking "a limitation" and inserting "an amount"; by striking "301(a)(5)" and inserting "301(b)(3)"; and by striking "; and, if" and all that follows through the period and inserting a period;

(B) in clause 3, by striking "clause 1" and inserting "clause 1)"; and

(C) in clause 4, by striking "clause 1" and inserting "clause 1)".

SEC. 15212. EFFECTIVE DATE.

The amendments made by this subtitle shall be effective upon enactment for fiscal year 1994 and subsequent fiscal years.

Subtitle C—Deficit Reduction Trust Fund

SEC. 15301. DEFICIT REDUCTION TRUST FUND.

(a) A trust fund known as the "Deficit Reduction Trust Fund" (the "Fund") shall be established for the purposes of guaranteeing that the net deficit reduction required by the Omnibus Budget Reconciliation Act of 1993 is fully achieved.

(b) The Fund shall consist only of amounts equal to the net deficit reduction, calculated pursuant to the procedures set forth in subsection (c), that is estimated to result from the Omnibus Budget Reconciliation Act of 1993. Such amounts shall be transferred to the Fund as specified in subsection (c).

(c) Within 10 days of enactment of the Omnibus Budget Reconciliation Act of 1993—

(1) the Director of the Office of Management and Budget shall determine the sum of the net deficit reduction that results from the enactment of the Omnibus Budget Deficit Reduction Act of 1993; and

(2) there shall be transferred from the general fund to the Fund an amount equal to the sum determined in paragraph (1).

(d) Notwithstanding any other provision of law, the amounts in the Fund shall not be available, in any fiscal year, for appropriation, obligation, expenditure, or transfer, but may be used exclusively to pay Treasury debt obligations when they mature.

(e) Amounts in the Fund, as determined by the Director of the Office of Management and Budget, that result from the net total of direct spending and receipts provisions calculated according to the provisions of section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended (the "Act"), shall be excluded from, and shall not be counted for purposes of, the totals under section 252 and sections 254(d)(3) and 254(g)(3) of the Act.

(f) Establishment of and transfers to the Fund as authorized by this section shall not affect trust fund transfers that may be authorized or required by provisions of the Omnibus Reconciliation Act of 1993 other than this section.

(g) Section 1105(a) of title 31, United States Code, is amended by adding at the end thereof:

"(27) information about, and a separate statement of amounts in, the Deficit Reduction Trust Fund.".

TITLE XVI—BUDGET CONTROL

SEC. 16001. SHORT TITLE; PURPOSE.

(a) SHORT TITLE.—This title may be cited as the "Budget Control Act of 1993".

(b) PURPOSE.—The purpose of this title is to create a mechanism to monitor total costs of direct spending programs, and, in the event that actual or projected costs exceed targeted levels, to require the President and Congress to address adjustments in direct spending.

SEC. 16002. ESTABLISHMENT OF DIRECT SPENDING TARGETS.

(a) IN GENERAL.—The initial direct spending targets for each of fiscal years 1994 through 1997 shall equal total outlays for all direct spending except net interest and deposit insurance as determined by the Director of the Office of Management and Budget (hereinafter referred to in this title as the "Director") under subsection (b).

(b) INITIAL REPORT BY DIRECTOR.—

(1) Not later than 30 days after the date of enactment of this Act, the Director shall submit a report to Congress setting forth projected direct spending targets for each of fiscal years 1994 through 1997.

(2) The Director's projections shall be based on legislation enacted as of 5 days before the report is submitted under paragraph (1). To the extent feasible, the Director shall use the same economic and technical assumptions used in preparing the concurrent resolution on the budget for fiscal year 1994 (H.Con.Res. 64).

(c) ADJUSTMENTS.—Direct spending targets shall be subsequently adjusted by the Director under section 16006.

SEC. 16003. ANNUAL REVIEW OF DIRECT SPENDING AND RECEIPTS BY PRESIDENT.

As part of each budget submitted under section 1105(a) of title 31, United States Code, the President shall provide an annual review of direct spending and receipts, which shall include (1) information supporting the adjustment of direct spending targets pursuant to section 16006, (2) information on total outlays for programs covered by the direct spending targets, including actual outlays for the prior fiscal year and projected outlays for the current fiscal year and the 5 succeeding fiscal years, and (3) information on the major categories of Federal receipts, including a comparison between the levels of those receipts and the levels projected as of the date of enactment of this Act.

SEC. 16004. SPECIAL DIRECT SPENDING MESSAGE BY PRESIDENT.

(a) TRIGGER.—In the event that the information submitted by the President under section 16003 indicates —

(1) that actual outlays for direct spending in the prior fiscal year exceeded the applicable direct spending target, or

(2) that outlays for direct spending for the current or budget year are projected to exceed the applicable direct spending targets, the President shall include in his budget a special direct spending message meeting the requirements of subsection (b).

(b) CONTENTS.—(1) The special direct spending message shall include:

(A) An explanation of any adjustments to the direct spending targets pursuant to section 16006.

(B) An analysis of the variance in direct spending over the adjusted direct spending targets.

(C) The President's recommendations for addressing the direct spending overages, if any, in the prior, current, or budget year.

(2) The President's recommendations may consist of any of the following:

(A) Proposed legislative changes to reduce outlays, increase revenues, or both, in order to recoup or eliminate the overage for the prior, current, and budget years in the current year, the budget year, and the 4 outyears.

(B) Proposed legislative changes to reduce outlays, increase revenues, or both, in order to recoup or eliminate part of the overage for the prior, current, and budget year in the current year, the budget year, and the 4 outyears, accompanied by a finding by the President that, because of economic conditions or for other specified reasons, only some of the overage should be recouped or eliminated by outlay reductions or revenue increases, or both.

(C) A proposal to make no legislative changes to recoup or eliminate any overage, accompanied by a finding by the President that, because of economic conditions or for other specified reasons, no legislative changes are warranted.

(3) Any proposed legislative change under paragraph (2) to reduce outlays may include reductions in direct spending or in the discretionary spending limits under section 601 of the Congressional Budget Act of 1974.

(c) PROPOSED SPECIAL DIRECT SPENDING RESOLUTION.—

(1) PRESIDENT'S RECOMMENDATIONS TO BE SUBMITTED AS DRAFT RESOLUTION.—If the President recommends reductions consistent with subsection (b)(2)(A) or (B), the special direct spending message shall include the text of a special direct spending resolution implementing the President's recommendations through reconciliation directives instructing the appropriate committees of the House of Representatives and Senate to determine and recommend changes in laws within their jurisdictions to reduce outlays or increase revenues by specified amounts. If the President recommends no reductions pursuant to (b)(2)(C), the special direct spending message shall include the text of a special resolution concurring in the President's recommendation of no legislative action.

(2) RESOLUTION TO BE INTRODUCED IN HOUSE.—Within 10 days after the President's special direct spending message is submitted, the text required by paragraph (1) shall be introduced as a concurrent resolution in the House of Representatives by the chairman of the Committee on the Budget of the House of Representatives without substantive revision. If the chairman fails to do so, after the tenth day the resolution may be introduced by any Member of the House of Representatives. A concurrent resolution introduced under this paragraph shall be referred to the Committee on the Budget.

SEC. 16005. REQUIRED RESPONSE BY CONGRESS.

(a) REQUIREMENT FOR SPECIAL DIRECT SPENDING RESOLUTION.—Whenever the President submits a special direct spending message under section 16004, the Committee on the Budget of the House of Representatives shall report, not later than April 15, the concurrent resolution on the budget and include in it a separate title that meets the requirements of subsections (b) and (c).

(b) CONTENTS OF SEPARATE TITLE.—The separate title of the concurrent resolution on the budget shall contain reconciliation directives to the appropriate committees of the House of Representatives and Senate to determine and recommend changes in laws within their jurisdictions to reduce outlays or increase revenues by specified amounts (which in total equal or exceed the reductions recommended by the President, up to the amount of the overage). If this separate title recommends that no legislative changes be made to recoup or eliminate an overage, then a statement to that effect shall be set forth in that title.

(c) REQUIREMENT FOR SEPARATE VOTE TO INCREASE TARGETS.—If the separate title of a concurrent resolution on the budget proposes to recoup or eliminate less than the entire overage for the prior, current, and budget years, then the Committee on the Budget of the House of Representatives shall report a resolution directing the Committee on Government Operations to report legislation increasing the direct spending targets for each applicable year by the full amount of the overage not recouped or eliminated. It shall not be in order in the House of Representatives to consider that concurrent resolution on the budget until the House of Representatives has agreed to the resolution directing the increase in direct spending targets.

(d) CONFERENCE REPORTS MUST FULLY ADDRESS OVERAGE.—It shall not be in order in the House of Representatives to consider a conference report on a concurrent resolution on the budget unless that conference report fully addresses the entirety of any overage contained in the applicable report of the President under section 16004 through reconciliation directives requiring spending reductions, revenue increases, or changes in the direct spending targets.

(e) PROCEDURE IF HOUSE BUDGET COMMITTEE FAILS TO REPORT REQUIRED RESOLUTION.—

(1) AUTOMATIC DISCHARGE OF HOUSE BUDGET COMMITTEE.—If a special direct spending resolution is required and the Committee on the Budget of the House of Representatives fails to report a resolution meeting the requirements of subsections (b) and (c) by April 15, then the committee shall be automatically discharged from further consideration of the concurrent resolution reflecting the President's recommendations introduced pursuant to section 16004(c)(2) and the concurrent resolution shall be placed on the appropriate calendar.

(2) CONSIDERATION BY HOUSE.—Ten days after the Committee on the Budget of the House of Representatives has been discharged under paragraph (1), any Member may move that the House proceed to consider the resolution. Such motion shall be highly privileged and not debatable.

(f) APPLICATION OF CONGRESSIONAL BUDGET ACT.—To the extent that they are relevant and not inconsistent with this title, the provisions of title III of the Congressional Budget Act of 1974 shall apply in the House of Representatives and the Senate to special direct spending resolutions, resolutions increasing targets under subsection (c), and reconciliation legislation reported pursuant to directives contained in those resolutions.

SEC. 16006. ADJUSTMENTS TO DIRECT SPENDING TARGETS.

(a) REQUIRED ANNUAL ADJUSTMENTS.—Prior to the submission of the President's budget for each of fiscal years 1995 through 1997, the Director shall adjust the direct spending targets in accordance with this section. Any such adjustments shall be reflected in the targets used in the President's report under section 16003 and message (if any) under section 16004.

(b) ADJUSTMENT FOR INCREASES IN BENEFICIARIES.—(1) The Director shall adjust the direct spending targets for increases (if any) in actual or projected numbers of beneficiaries under direct spending programs for which the number of beneficiaries is a variable in determining costs.

(2) The adjustment shall be made by —

(A) computing, for each program under paragraph (1), the percentage change between (i) the annual average number of beneficiaries under that program (including actual numbers of beneficiaries for the prior fiscal year and projections for the budget and subsequent fiscal years) to be used in the President's budget with which the adjustments will be submitted, and (ii) the annual average number of beneficiaries used in the adjustments made by the Director in the previous year (or, in the case of adjustments made in 1994, the annual average number of beneficiaries used in the Director's initial report under section 16002(b));

(B) applying the percentages computed under subparagraph (A) to the projected levels of outlays for each program consistent with the direct spending targets in effect immediately prior to the adjustment; and

(C) adding the results of the calculations required by subparagraph (B) to the direct spending targets in effect immediately prior to the adjustment.

(3) No adjustment shall be made for any program for a fiscal year in which the percentage increase computed under paragraph (2)(A) is less than or equal to zero.

(c) ADJUSTMENTS FOR REVENUE LEGISLATION.—(1) The Director shall adjust the targets as follows—

(A) they shall be increased by the amount of any increase in receipts; or

(B) they shall be decreased by the amount of any decrease in receipts,

resulting from receipts legislation enacted after the date of enactment of this title, except legislation enacted under section 16005.

(d) ADJUSTMENTS TO REFLECT CONGRESSIONAL DECISIONS.—Upon enactment of a reconciliation bill pursuant to instructions under section 16005, the Director shall adjust direct spending targets for the current year, the budget year, and each outyear through 1997 by—

(1) increasing the target for the current year and the budget year by the amount stated for that year in that reconciliation bill (but if a separate vote was required by section 16005(c), only if that vote has occurred); and

(2) decreasing the target for the current, budget, and outyears through 1997 by the amount of reductions in direct spending enacted in that reconciliation bill.

(e) DESIGNATED EMERGENCIES.—The Director shall adjust the targets to reflect the costs of legislation that is designated as an emergency by Congress and the President under section 252(b) of the Balanced Budget and Emergency Deficit Control Act of 1985.

SEC. 16007. RELATIONSHIP TO BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT.

Reductions in outlays or increases in receipts resulting from legislation reported pursuant to section 16005 shall not be taken into account for purposes of any budget enforcement procedures under the Balanced Budget and Emergency Deficit Control Act of 1985.

SEC. 16008. ESTIMATING MARGIN.

For any fiscal year for which the overage is less than one-half of 1 percent of the direct spending target for that year, the procedures set forth in sections 16004 and 16005 shall not apply.

SEC. 16009. CONSIDERATION OF APPROPRIATION BILLS.

(a) POINT OF ORDER.—It shall not be in order in the House of Representatives to consider any general appropriation bill if the President has submitted a direct spending message under section 16004 until Congress has adopted a concurrent resolution on the budget for the budget year that meets the requirements of section 16005.

(b) WAIVER.—The point of order established by subsection (a) may only be waived for all general appropriation bills for that budget year through the adoption of one resolution waiving that point of order.

SEC. 16010. MEANS-TESTED PROGRAMS.

In making recommendations under sections 16004 and 16005, the President and the Congress should seriously consider all other alternatives before proposing reductions in means-tested programs.

SEC. 16011. EFFECTIVE DATE.

This title shall apply to direct spending targets for fiscal years 1994 through 1997 and shall expire at the end of fiscal year 1997.

The CHAIRMAN. No amendment to the bill is in order except the amendment printed in part 2 of House Report 103–112. Said amendment shall be considered as read and shall not be subject to amendment.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. KASICH

Mr. KASICH. Mr. Chairman, I offer an amendment in the nature of a substitute.

The CHAIRMAN. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute offered by Mr. KASICH: Strike out all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Omnibus Budget Reconciliation Act of 1993".

SEC. 2. TABLE OF CONTENTS.

The table of contents is as follows:

TITLE I—COMMITTEE ON AGRICULTURE
TITLE II—COMMITTEE ON ARMED SERVICES
TITLE III—COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS
TITLE IV—COMMITTEE ON EDUCATION AND LABOR
TITLE V—COMMITTEE ON ENERGY AND COMMERCE
TITLE VI—COMMITTEE ON THE JUDICIARY
TITLE VII—COMMITTEE ON MERCHANT MARINE AND FISHERIES
TITLE VIII—COMMITTEE ON NATURAL RESOURCES
TITLE IX—COMMITTEE ON POST OFFICE AND CIVIL SERVICE
TITLE X—COMMITTEE ON PUBLIC WORKS
TITLE XI—COMMITTEE ON VETERANS' AFFAIRS
TITLE XII—COMMITTEE ON WAYS AND MEANS—SAVINGS
TITLE XIII—COMMITTEE ON WAYS AND MEANS—REVENUES
TITLE XIV—BUDGET PROCESS

TITLE I—COMMITTEE ON AGRICULTURE

SEC. 1001. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This title may be cited as the "Agricultural Reconciliation Act of 1993".

(b) TABLE OF CONTENTS.—The table of contents of this title is as follows:

Sec. 1001. Short title and table of contents.
Subtitle A—Commodity Programs
Sec. 1101. Wheat program.
Sec. 1102. Feed grain program.
Sec. 1103. Upland cotton program.
Sec. 1104. Rice program.
Sec. 1105. Dairy program.
Sec. 1106. Tobacco program.
Sec. 1107. Sugar program.
Sec. 1108. Oilseeds program.
Sec. 1109. Peanut program.
Sec. 1110. Honey program.
Sec. 1111. Wool and mohair program.
Sec. 1112. Conforming amendments to continue deficit reduction activities in crop years after 1995.
Subtitle B—Miscellaneous Provisions
Sec. 1121. Maximum expenditures under market promotion program for fiscal years 1994 through 1998.
Sec. 1122. Admission, entrance, and recreation fees.
Sec. 1123. Additional program changes to meet reconciliation requirements.
Sec. 1124. Environmental conservation acreage reserve program amendments.
Sec. 1125. Exemption of triple base acreage from certain conservation requirements.
Sec. 1126. Elimination of malting barley assessment.
Sec. 1127. Reform of the payment limitation provisions of the Food Security Act of 1985.
Sec. 1128. Uniform food stamps reimbursement rates.

Subtitle A—Commodity Programs

SEC. 1101. WHEAT PROGRAM.

(a) FIVE PERCENT REDUCTION IN PAYMENT ACRES.—

(1) REDUCTION.—Subsection (c)(1)(C)(ii) of section 107B of the Agricultural Act of 1949 (7 U.S.C. 1445b-3a) is amended by striking "85 percent" and inserting "80 percent".

(2) APPLICATION OF AMENDMENT.—The amendment made by paragraph (1) shall apply beginning with the 1994 crop of wheat.

(b) CONTINUATION OF DEFICIT REDUCTION ACTIVITIES IN CROP YEARS AFTER 1995.—

(1) AGRICULTURAL ACT OF 1949.—Section 107B of the Agricultural Act of 1949 (7 U.S.C. 1445b–3a) is further amended—

(A) in the section heading, by striking "**1995**" and inserting "**1998**";

(B) in subsections (a)(1), (a)(4)(C), (b)(1), (c)(1)(A), (c)(1)(B)(iii), (e)(1)(G), (e)(3)(A), (e)(3)(C)(iii), (f)(1), and (q), by striking "1995" each place it appears and inserting "1998";

(C) in the heading of subsection (c)(1)(B)(ii), by striking "AND 1995" and inserting "THROUGH 1998";

(D) in subsection (c)(1)(B)(ii), by striking "and 1995" and inserting "through 1998"; and

(E) in the heading of subsection (e)(1)(G), by striking "1995" and inserting "1998"; and

(F) in subsection (g)(1), by striking "and 1995" and inserting "through 1998".

(2) FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT OF 1990.—Title III of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 104 Stat. 3382) is amended—

(A) in section 302 (7 U.S.C. 1379d note), by striking "May 31, 1996" and inserting "May 31, 1999";

(B) in section 303 (7 U.S.C. 1331 note), by striking "1995" and inserting "1998";

(C) in section 304 (7 U.S.C. 1340 note), by striking "1995" and inserting "1998"; and

(D) in section 305 (7 U.S.C. 1445a note)—

(i) in the section heading, by striking "**1995**" and inserting "**1998**"; and

(ii) by striking "1995" and inserting "1998".

(3) FOOD SECURITY WHEAT RESERVE.—Section 302(i) of the Food Security Wheat Reserve Act of 1980 (7 U.S.C. 1736f–1(i)) is amended by striking "1995" both places it appears and inserting "1998".

SEC. 1102. FEED GRAIN PROGRAM.

(a) FIVE PERCENT REDUCTION IN PAYMENT ACRES.—

(1) REDUCTION.—Subsection (c)(1)(C)(ii) of section 105B of the Agricultural Act of 1949 (7 U.S.C. 1444f) is amended by striking "85 percent" and inserting "80 percent".

(2) APPLICATION OF AMENDMENT.—The amendment made by paragraph (1) shall apply beginning with the 1994 crop of feed grains.

(b) CONTINUATION OF DEFICIT REDUCTION ACTIVITIES IN CROP YEARS AFTER 1995.—

(1) AGRICULTURAL ACT OF 1949.—Section 105B of the Agricultural Act of 1949 (7 U.S.C. 1444f) is further amended—

(A) in the section heading, by striking "**1995**" and inserting "**1998**";

(B) in subsections (a)(1), (a)(4)(C), (a)(6), (b)(1), (c)(1)(A), (c)(1)(B)(iii)(I), (c)(1)(B)(iii)(III), (e)(1)(G), (e)(1)(H), (e)(2)(H), (e)(3)(A), (e)(3)(C)(iii), (f)(1), (p)(1), (q)(1), and (r), by striking "1995" each place it appears and inserting "1998";

(C) in the heading of subsection (c)(1)(B)(ii), by striking "AND 1995" and inserting "THROUGH 1998";

(D) in subsection (c)(1)(B)(ii), by striking "and 1995" and inserting "through 1998";

(E) in the headings of subsections (e)(1)(G) and (e)(1)(H), by striking "**1995**" both places it appears and inserting "**1998**"; and

(F) in subsection (g)(1), by striking "and 1995" and inserting "through 1998".

(2) FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT OF 1990.—Section 402 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1444b note) is amended—

(A) in the section heading, by striking "**1995**" and inserting "**1998**"; and

(B) by striking "1995" and inserting "1998".

(3) RECOURSE LOAN PROGRAM FOR SILAGE.—Section 403 of the Food Security Act of 1985 (7 U.S.C. 1444e–1) is amended by striking "1996" and inserting "1999".

SEC. 1103. UPLAND COTTON PROGRAM.

(a) FIVE PERCENT REDUCTION IN PAYMENT ACRES.—

(1) REDUCTION.—Subsection (c)(1)(C)(ii) of section 103B of the Agricultural Act of 1949 (7 U.S.C. 1444-2) is amended by striking "85 percent" and inserting "80 percent".

(2) APPLICATION OF AMENDMENT.—The amendment made by paragraph (1) shall apply beginning with the 1994 crop of upland cotton.

(b) CONTINUATION OF DEFICIT REDUCTION ACTIVITIES IN CROP YEARS AFTER 1995.—

(1) AGRICULTURAL ACT OF 1949.—(A) Section 103(h)(16) of the Agricultural Act of 1949 (7 U.S.C. 1444(h)(16)) is amended by striking "1996" and inserting "1999".

(B) Section 103B of such Act (7 U.S.C. 1444–2) is further amended—

(i) in the section heading, by striking "**1995**" and inserting "**1998**";

(ii) in subsections (a)(1), (b)(1), (c)(1)(A), (c)(1)(B)(ii), (e)(3)(A), (f)(1), and (o), by striking "1995" each place it appears and inserting "1998"; and

(iii) in subparagraphs (B)(i), (D)(i), (E)(i), and (F)(i) of subsection (a)(5), by striking "1996" each place it appears and inserting "1999".

(C) Section 203(b) of such Act (7 U.S.C. 1446d(b)) is amended by striking "1995" and inserting "1998".

(2) AGRICULTURAL ADJUSTMENT ACT OF 1938.—Section 374(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1374(a)) is amended by striking "1995" each place it appears and inserting "1998".

(3) FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT OF 1990.—Title V of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 104 Stat. 3421) is amended—

(A) in section 502 (7 U.S.C. 1342 note), by striking "1995" and inserting "1998";

(B) in section 503 (7 U.S.C. 1444 note), by striking "1995" and inserting "1998"; and

(C) in section 505 (7 U.S.C. 1342 note)—

(i) in the section heading, by striking "**1996**" and inserting "**1999**"; and

(ii) by striking "1996" and inserting "1999".

SEC. 1104. RICE PROGRAM.

(a) FIVE PERCENT REDUCTION IN PAYMENT ACRES.—

(1) REDUCTION.—Subsection (c)(1)(C)(ii) of section 101B of the Agricultural Act of 1949 (7 U.S.C. 1441-2) is amended by striking "85 percent" and inserting "80 percent".

(2) APPLICATION OF AMENDMENT.—The amendment made by paragraph (1) shall apply beginning with the 1994 crop of rice.

(b) CONTINUATION OF DEFICIT REDUCTION ACTIVITIES IN CROP YEARS AFTER 1995.—Such section is further amended—

(1) in the section heading, by striking "**1995**" and inserting "**1998**";

(2) in subsections (a)(1), (a)(3), (b)(1), (c)(1)(A), (c)(1)(B)(iii), (e)(3)(A), (f)(1), and (n), by striking "1995" each place it appears and inserting "1998";

(3) in subsection (a)(5)(D)(i), by striking "1996" and inserting "1999";

(4) in the heading of subsection (c)(1)(B)(ii), by striking "AND 1995" and inserting "THROUGH 1998"; and

(5) in subsection (c)(1)(B)(ii), by striking "and 1995" and inserting "through 1998".

SEC. 1105. DAIRY PROGRAM.

(a) ALLOCATION OF PURCHASE PRICES FOR BUTTER AND NONFAT DRY MILK.—

(1) IN GENERAL.—Subsection (c)(3) of section 204 of the Agricultural Act of 1949 (7 U.S.C. 1446e) is amended—

(A) in the first sentence of subparagraph (A), by striking "The Secretary" and inserting "Subject to subparagraph (B), the Secretary";

(B) by redesignating subparagraph (B) as subparagraph (C); and

(C) by inserting after subparagraph (A) the following new subparagraph:

"(B) GUIDELINES.—In allocating the rate of price support between the purchase prices of butter and nonfat dry milk under this paragraph, the Secretary may not—

"(i) offer to purchase butter for more than $0.65 per pound; or

"(ii) offer to purchase nonfat dry milk for less than $1.034 per pound.".

(2) APPLICATION OF AMENDMENTS.—The amendments made by paragraph (1) shall apply with respect to purchases of butter and nonfat dry milk that are made by the Secretary of Agriculture under section 204 of the Agricultural Act of 1949 (7 U.S.C. 1446e) on or after the date of the enactment of this Act.

(b) REDUCTION IN PRICE RECEIVED.—Subsection (h)(2) of such section is amended—

(1) by striking "and" at the end of subparagraph (A);

(2) by striking the period at the end of subparagraph (B) and inserting "; and"; and

(3) by adding at the end the following new subparagraph:

"(C) during each of the calendar years 1996 through 1998, 10 cents per hundredweight of milk marketed, which rate shall be adjusted on or before May 1 of each of the calendar years 1996 through 1998 in the manner provided in subparagraph (B).".

(c) CONTINUATION OF DEFICIT REDUCTION ACTIVITIES IN FISCAL YEARS AFTER 1995.—

(1) IN GENERAL.—Section 204 of the Agricultural Act of 1949 (7 U.S.C. 1446e) is further amended—

(A) in the section heading, by striking "**1995**" and inserting "**1998**";

(B) in subsections (a), (b), (d)(1)(A), (d)(2)(A), (d)(3), (f), (g)(1), and (k), by striking "1995" each place it appears and inserting "1998"; and

(C) in subsection (g)(2), by striking "1994" and inserting "1997".

(2) TRANSFER TO MILITARY AND VETERANS HOSPITALS.—Subsections (a) and (b) of section 202 of such Act (7 U.S.C. 1446a) are amended by striking "1995" both places it appears and inserting "1998".

(3) FEDERAL MILK MARKETING ORDERS.—Section 101(b) of the Agriculture and Food Act of 1981 (7 U.S.C. 608c note) is amended by striking "1995" and inserting "1998".

(4) DAIRY INDEMNITY PROGRAM.—Section 3 of Public Law 90–484 (7 U.S.C. 450l) is amended by striking "1995" and inserting "1998".

(5) FOOD SECURITY ACT OF 1985.—The Food Security Act of 1985 is amended—

(A) in section 153 (15 U.S.C. 713a–14), by striking "1995" and inserting "1998"; and

(B) in section 1163 (7 U.S.C. 1731 note), by striking "1995" each place it appears and inserting "1998".

SEC. 1106. TOBACCO PROGRAM.

(a) TEN PERCENT INCREASE IN MARKETING ASSESSMENT.—Subsection (g)(1) of section 106 of the Agricultural Act of 1949 (7 U.S.C. 1445) is amended by striking "equal to" and all that follows through the period and inserting the following: "equal to—

"(A) in the case of the 1991 through 1993 crops of tobacco, .5 percent of the national average price support level for each such crop as otherwise provided for in this section; and

"(B) in the case of the 1994 through 1998 crops of tobacco, .55 percent of the national average price support level for each such crop as otherwise provided for in this section.".

(b) CONTINUATION OF DEFICIT REDUCTION ACTIVITIES IN FISCAL YEARS AFTER 1995.—Such subsection is further amended by striking "1995" and inserting "1998".

(c) ACREAGE-POUNDAGE QUOTAS FOR TOBACCO.—

(1) DEFINITIONS.—Subsection (a) of section 317 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314c) is amended—

(A) by inserting "DEFINITIONS.—" after "(a)"; and

(B) by striking paragraphs (2), (3), (4), (5), (6), (7), and (8) and inserting the following new paragraphs:

"(2) FARM ACREAGE ALLOTMENT.—The term 'farm acreage allotment' for a tobacco farm, other than a new tobacco farm, means the acreage allotment determined by dividing the farm marketing quota by the farm yield.

"(3) FARM YIELD.—The term 'farm yield' means the yield per acre for a farm determined according to regulations issued by the Secretary and which would be expected to result in a quality of tobacco acceptable to the tobacco trade.

"(4) FARM MARKETING QUOTA.—

"(A) IN GENERAL.—The term 'farm marketing quota' for a farm for a marketing year means a number that is equal to the number of pounds of tobacco determined by multiplying—

"(i) the farm marketing quota for the farm for the previous marketing year (prior to any adjustment for undermarketing or overmarketing); by

"(ii) the national factor.

"(B) ADJUSTMENT.—The farm marketing quota determined under subparagraph (A) for a marketing year shall be increased for undermarketing or decreased for overmarketing by the number of pounds by which marketings of tobacco from the farm during the immediate preceding marketing year (if marketing quotas were in effect for that year under the program established by this section) is less than or exceeds the farm marketing quota for such year. Notwithstanding the preceding sentence, the farm marketing quota for a marketing year shall not be increased under this subparagraph for undermarketing by an amount in excess of the farm marketing quota determined for the farm for the immediately preceding year prior to any increase for undermarketing or decrease for overmarketing. If due to excess marketing in the preceding marketing year the farm marketing quota for the marketing year is reduced to zero pounds without reflecting the entire reduction required, the additional reduction shall be made for the subsequent marketing year or years.

"(5) NATIONAL FACTOR.—The term 'national factor' for a marketing year means a number obtained by dividing—

"(A) the national marketing quota (less the reserve provided for under subsection (e)); by

"(B) the sum of the farm marketing quotas (prior to any adjustments for undermarketing or overmarketing) for the immediate preceding marketing year for all farms for which marketing quotas for the kind of tobacco involved will be determined for such succeeding marketing year.".

(2) CONFORMING AMENDMENTS.—Such section is further amended—

(A) in the first sentence of subsection (b), by striking "and the national acreage allotment and national average yield goal for the 1965 crop of Flue-cured tobacco,";

(B) in the first sentence of subsection (c), by striking "and at the same time announce the national acreage allotment and national average yield goal";

(C) in subsection (d)—

(i) in the sixth sentence, by striking ", national acreage allotment, and national average yield goal";

(ii) in the eighth sentence, by striking ", national acreage allotment and national average yield goal"; and

(iii) in the ninth sentence, by striking ", national acreage allotment, and national average goal are" and inserting "is";

(D) in subsection (e)—

(i) in the first sentence, by striking "No farm acreage allotment or farm yield shall be established" and inserting "A farm marketing quota and farm yield shall not be established";

(ii) in the second sentence, by striking "acreage allotment" both places it appears and inserting "marketing quota";

(iii) in the second sentence, by striking "acreage allotments" both places it appears and inserting "marketing quotas"; and

(iv) in the last sentence, by striking "acreage allotment" and inserting "marketing quota"; and

(E) in subsection (g)—

(i) in paragraph (1), by striking "paragraph (a)(8)" and inserting "subsection (a)(4)"; and

(ii) in paragraph (3), by striking "subsection (a)(8)" and inserting "subsection (a)(4)".

(3) FARM MARKETING QUOTA REDUCTIONS.—Subsection (f) of such section is amended to read as follows:

"(f) CAUSES FOR FARM MARKETING QUOTA REDUCTIONS.—(1) When an acreage-poundage program is in effect for any kind of tobacco under this section, the farm marketing quota next established for a farm shall be reduced by the amount of such kind of tobacco produced on the farm—

"(A) which was marketed as having been produced on a different farm;

"(B) for which proof of disposition is not furnished as required by the Secretary;

"(C) on acreage equal to the difference between the acreage reported by the farm operator or a duly authorized representative and the determined acreage for the farm; and

"(D) as to which any producer on the farm files, or aids, or acquiesces, in the filing of any false report with respect to the production or marketing of tobacco.

"(2) If the Secretary, through the local committee, finds that no person connected with a farm caused, aided, or acquiesced in any irregularity described in paragraph (1), the next established farm marketing quota shall not be reduced under this subsection.

"(3) The reduction required under this subsection shall be in addition to any other adjustments made pursuant to this section.

"(4) In establishing farm marketing quotas for other farms owned by the owner displaced by acquisition of the owner's land by any agency, as provided in section 378 of this Act, increases or decreases in such farm marketing quotas as provided in this section shall be made on account of marketings below or in excess of the farm marketing quota for the farm acquired by the agency.

"(5) Acreage allotments and farm marketing quotas determined under this section may (except in the case of kinds of tobacco not subject to section 316) be leased and sold under the terms and conditions in section 316 of this Act, except that any credit for undermarketing or charge for overmarketing shall be attributed to the farm to which transferred.".

SEC. 1107. SUGAR PROGRAM.

(a) TEN PERCENT INCREASE IN MARKETING ASSESSMENT.—Subsection (i) of section 206 of the Agricultural Act of 1949 (7 U.S.C. 1446g) is amended—

(1) in paragraph (1), by striking "equal to" and all that follows through the period and inserting the following: "equal to—

"(A) in the case of marketings during fiscal years 1992 and 1993, .18 cents per pound of raw cane sugar, processed by the processor from domestically produced sugarcane or sugarcane molasses, that has been marketed (including the transfer or delivery of the sugar to a refinery for further processing or marketing); and

"(B) in the case of marketings during fiscal years 1994 through 1999, .198 cents per pound of raw cane sugar, processed by the processor from domestically produced sugarcane or sugarcane molasses, that has been marketed (including the transfer or delivery of the sugar to a refinery for further processing or marketing)."; and

(2) in paragraph (2), by striking "equal to" and all that follows through the period and inserting the following: "equal to—

"(A) in the case of marketings during fiscal years 1992 and 1993, .193 cents per pound of beet sugar, processed by the processor from domestically produced sugar beets or sugar beet molasses, that has been marketed; and

"(B) in the case of marketings during fiscal years 1994 through 1999, .2123 cents per pound of beet sugar, processed by the processor from domestically produced sugar beets or sugar beet molasses, that has been marketed.".

(b) CONTINUATION OF DEFICIT REDUCTION ACTIVITIES IN CROP YEARS AFTER 1995.—

(1) AGRICULTURAL ACT OF 1949.—Section 206 of the Agricultural Act of 1949 (7 U.S.C. 1446g) is further amended—

(A) in the section heading, by striking "**1995**" and inserting "**1998**";

(B) in subsections (a), (c), (d)(1), and (j), by striking "1995" each place it appears and inserting "1998"; and

(C) in paragraphs (1) and (2) of subsection (i), as amended by subsection (a), by striking "1996" both places it appears and inserting "1999".

(2) AGRICULTURAL ADJUSTMENT ACT OF 1938.—Section 359b(a)(1) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359bb(a)(1)) is amended by striking "1996" and inserting "1999".

SEC. 1108. OILSEEDS PROGRAM.

(a) CONTINUATION OF DEFICIT REDUCTION ACTIVITIES IN CROP YEARS AFTER 1995.—Section 205 of the Agricultural Act of 1949 (7 U.S.C. 1446f) is amended—

(1) in the section heading, by striking "**1995**" and inserting "**1998**"; and

(2) in subsections (b), (c), (e)(1), and (n), by striking "1995" each place it appears and inserting "1998".

SEC. 1109. PEANUT PROGRAM.

(a) ASSESSMENT TO COVER UNANTICIPATED LOSSES IN ADMINISTERING THE PROGRAM.—

(1) ADDITIONAL ASSESSMENT.—Section 108B of the Agricultural Act of 1949 (7 U.S.C. 1445c-3) is amended—

(A) by redesignating subsection (h) as subsection (i); and

(B) by inserting after subsection (g) the following new subsection:

"(h) ADDITIONAL MARKETING ASSESSMENT.—

"(1) TWO PERCENT ASSESSMENT.—In addition to the marketing assessment required by subsection (g), the Secretary shall also provide for a nonrefundable marketing assessment applicable to each of the 1993 through 1998 crops of peanuts and collected and paid in accordance with this subsection. The assessment shall be on a per pound basis in an amount equal to 2 percent of the national average quota or additional peanut support rate per pound, as applicable, for the applicable crop. No peanuts shall be assessed more than 2 percent of the applicable support rate under this subsection.

"(2) FIRST PURCHASERS.—Except as provided under paragraphs (3) and (4), the first purchaser of peanuts shall—

"(A) collect from the producer a marketing assessment equal to 1 percent of the applicable national average support rate times the quantity of peanuts acquired;

"(B) pay, in addition to the amount collected under subparagraph (A), a marketing assessment in an amount equal to 1 percent of the applicable national average support rate times the quantity of peanuts acquired; and

"(C) remit the amounts required under subparagraphs (A) and (B) to the Commodity Credit Corporation in a manner specified by the Secretary.

"(3) OTHER PRIVATE MARKETINGS.—In the case of a private marketing by a producer directly to a consumer through a retail or wholesale outlet or in the case of a marketing by the producer outside of the continental United States, the producer shall be responsible for the full amount of the assessment under this subsection and shall remit the assessment by such time as is specified by the Secretary.

"(4) LOAN PEANUTS.—In the case of peanuts that are pledged as collateral for a price support loan made under this section, ½ of the assessment under this subsection shall be deducted from the proceeds of the loan. The remainder of the assessment shall be paid by the first purchaser of the peanuts as provided in subparagraph (B) of paragraph (2). For purposes of computing net gains on peanuts under this section, the reduction in loan proceeds under this subsection shall be treated as having been paid to the producer.

"(5) RESERVE ACCOUNT.—

"(A) ESTABLISHMENT.—The Secretary shall establish in the Commodity Credit Corporation a reserve account to be administered by the Secretary for purposes of this section. There shall be deposited in the reserve account for each crop of peanuts an amount equal to—

"(i) the total amount remitted to the Commodity Credit Corporation under paragraphs

(2) and (3) as the payment of the marketing assessment applicable to that crop of peanuts under this subsection; and

"(ii) the total amount deducted from the proceeds of a price support loan or paid by first purchasers under paragraph (4) as the payment of the marketing assessment applicable to that crop of peanuts under this subsection.

"(B) USE OF RESERVE ACCOUNT.—The Secretary shall use amounts in the reserve account established in this paragraph to cover losses incurred by the Commodity Credit Corporation on the sale or disposal of peanuts.

"(6) APPLICATION OF OTHER PROVISIONS.—Paragraphs (2)(B), (5), and (6) of subsection (g) shall apply with respect to the marketing assessment required by this subsection.".

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect 15 days after the date of the enactment of this Act.

(b) CONTINUATION OF DEFICIT REDUCTION ACTIVITIES IN CROP YEARS AFTER 1995.—

(1) AGRICULTURAL ACT OF 1949.—Section 108B of the Agricultural Act of 1949 (7 U.S.C. 1445c-3) is further amended—

(A) in the section heading, by striking "**1995**" and inserting "**1998**";

(B) in subsections (a)(1), (a)(2), (b)(1), and (g)(1), by striking "1995" each place it appears and inserting "1998"; and

(C) in subsection (i) (as redesignated by subsection (a)(1)(A)), by striking "1995" and inserting "1998".

(2) AGRICULTURAL ADJUSTMENT ACT OF 1938.—Part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 is amended—

(A) in section 358-1 (7 U.S.C. 1358-1)—

(i) in the section heading, by striking "**1995**" and inserting "**1998**"; and

(ii) in subsections (a)(1), (b)(1)(A), (b)(1)(B), (b)(2)(A), (b)(2)(C), (b)(3), and (f), by striking "1995" each place it appears and inserting "1998";

(B) in section 358b (7 U.S.C. 1358b)—

(i) in the section heading, by striking "**1995**" and inserting "**1998**"; and

(ii) in subsection (c), by striking "1995" and inserting "1998";

(C) in section 358c(d) (7 U.S.C. 1358c(d)), by striking "1995" and inserting "1998"; and

(D) in section 358e (7 U.S.C. 1359a)—

(i) in the section heading, by striking "**1995**" and inserting "**1998**"; and

(ii) in subsection (i), by striking "1995" and inserting "1998".

(3) FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT OF 1990.—Title VIII of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-624; 104 Stat. 3459) is amended—

(A) in section 801 (104 Stat. 3459), by striking "1995" and inserting "1998";

(B) in section 807 (104 Stat. 3478), by striking "1995" and inserting "1998"; and

(C) in section 808 (7 U.S.C. 1441 note), by striking "1995" and inserting "1998".

(c) ASSESSMENT UNDER PEANUT MARKETING AGREEMENT.—Section 8b(b)(1) of the Agricultural Adjustment Act (7 U.S.C. 608b(b)(1)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended—

(1) by striking "and" at the end of subparagraph (A);

(2) by striking the period at the end of subparagraph (B) and inserting "; and"; and

(3) by adding at the end the following new subparagraph:

"(C) any assessment imposed under such agreement shall apply to peanut handlers (as that term is defined by the Secretary) who have not entered into such an agreement with the Secretary in addition to those handlers who have entered into such agreement.".

(d) CUSTOMS TREATMENT OF CERTAIN PEANUT PRODUCTS.—

(1) TEMPORARY ADDITIONAL DUTIES.—Subchapter I of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical order the following new headings:

"9901.11.10	Peanut paste (provided for in subheading 2007.99.65)	55¢/kg	No change	55¢/kg	On or before 7/31/96
9901.11.12	Peanut butter (provided for in subheading 2008.11.00)	55¢/kg	No change	55¢/kg	On or before 7/31/96".

(2) INCLUSION OF PEANUT BUTTER IN QUOTA.—Heading 9904.20.20 of the Harmonized Tariff Schedule of the United States is amended by striking out "(except peanut butter)".

(3) EFFECTIVE DATES.—

(A) TEMPORARY ADDITIONAL DUTIES.—The amendment made by paragraph (1) applies with respect to entries and withdrawals from warehouse for consumption made on or after the 15th day after the date of the enactment of this Act.

(B) QUOTA AMENDMENT.—The amendment made by paragraph (2) applies with respect to entries and withdrawals from warehouse for consumption made after July 31, 1996.

SEC. 1110. HONEY PROGRAM.

(a) REDUCED SUPPORT RATE.—Subsection (a) of section 207 of the Agricultural Act of 1949 (7 U.S.C. 1446h) is amended by striking "53.8 cents" and inserting "50 cents".

(b) PAYMENT LIMITATIONS.—Subsection (e)(1) of such section is amended—

(1) by striking "and" at the end of subparagraph (C);

(2) by striking subparagraph (D); and

(3) by adding at the end the following new subparagraphs:

"(D) $125,000 in the 1994 crop year;

"(E) $100,000 in the 1995 crop year;

"(F) $75,000 in the 1996 crop year; and

"(G) $50,000 in each of the 1997 and subsequent crop years.".

(c) CONTINUATION OF DEFICIT REDUCTION ACTIVITIES.—Subsections (a), (c)(1), and (j) of such section are amended by striking "1995" each place it appears and inserting "1998".

(d) TERMINATION OF ASSESSMENT.—Subsection (i)(1) of such section is amended by striking "1995" and inserting "1993".

SEC. 1111. WOOL AND MOHAIR PROGRAM.

(a) PAYMENT LIMITATIONS.—Section 704(b)(1) of the National Wool Act of 1954 (7 U.S.C. 1783(b)(1)) is amended—

(1) by striking "and" at the end of subparagraph (C);

(2) by striking subparagraph (D); and

(3) by adding at the end the following new subparagraphs:

"(D) $125,000 for the 1994 marketing year;

"(E) $100,000 for the 1995 marketing year;

"(F) $75,000 for 1996 marketing year; and

"(G) $50,000 for each of the 1997 and subsequent marketing years.".

(b) MARKETING CHARGES.—Section 706 of National Wool Act of 1954 (7 U.S.C. 1785) is amended by inserting after the second sentence the following new sentence: "In determining the net sales proceeds and national payment rates for shorn wool and shorn mohair the Secretary shall not deduct marketing charges for commissions, coring, or grading.".

(c) CONTINUATION OF DEFICIT REDUCTION ACTIVITIES IN CROP YEARS AFTER 1995.—Subsections (a) and (b)(2) of section 703 of the National Wool Act of 1954 (7 U.S.C. 1782) are amended by striking "1995" both places it appears and inserting "1998".

(d) TERMINATION OF MARKETING ASSESSMENT.—Section 704(c) of the National Wool Act of 1954 (7 U.S.C. 1783(c)) is amended by striking "1995" and inserting "1992".

(e) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) POLICY OF CONGRESS.—Section 702 of the National Wool Act of 1954 (7 U.S.C. 1781) is amended—

(A) by striking ", strategic," in the first sentence; and

(B) by striking "as a measure of national security and to promote" and inserting "that as a method to promote".

(2) ELIMINATION OF OBSOLETE PROVISION.—Section 703(b) of the National Wool Act of 1954 (7 U.S.C. 1782(b)) is amended—

(A) in paragraph (1), by striking "paragraphs (2) and (3)" and inserting "paragraph (2)";

(B) in paragraph (2), by striking "Except as provided in paragraph (3), for" and inserting "For"; and

(C) by striking paragraph (3).

(3) ADVERTISING AND SALES PROMOTION PROGRAMS.—Section 708 of the National Wool Act of 1954 (7 U.S.C. 1787) is amended—

(A) by inserting "(a)" after "SEC. 708."; and

(B) by adding at the end the following new subsection:

"(b)(1) Except as provided in paragraph (2), to the extent that the Secretary determines that the amount of funds that would otherwise be made available under subsection (a) in any marketing year for agreements entered into under such subsection is less than the amount made available under such subsection in the previous marketing year, the difference in such amounts shall be provided from amounts available to support the prices of wool and mohair under section 703 of this title. Any amount provided under this subsection shall be considered to be an expenditure made in connection with payments to producers under this title for purposes of section 705 of this title.

"(2) Paragraph (1) shall not apply if the Secretary determines that any portion of the difference between the amounts made available under subsection (a) between two consecutive marketing years is the result of a per unit reduction in the amount of the assessment imposed under the agreements entered into under such subsection.".

SEC. 1112. CONFORMING AMENDMENTS TO CONTINUE DEFICIT REDUCTION ACTIVITIES IN CROP YEARS AFTER 1995.

(a) SUPPLEMENTAL SET-ASIDE AND ACREAGE LIMITATION AUTHORITY.—Section 113 of the Agricultural Act of 1949 (7 U.S.C. 1445h) is amended by striking "1995" and inserting "1998".

(b) DEFICIENCY AND LAND DIVERSION PAYMENTS.—Subsections (a)(1), (b), and (c) of section 114 of the Agricultural Act of 1949 (7 U.S.C. 1445j) are amended by striking "1995" each place it appears and inserting "1998".

(c) DISASTER PAYMENTS.—Section 208 of the Agricultural Act of 1949 (7 U.S.C. 1446i) is amended—

(1) in the section heading, by striking "**1995**" and inserting "**1998**";

(2) in subsection (d), by striking "1995" and inserting "1998".

(d) MISCELLANEOUS.—Title IV of the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) is amended—

(1) in section 402(b) (7 U.S.C. 1422(b)), by striking "1995" and inserting "1998";

(2) in section 403(c) (7 U.S.C. 1423(c)), by striking "1995" and inserting "1998";

(3) in section 406(b) (7 U.S.C. 1426(b))—

(A) by striking "1995" each place it appears and inserting "1998"; and

(B) by striking "1996" each place it appears and inserting "1999"; and

(4) in section 408(k)(3) (7 U.S.C. 1428(k)(3)), by striking "1995" and inserting "1998".

(e) ACREAGE BASE AND YIELD SYSTEM.—Title V of the Agricultural Act of 1949 (7 U.S.C. 1461 et seq.) is amended—

(1) in subsections (c)(3) and (h)(2)(A) of section 503 (7 U.S.C. 1463), by striking "1995" each place it appears and inserting "1998";

(2) in subsections (b)(1) and (b)(2) of section 505 (7 U.S.C. 1465), by striking "1995" each place it appears and inserting "1998"; and

(3) in section 509 (7 U.S.C. 1469), by striking "1995" and inserting "1998".

(f) NORMALLY PLANTED ACREAGE.—Section 1001 of the Food and Agriculture Act of 1977 (7 U.S.C. 1309) is amended in subsections (a), (b)(1), and (c) by striking "1995" each place it appears and inserting "1998".

(g) AGRICULTURE AND FOOD ACT OF 1981.—Section 1014 of the Agriculture and Food Act of 1981 (7 U.S.C. 4110) is amended by striking "1995" and inserting "1998".

(h) FOOD SECURITY ACT OF 1985.—The Food Security Act of 1985 (Public Law 99-198; 99 Stat. 1354) is amended—

(1) in section 902(c)(2)(A) (7 U.S.C. 1446 note), by striking "1995" and inserting "1998";

(2) in paragraphs (1)(A), (1)(B), and (2)(A) of section 1001 (7 U.S.C. 1308), by striking "1995" each place it appears and inserting "1998";

(3) in section 1001C(a) (7 U.S.C. 1308-3(a)), by striking "1995" both places it appears and inserting "1998";

(4) in section 1017(b) (7 U.S.C. 1385 note), by striking "1995" and inserting "1998"; and

(5) in section 1019 (7 U.S.C. 1310a), by striking "1995" and inserting "1998".

(i) OPTIONS PILOT PROGRAM.—The Options Pilot Program Act of 1990 (subtitle E of title XI of Public Law 101-624; 104 Stat. 3518; 7 U.S.C. 1421 note) is amended—

(1) in subsections (a) and (b) of section 1153, by striking "1995" each place it appears and inserting "1998"; and

(2) in section 1154(b)(1)(A), by striking "1995" both places it appears and inserting "1998".

(j) READJUSTMENT OF SUPPORT LEVELS.—Section 1302 of the Agricultural Reconciliation Act of 1990 (7 U.S.C. 1421 note) is amended in subsections (b)(1), (b)(3), and (d)(1)(C) by striking "1995" each place it appears and inserting "1998".

Subtitle B—Miscellaneous Provisions

SEC. 1121. MAXIMUM EXPENDITURES UNDER MARKET PROMOTION PROGRAM FOR FISCAL YEARS 1994 THROUGH 1998.

(a) LIMITATION.—Section 211(c)(1) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641(c)) is amended by striking "not less than $200,000,000 for each of the fiscal years 1991 through 1995" and inserting "an amount equal to $147,734,000 for each of the fiscal years 1991 through 1998".

(b) APPLICATION OF AMENDMENTS.—The amendment made by this section shall apply with respect to fiscal years beginning after September 30, 1993.

SEC. 1122. ADMISSION, ENTRANCE, AND RECREATION FEES.

(a) AUTHORITY TO IMPOSE FEES.—

(1) ENTRANCE AND ADMISSION FEES.—The Secretary of Agriculture may charge admission or entrance fees at National Monuments, National Volcanic Monuments, National Scenic Areas, and areas of concentrated public use administered by the Secretary.

(2) RECREATION USE FEES.—The Secretary may charge recreation use fees at lands administered by the Secretary in connection with the use of specialized outdoor recreation sites, equipment, services, or facilities, including visitors' centers, picnic tables, boat launching facilities, or campgrounds.

(b) AMOUNT OF FEES.—The amount of the admission, entrance, and recreation fees authorized to be imposed under this section shall be determined by the Secretary.

(c) DEFINITIONS.—For purposes of this section:

(1) The term "area of concentrated public use" means an area administered by the Secretary that meets each of the following criteria:

(A) The area is managed primarily for outdoor recreation purposes.

(B) Facilities and services necessary to accommodate heavy public use are provided in the area.

(C) The area contains at least one major recreation attraction.

(D) Public access to the area is provided in such a manner that admission fees can be efficiently collected at one or more centralized locations.

(2) The term "boat launching facility" includes any boat launching facility regardless of whether specialized facilities or services, such as mechanical or hydraulic boat lifts or facilities, are provided.

(3) The term "campground" means any campground where a majority of the following amenities are provided, as determined by the Secretary:

(A) Tent or trailer spaces.

(B) Drinking water.

(C) An access road.

(D) Refuse containers.

(E) Toilet facilities.

(F) The personal collection of recreation use fees by an employee or agent of the Secretary.

(G) Reasonable visitor protection.

(H) If campfires are permitted in the campground, simple devices for containing the fires.

(4) The term "Secretary" means the Secretary of Agriculture.

SEC. 1123. ADDITIONAL PROGRAM CHANGES TO MEET RECONCILIATION REQUIREMENTS.

The Secretary of Agriculture shall consolidate personnel and field, regional, and national offices of agencies within the Department of Agriculture in order to reduce personnel and duplicative overhead expenses as a result of the consolidation such that Department expenditures are reduced by—

(1) $90,000,000 in fiscal year 1995;

(2) $97,000,000 in fiscal year 1996;

(3) $135,000,000 in fiscal year 1997; and

(4) $178,000,000 in fiscal year 1998.

SEC. 1124. ENVIRONMENTAL CONSERVATION ACREAGE RESERVE PROGRAM AMENDMENTS.

(a) ENROLLMENT REQUIREMENT.—

(1) CONSERVATION RESERVE PROGRAM.—

(A) IN GENERAL.—Section 1231(d) of the Food Security Act of 1985 (16 U.S.C. 3831(d)) is amended—

(i) by striking "the amount of acres specified in section 1230(b)" and inserting "a total of not more than 38,000,000 acres during the 1986 through 1995 calendar years"; and

(ii) by striking "each of calendar years 1994 and 1995" and inserting "the 1995 calendar year".

(B) CONFORMING AMENDMENT.—Section 1230(b) of such Act (16 U.S.C. 3830(b)) is amended by striking "to place in" and all that follows through "acres".

(2) WETLANDS RESERVE PROGRAM.—

(A) IN GENERAL.—Section 1237(b) of such Act (16 U.S.C. 3837(b)) is amended to read as follows:

"(b) MINIMUM ENROLLMENT.—The Secretary shall enroll into the wetlands reserve program—

"(1) a total of not less than 330,000 acres by the end of the 1995 calendar year; and

"(2) a total of not less than 975,000 acres during the 1991 through 2000 calendar years.".

(B) CONFORMING AMENDMENT.—Section 1237(c) of such Act (16 U.S.C. 3837(c)) is amended by striking "1995" and inserting "2000".

(b) USE OF COMMODITY CREDIT CORPORATION.—Section 1241 of such Act (16 U.S.C. 3841) is amended—

(1) in subsection (a)—

(A) by striking "(a)(1) During each of the fiscal years ending September 30, 1986, and September 30, 1987" and inserting "(a) During each of the fiscal years 1994 through 2000"; and

(B) by striking paragraph (2); and

(2) in subsection (b), by striking "(A) through (E)" and inserting "A through E".

SEC. 1125. EXEMPTION OF TRIPLE BASE ACREAGE FROM CERTAIN CONSERVATION REQUIREMENTS.

(a) HIGHLY ERODIBLE LAND CONSERVATION.—Section 1212 of the Food Security Act of 1985 (16 U.S.C. 3812) is amended by adding at the end the following new subsection:

"(i) Notwithstanding any other provision of law, the producers on a farm—

"(1) may designate the specific acres on the farm that are in a quantity equal to the crop acreage base for a crop on the farm less the quantity of payment acres for the crop under section 107B(c)(1)(C)(ii), 105B(c)(1)(C)(ii), 103B(c)(1)(C)(ii), or 101B(c)(1)(C)(ii) of the Agricultural Act of 1949 (7 U.S.C. 1445b-3a(c)(1)(C)(ii), 1444f(c)(1)(C)(ii), 1444-2(c)(1)(C)(ii), or 1441-2(c)(1)(C)(ii)); and

"(2) shall be exempt from the requirements of this subtitle with respect to the specific acres that are designated under paragraph (1).".

(b) WETLAND CONSERVATION.—Section 1222 of such Act (16 U.S.C. 3822) is amended by adding at the end the following new subsection:

"(k) PRODUCTION ON TRIPLE BASE ACREAGE.—Notwithstanding any other provision of law, the producers on a farm—

"(1) may designate the specific acres on the farm that are in a quantity equal to the crop acreage base for a crop on the farm less the quantity of payment acres for the crop under section 107B(c)(1)(C)(ii), 105B(c)(1)(C)(ii), 103(c)(1)(C)(ii), or 101B(c)(1)(C)(ii) of the Agricultural Act of 1949 (7 U.S.C. 1445b-3a(c)(1)(C)(ii), or 1444f(c)(1)(C)(ii), 1444-2(c)(1)(C)(ii), or 1441-2(c)(1)(C)(ii)); and

"(2) shall be exempt from the requirements of this subtitle with respect to the specific acres that are designated under paragraph (1).".

(c) CROPS.—The amendments made by this section shall be effective only for the 1994 through 1998 crops of wheat, feed grains, upland cotton, and rice.

SEC. 1126. ELIMINATION OF MALTING BARLEY ASSESSMENT.

(a) ELIMINATION OF ASSESSMENT.—Section 105B of the Agricultural Act of 1949 (7 U.S.C. 1444f) is amended by striking subsection (p).

(b) Effect on Calculation of Target Price for Barley.—Subsection (c)(1)(B)(iii)(IV)(bb) of such section is amended—

(1) by striking "clause (i)(I)" and inserting "clause (ii)(I);

(2) by striking "primarily"; and

(3) by inserting before the period the following: "or malting purposes".

(c) Application of Amendments.—The amendments made by this section shall apply beginning with the 1994 crop year for barley.

SEC. 1127. REFORM OF THE PAYMENT LIMITATION PROVISIONS OF THE FOOD SECURITY ACT OF 1985.

(a) Repeal of Three-Entity Rule.—Section 1001A(a)(1) of the Food Security Act of 1985 (7 U.S.C. 1308-1(a)(1) is amended—

(1) in the first sentence by—

(A) striking "substantial beneficial interests in more than two entities" and inserting "a substantial beneficial interest in any other entity"; and

(B) striking "receive such payments as separate persons" and insert "receives such payments as a separate person"; and

(2) by striking the second sentence.

(b) Attribution of Payments Made to Corporations and Other Entities.—(1) Section 1001(5)(C) of the Food Security Act of 1985 (7 U.S.C. 1308(5)(C)) is amended to read as follows:

"(C) In the case of corporations and other entities included in subparagraph (B), and partnerships, the Secretary shall attribute payments to individuals in proportion to their ownership interests in an entity and in any other entity, or partnership, which owns or controls the entity, or partnership, receiving such payment.".

(2) Section 609 of the Agricultural Act of 1949 (7 U.S.C. 1471g) is amended by striking subsections (c) and (d) and inserting the following:

"(c) In the case of corporations and other entities included in section 1001(5)(B) of the Food Security Act of 1985, and partnerships, the Secretary shall attribute payments to individuals in proportion to their ownership interests in such entities and partnerships.".

(c) Tracking Payments Using Social Security Numbers.—Section 1001(5)(A) of the Food Security Act of 1985 (7 U.S.C. 1308(5)(A)) is amended—

(1) by striking "and" at the end of subparagraph (i);

(2) by redesignating subparagraph (ii) as subparagraph (iii); and

(3) by inserting after subparagraph (i) the following new subparagraph:

"(ii) providing for the tracking of payments made or attributed to an individual on the basis of the Social Security number of the individual; and".

SEC. 1128. UNIFORM FOOD STAMPS REIMBURSEMENT RATES.

(a) Amendments.—Section 16 of the Food Stamp Act of 1977 (7 U.S.C. 2025) is amended—

(1) in subsection (a)—

(A) by striking "and (5)" and inserting "(5)";

(B) by inserting before the colon the following—

", (6) automated data processing and information retrieval systems subject to the conditions set forth in subsection (g), (7) food stamp program investigations and prosecutions, and (8) implementing and operating the immigration status verification system under section 1137(d) of the Social Security Act (42 U.S.C. 1320b-7(d))"; and

(C) in the proviso by inserting after "75 per centum" the following: "through June 30, 1994, 70 percent for the 1-year period beginning July 1, 1994, 60 percent for the 1-year period beginning July 1, 1995, and 50 percent for any subsequent period,";

(2) in subsection (g)—

(A) by inserting "through June 30, 1995, equal to 60 percent for the 1-year period beginning July 1, 1995, and 50 percent effective July 1, 1996," after "1991,"; and

(B) by striking "automatic" and inserting "automated"; and

(3) in subsection (j) by inserting after "100 per centum" the following:

"through June 30, 1994, 70 percent for the 1-year period beginning July 1, 1994, 60 percent for the 1-year period beginning July 1, 1995, and 50 percent for any subsequent period,".

(b) Application of Amendments.—The reductions in enhanced Federal match rates for administration resulting from the amendments made by subsection (a) shall apply to payments to States for expenditures incurred only after—

(A) the end of the State fiscal year that ends during 1994; or

(B) in the case of a State with a State legislature which is not scheduled to have a regular legislative session in 1994, the end of the State fiscal year that ends during 1995;

without regard to whether or not final regulations to carry out such amendments have been promulgated by the Secretary before the end of either of such State fiscal years.

TITLE II—COMMITTEE ON ARMED SERVICES

SEC. 2001. DEFERRAL OF COST-OF-LIVING ADJUSTMENTS FOR MILITARY RETIREES UNTIL AGE 62.

Section 1401a(b)(1) of title 10, United States Code, is amended by adding at the end the following new sentence: "In the case of a member or former member under age 62 (other than a member retired under chapter 61 of this title), such increase shall not become payable as part of the retired pay of the member or former member until the month in which the member or former member becomes 62 years of age.".

TITLE III—COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS

SEC. 3001. NATIONAL DEPOSITOR PREFERENCE.

(a) In General.—Section 11(d)(11) of the Federal Deposit Insurance Act (12 U.S.C. 1821(d)(11)) is amended to read as follows:

"(11) Depositor preference.—

"(A) In general.—Subject to section 5(e)(2)(C), amounts realized from the liquidation or other resolution of any insured depository institution by any receiver appointed for such institution shall be distributed to pay claims (other than secured claims to the extent of any such security) in the following order of priority:

"(i) Administrative expenses of the receiver.

"(ii) Any deposit liability of the institution.

"(iii) Any claim of an employee of the institution, other than a senior executive officer (as defined by the Corporation pursuant to section 32(f)), for pay accrued but unpaid as of the date the receiver was appointed for the institution.

"(iv) Any other general or senior liability of the institution (which is not a liability described in clause (v) or (vi)).

"(v) Any obligation subordinated to depositors or other general creditors (which is not an obligation described in clause (vi)).

"(vi) Any obligation to shareholders arising as a result of their status as shareholders (including any depository institution holding company or any shareholder or creditor of such company).

"(B) Effect on state law.—

"(i) In general.—The provisions of subparagraph (A) shall not supersede the law of any State except to the extent such law is inconsistent with the provisions of such subparagraph, and then only to the extent of the inconsistency.

"(ii) Procedure for determination of inconsistency.—Upon the Corporation's own motion or upon the request of any person with a claim described in subparagraph (A)(i) or any State which is submitted to the Corporation in accordance with procedures which the Corporation shall prescribe, the Corporation shall determine whether any provision of the law of any State is inconsistent with any provision of subparagraph (A) and the extent of any such inconsistency.

"(iii) Judicial review.—The final determination of the Corporation under clause (ii) shall be subject to judicial review under chapter 7 of title 5, United States Code.

"(C) Accounting report.—Any distribution by the Corporation in connection with any claim described in subparagraph (A)(vi) shall be accompanied by the accounting report required under paragraph (15)(B).".

(b) Technical and Conforming Amendments.—

(1) Section 11(c)(13) of the Federal Deposit Insurance Act (12 U.S.C. 1821(c)(13)) is amended—

(A) in subparagraph (A), by striking "subject to subparagraph (B),";

(B) by inserting "and" after the semicolon at the end of subparagraph (A);

(C) by striking subparagraph (B); and

(D) by redesignating subparagraph (C) as subparagraph (B).

(2) Section 11(g)(4) of the Federal Deposit Insurance Act (12 U.S.C. 1921(g)(4)) is amended by striking "If the Corporation" and inserting "Subject to subsection (d)(11), if the Corporation".

(c) Effective Date.—The amendments made by this section shall apply with respect to insured depository institutions for which a receiver is appointed after the date of the enactment of this Act.

SEC. 3002. TRANSFER OF FEDERAL RESERVE SURPLUSES.

(a) In General.—The 1st undesignated paragraph of section 7 of the Federal Reserve Act (12 U.S.C. 289) is amended to read as follows:

"(a) Dividends and Surplus Funds of Reserve Banks.—

"(1) Stockholder dividends.—

"(A) In general.—After all necessary expenses of a Federal reserve bank have been paid or provided for, the stockholders of the bank shall be entitled to receive an annual dividend of 6 percent on paid-in capital stock.

"(B) Dividend cumulative.—The entitlement to dividends under subparagraph shall be cumulative.

"(2) Deposit of net earnings in surplus fund.—That portion of net earnings of each Federal reserve bank which remains after dividend claims under subparagraph (A) have been fully met shall be deposited in the surplus fund of the bank.

"(3) Payment to treasury.—During fiscal years 1994 through 1998, any amount in the surplus fund of any Federal reserve bank in excess of the amount equal to 3 percent of the total paid-in capital and surplus of the member banks of such bank shall be transferred to the Board for transfer to the Secretary of the Treasury for deposit in the general fund of the Treasury.".

(b) Additional Transfers for Fiscal Years 1997 and 1998.—

(1) IN GENERAL.—In addition to the amounts required to be transferred from the surplus funds of the Federal reserve banks pursuant to section 7(a)(3) of the Federal Reserve Act, the Federal reserve banks shall transfer from such surplus funds to the Board of Governors of the Federal Reserve System for transfer to the Secretary of the Treasury for deposit in the general fund of the Treasury, a total amount of $106,000,000 in fiscal year 1997 and a total amount of $107,000,000 in fiscal year 1998.

(2) ALLOCATION BY FED.—Of the total amount required to be paid by the Federal reserve banks under paragraph (1) for fiscal year 1997 or 1998, the Board of Governors of the Federal Reserve System shall determine the amount each such bank shall pay in such fiscal year.

(3) REPLENISHMENT OF SURPLUS FUND PROHIBITED.—No Federal reserve bank may replenish such bank's surplus fund by the amount of any transfer by such bank under paragraph (1) during the fiscal year for which such transfer is made.

(c) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) The penultimate undesignated paragraph of section 7 of the Federal Reserve Act (12 U.S.C. 290) is amended by striking "The net earnings derived" and inserting "(b) USE OF EARNINGS TRANSFERRED TO THE TREASURY.—The net earnings derived".

(2) The last undesignated paragraph of section 7 of the Federal Reserve Act (12 U.S.C. 531) is amended by striking "Federal reserve banks" and inserting "(c) EXEMPTION FROM TAXATION.—Federal reserve banks".

SEC. 3003. USE OF RETURN DATA FOR INCOME VERIFICATION UNDER CERTAIN HOUSING ASSISTANCE PROGRAMS.

Section 904 of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (42 U.S.C. 3544) is amended as follows:

(1) CONSENT FORMS.—In subsection (b)—

(A) in the matter preceding paragraph (1), by inserting "(including the Indian housing program under title II of the United States Housing Act of 1937)" before the 1st comma;

(B) in paragraph (1), by striking "and" at the end;

(C) in paragraph (2), by striking the period at the end and inserting "; and";

(D) by inserting after paragraph (2) the following new paragraph:

"(3) sign a consent form approved by the Secretary authorizing the Secretary to request the Commissioner of Social Security and the Secretary of the Treasury to release information pursuant to section 6103(l)(7)(D)(ix) of the Internal Revenue Code of 1986 with respect to such applicant or participant for the sole purpose of the Secretary verifying income information pertinent to the applicant's or participant's eligibility or level of benefits."; and

(E) in the last sentence, by striking "This" and inserting the following: "Except as provided in this subsection, this".

(2) APPLICANT AND PARTICIPANT PROTECTIONS.—In subsection (c)(2)—

(A) in subparagraph (A)—

(i) in the matter preceding clause (i)—

(I) by inserting after "compensation law" the following: "or pursuant to section 6103(l)(7)(D)(ix) of the Internal Revenue Code of 1986 from the Commissioner of Social Security or the Secretary of the Treasury"; and

(II) by inserting "(in the case of information obtained pursuant to such section 303(i))" before "representatives"; and

(ii) in clause (ii), by inserting "or public housing agency" after "owner" each place it appears;

(B) in subparagraph (B), by inserting after "wages" each place it appears the following: ", other earnings or income,"; and

(C) in subparagraph (C), by inserting before the second comma the following: "at a hearing that provides the basic elements of due process".

(3) PENALTY.—In subsection (c)(3)—

(A) in subparagraph (A), by inserting "or section 6103(l)(7)(D)(ix) of the Internal Revenue Code of 1986" after "Social Security Act"; and

(B) in the first sentence of subparagraph (B)—

(i) by striking clause (i) and inserting the following: "(i) a negligent or knowing disclosure of information referred to in this section, section 303(i) of the Social Security Act, or section 6103(l)(7)(D)(ix) of the Internal Revenue Code of 1986 about such person by an officer or employee of any public housing agency or owner (or employee thereof), which disclosure is not authorized by this section, such section 303(i), such section 6103(l)(7)(D)(ix), or any regulation implementing this section, such section 303(i), or such section 6103(l)(7)(D)(ix), or"; and

(ii) in clause (ii), by inserting "such section 6103(l)(7)(D)(ix)," after "303(i),".

(4) CONFORMING AMENDMENT.—The heading of subsection (c) of section 904 of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 is amended by striking "STATE EMPLOYMENT".

SEC. 3004. GNMA REMIC GUARANTEE FEES.

Section 306(g)(3) of the National Housing Act (12 U.S.C. 1721(g)(3)) is amended by adding at the end the following new subparagraph:

"(E)(i) Notwithstanding subparagraphs (A) through (D), fees charged for the guaranty of, or commitment to guaranty, multiclass securities backed by a trust or pool of securities or notes guaranteed by the Association under this subsection and other related fees shall be charged by the Association in an amount not to exceed the value, as determined by the Association, of the guarantee or commitment to guarantee. The Association shall take such action as may be necessary to reasonably assure that such portion of the value of the guaranties or commitments to guaranty as the Association determines is appropriate accrues to the benefit of mortgagors under mortgages executed after the date of the enactment of this subparagraph by or upon which such securities or notes are backed.

"(ii) For each Federal fiscal year, the Association shall submit a report to the Congress describing any activities of the Association with respect to guarantying and making commitments to guaranty multiclass securities described in clause (i). The report shall be submitted not later than 90 days after the end of the fiscal year for which the report is made and shall identify the extent of such activities during the fiscal year, the size of each transaction closed during the fiscal year involving such securities, the number of mortgages involved in each such transaction, the amount of the fees charged and earned by the Association for such transactions, and any persons receiving payments for any services provided with respect to any such transactions and the amounts of such payments, and shall include an estimate of the portion of the value of the guarantee or commitment to guarantee accruing to the benefit of mortgagors and a description of any action taken by the Association to ensure such accrual.

"(iii) The Association shall provide for the initial implementation of the program for which fees are charged under the first sentence of clause (i) by notice published in the Federal Register. The notice shall be effective upon publication and shall provide an opportunity for public comment. Not later than 12 months after publication of the notice, the Association shall issue regulations for such program based on the notice, comments received, and the experience of the Association in carrying out the program during such period.".

SEC. 3005. MUTUAL MORTGAGE INSURANCE FUND PREMIUMS.

To improve the actuarial soundness of the Mutual Mortgage Insurance Fund under the National Housing Act, the Secretary of Housing and Urban Development shall increase the rate at which the Secretary earns the single premium payment collected at the time of insurance of a mortgage that is an obligation of such Fund (with respect to the rate in effect on the date of the enactment of this Act). In establishing such increased rate, the Secretary shall consider any current audit findings and reserve analyses and information regarding the expected average duration of mortgages that are obligations of such Fund and may consider any other information that the Secretary determines to be appropriate.

SEC. 3006. ADMINISTRATIVE FEES FOR SECTION 8 CERTIFICATE AND VOUCHER PROGRAMS.

(a) IN GENERAL.—Section 8(q)(1) of the United States Housing Act of 1937 (42 U.S.C. 1437f(q)(1)) is amended—

(1) by striking the 2d sentence and inserting the following new sentences: "In fiscal year 1994, the amount of the fee for each month for which a dwelling unit is covered by an assistance contract shall be 7.25 percent of the fair market rental established under subsection (c)(1) for a 2-bedroom existing rental dwelling unit in the market area of the public housing agency. After fiscal year 1994, the Secretary may decrease the amount of the fee at such times and in such amounts as the Secretary considers appropriate, except that (A) the fee may not be less than 6.0 percent of such fair market rental at any time, and (B) in fiscal year 1998 and in each fiscal year thereafter, the fee shall be 6.0 percent of such fair market rental."; and

(2) in the last sentence, by striking "fee" and inserting "amount of the fee established under this paragraph, for certain programs,".

(b) EFFECTIVE DATE AND APPLICABILITY.—

(1) EFFECTIVE DATE.—The amendments under subsection (a) shall be made and shall take effect on October 1, 1993.

(2) APPLICABILITY.—The amendments made by this section shall apply to any dwelling units covered by an assistance contract under section 8 of the United States Housing Act of 1937 in effect on October 1, 1993, and any units covered by such a contract entered into or renewed on or after such date.

TITLE IV—EDUCATION AND LABOR

SEC. 4000. TABLE OF CONTENTS.

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Subtitle A—Higher Education Programs

SEC. 4001. SHORT TITLE; REFERENCE.

(a) SHORT TITLE.—This subtitle may be cited as the "Student Loan Reconciliation Amendments of 1993".

(b) REFERENCE.—References in this subtitle to "the Act" are references to the Higher Education Act of 1965.

SEC. 4002. SIMPLIFIED FEDERALLY GUARANTEED STUDENT LOAN PROGRAM.

(a) IN GENERAL.—Part B of title IV of the Act is amended—

(1) by redesignating section 427, and all references thereto, as section 426A; and

(2) by inserting after section 426A (as redesignated by paragraph (1)), the following new section:

"SEC. 427. FEDERALLY GUARANTEED STUDENT AND PARENT LOANS.

"(a) FEDERALLY GUARANTEED STUDENT LOAN PROGRAM AUTHORIZED.—The Secretary shall, in accordance with the provisions of this part, carry out a federally guaranteed student loan program for—

"(1) insured loans for eligible students, as required by section 484, who qualify on the basis of need under part F for interest subsidies in accordance with section 428 or who qualify under subsection (c) of this section; and

"(2) insured loans for eligible students, as required by section 484, who do not qualify for interest subsidies under section 428, in accordance with the provisions of this section.

"(b) TERMS, CONDITIONS, AND BENEFITS.—

"(1) IN GENERAL.—Loans made to students described in paragraph (1) of subsection (a) shall have the terms, conditions, and benefits as described in this section and section 428 of this title. Loans made to students described in paragraph (2) of subsection (a) shall have the terms, conditions, and benefits described in paragraph (3) of this subsection.

"(2) APPLICABLE RATES OF INTEREST.—Interest on loans made pursuant to subsection (a) shall be at the applicable rate of interest provided in section 427A(e).

"(3) SPECIAL RULES FOR UNSUBSIDIZED LOANS FOR STUDENT BORROWERS.—

"(A) ELIGIBLE BORROWER.—Any student meeting the requirements for student eligibility under section 484 shall be entitled to borrow an unsubsidized Stafford Loan. Such student shall provide to the lender a statement from the eligible institution at which the student has been accepted for enrollment, or at which the student is in attendance, which—

"(i) sets forth such student's estimated cost of attendance (as determined under section 472);

"(ii) sets forth such student's estimated financial assistance, including a loan which qualifies for subsidy payments under section 428; and

"(iii) certifies the eligibility of the student to receive a loan under this section and the amount of the loan for which such student is eligible, in accordance with subparagraph (B).

"(B) DETERMINATION OF AMOUNT OF LOAN.—The determination of the amount of a loan by an eligible institution under subparagraph (A) shall be calculated by subtracting from the estimated cost of attendance at the eligible institution any estimated financial assistance reasonably available to such student. An eligible institution may not, in carrying out the provisions of subparagraph (A) of this paragraph, provide a statement which certifies the eligibility of any student to receive any loan under this section in excess of the amount calculated under the preceding sentence.

"(C) LOAN LIMITS.—The annual and aggregate limits for loans under this section shall be the same as those established under section 428(b)(1), less any amount received by such student pursuant to the subsidized loan program established under section 428.

"(D) PAYMENT OF PRINCIPAL AND INTEREST.—

"(i) COMMENCEMENT OF REPAYMENT.—Repayment of principal on loans made under this section shall commence 6 months after the month in which the student ceases to carry at least one-half the normal full-time workload as determined by the institution.

"(ii) CAPITALIZATION OF INTEREST.—Interest on loans made under this section for which payments of principal are not required during the in-school and grace periods or for which payments are deferred under sections 427(a)(2)(C) and 428(b)(1)(M) shall, if agreed upon by the borrower and the lender (I) be paid monthly or quarterly, or (II) be added to the principal amount of the loan not more frequently than quarterly by the lender. Such capitalization of interest shall not be deemed to exceed the annual insurable limit on account of the student.

"(E) SUBSIDIES PROHIBITED.—No payments to reduce interest costs shall be paid pursuant to section 428(a) of this part on loans made pursuant to this section.

"(F) APPLICABLE RATE OF INTEREST.—Interest on loans made pursuant to this paragraph shall be at the applicable rate of interest provided in section 427A(a).

"(G) INSURANCE PREMIUM.—

"(i) AMOUNT OF ORIGINATION FEE/INSURANCE PREMIUM.—The lender shall charge the borrower a combined origination fee and insurance premium in the amount of 6.5 percent of the principal amount of the loan, to be deducted proportionately from each installment payment of the proceeds of the loan prior to payment to the borrower. A guaranty agency may not charge an insurance premium on any loan made under this paragraph.

"(ii) RELATION TO APPLICABLE INTEREST.—Such combined fee and premium shall not be taken into account for purposes of determining compliance with section 427A.

"(iii) DISCLOSURE REQUIRED.—The lender shall disclose to the borrower the amount and method of calculating the combined origination fee and insurance premium.

"(iv) USE OF INSURANCE PREMIUM TO OFFSET DEFAULT COSTS.—Each lender making loans under this paragraph shall transmit all combined origination fee and insurance premiums authorized to be collected from borrowers to the Secretary, who shall use such fees and premiums to pay the Federal costs of default claims paid for loans under this paragraph and to reduce the cost of special allowances paid thereon, if any, under section 438(b).

"(v) REVIEW OF INSURANCE PREMIUM.—In fiscal year 1995, the Secretary is directed to analyze the risk rates of borrowers who have participated in this program in the 2 previous fiscal years. If the Secretary finds, that as a result of this review, the projected defaults and special allowance costs of the unsubsidized program do not exceed the 6.5 percent insurance premium, the Secretary is directed to lower the insurance premium accordingly.

"(H) SINGLE APPLICATION FORM.—A guaranty agency shall use a single application form prescribed by the Secretary for subsidized Federal Stafford loans made pursuant to section 428 and for unsubsidized Federal Stafford Loans made pursuant to this paragraph. The Secretary shall take such steps as may be necessary to incorporate such application form into the single form required by section 483(a).

"(I) SINGLE PROMISSORY NOTE FORM.—A lender of any loan under this section shall use a single standard promissory note prescribed by the Secretary by regulation.

"(c) ADDITIONAL RULES AND LOAN LIMITS FOR GRADUATE, PROFESSIONAL, AND CERTAIN UNDERGRADUATE INDEPENDENT STUDENTS.—

"(1) STUDENT ELIGIBILITY.—Graduate and professional students (as defined by regulations of the Secretary) and undergraduate independent students shall be eligible to borrower funds under this subsection in amounts specified in paragraphs (3) through (6) and, unless otherwise specified in paragraphs (7) and (8) under this subsection, shall have the same terms, conditions, and benefits as all other loans made under this part. In addition, undergraduate dependent students shall be eligible to borrow funds under this subsection if the financial aid administrator determines, after review of the financial information submitted by the student and considering the debt burden of the student, that exceptional circumstances will likely preclude the student's parents from borrowing under subsection (d) for purposes of the expected family contribution and that the student's family is otherwise unable to provide such expected family contribution. If the financial aid administrator makes such a determination, appropriate documentation of such determination shall be maintained in the institution's records to support such determination. No student shall be eligible to borrow funds under this subsection until such student has obtained a certificate of graduation from a school providing secondary education, or the recognized equivalent of such certificate.

"(2) INSTITUTIONAL ELIGIBILITY.—Funds may not be borrowed under this subsection by any undergraduate student who is enrolled at any institution during any fiscal year if the cohort default rate for such institution, for the most recent fiscal year for which such rates are available, equals or exceeds 30 percent. The Secretary shall notify institutions to which such restriction applies annually, and specify the fiscal year covered by the restriction. The Secretary shall afford any institution to which such restriction applies an opportunity to present evidence contesting the accuracy of the calculation of the cohort default rate for such institution.

"(3) ANNUAL LIMIT.—Subject to paragraphs (4) and (5), the maximum amount a student may borrow in any academic year is:

"(A) In the case of student at an eligible institution who has not successfully completed the first year of a program of undergraduate education—

"(i) $4,000, if such student is enrolled in a program whose length is at least one academic year in length (as determined under section 481);

"(ii) $2,500, if such student is enrolled in a program whose length is less than one academic year, but at least ⅔ of such an academic year; and

"(iii) $1,500, if such student is enrolled in a program whose length is less than ⅔, but at least ⅓, of such an academic year.

"(B) In the case of a student at an eligible institution who has successfully completed such first year but has not successfully completed the remainder of a program of undergraduate study, $4,000.

"(C) In the case of a student at an eligible institution who has successfully completed the first and second year of such a program but has not successfully completed the remainder of such a program, $5,000.

"(D) In the case of a graduate or profession student (as defined in regulations of the Secretary) at an eligible institution, $10,000.

"(4) AGGREGATE LIMIT.—The aggregate insured principal amount of insured loans made to any student under this subsection, minus any interest capitalized under paragraphs (7) and (8) shall not exceed—

"(A) $23,000, in the case of any student who has not successfully completed a program of undergraduate education; and

"(B) $73,000, in the case of any graduate or professional student, as such terms are defined by regulations issued by the Secretary, including any loans which are insured by the Secretary under this section, or by a guaranty agency, made to such student before the student became a graduate or professional student.

"(5) LIMITATION BASED ON NEED.—Any loan under this subsection may be counted as part of the expected family contribution in the determination of need under this title, but no loan may be made to any student under this section for any academic year in excess of (A) the student's estimated cost of attendance, minus (B) the total of (i) any loan for which the student is eligible under section 428, and (ii) other financial aid is certified by the eligible institution under section 428(a)(2)(A). The annual insurable limit on account of the student shall not be deemed to be exceeded by a line of credit under which actual payments to the borrower will not be made in any year in excess of the annual limit.

"(6) DISBURSEMENT.—A loan under this subsection shall be disbursed in the manner required by section 428G.

"(7) COMMENCEMENT OF REPAYMENT.—Repayment of principal on loans made under this subsection shall commence not later than 60 days after the date such loan is disbursed by the lender or, if the loan is disbursed in multiple installments, not later than 60 days after the disbursement of the last such installment, subject to deferral pursuant to sections 427(a)(2)(C) and 428(b)(1)(M). In the case of a borrower under this subsection who is also a borrower under a program of student loan insurance covered by an agreement under section 428(b), the lender shall notify the borrower of the option to defer the commencement of the repayment for 6 months after the student ceases to carry at an eligible institution at least one-half the normal full-time academic workload, as determined by the institution, except that interest shall begin to accrue, and shall be paid in accordance with paragraph (8), notwithstanding such delay in the commencement of repayment. The lender shall also notify the borrower of the borrower's option to commence repayment earlier than the beginning of such repayment period and the difference in total cost to the borrower.

"(8) CAPITALIZATION OF INTEREST.—(A) Interest on loans made under this subsection—

"(i) which are disbursed in installments,

"(ii) for which payments of principal are deferred under sections 427(a)(2)(C)(i) and 428(b)(1)(M)(i), or

"(iii) for which the commencement of the repayment period is delayed in accordance with paragraph (1) to coincide with the commencement of the repayment period of a loan made under section 427 or 428,

shall, if agreed upon by the borrower and the lender—

"(I) be paid monthly or quarterly, or

"(II) be added to the principal amount of the loan not more frequently than quarterly by the lender.

"(B) Such capitalization of interest shall not be deemed to exceed the annual insurable limit on account of the student.

"(9) SUBSIDIES PROHIBITED.—No payments to reduce interest costs shall be paid pursuant to section 428(a) of this part on loans made pursuant to this subsection.

"(10) APPLICABLE RATES OF INTEREST.—Interest on loans made pursuant to this subsection shall be at the applicable rate of interest provided in section 427(e).

"(11) AMORTIZATION.—The amount of the periodic payment and the repayment scheduled for any loan made pursuant to this subsection shall be established by assuming an interest rate equal to the applicable rate of interest at the time the repayment of the principal amount of the loan commences. At the option of the lender, the note or other written evidence of the loan may require that—

"(A) the amount of the periodic payment will be adjusted annually, or

"(B) the period of repayment of principal will be lengthened or shortened,

in order to reflect adjustments in interest rates occurring as a consequence of section 427A.

"(12) REPAYMENT PERIOD.—For purposes of calculating the 10-year repayment period under section 428(b)(1)(D), such period shall commence at the time the first payment of principal is due from the borrower.

"(d) FEDERAL PARENT LOANS.—

"(1) AUTHORITY TO BORROW.—Parents of a dependent student, who do not have an adverse credit history as determined pursuant to regulations of the Secretary, shall be eligible to borrow funds under this subsection in amounts specified in paragraph (2), unless otherwise specified in paragraphs (3), (4), and (5), such loans shall have the same terms, conditions and benefits as all other loans made under this part. Whenever necessary to carry out the provisions of this subsection, the terms 'student' and 'borrower' as used in this part shall include a parent borrower under this subsection.

"(2) LIMITATION BASED ON NEED.—Any loan under this subsection may be counted as part of the expected family contribution in the determination of need under this title, but no loan may be made to any parent under this subsection for any academic year in excess of (A) the student's estimated cost of attendance, minus (B) other financial aid as certified by the eligible institution under section 428(a)(2)(A). The annual insurable limit on account of any student shall not be deemed to be exceeded by the line of credit under which actual payments to the borrower will not be made in any year in excess of the annual limit.

"(3) PARENT LOAN DISBURSEMENT.—All loans made under this subsection shall be disbursed in accordance with section 428G.

"(4) PAYMENT OF PRINCIPAL AND INTEREST.—

"(A) COMMENCEMENT OF REPAYMENT.—Repayment of principal on loans made under this subsection shall commence not later than 60 days after the date such loan is disbursed by the lender, or if the loan is disbursed in multiple installments not later than 60 days after the disbursement of the last such installment, subject to deferral during any period during which the parent meets the conditions required for a deferral under section 427(a)(2)(C) or 428(b)(1)(M).

"(B) CAPITALIZATION OF INTEREST.—Interest on loans made under this subsection for which payments of principal are deferred pursuant to paragraph (1) of this subsection shall, if agreed upon by the borrower and the lender (A) be paid monthly or quarterly, or (B) be added to the principal amount of the loan not more frequently than quarterly by the lender. Such capitalization of interest shall not be deemed to exceed the annual insurable limit on account of the borrower.

"(C) SUBSIDIES PROHIBITED.—No payments to reduce interest costs shall be paid pursuant to section 428(a) of this part on loans made pursuant to this subsection.

"(D) AMORTIZATION.—The amount of the periodic payment and the repayment schedule for any loan made pursuant to this subsection shall be established by assuming an interest rate equal to the applicable rate of interest at the time the repayment of the principal amount of the loan commences. At the option of the lender, the note or other written evidence of the loan may require that—

"(i) the amount of the periodic payment will be adjusted annually, or

"(ii) the period of repayment of principal will be lengthened or shortened,

in order to reflect adjustments in interest rates occurring as a consequence of section 427A.".

(b) TERMINATION OF AUTHORITY.—

(1) TERMINATION OF THE FISL PROGRAM.—(A) Section 424 of the Act is amended by adding at the end thereof the following new subsection:

"(c) TERMINATION OF AUTHORITY.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary may not exercise the authority contained in the provisions of this section after September 30, 2000.

"(2) EXCEPTION.—Whenever the Secretary determines that the objectives of this part require it, the Secretary may extend the termination date contained in paragraph (1) for 5 years.".

(B) Section 426A of the Act (as redesignated by subsection (a)(1) of this section) is amended by adding at the end thereof the following new subsection:

"(d) The Secretary may not exercise the authority contained in the provisions of this section after September 30, 1998.".

(2) TERMINATION OF AUTHORITY TO GUARANTEE LOANS UNDER SECTION 428A.—Section 428A of the Act is amended by adding at the end thereof the following new subsection:

"(e) TERMINATION OF AUTHORITY.—The Secretary may not issue loan guarantees for loans made or insured under this section after September 30, 1998.".

(3) TERMINATION OF AUTHORITY TO GUARANTEE LOANS UNDER SECTION 428B.—Section 428B of the Act is amended by adding at the end thereof the following new subsection:

"(f) TERMINATION OF AUTHORITY.—The Secretary may not issue loan guarantees for loans made or insured under this section after September 30, 1998.".

(4) TERMINATION OF AUTHORITY TO GUARANTEE LOANS UNDER SECTION 428H.—Section 428H of the Act is amended by adding at the end thereof the following new subsection:

"(h) TERMINATION OF AUTHORITY.—The Secretary may not issue loan guarantees for loans made or insured under this section after September 30, 1998.".

(c) SINGLE APPLICATION TO CONFORM TO NEW SECTION 427.—Section 432(m)(1)(B) of the Act is amended by adding at the end thereof the new flush sentence: "The form prescribed by the Secretary shall conform to the provisions of section 427 of this part as amended by the Student Loan Reconciliation Amendments of 1993.".

(d) LINE OF CREDIT PROVISION TO AVOID REAPPLICATION.—Section 438B(1) of the Act is amended—

(1) by inserting "(A)" after the paragraph designation; and

(2) by adding after paragraph (1) the following new subparagraph:

"(B) In order to carry out the objective of subparagraph (A), the Secretary shall, within 240 days after the date of enactment of the Student Assistance Reform and Savings Amendments of 1993, develop and promulgate regulations to authorize eligible lenders to establish a line of credit for student borrowers after the applicable eligible institution has determined the continued eligibility of the student borrower under this part. The determination described in the previous sentence shall be considered a reapplication on the part of the student borrower for any purpose under this part.".

(e) CONFORMING AMENDMENTS.—(1) Section 433(e) of the Act is amended by striking out "section" and inserting "sections 427(b)(3), 427(c), 427(d),".

(2) Section 435(d)(1)(G) of the Act is amended by striking out "428A(d), and 428B(d),".

(3) Section 435(m)(2)(D) of the Act is amended by inserting "section 427(c) or" before "section 428A" each time it appears in subparagraph (D).

(4)(A) Section 437(b) of the Act is amended by inserting "section 427," before "subparagraph".

(5) Section 437(d) of the Act is amended by inserting "427(d) or" before "428B".

(6) Section 437A of the Act is amended by inserting "427(d) or" before "428B".

(7)(A) Section 438(b)(2)(C)(ii) of the Act is amended by inserting "section 427(c) or 427(d), or" before "section 428A".

(B) Section 438(b)(5)(A)(ii) of the Act is amended by inserting "427," before "428A".

(8)(A) Section 438(c)(2) of the Act is amended by inserting "427(c), 427(d)," before "428A".

(B) Section 438(c)(6) of the Act is amended by inserting "427(c), 427(d)," before "428A".

(C) Section 438(c)(7) of the Act is amended by inserting "427(c), 427(d)," before "428A".

(f) EFFECTIVE DATE.—The amendments made by this section shall take effect with respect to loans for which the first disbursement is made after September 30, 1993.

SEC. 4003. FEDERAL INTEREST SUBSIDIES.

Section 427A of the Higher Education Act of 1965 (20 U.S.C. 1077a), hereinafter in this subtitle referred to as "the Act", is amended—

(1) by redesignating subsection (h) as subsection (i); and

(2) by inserting after subsection (g) the following new subsection:

"(i) IN-SCHOOL AND GRACE PERIOD INTEREST RATES.—

"(1) APPLICABLE RATE.—Notwithstanding any other provision of this section, with respect to any loan for which the first disbursement is made on or after October 1, 1993, the applicable rate of interest for interest which accrues—

"(A) prior to the beginning of the repayment period of the loan, or

"(B) during the period in which principal need not be paid (whether or not such principal is in fact paid) by reason of a provision described in subsection (b)(1)(M) of this section or in section 427(a)(2)(C),

shall not exceed the rate determined under paragraph (2).

"(2) METHOD OF CALCULATION.—For purposes of paragraph (1) the rate determined under this paragraph shall, during any 12-month period beginning on July 1 and ending on June 30, be determined on the preceding June 1 and be equal to—

"(A) the bond equivalent rate of 91-day Treasury bills auctioned at the final auction prior to such June 1; plus

"(B) 2.6 percent.".

SEC. 4004. GUARANTY AGENCY AND LENDER RISK SHARING.

(a) AMENDMENTS.—

(1) LENDER INSURANCE PERCENTAGE.—Section 428(b)(1)(G) of the Act (20 U.S.C. 1087(b)(1)(G)) is amended—

(A) by striking "not less than 100 percent" and inserting "95 percent"; and

(B) by inserting before the semicolon at the end the following: "except that in the case of loans to students attending institutions whose cohort default rate exceeds 20 percent, such program insures 100 percent of the unpaid principal amount".

(2) GUARANTY AGENCY REINSURANCE PERCENTAGE.—Section 428(c)(1) of the Act is amended—

(A) in subparagraph (A), by striking "100 percent" and inserting "95 percent";

(B) in subparagraph (B)(i), by striking "90 percent" and inserting "85 percent";

(C) in subparagraph (B)(ii), by striking "80 percent" and inserting "75 percent"; and

(D) by adding at the end the following new subparagraph:

"(E) For the purposes of calculating the amount of reimbursement and the amount of loans insured under clauses (i) and (ii) of subparagraph (A), the Secretary shall exclude reimbursements and amounts of loans attributable to loans made to students for attendance at institutions of higher education with cohort default rates that exceed 20 percent.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) of this section shall apply with respect to any loan for which the first disbursement is made on or after October 1, 1993.

SEC. 4005. MASTER CHECKS.

Section 428(b)(1)(N) of the Act (20 U.S.C. 1078) is amended by inserting "(including a consolidated check combining the funds of more than one student)" after "to the institution by check".

SEC. 4006. LOAN TRANSFER FEES.

Section 428(b)(2) of the Act (20 U.S.C. 1078(b)(2)) is amended—

(1) by striking "and" at the end of subparagraph (E);

(2) by striking the period at the end of subparagraph (F) and inserting "; and"; and

(3) by adding at the end thereof the following new subparagraph:

"(G) provide that, if a lender or holder, on or after October 1, 1993, sells, transfers, or assigns a loan under this part, then the transferee shall pay to the Secretary a transfer fee in an amount equal to 0.25 percent the principle and accrued unpaid interest of the loan.".

SEC. 4007. SECRETARY'S EQUITABLE SHARE.

(a) AMENDMENT.—Section 428(c)(6)(A)(ii) of the Act (20 U.S.C. 1078(c)(6)(A)(ii)) is amended by striking out "30 percent" and inserting "25 percent".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) of this section shall apply with respect to determinations of the Secretary's equitable share of payments made by borrowers on or after October 1, 1993.

SEC. 4008. ADMINISTRATIVE COST ALLOWANCE.

Section 428(f) of the Act is repealed.

SEC. 4009. SUPPLEMENTAL PRECLAIMS ASSISTANCE.

Section 428(l)(2) of the Act (20 U.S.C. 1078(l)(2)) is amended by striking the second sentence and inserting the following: "For each loan on which such assistance is performed and for which a default claim is not presented to the guaranty agency by the lender on or before the 150th day after the loan becomes 120 days delinquent, such payment shall be equal to one percent of the total of the unpaid principle and the accrued unpaid interest of the loan.".

SEC. 4010. PLUS LOAN AMOUNTS AND DISBURSEMENTS.

(a) LOAN AMOUNTS.—Section 428B(b) of the Act (20 U.S.C. 1078-2(b)) is amended to read as follows:

"(b) LIMITATIONS ON AMOUNTS OF LOANS.—

"(1) ANNUAL LIMIT.—Subject to paragraph (2), the maximum amount parents may borrow for one student in any academic year or its equivalent (as defined by regulation of the Secretary) is $10,000.

"(2) LIMITATION BASED ON NEED.—Any loan under this section may be counted as part of the expected family contribution in the determination of need under this title, but no loan may be made to any parent under this section for any academic year in excess of (A) the student's estimated cost of attendance, minus (B) other financial aid as certified by the eligible institution under section 428(a)(2)(A). The annual insurable limit on account of any student shall not be deemed to be exceeded by a line of credit under which actual payments to the borrower will not be made in any year in excess of the annual limit.".

(b) MULTIPLE DISBURSEMENT REQUIRED.—

(1) AMENDMENT.—Section 428B(c) of the Act is amended by inserting after "under this section" the following: "shall be disbursed in accordance with the requirements of section 428G and".

(2) CONFORMING AMENDMENTS—Section 428G(e) of the Act (20 U.S.C. 1078-7(e) is amended—

(A) by striking "PLUS, CONSOLIDATION," and inserting "CONSOLIDATION"; and

(B) by striking "section 428B or 428C" and inserting "section 428C".

(3) FISL AMENDMENT.—Section 427(b)(2) of the Act (20 U.S.C. 1077(b)(2)) is amended by striking "section 428B or 428C" and inserting "section 428B".

SEC. 4011. CONSOLIDATION LOAN INTEREST RATES AND FEES.

(a) AMENDMENTS.—Section 428C(c) of the Act (20 U.S.C. 1078-3(c)) is amended—

(1) by striking subparagraph (B) of paragraph (1) and inserting the following:

"(B) Except as provided in subparagraph (C), a consolidation loan shall bear interest at annual rate that, during any 12-month period beginning on July 1 and ending on June 30, shall be determined on the preceding June 1 and be equal to—

"(i) the bond equivalent rate of 91-day Treasury bills auctioned at the final auction held prior to such June 1; plus

"(ii) 3.1 percent."; and

(2) by adding at the end the following new paragraph:

"(6) INSURANCE FEE FROM LENDERS.—Each lender shall pay to the Secretary, by monthly installments, an annual amount equal to 0.5 percent of the average principal amount outstanding on loans under this section held by the lender, as determined in accordance with such regulations as the Secretary shall prescribe.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to loans made pursuant to section 428C on or after October 1, 1993.

SEC. 4012. SPECIAL ALLOWANCE PAYMENTS WITH RESPECT TO TAX-EXEMPT LOAN FUNDS.

(a) AMENDMENT.—Section 438(b)(2)(B) of the Act (20 U.S.C. 1087-1(b)(2)(B)) is amended—

(1) by striking out division (ii); and

(2) by redesignating division (iii) as division (ii).

(b) EFFECTIVE DATE.—The amendment made by subsection (a) of this section shall apply with respect to the determination of the quarterly rate of the special allowance for holders of loans which were made or purchased with funds obtained by the holder from the issuance of obligations on or after May 1, 1993.

SEC. 4013. LENDER ORIGINATION FEES.

Section 438 of the Act (20 U.S.C. 1087-1) is amended—

(1) in the heading of subsection (c) by inserting "FROM STUDENTS" after "ORIGINATION FEES";

(2) by redesignating subsections (d) and (e) as subsections (e) and (f), respectively; and

(3) by inserting after subsection (c) the following new subsection:

"(d) ORIGINATION FEES FROM LENDERS.—

"(1) DEDUCTION FROM INTEREST AND SPECIAL ALLOWANCE SUBSIDIES.—Notwithstanding subsection (b), the total amount of interest and special allowance payable under section 428(a)(3)(A) and subsection (b) of this section, respectively, to any holder shall be reduced by the Secretary by an origination fee in an amount determined in accordance with paragraph (2) of this subsection. If the total amount of interest and special allowance payable under section 428(a)(3)(A) and subsection (b) of this section, respectively, is less than the amount of such origination fee, the Secretary shall deduct such excess amount from subsequent quarters' payments until the total amount has been deducted.

"(2) AMOUNT OF ORIGINATION FEES.—Subject to paragraph (3) of this subsection,] with respect to any loan (other than loans made under sections 428A, 428B, 428C, and 439(o)) for which a completed note or other written evidence of the loan was sent or delivered to the borrower for signing on or after October 1, 1993, the amount of the origination fee which shall be deducted under paragraph (1) shall be equal to 1 percent of the principal amount of the loan.

"(3) SLS AND PLUS LOANS.—With respect to any loans made under section 428A or 428B on or after October 1, 1993, each eligible lender under this part shall pay to the Secretary an origination fee of 1 percent of the principal amount of the loan.

"(4) DISTRIBUTION OF ORIGINATION FEES.—All origination fees collected pursuant to this section on loans authorized under section 428A or 428B shall be paid to the Secretary by the lender and deposited in the fund authorized under section 431 of this part.".

SEC. 4014. LENDER-OF-LAST-RESORT REQUIREMENT.

Section 439(q)(1)(A) of the Act (20 U.S.C. 1087-2) is amended by "may begin" and inserting "shall begin".

SEC. 4015. INCOME CONTINGENT REPAYMENT OPTION.

(a) RULEMAKING REQUIRED.—Not later than 120 days after the date of enactment of this Act, the Secretary shall, pursuant to section 428(b)(1)(E) of the Act, promulgate one or more income contingent repayment schedules for use in connection with loans made under part B of title IV of the Act (including loans made pursuant to sections 428A, 428B, 428C, 428H, and 439(o)). Such schedule or schedule shall—

(1) result in no increase in Federal costs associated with the payment of interest or special allowance benefits to holders of loans under this part;

(2) not include negative amortization;

(3) allow for the use of data received from the Internal Revenue Service; and

(4) include provisions to apply in cases where the borrowers income data is either not provided by the borrower or is otherwise unavailable.

(b) LENDERS TO OFFER OPTIONS.—Not later than 270 days after the publication of an income contingent repayment schedule or schedule pursuant to subsection (a), all eligible lenders shall offer eligible borrowers the option to repay loans under the income contingent repayment schedules prescribed under subsection (a).

(c) AVAILABILITY.—The income contingent repayment option available under the regulations required by this section shall apply to loans made to borrowers after the publication of a schedule or schedule under subsection (b) and may, at the option of the lender, be offered on any outstanding loan.

(d) FORMS AND PROCEDURES.—The Secretary shall promulgate and publish all necessary forms and procedures necessary under this section.

(e) WAIVER OF REPAYMENT PERIOD LIMITS.—Subject to the requirement of subsection (a)(1), the Secretary may waive the 10-year limit on the repayment period for loans made under part B of title IV of the Act.

Subtitle B—Cost Sharing by States

SEC. 4101. COST SHARING BY STATES.

(a) AMENDMENT.—Section 428 of the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.) is amended by adding at the end thereof the following new subsection:

"(n) STATE SHARE OF DEFAULT COSTS.—(1) In the case of any State in which there are located any institutions of higher education with cohort default rates that exceed 20 percent, such State shall pay to the Secretary an amount equal to—

"(A) the new loan volume attributable to all institutions in the State for the current fiscal year, multiplied by

"(B) the percentage specified in paragraph (2), multiplied by

"(C) the quotient of—

"(i) the sum of the amounts calculated under paragraph (3) for each such institution in the State; divided by

"(ii) the total amount of loan volume attributable to current and former students of institutions located in that State entering repayment in the period used to calculate the cohort default rate.

"(2) For purposes of paragraph (1)(B), the percentage used shall be—

"(A) 12.5 percent for fiscal year 1995;

"(B) 20 percent for fiscal year 1996; and

"(C) 50 percent for fiscal year 1997 and succeeding fiscal years.

"(3) For purposes of paragraph (1)(C)(i), the amount shall be determined by calculating for each institution the amount by which—

"(A) the amount of the loans received for attendance by its current and former students who (i) enter repayment during the fiscal year used for the calculation of the cohort default rate, and (ii) default before the end of the following fiscal year; exceeds

"(B) 20 percent of the loans received for attendance by all the current and former students who enter repayment during the fiscal year used for the calculation of the cohort default rate.

"(4) A State may charge a fee to an institution of higher education that participates in the program under this part and is located in that State according to a fee structure, approved by the Secretary, that is based on the institution's cohort default rate and the State's risk of loss under this subsection. Such fee structure shall include a process by which an institution with a high cohort default rate is exempt from any fees under this paragraph if such institution demonstrates to the satisfaction of the State that exceptional mitigating circumstances, as determined by the State and approved by the Secretary, contributed to its cohort default rate.".

(b) EFFECTIVE DATE.—The amendment made by this section shall be effective on October 1, 1994.

Subtitle C—ERISA Amendments Relating to Group Health Plans

SEC. 4201. COORDINATION OF ERISA PREEMPTION RULES WITH TITLE XIX PROVISIONS PROVIDING FOR LIABILITY OF THIRD PARTIES.

(a) IN GENERAL.—Paragraph (8) of section 514(b) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1144(b)(8)) is amended to read as follows:

"(8)(A) Subsection (a) of this section shall not apply to any State law to the extent necessary to permit the State to comply with the following requirements for the receipt of Federal financial assistance under title XIX of the Social Security Act:

"(i) subparagraphs (A), (B), and (H) of section 1902(a)(25) of such Act (relating to third-party liability) and section 1903(o) of such Act (relating to medicaid as secondary payor), as in effect on October 1, 1993; and

"(ii) sections 1902(a)(45) and 1912 of such Act (relating to assignment of rights of payment), as in effect on May 12, 1993.

"(B) Paragraph (2)(B) shall not apply to any State law to the extent necessary to permit the compliance of the State with any of the requirements described in subparagraph (A).".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect October 1, 1993.

SEC. 4202. CONTINUED COVERAGE OF COSTS OF A PEDIATRIC VACCINE UNDER GROUP HEALTH PLANS.

(a) IN GENERAL.—Part 6 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1161 et seq.) is amended by adding at the end the following new section:

"SEC. 609. CONTINUED COVERAGE OF COSTS OF A PEDIATRIC VACCINE UNDER GROUP HEALTH PLANS.

"A group health plan may not reduce its coverage of the costs of pediatric vaccines (as defined under section 2162 of the Public Health Service Act) below the coverage it provided as of May 1, 1993.".

(b) CONFORMING AMENDMENT.—The table of contents in section 1 of such Act is amended by adding after the iem relating to section 608 the following new item:

"Sec. 609. Continued coverage of costs of a pediatric vaccine under group health plans.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to plan years beginning after the date of the enactment of this Act.

SEC. 4203. TEMPORARY RULES GOVERNING PRE-EMPTION OF CERTAIN STATE LAWS.

Paragraph (5) of section 514(b) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1144(b)(5)) is amended to read as follows:

"(5)(A)(i) Except as provided in clauses (ii) and (iii), subsection (a) shall not apply to the Hawaii Prepaid Health Care Act (Haw. Rev. Stat. §§393-1 through 393-51).

"(ii) Nothing in clause (i) shall be construed to exempt from subsection (a) any State tax law relating to employee benefit plans.

"(iii) Notwithstanding clause (i), parts 1 and 4 of this subtitle, and the preceding sections of this part to the extent they govern matters which are governed by the provisions of such parts 1 and 4, shall supersede the Hawaii Prepaid Health Care Act (as in effect on or after January 14, 1983), but the Secretary may enter into cooperative arrangements under this subparagraph and section 506 with officials of the State of Hawaii to assist them in effectuating the policies of provisions of such Act which are superseded by such parts 1 and 4 and the preceding sections of this part.

"(B)(i) Except as provided in clauses (ii) and (iii), subsection (a) shall not apply to subtitle 2 of title 19 of the Annotated Code of Maryland (relating to the Health Services Cost Review Commission).

"(ii) Nothing in clause (i) shall be construed to exempt from subsection (a)—

"(I) any State tax law relating to employee benefit plans, or

"(II) any amendment of the provision referred to in clause (i) enacted on or after May 12, 1993, to the extent it provides for more than the effective administration of such Act as in effect on such date.

"(iii) Notwithstanding clause (i), parts 1 and 4 of this subtitle, and the preceding sections of this part to the extent they govern matters which are governed by the provisions of such parts 1 and 4, shall supersede the provision referred to in clause (i) (as in effect on or after May 12, 1993), but the Secretary may enter into cooperative arrangements under this subparagraph and section 506 with officials of the State of Maryland to assist them in effectuating the policies of such provision which are superseded by such parts 1 and 4 and the preceding sections of this part.

"(C)(i) Except as provided in clauses (ii) and (iii), subsection (a) shall not apply to the following provisions of the law of the State of Minnesota:

"(I) section 295.52, Minnesota Statutes, as amended in May 1993 by House File 1178 (relating to receipts tax on providers);

"(II) section 19 of article 9 of the Minnesota Health Right Act, as amended in May 1993 by House File 1178 (relating to pass-through of 2 percent gross receipts tax on providers); and

"(III) subdivision 2 of section 3 of article 1 of such Act, article 7 of such Act, and section 1 of article 3 of Minnesota House File 1178 and section 4 and all that follows through the end of such article 3, as enacted in May 1993 (relating to data collection).

"(ii) Nothing in clause (i) shall be construed to exempt from subsection (a)—

"(I) any State tax law relating to employee benefit plans (other than a provision described in clause (i)), and

"(II) any amendment of any provision referred to in clause (i) enacted on or after May 12, 1993, to the extent it provides for more than the effective administration of such provision as in effect on such date.

"(iii) Notwithstanding clause (i), parts 1 and 4 of this subtitle, and the preceding sections of this part to the extent they govern matters which are governed by the provisions of such parts 1 and 4, shall supersede the provisions described in clause (i) (as in effect on or after May 12, 1993), but the Secretary may enter into cooperative arrangements under this subparagraph and section 506 with officials of the State of Minnesota to assist them in effectuating the policies of such provisions which are superseded by such parts 1 and 4 and the preceding sections of this part.

"(D)(i) Except as provided in clauses (ii), (iv), (v), and (vii), subsection (a) shall not apply to the following provisions of the law of the State of New York:

"(I) subdivisions 1(b) and 4(e) of section 2807-c of the Public Health Law (relating to 13 percent surcharge);

"(II) subdivision 1(c) of section 2807-c of the Public Health Law (relating to uniform hospital charges);

"(III) subdivision 2-a of section 2807-c of the Public Health Law (relating to the variable surcharge for HMOs);

"(IV) subdivision 14 of section 2807-c of the Public Health Law (relating to basic percentage allowances for bad debt and charity care);

"(V) subdivision 14-b of section 2807-c of the Public Health Law (relating to health care services allowances);

"(VI) subdivision 14-c of section 2807-c of the Public Health Law (relating to further allowances for financially distressed hospitals); and

"(VII) section 18 of chapter 266 of the laws of 1986, as amended (relating to excess malpractice insurance adjustments).

"(ii) Except as provided in clause (iii), nothing in clause (i) shall be construed to exempt from subsection (a)—

"(I) any State tax law relating to employee benefit plans, or

"(II) any provision referred to in clause (i) to the extent that any law of the State of New York appropriates amounts based on amounts collected by the State under such provision for any purpose other than carrying out the programs established under the provisions described in clause (i).

"(iii) Notwithstanding clause (ii), subsection (a) shall not apply to any provision of the law of the State of New York to the extent that such provision constitutes—

"(I) an HMO surcharge of the type provided for under subdivision 2-a of such section 2807-c (as in effect on February 2, 1993), or

"(II) an allowance, of the type provided for under the provisions referred to in clause (i) (as so in effect), for bad debts, charity care, health care services, or excess malpractice insurance,

but only if the law of such State appropriates amounts based on and equivalent to amounts collected by the State under such provision solely for the purpose of carrying out one or more programs established under the provisions described in clause (i).

"(iv) Subsection (a) shall apply to any provision of the law of the State of New York to the extent that such provision constitutes a surcharge of the type provided for under subdivisions 1(b) and 4(e) of section 2807-c of the Public Health Law of the State of New York (as in effect on February 2, 1993) unless such provision provides for use of amounts collected under such provision solely for the purpose of carrying out one or more programs established under the provisions described in clause (i).

"(v) Nothing in clause (i) shall be construed to exempt from subsection (a) any amendment of any provision referred to in clause (i) enacted on or after February 2, 1993, to the extent it provides for more than the effective administration of such provisions as in effect on such date, unless such amendment constitutes only a change in the methodology of determining payments to hospitals and would result in—

"(I) a surcharge described in clause (iii)(I) of not more than 9 percent with respect to which the requirements of clause (iii) are met,

"(II) an allowance described in clause (iii)(II) which does not exceed in the aggregate a Statewide average of not more than 10 percent and with respect to which the requirements of clause (iii) are met, or

"(III) a surcharge described in clause (iv) of not more than 13 percent with respect to which the requirements of clause (iv) are met.

"(vi) Subsection (a) shall not apply to any amendment to chapter 2 of the laws of 1988 of the State of New York, as amended, to the extent that such amendment extends the period for which the provisions referred to in clause (i) are in effect.

"(vii) Notwithstanding clause (i), parts 1 and 4 of this subtitle, and the preceding sections of this part to the extent they govern matters which are governed by the provisions of such parts 1 and 4, shall supersede the provisions described in clause (i) (as in effect on or after February 2, 1993), but the Secretary may enter into cooperative arrangements under this subparagraph and section 506 with officials of the State of New York to assist them in effectuating the policies of such provisions which are superseded by such parts 1 and 4 and the preceding sections of this part.

"(viii) The provisions of this subparagraph shall be effective as of February 2, 1993.

"(E) This paragraph shall cease to be effective as of May 12, 1995.".

TITLE V—COMMITTEE ON ENERGY AND COMMERCE

Subtitle A—Medicare Program

SEC. 5000. REFERENCES IN SUBTITLE; TABLE OF CONTENTS OF SUBTITLE.

(a) AMENDMENTS TO SOCIAL SECURITY ACT.—Except as otherwise specifically provided, whenever in this subtitle an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.

(b) REFERENCES TO OBRA.—In this subtitle, the terms "OBRA-1986", "OBRA-1987", "OBRA-1989", and "OBRA-1990" refer to the Omnibus Budget Reconciliation Act of 1986 (Public Law 99-509), the Omnibus Budget Reconciliation Act of 1987 (Public Law 100-203), the Omnibus Budget Reconciliation Act of 1989 (Public Law 101-239), and the Omnibus Budget Reconciliation Act of 1990 (Public Law 101-508), respectively.

(c) TABLE OF CONTENTS OF SUBTITLE.—The table of contents of this subtitle is as follows:

TITLE V—COMMITTEE ON ENERGY AND COMMERCE

Subtitle A—Medicare Program

Sec. 5000. References in subtitle; table of contents of subtitle.

CHAPTER 1—PROVISIONS RELATING TO PART B

SUBCHAPTER A—PHYSICIANS' SERVICES

Sec. 5001. Reduction in performance standard rate of increase and increase in maximum reduction permitted in default update.
Sec. 5002. Classification of primary care services as a separate category of services.
Sec. 5003. Phased-in reduction in practice expense relative value units for certain services.
Sec. 5004. Limitation on payment for the anesthesia care team.
Sec. 5005. Basing payments for anesthesia services on actual time.
Sec. 5006. Separate payment for interpretation of electrocardiograms.
Sec. 5007. Payments for new physicians and practitioners.
Sec. 5008. Extra-billing limits.
Sec. 5009. Relative values for pediatric services.
Sec. 5010. Antigens under physician fee schedule.
Sec. 5011. Administration of claims relating to physicians' services.
Sec. 5012. Miscellaneous and technical corrections.

SUBCHAPTER B—OUTPATIENT HOSPITAL SERVICES AND AMBULATORY SURGICAL SERVICES

Sec. 5021. Extension of 10 percent reduction in payments for capital-related costs of outpatient hospital services.
Sec. 5022. Extension of cap on payments for intraocular lenses.
Sec. 5023. Miscellaneous and technical corrections.

SUBCHAPTER C—DURABLE MEDICAL EQUIPMENT

Sec. 5031. Revisions to payment rules for durable medical equipment.
Sec. 5032. Payment for parenteral and enteral nutrients, supplies, and equipment during 1994.
Sec. 5033. Treatment of nebulizers and aspirators.
Sec. 5034. Certification of suppliers.
Sec. 5035. Prohibition against carrier forum shopping.
Sec. 5036. Restrictions on certain marketing and sales activities.
Sec. 5037. Kickback clarification.
Sec. 5038. Beneficiary liability for noncovered services.
Sec. 5039. Adjustments for inherent reasonableness.
Sec. 5040. Payment for surgical dressings.
Sec. 5041. Payments for tens devices.
Sec. 5042. Miscellaneous and technical corrections.

SUBCHAPTER D—PART B PREMIUM

Sec. 5051. Part B premium.

SUBCHAPTER E—OTHER PROVISIONS

Sec. 5061. Treatment of inpatients and provision of diagnostic and therapeutic X-ray services by rural health clinics and Federally qualified health centers.
Sec. 5062. Application of mammography certification requirements.
Sec. 5063. Oral cancer drugs.
Sec. 5064. Miscellaneous and technical corrections.

CHAPTER 2—PROVISIONS RELATING TO PARTS A AND B

Sec. 5071. Elimination of add-on for overhead of hospital-based home health agencies.
Sec. 5072. Study and report on medicare GME payments.
Sec. 5073. Medicare as secondary payer.
Sec. 5074. Medicare hospital agreements with organ procurement organizations.
Sec. 5075. Extension of waiver for Watts Health Foundation.
Sec. 5076. Improved outreach for qualified medicare beneficiaries.
Sec. 5077. Peer review organizations.
Sec. 5078. Hospice information to home health beneficiaries.
Sec. 5079. Health maintenance organizations.
Sec. 5080. Miscellaneous and technical corrections.

CHAPTER 1—PROVISIONS RELATING TO PART B

Subchapter A—Physicians' Services

SEC. 5001. REDUCTION IN PERFORMANCE STANDARD RATE OF INCREASE AND INCREASE IN MAXIMUM REDUCTION PERMITTED IN DEFAULT UPDATE.

(a) REDUCTION IN PERFORMANCE STANDARD FACTOR.—Section 1848(f)(2)(B) (42 U.S.C. 1395w-4(f)(2)(B)) is amended—

(1) by striking "and" at the end of clause (ii), and

(2) by striking clause (iii) and inserting the following:

"(iii) for 1993 is 2 percentage points,

"(iv) for 1994 is 3½ percentage points, and

"(v) for each succeeding year is 4 percentage points.".

(b) INCREASE IN MAXIMUM REDUCTION PERMITTED IN DEFAULT UPDATE.—Section 1848(d)(3)(B)(ii) (42 U.S.C. 1395w-4(d)(3)(B)(ii)) is amended—

(1) in subclause (II), by striking "or 1995", and

(2) in subclause (III), by striking "3" and inserting "5".

SEC. 5002. CLASSIFICATION OF PRIMARY CARE SERVICES AS A SEPARATE CATEGORY OF SERVICES.

(a) IN GENERAL.—Section 1848(j)(1) (42 U.S.C. 1395w-4(j)(1)) is amended by inserting ", primary care services (as defined in section 1842(i)(4))," after "Secretary)".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply—

(1) to volume performance standard rates of increase established under section 1848(f) of the Social Security Act for fiscal years beginning with fiscal year 1994, and

(2) to updates in the conversion factors for physicians' services established under section 1848(d) of such Act for physicians' services to be furnished in calendar years beginning with 1996.

SEC. 5003. PHASED-IN REDUCTION IN PRACTICE EXPENSE RELATIVE VALUE UNITS FOR CERTAIN SERVICES.

(a) IN GENERAL.—Section 1848(c)(2) (42 U.S.C. 1395w-4(c)(2)) is amended by adding at the end the following new subparagraph:

"(E) REDUCTION IN PRACTICE EXPENSE RELATIVE VALUE UNITS FOR CERTAIN SERVICES.—

"(i) IN GENERAL.—Subject to clause (ii), the Secretary shall reduce the practice expense relative value units applied to services described in clause (iii) furnished in—

"(I) 1994, by 25 percent of the number by which the number of practice expense relative value units (determined for 1994 without regard to this subparagraph) exceeds the number of work relative value units determined for 1994,

"(II) 1995, by an additional 25 percent of such excess, and

"(III) 1996 and subsequent years, by an additional 25 percent of such excess.

"(ii) FLOOR ON REDUCTIONS.—The practice expense relative value units for a physicians' service shall not be reduced under this subparagraph to a number less than 110 percent of the number of work relative value units.

"(iii) SERVICES COVERED.—For purposes of clause (i), the services described in this clause are physicians' services that are not described in clause (iv) and for which—

"(I) there are work relative value units, and

"(II) the number of practice expense relative value units (determined for 1994) exceeds 110 percent of the number of work relative value units (determined for such year).

"(iv) EXCLUDED SERVICES.—For purposes of clause (iii), the services described in this clause are—

"(I) anesthesia services,

"(II) radiology services, and

"(III) services which the Secretary determines at least 75 percent of which are provided under this title in an office setting.".

(b) DEVELOPMENT OF RESOURCE-BASED METHODOLOGY FOR PRACTICE EXPENSES.—

(1) The Secretary of Health and Human Services shall develop a methodology for implementing in 1997 a resource-based system for determining practice expense relative value units for each physician's service.

(2) The Secretary shall transmit a report by June 30, 1996, on the methodology developed under paragraph (1) to the Committees on Ways and Means and Energy and Commerce of the House of Representatives and the Committee on Finance of the Senate. The report shall include a presentation of data utilized in developing the methodology and an explanation of the methodology.

SEC. 5004. LIMITATION ON PAYMENT FOR THE ANESTHESIA CARE TEAM.

(a) LIMIT ON PAYMENT TO A PHYSICIAN FOR MEDICAL DIRECTION.—

(1) IN GENERAL.—Section 1848(a) (42 U.S.C. 1395w-4(a)) is amended by adding at the end the following new paragraph:

"(5) SPECIAL RULE FOR MEDICAL DIRECTION.—

"(A) IN GENERAL.—With respect to physicians' services furnished on or after January 1, 1994, and consisting of medical direction of two, three, or four concurrent anesthesia cases, the fee schedule amount to be applied shall not exceed one-half of the amount described in subparagraph (B).

"(B) AMOUNT.—The amount described in this subparagraph, for a physician's medical direction of the performance of anesthesia services, is the following percentage of the fee schedule amount otherwise applicable under this section if the anesthesia services were personally performed by the physician alone:

"(i) For services furnished during 1994, 120 percent.

"(ii) For services furnished during 1995, 115 percent.

"(iii) For services furnished during 1996, 110 percent.

"(iv) For services furnished during 1997, 105 percent.

"(v) For services furnished after 1997, 100 percent.".

(2) ELIMINATION OF REDUCTION FOR MEDICAL DIRECTION OF MULTIPLE NURSE ANESTHETISTS.—Section 1842(b) (42 U.S.C. 1395u(b)) is amended by striking paragraph (13).

(b) PAYMENT TO A CERTIFIED REGISTERED NURSE ANESTHETIST FOR MEDICALLY DIRECTED SERVICES.—Subparagraph (B) of section 1833(l)(4) (42 U.S.C. 1395l(l)(4)) is amended—

(1) in clause (i), by inserting "and before January 1, 1994," after "1991,";

(2) in clause (ii)—

(A) by adding "and" at the end of subclause (II),

(B) by striking the comma at the end of subclause (III) and inserting a period, and

(C) by striking subclauses (IV) through (VII); and

(3) by adding at the end the following new clause:

"(iii) In the case of services of a certified registered nurse anesthetist who is medically directed by a physician and that are furnished on or after January 1, 1994, the fee schedule amount shall be one-half of the amount described in section 1848(a)(5)(B) with respect to the physician.".

SEC. 5005. BASING PAYMENTS FOR ANESTHESIA SERVICES ON ACTUAL TIME.

(a) Physicians' Services.—Section 1848(b)(2)(B) (42 U.S.C. 1395w-4(b)(2)(B)) is amended by adding at the end the following: "For anesthesia services furnished on or after January 1, 1994, the Secretary may not modify the methodology in effect as of January 1, 1993, for determining the amount of time that may be billed for such services under this section.".

(b) Services of Certified Registered Nurse Anesthetists.—Section 1833(l)(1)(B) (42 U.S.C. 1395l(l)(1)(B)) is amended by adding at the end the following: "For anesthesia services furnished on or after January 1, 1994, the Secretary may not modify the methodology in effect as of January 1, 1993, for determining the amount of time that may be billed for such services under this section.".

SEC. 5006. SEPARATE PAYMENT FOR INTERPRETATION OF ELECTROCARDIOGRAMS.

(a) In General.—Paragraph (3) of section 1848(b) (42 U.S.C. 1395w-4(b)) is amended to read as follows:

"(3) Treatment of interpretation of electrocardiograms.—The Secretary—

"(A) shall make separate payment under this section for the interpretation of electrocardiograms performed or ordered to be performed as part of or in conjunction with a visit to or a consultation with a physician, and

"(B) shall adjust the relative values established for visits and consultations under subsection (c) so as not to include relative value units for interpretations of electrocardiograms in the relative value for visits and consultations.".

(b) Assuring Budget Neutrality.—Section 1848(c)(2) (42 U.S.C. 1395w-4(c)(2)) is amended by adding at the end the following new subparagraph:

"(E) Budget neutrality adjustments.—The Secretary—

"(i) shall reduce the relative values for all services (other than anesthesia services) established under this paragraph (and, in the case of anesthesia services, the conversion factor established by the Secretary for such services) by such percentage as the Secretary determines to be necessary so that, beginning in 1996, the amendment made by section 5007(a) of the Omnibus Budget Reconciliation Act of 1993 would not result in expenditures under this section that exceed the amount of such expenditures that would have been made if such amendment had not been made, and

"(ii) shall reduce the amounts determined under subsection (a)(2)(B)(ii)(I) by such percentage as the Secretary determines to be required to assure that, taking into account the reductions made under clause (i), the amendment made by section 5007(a) of the Omnibus Budget Reconciliation Act of 1993 would not result in expenditures under this section in 1994 that exceed the amount of such expenditures that would have been made if such amendment had not been made.".

(c) Conforming Amendments.—Section 1848 (42 U.S.C. 1395w-4) is amended—

(1) in subsection (a)(2)(B)(ii)(I), by inserting "and as adjusted under subsection (c)(2)(E)(ii)" after "for 1994";

(2) in subsection (c)(2)(A)(i), by adding at the end the following: "Such relative values are subject to adjustment under subparagraph (E)(i)."; and

(3) in subsection (i)(1)(B), by adding at the end "including adjustments under subsection (c)(2)(E),".

(d) Effective Date.—The amendments made by this section shall apply to services furnished on or after January 1, 1994.

SEC. 5007. PAYMENTS FOR NEW PHYSICIANS AND PRACTITIONERS.

(a) Equal Treatment of New Physicians and Practitioners.—(1) Section 1848(a) (42 U.S.C. 1395w-4(a)) is amended by striking paragraph (4).

(2) Section 1842(b)(4) (42 U.S.C. 1395u(b)(4)) is amended by striking subparagraph (F).

(b) Budget Neutrality Adjustment.—Notwithstanding any other provision of law, the Secretary of Health and Human Services shall reduce the following values and amounts for 1994 (to be applied for that year and subsequent years) by such uniform percentage as the Secretary determines to be required to assure that the amendments made by subsection (a) will not result in expenditures under part B of title XVIII of the Social Security Act in 1994 that exceed the amount of such expenditures that would have been made if such amendments had not been made:

(1) The relative values established under section 1848(c) of such Act for services (other than anesthesia services) and, in the case of anesthesia services, the conversion factor established under section 1848 of such Act for such services.

(2) The amounts determined under section 1848(a)(2)(B)(ii)(I) of such Act.

(3) The prevailing charges or fee schedule amounts to be applied under such part for services of a health care practitioner (as defined in section 1842(b)(4)(F)(ii)(I) of such Act, as in effect before the date of the enactment of this Act).

(c) Conforming Amendments.—Section 1848 (42 U.S.C. 1395w-4), as amended by section 5006(c), is amended—

(1) in subsection (a)(2)(B)(ii)(I), by inserting "and section 5008(b) of the Omnibus Budget Reconciliation Act of 1993" after "for 1994";

(2) in subsection (c)(2)(A)(i), by inserting "and section 5008(b) of the Omnibus Budget Reconciliation Act of 1993" after "under subparagraph (E)(i)"; and

(3) in subsection (i)(1)(B), by inserting "and section 5008(b) of the Omnibus Budget Reconciliation Act of 1993" after "under subsection (c)(2)(E)".

(d) Effective Date.—The amendments made by subsection (a) shall apply to services furnished on or after January 1, 1994.

SEC. 5008. EXTRA-BILLING LIMITS.

(a) Enforcement and Uniform Application.—

(1) Enforcement.—Paragraph (1) of section 1848(g) (42 U.S.C. 1395w-4(g)) is amended to read as follows:

"(1) Limitation on actual charges.—

"(A) In general.—In the case of a nonparticipating physician or nonparticipating supplier or other person (as defined in section 1842(i)(2)) who does not accept payment on an assignment-related basis for a physician's service furnished with respect to an individual enrolled under this part, the following rules apply:

"(i) Application of limiting charge.—No person may bill or collect an actual charge for the service in excess of the limiting charge described in paragraph (2) for such service.

"(ii) No liability for excess charges.—No person is liable for payment of any amounts billed for the service in excess of such limiting charge.

"(iii) Correction of excess charges.—If such a physician, supplier, or other person bills, but does not collect, an actual charge for a service in violation of clause (i), the physician, supplier, or other person shall reduce on a timely basis the actual charge billed for the service to an amount not to exceed the limiting charge for the service.

"(iv) Refund of excess collections.—If such a physician, supplier, or other person collects an actual charge for a service in violation of clause (i), the physician, supplier, or other person shall provide on a timely basis a refund to the individual charged in the amount by which the amount collected exceeded the limiting charge for the service. The amount of such a refund shall be reduced to the extent the individual has an outstanding balance owed by the individual to the physician.

"(B) Sanctions.—If a physician, supplier, or other person—

"(i) knowingly and willfully bills or collects for services in violation of subparagraph (A)(i) on a repeated basis, or

"(ii) fails to comply with clause (iii) or (iv) of subparagraph (A) on a timely basis,

the Secretary may apply sanctions against the physician, supplier, or other person in accordance with paragraph (2) of section 1842(j). In applying this subparagraph, paragraph (4) of such section applies in the same manner as such paragraph applies to such section and any reference in such section to a physician is deemed also to include a reference to a supplier or other person under this subparagraph.

"(C) Timely basis.—For purposes of this paragraph, a correction of a bill for an excess charge or refund of an amount with respect to a violation of subparagraph (A)(i) in the case of a service is considered to be provided 'on a timely basis', if the reduction or refund is made not later than 30 days after the date the physician, supplier, or other person is notified by the carrier under this part of such violation and of the requirements of subparagraph (A).".

(2) Uniform application of extra-billing limits to physicians' services.—

(A) In general.—Section 1848(g)(2)(C) (42 U.S.C. 1395w-4(g)(2)(C)) is amended by inserting "or for nonparticipating suppliers or other persons" after "nonparticipating physicians".

(B) Conforming definition.—Section 1842(i)(2) (42 U.S.C. 1395u(i)(2)) is amended—

(i) by striking ", and the term" and inserting "; the term", and

(ii) by inserting before the period at the end the following: "; and the term 'nonparticipating supplier or other person' means a supplier or other person (excluding a provider of services) that is not a participating physician or supplier (as defined in subsection (h)(1))".

(3) Additional conforming amendments.—Section 1848 (42 U.S.C. 1395w-4) is amended—

(A) in subsection (a)(3)—

(i) by inserting "AND SUPPLIERS" after "PHYSICIANS",

(ii) by inserting "or a nonparticipating supplier or other person" after "nonparticipating physician", and

(iii) by adding at the end the following: "In the case of physicians' services (including services which the Secretary excludes pursuant to subsection (j)(3)) of a nonparticipating physician, supplier, or other person for which payment is made under this part on a basis other than the fee schedule amount, the payment shall be based on 95 percent of the payment basis for such services furnished by a participating physician, supplier, or other person.";

(B) in subsection (g)(1)(A), as amended by subsection (a), in the matter before clause (i), by inserting "(including services which the Secretary excludes pursuant to subsection (j)(3))" after "a physician's service";

(C) in subsection (g)(2)(D), by inserting "(or, if payment under this part is made on a basis other than the fee schedule under this section, 95 percent of the other payment basis)" after "subsection (a)";

(D) in subsection (g)(3)(B)—

(i) by inserting after the first sentence the following: " No person is liable for payment of any amounts billed for such a service in violation of the previous sentence.", and

(ii) in the last sentence, by striking "previous sentence" and inserting "first sentence";

(E) in subsection (h)—

(i) by inserting "or nonparticipating supplier or other person furnishing physicians' services (as defined in section 1848(j)(3))" after "physician" the first place it appears,

(ii) by inserting ", supplier, or other person" after "physician" the second place it appears, and

(iii) by inserting ", suppliers, and other persons" after "physicians" the second place it appears; and

(F) in subsection (j)(3), by inserting ", except for purposes of subsections (a)(3), (g), and (h)" after "tests and".

(b) Clarification of Mandatory Assignment Rules for Certain Practitioners.—

(1) In general.—Section 1842(b) (42 U.S.C. 1395u(b)) is amended by adding at the end the following new paragraph:

"(19)(A) Payment for any service furnished by a practitioner described in subparagraph (C) and for which payment may be made under this part on a reasonable charge or fee schedule basis may only be made under this part on an assignment-related basis.

"(B) A practitioner described in subparagraph (C) or other person may not bill (or collect any amount from) the individual or another person for any service described in subparagraph (A), except for deductible and coinsurance amounts applicable under this part. No person is liable for payment of any amounts billed for such a service in violation of the previous sentence. If a practitioner or other person knowingly and willfully bills (or collects an amount) for such a service in violation of such sentence, the Secretary may apply sanctions against the practitioner or other person in the same manner as the Secretary may apply sanctions against a physician in accordance with section 1842(j)(2) in the same manner as such section applies with respect to a physician. Paragraph (4) of section 1842(j) shall apply in this subparagraph in the same manner as such paragraph applies to such section.

"(C) A practitioner described in this subparagraph is any of the following:

"(i) A physician assistant, nurse practitioner, or clinical nurse specialist (as defined in section 1861(aa)(5)).

"(ii) A certified registered nurse anesthetist (as defined in section 1861(bb)(2)).

"(iii) A certified nurse-midwife (as defined in section 1861(gg)(2)).

"(iv) A clinical social worker (as defined in section 1861(hh)(1)).

"(v) A clinical psychologist (as defined by the Secretary for purposes of section 1861(ii)).

"(D) For purposes of this paragraph, a service furnished by a practitioner described in subparagraph (C) includes any services and supplies furnished as incident to the service as would otherwise be covered under this part if furnished by a physician or as incident to a physician's service.".

(2) Conforming amendments.—

(A) Section 1833 (42 U.S.C. 1395l) is amended—

(i) in subsection (l)(5), by striking subparagraph (B) and redesignating subparagraph (C) as subparagraph (B);

(ii) by striking subsection (p); and

(iii) in subsection (r), by striking paragraph (3) and redesignating paragraph (4) as paragraph (3).

(B) Section 1842(b)(12) (42 U.S.C. 1395u(b)(12)) is amended by striking subparagraph (C).

(c) Information on Extra-Billing Limits.—

(1) Part of explanation of medicare benefits.—Section 1842(h)(7) (42 U.S.C. 1395u(h)(7)) is amended—

(A) by striking "and" at the end of subparagraph (B),

(B) in subparagraph (C), by striking "shall include",

(C) in subparagraph (C), by striking the period at the end and inserting ", and", and

(D) by adding at the end the following new subparagraph:

"(D) in the case of services for which the billed amount exceeds the limiting charge imposed under section 1848(g), information regarding such applicable limiting charge (including information concerning the right to a refund under section 1848(g)(1)(A)(iv)).".

(2) Determinations by carriers.—Subparagraph (G) of section 1842(b)(3) (42 U.S.C. 1395u(b)(3)) is amended to read as follows:

"(G) will, for a service that is furnished with respect to an individual enrolled under this part, that is not paid on an assignment-related basis, and that is subject to a limiting charge under section 1848(g)—

"(i) determine, prior to making payment, whether the amount billed for such service exceeds the limiting charge applicable under section 1848(g)(2);

"(ii) notify the physician, supplier, or other person periodically (but not less often than once every 30 days) of determinations that amounts billed exceeded such applicable limiting charges; and

"(iii) provide for prompt response to inquiries of physicians, suppliers, and other persons concerning the accuracy of such limiting charges for their services;".

(d) Report on Charges in Excess of Limiting Charge.—Section 1848(g)(6)(B) (42 U.S.C. 1395w-4(g)(6)(B)) is amended by inserting "the extent to which actual charges exceed limiting charges, the number and types of services involved, and the average amount of excess charges and" after "report to the Congress".

(e) Miscellaneous and Technical Amendments.—Section 1833 (42 U.S.C. 1395l) is amended—

(1) in subsection (a)(1), as amended by section 5064(e)(2)—

(A) by striking "and" before "(O)", and

(B) by inserting before the semicolon at the end the following: ", and (P) with respect to services described in clauses (i), (ii) and (iv) of section 1861(s)(2)(K), the amounts paid are subject to the provisions of section 1842(b)(12)"; and

(2) in subsection (h)(5)(D)—

(A) by striking "paragraphs (2) and (3)" and by inserting "paragraph (2)", and

(B) by adding at the end the following: "Paragraph (4) of such section shall apply in this subparagraph in the same manner as such paragraph applies to such section.".

(f) Effective Dates.—

(1) Enforcement and uniform application; miscellaneous and technical amendments.—The amendments made by subsections (a) and (e) shall apply to services furnished on or after the date of the enactment of this Act; except that the amendments made by subsection (a) shall not apply to services of a nonparticipating supplier or other person furnished before January 1, 1994.

(2) Practitioners.—The amendments made by subsection (b) shall apply to services furnished on or after January 1, 1994.

(3) EOMBs.—The amendments made by subsection (c)(1) shall apply to explanations of benefits provided on or after January 1, 1994.

(4) Carrier determinations.—The amendments made by subsection (c)(2) shall apply to contracts as of January 1, 1994.

(5) Report.—The amendment made by subsection (d) shall apply to reports for years beginning with 1994.

SEC. 5009. RELATIVE VALUES FOR PEDIATRIC SERVICES.

(a) In General.—The Secretary of Health and Human Services shall fully develop, by not later than July 1, 1994, relative values for the full range of pediatric physicians' services which are consistent with the relative values developed for other physicians' services under section 1848(c) of the Social Security Act. In developing such values, the Secretary shall conduct such refinements as may be necessary to produce appropriate estimates for such relative values.

(b) Study.—

(1) In general.—The Secretary shall conduct a study of the relative values for pediatric and other services to determine whether there are significant variations in the resources used in providing similar services to different populations. In conducting such study, the Secretary shall consult with appropriate organizations representing pediatricians and other physicians and physical and occupational therapists.

(2) Report.—Not later than July 1, 1994, the Secretary shall submit to Congress a report on the study conducted under paragraph (1). Such report shall include any appropriate recommendations regarding needed changes in coding or other payment policies to ensure that payments for pediatric services appropriately reflect the resources required to provide these services.

SEC. 5010. ANTIGENS UNDER PHYSICIAN FEE SCHEDULE.

(a) In General.—Section 1848(j)(3) (42 U.S.C. 1395w-4(j)(3)) is amended by inserting "(2)(G)," after "(2)(D),".

(b) Effective Date.—The amendment made by subsection (a) shall apply to services furnished on or after January 1, 1994.

SEC. 5011. ADMINISTRATION OF CLAIMS RELATING TO PHYSICIANS' SERVICES.

(a) Limitation on Carrier User Fees.—Section 1842(c) (42 U.S.C. 1395u(c)) is amended by adding at the end the following new paragraph:

"(4) Neither a carrier nor the Secretary may impose a fee under this title—

"(A) for the filing of claims related to physicians' services,

"(B) for an error in filing a claim relating to physicians' services or for such a claim which is denied, "(C) for any appeal under this title with respect to physicians' services,

"(D) for applying for (or obtaining) a unique identifier under subsection (r), or

"(E) for responding to inquiries respecting physicians' services or for providing information with respect to medical review of such services.".

(b) Clarification of Permissible Substitute Billing Arrangements.—

(1) In general.—Clause (D) of section 1842(b)(6) (42 U.S.C. 1395u(b)(6)) is amended to read as follows: "(D) payment may be made to a physician for physicians' services (and services furnished incident to such services) furnished by a second physician to patients of the first physician if (i) the first physician is unavailable to provide the services; (ii) the services are furnished pursuant to an arrangement between the two physicians that (I) is informal and reciprocal, or (II) involves per diem or other fee-for-time compensation for such services; (iii) the services are not provided by the second physician over a continuous period of more than 60 days; and (iv) the claim form submitted to the carrier for such services includes the second physician's unique identifier (provided under the system established under subsection (r)) and indicates that the claim meets the requirements of this clause for payment to the first physician".

(2) Effective date.—The amendment made by paragraph (1) shall apply to services furnished on or after the first day of the first month beginning more than 60 days after the date of the enactment of this Act.

SEC. 5012. MISCELLANEOUS AND TECHNICAL CORRECTIONS.

(a) Overvalued Procedures (Section 4101 of OBRA–1990).—(1) Section 1842(b)(16)(B)(iii) (42 U.S.C. 1395u(b)(16)(B)(iii)) is amended—

(A) by striking ", simple and subcutaneous",

(B) by striking "; small" and inserting "and small",

(C) by striking "treatments;" the first place it appears and inserting "and",

(D) by striking "lobectomy;",

(E) by striking "enterectomy; colectomy; cholecystectomy;",

(F) by striking "; transurerethral resection" and inserting "and resection", and

(G) by striking "sacral laminectomy;".

(2) Section 4101(b)(2) of OBRA–1990 is amended—

(A) in the matter before subparagraph (A), by striking "1842(b)(16)" and inserting "1842(b)(16)(B)", and

(B) in subparagraph (B)—

(i) by striking ", simple and subcutaneous",

(ii) by striking "(HCPCS codes 19160 and 19162)" and inserting "(HCPCS code 19160)", and

(iii) by striking all that follows "(HCPCS codes 92250" and inserting "and 92260).".

(b) Radiology Services (Section 4102 of OBRA–1990).—(1) Section 1834(b)(4) (42 U.S.C. 1395m(b)(4)) is amended by redesignating subparagraphs (E) and (F) as subparagraphs (F) and (G), respectively.

(2) Section 1834(b)(4)(D) (42 U.S.C. 1395m(b)(4)(D)) is amended—

(A) in the matter before clause (i), by striking "shall be determined as follows:" and inserting "shall, subject to clause (vii), be reduced to the adjusted conversion factor for the locality determined as follows:",

(B) in clause (iv), by striking "Local adjustment.—Subject to clause (vii), the conversion factor to be applied to" and inserting "Adjusted conversion factor.—The adjusted conversion factor for",

(C) in clause (vii), by striking "under this subparagraph", and

(D) in clause (vii), by inserting "reduced under this subparagraph by" after "shall not be".

(3) Section 4102(c)(2) of OBRA–1990 is amended by striking "radiology services" and all that follows and inserting "nuclear medicine services".

(4) Section 4102(d) of OBRA–1990 is amended by striking "new paragraph" and inserting "new subparagraph".

(5) Section 1834(b)(4)(E) (42 U.S.C. 1395m(b)(4)(E)) is amended by inserting "Rule for certain scanning services.—" after "(E)".

(6) Section 1848(a)(2)(D)(iii) (42 U.S.C. 1395w–4(a)(2)(D)(iii)) is amended by striking "that are subject to section 6105(b) of the Omnibus Budget Reconciliation Act of 1989" and by striking "provided under such section" and inserting "provided under section 6105(b) of the Omnibus Budget Reconciliation Act of 1989".

(c) Anesthesia Services (Section 4103 of OBRA–1990).—(1) Section 4103(a) of OBRA–1990 is amended by striking "Reduction in Fee Schedule" and inserting "Reduction in Prevailing Charges".

(2) Section 1842(q)(1)(B) (42 U.S.C. 1395u(q)(1)(B)) is amended—

(A) in the matter before clause (i), by striking "shall be determined as follows:" and inserting "shall, subject to clause (iv), be reduced to the adjusted prevailing charge conversion factor for the locality determined as follows:", and

(B) in clause (iii), by striking "Subject to clause (iv), the prevailing charge conversion factor to be applied in" and inserting "The adjusted prevailing charge conversion factor for".

(d) Assistants at Surgery (Section 4107 of OBRA–1990).—(1) Section 4107(c) of OBRA–1990 is amended by inserting "(a)(1)" after "subsection".

(2) Section 4107(a)(2) of OBRA–1990 is amended by adding at the end the following: "In applying section 1848(g)(2)(D) of the Social Security Act for services of an assistant-at-surgery furnished during 1991, the recognized payment amount shall not exceed the maximum amount specified under section 1848(i)(2)(A) of such Act (as applied under this paragraph in such year).".

(e) Technical Components of Diagnostic Services (Section 4108 of OBRA–1990).—Section 1842(b) (42 U.S.C. 1395u(b)) is amended by redesignating paragraph (18), as added by section 4108(a) of OBRA–1990, as paragraph (17) and, in such paragraph, by inserting ", tests specified in paragraph (14)(C)(i)," after "diagnostic laboratory tests".

(f) Statewide Fee Schedules (Section 4117 of OBRA–1990).—Section 4117 cf OBRA–1990 is amended—

(1) in subsection (a)—

(A) by striking "In General.—", and

(B) by striking ", if the" and all that follows through "1991, "; and

(2) by striking subsections (b), (c), and (d).

(g) Study of Aggregation Rule for Claims of Similar Physician Services (Section 4113 of OBRA–1990).—Section 4113 of OBRA–1990 is amended—

(1) by inserting "of the Social Security Act" after "1869(b)(2)"; and

(2) by striking "December 31, 1992" and inserting "December 31, 1993".

(h) Other Miscellaneous and Technical Amendments.—(1) The heading of section 1834(f) (42 U.S.C. 1395m(f)) is amended by striking "Fiscal Year".

(2)(A) Section 4105(b) of OBRA–1990 is amended—

(i) in paragraph (2), by striking "amendments" and inserting "amendment", and

(ii) in paragraph (3), by striking "amendments made by paragraphs (1) and (2)" and inserting "amendment made by paragraph (1)".

(B) Section 1848(f)(2)(C) (42 U.S.C. 1395w–4(f)(2)(C)) is amended by inserting "Performance standard rates of increase for fiscal year 1991.—" after "(C)".

(C) Section 4105(d) of OBRA–1990 is amended by inserting "Publication of Performance Standard Rates.—" after "(d)".

(3) Section 1842(b)(4)(F) (42 U.S.C. 1395u(b)(4)(F)) is amended—

(A) in clause (i), by striking "prevailing charge" the first place it appears and inserting "customary charge"; and

(B) in clause (ii)(III), by striking "second, third, and fourth" and inserting "first, second, and third".

(4) Section 1842(b)(4)(F)(ii)(I) (42 U.S.C. 1395u(b)(4)(F)(ii)(I)) is amended by striking "respiratory therapist,".

(5) Section 4106(c) of OBRA–1990 is amended by inserting "of the Social Security Act" after "1848(d)(1)(B)".

(6) Section 4114 of OBRA–1990 is amended by striking "patients" the second place it appears.

(7) Section 1848(e)(1)(C) (42 U.S.C. 1395w–4(e)(1)(C)) is amended by inserting "date of the" after "since the".

(8) Section 4118(f)(1)(D) of OBRA–1990 is amended by striking "is amended".

(9) Section 4118(f)(1)(N)(ii) of OBRA–1990 is amended by striking "subsection (f)(5)(A)" and inserting "subsection (f)(5)(A))".

(10) Section 1845(e) (42 U.S.C. 1395w–1(e)) is amended—

(A) by striking paragraph (2); and

(B) by redesignating paragraphs (3), (4), and (5) as paragraphs (2), (3), and (4).

(11) Section 4118(j)(2) of OBRA–1990 is amended by striking "In section" and inserting "Section".

(12)(A) Section 1848(i)(3) (42 U.S.C. 1395w–4(i)(3)) is amended by striking the space before the period at the end.

(B) Section 1834(a)(10)(B) (42 U.S.C. 1395m(a)(10)(B)) is amended by striking "as such provisions apply to physicians' services and physicians and a reasonable charge under section 1842(b)".

(i) Other Corrections.—(1) Effective on the date of the enactment of this Act, section 6102(d)(4) of OBRA–1989 is amended by striking all that follows the first sentence.

(2) Effective for payments for fiscal years beginning with fiscal year 1994, section 1842(c)(1) (42 U.S.C. 1395u(c)(1)) is amended—

(A) in subparagraph (A), by striking "(A) Any contract" and inserting "Any contract"; and

(B) by striking subparagraph (B).

(j) Effective Date.—Except as provided in subsection (i), the amendments made by this section and the provisions of this section shall take effect as if included in the enactment of OBRA–1990.

Subchapter B—Outpatient Hospital Services and Ambulatory Surgical Services

SEC. 5021. EXTENSION OF 10 PERCENT REDUCTION IN PAYMENTS FOR CAPITAL-RELATED COSTS OF OUTPATIENT HOSPITAL SERVICES.

Section 1861(v)(1)(S)(ii)(I) (42 U.S.C. 1395x(v)(1)(S)(ii)(I)) is amended by striking "fiscal year 1992, 1993, 1994, or 1995" and inserting "fiscal years 1992 through 1998".

SEC. 5022. EXTENSION OF CAP ON PAYMENTS FOR INTRAOCULAR LENSES.

(a) In General.—Section 4151(c)(3) of OBRA–1990 is amended by striking "December 31, 1992" and inserting "December 31, 1994".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall be effective as if included in the enactment of OBRA-1990.

SEC. 5023. MISCELLANEOUS AND TECHNICAL CORRECTIONS.

(a) PAYMENT AMOUNTS FOR SERVICES FURNISHED IN AMBULATORY SURGICAL CENTERS.—(1)(A) Section 1833(i)(2)(A)(i) (42 U.S.C. 1395l(i)(2)(A)(i)) is amended by striking the comma at the end and inserting the following: ", as determined in accordance with a survey (based upon a representative sample of procedures and facilities) taken not later than January 1, 1995, and every 5 years thereafter, of the actual audited costs incurred by such centers in providing such services,".

(B) Section 1833(i)(2) (42 U.S.C. 1395l(i)(2)) is amended—

(i) in the second sentence of subparagraph (A) and the second sentence of subparagraph (B), by striking "and may be adjusted by the Secretary, when appropriate,"; and

(ii) by adding at the end the following new subparagraph:

"(C) Notwithstanding the second sentence of subparagraph (A) or the second sentence of subparagraph (B), if the Secretary has not updated amounts established under such subparagraphs with respect to facility services furnished during a fiscal year (beginning with fiscal year 1996), such amounts shall be increased by the percentage increase in the consumer price index for all urban consumers (U.S. city average) as estimated by the Secretary for the 12-month period ending with the midpoint of the fiscal year involved.".

(C) The second sentence of section 1833(i)(1) (42 U.S.C. 1395l(i)(1)) is amended by striking the period and inserting the following: ", in consultation with appropriate trade and professional organizations.".

(2) Section 4151(c)(3) of OBRA-1990 is amended by striking "for the insertion of an intraocular lens" and inserting "for an intraocular lens inserted".

(b) ADJUSTMENTS TO PAYMENT AMOUNTS FOR NEW TECHNOLOGY INTRAOCULAR LENSES.—(1) Not later than 1 year after the date of the enactment of this Act, the Secretary of Health and Human Services (in this subsection referred to as the "Secretary") shall develop and implement a process under which interested parties may request review by the Secretary of the appropriateness of the reimbursement amount provided under section 1833(i)(2)(A)(iii) of the Social Security Act with respect to a class of new technology intraocular lenses. For purposes of the preceding sentence, an intraocular lens may not be treated as a new technology lens unless it has been approved by the Food and Drug Administration.

(2) In determining whether to provide an adjustment of payment with respect to a particular lens under paragraph (1), the Secretary shall take into account whether use of the lens is likely to result in reduced risk of intraoperative or postoperative complication or trauma, accelerated postoperative recovery, reduced induced astigmatism, improved postoperative visual acuity, more stable postoperative vision, or other comparable clinical advantages.

(3) The Secretary shall publish notice in the Federal Register from time to time (but no less often than once each year) of a list of the requests that the Secretary has received for review under this subsection, and shall provide for a 30-day comment period on the lenses that are the subjects of the requests contained in such notice. The Secretary shall publish a notice of his determinations with respect to intraocular lenses listed in the notice within 90 days after the close of the comment period.

(4) Any adjustment of a payment amount (or payment limit) made under this subsection shall become effective not later than 30 days after the date on which the notice with respect to the adjustment is published under paragraph (3).

(c) BLEND AMOUNTS FOR AMBULATORY SURGICAL CENTER PAYMENTS.—

(1) IN GENERAL.—Subclauses (I) and (II) of section 1833(i)(3)(B)(ii) (42 U.S.C. 1395l(i)(3)(B)(ii)) are each amended—

(A) by striking "for reporting" and inserting "for portions of cost reporting"; and

(B) by striking "and on or before" and inserting "and ending on or before".

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect as if included in the enactment of OBRA-1990.

Subchapter C—Durable Medical Equipment

SEC. 5031. REVISIONS TO PAYMENT RULES FOR DURABLE MEDICAL EQUIPMENT.

(a) BASING NATIONAL PAYMENT LIMITS ON MEDIAN OF LOCAL PAYMENT AMOUNTS.—

(1) INEXPENSIVE AND ROUTINELY PURCHASED ITEMS; ITEMS REQUIRING FREQUENT AND SUBSTANTIAL SERVICING.—(A) Paragraphs (2)(C)(i)(II) and (3)(C)(i)(II) of section 1834(a) (42 U.S.C. 1395m(a)) are each amended—

(i) by striking "1992" the first place it appears and inserting "1992, 1993, and 1994"; and

(ii) by striking "1992" the second place it appears and inserting "the year".

(B) Paragraphs (2)(C)(ii) and (3)(C)(ii) of section 1834(a) (42 U.S.C. 1395m(a)) are each amended—

(i) by striking "and" at the end of subclause (I);

(ii) by redesignating subclause (II) as (IV); and

(iii) by inserting after subclause (I) the following new subclauses:

"(II) for 1992 and 1993, the amount determined under this clause for the preceding year increased by the covered item update for such subsequent year,

"(III) for 1994, the local payment amount determined under clause (i) for such item or device for that year, except that the national limited payment amount may not exceed 100 percent of the median of all local payment amounts determined under such clause for such item for that year and may not be less than 85 percent of the median of all local payment amounts determined under such clause for such item or device for that year, and".

(2) MISCELLANEOUS DEVICES AND ITEMS.—Section 1834(a)(8) (42 U.S.C. 1395m(a)(8)) is amended—

(A) in subparagraph (A)(ii)(III), by striking "1992" and inserting "1992, 1993, and 1994"; and

(B) in subparagraph (B)—

(i) by striking "and" at the end of clause (i),

(ii) by redesignating clause (ii) as (iv), and

(iii) by inserting after clause (i) the following new clauses:

"(ii) for 1992 and 1993, the amount determined under this subparagraph for the preceding year increased by the covered item update for such subsequent year;

"(iii) for 1994, the local purchase price computed under subparagraph (A)(ii) for the item for the year, except that such national limited purchase price may not exceed 100 percent of the median of all local purchase prices computed for the item under such subparagraph for the year and may not be less than 85 percent of the median of all local purchase prices computed under such subparagraph for the item for the year; and".

(3) OXYGEN AND OXYGEN EQUIPMENT.—Section 1834(a)(9) (42 U.S.C. 1395m(a)(9)) is amended—

(A) in subparagraph (A)(ii)(II), by striking "1991 and 1992" and inserting "1991, 1992, 1993, and 1994"; and

(B) in subparagraph (B)—

(i) by striking "and" at the end of clause (i),

(ii) by redesignating clause (ii) as (iv), and

(iii) by inserting after clause (i) the following new clauses:

"(ii) for 1992 and 1993, the amount determined under this subparagraph for the preceding year increased by the covered item update for such subsequent year;

"(iii) for 1994, the local monthly payment rate computed under subparagraph (A)(ii) for the item for the year, except that such national limited monthly payment rate may not exceed 100 percent of the median of all local monthly payment rates computed for the item under such subparagraph for the year and may not be less than 85 percent of the median of all local monthly payment rates computed for the item under such subparagraph for the year; and".

(b) PAYMENT FOR PROSTHETIC DEVICES AND ORTHOTICS AND PROSTHETICS.—

(1) IN GENERAL.—Section 1834(h)(2) (42 U.S.C. 1395m(h)(2)) is amended—

(A) in subparagraph (A)(ii)(II), by striking "1992 or 1993" and inserting "1992, 1993, or 1994";

(B) in subparagraph (B)(ii), by striking "each subsequent year" and inserting "1993";

(C) in subparagraph (C)(iv), by striking "regional purchase price computed under subparagraph (B)" and inserting "national limited purchase price computed under subparagraph (E)";

(D) in subparagraph (D)(ii), by striking "a subsequent year" and inserting "1993"; and

(E) by adding at the end the following new subparagraph:

"(E) COMPUTATION OF NATIONAL LIMITED PURCHASE PRICE.—With respect to the furnishing of a particular item in a year, the Secretary shall compute a national limited purchase price—

"(i) for 1994, equal to the local purchase price computed under subparagraph (A)(ii)(II) for the item for the year, except that such national limited purchase price may not exceed 100 percent of the median of all local purchase prices for the item computed under such subparagraph for the year, and may not be less than 85 percent of the median of all local purchase prices for the item computed under such subparagraph for the year; and

"(ii) for each subsequent year, equal to the amount determined under this subparagraph for the preceding year increased by the applicable percentage increase for such subsequent year.".

(2) EXCEPTION FOR CERTAIN ITEMS.—Section 1834(h) (42 U.S.C. 1395m(h)), as amended by paragraph (1), is further amended—

(A) in paragraph (1)(B), by striking "subparagraph (C)," and inserting "subparagraphs (C) and (F),"; and

(B) by adding at the end of paragraph (2) the following new subparagraph:

"(F) EXCEPTION FOR CERTAIN ITEMS.—Payment for ostomy supplies, tracheostomy supplies, and urologicals shall be made in accordance with subparagraphs (B) and (C) of section 1834(a)(2).".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to items furnished on or after January 1, 1994.

SEC. 5032. PAYMENT FOR PARENTERAL AND ENTERAL NUTRIENTS, SUPPLIES, AND EQUIPMENT DURING 1994.

In determining the amount of payment under part B of title XVIII of the Social Security Act during 1994, the charges determined to be reasonable with respect to parenteral and enteral nutrients, supplies, and equipment may not exceed the charges determined to be reasonable with respect to such nutrients, supplies, and equipment during 1993.

SEC. 5033. TREATMENT OF NEBULIZERS AND ASPIRATORS.

(a) IN GENERAL.—Section 1834(a)(3)(A) (42 U.S.C. 1395m(a)(3)(A)) is amended by striking "ventilators, aspirators, IPPB machines, and nebulizers" and inserting "ventilators and IPPB machines".

(b) PAYMENT FOR ACCESSORIES RELATING TO NEBULIZERS AND ASPIRATORS.—Section 1834(a)(2)(A) (42 U.S.C. 1395m(a)) is amended—

(1) by striking "or" at the end of clause (i),

(2) by adding "or" at the end of clause (ii), and

(3) by inserting after clause (ii) the following new clause:

"(iii) which is an accessory used in conjunction with a nebulizer or aspirator,".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to items furnished on or after January 1, 1994.

SEC. 5034. CERTIFICATION OF SUPPLIERS.

(a) REQUIREMENTS.—

(1) IN GENERAL.—Section 1834 (42 U.S.C. 1395m) is amended by adding at the end the following new subsection:

"(i) REQUIREMENTS FOR SUPPLIERS OF MEDICAL EQUIPMENT AND SUPPLIES.—

"(1) ISSUANCE AND RENEWAL OF SUPPLIER NUMBER.—

"(A) PAYMENT.—Except as provided in subparagraph (C), no payment may be made under this part after October 1, 1994, for items furnished by a supplier of medical equipment and supplies unless such supplier obtains (and renews at such intervals as the Secretary may require) a supplier number.

"(B) STANDARDS FOR POSSESSING A SUPPLIER NUMBER.—A supplier may not obtain a supplier number unless—

"(i) for medical equipment and supplies furnished on or after October 1, 1994, and before January 1, 1996, the supplier meets standards prescribed by the Secretary; and

"(ii) for medical equipment and supplies furnished on or after January 1, 1996, the supplier meets revised standards prescribed by the Secretary (in consultation with representatives of suppliers of medical equipment and supplies, carriers, and consumers) that shall include requirements that the supplier—

"(I) comply with all applicable State and Federal licensure and regulatory requirements;

"(II) maintain a physical facility on an appropriate site;

"(III) have proof of appropriate liability insurance; and

"(IV) meet such other requirements as the Secretary may specify.

"(C) EXCEPTION FOR ITEMS FURNISHED AS INCIDENT TO A PHYSICIAN'S SERVICE.—Subparagraph (A) shall not apply with respect to medical equipment and supplies furnished as an incident to a physician's service.

"(D) PROHIBITION AGAINST MULTIPLE SUPPLIER NUMBERS.—The Secretary may not issue more than one supplier number to any supplier of medical equipment and supplies unless the issuance of more than one number is appropriate to identify subsidiary or regional entities under the supplier's ownership or control.

"(E) PROHIBITION AGAINST DELEGATION OF SUPPLIER DETERMINATIONS.—The Secretary may not delegate (other than by contract under section 1842) the responsibility to determine whether suppliers meet the standards necessary to obtain a supplier number.

"(2) CERTIFICATES OF MEDICAL NECESSITY.—

"(A) STANDARDIZED CERTIFICATES.—Not later than October 1, 1994, the Secretary shall, in consultation with carriers under this part, develop one or more standardized certificates of medical necessity (as defined in subparagraph (C)) for medical equipment and supplies for which the Secretary determines that such a certificate is necessary.

"(B) PROHIBITION AGAINST DISTRIBUTION BY SUPPLIERS OF CERTIFICATES OF MEDICAL NECESSITY.—

"(i) IN GENERAL.—Except as provided in clause (ii), a supplier of medical equipment and supplies may not distribute to physicians or to individuals entitled to benefits under this part for commercial purposes any completed or partially completed certificates of medical necessity on or after October 1, 1994.

"(ii) EXCEPTION FOR CERTAIN BILLING INFORMATION.—Clause (i) shall not apply with respect to a certificate of medical necessity for any item that is not contained on the list of potentially overused items developed by the Secretary under subsection (a)(15)(A) to the extent that such certificate contains only information completed by the supplier of medical equipment and supplies identifying such supplier and the beneficiary to whom such medical equipment and supplies are furnished, a description of such medical equipment and supplies, any product code identifying such medical equipment and supplies, and any other administrative information (other than information relating to the beneficiary's medical condition) identified by the Secretary. In the event a supplier provides a certificate of medical necessity containing information permitted under this clause, such certificate shall also contain the fee schedule amount and the supplier's charge for the medical equipment or supplies being furnished prior to distribution of such certificate to the physician.

"(iii) PENALTY.—Any supplier of medical equipment and supplies who knowingly and willfully distributes a certificate of medical necessity in violation of clause (i) is subject to a civil money penalty in an amount not to exceed $1,000 for each such certificate of medical necessity so distributed. The provisions of section 1128A (other than subsections (a) and (b)) shall apply to civil money penalties under this subparagraph in the same manner as they apply to a penalty or proceeding under section 1128A(a).

"(C) DEFINITION.—For purposes of this paragraph, the term 'certificate of medical necessity' means a form or other document containing information required by the Secretary to be submitted to show that a covered item is reasonable and necessary for the diagnosis or treatment of illness or injury or to improve the functioning of a malformed body member.

"(3) COVERAGE AND REVIEW CRITERIA.—

"(A) DEVELOPMENT AND ESTABLISHMENT.—Not later than January 1, 1996, the Secretary, in consultation with representatives of suppliers of medical equipment and supplies, individuals enrolled under this part, and appropriate medical specialty societies, shall develop and establish uniform national coverage and utilization review criteria for 200 items of medical equipment and supplies selected in accordance with the standards described in subparagraph (B). The Secretary shall publish the criteria as part of the instructions provided to fiscal intermediaries and carriers under this part and no further publication, including publication in the Federal Register, shall be required.

"(B) STANDARDS FOR SELECTING ITEMS SUBJECT TO CRITERIA.—The Secretary may select an item for coverage under the criteria developed and established under subparagraph (A) if the Secretary finds that—

"(i) the item is frequently purchased or rented by beneficiaries;

"(ii) the item is frequently subject to a determination that such item is not medically necessary; or

"(iii) the coverage or utilization criteria applied to the item (as of the date of the enactment of this subsection) is not consistent among carriers.

"(C) ANNUAL REVIEW AND EXPANSION OF ITEMS SUBJECT TO CRITERIA.—The Secretary shall annually review the coverage and utilization of items of medical equipment and supplies to determine whether items not included among the items selected under subparagraph (A) should be made subject to uniform national coverage and utilization review criteria, and, if appropriate, shall develop and apply such criteria to such additional items.

"(4) DEFINITION.—The term 'medical equipment and supplies" means—

"(A) durable medical equipment (as defined in section 1861(n));

"(B) prosthetic devices (as described in section 1861(s)(8));

"(C) orthotics and prosthetics (as described in section 1861(s)(9));

"(D) surgical dressings (as described in section 1861(s)(5));

"(E) such other items as the Secretary may determine; and

"(F) for purposes of paragraphs (1) and (3)—

"(i) home dialysis supplies and equipment (as described in section 1861(s)(2)(F)), and

"(ii) immunosuppressive drugs (as described in section 1861(s)(2)(J)).".

(2) CONFORMING AMENDMENT.—Effective October 1, 1994, paragraph (16) of section 1834(a) (42 U.S.C. 1395m(a)) is repealed.

(b) REPORT ON EFFECT OF UNIFORM CRITERIA ON UTILIZATION OF ITEMS.—Not later than July 1, 1996, the Secretary shall submit a report to the Committee on Ways and Means and the Committee on Energy and Commerce of the House of Representatives and the Committee on Finance of the Senate analyzing the impact of the uniform criteria established under section 1834(i)(3)(A) of the Social Security Act (as added by subsection (a)) on the utilization of items of medical equipment and supplies by individuals enrolled under part B of the medicare program.

(c) USE OF COVERED ITEMS BY DISABLED BENEFICIARIES.—

(1) IN GENERAL.—The Secretary of Health and Human Services, in consultation with representatives of suppliers of durable medical equipment under part B of the medicare program and individuals entitled to benefits under such program on the basis of disability, shall conduct a study of the effects of the methodology for determining payments for items of such equipment under such part on the ability of such individuals to obtain items of such equipment, including customized items.

(2) REPORT.—Not later than one year after the date of the enactment of this Act, the Secretary shall submit a report to Congress on the study conducted under paragraph (1), and shall include in the report such recommendations as the Secretary considers appropriate to assure that disabled medicare

beneficiaries have access to items of durable medical equipment.

(d) Criteria for Treatment of Items as Prosthetics Devices or Orthotics and Prosthetics.—Not later than one year after the date of the enactment of this Act, the Secretary of Health and Human Services shall submit a report to the Committees on Ways and Means and Energy and Commerce of the House of Representatives and the Committee on Finance of the Senate describing prosthetic devices or orthotics and prosthetics covered under part B of the medicare program that do not require individualized or custom fitting and adjustment to be used by a patient. Such report shall include recommendations for an appropriate methodology for determining the amount of payment for such items under such program.

SEC. 5035. PROHIBITION AGAINST CARRIER FORUM SHOPPING.

(a) In General.—Section 1834(a)(12) (42 U.S.C. 1395m(a)(12)) is amended to read as follows:

"(12) Use of carriers to process claims.—

"(A) Designation of regional carriers.—The Secretary may designate, by regulation under section 1842, one carrier for one or more entire regions to process all claims within the region for covered items under this section.

"(B) Prohibition against carrier shopping.—(i) No supplier of a covered item may present or cause to be presented a claim for payment under this part unless such claim is presented to the appropriate regional carrier (as designated by the Secretary).

"(ii) For purposes of clause (i), the term 'appropriate regional carrier' means the carrier having jurisdiction over the geographic area that includes the permanent residence of the patient to whom the item is furnished.".

(b) Effective Date.—The amendment made by subsection (a) shall apply to items furnished on or after October 1, 1993.

(c) Clarification of Authority to Designate Carriers for Other Items and Services.—Nothing in this subsection or the amendment made by this subsection may be construed to restrict the authority of the Secretary of Health and Human Services to designate regional carriers or modify claims jurisdiction rules with respect to items or services under part B of the medicare program that are not covered items under section 1834(a) of the Social Security Act or prosthetic devices or orthotics and prosthetics under section 1834(h) of such Act.

SEC. 5036. RESTRICTIONS ON CERTAIN MARKETING AND SALES ACTIVITIES.

(a) Prohibiting Unsolicited Telephone Contacts From Suppliers of Durable Medical Equipment to Medicare Beneficiaries.—

(1) In general.—Section 1834(a) (42 U.S.C. 1395m(a)) is amended by adding at the end the following new paragraph:

"(17) Prohibition against unsolicited telephone contacts by suppliers.—

"(A) In general.—A supplier of a covered item under this subsection may not contact an individual enrolled under this part by telephone regarding the furnishing of a covered item to the individual (other than a covered item the supplier has already furnished to the individual) unless—

"(i) the individual gives permission to the supplier to make contact by telephone for such purpose; or

"(ii) the supplier has furnished a covered item under this subsection to the individual during the 15-month period preceding the date on which the supplier contacts the individual for such purpose.

"(B) Prohibiting payment for items furnished subsequent to unsolicited contacts.—If a supplier knowingly contacts an individual in violation of subparagraph (A), no payment may be made under this part for any item subsequently furnished to the individual by the supplier.

"(C) Exclusion from program for suppliers engaging in pattern of unsolicited contacts.—If a supplier knowingly contacts individuals in violation of subparagraph (A) to such an extent that the supplier's conduct establishes a pattern of contacts in violation of such subparagraph, the Secretary shall exclude the supplier from participation in the programs under this Act, in accordance with the procedures set forth in subsections (c), (f), and (g) of section 1128.".

(2) Requiring refund of amounts collected for disallowed items.—Section 1834(a) (42 U.S.C. 1395m(a)), as amended by paragraph (1), is amended by adding at the end the following new paragraph:

"(18) Refund of amounts collected for certain disallowed items.—

"(A) In general.—If a nonparticipating supplier furnishes to an individual enrolled under this part a covered item for which no payment may be made under this part by reason of paragraph (17)(B), the supplier shall refund on a timely basis to the patient (and shall be liable to the patient for) any amounts collected from the patient for the item, unless—

"(i) the supplier establishes that the supplier did not know and could not reasonably have been expected to know that payment may not be made for the item by reason of paragraph (17)(B), or

"(ii) before the item was furnished, the patient was informed that payment under this part may not be made for that item and the patient has agreed to pay for that item.

"(B) Sanctions.—If a supplier knowingly and willfully fails to make refunds in violation of subparagraph (A), the Secretary may apply sanctions against the supplier in accordance with section 1842(j)(2).

"(C) Notice.—Each carrier with a contract in effect under this part with respect to suppliers of covered items shall send any notice of denial of payment for covered items by reason of paragraph (17)(B) and for which payment is not requested on an assignment-related basis to the supplier and the patient involved.

"(D) Timely basis defined.—A refund under subparagraph (A) is considered to be on a timely basis only if—

"(i) in the case of a supplier who does not request reconsideration or seek appeal on a timely basis, the refund is made within 30 days after the date the supplier receives a denial notice under subparagraph (C), or

"(ii) in the case in which such a reconsideration or appeal is taken, the refund is made within 15 days after the date the supplier receives notice of an adverse determination on reconsideration or appeal.".

(b) Conforming Amendment.—Section 1834(h)(3) (42 U.S.C. 1395m(h)(3)) is amended by striking "Paragraph (12)" and inserting "Paragraphs (12) and (17)".

(c) Effective Date.—The amendments made by subsections (a) and (b) shall apply to items furnished after the expiration of the 60-day period that begins on the date of the enactment of this Act.

SEC. 5037. KICKBACK CLARIFICATION.

(a) In General.—Section 1128B(b)(3)(B) (42 U.S.C. 1320a-7b(b)(3)(B)) is amended by inserting before the semicolon the following: "(except that in the case of a contract supply arrangement between any entity and a supplier of medical supplies and equipment (as defined in section 1834(i)(4), but not including items described in subparagraph (F) of such section), such employment shall not be considered bona fide to the extent that it includes tasks of a clerical and cataloging nature in transmitting to suppliers assignment rights of individuals eligible for benefits under part B of title XVIII, or performance of warehousing or stock inventory functions)".

(b) Effective Date.—The amendment made by subsection (a) shall apply with respect to services furnished on or after the first day of the first month that begins after the expiration of the 60-day period beginning on the date of the enactment of this Act.

SEC. 5038. BENEFICIARY LIABILITY FOR NONCOVERED SERVICES.

(a) Unassigned Claims.—

(1) In general.—Section 1834(i) (42 U.S.C. 1395m(i)), as added by section 5034(a)(1), is amended—

(A) by redesignating paragraph (4) as paragraph (5), and

(B) by inserting after paragraph (3) the following new paragraph:

"(4) Limitation on patient liability.—If a supplier of medical equipment and supplies (as defined in paragraph (5))—

"(A) furnishes an item or service to a beneficiary for which no payment may be made by reason of paragraph (1);

"(B) furnishes an item or service to a beneficiary for which payment is denied in advance under subsection (a)(15); or

"(C) furnishes an item or service to a beneficiary for which payment is denied under section 1862(a)(1);

any expenses incurred for items and services furnished to an individual by such a supplier not on an assigned basis shall be the responsibility of such supplier. The individual shall have no financial responsibility for such expenses and the supplier shall refund on a timely basis to the individual (and shall be liable to the individual for) any amounts collected from the individual for such items or services. The provisions of subsection (a)(18) shall apply to refunds required under the previous sentence in the same manner as such provisions apply to refunds under such subsection.".

(2) Conforming amendment.—Section 1128B(b)(3)(B) (42 U.S.C. 1320a-7b(b)(3)(B)), as amended by section 5037(a), is amended by striking "1834(i)(4)" and inserting "1834(i)(5)".

(b) Assigned Claims.—Section 1879 (42 U.S.C. 1395pp) is amended by adding at the end the following new subsection:

"(h) If a supplier of medical equipment and supplies (as defined in section 1834(i)(4))—

"(1) furnishes an item or service to a beneficiary for which no payment may be made by reason of section 1834(i)(1); or

"(2) furnishes an item or service to a beneficiary for which payment is denied in advance under section 1834(a)(15);

any expenses incurred for items and services furnished to an individual by such a supplier on an assignment-related basis shall be the responsibility of such supplier. The individual shall have no financial responsibility for such expenses and the supplier shall refund on a timely basis to the individual (and shall be liable to the individual for) any amounts collected from the individual for such items or services. The provisions of section 1834(a)(18) shall apply to refunds required under the previous sentence in the same manner as such provisions apply to refunds under such section.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to items or services furnished on or after October 1, 1994.

SEC. 5039. ADJUSTMENTS FOR INHERENT REASONABLENESS.

(a) ADJUSTMENTS MADE TO FINAL PAYMENT AMOUNTS.—

(1) IN GENERAL.—Section 1834(a)(10)(B) (42 U.S.C. 1395m(a)(10)(B)) is amended by adding at the end the following: "In applying such provisions to payments for an item under this subsection, the Secretary shall make adjustments to the payment basis for the item described in paragraph (1)(B) if the Secretary determines (in accordance with such provisions and on the basis of prices and costs applicable at the time the item is furnished) that such payment basis is not inherently reasonable.".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect on the date of the enactment of this Act.

(b) ADJUSTMENT REQUIRED FOR CERTAIN ITEMS.—

(1) IN GENERAL.—In accordance with section 1834(a)(10)(B) of the Social Security Act (as amended by subsection (a)), the Secretary of Health and Human Services shall determine whether the payment amounts for the items described in paragraph (2) are not inherently reasonable, and shall adjust such amounts in accordance with such section if the amounts are not inherently reasonable.

(2) ITEMS DESCRIBED.—The items referred to in paragraph (1) are decubitus care equipment, transcutaneous electrical nerve stimulators, and any other items considered appropriate by the Secretary.

SEC. 5040. PAYMENT FOR SURGICAL DRESSINGS.

(a) IN GENERAL.—Section 1834 (42 U.S.C. 1395m), as amended by section 5034(a)(1), is amended by adding at the end the following new subsection:

"(j) PAYMENT FOR SURGICAL DRESSINGS.—

"(1) IN GENERAL.—Payment under this subsection for surgical dressings (described in section 1861(s)(5)) shall be made in a lump sum amount for the purchase of the item in an amount equal to 80 percent of the lesser of—

"(A) the actual charge for the item; or

"(B) a payment amount determined in accordance with the methodology described in subparagraphs (B) and (C) of subsection (a)(2) (except that in applying such methodology, the national limited payment amount referred to in such subparagraphs shall be initially computed based on local payment amounts using average reasonable charges for the 12-month period ending December 31, 1992, increased by the covered item updates described in such subsection for 1993 and 1994)

"(2) EXCEPTIONS.—Paragraph (1) shall not apply to surgical dressings that are—

"(A) furnished as an incident to a physician's professional service; or

"(B) furnished by a home health agency.".

(b) CONFORMING AMENDMENT.—Section 1833(a)(1) (42 U.S.C. 1395l(a)(1)), as amended by sections 5064(e)(2) and 5008(e)(1), is amended—

(1) by striking "and" before "(P)", and

(2) by inserting before the semicolon at the end the following: ", and (Q) with respect to surgical dressings, the amounts paid shall be the amounts determined under section 1834(j);".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to items furnished on or after January 1, 1994.

SEC. 5041. PAYMENTS FOR TENS DEVICES.

(a) IN GENERAL.—Section 1834(a)(1)(D) (42 U.S.C. 1395m(a)(1)(D)) is amended by striking "15 percent" the second place it appears and inserting "45 percent".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to items furnished on or after January 1, 1994.

SEC. 5042. MISCELLANEOUS AND TECHNICAL CORRECTIONS.

(a) UPDATES TO PAYMENT AMOUNTS.—Subparagraph (A) of section 1834(a)(14) (42 U.S.C. 1395m(a)(14)) is amended to read as follows:

"(A) for 1991 and 1992, the percentage increase in the consumer price index for all urban consumers (U.S. city average) for the 12-month period ending with June of the previous year reduced by 1 percentage point; and".

(b) TREATMENT OF POTENTIALLY OVERUSED ITEMS AND ADVANCED DETERMINATIONS OF COVERAGE.—(1) Effective on the date of the enactment of this Act, section 1834(a)(15) (42 U.S.C. 1395m(a)(15)) is amended to read as follows:

"(15) SPECIAL TREATMENT FOR POTENTIALLY OVERUSED ITEMS.—

"(A) DEVELOPMENT OF LIST OF ITEMS BY SECRETARY.—The Secretary shall develop and periodically update a list of items for which payment may be made under this subsection that are potentially overused, and shall include in such list seat-lift mechanisms, transcutaneous electrical nerve stimulators, motorized scooters, decubitus care mattresses, and any such other item determined by the Secretary to be potentially overused on the basis of any of the following criteria—

"(i) the item is marketed directly to potential patients;

"(ii) the item is marketed with an offer to potential patients to waive the costs of coinsurance associated with the item or is marketed as being available at no cost to policyholders of a medicare supplemental policy (as defined in section 1882(g)(1));

"(iii) the item has been subject to a consistent pattern of overutilization; or

"(iv) a high proportion of claims for payment for such item under this part may not be made because of the application of section 1862(a)(1).

"(B) ITEMS SUBJECT TO SPECIAL CARRIER SCRUTINY.—Payment may not be made under this part for any item contained in the list developed by the Secretary under subparagraph (A) unless the carrier has subjected the claim for payment for the item to special scrutiny or has followed the procedures described in paragraph (11)(C) with respect to the item.".

(2) Effective January 1, 1994, section 1834(a)(11) (42 U.S.C. 1395m(a)) is amended by adding at the end the following new subparagraph:

"(C) CARRIER DETERMINATIONS FOR CERTAIN ITEMS IN ADVANCE.—A carrier shall determine in advance whether payment for an item may not be made under this subsection because of the application of section 1862(a)(1) if—

"(i) the item is a customized item (other than inexpensive items specified by the Secretary); or

"(ii) the item is a specified covered item under subparagraph (B).".

(3) Effective for standards applied for contract years beginning after the date of the enactment of this Act, section 1842(c) (42 U.S.C. 1395u(c)), as amended by section 5011(a), is amended by adding at the end the following new paragraph:

"(5) Each contract under this section which provides for the disbursement of funds, as described in subsection (a)(1)(B), shall require the carrier to meet criteria developed by the Secretary to measure the timeliness of carrier responses to requests for payment of items described in section 1834(a)(11)(C).".

(4) Section 1834(h)(3) (42 U.S.C. 1395m(h)(3)) is amended by striking "paragraph (10) and paragraph (11)" and inserting "paragraphs (10) and (11)".

(c) STUDY OF VARIATIONS IN DURABLE MEDICAL EQUIPMENT SUPPLIER COSTS.—

(1) COLLECTION AND ANALYSIS OF SUPPLIER COST DATA.—The Administrator of the Health Care Financing Administration shall, in consultation with appropriate organizations, collect data on supplier costs of durable medical equipment for which payment may be made under part B of the medicare program, and shall analyze such data to determine the proportions of such costs attributable to the service and product components of furnishing such equipment and the extent to which such proportions vary by type of equipment and by the geographic region in which the supplier is located.

(2) DEVELOPMENT OF GEOGRAPHIC ADJUSTMENT INDEX; REPORTS.—Not later than January 1, 1995—

(A) the Administrator shall submit a report to the Committees on Energy and Commerce and Ways and Means of the House of Representatives and the Committee on Finance of the Senate on the data collected and the analysis conducted under paragraph (1), and shall include in such report the Administrator's recommendations for a geographic cost adjustment index for suppliers of durable medical equipment under the medicare program and an analysis of the impact of such proposed index on payments under the medicare program; and

(B) the Comptroller General shall submit a report to the Committees on Energy and Commerce and Ways and Means of the House of Representatives and the Committee on Finance of the Senate analyzing on a geographic basis the supplier costs of durable medical equipment under the medicare program.

(d) OXYGEN RETESTING.—Section 1834(a)(5)(E) (42 U.S.C. 1395m(a)(5)(E)) is amended by striking "55" and inserting "56".

(e) OTHER MISCELLANEOUS AND TECHNICAL AMENDMENTS.—(1) Section 4152(a)(3) of OBRA–1990 is amended by striking "amendment made by subsection (a)" and inserting "amendments made by this subsection".

(2) Section 4152(c)(2) of OBRA–1990 is amended by striking "1395m(a)(7)(A)" and inserting "1395m(a)(7)".

(3) Section 1834(a)(7)(A)(iii)(II) (42 U.S.C. 1395m(a)(7)(A)(iii)(II)) is amended by striking "clause (v)" and inserting "clause (vi)".

(4) Section 1834(a)(7)(C)(i) (42 U.S.C. 1395m(a)(7)(C)(i)) is amended by striking "or paragraph (3)".

(5) Section 1834(a)(3) (42 U.S.C. 1395m(a)(3)) is amended by striking subparagraph (D).

(6) Section 4153(c)(1) of OBRA–1990 is amended by striking "1834(a)" and inserting "1834(h)".

(7) Section 4153(d)(2) of OBRA–1990 is amended by striking "Reconiliation" and inserting "Reconciliation".

(8)(A) Section 1834(a) (42 U.S.C. 1395m(a)) is amended by striking paragraph (6).

(B) Section 1834(a) (42 U.S.C. 1395m(a)) is amended—

(i) in subparagraphs (A) and (B) of paragraph (1), by striking "(2) through (7)" each place it appears and inserting "(2) through (5) and (7)";

(ii) in paragraph (7), by striking "(2) through (6)" and inserting "(2) through (5)";

(iii) in paragraph (8), by striking "paragraphs (6) and (7)" each place it appears in the matter preceding subparagraph (A) and in subparagraph (C) and inserting "paragraph (7)"; and

(iv) in paragraph (8)(A)(i), by striking "described—" and all that follows and inserting "described in paragraph (7) equal to the average of the purchase prices on the claims submitted on an assignment-related basis for the unused item supplied during the 6-month period ending with December 1986.".

(9) The amendments made by this subsection shall take effect as if included in the enactment of OBRA–1990.

Subchapter D—Part B Premium

SEC. 5051. PART B PREMIUM.

Section 1839(e) (42 U.S.C. 1395r(e)) is amended—

(1) in paragraph (1)(A), by inserting "and for each month in 1996 and 1997" after "January 1991", and

(2) in paragraph (2), by striking "1991" and inserting "1998".

Subchapter E—Other Provisions

SEC. 5061. TREATMENT OF INPATIENTS AND PROVISION OF DIAGNOSTIC AND THERAPEUTIC X-RAY SERVICES BY RURAL HEALTH CLINICS AND FEDERALLY QUALIFIED HEALTH CENTERS.

(a) TREATMENT OF INPATIENTS.—Section 1861(aa) (42 U.S.C. 1395x(aa)) is amended—

(1) in paragraph (1), in the matter following subparagraph (C), by striking "as an outpatient" and inserting "as a patient";

(2) in paragraph (2)(A), by striking "furnishing to outpatients" and inserting "furnishing to patients"; and

(3) in paragraph (3), in the matter following subparagraph (B), by striking "as an outpatient" and inserting "as a patient".

(b) TREATMENT OF DIAGNOSTIC AND THERAPEUTIC X-RAY SERVICES.—Section 1861(aa) (42 U.S.C. 1395x(aa)) is further amended—

(1) in paragraph (1)(A), by inserting "(i)" after "(A)" and by adding at the end the following: "and (ii) diagnostic and therapeutic x-ray services,", and

(2) in paragraph (2)(A), by striking "(A)" and inserting "(A)(i)".

(c) CONFORMING AMENDMENT.—Section 1862(a)(14) (42 U.S.C. 1395y(a)(14)) is amended by striking "and services of a certified registered nurse anesthetist" and inserting "services of a certified registered nurse anesthetist, rural health clinic services, and Federally-qualified health center services".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1994, and shall apply to services furnished on or after such date.

SEC. 5062. APPLICATION OF MAMMOGRAPHY CERTIFICATION REQUIREMENTS.

(a) SCREENING MAMMOGRAPHY.—Section 1834(c) (42 U.S.C. 1395m(c)) is amended—

(1) in paragraph (1)(B), by striking "meets the quality standards established under paragraph (3)" and inserting "is conducted by a facility that has a certificate (or provisional certificate) issued under section 354 of the Public Health Service Act";

(2) in paragraph (1)(C)(iii), by striking "paragraph (4)" and inserting "paragraph (3)";

(3) by striking paragraph (3); and

(4) by redesignating paragraphs (4) and (5) as paragraphs (3) and (4).

(b) DIAGNOSTIC MAMMOGRAPHY.—Section 1861(s)(3) (42 U.S.C. 1395x(s)(3)) is amended by inserting "and including diagnostic mammography if conducted by a facility that has a certificate (or provisional certificate) issued under section 354 of the Public Health Service Act" after "necessary".

(c) CONFORMING AMENDMENTS.—(1) Section 1862(a)(1)(F) (42 U.S.C. 1395y(a)(1)(F)) is amended by striking """"or which does not meet the standards established under section 1834(c)(3)" and inserting "or which is not conducted by a facility described in section 1834(c)(1)(B)".

(2) Section 1863 (42 U.S.C. 1395z) is amended by striking "or whether screening mammography meets the standards established under section 1834(c)(3),".

(3) The first sentence of section 1864(a) (42 U.S.C. 1395aa(a)) is amended by striking ", or whether screening mammography meets the standards established under section 1834(c)(3)".

(4) The third sentence of section 1865(a) (42 U.S.C. 1395bb(a)) is amended by striking "1834(c)(3),".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to mammography furnished by a facility on and after the first date that the certificate requirements of section 354(b) of the Public Health Service Act apply to such mammography conducted by such facility.

SEC. 5063. ORAL CANCER DRUGS.

(a) COVERAGE OF CERTAIN SELF-ADMINISTERED ANTICANCER DRUGS.—Section 1861(s)(2) (42 U.S.C. 1395(s)(2)), as amended by section 5064(f)(7)(B), is amended—

(1) by striking "and" at the end of subparagraph (N);

(2) by adding "and" at the end of subparagraph (O); and

(3) by adding at the end the following new subparagraph:

"(P) an oral drug (which is approved by the Federal Food and Drug Administration) prescribed for use as an anticancer chemotherapeutic agent for a given indication, and containing an active ingredient (or ingredients), which is the same indication and active ingredient (or ingredients) as a drug which the carrier determines would be covered pursuant to subparagraph (A) or (B) if the drug could not be self-administered;".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to items furnished on or after January 1, 1994.

SEC. 5064. MISCELLANEOUS AND TECHNICAL CORRECTIONS.

(a) REVISION OF INFORMATION ON PART B CLAIMS FORMS.—Section 1833(q)(1) (42 U.S.C. 1395l(q)(1)) is amended—

(1) by striking "provider number" and inserting "unique physician identification number"; and

(2) by striking "and indicate whether or not the referring physician is an interested investor (within the meaning of section 1877(h)(5))".

(b) CONSULTATION FOR SOCIAL WORKERS.—Effective with respect to services furnished on or after January 1, 1991, section 6113(c) of OBRA–1989 is amended—

(1) by inserting "and clinical social worker services" after "psychologist services"; and

(2) by striking "psychologist" the second and third place it appears and inserting "psychologist or clinical social worker".

(c) REPORTS ON HOSPITAL OUTPATIENT PAYMENT.—(1) OBRA–1989 is amended by striking section 6137.

(2) Section 1135(d) (42 U.S.C. 1320b–5(d)) is amended—

(A) by striking paragraph (6); and

(B) in paragraph (7)—

(i) by striking "systems" each place it appears and inserting "system"; and

(ii) by striking "paragraphs (1) and (6)" and inserting "paragraph (1)".

(d) RADIOLOGY AND DIAGNOSTIC SERVICES PROVIDED IN HOSPITAL OUTPATIENT DEPARTMENTS.—(1) Effective as if included in the enactment of OBRA–1989, section 1833(n)(1)(B)(i)(II) (42 U.S.C. 1395l(n)(1)(B)(i)(II)) is amended—

(A) by striking "1989" and inserting "1989 and for services described in subsection (a)(2)(E)(ii) furnished on or after January 1, 1992"; and

(B) by striking "1842(b)" and inserting "1842(b) (or, in the case of services furnished on or after January 1, 1992, under section 1848)".

(2) Effective as if included in the enactment of OBRA–1989, section 1833(n)(1)(B)(i)(II) (42 U.S.C. 1395l(n)(1)(B)(i)(II)) is amended by striking "January 1, 1989" and inserting "April 1, 1989".

(e) PAYMENTS TO NURSE PRACTITIONERS IN RURAL AREAS (SECTION 4155 OF OBRA–1990).—(1) Section 1861(s)(2)(K)(iii) (42 U.S.C. 1395x(s)(2)(K)(iii)) is amended—

(A) by striking "subsection (aa)(3)" and inserting "subsection (aa)(5)"; and

(B) by striking "subsection (aa)(4)" and inserting "subsection (aa)(6)".

(2) Section 1833(a)(1) (42 U.S.C. 1395l(a)(1)) is amended—

(A) by striking "and" before "(N)"; and

(B) with respect to the matter inserted by section 4155(b)(2)(B) of OBRA–1990—

(i) by striking "(M)" and inserting ", and (O)", and

(ii) by transferring and inserting it (as amended) immediately before the semicolon at the end.

(3) Section 1833(r)(1) (42 U.S.C. 1395l(r)(1)) is amended—

(A) by striking "ambulatory" each place it appears and inserting "or ambulatory"; and

(B) by striking "center," and inserting "center".

(4) Section 1833(r)(2)(A) (42 U.S.C. 1395l(r)(2)(A)) is amended by striking "subsection (a)(1)(M)" and inserting "subsection (a)(1)(O)".

(5) Section 1861(b)(4) (42 U.S.C. 1395x(b)(4)) is amended by striking "subsection (s)(2)(K)(i)" and inserting "clauses (i) or (iii) of subsection (s)(2)(K)".

(6) Section 1861(aa)(5) (42 U.S.C. 1395x(aa)(5)) is amended by striking "this Act" and inserting "this title".

(7) Section 1862(a)(14) (42 U.S.C. 1395y(a)(14)) is amended by striking "1861(s)(2)(K)(i)" and inserting "1861(s)(2)(K)(i) or 1861(s)(2)(K)(iii)".

(8) Section 1866(a)(1)(H) (42 U.S.C. 1395cc(a)(1)(H)) is amended by striking "1861(s)(2)(K)(i)" and inserting "1861(s)(2)(K)(i) or 1861(s)(2)(K)(iii)".

(f) OTHER MISCELLANEOUS AND TECHNICAL AMENDMENTS.—

(1) IMMEDIATE ENROLLMENT IN PART B BY INDIVIDUALS COVERED BY AN EMPLOYMENT-BASED PLAN.—(A) Subparagraphs (A) and (B) of section 1837(i)(3) (42 U.S.C. 1395p(i)(3)) are each amended—

(i) by striking "beginning with the first day of the first month in which the individual is no longer enrolled" and inserting "including each month during any part of which the individual is enrolled"; and

(ii) by striking "and ending seven months later" and inserting "ending with the last day of the eighth consecutive month in which the individual is at no time so enrolled".

(B) Paragraphs (1) and (2) of section 1838(e) (42 U.S.C. 1395q(e)) are amended to read as follows:

"(1) in any month of the special enrollment period in which the individual is at any time enrolled in a plan (specified in subparagraph (A) or (B), as applicable, of section 1837(i)(3)) or in the first month following such a month, the coverage period shall begin on the first day of the month in which the individual so enrolls (or, at the option of the individual, on the first day of any of the following three months), or

"(2) in any other month of the special enrollment period, the coverage period shall begin on the first day of the month following the month in which the individual so enrolls.".

(C) The amendments made by subparagraphs (A) and (B) shall take effect on the first day of the first month that begins after the expiration of the 120-day period that begins on the date of the enactment of this Act.

(2) BLEND AMOUNTS FOR AMBULATORY SURGICAL CENTER PAYMENTS.—Subclauses (I) and (II) of section 1833(i)(3)(B)(ii) (42 U.S.C. 1395l(i)(3)(B)(ii)) are each amended—

(A) by striking "for reporting" and inserting "for portions of cost reporting"; and

(B) by striking "and on or before" and inserting "and ending on or before".

(3) CLINICAL DIAGNOSTIC LABORATORY TESTS (SECTION 4154 OF OBRA–1990).—Section 4154(e)(5) of OBRA–1990 is amended by striking "(1)(A)" and inserting "(1)(A),".

(4) SEPARATE PAYMENT UNDER PART B FOR CERTAIN SERVICES (SECTION 4157 OF OBRA–1990).—Section 4157(a) of OBRA–1990 is amended by striking "(a) SERVICES OF" and all that follows through "Section" and inserting "(a) TREATMENT OF SERVICES OF CERTAIN HEALTH PRACTITIONERS.—Section".

(5) COMMUNITY HEALTH CENTERS AND RURAL HEALTH CLINICS (SECTION 4161 OF OBRA–1990).—(A) The fourth sentence of section 1861(aa)(2) (42 U.S.C. 1395x(aa)(2)) is amended—

(i) by striking "certification" the first place it appears and inserting "approval"; and

(ii) by striking "the Secretary's approval or disapproval of the certification" and inserting "Secretary's approval or disapproval".

(B) Section 4161(a)(7)(B) of OBRA–1990 is amended by inserting "and to the Committee on Finance of the Senate" after "Representatives".

(6) SCREENING MAMMOGRAPHY (SECTION 4163 OF OBRA–1990).—Section 4163 of OBRA–1990 is amended—

(A) by adding at the end of subsection (d) the following new paragraph:

"(3) The amendment made by paragraph (2)(A)(iv) shall apply to screening pap smears performed on or after July 1, 1990."; and

(B) in subsection (e), by striking "The amendments" and inserting "Except as provided in subsection (d)(3), the amendments.".

(7) INJECTABLE DRUGS FOR TREATMENT OF OSTEOPOROSIS.—

(A) CLARIFICATION OF DRUGS COVERED.—The section 1861(jj) (42 U.S.C. 1395x(jj)) inserted by section 4156(a)(2) of OBRA–1990 is amended—

(i) in the matter preceding paragraph (1), by striking "a bone fracture related to"; and

(ii) in paragraph (1), by striking "patient" and inserting "individual has suffered a bone fracture related to post-menopausal osteoporosis and that the individual".

(B) LIMITING COVERAGE TO DRUGS PROVIDED BY HOME HEALTH AGENCIES.—(i) The section 1861(jj) (42 U.S.C. 1395x(jj)) inserted by section 4156(a)(2) of OBRA–1990 is amended by striking "if" and inserting "by a home health agency if".

(ii) Section 1861(m)(5) (42 U.S.C. 1395x(m)(5)) is amended by striking "but excluding" and inserting "and a covered osteoporosis drug (as defined in subsection (kk), but excluding other".

(iii) Section 1861(s)(2) (42 U.S.C. 1395x(s)(2)) is amended—

(I) by adding "and" at the end of subparagraph (N), and

(II) by striking subparagraph (O) and redesignating subparagraph (P) as subparagraph (O).

(C) PAYMENT BASED ON REASONABLE COST.—Section 1833(a)(2) (42 U.S.C. 1395l(a)(2)) is amended—

(i) in subparagraph (A), by striking "health services" and inserting "health services (other than covered osteoporosis drug (as defined in section 1861(kk)))";

(ii) by striking "and" at the end of subparagraph (D);

(iii) by striking the semicolon at the end and inserting "; and"; and

(iv) by adding at the end the following new subparagraph:

"(F) with respect to covered osteoporosis drug (as defined in section 1861(kk)) furnished by a home health agency, 80 percent of the reasonable cost of such service, as determined under section 1861(v);".

(D) APPLICATION OF PART B DEDUCTIBLE.—Section 1833(b)(2) (42 U.S.C. 1395l(b)(2)) is amended by striking "services" and inserting "services (other than covered osteoporosis drug (as defined in section 1861(kk)))".

(E) COVERED OSTEOPOROSIS DRUG (SECTION 4156 OF OBRA–1990).—Section 1861 (42 U.S.C. 1395x) is amended, in the subsection (jj) inserted by section 4156(a)(2) of OBRA–1990, by striking "(jj) The term" and inserting "(kk) The term".

(8) OTHER MISCELLANEOUS AND TECHNICAL CORRECTIONS (SECTION 4164 OF OBRA–1990).—

(A) OWNERSHIP DISCLOSURE REQUIREMENTS.—(i) Section 1124A(a)(2)(A) (42 U.S.C. 1320a–3a(a)(2)(A)) is amended by striking "of the Social Security Act".

(ii) Section 4164(b)(4) of OBRA–1990 is amended by striking "paragraph" and inserting "paragraphs".

(B) DIRECTORY OF UNIQUE PHYSICIAN IDENTIFIER NUMBERS.—Section 4164(c) of OBRA–1990 is amended by striking "publish" and inserting "publish, and shall periodically update,".

(g) EFFECTIVE DATE.—Except as otherwise provided in this section, the amendments made by this section shall take effect as if included in the enactment of OBRA–1990.

CHAPTER 2—PROVISIONS RELATING TO PARTS A AND B

SEC. 5071. ELIMINATION OF ADD-ON FOR OVERHEAD OF HOSPITAL-BASED HOME HEALTH AGENCIES.

(a) GENERAL RULE.—The first sentence of section 1861(v)(1)(L)(ii) (42 U.S.C. 1395x(v)(1)(L)(ii)) is amended by striking ", with appropriate adjustment for administrative and general costs of hospital-based agencies".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to cost reporting periods beginning after fiscal year 1993.

SEC. 5072. STUDY AND REPORT ON MEDICARE GME PAYMENTS.

(a) STUDY.—The Secretary of Health and Human Services shall conduct a study of the methodology used to determine payments to hospitals under the medicare program for the costs of medical residency training programs and shall include in the study an analysis of the causes of variation among such programs in the per resident costs of direct graduate medical education, including the extent of support for such programs from non-hospital sources.

(b) REPORT.—Not later than 1 year after the date of the enactment of this Act, the Secretary shall submit a report to Congress on the study conducted under subsection (a), and shall include in the report any recommendations considered appropriate by the Secretary for modifications to the methodology used to determine payments to hospitals under the medicare program for the costs of medical residency training programs that will encourage greater uniformity among medical residency training programs in the per resident costs of direct graduate medical education.

SEC. 5073. MEDICARE AS SECONDARY PAYER.

(d) UNIFORM RULES FOR SIZE OF EMPLOYER.—Section 1862(b)(1) (42 U.S.C. 1395y(b)(1)) is amended by adding at the end the following:

"(E) GENERAL PROVISIONS.—

"(i) EXCLUSION OF GROUP HEALTH PLAN OF A SMALL EMPLOYER.—Subparagraphs (A) through (C) do not apply to a group health plan unless the plan is a plan of, or contributed to by, an employer or employee organization that has 20 or more individuals in current employment status for each working day in each of 20 or more calendar weeks in the current calendar year or the preceding calendar year.

"(ii) EXCEPTION FOR SMALL EMPLOYERS IN MULTIEMPLOYER OR MULTIPLE EMPLOYER GROUP HEALTH PLANS.—Subparagraphs (A) through (C) also do not apply with respect to individuals enrolled in a multiemployer or multiple employer group health plan if the coverage of the individuals under the plan is by virtue of current employment status with an employer that does not have 20 or more individuals in current employment status for each working day in each of 20 or more calendar weeks in the current calendar year and the preceding calendar year; but the exception provided in this clause applies only if the plan elects treatment under this clause.

"(iii) APPLICATION OF CONTROLLED GROUP RULES.—For purposes of clauses (i) and (ii)—

"(I) all employees of corporations which are members of a controlled group of corporations (within the meaning of section 1563(a) of the Internal Revenue Code of 1986, determined without regard to subsection (a)(4) or (e)(3)(C)), shall be treated as employed by a single employer,

"(II) all employees of trades or businesses (whether or not incorporated) which are under common control (under regulations prescribed by the Secretary of the Treasury under section 414(c) of that Code) shall be treated as employed by a single employer,

"(III) all employees of the members of an affiliated service group (as defined in section 414(m) of that Code) shall be treated as employed by a single employer, and

"(IV) leased employees (as defined in section 414(n)(2) of that Code) shall be treated as employees of the person for whom they perform services to the extent they are so treated under section 414(n) of that Code.

In applying sections of the Internal Revenue Code of 1986 under this clause, the Secretary shall rely upon the regulations and decisions of the Secretary of the Treasury respecting such sections.

"(iv) GROUP HEALTH PLAN DEFINED.—For purposes of this subsection, the term 'group health plan' has the meaning given such term in section 5000(b) of the Internal Revenue Code of 1986, without regard to section 5000(d) of such Code.

"(v) CURRENT EMPLOYMENT STATUS DEFINED.—For purposes of this subsection, an individual has 'current employment status' with an employer if the individual is an employee, is the employer, or is associated with the employer in a business relationship.

"(vi) TREATMENT OF SELF-EMPLOYED PERSONS AS EMPLOYERS.—For purposes of this subsection, the term 'employer' includes a self-employed person.".

(b) CONFORMING AMENDMENTS FOR WORKING AGED.—Section 1862(b)(1)(A) (42 U.S.C. 1395y(b)(1)(A)) is amended—

(1) by amending subclauses (I) and (II) of clause (i) to read as follows:

"(I) may not take into account that an individual (or the individual's spouse) who is covered under the plan by virtue of the individual's current employment status with an employer is entitled to benefits under this title under section 226(a), and

"(II) shall provide that any individual age 65 or over (and the individual's spouse age 65 or older) who is covered under the plan by virtue of the individual's current employment status with an employer shall be entitled to the same benefits under the plan under the same conditions as any such individual (or spouse) under age 65.";

(2) by striking clauses (ii), (iii), and (v), and

(3) by redesignating clause (iv) as clause (ii).

(c) AMENDMENTS FOR DISABLED INDIVIDUALS.—Section 1862(b) (42 U.S.C. 1395y(b)) is amended—

(1) by amending the heading and clause (i) of paragraph (1)(B) to read as follows:

"(B) DISABLED INDIVIDUALS UNDER GROUP HEALTH PLANS.—

"(i) IN GENERAL.—A group health plan may not take into account that an individual (or a member of the individual's family) who is covered under the plan by virtue of the individual's current employment status with an employer is entitled to benefits under this title under section 226(b).";

(2) by striking clause (iv) of paragraph (1)(B); and

(3) in the second sentence of paragraph (2)(A), by striking "or large group health plan".

(d) AMENDMENTS FOR INDIVIDUALS WITH ESRD.—Section 1862(b)(1)(C) (42 U.S.C. 1395y(b)(1)(C)) is amended—

(1) in the matter preceding clause (i), by striking "(as defined in paragraph (A)(v))",

(2) by striking "solely" each place it appears,

(3) by striking "by reason of" and inserting "under" each place it appears, and

(4) by inserting "or eligible for" after "entitled to" each place it appears.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to items and services furnished on or after January 1, 1994.

SEC. 5074. MEDICARE HOSPITAL AGREEMENTS WITH ORGAN PROCUREMENT ORGANIZATIONS.

(a) IN GENERAL.—Section 1138(a)(1) (42 U.S.C. 1320b–8(a)(1)) is amended—

(1) by striking "and" at the end of subparagraph (A),

(2) by striking the period at the end of subparagraph (B) and inserting "; and", and

(3) by adding at the end the following new subparagraph:

"(C) in the case of a hospital or rural primary care hospital that has in effect an agreement (described in section 371(b)(3)(A) of the Public Health Service Act) with an organ procurement organization, the agreement is with such organization for the service area in which the hospital is located (as established under such section).".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to hospitals participating in the programs under titles XVIII and XIX of the Social Security Act as of January 1, 1994.

SEC. 5075. EXTENSION OF WAIVER FOR WATTS HEALTH FOUNDATION.

Section 9312(c)(3)(D) of OBRA–1986, as added by section 4018(d) of OBRA–1987 and as amended by section 6212(a)(1) of OBRA–1989, is amended by striking "1994" and inserting "1996".

SEC. 5076. IMPROVED OUTREACH FOR QUALIFIED MEDICARE BENEFICIARIES.

The Secretary of Health and Human Services shall establish and implement a method for obtaining information from newly eligible medicare beneficiaries that may be used to determine whether such beneficiaries may be eligible for medical assistance for medicare cost-sharing under State medicaid plans as qualified medicare beneficiaries, and for transmitting such information to the State in which such a beneficiary resides.

SEC. 5077. PEER REVIEW ORGANIZATIONS.

(a) REPEAL OF PRO PRECERTIFICATION REQUIREMENT FOR CERTAIN SURGICAL PROCEDURES.—

(1) IN GENERAL.—Section 1164 (42 U.S.C. 1320c–13) is repealed.

(2) CONFORMING AMENDMENTS.—

(A) Section 1154 (42 U.S.C. 1320c–3) is amended—

(i) in subsection (a), by striking paragraph (12), and

(ii) in subsection (d), by striking "(and except as provided in section 1164)".

(B) Section 1833 (42 U.S.C. 13951) is amended—

(i) in subsection (a)(1)(D)(i), by striking ", or for tests furnished in connection with obtaining a second opinion required under section 1164(c)(2) (or a third opinion, if the second opinion was in disagreement with the first opinion)";

(ii) in subsection (a)(1), by striking clause (G);

(iii) in subsection (a)(2)(A), by striking "to items and services (other than clinical diagnostic laboratory tests) furnished in connection with obtaining a second opinion required under section 1164(c)(2) (or a third opinion, if the second opinion was in disagreement with the first opinion),";

(iv) in subsection (a)(2)(D)(i)—

(I) by striking "related basis," and inserting "related basis or", and

(II) by striking ", or for tests furnished in connection with obtaining a second opinion required under section 1164(c)(2) (or a third opinion, if the second opinion was in disagreement with the first opinion))";

(v) in subsection (a)(3), by striking "and for items and services furnished in connection with obtaining a second opinion required under section 1164(c)(2), or a third opinion, if the second opinion was in disagreement with the first opinion)"; and

(vi) in the first sentence of subsection (b), by striking "(4)" and all that follow through "and (5)" and inserting "and (4)".

(C) Section 1834(g)(1)(B) (42 U.S.C. 1395m(g)(1)(B)) is amended by striking "and for items and services furnished in connection with obtaining a second opinion required under section 1164(c)(2), or a third opinion, if the second opinion was in disagreement with the first opinion)".

(D) Section 1862(a) (42 U.S.C. 1395y(a)) is amended—

(i) by adding "or" at the end of paragraph (14),

(ii) by striking "; or" at the end of paragraph (15) and inserting a period, and

(iii) by striking paragraph (16).

(E) The third sentence of section 1866(a)(2)(A) (42 U.S.C. 1395w(a)(2)(A)) is amended by striking ", with respect to items and services furnished in connection with obtaining a second opinion required under section 1164(c)(2) (or a third opinion, if the second opinion was in disagreement with the first opinion),".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to services provided on or after the date of the enactment of this Act.

(b) MISCELLANEOUS AND TECHNICAL CORRECTIONS.—(1) The third sentence of section 1156(b)(1) (42 U.S.C. 1320c–5(b)(1)) is amended by striking "whehter" and inserting "whether".

(2)(A) Subparagraph (B) of section 1154(a)(9) (42 U.S.C. 1320c–3(a)(9)) is amended to read as follows:

"(B) If the organization finds, after reasonable notice and opportunity for discussion with the physician or practitioner concerned, that the physician or practitioner has furnished services in violation of section 1156(a), the organization shall notify the State board or boards responsible for the licensing or disciplining of the physician or practitioner of its finding and of any action taken as a result of the finding.".

(B) Subparagraph (D) of section 1160(b)(1) (42 U.S.C. 1320c–9(b)(1)) is amended to read as follows:

"(D) to provide notice in accordance with section 1154(a)(9)(B);".

(3) Section 4205(d)(2)(B) of OBRA–1990 is amended by striking "amendments" and inserting "amendment".

(4) Section 1160(d) (42 U.S.C. 1320c–9(d)) is amended by striking "subpena" and inserting "subpoena".

(5) Section 4205(e)(2) of OBRA–1990 is amended by striking "amendments" and inserting "amendment" and by striking "all".

(6)(A) Except as provided in subparagraph (B), the amendments made by this subsection shall take effect as if included in the enactment of OBRA–1990.

(B) The amendments made by paragraph (2) (relating to the requirement on reporting of information to State boards) shall take effect on the date of the enactment of this Act.

SEC. 5078. HOSPICE INFORMATION TO HOME HEALTH BENEFICIARIES.

(a) IN GENERAL.—Section 1891(a)(1) (42 U.S.C. 1395bbb(a)(1)) is amended by adding at the end the following new subparagraph:

"(H) The right, in the case of a resident who is entitled to benefits under this title, to be fully informed orally and in writing (at the time of coming under the care of the agency) of the entitlement of individuals to hospice care under section 1812(a)(4) (unless there is no hospice program providing hospice care for which payment may be made under this title within the geographic area of the facility and it is not the common practice of the agency to refer patients to hospice programs located outside such geographic area).".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to services furnished on or after the first day of the first month beginning more than one year after the date of the enactment of this Act.

SEC. 5079. HEALTH MAINTENANCE ORGANIZATIONS.

(a) ADJUSTMENT IN MEDICARE CAPITATION PAYMENTS TO ACCOUNT FOR REGIONAL VARIATIONS IN APPLICATION OF SECONDARY PAYER PROVISIONS.—

(1) IN GENERAL.—Section 1876(a)(4) (42 U.S.C. 1395mm(a)(4)) is amended by adding at the end the following new sentence: "In establishing the adjusted average per capita cost for a geographic area, the Secretary shall take into account the differences between the proportion of individuals in the

area with respect to whom there is a group health plan that is a primary plan (within the meaning of section 1862(b)(2)(A)) compared to the proportion of all such individuals with respect to whom there is such a group health plan.".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to contracts entered into for years beginning with 1994.

(b) REVISIONS IN THE PAYMENT METHODOLOGY FOR RISK CONTRACTORS.—Section 4204(b) of OBRA–1990 is amended to read as follows:

"(b) REVISIONS IN THE PAYMENT METHODOLOGY FOR RISK CONTRACTORS.—(1)(A) Not later than January 1, 1995, the Secretary of Health and Human Services (in this subsection referred to as the "Secretary") shall submit a proposal to the Congress that provides for revisions to the payment method to be applied in years beginning with 1996 for organizations with a risk-sharing contract under section 1876(g) of the Social Security Act.

"(B) In proposing the revisions required under subparagraph (A) the Secretary shall consider—

"(i) the difference in costs associated with medicare beneficiaries with differing health status and demographic characteristics; and

"(ii) the effects of using alternative geographic classifications on the determinations of costs associated with beneficiaries residing in different areas.

"(2) Not later than 3 months after the date of submittal of the proposal made pursuant to paragraph (1), the Comptroller General shall review the proposal and shall report to Congress on the appropriateness of the proposed modifications.".

(c) MISCELLANEOUS AND TECHNICAL CORRECTIONS.—(1) Section 1876(a)(3) (42 U.S.C. 1395mm(a)(3)) is amended by striking "subsection (c)(7)" and inserting "subsections (c)(2)(B)(ii) and (c)(7)".

(2) Section 4204(c)(3) of OBRA–1990 is amended by striking "for 1991" and inserting "for years beginning with 1991".

(3) Section 4204(d)(2) of OBRA–1990 is amended by striking "amendment" and inserting "amendments".

(4) Section 1876(a)(1)(E)(ii)(I) (42 U.S.C. 1395mm(a)(1)(E)(ii)(I)) is amended by striking the comma after "contributed to".

(5) Section 4204(e)(2) of OBRA–1990 is amended by striking "(which has a risk-sharing contract under section 1876 of the Social Security Act)".

(6) Section 4204(f)(4) of OBRA–1990 is amended by striking "final".

(7) Section 1862(b)(3)(C) (42 U.S.C. 1395y(b)(3)(C)) is amended—

(A) in the heading, by striking "PLAN" and inserting "PLAN OR A LARGE GROUP HEALTH PLAN";

(B) by striking "group health plan" and inserting "group health plan or a large group health plan";

(C) by striking ", unless such incentive is also offered to all individuals who are eligible for coverage under the plan"; and

(D) by striking "the first sentence of subsection (a) and other than subsection (b)" and inserting "subsections (a) and (b)".

(8) The amendments made by this subsection shall take effect as if included in the enactment of OBRA–1990.

SEC. 5080. MISCELLANEOUS AND TECHNICAL CORRECTIONS.

(a) SURVEY AND CERTIFICATION REQUIREMENTS.—(1) Section 1864 (42 U.S.C. 1395aa) is amended—

(A) in subsection (e), by striking "title" and inserting "title (other than any fee relating to section 353 of the Public Health Service Act)"; and

(B) in the first sentence of subsection (a), by striking "1861(s) or" and all that follows through "Service Act," and inserting "1861(s),".

(2) An agreement made by the Secretary of Health and Human Services with a State under section 1864(a) of the Social Security Act may include an agreement that the services of the State health agency or other appropriate State agency (or the appropriate local agencies) will be utilized by the Secretary for the purpose of determining whether a laboratory meets the requirements of section 353 of the Public Health Service Act.

(b) OTHER MISCELLANEOUS AND TECHNICAL PROVISIONS.—(1) Section 1833 (42 U.S.C. 1395l) is amended by redesignating the subsection (r) added by section 4206(b)(2) of OBRA–1990 as subsection (s).

(2) Section 1866(f)(1) (42 U.S.C. 1395cc(f)(1)) is amended by striking "1833(r)" and inserting "1833(s)".

(3) Section 1861(s)(2) (42 U.S.C. 1395x(s)(2)) is amended by moving subparagraph (O), as redesignated by section 5070(f)(7)(B)(iii)(II) of this subtitle, two ems to the left.

(4) Section 1881(b)(1)(C) (42 U.S.C. 1395rr(b)(1)(C)) is amended by striking "1861(s)(2)(Q)" and inserting "1861(s)(2)(P)".

(5) Section 4201(d)(2) of OBRA–1990 is amended by striking "(B) by striking", "(C) by striking", and "(3) by adding" and inserting "(i) by striking", "(ii) by striking", and "(B) by adding", respectively.

(6)(A) Section 4207(a)(1) of OBRA–1990 is amended by adding closing quotation marks and a period after "such review.".

(B) Section 4207(a)(4) of OBRA–1990 is amended by striking "this subsection" and inserting "paragraphs (2) and (3)".

(C) Section 4207(b)(1) of OBRA–1990 is amended by striking "section 3(7)" and inserting "section 601(a)(1)".

(7) Section 4202 of OBRA–1990 is amended—

(A) in subsection (b)(1)(A), by striking "home hemodialysis staff assistant" and inserting "qualified home hemodialysis staff assistant (as described in subsection (d))";

(B) in subsection (b)(2)(B)(ii)(I), by striking "(as adjusted to reflect differences in area wage levels)";

(C) in subsection (c)(1)(A), by striking "skilled"; and

(D) in subsection (c)(1)(E), by striking "(b)(4)" and inserting "(b)(2)".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of OBRA–1990.

Subtitle B—Medicaid Program and Other Health Care Provisions

SEC. 5100. REFERENCES IN SUBTITLE; TABLE OF CONTENTS OF SUBTITLE.

(a) AMENDMENTS TO SOCIAL SECURITY ACT.—Except as otherwise specifically provided, whenever in this subtitle an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.

(b) REFERENCES TO OBRA.—In this subtitle, the terms "OBRA–1986", "OBRA–1987", "OBRA–1989", and "OBRA–1990" refer to the Omnibus Budget Reconciliation Act of 1986 (Public Law 99–509), the Omnibus Budget Reconciliation Act of 1987 (Public Law 100–203), the Omnibus Budget Reconciliation Act of 1989 (Public Law 101–239), and the Omnibus Budget Reconciliation Act of 1990 (Public Law 101–508), respectively.

(c) TABLE OF CONTENTS OF SUBTITLE.—The table of contents of this subtitle is as follows:

Subtitle B—Medicaid Program and Other Health Care Provisions
Sec. 5100. References in subtitle; table of contents of subtitle.
CHAPTER 1—MEDICAID PROGRAM
SUBCHAPTER A—PROGRAM SAVINGS PROVISIONS
PART I—REPEAL OF MANDATE
Sec. 5101. Personal care services furnished outside the home as optional benefit.
PART II—OUTPATIENT PRESCRIPTION DRUGS
Sec. 5106. Permitting prescription drug formularies under State plans.
Sec. 5107. Elimination of special exemption from prior authorization for new drugs.
Sec. 5108. Technical corrections relating to section 4401 of OBRA–1990.
PART III—RESTRICTIONS ON DIVESTITURE OF ASSETS AND ESTATE RECOVERY
Sec. 5111. Transfer of assets.
Sec. 5112. Medicaid estate recoveries.
Sec. 5113. Closing loophole permitting wealthy individuals to qualify for medicaid.
PART IV—IMPROVEMENT IN IDENTIFICATION AND COLLECTION OF THIRD PARTY PAYMENTS
Sec. 5116. Liability of third parties to pay for care and services.
Sec. 5117. Medical child support.
PART V—ASSURING PROPER PAYMENTS TO DISPROPORTIONATE SHARE HOSPITALS
Sec. 5121. Assuring proper payments to disproportionate share hospitals.
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CHAPTER 1—MEDICAID PROGRAM

Subchapter A—Program Savings Provisions

PART I—REPEAL OF MANDATE

SEC. 5101. PERSONAL CARE SERVICES FURNISHED OUTSIDE THE HOME AS OPTIONAL BENEFIT.

(a) IN GENERAL.—Section 1905(a) (42 U.S.C. 1396d(a)), as amended by section 5174(c)(1), is further amended—

(1) in paragraph (7), by striking "including personal care services" and all that follows through "nursing facility";

(2) in paragraph (23), by striking "and" at the end;

(3) by redesignating paragraph (24) as paragraph (25); and

(4) by inserting after paragraph (23) the following new paragraph:

"(24) personal care services furnished to an individual who is not an inpatient or resident of a nursing facility that are (A) authorized by a physician for the individual in accordance with a plan of treatment, (B) provided by an individual who is qualified to provide such services and who is not a member of the individual's family, (C) supervised by a registered nurse, and (D) furnished in a home or other location; and".

(b) CONFORMING AMENDMENTS.—(1) Section 1902(a)(10)(C)(iv) (42 U.S.C. 1396a(a)(10)(C)(iv)), as amended by section 5174(c)(2)(A), is amended by striking "through (23)" and inserting "through (24)".

(2) Section 1902(j) (42 U.S.C. 1396a(j)), as amended by section 5174(c)(2)(B), is amended by striking "through (24)" and inserting "through (25)".

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect as if included in the enactment of section 4721(a) of OBRA–90.

PART II—OUTPATIENT PRESCRIPTION DRUGS

SEC. 5106. PERMITTING PRESCRIPTION DRUG FORMULARIES UNDER STATE PLANS.

(a) ELIMINATION OF PROHIBITION AGAINST USE OF FORMULARIES.—Paragraph (54) of section 1902(a)(54) (42 U.S.C. 1396a(a)(54)) is amended to read as follows:

"(54) in the case of a State plan that provides medical assistance for covered outpatient drugs (as defined in section 1927(k)), comply with the applicable requirements of section 1927;".

(b) STANDARDS FOR FORMULARIES.—Section 1927(d) (42 U.S.C. 1396r–8(d)), as amended by sections 5107(a) and 5108(b)(4)(A)(iii), is amended—

(1) by adding at the end of paragraph (1) the following new subparagraph:

"(C) In the case of a State that establishes a formulary in accordance with paragraph (5), the State may exclude coverage of a covered outpatient drug that is not included in the formulary."; and

(2) by inserting after paragraph (4) the following new paragraph:

"(5) REQUIREMENTS FOR FORMULARIES.—A State may establish a formulary only if the following requirements are met:

"(A) The formulary is established by a committee consisting of physicians, pharmacists, and other appropriate individuals appointed by the Governor of the State (or, at the option of the State, the State's drug use review board established under subsection (g)(3)).

"(B) Except as provided in subparagraph (C), the formulary includes the covered outpatient drugs of any manufacturer which has entered into and complies with an agreement under subsection (a).

"(C) The committee may exclude a covered outpatient drug with respect to the treatment of a specific disease or condition for an identified population (if any) only if the committee finds, based on the drug's labeling (or, in the case of a drug whose prescribed use is not approved under the Federal Food, Drug, and Cosmetic Act but is a medically accepted indication, based on information from the appropriate compendia described in subsection (k)(6)), that the excluded drug does not have a significant, clinically meaningful therapeutic advantage in terms of safety, effectiveness, or clinical outcome of such treatment for such population over other drugs included in the formulary.

"(D) With respect to a decision to exclude a covered outpatient drug from the formulary or a prescribed use of such a drug, the committee issues a written explanation of its decision that is available to the public, unless the decision was made at a meeting of the committee which was open to the public.

"(E) The manufacturer of the drug, and any person affected by the decision, may obtain a reversal of the committee's decision to exclude a covered outpatient drug from the formulary under subparagraph (C) on the ground that the decision was arbitrary and capricious, in accordance with an appeals process that is established by the State and that provides an opportunity for judicial review of such decision.

"(F) The State plan permits coverage of a drug excluded from the formulary pursuant to a prior authorization program that is consistent with paragraph (4).

"(G) The formulary meets such other requirements as the Secretary may impose.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to calendar quarters beginning on or after October 1, 1993, without regard to whether or not regulations to carry out such amendments have been promulgated by such date.

SEC. 5107. ELIMINATION OF SPECIAL EXEMPTION FROM PRIOR AUTHORIZATION FOR NEW DRUGS.

(a) IN GENERAL.—Section 1927(d) (42 U.S.C. 1396r–8(d)), as amended by section 5108(b)(4)(A)(iii), is amended by striking paragraph (5).

(b) CONFORMING AMENDMENT.—Section 1927(d)(3) (42 U.S.C. 1396r–8(d)(3)) is amended by striking "(except with respect" and all that follows through "of this paragraph)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to calendar quarters beginning on or after October 1, 1993, without regard to whether or not regulations to carry out such amendments have been promulgated by such date.

SEC. 5108. TECHNICAL CORRECTIONS RELATING TO SECTION 4401 OF OBRA–1990.

(a) SECTION 1903, SSA.—Paragraph (10) of section 1903(i), as inserted by section 4401(a)(1)(B) of OBRA–1990, is amended to read as follows:

"(10) with respect to covered outpatient drugs unless there is a rebate agreement in effect under section 1927 with respect to such drugs or unless section 1927(a)(3) applies;".

(b) SECTION 1927, SSA.—(1) Section 1927(a) (42 U.S.C. 1396r–8(a)) is amended—

(A) in paragraph (1)—

(i) by amending the second sentence to read as follows: "Any such agreement entered into prior to April 1, 1991, shall be deemed to have been entered into on January 1, 1991, and the amount of the rebate under such agreement shall be calculated as if the agreement had been entered into on January 1, 1991.", and

(ii) in the third sentence, by striking "March" and inserting "April";

(B) in paragraph (2)—

(i) by striking "first", and

(ii) by striking the period at the end and inserting the following: ", except that such paragraph (and section 1903(i)(10)(A)) shall not apply to the dispensing of such a drug before April 1, 1991, if the Secretary determines that there were extenuating circumstances with respect to the first calendar quarter of 1991.";

(C) in paragraph (3), by striking "single source" and all that follows and inserting the following: "covered outpatient drugs if—

"(A) based on information provided by a beneficiary's physician, the State has made a determination that the availability of the drug is essential to the health of the beneficiary under the State plan, and the Secretary has reviewed and approved such determination; and

"(B) the drug has been given a rating of 1-A by the Food and Drug Administration.";

(D) in paragraph (4)—

(i) by striking "in compliance with" and inserting "in effect under", and

(ii) by striking "coverage of the manufacturer's drugs" and inserting "ingredient costs of the manufacturer's covered outpatient drugs covered"; and

(E) by adding at the end the following new paragraph:

"(5) APPLICATION IN CERTAIN STATES AND TERRITORIES.—

"(A) APPLICATION IN STATES OPERATING UNDER DEMONSTRATION PROJECTS.—In the case of any State which is providing medical assistance to its residents under a waiver granted under section 1115, the Secretary shall require the State to meet the requirements of section 1902(a)(54) and of this section in the same manner as the State would be required to meet such requirements if the State had in effect a plan approved under this title.

"(B) NO APPLICATION IN COMMONWEALTHS AND TERRITORIES.—This section, and sections 1902(a)(54) and 1903(i)(10), shall only apply to a State that is one of the 50 States or the District of Columbia.".

(2) Section 1927(b) (42 U.S.C. 1396r–8(b)) is amended—

(A) in paragraph (1)(A)—

(i) by striking "(or periodically in accordance with a schedule specified by the Secretary)" and inserting "(or other period specified by the Secretary)", and

(ii) by inserting "after December 31, 1990, for which payment was made" after "dispensed";

(B) in paragraph (2)(A)—

(i) by striking "calendar quarter" and "the quarter" and inserting "rebate period" and "the period", respectively,

(ii) by striking "dosage units" and inserting "units of each dosage form and strength", and

(iii) by inserting "after December 31, 1990, for which payment was made" after "dispensed";

(C) in paragraph (3)(A)—

(i) in clause (i), by striking "quarter" each place it appears and inserting "calendar quarter or other rebate period under the agreement",

(ii) in clause (i), by striking the open parenthesis before "for" and the close parenthesis after "drugs",

(iii) in clause (i), by striking "subsection (c)(2)(B)) for covered outpatient drugs" and inserting "subsection (c)(1)(C) for each covered outpatient drug", and

(iv) in clause (ii), by inserting a comma after "this section" and after "1990";

(D) in paragraph (3)(B)—

(i) by striking "$100,000" and inserting "$10,000",

(ii) by striking "if the wholesaler" and inserting "for each instance in which the wholesaler",

(iii) by inserting "in response to such a request" after "false information", and

(iv) by striking "(with respect to amounts of penalties or additional assessments)";

(E) in paragraph (3)(C)—

(i) in clause (i), by striking "the penalty" and inserting "the rebate next required to be paid",

(ii) in clause (i), by striking "and such amount shall be paid to the Treasury, and, if" and inserting ". If",

(iii) in clause (ii), by inserting "under subparagraph (A)" after "provides false information", and

(iv) in clause (ii), by striking "Such civil money penalties are" and inserting "Any such civil money penalty shall be";

(F) in paragraph (3)(D), by striking "wholesaler," and inserting "wholesaler or the"; and

(G) in paragraph (4)(B)(iii), by adding at the end the following: "In the case of such a termination, a State may terminate coverage of the drugs affected by such termination as of the effective date of such termination without providing any advance notice otherwise required by regulation.".

(3) Section 1927(c) (42 U.S.C. 1396r–8(c)) is amended—

(A) in paragraph (1) in the matter preceding subparagraph (A)—

(i) by striking the first sentence,

(ii) in the second sentence, by striking "Except as otherwise provided" and all that follows through "the Secretary)" and inserting the following: "For purposes of this section, the amount of the rebate under this subsection for a rebate period", and

(iii) by inserting "(except as provided in subsection (b)(3)(C) and paragraph (2))" after "drugs shall";

(B) in paragraph (1)(A), by striking "the quarter (or other period)" and inserting "the rebate period";

(C) in subparagraph (C)—

(i) by striking "For purposes of this paragraph" and inserting "BEST PRICE DEFINED.—For purposes of this section",

(ii) by inserting "provider," after "retailer,", and

(iii) by striking the semicolon at the end and inserting a period; and

(D) by striking subparagraph (D) and inserting the following:

"(D) USE OF ESTIMATED BEST PRICES DURING INITIAL YEAR OF AVAILABILITY OF DRUG.—If the Secretary determines that a manufacturer cannot determine the best price for rebate periods during the first year in which an agreement is in effect until after the end of the year, as part of the agreement the Secretary may require the manufacturer to estimate the best price for rebate periods during the year and provide an adjustment to the rebate paid to the State to take into account the difference (if any) between the best price and the estimated best price.".

(4)(A) Section 1927(d) (42 U.S.C. 1396r–8(d)) is amended—

(i) in paragraph (2)—

(I) in subparagraph (A), by inserting "or loss" after "gain",

(II) by striking subparagraph (I), and

(III) by redesignating subparagraphs (J) and (K) as subparagraphs (I) and (J);

(ii) in paragraph (3)—

(I) by striking "described in paragraph (2)", and

(II) by inserting "described in paragraph (2)" after "classes of drugs,";

(iii) by striking paragraph (4) and by redesignating paragraphs (5) through (7) as paragraphs (4) through (6);

(iv) in paragraph (6), as so redesignated, by striking "provided" and inserting "if"; and

(v) by striking the second sentence of paragraph (6), as so redesignated, and paragraph (8) and inserting the following:

"(7) CONSTRUCTION WITH RESPECT TO FRAUD AND ABUSE.—Nothing in this section shall be construed to restrict the authority of a State to apply sanctions under this Act against any person for fraud or abuse.".

(B) Section 1927(d)(4) of the Social Security Act, as redesignated by subparagraph (A)(iii), shall first apply to drugs dispensed on or after July 1, 1991.

(5)(A) Section 1927(f) (42 U.S.C. 1396r–8(f)) is amended to read as follows:

"(f) NO REDUCTIONS IN PHARMACY REIMBURSEMENT LIMITS.—

"(1) IN GENERAL.—During the period beginning on November 5, 1990, and ending on December 31, 1994—

"(A) a State may not reduce the amount paid by the State under this title with respect to the ingredient cost of a covered outpatient drug or the dispensing fee for such a drug below the amount in effect as of November 5, 1990, and

"(B) the Secretary may not change the regulations in effect on November 5, 1990, governing the amounts described in subparagraph (A) which are eligible for Federal financial participation, to reduce the reimbursement limits described in such regulations.

"(2) CONSTRUCTION.—If the Secretary notified a State before November 5, 1990, that its payment amounts under this title with respect to the ingredient cost of a covered outpatient drug or the dispensing fee for such a drug were in excess of those permitted under regulations in effect on such date, paragraph (1)(B) shall not be construed as preventing a State from reducing payment amounts or dispensing fee in order to comply with such regulations.".

(B) Not later than April 1, 1994, the Secretary of Health and Human Services shall establish an upper limit on the amount of payment which is eligible for Federal financial participation under title XIX of the Social Security Act for each multiple source drug (as defined in section 1927(k)(7)(A)(i) of such Act) for which the Food and Drug Administration has rated at least 3 formulations of such drug as therapeutically and pharmaceutically equivalent, regardless of whether all the formulations of such drug are rated as so equivalent. In establishing such a limit for a drug, the Secretary shall take into account only those formulations of the drug which the Food and Drug Administration has rated as therapeutically and pharmaceutically equivalent.

(6) Section 1927(g) (42 U.S.C. 1396r–8(g)) is amended—

(A) by amending paragraph (1) to read as follows:

"(1) REQUIREMENT FOR DRUG USE REVIEW PROGRAM.—Each State shall provide, by not later than January 1, 1993, for a drug use review program for covered outpatient drugs (other than drugs dispensed to residents of nursing facilities) that—

"(i) meets the requirements of paragraph (2), and

"(ii) is intended to assure that prescriptions for such drugs are appropriate, medically necessary, and not likely to lead to adverse medical results.";

(B) in paragraph (2)—

(i) by amending the matter before subparagraph (A) to read as follows:

"(2) REQUIREMENTS.—",

(ii) by amending subparagraph (A) to read as follows:

"(A) PROSPECTIVE DRUG USE REVIEW.—Each drug use review program shall provide for a review of drug therapy before each prescription is filled or delivered to an individual receiving benefits under this title (including counseling by pharmacists) consistent with standards established by the Secretary. Nothing in this paragraph shall be construed as requiring a pharmacist to provide consultation when an individual receiving benefits under this title or caregiver of such individual refuses such consultation.",

(iii) in subparagraph (C)—

(I) by striking "APPLICATION OF STANDARDS.—" and inserting "STANDARDS.—(i)",

(II) by striking "and literature referred to in subsection (1)(B)" and inserting "described in clause (ii)",

(III) by striking "including but not limited to" and inserting ". Such assessment shall include",

(IV) by striking "abuse/misuse and, as necessary, introduce remedial strategies," and inserting "abuse or misuse and introduce remedial strategies", and

(V) by adding at the end the following new clause:

"(ii) The compendia described in this clause are the American Hospital Formulary Service Drug Information, the United States Pharmacopeia-Drug Information, and the American Medical Association Drug Evaluations.", and

(iv) by amending subparagraph (D) to read as follows:

"(D) EDUCATIONAL PROGRAM.—The program shall educate (directly or by contract) pharmacists, physicians, and other individuals prescribing or dispensing covered outpatient drugs under the State plan on common drug therapy problems in order to improve prescribing or dispensing practices.";

(C) in paragraph (3)—

(i) in subparagraph (A), by striking "(hereinafter" and all that follows and inserting "(in this paragraph referred to as the 'DUR Board').",

(ii) in subparagraph (B), by striking "51 percent" and all that follows and inserting "50 percent licensed and actively practicing physicians and at least 1/3 but not more than 50 percent licensed and actively practicing pharmacists.",

(iii) by amending subparagraph (C) to read as follows:

"(C) RESPONSIBILITIES.—The responsibilities of the DUR Board shall include the following:

"(i) Carrying out retrospective drug use review pursuant to paragraph (2)(B).

"(ii) Establishing and applying standards for drug use review described in paragraph (2)(C).

"(iii) Implementing educational programs described in paragraph (2)(D).

"(iv) Conducting ongoing evaluations of the effectiveness of its programs and activities in improving the quality and safety of drug therapy for individuals receiving benefits under the State plan."; and

(D) by amending subparagraph (D) to read as follows:

"(4) ANNUAL REPORT.—Each State shall submit a report each year to the Secretary on the nature and scope of the drug use review program under this subsection. Such report shall include an estimate of cost savings resulting from operation of such program.".

(7) Section 1927(h) (42 U.S.C. 1396r–8(h)) is amended to read as follows:

"(h) ENCOURAGING ELECTRONIC CLAIMS MANAGEMENT.—The Secretary shall encourage each single State agency under this title to establish, as its principal means of processing claims for covered outpatient drugs, a point-of-sale electronic claims management system for the purpose of verifying eligibility, transmitting data on claims, and assisting pharmacists and other authorized persons in applying for and receiving payment under the State plan.".

(8) Section 1927(i) (42 U.S.C. 1396r–8(i)) is amended to read as follows:

"(i) ANNUAL REPORT ON REBATE PROGRAM.—Not later than May 1 of each year, the Secretary shall submit to the Committee on Finance of the Senate, the Committee on Energy and Commerce of the House of Representatives, and the Committee on Aging of the Senate a report on the operation of the rebate agreements required for covered outpatient drugs under this section in the preceding fiscal year, and shall include in the report such information in addition to the information required to be reported under section 601(d) of the Veterans Health Care Act of 1992 as the Secretary considers appropriate.".

(9) Section 1927(j) (42 U.S.C. 1396r–8(j)) is amended to read as follows:

"(j) EXEMPTION FROM CERTAIN REQUIREMENTS FOR CERTAIN HEALTH MAINTENANCE ORGANIZATIONS AND HOSPITALS.—

"(1) CERTAIN HEALTH MAINTENANCE ORGANIZATIONS AND PHARMACIES.—The requirements of subsections (g) and (h) shall not apply with respect to covered outpatient drugs dispensed by—

"(A) an entity which receives payment under a prepaid capitation basis or under any other risk basis in accordance with section 1903(m)(2)(A) for services provided under the State plan; or

"(B) a pharmacy that is owned or operated by a qualified health maintenance organization (as defined in section 1310(d) of the Public Health Service Act) that operates its own prospective drug use review program.

"(2) HOSPITALS WITH INDEPENDENT FORMULARY SYSTEMS.—

"(A) IN GENERAL.—The requirements of subsections (g) and (h) shall not apply with respect to covered outpatient drugs dispensed by a hospital providing medical assistance under the State plan that dispenses such drugs under a drug formulary system.

"(B) APPLICATION OF STATE FORMULARY.—Nothing in subparagraph (A) shall be construed to permit payment to be made under the State plan for a covered outpatient drug that is included in a drug formulary but that is not included in the State formulary under subsection (d)(5).

"(3) CONSTRUCTION IN DETERMINING BEST PRICE.—Nothing in this subsection shall be construed to exclude any covered outpatient drugs subject to the provisions of this subsection from the determination of the best price (as defined in subsection (c)(1)(C)) for such drugs.".

(10) Section 1927(k) (42 U.S.C. 1396r–8(k)) is amended—

(A) in paragraph (1), by striking "calendar quarter" and inserting "rebate period";

(B) in paragraph (2)—

(i) in the matter before clause (i) of subparagraph (A), strike "paragraph (5)" and insert "subparagraph (D)",

(ii) by striking "and" at the end of subparagraph (A),

(iii) by striking the period at the end of subparagraph (C) and inserting "; and", and

(iv) by adding at the end the following new subparagraph:

"(D) a drug which may be sold without a prescription (commonly referred to as an 'over-the-counter drug'), if the drug is prescribed by a physician (or other person authorized to prescribe under State law).";

(C) in paragraph (3)—

(i) in subparagraph (E), by striking "**** emergency room visits",

(ii) in subparagraph (F), by striking "sevices" and inserting "services", and

(iii) in subparagraph (H), by inserting "services" after "dialysis";

(D) by striking paragraph (4);

(E) by amending paragraph (5) to read as follows:

"(5) MANUFACTURER.—The term 'manufacturer' means, with respect to a covered outpatient drug,—

"(A) the entity (if any) that both manufactures and distributes the drug, or

"(B) if no such entity exists, the entity that distributes the drug.

Such term does not include a wholesale distributor of the drug that does not hold a National Drug Code number for the drug or a retail pharmacy licensed under State law.";

(F) in paragraph (6), by striking ", which appears" and all that follows and inserting "which is accepted by any of the compendia described in subsection (g)(2)(C)(ii).";

(G) in paragraph (7)—

(i) in subparagraph (A)(i), by striking "calendar quarter" and inserting "rebate period",

(ii) in subparagraph (A)(i), by striking "paragraph (5)" and inserting "paragraph (2)(D)",

(iii) in subparagraph (A)(ii), by inserting "or product licensing application" after "application",

(iv) in subparagraph (C)(i), by striking "pharmaceuutically" and inserting "pharmaceutically", and

(v) in subparagraph (C)(iii), by striking ", provided that" and inserting "and"; and

(H) by redesignating paragraph (8) as paragraph (9) and by inserting after paragraph (7) the following new paragraph:

"(8) REBATE PERIOD.—The term 'rebate period' means, with respect to an agreement under subsection (a), a calendar quarter or other period specified with respect to the agreement under subsection (b)(1)(A) for the payment of rebates.".

(d) FUNDING.—Section 4401(b)(2) of OBRA–1990 is amended by striking "75 percent," and all that follows and inserting "75 percent.".

(e) DEMONSTRATION PROJECTS.—Section 4401(c)(1) of OBRA–1990 is amended—

(A) in subparagraph (A), by striking "10" and inserting "5"; and

(B) in subparagraph (C), by striking "regiment" and inserting "regimen".

(f) STUDIES.—Section 4401(d) of OBRA–1990 is amended—

(1) in paragraph (1)(A), by striking "other institutional facilities, and managed care plans" and inserting "nursing facilities, intermediate care facilities for the mentally retarded, and health maintenance organizations";

(2) in paragraph (1)(B), by striking "under this subsection" and inserting "under this paragraph";

(3) in paragraph (1)(B)(i), by striking "under this section" and inserting "under section 1927 of the Social Security Act";

(4) in paragraph (1)(B)(ii)—

(A) by striking "drug use review" and inserting "the type of drug use review that is", and

(B) by striking "under this section" and inserting "under such section";

(5) in paragraph (1)(B)(iii), by striking "under this title" and inserting "under title XIX of the Social Security Act";

(6) in paragraph (1)(C)—

(A) by striking "May 1, 1991" and inserting "May 1, 1992", and

(B) by striking "hereafter";

(7) in paragraph (2), by striking "the Committees on Aging of the Senate and House of Representatives an annual report and inserting "the Committee on Aging of the Senate a report";

(8) in paragraph (3)—

(A) in subparagraph (A), by striking ", acting in consultation with the Comptroller General,",

(B) by indenting subparagraph (B) an additional 2 ems, and

(C) in subparagraph (B)—

(i) by striking "December 31, 1991, the Secretary and the Comptroller General" and inserting "June 1, 1993, the Secretary", and

(ii) by striking "the Committees on Aging of the Senate and the House of Representatives" and inserting "the Committee on Aging of the Senate";

(9) in paragraph (4)(A), by striking "each" and by striking the semicolon and inserting a comma; and

(10) by striking paragraphs (5) and (6).

PART III—RESTRICTIONS ON DIVESTITURE OF ASSETS AND ESTATE RECOVERY

SEC. 5111. TRANSFER OF ASSETS.

(a) Period of Ineligibility.—

(1) Extending look-back period to 36 months.—Section 1917(c)(1) (42 U.S.C. 1396p(c)(1)) is amended by striking "30-month period" and inserting "36-month period".

(2) Eliminating 30-month limit on period of ineligibility.—The second sentence of such section is amended by striking "equal to" and all that follows and inserting the following: "equal to—

"(A) the total uncompensated value of the resources so transferred; divided by

"(B) the average monthly cost, to a private patient at the time of the application, of nursing facility services in the State or, at State option, in the community in which the individual is institutionalized.".

(3) Cumulative periods of ineligibility in the case of multiple transfers.—Such sentence is further amended by inserting "(or, in the case of a transfer which occurs during a period of ineligibility attributable to a previous transfer, the first month after the end of all periods of ineligibility attributable to any previous transfer)" after "shall begin with the month in which such resources were transferred".

(b) Criteria for Undue Hardship Exception.—Section 1917(c)(2)(D) (42 U.S.C. 1396p(c)(2)(D)) is amended to read as follows:

"(D) the State agency determines, under procedures established by the State (in accordance with standards specified by the Secretary) that the denial of eligibility would work an undue hardship (in accordance with criteria established by the Secretary).".

(c) Treatment of Jointly Held Assets.—Section 1917(c) (42 U.S.C. 1936p(c)) is further amended by adding at the end the following new paragraph:

"(6) For purposes of this subsection, in the case of an asset held by an individual in common with another person or persons in a joint tenancy or a similar arrangement, the asset (or the affected portion thereof) shall be considered to be transferred by such individual when any action is taken, either by such individual or by any other person, that reduces or eliminates such individual's ownership or control of such asset.".

(d) Medicaid Qualifying Trusts.—Section 1902(k) (42 U.S.C. 1396a(k)) is amended to read as follows:

"(k) Treatment of Trust Amounts.—

"(1) In General.—For purposes of determining an individual's eligibility for or amount of benefits under a State plan under this title, subject to paragraph (4), the following rules shall apply to a trust (which term includes, for purposes of this subsection, any similar legal instrument or device, such as an annuity) established by such individual:

"(A) Revocable trusts.—In the case of a revocable trust—

"(i) the corpus of the trust shall be considered resources available to the individual,

"(ii) payments from the trust to or for the benefit of the individual shall be considered income of the individual, and

"(iii) any other payments from the trust shall be considered a transfer of assets by the individual subject to section 1917(c).

"(B) Irrevocable trusts which may benefit grantor.—In the case of an irrevocable trust, if there are any circumstances under which payment from the trust could be made to or for the benefit of the individual—

"(i) the corpus of the trust (or that portion of the corpus from which, or from the increase whereof, payment to the individual could be made) shall be considered resources available to the individual, and payments from that portion of the corpus (or increase)—

"(I) to or for the benefit of the individual, shall be considered income of the individual, and

"(II) for any other purpose, shall be considered a transfer of assets by the individual subject to the provisions of section 1917(c); and

"(ii) any portion of the trust from which (or from the income whereof) no payment could under any circumstances be made to the individual shall be considered, as of the date of establishment of the trust (or, if later, the date on which payment to the individual was foreclosed), a transfer of assets by the individual subject to section 1917(c), and payments from such portion of the trust after such date shall be disregarded.

"(C) Irrevocable trusts which cannot benefit grantor.—In the case of an irrevocable trust, if no payment may be made from the trust under any circumstances to or for the benefit of the individual—

"(i) the corpus of the trust shall be considered, as of the date of establishment of the trust (or, if later, the date on which payment to the individual was foreclosed), a transfer of assets subject to section 1917(c), and

"(ii) payments from the trust after the date specified in clause (i) shall be disregarded.

"(2) Determination of grantor.—

"(A) Treatment of acts by individual and others.—For purposes of this subsection, an individual shall be considered to have established a trust if—

"(i) the individual (or the individual's spouse), or a person (including a court or administrative body) with legal authority to act in place of or on behalf of such individual (or spouse), or any person (including any court or administrative body) acting at the direction or upon the request of such individual (or spouse), established (other than by will) such a trust, and

"(ii) assets of the individual (as defined in subparagraph (B)) were used to form all or part of the corpus of such trust.

"(B) Assets.—For purposes of this paragraph, assets of an individual include all income and resources of the individual and of the individual's spouse, including any income or resources which the individual (or spouse) is entitled to but does not receive because of action by the individual (or spouse), by a person (including a court or administrative body) with legal authority to act in place of or on behalf of such individual (or spouse), or by any person (including any court or administrative body) acting at the direction or upon the request of such individual (or spouse).

"(C) Trusts containing assets of more than one individual.—In the case of a trust whose corpus includes assets of an individual (as determined pursuant to subparagraph (A)) and assets of any other person or persons, the provisions of this subsection shall apply to the portion of the trust attributable to the assets of the individual.

"(3) Application; relation to other provisions.—Subject to paragraph (4), this subsection shall apply without regard to—

"(A) the purposes for which the trust is established,

"(B) whether the trustees have or exercise any discretion under the trust,

"(C) any restrictions on when or whether distributions may be made from the trust, or

"(D) any restrictions on the use of distributions from the trust.

"(4) Exceptions and hardship waiver.—

"(A) Exception for certain trusts.—This subsection shall not apply to any of the following trusts:

"(i) A trust established for the benefit of a disabled individual (as determined under section 1614(a)(3)) by a parent, grandparent, or other representative payee of the individual.

"(ii) A trust established in a State for the benefit of an individual if—

"(I) the trust is composed only of pension, Social Security, and other income to the individual (and accumulated income in the trust),

"(II) the State will receive any amounts remaining in the trust upon the death of the individual, and

"(III) the State makes medical assistance available to individuals described in section 1902(a)(10)(A)(ii)(V), but does not make such assistance available to any group of individuals under section 1902(a)(10)(C).

"(B) Special treatment of annuities.—In this subsection, the term 'trust' includes an annuity only to such extent and in such manner as the Secretary specifies.

"(C) Hardship waiver.—The State agency shall establish procedures (in accordance with standards specified by the Secretary) under which the agency waives the application of this subsection with respect to an individual if the individual establishes (under criteria established by the Secretary) that such application would work an undue hardship on the individual.".

(e) Effective Date.—(1) The amendments made by this section shall apply, except as provided in this subsection, to payments under title XIX of the Social Security Act for calendar quarters beginning on or after October 1, 1993, without regard to whether or not final regulations to carry out such amendments have been promulgated by such date.

(2) The amendments made by this section shall not apply—

(A) to medical assistance provided for services furnished before October 1, 1993,

(B) with respect to resources disposed of before May 11, 1993,

(C) with respect to trusts established before May 11, 1993, or

(D) with respect to inter-spousal transfers.

SEC. 5112. MEDICAID ESTATE RECOVERIES.

(a) REQUIRING ESTABLISHMENT OF ESTATE RECOVERY PROGRAMS.—

(1) IN GENERAL.—Section 1902(a)(51) (42 U.S.C. 1396a(a)(51)) is amended by striking "and (B)" and inserting "(B) provide for an estate recovery program that meets the requirements of section 1917(b)(1), and (C)".

(2) REQUIREMENTS FOR ESTATE RECOVERY PROGRAMS.—Section 1917(b) (42 U.S.C. 1396p(b)) is amended—

(A) in paragraph (1)—

(i) by striking "(b)(1)" and inserting "(2)", and

(ii) by striking "(a)(1)(B)" and inserting "(a)(1)(B)(i)";

(B) in paragraph (2), by striking "(2) Any adjustment or recovery under" and inserting "(3) Any adjustment or recovery under an estate recovery program under"; and

(C) by inserting before paragraph (2), as designated by subparagraph (A), the following:

"(b)(1) For purposes of section 1902(a)(51)(B), the requirements for an estate recovery program of a State are as follows:

"(A) The program provides for identifying and tracking (and, at the option of the State, preserving) resources (whether excluded or not) of individuals who are furnished any of the following long-term care services for which medical assistance is provided under this title:

"(i) Nursing facility services.

"(ii) Home and community-based services (as defined in section 1915(d)(5)(C)(i)).

"(iii) Services described in section 1905(a)(14) (relating to services in an institution for mental diseases).

"(iv) Home and community care provided under section 1929.

"(v) Community supported living arrangements services provided under section 1930.

"(B) The program provides for promptly ascertaining—

"(i) when such an individual dies;

"(ii) in the case of such an individual who was married at the time of death, when the surviving spouse dies; and

"(iii) at the option of the State, cases in which adjustment or recovery may not be made at the time of death because of the application of paragraph (3)(A) or paragraph (3)(B).

"(C)(i) The program provides for the collection consistent with paragraph (3) of an amount (not to exceed the amount described in clause (ii)) from—

"(I) the estate of the individual;

"(II) in the case of an individual described in subparagraph (B)(ii), from the estate of the surviving spouse; or

"(III) at the option of the State, in a case described in subparagraph (B)(iii), from the appropriate person.

"(ii) The amount described in this clause is the amount of medical assistance correctly paid under this title for long-term care services described in subparagraph (A) furnished on behalf of the individual.".

(b) HARDSHIP WAIVER.—Section 1917(b) (42 U.S.C. 1396p(b)) is further amended by adding at the end the following new paragraph:

"(4) The State agency shall establish procedures (in accordance with standards specified by the Secretary) under which the agency waives the application of this subsection if such application would work an undue hardship (in accordance with criteria established by the Secretary).".

(c) DEFINITION OF ESTATE.—Section 1917(b) (42 U.S.C. 1396(b)) is further amended by adding at the end the following new paragraph:

"(5) For purposes of this section, the term 'estate', with respect to a deceased individual, includes all real and personal property and other assets in which the individual had any legally cognizable title or interest at the time of his death, including such assets conveyed to a survivor, heir, or assign of the deceased individual through joint tenancy, survivorship, life estate, living trust, or other arrangement.".

(d) EFFECTIVE DATE.—

(1)(A) The amendments made by subsections (a) and (b) apply (except as provided under subparagraph (B)) to payments under title XIX of the Social Security Act for calendar quarters beginning on or after October 1, 1993, without regard to whether or not final regulations or standards to carry out such amendments have been promulgated by such date.

(B) In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order for the plan to meet the additional requirements imposed by the amendments made by subsections (a) and (b), the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

(2) The amendments made by this section shall not apply to individuals who died before October 1, 1993.

SEC. 5113. CLOSING LOOPHOLE PERMITTING WEALTHY INDIVIDUALS TO QUALIFY FOR MEDICAID.

(a) IN GENERAL.—Section 1902(r)(2) (42 U.S.C. 1396a(r)(2)) is amended by adding at the end the following:

"(C)(i) Notwithstanding subparagraph (A), except as provided in clause (ii), a State plan may not provide pursuant to this paragraph for disregarding any assets—

"(I) to the extent that payments are made under a long-term care insurance policy; or

"(II) because an individual has received (or is entitled to receive) benefits for a specified period of time under a long-term care insurance policy.

"(ii) Clause (i) shall not apply to State plan provisions that are approved as of May 14, 1993.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act.

PART IV—IMPROVEMENT IN IDENTIFICATION AND COLLECTION OF THIRD PARTY PAYMENTS

SEC. 5116. LIABILITY OF THIRD PARTIES TO PAY FOR CARE AND SERVICES.

(a) LIABILITY OF ERISA PLANS.—(1) Section 1902(a)(25)(A) (42 U.S.C. 1396a(a)(25)(A)) is amended by striking "insurers)" and inserting "insurers and group health plans (as defined in section 607(1) of the Employee Retirement Income Security Act of 1974) and including a service benefit plan and a health maintenance organization)".

(2) Section 1903(o) of such Act (42 U.S.C. 1396b(o)) is amended by striking "regulation)" and inserting "regulation and including a group health plan (as defined in section 607(1) of the Employee Retirement Income Security Act of 1974)), a service benefit plan, and a health maintenance organization".

(b) REQUIRING STATE TO PROHIBIT INSURERS FROM TAKING MEDICAID STATUS INTO ACCOUNT.—Section 1902(a)(25) (42 U.S.C. 1396a(a)(25)) is amended—

(1) by striking "and" at the end of subparagraph (F);

(2) by adding "and" at the end of subparagraph (G); and

(3) by adding after subparagraph (G) the following new subparagraph:

"(H) that the State prohibits any health insurer (including a group health plan, as defined in section 607(1) of the Employee Retirement Income Security Act of 1974, a service benefit plan, and a health maintenance organization), in enrolling an individual or in making any payments for benefits to the individual or on the individual's behalf, from taking into account that the individual is eligible for or is provided medical assistance under a State plan;".

(c) STATE RIGHT TO SUBROGATION.—Section 1902(a)(25) (42 U.S.C. 1396a(a)(25)), as amended by subsection (b), is further amended—

(1) by striking "and" at the end of subparagraph (G);

(2) by adding "and" at the end of subparagraph (H); and

(3) by adding after subparagraph (H) the following new subparagraph:

"(I) that to the extent that payment has been made under the State plan for medical assistance in any case where a third party has a legal liability to make payment for such assistance, the State is subrogated to the right of any other party to payment for such assistance;".

(d) EFFECTIVE DATE.—(1) Except as provided in paragraph (2), the amendments made by subsections (a)(1), (b), and (c) shall apply to calendar quarters beginning on or after October 1, 1993, without regard to whether or not final regulations to carry out such amendments have been promulgated by such date.

(2) In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order for the plan to meet the additional requirements imposed by the amendments made by subsections (a) and (b), the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

(3) The amendment made by subsection (a)(2) shall apply to items and services furnished on or after October 1, 1993.

SEC. 5117. MEDICAL CHILD SUPPORT.

(a) STATE PLAN REQUIREMENT.—Section 1902(a)(45) (42 U.S.C. 1396a(a)(45)) is amended by striking "owed to recipients" and inserting "and have in effect laws relating to medical child support".

(b) MEDICAL CHILD SUPPORT LAWS.—Section 1912 of such Act (42 U.S.C. 1396k) is amended—

(1) by adding at the end of the heading the following: "; REQUIRED LAWS RELATING TO MEDICAL CHILD SUPPORT"; and

(2) by adding at the end the following new subsection:

"(c) The laws relating to medical child support, which a State is required to have in effect under section 1902(a)(45), are as follows:

"(1) A law that prohibits an insurer from denying enrollment of a child under the health coverage of the child's parent on the ground that the child was born out of wedlock, on the ground that the child may not be claimed as a dependent on the parent's Federal income tax return, or on the ground that the child does not reside with the parent or in the insurer's service area. In this subsection, the term 'insurer' includes a group health plan, as defined in section 607(1) of the Employee Retirement Income Security Act of 1974, a health maintenance organization, and an entity offering a service benefit plan.

"(2) A law that requires an insurer, in any case in which a parent is required by court or administrative order to provide health coverage for a child and the parent is eligible for family health coverage through the insurer—

"(A) to permit such parent, upon application and without regard to any enrollment season restrictions, to enroll the parent and such child under such family coverage;

"(B) if such a parent is enrolled but fails to make application to obtain coverage of such child, to enroll such child under such family coverage upon application by the child's other parent or by the State agency administering the program under this title or part D of title IV; and

"(C) not to disenroll (or eliminate coverage of) such a child unless the insurer is provided satisfactory written evidence that—

"(i) such court or administrative order is no longer in effect, or

"(ii) the child is or will be enrolled in comparable health coverage through another insurer which will take effect not later than the effective date of such disenrollment.

"(3) A law that requires an employer doing business in the State, in the case of health coverage offered through employment with the employer and providing coverage of a child of an employee pursuant to a court or administrative order, to withhold from such employee's compensation the employee's share (if any) of premiums for health coverage (to the maximum amount permitted under section 303(b) of the Consumer Credit Protection Act) and to pay such share of premiums to the insurer.

"(4) A law that prohibits an insurer from imposing requirements upon a State agency, which is acting as an agent or subrogee of an individual eligible for medical assistance under this title and covered for health benefits from the insurer, that are different from requirements applicable to an agent or subrogee of any other individual so covered.

"(5) A law that requires an insurer, in any case in which a child has health coverage through the insurer of a noncustodial parent—

"(A) to provide such information to the custodial parent as may be necessary for the child to obtain benefits through such coverage;

"(B) to permit the custodial parent (or provider, with the custodial parent's approval) to submit claims for covered services without the approval of the noncustodial parent; and

"(C) to make payment on claims submitted in accordance with subparagraph (B) directly to the custodial parent or the provider.

"(6) A law that requires the State agency under this title to garnish the wages, salary, or other employment income of, and to withhold amounts from State tax refunds to, any person who—

"(A) is required by court or administrative order to provide coverage of the costs of health services to a child who is eligible for medical assistance under this title,

"(B) has received payment from a third party for the costs of such services to such child, but

"(C) has not used such payments to reimburse, as appropriate, either the other parent or guardian of such child or the provider of such services,

to the extent necessary to reimburse the State agency for expenditures for such costs under its plan under this title, but any claims for current or past-due child support shall take priority over any such claims for the costs of such services.".

(c) EFFECTIVE DATE.—(1) Except as provided in paragraph (2), the amendments made by this section apply to calendar quarters beginning on or after April 1, 1994, without regard to whether or not final regulations to carry out such amendments have been promulgated by such date.

(2) In the case of a State plan under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation in order for the plan to meet the additional requirements imposed by the amendments made by this section, the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

PART V—ASSURING PROPER PAYMENTS TO DISPROPORTIONATE SHARE HOSPITALS

SEC. 5121. ASSURING PROPER PAYMENTS TO DISPROPORTIONATE SHARE HOSPITALS.

(a) DISPROPORTIONATE SHARE HOSPITALS REQUIRED TO PROVIDE MINIMUM LEVEL OF SERVICES TO MEDICAID PATIENTS.—Section 1923 (42 U.S.C. 1396r-4) is amended—

(1) in subsection (a)(1)(A), by striking "requirement" and inserting "requirements";

(2) in subsection (b)(1), by striking "requirement" and inserting "requirements";

(3) in the heading to subsection (d), by striking "REQUIREMENT" and inserting "REQUIREMENTS";

(4) by adding at the end of subsection (d) the following new paragraph:

"(3) No hospital may be defined or deemed as a disproportionate share hospital under a State plan under this title or under subsection (b) or (e) of this section unless the hospital has a medicaid inpatient utilization rate (as defined in subsection (b)(2)) of not less than 1 percent.";

(5) in subsection (e)(1)—

(A) by striking "and" before "(B)", and

(B) by inserting before the period at the end the following: ", and (C) the plan meets the requirement of subsection (d)(3) and such payment adjustments are made consistent with the fourth sentence of subsection (c)"; and

(6) in subsection (e)(2)—

(A) in subparagraph (A), by inserting "(other than the fourth sentence of subsection (c))" after "(c)",

(B) by striking "and" at the end of subparagraph (A),

(C) by striking the period at the end of subparagraph (B) and inserting ", and", and

(D) by adding at the end the following new subparagraph:

"(C) subsection (d)(3) shall apply.".

(b) LIMITING AMOUNT OF PAYMENT ADJUSTMENTS FOR STATE OR COUNTY HOSPITALS TO UNCOVERED COSTS.—Subsection (c) of such section is amended by adding at the end the following: "A payment adjustment during a year is not considered to be consistent with this subsection with respect to a hospital owned or operated by a State (or by an instrumentality or a unit of government within a State) if the payment adjustment exceeds the costs of furnishing hospital services (as determined by the Secretary and net of payments under this title, other than under this section, and by uninsured patients) by the hospital to individuals who either are eligible for medical assistance under the State plan or have no health insurance (or other source of third party payment) for such services during the year. For purposes of the preceding sentence, payments made to a hospital for services provided to indigent patients made by a State or a unit of local government within a State shall not be considered to be a source of third party payment.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to payments to States under section 1903(a) of the Social Security Act for payments to hospitals made under State plans after—

(1) the end of the State fiscal year that ends during 1994, or

(2) in the case of a State with a State legislature which is not scheduled to have a regular legislative session in 1994, the end of the State fiscal year that ends during 1995;

without regard to whether or not final regulations to carry out such amendments have been promulgated by either such date.

PART VI—ELIMINATION OF ENHANCED FEDERAL MATCHING PAYMENTS

SEC. 5126. ELIMINATION OF ENHANCED FEDERAL MATCHING PAYMENTS.

(a) IN GENERAL.—Section 1903(a) (42 U.S.C. 1396b(a)) is amended to read as follows:

"(a) From the sums appropriated therefor, the Secretary (except as otherwise provided in this section) shall pay to each State that has a plan approved under this title, for each quarter—

"(1) an amount with respect to total expenditures during such quarter under the State plan for medical assistance (as defined in section 1905(a)) equal to the sum of—

"(A) an amount equal to 90 percent of such expenditures for family planning services and supplies, plus

"(B) an amount equal to the Federal medical assistance percentage (as defined in section 1905(b), subject to subsections (g) and (j) of this section), of the remainder of such expenditures; plus

"(2) subject to section 1919(g)(3)(C), an amount equal to 50 percent of the remainder of the expenditures during such quarter as found necessary by the Secretary for the proper and efficient administration of the State plan.".

(b) CONFORMING AMENDMENTS.—

(1) Fraud control units.—Section 1903(b) (42 U.S.C. 1396b(b)) is amended by striking paragraph (3).

(2) Medicaid management information systems.—Section 1903(r) (42 U.S.C. 1396b(r)) is amended—

(A) by amending paragraph (1) to read as follows:

"(1) In order to receive payments under subsection (a)(2) without being subject to per centum reductions set forth in paragraph (2), a State must have in operation mechanized claims processing and information retrieval systems approved by the Secretary (of the type approved since October 7, 1980) which are determined to be likely to provide more efficient, economical, and effective administration of the plan and which—

"(A) are compatible with the claims processing and information retrieval systems used in the administration of title XVIII, and

"(B) include provision for prompt written notice to each individual who is furnished services covered by the plan, or to each individual in a sample group of such individuals, of the specific services (other than confidential services) so covered, the name of the person or persons furnishing the services, the date or dates on which the services were furnished, and the amount of the payment or payments made under the plan on account of the services.";

(B) by striking paragraphs (2) and (3), and redesignating paragraphs (4) through (8) as paragraphs (2) through (6), respectively;

(C) in paragraph (2), as so redesignated—

(i) in subparagraph (A), by striking "paragraph (6)" and inserting "paragraph (4)", and

(ii) in subparagraph (B)—

(I) by striking "subsection (a)(3)(B)" and inserting "subsection (a)(2)"; and

(II) by striking "not less than 50 per centum and not more than 70 per centum" and inserting "not less than 25 per centum and not more than 45 per centum";

(D) in paragraph (3), as so redesignated—

(i) in the matter in subparagraph (A) preceding clause (i), by striking "subsection (a)(3)(B)" and inserting "paragraph (1)", and

(ii) in subparagraphs (A)(iii) and (B), by striking "paragraph (6)" and inserting "paragraph (4)"; and

(E) in paragraph (4), as so redesignated—

(i) by striking subparagraph (C) and redesignating subparagraphs (D) through (J) as subparagraphs (C) through (I), and

(ii) in subparagraph (H), as redesignated, by striking "subsection (a)(3) of this section" and inserting "subsection (a)(2)".

(3) Nursing home enforcement.—Section 1919 (42 U.S.C. 1396r) is amended—

(A) in subsection (g)(3)(C), by striking "section 1903(a)(2)(D)" and inserting "section 1903(a)(2) with respect to amounts expended for State activities under this subsection", and

(B) in subsection (h)(2), by striking "1903(a)(7)" and inserting "1903(a)(2)" each place it appears in subparagraphs (E) and (F).

(4) Peer review funding.—Section 1158 (42 U.S.C. 1320c-7) is amended—

(A) by striking "(a)", and

(B) by striking subsection (b).

(c) Effective Date.—(1) Except as provided in paragraph (2), the amendments made by subsections (a) and (b) shall apply to calendar quarters beginning on or after April 1, 1994, without regard to whether or not final regulations to carry out such amendments have been promulgated by such date.

(2) In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order for the plan to meet the additional requirements imposed by the amendments made by subsections (a) and (b), the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

Subchapter B—Miscellaneous Provisions

PART I—ANTI-FRAUD AND ABUSE PROVISIONS

SEC. 5131. INTERMEDIATE SANCTIONS FOR KICKBACK VIOLATIONS.

(a) Penalty for Kickbacks.—Section 1128A(a) (42 U.S.C. 1320a–7a(a)) is amended—

(1) by striking "or" at the end of paragraphs (1) and (2);

(2) by adding "or" at the end of paragraph (3);

(3) by inserting after paragraph (3) the following new paragraph:

"(4) carries out any activity in violation of paragraph (1) or (2) of section 1128B(b);";

(4) by striking "given)." at the end of the first sentence and inserting "given or, in cases under paragraph (4), $50,000 for each such violation).";

(5) in the second sentence, by inserting "in cases under paragraphs (1), (2), and (3)," after "In addition,"; and

(6) by inserting after the second sentence, the following new sentence: "In cases under paragraph (4), such a person shall be subject to an assessment of not more than twice the total amount of the remuneration offered, paid, solicited, or received in violation of section 1128B(b), determined without regard to whether a portion of such remuneration was offered, paid, solicited, or received for a lawful purpose.".

(b) Authorization to Act.—The first sentence of section 1128A(c)(1) (42 U.S.C. 1320a–7a(c)(1)) is amended by striking all that follows "(b)" and inserting the following: "unless, within one year after the date the Secretary presents a case to the Attorney General for consideration, the Attorney General brings an action in a district court of the United States.".

(c) Effective Dates.—

(1) The amendments made by subsection (a) shall apply to remuneration offered, paid, solicited, or received before, on, or after the date of the enactment of this Act.

(2) The amendment made by subsection (b) shall apply to cases presented by the Secretary of Health and Human Services for consideration on or after the date of the enactment of this Act.

SEC. 5132. REQUIRING MAINTENANCE OF EFFORT FOR STATE MEDICAID FRAUD CONTROL UNITS.

(a) In General.—Section 1902(a)(49) (42 U.S.C. 1396a(a)(49)) is amended—

(1) by inserting "(A)" after "(49)", and

(2) by adding at the end the following new subparagraph:

"(B) provide that the State will expend for its medicaid fraud and abuse control unit (as defined in section 1903(q)), for each State fiscal year, an amount that is not less than the amount expended for such unit in the State fiscal year that ended in 1992 adjusted to reflect the percentage increase in total expenditures under the State plan between such State fiscal year and the State fiscal year involved;".

(b) Effective Date.—The amendments made by subsection (a) shall apply to State fiscal years ending after 1993.

PART II—MANAGED CARE PROVISIONS

SEC. 5135. MEDICAID MANAGED CARE ANTI-FRAUD PROVISIONS.

(a) Prohibiting Affiliations With Individuals Debarred by Federal Agencies.—

(1) In general.—Section 1903(m) (42 U.S.C. 1396b(m)) is amended—

(A) in paragraph (2)(A)—

(i) by striking "and" at the end of clause (x),

(ii) by striking the period at the end of clause (xi) and inserting "; and", and

(iii) by adding at the end the following new clause:

"(xii) the entity complies with the requirements of paragraph (3) (relating to certain protections against fraud and abuse).";

(B) in paragraph (2)(B), as amended by section 5158(b), by striking "clause (ix)" and inserting "clauses (ix) and (xii)"; and

(C) by inserting after paragraph (2) the following new paragraph:

"(3)(A)(i) A health maintenance organization may not have a person described in clause (iv) as a director, officer, partner, or person with beneficial ownership of more than 5 percent of organization's equity.

"(ii) A health maintenance organization may not have an employment, consulting, or other agreement with a person described in clause (iv) for the provision of goods and services that are significant and material to the organization's obligations under its contract with the State described in paragraph (2)(A)(iii).

"(iii) If a health maintenance organization is not in compliance with clause (i) or clause (ii)—

"(I) a State may continue an existing agreement with the organization unless the Secretary (in consultation with the Inspector General of the Department of Health and Human Services) directs otherwise; and

"(II) a State may not renew or otherwise extend the duration of an existing agreement with the organization unless the Secretary (in consultation with the Inspector General of the Department of Health and Human Services) provides a written statement describing compelling reasons that exist for renewing or extending the agreement.

"(iv) A person described in this clause is a person that—

"(I) is debarred or suspended by the Federal Government, pursuant to the Federal acquisition regulation, from Government contracting and subcontracting, or

"(II) is an affiliate (within the meaning of the Federal acquisition regulation) of a person described in subclause (I).".

(2) Effective date.—The amendments made by paragraph (1) shall apply to agreements between a State and an entity under section 1903(m) of the Social Security Act entered into or renewed on or after October 1, 1993, without regard to whether regulations to carry out such amendments are promulgated by such date.

(b) Requirement for State Conflict-of-Interest Safeguards in Medicaid Risk Contracting.—

(1) In general.—Section 1903(m)(2)(A) (42 U.S.C. 1396b(m)(2)(A)), as amended by subsection (a)(1)(C), is amended—

(A) by striking "and" at the end of clause (xi),

(B) by striking the period at the end of clause (xii) and inserting "; and", and

(C) by adding at the end the following new clause:

"(xiii) the State certifies to the Secretary that it has in effect conflict-of-interest safeguards with respect to officers and employees of the State with responsibility with respect to contracts with organizations under this subsection that are at least as effective as the Federal safeguards, provided under section 27 of the Office of Federal Procurement Policy Act (41 U.S.C. 423), against conflicts of interest that apply with respect to Federal procurement officials with comparable responsibilities with respect to such contracts.".

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall apply as of July 1, 1994, without regard to whether regulations to carry out such amendments are promulgated by such date.

(c) REQUIRING DISCLOSURE OF FINANCIAL INFORMATION.—

(1) IN GENERAL.—Section 1903(m)(3), as inserted by subsection (a)(1)(C), is amended by adding at the end the following new subparagraph:

"(B) The contract between the State and an entity referred to in paragraph (2)(A)(iii) shall provide that—

"(i) the entity agrees to report to the State such financial information as the Secretary or the State may require to demonstrate that the entity has a fiscally sound operation; and

"(ii) the entity agrees to make available to its enrollees upon reasonable request—

"(I) the information reported under paragraph (1),

"(II) the information required to be disclosed under sections 1124 and 1126, and

"(III) a description of each transaction, described in subparagraphs (A) through (C) of section 1318(a)(3) of the Public Health Service Act, between the entity and a party in interest (as defined in section 1318(b) of such Act).".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to contract years beginning on or after October 1, 1993, without regard to whether regulations to carry out such amendments are promulgated by such date, with respect to information reported or required to be disclosed, or transactions occurring, before, on, or after such date.

(d) PROHIBITING MARKETING FRAUD.—

(1) IN GENERAL.—Section 1903(m)(3), as inserted by subsection (a)(1) and as amended by subsection (c)(1), is amended by adding at the end the following new subparagraph:

"(C) The contract between the State and an entity referred to in paragraph (2)(A)(iii) shall provide that the entity agrees to comply with such procedures and conditions as the Secretary prescribes in order to ensure that, before an individual is enrolled with the entity, the individual is provided accurate and sufficient information to make an informed decision whether or not to enroll.".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to contract years that begin on or after October 1, 1993, without regard to whether regulations to carry out such amendment are promulgated by such date.

(e) REQUIRING ADEQUATE EQUITY FOR FOR-PROFIT ENTITIES.—

(1) IN GENERAL.—Section 1903(m)(3), as previously amended by this section, is further amended by adding at the end the following new subparagraph:

"(D)(i) The contract between the State and an entity referred to in paragraph (2)(A)(iii) shall require, in the case of a for-profit entity, that the entity shall maintain an average ratio of—

"(I) equity capital to

"(II) payments made by the State to the entity under the contract on a capitation basis or any other risk basis,

of not less than such minimum ratio as the Secretary shall specify.

"(ii) The contract between the State and a non-profit entity referred to in paragraph (2)(A)(iii) shall require that no payment shall be made directly or indirectly under an agreement between the non-profit entity and a related for-profit entity (as defined by the Secretary) unless the for-profit entity maintains an average ratio of equity capital to payments under such agreement of not less than such ratio as the Secretary shall specify.".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to contract years beginning on or after July 1, 1994, without regard to whether regulations to carry out such amendment are promulgated by such date.

(f) REQUIRING ADEQUATE PROVISION AGAINST RISK OF INSOLVENCY.—

(1) IN GENERAL.—Section 1903(m)(1)(A)(ii) (42 U.S.C. 1396b(m)(1)(A)(ii)) is amended by inserting ", which meets such standards as the Secretary shall prescribe" after "satisfactory to the State".

(2) EFFECTIVE DATE AND TRANSITION.—(A) The amendment made by paragraph (1) shall apply to contract years beginning on or after July 1, 1994, without regard to whether regulations to carry out such amendments are promulgated by such date.

(B) If the Secretary of Health and Human Services has not promulgated standards to carry out the amendment made by paragraph (1) by July 1, 1994, until such standards have been promulgated a provision of a health maintenance organization against the risk of insolvency shall not be considered to meet standards prescribed by the Secretary, for purposes of section 1903(m)(1)(A)(ii) of the Social Security Act, unless such provision has been found satisfactory by the Secretary under section 1876(b)(2)(E) of such Act.

(g) REQUIRING REPORT ON NET EARNINGS AND ADDITIONAL BENEFITS.—

(1) IN GENERAL.—Section 1903(m)(3), as previously amended by this section, is amended by adding at the end the following new subparagraph:

"(E) The contract between the State and an entity referred to in paragraph (2)(A)(iii) shall provide that the entity shall submit a report to the State and the Secretary not later than 12 months after the close of a contract year containing—

"(i) a financial statement of the entity's net earnings under the contract during the contract year, which statement has been audited using auditing standards established by the Secretary in consultation with the States; and

"(ii) a description of any benefits that are in addition to the benefits required to be provided under the contract that were provided during the contract year to members enrolled with the entity and entitled to medical assistance under the plan.".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to contract years beginning on or after October 1, 1993, without regard to whether regulations to carry out such amendments are promulgated by such date.

(h) REPORT ON NET EARNINGS OF CONTRACTORS.—Not later than 6 months after the date of the enactment of this Act, the Secretary of Health and Human Services shall submit a report to Congress on the earnings of organizations with contracts to receive payment for providing medical assistance under title XIX of the Social Security Act on a prepaid capitation or any other risk basis. The report shall include the Secretary's recommendations on options for requiring such organizations, as a condition of participation under such title, to dedicate a portion of such earnings to the provision of additional benefits to individuals enrolled with the organization.

SEC. 5136. CLARIFICATION OF TREATMENT OF HMO ENROLLEES IN COMPUTING THE MEDICAID INPATIENT UTILIZATION RATE IN QUALIFYING HOSPITALS AS DISPROPORTIONATE SHARE HOSPITALS.

(a) IN GENERAL.—Section 1923(b)(2) (42 U.S.C. 1396r-4(b)(2)) is amended by inserting before the period at the end the following: "and whether or not the individual is enrolled with an entity contracting with the State on a prepaid capitation basis or other risk basis under section 1903(m)".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to payments to States under section 1903(a) of the Social Security Act for payments to hospitals made under State plans on and after the first day of the first calendar quarter beginning after the date of the enactment of this Act.

SEC. 5137. EXTENSION OF PERIOD OF APPLICABILITY OF ENROLLMENT MIX REQUIREMENT TO CERTAIN HEALTH MAINTENANCE ORGANIZATIONS PROVIDING SERVICES UNDER DAYTON AREA HEALTH PLAN.

Section 2 of Public Law 102-276 is amended by striking "January 31, 1994" and inserting "December 31, 1995".

SEC. 5138. EXTENSION OF MEDICAID WAIVER FOR TENNESSEE PRIMARY CARE NETWORK.

Section 6411(f) of the Omnibus Budget Reconciliation Act of 1989, as amended by section 1 of Public Law 102-317, is amended by striking "January 31, 1994" and inserting "December 31, 1995".

SEC. 5139. WAIVER OF APPLICATION OF MEDICAID ENROLLMENT MIX REQUIREMENT TO DISTRICT OF COLUMBIA CHARTERED HEALTH PLAN, INC.

(a) IN GENERAL.—The Secretary of Health and Human Services shall waive the application of the requirement described in section 1903(m)(2)(A)(ii) of the Social Security Act to the entity known as the District of Columbia Chartered Health Plan, Inc., for the period described in subsection (b), if the Secretary determines that the entity is making continuous efforts and progress toward achieving compliance with such requirement.

(b) PERIOD OF APPLICABILITY.—The period referred to in subsection (a) is the period that begins on October 1, 1992, and ends on December 31, 1995.

SEC. 5140. EXTENSION OF MINNESOTA PREPAID MEDICAID DEMONSTRATION PROJECT.

(a) IN GENERAL.—Section 507 of the Family Support Act of 1988, as amended by section 6411(j) of OBRA-1989 and by section 4733 of OBRA-1990, is amended by striking "1996" and inserting "1998".

(b) AUTHORITY TO IMPOSE PREMIUM.—

(1) IN GENERAL.—Notwithstanding section 1916 of the Social Security Act and subject to paragraph (2), the State of Minnesota may impose a premium on individuals receiving medical assistance under the Minnesota Prepaid Demonstration Project operated under a waiver granted by the Secretary of Health and Human Services under section 1115(a) of

the Social Security Act and other individuals eligible under the State's plan for medical assistance under title XIX of such Act.

(2) LIMITATION ON AMOUNT OF PREMIUM.—In no case may the amount of any premium imposed on an individual receiving medical assistance under the State plan or under the Demonstration Project described in paragraph (1) exceed 10 percent of the amount by which the family income (less expenses for the care of a dependent child) of the individual exceeds 110 percent of the income official poverty line (as defined by the Office of Management and Budget), and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981) applicable to a family of the size involved.

SEC. 5140A. CONDITIONING FEDERAL FINANCIAL PARTICIPATION ON ENROLLMENT OF BENEFICIARIES IN STAFF OR GROUP MODEL HEALTH MAINTENANCE ORGANIZATIONS.

(a) IN GENERAL.—Section 1903 (42 U.S.C. 1396b) is amended by inserting after subsection (r) the following new subsection:

"(s)(1) Notwithstanding the preceding provisions of this section or any other provision of this title, except as provided in paragraph (2), no payment may be made to a State under this section for medical assistance (other than nursing facility services, home or community based services described in section 1915(c)(1), and other long-term care services specified by the Secretary) furnished to any individual who does not receive such assistance through enrollment with a staff or group model health maintenance organization.

"(2) Notwithstanding paragraph (1), payment may be made to a State for medical assistance furnished to an individual other than through enrollment with a staff or group model health maintenance organization if the State demonstrates to the satisfaction of the Secretary that, for the geographic area in which the individual resides, no such organization is available with which the individual may enroll.

"(3) In this subsection, a 'staff or group model health maintenance organization' is a health maintenance organization (as defined in subsection (m)(1)(A)) for which 90 percent of the services of physicians are provided through members of the staff of the organization or through a medical group (or groups).".

(b) REPEAL OF ENROLLMENT MIX REQUIREMENT FOR MEDICAID HMO'S.—

(1) IN GENERAL.—Section 1903(m)(2)(A) (42 U.S.C. 1396b(m)(2)(A)) is amended by striking clause (ii).

(2) CONFORMING AMENDMENTS.—Section 1903(m)(2) (42 U.S.C. 1396b(m)(2)) is further amended—

(A) by striking subparagraphs (C), (D), and (E); and

(B) in subparagraph (F), by striking "In the case of—" and all that follows through "(ii) a program" and inserting "In the case of a program".

(c) EFFECTIVE DATE.—(1) Except as provided in paragraph (2), the amendments made by subsections (a) and (b) shall apply to calendar quarters beginning on or after October 1, 1994, without regard to whether or not final regulations to carry out such amendments have been promulgated by such date.

(2) In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order for the plan to meet the additional requirements imposed by the amendments made by subsections (a) and (b), the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

PART III—LIMITING FEDERAL MEDICAID MATCHING PAYMENT TO BONA FIDE EMERGENCY SERVICES FOR UNDOCUMENTED ALIENS

SEC. 5141. LIMITING FEDERAL MEDICAID MATCHING PAYMENT TO BONA FIDE EMERGENCY SERVICES FOR UNDOCUMENTED ALIENS.

(a) IN GENERAL.—Section 1903(v)(2) (42 U.S.C. 1396b(v)(2)) is amended—

(1) by striking "and" at the end of subparagraph (A),

(2) by striking the period at the end of subparagraph (B) and inserting ", and", and

(3) by adding at the end the following new subparagraph:

"(C) such care and services are not related to an organ transplant procedure.".

(b) EFFECTIVE DATE.—(1) Subject to paragraph (2), the amendments made by subsection (a) shall apply as if included in the enactment of OBRA-1986.

(2) The Secretary of Health and Human Services shall not disallow expenditures made for the care and services described in section 1903(v)(2)(C) of the Social Security Act, as added by subsection (a), furnished before the date of the enactment of this Act.

PART IV—MISCELLANEOUS PROVISIONS

SEC. 5144. CRITERIA FOR MAKING DETERMINATIONS OF DENIAL OF FEDERAL MEDICAID MATCHING PAYMENTS TO STATES.

(a) IN GENERAL.—Section 1903 (42 U.S.C. 1396b) is amended by adding at the end the following new subsection:

"(x)(1) In any case in which the Secretary proposes to disallow under section 1116(d) a claim by a State under this section and the State exercises its right of reconsideration under section 1116(d), the Departmental Appeals Board established in the Department of Health and Human Services shall, if such Board upholds the basis for the disallowance, determine whether the amount of the disallowance should be reduced. In making this determination, the Board shall take into account (to the extent the State makes a showing) factors which shall include—

"(A) the nature of the basis for the disallowance;

"(B) whether the amount of the disallowance is proportionate to the error or deficiency on which the disallowance is based;

"(C) whether the basis of the disallowance constitutes noncompliance that prevented or materially affected the provision of appropriate services to individuals eligible under this title; or

"(D) whether Federal guidance with respect to the action that is the basis for the proposed disallowance was insufficient and the State made good faith efforts to conform its action to the intent of the applicable Federal statute or regulation.

"(2) No disallowance shall be taken or upheld if the action of the State on which the disallowance would be based is consistent with its approved State plan.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to disallowances made after the date of the enactment of this Act and shall take effect without regard to the promulgation of implementing regulations.

SEC. 5145. APPLICATION OF MAMMOGRAPHY CERTIFICATION REQUIREMENTS UNDER THE MEDICAID PROGRAM.

(a) IN GENERAL.—Section 1902(a)(9) (42 U.S.C. 1396a(a)(9)) is amended—

(1) by striking "and" at the end of subparagraph (B),

(2) by striking the semicolon at the end of subparagraph (C) and inserting ", and", and

(3) by adding at the end the following new subparagraph:

"(D) that any mammography paid for under such plan must be conducted by a facility that has a certificate (or provisional certificate) issued under section 354 of the Public Health Service Act;".

(b) EFFECTIVE DATE.—(1) Except as provided in paragraph (2), the amendments made by subsection (a) shall apply to mammography furnished by a facility during calendar quarters beginning on or after the first date that the certificate requirements of section 354(b) of the Public Health Service Act apply to such mammography conducted by such facility, without regard to whether or not final regulations to carry out such amendments have been promulgated by such date.

(2) In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order for the plan to meet the additional requirement imposed by the amendment made by subsection (a)(3), the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet this additional requirement before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

SEC. 5146. REMOVAL OF SUNSET ON EXTENSION OF ELIGIBILITY FOR WORKING FAMILIES.

Subsection (f) of section 1925 (42 U.S.C. 1396r-6) is repealed.

SEC. 5147. NURSING HOME REFORM.

(a) SUSPENSION OF DECERTIFICATION OF NURSE AIDE TRAINING AND COMPETENCY EVALUATION PROGRAMS BASED ON EXTENDED SURVEYS.—

(1) IN GENERAL.—Section 1919(f)(2)(B)(iii)(I)(b) (42 U.S.C. 1396r(f)(2)(B)(iii)(I)(b)) is amended by striking the semicolon and inserting the following: ", unless the survey shows that the facility is in compliance with the requirements of subsections (b), (c), and (d) of this section;".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect as included in the enactment of OBRA-1990.

(b) REQUIREMENTS FOR CONSULTANTS CONDUCTING REVIEWS OF USE OF DRUGS.—

(1) IN GENERAL.—Section 1919(c)(1)(D) (42 U.S.C. 1396r(c)(1)(D)) is amended by adding at the end the following sentence: "In determining whether such a consultant is qualified to conduct reviews under the previous sentence, the Secretary shall take into account the needs of nursing facilities under this title to have access to the services of such a consultant on a timely basis.".

(2) Effective date.—The amendment made by paragraph (1) shall take effect as included in the enactment of OBRA–1987.

(c) Increase in Minimum Amount Required for Separate Deposit of Personal Funds.—

(1) In general.—Section 1919(c)(6)(B)(i) (42 U.S.C. 1396r(c)(6)(B)(i)) is amended by striking "$50" and inserting "$100".

(2) Effective date.—The amendment made by paragraph (1) shall take effect October 1, 1993.

(d) Due Process Protections for Nurse Aides.—

(1) Prohibiting state from including undocumented allegations in nurse aide registry.—Section 1919(e)(2)(B) (42 U.S.C. 1396r(e)(2)(B)) is amended by striking the period at the end of the first sentence and inserting the following: ", but shall not include any allegations of resident abuse or neglect or misappropriation of resident property that are not specifically documented by the State under such subsection.".

(2) Due process requirements for rebutting allegations.—Section 1919(g)(1)(C) (42 U.S.C. 1396r(g)(1)(C)) is amended by striking the second sentence and inserting the following: "The State shall, after providing the individual involved with a written notice of the allegations (including a statement of the availability of a hearing for the individual to rebut the allegations) and the opportunity for a hearing on the record, make a written finding as to the accuracy of the allegations.".

(3) Effective date.—The amendments made by this subsection shall take effect October 1, 1993.

(e) Authorizing Waiver of Nursing Home Reform Requirements.—The Secretary of Health and Human Services may waive specified requirements of subsections (b) through (e) of section 1919 of the Social Security Act with respect to nursing facilities located in a State if the State provides assurances satisfactory to the Secretary (including, if appropriate, the implementation of an alternative State program) that the waiver of such requirements will not adversely affect the quality of life of the residents in such facilities.

Subchapter C—Miscellaneous and Technical Corrections Relating to OBRA–1990

SEC. 5151. EFFECTIVE DATE.

Except as otherwise provided, the amendments made by this subchapter shall take effect as if included in the enactment of OBRA–1990.

SEC. 5152. CORRECTIONS RELATING TO SECTION 4402 (ENROLLMENT UNDER GROUP HEALTH PLANS).

Section 4402(b) of OBRA–1990 is amended by striking "1903(u)(1)(C)(iv) (42 U.S.C. 1395b(u)(1)(C)(iv))" and inserting "1903(u)(1)(D)(iv) (42 U.S.C. 1395b(u)(1)(D)(iv))".

SEC. 5153. CORRECTIONS RELATING TO SECTION 4501 (LOW-INCOME MEDICARE BENEFICIARIES).

(a) Section 1902(a)(10)(E)(iii), as added by section 4501(b)(3) of OBRA–1990, is amended by striking "cost sharing" and inserting "cost-sharing".

(b) Section 1905(p)(4)(B), as amended by section 4501(c)(1) of OBRA–1990, is amended by striking "1902(a)(10)(E)(iii)" and inserting "section 1902(a)(10)(E)(iii)".

SEC. 5154. CORRECTIONS RELATING TO SECTION 4601 (CHILD HEALTH).

(a) Section 1902(a)(10)(A)(i)(VII), as added by section 4601(a)(10)(A)(iii) of OBRA–1990, is amended by striking "family;" and inserting "family; and".

(b) Section 1902(l), as amended by section 4601(a)(1)(C) of OBRA–1990, is amended—

(1) in paragraph (1)(C), by striking "children" after "(C)";

(2) in paragraph (3), by striking "(a)(10)(A)(i)(VII),," and inserting "(a)(10)(A)(i)(VII),"; and

(3) in paragraph (4)(B), by inserting a comma before "(a)(10)(A)(i)(VI),".

(c) Subsections (a)(3)(C) and (b)(3)(C)(i) of section 1925, as amended by section 4601(a) of OBRA–1990, are each amended by striking "(i)(VI)" and inserting "(i)(VI),".

SEC. 5155. CORRECTIONS RELATING TO SECTION 4602 (OUTREACH LOCATIONS).

(a) Section 1902(a)(55), as added by section 4602(a)(3) of OBRA–1990, is amended—

(1) in the matter preceding subparagraph (A)—

(A) by striking "subsection" and inserting "paragraph", and

(B) by striking "(a)" each place it appears; and

(2) in subparagraph (A), by striking "1905(1)(2)(B)" and inserting "1905(l)(2)(B)".

(b) Section 1902(l)(1) is amended by striking "who are not described in any of subclauses (I) through (III) of subsection (a)(10)(A)(i) and".

SEC. 5156. CORRECTIONS RELATING TO SECTION 4604 (PAYMENT FOR HOSPITAL SERVICES FOR CHILDREN UNDER 6 YEARS OF AGE).

(a) Section 1902(a)(10) is amended in clause (X) in the matter following subparagraph (F) by striking "under one year of age" and inserting "under 6 years of age".

(b) Section 1902(s), as added by section 4604(a) of OBRA–1990, is amended to read as follows:

"(s) In order to meet the requirements of subsection (a)(56), the State plan must provide that payments to hospitals under the plan for inpatient services furnished to infants who have not attained the age of 1 year (or, in the case of such an individual who is an inpatient on his first birthday, until such individual is discharged) shall—

"(1) if made on a prospective basis (whether per diem, per case, or otherwise) provide for an outlier adjustment in payment amounts for medically necessary inpatient hospital services involving exceptionally high costs or exceptionally long lengths of stay;

"(2) not be limited by the imposition of day limits; and

"(3) not be limited by the imposition of dollar limits (other than dollar limits resulting from prospective payments as adjusted pursuant to paragraph (1)).".

(c) Section 1923(a)(2)(C) is amended by striking "provided on or after July 1, 1989," and all that follows and inserting the following: "involving exceptionally high costs or exceptionally long lengths of stay—

"(i) for individuals under 1 year of age, in the case of services provided on or after July 1, 1989, and on or before June 30, 1991; and

"(ii) for individuals under 6 years of age, in the case of services provided on or after July 1, 1991.".

SEC. 5157. CORRECTIONS RELATING TO SECTION 4703 (PAYMENT ADJUSTMENTS FOR DISPROPORTIONATE SHARE HOSPITALS).

(a) Section 1923(c) is amended—

(1) in paragraph (2), by striking "paragraph (b)(3)" and inserting "subsection (b)(3)";

(2) by striking the period at the end of paragraph (3)(B) and inserting a comma; and

(3) in the third sentence, by striking "the payment adjustment described in paragraph (2)" and inserting "a payment adjustment described in paragraph (2) or (3)".

(b) Effective December 22, 1987, section 1923(d)(2)(A)(ii) is amended by striking "the date of the enactment of this Act" and inserting "December 22, 1987".

(c) Section 4703(d) of OBRA–1990 is amended by striking "412(a)(2)" and inserting "4112(a)(2)".

SEC. 5158. CORRECTIONS RELATING TO SECTION 4704 (FEDERALLY-QUALIFIED HEALTH CENTERS).

(a) Clause (ix) of section 1903(m)(2)(A), as added by section 4704(b)(1)(C) of OBRA–1990, is amended—

(1) by striking "of such center" the first place it appears;

(2) by striking "federally qualified" and inserting "Federally-qualified";

(3) by inserting "section" before "1905(a)(2)(C)"; and

(4) by moving such clause 2 ems to the left.

(b) Section 1903(m)(2)(B), as amended by section 4704(b)(2) of OBRA–1990, is amended by striking "except with respect to clause (ix) of subparagraph (A)," and inserting "(except with respect to clause (ix) of such subparagraph)".

(c) Section 1905(l)(2), as amended by section 4704(c) of OBRA–1990, is amended—

(1) in subparagraph (A)—

(A) by striking "Federally-qualififed" and inserting "Federally-qualified", and

(B) by striking "an patient" and inserting "a patient"; and

(2) in subparagraph (B)—

(A) in the matter preceding clause (i), by striking "a entity" and inserting "an entity",

(B) by striking "or" at the end of clause (i),

(C) by striking the semicolon at the end of clause (ii)(II) and inserting ", or",

(D) by moving clause (ii) 4 ems to the left, and

(E) in the last sentence, by striking "clause (ii)" and inserting "clause (iii)".

SEC. 5159. CORRECTIONS RELATING TO SECTION 4708 (SUBSTITUTE PHYSICIANS).

Section 1902(a)(32)(C), as added by section 4708(a)(3) of OBRA–1990, is amended to read as follows:

"(C) payment may be made to a physician for physicians' services (and services furnished incident to such services) furnished by a second physician to patients of the first physician if (i) the first physician is unavailable to provide the services; (ii) the services are furnished pursuant to an arrangement between the two physicians that (I) is informal and reciprocal, or (II) involves per diem or other fee-for-time compensation for such services; (iii) the services are not provided by the second physician over a continuous period of more than 60 days; and (iv) the claim form submitted to the carrier for such services includes the second physician's unique identifier (provided under the system established under subsection (x)) and indicates that the claim meets the requirements of this clause for payment to the first physician;".

SEC. 5160. CORRECTIONS RELATING TO SECTION 4711 (HOME AND COMMUNITY CARE FOR FRAIL ELDERLY).

(a) Section 1929, as added by section 4711(b) of OBRA–1990, is amended—

(1) in subsection (c)(2)(F), by moving the second sentence 2 ems to the right;

(2) in subsection (d)(2)(F)(ii), by striking "they manage" and inserting "it manages";

(3) in subsection (d)(2)(F)(iii), by inserting "the agency or organization" after "(iii)";

(4) in subsection (e)(2)(B), by striking "fiscal year 1989" and inserting "fiscal year 1990";

(5) in subsection (f)(1), by striking "Community care" and inserting "community care";

(6) in subsection (g)(1)—

(A) by striking "SETTINGS" and inserting "SETTING", and

(B) in subparagraph (B), by striking "setting." and inserting "setting in which home and community care under this section is provided.";

(7) in subsection (g)(2), by striking "community care" the second, third, and fourth places it appears and inserting "home and community care";

(8) in subsection (h)(1)—

(A) by striking "more than 8" each place it appears and inserting "8 or more", and

(B) in subparagraph (B), by inserting "(other than merely board)" after "personal services";

(9) in subsection (h)(2), by striking "community care" the second and third places it appears and inserting "home and community care";

(10) in subsection (j)(1)—

(A) in subparagraph (B)(ii), by striking "1990" and inserting "1991", and

(B) by adding at the end the following new subparagraph:

"(C) APPLICABILITY TO COMMUNITY CARE SETTINGS.—Subparagraphs (A) and (B) shall apply to community care settings in the same manner as such subparagraphs apply to providers of home or community care.";

(11) in subsection (j)(2), by adding at the end the following new subparagraph:

"(D) APPLICABILITY TO COMMUNITY CARE SETTINGS.—Subparagraphs (A), (B), and (C) shall apply to community care settings in the same manner as such subparagraphs apply to providers of home or community care.";

(12) in subsection (k)(1)(A)(i)—

(A) by striking "(d)(2)(E)" and inserting "(d)(2)", and

(B) by striking "settings," and inserting "settings),";

(13) in subsection (l), by striking "State wideness" and inserting "Statewideness";

(14) in subsection (m)—

(A) in paragraph (2), by striking "Individual Community Care Plan" and inserting "individual community care plan",

(B) in paragraph (3), by striking "and need for services" and inserting "need for services, and income",

(C) in the second sentence in paragraph (4), by striking "elderly individuals" and all that follows and inserting "individuals receiving home and community care under this section who reside in such State in relation to the total number of individuals receiving home and community care under this section.", and

(D) by adding at the end the following new paragraph:

"(5) NOTICE TO STATES OF AMOUNTS AVAILABLE FOR ASSISTANCE.—

"(A) NOTICE TO SECRETARY.—In order to receive Federal medical assistance for expenditures for home and community care under this section for a fiscal year (beginning with fiscal year 1994), a State shall submit a notice to the Secretary of its intention to provide such care under this section not later than 3 months before the beginning of the fiscal year.

"(B) NOTICE TO STATES.—Not later than 2 months before the beginning of each fiscal year (beginning with fiscal year 1994), the Secretary shall notify each State that has submitted a notice to the Secretary under subparagraph (A) for the fiscal year of the amount of Federal medical assistance that will be available to the State for the fiscal year (as established under paragraph (4))."; and

(15) by adding at the end the following new subsection:

"(n) COMMUNITY CARE SETTING DEFINED.—In this section, the term 'community care setting' means a small community care setting (as defined in subsection (g)(1)) or a large community care setting (as defined in subsection (h)(1)).".

(b) Section 1905(r)(5) is amended by striking "1905(a)" and inserting "subsection (a) (other than services described in paragraph (22) or (23) of such subsection)".

(c) Section 4711(f) of OBRA–1990 is amended by striking "Act" each place it appears and inserting "section".

SEC. 5161. CORRECTIONS RELATING TO SECTION 4712 (COMMUNITY SUPPORTED LIVING ARRANGEMENTS SERVICES).

(a) Section 1930, as added by section 4712(b)(2) of OBRA–1990, is amended—

(1) in subsection (b)—

(A) by striking "title the term," and inserting "title, the term",

(B) by striking "guardian" and inserting "guardian or", and

(C) by striking "3 other" and inserting "3";

(2) in subsection (d)—

(A) in the matter preceding paragraph (1), by striking "program," and inserting "program", and

(B) in the second sentence, by striking "plan" each place it appears and inserting "program"; and

(3) in subsection (i), by striking "FUNDS" and inserting "FUNDS".

(b) Section 4712(c) of OBRA–1990 is amended—

(1) in paragraph (1), by inserting "of section 1930 of the Social Security" after "subsection (h)"; and

(2) in paragraph (2), by striking "this section" and inserting "such section".

SEC. 5162. CORRECTION RELATING TO SECTION 4713 (COBRA CONTINUATION COVERAGE).

(a) Section 1902(a)(10) is amended in the matter following subparagraph (F)—

(1) by striking "; and (XI)" and inserting ", (XI)";

(2) by striking "individuals, and (XI)" and inserting "individuals, and (XII); and

(3) by striking "COBRA continuation premiums" and inserting "COBRA premiums".

(b) Section 1902(u)(3), as added by section 4713(a)(2) of OBRA–1990, is amended by striking "title VI" and inserting "part 6 of subtitle B of title I".

SEC. 5163. CORRECTION RELATING TO SECTION 4716 (MEDICAID TRANSITION FOR FAMILY ASSISTANCE).

Section 4716(a) of OBRA–1990 is amended by striking "AMENDMENTS.—Subsection (f) of section" and inserting "IN GENERAL.—Section".

SEC. 5164. CORRECTIONS RELATING TO SECTION 4723 (MEDICAID SPENDDOWN OPTION).

Section 1903(f)(2), as amended by section 4723(a) of OBRA–1990, is amended—

(1) by striking "(A)" after "(2)";

(2) by striking "or, (B)" and inserting ". There shall also be excluded,";

(3) by striking "to the State, provided that" and inserting "to the State if"; and

(4) by striking "pursuant to this subparagraph." and inserting "pursuant to the previous sentence".

SEC. 5165. CORRECTIONS RELATING TO SECTION 4724 (OPTIONAL STATE DISABILITY DETERMINATIONS).

Section 1902(v), as added by section 4724 of OBRA–1990, is amended—

(1) by striking "(v)(1)" and inserting "(v)"; and

(2) by striking "of the Social Security Act"

SEC. 5166. CORRECTION RELATING TO SECTION 4732 (SPECIAL RULES FOR HEALTH MAINTENANCE ORGANIZATIONS).

Section 1903(m)(2)(F)(i), as amended by section 4732(b)(2)(B) of OBRA–1990, is amended by striking "or" before "with an eligible organization".

SEC. 5167. CORRECTIONS RELATING TO SECTION 4741 (HOME AND COMMUNITY-BASED WAIVERS).

The first sentence of section 1915(d)(3) is amended by striking the period at the end and inserting the following: ", and a waiver of the requirements of section 1902(a)(23) (relating to choice of providers) insofar as such requirements relate to the provision of case management services and the State provides assurances satisfactory to the Secretary that a waiver of such requirements will not substantially limit access to such services)."

SEC. 5168. CORRECTIONS RELATING TO SECTION 4744 (FRAIL ELDERLY WAIVERS).

(a) Section 1924(a)(5), as added by section 4744(b)(1) of OBRA–1990, is amended by striking "1986." and inserting "1986 or a waiver under section 603(c) of the Social Security Amendments of 1983.".

(b) Section 603(c) of the Social Security Amendments of 1983 is amended—

(1) by striking "(c)" and inserting "(c)(1)";

(2) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B); and

(3) by adding at the end the following new paragraph:

"(2) Section 1924 of the Social Security Act shall apply to any individual receiving services from an organization receiving a waiver under this subsection.".

SEC. 5169. CORRECTIONS RELATING TO SECTION 4747 (COVERAGE OF HIV-POSITIVE INDIVIDUALS).

Section 4747 of OBRA–1990 is amended—

(1) in subsection (a), by striking "subsection (c)" and inserting "subsection (b)";

(2) in subsection (b)(2)—

(A) by striking "preventative" each place it appears and inserting "preventive", and

(B) by adding a period at the end of subparagraph (J);

(3) in subsection (c)(1)—

(A) by striking "subsection (c)" and inserting "subsection (b)", and

(B) by striking "paragraphs (1) and (2) of"; and

(4) in subsection (d)—

(A) by striking "paragraph (3)" and inserting "subsection (b)", and

(B) by striking "paragraph (1)" and inserting "subsection (a)".

SEC. 5170. CORRECTION RELATING TO SECTION 4751 (ADVANCE DIRECTIVES).

Section 1903(m)(1)(A), as amended by section 4751(b)(1) of OBRA–1990, is amended—

(1) by striking "1902(w)" and inserting "1902(w) and"; and

(2) by striking "1902(a)" and inserting "1902(w)"

SEC. 5171. CORRECTIONS RELATING TO SECTION 4752 (PHYSICIANS' SERVICES).

(a) The paragraph (58) of section 1902(a) added by section 4752(c)(1)(C) of OBRA–1990 is amended by striking "subsection (v)" and inserting "subsection (x)".

(b) Subparagraphs (A) and (B) of the paragraph (14) of section 1903(i) added by section 4752(e)(2) of OBRA–1990 are each amended—

(1) by striking "or" at the end of clause (v);

(2) by redesignating clause (vi) as clause (vii); and

(3) by inserting after clause (v) the following new clause:

"(vi) delivers such services in the emergency department of a hospital participating in the state plan approved under this title, or".

SEC. 5172. CORRECTIONS RELATING TO SECTION 4801 (NURSING HOME REFORM).

(a) Section 1919(b)(3)(C)(i)(I), as amended by section 4801(e)(3) of OBRA–1990, is amended by striking "no later than" before "not to exceed 14 days".

(b) Section 1919(b)(5)(D), as amended by section 4801(a)(4) of OBRA–1990, is amended by striking the comma before "or a new competency evaluation program.".

(c) Section 1919(b)(5)(G) is amended by striking "or licensed or certified social worker" and inserting "licensed or certified social worker, registered respiratory therapist, or certified respiratory therapy technician".

(d) Section 1919(f)(2)(B)(i) is amended by striking "facilities," and inserting "facilities (subject to clause (iii)),".

(e) Section 1919(f)(2)(B)(iii)(I)(c) is amended by striking "clauses" each place it appears and inserting "clause".

(f) Section 1919(g)(5)(B) is amended by striking "paragraphs" and inserting "paragraph".

(g) Section 4801(a)(6)(B) of OBRA–1990 is amended—

(1) by striking "The amendments" and inserting "(i) The amendments";

(2) by redesignating clauses (i) through (v) as subclauses (I) through (V); and

(3) by adding at the end the following new clause:

"(ii) Notwithstanding clause (i) and subject to section 1919(f)(2)(B)(iii) of the Social Security Act (as amended by subparagraph (A)), a State may approve a training and competency evaluation program or a competency evaluation program offered by or in a nursing facility described in clause (i) if, during the previous 2 years, none of the subclauses of clause (i) applied to the facility.".

SEC. 5173. OTHER TECHNICAL CORRECTIONS.

(a) Section 1905(o)(1)(A) is amended—

(1) in the first sentence, by striking "intermediate care facility services" and inserting "for nursing facility services or intermediate care facility services for the mentally retarded"; and

(2) in the second sentence, by striking "or intermediate care facility" and inserting "(for purposes of title XVIII), a nursing facility, or an intermediate care facility for the mentally retarded".

(b) Section 1915(d) is amended—

(1) by striking "skilled nursing facility or intermediate care facility" each place it appears in paragraphs (1), (2)(B), and (2)(C) and inserting "nursing facility";

(2) in paragraph (2)(B)(i), by striking "skilled nursing or intermediate care facility" and inserting "nursing facility";

(3) in paragraph (5)(A), by striking "under" the second place it appears and inserting "(or, in the case of waiver years beginning on or after October 1, 1990, with respect to nursing facility services and home and community-based services) under"; and

(4) in paragraph (5)(B)—

(A) in clause (i), by striking "furnished" and inserting "(or, with respect to waiver years beginning on or after October 1, 1990, for nursing facility services) furnished"; and

(B) in clause (iii)(I), by striking "(regardless" and inserting "(or, with respect to waiver years beginning on or after October 1, 1990, which comprise nursing facility services) (regardless".

SEC. 5174. CORRECTIONS TO DESIGNATIONS OF NEW PROVISIONS.

(a) PARAGRAPHS ADDED TO SECTION 1902(a).—Section 1902(a) is amended—

(1) by striking "and" at the end of paragraph (54);

(2) in the paragraph (55) inserted by section 4602(a)(3) of OBRA–1990, by striking the period at the end and inserting a semicolon;

(3) by redesignating the paragraph (55) inserted by section 4604(b)(3) of OBRA–1990 as paragraph (56), by transferring and inserting it after the paragraph (55) inserted by section 4602(a)(3) of such Act, and by striking the period at the end and inserting a semicolon;

(4) by placing paragraphs (57) and (58), inserted by section 4751(a)(1)(C) of OBRA–1990, immediately after paragraph (56), as redesignated by paragraph (3);

(5) in the paragraph (58) inserted by section 4751(a)(1)(C) of OBRA–1990, by striking the period at the end and inserting "; and"; and

(6) by redesignating the paragraph (58) inserted by section 4752(c)(1)(C) of OBRA–1990 as paragraph (59) and by transferring and inserting it after the paragraph (58) inserted by section 4751(a)(1)(C) of such Act.

(b) PARAGRAPHS ADDED TO SECTION 1903(i).—Section 1903(i), as amended by section 2(b)(2) of the Medicaid Voluntary Contribution and Provider-Specific Tax Amendments of 1991, is amended—

(1) in the paragraph (10) inserted by section 4401(a)(1)(B) of OBRA–1990, by striking all that follows "1927(g)" and inserting a semicolon;

(2) by redesignating the paragraph (12) inserted by section 4752(a)(2) of OBRA–1990 as paragraph (11), by transferring and inserting it after the paragraph (10) inserted by section 4401(a)(1)(B) of OBRA–1990, and by striking the period at the end and inserting a semicolon;

(3) by redesignating the paragraph (14) inserted by section 4752(e) of OBRA–1990 as paragraph (12), by transferring and inserting it after paragraph (11), as redesignated by paragraph (2), and by striking the period at the end and inserting "; or"; and

(4) by redesignating the paragraph (11) inserted by section 4801(e)(16)(A) of OBRA–1990 as paragraph (13) and by transferring and inserting it after paragraph (12), as redesignated by paragraph (3).

(c) PARAGRAPHS ADDED TO SECTION 1905(a).—

(1) IN GENERAL.—Section 1905(a) is amended—

(A) by striking "and" at the end of paragraph (21);

(B) in paragraph (24), by striking the comma at the end and inserting "; and"; and

(C) by redesignating paragraphs (22), (23), and (24) as paragraphs (24), (22), and (23), respectively, and by transferring and inserting paragraph (24) after paragraph (23), as so redesignated.

(2) CONFORMING AMENDMENTS.—(A) Effective July 1, 1991, section 1902(a)(10)(C)(iv), as amended by section 4755(c)(1)(A) of OBRA–1990, is amended by striking "through (21)" and inserting "through (23)".

(B) Effective July 1, 1991, section 1902(j), as amended by section 4711(d)(1) of OBRA–1990, is amended by striking "through (22)" and inserting "through (24)".

(d) FINAL SECTIONS.—Section 1928, as redesignated by section 4401(a)(3) of OBRA–1990, is amended—

(1) by transferring such section to the end of title XIX of the Social Security Act; and

(2) by redesignating such section as section 1931.

CHAPTER 2—OTHER HEALTH CARE PROGRAMS

SEC. 5181. NATIONAL VACCINE INJURY COMPENSATION PROGRAM AMENDMENTS.

(a) USE OF VACCINE INJURY COMPENSATION TRUST FUND.—Section 6601(r) of the Omnibus Budget Reconciliation Act of 1989 is amended by striking "$2,500,000 for each of fiscal years 1991 and 1992" each place it appears and inserting "$3,000,000 for fiscal year 1994 and each fiscal year thereafter" (in three places).

(b) AMENDMENT OF VACCINE INJURY TABLE.—Section 2116(b) of the Public Health Service Act (42 U.S.C. 300aa–16(b)) is amended by striking "such person may file" and inserting "or to significantly increase the likelihood of obtaining compensation, such person may, notwithstanding section 2111(b)(2), file".

(c) EXTENSION OF TIME FOR DECISION.—Section 2112(d)(3)(D) of such Act (42 U.S.C. 300aa–12(d)(3)(D)) is amended by striking "540 days" and inserting "30 months (but for no more than 6 months at a time)".

(d) SIMPLIFICATION OF VACCINE INFORMATION MATERIALS.—

(1) Section 2126(b) of such Act (42 U.S.C. 300aa–26(b)) is amended—

(A) by striking "by rule" in the matter preceding paragraph (1);

(B) by striking, in paragraph (1), ", opportunity for a public hearing, and 90" and inserting "and 30"; and

(C) by striking, in paragraph (2), ", appropriate health care providers and parent organizations".

(2) Section 2126(c) of such Act (42 U.S.C. 300aa–26(c)) is amended—

(A) by inserting "shall be based on available data and information," after "such materials" in the matter preceding paragraph (1), and

(B) by striking paragraphs (1) through (10) and inserting the following:

"(1) a concise description of the benefits of the vaccine,

"(2) a concise description of the risks associated with the vaccine,

"(3) a statement of the availability of the National Vaccine Injury Compensation Program, and

"(4) such other relevant information as may be determined by the Secretary.".

(3) Subsections (a) and (d) of section 2126 of such Act (42 U.S.C. 300aa–26) are each amended by inserting "or to any other individual" after "to the legal representatives of any child".

(4) Subsection (d) of section 2126 of such Act (42 U.S.C. 300aa–26) is amended—

(A) by striking all after "subsection (a)," the second place it appears in the first sentence and inserting "supplemented with visual presentations or oral explanations, in appropriate cases.", and

(B) by striking "or other information" in the last sentence.

SEC. 5182. AVAILABILITY OF MEDICAID PAYMENTS FOR CHILDHOOD VACCINE REPLACEMENT PROGRAMS.

(a) IN GENERAL.—Section 1902(a)(32) (42 U.S.C. 1396a(a)(32)) is amended—

(1) by striking "and" at the end of subparagraph (B),

(2) by striking the period at the end of subparagraph (C) and inserting "; and", and

(3) by adding at the end the following new subparagraph:

"(D) in the case of payment for a childhood vaccine administered to individuals entitled to medical assistance under the State plan, the State plan may make payment directly to the manufacturer of the vaccine under a voluntary replacement program agreed to by the State pursuant to which the manufacturer (i) supplies doses of the vaccine to providers administering the vaccine, (ii) periodically replaces the supply of the vaccine, and (iii) charges the State the manufacturer's bid price to the Centers for Disease Control and Prevention for the vaccine so administered plus a reasonable premium to cover shipping and the handling of returns;''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act.

SEC. 5183. MISCELLANEOUS TECHNICAL CORRECTIONS TO PUBLIC HEALTH SERVICE ACT PROVISIONS.

(a) COMPENSATION FOR MEMBERS OF NATIONAL ADVISORY COUNCIL ON NATIONAL HEALTH SERVICE CORPS.—

(1) IN GENERAL.—Section 337(b)(2) of the Public Health Service Act (42 U.S.C. 254j(b)(2)) is amended—

(A) by inserting after ''so serving'' the following: ''compensation at a rate fixed by the Secretary (but not to exceed'', and

(B) by striking ''Schedule;'' and inserting ''Schedule);''.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect on the date of the enactment of this Act.

(b) LIABILITY PROTECTIONS FOR INDIVIDUALS PROVIDING SERVICES AT CERTAIN CLINICS.—

(1) CLARIFICATION OF VOLUNTARY PARTICIPATION BY CERTAIN ENTITIES.—(A) Section 224(g) of the Public Health Service Act (42 U.S.C. 133(g)(1)), as added by section 2(a) of the Federally Supported Health Centers Assistance Act of 1992, is amended—

(i) in paragraph (4), by striking ''An entity'' and inserting ''Except as provided in paragraph (6), an entity'', and

(ii) by adding at the end the following new paragraph:

''(6) An entity may elect not to be treated as being described in paragraph (4) if the entity establishes that on a continuous basis since October 24, 1992, the entity has been a participant in, and partial owner of, a nonprofit risk retention group which offers malpractice and other liability coverage to the entity.''.

(B) Section 224(k)(2) of such Act (42 U.S.C. 233(k)(2)), as added by section 4 of the Federally Supported Health Centers Assistance Act of 1992, is amended by striking ''entities receiving funds'' and all that follows through ''subsection (g)'' and inserting the following: ''entities described in subsection (g)(4) and receiving funds under each of the grant programs described in such subsection''.

(2) CLARIFICATION OF COVERAGE OF OFFICERS AND EMPLOYEES OF CLINICS.—The first sentence of section 224(g)(1) of the Public Health Service Act (42 U.S.C. 233(g)(1)) is amended by striking ''officer, employee, or contractor'' and inserting the following: ''officer or employee of such an entity, and any contractor''.

(3) COVERAGE FOR SERVICES FURNISHED TO INDIVIDUALS OTHER THAN PATIENTS OF CLINIC.—Section 224(g) of such Act (42 U.S.C. 233(g)(1)), as amended by paragraph (1), is amended—

(A) in the first sentence of paragraph (1), by inserting after ''Service'' the following: ''with respect to services provided to patients of the entity and (subject to paragraph (7)) to certain other individuals''; and

(B) by adding at the end the following new paragraph:

''(7) For purposes of paragraph (1), an officer, employee, or contractor described in such paragraph may be deemed to be an employee of the Public Health Service with respect to services provided to individuals who are not patients of an entity described in paragraph (4) only if the Secretary determines—

''(A) that the provision of the services to such individuals is necessary to assure the treatment of patients of such an entity; or

''(B) that such services are otherwise required to be provided to such individuals under an employment contract (or other similar arrangement) between the individual and the entity.''.

(4) DETERMINING COMPLIANCE OF ENTITY WITH REQUIREMENTS FOR COVERAGE.—Section 224(h) of such Act (42 U.S.C. 233(h)), as added by section 2(b) of the Federally Supported Health Centers Assistance Act of 1992, is amended by striking ''the entity—'' and inserting the following: ''the Secretary, after receiving such assurances and conducting such investigation as the Secretary considers necessary, finds that the entity—''.

(5) EFFECTIVE DATE.—The amendments made by this subsection shall take effect as if included in the enactment of the Federally Supported Health Centers Assistance Act of 1992.

(c) ELIMINATION OF DUPLICATE WAIVER AUTHORITY FOR PARTICIPANTS IN NATIONAL HEALTH SERVICE CORPS.—Section 338E(c) of the Public Health Service Act (42 U.S.C. 254o(c)) is amended by striking paragraph (3) and redesignating paragraph (4) as paragraph (3).

(d) CLARIFICATION OF PROHIBITION AGAINST RESALE OF DRUGS UNDER DRUG REBATE AGREEMENTS.—Section 340B(a)(5)(B) of the Public Health Service Act (42 U.S.C. 256b(a)(5)(B)), as added by section 602(a) of the Veterans Health Care of 1992, is amended by striking ''entity.'' and inserting ''covered entity.''.

Subtitle C—Communications Licensing Improvement

SEC. 5200. TABLE OF CONTENTS.

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Subtitle C—Communications Licensing Improvement

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CHAPTER 1—COMPETITIVE BIDDING AUTHORITY

SEC. 5201. SHORT TITLE.

This chapter may be cited as the ''Licensing Improvement Act of 1993''.

SEC. 5202. FINDINGS.

The Congress finds that—

(1) current licensing procedures often delay delivery of services to the public and can result in the unjust enrichment of applicants on the basis of the value of the public airwaves;

(2) if licensees are engaged in reselling the use of the public airwaves to subscribers for a fee, the licensee should pay reasonable compensation to the public for those public resources;

(3) a carefully designed system to obtain competitive bids from competing qualified applicants can speed delivery of services, promote efficient and intensive use of the electromagnetic spectrum, prevent unjust enrichment, and produce revenues to compensate the public for the use of the public airwaves; and

(4) therefore, the Federal Communications Commission should have the authority to differentiate among multiple qualified applicants for a single license using a system of competitive bids.

SEC. 5203. AUTHORITY TO USE COMPETITIVE BIDDING.

Section 309 of the Communications Act of 1934 (47 U.S.C. 309) is amended by adding at the end the following new subsection:

''(j) USE OF COMPETITIVE BIDDING.—

''(1) GENERAL AUTHORITY.—If mutually exclusive applications are filed for any initial license or construction permit which will involve a use of the electromagnetic spectrum described in paragraph (2), then the Commission shall have the authority to grant such license or permit to a qualified applicant through the use of a system of competitive bidding that meets the requirements of this subsection.

''(2) USES TO WHICH BIDDING MAY APPLY.—A use of the electromagnetic spectrum is described in this paragraph if the Commission determines that—

''(A) the principal use of such spectrum will involve, or is reasonably likely to involve, the licensee receiving compensation from subscribers in return—

''(i) for the licensee enabling those subscribers to receive communications signals that are transmitted utilizing frequencies on which the licensee is licensed to operate; or

''(ii) for the licensee enabling those subscribers to transmit directly communications signals utilizing frequencies on which the licensee is licensed to operate; and

''(B) a system of competitive bidding will promote the objectives described in paragraph (3).

''(3) DESIGN OF SYSTEMS OF COMPETITIVE BIDDING.—For each license or permit, or class of licenses or permits, that the Commission grants through the use of a competitive bidding system, the Commission shall, by rule, establish a competitive bidding methodology. The Commission shall seek to design and test multiple alternative methodologies under appropriate circumstances. In identifying licenses and permits to be issued by competitive bidding, in specifying eligibility and other characteristics of such licenses and permits, and in designing the methodologies for use under this subsection, the Commission shall seek to promote the purposes specified in section 1 of this Act and the following objectives:

''(A) the development and rapid deployment of new technologies, products, and services for the benefit of the public, including those residing in rural areas, without administrative or judicial delays;

''(B) promoting economic opportunity and competition and ensuring that new and innovative technologies are readily accessible to the American people by avoiding excessive concentration of licenses and by disseminating licenses among a wide variety of applicants, including small businesses and businesses owned by members of minority groups and women;

"(C) recovery for the public of a portion of the value of the public spectrum resource made available for commercial use and avoidance of unjust enrichment through the methods employed to award uses of that resource; and

"(D) efficient and intensive use of the electromagnetic spectrum.

"(4) CONTENTS OF REGULATIONS.—In prescribing rules pursuant to paragraph (3), the Commission shall—

"(A) consider alternative payment schedules and methods of calculation, including initial lump sums, installment or royalty payments, guaranteed annual minimum payments, or other schedules or methods that promote the objectives described in paragraph (3)(B), and combinations of such schedules and methods;

"(B) include performance requirements, such as appropriate deadlines and penalties for performance failures, to ensure prompt delivery of service to rural areas, to prevent stockpiling or warehousing of spectrum by licensees or permittees, and to promote investment in and rapid deployment of new technologies and services;

"(C) consistent with the public interest, convenience, and necessity, the purposes of this Act, and the characteristics of the proposed service, prescribe area designations and bandwidth assignments that promote (i) an equitable distribution of licenses and services among geographic areas, (ii) economic opportunity for a wide variety of applicants, including small businesses and businesses owned by members of minority groups and women, and (iii) investment in and rapid deployment of new technologies and services; and

"(D) require such transfer disclosures and antitrafficking restrictions and payment schedules as may be necessary to prevent unjust enrichment as a result of the methods employed to issue licenses and permits.

"(5) BIDDER AND LICENSEE QUALIFICATION.—No person shall be permitted to participate in a system of competitive bidding pursuant to this subsection unless such bidder submits such information and assurances as the Commission may require to demonstrate that such bidder's application is acceptable for filing. No license shall be granted to an applicant selected pursuant to this subsection unless the Commission determines that the applicant is qualified pursuant to subsection (a) and sections 308(b) and 310. Consistent with the objectives described in paragraph (3), the Commission shall, by rule, prescribe expedited procedures consistent with the procedures authorized by subsection (i)(2) for the resolution of any substantial and material issues of fact concerning qualifications.

"(6) RULES OF CONSTRUCTION.—Nothing in this subsection, or in the use of competitive bidding, shall—

"(A) limit or otherwise affect the requirements of subsection (h) of this section, section 301, 304, 307, 310, or 706, or any other provision of this Act (other than subsections (d)(2) and (e) of this section);

"(B) be construed to convey any rights, including any expectation of renewal of a license, that differ from the rights that apply to other licenses within the same service that were not issued pursuant to this subsection; or

"(C) be construed to prohibit the Commission from issuing nationwide licenses or permits.

"(7) LIMITATION OF EFFECT ON ALLOCATION DECISIONS.—In making a decision pursuant to section 303(c) to assign a band of frequencies to a use for which licenses or permits will be issued pursuant to this subsection, and in prescribing regulations pursuant to paragraph (4)(A) and (4)(C) of this subsection, the Commission may not base a finding of public interest, convenience, and necessity solely or predominantly on the expectation of Federal revenues from the use of a system of competitive bidding under this subsection.

"(8) TREATMENT OF REVENUES.—All proceeds from the use of a competitive bidding system under this subsection shall be deposited in the Treasury in accordance with chapter 33 of title 31, United States Code. A license or permit issued by the Commission under this section shall not be treated as the property of the licensee for tax purposes by any State or local government entity.

"(9) TERMINATION; EVALUATION.—The authority of the Commission to grant a license or permit under this subsection shall expire September 30, 1998. Not later than September 30, 1997, the Commission shall conduct a public inquiry and submit to the Congress a report—

"(A) describing the methodologies established by the Commission pursuant to paragraphs (3) and (4);

"(B) comparing the relative advantages and disadvantages of such methodologies in terms of attaining the objectives described in such paragraphs;

"(C) evaluating the extent to which such methodologies have secured prompt delivery of service to rural areas; and

"(D) containing a statement of the revenues obtained, and a projection of the future revenues, from the use of competitive bidding systems under this subsection.".

SEC. 5204. CONFORMING AMENDMENTS.

Section 309 of the Communications Act of 1934 is further amended—

(1) by striking subsection (i)(1) and inserting the following:

"(i) RANDOM SELECTION.—

"(1) GENERAL AUTHORITY.—If—

"(A) there is more than one application for any initial license or construction permit which will involve a use of the electromagnetic spectrum; and

"(B) the Commission has determined that the use is not described in subsection (j)(2)(A);

then the Commission shall have the authority to grant such license or permit to a qualified applicant through the use of a system of random selection.";

(2) in paragraph (2)—

(A) by indenting paragraph (2), including subparagraphs (A) through (C), by an additional 2 em spaces; and

(B) by inserting "DETERMINATIONS OF QUALIFICATIONS.—" after "(2)";

(3) in paragraph (3)—

(A) by indenting subparagraphs (A) and (B), and so much of subparagraph (C) as precedes clause (i), by an additional 2 em spaces;

(B) by indenting clauses (i) and (ii) of subparagraph (C) by an additional 4 em spaces; and

(C) by inserting "PREFERENCES; DIVERSITY.—" after "(3)";

(4) in paragraph (4)—

(A) by indenting subparagraphs (A) and (B) of such paragraph by an additional 2 em spaces;

(B) by inserting "RULEMAKING SCHEDULE AND AUTHORITY.—" after "(4)"; and

(C) by adding at the end the following new subparagraph:

"(C) Not later than 180 days after the date of enactment of this subparagraph, the Commission shall prescribe such transfer disclosures and antitrafficking restrictions and payment schedules as are necessary to prevent the unjust enrichment of recipients of licenses or permits as a result of the methods employed to issue licenses under this subsection.".

SEC. 5205. REGULATORY PARITY.

(a) AMENDMENT.—Section 332 of the Communications Act of 1934 (47 U.S.C. 332) is amended—

(1) by striking "PRIVATE LAND" from the heading of the section; and

(2) by amending striking subsection (c) and inserting the following:

"(c) REGULATORY TREATMENT OF MOBILE SERVICES.—

"(1) COMMON CARRIER TREATMENT OF COMMERCIAL MOBILE SERVICES.—(A) A person engaged in the provision of commercial mobile services shall, insofar as such person is so engaged, be treated as a common carrier for purposes of this Act, except for such provisions of title II as the Commission may, consistent with the public interest, specify as inapplicable by rule. In prescribing any such rule, the Commission may not specify section 201, 202, or 208, or any other provision that the Commission determines to be necessary in order to ensure that the charges, practices, classifications, or regulations for or in connection with commercial mobile services are just and reasonable and are not unjustly or unreasonably discriminatory or is otherwise in the public interest.

"(B) Upon reasonable request of any person providing commercial mobile service, the Commission shall order a common carrier to establish physical connections with such service pursuant to the provisions of section 201 of this Act. Except to the extent that the Commission is required to respond to such a request, this subparagraph shall not be construed as a limitation or expansion of the Commission's authority to order interconnection pursuant to this Act.

"(2) NONCOMMON CARRIER TREATMENT OF PRIVATE LAND MOBILE SERVICES.—A person engaged in private land mobile service shall not, insofar as such person is so engaged, be treated as a common carrier for any purpose under this Act. A common carrier (other than a person that was treated as provider of private land mobile services prior to the enactment of the Licensing Improvement Act of 1993) shall not provide any dispatch service on any frequency allocated for common carrier service, except to the extent such dispatch service is provided on stations licensed in the domestic public land mobile radio service before January 1, 1982. The Commission may by regulation terminate, in whole or in part, the prohibition contained in the preceding sentence if the Commission determines that such termination will serve the public interest.

"(3) STATE AUTHORITY TO REGULATE.—(A) Notwithstanding sections 2(b) and 221(b), no State or local government shall have any authority to impose any rate or entry regulation upon any commercial mobile service or any private land mobile service, except that this paragraph shall not prohibit a State from regulating the other terms and conditions of commercial mobile services.

"(B) Notwithstanding subparagraph (A), a State may petition the Commission for authority to regulate the rates for any commercial mobile service, and the Commission shall grant such petition, if such State demonstrates that (i) such service is a substitute for land line telephone exchange service for a substantial portion of the public within such State, or (ii) market conditions with respect to such services fail to protect subscribers adequately from unjust and unreasonable rates or rates that are unjustly or unreasonably discriminatory. The Commission shall provide reasonable opportunity for public comment in response to such petition, and shall, within 9 months after the date of its submission, grant or deny such petition. If the Commission grants such petition, the Commission shall authorize the State to exercise under State law such authority over rates, for such periods of time, as the Commission deems necessary to ensure that such rates are just and reasonable and not unjustly or unreasonably discriminatory.

"(4) REGULATORY TREATMENT OF COMMUNICATIONS SATELLITE CORPORATION.—Nothing in this subsection shall be construed to alter or affect the regulatory treatment required by title IV of the Communications Satellite of 1962 of the corporation authorized by title III of such Act.

"(d) DEFINITIONS.—For purposes of this section—

"(1) the term 'commercial mobile service' means all mobile services (as defined in section 3(n)) that—

"(A) are provided for profit (i) to the public, (ii) on an indiscriminate basis, or (iii) to such broad classes of eligible users as to be effectively available to a substantial portion of the public; and

"(B) are interconnected (or have requested interconnection pursuant to paragraph (1)(B)) with the public switched network (as such terms are defined by regulation by the Commission); and

"(2) the term 'private mobile service' means any mobile service (as defined in section 3(n)) that is not a commercial mobile service.".

(b) CONFORMING AMENDMENTS.—

(1) AMENDMENTS TO DEFINITIONS.—Section 3 of the Communications Act of 1934 (47 U.S.C. 153) is amended—

(A) in subsection (n)—

(i) by inserting "(1)" after "and includes"; and

(ii) by inserting before the period at the end the following: ", (2) a mobile service which provides a regularly interacting group of base, mobile, portable, and associated control and relay stations (whether licensed on an individual, cooperative, or multiple basis) for private one-way or two-way land mobile radio communications by eligible users over designated areas of operation, and (3) any service for which a license is required in a personal communications service established pursuant to the proceeding entitled 'Amendment of the Commission's Rules to Establish New Personal Communications Services' (GEN Docket No. 90–314; ET Docket No. 92–100), or any successor proceeding"; and

(B) by striking subsection (gg).

(2) CONFORMING AMENDMENTS TO SECTION 332.—Section 332 of such Act is further amended—

(A) in subsection (a), by inserting after "(a)" the following: "MANAGEMENT OF PRIVATE LAND MOBILE FREQUENCIES.—";

(B) in subsection (b)—

(i) by indenting the margin of paragraphs (2) through (4) by 2 em spaces;

(ii) by striking "(b)(1)" and inserting the following:

"(b) USE OF ADVISORY COMMITTEE.—

"(1) COORDINATION OF FREQUENCY ASSIGNMENT.—";

(iii) by inserting "EXEMPTION.—" after "(2)";

(iv) by inserting "NONEMPLOYEE STATUS.—" after "(3)"; and

(v) by inserting "APPLICATION OF FEDERAL ADVISORY COMMITTEE ACT.—" after "(4).

SEC. 5206. EFFECTIVE DATES; DEADLINES FOR COMMISSION ACTION.

(a) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this chapter are effective on the date of enactment of this Act.

(2) EFFECTIVE DATE OF MOBILE SERVICE AMENDMENTS.—The amendments made by section 5205 shall be effective 1 year after such date of enactment, except that any person that provides private land mobile services before such date of enactment shall continue to be treated as a provider of private land mobile service until 3 years after such date of enactment.

(b) DEADLINES FOR COMMISSION ACTION.—

(1) GENERAL RULEMAKING.—The Federal Communications Commission shall prescribe rules to implement section 309(j) of the Communications Act of 1934 (as added by this chapter) within 210 days after the date of enactment of this Act.

(2) PCS ORDERS AND LICENSING.—The Commission shall—

(A) within 180 days after such date of enactment, issue a final report and order (i) in the matter entitled "Redevelopment of Spectrum to Encourage Innovation in the Use of New Telecommunications Technologies" (ET Docket No. 92–9); and (ii) in the matter entitled "Amendment of the Commission's Rules to Establish New Personal Communications Services" (GEN Docket No. 90–314; ET Docket No. 92–100); and

(B) within 270 days after such date of enactment, commence issuing licenses and permits in the personal communications service.

(3) MOBILE SERVICE RULEMAKING REQUIRED.—Within 1 year after the date of enactment of this Act, the Federal Communications Commission shall—

(A) issue such modifications or terminations of its regulations concerning private land mobile services as are necessary to implement the amendments made by section 5205;

(B) make such other modifications of such regulations as may be necessary to equalize the regulatory treatment of providers of all commercial mobile services that offer services that are substantially similar; and

(C) include in such modifications and terminations such provisions as are necessary to provide for an orderly transition to the regulatory treatment required by such amendments.

(c) SPECIAL RULE.—The Federal Communications Commission shall not issue any license or permit pursuant to section 309(i) of the Communications Act of 1934 after the date of enactment of this Act unless the Commission has made the determination required by paragraph (1)(B) of such section (as added by this chapter).

CHAPTER 2—EMERGING TELECOMMUNICATIONS TECHNOLOGIES

SEC. 5221. SHORT TITLE.

This chapter may be cited as the "Emerging Telecommunications Technologies Act of 1993".

SEC. 5222. AMENDMENT TO THE NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION ORGANIZATION ACT.

The National Telecommunications and Information Administration Organization Act is amended—

(1) by striking the heading of part B and inserting the following:

"PART D—SPECIAL AND TEMPORARY PROVISIONS";

(3) by redesignating sections 131 through 135 as sections 151 through 155, respectively; and

(2) by inserting after part A the following new part:

"PART B—EMERGING TELECOMMUNICATIONS TECHNOLOGIES

"SEC. 111. FINDINGS.

"The Congress finds that—

"(1) the Federal Government currently reserves for its own use, or has priority of access to, approximately 40 percent of the electromagnetic spectrum that is assigned for use pursuant to the Communications Act of 1934;

"(2) many of such frequencies are underutilized by Federal Government licensees;

"(3) the public interest requires that many of such frequencies be utilized more efficiently by Federal Government and non-Federal licensees;

"(4) additional frequencies are assigned for services that could be obtained more efficiently from commercial carriers or other vendors;

"(5) scarcity of assignable frequencies for licensing by the Commission can and will—

"(A) impede the development and commercialization of new telecommunications products and services;

"(B) limit the capacity and efficiency of the United States telecommunications systems;

"(C) prevent some State and local police, fire, and emergency services from obtaining urgently needed radio channels; and

"(D) adversely affect the productive capacity and international competitiveness of the United States economy;

"(6) a reassignment of these frequencies can produce significant economic returns; and

"(7) the Secretary of Commerce, the President, and the Federal Communications Commission should be directed to take appropriate steps to correct these deficiencies.

"SEC. 112. NATIONAL SPECTRUM PLANNING.

"(a) PLANNING ACTIVITIES.—The Assistant Secretary and the Chairman of the Commission shall meet, at least biannually, to conduct joint spectrum planning with respect to the following issues—

"(1) the future spectrum requirements for public and private uses, including State and local government public safety agencies;

"(2) the spectrum allocation actions necessary to accommodate those uses; and

"(3) actions necessary to promote the efficient use of the spectrum, including spectrum management techniques to promote increased shared use of the spectrum that does not cause harmful interference as a means of increasing commercial access.

"(b) REPORTS.—The Assistant Secretary and the Chairman of the Commission shall submit a joint annual report to the Committee on Energy and Commerce of the House of Representatives, the Committee on Commerce, Science, and Transportation of the Senate, the Secretary, and the Commission on the joint spectrum planning activities conducted under subsection (a) and recommendations for action developed pursuant to such activities.

"(c) REPORTING REQUIREMENTS.—The first annual report submitted after the date of the report by the advisory committee under section 113(d)(4) shall—

"(1) include an analysis of and response to that committee report; and

"(2) include an analysis of the effect on spectrum efficiency and the cost of equipment to Federal spectrum users of maintaining separate allocations for Federal Government and non-Federal Government licensees for the same or similar services.

"SEC. 113. IDENTIFICATION OF REALLOCABLE FREQUENCIES.

"(a) IDENTIFICATION REQUIRED.—The Secretary shall, within 24 months after the date of the enactment of this part, prepare and submit to the President and the Congress a report identifying bands of frequencies that—

"(1) are allocated on a primary basis for Federal Government use and eligible for licensing pursuant to section 305(a) of the Act (47 U.S.C. 305(a));

"(2) are not required for the present or identifiable future needs of the Federal Government;

"(3) can feasibly be made available, as of the date of submission of the report or at any time during the next 15 years, for use under the Act (other than for Federal Government stations under such section 305);

"(4) will not result in costs to the Federal Government, or losses of services or benefits to the public, that are excessive in relation to the benefits that may be obtained by non-Federal licensees; and

"(5) are most likely to have the greatest potential for productive uses and public benefits under the Act.

"(b) MINIMUM AMOUNT OF SPECTRUM RECOMMENDED.—

"(1) IN GENERAL.—Based on the report required by subsection (a), the Secretary shall recommend for reallocation, for use other than by Federal Government stations under section 305 of the Act (47 U.S.C. 305), bands of frequencies that span a total of not less than 200 megahertz, that are located below 6 gigahertz, and that meet the criteria specified in paragraphs (1) through (4) of subsection (a). The Secretary may not include, in such 200 megahertz, bands of frequencies that span more than 20 megahertz and that are located between 5 and 6 gigahertz. If the report identifies (as meeting such criteria) bands of frequencies spanning more than 200 megahertz, the report shall identify and recommend for reallocation those bands (spanning not less than 200 megahertz) that meet the criteria specified in paragraph (5) of such subsection.

"(2) MIXED USES PERMITTED TO BE COUNTED.—Bands of frequencies which the Secretary's report recommends be partially retained for use by Federal Government stations, but which are also recommended to be reallocated to be made available under the Act for use by non-Federal stations, may be counted toward the minimum spectrum required by paragraph (1) of this subsection, except that—

"(A) the bands of frequencies counted under this paragraph may not count toward more than one-half of the minimum required by paragraph (1) of this subsection;

"(B) a band of frequencies may not be counted under this paragraph unless the assignments of the band to Federal Government stations under section 305 of the Act (47 U.S.C. 305) are limited by geographic area, by time, or by other means so as to guarantee that the potential use to be made by such Federal Government stations is substantially less (as measured by geographic area, time, or otherwise) than the potential use to be made by non-Federal stations; and

"(C) the operational sharing permitted under this paragraph shall be subject to coordination procedures which the Commission shall establish and implement to ensure against harmful interference.

"(c) CRITERIA FOR IDENTIFICATION.—

"(1) NEEDS OF THE FEDERAL GOVERNMENT.—In determining whether a band of frequencies meets the criteria specified in subsection (a)(2), the Secretary shall—

"(A) consider whether the band of frequencies is used to provide a communications service that is or could be available from a commercial carrier or other vendor;

"(B) seek to promote—

"(i) the maximum practicable reliance on commercially available substitutes;

"(ii) the sharing of frequencies (as permitted under subsection (b)(2));

"(iii) the development and use of new communications technologies; and

"(iv) the use of nonradiating communications systems where practicable; and

"(C) seek to avoid—

"(i) serious degradation of Federal Government services and operations; and

"(ii) excessive costs to the Federal Government and users of Federal Government services.

"(2) FEASIBILITY OF USE.—In determining whether a frequency band meets the criteria specified in subsection (a)(3), the Secretary shall—

"(A) assume such frequencies will be assigned by the Commission under section 303 of the Act (47 U.S.C. 303) over the course of not less than 15 years;

"(B) assume reasonable rates of scientific progress and growth of demand for telecommunications services;

"(C) determine the extent to which the reallocation or reassignment will relieve actual or potential scarcity of frequencies available for licensing by the Commission for non-Federal use;

"(D) seek to include frequencies which can be used to stimulate the development of new technologies; and

"(E) consider the immediate and recurring costs to reestablish services displaced by the reallocation of spectrum.

"(3) ANALYSIS OF BENEFITS.—In determining whether a band of frequencies meets the criteria specified in subsection (a)(4), the Secretary shall consider—

"(A) the extent to which equipment is or will be available that is capable of utilizing the band;

"(B) the proximity of frequencies that are already assigned for commercial or other non-Federal use; and

"(C) the activities of foreign governments in making frequencies available for experimentation or commercial assignments in order to support their domestic manufacturers of equipment.

"(4) POWER AGENCY FREQUENCIES.—

"(A) ELIGIBLE FOR MIXED USE ONLY.—The frequencies assigned to any Federal power agency may only be eligible for mixed use under subsection (b)(2) in geographically separate areas and shall not be recommended for the purposes of withdrawing that assignment. In any case where a frequency is to be shared by an affected Federal power agency and a non-Federal user, such use by the non-Federal user shall, consistent with the procedures established under subsection (b)(2)(C), not cause harmful interference to the affected Federal power agency or adversely affect the reliability of its power system.

"(B) DEFINITION.—As used in this paragraph, the term 'Federal power agency' means the Tennessee Valley Authority, the Bonneville Power Administration, the Western Area Power Administration, or the Southwestern Power Administration.

"(d) PROCEDURE FOR IDENTIFICATION OF REALLOCABLE BANDS OF FREQUENCIES.—

"(1) SUBMISSION OF PRELIMINARY IDENTIFICATION TO CONGRESS.—Within 12 months after the date of the enactment of this part, the Secretary shall prepare and submit to the Congress a report which makes a preliminary identification of reallocable bands of frequencies which meet the criteria established by this section.

"(2) CONVENING OF ADVISORY COMMITTEE.—Not later than the date the Secretary submits the report required by paragraph (1), the Secretary shall convene an advisory committee to—

"(A) review the bands of frequencies identified in such report;

"(B) advise the Secretary with respect to (i) the bands of frequencies which should be included in the final report required by subsection (a), and (ii) the effective dates which should be established under subsection (e) with respect to such frequencies;

"(C) receive public comment on the Secretary's report and on the final report; and

"(D) prepare and submit the report required by paragraph (4).

The advisory committee shall meet at least monthly until each of the actions required by section 114(a) have taken place.

"(3) COMPOSITION OF COMMITTEE; CHAIRMAN.—The advisory committee shall include—

"(A) the Chairman of the Commission and the Assistant Secretary, and one other representative of the Federal Government as designated by the Secretary; and

"(B) representatives of—

"(i) United States manufacturers of spectrum-dependent telecommunications equipment;

"(ii) commercial carriers;

"(iii) other users of the electromagnetic spectrum, including radio and television broadcast licensees, State and local public safety agencies, and the aviation industry; and

"(iv) other interested members of the public who are knowledgeable about the uses of the electromagnetic spectrum.

A majority of the members of the committee shall be members described in subparagraph (B), and one of such members shall be designated as chairman by the Secretary.

"(4) RECOMMENDATIONS ON SPECTRUM ALLOCATION PROCEDURES.—The advisory committee shall, not later than 36 months after the date of the enactment of this part, submit to the Secretary, the Commission, the Committee on Energy and Commerce of the House of Representatives, and the Committee on Commerce, Science, and Transportation of the Senate, a report containing such recommendations as the advisory committee considers appropriate for the reform of the process of allocating the electromagnetic spectrum between Federal and non-Federal use, and any dissenting views thereon.

"(e) TIMETABLE FOR REALLOCATION AND LIMITATION.—

"(1) TIMETABLE REQUIRED.—The Secretary shall, as part of the report required by subsection (a), include a timetable that recommends immediate and delayed effective dates by which the President shall withdraw or limit assignments on the frequencies specified in the report.

"(2) EXPEDITED REALLOCATION OF INITIAL 30 MHZ PERMITTED.—The Secretary may prepare and submit to the President a report which specifically identifies an initial 30 megahertz of spectrum that meets the criteria described in subsection (a) and that can be made available for reallocation immediately upon issuance of the report required by this section.

"(3) DELAYED EFFECTIVE DATE.—The recommended delayed effective dates shall—

"(A) permit the earliest possible reallocation of the frequency bands, taking into account the requirements of section 115(1);

"(B) be based on the useful remaining life of equipment that has been purchased or contracted for to operate on identified frequencies;

"(C) be based on the need to coordinate frequency use with other nations; and

"(D) take into account the relationship between the costs to the Federal Government of changing to different frequencies and the benefits that may be obtained from commercial and other non-Federal uses of the reassigned frequencies.

"SEC. 114. WITHDRAWAL OF ASSIGNMENT TO FEDERAL GOVERNMENT STATIONS.

"(a) IN GENERAL.—The President shall—

"(1) within 6 months after receipt of the Secretary's report under section 113(a), withdraw the assignment to a Federal Government station of any frequency which the report recommends for immediate reallocation;

"(2) within such 6-month period, limit the assignment to a Federal Government station of any frequency which the report recommends be made immediately available for mixed use under section 113(b)(2);

"(3) by the delayed effective date recommended by the Secretary under section 113(e) (except as provided in subsection (b)(4) of this section), withdraw or limit the assignment to a Federal Government station of any frequency which the report recommends be reallocated or made available for mixed use on such delayed effective date;

"(4) assign or reassign other frequencies to Federal Government stations as necessary to adjust to such withdrawal or limitation of assignments; and

"(5) transmit a notice and description to the Commission and each House of Congress of the actions taken under this subsection.

"(b) EXCEPTIONS.—

"(1) AUTHORITY TO SUBSTITUTE.—If the President determines that a circumstance described in paragraph (2) exists, the President—

"(A) may substitute an alternative frequency or band of frequencies for the frequency or band that is subject to such determination and withdraw (or limit) the assignment of that alternative frequency or band in the manner required by subsection (a); and

"(B) shall submit a statement of the reasons for taking the action described in subparagraph (A) to the Committee on Energy and Commerce of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate.

"(2) GROUNDS FOR SUBSTITUTION.—For purposes of paragraph (1), the following circumstances are described in this paragraph:

"(A) the reassignment would seriously jeopardize the national defense interests of the United States;

"(B) the frequency proposed for reassignment is uniquely suited to meeting important governmental needs;

"(C) the reassignment would seriously jeopardize public health or safety; or

"(D) the reassignment will result in costs to the Federal Government that are excessive in relation to the benefits that may be obtained from commercial or other non-Federal uses of the reassigned frequency.

"(3) CRITERIA FOR SUBSTITUTED FREQUENCIES.—For purposes of paragraph (1), a frequency may not be substituted for a frequency identified by the report of the Secretary under section 113(a) unless the substituted frequency also meets each of the criteria specified by section 113(a).

"(4) DELAYS IN IMPLEMENTATION.—If the President determines that any action cannot be completed by the delayed effective date recommended by the Secretary pursuant to section 113(e), or that such an action by such date would result in a frequency being unused as a consequence of the Commission's plan under section 115, the President may—

"(A) withdraw or limit the assignment to Federal Government stations on a later date that is consistent with such plan, except that the President shall notify each committee specified in paragraph (1)(B) and the Commission of the reason that withdrawal or limitation at a later date is required; or

"(B) substitute alternative frequencies pursuant to the provisions of this subsection.

"(c) LIMITATION ON DELEGATION.—Notwithstanding any other provision of law, the authorities and duties established by this section may not be delegated.

"SEC. 115. DISTRIBUTION OF FREQUENCIES BY THE COMMISSION.

"Not later than 1 year after the President notifies the Commission pursuant to section 114(a)(5), the Commission shall prepare, in consultation with the Assistant Secretary when necessary, and submit to the President and the Congress, a plan for the distribution under the Act of the frequency bands reallocated pursuant to the requirements of this part. Such plan shall—

"(1) not propose the immediate distribution of all such frequencies, but, taking into account the timetable recommended by the Secretary pursuant to section 113(e), shall propose—

"(A) gradually to distribute the frequencies remaining, after making the reservation required by subparagraph (B), over the course of a period of not less than 10 years beginning on the date of submission of such plan; and

"(B) to reserve a significant portion of such frequencies for distribution beginning after the end of such 10-year period;

"(2) contain appropriate provisions to ensure—

"(A) the availability of frequencies for new technologies and services in accordance with the policies of section 7 of the Act (47 U.S.C. 157); and

"(B) the availability of frequencies to stimulate the development of such technologies;

"(3) address (A) the feasibility of reallocating spectrum from current commercial and other non-Federal uses to provide for more efficient use of the spectrum, and (B) innovation and marketplace developments that may affect the relative efficiencies of different spectrum allocations; and

"(4) not prevent the Commission from allocating bands of frequencies for specific uses in future rulemaking proceedings.

"SEC. 116. AUTHORITY TO RECOVER REASSIGNED FREQUENCIES.

"(a) AUTHORITY OF PRESIDENT.—Subsequent to the withdrawal of assignment to Federal Government stations pursuant to section 114, the President may reclaim reassigned frequencies for reassignment to Federal Government stations in accordance with this section.

"(b) PROCEDURE FOR RECLAIMING FREQUENCIES.—

"(1) UNALLOCATED FREQUENCIES.—If the frequencies to be reclaimed have not been allocated or assigned by the Commission pursuant to the Act, the President shall follow the procedures for substitution of frequencies established by section 114(b) of this part.

"(2) ALLOCATED FREQUENCIES.—If the frequencies to be reclaimed have been allocated or assigned by the Commission, the President shall follow the procedures for substitution of frequencies established by section 114(b) of this part, except that the notification required by section 114(b)(1)(A) shall include—

"(A) a timetable to accommodate an orderly transition for licensees to obtain new frequencies and equipment necessary for its utilization; and

"(B) an estimate of the cost of displacing spectrum users licensed by the Commission.

"(c) COSTS OF RECLAIMING FREQUENCIES; APPROPRIATIONS AUTHORIZED.—The Federal Government shall bear all costs of reclaiming frequencies pursuant to this section, including the cost of equipment which is rendered unusable, the cost of relocating operations to a different frequency band, and any other costs that are directly attributable to the reclaiming of the frequency pursuant to this section. There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this section.

"(d) EFFECTIVE DATE OF RECLAIMED FREQUENCIES.—The Commission shall not withdraw licenses for any reclaimed frequencies until the end of the fiscal year following the fiscal year in which the President's notification is received.

"(e) EFFECT ON OTHER LAW.—Nothing in this section shall be construed to limit or otherwise affect the authority of the President under sections 305 and 706 of the Act (47 U.S.C. 305, 606).

"SEC. 117. DEFINITIONS.

"As used in this part:

"(1) The term 'allocation' means an entry in the National Table of Frequency Allocations of a given frequency band for the purpose of its use by one or more radiocommunication services.

"(2) The term 'assignment' means an authorization given to a station licensee to use specific frequencies or channels.

"(3) The term 'commercial carrier' means any entity that uses a facility licensed by the Federal Communications Commission pursuant to the Communications Act of 1934 for hire or for its own use, but does not include Federal Government stations licensed pursuant to section 305 of the Act (47 U.S.C. 305).

"(4) The term 'the Act' means the Communications Act of 1934 (47 U.S.C. 151 et seq.).".

CHAPTER 3—COMMUNICATIONS TECHNICAL AMENDMENTS

SEC. 5241. CLERICAL CORRECTIONS.

(a) AMENDMENTS TO THE COMMUNICATIONS ACT OF 1934.—The Communications Act of 1934 is amended—

(1) in section 4(f)(3), by striking "overtime exceeds beyond" and inserting "overtime extends beyond";

(2) in section 5, by redesignating subsection (f) as subsection (e);

(3) in section 220(b), by striking "clasess" and inserting "classes";

(4) in section 223(b)(3), by striking "defendant restrict access" and inserting "defendant restricted access";

(5) in section 226(d), by striking paragraph (2) and redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively;

(6) in section 227(e)(2), by striking "national datebase" and inserting "national database";

(7) in section 228(c)(6)(D), by striking "conservation" and inserting "conversation";

(8) in section 308(c), by striking "May 24, 1921" and inserting "May 27, 1921";

(9) in section 331, by amending the heading of such section to read as follows:

"VERY HIGH FREQUENCY STATIONS AND AM RADIO STATIONS";

(10) in section 358, by striking "(a)";

(11) in part III of title III—

(A) by inserting before section 381 the following heading:

"VESSELS TRANSPORTING MORE THAN SIX PASSENGERS FOR HIRE REQUIRED TO BE EQUIPPED WITH RADIO TELEPHONE";

(B) by inserting before section 382 the following heading:

"VESSELS EXCEPTED FROM RADIO TELEPHONE REQUIREMENT";

(C) by inserting before section 383 the following heading:

"EXEMPTIONS BY COMMISSION";

(D) by inserting before section 384 the following heading:

"AUTHORITY OF COMMISSION; OPERATIONS, INSTALLATIONS, AND ADDITIONAL EQUIPMENT";

(E) by inserting before section 385 the following heading:

"INSPECTIONS"; and

(F) by inserting before section 386 the following heading:

"FORFEITURES";

(12) in section 410(c), by striking ", as referred to in sections 202(b) and 205(f) of the Interstate Commerce Act,";

(13) in section 705(e)(3)(A), by striking "paragraph (4) of subsection (d)" and inserting "paragraph (4) of this subsection";

(14) in section 705, by redesignating subsections (f) and (g) (as added by Public Law 100–667) as subsections (g) and (h); and

(15) in section 705(h) (as so redesignated), by striking "subsection (f)" and inserting "subsection (g)".

(b) AMENDMENTS TO THE COMMUNICATIONS SATELLITE ACT OF 1962.—The Communications Satellite Act of 1962 is amended—

(1) in section 303(a)—

(A) by striking "section 27(d)" and inserting "section 327(d)";

(B) by striking "sec. 29-911(d)" and inserting "sec. 29-327(d)";

(C) by striking "section 36" and inserting "section 336"; and

(D) by striking "sec. 29-916d" and inserting "sec. 29-336(d)";

(2) in section 304(d), by striking "paragraphs (1), (2), (3), (4), and (5) of section 310(a)" and inserting "subsection (a) and paragraphs (1) through (4) of subsection (b) of section 310"; and

(3) in section 304(e)—

(A) by striking "section 45(b)" and inserting "section 345(b)"; and

(B) by striking "sec. 29-920(b)" and inserting "sec. 29-345(b)"; and

(4) in sections 502(b) and 503(a)(1), by striking "Communications Satellite Corporation" and inserting "communications satellite corporation established pursuant to title III of this Act".

(c) CONFORMING AMENDMENT.—Section 1253 of the Omnibus Budget Reconciliation Act of 1981 is repealed.

SEC. 5242. TRANSFER OF PROVISIONS OF LAW CONCERNING PUBLIC TELECOMMUNICATIONS FACILITIES, CHILDREN'S EDUCATIONAL TELEVISION, AND TELECOMMUNICATIONS DEMONSTRATION PROGRAM.

(a) AMENDMENTS.—The Communications Act of 1934 (hereinafter in this section referred to as "the 1934 Act") and the National Telecommunications and Information Administration Organization Act (hereinafter in this section referred to as "the NTIAO Act") are amended as follows:

(1) The NTIAO Act is amended by inserting after part B (as added by chapter 2 of this subtitle) a new part C, the heading of which shall be as follows:

"PART C—ASSISTANCE FOR PUBLIC TELECOMMUNICATIONS FACILITIES; CHILDREN'S EDUCATIONAL TELEVISION; TELECOMMUNICATIONS DEMONSTRATIONS";

(2) Sections 390, 391, 392, 393, 393A, 394, and 395 of the 1934 Act are transferred to such new part C of the NTIAO Act and are redesignated as sections 121, 122, 123, 124, 125, 131, and 135, respectively, of the NTIAO Act.

(3) Such new part C of the NTIAO Act is amended—

(A) by inserting before section 121 the following:

"Subpart 1—Assistance for Public Telecommunications Facilities";

(B) by inserting before section 131 the following:

"Subpart 2—National Endowment for Children's Television";

(C) by inserting before section 135 the following:

"Subpart 3—Telecommunications Demonstrations".

(4) Section 125 of the NTIAO Act (as added by paragraph (2) of this subsection) is amended by striking "section 390" and inserting "section 121".

(5) Each of such sections 121 through 135 is amended so that the section designation and section heading of each such shall be in the form and typeface of the section designation and section heading of this section.

(b) CONFORMING AMENDMENT TO COMMUNICATIONS ACT OF 1934.—Part IV of title III of the 1934 Act is amended by striking out subparts A, B, and C.

(c) REFERENCES IN OTHER LAWS AND DOCUMENTS.—Any reference to any section or other provision of subpart A, B, or C of part IV of title III of the 1934 Act in any law, rule, regulation, certificate, directive, instruction, or other official paper in force on the date of enactment of this section shall be deemed to refer to the section or other provision of subpart 1, 2, or 3 of part C of the NTIAO Act to which such section or other provision is transferred by this section.

SEC. 5243. ELIMINATION OF EXPIRED AND OUTDATED PROVISIONS.

(a) AMENDMENTS TO THE COMMUNICATIONS ACT OF 1934.—The Communications Act of 1934 is amended—

(1) in section 7(b), by striking "or twelve months after the date of the enactment of this section, if later" both places it appears;

(2) in section 212, by striking "After sixty days from the enactment of this Act it shall" and inserting "It shall";

(3) in section 213, by striking subsection (g) and redesignating subsection (h) as subsection (g);

(4) in section 214(a), by striking "section 221 or 222" and inserting "section 221";

(5) in section 220(b), by striking ", as soon as practicable,";

(6) in section 222—

(A) by striking paragraph (1) of subsection (a);

(B) by redesignating paragraphs (2) and (3) of such subsection as paragraphs (1) and (2), respectively;

(C) by striking paragraph (2) of subsection (b);

(D) by redesignating subsection (b)(1) as subsection (b); and

(E) by striking subsections (c), (d), and (e);

(7) in section 224(b)(2), by striking "Within 180 days from the date of enactment of this section the Commission" and inserting "The Commission";

(8) in 226(e)(1), by striking ", within 9 months after the date of enactment of this section,";

(9) in section 309(i)(4)(A), by striking "The commission, not later than 180 days after the date of the enactment of the Communications Technical Amendments Act of 1982, shall," and inserting "The Commission shall,";

(10) by striking section 328;

(11) in section 331(b), by striking the last sentence;

(12) in section 413, by striking ", within sixty days after the taking effect of this Act,";

(13) in section 624(d)(2)—

(A) by striking out "(A)";

(B) by inserting "of" after "restrict the viewing"; and

(C) by striking subparagraph (B);

(14) by striking sections 702 and 703;

(15) in section 704—

(A) by striking subsections (b) and (d); and

(B) by redesignating subsection (c) as subsection (b);

(16) in section 705(g) (as redesignated by section 5211(15)), by striking "Within 6 months after the date of enactment of the Satellite Home Viewer Act of 1988, the Federal Communications Commission" and inserting "The Commission";

(16) in section 710(f)—

(A) by striking the first and second sentences; and

(B) in the third sentence, by striking "Thereafter, the Commission" and inserting "The Commission";

(17) in section 712(a), by striking ", within 120 days after the effective date of the Satellite Home Viewer Act of 1988,"; and

(18) by striking section 713.

(b) AMENDMENTS TO THE COMMUNICATIONS SATELLITE ACT OF 1962.—The Communications Satellite Act of 1962 is amended—

(1) in section 201(a)(1), by striking "as expeditiously as possible,";

(2) by striking sections 301 and 302 and inserting the following:

"SEC. 301. CREATION OF CORPORATION.

"There is authorized to be created a communications satellite corporation for profit which will not be an agency or establishment of the United States Government.

"SEC. 302. APPLICABLE LAWS.

"The corporation shall be subject to the provisions of this Act and, to the extent consistent with this Act, to the District of Columbia Business Corporation Act. The right to repeal, alter, or amend this Act at any time is expressly reserved.";

(3) in section 304(a), by striking "at a price not in excess of $100 for each share and";

(4) in section 404—

(A) by striking subsections (a) and (c); and

(B) by striking "(b)" at the beginning of subsection (b);

(5) in section 503—

(A) by striking paragraph (2) of subsection (a);

(B) by redesignating paragraph (3) of subsection (a) as paragraph (2) of such subsection;

(C) by striking subsection (b);

(D) in subsection (g)—

(i) by striking "subsection (c)(3)" and inserting "subsection (b)(3)"; and

(ii) by striking the last sentence; and

(E) by redesignating subsections (c) through (h) as subsections (b) through (g), respectively;

(5) by striking sections 505, 506, and 507; and

(6) by redesignating section 508 as section 505.

SEC. 5244. STYLISTIC CONSISTENCY.

The Communications Act of 1934 and the Communications Satellite Act of 1962 are amended so that the section designation and section heading of each section of such Acts shall be in the form and typeface of the section designation and heading of this section.

Subtitle D—Energy Programs

SEC. 5301. NUCLEAR REGULATORY COMMISSION ANNUAL CHARGES.

Section 6101(a)(3) of the Omnibus Budget Reconciliation Act of 1990 (42 U.S.C. 2214(a)(3)) is amended by striking "September 30, 1995" and inserting "September 30, 1998".

TITLE VI—COMMITTEE ON THE JUDICIARY

SEC. 6001. PATENT AND TRADEMARK FEES.

Section 10101 of the Omnibus Budget Reconciliation Act of 1990 (35 U.S.C. 41 note) is amended—

(1) in subsection (a) by striking "1995" and inserting "1998";

(2) in subsection (b)(2) by striking "1995" and inserting "1998"; and

(3) in subsection (c)—

(A) by striking "through 1995" and inserting "through 1998"; and

(B) by adding at the end the following:

"(6) $111,000,000 in fiscal year 1996.

"(7) $115,000,000 in fiscal year 1997.

"(8) $119,000,000 in fiscal year 1998.".

TITLE VII—COMMITTEE ON MERCHANT MARINE AND FISHERIES

SEC. 7001. EXTENSION OF VESSEL TONNAGE DUTIES.

(a) EXTENSION OF DUTIES.—Section 36 of the Act of August 5, 1909 (36 Stat. 111; 46 App. U.S.C. 121), is amended by—

(1) striking "and 1995," each place it appears and inserting "1995, 1996, 1997, and 1998,";

(2) striking "place," and inserting "place;"; and

(3) striking "port, not, however, to include vessels in distress or not engaged in trade" and inserting "port. However, neither duty shall be imposed on vessels in distress or not engaged in trade".

(b) CONFORMING AMENDMENT.—The Act of March 8, 1910 (36 Stat. 234; 46 App. U.S.C. 132), is amended by striking "and 1995," and inserting "1995, 1996, 1997, and 1998,".

(c) TECHNICAL CORRECTION.—

(1) CORRECTION.—Section 10402(a) of the Omnibus Budget Reconciliation Act of 1990 (104 Stat. 1388-398) is amended by striking "in the second paragraph".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall be effective on and after November 5, 1990.

TITLE VIII—COMMITTEE ON NATURAL RESOURCES

SEC. 8001. ANNUAL DIRECT GRANT ASSISTANCE.

(a) REPEAL.—Sections 3 and 4 of the Act of March 24, 1976 entitled "a Joint Resolution to approve the 'Covenant To Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America', and for other purposes" (90 Stat. 263 and following; 48 U.S.C. 1681 note) are repealed, effective on October 1, 1993.

(b) DEFINITIONS.—As used in this section:

(1) COMMITTEES.—The term "committees" means the Committee on Natural Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate.

(2) RECOMMENDATIONS.—The term "Recommendations" means the document executed December 17, 1992, between the special representative of the President of the United States and the special representatives of the Governor of the Commonwealth of the Northern Mariana Islands relating to future federal assistance for the Northern Mariana Islands.

(3) REPORTING DATE.—The term "reporting date" means the date on which the budget of the President for the fiscal year 1995 is required to be submitted to the Congress under section 1105 of title 31, United States Code.

(c) ASSISTANCE.—

(1) AMOUNTS.—Except as otherwise provided under this section, enactment of this section shall constitute a commitment and pledge of the full faith and credit of the United States for the payment of the following amounts:

(A) In fulfillment of the United States obligation under P.L. 94-241 and the authorization in P.L. 95-348, $3,000,000 for fiscal year 1994, which shall be available only for the American Memorial Park, located at Tanapag Harbor Reservation, Saipan, to be expended in accordance with section 5 of the Act entitled "An Act to authorize appropriations for certain insular areas of the United States, and for other purposes", approved August 18, 1978 (92 Stat. 492), for the primary purpose of constructing an appropriate monument honoring the dead in the World War II Mariana Islands campaign.

(B) $19,000,000 for fiscal year 1994, to be held in trust in a special account by the Secretary of the Interior for American Samoa, the Commonwealth of the Northern Mariana Islands, Guam, the Trust Territory of the Pacific Islands, and the Virgin Islands, and to be disbursed by the Secretary during fiscal year 1994 for essential capital improvement projects. Such disbursements shall be made by the Secretary for projects described in plans submitted to the Secretary by the governments of American Samoa, the Commonwealth of the Northern Mariana Islands, Guam, the Trust Territory of the Pacific Islands, and the Virgin Islands. No such disbursements shall be made pursuant to any such plan until after the expiration of a period of 60 days after such plan has been submitted to the committees. No such disbursements shall be made to the Commonwealth of the Northern Mariana Islands during fiscal year 1994 pursuant to any such plan until the committees have received the reports required under subsection (d)(3) and a Joint Resolution has been adopted expressing the sense of Congress that disbursements are appropriate. The Inspector General of the Department of the Interior shall (i) monitor the expenditure of such funds to determine whether such funds are expended in accordance with applicable law, and (ii) submit a report of the findings to the committees not later than January 1, 1995.

(C) Subject to paragraphs (2), (3), and (4) and subject to subsection (d), not more than $98,000,000 for the 6-year period beginning October 1, 1994, for the government of the Commonwealth of the Northern Mariana Islands, for capital improvement projects, at annual amounts that shall not exceed those specified for the Federal contribution within the general funding schedule contained in the Recommendations.

(2) MATCHING RATIO AND INTEREST EARNINGS.—Nothing in this section shall be construed to—

(A) modify the matching ratio requirement specified in the funding schedule contained in the Recommendations; or

(B) modify the terms of the Recommendations as to the availability of interest earnings on funds contributed under Public Law 99-396 upon meeting the terms of the grant pledge agreements entered into under Public Law 99-396.

(3) ROTA, TINIAN, AND SAIPAN.—No less than ⅛th share of the funds made available under subsection (c)(1)(C) shall be expended in the islands of Rota and Tinian and no less than ¼th share shall be expended in Saipan.

(4) APPLICABILITY OF GRANT REGULATIONS.—The Federal assistance provided under this section shall be subject to the applicable Federal grant regulations set forth in the Common Rule (43 C.F.R. 12a, OMB Circular A-102, and OMB Circular A-128).

(d) CONDITION ON MULTI-YEAR ASSISTANCE.—

(1) JOINT RESOLUTION.—Amounts under subsection (c)(1)(C) for fiscal years 1995 through 2000 shall be as determined by the Congress by joint resolution. It is the intent of the Congress that the committees report such a joint resolution after considering the plan referred to in paragraph (2) and reports required by this subsection.

(2) CAPITAL IMPROVEMENT PROJECTS PLAN.—The plan referred to in paragraph (1) is a plan developed and submitted by the Governor of the Commonwealth of the Northern Mariana Islands to the Secretary of the Interior as approved by the legislature of the Commonwealth for new and reconstructed capital infrastructure projects, indicating the order of priority, together with cost estimates for each project and identification of sources of financing for each project. The Secretary of the Interior shall submit the plan, together with his recommendations, to the committees not later than the reporting date.

(3) REPORTS.—Each of the following reports shall be submitted to the committees not later than the reporting date as follows:

(A) REVENUE BURDEN.—The Comptroller General of the United States, after consultation with the government of the Northern Mariana Islands, shall submit a report describing the effective revenue burden (including all taxes and fees) imposed by the government of the Commonwealth of the Northern Mariana Islands. The report shall—

(i) address whether revenues raised are sufficient to meet the infrastructure needs of the Commonwealth; and

(ii) compare the revenue burden of the Commonwealth with that of Guam.

(B) COMPLIANCE WITH AUDIT RECOMMENDATIONS.—The Inspector General of the Department of the Interior shall submit a report on (i) compliance by the government of the Commonwealth of the Northern Mariana Islands with recommendations made by the Inspector General pursuant to audits of the government of the Commonwealth, and (ii) on all unfulfilled commitments made by the government of the Commonwealth in response to those recommendations.

(C) ASSESSMENT OF MINIMUM WAGE.—The Secretary of Labor, after consultation with the government of the Commonwealth of the Northern Mariana Islands, shall submit a report which assesses whether—

(i) the minimum wage policies of the Commonwealth are sufficient for the maintenance of the minimum standard of living necessary for health, efficiency, and general well-being of workers in the Commonwealth;

(ii) the prevailing wages paid in the Commonwealth are effectively reduced by the immigration policy of the Commonwealth; and

(iii) the wage rate in the Commonwealth gives industries in the Commonwealth a competitive advantage over industries in the United States outside of the Commonwealth.

(D) IMMIGRATION POLICY AND BURDEN ON INFRASTRUCTURE.—(i) The Attorney General of the United States, after consultation with the government of the Commonwealth of the Northern Mariana Islands, shall submit a report which assesses—

(I) whether the immigration laws of the Commonwealth are appropriate in light of the social and economic situation in the Commonwealth;

(II) the extent to which the Commonwealth is relying on temporary alien workers to meet the Commonwealth's permanent labor needs;

(III) whether the Commonwealth has taken steps to reduce its dependence on temporary alien workers; and

(IV) the political and civil rights of the alien population as compared to the resident population.

(ii) The Comptroller General of the United States shall submit a report to the Congress which analyzes the socioeconomic impact of the immigration policy of the Commonwealth of the Northern Mariana Islands, including the financial burden imposed by the alien population on the infrastructure.

(E) ENVIRONMENTAL LAWS.—The Secretary of the Interior and the Administrator of the Environmental Protection Agency shall each submit a report to the Congress on the compliance by the Commonwealth of the Northern Mariana Islands with United States environmental laws, including (but not limited to) the National Environmental Policy Act of 1969, the Endangered Species Act of 1973, and the Federal Water Pollution Control Act.

SEC. 8002. NET RECEIPTS SHARING.

Section 35 of the Mineral Leasing Act is amended as follows:

(1) Strike the last sentence.

(2) Insert "(a) IN GENERAL.—" after "SEC. 35."

(3) Insert "and, subject to subsection (b)," between "United States;" and "50 percentum".

(4) Add the following new subsection at the end thereof:

"(b) ADMINISTRATIVE COSTS.—(1) In calculating the amount to be paid to each State during any fiscal year under this section and under other provisions of law requiring payment to a State of any revenues derived from the leasing of any other onshore lands or interest in land owned by the United States for the production of the same types of minerals as are leasable under this Act or for the production of geothermal steam, prior to the division and distribution of such leasing receipts between the States and the United States, the Secretary shall deduct 50 percent of the portion of the enacted appropriations of the Department of the Interior and of other departments and agencies of the United States for the preceding fiscal year allocable to the administration and enforcement of this Act and such other provisions of law. Such deduction shall be in approximately equal amounts each month (subject to paragraph (3)).

"(2) The proportion of the deduction required under paragraph (1) which is allocable to each State shall be a percentage of the total deduction allocable to all States. The percentage shall be determined by dividing—

"(A) the monies disbursed to the State during the preceding fiscal year under the provisions of this section and the other provisions of law referred to in paragraph (1), by

"(B) the total money disbursed to all States during that fiscal year under such provisions.

"(3) If the amount otherwise deductible under this subsection in any month from the portion of revenues to be distributed to a State exceeds the amount payable to the State during that month, any amount exceeding the amount payable shall be carried forward and deducted from amounts payable to the State in subsequent months.

"(4) All amounts deducted under this subsection from monies otherwise payable to a State shall be credited to miscellaneous receipts in the Treasury.".

SEC. 8003. HARD ROCK MINING CLAIM MAINTENANCE AND LOCATION FEES.

(a) CLAIM MAINTENANCE AND LOCATION FEES.—

(1) CLAIM MAINTENANCE FEES.—The holder of each unpatented mining claim, mill or tunnel site located pursuant to the Mining Laws of the United States (whether located before or after enactment of this Act) shall pay to the Secretary of the Interior or his designee for each assessment year a flat claim maintenance fee of not less than $100 per claim. Such claim maintenance fee shall be in lieu of the assessment work requirement contained in the Mining Law of 1872 (30 U.S.C. 28–28e) and the related filing requirements contained in section 314(a) and (c) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1744(a) and (c)).

(2) LOCATION FEE.—For each mining claim, mill or tunnel site located pursuant to the Mining Laws of the United States after the date of enactment of this Act, the claimant shall pay the Secretary a location fee of $25.

(b) TIME OF PAYMENT.—The claim maintenance fee payable under subsection (a)(1) for any assessment year shall be paid before the commencement of the assessment year, except that for the initial assessment year in which the location is made, the locator shall pay the claim maintenance fee at the time the location notice is recorded with the Bureau of Land Management. The location fee imposed under subsection (a)(2) shall be payable not later than 90 days after the date of location

(c) DEPOSIT IN TREASURY.—The Secretary shall deposit monies received under this Act as miscellaneous receipts in the Treasury.

(d) CO-OWNERSHIP.—The co-ownership provisions of section 2324 of the Mining Law of 1872 (30 U.S.C. 28) shall remain in effect with respect to mining claims subject to such provisions except that the annual claim maintenance fee, where applicable, shall be paid in lieu of applicable assessment requirements and expenditures.

(e) FORFEITURE.—Failure to make the annual payment of any claim maintenance or location fee required with respect to any unpatented mining claim, mill, or tunnel site required by subsection (a) shall conclusively constitute a forfeiture by the holder of the unpatented mining claim, mill or tunnel site, effective at noon on the date the payment is due.

(f) FLPMA FILING REQUIREMENTS.—Nothing in this Act shall change or modify the requirements of section 314(b) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1744(b)) or the requirements of section 314(c) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1744(c)) related to filings required by such section 314(b). Such requirements shall remain in effect with respect to claims, and mill or tunnel sites for which fees are required to be paid under this section.

(g) RULES AND REGULATIONS.—The Secretary of the Interior shall promulgate rules and regulations to carry out the purposes of this section as soon as practicable after the date of enactment of this Act.

(h) PURCHASING POWER ADJUSTMENT.—Every 5 years following the date of enactment of this Act, or more frequently if the Secretary determines a more frequent adjustment to be reasonable, the Secretary of the Interior shall adjust the fees specified in subsection (a) to reflect changes in the purchasing power of the dollar. The Secretary shall use the Consumer Price Index for all urban consumers published by the Department of Labor as the basis for adjustment, rounding according to the adjustment process of conditions of the Federal Civil Penalties Inflation Adjustment Act of 1990 (104 Stat. 890). The Secretary shall provide claimants notice of any adjustment made under this subsection not later than July 1 of any year in which the adjustment is made. A fee adjustment under this paragraph shall begin to apply the first assessment which begins after the adjustment is made.

(i) OIL SHALE CLAIMS SUBJECT TO CLAIM MAINTENANCE FEES UNDER ENERGY POLICY ACT OF 1992.—This section shall not apply to any oil shale claims for which a fee is required to be paid under section 2511(e)(2) of the Energy Policy Act of 1992 (Public Law 102–486; 106 Stat. 3111; 30 U.S.C. 242).

(j) EXCEPTION FOR HOLDERS OF FEWER THAN 50 CLAIMS.—

(1) ELIGIBILITY.—In accordance with paragraph (3), a claimant may be eligible for a waiver or reduction of the claim maintenance fees imposed under this section if the claimant certifies in writing to the Secretary that on the date the payment was due, the claimant and all related parties—

(A) held not more than 50 mining claims, mill sites, or tunnel sites, or any combination thereof, on public lands; and

(B) have performed assessment work sufficient to maintain the mining claims held by the claimant and such related parties for the assessment year ending on noon of September 1 of the calendar year in which payment of the claim maintenance fee was due; except that such performance of assessment work shall not be required by reason of section 5 of Public Law 94–429, commonly known as the Mining in the Parks Act, or such other laws that before the date of the enactment of this Act removed the applicability of the assessment work requirement of the general mining laws for any claim subject to such laws.

(2) HOLDER.—For purposes of paragraph (1), with respect to any claimant, the term "related parties" means—

(A) the spouse and dependent children (as defined in section 152 of the Internal Revenue Code of 1986), of the claimant; and

(B) a person affiliated with the claimant, including—

(i) a person controlled by, controlling, or under common control with the claimant; and

(ii) a subsidiary or parent company or corporation of the claimant.

(3) WAIVED OR REDUCED MAINTENANCE FEES.—

(A) 10 OR FEWER CLAIMS.—The Secretary of the Interior may waive the claim maintenance fee imposed under this section in its entirety for 10 or fewer claims held by a claimant eligible under paragraph (1).

(B) 11 OR MORE CLAIMS.—

(i) IN GENERAL.—Subject to clause (ii), for a claimant eligible under paragraph (1), the Secretary may reduce the claim maintenance fee imposed under this section to $25 per claim for each claim in excess of 10.

(ii) LIMITATION.—The reduction provided for in this subparagraph shall be available for no more than 50 claims held by a claimant who is eligible under paragraph (1).

(4) PAYMENT IN LIEU OF ANNUAL LABOR REQUIREMENTS.—The third sentence of section 2324 of the Revised Statutes (30 U.S.C. 28) is amended by inserting after "On each claim located after the tenth day of May, eighteen hundred and seventy-two," the following: "for which a waiver of the maintenance fee, or a reduced maintenance fee, under section 8003 of the Omnibus Budget Reconcilition Act of 1993 has been granted under subsection (j) of that section,".

(5) FILING REQUIREMENTS.—The holder of any unpatented mining claim for which a waiver of the maintenance fee, or a reduced maintenance fee, has been granted pursuant to this subsection shall continue to be subject to the filing requirements contained in sections 314(a) and (c) of the Federal Land Policy Management Act of 1976 (43 U.S.C. 1744(a) and (c)).

(k) EFFECTIVE DATE.—This section shall take effect with respect to assessment years beginning after August 31, 1994.

SEC. 8004. FEDERAL IRRIGATION WATER SURCHARGE.

(a) FINDINGS AND PURPOSES.—

(1) FINDINGS.—The Congress finds that—

(A) the construction and operation of Federal reclamation projects have contributed to the depletion of streams, the alteration of riparian habitat, and the degradation of water quality;

(B) such impacts have had adverse impacts on fish and wildlife resources; and

(C) the restoration of fish and wildlife and related habitat affected by the construction or operation of Federal reclamation projects is a continuing responsibility of the beneficiaries of such projects.

(2) PURPOSES.—The purposes of this section are to—

(A) incorporate the restoration of fish and wildlife resources and related habitat affected by the construction or operation of Federal reclamation projects into the annual operation and maintenance requirements of such projects;

(B) establish a fair and equitable mechanism for securing timely payments from the beneficiaries of such projects for the implementation, operation, and maintenance of fish and wildlife restoration measures;

(C) accelerate the rate of restoration and recovery of depleted populations of indigenous fish and wildlife; and

(D) encourage more efficient use of water resources by the beneficiaries of Federal reclamation projects.

(b) OPERATIONAL CHARGES.—

(1) IN GENERAL.—Individuals or non-Federal entities that receive delivery of water (including by exchange) which is stored in or transported through Federal reclamation projects or project facilities or projects or project facilities constructed by the Secretary of the Army that meet the conditions specified in paragraph (1) or (2) of section 212(a) of the Reclamation Reform Act of 1982 (Public Law 97-293, 43 U.S.C. 390*ll*), except for facilities of the Central Valley Project, California (as that project is defined by title XXXIV of Public Law 102-575), shall, pursuant to such terms, conditions, and procedures as the Secretary of the Interior may prescribe, pay to the United States an operation and maintenance charge sufficient to yield at least $10,000,000 (January 1993 price levels) annually in the years 1994, 1995, and 1996 and at least $15,000,000 (January 1993 price levels) annually in 1997 and each year thereafter.

(2) PAYMENTS.—Payments required by paragraph (1) shall be made without reduction or deferral by the Secretary under any provision of reclamation law and without regard to whether an individual or entity has discharged its repayment obligation within the meaning of the first section of the Act of July 2, 1956 (70 Stat. 483; 43 U.S.C. 485h-1), section 213 of the Reclamation Reform Act of 1982 (Public Law 97-293, 43 U.S.C. 390mm), or any other provision of Federal Reclamation law. The payments shall be in addition to any other repayments owed or made to the United States and shall not be applied or credited to an individual's or entity's repayment of project construction costs, payment of other annual project operation and maintenance costs, payment of interest, or reduction of any contractual obligation the individual or entity may have with the United States.

(c) NATURAL RESOURCES RESTORATION FUND.—There is hereby established in the Treasury of the United States a fund to be known as the "Natural Resources Restoration Fund" (hereafter in this section referred to as the "Fund"). All payments of the operation and maintenance charges authorized in subsection (b) shall be deposited in the Fund, and shall be available in the fiscal year following deposit and thereafter, to such extent or in such amounts as are provided in advance in appropriation Acts, for expenditures by the Secretary of the Interior for the benefit of fish and wildlife resources, including habitat, affected by construction or operation of the projects referred to in this section.

(d) INDIAN LAND OWNERS.—For the purposes of this section, Indian tribes or individual Indian beneficial owners of land held in trust by the United States or subject to a restriction against alienation by the United States shall be considered to be Federal entities.

(e) FEDERAL RECLAMATION LAW.—This section shall constitute an amendment of and a supplement to the Federal Reclamation laws (the Reclamation Act of 1902, 32 Stat. 388, and Acts amendatory thereof and supplementary thereto).

SEC. 8005. RECREATION USER FEES.

(a) LAND AND WATER CONSERVATION FUND ACT OF 1965.—

(1) IN GENERAL.—The first sentence of section 4(b) of the Land and Water Conservation Fund Act of 1965 (relating to recreation use fees) is amended by striking out "picnic tables, or boat ramps" and all that follows down through the period at the end thereof and inserting the following: "or picnic tables, and in no event shall there be any charge for the use of any campground not having a majority of the following: tent or trailer spaces, drinking water, access road, refuse containers, toilet facilities, fee collection by an employee or agent of the Federal agency operating the facility, reasonable visitor protection, and simple devices for containing a campfire (where campfires are permitted). For purposes of this subsection, the term 'specialized outdoor recreation site' includes but shall not be limited to campgrounds, swimming sites, boat launch facilities, and managed parking lots.". The second sentence of such section 4(b) is hereby repealed.

(2) CONFORMING AMENDMENT.—Section 210 of Public Law 90-483 (82 Stat. 746; 16 U.S.C. 460d-3) is repealed.

(b) COSTS OF COLLECTION.—Section 4(i) of the Land and Water Conservation Fund Act of 1965 (relating to special accounts for fees collected) is amended by inserting "(A)" after "(1)" and by adding the following at the end of paragraph (1):

"(B) Notwithstanding subparagraph (A), in any fiscal year, the Secretary of Agriculture and the Secretary of the Interior may withhold from the special account established under subparagraph (A) such portion of all receipts the fees collected in that fiscal year under this section as such Secretary determines to be equal to the additional fee collection costs for that fiscal year. The amounts so withheld shall be retained by the Secretary of Agriculture or the Secretary of the Interior and shall be available, without further appropriation, for expenditure by the Secretary concerned in the fiscal year in which collected to cover such additional fee collection costs. The Secretary concerned shall deposit in the special account established pursuant to subparagraph (A) any amounts so retained which remain unexpended and unobligated at the end of such fiscal year. For the purposes of this subparagraph, for any fiscal year, the term 'additional fee collection costs' means those costs for personnel and infrastructure directly associated with the collection of fees imposed under this section which exceed the costs for personnel and infrastructure directly associated with the collection of such fees during fiscal year 1993.".

(c) GOLDEN AGE PASSPORT.—The second sentence of section 4(a)(4) of the Land and Water Conservation Fund Act of 1965 (relating to Golden Age Passports) is amended to read as follows: "Such permit shall be nontransferable, shall be issued for a charge of $10, and shall entitle the permittee and the permittee's spouse accompanying the permittee to general admission into any area designated pursuant to this section.".

(d) USER FEES FOR RIGHTS-OF-WAY.—In each fiscal year after the enactment of this Act, the Secretary of the Interior shall impose and collect an annual fee for the use and occupancy of any right-of-way through any national park system unit for which a permit has been issued by the Secretary pursuant to any general or specific statutory right-of-way authority (whether issued before or after the enactment of this Act) or for any other right-of-way allowed as of the date of the enactment of this Act. The amount of such annual fee shall be equal to the fair market rental value, as determined by the Secretary, of such use and occupancy for the fiscal year concerned. The fair market value shall be reviewed (and revised if necessary) not less frequently than every 3 years. The Secretary shall deposit all fees collected under this subsection in the special account established under section 4(i) of the Land and Water Conservation Fund Act of 1965.

(e) COMMERCIAL TOUR USE FEES.—(1) In the case of each unit of the National Park System for which an admission fee is charged under section 4 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 4601-4), the Secretary of the Interior shall establish, by October 1, 1993, a commercial tour use fee to be imposed on each vehicle or aircraft entering the unit (or the airspace of the unit) for the purpose of providing commercial tour services within (or within the air space of) the unit. Fee revenue derived from such commercial tour use fees shall be deposited into the special account established under section 4(i) of the Land and Water Conservation Fund Act of 1965.

(2) The Secretary shall establish the amount of fee to be imposed under this subsection per entry. The fee shall not be less than—

(A) $25 per vehicle or aircraft with a passenger capacity of 25 persons or less,

(B) $50 per vehicle or aircraft with a passenger capacity of 26 to 99 persons, and

(C) $100 per vehicle or aircraft with a passenger capacity of 100 to 299 persons.

The Secretary may periodically increase the fee imposed under this subsection as he deems necessary and justifiable.

(3) The commercial tour use fee imposed under this subsection shall not apply to either of the following:

(A) Any vehicle or aircraft transporting organized school groups or outings conducted for educational purposes by schools or other bona fide educational institutions.

(B) Any vehicle or aircraft entering a park system unit pursuant to a contract issued under the Act of October 9, 1965 (16 U.S.C. 20–20g) entitled "An Act relating to the establishment of concession policies in the areas administered by the National Park Service and for other purposes".

(f) FAIR MARKET VALUE FOR COMMUNICATION SITE FEES.—No permit or other authorization for the use of any area of the public lands of the United States for purposes of commercial telephone transmission facilities shall remain in force and effect after January 1, 1994 unless, before that date, and before January 1 of each year thereafter, the holder of such permit or other authorization pays to Secretary of the Department having administrative jurisdiction over such lands an amount equal to the fair market value, as determined by such Secretary, of the right to use and occupy such area for such purposes. For purposes of this subsection, the term "public lands of the United States" means lands owned by the United States and administered by the Secretary of the Interior (other than lands held for the benefit of Indians, Aleuts, and Eskimos) and lands within the National Forest System.

SEC. 8006. NUCLEAR REGULATORY COMMISSION ANNUAL CHARGES.

Section 6101(a)(3) of the Omnibus Budget Reconciliation Act of 1990 (42 U.S.C. 2214(a)(3)) is amended by striking "September 30, 1995" and inserting "September 30, 1998".

SEC. 8007. RECOVERING THE COST FOR GOVERNMENT SERVICES.

(a) REPORT.—Not later than January 1, 1994, the Secretary of the Interior and the Secretary of Energy shall each submit a report identifying fees, penalties, and other charges to the Committee on Natural Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate. Each report shall—

(1) identify all fees, penalties, and other charges imposed by the respective Secretary for the provision of services;

(2) include the procedures for adjusting such fees to recover the cost of providing those services; and

(3) identify those services for which no fee is currently charged and make recommendations for a fee appropriate to cover the cost of providing each service.

(b) ADJUSTMENT OF FEES.—Except as provided in subsection (d), for fiscal year 1995 and each fiscal year thereafter, the Secretary of the Interior and the Secretary of Energy shall adjust each fee, penalty, and other charge for the provision of services identified pursuant to subsection (a)(1). Each such fee, penalty, and charge shall be adjusted in accordance with the procedures identified pursuant to subsection (a)(2).

(c) IMPLEMENTATION OF FEES FOR SERVICES NOT COVERED.—Beginning with fiscal year 1995, the Secretary of the Interior and the Secretary of Energy shall charge fees for each of the services identified pursuant to subsection (a)(3) in an amount sufficient to recover the cost of providing the service. For each fiscal year thereafter, the fee shall be adjusted in the same manner as adjustments are made pursuant to subsection (b), using fiscal year 1995 as the base year.

(d) CERTAIN FEES, PENALTIES AND CHARGES NOT COVERED.—Subsection (b) shall not apply to any fee, penalty, or charge the amount of which is expressly specified in any statute or contract.

SEC. 8008. UNFUNDED LIABILITIES OF THE FEDERAL GOVERNMENT.

Section 1105 of title 31, United States Code, is amended by adding the following subsection at the end thereof:

"(g) The President shall transmit with materials related to each budget an estimate of unfunded future liabilities of the Federal Government that are not accounted for in the budget itself. Such estimate shall include (but not be limited to) liabilities for future remediation of environmental and natural resources damage, and cleaning up waste sites, on Federal lands. Sources of liabilities shall include (but not be limited to) active, inactive, or abandoned mines or oil or gas wells, irrigation waste water impacts, decommissioning of nuclear power plants, and uranium mining and processing activities (without regard to the location of such mining or processing activities) affecting the health of Native Americans and carried out pursuant to a program administered by the United States.".

SEC. 8009. HETCH HETCHY DAM.

Section 7 of the Act of December 13, 1913 (38 Stat. 242), is amended—

(1) by striking "$30,000" in the first sentence and inserting "$20,000,000", and

(2) by amending the second and third sentences to read as follows: "These funds shall be placed in a separate fund by the United States and, notwithstanding any other provision of law, shall not be available for obligation or expenditure until appropriated by the Congress. The highest priority use of the funds shall be for annual operation of Yosemite National Park, with the remainder of any funds to be used to fund operations of other national parks in the State of California.".

TITLE IX—COMMITTEE ON POST OFFICE AND CIVIL SERVICE

Subtitle A—Civil Service

SEC. 9001. PERMANENT ELIMINATION OF THE ALTERNATIVE-FORM-OF-ANNUITY OPTION EXCEPT FOR INDIVIDUALS WITH A CRITICAL MEDICAL CONDITION.

(a) CIVIL SERVICE RETIREMENT SYSTEM; FEDERAL EMPLOYEES' RETIREMENT SYSTEM.—Sections 8343a and 8420a of title 5, United States Code, are each amended—

(1) in subsection (a) by striking "an employee or Member may," and inserting "any employee or Member who has a life-threatening affliction or other critical medical condition may,"; and

(2) by striking subsection (f).

(b) FOREIGN SERVICE RETIREMENT AND DISABILITY SYSTEM.—Section 807(e)(1) of the Foreign Service Act of 1980 (22 U.S.C. 4047(e)(1)) is amended by striking "a participant may," and inserting "any participant who has a life-threatening affliction or other critical medical condition may,".

(c) CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM.—Section 294(a) of the Central Intelligence Agency Retirement Act (50 U.S.C. 2143(a)), as set forth in section 802 of the CIARDS Technical Corrections Act of 1992 (Public Law 102-496; 106 Stat. 3196), is amended by striking "a participant may," and inserting "any participant who has a life-threatening affliction or other critical medical condition may,".

(d) EFFECTIVE DATE.—The amendments made by this section shall become effective on January 1, 1994, and shall apply with respect to any annuity commencing on or after that date.

SEC. 9002. APPLICATION OF MEDICARE PART B LIMITS TO PHYSICIANS' SERVICES FURNISHED TO FEDERAL EMPLOYEE HEALTH BENEFITS ENROLLEES AGE 65 OR OLDER.

(a) IN GENERAL.—Section 8904(b) of title 5, United States Code, is amended—

(1) in paragraph (1) by inserting "(A)" after "(b)(1)" and by adding at the end the following:

"(B)(i) A plan, other than a prepayment plan described in section 8903(4), may not provide benefits, in the case of any retired enrolled individual who is age 65 or older and is not entitled to Medicare supplementary medical insurance benefits under part B of title XVIII of the Social Security Act (42 U.S.C. 1395j et seq.), to pay a charge imposed for physicians' services (as defined in section 1848(j) of such Act, 42 U.S.C. 1395w–4(j)) which are covered for purposes of benefit payments under this chapter and under such part, to the extent that such charge exceeds the fee schedule amount under section 1848(a) of such Act (42 U.S.C. 1395w–4(a)).

"(ii) Physicians and suppliers who have in force participation agreements with the Secretary of Health and Human Services consistent with section 1842(h)(1) of such Act (42 U.S.C. 1395u(h)(1)), whereby the participating provider accepts Medicare benefits (including allowable deductible and coinsurance amounts) as full payment for covered items and services shall accept equivalent benefit and enrollee cost-sharing under this chapter as full payment for services described in clause (i). Physicians and suppliers who are nonparticipating physicians and suppliers for purposes of part B of title XVIII of such Act shall not impose charges that exceed the limiting charge under section 1848(g) of such Act (42 U.S.C. 1395w–4(g)) with respect to services described in clause (i) provided to enrollees described in such clause. The Office of Personnel Management shall notify a physician or supplier who is found to have violated this clause and inform them of the requirements of this clause and sanctions for such a violation. The Office of Personnel Management shall notify the Secretary of Health and Human Services if a physician or supplier is found to knowingly and willfully violate this clause on a repeated basis and the Secretary of Health and Human Services may invoke appropriate sanctions in accordance with sections 1128A(a) and section 1848(g)(1) of such Act (42 U.S.C. 1320a–7a(a), 1395w–4(g)(1)) and applicable regulations.

"(C) If the Secretary of Health and Human Services determines that a violation of this subsection warrants excluding a provider from participation for a specified period under title XVIII of the Social Security Act, the Office shall enforce a corresponding exclusion of such provider for purposes of this chapter.";

(2) in paragraph (3)(B)—

(A) by inserting "(i)" after "includes"; and

(B) by inserting before the period at the end the following: ", and (ii) the fee schedule amounts and limiting charges for physicians' services established under section 1848 of such Act (42 U.S.C. 1395w–4) and the identity of participating physicians and suppliers who have in force agreements with such Secretary under section 1842(h) of such Act (42 U.S.C. 1395u(h))"; and

(3) by adding at the end the following:

"(4) The Director of the Office of Personnel Management shall certify, before the first day of the fifth month that begins before each contract year, that there is in effect an arrangement with the Secretary of Health and Human Services under which, before the beginning of the contract year—

"(A) physicians and suppliers (whether or not participating) under the Medicare program will be notified of the requirements of paragraph (1)(B);

"(B) enforcement procedures will be in place to carry out such paragraph (including enforcement of protections against overcharging of beneficiaries); and

"(C) Medicare program information described in paragraph (3)(B)(ii) will be supplied to carriers under paragraph (3)(A).".

(b) Effective Date.—The amendments made by subsection (a) shall apply with respect to contract years beginning on or after January 1, 1995.

SEC. 9003. TEMPORARY EXTENSION OF METHOD FOR DETERMINING GOVERNMENT CONTRIBUTIONS UNDER FEHBP IN THE ABSENCE OF A GOVERNMENT-WIDE INDEMNITY BENEFIT PLAN.

(a) In General.—Public Law 101-76 (5 U.S.C. 8906 note) is amended in subsection (a)(1) by striking "1993" and inserting "1998".

(b) Sense of Congress.—It is the sense of the Congress that nothing in this section should be considered to reflect any view on the appropriateness, merits, or timing, or any other aspect of any comprehensive health care reform legislation.

Subtitle B—Postal Service

SEC. 9011. PAYMENTS TO BE MADE BY THE UNITED STATES POSTAL SERVICE.

(a) Relating to Corrected Calculations for Past Retirement COLAs.—In addition to any other payments required under section 8348(m) of title 5, United States Code, or any other provision of law, the United States Postal Service shall pay into the Civil Service Retirement and Disability Fund a total of $693,000,000, of which—

(1) at least one-third shall be paid not later than September 30, 1995;

(2) at least two-thirds shall be paid not later than September 30, 1996; and

(3) any remaining balance shall be paid not later than September 30, 1997.

(b) Relating to Corrected Calculations for Past Health Benefits.—In addition to any other payments required under section 8906(g)(2) of title 5, United States Code, or any other provision of law, the United States Postal Service shall pay into the Employees Health Benefits Fund a total of $348,000,000, of which—

(1) at least one-third shall be paid not later than September 30, 1995;

(2) at least two-thirds shall be paid not later than September 30, 1996; and

(3) any remaining balance shall be paid not later than September 30, 1997.

TITLE X—COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

SEC. 10001. AVIATION FEES FOR SERVICES.

(a) In General.—Section 313(f) of the Federal Aviation Act of 1958 (49 U.S.C. App. 1354(f)) is amended to read as follows:

"(f) Fees for Services.—

"(1) Imposition and collection.—The following fees are imposed and shall be collected for services rendered:

"(A) Aircraft registration fees.—

"(i) General rule.—For registration of an aircraft, the fee to be collected from the owner of the aircraft in each fiscal year beginning after September 30, 1993, shall be determined under the following table:

If the maximum certificated gross weight of the aircraft is:	Amount of fee is:
Not over 3,500 pounds	$40.00
Over 3,500 lbs but not over 6,500 lbs.	$175.00
Over 6,500 lbs. but not over 10,000 lbs.	$500.00
Over 10,000 lbs. but not over 100,000 lbs.	$1,000.00
Over 100,000 lbs.	$2,000.00.

If the ownership of the aircraft is also transferred in such fiscal year, the fee to be collected for registration of the aircraft in such fiscal year under this subparagraph, as determined from the table, shall be increased by such amount as the Administrator shall determine so that the average amount of the increase for all aircraft collected under this sentence in such fiscal year will be approximately $200.00.

"(ii) Exemptions.—No fee shall be collected under this subparagraph for registration of an aircraft in a fiscal year if the aircraft—

"(I) is owned or operated by an air carrier exclusively to provide air transportation;

"(II) is owned by, or operated exclusively by or for, the United States Government;

"(III) is registered under a dealer's aircraft registration certificate issued under section 505 of this Act;

"(IV) is not originally certificated with an engine driven electrical system or has not subsequently been certified by the Administrator with such a system installed; or

"(V) is a balloon or glider.

"(B) Designation as aviation medical examiners.—For designation of a person as an aviation medical examiner, the fee to be collected from such person in each fiscal year beginning after September 30, 1993, shall be $500.

"(C) Issuance of certificates to pilots.—After September 30, 1993, the fee to be collected for issuance or renewal of an airman's certificate to a pilot shall be $12. The fee shall be collected from each pilot at least once every 3 fiscal years.

"(2) Continuation of fee for processing of forms for major fuel tank alterations.—

"(A) Establishment and collection.—The Administrator may establish such fees as may be necessary to cover the costs associated with processing of forms for major repairs and alterations of fuel tanks and fuel systems of aircraft.

"(B) Maximum amount.—The amount of any fee under this subsection with respect to processing of a form for a major repair or alternation of a fuel tank or fuel system of an aircraft may not exceed $7.50. Such maximum amount shall be adjusted annually by the Administrator for changes in the Consumer Price Index of All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor.

"(3) Collection and deposit in trust fund.—The amounts of all fees established by or under this subsection shall be collected by the Administrator, or the Secretary of the Treasury for the Administrator, and shall be deposited in the Airport and Airway Trust Fund.".

(b) Conforming Amendment.—The portion of the table of contents contained in the first section of such Act relating to section 313 is amended by striking

"(f) Processing fees."

and inserting

"(f) Fees for services.".

SEC. 10002. RECREATIONAL USER FEES.

(a) In General.—Section 210 of the Flood Control Act of 1968 (16 U.S.C. 460d-3) is amended—

(1) by striking "Sec. 210. No entrance" and inserting the following:

"SEC. 210. RECREATIONAL USER FEES.

"(a) Prohibition on Admissions Fees.—No entrance";

(2) by striking the second sentence; and

(3) by adding at the end the following new subsection:

"(b) Fees for Use of Developed Recreation Sites and Facilities.—

"(1) Establishment and collection.—Notwithstanding section 4(b) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460l–6a(b)), the Secretary of the Army is authorized, subject to paragraphs (2) and (3), to establish and collect fees for the use of developed recreation sites and facilities, including campsites, swimming beaches, and boat launching ramps.

"(2) Exemption of certain facilities.—The Secretary shall not establish or collect fees under this subsection for the use or provision of drinking water, wayside exhibits, general purpose roads, overlook sites, picnic tables, toilet facilities, surface water areas, undeveloped or lightly developed shoreland, or general visitor information.

"(3) Per vehicle limit.—The fee under this subsection for use of a site or facility (other than an overnight camping site or facility or any other site or facility at which a fee is charged for use of the site or facility as of the date of the enactment of this paragraph) for persons entering the site or facility by private, noncommercial vehicle shall not exceed $3 per day per vehicle. Such maximum amount may be adjusted annually by the Secretary for changes in the Consumer Price Index of All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor.

"(4) Deposit into treasury account.—All fees collected under this subsection shall be deposited into the Treasury account for the Corps of Engineers established by section 4(i) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460l–6a(i)).".

(b) Conforming Amendment for Campsites.—Section 4(b) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460l–6a(b)) is amended by striking the next to the last sentence.

TITLE XI—COMMITTEE ON VETERANS AFFAIRS

SEC. 11001. SHORT TITLE.

This title may be cited as the "Veterans Reconciliation Act of 1993".

SEC. 11002. EXTENSION OF AUTHORITY TO REQUIRE THAT CERTAIN VETERANS AGREE TO MAKE COPAYMENTS IN EXCHANGE FOR RECEIVING HEALTH-CARE BENEFITS.

(a) Hospital and Medical Care.—Section 8013(e) of the Omnibus Budget Reconciliation Act of 1990 (Public Law 101-508; 38 U.S.C. 1710 note) is amended—

(1) by striking out "September 30, 1992" in the first sentence and inserting in lieu thereof "September 30, 1998"; and

(2) by striking out the second sentence.

(b) Outpatient Medications.—Section 1722A(c) of title 38, United States Code, is amended—

(1) by striking out "September 30, 1992" in the first sentence and inserting in lieu thereof "September 30, 1998"; and

(2) by striking out the second sentence.

SEC. 11003. EXTENSION OF AUTHORITY FOR MEDICAL CARE COST RECOVERY.

(a) In General.—Section 1729(a) of title 38, United States Code, is amended—

(1) in paragraph (1), by striking out "non-service-connected"; and

(2) in paragraph (2)—

(A) by inserting "disability and, during the period before October 1, 1998, to a service-connected" after "non-service-connected" in the matter preceding subparagraph (A); and

(B) by striking out "before August 1, 1994," in subparagraph (E) and inserting in lieu thereof "before October 1, 1998,".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply with respect to care and services furnished under chapter 17 of title 38, United States Code, after September 30, 1993.

SEC. 11004. EXTENSION OF AUTHORITY FOR CERTAIN INCOME VERIFICATION PROVISIONS UNDER THE OMNIBUS BUDGET RECONCILIATION ACT OF 1990.

(a) AUTHORITY FOR SECRETARY OF VETERANS AFFAIRS TO OBTAIN INFORMATION.—Section 5317(g) of title 38, United States Code, is amended by striking out "September 30, 1997" and inserting in lieu thereof "September 30, 1998".

(b) AUTHORITY FOR SECRETARY OF TREASURY TO PROVIDE INFORMATION.—Subparagraph (D) of section 6103(l)(7) of the Internal Revenue Code of 1986 is amended by striking out "September 30, 1997" in the last sentence and inserting in lieu thereof "September 30, 1998".

SEC. 11005. EXTENSION OF LIMITATION ON PENSION FOR CERTAIN RECIPIENTS OF MEDICAID-COVERED NURSING HOME CARE.

Section 5503(f)(7) of title 38, United States Code, is amended by striking out "September 30, 1997" and inserting in lieu thereof "September 30, 1998".

SEC. 11006. DENIAL OF FISCAL YEAR 1994 COST-OF-LIVING ADJUSTMENT FOR CERTAIN DIC RECIPIENTS.

During fiscal year 1994, no increase may be provided in the rates of dependency and indemnity compensation in effect under section 1311(a)(3) of title 38, United States Code.

SEC. 11007. EXTENSION OF PROCEDURES APPLICABLE TO LIQUIDATION SALES ON DEFAULTED HOME LOANS GUARANTEED BY THE DEPARTMENT OF VETERANS AFFAIRS.

(a) INCLUSION OF LOSSES.—Section 3732(c) of title 38, United States Code, is amended—

(1) in paragraph (1)(C), by striking out "resale," and inserting in lieu thereof "resale (including losses sustained on the resale of the property),"; and

(2) in paragraph (11), by striking out "December 31, 1992" and inserting in lieu thereof "September 30, 1998".

(b) EFFECTIVE DATE.—The amendment made by subsection (a)(1) shall apply to all liquidation sales occurring on or after October 1, 1993.

SEC. 11008. INCREASE IN HOME LOAN FEES.

Paragraph (6) of section 3729(a) of title 38, United States Code, is amended to read as follows:

"(6) With respect to a loan closed after September 30, 1993, and before October 1, 1998, for which a fee is collected under paragraph (1), the amount of such fee, as computed under paragraph (2), shall be increased by 0.75 percent of the total loan amount other than in the case of a loan described in subparagraph (A), (D)(ii), or (E) of paragraph (2).".

SEC. 11009. REDUCTION OF FISCAL YEAR 1994 COST-OF-LIVING ADJUSTMENT FOR MONTGOMERY GI BILL BENEFITS.

(a) BENEFITS PAYABLE UNDER CHAPTER 30.—Section 3015(g)(1) of title 38, United States Code, is amended by inserting "less one percentage point" after "June 30, 1993,".

(b) BENEFITS PAYABLE UNDER SELECTED RESERVE PROGRAM.—Section 2131(b)(2)(A) of title 10, United States Code, is amended by inserting "less one percentage point" after "June 30, 1993,".

(c) TECHNICAL AMENDMENTS.—(1) Section 301(c) of Public Law 102-568 (106 Stat. 4326) is amended by striking out "Section 3015(f)" and inserting in lieu thereof "Section 3015(g) (as redesignated by section 307(a)(1))".

(2) Section 307(a) of such Public Law (106 Stat. 4328) is amended by striking out "(as amended by section 301)".

(3) The amendments made by paragraphs (1) and (2) shall apply as if included in the enactment of Public Law 102-568.

SEC. 11010. LIMITATION ON CHILDREN ELIGIBLE FOR SURVIVORS' AND DEPENDENTS' EDUCATIONAL ASSISTANCE.

(a) REVISION IN DEFINITION OF CHILDREN ELIGIBLE.—Section 3501(a)(2) of title 38, United States Code, is amended by inserting ", but does not include an individual who is not the natural or legally adopted child of the parent from whom eligibility under this chapter is derived" before the period at the end.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) does not apply with respect to any individual who, before October 1, 1993, files an original application for educational assistance under chapter 35 of title 38, United States Code.

TITLE XII—COMMITTEE ON WAYS AND MEANS—SAVINGS

Subtitle A—Old-Age, Survivors, and Disability Insurance Program

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Sec. 12016. Technical and clerical amendments.
Sec. 12017. Cross-matching of social security account number information and employer identification number information maintained by the Department of Agriculture.
Sec. 12018. Prohibition of misuse of Department of the Treasury names, symbols, etc.
Sec. 12019. Availability and use of death information under the old-age, survivors, and disability insurance program.

SEC. 12001. EXPLICIT REQUIREMENTS FOR MAINTENANCE OF TELEPHONE ACCESS TO LOCAL OFFICES OF THE SOCIAL SECURITY ADMINISTRATION.

(a) MAINTENANCE OF SERVICE TO LOCAL OFFICES.—

(1) IN GENERAL.—Section 5110(a) of the Omnibus Budget Reconciliation Act of 1990 (104 Stat. 1388-272) is amended by adding at the end the following new sentence: "In carrying out the requirements of the preceding sentence, the Secretary shall reestablish and maintain in service at least the same number of telephone lines to each such local office as was in place as of such date, including telephone sets for connections to such lines.".

(2) EFFECTIVE DATE.—The Secretary of Health and Human Services shall ensure that the requirements of the amendment made by paragraph (1) are carried out no later than 90 days after the date of the enactment of this Act.

(3) GAO REPORT.—The Comptroller General of the United States shall make an independent determination of the number of telephone lines to each local office of the Social Security Administration which are in place as of 90 days after the enactment of this Act and shall report his findings to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate no later than 150 days after the date of the enactment of this Act.

(b) MAINTENANCE OF TOLL-FREE TELEPHONE NUMBER SERVICE.—The Secretary of Health and Human Services shall ensure that toll-free telephone service provided by the Social Security Administration is maintained at a level which is at least equal to that in effect on the date of the enactment of this Act.

SEC. 12002. EXPANSION OF STATE OPTION TO EXCLUDE SERVICE OF ELECTION OFFICIALS OR ELECTION WORKERS FROM COVERAGE.

(a) LIMITATION ON MANDATORY COVERAGE OF STATE ELECTION OFFICIALS AND ELECTION WORKERS WITHOUT STATE RETIREMENT SYSTEM.—

(1) AMENDMENT TO SOCIAL SECURITY ACT.—Section 210(a)(7)(F)(iv) of the Social Security Act (42 U.S.C. 410(a)(7)(F)(iv)) (as amended by section 11332(a) of the Omnibus Budget Reconciliation Act of 1990) is amended by striking "$100" and inserting "$1,000 with respect to service performed during 1994, and the adjusted amount determined under section 218(c)(8)(B) for any subsequent year with respect to service performed during such subsequent year".

(2) AMENDMENT TO FICA.—Section 3121(b)(7)(F)(iv) of the Internal Revenue Code of 1986 (as amended by section 11332(b) of the Omnibus Budget Reconciliation Act of 1990) is amended by striking "$100" and inserting

"$1,000 with respect to service performed during 1994, and the adjusted amount determined under section 218(c)(8)(B) of the Social Security Act for any subsequent year with respect to service performed during such subsequent year".

(b) CONFORMING AMENDMENTS RELATING TO MEDICARE QUALIFIED GOVERNMENT EMPLOYMENT.—

(1) AMENDMENT TO SOCIAL SECURITY ACT.—Section 210(p)(2)(E) of the Social Security Act (42 U.S.C. 410(p)(2)(E)) is amended by striking "$100" and inserting "$1,000 with respect to service performed during 1994, and the adjusted amount determined under section 218(c)(8)(B) for any subsequent year with respect to service performed during such subsequent year".

(2) AMENDMENT TO FICA.—Section 3121(u)(2)(B)(ii)(V) of the Internal Revenue Code of 1986 is amended by striking "$100" and inserting "$1,000 with respect to service performed during 1994, and the adjusted amount determined under section 218(c)(8)(B) of the Social Security Act for any subsequent year with respect to service performed during such subsequent year".

(c) AUTHORITY FOR STATES TO MODIFY COVERAGE AGREEMENTS WITH RESPECT TO ELECTION OFFICIALS AND ELECTION WORKERS.—Section 218(c)(8) of the Social Security Act (42 U.S.C. 418(c)(8)) is amended—

(1) by striking "on or after January 1, 1968," and inserting "at any time";

(2) by striking "$100" and inserting "$1,000 with respect to service performed during 1994, and the adjusted amount determined under subparagraph (B) for any subsequent year with respect to service performed during such subsequent year"; and

(3) by striking the last sentence and inserting the following new sentence: "Any modification of an agreement pursuant to this paragraph shall be effective with respect to services performed in and after the calendar year in which the modification is mailed or delivered by other means to the Secretary.".

(d) INDEXATION OF EXEMPT AMOUNT.—Section 218(c)(8) of such Act (as amended by subsection (c)) is further amended—

(1) by inserting "(A)" after "(8)"; and

(2) by adding at the end the following new subparagraph:

"(B) For each year after 1994, the Secretary shall adjust the amount referred to in subparagraph (A) at the same time and in the same manner as is provided under section 215(a)(1)(B)(ii) with respect to the amounts referred to in section 215(a)(1)(B)(i), except that—

"(i) for purposes of this subparagraph, 1992 shall be substituted for the calendar year referred to in section 215(a)(1)(B)(ii)(II), and

"(ii) such amount as so adjusted, if not a multiple of $100, shall be rounded to the next higher multiple of $100 where such amount is a multiple of $50 and to the nearest multiple of $100 in any other case.

The Secretary shall determine and publish in the Federal Register each adjusted amount determined under this subparagraph not later than November 1 preceding the year for which the adjustment is made.".

(e) EFFECTIVE DATE.—The amendments made by subsections (a), (b), and (c) shall apply with respect to service performed on or after January 1, 1994.

SEC. 12003. USE OF SOCIAL SECURITY NUMBERS BY STATES AND LOCAL GOVERNMENTS AND FEDERAL DISTRICT COURTS FOR JURY SELECTION PURPOSES.

(a) IN GENERAL.—Section 205(c)(2) of the Social Security Act (42 U.S.C. 405(c)(2)) is amended—

(1) in subparagraph (B)(i), by striking "(E)" in the matter preceding subclause (I) and inserting "(F)";

(2) by redesignating subparagraphs (E) and (F) as subparagraphs (F) and (G), respectively; and

(3) by inserting after subparagraph (D) the following:

"(E)(i) It is the policy of the United States that—

"(I) any State (or any political subdivision of a State) may utilize the social security account numbers issued by the Secretary for the additional purposes described in clause (ii) if such numbers have been collected and are otherwise utilized by such State (or political subdivision) in accordance with applicable law, and

"(II) any district court of the United States may use, for such additional purposes, any such social security account numbers which have been so collected and are so utilized by any State.

"(ii) The additional purposes described in this clause are the following:

"(I) identifying duplicate names of individuals on master lists used for jury selection purposes, and

"(II) identifying on such master lists those individuals who are ineligible to serve on a jury by reason of their conviction of a felony.

"(iii) To the extent that any provision of Federal law enacted before the date of the enactment of this subparagraph is inconsistent with the policy set forth in clause (i), such provision shall, on and after that date, be null, void, and of no effect.

"(iv) For purposes of this subparagraph, the term 'State' has the meaning such term has in subparagraph (D).".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act.

SEC. 12004. AUTHORIZATION FOR ALL STATES TO EXTEND COVERAGE TO STATE AND LOCAL POLICEMEN AND FIREMEN UNDER EXISTING COVERAGE AGREEMENTS.

(a) IN GENERAL.—Section 218(l) of the Social Security Act (42 U.S.C. 418(l)) is amended—

(1) in paragraph (1), by striking "(1)" after "(l)", and by striking "the State of" and all that follows through "prior to the date of enactment of this subsection" and inserting "a State entered into pursuant to this section"; and

(2) by striking paragraph (2).

(b) CONFORMING AMENDMENT.—Section 218(d)(8)(D) of such Act (42 U.S.C. 418(d)(8)(D)) is amended by striking "agreements with the States named in" and inserting "State agreements modified as provided in".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to modifications filed by States after the date of the enactment of this Act.

SEC. 12005. LIMITED EXEMPTION FOR CANADIAN MINISTERS FROM CERTAIN SELF-EMPLOYMENT TAX LIABILITY.

(a) IN GENERAL.—Notwithstanding any other provision of law, if—

(1) an individual performed services described in section 1402(c)(4) of the Internal Revenue Code of 1986 which are subject to tax under section 1401 of such Code,

(2) such services were performed in Canada at a time when no agreement between the United States and Canada pursuant to section 233 of the Social Security Act was in effect, and

(3) such individual was required to pay contributions on the earnings from such services under the social insurance system of Canada, then such individual may file a certificate under this section in such form and manner, and with such official, as may be prescribed in regulations issued under chapter 2 of such Code. Upon the filing of such certificate, notwithstanding any judgment which has been entered to the contrary, such individual shall be exempt from payment of such tax with respect to services described in paragraphs (1) and (2) and from any penalties or interest for failure to pay such tax or to file a self-employment tax return as required under section 6017 of such Code.

(b) PERIOD FOR FILING.—A certificate referred to in subsection (a) may be filed only during the 180-day period commencing with the date on which the regulations referred to in subsection (a) are issued.

(c) TAXABLE YEARS AFFECTED BY CERTIFICATE.—A certificate referred to in subsection (a) shall be effective for taxable years ending after December 31, 1978, and before January 1, 1985.

(d) RESTRICTION ON CREDITING OF EXEMPT SELF-EMPLOYMENT INCOME.—In any case in which an individual is exempt under this section from paying a tax imposed under section 1401 of the Internal Revenue Code of 1986, any income on which such tax would have been imposed but for such exemption shall not constitute self-employment income under section 211(b) of the Social Security Act (42 U.S.C. 411(b)), and, if such individual's primary insurance amount has been determined under section 215 of such Act (42 U.S.C. 415), notwithstanding section 215(f)(1) of such Act, the Secretary of Health and Human Services shall recompute such primary insurance amount so as to take into account the provisions of this subsection. The recomputation under this subsection shall be effective with respect to benefits for months following approval of the certificate of exemption.

SEC. 12006. EXCLUSION OF TOTALIZATION BENEFITS FROM THE APPLICATION OF THE WINDFALL ELIMINATION PROVISION.

(a) IN GENERAL.—Section 215(a)(7) of the Social Security Act (42 U.S.C. 415(a)(7)) is amended—

(1) in subparagraph (A), by striking "but excluding" and all that follows through "1937" and inserting "but excluding (I) a payment under the Railroad Retirement Act of 1974 or 1937, and (II) a payment by a social security system of a foreign country based on an agreement concluded between the United States and such foreign country pursuant to section 233"; and

(2) in subparagraph (E), by inserting after "in the case of an individual" the following: "whose eligibility for old-age or disability insurance benefits is based on an agreement concluded pursuant to section 233 or an individual".

(b) CONFORMING AMENDMENT RELATING TO BENEFITS UNDER 1939 ACT.—Section 215(d)(3) of such Act (42 U.S.C. 415(d)(3)) is amended by striking "but excluding" and all that follows through "1937" and inserting "but excluding (I) a payment under the Railroad Retirement Act of 1974 or 1937, and (II) a payment by a social security system of a foreign country based on an agreement concluded between the United States and such foreign country pursuant to section 233".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply (notwithstanding section 215(f)(1) of the Social Security Act (42 U.S.C. 415(f)(1))) with respect to benefits payable for months after October 1993.

SEC. 12007. EXCLUSION OF MILITARY RESERVISTS FROM APPLICATION OF THE GOVERNMENT PENSION OFFSET AND WINDFALL ELIMINATION PROVISIONS.

(a) Exclusion from Government Pension Offset Provisions.—Subsections (b)(4), (c)(2), (e)(7), (f)(2), and (g)(4) of section 202 of the Social Security Act (42 U.S.C. 402 (b)(4), (c)(2), (e)(7), (f)(2), and (g)(4)) are each amended—

(1) in subparagraph (A)(ii), by striking "unless subparagraph (B) applies.";

(2) in subparagraph (A), by striking "The" in the matter following clause (ii) and inserting "unless subparagraph (B) applies. The"; and

(3) in subparagraph (B), by redesignating the existing matter as clause (ii), and by inserting before such clause (ii) (as so redesignated) the following:

"(B)(i) Subparagraph (A)(i) shall not apply with respect to monthly periodic benefits based wholly on service as a member of a uniformed service (as defined in section 210(m)).".

(b) Exclusion From Windfall Elimination Provisions.—Section 215(a)(7)(A) of such Act (as amended by section 13006(a) of this Act) and section 215(d)(3) of such Act (as amended by section 13006(b) of this Act) are each further amended—

(1) by striking "and" before "(II)"; and

(2) by striking "section 233" and inserting "section 233, and (III) a payment based wholly on service as a member of a uniformed service (as defined in section 210(m))".

(c) Effective Date.—The amendments made by this section shall apply (notwithstanding section 215(f) of the Social Security Act) with respect to benefits payable for months after October 1993.

SEC. 12008. REPEAL OF THE FACILITY-OF-PAYMENT PROVISION.

(a) Repeal of Rule Precluding Redistribution Under Family Maximum.—Section 203(i) of the Social Security Act (42 U.S.C. 403(i)) is repealed.

(b) Coordination Under Family Maximum of Reduction in Beneficiary's Auxiliary Benefits With Suspension of Auxiliary Benefits of Other Beneficiary Under Earnings Test.—Section 203(a)(4) of such Act (42 U.S.C. 403(a)(4)) is amended by striking "section 222(b). Whenever" and inserting the following: "section 222(b). Notwithstanding the preceding sentence, any reduction under this subsection in the case of an individual who is entitled to a benefit under subsection (b), (c), (d), (e), (f), (g), or (h) of section 202 for any month on the basis of the same wages and self-employment income as another person—

"(A) who also is entitled to a benefit under subsection (b), (c), (d), (e), (f), (g), or (h) of section 202 for such month,

"(B) who does not live in the same household as such individual, and

"(C) whose benefit for such month is suspended (in whole or in part) pursuant to subsection (h)(3) of this section,

shall be made before the suspension under subsection (h)(3). Whenever".

(c) Conforming Amendment Applying Earnings Reporting Requirement Despite Suspension of Benefits.—The third sentence of section 203(h)(1)(A) of such Act (42 U.S.C. 403(h)(1)(A)) is amended by striking "Such report need not be made" and all that follows through "The Secretary may grant" and inserting the following: "Such report need not be made for any taxable year—

"(i) beginning with or after the month in which such individual attained age 70, or

"(ii) if benefit payments for all months (in such taxable year) in which such individual is under age 70 have been suspended under the provisions of the first sentence of paragraph (3) of this subsection, unless—

"(I) such individual is entitled to benefits under subsection (b), (c), (d), (e), (f), (g), or (h) of section 202,

"(II) such benefits are reduced under subsection (a) of this section for any month in such taxable year, and

"(III) in any such month there is another person who also is entitled to benefits under subsection (b), (c), (d), (e), (f), (g), or (h) of section 202 on the basis of the same wages and self-employment income and who does not live in the same household as such individual.

The Secretary may grant".

(d) Conforming Amendment Deleting Special Income Tax Treatment of Benefits No Longer Required by Reason of Repeal.—Section 86(d)(1) of the Internal Revenue Code of 1986 (relating to income tax on social security benefits) is amended by striking the last sentence.

(e) Effective Dates.—

(1) The amendments made by subsections (a), (b), and (c) shall apply with respect to benefits payable for months after December 1994.

(2) The amendment made by subsection (d) shall apply with respect to benefits received after December 31, 1994, in taxable years ending after such date.

SEC. 12009. MAXIMUM FAMILY BENEFITS IN GUARANTEE CASES.

(a) In General.—Section 203(a) of the Social Security Act (42 U.S.C. 403(a)) is amended by adding at the end the following new paragraph:

"(10)(A) Subject to subparagraphs (B) and (C)—

"(i) the total monthly benefits to which beneficiaries may be entitled under sections 202 and 223 for a month on the basis of the wages and self-employment income of an individual whose primary insurance amount is computed under section 215(a)(2)(B)(i) shall equal the total monthly benefits which were authorized by this section with respect to such individual's primary insurance amount for the last month of his prior entitlement to disability insurance benefits, increased for this purpose by the general benefit increases and other increases under section 215(i) that would have applied to such total monthly benefits had the individual remained entitled to disability insurance benefits until the month in which he became entitled to old-age insurance benefits or reentitled to disability insurance benefits or died, and

"(ii) the total monthly benefits to which beneficiaries may be entitled under sections 202 and 223 for a month on the basis of the wages and self-employment income of an individual whose primary insurance amount is computed under section 215(a)(2)(C) shall equal the total monthly benefits which were authorized by this section with respect to such individual's primary insurance amount for the last month of his prior entitlement to disability insurance benefits.

"(B) In any case in which—

"(i) the total monthly benefits with respect to such individual's primary insurance amount for the last month of his prior entitlement to disability insurance benefits was computed under paragraph (6), and

"(ii) the individual's primary insurance amount is computed under subparagraph (B)(i) or (C) of section 215(a)(2) by reason of the individual's entitlement to old-age insurance benefits or death,

the total monthly benefits shall equal the total monthly benefits that would have been authorized with respect to the primary insurance amount for the last month of his prior entitlement to disability insurance benefits if such total monthly benefits had been computed without regard to paragraph (6).

"(C) This paragraph shall apply before the application of paragraph (3)(A), and before the application of section 203(a)(1) of this Act as in effect in December 1978.".

(b) Conforming Amendment.—Section 203(a)(8) of such Act (42 U.S.C. 403(a)(8)) is amended by striking "Subject to paragraph (7)," and inserting "Subject to paragraph (7) and except as otherwise provided in paragraph (10)(C),".

(c) Effective Date.—The amendments made by this section shall apply for the purpose of determining the total monthly benefits to which beneficiaries may be entitled under sections 202 and 223 of the Social Security Act based on the wages and self-employment income of an individual who—

(1) becomes entitled to an old-age insurance benefit under section 202(a) of such Act,

(2) becomes reentitled to a disability insurance benefit under section 223 of such Act, or

(3) dies,

after October 1993.

SEC. 12010. AUTHORIZATION FOR DISCLOSURE BY THE SECRETARY OF HEALTH AND HUMAN SERVICES OF INFORMATION FOR PURPOSES OF PUBLIC OR PRIVATE EPIDEMIOLOGICAL AND SIMILAR RESEARCH.

(a) In General.—Section 1106 of the Social Security Act (42 U.S.C. 1306) is amended—

(1) by redesignating subsections (d) and (e) as subsections (e) and (f), respectively;

(2) in subsection (f) (as so redesignated), by striking "subsection (d)" and inserting "subsection (e)"; and

(3) by inserting after subsection (c) the following new subsection:

"(d) Notwithstanding any other provision of this section, in any case in which—

"(1) information regarding whether an individual is shown on the records of the Secretary as being alive or deceased is requested from the Secretary for purposes of epidemiological or similar research which the Secretary finds may reasonably be expected to contribute to a national health interest, and

"(2) the requester agrees to reimburse the Secretary for providing such information and to comply with limitations on safeguarding and rerelease or redisclosure of such information as may be specified by the Secretary,

the Secretary shall comply with such request, except to the extent that compliance with such request would constitute a violation of the terms of any contract entered into under section 205(r).".

(b) Availability of Information Returns Regarding Wages Paid Employees.—Section 6103(l)(5) of the Internal Revenue Code of 1986 (relating to disclosure of returns and return information to the Department of Health and Human Services for purposes other than tax administration) is amended—

(1) by striking "for the purpose of" and inserting "for the purpose of—";

(2) by striking "carrying out, in accordance with an agreement" and inserting the following:

"(A) carrying out, in accordance with an agreement";

(3) by striking "program." and inserting "program; or"; and

(4) by adding at the end the following new subparagraph:

"(B) providing information regarding the mortality status of individuals for epidemiological and similar research in accordance with section 1106(d) of the Social Security Act.".

(c) Effective Date.—The amendments made by this section shall apply with respect to requests for information made after the date of the enactment of this Act.

SEC. 12011. IMPROVEMENT AND CLARIFICATION OF PROVISIONS PROHIBITING MISUSE OF SYMBOLS, EMBLEMS, OR NAMES IN REFERENCE TO SOCIAL SECURITY PROGRAMS AND AGENCIES.

(a) Prohibition of Unauthorized Reproduction, Reprinting, or Distribution for Fee of Certain Official Publications.—Section 1140(a) of the Social Security Act (42 U.S.C. 1320b–10(a)) is amended—

(1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(2) by inserting "(1)" after "(a)"; and

(3) by adding at the end the following new paragraph:

"(2) No person may, for a fee, reproduce, reprint, or distribute any item consisting of a form, application, or other publication of the Social Security Administration unless such person has obtained specific, written authorization for such activity in accordance with regulations which the Secretary shall prescribe.".

(b) Addition to Prohibited Words, Letters, Symbols, and Emblems.—Paragraph (1) of section 1140(a) of such Act (as redesignated by subsection (a)) is further amended—

(1) in subparagraph (A) (as redesignated), by striking "Administration', the letters 'SSA' or 'HCFA'," and inserting "Administration', 'Department of Health and Human Services', 'Health and Human Services', 'Supplemental Security Income Program', or 'Medicaid', the letters 'SSA', 'HCFA', 'DHHS', 'HHS', or 'SSI',"; and

(2) in subparagraph (B) (as redesignated), by striking "Social Security Administration" each place it appears and inserting "Social Security Administration, Health Care Financing Administration, or Department of Health and Human Services", and by striking "or of the Health Care Financing Administration".

(c) Exemption for Use of Words, Letters, Symbols, and Emblems of State and Local Government Agencies by Such Agencies.—Paragraph (1) of section 1140(a) of such Act (as redesignated by subsection (a)) is further amended by adding at the end the following new sentence: "The preceding provisions of this subsection shall not apply with respect to the use by any agency or instrumentality of a State or political subdivision of a State of any words or letters which identify an agency or instrumentality of such State or of a political subdivision of such State or the use by any such agency or instrumentality of any symbol or emblem of an agency or instrumentality of such State or a political subdivision of such State.".

(d) Inclusion of Reasonableness Standard.—Section 1140(a)(1) of such Act (as amended by the preceding provisions of this section) is further amended, in the matter following subparagraph (B) (as redesignated), by striking "convey" and inserting "convey, or in a manner which reasonably could be interpreted or construed as conveying,".

(e) Ineffectiveness of Disclaimers.—Subsection (a) of section 1140 of such Act (as amended by the preceding provisions of this section) is further amended by adding at the end the following new paragraph:

"(3) Any determination of whether the use of one or more words, letters, symbols, or emblems (or any combination or variation thereof) in connection with an item described in paragraph (1) or the reproduction, reprinting, or distribution of an item described in paragraph (2) is a violation of this subsection shall be made without regard to any inclusion in such item (or any so reproduced, reprinted, or distributed copy thereof) of a disclaimer of affiliation with the United States Government or any particular agency or instrumentality thereof.".

(f) Violations With Respect to Individual Items.—Section 1140(b)(1) of such Act (42 U.S.C. 1320b–10(b)(1)) is amended by adding at the end the following new sentence: "In the case of any items referred to in subsection (a)(1) consisting of pieces of mail, each such piece of mail which contains one or more words, letters, symbols, or emblems in violation of subsection (a) shall represent a separate violation. In the case of any item referred to in subsection (a)(2), the reproduction, reprinting, or distribution of such item shall be treated as a separate violation with respect to each copy thereof so reproduced, reprinted, or distributed.".

(g) Elimination of Cap on Aggregate Liability Amount.—

(1) Repeal.—Paragraph (2) of section 1140(b) of such Act (42 U.S.C. 1320b–10(b)(2)) is repealed.

(2) Conforming amendments.—Section 1140(b) of such Act is further amended—

(A) by striking "(1) Subject to paragraph (2), the" and inserting "The";

(B) by redesignating subparagraphs (A) and (B) as paragraphs (1) and (2), respectively; and

(C) in paragraph (1) (as redesignated), by striking "subparagraph (B)" and inserting "paragraph (2)".

(h) Removal of Formal Declination Requirement.—Section 1140(c)(1) of such Act (42 U.S.C. 1320b–10(c)(1)) is amended by inserting "and the first sentence of subsection (c)" after "and (i)".

(i) Penalties Relating to Social Security Administration Deposited in OASI Trust Fund.—Section 1140(c)(2) of such Act (42 U.S.C. 1320b–10(c)(2)) is amended in the second sentence by striking "United States." and inserting "United States, except that, to the extent that such amounts are recovered under this section as penalties imposed for misuse of words, letters, symbols, or emblems relating to the Social Security Administration, such amounts shall be deposited into the Federal Old-Age and Survivor's Insurance Trust Fund.".

(j) Enforcement.—Section 1140 of such Act (42 U.S.C. 1320b–10) is amended by adding at the end the following new subsection:

"(d) The preceding provisions of this section shall be enforced through the Office of Inspector General of the Department of Health and Human Services.".

(k) Annual Reports.—Section 1140 of such Act (as amended by the preceding provisions of this section) is further amended by adding at the end the following new subsection:

"(e) The Secretary shall include in the annual report submitted pursuant to section 704 a report on the operation of this section during the year covered by such annual report. Such report shall specify—

"(1) the number of complaints of violations of this section received by the Social Security Administration during the year,

"(2) the number of cases in which a notice of violation of this section was sent by the Social Security Administration during the year requesting that an individual cease activities in violation of this section,

"(3) the number of complaints of violations of this section referred by the Social Security Administration to the Inspector General in the Department of Health and Human Services during the year,

"(4) the number of investigations of violations of this section undertaken by the Inspector General during the year,

"(5) the number of cases in which a demand letter was sent during the year assessing a civil money penalty under this section,

"(6) the total amount of civil money penalties assessed under this section during the year,

"(7) the number of requests for hearings filed during the year pursuant to subsection (c)(1) of this section and section 1128A(c)(2),

"(8) the disposition during such year of hearings filed pursuant to sections 1140(c)(1) and 1128A(c)(2), and

"(9) the total amount of civil money penalties under this section deposited into the Federal Old-Age and Survivors Insurance Trust Fund during the year.".

(l) Effective Date.—The amendments made by this section shall apply with respect to violations occurring after the date of the enactment of this Act.

SEC. 12012. INCREASED PENALTIES FOR UNAUTHORIZED DISCLOSURE OF SOCIAL SECURITY INFORMATION.

(a) Unauthorized Disclosure.—Section 1106(a) of the Social Security Act (42 U.S.C. 1306(a)) is amended—

(1) by striking "misdemeanor" and inserting "felony";

(2) by striking "$1,000" and inserting "$10,000 for each occurrence of a violation"; and

(3) by striking "one year" and inserting "5 years".

(b) Unauthorized Disclosure by Fraud.—Section 1107(b) of such Act (42 U.S.C. 1307(b)) is amended—

(1) by inserting "social security account number," after "information as to the";

(2) by striking "misdemeanor" and inserting "felony";

(3) by striking "$1,000" and inserting "$10,000 for each occurrence of a violation"; and

(4) by striking "one year" and inserting "5 years".

(c) Effective Date.—The amendments made by this section shall apply to violations occurring on or after the date of the enactment of this Act.

SEC. 12013. SIMPLIFICATION OF EMPLOYMENT TAXES ON DOMESTIC SERVICES.

(a) Coordination of Collection of Domestic Service Employment With Collection of Income Taxes.—

(1) In general.—Chapter 25 of the Internal Revenue Code of 1986 (relating to general provisions relating to employment taxes) is amended by adding at the end thereof the following new section:

"SEC. 3510. COORDINATION OF COLLECTION OF DOMESTIC SERVICE EMPLOYMENT TAXES WITH COLLECTION OF INCOME TAXES.

"(a) General Rule.—Except as otherwise provided in this section—

"(1) returns with respect to domestic service employment taxes shall be made on a calendar year basis,

"(2) any such return for any calendar year shall be filed on or before the 15th day of the fourth month following the close of the employer's taxable year which begins in such calendar year, and

"(3) no requirement to make deposits (or to pay installments under section 6157) shall apply with respect to such taxes.

"(b) Domestic Service Employment Taxes Subject to Estimated Tax Provisions.—

"(1) In general.—Solely for purposes of section 6654, domestic service employment taxes imposed with respect to any calendar year shall be treated as a tax imposed by chapter 2 for the taxable year of the employer which begins in such calendar year.

"(2) ANNUALIZATION.—Under regulations prescribed by the Secretary, appropriate adjustments shall be made in the application of section 6654(d)(2) in respect of the amount treated as tax under paragraph (1).

"(3) TRANSITIONAL RULE.—For purposes of applying section 6654 to a taxable year beginning in 1993, the amount referred to in clause (ii) of section 6654(d)(1)(B) shall be increased by 90 percent of the amount treated as tax under paragraph (1) for such taxable year.

"(c) DOMESTIC SERVICE EMPLOYMENT TAXES.—For purposes of this section, the term 'domestic service employment taxes' means—

"(1) any taxes imposed by chapter 21 or 23 on remuneration paid for domestic service in a private home of the employer, and

"(2) any amount withheld from such remuneration pursuant to an agreement under section 3402(p).

For purposes of this subsection, the term 'domestic service in a private home of the employer' does not include service described in section 3121(g)(5).

"(d) EXCEPTION WHERE EMPLOYER LIABLE FOR OTHER EMPLOYMENT TAXES.—To the extent provided in regulations prescribed by the Secretary, this section shall not apply to any employer for any calendar year if such employer is liable for any tax under this subtitle with respect to remuneration for services other than domestic service in a private home of the employer.

"(e) GENERAL REGULATORY AUTHORITY.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section. Such regulations may treat domestic service employment taxes as taxes imposed by chapter 1 for purposes of coordinating the assessment and collection of such employment taxes with the assessment and collection of domestic employers' income taxes.

"(f) AUTHORITY TO ENTER INTO AGREEMENTS TO COLLECT STATE UNEMPLOYMENT TAXES.—

"(1) IN GENERAL.—The Secretary is hereby authorized to enter into an agreement with any State to collect, as the agent of such State, such State's unemployment taxes imposed on remuneration paid for domestic service in a private home of the employer. Any taxes to be collected by the Secretary pursuant to such an agreement shall be treated as domestic service employment taxes for purposes of this section.

"(2) TRANSFERS TO STATE ACCOUNT.—Any amount collected under an agreement referred to in paragraph (1) shall be transferred by the Secretary to the account of the State in the Unemployment Trust Fund.

"(3) SUBTITLE F MADE APPLICABLE.—For purposes of subtitle F, any amount required to be collected under an agreement under paragraph (1) shall be treated as a tax imposed by chapter 23.

"(4) STATE.—For purposes of this subsection, the term 'State' has the meaning given such term by section 3306(j)(1)."

(2) CLERICAL AMENDMENT.—The table of sections for chapter 25 of such Code is amended by adding at the end thereof the following:

"Sec. 3510. Coordination of collection of domestic service employment taxes with collection of income taxes."

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to remuneration paid in calendar years beginning after December 31, 1993.

(4) EXPANDED INFORMATION TO EMPLOYERS.—The Secretary of the Treasury or his delegate shall prepare and make available information on the Federal tax obligations of employers with respect to employees performing domestic service in a private home of the employer. Such information shall also include a statement that such employers may have obligations with respect to such employees under State laws relating to unemployment insurance and workers compensation.

(b) THRESHOLD REQUIREMENT FOR SOCIAL SECURITY TAXES.—

(1) AMENDMENTS OF INTERNAL REVENUE CODE.—

(A) Subparagraph (B) of section 3121(a)(7) of the Internal Revenue Code of 1986 (defining wages) is amended to read as follows:

"(B) cash remuneration paid by an employer in any calendar year to an employee for domestic service in a private home of the employer (within the meaning of subsection (y)), if the cash remuneration paid in such year by the employer to the employee for such service is less than the applicable dollar threshold (as defined in subsection (y)) for such year;".

(B) Section 3121 of such Code is amended by adding at the end thereof the following new subsection:

"(y) DOMESTIC SERVICE IN A PRIVATE HOME.—For purposes of subsection (a)(7)(B)—

"(1) EXCLUSION FOR CERTAIN FARM SERVICE.—The term 'domestic service in a private home of the employer' does not include service described in subsection (g)(5).

"(2) APPLICABLE DOLLAR THRESHOLD.—The term 'applicable dollar threshold' means $1,800. In the case of calendar years after 1994, the Secretary of Health and Human Services shall adjust such $1,800 amount at the same time and in the same manner as under section 215(a)(1)(B)(ii) of the Social Security Act with respect to the amounts referred to in section 215(a)(1)(B)(i) of such Act, except that, for purposes of this subparagraph, 1992 shall be substituted for the calendar year referred to in section 215(a)(1)(B)(ii)(II) of such Act. If the amount determined under the preceding sentence is not a multiple of $50, such amount shall be rounded to the nearest multiple of $50."

(C) The second sentence of section 3102(a) of such Code is amended—

(i) by striking "calendar quarter" each place it appears and inserting "calendar year", and

(ii) by striking "$50" and inserting "the applicable dollar threshold (as defined in section 3121(y)(2)) for such year".

(2) AMENDMENT OF SOCIAL SECURITY ACT.—Subparagraph (B) of section 209(a)(6) of the Social Security Act (42 U.S.C. 409(a)(6)(B)) is amended to read as follows:

"(B) Cash remuneration paid by an employer in any calendar year to an employee for domestic service in a private home of the employer, if the cash remuneration paid in such year by the employer to the employee for such service is less than the applicable dollar threshold (as defined in section 3121(y)(2) of the Internal Revenue Code of 1986) for such year. As used in this subparagraph, the term 'domestic service in a private home of the employer' does not include service described in section 210(f)(5)."

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to remuneration paid in calendar years beginning after December 31, 1993.

(4) RELIEF FROM LIABILITY FOR CERTAIN UNDERPAYMENT AMOUNTS.—

(A) IN GENERAL.—On and after the date of the enactment of this Act, an underpayment to which this paragraph applies (and any penalty, addition to tax, and interest with respect to such underpayment) shall not be assessed (or, if assessed, shall not be collected).

(B) UNDERPAYMENTS TO WHICH PARAGRAPH APPLIES.—This paragraph shall apply to an underpayment to the extent of the amount thereof which would not be an underpayment if—

(i) the amendments made by paragraph (1) had applied to all calendar years after 1950 and before 1994, and

(ii) the applicable dollar threshold for any such calendar year were the amount determined under the following table:

In the case of calendar year:	The applicable dollar threshold is:
1951, 1952, or 1953	$ 200
1954, 1955, 1956, or 1957	250
1958, 1959, 1960, 1961, or 1962	300
1963, 1964, 1965, or 1966	350
1967, 1968, 1969	400
1970	450
1971, 1972, or 1973	500
1974 or 1975	600
1976	650
1977	700
1978	750
1979	800
1980	850
1981	900
1982	1,000
1983	1,100
1984	1,200
1985	1,250
1986	1,300
1987	1,350
1988	1,400
1989	1,500
1990	1,550
1991	1,600
1992	1,700
1993	1,750

SEC. 12014. INCREASE IN AUTHORIZED PERIOD FOR EXTENSION OF TIME TO FILE ANNUAL EARNINGS REPORT.

(a) IN GENERAL.—Section 203(h)(1)(A) of the Social Security Act (42 U.S.C. 403(h)(1)(A)) is amended in the last sentence by striking "three months" and inserting "four months".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to reports of earnings for taxable years ending on or after December 31, 1993.

SEC. 12015. ALLOCATIONS TO FEDERAL DISABILITY INSURANCE TRUST FUND.

(a) ALLOCATION WITH RESPECT TO WAGES.—Section 201(b)(1) of the Social Security Act (42 U.S.C. 401(b)(1)) is amended to read as follows:

"(1) 1.75 percent of the wages (as defined in section 3121 of the Internal Revenue Code of 1986) paid after December 31, 1992, and reported to the Secretary of the Treasury or his delegate pursuant to subtitle F of the Internal Revenue Code of 1986, which wages shall be certified by the Secretary of Health and Human Services on the basis of the records of wages established and maintained by such Secretary in accordance with such reports; and".

(b) ALLOCATION WITH RESPECT TO SELF-EMPLOYMENT INCOME.—Section 201(b)(2) of such Act (42 U.S.C. 401(b)(2)) is amended to read as follows:

"(2) 1.75 percent of the self-employment income (as defined in section 1402 of the Internal Revenue Code of 1986) reported to the Secretary of the Treasury or his delegate on tax returns under subtitle F of the Internal Revenue Code of 1986 for any taxable year beginning after December 31, 1992, which self-employment income shall be certified by the Secretary of Health and Human Services on the basis of the records of self-employment income established and maintained by the Secretary of Health and Human Services in accordance with such returns.".

(c) Effective Date.—The amendments made by this section shall apply with respect to wages paid after December 31, 1992, and self-employment income for taxable years beginning after such date.

(d) Study on Rising Costs of Disability Benefits.—

(1) In general.—As soon as practicable after the date of the enactment of this Act, the Secretary of Health and Human Services shall conduct a comprehensive study of the reasons for rising costs payable from the Federal Disability Insurance Trust Fund.

(2) Matters to be included in study.—In conducting the study under this subsection, the Secretary shall—

(A) determine the relative importance of the following factors in increasing the costs payable from the Trust Fund:

(i) increased numbers of applications for benefits;

(ii) higher rates of benefit allowances; and

(iii) decreased rates of benefit terminations; and

(B) identify, to the extent possible, underlying social, economic, demographic, programmatic, and other trends responsible for changes in disability benefit applications, allowances, and terminations.

(3) Report.—Not later than December 31, 1995, the Secretary shall transmit a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate setting forth the results of the study conducted under this subsection, together with any recommendations for legislative changes which the Secretary determines appropriate.

SEC. 12016. TECHNICAL AND CLERICAL AMENDMENTS.

(a) Amendments to Title II of the Social Security Act.—

(1) Section 201(a) of the Social Security Act (42 U.S.C. 401(a)) is amended, in the matter following clause (4), by striking "and and" and inserting "and".

(2) Section 202(d)(8)(D)(ii) of such Act (42 U.S.C. 402(d)(8)(D)(ii)) is amended by adding a period at the end and by adjusting the left hand margination thereof so as to align with section 202(d)(8)(D)(i) of such Act.

(3) Section 202(q)(1)(A) of such Act (42 U.S.C. 402(q)(1)(A)) is amended by striking the dash at the end.

(4) Section 202(q)(9) of such Act (42 U.S.C. 402(q)(9)) is amended, in the matter preceding subparagraph (A), by striking "parargaph" and inserting "paragraph".

(5) Section 202(t)(4)(D) of such Act (42 U.S.C. 402(t)(4)(D)) is amended by inserting "if the" before "Secretary" the second and third places it appears.

(6) Clauses (i) and (ii) of section 203(f)(5)(C) of such Act (42 U.S.C. 403(f)(5)(C)) are amended by adjusting the left-hand margination thereof so as to align with clauses (i) and (ii) of section 203(f)(5)(B) of such Act.

(7) Paragraph (3)(A) and paragraph (3)(B) of section 205(b) of such Act (42 U.S.C. 405(b)) are amended by adjusting the left-hand margination thereof so as to align with the matter following section 205(b)(2)(C) of such Act.

(8) Section 205(c)(2)(B)(iii) of such Act (42 U.S.C. 405(c)(2)(B)(iii)) is amended by striking "non-public" and inserting "nonpublic".

(9) Section 205(c)(2)(C) of such Act (42 U.S.C. 405(c)(2)(C)) is amended—

(A) by striking the clause (vii) added by section 2201(c) of Public Law 101-624; and

(B) by redesignating the clause (iii) added by section 2201(b)(3) of Public Law 101-624, clause (iv), clause (v), clause ,(vi), and the clause (vii) added by section 1735(b) of Public Law 101-624 as clause (iv), clause (v), clause (vi), clause (vii), and clause (viii), respectively;

(C) in clause (v) (as redesignated), by striking "subclause (I) of", and by striking "subclause (II) of clause (i)" and inserting "clause (ii)"; and

(D) in clause (viii)(IV) (as redesignated), by inserting "a social security account number or" before "a request for".

(10) The heading for section 205(j) of such Act (42 U.S.C. 405(j)) is amended to read as follows:

"Representative Payees".

(11) The heading for section 205(s) of such Act (42 U.S.C. 405(s)) is amended to read as follows:

"Notice Requirements".

(12) Section 208(c) of such Act (42 U.S.C. 408(c)) is amended by striking "subsection (g)" and inserting "subsection (a)(7)".

(13) Section 210(a)(5)(B)(i)(V) of such Act (42 U.S.C. 410(a)(5)(B)(i)(V)) is amended by striking "section 105(e)(2)" and inserting "section 104(e)(2)".

(14) Section 211(a) of such Act (42 U.S.C. 411(a)) is amended—

(A) in paragraph (13), by striking "and" at the end; and

(B) in paragraph (14), by striking the period and inserting "; and".

(15) Section 213(c) of such Act (42 U.S.C. 413(c)) is amended by striking "section" the first place it appears and inserting "sections".

(16) Section 215(a)(5)(B)(i) of such Act (42 U.S.C. 415(a)(5)(B)(i)) is amended by striking "subsection" the second place it appears and inserting "subsections".

(17) Section 215(f)(7) of such Act (42 U.S.C. 415(f)(7)) is amended by inserting a period after "1990".

(18) Subparagraph (F) of section 218(c)(6) of such Act (42 U.S.C. 418(c)(6)) is amended by adjusting the left-hand margination thereof so as to align with section 218(c)(6)(E) of such Act.

(19) Section 223(i) of such Act (42 U.S.C. 423(i)) is amended by adding at the beginning the following heading:

"Limitation on Payments to Prisoners".

(b) Related Amendments.—

(1) Section 603(b)(5)(A) of Public Law 101-649 (amending section 202(n)(1) of the Social Security Act) (104 Stat. 5085) is amended by inserting "under" before "paragraph (1)," and by striking "(17), or (18)" and inserting "(17), (18), or (19)", effective as if this paragraph were included in such section 603(b)(5)(A).

(2) Section 10208(b)(1) of Public Law 101-239 (amending section 230(b)(2)(A) of the Social Security Act) (103 Stat. 2477) is amended by striking "230(b)(2)(A)" and "430(b)(2)(A)" and inserting "230(b)(2)" and "430(b)(2)", respectively, effective as if this paragraph were included in such section 10208(b)(1).

(c) Conforming, Clerical Amendments Updating, Without Substantive Change, References in Title II of the Social Security Act to the Internal Revenue Code.—

(1)(A) Section 201(a) of such Act (42 U.S.C. 401(a)) is amended—

(i) by striking clauses (1) and (2);

(ii) in clause (3), by striking "(3) the taxes imposed" and all that follows through "December 31, 1954," and inserting "(1) the taxes imposed by chapter 21 (other than sections 3101(b) and 3111(b)) of the Internal Revenue Code of 1986 with respect to wages (as defined in section 3121 of such Code) reported to the Secretary of the Treasury or his delegate pursuant to subtitle F of such Code,", and by striking "subchapter or";

(iii) in clause (4), by striking "(4) the taxes imposed" and all that follows through "such Code," and inserting "(2) the taxes imposed by chapter 2 (other than section 1401(b)) of the Internal Revenue Code of 1986 with respect to self-employment income (as defined in section 1402 of such Code) reported to the Secretary of the Treasury or his delegate on tax returns under subtitle F of such Code,", and by striking "subchapter or chapter" and inserting "chapter"; and

(iv) in the matter following the clauses amended by this subparagraph, by striking "clauses (3) and (4)" each place it appears and inserting "clauses (1) and (2)".

(B) The amendments made by subparagraph (A) shall apply only with respect to taxes imposed with respect to wages paid on or after January 1, 1993, or with respect to self-employment income for taxable years beginning on or after such date.

(2)(A)(i) Section 201(g)(1) of such Act (42 U.S.C. 401(g)(1)) is amended—

(I) in subparagraph (A)(i), by striking "and subchapter E" and all that follows through "1954" and inserting "and chapters 2 and 21 of the Internal Revenue Code of 1986";

(II) in subparagraph (A)(ii), by striking "1954" and inserting "1986";

(III) in the matter in subparagraph (A) following clause (ii), by striking "subchapter E" and all that follows through "1954." and inserting "chapters 2 and 21 of the Internal Revenue Code of 1986.", and by striking "1954 other" and inserting "1986 other"; and

(IV) in subparagraph (B), by striking "1954" each place it appears and inserting "1986".

(ii) The amendments made by clause (i) shall apply only with respect to periods beginning on or after the date of the enactment of this Act.

(B)(i) Section 201(g)(2) of such Act (42 U.S.C. 401(g)(2)) is amended by striking "section 3101(a)" and all that follows through "1950." and inserting "section 3101(a) of the Internal Revenue Code of 1986 which are subject to refund under section 6413(c) of such Code with respect to wages (as defined in section 3121 of such Code).", and by striking "wages reported" and all that follows through "1954," and inserting "wages reported to the Secretary of the Treasury or his delegate pursuant to subtitle F of such Code,".

(ii) The amendments made by clause (i) shall apply only with respect to wages paid on or after January 1, 1993.

(C) Section 201(g)(4) of such Act (42 U.S.C. 401(g)(4)) is amended—

(i) by striking "The Board of Trustees shall prescribe before January 1, 1981, the method" and inserting "If at any time or times the Boards of Trustees of such Trust Funds deem such action advisable, they may modify the method prescribed by such Boards";

(ii) by striking "1954" and inserting "1986"; and

(iii) by striking the last sentence.

(3) Section 202(v) of such Act (42 U.S.C. 402(v)) is amended—

(A) in paragraph (1), by striking "1954" and inserting "1986"; and

(B) in paragraph (3)(A), by inserting "of the Internal Revenue Code of 1986" after "3127".

(4) Section 205(c)(5)(F)(i) of such Act (42 U.S.C. 405(c)(5)(F)(i)) is amended by inserting "or the Internal Revenue Code of 1986" after "1954".

(5)(A) Section 208(a)(1) of such Act (42 U.S.C. 408(a)(1)) is amended—

(i) in the matter preceding subparagraph (A), by striking "subchapter E" and all that follows through "1954" and inserting "chapter 2 or 21 or subtitle F of the Internal Revenue Code of 1986";

(ii) in subparagraph (A), by inserting "of 1986" after "Internal Revenue Code"; and

(iii) in subparagraph (B), by inserting "of 1986" after "Internal Revenue Code".

(B) The amendments made by subparagraph (A) shall apply only with respect to violations occurring on or after the date of the enactment of this Act.

(6)(A) Section 209(a)(4)(A) of such Act (42 U.S.C. 409(a)(4)(A)) is amended by inserting "or the Internal Revenue Code of 1986" after "Internal Revenue Code of 1954".

(B) Section 209(a) of such Act (42 U.S.C. 409(a)) is amended—

(i) in subparagraphs (C) and (E) of paragraph (4),

(ii) in paragraph (5)(A),

(iii) in subparagraphs (A) and (B) of paragraph (14),

(iv) in paragraph (15),

(v) in paragraph (16), and

(vi) in paragraph (17),

by striking "1954" each place it appears and inserting "1986".

(C) Subsections (b), (f), (g), (i)(1), and (j) of section 209 of such Act (42 U.S.C. 409) are amended by striking "1954" each place it appears and inserting "1986".

(7) Section 211(a)(15) of such Act (42 U.S.C. 411(a)(15)) is amended by inserting "of the Internal Revenue Code of 1986" after "section 162(m)".

(8) Title II of such Act is further amended—

(A) in subsections (f)(5)(B)(ii) and (k) of section 203 (42 U.S.C. 403),

(B) in section 205(c)(1)(D)(i) (42 U.S.C. 405(c)(1)(D)(i)),

(C) in the matter in section 210(a) (42 U.S.C. 410(a)) preceding paragraph (1) and in paragraphs (8), (9), and (10) of section 210(a),

(D) in subsections (p)(4) and (q) of section 210 (42 U.S.C. 410),

(E) in the matter in section 211(a) (42 U.S.C. 411(a)) preceding paragraph (1) and in paragraphs (3), (4), (6), (10), (11), and (12) and clauses (iii) and (iv) of section 211(a),

(F) in the matter in section 211(c) (42 U.S.C. 411(c)) preceding paragraph (1), in paragraphs (3) and (6) of section 211(c), and in the matter following paragraph (6) of section 211(c),

(G) in subsections (d), (e), and (h)(1)(B) of section 211 (42 U.S.C. 411),

(H) in section 216(j) (42 U.S.C. 416(j)),

(I) in section 218(e)(3) (42 U.S.C. 418(e)(3)),

(J) in section 229(b) (42 U.S.C. 429(b)),

(K) in section 230(c) (42 U.S.C. 430(c)), and

(L) in section 232 (42 U.S.C. 432),

by striking "1954" each place it appears and inserting "1986".

(d) RULES OF CONSTRUCTION.—

(1) The preceding provisions of this section shall be construed only as technical and clerical corrections and as reflecting the original intent of the provisions amended thereby.

(2) Any reference in title II of the Social Security Act to the Internal Revenue Code of 1986 shall be construed to include a reference to the Internal Revenue Code of 1954 to the extent necessary to carry out the provisions of paragraph (1).

(e) UTILIZATION OF NATIONAL AVERAGE WAGE INDEX FOR WAGE-BASED ADJUSTMENTS.—

(1) DEFINITION OF NATIONAL AVERAGE WAGE INDEX.—Section 209(k) of the Social Security Act (42 U.S.C. 409(k)) is amended—

(A) by redesignating paragraph (2) as paragraph (3);

(B) in paragraph (3) (as redesignated), by striking "paragraph (1)" and inserting "this subsection"; and

(C) by striking paragraph (1) and inserting the following new paragraphs:

"(k)(1) For purposes of sections 203(f)(8)(B)(ii), 213(d)(2)(B), 215(a)(1)(B)(ii), 215(a)(1)(C)(ii), 215(a)(1)(D), 215(b)(3)(A)(ii), 215(i)(1)(E), 215(i)(2)(C)(ii), 224(f)(2)(B), and 230(b)(2) (and 230(b)(2) as in effect immediately prior to the enactment of the Social Security Amendments of 1977), the term 'national average wage index' for any particular calendar year means, subject to regulations of the Secretary under paragraph (2), the average of the total wages for such particular calendar year.

"(2) The Secretary shall prescribe regulations under which the national average wage index for any calendar year shall be computed—

"(A) on the basis of amounts reported to the Secretary of the Treasury or his delegate for such year,

"(B) by disregarding the limitation on wages specified in subsection (a)(1),

"(C) with respect to calendar years after 1990, by incorporating deferred compensation amounts and factoring in for such years the rate of change from year to year in such amounts, in a manner consistent with the requirements of section 10208 of the Omnibus Budget Reconciliation Act of 1989, and

"(D) with respect to calendar years before 1978, in a manner consistent with the manner in which the average of the total wages for each of such calendar years was determined as provided by applicable law as in effect for such years.".

(2) CONFORMING AMENDMENTS.—

(A) Section 203(f)(8)(B)(ii) of such Act (42 U.S.C. 403(f)(8)(B)(ii)) is amended by striking "deemed average total wages" each place it appears and inserting "national average wage index".

(B) Section 213(d)(2)(B) of such Act (42 U.S.C. 413(d)(2)(B)) is amended by striking "deemed average total wages" and inserting "national average wage index", and by striking "the average of the total wages" and all that follows and inserting "the national average wage index (as so defined) for 1976,".

(C) Section 215(a)(1)(B)(ii) of such Act (42 U.S.C. 415(a)(1)(B)(ii)) is amended—

(i) in subclause (I), by striking "deemed average total wages" and inserting "national average wage index"; and

(ii) in subclause (II), by striking "the average of the total wages" and all that follows and inserting "the national average wage index (as so defined) for 1977.".

(D) Section 215(a)(1)(C)(ii) of such Act (42 U.S.C. 415(a)(1)(C)(ii)) is amended by striking "deemed average total wages" and inserting "national average wage index".

(E) Section 215(a)(1)(D) of such Act (42 U.S.C. 415(a)(1)(D)) is amended—

(i) by striking "after 1978";

(ii) by striking "and the average of the total wages (as described in subparagraph (B)(ii)(I))" and inserting "and the national average wage index (as defined in section 209(k)(1))"; and

(iii) by striking the last sentence.

(F) Section 215(b)(3)(A)(ii) of such Act (42 U.S.C. 415(b)(3)(A)(ii)) is amended by striking "deemed average total wages" each place it appears and inserting "national average wage index".

(G) Section 215(i)(1) of such Act (42 U.S.C. 415(i)(1)) is amended—

(i) in subparagraph (E), by striking "SSA average wage index" and inserting "national average wage index (as defined in section 209(k)(1))"; and

(ii) by striking subparagraph (G) and redesignating subparagraph (H) as subparagraph (G).

(H) Section 215(i)(2)(C)(ii) of such Act (42 U.S.C. 415(i)(1)(C)(ii)) is amended to read as follows:

"(ii) The Secretary shall determine and promulgate the OASDI fund ratio for the current calendar year on or before November 1 of the current calendar year, based upon the most recent data then available. The Secretary shall include a statement of the fund ratio and the national average wage index (as defined in section 209(k)(1)) and a statement of the effect such ratio and the level of such index may have upon benefit increases under this subsection in any notification made under clause (i) and any determination published under subparagraph (D).".

(I) Section 224(f)(2) of such Act (42 U.S.C. 424a(f)(2)) is amended—

(i) in subparagraph (A), by adding "and" at the end;

(ii) by striking subparagraph (C); and

(iii) by striking subparagraph (B) and inserting the following:

"(B) the ratio of (i) the national average wage index (as defined in section 209(k)(1)) for the calendar year before the year in which such redetermination is made to (ii) the national average wage index (as so defined) for the calendar year before the year in which the reduction was first computed (but not counting any reduction made in benefits for a previous period of disability).".

(J) Section 230(b)(2) of such Act (42 U.S.C. 430(b)(2)) is amended by striking "deemed average total wages" each place it appears and inserting "national average wage index".

(K) Section 230(d) of such Act (42 U.S.C. 430(d)) is amended by striking "deemed average total wage" and inserting "national average wage index".

SEC. 12017. CROSS-MATCHING OF SOCIAL SECURITY ACCOUNT NUMBER INFORMATION AND EMPLOYER IDENTIFICATION NUMBER INFORMATION MAINTAINED BY THE DEPARTMENT OF AGRICULTURE.

(a) SOCIAL SECURITY ACCOUNT NUMBER INFORMATION.—Clause (iii) of section 205(c)(2)(C) of the Social Security Act (42 U.S.C. 405(c)(2)(C)) (as added by section 1735(a)(3) of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-624; 104 Stat. 3791)) is amended—

(1) by inserting "(I)" after "(iii)"; and

(2) by striking "The Secretary of Agriculture shall restrict" and all that follows and inserting the following:

"(II) The Secretary of Agriculture may share any information contained in any list referred to in subclause (I) with any other agency or instrumentality of the United States which otherwise has access to social security account numbers in accordance with this subsection or other applicable Federal law, except that the Secretary of Agriculture may share such information only to the extent that such Secretary determines such sharing would assist in verifying and matching such information against information maintained by such other agency or instrumentality. Any such information shared pursuant to this subclause may be used by such other agency or instrumentality only for the purpose of effective administration and enforcement of the Food Stamp Act of 1977 or for the purpose of investigation of violations of other Federal laws or enforcement of such laws.

"(III) The Secretary of Agriculture, and the head of any other agency or instrumentality referred to in this subclause, shall restrict, to the satisfaction of the Secretary of Health and Human Services, access to social security account numbers obtained pursuant to this clause only to officers and employees of the United States whose duties or responsibilities require access for the purposes described in subclause (II).

"(IV) The Secretary of Agriculture, and the head of any agency or instrumentality with which information is shared pursuant to clause (II), shall provide such other safeguards as the Secretary of Health and Human Services determines to be necessary or appropriate to protect the confidentiality of the social security account numbers.".

(b) EMPLOYER IDENTIFICATION NUMBER INFORMATION.—Subsection (f) of section 6109 of the Internal Revenue Code of 1986 (as added by section 1735(c) of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-624; 104 Stat. 3792)) (relating to access to employer identification numbers by Secretary of Agriculture for purposes of Food Stamp Act of 1977) is amended—

(1) by striking paragraph (2) and inserting the following:

"(2) SHARING OF INFORMATION AND SAFEGUARDS.—

"(A) SHARING OF INFORMATION.—The Secretary of Agriculture may share any information contained in any list referred to in paragraph (1) with any other agency or instrumentality of the United States which otherwise has access to employer identification numbers in accordance with this section or other applicable Federal law, except that the Secretary of Agriculture may share such information only to the extent that such Secretary determines such sharing would assist in verifying and matching such information against information maintained by such other agency or instrumentality. Any such information shared pursuant to this subparagraph may be used by such other agency or instrumentality only for the purpose of effective administration and enforcement of the Food Stamp Act of 1977 or for the purpose of investigation of violations of other Federal laws or enforcement of such laws.

"(B) SAFEGUARDS.—The Secretary of Agriculture, and the head of any other agency or instrumentality referred to in subparagraph (A), shall restrict, to the satisfaction of the Secretary of the Treasury, access to employer identification numbers obtained pursuant to this subsection only to officers and employees of the United States whose duties or responsibilities require access for the purposes described in subparagraph (A). The Secretary of Agriculture, and the head of any agency or instrumentality with which information is shared pursuant to subparagraph (A), shall provide such other safeguards as the Secretary of the Treasury determines to be necessary or appropriate to protect the confidentiality of the employer identification numbers.";

(2) in paragraph (3), by striking "by the Secretary of Agriculture pursuant to this subsection" and inserting "pursuant to this subsection by the Secretary of Agriculture or the head of any agency or instrumentality with which information is shared pursuant to paragraph (2)", and by striking "social security account numbers" and inserting "employer identification numbers"; and

(3) in paragraph (4), by striking "by the Secretary of Agriculture pursuant to this subsection" and inserting "pursuant to this subsection by the Secretary of Agriculture or any agency or instrumentality with which information is shared pursuant to paragraph (2)".

SEC. 12018. PROHIBITION OF MISUSE OF DEPARTMENT OF THE TREASURY NAMES, SYMBOLS, ETC.

(a) GENERAL RULE.—Subchapter II of chapter 3 of title 31, United States Code, is amended by adding at the end thereof the following new section:

"§ 333. Prohibition of misuse of Department of the Treasury names, symbols, etc.

"(a) GENERAL RULE.—No person may use, in connection with, or as a part of, any advertisement, solicitation, business activity, or product, whether alone or with other words, letters, symbols, or emblems—

"(1) the words 'Department of the Treasury', or the name of any service, bureau, office, or other subdivision of the Department of the Treasury,

"(2) the titles 'Secretary of the Treasury' or 'Treasurer of the United States' or the title of any other officer or employee of the Department of the Treasury,

"(3) the abbreviations or initials of any entity referred to in paragraph (1),

"(4) the words 'United States Savings Bond' or the name of any other obligation issued by the Department of the Treasury,

"(5) any symbol or emblem of an entity referred to in paragraph (1) (including the design of any envelope or stationary used by such an entity), and

"(6) any colorable imitation of any such words, titles, abbreviations, initials, symbols, or emblems,

in a manner which could reasonably be interpreted or construed as conveying the false impression that such advertisement, solicitation, business activity, or product is in any manner approved, endorsed, sponsored, or authorized by, or associated with, the Department of the Treasury or any entity referred to in paragraph (1) or any officer or employee thereof.

"(b) TREATMENT OF DISCLAIMERS.—Any determination of whether a person has violated the provisions of subsection (a) shall be made without regard to any use of a disclaimer of affiliation with the United States Government or any particular agency or instrumentality thereof.

"(c) CIVIL PENALTY.—

"(1) IN GENERAL.—The Secretary of the Treasury may impose a civil penalty on any person who violates the provisions of subsection (a).

"(2) AMOUNT OF PENALTY.—The amount of the civil penalty imposed by paragraph (1) shall not exceed $5,000 for each use of any material in violation of subsection (a). If such use is in a broadcast or telecast, the preceding sentence shall be applied by substituting '$25,000' for '$5,000'.

"(3) TIME LIMITATIONS.—

"(A) ASSESSMENTS.—The Secretary of the Treasury may assess any civil penalty under paragraph (1) at any time before the end of the 3-year period beginning on the date of the violation with respect to which such penalty is imposed.

"(B) CIVIL ACTION.—The Secretary of the Treasury may commence a civil action to recover any penalty imposed under this subsection at any time before the end of the 2-year period beginning on the date on which such penalty was assessed.

"(4) COORDINATION WITH SUBSECTION (d).—No penalty may be assessed under this subsection with respect to any violation after a criminal proceeding with respect to such violation has been commenced under subsection (d).

"(d) CRIMINAL PENALTY.—

"(1) IN GENERAL.—If any person knowingly violates subsection (a), such person shall, upon conviction thereof, be fined not more than $10,000 for each such use or imprisoned not more than 1 year, or both. If such use is in a broadcast or telecast, the preceding sentence shall be applied by substituting '$50,000' for '$10,000'.

"(2) TIME LIMITATIONS.—No person may be prosecuted, tried, or punished under paragraph (1) for any violation of subsection (a) unless the indictment is found or the information instituted during the 3-year period beginning on the date of the violation.

"(3) COORDINATION WITH SUBSECTION (c).—No criminal proceeding may be commenced under this subsection with respect to any violation if a civil penalty has previously been assessed under subsection (c) with respect to such violation."

(b) CLERICAL AMENDMENT.—The analysis for chapter 3 of title 31, United States Code, is amended by adding after the item relating to section 332 the following new item:

"333. Prohibition of misuse of Department of the Treasury names, symbols, etc.".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

(d) REPORT.—Not later than May 1, 1995, the Secretary of the Treasury shall submit a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate on the implementation of the amendments made by this section. Such report shall include the number of cases in which the Secretary has notified persons of violations of section 333 of title 31, United States Code (as added by subsection (a)), the number of prosecutions commenced under such section, and the total amount of the penalties collected in such prosecutions.

SEC. 12019. AVAILABILITY AND USE OF DEATH INFORMATION UNDER THE OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE PROGRAM.

(a) IMPROVEMENTS IN PROGRAM FOR USE OF DEATH CERTIFICATES TO CORRECT PROGRAM INFORMATION.—

(1) ELIMINATION OF STATE RESTRICTIONS ON USE OF INFORMATION.—Section 205(r)(1) of the Social Security Act (42 U.S.C. 405(r)(1)) is amended by adding at the end, after and below subparagraph (B), the following new sentence:

"Any contract entered into pursuant to subparagraph (A) shall not include any restriction on the use of information obtained by the Secretary pursuant to such contract, except to the extent that such use may be restricted under paragraph (6).".

(2) INFORMATION PROVIDED TO STATE AGENCIES FREE OF CHARGE.—

(A) IN GENERAL.—Section 205(r)(4) of such Act (42 U.S.C. 405(r)(4)) is amended to read as follows:

"(4)(A) In the case of individuals with respect to whom federally funded benefits are provided by (or through) a State agency other than under this Act, the Secretary shall to the extent feasible provide such information free of charge through a cooperative arrangement with such agency, for ensuring proper payment of those benefits with respect to such individuals, if such arrangement does not conflict with the duties of the Secretary under paragraph (1).

"(B) The Secretary may enter into similar agreements with States to provide information free of charge for their use in programs wholly funded by the States if such arrangement does not conflict with the duties of the Secretary under paragraph (1).".

(B) CONFORMING AMENDMENT.—Section 205(r)(3) of such Act (42 U.S.C. 405(r)(3)) is amended by striking "or State".

(3) USE BY STATES OF SOCIAL SECURITY ACCOUNT NUMBERS CONTINGENT UPON PARTICIPATION IN PROGRAM.—Section 205(r)(2) of such Act (42 U.S.C. 405(r)(2)) is amended—

(A) by inserting "(A)" after "(2)"; and

(B) by adding at the end the following new subparagraph:

"(B) Notwithstanding section 7(a)(2)(B) of the Privacy Act of 1974 and clauses (i) and (v) of subsection (c)(2)(C) of this section, any State which is not a party to a contract with the Secretary meeting the requirements of paragraph (1) (and any political subdivision thereof) may not utilize an individual's social security account number in the administration of any driver's license or motor vehicle registration law.".

(b) STUDY REGARDING IMPROVEMENTS IN GATHERING AND REPORTING OF DEATH INFORMATION.

(1) IN GENERAL.—As soon as practicable after the date of the enactment of this Act, the Secretary of Health and Human Services shall conduct a study of possible improvements in the current methods of gathering and reporting death information by the Federal, State, and local governments which would result in more efficient and expeditious handling of such information.

(2) SPECIFIC MATTERS TO BE STUDIED.—In carrying out the study required under this subsection, the Secretary shall—

(A) ascertain the delays in the receipt of death information which are currently encountered by the Social Security Administration and other agencies in need of such information on a regular basis,

(B) analyze the causes of such delays,

(C) develop alternative options for improving Federal, State, and local agency cooperation in reducing such delays, and

(D) evaluate the costs and benefits associated with the options referred to in subparagraph (C).

(3) REPORT.—Not later than June 1, 1994, the Secretary shall submit a written report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate setting forth the results of the study conducted pursuant to this subsection, together with such administrative and legislative recommendations as the Secretary may consider appropriate.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by subsection (a) shall take effect 1 year after the date of the enactment of this Act.

(2) PROMOTION OF ENTRY INTO NEW CONTRACTS.—As soon as practicable after the date of the enactment of this Act, the Secretary of Health and Human Services shall take such actions as are necessary and appropriate to promote entry into contracts under section 205(r) of the Social Security Act which are in compliance with the requirements of the amendments made by subsection (a).

Subtitle B—Human Resources Amendments

SEC. 12201. TABLE OF CONTENTS.

The table of contents of this subtitle is as follows:

Subtitle B—Human Resources Amendments

Sec. 12201. Table of contents.
Sec. 12202. References.

CHAPTER 1—CHILD WELFARE

Sec. 12211. Independent living.

CHAPTER 2—CHILD SUPPORT ENFORCEMENT

Sec. 12221. State paternity establishment programs.
Sec. 12222. Enforcement of health insurance support.
Sec. 12223. Reports to credit bureaus on persons delinquent in child support payments.

CHAPTER 3—SUPPLEMENTAL SECURITY INCOME

Sec. 12231. Fees for Federal administration of State supplementary payments.
Sec. 12232. Valuation of certain in-kind support and maintenance when there is a cost of living adjustment in benefits.

CHAPTER 4—AID TO FAMILIES WITH DEPENDENT CHILDREN

Sec. 12241. 50 percent Federal match of State administrative costs.

SEC. 12202. REFERENCES.

Except as otherwise expressly provided, wherever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Social Security Act.

CHAPTER 1—CHILD WELFARE

SEC. 12211. INDEPENDENT LIVING.

(a) TREATMENT OF ASSETS OF PARTICIPATING YOUTHS.—Section 477 (42 U.S.C. 677) is amended—

(1) by redesignating subsection (i) as subsection (j); and

(2) by inserting after subsection (h) the following:

"(i) Notwithstanding any other provision of this title, with respect to a child who is included in a program established by a State agency under subsection (a), an amount of the assets of the child which would otherwise be regarded as resources for purposes of determining eligibility for benefits under this title may be disregarded for the purpose of allowing the child to establish a household, pursue education, or otherwise complete the transition to independent living. The amount disregarded may not exceed an amount determined by the State agency to be reasonable for such purposes.".

(b) PERMANENT EXTENSION OF PROGRAM.—Section 477 (42 U.S.C. 677) is amended—

(1) in subsection (a)(1), by striking the 3rd sentence;

(2) in subsection (c), by striking "of the fiscal years 1988 through 1992" and inserting "succeeding fiscal year";

(3) in subsection (e)(1)(A), by striking "each of the fiscal years 1987 through 1992" and inserting "fiscal year 1987 and any succeeding fiscal year";

(4) in subsection (e)(1)(B), by striking "fiscal years 1991 and 1992" and inserting "fiscal year 1991 and any succeeding fiscal year"; and

(5) in subsection (e)(1)(C)(ii), by striking "fiscal year 1992" and inserting "any succeeding fiscal year".

(c) EFFECTIVE DATES.—

(1) TREATMENT OF ASSETS OF PARTICIPATING YOUTHS.—The amendments made by subsection (a) shall apply to activities in fiscal years beginning on or after October 1, 1995.

(2) PERMANENT EXTENSION OF PROGRAM.—The amendments made by subsection (b) shall apply to activities engaged in on or after October 1, 1992.

CHAPTER 2—CHILD SUPPORT ENFORCEMENT

SEC. 12221. STATE PATERNITY ESTABLISHMENT PROGRAMS.

(a) PERFORMANCE STANDARDS.—Section 452(g) (42 U.S.C. 652(g)) is amended—

(1) in paragraph (1)—

(A) by striking "1991" and inserting "1994";

(B) by inserting "is based on reliable data and" before "equals or exceeds"; and

(C) by striking subparagraphs (A), (B), and (C) and inserting the following:

"(A) 75 percent;

"(B) for a State with a paternity establishment percentage of not less than 50 percent but less than 75 percent for the fiscal year, the paternity establishment percentage of the State for the immediately preceding year plus 3 percentage points; or

"(C) for a State with a paternity establishment percentage of less than 50 percent for such fiscal year, the paternity establishment percentage of the State for the immediately preceding year plus 6 percentage points."; and

(2) in paragraph (2)—

(A) by striking "(or under all such plans)" each place such term appears;

(B) by inserting "or part E" after "under part A" each place such term appears;

(C) by amending subparagraph (B) to read as follows:

"(B) the term 'reliable data' means the most recent data available which are found by the Secretary to be reliable for purposes of this section.";

(D) by inserting "unless paternity is established for such child" after "the death of a parent";

(E) by striking "parent or" and inserting "parent,"; and

(F) by inserting ", or any child with respect to whom the State agency administering the plan under part E determines (as provided in section 454(4)(B)) that it is against the best interest of such child to do so" after "cooperate under section 402(a)(26)".

(b) STATE PLAN REQUIREMENTS.—

(1) REQUIRED PROCEDURES.—Section 466(a) (42 U.S.C. 666(a)) is amended—

(A) in paragraph (2)—

(i) by striking "at the option of the State,"; and

(ii) by inserting "and paternity establishment" after "support order issuance and enforcement";

(B) in paragraph (5), by adding at the end the following:

"(C) Procedures for a simple civil process for voluntarily acknowledging paternity under which the State must explain the rights and responsibilities of acknowledging paternity, and afford due process safeguards. Such procedures must include (i) a hospital-based program for the voluntary acknowledgment of paternity during the period immediately before or after the birth of a child, and (ii) the inclusion of signature lines on applications for official birth certificates which, once signed by the father and the mother, are considered a voluntary acknowledgment of paternity.

"(D) Procedures under which the voluntary acknowledgment of paternity of a child by an individual in the manner described in subparagraph (C)(ii) creates a rebuttable or, at the option of the State, conclusive presumption that the individual is the father of the child, and under which such a voluntary acknowledgment is admissible as evidence of paternity.

"(E) Procedures under which a voluntary acknowledgment of paternity in the manner described in subparagraph (C)(ii) must be recognized as a basis for seeking a support order without first requiring any further proceedings to establish paternity.

"(F) Procedures requiring that (i) any objection to genetic testing results be made in writing within a specified number of days before any hearing at which such results may be introduced into evidence, and (ii) if no objection is made, the test results be admissible as evidence of paternity without the need for foundation testimony or other proof of authenticity or accuracy.

"(G) Procedures which create a rebuttable or, at the option of the State, conclusive presumption of paternity of a child, upon genetic testing results indicating a threshold probability of the alleged father being the father of the child.

"(H) Procedures requiring a default order to be entered in a paternity case upon a showing that process has been served on the defendant and any additional showing required by State law."; and

(C) by inserting after paragraph (10) the following:

"(11) Procedures under which a State must give full faith and credit to a determination of paternity made by any other State, whether established through voluntary acknowledgment or through administrative or judicial processes.".

(2) FURNISHING OF SOCIAL SECURITY NUMBERS.—

(A) IN GENERAL.—Section 466(a) (42 U.S.C. 666(a)), as amended by paragraph (1)(C) of this subsection, is amended by inserting after paragraph (11) the following:

"(12)(A) Procedures under which, in the administration of any law involving the issuance, reissuance, or amendment of a birth certificate, the State shall require each parent to furnish to the State, or any agency or political subdivision thereof having administrative responsibility for the law involved, the social security account number (or numbers, if the parent has more than 1 such number) issued to the parent, unless the State (in accordance with regulations prescribed by the Secretary) finds good cause for not requiring the furnishing of the number.

"(B) Procedures under which any number furnished under subparagraph (A) shall be made available to the agency administering the State plan under this part, in accordance with Federal or State law or regulation.

"(C) Procedures under which—

"(i) any number furnished under subparagraph (A) shall not be recorded on the birth certificate; and

"(ii) any social security account number, obtained with respect to the issuance by the State of any birth certificate, shall not be used for other than child support purposes, unless section 7(a) of the Privacy Act of 1974 does not prohibit the State from requiring the disclosure of the number, by reason of the State having adopted, before January 1, 1975, a statute or regulation requiring such disclosure.".

(B) CONFORMING AMENDMENTS.—Section 205(c)(2)(C)(ii) (42 U.S.C. 405(c)(2)(C)(ii)) is amended—

(i) by striking "(ii) In the administration of any law involving the issuance" and inserting "(ii) In the administration of any law involving the issuance, reissuance, or amendment"; and

(ii) by striking "any purpose other than for the enforcement of child support orders in effect in the State" and inserting "other than child support purposes".

(c) CONFORMING REPEAL.—Section 468 (42 U.S.C. 668) is hereby repealed.

(d) EFFECTIVE DATE.—The amendments and repeal made by this section shall become effective with respect to a State—

(1) on October 1, 1993, or, if later

(2) upon enactment by the legislature of the State of all laws required by such amendments,

but in no event later than the 1st day of the 1st calendar quarter beginning after the close of the 1st regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the preceding sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

SEC. 12222. ENFORCEMENT OF HEALTH INSURANCE SUPPORT.

(a) STATE PLAN REQUIREMENTS.—Section 454(a) (42 U.S.C. 654(a)) is amended—

(1) by striking "and" at the end of paragraph (23);

(2) by striking the period at the end of paragraph (24) and inserting "; and"; and

(3) by inserting after paragraph (24) the following:

"(25) provide assurances satisfactory to the Secretary that the State has in effect laws applicable to health insurers and insurance policies or programs subject to the laws of the State that—

"(A) prohibit insurers' consideration, in determining an individual's eligibility for or coverage under any such policy or program, of such individual's eligibility for or coverage under the plan of any State under title XIX;

"(B) provide that, where an individual assigns rights to any State in accordance with section 1912, that State is subrogated, to the extent of medical assistance furnished, to the individual's rights under any health insurance policy or program;

"(C) prohibit insurers from applying, to State agencies administering programs under title XIX and acting as agents or subrogees (for purposes of insurance policies or programs of such insurers) of individuals receiving medical assistance under such State programs, requirements (with respect to deadlines for filing claims or any other matters) different from requirements applicable to any other applicant, beneficiary, agent, or subrogee;

"(D) prohibit insurers from denying enrollment of a child under the health insurance coverage of the child's parent on grounds that—

"(i) the child does not reside with the parent, or

"(ii) the child was born out of wedlock;

"(E) in any case where a parent is required by court or administrative order to provide health insurance coverage for a child, require insurers, without regard to otherwise applicable enrollment season restrictions—

"(i) to permit such parent, upon application, to enroll in family coverage (if otherwise eligible and not already so enrolled), and to enroll such child under such family coverage, and

"(ii) where such a parent who is enrolled in family coverage fails to make application, to enroll such child under such family coverage upon application by the child's other parent or by the State agency administering the program under this part or title XIX; and

"(F) in any case where a child is covered under the health insurance of a noncustodial parent, require insurers—

"(i) to permit the custodial parent (or service provider, with the custodial parent's approval), or any State agency administering a program under title XIX, to submit claims for covered services without the approval of the noncustodial parent, and

"(ii) to make payment on claims submitted in accordance with clause (i) directly to the custodial parent, service provider, or State agency submitting such claim;

"(26) provide assurances satisfactory to the Secretary that the State has in effect laws requiring employers doing business in the State—

"(A) upon notice of a court or administrative order requiring an employee to provide health insurance coverage for the employee's child, and upon application by such employee (or, where such employee fails to make application, by the child's other parent or the State agency administering the program under this part or title XIX), to permit enrollment of such child at any time as a dependent of the employee under the employer's group health insurance;

"(B) to permit disenrollment from such group health insurance by such employee, or elimination of coverage of such child, only upon receipt of satisfactory evidence, in writing, that—

"(i) such court or administrative order is no longer in effect, or

"(ii) the employee has enrolled or will enroll in alternative health insurance covering such child which will take effect immediately upon the effective date of such disenrollment; and

"(C) to withhold from such employee's compensation the employee's share (if any) of premiums for such health insurance, and to pay such share of premiums to the insurer;

"(27) provide assurances satisfactory to the Secretary that the State has in effect laws requiring the State agency to garnish the wages, salary, or other employment income of, and to withhold amounts from State tax refunds to, any person who—

"(A) is required by court or administrative order to provide coverage of the costs of medical services to an individual eligible for medical assistance under title XIX,

"(B) has received payment from a third party for the costs of medical services to such individual, and

"(C) has not used such payments to reimburse, as appropriate, either such individual or the provider of such services,

to the extent necessary to reimburse the State agency for expenditures for such costs under its plan under title XIX, but any claims for current or past-due child support shall take priority over any such claims for the costs of medical services.".

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by subsection (a) apply to calendar quarters beginning on or after April 1, 1994, except as provided in paragraph (2).

(2) EXTENSION FOR STATE LAW AMENDMENT.—In the case of a State plan under part D of title IV of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation in order for the plan to meet the additional requirements imposed by the amendments made by subsection (a), the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the 1st day of the 1st calendar quarter beginning after the close of the 1st regular session of the State legislature that begins after the date of enactment of this Act. For purposes of the preceding sentence, in the case of a State that has a 2-year legislative session, each year of

such session shall be deemed to be a separate regular session of the State legislature.

SEC. 12223. REPORTS TO CREDIT BUREAUS ON PERSONS DELINQUENT IN CHILD SUPPORT PAYMENTS.

(a) In General.—Section 466(a)(7) (42 U.S.C. 666(a)(7)) is amended—

(1) by striking "upon the request of such agency" and inserting ", and procedures which require the State to periodically report to any such agency the name of any parent who owes overdue support and is at least 2 months delinquent in the payment of such support and the amount of such delinquency unless the agency requests not to receive such information"; and

(2) by striking "(C) a fee" and all that follows through "by the State" and inserting ", and (C) such information shall not be made available to (i) a consumer reporting agency which the State determines does not have sufficient capability to systematically and timely make accurate use of such information, or (ii) an entity which has not furnished evidence satisfactory to the State that the entity is a consumer reporting agency".

(b) Effective Date.—

(1) In general.—Except as provided in paragraph (2), the amendments made by subsection (a) shall take effect on October 1, 1994.

(2) Exception.—If the Secretary of Health and Human Services determines that a State is unable to comply with the amendments made by subsection (a), such State shall be exempt from compliance with such amendments until the State establishes an automated data processing and information retrieval system under section 454(24) of the Social Security Act, or October 1, 1995, whichever occurs earlier.

CHAPTER 3—SUPPLEMENTAL SECURITY INCOME

SEC. 12231. FEES FOR FEDERAL ADMINISTRATION OF STATE SUPPLEMENTARY PAYMENTS.

(a) In General.—

(1) Optional state supplementary payments.—Section 1616(d) (42 U.S.C. 1382e(d)) is amended—

(A) by inserting "(1)" after "(d)";

(B) by inserting ", plus an administration fee assessed in accordance with paragraph (2) and any additional services fee charged in accordance with paragraph (3)" before the period; and

(C) by adding after and below the end the following:

"(2)(A) The Secretary shall assess each State an administration fee in an amount equal to—

"(i) the number of supplementary payments made by the Secretary on behalf of the State under this section for any month in a fiscal year; multiplied by

"(ii) the applicable rate for the fiscal year.

"(B) As used in subparagraph (A), the term 'applicable rate' means—

"(i) for fiscal year 1994, $1.67;

"(ii) for fiscal year 1995, $3.33;

"(iii) for fiscal year 1996, $5.00; and

"(iv) for fiscal year 1997 and each succeeding fiscal year, $5.00, or such different rate as the Secretary determines pursuant to criteria established in regulations is appropriate for the State, taking into account the complexity of the State's supplementary payment program.

"(C) All fees collected pursuant to this paragraph shall be transferred to the United States at the same time that amounts for such supplementary payments are required to be so transferred.

"(3)(A) The Secretary shall charge a State an additional services fee if, at the request of the State, the Secretary provides additional services beyond the level customarily provided, in the administration of State supplementary payments pursuant to this section.

"(B) The additional services fee shall be in an amount that the Secretary determines is necessary to cover all costs (including indirect costs) incurred by the Federal Government in furnishing the additional services referred to in subparagraph (A).

"(C) The additional services fee shall be payable in advance or by way of reimbursement.

"(4) All administration fees and additional services fees collected pursuant to this subsection shall be deposited in the general fund of the Treasury of the United States as miscellaneous receipts.".

(2) Mandatory state supplementary payments.—Section 212(b)(3) of Public Law 93–66 (42 U.S.C. 1382 note) is amended—

(A) by inserting "(A)" after "(3)";

(B) by inserting ", plus an administration fee assessed in accordance with subparagraph (B) and any additional services fee charged in accordance with subparagraph (C)" before the period; and

(C) by adding after and below the end the following:

"(B)(i) The Secretary shall assess each State an administration fee in an amount equal to—

"(I) the number of supplementary payments made by the Secretary on behalf of the State under this subsection for any month in a fiscal year; multiplied by

"(II) the applicable rate for the fiscal year.

"(ii) As used in clause (i), the term 'applicable rate' means—

"(I) for fiscal year 1994, $1.67;

"(II) for fiscal year 1995, $3.33;

"(III) for fiscal year 1996, $5.00; and

"(IV) for fiscal year 1997 and each succeeding fiscal year, $5.00, or such different rate as the Secretary determines pursuant to regulations established in regulations is appropriate for the State, taking into account the complexity of the State's supplementary payment program.

"(iii) All fees collected pursuant to this subparagraph shall be transferred to the United States at the same time that amounts for such supplementary payments are required to be so transferred.

"(C)(i) The Secretary shall charge a State an additional services fee if, at the request of the State, the Secretary provides additional services beyond the level customarily provided, in the administration of State supplementary payments pursuant to this subsection.

"(ii) The additional services fee shall be in an amount that the Secretary determines is necessary to cover all costs (including indirect costs) incurred by the Federal Government in furnishing the additional services referred to in clause (i).

"(iii) The additional services fee shall be payable in advance or by way of reimbursement.

"(D) All administration fees and additional services fees collected pursuant to this paragraph shall be deposited in the general fund of the Treasury of the United States as miscellaneous receipts.".

(b) Effective Date.—The amendments made by this section shall apply to supplementary payments made pursuant to section 1616(a) of the Social Security Act or section 212(a) of Public Law 93–66 for any calendar month beginning after September 30, 1993, and to services furnished after such date, regardless of whether regulations to implement such amendments have been promulgated by such date, or whether any agreement entered into under such section 1616(a) or such section 212(a) has been modified.

SEC. 12232. VALUATION OF CERTAIN IN-KIND SUPPORT AND MAINTENANCE WHEN THERE IS A COST OF LIVING ADJUSTMENT IN BENEFITS.

(a) In General.—Section 1611(c) (42 U.S.C. 1382(c)) is amended—

(1) in paragraph (1), by striking "and (5)" and inserting "(5), and (6)"; and

(2) by redesignating paragraphs (6) and (7) as paragraphs (7) and (8), respectively; and

(3) by inserting after paragraph (5) the following:

"(6) The dollar amount in effect under subsection (b) as a result of any increase in benefits under this title by reason of section 1617 shall be used to determine the value of any in-kind support and maintenance required to be taken into account in determining the benefit payable under this title to an individual (and the eligible spouse, if any, of the individual) for the 1st 2 months for which the increase in benefits applies.".

(b) Effective Date.—The amendments made by subsection (a) shall apply to benefits paid for months after the calendar year 1993.

CHAPTER 4—AID TO FAMILIES WITH DEPENDENT CHILDREN

SEC. 12241. 50 PERCENT FEDERAL MATCH OF STATE ADMINISTRATIVE COSTS.

(a) In General.—Section 403(a)(3) (42 U.S.C. 603(a)(3)) is amended by striking "the sum of" and all that follows through the end of subparagraph (D) and inserting "50 percent of the total amounts expended during such quarter as the Secretary has found necessary for the proper and efficient administration of the State plan (including any amounts expended by the State to carry out initial evaluations under section 486(a)),".

(b) Optional Use of Certain Procedures to Verify Immigration Status of AFDC Applicants.—Section 1137(d) (42 U.S.C. 1320b–7(d)) is amended—

(1) in each of paragraphs (3) and (4)(B)(i), by inserting "(or, in the case of the program specified in subsection (b)(1), may)" after "shall"; and

(2) in paragraph (4), by inserting "(if required)" after "verified".

(c) Effective Date.—

(1) In general.—Except as provided in paragraph (2), the amendments made by this section shall apply to payments made for calendar quarters beginning on or after April 1, 1994.

(2) Delayed applicability to certain states.—

(A) In general.—The Secretary of Health and Human Services may delay the applicability to a qualified State of the amendments made by subsection (a) until the 1st calendar quarter that begins after the close of the 1st regular session of the State legislature that begins after the date of the enactment of this section.

(B) Qualified state defined.—As used in subparagraph (A), the term "qualified State" means a State that meets such criteria as the Secretary shall establish and apply uniformly, including whether the State legislature meets biennially and does not have a regular session scheduled in calendar year 1994.

Subtitle C—Medicare Program

SEC. 12400. REFERENCES IN SUBTITLE; TABLE OF CONTENTS OF SUBTITLE.

(a) Amendments to Social Security Act.—Except as otherwise specifically provided, whenever in this subtitle an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.

(b) REFERENCES TO OBRA.—In this subtitle, the terms "OBRA-1986", "OBRA-1987", "OBRA-1989", and "OBRA-1990" refer to the Omnibus Budget Reconciliation Act of 1986 (Public Law 99-509), the Omnibus Budget Reconciliation Act of 1987 (Public Law 100-203), the Omnibus Budget Reconciliation Act of 1989 (Public Law 101-239), and the Omnibus Budget Reconciliation Act of 1990 (Public Law 101-508), respectively.

(c) TABLE OF CONTENTS OF SUBTITLE.—The table of contents of this subtitle is as follows:

Sec. 12400. References in subtitle; table of contents of subtitle.

CHAPTER 1—PROVISIONS RELATING TO PART A

SUBCHAPTER A—ELIMINATION OF INFLATION UPDATE FOR SERVICES PROVIDED UNDER PART A

Sec. 12401. Inpatient hospital services and hospice care.
Sec. 12402. Limits on per diem routine service costs for extended care services.

SUBCHAPTER B—OTHER PROVISIONS RELATING TO PART A

Sec. 12411. Wage index provisions.
Sec. 12412. Transition for hospital outlier thresholds.
Sec. 12413. Essential access community hospital (EACH) amendments.
Sec. 12414. Rural health transition grant program extension.
Sec. 12415. Regional referral center extension.
Sec. 12416. Medicare-dependent, small rural hospital payment extension.
Sec. 12417. Extension of rural hospital demonstration.
Sec. 12418. Hemophilia pass-through extension.
Sec. 12419. State hospital payment programs.
Sec. 12420. Psychology services in hospitals.
Sec. 12421. Graduate medical education payments in hospital-owned community health centers.
Sec. 12422. Treatment of certain military facilities.
Sec. 12423. Epilepsy DRG.
Sec. 12424. Skilled nursing facility wage index.
Sec. 12425. Hospice notification to beneficiaries.
Sec. 12426. Reduction in part A premium for certain individuals with 30 or more quarters of Social Security coverage.
Sec. 12427. Periodic updates to salary equivalency guidelines for physical therapy and respiratory therapy services.
Sec. 12428. Extension of deadline for application for geographic classification for certain reclassified hospitals.
Sec. 12429. Elimination of return on equity for proprietary skilled nursing facilities.
Sec. 12430. Clarification of DRG payment window expansion; miscellaneous and technical corrections.

CHAPTER 2—PROVISIONS RELATING TO PART B

SUBCHAPTER A—ELIMINATION OF INFLATION UPDATE

Sec. 12431. Elimination of inflation update for physician and related professional services.
Sec. 12432. Elimination of cost-of-living adjustments for certain items and services.
Sec. 12433. Ambulatory surgical center services.
Sec. 12434. Other items and services under part B.

SUBCHAPTER B—PHYSICIANS' SERVICES

Sec. 12441. Retaining payment for actual anesthesia time.
Sec. 12442. Geographic cost of practice index refinements.
Sec. 12443. Relative values for pediatric services.
Sec. 12444. Antigens under physician fee schedule.
Sec. 12445. Administration of claims relating to physicians' services.
Sec. 12446. Miscellaneous and technical corrections.

SUBCHAPTER C—AMBULATORY SURGICAL CENTER SERVICES

Sec. 12451. Designation of certain hospitals as eye or eye and ear hospitals.
Sec. 12452. Technical amendments.

SUBCHAPTER D—OTHER PROVISIONS

Sec. 12461. Clarifying payments for medically directed certified registered nurse anesthetist services.
Sec. 12462. Extension of Alzheimer's disease demonstration projects.
Sec. 12463. Oral cancer drugs.
Sec. 12464. Payment for ostomy supplies and other supplies.
Sec. 12465. Coverage of services of speech-language pathologists and audiologists.
Sec. 12466. Extension of municipal health service demonstration projects.
Sec. 12467. Imposition of coinsurance on clinical diagnostic laboratory tests.
Sec. 12468. Miscellaneous and technical corrections.

SUBCHAPTER E—PART B PREMIUM

Sec. 12471. Part B premium.
Sec. 12472. Increase in medicare part B premium for individuals with high income.

CHAPTER 3—PROVISIONS RELATING TO PARTS A AND B

SUBCHAPTER A—ELIMINATION OF UPDATES

Sec. 12501. Elimination of cost-of-living update in per resident amounts for direct medical education.
Sec. 12502. Elimination of inflation update in cost limits for home health services.

SUBCHAPTER B—MEDICARE SECONDARY PAYER PROVISIONS

Sec. 12511. Extension of transfer of data.
Sec. 12512. 3-year extension of medicare secondary payer to disabled beneficiaries.
Sec. 12513. 3-year extension of 18-month rule for ESRD beneficiaries.
Sec. 12514. Medicare secondary payer reforms.

SUBCHAPTER C—MODIFICATION OF PROVISIONS RELATING TO PHYSICIAN OWNERSHIP AND REFERRAL

Sec. 12521. Modification of provisions relating to physician ownership and referral.

SUBCHAPTER D—OTHER PROVISIONS

Sec. 12531. Direct graduate medical education.
Sec. 12532. Immunosuppressive drug therapy.
Sec. 12533. Reduction in payments for erythropoietin.
Sec. 12534. Qualified medicare beneficiary outreach.
Sec. 12535. Extension of social health maintenance organization demonstrations.
Sec. 12536. Hospice notification to home health beneficiaries.
Sec. 12537. Interest payments.
Sec. 12538. Peer review organizations.
Sec. 12539. Health maintenance organizations.
Sec. 12540. Medicare administration budget process.
Sec. 12541. Other provisions.

CHAPTER 4—MEDICARE SUPPLEMENTAL INSURANCE POLICIES

Sec. 12551. Standards for medicare supplemental insurance policies.

CHAPTER 5—TREATMENT OF CERTAIN STATE HEALTH CARE PROGRAMS

Sec. 12561. Treatment of certain State health care programs.

CHAPTER 6—THIRD PARTY LIABILITY

Sec. 12571. Access to employment-based health insurance information.

CHAPTER 1—PROVISIONS RELATING TO PART A

Subchapter A—Elimination of Inflation Update for Services Provided Under Part A

SEC. 12401. INPATIENT HOSPITAL SERVICES AND HOSPICE CARE.

Section 1886(b)(3)(B)(iii) (42 U.S.C. 1395ww(b)(3)(B)(iii)) is amended—

(1) by striking "(iii) For purposes of this subparagraph" and inserting "(iii)(I) Except as provided in subclause (II), for purposes of this subparagraph", and

(2) by adding at the end the following new subclause:

"(II) For purposes of this subparagraph and section 1814(i)(1)(C)(ii), the 'market basket percentage increase', with respect to cost reporting periods and discharges occurring in fiscal year 1994 or 1995, is 0 percent.".

SEC. 12402. LIMITS ON PER DIEM ROUTINE SERVICE COSTS FOR EXTENDED CARE SERVICES.

The Secretary of Health and Human Services shall not provide for any increase, on the basis of inflation or changes in the cost of goods and services, in the limits on per diem routine service costs for extended care services under section 1888 of the Social Security Act for cost reporting periods beginning during fiscal year 1994 or fiscal year 1995.

Subchapter B—Other Provisions Relating to Part A

SEC. 12411. WAGE INDEX PROVISIONS.

(a) WAGE INDEX HOLD HARMLESS PROTECTION.—

(1) IN GENERAL.—Section 1886(d)(8)(C) (42 U.S.C. 1395ww(d)(8)(C)) is amended by adding at the end the following new clause:

"(iv) The application of subparagraph (B) or a decision of the Medicare Geographic Classification Review Board or the Secretary under paragraph (1) may not result in a reduction in an urban area's wage index if—

"(I) the urban area has a wage index below the wage index for rural areas in the State in which it is located; or

"(II) the urban area is located in a State that is composed of a single urban area.".

(2) NO STANDARDIZED AMOUNT ADJUSTMENT.—The Secretary of Health and Human Services shall not revise the fiscal year 1992 or fiscal year 1993 standardized amounts pursuant to subsections (d)(3)(B) and (d)(8)(D) of section 1886 of the Social Security Act to account for the amendment made by paragraph (1).

(3) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to discharges occurring—

(A) on or after October 1, 1991, in the case of hospitals located in an urban area described in section 1886(d)(8)(C)(iv)(I) of the Social Security Act (as added by paragraph (1)); and

(B) on or after the date of the enactment of this Act, in the case of hospitals located in an urban area described in section 1886(d)(8)(C)(iv)(II) of the Social Security Act (as added by paragraph (1)).

(b) Updating Standards for Treating Rural Counties as Urban Counties Based on Rates of Commutation.—

(1) In general.—Section 1886(d)(8)(B) (42 U.S.C. 1395ww(d)(8)(B)) is amended—

(A) by striking "standards" each place it appears and inserting "standards most recently used", and

(B) by striking "published in the Federal Register on January 3, 1980".

(2) Hold harmless for counties currently treated as urban.—Any hospital that is treated as being located in an urban metropolitan statistical area pursuant to section 1886(d)(8)(B) of the Social Security Act as of September 30, 1992, shall continue to be so treated notwithstanding the amendments made by paragraph (1).

(3) Effective date.—The amendments made by paragraph (1) shall be effective on October 1, 1993.

(c) Use of Occupational Mix in Guidelines.—

(1) In general.—Section 1886(d)(10)(D)(i)(I) (42 U.S.C. 1395ww(d)(10)(D)(i)(I)) is amended by inserting "(to the extent the Secretary determines appropriate)" after "taking into account".

(2) Effective date.—The amendment made by paragraph (1) shall take effect as if included in the enactment of OBRA-1989.

SEC. 12412. TRANSITION FOR HOSPITAL OUTLIER THRESHOLDS.

Section 1886(d)(5)(A) (42 U.S.C. 1395ww(d)(5)(A)) is amended—

(1) in clause (i), by striking "The Secretary" and inserting "For discharges occurring during fiscal years ending on or before September 30, 1997, the Secretary"; and

(2) by adding at the end the following new clauses:

"(v) The Secretary shall provide that—

"(I) the day outlier percentage for fiscal year 1995 shall be 75 percent of the day outlier percentage for fiscal year 1994;

"(II) the day outlier percentage for fiscal year 1996 shall be 50 percent of the day outlier percentage for fiscal year 1994; and

"(III) the day outlier percentage for fiscal year 1997 shall be 25 percent of the day outlier percentage for fiscal year 1994.

"(vi) For purposes of this subparagraph, the term 'day outlier percentage' means, for a fiscal year, the percentage of the total additional payments made by the Secretary under this subparagraph for discharges in that fiscal year which are additional payments under clause (i).".

SEC. 12413. ESSENTIAL ACCESS COMMUNITY HOSPITAL (EACH) AMENDMENTS.

(a) Increasing Number of Participating States.—Section 1820(a)(1) (42 U.S.C. 1395i-4(a)(1)) is amended by striking "7" and inserting "9".

(b) Treatment of Inpatient Hospital Services Provided in Rural Primary Care Hospitals.—

(1) In general.—Section 1820(f)(1)(F) (42 U.S.C. 1395i-4(f)(1)(F)) is amended to read as follows:

"(F) subject to paragraph (4), provides not more than 6 inpatient beds (meeting such conditions as the Secretary may establish) for providing inpatient care to patients requiring stabilization before discharge or transfer to a hospital, except that the facility may not provide any inpatient hospital services—

"(i) to any patient whose attending physician does not certify that the patient may reasonably be expected to be discharged or transferred to a hospital within 72 hours of admission to the facility; or

"(ii) consisting of surgery or any other service requiring the use of general anesthesia (other than surgical procedures specified by the Secretary under section 1833(i)(1)(A)), unless the attending physician certifies that the risk associated with transferring the patient to a hospital for such services outweighs the benefits of transferring the patient to a hospital for such services.".

(2) Limitation on average length of stay.—Section 1820(f) (42 U.S.C. 1395i-4(f)) is amended by adding at the end the following new paragraph:

"(4) Limitation on average length of inpatient stays.—The Secretary may terminate a designation of a rural primary care hospital under paragraph (1) if the Secretary finds that the average length of stay for inpatients at the facility during the previous year in which the designation was in effect exceeded 72 hours. In determining the compliance of a facility with the requirement of the previous sentence, there shall not be taken into account periods of stay of inpatients in excess of 72 hours to the extent such periods exceed 72 hours because transfer to a hospital is precluded because of inclement weather or other emergency conditions.".

(3) Conforming amendment.—Section 1814(a)(8) (42 U.S.C. 1395f(a)(8)) is amended by striking "such services" and all that follows and inserting "the individual may reasonably be expected to be discharged or transferred to a hospital within 72 hours after admission to the rural primary care hospital.".

(4) GAO reports.—Not later than 2 years after the date of the enactment of this Act, the Comptroller General shall submit reports to Congress on—

(A) the application of the requirements under section 1820(f) of the Social Security Act (as amended by this subsection) that rural primary care hospitals provide inpatient care only to those individuals whose attending physicians certify may reasonably be expected to be discharged within 72 hours after admission and maintain an average length of inpatient stay during a year that does not exceed 72 hours; and

(B) the extent to which such requirements have resulted in such hospitals providing inpatient care beyond their capabilities or have limited the ability of such hospitals to provide needed services.

(c) Designation of Hospitals.—

(1) Permitting designation of hospitals located in urban areas.—

(A) In general.—Section 1820 (42 U.S.C. 1395i-4) is amended—

(i) by striking paragraph (1) of subsection (e) and redesignating paragraphs (2) through (6) as paragraphs (1) through (5); and

(ii) in subsection (e)(1)(A) (as redesignated by subparagraph (A))—

(I) by striking "is located" and inserting "except in the case of a hospital located in an urban area, is located',

(II) by striking ", (ii)" and inserting "or (ii)",

(III) by striking "or (iii)" and all that follows through "section,", and

(IV) in subsection (i)(1)(B), by striking "paragraph (3)" and inserting "paragraph (2)".

(B) No change in medicare prospective payment.—Section 1886(d)(5)(D) (42 U.S.C. 1395ww(d)(5)(D)) is amended—

(i) in clause (iii)(III), by inserting "located in a rural area and" after "that is", and

(ii) in clause (v), by inserting "located in a rural area and" after "in the case of a hospital".

(2) Permitting hospitals located in adjoining states to participate in state program.—

(A) In general.—Section 1820 (42 U.S.C. 1395i-4) is amended—

(i) by redesignating subsection (k) as subsection (l); and

(ii) by inserting after subsection (j) the following new subsection:

"(k) Eligibility of Hospitals Not Located in Participating States.—Notwithstanding any other provision of this section—

"(1) for purposes of including a hospital or facility as a member institution of a rural health network, a State may designate a hospital or facility that is not located in the State as an essential access community hospital or a rural primary care hospital if the hospital or facility is located in an adjoining State and is otherwise eligible for designation as such a hospital;

"(2) the Secretary may designate a hospital or facility that is not located in a State receiving a grant under subsection (a)(1) as an essential access community hospital or a rural primary care hospital if the hospital or facility is a member institution of a rural health network of a State receiving a grant under such subsection; and

"(3) a hospital or facility designated pursuant to this subsection shall be eligible to receive a grant under subsection (a)(2).".

(B) Conforming amendments.—(i) Section 1820(c)(1) (42 U.S.C. 1395i-4(c)(1)) is amended by striking "paragraph (3)" and inserting "paragraph (3) or subsection (k)".

(ii) Paragraphs (1)(A) and (2)(A) of section 1820(i) (42 U.S.C. 1395i-4(i)) are each amended—

(I) in clause (i), by striking "(a)(1)" and inserting "(a)(1) (except as provided in subsection (k))", and

(II) in clause (ii), by striking "subparagraph (B)" and inserting "subparagraph (B) or subsection (k)".

(d) Skilled Nursing Services in Rural Primary Care Hospitals.—Section 1820(f)(3) (42 U.S.C. 1395i-4(f)(3)) is amended by striking "because the facility" and all that follows and inserting the following: "because, at the time the facility applies to the State for designation as a rural primary care hospital, there is in effect an agreement between the facility and the Secretary under section 1883 under which the facility's inpatient hospital facilities are used for the furnishing of extended care services, except that the number of beds used for the furnishing of such services may not exceed the total number of licensed inpatient beds at the time the facility applies to the State for such designation (minus the number of inpatient beds used for providing inpatient care pursuant to paragraph (1)(F)). For purposes of the previous sentence, the number of beds of the facility used for the furnishing of extended care services shall not include any beds of a unit of the facility that is licensed as a distinct-part skilled nursing facility at the time the facility applies to the State for designation as a rural primary care hospital.".

(e) Payment for Outpatient Rural Primary Care Hospital Services.—

(1) Implementation of prospective payment system.—Section 1834(g) (42 U.S.C. 1395m(g)) is amended—

(A) in paragraph (1), by striking "during a year before 1993" and inserting "during a year before the prospective payment system described in paragraph (2) is in effect"; and

(B) in paragraph (2), by striking "January 1, 1993," and inserting "January 1, 1996,".

(2) No use of customary charge in determining payment.—Section 1834(g)(1) (42 U.S.C. 1395m(g)(1)) is amended by adding at the end the following:

"The amount of payment shall be determined under either method without regard to the amount of the customary or other charge.".

(f) Clarification of Physician Staffing Requirement for Rural Primary Care Hospitals.—Section 1820(f)(1)(H) (42 U.S.C. 1395i-4(f)(1)(H)) is amended by striking the period and inserting the following: ", except that in determining whether a facility meets the requirements of this subparagraph, subparagraphs (E) and (F) of that paragraph shall be applied as if any reference to a 'physician' is a reference to a physician as defined in section 1861(r)(1).".

(g) Technical Amendments Relating to Part A Deductible, Coinsurance, and Spell of Illness.—(1) Section 1812(a)(1) (42 U.S.C. 1395d(a)(1)) is amended—

(A) by striking "inpatient hospital services" the first place it appears and inserting "inpatient hospital services or inpatient rural primary care hospital services";

(B) by striking "inpatient hospital services" the second place it appears and inserting "such services"; and

(C) by striking "and inpatient rural primary care hospital services".

(2) Sections 1813(a) and 1813(b)(3)(A) (42 U.S.C. 1395e(a), 1395e(b)(3)(A)) are each amended by striking "inpatient hospital services" each place it appears and inserting "inpatient hospital services or inpatient rural primary care hospital services".

(3) Section 1813(b)(3)(B) (42 U.S.C. 1395e(b)(3)(B)) is amended by striking "inpatient hospital services" and inserting "inpatient hospital services, inpatient rural primary care hospital services".

(4) Section 1861(a) (42 U.S.C. 1395x(a)) is amended—

(A) in paragraphs (1), by striking "inpatient hospital services" and inserting "inpatient hospital services, inpatient rural primary care hospital services"; and

(B) in paragraph (2), by striking "hospital" and inserting "hospital or rural primary care hospital".

(h) Authorization of Appropriations.—Section 1820(k) (42 U.S.C. 1395i-4(k)) is amended by striking "1990, 1991, and 1992" and inserting "1990 through 1995".

(i) Effective Date.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 12414. RURAL HEALTH TRANSITION GRANT PROGRAM EXTENSION.

Section 4005(e)(9) of OBRA–1987 is amended—

(1) by striking "1989 and" and inserting "1989,"; and

(2) by striking "1992" and inserting "1992 and $30,000,000 for each of fiscal years 1993 through 1997".

SEC. 12415. REGIONAL REFERRAL CENTER EXTENSION.

(a) Extension of Classification Through Fiscal Year 1994.—Effective on the date of the enactment of this Act, section 6003(d) of such Act (42 U.S.C. 1395ww note) is amended by striking "October 1, 1992" and inserting "October 1, 1994".

(b) Permitting Hospitals to Decline Reclassification.—If any hospital fails to qualify as a rural referral center under section 1886(d)(5)(C) of the Social Security Act as a result of a decision by the Medicare Geographic Classification Review Board under section 1886(d)(10) of such Act to reclassify the hospital as being located in an urban area for fiscal year 1993 or fiscal year 1994, the Secretary of Health and Human Services shall—

(1) notify such hospital of such failure to qualify,

(2) provide an opportunity for such hospital to decline such reclassification, and

(3) if the hospital declines such reclassification, administer the Social Security Act (other than section 1886(d)(8)(D)) for such fiscal year as if the decision by the Review Board had not occurred.

(c) Requiring Lump-sum Retroactive Payment for Hospitals Losing Classification.—

(1) In general.—In the case of an affected regional referral center (as described in paragraph (2)), the Secretary of Health and Human Services shall make a lump sum payment to the center equal to the difference between the aggregate payment made to the center under section 1886 of such Act (excluding outlier payments under subsection (d)(5)(A) of such section) during the period of applicability described in paragraph (3) and the aggregate payment that would have been made to the center under such section if, during the period of applicability, the center was classified a regional referral center under section 1886(d)(5)(C) of such Act.

(2) Affected centers described.—In paragraph (1), an "affected regional referral center" is a hospital classified as regional referral center under section 1886(d)(5)(C) of the Social Security Act as of September 30, 1992, that was not classified as such a center after such date but would have been so classified if the reference in section 6003(d) of OBRA–1989 to "October 1, 1992," had been deemed a reference to "October 1, 1994,".

(3) Period of applicability.—In paragraph (1), the "period of applicability" is the period that begins on October 1, 1992, and ends on the date of the enactment of this Act.

SEC. 12416. MEDICARE-DEPENDENT, SMALL RURAL HOSPITAL PAYMENT EXTENSION.

(a) Extension of Additional Payments.—Effective on the date of the enactment of this Act, section 1886(d)(5)(G) (42 U.S.C. 1395ww(d)(5)(G)) is amended—

(1) in clause (i) in the matter preceding subclause (I)—

(A) by inserting "(or portion thereof)" after "cost reporting period", and

(B) by striking "March 31, 1993," and all that follows and inserting the following: "September 30, 1994, in the case of a subsection (d) hospital which is a medicare-dependent, small rural hospital, payment under paragraph (1)(A) shall be equal to the sum of the amount determined under clause (ii) and the amount determined under paragraph (1)(A)(iii).";

(2) by redesignating clauses (ii) and (iii) as clauses (iii) and (iv); and

(3) by inserting after clause (i) the following new clause:

"(ii) The amount determined under this clause is

"(I) for discharges occurring during the first 3 12-month cost reporting periods that begin on or after April 1, 1990, the amount by which the hospital's target amount for the cost reporting period (as defined in subsection (b)(3)(D)) exceeds the amount determined under paragraph (1)(A)(iii); and

"(II) for discharges occurring during any subsequent cost reporting period (or portion thereof), 50 percent of the amount by which the hospital's target amount for the cost reporting period (as defined in subsection (b)(3)(D)) exceeds the amount determined under paragraph (1)(A)(iii).".

(b) Permitting Hospitals to Decline Reclassification.—If any hospital fails to qualify as a medicare-dependent, small rural hospital under section 1886(d)(5)(G)(i) of the Social Security Act as a result of a decision by the Medicare Geographic Classification Review Board under section 1886(d)(10) of such Act to reclassify the hospital as being located in an urban area for fiscal year 1993 or fiscal year 1994, the Secretary of Health and Human Services shall—

(1) notify such hospital of such failure to qualify,

(2) provide an opportunity for such hospital to decline such reclassification, and

(3) if the hospital declines such reclassification, administer the Social Security Act (other than section 1886(d)(8)(D)) for such fiscal year as if the decision by the Review Board had not occurred.

(c) Requiring Lump-sum Retroactive Payment.—

(1) In general.—In the case of a hospital treated as a medicare dependent, small rural hospital under section 1886(d)(5)(G) of the Social Security Act, the Secretary of Health and Human Services shall make a lump sum payment to the hospital equal to the difference between the aggregate payment made to the hospital under section 1886 of such Act (excluding outlier payments under subsection (d)(5)(A) of such section) during the period of applicability described in paragraph (2) and the aggregate payment that would have been made to the hospital under such section if, during the period of applicability, section 1886(d)(5)(G) of such Act had been applied as if—

(A) the reference in clause (i) to "March 31, 1993," had been deemed a reference to "September 30, 1994,"; and

(B) the amendments made by subsection (a) had been in effect.

(2) Period of applicability.—In paragraph (1), the "period of applicability" is, with respect to a hospital, the period that begins on the first day of the hospital's first 12-month cost reporting period that begins after April 1, 1992, and ends on the date of the enactment of this Act.

SEC. 12417. EXTENSION OF RURAL HOSPITAL DEMONSTRATION.

Section 4008(i)(1) of OBRA–1990 is amended by adding at the end the following new sentence: "The Secretary shall continue any such demonstration project until at least December 31, 1995.".

SEC. 12418. HEMOPHILIA PASS-THROUGH EXTENSION.

Effective as if included in the enactment of OBRA–1989, section 6011(d) of such Act is amended by striking "2 years after the date of enactment of this Act" and inserting "September 30, 1994".

SEC. 12419. STATE HOSPITAL PAYMENT PROGRAMS.

In the case of a State hospital reimbursement system that meets the requirements of section 1814(b)(3) of the Social Security Act, no other provision of law shall be construed as preventing the system from providing that payment for services covered under the system be made on the basis of rates provided for under the system.

SEC. 12420. PSYCHOLOGY SERVICES IN HOSPITALS.

Section 1861(e)(4) (42 U.S.C. 1395x(e)(4)) is amended by striking "physician;" and inserting "physician, except that a patient receiving qualified psychologist services (as defined in subsection (ii)) may be under the care of a clinical psychologist with respect to such services to the extent permitted under State law;".

SEC. 12421. GRADUATE MEDICAL EDUCATION PAYMENTS IN HOSPITAL-OWNED COMMUNITY HEALTH CENTERS.

Section 1886(d)(5)(B)(iv) (42 U.S.C. 1395ww(d)(5)(B)(iv)) is amended by inserting after "the hospital" the following: "or providing services at any entity receiving a grant under section 330 of the Public Health Service Act that is under the ownership or control of the hospital (if the hospital incurs all, or substantially all, of the costs of the services furnished to the hospital by such interns and residents)".

SEC. 12422. TREATMENT OF CERTAIN MILITARY FACILITIES.

(a) COVERAGE OF SERVICES PROVIDED IN CERTAIN UNIFORMED SERVICES TREATMENT FACILITIES.—

(1) IN GENERAL.—The Secretary of Health and Human Services may not take any recoupment action to recover amounts that were paid by the United States under title XVIII of the Social Security Act to the facilities described in paragraph (2) (or to other individuals or entities with whom such facilities had entered into agreements to provide services under such title) for services provided during the period beginning October 1, 1986, and ending December 31, 1989, except to the extent that funds were obligated to the Uniformed Services Treatment Facilities program to fulfill such an action pursuant to title VI of the Department of Defense Appropriations Act, 1993.

(2) FACILITIES DESCRIBED.—The facilities referred to in paragraph (1) are the hospitals described in section 248c of title 42, United States Code, that are located in Boston, Massachusetts; Baltimore, Maryland; and Seattle, Washington.

(b) STUDY OF JOINT MEDICAL FACILITIES.—

(1) STUDY.—The Secretary of Health and Human Services, in consultation with the Secretary of Defense and the Secretary of Veterans Affairs, shall conduct a study of the feasibility and desirability of establishing joint medical facilities among the Department of Defense, the Department of Veterans' Affairs, and other public and private entities, and shall include in such study an analysis of the need to make changes in the medicare and medicaid programs (including facility certification standards under such programs) in order to facilitate the establishment of such joint medical facilities.

(2) REPORT.—Not later than October 1, 1993, the Secretary of Health and Human Services shall submit a report to Congress on the study conducted under paragraph (1).

SEC. 12423. EPILEPSY DRG.

(a) IN GENERAL.—The Secretary of Health and Human Services shall review the diagnosis-related groups established pursuant to section 1886(d)(4) of the Social Security Act that are assigned to discharges of patients with intractable epilepsy, including patients whose admissions involve intensive neurodiagnostic monitoring, and shall revise, for discharges occurring on or after October 1, 1994, the assignment of discharges to such groups as the Secretary considers appropriate to account for the resource requirements of such patients.

(b) CONSULTATION REQUIREMENTS.—In carrying out subsection (a), the Secretary shall consult with the Prospective Payment Assessment Commission and national organizations representing individuals with epilepsy or individuals and entities providing specialized medical services to such individuals related to the treatment of epilepsy.

SEC. 12424. SKILLED NURSING FACILITY WAGE INDEX.

(a) IN GENERAL.—Not later than 1 year after the date of the enactment of this Act, the Secretary of Health and Human Services shall begin to collect data on employee compensation and paid hours of employment in skilled nursing facilities for the purpose of constructing a skilled nursing facility wage index adjustment to the routine service cost limits required under section 1888(a)(4) of the Social Security Act.

(b) PROPAC REPORT.—The Prospective Payment Assessment Commission shall, by March 1, 1994, study and report to the Congress on the impact of applying routine per diem cost limits for skilled nursing facilities on a regional basis.

SEC. 12425. HOSPICE NOTIFICATION TO BENEFICIARIES.

(a) HOSPITALS.—Section 1861(ee)(2)(D) (42 U.S.C. 1395x(ee)(2)(D)) is amended by inserting ", including hospice services," after "post-hospital services".

(b) NURSING FACILITIES.—Section 1819(c)(1)(B) (42 U.S.C. 1395i-3(c)(1)(B)) is amended—

(1) by striking "and" at the end of clause (ii);

(2) by striking the period at the end of clause (iii) and inserting "; and"; and

(3) by inserting after clause (iii) the following new clause:

"(iv) inform each resident who is entitled to benefits under this title, orally and in writing at the time of admission to the facility, of the entitlement of individuals to hospice care under section 1812(a)(4) (unless there is no hospice program providing hospice care for which payment may be made under this title within the geographic area of the facility and it is not the common practice of the facility to refer patients to hospice programs located outside such geographic area).".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to services furnished on or after the first day of the first month beginning more than one year after the date of the enactment of this Act.

SEC. 12426. REDUCTION IN PART A PREMIUM FOR CERTAIN INDIVIDUALS WITH 30 OR MORE QUARTERS OF SOCIAL SECURITY COVERAGE.

(a) IN GENERAL.—Section 1818(d) (42 U.S.C. 1395i-2(d)) is amended—

(1) in the second sentence of paragraph (2), by striking "Such amount" and inserting "Subject to paragraph (4), the amount of an individual's monthly premium under this section"; and

(2) by adding at the end the following new paragraph:

"(4)(A) In the case of an individual described in subparagraph (B), the monthly premium for a month shall be reduced by the applicable reduction percent specified in the following table:

"For a month in:	The applicable reduction percent is:
1994	25
1995	30
1996	35
1997	40
1998 or subsequent year	45

"(B) An individual described in this subparagraph with respect to a month is an individual who establishes to the satisfaction of the Secretary that, as of the last day of the previous month, the individual—

"(i) had at least 30 quarters of coverage under title II;

"(ii) was married (and had been married for the previous 1 year period) to an individual who had at least 30 quarters of coverage under such title;

"(iii) had been married to an individual for a period of at least 1 year (at the time of the individual's death) if at such time the individual had at least 30 quarters of coverage under such title; and

"(iv) is divorced from an individual and had been married to the individual for a period of at least 10 years (at the time of the divorce) if at such time the individual had at least 30 quarters of coverage under such title.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to monthly premiums under section 1818 of the Social Security Act for months beginning with January 1, 1994.

SEC. 12427. PERIODIC UPDATES TO SALARY EQUIVALENCY GUIDELINES FOR PHYSICAL THERAPY AND RESPIRATORY THERAPY SERVICES.

(a) IN GENERAL.—Section 1861(v)(5) (42 U.S.C. 1395x(v)(5)) is amended by adding at the end the following new subparagraph:

"(C) Using the most recent available data, the Secretary shall update, not less often than every 3 years, the salary equivalency guidelines used under subparagraph (A) with respect to physical therapy and respiratory therapy services.".

(b) EFFECTIVE DATE.—The Secretary of Health and Human Services shall first update the salary equivalency guidelines, under the amendment made by subsection (a), by not later than December 31, 1993. Such updated guidelines shall apply to cost reporting periods beginning on or after July 1, 1993.

SEC. 12428. EXTENSION OF DEADLINE FOR APPLICATION FOR GEOGRAPHIC CLASSIFICATION FOR CERTAIN RECLASSIFIED HOSPITALS.

Notwithstanding section 1886(d)(10)(C)(ii) of the Social Security Act, a hospital may submit an application to the Medicare Geographic Classification Review Board requesting a change in geographic classification for fiscal year 1994 after the first day of fiscal year 1993 if—

(1) the hospital's geographic classification for fiscal year 1994 was changed from urban to rural as a result of the issuance of the Revised Statistical Definitions for Metropolitan Areas established by the Office of Management and Budget on December 28, 1992 (pursuant to OMB Bulletin No. 93-05); and

(2) the hospital submits the application not later than 60 days after the date of the enactment of this Act.

SEC. 12429. ELIMINATION OF RETURN ON EQUITY FOR PROPRIETARY SKILLED NURSING FACILITIES.

(a) REPEAL OF REQUIREMENT FOR RETURN ON EQUITY.—

(1) IN GENERAL.— Section 1861(v)(1)(B) (42 U.S.C. 1395x(v)(1)(B)) is amended to read as follows:

"(B) Such regulations in the case of extended care services shall not include provision for specific recognition of a return on equity capital.".

(2) CONFORMING AMENDMENTS.—(A) Section 1878(f)(2) (42 U.S.C. 1395oo(f)(2)) is amended by striking "the rate of return on equity capital established by regulation pursuant to section 1861(v)(1)(B) and in effect at the time" and inserting "the average of the rates of interest on obligations issued for purchase by the Federal Hospital Insurance Trust Fund for each of the months any part of which is included in the cost reporting period in which".

(B) Section 1881(b)(2)(C) (42 U.S.C. 1395rr(b)(2)(C)) is amended by striking ", providing such rate" and all that follows and inserting a period.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) apply to costs incurred after September 1993.

SEC. 12430. CLARIFICATION OF DRG PAYMENT WINDOW EXPANSION; MISCELLANEOUS AND TECHNICAL CORRECTIONS.

(a) CLARIFICATION OF DRG PAYMENT WINDOW EXPANSION.—The first sentence of section 1886(a)(4) (42 U.S.C. 1395ww(a)(4)) is further amended by striking "and includes" and inserting "and (in the case of a subsection (d) hospital) includes".

(b) TECHNICAL CORRECTION RELATING TO RESIDENT ASSESSMENT IN NURSING HOMES.—Section 1819(b)(3)(C)(i)(I) (42 U.S.C. 1395i-3(b)(3)(C)(i)(I)) is amended by striking "not later than" before "14 days".

(c) CLERICAL CORRECTIONS.—(1) Section 1814(i)(1)(C)(i) (42 U.S.C. 1395f(i)(1)(C)(i)) is amended by striking "1990,," and inserting "1990,".

(2) Section 1816(f)(2)(A)(ii) (42 U.S.C. 1396h(f)(2)(A)(ii)) is amended by striking "such agency" and inserting "such agency's".

(3) Section 1886(d)(1)(A)(iii) (42 U.S.C. 1395ww(d)(1)(A)(iii)) is amended by striking ", the sum of" and inserting "is equal to the sum of".

CHAPTER 2—PROVISIONS RELATING TO PART B

Subchapter A—Elimination of Inflation Update

SEC. 12431. ELIMINATION OF INFLATION UPDATE FOR PHYSICIAN AND RELATED PROFESSIONAL SERVICES.

(a) NO INCREASE IN INDEX.—Section 1848(d)(3)(A) (42 U.S.C. 1395w-4(d)(3)(A)) is amended—

(1) in clause (i), by striking "clause (iii)" and inserting "clauses (iii) and (iv)", and

(2) by adding at the end the following new clause:

"(iv) NO INCREASE IN INDEX FOR 1994 OR 1995.—In applying clause (i) for services furnished on or after January 1, 1994, the percentage increase in the appropriate update index for each of 1994 and 1995 shall be 0 per cent.".

(b) NO INCREASE IN MEI FOR 1994 AND 1995.—Section 1842(b)(4)(E) (42 U.S.C. 1395u(b)(4)(E)) is amended by adding at the end the following new clause:

"(vi) For purposes of this part for items and services furnished in 1994 or 1995, the percentage increase in the MEI is 0 percent.".

SEC. 12432. ELIMINATION OF COST-OF-LIVING ADJUSTMENTS FOR CERTAIN ITEMS AND SERVICES.

(a) CLINICAL LABORATORY SERVICES.—Section 1833(h)(2)(A)(ii) (42 U.S.C. 1395l(h)(2)(A)(ii)) is amended—

(1) by striking "and" at the end of subclause (II),

(2) by striking the period at the end of subclause (III) and inserting ", and", and

(3) by adding at the end the following new subclause:

"(IV) the annual adjustment in the fee schedules determined under clause (i) for each of the years 1994 and 1995 shall be 0 percent.".

(b) DURABLE MEDICAL EQUIPMENT.—Section 1834(a)(14) (42 U.S.C. 1395m(a)(14)) is amended—

(1) in subparagraph (A), by striking "and" at the end;

(2) in subparagraph (B)—

(A) by striking "a subsequent year" and inserting "1993", and

(B) by striking "June of the previous year." and inserting "June 1992,"; and

(3) by adding at the end the following new subparagraphs:

"(C) for 1994 and 1995, no percentage change, and

"(D) for a subsequent year, the percentage increase in the consumer price index for all urban consumers (U.S. city average) for the 12-month period ending with June of the previous year.".

(c) ORTHOTICS AND PROSTHETICS.—Section 1834(h)(4)(A) (42 U.S.C. 1395m(h)(4)(A)) is amended—

(1) in clause (i), by striking "and";

(2) in clause (ii), by striking "a subsequent year" and inserting "1992 and 1993"; and

(3) by adding at the end the following new clauses:

"(iii) for 1994 and 1995, 0 percent, and

"(iv) for a subsequent year, the percentage increase in the consumer price index for all urban consumers (United States city average) for the 12-month period ending with June of the previous year;".

(d) REASONABLE CHARGE LIMITS FOR ENTERAL AND PARENTERAL NUTRIENTS, SUPPLIES AND EQUIPMENT.—In determining the amount of payment under part B of title XVIII of the Social Security Act during 1994 and 1995, the charges determined to be reasonable with respect to parenteral and enteral nutrients, supplies, and equipment may not exceed the charges determined to be reasonable with respect to such nutrients, supplies, and equipment during 1993.

SEC. 12433. AMBULATORY SURGICAL CENTER SERVICES.

(a) ELIMINATION OF INFLATION UPDATE.—The Secretary of Health and Human Services shall not provide for any inflation update in the payment amounts under subparagraphs (A) and (B) of section 1833(i)(2) of the Social Security Act for fiscal year 1994 or for fiscal year 1995.

(b) CONFORMING AMENDMENT.—Section 1833(i)(2)(C) (42 U.S.C. 1395l(i)(2)(C)), as added by section 12453(a)(2)(B), is amended by striking "fiscal year 1995" and inserting "fiscal year 1996".

SEC. 12434. OTHER ITEMS AND SERVICES UNDER PART B.

(a) RURAL HEALTH CLINIC SERVICES; FEDERALLY-QUALIFIED HEALTH CENTER SERVICES; COMPREHENSIVE OUTPATIENT REHABILITATION FACILITY SERVICES.—In determining the amount of payment made for rural health clinic services, Federally qualified health center services, or comprehensive outpatient rehabilitation facility services furnished under part B of title XVIII of the Social Security Act for services furnished on or after January 1, 1994, the Secretary of Health and Human Services shall provide that any inflation update, in the applicable limits used to determine the costs which are reasonable and related to the cost of furnishing such services under section 1833(a)(3) of such Act, that would otherwise have applied for 1994 or for 1995 shall be deemed to be 0 percent.

(b) DIALYSIS SERVICES.—In determining the amount of payment made for dialysis services furnished under part B of title XVIII of the Social Security Act on or after January 1, 1994, the Secretary of Health and Human Services shall provide that any inflation update, in the payment amounts determined under section 1881(b)(2)(B) of such Act or the rates determined under section 1881(b)(7) of such Act, that would otherwise have applied for 1994 or for 1995 shall be deemed to be 0 percent.

(c) OTHER PART B ITEMS AND SERVICES.—In determining the amount of payment made for an item or service furnished under part B of title XVIII of the Social Security Act on or after January 1, 1994, other than an item or service to which a preceding provision of (or amendment made by) this subchapter applies, the Secretary of Health and Human Services shall provide that any inflation update in the fee schedule amount for the item or service established under such part B of such title, or (if applicable) any applicable limit used to determine the actual charge, reasonable charge, or reasonable cost for the item or service under such part, that would otherwise have applied for 1994 or for 1995 shall be deemed to be 0 percent.

Subchapter B—Physicians' Services

SEC. 12441. RETAINING PAYMENT FOR ACTUAL ANESTHESIA TIME.

(a) PHYSICIANS' SERVICES.—Section 1848(b)(2)(B) (42 U.S.C. 1395w-4(b)(2)(B)) is amended by adding at the end the following: "The Secretary may not modify the methodology in effect as of January 1, 1992, for determining the amount of time that may be billed for such services under this section.".

(b) SERVICES OF CERTIFIED REGISTERED NURSE ANESTHETISTS.—Section 1833(l)(1)(B) (42 U.S.C. 1395l(l)(1)(B)) is amended by adding at the end the following: "The Secretary may not modify the methodology in effect as of January 1, 1992, for determining the amount of time that may be billed for such services under this section.".

(c) EFFECTIVE DATE.—The amendments made by this section shall take apply to services furnished on or after the date of the enactment of this Act.

SEC. 12442. GEOGRAPHIC COST OF PRACTICE INDEX REFINEMENTS.

(a) REQUIRING CONSULTATION WITH REPRESENTATIVES OF PHYSICIANS IN REVIEWING GEOGRAPHIC ADJUSTMENT FACTORS.—Section 1848(e)(1)(C) (42 U.S.C. 1395w-4(e)(1)(C)) is amended by striking "shall review" and inserting "shall, in consultation with appropriate representatives of physicians, review".

(b) USE OF MOST RECENT DATA IN GEOGRAPHIC ADJUSTMENT.—Section 1848(e)(1) (42 U.S.C. 1395w-4(e)(1)) is amended by adding at the end the following new subparagraph:

"(D) USE OF RECENT DATA.—In establishing indices and index values under this paragraph, the Secretary shall use the most recent data available relating to practice expenses, malpractice expenses, and physician work effort in different fee schedule areas.".

(c) DEADLINE FOR INITIAL REVIEW AND REVISION.—The Secretary of Health and Human Services shall first review and revise geographic adjustment factors under section 1848(e)(1)(C) of the Social Security Act by not later than January 1, 1995. Not later than April 1, 1994, the Secretary shall study and report to report to the Committee on Finance of the Senate and the Committee on Ways and Means and the Committee on Energy and Commerce of the House of Representatives on the construction of the geographic cost of practice index under section 1848(e)(1)(A)(i) of such Act.

(d) REPORT ON REVIEW PROCESS.—Not later than 1 year after the date of the enactment of this Act, the Secretary of Health and Human Services shall study and report to the Committee on Finance of the Senate and the Committee on Ways and Means and the Committee on Energy and Commerce of the House of Representatives on—

(1) the data necessary to review and revise the indices established under section 1848(e)(1)(A) of the Social Security Act, including—

(A) the shares allocated to physicians' work effort, practice expenses (other than malpractice expenses), and malpractice expenses;

(B) the weights assigned to the input components of such shares; and

(C) the index values assigned to such components;

(2) any limitations on the availability of data necessary to review and revise such indices at least every three years;

(3) ways of addressing such limitations, with particular attention to the development of alternative data sources for input components for which current index values are based on data collected less frequently than every three years; and

(4) the costs of developing more accurate and timely data.

(e) DEVELOPMENT OF CRITERIA FOR USE IN DETERMINING PAYMENT LOCALITIES.—The Physician Payment Review Commission shall conduct a study to develop criteria that would be used to refine the fee schedule areas that are used within States, in applying geographic adjustment factors for computing payment amounts, under section 1848 of the Social Security Act. The Commission shall include a report on such study in its recommendations submitted to the Congress under section 1845(b) of such Act in 1994.

SEC. 12443. RELATIVE VALUES FOR PEDIATRIC SERVICES.

(a) IN GENERAL.—The Secretary of Health and Human Services shall fully develop, by not later than July 1, 1994, relative values for the full range of pediatric physicians' services which are consistent with the relative values developed for other physicians' services under section 1848(c) of the Social Security Act. In developing such values, the Secretary shall conduct such refinements as may be necessary to produce appropriate estimates for such relative values.

(b) STUDY.—

(1) IN GENERAL.—The Secretary shall conduct a study of the relative values for pediatric and other services to determine whether there are significant variations in the resources used in providing similar services to different populations. In conducting such study, the Secretary shall consult with appropriate organizations representing pediatricians and other physicians.

(2) REPORT.—Not later than July 1, 1994, the Secretary shall submit to Congress a report on the study conducted under paragraph (1). Such report shall include any appropriate recommendations regarding needed changes in coding or other payment policies to ensure that payments for pediatric services appropriately reflect the resources required to provide these services.

SEC. 12444. ANTIGENS UNDER PHYSICIAN FEE SCHEDULE.

(a) IN GENERAL.—Section 1848(j)(3) (42 U.S.C. 1395w-4(j)(3)) is amended by inserting "(2)(G)," after "(2)(D),".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to services furnished on or after January 1, 1995.

SEC. 12445. ADMINISTRATION OF CLAIMS RELATING TO PHYSICIANS' SERVICES.

(a) LIMITATION ON CARRIER USER FEES.—Section 1842(c) (42 U.S.C. 1395u(c)) is amended by adding at the end the following new paragraph:

"(4) Neither a carrier nor the Secretary may impose a fee under this title—

"(A) for the filing of claims related to physicians' services,

"(B) for an error in filing a claim relating to physicians' services or for such a claim which is denied,

"(C) for any appeal under this title with respect to physicians' services,

"(D) for applying for (or obtaining) a unique identifier under subsection (r), or

"(E) for responding to inquiries respecting physicians' services or for providing information with respect to medical review of such services.".

(b) CLARIFICATION OF PERMISSIBLE SUBSTITUTE BILLING ARRANGEMENTS.—

(1) IN GENERAL.—Clause (D) of section 1842(b)(6) (42 U.S.C. 1395u(b)(6)), as amended by section 12446(f), is amended to read as follows: "(D) payment may be made to a physician for physicians' services (and services furnished incident to such services) furnished by a second physician to patients of the first physician if (i) the first physician is unavailable to provide the services; (ii) the services are furnished pursuant to an arrangement between the two physicians that (I) is informal and reciprocal, or (II) involves per diem or other fee-for-time compensation for such services; (iii) the services are not provided by the second physician over a continuous period of more than 60 days; and (iv) the claim form submitted to the carrier for such services includes the second physician's unique identifier (provided under the system established under subsection (r)) and indicates that the claim meets the requirements of this clause for payment to the first physician".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to services furnished on or after the first day of the first month beginning more than 60 days after the date of the enactment of this Act.

SEC. 12446. MISCELLANEOUS AND TECHNICAL CORRECTIONS.

(a) OVERVALUED PROCEDURES (SECTION 4101 OF OBRA-1990).—(1) Section 1842(b)(16)(B)(iii) (42 U.S.C. 1395u(b)(16)(B)(iii)) is amended—

(A) by striking ", simple and subcutaneous".

(B) by striking "; small" and inserting "and small",

(C) by striking "treatments;" the first place it appears and inserting "and",

(D) by striking "lobectomy;",

(E) by striking "enterectomy; colectomy; cholecystectomy;",

(F) by striking "; transurerethral resection" and inserting "and resection", and

(G) by striking "sacral laminectomy;".

(2) Section 4101(b)(2) of OBRA-1990 is amended—

(A) in the matter before subparagraph (A), by striking "1842(b)(16)" and inserting "1842(b)(16)(B)", and

(B) in subparagraph (B)—

(i) by striking ", simple and subcutaneous",

(ii) by striking "(HCPCS codes 19160 and 19162)" and inserting "(HCPCS code 19160)", and

(iii) by striking all that follows "(HCPCS codes 92250" and inserting "and 92260).".

(b) RADIOLOGY SERVICES (SECTION 4102 OF OBRA-1990).—(1) Section 1834(b)(4) (42 U.S.C. 1395m(b)(4)) is amended by redesignating subparagraphs (E) and (F) as subparagraphs (F) and (G), respectively.

(2) Section 1834(b)(4)(D) (42 U.S.C. 1395m(b)(4)(D)) is amended—

(A) in the matter before clause (i), by striking "shall be determined as follows:" and inserting "shall, subject to clause (vii), be reduced to the adjusted conversion factor for the locality determined as follows:",

(B) in clause (iv), by striking "LOCAL ADJUSTMENT.—Subject to clause (vii), the conversion factor to be applied to" and inserting "ADJUSTED CONVERSION FACTOR.—The adjusted conversion factor for",

(C) in clause (vii), by striking "under this subparagraph", and

(D) in clause (vii), by inserting "reduced under this subparagraph by" after "shall not be".

(3) Section 4102(c)(2) of OBRA-1990 is amended by striking "radiology services" and all that follows and inserting "nuclear medicine services".

(4) Section 4102(d) of OBRA-1990 is amended by striking "new paragraph" and inserting "new subparagraph".

(5) Section 1834(b)(4)(E) (42 U.S.C. 1395m(b)(4)(E)) is amended by inserting "RULE FOR CERTAIN SCANNING SERVICES.—" after "(E)".

(6) Section 1848(a)(2)(D)(iii) (42 U.S.C. 1395w-4(a)(2)(D)(iii)) is amended by striking "that are subject to section 6105(b) of the Omnibus Budget Reconciliation Act of 1989" and by striking "provided under such section" and inserting "provided under section 6105(b) of the Omnibus Budget Reconciliation Act of 1989".

(c) ANESTHESIA SERVICES (SECTION 4103 OF OBRA-1990).—(1) Section 4103(a) of OBRA-1990 is amended by striking "REDUCTION IN FEE SCHEDULE" and inserting "REDUCTION IN PREVAILING CHARGES".

(2) Section 1842(q)(1)(B) (42 U.S.C. 1395u(q)(1)(B)) is amended—

(A) in the matter before clause (i), by striking "shall be determined as follows:" and inserting "shall, subject to clause (iv), be reduced to the adjusted prevailing charge conversion factor for the locality determined as follows:", and

(B) in clause (iii), by striking "Subject to clause (iv), the prevailing charge conversion factor to be applied in" and inserting "The adjusted prevailing charge conversion factor for".

(d) ASSISTANTS AT SURGERY (SECTION 4107 OF CBRA-1990).—(1) Section 4107(c) of OBRA-1990 is amended by inserting "(a)(1)" after "subsection".

(2) Section 4107(a)(2) of OBRA-1990 is amended by adding at the end the following: "In applying section 1848(g)(2)(D) of the Social Security Act for services of an assistant-at-surgery furnished during 1991, the recognized payment amount shall not exceed the maximum amount specified under section 1848(i)(2)(A) of such Act (as applied under this paragraph in such year).".

(e) TECHNICAL COMPONENTS OF DIAGNOSTIC SERVICES (SECTION 4108 OF OBRA-1990).—Section 1842(b) (42 U.S.C. 1395u(b)) is amended by redesignating paragraph (18), as added by section 4108(a) of OBRA-1990, as paragraph (17) and, in such paragraph, by inserting ", tests specified in paragraph (14)(C)(i)," after "diagnostic laboratory tests".

(f) RECIPROCAL BILLING ARRANGEMENTS (SECTION 4110 OF OBRA-1990).—Section 1842(b)(6)(D) (42 U.S.C. 1395u(b)(6)(D)) is amended—

(1) by striking "visit services (including emergency visits and related services)" and inserting "physicians' services (and services furnished incident to such services)";

(2) by striking "on an occasional, reciprocal basis" and inserting "under an arrangement that is informal and reciprocal or involves per diem or other fee-for-time compensation for services";

(3) by striking "visit" in subclauses (i), (ii), and (iv); and

(4) in subclause (iii), by striking "the claim" and all that follows through the comma at the end and inserting "the claim meets the requirements of this clause for payment to the first physician".

(g) STUDY OF AGGREGATION RULE FOR CLAIMS OF SIMILAR PHYSICIAN SERVICES (SECTION 4113 OF OBRA-1990).—Section 4113 of OBRA-1990 is amended—

(1) by inserting "of the Social Security Act" after "1869(b)(2)"; and

(2) by striking "December 31, 1992" and inserting "December 31, 1993".

(h) STATEWIDE FEE SCHEDULES (SECTION 4117 OF OBRA-1990).—Section 4117 of OBRA-1990 is amended—

(1) in subsection (a)—

(A) by striking "IN GENERAL.—", and

(B) by striking ", if the" and all that follows through "1991, "; and

(2) by striking subsections (b), (c), and (d).

(i) OTHER MISCELLANEOUS AND TECHNICAL AMENDMENTS.—(1) The heading of section 1834(f) (42 U.S.C. 1395m(f)) is amended by striking "FISCAL YEAR".

(2)(A) Section 4105(b) of OBRA-1990 is amended—

(i) in paragraph (2), by striking "amendments" and inserting "amendment", and

(ii) in paragraph (3), by striking "amendments made by paragraphs (1) and (2)" and inserting "amendment made by paragraph (1)".

(B) Section 1848(f)(2)(C) (42 U.S.C. 1395w-4(f)(2)(C)) is amended by inserting "PERFORMANCE STANDARD RATES OF INCREASE FOR FISCAL YEAR 1991.—" after "(C)".

(C) Section 4105(d) of OBRA-1990 is amended by inserting "PUBLICATION OF PERFORMANCE STANDARD RATES.—" after "(d)".

(3) Section 1842(b)(4)(F) (42 U.S.C. 1395u(b)(4)(F)) is amended—

(A) in clause (i), by striking "prevailing charge" the first place it appears and inserting "customary charge"; and

(B) in clause (ii)(III), by striking "second, third, and fourth" and inserting "first, second, and third".

(4) Section 1842(b)(4)(F)(ii)(I) (42 U.S.C. 1395u(b)(4)(F)(ii)(I)) is amended by striking "respiratory therapist,".

(5) Section 4106(c) of OBRA-1990 is amended by inserting "of the Social Security Act" after "1848(d)(1)(B)".

(6) Section 4114 of OBRA-1990 is amended by striking "patients" the second place it appears.

(7) Section 1848(e)(1)(C) (42 U.S.C. 1395w-4(e)(1)(C)) is amended by inserting "date of the" after "since the".

(8) Section 4118(f)(1)(D) of OBRA-1990 is amended by striking "is amended".

(9) Section 4118(f)(1)(N)(ii) of OBRA-1990 is amended by striking "subsection (f)(5)(A)" and inserting "subsection (f)(5)(A))".

(10) Section 1845(e) (42 U.S.C. 1395w-1(e)) is amended—

(A) by striking paragraph (2); and

(B) by redesignating paragraphs (3), (4), and (5) as paragraphs (2), (3), and (4).

(11) Section 4118(j)(2) of OBRA-1990 is amended by striking "In section" and inserting "Section".

(12)(A) Section 1848(i)(3) (42 U.S.C. 1395w-4(i)(3)) is amended by striking the space before the period at the end.

(B) Section 1834(a)(10)(B) (42 U.S.C. 1395m(a)(10)(B)) is amended—

(i) by striking "apply to" and inserting "would otherwise apply to", and

(ii) by inserting before the period at the end "but for the application of section 1848(i)(3)".

(j) EFFECTIVE DATE.—The amendments made by this section and the provisions of this section shall take effect as if included in the enactment of OBRA-1990.

Subchapter C—Ambulatory Surgical Center Services

SEC. 12451. DESIGNATION OF CERTAIN HOSPITALS AS EYE OR EYE AND EAR HOSPITALS.

(a) IN GENERAL.—Section 1833(i) (42 U.S.C. 1395l(i)) is amended—

(1) in subparagraph (B)(ii)—

(A) by striking "the last sentence of this clause" and inserting "paragraph (4)", and

(B) by striking the last sentence; and

(2) by inserting after paragraph (3) the following new paragraph:

"(4)(A) In the case of a hospital that—

"(i) makes application to the Secretary and demonstrates that it specializes in eye services or eye and ear services (as determined by the Secretary),

"(ii) receives more than 30 percent of its total revenues from outpatient services, and

"(iii) on October 1, 1987—

"(I) was an eye specialty hospital or an eye and ear specialty hospital, or

"(II) was operated as an eye or eye and ear unit (as defined in subparagraph (B)) of a general acute care hospital which, on the date of the application described in clause (i), operates less than 20 percent of the beds that the hospital operated on October 1, 1987, and has sold or otherwise disposed of a substantial portion of the hospital's other acute care operations,

the cost proportion and ASC proportion in effect under subclauses (I) and (II) of paragraph (2)(B)(ii) for cost reporting periods beginning in fiscal year 1988 shall remain in effect for cost reporting periods beginning on or after October 1, 1988, and before January 1, 1995.

"(B) For purposes of this subparagraph (A)(iii)(II), the term 'eye or eye and ear unit' means a physically separate or distinct unit containing separate surgical suites devoted solely to eye or eye and ear services.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to portions of cost reporting periods beginning on or after January 1, 1994.

SEC. 12452. TECHNICAL AMENDMENTS.

(a) PAYMENT AMOUNTS FOR SERVICES FURNISHED IN AMBULATORY SURGICAL CENTERS.—

(1) USE OF SURVEY TO DETERMINE INCURRED COSTS.—Section 1833(i)(2)(A)(i) (42 U.S.C. 1395l(i)(2)(A)(i)) is amended by striking the comma at the end and inserting the following: ", as determined in accordance with a survey (based upon a representative sample of procedures and facilities) taken not later than January 1, 1994, and every 5 years thereafter, of the actual audited costs incurred by such centers in providing such services,".

(2) AUTOMATIC APPLICATION OF INFLATION ADJUSTMENT.—Section 1833(i)(2) (42 U.S.C. 1395l(i)(2)) is amended—

(A) in the second sentence of subparagraph (A) and the second sentence of subparagraph (B), by striking "and may be adjusted by the Secretary, when appropriate,"; and

(B) by adding at the end the following new subparagraph:

"(C) Notwithstanding the second sentence of subparagraph (A) or the second sentence of subparagraph (B), if the Secretary has not updated amounts established under such subparagraphs with respect to facility services furnished during a fiscal year (beginning with fiscal year 1995), such amounts shall be increased by the percentage increase in the consumer price index for all urban consumers (U.S. city average) for the 12-month period ending with March of the preceding fiscal year.".

(3) CONSULTATION REQUIREMENT.—The second sentence of section 1833(i)(1) (42 U.S.C. 1395l(i)(1)) is amended by striking the period and inserting the following: ", in consultation with appropriate trade and professional organizations.".

(b) ADJUSTMENTS TO PAYMENT AMOUNTS FOR NEW TECHNOLOGY INTRAOCULAR LENSES.—

(1) ESTABLISHMENT OF PROCESS FOR REVIEW OF AMOUNTS.—Not later than 1 year after the date of the enactment of this Act, the Secretary of Health and Human Services (in this subsection referred to as the "Secretary") shall develop and implement a process under which interested parties may request review by the Secretary of the appropriateness of the reimbursement amount provided under section 1833(i)(2)(A)(iii) of the Social Security Act with respect to a class of new technology intraocular lenses. For purposes of the preceding sentence, an intraocular lens may not be treated as a new technology lens unless it has been approved by the Food and Drug Administration.

(2) FACTORS CONSIDERED.—In determining whether to provide an adjustment of payment with respect to a particular lens under paragraph (1), the Secretary shall take into account whether use of the lens is likely to result in reduced risk of intraoperative or postoperative complication or trauma, accelerated postoperative recovery, reduced induced astigmatism, improved postoperative visual acuity, more stable postoperative vision, or other comparable clinical advantages.

(3) NOTICE AND COMMENT.—The Secretary shall publish notice in the Federal Register from time to time (but no less often than once each year) of a list of the requests that the Secretary has received for review under this subsection, and shall provide for a 30-day comment period on the lenses that are the subjects of the requests contained in such notice. The Secretary shall publish a notice of his determinations with respect to intraocular lenses listed in the notice within 90 days after the close of the comment period.

(4) EFFECTIVE DATE OF ADJUSTMENT.—Any adjustment of a payment amount (or payment limit) made under this subsection shall become effective not later than 30 days after the date on which the notice with respect to the adjustment is published under paragraph (3).

(c) TECHNICAL CORRECTION RELATING TO BLEND AMOUNTS FOR AMBULATORY SURGICAL CENTER PAYMENTS.—

(1) IN GENERAL.—Subclauses (I) and (II) of section 1833(i)(3)(B)(ii) (42 U.S.C. 1395l(i)(3)(B)(ii)) are each amended—

(A) by striking "for reporting" and inserting "for portions of cost reporting"; and

(B) by striking "and on or before" and inserting "and ending on or before".

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect as if included in the enactment of OBRA-1990.

(d) TECHNICAL CORRECTION RELATED TO CATARACT SURGERY.—Effective as if included in the enactment of OBRA-1990, section 4151(c)(3) of such Act is amended by striking "for the insertion of an intraocular lens" and inserting "for an intraocular lens inserted".

Subchapter D—Other Provisions

SEC. 12461. CLARIFYING PAYMENTS FOR MEDICALLY DIRECTED CERTIFIED REGISTERED NURSE ANESTHETIST SERVICES.

(a) IN GENERAL.—Section 1833(l)(4)(B) (42 U.S.C. 1395l(l)(4)(B)) is amended to read as follows:

"(B) Except as provided in subparagraph (D), the conversion factor used to determine the amount paid under the fee schedule under this subsection for services furnished by a certified registered nurse anesthetist who is medically directed—

"(i) in a year after 1993 and before 1997, shall be $10.75, or "(ii) in a subsequent calendar year, shall be the previous year's conversion factor increased by the update determined under section 1848(d)(3) for physician anesthesia services for that year.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to services furnished on or after January 1, 1994.

SEC. 12462. EXTENSION OF ALZHEIMER'S DISEASE DEMONSTRATION PROJECTS.

Section 9342 of OBRA–1986, as amended by section 4164(a)(2) of OBRA–1990, is amended—

(1) in subsection (c)(1), by striking "4 years" and inserting "5 years"; and

(2) in subsection (f), —

(A) by striking "$55,000,000" and inserting "$58,000,000", and

(B) by striking "$3,000,000" and inserting "$5,000,000".

SEC. 12463. ORAL CANCER DRUGS.

(a) NEW COVERAGE OF CERTAIN SELF-ADMINISTERED ANTICANCER DRUGS.—Section 1861(s)(2) (42 U.S.C. 1395(s)(2)), as amended by section 12468(f)(8)(B), is amended—

(1) by striking "and" at the end of subparagraph (N);

(2) by adding "and" at the end of subparagraph (O); and

(3) by adding at the end the following new subparagraph:

"(P) an oral drug (which is approved by the Federal Food and Drug Administration) prescribed for use as an anticancer chemotherapeutic agent for a given indication, and containing an active ingredient (or ingredients), which is the same indication and active ingredient (or ingredients) as a drug which the carrier determines would be covered pursuant to subparagraph (A) or (B) if the drug could not be self-administered;".

(b) UNIFORM COVERAGE OF "OFF-LABEL" ANTICANCER DRUGS.—Section 1861(t) (42 U.S.C. 1395x(t)) is amended—

(1) by inserting "(1)" after "(t)";

(2) by striking "(m)(5) of this section" and inserting "(m)(5) and paragraph (2)"; and

(3) by adding at the end the following new paragraph:

"(2)(A) For purposes of paragraph (1), the term 'drugs' also includes any drugs or biologicals used in an anticancer chemotherapeutic regimen for a medically accepted indication (as described in subparagraph (B)).

"(B) In subparagraph (A), the term 'medically accepted indication', with respect to the use of a drug, includes any use which has been approved by the Food and Drug Administration for the drug, and includes another use of the drug if—

"(i) the drug has been approved by the Food and Drug Administration, and

"(ii) the carrier involved determines, based upon guidance provided by the Secretary to carriers for determining medically accepted uses of drugs, that the use is medically accepted taking into account the uses of such drug which are—

"(I) included (or approved for inclusion) in one or more of the following compendia: the American Hospital Formulary Service-Drug Information, the American Medical Association Drug Evaluations, and the United States Pharmacopoeia-Drug Information; or

"(II) supported by clinical evidence in peer reviewed medical literature appearing in publications which have been specifically approved for purposes of this paragraph by the Secretary.".

(c) STUDY OF MEDICARE COVERAGE OF PATIENT CARE COSTS ASSOCIATED WITH CLINICAL TRIALS OF NEW CANCER THERAPIES.—

(1) STUDY.—The Secretary of Health and Human Services shall conduct a study of the effects of expressly covering under the medicare program the patient care costs for beneficiaries enrolled in clinical trials of new cancer therapies, where the protocol for the trial has been approved by the National Cancer Institute or meets similar scientific and ethical standards, including approval by an institutional review board. The study shall include—

(A) an estimate of the cost of such coverage, taking into account the extent to which medicare currently pays for such patient care costs in practice;

(B) an assessment of the extent to which such clinical trials represent the best available treatment for the patients involved and of the effects of participation in the trials on the health of such patients;

(C) an assessment of whether progress in developing new anticancer therapies would be assisted by medicare coverage of such patient care costs; and

(D) an evaluation of whether there should be special criteria for the admission of medicare beneficiaries (on account of their age or physical condition) to clinical trials for which medicare would pay the patient care costs.

(2) REPORT.—Not later than 2 years after the date of the enactment of this Act, the Secretary of Health and Human Services shall submit a report on the study conducted under paragraph (1) to the Committee on Ways and Means and the Committee on Energy and Commerce of the House of Representatives and the Committee on Finance of the Senate. Such report shall include recommendations as to the coverage under the medicare program of patient care costs of beneficiaries enrolled in clinical trials of new cancer therapies.

(d) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall apply to items furnished on or after January 1, 1994.

SEC. 12464. PAYMENT FOR OSTOMY SUPPLIES AND OTHER SUPPLIES.

(a) OSTOMY SUPPLIES, TRACHEOSTOMY SUPPLIES, AND UROLOGICALS.—

(1) IN GENERAL.—Section 1834(h)(1) (42 U.S.C. 1395m(h)(1)) is amended by adding at the end the following new subparagraph:

"(E) EXCEPTION FOR CERTAIN ITEMS.—Payment for ostomy supplies, tracheostomy supplies, and urologicals shall be made in accordance with subparagraphs (B) and (C) of section 1834(a)(2).".

(2) CONFORMING AMENDMENT.—Section 1834(h)(1)(B) (42 U.S.C. 1395m(h)(1)(B)) is amended by striking "subparagraph (C)," and inserting "subparagraphs (C) and (E),".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to items furnished on or after January 1, 1994.

(b) SURGICAL DRESSINGS.—

(1) IN GENERAL.—Section 1834 (42 U.S.C. 1395m) is amended by adding at the end the following new subsection:

"(i) PAYMENT FOR SURGICAL DRESSINGS.—

"(1) IN GENERAL.—Payment under this subsection for surgical dressings (described in section 1861(s)(5)) shall be made in a lump sum amount for the purchase of the item in an amount equal to 80 percent of the lesser of—

"(A) the actual charge for the item; or

"(B) a payment amount determined in accordance with the methodology described in subparagraphs (B) and (C) of subsection (a)(2) (except that in applying such methodology, the national limited payment amount referred to in such subparagraphs shall be initially computed based on local payment amounts using average reasonable charges for the 12-month period ending December 31, 1992, increased by the covered item updates described in such subsection for 1993 and 1994).

"(2) EXCEPTIONS.—Paragraph (1) shall not apply to surgical dressings that are—

"(A) furnished as an incident to a physician's professional service; or

"(B) furnished by a home health agency.".

(2) CONFORMING AMENDMENT.—Section 1833(a)(1) (42 U.S.C. 1395l(a)(1)), as amended by section 12468(e)(2), is amended—

(A) by striking "and" before "(O)", and

(B) by inserting before the semicolon at the end the following: ", and (P) with respect to surgical dressings, the amounts paid shall be the amounts determined under section 1834(j);".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to items furnished on or after January 1, 1994.

SEC. 12465. COVERAGE OF SERVICES OF SPEECH-LANGUAGE PATHOLOGISTS AND AUDIOLOGISTS.

(a) SERVICES DEFINED.—Section 1861 (42 U.S.C. 1395x), as amended by section 12468(f)(8)(E), is amended by inserting after subsection (kk) the following new subsection:

"Speech-Language Pathology Services;
Audiology Services

"(ll)(1) The term 'speech-language pathology services' means such speech, language, and related function assessment and rehabilitation services furnished by a qualified speech-language pathologist as the speech-language pathologist is legally authorized to perform under State law (or the State regulatory mechanism provided by State law) as would otherwise be covered if furnished by a physician.

"(2) The term 'audiology services' means such hearing and balance assessment services furnished by a qualified audiologist as the audiologist is legally authorized to perform under State law (or the State regulatory mechanism provided by State law).

"(3) In this subsection:

"(A) The term 'qualified speech-language pathologist' means an individual with a master's or doctoral degree in speech-language pathology who has performed not less than 9 months of supervised full-time speech-language pathology services after obtaining such degree and who—

"(i) is licensed (or is otherwise certified) as a speech-language pathologist by the State in which the individual furnishes such services, or

"(ii) in the case of an individual who furnishes services in a State which does not provide for the licensing (or other form of certification) of speech-language pathologists, has successfully completed a national clinical competency examination in speech-language pathology approved by the Secretary.

"(B) The term 'qualified audiologist' means an individual with a master's or doctoral degree in audiology who has performed not less than 9 months of supervised full-time audiology services after obtaining such degree and who—

"(i) is licensed (or is otherwise certified) as an audiologist by the State in which the individual furnishes such services, or

"(ii) in the case of an individual who furnishes services in a State which does not provide for the licensing (or other form of certification) of audiologists, has successfully completed a national clinical competency examination in audiology approved by the Secretary.".

(b) Conforming Amendments Relating to Medicare Treatment of Speech and Language Services.—

(1) Extended care services.—Section 1861(h)(3) (42 U.S.C. 1395x(h)(3)) is amended by striking ", occupational, or speech therapy" and inserting "or occupational therapy or speech-language pathology services".

(2) Home health services.—Section 1861(m)(2) (42 U.S.C. 1395x(m)(2)) is amended by striking ", occupational, or speech therapy" and inserting "or occupational therapy or speech-language pathology services".

(3) Outpatient physical therapy services.—The fourth sentence of section 1861(p) (42 U.S.C. 1395x(p)) is amended by striking "speech pathology services" and inserting "speech-language pathology services".

(4) Comprehensive outpatient rehabilitation facility services.—Section 1861(cc)(1)(B) (42 U.S.C. 1395x(cc)(1)(B)) is amended by striking "speech pathology services" and inserting "speech-language pathology services".

(5) Hospice care.—Section 1861(dd)(1)(B) (42 U.S.C. 1395x(dd)(1)(B)) is amended by striking "therapy or speech-language pathology" and inserting "therapy, or speech-language pathology services".

(c) Effective Date.—The amendments made by this section shall take effect on January 1, 1994.

SEC. 12466. EXTENSION OF MUNICIPAL HEALTH SERVICE DEMONSTRATION PROJECTS.

Section 9215 of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended by section 6135 of OBRA–1989, is amended—

(1) by striking "December 31, 1993" and inserting "December 31, 1997", and

(2) in the second sentence, by inserting after "beneficiary costs," the following: "costs to the medicaid program and other payers, access to care, outcomes, beneficiary satisfaction, utilization differences among the different populations served by the projects,".

SEC. 12467. IMPOSITION OF COINSURANCE ON CLINICAL DIAGNOSTIC LABORATORY TESTS.

(a) In General.—Paragraphs (1)(D) and (2)(D) of section 1833(a) (42 U.S.C. 1395l(a)) are each amended—

(1) by striking "(or 100 percent" and all that follows through "first opinion))"; and

(2) by striking "100 percent of such negotiated rate" and inserting "80 percent of such negotiated rate".

(b) Effective Date.—The amendments made by subsection (a) shall apply to tests furnished on or after January 1, 1994.

SEC. 12468. MISCELLANEOUS AND TECHNICAL CORRECTIONS.

(a) Revision of Information on Part B Claims Forms.—Section 1833(q)(1) (42 U.S.C. 1395l(q)(1)) is amended—

(1) by striking "provider number" and inserting "unique physician identification number"; and

(2) by striking "and indicate whether or not the referring physician is an interested investor (within the meaning of section 1877(h)(5))".

(b) Consultation for Social Workers.—Effective with respect to services furnished on or after January 1, 1991, section 6113(c) of OBRA–1989 is amended—

(1) by inserting "and clinical social worker services" after "psychologist services"; and

(2) by striking "psychologist" the second and third place it appears and inserting "psychologist or clinical social worker".

(c) Reports on Hospital Outpatient Payment.—(1) OBRA–1989 is amended by striking section 6137.

(2) Section 1135(d) (42 U.S.C. 1320b-5(d)) is amended—

(A) by striking paragraph (6); and

(B) in paragraph (7)—

(i) by striking "systems" each place it appears and inserting "system"; and

(ii) by striking "paragraphs (1) and (6)" and inserting "paragraph (1)".

(d) Radiology and Diagnostic Services Provided in Hospital Outpatient Departments.—(1) Effective as if included in the enactment of OBRA–1989, section 1833(n)(1)(B)(i)(II) (42 U.S.C. 1395l(n)(1)(B)(i)(II)) is amended—

(A) by striking "1989" and inserting "1989 and for services described in subsection (a)(2)(E)(ii) furnished on or after January 1, 1992"; and

(B) by striking "1842(b)" and inserting "1842(b) (or, in the case of services furnished on or after January 1, 1992, under section 1848)".

(2) Effective as if included in the enactment of OBRA–1989, section 1833(n)(1)(B)(i)(II) (42 U.S.C. 1395l(n)(1)(B)(i)(II)) is amended by striking "January 1, 1989" and inserting "April 1, 1989".

(e) Payments to Nurse Practitioners in Rural Areas (Section 4155 of OBRA–1990).—(1) Section 1861(s)(2)(K)(iii) (42 U.S.C. 1395x(s)(2)(K)(iii)) is amended—

(A) by striking "subsection (aa)(3)" and inserting "subsection (aa)(5)"; and

(B) by striking "subsection (aa)(4)" and inserting "subsection (aa)(6)".

(2) Section 1833(a)(1) (42 U.S.C. 1395l(a)(1)) is amended—

(A) by striking "and" before "(N)"; and

(B) with respect to the matter inserted by section 4155(b)(2)(B) of OBRA–1990—

(i) by striking "(M)" and inserting ", and (O)", and

(ii) by transferring and inserting it (as amended) immediately before the semicolon at the end.

(3) Section 1833(r)(1) (42 U.S.C. 1395l(r)(1)) is amended—

(A) by striking "ambulatory" each place it appears and inserting "or ambulatory"; and

(B) by striking "center," and inserting "center".

(4) Section 1833(r)(2)(A) (42 U.S.C. 1395l(r)(2)(A)) is amended by striking "subsection (a)(1)(M)" and inserting "subsection (a)(1)(O)".

(5) Section 1861(b)(4) (42 U.S.C. 1395x(b)(4)) is amended by striking "subsection (s)(2)(K)(i)" and inserting "clauses (i) or (iii) of subsection (s)(2)(K)".

(6) Section 1861(aa)(5) (42 U.S.C. 1395x(aa)(5)) is amended by striking "this Act" and inserting "this title".

(7) Section 1862(a)(14) (42 U.S.C. 1395y(a)(14)) is amended by striking "1861(s)(2)(K)(i)" and inserting "1861(s)(2)(K)(i) or 1861(s)(2)(K)(iii)".

(8) Section 1866(a)(1)(H) (42 U.S.C. 1395cc(a)(1)(H)) is amended by striking "1861(s)(2)(K)(i)" and inserting "1861(s)(2)(K)(i) or 1861(s)(2)(K)(iii)".

(f) Other Miscellaneous and Technical Amendments.—

(1) Immediate enrollment in part B by individuals covered by an employment-based plan.—(A) Subparagraphs (A) and (B) of section 1837(i)(3) (42 U.S.C. 1395p(i)(3)) are each amended—

(i) by striking "beginning with the first day of the first month in which the individual is no longer enrolled" and inserting "including each month during any part of which the individual is enrolled"; and

(ii) by striking "and ending seven months later" and inserting "ending with the last day of the eighth consecutive month in which the individual is at no time so enrolled".

(B) Paragraphs (1) and (2) of section 1838(e) (42 U.S.C. 1395q(e)) are amended to read as follows:

"(1) in any month of the special enrollment period in which the individual is at any time enrolled in a plan (specified in subparagraph (A) or (B), as applicable, of section 1837(i)(3)) or in the first month following such a month, the coverage period shall begin on the first day of the month in which the individual so enrolls (or, at the option of the individual, on the first day of any of the following three months), or

"(2) in any other month of the special enrollment period, the coverage period shall begin on the first day of the month following the month in which the individual so enrolls.".

(C) The amendments made by subparagraphs (A) and (B) shall take effect on the first day of the first month that begins after the expiration of the 120-day period that begins on the date of the enactment of this Act.

(2) Blend amounts for ambulatory surgical center payments.—Subclauses (I) and (II) of section 1833(i)(3)(B)(ii) (42 U.S.C. 1395l(i)(3)(B)(ii)) are each amended—

(A) by striking "for reporting" and inserting "for portions of cost reporting"; and

(B) by striking "and on or before" and inserting "and ending on or before".

(3) Clinical diagnostic laboratory tests (section 4154 of OBRA–1990).—Section 4154(e)(5) of OBRA–1990 is amended by striking "(1)(A)" and inserting "(1)(A),".

(4) Separate payment under part B for certain services (section 4157 of OBRA–1990).—Section 4157(a) of OBRA–1990 is amended by striking "(a) Services of" and all that follows through "Section" and inserting "(a) Treatment of Services of Certain Health Practitioners.—Section".

(5) Certified registered nurse anesthetists (section 4160 of OBRA–1990).—Section 1833(l)(4)(B)(ii)(VII) (42 U.S.C. 1395l(l)(4)(B)(ii)(VII)) is amended by striking "1997" and inserting "1996".

(6) Community health centers and rural health clinics (section 4161 of OBRA–1990).—(A) The fourth sentence of section 1861(aa)(2) (42 U.S.C. 1395x(aa)(2)) is amended—

(i) by striking "certification" the first place it appears and inserting "approval"; and

(ii) by striking "the Secretary's approval or disapproval of the certification" and inserting "Secretary's approval or disapproval".

(B) Section 4161(a)(7)(B) of OBRA–1990 is amended by inserting "and to the Committee on Finance of the Senate" after "Representatives".

(7) Screening mammography (section 4163 of OBRA–1990).—Section 4163 of OBRA–1990 is amended—

(A) by adding at the end of subsection (d) the following new paragraph:

"(3) The amendment made by paragraph (2)(A)(iv) shall apply to screening pap smears performed on or after July 1, 1990."; and

(B) in subsection (e), by striking "The amendments" and inserting "Except as provided in subsection (d)(3), the amendments.".

(8) Injectable drugs for treatment of osteoporosis.—

(A) Clarification of drugs covered.—The section 1861(jj) (42 U.S.C. 1395x(jj)) inserted by section 4156(a)(2) of OBRA–1990 is amended—

(i) in the matter preceding paragraph (1), by striking "a bone fracture related to"; and

(ii) in paragraph (1), by striking "patient" and inserting "individual has suffered a bone fracture related to post-menopausal osteoporosis and that the individual".

(B) LIMITING COVERAGE TO DRUGS PROVIDED BY HOME HEALTH AGENCIES.—(i) The section 1861(jj) (42 U.S.C. 1395x(jj)) inserted by section 4156(a)(2) of OBRA-1990 is amended by striking "if" and inserting "by a home health agency if".

(ii) Section 1861(m)(5) (42 U.S.C. 1395x(m)(5)) is amended by striking "but excluding" and inserting "and a covered osteoporosis drug (as defined in subsection (kk), but excluding other".

(iii) Section 1861(s)(2) (42 U.S.C. 1395x(s)(2)) is amended—

(I) by adding "and" at the end of subparagraph (N), and

(II) by striking subparagraph (O) and redesignating subparagraph (P) as subparagraph (O).

(C) PAYMENT BASED ON REASONABLE COST.—Section 1833(a)(2) (42 U.S.C. 1395l(a)(2)) is amended—

(i) in subparagraph (A), by striking "health services" and inserting "health services (other than covered osteoporosis drug (as defined in section 1861(kk)))";

(ii) by striking "and" at the end of subparagraph (D);

(iii) by striking the semicolon at the end and inserting "; and"; and

(iv) by adding at the end the following new subparagraph:

"(F) with respect to covered osteoporosis drug (as defined in section 1861(kk)) furnished by a home health agency, 80 percent of the reasonable cost of such service, as determined under section 1861(v);".

(D) APPLICATION OF PART B DEDUCTIBLE.—Section 1833(b)(2) (42 U.S.C. 1395l(b)(2)) is amended by striking "services" and inserting "services (other than covered osteoporosis drug (as defined in section 1861(kk)))".

(E) COVERED OSTEOPOROSIS DRUG (SECTION 4156 OF OBRA-1990).—Section 1861 (42 U.S.C. 1395x) is amended, in the subsection (jj) inserted by section 4156(a)(2) of OBRA-1990, by striking "(jj) The term" and inserting "(kk) The term".

(9) OTHER MISCELLANEOUS AND TECHNICAL CORRECTIONS (SECTION 4164 OF OBRA-1990).—

(A) OWNERSHIP DISCLOSURE REQUIREMENTS.—(i) Section 1124A(a)(2)(A) (42 U.S.C. 1320a-3a(a)(2)(A)) is amended by striking "of the Social Security Act".

(ii) Section 4164(b)(4) of OBRA-1990 is amended by striking "paragraph" and inserting "paragraphs".

(B) DIRECTORY OF UNIQUE PHYSICIAN IDENTIFIER NUMBERS.—Section 4164(c) of OBRA-1990 is amended by striking "publish" and inserting "publish, and shall periodically update,".

(g) EFFECTIVE DATE.—Except as otherwise provided in this section, the amendments made by this section shall take effect as if included in the enactment of OBRA-1990.

Subchapter E—Part B Premium

SEC. 12471. PART B PREMIUM.

Section 1839(e) (42 U.S.C. 1395r(e)) is amended—

(1) in paragraph (1)(A), by inserting "and for each month in 1996 and 1997" after "January 1991", and

(2) in paragraph (2), by striking "1991" and inserting "1998".

SEC. 12472. INCREASE IN MEDICARE PART B PREMIUM FOR INDIVIDUALS WITH HIGH INCOME.

(a) IN GENERAL.—Subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end thereof the following new part:

"PART VIII—MEDICARE PART B PREMIUMS FOR HIGH-INCOME INDIVIDUALS

"Sec. 59B. Medicare part B premium tax.

"SEC. 59B. MEDICARE PART B PREMIUM TAX.

"(a) IMPOSITION OF TAX.—In the case of an individual to whom this section applies for the taxable year, there is hereby imposed (in addition to any other tax imposed by this subtitle) a tax for such taxable year equal to the aggregate of the Medicare part B premium taxes for each of the months during such year that such individual is covered by Medicare part B.

"(b) INDIVIDUALS TO WHOM SECTION APPLIES.—This section shall apply to any individual for any taxable year if—

"(1) such individual is covered under Medicare part B for any month during such year, and

"(2) the modified adjusted gross income of the taxpayer for such taxable year exceeds the threshold amount.

"(c) MEDICARE PART B PREMIUM TAX FOR MONTH.—

"(1) IN GENERAL.—The Medicare part B premium tax for any month is the amount equal to the excess of—

"(A) 150 percent of the monthly actuarial rate for enrollees age 65 and over determined for that calendar year under section 1839(b) of the Social Security Act, over

"(B) the total monthly premium under section 1839 of the Social Security Act (determined without regard to subsections (b) and (f) of section 1839 of such Act).

"(2) PHASEIN OF TAX.—If the modified adjusted gross income of the taxpayer for any taxable years exceeds the threshold amount by less than $50,000, the Medicare part B premium tax for any month during such taxable year shall be an amount which bears the same ratio to the amount determined under paragraph (1) (without regard to this paragraph) as such excess bears to $50,000. The preceding sentence shall not apply to any individual whose threshold amount is zero.

"(d) OTHER DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) THRESHOLD AMOUNT.—The term 'threshold amount' means—

"(A) except as otherwise provided in this paragraph, $100,000,

"(B) $125,000 in the case of a joint return, and

"(C) zero in the case of a taxpayer who—

"(i) is married at the close of the taxable year but does not file a joint return for such year, and

"(ii) does not live apart from his spouse at all times during the taxable year.

"(2) MODIFIED ADJUSTED GROSS INCOME.—The term 'modified adjusted gross income' means adjusted gross income—

"(A) determined without regard to sections 135, 911, 931, and 933, and

"(B) increased by the amount of interest received or accrued by the taxpayer during the taxable year which is exempt from tax.

"(3) MEDICARE PART B COVERAGE.—An individual shall be treated as covered under Medicare part B for any month if a premium is paid under part B of title XVIII of the Social Security Act for the coverage of the individual under such part for the month.

"(4) MARRIED INDIVIDUAL.—The determination of whether an individual is married shall be made in accordance with section 7703."

(b) CLERICAL AMENDMENT.—The table of parts for subchapter A of chapter 1 of such Code is amended by adding at the end thereof the following new item:

"Part VIII. Medicare Part B Premiums For High-Income Individuals."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to months after December 1993 in taxable years ending after December 31, 1993.

CHAPTER 3—PROVISIONS RELATING TO PARTS A AND B

Subchapter A—Elimination of Updates

SEC. 12501. ELIMINATION OF COST-OF-LIVING UPDATE IN PER RESIDENT AMOUNTS FOR DIRECT MEDICAL EDUCATION.

Section 1886(h)(2)(D) (42 U.S.C. 1395ww(h)(2)(D)) is amended by inserting "(other than in the case of cost reporting periods beginning during fiscal year 1994 or fiscal year 1995)" after "updated".

SEC. 12502. ELIMINATION OF INFLATION UPDATE IN COST LIMITS FOR HOME HEALTH SERVICES.

The Secretary of Health and Human Services shall not provide for any increase, on the basis of inflation or changes in the cost of goods and services, in the per visit cost limits for home health services under section 1861(v)(1)(L) of the Social Security Act for cost reporting periods beginning during fiscal year 1994 or fiscal year 1995.

Subchapter B—Medicare Secondary Payer Provisions

SEC. 12511. EXTENSION OF TRANSFER OF DATA.

(a) EXTENSION OF DATA MATCH PROGRAM.—

(1) Section 1862(b)(5)(C)(iii) of the Social Security Act (42 U.S.C. 1395y(b)(5)(C)(iii)) is amended by striking "1995" and inserting "1998".

(2) Section 6103(l)(12)(F) of the Internal Revenue Code of 1986 is amended—

(A) in clause (i), by striking "1995" and inserting "1998",

(B) in clause (ii)(I), by striking "1994" and inserting "1997", and

(C) in clause (ii)(II), by striking "1995" and inserting "1998".

(b) SECONDARY PAYER EXEMPTION FOR MEMBERS OF RELIGIOUS ORDERS.—Effective as if included in the enactment of OBRA-1989, section 6202(e)(2) of such Act is amended by adding at the end the following: "Such amendment also shall apply to items and services furnished before such date with respect to secondary payer cases which the Secretary of Health and Human Services had not identified as of such date.".

(c) PERMITTING THE USE OF MINIMUM INCOME THRESHOLDS.—

(1) Section 6103(l)(12)(B)(i) of the Internal Revenue Code of 1986 is amended by inserting ", above an amount (if any) specified by the Secretary of Health and Human Services," after "section 3401(a))".

(2) The matter in section 6103(l)(12)(B)(ii) of such Code preceding subclause (I) is amended by inserting ", above an amount (if any) specified by the Secretary of Health and Human Services," after "wages".

(3) The heading to section 6103(l)(12) of such Code is amended by striking "TAXPAYER IDENTITY" and inserting "RETURN".

SEC. 12512. 3-YEAR EXTENSION OF MEDICARE SECONDARY PAYER TO DISABLED BENEFICIARIES.

Section 1862(b)(1)(B)(iii) (42 U.S.C. 1395y(b)(1)(B)(iii)) is amended by striking "1995" and inserting "1998".

SEC. 12513. 3-YEAR EXTENSION OF 18-MONTH RULE FOR ESRD BENEFICIARIES.

Section 1862(b)(1)(C) (42 U.S.C. 1395y(b)(1)(C)) is amended by striking "1996" and inserting "1999".

SEC. 12514. MEDICARE SECONDARY PAYER REFORMS.

(a) IMPROVING IDENTIFICATION OF MEDICARE SECONDARY PAYER SITUATIONS.—

(1) SURVEY OF BENEFICIARIES.—

(A) IN GENERAL.—Section 1862(b)(5) (42 U.S.C. 1395y(b)(5)) is amended by adding at the end the following new subparagraph:

"(D) OBTAINING INFORMATION FROM BENEFICIARIES.—Before an individual applies for benefits under part A or enrolls under part B, the Administrator shall mail the individual a questionnaire to obtain information on whether the individual is covered under a primary plan and the nature of the coverage provided under the plan, including the name, address, and identifying number of the plan.".

(B) DISTRIBUTION OF QUESTIONNAIRE BY CONTRACTOR.—The Secretary of Health and Human Services shall enter into an agreement with an entity not later than November 1, 1993, to distribute the questionnaire described in section 1862(b)(5)(D) of the Social Security Act (as added by subparagraph (A)).

(C) NO MEDICARE SECONDARY PAYER DENIAL BASED ON FAILURE TO COMPLETE QUESTIONNAIRE.—Section 1862(b)(2) (42 U.S.C. 1395y(b)(2)) is amended by adding at the end the following new subparagraph:

"(C) TREATMENT OF QUESTIONNAIRES.—The Secretary may not fail to make payment under subparagraph (A) solely on the ground that an individual failed to complete a questionnaire concerning the existence of a primary plan.".

(2) MANDATORY SCREENING BY PROVIDERS AND SUPPLIERS UNDER PART B.—

(A) IN GENERAL.—Section 1862(b) (42 U.S.C. 1395y(b)) is amended by adding at the end the following new paragraph:

"(6) SCREENING REQUIREMENTS FOR PROVIDERS AND SUPPLIERS.—

"(A) IN GENERAL.—Notwithstanding any other provision of this title, no payment may be made for any item or service furnished under part B unless the entity furnishing such item or service completes (to the best of its knowledge and on the basis of information obtained from the individual to whom the item or service is furnished) the portion of the claim form relating to the availability of other health benefit plans.

"(B) PENALTIES.—An entity that knowingly, willfully, and repeatedly fails to complete a claim form in accordance with subparagraph (A) or provides inaccurate information relating to the availability of other health benefit plans on a claim form under such subparagraph shall be subject to a civil money penalty of not to exceed $2,000 for each such incident. The provisions of section 1128A (other than subsections (a) and (b)) shall apply to a civil money penalty under the previous sentence in the same manner as such provisions apply to a penalty or proceeding under section 1128A(a).".

(B) EFFECTIVE DATE.—The amendment made by subparagraph (A) shall apply with respect to items and services furnished on or after January 1, 1994.

(b) IMPROVEMENTS IN RECOVERY OF PAYMENTS FROM PRIMARY PAYERS.—

(1) SUBMISSION OF REPORTS ON EFFORTS TO RECOVER ERRONEOUS PAYMENTS.—

(A) FISCAL INTERMEDIARIES UNDER PART A.—Section 1816 (42 U.S.C. 1396h) is amended by adding at the end the following new subsection:

"(k) An agreement with an agency or organization under this section shall require that such agency or organization submit an annual report to the Secretary describing the steps taken to recover payments made for items or services for which payment has been or could be made under a primary plan (as defined in section 1862(b)(2)(A)).".

(B) CARRIERS UNDER PART B.—Section 1842(b)(3) (42 U.S.C. 1395u(b)(3)) is amended—

(i) by striking "and" at the end of subparagraph (H); and

(ii) by inserting after subparagraph (H) the following new subparagraph:

"(I) will submit annual reports to the Secretary describing the steps taken to recover payments made under this part for items or services for which payment has been or could be made under a primary plan (as defined in section 1862(b)(2)(A)).".

(2) REQUIREMENTS UNDER CARRIER PERFORMANCE EVALUATION PROGRAM.—

(A) FISCAL INTERMEDIARIES UNDER PART A.—Section 1816(f)(1)(A) (42 U.S.C. 1396h(f)(1)(A)) is amended by striking "processing" and inserting "processing (including the agency's or organization's success in recovering payments made under this title for services for which payment has been or could be made under a primary plan (as defined in section 1862(b)(2)(A)))".

(B) CARRIERS UNDER PART B.—Section 1842(b)(2) (42 U.S.C. 1395u(b)(2)) is amended by adding at the end the following new subparagraph:

"(D) In addition to any other standards and criteria established by the Secretary for evaluating carrier performance under this paragraph relating to avoiding erroneous payments, the Secretary shall establish standards and criteria relating to the carrier's success in recovering payments made under this part for items or services for which payment has been or could be made under a primary plan (as defined in section 1862(b)(2)(A)).".

(3) DEADLINE FOR REIMBURSEMENT BY PRIMARY PLANS.—

(A) IN GENERAL.—Section 1862(b)(2)(B)(i) (42 U.S.C. 1395y(b)(2)(B)(i)) is amended by adding at the end the following sentence: "If reimbursement is not made to the appropriate Trust Fund before the expiration of the 60-day period that begins on the date such notice or other information is received, the Secretary may charge interest (beginning with the date on which the notice or other information is received) on the amount of the reimbursement until reimbursement is made (at a rate determined by the Secretary in accordance with regulations of the Secretary of the Treasury applicable to charges for late payments).".

(B) CONFORMING AMENDMENT.—The heading of clause (i) of section 1862(b)(2)(B) is amended to read as follows: "REPAYMENT REQUIRED.—".

(C) EFFECTIVE DATE.—The amendments made by this paragraph shall apply to payments for items and services furnished on or after the date of the enactment of this Act.

(4) EFFECTIVE DATE.—The amendments made by paragraphs (1) and (2) shall apply to contracts with fiscal intermediaries and carriers under title XVIII of the Social Security Act for years beginning with 1994.

(c) APPLICATION OF AGGREGATION RULES.—

(1) WORKING AGED.—Section 1862(b)(1)(A) (42 U.S.C. 1395y(b)(1)(A)) is amended by adding at the end the following new clause:

"(vi) APPLICATION OF AGGREGATION RULES.—All employers treated as a single employer under subsection (a) or (b) of section 52 of the Internal Revenue Code of 1986 shall be treated as a single employer for purposes of this subparagraph.".

(2) DISABLED INDIVIDUALS.—Section 5000(b)(2) of the Internal Revenue Code of 1986 (relating to large group health plans) is amended by adding at the end the following: "All employers treated as a single employer under subsection (a) or (b) of section 52 shall be treated as a single employer for purposes of this paragraph.".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect 90 days after the date of the enactment of this Act.

(d) APPLICATION OF EXCISE TAX TO FAILURE TO REIMBURSE FEDERAL GOVERNMENT.—

(1) IN GENERAL.—Section 5000(c) of the Internal Revenue Code of 1986 (relating to nonconforming group health plans) is amended by striking "of section 1862(b)(1)" and inserting "of paragraph (1), or with the requirements of paragraph (2), of section 1862(b)".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to demands for repayment issued after the date of the enactment of this Act.

(e) MISCELLANEOUS AND TECHNICAL CORRECTIONS.—

(1) The sentence in section 1862(b)(1)(C) added by section 4203(c)(1)(B) of OBRA–1990 is amended—

(A) by striking "on or before" and inserting "before", and

(B) by striking "clauses (i) and (ii)" and inserting "this subparagraph".

(2) Effective as if included in the enactment of OBRA–1989, section 1862(b)(1) is amended—

(A) in subparagraphs (A)(v) and (B)(iv)(II), by inserting ", without regard to section 5000(d) of such Code" before the period at the end of each subparagraph;

(B) in subparagraph (A)(iii), by striking "current calendar year or the preceding calendar year" and inserting "current calendar year and the preceding calendar year"; and

(C) in the matter in subparagraph (C) after clause (ii), by striking "taking into account that" and inserting "paying benefits secondary to this title when".

(3) Effective as if included in the enactment of OBRA–1989, section 1862(b)(5)(C)(i) (42 U.S.C. 1395y(b)(5)(C)(i)) is amended by striking "6103(l)(12)(D)(iii)" and inserting "6103(l)(12)(E)(iii)".

(4) Section 4203(c)(2) of OBRA–1990 is amended—

(A) by striking "the application of clause (iii)" and inserting "the second sentence";

(B) by striking "on individuals" and all that follows through "section 226A of such Act";

(C) in clause (ii), by striking "clause" and inserting "sentence";

(D) in clause (v), by adding "and" at the end; and

(E) in clause (vi)—

(i) by inserting "of such Act" after "1862(b)(1)(C)", and

(ii) by striking the period at the end and inserting the following: ", without regard to the number of employees covered by such plans.".

(5) Section 4203(d) of OBRA–1990 is amended by striking "this subsection" and inserting "this section".

(6) Except as provided in paragraphs (2) and (3), the amendments made by this subsection shall be effective as if included in the enactment of OBRA–1990.

Subchapter C—Modification of Provisions Relating to Physician Ownership and Referral

SEC. 12521. MODIFICATION OF PROVISIONS RELATING TO PHYSICIAN OWNERSHIP AND REFERRAL.

(a) MULTIPLE LOCATIONS FOR GROUP PRACTICES.—Section 1877(b)(2)(A)(ii)(II) (42 U.S.C. 1395nn(b)(2)(A)(ii)(II)) is amended by striking "centralized provision" and inserting "provision of some or all".

(b) TREATMENT OF COMPENSATION ARRANGEMENTS.—

(1) RENTAL OF OFFICE SPACE AND EQUIPMENT.—Paragraph (1) of section 1877(e) (42

U.S.C. 1395nn(e)) is amended to read as follows:

"(1) RENTAL OF OFFICE SPACE; RENTAL OF EQUIPMENT.—

"(A) OFFICE SPACE.—Payments made by a lessee to a lessor for the use of premises if—

"(i) the lease is set out in writing, signed by the parties, and specifies the premises covered by the lease,

"(ii) the aggregate space rented or leased is reasonable and necessary for the legitimate business purposes of the lease or rental,

"(iii) the lease provides for a term of rental or lease for at least one year,

"(iv) in the case of a lease that is intended to provide the lessee with access to the premises for periodic intervals of time, rather than on a full-time basis, the lease specifies exactly the schedule of such intervals, their length, and the rent for such intervals,

"(v) the rental charges over the term of the lease are set in advance, are consistent with fair market value, and are not determined in a manner that takes into account the volume or value of any referrals or other business generated between the parties,

"(vi) the lease would be commercially reasonable even if no referrals were made between the parties, and

"(vii) the compensation arrangement meets such other requirements as the Secretary may impose by regulation as needed to protect against program or patient abuse.

"(B) EQUIPMENT.—Payments made by a lessee of equipment to the lessor of the equipment for the use of the equipment if—

"(i) the lease is set out in writing, signed by the parties, and specifies the equipment covered by the lease,

"(ii) the equipment rented or leased is reasonable and necessary for the legitimate business purposes of the lease or rental,

"(iii) the lease provides for a term of rental or lease of at least one year,

"(iv) in the case of a lease that is intended to provide the lessee with use of the equipment for periodic intervals of time, rather than on a full-time basis, the lease specifies exactly the schedule of such intervals, their length, and the rent for such intervals,

"(v) the rental charges over the term of the lease are set in advance, are consistent with fair market value, and are not determined in a manner that takes into account the volume or value of any referrals or other business generated between the parties,

"(vi) the lease would be commercially reasonable even if no referrals were made between the parties, and

"(vii) the compensation arrangement meets such other requirements as the Secretary may impose by regulation as needed to protect against program or patient abuse.".

(2) BONA FIDE EMPLOYMENT RELATIONSHIPS.—Paragraph (2) of such section is amended—

(A) by striking "WITH HOSPITALS",

(B) by striking "An arrangement" and all that follows through "if" and inserting "Any amount paid by an employer to an employee who has a bona fide employment relationship with the employer for employment, or paid by a hospital pursuant to an arrangement with a physician (or immediate family member) for the provision of administrative services, if",

(C) in subparagraphs (A), (B), and (D), by striking "arrangement" and inserting "employment relationship or arrangement", and

(D) in subparagraph (C), by striking "to the hospital".

(3) ADDITIONAL EXCEPTIONS.—Such subsection is further amended by adding at the end the following new paragraphs:

"(7) PAYMENTS TO A PHYSICIAN FOR OTHER ITEMS OR SERVICES.—

"(A) IN GENERAL.—Payments made by an entity to a physician (or family member) who is not employed by the entity as compensation for services specified in subparagraph (B), if—

"(i) the compensation agreement is set out in writing and specifies the services to be provided by the parties, the compensation for each unit of service provided under the agreement, and the schedule for the provision of such services,

"(ii) the compensation paid over the term of the agreement is consistent with fair market value and is not determined in a manner that takes into account the volume or value of any referrals or other business generated between the parties,

"(iii) the compensation is provided pursuant to an agreement which would be commercially reasonable even if no referrals were made to the entity, and

"(iv) the compensation arrangement meets such other requirements as the Secretary may impose by regulation as needed to protect against program or patient abuse.

"(B) SPECIFIED SERVICES.—For purposes of subparagraph (A), the services specified in this subparagraph are any of the following:

"(i) Consultative services that—

"(I) relate to test results that have been obtained that are outside established parameters, or are specifically requested by the referring physician on a specified patient,

"(II) are furnished by a physician other than the referring physician (or by another physician who is a member of the same group practice), and

"(III) for which the physician furnishes a written report for that patient.

"(ii) Interpretation of tissue pathology or Pap smear slides or the provision of other cytology services.

"(iii) Phlebotomy services for paternity or toxicology testing where the services are furnished by a physician other than the physician referring the individual for such testing (or by another physician who is a member of the same group practice).

"(iv) Employment-related health care services, including a payment by a self-insured employer for services rendered to employee applicants, employees, or their families under the terms of a health benefit plan.

"(v) Services as a clinical consultant to the entity as required for certification of the provider under section 353 of the Public Health Service Act.

"(vi) Services required by local, State, or Federal licensure, accreditation, or other health and safety provisions.

"(vii) Services billed in the name of a group practice provided by a physician under contract to the group practice for services not otherwise available directly through a physician who is a member of the group.

"(8) PAYMENTS BY A PHYSICIAN FOR ITEMS AND SERVICES.—Payments made by a physician—

"(A) to a laboratory in exchange for the provision of clinical laboratory services, or

"(B) to an entity as compensation for other items or services if the items or services are furnished at a price that is consistent with fair market value and are generally available to referrors and non-referrors alike on similar terms and conditions.

"(9) PAYMENTS FOR PATHOLOGY SERVICES OF A GROUP PRACTICE.—Payments made to a group practice for pathology services under an agreement if—

"(A) the agreement is set out in writing and specifies the services to be provided by the parties and the compensation for services provided under the agreement;

"(B) the compensation paid over the term of the agreement is consistent with fair market value and is not determined in a manner that takes into account the volume or value of any referrals or other business generated between the parties;

"(C) the compensation is provided pursuant to an agreement which would be commercially reasonable even if no referrals were made to the entity; and

"(D) the compensation arrangement between the parties meets such other requirements as the Secretary may impose by regulation as needed to protect against program or patient abuse.".

(c) TREATMENT OF GROUP PRACTICE LABORATORIES.—

(1) USE OF BILLING NUMBERS, ETC.—Section 1877 is amended—

(A) in subsection (b)(2)(B), by inserting "under a billing number assigned to the group practice" after "member",

(B) in subsection (h)(4)(B), by inserting "and under a billing number assigned to the group" after "in the name of the group", and

(C) in subsection (h)(4)(C), by striking "by members of the group".

(2) TREATMENT OF SERVICES UNDER ARRANGEMENTS BETWEEN HOSPITALS AND GROUP PRACTICES.—

(A) IN GENERAL.—Section 1877(h)(4) is amended—

(i) in subparagraph (B) (as amended by paragraph (1)(B)), by inserting "(or are billed in the name of a hospital for which the group provides clinical laboratory services pursuant to an arrangement that meets the requirements of subparagraph (B))" after "assigned to the group";

(ii) by redesignating subparagraphs (A) through (D) as clauses (i) through (iv), respectively;

(iii) by inserting "(A)" after ".—"; and

(iv) by adding at the end the following new subparagraph:

"(B) The requirements of this subparagraph, with respect to an arrangement for clinical laboratory services provided by the laboratory of a group and billed in the name of a hospital, are that—

"(i) with respect to services provided to an inpatient of the hospital, the arrangement is pursuant to the provision of inpatient hospital services under section 1861(b)(3);

"(ii) the arrangement began before December 19, 1989, and has continued in effect without interruption since such date;

"(iii) the laboratory provides substantially all of the clinical laboratory services to the hospital's patients;

"(iv) the arrangement is pursuant to an agreement that is set out in writing and that specifies the services to be provided by the parties and the compensation for services provided under the agreement;

"(v) the compensation paid over the term of the agreement is consistent with fair market value and the compensation per unit of services is fixed in advance and is not determined in a manner that takes into account the volume or value of any referrals or other business generated between the parties;

"(vi) the compensation is provided pursuant to an agreement which would be commercially reasonable even if no referrals were made to the entity; and

"(vii) the arrangement between the parties meets such other requirements as the Secretary may impose by regulation as needed to protect against program or patient abuse.".

(B) CONFORMING AMENDMENT.—Section 1877(b)(2)(B) is amended by inserting "(or by a hospital for which such a group practice provides clinical laboratory services pursuant to an arrangement that meets the requirements of subsection (h)(4)(B))" after "by a group practice of which such physician is a member".

(3) Treatment of certain faculty practice plans.—The last sentence of section 1877(h)(4)(A), as redesignated by paragraph (1)(A), is amended by inserting ", institution of higher education, or medical school" after "hospital".

(d) Expanding Rural Provider Exception To Cover Compensation Arrangements.—

(1) In general.—Section 1877(b) is further amended—

(A) by redesignating paragraph (5) as paragraph (7), and

(B) by inserting after paragraph (4) the following new paragraph:

"(5) Rural providers.—In the case of clinical laboratory services if—

"(A) the laboratory furnishing the services is in a rural area (as defined in section 1886(d)(2)(D)), and

"(B) substantially all of the services furnished by the laboratory to individuals entitled to benefits under this title are furnished to such individuals who reside in such a rural area.".

(2) Conforming amendments.—Section 1877(d) is amended—

(A) by striking paragraph (2), and

(B) by redesignating paragraph (3) as paragraph (2).

(e) Exception for Shared Facility Services.—

(1) In general.—Section 1877 is amended—

(A) in subsection (b), as amended by subsection (d)(1), by inserting after paragraph (5) the following new paragraph:

"(6) Shared facility services.—

"(A) In general.—In the case of shared facility services of a shared facility—

"(i) that are furnished—

"(I) personally by the referring physician who is a shared facility physician or personally by an individual supervised by such a physician or by another shared facility physician and employed under the shared facility arrangement,

"(II) by a shared facility in a building in which the referring physician furnishes physician's services unrelated to the furnishing of shared facility services, and

"(III) to a patient of a shared facility physician; and

"(ii) that are billed by the referring physician or by an entity that is wholly owned by such physician.

"(B) Limitation.—The exception under this paragraph shall only apply to a shared facility only if the facility and the shared facility arrangement were established as of June 26, 1992."; and

(B) in subsection (h), by adding at the end the following new paragraph:

"(8) Shared facility related definitions.—

"(A) Shared facility services.—The term 'shared facility services' means, with respect to a shared facility, clinical laboratory services furnished by the facility to patients of shared facility physicians.

"(B) Shared facility.—The term 'shared facility' means an entity that furnishes shared facility services under a shared facility arrangement.

"(C) Shared facility physician.—The term 'shared facility physician' means, with respect to a shared facility, a physician who has a financial relationship under a shared facility arrangement with the facility.

"(D) Shared facility arrangement.—The term 'shared facility arrangement' means, with respect to the provision of shared facility services in a building, a financial arrangement—

"(i) which is only between physicians who are providing services (unrelated to shared facility services) in the same building,

"(ii) in which the overhead expenses of the facility are shared, in accordance with methods previously determined by the physicians in the arrangement, among the physicians in the arrangement, and

"(iii) which, in the case of a corporation, is wholly owned and controlled by shared facility physicians.".

(2) GAO study of shared facility arrangements.—

(A) In general.—The Comptroller General shall analyze the effect on the utilization of health services of shared facility arrangements for which an exception is provided under the amendments made by paragraph (1). The analysis shall include a review of the effect of the limitation, described in section 1877(b)(6)(B) of the Social Security Act (as added by paragraph (1)), with respect to such exception and on the availability of services (including hematology services).

(B) Report.—Not later than January 1, 1994, the Comptroller General shall submit a report to Congress on the analysis conducted under subparagraph (A). The report shall include recommendations with respect to changing the limitation.

(f) Exemption of Compensation Arrangements Involving Certain Types of Remuneration.—Section 1877(h)(1) (42 U.S.C. 1395nn(h)(1)) is amended—

(1) by striking subparagraph (B);

(2) in subparagraph (A), by inserting before the period the following: "(other than an arrangement involving only remuneration described in subparagraph (B))"; and

(3) by adding at the end the following new subparagraph:

"(B) Remuneration described in this subparagraph is any remuneration consisting of any of the following:

"(i) The forgiveness of amounts owed for inaccurate tests, mistakenly performed tests, or the correction of minor billing errors.

"(ii) The provision of items, devices, or supplies of minor value that are used to—

"(I) collect, transport, process, or store specimens for the entity providing the item, device, or supply, or

"(II) communicate the results of tests for such entity.

"(iii) The furnishing by an entity of laboratory services to a group practice affiliated with the entity, if the entity provides all or substantially all of the clinical laboratory services of the group practice.".

(g) Miscellaneous and Technical Corrections.—Section 1877 (42 U.S.C. 1395nn) is amended—

(1) in the fourth sentence of subsection (f)—

(A) by striking "provided" and inserting "furnished", and

(B) by striking "provides" and inserting "furnish";

(2) in the fifth sentence of subsection (f)—

(A) by striking "providing" each place it appears and inserting "furnishing",

(B) by striking "with respect to the providers" and inserting "with respect to the entities", and

(C) by striking "diagnostic imaging services of any type" and inserting "magnetic resonance imaging, computerized axial tomography scans, and ultrasound services"; and

(3) in subsection (a)(2)(B), by striking "subsection (h)(1)(A)" and inserting "subsection (h)(1)".

(h) Effective Date.—The amendments made by this section shall apply to referrals made on or after January 1, 1992.

Subchapter D—Other Provisions

SEC. 12531. DIRECT GRADUATE MEDICAL EDUCATION.

(a) Adjustment in GME Base-Year Costs of Federal Insurance Contributions Act.—

(1) In general.—In determining the amount of payment to be made under section 1886(h) of the Social Security Act in the case of a hospital described in paragraph (2) for cost reporting periods beginning on or after October 1, 1992, the Secretary of Health and Human Services shall redetermine the approved FTE resident amount to reflect the amount that would have been paid the hospital if, during the hospital's base cost reporting period, the hospital had been liable for FICA taxes or for contributions to the retirement system of a State, a political subdivision of a State, or an instrumentality of such a State or political subdivision with respect to interns and residents in its medical residency training program.

(2) Hospitals affected.—A hospital described in this paragraph is a hospital that did not pay FICA taxes with respect to interns and residents in its medical residency training program during the hospital's base cost reporting period, but is required to pay FICA taxes or make contributions to a retirement system described in paragraph (1) with respect to such interns and residents because of the amendments made by section 11332(b) of OBRA–1990.

(3) Definitions.—In this subsection:

(A) The "base cost reporting period" for a hospital is the hospital's cost reporting period that began during fiscal year 1984.

(B) The term "FICA taxes" means, with respect to a hospital, the taxes under section 3111 of the Internal Revenue Code of 1986.

(b) Publicly-Funded Family Practice Residency Programs.—

(1) In general.—Section 1886(h)(5) (42 U.S.C. 1395ww(h)(5)) is amended by adding at the end the following new subparagraph:

"(I) Adjustments for certain family practice residency programs.—

"(i) In general.—In the case of an approved medical residency training program (meeting the requirements of clause (ii)) of a hospital which received payments from the United States, a State, or a political subdivision of a State or an instrumentality of such a State or political subdivision (other than payments under this title or a State plan under title XIX) for the program during the cost reporting period that began during fiscal year 1984, the Secretary shall—

"(I) provide for an average amount under paragraph (2)(A) that takes into account the Secretary's estimate of the amount that would have been recognized as reasonable under this title if the hospital had not received such payments, and

"(II) reduce the payment amount otherwise provided under this subsection in an amount equal to the proportion of such program payments during the cost reporting period involved that is allocable to this title.

"(ii) Additional requirements.—A hospital's approved medical residency program meets the requirements of this clause if—

"(I) the program is limited to training for family and community medicine;

"(II) the program is the only approved medical residency program of the hospital; and

"(III) the average amount determined under paragraph (2)(A) for the hospital (as determined without regard to the increase in such amount described in clause (i)(I)) does not exceed $10,000.".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to payments under section 1886(h) of the Social Security Act for cost reporting periods beginning on or after October 1, 1990.

(c) PREVENTIVE CARE RESIDENCIES.—

(1) ELIGIBILITY OF PREVENTIVE CARE RESIDENCY PROGRAMS FOR EXPANDED INITIAL RESIDENCY PERIODS.—Section 1886(h)(5)(F)(ii) (42 U.S.C. 1395ww(h)(5)(F)(ii)) is amended by inserting after "fellowship program" the following: "or a preventive care residency or fellowship program".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to cost reporting periods beginning on or after October 1, 1993.

SEC. 12532. IMMUNOSUPPRESSIVE DRUG THERAPY.

Section 1861(s)(2)(J) (42 U.S.C. 1395x(s)(2)(J)) is amended by striking "title, within" and all that follows and inserting the following: "title, but only in the case of drugs furnished—

"(i) before 1994, within 12 months after the date of the transplant procedure,

"(ii) during 1994, within 18 months after the date of the transplant procedure,

"(iii) during 1995, within 24 months after the date of the transplant procedure,

"(iv) during 1996, within 30 months after the date of the transplant procedure, and

"(v) during any year after 1997, within 36 months after the date of the transplant procedure;".

SEC. 12533. REDUCTION IN PAYMENTS FOR ERYTHROPOIETIN.

(a) IN GENERAL.—Section 1881(b)(11)(B)(ii)(I) (42 U.S.C. 1395rr(b)(11)(B)(ii)(I)) is amended—

(1) by striking "1991" and inserting "1994"; and

(2) by striking "$11" and inserting "$10".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to erythropoietin furnished on or after January 1, 1994.

SEC. 12534. QUALIFIED MEDICARE BENEFICIARY OUTREACH.

The Secretary of Health and Human Services shall establish and implement a method for obtaining information from newly eligible medicare beneficiaries that may be used to determine whether such beneficiaries may be eligible for medical assistance for medicare cost-sharing under State medicaid plans as qualified medicare beneficiaries, and for transmitting such information to the State in which such a beneficiary resides.

SEC. 12535. EXTENSION OF SOCIAL HEALTH MAINTENANCE ORGANIZATION DEMONSTRATIONS.

(a) EXTENSION OF CURRENT WAIVERS.—Section 4018(b) of OBRA–1987, as amended by section 4207(b)(4)(B) of OBRA–1990, is amended—

(1) in paragraph (1) by striking "December 31, 1995" and inserting "December 31, 1997"; and

(2) in paragraph (4) by striking "March 31, 1996" and inserting "March 31, 1998".

(b) EXPANSION OF DEMONSTRATIONS.—Section 2355 of the Deficit Reduction Act of 1984 is amended—

(1) in the last sentence of subsection (a) by striking "12 months" and inserting "36 months"; and

(2) in subsection (b)(1)(B)—

(A) by striking "or" at the end of clause (iii); and

(B) by redesignating clause (iv) as clause (v) and inserting after clause (iii) the following new clause:

"(iv) integrating acute and chronic care management for patients with end-stage renal disease through expanded community care case management services (and for purposes of a demonstration project conducted under this clause, any requirement under a waiver granted under this section that a project disenroll individuals who develop end-stage renal disease shall not apply); or".

(c) EXPANSION OF NUMBER OF MEMBERS PER SITE.—The Secretary of Health and Human Services may not impose a limit of less than 12,000 on the number of individuals that may participate in a project conducted under section 2355 of the Deficit Reduction Act of 1984.

(d) MISCELLANEOUS AND TECHNICAL CORRECTIONS.—

(1) The section following section 4206 of OBRA–1990 is amended by striking "SEC. 4027." and inserting "SEC. 4207.", and in this subtitle is referred to as section 4207 of OBRA–1990.

(2) Section 2355(b)(1)(B) of the Deficit Reduction Act of 1984, as amended by section 4207(b)(4)(B)(ii) of OBRA–1990, is amended—

(A) by striking "12907(c)(4)(A)" and inserting "4207(b)(4)(B)(i)", and

(B) by striking "feasibilitly" and inserting "feasibility".

(3) Section 4207(b)(4)(B)(iii)(III) of OBRA–1990 is amended by striking the period at the end and inserting a semicolon.

(4) Subsections (c)(3) and (e) of section 2355 of the Deficit Reduction Act of 1984, as amended by section 4207(b)(4)(B) of OBRA–1990, are each amended by striking "12907(c)(4)(A)" each place it appears and inserting "4207(b)(4)(B)".

(5) Section 4207(c)(2) of OBRA–1990 is amended by striking "the Committee on Ways and Means" each place it appears and inserting "the Committees on Ways and Means and Energy and Commerce".

(6) Section 4207(d) of OBRA–1990 is amended by redesignating the second paragraph (3) (relating to effective date) as paragraph (4).

(7) Section 4207(i)(2) of OBRA–1990 is amended—

(A) by striking the period at the end of clause (iii) and inserting a semicolon, and

(B) in clause (v), by striking "residents" and inserting "patients".

(8) Section 4207(j) of OBRA–1990 is amended by striking "title" each place it appears and inserting "subtitle".

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of OBRA–90.

SEC. 12536. HOSPICE NOTIFICATION TO HOME HEALTH BENEFICIARIES.

(a) IN GENERAL.—Section 1891(a)(1) (42 U.S.C. 1395bbb(a)(1)) is amended by adding at the end the following new subparagraph:

"(H) The right, in the case of a resident who is entitled to benefits under this title, to be fully informed orally and in writing (at the time of coming under the care of the agency) of the entitlement of individuals to hospice care under section 1812(a)(4) (unless there is no hospice program providing hospice care for which payment may be made under this title within the geographic area of the facility and it is not the common practice of the agency to refer patients to hospice programs located outside such geographic area).".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to services furnished on or after the first day of the first month beginning more than one year after the date of the enactment of this Act.

SEC. 12537. INTEREST PAYMENTS.

(a) IN GENERAL.—Sections 1816(c)(2)(B)(ii)(IV) and 1842(c)(2)(B)(ii)(IV) of the Social Security Act shall be applied with respect to claims received in the 12-month period beginning October 1, 1992, by substituting "30 calendar days" for "24 calendar days" and "17 calendar days".

(b) EFFECTIVE DATE.—Subsection (a) shall be in effect during the period that begins on the date of the enactment of this Act and ends on September 30, 1993.

SEC. 12538. PEER REVIEW ORGANIZATIONS.

(a) REPEAL OF PRO PRECERTIFICATION REQUIREMENT FOR CERTAIN SURGICAL PROCEDURES.—

(1) IN GENERAL.—Section 1164 (42 U.S.C. 1320c–13) is repealed.

(2) CONFORMING AMENDMENTS.—

(A) Section 1154 (42 U.S.C. 1320c–3) is amended—

(i) in subsection (a), by striking paragraph (12), and

(ii) in subsection (d), by striking "(and except as provided in section 1164)".

(B) Section 1833 (42 U.S.C. 1395l) is amended—

(i) in subsection (a)(1)(D)(i), by striking ", or for tests furnished in connection with obtaining a second opinion required under section 1164(c)(2) (or a third opinion, if the second opinion was in disagreement with the first opinion)";

(ii) in subsection (a)(1), by striking clause (G);

(iii) in subsection (a)(2)(A), by striking ", to items and services (other than clinical diagnostic laboratory tests) furnished in connection with obtaining a second opinion required under section 1164(c)(2) (or a third opinion, if the second opinion was in disagreement with the first opinion),";

(iv) in subsection (a)(2)(D)(i)—

(I) by striking "basis," and inserting "basis or", and

(II) by striking ", or for tests furnished in connection with obtaining a second opinion required under section 1164(c)(2) (or a third opinion, if the second opinion was in disagreement with the first opinion)";

(v) in subsection (a)(3), by striking "and for items and services furnished in connection with obtaining a second opinion required under section 1164(c)(2), or a third opinion, if the second opinion was in disagreement with the first opinion)"; and

(vi) in the first sentence of subsection (b), by striking "(4)" and all that follows through "and (5)" and inserting and (4)".

(C) Section 1834(g)(1)(B) (42 U.S.C. 1395m(g)(1)(B)) is amended by striking "and for items and services furnished in connection with obtaining a second opinion required under section 1164(c)(2), or a third opinion, if the second opinion was in disagreement with the first opinion)".

(D) Section 1862(a) (42 U.S.C. 1395y(a)) is amended—

(i) by adding "or" at the end of paragraph (14),

(ii) by striking "; or" at the end of paragraph (15) and inserting a period, and

(iii) by striking paragraph (16).

(E) The third sentence of section 1866(a)(2)(A) (42 U.S.C. 1395w(a)(2)(A)) is amended by striking ", with respect to items and services furnished in connection with obtaining a second opinion required under section 1164(c)(2) (or a third opinion, if the second opinion was in disagreement with the first opinion),".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to services provided on or after the date of the enactment of this Act.

(b) Miscellaneous and Technical Corrections.—(1) The third sentence of section 1156(b)(1) (42 U.S.C. 1320c-5(b)(1)) is amended by striking "whehter" and inserting "whether".

(2) Section 1154(a)(9)(B) (42 U.S.C. 1320c-3(a)(9)(B)) is amended by striking "this subsection" and inserting "section 1156(a)".

(3) Section 4205(d)(2)(B) of OBRA-1990 is amended by striking "amendments" and inserting "amendment".

(4) Section 1160(d) (42 U.S.C. 1320c-9(d)) is amended by striking "subpena" and inserting "subpoena".

(5) Section 4205(e)(2) of OBRA-1990 is amended by striking "amendments" and inserting "amendment" and by striking "all".

(6)(A) Except as provided in subparagraph (B), the amendments made by this subsection shall take effect as if included in the enactment of OBRA-1990.

(B) The amendment made by paragraph (2) (relating to the requirement on reporting of information to State licensing boards) shall take effect on the date of the enactment of this Act.

SEC. 12539. HEALTH MAINTENANCE ORGANIZATIONS.

(a) Adjustment In Medicare Capitation Payments To Account For Regional Variations In Application Of Secondary Payer Provisions.—

(1) In general.—Section 1876(a)(4) (42 U.S.C. 1395mm(a)(4)) is amended by adding at the end the following new sentence: "In establishing the adjusted average per capita cost for a geographic area, the Secretary shall take into account the differences between the proportion of individuals in the area with respect to whom there is a group health plan that is a primary plan (within the meaning of section 1862(b)(2)(A)) compared to the proportion of all such individuals with respect to whom there is such a group health plan.".

(2) Effective date.—The amendment made by paragraph (1) shall apply to contracts entered into for years beginning with 1994.

(b) Revisions in the Payment Methodology for Risk Contractors .—Section 4204(b) of OBRA-1990 is amended to read as follows:

"(b) Revisions in the Payment Methodology for Risk Contractors.—(1)(A) Not later than October 1, 1993, the Secretary of Health and Human Services (in this subsection referred to as the "Secretary") shall submit a proposal to the Congress that provides for revisions to the payment method to be applied in years beginning with 1995 for organizations with a risk-sharing contract under section 1876(g) of the Social Security Act.

"(B) In proposing the revisions required under subparagraph (A) the Secretary shall consider—

"(i) the difference in costs associated with medicare beneficiaries with differing health status and demographic characteristics; and

"(ii) the effects of using alternative geographic classifications on the determinations of costs associated with beneficiaries residing in different areas.

"(2) Not later than 3 months after the date of submittal of the proposal under paragraph (1), the Comptroller General shall review the proposal and shall report to Congress on the appropriateness of the proposed modifications.".

(c) Miscellaneous and Technical Corrections.—(1) Section 1876(a)(3) (42 U.S.C. 1395mm(a)(3)) is amended by striking "subsection (c)(7)" and inserting "subsections (c)(2)(B)(ii) and (c)(7)".

(2) Section 4204(c)(3) of OBRA-1990 is amended by striking "for 1991" and inserting "for years beginning with 1991".

(3) Section 4204(d)(2) of OBRA-1990 is amended by striking "amendment" and inserting "amendments".

(4) Section 1876(a)(1)(E)(ii)(I) (42 U.S.C. 1395mm(a)(1)(E)(ii)(I)) is amended by striking the comma after "contributed to".

(5) Section 4204(e)(2) of OBRA-1990 is amended by striking "(which has a risk-sharing contract under section 1876 of the Social Security Act)".

(6) Section 4204(f)(4) of OBRA-1990 is amended by striking "final".

(7) Section 1862(b)(3)(C) (42 U.S.C. 1395y(b)(3)(C)) is amended—

(A) in the heading, by striking "PLAN" and inserting "PLAN OR A LARGE GROUP HEALTH PLAN";

(B) by striking "group health plan" and inserting "group health plan or a large group health plan";

(C) by striking ", unless such incentive is also offered to all individuals who are eligible for coverage under the plan"; and

(D) by striking "the first sentence of subsection (a) and other than subsection (b)" and inserting "subsections (a) and (b)".

(8) The amendments made by this subsection shall take effect as if included in the enactment of OBRA-1990.

SEC. 12540. MEDICARE ADMINISTRATION BUDGET PROCESS.

(a) Adjustments.—Section 251(b)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by redesignating subparagraphs (E) and (F) as subparagraphs (F) and (G), respectively, and by inserting after subparagraph (D) the following new subparagraph:

"(E) Medicare administrative costs.—To the extent that appropriations are enacted that provide additional new budget authority (as compared with a base level of $1,526,000,000 for new budget authority) for the administration of the Medicare program by fiscal intermediaries and carriers pursuant to sections 1816 and 1842(a) of title XVIII of the Social Security Act, the adjustment for that year shall be that amount, but shall not exceed—

"(i) for fiscal year 1994, $198,000,000 in new budget authority and $198,000,000 in outlays; and

"(ii) for fiscal year 1995, $220,000,000 in new budget authority and $220,000,000 in outlays; and

the prior-year outlays resulting from these appropriations of budget authority and additional adjustments equal to the sum of the maximum adjustments that could have been made in preceding fiscal years under this subparagraph.".

(b) Conforming Amendments.—

(1) Section 603(a) of the Congressional Budget Act of 1974 is amended by striking "section 251(b)(2)(E)(i)" and inserting "section 251(b)(2)(F)(i)".

(2) Section 606(d) of the Congressional Budget Act of 1974 is amended—

(A) in paragraph (1)(A) by striking "section 251(b)(2)(E)(i)" and inserting "section 251(b)(2)(F)(i)"; and

(B) in paragraph (2), by inserting "251(b)(2)(E)," after "251(b)(2)(D),".

SEC. 12541. OTHER PROVISIONS.

(a) Survey and Certification Requirements.—(1) Section 1864 (42 U.S.C. 1395aa) is amended—

(A) in subsection (e), by striking "title" and inserting "title (other than any fee relating to section 353 of the Public Health Service Act)"; and

(B) in the first sentence of subsection (a), by striking "1861(s) or" and all that follows through "Service Act," and inserting "1861(s),".

(2) An agreement made by the Secretary of Health and Human Services with a State under section 1864(a) of the Social Security Act may include an agreement that the services of the State health agency or other appropriate State agency (or the appropriate local agencies) will be utilized by the Secretary for the purpose of determining whether a laboratory meets the requirements of section 353 of the Public Health Service Act.

(b) Home Dialysis Demonstration Technical Correction.—Section 4202 of OBRA-1990 is amended—

(1) in subsection (b)(1)(A), by striking "home hemodialysis staff assistant" and inserting "qualified home hemodialysis staff assistant (as described in subsection (d))";

(2) in subsection (b)(2)(B)(ii)(I), by striking "(as adjusted to reflect differences in area wage levels);

(3) in subsection (c)(1)(A), by striking "skilled"; and

(4) in subsection (c)(1)(E), by striking "(b)(4)" and inserting "(b)(2)".

(c) Other Technical Amendments.—(1) Section 1833 (42 U.S.C. 1395l) is amended by redesignating the subsection (r) added by section 4206(b)(2) of OBRA-1990 as subsection (s).

(2) Section 1866(f)(1) (42 U.S.C. 1395cc(f)(1)) is amended by striking "1833(r)" and inserting "1833(s)".

(3) Section 1861(s)(2) (42 U.S.C. 1395x(s)(2)) is amended by moving subparagraph (O), as redesignated by section 12479(f)(8)(B)(iii)(II) of this title, two ems to the left.

(4) Section 1881(b)(1)(C) (42 U.S.C. 1395rr(b)(1)(C)) is amended by striking "1861(s)(2)(Q)" and inserting "1861(s)(2)(P)".

(5) Section 4201(d)(2) of OBRA-1990 is amended by striking "(B) by striking", "(C) by striking", and "(3) by adding" and inserting "(i) by striking", "(ii) by striking", and "(B) by adding", respectively.

(6)(A) Section 4207(a)(1) of OBRA-1990 is amended by adding closing quotation marks and a period after "such review.".

(B) Section 4207(a)(4) of OBRA-1990 is amended by striking "this subsection" and inserting "paragraphs (2) and (3)".

(C) Section 4207(b)(1) of OBRA-1990 is amended by striking "section 3(7)" and inserting "section 601(a)(1)".

(d) Effective Date.—The amendments made by this section shall take effect as if included in the enactment of OBRA-1990.

CHAPTER 4—MEDICARE SUPPLEMENTAL INSURANCE POLICIES

SEC. 12551. STANDARDS FOR MEDICARE SUPPLEMENTAL INSURANCE POLICIES.

(a) Simplification of Medicare Supplemental Policies.—

(1) Section 4351 of OBRA-1990 is amended by striking "(a) In General.—".

(2) Section 1882(p) (42 U.S.C. 1395ss(p)) is amended—

(A) in paragraph (1)(A)—

(i) by striking "promulgates" and inserting "changes the revised NAIC Model Regulation (described in subsection (m)) to incorporate",

(ii) by striking "(such limitations, language, definitions, format, and standards referred to collectively in this subsection as 'NAIC standards')", and

(iii) by striking "included a reference to the NAIC standards" and inserting "were a reference to the revised NAIC Model Regulation as changed under this subparagraph (such changed regulation referred to in this section as the '1991 NAIC Model Regulation')";

(B) in paragraph (1)(B)—

(i) by striking "promulgate NAIC standards" and inserting "make the changes in the revised NAIC Model Regulation",

(ii) by striking "limitations, language, definitions, format, and standards described in clauses (i) through (iv) of such subparagraph (in this subsection referred to collectively as 'Federal standards')" and inserting "a regulation", and

(iii) by striking "included a reference to the Federal standards" and inserting "were a reference to the revised NAIC Model Regulation as changed by the Secretary under this subparagraph (such changed regulation referred to in this section as the '1991 Federal Regulation')";

(C) in paragraph (1)(C)(i), by striking "NAIC standards or the Federal standards" and inserting "1991 NAIC Model Regulation or 1991 Federal Regulation";

(D) in paragraphs (1)(C)(ii)(I), (1)(E), (2), and (9)(B), by striking "NAIC or Federal standards" and inserting "1991 NAIC Model Regulation or 1991 Federal Regulation";

(E) in paragraph (2)(C), by striking "(5)(B)" and inserting "(4)(B)";

(F) in paragraph (4)(A)(i), by inserting "or paragraph (6)" after "(B)";

(G) in paragraph (4), by striking "applicable standards" each place it appears and inserting "applicable 1991 NAIC Model Regulation or 1991 Federal Regulation";

(H) in paragraph (6), by striking "in regard to the limitation of benefits described in paragraph (4)" and inserting "described in clauses (i) through (iii) of paragraph (1)(A)";

(I) in paragraph (7), by striking "policyholder" and inserting "policyholders";

(J) in paragraph (8), by striking "after the effective date of the NAIC or Federal standards with respect to the policy, in violation of the previous requirements of this subsection" and inserting "on and after the effective date specified in paragraph (1)(C) (but subject to paragraph (10)), in violation of the applicable 1991 NAIC Model Regulation or 1991 Federal Regulation insofar as such regulation relates to the requirements of subsection (o) or (q) or clause (i), (ii), or (iii) of paragraph (1)(A)";

(K) in paragraph (9), by adding at the end the following new subparagraph:

"(D) Subject to paragraph (10), this paragraph shall apply to sales of policies occurring on or after the effective date specified in paragraph (1)(C)."; and

(L) in paragraph (10), by striking "this subsection" and inserting "paragraph (1)(A)(i)".

(b) GUARANTEED RENEWABILITY.—Section 1882(q) (42 U.S.C. 1395ss(q)) is amended—

(1) in paragraph (2), by striking "paragraph (2)" and inserting "paragraph (4)", and

(2) in paragraph (4), by striking "the succeeding issuer" and inserting "issuer of the replacement policy".

(c) ENFORCEMENT OF STANDARDS.—

(1) Section 1882(a)(2) (42 U.S.C. 1395ss(a)(2)) is amended—

(A) in subparagraph (A), by striking "NAIC standards or the Federal standards" and inserting "1991 NAIC Model Regulation or 1991 Federal Regulation", and

(B) by striking "after the effective date of the NAIC or Federal standards with respect to the policy" and inserting "on and after the effective date specified in subsection (p)(1)(C)".

(2) The sentence in section 1882(b)(1) added by section 4353(c)(5) of OBRA–1990 is amended—

(A) by striking "The report" and inserting "Each report",

(B) by inserting "and requirements" after "standards",

(C) by striking "and" after "compliance,", and

(D) by striking the comma after "Commissioners".

(3) Section 1882(g)(2)(B) (42 U.S.C. 1395ss(g)(2)(B)) is amended by striking "Panel" and inserting "Secretary".

(4) Section 1882(b)(1) (42 U.S.C. 1395ss(b)(1)) is amended by striking "the the Secretary" and inserting "the Secretary".

(d) PREVENTING DUPLICATION.—

(1) Section 1882(d)(3)(A) (42 U.S.C. 1395ss(d)(3)(A)) is amended—

(A) by amending the first sentence to read as follows:

"(i) It is unlawful for a person to sell or issue to an individual entitled to benefits under part A or enrolled under part B of this title—

"(I) a health insurance policy with knowledge that the policy duplicates health benefits to which the individual is otherwise entitled under this title or title XIX,

"(II) a medicare supplemental policy with knowledge that the individual is entitled to benefits under another medicare supplemental policy, or

"(III) a health insurance policy (other than a medicare supplemental policy) with knowledge that the policy duplicates health benefits to which the individual is otherwise entitled, other than benefits to which the individual is entitled under a requirement of State or Federal law.";

(B) by designating the second sentence as clause (ii) and, in such clause, by striking "the previous sentence" and inserting "clause (i)";

(C) by designating the third sentence as clause (iii) and, in such clause—

(i) by striking "the previous sentence" and inserting "clause (i) with respect to the sale of a medicare supplemental policy", and

(ii) by striking "and the statement" and all that follows up to the period at the end; and

(D) by striking the last sentence.

(2) Section 1882(d)(3)(B) (42 U.S.C. 1395ss(d)(3)(B)) is amended—

(A) in clause (ii)(II), by striking "65 years of age or older",

(B) in clause (iii)(I), by striking "another medicare" and inserting "a medicare",

(C) in clause (iii)(I), by striking "such a policy" and inserting "a medicare supplemental policy",

(D) in clause (iii)(II), by striking "another policy" and inserting "a medicare supplemental policy", and

(E) by amending subclause (III) of clause (iii) to read as follows:

"(III) If the statement required by clause (i) is obtained and indicates that the individual is entitled to any medical assistance under title XIX, the sale of the policy is not in violation of clause (i) (insofar as such clause relates to such medical assistance), if a State medicaid plan under such title pays the premiums for the policy, or, in the case of a qualified medicare beneficiary described in section 1905(p)(1), if the State pays less than the full amount of medicare cost-sharing as described in subparagraphs (B), (C), and (D) of section 1905(p)(3) for such individual.".

(3)(A) Section 1882(d)(3)(C) (42 U.S.C. 1395ss(d)(3)(C)) is amended—

(i) by striking "the selling" and inserting "(i) the sale or issuance", and

(ii) by inserting before the period at the end the following: ", (ii) the sale or issuance of a policy or plan described in subparagraph (A)(i)(I) (other than a medicare supplemental policy to an individual entitled to any medical assistance under title XIX) under which all the benefits are fully payable directly to or on behalf of the individual without regard to other health benefit coverage of the individual but only if (for policies sold or issued more than 60 days after the date the statements are published or promulgated under subparagraph (D)) there is disclosed in a prominent manner as part of (or together with) the application the applicable statement (specified under subparagraph (D)) of the extent to which benefits payable under the policy or plan duplicate benefits under this title, or (iii) the sale or issuance of a policy or plan described in subparagraph (A)(i)(III) under which all the benefits are fully payable directly to or on behalf of the individual without regard to other health benefit coverage of the individual".

(B) Section 1882(d)(3) (42 U.S.C. 1395ss(d)(3)) is amended by adding at the end the following:

"(D)(i) If—

"(I) within the 90-day period beginning on the date of the enactment of this subparagraph, the National Association of Insurance Commissioners develops (after consultation with consumer and insurance industry representatives) and submits to the Secretary a statement for each of the types of health insurance policies (other than medicare supplemental policies and including, as separate types of policies, policies paying directly to the beneficiary fixed, cash benefits) which are sold to persons entitled to health benefits under this title, of the extent to which benefits payable under the policy or plan duplicate benefits under this title, and

"(II) the Secretary approves all the statements submitted as meeting the requirements of subclause (I),

each such statement shall be (for purposes of subparagraph (C)) the statement specified under this subparagraph for the type of policy involved. The Secretary shall review and approve (or disapprove) all the statements submitted under subclause (I) within 30 days after the date of their submittal. Upon approval of such statements, the Secretary shall publish such statements.

"(ii) If the Secretary does not approve the statements under clause (i) or the statements are not submitted within the 90-day period specified in such clause, the Secretary shall promulgate (after consultation with consumer and insurance industry representatives and not later than 90 days after the date of disapproval or the end of such 90-day period (as the case may be)) a statement for each of the types of health insurance policies (other than medicare supplemental policies and including, as separate types of policies, policies paying directly to the beneficiary fixed, cash benefits) which are sold to persons entitled to health benefits under this title, of the extent to which benefits payable under the policy or plan duplicate benefits under this title, and each such statement shall be (for purposes of subparagraph (C)) the statement specified under this subparagraph for the type of policy involved.".

(C) The requirement of a disclosure under section 1882(d)(3)(C)(ii) of the Social Security Act shall not apply to an application made for a policy or plan before 60 days after the date of the Secretary of Health and Human Services publishes or promulgates all the statements under section 1882(d)(3)(D) of such Act.

(4) Subparagraphs (A) and (B) of section 1882(q)(5)(A) are amended by striking "of the Social Security Act".

(5) The second subsection (b) of section 4354 of OBRA–1990 (relating to effective date) is amended by redesignating such subsection as subsection (c).

(e) LOSS RATIOS AND REFUNDS OF PREMIUMS.—

(1) Section 1882(r) (42 U.S.C. 1395ss(r)) is amended—

(A) in paragraph (1), by striking "or sold" and inserting "or renewed (or otherwise provide coverage after the date described in subsection (p)(1)(C))";

(B) in paragraph (1)(A), by inserting "for periods after the effective date of these provisions" after "the policy can be expected";

(C) in paragraph (1)(A), by striking "Commissioners," and inserting "Commissioners)";

(D) in paragraph (1)(B), by inserting before the period at the end the following: ", treating policies of the same type as a single policy for each standard package";

(E) by adding at the end of paragraph (1) the following: "For the purpose of calculating the refund or credit required under paragraph (1)(B) for a policy issued before the date specified in subsection (p)(1)(C), the refund or credit calculation shall be based on the aggregate benefits provided and premiums collected under all such policies issued by an insurer in a State (separated as to individual and group policies) and shall be based only on aggregate benefits provided and premiums collected under such policies after the date specified in section 12561(m)(4) of the Omnibus Budget Reconciliation Act of 1993.";

(F) in the first sentence of paragraph (2)(A), by striking "by policy number" and inserting "by standard package";

(G) by striking the second sentence of paragraph (2)(A) and inserting the following: "Paragraph (1)(B) shall not apply to a policy until 12 months following issue.";

(H) in the last sentence of paragraph (2)(A), by striking "in order" and all that follows through "are effective";

(I) by adding at the end of paragraph (2)(A), the following new sentence: "In the case of a policy issued before the date specified in subsection (p)(1)(C), paragraph (1)(B) shall not apply until 1 year after the date specified in section 12561(m)(4) of the Omnibus Budget Reconciliation Act of 1993.";

(J) in paragraph (2), by striking "policy year" each place it appears and inserting "calendar year";

(K) in paragraph (4), by striking "February", "disllowance", "loss-ratios" each place it appears, and "loss-ratio" and inserting "October", "disallowance", "loss ratios", and "loss ratio", respectively;

(L) in paragraph (6)(A), by striking "issues a policy in violation of the loss ratio requirements of this subsection" and "such violation" and inserting "fails to provide refunds or credits as required in paragraph (1)(B)" and "policy issued for which such failure occurred", respectively; and

(M) in paragraph (6)(B), by striking "to policyholders" and inserting "to the policyholder or, in the case of a group policy, to the certificate holder".

(2) Section 1882(b)(1) (42 U.S.C. 1395ss(b)(1)) is amended, in the matter after subparagraph (H), by striking "subsection (F)" and inserting "subparagraph (F)".

(3) Section 4355(d) of OBRA–1990 is amended by striking "sold or issued" and all that follows and inserting "issued or renewed (or otherwise providing coverage after the date described in section 1882(p)(1)(C) of the Social Security Act) on or after the date specified in section 1882(p)(1)(C) of such Act.".

(f) Treatment of HMO's.—

(1) Section 1882(g)(1) (42 U.S.C. 1395ss(g)(1)) is amended by striking "a health maintenance organization or other direct service organization" and all that follows through "1833" and inserting "an eligible organization (as defined in section 1876(b)) if the policy or plan provides benefits pursuant to a contract under section 1876 or an approved demonstration project described in section 603(c) of the Social Security Amendments of 1983, section 2355 of the Deficit Reduction Act of 1984, or section 9412(b) of the Omnibus Budget Reconciliation Act of 1986 or, during the period beginning on the date specified in subsection (p)(1)(C) and ending on December 31, 1994, a policy or plan of an organization if the policy or plan provides benefits pursuant to an agreement under section 1833(a)(1)(A)".

(2) Section 4356(b) of OBRA–1990 is amended by striking "on the date of the enactment of this Act" and inserting "on the date specified in section 1882(p)(1)(C) of the Social Security Act".

(g) Pre-existing Condition Limitations.—Section 1882(s) (42 U.S.C. 1395ss(s)) is amended—

(1) in paragraph (2)(A), by striking "for which an application is submitted" and inserting "in the case of an individual for whom an application is submitted prior to or",

(2) in paragraph (2)(A), by striking "in which the individual (who is 65 years of age or older) first is enrolled for benefits under part B" and inserting "as of the first day on which the individual is 65 years of age or older and is enrolled for benefits under part B", and

(3) in paragraph (2)(B), by striking "before it" and inserting "before the policy".

(h) Medicare Select Policies.—

(1) Section 1882(t) (42 U.S.C. 1395ss(t)) is amended—

(A) in paragraph (1), by inserting "medicare supplemental" after "If a",

(B) in paragraph (1), by striking "NAIC Model Standards" and inserting "1991 NAIC Model Regulation or 1991 Federal Regulation",

(C) in paragraph (1)(A), by inserting "or agreements" after "contracts",

(D) in subparagraphs (E)(i) and (F) of paragraph (1), by striking "NAIC standards" and inserting "standards in the 1991 NAIC Model Regulation or 1991 Federal Regulation", and

(E) in paragraph (2), by inserting "the issuer" before "is subject to a civil money penalty".

(2) Section 1154(a)(4)(B) (42 U.S.C. 1320c–3(a)(4)(B)) is amended—

(A) by inserting "that is" after "(or", and

(B) by striking "1882(t)" and inserting "1882(t)(3)".

(i) Health Insurance Counseling.—Section 4360 of OBRA–1990 is amended—

(1) in subsection (b)(2)(A)(ii), by striking "Act" and inserting "Act)";

(2) in subsection (b)(2)(D), by striking "services" and inserting "counseling";

(3) in subsection (b)(2)(I), by striking "assistance" and inserting "referrals";

(4) in subsection (c)(1), by striking "and that such activities will continue to be maintained at such level";

(5) in subsection (d)(3), by striking "to the rural areas" and inserting "eligible individuals residing in rural areas";

(6) in subsection (e)—

(A) by striking "subsection (c) or (d)" and inserting "this section",

(B) by striking "and annually thereafter, issue an annual report" and inserting "and annually thereafter during the period of the grant, issue a report",

(C) in paragraph (1), by striking "Statewide", and

(D) in subsection (f), by striking paragraph (2) and by redesignating paragraphs (3) through (5) as paragraphs (2) through (4), respectively; and

(7) by redesignating the second subsection (f) (relating to authorization of appropriations for grants) as subsection (g).

(j) Telephone Information System.—

(1) Section 1804 (42 U.S.C. 1395b–2) is amended—

(A) by adding at the end of the heading the following: "; MEDICARE AND MEDIGAP INFORMATION",

(B) by inserting "(a)" after "1804.", and

(C) by adding at the end the following new subsection:

"(b) The Secretary shall provide information via a toll-free telephone number on the programs under this title.".

(2) Section 1882(f) (42 U.S.C. 1395ss(f)) is amended by adding at the end the following new paragraph:

"(3) The Secretary shall provide information via a toll-free telephone number on medicare supplemental policies (including the relationship of State programs under title XIX to such policies).".

(3) Section 1889 is repealed.

(k) Mailing of Policies.—Section 1882(d)(4) (42 U.S.C. 1395ss(d)(4)) is amended—

(1) in subparagraph (D), by striking ", if such policy" and all that follows up to the period at the end, and

(2) by adding at the end the following new subparagraph:

"(E) Subparagraph (A) shall not apply in the case of an issuer who mails or causes to be mailed a policy, certificate, or other matter solely to comply with the requirements of subsection (q).".

(l) Effective Date.—The amendments made by this section shall be effective as if included in the enactment of OBRA–1990; except that—

(1) the amendments made by subsection (d)(1) shall take effect on the date of the enactment of this Act, but no penalty shall be imposed under section 1882(d)(3)(A) of the Social Security Act (for an action occurring after the effective date of the amendments made by section 4354 of OBRA–1990 and before the date of the enactment of this Act) with respect to the sale or issuance of a policy which is not unlawful under section 1882(d)(3)(A)(i)(II) of the Social Security Act (as amended by this section);

(2) the amendments made by subsection (d)(2)(A) and by subparagraphs (A), (B), and (E) of subsection (e)(1) shall be effective on the date specified in subsection (m)(4); and

(3) the amendment made by subsection (g)(2) shall take effect on January 1, 1994, and shall apply to individuals who attain 65 years of age or older on or after the effective date of section 1882(s)(2) of the Social Security Act (and, in the case of individuals who attained 65 years of age after such effective date and before January 1, 1994, and who were not covered under such section before January 1, 1994, the 6-month period specified in that section shall begin January 1, 1994).

(m) Transition Provisions.—

(1) In general.—If the Secretary of Health and Human Services identifies a State as requiring a change to its statutes or regulations to conform its regulatory program to the changes made by this section, the State regulatory program shall not be considered to be out of compliance with the requirements of section 1882 of the Social Security Act due solely to failure to make such change until the date specified in paragraph (4).

(2) NAIC Standards.—If, within 6 months after the date of the enactment of this Act, the National Association of Insurance Commissioners (in this subsection referred to as the "NAIC") modifies its 1991 NAIC Model

Regulation (adopted in July 1991) to conform to the amendments made by this section and to delete from section 15C the exception which begins with "unless", such modifications shall be considered to be part of that Regulation for the purposes of section 1882 of the Social Security Act.

(3) SECRETARY STANDARDS.—If the NAIC does not make the modifications described in paragraph (2) within the period specified in such paragraph, the Secretary of Health and Human Services shall make the modifications described in such paragraph and such modifications shall be considered to be part of that Regulation for the purposes of section 1882 of the Social Security Act.

(4) DATE SPECIFIED.—

(A) IN GENERAL.—Subject to subparagraph (B), the date specified in this paragraph for a State is the earlier of—

(i) the date the State changes its statutes or regulations to conform its regulatory program to the changes made by this section, or

(ii) 1 year after the date the NAIC or the Secretary first makes the modifications under paragraph (2) or (3), respectively.

(B) ADDITIONAL LEGISLATIVE ACTION REQUIRED.—In the case of a State which the Secretary identifies as—

(i) requiring State legislation (other than legislation appropriating funds) to conform its regulatory program to the changes made in this section, but

(ii) having a legislature which is not scheduled to meet in 1994 in a legislative session in which such legislation may be considered, the date specified in this paragraph is the first day of the first calendar quarter beginning after the close of the first legislative session of the State legislature that begins on or after January 1, 1994. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

CHAPTER 5—TREATMENT OF CERTAIN STATE HEALTH CARE PROGRAMS

SEC. 12561. TREATMENT OF CERTAIN STATE HEALTH CARE PROGRAMS.

Section 514(b)(5) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1144(b)(5)) is amended to read as follows:

"(5)(A) Except as provided in subparagraphs (B) and (C), subsection (a) shall not apply to the Hawaii Prepaid Health Care Act (Haw. Rev. Stat. §§393–1 through 393–51).

"(B) Nothing in subparagraph (A) shall be construed to exempt from subsection (a) any State tax law relating to employee benefits plans.

"(C) If the Secretary of Labor notifies the Governor of the State of Hawaii that as the result of an amendment to the Hawaii Prepaid Health Care Act enacted after October 5, 1992—

"(i) the proportion of the population with health care coverage under such Act is less than such proportion on such date, or

"(ii) the level of benefit coverage provided under such Act is less than the actuarial equivalent of such level of coverage on such date,

subparagraph (A) shall not apply with respect to the application of such amendment to such Act after the date of such notification.".

CHAPTER 6—THIRD PARTY LIABILITY

SEC. 12571. ACCESS TO EMPLOYMENT-BASED HEALTH INSURANCE INFORMATION.

(a) REPORTING OF GROUP HEALTH PLAN INFORMATION.—Section 6051(a) of the Internal Revenue Code of 1986 is amended—

(1) by striking "and" at the end of paragraph (8),

(2) by striking the period at the end of paragraph (9) and inserting ", and", and

(3) by inserting after paragraph (9) the following new paragraph:

"(10) whether a group health plan (as defined in section 6103(l)(12)(F)(ii)) is available to the employee and the plan coverage (single or family) elected by such employee (if any).".

(b) DISCLOSURES OF TAX RETURN INFORMATION.—Section 6103(l)(12) of the Internal Revenue Code of 1986 is amended—

(1) by amending the heading to read as follows: "DISCLOSURE OF CERTAIN TAXPAYER IDENTITY INFORMATION FOR PURPOSES OF IDENTIFYING HEALTH INSURANCE COVERAGE OF CERTAIN INDIVIDUALS AND SPOUSES.—";

(2) in subparagraph (A)—

(A) by striking "Commissioner of Social Security" and inserting "Director of the Third Party Liability Clearinghouse pursuant to section 1144(c) of the Social Security Act",

(B) by striking "Commissioner" the second place it appears and inserting "Commissioner of Social Security",

(C) by striking "medicare beneficiary" and inserting "individual", and

(D) by striking "Commissioner" the third place it appears and inserting "Director";

(3) in subparagraph (B)—

(A) by striking "medicare beneficiary" each place it appears and inserting "individual";

(B) in the matter preceding clause (i)—

(i) by striking "Administrator of the Health Care Financing Administration" and inserting "Director of the Third Party Liability Clearinghouse",

(ii) by striking "Administrator" the second place it appears and inserting "Director", and

(iii) by inserting before the colon the following: "with respect to the individuals (and spouses) specified in subparagraph (A)";

(C) by amending clause (i) to read as follows:

"(i) For each such individual who is identified as having received wages (as defined in section 3401(a)) from, and as having available coverage under a group health plan of, an employer in a previous year—

"(I) the name and TIN of the individual,

"(II) the name, address, and TIN of the employer, and whether such employer is a qualified employer, and

"(III) the information reported under section 6051(a)(10).";

(D) in clause (ii)—

(i) in the matter preceding subclause (I), by striking "a qualified employer" and inserting ", and as having available coverage under a group health plan of, an employer",

(ii) by striking "and" at the end of subclause (I),

(iii) by striking the period at the end of subclause (II) and inserting a comma, and

(iv) by inserting after subclause (II) the following:

"(III) the name, address, and TIN of the spouse's employer, and whether such employer is a qualified employer, and

"(IV) the information reported under section 6051(a)(10) with respect to the spouse."; and

(E) by striking clause (iii);

(5) in subparagraph (C)—

(A) in the matter preceding clause (i)—

(i) in the heading, by striking "Health Care Financing Administration" and inserting "Third Party Liability Clearinghouse", and

(ii) by striking "Administrator of the Health Care Financing Administration may disclose" and inserting "Director of the Third Party Liability Clearinghouse may (subject to the provisions of subparagraph (E)) disclose",

(B) in clause (i), by striking "qualified employer" and inserting "employer",

(C) by amending clause (ii) to read as follows:

"(ii) to the administrator of a program specified in section 1144(b)(2) of the Social Security Act, to the extent provided in such section 1144, and",

(D) by redesignating clause (iii) as clause (iv),

(E) by inserting after clause (ii) the following new clause:

"(iii) to any person specified in section 1144(e)(2), information in the data bank established pursuant to such section 1144(e), for the purposes specified in such section, and", and

(F) in clause (iv), as so redesignated, by striking "Administrator" each place it appears and inserting "Director";

(6) by redesignating subparagraphs (D), (E), and (F) as subparagraphs (E), (F), and (G), respectively, and inserting after subparagraph (C) the following new subparagraph:

"(D) DISCLOSURE BY CERTAIN PROGRAMS TO GROUP HEALTH PLANS.—The administrator of a program specified in section 1144(b)(2) of the Social Security Act may (subject to the provisions of subparagraph (E)) disclose information concerning an employee or spouse disclosed to the Director of the Third Party Liability Clearinghouse pursuant to subparagraph (B) and redisclosed to such administrator pursuant to subparagraph (D)—

"(i) to any group health plan which provides or provided coverage to such employee or spouse, and

"(ii) to any agent of such administrator, for purposes of identifying, or collecting on claims under, coverage of such employee or spouse under such group health plan.";

(7) in subparagraph (E)(i), as redesignated by paragraph (6), by striking "medicare beneficiary" and inserting "individual"; and

(8) in subparagraph (F), as redesignated by paragraph (6), by striking clause (i) and redesignating clauses (ii) and (iii) as clauses (i) and (ii), respectively.

(c) HEALTH INSURANCE CLEARINGHOUSE.—

(1) Part A of title XI of the Social Security Act is amended by adding at the end thereof the following new section:

"THIRD PARTY LIABILITY CLEARINGHOUSE

"SEC. 1144. (a)(1) ESTABLISHMENT OF CLEARINGHOUSE.—The Secretary shall establish and operate a Third Party Liability Clearinghouse (in this section referred to as the 'Clearinghouse') for the purpose of identifying third parties responsible for payment for health care items and services furnished (or available) to beneficiaries of certain Federal and federally assisted programs, and for related purposes.

"(2) DIRECTOR.—The Clearinghouse established pursuant to paragraph (1) shall be headed by a Director (in this section referred to as the 'Director').

"(b) PROGRAM ADMINISTRATORS ENTITLED TO INFORMATION ON THIRD PART LIABILITIES.—

"(1) IN GENERAL.—Each person administering a program specified in paragraph (2) shall be entitled (subject to subsection (h)), upon written request to the Director in such form and manner and at such times as the Director may require, specifying names and tax identification numbers (TINs) of individuals who are—

"(A) program beneficiaries (in the case of programs specified in paragraph (2)(A)), or

"(B) parents of dependent children (in the case of programs specified in paragraph (2)(B)),

to obtain information in accordance with this section concerning employment and group health coverage of such individuals and their spouses.

"(2) PROGRAMS SPECIFIED.—The programs whose administrators are entitled to obtain the information specified in paragraph (1) in accordance with this section are—

"(A) all programs administered by the Federal Government, or by a State or local government or any other entity with Federal financial assistance, whose primary purpose is to provide (or make payment for) health care items and services to individuals, and

"(B) the Federal Parent Locator Service established pursuant to section 453, and State agencies administering plans for child and spousal support pursuant to section 454.

"(c) DATA MATCHING PROGRAM.—

"(1) REQUEST BY DIRECTOR.—The Director shall, at such intervals as he finds appropriate, transmit to the Secretary of the Treasury the names and TINs of individuals with respect to whom a request has been made pursuant to subsection (b), and request that the Secretary disclose to the Commissioner of Social Security the information described in section 6103(l)(12)(A) of the Internal Revenue Code of 1986 (concerning names and TINs of spouses of such individuals).

"(2) INFORMATION FROM COMMISSIONER OF SOCIAL SECURITY.—The Commissioner of Social Security shall disclose to the Director, in accordance with section 6103(l)(12)(B) of the Internal Revenue Code of 1986, information concerning employment and health insurance with respect to such individuals and spouses.

"(3) INFORMATION FROM EMPLOYERS.—The Director shall—

"(A) request, from the employer of each individual (including each spouse) with respect to whom information was received from the Commissioner of Social Security pursuant to paragraph (2), specific information concerning coverage of such individual under the employer's group health plan (including the period and nature of the coverage, and the name, address, and identifying number of the plan), and

"(B) furnish the information received in response to such request with respect to an individual (or such individual's spouse) to the person or persons requesting such information pursuant to subsection (b).

"(d) REQUIREMENT THAT EMPLOYERS FURNISH INFORMATION.—

"(1) IN GENERAL.—An employer shall furnish to the Director the information requested pursuant to subsection (c)(3) within 30 days after receipt of such a request.

"(2) SUNSET ON REQUIREMENT.—Paragraph (1) shall not apply to inquiries made after September 30, 1998.

"(3) CIVIL MONEY PENALTY FOR FAILURE TO COOPERATE.—

"(A) IN GENERAL.—An employer (other than a Federal or other governmental entity) who willfully or repeatedly fails to provide timely and accurate response to a request for information pursuant to subsection (c)(3) shall be subject, in addition to any other penalties that may be prescribed by law, to a civil money penalty of not to exceed $1,000 for each individual with respect to which such a request is made.

"(B) ENFORCEMENT AUTHORITY FOR HHS PROGRAMS.—In cases of failure to respond to the Director in accordance with paragraph (1) to inquiries relating to requests pursuant to subsection (b) by persons administering programs of, or financially assisted by, the Department of Health and Human Services, the provisions of section 1128A (other than subsections (a) and (b)) shall apply to civil money penalties under subparagraph (A) in the same manner as such provisions apply to penalties or proceedings under section 1128A(a).

"(e) DATA BANK.—

"(1) MAINTENANCE OF INFORMATION.—The Clearinghouse shall maintain a data bank, containing information on individuals obtained pursuant to this section and to section 6103(l)(12) of the Internal Revenue Code of 1986. Individual information in the data bank shall be retained for not less than one year after the date the information was obtained.

"(2) DISCLOSURE OF INFORMATION IN DATA BANK.—The Administrator is authorized (subject to the restriction in section 6103(l)(12)(E)(i) of the Internal Revenue Code of 1986) to disclose any information in the data bank established pursuant to paragraph (1) with respect to an individual (or an individual's spouse)—

"(A) to the Commissioner of Social Security, the Secretary of the Treasury, officials administering programs specified in subsection (b)(2), employers, and insurers, to the extent necessary to assist such officials to administer such programs;

"(B) to Federal and State law enforcement officials responsible for enforcement of civil or criminal laws, in connection with investigations or administrative or judicial law enforcement proceedings relating to a program specified in subsection (b)(2); and

"(C) for research or statistical purposes.

"(f) COLLECTIONS FROM THIRD PARTIES.—The Clearinghouse is authorized, upon request by a person administering a Federal health care program, to assist in the collection of amounts due from liable third parties to reimburse costs incurred by such program for health care items and services, through methods including—

"(1) use of contractors reimbursed on a contingency fee basis, and

"(2) judicial and administrative processes, in cooperation with program official and the Attorney General, as appropriate.

"(g) EVALUATION RESPONSIBILITIES.—The Clearinghouse shall evaluate methods for improving—

"(1) procedures for the collection, management, and appropriate disclosure of health care coverage information,

"(2) Federal laws and policies concerning third party liability for medical care, and

"(3) State requirements for medical support of dependent children.

"(h) FEES FOR CLEARINGHOUSE SERVICES.—The Clearinghouse shall establish fees for services to programs specified in subsection (b)(2) under subsections (c) and (f) designed to cover the full costs to the Clearinghouse of providing such services. Clearinghouse services under such subsections (c) and (f) shall be available to such programs subject to payment of such fees.

"(i) USE OF CONTRACTORS.—The responsibilities of the Clearinghouse may be carried out directly or (except for the responsibilities under subsections (b), (c)(1), and (c)(2)) by contract.

"(j) DEFINITIONS.—For purposes of this section, the terms 'employer' and 'group health plan' have the meanings given them in section 6103(l)(12)(F) of the Internal Revenue Code of 1986.".

(d) CONFORMING AMENDMENTS.—Section 1862(b)(5) (42 U.S.C. 1395y(b)(5)) is amended—

(1) in subparagraph (A)(i)—

(A) by striking "Secretary of the Treasury" and inserting "Administrator of the Health Care Financing Administration";

(B) by striking "(as defined in section 6103(l)(12) of the Internal Revenue Code of 1986)" and inserting "(as defined in clause (iii)"; and

(C) by striking "and request" and all that follows and inserting a period;

(2) in subparagraph (A)(ii)—

(A) by striking "the Commissioner of the Social Security Administration and all that follows and inserting "the Director of the Third Party Liability Clearinghouse to obtain and disclose to the Administrator, pursuant to section 1144(c) and to subparagraph (C) of section 6103(l)(12) of the Internal Revenue Code of 1986, the information described in subparagraph (B) of such section 6103(l)(12)."; and

(B) by inserting ", pursuant to section 1144(c)," after "disclose to the Administrator";

(3) in subparagraph (A), by adding at the end the following new clause:

"(iii) MEDICARE BENEFICIARY.—For purposes of this paragraph, the term 'medicare beneficiary' means an individual entitled to benefits under part A or enrolled under part B, but does not include such an individual enrolled in part A under section 1818."; and

(4) by striking subparagraph (C).

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect April 1, 1995.

Subtitle D—Customs and Trade Provisions

SEC. 12601. EXTENSION OF AUTHORITY TO LEVY CUSTOMS USER FEES.

Section 13031(j)(3) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(j)(3)) is amended by striking out "1995" and inserting "1998".

SEC. 12602. EXTENSION OF, AND AUTHORIZATION OF APPROPRIATIONS FOR, THE WORKER TRADE ADJUSTMENT ASSISTANCE PROGRAM.

(a) EXTENSION.—Section 285 of the Trade Act of 1974 (19 U.S.C. note preceding 2271) is amended—

(1) by striking out "No" and all that follows thereafter down through "chapter 2, no" in subsection (b) and inserting "No"; and

(2) by adding at the end the following new subsection:

"(c) No assistance, vouchers, allowances, or other payments may be provided under chapter 2 after September 30, 1996.".

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 245 of the Trade Act of 1974 (19 U.S.C. 2317) is amended by striking out "and 1993," and inserting "1993, 1994, 1995, and 1996,".

SEC. 12603. EXTENSION OF URUGUAY ROUND TRADE AGREEMENT NEGOTIATING AND PROCLAMATION AUTHORITY AND OF "FAST TRACK" PROCEDURES TO IMPLEMENTING LEGISLATION.

Section 1102 of the Omnibus Trade and Competitiveness Act of 1988 (19 U.S.C. 2902) is amended by inserting at the end the following new subsection:

"(e) SPECIAL PROVISIONS REGARDING URUGUAY ROUND TRADE NEGOTIATIONS.—

"(1) IN GENERAL.—Notwithstanding the time limitations in subsections (a) and (b), if the Uruguay Round of multilateral trade negotiations under the auspices of the General Agreement on Tariffs and Trade has not resulted in trade agreements by May 31, 1993, the President may, during the period after May 31, 1993, and before April 16, 1994, enter into, under subsections (a) and (b), trade agreements resulting from such negotiations.

"(2) APPLICATION OF TARIFF PROCLAMATION AUTHORITY.—No proclamation under subsection (a) to carry out the provisions regarding tariff barriers of a trade agreement that is entered into pursuant to paragraph (1) may take effect before the effective date of a bill that implements the provisions regarding nontariff barriers of a trade agreement that is entered into under such paragraph.

"(3) APPLICATION OF IMPLEMENTING AND 'FAST TRACK' PROCEDURES.—Section 1103 applies to any trade agreement negotiated under subsection (b) pursuant to paragraph (1), except that—

"(A) in applying subsection (a)(1)(A) of section 1103 to any such agreement, the phrase 'at least 120 calendar days before the day on which he enters into the trade agreement (but not later than December 15, 1993),' shall be substituted for the phrase 'at least 90 calendar days before the day on which he enters into the trade agreement; and

"(B) no provision of subsection (b) of section 1103 other than paragraph (1)(A) applies to any such agreement and in applying such paragraph, 'April 16, 1994;' shall be substituted for 'June 1, 1991;'.

"(4) ADVISORY COMMITTEE REPORTS.—The report required under section 135(e)(1) of the Trade Act of 1974 regarding any trade agreement provided for under paragraph (1) shall be provided to the President, the Congress, and the United States Trade Representative not later than 30 days after the date on which the President notifies the Congress under section 1103(a)(1)(A) of his intention to enter into the agreement (but before January 15, 1994).".

SEC. 12606. REPEAL OF EAST-WEST TRADE STATISTICS MONITORING SYSTEM.

(a) REPEAL.—Section 410 of the Trade Act of 1974 (19 U.S.C. 2440) is repealed.

(b) CONFORMING AMENDMENT.—The table of contents for such Act of 1974 is amended by striking out the following:

"Sec. 410. East-West Trade Statistics Monitoring System.".

TITLE XIII—AMENDMENTS OF INTERNAL REVENUE CODE OF 1986

SEC. 13000. AMENDMENT OF 1986 CODE.

Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

Subtitle A—Employer Reversions of Excess Plan Assets

SEC. 13001. EMPLOYER REVERSIONS OF EXCESS PLAN ASSETS.

(a) IN GENERAL.—Part I of subchapter D of chapter 1 is amended by adding at the end thereof the following new subpart:

"Subpart F—Certain Reversions of Excess Plan Assets.

"Sec. 420A. Certain reversions of excess plan assets.

"SEC. 420A. CERTAIN REVERSIONS OF EXCESS PLAN ASSETS.

"(a) IN GENERAL.—To the extent that an employer reversion from a defined benefit plan (other than a multiemployer plan) does not exceed the excess plan assets of such plan—

"(1) a trust which is part of such plan shall not be treated as failing to meet the requirements of section 401(a) solely by reason of such transfer, and

"(2) such reversion shall not be treated—

"(A) as an employer reversion for purposes of section 4980, or

"(B) as a prohibited transaction for purposes of section 4975.

Notwithstanding the preceding sentence, the amount of such reversion shall be includible in the gross income of the employer maintaining the plan.

"(b) DEFINITIONS.—For purposes of this section—

"(1) EMPLOYER REVERSION.—The term 'employer reversion' has the meaning given such term by section 4980.

"(2) EXCESS PLAN ASSETS.—The term 'excess plan assets' means the excess (if any) of—

"(A) the lesser of—

"(i) the fair market value of the plan's assets, or

"(ii) the value of the plan's assets (determined under section 412(c)(2)), over

"(B) 100 percent of current liability (as defined in section 412(l)(7) (without regard to subparagraph (D) thereof))."

(b) CLERICAL AMENDMENT.—The table of subparts for part I of subchapter D of chapter 1 is amended by adding at the end the following new item:

"Subpart F. Certain reversions of excess plan assets."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to reversions after December 31, 1993.

Subtitle B—Extensions

SEC. 13111. EMPLOYER-PROVIDED EDUCATIONAL ASSISTANCE.

(a) PERMANENT EXTENSION OF EXCLUSION.—

(1) IN GENERAL.—Section 127 (relating to educational assistance programs) is amended by striking subsection (d) and by redesignating subsection (e) as subsection (d).

(2) CONFORMING AMENDMENT.—Paragraph (2) of section 103(a) of the Tax Extension Act of 1991 is hereby repealed.

(b) COORDINATION WITH SECTION 132.—Paragraph (8) of section 132(i) is amended to read as follows:

"(8) APPLICATION OF SECTION TO OTHERWISE TAXABLE EDUCATIONAL OR TRAINING BENEFITS.—Amounts paid or expenses incurred by the employer for education or training provided to the employee which are not excludable from gross income under section 127 shall be excluded from gross income under this section if (and only if) such amounts or expenses are a working condition fringe."

(c) EFFECTIVE DATES.—

(1) SUBSECTION (a).—The amendments made by subsection (a) shall apply to taxable years ending after June 30, 1992.

(2) SUBSECTION (b).—The amendment made by subsection (b) shall apply to taxable years beginning after December 31, 1988.

(d) TRANSITION RULES.—

(1) WAIVER OF INTEREST AND PENALTIES.—No interest, penalty, or addition to tax shall be imposed or required to be paid solely by reason of a failure, before the date of the enactment of this Act, to treat educational assistance in a manner consistent with the provisions of section 103(a) of the Tax Extension Act of 1991 (as in effect before the amendments made by subsection (a)).

(2) SPECIAL RULES FOR 1992.—

(A) EMPLOYMENT TAXES.—If—

(i) an employer provided an employee with educational assistance during the period beginning on July 1, 1992, and ending on December 31, 1992,

(ii) consistent with the provisions of section 103(a) of the Tax Extension Act of 1991 (as so in effect), such employer treated such assistance as taxable for purposes of any employment tax and as a result of such treatment there was an increase in taxable wages for purposes of such tax,

(iii) on or after the date of the enactment of this Act and before January 1, 1994, such employer pays such employee amounts which are taxable wages for purposes of such tax and which equal or exceed the increase referred to in clause (ii), and

(iv) such employee did not treat such assistance for purposes of such employment tax (or for purposes of chapter 1 of the Internal Revenue Code of 1986 in the case of employment tax imposed by chapter 24 of such Code) in a manner inconsistent with the employer's treatment of such assistance,

the amendments made by subsection (a) shall not apply to such educational assistance for purposes of such employment tax, but, for purposes of applying such employment tax (and for purposes of the reporting requirements imposed by chapter 61 of such Code), the taxable wages of the employee referred to in clause (iii) shall be reduced by the amount of the increase referred to in clause (ii). For purposes of clause (iv), an employer may assume that the employee treated the assistance in a manner consistent with the employer's treatment unless such employer has actual knowledge to the contrary.

(B) REPORTING REQUIREMENT.—An employer shall separately report the amounts of any reduction under subparagraph (A) as nontaxable income on any returns or receipts required under chapter 61 of such Code for calendar year 1993.

(C) DEFINITIONS.—For purposes of this paragraph—

(i) EMPLOYMENT TAX.—The term "employment tax" means any tax imposed by subtitle C of such Code.

(ii) TAXABLE WAGES.—The term "taxable wages"means—

(I) wages (as defined in section 3121(a) of such Code) in the case of the taxes imposed by chapter 21 of such Code,

(II) compensation (as defined in section 3231(e) of such Code) in the case of the taxes imposed by chapter 22 of such Code,

(III) wages (as defined in section 3306(b) of such Code) in the case of the taxes imposed by chapter 23 of such Code, and

(IV) wages (as defined in section 3401(a) of such Code) in the case of the taxes imposed by chapter 24 of such Code.

(3) INCOME TAX TREATMENT.—If—

(A) subparagraph (A) of paragraph (2) applies to any educational assistance referred to in such paragraph provided to any employee, and

(B) such employee included such assistance in his taxable income for purposes of the tax imposed by chapter 1 of such Code,

the amendments made by subsection (a) shall not apply to such assistance for purposes of such chapter 1, but the amount included in the gross income of such employee by reason of wages received from the employer referred to in subparagraph (A) of paragraph (2) during 1993 shall be reduced in the manner provided in such subparagraph (A).

SEC. 13112. TARGETED JOBS CREDIT.

(a) PERMANENT EXTENSION OF CREDIT.—Subsection (c) of section 51 (relating to amount of targeted jobs credit) is amended by striking paragraph (4).

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to individuals who begin work for the employer after June 30, 1992.

SEC. 13113. PERMANENT EXTENSION OF RESEARCH CREDIT.

(a) IN GENERAL.—Section 41 (relating to credit for increasing research activities) is amended by striking subsection (h).

(b) Conforming Amendment.—Paragraph (1) of section 28(b) is amended by striking subparagraph (D).

(c) Effective Date.—The amendments made by this section shall apply to taxable years ending after June 30, 1992.

SEC. 13114. PERMANENT EXTENSION OF QUALIFIED SMALL ISSUE BONDS.

(a) In General.—Subparagraph (B) of section 144(a)(12) is amended to read as follows:

"(B) Bonds issued to finance manufacturing facilities and farm property.—Subparagraph (A) shall not apply to any bond issued as part of an issue 95 percent or more of the net proceeds of which are to be used to provide—

"(i) any manufacturing facility, or

"(ii) any land or property in accordance with section 147(c)(2)."

(b) Effective Date.—The amendment made by subsection (a) shall apply to bonds issued after June 30, 1992.

SEC. 13115. PERMANENT EXTENSION OF QUALIFIED MORTGAGE BONDS.

(a) In General.—Paragraph (1) of section 143(a) (defining qualified mortgage bond) is amended to read as follows:

"(1) Qualified mortgage bond defined.—For purposes of this title, the term 'qualified mortgage bond' means a bond which is issued as part of a qualified mortgage issue."

(b) Mortgage Credit Certificates.—Section 25 is amended by striking subsection (h) and by redesignating subsections (i) and (j) as subsections (h) and (i), respectively.

(c) Effective Dates.—

(1) Bonds.—The amendment made by subsection (a) shall apply to bonds issued after June 30, 1992.

(2) Certificates.—The amendment made by subsection (b) shall apply to elections for periods after June 30, 1992.

SEC. 13116. PERMANENT EXTENSION OF LOW-INCOME HOUSING CREDIT.

(a) In General.—Section 42 (relating to low-income housing credit) is amended by striking subsection (o).

(b) Effective Date.—The amendment made by subsection (a) shall apply to periods after June 30, 1992.

SEC. 13117. ALTERNATIVE MINIMUM TAX TREATMENT OF CONTRIBUTIONS OF APPRECIATED PROPERTY.

(a) Repeal of Tax Preference.—Subsection (a) of section 57 is amended by striking paragraph (6) (relating to appreciated property charitable deduction) and by redesignating paragraph (7) as paragraph (6).

(b) Effect on Adjusted Current Earnings.—Paragraph (4) of section 56(g) is amended by adding at the end thereof the following new subparagraph:

"(J) Treatment of charitable contributions.—Notwithstanding subparagraphs (B) and (C), no adjustment related to the earnings and profits effects of any charitable contribution shall be made in computing adjusted current earnings."

(c) Conforming Amendment.—Subclause (II) of section 53(d)(1)(B)(ii) is amended by striking ", (5), and (6)" and inserting "and (5)".

(d) Effective Date.—The amendments made by this section shall apply to contributions made after June 30, 1992, except that in the case of any contribution of capital gain property which is not tangible personal property, such amendments shall apply only if the contribution is made after December 31, 1992.

(e) Report on Advance Determination of Value of Charitable Gifts.—Not later than 1 year after the date of the enactment of this Act, the Secretary of the Treasury shall report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives on the development of a procedure under which taxpayers may elect to seek an agreement with the Secretary as to the value of tangible personal property prior to the donation of such property to a qualifying charitable organization if the time limits for the donation and other conditions contained in the agreement are satisfied. Such report shall address the setting of possible threshold amounts for claimed value (and the payment of fees) by a taxpayer in order to seek agreement under the procedure, possible limitations on applying the procedure only to items with significant artistic or cultural value, and recommendations for legislative action needed to implement the proposed procedure.

SEC. 13118. PERMANENT EXTENSION OF DEDUCTION FOR HEALTH INSURANCE COSTS OF SELF-EMPLOYED INDIVIDUALS.

(a) In General.—

(1) Extension.—Paragraph (6) of section 162(l) (relating to special rules for health insurance costs of self-employed individuals) is hereby repealed.

(2) Conforming amendment.—Paragraph (2) of section 110(a) of the Tax Extension Act of 1991 is hereby repealed.

(3) Effective date.—The amendments made by this subsection shall apply to taxable years ending after June 30, 1992.

(b) Determination of Eligibility for Employer-Sponsored Health Plan.—

(1) In general.—Paragraph (2)(B) of section 162(l) is amended to read as follows:

"(B) Other coverage.—Paragraph (1) shall not apply to any taxpayer for any calendar month for which the taxpayer is eligible to participate in any subsidized health plan maintained by any employer of the taxpayer or of the spouse of the taxpayer."

(2) Effective date.—The amendment made by paragraph (1) shall apply to taxable years beginning after December 31, 1992.

Subtitle C—Repeal of Luxury Taxes Other Than on Passenger Vehicles

SEC. 13121. REPEAL OF LUXURY EXCISE TAXES OTHER THAN ON PASSENGER VEHICLES.

(a) In General.—Subchapter A of chapter 31 (relating to retail excise taxes) is amended to read as follows:

"Subchapter A—Luxury Passenger Automobiles

"Sec. 4001. Imposition of tax.
"Sec. 4002. 1st retail sale; uses, etc. treated as sales; determination of price.
"Sec. 4003. Special rules.

"SEC. 4001. IMPOSITION OF TAX.

"(a) Imposition of Tax.—There is hereby imposed on the 1st retail sale of any passenger vehicle a tax equal to 10 percent of the price for which so sold to the extent such price exceeds $30,000.

"(b) Passenger Vehicle.—

"(1) In general.—For purposes of this subchapter, the term 'passenger vehicle' means any 4-wheeled vehicle—

"(A) which is manufactured primarily for use on public streets, roads, and highways, and

"(B) which is rated at 6,000 pounds unloaded gross vehicle weight or less.

"(2) Special rules.—

"(A) Trucks and vans.—In the case of a truck or van, paragraph (1)(B) shall be applied by substituting 'gross vehicle weight' for 'unloaded gross vehicle weight'.

"(B) Limousines.—In the case of a limousine, paragraph (1) shall be applied without regard to subparagraph (B) thereof.

"(c) Exceptions for Taxicabs, Etc.—The tax imposed by this section shall not apply to the sale of any passenger vehicle for use by the purchaser exclusively in the active conduct of a trade or business of transporting persons or property for compensation or hire.

"(d) Exemption for Law Enforcement Uses, Etc.—No tax shall be imposed by this section on the sale of any passenger vehicle—

"(1) to the Federal Government, or a State or local government, for use exclusively in police, firefighting, search and rescue, or other law enforcement or public safety activities, or in public works activities, or

"(2) to any person for use exclusively in providing emergency medical services.

"(e) Inflation Adjustment.—

"(1) In general.—In the case of any calendar year after 1992, the $30,000 amount in subsection (a) and section 4003(a) shall be increased by an amount equal to—

"(A) $30,000, multiplied by

"(B) the cost-of-living adjustment under section 1(f)(3) for such calendar year, determined by substituting 'calendar year 1990' for 'calendar year 1992' in subparagraph (B) thereof.

"(2) Rounding.—If any amount as adjusted under paragraph (1) is not a multiple of $100, such amount shall be rounded to the nearest multiple of $100 (or, if such amount is a multiple of $50 and not of $100, such amount shall be rounded to the next highest multiple of $100).

"(f) Termination.—The tax imposed by this section shall not apply to any sale or use after December 31, 1999.

"SEC. 4002. 1ST RETAIL SALE; USES, ETC. TREATED AS SALES; DETERMINATION OF PRICE.

"(a) 1st Retail Sale.—For purposes of this subchapter, the term '1st retail sale' means the 1st sale, for a purpose other than resale, after manufacture, production, or importation.

"(b) Use Treated as Sale.—

"(1) In general.—If any person uses a passenger vehicle (including any use after importation) before the 1st retail sale of such vehicle, then such person shall be liable for tax under this subchapter in the same manner as if such vehicle were sold at retail by him.

"(2) Exemption for further manufacture.—Paragraph (1) shall not apply to use of a vehicle as material in the manufacture or production of, or as a component part of, another vehicle taxable under this subchapter to be manufactured or produced by him.

"(3) Exemption for demonstration use.—Paragraph (1) shall not apply to any use of a passenger vehicle as a demonstrator.

"(4) Exception for use after importation of certain vehicles.—Paragraph (1) shall not apply to the use of a vehicle after importation if the user or importer establishes to the satisfaction of the Secretary that the 1st use of the vehicle occurred before January 1, 1991, outside the United States.

"(5) Computation of tax.—In the case of any person made liable for tax by paragraph (1), the tax shall be computed on the price at which similar vehicles are sold at retail in the ordinary course of trade, as determined by the Secretary.

"(c) Leases Considered as Sales.—For purposes of this subchapter—

"(1) In general.—Except as otherwise provided in this subsection, the lease of a vehicle (including any renewal or any extension of a lease or any subsequent lease of such vehicle) by any person shall be considered a sale of such vehicle at retail.

"(2) SPECIAL RULES FOR LONG-TERM LEASES.—

"(A) TAX NOT IMPOSED ON SALE FOR LEASING IN A QUALIFIED LEASE.—The sale of a passenger vehicle to a person engaged in a passenger vehicle leasing or rental trade or business for leasing by such person in a long-term lease shall not be treated as the 1st retail sale of such vehicle.

"(B) LONG-TERM LEASE.—For purposes of subparagraph (A), the term 'long-term lease' means any long-term lease (as defined in section 4052).

"(C) SPECIAL RULES.—In the case of a long-term lease of a vehicle which is treated as the 1st retail sale of such vehicle—

"(i) DETERMINATION OF PRICE.—The tax under this subchapter shall be computed on the lowest price for which the vehicle is sold by retailers in the ordinary course of trade.

"(ii) PAYMENT OF TAX.—Rules similar to the rules of section 4217(e)(2) shall apply.

"(iii) NO TAX WHERE EXEMPT USE BY LESSEE.—No tax shall be imposed on any lease payment under a long-term lease if the lessee's use of the vehicle under such lease is an exempt use (as defined in section 4003(b)) of such vehicle.

"(d) DETERMINATION OF PRICE.—

"(1) IN GENERAL.—In determining price for purposes of this subchapter—

"(A) there shall be included any charge incident to placing the article in condition ready for use,

"(B) there shall be excluded—

"(i) the amount of the tax imposed by this subchapter,

"(ii) if stated as a separate charge, the amount of any retail sales tax imposed by any State or political subdivision thereof or the District of Columbia, whether the liability for such tax is imposed on the vendor or vendee, and

"(iii) the value of any component of such article if—

"(I) such component is furnished by the 1st user of such article, and

"(II) such component has been used before such furnishing, and

"(C) the price shall be determined without regard to any trade-in.

"(2) OTHER RULES.—Rules similar to the rules of paragraphs (2) and (4) of section 4052(b) shall apply for purposes of this subchapter.

"SEC. 4003. SPECIAL RULES.

"(a) SEPARATE PURCHASE OF VEHICLE AND PARTS AND ACCESSORIES THEREFOR.—Under regulations prescribed by the Secretary—

"(1) IN GENERAL.—Except as provided in paragraph (2), if—

"(A) the owner, lessee, or operator of any passenger vehicle installs (or causes to be installed) any part or accessory on such vehicle, and

"(B) such installation is not later than the date 6 months after the date the vehicle was 1st placed in service,

then there is hereby imposed on such installation a tax equal to 10 percent of the price of such part or accessory and its installation.

"(2) LIMITATION.—The tax imposed by paragraph (1) on the installation of any part or accessory shall not exceed 10 percent of the excess (if any) of—

"(A) the sum of—

"(i) the price of such part or accessory and its installation,

"(ii) the aggregate price of the parts and accessories (and their installation) installed before such part or accessory, plus

"(iii) the price for which the passenger vehicle was sold, over

"(B) $30,000.

"(3) EXCEPTIONS.—Paragraph (1) shall not apply if—

"(A) the part or accessory installed is a replacement part or accessory,

"(B) the part or accessory is installed to enable or assist an individual with a disability to operate the vehicle, or to enter or exit the vehicle, by compensating for the effect of such disability, or

"(C) the aggregate price of the parts and accessories (and their installation) described in paragraph (1) with respect to the vehicle does not exceed $200 (or such other amount or amounts as the Secretary may by regulation prescribe).

The price of any part or accessory (and its installation) to which paragraph (1) does not apply by reason of this paragraph shall not be taken into account under paragraph (2)(A).

"(4) INSTALLERS SECONDARILY LIABLE FOR TAX.—The owners of the trade or business installing the parts or accessories shall be secondarily liable for the tax imposed by this subsection.

"(b) IMPOSITION OF TAX ON SALES, ETC., WITHIN 2 YEARS OF VEHICLES PURCHASED TAX-FREE.—

"(1) IN GENERAL.—If—

"(A) no tax was imposed under this subchapter on the 1st retail sale of any passenger vehicle by reason of its exempt use, and

"(B) within 2 years after the date of such 1st retail sale, such vehicle is resold by the purchaser or such purchaser makes a substantial nonexempt use of such vehicle,

then such sale or use of such vehicle by such purchaser shall be treated as the 1st retail sale of such vehicle for a price equal to its fair market value at the time of such sale or use.

"(2) EXEMPT USE.—For purposes of this subsection, the term 'exempt use' means any use of a vehicle if the 1st retail sale of such vehicle is not taxable under this subchapter by reason of such use.

"(c) PARTS AND ACCESSORIES SOLD WITH TAXABLE ARTICLE.—Parts and accessories sold on, in connection with, or with the sale of any passenger vehicle shall be treated as part of the vehicle.

"(d) PARTIAL PAYMENTS, ETC.—In the case of a contract, sale, or arrangement described in paragraph (2), (3), or (4) of section 4216(c), rules similar to the rules of section 4217(e)(2) shall apply for purposes of this subchapter."

(b) TECHNICAL AMENDMENTS.—

(1) Subsection (c) of section 4221 is amended by striking "4002(b), 4003(c), 4004(a)" and inserting "4001(d)".

(5) Subsection (d) of section 4222 is amended by striking "4002(b), 4003(c), 4004(a)" and inserting "4001(d)".

(3) The table of subchapters for chapter 31 is amended by striking the item relating to subchapter A and inserting the following:

"Subchapter A. Luxury passenger vehicles."

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1993.

TITLE XIV—BUDGET PROCESS

SEC. 14001. SHORT TITLE.

This title may be cited as the "Budget Process Improvement Act of 1993".

SEC. 14002. DISCRETIONARY SPENDING LIMITS FOR FISCAL YEAR 1994–1998.

(a) DISCRETIONARY SPENDING LIMITS.—(1) Section 601(a)(2) of the Congressional Budget Act of 1974 is amended by striking subparagraphs (D) and (E) and by inserting the following new subparagraphs:

"(D) with respect to fiscal year 1994, $472,925,000,000 in new budget authority and $525,415,000,000 in outlays;

"(E) with respect to fiscal year 1995, $472,794,000,000 in new budget authority and $516,824,000,000 in outlays;

"(F) with respect to fiscal year 1996, $481,678 000,000 in new budget authority and $514,782,000,000 in outlays;

"(G) with respect to fiscal year 1997, $495,039,000,000 in new budget authority and $518,205,000,000 in outlays; and

"(H) with respect to fiscal year 1998, $505,825,000,000 in new budget authority and $522,752,000,000 in outlays;".

(b) POINT OF ORDER IN THE HOUSE.—Section 601(b) of the Congressional Budget Act of 1974 is amended—

(1) in its side heading, by striking "IN THE SENATE";

(2) in paragraph (1), by inserting "or in the House of Representatives" after "Senate"; and

(3) in paragraph (3), by inserting "or of the House of Representatives, as the case may be" before the period.

(c) CONFORMING AMENDMENTS.—(1) Section 601(b) of the Congressional Budget Act of 1974 is amended—

(A) in its side heading, by striking "DEFENSE, INTERNATIONAL, AND DOMESTIC"; and

(B) in paragraph (1), by striking "or 1995" and inserting "1995, 1996, 1997, or 1998".

(2) Section 602(c) of the Congressional Budget Act of 1974 is amended by striking "1995" and inserting "1998".

(3) Section 602(d) of the Congressional Budget Act of 1974 is amended—

(A) in its side heading, by striking "1995" and inserting "1998"; and

(B) in the first sentence, by striking "1995" and inserting "1998".

(4) Section 606(c) of the Congressional Budget Act of 1974 is amended—

(A) in subsection (a), by striking "or 1995" and inserting "1995, 1996, 1997, or 1998"; and

(B) in subsection (d), by striking "and 1995" and inserting "1995, 1996, 1997, and 1998".

(5) Section 607 of the Congressional Budget Act of 1974 is amended by striking "1995" and inserting "1998".

SEC. 14003. CONFORMING AMENDMENTS TO THE BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT OF 1985.

Part C of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended as follows:

(1) Section 250(a) is amended by striking "1995" and inserting "1998".

(2) Section 250(c) is amended—

(A) in paragraph (4), by striking "(A)", by striking "1991, 1992, and 1993" and inserting "1991 through 1998", and by repealing subparagraph (B);

(B) in paragraph (6)(B), by striking "or 1995," and inserting "1995, 1996, 1997, or 1998,"; and

(C) in paragraph (14), by striking "1995" and inserting "1998".

(3)(A) The side heading of section 251(a) is amended by striking "1995" and inserting "1998".

(B) Section 251(b) is amended—

(i) by striking "or 1995" and inserting "1995, 1996, 1997, or 1998" in the first sentence of paragraph (1), in paragraph (1)(B)(i), in the first sentence of paragraph (2), and in paragraph (2)(D);

(ii) in paragraph (1)(B) by striking clause (ii) and inserting the following new clause:

"(ii) The inflation adjustment factor shall be the ratio of—

"(I) the level of year-over-year inflation measured for the fiscal year immediately preceding the current year, and

"(II) the applicable estimated level for that year set forth below:

For 1993, 1.030.
For 1994, 1.027.
For 1995, 1.025.

Inflation shall be measured by the average of the estimated fixed-weight gross domestic product price index for a fiscal year divided by the average index for the prior fiscal year.";

(iii) in the first sentence of paragraph (2) by striking "through 1995" and inserting "through 1998"; and

(iv) in paragraph (2)(F) by striking the comma after "or 1993" and all that follows and inserting a period.

(4)(A) The side heading of section 252(a) is amended by striking "1995" and inserting "1998".

(B) Section 252(d) is amended by striking "1995" and inserting "1998" each place it appears.

(C) Section 252(e) is amended by striking "or 1995" and inserting "1995, 1996, 1997, or 1998" and by striking "through 1995" and inserting "through 1998".

(5) Section 253 is amended—

(A) in subsection (g)(1)(B), by inserting "or any subsequent fiscal year through 1998" after "fiscal year 1994", by striking "fiscal years 1994 and 1995" and inserting "that fiscal year and the subsequent fiscal year (through fiscal year 1998)", and by striking the second sentence and the last sentence;

(B) in subsection (g)(1)(C), by striking "or 1995" and inserting "1995, 1996, 1997, or 1998"; and

(C) in subsection (h), by striking "fiscal year 1994 and fiscal year 1995" both places it appears and inserting "fiscal year 1994, 1995, 1996, 1997, and 1998".

(6) Section 254 is amended—

(A) in subsection (c), by striking "or 1995" and inserting "1995, 1996, 1997, or 1998";

(B) in subsection (d)(2), by striking "1995" and inserting "1998"; and

(C) in paragraphs (2)(A) and (3) of subsection (g), by striking "1995" and inserting "1998".

(7) Section 275(b) is amended by striking "1995" and inserting "1998".

SEC. 14004. MISCELLANEOUS NONTECHNICAL AMENDMENTS.

(a) MAKING PAYGO PERMANENT.—Notwithstanding section 275(b) of the Balanced Budget and Emergency Deficit Control Act of 1985, the expiration date set forth in that section shall not apply to section 252 or, in the case of any other provisions of that Act, to the extent necessary to carry out that section.

(b) ELIMINATION OF YEAR-TO-YEAR ROLLOVER.—Section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding at the end the following new sentence:

"No net deficit decrease in effect at the end of a fiscal year may be carried forward as an offset against future receipts decreases or direct spending increases in any subsequent fiscal year."

(c) DEFINITION OF EMERGENCY.—Section 250 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding at the end the following new paragraph:

"(22) The term 'emergency requirement', as used in section 251(b)(2)(D) and section 252(e), refers only to an emergency that is sudden, urgent, unforeseen, and not permanent and the expenditure for which is necessary.".

(d) SCORING RULE FOR EMERGENCIES.—Section 251(b)(2)(D) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows:

"(D) EMERGENCIES.—If appropriations for discretionary spending for any fiscal year 1994 through 1998 are enacted that the President designates as emergency requirements and that the Congress so designated in statute, the adjustment shall be the total of such appropriations in discretionary accounts designated as emergency requirements and the outlays flowing in all years from such appropriations.".

(e) PAYGO SCORECARD.—Section 252(a) is amended by adding at the end the following new sentence: "The scorecard for purposes of this section shall only include entries resulting from the enactment, after the date of enactment of this Act, of any direct spending or receipts law.".

(f) LIMITATION ON AMENDMENTS TO RECONCILIATION BILLS.—Section 310(d)(1) of the Congressional Budget Act of 1974 is amended to read as follows:

"(1) It shall not be in order in the House of Representatives to consider any amendment to a reconciliation bill or reconciliation resolution if such amendment would—

"(A) have the effect of increasing any specific budget outlays above the level of such outlays provided in the bill or resolution (for the fiscal years covered by the reconciliation instructions set forth in the most recently agreed to concurrent resolution on the budget), unless such amendment makes at least an equivalent reduction in other specific budget outlays, an equivalent increase in other specific Federal revenues, or an equivalent combination thereof (for such fiscal years);or

"(B) have the effect of reducing any specific Federal revenues below the level of such revenues provided in the bill or resolution (for such fiscal years), unless such amendment makes at least an equivalent reduction in other specific budget outlays, an equivalent reduction in the discretionary spending limit under section 601(a)(2), an equivalent increase in other specific Federal revenues, or an equivalent combination thereof (for such fiscal years),

except that a motion to strike a provision providing new budget authority or new entitlement authority may be in order.".

(g) SUPERMAJORITY REQUIREMENT IN THE HOUSE FOR WAIVERS OF POINTS OF ORDER.—Section 904(c) of the Congressional Budget Act of 1974 is amended by inserting "or in the House of Representatives" after "in the Senate" both places it appears.

(h) LEGISLATIVE JURISDICTION OF THE COMMITTEE ON THE BUDGET OF THE HOUSE OF REPRESENTATIVES.—Clause 1(e)(2) of rule X of the Rules of the House of Representatives is amended by inserting "(A)" after "(2)" and by adding at the end the following:

"(B) The Congressional Budget Act of 1974.

"(C) The Balanced Budget and Emergency Deficit Control Act of 1985.".

SEC. 14005. JOINT BUDGET RESOLUTIONS.

(a) AMENDMENTS TO THE CONGRESSIONAL BUDGET AND IMPOUNDMENT CONTROL ACT OF 1974.—

(1) TABLE OF CONTENTS.—The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by striking "concurrent" each place it occurs therein and by inserting "joint" and by striking "Concurrent" and by inserting "Joint" in the item relating to section 303.

(2) DEFINITIONS.—

(A) Paragraph (4) of section 3 of the Congressional Budget and Impoundment Control Act of 1974 is amended by striking "concurrent" each place it occurs and inserting "joint".

(B) Paragraph (8) of section 3 of the Congressional Budget and Impoundment Control Act of 1974 is amended by striking "by the Congress".

(3) TITLE III OF THE BUDGET ACT.—Title III of the Congressional Budget Act of 1974 is amended by striking "concurrent" each place it occurs therein and by inserting "joint" and by striking "Concurrent" and by inserting "Joint" in the heading of section 303.

(4) TITLE IV OF THE BUDGET ACT.—Section 401(b)(2) of the Congressional Budget Act of 1974 is amended by striking "concurrent" and by inserting "joint".

(5) TITLE IX OF THE BUDGET ACT.—Section 904(d) of the Congressional Budget Act of 1974 is amended by striking "concurrent" and by inserting "joint".

(b) TECHNICAL AND CONFORMING AMENDMENTS TO THE RULES OF THE HOUSE OF REPRESENTATIVES.—

(1) RULE X.—Clauses 1(e)(2), 4(a)(2), 4(b)(2), 4(g), 4(h), and 4(i) of rule X of the Rules of the House of Representatives are amended by striking "concurrent" each place it appears therein and by inserting "joint".

(2) RULE XXIII.—Clause 8 of rule XXIII of the Rules of the House of Representatives is amended by striking "concurrent" each place it appears therein and by inserting "joint".

(3) RULE XLIX.—Rule XLIX of the Rules of the House of Representatives is repealed.

(c) TECHNICAL AND CONFORMING AMENDS TO THE BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT OF 1985.—

(1) SECTION 254.—Section 254(b)(2)(A) of the Deficit Control Act of 1985 is amended by striking "concurrent" and by inserting "joint".

(2) SECTION 257.—Section 257(3) of the Deficit Control Act of 1985 is amended by striking "concurrent" and by inserting "joint".

The CHAIRMAN. Pursuant to the rule, the gentleman from Ohio [Mr. KASICH] will be recognized for 30 minutes and a member opposed will be recognized for 30 minutes.

The Chair recognizes the gentleman from Ohio [Mr. KASICH].

MODIFICATIONS OFFERED BY MR. KASICH TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. KASICH

Mr. KASICH. Mr. Chairman, I ask unanimous consent that the amendment in the nature of a substitute be modified to reflect the changes at the desk.

Mr. SABO. Mr. Chairman, I reserve the right to object.

The CHAIRMAN. The gentleman will be protected.

The Clerk will report the modifications.

The Clerk read as follows:

Modifications Offered by Mr. KASICH to the amendment in the nature of a substitute offered by Mr. KASICH: Redesignate section 5064 as section 5065 and after section 5063 insert the following new section:

SEC. 5064. PAYMENTS FOR CLINICAL DIAGNOSTIC LABORATORY TESTS.

(a) LOWER CAP.—Section 1833(h)(4)(B) (42 U.S.C. 1395l(h)(4)(B)) is amended—

(1) by striking "and" at the end of clause (iii),

(2) in clause (iv), by inserting "and before January 1, 1994," after "1990,",

(3) by striking the period at the end of clause (iv) and inserting ", and", and

(4) by adding at the end the following:

"(v) after December 31, 1993, is equal to 76 percent of the medium of all the fee schedules established for that test for that laboratory setting under paragraph (1).".

(b) Two Percent Update for 1994 Through 1998.—Section 1833(h)(2)(A)(ii)(III) (42 U.S.C. 1395(h)(2)(A)(ii)(III)) is amended by striking "1991, 1992, and 1993" and inserting "1991 through 1998".

Conform the table of contents to subtitle A of title V accordingly.

Strike out subchapter C of chapter 3 of subtitle C of title XII (relating to modification of provisions relating to physician ownership and referral).

Redesignate subchapter D of chapter 3 of subtitle C of title XII as subchapter C and conform the table of contents to such subtitle accordingly.

At the end of title XIII insert the following new subtitle:

Subtitle D—Disclosure Provisions

SEC. 13131. DISCLOSURE OF RETURN INFORMATION FOR ADMINISTRATION OF CERTAIN VETERANS PROGRAMS

(a) General Rule.—Subparagraph (D) of section 6103(l)(7) (relating to disclosure of return information to Federal, State, and local agencies administering certain programs) is amended by striking "September 30, 1997" in the second sentence following clause (viii) and inserting "September 30, 1998".

(b) Effective Date.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act.

SEC. 13132. USE OF RETURN INFORMATION FOR INCOME VERIFICATION UNDER CERTAIN HOUSING ASSISTANCE PROGRAMS.

(a) In General.—Subparagraph (D) of section 6103(l)(7) (relating to the disclosure of return information to Federal, State, and local agencies administering certain programs) is amended—

(1) in clause (vii), by striking "and" at the end;

(2) in clause (viii), by striking the period at the end and inserting "; and";

(3) by inserting after clause (viii) the following new clause:

"(ix) any housing assistance program administered by the Department of Housing and Urban Development that involves initial and periodic review of an applicant's or participant's income, except that return information may be disclosed under this clause only on written request by the Secretary of Housing and Urban Development and only for use by officers and employees of the Department of Housing and Urban Development with respect to applicants for and participants in such programs."; and

(4) by adding at the end thereof the following: "Clause (ix) shall not apply after September 30, 1998."

(b) Conforming Amendment.—The heading of paragraph (7) of section 6103(l) is amended by inserting after "CODE" the following: ", OR CERTAIN HOUSING ASSISTANCE PROGRAMS".

(c) Effective Date.—The amendments made by this section shall take effect on the date of the enactment of this Act.

(d) Study.—The Secretary of the Treasury or his delegate, in consultation with the Secretary of Housing and Urban Development, shall conduct a study on—

(1) whether the information provided under section 6103(l)(7)(D)(ix) of the Internal Revenue Code of 1986 is being used effectively by the Department of Housing and Urban Development,

(2) such Department's compliance with the requirements of section 6103(p) of such Code, and

(3) the impact on the privacy rights of applicants for and participants in housing assistance programs administered by the Department of Housing and Urban Development.

The report of such study shall be submitted before January 1, 1998, to the Congress.

The amendment made by section 14002(a) to section 601(a)(2) of the Congressional Budget Act of 1974 is amended as follows:

(1) for fiscal year 1994, strike "$472,925,000,000 and insert "$468,425,000,000" and strike "$525,415,000,000 and insert "$520,415,000,000";

(2) for fiscal year 1995, strike "$472,794,000,000" and insert "$468,214,000,000" and strike "$516,824,000,000" and insert "$511,824,000,000";

(3) for fiscal year 1996, strike "$481,678,000,000" and insert "$476,898,000,000" and strike "$514,782,000,000" and insert "$509,782,000,000";

(4) for fiscal year 1997, strike "$495,039,000,000" and insert "$490,259,000,000" and strike "$518,205,000,000" and insert "$513,205,000,000"; and

(5) for fiscal year 1998, strike "$505,825,000,000" and insert "$500,975,000,000" and strike "$522,752,000,000" and insert "$517,752,000,000".

At the end of title XIV, add the following new sections:

SEC. 14006. DESIGNATION OF AMOUNTS FOR REDUCTION OF PUBLIC DEBT.

(a) In General.—Subchapter A of chapter 61 of the Internal Revenue Code of 1986 (relating to returns and records) is amended by adding at the end the following new part:

"PART IX—DESIGNATION FOR REDUCTION OF PUBLIC DEBT

"Sec. 6097. Designation.

"SEC. 6097. DESIGNATION.

"(a) In General.—Every individual with adjusted income tax liability for any taxable year may designate that a portion of such liability (not to exceed 10 percent thereof) shall be used to reduce the public debt.

"(b) Manner and Time of Designation.—A designation under subsection (a) may be made with respect to any taxable year only at the time of filing the return of tax imposed by chapter 1 for the taxable year. The designation shall be made on the first page of the return or on the page bearing the taxpayer's signature.

"(c) Adjusted Income Tax Liability.—For purposes of this section, the term 'adjusted income tax liability' means income tax liability (as defined in section 6096(b)) reduced by any amount designated under section 6096 (relating to designation of income tax payments to Presidential Election Campaign Fund)."

(b) Clerical Amendment.—The table of parts for such subchapter A is amended by adding at the end the following new item:

"Part IX. Designation for reduction of public debt."

(c) Effective Date.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

SEC. 14007. PUBLIC DEBT REDUCTION TRUST FUND.

(a) In General.—Subchapter A of chapter 98 of the Internal Revenue Code of 1986 (relating to trust fund code) is amended by adding at the end the following section:

"SEC. 9512. PUBLIC DEBT REDUCTION TRUST FUND.

"(a) Creation of Trust Fund.—There is established in the Treasury of the United States a trust fund to be known as the 'Public Debt Reduction Trust Fund', consisting of any amount appropriated or credited to the Trust Fund as provided in this section or section 9602(b).

"(b) Transfers to Trust Fund.—There are hereby appropriated to the Public Debt Reduction Trust Fund amounts equivalent to the amounts designated under section 6097 (relating to designation for public debt reduction).

"(c) Expenditures.—Amounts in the Public Debt Reduction Trust Fund shall be available only for purposes of paying at maturity, or to redeem or buy before maturity, any obligation of the Federal Government included in the public debt. Any obligation which is paid, redeemed, or bought with amounts from such Trust Fund shall be canceled and retired and may not be reissued."

(b) Clerical Amendment.—The table of sections for such subchapter is amended by adding at the end the following new item:

"Sec. 9512. Public Debt Reduction Trust Fund."

(c) Effective Date.—The amendments made by this section shall apply to amounts received after the date of the enactment of this Act.

SEC. 14008. TAXPAYER-GENERATED SEQUESTRATION OF FEDERAL SPENDING TO REDUCE THE PUBLIC DEBT.

(a) Sequestration To Reduce the Public Debt.—Part C of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding after section 253 the following new section:

"SEC. 253A. SEQUESTRATION TO REDUCE THE PUBLIC DEBT.

"(a) Sequestration.—Notwithstanding sections 255 and 256, within 15 days after Congress adjourns to end a session, and on the same day as sequestration (if any) under sections 251, 252, and 253, but after any sequestration required by those sections, there shall be a sequestration equivalent to the estimated aggregate amount designated under section 6097 of the Internal Revenue Code of 1986 for the last taxable year ending before the beginning of that session of Congress, as estimated by the Department of the Treasury on May 1 and as modified by the total of (1) any amounts by which net discretionary spending is reduced by legislation below the discretionary spending limits (or, in the absence of such limits, any net deficit change from the baseline amount calculated under section 257, except that such baseline for fiscal year 1996 and thereafter shall be based upon fiscal year 1995 enacted appropriations less any 1995 sequesters) and (2) the net deficit change that has resulted from direct spending legislation.

"(b) Applicability.—

"(1) In general.—Except as provided by paragraph (2), each account of the United States shall be reduced by a dollar amount calculated by multiplying the level of budgetary resources in that account at that time by the uniform percentage necessary to carry out subsection (a). All obligational authority reduced under this section shall be done in a manner that makes such reductions permanent.

"(2) Exempt accounts.—No order issued under this part may—

"(A) reduce benefits payable the old-age, survivors, and disability insurance program established under title II of the Social Security Act;

"(B) reduce payments for net interest (all of major functional category 900); or

"(C) make any reduction in the following accounts:

"Federal Deposit Insurance Corporation, Bank Insurance Fund;

"Federal Deposit Insurance Corporation, FSLIC Resolution Fund;

"Federal Deposit Insurance Corporation, Savings Association Insurance Fund;

"National Credit Union Administration, credit union share insurance fund; or "Resolution Trust Corporation.".

(b) REPORTS.—Section 254 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) in subsection (a), by inserting before the item relating to August 10 the following:

"May 1 . . . Department of Treasury report to Congress estimating amount of income tax designated pursuant to section 6097 of the Internal Revenue Code of 1986.";

(2) in subsection (d)(1), by inserting ", and sequestration to reduce the public debt,";

(3) in subsection (d), by redesignating paragraph (5) as paragraph (6) and by inserting after paragraph (4) the following new paragraph:

"(5) SEQUESTRATION TO REDUCE THE PUBLIC DEBT REPORTS.—The preview reports shall set forth for the budget year estimates for each of the following:

"(A) The aggregate amount designated under section 6097 of the Internal Revenue Code of 1986 for the last taxable year ending before the budget year.

"(B) The amount of reductions required under section 253A and the deficit remaining after those reductions have been made.

"(C) The sequestration percentage necessary to achieve the required reduction in accounts under section 253A(b)."; and

(4) in subsection (g), by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively, and by inserting after paragraph (3) the following new paragraph:

"(4) SEQUESTRATION TO REDUCE THE PUBLIC DEBT REPORTS.—The final reports shall contain all of the information contained in the public debt taxation designation report required on May 1.".

(c) EFFECTIVE DATE.—Notwithstanding section 275(b) of the Balanced Budget and Emergency Deficit Control Act of 1985, the expiration date set forth in that section shall not apply to the amendments made by this section. The amendments made by this section shall cease to have any effect after the first fiscal year during which there is no public debt.

Mr. KASICH (during the reading). Mr. Chairman, I ask unanimous consent that the modifications be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. Is there objection to the original request of the gentleman from Ohio?

PARLIAMENTARY INQUIRY

Mr. SABO. Mr. Chairman, reserving the right to object, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. SABO. Does the discussion under the reservation, either the explanation by the gentleman from Ohio (Mr. KASICH) or my questions, count against the 1-hour time limit?

The CHAIRMAN. The gentleman has the floor under his reservation prior to recognition for 1 hour under the rule, and the time is not running.

Mr. KASICH. Mr. Chairman, will the gentleman yield?

Mr. SABO. Further reserving the right to object, I am happy to yield to the gentleman from Ohio.

Mr. KASICH. Mr. Chairman, for purposes of explaining what we are attempting to do here, basically what happened was, as we left the Committee on the Budget, we were told that there was $345 billion worth of taxes and entitlement savings, mostly taxes. Leaving the committee and going to the Committee on Rules, it was our effort to try to fashion a substitute to this reconciliation package as it left the Committee on the Budget that attempted to get there not only with our entitlement savings, as proposed before us, but also with discretionary cuts figured in.

The proposal that we took to the Committee on the Budget was $352 billion. We were asked to produce $345 billion. We produced $352 billion, and then at about 2 a.m. there was a change made, and we now have decided that we are going to include this, and this piece of paper came out at some time around 2 o'clock in the morning, that added a cap in the area of discretionary spending.

So, what I want everybody to understand is, that as we left the Committee on the Budget we had 345 billion dollars' worth of cuts. That was the goal. That was the standard that had been set, and so we fashioned the substitute to cut $352 billion without tax increases, and then the majority decided, at 2 o'clock in the morning, to add their discretionary caps and add the total, making it look as though we do not have as much deficit reduction.

Of course, I do not know what the intentions were of the committee, but what I would say is that we were always told that the goal was 345. We hit the goal.

Now that the effort has been made to count discretionary caps as part of the savings package, we would then like to turn around and add $50 or $75 billion, in addition to the proposal that we make that puts us in the same category as where the majority is. We will be slightly less in deficit reduction, but with no taxes.

Now, in addition to that, we could have prepared additional mandatory cuts. The problem is, however, when we went before the Committee on Rules yesterday with our package, we had to draft all of our mandatory cuts. We had to put our fingerprints all over our mandatory cuts, and we did that under the rules in order to meet the mandatory savings that we set.

In order for us to create additional mandatory savings, we would have to draft that legislation. We did not, obviously, draft that legislation, because we did not know that at 2 o'clock in the morning we were going to get more spending reduction.

So this is an effort to add $75 billion, first, by lowering the discretionary caps by $25 billion over 5 years, and also by calculating in the Walker checkoff program that will take us up $75 billion.

Now, let me just make it very clear to everybody in the House that if the Democrats had told us that they were going to want us to hit $432 billion, we would have hit $432 billion.

Mr. SABO. Mr. Chairman, further reserving the right to object, just so we are clear, our statements from the beginning have been that we expected in the reconciliation bill to extend the caps in similar fashion to the 1990 enforcement act through 1998. That has been our statement all along, and that that was going to be part of it, and I am sorry if the gentleman missed that.

Mr. KASICH. If the gentleman will yield further, the day we marked up the budget, the Committee on Government Operations met and immediately disbanded, unable to reach any conclusion whatsoever about whether there were going to be caps, what their impact was going to be. So as we left the Committee on the Budget, look, all I am saying is, if you had told us you were going to come up here with $400 billion, we would have come up with $600 billion. You told us our goal, our standard, was to get to 345.

□ 1820

We got to 352. If you had told us, "Well, we are going to end up, gang, we are going to put caps in and we are going to get higher," then we would have gotten higher because we have as much deficit reduction.

Mr. HEFNER. I have a parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman from Minnesota [Mr. SABO] controls the time.

Does the gentleman from Minnesota [Mr. SABO] yield for a parliamentary inquiry?

Mr. SABO. I yield to the gentleman.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. HEFNER. I do not understand the gentleman's explanation. It seems to me he is making a debate on a budget that he put together, that he is responsible for putting together. If he wanted to add more to his budget, he did not have to—

The CHAIRMAN. The gentleman, Mr. HEFNER, is not making a parliamentary inquiry.

Mr. HEFNER. Well, I am being as specific as the gentleman was. If there is going to be a debate, let us take it out of the allotted time.

Mr. KASICH. Mr. Chairman, I will be glad to respond to that. The simple response to that is that we have responded to every challenge your party has given us. The President said, "If you don't like our taxes, give us your specifics." Do you know what we did?

We gave them to you. You came in with unspecified cuts. Then you said, "We are going to do reconciliation, and we are going to have $345 billion in savings." That is what we figured we were going to get to. And that is precisely what we did. And now you have gone higher, and we are saying, "Fine, and we will go higher. Just make us in order, make us in order." Does the gentleman have an objection——

Mr. HEFNER. If the gentleman will yield, the game is over, the referee has called the game, we have heard the National Anthem. We already started the game.

Mr. KASICH. You added 100 pages, and we want to add 1.

The CHAIRMAN. The gentleman from Minnesota [Mr. SABO] controls the time.

Mr. WALKER. Mr. Chairman, will the gentleman yield under his reservation?

Mr. SABO. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding.

The problem that we have here is, I, for example, had hoped we would have the debt buy-down amendment that the gentleman wants to include by unanimous consent here. In the Rules Committee, Mr. MCCANDLESS went before the Rules Committee to offer that. That amendment was turned down by the Committee on Rules. The Government Operations Committee never met so that Mr. MCCANDLESS could not offer that amendment in the Government Operations Committee.

All Mr. KASICH is trying to do is to put this particular proposal into his plan, and thereby get the benefit of that much, as you got the benefit of the deficit trust fund in the late-night agreement in the Rules Committee last evening.

Mr. SABO. Reclaiming my time, I have to indicate to the gentleman, in the Budget Committee we have indicated, I think, consistently that it was our intention to add enforcement provisions to the Budget Reconciliation Act in the Rules Committee. It was always, also, I think, obviously stated that we were going to put in the caps for discretionary spending for 1994 through 1998. We tried to play no games with that.

We have been up front. We did not have authority to add that to our bill in the committee, but we were going to do that later on.

As I understand the numbers, what the gentleman from Ohio is doing is that, on discretionary spending, the increases that in his original bill, the reductions, by $125 billion. His amendment would add $25 billion to that. That I understand of his original proposal.

As I understand, the gentleman has $57 billion in additional entitlement savings beyond the bill. Is that accurate?

Mr. KASICH. Would the gentleman repeat that question again, Mr. Chairman?

Mr. SABO. In entitlement savings in the gentleman's base bill, he has $57 billion more than the base reconciliation bill?

Mr. KASICH. That would be approximately correct.

Mr. SABO. Could the gentleman briefly summarize those for me so I can bring judgment to my reservation? I understand the gentleman has additional cuts in Medicare, additional copayments for recipients of Medicare.

Mr. KASICH. It would be the military retirees change.

Mr. SABO. So the gentleman is eliminating all COLA's for military retirees under age 62?

Mr. KASICH. Right. It is the means testing of Medicare.

Mr. SABO. Just so that I am clear: That is in addition to the modifications or COLA's made by the post office?

Mr. KASICH. No, that is not.

Mr. SABO. The gentleman eliminates those?

Mr. KASICH. Yes.

Mr. SABO. OK. The gentleman has some additional cuts in the agriculture program beyond the basic reconciliation bill?

Mr. KASICH. Yes, we do.

Mr. SABO. How much are those, if the gentleman recalls?

Mr. KASICH. About $1 billion.

Mr. SABO. Does the gentleman have some additional requirements on the post office? I am told it is about $13 billion that the Postal Service would have to pay.

Mr. KASICH. About $1 billion.

Mr. SABO. I am told it would have an impact of 2 cents or 3 cents a stamp.

Mr. KASICH. We cannot tell you that.

Mr. SABO. OK. That is what I am told.

Are there some other things in entitlement? We have been trying to search through the gentleman's proposal.

Mr. KASICH. It is just really a matter of whether you do taxes or you do it in some other way. For example, Medicare Part B, whether you feel as though people on Medicare Part B ought not to get a subsidy.

Mr. SABO. Has the gentleman changed the premiums on Part B?.

Mr. KASICH. We do a flipflop where instead of getting 75 percent subsidy over $200,000, you will only get a 25 percent subsidy.

Mr. SABO. Does the gentleman increase deductibility for a variety of Medicare services?

Mr. KASICH. Only for one, only for the labs.

Mr. SABO. And you increase that so the recipient would pay 20 percent more?

Mr. KASICH. That is correct.

Mr. SABO. And the net result——

Mr. KASICH. Everything else in there is of course included in the Democrat bill.

Mr. SABO. And you incorporate all of the Democratic provisions and yours are in addition to that?

Mr. KASICH. That is right.

Mr. SABO. Let me say this as it relates to the amendment: $50 billion of that is not scored by CBO. I have a letter from CBO indicating they cannot score that provision.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. SABO. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding.

Mr. Chairman, we have a letter from CBO, too, indicating that the best they could do in the short timeframe they had were for illustrative purposes, but they do have a chart which indicates how it would work optimally. If it works optimally, it is a $275 billion or $275 billion savings over the period of time of the 5 years of the program. Instead, all we are scoring it at is at $50 billion, which represents a figure far less than what that performance chart would show.

So, if the gentleman has a letter, he also has the performance chart for that $50 billion, and he understands that that represents less than one-fifth of the amount that CBO did cost out within the last several weeks.

Mr. SABO. I would read to the gentleman:

> Attached, however, is an update of an analysis provided earlier this year to Congressman Walker. This analysis is illustrative only, as specified at the time by Congressman Walker.

Let me go on to say that:

> It does not represent CBO estimates as to the cost of the plan.

Frankly, that is a plan, just so Members know, would basically turn budgeting in this country over to the factor of how much income a particular individual had, how much they were paying in income tax. Let me say to the gentleman from Ohio [Mr. KASICH]: As I have said earlier, I commend him for his efforts, and I enjoy working with him. He is someone who takes what he does very seriously and believes what he is doing. If this were an amendment that dealt simply with technical assumptions and with specific entitlement cuts or specific discretionary spending cuts that he wanted to do, I would be inclined not to object. But I find that a very substantial part of the amendment is a very hypothetical proposal that cannot be scored by CBO, and therefore I must object——

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. SABO. I will yield before I object.

Mr. WALKER. I thank the gentleman for yielding.

Mr. Chairman, it is far from a hypothetical proposal. The only reason why it cannot be scored is because they did not have enough time for them to score it. It absolutely can be scored because it involves a sequester. So the only issue is how much the estimate is that people would check off. It absolutely can be scored, but there is a timeframe involved in all of this. We do have a chart. Let me ask the gentleman this: Is there a scoring for the deficit reduction trust that was included at the last hour of the President's proposal? I do not think so. I do not think that one can be scored.

Mr. SABO. No.

Mr. WALKER. Yet that was included at the Rules Committee last evening.

Mr. SABO. I have to respond to the gentleman: We claim no savings from that in arriving at our total savings.

□ 1830

Mr. WALKER. Mr. Chairman, I thank the gentleman.

Mr. SABO. Mr. Chairman, I yield briefly to the gentleman from New York [Mr. SCHUMER] to respond to that question.

Mr. SCHUMER. Mr. Chairman, I would just underscore the point, the deficit reduction trust fund did not change any of the numbers around. It just made sure that the numbers proposed were going to go to deficit reduction, so it does not need a scoring change at all.

Mr. SABO. Mr. Chairman, may I say to the gentleman from Pennsylvania, maybe I am misunderstanding his proposal.

My understanding of his proposal is that an individual taxpayer could check off a certain percentage of their taxes which would go to across-the-board deficit reduction on all programs, excepting Social Security and interest.

Mr. WALKER. No. If the gentleman will yield, the gentleman does not understand the proposal.

The money that would be checked off would go into debt buy-down, would go into a fund for debt buy-down. All moneys that go into the debt buy-down would then have to be cut from spending.

The way in which the cut could take place, the ultimate enforcement mechanism is a sequester, and because there is a sequester in it it absolutely can be scored by the CBO, so that the ultimate enforcement mechanism here is a sequester of moneys equal to the amount being checked off, so it is absolutely scorable by the CBO.

Mr. KASICH. Mr. Chairman, I withdraw my request.

The CHAIRMAN. The gentleman withdraws his request to modify the amendment.

The gentleman from Ohio [Mr. KASICH] is recognized for 30 minutes.

Is the gentleman from Minnesota in opposition to the amendment?

Mr. SABO. Yes, Mr. Chairman, I am.

The CHAIRMAN. The gentleman from Minnesota will be recognized in opposition.

The Chair recognizes the gentleman from Ohio [Mr. KASICH].

Mr. KASICH. Mr. Chairman, let me just make it clear that every time the standard has been set for us to meet with specifics in order to cut spending first and raise taxes later, we have attempted to do it.

The colloquy we just watched here with amusement was we were never told that we needed to get anywhere beyond the $345 billion as it emerged from committee. If we had been told it was going to be $445 billion, fine, we would go with $445 billion.

It was always our intention to cut spending first, replace the spending cuts, or put the spending cuts in place of the tax increases. The bottom line is that there is a very simple difference between the Democrat reconciliation plan and the Republican reconciliation plan. We want to downsize government. We want to cut regulation. We do not want to grow the Federal Government.

We have once again answered the call by laying our specifics on the table.

Mr. Chairman, I yield 2 minutes to the very distinguished gentleman from Arizona [Mr. KOLBE].

Mr. KOLBE. Mr. Chairman, I appreciate the distinguished gentleman from Ohio, the ranking Republican on the Budget Committee, yielding me this time.

I rise in support of the Kasich reconciliation substitute.

We have heard a lot of rhetoric here during the general debate about claims that the reconciliation bill brought from the Rules Committee was one which was going to be a panacea for our budget woes and have real deficit reduction, we were told in that.

Well, it is rhetorical homage to deficit reduction that is lip service only, or to go back to an old television show, it is "Let's Make A Deal," the classic late night back room wheeling and dealing that produced the reconciliation package that no one has seen, no one really knows what is in it. It is designed for political cover, not for the economic good of this country.

The only place that bill is going to stand up is a dark room. In the light of day, the American taxpayer is going to see it for what it is, the largest tax increase in the history of the United States.

The substitute offered by the gentleman from Ohio is something that the American taxpayer does understand. It is very different. It understands that our problem is uncontrolled spending, not a lack of revenues. The problem is too much spending by Congress.

The Kasich reconciliation substitute tackles that by cutting spending first. Three simple words: Cut spending first. If we could just keep those in mind today, we might get something that would be good for the country.

It would cut the deficit by $355 billion over the next 5 years. How? It is going to do it through $226 billion in discretionary spending cuts, $129 billion in entitlement cuts, and no tax increases.

Remember, it is tax increases that comprise more than half of the Democratic plan.

It rejects the onerous increases on energy and the Social Security taxes.

The taxes that are in the Democratic plan are those that hit the same lower- and middle-income American that the President promised in the campaign just a few months ago that we would have tax relief for.

The substitute that we offer imposes spending cuts immediately, cuts that are going to total $226 billion over the next 5 years, as opposed to $102 billion in the Democratic plan, and that does not come into effect until the years 3, 4, and 5 down the road.

There is no smoke and mirrors in this. There is no deficit trust fund. There is no moving entitlement targets, no hope of budget discipline that is in that program.

Mr. Chairman, I urge us to adopt the Kasich substitute.

Mr. SABO. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Chairman, before 1981, as this chart demonstrates, this green line being 1981, this country never had a deficit larger than $74 billion.

After the Reagan package passed in 1981, those deficits exploded to $200 billion and they have been stuck there ever since.

In 1981, an awful lot of us who were here at that time tried to stop the passage of that plan. We warned that it was doubling military spending. It was cutting taxes for the rich. We warned that it was going to be a bonanza for the rich and it would hurt the country and plunge the country into red ink.

This chart compares the promise of the Reagan package at that time with the actual performance. The yellow bars demonstrate that we were told that if we would just pass the Reagan package, the deficit would go down from $55 billion to zero in 4 years.

The red bars, in contrast, demonstrate what the actual performance was of that package, the deficits rising to over $200 billion.

So when the administration recognized they had a problem and they were not achieving deficit reducing, they tried two more gimmicks, Gramm-Rudman I and Gramm-Rudman II. Neither one of them produced results in terms of deficit reduction.

Now we have a new President and a new plan.

This orange line demonstrates what the trend line for the deficit will be if the Clinton plan is not adopted, deficits of $290 billion today rising to over $350 billion in 4 years.

The green line demonstrates that the Clinton plan will reduce that 4th year deficit by over $150 billion. That gap, that difference will result in lower interest rates which will produce a situation which will make it easier for people to buy their first-time homes. It will make it easier to refinance their houses, to send their kids to college. It will make it easier for small business to find the capital to start business or to expand businesses.

Now we are told, however, that the crowd that gave us the eighties has got a better plan than this one. I would suggest to you that even Babe Ruth was only given three strikes before he was declared out.

The Kasich plan as it is now before us is some $98 billion less in deficit reduction than the plan that the President is supporting today. It hits farmers 50 percent harder than the plan on the Democratic side of the aisle.

It hits $10 billion harder at Medicare.

It requires senior citizens to pay 20 percent of the cost of their lab services. That will fall very hard on low-income seniors.

There is no earned income tax credit in their plan.

□ 1840

That means workers will still work 40 hours a week and still go home in poverty. President Clinton's plan changes that, and, most importantly, there is not one dime in tax hit for the very wealthy.

Mr. Chairman, this chart demonstrates what happened to share of income in this country over the 1980's with all but the top 10 percent losing economic ground. In contrast, the richest 1 percent saw their income double from $300,000 a year to over $600,000 a year. That is what the proponents of the Kasich plan today brought us in the 1980's.

In contrast to that distribution, this is the distribution of the taxes in the plan now before us. As my colleagues can see, even with the much maligned Btu tax, if one makes $40,000 a year, they will not pay more than $14 a month. They will not pay more than $14 a month in new taxes.

In contrast, Mr. Chairman, the people who went to the party in the 1980's, the people who made more than $200,000 a year, will be paying $1,935 a month more in taxes. This comes in the context of a plan which has over $200 billion in spending cuts.

No I would suggest to my colleagues that, after 12 long years, after three false starts on their side, it is time to give the President a chance to make his plan work.

With all due respect to our friends on the other side of the aisle, any of us, with our egos, can have plans which we think will do better, but the fact is there is only one plan which gives this country a real opportunity for deficit reduction, which gives this country a real opportunity for economic growth, a real opportunity for an increase in family income after 12 years of declining family income.

Give the President a chance. Pass his plan. Forget the other let's pretend gimmicks.

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the very distinguished gentleman from Arizona [Mr. KYL].

Mr. KYL. Mr. Chairman, I rise in opposition to President Clinton's tax increase, spending increase, and jobs loss bill and in support of the Kasich substitute.

According to the Tax Foundation, Mr. Chairman, the Clinton energy tax alone will kill 837 jobs in the district of the Member who just spoke. In my district we will lose 969 jobs that we cannot afford to lose and over 6,000 jobs in the State of Arizona.

Mr. Chairman, according to the Congressional Budget Office [CBO], the Kasich substitute will reduce the deficit by $352 billion over the next 5 years. It will do so without increasing taxes and without touching Social Security. And, that's why I support it—not because I agree with all of its provisions, but because it proves that there are a whole variety of ways to reduce the deficit by cutting spending.

Although our side was prepared to include even further savings, those efforts were rebuffed by the Democrat-controlled Rules Committee which didn't want the Kasich substitute to look too good.

Unlike the President's bill, the Kasich substitute is based on the premise that spending cuts should come first, which is exactly what the American people have been demanding.

First year savings alone, again according to CBO, amount to $86 billion under Kasich—all from spending cuts. CBO scores the President's plan at zero net spending cuts for the first 2 years.

Kasich strikes the President's retroactive income tax increases, his energy tax, his increased tax on Social Security, and his increased Medicare payroll tax.

It strikes the Clinton spending increases on food stamps and the earned income tax credit—increases which were needed to offset the adverse effects of the President's energy tax. Instead of taxing people into poverty, as President Clinton has proposed, and then providing Government assistance, Kasich allows them to keep more of what they earn in the first place.

The Kasich substitute repeals the luxury tax for most industries. It permanently extends various incentives to promote investment and jobs creation.

Mr. Chairman, this House should not make the same mistake it has made time and again in the past. Immediate and permanent—and retroactive—tax increases, coupled with mere faith that future spending will be cut, will not do the job.

Let us pass Kasich and cut spending first.

Mr. SABO. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Texas [Mr. BRYANT], a member of the Committee on the Budget.

Mr. BRYANT. First I would like to say, Mr. Chairman, congratulations on a very fine job today, and I would like to say how proud I am to stand here with those of us in this House who are willing to take responsibility for the future of this country, willing to step up to the bar here and advocate for the public what is difficult medicine, but what is necessary.

The choice is very simple at this moment. It is a choice between a $500 billion cut in the budget deficits of this country over the next 5 years, which has been offered by President Clinton and the Democratic majority, or $417 billion in cuts in the deficits over the next 5 years as offered by the Kasich Republican plan. I submit to my colleagues that, if they are serious about dealing with the budget ills of this country, they will advocate a "no" vote on the Kasich plan and a "yes" vote on the Clinton Democratic plan.

We are treated today to a surreal spectacle in seeing the ranking member of this Committee on the Budget come here and at the last possible moment offer an amendment, the contents of which are unknown, about which he is also uncertain, which does not tell us anything with regard to what their philosophy is with regard to dealing with the future, which apparently involves a 2- or 3-cent increase in the cost of a postage stamp among other things, and then we are treated to the complaints from the Republican side that somehow or another they did not know that we were going to go as high as $500 billion, or they would have tried to as well.

I would like to ask: Since when is it that the Democrats determine what the Republicans' goal for budget deficit reduction is? I think it is a ridiculous argument, and I offer to the House this observation:

We can stand firm today and recognize that part of the solution for deficit reduction has to be increasing taxes on the wealthier Americans, and, if we are going to recognize their reality, we are going to be able to deal with the budget deficit. There is time for steak and potatoes, the steak and potatoes of the Democratic budget rather than the cotton candy of the Republican proposals that we have tried to live on for the last 10 years.

I urge a "no" vote on Kasich and a "yes" vote on the Democratic budget.

Mr. KASICH. Mr. Chairman, I yield 1 minute to the very distinguished gentleman from Virginia [Mr. BLILEY].

Mr. BLILEY. Mr. Chairman, according to the Tax Foundation the energy tax will kill 1,823 jobs in the district of the Member who just spoke. In his State it will kill 37,693 jobs. In my district we will lose 1,728 jobs. We simply cannot afford this Btu tax.

But there is another way to reduce this deficit, and that is the Kasich plan which does $352 billion over 5 years with no tax increase.

Every economist will tell us, Mr. Chairman, that we cannot grow an economy with increased taxes, but that is what they seem to want to do. This Btu tax will kill 500,000 jobs, and now we hear, well, Gramm-Rudman did not work from the gentleman from Wisconsin [Mr. OBEY]. It did not work because the outyears were where we were supposed to make the big cuts, and what happened? What happened on the way to the forum in 1990 is we would not make the cuts, so we got a new deal.

Mr. Chairman, it is smoke and mirrors. Kasich is real cuts. I say to my colleagues, "Vote for your district. Vote for your country. Vote for Kasich."

□ 1850

Mr. SABO. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from New York [Mr. SCHUMER].

Mr. SCHUMER. Mr. Chairman, let me first save some time for the gentlemen on the other side who will follow me. My district, according to this bogus study, will lose 609 jobs due to the energy tax.

What the gentlemen forget to say is that New York City has lost 300,000 under the 12 years of the policies that the Kasich budget will continue. So I say to you, we do better off with the 609 jobs lost than what has happened in the past.

Furthermore, their study is bogus. Data Resources, Inc., which did the study, did six scenarios. Our colleagues forget to tell us a couple of things: First, they took the worst case scenario; second, they did not add in the jobs that would be created from lower interest rates.

It is estimated under this DRI study that under the Clinton plan 261,000 jobs net would be created as a result of this budget. So this is a job creation budget, and do not believe a skewed, bogus study put out by a Republican-sponsored foundation on the Kasich budget.

Mr. Chairman, I respect the gentleman from Ohio [Mr. KASICH]. I have said it in this well before. The gentleman has tried to put together an honest plan. The problem is that the kind of cuts that are in this plan are unpalatable to the American people.

Mr. Chairman, I ask my colleagues on this side of the aisle, do you want to vote to freeze the COLA's for military and retirees between 55 and 62? Vote for Kasich. Do you want to vote to eliminate college assistance? Vote for Kasich. Do you want to vote to eliminate programs that you care about? Vote for Kasich. But you do not have enough votes even on your side to pass this recessionary budget.

Mr. KASICH. Mr. Chairman, I yield such time as he may consume to the gentleman from Virginia [Mr. WOLF].

Mr. WOLF. Mr. Chairman, I rise in strong opposition to H.R. 2141, the Omnibus Budget Reconciliation Act of 1993. The middle class will be hit the hardest under this plan, whether they are young middle class families, middle class Federal employees or middle class elderly.

The middle class will be hit by the Btu tax which will cost the average family approximately $500 in additional taxes, they will be hit with fewer jobs, an estimated 400,000 to 600,000 fewer jobs throughout the country, including approximately 1,600 jobs lost in my district along according to the National Taxpayer's Union. Every worker and every business throughout my State and throughout this country will be hit with this new tax bill. This will in turn hurt our competitiveness abroad as we raise the price of doing business for every employer and producer in the United States.

This Btu tax penalizes lower- and middle-income families, hurt schools and hospitals, and increases our dependence on foreign oil. Under this tax, hospitals will have to spend more or energy and less on healing; schools will have to spend more money on transporting kids to school and less on educating them; parents will have to spend more money getting back and forth to work less on supporting their families. Adding tens of thousands of dollars to school and hospital budgets will have a devastating impact on local economies and dramatically harm the physical and educational welfare of millions of individuals.

The Affordable Energy Alliance estimates that had this proposed Btu tax been fully implemented in 1990, Virginia residents and businesses would have paid $701.4 million in additional energy taxes. A tax burden this large would hit Virginia's economy particularly hard at a time when we have defense cutbacks hitting our area disproportionately along with millions of Federal employees who will be subject to a wage freeze. The National Association of Counties has noted that these increased Federal taxes will reduce local revenues and result in the need for local governments to increase property taxes, sales taxes and service fees at a time when local governments are still experiencing the adverse effects of the recession. Again, the middle class will be hit the hardest.

The elderly on fixed incomes are also hit hard under this Clinton plan. The Democrat plan promises to raise taxes on seniors making as little as $25,000. And while the energy tax is indexed, the income level at which Social Security benefits will be taxed at a higher level is not indexed so millions of seniors will graduate into this new tax bracket each year. And this increased tax, in a breach of trust with the American people, will not be returned to the Social Security trust fund but will instead be diverted into the general revenue fund for increased government spending.

No country in the world has this kind of tax. This tax will be very difficult to administer and will require all kinds of new regulations and regulators to enforce it. This bill reserves for the Treasury Department the power to unilaterally change new energy tax rates, expand or contract the products subject to the tax, and the power to exempt certain taxpayers. This means the rules on this tax can continue to be changed and businesses will be subject to ever changing rules. Again, this will hurt competitiveness and is not fair.

Mr. Chairman, the Republican alternative to the Democratic tax plan is superior in many respects, and I will support it because it achieves considerable deficit reduction without the burdensome taxes which I have just described. My Republican colleagues who helped fashion this plan did so under considerable time restrictions and have made many tough decisions in crafting this plan. The Kasich plan will reduce the budget deficit by $352 billion yet does not increase taxes or touch Social Security benefits.

While the Clinton plan places a disproportionate burden on Federal and military employees and retirees, the Republican plan eases this heavy burden. I believe the men and women who serve in the civil service and military should be treated fairly. It is important to consider the long-term benefits of having a qualified and effective Federal and military workforce and be cautious in producing short-term savings at their expense.

Unlike the Clinton plan, the Republican substitute won't delay Federal retirees' cost of living adjustments [COLA's], and it won't put limits on Federal employees' COLA's or locality pay. Also, it does not delay military retirees' COLA's and it does not freeze military pay the way the Democrat plan would do. Coupled with the tax increases, Federal and military employees and retirees would suffer more than any other segment of the population under the Clinton plan.

The Republican plan is a dramatic improvement over the tax and spend Democrat budget; however, the Republican plan has some aspects I am concerned about. Under the Republican substitute, Federal employees' retirement age would be increased from age 55 to 62 and nondisabled military retirees would have their COLA's delayed until they reach age 62. Federal employees have relied to their detriment on certain promises made by their employer, the Federal Government, and these promises should be respected. No other nongovernmental entity can unilaterally alter the terms of an employment contract, its illegal and wrong. While the Congress can change the terms of an employees' employment or retirement legally, it is still unfair.

Mr. Chairman, I reiterate that the Republican substitute is substantially more equitable to Federal and military employees and retirees than the Democrat version. However, if I had the opportunity to amend either version, which I don't because the Rules Committee gagged every Member of this body by only allowing one amendment on the floor today, I would offer additional spending cuts to make up the difference in maintaining the Federal and military employee and retirees benefits.

What could we possibly cut to make up the difference? I suggest and many would agree that we cut funding for the superconducting super collider [SCC]. Others concerned could find other cuts if given the opportunity under the rules. Plagued with dramatic cost overruns, management problems, and no foreign contributions to the projects as was promised, I believe this is a project that we can't currently afford given our budget deficit. Yesterday, Mr. Victor S. Rezendes, Director of Energy and Science Issues, Resources, Community, and Economic Development Division of the U.S. General Accounting Office, testified that the "total estimated cost (of the SCC) is not yet known, but the project's total cost will exceed $11 billion." This $11 billion is more than enough to keep our commitment to Federal and military employees and retirees. If this plan passes the House, I would work to restore these benefits by cutting the SCC.

Mr. Chairman, all Americans have a deep concern about the deficit which I share and want us to cut the deficit so our children and grandchildren don't bear the burden of our excess. The Clinton plan increases taxes, increases spending and as a result the deficit will not be reduced. In order to cut the deficit, Americans want us to cut spending first and the Republican plan best fulfills this goal.

Mr KASICH. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. BARTON].

Mr. BARTON of Texas. Mr. Chairman, I find it interesting that my good friend from New York [Mr. SCHUMER] did admit that he was willing to risk losing 609 jobs in his district. I might also add if he votes for this turkey, he is going to put at risk another job, and that is his own job, as will every other Member who votes for this misguided tax plan.

Mr. Chairman, I would point out that if every Member of this body was facing the electorate next week, it would fail overwhelmingly. To prove that, I point to exhibit No. 1, the current Senate race in Texas, where the interim senator, Senator KRUEGER, has gone on record that he would vote against this. He knows, it is a bad bill because he has got to face the voters of the great State of Texas within 2 weeks.

There is a deficit problem in this country. We do need to reduce the deficit, there is no question about that. Fortunately, there is an alternative to the Clinton tax plan, and that is the Kasich deficit reduction plan. The Kasich plan is not perfect, I admit that, but it has one overriding benefit: no new taxes. I want to repeat that, no new taxes. It has been scored to reduce the deficit over 5 years by $352 billion.

Mr. Chairman, the gentleman from Ohio [Mr. KASICH] asked unanimous consent to amend the plan to bring the deficit reduction up to President Clinton's projected reduction, but that request was rejected by this body about 30 minutes ago.

We do need to begin the deficit reduction process, and we do need real change. President Clinton ran on change but not this change. He actually ran on a middle income tax cut, not a tax increase. Let us begin the process. Let us vote down the Clinton tax plan and vote for Kasich.

The CHAIRMAN. The Chair would announce that the gentleman from Ohio [Mr. KASICH] has 22 minutes remaining and the gentleman from Minnesota [Mr. SABO] has 20 minutes remaining.

Mr. KASICH. Mr. Chairman, I yield 1 minute to the gentleman from Michigan [Mr. UPTON].

Mr. UPTON. Mr. Chairman, I rise in strong support of the Kasich GOP alternative and against the democratic tax bill.

I am a fiscal conservative and believe strongly that we should indeed cut spending first. That is exactly what the Kasich GPO plan does. Real sacrifice and real cuts, without the very real taxes that the Clinton plan imposes on the middle class.

The American public is pretty skeptical about this Democratic tax bill. Why? It is because they have seen it before. It was called the 1990 Budget Agreement which also raised taxes and raised spending. I told President Bush back then that his advisers were taking him to the cleaners and I told it to this White House too. I don't care if it's a Republican, Democrat, or Independent who proposes it: raising taxes and increasing spending to reduce the deficit doesn't work.

Yes, we all do want jobs. Do you know what the energy tax does for my State of Michigan? It costs us about 16,000 jobs. That's 1,000 jobs lost for every Michigan Member of Congress. Add that to the jobs lost by raising taxes on business. That's crazy. Maybe we should raise taxes to 50–60–90 percent and see how many jobs are created then. I doubt we'll get to full employment.

Mr. Chairman, our country demands action. I have heard a lot of my colleagues saying that we should vote for this tax bill for our kids future. Well, what good will it do for our kids tomorrow if their parents lose their jobs today because of all these taxes?

Please vote to cut spending first by voting for the Kasich alternative.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Pennsylvania [Mr. MURPHY].

Mr. MURPHY. Mr. Chairman, I thank the chairman of the Committee on the Budget for yielding.

Mr. Chairman, I, admire the gentleman from Ohio. He has served this House well on the Budget Committee.

However, I must oppose a reshuffling of figures to solve our national deficits. For 12 years this tactic led to a $4 trillion debt. Our two previous Presidents failed to submit a single balanced budget in 12 years. This amendment appears to be the grandson of Graham-Latta Reaganomics II. The easy path to economic salvation.

Mr. Chairman, let me quote from David Stockman, the author of Reaganomics I, Gramm-Latta I, II, and III. Stockman said, "I knew we were on the precipice of triple digit deficits, a national debt in the trillions, and destructive and profound dislocations throughout the entire warp and woof of the American economy. By then all the major errors which would eventually shatter the Nation's fiscal stability were apparent. I had most of the diagnoses down already. It was only the full and final magnitude of the numbers that would materialize later."

Mr. Chairman, I am afraid that that is what this amendment may do.

Tonight is not the time for easy way outs. The vote I cast will be one of the most difficult in my career.

I do not favor the energy tax and would like to see more spending cuts. As I voted yesterday, I hope before we are through this year's efforts, the energy tax will be lessened. But tonight our only vote is to reconcile the work of our committees and send it on to the other body and continue our personal efforts to reduce spending.

The deficits are the real problem and the only way we can reduce that debt is to raise reasonable funds and restrict unnecessary expenses. Reshuffling figures will not do it. A difficult affirmative vote for the President's plan will at least be a start in the right direction.

The vote that I cast today is the single most difficult one of my entire political carrier. It should come as no surprise that many in western Pennsylvania oppose any tax increases. It is no surprise that many do not want to see Federal spending increased during these times of deficit spending.

I am addressing this body because this is the time for us to face up to the sins of the last 12 years and say that enough is enough.

The reason that there is so much opposition to the leadership that President Clinton has shown, is that there has been so little of it for the last 12 years that we don't recognize it when we see it.

For 12 years, Congress has taken it on the chin for runaway spending. For the fiscal years 1982 through 1993, Presidents Reagan and Bush sent to Congress 12 unbalanced budgets totaling $12,692.1 trillion, which has left us with a $7 trillion national deficit.

More Presidential leadership of this kind we do not need. More of this kind of leadership we cannot afford.

Actions speak louder than words and the time to act is now. Where were my Republican colleagues for the last 12 years? How many times did they go to the White House and demand that Ronald Reagan or George Bush show them, and the American public, where they would make spending cuts and ask them to publicly endorse such a program?

Before you repeat the frequently heard and extremely tired phrase "It's because of the Democrats in Congress, 6 of those 12 unbalanced budgets came in the years when the Republicans held both the U.S. Senate and the White House.

I am here in Washington to work with the Congress and the President to find solutions to our Nation's pressing problems.

I don't like the Btu tax. It does not help my district and I hope that we see some sanity and reason on this issue over the next few weeks. I cannot sit here any longer and listen to this debate knowing that if it results in my President's budget plan going down to defeat, that it foreshadows a summer of declining momentum and unceasing rhetoric, the sum total of which will not advance our efforts to solve the deficit crisis one tiny bit.

The Constitution mandates that spending bills originate in the House of Representatives and I take this responsibility very seriously. I am aware that in many areas my decision will not be popular. To all of those who wrote and called and told me that they favored spending cuts—so do I, and I have publicly endorsed over $220 billion on my own. But, I expect that before this legislation reaches the President's desk it will contain more spending cuts and I will fight for them and for you every step of the way. But before this journey can begin, this body must fulfill its obligation to pass this bill and I will cast an affirmative vote to get this effort moving.

Mr. KASICH. Mr. Chairman, I yield 1 minute to the gentleman from North Carolina [Mr. COBLE], a very distinguished member of the Committee on the Judiciary.

Mr. COBLE. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, a constituent called today and told me that according to his numbers in 1933 when the big Government snowball began to roll, the average American worker earned 23 cents per hour. He furthermore reported that had this hourly rate grown at the Government growth rate, the average American worker today would be earning $80 per hour.

My point is, big Government, fed by tax increases, does not create jobs. But this bill is being railroaded down the throats of the American taxpayers and lost jobs will be inevitable.

□ 1900

Roy Acuff, late country music luminary, recorded a song years ago entitled "The Fireball Mail," depicting a locomotive behind schedule, trying desperately to make up lost time.

I have the ominous fear that the fireball mail is rambling through this House today, leaving lost jobs in its wake. Stop the train by passing the Kasich plan.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Chairman, to quote a former President, "There they go again."

Rather than ask the wealthiest people in this country, those who have benefited the most from the 1980's, to contribute a little bit to the shared sacrifice that the President of the United States told this Nation we would have to have, the Republicans have decided that they would continue the tax holiday of the 1980's for American's corporations and for America's wealthiest citizens. They have decided they would enter the 1990's and the next century by asking the children of this Nation to pay more, the working poor of this Nation to pay more, the middle-income taxpayers of this Nation to pay more. For those who desire to get off of welfare and to make work pay, with the earned income tax credit, they cancelled that effort. For pregnant women and newborn children that are at risk because of their dire deficient diet, they put them on hold so the wealthy can continue to belly up to the bar of tax breaks.

To those who are seeking jobs and job training, they put them on hold through the 1990's, so they will not have to ask somebody to share in the sacrifice. A far cry from what our President of the United States has asked.

He has asked that we as a country, we as a people, we as a Nation, that we all share in the sacrifice of paying for the excesses of the 1980's, that we all share in the effort to rebuild the economic strength of this Nation and to get rid of this horrible burdensome deficit. And he does that in his economic plan by having every segment of this society participate so we can have equity, not the disproportionate, unfunded, unaccounted for plan that the Republicans now put forth in the 11th hour.

The CHAIRMAN. The gentleman from Ohio [Mr. KASICH], has 19½ minutes remaining, and the gentleman from Minnesota [Mr. SABO], has 16 minutes remaining.

Mr. KASICH. Mr. Chairman, I yield 2 minutes to a member of the Committee on Appropriations, the very distinguished gentleman from Kentucky [Mr. ROGERS].

Mr. ROGERS. Mr. Chairman, according to the Tax Foundation, the energy tax will kill 771 jobs in the district of the Member who just spoke here, and in my district, we will lose 1,802 jobs, jobs we cannot afford to lose.

Mr. Chairman, I rise in opposition to the President's tax plan. Last year when the voters went to the polls, they sought and were promised a change. To them, change meant getting the economy moving, creating jobs, and making a genuine effort at cutting the budget deficit.

They thought they had their man, but now after the election is over, their hopes have been dashed.

The President's tax bill is a betrayal to these Americans whose idea of change sadly has been perverted.

Mr. Chairman, instead of creating jobs, the President's tax bill will cost hundreds of thousands of jobs in this country, over 1,800 in my district alone, the highest total in Kentucky. Instead of giving the middle class a break, the President's tax bill will raise taxes and prices on just about everything our families buy, from groceries and electricity to gasoline and home heating fuel.

Instead of cutting red ink spending, the President's tax bill increases Government spending and the deficit over the next 2 years. And instead of boosting the economy, the President's tax bill will smother small business with more taxes and redtape, preventing them from creating more of the jobs that we need and actually depressing the economy.

Mr. Chairman, Americans trusted this new President to bring about change, but change for the better. I am sorry to say they have been betrayed.

I urge my colleagues to reject the President's tax plan and make him live up to what he promised us before the election.

Mr. KASICH. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Chairman, throughout the afternoon we have been making one point, and I think it has become fairly clear that the Democrats understand the point. What they are doing is killing jobs. In every district across this country, the Democrat tax plan kills jobs. The energy tax kills not just hundreds of jobs, it kills thousands of jobs. And it kills thousand of jobs in every State across the Nation.

What we need to do if we are going to bring down deficits is stop the spending. The Kasich plan stops the spending. It reduces spending. It does not raise taxes. By reducing spending, we reduce the size of Government. Less Government means more private entrepreneurship and means a greater chance for Americans to get jobs.

If we vote for the Kasich plan, what we are doing is voting to create jobs. If we vote for the Democrat plan, what we are doing is voting to kill jobs.

The Democrats have shown, time and time again today, that they are perfectly willing to give up those jobs. We have actually had Members come to this floor and defend the fact that they are going to kill jobs in their own districts. That is just absolutely incredible.

We need to save jobs, create jobs. Vote for Kasich.

Mr. SABO. Mr. Chairman, I yield such time as he may consume to the gentleman from Massachusetts [Mr. MARKEY].

Mr. MARKEY. Mr. Chairman, I rise on the subject of the spectrum auctions, which is in this bill, which will create 300,000 to 500,000 new jobs in the telecommunications revolution embodied in the heart of this Democratic bipartisan proposal, which will be brought out to the floor.

Mr. Chairman, I rise today in support of subtitle C of title V, the Licensing Improvement Act of 1993.

This part of the budget reconciliation proposal is critical to the United States in that not only does it provide relief to the ailing Federal budget, but it also seeks to remedy an inefficient means of licensing communications services in our country. For the first time we are enabling the Federal Communications Commission to use auctions as a means of assigning the radio spectrum. The rationale behind this proposal is that we must reform and improve the current licensing process, which uses lotteries. In short, there has to be a better way to manage a precious Federal resource than picking names out of a hat. The proposal puts in place a better way, true to the principles underpinning the Communications Act, while at the same time raising revenue, over $7 billion, for the public.

Let me take a few minutes to explain this legislation. Section 5203 grants the FCC authority to use spectrum auctions where there are mutually exclusive applications for new licenses and where the spectrum will be used by the license holder to offer services to subscribers for compensation. This section also directs the Commission to select an auction system that promotes: First, rapid deployment of new technologies and services so as to benefit all the public, including those in rural areas; second, availability of new and innovative technologies to the public; third, recovery for the public a portion of the value of the spectrum, and fourth, efficient use of the spectrum.

The legislation also directs the FCC to establish rules on auctions that will help enforce many of these objectives. First, the legislation provides concrete assurances that those living in rural areas will enjoy access to advanced technologies as quickly as the rest of the country by including strict performance requirements to ensure prompt delivery of service to rural areas.

Second, the legislation directs the Commission to establish alternative payment mechanisms to encourage widespread participation in the auction process. For those Members who want to offer dreams to young struggling engineers and innovators, whether in garages in the Bayou or Boston or the backwoods of any State, these provisions give you that ability.

This specific provision makes certain that those who are rich in ideas and low on cash get a chance to enroll in the future. This provision directs the FCC to consider what alternative payment methods should be used, such as installment payments or royalty payments or some combination, so that all Americans have a chance to participate in the communications revolution.

This legislation also enables the FCC to continue to hold out the promise of a pioneer's preference for the truly genius who catapult technology to another level. In fact, some of that genius is what spawned the entire PCS revolution. Under this legislation those truly genuine technology pioneers will be able to make a run for the roses and get a big payoff if they succeed. As we all know, that is a most powerful incentive, and that is why I think it is vital that we continue the overall thrust of the pioneer's preference program.

Regarding how auctions will be conducted, the proposal reflects the experience with lotteries and gives the FCC authority to make sure that bidders are qualified to build and operate a system and hold an FCC license. The legislation clamps down on the churning and profiteering that has characterized the lottery system, and ensures it does not repeat itself under an auction system. I also think it is important that we insulate the FCC's procedures from budgetary concerns. There is a provision that will give the FCC a shield from those who seek to tilt communications policy in order to increase revenues.

A fundamental regulatory step that this legislation takes is to preserve the core principle of common carriage as we move into a new world of services such as PCS. I have grave concerns that the temptation to put new services under the heading of private carrier is so great that both the FCC and the states would lose their ability to impose the lightest of regulations on these services. The temptation to label everything private is all the more compelling because a recent court of appeals case held the FCC has no flexibility to apply Communications Act requirements. The risk of labeling all services private is that the key principles of nondiscrimination, no alien ownership, and even minimal State regulation would be swept away. This is one area where the FCC simply lacks the authority to make a rational choice, and so the legislation addresses that issue.

The fact that this legislation ensures PCS, the next generation of communications, will be treated as a common carrier is an important win for consumers and for State regulators and for those who seek to carry those core notions of nondiscrimination and common carriage into the future.

The Licensing Improvement Act enables the FCC to identify in a rulemaking which requirements it finds are not necessary to ensure just and reasonable rates or otherwise in the public interest. This section has been modified to further make certain that the FCC retains the authority to protect consumers and apply regulations in a sensible fashion.

In addressing this issue, however, it is necessary to take a broader view of creating parity among competing services. The legislation proposes that any person providing commercial mobile service, which is broadly defined to include PCS, and enhanced special mobile radio services [ESMR's], and cellular-like services, should all be treated similarly, with the duties, obligations, and benefits of common carrier status. The legislation also proposes that States would not be able to impose rate regulation, but this amendment makes explicit that nothing precludes a State from imposing regulations on terms and conditions of service, which includes such key issues as bundling of equipment and service and other consumer protection activities. Moreover, the intent here is not to disturb the principle that carriers can be obligated to offer services to resellers at wholesale prices. For the vast majority of States, their ability to regulate in this area would be preserved.

In addition, the authority of the FCC to act on behalf of cellular resellers would not be affected. Significantly, this legislation extends resale requirements to PCS and ESMR's, thereby opening up market opportunities which do not exist today for resellers.

This legislation sets up a mechanism so that in the next 12 to 18 months, we will see three, four, five, or six new providers of mobile service added to most markets. The result would be a flurry of competition by entities which all have common carriage duties. And the result would be good for consumers by delivering a breadth of new services to the public at competitive prices.

I appreciate that there is some concern that this vision of a competitive world for mobile services may not be fully realized as soon as some contend. I share this concern. That is why the legislation provides that if the promise of competition does not take hold, then a State can exercise authority to regulate rates. In particular, the legislation provides that States can regulate rates if they show that competition has not developed enough to adequately protect consumers from unjust rates. Moreover, the FCC is directed to respond to any State request for authority within 9 months.

Now to turn to the last section of this part of the bill, which states that auction rules shall be issued in 210 days and PCS licenses issued in 270 days. These tight schedules are necessary to realize the revenues that are part of our reconciliation instructions and keep PCS on target.

Chapter 2 of this legislation directs the Department of Commerce to identify 200 megahertz of spectrum to be freed up from Government use and eligible for assignment by the FCC. This proposal, which is embodied in H.R. 707, sponsored by Chairman DINGELL and myself, passed the House in March overwhelmingly. The spectrum proposal is part of budget reconciliation because that makes certain that there will be spectrum available for the FCC to auction off. Hence, the addition of this proposal makes the budget targets more likely to be met.

The Licensing Improvement Act of 1993 accomplishes the goal of improving the licensing process while at the same time raises substantial revenue for the public. I urge support for this legislation.

Mr. Chairman; I rise in support of subtitle C of title V, the Licensing Improvement Act of 1993. Mr. Speaker, this provision hits a home run for taxpayers, by raising $7.2 billion over the next 5 years. This provision hits a home run for private industry, by making more radio spectrum available for their use. And, most importantly, this provision hits a grand slam for the economy and for American workers because it will generate thousands of jobs and new technology services for consumers.

This provision enables the Federal Communications Commission to use auctions to assign the radio spectrum. Auctions have two major benefits: First, they will raise billions of dollars in revenues for the Treasury; and second, they get rid of unnecessary delay and harmful speculation in the assignment of this valuable resource. The provision is careful, however, to protect those users of spectrum, such as public safety telecommunicators and others, for which auctions would not be appropriate. This act also establishes regulatory parity among companies that provide similar services while retaining the current status for the vast majority of private users. Finally, this legislation requires the Government to free up an additional 200 megahertz of spectrum for emerging technologies. This step alone will unleash billions of dollars of investment and create thousands of jobs.

In short, this proposal is a balanced approach to a complicated problem. I urge my colleagues to support this legislation.

Mr. SABO. Mr. Chairman, I yield 1 minute to the gentleman from New Jersey [Mr. HUGHES].

Mr. HUGHES. Mr. Chairman, I would like to engage the chairman of the Ways and Means Committee in a colloquy on the feedstock exemption provided under the Btu tax. It is my understanding that the bill does not specifically single out any industry for feedstock exemptions. I further understand that the bill establishes a mechanism under which industries would have the opportunity to demonstrate that some part of the energy used in the production process is used not as a fuel but as a raw material, and therefore is not subject to the Btu tax. I further understand that the Btu tax is not designed to provide any undue competitive advantage for any industry. As the representative of the district that produces glass containers I want to verify the fact that this tax does not single out other industries which compete directly with glass products for favorable treatment.

Mr. ROSTENKOWSKI. Mr. Chairman, will the gentleman yield?

Mr. HUGHES. I yield to the gentleman from Illinois.

Mr. ROSTENKOWSKI. Mr. Chairman, the gentleman is absolutely correct. The legislation does not provide specific feedstock exemptions to any particular industry. Rather, it establishes an exemption for qualified feedstock uses. The bill defines qualified feedstock uses as the percentage of taxable energy product that is incorporated into the product that is manufactured. Any industry, whether glass, aluminum, plastic or any other, will qualify for the feedstock exemption for that portion of the energy used in production that is shown to be incorporated into the final product. Furthermore, the amount of energy that is shown to be incorporated into the final product will be exempt from this tax.

Mr. KASICH. Mr. Chairman, I yield 1½ minutes to the distinguished gentleman from Texas, [Mr. LAMAR SMITH].

Mr. SMITH of Texas. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, it must be divine intervention for the Republican Party to have Democrats arguing their future is tied to the largest tax hike in history. While it may be good for Republicans, the plan is bad for the country so we should oppose this tax bill.

The President says there is no alternative to this tax hike, that spending can't be cut more or the deficit reduced further. The truth is that he has given the American people no choice but higher taxes, more spending and more deficits.

If the President had wanted to cut spending and Government, he had to look no further than to the Republican plan. It cut $430 billion in spending without one cent of new taxes.

The White House's gang that can't talk straight once promised to make the budget process a vehicle for change. Yet they oppose a real line-item veto and a balanced budget amendment.

Supporters of the tax bill must believe Americans don't know how to make, spend, or invest their money as well as the Government. And after $322 billion in new taxes, the deficit will only fall by $40 billion and then goes up again after that. It increases the national debt by $1.2 trillion but cuts 1 million American jobs.

Some try to blame Republican presidents for the deficit. But only Congress has the power to tax and spend. One party—the Democrats—have had virtual control of this branch of Congress for 40 years. Not one tax bill and not one spending bill has passed without their support.

The tax plan is not about cutting spending or the deficit; it is about increasing taxes at the cost of savaging the middle-class. I urge support of the Kasich cut substitute and rejection of the Democrat tax bill.

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The CHAIRMAN. The Chair would state that 15 minutes remain.

Mr. KASICH. Mr. Chairman, I yield 1 minute to the distinguished gentleman from California [Mr. ROHRABACHER].

Mr. ROHRABACHER. Mr. Chairman, 3 years ago, the Democrat leaders told us they had a plan to reduce the deficit by $500 billion over 5 years—one-third of it through higher taxes. At that time, I told this House that plan was a roadmap to recession, and that it would not reduce the deficit.

Unfortunately, Mr. Chairman, that is exactly what happened. The 1990 budget deal drove the economy down, and the deficit up.

Here we are 3 years later for a repeat. Once again, they say their plan will reduce the deficit by $500 billion over 5 years, except this time the tax part is even higher.

If the 1990 budget deal was a roadmap to recession the 1993 tax extravaganza is a fasttrack to the poorhouse. After this goes into effect, the days of 7-percent unemployment, 3-percent inflation, and 2-percent growth will look like golden years by comparison.

Let us not make the same mistake twice.

Let us vote for the Kasich budget, cut spending and lower taxes.

Mr. SABO. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Tennessee [Mrs. LLOYD].

Mrs. LLOYD. Mr. Chairman, I thank the gentleman for yielding to me. I rise in support of the budget reconciliation package.

Mr. Chairman, today we vote on a budget reconciliation proposal which offers the largest deficit reduction program in U.S. history. My constituents, and those of each one of my colleagues, have made it quite clear that reducing the deficit should be the leading priority of the new administration and congress. The legislation before us rises to that challenge.

When the bill came out of the Ways and Means Committee, it did not have my support. While I strongly agreed with the spending cuts contained in the bill, there was a lack of critically needed budget enforcement rules to make sure that revenues and spending cuts would go toward deficit reduction. I joined with several of my colleagues in the conservative Democratic forum to press the leadership and the president to consider entitlement caps. Entitlements make up the largest portion of our budget and are exploding. Bringing them under control must be part of any responsible deficit reduction proposal. I am very pleased to report the caps were included as part of the final bill.

The bill includes language which I have long supported to create a deficit reduction trust fund. All moneys raised from tax increases must go into the account used exclusively for deficit reduction. This ensures that we do not spend the revenue raised on anything other than the deficit.

Mr. Chairman, there is an additional argument to be made in support of H.R. 2264. When we voted for the budget resolution in March, we committed ourselves to a process that would yield $496 billion in deficit reduction over 5 years. We may not like the bill before us for any number of reasons—I do not like the Btu tax—but to defeat the bill and stall the process, knowing that we will have the opportunity to improve the legislation—returns us to gridlock and breaks the promise to our constituents of meaningful deficit reduction.

We cannot expect everyone to understand or support the difficult decision before us. But it is my belief that if we do not continue the process now, knowing that a better bill can be worked out and will be worked out, we may not be able to revisit a deficit reduction package of this magnitude again. Let us keep the process moving and give the Senate a chance to modify the legislation.

Mr. SABO. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Utah [Ms. SHEPHERD].

Ms. SHEPHERD. Mr. Chairman, I rise in support of the budget package.

Mr. SABO. Mr. Chairman, I yield 1 minute to the distinguished gentlewoman from California [Ms. WOOLSEY].

Ms. WOOLSEY. Mr. Chairman, I rise today to oppose the Kasich substitute and voice my strong support for the budget reconciliation bill.

I am proud to support the administration's plan and I challenge the rhetoric I hear from my colleagues on the other side of the aisle. During Republican Presidential leadership, the deficit rose from $73.8 billion in 1980 to $290 billion in 1992. Under the budget agreement passed by this Congress in March, the deficit will be reduced by $496 billion over the next 5 years. This package is the first step in implementing that budget agreement.

I would like to tell all of the people who say that we aren't making spending cuts that they are absolutely wrong—and this bill is proof. When combined with the bill's enforcement language that caps discretionary spending, the bill cuts a total of $250 billion. These spending cuts force us to make some difficult choices; choices that are essential to get the deficit under control.

In addition, I strongly support the provisions in this reconciliation package that help to restore fairness to our tax policy. For the last 12 years, the wealthiest Americans became richer, while most Americans got poorer. We are now acting to make our tax system fair and progressive.

By now, we have all heard a lot about the energy—or Btu—tax. This plan will be phased-in over a 3-year period. In 1994, a family earning $40,000 a year will pay about $1 a month; in 1995 that family will pay about $7 a month, and when fully phased in, the Btu tax will cost the average household about $17 a month. Combined with the Low-Income Energy Assistance Program, the Btu tax is a sensible, rational policy. It promotes energy efficiency and encourages conservation—something that the oil lobbyists don't want to talk about. It also encourages the development of alternative, clean fuel sources which is key to long-term environmental protection.

The people in my district continue to tell me that they are willing to pay higher taxes, as long as those taxes are fair and as long as they are coupled with meaningful spending cuts. They sent me to Washington to reduce the deficit, cut spending, cap discretionary spending, and tax those who can afford to be taxed. That is exactly what this reconciliation bill is about.

Mr. Chairman, encourage my colleagues to support our President and the reconciliation bill, and let us get this country back on track.

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Connecticut [Mr. SHAYS], a member of the Committee on the Budget.

Mr. SHAYS. I thank the gentleman for yielding time to me.

Mr. Chairman, it is difficult to listen to this debate and hear how Members of Congress blame Presidents Reagan and Bush for budgets they themselves have voted for. Let's face it, we are in this together. The Presidents may propose but we vote for the budgets. We hold some responsibility.

The bottom line for me is, without Presidential action this debt will go up $1.5 trillion. With Presidential action it will still go up $1 trillion.We are not reducing the deficit enough. And what deficit reduction we are doing is done primarily through raising new taxes.

It amazes me that we could say we are helping the economy when we allow this debt to go up $1 trillion, and we are adding all these new taxes, and we still have health care to pay for.

Senator Tsongas asked in the last campaign, "How can you be projobs and antibusiness?" The fact is you can't be. This is an antibusiness, antijobs proposal of our President. I think Members make a mistake voting for it.

We need to cut spending, reduce the deficits further and move our economy forward.

I urge my colleagues to vote to protect and create jobs. Do not vote for new taxes without more spending cuts.

Mr. SABO. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Kentucky [Mr. NATCHER], the chairman of the Committee on Appropriations.

Mr. NATCHER. Mr. Chairman, I yield to our friend, the gentleman from Indiana [Mr. SHARP].

Mr. SHARP. Mr. Chairman, I thank the gentleman for yielding.

A moment ago one of our Republican colleagues said that one of the folks on our side of the aisle, by voting for the President's package to cut the deficit, was putting his own career at risk. Amen. It is about time we had people in the House of Representatives who are willing to put their careers at risk for this country's future.

Mr. NATCHER. Chairman, I rise in strong opposition to the Kasich substitute.

The Kasich plan would shift most of the deficit reduction burden onto the backs of our important discretionary programs—especially domestic discretionary programs.

The Budget Committee tells us this equates to an immediate 1994 across-the-board cut of 12-percent for all nondefense discretionary programs.

Let me tell the members what that will mean.

A 12-percent cut in education means a reduction of $2.8 billion—including $800 million out of chapter 7, $900 million out of student financial aid, $360 million out of a special education for the handicapped, $180 million out of vocational education. These are the programs that invest in our country's future. It is not responsible to slash them like this.

For transportation, we would be prevented from trying to fill the $2.6 billion shortfall in the Highway Program at a time when roads are deteriorating and people are already paying the gas tax to fix them.

A 12-percent cut would eliminate 900,000 women and children from being helped by the WIC Program. That's the program that feeds needy children all over this country.

A 12-percent cut would take 87,000 kids out of a Head Start Program.

A 12-percent cut would put 4,500 FBI and DEA agents on the street looking for work.

We would have to furlough 9,000 meat and poultry inspectors at a time when the Secretary of Agriculture says we need more inspectors to assure a safe food supply.

A 12-percent cut would force us to close seven existing prisons and not open eight new prisons that are being built.

This cut would furlough 2,100 employees at the FDA—slowing down new drug approvals and critical inspections of the Nation's blood supply.

For health, it's the same story. NIH—the program that conducts cancer research, heart research, AIDS research, and gives hope to thousands and thousands of people—would be cut by $1.24 billion. We cannot afford to do this.

The list could go on and on.

Mr. Chairman, it would ill-serve our country to slash our important discretionary programs.

These are the programs that invest in our country's future—education, transportation, health, agriculture, research, technology, small business.

These are the defense programs that protect our country.

These are the programs that keep our people safe—the FBI, the DEA, the customs service, corrections programs, U.S. attorneys, our whole judicial branch.

Discretionary programs have to take a fair share of the burden. Under the Sabo plan—discretionary programs take $102 billion in reductions over 5 years—more reductions that in the entitlement category. I am willing to support this because we need to cut our deficit.

But to double these discretionary reductions as the Kasich substitute envisions is not responsible. It would hurt our country's future.

Mr. Chairman, I urge a "no" vote.

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Mr. KASICH. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. CUNNINGHAM] and I ask if he would yield to me.

Mr. CUNNINGHAM. I yield to the gentleman from Ohio.

Mr. KASICH. Mr. Chairman, let me make it clear the cuts we heard are not cuts. They may not be the increase at the level some bureaucrats in Washington determined, but they are not cuts like we have in Ohio, which is below the year before. So let us make that clear.

I thank the gentleman for yielding.

Mr. CUNNINGHAM. Mr. Chairman, in the district of the gentleman from Kentucky [Mr. NATCHER] if the Btu tax was in effect it would cost 793 jobs. Those needy kids might like that. It will cost my district 1,002 jobs.

The Btu tax does not target the chronologically gifted folks, but it affects them. Talking about taxing the rich, this body wants to tax and put a cap on military active duty pay. You sure do not put a cap on your own pay. They want to cut the COLA's from retirees in the military. You do not put a cap on your COLA's, Members of the U.S. Congress, when you retire.

You say about 78 percent of the Social Security folks will not pay. The only crime of the over $25,000 a year who pay is that they have made some savings over the years.

The Btu tax, the gas tax will affect the middle class.

Mr. SABO. Mr. Chairman, I yield such time as he may consume to the gentleman from the Virgin Islands [Mr. DE LUGO].

Mr. DE LUGO. Mr. Chairman, I rise in opposition to the Kasich amendment and in the strongest support for the President's package and urge an end to this gridlock.

Mr. Chairman, as chairman of the subcommittee with jurisdiction over matters concerning the insular areas, I want to explain section 9001 of the bill which concerns special insular spending.

This provision would meet the President's budgetary goals; but it is different from that proposed by the Interior Department's territories office.

That office's proposal—which was actually made on the last day of the last administration—would obligate the Federal Government to provide the Northern Mariana Islands with $120 million in special infrastructure funding from fiscal years 1994 to 2000, including $22 million next year.

Recommended by representatives of President Bush and the islands' Governor, the proposal would have replaced the requirement in current law to provide the Commonwealth with $28 million in special assistance on an annual basis.

This bill would also repeal the $28 million a year Marianas aid requirement. And it would provide for insular spending of $120 million over the next 7 years on the schedule supported by the President. But it would not create the same obligation.

Instead, it would provide for spending as follows.

First, the long-authorized $3 million to develop the park honoring the World War II dead in the Marianas would be provided next fiscal year, as the 50th anniversary of the sacrifice approaches.

Second, the other $19 million supported by the administration for spending next year would be provided for high-priority projects in any of the insular areas for which the United States is responsible and which receive special assistance through the Interior Department.

And third, the $98 million which had been proposed for the Marianas for fiscal years 1995 through 2000 would be provided if further legislation is enacted and to the extent such a law provides.

The intent is that the further legislation be considered after there has been more time to address problems in the Marianas which are largely responsible for the unwillingness of Members to guarantee another $120 million in special assistance to the Commonwealth at this time.

Mr. Chairman, this provision is a compromise that I worked out with the distinguished chairman of the full committee, GEORGE MILLER. It reconciles the absolute objection that he and other Members on both sides of the aisle had to committing to new assistance for the Marianas now in light of the situation there on one hand and the Interior Department's proposal for the $120 million on the other.

What it would do, in essence, is provide for priority uses of the $22 million proposed for next year—including a project that is of great importance to the Marianas—and defer a final decision on the $98 million proposed for the Marianas for later years. That decision would, almost certainly, be negative if made now.

It would preserve the possibility of the aid that the Marianas wants to the greatest extent possible without making the final commitment to it that Members are unwilling to make.

The arguments against making such a commitment now are compelling.

Perhaps the most irrefutable is that the Marianas are not doing all they can to meet their own needs.

The tax burden imposed by the Commonwealth is a fraction of that which applies in other areas under the U.S. flag. In part, this is because the Commonwealth rebates much of what it collects under the Federal income tax rates that serve as the basic local tax rates.

The rebates totaled $49 million in 1991 alone. Some rebates may be justifiable for economic growth reasons; but many others given to higher income taxpayers are not.

The bottom line is that the Marianas gives away many millions of dollars each year that it could use for the infrastructure that the assistance proposal would require U.S. taxpayers to pay for. How can we ask U.S. taxpayers to pay higher taxes to subsidize higher income Marianas taxpayers paying less than U.S. taxpayers do now?

That the Marianas income tax system undermines the justification for additional special assistance is not a new issue. It was raised by a predecessor of mine as chairman of the subcommittee, the late Phillip Burton, who passed away over a decade ago, and more than one Commonwealth Governor has conceded to it.

The Marianas also does not impose other taxes common under the U.S. flag or charge users of public services, such as utilities, a fair cost for those services. Regarding this latter point, the failure to bill full cost recovery utility rates contradicts a commitment that the Marianas made to obtain $228 million in special aid between 1986 and 1992.

Development in the Marianas also argues against the commitment.

For one thing, the islands are now a very different place than they were when the special assistance program was first agreed to. They now have a substantial private sector where there was virtually none then.

This private sector can generate substantial amounts of the revenue that the islands need for new infrastructure. The original purpose of the special assistance commitment was to help the islands establish such an ability. This purpose has largely been fulfilled—even though the Commonwealth is not, as I have explained, tapping the full revenue potential from it.

Additionally, much of the islands' current infrastructure need is caused by this development. This need goes beyond the Federal responsibility to help because the development is imposing costs on the community that it is not meeting.

The islands' development policies are based on the use of cheap alien labor and this is a further cause of concern. The low-paid, foreign workers involved are not only being used temporarily to meet development needs, such as construction, for which there is no other immediate labor source, they are being used to fill permanent jobs as well.

So-called temporary alien workers—who actually generally stay in the islands for several years—now make up most of the islands' population. This situation raises questions about the nature of democracy in the islands—since the aliens lack political rights—as well as questions about the Marianas' needs—since the aliens put demands on public services.

The local immigration policy that makes this situation possible was developed in spite of Federal objections, particularly as the policy relates to the islands' clothing manufacturing industry.

This industry, which has primarily developed since the last assistance commitment was made, uses a combination of federally provided advantages, including the ability to import cheap alien labor and public services subsidized by special Federal assistance, to unfairly compete with manufacturers elsewhere under the U.S. flag.

Members concerned about the decline of the domestic textile industry, like our distinguished colleague from Virginia, L.F. PAYNE, find it unconscionable to, in effect, ask U.S. taxpayers to pay higher taxes—as we are in this bill—to subsidize this unfair competition.

Their objections to the Marianas garment industry's labor force are not only that foreign workers are used but that these workers are paid less than the minimum wage that other U.S.-based manufacturers must pay.

Additionally, the Marianas' minimum wage policies in general are also an important point of contention.

The minimum wage is $2.15 an hour and doesn't cover many classifications of employment in the Commonwealth. Its purpose seems to be different than the national minimum wage—which is to ensure a living wage for all workers.

The Marianas policy appears, instead, to be established primarily for the benefit of employers. And it really only applies to the alien workers since the U.S. citizens of the Commonwealth won't work for anywhere near the minimum wage rate, let alone the lesser rates paid in most occupations exempted from the minimum, such as construction and household jobs.

The treatment of many of the workers has received national attention. There have been numerous cases of abuse and poor treatment, including the failure to pay even the low wages due.

Some of these cases have resulted in major Federal law enforcement actions; but others do not appear to have been handled as seriously as they should have by local officials.

Many cases involve the islands' controversial garment industry and some major ones have involved the largest manufacturer.

This private interest's role in much of what I have mentioned is a cause of great concern. It certainly creates a problem for the idea of committing new assistance to the Marianas.

This interest is both paying substantial amounts to lobby for the $120 million and it is organizing opposition to local efforts to reform the tax, alien labor, and minimum wage policies that have caused Members to be unwilling to commit to providing the funds.

Further, its relationship with certain local officials appears to be so close that questions are raised about whether the local public's interests are also being articulated.

Why is the $120 million that has been proposed worth so much to this private interest? Is it because the funds would subsidize the interest's current profitable situation? Is it because the commitment would lessen the pressure for—and the possibility of—the reforms that I have mentioned?

Members are unwilling to commit to the assistance because of the problems with local policies and because of the way that some local officials have responded to concerns about these policies.

There have been arguments attempting to justify the policies, sometimes misleading ones. There have been efforts to minimize the problems. There has been a lack of cooperation in addressing them. There have been promises to take corrective action that have not yet been fulfilled.

There has been no lack of notice that policies and practices would have to be changed if Members were to support further special assistance. Some of the issues were raised when the current assistance commitment was enacted in 1986. The full range of issues and the need for corrective was discussed in a major hearing that I conducted last year.

But action sufficient to convince Members that further aid can be committed has not taken place to date.

This is not to say that there has not been movement in that direction, however. The Commonwealth has begun to address many of the issues of concern.

Among measures taken so far that relate to concerns that Members have raised are an ethics code, an antiprostitution law, and a zoning law. The insular government is considering measures relating to increasing the minimum wage and applying it to uncovered workers, enforcement of immigration laws, limiting the stay of temporary alien workers, alien workers' rights, workplace conditions, a human rights commission, and tax reform.

The Governor has, further, directed compliance with Interior inspector general audit recommendations—another issue that is very relevant to this funding decision because of misspending of past assistance.

In view of the efforts being made by the private interest that I have mentioned to secure the binding assistance commitment, its close ties to some officials, and its opposition to key reforms, can we be confident, however, that policy improvements will occur if the $120 million is guaranteed?

The compromise included in this bill, Mr. Chairman, is designed to encourage reforms of local policies to the greatest degree possible. It delays the funding decision until we can see whether they actually take place.

It also does not interfere with current local government authority. It does not require the reforms, for example; it only sets up a process that will delay the real funding decision until, as I said, we see whether policy improvements are made.

The strong message it sends may be necessary to counteract the power of the private interests that are opposing reform. The choice—which will affect the ultimate fate of additional special Federal assistance—will continue to be that of the people of the islands.

In working on this compromise, members of the Natural Resources Committee considered—but did not agree to—other approaches.

One, which I explored, would make a final assistance commitment to the Marianas but provide that the funds could not be released until policy improvements were made.

A problem with this idea, however, is that it would require the setting of specific performance standards and there are concerns about doing so.

First, such specifics—such as the exact nature of local revenue laws—should be determined locally.

Second, it would be infeasible to set them in Washington in any case.

Third, the issues are complicated enough that fair specifics can't be adequately determined without more intensive study and debate than the time of this bill allows.

And, finally, Members do not want to delegate these decisions to executive branch officials, especially in light of past handling of the issues involved.

To help resolve the understandable debates over the specifics of policy changes—and to ensure that the Congress has full information on the issues as well as Marianas efforts to address them—this legislation would require several Federal agencies to submit information on key issues of concern.

The more basic problem with the idea of committing to the assistance but conditioning release on the implementation of specific policy changes, however, is that Members are simply unwilling to commit to the assistance now. They may be willing to do so if the Marianas improves policies sufficiently—and I think that there will be some moral obligation for us to try to provide funds if this happens. But they are not willing to make a commitment, given past history and the current situation.

Another approach that has been suggested is closer to the process contained in the bill before us. It would require further legislation to commit assistance to the Marianas but reserve all of the $120 million for infrastructure in the Commonwealth.

The difference from the bill is that this suggestion would not provide funds new year for the park in the Marianas or priority projects in all the insular areas.

The primary problem with this idea relates to timing. The $22 million involved needs to be outlayed in fiscal year 1994.

The suggestion would only work if the Marianas made policy changes that convinced Members to support further funding in time for legislation to be enacted early enough to still allow for funds to be used next year. It is not clear that all of this could occur in sufficient time.

In any case, the bill we are considering today already provides for this possibility. It would enable all of the $19 million of the funds it would make available for projects in all of the insular areas concerned to be used in the Marianas if further legislation so provides. But, if not, the funds could be used elsewhere so they are not denied to any insular purpose.

This brings up another concern that Members of both parties have about the proposal. While it would go a long way to meeting needs in the Marianas, there are needs in other insular areas that there is more justification for the Federal Government to meet that there are now no plans to meet.

The situation of American Samoa provides the starkest example of this. The territory's infrastructure needs may be even more basic than those of the Marianas; but it has less economic resources on which to draw to meet these needs than the Marianas does and its long-range development potential is less clear than the Marianas.

Further, Samoa uses U.S. rate income taxes, suggesting a greater local effort to meet its needs with the lesser resources it has. Yet, the Bush administration—which proposed the $120 million, 7-year commitment—refused to make a commitment of multiyear assistance to Samoa.

A feeble explanation for the inconsistency between the proposal of massive new aid for the Marianas and the refusal to propose aid for Samoa that I have heard is that Samoa has serious financial management problems.

The problems with this excuse are, though, that the Marianas has also misused past assistance, as I have noted, and that an assistance commitment would provide an opportunity for ensuring the improvement of Samoan spending policies and practices.

So, since Members are unwilling to commit new assistance to the Marianas until policy problems are addressed, do not want funds proposed for insular needs diverted to non-insular purposes, and are concerned about needs in other insular areas, we have proposed using fiscal year 1994 funds for high priorities in any of the smaller insular areas.

And, let me point out again, this will include the Marianas if Congress makes the required determination.

The Marianas can have substantial assistance for its infrastructure needs next year even if further legislation does not provide for it to receive any of the $19 million, however.

Some $27 million in interest earnings on the $228 million provided the islands between fiscal years 1996 and 1992 are available whenever the Commonwealth meets its earlier commitment to charge more reasonable utility rates.

Mr. Chairman, Members have some other concerns about the commitment proposal that I should mention.

A couple relate to the proposal itself.

One of these is that it asks for $120 million to be committed without specifying the projects to be funded or without any Federal approval of the projects. This provides us with no assurance that what we would agree are priorities will be met.

It has been argued that we should not be concerned about this lack of assurance because past aid was not provided on a specific project basis. Past funds were required to be used according to a federally approved plan, however.

Recent suggestions by Marianas officials of how the new funds would be spent are helpful; but they do not eliminate the concern. This is because they still provide on assurance that the funds will be used as is not being suggested.

Another concern is that the agreement under which the funds would be used states that it could be amended by unspecified Federal and Commonwealth representatives. Terms that the Congress thought important could be eliminated or terms to which the Congress would object could be added.

Other concerns relate to an agreement between the Interior Department in the last administration and the Marianas regarding the tax and alien labor issues. In attempted to address our committee's concerns through plans for studies of the issues. The problem is that the studies, which were planned without consulting us, are not as broad in scope as they should be.

More recently, some have suggested that the Congress should approve the assistance commitment in spite of concerns about the Marianas' inadequate revenue effort because the representatives of President Bush and the islands' Governor agreed that the Marianas would match the Federal $120 million.

There are significant flaws in this argument, however. One is that it is not clear that the matching will require an adequate tax effort, although it may very well require some increase in local revenues. In this regard, it should be noted that our committee was given no specific information on this point. Also detracting from this argument is that the terms of the agreement could be changed, as I have noted.

There is a final concern that must be expressed. It's that the proposal has been mischaracterized as an agreement between the Federal and Commonwealth Governments, suggesting that it is, somehow, binding.

Some of the confusion about this issue may have been caused by the representatives titling the recommendations as an "agreement." Of course, in fact, the agreement is, as I have noted, merely recommendations made by representatives of the last President and the current Governor of the islands that the Congress has full discretion to accept, modify, or reject.

The covenant which established the political union between the Federal and Commonwealth Governments provided for the talks which developed these recommendations. But it in no way suggests that the talks were to actually determine assistance beyond that which it required—as opposed to developing recommendations.

Those who have suggested that there is an obligation to approve the recommendations sent us should remember that the Congress did not approve all of the recommendations that representatives of President Reagan and the Governor of the Marianas made in 1985 in enacting the assistance commitment that is currently in effect.

I have gone on at great length, Mr. Chairman, because I believe that we have an obligation to be very conscious about actions that are as critical to the only jurisdiction within the American political family that has no representation here as the approval of this bill would be. I also hope that what I have said will help explain our action to the people of the islands.

They should understand that it is being taken not without concern for their welfare but because of concerns about the situation there. They should also understand that it is reasonable in light of the situation and its background.

I want them also to know that it is not being taken without any sensitivity to where they have come from as a community, the problems they have faced, and how fast the islands have developed, a pace that has not always permitted perfect policy.

Additionally, they should know that it is not being taken without hope for the future. I still regard the covenant partnership as an important and viable one and will try to obtain a full commitment of aid if the Commonwealth changes course.

As one who was involved in the founding of the covenant and a fellow islander, I have worked to obtain a compromise as favorable as possible to the Marianas. But this House, which has been more supportive of the rights and interests of the Commonwealth than any other part of our Govenment—including on funding issues—in the past, is not willing, at this time, to make a final commitment of new assistance of a type not provided any other area under flag.

This course pursued by local officials is the primary reason. I hope that it will change—as there is reason to believe it will.

In concluding, Mr. Chairman, I want to express my appreciation to the ranking Republican of the subcommittee, ELTON GALLEGLY, for his cooperation on this matter; to the Marianas' representative in Washington, Juan Babauta, for his responsible leadership on the issues that I have mentioned; and to the Lieutenant Governor of the Commonwealth, Benjamin Manglona, for his hard work to obtain the funding.

Mr. SABO. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. BORSKI].

Mr. BORSKI. Mr. Chairman, I rise in opposition to the Kasich amendment and in support of the President's plan.

Mr. Chairman, I rise in support of H.R. 2264, the Omnibus Reconciliation Act of 1994.

For the past 12 years, this country has been suffering from a ballooning deficit and a growing national debt. Despite talk of deficit reduction, the past administrations have allowed the Federal deficit to explode from $70 to over $300 billion. As a consequence, our national debt has grown from less than $1 to over $4 trillion. The seriousness of the deficit cannot be overstated—as long as the debt continues to grow, our economic recovery and growth will be impeded and our future vitality threatened.

We finally have a President with the courage to face these problems. President Clinton's proposal provides serious and credible deficit reduction. H.R. 2264 will cut the deficit by nearly $500 billion over the next 5 years. More than half of this deficit reduction is achieved through real and specific spending cuts, including cuts in agriculture programs, administrative costs, and entitlements.

In addition, the policies of the past 12 years have shifted the tax burden from corporations and the wealthy to low- and middle-income people. Income for the wealthiest Americans has gone up while their tax burden has gone down. The rest of America has seen their tax burden go up while their real wages have gone down. This plan restores fairness to our tax system.

The overwhelming majority of taxes fall on the most wealthy Americans, those who benefited most from the tax breaks of the 1980's. Some 75 percent of the taxes fall on those making over $100,000 a year. Families making under $25,000 will actually pay fewer taxes.

Lower interest rates, as a result of this deficit reduction plan, will also help offset tax increases. Since President Clinton was elected in November on a platform to reduce the deficit, interest rates have fallen from 8.29 to 7.43 percent. This translates into lower mortgage and car payments for many Americans.

I know that tax increases and spending cuts will be painful but there is no other way to reduce the deficit than to ask everyone to pay their fair share. If nothing is done, the Federal deficit in 10 years will exceed $600 billion and our economy will be doomed to long recessions interrupted only by periods of sluggish growth.

The Republican legacy of growing deficits and slow growth has left us no choice but to reduce the deficit, invest in our economy, and put Americans back to work. The President's proposal is better than the alternatives being offered by his critics, who would shift the burden of deficit reduction to working Americans and senior citizens.

The Kasich substitute would replace taxes on the wealthy with cuts in programs for the poor and the elderly. The Boren-Danforth proposal would substitute the Btu tax, which, when fully implemented in 1998, would cost the average family only $17 a month, with caps on entitlement and cuts in the cost-of-living adjustments [COLA's] for Social Security recipients. Obviously placing the burden on the poor and the elderly is not the way to reduce the deficit.

Mr. Chairman, President Clinton has done what his predecessors and critics have failed to do, proposed a credible and balanced plan to get our deficit under control, keep interest rates low, and put Americans back to work. I urge all my colleagues to support the President and pass the budget reconciliation.

Mr. SABO. Mr. Chairman, I yield 1 minute to the gentleman from my State of North Dakota [Mr. POMEROY], another very able new member of our committee.

Mr. POMEROY. Mr. Chairman, we have heard from a lot of rural Republicans this week bashing the Budget Reconciliation Act by saying it would be damaging to agriculture. It will be very interesting to see how they will vote on the Republican budget alternative in front of us. Their cuts in agriculture are a full 50 percent higher than the Budget Reconciliation Act, and make no mistake about it, the cuts for agriculture in the Budget Reconciliation Act are tough and they will hurt.

For Republicans to increase this hit by 50 percent is completely irresponsible. It has been my judgment that the Republican Members of the Agriculture Committee are a lot more inclined to talk about what they are against rather than what they are for. As we look at their plan, which recklessly slashes an additional 50 percent for farmers while falling nearly $100 billion short of the majority proposal for deficit reduction, it is easy to see why.

I urge a "no" vote on the deeply flawed antifarmer Republican budget alternative, and I look forward to hearing what phony job numbers they have for my district with the next speaker.

Mr. KASICH. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Minnesota [Mr. GRAMS].

Mr. GRAMS. And for those numbers, Mr. Chairman, according to the Tax Foundation, the energy tax will kill 1,168 jobs in the district of the Member who just spoke. In my district we will lose 1,121 jobs that we cannot afford to lose.

Mr. Chairman, I rise in support of the Kasich substitute.

Although the Democrat's bill is technically called the omnibus budget reconciliation package, it would more appropriately be called the omninous budget reconciliation package.

That's because passage of the Democrat tax bill would have ominous implications for the American economy, American jobs, and the American people.

The $500 per family energy tax alone would cost the Nation 600,000 jobs. In my home State of Minnesota, it would put nearly 9,000 people out of work, over 1,100 in my own district.

This bill also has ominous implications for senior citizens. By increasing the tax on Social Security, Congress has found another backdoor way of robbing the Social Security cookie jar to finance more spending.

Mr. Chairman, if my Democratic colleagues would spend as much time reading the history of the last 12 years as they have rewriting it, they would know you can't tax and spend your way out of a deficit.

Just 3 years ago, House Democrats passed what was then the largest tax hike in history.

In doing so, the American people were told that in exchange for their sacrifice, Congress would control spending and eliminate the deficit.

What happened? Taxes went up, spending went up, and we got the largest budget deficit in history.

Well, my Democratic colleagues, there you go again.

You are proposing another record tax increase—one that makes the last one look like a downpayment. And once again, you want the American people to believe your record tax and spend package will balance the budget.

Does anyone believe you? Are you not the same folks who went around promising middle-class tax cuts just 6 months ago?

The bottom line is you cannot tax and spend your way out of a deficit. You have got to control spending. That is what the Kasich amendment does, and that's why it deserves our support.

Mr. Chairman, I remind my Democratic colleagues that the voters won't forget what you do today—just as they didn't forget George Bush for raising taxes in 1990.

I say to my colleagues, today you have two clear choices: You can vote for the Kasich substitute and take real action to reduce the deficit without tax increases, or you can vote for the Clinton tax increase, and follow the President like lemmings to the sea.

Mr. KASICH. Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. WALSH].

Mr. WALSH. Mr. Chairman, I rise in strong support of the Kasich amendment and in opposition to the Clinton tax plan.

Mr. Chairman, I rise this evening to support the budget amendment offered by the gentleman from Ohio, Congressman JOHN KASICH, and against the tax-and-spend bill of the President.

Back in 1990, Congress and the then President agreed on a tax package to solve our growing deficit problem. I voted against that bill because it didn't attach the major reason for that deficit, namely uncontrolled congressional spending. That plan failed and the one brought here tonight by the majority won't work either. When spending can only be cut in one area, defense, by the majority, and nothing else of consequence changed, we have a flawed bill. When a new $300 million entitlement can be added to fund programs for illegal aliens then something is seriously wrong in this House. Mr. KASICH'S plan isn't perfect. I don't like parts of it but the spending hemorrhage is finally addressed. Tax-and-spend doesn't work—let's cut the bureaucracy and programs that either don't work or aren't necessary.

Mr. KASICH. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Wyoming [Mr. THOMAS].

Mr. THOMAS of Wyoming. Mr. Chairman, I rise to oppose the Clinton spending bill and in support of the substitute.

My State of Wyoming is listed as being the highest victim on a percentage, per capita basis of loss of jobs.

Mr. Chairman, we have had lots of discussion today and lots of charges and countercharges. I do not have any charts. I am not an economist, but there are some things I believe in, and they are the same things that most people believe in, and I believed in them in 1990.

That is some classic things, that you do not stimulate the economy by raising taxes. You do not reduce the size of Government by increasing spending. You do not balance the budget with new taxes. We know that. And you do not help families by taking the money out of their hands and spending that money through the Government.

This bill goes in the wrong direction. These are pretty classic things. Most of us who are not technicians understand them.

Mr. Chairman, I rise in opposition to the Clinton bill.

Mr. KASICH. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. FIELDS].

Mr. FIELDS of Texas. Mr. Chairman, let us talk about a real person who will be affected by the Btu tax, my grandmother, Kathleen Crow, who lives in Houston, TX, who is 87 years old, who saved to purchase her own home, who drives a 1966 Chevrolet, and who has as her only source of income her Social Security check. My grandmother, who does not qualify for food stamps, who does not qualify for an earned income tax credit, is 1 of the 36 million senior citizens who have no income flexibility, 1 of the 36 million senior citizens who will pay the Btu tax when she goes to purchase gasoline, when she pays her utility bill, when she goes to the grocery store.

The Btu tax is a cruel tax. It is an insidious tax, but it is the worst of all for those people who have no income flexibility at all, that is the 36 million senior citizens of this country who will be most affected by the Btu tax.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from California [Mr. TUCKER], another very able new Member of this Congress.

Mr. TUCKER. Mr. Chairman, I rise in strong opposition to the Kasich amendment.

Mr. SCHUMER. Mr. Chairman, will the gentleman yield?

Mr. TUCKER. I yield to the gentleman from New York.

Mr. SCHUMER. Mr. Chairman, I thank the gentleman for yielding. I just had to say, as I was listening to this debate, I realized that the millennium has arrived. The Democrats have become the party of deficit reduction; the Republicans the party of obstruction.

We are on the road to victory and a real change in America.

Mr. TUCKER. I thank the distinguished gentleman from new York for his comments.

As I was saying, Mr. Chairman, what we are dealing with, there was a comment by one of our Republican colleagues asking whether or not this is a jobs package and actually challenging anyone on the other side of the aisle to come up with some information that would indicate it was such.

Recent statistics from the Treasury Department indicate that in my State of California, by 1997, there will be a net savings of $4.4 billion based on the earned income tax credit, the lower interest rates, as well as the probusiness and prolearning programs. By 1997 we will see a net gain of 28,000 jobs in the State of California.

That is what I call a budget reconciliation bill that is job creating. But, Mr. Chairman, we are not talking about job creation here, at least the Republicans are not. What they are talking about is job rhetoric, and especially tax rhetoric, because when you have lost the White House, and when you do not have the majority of this House, all you can do is give a lot of statistics that talk about rhetoric.

But they do not talk about the fact that under the Republican administration in 12 years we had the greatest deficit, not reduction but increase. They do not talk about the fact that this plan speaks to the greatest deficit reduction in the history of this country, not just the greatest tax increase.

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So let us talk about what we are really talking about, Mr. Chairman; let us vote down the Kasich amendment, and let us vote up the Budget Reconciliation Act.

Mr. KASICH. Mr. Chairman, I yield 30 seconds to the gentleman from Florida [Mr. MICA].

Mr. MICA. Mr. Chairman, when will we learn that increased taxes do not work? In 1986 they tried with Gramm-Budman-Hollings and in 1990 with the Bush tax package.

Just look at one example. This Congress imposed a luxury tax on expensive pleasure boats. This wonderful tax nearly destroyed America's boat building industry. Thousands of jobs were lost. World markets were lost forever.

Now this Congress is about to impose the largest tax increase in history; it will devastate every business, every home, and every family. When will we learn. This huge tax increase will kill jobs, help shut down businesses, and drive manufacturing overseas. I ask you, when will we learn?

Unfortunately, most of the Members of Congress, the President of the United States, and his advisers just don't understand. The people of America want spending cuts, not higher taxes. The people of America sent us here to create jobs, expand the economy, and work for a better future for our children.

The people of America demand Government cuts, not higher taxes. Unfortunately, this huge tax increase will stifle economic expansion. This tax increase will help kill the American dream.

Mr. SABO. Mr. Chairman, I yield such time as he may consume to the gentleman from Rhode Island [Mr. REED].

Mr. REED. Mr. Chairman, I rise in support of the President's plan.

Mr. Chairman, I rise in support of President Clinton's deficit reduction plan, and I look forward to its passage by this house.

The tab for the false prosperity of the Reagan-Bush era has finally come due, and today, we will take the first step to reverse the failed policies of the past.

The President's plan should be viewed as a start—a needed start. It is not perfect, but it is fair.

When I meet with my constituents, they tell me they are willing to pay their fair share to reduce the budget deficit. I believe that President Clinton's plan follows this logic. Indeed, for approximately 80 percent of American families, the Btu tax and other revenue proposals will mean an increase of only one-half of 1 percent in their tax bills.

My colleagues on the other side of the aisle decry this plan as all taxes and no cuts. Well, this bill does contain cuts—$102 billion over the next 5 years from a hard freeze in discretionary spending, plus painful cuts in entitlements. Moreover, I know during the appropriations process Members will have the opportunity to make further cuts in domestic spending by ending altogether the superconducting super collider, the space station, the Rural Electrification Administration, the advanced solid rocket motor, and many other wasteful programs. When these votes occur, I hope my colleagues who say they are for cutting spending will join me.

Mr. Chairman, we are all concerned with taxes, particularly the energy tax. However, I am also more concerned with reducing the debt and putting Americans back to work. I want to point out that the energy tax has been modified already to ensure it is fair to all regions, and it may be altered later in the reconciliation process. It is also important to note that even when the Btu tax is fully implemented in 1997, energy costs in America will still be lower than the energy costs of our economic competitors, except for Canada's hydropower.

No one wants to raise taxes, but as former Reagan Budget Director David Stockman recently wrote in a New Perspectives Quarterly article:

> The root problem goes back to the July 1981 frenzy of excessive and imprudent tax-cutting that shattered the Nation's fiscal stability. The GOP has neither a coherent program nor the political courage to attack anything but the most microscopic spending marginalia.

Mr. Chairman, the election last fall was about change. It was about rewarding working Americans, not just the wealthiest Americans. Most importantly, it was about ending gridlock and proving that their Government would take action to revive our Nation's economy. Failure to act now is not just failure to act or an easy way to say I am against the deficit, but I won't vote to reduce it—it is a failure that will end any confidence in Government's ability to do anything and a failure that will certainly send the wrong signal to the financial markets.

Mr. Chairman, I urge my colleagues to support the President and this plan to reduce the deficit by $500 billion.

Mr. KASICH. Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. QUINN].

Mr. QUINN. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I came to Congress eager to work with President Clinton to create new jobs, stimulate the economy, and reduce the budget deficit. When the newly elected President was talking about middle class tax relief and controlling Government spending, especially through reforms like the line-item veto, I believed we could work together to change America for the better.

Regretfully, the plan being considered today is not a change from the tax-and-spend budgets of the past. Each time Congress has hiked taxes in the past, they have increased spending as well—leading to higher and higher deficits. I will not ask the people in my district to send one more penny to Washington until this Congress gets serious about cutting spending first.

The people of western New York sent me here to do a job—to cut spending first. Through thousands of letters, post cards, and phone calls, they have been reminding me—to cut spending first. Whether they voted for Bill Clinton, Ross Perot, or George Bush, their message was the same—cut spending first.

Instead of cutting spending first, this budget increases taxes $322 billion over 5 years, which is the largest tax increase in the history of this country. Instead of middle class tax relief, this budget adds the new Btu tax on energy which hurts middle class working families in western New York. The energy tax will lead to the loss of an estimated 1,700 jobs in my district alone. Instead of tax fairness, this budget raises taxes on Social Security, which hurts our senior citizens who rely on those benefits.

President Clinton said his economic plan was supposed to be based on job creation and deficit reduction. But this budget accomplishes neither. Instead, it raises taxes and raises spending—and that is the last thing the people of western New York can afford.

Mr. KASICH. Mr. Chairman, I yield 3 minutes to the very distinguished chairman of the Republican Conference, the gentleman from Texas [Mr. ARMEY].

Mr. ARMEY. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, if anyone in America should understand that breaking campaign promises and raising taxes will not cut the deficit, will not create jobs or will not be tolerated by the American people it should be President Clinton. That is how he got the job in the first place.

Even Jimmy Buffet knows "You've got to learn from the wrong things you done." And we learn from the 1980's. You get deficit reduction and job creation if you grow the private sector and you cut the public sector.

Clinton grows the Government by 20 percent over 5 years, $300 billion. He pays for it by increasing taxes by $300 billion on the American people, and this, in turn, shrinks the private sector.

His plan works, according to his scenario, by virtue of the mystical reduction in interest rates that is going to come through its implementation. However, even that is belied by the imposition, in particular, of the energy taxes which will create an inflationary threat which, when responded to by the Federal Reserve, as it must, will push interest rates up, and the magic will not happen.

KASICH, on the other hand, cuts the Government by $350 billion. It leaves room for the private sector to grow and allows the miracle of free-market job creation to once again assert itself.

President Clinton asks the American people to make even more sacrifice in order to support a growing Government.

JOHN KASICH asks the Government to sacrifice in order to better serve the American people.

To the Democrats in this body, let me suggest to you that if you vote for Clinton, I have for you two words: "Run scared."

To the Republicans, let me suggest to you that you vote, instead, for the Kasich plan, and should the Democrats prevail, I have for you two words, my Republican colleagues: "Buy gold."

And let me say to my good friend CHUCK SCHUMER, for whom I have the greatest respect, the plea you are copping as Republican destruction, or Republican obstructionism, is correctly know as "Democrat ineptness."

The President does not have a problem or an inability to get Republican votes. His problem is he cannot sell this package to the Democrats.

It is your problem, I say to the gentleman from New York [Mr. SCHUMER], not ours.

Mr. SABO. Mr. Chairman, I yield 3 minutes to the distinguished majority leader, the gentleman from Missouri [Mr. GEPHARDT].

Mr. GEPHARDT. Mr. Chairman, Members of the House, a few short days ago, February 17, President Clinton came to this room and said that there was plenty of blame to pass around for why we have this great deficit, but that that was not what he came to do. He came to ask our help and to ask us to act, and tonight we must act.

Many of the Members have said to me that this bill has got difficulties in it, pain in it, things that are not politically attractive.

When you are trying to honestly reduce a deficit that has built now to $4 trillion, to take our deficit from 5 percent of GNP to 2½, there is no human way that that piece of legislation can be politically attractive.

In many ways, this is our admission to the ball park. We are in a new world economy. Many things we must do, research, education, infrastructure, you all know the list, but we will not be able to even get in the park to play the game unless we get this deficit down so that we have the ability to do what needs to be done.

In my view, the Kasich plan is deficient. It does not cut the deficit enough. It is not fair, in my view, because it does not ask the people at the top to pay their fair share, and it does not give the people stuck at the bottom the incentive that the earned-income credit gives the people to get out of welfare and to get into a job, something that all of us desperately want to do.

And so the Clinton plan is better. It is fair. It is comprehensive. It does give us that ticket to the ball park to play the economic game of the future.

Two Sundays ago, I was at my son's graduation. It was a joyous day, and at the end of the ceremony, my wife and I presented him with a small, modest gift. After paying tuition for 4 years, you will all understand why it was modest. But the gift that I want to give him and those like him is to remove this dagger that is pointing at our economic heart. I want him to have a chance to get a good job. I want him to be able to buy a new house and to have low interest rates. I want his economic future to be better than mine, as mine has been better than my mother and father.

That is the American dream, and that is what we must give our children.

For these past 12 years, all of us, Presidents, Congress, leaders in all communities, have been irresponsible. We have been practicing institutional irresponsibility. All of us know that. But especially the irresponsibility that comes from our deficits sends an example to all of our people, and in fact to all of the world, about how we should conduct our business and our lives.

So tonight we must not have promises. We must not have illusions. We must not have gimmicks. We must have real cuts and real revenues to do what each of us in our heart and our mind knows must be done to bring this deficit finally down.

As one man said, "The only measure of what you believe is what you do." If you want to know what people believe, do not read what they write and do not ask them what they believe; just observe what they do.

Tonight, ladies and gentlemen of the House, we will be measured by our acts, not by our words.

May God grant us the wisdom to choose the right course for our country, for our children and for our future.

Vote for this budget.

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Mr. KASICH. Mr. Chairman, I yield such time as he may consume to the gentleman from Florida [Mr. STEARNS]

Mr. STEARNS. Mr. Chairman, we all know that the Clinton economic plan contains the largest tax increase in the Nation's history. The Btu tax will hurt every American family, costing hundreds of thousands of jobs in just the first few years of its existence. President Clinton also has targeted older Americans for a huge tax increase in spite of his repeated promises during the presidential campaign to leave Social Security alone.

On the spending side, we know that the Clinton budget calls for billions of dollars in new social programs and does not eliminate a single spending item. We also know that more fiscally responsible members of the President's own party have been telling him of the disaster that lies ahead if spending is not addressed.

I, like millions of Americans, have been waiting anxiously to hear what agreement the President might reach regarding spending cuts. Unfortunately, these negotiations have been conducted behind closed doors and many of us are voting on an agreement we haven't even seen.

So let me share with my colleagues on both sides of the aisle what the press is reporting this agreement to be. According to the Associated Press, an agreement has been reached that, I quote, "does not guarantee that spending will be restrained, but it pressures the President and lawmakers to do so."

It continues,

> under the procedure, spending targets would be set each year for Social Security, Medicare, and dozens of other benefit programs. If the target is exceeded, the President would have to propose paying for the excess with tax increases, spending cuts or both, or with borrowing, which drives up the deficit.

Let me repeat that, "the President would have to propose tax increases, spending cuts or more borrowing." If I were a betting man, I'd bet on the tax increases and debt increases before the spending cuts.

Is there any good reason to believe that if the President has refused to make real spending cuts in his budget and refused to make real spending cuts during these negotiations, that he will make them this Fall.

The American people took Bill Clinton at his word during the presidential election campaign that he wouldn't raise taxes on the middle class, wouldn't cut Social Security, wouldn't impose an energy tax and would make real cuts in spending. They know now that they have been misled.

Americans have made it clear that they want spending cuts. Think of the breach of trust we will have committed if we approve a package that raises taxes today and raises taxes tomorrow, but never cuts federal spending.

If you want to make it clear to President Clinton that we need spending cuts now, vote no on the budget reconciliation. Spending cuts must come before tax cuts; the American people will not accept anything else.

Mr. KASICH. Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. LAZIO].

Mr. LAZIO. Mr. Chairman, I rise in opposition to the Reconciliation Act and in support of the Kasich alternative.

Mr. Chairman, I take this opportunity to voice my strong opposition to this bill, H.R. 2264, the Omnibus Reconciliation Act of 1993. This modest little piece of legislation comprises 1,497 pages. It was made available only yesterday.

Mr. Chairman, it bears repeating that the most important problem facing the United States is the deficit. Mr. Clinton said he would focus like a laser beam on the economy. It is clear to everyone that he has not followed through on that promise.

I wish he had focused on the economy, but even if he had, the economy is a far more complex phenomenon than the deficit. It's a harder target to hit.

Unfortunately, both the deficit and the economy are easy issues to demagog. Yet one thing is certain: unless we zero in the deficit problem, we have no chance. And, it is equally clear that unless the President leads the charge, we can not accomplish the job.

Regrettably for the country, the President has not picked a laser gun. Instead, he's picked a blunderbuss. We see in this President, a very troubling pattern of behavior. While the deficit hangs over us like a dark cloud, this President is schmoozing with his Hollywood buddies, getting $200 haircuts on Air Force One, holding up commercial aircraft in the process, firing and then unfiring career civil servants in the White House travel office, apparently short-circuiting the chain of command in the Justice Department in the process.

Mr. Chairman, this pattern does not strike me as what the American people have in mind when they think of the President's promise to "reinvent government".

The trouble with the bill before us is that, while it moves in the right direction, it is completely lacking in balance. It incorporates the largest tax increase in our history, but fails to match it with commensurate spending cuts. Estimates are all across the board, but it is clear that the increases in taxes are at least double the cuts in spending.

And, Mr. Chairman, these ratios are conservative because they fail to include the inevitable tax proposals that are waiting to be shot at the American people from the other end of Pennsylvania Avenue in the name of health care. How can this administration talk on the one hand of creating jobs and, at the same time, take away from private businesses the very profits that are the source of new jobs?

Mr. Chairman, that is unacceptable. It is not what the American people expect and it is not what they want. Certainly, it is not what they were promised.

Mr. SABO. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois [Mr. YATES].

Mr. YATES. Mr. Chairman, I rise in support of the Clinton proposals.

Mr. Chairman. I rise to support President Clinton's plan to end our National economic lethargy and to cut our huge national deficit. His is a realistic proposal. These goals cannot be achieved only by reducing government expenditures as Mr. KASICH contends. Making reductions of Federal spending to the erroneous extent required for that purpose would cripple not only the service our government provides the American people, but our national economy as well.

I said President Clinton's proposals are realistic. For the first time in 12 years we have a budget that is not dead on arrival. If provides for spending cuts—severe spending cuts. But the services the government needs will continue, our national resources will be protected and augmented.

The tax burden called for by the proposal is fair. It will be heaviest on those who can best afford it, those who prospered so well in the Reagan-Bush years. Sacrifice will be called for.

I believe the American people will accept the challenge because they know it will protect America's future.

Mr. SABO. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently, a quorum is not present.

Members will record their presence by electronic device.

The call was taken by electronic device.

The following Members responded to their names:

[Roll No. 197]

Abercrombie
Ackerman
Allard
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Armey
Bacchus (FL)
Bachus (AL)
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barlow
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bateman
Becerra
Beilenson
Bentley
Bereuter
Bevill
Bilbray
Bilirakis
Bishop
Blackwell
Bliley
Blute
Boehlert
Boehner
Bonilla
Bonior
Borski
Boucher
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Burton
Buyer
Byrne
Callahan
Calvert
Camp
Canady
Cantwell
Cardin
Carr
Castle
Chapman
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coleman
Collins (GA)
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Cooper
Coppersmith
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cunningham
Danner
Darden
de la Garza
de Lugo (VI)
Deal
DeFazio
DeLauro
DeLay
Dellums
Derrick
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Dooley
Doolittle
Dornan
Dreier
Duncan
Dunn
Durbin
Edwards (CA)
Edwards (TX)
Emerson
Engel
English (AZ)
English (OK)
Eshoo
Evans
Everett
Ewing
Faleomavaega (AS)
Fawell
Fazio
Fields (LA)
Fields (TX)
Filner
Fingerhut
Fish
Flake
Foglietta
Foley
Ford (MI)
Fowler
Franks (CT)
Franks (NJ)
Frost
Furse
Gallegly
Gallo
Gejdenson
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Grams
Grandy
Green
Greenwood
Gunderson
Gutierrez
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings
Hayes
Hefley
Hefner
Herger
Hilliard
Hinchey
Hoagland
Hobson
Hochbrueckner
Hoekstra
Hoke
Holden
Horn
Houghton
Hoyer
Huffington
Hughes
Hunter
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Inslee
Istook
Jacobs
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klein
Klink
Klug
Knollenberg
Kolbe
Kopetski
Kreidler
Kyl
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lazio
Leach
Lehman
Levin
Levy
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Linder
Lipinski
Livingston
Lloyd
Long
Lowey
Machtley
Maloney
Mann
Manton
Manzullo
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McDade
McDermott
McHale
McHugh
McInnis
McKeon
McKinney
McMillan
McNulty
Meehan
Meek
Menendez
Meyers
Mica
Michel
Miller (CA)
Miller (FL)
Mineta
Minge
Mink
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Nadler
Natcher
Neal (MA)
Neal (NC)
Norton (DC)
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pickle
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quillen
Quinn
Rahall
Ramstad
Rangel
Ravenel
Reed
Regula
Reynolds
Richardson
Ridge
Roberts
Roemer
Rogers
Rohrabacher
Romero-Barcelo (PR)
Ros-Lehtinen
Rose
Rostenkowski
Roth
Roukema
Rowland
Roybal-Allard
Royce
Rush
Sabo
Sanders
Sangmeister
Santorum
Sarpalius
Sawyer
Saxton
Schaefer
Schenk
Schiff
Schroeder
Schumer
Scott
Sensenbrenner
Serrano
Sharp
Shaw
Shays
Shepherd
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (IA)
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Spratt
Stearns
Stenholm
Stokes
Strickland
Studds
Stump
Stupak
Sundquist
Swett
Swift
Synar
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas (CA)
Thomas (WY)
Thompson
Thornton
Thurman
Torkildsen
Torres
Torricelli
Towns
Traficant
Tucker
Unsoeld
Upton
Valentine
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Washington
Waters
Watt
Weldon
Wheat
Whitten
Williams
Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Yates
Young (AK)
Young (FL)
Zeliff
Zimmer

□ 2005

The CHAIRMAN. Four hundred twenty-three Members have answered to their names, a quorum is present, and the Committee will resume its business.

The gentleman from Ohio [Mr. KASICH] has 5 minutes remaining, and the gentleman from Minnesota [Mr. SABO] has 5 minutes remaining, and the Chair will be liberal with its time allocation.

I want to compliment the Members for the decorum during this debate. I know it is a very emotional debate, and I compliment the Members for their decorum.

Mr. KASICH. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. WELDON].

Mr. WELDON. Mr. Chairman, I rise in opposition to the Democrat Kevorkian jobs suicide bill.

Mr. Chairman, the day of reckoning has arrived. This is my seventh year as a Member of this House, and for all that time I have heard my colleagues on the other side of the aisle blame all of our woes on Presidents Reagan and Bush. "Twelve years of Republican rule, 12 years of neglect, 12 years of trickle-down, 12 years of tax cuts for the wealthy." The Democrats who controlled this House for those 12 years were more than happy to run for cover. The Democrats who run the Congress, pass the laws, and spend the money, were more than happy to run and hide.

Well, today marks the turning point. No longer can the Democrats blame Ronald Reagan and George Bush, for today we begin the Clinton economic era in America.

Our Democratic colleagues have the votes to pass the Clinton tax increases. You have the votes to tax thousands of American senior citizens. We cannot stop you. You have the votes to increase energy taxes on every middle-class family. We cannot stop you. You have the votes to tax small businesses, and kill jobs in the private sector. We cannot stop you.

So pass your plan. But remember what you do here. After today, you will have no one else to blame. Ronald Reagan and George Bush won't cast one vote here today. No more of the blame game. It is your President, it is your plan. Pass it, and accept the consequences.

I take no pleasure in this. I take no pleasure in seeing this House pass a plan that will kill jobs, drive up inflation, hurt businesses, and squeeze the middle class. But that is the way you wanted it—you closed the Ways and Means Committee so you could devise your tax schemes in secret, and you gagged our side with closed rules.

And make no mistake. This tax hike bill will throw people out of work. I do not need the Tax Foundation to tell me that we are killing jobs here today. I know that just by looking at my neighboring State—New Jersey. In 1990, New Jersey passed a tax hike bill that socked it to families and businesses, just like this bill does. And look at New Jersey today—an unemployment rate of more than 9 percent, 400,000 jobs lost.

That is the primrose path you are leading us down today, my Democratic friends. We will remember this vote. We will remember this vote when unemployment goes up, when inflation goes up, when spending goes up, when the national debt goes up. No more blaming Reagan and Bush, no more self-righteous chest-thumping, no more finger pointing at the Republican White House. For today, you run the show.

But even still, most Democrats do not want to vote for this bill. Even most Democrats cannot stomach a $328 billion tax increase. So the head-counters and vote buyers swung into action. All day cajoling sessions, arm-twisting calls from the White House, promises and threats thrown around in equal measure.

Buy a few votes with an exemption for home heating oil, buy a few votes with a cave-in on grazing fees. Then, when it really got close, six or seven votes with a White House Executive order on peanuts, and assorted other little trinkets for those who held out for more and more.

Yes, the Democrats are in charge today, and votes are for sale.

Why has it been so hard for the Democrats to round up their own votes? Because now the American people know what this Clinton tax hike really means for America. And the more they know about the President's plan the less they like it. That is why this President has the lowest approval ratings of any elected President since World War II. That is why Democratic candidates across the country are running away from the President. That is why the President has not even been asked to campaign in Texas, where Senator KRUEGER is 15 points behind. This plan is a loser, and the American people know it.

The Democrats tell us that gridlock is the disease that afflicted America in 1992. Well let me tell you something, my colleagues. When this is all over, and these taxes hit every family and every business in America, the American people will like the gridlock disease a whole lot better than the Clinton tax-and-spend cure.

But all of that matters very little here in the House. For at the end of the day, the Democrats will pass the Clinton tax hikes, the largest in American history. They will exorcise at last the ghosts of the much-hated Ronald Reagan and George Bush, and they will usher in the dark tax-and-spend era of Clintonomics. And as the last votes are counted, the Democrats will congratulate themselves, calling it bold leadership, and saying it took great courage.

But the American people will see it differently. You see, it is not leadership when you zap middle-class taxpayers so you can jack up Government spending. And it takes no courage to spend other people's money.

Mr. Chairman I rise today to oppose the Omnibus Budget Reconciliation Act of 1993. Although I support the important goal of reducing the deficit, I cannot support the Clinton administration's anachronistic, misguided tax-and-spend approach. Instead of increasing taxes on every American, we should first eliminate wasteful Government programs and cut Federal spending. In particular, I am concerned about the administration's proposed energy tax.

The broad-based energy tax, as reported by the Committee on Ways and Means, my possibly end or even reverse the current economic recovery. It will not only damage our Nation's industrial competitiveness in world markets, but will also devastate millions of families struggling to live the American dream. If one just cursorily examines the energy tax amendments adopted by the committee, it is clear that I am not the only one concerned about its impact on businesses and families.

The Btu tax is basically flawed. An amendment here or there will not make it good legislation. In fact, the Committee on Ways and Means adopted certain provisions that do not make much sense. As reported, this bill now favors ore-based metals production over recycling. This error is in a bill that is intended to be environmentally beneficial.

Exemptions from the Btu tax were provided to integrated steel producers and to aluminum producers, but not to electric furnace steel producers. Integrated steel mills are those that make steel from iron ore and use coal to make coke for their blast furnaces. Few outside of the industry, however, understand that almost 40 percent of the steel produced today is made by recycling scrap in electric furnaces. There are about 120 electric furnace steel plants in 95 congressional districts in 35 States. These companies provide employment for approximately 75,000 steel workers.

Many are also unaware of the intense competition for markets not only between the integrated and electric furnace steel producers, domestic and foreign, but also between steel and aluminum. I doubt whether any of us really wants to upset the delicate balance of the market. But this legislation has us accomplishing just that.

While I have no electric furnace producers in my district, a number of the employees of Lukens Steel Co. in Chester County are my constituents. Lukens has neither coke ovens nor blast furnaces. It consumes very little coal and requires no virgin iron ore. The new steel Lukens makes in its electric arc furnaces is composed almost totally from scrap metal that would otherwise end up scattered on the landscape or unnecessarily filling scarce landfill space. In fact, Lukens tells me that over the past several weeks they have received five truckloads of cans recovered from municipal waste sites in Maine. This one company recycles almost 30,000 tons of tin cans annually. Do we really want to discriminate against this kind of recycling? Lukens has 1 electric furnace that recycles up to 800,000 tons of scrap metal a year—everything from tin cans to automobiles and railroad cards. Lukens also owns Washington Steel, which produces high value stainless steel by recycling scrap metal in electric furnaces.

The electric furnace steel industry in this country consumes more than 37 million tons of scrap metal each year, including the scrap from 9 million automobiles junked annually. The scrap recycled by the entire steel industry each year is double the amount of all other recycled materials combined. Recycling is also energy efficient when compared to the production from ore of either steel or aluminum.

How does this bill discriminate? The aluminum industry requested that a portion of its electricity consumption be exempted from the Btu tax. In addition, the ore-based steel producers requested an exemption for coke, a source of carbon and heat used in their steelmaking process. These requests were approved, but a request supported by the House steel caucus leadership for a similar exemption for the electricity used to recycle metal in the furnaces of electric furnace steel producers was not. To compound this discriminatory treatment, the bill would raise the base Btu tax rate from 25.7 cents per million Btu to 26.8

cents per million Btu in order to cover the costs of the exemptions available to the aluminum and integrated steel producers.

Mr. Chairman, because the members of the Committee on Ways and Means attempted to fix the energy tax, we are now in the ludicrous position of being asked to favor metals production that is based on digging more ore out of the ground and discriminating against the recycling of metals and the conservation of natural resources.

Representatives from the electric furnace steel industry have expressed serious concern about the impact of the border adjustment amendment—part 5, sections 4456 and 4457—on their stainless steel business. This is of particular concern to Pennsylvania because approximately 70 percent of the stainless steel produced is melted in Pennsylvania—incidentally also in electric furnaces that consume scrap metal. I have been told that the available data leads one to believe that stainless steel producers will be faced with a new tax of approximately $7.50 per ton based on Btu consumption in production. We are now proposing an addition of $1.50 to $2 per ton tax on the ferroalloy minerals that must be imported for stainless production. Costs of production are then raised from $9.50 to $10 per ton, further diminishing their competitiveness domestically with other metals and with imports, which will be taxed at a rate of only approximately $4.50 per ton.

Mr. Chairman, these are just two examples of serious flaws with the Btu tax, as it affects just one industry, that confirms my belief that we are being asked to enact a measure that will be detrimental to our overall economic well being. I urge my colleagues to defeat the Omnibus Budget Reconciliation Act.

Mr. KASICH. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would like to duly note for the Record that, as the gentleman from Georgia [Mr. GINGRICH] arises to speak, that this, just like the budget resolution that we offered, is one fully supported by the leadership of the Republican Party.

With that, Mr. Chairman, I yield the balance of my time to the very distinguished Republican whip, the gentleman from Georgia [Mr. GINGRICH].

Mr. GINGRICH. First, I want to take just a moment to thank our Chairman of the Committee of the Whole, the gentleman from Pennsylvania [Mr. MURTHA], who I think has given dignity and stature to all of us in the way he has presided today, and I want to thank him for that.

Second, I want to commend the very distinguished chairman and ranking member, the gentleman from Minnesota [Mr. SABO] and the gentleman from Ohio [Mr. KASICH]. I think we can all be proud of the way in which they have worked together today to give the House a chance to work its will, and I commend them for the job they have done.

Third, I want to commend the last speaker, my friend, the majority leader, the gentleman from Missouri [Mr. GEPHARDT], and every Member on both sides who have spoken today, and I say to my colleagues, "If you have had a chance to watch at all on the floor or on television, this kind of direct, forceful debate on principle is what the House of Representatives is all about."

Finally, I would like to thank our leader, the gentleman from Illinois [Mr. MICHEL], for allowing me to close for our side because I think it is an honor in a debate of this importance to have a chance to speak for my side.

Mr. Chairman, what we face is a genuine, historic, legitimate difference in principle. These next votes are about our vision of the future, our understanding of America and our belief in the lessons of history.

The Clinton plan, which I respect, props up the past. It raises $325 billion in new taxes to pay for a bigger welfare state.

□ 2010

It starts $40 billion in new entitlements, as it should, because it believes in the welfare state. Yet the simple fact is, the welfare state has failed. Look at every local television news program in every big city. Here in Washington, DC, during the time when three Americans were killed in Somalia in a combat zone, 48 Americans were killed in our National Capital. Clearly the welfare state has failed.

The tragic fact is that we cannot maintain civilization when 12-year-olds have babies, 15-year-olds kill each other, 17-year-olds are dying of AIDS, and 18-year-olds get diplomas but cannot read. The welfare state has failed.

The Clinton plan raised taxes to prop up this welfare state, and in raising taxes it hurts all Americans. Our parents and grandparents will pay higher taxes on their Social Security; not at the millionaire level, but at $25,000 for singles, and, a very antifamily standard, at only $32,000 per couple.

The Clinton tax bill is remarkably very anti-family in the way it increases the marriage penalty compared to two single taxpayers.

Every American will be hit by the energy tax, and jobs will be killed. In St. Louis, the majority leader's district, they will lose 1,328 jobs, according to the Tax Foundation, and Missouri will lose 9,324 jobs for the State, and that is without a beer tax increase.

In Washington State, the Spokane area will lose 809 jobs, even after the aluminum plant was exempted, and Washington State will lose 8,317 jobs.

In my district we will lose 766 jobs, and Georgia as a whole will lose 11,073 jobs. And those job losses are just for the energy tax. Other taxes will kill even more jobs. Yet the greatest tragedy is the failure to change directions away from the welfare state.

In Russia, Yeltsin knows they need less government and less red tape. In France, and I cite today's Washington Post, which reports on page 1, "France to sell its control of 21 key firms as they learn the lesson that socialism and government control fails."

Only in America is there an effort for higher taxes and a bigger welfare state. And now there is talk of a 9-percent payroll tax for health care on top of all these taxes.

The Kasich budget is a first step towards real change. It cuts spending first. It known Government is too big and spends too much. It is committed to protecting the family budget instead of raising taxes on families to protect the Government budget, a vote for a real change and a step toward smaller, affordable Government.

And yet even the Kasich budget, smaller, even the Kasich budget, is $7 trillion 841 billion over the next 5 years. And surely this Congress, with $7 trillion 841 billion in outlays without tax increases, should be able to find enough. And that is the small budget compared to the Clinton budget.

These votes only last 15 minutes, but taxes can last a lifetime.

Let me close by commending the Democrats who have had the courage to stand up for their constituents and who plan to vote against these tax increases. I sympathize. It is not easy. It is never easy to stand up in a situation involving your own party.

In 1982 I joined people like Dick Cheney, TRENT LOTT, and Jack Kemp, and we opposed President Reagan's tougher tax increase, which President Reagan said later was the worst single mistake of his administration.

In 1990, under tremendous pressure, we stood up against President Bush, and he said at the convention, 2-years-too-late, that it was the largest single mistake of his administration.

I simply urge every Member, think of the country, think of the patterns you see going on around the world. Vote with the tide of history, vote for a reformed smaller Government, vote for job creation and take-home pay, vote against bigger Government, higher taxes, poorer families, kill jobs, and a new recession.

The choice is up to each of us, the burden is on each of our shoulders. Tonight, here, we speak for America.

Mr. SABO. Mr. Chairman, before yielding time, I join the minority whip in recognizing the incredibly good job the gentleman from Pennsylvania has done chairing this debate. We all appreciate it.

Mr. Chairman, I yield 5 minutes to the gentleman from Washington [Mr. FOLEY], the distinguished Speaker of the House.

Mr. FOLEY. Mr. Speaker, we are in a chamber where we have heard a long, and I think generally very civilized and responsible debate. It takes me back to a time 2 years ago when we had a very important debate on a similarly crucial question for the country, because, in a way, the decision as to whether or not to take the country into war was no less momentous than the decision we make tonight.

We have in this Chamber done many things that were easy to do, that were popular to do, that were comfortable to do. But we seldom make valuable and lasting changes by taking easy votes, comfortable votes, politically popular votes.

I can remember when President Reagan came and asked for his economic program to be adopted. It was a program that called for giving taxes back to people, and encouraging them to vote for tax reductions. And it came with a promise that if those deep reductions in taxes could only be accomplished, that in a matter of a few years, a balanced budget would be achieved.

A distinguished Member of the other body, Senator Baker, called it, at the time, a riverboat gamble; and it was a gamble that many Members took, but it was a gamble that the country lost. The country suffered recession, sharp increases in defense spending, a year by year reduction in revenues, a rising deficit outpacing anything that had been seen in previous years, and a burgeoning national debt that is now an all-too-sad fact of our national life.

That was a relatively easy and popular decision, but it was not a good one, in my judgment. It was not one that served the country well.

There are easy votes that we can take, but they are not the votes that, generally, we think are the wisest votes we cast, the best votes we cast, the most honest votes we cast.

Tonight we have a difficult task, because this is not an easy bill to vote for. The President's plan is not comfortable, and it is not universally popular in many areas, and in many respects.

When the President stood here in this chamber on February 17, he asked the country to do difficult things, to do things that would speak for the future, a future, in which we would have more jobs, more opportunity, and a better future for our children, but first we would have to go through the difficult task of reducing a deficit that had grown relentlessly, year after year after year.

The President's plan does that. It is fair, it is responsible, it is effective, and it is real. It is real!

This bill, the President's plan, contains the most effective budget controls ever put in a Budget Reconciliation Act, both in the control of discretionary spending an in the constant review of entitlement spending.

The plan offered by the gentleman from Ohio [Mr. KASICH] does not meet the deficit targets over 5 years. The deficit would be higher after 5 years than the committee bill. And it does not provide any specific roadmap of how those reductions would be achieved.

□ 2020

In that sense, it is easier. But I hope that the Members of this Congress tonight will realize that now we have to take the difficult road back, but it is a road marked by our experience, by what we know has to be done, by a clear-eyed determination that we are going to achieve the goals of this legislation in reducing the deficit by $500 billion over the next 5 years, with annual reviews, with a clear determination that the deficit will be reduced, and that will result in the opportunity for investment and enhancement of our economy.

In the long term, this will serve all of our country well.

Of course, there is another option, not just the option of adopting the Kasich proposal, the Kasich substitute, or the committee bill. There is an option to do nothing, to do nothing, to let the status quo continue, to allow the public debt to go on to another $1.5 trillion in the next 5 years, to allow the national product to go down by $100 billion. We can do nothing, but that would be the greatest of all offenses to the American people.

Winston Churchill said, of a government in this time, that it "had decided only to be undecided, resolved to be irresolute, adamant for drift, solid for fluidity, all powerful to be impotent." That must not be the judgment of this House tonight.

That is not why we were elected, any of us. That is not what our people want, any of them. The worst thing we could do, the worst consequence is to do nothing.

This is a time for us to be determined, to serve the people in a way that is not difficult and sometimes most unpopular, but always to serve in the most responsible way, to consider the interests of their families, to consider the interests of their children, to consider the interests of their future, to support work, to encourage investment, to lay the foundation for a better life for them and for the next generation.

It will be remembered tonight what we do in this Chamber. We will remember it, yes. We will remember it. And those of us who support the committee bill will be proud of our action, proud of the responsible position we take.

This is a time for our country. This is a time to stand and deliver. This is a time to justify your election and the confidence the American people have given in sending you to this Chamber to carry on their business.

Defeat the Kasich proposal. Support the President's plan.

Mr. OXLEY. Mr. Chairman, I rise in support of the substitute in the form of an amendment, offered by Representative KASICH, of my home State.

Representative KASICH's bill, the Republican substitute, would reduce the deficit by cutting spending and deriving revenues from areas other than higher taxes. The Republican substitute would derive $7.2 billion by authorizing the Federal Communications Commission to auction newly emancipated radio spectrum. For years, the benefit of the radio spectrum has been overlooked by Congress because too many special interests would have had to pay money for what was previously free. These same special interests participate in industries which generate billions of dollars annually.

The present lottery system of spectrum allocation was originally created in order to expedite the assignment process, reduce the size of the bureaucracy, lower Government spending, and eliminate unnecessary regulations. However, it spawned a cottage industry of lawyers and engineers who fabricate applications meeting the FCC requirements with design drawings and financial commitments from banks. These people usually have no intention of exploring emerging technologies. Instead, they sell their free new allocation of spectrum for millions of dollars in profits. At a time when curative measures for the budget deficit predominate policy concerns, it seems foolish to give away a valuable resource such as the spectrum reserve.

Furthermore, the auction method would create a more efficient method of distribution and use. First, the language in the substitute mandates that the FCC weigh the technological benefits of the new proposed applications. Second, it prohibits warehousing and speculation. Finally, the competitive bidding guarantees that the applicants will refine their proposals to yield the greatest results.

These spectrum auctions would not favor large companies over small. It would protect the public service users such as emergency services and amateur radio operators from the competitive bidding process. It also exempts broadcasters from the procedures for license renewals.

Mr. Chairman, I think that this is a much better method to raise revenue than by passing the largest tax increase in the history of our Nation, as the President wants. A quick review of the administration's budget proposal conveys a very gloomy and discouraging message to the American people.

It says do not be productive. The tax rates on those who are the most productive members of society will be increased by 35 percent or more.

It says do not save. Tax rates on investment earning will be increased by 35 percent or more. Incentives to contribute to pensions for retirement will be slashed. Estate taxes on lifetime savings will be increased.

It says do not compete. Tax rates on the most profitable corporations will go up 1 percentage point. Taxes on successful multinational businesses will go up because of provisions affecting foreign subsidiaries and international operations. Leading edge U.S. companies will suffer because their operations in U.S. possessions will be heavily taxed.

The President's proposal says do not manufacture exports in the United States. The energy tax will have a heavy impact on U.S. manufactured exports. U.S. manufactured exports will bear the tax, while foreign products will not.

The President's proposal says do not pay taxes. The tax package restores the old incentives to seek tax shelters. Upper income individuals will defer income, buy tax-free bonds, work less, and take more tax-free fringe benefits.

Mr. Chairman, I think that the people need to hear positive messages in these troubled times. The President's proposal does not convey this message. The Republican substitute will convey this positive message. The people want to see reduced spending and new nontax revenue sources. This is what the Republican substitute does. The President's proposal, Mr. Speaker, is the same old tax-and-spend philosophy, and it just won't work any more.

Mr. McCANDLESS. Mr. Chairman, I rise in support of both the attempted en bloc amendment and the KASICH substitute. And I urge my colleagues to support these measures which provide today's only true opportunities for spending cuts, deficit reduction and budget reform.

The KASICH en bloc included an amendment I had intended to offer at last week's Government Operations Committee markup of the Budget Enforcement Act. Unfortunately, when it became clear that the majority did not have the votes needed to pass a leadership-approved bill, the measure was pulled and our Members were denied the opportunity to consider budget reform legislation.

Similarly, I waited for 9 hours yesterday for the chance to argue the merits of the debt buy-down language before the Rules Committee. My amendment was supported by every Republican member of that committee, yet without further ado, the amendment was rejected by the Committee's Democrat majority.

Mr. Chairman, I can certainly understand the majority's reluctance to permit the Members of this House the opportunity to debate the merits of their deficit reduction trust fund on national TV. Consider the comments of Deputy OMB Director Alice Rivlin who called a similar trust fund proposal just a gimmick. Or those of House Budget Committee Chairman MARTIN SABO who recently noted of a like measure, "I don't think it changes the substance of anything." House Ways and Means Committee Chairman DAN ROSTENKOWSKI disparaged a similar bill on NBC's "Today" show, while CBO Director Robert Reischauer reaffirmed the plan's flaws when he stated that, "saying that deficit reduction has occurred is different from achieving a particular deficit reduction target."

Given the number of well-known Democrat budget scholars who are denouncing the type of all show—no go trust fund which is being self-executed into this bill, I don't wonder at the majority's reluctance to allow its debate and amendment today. But the American people deserve more.

My amendment would provide the opportunity for true deficit reduction by offering Members a clear-cut choice between the Democrat's trust fund idea and the widely acclaimed Walker-Smith Debt Buy-Down Act. It offers a deficit reduction plan acknowledged by both OMB and CBO to provide real cuts and real savings.

My amendment provides a three-pronged approach to deficit reduction by: First, permitting taxpayers to designate up to 10 percent of their total taxes for deficit reduction; second, requiring Congress to enact spending cuts equal to the total amount of taxpayer set aside; and third, enforcing those spending reductions by imposing a sequestration equal to the amount of overspending.

According to both OMB and the trendline from CBO, this amendment would enable the Government to stop deficit spending by the year 1999. Additionally, the national debt would be eliminated by the year 2009 even with a 9.55 percent increase over baseline fiscal year 1994 spending.

Mr. Chairman, in denying the Members of this body the opportunity to choose between the majority's trust fund and my buy-down amendment, the leadership has also denied us the chance for true deficit reduction. I urge those of my colleagues who support real reform to defeat this bill so that we can bring it back with serious budget reforms.

Mr. PORTER. Mr. Chairman, let me start by saying how unconscionable it is for the Rules Committee—your Rules Committee—to fashion a rule that allows the minority a total of 90 minutes of debate time on a measure more far-reaching than any we have considered during the last 10 years. Four or five hours would have been fair and equitable; 90 minutes is ridiculous and unfair.

But, of course, this is only the beginning of the inequities of this rule, which allows the minority one substitute amendment only, and neither any other amendment nor even a motion to recommit with instructions. This is a cowardly and craven rule and the majority should be embarrassed in a free country to offer it.

Beyond the rule, however, lurks a far more ominous threat, not just to the minority but to every thinking American: a budget reconciliation package so onerous in the implications for the future of our children and grandchildren it should make all of us shudder in apprehension.

The President campaigned as a new Democrat, one who would go to Washington, push aside the usual tax-and-spend policies of his party, and put deficit reduction at the top of his agenda. Promised was a deficit reduction package calling for new taxes, yes, but also promising $2 of spending cuts for every $1 of tax increases, thus guaranteeing that every cent of new taxes would go to bring down the deficit, not for new or increased spending.

Mr. Chairman, I could have supported such a package. I believe the Nation's greatest problem, the one that makes for a low-growth, high unemployment economy and robs generations following of their future is ongoing, huge deficits. And let's be honest: neither party has made deficit reduction and balanced budgets a sufficient priority. There is enough blame to go around. Nor have I automatically rejected tax increases. As a matter of fairness, as a matter of every American participating in bringing the budget under control, I believe the people I am privileged to represent would be more than will to give of their hard-earned resources to help their country. With one ironclad guarantee.

My taxpayer protection amendment would require that each year the deficit come down by an amount not less than the new taxes imposed or the taxes are repealed automatically and immediately.

Mr. Chairman, if you cannot get the message of the American people to cut spending first, at least you ought to be able to guarantee them that every penny of the new taxes you are requiring them to pay will go to reduce the deficit, not for increased spending. This is the ironclad guarantee they and I need. By refusing to allow my amendment to be even considered on the House floor, Mr. Speaker, and offering instead a phony, unenforceable trust fund, you have ensured my hostile opposition to this package because there is no guarantee.

The budget reconciliation package you have put forward in fact, does just the opposite. It imposes $2 of new taxes matched by only $1 of spending cuts which guarantees that most of the new tax revenues will go to support increased spending, not to reduce the deficit. Add to this fact that there is no assurance that even the meager spending cuts targeted for the out years will ever take place and you have a package that will mean disaster for the American economy. Clearly, the concern that many in our country have that huge, permanent tax increases will be imposed on them and 4 years hence we will have deficits larger than ever is, tragically, well placed.

How did the package end up in this unfortunate form? President Clinton came to Washington and almost immediately made two serious mistakes? First, he failed to communicate in any meaningful way with Republicans, perhaps reflecting the one party nature of the State he served as governor. Obviously, coming to Republicans to ask for their cooperation in achieving spending cuts would have set a good working tone, but instead the President ignored us, leading, one could argue, to the amazing degree of cooperation the Senate Republican leader was able to achieve in holding Senate Republicans together in opposition to the President's economic stimulus package. This ignoring of Republicans, especially House Republicans, has continued to this day, and has made easier the job of the loyal opposition that might otherwise have fractured, at least to some degree.

Second, the President, perhaps understandably, fears becoming another Jimmy Carter, an ineffective, irrelevant outsider. This fear, in my judgment has led him to seek accommodation with the members of his party at practically any price, moving away from many of his campaign promises as objections were raised by his Democrats in the House or Senate. The difficulty with this approach to governance is that the tone, once set, is hard to back away from. The modus operandi of promising what Members of Congress want in return for their support can lead to only one result: you are rolled, and this President has been rolled by his congressional Democrats. The liberals have, after all, spent 12 frustrating years under the Reagan and Bush administrations and have a huge supply of pent-up program wishes, many of which involve new spending. When you want to reduce the deficit, accommodating the spending plans of the Democratic Congress, instead of going over their heads to the American people and working to control spending can be, and in this case is, in my judgment, fatal.

For all of these reasons, the budget reconciliation package has come out stood on its head, with deficit reduction subordinated to new spending projects, now termed "investments." The promise of addressing the needs of our economy by cleaning up our fiscal act and putting our house in order have been needlessly doomed, and support that could have been there with a responsible program and wise politics has been lost.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from Ohio [Mr. KASICH].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. KASICH. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 138, noes 295, not voting 5, as follows:

[Roll No. 198]

AYES—138

Armey
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Bartlett
Barton
Bilirakis
Bliley
Blute
Boehner
Bonilla
Bunning
Buyer
Calvert
Camp
Castle
Clinger
Coble
Collins (GA)
Cooper
Cox
Crane
Crapo
Cunningham
DeLay
Dickey
Dooley
Doolittle
Dreier
Dunn
Everett
Ewing
Fawell
Fields (TX)
Fish
Franks (CT)
Franks (NJ)
Gallegly
Gallo
Gekas
Gilchrest
Gilman
Gingrich
Goodling
Goss
Grams
Greenwood
Gunderson
Hansen
Hastert
Herger
Hoagland
Hobson
Hoekstra
Hoke
Horn
Houghton
Hunter
Hutchinson
Hyde
Inglis
Inhofe
Istook
Johnson (CT)
Johnson, Sam
Kasich
Kim
King
Klug
Knollenberg
Kolbe
Kyl
Lazio
Levy
Lewis (CA)
Lewis (FL)
Linder
Livingston
Manzullo
McCandless
McCollum
McCrery
McDade
McHugh
McKeon
McMillan
Meyers
Mica
Michel
Miller (FL)
Molinari
Moorhead
Myers
Nussle
Oxley
Packard
Paxon
Pombo
Porter
Portman
Pryce (OH)
Quillen
Quinn
Ramstad
Ravenel
Ridge
Rohrabacher
Royce
Santorum
Saxton
Schiff
Sensenbrenner
Shaw
Shays
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Snowe
Solomon
Sundquist
Talent
Tanner
Tauzin
Taylor (MS)
Thomas (CA)
Thomas (WY)
Torkildsen
Upton
Walker
Walsh
Weldon
Wolf
Young (FL)
Zeliff
Zimmer

NOES—295

Abercrombie
Ackerman
Allard
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Applegate
Bacchus (FL)
Baesler
Barcia
Barlow
Barrett (NE)
Barrett (WI)
Bateman
Becerra
Beilenson
Bentley
Bereuter
Berman
Bevill
Bilbray
Bishop
Blackwell
Boehlert
Bonior
Borski
Boucher
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Burton
Byrne
Callahan
Canady
Cantwell
Cardin
Carr
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Coppersmith
Costello
Coyne
Cramer
Danner
Darden
de la Garza
de Lugo (VI)
Deal
DeFazio
DeLauro
Dellums
Derrick
Deutsch
Diaz-Balart
Dicks
Dingell
Dixon
Duncan
Durbin
Edwards (CA)
Edwards (TX)
Emerson
Engel
English (AZ)
English (OK)
Eshoo
Evans
Faleomavaega (AS)
Fazio
Fields (LA)
Filner
Fingerhut
Flake
Foglietta
Foley
Ford (MI)
Ford (TN)
Fowler
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Geren
Gibbons
Gillmor
Glickman
Gonzalez
Goodlatte
Gordon
Grandy
Green
Gutierrez
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Hancock
Harman
Hastings
Hayes
Hefley
Hefner
Hilliard
Hinchey
Hochbrueckner
Holden
Hoyer
Huffington
Hughes
Hutto
Inslee
Jacobs
Jefferson
Johnson (GA)
Johnson (SD)
Johnson, E.B.
Johnston
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kingston
Kleczka
Klein
Klink
Kopetski
Kreidler
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Leach
Lehman
Levin
Lewis (GA)
Lightfoot
Lipinski
Lloyd
Long
Lowey
Machtley
Maloney
Mann
Manton
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCloskey
McCurdy
McDermott
McHale
McInnis
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Mineta
Minge
Mink
Moakley
Mollohan
Montgomery
Moran
Morella
Murphy
Murtha
Nadler
Natcher
Neal (MA)
Neal (NC)
Norton (DC)
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Parker
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pickle
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reed
Regula
Reynolds
Richardson
Roberts
Roemer
Rogers
Romero-Barcelo (PR)
Ros-Lehtinen
Rose
Rostenkowski
Roth
Roukema
Rowland
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Sarpalius
Sawyer
Schaefer
Schenk
Schroeder
Schumer
Scott
Serrano
Sharp
Shepherd
Sisisky
Skaggs
Skelton
Slattery
Slaughter
Smith (IA)
Smith (OR)
Spence
Spratt
Stark
Stearns
Stenholm
Stokes
Strickland
Studds
Stump
Stupak
Swett
Swift
Synar
Taylor (NC)
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Traficant
Tucker
Unsoeld
Valentine
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Washington
Waters
Watt
Waxman
Wheat
Whitten
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Yates

NOT VOTING—5

Archer
Dornan
Henry
Underwood (GU)
Young (AK)

□ 2041

Mr. DUNCAN changed his vote from "aye" to "no."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker, having resumed the chair, Mr. MURTHA, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2264) to provide for reconciliation pursuant to section 7 of the concurrent resolution on the budget for fiscal year 1994, as modified pursuant to House Resolution 186, pursuant to House Resolution 186, he reported the bill, as modified, back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

RECORDED VOTE

Mr. KASICH. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 219, noes 213, not voting 1, as follows:

[Roll No. 199]

YEAS—219

Abercrombie
Ackerman
Andrews (ME)
Andrews (TX)
Applegate
Bacchus (FL)
Barcia
Barlow
Barrett (WI)
Becerra
Beilenson
Berman
Bevill
Bilbray
Bishop
Blackwell
Bonior
Borski
Boucher
Brewster
Brooks
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Byrne
Cantwell
Cardin
Carr
Clay
Clayton
Clyburn
Coleman
Collins (IL)
Collins (MI)
Conyers
Cooper
Costello
Coyne
Cramer
Darden
de la Garza
DeFazio
DeLauro
Dellums
Derrick
Deutsch
Dicks
Dingell
Dixon
Dooley
Durbin
Edwards (CA)
Engel
English (AZ)
Eshoo
Evans
Fazio
Fields (LA)
Filner
Fingerhut
Flake
Foglietta
Foley
Ford (MI)
Ford (TN)
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Gibbons
Glickman
Gonzalez
Gordon
Green
Gutierrez
Hall (OH)
Hamburg
Hamilton
Harman
Hastings
Hefner
Hilliard
Hinchey
Hoagland
Hochbrueckner
Hoyer
Hughes
Hutto
Inslee
Jacobs
Jefferson
Johnson (GA)
Johnson, E.B.
Johnston
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Klink
Kopetski
Kreidler
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Levin
Lewis (GA)
Lloyd
Lowey
Manton
Markey
Martinez
Matsui
Mazzoli
McCloskey
McCurdy
McDermott
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Mineta
Mink
Moakley
Mollohan
Montgomery
Moran
Murphy
Murtha
Nadler

Natcher
Neal (MA)
Neal (NC)
Oberstar
Obey
Olver
Ortiz
Owens
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Pickle
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reed
Reynolds
Richardson
Rose
Rostenkowski
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Sawyer
Schenk
Schroeder
Schumer
Scott
Serrano
Sharp
Shepherd
Sisisky
Skaggs
Slattery
Slaughter
Smith (IA)
Spratt
Stark
Stenholm
Stokes
Strickland
Studds
Stupak
Swift
Synar
Tanner
Tauzin
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Tucker
Unsoeld
Valentine
Velazquez
Vento
Visclosky
Volkmer
Washington
Waters
Watt
Waxman
Wheat
Whitten
Williams
Wise
Woolsey
Wyden
Wynn
Yates

NAYS—213

Allard
Andrews (NJ)
Archer
Armey
Bachus (AL)
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barrett (NE)
Bartlett
Barton
Bateman
Bentley
Bereuter
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Browder
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Chapman
Clement
Clinger
Coble
Collins (GA)
Combest
Condit
Coppersmith
Cox
Crane
Crapo
Cunningham
Danner
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Edwards (TX)
Emerson
English (OK)
Everett
Ewing
Fawell
Fields (TX)
Fish
Fowler
Franks (CT)
Franks (NJ)
Gallegly
Gallo
Gekas
Geren
Gilchrest
Gillmor
Gilman
Gingrich
Goodlatte
Goodling
Goss
Grams
Grandy
Greenwood
Gunderson
Hall (TX)
Hancock
Hansen
Hastert
Hayes
Hefley
Herger
Hobson
Hoekstra
Hoke
Holden
Horn
Houghton
Huffington
Hunter
Hutchinson
Hyde
Inglis
Inhofe
Istook
Johnson (CT)
Johnson (SD)
Johnson, Sam
Kasich
Kim
King
Kingston
Klein
Klug
Knollenberg
Kolbe
Kyl
Laughlin
Lazio
Leach
Lehman
Levy
Lewis (CA)
Lewis (FL)
Lightfoot
Linder
Lipinski
Livingston
Long
Machtley
Maloney
Mann
Manzullo
Margolies-Mezvinsky
McCandless
McCollum
McCrery
McDade
McHale
McHugh
McInnis
McKeon
McMillan
Meyers
Mica
Michel
Miller (FL)
Minge
Molinari
Moorhead
Morella
Myers
Nussle
Orton
Oxley
Packard
Pallone
Parker
Paxon
Petri
Pickett
Pombo
Porter
Portman
Pryce (OH)
Quillen
Quinn
Ramstad
Ravenel
Regula
Ridge
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Rowland
Royce
Santorum
Sarpalius
Saxton
Schaefer
Schiff
Sensenbrenner
Shaw
Shays
Shuster
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Stearns
Stump
Sundquist
Swett
Talent
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (WY)
Torkildsen
Traficant
Upton
Vucanovich
Walker
Walsh
Weldon
Wilson
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

☐ 2059

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

☐ 2100

GENERAL LEAVE

Mr. SABO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous material, in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

PERSONAL EXPLANATION

Mr. UNDERWOOD. Mr. Speaker, during rollcall vote No. 198, I was on my way to my district on business. If I had been present, I would have voted "nay".

AUTHORIZING THE CLERK TO MAKE TECHNICAL AND CONFORMING CORRECTIONS TO THE H.R. 2264, OMNIBUS BUDGET RECONCILIATION ACT OF 1993

Mr. SABO. Mr. Speaker, I request unanimous consent that the clerk have general leave to authorize technical and conforming corrections to H.R. 2264, the Omnibus Budget Reconciliation Act of 1993.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

ADJOURNMENT OF THE HOUSE FROM THURSDAY, MAY 27, 1993, TO TUESDAY, JUNE 8, 1993, AND RECESS OR ADJOURNMENT OF THE SENATE FROM FRIDAY, MAY 28, 1993, TO MONDAY, JUNE 7, 1993

Mr. GEPHARDT. Mr. Speaker, I offer a privileged concurrent resolution (H. Con. Res. 105) and ask for its immediate consideration.

The Clerk read the concurrent resolution as follows:

H. CON. RES. 105

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on the legislative day of Thursday, May 27, 1993, it stand adjourned until noon on Tuesday, June 8, 1993, or until noon on the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution, whichever occurs first; and that when the Senate recesses or adjourns at the close of business on Friday, May 28, 1993, pursuant to a motion made by the Majority Leader or his designee, in accordance with this resolution, it stand recessed or adjourned until noon, or until such time as may be specified by the Majority Leader or his designee in the motion to adjourn or recess, on Monday, June 7, 1993, or until noon on the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution, whichever occurs first.

SEC. 2. The Speaker of the House and the Majority Leader of the Senate, acting jointly after consultation with the Minority Leader of the Senate, shall notify the Members of the House and the Senate, respectively, to reassemble whenever, in their opinion, the public interest shall warrant it.

Mr. GEPHARDT (during the reading). Mr. Speaker, I ask unanimous consent that the concurrent resolution be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING SPEAKER AND MINORITY LEADER TO ACCEPT RESIGNATIONS AND MAKE APPOINTMENTS, NOT WITHSTANDING ADJOURNMENT.

Mr. GEPHARDT. Mr. Speaker, I ask unanimous consent that, notwithstanding any adjournment of the House until Tuesday, June 8, 1993, the Speaker and the minority leader be authorized to accept resignations and to make appointments authorized by law or by the House.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY, JUNE 9, 1993

Mr. GEPHARDT. Mr. Speaker, I ask unanimous consent that business in order under the calendar Wednesday rule be dispensed with on Wednesday, June 9, 1993.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

PROVIDING FOR CONDITIONAL ADJOURNMENT UNTIL TOMORROW, FRIDAY, MAY 28, 1993

Mr. GEPHARDT. Mr. Speaker, I ask unanimous consent that if the Senate does not adopt House Concurrent Resolution 105 by noon on tomorrow, then when the House adjourns today, it adjourn to meet at noon tomorrow, but that if the clerk receives a message prior to noon tomorrow that the Senate has adopted House Concurrent Resolution 105, then the adjournment of the House today shall be deemed an adjournment pursuant to House Concurrent Resolution 105.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute.)

Mr. MICHEL. I asked for this time to propound a few questions to the distinguished majority leader.

Initially, the Memorial Day recess was to be concluded or come to a conclusion on Monday, June 7, and now we have extended it one more day. Could the distinguished majority leader tell me what would be programmed for that Tuesday when we return on the June 8?

Mr. GEPHARDT. If the gentleman will yield, we do return on Tuesday, June 8, and we will post a schedule next week. I would suppose that on that day there will be suspensions and we will hold the votes, as we always do, until later in the day, if at all possible.

Mr. MICHEL. That seemed to be the most prevalent question, whether there would be votes on that day when we return.

Mr. GEPHARDT. That is correct.

Mr. MICHEL. And if there are scheduled suspensions, is there any idea what number there might be?

Mr. GEPHARDT. We just do not have that information available.

Mr. MICHEL. In any case, the votes on suspensions, if ordered, would be at the conclusion of the consideration of all of them?

Mr. GEPHARDT. The gentleman is correct.

Mr. MICHEL. I yield to the gentleman from New York.

Mr. SOLOMON. I thank the gentleman for yielding.

Mr. Speaker, it is my understanding that the President has announced that he is going to announce tomorrow morning at 9:00 that he is requesting renewal of the most favored nations status for China. I did not quite understand that colloquy. Would it be in order for me to file a motion of disapproval of that request tomorrow, or are we adjourned? I could not hear what the majority leader was saying.

Mr. GEPHARDT. If the gentleman will yield, it is my understanding that it is most likely that the Senate will adopt this adjournment resolution, which would mean that we would not be in session tomorrow. But I see no reason that the gentleman's motion could not be presented upon our return on June 8.

Mr. SOLOMON. I just wanted that clarification. The gentleman had said something about the House possibly still being in until noon tomorrow. But if they adopt, if the Senate adopts it, then we would be out tonight; if they do not, we would still be in until tomorrow.

Mr. GEPHARDT. The gentleman is correct.

Mr. MICHEL. I thank the gentleman, the distinguished majority leader.

□ 2110

DESIGNATION OF THE HONORABLE STENY HOYER TO ACT AS SPEAKER PRO TEMPORE UNTIL JUNE 8, 1993

The SPEAKER pro tempore (Mr. MFUME) laid before the House the following communication from the Speaker of the House of Representatives:

HOUSE OF REPRESENTATIVES,
Washington, DC, May 27, 1993.

I hereby designate the Honorable STENY HOYER to act as Speaker pro tempore—sign enrolled bills until Tuesday June 8, 1993.

THOMAS S. FOLEY,
Speaker of the House of Representatives.

THE DEBATE IS ABOUT JOBS

Mrs. JOHNSON of Connecticut asked and was given permission to address the House for 1 minute and to revise and extend her remarks.

Mrs. JOHNSON of Connecticut. Mr. Speaker, the current debate over the Clinton tax bill is a debate about jobs in America and a debate that goes to the heart of what America is all about. Does Government spending create jobs or does the private sector create more and better jobs? Thanks to C-SPAN and the media, the crux of this debate is not lost on our constituents: It's simple. If the Federal Government takes money out of the economy, fewer jobs are created, spending for Government support programs goes up, and the deficit widens.

One of my constituents, Paul Martel of Simsbury, CT, wrote an excellent letter to the editor reflecting the profound fear amongst Americans, that we've lost our way, have deserted the values that made America great.

Mr. Martel decries the growing apathy and disdain for the basic elements of our capitalistic, free-enterprise system and goes on to describe how the cycle of investment, risk-taking, business formation, hiring employees, earning a profit, and reinvestment is fundamental to the American way of life. It is the only way real wealth is created. I would add, it is the substance of all the hope embodied in the words opportunity and freedom.

Mr. Speaker, as usual, the man in the street is correct. As my constituent has eloquently pointed out,

> Government does not create wealth; business does. Higher taxes do not lead to prosperity; business does. Government spending does not create real jobs; business does.

I strongly urge my colleagues to heed these insights and defeat the tax-and-spend package now before us.

Mr. Speaker, I am including at this point in the RECORD the text of the article by Paul Martel, as follows:

WHERE DO JOBS COME FROM?

(By Paul R. Martel)

There is a profoundly disturbing trend in society that threatens our nation's health and survival. It shows up in divisive political rhetoric, in the news media, in churches and, most dangerously, in our tax system. This trend is a growing apathy and disdain for the basic elements of our capitalistic, free-enterprise system.

The cycle of investment, risk-taking, business formation, profit and reinvestment is fundamental to the American way of life. It is the only way real wealth is created. It is where jobs come from. It is the essence of our collective economic health.

Somewhere along the way, something changed. Businesses—the people who own and run them—became the enemy, the exploiter, the polluter, the bad rich people. Businesses have become the convenient target for taxation, regulation and government mandates. Profit is now known as greed. Hard work and investment and their rewards are now viewed as lacking moral dignity.

Capitalism is the engine that powers the car that is our economy. Government has added so many fixtures, pumps and accessories to the car that the engine stalls from the weight. The fuel for the engine—capital—is taxed so heavily that the engine chokes. We don't teach people about the engine, so no one understands why the car runs so badly.

Consider these headlines: "Job market for grads slim," "Hundreds of thousands of jobs lost in New England," "Pratt layoffs continue." Who doesn't see a connection to the tax and regulatory policies that overburden businesses? Why is it that when some propose lower capital-gains taxes and fewer mandates, they are derided and accused of pandering to the rich?

Government does not create wealth; business does. Higher taxes do not lead to prosperity; business does. Government spending does not create real jobs; business does. The next time people hear "trickle-own" economics ridiculed or a new government program is proposed or taxes are raised and mandates increased on businesses, they should ask: Where does wealth come from? Where do jobs come from? What is it that makes our country strong?

The answer is capitalism, and it's not a bad word.

A SILVER LINING IN A BAD VOTE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland [Mr. BARTLETT] is recognized for 5 minutes.

Mr. BARTLETT of Maryland. Mr. Speaker, we have done it. We have cast one of the most significant votes, certainly for this Congress and perhaps for several Congresses.

It is said that it is an ill-wind that blows no good, and although this vote bodes ill for America for the next several years until it can be changed, there is indeed a silver lining to the cloud that has been placed over this

Congress and our country this evening. That silver lining is that there are going to be a great many Democrats who do not return in 1994. They were sent here by their voters not to increase the size of government, not to increase taxes, not to increase the deficit, not to enact legislation that would result in an increase in interest and an increase in unemployment and an increase in bankruptcies, and all these things will happen as a result of the vote that we have cast today.

I appeal to you out there in America, look closely at how the Representative you sent here voted. If that Representative voted to increase your taxes, to hurt America, to provide for a poorer environment for your children and your grandchildren, send somebody else here in 1994 who will join with those of us who voted for less government and less taxes and less regulation and a better America for us and for our children and for our grandchildren.

WHY WE NEED HEALTH CARE REFORM; WHY MANAGED COMPETITION WON'T WORK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. STARK] is recognized for 5 minutes.

Mr. STARK. Madam Speaker, following is a letter I've received from a couple in a Western State.

It is one of the best examples I've seen of why we need health care reform—both increased access and cost containment.

But is also explains why grand academic theories of managed competition won't work. Living on a modest income, this young couple have a child who needs a serious operation. They could join a famous, well-established HMO and save money and obtain coverage for the needed operation. But they would rather save their daughter's life than money, and they know that the doctor and the hospital that is most famous for the best treatment of their daughter's condition is not in that HMO.

Emily Friedman, one of the Nation's best writers and thinkers on health care issues, has listed the "Five R's" of why managed competition won't work: Rural, Risk, Race, Rights, and (Ir)rationality. As the following letter so clearly demonstrates, this young American family wants the Right, even at great personal expense to themselves, to seek the best treatment for their daughter. The economists who designed the theory of managed competition would never understand this, but when it comes to treating a loved one, a family members, a baby, people are not economic animals, they are irrational, loving human beings who, even on a very limited income, will make enormous sacrifices to save their loved one. Any economic scheme like managed competition that tries to come between parents and the health of their baby is going to be thwarted by the irrationality of love. I wish the professors in their Ivory Tower would read this letter and, as the saying goes, get a life.

MAY 21, 1993.

Representative PETE STARK,
Cannon Office Building, Washington, DC.

DEAR MR. STARK: I am writing you concerning medical insurance. Three very serious problems with our current system are gravely affecting my family.

One is the "pre-existing condition" exclusion clause allowed by insurance companies, another is the time limitation on COBRA law, and the third is the threat of not being able to choose our own doctors.

I implore you to eliminate "pre-existing condition" exclusion clauses in this country's new health-care plan. Here's why.

My husband and I have a 3-month old daughter who has a congenital heart defect called aortic valve stenosis. She looks like the picture of health. But in reality, she will require an operation probably before she's one year old. And because her problem can recur and require another operation, the medical insurance companies have declared her undesirable because she has a "pre-existing condition." Let me tell you what that means to us as a family.

Since she was born a mere three months ago, we have spent $1,224 in insurance premiums (we have no other dependents). By her first birthday, we will have spent $4,222 in insurance premiums. And those figures do not include our share of the doctor bills, which can run up to $5,000 a year in deductibles and co-payments. For this, we are told, we should feel lucky.

After we enroll in my husband's new insurance plan July 1, she will not become eligible for coverage for 12 months. Her current insurance coverage through a COBRA plan I'm on runs out six months prior to that. For those six months from January to July 1994, insurance premiums for the baby alone will cost us more than $3,500. And this doesn't include the cost of any doctor's appointments, just surgery and hospitalization.

Part of the problem with her insurance has to do with the time limitation on COBRA coverage. You see, I've been covering her on my COBRA insurance plan but it runs out six months before she becomes eligible for other insurance. The 18-month COBRA maximum just isn't long enough in some cases like ours and I think exceptions should be made.

Another reason it's so expensive to insure her is because we refuse to enroll her in a HMO medical plan (which doesn't have a pre-existing condition clause). I have had bad experiences with that HMO and so have many of my friends.

Are you aware that the HMO's doctors are actually provided monetary incentives to steer patients away from further treatment? The fewer referrals these doctors make, the more money they make! Imagine how this would affect treatment for someone like our baby, who requires very close follow-up and only the most skilled specialists. We saved our daughter from an unnecessary operation recently because we were able to obtain a second opinion from a doctor of our choice. I am not willing to forfeit the right to choose.

We want to choose our doctors and we are willing to pay something to have that choice. But we don't think it's fair to be burdened with such high health care costs because our daughter was born with a problem. The money we pay for medical insurance is paying for expensive health care and elaborate life-saving measures for a lot of people who have created their own poor health because they do things like smoke, drink, take drugs, eat unhealthfully and/or don't exercise. Our baby did nothing but be born into this world. And I certainly did my part by taking good care of myself during pregnancy.

My husband and I are not rich by any means. In fact, although both of us are college-educated professionals from middle class families, we now fall into what might be described as "the new lower class." My husband grosses $26,000 a year as a newspaper editor and I make nothing—not since I was laid off last July when I was eight weeks pregnant.

A lot of pleasures and even some necessities will have to be sacrificed to give our daughter the medical care she needs. And in our downward spiral, we can certainly never hope to realize "The American Dream."

When we are dead and gone, our daughter is going to have to manage her own health insurance. It's going to be hard enough on her dealing with her health problem, much less it's expense. This excessive monetary outlay is bound to affect the quality of her adult life, as it already has ours.

This kind of medical selectiveness is essentially a form of prejudice. Think about it: Pre-existing condition exclusions are similar to other types of discrimination felt by Blacks, Hispanics and other minorities! People of color were born that way and our baby was born with a heart condition—I don't see any difference.

Shame on the American health care system!

Please help us. It's going to take years to reform health care and we've already got a very late start.

Sincerely,

A SAD DAY FOR AMERICA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. KIM] is recognized for 5 minutes.

Mr. KIM. Mr. Speaker, today has truly been a sad day for America. Just less than 15 minutes ago the House voted for the largest tax increase in American history.

I voted today against the budget bill because every sector of our society will be hit and hit hard. Especially hard hit are America's senior citizens. Through this bill, taxes on Social Security benefits are increased by 70 percent. For some beneficiaries, this new tax will cost about $226 per month.

For millions of retirees on fixed incomes, this is a tremendous burden. Rather than enjoy their long-deserved retirement, these senior citizens are being forced into the poor house. How? Because 85 percent of Social Security benefits will be taxed to raised $32 billion.

Why this new massive tax instead of cutting wasteful Government spending?

Because President Clinton and the Democrats' that control Congress have targeted senior citizens to help pay for waste and gross fiscal mismanagement by this administration.

This is totally outrageous. America's senior citizens did not create this financial mess. In fact, they have been working hard all their lives contributing revenue and paying taxes.

The Democrats' favorite new rallying cry seems to be "Everyone must pay their fair share."

America's senior citizens have already paid more than their fair share. Now, in their golden years, they are being asked to pay more. Why?

But, wait, that is not all. This megatax bill adds insult to injury.

The new gas tax that Democrats deceptively call a Btu tax so as to confuse everyone, directly hits those on fixed incomes.

While in fact this deceptive tax will cost every American 8 cents per gallon and it will go up higher and higher because it is indexed to inflation.

Over the next 5 years, America's senior citizens can expect to pay up to 10 cents more per gallon of gas, pay more for electricity, pay more for heating oil, and pay more for almost every product and service they buy, including groceries.

New corporate tax increases will also be passed on to senior citizen consumers through higher prices on the basic necessities they need to buy.

Does this bill offset these new costs to senior citizens? Do they really get anything in return for this unfair sacrifice? Of course not. They receive no new benefits. No new programs. Just new, higher taxes.

Does the $32 billion this budget steals from seniors citizens go into the Social Security trust fund? No, it goes into general government spending to be used for pork barrel waste and more government handouts.

Let me remind my colleagues, especially my freshmen Democratic colleagues, that there will come a day of reckoning during the cold days of November 1994 when broken promises blow about with the fallen leaves.

The American people are not stupid. Many of today's senior citizens lived through the Great Depression of the 1930's. They know from that very painful experience that increased taxes do not lead to prosperity and, despite all the wornout rhetoric of the Democrats, this largest tax increase in American history will not promote prosperity.

Enough is enough. Think of the men and women who toiled all their lives and who are entitled to the comfort and dignity of a retirement they earned.

While this flawed bill passed the House, I urge my colleagues in the other body to learn from mistakes of this House and eliminate these regressive Social Security and Btu taxes in the Senate.

Yes; this has truly been a sad day in the House of Representatives.

COMMUNICATION FROM THE CHAIRMAN OF THE COMMITTEE ON THE BUDGET REGARDING CURRENT LEVEL OF SPENDING AND REVENUES FOR FISCAL YEARS 1994-98

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota [Mr. SABO] is recognized for 5 minutes.

Mr. SABO. Mr. Speaker, on behalf of the Committee on the Budget and as chairman of the Committee on the Budget, pursuant to the procedures of the Committee on the Budget and section 311 of the Congressional Budget Act of 1974, as amended, I am submitting for printing in the CONGRESSIONAL RECORD the official letter to the Speaker advising him of the current level of revenues for fiscal years 1994 through 1998 and spending for fiscal year 1994. Spending levels for fiscal years 1995 through 1998 are not included because annual appropriations acts for those years have not been enacted.

This is the first report of the 103d Congress for fiscal year 1994. This report is based on the aggregate levels and committee allocations for fiscal years 1994 through 1998 as printed in the CONGRESSIONAL RECORD on March 31, 1993, page 6965.

The term "current level" refers to the estimated amount of budget authority, outlays, entitlement authority, and revenues that are available—or will be used—for the full fiscal year in question based only on enacted law.

As chairman of the Budget Committee, I intend to keep the House informed regularly on the status of the current level.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON THE BUDGET,
Washington, DC, May 27, 1993.

HON. THOMAS S. FOLEY,
Speaker, House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: To facilitate enforcement under sections 302 and 311 of the Congressional Budget Act, as amended, I am herewith transmitting the status report on the current level of revenues for fiscal years 1994 through 1998 and spending estimates for fiscal year 1994, under H. Con. Res. 64, the Concurrent Resolution on the Budget for Fiscal Year 1994. Spending levels for fiscal years 1994 through 1998 are not included because annual appropriations acts for those years have not been enacted.

The enclosed tables also compare enacted legislation to each committee's 602(a) allocation of discretionary new budget authority and new entitlement authority. The 602(a) allocations to House Committees made pursuant to the conference report on H. Con. Res. 64 were printed in the Congressional Record, March 31, 1993, page H. 1784.

Sincerely,

MARTIN OLAV SABO,
Chairman.

Enclosures.

REPORT TO THE SPEAKER OF THE U.S. HOUSE OF REPRESENTATIVES FROM THE COMMITTEE ON THE BUDGET ON THE STATUS OF THE FISCAL YEAR 1994 CONGRESSIONAL BUDGET ADOPTED IN H. CON. RES. 64

REFLECTING COMPLETED ACTION AS OF MAY 26, 1993

[On-budget amounts, in millions of dollars]

	Fiscal year 1994	Fiscal years 1994–98
Appropriate Level:		
Budget authority	1,223,400	6,744,900
Outlays	1,218,300	6,629,300
Revenues	905,500	5,153,400
Current Level:		
Budget authority	726,072	(1)
Outlays	920,839	(1)
Revenues	878,100	4,863,825
Current Level over (+)/under(−) appropriate level:		
Budget authority	−497,328	(1)
Outlays	−297,461	(1)
Revenues	−27,400	−289,575

[1] Not applicable because annual Appropriations acts for those years have not been enacted.

BUDGET AUTHORITY

Any measure that provides new budget or entitlement authority, that is not included in the current level estimate, and that exceeds $497,328 million in budget authority for fiscal year 1994, if adopted and enacted, would cause the appropriate level of budget authority for that year as set forth in H. Con. Res. 64, to be exceeded.

OUTLAYS

Any measure that provides new budget or entitlement authority, that is not included in the current level estimate for fiscal year 1994, and exceeds $297,461 million in outlays for fiscal year 1994, if adopted and enacted, would cause the appropriate level of outlays for that year as set forth in H. Con. Res. 64, to be exceeded.

REVENUES

Any measure that would result in a revenue loss for fiscal year 1994, if adopted and enacted, would cause revenues to be less than the appropriate level for that year as set forth in H. Con. Res. 64. Any measure that would result in a revenue loss that is not included in the current level revenue estimate for fiscal years 1994 through 1998, if adopted and enacted, would cause revenues to be less than the appropriate level for those years as set forth in H. Con Res. 64.

DISCRETIONARY APPROPRIATIONS, FISCAL YEAR 1994

[In millions of dollars]

	Filed 602(b) subdivisions		Current level		Difference	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
Agriculture, rural development	14,629	14,340	0	3,588	−14,629	−10,752
Commerce, State, Judiciary	22,969	23,156	20	6,368	−22,949	−16,788
Defense	240,746	255,615	0	94,418	−240,746	−161,197
District of Columbia	700	698	0	0	−700	−698
Energy and water development	22,017	21,702	0	8,775	−22,017	−12,927
Foreign operations	13,783	13,918	170	8,472	−13,613	−5,446

DISCRETIONARY APPROPRIATIONS, FISCAL YEAR 1994—Continued

[In millions of dollars]

	Filed 602(b) subdivisions		Current level		Difference	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
Interior	13,736	13,731	400	4,914	−13,336	−8,817
Labor, Health and Human Services, and Education	66,983	68,290	1,716	38,162	−65,267	−30,128
Legislative	2,300	2,289	0	204	−2,300	−2,085
Military construction	10,337	8,784	0	6,379	−10,337	−2,405
Transportation	13,134	34,739	0	22,773	−13,134	−11,966
Treasury-Postal Service	11,319	11,522	0	2,729	−11,319	−8,793
VA-HUD-Independent Agencies	68,311	69,973	720	40,476	−67,591	−29,497
Grand total	500,964	538,757	3,026	237,258	−497,938	−301,499

DIRECT SPENDING LEGISLATION

[Fiscal years, in million of dollars]

House committee	1994			1994–98		
	Budget authority	Outlays	New entitlement authority	Budget authority	Outlays	New entitlement authority
Agriculture:						
Appropriate level	−65	−66	−60	49,024	34,682	888
Current level	0	0	0	0	0	0
Difference	65	66	60	−49,024	−34,682	−888
Armed Services:						
Appropriate level	−128	−128	−128	−2,365	−2,357	−2,357
Current level	0	0	0	0	0	0
Difference	128	128	128	2,365	2,357	2,357
Banking, Finance and Urban Affairs:						
Appropriate level	0	−338	0	0	−2,792	0
Current level	0	0	0	0	0	0
Difference	0	338	0	0	2,792	0
District of Columbia:						
Appropriate level	0	0	0	0	0	0
Current level	0	0	0	0	0	0
Difference	0	0	0	0	0	0
Education and Labor:						
Appropriate level	0	0	118	0	0	−4,048
Current level	0	0	0	0	0	0
Difference	0	0	−118	0	0	4,048
Energy and Commerce:						
Appropriate level	0	−1,700	−180	−1,169	−8,369	−7,798
Current level	0	0	0	0	0	0
Difference	0	1,700	180	1,169	8,369	7,798
Foreign Affairs:						
Appropriate level	0	0	0	−5	−5	−5
Current level	0	0	0	0	0	0
Difference	0	0	0	5	5	5
Government Operations:						
Appropriate level	0	0	0	0	0	0
Current level	0	0	0	0	0	0
Difference	0	0	0	0	0	0
House Administration:						
Appropriate level	0	0	0	0	0	0
Current level	0	0	0	0	0	0
Difference	0	0	0	0	0	0
Judiciary:						
Appropriate level	0	0	0	0	−472	0
Current level	0	0	0	0	0	0
Difference	0	0	0	0	472	0
Merchant Marine and Fisheries:						
Appropriate level	0	0	0	−205	−205	−4
Current level	0	0	0	0	0	0
Difference	0	0	0	205	205	4
Natural Resources:						
Appropriate level	−117	−112	0	−709	−693	0
Current level	0	0	0	0	0	0
Difference	117	112	0	709	693	0
Post Office and Civil Service:						
Appropriate level	−66	−66	−77	−10,199	−10,547	−9,597
Current level	0	0	0	0	0	0
Difference	66	66	77	10,199	10,547	9,597
Public Works and Transportation:						
Appropriate level	2,092	−13	0	37,458	−85	0
Current level	0	0	0	0	0	0
Difference	−2,092	13	0	−37,458	85	0
Science, Space, and Technology:						
Appropriate level	0	0	0	0	0	0
Current level	0	0	0	0	0	0
Difference	0	0	0	0	0	0
Small Business:						
Appropriate level	0	0	0	0	0	0
Current level	0	0	0	0	0	0
Difference	0	0	0	0	0	0
Veterans Affairs' Transportation:						
Appropriate level	−11	−11	70	−1,356	−1,352	3,447
Current level	0	0	0	0	0	0
Difference	11	11	−70	1,356	1,352	−3,447
Ways and Means:						
Appropriate level	−2,876	−2,054	−2,036	−29,669	−24,422	−12,596
Current level	0	0	0	0	0	0
Difference	2,876	2,054	2,036	29,669	24,422	12,596
Permanent Select Committee on Intelligence:						
Appropriate level	0	0	0	0	0	0
Current level	0	0	0	0	0	0
Difference	0	0	0	0	0	0

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 27, 1993.

Hon. MARTIN O. SABO,
Chairman, Committee on the Budget, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: Pursuant to section 308(b) and in aid of section 311 of the Congressional Budget Act, as amended, this letter and supporting detail provide an up-to-date tabulation of the on-budget current levels of new budget authority, estimated outlays, and estimated revenues for fiscal year 1994 in comparison with the appropriate levels for those items contained in the 1994 Concurrent Resolution on the Budget (H. Con. Res. 64). This report, my first for fiscal year 1994, is tabulated as of close of business May 26, 1993. A summary of this tabulation follows:

[In millions of dollars]

	House current level	Budget resolution (H. Con. Res. 64)	Current level +/− resolution
Budget authority	726,072	1,223,400	−497,328
Outlays	920,839	1,218,300	−297,461
Revenues:			
1994	878,100	905,500	−27,400
1994–98	4,863,825	5,153,400	−289,575

Sincerely,
ROBERT D. REISCHAUER,
Director.

PARLIAMENTARIAN STATUS REPORT 103D CONG., 1ST SESS., HOUSE ON—BUDGET SUPPORTING DETAIL FOR FISCAL YEAR 1994, AS OF CLOSE OF BUSINESS MAY 26, 1993

[In millions of dollars]

	Budget authority	Outlays	Revenues
ENACTED IN PREVIOUS SESSIONS			
Revenues			878,100
Permanents and other spending legislation	741,060	699,671	
Appropriation legislation		241,770	
Offsetting receipts	(183,477)	(183,477)	
Total previously enacted	557,583	757,964	878,100
PENDING SIGNATURE			
Authorize construction of World War II Memorial (S.214)	1	1	
ENTITLEMENTS AND MANDATORIES			
Budget resolution baseline estimates of appropriated entitlements and other mandatory programs not yet enacted	168,488	162,874	
Total current level[1]	726,072	920,839	878,100
Total budget resolution	1,223,400	1,218,300	905,500
Amount over budget resolution			
Amount under budget resolution	497,328	297,461	27,400

[1] In accordance with the Budget Enforcement Act, the total does not include $2,340 million in budget authority and $2,340 million in outlays for emergency in Public Law 103–6.

Note.—Amounts in parenthesis are negative.

THE CASE FOR A NUCLEAR TEST BAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. FISH] is recognized for 5 minutes.

Mr. FISH. Madam Speaker, the U.S./Soviet nuclear arms race is over, but the nuclear threat to international stability is perhaps even greater now than during the cold war.

The disintegration of the Soviet Union presents us with problems of control and dismantling of strategic nuclear weapons located in the new republics. Of greater concern, worldwide proliferation of nuclear capability has continued over the past 20 years in the shadow of superpower competition, and controls on fissionable materials and nuclear technology have weakened. Nations and terrorist groups seek nuclear weapons and materials, sensitive components, scientists and their know-how from a disintegrating Soviet weapons complex.

New players, many of whom are small powers, now are at the threshold of nuclear capability. Countries like Iran, Iraq, China, North Korea, Israel, Libya, Pakistan, Algeria, Argentina, Brazil, and India either have nuclear weapons or the ability or suspected ability to assemble them on short notice.

The challenge for today and the future is to develop strategies to deter potential proliferators and to strengthen international control with a rigorous nonproliferation regime. The opportunity is at hand to advance the goal of universal adherence to the Nuclear Non-Proliferation Treaty. In 1995, the 25th anniversary of the treaty, parties to the NPT will meet to consider the treaty's extension.

At that time, nuclear weapons states will be called to account for their progress in the last quarter century toward fulfilling their duties under article VI of the NPT. Under article VI, nuclear weapons states agreed:

> Each of the Parties to the Treaty undertakes to pursue negotiations in good faith on effective measures relating to cessation of the nuclear arms race at an early date and to nuclear disarmament, and on a treaty on general and complete disarmament under strict and effective international control.

The United States and Russia are now performing more positively on their article VI treaty obligations. Third World countries led by Mexico, however, protest that they will resist meaningful extension of the treaty if the United States and its allies do not stop testing nuclear weapons. Substantial steps by the United States—an extension of the current 9-month testing moratorium scheduled to expire in July 1993 and ratification of START I and START II by the United States and the republics of the former Soviet Union, will put the United States in a much stronger bargaining position at the 1995 conference.

The United States must lead by example. We should show the world that nuclear weapons are being reduced both in numbers and political function. Through the long history of arms control, we have come to learn that nuclear arms are political, not military, weapons. Useless for actual warfare, they are perceived to be the ultimate guarantor of national sovereignty. Compliance with a test ban by all nuclear states minimizes whatever political prestige a nuclear program may carry and would be a major step in further deligitimizing nuclear weapons.

A test ban will rally on our behalf the nonnuclear states to support a long, if not indefinite, extension of the NPT. A test ban, in conjunction with international agreement to impose sanctions on countries that engage in testing, would also make it extremely difficult for a nation to build more complex nuclear weapons.

Mr. President, 1993 could be the first year in 48 years that no nation in the world has exploded a nuclear weapon. It could also be a step toward assuring that there will be no more explosions in the future.

Doubtless you are familiar with respected scientific assessment that even if no further tests occur, the technical soundness and reliability of American nuclear weapons cannot be doubted. Test explosions are not necessary to determine whether nuclear weapons are operational—reliability can continue to be monitored as it is now, through computer simulation, testing of nonnuclear components and physical inspections for signs of deterioration. The United States should, in fact, be in a better position than any other country to stop nuclear testing, having conducted nearly 1,000 such tests already.

Your decision on resumption of testing is expected shortly. I respectfully suggest that our national interests and those of ensuring a successful extension of the Nuclear Nonproliferation Treaty will be served by our example in not resuming testing. Our goal surely is to work toward a comprehensive test ban, on this, the 30th anniversary of President John F. Kennedy's signing the first nuclear arms control treaty, the Limited Test Ban Treaty of 1963.

□ 2120

NATIONAL ASIAN-PACIFIC AMERICAN HERITAGE MONTH

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from American Samoa [Mr. FALEOMAVAEGA] is recognized for 60 minutes.

Mr. FALEOMAVAEGA. Madam Speaker, I want to first express my appreciation to the distinguished gentlewoman from Hawaii [Mrs. MINK], my friend and colleague also from Hawaii, Mr. NEIL ABERCROMBIE; also Congressmen NORMAN MINETA and BOB MATSUI both of California and my colleague from Guam, Mr. ROBERT UNDERWOOD—for their offered assistance to participate in this Special Order recognizing President Clinton's official proclamation to designate this month—the month of May—as National Asian-Pacific American Heritage Month.

Mr. Speaker, because of conflicts in scheduling and other appointments, my colleagues have asked that I submit their statements to be made part of the RECORD.

Madam Speaker, I want to preface my remarks this evening by first recognizing a young and energetic Asian-Pacific American who makes us all proud here in our Nation's Capitol.

Madam Speaker, I want to pay a special tribute to the newest acquisition of the Washington Redskins football team. He is Mr. Al Noga, a native of American Samoa, who lived in his early years in Hawaii and was an All-American football player from the University of Hawaii.

Mr. Speaker, I am extremely proud of this young man who comes to the Redskins by way of the Minnesota Vikings—where he solidified his reputation as one of the NFL's most complete defensive linemen. In 1992 alone, he was credited with 54 tackles and 9 sacks.

Who is Al Noga? Al is one of the 12 young Samoans currently playing in the NFL—along with 6 Hawaiians and 3 Tongans.

While at the University of Hawaii, Al became the first player in the University of Hawaii history to be named All-American when he was chosen by the Associated Press after his sophomore season. He also earned all-conference and WAC Defensive Player of the Year honors as a sophomore after setting Hawaii's single-season record of 17 sacks, 31 tackles for loss yards, and forced 6 fumbles.

In his rookie year at Minnesota, Al finished 9th in the NFC and 13th in the NFL in the number of sacks, tackles, and forced fumbles. In his second year, Al started all 16 games and posted a career high 65 tackles and was 4th on the club with 6 sacks.

Al's older brother, Niko, is a veteran linebacker who has played with the Cardinals, Lions, and Raiders—and another brother Pete played with the Cardinals.

I am extremely proud of the accomplishments of Al Noga and I join Samoans everywhere in welcoming him and his wife, Kathi, to the home of the next Superbowl Champions—the Washington Redskins.

Madam Speaker, I rise today to honor the deep and enduring legacy of those Americans whose roots extend from the soil of the nations of Asia and the Pacific Islands. A few weeks ago, I was privileged, along with my Asian-Pacific colleagues, to attend a special White House ceremony, at which President Clinton signed an official proclamation declaring this month—the month of May—as "National Asian-Pacific American Heritage Month."

Certainly, the contributions of Asian-Pacific Americans have immeasurably enriched our great Nation, which has been blessed with a mosaic of cultural ethnic diversity representing just about every country on this planet. In order to truly appreciate the 8 million Asian-Pacific Americans living today in the United States, however, I believe it is helpful to attain a perspective on the Asia-Pacific region and its importance to America. Let me share with the Nation some of the highlights of our current relationship with the Asia-Pacific region, and why it is in our national interest to maintain strong economic, social, and political ties with this area of the world.

THE UNITED STATES AND THE ASIA-PACIFIC: A PARTNERSHIP FOR THE PACIFIC CENTURY

As we prepare to leave the twentieth century and enter what many have called the dawning of the "Pacific Century," it is imperative for the United States to dramatically reassess her foreign policy towards the Asia-Pacific region. Having served as a member of the House Foreign Affairs Committee for the past four years, I have argued that the United States has an unhealthy fixation with the affairs of Europe and the Middle East. This is unfortunate, as it has resulted in America's indifference—some might even call it failure—to address the serious issues affecting our nation's relationship with the countries of the Asia-Pacific region. Almost two-thirds of the world's population resides in Asia and the Pacific, and the region accounts for the production of two-thirds of the world's Gross National Product. In this decade and into the next century, the Asia-Pacific region will play an increasingly pivotal role in the economic, political, strategic and security needs of the world. It is evident that it is in our national interest to establish and maintain strong ties with this rapidly developing region of the world.

THE ASIA-PACIFIC ECONOMY

Known as the "Four Tigers" for their astoundingly rapid economic growth, South Korea, Taiwan, Hong Kong and Singapore have been joined by a new wave of "Little Dragons" led by Indonesia, Malaysia and Thailand. All of these countries have vigorously expanding economies, some up to 11% annually, placing them among the fastest growing in the world.

Joining this tidal wave of economic development has come the sleeping giant of Asia, the People's Republic of China (PRC). By cultivating economic growth recently estimated as high as 13%—the highest rate of economic expansion in the world in 1992—China may be the first example of a Communist system that will succeed in meeting the economic needs of her people.

Establishing numerous financial links with Taiwan and Hong Kong, with cross-border investments exceeding $36.5 billion over the past twelve years, the PRC has emerged as a new economic entity termed "Greater China." The combined Gross Domestic Product of Greater China last year totaled over $626 billion. Due to the rapid blossoming of Greater China's integrated economy, it is foreseen that this will increasingly act as a counterbalance to Japan's considerable economic clout in the region.

These facts paint a picture that has many analysts in international finance predicting that the Asia-Pacific region will shortly replace the North Atlantic as the center of world trade.

U.S. ECONOMIC INTERESTS IN THE ASIA-PACIFIC REGION

At present, the United States has a substantial stake in the Asia-Pacific economy.

According to recent U.S. Department of Commerce figures, America conducted over $327 billion worth of total trade last year with the countries of the Asia-Pacific—easily matching and nearly doubling the trade conducted with Western Europe.

Since 1981, U.S. trade with the Asia-Pacific region has expanded by 150% and is expected to increase to $400 billion by the end of this decade.

Significantly, American exports to the region have increased by well over 130% since 1981. According to Commerce Department figures, Asia-Pacific countries purchased $130 billion worth of U.S. products in 1991. And in 1992, almost one-third of America's exports to the world were bought by nations of the Asia-Pacific.

Today, over 2.6 million American jobs are dependent on trade with the region, and U.S. firms have over $62 billion invested there. These trade ties are rapidly escalating.

REASSESSING U.S. ECONOMIC POLICY IN THE ASIA-PACIFIC REGION

Due to the unprecedented pace of economic development in a part of the world that is fast becoming the center for world trade, the United States can no longer expect to have unchallenged economic supremacy in the Asia-Pacific region. Neither can the United States afford a trade policy of protectionism. Erecting trade barriers, increasing tariffs and imposing more product quotas, as some have called for in Congress, will do little to revitalize and rebuild America's economy. As America's balance of trade deficit grows, there is need for the U.S. to reassess her policy priorities, especially towards Japan and China, the two engines driving the economic future of the Asia-Pacific region.

I join others in advocating that the first priority in policy should be stopping the deterioration of the U.S.-Japan relationship. A solid and stable partnership between America and Japan is the only foundation upon which peace and economic prosperity in the region can be ensured. New U.S. policy must be forged that will allow common ground to be reached on economic and political concerns with our longtime ally.

It is my belief that America's trade conflicts with Japan have been emphasized too much, to the point where many in the U.S. have lost sight of the big picture. Although certainly the U.S. trade deficit with Japan is important, this issue should not be permitted to dominate—poisoning the trust, the confidence and the mutual respect that have bound our two nations in friendship for decades.

However, if America is to increasingly view and treat Japan as an equal partner, Japan must also demonstrate willingness to shoulder greater responsibility for global affairs. With a surplus of over $130 billion from global trade, Japan has profited handsomely from free trade. To signal her good faith in assuming a position of world leadership, Japan could start by removing the country's multiple barriers to free trade, such as those protecting her rice markets. There is also the necessity for Japan to play a more prominent role in supporting GATT and the current round of negotiations in Uruguay.

I am confident these trade disputes will be transcended. The U.S. and Japan can then turn to the broad range of interests that our two nations share not only in the Asia-Pacific region but in addressing the needs of the global economy.

Another crucial priority for America involves the stabilization of relations with the People's Republic of China. Some members in Congress have pointed accusing fingers at China, criticizing her for the lack of individual freedoms and democracy that we in the West take as God-given rights. Some have moved for economic punishment of China for human rights violations and other shortfalls by withdrawing her Most-Favored-Nation (MFN) trading status.

I join those members of Congress that question the wisdom of such action, however. It is imperative that China's awe-inspiring progress toward a free market economy be supported by the United States. History has proven time and time again that economic success is a precursor to the growth of democratic reform and political pluralism. For proof, we need only look to the vibrant democracies flourishing today in South Korea and Taiwan; the wave of economic prosperity in those nations devoured the repressive regimes in power only yesterday. The lesson to be learned is that America must be patient.

Threats to revoke China's MFN can often be counter-productive. More importantly, if America chooses to unilaterally apply economic sanctions against China with the goal of isolating her, we are only deluding ourselves. Increasingly, events have shown that such action will not gain the multilateral support of the nations of the Asia-Pacific nor the world. The net result is that America is the one isolated.

In the months after the Tiananmen Square tragedy, while Washington justifiably took the high moral ground, our European and Asian allies flocked to fill the vacuum of business interests, laying the ground for innumerable business ventures in the future. While America was right in expressing shock and reprehension over the tragic events of Tiananmen, the years since have revealed a China that has changed in important ways, as economic freedoms have subtly laid the foundation for future growth of increased political freedom. Given the changing picture, at a time of financial crisis and economic weakness in the United States, I ask can we afford to continue handcuffing America's access to the largest and most rapidly developing market on the planet?

While I certainly do not condone the infringement of human rights that have been and perhaps are being perpetrated by Beijing, this must be balanced against recognition of China's sovereign right to control her domestic matters in nurturing the transition from a poor agrarian state to a diversified free market economy—all the while providing for the welfare of a population that numbers almost five times that of America. Some have said that the right to subsistence—to have adequate food and shelter—is the most fundamental of human rights, and I certainly cannot argue against that in observing China's struggle to feed, clothe and shelter her masses.

In recognizing that China's task is a difficult one, the U.S. must demonstrate restraint and patience. And we must also show vision by not limiting our focus to humanitarian concerns to the detriment of the vast, broad range of interests that America has in common with China. In addition to our sizeable economic incentive, we must also form strong ties to China to address pressing environmental concerns, escalating arms sales and the uncontrolled spread of nuclear proliferation.

It is only when fundamental interests of the United States are at stake that we should consider the use of the ultimate economic sanction—the withdrawal of MFN. In my opinion, the time for that has not come for China, and President Clinton should be given the flexibility and time to forge through diplomacy and alternative sanctions a closer relationship with China for our mutual benefit.

U.S. SECURITY INTERESTS IN THE ASIA-PACIFIC REGION

Despite the tremendous transformations taking place around the world, one thing that has remained unchanged is that the United States has key security interests in the Asia-Pacific region that demand America remain a predominant military power there.

There exist many sources for potential instability and flashpoints in the Asia-Pacific region that concern the United States.

With the withdrawal of U.S. forces and closure of bases in the Philippines, the developments in that nation bear watching. Widespread poverty, a weak economy, and a long-existing Communist and Muslim insurgency present a volatile combination that could spell problems for President Ramos' administration. Most Asian nations, as well as the U.S., acknowledge that security of the Philippines and the sealanes surrounding her are essential to the stability of all of Asia.

But one of the most urgent threats is posed by Communist North Korea and her desperate quest for nuclear weapons. Acquisition of nuclear warheads, combined with a ballistic missile program and an intimidating military force numbering over a million soldiers, could lead to a major conflict on the Korean peninsula. Needless to say, such a conflict would hold ramifications for the entire world.

With North Korea's recent withdrawal from the Nuclear Non-Proliferation Treaty (NPT) after disputes with the International Atomic Energy Agency (IAEA), a major escalation of that threat has occurred. The move has sent shockwaves through Asia and the global community. Nuclear weapons in the hands of North Korea potentially threatens not only South Korea, but Japan, Taiwan, and even China.

Some in the Congress have called for surgical strikes to destroy suspected nuclear weapons facilities in North Korea before their nuclear capacity becomes more deadly. Cooler heads have prevailed, however, and I join them in urging that President Clinton use all diplomatic measures necessary to bring Pyongyang back to the negotiating table and into compliance with the NPT. With recent reports, I am hopeful that negotiations between Pyongyang and the IAEA will allow this matter to be resolved peacefully.

If necessary, however, the U.N. Security Council may have to move for economic sanctions and related measures to convince North Korea to fulfill her obligations under the NPT. The world community cannot permit North Korea to blatantly violate the NPT without punishment. To acquiesce here would set a terrible precedent, encouraging other countries to make similar maverick attempts to join the "Nuclear Club."

The ominous incident with North Korea exemplifies why a high priority for U.S. policy in the Asia-Pacific must be the halting of nuclear and missile proliferation. Effective nuclear and missile arms control regimes must be pursued that will bring North Korea and China into the fold.

The People's Republic of China, as noted earlier, has recently enjoyed great economic success. With her cash reserves, China has raised concern in the Asia-Pacific region by investing massive sums in high-tech military hardware. While the Soviet Union has collapsed and Japan remains pacifist, China has increased her military budget by over 50% since 1989.

In so doing, China has purchased a number of advanced Soviet jet fighters and bombers, and seeks to procure an aircraft carrier—the foundation for a blue water fleet in the South China Sea. China is also obtaining advanced missile guidance systems, which, seen in light of her largest ever nuclear detonation last year, is particularly worth noting.

At a time when relative peace is at hand, many in the region and the U.S. question China's heavy military buildup. With China's aggressive assertion of claims to the Spratly Islands and Taiwan, and her conducting of well-publicized military offensive exercises, it is feared that Chinese expansionism in the Asia-Pacific region may result.

On the other hand, China's military investment has been perceived in some quarters as being a reasonable modernization of her aging, outmoded weaponry systems for self-defense. After witnessing America's state of the art lightning-like devastation of Iraq in the Gulf War, China has understandably felt inadequate and behind the times. With military hardware being offered at fire sale prices by Russia and the Ukraine, China has capitalized on the opportunity. Seen in light of America's military budget of over $250 billion per year and Japan's annual defense expenditure of $30 billion, China's military spending of $7 billion last year appears relatively modest.

DEFINING U.S. SECURITY POLICY IN THE ASIA-PACIFIC REGION

Before and since WWII, the U.S. has played and continues to play a paramount role in maintaining stability and peace in Asia and the Pacific. Our participation in the affairs of the region has greatly laid the foundation upon which the Asia-Pacific's present prosperity has been built.

With the dynamic economic growth of the region, it is increasingly vital to the welfare of our nation as well as the world that we continue to play a major role in the bilateral and multilateral security affairs of Asia and the Pacific.

I strongly support the U.S. Department of Defense's strategic framework for the Asian Pacific Rim in the twenty-first century, and have drawn liberally from their recent report to Congress. I also agree with the Pentagon that our nation's security policy in the Asia-Pacific region must be flexible yet premised on six basic principles.

1. There exists the absolute assurance that America will continue to engage herself in the affairs of Asia and the Pacific.

2. There is the understanding that America will continue to foster a strong system of bilateral security arrangements with nations in the region.

3. It is agreed that the U.S. will continue to maintain a reserve of forward-deployed forces, although reduced in number, in the region.

4. Our nation is committed to maintaining overseas bases and equipment necessary to support those U.S. forces.

5. It is understood that our friends and allies in the Asia-Pacific must continue to bear greater responsibility for their self-defense.

6. Our defense cooperation with our allies shall be complementary in nature and not duplicative.

In applying this broad security policy in the Asia-Pacific, the United States seeks to ensure that key security interests are protected.

Foremost among these is the protection of the U.S. and her allies from attack. In addition to defending Alaska, Hawaii, the U.S. Territories, and their lines of communication and navigation to the continental United States, America has pledged to assist in the defense of her allies and their vital sealanes.

By so doing, another key security interest in the Asia-Pacific is achieved: preservation of regional peace and stability.

Other vital U.S. interests focus on preserving political and economic access to the countries of the region, while fostering the growth of democratic government and the protection of human rights.

A final security interest pertains to averting the proliferation of nuclear, chemical and biological weapons in the Asia-Pacific region, while contributing to nuclear deterrence where necessary.

FACILITATING DIALOGUE THROUGH A MULTILATERAL SECURITY FRAMEWORK

A measure that is vitally needed in the Asia-Pacific and holds great promise for increased regional stability is the creation of a multilateral security framework.

I would strongly urge the formation of an Asia-Pacific Regional Security Regime, whether or not it is shaped after NATO or the Conference on Security and Cooperation in Europe (CSCE). The lack of such a forum facilitating dialogue on security concerns has resulted in an escalating arms race in the region, as many of the smaller Asia-Pacific countries fear the defense buildup by China as well as the potential for Japan to unilaterally remilitarize.

A new Post-Cold War defense arrangement in the Asia-Pacific would go a long way toward defusing regional security anxieties and the powderkeg of arms procurements. In a time of reduced U.S. military spending in the Asia-Pacific, such an arrangement could be a cost-effective supplement and complement to existing U.S. bilateral security treaties with our allies. Although such a regional security framework would never displace nor act as a substitute for America's bilateral treaties, the initiative could realize significant financial savings for the U.S. by spreading burdensharing with the numerous nations of the Asia-Pacific.

For the multilateral security regime to work, it is fundamentally important that both China and Japan participate as key players, in addition to the ASEAN countries, the remaining countries of Northeast Asia, the nations of the South Pacific, and perhaps later Russia and Vietnam. In pursuing this initiative, the United States could further the exchange, sharing and flow of information between nations of the Asia-Pacific, easing much of the uncertainty and paranoia in the region about hidden agendas of fellow nations. In addition to reducing regional tensions, a major benefit would be the freeing of capital in many Asia-Pacific countries, allowing the diversion of funds from costly arms procurements to much needed programs fostering economic growth and societal improvements.

CONCLUSION

The Asia-Pacific region is immersed in a renaissance of economic prosperity and relative peace. For America to become a greater participant in and beneficiary of that dynamic process, we must adopt new approaches demonstrating flexibility and sensitivity to the needs and concerns of countries of the Asia-Pacific. In so doing, America and nations of the region will achieve greater harmony through a true trans-Pacific partnership.

As we prepare to depart the twentieth century, the countries of the Asia-Pacific should take comfort in the knowledge that America—their friend and ally—is determined more than ever to maintain a deep and enduring partnership that will last throughout the Pacific Century.

□ 2130

Madam Speaker, I think without any question we do definitely have very high stakes when it comes to meeting our security interests in this part of the world.

Madam Speaker, we have approximately 8 million Asian-Pacific Americans living in this great Nation of ours, and I want to pay special tribute to President Clinton and certainly the Congress for having passed legislation that authorizes our President to officially proclaim the month of May as the National Asian-Pacific American Heritage Month.

□ 2140

I know that the Asian-Pacific American community is perhaps the newest among the immigrants that have come to this country. But I submit, Madam Speaker, I think it is a great benefit to our country that America is known for its strength. Its greatest asset is the diversity of so many peoples from so many different parts of the world who want to start a new life and enjoy the blessings of hard work, protection, and guidance provided by the provisions of our Federal Constitution.

I submit, Madam Speaker, commemoration of this month of May to give remembrance to the contributions of Asian-Pacific Americans in our country may be a small item to consider, but I know that for the 8 million Asian-Pacific Americans this is a special month.

I say that with a historical perspective. Someone may ask the question, what have the Asian-Pacific Americans done for our country? I submit, Madam Speaker, historically it has not been a very nice picture.

In the aftermath of the bombing of Pearl Harbor, December 7, 1941, well over 100,000 American citizens, Madam Speaker, I submit—100,000 American citizens were forcibly taken away from their homes, their properties confiscated, and they were placed in what was then described as relocation camps. Madam Speaker, as far as I am concerned, they were concentration camps. Despite this tragedy, Madam Speaker, Gen. George Marshall certainly ought to be credited for his foresight, understanding, and compassion by authorizing two military units to be organized composed entirely of volunteers of Nisei-Americans, or in other words—Japanese-Americans.

Despite the fact that these Japanese-Americans knew fully well that their brothers and sisters and their parents were placed in these concentration camps in our own country, they volunteered to take up arms to defend our Nation during World War II in Europe.

Let me share with you, Madam Speaker, the achievements of these Japanese-American soldiers. The 100th Battalion and the 442d Combat Regiment Group, which totaled about 10,000 Japanese-Americans, later became known as the most decorated military units in the history of the United States.

The 100th Battalion was also known as the Purple Heart Battalion, because over 1,000 Purple Hearts were awarded to the members of this battalion. The 100th Battalion is known historically as the only battalion in the history of the U.S. Army to have its own shoulder patch—and that patch is still worn today.

The 442d Infantry Regimental Group has one of its distinguished members serving as the senior Senator from the State of Hawaii, Senator DANIEL INOUYE. For his bravery and courage demonstrated as a soldier in World War II, Senator INOUYE was awarded the second highest military decoration for valor—the Distinguished Service Cross, for which he lost his right arm as he fought in combat.

What did these two military units do, or what did these Japanese-American soldiers do for our Nation? I submit to you, Madam Speaker, their record is unparalleled.

The 100th Battalion and the 442d Infantry military units were also known as the most decorated units in the history of the United States. I say this because these men were awarded over 18,000 individual decorations for bravery and for the courage that they displayed defending our country while fighting in Europe.

Unfortunately, and perhaps this is something that the Department of the Army should look into, these units were awarded only one Medal of Honor, but 52 Distinguished Service Crosses, 560 Silver Stars, and over 9,400 Purple Hearts. President Truman commented that these men not only fought against the enemy, but also against prejudice.

I say this is a special tribute to the brave and the courageous efforts made by these Japanese-Americans.

I also submit that black Americans fought bravely during World War II despite the practice of segregation in the armed services. President Truman was so moved by such bravery in the field of battle that he issued an Executive order to desegregate the armed services.

Yes, I think the Asian-Pacific Americans have made a contribution to the needs of our country, but unfortunately not under pleasant circumstances.

Madam Speaker, years ago, the former Secretary of State Henry Kissinger made a comment about certain Pacific Islanders known as Micronesians. He said, "Well, there are only 90,000 of them. Who gives a damn?"

Well, Madam Speaker, I give a damn. These Pacific Islanders were subjected to severe nuclear contamination at a time when we exploded the biggest hydrogen bomb in the Marshall Islands in the late 1950's and early 1960's. Yes, Asian-Pacific Americans have made contributions, and I am very grateful for the fact that we have now come to recognize their service and contribution to our Nation.

With that in mind, Madam Speaker, I would like to close my remarks by simply saying, what is America all about? I think it could not have been said better on the steps of the Lincoln Memorial when the late Martin Luther King said, "I have a dream. The dream will be that one day that my children will be judged not by the color of their skin but by the content of their character."

That is what America is all about, and that is what the Asian-Pacific Americans want to do and hope to do, while being an integral part of the greatest nation on Earth.

Mrs. MINK. Madam Speaker, I am privileged to join my colleagues here today to celebrate Asian-Pacific American Heritage Month and to recognize the achievements and contributions of Asian and Pacific-Americans in our society.

I want to thank my esteemed colleague, the delegate from American Samoa, ENI FALEOMAVAEGA, for his leadership in organizing this event and for giving us this opportunity to share with the Congress and the American people more about our experiences as Asian-Pacific Americans.

Like the many immigrants from the West, those who have come to this country from Asia and the Pacific bring with them a rich cultural heritage that has become a part of the complex and diverse set of traditions, mores, values, and customs that make up American culture.

From first generation Americans who fled their homeland because of political strife to third, fourth, and fifth generation Americans whose ancestors came many years ago to seek their fortune in this new land of opportunity, Asian-Pacific Americans have enriched and enhanced this country.

Today Asian-Pacific Americans are the fastest growing demographic group in the Nation. Although this group currently comprises only about 3 percent of the U.S. population, it increased in size by over 100 percent from 1980 to 1990. And there is every indication that this rapid growth of the Asian-Pacific American community will continue throughout the next century. It is estimated that by the year 2020 the Asian-Pacific population will be about 20 million, a 177-percent increase from 1990.

Americans of Asian and Pacific Island ancestry have gained national and international prominence, making a distinctive mark in just about every aspect of our society—in science, business, education, medicine, in the arts and in athletics. Just the other night I joined Mr. FALEOMAVAEGA in honoring Al Noga, a professional football player of Samoan ancestry who has joined the Washington Redskins.

While many Asian-Pacific Americans have been successful in their respective fields, these individuals represent a minority of the Asian-Pacific community. There is a wide spread myth that Asian-Pacific Americans tend to do better than other populations, that we have achieved high educational and economic status in society and therefore are doing well. We've even been dubbed the model minority.

However, this is not really the case for most Asian-Pacific Americans. While many have achieved educational and economic success, most Asian-Pacific Americans are not in the upper rungs of the socioeconomic ladder.

This myth of the model minority does not take into account that most Asian-Pacific Americans are newcomers to our Nation and face countless language, social, cultural, and economic barriers. Of the 9 million Americans of Asian and Pacific Island ancestry over 65 percent are foreign born.

This myth does not take into account the large differences among Asian-Pacific American subgroups. Though we are grouped together under the Asian-Pacific American heading, this population is really a collection of communities across this country with origins from a wide variety of places, including Malaysia, Japan, Laos, Samoa, Korea, Guam, China, Vietnam, Hawaii, the Philippines, India, Cambodia, Indonesia, Tonga, Fiji, Palau, and the list goes on.

Language barriers, health problems, access to education, poverty, discrimination, the glass ceiling, and anti-Asian violence, each community struggles with specific problems with unique effects on their population.

Fourth and fifth generation Chinese and Japanese-Americans achieve high educational status, but employment in the top positions of business and government continue to elude them.

Newly arrived Southeast Asian Americans have difficulties with access to English language classes or bilingual services that can help them attain employment.

The native Hawaiian people struggle to be fully recognized as an indigenous population and receive certain rights accordingly.

Americans in the Pacific Islands watch helplessly as Federal education dollars continue to dwindle making it more difficult to provide adequate education to their children.

Health problems among Asian-Pacific populations also vary. Cancer is more prevalent among Chinese, Japanese, and Filipino Americans. Filipinos have a high incidence of hypertension, and Southeast Asian refugees have a high prevalence of tuberculosis, hepatitis B, and anemia. Native Hawaiians are five times more likely to die from stomach cancer than their Caucasian counterparts, and have the highest incidence of diabetes of any population in the United States.

Access to culturally sensitive health care is almost nonexistent. The few community health centers that serve these populations are underfunded and understaffed.

Asian-Pacific Heritage Month is a time for us to recognize the many diverse experiences of the Asian-Pacific Americans. To extol and celebrate the achievements we have made in American society, but also to acknowledge the difficulties we face on a day-to-day basis in our quest to find a just and equitable place in American society—a place where Asian-Pacific Americans can continue to grow, succeed, achieve, and contribute to the social, economic, and cultural progress of our Nation.

Mr. ABERCROMBIE. Madam Speaker, my home State of Hawaii is widely known for its aloha spirit. The warm and gracious hospitality of our people has left an indelible mark on those who have touched our islands' shores. In our State of Aloha, people of all races, creed, and religion live in harmony. There is more than a sense of tolerance for differences in our State, there is pride in our diversity.

Throughout our islands' rich history, we know that the Hawaiians opened their arms to welcome those of Japanese, Chinese, Portuguese, Filipino ancestries. These first groups were later joined by Koreans, Vietnamese, Laotians, Micronesians, and many other groups from different parts of the globe. As a Representative of this diverse State—the 50th State in a nation of immigrants—I am proud to recognize Asian-Pacific Heritage Month.

Asians and Pacific Islanders are the fastest growing group in the United States and play an increasingly influential role in American life. Like other immigrant groups before them, Asians and Pacific Islanders have continued the proud American tradition of furthering the greatness of this country. They have contributed much in the areas of education, business, and government. Without doubt, they too have strengthened the fabric of our society.

Madam Speaker, as we recognize Asian-Pacific Heritage Month, let us also turn our attention to the alarming acts of violence aimed at the 7.3 million Asian-Americans in the United States. Let us not close our eyes and ears to the report of the Federal Civil Rights Commission, which found that Asian-Americans "face widespread discrimination in the workplace and are often victims of racially motivated harassment and violence."

As our country faces these times of recession, it seems that there are those who have found Asian-Americans to be a convenient target for their frustrations—scapegoats for these troubled times.

The first wave of attacks included the 1982 brutal death of Chinese-American Vincent Chin in Detroit by two laid-off auto workers who were reported to have made obscene remarks about Asians and Japanese cars. Today, nationally syndicated columnist Clarence Page notes that attacks against Asian-Americans are less random and include specific targets like community centers, senior citizen facilities, and private homes.

Madam Speaker, this ugliness shakes the very foundation our country was built on. This great Nation was founded on the principles of justice, equality, freedom, respect.

As Members of Congress in these United States, we must take a strong stand against bigotry and discrimination. Let us not forget how our country, only 50 years ago, slipped into a moment of darkness when we interned our fellow Americans because of their Japanese ancestry and our suspicion of their loyalty to a nation they have never visited.

Madam Speaker, America was built by immigrants. Immigrants from the Western and Eastern Hemispheres. The fabric of American society burst with a rainbow of vibrant hues. A strike against one group is a strike against us all. We cripple ourselves by tolerating any act of violence against any group. As Abraham Lincoln once said, "A house divided against itself cannot stand."

As we recognize Asian-Pacific Heritage Month, let us be reminded that Asians and Pacific Islanders have joined other Americans in making America a great Nation. A nation where people of all races can live with dignity and respect.

Aloha.

Mr. MINETA. Madam Speaker, I would like to thank my good friend from American Samoa, Representative ENI FALEOMAVAEGA for arranging this special order tonight.

This is a particularly special observance of Asian-Pacific American Heritage Month, because it marks the first time we will observe this commemoration as a permanent national celebration.

It is also the first time we will mark that observance since the retirement of the author of heritage month, our former colleague from New York, Frank Horton.

Frank introduced the first bill establishing heritage week in the 1970's and later worked to expand this celebration to a month.

When Frank announced last year that he would retire at the end of the 102d Congress, he called me soon after.

He called to let me know that, for his final project as a Member of Congress, he wanted to permanently establish May as Asian-Pacific American Heritage Month.

I was very proud to join him in that effort. The legislation he introduced passed unanimously in both the House and the Senate, and I think that is truly a testament to Frank's dedication.

But equally important, it is a testament to the work of the Asian-Pacific American community in making heritage week, and heritage month, such a tremendous success.

The 1990 census showed that ours are the fastest growing communities in the Nation. Every day, in all walks of life, Americans who trace their ancestry to Asia or the Pacific Islands are making vital contributions to the life of our Nation.

Sometimes we forget that, I think.

Sometimes we forget that the Asian-Pacific agenda for the 1990's is an American agenda.

Ours is an agenda that demands participation in the political process at all levels of society, at all levels of public service, and at all levels of government—from the grassroots up to the White House lawn.

We are moving into those positions of authority and public service, and we will continue to do so.

But each of us has an obligation to always remember where we come from, who we are, and how much we owe to our community.

More than anything else, that is the spirit of heritage month. Remembering our roots, building a future for those who will come after us, and making our full contributions to this great Nation.

We are diverse, complex communities.

Each Asian Pacific group has a unique culture, a unique outlook on the world, and unique needs.

Forging a recognition of that diversity, and the ability of governments to respond to it, must be our highest priority.

It is a goal well within our reach.

In these last years in particular we have learned a powerful lesson: how to come together to fight discrimination wherever and whenever it occurs.

We fought hard to ensure that our diversity was recognized in the 1990 census, and we succeeded in preserving the checkoff format that was used in 1980.

In health care, the enactment of the Minority Health Improvement Act finally recognized that our communities are as diverse in terms of health as they are in culture and language.

Together, we succeeded in forcing the FBI to collect data on hate crimes around the country.

Together, we ended discrimination by the United States Government against Vietnamese-American fishermen who fell victim to the selective enforcement of a centuries-old law.

Together, we succeeded in redressing the grave injustices done to Americans of Japanese ancestry by the United States Government during the Second World War.

We succeeded because we rightly argued that those issues of basic equality, fairness and justice are not just Japanese-American issues, or Asian-Pacific American issues.

They are simply American.

We must and will continue to work together to fight discrimination wherever and whenever it threatens anyone in our society.

Later this year we will be working to make sure that reform of our health care system ensures that all Americans receive the health care that they need—regardless of their language or cultural backgrounds.

We will be working to repeal the special interest exemption given to the Wards Cove Packing Co., in the Civil Rights Act of 1991.

And we will be working to eliminate the artificial barriers which inhibit our full participation in the work force. Glass ceilings must be shattered once and for all.

Will we succeed in this? You bet we will, because we will continue to move away from the stereotype in the American consciousness of being a model minority, and toward acceptance as fully American.

How will we do this? By standing up for ourselves and our country, and by challenging our great Nation to live up to its highest ideals and principles.

Let me offer you an example.

During the war in the Middle East, the FBI conducted interrogations of Americans of Arab ancestry.

People were asked if they were loyal to this country—and the only justification for the question was that by accident of birth they were of Arab ancestry.

That justification is no justification.

Some of us here in this room can tell you why—from personal experience.

When Americans of Arab ancestry were being threatened, we were among the first to stand up and say, "Stop!"

We did so because we know the pain, and the injustice, of having others doubt that we are fully American.

I remember several years ago when I gave a speech about United States-Japan trade.

Afterward, one of the corporate officers who was at the event came up to me and said, "Gee, Congressman. Your English is excellent. How long have you lived in our country?"

I wondered then whether he was really hearing an accent, or whether he simply was seeing a face that fit his definition of "foreign."

I still wonder, but at the same time I know this: There is no such thing as a foreign face in America.

That is the lesson of American history, and the promise of our great Constitution.

We as Asian-Pacific Americans have learned powerful lessons about diversity.

We have learned that diversity is our greatest strength, and not a weakness to be overcome.

Let there be no misunderstanding. We are unique individuals. Our communities are unique, adding into the tapestry of peoples and cultures that gives the United States its strength.

But the great genius of America is that, unlike other nations of the world, Americans are not bound together by a common racial heritage, a common religion, or even by a common language.

Rather, we are bound together as a society by our shared commitment to the principles of our great Constitution.

This central truth has allowed people of every race and religion to proudly call themselves Americans.

I am very proud that, each year, Asian-Pacific American Heritage Month will continue to serve as a celebration of the rich diversity and vitality that truth has given our Nation.

Once again, Madam Speaker, I would like to thank my good friend from American Samoa for all of his work in arranging for this special order. He is truly an outstanding leader of our community.

Mr. MATSUI. Madam Speaker, it is with great pleasure that I rise today to celebrate Asian-Pacific American Heritage Month and recognize the contribution Asian-Pacific Americans have made to our Nation.

We honor Americans of Asian and Pacific Islander descent during the month of May as an acknowledgement of the labors and hardships of the first Asian-Pacific Americans who settled in the United States and the accomplishments of the generations who have followed.

Over 150 years ago, the first groups of Asians and Pacific Islanders came to the United States, bringing with them skills and traditions that enhanced the diversity upon which this country was founded. Asian-Pacific Americans have provided the United States with a rich culture, a dedicated work ethic, and a loyal family commitment.

The strength of the Asian-Pacific American commitment to their community is apparent throughout all sectors of our society. Today, five Asian-Pacific Americans serve in the House of Representatives and two in the Senate. Asian-Pacific Americans are represented in the White House and in positions throughout the Federal Government. In the private sector, Asian-Pacific Americans have made their presence felt in the arts, business, education, and legal communities, to name a few. Asian-Pacific Americans sit on the boards of large corporations, own small businesses, and teach in many universities and colleges across the United States.

As we celebrate this month of achievement, we must also pay tribute to the sacrifices made by Asian-Pacific Americans over the years. Asian-Pacific Americans have had a turbulent history in our country, the years of internment during World War II representing the lowest moment in the lives of many who came to embrace the ideals and traditions of American life.

Asian-Pacific Americans are an integral part of the United States, a nation based on diversity and opportunity for all. We need to further the ideals instilled by the Nation's founders who came here from other countries to build a home where all people would be accepted and encouraged to achieve their dreams. During this month of celebration we must continue to advance these truly American ideals and continue to work to ensure this spirit of equality exists now and in the future.

Mr. Speaker it is with great pleasure that I rise to pay tribute to Asian-Pacific American Heritage Month. I ask my colleagues to join me in congratulating the members of the Asian-Pacific American community on their achievements.

Mr. UNDERWOOD. Madam Speaker, aloha, taloa, hafa adai, yokwe, aroha, kia orana; buenas, hamjo todos.

Earlier this month at a special White House ceremony, President Clinton officially proclaimed May as "Asian-Pacific American Heritage Month." There were numerous events, such as the White House ceremony, held throughout the country honoring Asian-Americans and Pacific Islanders. And I, as well as the Honorable ENI FALEOMAVAEGA attended and spoke at many of these events.

I understand that May is also Hamburger Month, and while we may not attract as much attention, it is clear that we are becoming a serious cultural and social force in American life.

The country's celebration of our heritage month did not come easy. For years, it was uncertain whether we would have this special celebration. For years, we have had Hispanic Heritage Month and Black History Month recognized by statute. Not until 1992 did we have, signed into law, a bill to officially declare the month of May of every year as the "Asian-Pacific Heritage Month."

We are glad of this special recognition, but how do our fellow Americans view us? And where do we Pacific Islanders fit in as part of this rather large, broad category of Asian-Pacific Americans. When our fellow Americans hear the term Asian-Pacific American, they often think of the Chinese building the railroads in the Western United States; or the Japanese citizens of this country who were not trusted during World War II and were taken from their homes and interned for the duration of the war; or the Koreans seen as taking over the inner city mom and pop grocery stores; or the close-knit, extended families of Filipinos in many major cities across the country.

Because our numbers are small as Asian-Pacific Islanders, there is the perception that Asian-Americans and Pacific Islanders don't count in the national scene. And when we consider that Pacific islanders are clearly a junior partner in the Asian-Pacific Islander coalition, Pacific Islanders end up faceless and rather insignificant.

The sheer numbers of Pacific Islanders are relatively small, compared to the total number of people in the United States. According to the 1990 census, there are only about 360,000 Pacific Islanders out of a total of approximately 249 million individuals in this country—less than one-half of 1 percent.

Quite often, Pacific Islanders are forgotten, and/or ignored, and/or misunderstood, or all of the above. How many Americans know that Pacific Islanders come from a diverse group of people? How many high school graduates in this country can identify at least two distinct Pacific Island groups?

What images come to their minds when one says that so and so is Chamorro, Samoan, Tongan, is a Polynesian, is a Micronesian, or is a Melanesian? What images come to their minds when they hear the words Chamorro, Samoan, Tongan, Polynesian, Maori, Micronesian, or Melanesian?

However, the question should not be just who we are as Samoans, Chamorros, Tongas, but who we are together—who we are as Pacific Islanders.

Who are we as Pacific Islanders? We are the voyagers who saw the world's largest ocean as the pathway to our homelands.

Who are we as Pacific Islanders? We are the builders of cultures in small island settings which rely upon family connections and networks, i achafnak, the parientes, aiga, the Ohana.

Who are we as Pacific Islanders? We are the creators of myths, stories, and legends which are at once elegant in their presentation and inspirational in their meaning.

And we are still Pacific Islanders as we live in the land of freeways and skyscrapers rather than the more familiar warm tropical waters; as we gather in hotels and conference rooms rather than around the hale, the fale, or the plasa. And we are still Pacific Islanders as we live in places where we have but few relatives, and as our children hear new myths and stories to interpret their existence.

So as we ask the question: Who are we, and as we bear witness to the spirit, the energy, and the warmth of celebrating Asian-Pacific heritage, we continue to be proud, we continue to celebrate, and we simply continue to be—we survive as proud inheritors of the strength, the intelligence, and the spirit of our ancestors who gave the Pacific Ocean to the world of humanity.

There is something fundamental about being Pacific Islanders, and it doesn't lose its significance even in places like Washington, DC, Chicago, Houston, Long Beach, or San Diego, places so unlike the communities in Guam of Dededo and Malesso', the community of Pago in American Samoa and the community in Hawaii of Waipahu, the community of Majuro in the Marshall Islands and the community of Rarotonga in the Cook Islands. Celebrating Asian-Pacific Heritage nurtures our spirit, let us share it, let us be invigorated and strengthened by it so that we can proudly say who we are in these distant lands—Pacific Island natives, people of the land.

While I have spent a great deal of my life arguing for cultural survival in political as well as in educational circles, in that struggle the politics of culture has revealed itself in a variety of forms. It is obvious to many that the desire for cultural survival has political consequences. We can see this in the efforts to reorganize political structures in order to accommodate the desire for cultural maintenance.

This spirit is alive in Guam. And this same spirit is alive and well throughout the Pacific, in Melanesian communities, in French-speaking areas, and in areas where our Pacific Island brothers and sisters have become minorities in their homelands—Aoteoroa and Hawaii.

And these cultural lessons have political overtones, because we cannot take pride in ourselves without taking a close look at who we are in political terms, social terms, and economic terms. The explosiveness of political status issues is manifest nearly everywhere in our homelands. From the Commonwealth movement in Guam, to the concerns of the people of Kanaky or New Caledonia, or the sovereighty movement of Hawaii, we are witnessing the political expressions of Pacific Islanders who are now emerging from one, two, or three centuries of colonial rule or colonial thinking.

As Asian-Pacific Americans, we cherish our history and our culture. More importantly, we deeply respect and honor our country where diversity is an asset rather than a liability, where ethnic cleansing is considered to be an atrocity and not a necessity, and where a Holocaust is considered an abomination and not a celebration. Asian-Pacific Americans are proud citizens of this country which allows us to retain our cultural identity and share it with the rest of our fellow Americans and which recognizes the importance of celebrating our diversity by designating a special month for others to learn about our culture. God bless the spirit which created Asian-Pacific Month and God bless us all.

Si yu'os ma'ase, mahalo. Maila' ta fan danna'. Hita ni' man taotao tano'.

VACATING A SPECIAL ORDER AND REINSTATEMENT OF A SPECIAL ORDER

Mr. DORNAN. Mr. Speaker, I ask unanimous consent to vacate my 5-minute special order tonight and, in lieu thereof, be permitted to address the House for 30 minutes.

The SPEAKER pro tempore (Ms. MCKINNEY). Is there objection to the request of the gentleman from California?

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 105. Concurrent resolution providing for an adjournment of the House from the legislative day of Thursday, May 27, 1993 to Tuesday, June 8, 1993 and an adjournment or recess of the Senate from Friday, May 28, 1993 until Monday, June 7, 1993.

THE PRESIDENT AND THE MILITARY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. DORNAN] is recognized for 30 minutes.

Mr. DORNAN. Madam Speaker, when the session started today, I said I would come to this well and give my observations on what has partially caused the current sitting President's problems with an overwhelming majority of all of our men and women who serve in our great military Armed Forces, every branch, every age range, NCO corps, officer corps, warrant officer class, young recruits, those who go above and beyond what is required of our young people that volunteer for very dangerous assignments, submarine work, flying of any kind, ranger training, jungle training, survival training, desert training, those who are in elite units that demand the absolute Olympic athlete perfection of their young bodies, like Navy SEALS and Delta Force in the Army, many Marine units.

Why is Mr. Clinton having a problem with all these people?

I mentioned that he would be going up to speak at West Point this weekend, over the Memorial Day holiday. And there are some reports that he is going to sort of force himself on a visit to the Vietnam Memorial, even though many, many thousands of veterans have written to him, some respectfully, and said, "Please, sir, back off for a while. Maybe next year, but don't come roaring in here with all of these problems, cutting our pay, savagely drawing down the military establishment beyond President Bush's $50 billion cuts and drawndowns, trying to force homosexuals and lesbians into a military culture that overwhelmingly rejects this for all sorts of reasons that do not apply to any other work field in this country. Don't come to the Wall."

But it appears Mr. Clinton is going to the Wall, and he is going to West Point.

Now, Annapolis midshipmen have already been commissioned, young ensigns in the United States Navy, many of them commissioned second lieutenants in the U.S. Marine Corps going off to advanced training, some of them to pilot training. Many of these young people do not have many years left. They will die in training accidents. Some of them will die in high performance jet aircraft, F-14's, F-18's, Harriers, aging A-6 Intruders.

This class felt very fortunate that they had a war hero to address them at their commencement, my colleague from this Chamber, JOHN MCCAIN, who went on to great distinction further in our other legislative body, in the U.S. Senate.

He was the son of a CINCPAC commander in chief of the Pacific Forces, a principal commander selecting targets in North Vietnam, when his young son JOHN was shot down. JOHN is the grandson of a 4-star Admiral. His great father John McCain II, the III, who was, again, the commander of all of our bombing, and during the period when JOHN was shot down, he was called the prince by the North Vietnamese.

□ 2150

He was offered the opportunity to return home at any time to show the untender mercies of the Communists in Hanoi. He served with distinction as a prisoner of war and as a young attack pilot before that, requalified flying, went on to become an excellent squadron commander down at Cecil Field in Florida.

Here was a man the cadets could look up to, a man capable of giving an inspirational speech. I met a young, brand-new ensign out in front of the Capitol today with his dad who was badly wounded, torn up in Vietnam, so proud—he was Army—so proud that his son went to Annapolis. Sherman van Rude is my friend, and his son is Steve.

I said to Steve, "MCCAIN is pretty good, huh?"

"Wonderful, Congressman, inspirational; really set us off on our career in a beautiful way."

Then we discussed some other things. He was a choice by the student body at West Point. Les Aspin, our former colleague, now Secretary of Defense, is going to speak out at the Air Force Academy this week; Les, a very intelligent man, a hard worker here, but now known for inspirational speeches; he will do well out there.

However, it is the President's problem at West Point that I have given some thought to. I wrote down some remarks. I will read them and then comment on the President's continuing errors of these phony photo ops, Madam Speaker, that he pushes in the face of the military culture, and that keep compounding and exacerbating the problem that he had already coming into office as someone who had forced three men to go in his place when the time came for him to answer the draft call of his country.

The third time, which is still known by just a tiny percent of Americans, Mr. Clinton at Oxford at 23 years of age, already a graduate student, halfway, a year and a half through his graduate program, or excuse me, at the end of his first year in the graduate program, already having a college degree from Georgetown, was drafted; that is a verb, past tense, "ed", drafted. He had a showup date. He was inducted. You don't ever get that turned around. He had a showup date of July 24, 1969, to report to a recruiting depot for the U.S. Army.

He came home and used Republican and Democratic powerful political connections—Senator STROM THURMOND here in Washington, a liberal Republican; Gov. Winthrop Rockefeller down in Arkansas—and he got his draft induction showup date suppressed, crushed, turned around, politically turned upside down, and some other young man had to take his place and probably ended up in Vietnam.

I hope for the President's sake, and some day that will come out, that young man made it home, not in a wheelchair, not with a limb missing, but let us hope he made it home.

Madam Speaker, as the President prepares to address the graduating class of our 190-year old Military Academy at West Point this weekend, and as Americans across our country take time to honor this Memorial Day, to remember those who, according to our greatest President ever, Abraham Lincoln, gave the full measure of devotion, quote-unquote, their lives, I urge everyone to recall and contemplate the stirring words of the most distinguished graduate of ever of the Military Academy at West Point, Medal of Honor winner, hero, former West Point Superintendent, Chief of Staff of the Army, hero in World War I as a regimental commander, colonel, commander of the Rainbow Division, World War II, courageous stand at Bataan and Corregidor, ordered out by Franklin Roosevelt to go to Australia, promising and keeping that promise, "I shall return," the words still ring down through history. I speak, of course, of General of the Army, Douglas MacArthur.

He addressed the Corps of Cadets. He was only to live less than 2 years after that. On May 12, 1962, he was receiving their award. It is always given in the cadet cafeteria, in a more informal setting.

I, several times on national radio, in the month of May, which we are now in, so we are coming up on it, we just passed the 31st anniversary of General MacArthur's address to the Corps of Cadets. I have read his speech in its entirety on this House floor I think twice, on the now uncomparably successful Rush Limbaugh show, and I always fall into a little of the staccato or pattern of Douglas MacArthur when I do this, not to attempt imitation, because I just cannot resist the beautiful rhythm of his words.

I will tonight just quote one paragraph, and maybe when we come back put in the full remarks.

I will quote from the words of Douglas MacArthur just one key paragraph, and I hope the President will reflect upon it. I hope he will read the whole address, to capture some of the feeling of what a special place to military people of all the services that beautiful campus is on a knoll overlooking that breathtakingly beautiful Hudson Valley.

MacArthur at one point slowed in his address and said the stirring words, which are the clarion call, the motto of the Cadet Corps at West Point. He said:

> Duty, honor, country: These three hallowed words reverently dictate what you want to be, what you can be, what you will be. They are the rallying point to build courage when courage seems to fail; to gain faith, when there seems to be little cause for faith; to create hope when hope becomes forlorn.

On Memorial Day, Madam Speaker, our 1993 graduates of our U.S. Military Academy at West Point, and all those young men and women in the service and aspiring to be in the service, that they may be called upon to lead into battle, will certainly be thinking about the countless veterans, some of them a veteran of several wars, like Douglas MacArthur, whose valor and sacrifice set such an inspiring example for those now in uniform.

Madam Speaker, I hope Mr. Clinton will please remember our dedicated military people, past and present, this holiday weekend.

Before he speaks at the Point, I hope he will recall all of the heroes from Concord Bridge and Lexington Green who gave their lives or offered their lives in April of 1775, right down to the young troopers of Desert Shield, Desert Storm, and our young men and women who brought mercy to the starving people of Somalia; reflect on their sacrifice and service, Mr. President; read carefully that entire address of General

MacArthur, where he spoke of his last thoughts being about the Corps, the Corps, and the Corps. He said that would be the focus of his final thoughts: West Point and the Cadet Corps.

Try to capture that military concept: duty, honor, and country; weigh that against, in your memory, what you thought in favor of the enemy achieving victory in Vietnam at those teachins that you organized in London and up in Oxford in 1969 and 1970; reflect that morale is key in importance.

If you succeed in lifting the ban against homosexuals, despite other priorities, such as draw-down, mission in the military, combat readiness, and the rights of the majority in our services; if you succeed in more than doubling the defense cuts proposed by your predecessor, including drastic personnel cuts, another 100,000 in 1994; if you succeed in gutting strategic defense, despite a newly growing ballistic missile threat with a different terror than the massive threat of the evil empire, but still the capability of taking out entire U.S. cities, or the cities of our allies; if you succeed in cutting family housing by nearly 7 percent—number three, if you cut the military pay raise, despite the widening gap between the military and civilian pay, despite continued hardship in the military, including lengthy time away from family and home; if you continue a peculiar course of self-image destruction with $200 haircuts and personal service contracts with elitist hairstylists from Beverly Hills; if you, four, allow the assignment of women to combat positions, particularly on the ground, despite the findings to the contrary of a blue ribbon Presidential commission last year.

□ 2200

No provision to ensure fair and equal standards for these positions, regardless of gender. The scandal of the gender norming, not striving for a fair playing field, which the Olympics do in athletics, no provisions to prevent false quotas of one gender or another in positions; and

Fifth, if you still desire, and I think this is ending, to put American men and maybe women into harm's way in Bosnia, despite, despite advice against such a move from nearly every single military expert on the issue, including former Supreme Allied Commander in Europe, Gen. John Gavin. I had the honor of hearing his testimony again here 2 days ago. Or the former U.N. Commander in Yugoslavia, Canadian Gen. Louise McKenzie. It was a pleasure and an honor meeting him and discussing sportscar racing after we had exhausted 4 hours all of the complicated ramifications of this tragic three-way civil war in the former Ottoman Province of Bosnia Herzegovina. If, in spite of the lack of clear military objectives which would ensure our success in the gulf war, you feel impelled, for whatever reason I cannot fathom, to risk and lose lives in that area, in spite of a lack of clear public support for an operation that will require the cost, the time, and the casualties necessary to achieve victory ultimately on the ground, if all of these five actions by our President, Madam Speaker, make up a clench fist of those five issues thrust into the guts of our military, then I have to think of Napoleon's famous quote. This comes from the military genius, and for whatever his political failings and self-evils were, and the horror he inflicted upon Europe, he is a genius in military terms. This is the man who gave us the accepted truism, "An army travels on its stomach." But when it came to morale, Napoleon Bonaparte said morale makes up three-quarters of the game, the conflict, and the relative balance of manpower, superior forces and numbers, that accounts for only the remaining quarter. His quote purely given is, "Morale makes up three-quarters of the game. The relative balance of manpower accounts for only the remaining balance."

What is our answer to the President's fist of these five issues into the solar plexus of our military and the seeming total lack of appreciation for duty, honor, and country remains to be seen.

Let me briefly discuss some of these photo ops. Ordering the highest decorated serving American who had been viciously insulted in the White House by a young Clinton staffer who said she would not say good morning to him because he was wearing the uniform, and that is a true story. There were a lot of fake stories that have spun out of that one, but that is a true story. I went to the source. I went to Colin Powell, the highest uniformed commander in our country. It happened. I talked to all of the Joint Chiefs of Staff. It happened. And then they all rushed to tell me that a lot of fake stories were coming out of it.

But Barry McCaffrey, who was the commander of the point of the spear, the 24th Infantry Division, mechanized, the point of the spear, the first ones across the desert berms, to sweep that Hail Mary, as General Schwarzkopf called it, a left hook around with the French covering one flank, the British, our airborne guys the other, reaching all the way into the heartland of the invading country of Iraq, liberating Kuwait, and reaching the historic Euphrates River, Barry McCaffrey, severely wounded in Vietnam, three Purple Hearts, four or five Air Medals, two Bronze Stars with valor, maybe three or four, two Silver Stars. That is the highest decoration that most people get and live, although most are still posthumously awarded. But on top of all of that he has two Distinguished Service Crosses. In the Navy that is called the Navy Cross. My squadron commander was the first living recipient, a great air war hero, Robbie Reisner, still with us, thank God, after 7 years of captivity. He came back from Vietnam to get the Air Force Cross when we established our own medal, because prior to that air combat's highest award under the Medal of Honor was this Distinguished Service Cross. Barry McCaffrey has two severe wounds where you can see the wounds from one of his Purple Hearts, and this man is insulted in the White House, and that was bad enough, but to have him ordered then to come up to Vancouver, Canada, after the Yeltsin summit and go jogging with the President as a photo op, this was something that did not go down very well with the military. And here is this jogging, and the Navy Seals, and this looks like two Pillsbury Doughboys jogging with iron men, and it looks like pyramids turned upside down, you know, the body starts up here and comes down to something like a 20-inch waist, and it was a photo op, not a good photo op, but a forced photo op.

Then there is the worst one of all, the terrible scene out on the south lawn at the White House. I have never in all of my life heard of a military person getting the honor of coming to the White House while they are on active duty, in uniform, and not wearing the class A uniform. That means every bit of the brass, with the wife or the husband, whatever the case may be, measuring with a ruler to make sure it is perfect, all of the combat decorations, the service ribbons, the badges from special service, foreign decorations over here, wings, surface combat, ship decorations, paratrooper wings, everything on perfectly, that is the way you go to the White House. The only thing better than class A, if it is a night function you wear your mess dress uniform, the military version of a tuxedo, which, of course, the Marine Corps putting everybody else to shame with all of those bright red collars and linings. That is what you go to the White House in. You do not go in dungarees and work clothes, even if it is the colorful desert camouflage, the desert camis from Desert Storm.

But the President ordered General Schwarzkopf's Chief of Staff, who became the commander in Somalia, a marine general, three stars, born in Scotland, came here at 18 years of age, entered the Marine Corps and decided to give it his life, Robert Johnston, lieutenant general. He was ordered to come in his camouflage work clothes. If these were some of our wonderful young mechanics from the motor pool, they would have come in their greasy overalls. But that is your work clothes in the desert, in Somalia or in the gulf war. And they were ordered to come, two of them with three-star generals, in their camouflage work clothes.

And then the President tells them to fan out, to line abreast, and I guess he is getting a kick pretending that he is the Commander in Chief. And then the microphone is placed so far down at the White House that at the picnic this year, the congressional barbecue, if I go I am going to pace it off, and I am sure that it is more than half a football field, 50 yards. And then what did the President do? Did he say, "Forward, hut?" I doubt that. He probably said: Forward, march, or let's go, or kick this thing off, or even starts walking in what Rush Limbaugh called his new blue suit. And I could see the marines, their eyes looking at an angle at the Commander in Chief's legs, and wondering do we stay in step with him? I noticed that General Johnston was attempting to stay in step.

Not even all of the hats are the same. Some of the hats are the old World War II floppy KP hats in camouflage, or they were wearing different styles of hats, and they are all coming down in this loose kind of a line, 22 people in working clothes to create a photo op, as though this sitting President had sent them there, which he did not. That was President Bush. And he did not even really order them home. Their time was up. Their mission was accomplished. Some were still there, and the main force came home in the course of the operation to help the starving Somalis rid themselves of some of their warlords, and that's the way the mission was designed.

What an offensive photo op to the military.

And then there is a whole series of awkward, half salutes, strange salutes given, getting on and off of the Marine Corps helicopter. At one of our military hearings over here in the Armed Services Committee I just took the time to look right at my friend, Les Aspin, our Secretary of Defense, and this great general, Colin Powell, and I said gentlemen, can you please give the President some advice, because I am sure that he will not take it from me. Will you tell him to stop doing crossword puzzles and reading mystery novels. They are fun, but he should be reading something about the military so he can understand that culture, and tell him that when he is uncovered, no hat, to not attempt a salute.

President Reagan kind of had an arm that would not stop because he had spent 3 or 4 years on active duty in uniform, and as a father of two, and he served as a cavalry officer, and then in the Army Corps, and then as an Army Air Force officer, so it is kind of hard not to return almost automatically a sharp Marine Corps salute. But if you cannot make your hand into a knife blade like a sword, if you cannot bring it up with the arm at a 45-degree angle, with a regulation salute, or rather the informal snap salute across your chest, which you can do if you are not on the drillfield, then do not attempt one of these things where you bang into your eye.

□ 2210

"Just don't do it," I told Colin Powell. If they delivered the message to the President, I have no way of knowing, but when he wears a ballcap off the U.S.S. *Teddy Roosevelt*, wears that ballcap, puts on a combat flight jacket with combat units' patches and gets off the Marine helicopter, that picture is in today's Washington Times right next to the wall-to-wall color picture of this offensive photo op on the south lawn of the White House; if he does not stop doing these things and pushing it in the face of the military culture, he is going to continue to exacerbate his problem as though he is a man sinking in quicksand until it is finally over his head.

That moment will come, by the way, if he succeeds in ramming through male homosexuals and lesbians, calling them by an adjective, "gay," into the military. If he wins that battle against distinguished Senator SAM NUNN and distinguished Marine officers that serve here like JACK MURTHA, if he wins that battle and beats them down, believe me, he has disappeared into the quicksand.

So I would say that my freestanding bill, 667, to maintain the ban, which has less than 100 sponsors in this Chamber—and legislation has finally been introduced on the other side—that bill will probably be rolled into an amendment on an appropriations bill or a conference report, and we may save him from that fate.

We have got to slow down the cuts. We just cannot continue forcing good people out and then using the military as a social laboratory.

I have another bill in, H.R. 1670, to restore the pay raise partially, at least, to our young enlisted kids. Many of these young families are on food stamps. I talked to marines at Camp Pendleton who are literally qualified and do draw food stamps.

A full pay raise for the military in 1994 to again stop this gap from widening between civilian pay and military pay and then fairness in assignments to combat positions so that there are equal standards, no quotas, no unspoken affirmative action, because there are a lot of careerists in all the services that will maybe toe the mark to advance themselves at the expense of combat leadership, or combat cohesiveness, and then firm leadership in Europe on Bosnia before deploying any troops.

I am going to close with a Napoleon quote and then yield to a good paratrooper Army officer with Vietnam combat experience.

Here is what Napoleon said, and I will deliver it to you, Mr. DUNCAN HUNTER: "Every general in chief who undertakes to execute a plan that he knows to be bad is culpable. He should communicate his reasons, insist on a change of plan, and finally resign his commission rather become the instrument of his army's ruin."—Napoleon Bonaparte.

In other words, if the elected civilian Commander in Chief under our great Constitution, and I love civilian rule, and we are all the bosses in this Chamber and the other over the military to raise those Armies and Navies and Marine Corps and Air Forces and to fund the equipment they get and to set their pay scale and to protect them from being used as a social laboratory, but the Commander in Chief is the civilian head of the executive department, and he should resign from the Presidency, under Napoleon's advice, rather than be the instrument of the ruin of his Army, his Navy, his Marine Corps, his Air Force, or his Coast Guard, over in the Transportation Department.

Mr. HUNTER. Madam Speaker, I thank the gentleman for yielding. I know he is coming to the end of the special order.

Mr. DORNAN. That is it for me, DUNCAN.

Mr. HUNTER. I thought it was so interesting that I thought I would come over, and I just wanted to say that I thought it was interesting, when we had the debate on Somalia, that we had a number of people who had been, in my estimation, saying denigrating things about the United States military, talking about them as being unenlightened, prejudicial, and a number of other adjectives that were less than complimentary, and yet when we talked about sending them to Somalia, the same people said these were honorable, caring, wonderful people, and we were going to prove it by putting them in harm's way.

I thought a little bit about that other poem by Rudyard Kipling about the British soldier that says, "It's Tommy this and Tommy that, and Tommy go away, but it's savior of his country when the band begins to play."

America's military people, our young people in uniform, are of finest quality right now. They have let us know through the polls that we have taken and the informal meetings we have had with them, and I know my friend BOB DORNAN has had a number of meetings himself with these military folks; they do not want to change the way we are doing business right now in the military. They do not want to change the finest military in the world. They do not want to lift that ban on homosexuals being in the military.

I think we should listen to them and listen to that 70 and 80 percent who have spoken out very strongly. I hope that some of our other leaders, because of your statements tonight, get that message, and I appreciate your words.

Mr. DORNAN. DUNCAN, if I could come back to Rudyard Kipling, I read a passage from Rudyard Kipling, and I apologize for a little play on words, because Lt. Col. Oliver North was testifying, and it brought tears to Colonel North's eyes, and he told me later why. His father had long passages of Rudyard Kipling, at his request, read at the father's funeral, and I will not give the paraphrase that I use for Ollie, but following up that same stanza, as Kipling keeps coming back to it, "When the band begins to play," and it also gets into combat, and he says, "He's Tommy this, he's Tommy that, chuck him out of here, the brute, but he's the savior of his country when the guns begin to shoot," and that is a truism for every culture, every society through all of history.

People have no use for people who dedicate themselves to the profession of arms and peace, but when the fighting starts, they look for a cop, they look for a soldier, a sailor, an airman, a marine, a guardsman, or a reservist.

Thanks, DUNCAN, for coming over.

Madam Speaker, I have no time to yield back. I will stay around for the adjournment of the House and wish all of my colleagues and my friend ENI, who walked the battlefields of the Solomon Islands with me, I look forward to him adjourning this distinguished Chamber.

[The article follows:]

[From the Washington Times, May 27, 1993]

HAIL TO THE CHIEF

(By Sean Piccoli)

WEST POINT, NY.—Around the grassy quads and old stone walls of the U.S. Military Academy, where exams have just ended and graduation is a few days away, the buzz on this year's commencement speaker is best summarized by that old Beltway comeback where silence and self-interest intersect.

"No comment," says a first-year cadet in pressed grays and whites, when asked for his feelings about this Saturday's visit from the new commander in chief, President Clinton.

"I'd sure love to talk to you," says one senior, a muscular young man in gym shorts who is keying the door to his pickup. "But I can't. I'm a week away from graduation, and I don't want to do anything to get myself in trouble."

The silence is the story on this perfect Sunday here in the breathtaking Hudson River Valley as West Point prepares to send graduates into a new world order under the gaze of a president who is at odds with his own fighting force.

In keeping with tradition, Mr. Clinton is scheduled to address graduates and underclassmen at the 191-year-old academy Saturday. And while cadets say they are excited about the visit, other attitudes voiced here reflect an unhappy reality for the young president who once expressed a "loathing" for military culture: He is not popular with many troops, at many levels, from cadet dormitories to barracks to officers clubs.

His stance on Vietnam has followed him into the White House; he was mocked by enlistees and officers aboard an aircraft carrier in March. His stance on homosexuals in the armed services has bred still more resentment among soldiers, many of whom feel Mr. Clinton brought his "loathing" of yore into his new job.

The episode in which a Clinton staffer is said to have insulted Army Lt. Gen. Barry R. McCaffrey—a highly decorated and popular officer who fought in the Vietnam and Persian Gulf wars—has come to symbolize the discord between both sides. In conversation, those in the military now say "McCaffrey" the way most people say "Watergate."

"I think when [Mr. Clinton] came in, the relationship was certainly poisonous," says retired Army Col. Harry G. Summers Jr., a distinguished fellow of the Army War College and a syndicated columnist. "[But] I think that he has made a conscious effort to close that gap. . . . The West Point speech is part of that effort."

Recent events—photo opportunities and public appearances by the president with military figures—suggest the White House seems intent on shoring up its shaky relationship with soldiers, or least projecting to the public that Mr. Clinton is the undisputed leader of his military.

In a reception for troops returning home from Somali, Mr. Clinton strode across the South Lawn, Marines in fatigues arrayed behind him, in a picture designed to convey confidence and command.

After he returns from West Point, Mr. Clinton is scheduled to give the keynote address for Memorial Day ceremonies to be held at the Vietnam Veterans Memorial.

"He understands that he can't allow the rift to develop," Col. Summers says.

But some observers contend the rift is still wide.

"Of the four major services, I have been around three in recent months," says Rep. Robert K. Dornan, California Republican and a former serviceman, "and it is universal. I have never heard a single officer or enlisted man defend Clinton's . . . moral standing for leadership."

And for all the image management, the president still hasn't mastered a proper salute. Some veterans even have questioned his right to speak at West Point.

At the academy and points beyond, explicit endorsements of the new commander in chief are scarce.

"I mean, he's the president, and we should welcome him," says the freshman cadet who issued a firm no comment. "But as for those other issues. . . ."

He trails off, leaving the rest unsaid.

Wayne Anderson, 20, a sophomore cadet from Kansas City, Mo., freely admits that someone other than Bill Clinton got his vote on Election Day, but Mr. Anderson draws the line on dissent at Nov. 4.

"The bottom line is, he's the commander in chief," Mr. Anderson says. "I think people have accepted it."

Others agree. Says another first-year cadet, "We're behind him now."

Just like that. The Constitution says the military serves its civilian leaders, period. The concept is backed up forcibly by the Uniform Code of Military Justice. Article 88 makes any show of contempt toward the civilian chiefs of the military a crime punishable by court-martial, jail and discharge without pay.

These sanctions were not upper-most in the minds of Marines aboard the warship USS Theodore Roosevelt, who mocked the visiting president. Even officers aboard the aircraft carrier were less than deferential.

"Maybe we can call this his military service," one squadron commander told The Washington Post. "Three hours is more than he had before."

Mr. Clinton, the product of an era that made soldier-bashing part of its popular culture, is reaping what he has sowed, one observer says.

"While he was off doing his dodge [of military service] at Oxford, the guys that he's now telling what to do were off sitting in rice paddies up to their ankles in mud, getting shot at," says Steward Koehl, a Northern Virginian military writer and analyst. "And they can't forget that, nor will they.

"There is a perception that Clinton doesn't respect the military as an institution," Mr. Koehl adds, " and a belief that he doesn't understand the military's needs, and furthermore, doesn't care.

"He underestimated the intellectual capacity, the moral capacity and the resoluteness of the military when it comes to fundamental military issues [such as the ban on homosexuals]. He did it this way because he didn't really respect them. And now they're returning the compliment, so to speak."

Still, many soldiers and cadets, understandably, are not anxious to voice their disrespect on the record.

"I think he's trying to work on the relationship," says one of several camouflage-clad soldiers waiting for a haircut Monday afternoon inside the barbershop at Fort Belvoir. "I hope all that draft-dodging business is behind him."

The soldier with the opinions doesn't volunteer his name, but he is the only one of three seated together who volunteers anything beyond "I really can't talk."

Even before the election, there was fallout for certain kinds of candor. The spokesman for the Vietnam Veterans of America was fired last year for calling Mr. Clinton a "coward" because the future Arkansas governer and president had avoided military service during the Vietnam War.

More recently, a memo sent to military judge advocates states that the armed services should get used to abrupt changes in military policy under the Clinton administration. The memo also quotes passages of Article 88—a reminder of the boundaries on free speech in military circles. Some soldiers call the memo a gag order.

But silence always has been the better part of discretion in the military's chain of command.

"You can't have a personality conflict with your boss," Col. Summers says. "It doesn't work that way. He's commander in chief, regardless."

At Fort Belvoir, one Army officer declines to give his name but dismisses the advertised tension between Mr. Clinton and the military as "hype."

"We owe our allegiance to the Constitution of the United States, not to any particular individual," says the officer, a self-described "old soldier" preparing for a jog around the base track Monday. "And I think that's what you need to remember. It doesn't matter if it's LBJ, George Bush or Bill Clinton."

Indeed, the president may in part be a product of his place in history. No previous president has been handed the same set of choices and circumstances: Bill Clinton came of age with the domestic turmoil that erupted over Vietnam—a war that came to be actively opposed on the nation's streets and campuses—and he took the same path as many, though by no means most, other young men.

"Clinton consulted his conscience on Vietnam," says West Point junior Chris Sleight, 21, of Marlboro, N.Y., "and that's one of the founding principles of West Point: Follow your conscience. I have no problem with him for that, and I don't think many people do."

Mr. Sleight says if there is any difficulty the president faces with the military, it is that "maybe we can't relate to him as well."

A classmate, Sean Farrar, 21, of North Carolina, remembers the speech George Bush gave here in January. "It was his last public address [as president]," Mr. Farrar says, sounding almost wistful.

Mr. Bush, the old soldier who fought and cheated death in airborne combat in World War II, courted and celebrated the armed services throughout his presidency. The allies' battlefield rout of Iraq in the Gulf war remains one of his most visible accomplishments.

Mr. Clinton assumes the presidency in the post-Cold War era that follows Mr. Reagan and Mr. Bush, when pressure to scale back military size and commitments is high and the work of closing bases here and abroad is already underway.

"Senior military, at least, understand that no matter who was elected we were going to have further cuts," Col. Summers says.

But the early signs were not encouraging. During the inauguration, military officers complained they were shut out of events, shorted on inaugural ball tickets and downgraded in favor of celebrities.

Once the parties gave way to real policy, Mr. Clinton further irked soldiers by proposing to cut federal workers' yearly cost-of-living raises, including those for military personnel.

The president also floated a repeal of the ban on open homosexuals at a time when the armed services already were chafing over dictates on the integration of women into military life.

"It is simply that the military is tired of being used as a social lab," Mr. Koehl says.

And the first international crisis to confront the new president was the Bosnia quagmire, which many fear could become another Vietnam.

But again, the call on Bosnia is the president's to make, whether or not his advice comes from anybody in a uniform.

Col. Summers believes Mr. Clinton will give the military more of his time and attention then he previously has done. "He understands that we live in a very dangerous world, and that the military is necessary and that he needs the military to execute his foreign policy," he says.

Soldiers, for their part, will do what they are told. Military mutiny is not an option.

"There is enough careerism in the officer corps for Clinton to find people who will implement his policies," Mr. Koehl says, "if only to mitigate some of the damage."

Backtalk—at least the kind heard aboard the Roosevelt—is also out.

"You can print this in your newspaper," says one of two West Point cadets dressed in combat fatigues and sitting in the cab of a canvas-covered truck. "They're probably going to stick all of us into Eisenhower [assembly] Hall and tell us not to boo the president."

The cadet is reminded by a visitor that heckling the president is a no-no under the Uniform Code of Military Justice.

"But we're cadets!" he replies, grinning.

TRIBUTE TO BOB MEDINA

(Mr. HUNTER asked and was given permission to address the House for 1 minute.)

Mr. HUNTER. Madam Speaker, I just wanted to say that there was one other thing that I came over for, and that was to simply say a good word about my great and loyal friend who is one of my staff members, Bob Medina, who is retiring, this last week.

I just wanted to say that he was a great member of the U.S. Navy for 20 years, served me very faithfully for 13 years.

He is going to retire, and perhaps take up residence in his hometown in the Philippines.

Madam Speaker, I just wanted to wish him the very best on this day, and especially a day and a time when we are really appreciating again, I think, our military people, and this gentleman, Bob Medina, has worn his uniform very proudly, and he served this country very ably in his work in my offices in the U.S. Congress.

Mr. DORNAN. If the gentleman will yield, bon voyage, good luck, Bob.

A TRIBUTE TO OUR MEN AND WOMEN IN UNIFORM

(Mr. FALEOMAVAEGA asked and was given permission to address the House for 1 minute.)

Mr. FALEOMAVAEGA. Madam Speaker, I would just like to certainly pay a compliment to the gentleman from California [Mr. DORNAN] for bringing to the attention of the Members as we give special attention to the Memorial Day holiday period, but more importantly is the fact that we should remember especially the tremendous contributions that our men and women in the armed services have provided for the defense of our country.

I want to thank the gentleman from California [Mr. DORNAN] for bringing that into remembrance, and I hope certainly that our country will give that special remembrance to our men and women in uniform, and more especially also a special tribute to our military wives, who have also taken the brunt of tremendous difficulties and tribulations in the absence of their husbands while they are out in foreign countries defending our country.

I just wanted to say that, Madam Speaker, for the RECORD, and to thank the gentleman.

Mr. HUNTER. If the gentleman would yield just briefly, I want to say in reply that on this side of the aisle we have had a very contentious debate tonight, and I want to join my friend in echoing that thanks and tribute to all of our military people, and particularly to him for his service to the U.S. military and to our causes.

I appreciate his words.

Mr. FALEOMAVAEGA. I thank the gentleman from California.

I think that there is one thing that we find in commonality, and that is that both as Vietnam veterans, we certainly do have a serious appreciation of the contributions our men and women have provided for our country.

I thank the gentleman for his comments.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. UNDERWOOD (at the request of Mr. GEPHARDT), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mrs. BENTLEY) to revise and extend their remarks and include extraneous material:)

Mr. SOLOMON, for 60 minutes each day, on July 1, 2, 5, 6, 7, 8, 9, 12, 13, 14, 15, 16, 19, 20, 21, 22, 23, 26, 27, 28, 29, and 30.

Mrs. MORELLA, for 60 minutes, on June 9.

Mr. FISH, for 5 minutes, today.

(The following Members (at the request of Mr. HINCHEY) to revise and extend their remarks and include extraneous material:)

Mr. BACCHUS of Florida, for 5 minutes, today.

Mr. STARK, for 5 minutes, today.

Mr. GONZALEZ, for 60 minutes each day, on June 6, 10, and 14.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mrs. BENTLEY) and to include extraneous matter:)

Mr. LEWIS of California.
Mr. GOODLING.
Mr. CLINGER in two instances.
Mr. HASTERT in two instances.
Mr. GILLMOR in two instances.
Mr. CASTLE.
Mr. KING in two instances.
Mr. LEVY.
Mrs. JOHNSON of Connecticut.
Mr. BILIRAKIS.
Mr. RAMSTAD.
Ms. SNOWE.
Mr. GALLO.
Mr. SMITH of New Jersey.
Mr. MCCOLLUM.
Mr. BEREUTER.
Mr. THOMAS of California in two instances.
Mr. LIGHTFOOT.
Mr. FRANKS of New Jersey.
Mrs. VUCANOVICH.
Mr. HORN.
Mr. EMERSON in three instances.
Mrs. BENTLEY.
Mr. COX.

(The following Members (at the request of Mr. HINCHEY) and to include extraneous matter:)

Mr. SKELTON, in two instances.
Ms. NORTON.
Mr. BERMAN.
Mr. GEJDENSON.
Mr. STOKES.
Mr. SWETT, in two instances.
Mr. KOPETSKI.
Mr. KREIDLER.

Mr. ENGEL.
Mr. MARKEY.
Mr. HAMILTON.
Mrs. KENNELLY.
Mr. MEEHAN, in two instances.
Mrs. MEEK.
Mr. PAYNE of New Jersey.
Mr. HOYER.
Mr. SABO.
Mr. BARCIA, in four instances.
Mr. UNDERWOOD.
Mr. VENTO.
Mr. TORRES.
Mr. MURTHA.
Mr. COSTELLO.
Mr. STARK.
Mr. POMEROY.
Mr. KILDEE, in two instances.
Mr. FALEOMAVAEGA

ENROLLED BILLS SIGNED

Mr. ROSE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 1723 An act to authorize the establishment of a program under which employees of the Central Intelligence Agency may be offered separation pay to separate from service voluntarily to avoid or minimize the need for involuntary separations due to downsizing, reorganization, transfer of function or other similar action, and for other purposes.

ADJOURNMENT

Mr. FALEOMAVAEGA. Madam Speaker, I move that the House do now adjourn.

The motion was agreed to.

The SPEAKER pro tempore (Ms. MCKINNEY). Pursuant to the provisions of House Concurrent Resolution 105, 103d Congress, the House stands adjourned until noon on Tuesday, June 8, 1993.

Thereupon (at 10 o'clock and 20 minutes p.m.), pursuant to House Concurrent Resolution 105, the House adjourned until Tuesday, June 8, 1993, at 12 noon.

[Correction to the Congressional Record of Wednesday, May 26, 1993]

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 775. An act to modify the requirements applicable to locatable minerals on public lands, consistent with the principles of self-initiation of mining claims, and for other purposes; to the Committee on Natural Resources.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1303. A letter from the Acting Secretary of the Army, transmitting notification that certain major defense acquisition programs have breached the unit cost by more than 15 and 25 percent, pursuant to 10 U.S.C. 2431(b)(3)(A); to the Committee on Armed Services.

1304. A letter from the Acting Secretary of the Navy, transmitting notification that certain major defense acquisition programs have breached the unit cost by more than 15 percent, pursuant to 10 U.S.C. 2431(b)(3)(A); to the Committee on Armed Services.

1305. A letter from the Director, Defense Research and Engineering, Department of Defense, transmitting a report on research, development, test and evaluation activities conducted under the Biological Defense Research Program during fiscal year 1992, pursuant to Public Law 101-510, section 241(a) (104 Stat. 1517); to the Committee on Armed Services.

1306. A letter from the Chief of Legislative Affairs, Department of the Navy, transmitting notification that the Department intends to offer for lease a naval vessel to the Government of Morocco, pursuant to 10 U.S.C. 7307(B)(2); to the Committee on Armed Services.

1307. A letter from the Chairman, Board of Governors of the Federal Reserve System, transmitting the annual report on the subject of retail fees and services of depository institutions, pursuant to Public Law 101-73, section 1002(b) (103 Stat. 508); to the Committee on Banking, Finance and Urban Affairs.

1308. A letter from the Assistant Vice President of Governmental Affairs, National Railroad Passenger Corporation, transmitting the 1993 criteria performance review of Amtrak's routes, pursuant to 45 U.S.C. 564(c)(4)(C); to the Committee on Energy and Commerce.

1309. A letter from the Assistant Secretary of State for Legislative Affairs, transmitting a copy of the Deputy Secretary's determination and justification that it is in the national interest to grant assistance to Senegal, pursuant to 22 U.S.C. 2370(q); to the Committee on Foreign Affairs.

1310. A letter from the Deputy Director, Defense Security Assistance Agency, transmitting notice of proposed lease to Norway for defense articles (Transmittal No. 5-93), pursuant to 22 U.S.C. 2796a(a); to the Committee on Foreign Affairs.

1311. A letter from the Acting Director, U.S. Arms Control and Disarmament Agency, transmitting a draft of proposed legislation to amend the Arms Control and Disarmament Act to authorize appropriations for fiscal years 1994 and 1995; to the Committee on Foreign Affairs.

1312. A letter from the Director, Office of Management and Budget, transmitting OMB estimate of the amount of change in outlays or receipts, as the case may be, in each fiscal year through fiscal year 1998 resulting from passage of Public Law 103-31, pursuant to Public Law 101-508, section 13101(a) (104 Stat. 1388-582); to the Committee on Government Operations.

1313. A letter from the Chairman, Interstate Commerce Commission, transmitting the semiannual report on activities pursuant to the Inspector General Act, pursuant to Public Law 95-452, Section 5(b), (102 Stat. 2526); to the Committee on Government Operations.

1314. A letter from the Acting Director, U.S. Information Agency, transmitting the semiannual report of the Inspector General covering the period October 1, 1992, through March 31, 1993, pursuant to Public Law 99-399, Section 412(a); to the Committee on Government Operations.

1315. A letter from the Portland District, Corps of Engineers, Department of the Army, transmitting the fiscal year 1992 annual report of the Chief of Engineers on Civil Works Activities, Portland, OR, District extract; to the Committee on Public Works and Transportation.

1316. A letter from the Assistant Secretary of State for Legislative Affairs, transmitting Presidential determination (93-21) that the Government of Morocco is cooperating with the United Nations in implementing the settlement plan for self-determination of the people of the Western Sahara, pursuant to Public Law 102-319, section 599G; jointly, to the Committees on Appropriations and Foreign Affairs.

1317. A letter from the Acting Administrator, General Services Administration, transmitting notification of the determination that it is in the public interest to make a proposed contract award to Howard University without obtaining full and open competition, pursuant to 41 U.S.C. 253(c)(7); jointly to the Committees on Public Works and Transportation and Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the clerk for printing and reference to the proper calendar, as follows:

Mr. NATCHER: Committee on Appropriations. Report on the Subdivision of Budget Totals for Fiscal Year 1994 (Rept. 103-113). Referred to the Committee of the Whole House on the State of the Union.

Mr. DINGELL: Committee on Energy and Commerce. H.R. 1701. A bill to amend title XVI of the Public Health Service Act (the Safe Drinking Water Act) to establish State revolving funds to provide for drinking water treatment facilities, and for other purposes; with an amendment (Rept. 103-114). Referred to the Committee of Whole House on the State of the Union.

Mr. MINETA: Committee on Public Works and Transportation. H.R. 1865. A bill to direct the Administrator of the Environmental Protection Agency to make grants to States for the purposes of financing the construction, rehabilitation, and improvement of water supply systems, and for other purposes; with an amendment (Rept. 103-115). Referred to the Committee of the Whole House on the State of the Union.

Mr. FORD of Michigan: Committee on Education and Labor. H.R. 5. A bill to amend the National Labor Relations Act and the Railway Labor Act to prevent discrimination based on participation in labor disputes; with an amendment (Rept. 103-116, Pt. 1). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. OBEY:

H.R. 2295. A bill making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1993, and for other purposes; to the Committee on Appropriations.

By Mr. BILIRAKIS (for himself, Mr. LIPINSKI, Mr. BOEHNER, and Mr. LEWIS of Florida):

H.R. 2296. A bill to amend the Solid Waste Disposal Act to exempt pesticide rinse water degradation systems from subtitle C permit requirements; to the Committee on Energy and Commerce.

By Mr. BOUCHER (for himself, Mr. COOPER, and Mr. ROGERS):

H.R. 2297. A bill to remove certain restrictions applicable to the Cumberland Gap National Historical Park, and for other purposes; to the Committee on Natural Resources.

By Mr. CASTLE:

H.R. 2298. A bill to suspend until January 1, 1995, the duty on Pigment Red 254; to the Committee on Ways and Means.

H.R. 2299. A bill to suspend until January 1, 1995, the duty on Pigment Blue 60; to the Committee on Ways and Means.

By Mr. FORD of Michigan:

H.R. 2300. A bill to provide assistance to employees who are subject to a plant closing or mass layoff because their work is transferred to a foreign country that has low wages or unhealthy working conditions and to amend the Worker Adjustment and Retraining Notification Act to expand the coverage and strengthen the notification and enforcement provisions under that act; to the Committee on Education and Labor.

By Mr. CASTLE:

H.R. 2301. A bill to suspend until January 1, 1997, the duty on PCMX; to the Committee on Ways and Means.

H.R. 2302. A bill to suspend until January 1, 1995, the previously existing suspension of duty on o-Benzyl-p-chlorophenol; to the Committee on Ways and Means.

H.R. 2303. A bill relating to the tariff treatment of gum rosin and wood rosin; to the Committee on Ways and Means.

H.R. 2304. A bill to extend until January 1, 1996, the existing suspension of duty on Quizalofop-ethyl; to the Committee on Ways and Means.

By Mr. COLEMAN:

H.R. 2305. A bill to authorize and encourage the President to conclude an agreement with Mexico to establish a United States-Mexico Border Health Commission; jointly, to the Committees on Foreign Affairs and Energy and Commerce.

By Mr. CONDIT:

H.R. 2306. A bill to provide for Federal incarceration of undocumented criminal aliens and to provide for the transfer of closed military bases to the Justice Department for use as prison facilities for the incarceration of criminal aliens; jointly, to the Committees on the Judiciary and Armed Services.

By Mr. DELAY (for himself, Mr. ARCHER, Mr. ARMEY, Mr. BAKER of Louisiana, Mr. BALLENGER, Mr. BARRETT of Nebraska, Mr. BARTON of Texas, Mr. BATEMAN, Mr. BEREUTER, Mr. BOEHNER, Mr. COBLE, Mr. COMBEST, Mr. COX, Mr. CRANE, Mr. DOOLITTLE, Mr. DORNAN, Mr. DUNCAN, Mr. EMERSON, Mr. FAWELL, Mr. GALLEGLY, Mr. GILCHREST, Mr. GINGRICH, Mr. GOODLATTE, Mr. GOSS, Mr. GUNDERSON, Mr. HANCOCK, Mr. HANSEN, Mr. HEFLEY, Mr. HERGER, Mr. HOEKSTRA, Mr. INGLIS, Mr. INHOFE, Mr. SAM JOHNSON of Texas, Mr. KOLBE, Mr. KYL, Mr. LEWIS of Florida, Mr. LIVINGSTON, Mr. MCCOLLUM, Mr. MCMILLAN, Mr. MILLER of Florida, Mr. MOORHEAD, Mr. OXLEY, Mr. PACKARD, Mr. PORTER, Ms. PRYCE of Ohio, Mr. RAMSTAD, Mr. ROHRABACHER, Mr. SCHAEFER, Mr. SHAW, Mr. SMITH of Texas, Mr. STUMP, Mr. TAYLOR of North Carolina, Mr. THOMAS of California, Mr. THOMAS of Wyoming, Mrs. VUCANOVICH, and Mr. WALKER):

H.R. 2307. A bill entitled, "Workers' Political Rights Act"; to the Committee on House Administration.

By Mrs. COLLINS of Illinois:

H.R. 2308. A bill to assist in the development of microenterprises and microenterprise lending; jointly, to the Committees on Ways and Means and Banking, Finance and Urban Affairs.

By Mr. FRANK of Massachusetts (for himself, Mr. MOAKLEY, Mr. BLUTE, Mr. OLVER, Mr. TORKILDSEN, Mr. KENNEDY, Mr. MEEHAN, Mr. NEAL of Massachusetts, Mr. STUDDS, and Mr. MARKEY):

H.R. 2309. A bill to amend the Federal Water Pollution Control Act relating to reauthorization of the State water pollution control revolving fund program; to the Committee on Public Works and Transportation.

By Mr. FRANKS of New Jersey (for himself, Ms. SHEPHERD, Mr. GALLO, Mr. MENENDEZ, Mr. SAXTON, Mr. JEFFERSON, and Mr. MICA):

H.R. 2310. A bill to amend the Water Resources Development Act of 1986 to require the Secretary of the Army to consider the loss of life which may be associated with flooding and coastal storm events in the formulation and evaluation of flood control projects to be carried out by the Secretary; to the Committee on Public Works and Transportation.

By Mr. GILCHREST:

H.R. 2311. A bill to amend the Federal Election Campaign Act of 1971 to prohibit nonparty multicandidate political committee contributions in elections for Federal office; to the Committee on House Administration.

By Mr. GOSS:

H.R. 2312. A bill to amend the Federal Election Campaign Act of 1971 to reform House of Representatives campaign finance laws, and for other purposes; jointly, to the Committees on House Administration, Post Office and Civil Service, Energy and Commerce, the Judiciary, and Ways and Means.

By Mr. HASTERT:

H.R. 2313. A bill to suspend until January 1, 1995, the duty on anthraquinone; to the Committee on Ways and Means.

H.R. 2314. A bill to suspend temporarily the duty on 3,4,4'-trichlorocarbanilide; to the Committee on Ways and Means.

By Mr. HYDE (for himself, Mr. SMITH of New Jersey, Mr. HUNTER, Mr. GILMAN, Mr. FISH, Mr. WILSON, and Mr. GINGRICH):

H.R. 2315. A bill terminating the United States arms embargo of the Government of Bosnia-Hercegovina; to the Committee on Foreign Affairs.

By Mrs. JOHNSON of Connecticut:

H.R. 2316. A bill to amend title 18, United States Code, to prohibit the mailing of certain mail matter; to the Committee on the Judiciary.

H.R. 2317. A bill to amend the Internal Revenue Code of 1986 with respect to the treatment of long-term care insurance policies, and for other purposes; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. MARKEY (for himself, Mr. MOAKLEY, Mr. KENNEDY, Mr. FRANK of Massachusetts, Mr. NEAL of Massachusetts, Mr. STUDDS, Mr. OLVER, Mr. MEEHAN, Mr. TORKILDSEN, Mr. BLUTE, and Mr. MONTGOMERY):

H.R. 2318. A bill to redesignate the Federal building located at 380 Trapelo Road in Waltham, MA, as the "Frederick C. Murphy Federal Center"; to the Committee on Public Works and Transportation.

By Mr. MCKEON (for himself, Mr. CALVERT, Mr. DEUTSCH, Mr. GALLEGLY, Mr. GOSS, Ms. HARMAN, Mr. HOBSON, Mrs. JOHNSON of Connecticut, Mr. KINGSTON, Mr. MOORHEAD, Mr. QUINN, Mr. RAMSTAD, Mr. WALSH, Mr. ZIMMER, Mr. BROWN of California, Mr. THOMAS of California, and Mr. BEILENSON):

H.R. 2319. A bill to amend the Solid Waste Disposal Act to require each department, agency, and instrumentality of the executive branch of the Federal Government to use recycled paper; to the Committee on Energy and Commerce.

By Ms. PELOSI (for herself, Mr. MILLER of California, Mr. DELLUMS, Mr. FAZIO, Mr. EDWARDS of California, Mr. STARK, Mr. LANTOS, Ms. ESHOO, Ms. WOOLSEY, and Mr. HAMBURG):

H.R. 2320. A bill to amend the Federal Water Pollution Control Act to provide for implementation of a comprehensive plan for the San Francisco Bay-Delta Estuary, and for other purposes; jointly, to the Committees on Public Works and Transportation and Merchant Marine and Fisheries.

By Mr. SANGMEISTER:

H.R. 2321. A bill to provide comprehensive crime control measures; to the Committee on the Judiciary.

By Ms. SNOWE:

H.R. 2322. A bill to amend the Harmonized Tariff Schedule of the United States to clarify that certain footwear assembled in CBI beneficiary countries is excluded from duty-free treatment; to the Committee on Ways and Means.

By Mr. SOLOMON:

H.R. 2323. A bill to amend the Indian Gaming Regulatory Act, and for other purposes; to the Committee on Natural Resources.

By Mr. SPRATT:

H.R. 2324. A bill to suspend for a 3-year period the duty on omega-dodecalactam; to the Committee on Ways and Means.

By Mr. STARK:

H.R. 2325. A bill to provide for demonstration projects to test whether enrollment in the supplemental security income program can be significantly increased by offering nonprofit organizations financial incentives to engage in outreach; to the Committee on Ways and Means.

By Mr. SYNAR (for himself, Mr. BOUCHER, Mr. KOPETSKI, Mr. HYDE, Mr. BACCHUS of Florida, Mr. KANJORSKI, Mr. POMEROY, Mr. MCCURDY, Mr. BURTON of Indiana, Mr. ROTH, Mr. SCHIFF, Mr. RAMSTAD, Mr. SANGMEISTER, Mr. GOODLATTE, Mr. HAYES of Louisiana, Mr. ROEMER, and Mr. FRANK of Massachusetts):

H.R. 2326. A bill to amend title 11 of the United States Code with respect to cases under chapter 13, and for other purposes; to the Committee on the Judiciary.

By Mr. THOMAS of Wyoming (for himself, Mr. KIM, Mr. GORDON, Mr. HYDE, Mr. BOEHNER, Mr. EWING, Mr. WALSH, Mr. HANCOCK, Mr. LEVY, Mr. SCHIFF, Mr. TAYLOR of North Carolina, and Mr. EVERETT):

H.R. 2327. A bill to clarify the application of Federal preemption of State and local laws, to preserve State and local legislative rights and prerogatives, and for other purposes; to the Committee on Government Operations.

By Mr. VENTO (for himself, Mr. Miller of California, and Mr. Williams):

H.R. 2328. A bill to establish a Public Lands Corps, and for other purposes; jointly, to the Committees on Natural Resources, Agriculture, and Education and Labor.

By Mr. DUNCAN:

H.J. Res. 205. Joint resolution designating the week beginning October 31, 1993, as "National Health Information Management Week"; to the Committee on Post Office and Civil Service.

By Ms. NORTON (for herself and Mr. Ravenel):

H.J. Res. 206. Joint resolution to designate the month of October 1993 and October 1994 as "National Down Syndrome Awareness Month"; to the Committee on Post Office and Civil Service.

By Mr. ORTON:

H.J. Res. 207. Joint resolution to provide for the issuance of a commemorative postage stamp in honor of Dr. Martha Hughes Cannon; to the Committee on Post Office and Civil Service.

By Mr. GEPHARDT:

H. Con. Res. 105. Concurrent resolution providing for an adjournment of the House and Senate; considered and agreed to.

By Mr. ACKERMAN (for himself, Mr. Gilman, Mr. Porter, and Mr. Lantos):

H. Con. Res. 106. Concurrent resolution urging the President to raise, at the highest levels of the Government of the People's Republic of China, the issue of Chinese population transfer into Tibet in an effort to bring about an immediate end to that Government's policy on this issue; to the Committee on Foreign Affairs.

By Mr. BROWN of Ohio (for himself, Mr. DeFazio, Mrs. Bentley, Mr. Lipinski, Mr. Valentine, Mr. Andrews of Maine, Mr. Pomeroy, Mr. Hinchey, Mrs. Thurman, and Mr. Tucker):

H. Con. Res. 107. Concurrent resolution expressing the sense of Congress that U.S. truck safety standards not be compromised incident to the implementation of the North American Free Trade Agreement; to the Committee on Public Works and Transportation.

By Mr. GOODLING:

H. Con. Res. 108. Concurrent resolution expressing the sense of the Congress regarding alcohol use by the Nation's youth; jointly, to the Committees on the Judiciary and the District of Columbia.

By Mr. MICHEL:

H. Res. 187. Resolution designating certain minority membership on certain standing committees of the House; considered and agreed to.

By Mr. LANTOS (for himself, Mr. Gingrich, Mr. Hoyer, Mr. Gilman, Ms. Pelosi, Mr. Porter, Mrs. Morella, Mr. Smith of New Jersey, Mr. Lewis of Georgia, and Mr. Torres):

H. Res. 188. Resolution to express the sense of the House of Representatives that the Olympics in the year 2000 should not be held in Beijing or elsewhere in the People's Republic of China; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

165. By the SPEAKER: Memorial of the Senate of the State of Hawaii, relative to Hawaiian lands and Federal trust obligations; to the Committee on Natural Resources.

166. Also, memorial of the Senate of the State of Louisiana, relative to the energy tax; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. ENGEL introduced a bill (H.R. 2329) for the relief of Inna Hecker Grade; which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 3: Mr. Evans.

H.R. 5: Mr. Menendez.

H.R. 8: Mr. Wheat, Ms. Byrne, Mr. Frank of Massachusetts, Mr. Pomeroy, Mr. Klug, Mr. Hughes, Ms. Woolsey, Mr. Towns, Mr. Johnson of South Dakota, Ms. Maloney, Mr. Becerra, Mr. Ackerman, Ms. Danner, Mr. Clay, Mr. Klink, Mrs. Unsoeld, Mr. Gutierrez, Mr. Scott, Mr. Lehman, Mr. Martinez, Mr. Mazzoli, Mr. Glickman, Mr. Payne of New Jersey, Mr. Foglietta, Mr. Gene Green, Mrs. Meek, Mr. Hinchey, Mr. Peterson of Minnesota, Mr. Blackwell, Mr. Rush, Mr. Romero-Barceló, Mr. Pastor, Mr. Jefferson, Mr. Frost, Ms. McKinney, Mr. Emerson, Mr. Kopetski, Mr. Hastings, Mr. Strickland, and Mr. Fish.

H.R. 15: Mr. Costello.

H.R. 65: Mr. Engel, Mr. Stupak, Mr. Jefferson, and Mr. Rahall.

H.R. 81: Mr. Abercrombie.

H.R. 127: Mr. Barcia and Mr. Klink.

H.R. 140: Mr. Lewis of California, Mr. Sensenbrenner, Mr. Kingston, Mr. Blute, Mr. Bartlett, Ms. Pryce of Ohio, Mr. Darden, and Mr. Bishop.

H.R. 173: Mr. Hastert.

H.R. 214: Ms. Ros-Lehtinen and Mr. Hamilton.

H.R. 290: Mr. Engel.

H.R. 303: Mr. Engel and Mr. Stupak.

H.R. 306: Mr. Allard.

H.R. 325: Ms. Velazquez, Mr. McKeon, Mr. Engel, and Mr. McCollum.

H.R. 326: Mr. Upton, Mr. Torricelli, Mr. Saxton, Mr. Strickland, Mr. Quinn, Mr. Bacchus of Florida, and Mr. Wheat.

H.R. 349: Mrs. Kennelly, Mr. Bonilla, Ms. English of Arizona, Mr. Calvert, Mr. Huffington, Mr. Horn, Mr. Portman, Mr. Skeen, Mr. Levy, Mr. King, Mr. Smith of Michigan, Mr. Klein, and Ms. Lambert.

H.R. 369: Mr. Gillmor.

H.R. 466: Mr. Lipinski, Mr. Edwards of Texas, Mr. Hughes, Mr. Hochbrueckner, and Mrs. Meek.

H.R. 477: Mr. Peterson of Minnesota.

H.R. 515: Mr. Sarpalius, Mr. Fingerhut, Mr. Smith of New Jersey, Mr. Boehner, Mrs. Lloyd, Mr. Goss, Mr. Gillmor, Mr. Applegate, Mrs. Johnson of Connecticut, Mr. Hall of Ohio, Mrs. Meyers of Kansas, and Mr. Kim.

H.R. 562: Mr. Taylor of North Carolina.

H.R. 567: Mrs. Meyers of Kansas.

H.R. 591: Mr. Shays and Mr. Skaggs.

H.R. 633: Mrs. Meyers of Kansas.

H.R. 703: Mr. Hilliard Mr. Inslee, Ms. Fowler, and Mr. Santorum.

H.R. 710: Mr. Filner, Ms. Slaughter, Mr. Flake, Mr. Schumer, Mr. Blackwell, and Mr. Orton.

H.R. 846: Mr. Lewis of California, Mr. Oxley, Mr. Lehman, Mr. Volkmer, Mr. Holden, Mr. Goodling, Ms. English of Arizona, Mr. Talent, and Mr. Santorum.

H.R. 895: Mr. Klug and Mr. Hastert.

H.R. 896: Mr. Klug and Mr. Hastert.

H.R. 911: Mr. Skeen.

H.R. 922: Mr. Inslee.

H.R. 930: Mr. Ramstad, Mr. Gordon, and Mrs. Meyers of Kansas.

H.R. 967: Ms. Fowler, Mr. Bateman, Mr. Calvert, and Mr. Gilman.

H.R. 968: Mr. Gilman.

H.R. 977: Mr. Richardson, Mr. Upton, and Mr. Emerson.

H.R. 1019: Mr. Conyers, Mr. Fields of Louisiana, Mr. Foglietta, and Mr. Hastings.

H.R. 1020: Mr. Conyers, Mr. Fields of Louisiana, Mr. Foglietta, Mr. Hastings, and Mr. Wynn.

H.R. 1021: Mr. Conyers, Mr. Fields of Louisiana, Mr. Foglietta, Mr. Hastings, and Mr. Wynn.

H.R. 1022: Mr. Conyers, Mr. Fields of Louisiana, Mr. Foglietta, Mr. Hastings, and Mr. Wynn.

H.R. 1036: Mr. Wheat.

H.R. 1076: Miss Collins of Michigan.

H.R. 1181: Mrs. Vucanovich.

H.R. 1277: Mr. Bonilla and Mr. Gillmor.

H.R. 1280: Mr. Stark, Mr. Barlow, Mr. Wilson, Mr. Kennedy, Mr. LaFalce, Mr. Vento, Mr. Dixon, Mr. Evans, Ms. Velázquez, Mr. Yates, Mrs. Schroeder, and Mr. Hochbrueckner.

H.R. 1312: Mr. Peterson of Minnesota.

H.R. 1314: Mr. Schiff and Mr. Frost.

H.R. 1322: Mr. McInnis and Mr. Miller of Florida.

H.R. 1323: Mr. Mineta.

H.R. 1330: Mr. Talent, Mr. Collins of Georgia, Mr. Linder, Mr. Crane, Mr. Hobson, Mrs. Bentley, Mr. Armey, Mr. McCollum, Mr. Doolittle, Mr. McInnis, Mr. Bishop, and Mr. Oxley.

H.R. 1332: Mr. Engel, Mr. Nussle, Mr. Peterson of Florida, and Mr. Stearns.

H.R. 1394: Miss Collins of Michigan.

H.R. 1442: Mr. McCloskey, Mr. Hall of Ohio, Mr. Towns, and Mr. King.

H.R. 1444: Ms. Thurman and Mr. Hayes.

H.R. 1447: Mr. Hayes.

H.R. 1455: Mr. Shaw.

H.R. 1457: Miss Collins of Michigan, Mrs. Clayton, Mr. Clay, Mr. Jefferson, Mr. Vento, Mr. Rangel, Mr. Watt, Mr. Foglietta, Mr. Tucker, Ms. Slaughter, Ms. McKinney, Ms. Roybal-Allard, Mr. Serrano, Mr. Fields of Louisiana, Mr. Wynn, Mrs. Collins of Illinois, Mr. Stark, Mr. Sanders, and Mr. Evans.

H.R. 1504: Ms. Long, Ms. Lowey, Mr. Quinn, Mr. Hastert, and Mr. Moran.

H.R. 1505: Mr. Ballenger, Mr. Klug, Mr. Torkildsen, and Mr. Goodlatte.

H.R. 1508: Mr. Smith of New Jersey and Miss Collins of Michigan.

H.R. 1517: Mr. Traficant, Mr. Hoyer, and Mr. Frank of Massachusetts.

H.R. 1520: Mrs. Bentley and Mr. Cardin.

H.R. 1528: Mr. McHugh, Mr. Gingrich, Mr. Zimmer, Mr. Walsh, Mr. Parker, Mr. Zeliff, Mr. Emerson, Mr. Shays, Mr. Machtley, Mrs. Bentley, Mr. Fish, Mrs. Johnson of Connecticut, and Mr. Bonilla.

H.R. 1529: Mr. Bereuter, Mr. Petri, Mr. Coble, and Mr. Upton.

H.R. 1538: Mr. Hilliard.

H.R. 1551: Mr. Callahan, Mr. Baker of Louisiana, Mr. Packard, Mr. Lewis of Georgia, and Mr. McDermott.

H.R. 1566: Mr. Wilson and Mr. Tejeda.

H.R. 1595: Mr. Boehner.

H.R. 1625: Mr. Gallo, Mr. Machtley, Mrs. Roukema, and Mr. Clinger.

H.R. 1640: Mr. Berman.

H.R. 1645: Mr. PARKER, Ms. KAPTUR, and Mr. SHAYS.

H.R. 1700: Ms. EDDIE BERNICE JOHNSON and Mr. JEFFERSON.

H.R. 1722: Mr. WHEAT, Mrs. SCHROEDER, Mrs. MINK, Ms. SLAUGHTER, Mr. TRAFICANT, Mr. OWENS, Mr. ROMERO-BARCELO, Mr. BERMAN, Mr. OBERSTAR, Mr. WALSH, Mr. MILLER of California, and Mr. SMITH of New Jersey.

H.R. 1769: Mr. PAYNE of Virginia.

H.R. 1795: Mr. GINGRICH.

H.R. 1814: Ms. EDDIE BERNICE JOHNSON, Mr. JEFFERSON, and Mr. GINGRICH.

H.R. 1824: Mr. BEILENSON, Mr. DELLUMS, and Mr. TORRES.

H.R. 1830: Mr. STENHOLM and Mr. LEVY.

H.R. 1881: Mr. SCOTT, Mr. LAFALCE, and Mr. FROST.

H.R. 1890: Mr. NEAL of North Carolina and Mr. CLAY.

H.R. 1898: Mr. MCKEON, Mr. HYDE, and Mr. SHUSTER.

H.R. 1900: Mr. INGLIS, Mr. DARDEN, Mr. DURBIN, Mr. SCOTT, Mr. BEILENSON, Mr. YATES, Mr. FISH and Mr. CLYBURN.

H.R. 1908: Mr. NADLER.

H.R. 1915: Mr. MANTON, Mr. ACKERMAN, Mr. GENE GREEN, Ms. ESHOO, Mr. HOCHBRUECKNER, Ms. FURSE, and Mr. STUPAK.

H.R. 1916: Mr. WELDON, Ms. FURSE, Mr. GENE GREEN, Mr. HASTINGS, Mr. DEFAZIO, Mr. BATEMAN, Mr. DEUTSCH, Mr. GEJDENSON, Mr. HUGHES, Mr. BACCHUS of Florida, Mr. JOHNSTON of Florida, and Mr. TOWNS.

H.R. 1961: Mr. FOGLIETTA, Mr. FROST, Mr. KOPETSKI, and Mr. JEFFERSON.

H.R. 1991: Mr. LIPINSKI.

H.R. 2016: Mr. PETRI.

H.R. 2019: Mr. CARR.

H.R. 2076: Mr. DEUTSCH, Mr. MILLER of California, and Ms. WOOLSEY.

H.R. 2088: Mr. HYDE, Mr. LIPINSKI, Mr. NEAL of North Carolina, and Mr. SENSENBRENNER.

H.R. 2115: Mr. WILSON and Mr. SANGMEISTER.

H.R. 2127: Mr. DORNAN and Mr. GINGRICH.

H.J. Res. 22: Mr. BUYER.

H.J. Res. 86: Mr. VOLKMER, Ms. NORTON, Mr. CRAMER, Mr. BEVILL, Mr. BLILEY, Mr. BILIRAKIS, and Mr. BLUTE.

H.J. Res. 111: Mr. PARKER, Ms. PRYCE of Ohio, Mr. WELDON, Mr. MCDADE, Mr. BACCHUS of Florida, Mr. BARLOW, Mrs. MEYERS of Kansas, Mr. SHAYS, Mrs. KENNELLY, Mr. SKEEN, and Mr. COYNE.

H.J. Res. 124: Mr. CRAMER.

H.J. Res. 142: Mr. LANCASTER.

H.J. Res. 171: Mr. BARTLETT, Mr. ARMEY, and Mr. BAKER of California.

H.J. Res. 187: Mr. HOCHBRUECKNER and Mr. GREENWOOD.

H.J. Res. 193: Mr. BURTON of Indiana, Mr. PAYNE of Virginia, Mr. STUDDS, Mr. HASTERT, and Mr. YOUNG of Alaska.

H.J. Res. 198: Mr. HOEKSTRA, Mr. KASICH, Mr. ROTH, Mr. FALEOMAVAEGA, Mr. KLUG, and Mr. CRAMER.

H.J. Res. 204: Mr. MINETA, Mr. SLATTERY, Mr. LIVINGSTON, Mr. SANDERS, Mr. SANGMEISTER, Mr. MCDADE, Mr. MCHUGH, Mr. BILIRAKIS, Mr. STUMP, Mr. ACKERMAN, and Mr. RAMSTAD.

H. Con. Res. 20: Mr. VENTO, Ms. ROYBAL-ALLARD, Mr. RIDGE, Ms. MOLINARI, Mr. MARTINEZ, Mr. CASTLE, Mr. ENGEL, and Ms. DELAURO.

H. Con. Res. 42: Mr. SCOTT and Mr. JEFFERSON.

H. Con. Res. 70: Miss COLLINS of Michigan.

H. Con. Res. 74: Mr. KYL.

H. Con. Res. 76: Mr. MILLER of Florida, Mr. LANCASTER, Ms. SLAUGHTER, Mr. LAZIO, and Mr. ZIMMER.

H. Con. Res. 99: Mr. KENNEDY, Mr. RANGEL, and Mr. FROST.

H. Con. Res. 100: Mr. BOEHLERT.

H. Con. Res. 104: Mr. GILMAN.

H. Res. 135: Mr. FISH, Mr. DUNCAN, and Mr. QUILLEN.

H. Res. 139: Mr. TORKILDSEN.

H. Res. 148: Mr. PAXON.

H. Res. 151: Mr. BUNNING, Mr. GOODLATTE, Mr. BALLENGER, Mr. INGLIS, and Mr. GALLEGLY.

H. Res. 165: Mr. MCMILLAN, Mrs. VUCANOVICH, Mr. FROST, Mr. THOMAS of California, Mr. NEAL of North Carolina, Ms. KAPTUR, Mr. DARDEN, Mr. GILLMOR, and Mr. TORRES.

EXTENSIONS OF REMARKS

JAMES McKAY RORTY OF THE FIGHTING 69TH—AN AMERICAN PATRIOT

HON. PETER T. KING

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1993

Mr. KING. Mr. Speaker, one cannot read military history without being deeply impressed, even inspired, by the sacrifice and courage of men and women whose heroic acts and steadfast courage go far beyond what reason would suggest is even the most enlightened self-interest. There is a certain something that gives a special cohesion to a military unit in combat, something that goes beyond the defense of hearth and home, beyond what even individual courage might accomplish alone. That special quality flows from the brotherhood of arms. Some of the most heroic of acts, "above and beyond the call of duty," are the acts of men who would rather lay down their own lives than to let down their buddies. The brotherhood of arms exists not only in the present tense among members of the same unit, but it exists over time among those who share the same military traditions. The traditions of the corps or of the regiment can provide a sense of the spiritual presence of members of former generations that the soldiers, sailors, airmen, marines and coast guardsmen of today can feel that they are part of an ongoing tradition which is a psychological reality.

When I march with 1st Sgt. Barney Kelly as a member of the Veteran Corps of the 69th Regiment of New York, I can still feel that special thrill which I first felt as a private in the line of the "Fighting 69th." The green battle flag and the regimental flag with its multitude of battle streamers and 62 battle rings is a tangible link with those men of earlier generations who fought on Makin Island, in France and on the battlefields of our own civil war. The 69th Regiment New York State Militia, in response to President Lincoln's personal request, stayed beyond the expiration of their active duty time to defend the Union at that terrible Battle of Bull Run; the regiment acquitted itself well on the field that day, but among its losses were the capture of its commander, Col. Michael Corcoran and a number of his men including James McKay Rorty—who later escaped and then volunteered for combat with the Irish Brigade.

James McKay Rorty, like most members of the 69th, was an Irish nationalist, a faithful officer of the Fenian Brotherhood, and a patriotic American devoted to the Constitution and Union of the United States of America. For Rorty and his generation there was no conflict of interest between his American citizenship and his desire to see the blessings of Liberty extended to the land of his birth; it is the same as a man being able to love both his wife and his mother. The same is true of Irish America today; it is not unique to the Irish, but provides that special care for all peoples with whom we share bonds of blood and affection. It is a strength of American society that these ties exist; it is a strength of the American political system that these concerns can be expressed through the Congress, concerns enlightened by intimate knowledge. James McKay Rorty was a leading champion of Liberty for his native Ireland and the Irish as well as for the entire United States, his adopted country. A member of the 69th New York and of the Irish Brigade, he fell in battle on the July 3, 1863, very near the "Highwater mark of the Confederacy."

His body was recovered from its shallow grave on the field at Gettysburg and reinterred in New York's First Cavalry Cemetery. This Saturday, May 29, 1993, it will be my great honor to participate with Jack Conway and the Irish Brigade Association, the county Donegal Association, the 69th Regiment of New York and the Veteran Corps of the 69th Regiment in the dedication of a new memorial stone—the original having succumbed to acid rain—at the grave of James McKay Rorty. While my own service with the 69th New York is separated from Rorty's by over a century, the traditions of the regiment run so strong that I, and my fellow veterans of the 69th, truly feel that we are honoring a fellow comrade in arms who is as much a part of our brotherhood as those who were with "Wild Bill" Donovan and Father Duffy in France, or with Col. Gerry Kelley and Frank McCrorken on Makin, on Saipan and—also with Father Lynch—on Okinawa, or those who stood immediately beside us in the ranks of the "Fighting 69th".

Historian Brian Pohanka has written an excellent monograph on James McKay Rorty which is being published by the Irish Brigade Association, with the assistance of—among others—the Rorty and Blount families and the 69th Regiment veterans. Mr. Pohanka has been kind enough to prepare a condensation of his work on Rorty for me to insert in the RECORD. I therefore offer:

FROM DONEGAL TO GETTYSBURG—CAPT. JAMES McKAY RORTY

The roll call of Irish-born heroes of the American Civil War is a long and honorable one: Corcoran, Cleburne, Meagher, Sweeney, Mulligan, Smyth . . . Soldiers, orators, patriots—the names evoke a legacy of bravery and idealism that still retains the power to inspire. As the poet William Butler Yeats wrote of a later generation of Irish heroes, those of us who draw inspiration from that gallant litany "murmur name upon name . . . whenever green is worn."

On May 29, 1993, Irish American and veterans organizations, Civil War historians and uniformed re-enactment units will gather at First Calvary Cemetery, Woodside, New York, to honor a son of Erin who gave his life for his adopted country in the great and terrible battle of Gettysburg. The passage of time has obscured the memory of James McKay Rorty even as the elements eroded the marble stone that marked his grave. But the record of Rorty's words and deeds have inspired a later generation to replace his crumbling gravestone with an impressive granite monument—and by their tribute, to keep his memory green.

James McKay Rorty was born in Donegal Town on June 11, 1837, the first of ten children of Richard and Catherine Rorty. Like so many other young Irishmen, James sought a brighter future in America, emigrating to New York in the year 1857. Working as a book canvasser and dry goods salesman, despite financial reverses he managed to raise enough money to bring two of his brothers to New York. It was not until the summer of 1863 that funds were available to ensure the passage of the rest of the family to America.

Disappointed as he was in business pursuits, James Rorty found an outlet for his hopes and dreams of an independent Ireland through his association with the Fenian Brotherhood. He soon began to make a name for himself in Irish nationalist circles, both as a writer and orator; one associate described him as "gifted with a power of eloquence rarely vouschafed to so young a man." In 1859 Rorty signed on as a member of the "O'Mahony Guards," a militia unit named in honor of the Fenian leader John O'Mahony, and one of 40 independent companies comprising the Phoenix Brigade.

On April 20, 1861, a week after the Confederate bombardment and capture of Fort Sumter ignited long-simmering sectional differences and plunged the United States into Civil War, James McKay Rorty enlisted in Company G of the 69th New York Militia—a unit commanded by Colonel Michael Corcoran, one of the founders of the Fenian Brotherhood. The 69th New York was the pride of Manhattan's large Irish community, and three days after Rorty enlisted the regiment was given a thunderous send-off when they departed for the seat of war at Washington, D.C.

Private Rorty and his comrades spent several weeks wielding picks and shovels in the construction of a line of defensive fortifications on Arlington Heights before marching forth to what nearly everyone expected to be a single, deciding confrontation with the Southern forces gathered near Manassas, Virginia. In company with the other units in Colonel William Tecumseh Sherman's brigade, the 69th New York crossed the sluggish stream called Bull Run, and charged into the vortex of fire that swept the slope of Henry House Hill. For a time it seemed the North would win the day, but a combination of faulty generalship and plain bad luck found a defeated Union army in chaotic retreat back down the road to Washington. Private Rorty stood by Colonel Corcoran and the remnants of the 69th New York as they tried to stem the tide of disaster along Bull Run. Waging a last-ditch stand in a roadside farmhouse, Corcoran, Rorty, and some two dozen followers were surrounded and captured.

Three days after the battle of Bull Run, Rorty found himself incarcerated with hundreds of other Federal prisoners in a Richmond, Virginia warehouse. After two months of debilitating confinement, Rorty decided

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● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

"the honor of the corps" required the soldiers of the 69th to mount an escape attempt. On September 18, 1861, Rorty and two comrades managed to slip out of the warehouse clad in civilian garb, and began a perilous journey northward. Traveling by night and resting during the day, the three young Irishmen successfully eluded Conferate sentries and a week after leaving Richmond gained the banks of the broad Potomac River. Fashioning two makeshift rafts, the escapees paddled out to a group of U.S. Navy gunboats and safety.

When James Rorty's parents learned of his perilous exploits, they implored their son to abandon the military service; why, they asked, should he risk his life, and the family's hopes of emigration, in a fratricidal American conflict? But James McKay Rorty was determined to go back to front, and after accepting a commission as Lieutenant of Artillery in General Thomas Francis Meagher's Irish Brigade, James penned his family a forceful and eloquent explanation of his actions.

"Let me reassure you of my firm conviction," Rorty wrote, "that the separation of this Union into North and South would not only be fatal to the progress of constitutional freedom but would put impassable barriers in the way of future immigration. It would close forever the wide portals through which the pilgrams of liberty from every European clime have sought and found it . . . Our only guarantee is the Constitution, our only safety is in the Union, one, and indivisible."

Returning to the defenses of Washington with the Irish Brigade, Rorty and the gunners of the 14th New York Independent Battery passed the long winter months in a regimen of drill and instruction that prepared the Army of the Potomac for a massive effort against the Confederate capital, Richmond. In mid March of 1862, Lieutenant Rorty found himself aboard a transport bound for the tip of the Virginia Peninsula, from where General George McClellan launched his ambitious, but ultimately futile campaign.

Appointed Ordnance Officer on the Staff of General Israel Richardson, the gruff, hard-bitten commander of the First Division, Second Corps, Rorty passed safely through the bloody Seven Days battles. But he mourned for lost comrades like Captain Joseph O'Donaghue of the 88th New York, of whom he wrote, "Rest, great heart, rest, under the hallowed turf of a soldier's grave; a comrade grieves selfishly for your loss, but glories in your glory!"

From the Peninsula the Army of the Potomac was shifted back to Washington, then into Maryland to confront Robert E. Lee's first invasion of Northern territory. Lee was repulsed in the battle of Antietam, the bloodiest single day in American history, but many Federal—including the Irish Brigade—were decimated. Rorty's commander, General Richardson, was among the slain, and he found himself on the staff of a new division leader: the intrepid General Winfield Scott Hancock.

Hancock praised Lieutenant Rorty's "intelligence, bravery and fidelity" during the terrible and ultimately futile charge against Lee's Confederates at Fredericksburg. With rank after rank of Union blue falling in the advance on Marye's Heights, Rorty spurred his horse into the carnage, waving the men onward with his sword. The horse was shot beneath him, and the lieutenant took a bullet in the left arm. After two months convalescence, Rorty rejoined General Hancock in time to participate in the battle of Chancellorsville. It proved to be yet another Union defeat, but won Rorty a mention in dispatches for his "great gallantry," and gained him promotion to the rank of Captain.

Throughout his military service James McKay Rorty continued his affiliation with the Fenian Brotherhood, serving as Recording Secretary for the organization's army subgroup, the Potomac Circle. Thomas Clerk Luby, a leading Irish nationalist who visited the army, described Rorty as "The cleverest and most promising young Irish soldier," whom he encountered; "A nice looking young man, well mannered, well spoken, highly intelligent . . . well informed on military subjects." Another comrade remembered Rorty as "devoted heart and soul to the cause of Ireland."

In June of 1863, with the Confederate forces preparing for yet another attempt to carry the war into Maryland and Pennsylvania, Captain Rorty obtained a brief leave of absence in order to get his newly arrived parents, three brothers and four sisters settled in their Brooklyn home. After a separation of six years, it was truly an emotional reunion. The children ranged in age from 8 to 21, and the youngest of them must have had only the vaguest recollection of their soldier brother. All too soon, the dashing Captain had to bid his family goodbye, and return to the front.

Led by a new commander, General George Meade, the Army of the Potomac marched north to a decisive clash with Lee's Army of Northern Virginia near the little Pennsylvania town called Gettysburg. Rorty rode with General Hancock, now commanding officer of the elite Second Corps, and helped the charismatic General to rally the Union troops who had been worsted on the first day of fighting. But staff duties had never been to Rorty's liking, and the next day—July 2, 1863—the Captain asked Hancock to give him a more active role. The General acquiesced, and Rorty took command of the 114 men and four rifled Parrott guns comprising Battery B, 1st New York Light Artillery.

The second day of the battle of Gettysburg was a grisly stand-off. The blue and gray battle lines swept back and forth over the fields and ridges, with neither side able to gain a decisive advantage. Rorty was on hand when the "Fighting Chaplain", Father William Corby, rendered general Absolution to the assembled troops of the Irish Brigade. And Rorty's battery lost 9 men in the fight through the infamous Wheatfield that followed.

There was little sleep for Rorty's men that evening, as Battery B was shifted north along Cemetery Ridge to bolster the center of the Union line. It was there, along a low stone wall near a copse of trees, that Robert E. Lee would launch his last-ditch effort to smash through the Yankee lines. General Hancock's veteran Second Corps would be on hand to meet the Rebel onslaught—an epic struggle that would go down in history as "Pickett's Charge". At 1 p.m. on July 3, 1863, the Confederate artillery exploded into action, paving the way for the infantry assault with the most horrific bombardment ever to take place on American soil. The union batteries fired back, and for two hours the very ground trembled and reeled as hundreds of cannon thundered amidst the rolling smoke and screeching shells.

Captain Rorty's Battery was caught in the hurricane of destruction. "The men sighted their guns as if the fate of the nation depended on their exertions," one officer observed. "With guns dismounted, caissons blown up, and rapidly losing men and horses, the intrepid commander moved from gun to gun as coolly as if on a West Point review." With many of his men down and all but one of his guns smashed or disabled, Rorty cast aside his sword and belt, stripped off his uniform jacket, and joined the powder-stained crew at the remaining piece. Shouting encouragement, the Captain seized a sponge-staff and helped swab out and ram shells down the scorching iron barrel.

On came the Confederate infantry, screaming their high-pitched battle cry. Rorty's gun spewed deadly canister tearing great gaps in the swaying ranks, and the infantry of both sides opened fire. "Death was in the air," one of Rorty's men recalled, "the bullets flying like bees from a disturbed hive."

James Rorty did not live to see the Union victory—the great turning point of the Civil War. Just before the decimated Southern units made a last desperate effort to breach the Union line, the heroic Captain was shot dead, and dropped beside his cannon. First buried where he fell, some two weeks after the armies departed the stricken field, James' younger brother Richard journeyed to Gettysburg, and brought the fallen officer home to New York, where he was laid to rest in Calvary Cemetery.

While the memory of James McKay Rorty has faded with the passage of time, the reaction to his death makes plain the fact that his loss was keenly felt—not only because of his bravery, but because of his promise. "He surpassed everything in the Army of the Potomac on July 3rd," one comrade noted, while another called Rorty "one whose Spartan heroism would shed a lustre upon the brightest days of chivalry." The commander of the Second Corps Artillery reported, "In the death of Captain J.M. Rorty the brigade has lost a worthy officer, a gallant soldier, and an estimable man."

This Memorial Day, as we gather to honor Captain James McKay Rorty, may we draw inspiration from the example of this deep-souled idealist and heroic warrior, who gave his all for his adopted country. May ours and future generations forever keep his memory green.

TRIBUTE TO THOMAS G. PULLEN CREATIVE AND PERFORMING ARTS MAGNET SCHOOL CONCERT BAND AND SHOW CHORUS

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1993

Mr. HOYER. Mr. Speaker, I rise today to give tribute to the Thomas G. Pullen Arts Magnet School Concert Band and Show Chorus on the occasion of their upcoming concert to be held at the courtyard of the Rayburn House Office Building on Thursday, June 3, 1993, at 7 o'clock in the evening.

The Thomas G. Pullen Creative and Performing Arts Magnet School in Landover, MD, has gained local, national, and international recognition since it opened its doors for the 1987–88 academic year. The school has gained a reputation of excellence and achievements in music, vocal, keyboard, instrumental, and K–3 Suzuki cello and violin programs, as well as in drama, dance, visual arts, computer arts and media production, literary arts, and creative writing. Moreover, the school has promoted an outstanding academic program resulting in student achievement that ranked first in Prince George's County middle school math scores for 1992–93.

The music department at Thomas G. Pullen School is widely known for its excellence. Music students have performed at the Kennedy Center, Ford's Theater, and Constitution Hall. The school sponsors a chapter of the Tri-M National Music Honor Society and has received the high honor of being named "Chapter of the Year" for 2 consecutive years.

The Thomas G. Pullen Concert Band, under the direction of Ms. Katherine A. Rodeffer, is comprised of 33 students from grades 6, 7, and 8. The concert band has performed at Prince Georges County and Maryland State band festivals. It has achieved superior ratings during all 4 years at the Prince George's County Band and Orchestra Festival, and for the past 2 years the concert band has received superior ratings at the Maryland State Band Festival. Concert band students have also performed in the county and State solo and ensemble festivals, the Prince Georges County Honors Orchestra, and the District of Columbia Youth Orchestra. They have provided music for nursing homes and other community groups and functions. In its entirety the Thomas G. Pullen Band program incorporates four through eight in beginning, intermediate, advanced and jazz bands.

The Show Chorus, now in its second performing year, is a group of 33 students from grades 6, 7, and 8 under the direction of Mrs. Adrian Flynn. This energetic and talented group presents a wide variety of choreographed choral music. The Show Chorus has performed at the University of Maryland School of Nursing, at various nursing homes, at the Prince Georges County Council Administrative Office Building, and at other community group functions throughout the county. In its entirety, the Thomas G. Pullen Vocal Music Program incorporates grades four through eight including an elementary and middle school chorus.

Mr. Speaker, it is indeed an honor and pleasure to applaud and congratulate the Thomas G. Pullen Creative and Performing Arts Magnet School, under the administration of Edward Felegy, superintendent of schools, Kathleen Kurtz, principal, Nancy DePlatchett, arts coordinator, and an outstanding staff of arts and academic teachers, and talented students.

TRIBUTE TO DR. RICHARD D. RUPPERT

HON. PAUL E. GILLMOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1993

Mr. GILLMOR. Mr. Speaker, I rise to pay tribute to Dr. Richard D. Ruppert, who is retiring as the president of the Medical College of Ohio, after a distinguished tenure of 16 years. It is a pleasure to mark this occasion, as Dr. Ruppert has not only been a distinguished president who has worked tirelessly on behalf of his institution, but also a personal friend.

Dr. Ruppert became president of the Medical College of Ohio in 1977 after serving as vice chancellor for health affairs with the Ohio Board of Regents. Since that time, he has overseen the construction of the MCO's $251 million campus. Further, he has initiated plans for two new buildings on the campus: a surgical center hospital addition and a school of nursing and school of allied health building. He has assisted in increasing the MCO enrollment to nearly 2,000 students and the faculty now numbers 366 full and part-time members.

He also extended an extraordinary amount of his time and talent on behalf of his State and community. He has served as the vice chairman of the Toledo-Lucas County Port Authority and chairman of the Port's Economic Development Committee for Northwest Ohio. He was appointed as a member of the 1992 Ohio task force on higher education.

I have worked with Dr. Ruppert during the time I served in the Ohio State Senate, and as Congressman from Ohio's Fifth District, and through the years, I have been deeply impressed by his total commitment to excellence. I wish Dr. Ruppert and his family the very best as they begin this new era in their lives. I send my deepest thanks for his many contributions to the medical profession and to Ohio.

TED NUGENT: A STRAIGHT ARROW WITH STYLE

HON. JAMES A. BARCIA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1993

Mr. BARCIA. Mr. Speaker, I rise today to pay tribute to a man who has meant a great deal to me, to thousands of sportsmen, and to thousands of young people throughout the Nation. I am speaking of Ted Nugent, the rock superstar who is as good with a bow and arrow as he is with the guitar.

Ted Nugent is once again featured individual at World Bow Hunters Night in our State capital, Lansing. I will be honored to share the podium with him that night, and want our colleagues to know about a true American star.

Ted is a man who has taken the time to show our young people that family values mean more than lipservice, that saying "no" to drugs must be done by example, not just in words, and that protection of our environment and natural resources can be done with a skillful eye to recreation.

Ted Nugent, the "Motor City Madman," has earned the respect and administration of millions of adults and young people through his willingness to meet with people to demonstrate his philosophy of life. He selflessly teaches his skills as a most capable hunter. And he still finds the time to blow your mind with what I think is some of the greatest music in decades.

I have been privileged to have Ted Nugent as a resident of my State, and more importantly to have him as a friend. His wisdom in saying that we all have to take some responsibility to deal with the problems of today and not just expect the Government to make everything all right is a lesson that many Americans need to learn.

CHIEF JAMES SMALL HONORED UPON RETIREMENT

HON. DICK SWETT

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1993

Mr. SWETT. Mr. Speaker, I rise today to pay tribute to Chief James Francis Small. Chief Small has served our Nation in the Naval Reserves since 1967. He has been a stalwart supporter of the Naval Reserves and the U.S. Navy. In November of 1993, Chief Small will be retiring from active duty. Mr. Speaker, I ask you to join me in honoring this man whose life has touched so many others.

Chief Small enlisted in the Navy on October 16, 1967. Since then he has served at numerous duty stations, including the U.S.S. *Barry*, DD–933; SMF 701; the U.S.S. *Adroit*, MSO–509; SIMA Norva, 601; and SIMA Norfolk, 2701. Chief Small is currently a division officer for the SIMA Newport Detachment, 1101.

Chief Small has received several personal and military awards throughout his career of service, including the Meritorious Unit Commendation, the Naval Reserve Meritorious Service Medal—3 awards, the National Defense Service Medal—2 awards, and an Armed Forces Reserve Medal.

Mr. Speaker, I ask my colleagues to join me in paying tribute to Chief James Francis Small. It is only fitting to honor Chief Small at the end of such a distinguished career of military service.

IN COMMEMORATION OF ASIAN PACIFIC AMERICAN MONTH

HON. MARTIN T. MEEHAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1993

Mr. MEEHAN. Mr. Speaker, as we celebrate Asian Pacific-American Month, I think it is appropriate to take a moment to consider the need for the United States to engage in more extensive dialog with India, which will be the world's most populous democratic country by the year 2050. The United States and India should work together to promote better understanding of each other's economic, political, educational, and cultural traditions.

Our shared geopolitical interests dictate that we make a concerted effort to improve Indo-American relations. India recently embarked on a sweeping reform program that opened the way for economic growth and increased foreign trade and investment. I commend India for its willingness to open its doors to foreigners, and I hope that the United States will pursue trade opportunities with the Indian subcontinent.

Our country is home to approximately 1 million Indian-Americans. Like other minorities, they experience prejudice. They are victims of hate crimes, racial bias, and job discrimination. These incidents warrant vigorous efforts to address bigotry, from reporting requirements for hate crimes to cultural awareness programs in our schools and communities.

The Glass Ceiling Commission reports that minorities plateau at lower levels in the work force than women. Educational institutions and the Department of Labor need to aggressively enforce laws barring discriminatory practices in recruitment and career advancement, and no one should be denied an education or job because of their race or ethnic origin.

As a member of both the caucus on India and Indian-Americans and Small Business Committee, I am concerned about the problems facing Indian-American businesses. H.R. 660, which I have cosponsored, would create a federally chartered but privately owned corporation called the Venture Enhancement and Loan Development Administration for Smaller Undercapitalized Enterprises, also to be known as Velda Sue. This initiative would create a secondary market for small business loans that would provide the necessary incentive for principal lenders to make credit available. The enterprises that would qualify for these loans often represent the best opportunity for minorities to be part of the American dream.

The subcommittee on minority enterprises plans to review the program that sets aside SBA loans for disadvantaged and minority business ventures. As part of that effort, I think the American SBA 8(a) category should be expanded to include Indian-Americans.

I urge my colleagues in the 103d Congress to pay more attention to the concerns of India and Indian-Americans. I can think of no more appropriate time to reflect on our shared interests than during the observance of Asian Pacific-American Month.

TRIBUTE TO HARVEY SCHECHTER

HON. HOWARD L. BERMAN

OF CALIFORNIA

HON. HENRY A. WAXMAN

OF CALIFORNIA

HON. ANTHONY C. BEILENSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1993

Mr. BERMAN. Mr. Speaker, we rise today to pay tribute to Harvey Schechter, a close friend and one of the most influential leaders in the history of the Anti-Defamation League [ADL]. We are honored to author this resolution commemorating Harvey's four decades with the ADL. We both respect and admire Harvey for his tireless and passionate devotion to the Jewish community. He has made an inestimable contribution to Jewish life in Los Angeles.

Since 1952, when Harvey joined the ADL's Pacific Southwest regional staff as director of civil rights and factfinding, he has been a vocal and public opponent of anti-Semitism in all its forms. Harvey's reputation for being aggressive and outspoken reflects his position with the Jewish community. His job was not for the timid.

After spending 8 years with the Pacific Southwest region, Harvey was appointed Western States director, which required that he supervise the ADL's investigative and civil rights activities in the Western United States. Twelve years later, he was named Western States director, becoming the supervisor of ADL activities throughout the West. Since 1990, he has served as Western States director of the ADL Foundation.

During Harvey's 41-year career, the Los Angeles Jewish community has become the second largest in the world outside Israel. This phenomenal growth has meant that prominent Los Angelenos play a key part in the affairs of American and world Jewry. Along these lines, Harvey has given numerous interviews to newspapers, magazines, and television stations around the country. The importance of his role cannot be underestimated.

The Los Angeles chapter of the ADL will continue to perform well after Harvey's retirement. Indeed, he has helped put in place a superb staff. Still, there is no replacing a man like Harvey Schechter.

We are privileged to be friends with Harvey and his lovely wife, Hope Mendoza Schechter, who has contributed immeasurably to his success. We ask our colleagues to join us today in saluting these wonderful people who have put the well-being, security, and dignity of the Jewish people above all else.

MEMORIAL DAY

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1993

Mr. HOYER. Mr. Speaker, today, I rise to pay tribute to our country's veterans. I rise to celebrate the contributions that these men and women have made to strengthen our country and protect the freedoms on which our Nation was founded.

In our history, we have celebrated Memorial Day in one form or another for over 127 years. First established to recognize the sacrifices of our young patriots on the battlefields of the Civil War, Memorial Day has taken on increasingly greater importance as generation after generation of Americans has shipped off to fight in Europe, the South Pacific, Korea, Vietnam, and the Middle East.

Each of these generations is tied to the other with a common bond borne of blood, sweat, and tears. Each generation has watched the best and brightest of them die on the field of honor. Each generation has put aside their own self-interest so that they could work to improve the future of their country.

They may have fought different battles and different enemies, but ultimately their sacrifices and efforts were made for the betterment of the Nation.

Over a million Americans have died during our country's armed conflicts, and we can expect that future Americans will again be called to duty.

So on Memorial Day, let's reflect on the sacrifices that others have made for our democracy, and for the freedoms spreading across the globe. On this day we are not only remembering our dead, we are celebrating their legacy.

We are celebrating the Democratic countries in the world which would have still suffered under the shadow of dictatorships if it were not for our troops. We are celebrating the wealth and freedoms of our country which are direct results of their sacrifices. We celebrate the efforts of former enemies to find common ground with us so that we can avoid armed conflict and the early deaths of our young men and women in the future.

Our war dead and our veterans have changed the history of the world. Their bodies may have died, but their will, their deeds, and their memory will live forever.

TRIBUTE TO DR. RICHARD M. SIMON

HON. PAUL E. GILLMOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1993

Mr. GILLMOR. Mr. Speaker, I rise today to pay tribute to Dr. Richard M. Simon, who will be retiring on June 30, 1993, as the third president of Terra Technical College, Fremont, OH.

Dr. Simon received his bachelor's degree in industrial education from Ball State University in 1956. His master's degree in educational administration was conferred by Ball State in 1958 and an educational doctorate degree in higher education college administration was awarded at Indiana University in 1962.

After completing his graduate work, he began his commitment to higher education, and served at four midwestern colleges. Since taking over as president of Terra, he has seen the campus expand with the securing of funding for student activities center and general technologies building. Terra has also received 10 years accreditation with the North Central Association of Colleges and Schools.

I am proud to count Dr. Simon as a friend, and send my best wishes to him and his entire family as he steps down from the presidency of Terra. I look forward to continuing both our friendship and professional association in the years to come.

OUTDOORS FOREVER

HON. JAMES A. BARCIA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1993

Mr. BARCIA. Mr. Speaker, I want our colleagues to know of a very worthwhile organization known as Outdoors Forever, an affiliate of Michigan United Conservation Clubs.

This private nonprofit organization was incorporated in Michigan in 1986. Outdoors Forever strives to promote enjoyment of outdoor recreation, especially hunting, fishing, and shooting sports. The members of this organization are to be particularly commended for trying to make these activities accessible to all.

I want to pay particular tribute to Don Basee, the president of Outdoors Forever, for his skillful and dedicated leadership of an excellent group.

Outdoors Forever promotes activities that are inclusive. People who use wheelchairs, canes, crutches, or other assistive devices, along with the elderly and others with invisible handicaps can all join in. This inclusion has helped to educate the general public about the abilities of handicapped individuals, and encouraged handicapped people to fully enjoy the outdoors. The breaking down of attitudinal barriers has been tremendous to see as people can look at each other just as people, not as people with differences.

Outdoors Forever is holding a free fishing weekend in Oscoda, MI. As the organization's major event and fundraiser, it now attracts more sponsors than it can handle. Every single one of these sponsors is most appreciated. The activities sponsored by Outdoors Forever deserve to be duplicated throughout the State of Michigan and the Nation.

SENIOR CHIEF ROBERT STARITA HONORED UPON RETIREMENT

HON. DICK SWETT

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1993

Mr. SWETT. Mr. Speaker, I rise today to pay tribute to Senior Chief Robert Starita. Senior Chief Starita has served our Nation in the U.S. Navy since 1965. He has been a stalwart supporter of the Navy and the Naval Reserves. In June 1993, Senior Chief Starita will be retiring from active duty. Mr. Speaker, I ask you to join me in honoring this man whose life has touched so many others.

Senior Chief Starita enlisted in the Navy in June 1965. Since then he has served at duty stations across the country and in Vietnam. Senior Chief Starita is currently assigned to the Naval and Marine Corps Reserve Center in Manchester, NH.

Senior Chief Starita has received many personal and military awards throughout his career of service. He has spent years developing his own skills and teaching others how to use their skills for the betterment of the country.

Mr. Speaker, I ask my colleagues to join me in paying tribute to Senior Chief Robert Starita. It is only fitting to honor Senior Chief Starita at the end of such a distinguished career of military service.

RECOGNITION OF THE BICENTENNIAL OF THE LAWRENCE ACADEMY IN THE TOWN OF GROTON

HON. MARTIN T. MEEHAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1993

Mr. MEEHAN. Mr. Speaker, it is my pleasure to rise today in recognition of the Lawrence Academy in Groton, MA, and the school's celebration honoring the bicentennial of its opening.

Lawrence Academy has been a strong member of the community for the past 200 years, and I know it will continue that tradition far into the future. When Lawrence Academy was opened 200 years ago, it gave students a jump on life and it has remained on the leading edge of education ever since.

Lawrence Academy has given boys and girls within the Fifth Congressional District, and elsewhere, the attitudes, work ethic, and abilities necessary for them to succeed at whatever endeavors they choose to pursue. With its strong programs in computer sciences and athletics, Lawrence continues to be a leader in innovative education. In addition, unique programming such as Winterim and Lawrence II continue to distinguish Lawrence Academy from all other private schools.

Today, 200 years later, Lawrence Academy continues to offer its services and facilities whenever possible to the town of Groton. Lawrence Academy has realized that it is not a separate entity from the community, and in spite of its tax exempt status it now budgets annually to help pay its share of expenses to the town.

Mr. Speaker, I would like to salute the institution, the staff, students, and alumni as they celebrate the school's bicentennial. I am particularly familiar with this institution's success and educational quality as I have a Lawrence Academy graduate as part of my Washington, DC staff. For this I am proud to rise today to congratulate the many people who have made the Lawrence Academy in Groton an outstanding institution.

FIRST ANNUAL STUDENT ART COMPETITION A GREAT SUCCESS

HON. PETER T. KING

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1993

Mr. KING. Mr. Speaker, I rise to pay special tribute to the talented and hard working young men and women who participated in my First Annual Student Art Competition on May 1, 1993. The exceptional art work submitted by 21 students from high schools across Nassau County, NY impressed me and a very distinguished panel of judges.

The Third District competition was held in conjunction with "An Artistic Discovery," the nationwide arts program sponsored by the Congressional Arts Caucus. I am very proud to be an active member of the Arts Caucus and to support its mission of promoting the arts and encouraging the creative talents of young Americans.

Mr. Speaker, I am very proud to report to my colleagues in the House of Representatives the results of the Third District's art competition:

Winner: Jenny Shin, Syosset High School.

Runners-up: Edwin Graham, Long Beach High School and Danielle Monsess, Hicksville High School.

Entrants: Kara Fiorito, East Rockaway High School, Allyson Verdone, East Rockaway High School, Jeff Schroeder, Farmingdale High School, Julie Macus, Baldwin Senior High School, Dan Loesch, Baldwin Senior High School, Tracey Bacher, Baldwin Senior High School, Sharon Hoffman, Oyster Bay High School, Dorothy Moore, Oyster Bay High School, Cheryl Im, MacArthur High School, Rebecca Gillman, Seaford High School, Cara Palermo, Massapequa High School, John Green, Freeport High School, Vanessa Dodard, Freeport High School, Shelby Colbert, Glen Cove High School, Diana Costantino, Glen Cove High School, David Chopard, Glen Cove High School, Laura Mango, Hicksville High School, and Elaine Chow, Hicksville High School.

In addition to the participants, I want to pay tribute, recognize, and extend my sincere thanks to those whose hard work made the competition such a success. Dr. Grace Shen and Rona Epstein of the Long Island Arts Council were a tremendous help to me and my staff as the cosponsors of the event. Their hard work and sense of commitment were truly inspiring. I also want to recognize the very distinguished panel of judges, Tony Shen of Lynbrook, Paul Wood of Port Washington and Mary Westring of Freeport. They were faced with the difficult task of evaluating the entries and, I am very pleased to say, did a truly magnificent job. Each of these civic-minded individuals has earned the thanks of the people of the Third District.

Finally, I want to thank my hard working district office staff. In a very short period of time, they were able to put together a very successful and worthwhile cultural event that for the first time has linked together the communities of the Third District. A special thanks is owed to my senior staffers Randy Yunker and Craig Mollo as well as Anne Kelly, Peggy Donovan, and Jim Hennessy. Mr. Speaker, I know that I am very fortunate to have such dedicated people on my team and at work for the people in my district.

DR. STEPHANIE M.G. WRIGHT: AN INNOVATOR IN EDUCATION

HON. MICHAEL N. CASTLE

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1993

Mr. CASTLE. Mr. Speaker, I ask my colleagues to join me in acknowledging the fine work of Dr. Stephanie M.G. Wright of Delaware.

Aerospace education is an essential learning element to advance our national scientific interests. Our elementary and secondary schools must introduce and conduct these programs.

Over the past 5 years, Dr. Stephanie M.G. Wright has developed, introduced and conducted aerospace education activities for schools throughout the State of Delaware.

Dr. Wright has over 24 years of experience in education. A Phi Beta Kappa and listed in Who's Who in American Education, Dr. Wright has made more than 280 presentations in the State of Delaware to students, teachers and the general public about space science and technology.

Under the direction of Dr. Wright, Delaware Aerospace Centers have been established in Delaware's three counties—New Castle, Kent, and Sussex. Centers contain NASA, FAA, Civil Air Patrol, and Air Force materials for our State's educators.

Working out of the Aerospace Center in New Castle County, Dr. Wright actively sponsors the State's Aerospace Academy and other Statewide aerospace activities.

As one of NASA's space ambassadors, Dr. Wright was the first Delaware recipient of the Christa McAuliffe fellowship from the U.S. Department of Education in 1987. In addition to her State position as director of aerospace education, Dr. Wright is currently the president and director of the Delaware Aerospace Education Foundation; a member of the National Teacher's Association, U.S. Space Foundation, an honorary lifetime member of the Challenger Center and State vice president of the Air Force Association of Delaware.

A member of the board of directors of science alliance, Dr. Wright was most recently recognized by women in aerospace, a national professional society. She has also been inducted into the University of Delaware's Alumni Hall of Fame.

Over the past 2 years, Dr. Wright's latest innovation has been the introduction, through teachers in 30 selected classrooms, of a vision of exploration program sponsored by Gannet's The News Journal newspaper and the Air Force Association's Aerospace Education Foundation.

Residing in Bear, DE, with her husband Brian, and sons Harry and Henry, Dr. Wright has met the aerospace education challenge with vigor, keen interest, leadership, and untiring devotion. Her innovative projects have fulfilled a vital role in aerospace education in the State of Delaware.

Dr. Wright's efforts are an example of the tremendous contribution individuals can make to improving education in this Nation. I ask my colleagues to join me in saluting Dr. Wright for her work.

NEW DIRECTIONS

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1993

Mr. CLINGER. Mr. Speaker, yesterday, I had the pleasure of addressing a procurement conference attended by nearly 350 government and industry executives involved with the Federal Government's management and utilization of information resources. It is clear that the wise application of information technology is absolutely critical to the Federal Government's ability to adequately address the myriad of problems facing our Nation. The Federal Sources Outlook '94 Conference provided an important forum for the exchange of ideas, knowledge, and information on the Government's use of information technology.

Reprinted below is a copy of my address to the conference.

NEW DIRECTIONS—A PROCUREMENT PROCESS THAT SERVES THE CITIZENS

The theme for this year's Outlook Conference could not be more appropriate—"New Directions." When you see all the new faces in Washington you can't help but conclude that the Federal Government may be headed in some new directions when it comes to information technology.

You can start with Congress. One-hundred and ten new Members of the House. One-hundred and ten individuals with diverse backgrounds and experiences. Many of whom are coming to Congress with hands-on experience using information technology in their previous lives as teachers, small-business owners, state legislators, or community leaders. These new members are going to bring a wealth of experience, knowledge and fresh ideas to any congressional debate on the Federal Government's utilization of information technology.

Add to the mix significant changes in a number of key committee positions. Probably the most significant is the change at the House Armed Services Committee where Ron Dellums of California replaces the new Secretary of Defense, Les Aspin. In playing a key role in shaping the size and responsibilities of a post-Cold War American military, Chairman Dellums will at the same time be shaping the way the Pentagon buys and utilizes information technology. He will be joined in that effort by the 17 new House Members who are serving on his committee.

Combine the new faces in Congress with the new faces in the Administration and again, you come up with new directions. Starting with the Clinton/Gore position paper, "Technology for America's Economic Growth, A New Direction to Build Economic Strength", the administration is striving to communicate a message of new direction when it comes to using technology to address America's problems.

Some of the President's appointments are further evidence of at least the intention to move the Executive Branch in new directions. In selecting Roger Johnson to head the General Services Administration the President gave notice that he intended to move away from GSA's traditional emphasis on real estate and property management. In appointing John Rollwagen to Commerce's top technology job, the President gave notice of a new emphasis at Commerce. Now we need to get Johnson on board at GSA and a replacement needs to be found for Rollwagen who withdrew from consideration.

As Federal Computer Week noted in its May 10 issue, the confirmation of Sally Katzen as the head of the Office of Information and Regulatory Affairs (OIRA) "couldn't come too soon". The newspaper concluded that "an administration that places such a high value on technology needs a regulatory base in place before it can build its information infrastructure." I couldn't agree more.

But it is not all new faces around Washington's IRM offices. In fact, many of the men and women who will be addressing the conference later today, continue to serve in key positions in the Executive Branch. These are many of the same people who helped forge the Federal Government's initial efforts in the use of information technology, and who will help lead future efforts in new directions.

But there is one other change on Capitol Hill that I should probably mention. It is because of that change that I am here today.

For the past nineteen years, Congressman Frank Horton served as the Ranking Republican on the Committee on Government Operations. For most of those years, Frank teamed with the former-chairman of the committee, Jack Brooks, in writing, passing and overseeing the implementation of many of the procurement laws now in force. Last summer, Frank decided that 32-years in Congress were enough and that it was time to pursue other interests. In December, my Republican colleagues chose me to succeed Frank as the committee's Ranking Republican.

I am now in my 15th year on the Government Operations Committee. But when it comes to the complexities of procurement policy, I feel like a freshman Member. My staff, agency officials, industry representatives and others have bombarded me with "best value", "multiple award schedule", and "best and final offer". A few months ago, I told Edith Herman of Federal Computer Week that I felt like "a Strasbourg goose. They just keep stuffing it in."

But the more time I spend learning about procurement, the more I find myself coming back to Ronald Reagan's oft-repeated dictum, "Government is too big and costs too much!" He was right 12-years ago and he is still right today.

If there is any doubt, take a look at the budget Congress passed earlier this year. That budget will increase government outlays from $1.47 trillion in 1993 to $1.68 trillion in 1997, to $1.75 trillion in 1998. If you who don't think government costs too much now, stick around another five years when outlays will go up $280 billion.

If we are going to reverse that trend, make government more efficient and cost-effective, then three things must be done:

First, we need to improve the planning process used to decide how tax dollars are spent. Key is the establishment of an investment or capital budget to give decisionmakers a comprehensive picture of investment programs across agency and program lines. Despite the billions we spend each year on capital investments, the government has neither an overall policy-making process nor a government-wide analysis of information to support investment policy-making. Establishing a capital or investment budget will ultimately improve the likelihood that Federal investments in information technology will be adequately funded.

Second, agencies, departments and programs must be held accountable for producing results. We have to stop measuring success by inputs—how much money was spent—and begin measuring a program's success by outputs—what measurable result did we get for the money spent. I am pleased to report that last night, the House passed a "performance-based budget" bill introduced by Chairman John Conyers, Congressman Joe McDade and myself, that will move us down the road to judging agencies by performance. Holding agencies accountable for producing results will inevitably strengthen their resolve to make use of the benefits derived from the wise use of information technology.

Third, and the point most relevant to today's discussion, Members of Congress, congressional staff, contract officers, Inspectors General and the General Accounting Office must stop making the procurement process the goal. The efficient delivery of services and benefits must be the goal. There must be a procurement process that allows agencies and departments to acquire what is needed to efficiently deliver services and benefits.

We need to move toward the same kind of mind-set reflected in GSA's "Service to the Citizens" task force. Like the task force, we need to look for ways to use technology to provide better service to citizens—to give citizens easier and better access to services and information—to make it easier to obtain retirement benefits, business loans, mortgages.

At the same time, we need to move away from a mind-set that gives us a Multiple Award Schedule game of chicken between the General Services Administration and the nation's software vendors. "Users Are Losers" read one newspaper headline, as the government's computer users found another obstacle confronting them as they tried to serve the public. That is just not acceptable.

Many of you have probably read portions of the Section 800 Panel's report on Streamlining Defense Acquisition Law. The report cites one of the most vivid examples of a procurement system that ignores the customer. During the Gulf War, the U.S. Army placed an emergency order for 6,000 commercial radio receivers. But no responsible procurement official could be found who would waive the requirement for the company to certify that the Army was being offered the lowest available price. Since the radio was widely marketed and any misstatement might constitute a felony, no company official would make this certification. The impasse was resolved only when the Japanese Government bought the radios without a price certification, donated them to the U.S. Army, and credited the purchase against Japan's financial contribution to Operation Desert Storm. Again, the procurement process was the goal. The delivery of service to the customer, the U.S. Army, came second.

What are the prospects of reform during the 103d Congress? Will Congress and the new administration have the will to do more than simply tinker around the edges? I have my doubts.

Procurement reform is already splintered on Capitol Hill:

We have a modest bill in the House that is receiving lukewarm support. There is no indication that the bill will be accepted in the Senate.

John Glenn has introduced four separate procurement bills in the Senate, and according to the latest information, intends to defer action until the administration can get its team in place. Even if the measures are reported by the Senate, Chairman Conyers has given no indication that he would act favorably on the four bills.

The effort to elevate EPA to cabinet status has been muddied by the inclusion of government-wide procurement language, opposed by industry and the bipartisan leadership of the Armed Services Committee. The Administration has its own version of this language.

Meanwhile: Congressional staff are pouring over the Section 800 Panel's report; the Administration is emersed in its National Performance Review; and the Defense Department is involved in its own comprehensive effort on procurement reform, including a Defense Science Board Task Force to undertake a three-month study of the acquisition process.

How this will play out is anyone's guess. Each of these initiatives has a certain amount of merit. The incremental procurement reforms contained in the House bill and the four Glenn bills are a step in the right direction. In fact, the House bill contains many of the provisions contained in the four Glenn bills: A three-year GSA authorization; requirements for detailed post-award briefings; clarification of the fact that GAO cost awards are recommendations only; and amendments to the Competition in Contracting Act impacting "best value" contracts.

However, the House bill differs from the four Glenn bills in a number of areas: It increases the threshold for agency requests for contractor cost or pricing data from $100,000 to $500,000, thereby decreasing paperwork burden on industry; it requires an agency to grant an exemption for cost and pricing data where there is adequate price competition; and it increases the small purchase threshold from $25,000 to $50,000. Agencies could increase the threshold up to $100,000 once the agency implements an electronic data interchange system to provide prospective bidders with improved access to information on procurements.

While I support these changes, I cannot help but feel that we are still tinkering. We are still playing around the edges of a system that does not go far enough in encouraging the use of commercial products, that discourages the government-industry partnership needed to identify solutions to complex problems, and that values the status quo over innovation.

We have the opportunity to make real change in the way the government buys its goods and services. The Section 800 Panel's recommendations go a long way toward this change. But with the multiple goals, multiple agendas, and the competing political interests of all the people involved, it's hard to imagine that anything significant will actually happen. Of course, that doesn't mean we shouldn't keep trying to bring sense to a procurement system that's out of control.

The problems we face are not new. In 1841, one of the predecessor committees to the Government Operations Committee studied whether accepting lowest price bids provided the greatest benefits to the government. That sounds a lot like the "best value" debate that is currently underway. If we are going to succeed in making real change in the way government acquires, manages and utilizes goods and services, we are going to have to find a way to get past issues debated since the 1840's.

I hope that my colleagues—both majority and minority, and in both the House and Senate—will join with me in an effort to get our collective arms around this problem. Only then can we except to change the mindset that places process over results, and therefore, effect real procurement reform.

SSI OUTREACH

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1993

Mr. STARK. Mr. Speaker, The Supplemental Security Income [SSI] Program was begun to provide a safety net for our country's poor, elderly, blind, and disabled people.

Over the years I have followed the outreach efforts of the Social Security Administration [SSA] to inform potentially eligible people about the SSI Program. The SSA staff downsizing during the Reagan administration curtailed most previous SSI outreach efforts of the agency. About the same time, various studies conducted to evaluate the SSI program concluded that up to 50 percent of those eligible to receive benefits were not receiving them. This led Congress to make funds available to the SSA in fiscal year 1990 and 1991 to fund SSI outreach projects.

A number of outreach programs designed and carried out by local governments and nonprofit organizations have been funded by these appropriated funds. These programs have the potential of helping the SSA staff and other interested people learn what the most effective means of letting people know about the program are and how to assist them through the cumbersome process. The results of these outreach efforts are yet to be made available.

For some time I have thought that one of the quickest and most economical ways of signing eligible people up for the SSI Program would be to use staff of nonprofit organizations who work with the poor. Many of these people already are very knowledgeable about the program and have the trust of potential SSI recipients. If they aided people in filling out the forms and collected the necessary documentation, they would cut down on the time overworked SSA staff would have to spend with the potential SSI applicants. In return for the time spent by staff, the nonprofit would receive a fixed amount of money for each person that turned out to be eligible for the SSI Program. This idea is the basis for the legislation I am introducing today. My bill creates two demonstration projects, one in a poor urban area and one in a poor rural area, to test this idea.

PATRICK DALY HONORED

HON. NYDIA M. VELÁZQUEZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1993

Ms. VELÁZQUEZ. Mr. Speaker, I rise this evening to honor the memory of Patrick Daly, former principal of P.S. 15 in the Red Hook Section of Brooklyn, who devoted 24 years of his life to improving the lives of the children of New York.

During his lifetime, Mr. Daly was one of the city's greatest unsung heroes. His tragic death, another fatality of the drug war, leaves an enormous void in our community and this Nation. Patrick Daly made a difference in a community plagued by poverty and violence. He always went the extra mile for the people who comprised his extended family—his students, their parents, and the school's faculty. Because of his vision, many of his students continue to pursue the American dream, instead of a life on the streets. Sadly, it was this commitment and vision, combined with his sensitivity that led to Mr. Daly's death as he roamed the streets in search of one of his students who had left the school building earlier that day due to an altercation with another student.

Mr. Speaker, it is fitting that we pause in our deliberations to pay tribute to this fallen hero. This evening, P.S. 15 will be renamed the Patrick Daly School. I join the Red Hook community, not only to honor the work and dedication of Mr. Daly, but to hope that his dreams of better education and a better future can live on in this building which now bears his name.

CONGRESSMAN KILDEE CELEBRATES LAMBERT-STRAHAM FAMILY REUNION

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1993

Mr. KILDEE. Mr. Speaker, I rise today to urge my colleagues in the House of Representatives to join me in recognizing the Lambert-Straham family reunion. On June 18, 19, and 20, 1993, this accomplished family will come together for the first time in my hometown, Flint, MI.

The union of George Washington Lambert, Jr., and Elvira Seay Lambert began in Warren, AR, and bore nine children. Mr. Lambert was employed at a sawmill for 30 years, while Mrs. Lambert maintained a household filled with love and warmth. As active and dedicated members of Bethel AME Church in Arkansas, the family was educated to the value of togetherness.

The family learned discipline, hospitality, and the love of God very early on in life. Tuna sandwiches and Kool-aid on Saturdays and rice and gravy complete with steak or sausage on Sundays are just a few of the many traditions the Lamberts will be reminiscing about with pleasure.

The dedication of their parents is evident by the success of the children. Bessie Lambert Straham, the eighth child, is the first female high school principal in the Flint Community Schools. The remaining children, Margaret Nunley of Milwaukee; Bereatha Jamison of Monticello, AR; Charles Lambert of Chicago; Otis Lambert of San Diego; and Arthur Ray Lambert of Little Rock live on to carry the very powerful legacy of George and Elvira Lambert. The reunion will not be without sorrow, however, for Robert, Ollie, and George III are completing their work with the Lord.

Mr. Speaker, without a doubt this remarkable family will be reminiscing and remembering their happy childhood at their long-awaited reunion. Being born to the same parents makes you relatives. Love and loyalty make you a family.

CALIFORNIA ASSEMBLYWOMAN JACKIE SPEIER HONORED

HON. ANNA G. ESHOO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1993

Ms. ESHOO. Mr. Speaker, the San Mateo unit of the American Cancer Society is honoring California Assemblywoman Jackie Speier on Friday, June 4, 1993. On this occasion, I rise today to join the Cancer Society in paying tribute to this remarkable woman.

I had the pleasure of serving on the San Mateo County Board of Supervisors with Assemblywoman Speier at a time when there were few women elected officials. During her tenure on the board of supervisors and throughout her career in public service Assemblywoman Speier has shown tremendous personal and professional courage. She has taken on weighty issues, scored impressive legislative victories, and been a model of courageous leadership.

A strong advocate of health care reform, she has been an unwavering advocate of women's health issues. She fought to limit doctor's referrals of patients to facilities they own and worked to improve the quality of medical care by attempting to limit the hours per day worked by medical residents and interns. She has also addressed issues of drug safety and access, including controls of valium and halcion, and access to RU486 and currently is working to strengthen laws to protect emergency room workers from violence in their workplace.

While becoming one of California's most effective legislators, Assemblywoman Speier has remained dedicated to her family. She works hard on behalf of all Californians, but her husband, Dr. Steve Sierra, and 4-year-old son, Jackson, will always be her first priority.

Mr. Speaker, Assemblywoman Jackie Speier is truly an outstanding citizen. I am privileged that she is one of my dearest friends and proud to pay tribute to her today.

COL. EDWARD P. CLEMENTS HONORED

HON. BARBARA F. VUCANOVICH

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1993

Mrs. VUCANOVICH. Mr. Speaker, I rise today to congratulate Col. Edward P. Clements, vice commander of the U.S. Air Force Tactical Fighter Weapons Center, Nellis Air Force Base, NV, on his retirement, Thursday, May 27, 1993.

Graduating from the University of Arkansas in 1967, he earned a bachelor of science degree in industrial engineering. He completed Air Force Reserve Officer Training Corps the same year, furthering his training through Squadron Officer School in 1972, Air Command Staff College in 1979, and the Industrial College of Armed Forces in 1988. Also in 1988, he completed a master's degree in public administration.

Between the years of 1967 and 1970, he earned command pilot wings, flying 3,500 hours, as well as 268 hours of combat in Vietnam and Thailand. In 1975, Colonel Clements began test piloting the F-15, and by 1977, he was selected as one of the initial instructors for the F-15 Fighter Weapons School at Nellis Air Force Base, NV. He moved to headquarters, Langley Air Force Base, VA, in 1981, where he became Fighter Operations Director, Weapons and Tactics Division. Returning to Nellis for 2 years, he commanded the 422d Test and Evaluation Squadron. In 1990, he began his current position.

This well-decorated officer was promoted to the rank of colonel in 1985. He has been awarded the Distinguished Flying Cross with one oak leaf cluster, the Air Medal with nine oak leaf clusters, the Joint Service Commendation Medal and the Republic of Vietnam Gallantry Cross.

It is with great pleasure that I commend Colonel Clements as he concludes a most distinguished career. His contribution to his country has been great, and I wish him well in the future.

CLARIFICATION OF VOTE

HON. EARL POMEROY

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1993

Mr. POMEROY. Mr. Speaker, I rise to make a point of clarification on my vote on the Reconciliation bill. I voted for the bill. However, I do wish the record to reflect that I have serious reservations about the direct student loan program authorized by the bill. Rather than jumping headfirst into an unproven venture, I believe the more proven course is one embodied in H.R. 2219, of which I am a cosponsor. This bill would allow the direct loan pilot program established last year to run its course and find the $4.3 billion in savings by reforming the existing guaranteed student loan system. I believe we can achieve the required savings within the existing student loan framework—specifically by eliminating more-than-competitive returns to loan providers and servicers.

The administration's program has good intentions, but I have serious doubts about the viability of this proposal. To begin with, I am not certain the savings will ever be realized when you consider the long-term economic picture. Additionally, the failure of the FISL program places the ability of the Department of Education to run a much more extensive program in question.

It all boils down to this: We must walk first before we can run, and Government is no exception. When this proposal was debated last year, Congress decided to implement a pilot program to see if it can work. We should see this through, and then work toward full implementation if the desired results are obtained. As a member of the Budget Committee, I realize that savings must be found in all functions of the budget. However, budget caps do not require us to make hasty decisions with huge implications when savings can be found elsewhere. Our alternative to direct lending, H.R. 2219, would meet the target of $4.3 billion in savings by cutting excess profits.

It is my hope that although this provision has passed the House, the Senate will reject direct lending and prevail in conference.

AND THEY CALLED GEORGE BUSH A LIAR

HON. HELEN DELICH BENTLEY

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1993

Mrs. BENTLEY. Mr. Speaker, last fall during the Presidential debates, George Bush told the American people—point blank—that if the Governor from Arkansas wanted to finance his grandiose programs, he would have to go all the way down to the $36,000 income bracket in order to do it. The Clinton forces called President Bush a liar.

Well, here we are—4 months into Bill Clinton's Presidency—and surprise, surprise, guess who is about to be taken to the cleaners. The senior citizens, of course. A single retiree who has worked hard to save a few dollars for retirement, now is going to be forced to carry the load. If the retiree receives more than $25,000 a year in benefits—the tax rate is going to go from 50 percent to 85 percent on anything over that original $25,000. The same thing applies for retired couples who are unlucky enough to have benefits above the $32,000 mark.

The White House keeps saying that they want to go after wealthy senior citizens. What are they talking about? Sadly, the retired couple who receives $32,000 will be taxed, while their wealthier married children, who might make a combined income of $70,000—would not have any additional income taxes levied against them because the new top rate would not kick in until the $140,000 level is reached. Mr. Speaker, let's not clip our seniors any more.

A TRADE MARRIAGE MADE IN HEAVEN

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1993

Ms. KAPTUR. Mr. Speaker, when representatives of the last administration negotiated the North American Free-Trade Agreement with Canada and Mexico, they lost sight of their real task, increasing standards of living for the citizens of our continent. The result is a document that is critically flawed.

It is my hope that the present administration will fix NAFTA's shortcomings, either through supplemental agreements or through renegotiation. And to guide their work, I suggest they heed the insightful comments of Lane Kirkland, president of the AFL–CIO, in the Washington Post.

Mr. Kirkland has proposed that as a precursor to integrating our economy with Mexico's, we integrate with Europe. Not only would this create a much larger market than integration with Mexico, but our high standard of living would be reinforced by Europe's, rather than being dragged down by Mexico's poorer economy and undemocratic political system.

Mr. Kirkland has breathed fresh air into the stale, narrowly-drawn trade policies which have gotten our country into so much trouble. I ask unanimous consent that Mr. Kirkland's article be entered in the CONGRESSIONAL RECORD.

[The Washington Post, May 19, 1993]

A TRADE MARRIAGE MADE IN HEAVEN

(By Lane Kirkland)

President Clinton is in a quandary over his predecessor's North American Free Trade Agreement. While hoping to make NAFTA more palatable to its critics by negotiating "side agreements" on labor and environmental standards, he also knows that any truly effective and enforceable standards will be labeled "protectionist" by business supporters and will cause them to jump ship.

Fortunately, there is a way out—a credible alternative that will expand America's trade opportunities without forcing down the wages and working conditions of U.S. and Canadian workers.

Instead of trying to fix a North American Free Trade Agreement, the administration should boldly propose a North Atlantic Free Trade Agreement.

A NAFTA negotiated with the 12 nations of the $6 trillion European Economic Community would link the U.S. and Canada to a trading bloc accounting for $13 trillion in gross domestic product. It would create a single market of more than 600 million consumers.

Unlike a NAFTA agreement with Mexico, a North Atlantic Free Trade Agreement with Europe would benefit—not harm—U.S. and Canadian workers. It would tie us to countries with high wages, strong consumer purchasing power and high standards of living. It also would enable American workers to benefit from a European Social Charter that sets standards on vocational training, equal pay for equal work, freedom of association and the right to collective bargaining. Instead of setting off a cutthroat competition with Mexico's underpaid workers, a North Atlantic Free Trade Agreement with Europe would create a rational trading partnership with countries where workers enjoy a similar living standard.

It would cement a trading relationship that also could ease and open up mutually beneficial investment within the world's largest bloc of capital. A new Atlantic NAFTA could resolve escalating U.S.-European trade tensions by opening up markets for American farmers, could lead to cooperative relationships designed to improve high-tech industries and could help reverse a process of deindustrialization that has brought the number of high-paying manufacturing jobs down to only 16.8 percent of our work force.

A North Atlantic Free Trade bloc would have the clout with which to negotiate balanced trade with Japan and China. For example, American steel and auto workers would be glad to see our country adopt Europe's industrial and trade policies, which include limits on Japanese and Asian steel imports and tough quotas on Japanese auto imports.

As for Mexican workers, they would fare much better if Mexico were eventually brought into a North Atlantic trade agreement than they would under the current plan for a North American pact. For example, while the current version of NAFTA would have a depressing effect on U.S. jobs and markets, Mexican workers would benefit from a stronger U.S. economy that would result from the new North Atlantic bloc. They would also have a chance to improve their own fortunes under the North Atlantic bloc's Social Charter, rather than having to face the prospect of ever-lower wages and conditions under a NAFTA that has no effective or enforceable standards.

Real free traders wouldn't object. After all, what free trader would oppose creating a trade zone for one-half the world's GNP? Such an agreement would also deserve the support of workers and their unions both here and in Europe—as long as the Social Charter continues to be part of the deal. And European leaders, confronting several years of low growth—much like our own—could endorse a new NAFTA as a means of breathing life into sluggish economies.

The new NAFTA would anchor the U.S. in Europe in the post-Cold War era, acting as a compelling antidote for isolationist voices that have been a persistent and dangerous undercurrent in American political life. Permanent U.S. cooperation with Europe—economic rather than military—would help ensure that continent of America's longstanding commitment to a region that has been at the center of two world wars. A North Atlantic Free Trade Agreement would reinforce the common democratic values that are at the root of the NATO political-military alliance.

So why has no one proposed this already? The answer is simple. The financial elites pushing the current NAFTA aren't really interested in uplifting living standards in either Mexico or the United States but in making a quick profit by exploiting Mexico's low wages and poor enforcement of environmental and labor laws. In their short-sighted view, linking our economy with Europe defeats this purpose.

It's time for President Clinton and the congressional leadership to look at shaping a new kind of NAFTA—a North Atlantic Free Trade Agreement—that would put us on an upward path of hope and progress rather than on a downward spiral of exploitation and folly.

HONORING GEORGE M. MATHIEU

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1993

Mr. HOYER. Mr. Speaker, I rise today to pay tribute to a distinguished civil servant, George M. Mathieu, of Bowie, MD, who is retiring at the end of May after more than a half century of service to his country, the last 36 years with the Federal Aviation Administration and its predecessor agency, the Civil Aeronautics Administration.

Such a long career is remarkable in its own right these days, but what distinguishes Mr. Mathieu is that he still has the same fresh enthusiasm and zest for his job as he did starting out in 1941 as a writer and director of the Navy's photographic science lab, working on technical films. One of the reasons for his continued enthusiasm is that Mr. Mathieu has been able to combine a passionate personal interest in photography and aviation with a professional career. Much of his career has been taken up with one or both of these pursuits. Before joining the CAA, for example, he had a brief stint during World War II working with Walter Cronkite on films showing America's air power in the fight against fascism.

Now, as senior media communications specialist at FAA headquarters, Mr. Mathieu designs and produces exhibits on various aviation topics. Four years ago, for example, he designed a lowcost, table-topic exhibit, inexpensive to produce and ship, and easy to assemble. Scores of these exhibits are now on display at airshows, pilot conventions, and training clinics throughout the United States and abroad, providing safety tips on subjects ranging from avoiding runway incursions to showing pilots how and where to get a proper preflight weather briefing.

Among his many other talents, Mr. Mathieu is fluent in French—having spent summers as a youth with his grandparents in Lyon—and occasionally has been called upon to pinchhit as a translator for the FAA. It was his French grandfather, a photographer, who instilled in him a lifelong interest in photography.

In the final analysis, though, it is not his varied talents, but a keen sense of public service that has been the hallmark of Mr. Mathieu's career. His colleagues who have worked with him for many years attest to his unfailing courtesy and kindness to them and the thousands of citizens who called upon him over the years for assistance. He always was able to find time to take care of their needs, no matter how busy he happened to be at the time.

I am proud to represent Mr. Mathieu in Congress, and it is a privilege for me to honor him in this small way as he brings his Federal career to a close. The people of my State owe a debt of gratitude to Mr. Mathieu for his distinguished service to this country.

CONGRESSMAN KILDEE RECOGNIZES OUTSTANDING ACHIEVEMENTS OF LAMBDA RHO ZETA CHAPTER OF ZETA PHI BETA SORORITY

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1993

Mr. KILDEE. Mr. Speaker, I rise before you today to recognize the achievements of the Lambda Rho Zeta chapter of Zeta Phi Beta Sorority Inc. This remarkable organization is celebrating 10 years of service to the youth of our community on June 5, 1993, at the Main Event Restaurant in the Pontiac Silverdome. Community members will gather to celebrate the great works the Zeta Phi Beta Sorority has performed in the name of womanhood and sisterly love.

The Zeta Phi Beta Sorority has been a bedrock of fortitude and support for youth since it was organized and chartered in 1983. Through scholarships and mentoring programs, the Zeta Phi Beta Sorority has enhanced the cultural, spiritual and educational development of Pontiac area youth.

The national organization of Zeta Phi Beta Sorority Inc., was established at Howard University in 1920. It has sought to foster a sense of pride in people of color through selections of Woman of the Year, Family of the Year, Man of the Year and Community Service Awards. Members have given generously of their time, talents and love to make a strong and vibrant order.

Throughout the years, the local chapter has grown and expanded under the vision and dedication of its leaders, Sorors Edna Metoyer, Willie Aldridge, Brenda Street and the current leader, Soror Janice Simpson. I am truly blessed to have the privilege of serving such dedicated individuals in the House of Representatives.

Mr. Speaker, it is with great pride that I ask you and my fellow Members of the 103d Congress to join me in saluting the Lambda Rho Zeta chapter of the Zeta Phi Beta Sorority, Inc. Self evident is their commitment to enhancing the dignity and nurturing the spirits of all people. I am grateful to have the opportunity to serve as their Congressman and will continue to look upon them as examples of what all Americans should strive to be.

ON THE AIR WITH THE OUTDOORSMAN

HON. JAMES A. BARCIA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1993

Mr. BARCIA. Mr. Speaker, in Michigan the great outdoors is a source of pleasure during all seasons. People come to our State to work and play. Some find outdoor recreational activities a perfect vacation, while for others it is a wonderful means of livelihood. For these and others who seek to learn more about our State, Lanny Creel Virden and Linda Virden, and the TV show, "The Outdoorsman" have become a valuable source of information.

"The Outdoorsman" has been on the air for almost 9 years and is currently the longest-running commercial outdoor show broadcast in Michigan. The program is a finely researched and produced vehicle that seeks to present Michigan as a place where families can find plenty to do together. It also seeks to present information that is current for the season and the weather and strives to show how the beauty and the activities of the outdoors in this State can be accessible to all.

Lanny Virden and Linda Virden are most knowledgeable about the ways of the wilderness and veritable wells of information on the secrets and obvious delights of our native fields and streams. They are not reclusive. They have access to the research and the relevant knowledge of others through membership in the National Rifle Association, the Michigan Outdoor Writers Association, and the Outdoor Writers Association of America. I commend them for the exceptional job they do.

Mr. Speaker, if people are looking for wholesome, educational, far-sighted entertainment, they need look no further than "The Outdoorsman." I commend this wonderful program and its creators to our colleagues.

AMERICAN LIBERTIES MEDALLION PRESENTED TO JAN KARSKI

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1993

Mr. GEJDENSON. Mr. Speaker, earlier this month, at the 87th annual meeting of the American Jewish Committee [AJC], the American Liberties Medallion was presented to Jan Karski. Karski is one of the living heroes of the Polish resistance. A Polish diplomat, resistance figure and courier, Karski repeatedly risked his life to bring word to the West of the horrors of the Holocaust. He snuck in and out of the Warsaw Ghetto and the death camps to report the truth of the Nazi annihilation of Polish Jewry. Karski, a Polish Catholic, even accompanied Vice President Gore to the Warsaw Ghetto uprising commemoration in Poland last month.

I am honored to enter the following address by David Harris, the executive vice president of AJC, in which he presented the medallion to Karski and Karski's moving acceptance speech into the record.

PRESENTATION OF AMERICAN LIBERTIES MEDALLION TO JAN KARSKI

(By David A. Harris, Executive Vice President, American Jewish Committee)

Listen, please listen to their voices, their pain, their anguish * * * "A coat of snow shines and twinkles in the light of the matchless, golden Polish fall. That snow is nothing other than the down feathers of Jewish bedding left along with all their goods—chests, trunks, suitcases full of clothing, pots, pans, plates—by the 300,000 Jews deported eastwards. Abandoned goods: tablecloths, coats, blankets, sweaters, books, cradles, documents, pictures, all that is lying in disorder in the apartments, in squares, in piles covered by that 'snow' of the period of the German mass murder of Jews.

"The ghastly silence is cut by revolver shots, the rattle of machine guns, the clamor of doors broken in and the shattering of furniture, the hoarse cries 'alle juden raus' (all Jews out), the macabre march of Jewish victims sentenced to death, under the watch of S.S. officers. Households dead or dying, streets full of barbed-wire entanglements, and, above all, the complete absence of the throngs who 2 months ago still crowded the main streets of the ghetto. Complete emptiness. This is the picture of the Warsaw ghetto in September, 1942.

"A human form sneaking stealthily along the walls, the curb splattered with blood, the sharp odor of burning, this is the atmosphere of that city of death where, before the fearful 22d of July, close to 370,000 Jews 'lived' in the shadow of 16 kilometers of wall enclosing the ghetto."

Listen, listen to their voices "I have no words with which to picture the life of the ghetto during those days. All of us looked upon ourselves as living corpses, as ghosts who no longer belonged to this world. Our every thought and every word was about death. Death seemed to be the only way to escape from the indescribable hell in which we lived."

Tragically, the story of the Jews of Europe, and especially the Jews of Poland, the largest Jewish community on the continent, was exactly that, a story of death at the hands of the Nazis and their collaborations during the war.

But even amidst the killing fields, there were a few, oh so few, rays of sunshine, one of them, the man we honor this evening, was Jan Karski.

It is asked "if a tree falls in the forest and no one hears it, does it make a sound?" Similarly, one can ask: "If humanity cries out in anguish and no one listens, does the pain go unfelt?"

Cry out Polish Jews did. Listen to the words of the great Yiddish poet, Hay Leivick, whose daughter-in-law, Ida, is here this evening:

"Unzer Folk vert oisgekoilet, un di velt kukt zich knit um, tsu dem vay foon unzeren koyless, di gantseh velt bleibt shtoom." "Our people are being slaughtered, and the whole world pretends not to know. The whole world remains silent to our cries of woe."

Jan Karski devoted his life, indeed risked his life, so that these cries of woe of Polish Jews during World War II would not go unheard. This courier of courage took to the world community his eyewitness accounts of the systematic extermination of the Jews by the Nazis. Many found his stories of gruesome atrocities hard, even impossible, to believe, but Jan Karski told them and retold them to anyone who would listen.

Jan Karski modestly refers to himself as a "human tape recorder," replaying the messages he was asked to deliver. In actuality, he has been a trumpet; a man who has heralded the harsh tones of human indifference and cruelty so loudly, that no one can deny hearing them, while at the same time personifying the softest melodies that make up the indomitable spirit and inherent goodness that mankind can still possess.

Jan Karski, a Catholic, was born in Lodz, Poland, in 1914. In 1939 he was drafted into the Polish army as a second lieutenant. Taken prisoner by the Soviets, he managed to escape and join the Polish underground.

In December 1939, he was sent, as one of the first couriers, to France, where he briefed the new Polish Government-in-exile about the situation in occupied Poland. A few months later, he returned to Poland only to be sent to France again. But this time his mission failed, and he was arrested by the Gestapo in Slovakia. He was tortured but did not betray any secrets. Rescued in a daring action by the Polish underground, he returned to his vital work. He came into contact with leaders of the Polish Jewish underground. They wanted him to see with his own eyes and thus bear witness to the tragedy befalling the Jews. He agreed. He was secretly able to enter the Warsaw ghetto twice. He was also able to enter the extermination camp at Belzec. His eyes saw it all.

Shortly thereafter, he was charged with a mission to London to report to the Polish Government. Part of that report was to be an account of the attempt to exterminate the entire Jewish people.

From England he went to the United States where, in August 1943, he personally reported to President Roosevelt, Cordell Hull, Henry Stimson, Justice Felix Frankfurter and other senior U.S. officials and leaders of the American Jewish community that which he had witnessed.

Many years after the war's end, Karski, who had since become an American citizen and a distinguished professor of international relations at Georgetown University, was asked if his mission to inform the world and seek help for the beleaguered Jews had had any results. he replied:

"As to the Jewish part of my mission, it was an obvious failure. Six million Jews died and no one offered them effective help. Not any nation, not any government, not any church. The help they did receive, heroic help, was provided only by individuals."

Jan Karski was one such individual. As Martin Peretz, writing in the current issue of the New Republic of his own participation in the recent 50th anniversary commemoration in Warsaw of the ghetto uprising, said:

"When Polish President Lech Walesa spoke and mentioned that Karski was in our midst, the crowd's sudden hush indicated that the people knew they were in the presence of one of those obsessives whose obsessions make him both brave and good."

It is precisely for these obsessions, this remarkable courage, this lifelong commitment to combating evil, this friendship to the Jewish people that was so manifest in our darkest days and continues to the present time in the relentless determination to fight antisemitism, to promote dialogue and understanding between his fellow Poles and Jews, and to bear witness, all the more necessary at a time when an AJC-commissioned poll shockingly shows more than 1/3 of the American people either prepared to deny the reality of the holocaust or unsure whether it even took place, it is for these extraordinary qualities that the American Jewish committee is deeply honored to confer its very highest award on a true hero of our time, Jan Karski.

ACCEPTANCE SPEECH OF JAN KARSKI

Thank you for your goodness, generosity, and a precious gift—The American Liberties Medallion.

I am old and no longer strong so the only way I can express my gratitude is to offer some of my war recollections which, I hope, will help you to remember what became known as the Holocaust.

Remember that what happened to the Jews during World War II was unique and incomparable. As Elie Wiesel puts it, "All nations under the Nazi domination had victims—millions of them—but all Jews were victims." Let no nation, no government, no church appropriate this sacred, this cursed term "Holocaust is Jewish."

The Jews were totally helpless. They had no country of their own, no government, no representatives in the Allied War Councils. For help, they had to rely on others. And those others were sympathetic or unsympathetic.

The Western Allies knew what was happening to the Jews. But in their way strategy the Jewish Gehenna never meant more than a painful, or embarrassing but still a side issue.

Keep also in mind my role. During the war I was a nobody. A messenger, a tape recorder. My role was to report and to answer questions if I knew the answers. Because I never exceeded the role—four times I was sent on secret missions across the Nazi-dominated Europe.

In October 1942, the Jewish underground leaders picked me up in Warsaw, as their messenger—just because I was on hand. They didn't have much luck with me. I was too little, too insignificant for the enormity of that mission.

In February 1943, I reported to Lord Selbourne—a powerful man. He supervised all underground resistance in Europe. The Jews asked for hard currency to enable some of them to leave Poland. Gestapo was corrupted. So were many from the Auswärtiges Aznt. They would let those Jews go—for money. "Impossible. What our people would say once they learn that we were subsidizing Hitler?" he answered.

He praised me though and encouraged me to inform as many influential people as possible. But he also told me—casually—that during the First World War rumors spread in Europe that German soldiers were crushing Belgian babies' skulls against the walls—just for fun. "We knew that those rumors were not true. But we did nothing to deny them. They were good for the morale of our people," he said. I didn't ask him "Your Lordship, why did you tell me that little story?"

About that time I also reported to Lord Cranborne, a member of the War Cabinet. He seemed to be a good man—sensitive and compassionate. After my report he said: "Mr. Karski, you are an intelligent man. You realize that you brought us impossible messages. So now, tell me what do you think we could do?" And I answered: "Your Lordship, I don't know."

Many European underground resistance organizations considered as a part of the Allied Armed Forces were receiving help. The Jews had a reputation of no-fighters. There were thousands of Jews who were members of those organizations in Poland, Belgium, Holland, France. However, they concealed their Jewish identities to avoid double jeopardy. But all the time I was unaware of that. My immediate superior in the Polish Home Army, Jerzy Makowiecki, was of Jewish stock. But that I learned only after the war.

"Mr. Karski, a man like me talking to a man like you must be totally frank. So I say, I am unable to believe what you told me," said Justice Frankfurter after I described what I saw happening to the Jews.

"What are the reasons that in every country where the Jews reside sooner or later anti-Semitism emerges?" wondered H.G. Wells, the world-famous science fiction writer.

But in London and, later, in Washington, I also met people from the lower echelons of power. With them I did discuss and they did seek my opinion.

The Jews asked the Allies to flood Germany with leaflets telling the population what their government was doing and asking for pressure on their government to stop the destruction of the Jews.

"Our pilots are of many nationalities. They fight to liberate all nations of Europe. They risk their lives to drop bombs not leaflets"—was the answer of the psychological warfare officials in London.

The Jews asked for a public declaration by the Allied leadership that stopping destruction of the Jews became a part of the Allied war strategy.

"Counter-productive"—was the answer in London—"Such a declaration would generate resentment of other nations, of the Dutch, Belgians, and French. Why only the Jews? Can you assure us, Karski, that your own people would not resent it? They also suffer."

Some Jews who could escape needed assurance that they would find a haven in the Allied countries. They would need visas.

"This country is ruled by law. The Congress established national quotas. We cannot issue visas to people whose names and national origins are unknown"—was the answer in the Department of State in Washington.

As for President Roosevelt—in 1981, John Pehle, the first director of the American Refugee Board said at a press conference: "Karski's mission shocked the President. Karski changed American policy from passivity to an affirmative action overnight." Was Pehle's statement true or was it an act of courtesy? I don't know.

Fifty years ago the European Jews were helpless, abandoned and doomed. "Is another Holocaust possible?" ask me sometimes my Jewish students. No. "Is it because humanity changed?" No. Humanity did not change. We know what happened in Cambodia, or Ethiopia, or Somalia. We know what is happening in Bosnia. But Holocaust? Never. How come? Because today, there is Israel.

PUBLIC LAND CORPS ACT OF 1993

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1993

Mr. VENTO. Mr. Speaker, I am pleased to join with Chairman George Miller of the Natural Resources Committee in introducing legislation to expand the opportunities for youth conservation service on America's national parks, forests, wildlife refugees, and other public lands.

One third of our Nation is Federal or Indian lands. Our parks, forests, wildlife refuges, historic sites, and Indian reservations are experiencing overuse, inadequate maintenance, and deteriorating infrastructure. The Public Land Corps Act would help address these unmet environmental and conservation needs while giving young people job skills, an appreciation of our natural and cultural heritage, and the opportunity to pay back college loans or get job training through the national service initiative proposed by President Clinton.

I would like to commend President Clinton and Office of National Service Director Eli Segal for their vision and hard work in shaping the National Service Trust Act. In the spirit of the GI bill and the Peace Corps, national service calls on Americans to meet their obligations to society in return for assistance in furthering educational goals. The national service initiative is both an outgrowth and a symbol of the rekindled spirit of citizenship and service to the community, and I look forward to its swift enactment by Congress.

The Public Land Corps Act builds on a long and proud tradition of conservation service on Federal lands dating back to President Franklin D. Roosevelt's Civilian Conservation Corps. The CCC enlisted 3 million young Americans in a peacetime army to plant trees, fight fires, maintain trails, and build shelters in parks and forests across the United States. More recently, the Youth Conservation Corps in the Departments of the Interior and Agriculture have provided hundreds of thousands of young people with skills and experience while accomplishing valuable conservation work worth $1.50 for every $1 spent.

While the Public Land Corps Act has its roots in this rich tradition of conservation service, it also embodies the most contemporary thinking about national service. All of the provisions regarding length of service, educational benefits, matching funds, and nondisplacement of the National Service Trust Act would apply to the Public Land Corps. Like the National Service Trust Act, the Public Land Corps bill employs a nonbureaucratic partnership approach in terms of its organization and administration.

The purpose of the legislation is to give greater authority and flexibility for the Secretaries of the Interior and Agriculture to both participate in the National Service Program and to increase conservation service opportunities on Federal lands outside of the confines of the National Service Program. There is a demand for conservation service opportunities. A recent public opinion survey by the Roper organization found that 6 out of every 10 Americans would like to volunteer in some sort of environmental protection activity. Existing conservation corps often have to turn away hundreds of participants because of a lack of funds.

The bill establishes a year-round Public Land Corps for 16-to 25-year-olds. Participants would carry out conservation, restoration, and rehabilitation projects on Federal and Indian lands such as tree planting, firefighting, trail construction, erosion control, and historic preservation. There clearly is need for this kind of work. A Congressional Research Service report concluded that there was over 900,000 years of labor intensive backlog work which could be done by the Conservation Corps in the Departments of the Interior and Agriculture. These are not make work projects, nor are they projects which put existing employees out of work. They are projects which need to be done but which never will be done unless there is a new infusion of labor.

This authority to establish the Public Land Corps is necessary because the current Youth Conservation Corps is only a summer program open to 15- to 18-year-olds and the President's National Service Program is for people 17 and above and is a year-round program. If the National Service Program is enacted, the Secretaries of the Interior and Agriculture could compete with other Federal and nonprofit agencies for funding and positions from the National Service Trust Program. Common sense dictates that a federally funded national service effort should allow for some portion of the national service effort should allow for some portion of the national service work performed to be of benefit to Federal lands which are managed on behalf of present and future generations of Americans. However, the Public Land Corps could also exist outside the confines of the National Service Trust Program.

The bill also encourages the development of contracts and cooperative agreements between Federal agencies and existing State, local, and nonprofit youth and conservation corps to carry out projects on Federal lands. This provision would provide service opportunities to many young people who may not be participating in the full-fledged National Service Program. The past decade has seen an explosion of new State and local conservation corps. Currently, some 25,000 young people are enrolled in 75 youth service programs in 27 different States, and this number continues to grow. These State and local conservation corps provide direct assistance and opportunities for economically disadvantaged populations. Many of these conservation corps are located near Federal lands and would greatly benefit from increased opportunities to carry out projects on Federal lands. Our bill requires the State, local, or nonprofit organization to provide a 25 percent match in the form of funds or services for the cooperative agreements authorized under the act.

The Public Land Corps Act has a long legislative history dating back to the early 1980's, when then Congressman John Seiberling introduced legislation to establish the American Conservation Corps. This legislation had strong bipartisan support in Congress but was vetoed by President Reagan in 1984. Modified versions of this legislation were considered in subsequent sessions of Congress and a small portion of the ACC legislation was included in the 1990 National and Community Service Act. While the 1990 legislation went a long way towards furthering civic responsibility and assisting in the development of State and local conservation corps, the bill did not include a direct role for the Federal lands or the Federal land managing agencies in conservation service programs. This omission in an otherwise fine law would be rectified by the passage of the Public Land Corps Act.

The Subcommittee on National Parks and Public Lands, which I chair, held a hearing on opportunities for conservation service on February 18, 1993. Witnesses from the National Park Service, the Fish and Wildlife Service, and the Forest Service indicated their support for legislation which would give them greater flexibility in their youth programs by allowing older participants and year-round conservation service opportunities. The Public Land Corps Act was developed on the basis of recommendations presented in this hearing, past legislative efforts in this area, and consultation with Federal agencies, the National Association of Conservation and Service Corps, the Student Conservation Association, and other interested groups.

I urge my colleagues to support this worthwhile legislation which will meet important conservation and environmental needs of our national lands while providing meaningful experiences and benefits to our Nation's young.

NATIONAL DOWN'S SYNDROME AWARENESS MONTH LEGISLATION INTRODUCED

HON. ELEANOR HOLMES NORTON

OF DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1993

Ms. NORTON. Mr. Speaker, today, I am pleased to introduce along with my colleague, Congressman ARTHUR RAVENEL, a joint resolution to recognize the months of October 1993 and 1994 as National Down's Syndrome Awareness Month.

Each year approximately 5,000 children are born with Down's syndrome in the United States. Not long ago many children with Down's syndrome suffered needlessly because of ignorance, prejudice, stereotypes, and myths about Down's syndrome and consequently were faced with formidable obstacles to developing their full potential. Children with Down's syndrome now face a much brighter future because of extraordinary efforts made by individuals and organizations concerned about the challenges faced by children with Down's syndrome. Katherine Felicia Norton, my daughter, who has Down's syndrome and lives with me, is a wonderful person, and the enlightened and caring services available here in the District of Columbia deserve some of the credit.

The National Down's Syndrome Society has been instrumental in improving the lives of citizens with Down's syndrome by encouraging communities to embrace their participation in such activities as attending regular schools, playing on little league teams, and volunteering in their communities. The society has also helped establish vocational training programs to prepare young adults with Down's syndrome to enter the work force and to live independently. These programs provide assistance to individuals with Down's syndrome in order that they may lead fuller lives.

By offering this joint resolution, Congressman RAVENEL and I hope to bring national attention to the efforts to improve the lives of people with Down's syndrome and to accent the need for continued advancements. We seek the support of all our colleagues to ensure quick passage of this joint resolution.

A TRIBUTE TO BOB BALDWIN

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1993

Mr. LEWIS of California. Mr. Speaker, I would like to bring to your attention the fine work and outstanding public service of Bob Baldwin of Redlands, CA. Bob will be recognized at a dinner in his honor on June 10 for his many years of commitment and support to our community by the California Inland Empire Council of the Boy Scouts of America.

Bob was born and raised in Connecticut and, after receiving his bachelors degree in English and education from the University of Connecticut, went on to complete his MA at American University. Over the years, Bob has made a tremendous commitment serving our country spending 35 years in the military beginning with the Army, 1946–47, Connecticut National Guard, 1948–51, and the U.S. Air Force, 1951–81. During this time, he served at a number of bases in the United States, Greenland, Canada, the Philippines and Germany.

During his distinguished career, Bob has served as a military aide to U.S. Senator Barry Goldwater, 1965, and as the Director of Personnel and Deputy Base Commander at Clark Air Force Base in the Philippines, 1972–74. He has also served as the Chief of the Office of the Air Force Inspector General, 1974–77, and as the Director of Personnel and Deputy Base Commander, 1977–81 at Norton Air Force Base in California. Most recently, Bob completed his service as the executive director of the United Way of Redlands where he worked tirelessly to develop programs to serve the disadvantaged citizens of our community.

Bob's involvement in community and public affairs is well known. He is the past president of the Redlands Rotary Club, a member of the Redlands Fortnight Club, and a member of the Board of Directors of the Carriage Club of the San Bernardino Civic Light Opera.

Bob is also a past member of the board of directors of the Redlands Community Music Association, past member of the Redlands Chamber of Commerce Board of Directors, and a member and chairman of the chamber's leadership Redlands program. In addition, he is a former Webelo den leader and vice-chairman of the Far East District of the Boy Scouts of America.

Mr. Speaker, I ask that you join me, our colleagues, and friends in recognizing the fine contributions of Bob Baldwin. This award by the California Inland Empire Council of the Boy Scouts of America is appropriate for a man who has given so much of himself to others over the years. It is fitting that the House of Representatives honor him today.

INTRODUCTION OF LEGISLATION REGARDING UNDERAGE DRINKING

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1993

Mr. GOODLING. Mr. Speaker, today I am introducing legislation which encourages States to enact comprehensive laws to prohibit any person less than 21 years of age from drinking alcohol.

Underage drinking is a major problem that has plagued our society for many, many years. Studies confirm that alcohol use and abuse is rampant in our Nation's schools and on college campuses. Far too many students who use alcohol jeopardize their health and safety and pose a dangerous threat to the safety and well-being of others.

A study recently conducted by researchers from the Southern Illinois University at Carbondale and the College of William and Mary entitled, "Alcohol and Drugs on American College Campuses: Use, Consequences, and Perceptions of the Campus Environment," examined the frequency of alcohol use on college campuses and the differences between the effects of alcohol on underage drinkers and legal drinkers. One finding showed that underage drinkers at colleges across the country consume more alcohol than legal age drinkers and experience significantly more negative effects as a result of drinking. Compared to older students, underage drinkers reported twice as many physical injuries, trouble with authorities, campus crime, and sexual misconduct as a result of alcohol use. They also suffered more hangovers, nausea, vomiting, memory loss, and impaired academic performance. Similar studies have found that by eighth-grade or 13 years of age, 70 percent of youngsters have tried alcohol and 27 percent have been intoxicated.

We certainly have reason to be alarmed at other key findings which were made in this study. For example, while one-third of students who participated in the study reported they had driven under the influence, only 1.7 percent were arrested.

The knowledge derived from this report confirms that we as policymakers, are correct in addressing the serious effects of drug and alcohol abuse in our Nation. Furthermore, our efforts on the Federal level, through legislation such as the Drug Free Schools and Community Act, the Campus Crime and Security Act, and the Higher Education Act, are in the right direction. Interestingly, those institutions which provide drug and alcohol use prevention and counseling programs for students have shown a slight decrease in reported use. However, one of every six students from 2 year institutions reported drinking three or more times per week as compared with one of every four students from 4 year institutions.

Mr. Speaker, I believe these statistics demonstrate the need for involvement by Federal, State, and local governments, and communities to ensure that those under age 21 do not have access to alcohol. In March, the National Transportation Safety Board [NTSB] released safety recommendations and suggested policy and legislative approaches to reduce the availability of alcohol to those under 21 years of age. In 1984, Congress passed the National Minimum Drinking Age Act, which resulted in laws in all 50 States and the District of Columbia prohibiting the sale of alcohol to any person less than 21 years of age. However, many States still have no laws prohibiting a person less than 21 years of age from purchasing alcohol or from attempting to purchase alcohol. In addition, some States do not prohibit those under age 21 from consuming alcohol, from possessing alcohol, from misrepresenting his or her age to purchase alcohol, or from presenting a false identification to purchase alcohol. Because so many of these loopholes exist in State law, it is quite easy for a young person to drink.

Mr. Speaker, my resolution expresses the sense of the Congress that the States and the District of Columbia should enact comprehensive laws to prohibit any person who is less than 21 years of age from purchasing alcohol, attempting to purchase alcohol, possessing alcohol in public, consuming alcohol in public, misrepresenting his or her age to purchase alcohol, and using false identification to purchase alcohol.

High school graduations and proms are underway, making this one of the most exciting times in young people's lives. As they begin to enjoy the freedom of adulthood, all too often they forget that with adult privileges come adult responsibilities. As Memorial Day holiday is approaching, marking the beginning of summer, the season when many young adults are involved in tragic alcohol-related accidents. This resolution will show our support for the efforts to bring underage drinking, and all the negative consequences that occur as a result, to a halt. I would ask by colleagues for their support.

FRANCIS J. "DUDE" LUZZI: GOLDEN DEEDS AWARD RECIPIENT, BRADFORD, PA

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1993

Mr. CLINGER. Mr. Speaker, I rise today to congratulate Mr. Francis J. "Dude" Luzzi on receiving the Golden Deeds award in Bradford, PA. The award, which is sponsored by the Bradford Exchange Club, is presented annually to an individual who has contributed generously and selflessly to the community.

For 26 years, "Dude" has dedicated himself to the advancement of the Bradford Little League. He served as president from 1973 until 1991, and also shared his talents through coaching. From season to season, he always remembered that Little League is for the kids. Without exception, he put them first, looking out for them and working with them both on the field and off. He realized that the bench was no place for a young person to spend a summer, and made America's game a pleasant childhood memory for Bradford's Little Leaguers.

Having also been honored as "Man of the Year" of District 10 and presented with an honorary key to Callahan Park in Bradford just prior to his resignation as president of the League, the Golden Deeds award is yet another example of the tremendous amount of respect that his neighbors have for him. The wide-spread sentiment among Bradford's residents is that Frank Luzzi is an outstanding choice for this award, and I am please to have this opportunity to join with them in thanking him for his generosity and dedication.

Mr. Speaker, Francis Luzzi is an excellent selection for this prestigious award. He will be honored at the 41st Annual Golden Deeds Award Dinner on June 9, and I offer him my best wishes for a memorable evening.

SAVING THE AMERICAN SHOE INDUSTRY

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1993

Ms. SNOWE. Mr. Speaker, today I am introducing legislation to help many Americans keep their jobs. This legislation seeks to overturn a costly mistake made several years ago which dealt the U.S. shoe industry a terrible blow.

During the conference on the Customs and Trade Act of 1990, the conferees agreed to insert into the conference report a provision, section 222, which amended the Caribbean Basin Initiative regarding shoes and other leather-related goods. Enacted in 1983, the Caribbean Basin Initiative [CBI] sought to encourage economic development in the Caribbean region by providing businesses there with favorable duty treatment for their exports to the United States. In its consideration of this measure, however, the Congress wisely excluded certain U.S. industries from the CBI due to their extreme import sensitivity. One of these industries was the shoe industry. But in 1990, while working on the conference report for the Customs and Trade Act, the conferees inexplicably decided to reverse this exemption for footwear and leather-related goods, and inserted language providing duty-free treatment for shoe imports from the Caribbean as long as those shoes are made from materials manufactured in the United States.

The results of this change were tragic, but predictable. Rubber footwear imports to the United States from the Dominican Republic alone increased in volume from 566,000 pairs in 1991 to nearly 3 million pairs in 1992, a 421-percent increase. The value of these imports increased from $699,000 to more than $7 million, a boost of 925 percent. Overall, footwear imports from the Caribbean increased from 2.5 million pairs in 1990 to 6.6 million pairs in 1992. And these imports came at the expense of domestic shoe jobs. In the nonrubber footwear industry alone, 28 U.S. plants closed in 1991; another 10 plants closed in 1992.

My bill would remedy this grievous error, and in so doing would help keep Americans employed in the current fragile economy. It would simply reinstate the pre-1990 status quo, restoring duties to imports of shoes and other leather-related goods from the Caribbean. My bill is similar to H.R. 795, a bill introduced earlier this year by the gentleman from North Carolina, Mr. ROSE. The only difference between the two bills is that H.R. 795 would grandfather in a certain quota of duty-free imports from Caribbean manufacturers who exported qualified shoes to the United States between January 1, 1992, and October 1, 1992. I prefer a stronger approach. My bill would restore the pre-1990 status quo with no qualifications. Duties would be imposed on shoe imports from the Caribbean, as the original CBI had intended.

I do not oppose economic development in the Caribbean basin. I understand that many areas in the Caribbean region face severe poverty. But the answer to the problem of poverty in the Caribbean is not to transfer American jobs there, causing economic dislocation in our own country.

My home State of Maine once had a thriving shoe industry which employed many thousands of people. But over the past decade, our shoe industry has been devastated by imports produced with the cheapest of labor. In fact, since 1980, 30 plants have closed in Maine and 7,000 workers have lost their jobs. We should not hand the remaining employees in the domestic shoe industry in Maine and other States a pink slip by continuing to ignore the severe impact of section 222 of Customs and Trade Act of 1990.

I urge my colleagues to join me in cosponsoring this legislation so that we can help keep Americans working.

OPPOSITION TO SENATE JOINT RESOLUTION 45

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1993

Mr. BEREUTER. Mr. Speaker, on May 25, 1993, this Member voted against Senate Joint Resolution 45, the resolution authorizing the use of United States Armed Forces in Somalia. When President George Bush sent United States Armed Forces to Somalia last December, it was explicitly stated that they were sent to assure that food and other humanitarian relief could be delivered by the various governments, international organizations, and private voluntary organizations to the suffering people of Somalia. However, it was equally clear that they were not sent as a peacekeeping force or to disarm the warring factions except as was necessary to perform their primary mission. While this Member fully supported President Bush's decisions, as did the great majority of the American people, this Member and other Americans constantly spoke against an expansion of that limited American mission as advocated immediately by the clamor of voices from various parts of the national media elite, various Members of Congress, and the other would-be opinion leaders.

This body needs to look beyond the current crisis in Somalia, and look at the broader implications that Senate Joint Resolution 45 will have for United States participation in collective security actions. In the post-cold war era, the United Nations has undertaken a wide range of new peacekeeping operations, and it is clear that U.N. Secretary General Boutros-Ghali intends to continue this expansion of activity. This is a healthy and much-needed evolution of U.N. behavior, and this Member supports the trend toward greater U.N. responsibility for international peacekeeping. At the same time, however, this Member is very much aware that new collective security operations must be undertaken with extraordinary care, lest they fail for lack of public support.

The only way the United States can realistically participate in these new peacekeeping operations is if they have the full support of the American people. But we will never build public support if troops are dispatched for indeterminate periods, or if the mission of U.S. deployed units continues to change. Thus, the United States must be very careful about how it proceeds with U.N. peacekeeping actions. We can build support for U.N. peacekeeping and U.S. participation in those operations if we act responsibly. But if we fail to act prudently, public support will disappear. This Member would suggest that the American people will neither understand nor support the long-term deployment of United States Armed Forces in Somalia that is authorized in Senate Joint Resolution 45.

Mr. Speaker, the Clinton administration has acted to increase the role of American Armed Forces to serve as part of a multilateral peacekeeping force under U.N. initiatives and the Congress is endorsing this additional mission for our forces under Senate Joint Resolution 45. This is a mistake, and quite possibly a tragic mistake in terms of American lives which will be lost. There is little prospect that peace can be kept or enforced in the long term and little likelihood that a system of civil government can be recreated in a number of years which will be adequate to return law and order, peace, and even a modicum of economic stability in Somalia. Americans will probably regret the fact that the Clinton administration has enlarged the mission of our Armed Forces in Somalia in what is likely to be both a long-term commitment and tactically indefensible conditions. Accordingly, this Member opposes this extended and expanded role for our Armed Forces.

MEDICAL EQUIPMENT PAYMENT REFORM

HON. MIKE KREIDLER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1993

Mr. KREIDLER. Mr. Speaker, yesterday I introduced H.R. 2275, a bill to correct a problem in Medicare payment for medical equipment. I am grateful to Garry Preston, a constituent who brought this problem to my attention.

Medicare payment rules for durable medical equipment, from wheelchairs to oxygen tents to prosthetics, and a host of other items, are among the most complex features of the program. When a physician determines that a Medicare patient needs to use a piece of equipment, the program is supposed to pay for the equipment in the most cost-effective manner that will meet the patient's individual needs. Unfortunately, current law sometimes makes that impossible.

Some kinds of equipment can be obtained either by rental or by purchase, and which method of payment to use depends on the item and how long the patient will need it. Generally, renting makes more sense for short-term use, while buying is better over the long run. But some types of equipment require such frequent maintenance and servicing, in order to prevent malfunctions that can endanger patients' health, that they should be rented rather than purchased, even for long-term use. It is both expensive and potentially dangerous to buy an item that may have to be replaced, or require frequent servicing, over its useful life.

That is why Congress has required such equipment to be rented, even on a long-term basis. In 1990, Medicare spent $101 million to rent items like ventilators, aspirators, internal positive pressure breathing IPPB machines, and nebulizers, which current law—section 1834(a)(3)(A) of the Social Security Act—specifically requires Medicare to rent rather than purchase. After examining the reliability of the most common items in this category, the Health Care Financing Administration recommended removing aspirators and nebulizers from the rental category so that patients could purchase them with Medicare funds in appropriate cases. The budget reconciliation bill now before Congress exempts these types of devices.

My constituent, Mr. Garry Preston of Olympia, WA, uses a continuous positive airway pressure [CPAP] device, which HCFA classifies as a ventilator. This device is coming into more widespread use as health care technology improves, and it may be reliable enough to be purchased rather than rented. Since Mr. Preston expects to need the CPAP for an indefinite period, and since the rental payments increase both his costs and Medicare's, he asked me why Medicare should not pay for the purchase of the device.

The bill I have introduced, H.R. 2275, would amend section 1834(a)(3)(A) of the Social Security Act, to remove the requirement that all ventilators, aspirators, nebulizers, and IPPB machines be rented. The bill would still require rental of items that need frequent servicing to protect patients' health or safety, but would give the Secretary of Health and Human Services discretion to determine which items fall into that category. It would not change the amounts of rent or purchase price that Medicare would pay.

Rather than making piecemeal changes in the list of required-rental equipment, Congress should give the Medicare Program authority to control costs, recognize technological improvements, and serve patient needs through either rental or purchase of medical equipment.

I urge the support of my colleagues for this legislation.

H.R. 2275

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TREATMENT OF VENTILATORS AND ASPIRATORS AS MISCELLANEOUS ITEMS OF DURABLE MEDICAL EQUIPMENT.

(a) IN GENERAL.—Section 1834(a)(3)(A) of the Social Security Act (42 U.S.C. 1395m(a)(3)(A)) is amended by striking "(such as ventilators, aspirators, IPPB machines, and nebulizers)" and inserting "(as determined by the Secretary)".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to items furnished on or after January 1, 1994.

THE 50TH WEDDING ANNIVERSARY OF HERMAN AND FRANCES GALLMAN

HON. DONALD M. PAYNE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1993

Mr. PAYNE of New Jersey. Mr. Speaker, I would like to bring to the attention of my colleagues the 50th wedding anniversary of two wonderful people. On March 22, 1993, Herman and Frances Gallman celebrated their golden anniversary.

Herman, from Boston, MA, and Frances, from Bayonne, NJ, met and married during World War II where Herman served as a first sergeant in the Combat Military Police in the Pacific region. As a result of a battlefield commission which he received when he joined the New Jersey National Guard in 1947, he retired with the rank of captain in 1976. Frances, through the years, has been a devoted helpmate, mother, and a respected member of her community. After 50 wonderful years of marriage, the Gallmans have four grown children: Marilyn, Leroy, Janette, and Sylvia; and three grandchildren: Troy, Wendell, and Alexis.

Mr. Speaker, it is my pleasure to pay tribute to Herman and Frances Gallman for being role models for all to see by their commitment to each other, their family, and community. I am sure my colleagues would like to join me as I wish them hearty congratulations.

MARKEY HONORS WAR HERO WITH POSTHUMOUS DEDICATION

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1993

Mr. MARKEY. Mr. Speaker, I rise today to introduce bipartisan legislation that honors Pfc. Frederick C. Murphy by rededicating the Federal Center in Waltham as the "Murphy Federal Center."

Pfc. Frederick Murphy is certainly deserving of this honor. A man of singular devotion to his country, who on March 18, 1945, on the Siegfried line in Saarlautern, Germany, sacrificed his life so that our Nation could continue to prosper.

As a young man, Private First Class Murphy answered his country's call to service by enlisting in the U.S. Army. He became an aid man in the "E" Company of the 259th Infantry of the 65th Infantry Division. Private First Class Murphy landed in the European theater in June of 1944 and served meritoriously until the time of his death in March of 1945.

According to his comrades, Private First Class Murphy was a man who exemplified courage and the dawn attack at the Siegfried line on March 18, 1945, provides the ultimate example of his patriotism. As he crossed the battlefield on that fateful day, Private First Class Murphy was struck by an enemy bullet. Refusing to withdraw from the battle, the young private continued to attend to his duties as a medic. He moved across the battlefield, under extremely heavy gunfire and in dire pain, yet continued to attend to those who were more seriously wounded. The field was strewn with mines and as he struggled forward he stepped on an antipersonnel mine. After the mine ripped his foot from his body, Private First Class Murphy did the unthinkable, he continued to assist other wounded soldiers. Pressing on despite heavy blood loss, Private First Class Murphy moved from man to man. When his strength finally gave, he shouted instructions to those who he could not reach. However, the cries of his fellow soldiers were too much to bear and he drew upon this indomitable courage and continued toward them. As he crawled forward he crossed another mine that ended his life. Pfc. Frederick C. Murphy was an American hero. His selfless desire to save the lives of fellow Americans cost him his own life.

I believe that this fallen hero deserves this tribute. By renaming the Federal property in Waltham the "Murphy Federal Center," I believe an appropriate tribute will be paid. I am asking my colleagues to join Representatives MOAKLEY, KENNEDY, FRANK, NEAL, STUDDS, OLVER, MEEHAN, TORKILDSEN, BLUTE, MONTGOMERY, and myself in showing their support for Pfc. Frederick Murphy, a man who I can truly call an American.

H.R.—

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REDESIGNATION.

The Federal building located at 380 Trapelo Road in Waltham, Massachusetts, and known as the Waltham Federal Center, shall be known and designated as the "Frederick C. Murphy Federal Center".

SEC. 2 REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the Federal building referred to in section 1 shall be deemed to be a reference to the "Frederick C. Murphy Federal Center".

A SPECIAL SALUTE TO 11TH DISTRICT PARTICIPANTS IN "ARTISTIC DISCOVERY" COMPETITION

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1993

Mr. STOKES. Mr. Speaker, I rise today to salute high school students from my congressional district who recently participated in the annual "Artistic Discovery" regional art competition. As you are aware, this outstanding program, sponsored in conjunction with the Congressional Arts Caucus, allows Members of this body to recognize the artistic talents of high school students from around the country.

For the past 12 years, I have sponsored "An Artistic Discovery" contest for high school students in my congressional district. I am proud to report that this year's competition was a great success, attracting over 300 entries from 14 high schools located within the 11th District.

Mr. Speaker, the 11th Congressional District takes great pride in celebrating the artistic endeavors of our young students. The "Artistic Discovery" competition, which was held from January through mid-April, culminated with a special reception and awards ceremony held at the Cleveland Heights City Hall on April 24, 1993. Prior to the awards ceremony, the district marked a week-long "Salute to Young Artists" with student artwork on display at the city hall chambers.

Mr. Speaker, there are numerous individuals and organizations who should be acknowledged at this time. I take this opportunity to express my appreciation to Cleveland Heights mayor, Carol A. Edwards, and her outstanding staff, for their support of this important effort. I also want to thank Tim Myrick who served as our 1993 Artistic Discovery judge, and Ernestine and Malcolm Brown for their continued support. In the 11th District, we are also appreciative of the support from community businesses and organizations. I acknowledge the support and scholarships provided by the Cleveland Museum of Art and First National Supermarkets, Inc.

Mr. Speaker, on Tuesday, June 29, 1993, student artwork from around the country will adorn the corridors of the Capitol building as the national "Artistic Discovery" exhibition officially opens. I am especially pleased to note that winning artwork from my congressional district will be included in this special exhibit. I congratulate Natalie Campbell, an 11th grade student from Shaker Heights High School, for her winning artwork. I look forward to welcoming Natalie to Washington to witness the official hanging of her very beautiful acrylic painting, entitled "Marketplace."

Mr. Speaker, all the 11th District students who participated in this year's "Artistic Discovery" competition are indeed winners. I am proud of their artistic talents and I wish each of them much continued success.

1993 ARTISTIC DISCOVERY COMPETITION PARTICIPANTS

Beaumont School: Alyssa Adams, Catherine Bammel, Jennifer Blum, Molly Burke, Accalia Calabrese, Catherine Cavanaugh, Katie Conkey, Nicole D'Alessandro, Stephanie Darrah, Katie Entsminger, Jessica Eppich, Amy Fistek, Katherine Fitzgerald, Megan Fitzpatrick, Sarah Fitzsimons, Erin Gerling, Heather Hartman, Beth Havach, Lori Indriolo, Keisha Jones, Karolyn Kohut, Margaret Lann, Karen Leach, Kara Lock, Josephine Lombardi, Susan Lutjen, Claire Madden, Brandyn-Marie Manocchio, Sarah McCormack, Ann McKeever, Bridgette Meridith, Megan Moore, Nicole Patitucci, Sherry Petersen, Marisa Posch, Jennifer Price, Pamela Pritchard, Nicole Prospal, Eileen Ryan, Maura Schmidt, Anna Sivak, Kate Sopko, Therese Strauchon, Paola Tartakoff, Ann Tinker, Jennifer Trausch, Christa Trunzo, Ameliah Vlah, Aimee Wendzicki, Elizabeth Wiemels, Allison Wooley. Art Teachers: Ellen Carreras, Sister Lucia, O.S.U.

Bedford High School: Robby-Baker, Kwai-Chang Coleman, Damon Hart, James Hodges, Amber Jackson, Stacie Jennings, Brandon Malott, Joe Mestnik, Becki Pelletier, Timothy Prade, Brad Visker, Darwin Woods. Art Teachers: Robert Bush, Dagmar Clements, Andrew Rabatin.

Bellefaire School: Lori Brand, David Patterson, Philip Ploeser, Lucie Read, Andy Whewell. Art Teacher: Karen Mehling.

Cleveland School of the Arts: Robert Adams, Angela Bell, Tanya Gonzalez, Brian Johnson, Lawrence Kendrick, Vila Lloyd, Mai Ly, Ja'Nitta Marbury, Madeleine Peck, David Stefanec. Art Teacher: Andrew Hamlett.

Collinwood High School: Kenrick Bachelor, Claude Bates, Michael Canady, Daya Wright. Art Teacher: Jerry Dunnigan.

East High School: Eduardo Colon, Raymond Dykes, Joe Gonazalez, Michael Hardwick, Lashaun Harris, Rashon Linson, C. Vanessa Nieves, Saroya Philpots, Desmond Wilson. Art Teacher: Jaunace Watkins.

Garfield Heights High School: Heather Bogocki, Lisa Chizek, Tina Cowley, Erik Drotleff, Shawn Hafner, Larry Hamer, Kevin Hantak, Katie Kopinsky, John Lipnos, Valerie Lubinski, Carrie Markosky, Lisa Miljour. Art Teacher: Christine French.

John Hay High School: Sheldon Blevins, Rashawn Boyer, Damien Dix, Willinda Evans, Tesha Ferry, Maria Galarza, Tracy McKim, Dawn Mitchell, Tiffany Powell, Marquis Smith, Jermelle Thomas, Larina Walker, Paul Walker, Robert Whittingham, Demetrius Williams. Art Teachers: Harriet Goldner, Kathleen Yates, Richard Chappini.

John Marshall High School: Demond Powell, Lawrence Vickerstaff, Judith Wheeler. Art Teachers: Mr. Daiuto, Gregory Cross.

Lutheran East High School: Robert Bradley, Kacey Edwards, Dwayne Ford, Amber Griggs, Jabari Holmes, Eric Jones, Sherron Kinney, Karla Lester, Charmaine McAbrew, Matthew Pokorny, Donika Rose, Alston Spain. Art Teacher: Patricia Sears.

Shaker Heights High School: Natalie Campbell, Emily Dakin, Matt Dowling, Iris Even, I. Huei Go, Jordin Guinn, Patrick Jameson, Kristen Lamanna, Tamara Rothenberg, Kaytee Schmidt, Karen Schwartz, Clay Weiner, Martin Woyczynski. Art Teachers: Malcolm Brown, James Hoffman, Jenny Russell, Susan Weiner.

Shaw High School: Andrew Bulgin, Richard Carr, Seretta Clark, Paul Davis, Alex Franklin, LePriest Goss, Lamar Hicks, Terrence Hunter, John Martin, Mary Owens, Chris Perry, Tiffany Phillips, Rayshawn Robinson, Mario Smith, Alicia Stephens, Ernest Switzer, Chris Young. Art Teachers: Susan Lokar, Rena Reynolds.

South High School: David Behrens, Antoinette Black, Sierra Coleman, Raymond Friston III, Bridget Fortson, Greg Golembiski, Rolando Johnson, Khaleel Khaafidh, Antwon Mennefield, James Moore, Sir Scott, Jeremy Urbassik. Art Teacher: Roman Rakowsky.

Warrensville Heights High School: Kartika Comar, Aaron Foster, Iverson Jackson, Robert Norman, Kelly Reid, Christopher Richardson. Art Teacher: James Evans.

DENIAL OF VISA TO GERRY ADAMS UNDERMINES DEMOCRACY

HON. PETER T. KING

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1993

Mr. KING. Mr. Speaker, President Clinton's recent decision to deny a visa to Gerry Adams, the president of Sinn Fein, the oldest political party in Ireland, was a blatant betrayal of a campaign pledge. I was present in New York City on April 5, 1992, when candidate Clinton assured Irish-American leaders that as President he would allow Mr. Adams to enter the United States. The President's decision to yield to State Department anglophiles victimizes not only Mr. Adams but, more importantly, the American people who will be denied the opportunity to hear directly from the head of one of the leading political parties in Ireland's occupied six counties.

Sinn Fein's political prowess and popular support were demonstrated once again in Northern Ireland's most recent local elections held on May 19 when Sinn Fein reinforced its position as the leading nationalist party on the Belfast City Council and increased its overall seat count in the six counties from 43 to 51. Sinn Fein's achievements are particularly noteworthy since its members are subjected to harassment and persecution by the British authorities and the loyalist paramilitaries. Indeed, during the past 20 years, 32 men and women active with Sinn Fein including 5 elected officials, have been assassinated.

To understand how misguided American policy is toward Sinn Fein and Gerry Adams, it is important that Sinn Fein be looked at in full historical context.

In 1918 the nationalist community in Ireland overwhelmingly—79 percent—supported and voted for the Sinn Fein political party and British withdrawal. This general election vote preceded the .pa establishment of the sectarian state of Northern Ireland which was set up by an act of an English Parliament 2 years later in December 1920. Sinn Fein was then made illegal in the north and in the early months and years of the loyalist regime hundreds of Sinn Fein supporters were murdered by the Royal Ulster Constabulary. After Britain's brutal crushing of the civil rights campaigns in the 1970's, nationalists demanded the right to vote and a political voice. Sinn Fein was again made legal in 1974.

Britain has always made Irish nationalists pay dearly in blood for democratic freedom. The campaign to silence the voice of the victims of partition never really ended. Now it was to accelerate. In January 1977, Michael McHugh, chairman of Sinn Fein in Castlederg, County Tyrone was assassinated. Brendan McLaughlin was killed in February 1980 in an attempt to assassinate Sinn Fein Concillor Joe Austin.

And 1981 brought the election of Bobby Sands to the British Parliament and the election of two other prisoners, Kieran Doherty and Kevin Agnew, to the Irish Dail. A Sinn Fein member in County Monaghan, Jeff McKenna, was killed on November 8, 1982. This was preceded by the killing of Peter Corrigan, a Sinn Fein election worker, on October 25, 1982. After the electoral successes of Sinn Fein in the October 1982 assembly elections, the British Army and the RUC started collecting and improving intelligence data on Sinn Fein activists with house raids, constant harassment, and the monitoring of their movements. A former British soldier, Brian Nelson, acted as the loyalist paramilitary liaison for the British Army and the RUC in coordinating data. In court in 1992 he admitted participating in attempts to kill Gerry Adams and Alex Maskey, elected Sinn Fein .pa officials.

Most of the murders of Sinn Fein officials remain unsolved despite taking place in areas heavily patrolled by British forces. Many of these areas like the Sinn Fein Advice Centre, on the Falls Road in Belfast are under constant visual and electronic surveillance. In a recent example, Sam Marshall, a Sinn Fein activist, was killed coming out of a RUC police station with two companions. A secret camera monitoring the house of one of those companions was discovered days later. The British officials make little effort to investigate these cases or prosecute those responsible for these types of killings. They know the evidence trail would too often lead back to them. Constable John Stalker, who led a British investigation into killings by the RUC, was dismissed precisely for that reason.

In August 1991, Sinn Fein, for the first time ever, won the North Belfast Council seat. Joe Austin's victory gave Sinn Fein nine seats in Belfast making it the leading nationalist party on the city council. No sooner had Austin won than the RUC arrested, beat, and inflicted burns on his son. This resulted in the first urgent action alert that Amnesty International has issued for Northern Ireland.

In the fall of 1992, Sheena Campbell of Sinn Fein was killed as she socialized with friends who were fellow students at Queens University. Just before Christmas, Malachy Carey, a Sinn Fein candidate, and Martin Lavery, the brother of Sinn Fein Councillor Bobby Lavery, were gunned down. On May 17, 1993, just 2 days prior to this year's local elections, a loyalist convoy opened automatic fire on a Sinn Fein Advice Centre, all under the watchful eye of British observation posts.

It must be noted that none of the Sinn Fein victims was involved in any illegal activity whatsoever and that each victim was unarmed.

For Sinn Fein to continually attain electoral successes in the face of such violence and oppression, it must have deep-rooted, popular support. While I disagree with Sinn Fein on a number of issues, the fact is that Sinn Fein is a legitimate voice for a large number of Irish nationalists and must be part of any negotiated settlement in Ireland. The essence of democracy is to encourage political involvement and public debate. By carrying out its policy of state terrorism against Sinn Fein, Britain is debasing the democratic process. By denying Gerry Adams entry to the United States, President Clinton is endorsing that disgraceful British policy.

Mr. Speaker, attached is a partial listing of Sinn Fein officials and workers who have been victimized for their political activities.

ASSASSINATIONS

Jim Murphy; April 24, 1974.

Paul Best, February 18, 1976

Colm Mulgrew, June 5, 1976.

Maire Drumm (Sinn Fein Official), October 28, 1976.

Michael McHugh (Sinn Fein Official), January 21, 1977.

Brendan McLaughlin, February, 1980.

Peter Corrigan, October 25, 1982.

Jeff McKenna, November 8, 1982.

Paddy Brady, November 16, 1984.

Brendan Davidson (Election Worker), July 27, 1988.

Aidan McAnespie (brother of Sinn Fein Candidate Eilish McAnespie McCabe), 1988.

Phelim McNally,[1] November 24, 1988.

John Davey (Sinn Fein Councillor), February 14, 1989.

Sam Marshall, March 7, 1990.

Tmmy Casey, October 26, 1990.

Fergal Caraher, December 30, 1990.

Martin McCauhey, 1990.

Eddie Fullerton (Sinn Fein Councillor in the Republic), May 24, 1990.

Danny McCauley (Sinn Fein Organizer), June 1991.

Thomas Donaghy (Sinn Fein Worker), August 16, 1991.

Patrick Shanaghan (Sinn Fein Worker), August 12, 1991.

ATTEMPTED ASSASSINATIONS

Joe Austin, Sinn Fein Councillor, February 29, 1980.

Alex Maskey, Sinn Fein Councillor, May, 1986

Gerry Adams, M.P. Sinn Fein, March 14, 1984.

Ivan Barr, Sinn Fein Councillor, December 25, 1986.

Michael Ward, Sinn Fein Election Worker, July 5, 1987.

F. Tennyson, May 1989.

Brendan Curran, Sinn Fein Councillor, Portadown, August 10, 1989.

Tony Discroll, (Attack on Sinn Fein Office—Ardoyne), 1990.

Tommy Casey.

Brendan Curran, October, 1989

Gerald Ramsey, Sinn Fein Worker, August 31, 1991.

Damien McBride, Sinn Fein Worker, October 15, 1991.

Sean Keenan, Sinn Fein Councillor, March 14, 1984 and June 90.

Gerald McGuigan (Sinn Fein Councillor), February 20, 1992.

Brendan Curran (Sinn Fein Councillor), April, 1992.

The McGuigan Family, March 23, 1993.

Joe Austin, Sinn Fein Councillor (Grenade attack on home), April 2, 1993.

Sinn Fein Advice Center Election Workers, May 17, 1993.

Jim Carson[2], August 10, 1991.

Bernard O'Hagan (Sinn Fein Councillor), September 16, 1991.

Larry Murchan[2], September 28, 1991.

Patrick Loughran, Patrick McBride, Michael O'Dwyer, (Sinn Fein Workers Killed), February 4, 1992.

Philomena Hanna[3], April 26, 1992.

Dan Cassidy, April 2, 1992.

Sheena Campbell, October 16, 1992.

Malachy Carey (Sinn Fein Candidate), December 12, 1992.

Martin Lavery (Brother of Sinn Fein Councillor), December 20, 1992.

Peter Gallagher, March 24, 1993.

Allan Lundy[4], May 1, 1993.

THE FIREARM VICTIMS PREVENTION ACT

HON. CARRIE P. MEEK

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1993

Mrs. MEEK. Mr. Speaker, a 3-year-old toddler, Edvina Blanc, was shot in the head while watching television in her home in Dade County. Eleven children have died of gunshots in Dade County between January and March 1993. At least 11 other children have been wounded by gunfire. For the past 3 years, 24 children have been shot to death, each year.

Every time I read or hear of a child who has become of a firearm victim, I feel anguish. It seems like every day we hear another study about a child being killed or killing with a gun. In fact every day, 12 children under age 19 are killed by guns, and many more are wounded. Nearly 3,200 teenagers fatally shoot each other every year.

This is frightening and unacceptable. We must do everything in our power as legislators to see that the mass killing of children in our country is stopped.

That is why I have introduced H.R. 2276, legislation to increase the Federal tax on the manufacture and sale of handguns, assault weapons, and ammunition for these arms, and to increase the license application fee for gun dealers.

The distinguished gentleman from New York, Representative CHARLES E. SCHUMER, and I have introduced this legislation so that the funds generated from a 25 percent tax on the manufacture and sale of these firearms will help offset the public cost of providing medical care to gunshot victims.

Our bill also creates a health care trust fund with an estimated revenue of $625 million a year generated from these fees.

The health care trust fund will make grants to hospitals, trauma centers, or other health care providers that incur the major costs of providing medical care to gunshot victims.

The overall annual cost of firearm injuries to our health care system is more than $4 billion. The cost to our Nation is too much and the cost to our Nation's children is beyond calculation.

I say it is time to put barriers in the way of children getting guns. If their parents cannot do it, then we need to do it. H.R. 2776 will make it more difficult for those who should not have guns to have access to them. More than 35,000 students in this country carry a handgun to school every day.

Today, all one needs to do to become a gun dealer in this Nation is fill out a simple, two-page questionnaire and send $30 to the U.S. Treasury. Unless the applicant states on the form that he or she has been convicted of a crime involving at least a 1-year prison term or is an illegal alien, a license will be issued good for 3 years. This person then becomes just one more access point for guns in our country.

At a time when we are struggling to get control of the dollars spent on health care, we must begin to look at the health care costs we are paying due to guns in this country. We are in fact paying a gruesome cost for the easy availability of firearms. A 1989 report to Congress, "Cost of Injury in the United States," ranked firearms third in the economic toll on society, amounting to a lifetime cost of $14.4 billion. The study found an estimated 65,000 people require hospitalization annually for treatment of firearms injuries, at a very high average per person cost of nearly $54,000. The average per person cost for a fatality is $373,520—the highest of any cause of injury. According to the chair of the 1991 Advisory Council on Social Security, the overall cost of firearm injuries to our health care system is more than $4 billion. The indirect costs of gun-related injuries, such as disability payments, lost-work time, and legal fees are about two times the annual cost of firearms injury. Public funds pay for an estimated 80 percent of the hospitalization costs of firearms injuries.

It is time that we look at the more than 76 million privately owned handguns and assault weapons in this Nation in the same way we look at alcohol. As we search for ways to pay for health care, many are looking at equating the use of alcohol with its burden on our health care system. Some States are raising taxes on alcohol to help offset the cost of providing quality health care to all our citizens. We should do the same at the Federal level with handguns and those firearms most often associated with intentional death and injury.

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[1] Killed in assassination attempt on Sinn Fein Councillor Liam McNally, his brother.

[2] News agents killed for selling Sinn Fein newspaper An Phoblacht.

[3] Mistakenly thought to be sister of Sinn Fein press officer Richard McAuley.

[4] Killed while plastering Sinn Fein Councillor Alex Maskey's house.

Identical legislation, S. 868, was introduced by Senator PATTY MURRAY. I urge our colleagues, Mr. Speaker, to join Mr. SCHUMER and I by cosponsoring this important legislation.

CORRECTED REPORT ON U.S LICENSES/APPROVALS FOR THE EXPORT OF COMMERCIALLY SOLD DEFENSE ARTICLES/SERVICES

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1993

Mr. HAMILTON. Mr. Speaker, on April 21, I inserted into the RECORD a quarterly report pursuant to section 36(a) of the Arms Export Control Act that included a complete tabulation of U.S. arms exports and U.S. licenses/approvals for the export of commercially sold defense articles and defense services. This extension of remarks appeared on pages E–971 through E–973 of the CONGRESSIONAL RECORD.

In this regard, the original report that was submitted to the Speaker's Office included erroneous information with respect to U.S. licenses/approvals for the export of commercially sold defense articles and defense services to the People's Democratic Republic of Korea. Officials at the Defense Security Assistance Agency have subsequently reported that this error was the result of administrative error.

For that reason, I am inserting a copy of a letter conveyed to the Speaker which clarifies this error, as well as a copy of the corrected section 36(a) report on U.S. licenses/approvals for the export of commercially sold defense articles and defense services.

DEFENSE SECURITY
ASSISTANCE AGENCY,
Washington, DC, April 30, 1993.

Hon. THOMAS S. FOLEY,
Speaker of the House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Reference is made to reports furnished under the Arms Export Control Act, Section 36(a)(4) on 22 June 1992 (I–01162/92), 3 September 1992 (I–02039/92), 4 December 1992 I–04665/92) and 3 March 1993 (I–00601/93) in which exports of commercially sold defense articles/services to the Peoples Democratic Republic of Korea were erroneously reported due to administrative error. In fact, no sales were made to that country. All sales were actually made to the Republic of Korea. Attached are the corrected tables.

Any inconvenience is regretted. We have installed measures to preclude such errors in the future.

Sincerely,

GLENN A. RUDD,
Acting Director.

LICENSES/APPROVALS FOR THE EXPORT OF COMMERCIALLY SOLD DEFENSE ARTICLES/SERVICES—SEPTEMBER 30, 1993

[In thousands of dollars]

Country/purchaser	October to December	January to March	April to June	July to September	Cumulative
Algeria	6	266	618	473	1,363
Andorra	8	78	12	53	151
Antigua	2	8,174	0	1	8,177
Argentina	4,387	0	6,361	67,427	78,175
Australia	167,416	270,043	78,306	57,439	573,204
Austria	9,446	2,619	9,277	4,717	26,059
Bahamas	2,274	14	87	46	2,421
Bahrain	2,671	5,152	519	154	8,496
Bangladesh	36	1	8	229	274
Barbados	9	25	76	103	213
Belarus	0	0	0	1	1
Belgium	29,436	64,283	38,251	72,507	204,477
Balize	13	31	1	6	51
Benin	0	0	0	(1)	(1)
Bermuda	4	12	33	16	65
Bhutan	0	58	15	0	73
Bolivia	391	2,815	584	1,342	5,132
Botswana	11	69	8,188	159	8,427
Brazil	23,439	17,237	24,999	9,077	74,752
British Virgin Islands	0	0	(1)	0	(1)
Brunei	3,105	87	589	87	3,868
Burundi	0	17	4	0	21
Cameroon	7	0	0	3	10
Canada	5,592	495	44,197	2,294	52,578
Cayman Islands	7	15,035	52	14,904	29,998
Chad	0	299	0	4,932	5,231
Chile	3,387	3,208	2,846	1,275	10,716
China	565	200	0	4,632	5,397
Colombia	2,768	772	1,946	765	6,251
Congo	0	0	88	0	88
Costa Rica	20	10,863	3,968	168	15,019
Cyprus	16	64	27	3	110
Czechoslovakia	59	161	233	16	469
Denmark	13,635	16,373	14,138	27,590	71,736
Djibouti	0	0	19	0	19
Dominica	1	0	8	1	10
Dominican Republic	180	270	216	499	1,165
Ecuador	942	790	1,129	2,968	5,829
Egypt	60,471	50,211	140,114	200,875	451,671
El Salvador	793	345	19	68	1,225
Finland	27,812	9,722	6,144	4,731	48,409
France	126,288	66,992	154,742	76,507	424,529
French Guiana	9,856	107	48,635	1	58,599
French Polynesia	1	0	0	32	33
Gabon	507	158	0	1	666
Germany, Berlin	0	133	0	0	133
Germany, Federal Republic of	182,963	255,737	379,990	325,121	1,143,811
Chana	4	0	0	5	9
Greece	55,277	175,960	324,902	42,742	598,881
Grenada	0	(1)	0	0	(1)
Guadeloupe	0	0	17	0	17
Guatemala	175	576	175	1,173	2,099
Guinea	0	8	2	1	11
Guyana	61	4	17	12	94
Haiti	0	0	0	(1)	(1)
Honduras	611	2,114	973	205	3,903
Hong Kong	914	3,642	36,588	37,698	78,842
Hungary	31	172	179	648	1,030
Iceland	23	2	16	3	44
India	52,032	2,766	7,391	8,071	70,260
Indonesia	12,955	15,339	22,407	49,702	100,403
ireland	390	1,134	1,491	983	3,998
Israel	209,074	121,731	162,094	136,885	629,784
Italy	84,230	67,746	108,517	46,784	307,277
Ivory Coast	2	108	1	(1)	111
Jamaica	84	1,478	1,339	456	3,357
Japan	340,644	547,923	596,058	615,037	2,099,662
Jordan	8,277	8,624	9,144	1,082	27,127

LICENSES/APPROVALS FOR THE EXPORT OF COMMERCIALLY SOLD DEFENSE ARTICLES/SERVICES—SEPTEMBER 30, 1993—Continued

[In thousands of dollars]

Country/purchaser	October to December	January to March	April to June	July to September	Cumulative
Kenya	131	81	2	163	377
Korea, Republic of	904,008	241,113	233,780	114,077	1,492,978
Kuwait	4,275	52,409	31,143	10,378	98,205
Lebanon	613	47	81	330	1,071
Liechtenstein	0	0	0	2	2
Lithuania	0	0	0	50	50
Luxembourg	4,546	2,982	1,723	3,885	13,136
Macau	17	11	22	173	223
Madagascar	0	2	0	5	7
Malaysia	67,190	219,818	11,372	62,070	360,450
Maldives	0	0	318	0	318
Mali	2	0	0	1	3
Malta	0	(1)	0	0	(1)
Martinique	0	0	0	20	20
Mauritania	0	2	0	0	2
Mauritius	2	27	544	0	573
Mexico	216,595	114,742	216,753	153,316	701,406
Monaco	1	0	11	0	12
Morocco	20,121	76	19,096	7,186	46,479
Mozambique	0	59	0	0	59
Namibia	660	609	288	1,383	2,940
Nepal	(1)	0	34	0	34
Netherlands	152,532	62,228	42,698	64,724	322,182
Netherlands Antilles	42	19	3	52	116
New Caledonia	7	39	30	27	103
New Zealand	4,410	11,140	2,318	12,921	30,789
Nicaragua	88	94	11	15	208
Niger	200	0	0	0	200
Nigeria	1,059	897	278	446	2,680
Norway	72,282	21,676	68,997	22,439	185,394
Oman	2,033	549	18,535	1,532	22,649
Pakistan	50,176	52,289	8,867	15,628	126,960
Panama	2,374	818	2,133	349	5,674
Papua New Guinea	1,601	11	1,128	24	2,764
Paraguay	711	2,085	1,677	702	5,175
Peru	5,580	3,912	81	96	9,669
Philippines	18,547	1,924	23,255	2,631	46,357
Poland	150	1	495	135	781
Portugal	3,480	7,185	31,642	8,567	50,874
Quatar	164	995	343	876	2,378
Russia	0	17	8	1	26
San Marino	7	0	0	0	7
Saudi Arabia	240,120	43,448	109,365	232,488	625,421
Senegal	367	274	0	0	641
Sierra Leone	633	1,608	94	32	2,367
Singapore	82,868	15,120	70,772	15,531	184,291
Solomon Islands	0	8	2	0	10
South Africa	0	0	0	25	25
Spain	22,339	74,786	72,207	64,706	234,038
Sri Lanka	1,166	303	39	15	1,523
St. Lucia	20	4	(1)	4	28
Sudan	0	41	0	49	90
Suriname	11	1	11	1	24
Svalbard and Jan Mayen	600	0	0	0	600
Swaziland	4	16	0	0	20
Sweden	62,417	10,418	99,747	65,830	238,412
Switzerland	80,320	7,569	30,380	17,665	135,934
Taiwan	25,264	14,400	9,695	46,251	95,610
Tanzania	(1)	2	559	32	593
Thailand	39,626	10,822	123,093	202,514	376,055
Tokelau	0	23	32	0	55
Tonga	0	0	0	3	3
Trinidad & Tobago	110	21	31	93	255
Tunisia	348	66	168	1,592	2,174
Turkey	101,701	39,390	228,847	289,468	659,406
Turks & Caicos Islands	1	(1)	0	0	1
Uganda	135	18	7	57	217
Union of Soviet Socialist Republics	0	0	6,034	(1)	6,034
United Arab Emirates	13,617	74,734	132,188	12,376	232,915
United Kingdom	265,261	177,753	386,544	190,595	1,020,153
Uruguay	3,562	6,308	3,005	1,090	13,965
Venezuela	3,040	25,553	10,012	26,679	65,284
Yemen (Sanaa)	1	3	3	131	138
Yugoslavia	0	13,096	0	0	13,096
Zambia	0	16	179	342	537
Zimbabwe	8	13	9	195	225
Calssified Totals[2]	379,249	113,539	224,863	168,926	886,577
International Orgs	59,900	3,088	368,706	1,485	433,179
Worldwide total	4,359,600	3,182,541	4,832,008	3,645,089	16,019,238

[1] Less than $500.

[2] See classified annex to CPD.

Note.—Details may not add due to rounding.

131ST FIGHTER WING ANG HONORED

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1993

Mr. SKELTON. Mr. Speaker, I rise today with great praise for the 131st Fighter Wing Air National Guard of Missouri, based at the St. Louis International Airport.

On Thursday, May 20, Nellis Air Force Base, in the State of Nevada, hosted the Long Shot Competition. This is the first air competition since before the Persian Gulf war.

Long Shot was a long range conventional bombing competition developed to incorporate the variety of fighter and bomber aircraft in Air Combat Command into a conventional combat strike force.

The number and variety of aircraft used in this exercise is a good indication of the complexity of Long Shot and its success shows the versatility of Nellis and the capability of today's Air Combat Command.

The winner of the Long Shot Competition was team 3, comprised of two A–10's, four F–15A's from the 131st Fighter Wing Air National Guard based at the St. Louis International Airport in Missouri, four F–15E's and two B–52's.

Long Shot demonstrated the effectiveness of teamwork and integrated air power.

The Long Shot pilots of the 131st Fighter Wing are: Capt. Daniel E. Barr, Capt. Joseph F. Blake, Capt. Michael W. Harrell, and Capt. Robert W. Hehemann.

The Long Shot crew chiefs of the 131st Fighter Wing are: S. Sgt. John M. Berry, S. Sgt. Michael V. Nabholz, S. Sgt. Robert J. Debrecht, S. Sgt. Bryan H. Durbin, S. Sgt. Gregory E. Essary, S. Sgt. Scott S. Guthrie, S. Sgt. Michael T. Runge, and S. Sgt. William E. Springer.

Mr. Speaker, not only did the crew chiefs maintain the F-15A's, an F-15E was engulfed in flames after landing and the crew chiefs extinguished the fire.

These men represented the 131st fighter wing, the State of Missouri, the Missouri Air National Guard, and themselves very proudly. Congratulations on their achievements.

150TH ANNIVERSARY OF THE INCORPORATION OF THE TOWN OF ROCKY HILL, CT—A SESQUICENTENNIAL COMMEMORATIVE

HON. BARBARA B. KENNELLY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1993

Mrs. KENNELLY. Mr. Speaker, I rise today to recognize a very important anniversary in the First Congressional District of Connecticut, the 150th anniversary of the incorporation of the town of Rocky Hill.

Rocky Hill, a 14-square mile community of 17,000 residents, lies in the center of Connecticut along the banks of the Connecticut River. It is fertile agricultural land once inhabited by the Wangunk Indians prior to English settlement there in 1650. It was known first as the "lower community," and was part of the Town of Wethersfield, first settled in 1634. In 1722, the lower community became a separate parish in Wethersfield; it was called "Stepney," after the London borough.

The parish flourished through the 1700's and early 1800's. A meeting house was built in 1726, and served as the religious and civic center of the growing agricultural community. Stepney Parish possessed a substantial shipbuilding and riverport business handling the diverse farm and livestock trade among Connecticut River towns. Numerous stream-driven grist mills complemented the agriculturally based commerce of the parish. Of historical note is the Rocky Hill-Glastonbury Ferry; established in 1655, It is the oldest continuously operating ferry in the United States.

Stepney Parish shipbuilders contributed to the young American naval fleet during the Revolutionary War. Some of the ships were commissioned by the State of Connecticut as "privateers." This activity led to the establishment of many inns which were patronized by seafarers and travelers alike.

In 1820, Stepney Parish submitted a petition to the Connecticut General Assembly requesting separation from Wethersfield. Following numerous failed attempts, leaders like as Rev. Calvin Chapin, the Minister of the Congregational Church, Elias Robbins, and other finally succeeded in obtaining legislative approval on June 10, 1843. In accordance with the charter, Stepney Parish became Rocky Hill. With its first town meeting held on June 23, 1843, the town of Rocky Hill was established. On that historic day, its population totalled about 1,000.

Over the next 150 years, Rocky Hill prospered. It remained an agricultural community, although a few manufacturing concerns sprang up. Because it is only 6 miles from the city of Hartford, Rocky Hill also became home for hundreds of residents who worked in Connecticut's capital city. By 1943, Rocky Hill had grown to 3,000 residents.

Today, Rocky Hill is a thriving suburban town, that has fortunately retained much of its rural and historic character. While housing has developed where farms once stood, there still remain thousands of acres of still-cultivated agricultural land, some adjacent to modern office and commercial complexes.

Rocky Hill has been blessed with steady cultural, religious, and governmental leadership throughout its history. From settlement to development, these individuals have always remained centered on what was best for Rocky Hill. Since the days of George Washington, Rocky Hill has distinguished itself as a dynamic and progressive community. Those virtues hold steadfast today.

Mr. Speaker, I am honored to mark the sesquicentennial anniversary of the incorporation of the town of Rocky Hill, CT.

MARTHA CAROLINE GROTE HONORED

HON. CHRISTOPHER COX

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1993

Mr. COX. Mr. Speaker, I rise today to pay a birthday tribute to a strong and gracious lady whose life has spanned this century. Born in Zumbrota, MN on May 29, 1903, Martha Caroline Grote's life is a model of dedication to family and neighbors, and it exemplifies the American work ethic.

After attending school in a one-room schoolhouse, she graduated from the eighth grade and went on to work on a registered dairy farm near Red Wing, MN. Her tasks varied widely, 1 day plowing fields, the next cleaning barns, another milking the cows. Her work ethic sprung from the influence of her first employer, a woman who helped in molding her life.

Marriage led to a relocation in Fairbault, MN, where she worked as an instructor and sample maker in a shoe factory. Moving to St. Paul, she transferred to the employ of H. Harris Manufacturing, as both a supervisor and instructor.

Eventually, her hard work paid off, and she was able to purchase her lifelong home on Beechwood Ave., where she still resides. Now celebrating her 90th birthday, she continues to sew, repair, and alter clothing for her friends and neighbors. May Good bless Martha Grote as she begins her 10th decade.

EXCESSIVE BANKING REGULATIONS

HON. JIM RAMSTAD

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1993

Mr. RAMSTAD. Mr. Speaker, Congress should act now to spur the creation of jobs by lifting the regulatory burden on America's banks.

We've seen the Federal Register of government regulations grow by 27,000 pages already this year.

In 1980, there was one regulator for every three banks in this country—but by the end of the decade, there will be three regulators for each bank

This regulatory overkill means higher costs for consumers and few loans for small businesses.

I recently visited Richfield Bank & Trust in my district to review the paperwork required by regulatory agencies. I was stunned by the endless paperwork and unnecessary redtape involved in the approval of a simple business loan.

Referring to the Clinton administration's plan to ease some of these regulations, a former head of the FDIC, said, "I don't think the administration's plan will change anything."

Mr. Speaker, Congress must address the problem of regulatory overkill. Congress must quit stifling business growth and job creation.

Congress must act to ease banking regulations now.

THE CASE OF JONATHAN POLLARD

HON. DAVID A. LEVY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1993

Mr. LEVY. Mr. Speaker, in November 1985, Jonathan Pollard was arrested and charged with spying on behalf of Israel. Seven months later and pursuant to an arrangement with the prosecutors, Mr. Pollard entered a plea of guilty. In exchange for the plea, prosecutors were not to seek the maximum penalty of life imprisonment and were to advise the court of Pollard's cooperation during the investigation. Notwithstanding this agreement, Mr. Pollard was sentenced to a life term.

I certainly do not condone the activities in which Mr. Pollard has engaged and to which he has admitted. Espionage is a serious offense and penalties for those convicted on espionage charges should fit the crime. I do believe, however, that the punishment meted out in the Pollard case was excessive. Further, it completely violated the plea arrangement to which Mr. Pollard agreed.

Mr. Speaker, the case concerning Jonathan Pollard is mind boggling. One hour before Mr. Pollard was to be sentenced in 1987, then Secretary of Defense Caspar Weinberger sent a hand-delivered letter to the judge, urging the stiffest possible sentence "commensurate with the enduring quality of treason"—totally ignoring the fact that Mr. Pollard was never accused of treason. At a hearing in 1991, one of the judges asked the prosecutor "How in God's name can you justify Weinberger's use of the word "treason" in his memorandum to the sentencing judge?" In turn, the prosecutor admitted that the word "treason" in Mr. Weinberger's memorandum was regrettable.

Mr. Speaker, I was assured recently that Mr. Pollard's application for commutation of his life sentence is being considered by the Justice Department. I am hopeful that the administration will soon discern this fundamental miscarriage of justice and grant Mr. Pollard the fairness and equity that is afforded every American citizen.

PRESIDENT CLINTON CONGRATULATED

HON. JIM LIGHTFOOT

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1993

Mr. LIGHTFOOT. Mr. Speaker, I congratulate the President on his decision to renew MFN to China for another year. I find it ironic Mr. Speaker, that President Clinton constantly criticized President Bush for his foreign policy decisions in China and Bosnia but when it comes time to do something he always seems to "stay the course" set by Mr. Bush.

Mr. Clinton's decision represents a victory for people who believe in doing more than grandstanding and showboating to make it look like they care. That's why we won't see MFN bills on the floor of the House this year, they simply were not serious solutions. Our relations with China are complicated and we must pursue separate policies for each problem.

Mr. Speaker, I hope at the least, Mr. Clinton will pursue the concept of annual high level talks on human rights, similar to the annual human rights talks between China and Australia. I also hope he will consider formalizing such talks by establishing a bilateral Human Rights Commission with China, similar in concept to my proposal, H.R. 2254.

NATIONAL HISTORIC PARK IN NEW BEDFORD, MA

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1993

Mr. FRANK of Massachusetts. Mr. Speaker, the Massachusetts House of Representatives recently passed a very important resolution, dealing with a subject on which I am working very hard in Congress. That subject is the creation of a National Historic Park in New Bedford, MA, making the great waterfront of that city more widely known to the public in a manner that will allow more and more people to enjoy it and learn from it.

The waterfront in New Bedford has been an important part of America's economy for nearly all of our country's history. From the whaling days of the 19th century to today, it has been a vibrant, working part of our regional economy, while at the same time it is today an extraordinarily vivid example of American history preserved.

An extremely dedicated and thoughtful group of people who have come together in the Waterfront Historic Area League, known as WHALE, brought to my attention the strong arguments for creating a national park here, and with the active help of the city administration, I have been working closely with WHALE to get approval from the appropriate Federal entities, both the executive and legislative, of a national park here.

As an example of the wide support which this project has in New Bedford, the three State Representatives who represent the city of New Bedford in the Massachusetts House—Joseph McIntyre, Antonio Cabral, and Robert Koczera—combined to secure passage of a resolution memorializing us to act on this. The resolution does an excellent job of stating the strong case for movement here, and I ask that this memorial be printed at this point in the RECORD so that my colleagues will be able to see it and understand the case.

RESOLUTION

Whereas, New Bedford during the nineteenth century was known far and wide as the whaling capital of the world and in this role provided both the oil that fueled the Nation's lamps and the lubricants that kept the wheels of the industrial revolution turning; and

Whereas, its whaleships and whalemen furnished the inspiration for Herman Melville's "Moby Dick," considered by many the greatest of all American novels; and

Whereas, it's importance in American history extended beyond whaling into areas such as immigration and black history; and

Whereas, the people of New Bedford have over the years lovingly preserved and restored a host of fine nineteenth century buildings, including the Seaman's Bethel, immortalized in "Moby Dick," and the Rotch-Jones-Duff House and Garden Museum, one of the finest monuments to Greek revival architecture in the country; and

Whereas, the city's twenty-acre national historic landmark district has become a model for historic preservation and economic revitalization, successfully integrating tourism and industry in an environment of restored whaling era buildings, streets and sidewalks; and

Whereas, its national historic landmark schooner *Ernestina*, gift of the Republic of Cape Verde to the people of the United States, serves as a symbol both of our country's maritime heritage and of its ethnic diversity; and

Whereas, its whaling museum houses the world's foremost collection of whaling artifacts and documents as well as an extensive collection of art glass and painting created in New Bedford by artist's drawn to the city by whaling era prosperity, and

Whereas, the National Park Service has determined that the theme of whaling is significant enough in American history to merit a national park, and

Whereas, no such park exists in the National Park System today; and

Whereas, New Bedford meets all established Park Service criteria and has been determined by the Park Service to be the best single place to present the story of whaling; and

Whereas, a report evaluating the economic impact of a national park on the Greater New Bedford area concludes that such a park would spur the creation of hundreds of new jobs and add millions of dollars annually to the local economy; therefore be it

Resolved, That the Massachusetts House of Representatives respectfully memorializes the Congress of the United States to recognize the significance of creating a National Historic Park in the city of New Bedford, Massachusetts, in order to interpret and relate the history of the whaling industry in America, and be it further

Resolved, That a copy of these resolutions be forwarded by the Clerk of the House of Representatives to the presiding officer of each branch of Congress and to the members thereof from this commonwealth.

BANKRUPTCY AMENDMENTS OF 1993

HON. MIKE SYNAR

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1993

Mr. SYNAR. Mr. Speaker, today I am introducing legislation that will streamline the often lengthy and costly consumer bankruptcy process by resolving several problem areas in the administration of the Bankruptcy Code. This measure reforms the Code by strengthening and clarifying the bankruptcy rights of individual debtors, including homeowners and businesses, while addressing numerous creditors' concerns with the present Code.

As a Member who has been involved in bankruptcy issues over the years, my primary goal in reform legislation is to ensure that the Bankruptcy Code remains balanced between the needs of the debtor and the rights of the creditor. Because much time has passed since Congress has addressed this substantive bankruptcy issue, the law's balance has become endangered and the need for reform is critical. Some of the Code's provisions are outdated, while other problems stem from court interpretations of particular sections.

The problems with the Code have been further exacerbated by the rise in individual bankruptcy filings which in itself is a matter for concern and examination. In addition, the ability of retailers, small businesses, and lending institutions to conduct business will be negatively impacted without bankruptcy reform.

The bill I introduce today takes direct aim at the Bankruptcy Code problems facing consumers. The legislation's major provisions will expand a debtor's eligibility to file under chapter 13; clarify the definition of household goods exempted from the bankruptcy estate; clarify the definition of fraudulent transactions; liberalize reaffirmation agreements; protect purchase-money secured creditors from avoidable transfers by conforming the Code with State laws; eliminate cramdowns for residential mortgages and extend the payment period from 3 to 5 years without having to show good cause.

It is time for the Bankruptcy Code to be updated and streamlined in a fair and balanced manner that allows debtors and creditors to use the Code to its fullest advantage. This bill accomplishes that goal and I urge my colleagues to strongly support the legislation.

GRAPHIC POSTCARD ACT OF 1993 INTRODUCED

HON. NANCY L. JOHNSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1993

Mrs. JOHNSON of Connecticut. Mr. Speaker, today I rise to urge your support for legislation that I have introduced, the Graphic Postcard Act of 1993. My bill, formulated after postcards showing a dismembered fetus were sent unsolicited to four towns in Connecticut, requires that material depicting violent or sexually explicit acts sent through the U.S. Postal Service be enclosed in an envelope emblazoned with a large print warning.

It is not unusual for parents to allow small children to open the mailbox and examine the contents. Bills, letters, and most advertisements pose no threat to young children. Sexually explicit material is already required to be covered when sent through the mail.

The right to free speech is one we all cherish. This legislation will not interfere with free speech; it does not prohibit graphic materials to be mailed, but instead places a simple requirement on their mailing in order to protect children. Like it or not, those responsible for these postcards have every legal right to use the U.S. mail to express their viewpoints. However, I believe that parents have an equal right to protect their children from graphic presentations of frightening violent actions. Requiring an envelope and warning does not infringe on the sender's freedom of speech, it simply guarantees protection for our Nation's children.

This is rational action to stop dangerous behavior. Hundreds of my constituents have called or written to let me know they were outraged by these postcards. The level of violence in our society has reached an unprecedented level and is eroding the values that have made us a strong society. We have a special obligation to protection and this is step one.

I, therefore, urge my colleagues to join me in support of the Graphic Postcard Act of 1993.

THE GROWING IRANIAN THREAT

HON. BILL McCOLLUM

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1993

Mr. McCOLLUM. Mr. Speaker, today I would like to take this opportunity to call to the attention of the House an article dealing with the State Department's Iranian policy which appeared on the front page of the May 27 New York Times. The article cites recent State Department remarks on Iran, reflecting a shift in both attitude and policy. State Department officials have wisely pointed out the ever increasing danger posed by the belligerent policies of Iran toward the United States.

As chairman of the House Republican Task Force on Terrorism and Unconventional Warfare, I am pleased by the State Department's change of attitude toward Iran. For several years, the task force has documented Iran's irresponsible and threatening behavior. For example, the task force reported almost 2 years ago Iran's intention to acquire nuclear weapons. We have also revealed Iran's involvement in the attempt to overthrow the recognized Government of Egypt. And on March 1 of this year the task force connected the shootings at the CIA and the bombing of the World Trade Center to Iran long before either investigators or the media were willing to concede any ties.

The task force has received criticism from some elements of the media and Government for its supposed extreme views regarding Iran. It is now apparent that these views were less extreme and, in fact, accurate reports of Iranian behavior. However, the State Department's long overdue shift in attitude is only the first step in neutralizing Iran's exporting of terrorism to the United States and other Western nations. We must recognize, in all areas of government, that terrorism is a real threat here in the United States. Iran, in effect, is conducting a type of low-intensity war against America and its allies designed to confound our legal system and standards.

Why is Iran doing this? We must recognize that Iran's primary goal is to destabilize the Middle East and the Moslem world so that it can overthrow the pro-United States Government in Saudi Arabia and the other emirates. In the absence of a stable and moderate Saudi Arabian Government, Iran would begin to exert influence on oil production and pricing, thereby increasing its influence worldwide. In such a context Israel would also be much more vulnerable to attack but could not be certain of Western support due to Iran's stranglehold on the world's petroleum lifeline.

By the imperatives of this strategy, Iranian strikes against and in the United States can be used to demonstrate to those regimes dependent on United States protection that not even America can defend itself.

In order to effectively combat this Iranian aggression our Government must create a full and complete policy to anticipate, prevent, and, if necessary, retaliate against state-sponsored terrorism against the United States. To prevent future World Trade Center bombings, it is going to require greater commitment and planning than simply calling for further economic sanctions.

The following is the text of the New York Times article:

FEARING MORE HOSTILITY FROM IRAN, U.S. CONSIDERS MOVES TO ISOLATE IT

(By Douglas Jehl)

WASHINGTON, May 26.—The Clinton Administration is preparing a broad new effort to weaken Iran by persuading reluctant allies to cut off loans, investment and arms sales to what American officials regard as a permanently hostile Government.

The plan, drafted as part of an intensive policy review, reflects a conclusion that Iran must be isolated if it is to be prevented from emerging as a substantial threat to Western interest. Thus, the plan rejects Reagan and Bush Administration policies that offered to reward Teheran for good behavior.

ABANDONING A BALANCE

Administration officials said the new approach aimed at denying Iran access to the money and weapons needed to complete a military resurgence. They said it was based on a decision that the United States and its allies should now treat Iran as harshly as it treats Iraq.

For much of the 1980's, the United States sought to play Iran and Iraq against one another. But with United Nations sanctions imposed on Iraq since the end of the Persian Gulf war, the Administration has concluded that the wiser policy is "dual containment."

Secretary of State Warren Christopher hinted at the emerging shift earlier this year by denouncing Iran as an "international outlaw" and a "dangerous country" for its support of terrorism and its pursuit of nuclear weapons. But the new policy is far more sweeping than Mr. Christopher indicated when he said the United States would seek to block loans to Iran by international organizations.

Administration officials say the isolation of Iran should end only if Teheran halts its support for terrorism, curtails its military buildup, stops its subversion of other governments and ends its quest for nuclear weapons.

CATALOGUE OF ACCUSATIONS

Among the antagonistic activities that United States officials attribute to Iran is active support for efforts by the Hamas and Party of God organizations to use violence to disrupt the Mideast peace talks. The officials say Iran has also helped establish terrorist training camps in Lebanon and the Sudan, and has assisted groups trying to overthrow the Governments of Egypt, Algeria, and Tunisia.

The United States already subjects Iran to stiff sanctions that prohibit military and most commercial ties. Administration officials said their new policy could succeed only if other countries could be persuaded to change course.

Among the top priorities, Administration officials said, are efforts to convince Russia and China to cancel deals to provide Iran with weapons and nuclear reactors, and to persuade Japan, Germany and Britain to cut off loans.

None of those countries have shown any willingness to sever such lucrative ties, and Japan in particular has argued that commercial links can encourage moderate elements inside Iran. But while the United States once harbored similar hopes, Administration officials now regard all factions in the current leadership as bound to remain hostile toward the West.

While many deals between United States companies and Iran are already prohibited, the new policy would almost certainly lead the Administration to reject a request by the Boeing Company to sell 20 Boeing 737 jetliners to Iran, a deal worth more than $750 million, officials say.

The broad outlines of the new approach were described in a speech last week by Martin S. Indyk, the senior director for Middle East policy for the National Security Council, to the Washington Institute for Near East Policy, a research group.

Mr. Indyk said bluntly, "If we fail in our efforts to modify Iranian behavior, five years from now Iran will be much more capable of posing a real threat to Israel and to Western interests in the Middle East."

The review of United States policy toward Iran was one of several dozen such studies requested by President Clinton shortly after he took office.

But the atmosphere surrounding it has been intensified by suspicions that Iran might have had a role in the World Trade Center bombing, Government officials say. Investigators have found that tens of thousands of dollars were wired from Iran to bank accounts held by suspects in the bombing.

NO HELP LIKELY FOR REBELS

Final details of the plan await White House approval, Administration officials say. But while Mr. Clinton made overtures to the main Iranian opposition group before he took office, his advisers said there was no chance that the new policy would involve closer ties with the group, the People's Mujahedeen.

The Administration has concluded that the Mujahedeen's ties to Iraq and its terrorist attacks against Americans in the 1970's make it an unacceptable partner.

The officials also expressed little optimism that the organized resistance or other domestic unrest could force a significant change in the Iranian Government. They said they expected President Hashemi Rafsanjani to win re-election to a second four-year term in elections on June 11.

Administration officials also said the United States had rejected seeking an embargo on sales of Iranian oil. the rebels have called for such a ban, but the policy review concluded that it could not be enforced without imposing a military blockade, a step Mr. Clinton's advisers are unwilling to take.

In outlining the effort to isolate Iran, Administration officials acknowledged that the task would be more difficult than the containment of Iraq, which carries the weight of United Nations sanctions.

In March, an initial United States attempt to isolate Teheran failed when the World Bank overrode Washington's objections and approved a $165 million loan to upgrade Iran's electrical power system. But officials who outlined the new policy said the United States intended to amount an aggressive effort to persuade other countries of the dangers Iran poses.

Administration officials have begun to argue that Iran, which has borrowed $25 billion in the last four years, is not a good investment. Teheran has already fallen $5 billion behind on its payments, and the Administration intends to warn countries that go ahead with sales of weapons and nuclear goods that they run the risk of not being paid.

Because of high inflation and unemployment, a senior Administration official said, Iran was "more vulnerable than it has been in the past or is likely to be in the future." But he repeated Mr. Indyk's warning that "this moment will not last long."

The Central Intelligence Agency has warned that Iran may acquire a nuclear weapon by the end of the decade. Its deals with Russia and China for nuclear reactors are regarded with uneasiness by some American analysts, who say the plants may be being used as a cover to acquire sensitive technology.

A simultaneous Iranian buildup of conventional military forces has prompted similar concern. While officials at the Defense Intelligence Agency have said Teheran's $2 billion military spending spree may be merely an effort to rebuild forces depleted during its eight-year war with Iraq, purchases of Russian submarines and a bid to buy top-of-the-line tanks have persuaded other officials that Iran seeks to become the dominant power in the Mideast.

TRIBUTE TO E.I. "MIKE" HOCKADAY

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1993

Mr. SKELTON. Mr. Speaker, today I pay tribute to an outstanding Missourian and personal friend, E.I. "Mike" Hockaday, who died on Friday, May 21, 1993.

Mike Hockaday was born on June 3, 1911, in Pleasant Hill, MO. He graduated from Westminster College in Fulton in 1935 and taught at the Algoa Intermediate Reformatory for 2 years.

On July 1, 1937, Mike Hockaday began his long and successful career with the Missouri State Highway Patrol. In 1957 he was named lieutenant colonel and served as acting police chief of Kansas City during 1961. In November 1965, he was named superintendent of the Missouri State Highway Patrol, and served as that until January 1973. In addition, Colonel Hockaday held numerous positions with the Missouri Peace Officers Association and the Missouri Police Chiefs Association. In 1983, Colonel Hockaday was elected as presiding commissioner of the Cole County Commission, which he held until December 1986.

Along with his many years of service to the Missouri State Highway Patrol, Mike Hockaday was also active in many community activities. He was an elder of the First Presbyterian Church, past president of the Jefferson City Rotary Club, member of the board of trustees of Memorial Community Hospital, executive board of the Boy Scouts of America, and member of the law enforcement education advisory board.

E.I. Hockaday is survived by his wife, Cerese McQueen Hockaday; 2 daughters, Joanne Czarlinsky of Jefferson City and Karen H. Avery of Overland Park; a sister, Isalind Terril of Pleasant Hill; 6 grandchildren and 10 great-grandchildren.

E.I. Hockaday will not only be missed by his family and friends, but by his community as well.

COLONEL HOCKADAY DIES AT AGE 81

E.I. "Mike" Hockaday, 81, former superintendent of the Missouri State Highway Patrol and presiding commissioner of Cole County, died Friday at Meadowbrook Manor Nursing Home in Jefferson City.

He was born June 3, 1911, at Pleasant Hill, a son of I.H. and Isa Orem Hockaday.

On June 27, 1929, he was married at Horton, Kan., to the former Cerese McQueen, who survives at the home.

A graduate of Pleasant Hill High school and a 1935 graduate of Westminster College in Fulton, he taught school at the Algoa Intermediate Reformatory for two years prior to his appointment to the Missouri State Highway Patrol on July 1, 1937.

He was placed in charge of the patrol's crime laboratory in 1940, promoted to the rank of sergeant in 1940 and to lieutenant in 1943.

He was a graduate of the FBI National Academy in 1944. He also attended various seminars on police work and lectured at the Missouri State Highway Patrol Academy.

Col. Hockaday was a guest lecturer at the Southern Police Institute at the University of Louisville.

On July 1, 1946, he was promoted to the rank of captain and placed in command of the patrol's general headquarters in Jefferson City. He was promoted to the rank of major and named assistant superintendent of the patrol on May 1, 1953. He was named lieutenant colonel in 1957.

From April of 1961 until September of 1961 Hockaday served as acting police chief of Kansas City, appointed by the later former Gov. John M. Dalton.

Upon the death of Col. Hugh Waggoner, Col. Hockaday was named superintendent of the Missouri State Highway Patrol on Nov. 16, 1965, by former Gov. Warren E. Hearnes.

Col. Hockaday served as patrol superintendent until January of 1973, when he was replaced by Sam C. Smith, who was appointed by former Gov. Christopher S. Bond.

Col. Hockaday held numerous positions with the Missouri Peace Officers Association and the Missouri Police Chiefs Association. He also was a member of the International Association of Chiefs of Police. He was president of the Missouri Peace Officers Association in 1970 and executive vice president of the International Association of Chiefs of Police in 1972.

Col. Hockaday was a member of the Missouri Academy of Squires. He also received the Westminster College Distinguished Alumni Award.

Col. Hockaday was elected as presiding commissioner of the Cole County Commission. He served from January of 1983 until December of 1986.

Active in several organizations, he was a member and elder of the First Presbyterian Church; a member and past president of the Jefferson City Rotary Club; a member of the Board of Trustees of Memorial Community Hospital, a member of the executive board of trustees of Memorial Community Hospital; a member of the executive board of the Boy Scouts of America; and a member of the Law Enforcement Education Advisory Board.

Col. Hockaday was a past president of the Jefferson City Salvation Army, a member of the board of directors of the Cole County Historical Society and a member of the board of Alumni Council of Westminster College.

In addition to his wife, Col. Hockaday is survived by two daughters, Mrs. Joanne Czarlinsky of Jefferson City and Mrs. Karen H. Avery of Overland Park; one sister, Mrs. Isalind Terril, Pleasant Hill; six grandchildren and 10 great-grandchildren.

Private graveside services and burial will be at Riverview Cemetery.

Visitation will be at the First Presbyterian Church from noon until 1 p.m. Monday.

A memorial service will be at 1 p.m. Monday at the First Presbyterian Church, with the Rev. R.W. Beard officiating.

Memorial contributions may be made to the First Presbyterian Church or to the Rotary Foundation.

Arrangements are under the direction of Freeman Mortuary.

PRESERVATION OF LIFE THROUGH WATER RESOURCES PLANNING ACT OF 1993

HON. BOB FRANKS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1993

Mr. FRANKS of New Jersey. Mr. Speaker, today I rise to introduce bipartisan legislation which would direct the Army Corps of Engineers to fully consider the prevention of the loss of human life when planning water resources projects.

Mr. Speaker, currently the prevention of loss of life is not one of the main criteria in deciding whether to proceed with a water resources project. As my colleagues may be aware, economic and environmental factors are weighed more heavily than the consideration of how many lives a flood control project could potentially save. In practice, this means that if you live in an affluent area prone to flooding, your area is more likely to qualify for a flood control project than a poor area. Conversely, if you reside in a poor area with low property values, that area probably would not qualify for a flood control project. My legislation would simply help even this disparity by including the value of preventing the loss of life when the Army Corps does its cost/benefit analysis of a water resources project.

Mr. Speaker, perhaps an even more disturbing fact is that the Army Corps factors in the cost of livestock when deciding whether to build a flood control project, yet the Corps does not quantify human life in the same terms. In this century alone, tens of thousands of Americans have perished in floods. My colleagues may recall that recently four people in Texas and Oklahoma died due to severe flooding. Clearly, if the Corps can consider the loss of animals when determining the viability of a water resources project, the Corps can also at least equally weigh human life.

Mr. Speaker, I am pleased that Congresswoman SHEPHERD, and Congressmen GALLO, SAXTON, MENENDEZ, MICA, and JEFFERSON have joined me in introducing this legislation. I invite my colleagues to help rectify this inequity in the law by also cosponsoring this legislation.

IN RECOGNITION OF DR. RICHARD H. MOY

HON. JERRY F. COSTELLO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1993

Mr. COSTELLO. Mr. Speaker, I rise today in recognition of Dr. Richard H. Moy, who is stepping down as the founding dean of the Southern Illinois University [SIU] School of Medicine in September. Dr. Moy was selected to head Illinois' downstate medical school in 1969. He is presently the senior ranking dean among deans of the Nation's 126 medical schools.

Dr. Moy's mandate for the school to provide humane and caring physicians for Illinois has created many revolutionary ideas that are now standards for medical school accreditation. Dr. Moy is an active member of the Association of American Medical Colleges and also serves on the U.S. Medical Licensing Examination Committee and the National Board of Medical Examiners.

Though he is giving up his position as senior dean, Dr. Moy will become dean emeritus and continue to serve at SIU. I am thankful for his contributions to SIU's School of Medicine and to medical education in Illinois. I wish him well in his retirement. Mr. Speaker, I thank my colleagues for joining me in recognition of Dr. Richard H. Moy.

STEVE D. VALDIVIA HONORED

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1993

Mr. TORRES. Mr. Speaker, I rise today to recognize my good friend, Steve D. Valdivia. Steve is retiring from the Community Youth Gang Services after 10 years of dedicated service.

In 1970 the barrios of East Los Angeles were in serious turmoil. Gang vendettas took lives in ever increasing numbers. In a move to neutralize hostilities a group of gang leaders and I arranged a truce in order to use the period of peace to talk things out. We left town and took a weekend retreat in the San Gabriel Mountains. It was there that we reached agreement to work together and rebuild the Maravilla housing project. Central to this peace was the Cleland House and the 18-year-old youth counselor Steve Valdivia.

Steve has dedicated 10 years to the development and betterment of Los Angeles' youth. In 1970, he began his career as a youth counselor at the Cleland House, an antigang community organization in East Los Angeles.

In 1972, Steve was appointed executive director of Cleland House at age 22, then the youngest executive director in a Los Angeles County social service organization. Under his direction and guidance, Cleland House became widely recognized as the leading institution involved in antigang programs and activities. In addition, through the cooperation of community residents, foundations and corporations, Cleland House raised over $4.2 million for its reconstruction and renovation.

In 1983, Steve was appointed by the Los Angeles County Board of Supervisors to serve as the executive director of Community Youth Gang Services. In this capacity, he implemented the Community Youth Gang Services target area strategy which offers a multifaceted target area approach and combines gang intervention, community action, educational and prevention activities in Los Angeles neighborhoods. Steve also initiated the Reduction of Street Violence Program [RSVP], which focuses on the education, prevention, and enforcement of antigang programs and services.

Steve also volunteers his time as chairman of the Prevention Committee of the Los Angeles Inter-Agency Task Force; vice-chair of the Los Angeles County Public Health Violence Prevention Coalition; member of the California District Attorney's Association; member of the Mayor's After School and Education Committee; and as a member of the executive committee of the United Way Roundtable on Gang Violence.

Steve has been recognized as an expert in the dynamics, prevention, and control of gang activity. His expertise has resulted in gang prevention legislation at the local and national levels. In addition, Steve assisted in establishing the City of Los Angeles Youth Opportunities Unlimited [Y.O.U.] Program; and managed the Sweep Up Los Angeles Program.

Mr. Speaker, on June 3, 1993, family, friends, civic leaders, and the community of Los Angeles will be gathered to honor Steve D. Valdivia. It is with great honor and pride that I ask my colleagues to join me in saluting Steve for his tireless and unselfish devotion to the youth of Los Angeles County.

CELEBRATING DR. TONY GONZALES' 40 YEARS IN EDUCATION

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1993

Mr. STARK. Mr. Speaker, I am here today to pay tribute to a man who has given so much to the people of California, Dr. Tony M. Gonzales. After dedicating 40 years to the field of education, he will retire this June. His gift has been perhaps the greatest of all: The gift of knowledge.

A resident of Union City, CA, Tony served his country by spending both 3 years in the U.S. Air Force, and 2 years in the U.S. Army, Through education, he has received almost as many letters as the alphabet; Tony earned degrees from B.A. to M.A., and Ed.S. to Ph.D.

Tony has dedicated his professional life to sharing knowledge with others through continuous involvement in the educational process. A lifetime member of the National Education Association, he taught high school for 8 years, was an assistant high school principal for 4 years, and principal himself for another 4.

Tony's dedication and commitment is exemplified through his work in the field of bilingual education. He both chaired and coordinated five northern California bilingual-multicultural conferences. Tony also cochaired the first California Association for Bilingual Education [CABE] held in San Francisco. And 18 years were spent hard at work as a director of bilingual education.

I ask my colleagues to join me in honoring Dr. Tony Gonzales on the eve of his retirement. After 40 years in education, he deserves both our warmest wishes and profound thanks.

NATIONAL PREVENTIVE STRATEGY FOR ADULT IMMUNIZATIONS

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1993

Mr. MURTHA. Mr. Speaker, President Clinton has spoken often about the need for increased childhood immunizations, and I'm thankful for his voice in that critical area, however there is another area that must not be forgotten. Thousands of adults in the United States die every year because of diseases that can be prevented by vaccines.

Partnership for Prevention, a nonprofit organization whose mission is to ensure that health promotion and disease prevention receives the same attention given to treatment and diagnosis in addressing the Nation's health care needs, has prepared a report which I and Senator DAVID PRYOR are distributing to our House and Senate colleagues.

The report contains some disturbing information. The report states that up to 60 times more adults die from vaccine-preventable diseases than children. The most alarming fact about this is that these deaths are preventable, and yet only 32 percent of Americans over the age of 65 receive an annual influenza vaccine.

Why are so few Americans properly immunized? The report states that there are a number of reasons, and heading the list of reasons is the fact that adult susceptibility to infectious diseases is not a national priority. There is no well-organized, widely accepted advocacy effort at the national level to promote adult immunization coverage as there is for children.

We can do our part by informing our constituents about the need for those over the age of 65, as well as adults with chronic conditions, to visit the doctor or clinic to get a flu shot annually.

Secretary Shalala has taken a significant first step by expanding Medicare coverage to include annual influenza vaccinations, but in order for this to be truly effective, we must have a mechanism for informing each beneficiary that this benefit exists.

I also believe that there is more the Federal Government can do, and I look forward to working with my House and Senate colleagues to establish a national strategy which includes a national tracking system which will enable health care providers to determine who has and has no received vaccinations.

I would like to call on my colleagues to join me in this fight, ensuring that our Nation's elderly and our Nation's children receive timely vaccinations saving thousands of lives.

IN TRIBUTE TO DOMINGA VELEZ FOR HER 25 YEARS OF DEVOTED TEACHING

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1993

Mr. SERRANO. Mr. Speaker, I rise today to pay tribute to a woman whose 25 year career as a paraprofessional at Public School 48, is a model of selfless—and joyful—devotion to the children of her South Bronx community.

From her start in October 1967 until her retirement last spring, Dominga Velez played an increasingly important role in furthering the academic goals and supporting the emotional well-being of the children of her school.

While her day-to-day responsibilities entailed assisting in bilingual an monolingual reading programs and helping the youngest pupils in kindergarten and prekindergarten adjust to school life, Mrs. Velez also worked closely with administrators, counselors, teachers and parents to coordinate the most healthy and productive learning environment for the youngsters.

Dominga Velez' contributions extended well beyond her professional activities. An open and loving woman, Mrs. Velez developed strong and lasting bonds of affection with students of all ages who turned to her in times of joy and sorrow, confusion and confidence. The youngsters of P.S. 48 could always count on Mrs. Velez when they needed her warm advice or sympathetic ear.

Mr. Speaker, on behalf of all the people who know Dominga Velez I would like to express to all of my colleagues the profound respect and appreciation we will always have for her.

OPPOSING INCLUSION OF PAKISTAN ON THE STATE DEPARTMENT'S LIST OF TERRORIST STATES

HON. ENI F.H. FALEOMAVAEGA

OF AMERICAN SAMOA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 27, 1993

Mr. FALEOMAVAEGA. Mr. Speaker, I am honored today to join our esteemed colleague who spoke earlier, the gentlelady from Michigan, the Honorable BARBARA-ROSE COLLINS, in urging the administration to change its unfair treatment of a longstanding ally and friend of America—the nation of Pakistan.

I, too, am deeply disturbed that the State Department has threatened to classify Pakistan as a "terrorist state," indicating an intent to throw Pakistan into the same unsavory camp inhabited by the oppressive, anti-Western regimes in Iran, Iraq, Libya, North Korea, and Syria.

Although the longstanding conflict between Pakistan and India over the Kashmir has spawned allegations that Pakistan supports militant separatists involved in terrorist activity in India, Pakistan has staunchly denied such allegations. If concrete, irrefutable evidence exists that Pakistan provided material support to terrorists, surely the country should have been listed in the State Department's April 1993 report to Congress on global terrorism. Pakistan's absence from the Department's list of state sponsors of terrorism certainly indicates that the picture on Pakistan is not clear.

Furthermore, Pakistan, by her recent actions, has shown that she abhors the thought of being stigmatized as a terrorist state. During the Afghanistan war, Islamic fundamentalists from throughout the Arab region converged in Pakistan in preparation to joining the battle. After the war, many of these Islamic fundamentalists remained in Pakistan and some may have become independently involved in terrorist activity. To show her good faith, however, the Pakistan Government since April has been rounding up and deporting these Arab fundamentalists en masse.

Given that Pakistan has never advocated support for anti-American propaganda nor anti-Western rhetoric, and given that Pakistan has always been a staunch ally of the United States in multilateral peacekeeping operations, including Desert Storm and Somalia, I believe that our friends in Islamabad should be given the benefit of the doubt.

Mr. Speaker, I would strongly urge the administration to take another look at Pakistan. Our great Nation's present policy toward Pakistan is unfair, and I urge that we remove Pakistan from the State Department's "active continuing review" list and stop these threats to label Pakistan a terrorist state.